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Congressional Record

PROCEEDINGS AND DEBATES OF THE 99th CONGRESS, FIRST SESSION

SENATE—Wednesday, October 23, 1985

(Legislative day of Monday, October 21, 1985)

The Senate met at 8:30 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

Father in Heaven, we remember Lisa Gisvold today, and we ask that You be with this lovely little page. We thank You for successful surgery. We commend her now to Your loving care.

And ye shall know the truth and the truth shall set you free.—John 8:32.

God of truth and justice, help the Senators find their way through the glut of information to the truth. Immersed as they are in a cacophony of words—inundated with an overkill of messages—blasted again and again by a barrage of competing, conflicting, confusing claims—help them and their staffs think their way to light. We thank Thee, Lord, that truth is a fortress—error a house of cards. There is nothing more secure than truth—nothing more vulnerable than error. Under pressure of hundreds of decisions, Lord, guide the Senate to what is right and give them grace to do it. In the name of Him who is truth. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The distinguished acting majority leader is recognized.

SCHEDULE

Mr. ANDREWS. Mr. President, the two leaders will be recognized under the standing order for 10 minutes each. We will then move into routine morning business not to extend beyond the hour of 9 a.m., with Senators permitted to speak therein for not more than 5 minutes each. Following morning business, Mr. President, at 9 a.m. the Senate will begin consideration of H.R. 3244, the Transportation appropriations bill. Votes can be expected prior to the hour of 12 noon in relation to the Transportation appropriations bill.

Also, in the afternoon it will be the intention of the majority leader to resume consideration of S. 1730, the reconciliation bill. Votes can be expected throughout the day and possibly into the evening in the hope of completing action on the reconciliation bill.

Mr. President, I reserve the remainder of the majority leader's time.

(Mr. WARNER assumed the chair.)

Mr. SIMPSON. Mr. President, I want to thank my good friend Senator ANDREWS for a very good effort at pinch-hitting for me. I was trapped in a rather fascinating array of traffic. I thank the Senator from North Dakota, and also the occupant of the chair, Senator WARNER, for their assistance.

I just want to take a very few minutes of the majority leader's time to share with you, I guess it would be best called, a truth, without calling it a frustration. In my 7 years here in this remarkable arena, I have seen us do a remarkable ritual. In my home State we have a rather fascinating bird called a sage chicken. Every spring it has a fascinating ritual that it goes through. It plumps itself and struts and goes through—I guess what would be best called—a type of primitive mating dance or something of that nature. It is rather fascinating to watch, however. It is annual. It comes without question.

We are doing that now. I can see this in my seventh year here. We are about to embark on "the Christmas crunch" and that is something we say will never happen again. We say that we are going to get out on October 1, then we say October 15, then we say November 1, then we say November 15, then we say Thanksgiving, then we say "maybe" December 1. But I can see this session headed right down to those early days before Christmas. I say that as one who now has the duty of assistant majority leader or whip. Sometimes I think that whip is about as rigid as an elongated noodle. I know that my good friend and fellow whip from California, Senator CRANSTON, shares that frustration.

I remember a famous bandleader who retired after many years. Someone said to him, "What is the most frequent request that you had over the years? He said it was, "Where is the restroom?"

The most frequent request I have ever had as whip, and I know Senator CRANSTON agrees with me, is "When do we get out of here?" Or "Do we get Friday off?" Or "Do we get Monday off?"

The answer to this now oft phrased inquiry is "Just before Christmas," as I see it.

Our patient and delightful leader yesterday had our fine Senate pages sing to our conference a few lyrics of "Jingle Bells." That was not for effect; it was for real.

I know the minority leader shares my view and the majority leader's view that we do have our business to do. I guess the most fascinating thing to me is we have only recently returned from a 5-week recess in August and upon the immediate return our colleagues said, "Are we going to be here Monday? Are we going to be here Friday?"

That seems to be all I have heard since the August recess.

We are not getting a great deal of our work done in these last days. The majority and minority leaders urge us on but to little avail.

I think it was Aldous Huxley who referred once in an essay to a certain person being "addicted to sloth." I think we tend to do that. I do, too. I do not leave myself out. I have a long way to travel when I go back to my native ground. I like to do that, too.

It seems that the more time off we get the more we crave. We are addicted to it.

Eight o'clock sessions do not seem to do it. The staff members out there in

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

the range of the box seem to remain quite creative and often creatively detached, I think. And I am sure they like Christmas, too. I have heard that.

I have heard of the most fascinating array of holds, halts, and stop orders, with cries of anguish and of pain, which are quite convincing and vexatious to both sides of the aisle.

We have work to do. It is both leaders' agenda and it is an agreed-upon one. I think we have to share with our colleagues that we can no longer protect you—or me—on Mondays and Fridays. Those things that you have already scheduled, on those weekdays in early December, may have to be revisited by your scheduler.

That is the way I see it. I have not visited with the majority leader, but that comes from my own 7-year assessment, one similar perhaps to the occupant of the chair. For my dear friend Senator WARNER and I came here in the same year, in 1978. I think we have heard and seen this ritual before.

We are going to be right in it again. So I urge upon my colleagues, do come over and do your business if you can feel stirred to do that on both sides of the aisle, because indeed, we only have 36 working days, not counting Saturdays, until December 20. Thirty-six working days. And I need not review the agenda with my colleagues, as they have seen it from the majority and minority leaders.

So, Mr. President, I would say in paraphrase of that fascinating ad, the future really is in your hands. We have business to do and we must perform it. That is what the American public expects of us.

I thank you for your indulgence in that little bit of railing, Mr. President. I do also know that if we continue this 8 o'clock schedule, or 8:30, that at least there will be one remarkable ally here with me. That is the fine Senator from Wisconsin, my fine friend Senator PROXMIRE. It is always a pleasure to see him here at his post this early hour each day.

Mr. President, I yield back whatever remaining time there may be.

RECOGNITION OF SENATOR PROXMIRE

The PRESIDING OFFICER. The Chair recognizes the Senator from Wisconsin for not to exceed 15 minutes.

Mr. PROXMIRE. Mr. President, I am going to use a small part of the minority leader's time and then ask unanimous consent that it be reserved for his later use today.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRESIDENT REAGAN REAFFIRMS HIS SUPPORT FOR RATIFICATION OF THE GENOCIDE CONVENTION THIS YEAR

Mr. PROXMIRE. Mr. President, 13 months ago, President Reagan first called upon the Senate to ratify the Genocide Convention. Last Wednesday, in a letter to the majority leader, Mr. DOLE, President Reagan reaffirmed his support for the Genocide Convention and urged the Senate to complete final action this year.

I am delighted that the President has taken this opportunity to reaffirm his position on the Genocide Convention—a convention that has been pending in this body since 1949.

In calling upon the Senate for ratification, President Reagan has joined a long line of Presidents—both Democratic and Republican, liberal and conservative—in supporting the Genocide Convention. Seven in all. Presidents Truman, Kennedy, Johnson, Nixon, Ford, Carter, and now President Reagan.

All of these Presidents have reached the same conclusion: The Genocide Convention is clearly in the national interest of the United States.

And as the President pointed out in his letter to the majority leader, "ratification of the convention would serve as an important statement in opposing the gross human rights abuses that the convention addresses." The President goes on to note that "we can also use this convention effectively in our efforts to expand human freedoms and fight human rights abuses across the world."

I couldn't agree more. While President Reagan and I differ on the value of two reservations—the so-called Helms-Lugar provisos—that were recommended by a slim majority of the Committee on Foreign Relations, I cannot help but echo his sentiments on the value of this human rights treaty.

Last September, when President Reagan first endorsed the Genocide Convention, we were faced with the imminent adjournment of the Senate, which permitted a threat of filibuster to frustrate the chances for action. But the Senate at that time made an overwhelming commitment, by a vote of 87 to 2, for a resolution committing this body to take prompt action on the Genocide Convention this year.

While we have not quite met that timetable—for prompt action—we can still meet the goal of completing final action on the Genocide Convention this year and I welcome President Reagan's efforts to further this goal.

I urge my colleagues to join me in supporting the President's request for action in the next few weeks.

I might note, Mr. President, that both the majority leader [Mr. DOLE], and the assistant majority leader [Mr. SIMPSON], are strong supporters of the Genocide Convention. Since it has been reported once again, for the sixth time, to the Senate floor for action, I think it is about time we acted on it and I hope and pray we do.

I ask unanimous consent that the President's letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, DC, October 16, 1985.

Hon. ROBERT J. DOLE,
U.S. Senate,
Washington, DC.

DEAR SENATOR DOLE: We now have an important opportunity to reaffirm to the international community the fundamental and unswerving American commitment to human rights.

Last September, following an extensive review by the Executive Branch, I announced the Administration's vigorous support for ratification of the Genocide Convention. The Senate Foreign Relations Committee, after careful consideration, subsequently recommended that the Senate give its advice and consent to ratification of the Convention subject to eight provisions. I am convinced that ratification of the Convention with these eight provisions would further the national interest and fully protect the United States.

Ratification of the Convention would serve as an important statement in opposing the gross human rights abuses the Convention addresses. I believe that we can also use this Convention effectively in our efforts to expand human freedoms and fight human rights abuses around the world. Ratification of the Convention after thirty-seven years would serve to counter the criticisms the U.S. had received over the years for its failure to ratify.

I urge the Senate this year to give its advice and consent to ratification of the Genocide Convention with the eight provisions adopted by the Committee on Foreign Relations.

Sincerely,

RONALD REAGAN.

TIME TO FACE UP TO THE NATION'S $7 TRILLION MOUNTAIN OF DEBT

Mr. PROXMIRE. Mr. President, this country is racing into serious debt trouble. I do not mean just the Federal Government. I mean the country, all of the country. All of us know our Federal deficit in the fiscal year that ended last September 30 rose to well over $200 billion—an all-time record. We know that the total national debt is now crowding an appalling $2 trillion. But that is just the beginning. How about the other two principal sectors of the economy? How about corporate debt and consumer debt?

The debt news gets worse. Both corporate and consumer debt already exceed the Federal debt. Both are zipping along far ahead of growth in the gross national product. Corporate debt now exceeds $3 trillion—far and away the highest ever. A large proportion of American corporate business has bor-

rowed so heavily that in the next recession, business failure and bankruptcies will become epidemic.

The wave of corporate takeovers has aggravated this tendency in two ways. The most common takeover technique relies on borrowed money to buy the stock of the takeover object. When the takeover is accomplished, the new owners transfer the debt they accumulated to buy the stock in the acquired corporation to the corporation itself. In effect, the firm itself pays for the transfer of ownership. In the process, the corporation becomes more vulnerable, in many cases far more vulnerable, when a recession hits the industry.

Second, corporate debt has massively increased as corporations, fearing the prospect of being gobbled up by the new breed of takeover artists, adopt the most obvious and effective defense. They deliberately go into debt, heavily in debt. How does this work? The corporation that would avoid a takeover borrows money heavily to expand or simply to buy up its own stock. How does a large corporation with a 25 percent debt, 75 percent equity position avoid a takeover? That favorable debt-equity ratio makes it almost invulnerable to even the most prolonged and deep recession. The low debt also makes such a corporation a tempting takeover target to outsiders who see the opportunity to pay for their takeover by using the firm's unused borrowing capacity to repay them for the takeover cost. So to avoid a takeover, the corporation converts to a 75 percent debt, 25 percent equity posture. What is the result? The takeover boys lose interest. But in a cyclical industry, the new debt burden may mean insolvency for the corporation if business declines for a year or two.

The spectacular rise of consumer debt—and that debt now exceeds $2 trillion—may represent the most serious problem of all for our economy. Here is why: the recovery the economy has enjoyed since the fall of 1982 was triggered and then driven by a nearly 3-year consumer spending party, a real binge. Nothing in economics or economic behavior is predictable, but there are many reasons to believe that this particular party is almost over. Consider: consumer installment debt has now risen to the astonishing record level of 19 percent of disposal income. The old credit cards have really been working overtime. Meanwhile, the savings rate has fallen to an all time low. In September, it dropped for the fifth consecutive month. It is now down to less than 2 percent of disposal income. Both the Conference Board and the University of Michigan survey of consumer sentiment shows a declining confidence by consumers since midsummer. The Wall Street Journal reported on October 22 that consumers are now so burdened with this all-time record debt that they are able to save little and have few prospects of increased income. One top business economist declares that "monthly payments have reached a pain threshold." Another says, "Consumers are just stretched beyond their limits."

So why is this big rise in consumer debt and big fall in consumer sayings a problem for the economy? Answer: the driving force—consumer spending—that has swept the economy along for nearly 3 years seems to be fading. Consumers whose savings have dwindled and whose debt is already a painfully heavy burden will certainly tend to curtail their buying. As consumer demand fades, it will make it more difficult for both corporations with their $3 trillion debt and for the Federal Government with its $2 trillion debt. The corporations will suffer as consumer buying begins to fall. The Federal Government will find itself in a truly insoluble dilemma.

For many months now, we in Congress have been moaning and groaning about the mammoth Federal deficits. A sluggish economy means a bigger deficit. In fiscal 1984, which happened to be the best economic year since 33 long years before in 1951—in spite of rising revenues and falling welfare and unemployment costs—this Federal Government ran an obscenely irresponsible Federal deficit of $175 billion. During the 1985 fiscal year the economy moseyed along at a somewhat slower rate. It was no recession, but economic growth was a little below the historic 3-percent average growth for the American economy. So what happened to the deficit? The deficit soared to well over $200 billion. Now in the current 1986 fiscal year which we have just started, the level of the deficit will be as much determined by the performance of the economy as the performance of the Congress.

As usual the crystal ball is cloudy. But the coincidence right now of the alltime increase in both consumer debt and corporate debt and the all time fall in consumer savings is bad economic news. This could be a very mediocre year for the economy. That will mean a real struggle by us in the Congress to hold the deficit down even to the $191 billion level required for fiscal 1986 in Gramm-Rudman measure that passed the Senate.

Mr. President, Congress, the corporations and the people of this country have now built a $7 trillion high mountain of debt. This is a very serious debt problem. It is going to take a whale of a lot of luck, skill, sacrifice and blunt honesty to bring this monster under control. The next few years are going to be very challenging and exciting. And let us face it. They are also going to be very painful.

Mr. President, I ask unanimous consent that the article to which I referred from the October 22 Wall Street Journal headlined "After Three-Year Spending Binge, Consumers Seem To Be Exhausted," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AFTER THREE-YEAR SPENDING BINGE, CONSUMERS SEEM TO BE EXHAUSTED

(By Steve Weiner and Hank Gilman)

At a Washington counseling center that helps people with debt problems, the normal wait for an appointment is a week to 10 days. Now, the swamped office requires clients to arrange visits five weeks in advance.

"We charged and charged and charged and finally it became a nightmare," says one client, who asked not to be identified. His credit-card debts total $20,000. "Everything we lived for was to pay off the cards," he says.

After a spending binge of nearly three years, many signals indicate that consumers may be approaching exhaustion. Surveys show that their confidence is falling while personal bankruptcies and delinquency rates on loan payments and credit cards are rising. For most of this year, consumers have relied on savings and credit to pay for deficit spending. But now, burdened with record debt, they are able to save little—if any—money and have few prospects for significantly increased income.

"Monthly payments have reached a pain threshold," says Michael J. Drury, senior economist at A. Gary Shilling & Co. in New York. Adds Susan M. Sterne, chief economist for Economic Analysis Associates Inc. in Stowe, Vt.: "Consumers are just stretched out beyond their limits."

DECLINING CONFIDENCE

The evidence is certainly not conclusive. But the Conference Board, a business research group, says consumer confidence dropped for a second consecutive month in September, and a parallel University of Michigan survey has shown declining confidence since midsummer. Leo J. Shapiro, a Chicago market researcher, says his September consumer survey showed "mixed signals, but a lot of bad ones." Among them: Christmas buying plans are falling sharply, day-to-day spending has been reduced, and economic concerns are rising.

Meanwhile, companies like Sears, Roebuck & Co., J.C. Penney Co. and the lending business of Household International Inc. report that delinquency rates are rising. Debt-conscious Sears customers have paid back about $1.2 billion more credit card debt so far this year than during the same period in 1984. "Our customers continue to retrench and liquidate debt," says Peter R. Fisher, vice president and general credit manager.

That retrenchment may prove to be a disaster for retailers. Many economists now expect consumer spending to grow only one or two percentage points in the fourth quarter or only about half of what they had forecast just a few months ago. Some project flat spending. Although few observers expect consumer spending to slacken so much as to bring on a recession, pessimistic economists say six months to a year may pass before consumers resume their aggressive spending habits. And that threatens to taint Christmas for a second successive year.

"At this point, there's no pent-up demand for consumer goods," says Mr. Drury. "The outlook is for a rotten Christmas, and if spending drops as we expect, it takes the only engine out of the economy." Indeed, despite tighter inventory controls than last year, retailers may again be forced to cut prices sharply this holiday season.

HANDLING MORE DEBT?

Some economists and retailers argue that consumers can handle more debt. Longer loan payback periods and the growth in overall household assets, they say, mean monthly bills are less burdensome now than in 1979, the previous debt peak. More people use credit as a convenience, and more families are in the high-spending 25-to-44 age bracket, thus generally raising debt levels but not the ill effects of debt. The low savings rate, they add, may only be a statistical glitch.

"Middle-class and more affluent consumers are in good shape," declares Philip B. Miller, chairman and chief executive officer of Marshall Field's, the Chicago-based department store unit of B.A.T. Industries PLC. He is expecting an 8% sales gain this Christmas.

But a growing number of economists are becoming convinced that such gains are unlikely because of the squeeze on consumers' finances. "It's getting to the point where there's considerably more thought involved before someone goes out and makes a major purchase," says Walter Dolde, senior economist and vice president at Townsend-Greenspan & Co., in New York. He expects fourth-quarter consumer spending to grow less than 2%, down from 5% in the third quarter.

Ironically, robust spending on a single commodity—automobiles—has sapped much of consumers' remaining financial strength. Powered by rebates and low-interest financing, auto sales soared in the third quarter to an estimated annual rate of 12.3 million autos, up from the recent trend of 10.9 million, says Roy E. Moor, economist for First National Bank of Chicago.

Some retailers blame the strong auto sales for reducing consumer spending in other areas.

REALIGNED BUDGETS

"For us, it started the first of September," says Greenfield Pitts, a vice president at Harvey's department stores, based in Nashville, Tenn. "It looked like customers all met in Central Park at the end of August and said: 'Let's not buy in September.'

"Historically, it seems like when the auto business is good, ours isn't," Mr. Pitts adds. "People skimp for the downpayment and realign their budget and kind of leave us out until they get it in line."

In addition, economists note, an increasing number of consumers have lost control of their budgets; in the 12 months ended June 30, personal bankruptcies in the U.S. were up 6%. "What's going to happen when more and more credit is extended and things go bad again?" asks Ralph Spurgin, general credit manager at J.C. Penney. "The credit problem is going to be worse than ever."

Julie Lee, a Temple Hill, Md., teacher, has destroyed her credit cards after accumulating $4,000 in bills in two years. Like others, she used the cards as a convenient way to pay her bills. Eventually, she noticed she was doubling her normal spending by splurging on clothing, sporting goods and a vacation to England. Now, she says, she is "just buying the necessities and paying the bills."

As more people just pay the bills, says Mr. Drury of A. Gary Shilling, the immediate retail outlook will dim. He expects general-merchandise sales to be flat in the fourth quarter unless retailers, in a repeat of 1984, go on a wild spree of price cutting to induce spending.

"The consumer can hold out longer than the retailer," Mr. Drury says. Given the likely slowdown in auto sales, now that the size and number of incentive plans have been reduced, "you have a bleak picture for second-half retail sales," he adds.

THE NEGLECTED NUCLEAR THREAT

Mr. PROXMIRE. Mr President, consider the possibilities of nuclear war. That dreaded vision foresees a preemptive Russian strike taking out American cities and utterly devastating our country. American retaliation would then destroy Russian cities and the Soviet Union. This is the stuff for television spectaculars. Will it happen? The odds against it happening are at least 100 to 1, maybe 1,000 to 1. But the terrible prospect of an all-out superpower nuclear war so dwarfs any other scenario in the terror of its consequences that it has banished from the public mind other nuclear war possibilities that might be rated 1 to 10, and one or two nuclear war scenarios that are probable.

I am convinced this old world will suffer a limited—if we act decisively a very limited—nuclear war sometime in the next 10 years. After all, this country has adopted as settled conventional war doctrine that we will resort to first use of nuclear weapons in the event NATO would otherwise be in danger of losing a conventional war in Europe. To be sure, our initial use of nuclear weapons would be confined to the battlefield and to small tactical nuclear devices to be used as artillery shells and land mines designed to stop a Soviet tank breakthrough. But such a resort to small tactical nuclear weapons could swiftly escalate into a full fledged nuclear exchange, with the advantage going to whichever side struck with an all-out nuclear attack first.

A more likely—in fact, a probable—military eventuality will come from the use of nuclear weapons by a country that today lacks a significant nuclear capability. Once wars, including nuclear wars, begin, they are extremely difficult to end unless one of the adversaries can bring decisive military power to bear on the enemy. To a country desperately engaged in a struggle for survival, or a holy war to vindicate its special belief in God, the possession of even a very few nuclear weapons would come on like a gift from on high. Little Israel, with its highly concentrated population and the fanatical everlasting opposition of its enemies, could be a logical victim of state-directed terrorism with 8 or 10 nuclear bombs as the preeminent finisher. Of course, Israel could strike first with its own nuclear arsenal if its superb intelligence disclosed the threat before Israeli foes launched their nuclear war of extermination.

It seems almost inevitable that both India and Pakistan will be armed with sufficient nuclear capability to reduce most of Pakistan and much of India to radioactive rubble within 10 years or so. With a decisive advantage on the side of whoever strikes first, an eventual nuclear war between these embittered rivals seems highly possible. But for a scenario that makes nuclear war more than a strong possibility, consider Iran and Iraq.

Here are countries engaged in a bitter, terribly bloody war, driven by a religious fanaticism that is difficult for outsiders to understand. A few well-placed nuclear bombs in the hands of either power could mean a decisive and triumphant end to this double holy war. Both countries certainly have the economic power to buy the necessary nuclear weapons. They probably have the scientific expertise and the access to processed plutonium or highly enriched uranium to build the few weapons they would need. If this Iran-Iraq war and the speedy progress of technology in building ever cheaper and more devastating nuclear weapons goes on, we now know that war will end, with terrible nuclear devastation.

In discussing this situation, Tom Wicker, in the July 5 New York Times, argues that the recognition of the ultimate suicidal consequences that prevents a deliberate superpower nuclear war through deterrence does not apply to any of these situations involving the nonsuperpowers. He is absolutely right. This Nation pours tens of billions of dollars every year into building an ever more complex offensive and defensive nuclear weapons arsenal. We divert a massive proportion of our Nation's scientific genius into research designed to achieve temporary, fleeting advantage in a war which will almost certainly never be fought. Meanwhile, we have done far too little to arrest the nuclear proliferation that represents a far greater probability of triggering the beginning of a nuclear war. We have devoted even less to develop the means to contain a nuclear war once it starts. What policies have we adopted to discourage a nuclear attack by one of the growing number of nuclear armed nonsuperpowers?

Answer: Virtually nothing. Once a nuclear war begins anywhere, even if it involves only relatively small military powers, it could swiftly shoot out of control. It could easily and swiftly lead to the terrible Armageddon of the final war.

MYTH OF THE DAY

Mr. PROXMIRE. Mr. President, yesterday I talked about the myth that a United States-Soviet arms race would place unbearable strains on the Soviet economy. I entered into the RECORD a Foreign Policy article by John W. Kiser that showed that an arms race would have more positive effects for the Soviets than we realize.

Today, I wish to talk about another myth that has been circulating around lately. This one is about star wars.

The myth is that the Soviets fear the technological superiority of the United States and therefore are terrified of President Reagan's Strategic Defense Initiative.

In fact, we have seen Mr. Reagan and other administration officials ride this myth by saying that SDI must be good because it has the Soviets so worried.

Well, Mr. President, John Kiser's article in the fall 1985 issue of Foreign Policy lays out a few facts that tell a different story.

Yes, the Soviets will pay a heavy economic price if they get into an SDI race with the United States. But that race might well produce two consequences that would not be advantageous for the United States.

First, while there is considerable debate whether the Soviets are ahead or behind us in many areas of SDI technology, everyone agrees that the Soviets are weaker than we in one major area critical to SDI—computer technology and integrated computer systems.

A star wars race would force the Soviets to improve their computer technology industry. And that improvement may result in "a variety of positive organizational changes" for the Soviet Government and its economy. In other words, star wars might just be the stimulus to propel the Soviets into the computer world, a stimulus they might never be able to generate from within.

Second, we may be repeating the tortoise and the hare story here. It appears obvious that the congressional honeymoon with SDI will not last. Congressional and executive branch support for SDI may well be inconsistent over the next two decades. The Pentagon procurement process is famous for its stops and starts.

On the other hand, as Kiser points out, "The Soviet system may be slow to crank up, but it is noted for a plodding, persistent pursuit of objectives once important decisions are made."

If the Soviets decide to build a comprehensive strategic defense system, we could well find them march toward a deployment, no matter what the United States does. If a future administration in the 1990's—when a deployment decision is supposed to be made—decides that star wars is not feasible and should not be pursued by either side, that may not matter to the Soviets.

They may be at the point of no return, and like the tortoise, may just plod along until they reach the end of the race.

The genie may be out of the bottle for good.

And our myth may end up costing us dearly.

THE STEEL CRISIS: ONE YEAR LATER

Mr. BYRD. Mr. President, 1 year after the President announced his decision to reject the recommendations of the International Trade Commission and implement his own plan to help American steel producers, the steel industry continues to suffer from unfair competition. In August alone, 25 percent of the American steel market was occupied by foreign-produced steel. This is down from the 30 percent that foreign steel held in June, but it is far from the 18.5-percent maximum that the President promised American steelworkers.

American producers have engaged in the vigorous program of modernization and improvement that was required under the democratic legislation that was passed as the Steel Stabilization Act of 1985. But the administration promised American steelmakers market certainty during this adjustment period. Where is that certainty when one quarter of our steel needs still are being supplied by foreign sources?

The Congressional Research Service has described the current state of affairs in a new report, entitled, "The President's Steel Import Program: One Year Later." I urge my colleagues to examine this report, and consider its conclusions. The report points out that as presently constituted, the President's program cannot succeed in reducing imports to the President's goal of 18.5 percent, or even to the higher ceiling of 20.2 percent described in the Steel Stabilization Act.

I ask unanimous consent that the report be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

THE PRESIDENT'S STEEL IMPORT PROGRAM: ONE YEAR LATER

ABSTRACT

The President's steel import restraint program has as its goal limiting imports of steel to 18.5 percent of the U.S. market for finished steel products and 20.2 percent for all steel products. One year after the announcement of the program, it appears that the goal for all steel products will only partially be achieved for the 1986-89 period. The import market share for all steel products could be reduced, but only to about 22.6 percent of the U.S. market. The ultimate success of the program hinges on the results of negotiations of voluntary export restraint agreements with countries or regions not presently subject to them.

INTRODUCTION AND SUMMARY OF MAJOR CONCLUSIONS

On September 18, 1984, President Reagan announced his policy of limiting steel imports into the United States. Rejecting global quotas, the President directed the United States Trade Representative (USTR) to enter into negotiations with foreign suppliers of steel to the United States to conclude voluntary export restraint agreements (VERs) for five years through 1989. The President established a target of 18.5 percent market share for imports of finished steel products.[1]

Congress subsequently passed the Steel Import Stabilization Act as Title VIII of the Trade and Tariff Act of 1984 (P.L. 98-573). This Act authorized the President to enforce any VERs negotiated under the President's program. Section 803 of the Act established an import market share target for all steel products of 20.2 percent for the five years of the President's program.

By the end of September 1985, the USTR had concluded VERs with 14 countries. These VERs allocated somewhat more than 12 percent of the U.S. steel market to the 14 countries, down from about 15 percent in all of 1984.[2] In addition, negotiations were either in progress or about to begin with others, notably the European Community (EC). Imports from all sources as a share of the U.S. steel market were falling from their 1984 levels: in August 1984, steel imports captured 29.8 percent of the U.S. market; in August 1985, the import market share was down to 25.0 percent, owing to a drop in imports.[3] Clearly, there is evidence to suggest that the President's steel program was achieving at least some degree of success.

While there is no question that steel imports have fallen as a share of the U.S. steel market since the President's program took effect, serious doubts have been voiced that the import market share targets of both the President and Congress can be achieved.[4] The EC share of the U.S. steel market through August 1985 was nearly 7.0 percent, a considerably larger share than was envisaged under its steel agreement with the United States in 1982.[5] Canada, which has not been subject to any import limitations with the exception of certain specialty steel products, has a U.S. steel market share of 3.1 percent, or just short of its historically high 3.2-percent market in 1984.[6] Other non-VER countries, which account for about 8 percent of total U.S. steel imports, supply about 1.7 percent of the U.S. market.[7] If these countries not now covered by VERs were to maintain their current shares, then total import penetration of U.S. steel markets would likely be in the range of 24 percent. To achieve the import share targets of the President and the Congress will very likely require a dramatic reduction in steel imports from the non-VER countries on the order of about 32 percent. Given that the 14 VER countries accepted a reduction in U.S. steel market share of about 18 or 19 percent, it would be reasonable to at least raise doubts that the import shares of non-VER countries could be reduced by so much more.

This report examines the progress made in reducing steel import shares during the first year of the President's steel program,

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Footnotes at end of article.

and the prospects for achieving the import share target established by Congress. The first section provides an estimate of the market shares allocated to the 14 VER countries. The second section examines the problems that are likely to emerge in compressing the import shares of the non-VER countries to meet the congressional import share target.

I. STEEL MARKET SHARES ALLOCATED UNDER VOLUNTARY EXPORT RESTRAINT AGREEMENTS

In the first year of the President's steel program, 14 VERs were negotiated. The countries covered are: Australia, Brazil, Czechoslovakia, East Germany, Finland, Hungary, Japan, Mexico, Poland, Romania, South Africa, South Korea, Spain, and Venezuela.[8] In 1984, these countries accounted for more than 56 percent of total steel imports into the United States and had a combined market share of about 15 percent of the U.S. steel market.[9]

Under the VERS, the 14 countries would be permitted to supply between 12.1 and 12.3 percent of the U.S. steel market from 1986 to 1989. These shares cover both finished and semifinished steel products. A more precise estimate cannot be provided, because 6 of the 14 VER countries have agreements that specify only a maximum import tonnage limitation that includes semifinished steel. Also, 8 of the 14 countries negotiated as part of their VERs separate additional allocations of semifinished steel, expressed only in terms of tonnage rather than market shares.[10] To calculate total steel import market shares for each country, the tonnage data, where relevant, are expressed as a percentage of estimated U.S. steel demand as projected by Data Resources, Incorporated.[11] Table 1 presents data summarizing the market shares and tonnage allocations under the 14 VERs concluded by the end of September 1985.

Under these VERs, the 14 VER countries would have a smaller shares of the U.S. steel market under the President's steel import program than in 1984. Together, they captured about 15 percent of the U.S. steel market in 1984. Under the President's program, they would be able to supply from about 12.2 percent to 12.3 percent of U.S. steel demand. Thus, their combined share of the U.S. market would be reduced by about 18 or 19 percent.

TABLE 1.—ESTIMATED U.S. MARKET SHARES OF STEEL IMPORTS FROM 14 VOLUNTARY EXPORT RESTRAINT COUNTRIES, 1986–89

[In percent]

Country	Finished products				Semifinished products				Total steel imports			
	1986	1987	1988	1989	1986	1987	1988	1989	1986	1987	1988	1989
Australia	0.18	0.18	0.18	0.18	0.04	0.04	0.04	0.04	0.22	0.22	0.22	0.22
Brazil	.80	.80	.80	.80	.75	.72	.71	.70	1.55	1.52	1.51	1.50
Czechoslovakia	NA	NA	NA	NA	NA	NA	NA	NA	.04	.04	.04	.04
East Germany	NA	NA	NA	NA	NA	NA	NA	NA	.12	.11	.11	.11
Finland	.22	.22	.22	.22	0	0	0	0	.22	.22	.22	.22
Hungary	NA	NA	NA	NA	NA	NA	NA	NA	.04	.04	.04	.04
Japan	5.80	5.80	5.80	5.80	.11	.10	.10	.10	5.91	5.90	5.90	5.90
Mexico	.36	.36	.36	.36	.11	.10	.10	.10	.47	.46	.46	.46
Poland	NA	NA	NA	NA	NA	NA	NA	NA	.10	.09	.09	.09
Romania	NA	NA	NA	NA	NA	NA	NA	NA	.16	.15	.15	.15
South Africa	.42	.42	.42	.42	.11	.10	.10	.10	.53	.52	.52	.52
South Korea	1.90	1.90	1.90	1.90	.05	.05	.05	.05	1.95	1.95	1.95	1.95
Spain	.67	.67	.67	.67	.05	.05	.05	.05	.72	.72	.72	.72
Venezuela	.20	.19	.19	.18	.06	.06	.06	.06	.26	.25	.25	.24
Total, 14 countries	NA	NA	NA	NA	NA	NA	NA	NA	12.29	12.19	12.18	12.16

NA—Not available.
Calculated by CRS, using as sources: American Metal Market, Sept. 11, 1985. p. 1; Data Resources, Inc. Steel Industry Review. 3d quarter 1985. Lexington, 1985. p. iii.

While their U.S. steel market shares would be reduced under the steel import restraint program, the 14 VER countries would, nevertheless, be entitled to a larger percentage of U.S. total steel imports under the program than they had in 1984. In 1984, the 14 countries supplied about 57 percent of total U.S. steel imports.[12] If the import restraint program is successful in limiting U.S. imports to 20.2 percent of U.S. steel demand, then the 14 countries would be able to supply more than 60 percent of total U.S. steel imports. The allocations of U.S. steel market shares have at least one significant implication for the success of the import restraint program, therefore: giving the 14 VER countries a larger share of total U.S. steel imports means that non-VER countries—mainly, the EC and Canada—would have to reduce their share to meet the target limits for steel imports.

II. CAN THE U.S. STEEL IMPORT TARGETS BE ACHIEVED?

Achieving the targets for overall U.S. steel imports will be very difficult to accomplish in all likelihood. The VER countries have a higher share of the target for total U.S. imports under their agreements, implying that the rest of the world would have to compress their exports substantially. Indeed, the rest of the world—including two major suppliers, the EC and Canada—would have to reduce their market share from about 11.8 percent through July 1985 to about 8.0 percent, or by approximately 32 percent, if the congressional steel import share target of 20.2 percent is to be met.[13] As it stands, the combined import shares of the 14 VER countries and the rest of the world total approximately 24.0 percent, or nearly 20 percent higher than the congressional target.

The level of steel imports from the EC and Canada are particularly important in evaluating the prospects for achieving congressional import share targets. In 1984, the EC and Canada captured 9.7 percent of the U.S. steel market; through August of 1985, they had a 10.0-percent share of the U.S. steel market.[14]

Canada is under no agreement to restrain steel exports, with the exception of certain specialty steel items. Through August 1985, Canada had a 3.1-percent share of the U.S. steel market, down from its historic high share of 3.2 percent in 1984. While there is some pressure to bring Canada under the President's program by negotiating a VER with it government, there is no indication that the Administration intends to do so.[15] Furthermore, the Canadian steel industry maintains that it is exercising self-restraint on steel exports to the United States, and has no intention of increasing its share of the U.S. steel market.[16] Thus, for purposes of this analysis, the assumption is made that Canada will maintain its 3.1-percent market share through 1989.

Although the EC share of the U.S. market was 6.97 percent through August 1985, the assumption is made herein that the EC market share would be 5.56 percent for all products. Such a market share would be about 1.4 percentage points lower than the actual share of the EC in the first eight months of 1985. This assumption is based on terms of the 1982 agreements between the EC and the United States limiting EC steel exports to the United States, and subsequent agreement related to pipe and tube and to so-called "consultation products".[17] Essentially, it is assumed that the existing agreement would be carried forward through 1989.

The assumed 5.56-percent EC share of U.S. steel markets is a weighted average of the product import shares under existing agreements. The ten product categories that were put under quotas in the 1982 agreement were assigned a U.S. market share of 5.46 percent. Finished "consultation products" were given effectively a 3.5-percent market share in a recent 1985 amendment to the 1982 agreement.[18] EC steel pipe and tube were allocated 7.6 percent of the U.S. market early in 1985. Semifinished steel, one of the original consultation products, are assumed to be allowed their 1981 market share of 4.01 percent, as intended in the 1982 agreement. Specialty steel imports from the EC are assumed to have a 5.71-percent share of the market, their share in the first five months of 1985; these products, it should be noted accounted for less than 1 percent of the quantity of total imports in the first five months of 1985, and, therefore, would not significantly affect the overall average.[19] These shares were weighted by the U.S. demand for the five product groups in the period from January to May 1985.

A lower than actual import market share is assumed for EC steel exports, because negotiations are underway to achieve a VER with the EC. One report indicates that the United States has asked that current steel quota limits be reduced, while the EC has asked that their market share be increased to 6 percent.[20] While no predictions can be made as to the eventual outcome of these negotiations, it is not unreasonable, at least, to assume that the terms and intents of cur-

rent agreements would be embodied in the VER.

Approximately 50 other countries also supply various amounts of steel to the United States. From January to July 1985, these countries supplied about 1.7 percent of the U.S. steel market, and about 8 percent of total U.S. steel imports.[21] For purposes of this analysis, it is assumed that these countries would continue to maintain their present 1.7-percent share of the U.S. steel market through 1989.

If the assumptions regarding the U.S. steel market shares of Canada, the EC, and other non-VER countries are proven to be correct, then the share of foreign steel in the U.S. steel market could amount to about 22.6 percent for the duration of the steel import restraint program. The 14 VER countries can claim 12.2 percent of the U.S. steel market; Canada and the EC are assumed to have about 8.7 percent of the market, and the rest of the world, 1.7 percent. Table 2 summarizes the hypothetical allocation of U.S. steel market shares based on the assumptions made for the non-VER countries.

TABLE 2.—HYPOTHETICAL U.S. STEEL IMPORT MARKET SHARES UNDER THE PRESIDENT'S STEEL IMPORT RESTRAINT PROGRAM, 1986–89

[In percent]

	Import market shares			
	1986	1987	1988	1989
Source of imports:				
14 VER countries	12.27	12.19	12.18	12.16
European Community [1]	5.56	5.56	5.56	5.56
Canada [2]	3.10	3.10	3.10	3.10
All others [3]	1.73	1.71	1.66	1.66
Total	22.66	22.56	22.50	22.48

[1] Weighted average of market shares under 1982 United States-European Community steel arrangement as amended.
[2] Year-to-date market share, January through August 1985.
[3] Assumes all other countries account for 8 percent of total U.S. steel imports, their year-to-date share from January through August 1985.

Sources: American Metal Market, Sept. 11, 1985. American Iron & Steel Institute. Imports of Steel Mill Products By Country of Origin. July 1985. Washington, 1985. American Iron & Steel Institute. Steel Imports Surge Again in August. Steel Import News. Washington, Sept. 27, 1985. Data Resources, Inc. Steel Industry Review. 3d Quarter 1985. Lexington, 1985. p. iii.

Based on the assumptions made regarding steel market shares, therefore, U.S. steel imports from all sources could exceed the congressional market share target by about 2.4 percentage points, or by about 11.9 percent. To reach the congressional target, the market share for the non-VER countries would have to be reduced by another 19.2 percent.[22]

III. CONCLUSIONS AND OTHER CONSIDERATIONS

Available data suggest that the President's steel import restraint program is not likely to achieve all of its goals. Unless non-VER countries are willing to accept drastic reductions in their current U.S. steel market shares, steel imports could capture well over 22 percent of the U.S. market. Such an import share of the U.S. steel market would exceed congressional goals for steel imports by more than 10 percent.

But the goals of the President and Congress with respect to the overall import share is only a target, something to be aimed at and hopefully achieved. Even if the 20.2-percent import market share is not achieved, the overall import share is estimated in this report to come down by about 4-percentage points, or by 15 percent from the surge level of 1984, when imports captured 26.4 percent of the U.S. steel market. Thus, those who support the President's approach to restraining steel imports can point to some degree of success.

The analysis presented in this report deals only with the years 1986 through 1989, and not the five year period beginning in 1984. Since all of the VERs permitted the signatory countries to fill all orders booked as of the effective date of the VER, the expectation was that, in the first year of the program, steel exports from the several VER countries would probably exceed the market shares negotiated. By focusing only on the last three years of the import restraint program, it is hoped that this problem would be minimal. Indeed, the estimates for the last three years of the program might be overstated for the VER countries, because any exports in excess of the negotiated market shares would have to be offset later in the program.

Finally, this analysis has focused only on the congressional steel import market share target of 20.2 percent, rather than the President's target of 18.5 percent of only finished steel products. Publicly available data are not sufficiently detailed to distinguish between finished and semifinished steel imports. Furthermore, as indicated in the body of this report, the fact that many of the agreements were negotiated in terms of total tonnage (that could include semifinished steel) rather than market share creates difficulty in reconciling essentially two different measures of import limitations. Thus, it is not possible to evaluate the prospects for achieving the specific goals of the President alone.

FOOTNOTES

[1] U.S. President, 1981- (Reagan). Memorandum of September 18, 1984. Steel Import Relief Determination. Federal Register, v. 49, September 20, 1984. p. 36813 f.

[2] Import shares compiled by CRS, using as sources: American Metal Market, September 11, 1985. p. 1, and American Iron and Steel Institute. 1984 Annual Statistical Report. Washington, 1985. p. 55 f. (Hereafter cited as AISI, 1984 Statistical Report)

[3] American Iron and Steel Institute. Steel Imports Surge Again In August. Steel Import News. Washington, September 27, 1985. p. 4. (Hereafter cited as AISI, Steel Imports Surge Again in August)

[4] Ibid., p. 2.

[5] Ibid., p. 4.

[6] AISI, 1984 Annual Statistical Report. p. 55.

[7] Compiled by CRS, using as sources: American Iron and Steel Institute. Imports of Steel Mill Products by Country of Origin. July 1985. Washington, 1985, and AISI, Steel Imports Surge Again In August. p. 4.

[8] American Metal Market. September 11, 1985. p. 1.

[9] AISI, 1984 Annual Statistical Report. p. 55 f. American Iron and Steel Institute. Imports of Steel Mill Products. December 1984. Washington, 1985.

[10] The country allocations are: Australia—0.18 percent of finished products and 40,000 tons of semifinished steel; Brazil—0.80 percent of finished products and 700,000 tons of semifinished steel; Czechoslovakia—40,000 tons of all steel products; East Germany—110,000 tons of all steel products; Finland—0.224 percent of finished products; Hungary—36,000 tons of all steel products; Japan—5.80 percent of finished products and 100,000 tons of semifinished steel; Mexico—0.36 percent of finished products and 100,000 tons of semifinished steel; Poland—90,000 tons of all steel products; Romania—150,000 tons of all steel products; South Africa—0.42 percent of finished products and 100,000 tons of semifinished steel; South Korea—1.90 percent of finished products and 50,000 tons of semifinished steel; Spain—0.67 percent of finished products and 50,000 tons of semifinished steel; and, Venezuela—183,000 tons of finished products and 60,000 tons of semifinished steel. The percentages are shares of U.S. steel demand. See, American Metal Market, September 11, 1985, p. 1.

[11] Data Resources, Incorporated. Steel Industry Review. Third Quarter 1985. Lexington, 1985. p. iii.

[12] American Iron and Steel Institute. Imports of Steel Mill Products By Country of Origin. December 1984. Washington, 1985.

[13] American Iron and Steel Institute. Imports of Steel Mill Products by Country of Origin. July 1985. Washington, 1985.

[14] AISI, Steel Imports Surge Again in August, p. 4.

[15] American Metal Market. September 20, 1985.

[16] Toronto Globe and Mail. June 25, 1985.

[17] U.S.-EC Agreement on Steel Trade and Draft Statement of Understanding on Pipe and Tube Exports. U.S. Import Weekly. October 27, 1982. p. 125–133. Import Agreements Alter '85 Steel Picture. American Metal Market. January 22, 1985. p. 1 and 6. Office of the United States Trade Representative. Yeutter Announces Accord on EC "Consultation Products". Press Release. Washington, August 6, 1985. 3 p. "Consultation products" are those items that were not placed under import quotas in the 1982 agreement, but were subject to review and consultation by both parties in the event that their market share should rise above the 1981 import market share.

[18] Calculated by CRS, using as source: Office of the United States Trade Respresentative. Yeutter Announces Accord on EC "Consultation Products". Press Release. Washington, August 6, 1985. 3 p.

[19] Basedon unpublished data compiled by the U.S. Department of Commerce. International Trade Administration. Import Administration. 1985.

[20] American Metal Market. September 24, 1985.

[21] American Iron and Steel Institute. Imports of Steel Mill Products By Country of Origin. July 1985. Washington, 1985. AISI, Steel Imports Surge Again in August, p. 4.

[22] The 19/2-percent reduction in market share for the non-VER countries is not inconsistent with the 32-percent reduction stated earlier in this report. That change in market share was predicated on the actual market shares of the non-VER countries. The 19.2-percent change assumes a lower market share for the EF than actually obtains.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business not to extend beyond the hour of 9 a.m., with statements therein limited to 5 minutes each.

A TRIBUTE TO TISH SOMMERS: ADVOCATE FOR OLDER WOMEN

Mr. GLENN. Mr. President, I should like to take a few minutes from our important deliberations today to honor a great American who died this past Friday after a long battle with cancer. Many of you may not know of Tish Sommers but you should, as she devoted her life to making this a more compassionate and just society for all of us. In particular, however, Tish Sommers' accomplishments on behalf of older women are unparalleled.

Tish Sommers' accomplishments were many and will stand the test of time as tribute to her energy, her commitment and her creativity. She founded the Older Women's League [OWL] which in 5 years has grown to include 90 chapters across the country and some 13,000 members. Tish Sommers initiated the "displaced homemakers" movement to address the many and complex problems that confront the homemaker if she is widowed or divorced. As a result of her tireless advocacy, many States have enacted displaced homemaker laws

and some 500 programs nationally now address the problems of the displaced homemaker.

More recently, and so appropriate to her devotion to humane treatment for all, she had championed the cause of dying with dignity. This past July, I had the pleasure—indeed, the honor—of appearing with Tish Sommers at a forum sponsored by the Older Women's League that dealt with this sensitive and timely issue. In fact, the keynote speakers at this forum were Tish Sommers and our former colleague in the Senate, Jacob Javits, both of whom spoke forthrightly about their own terminal illnesses. Tish Sommers lived productively and bravely with her cancer for 6 years. During this period, Ms. Sommers lectured, wrote, and taught extensively about many major issues affecting women and the elderly. As the ranking member of the Special Committee on Aging, I can tell you that her accomplishments will impact public policy for the elderly for years to come.

Tish Sommers advocated for each of us to take control of our own death, just as Senator Javits continues to do. Ms. Sommers continuously spoke out on behalf of, and when they became necessary, participated in, services to make our dying more comfortable and compassionate, something that all of us want for ourselves and our loved ones. She belonged to a cancer support group and as the end was imminent, she took part in hospice, a service that I strongly support. At the OWL forum where Tish Sommers spoke in favor of ways for us to have control of decisions about our dying, she said:

Fortunately, my cancer is slow growing, so I've had lots of time to think about death and to plan for it.

She also said:

Staying in control of your own death takes planning and strong conviction. It is easier said than done. Yet there are dangers. Already public policy tends toward the cheapest way to keep an old person alive.

Mr. President, Tish Sommers embodied that strong conviction about which she spoke. She thought about her own death and planned for it, and when it came, it occurred in the way she chose. She leaves many legacies and one of the most important will be her contribution to opening up discussion in our society about death and dying. Her thought and planning should enable all of us to plan better, to take those steps that give us a measure of control over our own life until it is ended. An example of these steps is executing a durable power of attorney that allows someone of our choosing to make our health care decisions, in case we become so incapacitated that we can no longer make them ourselves. Tish Sommers took this step and other measures.

Tish Sommers was, and is, a role model for all of us, women and men alike. Her approach to life and to death should be an inspiration for everyone. I would like to quote her one more time:

Life is sweet and I've been amazed to learn how much you can put up with and still savor life.

Mr. President, I ask unanimous consent that the article about Ms. Sommers by Cynthia Gorney, from the October 12 edition of the Washington Post, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FAREWELL TO AN AGITATOR

(By Cynthia Gorney)

OAKLAND.—I am gazing at a pile of typewritten speeches and snapshots and political notes and trying to think how to explain the life and death of Tish Sommers, who died of cancer here yesterday and left women across the country working to believe they would finally have to let her go.

She was 71, as graceful a woman as I have ever known, tall and slender and given to the controlled movements of a dancer. She had danced in her youth, as part of modern troupes that performed internationally, but that was not how Tish emerged in the lives of all these women, women who were old enough and young enough to be one another's grandchildren and greataunts. She was an organizer, an agitator, a women of such passionate purpose and drive that in her last weeks, as she lay in her upstairs bedroom and felt her systems failing one by one, she talked seriously about the need for improved national organization within the hospice movement.

The term "displaced homemakers," an initially unsettling concept that swiftly became popular currency among politicians discovering new constituencies, was invented by Tish Sommers; it was her imagination, her political instincts and her precisely channeled outrage that gave national voice to a vast assortment of American women who found themselves aging in a society that appeared to have almost wholly lost interest in them.

When corps of older women besieged Capitol Hill last Mother's Day, bearing cards invoking the congressmen's own mothers along with reminders about legislative matters like Social Security cost-of-living adjustments and low-cost senior housing, that was Tish. When Displaced Homemaker bills were approved in 23 states, each vote following an onslaught of publicity about the emotional and financial distress of the homemaker set aflounder by widowhood or divorce, that was Tish.

It was Tish who would appear on television programs, smiling pleasantly at the host and holding always to her thoughtful low voice, and lay out the kind of plain information that made women sit down at their kitchen tables and write long angry letters about what happened to them. She would talk about pensions, and job discrimination, and the statistics she had culled that week. Four million women between age 45 and 65 have no insurance at all, Tish would say. White women are twice as likely as white men to be living in old-age poverty, she would say; the figure doubles for black women. Less than 20 percent of women are eligible for non-Social Security pensions, and there is no Social Security for a homemaker's work, making most mid-life widowhood or divorce a sudden thrust into a job market that will not be bothered with 52-year-old women who lack "experience."

A Displaced Homemaker Network grew from the groundwork Tish laid, so that 500 programs around the country now offer counseling and job training to the women she wanted to reach. She had founded a group called OWL, Older Women's League—Tish always liked the venerable image of owls—and by the time she died, OWL had grown in five years to a 13,000-member organization with 90 chapters across the country. There are OWL chapters in places like Jeffersonville, Ind., and Eastontown, N.J., and there is a national headquarters in Washington, and there are senators and congressmen and Social Security critics who keep hearing from OWL members, and there are women who write still to Oakland or to Washington to lay out afresh the stories Tish had heard so many times before.

Economy, Ind.: "I need to get out in the world again. After 33 years we're getting a divorce. I need to know how to get a job and meet people." Saratoga, Calif.: "I found myself, at age 53, working for an employment agency. At the end of three months, I left feeling old, inadequate and worthless."

Those letters were sustenance for Tish; she worked them into speeches, invoked them in public hearings, sat friends down at her kitchen table to argue out the next plans for setting those women into motion. Helplessness drove her wild. There is a transcription here of a conversation at Tish's bedside a month before she died; she is explaining, probably by way of slightly sheepish apology to the friends asking her to please slow down and pay attention to herself for a minute, why even her own cancer was driving her to organize among the dying and those who cared for them.

"I can't help it," Tish is saying. "It's part of my nature, that since I'm going through this experience to turn it into energy for positive change. Of course that energizes me. I have the feeling in terms of pain control. I go on daytime on adrenalin and at night on sleeping pills. Now I find it's hard to meditate—when I relax and go blank, I'm so aware of physical discomfort. It doesn't work for me. Action does."

I met Tish 12 years ago, when I was a Berkeley undergraduate and she was stirring up trouble in a local advocacy group she had named Jobs for Older Women. I was dazzled from the beginning; she was so lovely, so driven, so removed from the sickly passiveness I had once thought America forces on its elderly, that she gave me a new vision of what it might be like to celebrate my 70th birthday. We flew to Washington together before I graduated, each of us at work on questions of Social Security for homemakers.

Tish told me a little about her early days: the years in Germany as a visiting American dancer, the gathering rage about what Hitler was doing to the Jewish family that had taken her in, the middle years as a professor's wife and civil rights organizer in Alabama, the early feminist work. When she divorced, she was a 57-year-old woman with no pension and no Social Security entitlement of her own. She was denied credit, turned down as a PhD candidate, rejected for health insurance because of her earlier cancer.

"I wrote a book," Tish said last spring, when some oral historians asked her to talk about life, "called 'The Not So Helpless Female.' "(I can see her smiling as she says this; she was usually charmed by her own pithy titles, and particularly liked the busi-

ness cards she designed, in which a jovial witch rides across the logo. "Free-lance agitator," the cards read.)

"Kind of how to make things happen," Tish said, remembering her book. "To shake things up. Sort of a wave-making manual. After all, I had quite a bit of experience at making waves.

She had cancer for six years. It was massive, pervasive cancer, spread through her bones, and she carried it the way she had carried her divorce and her earlier mastectomy and everything else that another kind of person might have imagined the most private of personal hurdles. She wrote position papers on health care, flew East for hearings and board meetings, made outlines for a book about women as caregivers. Once a year, with friends from her organizing partner Laurie Shields arranged rafting trips, and then Tish would lie back in places like Idaho or Jackson Hole, Wyo., and dangle her ankles in the water, and talk about how the cancer was changing her tactics. When she got back, she worked white-water rafting images into her speeches.

It was almost as though Tish had no private self, as though introspection and fear seemed to her the most self-indulgent of luxuries. You never talked to Tish about restaurants or couch upholstery or whatever it is friends talk about when they're feeling evasive and silly. She wanted the central questions raised immediately, and then she wanted to figure out how to make things better.

We were all afraid of her cancer, especially the younger women around her. It was awful to imagine illness destroying Tish, and she would look us in the eye and talk about that, just as she had grinned at us 10 years ago and said that when America began thinking right, the cosmetics industry would begin marketing pour-on wrinkles and age spots for women eager to display their own maturity.

And she never did let the cancer destroy her, at least not so we could see it. She slowed for it, and eased her traveling, and spent more time in the upstairs room with the sun pouring in, gritting her way through the worst parts and refusing until the last week the painkillers that kept her from thinking clearly and making plans.

When she knew she would die before the year ended, she told us, one by one.

She was lying in bed when I saw her two weeks ago, her thin arms folded up behind her head, and she let me know almost immediately that she was saying goodbye. I asked her if she was frightened, and she said she was not, that an awful lot of people had begun trying to convert her to their particular God, but that she didn't feel the need. Her work was going to survive her, and that would do.

Then Tish smiled at me, and God bless her, she gave me my assignment for her memorial. She had typed it out. The OWL convention was being planned; she thought a memorial might help fire people up. There would be some singing, and some reminiscences, and a brief summary or her life, with slides. I was to write the narration. Maybe Ronnie Gilbert, the big-voiced folk singer from the Weavers, could read it. "Not Maudlin," the paper said, right near the top.

Mr. CRANSTON. Mr. President, I join with the Senator from Ohio [Mr. GLENN] in his remarks regarding the death of Tish Sommers, one of my constituents and a national leader on behalf of older women.

I worked closely with Tish in the successful effort to win passage in 1979 of the Federal displaced homemaker's legislation, enacted as part of Public Law 95-524. Her leadership will be sorely missed, but her legacy in the form of the organization she founded, the Older Women's League, and the new awareness she helped create on the plight of countless numbers of older women will endure.

In addition to the article from the Washington Post which the Senator from Ohio has placed in the RECORD, I ask unanimous consent that another article that appeared in this morning's Washington Post, paying tribute to this remarkable woman, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Oct. 23, 1985]

THE LEGACY OF AN OLDER WOMAN

(By Judy Mann)

She was not as well known as, say, Betty Friedan, Gloria Steinem or Bella Abzug, but within the women's movement Tish Sommers had a very special place: she, along with longtime associate Laurie Shields, put the problems of older women—women who were often left helpless and destitute by widowhood and divorce—into the conscience of a nation.

It was Sommers who coined the term "displaced homemaker," and drove the point home to state legislators and finally to members of Congress that the women she spoke for could very well be the lawmakers' own mothers. Recognition of the plight of older women was one of the women's movement success stories in the '70s. California, Sommers' home state, was the first to pass legislation to provide job training for these women. Within two years 23 other states had passed similar legislation, setting up more than 400 training programs and counseling centers across the country. In 1975, Sommers founded the Alliance for Displaced Homemakers, which was instrumental in securing federal funding for such programs in 1979.

Sommers, 71, who died last week after a long battle with cancer, had the remarkable discipline to be able to translate personal adversity into effective political organizing. When her marriage of more than 20 years ended in divorce in 1971, she experienced firsthand many of the problems that confront a divorced or widowed homemaker. She lost her health insurance and could not get a new carrier because she had a history of cancer for example.

"I was 57," she told Ms. magazine in a 1982 interview, "and I had already had my first feminist 'clicks,' but despite the fact that I thought my consciousness was raised, I was totally naive about what happens to a divorced woman without health care or Social Security benefits.

"I didn't set out to create a movement, but I'm not surprised it became one. We knew from the first time I went on national television that we had touched a nerve. Thousands of letters came in saying, 'I thought I was alone.'"

One of those who came to an early organizing meeting for displaced homemakers was Laurie Shields, then 55 and a widow after 15 years of marriage. She became the executive director of the alliance. In 1980, shortly after a conference in Des Moines to prepare for the 1981 White House Conference on Aging, the two women founded the Older Women's League (OWL). As a result of their efforts, the 1981 conference was the first one ever to single out problems peculiar to older women on its agenda.

"She's one of my heroines," said Rep. Mary Rose Oakar (D-Ohio), a member of the Select Committee on Aging who knew and worked with Sommers for many years. "She did more than anyone I know of to call attention to the plight of elderly women who had been somewhat ignored in the whole feminist concept." Two-thirds of the elderly in the United States are women, and the country's poorest are women over 65, Oakar said.

She recalled Sommers coming into her office several years ago and meeting with her and Rep. Patricia Schroeder (D-Colo.), cochair of the Congressional Caucus for Women's Issues. "She was the one who first embraced [as an issue] . . . the inequities towards women in the Social Security plan. OWL now has as its number one priority correcting the inequities. She just came in and said, 'By heaven, I want to know more about this because I don't understand it.' As soon as I explained it, she said, 'That makes sense, we're going to do something about this.' Now, when I go around and talk about it, people know about it. She's raised the consciousness about older women's issues nationally and certainly in the Congress."

Oakar recalled the lobbying campaign OWL conducted last Mother's Day, when older women brought cards to members of Congress who were considering taking away Social Security cost of living adjustments. "It did not hurt . . . . At that time people weren't as frightened about what Reagan would do as they should have been. There was a momentum here to take away the cost-of-living adjustment even though the trust fund was burgeoning. They were the ones who gave us the figure that 400,000 more people would be below the poverty level.

"She came across as nonconfrontational but firm and very warm so that you didn't feel threatened when she talked to you. She had a very keen mind and she was a marvelous person at hearings. When I want to push some of my legislation I can say the OWL endorses it and I will not get any negative reaction. It's like motherhood, apple pie and fatherhood.

"She was a national treasure. She will be sorely missed."

Indeed she will be. But what a legacy she left.

DR. YURI MEDVEDKOV

Mr. GLENN. Mr. President, anyone who even occasionally reads a newspaper or watches the television news knows that the Soviet Union can often be intransigent and inflexible. But today I want to talk about an instance of Soviet intransigence that has extremely ugly overtones. And if I am correct in my suspicions, then this particular instance of Soviet intransigence is not just unfortunate—but also deplorable and completely unacceptable. The issue I am talking about concerns a 1-year teaching appointment that Ohio State University has offered to an eminent Soviet scholar, Dr. Yuri

Medvedkov. Dr. Medvedkov has been invited to join the OSU faculty for 1 year as a distinguished visiting professor, but the Soviet Government has denied him permission to temporarily leave the Soviet Union to accept this honor.

Dr. Medvedkov is a highly respected figure in the field of urban planning and development, and his work has received international acclaim. He is a member of the Institute of Geography of the U.S.S.R. Academy of Sciences and is responsible for numerous publications on geography, economic geography, and urban planning. Among his peers, Dr. Medvedkov is known as a man of exceptional creativity and originality in research and in the classroom.

I strongly endorse OSU's invitation to Dr. Medvedkov—and I do so for two reasons. First, it would offer this world renowned scholar an opportunity to further his own research. Second, and even more important, Dr. Medvedkov's appointment would make his expertise available to the faculty and students at Ohio State. Based on his outstanding academic reputation, I am confident—and his peers at Ohio State are confident—that Dr. Medvedkov would make a considerable contribution to the academic program at OSU.

In April of last year, I wrote to Soviet Ambassador Dobrynin expressing my personal interest in this matter, and requesting that the Soviet Government reconsider its repeated denials of Dr. Medvedkov's temporary visa. As of today, I still have not received even an acknowledgment from the Ambassador.

I believe there can be one—and only one—explanation for the behavior of the Soviet Government. Dr. Medvedkov, you see, is Jewish—and the Soviet refusal to allow him out of his country is apparently just the latest example of their continuing policy of anti-Semitism. Now I am sure that the Soviets will deny the truth of what I am saying. But the Soviets have a long history of denying the truth—and I have always believed that their actions speak a lot louder than their words. If there is another reason for denying Dr. Medvedkov his visa, then let them tell us what it is. If there is no other reason, then let us tell them what we think about this blatant abuse of human rights.

Like most Members of this body, I have always believed in the value of academic exchanges and that our Government should encourage these mutually beneficial programs. Unfortunately, the Soviet Union appears to agree only when the professor in question happens to hold what they regard as acceptable religious beliefs. To discriminate against someone merely because he or she is Jewish is as wrong for the Soviets as it was for the Nazis. And I believe that we have a continuing moral responsibility to say so —regardless of whether or not it irritates the Soviet Government.

Mr. President, I wholeheartedly and enthusiastically support Ohio State's initiative in making this offer of Dr. Medvedkov. I believe that both the students and faculty at Ohio State would benefit from his acknowledged expertise. And I continue to hope that the Soviets will reconsider their indefensible position and allow Dr. Medvedkov to come to Ohio State University.

ADDRESS BY MR. JOHN HUME, CHAIRMAN OF THE SOCIAL DEMOCRATIC LABOR PARTY OF NORTHERN IRELAND GIVEN TO THE NATIONAL DEMOCRATIC FOUNDATION

Mr. MOYNIHAN. Mr. President, recently, in the Lyndon B. Johnson Room of the U.S. Capitol, a number of Senators, and others, had the privilege to hear from Mr. John Hume, leader of the Social Democratic and Labor Party of Northern Ireland, and a member of both the Parliament at Westminster and the European Parliament.

Mr. Hume, along with a distinguished delegation of senior SDLP officials, is in Washington for meetings with the National Democratic Institute for International Relations, an organization created by the Democratic Party for the purpose of encouraging democratic political development in the world, in concert with a similar political development institute created by the Republican Party, and others created by the AFL-CIO and the U.S. Chamber of Commerce. The SDLP and the National Democratic Institute have undertaken to cooperate with one another in the strengthening of democratic political institutions in our two countries.

Mr. Hume, one of Ireland's most distinguished statesman and a tireless advocate of reconciliation among the people of Northern Ireland through constitutional politics, delivered an address of remarkable eloquence and enduring meaning for all those who take an interest in the fate of democracy in Ireland. In particular, Mr. Hume spoke of the hope and encouragement offered to the people of his society by the United States, a nation in which peoples of diverse origins and cultural traditions have learned, to a degree that is remarkable in the world, to live together.

Mr. President with great respect I ask unanimous consent that Mr. Hume's remarks, delivered in this Capitol in great hope and expectation for the troubled part of the world whence he comes, be printed at this point in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

AN ADDRESS BY THE HONORABLE JOHN HUME, MP, MEP

Our two parties operate in very different circumstances. We are not in a political system where we are either in office or in opposition. we have a very different legislative and executive set up in our political system so we cannot exercise or aspire to the level of influence which you can exercise. You participate in the democracy of a vast country—a superpower. We seek to improve democracy in a small state and on a small island.

Yours is a state where there is consensus fashioned from rich and broad difference. From many you have one. We however do not yet know such consensus. We have not yet devised structures which accommodate difference and ensure stability. Do not take for granted what your democracy has achieved. Perhaps because "E Pluribus Unum" is on the back of a cent you undervalue the truth of that motto. Real unity is built on the acceptance of diversity.

We know that the emergence of that consensus in the U.S. was not easy. That it is only in more recent times that minorities really feel they have approached the equality that is theirs by right. Your party leaders played a noble role in that achievement. it was not simple. There were times of panic and times of indifference. There were times of hope and times of despair. There was social progress and there was social pain. But you saw it through, and you will continue to see it through.

For ourselves we know the scale of our task but we are not daunted by it. We have been tested by discrimination, bigotry and state violence but we have not been tempted by revenge. We have been hurt, misrepresented and handicapped by the violence of others but we have kept faith with our own non-violence. We have been troubled in a political vacuum but we have held true to our political values.

A great citizen of your country, Martin Luther King has inspired our understanding and our methods. He taught us that an eye for an eye leaves everybody blind. He taught us that consensus is more powerful than dominance, that accommodation rather than victory secures the future.

Our challenge is not easy, but the choice is. There is no other way. We cannot solve problems of difference by creating divisions. We cannot create peace by using violence. We cannot protect civil rights by attacking human rights. We cannot secure justice by abandoning the rule of law. We cannot achieve freedom by inflicting injustice.

We have no illusions that a solution lies somewhere over the rainbow. We know the path of progress is long and stoney. We do not seek to mislead people by promises of instant solutions. We do not hide from our responsibility by hiding behind unrealistic and uncompromising demands. We seek to help people, not to use them. We seek to allay fears not play to them. We seek to ease tensions, not exacerbate them. We try only to solve problems, not exploit them.

In the political life of Northern Ireland this has involved great difficulties and pressures. But in the words of our friend Senator Edward Kennedy "we have neither bent with the wind nor broken with the waves."

We want to thank you for the assistance, encouragement and example that many in your party have given us.

We know the courage of Senator Moynihan, Senator Kennedy, Senator Eagleton. We know the integrity of the Speaker, Representative Tom Foley and our many other friends. We know the sacrifices made by people like Jim Shannon. Friends of Ireland, you help us more than you can; standing by us has not been easy for you. You too have to pay the price of abuse, misrepresentation or even rejection. Clearly the only reward you seek is to see a new Ireland. We owe it to you, as well as to ourselves and our children, that we should fashion that new Ireland.

Obviously we in Europe, in a small nation and you in America, a preeminent world power have some different views of the world. Or perhaps they are different points of focus in a broadly similar view of the world. There are deep concerns which we share. We are not so obsessed with our own problems, and you are not so overawed with your Nation's power that we both cannot see the appalling crimes against human rights in many parts of the world. Whether it is the poor of Chile, the students of Guatemala, the oppressed of South Africa, the Jewry of the U.S.S.R. or the priests of the Philippines. We must strive to uphold the basic rights that humanity confers on them.

Your Representatives and Senators have perhaps more facilities and resources to act effectively in these areas than we have. In particular I wish to pay tribute to the achievements on human rights of the Carter-Mondale administration. But I want to assure you that our own problems will not distract us from doing what we can in the fight for human rights in the modern world. Know that when you seek to find those who have disappeared, when you seek to allow families to bury their executed dead, when you seek to free the dissent, when you seek to secure justice for those crushed under cruel apartheid, we are at one with you. Together we are at one with the feeble, the deprived and the true.

Our country knew famine in the last century, it is for that reason that our country has been so moved by the present suffering of Africa, We know that our famines were not simply natural disasters. History shows that Irish people were starved or forced to leave their native land because of unjust distribution of land, poverty and extortion which forced the production of cash-crops for the wealthy abroad instead of food for the hungry at home, trade structures which knew no morality and unequal power relationships between countries. These are the same injustices and absurdities which crucify Africa today. They demand change, not just charity.

Our famine brought the starving to America. May the present famine bring America to the starving.

It is, of course, all too true that many in your own society know poverty, illiteracy and unemployment. Your party has shown a sensitivity to those deprivations as evidenced by such outstanding work as the report "Going Hungry in America," the efforts to secure adequate and equitable health insurance and the attempts to protect jobs, wage levels and family income. (I look forward to Senator Moynihan's forthcoming book on family policy and trust that our party will have a chance to read some of the earliest copies.)

Our society too carries the burden of economic difficulty and social inequality. We have high levels of unemployment, in many families now in the second or third generation. Poverty and deprivation in our society have deepened under the scourge of violence and the cuts of monetarism. The British Government are now introducing measures which will undermine the efficacy and the principle of our welfare state.

They are not attacking poverty, they are attacking the poor. Their strategy is the redistribution of poverty. They claim to be rationalizing social security when they are in fact rationing social security.

I know that similar issues loom on your political horizon. Also you have opposed the erosion of minimum wage standards. Likewise we stand against the British Government's low-wage strategy. Their thesis seems to be that poverty is the answer to unemployment.

You are fighting against the undermining of Medicare and Medicaid, struggling for health insurance. We meanwhile are fighting devastating cutbacks in our health service. Like you we believe that the primary concern in health provison is care not cash; compassion, not commercial competition. The price is right might be a suitable title for a TV game show. It is hardly a suitable motto for the running of a hospital service.

44 percent of Northern Ireland's population is under 25. Our young people are faced with unemployment similar to your own dispute over the Subminimum wage and the Youth Opportunity Act we have just seen wages protection in many sectors removed from the under 25s. While the Government will fund youth training programs it won't create job programs. It is treating youth unemployment as a problem of youth rather than a problem of unemployment.

In other areas the young homeless are being victimized, forced to move out of town every four weeks to secure benefits. Student support has been cut and benefit levels for under 25s are to be cut. This is all happening in international youth year. It makes me frightened what will happen next year, the International Year of Peace.

Our policies, perhaps like yours, are aimed at addressing the need for progressive change. That they are often imaginative makes them no less realistic. That they often fail to conform with prevalent notions makes them no less appropriate to present needs.

We are a party of principle, pragmatism and progress. We are not prisoners of yesterday's ideologies but we learn from yesterday's lessons. We are alert to today's problems and its resources. We strive for tomorrow's remedies and developments.

For our part, we seek economic prosperity not for the wealth it can create for some but for the welfare it can secure for all. We pursue social progress because we respect the dignity of every person, appreciate people's difficulties and value people's talents. We work for structures which will not just acknowledge our common humanity but which will enhance it with the dignity of care and the decency of equity.

Call this idealism. Call it the pursuit of justice, the search for progress or the struggle for equality. But call it politics. That word is not to be feared. Politics which has often been neglected by lethargy, undermined by gimmickery, or corrupted by deceit is for us still a noble vocation. Politics is the alternative to war, it applies reason in a spirit of responsibility and it allows change in the context of stability. Never apologize for being involved in politics. All politics is basically about the allocation of values. If we know our values and if we are dedicated to our principles we need have no fear of politics.

When we seek power or influence at any level, it is not for the patronage or prestige it may bring, but for the progress it can sponsor. We reject the fatalistic claim that power corrupts. Instead we accept Shaw's diagnosis that "fools corrupt power." God knows there is enough evidence for that.

Fools are those who know only about the cost of public services but not about the value. Fools are those who use power not to strengthen the weak but to fatten the strong. Fools are those who exercise power for the benefit of the few but to the detriment of all. Fools are those who would spend millions stockpiling nuclear weapons but who will not ensure that food will reach the starving in Africa. Fools who insist on devising more ways of destroying the world and ignore the need to improve the world.

As we say in Ireland, with the modesty and understatement for which we are renowned, we are no fools. And even if your party symbol is a donkey we do not think that you are such fools either.

I have stressed so far the importance of having clear and worthwhile ends in politics. It is of course vitally important that we use effective means to further those ends. That is why this relationship with the NDI is so important to us. We will learn more about efficient methods of communicating our message and organizing our efforts. Armed with the assistance the NDI will give us we hope to make further progress on the many problems that face us. We are grateful for the interest and help of the NDI and we will repay it with honest and dedicated effort.

We hope that our work following the NDI's assistance will justify the confidence of all who helped so that they can truly see the enhancement of democracy in Ireland. I ask all of you to support the institute in this and the many other projects it has undertaken.

CHILD ALERT

Mr. STEVENS. Mr. President, I was pleased that the U.S. Postal Service, in cooperation and full participation with the National Association of Letter Carriers, has begun a voluntary coordinated effort to locate missing children. As a result, a Child Alert Program has been launched nationwide.

The Postal Service employs some 220,000 city letter carriers throughout the Nation who come into contact with millions of our country's children on a daily basis. And, as Postmaster General Paul N. Carlin stated, "We have every reason to hope that they can play a significant role in locating missing children." Vincent Sombrotto, president of the National Association of Letter Carriers, added his support by stating, "We pledge to do the utmost to make the 'Child Alert' Program a success."

Six photographs of missing children will be published each month in Postal Service and union publications. Pictures published in the Postal Service's Postal Bulletin will be posted in post office lobbies nationwide for viewing by the public. The photographs printed in the union's publications will remind carriers to be on the lookout

for missing children as they make deliveries to over 72 million addresses every business day. In addition, the Postal Service has recently issued its latest edition of Postal Life, a publication reaching all postal employees, which carries an article and photographs of 60 missing children supplied by the National Center for Missing and Exploited Children.

I commend the Postal Service and the National Association of Letter Carriers for this great expression of community spirit and for taking this active step to help locate the many children who are missing nationwide.

ESOP,S PERFORMING BETTER THAN OTHER BENEFIT PLANS

Mr. LONG. Mr. President, the National Center for Employee Ownership just released a new study titled, "Employee Benefits in Employee Stock Ownership Plans: How Does the Average Worker Fare?—September 1985."

In the past, it has been my pleasure to sponsor legislation promoting employee stock ownership plans [ESOP's], and I intend to offer additional legislation during my remaining time in office. ESOP's serve a variety of social and economic purposes in helping us to share with working people the best that our free enterprise system has to offer.

I am happy to note that although ESOP's have only been widely known since 1973, we are finding that where companies have tried them, they have generally been very successful. The National Center for Employee Ownership has been a pioneer in providing thorough research on ESOP's. Their latest research effort provides additional proof that ESOP's are continuing to fulfill their intended purposes.

I urge my colleagues to study the following highlights from this latest survey of over 100 representative ESOP companies:

Workers at the 1983 median wage level of $18,058 would receive over $31,000 in stock after 10 years and more than $120,000 after 20 years.

Workers in the first 25 percent income level (earning $11,792 in 1983) would receive about $20,000 after 10 years and about $80,000 after 20 years.

Workers at the 75th percentile income level ($27,277 in 1983) would get about $45,000 after 10 years and about $185,000 after 20 years.

Relatively few ESOP's replace existing pension plans (7 percent according to an earlier study) or are established by companies that would have otherwise set up a defined benefit pension plan. On the other hand, ESOP's do appear more commonly as a substitute for profit sharing plans. On the whole, however, it appears that employees normally do not give up much, if anything, for their ESOP's, although further research on this point is needed.

If this is true, then how can ESOP companies afford this extra benefit? The answer appears to be that part of the benefit is supported by the taxpayer and that part (a larger part) is supported by the greater corporate growth associated with employee ownership.

CONCLUSION

Just from their ESOP, millions of employees can thus expect to accumulate financial assets greater than the net financial assets of most American families. ESOP beneficiaries do not appear to give up wages to receive these benefits, although the picture is not quite as clear with respect to whether they forego other benefits. Even if they do, however, the comparative data presented here suggest that, overall ESOP's perform better than other benefit plans, and are more likely to provide at least some benefits to the typically mobile American worker.

Given this performance, it does then appear that ESOP's have been successful in accomplishing the central purpose for which they were established, to create a more equitable distribution of wealth.

REMEMBERING BEIRUT

Mr. BYRD. Mr. President, 2 years ago today, the United States suffered a terrible tragedy when a terrorist exploded a bomb at our marine barracks at Beirut International Airport and killed 241 American military personnel. Over one hundred other U.S. servicemen were wounded in this heinous attack.

That tragedy at our marine barracks in Beirut was the worst assault on our Armed Forces during our Nation's long involvement in efforts to bring peace to the troubled Middle East region.

Our entire Nation should remember the sacrifices of those marines, sailors, and soldiers protecting the interests of America and her allies. All Americans should honor those young men and always remember their tragic loss, just as they should honor and remember the other U.S. servicemen who have died in Middle East peace efforts.

Among the 241 servicemen who died as a result of the bombing in Beirut were four marines from my own State of West Virginia. Two other West Virginians, also marines, were wounded in the attack. I would like to honor these men by listing their names in the CONGRESSIONAL RECORD today, and I know I am joined by all the citizens of my State in praising their courage and devotion to duty. The four who died were Cpl. Mecot E. Camara of Hinton, Cpl. Russell M. Cyzick of Star City, Lance Cpl. David L. Cosner of Elkins, and Lance Cpl. Joseph Timothy Dunnigan of Princeton. Wounded were S. Sgt. Orval Hunt of South Charleston and Sgt. John Selbe of Marmet.

As we pay tribute to these brave individuals and all those others who were killed and wounded that day, Mr. President, it also would be appropriate to reflect upon the continuing relevance that that terrorist attack 2 years ago has for today on this second anniversary.

First, this tragedy demonstrates the urgency with which efforts to bring about peace in the Middle East must be pursued. The region's problems and complexities, of which Lebanon remains a prime example, still are unresolved and need to be addressed as a matter of the highest priority.

Thus, the legitimate security interests of all the countries in the region, as contemplated under U.N. Security Council Resolutions 242 and 338, should be recognized by all parties to the disputes. The Palestinian situation should be resolved within the context of the Camp David peace accords, and direct negotiations between Israel and a Jordanian/Palestinian delegation should begin. The likelihood that these events will soon occur is uncertain, at best, but that uncertainty should not deter nations truly committed to peace from doing everything possible to make them a reality.

Second, Mr. President, the bombing of the marine barracks in Beirut underscored the need for increased international efforts to combat the scourge of terrorism. The events of the past 2 years, including those of the last few weeks, demonstrate that the civilized nations of the world still have failed to counter effectively this threat.

In the wake of the bombing 2 years ago our Government accelerated its efforts against terrorism. Subsequent terrorist attacks, especially the hijacking and hostage taking on TWA flight 847, prompted me to suggest that the President initiate multilateral negotiations with the aim of reaching more effective antiterrorist agreements or treaties.

The United States has consulted with its major allies about further antiterrorism initiatives, but it is clear that much more concerted international efforts must be made. I recommend that the President again consider initiating the broader negotiations which I previously suggested.

I also would make two other observations at this time about international terrorism—one regarding the terrorist activities of the Palestine Liberation Organization [PLO] and the other about the role of Iran in sponsoring terrorist actions.

There has been much discussion recently about the role of PLO representatives in the Middle East peace process as part of a joint Jordanian/Palestinian delegation to negotiate with Israel. We have been assured that the PLO is genuine about cooperating with Jordan's King Hussein to advance the prospects for peace. Those assurances would be more credible if the PLO were to renounce its terrorist activities, and until that occurs, the organization's acceptability as part of the peace process remains much in doubt.

There also has been some talk about attempts by Iran to reintegrate itself into the community of civilized nations. The rulers of that nation should

understand that their country will not be accepted in that manner until it, too, renounces its sponsorship of terrorist activities, including support for the group thought responsible for the attack on the marine barracks.

Finally, Mr. President, the bombing of the marine barracks raised questions about the adequacy of our military command structures and the organization of our activities to fight terrorism and to provide timely, sufficient medical care to wounded personnel. Since then, there have been efforts to make improvements in both these areas, although much remains to be done.

Most significantly, the Armed Services Committee has become involved in both these areas. It has undertaken a major project to study the current command structures and organizations of the Defense Department and the military services. The committee also has held hearings into the provision of medical care to our Armed Forces. I hope the ccmmittee's activities will result in real improvements in both these areas.

Mr. President, as the leader of the free world, the United States always will be the target of those forces which seek to attack democracy and to challenge the basic principles of human freedom which our Nation represents.

We must recognize this and resolve to redouble our efforts to eliminate the conditions which contributed to the terrorist bombing 2 years ago. Only in that way will we honor the memory of the 241 Americans who gave their lives in service of their country, and over 100 other servicemen who were wounded in that tragic event.

GARCIA DECISION COMPROMISE

Mr. CRANSTON. Mr. President, today I would like to express my support for the compromise solution reached by the Labor and Human Resources Committee which resolves the problems faced by both State and local government employees and employers as a result of the recent Supreme Court decision in Garcia versus the San Antonio Metropolitan Transit Authority.

The Labor and Human Resources Committee began with S. 1570, a bill introduced by Senator NICKLES which would have overturned the Garcia decision and removed employees of both State and local governments from the protections of the Fair Labor Standards Act, by providing a blanket exemption for States and local governments.

I could not support that bill.

I believe that public service employees, like all other workers, should be compensated fairly for their extra work, and that the public agencies that employ them should be required to meet at least minimal labor standards.

State and local governments were concerned they would not be able to meet the unanticipated fiscal demands on their budgets for overtime work resulting from the unexpected court decision, which both included them under the Fair Labor Standards Act and required that they pay time-and-a-half, rather than compensatory time off for overtime work.

At the same time workers—especially police and firefighters—were also concerned that they would lose the option of compensatory time.

As a result of these concerns, I introduced S. 1719 which would provide a more flexible interpretation of fair labor standards which would meet the needs of both State and local governments and their workers by providing the option of compensatory time off in lieu of overtime payment, when provided for by a preexisting collective bargaining agreement or employment contract.

The committee compromise also addresses the inflexibility of Garcia and allows for compensatory time off in lieu of overtime payment.

I commend my colleagues, Senators METZENBAUM and NICKLES and other members of the committee for their hard work which resulted in this compromise legislation, which I believe we can all live with.

I support its adoption.

TIME FOR REMEMBRANCE FOR TERRORISM VICTIMS

Mr. D'AMATO. Mr. President, I rise today in honor and respect for all those who have suffered at the hands of terrorists, for today has been formally designated as a "Time for Remembrance For Terrorism Victims." Without provocation, these innocent people have been used as pawns in a game for which there are no rules. Victimized by ruthless terrorists for political purposes which can never be attained through violence, these innocent people are physically abused—sometimes even murdered—and psychologically scarred for life, a scarring they share with their families and loved ones. The time has come for the plague of international terrorism to end.

The roots of terrorism are deep. In the 1930's, Adolf Hitler and Joseph Stalin used terror to discourage opposition to their governments. Since then, the Soviet Union, Cuba, and Nicaragua have expanded their financing and training of revolutionary Marxist-Leninist groups throughout the Western Hemisphere, which has produced a growing terrorist network. And many of the Arab nations support the efforts of Palestinian terrorists in the Middle East, which has become the world's primary battleground for this new type of warfare.

Although terrorist groups have failed, and will continue to fail, to achieve their political aims through threat or use of violence and destruction, they have succeeded in leaving in their wake a host of victims who must carry their ugly memories with them for the rest of their lives. Try as they may, former hostages are unable to put these memories where they belong—behind them.

Stopping this needless pain and suffering will only be achieved when we make terrorists understand that their violence and destruction will never bear fruit. We can do this by following the lead of President Reagan, as laid out in the most recent incident of international terror. We will not forgive, we will pursue justice, and we will have the resolve and courage to take the necessary action.

We must make certain that history does not repeat itself so that our future is clean of the blood of terrorism that has reddened our history books. Innocent people need not be victims any longer.

Thank you, Mr. President.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ANDREWS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS, 1986

Mr. ANDREWS. Mr. President, I ask unanimous consent that the Senate now turn to the consideration of the Department of Transportation and related agencies appropriation, H.R. 3244, Calendar Order No. 340.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (H.R. 3244) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1986, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from North Dakota?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Commit-

tee on Appropriations, with amendments, as follows:

(The parts of the bill intended to be striken are shown in boldface brackets, and the parts of the bill intended to be inserted are shown in italic.)

H.R. 3244

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Department of Transportation and related agencies for the fiscal year ending September 30, 1986, and for other purposes, namely:

TITLE I—DEPARTMENT OF TRANSPORTATION

OFFICE OF THE SECRETARY

SALARIES AND EXPENSES

[(INCLUDING TRANSFER OF FUNDS)]

For necessary expenses of the Office of the Secretary of Transportation, including not to exceed $30,000 for allocation within the Department of official reception and representation expenses as the Secretary may determine[; $965,000 for the immediate Office of the Secretary, $460,000 for the immediate Office of the Deputy Secretary, $5,500,000 for the Office of the General Counsel, $7,500,000 for the Office of the Assistant Secretary for Policy and International Affairs, $2,180,000 for the Office of the Assistant Secretary for Budget and Programs, $2,570,000 for the Office of the Assistant Secretary for Governmental Affairs, $20,750,000 for the Office of the Assistant Secretary for Administration, $1,470,000 for the Office of the Assistant Secretary for Public Affairs, $780,000 for the Executive Secretariat, $400,000 for the Contract Appeals Board, $1,300,000 for the Office of Civil Rights, $500,000 for the Office of Commercial Space Transportation, $970,000 together with $330,000 to be derived from unobligated balances of "Payments to air carriers" for the Office of Essential Air Service, $580,000 for Regional Representatives, and $4,575,000 for the Office of Small and Disadvantaged Business Utilization,] *$51,300,000, together with $500,000 unobligated balances available under this head at the beginning of fiscal year 1986, and* of which $3,500,000 shall remain available until expended and shall be available for the purposes of the Minority Business Resource Center as authorized by 49 U.S.C. 332: *Provided,* That, notwithstanding any other provision of law, funds available for the purposes of the Minority Business Resource Center in this or any other Act may be used for business opportunities related to any mode of transportation.

TRANSPORTATION PLANNING, RESEARCH, AND DEVELOPMENT

For necessary expenses for conducting transportation planning, research, and development activities, including the collection of national transportation statistics, and university research and internships, to remain available until expended, [$3,000,000] *$4,000,000.*

WORKING CAPITAL FUND

Necessary expenses for operating costs and capital outlays of the Department of Transportation Working Capital Fund not to exceed $64,500,000 shall be paid, in accordance with law, from appropriations made available by this Act and prior appropriation Acts to the Department of Transportation, together with advances and reimbursements received by the Department of Transportation.

PAYMENTS TO AIR CARRIERS

For payments to air carriers of so much of the compensation fixed and determined under section 419 of the Federal Aviation Act of 1958, as amended (49 U.S.C. 1389), as is payable by the Department of Transportation, [$36,000,000] *$28,000,000,* to remain available until expended.

COAST GUARD

OPERATING EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses for the operation and maintenance of the Coast Guard, not otherwise provided for; purchase of not to exceed eight passenger motor vehicles for replacement only; and recreation and welfare, [$1,785,200,000] *$1,585,101,000* of which [$8,000,000] *$10,000,000* shall be derived from unobligated balances of "Pollution fund" and of which $15,000,000 shall be [derived] *expended* from the Boat Safety Account: *Provided,* That, notwithstanding any other provision of law, of the funds available under this head [$786,800,000] *$792,800,000* shall be available for compensation and benefits of military personnel: *Provided further, That funds available in this Act shall be available to fund 38,900 full-time equivalent military personnel and 39,150 military positions: Provided further,* That, of the funds available under this head, not less than [$325,000,000] *$328,000,000* shall be available for drug enforcement activities: *Provided further,* That the number of aircraft on hand at any one time shall not exceed two hundred and ten, exclusive of planes and parts stored to meet future attrition: *Provided further,* That none of the funds appropriated in this or any other Act shall be available for pay or administrative expenses in connection with shipping commissioners in the United States: *Provided further,* That none of the funds provided in this Act shall be available for expenses incurred for yacht documentation under 46 U.S.C. 103 except to the extent fees are collected from yacht owners and credited to this appropriation.

ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS

For necessary expenses of acquisition, construction, rebuilding, and improvement of aids to navigation, shore facilities, vessels, and aircraft, including equipment related thereto; to remain available until September 30, 1990, [$267,300,000] *$276,300,000: Provided,* That the Secretary of Transportation shall issue regulations requiring that written warranties shall be included in all contracts with prime contractors for major systems acquisitions of the Coast Guard: *Provided further,* That any such written warranty shall not apply in the case of any system or component thereof that has been furnished by the Government to a contractor: *Provided further,* That the Secretary of Transportation may provide for a waiver of the requirements for a warranty where: (1) the waiver is necessary in the interest of the national defense or the warranty would not be cost effective; and (2) the Committees on Appropriations of the Senate and the House of Representatives are notified in writing of the Secretary's intention to waive and reasons for waiving such requirements: *Provided further,* That the requirements for such written warranties shall not cover combat damage.

ALTERATION OF BRIDGES

For necessary expenses for alteration or removal of obstructive bridges, [$7,195,000] *$5,200,000,* to remain available until expended.

RETIRED PAY

For retired pay, including the payment of obligations therefor otherwise chargeable to lapsed appropriations for this purpose, and payments under the Retired Serviceman's Family Protection and Survivor Benefit Plans, and for payments for medical care of retired personnel and their dependents under the Dependents Medical Care Act (10 U.S.C., ch. 55), $351,800,000.

RESERVE TRAINING

For all necessary expenses for the Coast Guard Reserve, as authorized by law; maintenance and operation of facilities; and supplies, equipment, and services, $61,502,000.

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

For necessary expenses, not otherwise provided for, for basic and applied scientific research, development, test, and evaluation; maintenance, rehabilitation, lease, and operation of facilities and equipment, as authorized by law, [$23,000,000] *$21,000,000,* to remain available until expended: *Provided,* That there may be credited to this appropriation funds received from State and local governments, other public authorities, private sources and foreign countries, for expenses incurred for research, development, testing, and evaluation.

OFFSHORE OIL COMPENSATION FUND

For necessary expenses to carry out the provisions of title III of the Outer Continental Shelf Lands Act Amendments of 1978 (Public Law 95-372), $1,000,000, to be derived from the Offshore Oil Pollution Compensation Fund and to remain available until expended. In addition, to the extent that available appropriations are not adequate to meet the obligations of the Fund, the Secretary of Transportation is authorized to issue to the Secretary of the Treasury notes or other obligations in such amounts and at such times as may be necessary: *Provided,* That none of the funds in this Act shall be available for the implementation or execution of programs the obligations for which are in excess of $60,000,000 in fiscal year 1986 for the "Offshore Oil Pollution Compensation Fund".

DEEPWATER PORT LIABILITY FUND

For necessary expenses to carry out the provisions of section 18 of the Deepwater Port Act of 1974 (Public Law 93-627), $1,000,000, to be derived from the Deepwater Port Liability Fund and to remain available until expended. In addition, to the extent that available appropriations are not adequate to meet the obligations of the Fund, the Secretary of Transportation is authorized to issue, and the Secretary of the Treasury is authorized to purchase, without fiscal year limitation, notes or other obligations in such amounts and at such times as may be necessary: *Provided,* That none of the funds in this Act shall be available for the implementation or execution of programs the obligations for which are in excess of $50,000,000 in fiscal year 1986 for the "Deepwater Port Liability Fund".

BOAT SAFETY

(LIQUIDATION OF CONTRACT AUTHORIZATION)

[For necessary expenses for recreational boating safety assistance under Public Law 92-75, as amended, and Public Law 98-369,

$13,625,000, to be derived from the Boat Safety Account and to remain available until expended] *For payment of obligations incurred for recreational boating safety assistance under Public Law 92-75, as amended, $30,000,000, to be derived from the Boat Safety Account and to remain available until expended: Provided, That none of the funds in this Act shall be available for the planning or execution of programs, the obligations for which are in excess of $30,000,000 in fiscal year 1986 for recreational boating safety assistance: Provided further,* That no obligations may be incurred for the improvement of recreational boating facilities.

[With regard to section 2901(a)(1) of the Deficit Reduction Act of 1984 (98 Stat. 1207), the Coast Guard will conform to the standards adopted by the Department of Defense.]

FEDERAL AVIATION ADMINISTRATION

Headquarters Administration

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses, not otherwise provided for, of providing administrative services at the headquarters location of the Federal Aviation Administration, including but not limited to accounting, budgeting, personnel, legal, public affairs, and executive direction for the Federal Aviation Administration, $64,400,000*: Provided, That the Secretary of Transportation is authorized to transfer appropriated funds between this appropriation and the Federal Aviation Administration appropriation for operations: Provided further, That this appropriation shall be neither increased nor decreased by more than 2 per centum by any such transfers: Provided further, That any such transfers shall be reported to the Committees on Appropriations.*

Operations

For necessary expenses of the Federal Aviation Administration, not otherwise provided for, including administrative expenses for research and development, and for establishment of air navigation facilities, and carrying out the provisions of the Airport and Airway Development Act, as amended, or other provisions of law authorizing obligation of funds for similar programs of airport and airway development or improvement; purchase of four passenger motor vehicles for replacement only; [$2,694,600,000] *$2,414,400,000,* of which not to exceed [$548,000,000] *$446,000,000* shall be derived from the Airport and Airway Trust Fund: *Provided,* That there may be credited to this appropriation funds received from States, counties, municipalities, other public authorities, and private sources, for expenses incurred in the maintenance and operation of air navigation facilities: *Provided further,* That none of these funds shall be available for new applicants for the second career training program.

Facilities and Equipment (Airport and Airway Trust Fund)

For necessary expenses, not otherwise provided for, for acquisition, establishment, and improvement by contract or purchase, and hire of air navigation and experimental facilities, including initial acquisition of necessary sites by lease or grant; engineering and service testing including construction of test facilities and acquisition of necessary sites by lease or grant; and construction and furnishing of quarters and related accommodations of officers and employees of the Federal Aviation Administration stationed at remote localities where such accommodations are not available; to be derived from the Airport and Airway Trust Fund and to remain available until September 30, 1990, [$1,044,000,000] *$993,000,000*: *Provided,* That there may be credited to this appropriation funds received from States, counties, municipalities, other public authorities, and private sources, for expenses incurred in the establishment and modernization of air navigation facilities: *Provided further,* That of the funds available under this head, [$5,000,000] *$10,000,000* shall be available for the Secretary of Transportation to enter into grant agreements with universities or colleges to conduct demonstration projects in the development, advancement, or expansion of airway science curriculum programs, and such money, which shall remain available until expended, shall be made available under such terms and conditions as the Secretary of Transportation may prescribe, to such universities or colleges for the purchase or lease of buildings and associated facilities, instructional materials, or equipment to be used in conjunction with airway science curriculum programs.

Research, Engineering and Development (Airport and Airway Trust Fund)

For necessary expenses, not otherwise provided for, for research, engineering and development, in accordance with the provisions of the Federal Aviation Act (49 U.S.C. 1301-1542), including construction of experimental facilities and acquisition of necessary sites by lease or grant, to be derived from the Airport and Airway Trust Fund and to remain available until expended, [$190,000,000] *$192,000,000 together with $15,000,000 to be transferred from unobligated balances of "Facilities and equipment"*[*, of which $4,000,000 shall be available to construct an experimental computer-based Airway and Aviation Management Program in accordance with the provisions of the Federal Aviation Act (49 U.S.C. 1301-1542) at the Center for Research and Training in Information-based Aviation and Transportation Management at Barry University:*] *Provided,* That there may be credited to this appropriation funds received from States, counties, municipalities, other public authorities, and private sources, for expenses incurred for research, engineering and development.

Grants-in-Aid for Airports (Liquidation of Contract Authorization) (Airport and Airway Trust Fund)

For liquidation of obligations incurred for airport planning and development under section 14 of Public Law 91-258, as amended, and under other law authorizing such obligations, and obligations for noise compatibility planning and programs, $693,000,000, to be derived from the Airport and Airway Trust Fund and to remain available until expended: *Provided,* That none of the funds in this Act shall be available for the planning or execution of programs the commitments for which are in excess of $925,000,000 in fiscal year 1986 for grants-in-aid for airport planning and development, and noise compatibility planning and programs, notwithstanding section 506(e)(4) of the Airport and Airway Improvement Act of 1982.

Operation and Maintenance, Metropolitan Washington Airports

For expenses incident to the care, operation, maintenance, improvement, and protection of the federally owned civil airports in the vicinity of the District of Columbia, including purchase of eight passenger motor vehicles for police use, for replacement only; purchase, cleaning, and repair of uniforms; and arms and ammunition, [$35,400,000] *$34,100,000*: *Provided,* That there may be credited to this appropriation funds received from air carriers, concessionaires, and non-Federal tenants sufficient to cover utility and fuel costs which are in excess of $6,682,000: *Provided further,* That there may be credited to this appropriation funds received from States, counties, municipalities, other public authorities, or private sources, for expenses incurred in the maintenance and operation of the federally owned civil airports.

Construction, Metropolitan Washington Airports

For necessary expenses for construction at the federally owned civil airports in the vicinity of the District of Columbia, [$12,000,000] *$7,000,000,* to remain available until September 30, 1988.

Aviation Insurance Revolving Fund

The Secretary of Transportation is hereby authorized to make such expenditures and investments, within the limits of funds available pursuant to section 1306 of the Act of August 23, 1958, as amended (49 U.S.C. 1536), and in accordance with section 104 of the Government Corporation Control Act, as amended (31 U.S.C. 9104), as may be necessary in carrying out the programs set forth in the budget for the current fiscal year for aviation insurance activities under said Act.

Aircraft Purchase Loan Guarantee Program

The Secretary of Transportation may hereafter issue notes or other obligations to the Secretary of the Treasury, in such forms and denominations, bearing such maturities, and subject to such terms and conditions as the Secretary of the Treasury may prescribe. Such obligations may be issued to pay any necessary expenses required pursuant to any guarantee issued under the Act of September 7, 1957, Public Law 85-307, as amended (49 U.S.C. 1324 note). The aggregate amount of such obligations during fiscal year 1986 shall not exceed [$10,000,000] *$125,000,000.* Such obligations shall be redeemed by the Secretary from appropriations authorized by this section. The Secretary of the Treasury shall purchase any such obligations, and for such purpose he may use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as now or hereafter in force. The purposes for which securities may be issued under such Act are extended to include any purchase of notes or other obligations issued under the subsection. The Secretary of the Treasury may sell any such obligations at such times and price and upon such terms and conditions as he shall determine in his discretion. All purchase, redemptions, and sales of such obligations by such Secretary shall be treated as public debt transactions of the United States.

FEDERAL HIGHWAY ADMINISTRATION

Limitation on General Operating Expenses

Necessary expenses for administration, operation, and research of the Federal Highway Administration, not to exceed [$204,500,000] *$203,761,000,* shall be paid, in accordance with law, from appropriations made available by this Act to the Federal Highway Administration together with advances and reimbursements received by the

Federal Highway Administration: *Provided,* That not to exceed [$48,589,000] *$48,415,000* of the amount provided herein shall remain available until expended: *Provided further,* [*That, of the funds available under this limitation, $5,000,000 shall be made available only for a Demonstration Bonding Program for economically and socially disadvantaged businesses: Provided further,*] That, notwithstanding any other provision of law, there may be credited to this account funds received from States, counties, municipalities, other public authorities and private sources, for training expenses incurred for non-Federal employees[: *Provided further,* That none of the funds provided in this Act shall be used for the approval of, or to pay the salary of any person who approves, projects to construct a landfill in the Hudson River as part of an Interstate System highway in New York City.]

HIGHWAY SAFETY RESEARCH AND DEVELOPMENT

(HIGHWAY TRUST FUND)

For necessary expenses in carrying out provisions of sections 307(a) and 403 of title 23, United States Code, to be derived from the Highway Trust Fund and to remain available until expended, $8,500,000.

HIGHWAY-RELATED SAFETY GRANTS (LIQUIDATION OF CONTRACT AUTHORIZATION) (HIGHWAY TRUST FUND)

For payment of obligations incurred in carrying out the provisions of title 23, United States Code, section 402, administered by the Federal Highway Administration, to remain available until expended, $9,000,000 to be derived from the Highway Trust Fund: *Provided,* That not to exceed $100,000 of the amount appropriated herein shall be available for "Limitation on general operating expenses": *Provided further,* That none of the funds in this Act shall be available for the planning or execution of programs the obligations for which are in excess of $10,000,000 in fiscal year 1986 for "Highway-related safety grants".

HIGHWAY BEAUTIFICATION

Funds appropriated and obligated to carry out sections 131 and 136 of title 23, United States Code, which have been deobligated subsequent to enactment of this Act shall remain available until expended.

RAILROAD-HIGHWAY CROSSINGS DEMONSTRATION PROJECTS

[For necessary expenses of certain railroad-highway crossings demonstration projects as authorized by section 163 of the Federal-Aid Highway Act of 1973, as amended, to remain available until expended, $38,700,000, of which $25,800,000 shall be derived from the Highway Trust Fund: *Provided,* That the] *The* unobligated balance of funds appropriated in Public Law 93-98 for Wheeling, West Virginia, is hereby made available for allocation to carry out highway projects on the Federal-aid system in Wheeling, West Virginia *at full Federal expense.*

FEDERAL-AID HIGHWAYS (LIQUIDATION OF CONTRACT AUTHORIZATION) (HIGHWAY TRUST FUND)

For carrying out the provisions of title 23, United States Code, which are attributable to Federal-aid highways, including the National Scenic and Recreational Highway as authorized by 23 U.S.C. 148, not otherwise provided, including reimbursements for sums expended pursuant to the provisions of 23 U.S.C. 308, $13,836,000,000 or so much thereof as may be available in and derived from the Highway Trust Fund: *Provided,* That none of the funds in this Act shall be available for the implementation or execution of programs the obligations for which are in excess of $13,250,000,000 for Federal-aid highways and highway safety construction programs for fiscal year 1986, except that this limitation shall not apply to obligations for emergency relief under section 125 of title 23, United States Code, obligations under section 157 of title 23, United States Code, projects covered under section 147 of the Surface Transportation Assistance Act of 1978, section 9 of the Federal-Aid Highway Act of 1981, subsections 131 (b) and (j) of Public Law 97-424, section 118 of the National Visitors Center Facilities Act of 1968, or section 320 of title 23, United States Code.

RIGHT-OF-WAY REVOLVING FUND (LIMITATION ON DIRECT LOANS) (HIGHWAY TRUST FUND)

During fiscal year 1986 and with the resources and authority available, gross obligations for the principal amount of direct loans shall not exceed $50,000,000.

MOTOR CARRIER SAFETY

For necessary expenses to carry out the motor carrier safety functions of the Secretary as authorized by the Department of Transportation Act (80 Stat. 939-940), [$13,900,000] *$13,902,000,* of which $953,000 shall remain available until expended, and not to exceed $1,601,000 shall be available for "Limitation on general operating expenses".

MOTOR CARRIER SAFETY GRANTS

(HIGHWAY TRUST FUND)

For necessary expenses to carry out provisions of section 402 of Public Law 97-424, [$14,000,000] *$20,000,000,* to be derived from the Highway Trust Fund and to remain available until September 30, 1989.

ACCESS HIGHWAYS TO PUBLIC RECREATION AREAS ON CERTAIN LAKES

For necessary expenses of certain Access Highway Projects, as authorized by section 155, title 23, United States Code, $10,000,000.

BALTIMORE-WASHINGTON PARKWAY

[For necessary expenses, not otherwise provided, to carry out the provisions of the Federal-Aid Highway Act of 1970, for the Baltimore-Washington Parkway, to remain available until expended, $6,500,000 to be derived from the Highway Trust Fund and to be withdrawn therefrom at such times and in such amounts as may be necessary: *Provided,* That, notwithstanding] *Notwithstanding* subsection (b) of section 146 of the Federal-Aid Highway Act of 1970 and any agreement entered into under such subsection, the Secretary of the Interior shall not be required to convey to the State of Maryland any portion of the Baltimore-Washington Parkway located in the State of Maryland, and the State of Maryland shall not be required to accept conveyance of any such portion: *Provided* [*further*], That funds authorized by such section may be expended without regard to any requirement of such an agreement that such portion of the Baltimore-Washington Parkway be conveyed to the State of Maryland.

[RAIL LINE CONSOLIDATION PROJECT

[(TRANSFER OF FUNDS)

[For necessary expenses to carry out a project to consolidate two rail lines on a common alignment in the vicinity of Orange, Texas, that demonstrates methods by which a rail line consolidation project will reduce motor vehicle traffic congestion and increase employment, to remain available until expended, $5,000,000 to be derived from unobligated balances of "Research, training, and human resources".

[AIRPORT-HIGHWAY DEMONSTRATION PROJECT

[(TRANSFER OF FUNDS)

[For necessary expenses to carry out a highway project to depress a highway in Shawnee, Oklahoma, that demonstrates methods of improving air service to a small community by extension of a runway over a depressed road, to remain available until expended, $2,700,000 to be derived from unobligated balances of "Research, training, and human resources".]

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

OPERATIONS AND RESEARCH

(INCLUDING TRANSFER OF FUNDS)

For expenses necessary to discharge the functions of the Secretary with respect to traffic and highway safety and functions under the Motor Vehicle Information and Cost Savings Act (Public Law 92-513, as amended), [$89,365,000] *$78,851,000,* of which [$25,120,000] *$25,455,000* shall be derived from the Highway Trust Fund: *Provided,* That not to exceed [$42,174,000] *$36,624,000* shall remain available until expended, of which [$10,180,000] *$13,729,000* shall be derived from the Highway Trust Fund: *Provided further,* [*That, of the funds available under this head, $10,000,000 shall be available to implement the recommendations of the 1985 National Academy of Sciences report on trauma research.*] *That for the purpose of carrying out a national program to encourage the use of automobile safety belts and passive restraints as authorized by 23 U.S.C 403, an additional $500,000 is available to be derived from unobligated balances of "Carpool and Vanpool projects".*

HIGHWAY TRAFFIC SAFETY GRANTS

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(HIGHWAY TRUST FUND)

For payment of obligations incurred in carrying out the provisions of 23 U.S.C. 402, 406 and 408, and section 209 of Public Law 95-599, as amended, to remain available until expended, $149,000,000, to be derived from the Highway Trust Fund: *Provided,* That none of the funds in this Act shall be available for the planning or execution of programs, the total obligations for which are in excess of $126,500,000 in fiscal year 1986 for "State and community highway safety" authorized under 23 U.S.C. 402: *Provided further,* That none of these funds shall be used for construction, rehabilitation or remodeling costs or for office furnishings and fixtures for State, local, or private buildings or structures: *Provided further,* That none of the funds in this Act shall be available for the planning or execution of programs, the total obligations for which are in excess of $28,800,000 for "Alcohol safety incentive grants" authorized under 23 U.S.C. 408: *Provided further,* That none of the funds in this Act shall be available for the planning or execution of programs authorized by section 209 of Public Law 95-599, as amended, the total obligations for which are in excess of $5,000,000 in fiscal years 1983, 1984, 1985, and 1986: *Provided further,* That not to exceed $5,000,000 shall be available for administering the provisions of 23 U.S.C. 402.

FEDERAL RAILROAD ADMINISTRATION

OFFICE OF THE ADMINISTRATOR

For necessary expenses of the Federal Railroad Administration, not otherwise provided for, $10,120,000.

RAILROAD SAFETY

For necessary expenses in connection with railroad safety, not otherwise provided for, [$28,000,000] *$27,764,000,* of which [$1,300,000] *$1,500,000* shall remain available until expended.

RAILROAD RESEARCH AND DEVELOPMENT

For necessary expenses for railroad research and development, [$11,200,000] *$10,384,000,* to remain available until expended.

RAIL SERVICE ASSISTANCE

For necessary expenses for rail service assistance authorized by section 5 of the Department of Transportation Act, as amended, for Washington Union Station, as authorized by Public Law 97-125, and for necessary administrative expenses in connection with Federal rail assistance programs not otherwise provided for, [$20,200,000] *$20,220,000,* to remain available until expended: *Provided,* That none of the funds provided under this Act shall be available for the planning or execution of a program making commitments to guarantee new loans under the Emergency Rail Services Act of 1970, as amended, and that no new commitments to guarantee loans under section 211(a) or 211(h) of the Regional Rail Reorganization Act of 1973, as amended, shall be made: *Provided further,* That none of the funds in this Act shall be available for the acquisition, sale or transference of Washington Union Station without the prior approval of the House and Senate Committees on Appropriations: *Provided further,* That, of the funds available under this head, $15,000,000 shall be available for allocation to the States under section 5(h)(2) of the Department of Transportation Act, as amended: *Provided further,* That, notwithstanding any other provision of law, a State may not apply for fiscal year 1986 funds available under section 5(h)(2) until such State has expended all funds granted to it in the fiscal years prior to the beginning of fiscal year 1981, other than funds not expended due to pending litigation: *Provided further,* That a State denied funding by reason of the immediately preceding proviso may still apply for and receive funds for planning purposes: *Provided further,* That, notwithstanding any other provision of law, of the funds available under section 5(h)(2), $10,000,000 shall be made available for use under sections 5(h)(3)(B)(ii) and 5(h)(3)(C) of the Department of Transportation Act, as amended, notwithstanding the limitations set forth in section 5(h)(3)(B)(ii).

CONRAIL LABOR PROTECTION

[(INCLUDING RESCISSION)]

Such sums as may be necessary shall be made available for necessary expenses of administration of section 701 of the Regional Rail Reorganization Act of 1973 by the Railroad Retirement Board[: *Provided,* That, of the funds heretofore appropriated under this head, $8,000,000 are rescinded.]

NORTHEAST CORRIDOR IMPROVEMENT PROGRAM

For necessary expenses related to Northeast Corridor improvements authorized by title VII of the Railroad Revitalization and Regulatory Reform Act of 1976, as amended (45 U.S.C. 851 et seq.), $12,500,000, to remain available until expended: *Provided,* That, notwithstanding any other provision of law, the provisions of Public Law 85-804 shall apply to the Northeast Corridor Improvement Program: *Provided further,* That the Secretary may waive the provisions of 23 U.S.C. 322 (c) and (d) if such action would serve a public purpose: *Provided further,* That all public at grade-level crossings remaining along the Northeast Corridor upon completion of the project shall be equipped with protective devices including gates and lights.

GRANTS TO THE NATIONAL RAILROAD PASSENGER CORPORATION

(INCLUDING TRANSFERS OF FUNDS)

To enable the Secretary of Transportation to make grants to the National Railroad Passenger Corporation for operating losses incurred by the Corporation, capital improvements, and labor protection costs authorized by 45 U.S.C. 565, to remain available until expended, [$603,500,000] *$616,000,000,* of which [$15,000,000] *$23,000,000* shall be derived from unobligated balances of "Conrail labor protection" *and $5,500,000 shall be derived from unobligated balances of "Rail labor assistance" as of September 30, 1985: Provided,* That none of the funds herein appropriated shall be used for lease or purchase of passenger motor vehicles or for the hire of vehicle operators for any officer or employee, other than the president of the Corporation, excluding the lease of passenger motor vehicles for those officers or employees while in official travel status: *Provided further,* That the Secretary shall make no commitments to guarantee new loans or loans for new purposes under 45 U.S.C. 602 in fiscal year 1986: *Provided further,* That the incurring of any obligation or commitment by the Corporation for the purchase of capital improvements prohibited by this Act or not expressly provided for in an appropriation Act shall be deemed a violation of 31 U.S.C. 1341: *Provided further,* That no funds are required to be expended or reserved for expenditure pursuant to 45 U.S.C. 601(e): *Provided further,* That none of the funds in this or any other Act shall be made available to finance the rehabilitation and other improvements (including upgrading track and the signal system, ensuring safety at public and private highway and pedestrian crossings by improving signals or eliminating such crossings, and the improvement of operational portions of stations related to intercity rail passenger service) on the main line track between Atlantic City, New Jersey, and the main line of the Northeast Corridor, unless the Secretary of Transportation certifies that not less than 40 per centum of the costs of such improvements shall be derived from non-Federal sources: *Provided further,* That, notwithstanding any other provision of law, the National Railroad Passenger Corporation shall not operate rail passenger service between Atlantic City, New Jersey, and the Northeast Corridor main line unless the Corporation's Board of Directors determines that revenues from such service have covered or exceeded 80 per centum of the short term avoidable costs of operating such service in the first year of operation and 100 per centum of the short term avoidable operating costs for each year thereafter: *Provided further,* That none of the funds provided in this or any other Act shall be made available to finance the acquisition and rehabilitation of a line, and construction necessary to facilitate improved rail passenger service, between Spuyten Duyvil, New York, and the main line of the Northeast Corridor unless the Secretary of Transportation certifies that not less than 40 per centum of the costs of such improvement shall be derived from non-Amtrak sources.

RAILROAD REHABILITATION AND IMPROVEMENT FINANCING FUNDS

[The Secretary of Transportation is authorized to issue to the Secretary of the Treasury notes or other obligations pursuant to section 512 of the Railroad Revitalization and Regulatory Reform Act of 1976 (Public Law 94-210), as amended, in such amounts and at such times as may be necessary to pay any amounts required pursuant to the guarantee of the principal amount of obligations under sections 511 through 513 of such Act, such authority to exist as long as any such guaranteed obligation is outstanding: *Provided,* That no new loan guarantee commitments shall be made during fiscal year 1986.]

The total commitments to guarantee new loans pursuant to sections 511 through 513 of the Railroad Revitalization and Regulatory Reform Act of 1976 (Public Law 94-210), as amended, shall not exceed $4,000,000 of contingent liabilities for loan principal during fiscal year 1986: Provided, That the Secretary of Transportation is authorized to issue to the Secretary of the Treasury notes of other obligations pursuant to 512 of the Railroad Revitalization and Regulatory Reform Act of 1976 (Public Law 94-210), as amended, in such amounts and at such times as may be necessary to pay any amounts required pursuant to the guarantee of the principal amount of obligations under sections 511 through 513 of such Act, such authority to exist as long as any such guaranteed obligation is outstanding: Provided further, That the aggregate amount of such notes or other obligations during fiscal year 1986 shall not exceed $100,000,000.

REDEEMABLE PREFERENCE SHARES

[(INCLUDING TRANSFER OF FUNDS)]

[The] *Notwithstanding any other provision of law, the* Secretary of Transportation is hereby authorized to expend proceeds from the sale of fund anticipation notes to the Secretary of the Treasury and any other moneys deposited in the Railroad Rehabilitation and Improvement Fund pursuant to sections 502, 505-507, and 509 of the Railroad Revitalization and Regulatory Reform Act of 1976 (Public Law 94-210), as amended, and section 803 of Public Law 95-620, for uses authorized for the Fund, in amounts not to exceed [$35,500,000] *$33,500,000,* [of which $5,500,000 shall be derived from unobligated balances of "Rail labor assistance"] *of which $17,000,000 shall be derived from unobligated balances of this account as of September 30, 1985.*

[CONRAIL COMMUTER TRANSITION ASSISTANCE

[For necessary capital expenses of Conrail commuter transition assistance, not otherwise provided for, $10,000,000, to remain available until expended.]

URBAN MASS TRANSPORTATION ADMINISTRATION

ADMINISTRATIVE EXPENSES

For necessary administrative expenses of the urban mass transportation program authorized by the Urban Mass Transportation Act of 1964, as amended (49 U.S.C. 1601 et seq.), and 23 U.S.C. chapter 1, in connection with these activities, including hire of passenger motor vehicles and services as authorized by 5 U.S.C. 3109, [$31,000,000]

$30,000,000[*, of which not to exceed $350,000 shall be available for the Office of the Administrator.*]

RESEARCH, TRAINING, AND HUMAN RESOURCES

For necessary expenses for research, training, and human resources as authorized by the Urban Mass Transportation Act of 1964, as amended (49 U.S.C. 1601 et seq.), to remain available until expended, [$28,103,000] *$17,400,000*: *Provided*, That there may be credited to this appropriation funds received from States, counties, municipalities, other public authorities and private sources, for expenses incurred for training.

FORMULA GRANTS

For necessary expenses to carry out the provisions of sections 9 and 18 of the Urban Mass Transportation Act of 1964, as amended (49 U.S.C. 1601 et seq.), [$2,210,000,000] *$2,100,000,000*, to remain available until expended.

DISCRETIONARY GRANTS

None of the funds in this Act shall be available for the implementation or execution of programs in excess of [$1,010,000,000] *$1,100,000,000* in fiscal year 1986 for grants under the contract authority authorized in section 21(a)(2)(B) of the Urban Mass Transportation Act of 1964, as amended (49 U.S.C. 1601 et seq.).

LIQUIDATION OF CONTRACT AUTHORIZATION

For payment of obligations incurred in carrying out section 21(a)(2) of the Urban Mass Transportation Act of 1964, as amended (49 U.S.C. 1601 et seq.), administered by the Urban Mass Transportation Administration, [$720,000,000] *$775,000,000*, to be derived from the Highway Trust Fund and to remain available until expended.

INTERSTATE TRANSFER GRANTS—TRANSIT

For necessary expenses to carry out the provisions of 23 U.S.C. 103(e)(4) related to transit projects, [$237,500,000] *$200,000,000*, to remain available until September 30, 1987.

WASHINGTON METRO

For necessary expenses to carry out the provisions of section 14 of Public Law 96-184, [$237,500,000] *$187,500,000*, to remain available until expended.

SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION

The Saint Lawrence Seaway Development Corporation is hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to the Corporation, and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the Corporation's budget for the current fiscal year except as hereinafter provided.

LIMITATION ON ADMINISTRATIVE EXPENSES

Not to exceed [$1,890,000] *$1,942,000* shall be available for administrative expenses which shall be computed on an accrual basis, including not to exceed $3,000 for official entertainment expenses to be expended upon the approval or authority of the Secretary of Transportation: *Provided*, That Corporation funds shall be available for the hire of passenger motor vehicles and aircraft, operation and maintenance of aircraft, uniforms or allowances therefor for operation and maintenance personnel, as authorized by law (5 U.S.C. 5901-5902), and $15,000 shall be available for services as authorized by 5 U.S.C. 3109.

RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION

RESEARCH AND SPECIAL PROGRAMS

For expenses necessary to discharge the functions of the Research and Special Programs Administration, for expenses for conducting research and development and for grants-in-aid to carry out a pipeline safety program, as authorized by section 5 of the Natural Gas Pipeline Safety Act of 1968 (49 U.S.C. 1674), [$19,400,000] *$19,200,000*, of which $6,975,000 shall remain available until expended: *Provided, That there may be credited to this appropriation funds received from States, counties, municipalities, other public authorities, and private sources for expenses incurred for training.*

OFFICE OF THE INSPECTOR GENERAL

SALARIES AND EXPENSES

For necessary expenses of the Office of the Inspector General in carrying out the provisions of the Inspector General Act of 1978, [$27,950,000] *$27,250,000*.

TITLE II—RELATED AGENCIES

ARCHITECTURAL AND TRANSPORTATION BARRIERS COMPLIANCE BOARD

SALARIES AND EXPENSES

For expenses necessary for the Architectural and Transportation Barriers Compliance Board, as authorized by section 502 of the Rehabilitation Act of 1973, as amended, [$2,000,000] *$1,975,000*.

NATIONAL TRANSPORTATION SAFETY BOARD

SALARIES AND EXPENSES

For necessary expenses of the National Transportation Safety Board, including hire of passenger motor vehicles and aircraft; services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for a GS-18; uniforms, or allowances therefor, as authorized by law (5 U.S.C 5901-5902), [$22,400,000] *$22,200,000*, of which not to exceed [$300] *$500* may be used for official reception and representation expenses.

INTERSTATE COMMERCE COMMISSION

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses of the Interstate Commerce Commission, including services as authorized by 5 U.S.C. 3109, and not to exceed $1,500 for official reception and representation expenses, [$50,480,000] *$49,300,000*, of which $2,300,000 shall be derived from unobligated balances of "Payments for directed rail service": *Provided*, That joint board members and cooperating State commissioners may use Government transportation requests when traveling in connection with their official duties as such.

PAYMENTS FOR DIRECTED RAIL SERVICE

None of the funds provided in this Act shall be available for the execution of programs the obligations for which can reasonably be expected to exceed $1,000,000 for directed rail service authorized under 49 U.S.C. 11125 or any other legislation.

PANAMA CANAL COMMISSION

OPERATING EXPENSES

For operating expenses necessary for the Panama Canal Commission, including hire of passenger motor vehicles and aircraft; uniforms or allowances therefor, as authorized by law (5 U.S.C. 5901-5902); not to exceed $10,000 for official reception and representation expenses of the Board; operation of guide services; residence for the Administrator; disbursements by the Administrator for employee and community projects; [not to exceed $5,000 for official reception and representation expenses of the Secretary;] not to exceed $25,000 for official reception and representation expenses of the Administrator; and to employ services as authorized by law (5 U.S.C. 3109); [$401,284,000] *$400,284,000*, to be derived from the Panama Canal Commission Fund: *Provided*, That there may be credited to this appropriation funds received from the Panama Canal Commission's capital outlay account for expenses incurred for supplies and services provided for capital projects: *Provided further, That the Commission shall deposit in the Treasury as miscellaneous receipts that part of the tolls and other receipts that covers interest on the investment of the United States in the Panama Canal collected during the fiscal years ending September 30, 1980, 1981, 1982, 1983, 1984, 1985, and each fiscal year thereafter. The investment of the United States in the Panama Canal shall not be increased as prescribed in section 1603(b)(1)(A) of the Panama Canal Act of 1979 for such deposits of interest collected from tolls made during the fiscal years ending September 30, 1980, 1981, 1982, 1983, 1984, and 1985.*

CAPITAL OUTLAY

For acquisition, construction, replacement, and improvement of facilities, structures, and equipment required by the Panama Canal Commission, including the purchase of not to exceed [forty-seven] *four* passenger motor vehicles for replacement only (including large heavy-duty vehicles used to transport Commission personnel across the Isthmus of Panama, the purchase price of which shall not exceed $14,000 per vehicle); to employ services authorized by law (5 U.S.C. 3109); [$26,500,000] *$25,500,000* to be derived from the Panama Canal Commission Fund and to remain available until expended.

DEPARTMENT OF THE TREASURY

OFFICE OF THE SECRETARY

INVESTMENT IN FUND ANTICIPATION NOTES

For the acquisition, in accordance with section 509 of the Railroad Revitalization and Regulatory Reform Act of 1976, as amended, and section 803 of Public Law 95-620, of fund anticipation notes, [$35,500,000] *$33,500,000*.

UNITED STATES RAILWAY ASSOCIATION

ADMINISTRATIVE EXPENSES

For necessary administrative expenses to enable the United States Railway Association to carry out its functions under the Regional Rail Reorganization Act of 1973, as amended, to remain available until expended, [$2,100,000] *$2,400,000*, of which not to exceed $500 may be available for official reception and representation expenses.

WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

INTEREST PAYMENTS

For necessary expenses for interest payments, to remain available until expended, $51,663,569: *Provided*, That these funds shall be disbursed pursuant to terms and conditions established by Public Law 96-184 and the Initial Bond Repayment Participation Agreement.

TITLE III—GENERAL PROVISIONS

SEC. 301. During the current fiscal year applicable appropriations to the Department of Transportation shall be available for maintenance and operation of aircraft; hire of passenger motor vehicles and aircraft; purchase of liability insurance for motor vehicles operating in foreign countries on official departmental business; and uniforms, or allowances therefor, as authorized by law (5 U.S.C. 5901-5902).

SEC. 302. Funds appropriated for the Panama Canal Commission may be apportioned notwithstanding section 3679 of the Revised Statutes, as amended (31 U.S.C. 1341), to the extent necessary to permit payment of such pay increases for officers or employees as may be authorized by administrative action pursuant to law which are not in excess of statutory increases granted for the same period in corresponding rates of compensation for other employees of the Government in comparable positions.

SEC. 303. Funds appropriated under this Act for expenditures by the Federal Aviation Administration shall be available (1) except as otherwise authorized by the Act of September 30, 1950 (20 U.S.C. 236-244), for expenses of primary and secondary schooling for dependents of Federal Aviation Administration personnel stationed outside the continental United States at costs for any given area not in excess of those of the Department of Defense for the same area, when it is determined by the Secretary that the schools, if any, available in the locality are unable to provide adequately for the education of such dependents and (2) for transportation of said dependents between schools serving the area which they attend and their places of residence when the Secretary, under such regulations as may be prescribed, determines that such schools are not accessible by public means of transportation on a regular basis.

SEC. 304. Appropriations contained in this Act for the Department of Transportation shall be available for services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for a GS-18.

SEC. 305. None of the funds appropriated in this Act for the Panama Canal Commission may be expended unless in conformance with the Panama Canal Treaties of 1977 and any law implementing those treaties.

SEC. 306. None of the funds provided in this Act may be used for planning or construction of rail-highway crossings under section 322(a) of title 23, United States Code, or under section 701(a)(5) or section 703(1)(A) of the Railroad Revitalization and Regulatory Reform Act of 1976 at the—

(1) School Street crossing in Groton, Connecticut; and

(2) Broadway Extension crossing in Stonington, Connecticut.

SEC. 307. None of the funds in this Act shall be used for the planning or execution of any program to pay the expenses of, or otherwise compensate, non-Federal parties intervening in regulatory or adjudicatory proceedings funded in this Act.

SEC. 308. None of the funds in this Act shall be used to assist, directly or indirectly, any State in imposing mandatory State inspection fees or sticker requirements on vehicles which are lawfully registered in another State, including vehicles engaged in interstate commercial transportation which are in compliance with Part 396—Inspection and Maintenance of the Federal Motor Carrier Safety Regulations of the U.S. Department of Transportation.

SEC. 309. None of the funds contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 310. Notwithstanding any other provision of law, total amounts of contract authority authorized for fiscal year 1986 in section 21(a)(2)(B) of the Urban Mass Transportation Act of 1964, as amended, shall be available for obligation through fiscal year 1989.

[SEC. 311. None of the funds in this or any other Act shall be available for the planning or implementation of any change in the current Federal status of the Transportation Systems Center.]

SEC. [312] *311.* The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to section 3109 of title 5, United States Code, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive Order issued pursuant to existing law.

SEC. [313] *312.* (a) For fiscal year 1986 the Secretary of Transportation shall distribute the obligation limitation for Federal-aid highways by allocation in the ratio which sums authorized to be appropriated for Federal-aid highways and highway safety construction which are apportioned or allocated to each State for such fiscal year bear to the total of the sums authorized to be appropriated for Federal-aid highways and highway safety construction which are apportioned or allocated to all the States for such fiscal year.

(b) During the period October 1 through December 31, 1985, no State shall obligate more than 40 per centum of the amount distributed to such State under subsection (a), and the total of all State obligations during such period shall not exceed 25 per centum of the total amount distributed to all States under such subsection.

(c) Notwithstanding subsections (a) and (b), the Secretary shall—

(1) provide all States with authority sufficient to prevent lapses of sums authorized to be appropriated for Federal-aid highways and highway safety construction which have been apportioned to a State, except in those instances in which a State indicates its intention to lapse sums apportioned under section 104(b)(5)(A) of title 23, United States Code.

(2) after August 1, 1986, revise a distribution of the funds made available under subsection (a) if a State will not obligate the amount distributed during that fiscal year and redistribute sufficient amounts to those States able to obligate amounts in addition to those previously distributed during that fiscal year giving priority to those States having large unobligated balances of funds apportioned under section 104 of title 23, United States Code, and giving priority to those States which, because of statutory changes made by the Surface Transportation Assistance Act of 1982 and the Federal-Aid Highway Act of 1981, have experienced substantial proportional reductions in their apportionments and allocations.

(3) not distribute amounts authorized for administrative expenses and the Federal Lands Highway Programs.

[SEC. 314. None of the funds in this Act shall be available for salaries and expenses of more than one hundred and five political appointees in the Department of Transportation.

[SEC. 315. Not to exceed $1,000,000 of the funds provided in this Act for the Department of Transportation shall be available for the necessary expenses of advisory committees.]

SEC. [316] *313.* The limitation on obligations for Federal-aid highways and highway safety construction programs for fiscal year 1986 shall not apply to obligations for the remaining approach and bridge removal work necessary to complete the new bridge alignment for the Zilwaukee Bridge.

SEC. [317] *314.* (a) Section 5(b)(2) of the Urban Mass Transportation Act of 1964 is amended by inserting after the first sentence the following new sentence: "Any funds apportioned for fiscal year 1982 or 1983 under subsection (a) for expenditure in an urbanized area with a population of less than 200,000 may be expended in an urbanized area with a population of 200,000 or more.".

(b) Section 5(c)(4) of the Urban Mass Transportation Act of 1964 is amended by striking the period at the end of the first sentence, by inserting the following: "except that any fiscal year 1982 funds made available to a Governor under section (b)(2) of the Urban Mass Transportation Act of 1964, as amended, that are unobligated as of October 1, 1985, or become unobligated thereafter, shall remain available for expenditure under section 5 until October 1, 1986.".

SEC. [318] *315.* Notwithstanding any other provision of law, within 60 days of the effective date of this Act the Urban Mass Transportation Administration shall reapportion under section 9 of the Urban Mass Transportation Act of 1964, as amended, those funds available for reapportionment pursuant to subsection (c)(4) of section 5 of that Act.

SEC. [319] *316.* None of the funds in this or any other Act shall be made available for the proposed Woodward light rail line in the Detroit, Michigan, area until a source of operating funds has been approved in accordance with Michigan law: *Provided*, That this limitation shall not apply to alternatives analysis studies under section 21(a)(2)(B) of the Urban Mass Transportation Act of 1964, as amended.

[SEC. 320. (a) Notwithstanding any other provision of law, the Secretary shall, with regard to the Discretionary Grants Program of the Urban Mass Transportation Administration, within 30 days after the enactment of this section, issue a letter of intent and enter into a full funding contract with the Southern California Rapid Transit District for $429,000,000 to complete the Minimum Operable Segment, MOS-1, of the downtown Los Angeles to the San Fernando Valley Metro Rail Project: *Provided*, That the $429,000,000 shall include $11,800,000 earmarked for fiscal year 1984, $117,200,000 earmarked for fiscal year 1985, $117,000,000 in fiscal year 1986 and, subject to the availability of funds from Congress, $183,000,000 in subsequent fiscal years.

[(b) The Urban Mass Transportation Administration shall enter into a contract with the Southern California Rapid Transit District to conduct a study of the potential methane gas risks relating to the proposed alignment of the Metro Rail Project beyond the Minimum Operable Segment, MOS-1. None of the funds described in subsection (a) may be made available for any segment of the downtown Los Angeles to San Fernando Valley Metro Rail project unless and until the Southern California Rapid Transit

District officially notifies and commits to the Urban Mass Transportation Administration that no part of the Metro Rail project will tunnel into or through any zone designated as a potential risk zone or high potential risk zone in the report of the City of Los Angeles dated June 10, 1985 entitled "Task Force Report on the March 24, 1985 Methane Gas Explosion and Fire in the Fairfax Area". Funds for this study, in an amount not to exceed $1,000,000, shall be made available from funds previously allocated for the MOS-1 project, commencing within 30 days of enactment.

[SEC. 321. Notwithstanding any other provision of law or regulation, the Secretary shall, with regard to the Discretionary Grants Program of the Urban Mass Transportation Administration, within 30 days after the enactment of this section, issue a letter of intent and, upon completion of the current environmental impact statement, enter into a full funding contract with Metropolitan Dade County, Florida, for $180,000,000 to complete the north and south legs of the downtown component of metrorail, which shall be exempt from the major capital investment policy issued by the Urban Mass Transportation Administration on May 18, 1984: *Provided*, That the $180,000,000 shall include $20,000,000 earmarked for fiscal year 1984, $49,000,000 earmarked for fiscal year 1985, $36,000,000 in fiscal year 1986 and, subject to the availability of funds from Congress, $75,000,000 in subsequent fiscal years.

[SEC. 322. Notwithstanding any other provision of law, the Secretary shall, with regard to the Discretionary Grants Program of the Urban Mass Transportation Administration, within 30 days after the enactment of this section, issue a letter of intent and enter into a full funding contract with the Municipality of Metropolitan Seattle, Washington, for $175,000,000 for completion of the bus tunnel project: *Provided*, That the $175,000,000 shall include $24,300,000 in fiscal year 1986, and subject to the availability of funds from Congress, $150,700,000 in subsequent fiscal years.]

SEC. [323] *317.* The limitation on obligations for the Discretionary Grants Program of the Urban Mass Transportation Administration shall not apply to any authority for section 21(a)(2)(B) previously made available for obligation.

SEC. [324] *318.* (a) Notwithstanding any other provision of law, the Secretary of Transportation may use not to exceed one-half of 1 percent of—

(1) the funds made available for fiscal year 1986 by section 21(a)(2)(B) of the Urban Mass Transportation Act of 1964 to carry out section 3 of such Act to contract with any person to oversee the construction of any major project under such section;

(2) the funds appropriated for fiscal year 1986 pursuant to section 21(a)(1) of the Urban Mass Transportation Act of 1964 to carry out section 9 of such Act to contract with any person to oversee the construction of any major project under such section;

(3) the funds appropriated for fiscal year 1986 pursuant to section 21(a)(1) of the Urban Mass Transportation Act of 1964 to carry out section 18 of such Act to contract with any person to oversee the construction of any major project under such section;

(4) the funds appropriated for fiscal year 1986 pursuant to section 4(g) of the Urban Mass Transportation Act of 1964 to contract with any person to oversee the construction of any major public transportation project substituted for an Interstate segment withdrawn under section 103(e)(4) of title 23, United States Code; and

(5) the funds appropriated for fiscal year 1986 pursuant to the National Capital Transportation Act of 1969 to contract with any person to oversee the construction of any major project under such Act.

(b) Any contract entered into under subsection (a) shall provide for the payment by the Secretary of Transportation of 100 percent of the cost of carrying out the contract.

(c) This section shall take effect on October 1, 1985, and shall cease to be in effect at the close of September 30, 1986.

[SEC. 325. (a) GENERAL RULE.—Tolls collected for motor vehicles on any bridge connecting the borough of Brooklyn, New York, and Staten Island. New York, shall only be collected for those vehicles exiting from such bridge in Staten Island.

[(b) ENFORCEMENT.—The Secretary shall withhold 1 percent of the amount required to be apportioned to the State of New York under sections 104 and 144 of title 23, United States Code, on the first day of the fiscal year succeeding any fiscal year in which tolls collected for motor vehicles on the bridge referred to in subsection (a) are collected for those vehicles exiting from such bridge in the borough of Brooklyn.

[(c) PERIOD OF APPLICABILITY.—This section shall apply on and after the 90th day following the date of enactment of this section, except that this section shall not apply after the date on which the Secretary publishes in the Federal Register a determination under subsection (d).

[(d) REMOVAL OF LIMITATION.—

[(1) DETERMINATION OF SECRETARY.—Subsections (a) and (b) shall cease to be in effect if, upon petition by the Governor of New York under paragraph (2), the Secretary determines that—

[(A) a substantial loss of revenues has resulted from the limitation imposed by subsection (a), or

[(B) such limitation has resulted in significant traffic problems,

and the Secretary publishes such determination in the Federal Register.

[(2) PETITION.—The Governor of New York may petition the Secretary for a determination under paragraph (1) at any time after a period of six consecutive months in which tolls collected for motor vehicles on the bridge referred to in subsection (a) have been collected only for those vehicles exiting from such bridge in Staten Island.]

SEC. 319. Notwithstanding section 127 of title 23, United States Code, the State of Wyoming may conduct a demonstration project for a period not to exceed two years in order to determine the effects on the National System of Interstate and Defense Highways located in Wyoming of the use of such Highways by vehicles in excess of 80,000 pounds gross weight but meeting axle and bridge formula specifications in section 127 of title 23, United States Code.

SEC. 320. Notwithstanding any other provision of Federal law enacted heretofore or subsequently (including section 138 of title 23, United States Code, and section 303 of title 49, United States Code), the Secretary of Transportation is authorized to approve construction of a 10.7-mile section of Interstate Route H-3 from the interchange of such route with Interstate Route H-1 (commonly known as the Halawa interchange) to the interchange of Interstate H-3 with the Kamehameha Highway (commonly known as the Halekou interchange), and the Halekou interchange. Said highway would be located through the North Halawa Valley, the Haiku Valley, and portions of the Kaneohe-Kamooalii area. This provision shall remain in effect for each fiscal year until the said highway project is completed.

SEC. 321. Section 18(e) of the Urban Mass Transportation Act of 1964 is amended by adding at the end thereof the following: "For the purpose of this subsection, the term 'Federal funds or revenues' does not include funds received by a recipient of funds under this section pursuant to a service agreement with a State or local social service agency or a private social service organization.".

SEC. 322. The Secretary of Transportation is directed to release all funds made available through the obligation ceiling for fiscal year 1986 and prior years for grants under the contract authority authorized in section 21(a)(2)(B) of the Urban Mass Transportation Act of 1964, as amended (49 U.S.C. 1601 et seq.) within ninety days after the enactment of this section according to the language included in the statements of managers accompanying conference reports for appropriations Acts for fiscal year 1986 and prior years, unless the Committees on Appropriations have received reprogramming requests affecting these funds, or Congress has received a deferral message or rescission request affecting these funds, within the ninety day period. In the event that either the Appropriations Committee disapproves the reprogramming, or Congress disapproves the deferral, or does not complete action on a rescission proposed by the President within forty-five calendar days of continuous session, any funds being withheld must immediately be made available for obligation. This section shall take effect immediately upon enactment.

SEC. 323. Section 119(d), 23 U.S.C. is amended by adding at the end of such section: "Notwithstanding any other provision of law, and for the purposes of this subsection, the phrase 'segments of the interstate system open to traffic' shall include a proposed four-lane, limited access highway, 6.4 miles in length, the construction of which will relocate to a southern alignment a portion of an existing interstate highway which was originally built without the aid of funds authorized by section 108(b) of the Federal-Aid Highway Act of 1956, as amended, and which connects to the east with an interstate highway on which tolls are charged. The construction of the proposed highway shall include a bridge over the Monongahela River.".

SEC. 324. (a) Title XI of the Federal Aviation Act of 1958 (49 App. U.S.C. 1501 et seq.) is amended by adding at the end thereof the following:

"AERONAUTICAL CHARTS AND MAPS

"SEC. 1118. Notwithstanding the provisions of section 1341 of title 31, United States Code, or any other provision of law, the United States Government shall enter into agreements to indemnify any person who publishes a chart or map for use in aeronautics from any claim, or portion of a claim, which arises out of such person's depiction on such chart or map of any defective or deficient flight procedure or airway, if such flight procedure or airway was—

"(1) promulgated by the Federal Aviation Administration;

"(2) accurately depicted on such chart or map; and

"(3) not obviously defective or deficient.".

(b) The table of contents of the Federal Aviation Act of 1958 is amended by inserting immediately after the item relating to section 1117 the following:

"Sec. 1118. Aeronautical charts and maps.".

SEC. 325. Notwithstanding section 108(b) of the Federal-Aid Highway Act of 1956, sums appropriated to the State of New York under 23 U.S.C. 104(b)(5)(A) during the fiscal year ending September 30, 1986, may be obligated for Interstate construction projects under section 108(b) of the Federal-Aid Highway Act of 1956 or for Interstate substitute highway projects under 23 U.S.C. 103(e)(4) provided that the withdrawal value for New York under 23 U.S.C. 103(e)(4) shall be reduced by the amounts obligated hereunder for Interstate highway substitute projects. The Federal share of the cost to complete any such Interstate substitute highway projects to which this provision applies shall be 85 per centum. In carrying out this provision the State of New York and the Secretary of Transportation shall assign highest priority to the completion of Interstate construction projects. This section shall expire on October 1, 1986.

This Act may be cited as the "Department of Transportation and Related Agencies Appropriation Act, 1986".

Mr. ANDREWS. Mr. President, I ask unanimous consent that the committee amendments, with the exception of the amendment beginning on page 50, line 20, through page 51, line 8, having to do with Hawaii interstate construction, be agreed to en bloc and that the bill, as thus amended, be regarded for the purpose of amendment as original text, provided that no point of order shall have been considered to have been waived by agreeing to this request.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. ANDREWS. Mr. President, today I am pleased to present to the Senate the fiscal year 1986 transportation appropriations bill.

The bill as reported by the committee contains new budget authority totaling $10,014,716,569. This amount is over 14 percent below the level of new budget authority enacted for fiscal year 1985 for transportation and related activities.

This was not an easy exercise nor was the result achieved without major reductions in each and every mode. Coast Guard operating expenses are reduced by 10 percent from the 1985 level. The Federal Aviation Administration's operating expenses are reduced 8 percent from the 1985 level. Other activities are cut even more. The Federal-aid highways obligation ceiling is approximately 12 percent below the level established for 1986 in the Surface Transportation Assistance Act of 1982. The mass transit formula program is 14 percent below that provided for fiscal year 1985. Amtrak's new budget authority is cut 14 percent below the 1985 level.

Cuts of this magnitude were necessary since the conference agreement on the first budget resolution contained less for transportation than what was provided by either the House or Senate in their separate measures.

Mr. President, even though I am a member of the Budget Committee, I voted against that conference report, because I felt it was flawed, particularly in this area. Let me state again that we do not have much in the way of mass transit or Coast Guard in the State of North Dakota, so this is not a parochial thing. I believe those budget conferees erred and erred to the degree of about $600 or $700 million in this very key piece of legislation.

Let me look at the problem a little more closely.

Not only did the budget conference cut the transportation function far deeper than the Senate voted on, the budget conference contained a few other surprises for the Appropriations Committee. When it adopted the budget conference, the Senate, Mr. President—you and I here voting together—was told that transit was only cut 15 percent; that transit capital was frozen at last year's level; that Amtrak was cut 15 percent—and as a matter of fact, we had a vote, Mr. President, on the Senate floor on that very subject and the Senate voted by a vote of 53 to 41 to sustain those figures. We were told that highways would be held to the $13.25 billion level. However, no one mentioned that, in addition to these assumptions, there was an "unspecified savings"—that is a wonderful thing, Mr. President, that comes along when the spooks ride on Halloween. We should better be doing this bill next week, perhaps, because the spooks rode in the night on that budget conference and came up with the "unspecified savings" cut of $800 million in budget authority and almost $500 million in budget outlays. The conferees, in essence, told the Appropriations Committee to cut programs far deeper than what was advertised to the Senate on August 4.

Well, I should point out that this bill before you does cut highways and transit and Amtrak, but that is not enough because of these deep unspecified cuts. So the committee had to go and find the rest of the unspecified savings in the only two accounts which spend out dollar for dollar; namely, FAA and Coast Guard.

Let me point out, Mr. President, the arithmetic of this thing. I am sure our friends in the press and the general public do not understand that before we made the final cut, we made a cut of $500 million in highway construction and, Mr. President, we only saved $80 million in budget outlays. Now, if we were to get this unspecified savings of $700 million that the Budget Committee gave us, we would have to go find $5 billion or $6 billion or $7 billion in cuts in highway construction. I do not believe the Nation would tolerate that. I think it is ridiculous, it is completely wrong-headed, and it is the problem that we are faced with.

I do not like it, the members of the committee do not like it. But we were told to find savings and we did. Despite the need to achieve deep savings, this is a fair, and balanced bill.

Now I should point out that outlays associated with the bill are expected to be approximately 5 percent above the 1985 level. This is simply because much of this bill goes for investment, investment in highway construction, bridge replacement, Coast Guard cutter and aircraft procurement, retrofit and modernization of the Nation's airways and airports, and the procurement of capital equipment through the mass transit trust funds.

Since so much of the bill is capital intensive. Only 31 percent of fiscal year 1986 outlays occur because of the new discretionary budget authority provided. Any attempt to further reduce outlays through an across-the-board amendment would only fall on those accounts that have already experienced serious budget authority cuts.

The committee has carefully considered each and every item that is within its jurisdiction. The bill before you is a result of that extensive effort and has been favorably reported to the floor.

I am particularly grateful to the subcommittee's ranking member, Senator LAWTON CHILES, for the leadership he has displayed this year as in the past. As fellow members of the Budget Committee, we have shared the difficulty of bringing a bill to the floor which is in conformance with the budget resolution.

I urge my colleagues' support for this measure, and yield now to Senator CHILES for his remarks.

Mr. CHILES addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida.

Mr. CHILES. Mr. President, I rise to compliment Senator ANDREWS on his hard and long work on the transportation bill. It is a pleasure to work with Senator ANDREWS. His work on this appropriation bill is both thorough and insightful, and he is attentive to the special transportation needs of each State and region of the country.

We know there are some problems with this bill. We know that we have a problem with outlays. First, the bill is $127.2 million in outlays over the 302b allocation. The bill is, therefore, not in compliance with the budget and we will need to address that problem before we go to third reading and pass the bill out of the Senate.

Second, two very deep cuts were made in the bill in the full committee markup—a $200 million cut in Coast Guard operating expenses and a $300 million cut in FAA operating expenses. Those are tough cuts. Secretary Dole, in a letter dated October 16, 1985, or

Wednesday of last week, referred to these cuts as damaging and drastic.

The Coast Guard cut would result in the loss of 6,000 Coast Guard personnel, 13 cutters, 4 icebreakers, 23 patrol boats, 3 buoy tenders, and several small icebreaking tugs would be decommissioned; 46 aircraft would be laid up or roughly 25 percent of the total fleet.

According to Admiral Engen's office, the FAA cut would require the furlough of all air traffic control personnel 42 to 45 days out of the year, resulting in a 14-percent reduction in air system capacity. New hiring would be frozen. No new air traffic controllers; no new safety inspectors; no new air marshals will be hired.

I think Secretary Dole's characterization of these cuts as damaging and drastic is right. Unfortunately, good programs must be cut as we struggle toward a balanced budget. The pain, however, needs to be spread more evenly. I think we can do that in the bill we have before the Senate. This bill needs to be modified before it leaves the Senate and I am hopeful we can do that this morning.

There is a lot said about what the budget resolution does and does not require.

We find oftentimes the budget resolution is criticized for being too specific and not being specific enough or, on the other hand, intruding on the Appropriations Committee. It is sometimes criticized for being too general because by being general, it avoids hard analysis. The budget resolution for transportation includes both specific and general assumptions so there is a choice for those who wish to criticize it from either side.

Some have argued that the resolution requires deep cuts in Coast Guard and FAA operations. It does not. To clarify this matter, I thought it would be useful to review what the budget resolution did for transportation—function 400. This, of course, has been available since August 1, 1985 in Report No. 99-249, the conference agreement on the budget resolution. The Budget Committee has also published a description of major provision on August 8, 1985, the key assumptions are:

Amtrak and transit would be cut 15 percent.

The Federal Highway Administration spending ceiling would be reduced to $13.250 million.

Two FAA accounts—facilities and equipment and research and development—would be kept at House Appropriations Subcommittee reported levels.

Finally, the budget resolution assumed a $658 million unspecified cut to direct spending programs in the function. Compared to last year's bill totals, this unspecified cut represents an approximate 6 percent across-the-board reduction.

The Appropriations Committee has the authority to make the cuts anyway they determine to be most appropriate. The Appropriations Committee was not required to make a 6 percent across-the-board cut nor were they were required to make 11 percent cuts in the Coast Guard and the FAA that was included in the bill before the Senate.

The number actually assumed by the budget resolution for Coast Guard operations is $1.782 billion or $6 million less than the President's request. The bill before us is $228.5 million below the President's request. It is $222 million below the budget resolution.

The number actually assumed in the budget resolution for FAA operations is $2.879 billion or $63 million more than the 1986 request. The bill before us is $337.6 million below the President's request. It is $401 million below the budget resolution.

Clearly it would be difficult to meet the budget resolution targets without some reduction in the Coast Guard and the FAA. Nothing, however, in the resolution requires 11 percent cuts to these two operating accounts.

The cuts in these two accounts are so deep as to be unrealistic. Many argue that they will either be restored here in the Senate or in conference with the House or the administration will send up a supplemental or a transfer from the Defense bill will cover the problem. In other words, cuts are so deep that no one really takes them seriously. Some think we will take care of the problem in conference. But if we do, that will mean that the conference agreement will be too high and it will not be consistent with the budget resolution. At some point, we need to produce a realistic bill. I think we need to do that here in the Senate. I think the Stevens-Kassebaum amendment helps provide a more realistic bill.

Mr. President, I do not minimize in any way the difficulty that was experienced by the transportation subcommittee. I think that we had a task in which there was no way it could be resolved in a proper way. If you look and see the bill, I believe the distinguished chairman said that we are $1.5 billion below the bill of about a year ago. So actually we are considerably below in this function, and I know the distinguished chairman, and the subcommittee has worked, too, to try to reduce all of these functions.

Mr. President, another point I would like to make, though, is that while we talk and make great criticism of the Budget Committee, the Budget Committee's numbers and what it puts in its functions are simply advisory numbers to the Appropriations Committee. We simply give those functional requests in an effort to show the Appropriations Committee the exercise that we went through. Those numbers are not binding on the Appropriations Committee. There are only two numbers that are binding on the Appropriations Committee out of the entire budget resolution. Those are the bottom line numbers that have to do with budget authority, and the number that has to do with the budget outlays—those two totals. Then the task passes to the Appropriations Committee, and its is up to the Appropriations Committee to work to determine what their crosswalk will be, and how they will divide the numbers between the appropriate subcommittees. Mr. President, I think this is where we got into a problem with this bill. The vast majority of those in the Senate voted for the low budget number. We went home and made our speeches stating what we were trying to do to restrain spending. So we were for that low budget number. Now we are having to deal with specific programs.

I think the Appropriations Committee should have given some relief to the Transportation Committee by putting us into this kind of situation. It was tough on all the committees. I will say that. So maybe a number could ask for relief.

But when you see what we are talking about in some of the areas here, when we are talking about the Coast Guard which is that operation that basically protects our shores, saves our lives from accidents and ship distress, we use so much in my area of the State, and the Senator from North Dakota has been so helpful in trying to provide additional funds for drug interdiction and everything that we do, we have an agency which under any event is going to have to experience great cuts in this bill. Then we have the FAA when we now see we have had a rash of air traffic accidents in this country. And we know that the existing facilities and the existing personnel are strained to the limit, if not understaffed and then we are talking about having to make cuts in the FAA. We have drastic cuts in the bill before us now. Whatever we do to try to resolve this question and get this budget down, we will have to make further cuts as well.

Mr. President, I think that is going to be very hard to do. There is a letter which many know about with a large number of signatures that was sent in effect saying we should transfer some of the moneys from the defense authorization for capital for the Coast Guard to build some additional vessels.

Now we can see there is no reason to build some additional vessels if we are going to have to lay up vessels that we actually have. That transfer money that we were talking about probably should be used now, or we should seek

that, for some operating funds for the Coast Guard, because we know that without some kind of relief we are actually going to have to curtail operations.

We know also as part of the Defense authorization bill we now have required more Coast Guard personnel to serve on Navy platforms and to serve on other platforms of the Armed Services for interdiction in the drug war.

I think it might make some sense if we could get some kind of transfer or relief in that regard.

Mr. President, I would hope that we could come out of here with what will be a very drastic, across-the-board cut in a number of these agencies and then see if there is some way of trying to get some restoration of some of that money for the Coast Guard and these other agencies from other areas.

I think it is a difficult task that we face. It is one that even a Solomon could not decide because no matter how you decide you are going to have a lot of blood on the floor, given the kind of agencies that we are working with. But it is one that I think we have to do the best that we possibly can with today and see how we can make further improvements from there.

Mr. ANDREWS. Mr. President, I appreciate the comments of my good friend and colleague, Senator CHILES.

Let me say in reiterating what he said, the Budget Committee asked us to make these specific cuts in all of these different functions the Senator outlined. We made those cuts and they are in this bill.

Then the Budget Committee asked us to do certain things with the FAA and the Coast Guard, which we would have liked to have done and in the subcommittee bill we were even responsive to that.

But the Budget Committee also, as the Senator from Florida pointed out, said that we were to make these unspecified cuts. He went on to say that we need relief from that particular issue, relief from the other appropriations subcommittees.

That is really, Mr. President, the nub of our problem here today, because we did make these cuts in these various and sundry programs, but it is the unspecified cuts that get to us.

I would like to reiterate, Mr. President, that this bill as it now stands is $800 million below the bill as it emerged from the House. The House felt it was in compliance with the budget resolution over there. We are $476 million under in budget outlays. If it had not been for the need to get down even further and the reduction in Coast Guard and FAA, Mr. President, and had we been allowed the figures that CBO states are legitimate figures, which would have resulted in another $100 million in budget outlay savings, we would have been $400 million under the House bill without these wrong-headed amendments to cut the Coast Guard and the FAA, which were forced on us by the intransigence, shall we say, of those who stand by the figures the Budget Committee gave this subcommittee in its conference report even though they themselves admit those figures are in error.

Mr. President, I submit that the floor of this body is the place where we correct those mistakes. The thing that bothers me as a Member of this body is the fact that everybody seems to say that those figures, even though we admit they were made in error, and even though they should have been adjusted, are now something that we have to see carved in stone.

If they are carved in stone, so be it, but then the Members of this body have to realize that they are going to be cutting transportation programs, whether it is highway programs to the extent of a couple billion dollars, or whether it is FAA programs. In fact, if the amendment we have seen for restoring FAA funds and Coast Guard funds is adopted and accompanied then by a general cut across the board, we will still have a cut of $150 million in FAA below what we need in an area where we are all concerned about air safety.

That is idiotic. It is wrong-headed. It is not right for this body to go along with that kind of a restriction when we realize it was done in the dark of the night by a bunch of conferees who then brought it back to this floor and ran it through without saying that all of the specifics that have been debated on this floor were now thrown out the window and the figures were inoperable.

That is what we are faced with today, Mr. President, and that is the challenge that we face.

Mr. President, I ask unanimous consent to temporarily lay aside the pending committee amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 841

Mr. ANDREWS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from North Dakota [Mr. ANDREWS] proposes an amendment numbered 841.

On page 18, line 24, strike "13,250,000,000" and insert "12,750,000,000".

Mr. ANDREWS. Mr. President, the amendment I propose is a technical correction. It changes the reported bill to reflect the committee's action to reduce the highway obligation ceiling from $13.250 billion to $12.750 billion. I move adoption of the amendment.

The PRESIDING OFFICER (Mr. CHAFEE). Is there further debate?

Mr. CHILES. Mr. President, I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 841) was agreed to.

AMENDMENT NO. 842

Mr. ANDREWS. Mr. President, further under the unanimous-consent request, I send another amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from North Dakota [Mr. ANDREWS] proposes an amendment numbered 842.

On page 29, line 10, delete the word "of" the second time it appears, and insert the word "or".

Mr. ANDREWS. Mr. President, this is a technical amendment. The amendment changes the word "of" to "or." It corrects a typographical error in the bill. I move adoption of the amendment.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment.

The amendment (No. 842) was agreed to.

Mr. ANDREWS. Mr. President, I move to reconsider the vote on the adoption of both amendments.

Mr. CHILES. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CHILES. Mr. President, I ask unanimous consent that we continue to temporarily set aside the pending amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

AMENDMENT NO. 843

Mr. CHILES. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Florida [Mr. CHILES], for Mr. EAGLETON, Mr. DANFORTH, Mr. WILSON, and Mr. CRANSTON, proposes an amendment numbered 843.

Mr. CHILES. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At an appropriate place in the bill add the following new section:

"SEC. . The Congress disapproves the proposed deferral D86-21, pertaining to the Urban Mass Transportation Administration, as set forth in the message of October 1, 1985, which was transmitted to the Congress by the President. This disapproval shall be effective upon enactment into law

of this Act and the amount of the proposed deferral disapproved herein shall be made available for obligation."

Mr. CHILES. Mr. President, Senator EAGLETON had intended to offer this amendment, but he is necessarily away from the Senate. The amendment is also cosponsored by Senators DANFORTH, WILSON and CRANSTON.

Mr. President, this amendment would disapprove the proposed deferral of some $223.6 million in funding for new start rail projects in five cities which Congress authorized last year.

The cities and the amounts affected are Los Angeles, $129 million; Miami, $71.5 million; San Diego, $11.3 million; Jacksonville, $1.8 million, and St. Louis, $10 million.

Mr. President, this proposed deferral has nothing to do with saving money. The administration makes it clear in its own deferral message that it fully intends to obligate the same $223.6 million for other transit projects which it believes have more merit. The only issue involved in this amendment is whether Congress or the bureaucrats at the Urban Mass Transportation Administration are going to set the priorities for the funding of new start rail projects. After thorough deliberation, Congress made its judgment. Some people in the administration disagree with Congress and want to set congressional directives aside through the device of this proposed deferral.

Mr. President, I will point out that the bill before us contains similar earmarks for new start rail projects and section 322 of the bill actually requires the Urban Mass Transportation Administration to release funds previously earmarked.

To fail to disapprove this proposed deferral would make a mockery of the legislative process we are now engaged in and it would be inconsistent with the bill now before us.

Mr. President, I have discussed this amendment with Senator ANDREWS, the chairman of the committee, and I believe he agrees with me on this matter.

Mr. ANDREWS. Mr. President, I accept the amendment on behalf of the Senator from Missouri. The effect of this amendment is to overturn a deferral request sent to Congress on October 1, 1985.

The request would have denied funding for cities that had received congressional earmarks of mass transit new start funds. The request would defer a total of $223.6 million spread among five cities: Los Angeles, $129 million; San Diego, $11.3 million; St. Louis, $10 million; Jacksonville, $1.8 million; and Miami, $71.5 million.

I feel that the original intention of Congress should be upheld and that the release of these funds should occur, assuming that each applicant complies with all necessary Federal regulations.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment.

The amendment (No. 843) was agreed to.

Mr. CHILES. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. ANDREWS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ANDREWS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. LAUTENBERG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LAUTENBERG. Mr. President, I ask unanimous consent that we set aside the pending business.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

AMENDMENT NO. 844

(Purpose: To clarify certain employment restrictions on the Chairman of the Board of Directors of the U.S. Railway Association, and to lengthen the term of such Chairman)

Mr. LAUTENBERG. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New Jersey [Mr. LAUTENBERG] proposes an amendment numbered 844.

Mr. LAUTENBERG. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 54, insert between lines 8 and 9 the following new section:

SEC. 326. Section 201 of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 711) is amended—

(1) in the first sentence of paragraph (2) of subsection (d) by inserting "freight" before "railroad"; and

(2) in the first sentence of subsection (e) by striking out "1985" and inserting in lieu thereof "1987".

Mr. LAUTENBERG. Mr. President, under the Regional Rail Reorganization Act of 1973, as amended by the Northeast Rail Services Act of 1981, the president of a railroad may not serve as Chairman of the U.S. Rail Association. USRA serves as a congressionally created overseer of Conrail. The current Chairman of the U.S. Rail Association Board is Stephen Berger, who was recently appointed executive director of the Port Authority of New York and New Jersey. Mr. Berger has served with distinction as USRA Chairman.

With his appointment to the port authority post, Steve Berger technically became president of the mass transit facilities known as the PATH system. He has not had, nor does he have today, a financial relationship with a freight railroad. There is, therefore, no conflict of interest between Mr. Berger's role with a commuter agency, PATH, and a freight railroad, Conrail. It is possible that, absent this amendment, the Nation could lose the services of Steve Berger as USRA Chairman on a purely technical point. That is my reason for offering the amendment.

Mr. President, no public purpose would be served by removing Mr. Berger from his post at this time. Congress will soon consider Conrail legislation. During this period of time, USRA's role will be critical.

My amendment, therefore, would clarify the prohibition against a railroad president serving on the USRA Board by placing the word "freight" before the word "railroad" in the USRA statute. In addition, my amendment extends the term of Mr. Berger from December 31, 1985, to December 31, 1987.

Mr. President, I urge the adoption of the amendment.

Mr. ANDREWS. Mr. President, the amendment offered by the good Senator from New Jersey, a member of our subcommittee, is acceptable. The amendment simply provides for continuity at the U.S. Railway Association [USRA] considering that the Conrail issue is still unresolved.

The amendment allows for the existing Chairman of USRA to remain as Chairman by making a technical change to the Regional Rail Reorganization Act of 1973.

The amendment is necessary to clear up any apparent conflict of interest that may arise because of the existing Chairman accepting new employment at the Port Authority of New York and New Jersey.

I join my colleague in urging the adoption of the amendment.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment of the Senator from New Jersey.

The amendment (No. 844) was agreed to.

Mr. ANDREWS. I move to reconsider the vote by which the amendment was agreed to.

Mr. LAUTENBERG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ANDREWS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. ANDREWS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 845

Mr. ANDREWS. Mr. President, I send an amendment to the desk. This is the amendment that is in order.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from North Dakota [Mr. ANDREWS] proposes an amendment numbered 845:

On page 50, line 20, strike all through page 51, line 8.

Mr. ANDREWS. Mr. President, this amendment has been agreed to by all parties at interest. It concerns the highway construction matter in Hawaii that was inserted in the bill at the request of the Senator from Hawaii [Mr. INOUYE]. This satisfactorily resolves the matter.

Mr. INOUYE. Mr. President, I rise with my colleague, Senator STAFFORD, today, to address an issue of utmost importance to the State of Hawaii. The H-3 highway project on Oahu, vital to the State's transportation needs, has been carefully planned by the State of Hawaii and the Department of Transportation over the past 20 years. This planning has involved a great deal of environmental mitigation with extensive coordination being done by the State in its simultaneous planning of the highway and the adjoining park—a park which in fact was created by this highway project.

Despite this careful coordination, however, H-3 has met with repeated judicial delays which now threaten to hold up the project long enough to force the State to abandon it in the face of 1986 and 1990 deadlines for interstate transfer and construction. Because of this situation, Mr. President, and in light of the great importance of this project to Hawaii's transportation system, I requested the Appropriations Committee to include language in the fiscal year 1986 DOT bill which would exempt the project from 4(f) requirements.

I have been in contact with my distinguished colleague from Vermont, Senator STAFFORD, on this issue for a number of months now, as he is the chairman of the Environment and Public Works Committee which has jurisdiction over interstate highway issues. I have informed him of the importance of the legislation which is now part of the DOT bill and my desire to get it approved by Congress. In the time since this language was approved by the Appropriations Committee, I have discussed this matter with him further and he has expressed to me his belief that this issue would more appropriately be considered by his committee rather than in an appropriations bill. He has expressed his willingness to provide an opportunity to consider this problem this year, as he understands the time-sensitive nature of the situation and the significance it has for the State of Hawaii.

I certainly understand my colleague's position on this matter and I certainly want to accommodate his concerns. He has assured me that he will bring this issue before the Environment and Public Works Committee and make sure that there is an opportunity to resolve this problem in a timely way, and on the basis of the assurances of the distinguished chairman of the Environment and Public Works Committee, I hereby withdraw section 320.

Mr. STAFFORD. I thank my colleague for accommodating my concerns and those of the committee in offering to withdraw this language.

I understand Senator INOUYE's concerns in this matter and the importance of this highway project to his State. I also appreciate the time constraints this project faces. Let me assure my colleague from Hawaii that I will bring the 4(f) issue created by the Ninth Circuit Court of Appeals decision before the committee as soon as possible this year so this issue can be resolved in a timely manner.

Of course, I cannot speak for all the members of the Environment and Public Works Committee, and I cannot say to my friend from Hawaii how the other members of the committee will view the 4(f) problem H-3 has encountered. I can assure him, however, that I will do all I can to provide a forum for the discussion and timely resolution of this issue. I know that Senator INOUYE has been in contact with the ranking Democrat on the committee, Senator BENTSEN, on this issue for a number of months. Perhaps at this time the ranking member of the Transportation Subcommittee can add a perspective from the other side of the aisle on this matter.

Mr. BURDICK. Mr. President, I am aware of this issue and the State of Hawaii's strong support for the H-3 project. I also understand Senator INOUYE's concerns, which he personally expressed to the committee leadership when he brought the director of Hawaii's Department of Transportation for a briefing on H-3 this past February. I agree that the H-3 issue would best be handled by the Environment and Public Works Committee, and I want to extend my fullest cooperation in getting committee action, on this issue.

Mr. STAFFORD. I am certainly pleased that the ranking minority member of the Transportation Subcommittee supports me in this matter.

Mr. ANDREWS. I appreciate the Senator from Hawaii's willingness to accommodate Senator STAFFORD's wishes in this matter. I supported the inclusion of the H-3 language in the transportation appropriations bill, as I understand the importance of the H-3 problem to the Senator from Hawaii and share his belief that it needs to be addressed forthwith. I am pleased that he and Chairman STAFFORD have worked out an agreement to act on this issue in the Environment and Public Works Committee, and I accept the withdrawal of the language from the DOT bill based on that agreement.

Mr. BENTSEN. Mr. President, I have been aware of this issue for some time now, and I am aware of the State of Hawaii's strong support for the H-3 project. I also understand Senator INOUYE's concerns, which he personally expressed to me and Senator STAFFORD when he brought the Director of Hawaii's Department of Transportation to brief us on H-3 this past February. I agree that the H-3 issue would best be handled by the Environment and Public Works Committee, and I want to extend my fullest cooperation in getting committee action on this issue.

Mr. SYMMS. Mr. President, I am pleased to join with the other members of the Environment and Public Works Committee in assuring my distinguished colleague from Hawaii that I will do all I can to assure a timely review of this issue.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 845) was agreed to.

Mr. ANDREWS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. CHILES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

(Later the following occurred:)

Mr. ANDREWS. Mr. President, I ask unanimous consent that the action on amendment No. 845 be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXCEPTED COMMITTEE AMENDMENT REJECTED

The PRESIDING OFFICER. The question now occurs on the excepted committee amendment on page 50, line 20, to page 51, line 8, section 320.

The excepted committee amendment was rejected.

Mr. ANDREWS. Mr. President, I move to reconsider the vote by which the committee amendment was rejected.

Mr. NICKLES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

(Conclusion of later proceedings.)

Mr. ANDREWS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. ARMSTRONG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 846

(Purpose: To implement the Administration's proposal to eliminate Amtrak subsidies in FY 1986—saving $616,000,000 in budget authority)

Mr. ARMSTRONG. Mr. President, I send an amendment to the desk on behalf of myself and the Senator from Wisconsin [Mr. PROXMIRE] and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Colorado [Mr. ARMSTRONG] for himself and Mr. PROXMIRE, proposes an amendment numbered 846. Beginning on page 26, line 11, delete through page 28, line 15.

Mr. ARMSTRONG. Mr. President, this amendment abolishes Amtrak.

Years ago, a distinguished Member of this body, Sam Ervin, said that the oldest sin is doing evil hoping good will come of it.

That is what Amtrak is. The people who thought up the idea of a federally sponsored and subsidized railroad passenger service really thought they were doing something that was good. They really thought it was for the future of the country. They really had the notion that what this country should have is silver bullets criss-crossing America carrying hordes of passengers to their destination. They really believed that if the Federal Government just gave a little seed money, a little help to get the darn thing started it would not be long before passengers would be flocking to Amtrak service, that, in fact, this federally subsidized railroad service would not have to be subsidized for long, it would get back on its feet, and that if they would sort of refurbish the railroad cars and fix up the roadbed a little and do a little advertising, run some commercials on the radio, and what not, before long things would be humming down at Amtrak and they would be in the black.

So the original suggestion was that we appropriate about $40 million for Amtrak and it would not be long before this thing would be a paying proposition, probably be given back to the private sector, and so on.

We do not hear that story anymore because a dozen years later the awful truth has become obvious to everyone, and that is, this thing is a turkey. It is not ever going to be profitable. It is not ever going to break even. It is not ever going to pay its own way. It is not ever going to be a competitive means of transportation. And this is not ever going to be on a large scale, a coast-to-coast passenger railroad service.

People will not ride it. I suppose if we can imagine that if it were free we might get a larger number of people but, in fact, it is almost free now in the sense that the Government pays well over half the cost of the trip, but people will not ride it.

Why would anyone want to ride coast to coast, say from Washington to California or from Washington to Colorado or from Washington to Chicago when they can ride cheaper on an unsubsidized airplane and get there in a couple of hours or 3 hours or 4 hours, instead of taking a couple of days to do it.

The answer to that is the people who wish to do so are those who want to travel by rail and want the experience of doing so. I happen to be one of those people. As a matter of fact, I have been all over the country on the railroad. It is a great, a wonderful way to travel.

I brought my family back here when I was elected to Congress 13 years ago. We came back on the railroad, and it was just great. There were my wife and I and my two children, my mother and dad, and 17 pieces of luggage. It took 2 days. It was a once-in-a-lifetime experience. It is something that I do not care to do again. In fact, I venture to say there is not a Member of Congress who has traveled for long distances on a passenger railroad train in a dozen years or more except as a pleasure trip, except to see the beauty, for example, of the Rocky Mountains through Glenwood Canyon as the train pulls out of the canyon and goes to Grand Junction and out West.

I think there is perhaps a market for scenic travel by passenger railroad. I think that is great.

What I object to and what this amendment addresses itself to is the notion that the taxpayers should pay for it. If there is enough of a market to keep a passenger railroad train going, say up through Glenwood Canyon and on out to the west coast 1 day a week, 1 day a month, or twice a year, or whatever it is, I say fine. Let the private enterprise sector put up such a train and the people who want to ride it pay for it.

What I do object to is the notion that people who will never use Amtrak have to pay taxes year after year to continue to subsidize the travel which would otherwise be by airline or inner-city motor bus.

Mr. President, let me just tick off quickly the arguments in support of this amendment, and then I will yield to my friend from Wisconsin and perhaps to others.

I think the issue is well known to the Senate, but I do not want to delay the discussion of it for a long period of time.

First of all, Amtrak is expensive. It started, as I pointed out, with a $40 million appropriation. We have now invested over $12 billion, and we are spending even in this bill at the rate of hundreds of millions of dollars a year.

We are doing so notwithstanding the fact that the actual number of passengers is declining and the mileage is declining.

Second, I wish to point out that Amtrak really serves no fundamental service. There is not any place you can go to or come from on Amtrak that is not reasonably well served by alternative modes of transportation. Practically all such destinations, virtually all of them are served by more than one alternative competing mode of transportation. That is to say, the Interstate Highway System, by inner-city motor bus, or by commercial airline service. There are a handful of locations that only have one alternative. That is to say the highway network.

Senators will remember we debated that a few months ago and the Senate decided by a narrow margin not at that time to abolish Amtrak, and one of the things that was thrown up was there would be cities left without transportation.

Honest to Pete, we sent over for the list where those cities are and it turns out it is places in the remote far reaches of America like Rockville, MD, suburban Philadelphia, places from which it is easy to get around by car, or for that matter it would be cheaper and more efficient if the Federal Government would terminate Amtrak and send everyone where they want to go by taxicab. So I do not think we are really providing a needed service.

Third, I wish to make the point that this is not a service or a subsidy that goes to poor people. It is a well-documented fact that most of the actual travel which is subsidized by Amtrak is for the affluent, for the middle class and upper middle class.

Fourth, I wish to point out that there would be some surviving passenger rail service in this country even if we do away with Amtrak. I do not think the long-haul trains would make it. I just do not think there is enough of a market to sustain that. But I do happen to believe there is enough of a market in certain selected areas, Washington to New York, New York to Boston, New York to Philadelphia, and some other areas like that, where a free enterprise private sector passenger railroad service would survive.

I wish to address very briefly a point that should be reckoned with and that is the question of the environmental costs of Amtrak travel.

One of the original motions was that Amtrak was somehow more environmentally sound than other forms of

transportation, and I will direct the attention of Senators to a study produced by the General Accounting Office that points out that the alternative transportation modes, airplane and bus, are productive of less carbon monoxide, particulates, sulfur dioxide, nitrous oxide, and hydrocarbons, according to the Environmental Protection Agency. They produce less pollution per passenger mile than do the railroads.

Finally, before I yield, let me just debunk in advance the argument that if we did away with Amtrak we are going to be the only major country in the world that does not have a great passenger railroad system. I mean people say look Japan has a railroad system. Surely the great United States of America should have a passenger railroad. France has it. Germany has it. Europe has it. Surely we can have it, also.

Mr. President, that is a superficially attractive argument, but I wish to point out two things: the circumstances of Japan, France, and Germany are quite different. First of all, they are densely populated, much smaller countries, and they do not have a well-developed highway network. The analogy of Japan to the United States really, except in terms of national pride, is not a comparison that makes a lot of sense.

Mr. President, I will close as I began by saying that Amtrak is an idea which, though well intentioned, has been thoroughly tested and has failed to meet the benchmarks which the advocates of Amtrak originally established.

So in consideration of our budgetary situation and as a matter of fundamental equity and fairness, I believe this is the time to terminate further subsidy to Amtrak.

Mr. President, I yield the floor.

Mr. ANDREWS. Mr. President, might I point out that the Senator from Colorado has made a very cogent argument, but, unfortunately, in several instances he has overlooked some other issues. I am not arguing this from the fact that it is nice to ride the train. That argument has been used and obviously many people think it is because 20.8 million people annually ride Amtrak.

But that brings up part of the problem, Mr. President. In the Northeast corridor, 17,500 individuals ride Amtrak daily. Mr. President, might I point out that in the hearings that we had on this issue, and they were exhaustive hearings, we questioned the FAA to ask about the airport impact in New York and Washington. And they candidly admitted, they have no answers. They have done no study. They have no contingency plan on what would happen to the space requirements for those airports if these 17,500 people moved to the airways, nor do they know how they would handle them on the highways which are already overcrowded.

Mr. ARMSTRONG. Mr. President, will the Senator yield before he leaves that point?

Mr. ANDREWS. I am happy to yield.

Mr. ARMSTRONG. I believe I can see his concern on that issue, which is an obvious area of concern, and I believe I can respond. The Senator's point, as I understand it, is if Amtrak were abolished, these 17,000 people who ride Amtrak in the line between New York and Washington, for example, would have to ride other forms of transportation which are already overcrowded—highways or the airports.

Let me just tick off for you the following statistics in response to that concern, which is an actual one. First, of the 17,000 people, only 2,700 travel the full distance between Washington, DC, and New York. The rest are primarily suburban commuters; that is, from New York to New Jersey, Baltimore to Washington, and so on. So that would not add much to the impact at either end, as far as airports or that kind of thing.

Second, the notion of 17,000 passengers a day means people taking roundtrips, so the total really is half of that. Also, they are spread out along the whole corridor.

Third, let me point out that, while 17,000 people seems like a lot, there are 3 million people that take the car or bus into New York City every day. So that if every one of these additional people went by car, it would not be an insurmountable problem.

Fourth, let me mention that Amtrak's own figures indicate that 32 percent of Northeast corridor passengers will go by bus, which means about 100 buses will be needed to accommodate 5,500 people. Forty-eight percent would go by car, according to Amtrak's figures, or 8,400. Sixteen percent would go by air, and that would be 2,800 air passengers. That would be about 12 flights daily split between the six airports around New York and Washington, DC. There are 21,000 empty seats daily on flights in the Boston-Washington, DC, corridor, or about 40 percent of the seats.

So, while I believe the concern is a natural one, I believe that the actual figures demonstrate that the existing transportation network could easily absorb these extra passengers.

I thank the Senator for yielding.

Mr. ANDREWS. I appreciate the statistics the Senator has shared with us.

We have asked, of course, the experts in the FAA and they have asked this subcommittee for and we are funding some $31 million in this bill for additional radar capability to keep up with the traffic in and out of the New York terminal area. And the additional load of 12 flights daily will mean a half-hour at congested National Airport.

But this is not even the substance of some of the problems that we get into. We have diligently tried to find answers to these.

The Senator suggests that a lot of these are people who are commuting. That is true. But the Senator also realizes that the commuters are subsidized at an even higher rate than Amtrak passengers are subsidized. So they would transfer, probably, from one Government program into another one, notwithstanding the fact that if we cut out Amtrak, I point out to the Senator from Colorado, we would have approximately $2 billion in liabilities to the employees of Amtrak who would be put out of work.

Let me also point out, since the Senator discussed the subsidy—and there is, indeed and in fact, a $35 per-passenger subsidy which the Government picks up for everyone who gets on an Amtrak train—but might I share with the Senator the fact there is a $37 per-passenger Government subsidy for everyone who goes on an airplane.

Mr. ARMSTRONG. Will my good friend yield?

Mr. ANDREWS. I am more than happy to yield.

Mr. ARMSTRONG. Let me respond to both of those points.

First of all, as to the question of the labor agreements, Amtrak negotiated a labor agreement providing up to 6 years of salary——

The PRESIDING OFFICER. Will the Senator withhold?

Mr. ARMSTRONG. Yes.

The PRESIDING OFFICER. We have to have quiet in the Chamber so the debate of the proponents and opponents of this measure may be heard.

The Senator from Colorado.

Mr. ARMSTRONG. Mr. President, I am grateful to the Chair for establishing order, because this is an important point.

The chairman is correct in raising the question about the potential shutdown costs of Amtrak. I do want to make this absolutely clear. Amtrak has negotiated, as I understand it, a labor agreement providing up to 6 full years of salary for employees who are furloughed, and the potential cost is $2.5 billion.

However, these are not liabilities of the U.S. Government. They are corporate liabilities. The U.S. circuit court has ruled that Amtrak is not a Government agency. If Amtrak were abolished, labor protection costs would be funded out of the court-supervised liquidation of the assets in full or in part. So we are not responsible for that.

Now, even if we were and even if, as a matter of policy, Congress wished to assume that responsibility—and we might well do that; perhaps we ought

to—it would be cheaper than going the way we are year after year.

Mr. ANDREWS. Mr. President, let me point out to my colleague and friend from Colorado that even that one does not match up with needs, because the assets of Amtrak, the capital assets of Amtrak consist largely of cars. Outside the Northeast corridor, Amtrak does not own the track. The Senator knows that very well. And these cars, might I point out, cannot be sold in Europe because they are too high to go through the tunnel structures in Europe. So, unless you can find some mass transit system in New York City or Los Angeles that can use the cars, there is no place we have been able to find to sell them.

Mr. ARMSTRONG. The Senator is correct. I am just making the point that that is not an obligation of the Government, but that, even if it were, it would be cheaper than going on.

Let me also respond to the point the Senator has raised about the FAA being subsidized, that is the service provided by the FAA and other Government agencies subsidizing air travel. I believe the Senator is correct about that and, at the right time, I believe it would be appropriate to look at an additional tax on tickets or airplane fuel so that the revenues would be increased sufficient to pay the cost of the FAA. I do not think it is any more defensible for nontravelers to pay the cost of airplane travel, of air controllers and of the other things which are part of air travel costs, than it is to pay the Amtrak costs.

Now, there is a greater tradition in highways, for example, of user payment. The motor fuel tax pays for it, and that is why it is a great system. I think the same could well apply in air travel.

I thank the Senator for pointing that out.

Mr. ANDREWS. Mr. President, the Senator from Colorado is one of the few purists we have in this body. He is, indeed, totally on track and on target. The Senator wants no subsidies for travel, period, and that is a totally honest way to be.

He is pointing out the fact that perhaps down the line we ought to have user fees to pay for the $37 per person charge that the Government absorbs in business tax write-offs of airline passengers. That may well be in order and it is totally in line with the Senator's longstanding position.

The only reason I brought it up is the fact that if you are saying that Amtrak somehow or another is wrong because there is a $35 subsidy when the other means of transportation has a $37 per person subsidy, we ought to bring that out on the floor.

And if we are addressing both, let us address both, but let us not call just one subsidy bad. I do not want to prolong the debate. I think these points are well known by our colleagues.

I yield my time because I am sure the Senator from Wisconsin who cosponsored the amendment has some comments that he would like to make.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

Mr. PROXMIRE. Mr. President, first, I congratulate my good friend from Colorado on this amendment. Obviously, I think there is a devastating case for it. The Senator is clearly loaded for bear on it because this is a most meritorious amendment.

Mr. President, I want to put this amendment in perspective. I think we should realize that we meet here today in the context of an enormous, enormous budget deficit. We have to cut spending. We have to do it. We have to increase taxes, too, in my view but we certainly have to cut spending. There is no question about it. The Senate has successfully rejected a whole series of proposals we have to cut spending over the last few days. Here is a proposal which the Senator from Colorado has so well pointed out does not hurt the people who are most needy in our country. By and large, it is an amendment which would make it slightly less convenient for people who are generally affluent.

Mr. President, the Armstrong amendment accepts the President's proposal to end Amtrak subsidies. Amtrak had an initial goal of profitability, and revitalizing the Nation's passenger rail system was originally authorized by Congress on a 2 year—2 year, mind you—trial basis as a for-profit corporation. Instead, Amtrak just since 1971 has cost the Nation's taxpayers almost $9 billion, and the cost projected for the next decade could well exceed another $8 to $10 billion.

Let me ask what does the Nation get for this massive subsidy? Let me ask what proportion of the Nation's travel does Amtrak carry. Just guess. Inner city passenger miles—does it account for 50 percent? No. Twenty-five percent? No. Maybe 10 percent? No. Less? Less than 10 percent? You bet. How about 5 percent? Even less? Two percent? Less. One percent? No. Amtrak accounts for one-quarter of 1 percent, Mr. President—one-quarter of 1 percent—of inner city passenger miles.

This is what the American taxpayers' bills have bought in Amtrak. Practically nothing, one-quarter of 1 percent. How many passengers have patronized Amtrak's stations each day? Five or six hundred? No. Fifty? No. At 44 percent of the Amtrak stations, less than 10 passengers per day board the train.

Mr. President, 10 passengers per day would not keep a one-cab taxi stand in operation; 10 passengers a day, and in two-thirds of the stations less than 25 passengers board trains.

The usual vision of a passenger train carrying several hundred passengers just is not true with Amtrak. These are passenger trains. You have to have a locomotive, you have to have a car, you have to have a conductor, you have to have people to operate the locomotive, and very often they carry one, two, three, or four passengers.

The average passenger on that highly subsidized, but not well-used system is not the elderly or poor, but middle- or upper-income individuals. For example, 55 percent of the Northeast corridor passengers in 1983 had incomes above $30,000. Mr. President, it is important to compare that to the figure that shows that only about 28 percent of the general population in 1983 had income above $30,000. A high percentage of Amtrak passengers were found to be on business travel or commuting to work. On some routes, the subsidy cost per passenger is greater than the cost of a bus or airplane ticket. In other words, it would be cheaper for Congress to end Amtrak service on some routes and buy all the passengers bus or airplane tickets.

The Senator from Colorado in responding to the Senator from North Dakota, the chairman of the committee, pointed out that the argument that this is going to overload our airports or put a burden on our highways or our buses is ridiculous because, as he points out in one of the most heavily traveled areas, between New York and Washington, 40 percent of the seats are empty on the average. And as I would like to point out, too, only two-tenths of 1 percent of the inner city passenger miles are operated by Amtrak. I think one figure that the Senator from North Dakota brought up was that 17,000 people travel on that Amtrak route he discussed. The Senator from Colorado pointed out that compares with 3 million people who travel by plane, by bus, and by car between these cities. It is absolutely a drop in the bucket.

Mr. President, while service is desirable and economically profitable, as I say other modes of transportation will certainly pick up the slack left by ending Federal subsidies by Amtrak, and services will be provided by rail, bus, or air without overloading them in any way. In fact, buses serve—this is a figure that I think all of us should ponder—14,000 communities in the Nation. How many does Amtrak serve? Does it serve anything like 14,000? Does it serve 10,000? No. 5,000? No. 1,000? No. Amtrak serves only 531. Amtrak serves 531 compared to 14,000 served by buses. So if we are talking about small communities being affected by this, the fact is that the small communities by and large are infinitely better served, many, many times more served, something like 28 times

more likely to be served by buses than by Amtrak.

Finally, nothing will prevent States and localities from subsidizing these areas desiring service which cannot be economically justified. As the Senator from Colorado pointed out, if we still feel that in those heavily traveled parts of our country between great centers, if it seems economical to have a rail line, there is nothing to prevent the States and the localities from handling it.

I suppose there is no place in the country that would be more concerned with this than New York City because New York City uses Amtrak probably more than any other city in the country. I think all of us realize there are few papers in the country that have a greater prestige than the New York Times, or a greater, more objective and more competent view in these areas than the New York Times has. You may disagree with the New York Times, but they certainly are not afraid to have the Federal Government provide a service when the service is necessary. What does the New York Times say on this? Just 3 days ago the New York Times, in an editorial, said the following: "What Congress says it wants is to balance the budget by 1991. What does Congress do? Well take Amtrak. Created 14 years ago"—this is the New York Times speaking—"on a 2-year trial to see if it could operate profitably, Amtrak has needed close to $49 billion in subsidies so far. President Reagan, proposed ending the subsidy this year—a sensible move."

That is not a conservative publication. This is the New York Times—"a sensible move. Instead, Congress' budget resolution directed a 15-percent cut. That cut would have reduced the appropriations to $477 million. Six weeks later the House actually appropriated $604 million. Then it passed a separate authorization bill saying in effect if that is not enough to keep the system service and maintenance at substantially the same levels as before, keep spending. And now the Senate Appropriations Committee has voted $616 million." This is the New York Times, Mr. President. The New York Times concludes "With a few more cuts like those, Amtrak will be sitting pretty. Does this Congress seriously believe that a balanced budget law would actually balance the budget? Not if Congress has anything to do with it."

Mr. President, that is a severe and sensible challenge by what I think is probably our Nation's greatest newspaper. It is certainly a paper that all of us recognize does its very best to get the information necessary to speak with authority and honesty on issues of this kind.

I hope Members of Congress will adopt this amendment, although we recognize it is very, very hard to cut this kind of appropriation for so many communities in all of our States which have a few Amtrak employees. That is what they care about, and that is what they will vote on.

It is something that we should have the will to do, recognizing our current conditions.

The PRESIDING OFFICER. The Senator from Maine.

Mr. MITCHELL. Mr. President, I have a noncontroversial amendment which has been cleared on both sides. I wonder if the manager would permit the pending amendment to be set aside briefly.

Mr. ANDREWS. If the Senator wishes to ask unanimous consent for that, we have no objection.

Mr. PROXMIRE. Mr. President, would the Senator let me get the yeas and nays on the pending amendment?

Mr. MITCHELL. Yes.

Mr. PROXMIRE. Mr. President, I ask for the yeas and nays on the Armstrong amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the pending amendment be temporarily set aside so that I might proceed with my amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

AMENDMENT NO. 847

(Purpose: To authorize a partial transfer of the authority of the Maine-New Hampshire Interstate Bridge Authority to the States of Maine and New Hampshire)

Mr. MITCHELL. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Maine [Mr. MITCHELL], for himself and Mr. HUMPHREY, proposes an amendment numbered 847.

Mr. MITCHELL. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

On page 54, after line 8, insert:

SEC. . That the Act approved July 28, 1937 (50 Stat. 535), is amended by striking out in the first paragraph thereof, "and approaches thereto" and by inserting at the end thereof "The States of Maine and New Hampshire are authorized to assume all construction, maintenance, and operational authority over the approach roads and grade separation structures in their respective areas. As provided in Maine Private and Special Law, Chapter 38, 1985, and New Hampshire Statutes, Chapter 415, 1985, the respective States shall require the Authority to provide Authority funds for capital improvements.".

Mr. MITCHELL. Mr. President, in late June, both Maine and New Hampshire enacted identical bills regarding the Maine-New Hampshire Interstate Bridge Authority [IBA]. These measures require congressional ratification in order to be implemented. This amendment, which I have sponsored with my colleague from New Hampshire Senator HUMPHREY, would accomplish this. The measure has been considered by the Committee on Environment and Public Works, and has previously been approved by the Senate. It would require no additional expenditure of Federal funds.

The IBA was created by an act of Congress in 1937 to oversee the construction, maintenance, and operation of a toll bridge and approach roads between Kittery, ME, and Portsmouth, NH. This facility presently constitutes what is commonly referred to as the "U.S. Route 1 Bypass" connecting Kittery and Portsmouth, and provides the only rail service to the Portsmouth Naval Shipyard.

The discontinuance of tolls on October 31, 1972, combined with limited revenues derived from interest on the IBA endowment account and high inflation in the last decade have forced the authority to delay or cancel several capital improvement projects for the facility. As a result, the entire facility is experiencing increasingly rapid deterioration.

A task force comprised of representatives from both State transportation agencies analyzed the mandate, operation and viability of the IBA. It found, after assessing numerous alternatives over the past 2 years, that the IBA cannot financially carry out its mandate. The authority needs the assistance of both States and their available Federal funds in order to continue to provide transportation services for the shipyard and for vehicles utilizing the bypass. The State and Federal bills would provide them assistance.

The Federal legislation would constitute an amendment to the original 1937 compact as ratified by Congress. No additional funds are necessary to support this legislation as the proposed realignment of responsibilities will be funded by a combination of authority assets and currently allocated Federal highway funds.

The provisions of the proposed act would accomplish the following:

First, transfer ownership of the approach roadways and grade separation structures—underpasses, overpasses, et cetera—to the respective State transportation agencies;

Second, allow each State to channel available Federal aid primary highway funds to the transferred portion of the facility for capital improvements and rehabilitation;

Third, require the authority to fund the non-Federal share of such capital improvements and rehabilitation when deemed necessary by the authority and engineering representatives of both States;

Fourth, continue the authority's obligation for the main bridge structure as well as the roadway and railway facilities presently on the structure;

Fifth, transfer authority employees to Maine or New Hampshire's transportation agency, thus providing comparable wages and benefits; and

Sixth, transfer authority equipment presently used on the facility to the representative State transportation agencies.

To summarize, Mr. President, this amendment would merely provide the required congressional ratification for the Maine-New Hampshire Interstate Bridge Authority. This has previously been approved by the Senate. It would require no additional expenditure of Federal funds.

Mr. ANDREWS. Mr. President, the amendment offered by Senator MITCHELL, I understand, has been cleared by Senators STAFFORD, SYMMS, BENTSEN, and BURDICK of the authorizing committee, Environment and Public Works.

The bill authorizes a partial transfer of the authority of the Maine-New Hampshire Interstate Bridge Authority to the States of Maine and New Hampshire.

I have no objection to the amendment.

The PRESIDING OFFICER. Is there further debate?

Mr. CHILES. Mr. President, I have no objection.

Mr. MITCHELL. Mr. President, I ask unanimous consent that my colleague, Senator COHEN, be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment.

The amendment (No. 847) was agreed to.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. CHILES. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 846

Mr. ARMSTRONG. Mr. President, is the pending business the Armstrong-Proxmire amendment?

The PRESIDING OFFICER. The Senator is correct.

Mr. ARMSTRONG. Mr. President, I believe the case has been well proven. I am prepared to vitiate the order for the yeas and nays if the managers would be willing to accept the amendment, or I am ready to go to a rollcall vote.

Mr. ANDREWS. What, might I ask my good friend——

Mr. ARMSTRONG. Mr. President, is the Senator willing to accept the amendment?

Mr. ANDREWS. Mr. President, we have no intention of accepting the amendment. As a matter of fact, I am prepared to move to table the amendment, but I understand the Senator from Pennsylvania wants to speak to it. We thought he might be here momentarily.

Mr. ARMSTRONG. Mr. President, I did not realize other Senators wanted to address the question.

Mr. SPECTER. Mr. President, I must rise and speak in opposition to the elimination of funding for Amtrak.

The $616 million for Amtrak contained in this bill already represents a 10-percent cut from the 1985 appropriation. This is the maximum cut that Amtrak can take and still maintain its important operations. The cut that Amtrak took already represents a major contribution to fiscal responsibility.

This body also agreed to the $616 million figure in the budget resolution process. The debate had taken place and it was decided that Amtrak would be allowed to continue its services. My colleagues are, in this amendment, attempting to take us back to that debate.

The appropriations subcommittee and full committee saw fit to maintain this funding. They saw the vital service that Amtrak provided. We cannot accept this cut.

Preservation of Amtrak's passenger service is a matter of great national importance. It provides vital services for the entire Nation, particularly for the populous eastern seaboard. With its elimination, traffic will be snarled all over the east coast, with highways jammed and airports clogged. It would become impossible for traffic to get through the Baltimore Harbor Tunnel. In fact, the U.S. Senate might have difficulty getting a quorum.

The elimination of Amtrak will also have serious economic implications nationwide. Amtrak presently employs some 25,000 people in 44 States, and in 1984, contributed $1.4 billion to our economy through its payroll and the purchase of goods and services. During 1984, Amtrak remained the sixth largest transportation company in the country.

In my State of Pennsylvania, in 1984, Amtrak employed 3,242 residents with an annual payroll of $85.5 million. Amtrak contributed another $76 million to Pennsylvania's economy through the purchase of goods and services in 1984.

Amtrak's passenger service plays a vital role in our intercity transportation network and Amtrak's sustained progress in improving its service and reducing its dependence on Federal funds shows that continued Federal support will pay great dividends in the long run. Amtrak's current funding level of $684 million is the lowest since fiscal year 1977. In 1986, Amtrak expects to cover at least 60 percent of its costs through revenues, compared to 48 percent just 4 years ago.

Amtrak's capital plant, assembled almost entirely with Federal funds, is now worth some $3.1 billion. Salvage value on these assets—rail line, stations, maintenance facilities, and the like—will be minimal if all intercity rail passenger service is eliminated.

In addition to the investment of the Federal Government, many States have made capital expenditures that total more than $100 million in order to support and enhance passenger service within their borders. This investment will be lost if Amtrak is phased out.

Amtrak currently carries 20 million passengers each year. The total elimination of rail passenger service will leave many communities, particularly in the more sparsely settled areas of the country, without any common carrier passenger transportation. Even travelers that count on other modes of transportation under normal conditions find they must depend on Amtrak in the event of weather emergency or labor strikes.

Among the major cities between Washington and New York, Amtrak trains carry almost 18,000 people daily, or 60 percent of the total air/rail ridership. Elimination of Amtrak service in the Northeast corridor will add to air congestion and will ultimately require billions of dollars in additional Federal investment for airport and highway construction.

Amtrak's Northeast corridor is also used by Conrail freight trains and commuter rail trains. If Amtrak is eliminated, Conrail and the commuter agencies will have to absorb $116 million in additional costs to sustain their own operations on the Northeast corridor.

The elimination of funding for Amtrak would trigger a $2.1 billion Amtrak liability for labor protection agreements, which provide up to 6 years full salary for employees who are furloughed. Neither the Government nor the public would derive any benefit in service or value from these payments.

State and local governments are unable or unlikely to pick up Amtrak rail passenger service. If they do, costs will still be borne by the taxpayer but with reduced service because Amtrak's current contracts allow for more favorable operating agreements than outside parties could hope to negotiate.

The private sector will not pick up lost Amtrak service, as confirmed by Transportation Secretary Elizabeth

Dole on April 23. The cost of doing so in competition with publicly subsidized air and highway transportation would be prohibitive.

The effective elimination of Amtrak will result in serious adverse economic consequences to the Nation in terms of: Loss of investment, loss of income to equipment and supply contractors with Amtrak, loss of rail passenger service, and loss of jobs along with the strain on the railroad retirement system.

When these costs and consequences are considered, it is clear that the far better choice is for the Federal Government to continue providing support to Amtrak.

Mr. WARNER. Mr. President, I rise in strong opposition to the amendment of the Senators from Colorado and Wisconsin.

I do so for a number of reasons, not the least of which is a project on which I have been working with my distinguished colleague in the House of Representatives, STAN PARRIS as well as State and local officials in the Commonwealth of Virginia.

I do not know how many of my colleagues have had the misfortune to find themselves on I-95 or I-395 in northern Virginia during peak rush hours, but those who have are painfully aware of the volume of traffic carried by that facility.

I-95 and I-395 are being used to capacity during peak hours, in the morning inbound and the afternoon outbound the road is jammed.

Furthermore, there is no way to expand the facility—this road has as many lanes as it is ever going to have and, Mr. President, northern Virginia is growing.

Where are we going to put all the cars that will come with this growth?

I know that this problem is not limited to the northern Virginia area—there are metropolitan areas all over our Nation that find themselves in similar situations.

This is where Amtrak can be helpful.

We in Virginia have been working with Amtrak to find a solution to commuter traffic problems.

We have proposed that a train now being operated at a loss by Amtrak be used as a commuter rail system between Helpful, VA, and Union Station in Washington, DC.

The responsibility for operating cost will be borne by not only the fare box but by the State and local governments that will be served by the system.

This is an alternative that could be employed by many metropolitan areas with traffic problems similar to the one's we have in northern Virginia.

These localities can use existing infrastructure to move people without constructing expensive new mass transportation systems when the expansion of roadways is no longer feasible.

We have reached that point here in the Nation's Capital.

However, this option will no longer exist should the amendment of the Senators from Colorado and Wisconsin prevail.

We have substantially cut Amtrak subsidies in this legislation already.

If we totally eliminate Amtrak we will continue to add traffic to our already overburdened highways.

If we can expand our commuter rail concept not only in northern Virginia but to other high traffic areas as well, Amtrak will have a new revenue service—the commuters and their State and local governments.

In my judgment, this is the proper course that will result in removing cars from our roads and aggravation from traffic jam bound commuters.

It will also result in increased economic development and additional revenue for the States and localities.

Mr. President, I urge my colleagues to vote against the amendment to abolish Amtrak.

Mr. WALLOP. Mr. President, this morning I heard my dear friend and colleague, Senator SIMPSON, relate some of the characteristics of a native Wyoming bird, the sage chicken, with the action or inaction of the Senate. Today, I, too, would like to equate a well known characteristic of Wyoming's most familiar symbol—the cowboy—and his knack for telling a story with Amtrak's continuing penchant for stretching the facts and selling Congress a fiscal year 1986 budget bill of goods.

Mr. President, the cowboy has long been known for his ability to spin a tall tale, especially about the speed or endurance of his trusty horse. And, as many of my colleagues may recall, Amtrak's so-called Iron Horse pulled out of the State of Wyoming about 2½ years ago. As a consequence of this decision, the citizens of Wyoming have no train service at all, but continue to subsidize Amtrak's service to other parts of the country as a so-called valuable public service worthy of all taxpayers hard-earned money.

While providing no service whatsoever, Amtrak keeps coming back to the State to add insult to injury. During this year alone, Amtrak sped through Wyoming without stopping to pick up passengers some 27 times because of mud slides, snow slides, high water, or track washouts on its more scenic route through the Rocky Mountains of northern Colorado. But, what is far worse, Mr. President, is the cover of the brochure Amtrak is presently using for its "Amtrak's RailAmerica Tours West" tourist package.

This latest publicity stunt convinces me there has been and never will be a cowboy with boots high enough or steed fast enough to compete with the tale Amtrak attempts to spin about its own "Iron Horse" as it is presently depicted speeding through the Grand Teton National Park. Since Amtrak refuses to come anywhere into the State of Wyoming, because of our lack of spectacular scenery, it is particularly ironic, not to mention the height of hypocrisy, that the corporation chose one of Wyoming's most famous and more beautiful mountain ranges to promote its tourist service through the West. It is also interesting to note that this superimposed train speeding through this national park would end up sinking in one of the park's most beautiful lakes—Jenny Lake—where a speeding boat is not even permitted, let along a speeding locomotive!

Mr. President, the fiscal year 1986 DOT appropriations bill is about $2 billion over the President's budget request, and close to $700 hundred million of that amount is for the continuation of Amtrak. That is why I cosponsored, and voted for Senator ARMSTRONG'S amendment to discontinue this subsidy. Our country can no longer afford to financially underwrite a tourist service cloaked as a public service which refuses to serve all of America's traveling public. More importantly, what is the point of passing an amendment such as Gramm-Rudman, which requires a balanced budget by 1991, if Congress does not have the courage and conviction to begin making those difficult choices right now?

Mr. BYRD. Mr. President, the National Railroad Passenger Corp., often referred to as Amtrak, has served the Nation well since its creation in 1971. I want to strongly state my opposition to any funding reduction below the $616 million recommended for fiscal year 1986 by the Senate Committee on Appropriations.

The Federal Government has a legitimate and vital role in meeting the transportation needs of this country, a role that has long been recognized. During World War II, one area of major concern to General Eisenhower was the lack of a network of highways to reach from one end of the United States to the other on which to move troops and supplies. As a matter of fact, one of General Eisenhower's first actions when he became President was to propose the Interstate Highway system. Thus, the Interstate Highway system was established, recognizing the need for such a network as vital to the national security. Likewise, the Federal Government has recognized its role in transportation in providing support to our air traffic control system.

Just as highways and air travel are essential to our national transportation system and our national security, so is our rail transportation system. Indeed, Congress recognized the role

of the Federal Government and the importance of rail service when Amtrak was established.

Amtrak has been working closely with the Federal Emergency Management Agency as well as with the Army's logistics staff at the Pentagon to develop plans for mobilization in the case of a national emergency. Amtrak could make available, on immediate notice, 75 percent of its total capacity and within 48 hours, all of its capability to meet the needs of the military in moving troops, supplies or to move citizens should evacuation of an area become necessary. As a matter of fact, if the "traffic jams" materialize during a national emergency as predicted, the railroads may be the only practical way to move troops and supplies. Should Federal support be withdrawn from Amtrak, trackage would fall into disrepair and consequently, even if rail cars were available, we would no longer have the trackage or manpower to operate trains.

Amtrak carries 20 million passengers per year. Many of its passengers prefer the train over all other forms of transportation; to others, the train is the only form of Transportation available. Of the over 500 communities Amtrak serves, 52 communities have no bus service and it is estimated that there will be another 161 communities, which Amtrak serves, that will not have air service should the essential air service subsidy be terminated.

Further, there are fewer and fewer affordable transportation alternatives for rural America. Rail passenger service is a vital link in our transportation infrastructure. To disrupt rail passenger service would only hurt rural America, which has already suffered from the loss of air and bus service since the deregulation of those industries. If Amtrak service is severely curtailed, what are the alternatives? The Federal Aviation Administration testified before the Senate Appropriations Subcommittee on Transportation that it had no alternative plans to deal with the influx of commuter traffic in the Northeast Corridor were rail service to be disrupted. Further, the Interstate Commerce Commission testified that it had no alternative plans, and indeed, no role in insuring bus transportation for those communities that would no longer be served by Amtrak.

It is worth repeating that Amtrak serves 20 million Americans, including more than 55,000 West Virginians. Many of the people served by Amtrak are either elderly, poor or from rural areas. I do not feel that it is in our best interests as a Nation to terminate funding for Amtrak or to severely reduce that funding. It has been said that the chain is only as strong as its weakest link. Amtrak surely is a vital link in our transportation chain, and to weaken that link could well jeopardize our total transportation system—not only as it relates to rural America but also in times of national emergency. To withdraw support precipitously is shortsighted and disruptive.

We can't simply close Amtrak down, turn off the lights, and leave 20 million people waiting at the stations.

Mr. ANDREWS. Mr. President, I move to table the amendment and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficent second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from Colorado.

The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Missouri [Mr. DANFORTH] and the Senator from Alabama [Mr. DENTON] are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Missouri [Mr. EAGLETON] and the Senator from Hawaii [Mr. INOUYE] are necessarily absent.

The PRESIDING OFFICER (Mr. KASTEN). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 71, nays 25, as follows:

[Rollcall Vote No. 242 Leg.]

YEAS—71

Abdnor	Glenn	Melcher
Andrews	Gore	Metzenbaum
Baucus	Gorton	Mitchell
Bentsen	Grassley	Moynihan
Biden	Harkin	Nunn
Bingaman	Hart	Packwood
Boren	Hatch	Pell
Bradley	Hatfield	Pressler
Bumpers	Hawkins	Pryor
Burdick	Heflin	Quayle
Byrd	Heinz	Riegle
Chafee	Hollings	Rockefeller
Chiles	Johnston	Roth
Cochran	Kassebaum	Sarbanes
Cohen	Kasten	Sasser
Cranston	Kennedy	Simon
D'Amato	Kerry	Specter
DeConcini	Lautenberg	Stafford
Dixon	Leahy	Stennis
Dodd	Levin	Stevens
Durenberger	Long	Warner
Evans	Lugar	Weicker
Exon	Mathias	Zorinsky
Ford	Matsunaga	

NAYS—25

Armstrong	Helms	Rudman
Boschwitz	Humphrey	Simpson
Dole	Laxalt	Symms
Domenici	Mattingly	Thurmond
East	McClure	Trible
Garn	McConnell	Wallop
Goldwater	Murkowski	Wilson
Gramm	Nickles	
Hecht	Proxmire	

NOT VOTING—4

Danforth	Eagleton
Denton	Inouye

So the motion to lay on the table amendment No. 846 was agreed to.

Mr. ANDREWS. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ARMSTRONG. Mr. President, a footnote to the debate which has occurred.

I congratulate the chairman on his victory. I hope Senators will take a long, hard look at this issue.

Senator PROXMIRE and I understand why this is not the day to make a major decision to terminate a program like Amtrak, but I know there are many Senators who realize that something must be done. I invite Senators to take a look at the issue; and in due course, on another occasion, we would like to ask the Senate to take another look and perhaps to reconsider.

AMENDMENT NO. 848

(Purpose: To amend the Motor Vehicle Information and Cost Savings Act)

Mr. EVANS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Washington [Mr. EVANS] proposes an amendment numbered 848.

Mr. EVANS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following: Section 502(1)(1) of the Motor Vehicle Information and Cost Savings Act [15 U.S.C. 2002(1)(1)] is amended by inserting at the end thereof the following new paragraph:

"(F) Notwithstanding the provisions of subparagraph (B), no manufacturer shall be entitled to a credit for exceeding the fuel economy standard for any model year for which the Secretary has reduced the fuel economy standard to a level below the standard originally established by Congress for that year. *Provided*, That a manufacturer shall be entitled to a credit to the extent that the fleet average fuel economy of the manufacturer exceeds the standard that applied prior to modification by the Secretary."

Mr. EVANS. Mr. President, today I bring before the Senate an amendment to current automobile fuel economy law. It is a relatively simple but necessary amendment: It would modify the provision in current law that grants credits to automobile manufacturers whose corporate average fuel economy exceeds the fuel economy standard for that model year. Before I explain to my colleagues precisely what this amendment does, I would like to bring them up to date and explain once again why I believe we must not totally abandon the efforts we have taken in Congress to encourage fuel economy.

On October 1, 1985, the Administrator of the National Highway Traffic

Safety Administration formally announced her decision to lower the CAFE standard for passenger automobiles from 27.5 miles per gallon—the level established by Congress—to 26 miles per gallon for the 1986 model year. I was not surprised by the decision; it had been proposed several months before. Yet, while I was not surprised, I was saddened. Once again we have forgotten yesterday and overlooked tomorrow.

How can we forget the economic turmoil caused by the oil shocks of the 1970's? Inflation raged and unemployment exploded. All of us felt the strain then, and in fact are still struggling to recover.

Of course, we should not fail to recognize that 1985 is not totally unlike 1972. In 1972, no one could conceive of paying even 50 cents for a gallon of gas. The same is true in 1985. Unfortunately, we are on the wrong side of 50 cents today, and headed further away in the future.

It is impossible to predict with complete accuracy what the future holds in store for us. Yet, as I have reviewed recent government and private studies of predicted oil reserves, I note that there has been a disturbing trend: Every estimate made today indicates a likelihood of substantially lower petroleum stocks than we thought was the case only 5 years ago.

In short, all estimates indicate that the United States will become increasingly dependent on foreign sources of oil, particularly if present consumption trends continue. Today, with increasing economic activity, we are consuming ever larger amounts of petroleum. The invisible hand of the market gives us the thumbs up to profligacy; the pump price of a gallon of gas has actually declined over the last year. Yet, the more we use, the faster we come to the precipice of energy vulnerability.

I guess we deserve the energy policy we have in this country today. Myopia and complacency are the parents not only of our energy policy, but our economic policy as well. How else can we explain today's choking deficits? It is time we look around for some responsible foster parents, like prudence and fairness.

The amendment I offer today is, I believe, both prudent and fair. In 1980, Congress amended the CAFE law to allow automobile manufacturers to obtain fuel economy credits when the manufacturer's fleet fuel economy average exceeded the standard applicable for a given year. These credits can be carried forward, or back, 3 model years to be applied in years when the manufacturer fails to achieve the specified CAFE level. To date, the credit provision has allowed all manufacturers to avoid the monetary penalties prescribed in law for a CAFE shortfall.

I am not generally opposed to the credit provision for it gives manufacturers some flexibility in meeting the CAFE standard. As long as the standard is not lowered, the credit provision does not unduly weaken the incentives for achieving specified CAFE performance. However, when the standard is reduced, the credit provision seriously enervates these incentives by providing manufacturers with a reward for failure.

We have heard a lot about double-dipping around here. This is one of the most classic cases of double-dipping I have ever seen. You fail to meet the standards. You ask the National Highway Traffic Safety Administration to lower the standards so that you comfortably meet them, and then the excess, by which you met those lowered standards, creates a new credit which you can use to fail to meet the standards in future years.

If we are going to keep this law on the books, it must have some integrity.

My amendment would simply modify current law by denying credits to manufacturers in years when the CAFE standard has been reduced, unless the manufacturer exceeds the standard that applied prior to reduction. Thus, while manufacturers would be allowed the tremendous benefits of the reduced CAFE standard, they would still have an incentive to improve fuel economy and meet what was until recently the legal standard.

Let us not misunderstand or have misrepresented the nature of the amendment. I opposed relaxation of standards. I lost that amendment on the floor.

The Secretary of Transportation subsequently, for 1 model year, 1986, reduced standards from 27½ to 26 miles per gallon.

But how in the world can we further reward those who fail? It is estimated that the manufacturers, most all of the manufacturers, and all three of the big American manufacturers, will exceed the 26 miles per gallon standard for the model year 1986.

Let us assume that one of them comes in at 26½ miles per gallon. That is 1 mile per gallon lower than the original standard but it is one-half mile a gallon better than the reduced standard.

If they are now given credit for that one-half mile per gallon, they can carry it forward and use it next year. They have already applied to have the standard for 1987 reduced from 27½ miles to 26 miles per gallon. I presume, based on past experience, it is likely the Secretary will ultimately grant that request for reduction, so again they will have 26 miles per gallon, only this time they will have another credit of one-half mile per gallon which will allow them only to meet 25½ miles per gallon and still not be subject to any penalty.

Mr. President, we are headed in the wrong direction through this double-dipping and extra credit.

It is bad to relieve standards. That is bad enough. It is, Mr. President, unconscionable to reward failure and to reward those who cannot meet the standards.

Mr. President, several letters have been placed on the desk. I have sent a letter out to my colleagues, but there are two letters I wish to refer to, written to all of my colleagues in opposition to this amendment, but these letters I believe are so clearly flawed that I ask unanimous consent, Mr. President, that those two letters be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

GENERAL MOTORS CORP.,
October 23, 1985.

U.S. SENATE,
Washington, DC.

DEAR SENATOR: We understand that Senator DAN EVANS may offer an amendment to the Department of Transportation authorization bill, H.R. 3244, which would critically affect the Corporate Average Fuel Economy (CAFE) regulations. You will recall that the Senate voted to table a resolution by Senator Evans as regards action on the CAFE petition pending before the Secretary of Transportation. That vote was 52-39.

According to our information, the new Evans amendment would prohibit the accumulation of CAFE credits until a manufacturer had exceeded 27.5 miles per gallon.

Because of the existing CAFE situation, the Evans amendment—if passed—would have the effect of forcing U.S. full line automobile manufacturers toward decisions to curtail a substantial portion of their production in the coming model years. The result would be severe economic dislocation, unemployment, and increased foreign penetration of the U.S. auto market. It would have an insignificant effect on energy conservation.

We urge you to vote against the Evans amendment on CAFE.

Very respectfully,

WILLIAM C. CHAPMAN,
Director, Washington Office,
Industry-Government Relations.

U.S. DEPARTMENT OF TRANSPORTATION,
October 23, 1985.

U.S. SENATE,
Washington, DC.

DEAR SENATOR: The Department of Transportation opposes an amendment which may be offered to the Appropriations bill for the Department of Transportation for Fiscal Year 1986, preventing an automobile manufacturer from earning "credits" for exceeding the fuel economy standard established by the Secretary of Transportation, unless the manufacturer's corporate average fuel economy exceeds 27.5 mpg. Recently, the Department determined that 26.0 mpg was the "maximum feasible average fuel economy level" for Model Year 1986. It is also currently considering petitions to establish the fuel economy standard at 26.0 mpg in later model years.

When the fuel economy law was enacted in 1975, it set 27.5 mpg as a goal for 1985. However, it also recognized the difficulties inherent in establishing an appropriate fuel economy level a decade in advance. In recog-

nition of those difficulties, the law provided the Secretary of Transportation administrative authority to adjust the fuel economy level by rulemaking. The law also recognized the difficulties that a manufacturer might face in complying with the standard in any given model year. Instead, it established a system of "credits" which a manufacturer could earn for exceeding the standard in one year and apply them to a shortfall in another year. The credits are available by statute for a three year period, forward or backward.

Before this amendment is considered further, the Department believes that several issues should be explored completely. First, in enacting and expanding the credit system, Congress was very clear in its desire to provide manufacturers with flexibility in complying with the fuel economy standards. We question whether this amendment would comport with this Congressional intent. Second, we question whether there is any support in the legislative history of the original Act or in its subsequent amendments to provide different consequences for compliance with a standard at 27.5 mpg and compliance with a lower standard established by rulemaking. Third, we question whether the amendment would bring about any improvements in fuel economy. Finally, we question whether this would have a more severe effect on full-line we question whether this would have a more severe effect on full-line domestic manufacturers, while benefitting those manufacturers whose fleets are primarily smaller and more fuel-efficient, particularly foreign manufacturers.

The credit provision in the fuel economy law is a complex system, provided by Congress after consideration of its ramifications and expanded by Congress in 1980 after long and thoughtful consideration of the provision and several alternatives. The Department does not believe that it is appropriate to change this provision without the same thoughtful consideration that accompanied its original enactment and subsequent amendment. The amendment under consideration now would accomplish a major policy change in the fuel economy law and would serverly alter the manufacturers' compliance strategies and work to the detriment of full-line manufacturers, without producing any fuel saving benefits for the Nation.

Accordingly, the Department of Transportation opposes enactment of the amendment.

Sincerely,

ROSALIND A. KNAPP,
Deputy General Counsel.

Mr. EVANS. Mr. President, let me refer to them more explicitly.

From the Washington office of General Motors Corp., let me read the last and most important paragraph of that letter:

Because of the existing CAFE situation, the Evans amendment—if passed—would have the effect of forcing U.S. full line automobile manufacturers toward decisions to curtail a substantial portion of their production in the coming model years. The result would be severe economic dislocation, unemployment, and increased foreign penetration of the U.S. auto market. It would have an insignificant effect on energy conservation.

Mr. President, that letter and that paragraph is pure unadulterated hokum and nonsense. I suggest that it is up to American automobile manufacturers to instead advance fuel efficiency, become more competitive, and in becoming more competitive, reduce rather than increase foreign penetration of the U.S. auto market.

I do not think there is any question we do not need to revisit all of the arguments which were made during the previous debate on reducing the standard. Suffice it to say that there is unquestionably the technological capability to provide a full range of automobile sizes, to meet whatever needs and desires there are on behalf of the American public to do it and still meet fuel efficiency standards. And to say that the result of not giving an extra credit, after we have already reduced standards by a substantial amount and after the manufacturers have already applied for a second year of reduced standards, to say that somehow this amendment that did not doubly reward manufacturers would create severe economic dislocation is just plain nonsense.

Mr. President, let me read from a letter submitted to my colleagues from the U.S. Department of Transportation signed by Rosalind Knapp, Deputy General Counsel. Let me read one paragraph, the most important one in the letter:

Before this amendment is considered further, the Department believes that several issues should be explored completely. First, in enacting and expanding the credit system, Congress was very clear in its desire to provide manufacturers with flexibility in complying with the fuel economy standards.

Of course, we did. There has never been a suggestion that the original concept of the credit system should be eliminated or abandoned.

She goes on further to say:

We question whether this amendment would comport with this congressional intent.

How can it not comport with congressional intent when all it does is retain credits on the basis of what Congress originally passed and what we understand and what we gave the credit based upon?

The credits were an opportunity for flexibility based on the original increasing standards that were set by Congress. It was never intended that once those standards were breached by administrative action that greater credits than otherwise could have been gained would have been awarded.

So I suggest that this amendment does indeed comport very closely, in fact, identically, with congressional intent.

Second, she says:

• • • we question whether there is any support in the legislative history of the original Act or in its subsequent amendments to provide different consequences for compliance with a standard at 27.5 mpg and compliance with a lower standard established by rulemaking.

There is no different standard through this amendment. I am merely saying that all manufacturers, any manufacturer can do as was authorized in the original legislation, and that is gain a credit if they meet 27.5 miles per gallon. That is not a different standard. It is the original standard. I guess I would say it is a standard standard. It is one that General Motors, Chrysler, Ford, Volkswagen, and any other manufacturer, foreign or domestic, can meet.

Third she says:

We question whether the amendment would bring about any improvements in fuel economy.

I cannot imagine how anyone could seriously write such a sentence into a letter like this. If you keep the standard higher, of course you are going to increase fuel economy. What in the world did we pass the act for in the first place?

Finally she says:

We question whether this would have a more severe effect on full-line domestic manufacturers, while benefiting those manufacturers whose fleets are primarily smaller and more fuel efficient, particularly foreign manufacturers.

No, this does not have a more severe effect on full-line manufacturers than others who have more efficient fleets, although it probably ought to benefit those who have more fuel efficient fleets. The more severe effect would fall on those manufacturers who are less efficient, more recalcitrant, who have not moved ahead fast enough on technology. And if they are more fuel efficient, if they work harder on technology, we have the best chance of all of meeting foreign competition.

It is my understanding that all three domestic manufacturers will meet the 26-miles-per-gallon for the coming model year. There will be no disruption in 1986. They have already applied for 1987 to reduce standards. The Secretary will examine the questions of technological feasibility, of economic difficulties and all of the other standards which are established in the act to decide whether a relaxation should be made next year.

We have a system in place and this system should be retained. Extra credits of double dipping should not and must not be allowed to go to those manufacturers who simply not only cannot meet the existing standards but who now suggest they should be rewarded for not doing so.

Mr. President, I ask unanimous consent that Senator LAUTENBERG be added as a cosponsor to this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NICKLES. Will the Senator yield for a question?

Mr. EVANS. Yes.

Mr. NICKLES. I appreciate the Senator's interest on this issue. The Senator talks about the fuel economy standards and we have debated that issue on the floor before. We have not really gone into the credit issue. Could the Senator give us an exact standing on where the major domestic and foreign automobile manufacturers stand on their accumulated credits or maybe the deficiencies that they have, that they can carry forward or carry back?

I have a couple of plants in my State, a lot of Senators have plants in their States, How is this going to impact, say, GM? How is it going to impact Ford? Is this detrimental to them? How is it going to impact Chrysler? How is it going to impact Toyota? Is this going to help Toyota? I am kind of wondering how it will impact various domestic and foreign manufacturers.

Mr. EVANS. It is my understanding that virtually all manufacturers will meet it in 1986, the model year which is the first one in which this will apply. Because this is the first year in which there will be a reduction in the standard, all will meet the reduced standard of 26 miles per gallon. So no one would be penalized for model year 1986.

Model year 1987 is a question that is still in front of us, because the Secretary has not made a decision on the basis of the original request. The original request of the manufacturers, as I understand it, was for relief of more than 1 year. The Secretary only applied it for 1 year. That request, as I understand it, has now been renewed for the subsequent year and decisions will be made ultimately on whether or not she believes that those standards ought to be reduced.

So for the model year 1986, this should have no effect. I do not know whether any of the manufacturers will qualify under this amendment for credits. I suspect some of them will because some of them will meet the original 27½ miles per gallon. To the extent they exceed that original standard, they ought to get credit and they ought to be able to carry them forward. But other manufacturers who required a reduction, asked for a reduction that would allow them to meet that standard, now to give them credit so that they can come even further from meeting the standard in subsequent years I think is the wrong thing to do.

Mr. NICKELS. I appreciate the Senator's comments.

Mr. EVANS. Mr. President, I yield the floor.

Mr. NICKELS. Mr. President, I rise in opposition to the amendment of my good friend, the Senator from Washington. We have debated in the past, as most of our colleagues will probably remember, at some length whether or not we should allow the Department of Transportation to roll back the standard from 27½ miles per gallon, the CAFE standard, to 26.

Basically, if you go back to the law when it was enacted in 1975, it allowed that flexibility and that was really the vote of the Senate, a vote of 52 to 39 that said yes, that was the law. And I do not think there is any dispute over that fact, that, yes, the Department of Transportation had statutory authority to roll back the standard, and that is exactly what they did.

The amendment that the Senator from Washington has deals with credits. Credits are a system that was enacted to allow back in 1975. If you go back in history it set guidelines or CAFE standards for each of the years and allowed a system of credits where, if they came up a little short one year and if they would make it the next year, they could balance out. And that would alleviate two things: One, paying, in some cases, very large monetary penalties, and, two, so they would be in compliance with the law. And so the credit system has worked.

The Amendment of the Senator from Washington would basically go in and say, "Well, wait a minute. We are not going to allow credits for anything above 26 this year."

I will give a different answer from the Senator from Washington. I think it would adversely affect at least two major domestic full line manufacturers in the United States, that being General Motors and Ford. I think people need to be aware of that fact.

We have not seen the Senator's amendment. We have not had hearings on it. We had hearings on CAFE standards. We had hearings on whether or not it should be rolled back or not. We discussed those and debated those. We had administration witnesses up, we had industry witnesses up, and really thoroughly investigated that issue.

We never considered whether or not credits should or should not be given. that is not anything that our committee nor the Senate has really investigated.

I will tell my colleagues that there is very, very serious economic consequences that would apply, at least to those two manufacturers, if this credit system is altered by the Senator's amendment. I will also tell you that we have contacted—again we have had a short period of time to work. But I do have a letter from the Secretary of Transportation, Elizabeth Dole, stating her opposition to the Senator's amendment. I ask unanimous consent to have that printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF TRANSPORTATION,
Washington, DC, October 23, 1985.

Hon. MARK O. HATFIELD,
U.S. Senate,
Washington, DC.

DEAR CHAIRMAN HATFIELD: The Department of Transportation opposes an amendment which may be offered to the Appropriations bill for the Department of Transportation for Fiscal Year 1986, preventing an automobile manufacturer from earning "credits" for exceeding the fuel economy standard established by the Secretary of Transportation, unless the manufacturer's corporate average fuel economy exceeds 27.5 mpg. Recently, the Department determined that 26.0 mpg was the "maximum feasible average economy level" for Model Year 1986. It is also currently considering petitions to establish the fuel economy standard at 26.0 mpg in later model years.

When the fuel economy law was enacted in 1975, it set 27.5 mpg as a goal for 1985. However, it also recognized the difficulties inherent in establishing an appropriate fuel economy level a decade in advance. In recognition of those difficulties, the law provided the Secretary of Transportation administrative authority to adjust the fuel economy level by rulemaking. The law also recognized the difficulties that a manufacturer might face in complying with the standard in any given model year. Instead, it established a system of "credits" which a manufacturer could earn for exceeding the standard in one year and apply them to a shortfall in another year. The credits are available by statute for a three year period, forward or backward.

Before this amendment is considered further, the Department believes that several issues should be explored completely. First, in enacting and expanding the credit system, Congress was very clear in its desire to provide manufacturers with flexibility in complying with the fuel economy standards. We question whether this amendment would comport with this Congressional intent. Second, we question whether there is any support in the legislative history of the original Act or in its subsequent amendments to provide different consequences for compliance with a standard at 27.5 mpg and compliance with a lower standard established by rulemaking. Third, we question whether the amendment would bring about any improvements in fuel economy. Finally, we question whether this would have a more severe effect on domestic manufacturers, while benefitting foreign manufacturers whose fleets are primarily smaller and more fuel-efficient.

The credit provision in the fuel economy law is a complex system, provided by Congress after full consideration of its ramifications and expanded by Congress in 1980 after long and thoughtful consideration of the provision and several alternatives. The Department does not believe that it is appropriate to change this provision without the same thoughtful consideration that accompanied its original enactment and subsequent amendment. The amendment under consideration now would accomplish a major policy change in the fuel economy law and would severely alter the manufacturers' compliance strategies, without producing any fuel saving benefits for the Nation.

Accordingly, the Department of Transportation opposes enactment of the amendment.

Sincerely,

ELIZABETH HANFORD DOLE.

Mr. NICKLES. I will also place in the RECORD the entire letter from Rosalind A. Knapp, who is Deputy General Counsel for the Department of Transportation, which the Senator from Washington alluded to in one paragraph.

Mr. EVANS. I did have that printed in the RECORD.

Mr. NICKLES. Then I will not place it in the RECORD. I appreciate the Senator notifying me he did put it in the RECORD.

But I will read the first line in the first paragraph. It says:

The Department of Transportation opposes an amendment which may be offered to the appropriations bill for the Department of Transportation for fiscal year 1986, preventing an automobile manufacturer from earning "credits" for exceeding the fuel economy standard established by the Secretary of Transportation.

The balance of that, of course, has already been put into the RECORD.

Just a couple of final points. I think these are important points. We have not had hearings on this issue. We have not really gone into the credit side of the debate. This is legislation on appropriations. It is something we have not taken up.

Mr. President, at this time I wish to make a point of order that this is legislation on appropriations under rule XVI.

Mr. EVANS. Mr. President, I raise the defense of germaneness. I believe this is germane. It is regulatory material dealing with highway regulation, and the transportation bill. I believe it is germane.

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. THE Senator from Oklahoma.

Mr. NICKLES. Mr. President, I will ask for the yeas and nays in one-half a second. It is my opinion that this is not germane. It does not relate in any way or shape whatsoever to the transportation appropriation bill. This is legislation dealing with CAFE standards. I hope we rule it is not germane.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Is there further debate? If not, the question is on the question of germaneness of the amendment of the Senator from Washington. Under rule 16, the question is submitted to the Senate. On this question, the yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Missouri [Mr. DANFORTH], the Senator from Alabama [Mr. DENTON], and the Senator from Nevada [Mr. LAXALT] are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Missouri [Mr. EAGLETON] and the Senator from Hawaii [Mr. INOUYE], are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 56, nays 39, as follows:

[Rollcall Vote No. 243 Leg.]

YEAS—56

Abdnor	Domenici	Mattingly
Andrews	Durenberger	Metzenbaum
Baucus	Evans	Mitchell
Bentsen	Goldwater	Moynihan
Biden	Gorton	Nunn
Bingaman	Harkin	Packwood
Boschwitz	Hatfield	Pell
Bradley	Heinz	Proxmire
Bumpers	Hollings	Rockefeller
Byrd	Humphrey	Roth
Chafee	Kassebaum	Rudman
Chiles	Kasten	Sarbanes
Cochran	Kennedy	Simon
Cohen	Kerry	Simpson
Cranston	Lautenberg	Specter
D'Amato	Leahy	Stafford
DeConcini	Levin	Stevens
Dixon	Mathias	Zorinsky
Dodd	Matsunaga	

NAYS—39

Armstrong	Hatch	Pressler
Boren	Hawkins	Pryor
Burdick	Hecht	Quayle
Dole	Heflin	Riegle
East	Helms	Sasser
Exon	Johnston	Stennis
Ford	Long	Symms
Garn	Lugar	Thurmond
Glenn	McClure	Trible
Gore	McConnell	Wallop
Gramm	Melcher	Warner
Grassley	Murkowski	Weicker
Hart	Nickles	Wilson

NOT VOTING—5

Danforth	Eagleton	Laxalt
Denton	Inouye	

The PRESIDING OFFICER. On this vote, the yeas are 56, the nays are 39. The judgment of the Senate is that the amendment is germane.

Mr. EVANS addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mr. EVANS. Mr. President, I think this issue has been well argued. I understand my colleague from Oklahoma wants to take a few minutes. I think we all want to vote on the issue. Let me once again explain it as clearly and as simply as I can.

I introduced an amendment several months ago because I thought we should not reduce fuel efficiency standards. I lost on the floor of the Senate. That issue is behind us. The Secretary has now authorized the standards to be reduced from 27.5 miles per gallon to 26 for the 1986 model year.

I do not believe it is appropriate for us, in addition to giving that dispensation—in other words, reducing the standard sufficiently so that all manufacturers can meet it—to give credits which can be carried forward to the degree they meet 26 miles per gallon but cannot meet the original standard.

Mr. President, I think one bite at the apple is sufficient. This does not in any way eliminate the dispensation which has been authorized, and I am ready to vote. I think the issue is quite simple and quite clear.

In the earlier argument I pointed out that if we in fact do not adopt this amendment, we are merely saying we have lost all interest in fuel economy. We will be giving carry-forward credits which can be used in fiscal 1987, 1988, and beyond to further reduce the chances of meeting the standards.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. RIEGLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. RIEGLE. I have not spoken on this issue. We have been meeting in the Banking Committee on the international debt problem and currency misalignments, and so forth, and have been tied up in committee with witnesses from the administration as well as some Senators who had asked to testify.

One can, I think, argue both sides of this issue and certainly the Senator from Washington has argued his side. This is not a simple matter. This is a complex matter. Frankly, I am troubled by the fact that we are endeavoring to deal with a matter as complex as this in this kind of legislative fashion, coming in without the benefit of going through the normal committee process which is available to the Senator from Washington. His party controls the Senate. There are ways and means to bring these matters through the committees of jurisdiction, if there is a compelling argument for doing so. But to bring it up at this time, while it meets the test of germaneness in the sense that Senators are willing to have it considered because we are considering other extraneous issues, is not appropriate in the normal legislative flow. There is not the time to deal with it adequately. We have a letter on our desk from the Secretary of Transportation, Elizabeth Dole, which contains views that would normally be expressed in a committee process if we were following the proper routine. But by circumventing that routine, even the Secretary responsible for carrying out these laws is resigned to the need of having to send us communications in this form because we are taking it out of order. We are not taking it up in the proper sequence in which it might be done.

There is a very strong and compelling set of arguments that can be made on both sides of this proposition, and within the industry itself there is a very fundamental difference of opinion. General Motors and Ford, for example, feel very strongly on one side

of this issue, Chrysler on the other. But let us step back for a minute and think about something else, and that is we are in serious difficulty in terms of our trade situation as we look at the domestic automobile industry today. I do not happen to have in front of me right now the article out of the morning paper, but I trust others have seen it. The article says that one of the major Japanese auto manufacturers will bring onto the United States market within a matter of a few months a luxury sedan, a car that is designed not to compete at the low end of the fuel economy spectrum and at the low price end of the automobile market spectrum, but to come right at the heart of what have been the cars that many Americans still prefer, those cars which are larger, which have somewhat lower fuel economy, are more expensive, and are the cars that are very important to American firms to sell at a certain volume percentage if they are going to be able to generate the cash flow to continue to modernize and improve on car design, car quality, factory productivity, and so forth.

So we are talking about an industry that is still in the midst of a very difficult international transition. Foreign penetration of the U.S. auto market is up about 24 percent at the present time, but it is rising sharply. The estimates are that within a period of less than probably 5 years, maybe even inside of the 5-year period, we will see foreign penetration go up by 10 percentage points in this country, going up from 24 to 34, maybe as high as 38 or 40 percent.

Now, let me just tell you, Mr. President, what that means to the economies of scale within this industry. These are enormous companies in the United States. Even the small companies are large, and their capital requirements are enourmous. If we are going to see that kind of continuing foreign penetration into the U.S. market, we will find that increasingly even the strongest of our domestic automobile manufacturers are going to have a very difficult time generating the sales volume needed to earn off the profit and generate needed capital to be reinvested in the business so that we can continue to make fundamental improvements in the manufacturing process right on down through to the final production of a high quality, fuel-efficient car.

Now, today there are any number of car alternatives available to the American consumer, both from domestic producers and foreign makers. If the Senator from Washington, for example, wants to buy a small car that gets 50 miles a gallon, he can buy that car today. He is free to do so. It is his choice as a consumer in the American market. He can buy that car produced by an American producer or a foreign producer. If he wants a different mix in terms of the type of car, maybe a larger car, maybe more horsepower in terms of engine speed or acceleration, more size to accommodate a larger family and therefore a somewhat lower fuel economy, he has that option now right up and down the scale. But the point is today the consumer is free to shop and get the kind of car that he or she wants; there is a very wide variety of choices available.

If they want greater fuel efficiency as a tradeoff against other factors, that option is available in both domestically and foreign produced cars. Frankly, I like to see the situation where the consumer is in the position to make that decision.

I am all for having the highest possible fuel efficiency, but the fact is that we have available under our marketing system cars produced by many competitors. If somebody wants the most fuel-efficient car available, it is there and they can buy it. They are not going to buy it in terms of a directive from the Senator from Washington or a directive from the Department of Transportation or some other Government bureaucrat. It will be a decision they will make on their own.

I think we have come about as far as we can in terms of injecting the Federal Government into the process of telling the automobile industry, or any other domestic industry, exactly how they should build their products or what their goals should be or what the tradeoff should be between size of car, fuel efficiency, emissions standards, or what have you.

We have gone a long way in that direction as it is, and much has been constructive. But are we now at a point where we will make decisions as legislators, sitting here for 30 minutes—no hearing on this, no effort to bring it up in committee—deciding, in the middle of the lunch hour, what the national policy is going to be in this area? That is one reason why we look ridiculous on the outside.

Whether you agree with the Secretary of Transportation or not, we should at least read her letter, in saying that a matter of this complexity, on which she and the experts in the Department of Transportation have spent hundreds if not thousands of hours, trying to evaluate and make decisions, requires that kind of care and balancing.

Does it mean that in the end all companies will be happy? No. Today, one company may be happy and another unhappy, but we cannot make decisions on that basis. We have to make the decision on the basis of whether this is the way for us, as legislators, to try to reach into an industry situation and mandate public policy solutions that in the end determine what the product mix is going to look like.

Our established Federal policies that affect the auto industry represent a reasonable balance.

I think we are at the point where the market is in a position to make their own individual product decisions within that framework. If we do not let the market do it, let us at least permit people devoted to that job, who are paid to do it, as technical experts, do it.

There is the opportunity within the administrative process for all people to be heard and to make their presentations—the industry as a whole or individual companies—and then we are in a position to have that kind of judgment made in the administrative process.

If the Senator from Washington does not like it, that is his privilege, but I do not think it is appropriate to come in here in the midst of a legislative process totally unassociated with this, come around the committee of jurisdiction, on which I serve, and say: "I have a different way of approaching this thing, and here is the answer I want; and even though we don't want to take the time for hearings, this is what we should do today."

Frankly, representing Michigan, the largest automotive producing State in the country, I admit that we have made mistakes in the automobile industry in the past. We recognize that, and we have paid dearly for it, in the industry, among the workers, and in the country. We have missed the turn at different times on different things. I am just as frank to say that some of the problems that have hit us are not the fault of the industry, in terms of the energy crisis, shifting consumer preferences in this country, and the weight of Federal Government policies on the industry. But the bottom line today is that we have a broad range of choices available to people. If they want a highly fuel efficient car, at low price, produced here or abroad, they can buy it.

I do not like anybody in this Chamber, by direction or indirection, trying to reach through that decision process to steer people in a direction they might not otherwise be inclined to go. People can make their decisions on their own, and are making them.

If we move in a direction here so that 5 years from now we find the domestic automobile industry sales that are taken by foreign producers are not 24 percent in this country but 35 percent or 40 percent, we will be back here on other issues having to do with widespread unemployment, trade adjustment assistance, and other difficulties which we have been through not long ago.

We were here on the Chrysler issue, and we made an intervention which worked successfully. We made money on it, as a country, and we avoided an

enormous calamity, not just in certain regions of the country, but it would have hurt the country as a whole. I do not want to get back into that again.

The industry is making some progress. It seems to me that if we are going to make further governmental decisions that determine how this industry is going to do its work, let us do it in a deliberative fashion and not on the basis where, all of a sudden, an amendment pops up in literally a 24-hour period, or close to that.

However meritorious the idea may be, this is not the way to evaluate it. This is not the way to try to deal with it.

What we look like is what we are, and that is a group of tamperers trying to make decisions when we do not know the facts.

I have seen this industry struggle with its own mistakes and with mistakes put on it from the outside, some by the Government. We have come through a long, difficult journey, and we do not need more of the same.

I may have more to say about it, but I felt compelled to make these remarks.

Mr. ANDREWS. Mr. President, I move to table the amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the amendment. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Colorado [Mr. ARMSTRONG], the Senator from Missouri [Mr. DANFORTH], the Senator from Alabama [Mr. DENTON], and the Senator from Nevada [Mr. LAXALT] are necessarily absent.

I further announce that, if present and voting, the Senator from Missouri [Mr. DANFORTH] would vote "nay."

Mr. CRANSTON. I announce that the Senator from Missouri [Mr. EAGLETON] and the Senator from Hawaii [Mr. INOUYE] are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 46, nays 48, as follows:

[Rollcall Vote No. 244 Leg.]

YEAS—46

Abdnor	Garn	Johnston
Andrews	Glenn	Kassebaum
Boren	Gore	Long
Byrd	Gramm	Lugar
Cochran	Grassley	McClure
D'Amato	Hatch	McConnell
DeConcini	Hatfield	Melcher
Dole	Hawkins	Murkowski
East	Hecht	Nickles
Exon	Heflin	Pressler
Ford	Helms	Pryor
Quayle	Stevens	Warner
Riegle	Symms	Weicker
Sasser	Thurmond	Wilson
Specter	Trible	
Stennis	Wallop	

NAYS—48

Baucus	Evans	Mattingly
Bentsen	Goldwater	Metzenbaum
Biden	Gorton	Mitchell
Bingaman	Harkin	Moynihan
Boschwitz	Hart	Nunn
Bradley	Heinz	Packwood
Bumpers	Hollings	Pell
Burdick	Humphrey	Proxmire
Chafee	Kasten	Rockefeller
Chiles	Kennedy	Roth
Cohen	Kerry	Rudman
Cranston	Lautenberg	Sarbanes
Dixon	Leahy	Simon
Dodd	Levin	Simpson
Domenici	Mathias	Stafford
Durenberger	Matsunaga	Zorinsky

NOT VOTING—6

Armstrong	Denton	Inouye
Danforth	Eagleton	Laxalt

So the motion to lay on the table amendment No. 848 was rejected.

Mr. ANDREWS. Mr. President, I ask unanimous consent that the yeas and nays on the amendment be vitiated.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Washington.

The amendment (No. 848) was agreed to.

Mr. ANDREWS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. EVANS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO 849

(Purpose: To prohibit formula grants for operating subsidies)

Mr. PROXMIRE addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Wisconsin [Mr. PROXMIRE] for himself and Mr. ARMSTRONG, proposes an amendment numbered 849.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 31, line 14, strike out "$2,100,000,000" and insert in lieu thereof "$1,230,000,000".

On page 31, line 14, before the period insert the following: "*: Provided*, That none of such funds may be available for operating subsidies".

Mr. PROXMIRE. I will explain the amendment.

Mr. President, this amendment would terminate Federal operating subsidies for local transit, leave capital subsidies in place, and capital subsidies constitute about 80 percent of the total Federal subsidies for mass transit. It would make a real contribution toward reducing outlays in the bill before us. It would cut it by $870 million. It would lower the projected deficit in the Federal budget. Approval of the amendment would show the Senate means business, and not business as usual, in cutting Federal spending. The amendment proposes that we adopt the recommendations made by the President in his budget message. I believe the President was absolutely right in calling on Congress to discontinue the operating assistance program—operating assistance—of the Urban Mass Transit Administration. Let me list some of the reasons in support of this. What they add up to is that operating assistance for transit is not only very expensive—Treasury has poured over $9 billion into transit fare boxes since the program was initiated—but it is actually self-defeating. The operating assistance program was enacted like many programs as a temporary measure. In the words of its chief sponsor, operating subsidies were described as a needed blood transfusion so that curative surgery could be performed. Surgery was needed to improve services and operating efficiency.

The operating assistance was to provide the cash needed to maintain affordable transit fares which was the requisite for inducing more people to get out of their cars and into metro buses and subways. So what happens? Well, experience indicates that the cure is making the patient sicker. Local transit is no better able today to run on its own wheels than it was 10 years ago. Local transit authorities clearly have taken a liking to a regular diet of Federal fare supplements. The Office of Management and Budget evaluation is that operating subsidies have become a costly addition. It says that Federal aid has achieved wage increases for transit workers and fare reductions for riders, but no cure for an industry whose costs continue to exceed its revenues. OMB's analysis shows that industry wages have increased 28 percent in real terms, fully allowing, that is, for inflation—after inflation. Rider fares have fallen 22 percent in real terms since 1970. Neither of those outcomes were stated objectives of the Federal subsidy program—but that is about all they have accomplished—nor has Federal aid resulted in productivity increases that are needed to cure what ails the transit industry. In fact, revenues from fares have actually declined when taken as a percentage of operating costs, and costs per passenger carried

have increased. Transit's share of commuter trips also has declined. So the point of such statistics can easily be ignored. The operating subsidy has not been the wonder drug it was anticipated. Operating subsidies for transit moreover are not well targeted to aid the poor. Most transit riders who benefited from the subsidies do not have incomes below the poverty line. Subsidies chiefly cover peak period transit service—haul service, I should say—for urban and suburban commuters, expensive rail and long-haul service. OMB argues, and I believe they are correct, that keeping the price of transit service low for an entire society in order to keep fares low for a small segment of society is both irrational and expensive. It also places an undue burden on some taxpayers who get nothing in return because their taxes subsidize riders in other localities.

We have all been asked at one time or another whether such cost subsidies are justified. I am convinced that taxpayers in Wisconsin should not have to support the level of transit subsidy now supporting low transit fares in some bigger cities which are economically better off. There are other arguments that can be made against subsidized transit operations to the tune of $870 million each year. Frankly, the case can be made simply. We need to cut Federal spending now. Subsidies for transit operations are clearly not justified. They should be discontinued.

Mr. President, unfortunately, my cosponsor on this bill, Senator ARMSTRONG, is not here at the present time. But let me point out that earlier today Mr. ARMSTRONG made an absolutely devastating case for eliminating the billions of dollars we will pour into Amtrak over the next few years. No one even tried to answer his arguments. No one tried to respond further to the arguments that other modes of transportation could easily handle the 0.2 of 1 percent of passenger miles that Amtrak provides for that colossal Federal expenditure. The Senate plowed right ahead, and voted overwhelmingly to continue pouring millions into this most inefficient form of transportation.

Now I am offering an amendment to save $870 million in outlays this year and billions over the next few years by reducing the $4 billion in subsidies the Federal Government pours into local mass transit every year. My amendment would continue the Federal Government's huge capital subsidies to mass transit but require the localities to pick up their own operating costs.

Mr. President, it is like buying your daughter or son a car, and telling them, kid, you have got the car, I paid for it, now you pay for the gas to operate it.

Mr. President, I know this amendment will not even provoke respectable rebuttal. It will just provoke this body to vote no, and thereby spend nearly a billion this year on paying the cost of operating a system the Federal Government has largely bought, paid for, and presented to the large communities. Furthermore, I understand the distinguished Senator from Kansas [Mrs. KASSEBAUM] will shortly offer an amendment that will somewhat reduce the subsidy for Amtrak by 15 percent, the operating subsidy for mass transit by 10 percent, other accounts by 6 percent, and use most of that money to restore spending in other parts of the bill. The amendment of the Senator from Kansas would result in a net saving of $127 million and bring it into compliance with the budget resolution. It has an excellent chance of passing. I will vote for it but because it does make at least a modest saving, I will withdraw my amendment.

I have another amendment I would like to offer, Mr. President, at this point, and then I will yield the floor.

The PRESIDING OFFICER. The amendment is withdrawn.

AMENDMENT NO. 850

(Purpose: To eliminate payments to air carriers)

Mr. PROXMIRE. Mr. President, I send another amendment to the desk and ask for its immediate consideration. I will take just a couple of minutes on this. I think it is important to call this to the attention of my colleagues.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Wisconsin [Mr. PROXMIRE] proposes an amendment numbered 850.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER (Mr. HUMPHREY). Without objection, it is so ordered.

The amendment is as follows:

On page 4, beginning with line 1, strike out all through line 6.

Mr. PROXMIRE. Mr. President, I will take just a couple of minutes on this. I think it is important to call to the attention of my colleagues. I will describe this amendment.

Mr. President, the reason I am bringing this amendment up, and I will not take more than a few minutes, is because it illustrates how much fat, water, and waste there is in this bill.

I have painfully discovered over the last few days, particularly today, how difficult it is to get the Senate to vote to cut this spending. What this amendment does is it ends after 7 rather than 10 years the Essential Air Service Subsidy Program established in 1978 to provide a short transition period for communities to adjust to the deregulation of airline service.

My proposal to sunset this program at the beginning of fiscal year 1986 is in line with the President's budget recommendations and would save $28 million this year and considerably more over the next 3 years.

It is interesting to note that nearly half of the cities currently receiving subsidies are within 100 miles of a major hub airport. As any frequent air-flyer can tell you, flights of this distance usually save little if any time.

Ironically these subsidized short-hop flights are deterring the development of cheaper and probably more efficient transportation alternatives including limousine or bus service.

There are numerous examples of ludicrous situations of outrageous Federal subsidies of incredibly expensive and unnecessary Federal support of air service.

Let me just quote a couple of examples cited with the President's budget submissions.

The General Accounting Office found that the roundtrip subsidy per passenger to fly 180 miles from Blythe, California, to Los Angeles, was $1,096. At 80 cents per mile, the same passenger could have used the subsidy to take a taxi to Las Vegas, lose $500 at blackjack, and take a taxi home with cash to spare.

Passengers in Clinton, Iowa, 37 miles from a hub airport, are provided almost $200 in subsidy to convince them to leave their cars at home.

Mr. President, it is clear that as we desperately struggle with runaway deficits these subsidies to air carriers primarily for commuter services deserve to be ended now.

I fear if we provide further subsidies to cities for small community air service the temporary, transitional program will soon crystalize into a permanent entitlement with growing special interest support.

In addition, to continue providing subsidies to commuter airlines contradicts the deregulation atmosphere intended by the 1978 act and provides a disincentive for such airlines to hold down or reduce their cost or Federal subsidies. In fact, this program which guarantees airlines a set profit as a percentage of cost actually encourages the airlines to inflate and overstate costs. Let me give just two examples.

In one instance an airline claimed credit for purchasing fuel at what appeared to be an unrealistically high price. The reason for paying inflated prices became clear when it was revealed that the airline just happened to own the fuel company providing the excessively expensive fuel products.

In another example an airline used its subsidy payout to finance a promotional $100 round-trip fare to Hawaii.

It is clear that this program has been abused, has outlived its usefulness and needs to be immediately ended. The results of such a termination will not only save the taxpayers

money but will lead to more rational and efficient use of the Federal and private transportation dollar.

Mr. President, I think it is useful to call this to the attention of my colleagues. I hope as time goes on, the Senator from Colorado said this morning, more and more of our colleagues will see that we should step up and vote no on these measures, even though there is a handful of our constituencies in every city in the country who support these programs. It is time we find the will to disallow them.

Mr. President, I withdraw my amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. CHILES. Mr. President, I have listened with interest to the distinguished Senator from Wisconsin on the two amendments he has proposed. I know he has a reputation in this body as being one who tries to hold down costs. There is certainly some merit in trying to hold down the costs in this bill.

The subcommittee worked hard on this bill. We are about $100 million below what we presented last year. Yet we still find ourselves $125 over the outlays compared to where we should be, even with these horrendous cuts. We have cut 11 percent from the Coast Guard and FAA, which I think everyone knows will work tremendous hardships on those agencies.

I have to say to the distinguished Senator from Wisconsin that to adopt his amendments and abruptly cut off either one of the areas he is talking about might have worked some great hardship, given the signals we have already sent. We did cut 11 percent out of the Coast Guard and 11 percent out of the FAA. We can really figure what that means in the operating budgets of those agencies.

I do not think anybody can contemplate the catastrophic results that could come from that.

Mr. President, we know we have had more air traffic accidents this year than we have had for many, many years.

We know we are stretching to the breaking point a lot of the personnel. We know we are trying to modernize some of the equipment and require better technology. We know air traffic continues to increase.

If we just look at the number of near misses in addition to the bad accidents, we get some idea of what could happen.

We should be doing more for this agency. We have to do something to have better training for personnel, certainly more personnel, and move forward to get better technology.

But here we are talking about cutting 11 percent.

It is the same thing with the Coast Guard. We know the multiple roles of the Coast Guard as they try to take care of boater safety and perform as the long arm of defense in coastal protection. We have been trying to update some of their equipment, working hard to get some more modern cutters and equipment, while at the same time giving them the additional role of drug interdiction and refugee and illegal alien interdiction. In my neck of the woods, both of those are so terribly important. The Coast Guard is working very hard in those areas.

We have given the Coast Guard an additional role this year. In the Defense authorization bill, we require there be more Coast Guard personnel trained and put on board Navy vessels so trained in arrest procedures, so that same Navy vessel out there patrolling could make drug interdictions, and use the equipment the taxpayers pay for to try to block us from the drug invasion.

Even with that additional mission, here we are talking about cutting this area by 11 percent. Why? Not because anybody wants to but, because in this bill it is one of the only places where there are dollars in operating costs, and we have such a tough time getting outlays in some of the other areas.

The distinguished Senator from Wisconsin said that before long there will be an amendment to try to even this up some. I will say I am going to support that amendment. Even that is a horrible consequence. We will still end up with the Coast Guard and the FAA being cut about 6.5 percent and then we will have to cut a lot of these other areas at the same time.

I really think that in the appropriations process—and neither the Senator from Wisconsin nor the Senator from Florida had the chance to sit in on the chairman's meeting—is when someone should have been looking at all of these areas and should have said, "Wait a minute. These are very, very important. If we are talking about cuts, we should look at the ones that are most important."

On the HUD bill we ended up with across-the-board cuts which no one wanted to make. We saw veterans getting an across-the-board cut and then being put back again as the body wrestled with that.

It seems as though these two bills are the ones getting especially hurt. I have heard the Budget Committee blamed for this. It makes good sense, I suppose. The Budget Committee can take a lot of blame. It is hard to convince people that the Budget Committee figures are only advisory.

They do not count for anything. The Appropriations Committee can take all those figures and change them, except the final number on outlays and the final number on budget authority, and when they finish all of the crosswalks, those numbers should come into being.

As the Senator from Wisconsin knows because he was supportive, the chairman of the Budget Committee and I did raise that. We did hope the Appropriations Committee would come in with a crosswalk that not only totaled budget authority, but also got the outlays. That, of course, caused some consternation. We had the first bills—Treasury and Post Office—come out here that did not get to the bottom line and we had an across-the-board cut.

Then we came up with a permanent crosswalk with a plug of $400 million, unspecified cuts, and no one knows whether that one will materialize or not.

That plug, as the Senator from Wisconsin knows, sort of helped the Labor-HHS bill come in. But there was no plug for Transportation, not that the Senator from Florida would argue for that, because I am sort of against the bill to start with. But this bill was left out again in the crosswalk process.

If we want the bill to be within the budget and if we want the bill to go out of here without these terrible, terrible cuts in Coast Guard and FAA, then we are going to have to make some kind of across-the-board cut.

I hope that the body will respond to that. Then, I think, we have to determine what we can do at some stage—a continuing resolution or, when we look at the defense bill, whether there is some way of making the transfer. I am still not satisfied with cutting the Coast Guard 6 percent or cutting the FAA 6 percent or some of these other agencies, not knowing what sort of hardship that is going to work.

What we are talking about is sharing the pain. It does not make anybody happy. I know there are all kinds of representatives here from the different groups I hear from them in my State. It seems that Florida has a stake in all of these—operating subsidies, the mass transit, the highway portion of the bill, certainly the Coast Guard and certainly the FAA, Amtrak—all of those are concerned. I think we should try to do something that at least spreads the pain fairly across the board.

I hope when this amendment comes up, the Senator from Wisconsin will be supportive and recognize that it is something we need to do.

I yield the floor, Mr. President.

Mr. ANDREWS. Mr. President, I appreciate what my good friend, the Senator from Florida, has pointed out in response to the Senator from Wisconsin. But I think the point also has to be made that the Senator from Wisconsin is addressing the issue of operating subsidies for transit and that is not even set by this subcommittee. That is set by the Banking Committee. They set the cap. We have no authority over it.

So when the Budget Committee says we have to cut, that one is outside our sphere of influence. We cannot cut these subsidies so the cuts have to be even deeper in other areas.

Mr. PROXMIRE. Will the distinguished manager yield on that?

Mr. ANDREWS. I am happy to yield.

Mr. PROXMIRE. I appreciate that very much. As the Senator from North Dakota knows, I have been on the Banking Committee for 26 years, I was chairman for 6 years. The manager makes a good point; however, I was unsuccessful in taking out mass transit operating subsidies, which I have opposed all along. It was perfectly proper for me to offer that amendment and I did so. If a point of order had been raised, I would have challenged the point of order, which would certainly be my privilege.

Mr. ANDREWS. But the Senator from Wisconsin was perfectly in order in offering the amendment. He withdrew the amendment, which was his decision to make and we had talked about that. I am not arguing with the Senator's point. He considers it a way to reduce the budget.

The point I want to make crystal clear on this floor, because the debate is going to come up a little later on in these across-the-board cuts, is that we did not have the ability in this subcommittee to attempt to reduce the overall spending because, in this phase, at least, this phase is outside our purview. It is done by the Senate Banking Committee.

When they do make that decision, if the Banking Committee does decide later on in the spring when they reauthorize transit to follow the suggestion of the Senator from Wisconsin, then indeed and in fact, this part of the spending will be reduced.

In the meantime, having the budget resolution tell us we have to cut across the board and holding harmless certain areas like this skews the results to the point that we have to cut other things.

Mr. PROXMIRE. The Senator from North Dakota could have offered the same amendment the Senator from Wisconsin offered and just eliminated those subsidies, could he not? Why not?

Mr. ANDREWS. In a sense, but then it would have been pointed out that we were invading another committee's territory.

Mr. PROXMIRE. Here is one of the former members of the Banking Committee who would have agreed to do just that.

Mr. ANDREWS. I just wanted to point out that this is one case that illustrates my point. The budget resolution directed a $800 million cut to our function, and without reconciling some programs like this that the Senate has no intention of cutting, and I shall get to that a little later on.

Mr. CHILES. Mr. President, my understanding is that the Senator from New Mexico wishes to come to the floor when these amendments are completed to offer his amendment. So I now suggest the absence of a quorum while he comes over.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, it is my understanding that we are down to a couple of amendments, and if the Senator from New Mexico [Mr. DOMENICI] would come to the floor and offer his, we would be down to one amendment; is that correct?

Mr. ANDREWS. That is true.

Mr. DOLE. We would like to complete action on this bill and move to the reconciliation bill, and I can indicate to my colleagues that we would probably like to spend—how much time is left on reconciliation?

The PRESIDING OFFICER. Seven hours, eight minutes.

Mr. DOLE. So maybe, depending on the managers, 4 or 5 hours on that today, say to around 7 o'clock, 7:30?

Mr. CHILES. I would think if we could go to 7 o'clock or so, it would be good from what I hear on our side.

Mr. DOLE. And complete action today because, as I understand, the House is today completing action on reconciliation. The sentiments of the manager of the bill are that we could complete action on the bill tomorrow?

Mr. CHILES. I would think so, with the time left.

Mr. DOLE. So there will not be any all-night derby here to see if we can complete action. But we are still trying to put it together. Tomorrow morning at 8:30 we will come in and at 9 o'clock we will be on the State, Justice, Commerce appropriations bill. I am advised that we may be able to dispose of that measure by 1 o'clock and then complete reconciliation, and at that point take up the Micronesia bill and file cloture and then move on to the farm bill and be on the farm bill sometime tomorrow and again on Friday, and I assume there will be votes on the farm bill on Friday. Somewhere along the line we need to take up the D.C. appropriations bill and the Interior appropriations bill. As I understand, D.C. appropriations will be disposed of rather quickly. There is one amendment. I think the Presiding Officer has one amendment to the D.C. appropriations bill. The question is bringing it up and voting on it. So we would like to dispose of all the appropriations bills that are pending by Wednesday of next week.

If my friend from New Mexico, the distinguished chairman of the Budget Committee, would come to the floor, we would defeat his amendment.

Mr. ANDREWS. I make a point of order, a quorum is not present, Mr. President.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO 851

(Purpose: To make appropriations for Waste Isolation Pilot Project Roads)

Mr. DOMENICI. Mr. President, I send an amendment to the desk on behalf of myself, Senators JOHNSTON, GORTON, THURMOND, BENTSEN, HOLLINGS, BINGAMAN, SYMMS, EVANS, MCCLURE, and GRAMM, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for himself, Mr. JOHNSTON, Mr. GORTON, Mr. THURMOND, Mr. BENTSEN, Mr. HOLLINGS, Mr. BINGAMAN, Mr. SYMMS, Mr. EVANS, Mr. MCCLURE, Mr. GRAMM, proposes an amendment numbered 851.

Mr. DOMENICI. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 21, line 1, insert the following: "Waste Isolation Pilot Project Roads.".

For necessary expenses in connection with the upgrading of certain highways for the transportation of nuclear waste generated during defense-related activities, not otherwise provided for, $16,260,000, to remain available until expended.

Mr. DOMENICI. Mr. President and Members of the Senate, this amendment would add approximately $3 million in outlays to this bill, about $16.26 million in budget authority. The reason I have to offer it should be obvious when you see the list of cosponsors. The United States of America is spending somewhat less than $1 billion on what is commonly known as the waste isolation pilot project [WIPP]. That waste isolation pilot project is an underground storage facility for low-level transuranic waste. It is the only one in the country.

In the not too distant future, we will be accepting into New Mexico literally thousands of tons of low-level transuranic waste that at present is temporarily stored at various places in the United States, among which are Washington, Idaho, South Carolina, and Texas.

The WIPP project, as everyone might suspect, has been a long time in coming. It is extremely expensive and obviously has not been without controversy. However, it is moving along well.

I believe it is fair to say that it is a model for participation between scientists and the State government, and scientists and the Federal Government, in that they have pioneered an agreement between the Federal Government and the State of New Mexico to bring the waste isolation pilot project into being.

There is one thing we have obligated ourselves to do as a nation. That obligation is contained in a Federal court decision, whereby the United States of America stipulated, when it was sued a few years ago, that we would upgrade the entrance routes, the highways, into this facility so that we could safely carry this nuclear waste to the WIPP site.

For the past 2 years. Congress has funded in the appropriation bills the amounts needed: $5.8 million in 1984, $16.4 million in 1985. These funds allow the State highway department, under the direction of the Federal Government, to let contracts to improve the roads the Government has committed to improve so that trucks and other kinds of transportation vehicles can get from around the country to this site. The appropriators have funded it 2 years in a row. We now have little or no obligation or authority left to continue the program.

We have a letter from the Federal Highway Administrator that as of September 30, $17.9 million, will have been obligated for the WIPP roads. It is anticipated that the remaining $4.3 million will be obligated in October, with contract awards scheduled in November 1985.

It appears to me that we have one or two alternatives. The Congress ought to fund it as the Federal Government obligated itself to fund it, or Congress should send a message that we do not intend to live up to the commitment to improve these roads, even though we will have spent just under $1 billion on the WIPP facility—that is, the facility in which we are ultimately going to store low-level nuclear wastes.

I do not think the Government should do that. I think the U.S. Government realizes that this is a very minor commitment compared to the expenditures for this kind of facility.

There will be a response that this breaks the budget. Yes, it adds $2.75 million in outlays, according to CBO, for fiscal year 1986.

I can assure everyone that before we are finished here, whatever the estimated excess, if it is $125 or $130 million that this bill is over, I will do my best to bring it in line with the Transportation Subcommittee's 302(b) allocation. And if, in that circumstance, we have to cut this program like all the others, I will do that. But I believe, as do the other cosponsors, that if we are going to move this transuranic nuclear waste from across this country, we should put up money to upgrade the WIPP roads this year as we did the 2 previous years.

Perhaps the subcommittee will want to object to $2.75 million in outlays and the continuation of this program. I assume they will argue that this program is not technically authorized as part of the highway program. That is correct. Congress has funded it for 2 years in a row in appropriation bills because it was deemed necessary. We have reported an authorizing bill from the Environment and Public Works Committee, and it passed the Senate on February 23, 1985, as part of S. 391, the Interstate Highway Funding Act of 1985. The Senate also passed a similar authorization in the previous Congress.

Frankly, I am willing to stand up here and argue about all these things. This is not the first and only unauthorized program funded in this bill. If one wants to make a case on that, I can find examples in the bill which are not authorized.

I believe we should fund the WIPP roads project. I urge the committee to accept this amendment. Clearly, the U.S. Government would not otherwise build a facility of this type, without the support of the Department of Energy and the court approved agreement. The project has been challenged at every level, and there remains a Federal commitment to improve the roads. We have improved some of them with 2 years of appropriations, and I do not think we should say this year that we are not going to proceed. This is low-level radioactive waste, low-level transuranic waste, which we must dispose of safely, and I think such a project is a darn good investment.

We are lucky that New Mexico has accepted this facility. We are fortunate that, in a couple of years, we will be able to permanently move low-level transuranic waste from Hanford, WA; the Idaho Engineering Lab; Rocky Flats, CO; Oak Ridge, TN; Savannah River, SC; and Los Alamos, NM. These facilities will be the primary contributors to this huge underground facility, built by the best engineers, under the highest specifications, at significant cost to the Government.

If the committee does not accept the amendment, we will let the Senate decide whether it wants to risk an almost $1 billion facility over an item of this type. We will decide that quickly. I have no intention of delaying the Senate.

Mr. WEICKER. Mr. President, I am disposed to raise a point of order, but I do not intend to do so.

I am, however, disposed to ask the sponsor of the amendment if, subsequent to action on this amendment, he intends to propose another amendment of an across-the-board cut on this appropriation.

Mr. DOMENICI. I say to my good friend that there is an amendment I am going to cosponsor that will be offered by the Senator from Kansas [Mrs. KASSEBAUM] which will modify the bill; that will reflect our recommendation to the Senate. Two of the major accounts, which have to do with the operations of the Coast Guard and the FAA, would be given additional money. The amendment would then take the nondefense discretionary appropriated accounts as of that time and reduce them sufficiently to make this bill consistent with the 302(b) outlay crosswalk allocation that was given to this subcommittee by the Appropriations Committee.

Mr. WEICKER. I must confess that I find somewhat of a contradiction in the amendment proposed by the Senator from New Mexico and that kind of amendment. It seems to me that these matters might very well be needed and valid. I am not arguing the merits.

I ask the chairman of the committee: Is there already money in the bill for this project?

Mr. ANDREWS. There is no money in this bill, I state to my colleague from Connecticut. As he knows, this project funds improvements to existing roads in New Mexico that also serve as transportation routes to the disposal site of transuranic nuclear waste.

It is $16.4 million below that which we provided for the project in fiscal year 1985.

We checked before we put this bill together. As my colleague from Connecticut knows, our staff does a pretty thorough job of this kind of checking, so that our figures are right. We knew we were going to be under attack particularly because we had this totally impractical request from the budget conference to cut $800 million from transportation and then they do not specify where to cut. So we were looking for all places that we could save money.

The yearly funding schedule set forth in the Federal Highway Administration's January 1984 report to the committee estimated 1986 funds availability as $16,260,000. As of September 20 when we last asked, the unobligated balance of this account was $16.4 million. So the money was there ready to be spent, we didn't hold it up. I might also state to my colleague from Connecticut that to date this program has not even been authorized.

I sympathize with our colleague from New Mexico. We appreciate the fact there is a nuclear waste disposal site in his State, and I suppose we

should upgrade the roads that are already there to take care of it.

But again in this time of budget shortfalls, it is difficult to be funding additional money for an unauthorized project in a State where the money is already available and has not been spent.

Mr. WEICKER. I understand. Believe me I also have tried as best as my ingenuity can serve me to meet the dictates of the Budget Committee with all the fiscal piety that goes with those dictates. I understand we are talking about a $16 million road project in New Mexico. We already have $16 million in unexpended funds which are to be used. Is that correct?

Mr. ANDREWS. The Senator is correct.

Mr. WEICKER. What the Senator is doing is what we all had to do on the committee: go back to these unexpended funds, if you will, and use them so we could cut down the budget authority and the outlays in our committee.

Is that what the Senator did?

Mr. ANDREWS. That is precisely it.

Mr. WEICKER. That is what I did in my committee, and now we have $16 million for a little road project in New Mexico, and we are going to have this big, across-the-board cut again because we are not meeting the demands of the Budget Committee.

Mr. ANDREWS. Actually, this project will take in about $60 million throughout the life of the program.

It is like many. Once you get your nose under the edge of the tent, it adds on and adds on.

Mr. WEICKER. I think in terms of the integrity of the budget process really what we should have is an up and down vote, not a motion, very frankly, not a point of order. I think we should have an up and down vote on this project, and I might add at this time I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. WEICKER. Mr. President, let us find out whether even the budgeteers are serious about this process or whether it is a process that applies to everyone here and the various committees except for those in situations that occur within their own States.

Again I suppose what bothers me is not so much the project but the fact that there is money for this project in this budget and that money was gotten the same way we have to scrounge and get money for far more worthwhile projects throughout the list existing in various committees which we chair.

I do not know what the chairman intends to do. I hope we have an up-and-down vote. I hope there is no tabling motion on this but that we go ahead and defeat the amendment of the Senator from New Mexico.

Mr. CHILES. Mr. President, I only wish to say that this debate gives the Senate a chance to kind of whip on the Budget Committee people for a while. And I say to my good friend from New Mexico that he will go through and find all of his projects that he tried to work out suddenly start disappearing and fading in this thing. I guess that is part of the problem.

Mr. DOMENICI. Yes.

Mr. CHILES. If you wear one hat in the Budget Committee, as we have to wear, you are not supposed to be a Senator any more. It is kind of like becoming a nun or becoming a priest. You are supposed to be celibate. You cannot fight for anything or do anything for your State or for what you think is important in some of these other areas.

Obviously, everyone in this body knows that all of us do not give up our prerogatives of being a Senator or our ability to try to support things that we think are necessary or good, and yet we do come down to the role of trying to see that the bottom line comes within that number.

What I just say to my good friend from New Mexico is that maybe giving people a chance to whip on him a little bit is good and healthy and might make him feel a little better, and I know from his Jesuit background he likes a little punishment once in a while and he is used to it. So he might take his stripes along there. Maybe if the Senator can make me a cointroducer of his amendment, I will take some stripes on it also, although this project was not one that I am concerned about. But I would like to go along and shed a little blood on this one in case they decide to vote it down.

Mr. DOMENICI. Mr. President, I thank the Senator. I will not do that. I will take them all myself.

Mr. President, let me suggest to the good Senator from Connecticut that the Budget Committee did not assign the 302(b) allocations to this bill. The Appropriations Committee assigned an allocation the allocation to the Transportation Subcommittee just as they assigned to the Senator's Labor-HHS Subcommittee, just as they gave him $400 million more than the Budget Committee assumed, because they saw his need. So it is not the Budget Committee that assigned these totals.

This bill is $127 million over, and I will confess to everyone I am going to make it $130 million over so everyone will know I am committing a mortal sin. I am adding $3 million because I strongly believe that this program is absolutely necessary.

I do not think there was any reason for it to be left out unless it was for reasons implied by the good Senator from Florida, and he implied them very nicely. It is not true—it is not true that there is no need. We have a letter from the Department of Transportation that says the funds are obligated. To keep to the proposed funding schedule, we would need to provide the third round. But now we are saying it is not authorized after the Congress has appropriated funds for this program out of a sense of emergency for 2 successive years.

I will be delighted to vote on the amendment. If it is $3 million in outlays that bothers the Senator, I will offer another amendment. I will play an appropriations game; I will find some unobligated balances in a program, and I will take the money from that, and then it will add no new budget authority to this bill.

I choose not to do that. I do not think I should be doing that. But that is one way to approach it if one wants to.

The distinguished subcommittee chairman is going to argue that the Budget Committee put him in a bind. The Budget Committee did not put him in a bind because the Budget Committee cannot recommend anything specifically, and when we do they say, "It is none of your business," and we agree.

But they ask us for our assumptions, and we give them to them as guidelines, but they do not have to follow them. What they have to follow are two aggregate numbers—the total budget authority for the congressional budget resolution and the total outlays. They are free as a committee to go into their own meeting and assign these amounts. If they add it up, and if that sum total of budget authority and outlays exceeds the total amounts that the Congress voted in, then they are supposed to do something about it.

In this case, they have made the number very tight for this subcommittee, and they will say it is tight because the Budget Committee made certain assumptions. It would be tight anyway, because the Appropriations Committee happened to use the outlay number that was given to them by the Budget Committee. They are not required to do that.

All of this is merely by way of background because a big to do is being made about fiscal responsibility versus my amendment. My amendment has nothing to do with fiscal responsibility.

What it had to do with is much about what the Senator from Florida was saying. I mean, I have been down here making my position on budgetary matters, and they would like to make my little amendment be the epitome of fiscal irresponsibility.

The problem is it just will not wash. I am not in the least bit embarrassed over this one. This amendment is

worthy and important to addressing the national problem of the safe disposal and storage of nuclear wastes.

So I am delighted to vote, and I am ready at any time. If the Appropriations Subcommittee would like it to be neutral, then I will find some unobligated balances to use for the next amendment, so there will be no concern over the budget.

I choose not to do it, and I urge the Senate to adopt this amendment as the right thing to do. There will be no budget busting; that will be fixed before we leave here. I believe I am entitled as a Senator to add $2.75 million in outlays to a bill that is over its 302 (5) outlay allocation, and then try to fix it across-the-board. The Appropriations Committee was entitled to add whatever they added to make the bill exceed the outlay allocation, and then those of us in the Senate must try to bring it back into conformance.

I yield the floor.

Mr. ANDREWS. Mr. President, I think that it is a great tactic. I have not seen this used too much before when you look for sympathy to get an amendment through that has no business being adopted. Nobody is trying to beat on the head of the Budget Committee.

I might point out, as my colleague from Florida well knows, we added some $16½ million to a project in Florida in the subcommittee over and above the amount requested because it was needed.

I think if my friend from New Mexico would read our report, he would find out that the reason that we took out his request for $16 million for roads in New Mexico is not because we were dissatisfied with the personality of the Senator from New Mexico. The Senator from New Mexico is a very close friend of all of ours and he does a fantastic job in an extremely difficult situation as head of the Budget Committee. The reason we took it out is clearly spelled out in our report, that the Transportation Department told us there was $16 million in unobligated balances in that fund.

Now, my friend from New Mexico comes back and says, as of today, the Transportation Department has changed its figures. That is fine, but this bill was put together and brought to the floor long before this new letter came from the Transportation Department. Sixteen million dollars is not going to make this bill sink or swim and it is not going to impact that much in the budget of the Congress. But I think that we ought to make crystal clear why the decision was made.

If someone wants to play martyr to get something through when the Transportation Department just told us 3 weeks ago there was adequate funds, it was not needed, that is fine.

But let me address a bigger issue, and that is the one the Senator from New Mexico pointed out, that we had the leeway in the Transportation Subcommittee to handle the assignment that was given us from the Budget Committee. Let me point out that our total bill in budget authority is $10 billion—and we will discuss this a little bit more later on.

But the Senator from New Mexico knows that the specific order from the Budget Committee to this subcommittee was to find $800 million somewhere in unspecified cuts. Maybe you can do it with smoke and mirrors, but you cannot do it pushing a pencil or running a calculator in an appropriation subcommittee without hurting other areas of this Government that should not be hurt.

This bill is a solid figure, starting out at $300-plus million under the House, and, after the committee vote, another $500 million under the House, a total of $800 million. The last $500 million under the House I am not proud of. I think it is the most idiotic way to legislate I have seen in 21 years in Congress. We were demanded by the Budget Committee's wrong-headed assumption that somewhere or another you can find, by magic, $800 million in unspecified budget authority. The only place we could find it was in the large accounts, like FAA. And the only place else we could find it was in the Coast Guard. Now, there is no way.

They say, "Oh, fine, in North Dakota you don't have much Coast Guard." Let me tell you, in all 50 States, the interdiction of drug supplies is extremely important to us. The Coast Guard should not be cut. The FAA represents safety in the skies. There is no way the FAA should be cut.

But, because of the demand in that budget conference report that came out in the dark of the night and because it was totally different from what was said about it on the floor—a few of us voted against it because we saw what had been done in some of these specifies—we have been asked to make some of these cuts.

Now, a rollcall vote has been asked for up or down on the amendment of the Senator from New Mexico. The committee left it out, as I said, because there was an unobligated balance sufficient to carry out construction. And that is why the committee did it, not because of some personal pique against a Member of this body. That is not the way the subcommittee operates. That is not the way any committee in this Senate should operate. I just wanted to make that point crystal clear.

(Mr. WILSON assumed the chair.)

Mr. McCLURE. Mr. President, I rise only to make plain two points that affect the Senator from Idaho. We are interested, as the entire Nation is, in the waste isolation project. The transportation network is essential to that project. I have a particular interest because many of the military wastes that have been generated in the military program are in temporary storage in the State of Idaho and has generated political controversy over a period of time; controversy because on the main the Senators from Idaho, both past and present, and Governors in Idaho, both past and present, have been assured that the storage is temporary; that is, the storage will be put in appropriate permanent facilities when they are developed. And we have some nearly permanent storage in my State, but we also have waste stored that they have told us will be removed.

Essential to a portion of that removal, therefore, and the handling of a portion of that waste is the progress on the waste isolation project. And, therefore, we, for very parochial reasons, support the amendment.

I think it is also important for us to note that the waste isolation project is of national interest, not just of interest to New Mexico or to Idaho. The Senator from New Mexico has been instrumental in saying that the waste isolation project was structured properly, with the kind of consultation and concurrence—and I use those terms with due attribution to the Senator from New Mexico, because they are his terms—that allows the State the maximum opportunity for consultation about the process of that project, and it is construction and concurrence which follows as with consultation. It is important. It is his contribution to that process and it works. That is the important part. It works.

But part of that making it work is having an adequate transportation network to make that project whole. And, therefore, it is in the national interest that we go ahead as planned.

Finally, to address the question my good friend, the chairman of the subcommittee, has raised with respect to the statement by the Highway Administration 3 weeks ago that indeed there was unobligated money and the change that is now apparent by their letter in transmission to the Senate with respect to the obligation of those funds, whatever their statement may have been 3 weeks ago, it is now that it has all been obligated or will be within this month. And if that is the case—and I have no reason to refute what they now say—if that is the case, then it seems to me very clear that additional money is justified and necessary.

Now, I share with the good Senator from North Dakota the frustration that we all feel when the administration gives us one set of figures or one bit of information and then changes the story after we have acted. But I

think if, indeed, they have changed the story, and if those facts are indeed facts, we ought to be in a position to respond to what their statement of facts are now.

Mr. WEICKER. Will the Senator yield for a question?

Mr. McCLURE. Certainly.

Mr. WEICKER. I agree with the statement of the Senator from Idaho vis-a-vis the change in numbers. Let me say, prefatory to my remarks to him, that I wish to reiterate what the Senator from North Dakota said, that no one here in any manner, shape, or form has any personal ax to grind with the Senator from New Mexico or the Budget Committee, but we are talking about a process.

Now, to the Senator from Idaho, does the Senator from Idaho recall that at the Appropriations Committee hearing, when we were trying to allocate these various figures, committee after committee came in with revised numbers that were based on administration figures?

Mr. McCLURE. That is correct.

Mr. WEICKER. The Budget Committee, or more particularly, not the Budget Committee, but Senator DOMENICI at that meeting of the Appropriations Committee, said, "Look, there has to be a cutoff point," which is fair enough. When you devise any sort of budget, there has to be a cutoff point, otherwise everyone comes in with new figures, which might be perfectly correct.

What we are running into here is the very point made by the Senator from New Mexico at that allocation hearing. There had to be a cutoff point. That is the point at which the Senator from New Mexico had to work with his Budget Committee and the Senator from North Dakota had to work with his Appropriations Subcommittee. That was the rule set at that allocation meeting.

Now, what we are saying is, "But, nevertheless, now we have some further information on this one point." But we had further information on a lot of other points, but we used one cutoff date.

So I recognize the absolute validity of what has been said. I do not contest what the Department of Transportation is saying. But we all agreed on that committee that there was to be one point. That point was determined. And now I think that rule should be applied to the Senator from New Mexico, as well.

Mr. McCLURE. I thank the Senator for his comment. I have a slightly different view of what occurred in the Appropriations Committee. I do not recall that it was any cut-and-dried rule that we must ignore any further information that might come forward to us. As a matter of fact, I think in the area of the Senator from Connecticut, and in my area of the appropriations process we constantly try to update our information so we can make the best judgment possible based upon the current information. Certainly, at some point you make a decision. At the point we were making the decision on the allocations it had to be based upon the information we then had. I will say to my friend from New Mexico that his defense of the budget process in the application this year needs to be understood in a different context because I do not think the Senate has really focused on the budget process in the way it is working today as contrasted to what was anticipated in the Budget Act.

We contemplated in the Budget Act there would be a First Concurrent Resolution by May 15. That would be based upon the best information we had at that time, and the best estimates that could be made. We would then follow with the appropriations process. It was within those rules, or that violated those rules, or went those limits, or was within the targets, or that violated the targets that we would take the appropriations process, all the legislative process through the year, and the end of that period of time we adopt a concurrent second resolution that adapted to what changes had been made in the appropriations-legislative process.

Last year we had a first concurrent resolution that by a little sentence at the end said this shall automatically extend the concurrent resolution. We are at this time of year substituting in much greater magnitude than before a first concurrent resolution that not only is the second concurrent resolution but also substitutes for the legislative process of the Reconciliation Act. What we are doing to ourselves we are doing to ourselves. We are doing it without a rational discussion of what that is doing to the orderly process established under the Budget Act. The reason I mention that at this particular time is that the Budget Act structured certain steps which would in themselves take advantage of the late information that we had and the latest legislative action that we had, but that clearly contemplated that the Congress, the legislative branch in conjunction with the administration, would make some changes, and the assumptions we had in the spring might not necessarily be reflected in the actions we took during the balance of the year.

And to complicate this problem further, to complicate it further, this year for the first time—and quite properly—we are being asked to look at outlays, and not just authority. An authority is easy to deal with because you can add up figures. Nobody can quarrel with particular figures. A million dollars, or a million dollars, or a million dollars is what it is. But outlays are estimates. They are estimates of what will happen in the future. Therefore, they are very, very subjective evaluations. They are not objective. It is not simply adding it up. It is trying to guess what will happen. It is trying to determine what will happen in the future. We are not this year trying to work in this process in order to get more discipline on the spending, more discipline on the spending than is given by controlling authority. We are trying to get control of outlays as well.

We have some uncertainties. We will have some arguments about those estimates. That is proper. But that also indicates we update our information, and that we look at what actually happens so we can make the best judgments.

I believe had the subcommittee had the knowledge at the time—and I think the Senator from North Dakota indicated this—and had the subcommittee had the information at the time they might have acted differently. They acted based upon the information they had at the time they acted which is different than the information we have now. I think that justifies action on the floor of the Senate.

Mr. ANDREWS. Mr. President, let me respond to a couple of points and state again on the floor of this body that as chairman of the subcommittee I have yet to hear from anyone in the administration that they are requesting this money. I have yet to hear from anyone in the administration that says they do not have $16 million in unobligated funds for this project, and they need the additional money. Let me also point to the excellent statement my friend, the Senator from Idaho, brought forth—that when we find changes we ought to adapt. It is hard to adapt to them when the Transportation Department does not tell us what is needed. We ran this money out last year, $16 million, in an election year. We put it out there probably before it could be spent. Maybe that is why it is down there. Maybe that is why it is not needed now by the administration. That is the word we got.

But my friend from Idaho, the good senior Senator from Idaho, makes an excellent point. We ought to change when we get new information. So far we have not gotten that information. But in the Appropriations Committee—as the Senator from Idaho and the Senator from Connecticut remembers, and the Senator from New Mexico should remember this—we made a point that with new information there were outlays for two FAA accounts that ought to be changed to let us get within this budget parameter. It would have made a difference of some $88 million. The Senator from New Mexico who is a member of the

Appropriations Committee, also chairman of the Budget Committee, said, no. You cannot use this new information. There is no way you can use this new information. Therefore, we will not allow you to take these $88 million worth of credits that would have given us the outlay credit to stretch to accommodate some of the other things. That is a strange double standard. In some places it is OK to use new information even though we have not gotten the new information yet. But in other instances, please do not use new information.

I wish somehow or another we could establish, Mr. President, in this body some type of orderly procedure so we know what we are doing when we are dealing with these important items called dollars of the taxpayers' money, and trying to fund projects. All I am saying is that I wish we had had this information up front. I wish that there was not a double standard being applied by the Budget Committee to new information depending on what projects you are talking about or what the new information applies to.

These are some of the things that would make the appropriating process a lot easier.

Mr. JOHNSTON. Mr. President, will the Senator yield 3 minutes?

Mr. DOMENICI. Mr. President, there is no time limit. I would be pleased to if I had it.

Mr. JOHNSTON. Mr. President, would the proponents of the bill yield?

Mr. DOMENICI. Mr. President, there is no time limit.

Mr. JOHNSTON. Mr. President, legislative bodies sometimes do peculiar things. I hope we are not ready to do one of those peculiar things by turning down this amendment. What I refer to is the propensity of legislative bodies at times not to go through and finish with an important project. We almost did it a few years ago with the Hart Building. We had the Hart Building up, all the superstructure was up, all the steel was up, and but for one or two votes we almost left the Hart Building standing to rust out as a monument to the foolishness of Members of this Senate who would not finish what they started to do.

Mr. President, what we have here is a project we have been working on for over 10 years in the Energy Committee, the waste isolation pilot plant in New Mexico. It is a $1.5 billion project. All the Senator from New Mexico wants to do is come up with $3 million for roads because how are you going to get the big trucks in if you cannot finish the roads. Are they needed? Of course they are needed. The court order says not only are they needed but we have to have it.

Mr. President, I do not know about the intricacies of when information became available but I can tell you we need the $3 million for the roads. We ought to vote it now. It is a $1.5 billion facility. Let us not be so foolish as to have a $1.5 billion facility ready 1½ years from now and no way to get to it.

Mr. DOMENICI. Mr. President, I have a copy of the supplemental stipulated agreement between the State of New Mexico, and JEFF BINGAMAN—the Senator from New Mexico was then the attorney general of the State of New Mexico—and the U.S. Department of Energy, a supplemental decree which I ask unanimous consent to be made part of the RECORD. This document clearly indicates that this case was settled between the State of New Mexico and the U.S. Government based upon certain stipulations.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[In the United States District Court for the District of New Mexico]

STATE OF NEW MEXICO, EX REL., JEFF BINGAMAN, ATTORNEY GENERAL OF THE STATE OF NEW MEXICO, PLAINTIFF, VS. THE UNITED STATES DEPARTMENT OF ENERGY, ET AL., DEFENDANTS

[No. 81-0363 JB]

SUPPLEMENTAL STIPULATED AGREEMENT RESOLVING CERTAIN STATE OFF-SITE CONCERNS OVER WIPP

* * * State's Environmental Evaluation Group through September 30, 1985 in its present organizational structure in the approximate amount of $600,000.00 annually.

The D.O.E. recognizes the State's desire to continue the State review capability and further agrees to negotiate for an appropriate State review capability independent of D.O.E. beyond 1985 for the full operational life of WIPP through and including the decontamination and decommissioning stages and post-operational stages of WIPP. However, because of the difficulty in accurately predicting the full nature and scope of future operational activities of WIPP beyond 1985 the parties agree that the extent of the funding and the organizational structure of such an independent State review capability will be the subject of annual or other periodic negotiation between the State of New Mexico and D.O.E. The first of such negotiations will commence no later than 60 days prior to October 1, 1985.

E. UPGRADING OF STATE HIGHWAYS

1. Summary of the State of New Mexico's concerns

The State of New Mexico is concerned that based on the identification of probable transportation routes by D.O.E. for WIPP shipments in the Final Environmental Impact Statement for WIPP, certain portions of State highways may be used which are presently unsafe and substandard and must be repaired and upgraded. The State seeks to have D.O.E. assist the State in obtaining federal funding for the State to pay for the upgrading of those portions of State highways designated for WIPP shipments which are most in need of repair and for which State or federal appropriations are not otherwise available. The State has designated portions of the WIPP transportation routes which have the highest priority for repair based upon their substandard condition and the fact that almost all shipments must necessarily funnel down those highways. The State also seeks assurance that it shall not pay for the upgrading of any county roads or the construction of new roads in the vicinity of the WIPP site which may be used as access roads for the transportation of waste to WIPP.

2. Stipulations and agreements for resolving the State's concerns in the area of upgrading of State highways

(a) *Agreement by D.O.E. to Pay for Construction of New Roads and that the State Shall not Pay for Upgrading or Construction of County Access Roads Used to Carry Waste to the WIPP Site.* The D.O.E. agrees that in the event any existing New Mexico county road in the vicinity of the WIPP site is used as an access road for the transportation of waste to WIPP, the State shall not be responsible for the cost of any upgrading of such roads which D.O.E. determines to be necessary in connection with such use. In the event a new road must be constructed for use as an access road for the transportation of waste to WIPP, D.O.E. shall pay for the construction of such new road.

(b) *Agreement to Jointly Seek a 58 Million Dollar Special Appropriation From Congress for Upgrading of Certain New Mexico Highways.* The D.O.E. agrees that, with the support of the New Mexico Congressional Delegation, which support will be solicited by the State officials in furtherance of implementing this Agreement, D.O.E. will make a good faith effort to join and support the State and its Delegation in seeking a special appropriation from Congress in the amount of $57,886,544.00 (1982 dollars) for the purpose of assisting the State in the timely upgrading and repair of the following described portions of New Mexico highways which have been determined by the State to be most in need of repair along the designated WIPP transportation routes: (Listed by order of priority.)

1. U.S. Highway 285 (FAP-023-3) from its junction with U.S. Highway 70 north of Roswell to junction with U.S. Highway 60 at Vaughn for a distance of 89.4 miles. Estimated cost: $25,700,000.00.

2. U.S. Highway 60-285 (FAP-027-1) from Encino toward Vaughn for a distance of 9.2 miles for an estimated cost of $2,760,000.00.

3. U.S. Highway 285 (FAP-050-1) from Torrance/San Miguel County line north and from White Lakes north for a distance of 19.8 miles for an estimated cost of $5,840,000.00.

4. U.S. Highway 60-285 (FAP-023-1) between Carlsbad and Loving for widening and resurfacing of 7.4 miles for an estimated cost of $2,710,422.00 and for resurfacing of 9.1 miles for an estimated cost of $1,386,122.00.

5. N.M. Highway 4 (FAP-054-1) from Pojoaque to the Rio Grande Bridge for a distance of 1.8 miles at an estimated cost of $2,430,000.00.

6. U.S. Highway 54 (FAP-20-3) from its junction with U.S. Highway 60 at Vaughn to junction with N.M. Highway 219 at Pastura for a distance of 32.2 miles at an estimated cost of $9,660,000.00.

7. U.S. Highway 62/180 (FAP-022-2) east of Carlsbad and three sections of U.S. Highway 285 (FAP-023-1) between Carlsbad and Roswell for a distance of 30.7 miles at an estimated cost of $7,400,000.00.

All as shown on Appendix B hereto. Total: 205.9 miles—$57,886,544.00.

The State recognizes that such funding may be appropriated over a four-year period commencing, ideally, four years prior to any waste being transported across these roads

to come on a priority basis for those portions of highways most in need of repair with the highest risk of accident in the order of priority as set forth above.

F. FUNDING AMOUNT ADJUSTMENTS

The parties recognize that the level of funding for the commitments set forth herein are based upon 1982 dollars and the parties further recognize that the stated amounts herein will be adjusted for inflation at the time payment is made. All such commitments for funding are subject to the availability of appropriated funds.

G. MODIFICATIONS

The parties recognize that the particulars of this Supplemental Agreement may be modified by the parties in the future by formal written agreement of the parties.

H. EFFECT OF THIS AGREEMENT

This Supplemental Stipulated Agreement, as well as the prior Stipulated Agreement entered herein on July 1, 1981, resolves and settles, subject to the respective contingencies provided for therein and future compliance therewith, all of the issues raised in this litigation. Such agreements entered into between the State of New Mexico and D.O.E. in these proceedings constitute a full settlement of such issues. It is further agreed and recognized by the parties that this Supplemental Stipulated Agreement and the previous Stipulated Agreement of July 1, 1981, are binding contractual agreements the compliance with which is subject to the appropriate oversight jurisdiction of this Court. No provision in this Agreement shall be construed to prevent either the State of New Mexico or the United States from seeking further dispositive orders in this case at an appropriate future time.

Mr. DOMENICI. Mr. President, the distinguished subcommittee chairman has made a number of statements about whether we need this or not. I just want to tell the Senate honestly what happened.

When I submitted the request, I was clearly of the impression that the budget authority for the 2 previous years that I have enumerated had run out. I was told by his staff that they had something from the Department of Transportation indicating that, in fact, they had not obligated the money.

I told them then and there, "I think that is wrong. But I will go check." They told me they would look also.

I did look and I have a letter dated October 8 from R.A. Barnhart, Federal Highway Administrator, that says:

As of September 30, 1985, of the total $22,200,000 of funds made available for this project, $17,922,574.02 had been obligated. It is anticipated that the remaining $4,277,425.98 will be obligated in October with contract award scheduled for November 1985.

Mr. President, I ask unanimous consent to have printed in the RECORD two letters about the obligation of appropriated funds to date.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF TRANSPORTATION,
FEDERAL HIGHWAY ADMINISTRATION,
Washington, DC, October 8, 1985.

Hon. PETE V. DOMENICI,
U.S. Senate, Washington, DC.

DEAR SENATOR DOMENICI: This is to advise you of the status of the Waste Isolation Pilot project in New Mexico.

As of September 30, 1985, of the total $22,200,000 of funds made available for this project, $17,922,574.02 had been obligated. It is anticipated that the remaining $4,277,425.98 will be obligated in October with contract award scheduled for November 1985.

I hope this information is helpful. We will be pleased to furnish any further information you may require.

Sincerely yours,

R. A. BARNHART,
Federal Highway Administrator.

STATE OF NEW MEXICO,
HIGHWAY DEPARTMENT,
October 4, 1985.

Hon. PETE DOMENICI,
U.S. Senator, Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR DOMENICI: The following is provided in response to your recent telephone request relating to the utilization of the 1985 WIPP authorized funds.

The New Mexico State Highway Department has scheduled three projects and a portion of another project to utilize the 1985 WIPP funds authorized to New Mexico and are listed below:

(1) Project No: WIPP-(F)-023-3(5). Location: On US 285, from the junction with US 70, north of Roswell—north. County: Chaves. Length: 15.05 miles. Estimated cost: $5,191,923.29. Status of Funds: Obligated. Contract Schedule: October 25, 1985.

(2) Project No: WIPP-(F)-023-3(6). Location: On US 285, 15.5 miles north of Junction US 70, north of Roswell—north. County: Chaves. Length: 14.90 miles. Estimated Cost: $5,715,662.65. Status of Funds: Obligated. Contract Schedule: October 25, 1985.

(3) Project No: WIPP-(F)-023-3(7). Location: Approximately 1.8 miles south of Junction NM 20-North. County: Chaves and DeBaca. Length: 15.10 miles. Estimated Cost: $5,000,000. Status of Funds: Balance unobligated $4,277,425.98, to be obligated October, 1985. Contract Schedule: November 22, 1985.

(4) Project No: WIPP-BRF-054-1(2). Location: On NM 4, from the east San Ildefonso Pueblo Boundary—east, including bridge #3461. County: Santa Fe. Length: 2.75 miles. Estimated Cost: $6,442,000. Status of Funds: Project is dual funded, WIPP portion $1,214,979.08 and is obligated. Contract Schedule: December 20, 1985.

As indicated above the WIPP funding has been obligated for three projects (1), (2), & (4) in the amount of $12.1 million dollars. For project (3), the WIPP funding will be requested to be obligated shortly and all the projects are scheduled to be let to contract before the end of the year. In addition, we are enclosing a schedule from the Department's 1985/86 fiscal year Annual Program which shows the WIPP projects scheduled for the following year to utilize the proposed additional $16.2 million dollars requested. Also enclosed for your information, under separate cover, are 37 slides of road section along US 285 and NM 4 which are designated as WIPP routes in New Mexico and which are scheduled to be improved under the WIPP road improvement program with the additional special WIPP federal road funds requested to be authorized.

We wish to express our sincere appreciation for your assistance in obtaining the WIPP road funding for the important needed projects in New Mexico and if any additional information is needed, feel free to call on us.

Sincerely,

L.A. LARRANAGA,
Chief Highway Administrator.

NEW MEXICO STATE HIGHWAY DEPARTMENT—FEDERAL AID ANNUAL PROGRAM—WASTE ISOLATION PILOT PROGRAM

[Dollar amounts in thousands]

Control No., project No., termini, and county	Length	Route, milepost	Proposed work	Total cost	Federal share	State share	Item add/rev
1985–86 FISCAL YEAR							
1383: WIPP-(F)-023-3(10) N. of Lincoln/Guadalupe; US285 approx. 6.7 mi C/L—north; Guadalupe [1].	14.40	US285, 190	R/W acquisition	$300	$300	0	
			Reconstruction	6,500	6,500	0	
1381: WIPP-(F)-023-3(8) S. of Debaca/Chaves; US285 approx. 0.8 mi C/L—north; De Baca, Chaves, Lincoln.	14.10	US285, 160	do	5,450	5,450	0	
1382: WIPP-(F)-023-3(9) S. of Lincoln/Guadalupe; US285 approx. 8.4 mi C/L—north; Lincoln, Guadalupe.	8.40	US285, 174	do	3,150	3,150	0	
632 WIPP-BRF-F-054-1(3) (bridge 3469); NM4, 0.25 mi west of Oiowi Bridge—east; Santa Fe [2].	4.40	NM4, 73	do	1,000	1,000	0	
Total				16,400	16,400	0	

[1] District No. 2 will manage the construction.
[2] Tri-funded project. Also listed in the bridge replacement program and the consolidated primary plan.

Note.—$16,200,000 requested (Federal funds).

Mr. DOMENICI. I told them I had such information. I did not give them the letter as I assumed they had it. Clearly, if we are going to keep the project going as planned, we need fiscal year 1986 funding. I repeat, it is $2.75 million, which I rounded to $3 million, in outlays for fiscal year 1986 that we are talking about.

The budget authority in this bill is below the allocation by $0.5 billion. It is the outlays that are over. My amendment will add $2.75 million to that overage, which is already about $127 million. So I take full credit for adding that much to it, but I think we ought to adopt this amendment.

Frankly, I believe that Senator JOHNSTON has hit it right on the head. If we are going to build a project like this and then not keep the road program to get ready to send trucks safely across this land, I really believe it is foolish.

Mr. BINGAMAN. Mr. President, I am pleased to be a cosponsor of this amendment to continue funding for the improvement of roads leading to the Waste Isolation Pilot Plant [WIPP] near Carlsbad, NM.

The WIPP facility is a research and development project of the U.S. Department of Energy. It is designed for the receipt, handling, and permanent disposal of defense transuranic waste and for the experimental temporary storage of a limited amount of high-level defense waste. This is the only permanent repository for transuranic and low-level waste in the country.

The waste material will be transported to New Mexico on State highways in specially designed containers that minimize the possibility of leakage during a serious transportation accident. To further ensure safe transport of these wastes, it is critical that the roads leading to WIPP be improved to accommodate the increased traffic that is expected once the facility is completed.

This amendment earmarks $2.75 million in outlays and $16.2 million in budget authority for fiscal year 1986. Without this funding, the completion of the project could be unnecessarily delayed. The State highway department would be unable to contract for the needed improvements.

The Congress made a decision in 1979 to authorize the WIPP project and has provided funding since that time. As attorney general of New Mexico in 1981, I negotiated an agreement with the Department of Energy to address specific concerns raised by the State regarding the operation of the facility. The stipulated agreement provided a State review of scientific studies and established a method of consultation, cooperation, and conflict resolution. One of the concerns raised in this agreement was the need for improvements of State roads leading to WIPP. The Congress has recognized this need over the past 2 years by providing funding for these improvements. It is important that the Congress continue to honor the agreement with New Mexico.

The WIPP project is important to our Nation. Therefore, safe transport of wastes to the WIPP facility must be assured. This assurance is possible without highway improvements. I encourage my colleagues to support the amendment.

Mr. WEICKER addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. WEICKER. Mr. President, in order to focus on the issue before the Senate and to make certain that in no way is this determined on the basis of personality, I would be willing to go ahead and withdraw my request for the yeas and nays if indeed the chairman of the Budget Committee would give the assurance on this floor that from now on the figures used in the budget-appropriations process will be the latest figures that we have at hand.

This is what the Senator from Idaho was referring to, that we should not act on something that is out of date. I could not agree more. That is foolishness. It was foolishness when the Appropriations Committee met because there were many figures both in Senator ANDREWS' subcommittee and mine that were, by evidenced fact, statements of various agencies, out of date. We were told, "Sorry, there is a cutoff date and that is it."

That is the same as the statement of the Senator from New Mexico.

If the Senator from New Mexico will assure us that in this budget process we use some common sense and that we are entitled to use the latest figures rather than figures set as of a certain date and time by the Budget Committee, if we have that assurance, I will withdraw my request for the yeas and nays.

Mr. DOMENICI. I cannot agree to that, I say to my good friend. As I indicated in the committee as a member of the Approrpriations Committee, there are two numbers that are binding on the U.S. Congress through the Committee on Appropriations and they are as follows: $567.1 billion in budget authority and $554.1 billion in outlays. The committee itself has chosen to allocate that money. They are going to be about $400 million in outlays over if we are successful in keeping every bill at the levels allocated by the Appropriations Committee.

What the Senator is asking is that we take the accounts that are estimated in this budget, and I am sure that some are estimated too low and some are estimated too high and reestimate them. Some of the subcommittee chairmen in a desire to have more money available to spend—and I do not criticize them for it, it is a very difficult year—have taken those accounts where the estimating ran in their favor and said, "We are entitled to an adjustment."

I said then, "If you want to go through all of the accounts where they are wrong upward and where they are wrong downward, and if you want to do that every week for all the appropriation accounts, you will tax the capacity of any agency I have ever heard of, including CBO. But if you want the downward reestimates, also take them up. Do it everywhere periodically and take credit for both the pluses and the minuses, and you will have no argument from this Senator."

It is impossible to give only credit when we err the wrong way, in their favor. We have to look through the whole budget and find where they erred the other way. I submit you will probably end up no better or worse off than you are now because many estimates err upward and many err downward in relation to the original estimate. That is the best I can do. I cannot offer any more than that.

Mr. WEICKER. I agree with everything the Senator from New Mexico says, but I am saying apply what he has just said to his own amendment. He cannot have it both ways.

I agree that there would be no end to this process.

All I am saying is the principle that the Senator has now espoused does not exist in the very amendment that he has before this body. That is the only point I make.

Mr. DOMENICI. That is apples and oranges. This is not that kind of account, but if the Senator thinks it is the same, fine. But it is not the same. I have current information, and I furnished it to the Senate. I think we ought to vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Missouri [Mr. DANFORTH] and the Senator from Alabama [Mr. DENTON] are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Missouri [Mr. EAGLETON] and the Senator from Hawaii [Mr. INOUYE] are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 56, nays 40, as follows:

[Rollcall Vote No. 245 Leg.]

YEAS—56

Armstrong	Cranston	Garn
Bentsen	Dodd	Goldwater
Bingaman	Domenici	Gorton
Boren	East	Gramm
Boschwitz	Evans	Grassley
Chafee	Exon	Hart
Chiles	Ford	Hatch

Hecht	Lugar	Roth
Heflin	Matsunaga	Rudman
Heinz	McClure	Simpson
Helms	McConnell	Stafford
Hollings	Melcher	Stennis
Johnston	Metzenbaum	Stevens
Kassebaum	Moynihan	Symms
Kennedy	Murkowski	Thurmond
Laxalt	Nickles	Wallop
Leahy	Nunn	Warner
Levin	Pryor	Wilson
Long	Rockefeller	

NAYS—40

Abdnor	Durenberger	Pell
Andrews	Glenn	Pressler
Baucus	Gore	Proxmire
Biden	Harkin	Quayle
Bradley	Hatfield	Riegle
Bumpers	Hawkins	Sarbanes
Burdick	Humphrey	Sasser
Byrd	Kasten	Simon
Cochran	Kerry	Specter
Cohen	Lautenberg	Trible
D'Amato	Mathias	Weicker
DeConcini	Mattingly	Zorinsky
Dixon	Mitchell	
Dole	Packwood	

NOT VOTING—4

Danforth	Eagleton
Denton	Inouye

So the amendment (No. 851) was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, I am advised that there may be just one more amendment on this bill. If that is the case, we may complete action. I know that Senator CHILES and Senator DOMENICI would like to turn to reconciliation.

Is that correct?

Mr. DOMENICI. We are ready.

Mr. DOLE. If we can dispose of that amendment, there will be final action.

Mr. ANDREWS. Mr. President, we know of only one amendment, the Kassebaum amendment.

The PRESIDING OFFICER. The Senator from Kansas.

AMENDMENT NO. 852

Mrs. KASSEBAUM. Mr. President, I send to the desk an amendment on behalf of myself and Senators DOMENICI, CHILES, GORTON, MATSUNAGA, and NICKLES, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Kansas [Mrs. KASSEBAUM], for herself, Mr. DOMENICI, Mr. CHILES, Mr. GORTON, Mr. MATSUNAGA, and Mr. NICKLES, proposes an amendment numbered 852.

Mrs. KASSEBAUM. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, add the following new section:

"SEC. . Notwithstanding any other provision of this bill and except as otherwise provided in this section, each dollar amount contained in this Act which is provided for nondefense discretionary programs and activities is hereby reduced 6 per centum; provided that this section shall not apply to the amounts on page 36, line 7, and page 37, line 10; provided further that for purposes of applying the 6 per centum reduction, the amount to be reduced on page 4, line 14 shall be considered to be $1,785,100,000, and the amount to be reduced on page 10, line 12 shall be considered to be $2,714,400,000, and the amount to be reduced on page 31, line 14 shall be considered to be $2,013,000,000; provided further that notwithstanding any other provision of law, the amount available for transit operating assistance, contained in this bill, in fiscal year 1986 shall not exceed $736,000,000."

Mrs. KASSEBAUM. Mr. President, I have enormous respect for the Senator from North Dakota [Mr. ANDREWS], who has had the major responsibility in assigning the priorities of funding for transportation. I know of no more able chairman than Senator ANDREWS, so far as protecting the interests of transportation is concerned.

However, there are concerns with aviation that I feel we have to address in this legislation before it goes to conference, with respect to some reordering of priorities, and I should like to explain briefly what this amendment would do.

The overall effect of it would be to reduce the level of funding in the bill in toto by 1.51 percent. It does shift the funding priorities contained in the bill to lessen the severity of the drastic operating cuts that have been imposed on the Federal Aviation Administration and on the Coast Guard. Those have been about 11-percent cuts.

Specifically, it would restore $138 million, about half of the $300 million that has been cut from the FAA operations, and $93 million, about one-half of the $200 million cut from Coast Guard operations.

Second, it reduces mass transit operating assistance by 10 percent, which is the budget resolution level. It reduces Amtrak by approximately 15 percent instead of 10 percent. This, again, is the budget resolution level. It reduces all accounts in the bill that have not been previously mentioned above by an across-the-board 6 percent.

This is not restoring, as I say, without holding harmless the moneys for FAA or the Coast Guard. I wish we could do that. I do not think it is possible.

I certainly look to the chairman to work his magic in conference, which I know he has done—and which he has said he can do, as a matter of fact—to get the full funding restored; because the safety of our airways and the security of our Coast Guard is paramount, I think, for all Members of this body.

It seems to me irresponsible to just assume, sort of like buying a pig in a poke, that this will be done in conference, without our debating it and addressing it and expressing our concerns on the floor.

It is for this reason, Mr. President, that I believe—even though I wish we could get more and restore the full funding to FAA and the Coast Guard—and this somewhat divides the pain, as has been said. It seems to me that it is a responsible amendment to instruct the Transportation Subcommittee when it goes to conference with the House on this appropriation.

(Mr. GRASSLEY assumed the chair.)

Mr. ANDREWS. Mr. President, I rise in opposition to the amendment, and I do so reluctantly, because the Senator from Kansas has exactly the same objectives that I have and, I am sure, that the vast majority of Senators have. Unfortunately, we cannot have it both ways.

The problem, as we have been talking about all day, is that a missile, in the midst of the night, came at us, called the conference report on the budget resolution; and it said that we should cut some $800 million from this function. We asked for relief, giving some new figures we had from the various entities, and we were denied the relief that would have given us an additional $88 million or $89 million, by the chairman of the Budget Committee, who said, "You can't use new figures." That is why we had the test case in the vote earlier. I guess you can use new figures in the right place, at the right time.

This amendment restores funding for Coast Guard operations and Federal Aviation Administration operations. That is laudable and very desirable, highly necessary, and something we have to do. But the amendment is curious at best because, while it purports to make whole these two accounts and at the same time stay within the budget resolution, there is no way we can make whole these two accounts and stay within the budget resolution, given the budget resolution's directive to remove these massive amounts of dollars from this particular subcommittee's bill.

I do not know who is trying to fool whom, but the amendment falls far short of its objective. After adding funds for the Coast Guard and FAA, the amendment then reduces all transportation accounts by a certain percentage. The effect of this percentage cut, therefore, reduces the Coast Guard and FAA by half the amount previously restored, as the Senator from Kansas pointed out.

It is sort of a half a loaf. The amendment at best I guess could be described as half a loaf. Probably that is better than no loaf at all.

But before Senators vote on this amendment and congratulate themselves on restoring Coast Guard and

FAA, let me point out the costs associated with that action.

The Coast Guard operations, which just had $200 million restored, would then get cut almost $100 million by the across-the-board provision. In addition, the Coast Guard acquisition and procurement account would get cut $18 million, reserve training would get cut $4 million and research $1 million.

I would hope, Mr. President, that those legislative assistants who are tuned in back in the office would be taking down some of these figures to advise Senators before they come to the floor and vote because these are some pretty critical cuts we are talking about.

The Federal Aviation Administration would have $300 million restored in operations and then have that very same activity cut $170 million. In addition, the across-the-board provision reduces facilities and equipment by $64 million, the grants-in-aid to airports by $60 million, the research activities by $12 million and the local Washington airports which, God knows, are in a terrible way by another $2 million, and they are already $2 million below the President's request.

As to the Federal-Aid Highway Program, and let me state this clearly and concisely so everyone will understand it, if this amendment passes an additional $800 million will be taken out of the Federal-Aid Highway Program, down to an obligation ceiling of approximately $12 billion. This is a $2.5 billion cut from current law in highway construction. That is what Senators are voting for in the highway area.

In the transit area, Senators are voting for a 16-percent cut in operating assistance and a 22.5-percent cut in the Small Urban and Rural Transportation Section 18 Program, the one program in mass transit designed to provide rural citizens with mobility and access, access often to health care and social services that is often more accessible in large metropolitan areas.

In addition, this amendment reduces the interstate substitute program by an additional $12 million, a program that is already $12 million below the budget resolution assumption. And the local transit system, WMATA, which I know is fairly dear to the Senators from this area, certainly to the press that works in this area and the people who live in this area, is reduced an additional $10 million or 30 percent below last year's funding.

The cut in Amtrak amounts to more than what this body agreed to in its vote on the Specter amendment that reduced Amtrak by 10 percent, and that was just revisited in an overwhelming vote earlier today. This amendment would cut Amtrak by almost 20 percent in new funding. A cut of this magnitude would jeopardize the continuation of a national rail system. We are not talking about service reductions or frequency reductions but possible train reductions. If this is the will of the Senate fine, but I think Members should know that when they cast their votes.

Senators from the Budget Committee—and I guess I am one but I was not on this conference and I looked at that conference that came back and saw some of the fallacies in it and I voted against that conference report—keep saying that the Appropriations Committee has the ability to make program decisions within the total allocation. They continue the logic to say that budget conferences do not dictate the amounts for specific programs.

That is true I guess in one sense. But I would like to get back to the point I made in my opening statement: We really today have a truth in budgeting problem here. We have a bill that we are considering today with 10 billion dollars' worth of total budget authority. To make an $800 million unspecified cut in a bill like this is extremely difficult. In order to get $85 million in budget outlay reduction we had to cut $500 million from the road-building program in this Nation, a program that is desperately needed. We cut another $800 million to come up with this percentage cut that the Senator offers in this, but an additional $800 million in highway building appropriations is a pretty severe cut.

I think that we should restate the reason FAA and Coast Guard cuts were necessary in the first place. It is because the budget conference said Amtrak is cut 15 percent, transit formula is cut 15 percent, transit capital is frozen, highway spending is frozen. That, Mr. President, is what that wonderful document that came back onto this floor from that budget conference said.

The reported bill we are now considering meets or cuts deeper than all of these assumptions of the budget resolution. So what is the problem?

The problem comes with the Budget Committee ordering further unspecified savings of almost $800 million in budget authority and $500 million in outlays. There are only two accounts where that kind of money can be found. So FAA and Coast Guard were cut in the committee by a vote of 16 to 3, a cut that was not appreciated by anyone.

I welcome any other Senator, however, to propose another way to find $500 million. I can give some suggestions.

Cut transit by 20 percent; legislate a change in the law for transit operating subsidies; cut, as we are going to in this amendment, Amtrak by 20 percent which, as I pointed out, means train discontinuance; and practically eliminate all transit capital funding.

Senators might ask why do I not propose this. We do not have that much transit in North Dakota. We do not need transit operating subsidies. I am not proposing it because it is not the right way to legislate. These were not the votes and overall assumptions of the budget resolution. I suggest that cuts that deep do not have the votes now.

The only other way is what I think of as the easy way out, propose a 5.4- to 6.4-percent cut and ignore the distorted effect on the program that that implies.

I saw what happened with the votes on the HUD appropriation last week. Members increased revenue sharing and veterans' medical care, only to come back and cut the entire bill across the board.

That is wrong. That misleads the public. That is why I pointed out some of these figures so that everyone would know what they are voting on.

A vote for the Kassebaum amendment is equally wrong. I think we have to have some truth in budgeting. I think we have to admit that the budget resolution was flawed. That is the key thing. I think we should either make the hard, specific deep cuts and own up to them, or add the FAA and Coast Guard money back and tell the Budget Committee to rewrite their resolution. There are the hard choices.

It would be my hope, Mr. President, that by leaving the bill as is, by rejecting this amendment, we then come within the purview of the Budget Committee. We have cut all of these other programs where the Budget Committee said to cut them to the degree they said to cut them. We have said that the only way in this bill that you are going to cut the $800 million that they said to find is to do it in FAA, Coast Guard, highway construction or some of these other things.

The amendment of the Senator from Kansas spreads the burden and I guess really when you look at it with a need for FAA funding and the need for Coast Guard funding that certainly is as important as the need for highway construction and the need for mass transit. But I would like to keep this concentrated on these two areas. Maybe as this bill moves to conference someone finally is going to wake up with some authority on the Budget Committee and say we goofed and that these are totally irresponsible cuts. The Budget Committee must find some money to replace that which this subcommittee is forced to cut, because the Appropriations Subcommittee has very limited sources to make up the cuts.

This bill before the $500 million cut in FAA and Coast Guard is, I submit, Mr. President, $300 million below the bill total as it comes from the House of Representatives. We have done a

conscientious job of addressing the issue, trying to stay within the concept and the goal of budget restraint, but there is no magic in the appropriations process and there is no magic in saying that we should cut this drastically in FAA or Coast Guard, and there is equally no magic or good sense in making these kinds of cuts in highway construction and the other funds that the amendment of the Senator from Kansas would force.

I think if we keep the misery in two categories instead of spreading it out maybe somehow or another the happy bird of truth will fly in through the window and those who lead the Budget Committee will realize that that document that came at us in the middle of the night was something that should have hung on a peg someplace out there and never seen the light of day.

I hope our colleagues, Mr. President, will reject this amendment, although I totally agree with the Senator from Kansas in saying that we have to address the issue of FAA and the Coast Guard.

I might also point out that the amendment of the Senator from Kansas exempts the Panama Canal, and I do not really know why. I would like to see if the Senator from Kansas could share some light on that.

Mrs. KASSEBAUM. Mr. President, I would like to respond just a moment to the Senator from North Dakota regarding confining the misery to two areas. I am not pleased with this amendment. I doubt if anybody here thinks it is the answer.

On the other hand, the Senator from North Dakota has pointed out exactly what he has done, I believe, in a very astute manner in protecting all of the other interests addressed in transportation, because he knows that in conference the FAA and the Coast Guard will be the ones that clearly everyone would feel should be fully restored. So that is guaranteed. I can appreciate his thinking as far as what he would hope to accomplish, because then he has protected, as a matter of fact, all of the other interests which could be very controversial and has assured that support.

What I question is, if, in conference, with the restoration of funding for FAA and Coast Guard, there will be any effort to get any sort of reasonable reductions which are going to be supported by the administration. I think it risks a veto and I do not think we can count on a supplemental. And that is why I think it is not responsible of us, as a matter of fact, at this point to argue some of the changes of the priorities that I think should be addressed.

Mr. ANDREWS. Might I respond to that, Mr. President, if we have a recorded vote in the Senate that at first fixes the cuts by restoring and then takes away, we are stuck with the lower figure of a $150 million reduction in FAA and a $100 million reduction in Coast Guard, because we have to live up to that Senate vote. Remember this bill came out of the subcommittee with full funding for the Coast Guard and full funding for the FAA. We adopted this amendment under duress in the committee to gain time for the Budget Committee to make the necessary adjustments to do this. If we can carry the bill that way to conference, we are in a much better position to protect the FAA and Coast Guard than if we have a recorded vote to cut $150 million, which is what it amounts to, from the FAA and $100 million from the Coast Guard.

Mrs. KASSEBAUM. I believe clearly, Mr. President, what this amendment does is say there is strong support here for funding for the FAA and the Coast Guard and that most of us who are concerned simply cannot let it go off the Senate floor without having at least tried to get back, as the Senator says, half a loaf. And in the hopes—and, obviously, I think the Senator from North Dakota would agree with me—that in conference the additional funds will be restored. It is desired by the administration. It is necessary for all of us who are concerned about the additional requirements for aviation safety today or the security of the Coast Guard.

Mr. ANDREWS. Mr. President, in response to the Senator from Kansas, this amendment does not give the sense of the Senate that the most important features in transportation are the FAA and the Coast Guard. This amendment, as it is laid out before the Senate, would establish the priority that the most important transportation function is the Panama Canal because the Panama Canal is exempted. This amendment attacks highway building, mass transit, operating subsidies, cuts FAA, and cuts the Coast Guard, but holds harmless the Panama Canal. So, if you are a boat skipper from Liberia, you are doing darn well, but if you have to move around these United States, I suggest you have a problem.

Mrs. KASSEBAUM. If I may answer the Panama Canal issue, it is exempt because of the fact that they receive funds by the canal operations. These are appropriated. Any difference between the amount raised and the amount appropriated would have to go to Panama. It is not a deficit reduction.

Mr. ANDREWS. It is still part of the budget outlay and the budget authority figures in this bill. And the Senator from Kansas makes the precise point that I had hoped she would when I asked about the Panama Canal, because what she has now spoken to in front of the Senate is the unique characteristic of this bill and why an "$800-million, go-find-it" type mandate from the Budget Committee in this particular bill raises havoc all over the place. There is no place you can find $800 million. And I am not standing up to support mass transit funding from a parochial standpoint. We recieve very little in North Dakota. I am not trying to protect the Coast Guard because, unfortunately, there is not too much Coast Guard in North Dakota.

But these functions in this bill are important for the continuation of the transportation function in this Nation. I think they ought to be protected. I think what we ought to be addressing on this floor is a way we get relief from this onerous, odious, odorous, whatever you want to call it, budget resolution that we are stuck with. Because I do not like the things that we had to do to the FAA and the Coast Guard, but, equally, I am concerned about this amendment cutting $800 million from highway construction, which is desperately needed in the Plains States that the Senator from Kansas and the Senator from North Dakota come from.

Mr. SYMMS. Will the Senator yield?

Mr. ANDREWS. Yes, I yield to the Senator from Idaho.

Mr. SYMMS. I would say to the Senator that as soon as this Senator gets the floor, it is my intention to offer an amendment to take the highway reduction out of this Kassebaum amendment. I think we have already reduced the highway program sufficiently, and the money is in the trust fund anyway.

Mr. ANDREWS. Might I respond to the Senator that I understand why he wants to do that. But then the only way, if he holds harmless that additional $800 million in cuts from the highway construction, is to take more money out of mass transit, Amtrak, the Coast Guard, and the FAA. It is the problem we are faced with. The one answer to the problem we are debating today on the Senate floor is to get relief from that wrong-headed budget resolution assumption that somehow or other we can find another $800 million worth of savings in this bill.

IN SUPPORT OF THE COAST GUARD, THE STEPCHILD OF THE ARMED SERVICES

Mr. MATSUNAGA. Mr. President, as a cosponsor, I rise in strong support of the Kassebaum amendment, particularly as it pertains to the Coast Guard.

Mr. President, the U.S. Coast Guard has had a long and distinguished history which dates from our Nation's earliest days. An armed service since its inception, it has served in every armed conflict of this country since 1792.

Although the Coast Guard has distinguished itself time and time again in its military assignments, this service

plays a considerable and impressive role in other critical activities which benefit not only the coastal States, but the Nation as a whole.

According to its motto, the Coast Guard is always prepared for a multitude of missions which strain its thinly spread resources. A nationwide search and rescue system is credited with saving an estimated 4,000 lives annually; other duties include providing navigational aids such as light houses and ice-breaking service, marine safety programs, and environmental protection. As seagoing police, this service enforces laws and international treaties concerning fisheries, interdicts the shipment of illegal drugs, and act to prevent vessel highjacking and illegal immigration. Given the magnitude of these tasks, the Coast Guard should not be treated as a stepchild but as a full-fledged member of this Nation's military family.

An issue of the Coast Guard's service which I find most pressing is that of their strong drug enforcement activities. While the administration and the Appropriations Committee have correctly put some fiscal priority on combating the ever-increasing menace of drug abuse and the illegal trade which feeds it in our society, the role of the Coast Guard in this critical battle of curbing drug smuggling by water has been sorely neglected. The trespass of drug smugglers must be obstructed at our seashores and the Coast Guard represents the Nation's first line of defense. While the Senate Appropriation's Committee allocates $3 million more than the House has, the move is largely illusory since the appropriation's language calls for more work. The report suggests that the Coast Guard should continue its fine job and in addition, increase the drug interdiction programs, while at the same time the committee decreases the total operating budget by $200 million. This is, at best, a contradiction. The key role that the Coast Guard plays in drug interdiction alone certainly warrants greater budgetary emphasis.

Certainly, among the armed services, what the Coast Guard lacks in size it makes up for in the range of its missions. It is the one branch that has very few expensive missions yet its multiple missions run a gamut of services. It is evident to me, Mr. President, that the Coast Guard is too small and undermanned in its present position to perform the multitude of tasks assigned it.

In addition, it is the one branch of the armed services to which our country has recently assigned new and important missions, such as the maritime defense zone exercises conducted jointly with the Navy, in which a forward projection strategy has been implemented in order to assure the coastal defense of our country. Yet it is the only branch to receive across-the-board budget cuts.

Mr. President, a $200 million reduction in the operating expenses of the Coast Guard would cause a loss of over 6,000 personnel, consequently decommissioning and a closing or curtailment of more than 200 units with repercussions in almost all of the States and territories in which the Coast Guard operates. More specifically, 25 percent of the total air fleet would be grounded, merchant marine safety units would be diminished by 47 percent, and many of the navigation aids I referred to earlier will be seriously affected. As a result of these cutbacks the 60,000 rescue, search, and response missions the Coast Guard conducts annually will be reduced by at least 4,000 nationwide; helicopter shipboard deployment will be curtailed by 75 percent. Domestic ice-breaking capabilities will be diminished by 72 percent. The budget cuts also will drastically curtail the environmental response capability on inland waters other than coastal areas. Finally, such a reduction is certain to cause serious morale problems which will adversely affect the Coast Guard's national recruiting capabilities.

Mr. President, I implore my colleagues to seriously consider the benefits that an efficiently run and well-staffed Coast Guard provides, both at the national as well as international level. In light of these benefits I urge the support of my colleagues to adopt the pending Kassebaum amendment.

Mr. LAUTENBERG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. LAUTENBERG. Mr. President I rise in opposition to the amendment offered by the Senator from Kansas.

My former colleagues on the Commerce Committee would restore funds to this bill cut—and very reluctantly cut—by the Appropriations Committee. But, the amendment restores funds for the FAA and the Coast Guard—both very, very worthwhile agencies, and I cannot disagree at all with the comments made by my colleague from Hawaii about the value of a strong Coast Guard operation. That is true also of the FAA. But these funds are going to be restored by taking them from other essential services from many parts of the country from Amtrak and mass transit, and in addition imposing an across-the-board cut.

Mr. President, there are few accounts in the Transportation appropriations bill which can be reduced without doing some damage to my State. New Jersey is known as the Garden State; it could as easily be referred to as the transportation State. We have the Nation's fastest growing airport at Newark, an extensive coastline, miles upon miles of highways, freight and passenger rail lines, and a heavy dependence on mass transit. In addition, New Jersey is a leader in auto safety and the campaign against drunk driving. Indeed, New Jersey has a stake in almost every line of this bill.

It was with no enthusiasm that this Senator or, I might add, the capable subcommittee chairman, Senator ANDREWS, moved to bring this bill into line with the restrictions applied by an unrealistic budget resolution. It was clear to me that when the transportation numbers came back from the budget conference below the amounts specified in either the House or Senate budget resolutions, that it would be impossible for the Subcommittee on Transportation to provide the resources necessary to meet national needs.

If the Senator from Kansas wants to add back money to insure adequate resources to FAA and Coast Guard, I will vote with her. But, if she wants to take these funds from other vital programs that were cut back in committee, I oppose her.

We were instructed by the budget resolution to cut mass transit—and we cut mass transit. In fact, we cut mass transit deeper than called for by the budget resolution.

We were instructed to cut Amtrak—and we cut Amtrak.

We were instructed to cut highways—and we cut highways.

We made the cuts we were expected to make. The bill before the Senate is a resonable product produced under very trying circumstances.

Mr. President, there is a clear need for more funding for FAA and the Coast Guard. I want to provide more, the subcommittee wants to provide more. But if we had brought this bill to the floor with these funds, we would have been faced with an amendment to reduce this entire bill. So, as a committee, we went back and made cuts to comply with the budget resolution, but we are still facing the same situation with the amendment offered by the Senator from Kansas. This amendment proposes to solve the problem by going after other programs.

In the committee report, Mr. President, the committee comments on the FAA problem. Many of us now believe we need more air traffic controllers. Secretary Dole says she wants more air traffic controllers. Unfortunately, as the committee report notes, we do not know how many controllers the FAA currently employs. Administrator Engen says he has all he needs, 14,306. The Secretary says FAA has 14,000. I think they need more than 14,306 and so do all those folks sitting on runways waiting and waiting to take off. The

trip from Washington to the New York area which is about 200 miles often takes 3 to 4 hours. I know. I have tried it.

The subcommittee will be examining the FAA's resources in the air traffic control and other areas in the near future. I have no doubt that we will recommend a supplemental to adequately fund the FAA Program when we have a clear idea of what FAA has and what it needs.

The Coast Guard has a list around the Senate specifying the consequences of the reductions made by the Appropriations Committee. New Jersey is on that list. A supplemental appropriation is going to be necessary for the Coast Guard too.

Mr. President, the bottom line is that the Coast Guard and the FAA need more money than the budget resolution allows. The Senate has several options to deal with this reality.

The Senate can approve this bill, as reported by the Appropriations Committee and defended by the chairman of the Transportation Subcommittee, and take the bill to conference with the House. The House is higher than the Senate in both the Coast Guard and FAA accounts. The conference committee can discuss these differences and negotiate with the administration to determine what the President will sign. I strongly favor this option.

The Senate can add back the funds reduced by the Appropriations Committee, when it considered the recommendations of the Subcommittee on Transportation. By doing so, the Senate would acknowledge that the budget resolution shortchanged transportation. It would acknowledge that Congress' first allegiance is to meet national needs for safe air travel and secure coastlines. It would recognize that we have to make some adjustments for real world conditions, like the air disaster in Dallas. Sooner or later, we will have to address the needs of the Coast Guard and FAA.

The last option before the Senate is the Kassebaum amendment. This amendment restores funding for the FAA and the Coast Guard by taking it from other accounts, accounts which have already been reduced under the committee-reported bill. The fatal flaw of this amendment is that it is grossly unfair.

The Subcommittee on Transportation labored, under the leadership of my friend from North Dakota, Senator ANDREWS, to produce a bill that was responsible in meeting national needs and is fair to all sections of the country. The subcommittee's work underscores one basic fact—this is a big country, with diverse needs and different modes of transportation affect various parts of the Nation differently. The committee bill tries to serve a national transportation network by treating all modes fairly.

As a former member of the Commerce Committee, I recall the eloquent pleas of the Senators from rural States for essential air service, so that small communities in their States would not be cut off from air service. It so happens that my State is not greatly affected by the essential air service program, but this Senator has never moved to kill that program. I happen to believe that the Nation is not well served by cutting off small rural communities from a national aviation system. If I only voted on what was in this bill for New Jersey, I would vote to cut that program. I would observe, Mr. President, that there are two programs in this bill protected from across-the-board cuts—the Essential Air Service Program is one of them.

The bill before us provides $398 million for the construction of new mass transit systems, $9 million more than the House bill. These new systems, which the administration hotly opposes, are funded at $9 million more than the House bill. New Jersey is not on the list. We have Houston at $10.5 million more than the House; St. Louis at twice as much as the House and Miami—among others—at $4 million more than the House. These are funds that come from the Highway Trust Fund mass transit account. These are protected by a trust fund.

I happen to favor expanding mass transit to urban communities which are beginning to have the problems of traffic congestion we have long had in New Jersey. But, if I was only voting on what was in this bill for my State, I would have to oppose funding these new starts.

When and if the day comes that Senators come to the floor to vote on legislation based solely on what is in it for their State, we will have come to a very sad day indeed. If Senators ask why their State should support mass transit for New Jersey and why I should support essential air service for Alaska, I answer: "That is why we call it the United States."

No, Mr. President, the amendment before the Senate is not fair and it is not a responsible way for the Senate to legislate in the national interest. I strongly urge the defeat of this amendment.

AMENDMENT NO. 853 TO AMENDMENT NO. 852

(Purpose: To conform the bill with the Second Concurrent Resolution on the Budget for Fiscal Year 1986)

Mr. SYMMS. Mr. President, I call up my amendment to the Kassebaum amendment.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Idaho [Mr. SYMMS] proposes an amendment numbered 853 to amendment No. 852.

Amendment number 852 is amended by striking "6.0" and inserting in lieu thereof "7.9"; and by adding at the end thereof the following:

"The obligation limitation for Federal-Aid Highways and Highway safety construction programs for Fiscal Year 1986 shall remain at $12,750,000,000."

Mr. GORTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. Mr. President, I believe the Senator from New Jersey made a particularly important point at the conclusion of his remarks when he stated that Members to the greatest extent possible should deal with appropriations bills of this nature and amendments like that of the distinguished Senator from Kansas not on the basis of parochial considerations but on the basis of what is best for the United States as a whole.

Yet I come to precisely the opposite conclusion to that reached by the Senator from New Jersey with respect to the principal amendment which is before us at the present time.

In my view it would be difficult to find any subject in the field of transportation more important than the Coast Guard of the United States or than the functions of the Federal Aviation Administration, which are primarily directed at air traffic safety.

I have the highest respect for the chairman and for all of the members of the subcommittee who were faced with intensely difficult choices in meeting the goals set out for them by our debate on the budget resolution during the course of the spring and summer of this year.

At the same time, Mr. President, I must disagree with a method of operation pursuant to which the lion's share of the reductions required by resubmission of this bill to the Appropriations Committee came out of two agencies which are so imminently concerned with the national safety and welfare.

I do not like the idea of cutting back on any of these other proposals, and yet it seems to me that to cut so sharply out of the appropriations for the Coast Guard and for the Federal Aviation Administration may be the worst of all possible choices.

This morning, for example, Mr. President, we voted on an amendment proposed by the distinguished Senator from Colorado [Mr. ARMSTRONG] which would have resulted in lowering this appropriation by some $600 million by terminating the subsidy for Amtrak. Having taken part in the work and the compromises which led to reduced appropriations for Amtrak, I felt it appropriate to vote against that amendment, in favor of the position of the manager of this bill.

And yet, Mr. President, I say most sincerely that if I had only the choice between adequate funding for the

Coast Guard and for the Federal Aviation Administration, which are vital to this country, and a subsidy for rail passenger service, I would unhesitatingly vote to terminate that subsidy for rail passenger service and see to it that we adequately supported the FAA and the Coast Guard.

I do not believe we have to make that choice if we are willing to say first the basic appropriation to these two agencies is restored and then every transportation agency takes an equitable reduction, which will be difficult for each of those agencies but possible for them to live with.

For that reason, I support the amendment of the Senator from Kansas. I oppose the second-degree amendment of my friend from Idaho simply because it would make those across-the-board cuts too great.

I agree with him on the importance of the highway trust fund. I think it is very significant. I believe that committees which have dealt with that trust fund have already operated responsibly in their cuts to it.

Nevertheless, I feel that these two agencies selected out of all the others for this huge cut deserve restoration and from that point on we should look for roughly equal reductions in everything else to pay for these restorations.

For that reason, I oppose the second-degree amendment of my friend from Idaho and strongly and enthusiastically support the amendment of the distinguished Senator from Kansas [Mrs. KASSEBAUM].

Mr. SYMMS. Mr. President, I ask unanimous consent that the Senator from North Dakota, Senator BURDICK, be added as a cosponsor to my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SYMMS. Mr. President, my amendment exempts the highway trust fund obligation ceiling from cuts made in the Kassebaum amendment. I would say to my colleague that this exemption is absolutely necessary if we are to distribute the funds equitably under this appropriations bill.

Mr. President, I want to outline the history of this amendment. The budget resolution assumed a reduction in the fiscal year 1986 obligation ceiling from $14.45 billion, which was set in the Surface Transporation Act in 1982, down to $13.52 billion. The reconciliation instructions to the Committee on Environment and Public Works incorporated, and were limited to, these reductions. I compliment the Public Works Committee; it was very, very conscientious with regard to the need to reduce general funding. When we met, and we were one of the first committees to meet, we included spending for the trust fund accounts. The fact is we voted to reduce the obligation ceiling for 1986 by $500 million more than was required by the budget resolution.

That is, rather than simply setting the obligation ceiling at $13.25 billion as was required by the resolution, we reduced the ceiling another $500 million down to $12.75 billion.

We adopted this spending limitation knowing good and well that it is far less money than is necessary to meet the Nation's tremendous highway needs. I know of no other program where the public benefits more, which offers more opportunity and individual freedom for Americans, than the highway program. We must have a good road system, a safe, adequate road system, a system that is also adequate for transporting products from the farms and mines and forests to the Nation's cities where they are consumed.

So I think it definitely is not a wise, prudent use of the taxpayers' money to reduce this highway program by another 5 or 6 percent, as the amendment of the Senator from Kansas would do. What I am saying, Mr. President, is the highway program has already taken far more than its share of the cuts. If we accept the Kassebaum amendment as offered, the Senate would be voting to reduce the highway obligational authority 11.8 percent from the level we anticipated when we enacted the Surface Transporation Assistance Act in 1982 and nearly 9.9 percent from the level assumed in the budget resolution.

I think this is a far bigger burden than we should put on our highway program. The highway users are paying those taxes. If we do this, we should reduce the Federal fuel users' fee by a couple of cents a gallon during this period, so people will not be paying highway taxes which are not spent to construct and repair the Nation's highways. I think it is the wrong way for us to operate. I think it represents an unreasonable and unwarranted threat to our Nation's economy.

It is not going to be good for our system of national defense to allow our road system to become worn out, to disintegrate. We have bad enough problems as it is. Experts who study highway conditions state that we need somewhere between $18 billion and $34 billion a year to adequately fund the highway system so we are not wearing out the roads faster than we are taking care of them and actually losing ground. We are not anywhere near that level and here we are talking about cutting more.

Highway taxes are collected to build and maintain highways. If they are left unspent, it is going to mean less highway maintenance in the country. That is a never-ending proposition. When we get behind on that, it gets more expensive next year and more expensive the following year. We should not take more money out of one of the very few programs in the Federal budget that is paid for in advance—when people buy their fuel and pay their taxes, they are paying for next year's highway projects. The money goes into the trust fund, those programs are authorized, money is appropriated, it goes out to the State departments of transportation and the people in the respective States benefit from new and better highways.

Bad roads cost lives, they add to medical expenses due to increased accidents, they add to the time we must spend traveling, and they increase maintenance costs on automobiles. I urge my colleagues to support my perfecting amendment.

I appreciate what the Senator from Kansas is trying to do, but I think if we cut that highway trust fund, we are only robbing Peter to pay Paul. In the long run, it will damage the road system in this country. The worst thing we can do is have an on-again-off-again program. What we need is a steady, even flow of appropriated funds that go out to the States to keep the highway contracts going, so the maintenance, reconstruction, rehabilitation moneys are out there in the States. We are losing ground anyway. I hope my amendment will be favorably looked upon by my colleagues. I hope they can accept this amendment.

Mr. President, I would ask if the Senator from Kansas wishes to accept the amendment and make it part of her amendment?

Mr. BURDICK. Mr. President, I am in support of the Symms amendment to restore the highway obligation limitation ceiling to $12.75 billion for fiscal year 1986. The Senate Environment and Public Works Committee has already met its reconciliation target. In fact, it came under the target by further reducing the Highway Program's outlays for a 3-year savings of $3 billion. The committee's reduced the obligation ceiling by $500 million which will result in a savings of outlays for the highway program by $250 million in fiscal year 1986, $1.2 billion in fiscal year 1987; and by $1.55 billion in fiscal year 1988.

The Highway Program cannot withstand further cuts in the obligation limitation ceiling. The Public Works Committee's recommendation of $12.75 billion for fiscal year 1986 is already $1.7 billion below the ceiling recommended in the 1982 Surface Transportation Act. The Kassebaum amendment would reduce the Public Works Committee's recommendation by an additional $765 million and bring it down to $11.98 billion for fiscal year 1986. That is, $2.5 billion less than what the current Highway Program recommends.

I would encourage my colleagues not to lose sight of the Federal commit-

ment we have made to State Highway agencies by establishing a trust fund supported totally by dedicated user fees. The Federal Government established a multiyear program because of the necessity for long-term planning, design, and construction period required for major projects. Most Federal programs are subject to an annual review by the appropriations process. However, because the highway funds are apportioned and available to States over several years, a different mechanism is used to control the Highway Program to respond to fluctuating fiscal situations and prevailing economic policy. That mechanism is the obligation limitation ceiling. The ceiling does not reduce the total authorization of funds nor specify which projects receive funds. Rather each State is assigned a dollar amount it can spend in a given year based on its apportionment and total dollars available nationally. The decision on what projects should receive funds is left up to each State.

Every time Congress reduces the obligation limitation States are forced to drop projects from their bid lettings. Under the Kassebaum amendment, States will have $2.5 billion less to spend on projects than they were promised in the current Highway Program. Many States are not comfortable with the $1.7 billion reduction already agreed upon by the Public Works Committee but the $2.5 billion reduction is almost certain to result in unfavorable comments by State highway agencies and the highway industry.

As the ranking minority member of the Public Works Transportation Subcommittee, I have voted in committee against further reductions in the obligation limitation. While I recognize that the highway trust fund is part of the unified budget and therefore has an impact on the Federal budget, it is unfair that Congress has relied on trust funds to do more than their fair share to control Federal spending. Reduction of the obligation limitation ceiling merely postpones highway spending, it does not relieve the Federal obligation to pay States in the future. Someday soon the consequences of postponing highway spending will catch up to Congress.

In closing, I would like to add that unfair use of the dedicated highway user trust fund to bail out other items in the budget, which have not taken their fair share of cuts to reduce outlays, makes it harder to justify need for a nation Highway Program. Congress raised the gas tax by a nickel and it should out of fairness allow States access to this revenue. I would encourage my colleagues to restore the obligation limitation ceiling to $12.75 billion as proposed by Senator SYMMS.

Mrs. KASSEBAUM. Mr. President, I say to the distinguished Senator from Idaho that I share his concern about trust funds. We have discussed the fact that we wished both the highway trust fund and the aviation trust fund could be moved off budget because indeed, it is frequently held hostage in these budget considerations. But that is not the issue before us at the moment. For that reason, I cannot accept this amendment because I think it is patently unfair.

I think as we analyze what it would do to the whole transportation appropriation, we have to recognize that it will cut 7.9 percent across the board for everything except the Federal-aid Highway Program, Federal-aid highway moneys. What it would do, as a matter of fact, is cut the $138 million that we have in FAA to only $87 million. We have gone from bad to worse, in my opinion, in that area.

Mr. SYMMS. If the Senator will yield for a comment, I appreciate what she is saying, but I would turn the question around and ask, What is fair about asking people to pay highway users' fees every time they buy a gallon of gas and then holding the funds hostage in a trust fund in order to make the entire Federal budget look better in an accounting procedure? I am trying to keep the accounting straight on highway funds vis-a-vis the highway users' fee. I do not think it is in order to offer a reduction in the Federal highway tax here, but if we are not going to spend these moneys out of the trust fund, this Senator is going to be in favor of reducing highway user fees and let the States take care of it.

Mrs. KASSEBAUM. I would only suggest that at some point, perhaps in conference, the levels in the trust fund are going to have to be addressed. I also think we have a responsibility here to send a package that has some priorities that are more realistic about what will ultimately be the result.

Mr. CHILES. Mr. President, will the Senator from Kansas yield?

Mrs. KASSEBAUM. I would be happy to yield.

Mr. CHILES. The way I understand it, the highest figure for the highway trust fund we have received so far is $13.250 billion. That was last year. In the bill we now have $12.750 billion. That is what the Senator from Idaho would leave it at, the $12.750 billion. So it means then only highways would be reduced from the $13.250 billion to the $12.750 billion, around a 3-percent figure.

Then, if the amendment were adopted after his amendment taking that out, Amtrak would be cut over 15 percent, mass transit would be cut over 15 percent. Coast Guard would be cut almost 7 percent, FAA almost 7 percent.

Certainly, highway authorization is very important in my State. But when you rank it with these others, I do not know if you can justify that you made a fair apportionment and cut FAA and Coast Guard well over 6 percent, almost 7 percent, and then cut Amtrak 15 percent, transit 15 percent, and 4 percent——

Mr. SYMMS. Will the Senator yield?

Mr. ANDREWS. And those cuts are in addition to the cuts that have already been made.

Mr. CHILES. Absolutely.

Mr. ANDREWS. We have already made the cuts to bring us into compliance with the budget resolution. Mr. President, what the Senator from Florida is pointing out is that we would have far more than the cut of 15 percent in Amtrak, maybe as high as 20 percent in Amtrak, and similar other cuts.

Mr. SYMMS. If the Senator from Florida will yield so I can comment, what happened was that the committee went a half-billion dollars more than they should have. If we had left it at $13.25 billion, what the budget resolution called for, then if you came in with your across-the-board cut we would be back at $12.75 billion. I am not trying to speak for or against other areas in this resolution but only to say if we do this we are doing serious damage to the Federal Highway Program and I do not believe that is what the Senate wants to do. That is my point.

Mr. CHILES. I would say to the Senator from Idaho, any of these cuts do some damage to all of these programs. A 6-percent cut in the Coast Guard does very serious damage. Compared to an 11-percent cut, you just have to say it is less. And the other problem is that if we take out the highway authorization, then we go to 7.9 percent across-the-board cuts in all of these other areas, and that again gets us into a situation where someone can say, "Well, let's just take the Coast Guard out entirely now and let the others go up to 10 percent or whatever."

Mr. WEICKER addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. WEICKER. Mr. President, I hope that we could get to a vote and defeat both the Symms amendment and the Kassebaum amendment. I think the problem is very simple in relation to both and that is that, one by one, everybody comes in and tries to undo the very careful work of the committee, the Appropriations Subcommittee on Transportation, where indeed, as my good friend from Florida has already stated, it was not a question as to whether or not anybody was going to get hurt; it was a question of trying to do it in the fairest possible way.

Now we are all going to come out here and specially plead. Some of the rural States want this, others in the

urban States want that. I am sure that Senator CHILES, Senator ANDREWS, and their committee took into consideration all the needs. What worries me about the process being introduced by this amendment on the Senate floor is, you are balkanizing this country. I do not have that much interest, for example, in the agriculture bill in the State of Connecticut. But I sure have a great interest in transportation. And you are really hurting the State of Connecticut with this kind of an amendment. This does not mean to say that in any way the urban needs have been over-balanced in what it is the subcommittee has done.

A lot of people have some very short memories on this floor. This Nation almost had no rail transportation system at all when I first came to the Senate in 1970. The system, from one end to the other, from the East to the West and everything in between, had been bankrupted by private industry. They had raped it, taken the money, and run. And one by one, we had to rebuild it at the State level and rebuild it at the national level. Is there anybody who is going to deny that an economically advanced nation needs a good, solid rail system, both passenger and freight, if indeed it is to maintain its economic viability and greatness?

Everybody complains about the drug traffic. That is a great one for all of us to go back with to our constituents—"I am against drugs." While there are really two principal agencies fighting drug traffic, the Coast Guard takes second place to no one. If you want to stop drug traffic, you better go ahead and have the Coast Guard do that job.

Last night, I sat and watched the special news report on Channel 5 about the air traffic control system and the FAA—the report on safety in the skies really scared me. There is a real problem there.

What my friends on the Appropriations Subcommittee have done is to dig into this. This is their work. This is really the entire work in the main for any of us who chair one of these subcommittees—to try to balance out these needs against the various appropriations to be recommended within the context of this reduced budget.

Now everybody comes along and has a better idea. Well, I like to think that the subcommittee has done a mighty good job. I have to say to you right now, Mr. President, I am not pleased with the Amtrak appropriation; I am not pleased with the mass transit appropriation; I am not pleased with the Coast Guard appropriation, but I think we all understood we had to take some cuts and indeed only the totally unnecessary, unjustifiable was to be eliminated.

I do not know how many shots there are in this process. It used to be that we would have one or two. Now we have Budget Committee deliberations, allocations within the Appropriations Committee, then we come to the floor and everybody targets it again and, I might add, all this preceded by agreements with the administration supposedly on these various items. I would suggest that in this particular instance, none of us are pleased by the decisions of this Appropriations Subcommittee. Therefore, probably we have all been best served under the economic circumstances of this time.

I urge defeat of the Symms amendment, which totally distorts the Kassebaum amendment, and the Kassebaum amendment which distorts the work of the Subcommittee on Appropriations.

Mr. DOMENICI. Mr. President, I am compelled to rise in opposition to the Department of Transportation and related agencies appropriation bill, as reported by the Appropriations Committee, because outlays for the bill exceed the subcommittee's 320(b) crosswalk allocation.

H.R. 3244 provides $10 billion in budget authority and $8.7 billion in outlays for the Department of Transportation, the Interstate Commerce Commission, and other transportation-related activities.

Taking into account outlays from prior-year budget authority and adjustments to conform mandatory programs to the budget resolution level, the bill is $0.5 billion below the subcommittee's 320(b) allocation for budget authority. However, the bill's outlay level is $0.1 billion above the 302(b) allocation as adopted by the Appropriations Committee.

Mr. President, the Senate is again confronted with an appropriation bill that exceeds its 320(b) outlay allocation. And, as I have said on many occasions, outlays are what determine deficits.

This outlay overage must be addressed, and if conforming amendments are not adopted, I will offer an amendment that would reduce budget authority and obligation limitations for the nondefense appropriated programs in this bill by 1.6 percent across-the-board to conform outlays for the bill to the subcommittee's 302(b) allocation.

I will oppose any major amendment adding appropriations to this bill and urge my colleagues to do the same.

Mr. President, I ask unanimous consent that a table showing the relationship of the reported bill to the congressional budget, the House-passed bill, and the President's budget request, and a summary of total appropriations action to date, be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TRANSPORTATION SPENDING TOTALS—SENATE-REPORTED BILL

[In billions of dollars]

	Fiscal year 1986—	
	Budget authority	Outlays
Outlays from prior-year budget authority and other actions completed		18.0
H.R. 3244, as reported in the Senate	10.0	8.7
Adjustment to conform mandatory programs to budget resolution assumptions	[1]+	[1]+
Subcommittee total	10.0	26.7
Senate subcommittee allocation:		
Subcommittee 302(b) allocation	10.5	26.6
House-passed level	10.8	27.2
President's request	7.9	26.0
Subcommittee total compared to:		
Subcommittee 302(b) allocation	−0.5	+0.1
House-passed level	−0.8	−0.5
President's request	+2.2	+0.7

Note.—Details may not add to totals due to rounding.

[1] Less than $50 million.

STATUS OF APPROPRIATION BILLS IN THE SENATE, OCT. 21, 1985

[In billions of dollars]

Subcommittee	Appropriations Committee's 302(b) allocation		Adjusted bill totals [1]		Bill compared to crosswalk		Bill status
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays	
Agriculture	28.2	25.2	28.2	25.2	[2]—	[2]—	Senate-passed.
Commerce-Justice	12.0	11.9	11.9	12.0	−0.1	+0.1	Senate-reported.
Defense	285.5	252.2					
District of Columbia	0.5	0.5	0.5	0.5	[2]+	[2]+	Senate-reported.
Energy-water	15.3	15.6	15.3	15.6	[2]—	[2]—	Conference.
Foreign operations	15.2	14.7					
HUD-independent	58.7	61.2	58.7	62.0	[2]+	+0.8	Senate-reported. [3]
Interior	8.2	8.9	8.2	9.3	[2]+	+0.4	Senate-reported.
Labor-HHS	108.0	115.3	108.0	115.3	[2]—	[2]—	Senate-reported.
Legislative branch	1.7	1.7	1.7	1.7	[2]—	[2]+	Senate-passed.
Military construction	9.0	7.6					
Transportation	10.5	26.6	10.0	26.7	−0.5	+0.1	Senate-reported.
Treasury-Postal	13.1	13.1	13.1	13.1	[2]—	[2]—	Senate-passed.

STATUS OF APPROPRIATION BILLS IN THE SENATE, OCT. 21, 1985—Continued

[In billions of dollars]

Subcommittee	Appropriations Committee's 302(b) allocation		Adjusted bill totals [1]		Bill compared to crosswalk		Bill status
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays	
Unasigned	1.2	−0.4			−1.2	+0.4	
Total, Appropriations Committee	567.1	554.1	255.8	281.5	−1.7	+1.8	

[1] In addition to the bill, includes outlays from budget authority enacted in prior years, possible later requirements, adjustments to conform mandatory items to the budget resolution level, and other adjustments.
[2] Less than $50 million.
[3] Scoring of the Senate-passed HUD-independent agencies bill has not been completed as of this time.
Source: Senate Budget Committee Staff.
Note.—Details may not add to totals due to rounding.

Mr. DOMENICI. Mr. President, it is really difficult for me to disagree with my good friend, Senator WEICKER, who has just spoken, but I think what we are doing is precisely what the Senate ought to do. I remember being in the Senate 10 years ago and we would get an appropriation bill on the floor and we would take 2 weeks. I off the top of my head can remember an appropriation bill where we had 30 votes up and down, people saying, "Add this, take from that, I want more of this."

That is precisely the problem. To get the idea that because we have a subcommittee's bill on the floor from appropriations, that they have done all the allocating for this country and we ought not to offer any amendments, because to offer amendments is some kind of balkanization, just does not wash. As a matter of fact, speaking of balkanizaton, the bill itself is better categorized as a conscious effort to balkanize, because who in the world believes this subcommittee bill? Does anybody believe that we are really going to cut FAA $300 million? That is what is in the reported bill. Does anybody really believe we are going to cut the Coast Guard operations account by $200 million? Nobody believes it. And that means that nobody believes this bill is going to stay like it is. Somehow there is a rumor around, "Vote for it, even though it cuts FAA $300 milion. Vote for it even though it cuts Goast Guard, with all the things it is supposed to do, $200 million." Now, that is not going to be the way the conference report will end up on these two accounts.

I would even risk asking the distinguished subcommittee chairman if he believes that is what is going to happen. He would probably tell the Senate, "Of course it is not going to happen. We are going to go to conference and put the money back."

Now, that is exactly what the distinguished Senator from Kansas does in her amendment; she restores FAA and Coast Guard funding, and instead reduces mass transit operating assistance 10 percent, and cuts across the board 6 percent. Now, that is pretty fair, unless people here really believe that the FAA is going to get cut $300 million and the Coast Guard $200 million.

I think it is an excellent approach. I think it is totally within the prerogatives of the U.S. Senate, and I compliment the Senator from Kansas for offering it.

I would like to address whether or not the budget resolution, in the dark of the night, brought to the U.S. Senate something that is totally void of credibility and this poor subcommittee has been absolutely disarmed from any capability to serve the national interest. Let me say this. It is very interesting that when the Senate produced a budget resolution, it had two numbers allocated to the full Appropriations Committee.

The amount allocated to the Senate Appropriations Committee were $554.1 billion in outlays and $567.1 billion in budget authority.

I repeat what I have said three times when the chairman of the subcommittee said, "In the dark of the night, they brought back a subcommittee charge that we could not live up to." In the dark of the night, we brought back a resolution that said when we are finished with all the appropriations bills, the full Appropriations Committee will not exceed $567.1 billion in budget authority and $554.1 billion in outlays.

I repeat: That is what Congress ordered the Senate and the House to do—nothing more, nothing less.

It is also interesting that the budget process charged this body and the House with going through an exercise called a budget resolution, to say "let us see if those numbers make sense"—those two numbers I read. In order to make sure they make sense, make some assumptions. Make some assumptions that you will cut this program. Add to another one. Once those assumptions are added up, the Appropriations Committee is on their own. Do whatever you like, but do not go more than these two numbers.

It is interesting. One of the assumptions was an undistributed reduction in the discretionary accounts of transportation. I am being told and the Senate is being told that, "in the dark of the night, you brought us back a budget resolution with an assumption in it that we cannot live with."

If the Appropriations Committee wants to say to the U.S. Senate that they adopted all the budget resolution assumptions in every bill and could not fit within their allocation, then they have a legitimate complaint. But the truth of the matter is that the Appropriations Committee should not be bound by the assumptions in the budget resolution. The truth of the matter is that they have not been bound by the assumptions. The truth of the matter is that in much of each bill they have made their own recommendations. And many of their funding recommendations are higher than the assumptions in the budget resolution. Their assumptions will become law. The Budget Committee's assumptions are nothing but guidelines.

The Congress has said to take all of the budget assumptions and say that together they are reasonable, the Appropriations Committee is free to choose not to use these assumptions. You cannot use this one bill, where we assumed an undistributed reduction in transportation funding and say, "Where is the truth in budgeting?"

In another bill, the Interior Appropriation bill, the subcommittee chooses to add $750 million for a new program that does not yet exist, that is assumed by no one. Where do we give credit for that in the budget resolution? That happens to be a factual example. There is a $750 million unauthorized research program in the Interior bill that was not assumed in the budget resolution. In the budget resolution you voted on, it was not assumed; in the budget resolution that came here in the dark of the night.

I am not arguing that that program is good or bad. If you want to take all, the assumptions in the budget resolution, you have abandoned your appropriations role and yielded to the guidelines of the budget process. I have never asked anyone to do that, nor has the Senate. But you do not like some of the assumption because they happen to be onerous, when you have exceeded other assumptions. Do not claim it is not truth in budgeting or that the budget resolution was brought back in the dark of the night.

You cannot claim that somebody gave you some mandate you cannot live by because you are picking and choosing which assumptions you want to follow. That is your privilege. It is the privilege of the Appropriations Committee.

In this case, the Appropriations Committee did something very interesting. They chose the Senate's numbers. They chose the budget resolution assumptions for outlays for this subcommittee. Appropriations made this choice, not the Senate, and not the conference report on the budget.

They said to the Transportation Subcommittee, "You live within it." They could have given this subcommittee more and taken away from other subcommittees, if they chose. They did not choose. That is the truth in budgeting. Now the Transportation Subcommittee has to live with a very difficult limit imposed by the full Appropriations Committee.

I think the Senator from Kansas has a much better approach to living within the subcommittee's allocation. I believe her approach is fair and represents truth in budgeting. Who in the world believes that an appropriations bill with a $300 million cut in FAA and a $200 million cut in Coast Guard operations is truly what anyone thinks is going to happen?

Mr. LEVIN. Mr. President, I will vote to table the amendment of the Senator from Kansas, even though I support her effort to restore funding for the Coast Guard and for the Federal Aviation Administration. Under Senator KASSEBAUM'S amendment, funding for the Coast Guard and the FAA would still be reduced drastically. Because the amendment calls for a $100 million cut in Coast Guard funding, I am concerned that funding for essential search and rescue operations on the Great Lakes will still be cut. At the same time, under the Kassebaum amendment, funding for highway programs, Amtrak, and mass transit operating assistance, among other important transportation programs, will also be reduced.

The chairman of the Subcommittee on Transportation Appropriations has assured me that my concerns relative to the Great Lakes Coast Guard stations will be considered in the conference. The House DOT appropriations bill provides sufficient funds to keep all the Great Lakes Coast Guard stations open. The chairman of the Senate Subcommittee on Transportation Appropriations, Senator ANDREWS, has stated that he will have more flexibility in conference to restore cuts in the FAA and the Coast Guard if the Kassebaum amendment is defeated. Senator ANDREWS has also assured me in a colloquy that he will keep my concerns relative to the Coast Guard stations in mind in the conference on the DOT appropriations bill. With that assurance and because there is no assurance that Senator KASSEBAUM's amendment would provide adequate funds to keep the Great Lakes stations open, I will vote to table the Kassebaum amendment.

Mr. D'AMATO. Mr. President, I rise to offer my comments on the amendment proposed by my distinguished colleague Senator KASSEBAUM. Their amendment would add back funds that were deleted by the full Appropriations Committee from the Coast Guard and Federal Aviation Administration [FAA] programs and make further, deeper cuts in mass transit assistance, Amtrak, and other programs.

I have long been a supporter of a strong Coast Guard and a tough drug interdiction program. The inflow of drugs into the United States from foreign countries must be stopped and the Coast Guard is a vital force in that effort. In addition, given the astounding number of fatal airline crashes this year. I do not believe anyone would argue against the need to take decisive action to improve and safeguard this Nation's air traffic control system. The Secretary of Transportation has often stated her commitment to the safety of all our Nation's transportation systems, and I know that the FAA is one of her top priorities.

Having stated my firm commitment to both of these programs. I regret that I must now express my opposition to this amendment. Chairman ANDREWS has striven to put together a transportation funding bill that responsibly meets the Nation's transportation funding needs. In accomplishing this difficult task, he has crafted a bill that provides sufficient levels of funding for many different programs, while making meaningful cuts wherever possible. I commend Chairman ANDREWS for his excellent work on this bill. It is my position that the reasoned funding cuts in this bill should not now be reworked to strengthen particular programs at the cost of devastating cuts to others.

This amendment would add millions to the cost of this bill, but offsets these additions by targeted cuts in Federal aid for mass transit and Amtrak—which have already been cut about 15 percent and 10 percent respectively by the Appropriations Committee. On top of these cuts, the amendment calls for an across-the-board cut of about 6 percent in all transportation programs. I believe that this is simply unfair.

Transit operating assistance has already taken its cuts. If other federally aided programs had taken the 20 percent, 10 percent, 5 percent type of cuts that transit operating assistance took in the Surface Transportation Assistance Act of 1982, we wouldn't have such a severe deficit problem. This amendment would cut operating assistance by a total of 15 percent. Federal operating assistance has not grown like other programs. It was capped at $875 million, with no adjustment for inflation. Transit must not be made the scapegoat for other programs that have failed to hold the line in fighting the deficit.

Federal operating assistance covers only about 3 percent of the NYC Transit Authority's operating costs. However, smaller rural areas depend on this aid for over 40 percent of their costs. Cutbacks in Federal operating assistance will cause drastic service reductions or eliminations in rural areas. In these smaller areas, basic transit service is essential to meet the mobility needs of the transportation disadvantaged.

The Federal commitment to transit is over 20 years old. We have invested billions of Federal dollars in transit infrastructure. As a result of that commitment, millions of people each day are able to travel to work and to school by an affordable means of transportation.

Transit is not a middle-class subsidy as the administration has claimed. In September 1984, the Department of Transportation submitted a report to Congress which contradicts the argument that transit primarily assists the comfortable in our society. DOT's report, "Status of the Nation's Local Public Transportation—Conditions and Performance," revealed that 71 percent of all transit riders have incomes under $20,000 per year and 40 percent have incomes under $10,000 per year. Most of the 28 million daily transit trips in America are taken by lower income people to and from work.

APTA's studies show that 28 percent of all transit riders are under the age of 16 or over age 65. Riders over the age of 65 comprise 16 percent of all riders. These groups have limited access to automobiles or a diminishing ability to drive. How will they travel without viable mass transit systems? How will our handicapped citizens replace the vital accessible transportation services provided by many transit systems?

If, in the effort to reduce the deficit, we must control spending on transit, then I believe that the best approach is the one already adopted by the full Appropriations Committee which provided for a 15-percent reduction in transit formula grants and a 9.9-percent cut in Amtrak. Further cuts in operating assistance are not prudent. Further cuts in Amtrak, which has been cut from its fiscal year 1985 level of $684 million to $616, are not warranted. This proposal would cut Amtrak by about 16 percent from fiscal year 1985. I do not believe such funding is sufficient for our Nation's passenger rail system.

Cutbacks in the section 3 discretionary grant—gas tax—program are simply not justified. Section 3 is a

user-fee-funded program and the taxpayers should benefit from their contributions to this program.

Mr. President, I urge my colleagues to defeat this amendment. Thank you, Mr. President.

Mr. RIEGLE. Mr. President, I voted to table the Kassebaum amendment. The subcommittee bill was modified in the full committee resulting in a $500 million reduction in just two accounts: the Coast Guard and the Federal Aviation Administration. Neither agency could absorb reductions of the magnitude suggested in the committee bill and still meet all of its statutory obligations.

I am most concerned about the $200 million reduction in the Coast Guard, given its importance to the Great Lakes, and to my State in particular. Earlier this year, the administration proposed the downgrading or elimination of 13 Coast Guard Stations on the Great Lakes. Due to the combined efforts of all of the Great Lakes Senators, we were able to defeat that proposal and preserve intact Coast Guard operations on the Great Lakes.

If the Senate had apporoved the Kassebaum amendment, the Chairman of the Transportation Appropriations Subcommittee would have been unable to distribute the mandated reductions in any fashion other than that described in the amendment. These reductions would have occurred in the Coast Guard, the FAA, Amtrak, and mass transit, all accounts that have been significantly reduced in the subcommittee process. In addition, there would have been no way for the operations on the Great Lakes to have been preserved.

By maintaining maximum flexibility for the Appropriations Subcommittee, I believe that we have a much better opportunity to limit the impact of reductions on Coast Guard operations, while distributing the necessary spending reductions in a fashion that the chairman and subcommitte feel are more appropriate and which will enable all of the DOT programs to meet their statutory objectives. In addition, I have received assurances from the chairman in a colloquy that our specific concerns with respect to the Great Lakes will be represented in the conference with the House.

Mr. BYRD. Mr. President, I rise in opposition to the amendment to reduce mass transit operating assistance by approximately $870 million.

With the advent of bus deregulation, many bus companies discontinued their routes and left communities, especially in rural States like mine, without any form of public transportation. Because bus companies such as Greyhound and Trailways have discontinued routes, communities, with the assistance of mass transit funding, have formed transit companies to fill that gap.

Let us just look at my State of West Virginia. There are 12 transit systems in West Virginia. Six of the communities affected (Charleston, Huntington, Clarksburg, Parkersburg, and Wheeling) have voted excess property tax levies to subsidize their transit systems.

The State's transit systems provide 6 million rides per year; 65 percent of the rides are by people totally dependent on public transportation and 45 percent of those riding use public transportation for travel to and from work.

The loss of operating assistance will jeopardize not only those transit systems in my State, but those in other States as well. I oppose this amendment and urge my colleagues to do likewise.

The PRESIDING OFFICER. Is there further discussion?

Mr. SYMMS. Mr. President, I ask for the yeas and nays on the pending amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is not a sufficient second.

Mr. SYMMS. Mr. President, I again ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ANDREWS. Mr. President, let me revisit this Budget Committee crosswalk.

We are not complaining. We are not coming to the floor griping or bellyaching or anything else. We are coming to the floor of the Senate stating the facts as we know them.

The Senator from New Mexico knows full well that in their budget resolution crosswalk, we were asked to find $800 million in unspecified savings.

It is absolutely true, as the Senator from New Mexico has said, that the Appropriations Committee, when they realized the error of the Budget Committee's ways in transportation, could have transferred funds from the Defense Subcommittee to our subcommittee. But the Defense Subcommittee had problems. They could have taken it from Labor-HHS and transferred it over, and we would have been whole, but Labor-HHS would have problems. They might have found it someplace else.

What the Senator says is true, but in a sense it does not answer the question we have stated time and time again: What do you do when you have a transportation bill totaling $10 billion and you are saddled with having to find $800 million someplace else?

In defense of the subcommittee, both sides of the aisle were conscientious. We were told in the budget conference report that Amtrak should be cut 15 percent. Now budget authority is cut about 15 percent. We were told that transit should be cut 15 percent, and it is. The transit capital program is frozen. Highway spending as a matter of fact, and as the Senator from Idaho pointed out, has been cut $500 million below the resolution assumptions.

What we are finding now in trying to get to this $800 million worth of unspecified cuts, as the amendment of the Senator from Kansas points out, is that we need an additional cut of almost $1 billion from our Federal Highway Program, and that is not right, either.

The Appropriations Committee, when you look at recent history, has had across-the-board cuts on appropriations bills of HUD, 1.1 percent; Treasury, 2 percent; a 4-percent cut was proposed in Agriculture and was defeated. Labor-HHS was proposed for an across-the-board cut at 6 percent, and that was defeated.

Mr. President what they are proposing in this mishmash of amendments right now is, in essence, to put a 7.9-percent cut across the board on this subcommittee's bill, and that does not make any sense at all. It does not make any sense in the legislative process. It would deeply cut transit and Amtrak and a whole host of programs. It would gut the Federal Highway Building Program, cutting almost $2 billion below the authorized level.

For those reasons, Mr. President, I move to table the amendment of the Senator from Kansas, and I ask for the yeas and nays.

The PRESIDING OFFICER (Mr. QUAYLE). Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from North Dakota to lay on the table the underlying first-degree amendment of the Senator from Kansas.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Missouri [Mr. DANFORTH] is necessarily absent.

Mr. CRANSTON. I announce that the Senator from Missouri [Mr. EAGLETON] and the Senator from Hawaii [Mr. INOUYE] are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 59, nays 38, as follows:

[Rollcall Vote No. 246 Leg.]

YEAS—59

Abdnor	Bradley	Cohen
Andrews	Bumpers	Cranston
Baucus	Burdick	D'Amato
Biden	Byrd	DeConcini
Bingaman	Chafee	Dixon
Boren	Cochran	Dodd

Durenberger	Leahy	Rudman
Exon	Levin	Sasser
Glenn	Mathias	Simon
Gore	Mattingly	Specter
Grassley	McClure	Stafford
Harkin	Melcher	Stennis
Hart	Metzenbaum	Symms
Hatfield	Moynihan	Trible
Heinz	Pell	Wallop
Hollings	Pressler	Warner
Kasten	Pryor	Weicker
Kennedy	Riegle	Wilson
Kerry	Rockefeller	Zorinsky
Lautenberg	Roth	

NAYS—38

Armstrong	Gramm	McConnell
Bentsen	Hatch	Mitchell
Boschwitz	Hawkins	Murkowski
Chiles	Hecht	Nickles
Denton	Heflin	Nunn
Dole	Helms	Packwood
Domenici	Humphrey	Proxmire
East	Johnston	Quayle
Evans	Kassebaum	Sarbanes
Ford	Laxalt	Simpson
Garn	Long	Stevens
Goldwater	Lugar	Thurmond
Gorton	Matsunaga	

NOT VOTING—3

Danforth	Eagleton	Inouye

So the motion to lay on the table Amendment No. 852 was agreed to.

Mr. ANDREWS. Mr. President, I move to reconsider the vote by which the motion to table was agreed to.

Mr. WEICKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico was recognized.

AMENDMENT NO. 854

Mr. DOMENICI. Mr. President, I send an unprinted amendment to the desk on behalf of myself and Senator CHILES and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for himself and Mr. CHILES, proposes an amendment numbered 854.

Mr. DOMENICI. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, add the following new section:

"SEC. . Notwithstanding any other provision of this bill and except as otherwise provided in this section, each."

Mr. DOMENICI. Mr. President, I send a second-degree amendment to the desk and ask for its immediate consideration.

Mr. BYRD. Mr. President, sending a second-degree amendment on the part of the same offeror is not in accordance with the rules.

The PRESIDING OFFICER. The minority leader is correct.

Mr. DOMENICI. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call to roll.

Mr. CHILES. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 855

Mr. CHILES. Mr. President, I send a modification, a second-degree amendment, to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Florida [Mr. Chiles] proposes an amendment numbered 855.

Mr. CHILES. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the amendment, add the following: "dollar amount contained in this Act which is provided for non-defense discretionary programs and activities is hereby reduced 1.6 per centum; provided that this section shall not apply to the amounts on page 36, line 7, and page 37, line 10; provided further that notwithstanding any other provision of law, the amount available for transit operating assistance, contained in this bill, in fiscal year 1986 shall not exceed $856,000,000."

Mr. CHILES. Mr. President, this will simply bring the bill now within the crosswalk. I urge its favorable adoption.

Mr. ANDREWS. Mr. President, we understand that the Domenici-Chiles amendment cuts 1.6 percent. I have not seen it. We are in the process of looking at it now. It does have, I'm told, certain exceptions. We have no objection to this. We can accept it. We will take it to conference. Hopefully, we can go to final passage of the bill. This is certainly less objectionable than the 7- or 8-percent cut.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Florida [Mr. CHILES].

The amendment (No. 855) was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. McCLURE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Is there further debate on the amendment, as amended? If not, the question is on agreeing to the amendment, as amended, of the Senator from New Mexico [Mr. DOMENICI].

The amendment (No. 854) was agreed to.

Mr. ANDREWS. Mr. President, I know of no further amendments.

● Mr. STAFFORD. Mr. President, the Department of Transportation and related agencies appropriations bill for fiscal year 1986 contains a provision which concerns me. Section 325 of H.R. 3244 permits the State of New York to use interstate construction funds for interstate highway and transit substitute projects in New York City.

According to the 1985 interstate cost estimates, $15.2 billion in Federal funds will be required to complete the Interstate System and $4.9 billion is needed to complete all interstate substitute projects. Under current law, the final year of interstate construction funds becomes available to the States in 1990. Our goal has been to complete the Interstate System by 1990. It is already apparent that the sums already authorized through 1990 will not be sufficient to complete the Interstate System.

Highway needs across the country continue to grow, particularly for interstate reconstruction, the primary system, and bridge repair and replacement. At the same time that needs are growing, the Treasury Department has revised downward its estimate of receipts into the Highway Trust Fund by $600 million per year. With these revenue projections, authorizations for the Highway Program will have to be reduced substantially in the Highway Program will have to be reduced substantially in fiscal year 1987 and beyond. According to preliminary estimates by the Congressional Budget Office, the Highway Trust Fund could only support $13.8 to $14.0 billion per year in new authorizations under the Treasury Department assumptions. After 1990 this may be as low as $10 to $12 billion per year in new authorizations. This compares to the $15.3 billion authorized for the Highway Program in fiscal year 1986.

The Highway Program is not permitted to deficit spend. It must be contained within the revenues from highway user fees coming into the Highway Trust Fund. If authorizations exceed revenues, the so-called Byrd amendment is triggered and apportionments to the States are automatically reduced. After the hard fought battle to increase the gas tax in 1982, I believe that an increase in highway user fees is very unlikely for quite some time.

It is correct that section 325 will not increase budget authority or reduce any State's apportionment in fiscal year 1986. However, it will likely reduce interstate construction funds normally redistributed to other States

to expedite completion of the Interstate System. In the Surface Transportation Assistance Act of 1978 Congress agreed that completion of the Interstate System was a high Federal priority and in order to expedite completion directed that interstate construction funds be available for 2 years rather than 4. Any interstate construction funds which are lapsed are redistributed to those States which have interstate construction projects ready to go. That policy has worked well over the last 7 years in contributing to completion of the system.

My second concern is that section 325 moves 1 State ahead of 19 other States and the District of Columbia who have been waiting in line, some of them for over 10 years, for interstate substitute funds. I cannot guarantee, or bind any other Congress to guarantee, that sufficient interstate construction or interstate substitute funds will eventually be made available to buy out each State's entitlement. I believe it is unfair to penalize those States who have patiently waited by allowing other States to move ahead of them when there is no guarantee that those States who have waited will receive all their funds. As I stated, because this program is bound to the receipts collected from highway user fees, there is a fixed amount of money available which must be divided among the various highway programs. Because the existing needs far exceed existing revenues, some needs will not be met with Federal dollars.

New York's decision to withdraw Westway was made and approved just hours before the September 30, 1985, deadline. The interstate cost estimates had already been approved by Congress so that funds could be apportioned to the States on October 1. I understand that because of these circumstances New York may be placed in a difficult position. I do not intend to move to strike section 325 because it is my view that such a motion will not be successful. However, I want the record to show that I believe the proper place for review of this issue and its effect on the Highway Program and on other States is within the jurisdiction of the Environment and Public Works Committee.

Mr. President, I have had a long standing concern over big trucks and I have voiced that concern many times on the Senate floor in the past. There are two provisions in H.R. 3244 regarding big trucks and once again I want to register my opposition to the possibility of even heavier and longer trucks using the highway system.

I am convinced that the heaviest trucks cause considerably more damage and wear and tear on highways and bridges than other vehicles. As chairman of the Environment and Public Works Committee the needs of the Highway Program in each State across this country are frequently brought to my attention. At the same time, it is very clear to me that sufficient Federal resources are not available to meet all the existing needs. The Treasury Department recently issued revised projections on trust fund income and these projections show a significant downward trend in revenues coming into the trust fund.

The Surface Transportation Assistance Act of 1982 mandated the States to allow larger trucks. There are portions of the Interstate System which were built many years ago and were not designed to accommodate even the vehicles permitted under the STAA of 1982. There are segments which do not have 12-foot lanes and there are interchanges which have configurations that cannot accommodate the larger vehicles. The cost of bringing interstate and primary routes to the point of safely carrying the size of trucks on the road today is substantial. Current revenues will not cover that cost and the trucking industry is not willing to pay additional user fees.

The trucking industry may argue that they are requesting the ability to use larger equipment only in the wide-open Western States where the roads have plenty of room for big trucks. I agree that the Western States can, in most cases, accommodate larger vehicles. However, I have found through my long association with highway issues that once trucks are successful in getting bigger in the West, the productivity argument is made and the bigger trucks start moving east toward Vermont and the other Eastern States which are considerably more congested and have older highway systems.

I am also concerned about truck safety. The General Accounting Office has recently issued a study on "Stronger Enforcement Would Help Improve Motor Carrier Safety," which outlines some of the problem. The Bureau of Motor Carrier Safety has approximately 130 field investigators. I have seen statistics showing that there are over 210,000 trucking companies operating over a million trucks. Obviously the Bureau does not have the resources to monitor truck safety compliance.

I realize the trucking industry has had some economic hard times. There is a temptation to cut corners on maintenance and safety during those times. Our first responsibility, however, is the safety of the motoring public. Many different kinds of hazardous materials are now hauled by trucks. An accident involving these materials can have tragic consequences. We need only look in our backyard at the Washington Beltway to realize the impact of truck accidents and the potential for such accidents in heavily populated and traveled areas.

The Federal-Aid Highway Program must be reauthorized next year. I believe this is the appropriate place for the committees of jurisdiction, the Commerce, Science, and Transportation Committee and the Environment and Public Works Committee to review truck size and weight.

● Mr. BURDICK. Mr. President, during full committee markup on the fiscal year 1986 DOT appropriations bill, I raised an objection to an amendment successfully offered by Senator D'AMATO. Section 325, provides New York City with $150 million upfront against the $1.75 billion Federal commitment created by turning in the Westway Highway project. It is my opinion that this matter should be handled by the Senate Public Works Committee rather through the appropriations process.

As ranking minority member of the Transportation Subcommittee I am concerned about fairness. According to the 1985 interstate cost estimates, $15.2 billion in Federal funds will be required to complete the Interstate System and $4.9 billion is needed to complete the interstate substitute projects.

Congress in past highway programs has encouraged States to complete their portion of interstate as soon as time permits in order to meet the national goal of a 1990 completion date. In 1978, for example, interstate funds were provided to States for 2 years rather than 4. Funds not utilized by a State during those 2 years would lapse and be redistributed by the Federal Highway Administration.

Under the congressionally approved 1985 interstate cost estimate, New York's apportionment contained funds for the Westway project. However, just hours prior to the September 30 deadline, New York decided to drop Westway in favor of the Interstate Substitute Highway Program. As a result, the State of New York would not be able to spend approximately $150 million of its interstate funds. Under the appropriations langauge, New York City would be entitled to receive these funds and apply it toward its share of interstate substitute highway funds due at a later date under the separate program. As a result, New York would be allowed to step ahead of other States who could have taken advantage of lapsed interstate funds and who have waited for as much as 10 years for their interstate substitute funds.

The Federal Government has a commitment to ensure fairness to other States. While I recognize the problem created for New York City by the sudden turnback, I do not support this section because it provides an unfair advantage.

It is my intent to raise this concern with the Public Works Committee during its deliberations on reauthorizing the Highway Program. Congress

must focus on the Federal commitments made under the Substitute Interstate Highway Program in order to guarantee States that a fair process will be maintained for the competition of limited highway dollars.●

● Mr. BENTSEN. Mr. President, section 325 of the Department of Transportation and related agencies appropriations bill contains a provision that permits New York City to retain whatever interstate construction funds New York State does not obligate in fiscal year 1986. It is estimated that $150 million is involved in this proposal.

There are two inequities created by this section. First, these are funds that normally would be placed in the interstate construction discretionary fund to be redistributed to States that are ready and waiting with interstate construction projects. Thus, New York not only withdraws its own interstate segment, it also prevents other States from building theirs. Second, under normal procedures States withdrawing interstate segments then compete with other States for interstate substitution funds. There are some 19 States competing for these funds; some have waited for more than 10 years. Section 325 places New York in a unique and unwarranted position. It neither competes nor waits. This is simply not fair. All the other States, States that played by the rules, will now wonder why and may now seek their own special provisions.

I don't believe that this provision was included in the bill with the intention of penalizing any of these States. More than likely, those who added this provision did not even realize that other States would be adversely affected. So much work goes into drafting a bill that it is not always possible to know in detail the impact of every provision.

But this is why Congress established the committee system and divided up our work among various committees. In the case of the Environment and Public Works Committee, our share of the work—our jurisdiction—includes authorization of the Highway Program.

Projects under the Federal-Aid Highway Program operate under contract authority, unlike programs that rely on an appropriations act to provide budget authority. This important and effective authority was established by Congress to give our States advance notice of the amount of money that will be available in the future. This allows our States time to undertake the long-term advance planning so necessary for large-scale highway projects. It's an orderly process, and it works.

To control spending, Congress also mandated that the Highway Program must be financed only from the Highway Trust Fund. The Highway Program cannot obtain general revenue funds and it cannot engage in deficit spending. It must operate within the confines of a fixed amount of money. Therefore, when a provision such as section 325 is enacted, taking $150 million from the trust fund and making it available to one State under unusual conditions, that money comes out of the pockets of other States, and deserving projects are unfairly penalized.

Mr. President, the questions of whether these projects should be affected, and how funds should be divided under the contract authority of the Highway Program, are issues that clearly fall under the jurisdiction of the Environment and Public Works Committee. These are not matters to be decided in appropriations legislation because this is not appropriated money. But the key issue here is that by interfering with contract authority, the long-term planning and programming process of our States is disrupted, we would introduce the uncertainty that is inherent in the annual appropriations process, and we jeopardize the entire Highway Program by placing one State in a unique position without the benefit of a normal legislative process to determine whether such treatment is justified and fair.

We should not risk jeopardizing a workable and highly successful Highway Program which has served us well. Therefore, I am joining with Senator STAFFORD in stating for the record that the proper place for section 325 to be reviewed and considered is before the Environment and Public Works Committee.●

● Mr. MOYNIHAN. Mr. President, I rise today to offer a few remarks about a provision of the Transportation and related agencies appropriation bill, one I support wholeheartedly, regarding the so called Westway trade-in.

This provision will enable the State of New York to use funds already apportioned to our State from the Highway Trust Fund for this fiscal year for substitute projects and interstate completion projects within the State. As we all know, the interstate cost estimate allocated $323 million for New York from the Highway Trust Fund. A large portion of this was to be used for the Westway Interstate Highway. After more than 12 years of design plans, environmental impact studies, and court battles, on September 30 Secretary of Transportation Elizabeth Dole signed at the behest of Governor Cuomo and Mayor Koch, papers approving the trade-in of Westway for a less ambitious highway and mass transit projects. I was present at the approval ceremony, witnessing the end of a great project which could have been for New York City in the 20th century what Central Park was for the city in the 19th century.

Westway was to be an expensive project—but it would have incorporated the best of what we know about how to build a highway. Westway would have offered better driving and safety on city streets, better air quality above the streets, and 93 acres of new parkland along the Hudson River. Here was a chance for New Yorkers to reclaim a once beautiful waterfront lost to the steamboat, the railroads, and the highways.

It has taken decades of practice for interstate highway planners to learn how new highways can best be integrated with the design of our cities. They need not bisect neighborhoods and carve up commercial districts; they can enhance both. After 30 years experience, it is ironic that one of our last segments of interstate—one with a truly sensitive design; indeed, a design of genius—was singled out for defeat.

Past mistakes continue to haunt us, and mistrust of highway plans and planners helped to spur protracted litigation over Westway. The Army Corps of Engineers spend more than $1.25 million just to process Westway applications. This, on top of the $233 million spent by the State of New York for environmental studies, engineering work, and other costs. The Army Corps of Engineers was unable to convince a trial judge that the highway's landfill would have no significant impact on the striped bass living under waterfront piers. The Federal Court of Appeals for the Second Circuit ruled, however, that there was nothing—I repeat—no grounds to prevent the corps from issuing the necessary permits for Westway. But by then, time had run out for the project, and the Governor and mayor decided wisely to ensure New York's fair share of transportation funds, and to trade-in the Westway authorization.

The provision in the appropriations legislation before us will not affect budget reconciliation, nor will it increase the total amounts of trade-in funds available to New York. It merely assures that New York can go to work on Westway substitutes and interstate completion, using funds already set aside for the State. This is only fair.

I support this provision, and ask my colleagues do the same.●

● Mr. SYMMS. Mr. President, I share the concerns of the chairman of the Committee on Environment and Public Works regarding section 325 of H.R. 3244, the Department of Transportation and Related Agencies Appropriation bill for fiscal 1986.

I understand the very serious transportation issues that the State of New York and the city of New York have faced over a period of many years. I do believe that in the final analysis, the decision to withdraw the Westway highway project was correct, not only for New York but for the remaining 49 States which also must meet their critical transportation needs.

I would like to reiterate the importance of focusing the available Federal-Aid Highway Program dollars on a transportation network that meets national needs. As construction costs and needs continue to escalate, I believe we must target our resources carefully. I also believe that States which have patiently waited their turn in the Interstate Transfer Program are justifiably concerned about the effect of the Westway trade-in on their ability to fund their own substitute projects.

As chairman of the Transportation Subcommittee, I know that the Federal-Aid Highway Program is an extremely complicated and delicately balanced program. I concur with the views of the chairman of our committee, Senator STAFFORD, that the appropriate place for consideration of these important issues is the authorizing committee.●

● Mr. BRADLEY. Mr. President, I would like to take this opportunity to call my colleagues' attention to language included in the committee report (99-152) to H.R. 3244.

Under the provisions for the Northeast Corridor Improvement Program [NECIP], the committee provided that funds made available for the Atlantic City rail line rehabilitation project would remain available until expended. I applaud the members of the committee for their continued support of this project.

The Atlantic City rail line project was authorized by the Rail Safety and Service Improvement Act (Public Law 468) in 1983. The original operating plan for the rail line, submitted by the New Jersey Department of Transportation, called for a high-speed express train with limited commuter service between Atlantic City and Philadelphia. I did not believe that the plan, as submitted, addressed the best interests of the residents of southern New Jersey. Other members of the New Jersey congressional delegation shared my view. After discussions with members of the Appropriations Committee, it was agreed that the funds spent under the Department of Transportation authorization bill would be used to develop a commuter line rather than a high-speed express line.

Since 1983, the administration has, in one way or another, made it known that it opposed the funding for the rail line. Its 1986 budget recommended that funding be deferred, but, as you know the 1985 Supplemental Conference Report disapproved of any deferral. I commend the members of the committee, and especially my colleague from New Jersey for their efforts to ensure that these funds would be made available.

After endless administrative delays, a light has appeared at the end of the tunnel. The committee report to H.R. 3244 acknowledges that final documentation relating to the non-Federal funding portion of the project has been received by the Department of Transportation, and it urges the Secretary of Transportation to certify this financing plan as soon as possible.

Congressional support for this project ensures that a balanced transportation system will be created for the millions of people living in the southern New Jersey/Philadelphia metropolitan area. This system will tie into the remaining Northeast rail corridor, ease the severely congested traffic conditions at the New Jersey shore, and provide greater commuter access to the residents of southern New Jersey.●

CARBONDALE RAIL RELOCATION PROJECT

● Mr. SIMON. Will the distinguished Senator yield so that the Senior Senator from Florida and I may engage in a colloquy?

Is it my distinguished colleague's understanding that the committee bill does not include continued funding for the railroad highway crossings demonstration project in Carbondale, IL, for fiscal year 1985?

● Mr. CHILES. The distinguished Senator from Illinois is correct. The committee did not find it possible to include funding for any of the projects authorized under the Railroad/Highway Crossings Demonstration Program. At an earlier time we had hoped to be able to include this funding, but I know the Senator from Illinois is aware of the budget constraints that compelled us to delete or scale back many worthy programs in this year's bill. I understand the longstanding concern that you and our distinguished colleague Senator DIXON have had in this matter over the years, and the committee is also well aware of the leading role you have played as author of the current authorizing statute for this program.

● Mr. SIMON. I thank the Senator from Florida. The Carbondale rail relocation project is a partnership that includes the city, the State of Illinois, Southern Illinois University and Illinois Central Gulf Railroad. It has long been recognized as one of the best-managed of these projects. It is an innovative effort that will have direct application to similar railroad-highway conflicts in cities and towns across the Nation. This work is also a vital element in the economic progress of this area of southern Illinois. So the Senator is correct: We are concerned that the committee's bill suggests a break in the work schedule for this project. This issue will be a matter to be decided when the Senate goes to conference on this bill with the other body. On behalf of my colleague ALAN DIXON and myself, we strongly urge that the gentleman from Florida and the chairman of the subcommittee do all that is possible, as these differences between the two bills are resolved, to accommodate the follow-on funding requirements of the Carbondale project.

● Mr. DIXON. Mr. President, I want to join my warm friend and colleague from Illinois, Senator SIMON, in expressing my strong support for the Carbondale project. It is a well-designed, cost-effective effort to reduce railroad-highway conflicts in that community. It is also a vitally important element of Carbondale's economic development plans. I understand the problems facing my colleagues on the Appropriations Committee, and I know they understand the need for this project, since they have been so helpful in providing funding in prior years. I urge the chairman and ranking member of the Transportation Subcommittee, Senator ANDREWS and Senator CHILES, to take another look at this project during the upcoming conference on the DOT bill, and I hope they will be able to find a way to accommodate this interest in the conference version of the bill.

● Mr. CHILES. I appreciate the concern that the distinguished junior and senior Senators from Illinois have in this matter, and it is correct that this will be a matter for the conference. As the Senator from Illinois knows from the debate today, this bill is still over the budget resolution even after the committee cut the bill over $1.5 billion from last year. In the past, I have supported rail-highway projects similar to the Carbondale project. I know they are useful projects of great importance to local communities. Within the constraints of our budget problems, I hope we can accommodate the Carbondale project.

● Mr. SIMON. I thank the distinguished Senator from Florida.●

Mr. MATHIAS. Mr. President, the Senate Transportation Appropriations Subcommittee reduced the administration budget request for the Washington Metropolitan Area Rapid Rail System by 25 percent—from $250 to $187.5 million. This is much greater than the budget reductions recommended for other transit programs around the country. I am well aware of the funding constraints placed on the subcommittee and the competing demands on the subcommittee for funding for many worthwhile programs. However, I am disturbed that Metro would be forced to bear a disproportionate share of the economic burden and am troubled about the potential consequences.

The three jurisdictions that comprise the Washington Metropolitan Area Rapid Transit Authority—Maryland, the District of Columbia, and Virginia—recently completed and signed a 4-year agreement—the Interim Contributions Agreement-4—which lays out a construction program for Metro. This document was developed

with guidance provided by the administration on annual funding levels. A reduction of funding by 25 percent would undermine this carefully crafted agreement by preventing the construction of some segments within the 89½ mile system approved by the administration.

Furthermore, a reduction of this magnitude leaves open the question whether Metro can sign a full-funding agreement with the Urban Mass Transit Administration. Such an agreement, which spells out the scope of the construction to be undertaken for the entire 89½ miles and associated costs, is required for Metro by the Federal Government before it commits to any further funding. I would like to point out that we are not talking about the completion of the entire 103 mile system, we are merely trying to ensure that the full 89½ miles approved by the administration are completed in a timely and cost-effective manner.

I do not think anyone can question the efficiency and effectiveness of Metro. It is, as many of my colleagues have witnessed, an exemplary model for other transit systems around the country. Its ridership is high and increasing, its operating costs are being held in check and its service reliability is among the best in the nation.

Mr. ANDREWS. Mr. President. As the distinguished Senator from Maryland is aware, I have had a longstanding involvement in the Washington Metro System and I know how successful the program has been to date. However, against the backdrop of the Federal deficit, the committee was faced with hard choices for very worthwhile programs. I understand the Senator's concern and believe he has made a compelling case in favor of continuing Metro funding at a higher level.

Mr. WARNER. Mr. President, I appreciate the comments of the chairman of the Transportation Appropriations Subcommittee. As the Senator from Maryland has stated, it is critical that an adequate construction funding level for the Washington area Metro rail be maintained.

Construction schedules and agreements, have been reached by the States of Virginia and Maryland, the District of Columbia, the Federal Government and the local jurisdictions served by Metro. These agreements have been based on an expected level of construction funds from the Federal Government which have been agreed to by the Federal Government. The States and localities have upheld their part of the Metro funding agreement. I am hopeful that the Federal Government can do likewise.

Mr. MATHIAS. As the distinguished chairman knows, the House approved $237½ million for Metro, $50 million above the Senate figure, which constitutes a 5-percent cut. Even with the 5-percent cut, Metro may be hard pressed to make ends meet. However, Metro's managers believe that they have some room to manuever, enabling them to keep the basic construction schedule intact, at the House approved level. But they indicate that they would find it difficult to make up the difference for any cut below that level.

I appreciate the support the subcommittee has given Metro over the years. In particular, the role it played in helping to obtain the removal of the 76-mile cap has been a key to the success of the overall effort. So, there is no doubt in my mind that the subcommittee chairman will continue to try to do everything he can to keep the construction schedule on track.

Mr. President, I appreciate the kind words of my colleague from Maryland. I will be carefully reviewing this as well as other worthwhile programs as we go into conference. Rest assured, I will do my best to meet the needs of this vital and healthy rapid system.

Mr. LEVIN. Mr. President, as the chairman knows, Senator RIEGLE and I joined other Great Lakes Senators in expressing our concern about the administration's plan to cut funding for search and rescue facilities on the Great Lakes in a letter we wrote to him and to Senator CHILES in July 1985. We were therefore greatly disturbed when we learned that although the subcommittee had recommended against cuts in funding for Coast Guard operations, the full committee voted to cut $200 million from Coast Guard operations in fiscal year 1986.

The Coast Guard has informed us that:

> A $200 million reduction in Coast Guard Operating Expenses (OE) account would cause a loss of over 6,000 personnel and consequent decommissioning, closing or reducing of over 200 units and activities in practically all the states and territories in which the Coast Guard has units.

Before the committee adopted the $200 million cut, the Subcommittee on Transportation Appropriations included language in its report which would have required operation of Great Lakes search and rescue facilities at the current level. We understand that this language will have no affect given the $200 million cut approved by the full committee. However, the House bill provides adequate funds for the continued operation of all Great Lakes stations that were proposed to be closed or downgraded.

Can the chairman of the Subcommittee on Transportation Appropriations assure us that our concerns relative to the importance of maintaining current funding for search and rescue facilities on the Great Lakes will be considered in the conference on the DOT appropriations bill?

Mr. ANDREWS. Yes; I can assure both of the Senators from Michigan that although the subcommittee was forced to accept these cuts, I will do everything I can to see that your concerns will be represented in the conference with the House.

Mr. ANDREWS. Mr. President, section 319 of this legislation authorizes the State of Wyoming to conduct a 2-year demonstration project on the use of heavier trucks on interstate highways within Wyoming.

Senator DANFORTH has expressed his concern that this project be a true demonstration project, limited in scope, and that the impacts of this demonstration project on highway safety and the condition of the highways be evaluated by the U.S. Department of Transportation.

I want to assure Senator DANFORTH that this is a 2-year demonstration project, limited to the State of Wyoming, and that I shall seek such an evaluation from the Department of Transportation.

SHAWNEE MUNICIPAL AIRPORT IMPROVEMENTS

Mr. NICKLES. Mr. President, the transportation appropriations measure before us today, H.R. 3244, contains language which recognizes the value of improvements at an important airfield in the State of Oklahoma, Shawnee Municipal Airport. The bill urges priority consideration be given to grant applications for airport improvements from Shawnee Municipal. The committee language is welcomed and appreciated but does not directly address the expansion requirements of Shawnee Municipal Airport.

During the last 3 years, the city of Shawnee has been involved in a master plan update and capital improvements program that would permit orderly development of the city's municipal airport. Shawnee is an important reliever airport for Will Rogers World Airport, located just 40 miles away. Shawnee Municipal currently has a completely reconstructed 4,200-foot by 100-foot runway. An 800-foot extension is needed to safely accommodate corporate jet aircraft using the airport.

Airport growth is constrained by roadways to the north and south. Various alternatives have been examined on how to address the airport's and community's needs in the most cost-effective manner. Moving the airport to another site altogether was considered. Relocating McArthur Street, which boundaries on the north, in the form of a sharp curve around the extended runway was considered. However, after extensive review and analysis, it was determined the best option is to build an overpass over McArthur Street in order to address the Airport's expansion demands.

Making the necessary improvements will require efforts from the Federal

Aviation Administration, the Federal Highway Administration, and the local community. My colleague, Senator BOREN, and I have been working with Federal, State, and local officials to upgrade the Shawnee Airport facilities. The House recognized the importance of this project when they transferred and earmarked $2,700,000 to carry out the project.

Despite our arguments to retain the House language, during subcommittee consideration, the project was deleted along with others. I feel it is important to explain the history of this project so conferees will have a better understanding of its importance to improved air service.

Mr. BOREN. Mr. President, along with Senator NICKLES, I urge the distinguished chairman from North Dakota, Senator ANDREWS, and other Senate conferees to give this project the consideration it deserves during conference.

Mr. ANDREWS. Mr. President, I welcome the background information offered by my colleagues from Oklahoma which clarifies the need for the Shawnee Municipal Airport project. It is important that we work to improve our Nation's air service capabilities. Often, it is difficult to ascertain the value of proposed projects without information such as that provided by my colleagues. With this in mind, I will discuss the project with the conference committee, realizing its importance to Oklahoma.

● Mr. LEAHY. Mr. President, I would like to express my appreciation to the Senate for today giving final approval to the Rural Transportation Equity Act of 1985, a measure which I introduced to strengthen our Nation's rural bus program and make it more efficient.

Hundreds of transportation systems in rural areas of the United States are facing a critical lack of funds due to a ruling issued by the Urban Mass Transportation Administration. In addition, doctors and social workers have been forced to drive patients and clients to and from hospitals, clinics, meal centers, and agencies because rural Americans can no longer rely on bus lines for rides, as a result of UMTA's decision.

On August 1, 1985, I introduced the Rural Transportation Equity Act, S. 1601, to reverse UMTA's decision, strengthen our Nation's rural transportation system, and permit doctors and social service workers in rural areas to spend their valuable time treating patients and clients and not driving them.

The section 18 Rural Bus Program is a partnership between the Federal and State and local governments to provide transportation services in nonurban areas. Fifty percent of the funds for section 18 bus lines are provided by the Federal Government, while State and local governments must generally match that contribution. State governments contribute 25 percent to the match; the other 25 percent comes from rural communities.

Realizing that many rural communities find it difficult or impossible to compete with urban areas for State transportation dollars, Congress in 1978 established guidelines under which rural governments could use some Federal moneys to fund the State/local half of a bus or van line. Senator STAFFORD and I sponsored the amendment which set up this formula.

The most common source of Federal funds upon which rural bus lines rely for the local match is contracts with social service agencies to transport clients.

A few brief examples of the kinds of services provided by section 18 bus lines, Mr. President, should bear out the need to restore the previous interpretation of the funding formula. In my own State of Vermont, David Palmer has run a most successful section 18 program in Bethel. The Stage Coach Line is a 15-vehicle operation which devotes the majority of its energy to transporting the elderly and infirm under contract from social service agencies. Elderly residents of eight towns near Bethel are picked up each day and driven to centers which provide low-cost meals and recreational activities. In addition, residents of the area may use the Stage Coach for transportation to mental health workshops and day care centers.

All around the country, section 18 bus programs provide these kind of services.

Section 18 bus lines are a vital link between health care, nutrition, social services and residents of the rural areas of this Nation. It was not too long ago that these important programs were only available in major metropolitan areas. Rural parts of this country were left out, for the most part.

In 1983, UMTA ruled that transportation contracts with social service agencies may no longer be counted as part of the State and local matching funds for section 18 bus lines.

UMTA determined that because social service agencies and nonprofit organizations may receive Federal moneys, any contract they may enter into with a section 18 bus line must be counted as having come from Federal matching funds.

This decision contradicts the funding formula which Congress established and has jeopardized not only the financial well-being of rural bus lines, but has also forced social service and health care agencies in rural areas to act as transportation providers.

In one town physicians are spending their precious time ferrying patients to and from the medical clinic, instead of treating the ill, because UMTA will not permit a section 18 rural bus line to provide transportation for the clinic.

S. 1601, which has been incorporated into the Transportation appropriations bill, would restore the original funding formula established by Congress and permit section 18 bus lines to transport the clients of social service agencies and organizations under contract. Rural bus lines would be restored to a sound financial footing and social service and health care agencies could return to providing services instead of rides.

The section 18 rural bus program has been extremely successful in providing rural Americans access to health care and social service programs. The section 18 bus program has helped make these programs available to all Americans, whether or not they live in cities, towns, or villages.

Mr. President, Americans living in rural areas are entitled to the same services and programs offered to other Americans. This is something we all agree upon. The Rural Transportation Equity Act would require UMTA to recognize that a consensus exists in this country in favor of the equitable treatment of rural America, and would enable section 18 bus lines to more readily provide citizens in rural areas with transportation to social service and health care programs.

Finally, Mr. President, in this age of a $2 trillion national debt, the Rural Transportation Equity Act will improve transportation in rural areas without spending a single new dollar. Instead, the finances of rural bus lines are strengthened by again permitting them to count contracts with social service agencies as part of their matching funds, as Congress originally intended.●

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

Mr. ANDREWS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question, the yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Missouri [Mr. DANFORTH] is necessarily absent.

Mr. CRANSTON. I announce that the Senator from Missouri [Mr. EAGLETON] and the Senator from Hawaii [Mr. INOUYE] are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who wish to vote?

So the result was announced—yeas 84, nays 13, as follows:

[Rollcall Vote No. 247 Leg.]

YEAS—84

Abdnor	Goldwater	Moynihan
Andrews	Gore	Murkowski
Baucus	Grassley	Nunn
Bentsen	Harkin	Packwood
Biden	Hart	Pell
Bingaman	Hatch	Pressler
Boren	Hatfield	Pryor
Boschwitz	Hawkins	Quayle
Bradley	Hecht	Riegle
Bumpers	Heinz	Rockefeller
Burdick	Hollings	Roth
Byrd	Johnston	Rudman
Chafee	Kasten	Sarbanes
Cochran	Kennedy	Sasser
Cranston	Kerry	Simon
D'Amato	Lautenberg	Simpson
DeConcini	Laxalt	Specter
Dixon	Leahy	Stafford
Dodd	Levin	Stennis
Dole	Long	Stevens
Domenici	Lugar	Symms
Durenberger	Mathias	Thurmond
East	Matsunaga	Trible
Evans	Mattingly	Wallop
Exon	McClure	Warner
Ford	McConnell	Weicker
Garn	Melcher	Wilson
Glenn	Metzenbaum	Zorinsky

NAYS—13

Armstrong	Gramm	Mitchell
Chiles	Heflin	Nickles
Cohen	Helms	Proxmire
Denton	Humphrey	
Gorton	Kassebaum	

NOT VOTING—3

Danforth	Eagleton	Inouye

So the bill (H.R. 3244), as amended, was passed.

Mr. ANDREWS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ANDREWS. Mr. President, I move the Senate insist on its amendments, request a conference with the House, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to, and the Chair [Mr. DENTON] appointed Mr. ANDREWS, Mr. COCHRAN, Mr. ABDNOR, Mr. KASTEN, Mr. D'AMATO, Mr. HATFIELD, Mr. CHILES, Mr. STENNIS, Mr. BYRD, and Mr. LAUTENBERG conferees on the part of the Senate.

Mr. ANDREWS. Mr. President, a number of people have been gathering around congratulating one another. I do not know whether they have been congratulating individuals because the bill is passed or whether they are issuing their sigh of relief, but let me, before we leave this bill, point out that whatever success we had today is due in large part to the fantastic staff we have: on the majority, Pat Cregan, Pat McCann, and Mazie Mattson, and on the minority Mike Hall and Marilyn Washington. I thank them for what they did in making this bill possible and for the cooperation they extended to all Members in this body so that everyone had an input and was able to find out about the items at issue. They are doing a fantastic job and they make it possible.

Mr. CHILES. Mr. President, I concur in the remarks of the distinguished chairman. The staff has been very accessible and has helped us on both sides. We appreciate it.

Mr. ANDREWS. They certainly have.

I thank the Chair.

Mr. DOLE. Mr. President, I thank the distinguished managers of the bill and their staffs and all of the Members for their cooperation.

We have finished now another appropriations bill. Tomorrow morning at 9 o'clock we hope to be on the State-Justice-Commerce appropriations, and hopefully we can conclude that bill by 12:30 p.m. We never complete these by 12:30, but if I keep saying 12:30 maybe one day it will happen. Then we will be back on reconciliation, although there could be one intervening vote somewhere during the noon hour. I need to discuss that with the distinguished minority leader before we adjourn or recess this evening.

It would now be my intent that we go back on reconciliation. I understand the Senator from Oregon, the chairman of the Finance Committee, has an amendment.

THE CONSOLIDATED OMNIBUS BUDGET RECONCILIATION ACT OF 1985

Mr. DOLE. Mr. President, I ask that the Chair lay before the Senate the reconciliation bill.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (S. 1730) to provide for reconciliation pursuant to section 2 of the First Concurrent Resolution on the Budget for Fiscal Year 1986 (S. Con. Res. 32, 99th Congress).

The Senate resumed consideration of the bill.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, we are trying to, as best we can—there is no requirement under the rules, of course—to ascertain how many amendments there are and their general nature. We are starting a list. Anybody who is interested in seeing the list thus far, we have it. We have not yet scheduled a series of them. But we have agreed that the next amendment should come from this side, and we have agreed that the distinguished chairman of the Finance Committee, wearing the hat of the chairman of the Commerce Committee—is that correct?

Mr. PACKWOOD. On behalf of Senator DANFORTH, that is correct.

Mr. DOMENICI. Should go first.

Mr. PACKWOOD. Mr. President, what is the time limit on the amendment? Is it 1 hour a side?

The PRESIDING OFFICER. First-degree amendments have 1 hour to each side.

AMENDMENT NO. 856

(Purpose: To add provisions facilitating activities of the National Railroad Passenger Corporation)

Mr. PACKWOOD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Oregon [Mr. PACKWOOD], from Mr. Danforth, proposes an amendment numbered 856.

Mr. PACKWOOD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 108, line 6, insert "(a)" immediately after "Sec. 402."; and insert the following immediately after line 13:

(b) Section 103(3) of the Rail Passenger Service Act (45 U.S.C. 502(3)) is amended—

(1) by inserting "used" immediately before "automobiles"; and

(2) by striking "and their occupants".

(c) Section 303(a)(1)(E) of the Rail Passenger Service Act (45 U.S.C. 543(a)(1)(E)) is amended by inserting "and shall serve until their successors have been appointed" immediately before the period at the end thereof.

(d) Section 303(d) of the Rail Passenger Service Act (45 U.S.C. 543(d)) is amended by striking the third sentence.

(e) Section 304(c) of the Rail Passenger Service Act (45 U.S.C. 544(c)) is amended by adding at the end thereof the following:

"(3) The preferred stock issued pursuant to paragraphs (1) and (2) of this subsection shall be deemed to have been issued as of the date of receipt by the Corporation of the funds for which such stock is issued.".

(f)(1) Section 305(1) of the Rail Passenger Service Act (45 U.S.C. 545(1)) is repealed.

(2) Section 305(m) of the Rail Passenger Service Act (45 U.S.C. 545(m)) is amended by striking "Center" each place it appears and inserting in lieu thereof "Corporation".

(3) Section 308(a) of the Rail Passenger Service Act (45 U.S.C. 548(a)) is amended to read as follows:

"(a) The Corporation shall submit to the Congress a report not later than February 15 of each year. The report shall include, for each route on which the Corporation operated intercity rail passenger service during the preceding fiscal year, data on ridership, short-term avoidable profit or loss per passenger mile, revenue-to-cost ratio, revenues, the Federal subsidy, the non-Federal subsidy, and on-time performance. Such report shall also specify significant

operational problems which have been identified by the Corporation, together with proposals by the Corporation to resolve such problems.".

(g) Section 306(f) of the Rail Passenger Service Act (45 U.S.C. 546(f)) is amended by inserting at the end thereof the following: "The Corporation shall be permitted to participate in the contract air program administered by the General Services Administration in markets where service provided by the Corporation is competitive with regard to rates and total trip times.".

(h) Section 306(m) of the Rail Passenger Service Act (45 U.S.C. 546(m)) is amended by inserting "only" immediately after "citizen".

(i)(1) Section 403(d) of the Rail Passenger Service Act (45 U.S.C. 563(d)) is amended—

(A) by striking "criteria set forth in section 404(d)(2)(B)" and inserting in lieu thereof "criterion set forth in section 404(d)(2)"; and

(B) by inserting after the first sentence thereof the following: "Beginning October 1, 1986, if such service is not projected to meet such criterion, the Corporation may discontinue such service, unless the Corporation and a State (or States) enter into an agreement which ensures that the criterion will be met.".

(2) Section 404(c)(3)(B) of the Rail Passenger Service Act (45 U.S.C. 564(c)(3)(B)) is amended—

(A) by striking "60" and inserting in lieu thereof "120";

(B) by striking all after "submission" through "amendment"; and

(C) by adding at the end thereof the following: "For purposes of this subparagraph, continuity of session of the Congress is broken only by an adjournment sine die and the days on which either House is not in session because of adjournment of more than 3 days to a day certain are excluded in the computation of such 120-day period.".

(3) Section 404(c)(4)(B) of the Rail Passenger Service Act (45 U.S.C. 564(c)(4)(B)) is amended to read as follows:

"(B) The Corporation shall conduct an annual review of each route in the basic system to determine if such route is projected to meet the criterion appropriate to such route set forth in subsection (d), as adjusted to reflect constant 1979 dollars. If the Corporation determines on the basis of such review that such route will not meet such criterion, the Corporation shall discontinue, modify, or adjust the operation of rail passenger service over such route so that the criterion will be met.".

(4)(A) The first sentence of section 404(d)(1) of the Rail Passenger Service Act (45 U.S.C. 564(d)(1)) is amended—

(i) by striking "if—" and inserting in lieu thereof "if";

(ii) by striking "(A)"; and

(iii) by striking all after "mile" the second time it appears therein and inserting in lieu thereof a period.

(B) The second sentence of section 404(d)(1) of the Rail Passenger Service Act (45 U.S.C. 564(d)(1)) is amended by striking "and passenger mile per train mile".

(C) The last sentence of section 404(d)(1) of the Rail Passenger Service Act (45 U.S.C. 564(d)(1) is repealed.

(5) Section 404(d)(2) of the Rail Passenger Service Act (45 U.S.C. 564(d)(2)) is amended—

(A) by striking "if—" and inserting in lieu thereof "if";

(B) by striking "(A)"; and

(C) by striking all after "mile" the second time it appears therein and inserting in lieu thereof a period.

(6) Section 402 of the Rail Passenger Service Act (45 U.S.C. 562) is amended by adding at the end thereof the following:

"(i) Nothing in this section shall preclude parties from entering into an agreement, after the determination of the Commission or their initial agreement under this section, with respect to related costs described in this section.".

(7) The provisions of this subsection shall take effect on October 1, 1986.

(j) Title VII of the Rail Passenger Service Act (45 U.S.C. 621 et seq.) is repealed.

(k) Section 306(a)(3) of the Rail Passenger Service Act (45 U.S.C. 546(a)(3)) is amended by striking ", except as otherwise provided in this Act,".

(l) Section 306(k) of the Rail Passenger Service Act (45 U.S.C. 546(k)) is repealed.

(m) Section 402(g) of the Rail Passenger Service Act (45 U.S.C. 562(g)) is repealed.

(n) Section 405(a) of the Rail Passenger Service Act (45 U.S.C. 565(a)) is amended by adding at the end thereof the following: "For purposes of this section and any agreement designed to implement the provisions of this section, a 'discontinuance of intercity rail passenger service' shall not include any reduction in frequency, seasonal suspension or other service modification that does not result in elimination of all intercity rail passenger service on a route.".

(o)(1) The first sentence of section 805(2)(A) of the Rail Passenger Service Act (45 U.S.C. 644(2)(A) is amended—

(A) by striking "shall" and inserting in lieu thereof "may"; and

(B) by striking "annually a".

(2) Section 805(2)(A) and (B) of the Rail Passenger Service Act (45 U.S.C. 644(2)(A) and (B)) is amended by striking "audit" wherever it appears and inserting in lieu thereof "audits".

(p) Section 806 of the Rail Passenger Service Act (45 U.S.C. 645) is repealed.

(q) Section 810 of the Rail Passenger Service Act (45 U.S.C. 649) is repealed.

(r) Section 811 of the Rail Passenger Service Act (45 U.S.C. 650) is repealed.

(s) Section 703(1)(D) of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 853(1)(D)) is repealed.

(t)(1)(A) Section 1163 of the Northeast Rail Service Act of 1981 (45 U.S.C. 1111) is repealed.

(B) The item relating to section 1163 in the table of contents of the Northeast Rail Service Act of 1981 is amended to read as follows:

"Sec. 1163. Repealed.".

(C) Any decisions of the Interstate Commerce Commission before the date of enactment of this Act under section 1163 of the Northeast Rail Service Act (45 U.S.C. 1111) shall have no force and effect after the date of enactment of this Act.

(2) Section 402(a) of the Rail Passenger Service Act (45 U.S.C. 562(a)) is amended—

(A) by inserting "(1)" immediately after "(a)";

(B) by inserting "(2)" immediately before "Notwithstanding"; and

(C) by adding at the end of paragraph (2), as so designated by subparagraph (A) of this paragraph, the following: "The Commission, in making such a determination, shall assign to an entity obtaining services pursuant to this paragraph the costs incurred by the Corporation solely for the benefit of that entity, plus a proportionate share of all other costs of providing services covered by this paragraph that are incurred for the common benefit of more than one user of the rail properties covered by this paragraph. The proportionate share of such other costs assigned to a user shall be based on relative measures of volume of car or train operations, passengers handled, tonnage, or other factors that reasonably reflect the relative use of the rail properties covered by this paragraph.".

(3) The compensation standard established by the amendment made by paragraph (2) of this subsection shall be effective in any proceeding instituted under section 402(a)(2) of the Rail Passenger Service Act (45 U.S.C. 562(a)(2)) after the date of enactment of this Act.

Mr. PACKWOOD. Mr. President, this is a committee amendment offered on behalf of the Commerce Committee. It would have been offered by the chairman, Mr. DANFORTH. However, Senator DANFORTH and Senator EAGLETON are unavoidably absent due to important business of state and cannot be present today. I am offering it on his behalf.

Mr. PACKWOOD. Mr. President, I offer this amendment dealing with Amtrak as a committee amendment for the Commerce Committee. It is an amendment that enjoys the support of the members of the committee. Its primary purpose is to allow Amtrak to increase revenues and reduce costs so that it can operate its system with fewer Federal dollars in the coming years.

Last month, for purpose of budget reconciliation, the Commerce Committee approved a legislative provision that would limit appropriations for Amtrak to not more than $582 million in fiscal year 1986; not more than $606.1 million in fiscal year 1987; and not more than $630.3 million in fiscal year 1988. This provision is now incorporated in S. 1730.

Until the day of the committee's executive session on reconciliation, it was not clear what budget levels would be approved, and, in turn, what other legislative changes would be required in order for Amtrak to operate within such budget limitations. After the executive session, Amtrak proposed to the committee certain legislative changes that would allow it to operate the system within these budget levels. These provisions are included in this amendment. Also included in this amendment are provisions that were contained in last year's Amtrak authorization bill, which was approved by the Commerce Committee but never considered by the Senate. Let me highlight just a few of the provisions.

First. The amendment would modify the criteria the Interstate Commerce Commission [ICC] is to use in settling future disputes regarding the compensation to be paid to Amtrak for the use of the Northeast corridor by freight railroads, such as Conrail, and various commuter authorities. This would in-

crease Amtrak's revenues by approximately $65 million annually, by 1988.

Second. It would clarify that Amtrak's authority to operate auto-train service extends to the transportation of used automobiles regardless of whether the owners of the automobiles are on the train at the same time. This would increase Amtrak's revenues by approximately $1 million annually.

Third. It would permit Amtrak to participate in the contract air program administered by the General Services Administration in markets where Amtrak's services are competitive with that of air carriers. This would increase Amtrak's revenues by approximately $1 million annually.

Fourth. It would require commuter trains operated by Amtrak to meet the short-term avoidable loss-per-passenger-mile criterion now applicable to other Amtrak trains. If the commuter trains do not meet this criterion, Amtrak may discontinue the trains, unless the States agree to contribute further to the costs of the trains. This would increase Amtrak's revenues by approximately $2 or $3 million annually.

Fifth. It would clarify that Amtrak may adjust the frequencies of trains or make other modifications without incurring labor protection costs. The statute now provides that Amtrak shall incur such labor protection costs only when it "discontinues" trains. The amendment simply clarifies that the term "discontinuance" means what it says, and does not mean "frequency reduction" or "service modification." This would reduce Amtrak's potential costs by approximately $20 million annually.

Mr. President, I believe a majority of our colleagues support continued Federal funding for Amtrak, albeit at reduced levels from years past. This amendment is vitally important to Amtrak if it is to operate its system at these reduced levels. It is supported by Amtrak, rail labor, and the National Association of Railroad Passengers. I urge our colleagues to vote for the amendment.

Mr. President, I ask unanimous consent that a section-by-section analysis be printed in the RECORD.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION ANALYSIS OF THE AMTRAK AMENDMENT TO S. 1730, THE CONSOLIDATED OMNIBUS RECONCILIATION ACT

The following is a section-by-section analysis of the proposed amendment. By way of background, subsections c, e, f, h, i, j, k, l, m, o, p, q, r, and s, are provisions adopted by the Committee last year in S. 2537. Subsections b, d, g, n and t are provisions which Amtrak proposed this year.

Subsection (a)—This subsection amends section 402 of the Consolidated Omnibus Budget Reconciliation Act of 1985 by inserting an (a) to make this section a subsection. This section now contains Amtrak's authorization numbers, which previously were approved by the Committee. The amendment does not change the numbers.

Subsection (b)—This subsection amends section 103(3) of the Rail Passenger Service Act (RPSA) to provide that Amtrak's authority to operate auto-ferry service extends to the transportation of used automobiles regardless of whether the automobiles are accompanied by their owners. Amtrak now operates Auto Train service between Virginia and Florida. Under the current law, it only can transport an automobile if the automobile's owner is also travelling on the train regardless of whether excess space is available. This amendment would permit Amtrak to generate additional revenues of approximately $1 million annually.

Subsection (c)—This subsection amends section 303(a) of the RPSA to provide that the two members of the Amtrak Board of Directors who are selected by the preferred stockholder (the Federal Government) shall serve until their successors are appointed. The law now provides that other members of Amtrak's Board shall serve until their successors are appointed. The amendment makes the law consistent.

Subsection (d)—This subsection amends section 303(d) of the RPSA to strike the provision that states that the president of Amtrak shall not be paid in excess of $85,000.00 and that other officers shall not be paid at a rate in excess of that prescribed for level I of the Executive Schedule. The president's salary has been capped at $85,000.00 since 1975. The salaries of other officers all are below that of the president. Over the last three years, Amtrak has lost three of its top vice-presidents largely because of the statutory pay cap. In one instance, the vice-president took five of his best people. Amtrak can ill-afford to lose top personnel especially at this time when it is under pressure to modify its operations so as to live within new budgetary limitations. With this amendment the salaries of officers will be set by Amtrak's Board of Directors.

Subsection (e)—This subsection amends section 304(c) of the RPSA to permit Amtrak to restate its books and tax returns for years prior to fiscal year 1982 as if preferred stock had actually been issued in the years when it received certain capital grant funds. This amendment is necessary to remove an uncertainty as to the reporting of depreciation of the assets acquired with such capital grants.

Subsection (f)—This subsection repeals section 305(1) of the RPSA as no longer necessary. Also, Section 305(m) and 308(a) are amended to provide for an annual report by Amtrak to Congress by February 15 of each year that includes certain route-by-route data and other information. The amendment's new report replaces monthly and semiannual reports now required to be submitted to Amtrak.

Subsection (g)—This subsection amends section 306(f) of RPSA to permit Amtrak to participate in the contract air program administered by the General Services Administration (GSA) in markets where service of Amtrak is competitive with that of air carriers. Under this program, GSA lists certain carriers as "preferred carriers" for federal employee travel. The program currently is restricted to air carriers. This amendment would allow Amtrak to increase revenues by approximately $1 million annually.

Subsection (h)—This subsection amends section 306(m) of the RPSA to specify that Amtrak shall be considered a citizen only of the District of Columbia for purposes of determining original jurisdiction in Federal district courts. Amtrak has continued to encounter arguments that it can still be considered a citizen of other jurisdictions, and that therefore diversity jurisdiction in Federal courts does not exist. This amendment clarifies the original intent of the law.

Subsection (i)—This subsection amends section 403(d) of the RPSA regarding Amtrak's operation of commuter trains on six routes through Illinois, Indiana, Michigan, New Jersey, New York, Pennsylvania, and West Virginia. Under the present section, Amtrak is required to operate these trains if they meet the current criterion for short-distance trains of 80 passenger miles per train [pm/tm], a criterion which would be eliminated by this subsection. The proposed revision provides that, effective October 1, 1986, if a commuter train operated under this section does not meet the criterion for short-distance trains of a 9-cent short-term avoidable loss per passenger mile, Amtrak may discontinue the train, unless the State or States involved enter into an agreement which ensures that the criterion is met. The amendment is intended to give Amtrak the flexibility it needs to negotiate individual compensation agreements with the States and communities served by these trains to cover any losses associated with this service, which could result in several million dollars in savings.

This subsection also amends section 404 (c) and (d) of the RPSA to eliminate, effective October 1, 1986, the criterion of passenger mile per train mile. Under the current law, each Amtrak route is required to meet both the passenger mile per train mile and short-term avoidable loss criteria. If a route is projected not to meet these criteria, Amtrak must discontinue, modify or adjust the service over the route so that the criteria will be met. Under the amendment, Amtrak will continue to be required to review each of its routes to determine whether it meets the criterion on short-term avoidable loss per passenger mile, which Amtrak believes is a more appropriate measure of cost-effectiveness.

This subsection further amends section 404(c) of the RPSA to provide that any amendments proposed by Amtrak to its Route and Service Criteria shall not be effective until 120 days after they have been submitted to the Congress. This amendment is made necessary by the fact that the current law contains a one-house legislative veto of the type recently declared unconstitutional by the United States Supreme Court.

Subsection (j)—This subsection repeals title VII of the RPSA, which authorized interim emergency Federal financial assistance to private railroads to assist them in carrying out the operating contracts with Amtrak authorized by the Act. This financial assistance was never required or used.

Subsection (k)—This subsection amends section 306(a)(3) of the RPSA to strike an obsolete reference to the Interstate Commerce Act.

Subsection (l)—This subsection repeals section 306(k) of the RPSA which deals with a study the Interstate Commerce Commission was required to do back in 1977.

Subsection (m)—This subsection repeals section 402(g) of the RPSA which requires Amtrak to enter into an industrywide agreement with respect to the operation of charter and special trains. Neither Amtrak nor the operating railroads have been able to

come up with such an agreement. In the meantime, Amtrak has been contracting for charter and special trains on an ad hoc basis, which has proved satisfactory. The repeal of this provision means that Amtrak will continue to handle such trains on an ad hoc basis.

Subsection (n)—This subsection amends section 405(a) of RPSA to clarify that the term "discontinuance" of rail service does not include any reduction in frequency, seasonal suspension or other service modification that does not result in the elimination of all service on a route. The law now provides that employees are entitled to labor protection payments when they lose their jobs as a result of a discontinuance or abandonment of a route. To date, the term discontinuance has not been interpreted to include frequency reductions or service modifications. In order to live within its new budget limitations, Amtrak is expected to have to reduce frequencies and modify service on some routes. In the event these adjustments triggered labor protection, Amtrak could incur an additional $20 million in costs. This amendment makes clear that Amtrak will not incur such costs.

Subsection (o)—This subsection amends section 805(2)(A) of the RPSA to eliminate the requirement that the General Accounting Office perform an annual performance audit of Amtrak. With this amendment, such audits will be discretionary.

Subsection (p)—This subsection repeals section 806 of the RPSA which deals with a report the Secretary of Transportation was required to do back in 1973.

Subsection (q)—This subsection repeals section 810 of the RPSA which deals with a study the Secretary of Transportation was required to do back in 1980.

Subsection (r)—This subsection repeals section 811 of the RPSA which requires Amtrak to submit an annual report to Congress on the ratio of revenue to operating expenses on each of its routes. The report is not necessary, because the same information would be contained in the new report provided for by subsection (f).

Subsection (s)—This subsection repeals section 703(1)(D) of the Railroad Revitalization and Regulatory Reform Act of 1976, which requires Amtrak and the Secretary of Transportation to submit annual reports on the progress of the Northeast Corridor Improvement Project. These reports are time consuming and not necessary.

Subsection (t)—This subsection amends section 402(a) of the RPSA to modify the criteria to be used by the Interstate Commerce Commission (ICC) in future determinations of the compensation to be paid Amtrak for the use of the Northeast Corridor by freight railroads (primarily Conrail) and various commuter authorities. Amtrak owns most of the Northeast Corridor (Washington, D.C. to Boston, Massachusetts) and has been determined to be the dominant user. However, the tracks and other facilities also are used by freight and commuter trains, which pay Amtrak for the use. The Northeast Rail Service Act of 1981 (NERSA) directed the ICC to determine an appropriate costing methodology for compensation to Amtrak for use of the Northeast Corridor. Amtrak believes that under the ICC's decision, the users of the Northeast Corridor are paying annual compensation of approximately $65 million less than they should. The amendment would void the ICC's old determination, and direct it to decide future cases using a different standard if Amtrak and the various users cannot reach agreements on the compensation issue.

Mr. PACKWOOD. Mr. President, I would be happy to answer questions about the amendment. The chairman of the Budget Committee and the ranking minority member are aware of the amendment.

Mr. LAUTENBERG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. LAUTENBERG. Mr. President, I rise to express my opposition to a provision in the amendment offered by the Senator from Oregon. This provision would impose higher costs on users of the Northeast corridor including commuter agencies operated by States and local governments. I do not support this provision, because it will significantly increase costs to a relatively small number of State and local mass transit agencies. New Jersey will bear the heaviest burden under the provision.

Mr. President, let me make clear that I do not oppose those provisions in this amendment which authorize appropriations for Amtrak or improve its ability to operate efficiently. I am a strong supporter of Amtrak and will continue to be. I object to one subsection of this amendment, subsection (t) dealing with the compensation paid to Amtrak by users of the Northeast corridor.

In 1981, the Congress decided that the Interstate Commerce Commission should determine how much users of the Northeast corridor, Conrail, and State and local commuter agencies, should pay to the owner, Amtrak. The decision, to have the users pay avoidable costs has been in place since the decision in ex parte 417 was issued by the ICC in February 1983. In its decision, the ICC concluded that "an avoidable costing methodology was the most appropriate basis for calculating the compensation to be paid to Amtrak by commuter rail passenger and freight services."

Mr. President, Congress specifically left this decision to the experts at the ICC. Congress did not instruct the ICC to come up with a decision which subsidizes Amtrak at the expense of the commuter agencies. The ICC decision was a nonpolitical decision based on the facts.

Mr. President, the facts of the matter might have changed over time. Surely, Congress has reduced its subsidy to Amtrak. I do not hold that no reconsideration of the ICC decision should occur. I do hold that the ICC and not the Congress should make that decision. The provision reallocating rates charged to users of the Northeast corridor reverses the decision made by the Congress in 1981 to have the ICC decide this matter. What Congress was not competent to decide in 1981, it is no more competent to decide now.

The driving force behind this provision is to buffer the budget reductions suffered by Amtrak. I yield to no one in my support for Amtrak. It was this Senator who came before the Senate with a proposal to freeze Amtrak subsidies at fiscal year 1985 levels. I have supported funding Amtrak at a reasonable level in the Appropriations Committee. In fact, in the Appropriations Committee, we have held the line on Amtrak cuts. We have made cuts in many other vital programs. Now we are asked to instruct the ICC to give more to Amtrak and take it from commuter agencies whose Federal assistance has already been cut.

If the Senator from Oregon was asking to instruct the ICC to reconsider ex parte 417 without prejudice to the outcome, I might support that motion. But, this amendment amounts to a simple transfer of funding, about $70 million, to Amtrak from New Jersey Transit, other commuter agencies and Conrail.

My colleague from Oregon has found a way to insure Amtrak gets $70 million from sources closed to Amtrak by the ICC. Such an insurance policy has some appeal to those of us concerned about the future of Amtrak support. But, this insurance policy is bought at a high price for Conrail States and those along the Northeast corridor.

Mr. President, I will not request a vote on this amendment because I can count, and more States stand to gain by this amendment than would lose by it. So I conclude that the votes to delete this provision would be hard to come by. However, I would inform my colleagues that I have been in contact with the chairman of the House Subcommittee on Commerce, Transportation and Tourism, Congressman FLORIO from New Jersey. My House colleague informs me that he strongly opposes this provision and will work to insure that it does not survive conference.

Therefore, at this moment, I rise only to make clear my opposition to this amendment. I will withhold a request for the yeas and nays. I do so in the belief that this provision will not survive a conference with the House on S. 1730.

The PRESIDING OFFICER. Who yields time?

Mr. CHILES. I yield such time as the Senator from New Jersey [Mr. BRADLEY] desires.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. BRADLEY. Mr. President, I rise in opposition to the amendment offered by the distinguished Senator from Oregon, for many of the same reasons that my distinguished col-

league from New Jersey has already explained.

Conrail and numerous commuter rail lines in the Northeast—and that includes New Jersey Transit—operate part of their service on the Northeast corridor which is owned by Amtrak. In other words, Amtrak owns Northeast corridor, and since commuter rails do not want to build separate tracks, they use the existing lines that Amtrak believes is necessary for its own trains.

Mr. President, under current ICC rulings, both Conrail and the commuter railways pay Amtrak for what are called avoidable costs, which are the additional costs that are incurred by Amtrak because of the use of the Amtrak lines by the commuter rail lines. In addition, according to ICC rulings, as the dominant user of the Northeast corridor, Amtrak is the responsible party for paying the fixed costs associated with the Northeast corridor. In other words, Mr. President, if there were no commuter lines, Amtrak would have to pay the fixed costs involved in keeping the railbed up to date and keeping the rail lines and the tracks up to date. The commuter rail service pays the additional costs. The ICC has determined that there is no reason for commuter rail lines to pay a part of the fixed costs which, whether they were commercial rail lines or not, Amtrak has to pay.

So, Mr. President, the amendment that is now before the Senate would require the commuter rails that use the Northeast corridor to pay for fixed costs as well as avoidable costs. This overturns the judgment of the ICC.

I see no reason why we should ask the users of commuter rail lines to subsidize Amtrak services, particularly in light of the sizeable reduction in funding that has already taken place for mass transit.

Frankly, I believe that New Jersey and other States that have worked long and hard to develop commuter rail service should not have to pick up the cost of maintaining the rails and the rail beds. The ICC agrees. But this amendment overrules the ICC.

Mr. President, there are many issues such as this one that come up from time to time in this body which affect just a few States; and unless a kind of sense of fairness prevails, there is a real temptation to strike at those States. Why? Since there are only two Senators from each State they often do not have the votes if a provision affects only a few States adversely.

Mr. President, that is the case, if you cannot see the whole and continue to see only the part—and ccntinue to interpret your interest as being serving only the part.

So, Mr. President, I have no doubt that if this amendment were brought to a vote we who oppose it would be in the minority and would not prevail.

As my distinguished colleague from New Jersey, Senator LAUTENBERG—who has taken real leadership on a variety of mass transit and transportation issues—has stated, representatives from New Jersey Transit have asked us not to press for a record vote. Frankly, I agree with their assessment. But this is one of those occasions where I say thank goodness for the other body, thank goodness for the seniority system, thank goodness for a potential conference on the issue. I say thank goodness for all of those things on this particular occasion because I know the distinguished chairman of the Finance Committee has had many hours of negotiating with the distinguished subcommittee chairman in the House of Representatives, Congressman Florio, on many issues. It is my hope and expectation that in any conference concerning this issue, the House subcommittee chairman's view of this issue will prevail and that we will not take a step which adversely affects just a few States for a very short-term objective and with very little evidence offered to overrule the ICC's considered judgment.

So, Mr. President, it is my hope and expectation that the provision now before the Senate will be modified in conference to protect commuter rail agencies and soften the burden on the hundred of thousands of commuters who rely on mass transit for their transportation needs.

With that, Mr. President, I am prepared to yield the floor with every expectation that after these two presentations the distinguished chairman from Oregon will modify the amendment so as to exclude the commuter rail payment and find another innovative way to generate the savings.

I hope that that is what he is going to do. If not, I hope that he will at least express some flexibility on this issue when it comes to a conference committee.

Mr. PACKWOOD. Mr. President, I find myself in agreement with my good friend from New Jersey on one point. This is on the merits of the seniority system. I indeed agree that it is a wonderful system. I would hope that this body would not be so foolish as to do away with it some time in the future.

Much as I am persuaded by a great many things that my good friend says, as this is a committee amendment, not my amendment, and I am presenting it on behalf of the chairman of the committee, regardless of how persuaded I might be about the merits, which I am not, I say to my good friend, I feel constrained to say I cannot feel that I could offer to amend it when it has been offered by the committee.

● Mr. ROCKEFELLER. Mr. President, I support this amendment. Amtrak will have to absorb a significant cut in its subsidy from the Federal Government and, in my view, deserves some guidance from the Congress as to how the necessary savings can be achieved.

I have maintained, throughout the debate this year over Amtrak, that the country needs passenger rail service. While I recognize the need to reduce the level of Federal funding, it's counterproductive to stretch savings on Amtrak to the point where rail service deteriorates and the route system unravels. The cutback proposed for fiscal 1986, Amtrak has indicated, is the deepest that can be absorbed. For budgetary reasons, we're forced to stretch Amtrak's resources to the limit, but there's no good reason to push the system over the brink and deny it the means to cut costs as efficiently as possible.

In endorsing the amendment by my colleague from Missouri [Mr. DANFORTH], I would like the record to be clear on a point of potential concern to residents in my State of West Virginia. A provision of the amendment would allow Amtrak to discontinue unprofitable commuter lines if their per passenger costs exceed a certain threshold.

I have a letter from Amtrak President Graham Claytor, which I would like to include with my statement, asserting that the proposed provision would not jeopardize service on the Blue Ridge train which connects areas of my State with Washington, DC. It is also Amtrak's view, as I understand it, that the proposed provision on commuter lines should have no impact on pending negotiations to transfer responsibility for operating the Blue Ridge train to the State of Maryland. I believe my colleague has a copy of this letter and I would like to ask his view of the assurances it provides on this matter.

I thank the Senator.

Mr. DANFORTH. I have reviewed Mr. Claytor's letter to you. I believe it does provide the assurances that you were seeking on these two issues.

The letter follows:

NATIONAL RAILROAD PASSENGER CORPORATION,
Washington, DC, October 16, 1985.

Hon. JOHN D. ROCKEFELLER IV,
U.S. Senate, Senate Russell Office Building, Washington, DC.

DEAR SENATOR ROCKEFELLER: I understand that Amtrak has informed your staff of our support on the Danforth Amendment to S. 1730, the Consolidated Omnibus Reconciliation Act, now pending before the Senate.

Because your staff raised some concerns about the effects of this legislation on the Blue Ridge service to West Virginia, I want to assure you that service is in no way jeopardized because of the proposed changes to Section 403(d) of the Rail Passenger Service Act.

First, the proposed amendment simply applies a cost criterion to the so-called "Sunset Commuter" trains that has always been applied to our basic system trains. That criterion requires that no train can lose more

than 11.4 cents per passenger mile. The Blue Ridge falls well within that criterion and would not be affected in the foreseeable future.

Amtrak has been negotiating with Maryland Department of Transportation for the transfer of the Blue Ridge operation between Washington and Martinsburg. Maryland has provisionally agreed to assume operation of the Blue Ridge service by incorporating it as an additional MARC (Maryland Rail Commuter Service) train, retaining all revenues from the service, continuing operation between Martinsburg and Washington, and maintaining its separate identity as the Blue Ridge. Although no accord has been concluded between Maryland and the Chessie System for the addition of the Blue Ridge to the existing Maryland DOT-B&O Commuter Agreement, the parties are evaluating their respective positions, and we have reason to believe that they will reach agreement in the very near future.

I hope this has been responsive to your concerns. If you have any further comments or questions, please let me know.

Sincerely,

W. GRAHAM CLAYTOR, Jr.,
President, Amtrak.

● Mr. DANFORTH. Mr. President, I offer this amendment dealing with Amtrak as a committee amendment for the Commerce Committee. It is an amendment that enjoys the support of a strong majority of the committee. Its primary purpose is to allow Amtrak to increase revenues and reduce costs so that it can operate its system with fewer Federal dollars in the coming years.

Last month, for purpose of budget reconciliation, the Commerce Committee approved a legislative provision that would limit appropriations for Amtrak to not more than $582 million in fiscal year 1986; not more than $606.1 million is fiscal year 1987; and not more than $630.3 million in fiscal year 1988. This provision is now incorporated in S. 1730.

Until the day of the committee's executive session on reconciliation, it was not clear what budget levels would be approved, and, in turn, what other legislative changes would be required in order for Amtrak to operate within such budget limitations. After the exectuve session, Amtrak proposed to the committee certain legislative changes that would allow it to operate the system within these budget levels. These provisions are included in this amendment. Also included in this amendment are provisions that were contained in last year's Amtrak authorization bill, which was approved by the Commerce Committee but never considered by the Senate. Let me highlight just a few of the provisions.

First. The amendment would modify the criteria the Interstate Commerce Commission [ICC] is to use in settling future disputes regarding the compensation to be paid to Amtrak for the use of the Northeast corridor by freight railroads, such as Conrail, and various commuter authorities. This would increase Amtrak's revenues by approximately $65 million annually by 1988.

Second. It would clarify that Amtrak's authority to operate auto-train service extends to the transportation of used automobiles regardless of whether the owners of the automobiles are on the train at the same time. This would increase Amtrak's revenues by approximately $1 million annually.

Third. It would permit Amtrak to participate in the Contract Air Program administered by the General Services Administration in markets where Amtrak's services are competitive with that of air carriers. This would increase Amtrak's revenues by approximately $1 million annually.

Fourth. It would require commuter trains operated by Amtrak to meet the short-term avoidable loss per passenger mile criterion now applicable to other Amtrak trains. If the commuter trains do not meet this criterion, Amtrak may discontinue the trains, unless the States agree to contribute further to the costs of the trains. This would increase Amtrak's revenues by approximately $2 or $3 million annually.

Fifth. It would clarify that Amtrak may adjust the frequencies of trains or make other modifications without incurring labor protection costs. The statute now provides that Amtrak shall incur such labor protection costs only when it discontinues trains. The amendment simply clarifies that the term discontinuance means what it says, and does not mean frequency reduction or service modification. This would reduce Amtrak's potential costs by approximately $20 million annually.

Mr. President, I believe a majority of our colleagues support continued Federal funding for Amtrak, albeit at reduced levels from years past. This amendment is vitally important to Amtrak if it is to operate its system at these reduced levels. It is supported by Amtrak, rail labor, and the National Association of Railroad Passengers. I urge our colleagues to vote for the amendment.

● Mr. ANDREWS. I am advised that the provision in S. 1730 dealing with the funding levels for Amtrak is basically an authorizing provision. However, the actual language of the provision refers to a limitation on appropriations. Would the gentleman from Missouri please tell me whether this provision is indeed intended to be an authorization, and, if so, whether he intends to clarify the langauge in conference?

● Mr. DANFORTH. This provision is indeed intended to be an authorization for Amtrak. I will make every effort to see that this language is clarified in conference.●

Mr. PACKWOOD. I am prepared to vote, although I have no desire to ask for a rollcall vote.

The PRESIDING OFFICER. Do Senators yield back their time?

Mr. CHILES. I yield back.

Mr. PACKWOOD. I yield back the time on this side.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Oregon.

The amendment (No. 856) was agreed to.

Mr. PACKWOOD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOMENICI. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOMENICI. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time? If neither side yields time, time will be charged equally against both sides.

Mr. DECONCINI addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

AMENDMENT NO. 857

(Purpose: To provide for controls on expenditures for Federal motor vehicles)

Mr. DECONCINI. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arizona [Mr. DECONCINI] proposes an amendment numbered 857.

Mr. DECONCINI. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 454, after line 24, insert the following new part:

Part D—Federal Motor Vehicle Expenditure Control

MONITORING SYSTEM

SEC. 831. The head of each executive agency, including the Department of Defense, shall designate one office, officer, or employee of the agency to establish and operate a central monitoring system for, and provide oversight of, the motor vehicle operations of the agency, related activities, and related reporting requirements.

DATA COLLECTION

SEC. 832. (a) The head of each executive agency, including the Department of De-

fense, shall develop a system to identify, collect, and analyze data with respect to all costs incurred by the agency in the operation, maintenance, acquisition, and disposition of motor vehicles, including Government-owned vehicles, leased vehicles, and privately owned vehicles used for official purposes.

(b) The Administrator, in cooperation with the Comptroller General and the Director, shall promulgate standards governing the establishment and operation by executive agencies of the systems required by the subsection (a), including standards with respect to data concerning the costs and uses of motor vehicles and with respect to the uniform collection and submission of such data. Each executive agency, including the Department of Defense, shall comply with such standards.

AGENCY STATEMENTS WITH RESPECT TO MOTOR VEHICLE USE

SEC. 833. (a) The head of each executive agency, including the Department of Defense, shall include with the appropriation request of such agency submitted under section 1108 of title 31, United States Code, for fiscal year 1987 and each succeeding fiscal year, a statement—

(1) specifying—

(A) the total motor vehicle acquisition, maintenance, leasing, operation, and disposal costs incurred by such agency in the most recently completed fiscal year; and

(B) an estimate of such costs for the fiscal year in which such request is submitted for the succeeding fiscal year; and

(2) justifying why the existing and any new motor vehicle acquisition, maintenance, leasing, operation, or disposal requirements of the agency cannot be met through the Interagency Fleet Management System operated by the Administrator or through a qualified private contractor.

(b) The head of each executive agency shall comply with the standards promulgated under section 832(b) in preparing each statement required under subsection (a).

PRESIDENTIAL REPORT

SEC. 834. The President shall include with the budget transmitted pursuant to section 1105 of title 31, United States Code, for fiscal year 1987 and each succeeding fiscal year, or in a separate written report to the Congress for each such fiscal year, a summary and analysis of the statements most recently submitted by the heads of executive agencies pursuant to section 833(a). Each such summary and analysis shall include a review of the potential cost savings that could be achieved in the acquisition, maintenance, leasing, operation, and disposal of motor vehicles by executive agencies through—

(1) the use of a qualified private fleet management firm or another private contractor;

(2) increased reliance by executive agencies on the Interagency Fleet Management System operated by the Administrator; or

(3) other existing motor vehicle management systems.

STUDY REQUIRED

SEC. 835. (a) The head of each executive agency, including the Department of Defense, shall conduct a comprehensive and detailed study of the costs, benefits, and feasibility of entering into a contract with a qualified fleet management firm or another private contractor to meet its motor vehicle operation, maintenance, leasing, acquisition, and disposal requirements. Such study shall compare the costs, benefits, and feasibility of such a contract to the costs and benefits of the agency's current motor vehicle operations and to the costs, benefits, and feasibility of the use of the Interagency Fleet Management System operated by the Administrator.

(b) Within 6 months after the date of enactment of this Act, the head of each executive agency shall submit a report concerning the study required under subsection (a) to the Director and the Comptroller General.

(c) Within one year after the date of enactment of this Act, the Comptroller General shall submit an analysis of the reports received under subsection (b) to the Congress.

INTERAGENCY CONSOLIDATION

SEC. 836. The Administrator shall review and identify interagency opportunities for the consolidation of motor vehicles, related equipment, and facilities, and of functions relating to the administration and management of such vehicles, equipment, and facilities, in order to reduce the size and cost of the Federal Government's motor vehicle fleet. Within one year after the date of enactment of this Act, the Administrator shall submit a report to the Congress specifying the findings of the Administrator from the review conducted under the preceding sentence.

CONSOLIDATION OF FACILITIES

SEC. 837. The Administrator shall require the head of each executive agency, including the Department of Defense, to—

(1) review the motor pool, storage, maintenance, and other motor vehicle facilities within the agency;

(2) consolidate such facilities where feasible and cost effective; and

(3) submit to the Director a report identifying possible impediments to any such consolidation, including current accounting methods, budget processes, or organizational structures.

REDUCTION OF STORAGE AND DISPOSAL COSTS

SEC. 838. The Administrator shall take such actions as may be necessary to reduce motor vehicle storage and disposal costs, including actions to increase the frequency of motor vehicle sales by public auction, to reduce presale storage costs, and to improve the rate of return on motor vehicle sales through a program of vehicle reconditioning prior to sale.

SAVINGS

SEC. 839. (a) The President shall take such action as may be necessary to ensure that expenditures for the operation, maintenance, leasing, acquisition, and disposal of motor vehicles by executive agencies, including the Department of Defense, are reduced by fiscal year 1988, to an amount which is $225,000,000 less than the amount requested for such operation, maintenance, leasing, acquisition, and disposal requested by the President in the budget submitted under section 1105 of title 31, United States Code, for fiscal year 1986.

(b) The Director shall monitor compliance by executive agencies with directives of the President to carry out subsection (a) and shall report, within 6 months after the date of enactment of this Act and every 6 months thereafter, to the Committees on Appropriations of the House and Senate, the Committee on Government Affairs of the Senate and the Committee on Government Operations of the House, with respect to the reductions in expenditures by executive agencies, including the Department of Defense, required under subsection (a).

COMPLIANCE

SEC. 840. (a) The Administrator shall comply with and be subject to the provisions of this part with regard to all motor vehicles that are used within the General Services Administration for official purposes.

(b) The provisions of this part with respect to motor vehicles from the Interagency Fleet Management System shall be complied with by the executive agencies to which such motor vehicles are assigned.

APPLICABILITY

SEC. 841. (a) The President shall apply the reductions in expenditures required by section 839(a) primarily to administrative motor vehicle fleets used at the headquarters and regional headquarters of executive agencies, rather than to motor vehicles used by line agency personnel working in agency field operations or activities.

(b) The President shall require the Administrator, in cooperation with the Director, to promulgate appropriate regulations, standards, and definitions that shall assure that executive agencies comply with and implement the reductions in expenditures required by section 839(a) in the manner prescribed by subsection (a).

COOPERATION

SEC. 842. The Director and the Administrator shall closely cooperate in the implementation of the provisions of this part, and shall report regularly to the Congress on the progress made in carrying out this part.

REPORTS

SEC. 843. Not later than 12 months after the date of enactment of this Act, the Comptroller General shall prepare and transmit a report to the Congress on the activities of the Director, the Administrator, and executive agencies in carrying out this part. After transmitting the report required by the preceding sentence, the Comptroller General shall submit periodic reports to the Congress on such activities.

DEFINITIONS

SEC. 844. For purposes of this part—

(1) the term "executive agency" means—

(A) an executive agency (as such term is defined in section 105 of title 5, United States Code), which operates at least three hundred motor vehicles; and

(B) the Postal Service, the Postal Rate Commission, and the Tennessee Valley Authority;

(2) the term "Director" means the Director of the Office of Management and Budget;

(3) the term "Administrator" means the Administrator of General Services;

(4) the term "Comptroller General" means the Comptroller General of the United States; and

(5) the term "motor vehicle" means any vehicle self-propelled or drawn by mechanical power, except that such term does not include any vehicle designed or primarily used for military field training, combat, or tactical purposes.

Mr. DECONCINI. Mr. President, this amendment represents the culmination of nearly 5 years of study, analysis, and effort by this Senator and others to address the size, the cost, and the management of the Federal Government's motor vehicle fleet. In addition to saving the American taxpayers $225 million over the next 3 years, this amendment will, for the

first time, force the Federal Government to take a long, hard look at how Uncle Sam manages the fleet of more than 460,000 motor vehicles and how we can substantially reduce the $1.3 billion annual cost of operating and maintaining this enormous fleet of vehicles. Passage of this amendment will also force the Federal Government to examine private sector alternatives to the current way we do business in the motor vehicle arena.

Mr. President, the Senator from New Hampshire, Senator HUMPHREY, has worked on this for a long period of time. I am glad the Senator was able to get over here on such a short notice. We have had a difficult time arranging an opportune time to get this amendment before the Senate.

Mr. President, this, I think, is a significant way to go. It exempts only military tactical vehicles from the cost-saving measures and reporting requirements of the amendment. It protects online vehicles used for direct program activities from bearing the major brunt of the savings, taking savings from the headquarters or the regional office administrative vehicles first. It establishes for the first time a standardized comprehensive data baseline.

Mr. President, it directs the President through OMB to provide cost data on motor vehicle operations in the budget of the United States, and in each agency, budget jurisdiction for the first time in history. It directs the agencies to do comprehensive cost-benefit studies comparing their current operations with: One, GSA interagency fleet management system; and, two, private-sector fleet management alternatives.

Mr. President, I want to quickly add that this is probably the only amendment that will be offered to the reconciliation bill that will result in more savings than are called for in the bill as reported by the Budget Committee.

Mr. President, let me briefly run through the key provisions of my amendment and then close with a chronology of our efforts to cut the cost of the Federal motor vehicle fleet over the past 5 years.

First, my amendment will force the Government to achieve savings of $225 million over the next 3 years, in the costs associated with the operation, maintenance, acquisition, and disposal of motor vehicles. The savings would begin in fiscal year 1986, with the total amount of the cuts over 3 fiscal years being made from the President's fiscal year 1986 budget, as amended, as the baseline. The amendment contains language directing that these cost savings be applied primarily to headquarters and regional administrative, motor vehicle operations rather than to online agency field operations and activities. In other words, the bureaucrat being driven to and from his home in the Washington suburbs would have to give up his car first, before the Customs drug agent would have to give up his law enforcement vehicle or before the Park Service ranger would have to give up his car to patrol the Grand Canyon. Tactical military vehicles and commercially designed vehicles acquired for military tactical support purposes would be excluded from the reductions mandated in this amendment. However, normal administrative vehicles used within the Department of Defense would be subject to both the cost saving and reporting requirements of this amendment.

Second, the amendment, for the first time, forces the heads of each agency and department, including the Department of Defense, to identify, collect, and analyze data regarding all costs incurred by that agency in operating and maintaining its fleet of vehicles and to—again, for the first time—include that information in their budget requests and submissions to the Congress every year. This sounds so elementary and fundamental that this Senator is almost embarrassed that we had to include these directives in the amendment. But what we have currently are dozens of Federal agencies operating over 460,000 motor vehicles at a cost of over $1.3 billion without any idea of how much they spend every year in their own shops. Furthermore, there is currently no way that the Congress can track how much each agency or department spends on these motor vehicle operations or make judgments as to the efficiency of individual agency operations. The amendment before the Senate starts the ball rolling to correct all of that, by forcing the agencies and the President of the United States through OMB, to account for all motor vehicle costs by agency, and to transmit that information to the Congress every year in official budget documents. The amendment also authorizes the Administrator of General Services, with help from GAO and OMB, to set standards for the agencies to use in reporting the data on motor vehicle costs, so that the Congress and the President can receive uniform, accurate information on the cost of the Federal motor vehicle operations for the fiscal year under review.

Third, the amendment directs each Government agency, including the Department of Defense, to conduct a comprehensive, cost-benefit study of private sector alternatives to either their current motor vehicle management program or the use of GSA's Interagency Fleet Management System. These studies should plow new ground in determining what is the cheapest, most effective and efficient way to operate, maintain, purchase, lease, and dispose of motor vehicles at the individual agencies and departments. Those studies could show that the current system is working well and that certain agencies are operating at peak efficiency. I would doubt that, but it could be the case. Or the studies could show that the Interagency Fleet Management System of GSA is the least expensive, most efficient way to meet our agency motor vehicle fleet requirements. Or the studies could show that qualified private sector fleet management firms could handle small- to medium-sized fleets better than either GSA or the current agency plans.

Frankly, Mr. President, I do not believe that we can or should contract out all Government services. However, if there ever was a prime candidate for the "Heisman Trophy" of contracting out, I would think that motor vehicles would be one of them. Our amendment will allow us to find out in short order.

Finally, Mr. President, the amendment authorizes the administration, and particularly the Administrator of General Services, to identify interagency opportunities for consolidation of motor vehicles; motor vehicle facilities; related equipment; and management functions; and to identify other cost-saving measures that will save the taxpayers' money and make the operation of our huge Federal fleet more efficient.

Mr. President, this amendment is not something that this Senator dreamed up overnight. In fact, for the past 4 years, other Senators and I have been analyzing the problem of the Federal motor vehicle fleet and attempted to make cost savings on several occasions.

In February 1981, I introduced legislation that would have reduced the cost of the Federal motor vehicle fleet by over $100 million. On April 7, 1981, I asked the General Services Administration and the General Accounting Office to study the Federal motor vehicle fleet and its cost to the taxpayers. Their findings showed that the taxpayers were paying in excess of $1.1 billion a year to operate and maintain the Federal motor vehicle fleet—an increase of $724 million or 192 percent over a 10-year period.

In July 1982, the distinguished chairman and ranking member of the Senate Governmental Affairs Committee, Senator ROTH and Senator EAGLETON respectively, joined me in sponsoring Senate Joint Resolution 221 calling for saving of $150 million in the cost of the motor vehicle fleet in fiscal year 1983.

In August 1983, I introduced S. 1798, a bill requiring the executive agencies of the Government to identify all costs associated with the operation of the Federal motor vehicle fleet; requiring cuts of $100 million in fiscal year 1985; and directing the Government to ex-

amine the use of private sector alternatives to the current program for managing the Federal fleet.

On April 26, 1984, my amendment to the Deficit Reduction Act passed the Senate 78–15—mandating a cut of $160 million in the Federal motor vehicle fleet. Unfortunately, after conference with the House, submission of the appropriate recission message from the President and final congressional action on these items, only a few million dollars were cut in the motor vehicle program. Nevertheless, it set the stage for the amendment that the Senator from New Hampshire and I have introduced today.

Mr. President, this is an amendment that is long overdue. It will save the taxpayers $225 million over the next 3 fiscal years and reduce the deficit by a like amount. It will force Uncle Sam to rethink how it manages and operates its fleet of over 460,000 vehicles. It will force the Government to explore private sector alternatives to the way we currently do our Federal motor vehicle business. And it will force this administration and the next administration to finally provide comprehensive, standardized, budget on how much our Federal agencies, including the Department of Defense, spend on motor vehicles annually.

Mr. President, I recognize that this amendment is technically not germane to the reconciliation bill, under the provisions of the Budget Act of 1974. But I would hope that the Senate would allow this amendment to rise or fall on its merits.

Mr. President, I urge the adoption of the amendment.

Mr. President, I want to advise the manager, the distinguished Senator from New Mexico, and ranking member, the distinguished Senator from Florida, that I have discussed this amendment with the chairman of the Governmental Affairs Committee, and my staff has advised me that the ranking member of that committee, Senator EAGLETON, from Missouri, has also approved of this measure and it is properly offered at this time. I can make that assurance to my colleagues.

Mr. President, I would like to yield to the Senator from New Hampshire who has worked for a long time on this effort. We would not have this package here if it were not for the Senator's dedication in trying to do something with these overruns.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. HUMPHREY. Mr. President, do we have time constraints?

The PRESIDING OFFICER. There is 1 hour on each side.

Mr. HUMPHREY. Mr. President, this is a signal occasion. I believe this is the first piece of legislation to reach the floor which comes out of the Senate Grace Commission caucus which Senator DECONCINI and I chaired. The purpose of that caucus—and we invite Members to join with us, we have a great many already, and wish to have everyone involved—is to move beyond rhetoric about the need to implement many of the Grace Commission recommendations, and indeed to implement them by way of legislation. So it is especially important, I think, that this bill has reached the floor.

With respect to the amendment, Mr. President, the Federal Government operates a motor vehicle fleet of some 443,000 units, trucks, cars, and so on, that cost the taxpayers something like $1.3 billion a year. It would appear that there is a great deal of duplication inasmuch as many agencies have their own separate motor vehicle fleets. They are not all under the management of the GSA. Furthermore, it is only logical to assume or at least be curious about whether or not we could more efficiently provide this transportation through private sector management of the motor vehicle fleet. In any event, those are worth looking at. We do know there is a good deal of use. For instance, three-fifths of the Federal officials who get free transportation between home and office are not entitled to it according to the GAO.

Mr. President, our amendment reduces the fleet vehicle budget authority by $225 million over the 3-year period beginning in the fiscal year 1986. It is a reasonable, reasoned approach which will save money immediately beginning this year, and also at the same time provide reports and data which will enable us to make important decisions later on about the feasibility of privatizing, if you will, or at least having our motor vehicle fleets managed by the private sector.

I understand the floor managers are prepared to accept the amendment, Mr. President, I thank my colleague from New Mexico for his cooperation in this effort.

Mr. DOMENICI. Mr. President, it is my understanding that the committees of jurisdiction have indicated their approval of this amendment and that it is, in fact, an amendment that, if and when totally implemented, will save considerable amounts of money. I compliment the distinguished Senator from Arizona and the distinguished Senator from New Hampshire. We are willing to accept the amendment.

Mr. CHILES. Mr. President, I urge acceptance of the amendment.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 857) was agreed to.

Mr. DECONCINI. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOMENICI. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 858

(Purpose: To require earlier notification of changes in the Medicare inpatient hospital deductible)

Mr. BAUCUS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Montana [Mr. BAUCUS], for himself, Mr. PACKWOOD, Mr. DURENBERGER, Mr. HEINZ, Mr. GLENN, Mr. MITCHELL, and Mr. MATSUNAGA, proposes an amendment numbered 858.

Mr. BAUCUS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment reads as follows:

On page 168, between lines 4 and 5 insert the following:

SEC. 716A. PROMULGATION OF INPATIENT HOSPITAL DEDUCTIBLE.

(a) CHANGE IN DEADLINE.—Section 1813(b)(2) of the Social Security Act is amended by striking out "October 1" and inserting in lieu thereof "September 15".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to calendar years after 1985.

Mr. DOMENICI. Mr. President, a parliamentary inquiry, if the Senator will yield.

Mr. BAUCUS. I yield.

Mr. DOMENICI. Mr. President, if there is no one in opposition to the amendment, who will control the time in opposition? I know of no one on the floor who opposes this amendment. I want to make sure we comply with the rules.

The PRESIDING OFFICER. The time would be controlled by the minority leader or his designee.

Mr. DOMENICI. Even if the minority leader or his designee favors the amendment, I assume he still controls the time?

The PRESIDING OFFICER. The Senator is correct.

Mr. BAUCUS. Mr. President, the amendment I am offering is a technical change in the date by which the Secretary of Health and Human Services must publish a notice in the Federal Register of the annual increase in the Medicare hospital insurance (part A) deductible. It has no budget effect. My amendment simply requires the Secretary to publish notice 2 weeks before the close of each fiscal year, by September 15. I believe that it has been cleared on both sides.

DEDUCTIBLE PROJECTED TO INCREASE BY 23 PERCENT

Mr. President, the Secretary of Health and Human Services had some startling news for Medicare beneficiaries on September 30: Their out-of-

pocket costs for hospitalization are about to go up by 23 percent next year.

That is HHS' projection of the increase in the Medicare part A deductible, the amount beneficiaries must first pay before Medicare begins to pay their hospital bills. The current deductible is already $400—10 times what it was when Medicare began 20 years ago. Now, HHS says that in 1986 Medicare beneficiaries must pay $492 for each hospital stay!

It is not a surprise that the Medicare deductible is going up. It goes up every year to reflect the increases in the cost of medical care nationwide. The annual adjustment is made to keep the deductible in line with the cost of 1 day of hospitalization.

But the size of this year's cost increase is a surprise. Nobody expected that the deductible would jump by 23 percent. If we had known that fact, I am sure that we would have tried to address this problem in the Finance Committee as part of the reconciliation process. We would have reduced this unjustifiable increase and found the savings someplace else.

RISE IN DEDUCTIBLE WILL HURT THE ELDERLY

This sharp and unforeseen increase in the Medicare deductible will have its greatest impact on low-income senior citizens who can least afford the already high costs of health care. For many others who purchase private medicare supplemental insurance, the increase in the deductible will almost certainly be passed along in the form of higher monthly premiums for their "MediGap" plans.

If it were possible to offer an amendment today to reduce this unforeseen cost increase to beneficiaries, I would be the first to offer it.

However, in addition to being nongermane under the special rules of the Budget Act, such an amendment would change the deficit-reduction total achieved by the Finance Committee with no opportunity to make other, offsetting changes. I do not propose that we violate the budget targets set by the Budget resolution.

Rather, the amendment I am offering today is a starting point for further consideration of the proper level of the Medicare deductible. In the months ahead, I hope that we can take the action needed to restrain skyrocketing increases in this direct cost to elderly for health care.

This amendment simply requires the Secretary of HHS to report the projected increase in the deductible 2 weeks sooner than under current law. Right now, the Secretary must publish a notice of the projected increase by October 1 each year. My amendment pushes that reporting date up to September 15. That is it.

This is important for two reasons.

First, it puts the administration on notice that Congress expects timely information on this important feature of the Medicare Program in future years. Congress needs to know about projected increases in costs to beneficiaries to make modifications when they are called for. At a minimum, we need to know this before the start of the new fiscal year.

Second, it provides the conferees on this bill the opportunity to take a more careful look at what a reasonable increase in the Medicare deductible should be for 1986. I intend to urge the conferees to examine this issue when considering the other changes that need to be made in the Medicare hospital insurance program.

FORMULA OVERSTATES RISE IN HOSPITAL COSTS

Under current law, the formula used to increase the Medicare part A deductible for hospital insurance is tied to the annual increase in the average cost per day of hospitalization. It ignores the fact that the amount of time that patients spend in the hospital has decreased significantly in the past 2 years.

As a result, the formula used to index the deductible has dramatically overstated the real increase in hospital costs for next year. Simply put, the fixed costs of hospitalization are being spread out over a smaller number of days. This means the increase in the Medicare deductible was overstated for 1986 by almost $50.

The decline in the length of hospitalization is the result of the reforms in the Medicare Program enacted by Congress in 1983 as well as other cost-conscious decisions being made by consumers, insurers, and employers all over the country.

ACTION NEEDED TO REDUCE DEDUCTIBLE INCREASE

It would be grossly unfair to Medicare beneficiaries if the efficiencies and cost controls in the Medicare Program are allowed to result in an increase in their out-of-pocket costs.

What is more, the increase in the part A deductible results in an automatic increase in other beneficiary cost-sharing provisions. Therefore, HHS estimates an increase in Medicare daily coinsurance costs—which begin on the 61st day of hospitalization for the severely ill—of 23 percent. That comes to $123 per day if you happen to find yourself in the hospital for that long.

Coinsurance for extended care at a skilled nursing home will also increase by 23 percent, up to $61.50 a day.

Today I am offering this "no cost" amendment to bring attention to this shocking increase in costs to the elderly for hospital care. It is the starting point for a solution that I hope we can reach in the months ahead. I urge support for this amendment.

Mr. DOMENICI. Mr President, would the Senator accommodate the Senator from New Mexico while he suggests the absence of a quorum? The time can be charged to my time.

Mr. BAUCUS. I would be delighted to.

Mr. DOMENICI. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, as I indicated, at least by implication, I have no objection as manager of the bill to this amendment. I understand the chairman of the Finance Committee, Senator PACKWOOD, has no objection.

However, I do have some concerns about the impact of this amendment on conference. By including this relatively innocuous provision, the Medicare part A deductible becomes an issue for conference. For every $10 we reduce the deductible, we increase Federal outlays by $100 million per year. If the conference should reduce the deductible to last year's level, it would cost $1.1 billion in the first year.

Finance has no room for these additional outlays in fiscal year 1986 without offsetting savings.

Mr. President, while I will not object, I feel that this amendment creates a dangerous situation in which to go to conference. Substantial new spending could be included in the bill, with no offsetting savings.

Mr. CHILES. Mr. President, I have no objection to the amendment. I yield back my time.

The PRESIDING OFFICER. Does the Senator from Montana yield back his remaining time?

Mr. BAUCUS. Yes.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 858) was agreed to.

Mr. BAUCUS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOMENICI. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 859

(Purpose: To make technical and perfecting amendments)

Mr. DOMENICI. Mr. President, I have a series of technical and perfecting amendments which have been cleared by the distinguished Senator from Florida on his side of the aisle. I send the amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI] proposes an amendment numbered 859.

Mr. DOMENICI. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate places in the bill, do the following:

On page 89, line 15, strike out "purpose" and insert in lieu thereof "purposes".

On page 94, line 13, strike out "paragraph (1)" and insert in lieu thereof "subsection (a)".

On page 99, after line 23, insert the following:

(2) by striking out the period at the end of paragraph (5) and inserting in lieu thereof "; and"; and

On page 180, line 5, strike out "following" and insert in lieu thereof "following".

On page 215, line 18, insert ")" after "(e)".

On page 284, beginning with line 22, strike out all through page 285, line 7, and insert in lieu thereof the following:

(2) If—

(A) a document or ticket for transportation of a passenger into the customs territory of the United States is issued in a foreign country, and

(B) the fee charged under subsection (a)(6) is not collected at the time such document or ticket is issued, the person providing transportation to such passenger shall collect such fee at the time such passenger departs from the customs territory of the United States and shall provide such passenger a receipt for the payment of such fee.

On page 308, line 19, strike out "yeas" and insert in lieu thereof "years".

On page 308, line 20, strike out "of" and insert in lieu thereof "to".

On page 308, line 21, strike out "liue" and insert in lieu thereof "lieu".

On page 308, line 21, strike out "plans" and insert in lieu thereof "plan".

On page 309, line 6, insert a comma after "plan".

On page 310, line 13, strike out "Except" and insert in lieu thereof "Exception".

On page 311, line 3, strike out "(ii))" and insert in lieu thereof "(ii)".

On page 312, line 15, insert "for any group health plan maintained by an employer" after "employer".

On page 312, line 18, strike out "(B). Except" and insert in lieu thereof "(B) Exception".

On page 316, line 21, strike out "and" and insert in lieu thereof "any".

On page 320, line 2, strike out "amendment" and insert in lieu thereof "amendments".

On page 321, line 15, strike out "subsectioin" and insert in lieu thereof "subsection".

On page 322, line 16, strike out the second comma.

On page 323, line 2, strike out "the" and insert in lieu thereof "an".

On page 323, line 8, strike out "section" and insert in lieu thereof "subsection".

On page 329, line 9, strike out "tax" and insert in lieu thereof "taxes".

On page 334, line 11, strike out the colon and insert in lieu thereof a semicolon.

On page 335, line 25, strike out "Setpember" and insert in lieu thereof "September".

On page 336, line 10, strike out "be" and insert in lieu thereof "by".

On page 342, line 24, strike out "If" and insert in lieu thereof "if".

On page 343, line 10, strike out "it is" and insert in lieu thereof "if it".

On page 343, line 14, strike out "manufactures" and insert in lieu thereof "manufacturers".

On page 343, line 14, strike out "follow" and insert in lieu thereof "follows".

On page 344, lines 2 and 3, strike out "manufacture" and insert in lieu thereof "manufacturer".

On page 344, line 15, insert "the" after "receiving".

On page 345, line 18, strike out "subparagraph" and insert in lieu thereof "subparagraphs".

On page 347, line 4, strike out "Uospent" and insert in lieu thereof "Unspent".

On page 349, in the matter after line 8, strike out "transaction" and insert in lieu thereof "transactions".

On page 352, lines 13 and 17, strike out the closing quotation marks.

On page 355, in the matter after line 1, strike out "depository" and insert in lieu thereof "depositary".

On page 357, in the matter after line 6, strike out "Definitons" and insert in lieu thereof "Definitions".

On page 362, line 2, strike out "Decembr" and insert in lieu thereof "December".

On page 367, in the matter after line 25, add at the end thereof a period.

On page 368, line 11, strike out "Hazadous" and insert in lieu thereof "Hazardous".

On page 368, line 13, strike out "refenence" and insert in lieu thereof "reference".

On page 368, line 18, strike out "Subchpater" and insert in lieu thereof "Subchapter".

On page 368, line 20, strike out "subchpater" and insert in lieu thereof "subchapters".

On page 369, line 11, strike out "Liabilty" and insert in lieu thereof "Liability".

On page 372, lines 9 and 10, strike out "October 1, 1985" and insert in lieu thereof "November 15, 1985".

On page 374, line 6, strike out "or" and insert in lieu thereof "of".

On page 380, line 8, strike out "growers" and insert in lieu thereof "producers".

On page 381, line 8, strike out "if" and insert in lieu thereof "is".

On page 386, strike out lines 1 through 3 and insert in lieu thereof the following:

(2) by inserting ", except in the case of Burley tobacco," after *"Provided,* That" in the fourth sentence of subsection (e).

On page 386, line 18, strike out "Year" and insert in lieu thereof "year".

On page 387, line 10, strike out "manfacturer" and insert in lieu thereof "manufacturer".

On page 394, line 20, strike out "fluecured" and insert in lieu thereof "Fluecured".

On page 395, line 12, strike out "associ-" and insert in lieu thereof "associa-".

On page 401, line 23, strike out "to" and insert in lieu thereof "the".

On page 407, line 3, strike out "stock of the Corporation" and insert in lieu thereof "stocks of the Corporation of".

On page 412, line 12, strike out "Subsection" and insert in lieu thereof "Subsections".

On page 415, line 17, strike out "relating" and insert in lieu thereof "(relating".

On page 422, line 17, strike out the single quotation marks and insert in lieu thereof double quotation marks.

On page 428, line 24, strike out "Payroll" and insert in lieu thereof "Taxes".

On page 430, line 13, strike out "period" and insert in lieu thereof "period)".

On page 478, line 24, strike out "'the Act'" and insert in lieu thereof "the 'Act'".

On page 517, between lines 13 and 14, insert the following:

PART H—GRADUATE MEDICAL EDUCATION

AMENDMENT TO THE PUBLIC HEALTH SERVICE ACT

On page 519, line 22, strike out "relevent" and insert in lieu thereof "relevant".

On page 536, line 8, strike out "99" and insert in lieu thereof "991".

On page 536, line 11, strike out "if:" and insert in lieu thereof "if—".

On page 536, line 20, insert "of 1954" after "Code".

On page 536, line 21, strike out "termintion" and insert in lieu thereof "termination".

On page 536, line 23, insert "of 1954" after "Code".

On page 537, line 5, strike out "Act" and insert in lieu thereof "Act)".

On page 537, line 17, strike out "organzation" and insert in lieu thereof "organization".

On page 538, line 9, strike out "notifiy" and insert in lieu thereof "notify".

On page 543, lines 20 and 21, strike out "section 4041(c)" and insert in lieu thereof "subsection (c)".

On page 544, line 18, strike out "within" and insert in lieu thereof "(within".

On page 544, line 19, strike out "4042)'" and insert in lieu thereof "4042)".

On page 552, strike out lines 1 through 5 and insert in lieu thereof the following new subsection:

(b) CONFORMING AMENDMENTS.—Section 4041(e) (as redesignated by section 991(a)(2) of this Act is amended—

(1) by striking out "subsection (a)" and inserting in lieu thereof "this section"; and

(2) by inserting "in a standard termination" after "terminated".

On page 554, strike out "trhe" and insert in lieu thereof "the".

On page 555, line 9, insert a period after "4062".

On page 562, line 6, strike out "and".

On page 563, line 4, strike out "." and insert in lieu thereof "."; and ".

On page 563, between lines 4 and 5, insert the following:

(3) by inserting after section 4065 (as added by clause (2)) the following:

"PART 2—ADMINISTRATION AND ENFORCEMENT".

On page 563, line 9, strike out "Act'" and insert in lieu thereof "Act)".

On page 563, line 17, strike out "terminatioin" and insert in lieu thereof "termination".

On page 563, line 18, strike out "plana" and insert in lieu thereof "plan".

On page 563, line 19, strike out "contribution" and insert in lieu thereof "contributing".

On page 563, line 21, strike out "contribution" and insert in lieu thereof "contributing".

On page 563, line 25, strike out "of the" and insert in lieu thereof "for the".

On page 564, line 10, strike out "996(c)(i)" and insert in lieu thereof "996(c)(1)".

On page 564, line 13, strike out "EFFECT" and insert in lieu thereof " "EFFECT".

On page 566, line 9, strike out "1306(a)(2)" and insert in lieu thereof "1306(a)(2))".

On page 567, line 24, insert "by" after "(ii)".

On page 569, strike out lines 18 and 19 and insert in lieu thereof the following:

inserting in lieu thereof "section 4041(c)"; and

On page 570, line 22, strike out "(a)-(aa)," and insert in lieu thereof "(a), (aa)".

On page 572, line 2, insert a comma after "(b)".

On page 572, line 9, strike out "(C)(2)(A)(i)" and insert in lieu thereof "(c)(2)(A)(i)".

On page 572, line 20, insert a comma after "(d)".

On page 574, line 15, strike out "(a)(1)" and insert in lieu thereof "(1)".

On page 575, line 11, strike out "(and)".

On page 576, strike out line 12 and insert in lieu thereof the following: "but it does not include mineral, oil, and gas royalty interests.".

On page 579, line 1, strike out "(i)" and insert in lieu thereof " "(i)".

On page 579, strike out line 4 and insert in lieu thereof the following:

States, and

"(ii) any lien imposed under this section".

On page 579, line 8, strike out "109(c)(1)" and insert in lieu thereof "996(c)(1)".

On page 579, between 14 and 15, insert a period after "413A".

On page 580, before line 1, strike out "of" in the item relating to section 4072 and insert in lieu thereof "to".

On page 580, before line 1, strike out the item relating to section 4075 and insert in lieu thereof the following:

"Sec. 4075. Effect of corporate reorganization.".

On page 605, line 3, strike out "the" and insert in lieu thereof "this".

On page 609, line 3, strike out "of" the second place it appears and insert in lieu thereof "or".

Mr. DOMENICI. Mr. President, I believe these amendments are self-explanatory. When a bill as large and detailed as this one is prepared, there are technical errors. This amendment corrects the technical errors in this bill.

I yield back any time remaining on the amendment.

Mr. CHILES. Mr. President, I yield back my time.

Mr. DOMENICI. Mr. President, I move adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 859) was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. CHILES. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DURENBERGER addressed the Chair.

The PRESIDING OFFICER. (Mr. HECHT). The Senator from Minnesota.

AMENDMENT NO. 860

Mr. DURENBERGER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Minnesota [Mr. DURENBERGER] for himself, Mr. KENNEDY, Mr. DOLE, Mr. BAUCUS, Mr. HEINZ, Mr. PROXMIRE, and Mr. RIEGLE, proposes an amendment numbered 860.

Mr. DURENBERGER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Beginning on page 512, line 1, strike out through page 517, line 13.

On page 164, after line 25, insert the following

SEC. 711A. RESPONSIBILITIES OF MEDICARE HOSPITALS IN EMERGENCY CASES

(a) REQUIREMENT OF MEDICARE HOSPITAL PROVIDER AGREEMENTS.—Section 1866(a)(1) of the Social Security Act is amended—

(1) by striking out "and" at the end of subparagraph (G);

(2) by striking out the period at the end of subparagraph (H) and inserting in lieu thereof ", and "; and

(3) by inserting after subparagraph (H) the following new subparagraph:

"(I) in the case of a hospital, to comply with the requirements of section 1867 to the extent applicable.".

(b) REQUIREMENTS.—Title XVIII of such Act is amended by inserting after section 1866 the following new section:

"EXAMINATION AND TREATMENT FOR EMERGENCY MEDICAL CONDITIONS AND WOMEN IN ACTIVE LABOR

"SEC. 1867. (a) Medical Screening Requirement.—In the case of any hospital which has a hospital emergency department, if any individual (whether or not eligible for benefits under this title) comes to the emergency department and a request is made on the individual's behalf for examination or treatment for a medical condition, the hospital must provide for an appropriate medical screening examination within the capability of such hospital's emergency department to determine whether or not an emergency medical condition (within the meaning of subsection (e)(1)) exists or to determine if the individual is in active labor (within the meaning of subsection (e)(2)). The requirements of this subsection shall not apply if the provision of a medical screening examination would delay or otherwise be contrary to the prompt treatment of the individual's medical condition.

"(b) NECESSARY STABILIZING TREATMENT FOR EMERGENCY MEDICAL CONDITIONS AND ACTIVE LABOR.—If any individual (whether or not eligible for benefits under this title) comes to the hospital and the individual is determined (through the screening described in subsection (a) or otherwise) to have an emergency medical condition or to be in active labor, the hospital must provide either—

"(1) within the staff and facilities available at such hospital, for such further medical examination and such treatment as may be required to stabilize the medical condition or to provide for treatment of the labor, unless the examination or treatment is refused; or

"(2) for transfer of the patient to another medical facility in accordance with subsection (c), unless the transfer is refused.

"(c) RESTRICTING TRANSFERS UNTIL PATIENT STABILIZED.—

"(1) GENERAL RULE.—If a patient at a hospital has an emergency medical condition which has not been stabilized (within the meaning of subsection (e)(3)(B)) or is in active labor, the hospital may not transfer the patient unless—

"(A)(i) the patient (or a member of the patient's family if the patient is an unemancipated minor or is unable to communicate) requests that a transfer be effected; or

"(ii) there has been a determination by a physician (within the meaning of section 1861(r)(1)), or by other qualified medical personnel when a physician is not available in the emergency department, that, based upon the reasonable risks and benefits to the patient, and based upon the information available at the time, the benefits obtained from the provision of appropriate medical treatment at another medical facility, taking into account the potential risks to the individual's medical conditions involved in the transfer, outweigh the potential benefits to the individual's medical condition from not effecting the transfer; and

"(B) the transfer is an appropriate transfer (within the meaning of paragraph (2)) to that facility.

"(2) APPROPRIATE TRANSFER.—An appropriate transfer to a medical facility is a transfer—

"(A) in which the receiving facility—

"(i) has available space and qualified personnel for the treatment of the patient;

"(ii) has agreed to accept transfer of the patient and to provide appropriate medical treatment; and

"(iii) is being provided appropriate medical records (or copies thereof) of the examination and treatment furnished at the transferring facility, or, if the patient's medical condition is sufficiently serious to require an immediate transfer, is notified of the transfer as soon as practicable under the circumstances;

"(B) in which the transfer is effected through qualified personnel and transportation equipment, as required, including the use of necessary and medically appropriate life support measures during the transfer; and

"(C) which meets such other requirements as the Secretary may find necessary in the interest of the health and safety of patients transferred.

"(d) ENFORCEMENT.—If a hospital knowingly and willfully, or negligently, fails to meet the requirements of this section, such hospital shall be subject to—

"(1) termination of its provider agreement under this title in accordance with section 1866(b); or

"(2) at the option of the Secretary, suspension of such agreement for such period of time as the Secretary determines to be appropriate, upon reasonable notice to the provider and to the public.

"(e) DEFINITIONS.—For purposes of this section:

"(1) The term 'emergency medical condition' means a medical condition manifesting itself by acute symptoms of sufficient severity (including severe pain) such that the ab-

sence of immediate medical attention could reasonably be expected to result in—

"(A) placing the patient's health in serious jeopardy;

"(B) serious impairment to bodily functions; or

"(C) serious dysfunction of any bodily organ or part.

"(2) The term 'active labor' means labor at a time at which—

"(A) delivery is imminent; or

"(B) there is inadequate time to effect safe transfer to another hospital prior to delivery.

"(3)(A) The term 'to stabilize' means, with respect to an emergency medical condition, to provide such medical treatment of the condition as may be reasonably necessary under the circumstances and within the capability of the hospital—

"(i) so that the transfer of the individual will not, within reasonable medical probability, result in substantial risk of the death or serious impairment of the individual as a direct result of the transfer; or

"(ii) in order to determine that the benefits obtained from the provision of appropriate medical treatment at another medical facility, taking into account the potential risks to the individual's medical condition involved in the transfer, outweigh the potential benefits to the individual's medical condition from not effecting the transfer.

"(B) The term 'stabilized' means, with respect to an emergency medical condition, that such medical treatment of the condition has been provided as may be reasonably necessary under the circumstances and within the capability of the hospital—

"(i) so that the transfer of the individual will not, within reasonable medical probability, result in substantial risk of the death or serious impairment of the individual as a direct result of the transfer; or

"(ii) in order to determine that the benefits obtained from the provision of appropriate medical treatment at another medical facility, taking into account the potential risks to the individual's medical condition involved in the transfer, outweigh the potential benefits to the individual's medical condition from not effecting the transfer.

"(4) The term 'transfer' means the movement (including the discharge) of a patient outside a hospital's facilities at the direction of any person employed by, or affiliated or associated directly or indirectly with, the hospital, but does not include such a movement of a patient who has been declared dead or leaves the facility without the permission of any such person.

"(f) PREEMPTION.—The provisions of this section do not preempt any State or local law requirement except to the extent that the requirement directly conflicts with a requirement of this section.".

"(c) EFFECTIVE DATE.—The amendments made by this section shall become effective on April 1, 1986.

"(d) GAO STUDY.—(1) The Comptroller General shall conduct a study of the problems created by hospitals which transfer patients without providing necessary emergency medical treatment. The study shall include—

(A) a survey and assessment of the extent of the problems;

(B) a survey of the available remedies to such problems, including State law and licensing requirements and the use of professional standard setting organizations, and an assessment of the frequency and effectiveness with which such remedies are utilized;

(C) an assessment of the effectiveness of the remedy provided under section 1867 of the Social Security Act; and

(D) recommendations for changes in Federal law, including changes in section 1867 of the Social Security Act, and the possible use of incentives under title XIX of such Act to encourage States to establish similar remedies.

(2) The Comptroller General shall report the results of the study to the Congress within 2 years after the date of the enactment of this Act.

(e) REGULATIONS.—The Secretary of Health and Human Services shall promulgate final regulations for implementing section 1867 of the Social Security Act within 180 days after the date of the enactment of this Act, and shall report to Congress on the methods to be used for monitoring and enforcing compliance with such section.

Mr. DURENBERGER. Mr. President, this amendment would require hospitals serving Medicare patients to provide emergency services to individuals with life-threatening or potentially crippling conditions regardless of their ability to pay.

The measure was developed by myself and the Senators from Massachusetts [Mr. KENNEDY] and Utah [Mr. HATCH] as an alternative to a provision now in the reconciliation package before this body.

I want to commend my colleagues and their staffs for working to perfect and refine the original provision and compromising in this agreed upon amendment.

The amendment addresses an issue which has gained much public attention over the last year. The CBS news show "60 Minutes" ran a segment exposing the inappropriate transfer of a number of seriously ill patients from the emergency rooms of private hospitals to public hospitals.

Just last June, the Washington Post chronicled a Dallas case of a badly burned laborer who was turned away from a number of hospitals before he could get the treatment he badly needed.

I hope we have agreement on this point: the practice of rejecting indigent patients in life threatening situations for economic reasons alone is unconscionable.

Frankly, we do not know how pervasive this practice of dumping the sick and indigent from emergency rooms actually is. The evidence I have seen so far is primarily anecdotal.

However, there are indications that this practice could escalate. And, in fact, we are seeing change in the health-care marketplace which may even encourage this practice.

This change of which I am an advocate, as my colleagues know, is the movement toward price competition in the health-care marketplace. This competitive approach will bring about higher quality, cost-effective health care.

But, it will also make it difficult for hospitals to continue their tradition of subsidizing services for those who cannot pay, from the charges on those who can.

In this environment the responsibile hospital manager of a private nonprofit or investor-owned institution will not be able to treat many patients who lack health plans or insurance coverage.

All Americans, rich or poor, deserve access to quality health care. This question of access should be the Government's responsibility at the Federal, State, and local levels. We cannot and should not expect hospitals to be this Nation's national health service.

At the same time while we in the Congress and the State legislatures are groping for areas to get quality health care to the uninsured Americans, we cannot stand idly by and watch those Americans who lack the resources be shunted away from immediate and appropriate emergency care whenever and wherever it is needed.

The purpose of this amendment is to send a clear signal to the hospital community, public and private alike, that all Americans, regardless of wealth or status, should know that a hospital will provide what services it can when they are truly in physical distress.

This amendment does not prevent hospitals from making appropriate and safe transfers of patients for economic reasons. It does, however, make it clear that the Medicare Program will not do business with any institution which willfully and knowingly, or through negligence, turns its back on an emergency medical situation.

The amendment is not a cure-all. it is a modest policy to address a problem which only recently began to emerge. We need to learn more about the problem and to see what further steps, if any, are necessary. The amendment calls on the General Accounting Office to thoroughly review the issue. This study should give Congress sufficient information to objectively assess this problem.

Whatever additional steps GAO recommends, whether further Medicare action or refinements in Medicaid, the aim of the Congress should be to encourage States to take definite action to guard against "dumping" at the local level.

Mr. President, in conclusion, I want to commend my colleagues on the Finance and the Labor and Human Resources Committees who put their efforts into formulating this amendment. It is a worthy step which I ask my fellow Senators to support.

Mr. President, I ask unanimous consent that the Senators from Massachusetts [Mr. KENNEDY], Kansas [Mr. DOLE], Montana [Mr. BAUCUS], Pennsylvania [Mr. HEINZ], and Wisconsin [Mr. PROXMIRE] be listed as cosponsors of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I join my good friend, Senator DURENBERGER, in support of this emergency medical care amendment. This amendment has grown out of a bill that I introduced last month. It addresses a crucial aspect of our health delivery system—the availability of hospital emergency services. Though the amendment before us represents a compromise, it remains a worthwhile and necessary addition to Federal law.

Mr. President, over the last few years, disturbing reports have surfaced about individuals who have been denied emergency services at hospitals in many locations around the country. They have been denied services because they lacked health insurance or funds to pay cash at the door. In some cases, racial discrimination may have been involved.

These patients have been denied the care they need. Some have been sent to another hospital—usually a public hospital. This practice is often called patient dumping. Public hospitals have reported to us a 400-percent rise in the number of patients who have been sent to their emergency rooms after visiting another hospital. Reports of a dramatic rise in dumping have come from D.C. General Hospital here in Washington. They have come from Parkland Hospital in Dallas. They have come from Cook County Hospital in Chicago. and, they have come from other hospitals in California and around the country.

Mr. President, studies done by physicians have documented the danger of this inexcusable practice; death and disability have clearly been the result. In one hospital in California, 458 patients were transferred from one emergency room to another over a 6-month period. Thirty-three of those patients had their lives gravely endangered by the transfer. In that group, there were gunshot wounds, stabbing victims, and severe head injuries from motor vehicle accidents.

Some States have laws which ensure that no emergency patient is denied emergency care because of inability to pay. But, 28 States have no such law. Federal legislation in this area is long overdue.

Mr. President, this bill has several provisions. First, it requires that every patient who presents to a hospital emergency room must be given a medical screening examination. This is not a financial screen examination, but a medical screening examination.

Second, every patient who has a bonafide emergency must receive stabilizing care. Once stabilized, that patient may be transferred, but only if space is available at another hospital.

Third, if transfer is to take place, the transfer must be done in an appropriate manner—in an emergency vehicle with the proper emergency equipment, personnel, and records.

As the distinguished editor of the New England Journal of Medicine said in an editorial on this subject earlier this year, "What are hospitals for?"—if not to offer health care in an emergency. This amendment is a commonsense measure.

And yet, Mr. President, even in the 22 States which already have emergency medical care statutes on the books, enforcement of those laws has been poor. Many of the abuses have occurred in States which already have laws on the books.

Meaningful enforcement is essential. My original bill contained several options for enforcement. It included civil monetary fines, and civil causes of action against the offending hospital in addition to potential loss of medicare reimbursement.

In the spirit of compromise, I have worked with my respected colleague, Senator DURENBERGER, to bring this measure to the Senate floor. Our compromise retains only reimbursement penalties—either through complete withdrawal of Medicare certification or temporary suspension from the Medicare Program.

This penalty may work, but it also represents some danger. The loss of Medicare funds would not only hurt the hospital, it would also hurt Medicare patients. The Secretary of HHS may be reluctant to use this penalty. If this route of enforcement is going to succeed, the Secretary of Health and Human Services must develop procedures for surveillance and for reporting of abuses. Pressure must be put on offending hospitals.

Mr. President, the environment of medical practice is changing dramatically. Hospitals are insecure about their futures. They are more reluctant than before to offer care for which they may not be compensated. At the same time, there are more people who have no health insurance and cannot pay for health care.

These larger problems demand solutions. But we must not wait for complete solutions. It is imperitive that all emergencies be treated appropriately today.

We cannot allow a health care system as advanced as ours to provide emergency care only to those who can pay. This amendment will ensure that hospitals live up to their fundamental responsibilities to the public.

Mr. DOLE. Mr. President, our citizens stake their very lives on the availability and accessibility of emergency hospital care. We must put an end to certain unsafe practices, often referred to as "patient dumping", whereby a hospital, for purely financial reasons, refuses to initially treat or stabilize an individual with a true medical emergency. The amendment I am cosponsoring with the distinguished Senator from Minnesota would prohibit such practices and would provide for the suspension or termination of a hospital's Medicare provider agreement if the hospital knowingly, willfully, or negligently failed to meet these reasonable and humane standards.

Under the provision of this amendment, a hospital is charged only with the responsibility of providing an adequate first response to a medical crisis. That means the patient must be evaluated and, at a minimum, provided with whatever medical support services and/or transfer arrangements that are consistent with the capability of the institution and the well-being of the patient. We should expect nothing less.

Mr. HEINZ. Mr. President, I am pleased to join my colleagues Senators DURENBERGER and KENNEDY as a cosponsor of this amendment to S. 1730, the Consolidated Omnibus Budget Reconciliation Act, addressing the critical problem of hospital emergency department dumping of the medically uninsured.

Recently, the Special Committee on Aging which I chair, conducted a hearing on the severe problems of the medically uninsured in this country. With shrinking resources to serve the uninsured, hospitals are becoming less and less willing to open their doors to people who have no medical coverage. Thus, a lack of insurance can leave a person at great peril of being barred from access to urgently needed care.

At this hearing, testimony from Dr. Gordon Schiff revealed that Cook County Hospital in Chicago receives over 500 patients per month transferred directly from other emergency departments. The sole reason for transferring these patients to Cook County—a public facility—is that they have no health insurance to pay for the costs of private medical care.

Often, these patients are so sick that they require immediate hospitalization, yet are refused admission to private institutions. In Cook County the number of transfers has increased 500 percent since 1979. The results of my committee's investigation demonstrates that the "dumping" of patients from hospital to hospital is not unique to Cook County but represents only the tip of the iceberg regarding the growing and complex problems of the medically uninsured.

Mr. President, the amendment offered today by Senators KENNEDY and DURENBERGER and myself takes a major step toward preventing the "dumping" of emergency patients. This amendment would enable the Secretary of Health and Human Services to terminate a hospital from the Medicare program that has inappropriately transferred or "dumped" a patient from its emergency room.

Mr. President, the time is now for the Senate to address the serious problems of this Nation's most vulnerable citizens. I congratulate the Senator from Minnesota and the Senator from Massachusetts for taking leadership on this critical issue and am pleased to join them in offering this amendment.

Mr. PROXMIRE. Mr. President, I am delighted to join as a cosponsor of this antidumping amendment.

The new prospective payment system for Medicare—better known as the DRG System—has had a tremendous impact on our Nation's hospitals. For the first time, hospital administrators and their staffs have been given incentives for good management and efficiency.

But as we all know, those same incentives for more efficient patient care management can all too easily become incentives for underservice, a refusal to provide service and a drop in the quality of care provided.

This amendment deals with one of the most egregious abuses: The refusal of hospitals with emergency rooms to provide emergency treatment for critically ill patients or women in labor.

Fortunately, these cases have been the exception rather than the rule and tend to occur in large urban areas with major publicly supported hospitals. But in the last few years as we phased in the new DRG payment system for Medicare and competition has begun to take hold in the hospital industry, the number of transfer cases reported by public hospitals and allegations of service denied have increased enormously.

That trend must be stopped in its tracks. And reversed. In my view there can be no excuse for a hospital with emergency room facilities to routinely refuse to provide emergency care and send an ambulance on to the local public hospital.

I think that the overwhelming majority of hospital administrators and emergency room physicians would agree. And I am delighted that the Wisconsin Hospital Association opposes such dumping practices as well.

While I recognize that some of my colleagues would prefer even stronger sanctions than the ones contained in this proposal, it is crucial that we act promptly to establish the fundamental principle that this behavior will not be tolerated by Medicare. It is my hope that the sanctions outlined by the distinguished Senator from Minnesota [Mr. DURENBERGER] will be effective in reversing this unconscionable policy but, if not, the hospital industry should be on notice that many Members of this body stand ready to revisit this issue if necessary and adopt tougher sanctions.

There is one other point that I want to make in connection with the incentives for underservice.

It has become increasingly clear in the last few months that the Federal Government has failed in its responsibility to educate health care personnel and Medicare beneficiaries regarding their rights under the new DRG payment system.

Far too many beneficiaries have been falsely informed that Medicare will no longer pay for their care because their "DRG is up." Or Medicare is forcing the physician to discharge them. Or that they can only receive Medicare-reimbursed home health services if they use the hospital's own service.

Mr. President, these statements are simply not true. In some cases they represent a simple misunderstanding by health care personnel of how the DRG system works. In other cases, it is overenthusiastic competition by hospital-based home health agencies. And sometimes it is a physician's desire to avoid acceptance of responsibility for their own decision to discharge a patient.

But continued reports of this nature are disturbing. And reports of premature discharges are even more alarming.

What is clear is that the Federal Government cannot delay any further in educating both health care personnel and Medicare beneficiaries regarding the right of Medicare patients to treatment and that is why I have introduced a Medicare patient bill of rights, which I intend to offer as an amendment to the Medicare Patient Protection Act when it is taken up by the Senate in the next few weeks.

The Medicare patient bill of rights would assure that Medicare beneficiaries receive information when they need it most—during their hospitalization—and will prove an important safeguard against underservice and premature discharge.

In concert with the provision we are adopting today, these two efforts will go a long way toward assuring the right of Medicare patients to the benefits they have been promised. I congratulate the Senator from Minnesota [Mr. DURENBERGER] on this important amendment and am delighted to join in sponsoring the amendment.

Mr. DURENBERGER. Mr. President, I ask unanimous consent that the name of the Senator from New Jersey [Mr. BRADLEY] be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, as I understand this bill and the committee jurisdiction and the various cosponsors, clearly this is something that has no opposition with respect to those who are involved in this notion of Medicare dumping. On my side, I have no objection to it. I do not know the position of the distinguished Senator from Florida. I will yield back time in opposition once he speaks.

Mr. CHILES. Mr. President, I understand that Senator KENNEDY, a cosponsor on our side, is on his way to the Chamber now, and he would like to be here, if we might delay for a moment.

Mr. DURENBERGER. It is all right with me.

While we are awaiting the arrival of the Senator, unless either manager of the bill has some business, I have a few comments to make relative to certain provisions of this bill.

I know that the managers on both sides are concerned about amendments such as this—perhaps other language that has appeared on a reconciliation bill, not necessarily intended to alter public policy, other than to reduce the manner in which we expend funds to the furtherance of that policy.

I say to the managers of the bill, the members of the Budget Committee, and my other colleagues that it is difficult, and has been increasingly difficult, to participate in a legislative process that is so dominated by the budget considerations.

On a number of occasions, I have spoken on this floor about the fact that if it is the mood of the country to balance the Federal budget, and if it really is the mood of the country to live within our means, we are not going to make it by cutting money out of existing programs or by increasing taxes. The difference between our appetite for services and our willingness to pay is too large.

This Senator, together with others, has spent a fair amount of time trying to find other ways to accomplish that end—that is, by the more efficient utilization of the dollars that taxpayers of this country will commit to the services of others and to their own services.

In the Chamber at the present time is the chairman of the Committee on Armed Services, who, together with the ranking minority member of that committee, has committed a lot of time and resources to looking at the way in which the national security policy of this country can be furthered in a different way, with a smaller draw over the period of time on the financial resources of this country.

In the area of health care, we have done much the same thing. We have taken a look at the system that delivered services, found out that it wastes too much money, found out how you can change that system, and started to put that change into effect.

It is unfortunate that we do not have time between first budget resolutions and their conference and their adoption and reconciliation and its conference and its adoption and, in the future, sequestration under Gramm-Rudman to do a lot of the

good that needs to be done. As a result, we do our good on the reconciliation and on the budget resolution.

I trust that the managers of this bill and those who are responsible for the budget process will understand that is the way we have operated in the past and that is the way the process will force us to operate in the future.

I say to them—and I say particularly to the administration—that if deficit reduction is to be accomplished by continuing to freeze Medicare payments, they have another think coming. That was a 1-year deal. While people may say we are only saving money at the expense of doctors and hospitals, the reality is that every chink taken out of a doctor or a hospital in this country eventually, if it is perpetuated, will come out of the health care of the elderly and the disabled.

So I am here to say that we did it once in this kind of freeze and we are not going to do it again, at least as long as I am around here.

Mr. President, I ask unanimous consent that the name of the Senator from Michigan [Mr. RIEGLE] be listed as a cosponsor of my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHILES. Mr. President, I think we are ready to yield back the time, and we can accept the amendment.

Mr. DOMENICI. Mr. President, as I indicated previously, I have no objection to the amendment. I yield back any time in opposition.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 860) was agreed to.

Mr. DURENBERGER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOMENICI. Mr. President, I suggest the absence of a quorum, with the time to be charged equally.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I understand that the distinguished Senator from Massachusetts, Senator KENNEDY, and the junior Senator from California, Senator WILSON, have an amendment which they desire to offer.

AMENDMENT NO. 861

(Purpose: To delete section 203 of the bill relating to a delay in the effective date of the military pay raise and substituting a program for collection by the United States of medical and dental expenses incurred by the United States on behalf of certain persons)

Mr. KENNEDY. Mr. President, I send an amendment to the desk on behalf of myself and the Senator from California [Mr. WILSON] and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Massachusetts [Mr. KENNEDY], for himself and Mr. WILSON, proposes an amendment numbered 861.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 89, beginning with line 17, strike out all down through line 7 on page 90 and insert in lieu thereof the following:

SEC. 203. COLLECTION BY THE UNITED STATES OF MEDICAL AND DENTAL COSTS INCURRED ON BEHALF OF CERTAIN PERSONS.

(a) IN GENERAL.—(1) Chapter 55 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 1095. Collection from third-party payers of reasonable medical and dental care costs incurred on behalf of retirees and dependents

"(a)(1) In the case of a person who is covered by section 1074(b), 1076(a), or 1076(b) of this title, the United States shall have the right to collect from a third-party payer the reasonable costs of medical and dental care incurred by the United States on behalf of such person through a facility of the uniformed services to the extent that the person would be eligible to receive reimbursement or indemnification from the third-party payer if the person were to incur such costs on the person's own behalf. If the insurance, medical service, or health plan of that payer includes a requirement for a deductible or copayment by the beneficiary of the plan, then the amount that the United States may collect from the third-party payer is the reasonable cost of the care provided less the appropriate deductible or copayment amount.

"(2) A person covered by section 1074(b), 1976(a), or 1076(b) of this title may not be required to pay an additional amount to the United States for medical and dental care by reason of this section.

"(b) No provision of any insurance, medical service, or health plan contract or agreement having the effect of excluding from coverage or limiting payment of charges for certain care solely on the basis that such care is provided through a facility of the uniformed services shall operate to prevent collection by the United States under subsection (a).

"(c) Under regulations prescribed under subsection (f), records of the facility of the uniformed services that provided medical or dental care to a beneficiary of an insurance, medical service, or health plan of a third-party payer shall be made available for inspection and review by representatives of the payer from which collection by the United States is sought.

"(d) Notwithstanding subsections (a) and (b), collection may not be made under this section in the case of a plan administered under title XVIII or XIX of the Social Security Act (42 U.S.C. 1395 et seq.).

"(e)(1) The United States may institute and prosecute legal proceedings against a third-party payer to enforce a right of the United States under this section.

"(2) The administering Secretary may compromise, settle, or waive a claim of the United States under this section.

"(f) The Secretary of Defense, in consultation with the other administering Secretaries, shall prescribe regulations for the administration of this section. Such regulations shall provide for computation of the reasonable cost of medical and dental care. Computation of such reasonable cost may be based on—

"(1) per diem rates; or

"(2) such other method as may be appropriate. However, such regulations shall provide that in no event may the reasonable cost of care or services sought to be recovered or collected from a third-party payer exceed an amount equal to the prevailing rate that such third party payer can demonstrate to the satisfaction of the Secretary of Defense it would pay for the care or services provided in facilities (other than facilities of departments or agencies of the United States) in the same geographic area.

"(g) In this section, 'third-party payer' means an entity that provides an insurance, medical service, or health plan by contract or agreement.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"1095. Collection from third-party payers of reasonable medical and dental care costs incurred on behalf of retirees and dependents."

"(b) EFFECTIVE DATE.—Section 1095 of title 10, United States Code, as added by subsection (a), shall apply with respect to health care provided on or after the date of the enactment of this Act (but only with respect to an insurance, medical service, or health plan agreement entered into, amended, or renewed on or after that date.)

(c) REPEAL PROVISION.—Section 1095 of title 10, United States Code, as added by subsection (a)(1), and the item in the table of sections at the beginning of chapter 55 of such title relating to section 1095, as added by subsection (a)(2), are repealed effective two years after the date of the enactment of this Act.

Mr. DOMENICI. Mr. President, will the Senator from Massachusetts yield for a moment?

Mr. KENNEDY. I am glad to yield.

Mr. DOMENICI. Mr. President, I am in favor of the amendment so I wish to designate someone who opposes it. I understand the distinguished Senator from Illinois, Senator DIXON, opposes it. I yield my time to him under the Budget Act to oppose the amendment.

Mr. KENNEDY. Mr. President, I am offering this amendment in an effort to protect the 3 percent military pay raise that the DOD conference report has authorized to take effect as of October 1, 1985. I believe that the pay raise should go forward and take effect on schedule.

But as it now stands, the Reconciliation Bill will delay that pay increase until November 1, 1985 in order to generate a savings of some $146 million in Federal outlays for fiscal year 1986. This savings will come at the expense of our active duty personnel and their families. It is a bad precedent, and it sends the wrong signal.

I respect and support the reconciliation process, and I voted for the budget resolution. I understand the importance of each committee complying with its reconciliation target. But I oppose doing it the way we have done it in the Omnibus Budget Reconciliation Act of 1985.

I am taking this position for two reasons:

First, the pay raise for military personnel is long overdue. It is needed by the military recruiters as well as by the people already in the military—and it is well deserved. We will run a significant risk of injuring our military's efforts to maintain high quality men and women in our services and we will severely damage military morale if we try to achieve these savings on the backs of our men and women in uniform.

Second, I think that there is a better way of achieving these savings—by authorizing the Secretary of Defense to seek reimbursement from private insurance companies for the reasonable cost of medical and dental care provided in military medical facilities to individuals who are also covered by health insurance plans—and that is the way that I have proposed in this amendment.

Let me first explain why I think that it is important to go forward as scheduled with the 3 percent pay raise.

During my years of service on the Armed Services Committee, I have made a point of traveling to military facilities and of meeting and talking with members of our armed forces I have had a special interest in the quality of their lives—and the lives of their families—as members of the United States military. I have found that our people in uniform are grateful for the important and dramatic improvement in the respect and admiration that our society as a whole shows towards our service men and women—particularly when compared with the situation 20 years ago. But I have also found that our active duty personnel still have the feeling that much of their sacrifice and hard work and dedication goes unappreciated if not entirely unnoticed.

To cite one example, just last July, I met and sailed for a few hours with the crew of the nuclear attack submarine, the U.S.S. *Mendel Rivers.* I learned that these sailors are away from their families for months on end and that they live for weeks at a time in the cramped and claustrophobic circumstances of a submarine on patrol. I saw first hand that life for a submariner is tough and exacting. But I heard no complaints from them about that. In fact, what I heard was a great sense of pride in what they were able to do in the service of their country and in their contributions to the effort to protect and defend the United States of America.

But I also discovered that many of these crew members—as is true with many other military men and women stationed at home and around the world—have the sense that their work and their sacrifice and rarely recognized, understood or appreciated by the American public at large. These individuals are not asking for brass bands and military parades every Sunday. That is not why they joined the military. But they do want—every now and then—some sign that the country is grateful to them for what they do, and that the American people understand and appreciate the sacrifices involved in the performance of their duties.

For us to delay this much-needed and much-deserved pay increase would send just the opposite signal. We would be saying to our people in uniform that, when it comes to cost savings, the Defense contractors go untouched, the cost overruns go on and on as far as the eye can see, the big-ticket weapons keep getting bought and the $600 toilet seats somehow find their way into the Defense budget—but when it comes to the people in the military—the most important weapons systems in our Nation's defense—they catch it in the neck every time.

I don't think that we want to send that signal to our military.

But there is more at stake here than just the morale of the men and women in the field. I have heard everybody tell me—from the Chairman of the Joint Chiefs to the commanders in the field—that the quality of the men and women in the military today is at its very highest. From every objective measure, we now have some of the best educated, best trained and most highly qualified military personnel in our Nation's history. And I can say that from my firsthand observations I agree with that assessment. I think we should make every effort to keep it that way.

Military pay today is 10.6 percent behind pay in the civilian sector. We did achieve pay comparability in 1982, but the last four pay raises have been capped, and military pay is now as far behind as it has ever been. The effects of these pay caps are beginning to be seen in our recruiting efforts—more specifically in the Army's failure to meet its targets for the Delayed Entry Program. It is becoming increasingly difficult to get new recruits, and this is a clear indication of serious problems ahead. In the past we have seen what happens when we ignore the human resources in the military. By now we should have learned our lesson.

I urge my fellow Senators to support this amendment—not only because it will restore the pay raise to the military but also because there is a natural and much more desirable way of achieving these savings that will do no damage either to the military or to our national defense.

Today, many individuals entitled to receive health care in military medical facilities are also covered by private health insurance policies. For example, after completing a full active duty career, many service members seek a second career and find another job. In their new employment, these individuals frequently are covered by private health insurance programs. But they are also entitled, as retirees, to continue to obtain care from military medical facilities.

As the system operates today, despite the fact that many military patients have their own private insurance coverage, military medical facilities do not seek reimbursement from those insurance carriers for the cost of the care that is provided to these individuals. It is nothing less than a windfall for the private insurance companies.

This amendment would simply authorize the Secretary of Defense to seek reimbursement from the private insurance carriers in these circumstances.

In a report entitled "Options for Change in Medical Care," issued in March 1984, the Congressional Budget Office found that there were significant savings to be achieved through implementation of this system of reimbursement. With respect to military hospitals, more than one-half million patients who are not on active duty enter military hospitals each year. Roughly 16 percent of them have private health insurance—5 percent of the dependents of active duty personnel are covered by private health care programs, and fully 25 percent of all retirees, their dependents and survivors are similarly covered.

With respect to outpatient visits, there are over 26 million outpatient visits to military clinics by nonactive duty beneficiaries each year. Roughly 20 percent of these outpatient users also have private health insurance coverage.

Based on these figures, the CBO report projected savings in fiscal year 1985 of $165 million for inpatient care and an additional $80 million for outpatient care for a total savings of $245 million. Those savings would increase to $215 million for inpatient care by fiscal year 1989 and $105 million for outpatient care. The total projected 5-year savings would be $1.4 billion.

This idea of seeking reimbursement from third-party payers of costs for medical care provided in military facilities has received careful and extensive scrutiny—by the Senate Committee on Veterans' Affairs, by the House Committee on Veterans' Affairs, and by the House Armed Services Committee. Each of these committees has concluded that such a system of reimbursement is fair and makes sense, and each has included savings based on this reimbursement plan as part of this year's reconciliation bill.

Moreover, the administration also supports this proposal. In May 1984, both the Department of Defense and the Office of Management and Budget notified Congress that they strongly supported enactment of this reimbursement proposal.

There has been some reluctance among some members of the Senate Armed Services Committee to enact this proposal this year because some members gave assurances to the insurance industry that the committee would not go forward with this legislation until there had been a full set of hearings.

For that reason, my amendment is different from the proposal adopted by the House Armed Services Committee and included in this year's reconciliation bill in the House. This amendment will put in place a reimbursement program for 2 years only. This amendment contains a sunset provision that will require the Congress to revisit this issue and enact new legislation in the event the Congress wants to go forward with this program on a permanent basis.

The result will be the following if this amendment is accepted: It will not be necessary to defer the military pay raise for fiscal year 1986 since the Government will collect the same—or greater—savings from the reimbursement program for that year. But we will not have made a final legislative decision on the desirability of the program. We will be able to watch a pilot program in operation—a demonstration project actually at work—and we will be able to evaluate the strengths of that program in full hearings before the Subcommittee on Manpower and Personnel—before the Congress decides whether to enact this system of reimbursement into law permanently.

There is another important difference. At the suggestion of the insurance industry, we have also included a cap on the liability for private insurance companies when it comes to reimbursing the Government. In no event will a private insurance company be required to reimburse in an amount in excess of the prevailing rate that the private insurance companies would pay for the same health care in the same geographic area. This is an important protection for the insurance industry that is not included in the House version.

Mr. President, this amendment deserves the support of the Senate. There is too much reason behind the argument that we should not meet our reconciliation target by taking it out of the military pay raise. And there is too much reason behind the idea that the Government should halt—at least temporarily—the windfall that is now accruing to private insurance companies and should seek reimbursement for health care provided by the military for individuals also covered by private health insurance programs.

Let us send a signal of support and appreciation to the men and women who serve our Nation in uniform; let us lay the foundation for the continued recruitment of high quality people into our military services; let us cast our vote to end the unearned profits now accruing to private insurance companies.

I urge you to support this amendment.

I welcome the opportunity to cosponsor this amendment with my friend and colleague from California, Senator WILSON, who is the chairman of the Military Manpower Subcommittee and spends a great deal of time on the personnel issue.

And I welcome the support of the chairman of the full committee, the distinguished Senator from Arizona, who has indicated that he believes that this would be a useful and helpful amendment.

I am hopeful that the floor managers will accept it.

Mr. DIXON. Mr. President, at the appropriate time I want to be heard briefly against the amendment. But if my distinguished colleague, the Senator from California, who is the chairman of the subcommittee that has jurisdiction, would prefer to be heard, it is satisfactory with me.

Mr. WILSON. I will be happy to speak now or follow the Senator from Illinois.

Mr. DIXON. I thank my friend from California.

Mr. President, may I say that I reluctantly oppose this amendment as a matter of record and hope that my warm friend from Massachusetts understands my personal reluctance.

Mr. President, Unfortunately, I must oppose the amendment of the Senator from Massachusetts. I do this because I do not think the Armed Services Committee has had an adequate opportunity to fulfill its obligation to the Senate to closely examine all of the implications of this proposal before we act on it.

The idea behind Senator KENNEDY'S amendment of billing private insurors for care provided to their policyholders in military medical facilities is not new. The Defense Department proposed this to the Congress earlier this year and in the last Congress as well. The Congressional Budget Office and the Grace Commission have also suggested this idea as a way of reducing the costs of medicals care in the military health care system.

The idea is certainly an attractive one—why should not private insurance companies pay for the cost of medical care that their policyholders receive in military medical facilities? After all, the insurance companies collect premiums from their policyholders who receive care in military medical facilities. If the insurance companies are going to collect these premiums, then why should not they pay for the medical care whether it is in a private hospital or a military medical facility?

Well, it may sound simple, but there are some problems with this concept.

For example, the Defense Department has absolutely no idea what it really costs to provides care in one of its military hospitals. They cannot tell an insurance company—and DOD will admit this—what the cost of an appendectomy is at Walter Reed or Bethesda or any other military medical facility. DOD and the military services just do not have a cost-accounting system to determine the cost of medical care at a specific hospital. The best they can do is take the total amount they spend on medical care throughout the Defense Department, divide that by the total number of inpatient days, and come up with an average cost per inpatient day. This average inpatient cost does not distinguish between someone with a mild case of pneumonia and someone in the coronary intensive care unit.

Last year when the Defense Department originally requested the authority to bill private insurors, they simply wanted to bill private insurors on the basis of an average daily cost of inpatient care. For an insurance company whose policyholder spent that average day in the coronary intensive care unit, that is a good deal. But the insurance company whose policyholder was just recuperating from a mild case of pneumonia gets a pretty raw deal.

There are other problems with this proposal, Mr. President, but I will not take the time to go into them. I am sure the sponsor of the amendment will argue that he has overcome all of these problems. The point I want to make to my colleagues is that the Manpower and Personnel Subcommittee of the Armed Services Committee—the subcommittee of jurisdiction—has not held any hearings on this proposal or examined this proposal carefully.

Last year, the chairman of the Manpower and Personnel Subcommittee, the distinguished former Senator from the State of Iowa, Senator Jepsen, made a public commitment that the Manpower and Personnel Subcommit-

tee would hold hearings on this proposal and carefully examine it before we acted on it. I joined him in that commitment as the ranking member of the subcommittee at that time. That hearing has not been held, and this Senator is not going back on his word.

The Manpower and Personnel Subcommittee has held three excellent oversight hearings on military health care this fall. I understand that the distinguished chairman and ranking member of that subcommittee, Senator WILSON and Senator GLENN, intend to hold a fourth hearing to examine a number of legislative proposals in the area of military medical care, including this proposal in Senator KENNEDY's amendment.

It is very possible, Mr. President, that after this hearing, after hearing from all of the parties interested in this proposal, that this Senator will support the concept of billing private insurance companies for the reasonable cost of care provided to their policyholders in military medical facilities.

But Mr. President, I am not going to make up my mind on this question until the Armed Services Committee—the committee of juridiction—has given this proposal the careful examination that it requires. That careful examination has not occurred yet, and I therefore must oppose this amendment.

Now, Mr. President, I know that this has been pretty generally agreed to on both sides by a number of Members, including the chairman of the subcommittee, the chairman of the committee, and others. I have no reason to try to work my will against theirs; particularly, I do not think that I could. But I do want the record to show my feelings. Senator Jepsen is not here any more. I believe he would want that to be the case as well, because I believe him to be an honorable man and would want to keep his word. This Senator wants to keep his.

I want the record to show that I will vote no on this amendment. I am not going to ask for a rollcall. Clearly, everyone on the floor here that is involved is prepared to do this. Apparently the commitments have been made by everyone and they are going to do it. I am not going to stand in the way of it being done, but I do want the record to show that I support what was done in the committee in reconciliation which was to defer from October the 1st to November 1st the military pay increase to keep our word with the insurance industry in this country. I am going to vote no to keep my word with the insurance industy.

I want to say that I think it is unfortunate that it is being done this way. I do not mean to reflect on anyone. It is nobody's fault. Obviously, nobody pressed for hearings and my distinguished friend from California was not asked to have hearings.

I am told, incidentally, that the House has adopted in their reconciliation a permanent charging of the hospitals for services rendered to policyholders, in hospitals on military installations. I understand what my friend from Massachusetts and others are doing here is only a 2-year pilot program. I have no problem with the concept.

My problem with the whole thing is the fact that we had indicated there would be hearings and there have been no hearings. I think, as a consequence of that, that what we are doing is unfortunate.

Mr. WILSON. Mr. President, let me respond to my good friend from Illinois. He raises a point upon which he is understandably sensitive or, more accurately, he is expressing a sensitivity to keeping, as he put it, his word and the word of the subcommittee.

It is apparently true that my predecessor, Senator Jepsen, who served as chairman of this subcommittee before I was a member of it, made a representation to the insurance industry that before proceeding with legislation of the kind that is pending he would hold hearings and allow them to be heard. I think it fair that they be heard.

There is no intent on my part, nor do I think there is any intent on the part of Senator KENNEDY, to preclude any such investigation or discussion.

But the fact is, Mr. President, whether we like it or not, that we are at this point compelled to make some difficult choices because of the reconciliation process. And my good friend from Massachusetts, the senior Senator from Massachusetts, in offering this measure has stated the reason for that. We were compelled to make reconciliation as it related to the manpower costs of the defense authorization bill and we were faced with unpleasant choices.

I do not think anything needs to be added to his comments about why we felt it important to try, insofar as possible, to accelerate the pay raise that we feel is justly deserved by the men and women of our armed services. The question then arose: If we are to do that, how are we to do that? It is true that questions exist with respect to the solution that he is posing here. But I would say that others have examined it. It is not an entirely new concept. Indeed, it has been extensively reviewed by the Veterans Committee, as he pointed out. It is a recommendation not only of the Congressional Budget Office, but also of the Grace Commission.

While I agree tnat there are questions that deserve our attention, and will represent to the Senator from Illinois that I am more than willing at a hearing very soon to explore those questions fully, at this point I would say that we are compelled to make a choice imposed upon us by the reconciliation process. I think the 2-year pilot program that is proposed is a very good beginning, because it is going to compel a discipline of the kind that would not otherwise be visited upon either the military health care system or the insurance industry. Both are going to have to determine the costs to them of implementing this.

But the concept, I think, Mr. President, is without question a fair one, because what we are talking about are dependents of military personnel who are, as dependents, included in group health insurance programs by virtue of their employment or participation in some other insured group. It is fair, Mr. President, that those persons who are included, and who would in the ordinary course have their health care costs paid for by their private insurance, look instead to the military for completely free care?

Well, I suggest that it is not fair. It is not fair because it is not entirely free. And those to whom it is not fair are the American taxpayers who are, in effect, subsidizing those private insurance companies by giving a free ride to the health care provided by the military to those dependents, who, in fact, pay premiums or have premiums paid for them by a group or an employer and then receive no benefit, either from the carrier or from the health care system that the insurance is designed to pay for within the private sector.

So what we are suggesting is that if someone is to bear the burden where we have this, in effect, double coverage and where the actual costs are being provided by the military health care system, that there should not be a free ride; that the cost of that care should be paid by those who have contracted to pay for the care, and that is the private insurer.

Now, as to the questions that arise, we concede that his will require in its implementation a new system of accounting on the part of the military health care system. They will need to determine the actual costs of their care, whether it costs more to provide a day of care for someone who is recovering from an appendectomy or someone who is recovering from open heart surgery or from gynecological or obstetrical care.

But, Mr. President, these questions are not insoluble. Indeed, I think one of the great fringe benefits of this approach is going to be that we will determine exactly what our health care in the military system is costing. In fact, it may be that some private sector techniques which are applied by the insurance companies to cut those costs will be a welcome addition to the

kind of medical practice that the military is now engaged in.

It may be that, as a result of this, we will, in effect, reduce the costs both by a different technique and also by the fact that we will no longer be giving a free ride to those who are doubly insured; that is, who receive free care form the military and are covered by private care group plans.

So, for those reasons, Mr. President, I rise to cosponsor, with my friend and colleague from Massachusetts, the measure that he has advanced.

I would say to my good friend from Illinois that we will, in fact, be fair to the insurance industry. We will at an early opportunity hold hearings and examine all the questions that arise in the course of implementation. But I think it is time that we began this, because I think it fair both to military dependents and fair to the American taxpayers who have been paying more for health care for dependents than, in fact, they should.

Mr. GLENN. Mr. President, will the Senator from New Mexico yield me 4 minutes in favor of the bill?

Mr. DOMENICI. I yield to the Senator from Ohio.

Mr. GLENN. Mr. President, I support Senator KENNEDY's amendment to restore the effective date of the military pay raise to October 1 and to meet the Armed Services Committee's fiscal year 1986 reconciliation savings target by implementing a 2-year test-program to collect payments from private insurance companies for care provided to their policy-holders in military medical facilities.

The idea of billing private insurors for care provided to their policy-holders in military medical facilities is not new. The Defense Department proposed this to the Congress earlier this year, and in the last Congress as well. The Congressional Budget Office has also suggested this idea as a way to reduce the costs of medical care provided in the military health care system.

When the Armed Services Committee met several weeks ago to decide how to meet the savings required under the reconciliation instructions, the committee considered adopting this proposal. We decided not to hold a series of oversight hearings this fall on the military medical system. As part of these hearings we intended to examine this and other legislative proposals to improve the military medical system.

The Manpower and Personnel Subcommittee has had three very successful oversight hearings on the military medical system in the last 6 weeks, and we intend to have one more. This last hearing will focus on these legislative proposals.

So Mr. President, our decision not to include this proposal in our reconciliation recommendations was not necessarily based on any opposition to the principle of billing private insurance companies for care provided to their beneficiaries in military medical facilities. It was simply based on our desire to examine this proposal more closely before it was enacted into permanent law.

Now many of my colleagues probably regard the Armed Services Committee as the Senate's money-bags when reconciliation comes around, but the fact is that the areas of direct spending authority under the jurisdiction of the Armed Services Committee available to meet the reconciliation instructions are very limited. Since we elected not to recommend this legislation authorizing DOD to collect from private insurers, the committee had little choice other than delaying the effective date of the fiscal year 1986 military pay raise by 1 month to meet the reconciliation savings target for fiscal year 1986.

In recent weeks, however, it has become clear that Congress will enact legislation allowing the Government to bill private insurance companies for care provided to their policyholders in government medical facilities. Both the Senate and House Veterans' Affairs Committees have proposed such legislation to cover VA medical facilities as part of this reconciliation bill. The House Armed Services Committee has also proposed language covering DOD medical facilities as part of this reconciliation bill. So it is no longer a question of whether such legislation will be enacted, but when.

It is in light of this reality that I support Senator KENNEDY's amendment. I am glad that he has found a way to restore the October 1 effective date for this year's military pay raise.

I am also glad that he has made his amendment authorizing DOD to collect from private insurance companies the cost of care provided to their policyholders in DOD medical facilities a 2-year test program. This will allow—in fact require—the Manpower and Personnel Subcommittee to review the initial implementation of this program before deciding whether it will be made into permanent law.

Mr. President, I urge my colleagues to support Senator KENNEDY's amendment. I think it has a lot of merit to it. I am glad to rise today in support of that amendment.

Mr. DIXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. KENNEDY. Mr. President, I am prepared to yield back the balance of the time.

Mr. DIXON. I yield back the balance of my time.

Mr. DOMENICI. Mr. President, I move adoption of the amendment.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Massachusetts.

The amendment (No. 861) was agreed to.

Mr. KENNEDY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. First, I want to thank all those who participated in that amendment, and the one previous to it in disposing of two rather important amendments this evening. I would like to say that I have talked with the leader. There will be no further votes tonight. We will probably move off of this bill in a couple of minutes.

Might I say for the RECORD, and for those Senators who are not here and are concerned about this reconciliation bill, that the leader tells me we will be back on this bill sometime around 1:15 tomorrow.

We have just over 5 hours left, just about equally divided between the two sides. I want to remind those who have amendments, and those chairmen or ranking members who want to be on the floor to debate the issues that involve their committees that we are aware of amendments on the OCS issue, AFDC, Medicaid error rates, foreign fishing fees, railroad unemplyment, GRS technicals, food stamp error rates, Medicare, energy assistance, and GTPA. However, this list is by no way all-inclusive. There is also a CHAMPUS amendment.

So those chairmen or ranking members that want to be heard in opposition or in favor of these amendments should know that we will proceed to these amendments sometime after 1:30, in some order, but not necessarily with an awful lot of advance notice. We will try to contact them. If they cannot be here because of conflicts, we would ask that they designate someone to come and defend their committee's position. We are not going to be able to put off very many amendments now. So many of us have to be in conferences on other items. But we are going to have to get the legislation finished. The leader wants to finish if possible tomorrow night.

We also have an amendment on textiles, which I forgot to mention.

Mr. RIEGLE. Mr. President, I would like to bring to the attention of my colleagues a concern about an inequity in the Medicare Prospective Payment System [PPS], which unfairly penalizes some rural hospitals. This inequity could be easily rectified by a small adjustment in the rural referral classi-

fication system, and is included in the House reconciliation bill.

As the distinguished chairman of the Finance Committee knows, the PPS was implemented with an urban-rural payment differential—for the same DRG—in order to accommodate the greater cost of delivering medical care in an urban setting. Congress recognized, however, that there are certain rural hospitals that serve as referral centers for larger communities, thereby incurring greater cost than other rural hospitals. The problem is that one of these criteria for distinguishing urban from rural hospitals—an annual discharge rate of 6,000—makes it impossible for osteopathic hospitals to qualify, despite the fact that they meet all of the other criteria.

The emphasis and approach of osteopathic medicine results in hospitals that are typically small in size, even though they may be able to provide complete referral services. In certain cases it is clear from the range of services they provide, the breadth of their referral base, and the complexity of the cases that they treat, that some of these hospitals ought to be able to qualify as rural referral centers. The required annual discharge rate of 6,000 patients, however, has the effect of unfairly prohibiting osteopathic hospitals from being classified as rural referral centers and receiving fair compensation for their services to their medicare patients.

A minor adjustment—lowering the discharge rate required for classification as a rural referral center to 3,000 cases per year—would rectify the inequity. For these reasons, I introduced, with Senator LEVIN, S. 1316, which corrects this inequity. In addition, this provision has already been incorporated by the House Ways and Means Committee in its reconciliation bill.

I would urge my colleague, the chairman of the Finance Committee to carefully consider this minor adjustment when he goes to conference with the House. This refinement of the rural referral center classification system will both rectify the inequity and contribute in a positive way to the functioning of the prospective payments system.

Mr. PACKWOOD. I thank my colleague from Michigan for his expression of concern, and I assure the Senator that I will keep his request in mind when the House and Senate meet in conference.

NONPROFIT POSTAL RATES

Mr. D'AMATO Mr. President, while I do not intend to offer an amendment to the fiscal year 1986 budget reconciliation bill, S. 1730, I would like to address a provision in this bill that represents a matter of serious concern to many voluntary charitable institutions and other nonprofit groups.

I refer to section 804, included in the bill on the recommendation of the Committee on Governmental Affairs, which specifies further cutbacks which would affect these groups. This provision would direct the Postal Rate Commission to conduct a 6-month study and then recommend legislative changes to Congress that would cut in half the amount of the revenue foregone appropriation that can be attributed to certain nonprofit third-class mailings. The mail affected is that "which advertises or promotes the sale of, recommends the purchase of, or announces the availability of any article, product, service, insurance, or travel arrangements."

Mr. President, I am deeply concerned that this provision could affect some very worthwhile fundraising efforts by countless organizations across America. Before I express my general concerns, I want to spell out my understanding of what the provision means.

It is my understanding that this provision's intent is to cut the postal subsidy for mailings which advertise commercially available items. This means that groups advertising their own products would not be affected.

I would like to mention a few examples.

Let's say an organization which specializes in alcohol and drug abuse treatment also prints and sells pamphlets or books which are designed to educate the public on drug and alcohol abuse. Mailings of this type should not be affected by this provision.

The same would be true for consumers' organizations which produce and sell their own information. Symphonies and performing arts associations which sell tickets or subscriptions to their own productions similarly should not be affected.

Mr. President, items and services sold by an organization which are not commercially available are often central to that organization's fundraising efforts. Quite often, these sales are central to the organization's charitable purpose.

Mr. President, I want to go one step further in expressing my concern. Although I believe we are making it clear today what this provision would mean, I do not want to imply that I support this provision even under this restrictive definition.

However, since the provision does not immediately affect these institutions, and since there is hope that the conference committee will seriously consider this provision and weigh its possible consequences against the relatively modest savings it would bring to pass, I will not propose to strike or amend today. But I do hope the Senate and House conferees will take a careful look at this provision and carefully consider the large number of borderline cases and the difficulty involved in implementing such a provision. I am concerned that extremely worthwhile organizations may be seriously hurt by these decisions.

Thank you, Mr. President.

Mr. DOMENICI. Mr. President, how much time remains on the bill?

The PRESIDING OFFICER (Mr. MATTINGLY). Five hours and eighteen minutes.

Mr. DOMENICI. How much time is on each side?

The PRESIDING OFFICER. Two hours, thirty-two minutes under the control of the Senator from New Mexico and 2 hours, 46 minutes under the control of the Senator from Florida.

Mr. DOMENICI. I thank the Chair.

ROUTINE MORNING BUSINESS

Mr. DOMENICI. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business, not to extend past the hour of 7:15 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the Committee on the Judiciary.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 10:37 a.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following joint resolution, without amendment:

S.J. Res. 104. Joint resolution to proclaim October 23, 1985, as "A Time of Remembrance" for all victims of terrorism throughout the world.

ENROLLED JOINT RESOLUTION SIGNED

The message also announced that the Speaker has signed the following enrolled joint resolution:

H.J. Res. 407. Joint resolution designating the 12-month period ending on October 28, 1986, as the "Centennial Year of Liberty in the United States".

The enrolled joint resolution was subsequently signed by the President pro tempore (Mr. THURMOND).

ENROLLED JOINT RESOLUTION SIGNED

At 1:10 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the Speaker has signed the following enrolled joint resolution:

S.J. Res. 104. Joint resolution to proclaim October 23, 1985, as "A Time of Remembrance" for all victims of terrorism throughout the world.

The enrolled joint resolution was subsequently signed by the President pro tempore [Mr. THURMOND].

At 3:13 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2409) to amend the Public Health Service Act to revise and extend the authorities under that act relating to the National Institutes of Health and National Research Institutes, and for other purposes.

The message also announced that the House has agreed to the following concurrent resolution, without amendment:

S. Con. Res. 79. A concurrent resolution correcting the enrollment of H.R. 2409.

The message further announced that the House disagrees to the amendment of the Senate to the bill (H.R. 2419) to authorize appropriations for fiscal year 1986 for intelligence and intelligence-related activities of the U.S. Government, the Intelligence Community Staff, and the Central Intelligence Agency Retirement and Disability System, and for other purposes; it agrees to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and apoints Mr. HAMILTON, Mr. STOKES, Mr. MCCURDY, Mr. BEILENSON, Mr. KASTENMEIER, Mr. DANIEL, Mr. ROE, Mr. BROWN of California, Mr. MCHUGH, Mr. DWYER of New Jersey, Mr. STUMP, Mr. IRELAND, Mr. HYDE, Mr. CHENEY, Mr. LIVINGSTON, and Mr. MCEWEN; and for consideration of matters within the jurisdiction of the Committee on the Judiciary under clause 1(m) of House rule X, Mr. MAZZOLI as managers of the conference on the part of the House.

The message also announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 2095. An act to provide for daylight saving time on an expanded basis, and for other purposes.

MEASURES REFERRED

The following bill was read the first and second times by unanimous consent, and referred as indicated:

H.R. 2095. An act to provide for daylight saving time on an expanded basis, and for other purposes; to the Committee on Commerce, Science, and Transportation.

ENROLLED JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, October 23, 1985, she had presented to the President of the United States the following enrolled joint resolution:

S.J. Res. 104. Joint resolution to proclaim October 23, 1985, as "A Time of Remembrance" for all victims of terrorism throughout the world.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. THURMOND, from the Committee on the Judiciary, with an amendment:

S.J. Res. 13. Joint resolution proposing an amendment to the Constitution relating to a Federal balanced budget and tax limitation (with additional and minority views) (Rept. No. 99-162).

By Mr. THURMOND, from the Committee on the Judiciary, without amendment:

S.J. Res. 225. An original joint resolution proposing an amendment to the Constitution relating to a Federal balanced budget (with supplemental, additional, and minority views) (Rept. No. 99-163).

By Mr. LUGAR, from the Committee on Foreign Relations, without amendment:

S. Con. Res. 82. An original concurrent resolution expressing support for Chile's National Accord for the Transition to Full Democracy.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. LUGAR, from the Committee on Foreign Relations:

Natale H. Bellocchi, of New York, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Botswana.

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Bellocchi, Natale H.

Post: Ambassador.

Contributions, amount, date, donee: $50, 1982; $50, 1984, $50, 1985; Republican, Congressional Campaign Fund.

1. Self.
2. Spouse, Lilan, none.
3. Children names, Luke, Jacqualine, none.
4. Parents names, Peter (deceased) Maryanna (deceased), none.
5. Grandparents names, Annibale (deceased) Anna (deceased), none.
6. Brothers and spouses names, none.
7. Sisters names, Elsie Moller, none.

Michael Sotirhos, of the District of Columbia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Jamaica.

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Michael Sotirhos.

Post: U.S. Ambassador to Jamaica.

Contributions, amount, date, donee:

1. Self, Michael Sotirhos.
2. Spouse, Estelle Sotirhos.

SCHEDULE OF CONTRIBUTIONS MICHAEL AND ESTELLE SOTIRHOS

March 24, 1980, George Bush for President, $250; May 7, 1980, Helen Bentley for Congress, $50; September 8, 1980, Citizens for Olympia Snowe, $25; October 6, 1980, Helen Bentley for Congress, $50.

January 15, 1981, Al D'Amato (Candidate), $1,000; May 4, 1981, Connally for President, $50; March 5, 1981, Citizens for Olympia Snowe, $100; June 22, 1981, Frey for Senate, $25.

March 3, 1982, Citizens for Dewinski, $100; March 3, 1982, Friends of Prescott Bush, $250; April 4, 1982, Igleseas for Congress, $100; April 4, 1982, Cissy Baker for Congress, $100; April 26, 1982, Fore Nevada—Senate, $500; May 13, 1982, Bill Green for Congress, $250; May 23, 1982, Senator Heinz Committee, $250; June 1, 1982, Friends of Senator D'Amato, $200.

January 25, 1983, Charles Percy for Senate, $100.

January 10, 1984, Helen Bentley for Congress, $200; February 25, 1984, Charles Percy for Senate, $500; February 25, 1984, Friends of Senator D'Amato (primary), $1,000; April 19, 1984, Guy Molinari for Congress, $100; April 19, 1984, Mike Bilirakis for Congress, $100; April 19, 1984, George Gekas for Congress, $100; May 11, 1984, Bill Green for Congress, $250; October 1, 1984, Moshosky for Congress, $100; October 17, 1984, Helen Bentley for Congress, $100; December 14, 1984, Helen Bentley for Congress, $100.

January 8, 1985, Bill Green for Congress, $100; February 13, 1985, People for Pete (Domenici), $250; April 22, 1985, Friends of Senator D'Amato (General election), $1,000; April 22, 1985, George Gekas for Congress, $250; April 22, 1985, Helen Bentley for Congress, $100.

3. Children and spouses names, Michael (age 16); Stacey (age 13), none.
4. Parents names, George and Catherine Sotirhos (deceased), none.
5. Grandparents names (deceased), none.
6. Brothers and spouses names, Anthony Sotirhos (deceased), none.
7. Sisters and spouses names, none.

Clyde D. Taylor, of Maryland, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Paraguay.

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Clyde D. Taylor.

Post: Ambassador to Paraguay.

Contributions, amount, date, donee:

1. Self, none.
2. Spouse, none.
3. Children and spouses names, Mark Blair Taylor, $25, July 18, 1983, Celebrate America; Courtney Dawn Taylor, none.
4. Parents names, Clyde W. and Ruth Taylor, none.

5. Grandparents names, Robert S. and Mabel Taylor (deceased); Wilhelm and Emma Marstaller (deceased).

6. Brothers and spouses names, none.

7. Sisters and spouses names, Orletta and Jack Gillikin, none; Darlene and Ronald Tate, none; Carolyn and Stephen Thompson, none.

Robert G. Houdek, of Illinois, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Uganda.

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Robert G. Houdek.

Post: Ambassador to Uganda.

Contributions, amount, date, donee: (if not, write none)

1. Self, Robert G. Houdek, none.

2. Spouse, Mary W. Houdek, none.

3. Children and spouses names, Pamela L. Houdek, none; William D. Houdek, none.

4. Parents names, George C. Houdek, Sr. (deceased); Margaret Ann Munch, none; Frank Munch (stepfather), deceased.

5. Grandparents names, Otto and Marie Riepel (deceased); James and Anna Houdek (deceased).

6. Brothers and spouses names, George C. and Ruth Houdek, Jr., none; Thomas J. and Sue Houdek, none.

7. Sisters and spouses names, none.

Malcolm Richard Wilkey, of Texas, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Oriental Republic of Uruguay.

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Malcolm Richard Wilkey.

Post: Ambassador to Uruguay.

Contributions, amount, date, donee:

1. Self, none.

2. Spouse, none.

3. Children and spouses names, no children.

4. Parents names, Malcolm Newton Wilkey, Elizabeth Gilbert Wilkey, deceased 1969 and 1971.

5. Grandparents names, Alonzo Moulton Gilbert; Fanny Crawford Gilbert; William Jonathan Wilkey; Martha Clark Wilkey; all four deceased many years ago.

6. Brothers and spouses names, none.

7. Sisters and spouses names, Fay Wilkey Brown; Stewart Gregory Brown; none.

The following-named persons to be Members of the Advisory Board for Radio Broadcasting to Cuba for the terms indicated:

For terms of two years: Jose Luis Rodriguez, of Florida.

For terms of three years: Joseph Francis Glennon, of Florida; and Danford L. Sawyer, Jr., of Florida.

Alan Lee Keyes, of Maryland, to be an Assistant Secretary of State.

Richard Schifter, of Maryland, to be Assistant Secretary of State for Human Rights and Humanitarian Affairs.

Adele Langston Rogers, of Maryland, to be an Alternate Representative of the United States to the Fortieth Session of the General Assembly of the United Nations.

Midge Decter, of New York, to be a Member of the Advisory Board for Radio Broadcasting to Cuba for a term of one year.

John R. Silber, of Massachusetts, to be a Member of the Advisory Board for Radio Broadcasting to Cuba for a term of one year.

Antonio Navarro, of New York, to be a Member of the Advisory Board for Radio Broadcasting to Cuba for a term of three years.

Dwight A. Ink, of Maryland, to be an Assistant Administrator of the Agency for International Development.

(The above nominations were reported from the Committee on Foreign Relations with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. HATCH, from the Committee on Labor and Human Resources:

Dennis Eugene Whitfield, of Virginia, to be Under Secretary of Labor.

Joyce A. Doyle, of New York, to be a Member of the Federal Mine Safety and Health Review Commission for the remainder of the term expiring August 30, 1986.

(The above nominations were reported from the Committee on Labor and Human Resources with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. BURDICK (for himself and Mr. ANDREWS):

S. 1785. A bill to amend the Garrison Diversion Project; to the Committee on Energy and Natural Resources.

By Mr. BOREN (for himself and Mr. GRASSLEY):

S. 1786. A bill to amend the Internal Revenue Code of 1954 to disallow certain credits and deductions and to preclude capital gains treatment regarding the use and disposition of certain highly erodible lands and wetlands; to the Committee on Finance.

By Mr. THURMOND, from the Committee on the Judiciary:

S.J. Res. 225. An original joint resolution proposing an amendment to the Constitution relating to a Federal balanced budget; placed on the calendar.

By Mr. RIEGLE (for himself, Mr. KENNEDY, Mr. BURDICK, Mr. HOLLINGS, Mr. NUNN, Mr. DOLE, and Mr. GORE):

S.J. Res. 226. A joint resolution to designate the week of April 6, 1986, through April 12, 1986, as "World Health Week," and to designate April 7, 1986, as "World Health Day"; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. DOLE (for Mr. GORTON (for himself and Mr. BYRD)):

S. Res. 243. A resolution to authorize the reprinting of Senate Document Numbered 87-64; considered and agreed to.

By Mr. SIMON (for himself and Mr. PELL):

S. Con. Res. 81. A concurrent resolution requesting the President to begin talks with the Government of the Soviet Union to establish a United States-Soviet Union student exchange for peace program; to the Committee on Foreign Relations.

By Mr. LUGAR, from the Committee on Foreign Relations:

S. Con. Res. 82. An original concurrent resolution expressing support for Chile's National Accord for the Transition to Full Democracy; placed on the calendar.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BOREN (for himself and Mr. GRASSLEY):

S. 1786. A bill to amend the Internal Revenue Code of 1954 to disallow certain credits and deductions and to preclude capital gains treatment regarding the use and disposition of certain highly erodible lands and wetlands; to the Committee on Finance.

CULTIVATION OF HIGHLY ERODIBLE LANDS AND WETLANDS TAX ACT

● Mr. BOREN. Mr. President, on behalf of Senator GRASSLEY and myself, I am introducing a bill which would eliminate the tax incentives for breaking out highly erodible land. Earlier this year, the Senate Agriculture Committee adopted a provision, as part of the 1985 farm bill, which prohibited the payment of farm program benefits to producers who break out highly erodible land.

Approximately 3.4 million acres of highly erodible grassland have been plowed in the recent past in the Central and Northern Great Plains States. Right now, there are 97.6 million acres of highly erodible grassland which could be plowed out in the Northern and Central Great Plains States.

Clearing and draining of wetlands—swampbusting—for crop production was the largest cause of wetland loss between the mid-1950's and mid-1970's, accounting for more than 80 percent of wetlands converted to other uses. Approximately 12 million acres of wetlands were converted during these time periods.

There is no doubt that there have been economic incentives to plow grasslands and to convert wetlands into production agriculture. Market factors, such as cattle prices, have played a role in providing the economic incentive to break out highly erodible land. However, the two main problems appear to be Government agricul-

tural policies and incentives and the present tax laws. Under the current law applicable to numerous agricultural programs, an agricultural producer may participate regardless of the suitability of the land used for the production of agricultural commodities. The producer under current law is eligible for various price support, production adjustment, Federal crop insurance, agricultural lending and support programs carried out by the Federal Government.

In the farm bill, as reported by the Senate Agricultural Committee, there are provisions to discourage new cultivation of fragile lands that are unsuitable for intensive agricltural production without the application of proper conservation practices. Under these provisions, the cultivation of highly erodible land will be discouraged by denying an agricultural producer access to price support, income assistance, production adjustment, disaster payment, Federal crop insurance and agricultural loan programs carried out by the Federal Government. The prohibition does not apply to land that was cultivated during any of the past 5 years. In addition, the prohibition does not apply to highly-erodible land that is under an approved conservation system.

What we have adopted in the agriculture committee is one step in a two-step process. It goes a long way, but the job is not finished until we also remove all tax incentives to break out highly erodible land.

There are three types of provisions related to agricultural land conversion which reduce income tax liability: Deductions, credits, and capital gains. The deductions for land clearing and soil and water conservation expenditures reduce taxes in the current year in lieu of capitalizing those expenses, which would increase the taxable basis of the improved land. This also has the effect of increasing the amount of long-term capital gain which will be realized on the sale of the property, which is subject to more favorable treatment than ordinary income. Land clearing deductions cannot be claimed after the land is in production and soil and water conservation deductions cannot be claimed for land that is not used for farming. In fact, according to the farmers tax guide, the interpretation of these deductions is sufficently broad so that almost any activity involving clearing of vegetation, earth moving, or construction of ditches can qualify for either one.

The investment tax credit effectively reduces the cost of qualifying investments by a tenth, if tax liabilities are higher than the credit allowed. Accelerated cost recovery allows the investment to be written off faster, increasing after-tax income in earlier years over true economic depreciation. Deduction of interest effectively reduces the cost of financing land conversion investments by a percentage equal to the marginal tax rate, which can be as high as 50 percent. According to some estimates, if a sodbuster is in the 50 percent tax bracket, half of his farming costs can offset actual taxes owed the Internal Revenue Service. At that point, the 10-percent investment tax credit is subtracted from real taxes due the Government. In some areas, tax subsidies for plowing out fragile grasslands can amount to $175 per acre. For a high-bracket operator who converts wetlands to cropland, the tax subsidy can amount to over $130 per acre.

Over the past few years, Mr. President, I have learned very quickly that we cannot solve all of agriculture's problems in the Agriculture Committee. It never fails that what we try to accomplish with agriculture legislation is undone with tax legislation or some other legislation seemingly unrelated to agriculture. If we are going to develop sound agricultural policy, we have to go beyond the purview of the Agriculture Committee. We must begin to address the problems of agriculture that are caused by the Tax Code. I learned earlier this year of one farmer who had received over $200,000 in PIK payments in 1983. For the same year, he also received over $200,000 in tax breaks for beefing up his agricultural operation. Regretfully, this is going on all around us. The left hand has not known, or not paid attention to, what the right hand was doing. We can no longer afford to let this continue.

As I have stated, the Agricultural Committee has reported out legislation which will discourage the breaking out of highly erodible land and conversion of wetlands into cropland. Unless we also eliminate the tax incentives for sodbusting and swampbusting, we are not doing the entire job.

The bill we are introducing today is a first attempt at eliminating the tax incentives for sodbusting and swampbusting. It repeals deductions for drainage and land shaping as conservation benefits for land that is highly erodible. It disallows any deductions or tax credits, including depreciation deductions, used to cultivate highly erodible land owned or leased. Further, the bill does not give sodbusters or swampbusters preferential treatment on the taxation of income derived from the sale of such lands. As the farm bill passed by the Agriculture Committee provides, this bill will not be applicable if the cultivation of highly erodible land is done under an approved conservation system or if the land has been cultivated in the previous 5 years.

The bill language does not provide a definition of "highly erodible land" or of "wetlands" as it is currently drafted. We could have included the definition that was included in the farm bill for each of these, however, due to the fact that the House farm bill has different provisions, we felt it better to wait and see what is worked out in the conference on the farm bill. Once the farm bill is enacted, we can then include those defintions in this legislation.

The provisions of this bill will not restrict or limit a person's right to use property in any way. The bill does, however, remove all Government incentives to sodbusting and swampbusting. It does eliminate the present Government tax policy or encouraging the breaking out of highly erodible land.

Mr. President, this legislation is important if we are to complete the work the Senate Agriculture Committee has begun. I urge my colleagues to support this legislation.

I ask unanimous consent that the text of the bill be inserted in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1786

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Cultivation of Highly Erodible Lands and Wetlands Tax Act".

SEC. 2. LIMITATION ON CREDITS AND DEDUCTIONS ATTRIBUTABLE TO CULTIVATING HIGHLY ERODIBLE LAND AND WETLAND.

(a) IN GENERAL.—Part IX of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to items not deductible) is amended by adding at the end thereof the following new section:

"SEC. 280H. LIMITATION ON CREDITS AND DEDUCTIONS ATTRIBUTABLE TO CULTIVATING HIGHLY ERODIBLE LAND AND WETLAND.

"(a) IN GENERAL.—No credit or deduction, including any depreciation deduction, shall be allowed with respect to any amount paid or incurred or any property used by a taxpayer in cultivating highly erodible land or wetland owned or leased by such taxpayer for the purpose of converting such land or wetland into cropland.

"(b) DEFINITIONS.—For purposes of this section—

"(1) HIGHLY ERODIBLE LAND.—The term 'highly erodible land' means land that has a potential for excessive erosion as the Secretary of Agriculture by regulations may determine.

"(2) WETLAND.—The term 'wetland' shall have the meaning given to such term by section 3 of the Water Bank Act (16 U.S.C. 1302).

"(3) CROPLAND.—The term 'cropland' means land which is used for the production of crops, fruits, or other agricultural products or for the sustenance of livestock.

"(c) EXCEPTIONS.—The provisions of this subsection shall not apply to the cultivation of any highly erodible land or wetland if—

"(1) such cultivation is in reliance upon the determination by the Soil Conservation Service that the land is not highly erodible land or wetland,

"(2) such cultivation is pursuant to and in compliance with a conservation system that—

"(i) is determined by the local conservation district to be in conformance with the technical standards set forth in the Soil Conservation Service technical guide for such conservation district, or

"(ii) if there is no local conservation district, as determined by the Soil Conservation Service to be adequate for the protection of such highly erodible land or wetland,

"(3) such highly erodible land or wetland is not the predominate class of land comprising the total farming unit of land associated with such highly erodible land or wetland, or

"(4) such highly erodible land or wetland has been previously cultivated within the 5-year period immediately preceding the date of enactment of the Cultivation of Highly Erodible Lands and Wetlands Tax Act.".

(b) CLERICAL AMENDMENT.—The table of sections for part IX of subchapter B of chapter 1 of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following new item:

"Sec. 280H. Limitation on credits and deductions attributable to cultivating highly erodible land and wetland.".

SEC. 3. GAIN FROM DISPOSITION OF HIGHLY ERODIBLE LAND AND WETLAND RECOGNIZED AS ORDINARY INCOME.

(a) IN GENERAL.—Section 1252 of the Internal Revenue Code of 1954 (relating to gain from disposition of farm land) is amended by redesignating subsection (b) as subsection (c) and inserting after subsection (a) the following new subsection:

"(b) HIGHLY ERODIBLE LAND AND WETLAND.—

"(1) ORDINARY INCOME.—If any taxpayer, after the date of enactment of the Cultivation of Highly Erodible Lands and Wetlands Tax Act, cultivates highly erodible land or wetland for the purpose of converting such land or wetland into cropland and such land or wetland is disposed of during a taxable year beginning after December 31, 1985, the excess of—

"(A) the amount realized (in the case of a sale, exchange, or involuntary conversion), or the fair market value of such land or wetland (in the case of any other disposition), over

"(B) the adjusted basis of such land or wetland, shall be treated as ordinary income. Such gain shall be recognized notwithstanding any other provision of this subtitle.

"(2) DEFINITIONS.—For the purposes of this section, the terms 'highly erodible land', 'wetland', and 'cropland' have the meaning given such terms by section 280H(b).

"(3) EXCEPTIONS.—The provisions of this subsection shall not apply to the disposition of any highly erodible land or wetland if—

"(A) the taxpayer cultivates the land in reliance upon the determination by the Soil Conservative Service that such land is not highly erodible land of wetland,

"(B) the cultivation of such land or wetland is pursuant to and in compliance with a conservation system that—

"(i) is determined by the local conservation district to be in conformance with the technical standards set forth in the Soil Conservation Service technical guide for such conservation district, or

"(ii) if there is no local conservation district, is determined by the Soil Conservation Service to be adequate for the protection of such highly erodible land or wetland,

"(C) such highly erodible land or wetland is not the predominate class of land comprising the total farming unit of land associated with such highly erodible land or wetland, or

"(D) such highly erodible land or wetland has been previously cultivated within the 5-year period immediately preceding the date of enactment of the Cultivation of Highly Erodible Lands and Wetlands Tax Act.".

(b) EXCHANGES IN KIND.—Paragraph (2) of section 1031(a) of such Code (relating to nonrecognition of gain or loss from exchanges solely in kind) is amended—

(1) by striking out "or" at the end of subparagraph (E),

(2) by striking out the period at the end of subparagraph (F) and inserting in lieu thereof ", or", and

(3) by adding at the end thereof the following new subparagraph:

"(G) highly erodible land or wetland to which the provisions of section 1252(b) apply.".

(c) CONFORMING AMENDMENTS.—

(1) Subsection (a) of section 1252 of such Code is amended by striking out "General Rule" and inserting in lieu thereof "Farm Land".

(2) The section heading of section 1252 of such Code is amended to read as follows:

"SEC. 1252. GAIN FROM DISPOSITION OF FARM LAND, HIGHLY ERODIBLE LAND, AND WETLAND.".

The table of sections for part IV of subchapter P of chapter 1 of such Code is amended by striking out the item relating to section 1252 and inserting in lieu thereof the following new item:

"Sec. 1252. Gain from disposition of farm land, highly erodible land, and wetland.".

SEC. 4. EFFECTIVE DATE.

The amendments made by this Act shall apply to amounts paid or incurred, property used, and dispositions of property occurring in taxable years beginning after December 31, 1985.●

By Mr. RIEGLE (for himself, Mr. KENNEDY, Mr. BURDICK, Mr. HOLLINGS, Mr. NUNN, Mr. DOLE, and Mr. GORE):

S.J. Res. 226. Joint resolution to designate the week of April 6, 1986, through April 12, 1986, as "World Health Week", and to designate April 7, 1986, as "World Health Day"; to the Committee on the Judiciary.

WORLD HEALTH WEEK AND WORLD HEALTH DAY

● Mr. RIEGLE. Mr. President, today I am again privileged to introduce for myself, Senator KENNEDY, Senator BURDICK, Senator HOLLINGS, Senator NUNN, AND Senator DOLE, and Senator GORE Senate Joint Resolution 226 designating April 7, 1986, as "World Health Day" and the Week of April 6, 1986, as "World Health Week".

In the 99th Congress I introduced and the Senate passed Senate Joint Resolution 50, calling for the week of April 1, 1985, to be designated "World Health Week" and the day of April 7, 1985, "World Health Day." This year the American Association for World Health has again requested that we sponsor the week beginning April 6, 1986, as "World Health Week" culminating with "World Health Day" on April 7, 1986. Since 1949, April 7 has been designated "World Health Day" around the world. This day is to promote better health care for All people and to draw attention to the World Health Organization's goal of health for all by the year 2000. Good health is essential for all people to be able to lead socially and economically productive lives.

Mr. President, given the quality of life enjoyed by many of the people in this country, the call for a healthy world embodied in this resolution might easily be taken for granted. However, the plight of those in sub-Sahara Africa has drawn our attention back to those in need of life's basic necessities. In Ethiopia alone, it is estimated that the lives of more than 5 million people have been endangered by drought and famine. In the last year the delivery of essential services by groups in both public and private sectors improved the health status of millions of people in need. This joint resolution would remind many in our society about the hardships experienced by millions of people around the globe. The objectives are simple: The minimum requirement of safe water and adequate sanitary facilities; immunization against diptheria, tetanus, poliomyelitis, measles, mumps, rubella, tuberculosis; local health care within 1 hour's trave; and the availability of trained health practitioners for childbirth, prenatal care, and the care of children throughout infancy.

The World Health Organization continues to direct international health activities. The constant surveillance, control, and eradication of disease; the collaboration of research; and the collection, dissemination, and exchange of health care data are all directed and supported by the World Health Organization. In this country, the American Association of World Health serves to increase our awareness of these issues surrounding world health care needs and works with the World Health Organization to make our participation worthwhile. In declaring April 7, 1986, as "World Health Day," and the week of April 6, 1986, as "World Health Week," it is our hope that this resolution will heighten our awareness of what must be done to make ourselves and all other people in the world healthier. One cannot just wish for good health and hope that it happens. To help make health for all a reality by the year 2000, I urge my colleagues to join with me in cosponsoring this resolution.

Mr. President, I ask unanimous consent that this joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 226

Whereas the health of a nation depends upon the health of its people;

Whereas improvement of the health of the people of our Nation contributes to world health, and world health contributes to the health or our Nation—a principle enunciated in the Constitution of the World Health Organization and accepted by the United States;

Whereas the United States is an active member of the World Health Organization and has both benefited from and contributed to the achievements of the Organization;

Whereas the countries of the world, acting through the World Health Organization, are committed to the goal of "Health for All by the Year 2000";

Whereas primary health care is recognized as a key to the attainment of "Health for All by the Year 2000";

Whereas health education and awareness, prevention, and treatment of common diseases and illnesses, basic sanitation, and adequate nutrition are essential elements of primary health care;

Whereas the World Health Organization has established April 7 of each year as World Health Day to call attention to what individuals and governments can do to further the health of human beings everywhere, and the American Association of World Health has sponsored and assisted in this endeavor; and

Whereas it has been the custom for the President to call attention to World Health Day each year in the form of a public message: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of April 6, 1986, through April 12, 1986, is designated as "World Health Week" and April 7, 1986, is designated as "World Health Day" and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such week with appropriate programs, ceremonies, and activities.●

ADDITIONAL COSPONSORS

S. 865

At the request of Mr. MATHIAS, the names of the Senator from Georgia [Mr. MATTINGLY], and the Senator from Alaska [Mr. MURKOWSKI] were added as cosponsors of S. 865, a bill to award special congressional gold medals to Jan Scruggs, Robert Doubek, and Jack Wheeler.

S. 1093

At the request of Mr. MATHIAS, the names of the Senator from Oklahoma [Mr. NICKLES], and the Senator from Louisiana [Mr. JOHNSTON] were added as cosponsors of S. 1093, a bill to amend the patent law to restore the term of the patent grant in the case of certain products for the time of the regulatory review period preventing the marketing of the product claimed in a patent.

S. 1107

At the request of Mr. NUNN, the names of the Senator from Rhode Island [Mr. CHAFEE], and the Senator from Florida [Mr. CHILES] were added as cosponsors of S. 1107, a bill to authorize the Society of the Third Infantry Division to erect a Memorial in the District of Columbia or its environs.

S. 1446

At the request of Mr. ANDREWS, the name of the Senator from South Carolina [Mr. HOLLINGS] was added as a cosponsor of S. 1446, a bill to amend title 38, United States Code, to improve veterans' benefits for former prisoners of wars.

S. 1526

At the request of Mr. MATHIAS, the name of the Senator from Nevada [Mr. HECHT] was added as a cosponsor of S. 1526, a bill to amend title 17, United States Code, to clarify the definition of the local service area of a primary transmitter in the case of a low power television station.

S. 1570

At the request of Mr. NICKLES, the name of the Senator from Texas [Mr. BENTSEN] was added as a cosponsor of S. 1570, a bill to amend the Fair Labor Standards Act of 1938 to exclude the employees of States and political subdivisions of States from the provisions of that act relating to maximum hours, to clarify the application of that act to volunteers, and for other purposes.

S. 1601

At the request of Mr. LEAHY, the name of the Senator from Tennessee [Mr. GORE] was added as a cosponsor of S. 1601, a bill entitled the "Rural Transportation Equity Act of 1985."

S. 1618

At the request of Mr. GORE, the names of the Senator from Ohio [Mr. METZENBAUM], and the Senator from Iowa [Mr. Grassley] were withdrawn as cosponsors of S. 1618, a bill to amend the Communications Act of 1934 to clarify policies regarding the right to view satellite-transmitted television programming, and for other purposes.

S. 1655

At the request of Mr. SPECTER, the name of the Senator from Wisconsin [Mr. KASTEN] was added as a cosponsor of S. 1655, a bill to amend the Unfair Competition Act of 1916 and Clayton Act to provide for private enforcement of the Unfair Competition statute in the event of unfair foreign competition, and to amend title 28 of the United States Code to provide for private enforcement of the Customs fraud statute.

SENATE JOINT RESOLUTION 74

At the request of Mr. THURMOND, the names of the Senator from Utah [Mr. HATCH] and the Senator from Arizona [Mr. DECONCINI] were added as cosponsors of Senate Joint Resolution 74, a joint resolution to provide for the designation of the month of February, 1986, as "National Black (Afro-American) History Month."

SENATE JOINT RESOLUTION 143

At the request of Mr. GORE, the names of the Senator from Ohio [Mr. METZENBAUM] and the Senator from Iowa [Mr. GRASSLEY] were added as cosponsors of Senate Joint Resolution 143, a joint resolution to authorize the Black Revolutionary War Patriots Foundation to establish a memorial in the District of Columbia at an appropriate site in Constitution Gardens.

SENATE JOINT RESOLUTION 198

At the request of Mr. MATHIAS, the names of the Senator from Kansas [Mr. DOLE] and the Senator from North Dakota [Mr. BURDICK] were added as cosponsors of Senate Joint Resolution 198, a joint resolution to designate the year of 1986 as the "Sesquicentennial Year of the National Library of Medicine."

SENATE JOINT RESOLUTION 208

At the request of Mr. COCHRAN, the names of the Senator from Arkansas [Mr. BUMPERS], the Senator from Pennsylvania [Mr. HEINZ], the Senator from North Dakota [Mr. ANDREWS], the Senator from South Dakota [Mr. ABDNOR], and the Senator from Oregon [Mr. PACKWOOD] were added as cosponsors of Senate Joint Resolution 208, a joint resolution to designate the week of October 27, 1985, through November 2, 1985, as "National Alopecia Awareness Week."

SENATE JOINT RESOLUTION 213

At the request of Mr. FORD, the names of the Senator from Iowa [Mr. HARKIN], the Senator from Kansas [Mrs. KASSEBAUM], and the Senator from Mississippi [Mr. COCHRAN] were added as cosponsors of Senate Joint Resolution 213, a joint resolution to designate January 19-25, 1986, "National Jaycee Week."

SENATE JOINT RESOLUTION 222

At the request of Mr. D'AMATO, the name of the Senator from Rhode Island [Mr. PELL] was added as a cosponsor of Senate Joint Resolution 222, a joint resolution concerning the cruel and inhuman killing of Leon Klinghoffer by international terrorists aboard the cruise ship *Achille Lauro,* because he did not submit to the demands of these terrorists.

SENATE CONCURRENT RESOLUTION 77

At the request of Mr. HATFIELD, the names of the Senator from New York [Mr. MOYNIHAN], the Senator from Rhode Island [Mr. PELL], the Senator from Illinois [Mr. SIMON], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Massachusetts [Mr. KERRY], and the Senator from Iowa [Mr. HARKIN] were added as cosponsors of Senate Concurrent Resolution 77, a concurrent resolution deploring the intention of the United States to withdraw from the compulsory jurisdiction of the International Court of Justice.

SENATE CONCURRENT RESOLUTION 78

At the request of Mr. BRADLEY, the names of the Senator from California [Mr. CRANSTON], the Senator from Kansas [Mrs. KASSEBAUM], and the Senator from Maryland [Mr. SARBANES] were added as cosponsors of Senate Concurrent Resolution 78, a concurrent resolution in support of universal access to immunization by 1990 and accelerated efforts to eradicate childhood diseases.

AMENDMENT NO. 725

At the request of Mr. BAUCUS, the names of the Senator from Iowa [Mr. GRASSLEY], the Senator from Indiana [Mr. QUAYLE], and the Senator from Colorado [Mr. HART] were added as cosponsors of amendment No. 725 intended to be proposed to Senate Concurrent Resolution 77, a concurrent resolution to approve the "Compact of Free Association," and for other purposes.

SENATE CONCURRENT RESOLUTION 81—REQUESTING THE PRESIDENT TO BEGIN TALKS ON A UNITED STATES-SOVIET UNION STUDENT EXCHANGE FOR PEACE PROGRAM

Mr. SIMON (for himself and Mr. PELL) submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations.

S. CON. RES. 81

Whereas the United States and the Soviet Union need to establish a peaceful and mutually beneficial relationship;

Whereas the absence of close ties and mutual trust between the two countries poses a threat to world peace;

Whereas ties of culture and friendship between the United States and the Soviet Union should be expanded;

Whereas young people are a nation's greatest resource and its most treasured asset; and

Whereas both nations have a mutual interest in closer ties and the prevention of a nuclear holocaust: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that the President should immediately begin talks with the Government of the Soviet Union which have the objective of establishing a joint United States-Soviet Union student exchange for peace program to provide for an ongoing country-to-country exchange of qualified young people aged 15 through 20. Such program should—

(1) give qualified young people from each country an opportunity to go to the other country for one year to study, work, travel, talk with various political leaders, and live with a host family;

(2) be administered by a joint United States-Soviet Union Exchange for Peace Commission to be composed of civic, educational, and cultural leaders from both countries;

(3) be financed by both government and private contributions;

(4) recruit at least 2,000 qualified participants from each country, including children of civic, educational, cultural, and political leaders;

(5) ensure that program participants are spread throughout the host country; and

(6) be expanded as interest and resources permit.

SEC. 2. The Secretary of the Senate shall transmit a copy of this concurrent resolution to the President.

● Mr. SIMON. Mr. President, I am pleased to submit a resolution with Senator PELL calling for a United States-Soviet Student Exchange-for-Peace Program. This resolution was submitted, initially, by the distinguished ranking minority member of the Foreign Relations Committee 2 years ago, and Representative UDALL resubmitted it into the House this session. Last year the measure had 141 House cosponsors, including myself; this year it already has 115 cosponsors, and I expect it will soon overtake last year's response.

This resolution is aptly named, calling to mind another great venture in American diplomacy, the Food-for-Peace Public Law Program. That effort, pushed forward by one of our greatest legislators and statesmen, Hubert Humphrey, has played a vital role in feeding the poor and hungry throughout the developing world for 31 years. In a sense, this resolution will provide similar relief: Our information and attitudes about each other need to be nurtured, and it is not too dire to say that the situation is an emergency.

There is a lack of basic knowledge in our two societies when it comes to what we know about one another. The low level of exchanges is symptomatic of the deeper and more fundamental barriers to understanding that we have erected between ourselves. It is time the barriers were removed.

The United States-Soviet Student Exchange-for-Peace Commission, to be established under this measure following bilateral negotiations, would select 2,000 qualified youth ages 15 to 20 from each country to spend a significant period of time living, visiting, and studying in the United States and the U.S.S.R. The measure calls for a wide geographic dispersal of exchangees, an important provision if meaningful results are to be realized. Too often we give up on cooperative ventures like exchanges because we short-term payoffs. We need the patience also for long-term payoffs. The payoff is real and important. We should be fostering a better relationship with the next generation of Soviet leaders. And the Soviets should be doing the same with our next generation of leaders.●

SENATE CONCURRENT RESOLUTION 82—ORIGINAL CONCURRENT RESOLUTION REPORTED SUPPORTING CHILE'S NATIONAL ACCORD FOR THE TRANSITION TO FULL DEMOCRACY

Mr. LUGAR, from the Committee on Foreign Relations, reported the following original concurrent resolution; which was placed on the calendar:

S. CON. RES. 82

Whereas, on September 11, 1985, the people of Chile marked the twelfth anniversary of an authoritarian government characterized by restrictions on civil liberties, including suspension of all political activities;

Whereas, on August 25, 1985, Cardinal Juan Francisco Fresno announced the National Accord for the Transition to Full Democracy in Chile, an agreement endorsed by eleven political parties spanning a broad political spectrum which commits the signatories to concrete steps to achieve a peaceful evolution toward full and authentic democracy;

Whereas this National Accord, which includes the repudiation of violence, the restoration of full civil liberties, the legalization of political parties, the preservation of a mixed economy, including guarantees of private property, and the holding of elections by direct popular vote, represents an honest and prudent effort toward this necessary transition; and

Whereas the political parties, labor unions, professional organizations, and other groups supporting the accord reflect the overwhelming support of the Chilean people for a peaceful return to democratic rule: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress—

(1) supports the efforts of democratic forces in Chile to achieve a peaceful return to democratic government;

(2) expresses its view that the National Accord for the Transition to Full Democracy is an important first step toward this goal; and

(3) calls upon the Government of Chile and the leaders of all sectors of Chilean society to demonstrate their commitment to a genuine transition through a process of dialogue and negotiation aimed at securing a return to democratic rule.

SENATE RESOLUTION 243—AUTHORIZING THE REPRINTING OF SENATE DOCUMENT NUMBERED 87-64

Mr. DOLE (for Mr. GORTON, for himself and Mr. BYRD) submitted the following resolution; which was considered and agreed to:

S. RES. 243

Resolved, That Senate Document Numbered 87-64, entitled "History of the United States Senate from 1787 to 1801", be reprinted as a Senate document.

SEC. 2. There shall be printed, in addition to the usual number, such additional copies as are allowed subject to the limitations of section 703 of title 44, United States Code.

AMENDMENTS SUBMITTED

DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATION, 1986

ANDREWS AMENDMENT NOS. 841 AND 842

Mr. ANDREWS proposed two amendments to the bill (H.R. 3244) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1986, and for other purposes; as follows:

AMENDMENT No. 841

On page 18, line 24, strike "13,250,000,000" and insert "12,750,000,000".

AMENDMENT No. 842

On page 29, line 10, delete the word "of" the second time it appears, and insert the word "or".

EAGLETON (AND OTHERS) AMENDMENT NO. 843

Mr. CHILES (for Mr. EAGLETON, for himself, Mr. DANFORTH, Mr. WILSON, and Mr. CRANSTON) proposed an amendment to the bill H.R. 3244, supra; as follows:

At an appropriate place in the bill add the following new section:

"SEC. —. The Congress disapproves the proposed deferral D86-21, pertaining to the Urban Mass Transportation Administration, as set forth in the message of October 1, 1985 which was transmitted to the Congress by the President. This disapproval shall be effective upon enactment into law of this Act and the amount of the proposal deferral disapproved herein shall be made available for obligation."

LAUTENBERG AMENDMENT NO. 844

Mr. LAUTENBERG proposed an amendment to the bill (H.R. 3244), supra; as follows:

On page 54, insert between lines 8 and 9 the following new section:

SEC. 326. Section 201 of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 711) is amended—

(1) in the first sentence of paragraph (2) of subsection (d) by inserting "freight" before "railroad"; and

(2) in the first sentence of subsection (e) by striking out "1985" and inserting in lieu thereof "1987".

ANDREWS AMENDMENT NO. 845

Mr. ANDREWS proposed an amendment to the bill (H.R. 3244), supra; as follows:

On page 50, line 20, strike all through page 51 line B.

ARMSTRONG (AND OTHERS) AMENDMENT NO. 846

Mr. ARMSTRONG (for himself, Mr. PROXMIRE, and Mr. WALLOP) proposed an amendment to the bill (H.R. 3244), supra; as follows:

Beginning on page 26, line 11, delete through page 28, line 15.

MITCHELL (AND OTHERS) AMENDMENT NO. 847

Mr. MITCHELL (for himself, Mr. HUMPHREY, and Mr. COHEN) proposed an amendment to the bill (H.R. 3244), supra; as follows:

On page 54 after line 8, insert:

SEC. . That the Act approved July 28, 1937 (50 Stat. 535), is amended by striking out in the first paragraph thereof, "and approaches thereto" and by inserting at the end thereof "The States of Maine and New Hampshire are authorized to assume all construction, maintenance, and operational authority over the approach roads and grade separation structures in their respective areas. As provided in Maine Private and Special Law, Chapter 38, 1985, and New Hampshire Statutes, Chapter 415, 1985, the respective States shall require the Authority to provide Authority funds for capital improvements.".

EVANS (AND LAUTENBERG) AMENDMENT NO. 848

Mr. EVANS (for himself and Mr. LAUTENBERG) proposed an amendment to the bill (H.R. 3244), supra; as follows:

At the appropriate place, insert the following:

Section 502(l)(1) of the Motor Vehicle Information and Cost Savings Act [15 U.S.C. 2002(l)(1)] is amended by inserting at the end thereof the following new paragraph:

"(F) Notwithstanding the provisions of subparagraph (B), no manufacturer shall be entitled to a credit for exceeding the fuel economy standard for any model year for which the Secretary has reduced the fuel economy standard to a level below the standard originally established by Congress for that year. *Provided*, That a manufacturer shall be entitled to a credit to the extent that the fleet average fuel economy of the manufacturer exceeds the standard that applied prior to modification by the Secretary."

PROXMIRE AMENDMENT NOS. 849 AND 850

Mr. PROXMIRE proposed two amendments to the bill H.R. 3244, supra; as follows:

On page 31, line 14, strike out "$2,100,000,000" and insert in lieu thereof "$1,230,000,000".

On page 31, line 14, before the period insert the following: ": *Provided*, That none of such funds may be available for operating, subsidies".

On page 4, beginning with line 1, strike out all through line 6.

DOMENICI (AND OTHERS) AMENDMENT NO. 851

Mr. DOMENICI (for himself, Mr. JOHNSTON, Mr. GORTON, Mr. THURMOND, Mr. BENTSEN, Mr. HOLLINGS, Mr. BINGAMAN, Mr. SYMMS, Mr. GRAMM, Mr. EVANS, and Mr. MCCLURE) proposed an amendment to the bill (H.R. 3244), supra; as follows:

On page 21, line 1, insert the following:

WASTE ISOLATION PILOT PROJECT ROADS

For necessary expenses in connection with the upgrading of certain highways for the transportation of nuclear waste generated during defense-related activities, not otherwise provided for, $16,260,000, to remain available until expended.

KASSEBAUM (AND OTHERS) AMENDMENT NO. 852

Mrs. KASSEBAUM (for herself, Mr. DOMENICI, Mr. CHILES, Mr. GORTON, Mr. MATSUNAGA, and Mr. NICKLES) proposed an amendment to the bill (H.R. 3244), supra; as follows:

At the end of the bill, add the following new section:

"SEC. Notwithstanding any other provision of this bill and except as otherwise provided in this section, each dollar amount contained in this act which is provided for non-defense discretionary programs and activities is hereby reduced 6.0 per centum: *Provided*, That this section shall not apply to the amounts on page 36, line 7, and page 37, line 10: *Provided further*, That for purposes of applying the 6.0 per centum reduction, the amount to be reduced on page 4, line 14 shall be considered to be $1,785,100,000, and the amount to be reduced on page 10, line 12 shall be considered to be $2,714,400,000, and the amount to be reduced on page 31, line 14 shall be considered to be $2,013,000,000: *Provided further*, That notwithstanding any other provision of law, the amount available for transit operating assistance, contained in this bill, in fiscal year 1986 shall not exceed $736,000,000."

SYMMS AMENDMENT NO. 853

Mr. SYMMS (for himself and Mr. BURDICK) proposed an amendment to amendment No. 852 proposed by Mrs. KASSEBAUM (and others) to the bill (H.R. 3244), supra; as follows:

Amendment No. 852 is amended by striking "6.0" and inserting in lieu thereof "7.9"; and by adding at the end thereof the following: "The obligation limitation for Federal-Aid Highways and Highway safety construction programs for Fiscal Year 1986 shall remain at $12,750,000,000."

DOMENICI (AND CHILES) AMENDMENT NO. 854

Mr. DOMENICI (for himself and Mr. CHILES) proposed an amendment to the bill (H.R. 3244), supra; as follows:

At the end of the bill, add the following new section:

"SEC. . Notwithstanding any other provision of this bill and except as otherwise provided in this section, each"

CHILES (AND OTHERS) AMENDMENT NO. 855

Mr. CHILES (for himself, Mrs. KASSEBAUM, Mr. DOMENICI, and Mr. GORTON) proposed an amendment to amendment No. 854 proposed by Mr.

DOMENICI (and Mr. CHILES) to the bill (H.R. 3244), supra; as follows:

At the end of the amendment, add the following: "dollar amount contained in this Act which is provided for non-defense discretionary programs and activities is hereby reduced 1.6 per centum: *Provided,* That this section shall not apply to the amounts on page 36, line 7, and page 37, line 10: *Provided further,* That notwithstanding any other provision of law, the amount available for transit operating assistance, contained in this bill, in fiscal year 1986 shall not exceed $856,000,000."

CONSOLIDATED OMNIBUS BUDGET RECONCILIATION ACT

DANFORTH AMENDMENT NO. 856

Mr. PACKWOOD (for Mr. DANFORTH) proposed an amendment to the bill (S. 1730) to provide for reconciliation pursuant to section 2 of the first concurrent resolution on the budget for fiscal year 1986 (S. Con. Res. 32, 99th Cong.); as follows:

On page 108, line 6, insert "(a)" immediately after "SEC. 402."; and insert the following immediately after line 13:

(b) Section 103(3) of the Rail Passenger Service Act (45 U.S.C. 502(3)) is amended—

(1) by inserting "used" immediately before "automobiles"; and

(2) by striking "and their occupants".

(c) Section 303(a)(1)(E) of the Rail Passenger Service Act (45 U.S.C. 543(a)(1)(E)) is amended by inserting "and shall serve until their successors have been appointed" immediately before the period at the end thereof.

(d) Section 303(d) of the Rail Passenger Service Act (45 U.S.C. 543(d)) is amended by striking the third sentence.

(e) Section 304(c) of the Rail Passenger Service Act (45 U.S.C. 544(c)) is amended by adding at the end thereof the following:

"(3) The preferred stock issued pursuant to paragraphs (1) and (2) of this subsection shall be deemed to have been issued as of the date of receipt by the Corporation of the funds for which such stock is issued.".

(f)(1) Section 305(1) of the Rail Passenger Service Act (45 U.S.C. 545(1)) is repealed.

(2) Section 305(m) of the Rail Passenger Service Act (45 U.S.C. 545(m)) is amended by striking "Center" each place it appears and inserting in lieu thereof "Corporation".

(3) Section 308(a) of the Rail Passenger Service Act (45 U.S.C. 548(a)) is amended to read as follows:

"(a) The Corporation shall submit to the Congress a report not later than February 15 of each year. The report shall include, for each route on which the Corporation operated intercity rail passenger service during the preceding fiscal year, data on ridership, short-term avoidable profit or loss per passenger mile, revenue-to-cost ratio, revenues, the Federal subsidy, the non-Federal subsidy, and on-time performance. Such report shall also specify significant operational problems which have been identified by the Corporation, together with proposals by the Corporation to resolve such problems.".

(g) Section 306(f) of the Rail Passenger Service Act (45 U.S.C. 546(f)) is amended by inserting at the end thereof the following: "The Corporation shall be permitted to participate in the contract air program administered by the General Services Administration in markets where service provided by the Corporation is competitive with regard to rates and total trip times.".

(h) Section 306(m) of the Rail Passenger Service Act (45 U.S.C. 546(m)) is amended by inserting "only" immediately after "citizen".

(i)(1) Section 403(d) of the Rail Passenger Service Act (45 U.S.C. 563(d)) is amended—

(A) by striking "criteria set forth in section 404(d)(2)(B)" and inserting in lieu thereof "criterion set forth in section 404(d)(2)"; and

(B) by inserting after the first sentence thereof the following: "Beginning October 1, 1986, if such service is not projected to meet such criterion, the Corporation may discontinue such service, unless the Corporation and a State (or States) enter into an agreement which ensures that the criterion will be met.".

(2) Section 404(c)(3)(B) of the Rail Passenger Service Act (45 U.S.C. 564(c)(3)(B)) is amended—

(A) by striking "60" and inserting in lieu thereof "120";

(B) by striking all after "submission" through "amendment"; and

(C) by adding at the end thereof the following: "For purposes of this subparagraph, continuity of session of the Congress is broken only by an adjournment sine die and the days on which either House is not in session because of adjournment of more than 3 days to a day certain are excluded in the computation of such 120-day period.".

(3) Section 404(c)(4)(B) of the Rail Passenger Service Act (45 U.S.C. 564(c)(4)(B)) is amended to read as follows:

"(B) The Corporation shall conduct an annual review of each route in the basic system to determine if such route is projected to meet the criterion appropriate to such route set forth in subsection (d), as adjusted to reflect constant 1979 dollars. If the Corporation determines on the basis of such review that such route will not meet such criterion, the Corporation shall discontinue, modify, or adjust the operation of rail passenger service over such route so that the criterion will be met.".

(4)(A) The first sentence of section 404(d)(1) of the Rail Passenger Service Act (45 U.S.C. 564(d)(1)) is amended—

(i) by striking "if—" and inserting in lieu thereof "if";

(ii) by striking "(A)"; and

(iii) by striking all after "mile" the second time it appears therein and inserting in lieu thereof a period.

(B) The second sentence of section 404(d)(1) of the Rail Passenger Service Act (45 U.S.C. 564(d)(1)) is amended by striking "and passenger mile per train mile".

(C) The last sentence of section 404(d)(1) of the Rail Passenger Service Act (45 U.S.C. 564(d)(1) is repealed.

(5) Section 404(d)(2) of the Rail Passenger Service Act (45 U.S.C. 564(d)(2)) is amended—

(A) by striking "if—" and inserting in lieu thereof "if";

(B) by striking "(A)"; and

(C) by striking all after "mile" the second time it appears therein and inserting in lieu thereof a period.

(6) Section 402 of the Rail Passenger Service Act (45 U.S.C. 562) is amended by adding at the end thereof the following:

"(i) Nothing in this section shall preclude parties from entering into an agreement, after the determination of the Commission or their initial agreement under this section, with respect to related costs described in this section.".

(7) The provisions of this subsection shall take effect on October 1, 1986.

(j) Title VII of the Rail Passenger Service Act (45 U.S.C. 621 et seq.) is repealed.

(k) Section 306(a)(3) of the Rail Passenger Service Act (45 U.S.C. 546(a)(3)) is amended by striking ", except as otherwise provided in this Act,".

(l) Section 306(k) of the Rail Passenger Service Act (45 U.S.C. 546(k)) is repealed.

(m) Section 402(g) of the Rail Passenger Service Act (45 U.S.C. 562(g)) is repealed.

(n) Section 405(a) of the Rail Passenger Service Act (45 U.S.C. 565(a)) is amended by adding at the end thereof the following: "For purposes of this section and any agreement designed to implement the provisions of this section, a 'discontinuance of intercity rail passenger service' shall not include any reduction in frequency, seasonal suspension or other service modification that does not result in elimination of all intercity rail passenger service on a route.".

(o)(1) The first sentence of section 805(2)(A) of the Rail Passenger Service Act (45 U.S.C. 644(2)(A)) is amended—

(A) by striking "shall" and inserting in lieu thereof "may"; and

(B) by striking "annually a".

(2) Section 805(2)(A) and (B) of the Rail Passenger Service Act (45 U.S.C. 644(2)(A) and (B)) is amended by striking "audit" wherever it appears and inserting in lieu thereof "audits".

(p) Section 806 of the Rail Passenger Service Act (45 U.S.C. 645) is repealed.

(q) Section 810 of the Rail Passenger Service Act (45 U.S.C. 649) is repealed.

(r) Section 811 of the Rail Passenger Service Act (45 U.S.C. 650) is repealed.

(s) Section 703(1)(D) of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 853(1)(D)) is repealed.

(t)(1)(A) Section 1163 of the Northeast Rail Service Act of 1981 (45 U.S.C. 1111) is repealed.

(B) The item relating to section 1163 of the Northeast Rail Service Act of 1981 (45 U.S.C. 1111) is repealed.

(B) The item relating to section 1163 in the table of contents of the Northeast Rail Service Act of 1981 is amended to read as follows:

"Sec. 1163. Repealed.".

(C) Any decisions of the Interstate Commerce Commission before the date of enactment of this Act under section 1163 of the Northeast Rail Service act (45 U.S.C 1111) shall have no force and effect after the date of enactment of this Act.

(2) Section 402(a) of the Rail Passenger Service Act (45 U.S.C. 562(a)) is amended—

(A) by inserting "(1)" immediately after "(a)";

(B) by inserting "(2)" immediately before "Notwithstanding"; and

(C) by adding at the end of paragraph (2), as so designated by subparagraph (A) of this paragraph, the following: "The Commission, in making such a determination, shall assign to an entity obtaining services pursuant to this paragraph the costs incurred by the Corporation solely for the benefit of that entity, plus a proportionate share of all other costs of providing services covered by this paragraph that are incurred for the common benefit of more than one user of the rail properties covered by this paragraph. The proportionate share of such other costs assigned to a user shall be based on relative measures of volume of car or

train operations, passengers handled, tonnage, or other factors that reasonably reflect the relative use of the rail properties covered by this paragraph.".

(3) The compensation standard established by the amendment made by paragraph (2) of this subsection shall be effective in any proceeding instituted under section 402(a)(2) of the Rail Passenger Service Act (45 U.S.C. 562(a)(2)) after the date of enactment of this Act.

DECONCINI (AND HUMPHREY) AMENDMENT NO. 857

Mr. DECONCINI (for himself and Mr. HUMPHREY) proposed an amendment to the bill S. 1730, supra; as follows:

On page 454, after line 24, insert the following new part:

PART D—FEDERAL MOTOR VEHICLE EXPENDITURE CONTROL

MONITORING SYSTEM

SEC. 831. The head of each executive agency, including the Department of Defense, shall designate one office, officer, or employee of the agency to establish and operate a central monitoring system for, and provide oversight of, the motor vehicle operations of the agency, related activities, and related reporting requirements.

DATA COLLECTION

SEC. 832. (a) The head of each executive agency, including the Department of Defense, shall develop a system to identify, collect, and analyze data with respect to all costs incurred by the agency in the operation, maintenance, acquisition, and disposition of motor vehicles, including Government-owned vehicles, leased vehicles, and privately owned vehicles used for official purposes.

(b) The Administrator, in cooperation with the Comptroller General and the Director, shall promulgate standards governing the establishment and operation by executive agencies of the systems required by the subsection (a), including standards with respect to data concerning the costs and uses of motor vehicles and with respect to the uniform collection and submission of such data. Each executive agency, including the Department of Defense, shall comply with such standards.

AGENCY STATEMENTS WITH RESPECT TO MOTOR VEHICLE USE

SEC 833. (a) The head of each executive agency, including the Department of Defense, shall include with the appropriation request of such agency submitted under section 1108 of title 31, United States Code, for fiscal year 1987 and each succeeding fiscal year, a statement—

(1) specifying—

(A) the total motor vehicle acquisition, maintenance, leasing, operation, and disposal cost incurred by such agency in the most recently completed fiscal year; and

(B) an estimate of such cost for the fiscal year in which such request is submitted and for the succeeding fiscal year; and

(2) justifying why the existing and any new motor vehicle acquisition, maintenance, leasing, operation, or disposal requirements of the agency cannot be met through the Interagency Fleet Management System operated by the Administrator or through a qualified private fleet management firm or another private contractor.

(b) The head of each executive agency shall comply with the standards promulgated under section 832(b) in preparing each statement required under subsection (a).

PRESIDENTIAL REPORT

SEC. 834. The President shall include with the budget transmitted pursuant to section 1105 of title 31, United States Code, for fiscal year 1987 and each succeeding fiscal year, or in a separate written report to the Congress for each such fiscal year, a summary and analysis of the statements most recently submitted by the heads of executive agencies pursuant to section 833(a). Each such summary and analysis shall include a review of the potential cost savings that could be achieved in the acquisition, maintenance, leasing, operation, and disposal of motor vehicles by executive agencies through—

(1) the use of a qualified private fleet management firm or another private contractor;

(2) increased reliance by executive agencies on the Interagency Fleet Management System operated by the Administrator; or

(3) other existing motor vehicle management systems.

STUDY REQUIRED

SEC. 835. (a) The head of each executive agency, including the Department of Defense, shall conduct a comprehensive and detailed study of the costs, benefits, and feasibility of entering into a contract with a qualified fleet management firm or another private contractor to meet its motor vehicle operation, maintenance, leasing, acquisition, and disposal requirements. Such study shall compare the costs, benefits, and feasibility of such a contract to the costs and benefits of the agency's current motor vehicle operations and to the costs, benefits, and feasibility of the use of the Interagency Fleet Management System operated by the Administrator.

(b) Within 6 months after the date of enactment of this Act, the head of each executive agency shall submit a report concerning the study required under subsection (a) to the Director and the Comptroller General.

(c) Within one year after the date of enactment of this Act, the Comptroller General shall submit an analysis of the reports received under subsection (b) to the Congress.

INTERAGENCY CONSOLIDATION

SEC. 836. The Administrator shall review and identify interagency opportunities for the consolidation of motor vehicles, related equipment, and facilities, and of functions relating to the administration and management of such vehicles, equipment, and facilities, in order to reduce the size and cost of the Federal Government's motor vehicle fleet. Within one year after the date of enactment of this Act, the Administrator shall submit a report to the Congress specifiying the findings of the Administrator from the review conducted under the preceding sentence.

CONSOLIDATION OF FACILITIES

SEC. 837. The Administrator shall require the head of each executive agency, including the Department of Defense, to—

(1) review the motor pool, storage, maintenance, and other motor vehicle facilities within the agency;

(2) consolidate such facilities where feasible and cost effective; and

(3) submit to the Director a report identifying possible impediments to any such consolidation, including current accounting methods, budget processes, or organizational structures.

REDUCTION OF STORAGE AND DISPOSAL COSTS

SEC. 838. The Administrator shall take such actions as may be necessary to reduce motor vehicle storage and disposal costs, including actions to increase the frequency of motor vehicle sales by public auction, to reduce presale storage costs, and to improve the rate of return on motor vehicle sales through a program of vehicle reconditioning prior to sale.

SAVINGS

SEC. 839. (a) The President shall take such action as may be necessary to ensure that expenditures for the operation, maintenance, leasing, acquisition, and disposal of motor vehicles by executive agencies, including the Department of Defense, are reduced by fiscal year 1988, to an amount which is $225,000,000 less than the amount requested for such operation, maintenance, leasing, acquisition, and disposal requested by the President in the budget submitted under section 1105 of title 31, United States Code, for fiscal year 1986.

(b) The Director shall monitor compliance by executive agencies with directives of the President to carry out subsection (a) and shall report, within 6 months after the date of enactment of this Act and every 6 months thereafter, to the Committees on Appropriations of the House and Senate, the Committee on Governmental Affairs of the Senate and the Committee on Government Operations of the House, with respect to the reductions in expenditures by executive agencies, including the Department of Defense, required under subsection (a).

COMPLIANCE

SEC. 840. (a) The Administrator shall comply with and be subject to the provisions of this part with regard to all motor vehicles that are used within the General Services Administration for official purposes.

(b) The provisions of this part with respect to motor vehicles from the Interagency Fleet Management System shall be complied with by the executive agencies to which such motor vehicles are assigned.

APPLICABILITY

SEC. 841. (a) The President shall apply the reductions in expenditures required by section 839(a) primarily to administrative motor vehicle fleets used at the headquarters and regional headquarters of executive agencies, rather than to motor vehicles used by line agency personnel working in agency field operations or activities.

(b) The President shall require the Administrator, in cooperation with the Director, to promulgate appropriate regulations, standards, and definitions that shall assure that executive agencies comply with and implement the reductions in expenditures required by section 839(a) in the manner prescribed by subsection (a).

COOPERATION

SEC. 842. The Director and the Administrator shall closely cooperate in the implementation of the provisions of this part, and shall report regularly to the Congress on the progress made in carrying out this part.

REPORTS

SEC. 843. Not later than 12 months after the date of enactment of this Act, the Comptroller General shall prepare and transmit a report to the Congress on the activities of the Director, the Administrator, and executive agencies in carrying out this part. After transmitting the report required by the preceding sentence, the Comptroller

General shall submit periodic reports to the Congress on such activities.

DEFINITIONS

SEC. 844. For purposes of this part—

(1) the term "executive agency" means—

(A) an executive agency (as such term is defined in section 105 of title 5, United States Code), which operates at least three hundred motor vehicles; and

(B) the Postal Service, the Postal Rate Commission, and the Tennessee Valley Authority;

(2) the term "Director" means the Director of the Office of Mangement and Budget;

(3) the term "Adminstrator" means the Administrator of General Services;

(4) the term "Comptroller General" means the Comptroller General of the United States; and

(5) the term "motor vehicle" means any vehicle self-propelled or drawn by mechanical power, except that such term does not include any vehicle designed or primarily used for military field training, combat, or tactical purposes.

BAUCUS (AND OTHERS) AMENDMENT NO. 858

Mr. BAUCUS (for himself, Mr. PACKWOOD, Mr. DURENBERGER, Mr. HEINZ, Mr. GLENN, Mr. MITCHELL, and Mr. MATSUNAGA) proposed an amendment to the bill S. 1730, supra; as follows:

On page 168, between lines 4 and 5, insert the following:

SEC. 716A. PROMULGATION OF INPATIENT HOSPITAL DEDUCTIBLE.

(a) CHANGE IN DEADLINE.—Section 1813(b)(2) of the Social Security Act is amended by striking out "October 1" and inserting in lieu thereof "September 15".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to calendar years after 1985.

DOMENICI AMENDMENT NO. 859

Mr. DOMENICI proposed an amendment to the bill (S. 1730), supra; as follows:

At the appropriate places in the bill, do the following:

On page 89, line 15, strike out "purpose" and insert in lieu thereof "purposes".

On page 94, line 13, strike out "paragraph (1)" and insert in lieu thereof "subsection (a)".

On page 99, after line 23, insert the following:

(2) by striking out the period at the end of paragraph (5) and inserting in lieu thereof "; and"; and

On page 180, line 5, strike out "following" and insert in lieu thereof "following".

On page 215, line 18, insert ")" after "(e)".

On page 284, beginning with line 22, strike out all through page 285, line 7, and insert in lieu thereof the following:

(2) If—

(A) a document or ticket for transportation of a passenger into the customs territory of the United States is issued in a foreign country, and

(B) the fee charged under subsection (a)(6) is not collected at the time such document or ticket is issued, the person providing transportation to such passenger shall collect such fee at the time such passenger departs from the customs territory of the United States and shall provide such passenger a receipt for the payment of such fee.

On page 308, line 19, strike out "yeas" and insert in lieu thereof "years".

On page 308, line 20, strike out "of" and insert in lieu thereof "to".

On page 308, line 21, strike out "liue" and insert in lieu thereof "lieu".

On page 308, line 21, strike out "plans" and insert in lieu thereof "plan".

On page 309, line 6, insert a comma after "plan".

On page 310, line 13, strike out "Except" and insert in lieu thereof "Exception".

On page 311, line 3, strike out "(ii))" and insert in lieu thereof "(ii)".

On page 312, line 15, insert "for any group health plan maintained by an employer" after "employer".

On page 312 line 18, strike out "(B). Except" and insert in lieu thereof "(B) Exception".

On page 316, line 21, strike out "and" and insert in lieu thereof "any".

On page 320, line 2, strike out "amendment" and insert in lieu thereof "amendments".

On page 321, line 15, strike out "subsectioin" and insert in lieu thereof "subsection".

On page 322, line 16, strike out the second comma.

On page 323, line, 2, strike out "the" and insert in lieu thereof "an".

On page 323, line 8, strike out "section" and insert in lieu thereof "subsection".

On page 329, line 9, strike out "tax" and insert in lieu thereof "taxes".

On page 334, line 11, strike out the colon and insert in lieu thereof a semicolon.

On page 335, line 25, strike out "Setpember" and insert in lieu thereof "September".

On page 336, line 10, strike out "be" and insert in lieu thereof "by".

On page 342, line 24, strike out "If" and insert in lieu thereof "if".

On page 343, line 10, strike out "it is" and insert in lieu thereof "if it".

On page 343, line 14, strike out "manufactures" and insert in lieu thereof "manufacturers".

On page 343, line 14, strike out "follow" and insert in lieu thereof "follows".

On page 344, lines 2 and 3, strike out "manufacture" and insert in lieu thereof "manufacturer".

On page 344, line 15, insert "the" after "receiving".

On page 345, line 18, strike out "subparagraph" and insert in lieu thereof "subparagraphs".

On page 347, line 4, strike out "Upspent" and insert in lieu thereof "Unspent".

On page 349, in the matter after line 8, strike out "transaction" and insert in lieu thereof "transactions".

On page 352, lines 13 and 17, strike out the closing quotation marks.

On page 355, in the matter after line 1, strike out "depository" and insert in lieu thereof "depositary".

On page 357, in the matter after line 6, strike out "Definitons" and insert in lieu thereof "Definitions".

On page 362, line 2, strike out "Decembr" and insert in lieu thereof "December".

On page 367, in the matter after line 25, add at the end thereof a period.

On page 368, line 11, strike out "Hazadous" and insert in lieu thereof "Hazardous".

On page 368, line 13, strike out "refenence" and insert in lieu thereof "reference".

On page 368, line 18, strike out "Subchpater" and insert in lieu thereof "Subchapter".

On page 368, line 20, strike out "subchpater" and insert in lieu thereof "subchapters".

On page 369, line 11, strike out "Liabilty" and insert in lieu thereof "Liability".

On page 372, lines 9 and 10, strike out "October 1, 1985" and insert in lieu thereof "November 15, 1985".

On page 374, line 6, strike out "or" and insert in lieu thereof "of".

On page 380, line 8, strike out "growers" and insert in lieu thereof "producers".

On page 381, line 8, strike out "if" and insert in lieu thereof "is".

On page 386, strike out lines 1 through 3 and insert in lieu thereof the following:

(2) by inserting ", except in the case of Burley tobacco," after "*Provided*, That" in the fourth sentence of subsection (e).

On page 386, line 18, strike out "Year" and insert in lieu thereof "year".

On page 387, line 10, strike out "manfacturer" and insert in lieu thereof "manufacturer".

On page 394, line 20, strike out "fluecured" and insert in lieu thereof "Fluecured".

On page 395, line 12, strike out "associ-" and insert in lieu thereof "associa-".

On page 401, line 23, strike out "to" and insert in lieu thereof "the".

On page 407, line 3, strike out "stock of the Corporation" and insert in lieu thereof "stocks of the Corporation of".

On page 412, line 12, strike out "Subsection" and insert in lieu thereof "Subsections".

On page 415, line 17, strike out "relating" and insert in lieu thereof "(relating".

On page 422, line 17, strike out the single quotation marks and insert in lieu thereof double quotation marks.

On page 428, line 24, strike out "Payroll" and insert in lieu thereof "Taxes".

On page 430, line 13, strike out "period" and insert in lieu thereof "period)".

On page 478, line 24, strike out "'the Act'" and insert in lieu thereof "the 'Act'".

On page 517, between lines 13 and 14, insert the following:

PART H—GRADUATE MEDICAL EDUCATION

AMENDMENT TO THE PUBLIC HEALTH SERVICE ACT

On page 519, line 22, strike out "relevent" and insert in lieu thereof "relevant".

On page 536, line 8, strike out "99" and insert in lieu thereof "991".

On page 536, line 11, strike out "if:" and insert in lieu thereof "if—".

On page 536, line 20, insert "of 1954" after "Code".

On page 536, line 21, strike out "termintion" and insert in lieu thereof "termination".

On page 536, line 23, insert "of 1954" after "Code".

On page 537, line 5, strike out "Act" and insert in lieu thereof "Act)".

On page 537, line 17, strike out "organzation" and insert in lieu thereof "organization".

On page 538, line 9, strike out "notifiy" and insert in lieu thereof "notify".

On page 543, lines 20 and 21, strike out "section 4041(c)" and insert in lieu thereof "subsection (c)".

On page 544, line 18, strike out "'within" and insert in lieu thereof "(within".

On page 544, line 19, strike out "4042)'" and insert in lieu thereof "4042)".

On page 552, strike out lines 1 through 5 and insert in lieu thereof the following new subsection:

(b) CONFORMING AMENDMENTS.—Section 4041(e) (as redesignated by section 991(a)(2) of this Act is amended—

(1) by striking out "subsection (a)" and inserting in lieu thereof "this section"; and

(2) by inserting "in a standard termination" after "terminated".

On page 554, line 11, strike out "trhe" and insert in lieu thereof "the".

On page 555, line 9, insert a period after "4062".

On page 562, line 6, strike out "and".

On page 563, line 4, strike out "." and insert in lieu thereof "."; and".

On page 563, between lines 4 and 5, insert the following:

(3) by inserting after section 4065 (as added by clause (2)) the following:

"PART 2—ADMINISTRATION AND ENFORCEMENT".

On page 563, line 9, strike out "Act' " and insert in lieu thereof "Act)".

On page 563, line 17, strike out "terminatioin" and insert in lieu thereof "termination".

On page 563, line 18, strike out "plana" and insert in lieu thereof "plan".

On page 563, line 19, strike out "contribution" and insert in lieu thereof "contributing".

On page 563, line 21, strike out "contribution" and insert in lieu thereof "contributing".

On page 563, line 25, strike out "of the" and insert in lieu thereof "for the".

On page 564, line 10, strike out "996(c)(i)" and insert in lieu thereof "996(c)(1)".

On page 564, line 13, strike out "EFFECT" and insert in lieu thereof " "EFFECT".

On page 566, line 9, strike out "1306(a)(2)" and insert in lieu thereof "1306(a)(2))".

On page 567, line 24, insert "by" after "(ii)".

On page 569, strike out lines 18 and 19 and insert in lieu thereof the following:

inserting in lieu thereof "section 4041(c)"; and

On page 570, line 22, strike out "(a)—(aa)," and insert in lieu thereof "(a), (aa)".

On page 572, line 2, insert a comma after "(b)".

On page 572, line 9, strike out "(C)(2)(A)(i)" and insert in lieu thereof "(c)(2)(A)(i)".

On page 572, line 20, insert a comma after "(d)".

On page 574, line 15, strike out "(a)(1)" and insert in lieu thereof "(1)".

On page 575, line 11, strike out "and".

On page 576, strike out line 12 and insert in lieu thereof the following:

but it does not include mineral, oil, and gas royalty interests.

On page 579, line 1, strike out "(i)" and insert in lieu thereof " "(i)".

On page 579, strike out line 4 and insert in lieu thereof the following:

States, and

"(ii) any lien imposed under this section".

On page 579, line 8, strike out "109(c)(1)" and insert in lieu thereof "996(c)(1)".

On page 579, between lines 14 and 15, insert a period after "413A".

On page 580, before line 1, strike out "of" in the item relating to section 4072 and insert in lieu thereof "to".

On page 580, before line 1, strike out the item relating to section 4075 and insert in lieu thereof the following:

"Sec. 4075. Effect of corporate reorganization.".

On page 605, line 3, strike out "the" and insert in lieu thereof "this".

On page 609, line 3, strike out "of" the second place it appears and insert in lieu thereof "or".

DURENBERGER (AND OTHERS) AMENDMENT NO. 860

Mr. DURENBERGER (for himself, Mr. KENNEDY, Mr. DOLE, Mr. BAUCUS, Mr. HEINZ, Mr. PROXMIRE, Mr. BRADLEY, and Mr. RIEGLE) proposed an amendment to the bill S. 1730, supra; as follows:

Beginning on page 512, line 1, strike out through page 517, line 13.

On page 164, after line 25, insert the following:

SEC. 711A. RESPONSIBILITIES OF MEDICARE HOSPITALS IN EMERGENCY CASES

(a) REQUIREMENT OF MEDICARE HOSPITAL PROVIDER AGREEMENTS.—Section 1866(a)(1) of the Social Security Act is amended—

(1) by striking out "and" at the end of subparagraph (G);

(2) by striking out the period at the end of subparagraph (H) and inserting in lieu thereof ", and"; and

(3) by inserting after subparagraph (H) the following new subparagraph:

"(I) in the case of a hospital, to comply with the requirements of section 1867 to the extent applicable.".

(b) REQUIREMENTS.—Title XVIII of such Act is amended by inserting after section 1866 the following new section:

"EXAMINATION AND TREATMENT FOR EMERGENCY MEDICAL CONDITIONS AND WOMEN IN ACTIVE LABOR

"SEC. 1867. (a) MEDICAL SCREENING REQUIREMENT.—In the case of any hospital which has a hospital emergency department, if any individual (whether or not eligible for benefits under this title) comes to the emergency department and a request is made on the individual's behalf for examination or treatment for a medical condition, the hospital must provide for an appropriate medical screening examination within the capability of such hospital's emergency department to determine whether or not an emergency medical condition (within the meaning of subsection (e)(1)) exists or to determine if the individual is in active labor (within the meaning of subsection (e)(2)). The requirements of this subsection shall not apply if the provision of a medical screening examination would delay or otherwise be contrary to the prompt treatment of the individual's medical condition.

"(b) NECESSARY STABILIZING TREATMENT FOR EMERGENCY MEDICAL CONDITIONS AND ACTIVE LABOR.—If any individual (whether or not eligible for benefits under this title) comes to the hospital and the individual is determined (through the screening described in subsection (a) or otherwise) to have an emergency medical condition or to be in active labor, the hospital must provide either—

"(1) within the staff and facilities available at such hospital, for such further medical examination and such treatment as may be required to stabilize the medical condition or to provide for treatment of the labor, unless the examination or treatment is refused; or

"(2) for transfer of the patient to another medical facility in accordance with subsection (c), unless the transfer is refused.

"(c) RESTRICTING TRANSFERS UNITL PATIENT STABILIZED.—

"(1) GENERAL RULE.—If a patient at a hospital has an emergency medical condition which has not been stabilized (within the meaning of subsection (e)(3)(B)) or is in active labor, the hospital may not transfer the patient unless—

"(A)(i) the patient (or a member of the patient's family if the patient is an unemancipated minor or is unable to communicate) requests that a transfer be effected; or

"(ii) there has been a determination by a physician (within the meaning of section 1861(r)(1)), or by other qualified medical personnel when a physician is not available in the emergency department, that, based upon the reasonable risks and benefits to the patient, and based upon the information available at the time, the benefits obtained from the provision of appropriate medical treatment at another medical facility, taking into account the potential risks to the individual's medical condition involved in the transfer, outweigh the potential benefits to the individual's medical condition from not effecting the transfer; and

"(B) the transfer is an appropriate transfer (within the meaning of paragraph (2)) to that facility.

"(2) APPROPRIATE TRANSFER.—An appropriate transfer to a medical facility is a transfer—

"(A) in which the receiving facility—

"(i) has available space and qualified personnel for the treatment of the patient;

"(ii) has agreed to accept transfer of the patient and to provide appropriate medical treatment; and

"(iii) is being provided appropriate medical records (or copies thereof) of the examination and treatment furnished at the transferring facility, or, if the patient's medical condition is sufficiently serious to require an immediate transfer, is notified of the transfer as soon as practicable under the circumstances;

"(B) in which the transfer is effected through qualified personnel and transportation equipment, as required, including the use of necessary and medically appropriate life support measures during the transfer; and

"(C) which meets such other requirements as the Secretary may find necessary in the interest of the health and safety of patients transferred.

"(d) ENFORCEMENT.—If a hospital knowingly and willfully, or negligently, fails to meet the requirements of this section, such hospital shall be subject to—

"(1) termination of its provider agreement under this title in accordance with section 1866(b); or

"(2) at the option of the Secretary, suspension of such agreement for such period of time as the Secretary determines to be appropriate, upon reasonable notice to the provider and to the public.

"(e) DEFINITIONS.—For purposes of this section:

"(1) The term 'emergency medical condition' means a medical condition manifesting itself by acute symptoms of sufficient severity (including severe pain) such that the absence of immediate medical attention could reasonably be expected to result in—

"(A) placing the patient's health in serious jeopardy;

"(B) serious impairment to bodily functions; or

"(C) serious dysfunction of any bodily organ or part.

"(2) The term 'active labor' means labor at a time at which—

"(A) delivery is imminent; or

"(B) there is inadequate time to effect safe transfer to another hospital prior to delivery.

"(3)(A) The term 'to stabilize' means, with respect to an emergency medical condition, to provide such medical treatment of the condition as may be reasonably necessary under the circumstances and within the capability of the hospital—

"(i) so that the transfer of the individual will not, within reasonable medical probability, result in substantial risk of the death or serious impairment of the individual as a direct result of the transfer; or

"(ii) in order to determine that the benefits obtained from the provision of appropriate medical treatment at another medical facility, taking into account the potential risks to the individual's medical condition involved in the transfer, outweigh the potential benefits to the individual's medical condition from not effecting the transfer.

"(B) The term 'stabilized' means, with respect to an emergency medical condition, that such medical treatment of the condition has been provided as may be reasonably necessary under the circumstances and within the capability of the hospital—

"(i) so that the transfer of the individual will not, within reasonable medical probability, result in substantial risk of the death or serious impairment of the individual as a direct result of the transfer; or

"(ii) in order to determine that the benefits obtained from the provision of appropriate medical treatment at another medical facility, taking into aaccount the potential risks to the individual's medical condition involved in the transfer, outweigh the potential benefits to the individual's medical condition from not effecting the transfer.

"(4) The term 'transfer' means movement (including the discharge) of a patient outside a hospital's facilities at the direction of any person employed by, or affiliated or associated directly or indirectly with, the hospital, but does not include such a movement of a patient who had been declared dead or leaves the facility without the permission of any such person.

"(f) PREEMPTION.—The provisions of this section do not preempt any State or local law requirement except to the extent that the requirement directly conflicts with a requirement of this section.".

"(c) EFFECTIVE DATE.—The amendment made by this section shall become effective on April 1, 1986.

(d) GAO STUDY.—(1) The Comptroller General shall conduct a study of the problems created by hospitals which transfer patients without providing necessary emergency medical treatment. The study shall include—

(A) a survey and assessment of the extent of the problems;

(B) a survey of the available remedies to such problems, including State law and licensing requirements and the use of professional standard setting organizations, and an assessment of the frequency and effectiveness with which such remedies are utilized;

(C) an assessment of the effectiveness of the remedy provided under section 1867 of the Social Security Act; and

(D) recommendations for changes in Federal law, including changes in section 1867 of the Social Security Act, and the possible use of incentives under title XIX of such Act to encourage States to establish similar remedies.

(2) The Comptroller General shall report the results of the study to the Congress within 2 years after the date of the enactment of this Act.

(e) REGULATIONS.—The Secretary of Health and Human Services shall promulgate final regulations for implementing section 1867 of the Social Security Act within 180 days after the date of the enactment of this Act, and shall report to Congress on the methods to be used for monitoring and enforcing compliance with such section.

KENNEDY (AND WILSON) AMENDMENT NO. 861

Mr. KENNEDY (for himself and Mr. WILSON) proposed an amendment to the bill S. 1730, supra; as follows:

On page 89, beginning with line 17, strike out all down through line 7 on page 90 and insert in lieu thereof the following:

SEC. 203. COLLECTION BY THE UNITED STATES OF MEDICAL AND DENTAL COSTS INCURRED ON BEHALF OF CERTAIN PERSONS.

(a) IN GENERAL.—(1) Chapter 55 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 1095. Collection from third-party payers of reasonable medical and dental care costs incurred on behalf of retirees and dependents

"(a)(1) In the case of a person who is covered by section 1074(b), 1076(a), or 1076(b) of this title, the United States shall have the right to collect from a third-party payer the reasonable costs of medical and dental care incurred by the United States on behalf of such person through a facility of the uniformed services to the extent that the person would be eligible to receive reimbursement or indemnification from the third-party payer if the person were to incur such costs on the person's own behalf. If the insurance, medical service, or health plan of that payer includes a requirement for a deductible or copayment by the beneficiary of the plan, then the amount that the United States may collect from the third-party payer is the reasonable cost of the care provided less the appropriate deductible or copayment amount.

"(2) A person covered by section 1074(b), 1076(a), or 1076(b) of this title may not be required to pay an additional amount to the United States for medical and dental care by reason of this section.

"(b) No provision of any insurance, medical service, or health plan contract or agreement having the effect of excluding from coverage or limiting payment of charges for certain care solely on the basis that such care is provided through a facility of the uniformed services shall operate to prevent collection by the United States under subsection (a)

"(c) Under regulations prescribed under subsection (f), records of the facility of the uniformed services that provided medical or dental care to a beneficiary of an insurance, medical service, of health plan of a third-party payer shall be made available for inspection and review by representatives of the payer from which collection by the United States is sought.

"(d) Notwithstanding subsections (a) and (b), collection may not be made under this section in the case of a plan administered under title XVIII or XIX of the Social Security Act (42 U.S.C. 1395 et seq.).

"(e)(1) The United States may institute and prosecute legal proceedings against a third-party payer to enforce a right of the United States under this section.

"(2) The administering Secretary may compromise, settle, or waive a claim of the United States under this section.

"(f) The Secretary of Defense, in consultation with the other administering Secretaries, shall prescribe regulations for the administration of this section. Such regulations shall provide for computation of the reasonable cost of medical and dental care. Computation of such reasonable cost may be based on—

"(1) per diem rates; or

"(2) such other method as may be appropriate. However, such regulations shall provide that in no event may the reasonable cost of care or services sought to be recovered or collected from a third-party payer exceed an amount equal to the prevailing rate that such third party payer can demonstrate to the satisfaction of the Secretary of Defense it would pay for the care or services provided in facilities (other than facilities of departments or agencies of the United States) in the same geographic area.

"(g) In this section, 'third-party payer' means an entity that provides an insurance, medical service, or health plan by contract or agreement.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"1095. Collection from third-party payers of reasonable medical and dental care costs incurred on behalf of retirees and dependents."

(b) EFFECTIVE DATE.—Section 1095 of title 10, United States Code, as added by subsection (a), shall apply with respect to health care provided on or after the date of the enactment of this Act (but only with respect to an insurance, medical service, or health plan agreement entered into, amended, or renewed on or after that date).

(c) REPEAL PROVISION.—Section 1095 of title 10, United States Code, as added by subsection (a)(1), and the item in the table of sections at the beginning of chapter 55 of such title relating to section 1095, as added by subsection (a)(2), are repealed effective two years after the date of the enactment of this Act.

NOTICES OF HEARINGS

SELECT COMMITTEE ON INDIAN AFFAIRS

Mr. ANDREWS. Mr. President, I would like to announce for the information of the public that the Select Committee on Indian Affairs will hold a markup on October 30, 1985, in Senate Dirksen 138, beginning at 10 a.m., on the following bills:

S. 1684, a bill to declare that the United States holds certain Chilocco Indian School lands in trust for the Kaw, Otoe-Missouria, Pawnee, Ponca and Tonkawa Indian Tribes of Oklahoma;

S. 1728, a bill to authorize the Cherokee Nation of Oklahoma to lease certain lands held in trust for up to 99 years;

S. 1298, a bill to coordinate and expand services for the prevention, identification and treatment of alcohol and drug abuse among Indian youth;

S. 1621, a bill to amend title 25, United States Code, relating to Indian education programs; and

S. 1396, a bill to settle unresolved claims relating to certain allotted Indian lands on the White Earth Indian Reservation, to

remove clouds from the titles to certain lands, and for other purposes.

Those wishing additional information should contact the committee at 224-2251.

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. HELMS. Mr. President, I wish to announce that the Committee on Agriculture, Nutrition, and Forestry has scheduled hearings to examine the financial condition of the Farm Credit System and to discuss possible legislative remedies.

The hearings will begin at 9:30 a.m. on Thursday, October 31, and Friday, November 1, 1985, in room 328-A Russell Senate Office Building.

For further information, please contact the committee staff at 224-2035.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. McCLURE. Mr. President, I would like to announce for the information of the Senate and the public the scheduling of a public hearing before the Committee on Energy and Natural Resources to consider Senate Joint Resolution 192, to authorize financial assistance for the Northern Mariana Islands, and for other purposes.

The hearing will take place Tuesday, November 19, 1985, 9:30 a.m. in room SD-366 of the Senate Dirksen Office Building in Washington, DC.

Those wishing to testify or who wish to submit written statements should write to the Committee on Energy and Natural Resources, U.S. Senate, room SD-358, Dirksen Senate Office Building, Washington, DC 20510. For further information, please contact Debbi Rice or Al Stayman at (202) 224-2366.

SUBCOMMITTEE ON ENERGY REGULATION AND CONSERVATION

Mr. NICKLES. Mr. President, I would like to announce for the information of the Senate and the public, that the Subcommittee on Energy Regulation and Conservation of the Committee on Energy and Natural Resources has scheduled an oversight hearing on Thursday, November 21, 1985, beginning at 9:30 a.m. in room SD-366 in the Senate Dirksen Office Building in Washington, DC.

The purpose of the hearing is to review the Federal Energy Regulatory Commission's Order No. 436, Final Rule and Notice Requesting Supplemental Comments on Regulation of Natural Gas Pipelines After Partial Wellhead Decontrol (Docket No. RM85-1-000).

Those wishing to testify or submit written statements for the hearing record should write to the Subcommittee on Energy Regulation and Conservation, Committee on Energy and Natural Resources, U.S. Senate, Washington, DC 20510.

For further information regarding this hearing, please contact Ms. Debbi Rice or Mr. Howard Useem 202-224-2366.

SUBCOMMITTEE ON PUBLIC LANDS, RESERVED WATER AND RESOURCE CONSERVATION

Mr. WALLOP. Mr. President, I would like to announce for the information of the Senate and the public that the Subcommittee on Public Lands, Reserved Water and Resource Conservation of the Committee on Energy and Natural Resources has added an additional resolution which the subcommittee will receive testimony on at its hearing scheduled for Tuesday, October 29, 1985, at 10 a.m. in room SD-366 of the Senate Dirksen Office Building, Washington, DC.

The additional bill is Senate Joint Resolution 156, to authorize a memorial to be erected in the District of Columbia or its environs. As previously announced, the subcommittee will also receive testimony on S. 1107, S. 1223, S. 1379, Senate Joint Resolution 143, and Senate Joint Resolution 184.

For further information regarding this hearing, please contact Tony Bevinetto or Patty Kennedy of the subcommittee staff at (202) 224-2878.

AUTHORITY FOR COMMITTEES TO MEET

SELECT COMMITTEE ON INTELLIGENCE

Mr. ANDREWS. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Wednesday, October 23, 1985, in closed executive session in order to conduct a hearing on phase II of the National Development Strategy.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON NUCLEAR REGULATION

Mr. ANDREWS. Mr. President, I ask unanimous consent that the Subcommittee on Nuclear Regulation of the Committee on Environment and Public Works be authorized to meet during the session of the Senate on Wednesday, October 23, 1985, in order to conduct a hearing on the extension of the Price Anderson Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. ANDREWS. Mr. President, I ask unanimous consent that the Committee on Governmental Affairs, be authorized to meet during the session of the Senate on Wednesday, October 23, 1985, in order to conduct a hearing on the following nominations:

William Barton, to be Inspector General for the General Services Administration.

Julius Becton, to be Director of the Federal Emergency Management Agency.

James McNeill, to be Assistant Director of the Federal Emergency Management Agency.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. ANDREWS. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Wednesday, October 23, in order to receive testimony concerning the following nomination:

ASSISTANT ATTORNEY GENERAL

Charles J. Cooper, of Virginia, to be an Assistant Attorney General (Office of Legal Counsel).

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

THE NEED TO REFORM THE JOINT CHIEFS OF STAFF

● Mr. HART. Mr. President, last week the Senate witnessed an historic act: the release by Senator BARRY GOLDWATER and Senator SAM NUNN of the report, "Defense Organization: The Need for Change."

Senator GOLDWATER said of the reforms recommended in the report, "The reorganization of the Defense Department may be the most important thing Congress does in our lifetime. It will be the most important thing I do in mine." Coming from someone who has as many achievements to his credit as the Senator from Arizona, that is a statement that gets one's attention. But it is not an overstatement.

The work of Senator GOLDWATER and Senator NUNN, and the superbly capable members of the Senate Armed Services Committee staff who wrote the report, is of historic significance in two respects.

First, it establishes beyond any possible doubt that we have very serious problems in our defense decisionmaking system: in the Joint Chiefs of Staff, in the individual military departments, in the procurement process, and in the way the Congress approaches defense issues. These problems are sufficiently serious that in Senator GOLDWATER's words, "If we have to fight tomorrow * * * they will cause Americans to die unnecessarily. Even more, they may cause us to lose the fight."

There is no question that the committee's report will play a major role in bringing about changes in these problem areas. While some of the specific changes recommended in the report will be debated, as they should be, the Defense Department will no longer be able to stonewall reforms by saying, "There is nothing wrong with 'business as usual.' Don't change what is working well."

As Senator NUNN said here on the floor. "If we leave it up to the Pentagon, there will be no change." But the

committee report makes clear that many things are wrong—very seriously wrong. As both Senators said, "the current system is broke and we need to fix it."

The committee report is significant in a second and even greater respect. By forcefully opening the door to reform of the Joint Chiefs, the Office of the Secretary of Defense, and the other areas it addresses, the report also works indirectly but powerfully to open the door to futher reforms.

Even since the founding of the congressional military reform caucus in the summer of 1981, and in some individual cases before that, a small but growing group of Members of Congress from both Houses and both parties has been warning that basic defects in our military concepts, doctrines, force structures, and organization are leading us toward exactly what Senator GOLDWATER has warned of—unnecessary casualties in combat and, very possibly, defeat on some future battlefield. The areas of concern to these military reformers have included many of the areas addressed in this committee report, and I think it is safe to say that all members of the military reform caucus believe changes in these areas are needed.

But the concerns of the caucus and of the many military reformers outside the Congress, including those within the officer corps, also go beyond these issues. After all, the question is not "what is the most efficient Pentagon?" The question is "what is the most effective defense?"

For that reason, military reformers are concerned about additional problem areas such as:

TACTICS AND DOCTRINE

For over a century, the American way of war has relied on firepower and attrition—fighting like Grant against Lee around Richmond. Military reformers believe we need instead to adopt a maneuver style of warfare—and fight like the Israelis in their Sinai campaigns. Recently, to its great credit, the U.S. Army has made this change. Unfortunately, our other three services have not.

UNIT COHESION

It has been evident since the time of the Roman legions that effectiveness in combat demands cohesiveness within military units. The troops must know the people around them. Today, we have such a high rate of personnel rotation in our military—up to 25 percent per quarter in many combat units—that people do not get to know each other and the units are not cohesive. As in the case of doctrine, the Army, but only the Army, is moving to remedy this problem.

OFFICER EDUCATION AND PROMOTION

If a military is to be effective in combat, its officers must be taught how to think and the promotion system must favor the leader, the thinker, and the tactician. Instead, we largely teach our officers what to do and what to think, which leads to rigidity in combat, and we tend to promote the bureaucrat, the office politician and the courtier, especially in the higher ranks.

MILITARY EQUIPMENT

Today, we get neither quality nor quantity in most of our weapons. Most of them are too complex to work effectively in combat. Yet, because of their complexity, most weapons cost so much that we can only afford small numbers of them. We need to develop and buy weapons that are simple to operate, dependable, easy to repair under combat conditions, hard for an enemy to see, get kills quickly, and inexpensive enough that we can afford adequate numbers.

FORCE STRUCTURE

Today, our Navy is dependent on just 13 ships—our 13 big aircraft carriers. These carriers, with their escorts, aircraft, and support ships are each so expensive that we can afford only a handful of them. Worse, we have paid for them in part by building so few submarines that our principal opponent, the Soviet Union, outnumbers us 3 to 1 in submarines. The capital ship today is the submarine, not the aircraft carrier. For this Nation—which is by geography dependent on the sea—to allow itself to be outnumbered 3 to 1 in capital ships is extraordinarily dangerous.

In these areas and others, just as in the areas identified by the committee report, major reforms are needed. While the report does not address these other areas directly, it will do a great deal to prepared the way for reforming them. The report will help initiate the process of reform that many of us have been calling for these past years. Once underway, that process will grow and spread until we make the necessary changes in all defense areas, not just those covered by this report.

When that happens, Senator GOLDWATER and Senator NUNN will deserve a great deal of credit. They will have played a major role in moving the reform process forward. For that service, they deserve the thanks, the applause, and the active support of every citizen.

SENATE JOINT RESOLUTION 104, THE "TIME OF REMEMBRANCE"

● Mr. DENTON. Mr. President, we have recently witnessed several acts of terrorism that resulted in the death of American citizens.

In June, the bloody terrorist assault on an outdoor cafe in El Salvador left four U.S. marines and two other Americans dead.

Also in June, the hijacking of TWA flight 847 resulted in the death of Robert Dean Stethem, a member of the U.S. Navy.

Earlier this month, we heard of the murder of U.S. Diplomat William Buckley, one of the Americans held hostage in Lebanon.

Most recently, we learned of the despicable and cowardly slaying of Mr. Leon Klinghoffer onboard the *Achille Lauro*. We are continually reminded by events such as those that America and its citizens are the primary target of international terrorists.

I know that we can do nothing to bring back the brave people who have lost their lives to terrorism, nor can we mitigate the loss suffered by their loved ones. We can, however, take the time to remember and honor the victims of terrorism throughout the world, and to let their friends and loved ones know that our remembrance of the victims will serve to strengthen our resolve to fight terrorism with all of our strength.

Mr. President, I am confident that we will win the fight against terrorism. We will win because, as my good friend and colleague from Vermont, Mr. LEAHY, has said:

Our love and strength is greater than their hate.

My colleague made the statement on April 3, 1985, the day that he, I, and 35 other original cosponsors introduced Senate Joint Resolution 104, a joint resolution proclaiming today, October 23, 1985, as a "Time of Remembrance" for all victims of terrorism throughout the world. The first "Time of Remembrance" was observed exactly 1 year ago, on the first anniversary of the tragic death of 241 U.S. servicemen in the terrorist bombing of the Marine barracks in Beirut.

The originating and driving organization behind the effort is No Greater Love, a national, nonprofit, nonpol¹tical, humanitarian organization dedicated to providing programs of care and friendship to children whose parents have been killed while serving our country. During last year's "Time of Remembrance," No Greater Love sponsored a commemorative ceremony at Arlington National Cemetery.

The ceremony was of international significance and success. Letters of support and appreciation were received from diplomatic officials, Governors, private organizations, and individuals throughout the Nation and around the world. It was because of the tremendous response, and because of the continuing tragedy of worldwide terrorism, that we introduced Senate Joint Resolution 104 in an effort to make "A Time of Remembrance" an annual occurrence.

Senate Joint Resolution 104 proclaims October 23, 1985, as "A Time of Remembrance." It urges:

All Americans to take time to reflect on the sacrifices that have been made in the

pursuit of peace and freedom, and to promote active participation by the American people through the wearing of a purple ribbon, a symbol of patriotism, dignity, loyalty, and martyrdom.

It also requests the President to issue a proclamation:

Calling upon the departments and agencies of the United States and interested organizations, groups, and individuals to fly U.S. flags at half mast throughout the world in the hope that the desire for peace and freedom may take firm root in every person and every nation.

This year's program will focus on the sacrifices of journalists who have been killed in the line of duty by terrorists. The program will culminate in a ceremony held by No Greater Love, in cooperation with the Committee to Protect Journalists, at the National Press Club. During the ceremony, a plaque will be unveiled to honor the newsmen and newswomen who sacrificed their lives in the pursuit of truth.

Mr. President, I am pleased to see the effort come to fruition. I am very proud to have been the sponsor of the bill.●

S. 1771—DROPOUT RETENTION AND RECOVERY ACT OF 1985

● Mr. CHILES. Mr. President, on Thursday, I introduced S. 1771, the Dropout Retention and Recovery Act of 1985. I ask that a copy of the bill be printed in the RECORD.

The text of the bill follows:

S. 1771

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Elementary and Secondary Education Act of 1965 is amended by redesignating title X as title XI, by redesignating the sections of such title as sections 1101 to 1106, and by inserting the following new title after title IX:

"TITLE X—THE DROPOUT RETENTION AND RECOVERY PROGRAM

"SHORT TITLE

"SEC. 1001. This title may be cited as the 'Dropout Retention and Recovery Act of 1985'.

"PURPOSE

"SEC. 1002. The purpose of this title is to reduce the number of children who do not complete their elementary and secondary education by conducting a national school dropout study and by providing grants to local educational agencies to establish and demonstrate—

(1) model systems for collecting and reporting information to State and local school officials on the number, ages, and grade levels of the children not completing their elementary and secondary education and the reasons why such children have dropped out of school;

(2) effective programs to identify potential dropouts, prevent them from dropping out and help them succeed in school; and

(3) effective programs to identify and encourage children who have already dropped out to reenter the educational system and successfully complete their elementary and secondary education through a comprehensive range of educational and social services and alternative programs to meet their special needs.

"GRANTS AUTHORIZED

"SEC. 1003. (a) ALLOCATION TO LOCAL EDUCATIONAL AGENCIES.—(1) From the amount appropriated under section 1010 for any fiscal year, the Secretary shall allocate grants in each such fiscal year so that two-thirds of the grants awarded in any such fiscal year are made to local educational agencies serving urban areas and one-third of the grants in any such fiscal year to local educational agencies serving rural areas. In carrying out the provisions in the previous sentence, the Secretary shall—

"(A) assure an equitable distribution of grants among regional areas of the United States; and

"(B) give priority to local educational agencies with the most severe dropout problem, as measured in the number of students and proportion of students, and having applications showing the greatest potential for success.

"(2) A State educational agency may apply for a grant under this title if the State educational agency determines that no local educational agency is likely to qualify for a grant under this title or that the State educational agency can best serve the needs of students in the remote area of the State.

"(3) One or more local educational agencies may jointly apply for a grant under this title.

"(b) AWARD OF GRANT.—From the amount allotted for any fiscal year under subsection (a), the Secretary shall award as many grants as practicable to local educational agencies whose applications have been approved by the Secretary for such fiscal year under section 1006 and whose applications propose a program of sufficient size and scope to be of value as a demonstration. The grants shall be made under such terms and conditions as the Secretary shall prescribe.

"(c) MAXIMUM NUMBER OF GRANTS.—A local educational agency or, where appropriate, a State educational agency, may receive no more than one grant in each of three fiscal years under this title.

"(d) AMOUNT.—The amount of a grant awarded under this section to a local educational agency for any fiscal year, to the extent practicable, shall be proportionate to the extent and severity of the local dropout problem, except that the amount of the grant shall not exceed 90 percent of the total cost of a project during the project's first fiscal year, 75 percent of such cost during the project's second fiscal year, and 50 percent of such cost during the project's third fiscal year.

"NATIONAL SCHOOL DROPOUT STUDY

"SEC. 1004. (a) IN GENERAL.—From the amounts appropriated for the fiscal year 1986 and for each succeeding fiscal year ending prior to October 1, 1989, the Secretary shall reserve an amount not to exceed $2,000,000 in each fiscal year to conduct a study in accordance with the provisions of this section of the nature and extent of the dropout problem in the United States and to carry out the activities of the planning process described in section 1005(a). In conducting the study, the Secretary shall—

"(1) during the first year for which funds are appropriated for this title—

"(A) establish a model standard definition of a school dropout;

"(B) develop a standard list of reasons why children are dropping out of school, including major factors that contribute to children dropping out;

"(2) during the second year for which funds are appropriated for this title—

"(A) develop a model dropout information collection and reporting system;

"(B) develop minimum reporting system requirements;

"(3) during the third year for which funds are appropriated for this title—

"(A) identify the numbers of children and the general reasons for their dropping out of school among population groups with particularly high dropout rates;

"(B) identify the characteristics of children who appear to be at risk of dropping out of school;

"(C) identify the factors or policies which may attract children who have dropped out to reenter school or continue and complete the equivalent of elementary and secondary education through alternative programs;

"(D) identify methods and techniques being used successfully to reduce the number of school dropouts; and

"(E) provide recommendations for activities and policies which can be implemented at each level of government and in communities to ameliorate the dropout problem.

"(b) OTHER REQUIREMENTS.—(1) The study conducted under this section shall be conducted through the Office of Educational Research and Improvement.

"(2) Recipients of grants under this title shall cooperate with the Secretary in carrying out the study under subsection (a) by providing data and information on the nature and extent of the dropout problem and the effectiveness of techniques used to address the problem.

"(c) STATE DATA ANALYSIS ACTIVITIES.—(1) Each State educational agency desiring to have a grant made to a local educational agency within the State under this title shall, from funds reserved pursuant to subsection (a), carry out the data analysis activities required by this subsection.

"(2) From the funds appropriated for each fiscal year for this title and reserved under subsection (a) of this section, the Secretary shall allot not less than $10,000, nor more than $25,000, according to relative school-age population to each State educational agency in order to provide information on the nature and extent of the dropout problem in such State.

"(3) The data required by this section shall include information on how drop-outs are commonly defined by the local educational agency and an analysis of State enrollment data to identify the high risk populations and factors that are relevant to dropping out of school.

"(4) Each State desiring to participate under this section shall appoint an advisory panel of not less than 10 members, nor more than 15 members. Members of the advisory panel shall be individuals with expertise in the problems of students who drop out of school or representatives of agencies, organizations, and institutions serving high risk populations of student dropouts. The panel shall be appointed so that one-third of the members are educators, one-third of the members are representatives of job training programs and community-based organizations that serve high risk individuals; and at least 1 representative of business, a member of the State legislature, and individuals with expertise in vocational education, career education, guidance and counseling, and compensatory education.

"(5) The State educational agency, with the advice of the advisory panel, shall make recommendations to the Secretary concerning the standard definition of a student

dropout and State and local needs for a model information and dissemination network within the first year for which funds are appropriated under this title. For the second year for which funds are appropriated for this title, the State educational agency shall examine the impact of educational reform and excellence efforts in the State to reduce the dropout rate.

"(6) The Secretary shall disseminate the results of the study and evaluate the success of projects assisted under this title.

"PLANNING PROCESS AND REQUIREMENTS

"SEC. 1005. (a) PLANNING PROCESS.—Each local educational agency, and where appropriate, each State educational agency shall conduct a planning process under which the agency will—

"(1) identify the high-risk populations of students to be served as well as the factors and characteristics which cause the populations to drop out;

"(2) describe the interventions to be used to prevent these populations from dropping out or to facilitate their re-entry into the education system or alternative programs, and justify how these interventions can be expected to be successful;

"(3) set annual goals for implementation of the project and its expected results; and

"(4) describe the procedures and methodologies of which will be used to annually evaluate the effectiveness, and where possible, the cost-benefit of particular drop-out prevention and re-entry methods, according to criteria established by the Secretary.

"(b) PLAN REQUIREMENTS.—Each local educational agency, and where appropriate, each State educational agency shall develop a plan for the implementation of a project under this title which will—

"(1) implement comprehensive early identification, prevention, outreach, and reentry programs for dropouts and potential dropouts,

"(2) address the special needs of pregnant minors and school-age parents, Indians, migrants, and other identified high risk populations;

"(3) disseminate information to students, parents, and the community related to the dropout problem, its prevention, and opportunities available for student dropouts to continue their education;

"(4) provide coordinated activities involving the feeder junior or middle schools and elementary schools for the high schools to be included in the project;

"(5) establish annual procedures for (i) evaluating the effectiveness of the project, and (ii) where possible, determining the cost-effectiveness of the particular dropout prevention and reentry methods used and the potential for reproducing such methods in other areas of the country, according to guidelines established by the Secretary;

"(6) establish an advisory council which is broadly representative of the entire community and the dropout populations to be served, including job training organizations, community based organizations, and public and private agencies serving such populations;

"(7) provide assurances that a copy of the application will be furnished to the appropriate State educational agency and State advisory panel; and

"(8) use the resources of the community and parents to help develop and implement solutions to the local dropout problem.

"APPLICATION

"SEC. 1006. (a) IN GENERAL.—A grant under this title may be made only to a local educational agency or a State educational agency, where appropriate, which submits an application to the Secretary containing such information as may be required by the Secretary by regulation. Such application shall—

"(1) provide documentation of (A) the number of children formerly enrolled in the applicant's schools who have not completed their elementary or secondary education, and (B) the percentage that such number of children is of the total school-age population in the applicant's schools, including a statement of the methodology used to develop the data;

"(2) include a plant for the development and implementation of a dropout information collection and reporting system for documenting the extent and nature of the dropout problem, in accordance with standards established by the national school dropout study under section 1004;

"(3) include a plan for the development and implementation of a project which will meet the requirements of section 1005 relating to planning process and planning requirements; and

"(4) contain such other information as the Secretary considers necessary to determine the nature of the local needs, the quality of the proposed project, and the capability of the applicant to carry out the project.

"(b) CONSIDERATIONS FOR APPROVAL OF APPLICATIONS.—In considering applications for approval under this title, the Secretary shall follow the requirements of paragraph (1) of section 1003(a).

"(c) REVIEW OF PROJECTS.—In any application from a local educational agency for a grant to continue a project for the second or third fiscal year following the first fiscal year in which a grant was awarded to such local educational agency, the Secretary shall review the progress being made toward meeting the objectives of the project. The Secretary may refuse to award a grant if he finds that sufficient progress has not been made toward meeting such objectives, but only after affording the applicant notice and an opportunity for a hearing.

"AUTHORIZED ACTIVITIES

"SEC. 1007. Funds under this title shall be used under this title for activities described in applications approved under section 1006 and which are consistent with the planning process and planning requirements contained in section 1005. In addition, grants may be used for the following activities:

"(1) to establish systemwide or school-level policies, procedures, and plans for dropout prevention or school reentry, or both;

"(2) to provide career education, guidance and counseling services, including peer interaction activities;

"(3) to provide ombudsman or mentor services;

"(4) to develop and implement activities, including extended day or summer programs to address poor achievement, language deficiencies, or cource failures, in order to assist students at risk of dropping out of school and students reentering school;

"(5) to establish or expand work-study, apprentice, or internship programs;

"(6) to improve vocational education as a means of retraining potential dropouts and enable them to learn and apply basic academic skills;

"(7) to use the resources of the community, including contracting with public or private entities or community-based organizations, to provide services to the grant recipient or the target population;

"(8) to develop programs in collaboration with business and industry and institutions of higher education, including community colleges, to provide incentives for high risk populations to stay in, or reenter, school;

"(9) to evaluate and revise program placement of students at risk;

"(10) to review and improve curriculum, including the development of self-paced, competency-based curricula;

"(11) to implement activities which will improve student motivation and the school learning environment, including, the use of extracurricular activities to involve and retain the students;

"(12) to provide training for school staff on strategies and techniques to identify children at risk of dropping out, to intervene in the instructional program with support and remedial services, to develop realistic expectations for student performance, and to improve student-staff interactions; and

"(13) to provide other services and implement other activities which directly relate to the purpose of this title.

"GENERAL PROVISIONS

"SEC. 1008. (a) WITHHOLDING PAYMENTS.—Whenever the Secretary, after reasonable notice and opportunity for a hearing to any local educational agency, finds that the local educational agency has failed to comply substantially with the provisions set forth in its application approved under section 1006, the Secretary shall withhold payments under this title until the Secretary is satisfied that there is no longer any failure to comply.

"(b) ANNUAL REPORT.—The Secretary shall prepare and submit to Congress an annual report on January 1 on the activities assisted under this title during the preceding fiscal year.

"(c) AUDIT.—The Comptroller General shall have access for the purpose of audit and examination to any books, documents, papers, and records of any local educational agency receiving assistance under this title that are pertinent to the sums received and disbursed under this title.

"(d) GRANTS MUST SUPPLEMENT OTHER FUNDS.—A local educational agency receiving funds under this title shall use the Federal funds only to supplement the funds that would, in the absence of such Federal funds, he made available from non-Federal sources for activities to prevent students from dropping out of elementary and secondary school and to persuade dropouts to reenter school and complete their education.

"DEFINITIONS

"SEC. 1009. As used in this title—

"(1) the term 'community-based organization' has the same meaning given that term by section 4(5) of the Job Training Partnership Act.

"(2) the term 'Secretary' means the Secretary of Education; and

"(3) the terms 'State educational agency', 'local educational agency', 'elementary school', and 'secondary school' have the same meanings given those terms in section 198 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 3381).

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 1010. There are authorized to be appropriated to carry out this title $50,000,000 for fiscal year 1987 and such sums as may be

necessary for each of the fiscal years 1988, 1989, and 1990.".

CAROLE GOSHORN—A SPECIAL TEACHER

● Mr. LUGAR. Mr. President, today I should like to pay tribute to an outstanding educator in Indiana—Carole Goshorn. Her hard work in science education and the support of the Columbus, IN, school system have produced a science program noted for excellence. I am very proud of these achievements in education in Indiana.

I ask that an article about Carole Goshorn and education be printed in the RECORD.

The article follows:

A SPECIAL (SCIENCE) TEACHER

(By David S. Broder)

COLUMBUS, IND.—Carole R. Goshorn is special—one of 104 high-school science and mathematics teachers who are in Washington this week to receive presidential awards for their excellence in the classroom.

Although she does not look it, the 34-year-old mother of two is one of the front-line fighters in America's battle for survival in the increasingly tough international economic competition. Study after study has shown the United States is doing a worse job on science and math education—the building blocks for tomorrow's technology and industry—than Germany, Japan and other competitor nations.

Despite recent moves in many states to require more and tougher science and math courses in high schools, close to one-third of those classes are taught by people with minimal or no qualifications in those subjects. And the proportion is growing.

Science and math majors can double their teaching salaries by moving into industry. Science-minded college undergraduates tend to shun teaching degrees. Colleges complain that high schools are sending them fewer students with good preparation for science, math and engineering courses. And industry says it cannot find the trained technical and scientific people it needs.

Two years ago, after a wave of reports highlighted these problems, the administration reversed course. After reducing to one-tenth the National Science Foundation programs for math and science education in his first two years, Reagan endorsed an expanded program of scholarships and training for teachers in those fields. The annual presidential awards for two top math and science teachers in each state are the public relations frosting on that cake.

They are also a measure of how far most communities in this nation have to go if they are to provide students with the education that results when a gifted teacher such as Carole Goshorn works in a well-equipped school in a community as supportive of education as Columbus, Ind.

Columbus is the international headquarters of Cummins Engine Company, whose management has made this city of 31,000 a showcase of distinguished architecture and a remarkably comfortable place to live. Along with Arvin Industries and other local firms, the Cummins people have spurred the development of high-quality local schools, needed to attract top managers to central Indiana and to educate a skilled work force.

East High, where Goshorn teaches, was designed and built 13 years ago to accommodate and foster team teaching and highly individualized instruction. In the science wing, there are large lecture halls with sophisticated audiovisual equipment, where several classes can get basic instruction at one time. Individual classrooms are very small, holding not more than 20 pupils, so teachers can supervise problem solving and answer questions on a one-on-one basis. A large, modern lab serves several courses, with a fulltime lab attendant and at least one teacher on duty at all times. Between the lab and the classrooms, a science library has desks for individual study.

The 1,600-student school draws from an industrial city and a farm county; it is not elitist, but its standards are tough. The other day, Goshorn, wearing a white lab coat with a button reading "Chemists Have Solutions" on her lapel, and her teaching partner, Jack Young, took perhaps 120 beginning chemistry students through a fast-paced workout on calculating molecular weights of compounds. Her analogies were down-home—"10 to the 23rd power is about as many leaves as you'd find on all the trees in Bartholomew County"—but the equations flashed on the screen click-click-click. No one had time to daydream.

With a master's degree in biology from Indiana University, Goshorn could probably double her mid-$20,000s salary in industry. But she and her husband, an administrator at North High, have a commitment to education and welcome the chance to work in a community that has demonstrated its dedication to its schools. Despite its small size, Columbus has just hired a superintendent away from a swanky Minneapolis suburb by offering him the second-highest education salary in Indiana and a $100,000 "excellence in education" fund, raised from local business and available for projects he picks.

The recommendations for Goshorn's award, which brings a $5,000 federal grant to her school, noted not only her work on statewide science curriculum development but her skill as a student adviser, her role-model status for young women considering science or other professional careers and her enthusiasm for teaching.

"It's wonderful to work in a school and community like this," she said. It is wonderful to watch her in her superb public school. But you have to remember she stands out as special. America will have to clone her—and the commitment to education her school and community represent—many times over to meet the challenges ahead.●

PROPOSED ARMS SALES

● Mr. LUGAR. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $50 million or, in the case of major defense equipment as defined in the act, those in excess of $14 million. Upon such notification, the Congress has 30 calendar days during which the sale may be reviewed. The provision stipulates that, in the Senate, the notification of proposed sales shall be sent to the chairman of the Foreign Relations Committee.

In keeping with the committee's intention to see that such information is available to the full Senate, I ask to have printed in the RECORD at this point the notifications which have been received. The classified annexes referred to in two of the covering letters are available to Senators in the office of the Foreign Relations Committee, SD-423.

The notifications follow:

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, DC, October 21, 1985.

In reply refer to: I-13521/85 ct.

Hon. RICHARD C. LUGAR,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of section 36(b) of the Arms Export Control Act, we are forwarding herewith transmittals Nos. 86-05A and 86-05B and under separate cover the classified annexes thereto. These transmittals concern the Departments of the Air Force and Army proposed Letters of Offer to Jordan for defense articles and services estimated to cost up to $1.81 billion. Shortly after this letter is delivered to your office, we plan to notify the news media of the unclassified portions of these Transmittals.

You will also find attached a certification as required by section 130(c) of Public Law 99-83, approved on August 8, 1985, concerning Jordan's public commitment to the recognition of Israel and to negotiate promptly and directly with Israel under the basic tenets of United Nations Security Council Resolutions 242 and 338.

Sincerely,

PHILIP C. GAST,
Director.

[Transmittal No. 86-05A]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective purchaser: Jordan.

(ii) Total estimated value: Up to $1.1 billion.

(iii) Description of articles or services offered: Two squadrons of advanced air defense fighter aircraft (F-20 or F-16 Air Defense Variant) totalling 40 aircraft, aircraft spares, support equipment, training, and 300 AIM-9P4 air-to-air missiles.

(iv) Military department: Air Force (SFA).

(v) Sales commission, fee, etc., paid, offered, or agreed to be paid: None.

(vi) Sensitivity of technology contained in the defense articles or defense services proposed to be sold: See annexes under separate cover.

(vii) Section 28 report: Case not included in section 28 report.

(viii) Date report delivered to Congress: October 21, 1985.

POLICY JUSTIFICATION

JORDAN—ADVANCED AIR DEFENSE FIGHTER AIRCRAFT (F-20 OR F-16 AIR DEFENSE VARIANT) AND AIM-9P4 MISSILES

The Government of Jordan has requested the purchase of two squadrons (40) of advanced air defense fighter aircraft (F-20 or F-16 Air Defense Variant), aircraft spares, support equipment, training, and 300 AIM-9P4 air-to-air missiles. The estimated cost is up to $1.1 billion.

The proposed sale is in the best interest of both the United States and Jordan because it meets Jordan's legitimate security requirements and furthers our mutual objectives of fostering a just and lasting peace in the region. Jordan recently announced intentions to move this year to negotiations among the parties in a non-belligerent envi-

ronment on the basis of U.N. Security Council Resolutions 242 and 338. Without the political and military support of the U.S., it would prove difficult for a small and vulnerable state such as Jordan to conclude and help enforce a binding peace agreement.

The sale of 40 advanced air defense fighter aircraft will provide two squadrons, with four attrition aircraft, to replace portions of Jordan's aging interceptor fleet of F-5s and Mirage F-1s and maintain its capability to deter and counter present and projected regional threats to Jordanian airspace, principally from Soviet-armed Syria. The AIM-9P4 air-to-air missiles will provide the necessary armament for these aircraft. Jordan will have no difficulty absorbing these aircraft and missiles into its armed forces.

The sale of this equipment and support will not affect the basic military balance in the region.

The prime contractors are: F-20 aircraft-Northrop Corporation of Hawthorne, California; F-16 Air Defense Variant aircraft-General Dynamics Corporation of Fort Worth, Texas; and AIM-9P4 missile-Ford Aerospace and Communications Corporation of Newport Beach, California.

Implementation of this sale of advanced air defense fighter aircraft and air-to-air missiles could require the assignment of 20 additional U.S. Government personnel and 25 contractor representatives in Jordan for two years.

There will be no adverse impact on U.S. defense readiness as a result of this sale.

[Transmittal No. 86-05B]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective purchaser: Jordan.

(ii) Total estimated value:

	Million
Major defense equipment [1]	$116
Other	594
Total	710

[1] As defined in section 47(6) of the Arms Export Control Act.

(iii) Description of articles or services offered: Twelve improved Hawk air defense missile assault fire units, two AN/TSQ-73 missile minder systems, 222 I-Hawk missiles, 14 improved platoon command posts, 14 improved continuous wave acquisition radars, all in a PIP III configuration; 224 vehicles, 72 basic Stinger weapons and 36 missile reload rounds, concurrent spare parts, training and technical assistance.

(iv) Military Department: Army (VLI, VLJ, JFR, OBU and OBY).

(v) Sales commission, fee, etc., paid, offered, or agreed to be paid: None.

(vi) Sensitivity of technology contained in the defense articles or defense services proposed to be sold: See annexes under separate cover.

(vii) Section 28 report: Case not included in section 28 report.

(viii) Date report delivered to Congress: 21 October 1985.

POLICY JUSTIFICATION

JORDAN—I-HAWK MISSILES AND BASIC STINGER MISSILE SYSTEMS

The Government of Jordan has requested the purchase of 12 Improved HAWK air defense missile Assault Fire Units, two AN/TSQ-73 Missile Minder Systems, 222 I-HAWK missiles, 14 Improved Platoon Command Posts, 14 Improved Continuous Wave Acquisition Radars, all in a PIP III configuration; 224 vehicles, 72 Basic STINGER Weapons and 36 missile reload rounds, concurrent spare parts, training and technical assistance. The estimated cost is $710 million.

The proposed sale is in the best interests of both the United States and Jordan because it meets Jordan's legitimate security requirements and furthers our mutual objectives of fostering a just and lasting peace in the region. Jordan recently announced intentions to move this year to negotiations among the parties in a non-belligerent environment on the basis of U.S. Security Council Resolutions 242 and 338. Without the political and military support of the U.S., it would prove difficult for a small and vulnerable state such as Jordan to conclude and help enforce a binding peace agreement.

The new I-HAWK Assault Fire Units and additional I-HAWK missiles will go far in redressing longstanding deficiencies in Jordan's ground air defense capability and permit employment of missile defenses with some degree of mobility to afford umbrella protection to ground forces. The additional Platoon Command Posts and vehicles will provide assault fire unit capability for one of two firing elements of Jordan's currently immobilized I-HAWK batteries. Modification kits for 14 High Power Illuminators coupled with the 14 Platoon Command Posts and Continuous Wave Acquisition Radars will provide the same capabilities as the 12 new I-HAWK Assault Fire Units. The PIP III configuration is expected to be U.S. Army Standard at time of production. The small quantity of the Basic STINGER manportable air defense missile system will modernize Jordan's existing point defense capabilities (VULCAN guns and REDEYE missiles). With an all-aspect capability, Basic STINGER provides Jordan the ability to counter intruding aircraft that succeed in penetrating the interceptor force and I-HAWK missile batteries. Special security precautions will be imposed as a condition of sale to ensure the STINGER technology is not compromised and that the weapons remain in authorized hands. Jordan will have no difficulty absorbing these I-HAWK Fire Units, additional I-HAWK missiles and STINGER missiles into its armed forces.

The sale of this equipment and support will not affect the basic military balance in the region.

The prime contractor for the I-HAWK systems will be the Raytheon Company of West Andover, Massachusetts. The prime contractor for the STINGER missile systems will be the General Dynamics Corporation of Pomona, California.

Implementation of this sale will require the assignment in Jordan of six additional U.S. Government personnel and ten contractor representatives for three years.

There will be no adverse impact on U.S. defense readiness as a result of this sale.

THE WHITE HOUSE,
Washington, DC, October 21, 1985.

Presidential Certification No. 86-01

Memorandum for the Secretary of State.

Subject: Certification on Jordan.

Pursuant to section 130(c) of the International Security and Development Cooperation Act of 1985 (P.L. 99-83), I hereby certify that Jordan is publicly committed to the recognition of Israel and to negotiate promptly and directly with Israel under the basic tenets of United Nations Security Council Resolutions 242 and 338.

You are authorized and directed to report this certification, together with the justification therefor, to the Speaker of the House of Representatives and the Chairman of the Senate Foreign Relations Committee.

This certification, together with the justification therefor, shall be published in the Federal Register.

RONALD REAGAN.

JUSTIFICATION FOR CERTIFICATION

Section 130(c) of the International Security and Development Cooperation Act of 1985 (P.L. 99-83) provides:

CERTIFICATION.—Any notification made pursuant to section 36(b) of the Arms Export Control Act with respect to a proposed sale to Jordan of United States advance aircraft, new air defense systems, or other new advanced military weapons, shall be accompanied by a Presidential certification of Jordan's public commitment to the recognition of Israel and to negotiate promptly and directly with Israel under the basic tenets of United Nations Security Council Resolutions 242 and 338.

As demonstrated below, Jordan clearly meets the condition set forth in section 130(c). Moreover, the sale of a limited quantity of defensive arms to Jordan will greatly contribute to Jordan's ability to implement these commitments.

When this certification requirement was first adopted, I placed on record my belief that the requirement was unnecessary and inappropriate in light of King Hussein's public statements and courageous actions. In my letter of September 27 informing the Congress that an informal notification of an arms sale to Jordan would be transmitted, I restated my firm conviction that Jordan's commitment to the recognition of Israel and to negotiate promptly and directly with Israel under the basic tenets of UNSC Resolutions 242 and 338 were clearly evidenced by King Hussein's public statements and bold steps toward peace. The King's statements and actions since that time have continued to manifest Jordan's commitment to the principles set forth in section 130(c).

Jordan's commitment to the recognition of Israel and to negotiate promptly and directly with Israel based on 242 and 338 is a matter of public record. In 1982, for example, following the emergence of my September peace initiative, the King stated, "I have recognized Israel since I helped in formulating Security Council Resolution 242 and accepted it." This year, King Hussein reaffirmed his acceptance of 242 and 338, as well as his acknowledgement of Israel's right to exist. During his May visit to the United States, he also expressed his desire to move toward direct negotiations with Israel before the end of 1985. Before the September session of the United Nations General Assembly, King Hussein clearly and publicly reiterated his position that "we are prepared to negotiate under the appropriate auspices with the Government of Israel promptly and directly under the basic tenets of Resolutions 242 and 338." The King repeated this position in his subsequent statements in Washington, as well as his conviction that negotiations with Israel would take place in an environment free of belligerent or hostile acts.

King Hussein has not, however, merely expressed in words his commitment to a peaceful settlement. Last year, Jordan restored diplomatic relations with Egypt, asserting that no state should be isolated for making peace with Israel. In November, in defiance of Syrian opposition, Jordan hosted the Palestine National Council and

challenged the Palestinian community to join with him in seeking a negotiated settlement with Israel on the basis of Resolution 242. Most recently, Jordanian officials forthrightly attended a meeting with the British Foreign Minister, even though PLO representatives proved unable to abide by previously agreed ground rules. Finally, Jordan has given ample, and recent, evidence that it eschews violence as the answer to the Arab-Israeli conflict. It has done its part for many years to maintain quiet along its frontier with Israel, and it was quick to condemn publicly the murder of the three Israelis in Larnaca.

I am fully aware of the conviction of the Congress that U.S. arms transfers in the Middle East should facilitate our efforts to bring about a just and lasting peace in the region. I share that conviction without reservation, and I am convinced that this sale promotes our shared objective. Progress toward peace in the Middle East requires another Arab state willing to negotiate with Israel. Jordan has indicated its willingness to do so.

Jordan, however, is a small and vulnerable state with legitimate security concerns; these concerns are heightened because of its interest in peace with Israel. King Hussein's bold moves toward the negotiating table have provoked repeated overt threats to his regime and associates from those who are determined to prevent a settlement with Israel. Because the sale to Jordan of a limited quantity of defensive arms will enhance Jordan's confidence and self-defense capabilities against such threats, it will enable Jordan more effectively to implement its commitment to peace. Moreover, the sale will convey to King Hussein a clear signal of our political support for his peace initiatives and our refusal to allow acts of terrorism to deter us from pursuit of the peace process. It is, therefore, in the context of our desire to move forward in the peace process that the Administration has notified Congress of our intent to sell to Jordan a limited quantity of defensive arms.

[Transmittal No. 86-05A]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

CLASSIFIED ANNEX ITEM NO. VI

(vi) Sensitivity of technology: (Deleted).

3. (U) Classified elements of the Jordan F-20 include:

a. (U) Several line replaceable units (LRU) and the Operational Flight Program (OFP) of the AN/ALR 69 and the ALQ-171.

b. (U) The operational flight program mission computer.

c. (U) Operating manuals and maintenance technical orders containing performance information, operating and test procedures, weapons delivery information, repair procedures, and other information related to support operations and repair at the organizational and intermediate levels. The hardware, software, and data identified are classified to protect vulnerabilities, design and performance parameters, munitions related data, and similar critical information. (Deleted).

[Transmittal No. 86-05A]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

CLASSIFIED ANNEX ITEM NO. VI

(vi) Sensitivity of technology: (Deleted).

1. (U) The F-16 Air Defense Variant (ADV) weapon system is confidential and contains state-of-the-art technology. (Deleted).

3. (U) Classified elements of the F-16 ADV include:

a. (U) Software associated with the ALR-69 RWR, ALQ-131, and APG-66 radar.

b. (U) The radar element of the OFT due to hardware and software features, particularly the terrain and system mapping algorithms.

c. (U) Six Line Replaceable Units (LRU) and the Operational Flight Program (OFP) of the AN/ALR-69.

d. (U) Fifteen of ninety LRUs and Interface Test Adapter programs used on the AIS relating to the radar and AN/ALR-69.

e. (U) The OFP of the Fire Control Computer (FCC).

f. (U) Approximately fifteen operating manuals and maintenance technical orders containing performance information, operating and test procedures, weapons delivery information, repair procedures, and other information related to support operation and repair at the organizational and intermediate levels. The hardware, software, and data identified are classified to protect vulnerabilities, design and performance parameters, munitions related data, and similar critical information.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, DC, October 21, 1985.

In reply refer to: I-13724/85ct.

Hon. RICHARD C. LUGAR,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of section 36(b) of the Arms Export Control Act, we are forwarding herewith transmittal No. 86-06 and under separate cover the classified annex thereto. This transmittal concerns the Department of the Army's proposed Letters of Offer to Jordan for defense articles and services estimated to cost $75 million. Shortly after this letter is delivered to your office, we plan to notify the news media of the unclassified portions of this Transmittal.

You will also find attached a certification as required by section 130(c) of Public Law 99-83, approved on August 8, 1985, concerning Jordan's public commitment to the recognition of Israel and to negotiate promptly and directly with Israel under the basic tenets of United Nations Security Council Resolutions 242 and 338.

Sincerely,

PHILIP C. GAST,
Director.

[Transmittal No. 86-06]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective purchaser: Jordan.

(ii) Total estimated value:

	Million
Major defense equipment[1]	$52
Other	23
Total	75

[1] As defined in section 47(6) of the Arms Export Control Act.

(iii) Description of articles or services offered: Thirty-two Bradley M3 cavalry fighting vehicles, support equipment, concurrent spare parts, publications, training, training equipment and technical assistance.

(iv) Military department: Army (VLH, VLO, OBV, OBW, and OBX).

(v) Sales commission, fee, etc., paid, offered, or agreed to be paid: None.

(vi) Sensitivity of technology contained in the defense articles or defense services proposed to be sold: See annex under separate cover.

(vii) Section 28 report: Case not included in section 28 report.

(viii) Date report delivered to Congress: October 21, 1985.

POLICY JUSTIFICATION

JORDAN—BRADLEY M3 CAVALRY FIGHTING VEHICLES

The Government of Jordan has requested the purchase of 32 BRADLEY M3 cavalry fighting vehicles, support equipment, concurrent spare parts, publications, training, training equipment and technical assistance. The estimated cost is $75 million.

The proposed sale is in the best interests of both the United States and Jordan because it meets Jordan's legitimate security requirements and furthers our mutual objectives of fostering a just and lasting peace in the region. Jordan recently announced intentions to move this year to negotiations among the parties in a non-belligerent environment on the basis of U.N. Security Council Resolutions 242 and 338. Without the political and military support of the U.S., it would prove difficult for a small and vulnerable state such as Jordan to conclude and help enforce a binding peace agreement.

This sale of BRADLEY M3 vehicles will provide Jordan's scout and armored cavalry units with a full-tracked, lightly armored fighting vehicle for their reconnaissance and security missions. Jordan will have no difficulty absorbing these BRADLEY M3 cavalry fighting vehicles into its armed forces.

The sale of this equipment and support will not affect the basic military balance in the region.

The prime contractor will be the FMC corporation of San Jose, California.

Implementation of this sale will require the assignment to Jordan of twenty one additional U.S. Government personnel for 4-6 months and 15 contractor representatives for one year.

There will be no adverse impact on U.S. defense readiness as a result of this sale.●

BUSINESS PEOPLE, INC.

● Mr. BOSCHWITZ. Mr. President, in observance of October as National High-Tech Month, special recognition is being given to those who have made outstanding contributions in the area of scientific research and technical development. I am pleased to report that an honorable mention certificate was presented to Business People, Inc., of Minneapolis, MN, for its leadership in pioneering career development techniques via satellite. BPI was instrumental in creating a method through which individuals may apply for employment positions throughout the United States via satellite communications.

While not an employment agency, BPI has made it possible for thousands of job seekers throughout America to locate new career opportunities. New methods—such as tech fairs and satellite career network teleconfer-

ences—better enable corporate recruiters to locate technical professionals and technical college graduates. In a special program held on October 8, 22 college campuses across the country were linked via satellite with representatives of major private industry and governmental high-tech organizations.

The Congressional Caucus for Science and Technology sponsors the high-tech awards to salute outstanding scientists and notable achievements in high technology. National High-Tech Month provides a special opportunity to increase our awareness of the importance of scientific and technological advances.

For its efforts in increasing awareness of career opportunities for the young through high-tech communications, BPI is to be commended for this special recognition.●

HUNGARIAN FREEDOM FIGHTERS DAY

● Mr. RIEGLE. Mr. President, today marks the 29th anniversary of the Hungarian uprising in which courageous Hungarians sought to regain freedoms and liberties stripped off them by the Soviet Union in the aftermath of World War II.

In order to demonstrate support for past and present efforts of Hungarians for self-determination, Congress in 1981, declared October 23 Hungarian Freedom Fighters Day. This day of recognition provides us an opportunity to reaffirm our own commitment to the ideals of liberty and democracy and to offer encouragement and support to movements for self-determination in Hungary and throughout the world.

Commemoration of Hungarian Freedom Fighters Day gives us occasion to reflect on a world much changed by the effects of World War II. Hungary is but one of the many countries which fell prey to Soviet domination, imprisoned behind an iron curtain which has divided Europe—east and west.

In October 1956, months of vocal criticism of the Hungarian regime gave way to demonstrations by students and intellectuals in the streets of Budapest. On October 23, university students in that city, inspired by a Polish move toward greater independence, staged a demonstration calling for greater independence in their own country. On that day, the spirited, but peaceful march ended at the Radio Building, where students sought to express their opposition to 11 years of Communist control through a radio broadcast. Minutes later, police opened fire on the crowd, killing and wounding many.

The next day, the Hungarian Politburo, consenting to student demands, reelected former Hungarian Premier, Imre Nagy. On November 1, 1956, by popular demand, Premier Nagy announced Hungary's neutrality, its withdrawal from the Warsaw Pact, and the intention to hold free, multiparty elections. Within 48 hours, however, these initiatives were crushed by Soviet troops.

In the aftermath of the uprising, an economic system was adopted offering increased economic opportunities and the chance to achieve a higher standard of living for Hungarians. But the dream of political liberty which inspired the uprising was not realized.

While the Hungarian uprising was easily squashed by the Soviets, the spirit of those who sacrificed their lives in that effort continues to burn in the hearts of those still striving for liberty. Today's remembrance serves as a reminder to Americans of how precious our freedoms are, and encourages us to remember and support the efforts of those for whom the struggle continues today.●

CARGO PREFERENCE AND THE GREAT LAKES

● Mr. QUAYLE. Mr. President, during the consideration of the Agriculture appropriations bill, I announced my intention to call up an amendment to prohibit the practice of diverting cargoes from the Great Lakes ports in order to meet cargo preference targets. The manager of the bill persuaded me that such an amendment more properly belonged on the farm bill in which the whole issue of cargo preference and agricultural shipments will be dealt with.

I accepted that argument and did not offer my amendment. However, I want to make the record clear that it is still my intention to deal with this diversion issue. I also want to put on notice all those who are attempting to come up with a compromise on the cargo preference issue that any compromise that does not effectively prohibit cargo diversions will not be acceptable to this Senator.

I know that there is great concern in this body over the diversion of Public Law 480, title II cargoes away from Great Lakes ports. These diversions create great controversy and have major detrimental economic effects on the region. The Public Law 480, title II cargoes are the magnet that attracts ships to the Great Lakes which then seek additional commercial cargo in the region.

In Indiana last year, 76.3 percent of all man-hours worked at the Port of Burns International Harbor was associated with title II commodities, according to the port director. Other Great Lakes ports have an even higher percentage of export activity associated with title II cargoes. In Milwaukee, 92.5 percent of all man-hours is related to title II; in Duluth and Green Bay, the figure is approximately 90 percent.

As chairman of the Senate Subcommittee on Employment and Productivity, I believe we need to note how these cargoes translate into jobs. Longshoremen, railroad workers, grain elevator and grain mill employees, and vessel maintenance personnel in the Great Lakes region are dependent on the Public Law 480, title II program. The International Longshoremen's Association estimates that each ton of Public Law 480 cargo generates 1½ man-hours of work.

With these facts in mind, I was prepared to offer a revised amendment to the Agriculture appropriations bill which prohibits USDA from using funds for any cargo diversions from one coastal range to another in its implementation of the Public Law 480, title II program. In August and September of this year, USDA diverted 50,000 tons of title II cargo away from Great Lakes ports after negotiating the lowest landed cost bid. This diversion also represented a loss of Great Lakes ports of 75,000 man-hours and yet when my Great Lakes colleagues and I demanded an explanation from USDA, we were advised that these diversions were directed in order to meet cargo preference requirements.

Clearly, these diversions of cargo away from one coastal range to another are unwarranted, all the more so because of the additional costs involved. In order to divert these cargoes, USDA was forced to pay both higher costs to transport them by rail to other coastal ranges, as well as the higher shipping costs for U.S.-flag service.

These diversions are inconsistent with the policy that the Agency for International Development [AID] has repeatedly stated in regard to cargo diversions: No cargo diversions will occur away from the Great Lakes in order to meet cargo preference requirements. USDA simply acts as a purchasing agent for AID, yet on these recent occasions, USDA has arbitrarily decided to divert cargoes away from the Great Lakes to other ranges, in conflict with AID policy.

I should also point out to my colleagues that the Code of Federal Regulations governing cargo perference states that, in seeking available ocean transportation, "maximum compliance with the stated AID policy" will prevail. Clearly, this has not occurred, and the revised amendment I am offering will serve to prevent any further breaches in the AID policy governing Public Law 480, title II shipments.

I submit to my colleagues that cargo diversions are disruptive to ports, shippers, longshoremen, railroad workers, grain mill operators, and countless others. The Congress must exercise its

oversight of the title II program, and my amendment seeks to extend the benefits of the program to a wider range of beneficiaries, both abroad and here at home.

Until I discussed this modified amendment with the senior Senator from Alaska, I was prepared to offer the amendment which I introduced to this body on September 30. In essence, that proposal would have required that food for peace shipments under the Public Law 480, title II program be shipped at the lowest landed cost. Since the title II program is the only agriculture export program in which the U.S. Government pays for the commodities and their transportation to overseas destinations, I believed that my original amendment would bring about substantial savings to USDA and spread more evenly the employment and economic benefits resulting from these shipments.

I believe that my lowest landed cost proposal was completely consistent with the traditional administration of our cargo preference laws. Until 2 years ago, USDA did not pay any incentive payments to transport title II cargoes on U.S.-flag ships. But in 1984, USDA paid over $20 million to transport title II cargoes on U.S.-flag ships, and this year USDA will spend an estimated $55 million. Given the size of the title II budget of $650 million, I believe that $55 million in excess payments to U.S.-flag ships is unnecessary. My original amendment allowed U.S.-flag ships to carry title II cargoes, but at the lowest landed cost bid negotiated by USDA.

HELSINKI MONITORS

● Mr. WALLOP. Mr. President, the fate of the Ukrainian citizens who formed a group back in 1976 to monitor Soviet compliance with the Helsinki Accords is a subject which concerns us all. It appears that all but 2 of the 36 Ukrainians have been, at one time or another, persecuted for the exercise of rights promised to them under the Helsinki Accords.

This kind of outrageous Soviet noncompliance with the principles they agreed to at Helsinki makes a mockery of the Helsinki CSCE agreements and all they stand for. This record should stand clear for all the world to see.

I request, therefore, that the article from the Washington Times of September 23, 1985 be printed in the RECORD.

The article follows:

PANEL DOCUMENTS END OF HELSINKI MONITORS

(By Lou Marano)

Of the 36 members of the Ukrainian group formed in 1976 to monitor Soviet compliance with the 1975 Helsinki accords, all but two have at one time or another been imprisoned, banished to internal exile or forcibly confined to psychiatric hospitals, said Orest Deychak, of the congressional Commission on Security and Cooperation in Europe.

One of the two committed suicide in 1979 "because of continuous KGB persecution," said Mr. Deychak, who said the Ukrainian group of Helsinki monitors "was the largest and hardest-hit in the U.S.S.R."

Twenty-one are still political prisoners and three have died in labor camps within the past 18 months, said Myron Wasylyk, director of the Ukrainian National Information Service. Of the 12 others, most have either escaped to the West or died of old age, Mr. Wasylyk said.

Amnesty International called on Soviet authorities last week to publish a full report on the prison deaths of three Helsinki monitors and a Ukrainian journalist.

The fates of the four were detailed for The Washington Times last week by Mr. Wasylyk. He said Oleksa Tykhy, a teacher; Vasyl Stus, a poet and human-rights activist, and Valeriy Marchenko, a journalist, have died in the gulag from medical neglect.

Helsinki monitor Yuriy Lytvyn, a writer, committed suicide in prison camp, Mr. Wasylyk said.

The Amnesty International statement reported the four deaths, all of which have occurred since May 1984, took place at Colony VS 389-31-1 near Perm, 750 miles east of Moscow.

LOUISVILLE'S ENTERPRISE ZONE

● Mr. McCONNELL. Mr. President, I call the attention of this body to a relatively new economic development approach sweeping this Nation—enterprise zones. Something we have looked at here in Washington has been adopted by 26 States across America.

The Commonwealth of Kentucky enacted enterprise zone legislation back in 1983. In June 1983, Kentucky picked its first two zones in Louisville and the town of Hickman on the Mississippi River. As of October 1985, almost 2 years since the first enterprise zone jobs were certified by the Commonwealth, in November 1983, activity in zone businesses has created or retained 2,293 jobs. A total of 683 so-called certified jobs going to zone residents, persons unemployed for at least a year, and those receiving public assistance; and 1,519 of the jobs are new.

Louisville's zone has created 828 new jobs and retained 374 jobs, mostly in small businesses. Over 380 of those were certified jobs. The success of Louisville's zone was recently written up in the September 1985 issue "Enterprise Zone Notes," an occasional publication of the U.S. Department of Housing and Urban Development. I ask that the article be printed in the RECORD at the conclusion of my remarks.

I am also pleased to note that Mr. Ron Lewis, executive vice president of Lanham Lumber & Dry Klin Co., Louisville's first enterprise zone certified business, will have the honor of being a guest panelist at an enterprise zone workshop as part of the seventh national conference for State and local officials on small business in Boston on October 23-25, 1985.

The article follows:

LOUISVILLE'S ZONE TARGETS PEOPLE

(By Sara Bell)

Cooperation is the number one reason for the success of the Louisville Enterprise Zone. That cooperation has become a tradition since the General Assembly created Kentucky's Enterprise Zone program in 1982.

Similar to other state Enterprise Zone programs, Kentucky offers various benefits and incentives including tax and regulatory relief as well as training program advantages for businesses locating and expanding in designated economically depressed areas.

Beyond the financial or administrative benefits, many of Kentucky's Enterprise Zones have intrinsic advantages. Their location is often strategic in regard to transportation, suppliers, and the rest of the city. Older buildings, adaptable to modern needs are often available; underdeveloped land suitable for industry is likewise available.

The requirements that a business must meet in order to capitalize on the advantages of a Kentucky Enterprise Zone are not difficult or complicated. In addition to the business being located in an Enterprise Zone, the other two basic requirements are: 50 percent of the company must perform substantially all their services within the zone; and 25 percent of the company employees must be either residents of the zone, persons who have been unemployed for one year, or persons who have received public assistance benefits for a year or more.

With all the talk of tax benefits and incentives for businesses, it's easy to overlook one of the most important features of Enterprise Zones: helping people.

Some companies are not willing to hire the hard-core unemployed, even for tax benefits. But, an example of a company that has, and is reaping monetary, as well as social benefits, is Lanham Lumber and Dry Kiln Company.

Lanham Lumber was Louisville's first Enterprise Zone certified business. President Turner Lanham and Executive Vice President Ron Lewis have been very pleased with the quality of people who have come to work at the company. More than 12,000 people applied for new job openings at the lumber yard, according to the City's Economic Development Cabinet. The state Bureau of Manpower Services screened applicants before sending them for interviews to determine if they met zone criteria.

One successful applicant was 34 year-old Mustafa Mustafa. Mustafa, an ex-convict, is now working towards a degree in criminology at the University of Louisville.

"You have to take steps toward helping yourself. But without this job, it would be very hard to make ends meet," says Mustafa. "The Enterprise Zone allowed Lanham to hire more people, and for that I'm very grateful."

Developer Joe Rey-Barreau has initiated a success story of a different kind. Through the impetus of the Kentucky Housing Corporation's cluster loan program, Rey-Barreau and two other developers built 12 market-rate houses in Louisville's west-end California neighborhood.

"I think people's priorities are sometimes misplaced," said Rey-Barreau. "The current belief seems to be good housing will bring good jobs. In reality, good jobs will bring good housing. Needless to say, I'm excited about the possibilities of the Enterprise Zone in Louisville."

The California neighborhood is located in the Enterprise Zone and has been a prime objective of the city's Neighborhood Development Cabinet for redevelopment. In the past several years in the California neighborhood, more than $813,000 in grants and over $726,000 in Section 312 loans have been spent to rehabilitate 116 housing units. In addition, $359,317 has been allocated to nonprofit corporations for rehabilitation and new construction of housing. One of the non-profit corporations, New Directions, has undertaken some new construction without special government funding.

An apartment for the elderly and apartment units for families utilizing Section 8 funds have been built in the overlap area. Ten new units of public housing were built outside the zone.

Another significant ongoing housing project in the California neighborhood is Adopt-A-Neighborhood. This project is a cooperative effort of Preservation Alliance, Brown-Forman Distillers, and New Directions to rehabilitate homes around an industrial core surrounding Brown-Forman, Philip Morris, and Schenley. Some new construction is also targeted in the area.

Recently, under the coordination of the Greater Louisville Clean Community Program, 150 painters armed with 50 gallons of paint, 30 electricians, plumbers, pipefitters, carpenters, and sheet-metal workers performed a whirlwind renovation of a 10-house block in the California neighborhood. The Community involvement project was a joint effort by labor and management; a Union member from the Labor/Management Cooperation Committee (LAMACO) and Painters Local 118 provided the workers and the Louisville Paint and Coatings Association (representing eleven major paint companies) donated the materials. Thanks to the residents themselves, in preparation of the spruce-up, 464 tons of debris were picked up from the block.

And finally, the authorization of Neighborhood Enterprise Zone Associations by the Kentucky Enterprise Zone Authority will allow greater participation of zone residents in the planning of the zone. City Economic Development Cabinet Executive Director, Charles H. Buddeke, stated "The city of Louisville has committed its support to the Neighborhood Enterprise Zone Association and we forsee that such an association can be used effectively as a lobbyist for all the residents of the Enterprise Zone."

The areas in which the City plans to provide its support will be in: land-banking of the Enterprise Zone surplus properties which can be used for future residential projects; placing residents into training programs offered by the local Private Industry Council under the Job Training Partnership Act, by the Chamber of Commerce and by the universities; identifying potential investors in residential projects which will produce income for the association; and identifying residents for the Department of Employment Services for available jobs in the Enterprise Zone.

Perhaps the most unique example of fostering cooperation within the Louisville Enterprise Zone program is the twenty-year no strike agreement on construction acceded to by the building trades unions for work done in the zone. The city's Mayor, Harvey I. Sloane, especially proud when the agreement was signed in June 1984, declared "it demonstrates a very friendly and progressive attitude of labor as a partner in business and job growth."

Cooperation is the number one reason for making the Louisville Enterprise Zone so successful. The community supports the Enterprise Zone through private investment, marketing, job training, and voluntary aesthetic improvements. The Louisville Enterprise Zone is a Public/Private Partnership. Mayor Sloane put it best when he noted, "It's the 'look what we can do' attitude that fosters economic development and growth in Louisville."●

TREASURY PROPOSAL TO CHANGE INVESTMENT PROCEDURES FOR THE SOCIAL SECURITY TRUST FUNDS

● Mr. MOYNIHAN. Mr. President, may I shed some light on the announcement yesterday by the Secretary of the Treasury, James A. Baker III, about the Treasury's plan to pursue so-called disinvestment of some of the Federal securities held by the Social Security trust funds? This procedure is essentially proper, may well prove necessary, and does not differ significantly from normal Treasury procedures.

Such disinvestment refers to an ordinary practice of cashing in a certain amount of the special Federal securities held by the Social Security trust funds to finance the monthly payout of benefits. For the checks due to be issued on November 1, this should come to some $15 billion. The new procedures announced by the Treasury Secretary are really very close to the normal investment and accounting procedures followed by Social Security's managing trustee—which is to say, the Treasury Secretary.

Each month the managing trustee cashes in some of the trust fund assets held in Federal securities, in order to be able to meet benefit obligations. This practice is normally stretched out over a 4- to 5-day period, beginning the day Social Security checks are issued. Stretching out this disinvestment of assets enables the trust funds to keep as much of its assets as possible invested and earning interest for as long as possible. Cashing in securities held by the trust funds ordinarily does not have to coincide precisely with the presentation of the checks by recipients, because the Treasury usually has sufficient cash on hand to insure that cash will be available whenever Social Security checks are presented.

By November 1, without passage of the debt limit bill, the Treasury will have no spare cash on hand and will be unable to issue new Treasury securities to the public to raise that cash. And that is why the Social Security trust funds will have to cash in some securities at an earlier-than-usual date, to raise virtually the full $15 billion for November benefit payments. The cash to honor Social Security checks will be there; but as a result, the trust funds may have to forfeit some 4 days' interest which would have been earned had all its assets remained invested.

Can we not, then, assure the public that the money is there in the trust funds to back up their Social Security checks? The most recent actuarial report indicates that at the close of the last fiscal year—September 30, 1985—the combined Social Security trust funds [old-age, survivors, disability, and hospital insurance] hold assets of some $60 billion. By the end of the current fiscal year 1986 the surplus assets will reach nearly $80 billion; by the close of fiscal year 1990 some $286 billion.

Let me also make clear that should the Treasury try to cash in assets held by the Social Security trust funds in order to finance general—non-Social Security—Government operations—as some news accounts have implied—such would be quite illegal. The Social Security Act protects the trust funds from such illicit use; indeed, the act explicitly prohibits such. Section 201(d) of the Social Security Act reads:

> It shall be the duty of the Managing Trustee to invest such portion of the Trust Funds as is not, in his judgment, required to meet current withdrawals. Such investments may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States.

Mr. President, public faith in the security and sanctity of the Social Security trust funds can be fragile. If the Treasury does use its revised procedures for the occasion, let us remind the public that the Social Security trust funds are in excellent financial shape and, furthermore, safeguarded against any misuse of its funds. The moneys to pay Social Security benefits on time are there, and will be well into the next century.

Mr. President, I ask that a table in connection with this matter be printed in the RECORD.

The table follows:

TABLE 2.—ESTIMATED OPERATIONS OF THE OASI, DI, AND HI TRUST FUNDS, UNDER PRESENT LAW, ON THE BASIS OF THE ASSUMPTIONS UNDERLYING THE MID-SESSION REVIEW OF THE FISCAL YEAR 1986 BUDGET, CALENDAR YEARS 1984–90

[Amounts in billions]

Calendar year	Income					Outgo				Interfund borrowing transfers [1]			
	OASI	DI	OASDI	HI	Total	OASI	DI	HI	Total	OASI	DI	HI	
1984	$169.3	$17.3	$186.6	$46.7	$233.4	$161.9	$18.5	$180.4	$43.9	$224.3			
1985	181.7	18.3	200.0	52.3	252.2	171.7	19.9	191.6	48.9	240.5	—$4.4	$2.5	$1.8
1986	196.5	19.2	215.7	59.4	275.1	183.5	20.8	204.3	50.3	254.6	—9.5	2.5	7.0
1987	214.5	20.6	235.1	64.9	300.0	196.4	21.4	217.8	54.8	272.6	—3.6		3.6
1988	246.9	23.4	270.3	70.2	340.5	209.9	22.5	232.4	60.6	293.0			
1989	270.8	25.5	296.4	76.0	372.4	223.5	23.7	247.2	66.7	313.9			
1990	298.1	31.1	329.2	81.7	410.9	238.3	25.0	263.3	73.4	336.7			

[1] Positive figures represent repayments of amounts owed by other trust funds. Negative figures represent repayments of amounts owed to other trust funds.

TABLE 2A.—ESTIMATED OPERATIONS OF THE OASI, DI, AND HI TRUST FUNDS, UNDER PRESENT LAW, ON THE BASIS OF THE ASSUMPTIONS UNDERLYING THE MID-SESSION REVIEW OF THE FISCAL YEAR 1986 BUDGET, CALENDAR YEARS 1984–90

[Amounts in billions]

Calendar year	Net increase in funds					Funds at end of year					Assets at beginning of year as a percentage of outgo during year [1]				
	OASI	DI	OASDI	HI	Total	OASI	DI	OASDI	HI	Total	OASI	DI	OASDI	HI	Total
1984	$7.4	—$1.2	$6.2	$2.8	$9.0	$27.1	$4.0	$31.1	$15.7	$46.8	20	35	21	29	23
1985	5.6	.9	6.6	5.2	11.8	32.7	4.9	37.6	20.9	58.5	24	27	24	32	26
1986	3.4	1.0	4.4	16.1	20.5	36.2	5.9	42.0	37.0	79.0	25	30	26	42	29
1987	14.5	—.8	13.7	13.7	27.4	50.6	5.1	55.7	50.7	106.4	26	34	27	68	35
1988	37.0	.9	38.0	9.6	47.6	87.7	6.0	93.6	60.3	153.9	32	30	32	84	43
1989	47.3	1.9	49.2	9.3	58.5	135.0	7.8	142.8	69.5	212.3	48	33	46	90	56
1990	59.9	6.0	65.9	8.3	74.2	194.9	13.9	208.8	77.8	286.5	65	40	63	95	70

[1] Assets at beginning of year are defined for the OASI and DI Trust Funds as assets at end of prior year, plus the respective OASI and DI advance tax transfers for January.

Source: Social Security Administration, Office of the Actuary, September 4, 1985.●

TIME LIMITATION AGREEMENT— JORDAN ARMS SALE

Mr. DOLE. Mr. President, I ask unanimous consent that at 12 noon on Thursday, October 24, 1985, the Senate temporarily lay aside the pending business and turn to the consideration of the joint resolution offered by the majority and minority leaders and Senators LUGAR, PELL, and others, dealing with the sale of arms to Jordan and that it be considered under the following time agreement: 1 hour on the resolution equally divided in the usual form, that no amendments be in order to the joint resolution, that no motions to commit with instructions be in order, and that the agreement be in the usual form.

I ask unanimous consent that no intervening motion be in order prior to passage.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. DOLE. I ask unanimous consent that it may be in order at this time to order the yeas and nays on the resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

PRINTING OF SENATE DOCUMENT, SENATE RESOLUTION 243

Mr. DOLE. Mr. President, I send a resolution to the desk on behalf of Senator GORTON and Senator BYRD and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the resolution by title.

The legislative clerk read as follows:

A Senate resolution (S. Res. 243) to authorize the reprinting of Senate document numbered 87–64.

Mr. GORTON. Mr. President, I wish to introduce a resolution, for myself and for Senator BYRD, calling for the reprinting of Senate Document 87–64, the study entitled "History of the United States Senate from 1787 to 1801."

This scholarly work, compiled by Roy Swanstrom, professor emeritus of history at Seattle Pacific University, was first ordered to be printed by this body on September 25, 1961. George Galloway of the Library of Congress praised this book as a complete and exhaustive work, and as a valuable and lasting contribution to the literature on Congress.

On July 4, 1976, when our country celebrated its Bicentennial, the occasion was marked not only by festivities and fireworks, but also by a revisiting of our past. Through the eyes of historians, we were able to experience events which transpired 200 years ago when 56 Americans came together to cast their votes for a declaration of independence. As it happened, this document did little more than proclaim the source of individuals' rights and the purpose of government, for it did not describe how this purpose might be accomplished, or outline the type of government that should be established.

It was for this reason that on November 15, 1777, Congress adopted the Articles of Confederation. There were, however, tragic flaws in the government set up under the Articles of Confederation. There was no executive and there was no judiciary. By itself the Confederate Congress could not tax and it could not regulate trade except with the Indians. It was State and local agencies which governed the American people and it was they that chose who would serve in Congress. By the end of the war it was clear that the Articles of Confederation were inadequate, and that something had to be done.

With this baggage, 57 men, representatives of the people and the States, serving as delegates, came together in May 1787 at Philadelphia to develop a more suitable form of government. As Dr. Swanstrom's study so thoroughly describes, the work of the Constitutional Convention was only a beginning. The process of erecting a government from this blueprint, our Constitution, was a laborious and difficult task, accompanied by problems and dangers as critical as those faced at Philadelphia in 1787.

Mr. President, among those builders were Americans who served as Members of this body and played a vital role in the erecting of this new government. On April 6, 1989, we will celebrate the Bicentennial of the U.S. Senate—for on that date in 1789, Richard Henry Lee, from Virginia, arrived, completing a quorum of the first session of the first Senate of the United States. As the bicentennial of this body grows near, its history will be the subject of much study and celebration by academics across the Nation. I be-

lieve Dr. Swanstrom's study will serve as a valuable resource to these academics, as well as to the Members of this body, their staffs and the general public.

Mr. President, I urge my colleagues to join me in this effort and cosponsor my resolution calling for the reprinting of Senate Document 87-64.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 243) was agreed to, as follows:

S. RES. 243

Resolved, That Senate Document Numbered 87-64, entitled "History of the United States Senate from 1787 to 1801", be reprinted as a Senate document.

SEC. 2. There shall be printed, in addition to the usual number, such additional copies as are allowed subject to the limitations of section 703 of title 44, United States Code.

Mr. DOLE. I move to reconsider the vote by which the resolution was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDERS FOR THURSDAY

RECESS UNTIL 9 A.M.

Mr. DOLE. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 9 a.m. on Thursday, October 24, 1985.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. DOLE. I ask unanimous consent that following the recognition of the two leaders under the standing order, there be a period for the transaction of routine morning business not to extend beyond the hour of 9:30 a.m., with Senators permitted to speak therein for not more than 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE TOMORROW

Mr. DOLE. Following routine morning business, it is the intention of the majority leader to begin consideration of H.R. 2965, the State-Justice-Commerce appropriations bill. Votes are expected in relation thereto prior to 12 noon. As I indicated, at 12 noon, if it is not completed, we shall set that bill aside and move to the Jordan resolution, on which a time agreement was previously agreed to, and following the vote on that, whether or not we have disposed of the appropriations bill, turn to the reconciliation bill, S. 1730, which should come around 1:15 or 1:30 in the afternoon.

If it is possible to complete the reconciliation bill at a fairly early hour in the evening, it may be that we could turn to the Compact of Free Association and possibly hear opening statements on the 1985 farm bill. It is fair to say we can expect votes throughout the day on Thursday and probably into the evening.

RECESS UNTIL 9 A.M. TOMORROW

Mr. DOLE. Mr. President, there being no further business to come before the Senate, I move we stand in recess until 9 a.m. Thursday, October 24, 1985.

The motion was agreed to; and, at 7:12 p.m., the Senate recessed until Thursday, October 24, 1985, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate October 23, 1985:

THE JUDICIARY

Frank X. Altimari, of New York, to be U.S. circuit judge for the second circuit, vice Ellsworth A. VanGraafeiland, retired.

Jefferson B. Sessions III, of Alabama, to be U.S. district judge for the southern district of Alabama vice a new position created by Public Law 98-353, approved July 10, 1984.

Morris S. Arnold, of Arkansas, to be U.S. district judge for the western district of Arkansas vice a new position created by Public Law 98-353, approved July 10, 1984.

Robert L. Miller, Jr., of Indiana, to be U.S. district judge for the northern district of Indiana vice a new position created by Public Law 98-353, approved July 10, 1984.

Garrett E. Brown, Jr., of New Jersey, to be U.S. district judge for the district of New Jersey vice a new position created by Public Law 98-353, approved July 10, 1984.

DEPARTMENT OF JUSTICE

Stanley A. Twardy, Jr., of Connecticut, to be U.S. attorney for the district of Connecticut for the term of 4 years vice Alan H. Nevas.

William C. Carpenter, Jr., of Delaware, to be U.S. attorney for the district of Delaware for the term of 4 years vice Joseph J. Farnan, Jr., resigned.

Benjamin L. Burgess, Jr., of Kansas, to be U.S. attorney for the district of Kansas for the term of 4 years vice Jim J. Marquez, resigned.

Marvin Collins, of Texas, to be U.S. attorney for the northern district of Texas for the term of 4 years vice James A. Rolfe, resigned.

HOUSE OF REPRESENTATIVES—*Wednesday, October 23, 1985*

The House met at 10 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

I will lift up my eyes to the hills, from whence does my help come? My help comes from the Lord, who made heaven and earth.—Psalm 121:1, 2.

Help us, gracious God, to focus not only on the immediate things of daily life, but through our communion with You, to meditate on those things that make us Your people, that allow us to be human. Enable us to sense our destiny and our place in Your providence, to recognize our relationship with You. May we through our prayers see You more clearly, love You more dearly, follow You more nearly, day by day. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. KOLBE. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. KOLBE. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 273, nays 117, answered "present" 1, not voting 43, as follows:

[Roll No. 366]

YEAS—273

Ackerman	Bennett	Bruce
Akaka	Berman	Bryant
Anderson	Bevill	Burton (CA)
Andrews	Biaggi	Bustamante
Annunzio	Boggs	Byron
Anthony	Boland	Carper
Applegate	Boner (TN)	Carr
Archer	Bonker	Chapman
Aspin	Bosco	Chappell
Atkins	Boucher	Clinger
AuCoin	Boxer	Coats
Barnard	Breaux	Coelho
Barnes	Brooks	Coleman (TX)
Bateman	Broomfield	Collins
Bedell	Brown (CA)	Combest
Beilenson	Broyhill	Cooper
Coyne	Kanjorski	Rahall
Crockett	Kaptur	Rangel
Daniel	Kastenmeier	Ray
Darden	Kemp	Regula
Daschle	Kennelly	Reid
de la Garza	Kildee	Richardson
Derrick	Kleczka	Ritter
Dicks	Kolter	Robinson
Dingell	Kostmayer	Roe
DioGuardi	LaFalce	Rostenkowski
Donnelly	Lantos	Rowland (CT)
Dornan (CA)	Lehman (CA)	Rowland (GA)
Downey	Lehman (FL)	Roybal
Dreier	Leland	Rudd
Duncan	Lent	Russo
Dwyer	Levin (MI)	Sabo
Early	Levine (CA)	Savage
Eckart (OH)	Lipinski	Scheuer
Eckert (NY)	Livingston	Schneider
Edgar	Loeffler	Schulze
Edwards (CA)	Long	Schumer
English	Lowry (WA)	Sharp
Erdreich	Lujan	Shelby
Evans (IL)	Luken	Shumway
Fascell	Lundine	Sisisky
Fazio	MacKay	Skelton
Feighan	Manton	Slattery
Fish	Markey	Smith (FL)
Flippo	Martinez	Smith (IA)
Florio	Matsui	Smith (NE)
Foglietta	Mavroules	Smith (NJ)
Foley	Mazzoli	Snyder
Ford (TN)	McCain	Solarz
Fowler	McCloskey	Spratt
Frank	McCollum	St Germain
Franklin	McCurdy	Staggers
Frost	McDade	Stallings
Fuqua	McHugh	Stark
Gaydos	McKinney	Stenholm
Gejdenson	McMillan	Stokes
Gephardt	Mica	Stratton
Gibbons	Mikulski	Studds
Gilman	Miller (CA)	Sweeney
Glickman	Miller (WA)	Swift
Gonzalez	Mineta	Synar
Gordon	Mollohan	Tallon
Gradison	Montgomery	Tauzin
Gray (PA)	Moody	Taylor
Green	Moore	Thomas (GA)
Guarini	Morrison (CT)	Torres
Hall, Ralph	Morrison (WA)	Torricelli
Hamilton	Mrazek	Traficant
Hammerschmidt	Murphy	Traxler
Hartnett	Murtha	Udall
Hatcher	Myers	Valentine
Hawkins	Natcher	Vento
Hayes	Neal	Visclosky
Henry	Nichols	Volkmer
Hertel	Nielson	Watkins
Hillis	Nowak	Waxman
Hopkins	Oberstar	Weiss
Horton	Olin	Wheat
Howard	Ortiz	Whitehurst
Hoyer	Owens	Whitley
Hubbard	Packard	Whitten
Huckaby	Panetta	Wirth
Hughes	Pashayan	Wise
Hutto	Pease	Wolpe
Hyde	Pepper	Wortley
Jeffords	Perkins	Wright
Jenkins	Pickle	Wyden
Johnson	Porter	Wylie
Jones (NC)	Price	Yates
Jones (OK)	Pursell	Yatron
Jones (TN)	Quillen	Young (FL)

NAYS—117

Armey	Boehlert	Cheney
Badham	Boulter	Clay
Bartlett	Brown (CO)	Cobey
Barton	Burton (IN)	Conte
Bentley	Callahan	Coughlin
Bereuter	Campbell	Courter
Bilirakis	Chandler	Craig
Bliley	Chappie	Crane
Dannemeyer	Leach (IA)	Schroeder
Daub	Lewis (CA)	Schuette
Davis	Lewis (FL)	Sensenbrenner
DeWine	Lightfoot	Shaw
Dickinson	Lloyd	Shuster
Durbin	Lott	Sikorski
Edwards (OK)	Lungren	Siljander
Emerson	Mack	Skeen
Evans (IA)	Madigan	Slaughter
Fawell	Marlenee	Smith, Denny (OR)
Fields	Martin (IL)	Smith, Robert (NH)
Frenzel	Martin (NY)	Smith, Robert (OR)
Gallo	McCandless	Snowe
Gekas	McEwen	Solomon
Gingrich	McGrath	Spence
Goodling	McKernan	Stangeland
Gregg	Michel	Strang
Grotberg	Miller (OH)	Stump
Gunderson	Molinari	Swindall
Hansen	Monson	Tauke
Hendon	Moorhead	Thomas (CA)
Hiler	Oxley	Vander Jagt
Holt	Parris	Vucanovich
Hunter	Penny	Walker
Ireland	Petri	Weber
Jacobs	Ridge	Whittaker
Kasich	Roberts	Wolf
Kindness	Roemer	Young (AK)
Kolbe	Rogers	Zschau
Kramer	Roth	
Lagomarsino	Roukema	
Latta	Saxton	

ANSWERED "PRESENT"—1

Dymally

NOT VOTING—43

Addabbo	Fiedler	Obey
Alexander	Ford (MI)	Rinaldo
Bates	Garcia	Rodino
Bonior (MI)	Gray (IL)	Rose
Borski	Hall (OH)	Schaefer
Carney	Hefner	Seiberling
Coble	Heftel	Sundquist
Coleman (MO)	Leath (TX)	Towns
Conyers	Lowery (CA)	Walgren
DeLay	Meyers	Weaver
Dellums	Mitchell	Williams
Dixon	Moakley	Wilson
Dorgan (ND)	Nelson	Young (MO)
Dowdy	O'Brien	
Dyson	Oakar	

□ 1015

Mr. PASHAYAN changed his vote from "present" to "yea."

So the Journal was approved.

The result of the vote was announced as above recorded.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H.J. Res. 407. Joint resolution designating the 12-month period ending on October 28, 1986, as the "Centennial Year of Liberty in the United States."

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 3424. An act making appropriations for the Departments of Labor, Health and

Human Services, and Education, and related agencies, for the fiscal year ending September 30, 1986, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 3424) "An act making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies, for the fiscal year ending September 30, 1986, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. WEICKER, Mr. HATFIELD, Mr. STEVENS, Mr. ANDREWS, Mr. RUDMAN, Mr. SPECTER, Mr. MCCLURE, Mr. DOMENICI, Mr. PROXMIRE, Mr. BYRD, Mr. HOLLINGS, Mr. CHILES, Mr. BURDICK, Mr. INOUYE, Mr. HARKIN, and Mr. STENNIS to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 71. Concurrent resolution to commemorate the accomplishments of Public Law 94-142, the Education for All Handicapped Children Act on the 10th anniversary of its enactment.

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 2942, LEGISLATIVE BRANCH APPROPRIATIONS ACT, 1986

Mr. FAZIO. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight to file a conference report on the bill (H.R. 2942) making appropriations for the legislative branch for the fiscal year ending September 30, 1986, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

AUTHORIZING SECRETARY OF THE INTERIOR TO CONVEY CERTAIN LAND IN MARYLAND TO MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Mr. VENTO. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 3003) to authorize the Secretary of the Interior to convey certain land located in the State of Maryland to the Maryland National Capital Park and Planning Commission, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

Mr. LAGOMARSINO. Mr. Speaker, reserving the right to object, I do so to ask the gentleman from Minnesota to explain the bill.

Mr. VENTO. Mr. Speaker, this measure is a measure that transfers a small land parcel to the Maryland-National Capital Park and Planning Commission, which has been introduced by our distinguished colleagues, the gentleman from Maryland [Mr. HOYER] and the gentlewoman from Maryland [Mrs. HOLT].

It is a small bill of local interest that will facilitate the development and use of a private parcel and the use of some land that reverted from the old roads department to the Park Service.

At the desk is an amendment in the nature of a substitute to the measure. I think, though, the bill is really of little controversy and a good measure. I want to commend the gentlewoman and the gentleman from Maryland for their work. They have done an outstanding job on this measure, and I would hope we could act on it today.

Mr. LAGOMARSINO. Mr. Speaker, further reserving the right to object, I yield to the gentleman from Maryland [Mr. HOYER].

Mr. HOYER. I thank the gentleman from California for yielding.

Mr. Speaker, I want to very briefly thank Mr. VENTO and Mr. LAGOMARSINO and their staffs for their excellent work on this bill and their inclination to bring H.R. 3003 to the floor in an expeditious manner.

This legislation, which transfers Federal property located in Prince Georges County to the Maryland-National Capital Park and Planning Commission, is a first step in a process that will bring a beautiful, environmentally sound, and economically stimulating development to the shores of the Potomac River.

Mrs. HOLT, the bill's other sponsor and I have worked closely with Mr. Jim Lewis, the developer of Port America, the Federal Government, and most important, the members of the National Parks and Recreation Subcommittee in developing this bipartisan legislation.

There is no cost to this legislation and, in fact, the development itself will be a considerable revenue raiser for Prince Georges County due to the thousands of individuals who will be employed by and pay visits to Port America.

I again thank the chairman and ranking member for their willingness to move this legislation and I look forward to the day when I can invite my colleagues to the shores of the Potomac for the opening of Port America.

Mr. LAGOMARSINO. Mr. Speaker, I strongly support the measure and I urge its passage.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The Clerk read the bill, as follows:

H.R. 3003

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a)(1) notwithstanding any other provision of law, the Secretary of the Interior is authorized to convey, without consideration, to the Maryland National Capital Park and Planning Commission all right, title, and interest of the United States to a parcel of land comprising approximately fifty-five acres located in Prince Georges County, Maryland.

(2) Except as provided in subsection (b), the land conveyed pursuant to paragraph (1) shall be used solely for park and waterfront recreation purposes in accordance with a land use plan for the property prepared by the Maryland National Capital Park and Planning Commission and submitted to the National Capital Planning Commission for review and comment. The instrument for conveyance for real property conveyed pursuant to subsection (a) shall set forth all terms and conditions on the conveyance and the grant of access provided in this Act. Such instrument shall further provide that all right, title, and interest conveyed to the Maryland National Capital Park and Planning Commission pursuant to such instrument, except such access as is authorized by subsection (b)(1), shall revert to the United States if such land is used for any purpose other than as stated in this paragraph.

(3) As soon as practicable after the date of enactment of this Act, the Secretary shall file a map and legal description of the area designated under paragraph (1) with the Committee on Interior and Insular Affairs, United States House of Representatives, and with the Committee on Energy and Natural Resources of the United States Senate. Such map and description shall have the same force and effect as if included in this Act, except that the correction of clerical and typographical errors in such legal description and map may be made. Such map and legal description shall be on file in the office of the regional director, National Park Service and the National Capital Park Region.

(b)(1) Subject to the provisions of paragraphs (2) and (3), the Maryland-National Capital Park and Planning Commission may grant access to the real property conveyed pursuant to subsection (a) to the owner of any proposed property development adjacent to such real property.

(2) The grant of access authorized by paragraph (1) shall be contingent upon—

(A) the submission by the owner of the real property seeking such access of a land use and development plan, incorporating the provisions of the memorandum of understanding entered into between the owner of the adjacent property and the National Capital Planning Commission on May 7, 1985, to the National Capital Planning Commission for review and comment;

(B) the approval of the terms and conditions of the memorandum of understanding of May 7, 1985, by the Prince Georges County Council; and

(C) compliance by the owner of real property seeking access with the terms and conditions of the memorandum of understanding of May 7, 1985, referred to in clause (A), except that after approval of a proposed amendment by both of the parties to the memorandum, the proposed amendment shall be published in the Federal Register and concurrently submitted to the appropriate congressional committees for comment.

The amendment shall not be effective until sixty (60) calendar days after it has been transmitted to the Congress. The compliance required by the owner of real property seeking such access shall be determined on or before the date of the grant of access referred to in subsection (a)(1).

(3) The National Capital Planning Commission and the Maryland National Capital Park and Planning Commission shall make a copy of the memorandum of understanding of May 7, 1985, referred to in paragraph (2)(A) available for public inspection in the offices of each commission during business hours.

(c) Prior to the granting of access across the real property conveyed pursuant to subsection (a), as authorized by paragraph (1) of subsection (b), the owner of real property adjacent to thereto receiving said grant of access shall convey to the National Capital Planning Commission an easement in perpetuity, which shall run with the land, and which shall incorporate the restrictions on development contained in the memorandum of understanding of May 7, 1985, referred to in subsection (b)(2)(A), and which shall incorporate any other land restrictions imposed by Prince Georges County.

COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

The SPEAKER. The Clerk will report the committee amendment in the nature of a substitute.

The Clerk read as follows:

Committee amendment in the nature of a substitute: strike all after the enacting clause and insert the following in lieu thereof:

That (a)(1) notwithstanding any other provision of law, the Secretary of the Interior is authorized to convey, without monetary consideration, to the Maryland-National Capital Park and Planning Commission all right, title, and interest of the United States to a parcel of land comprising approximately fifty-five acres located in Prince Georges County, Maryland.

(2) Except as provided in subsection (b), the land conveyed pursuant to paragraph (1) shall be used solely for park and outdoor recreation purposes in accordance with a land use plan for the property prepared by the Maryland-National Capital Park and Planning Commission and submitted to the National Capital Planning Commission for review and comment. The instrument for conveyance for the real property conveyed pursuant to subsection (a) shall set forth all terms and conditions of the conveyance. Such instrument shall further provide that all right, title, and interest conveyed to the Maryland-National Capital Park and Planning Commission pursuant to such instrument, except such access as is authorized by subsection (b)(1), shall revert to the United States if such land is used for any purpose other than as stated in this paragraph.

(3) As soon as practicable after the date of enactment of this Act, the Secretary shall file a map and legal description of the area designated under paragraph (1) with the Committee on Interior and Insular Affairs, United States House of Representatives, and with the Committee on Energy and Natural Resources of the United States Senate. Such map and description shall have the same force and effect as if included in this Act, except that the correction of clerical and typographical errors in such legal description and map may be made. Such map and legal description shall be on file in the office of the regional director, National Park Service and the National Capital Park Region.

(4) The Maryland-National Capital Park and Planning Commission shall reimburse the Secretary of the Interior for the costs of the land conveyance described in paragraph (1).

(b)(1) Subject to the provisions of paragraphs (2) and (3), the Maryland-National Capital Park and Planning Commission may grant access across the real property conveyed pursuant to subsection (a) to the owner of any proposed property development adjacent to such real property.

(2) The grant of access authorized by paragraph (1) shall be contingent upon each of the following:

(A) Submission by the owner of the real property seeking such access of a land use and development plan, incorporating the provisions of the memorandum of May 7, 1985, to the National Capital Planning Commission for review and comment.

(B) Approval of the terms and conditions of the memorandum of May 7, 1985, by the Prince Georges County Council.

(C) Compliance by the owner of real property seeking such access with the terms and conditions of the memorandum of May 7, 1985, as determined by the National Capital Planning Commission.

(D) Conveyance by the owner of real property seeking such access to the National Capital Planning Commission of an easement in perpetuity. The easement shall run with the land and shall incorporate the restrictions on development contained in the memorandum of May 7, 1985. The easement shall also incorporate any other land restrictions imposed by Prince Georges County.

(3)(A) The National Capital Planning Commission and the Maryland-National Capital Park and Planning Commission shall make a copy of the memorandum of May 7, 1985, available for public inspection in the offices of each commission during business hours.

(B) Upon approval of a proposed amendment by both of the parties to the memorandum of May 7, 1985, the proposed amendment shall be published in the Federal Register and concurrently submitted to the congressional committees referred to in subsection (a)(3) for comment. The amendment shall not be effective until 60 calendar days after it has been transmitted to the Congress.

(c) For purposes of this section, the term "memorandum of May 7, 1985" means the memorandum of understanding entered into on May 7, 1985, between the National Capital Planning Commission and the owner of the real property adjacent to the land to be conveyed pursuant to subsection (a)(1).

Mr. VENTO (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment in the nature of a substitute be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The SPEAKER. The question is on the committee amendment in the nature of a substitute.

The committee amendment in the nature of a substitute was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONGRESSMAN CHARLES E. BENNETT CASTS 15,000TH ROLLCALL VOTE IN HOUSE OF REPRESENTATIVES

(Mr. BENNETT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BENNETT. Mr. Speaker, it is wonderful to serve in this great body and to be able to cast votes with my colleagues on important issues. I have just cast my 15,000th rollcall vote here in the House of Representatives. The people who worked this up for me advise me that this is more votes than any other Member of Congress in history.

I have cast every rollcall vote on the passage, defeat, or amendment of legislation since June 5, 1951. That means that for more than 34 years I have not missed a single legislative vote on any rollcall in the House; and that I know is a record on legislative votes.

My record started accidentally, having missed some votes early in my career due to a broken leg. After I recovered, not missing a vote became a habit for me. I believe that voting is the cutting edge of a Member's responsibility to his or her constituents. I am proud to serve in the House and I thank my constituents and my colleagues for this opportunity.

FEDERAL HOUSING POLICY

(Mr. McCANDLESS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCANDLESS. Mr. Speaker, today we will have an opportunity to make certain that one of the Federal Government's largest programs—one that reaches into nearly every city and county in the Nation—will receive the full and open consideration it deserves. For, not-so-neatly tucked-away in the budget reconciliation package, is the entire Federal housing authorization bill.

This is not the bill on which the Housing Subcommittee and the full Banking Committee spent 20 legislative days in hearings and markup. This is a bill that has been significantly altered and one on which the alterations were made by just a few Members of this House.

Having actively participated in most of the 150 hours of hearings and markup, I am both frustrated and alarmed by this attempt to circumvent the regular legislative process. Unless we adopt the Latta amendment today, most of us will have absolutely no say on this massive piece of legislation. Therefore, I urge you to join me in

supporting the Latta amendment so that Federal housing policy gets the scrutiny that we give to every other major authorization.

NICARAGUA

(Mr. YATRON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. YATRON. Mr. Speaker, as the chairman of the Subcommittee on Human Rights and International Organizations and as a Member who opposes U.S. assistance to the Contras, I find the recent announcement by Daniel Ortega that the Sandinistas are suspending a wide range of civil and political rights to be further evidence that the revolution in Nicaragua has been betrayed.

The Sandinistas are using the threat of the Contras as a convenient excuse to impose what a recent Washington Post editorial characterized as "Cuban-type police-state rules". There is no room for playing an apologist role for the Sandinistas. Their form of governing violates many international human rights agreements to which they are signatories including the universal declaration of human rights.

Mr. Speaker, whether it is atrocities committed by the Pinochet regime in Chile, or the persecution of Jews in the Soviet Union, we must keep in mind that human rights belong to individuals not governments. The new restrictions imposed by the Nicaraguan Government demonstrate that anyone who speaks out or opposes the Sandinistas, including the leaders of the Catholic Church in Managua, will suffer the consequences.

Mr. Speaker, Daniel Ortega has called on President Reagan to make peace with Nicaragua. I certainly hope that the President will take this opportunity to commit his administration, at the highest levels, to reaching an accommodation with the Sandinistas. But at the same time let us make it clear to Mr. Ortega that the Congress and the American people reject his assertion that everything wrong in Nicaragua is the fault of the United States. Responsibility for the repressive measures implemented in Nicaragua today fall squarely on Daniel Ortega's shoulders.

□ 1030

THE TRUE NATURE OF THE COMMUNIST REGIME IN NICARAGUA

(Mr. LAGOMARSINO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LAGOMARSINO. Mr. Speaker, the Tuesday night massacre of human rights and civil liberties imposed by Communist leader Daniel Ortega leave no doubt about the true nature of the Communist regime in Nicaragua.

Ortega blames imperialist aggression for the brutally repressive measures his regime has instituted. His actions, however, only reinforce what has been happening in that nation for the last 6 years: The erosion of freedom of expression, the right to assembly, the right to collective bargaining, freedom of religion and the basic principles of human rights.

Ortega blames these actions as reaction for the imperialist aggression of the United States and those opposing his regime internally. However, as the AFL–CIO clearly states in its views on the El Salvador and Nicaragua controversy, "the sequence is not that the 'Contras' led to repression. The Sandinista restrictions on and violations of human and trade union rights began long before the 'Contras' became a significant problem for the FSLN * * *. The actual sequence, based on the historical record, was that FSLN repression produced the 'Contras' (and voluntary exile for countless others)."

DECIDE FOR YOURSELF WHERE THE TRUTH LIES

(Mr. VOLKMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VOLKMER. Mr. Speaker, as every Member of this body knows, what you read ain't always so. In an editorial in today's Washington Post there is a prime example of what ain't so.

The Post time and again has made perfectly clear where it stands on gun legislation. I, time and again, have made it clear where I stand on gun legislation. We just do not agree. But the Post has stooped to the level of not telling the truth to sway Members of this body to their side. They are using deliberate lies.

The Post says S. 49 would undercut State handgun laws. That is not true. The Post says this legislation would undercut State gun registration laws. That is not true. The Post says this legislation would undercut States' waiting periods. That is not true. The Post says this legislation would affect States' criminal background checks. That is not true. The Post says this legislation would undercut States' gun licensing laws, and that is also not true.

What the Post is saying in today's editorial is just simply not true; it is that simple. This bill does not change these local or State laws. Look at my legislation, there are nearly 160 cosponsors, and you decide for yourself where the truth lies. When you see the truth, I urge all of the Members to sign Petition No. 4 to discharge this legislation so that we can discuss it on the floor. Then we will surely see where the truth lies.

SOME MORE FANCY FOOTWORK

(Mr. McMILLAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McMILLAN. Mr. Speaker, I thought when we took up the budget reconciliation bill today we might begin to redeem this House from the laughingstock it has become on reducing the deficit. Now we've got some more fancy footwork. The majority is again asking us to follow that Biblical admonition: "Let not the right know what the left doeth." This budget reconciliation bill will give us a number of new programs. These new programs, along with some major changes in existing ones, are included in title II, which is H.R. 1, the entire Federal housing authorization bill.

The bill that the majority leadership had decided was its key legislation, worthy of the H.R. 1 designation, has been slipped in here so very neatly and we will have to vote it up or down. Why not just consider all 227 pages and $16 billion of H.R. 1 as a separate issue. For those of you who want to examine this huge piece of legislation, I urge my colleagues to join me in supporting the amendment of the gentleman from Ohio [Mr. LATTA], which would require consideration of the housing bill in full under regular order.

VOTE "NO" ON THE RULE ON RECONCILIATION

(Mr. SHARP asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHARP. Mr. Speaker, if we are as serious as most Members in the House claim we are on reducing the deficit, our first step today will be to vote "no" on the rule on reconciliation. The Rules Committee, by a very narrow vote of 7 to 6, has prevented us from voting on a critical, long-term issue that will make a difference in Federal financing in the future. That issue is how we will divvy up Outer Continental Shelf revenues which belong to the Federal Government.

Going way beyond what was envisioned in the budget resolution, the provision in reconciliation will give away far more dollars in the future than it claims to save in Federal deficit reduction today. We will have bigger deficits in the future to get a claimed paper savings in the present.

If we are serious about deficit reduction, we must stop this and stop it now. It is against what the administration wants; it is against what the Democratic chairman of the Interior

Committee wants; it is against good, sound fiscal policy.

DO AWAY WITH FISCAL INSANITY—ABOLISH SYNFUELS

(Mr. FRANKLIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FRANKLIN. Mr. Speaker, as we consider the Omnibus Reconciliation Act today, I would like to bring your attention to that part of this legislation which abolishes the Synthetic Fuels Corporation.

With the soaring national debt, we, in Congress, have attempted to effect austerity measures and in July, the House, during consideration of the fiscal year 1986 Interior appropriations bill, voted to close down Synfuels. Our colleagues, Messrs. WOLPE and SYNAR, among others, are to be congratulated for their efforts in this regard.

However, since that time, it is my understanding that the Chairman of Synfuels has announced plans to sign several billion dollars worth of contracts for new production. Upon hearing this, I immediately voiced my strong opposition to the President of the Synfuel Corporation about this inappropriate expenditure.

The House voted to strip the Synfuels Corporation of most of its $7.9 billion budget and the Senate is presently considering similar plans. Clearly, the mood in Congress is to abolish Synfuels.

Mr. Speaker, I personally think it is unconscionable to disburse such an exorbitant sum of money after the House has issued a vote of no-confidence. We have already voted to cut $7.9 billion and they are about to spend $3.8 billion on contracting. Let's do away with this fiscal insanity here and now.

ARMS SALES TO JORDAN

(Mr. AUCOIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. AUCOIN. Mr. Speaker, in the name of peace, the White house has asked Congress to approve a $2 billion weapons sale for Jordan.

Secretary Shultz claims that the sale, which includes highly sophisticated aircraft and missiles, will "encourage" King Hussein to negotiate with Israel.

How much encouragement does Hussein need? Just 4 short months ago, Congress approved $250 million in emergency economic aid to Jordan. No negotiations occurred. Weeks later, another $120 million was passed. Still, there were no talks.

Though Hussein has made a series of conciliatory remarks in recent days, he has not yet recognized Israel's right to exist. Nor has the King made a clear commitment to direct, bilateral negotiations with Israel.

Congress must not approve this arms sale. Swapping real weapons for phantom peace proposals is no bargain for the United States—and no help for the Middle East.

□ 1040

A BLUEPRINT FOR CONGRESSIONAL ACCOUNTABILITY

(Mr. DIOGUARDI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DIOGUARDI. Mr. Speaker, Congress now has a unique opportunity to dispel the notion that it does not care for the long-term health of the Nation and is more worried about offending special interests than balancing the budget. The Gramm-Rudman/Mack-Cheney proposal is a blueprint for congressional accountability, and I believe that is what concerns my reluctant colleagues. Congress cannot borrow forever without having to pay the bills. We must only spend as much money as we raise through taxes. That means that tough decisions will have to be made. I am prepared to make those decisions, but I believe that we, in Congress, need the discipline this process will bring about if we are to balance the budget. There is a great deal of talk about the willingness to balance the budget around here; now we have a chance to make good on that promise.

Many Members have raised the dire prospect of having Congress surrender some of its prerogatives if this legislation is passed. What I doubt here is that this proposal offers an avenue to avoid that problem. Instead of surrounding our prerogatives, we can start exercising them. If Congress took the necessary steps to eliminate the horrendous deficit, none of the provisions of this bill would ever be brought into effect. If this is bitter medicine to swallow, perhaps it is time to ask how we got so sick in the first place. The answer is clear—we, in Congress, have failed in our job as stewards of the public trust.

The question we must address is whether this Congress will make the hard decisions that will lead to a balanced budget. If not, let's stop kidding the American public. Let's stop giving lip service to deficit reduction. Our constituents are saying: Stop talking about it and do it.

Mr. Speaker, the American public wants action now. The American Public wants Gramm-Mack.

TV COMMENTATOR'S APOLOGY TO ORTEGA IN BAD TASTE

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RUDD. Mr. Speaker, Phil Donahue does not, I repeat, does not offer a public apology on behalf of this Congressman or his constituents for trying to contain communism and promote freedom in Central America.

In one of the worst ever displays of journalism and bad taste, the television commentator played host and sympathizer yesterday to Daniel Ortega, the Marxist dictator of Nicaragua, and his wife. He provided Ortega with a forum on national television, a friendly defense of the policies of his repressive regime, and proceeded to apologize for America's efforts to support the freedom fighters and contain Ortega's aggressive rule over Nicaragua.

Mr. Speaker, my constituents were outraged and immediately on the telephone to me and my office to express their indignation, Mr. Donahue does not represent my views, nor those of the people of Arizona's Fourth Congressional District. We do not apologize to Daniel Ortega nor shrink from supporting American policy in Central America.

MEMBERS URGED TO OPPOSE DISCHARGE PETITION ON GUN DECONTROL BILL

(Mr. HUGHES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUGHES. Mr. Speaker, there is nothing that invokes more emotionalism in this Chamber than does the subject of guns. Members have been asked to sign a discharge petition on S. 49. I would ask the Members not to do that. That would be a serious error.

The Subcommittee on Crime, which I chair, will begin hearings next Monday on a whole host of bills, including the so-called McClure-Volkmer bill. My colleague, the gentleman from Missouri, suggests to us that the bill does not have the flaws alluded to by the Washington Post. I say, read the bill. Read S. 49.

Last year, we passed a major crime initiative. One of the provisions in that was a provision requiring a mandatory 5-year prison term for those using a handgun in the commission of a violent crime. S. 49, as presently written, would undermine that law and make it more difficult to establish that particular offense. In addition, it does undercut State licensing laws and would make it more difficult to prosecute those who have committed crimes by the use of a handgun.

We are going to develop consensus legislation. It is my hope that we can have a balanced bill, one that would balance the rights of the legitimate handgun owner, the sportsman, and the rest of society, one that will in fact give our police the tools they need to prosecute those who commit violent crime by the use of a handgun.

WE NEED TO PRESERVE JOBS BY PASSING MIXED CREDITS BILL

(Mrs. JOHNSON asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. JOHNSON. Mr. Speaker, it is high time we began taking specific constructive actions necessary to protect American jobs against unfair competition.

Mr. Speaker, I am pleased to see that an initiative I proposed last year to counter foreign financial subsidies is being seriously considered and will be enacted into law before the end of this session.

After years of unsuccessful negotiations to end mixed credit financing and despite the establishment in 1983 of a program to counter unfair export subsidies, mixed credits continue to be "the most significant remaining loophole" in our negotiated export credit guidelines with the OECD.

We are losing major contracts and major follow-on business, and we are faced with long-term erosion of our market position worldwide.

The President's recent recognition of the mixed credit problem and his willingness to commit resources to correct it provides a welcome new impetus toward relief for our exporters who face this competition.

The threat to U.S. jobs posed by foreign mixed credits is recognized in both the Republican trade package and the Democratic trade package. I hope the Members will join me in cosponsoring H.R. 3296 to insure the success of this reform.

NOBEL PRIZEWINNER HONORED, BUFFALO SHARES SPOTLIGHT

(Mr. NOWAK asked and was given permission to address the House for 1 minute.)

Mr. NOWAK. Mr. Speaker, we in western New York are proud that one of our fellow citizens, Dr. Herbert A. Hauptman, has been selected cowinner of this year's Nobel Prize in Chemistry.

Dr. Hauptman is executive vice president and research director of the Medical Foundation of Buffalo Research Laboratories, in Buffalo, NY. He and Dr. Jerome Karle of the Naval Research Laboratory in Washington, DC, were honored for work they did in the 1950's to develop a mathematical approach to solving the structure of crystals.

Clearly this is a moment of great personal satisfaction and professional pride for Dr. Hauptman. But it also is a moment of great pride for us who reside in the Buffalo area—as Dr. Hauptman has since 1970.

As the Buffalo News noted in its editorial, Dr. Hauptman's selection "has won instant worldwide recognition for himself and for Buffalo * * *. It's an indication of the excellence of Buffalo's academic and research facilities that a researcher of Hauptman's caliber should come here to contribute the work he began in Washington. This recognition he has brought to Buffalo should have the practical result of boosting Buffalo's image as a research center * * *."

We in the Buffalo area indeed are proud of our community's contributions to research, via institutions like the Medical Foundation of Buffalo, the State University of New York at Buffalo, and Roswell Park Memorial Institute.

Dr. Hauptman's Nobel Prize has added luster to our city's reputation. We wish him continued success.

HALLOWEEN AND RECONCILIATION MAY LEAD TO A HAUNTED HOUSE

(Mr. McCOLLUM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCOLLUM. Mr. Speaker, assuming a rule is adopted, we will consider the budget reconciliation bill today and it's probably fitting as we near Halloween, but the Members should be aware that there's a ghoulie lurking in the language of this bill. Title II of the reconciliation bill is the entire 227 page contents of the Federal housing authorization bill, which adds five brand new programs totaling $235 million and increases seven existing programs by $574 million over the bill reported last year by the Banking Committee.

More spooky yet, these reconciliation changes were approved in the dark by a closed caucus of only the majority Members.

There is no reason for this complicated and controversial housing bill to be cloaked in the disguise of reconciliation and to be considered under the mask of cutting the deficit.

While this complex bill certainly represents a treat for some beneficiaries, the trick is to find out how it would affect your own district, something you'll have a hard time doing under this closed rule.

I urge my colleagues to support the Latta amendment which would provide for regular order consideration of the housing bill. Some daylight consideration of this massive bill will, I guarantee you, prevent a House haunted later.

□ 1050

VUCANOVICH SUPPORTS YOUTH EMPLOYMENT OPPORTUNITY ACT

(Mrs. VUCANOVICH asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. VUCANOVICH. Mr. Speaker, today I rise to support H.R. 1811, the Youth Employment Opportunity Wage Act. This legislation provides for a temporary program allowing employers to hire a person under age 20 and pay a subminimum wage of $2.50 an hour for work during the summer months.

H.R. 1811 contains provisions prohibiting the firing, transferring, or demoting of adults and youth already employed, as well as prohibiting the lowering of wages during that period of time for those youth already employed. The penalty is a fine of up to $10,000, imprisonment up to 6 months, and payment of back wages.

Youth employment can cause serious problems later on for some individuals as they reach adulthood. All youth, but particularly disadvantaged youth, are in dire need of the work experience that this bill would provide. For many of them, it has not been a choice of a job paying between $3.35 per hour and $2.50 per hour, but between a lower minimum wage or no job at all.

This proposed legislation has bipartisan support, and has been endorsed by numerous businesses and minority organizations. It is estimated that this bill would create up to 400,000 new jobs. In addition, such jobs provide the opportunity for unskilled, inexperienced young people to earn experience necessary for later employment.

Billions of taxpayer dollars have been spent on Government spending programs for youth, but the unemployment rate continues to increase for young people. This bill contains no cost to the taxpayer.

I strongly support this measure and urge the House to enact this bill.

PERSONAL EXPLANATION

Mr. CONTE. Mr. Speaker, yesterday, during the vote on rollcall 365, I was at a meeting at the White House with the President and members of the Appropriations Committee.

As a prime sponsor of H.R. 2095, and as one who strongly supports extension of daylight saving time, I would have certainly voted "yes" on this measure had I not been off the Hill at this important meeting.

Fortunately, Mr. Speaker, Mr. MOORHEAD was kind enough to let me

make a statement in strong support of this legislation before I left for my meeting, and I am just sorry that I was not able to couple my statement with a strong vote for this important and beneficial legislation.

PROVIDING FOR CONSIDERATION OF H.R. 3500, OMNIBUS BUDGET RECONCILIATION ACT OF 1985

Mr. DERRICK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 296 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 296

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3500) to provide for reconciliation pursuant to section 2 of the First Concurrent Resolution on the Budget for the fiscal year 1986, and the first reading of the bill shall be dispensed with. All points of order against the consideration of the bill are hereby waived, all points of order for failure to comply with the provisions of clause 5(b) of rule XXI are hereby waived against subtitle C of title III of the bill beginning on page 267, line 19 through page 351, line 15, and all points of order against the bill for failure to comply with the provisions of clause 5(a) of rule XXI are hereby waived except against section 4110 of the bill, beginning on page 379, line 20 through page 380, line 17. After general debate, which shall be confined to the bill and shall continue not to exceed four hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Budget, the bill shall be considered as having been read for amendment under the five-minute rule. The following amendment shall be considered as having been adopted in the House and in the Committee of the Whole: on page 15, strike out lines 8 through 10 and insert in lieu thereof the following: "which become available during fiscal year 1986, the Secretary shall, to the extent approved in appropriations Acts, reserve authority to enter into obligations aggregating—". No other amendment to the bill shall be in order in the House or in the Committee of the Whole except the following amendments, which shall not be subject to amendment or to a demand for a division of the question in the House or in the Committee of the Whole, and which shall be in order any rule of the House to the contrary notwithstanding:

(1) a motion, if offered by Representative Fazio of California, to strike subtitle B of title VIII of the bill beginning on page 481, line 1 through page 486, line 6, and said amendment shall be debatable for not to exceed thirty minutes, to be equally divided and controlled by Representative Fazio and a Member opposed thereto;

(2) an amendment printed in the Congressional Record of October 17, 1985, by, and if offered by, Representative Latta of Ohio, and said amendment shall be debatable for not to exceed one hour, to be equally divided and controlled by Representative Latta and a Member opposed thereto; and

(3) an amendment printed in the Congressional Record of October 17, 1985, by, and if offered by, Representative Florio of New Jersey, and said amendment shall be debatable for not to exceed thirty minutes, to be equally divided and controlled by Representative Florio and a Member opposed thereto. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER pro tempore. The gentleman from South Carolina [Mr. DERRICK] is recognized for 1 hour.

Mr. DERRICK. Mr. Speaker, I yield the customary 30 minutes, for the purpose of debate only, to the gentleman from Ohio [Mr. LATTA], and pending that, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 296 is a modified closed rule providing for consideration of H.R. 3500, the Omnibus Budget Reconciliation Act of 1985.

The rule provides 4 hours of general debate on H.R. 3500, to be equally divided between the chairman and ranking minority member of the Committee on the Budget.

House Resolution 296 waives all points of order against consideration of the bill, and waives points of order for failure to comply with clause 5(b) of rule XXI against subtitle C of title III of the bill. Clause 5(b) of rule XXI prohibits the inclusion of tax or tariff measures in bills or resolutions reported from committees not having jurisdiction to report tax and tariff measures.

Title III of this 10-title bill contains the reconciliation recommendations reported from the Committee on Education and Labor. Subtitle C of this title, which deals with amendments to the single-employer termination insurance system, contains provisions which may represent a violation of clause 5(b) of rule XXI. Therefore, this resolution waives points of order for failure to comply with this rule of the House.

This rule also waives points of order against the provisions of the bill for failure to comply with clause 5(a) of rule XXI, except for those provisions in section 4110 of the bill. These provisions, found in title IV of the bill, the Energy and Commerce Committee's title, include a rescission of all but $500 million of previously appropriated funds for the energy security reserve, the Synthetic Fuels Program, as well as an appropriation of $500 million for a scaled-down synfuels program.

Mr. Speaker, as our colleagues are aware, the House overwhelmingly approved a rescission of funds for the Synthetic Fuels Program during consideration of H.R. 3011, the Interior and Related Agencies Appropriation Act for fiscal year 1986. That bill, which passed the House on July 31, is awaiting action by the other Chamber.

In light of the action taken on the Interior appropriations bill, the Committee on Appropriations objected to the inclusion of this language as part of the reconciliation package reported by the Committee on Energy and Commerce. Therefore, this rule does not protect this language from a point of order.

This rule provides that no amendments to H.R. 3500 are in order except the four amendments referenced in the rule. The first amendment made in order amends language on lines 8 through 10 of page 15 in title II, the Banking Finance and Urban Affairs Committee's title.

This amendment, which will be considered as adopted in the House and in the Committee of the Whole upon adoption of this rule, seeks to ensure that funding earmarks contained in this section are subject to future appropriations acts. This amendment is primarily technical and clarifying in nature. The amendment is agreeable to both the Committees on Appropriations and Banking.

Next, this rule makes in order a motion, by, and if offered by, Mr. FAZIO of California. The motion would strike subtitle B of title VIII, the Public Works and Transportation Committee's title of H.R. 3500. This amendment is debatable for 30 minutes, with the time being equally divided and controlled by Mr. FAZIO and a Member opposed thereto.

Mr. Speaker, the Fazio amendment would delete those provisions in title VIII which remove certain trust funds from the unified budget. Numerous Members, including myself, have considerable concern over the impact of removing these trust funds from the budget, and the precedent such action will have for future reconciliation bills. Moreover, it is the view of the proponent of this amendment and others that a reconciliation bill is not the appropriate vehicle to address this substantive budget policy issue.

This rule, therefore, will give the membership of the House an up-or-down vote on this issue. I should also note, Mr. Speaker, that the Committee on Appropriations strongly opposes the removal of these trust funds from the unified budget.

An amendment is also made in order, by, and if offered by, Mr. LATTA of Ohio. This amendment, which was required to have been printed in the CONGRESSIONAL RECORD of October 17, 1985, is debatable for 1 hour, with time being equally divided and controlled by Mr. LATTA and a Member opposed thereto.

The Latta amendment seeks to delete from H.R. 3500 all new authorizations or so-called add-ons in the bill.

This amendment would delete authorizations for housing programs in title II; authorizations for coastal zone management and a Coastal Resources Block Grant Program in title VI; provisions removing the highway and airport trust funds from the unified budget in title VIII; and authorizations for two studies of the veteran population in title X. The Latta amendment would also amend authorizations for Federal pay adjustments contained in title VII of the bill.

Finally, Mr. Speaker, the rule makes in order an amendment by, and if offered by, Mr. FLORIO of New Jersey. This amendment is debatable for 30 minutes, with time being equally divided and controlled by Mr. FLORIO and a Member opposed thereto. The Florio amendment contains a 1-year reauthorization of Amtrak. As our colleagues are aware, this authorization was approved by the House on September 19, 1985, on a vote of 290 to 128. I would also note that the other Chamber has included an Amtrak reauthorization measure in S. 1730, the Consolidated Omnibus Budget Reconciliation Act of 1985.

Mr. Speaker, as chairman of the Budget Committee task force on the budget process and reconciliation, as well as being the sponsor of H.R. 3500, I can tell you that the process of putting together a reconciliation bill is never an easy one.

This bill contains the reconciliation recommendations of 10 committees of the House of Representatives. The additional reconciliation recommendations of several other committees are carried in separate legislation.

During general debate, there will be a full discussion of the savings achieved in H.R. 3500 versus the reconciliation instructions contained in the first concurrent resolution on the budget. I am pleased to note, however, that the savings achieved by the 10 committees whose recommendations are contained in H.R. 3500 are 6 percent above the instructions contained in the first budget resolution.

Mr. Speaker, the Rules Committee has recommended a modified closed rule for consideration of H.R. 3500. The rule permits a very limited number of amendments: an amendment to resolve an unintended drafting problem in the banking title; an amendment on a budget policy issue in the public works title; a comprehensive amendment, offered by the minority, to delete various authorizations in the bill; and an amendment to add a 1-year authorization for Amtrak in order to have a House position on this issue in conference on the reconciliation bill.

I believe this is a good rule. The Committee on Rules heard testimony for some 6 hours from over 40 witnesses. While every request for amendments to H.R. 3500 was not made in order under this resolution, the rule does make in order several major policy questions while keeping the integrity of the reconciliation package intact.

The reality of the reconciliation process is that it is a somewhat painful process. If considered under an open rule, this package simply could not be passed, and the savings we must achieve would not be realized.

Mr. Speaker, I urge adoption of the rule, and subsequently, adoption of H.R. 3500.

□ 1105

Mr. LATTA. Mr. Speaker, I yield myself such time as I may consume.

Mr. LATTA. Mr. Speaker, let me say I agree with the statements just made by the gentleman from South Carolina about this rule, and I do not want to rehash the provisions of the rule other than to say something about the reconciliation process that I think ought to be said.

Certainly before we become too involved in the details on this, we ought to step back 1 minute and consider the overall purpose of budget reconciliation. The purpose of budget reconciliation is to make the reductions in spending or changes in revenue directed by the House in its budget resolution. As Members recall, we passed that resolution in this body and in the other body in August.

The budget resolution for fiscal year 1986 directed 14 committees to take steps to reduce the deficit, and yet, Mr. Speaker, H.R. 3500 as we have it today, made in order by this rule, does include a number of provisions which do not reduce the deficit but, in fact, will bring on new spending.

In one title of this budget reconciliation bill, the Committee on Banking, Finance, and Urban Affairs tacked on the provisions of a major—and I repeat major—authorization bill, H.R. 1. This has been hanging around for quite some time. It has been in the Committee on Rules since the forepart of August and no movement has been made on that bill, but we find it now being included in reconciliation.

Let me also say that the Budget Act does not give the Committee on the Budget any authority to change any of the recommendations under reconciliation after they are submitted by the committees, meaning all we do in the Committee on the Budget is bundle up all of these committee recommendations and present them to the Committee on Rules and subsequently, then, to the floor. So the only way we can make changes is on the floor of the House. That is the reason we have made several amendments in order, and I might say some of the amendments that were not made in order I could support, and I am referring to the Udall amendment, for example. I am very sorry that the Committee on Rules did not see fit to make that particular amendment in order.

Mr. Speaker, using the budget reconciliation bill as a vehicle for deficit add-ons or as a vehicle for major authorization legislation is contrary to the purpose of reconciliation. In order to correct this abuse of the process, I have drafted an amendment, which has been made in order to eliminate the deficit add-ons and the provisions of the housing authorization bill itself.

Let me make clear, Mr. Speaker, that I am not opposed to the consideration of these bills per se. I am just opposed to the way they are being brought forth; that is, in the reconciliation bill. If it is given a rule by the Committee on Rules, I think H.R. 1 should be debated and amended on the floor of the House and not be brought forward in this manner.

Let me say, Mr. Speaker, that my amendment would retain all of the actual reconciliation measures which are in this bill, but we would be eliminating the add-ons, which would result in a total savings of $3.5 billion. Let me repeat that. My amendment would amount to savings of $3.5 billion in add-ons over the next 3 years, and this does not include another $1 billion in savings which could be achieved later by eliminating deficit add-ons in a separate reconciliation bill, H.R. 3128, under consideration by the Committee on Rules from the Committee on Ways and Means.

Mr. Speaker, the rule before us today provides a reasonable procedure for the consideration of the Budget Reconciliation Act. First, there will be 4 hours of general debate. Then the rule provides for separate consideration of three specified amendments which are not amendable.

The first amendment listed in this rule is to be offered by the gentleman from California [Mr. FAZIO], and it will strike the provision in the bill which takes the highway and airport trust funds off budget, and this will be debated for 30 minutes.

Let me pause at this point to lay aside some of the arguments that are being used as to whether or not this trust fund should be on or off budget. I have heard people say in this Chamber that if we do not make these highway trust funds off budget, they are going to lose some projects in their districts or in their States. That is ridiculous. Those projects will move through this Congress just the same as they do now, whether they are on budget or off budget. It is a bookkeeping matter, and by taking them off budget, we are going to add $580 million to the deficit in 1 single year.

If, for example, we were to take Social Security off budget, the figure of $60 billion in new deficits would be added to our total debt in one swoop,

and I do not know too many people who want to do that.

The second amendment listed is my amendment which would eliminate the deficit add-ons in H.R. 1. This will be debated for 1 hour.

There is a third amendment listed, to be offered by the gentleman from New Jersey [Mr. FLORIO]. The Florio amendment would add—and I want to emphasize this—would add the authorization for Amtrak to this budget reconciliation bill. This amendment will be debated for 30 minutes.

Mr. Speaker, the rule waives all points of order to protect certain parts of the bill, naturally. During the Committee on Rules hearings on this rule, 37 Members of Congress testified, seeking to have various amendments made in order. Many of these dealt with problems or conflicts between committees, which can be more easily resolved in conference than on the House floor.

Let me also say, Mr. Speaker, and to emphasize that if I had had my way in the Committee on Rules, which I did not have on all of these questions, certainly I would have made some of these amendments that Members sought to have made in order, made in order. But the votes were not there and they were not made in order. But I think we have the best rule we could possibly get out of the Committee on Rules on a very complicated matter.

Mr. Speaker, I support the passage of this rule so that the House may proceed to deal with the budget reconciliation bill, and I cannot emphasize too much how important this reconciliation bill is to deficit reduction. Deficit reduction in this Congress is most dependent upon the passage of a budget reconciliation bill like we have before us today.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 1 minute to the gentleman from Louisiana [Mr. BREAUX].

Mr. BREAUX. I thank the gentleman for yielding this time to me.

Mr. Speaker, I thank the chairman for allowing me to address one particular issue. I support the rule. I think it is a good rule.

The issue I would like to speak to very briefly is the issue of the so-called 8(g) settlement. I think it is a fair settlement. It gives to the States 27 percent of the bonuses, the rents, and the royalties that come from Federal lands. Interior States get 50 percent of the same bonuses and rents and royalties from Federal lands within their area.

Three committees in Congress have looked at this problem. All three of them have come back and reported legislation which handles the problem basically in the same way. I think the committee process has worked. It should be protected. I think it is a fair settlement to the Federal Treasury and that it gives to the Federal Government somewhere between $4.3 billion and $4.48 billion to help reduce the deficit to the Federal Government, with the States getting 27 percent. The States originally fought for 50 percent, so a 27-percent settlement, I think, is fair, it is certainly equitable. It is substantially less than what interior States already get from Federal lands and I cannot believe that anyone would think that coastal States should somehow be treated less fairly than the interior States of the United States.

I think this is a good settlement and we should not open it up. The rule is a good rule and I strongly support it.

□ 1115

Mr. LATTA. Mr. Speaker, I yield 3 minutes to the gentleman from Mississippi [Mr. LOTT].

Mr. LOTT. Mr. Speaker, I rise in support of this rule. It was a very finely crafted rule. It is not perfect, but it was a difficult issue because you have a lot of conflict between a lot of committees around here.

It is getting to where the Rules Committee is getting to be a constant battleground between this committee, that committee, jurisdiction, turf, and sooner or later, we have to vote. We have to try to find a way to get a rule to the floor that is fundamentally, basically fair, even though some committee or the other feels like they have been abused. That is not the intent. We wanted to try to get a rule here that would bring this issue to the floor for consideration, for a vote, that would give everybody a crack on the issue.

Now speaking to our side of the aisle, the Latta amendment was made in order. There may be a point or two that you do not like in the Latta amendment. But remember this: If you do not get an opportunity to pass the Latta amendment, this is not going to be a reconciliation bill. This is going to be a shell game again.

Are we going for a reconciliation bill that allows for raising of spending and for putting housing authorization legislation in it? I mean, let us put everything in the reconciliation bill. Are we serious or not?

We are over there in conference meetings right now on the debt ceiling and Gramm-Rudman-Mack budget balancing procedure. We are talking about trying to come up with a new budget process. Do you want to know why we are doing that? Exhibit A. This bill as I said last week, if we cannot make reconciliation work, if we do not stop using it as a train to pull everybody through town that week, it is going to collapse.

So on the Latta amendment, it is an opportunity to try to make this a reconciliation bill instead of an omnibus catch-all bill.

Let me tell my colleagues on my side of the aisle that if we do not pass this rule, and if the Republicans do not vote for this rule, we do not have any guarantees when we go back to the Rules Committee about what we are going to get. We may not get Latta. We may not get anything.

And those of you on the other side of the aisle who think, well, I will vote against this rule and I will get something that suits me better, that involves maybe the offshore oil question one way or another, or involves ways and means and the tax issues, well you do not have any guarantees. We may not even have another rule. We may not even have reconciliation.

Let me tell my colleagues there are a lot of people on the floor of this House that would like to have no reconciliation. They do not like it, because reconciliation tries to make us comply with the budget resolution we have already passed.

So we will fight over the Fazio amendment and we will debate the Latta amendment. But for God's sake, let us pass a rule.

Are we going to be sitting here with nothing? What would we do? You know, we have already got it stretched out over 2 days. All we are going to do today is have one measly vote on the rule, and then the general debate, and then we are going to pass for the day and go over to tomorrow. We will fight another day, and that "another day" will be tomorrow.

We could not even dredge up some kind of cat or dog that we could consider tomorrow, so we have stretched this bill out over 2 days.

So if we do not have a rule, well, maybe you would want to do that. We can all go home tonight and explain why we cannot pass a measly rule on a reconciliation bill.

I had prepared remarks and I did not refer to them very much. But I urge my colleagues to vote for this rule because what you get as an alternative may be nothing.

Mr. Speaker, I think it's fair to say that there's no one in this House who is completely enamored with this rule or the bill it makes in order. But that's the nature of the reconciliation process today. It's filled with pains and games. There are pains for everyone who is forced to make cutbacks in favorite programs in his or her committee and district, and there are always pains involved for those who bear the brunt of these cuts.

But there are games involved in reconciliation too—games that have been going on since reconciliation was first used back in 1980. Some committees see this as a convenient vehicle for attaching their favorite reauthorization bills and even some new goodies. The bill is not subject to the same scrutiny and amendment as bills brought up individually. These tend to be relatively closed rules, and relatively veto-proof bills.

So the temptation is there to catch a free-ride.

Now I realize that there are other pains involved in this year's reconciliation process that have strained the process and relations between various committees. We have several provisions in this legislation that step on the toes of other committees. This is not the fault of reconciliation; it's the way our jumbled and overlapping committee jurisdictions are set up under House rule 10. You don't hear that much squawking when committees are able to share in the glory of a joint legislative venture. But when you are in a no-glory, deficit reduction effort, turf becomes a much more sensitive situation. And I sympathize with those committees who feel their turf has been evaded.

And finally there are the games played with numbers and how much is really being saved. In a conversation with the new OMB Director yesterday, I was informed that this legislation is actually $17 billion short of its 3-year savings target, even though the Budget Committee says it's on target.

Now that's a pretty significant difference in scorekeeping, and one might be tempted to say that OMB is playing some kind of game. But, consider the fact that a big part of that $17 billion difference is credit to the Government Operations Committee for saving $8.4 billion by terminating revenue sharing. The fact is, though, that revenue sharing is terminating any way. There is no reconciliation legislation producing those savings. Other so-called savings by other committees are subject to similar games and manipulation.

But despite all the pains and games, we must get on with this process because it is so critical to our short-term and long-term deficit reduction effort. This rule does make in order the amendment by the gentleman from Ohio [Mr. LATTA] to eliminate most of the extraneous add-ons, totaling some $3.5 billion over the next 3 years. I hope it passes. That will eliminate one of the major problems with this bill, especially the inclusion of H.R. 1, the omnibus housing bill. That has no place in this!

Mr. Speaker, I am privileged to be a conferee on the debt limit bill and the provisions of the Gramm-Rudman balanced budget and emergency deficit reduction amendment. Our sessions have been interesting to date, if not terribly productive. But I was amazed and almost encouraged by what I was hearing from my House majority colleagues yesterday. "Let's get tougher than Gramm-Rudman and reduce the deficit in greater amounts sooner," they were saying. I said I was almost encouraged, because I've heard this kind of talk before, and when push comes to shove in the nitty-gritty world of spending decisions, we cop out. That's why we are now considering the type of action-forcing mechanism presented by Gramm-Rudman-Hollings: an across-the-board cut in COLA's and controllables that would be so onerous and fraught with problems that we just might do our job right before it gets to that.

But to my brave, tough talking friends, let me invite you to put your savings where your mouth is. Vote for the Latta amendment. Then let's squarely face what more needs to be done.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 2 minutes and 15 seconds to the gentleman from Arizona [Mr. UDALL], chairman of the Committee on Interior and Insular Affairs.

Mr. UDALL. Mr. Speaker, I rise in strong opposition to the rule on the budget reconciliation bill. I urge my colleagues to join me in defeating this rule and sending it back to committee so we can get a fair and equitable rule to operate under.

I am opposed to this rule for many reasons, but what is especially troubling to me are provisions in both the Merchant Marine and Interior titles that just hand over to seven coastal States more than $6 billion in Federal offshore oil and gas revenues. At a time when this Congress voted to phase out is justifiably obsessed with the deadly threat of massive budget deficits it is embarrassing and inexplicable to this Member how the House would not only approve this outrageous giveaway but even worse would not even give us the chance to vote on it. And that is what the Rules Committee did on a 7-to-6 vote.

I do not have the time to give the House a full explanation of this situation, because the rule does not permit it. But in simple terms here is what has happened: In 1953, the Congress overturned a Supreme Court ruling that all offshore waters belong to the United States and we gave the first 3 miles of coastal waters to the respective States. Since then, the Gulf and Pacific States have enjoyed 100 percent of the very enormous oil and gas benefits that generous decision conferred on them.

In 1978, Congress overhauled the oil and gas leasing system in Federal waters beyond the 3-mile boundary. A relatively minor provision called section 8(g) set up a process whereby States would be made whole whenever a Federal lessee in the first 3 miles of Federal waters—in other words, 3 to 6 miles from shore—drained State oil and gas from reservoir lying under both State and Federal waters. When and only when the Secretary of the Interior and a Governor determined such a reservoir was being drained, they were to enter into negotiations for a fair and equitable distribution of the bonuses, rents, and royalties.

But the States of Louisiana, Texas, California, Alaska, Mississippi, Alabama, and Florida have managed in this bill this limited provision into a general revenue sharing mechanism of staggering proportions. They appropriate unto themselves $1.5 billion in old bonuses and rents immediately and $54 million in old royalties immediately. In the future, they generously grant themselves 27 percent of all future Federal bonuses and rents from leases in the 8(g) zone whether or not those leases result in the production of any oil, much less State oil. Even worse, they also grab 27 percent of all future Federal royalties on oil that is produced, even if it is purely Federal oil. This royalty provision alone will cost the Treasury $4 to $6 billion. They also have appropriated unto themselves an additional $477 million to be financed in future years by diverting an additional 10 percent of 8(g) revenues into a new fund to directly pay these States.

None of this money will ever be appropriated by the Congress because it goes directly to these seven States. But it is spending all the same—massive spending that buys absolutely nothing for the Federal Government and its beleagured taxpayers and the Rules Committee won't let you vote on it. Next year and the year after that and the year after that you will have to cut a worthwhile program or raise somebody's taxes or borrow some more money and ask our children to pay the interest on it, in order to pay for this. Go home to explain this to your constituents.

Mr. Speaker, we hear a lot of talk around here right now about how the Congress can't discipline itself on spending and so we need some grandiose budget balancing proposal to force discipline on ourselves. What we have here is a glaring and perfect example of that. Now I can understand the temptations of the Members from those seven lucky States to get all this money for the folks back home. But I don't understand why the Members from the other 43 States have to go along with it. I don't understand how we will explain to our constituents that we are going to start getting really serious about balancing the budget next year, but this year we gave away more than $6 billion to seven coastal States. I don't understand why the House cannot take an hour of its time to talk about this very significant policy and budget issue.

Please, vote down this rule and help me to put a stop to this embarrassing episode.

Mr. LATTA. Mr. Speaker, I yield 2 minutes to the gentleman from Tennessee [Mr. DUNCAN].

Mr. DUNCAN. Mr. Speaker, I thank the gentleman for yielding me this time.

I rise in opposition to this rule because it has become, I think, ironically a vehicle for avoiding jurisdictional rules of the House involving not only the committee upon which I serve, the Ways and Means Committee, but other committees of the House.

This is the first time that I have ever been opposed to a rule from the Rules Committee, but I think this is the most irresponsible request for a

rule that has been my experience to see since I have been in the House of Representatives for 21 years.

For example, parts of H.R. 3500 clearly are within the jurisdiction of the Ways and Means Committee. Yet when our committee asked the Committee on Rules to make it in order under the rule, either as an amendment to strike the language in question, or substitute preferred language, we were turned down. That, of course, is the prerogative of the Rules Committee. But I submit to you, Mr. Speaker, that it was not a decision in keeping with the spirit of the rules of this House. It particularly runs counter to the rights of other legislative committees as well as our own to have some control over their own jurisdictional areas.

I want to emphasize that my objections in this matter are more procedural than substantive. In cases where committees have inserted revenue items or other items not within their jurisdiction, arguments on merits should be conducted on another plane.

Each of these items, Mr. Speaker, are very important. But if this rule were to pass, I think many committees in this House could say good-bye to their jurisdiction in the very near future.

So I say this is one of the most dangerous things that we have ever voted on, and I urge my colleagues to vote no.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 1 minute to the gentleman from Louisiana [Mr. HUCKABY].

Mr. HUCKABY. I thank the gentleman for yielding me this time.

I rise also in strong support of this rule and would like to address briefly the offshore oil and gas settlement.

In 1978, Congress said that the Federal Government should share with the States in a fair and equitable manner all revenues derived from the so-called 8(g) zone. The States thought fair and equitable was 50 percent, because this is what the Federal Government shares on its onshore property with the States as well as all its mineral leases.

This money, billions of dollars, has been held in escrow since 1978. This year, as part of this budget reconciliation, Congress agreed with the States, and the States agreed to accept 27 percent.

The gentleman from Arizona [Mr. UDALL] said that the States will receive some $6 billion over future years. In order to reach this number, one has to project out 30 years, and one has to assume that production is 20 times greater than what it is today in this offshore zone. I think that is totally unrealistic. No one can reach to those numbers.

This is a fair and equitable settlement and I would urge adoption of the rule.

Mr. LATTA. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota [Mr. FRENZEL].

Mr. FRENZEL. Mr. Speaker, I rise in vigorous objection to the rule and urge that all Members vote no on this rule.

The gentleman from Arizona [Mr. UDALL] has told us that unless you vote "no," you are going to see $4 billion or $5 billion go out of the Federal Treasury into direct payouts to a select handful of States.

You have also found that the Appropriations Committee is going to lose jurisdiction over spending out of the trust fund, so that there will be a direct dip out of certain of our Federal trust funds under the jurisdiction of only one committee.

My problem with this rule is it sets a precedent which allows every committee of the House to sweep out its broom closet of pet projects which it cannot pass in the normal run of legislative affairs. And it will then attach them to the reconciliation bill which those committees know must ultimately pass.

The Rules Committee is meant to be the guardian of these jurisdictional disputes. It has failed its responsibility in that regard.

The Ways and Means Committee has a series of objections. The most important one is that the Rules Committee has invaded our jurisdiction and given a pension matter exclusively to the Education and Labor Committee.

This matter of law that the Ways and Means Committee has shared since 1974 is ERISA. At that time, we passed a complicated law knowing we would lose thousands and thousands of pension systems, but at least we knew what was going to happen. Now we have a complicated new law presented by the Education and Labor Committee attached to the reconciliation bill, not germane, in my judgment, to reconciliation at all, which will probably cost many more pension programs. They will go out of business or they will never start in the first place.

Education and Labor is justly interested in protecting the PBGC, and so it has given us some amendments which help large, well-funded pension funds and the employees of those funds. It, however, causes a heavy reliance on other private pension sources because we are certain to lose new companies and shaky employers from the pension system, and thereby place heavier pressure on Social Security.

I urge a vote against the rule.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 2 minutes to the distinguished gentleman from New Jersey [Mr. HOWARD], chairman of the Committee on Public Works and Transportation.

Mr. HOWARD. Mr. Speaker, I rise in opposition to the rule on H.R. 3500.

In part, that rule makes in order two amendments to strike language in the Public Works and Transportation Committee's title of the bill removing self-financed, deficit proof transportation trust funds from the unified budget. I believe inclusion of this language as part of the reconciliation bill is appropriate for a number of reasons.

First, taking the self-financed transportation trust funds off-budget is consistent with the primary purpose of the first concurrent resolution on the budget for fiscal year 1986.

This year's resolution has at its centerpiece a plan for deficit reduction and control of Federal spending. In projecting deficits for fiscal years 1986–88 at approximately $172, $155 and $113 billion, the budget assumes corresponding 3-year savings or deficit reductions of $75 billion. The purpose of the reconciliation bill is to implement those savings which will achieve deficit reductions.

According to the Congressional Budget Office, taking the self-financed transportation trust funds off-budget would decrease the deficit by $80 million in fiscal year 1989 and by $230 million in 1990. Arguably, these could be even higher since CBO's estimate is based upon budget resolution assumptions and not what the actual spending might be for those years.

More importantly, taking these trust funds off-budget would provide for a clearer, more accurate picture of Federal spending in future years. Decisionmaking in the budget process, as we know it today, would no longer be distorted as self-financed transportation trust funds would not be pitted against other Federal programs which must compete for scarce general revenues.

Second, there is precedent for taking programs off-budget in the reconciliation bill.

In the Omnibus Budget Reconciliation Act of 1981, both House and Senate Energy Committees recommended, the Congress approved and the President signed into law language taking the strategic petroleum reserve off-budget.

Third, taking the self-financed transportation trust funds off-budget in reconciliation is germane to both the instructions given the Public Works and Transportation Committee and the recommendations submitted by it.

The reconciliation instruction to our committee assumed enactment of the 3-year highway obligation ceilings at the levels contained in the budget resolution.

As part of its package, the committee recommended those assumptions.

In addition, it proposed an $800 million cut in the basic Federal-aid highway program for fiscal year 1986, reflecting a concern for the current status of the highway trust fund. A logical extension of both actions is the inclusion of this off-budget language which goes to the very issue of future year highway spending.

In addition, inclusion of this language does not authorize or provide new budget or spending authority.

Most importantly, it does not authorize a new program as others have done in this reconciliation bill.

Last, taking the self-financed transportation trust funds off-budget is consistent with the procedural exemptions of the Budget Act.

Mr. Speaker, next year will mark the 30th anniversary of the creation of the first self-financed transportation trust fund. Beginning July 1, 1956, receipts from various road taxes were placed in the highway trust fund rather than the general fund of the Treasury to support highway construction. With the addition of the airport and airway trust fund in 1970 and the mass transit trust fund in 1982, we have witnessed over the past three decades the evolution of a national transportation program which has contributed greatly not only to the quality of life of all our citizens and the choices open to them, but to the industrial development, investment and productivity of this great Nation.

As a financing concept, the self-financed transportation trust funds are second to none. They have a demonstrated track record of fiscal soundness, efficient management and prudent investment.

Unfortunately, the rule which is before us today does not take into account these factors. Rather, it unjustly singles out an issue which rightly deserves the protection of the reconciliation process.

I recognize that for various reasons—none of which go to the merits of the trust fund proposal—certain Members of the House cannot support my opposition to the rule.

However, should this rule not be defeated, I do welcome your support in opposing the Fazio-Latta amendments. I do so, not as chairman of the Public Works and Transportation Committee, but as one concerned about an issue of utmost importance to all Americans.

Mr. Speaker, I urge a "no" vote on the rule.

□ 1130

Mr. LATTA. Mr. Speaker, I yield myself 30 seconds.

Let me say I listened intently to the statement just made by my good friend from New Jersey [Mr. HOWARD]. Let me emphasize that he stated in so many words that we are not going to have more or less money based on whether or not the highway trust funds remain on budget.

As I stated earlier, it is a bookkeeping question concerning whether or not they are going to be on budget or off budget, and whether or not we are going to pick up $580 million in fiscal year 1987 of additional deficits. That is what the question is; there is no question concerning whether or not we are going to get more highways in our districts or in our States, or more bridges. It is just a bookkeeping question whether they are going to have $580 million.

Mr. Speaker, I yield 2 minutes to the gentleman from Ohio [Mr. WYLIE].

Mr. WYLIE. I thank the gentleman for yielding.

Mr. Speaker, I support the rule, which would allow the House to vote on an amendment to be offered by the gentleman from Ohio [Mr. LATTA] which would strike all budget add-ons to existing programs along with all new program language.

As a member of the Banking Committee, I would like to point out that this reconciliation bill, which we will be asked to consider, contains the entire authorization bill of the Department of Housing and Urban Development, all 227 pages of a bill which was finalized essentially by the majority members of the House Banking Committee.

It is substantially different from the bill we approved in the full Committee on Banking and the funding levels on many programs were changed in the closed caucus.

This is a bill, I might add, which took 3 days for staff to explain before the actual 8 days of markup. I believe the House deserves to have full debate on this complex housing bill and adoption of the Latta amendment would ensure that we would take this legislation up under regular order, not under what is essentially a closed rule as it applies to the housing programs authorizing over $20 billion—as I said, in 227 pages.

I think this is not a fair procedure, Mr. Speaker. We should support the rule.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 2 minutes to the distinguished chairman of the Committee on Ways and Means, the gentleman from Illinois [Mr. ROSTENKOWSKI].

Mr. ROSTENKOWSKI. Mr. Speaker, I rise in opposition to House Resolution 296.

It is clear that H.R. 3500 to which this rule will apply has been used for many purpose other than budget reconciliation.

H.R. 3500 contains several provisions that have been placed there by other committees with the purpose of avoiding the jurisdiction of the Committee on Ways and Means.

On October 16, 1985, I appeared before the Committee on Rules to protest the use of the reconciliation process as a vehicle by which one committee could circumvent the jurisdiction of another. At that time, I requested that the Committee on Rules strike from H.R. 3500 those provisions that would have been jointly or sequentially referred to the Committee on Ways and Means, had the normal legislative referral process been followed. In addition, I requested that the Committee on Rules make in order an amendment that was approved by the Committee on Ways and Means to the single employer pension plan provisions contained in title III of H.R. 3500.

However, the Committee on Rules denied both requests. As a result, House Resolution 296 does not strike any provisions that violate the jurisdictional rights and responsibilities of any committee. In addition, House Resolution 296 does not allow the Committee on Ways and Means to offer its substitute to the single employer pension plan termination provisions of title III. In fact, under the proposed rule, the Committee on Ways and Means may not even raise a point of order against these plan termination provisions.

While I object to this proposed rule on all these points, I particularly object with regard to the plan termination provisions of title III.

In the first place, jurisdictional interest of the Committee on Ways and Means in this matter is clear, and has been affirmed by the House Parliamentarian. Title III increases employers' liability to their defined benefit pension plans, and to the Pension Benefit Guaranty Corporation [PBGC].

Amounts to satisfy this liability are deductible from taxable income. Therefore, any increase in this liability increases allowable deductions from taxable income, and is thus a revenue measure within the jurisdiction of the Committee on Ways and Means.

It is clear that my transmitting these provisions to the Budget Committee, rather than reporting them to the House of Representatives, the Committee on Education and Labor chose to avoid the normal sequential referral process for these tax and pension issues.

I served with many of you on the committee that developed the budget process. It was never our intent nor the Congress to allow budget reconciliation to become the means of avoiding the normal legislative procedures of the House, and I object to this rule which would allow this very alarming trend to go unchecked.

In addition, I would like to say that I am very concerned about the results of title III, not only on the reconciliation process, but on substantive pension policy as well. First, these amend-

ments greatly expand the liability of employers who have set up defined benefit pension plans, well beyond what we originally envisioned when we wrote ERISA.

Second, title III would vastly expand the liability of employers for terminated plans, even after they have sold the subsidiaries with the pension plans in question. An irresponsible measure of this kind could poison legitimate corporate mergers and acquisitions, and goes far beyond the needs of the abusive situations it is meant to address.

And finally, I am concerned that title III contains a host of smaller provisions, which together add up to tremendously increase the risk and expense of establishing a defined benefit plan. Like the two measures I have already discussed, these go far beyond the immediate need of ensuring the solvency of the PBGC. And like those other two measures, these provisions will have incalculable—but certainly vast—effects on all sorts of legitimate transactions undertaken in the ordinary course of business.

We must remember that defined benefit pension plans are strictly voluntary; employers are not required to establish defined benefit plans and if they have already established such plans, they don't have to keep them.

It is my concern that, rather than face the increased risk and expense imposed by these provisions, employers will terminate defined benefit plans while they are still able to do it. In the long run, I am concerned that the retirement income of employees will be less secure as a result of these provisions, rather than more secure.

We must not allow the Congress to be rushed into endorsing sweeping changes of this kind merely because the Committee on Education and Labor, with the collaberation of the Committee on Rules, has been able to railroad these provisions through the legislative process, and thus avoid the procedures that normally would ensure these provisions received greater scrutiny.

To sum up my reasons for opposing this measure, House Resolution 296 allows the reconciliation process to become a vehicle for abusing with impunity the normal legislative procedures of the House. In addition, House Resolution 296, would allow major pension plan provisions to become enacted into law even though they have not been subject to needed scrutiny by the Committee of jurisdiction. For this reason, I ask my colleagues to join with me in opposing House Resolution 296, and ensuring that H.R. 3500 receive a rule that ensures the procedural and substantive integrity of the House jurisdictional rules and allows sufficient study of major and potentially damaging pension law changes.

Mr. Speaker, I urge my colleagues to vote against House Resolution 296.

Mr. GIBBONS. Mr. Speaker, will the gentleman yield?

Mr. ROSTENKOWSKI. I yield to the gentleman from Florida.

Mr. GIBBONS. Mr. Speaker, since we are only going to go through the rule today, there is no reason in the world why we cannot defeat this rule, send it back to the Rules Committee with the instructions and understanding that they get all the garbage out of this rule. This is a garbage grab bag.

We heard the distinguished chairman from the Committee on Interior describe it like some States are making off like highway bandits with oil lease money. My State is one of them, but we should not just vote on the basis of greed.

There is no reason we cannot take these things up under some other kind of rule other than the one we have got here. The rule should be defeated; the Rules Committee should go back and take the garbage out and then give us a chance to vote.

Mr. LATTA. Mr. Speaker, I yield 2½ minutes to the gentleman from Arizona [Mr. MCCAIN].

Mr. MCCAIN. Mr. Speaker, I thank the gentleman from Ohio [Mr. LATTA] for this time, and I appreciate very much the remarks of the gentleman from Florida [Mr. GIBBONS], who is right on target here.

I yield to my colleague from Indiana [Mr. SHARP].

Mr. SHARP. I thank the gentleman, and I join my colleague, who has worked on this 8(g) or Outer Continental Shelf deal, and would just hope that our colleagues would recognize that it is both complicated and expensive, and deserves more time than it can possibly get if we follow the procedures of the House here.

One little item: In case we think that everybody thinks this is a good deal from the States that are going to be affected, we have a cartoon from a Baton Rouge newspaper which describes this as the 8(g) sweepstakes, and suggests that this is like the clearinghouse for magazines, and you might win it all and be able to use this money in incredible ways.

So I hope my colleagues will take very seriously what my colleague from Arizona is about to say about giving us a chance to seriously consider something that is of major consequences on the Federal deficit and major consequences in terms of national policy.

Mr. MCCAIN. Mr. Speaker, today we will consider the Omnibus Budget Reconciliation Act of 1985. This is one of the tools Congress is supposed to be using to solve our deficit crisis. Sadly, we are not using it in that fashion. Instead, for the sake of a $4 billion credit today, we are giving away $6 billion tomorrow. Because of this shortsighted action, the House must defeat this rule and send it back to the Rules Committee so that Congress may have the opportunity to correct this farce.

I am speaking about action by the Interior Committee which goes against the intent of the reconciliation process. The Interior Committee's action boils down to one question, How much Federal Outer Continental Shelf [OCS] leasing revenue will be distributed to a few coastal States and how much will be retained by the Federal Treasury to meet the needs of all Americans?

The provision currently in the Budget Reconciliation measure could eventually cost the American taxpayer over $6 billion. In the short term, this measure will provide the Federal Treasury with $4.4 billion, but only through some creative bookkeeping since the money is already being used by the Federal Treasury. However, in the long term, this measure would wind up costing the Government one and one-half times the supposed savings. This hardly seems like an accomplishment envisioned by the reconciliation process. This is a rip-off!

Congressman UDALL, Congressman SHARP, and I, had hoped to offer an amendment which would remove the offending provisions from the reconciliation package. The proponents of the provision would still have a chance to achieve their desired outcome through the normal legislative process, not by warping the budget process in this fashion. Unfortunately, the Rules Committee did not allow this, despite an initial 20-to-20 tie in the Interior Committee on the provision. I believe the House has not only the right, even the duty, to consider and vote on this abuse of the taxpayer.

Mr. Speaker, I am convinced that the agruments used to support the Interior Committee's outcome will not stand up on the floor of the House. I believe it is vital that the House defeat this rule. We must prevent this outrageous distortion of the budget process and unjustified loss to the Federal Treasury. I urge all of my colleagues to vote against the rule so that I may have the opportunity, together with my colleagues Mr. UDALL and Mr. SHARP, to offer an amendment correcting this disaster.

Let me quote to you, if I may, from the New York Times' editorial which says:

> A handful of States with offshore oil wells greedily propose an accounting trick that will give away as much as $6 billion.

Mr. HUCKABY. Would the gentleman yield on that point?

Could the gentleman explain to us where the $6 billion comes from?

Mr. MCCAIN. Indeed. From the Outer Continental Shelf revenues, as the gentleman knows full well, and many of those revenues are outside the 6-mile limit.

Mr. Speaker, I would like to respond to the gentleman from Louisiana [Mr. HUCKABY], I hope that we will defeat this rule, allow an amendment so that we can have ample time to debate this very serious issue.

That is the intent of Congressman UDALL, Congressman SHARP and my reason for being here, so that we will have ample time rather than an additional 30 seconds.

We are convinced that the arguments used to support the Committee on Interior's action will not stand up on the floor of the House if we are able to debate it.

I urge all my colleagues to vote against the rule.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 1 minute to the gentleman from Missouri [Mr. CLAY].

Mr. CLAY. Mr. Speaker, I rise in support of House Resolution 296, the rule on H.R. 3500. This legislation contains provisions designed to shore up the financial status of the Pension Benefit Guaranty Corporation [PBGC], the Federal agency which was established in 1974 under title IV of ERISA to ensure workers' pensions.

Since May 1982, the administration has been asking Congress to take action to restore the PBGC plan termination insurance program to solvency. First, the premium paid by plans to finance the insurance program needs to be raised. Second, the single-employer pension plan termination insurance program itself needs to be reformed to close certain loopholes in the law. It is the committee's conviction that the premium and the reforms are inextricably linked and that each is needed to put the PBGC on a sound financial footing.

This year the Committee on Education and Labor was directed in the budget resolution to raise substantial revenues by enacting an increase in the premium paid to PBGC. When the committee marked up our portion of the reconciliation bill, we unanimously reported both the premium increase and the programmatic reforms necessary to meet our reconciliation targets. Those same provisions had been unanimously reported by our committee only 10 days before as separate legislation. We believe that both the reforms and the premium increase are germane to the bill before us and need to be adopted in the context of this budget reconciliation bill.

I support the rule on H.R. 3500 because it leaves these provisions intact and does not subject them to amendment. The Rules Committee was asked to make in order an amendment by the Committee on Ways and Means to strike the Education and Labor Provisions and substitute a Ways and Means amendment which had been adopted only the day before in their committee. The Committee on Ways and Means argued that the Committee on Education and Labor had no right to proceed on the reforms because the Ways and Means Committee had not considered them. We opposed their request on two grounds: Jurisdiction and substance.

Our colleagues on the Ways and Means continue to assert that they have joint jurisdiction over the programmatic aspects of the title IV plan termination insurance provisions. This is simply untrue. It is clear that ERISA itself envisions joint jurisdiction over a premium increase accomplished through a concurrent resolution, since the statute mandates joint referral of such a resolution. On the question of the jurisdiction over the reforms, however, we believe the legislative history is clear. The plan termination insurance provisions were developed sole by the Committee on Education and Labor and were orginally part of title I of H.R. 2, which became ERISA. Members of the Committee on Education and Labor were sole conferees with respect to those provisions.

In the past, the Ways and Means Committee has tried to argue that the procedure under which the House considered the multiemployer Pension Plan Amendments Act of 1980, the last major amendment to the title IV program, shows that joint jurisdiction exists over title IV. That argument overlooks one significant fact: The specific advance agreement of the two committees that we would work together on the multiemployer legislation, notwithstanding whatever the jurisdictional situation might be. That agreement was confirmed in a colloquy on this floor between Congressman FRANK THOMPSON, on behalf of Education and Labor, and Congressman DAN ROSTENKOWSKI, on behalf of Ways and Means, and clearly confined to the legislation at hand in 1980. Therefore, Ways and Means cannot use the procedural arrangement agreed to in 1980 as a means to bootstrap jurisdiction when none previously existed.

This bill is an entirely different matter. No such prior agreement for joint consideration exists. As a matter of fact, as early as May 1982, the former chairman of the Subcommittee on Labor-Management Relations, the late Phillip Burton, met with Chairman ROSTENKOWSKI on the need for structural reforms. The purpose of the meeting was twofold: To tell him that the Education and Labor intended to take up the reform issue and the premium increase request and to determine whether an jurisdictional arrangement similar to that of 1980 would be feasible. At least two additional meetings that I can recall have taken place since I became chairman of the subcommittee in 1983. In each of these meetings, we have been quite forthcoming about the legislative intention of our committee with respect to the single-employer program and have requested that the Ways and Means expeditiously consider the issues within its jurisdiction. Over the years, the Committee on Education and Labor continued to move ahead. Although we have no desire to antagonize our colleagues and we have to be willing to be accommodating in the past, we are convinced that we have the jurisdiction to move forward in the manner we have done.

Each committee has made its case to the Parliamentarian who will ultimately decide the jurisdictional issue. We have consulted at length with him about the nature of the jurisdiction over the specific provisions in subtitle C of title III of this bill. Although our committee remains convinced that the nonpremium portions of title IV are solely within the jurisdiction of the Committee on Education and Labor, one this is clear. To the extent that the Committee on Ways and Means has any jurisdiction at all over these issues, that jurisdiction is narrow and limited in scope and in no way rises to the level of joint jurisdiction.

In addition, the substance of their amendment was flawed. Instead of shoring up the financial condition of the PBGC by closing the loopholes that all agree exist, the Ways and Means amendment failed to deal with most of the major loopholes and, in addition, would have put the PBGC in a worse position than it is under current law. Currently when an underfunded single-employer plan terminates, the PBGC is entitled to claim up to 30 percent of an employer's net worth immediately to offset the liability it will pick up to guarantee benefits under the plan. PBGC may agree to alternative terms and conditions to collect this amount but it has the statutory right to claim the 30 percent in a lump sum when the plan terminates. The Ways and Means amendment would have created an absolute right in the employer to payment terms under which the liability would be amortized over 5 or 15 years. Thus in those cases, the PBGC could be in a worse position than it is now to collect a portion of the liability immediately.

Therefore, I support the action of the Rules Committee in refusing to make in order an amendment in the nature of a substitute offered by the Committee on Ways and Means to the Education and Labor title of H.R. 3500.

I urge your support of the rule on H.R. 3500. It is fair. It is reasonable. Most importantly, however, its enactment will assure that the substantial deficit of the PBGC, which is contributing to our overall national deficit, is reduced.

□ 1140

Mr. LATTA. Mr. Speaker, I yield 1 minute to the gentleman from Alaska [Mr. YOUNG].

Mr. YOUNG of Alaska. Mr. Speaker, I rise in support of the rule to accompany the Budget Reconciliation Act.

It is never easy to craft a rule on such an important and complex bill as the budget reconciliation resolution. In this case, I believe the Rules Committee has struck the right balance. By providing for a comprehensive amendment by the gentleman from Ohio [Mr. LATTA] the rule does provide an opportunity to vote on many of the programs which have been characterized as spending add-ons. At the same time, the rule does recognize the value of preserving the actions taken by the committees.

Mr. Speaker, I am a believer in the committee process. I believe the actions taken by committees, after consideration, after Members have had a full opportunity to vote, should be respected. We should not lightly cast aside those decisions. For this reason, I strongly support the rule adopted by the Rules Committee as the fairest means of dealing with the hard choices we always must make in the committees to meet the reconciliation instructions.

In particular, I support the actions taken by the committee of which I am the ranking member, the Interior Committee. I believe the committee met its budget reconciliation instruction in the only manner which could have resolved the OCS dispute.

If we are going to impose a settlement on the States, we owe it to them to apply a formula which is fair and consistent. It seems fair and logical to divide revenues with 73 percent going to the Federal Government and 27 percent to the States for all revenues in the 8(g) zone. Since the language of 8(g) applies to "revenues" in that zone, it is not logical to apply the 27 percent to bonuses and rents, but not royalties.

It is worth remembering that the States had requested 50 percent of revenues and did ask to have this issue withdrawn from the courts to be made a part of the congressional budget process. We need to settle these suits with the States in a way that addresses at least some of their concerns.

A bipartisan majority of the Interior Committee refused to exclude royalties from the settlements. For these reasons, I urge my colleagues to support the rule reported by the committee.

I would be glad to yield to the gentleman from Louisiana.

Mr. HUCKABY. I thank the gentleman for yielding.

I would like to follow up on the point of the $6 billion going to the offshore States. It is going to take 30 years for that amount of money to go to the offshore States, and then you have to assume production is 20 times greater for the next 30 years.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 1 minute to the distinguished chairman of the Committee on Education and Labor, the gentleman from California [Mr. HAWKINS].

Mr. HAWKINS. Mr. Speaker, I rise in support of House Resolution 296, the rule on H.R. 3500.

If adopted, the effect of this rule would be to assure that the provisions relating to the Single-Employer Pension Plan Termination Insurance Program established under title IV of ERISA will be considered by the House.

As the chairman of the Education and Labor Committee, I am gratified that the Committee on Rules has recognized how critical it is that these provisions be placed before the House in their present form. The provisions do two things: Subtitle B prospectively increases the premium under single-employer pension plans from $2.60 per participant per year to $8.50. Subtitle C contains major structural reforms to the insurance system itself. Both of these subtitles have been developed over the past 4 years on a bipartisan basis and passed our committee unanimously twice: Once as separate legislation and again in the context of our budget reconciliation package. They are strongly supported by both the administration and organized labor and generally not opposed by business.

I urge support of the rule and ultimate passage of H.R. 3500. It is critical that these provisions are enacted this year in order to put the PBGC back on a sound financial footing and thus reaffirm to pension plan participants that their pension benefits are secure even when their company may be in financial trouble.

Mr. Speaker, I urge support of the rule.

Mr. LATTA. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. FIELDS].

Mr. FIELDS. Mr. Speaker, I come today to address really one provision. Several speakers have talked about it already. It is the 8(g) provision. I thought what I would do would be to turn to the law that was passed on September 18, 1978, by this Congress. It says,

> Notwithstanding any other provision of this act, the Secretary shall deposit in a separate account in the Treasury of the United States all bonuses, royalties, and other revenues attributable to oil and gas pools underlying both the Outer Continental Shelf and submerged lands subject to the jurisdiction of any coastal State until such time as the Secretary and Governor of such coastal State agree on,

which they never have,

> or if the Secretary and the Governor of such coastal State cannot agree, as a district court of the United States determines, the fair and equitable disposition of such revenues and any interest which has accrued and the proper rate of payments to be deposited in the treasuries of the Federal Government and such coastal State.

What we are resolving today is that question. The Merchant Marine and Fisheries Committee, the Interior Committee, have decided how those should be disposed of. We are talking about royalties, and royalties we talked about on September 18, 1978, when that particular piece of legislation was passed.

Mr. MILLER of California. Mr. Speaker, will the gentleman yield?

Mr. FIELDS. I yield to the gentleman from California.

Mr. MILLER of California. I thank the gentleman for yielding.

That is exactly the issue here. I happen to be the person who wrote that language in 1978. It says all revenues including royalties from future activities. The point is, the States have been waiting now almost a decade to receive this money that has been put into trust funds. They were promised money from future activities. What this legislation does is simply deliver on that promise. It was passed overwhelmingly on a bipartisan basis in this Congress in 1978. I think the gentleman has made a very, very important point, that this is simply the settlement-up of an agreement made many years ago.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 1 minute to the gentleman from Indiana [Mr. SHARP].

Mr. SHARP. Mr. Speaker, I urge my colleagues to vote "no" on this rule. It ought to be evident to everyone by now that the OCS issue deserves fuller attention.

Ladies and gentlemen, the OCS deal here goes well beyond anything intended in the 1978 act. if we had time, we could show you how it covers oil that is beyond the 3-mile 8(g) zone.

Second, Mr. Speaker, this goes beyond the deal agreed to in the budget resolution and agreed to by the House of Representatives. We think it goes beyond it by $4 billion to $6 billion, and so does OMB, and so does the Department of Interior.

Third, this is clearly opposed by this administration, which has been very favorable and very kind to States like Louisiana, Texas, and California.

Ladies and gentlemen, this deal is going to be very costly to the Federal taxpayer in the future.

Mr. Speaker, it reminds me a little bit, as we try to get it in under the guise of deficit reduction, of a country-western song that talked about teenage passion which goes like this: "Calling it love is no excuse for what we are doing."

Ladies and gentlemen, vote "no" on this rule.

Mr. LATTA. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio [Mr. REGULA].

Mr. REGULA. Mr. Speaker, I rise in opposition to the rule.

Before I go into my reasons for opposing this rule, I want to begin by commending everyone involved in bringing this budget reconciliation package this far. As a former member of the Budget Committee I know how difficult the reconciliation process can be. However, I strongly believe it is an essential part of the budget process if we are truly serious about controlling spending.

There are a number of provisions in the reconciliation package before us, however, which concern me. The bill before us creates new programs, moves programs off-budget, and generally uses the reconciliation process to achieve policy aims unrelated to budget-savings items. I am going to address my comments today to one provision which I find particularly onerous, however, and which under the rule before us is not subject to amendment.

The provision I am referring to is title V, the Committee on Interior and Insular Affairs chapter and would substantially alter the balance between State and Federal interests in the Outer Continental Shelf Leasing Program.

The provision, could put a halt to the the entire OCS Leasing Program.

Section 5105 of the reconciliation bill would amend section 19 of the Outer Continental Shelf Lands Act. It would effectively give States a veto over leasing on the OCS. I strongly object to the States having veto power over a question of national policy. Furthermore, adoption of the policy embodied in this provision, would set a bad precedent.

The 1978 Outer Continental Shelf Lands Act amendments termed the OCS a "vital national resource reserve held by the Federal Government of the Public, which should be made available for expeditious and orderly development. * * *" Adoption of this provision would not only subvert the national interest, but would insure that we never achieve an expeditious and orderly development of these resources as mandated by Congress in 1978.

The absence of an energy crisis today does not lessen the national interest in the OCS Program. The resources of the Outer Continental Shelf belong to all the people of this Nation, and as such the exploration and development of those resources must be managed in the national interest. The national interest in the OCS program must not be subordinated to narrower State and local interests, which this provision would do.

Current law already provides for enormous input from and consultation with affected coastal States. The Secretary of Interior must accept a Governor's recommendation if it provides for a "reasonable balance between the national interest and the well-being of the citizens of the affected State."

Under this new proposal a Governor would be able to halt a sale unless the Secretary could prove that to do so would "significantly impair the national interest."

By allowing a State to effectively veto leasing off its coast, we would also be insuring that the Department could never be in compliance with section 18 of the OCS Lands Act Amendments of 1978 which mandated "an equitable sharing of developmental benefits and environmental risks among the various regions." Should the Miller amendment become law, States such as Louisiana and Texas, which have traditionally viewed leasing favorably, would be required to continue to bear the whole responsibility for supplying the majority of our Nation's future domestic offshore oil and gas.

Continuing the current imbalance—to date more than 95 percent of the wells drilled in Federal OCS have been drilled in the Gulf of Mexico while 85 percent of the California OCS is under moratorium—could result in the Gulf States too turning an unfavorable eye toward leasing, moving us even further from our national goal of energy security.

Further, this provision could have a serious effect on the standard of judicial review. Currently, if the Secretary determines that the Governor's recommendations do not provide a reasonable balance between Federal and State interests, a court may reverse the Secretary if his decision is "found to be arbitrary or capricious." The reconciliation bill would repeal the existing standard by requiring instead that the Secretary's decision be based on "substantial evidence."

Traditionally the substantial evidence standard has been used by courts to review findings of fact. At the lease sale stage, however, the Secretary's decisions necessarily are based to a large degree on judgments. There simply can be no cold hard facts on the likelihood of an energy emergency or whether oil and gas prices will rise or fall.

Opponents of OCS leasing could use the "substantial evidence" standard to impose a requirement of proof which could be impossible in the case of things as intangible and unknown as the Outer Continental Shelf and the world energy situation. In short the Miller amendment would create an enormously difficult standard for the Secretary to meet and for the courts to adjudicate.

Current law already provides the States ample opportunity for input into each step of the OCS process—from the initial preparation of the 5-year plan through the preparation of the final environmental impact statement. This cooperative, consultative process has worked well as is demonstrated by the deletion of numerous tracts offshore California and Alaska in past lease sales.

In short, adoption of this provision in the reconciliation bill would fly in the face of the very principles on which our system of Government is based. Our Founding Fathers recognized the importance of the distinction between the rights of the individual States and those of the united Federal Government. John Jay in the Federalist papers notes that ". . . the prosperity of America depended on its Union. . . ." The American people, Jay goes on to point out have long realized the "importance of their continuing firmly united under one Federal Government, vested with sufficient powers for all general and national purposes."

I think Mr. Jay would have agreed that the management of the Outer Continental Shelf Leasing Program and the broader issue of national energy policy are examples of the kinds of national purposes the Founding Fathers had in mind. We cannot and must not let this or any other issue of national policy be determined by the necessarily more narrow interests of the individual State government's.

To subject the management of the OCS Program to the wishes of each and every coastal State is to turn the program into chaos and to insure that it cannot be managed in the national interest. We will be abandoning the foundations of our great system of Government and subjecting our children and grandchildren to an uncertain energy future.

We must also look beyond the OCS issue and think of the precedent this legislation would set. What is to prevent the States from assuming the right to veto the location of a military base on Federal lands within their boundaries?

What is to keep the States from prohibiting onshore mineral leasing or perhaps in some States allowing exploration and drilling currently prohibited by Federal law? What of grazing rights on Federal lands? The possibilities are endless and frightening. We simply cannot abrogate the Federal Government's rights and responsibilities for managing the Federal lands and the resources those lands hold.

In addition to the federalism issue, this provision does not belong in a reconciliation measure, the aim of which is to contribute to deficit reduction, not increase it. Under the current leasing moratorium off the coast of California, the Government is estimated to be losing a potential of between $7 and $30 billion in Federal bonus and royalty income. I am convinced that if the Miller amendment became law

there would be no leasing off the coast of California thus eliminating any potential for bonus and royalty revenues from contributing to much needed deficit reduction.

I might point out to those of my colleagues involved in the controversies over dividing the so-called 8(g) revenues, that if this provision is allowed to become law the 8(g) dispute will be immaterial. Whether you include or don't include future royalties in the formula, 27 percent of nothing is nothing and that is what the States and the Federal Treasury can expect to receive if this provision is adopted.

As the ranking Republican on the Interior Appropriations Subcommittee, I have been dealing with the OCS issue for some time. Revenue from OCS receipts is used in part to fund the land and water conservation fund which provides both Federal and State land acquisition moneys for park and recreation facilities. If these revenues are sharply reduced or eliminated funding for these programs in all of our districts could be in jeopardy.

I would urge defeat of this rule so that reconciliation may be considered under a more open rule giving Members an opportunity to express themselves on this and other questionable provisions in the reconciliation bill.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield such time as she may consume to the gentlewoman from Ohio [Ms. KAPTUR].

Ms. KAPTUR. I thank the gentleman for yielding time to me.

As a member of the Committee on Banking, Finance and Urban Affairs and the Subcommittee on Housing and Community Development and as a member of the Committee on Veterans' Affairs, I rise in strong opposition to the rule.

Mr. Speaker, I rise in opposition to the rule because it is thoughtless. The sponsors of this amendment fail to recognize that the programs they seek to delete are well under the deficit reduction targets of the budget resolution and, in fact, some require no new spending authority at all.

One program in particular, contained in the veterans health-care section of H.R. 3500, would clarify the intent of a previous law mandating studies on the effects of agent orange on Vietnam veterans. This section merely calls on the VA to survey these effects in women Vietnam veterans who were included under the original authorizing legislation but excluded when the studies were implemented. This does not create a new program but corrects an omission in an old law. Furthermore, these provisions call for no new budget authority. In fact, it was made very clear in the Veterans' Affairs Committee markup on the original bill that the VA was to use for this study previously appropriated funds that were to have been used for another, now canceled, study. Further, in the instructions to report by our Veterans' Committee, it were specifically stated that no new budget authority was required.

In addition, I would like to point out that title II of H.R. 3500 contains total authorizations for housing that are less than what was permitted in the budget reconciliation instructions. In other words, it not only conforms to the budget reconciliation, it is less than that reconciliation and clearly demonstrates less expensive means to achieve the ends of existing programs.

Mr. DERRICK. Mr. Speaker, for purposes of debate only I yield 1 minute to the gentleman from California [Mr. FAZIO].

Mr. FAZIO. I thank the manager of the rule for yielding.

Mr. Speaker, I congratulate the gentleman for the work he did both as a member of the Budget Committee and as a member of the Rules Committee to bring to this floor a reconciliation bill that accomplishes the purposes we are here to talk about.

We are getting deviated into turf battles here. We are talking about issues that really are resolvable in the committee process. What we have to keep in mind is that our purpose for bringing the reconciliation bill to the floor is to reduce the deficit by $61 billion over the next 3 years. This bill does it and more. It cuts $3.3 billion more than was required by the budget resolution over that timeframe.

Nine of the eleven committees have met or exceeded their targets. We need to show the American people that we are serious about deficit reduction. Let us not get tied down in parochial debates. Let us show that we are proceeding here along a course of action that will allow us to have the freedom to keep the prerogatives of the legislative branch as we move forward on Gramm-Rudman.

Let us make sure that we fulfill our requirements under the Budget Act. Let us not get tied down in parochial committee debate here on the floor.

The SPEAKER pro tempore. The Chair will advise that the gentleman from Ohio [Mr. LATTA] has 5 minutes remaining and the gentleman from South Carolina [Mr. DERRICK] has 8½ minutes remaining.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 45 seconds to the gentleman from New York, [Mr. SCHUMER].

Mr. SCHUMER. I thank the gentleman for the time.

Mr. Speaker, I simply would like to make a brief point: This rule is Janus-faced, it is unfair, it smiles on certain interests, OCS and oil, and then isolates housing and poor people's interests, and lets an up or down vote go on those alone. What is good for the goose is good for the gander. If you want to eliminate all authorizing, eliminate all authorizing. Do not eliminate authorizing that hurts poor people's programs like housing but keep authorizing that allows oil States to get lots of money. It is an unfair rule. I urge it to be voted down.

Mr. Speaker, I yield back the balance of my time.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 1 minute to the gentleman from Florida [Mr. MACKAY].

Mr. MACKAY. Mr. Speaker, there are a lot of Members who are not involved in these controversies. I am not involved in any of these. My concern, as a member of the Budget Committee, is the impact of these controversies on the underlying issue—the effort to strengthen the budget process.

My belief and the belief that I urged to the Rules Committee is that we should strip all of these new and expended programs off of reconciliation so that reconciliation could be enforcement and enforcement only.

The Rules Committee heard from 37 Members. They did the best they could with the various viewpoints. The result is not only totally satisfactory, but I think it is the best rule we are going to have. I think the overriding issue facing the Congress today is the need for reconciliation so that we can show we are serious about our budget resolution that we have passed. The other body is doing that today. If the House does not do it, we are going to be, I think, greatly discredited.

Mr. Speaker, I urge support of this rule, and I urge the House to show, in the best way we can, that we are committed to a strong budget process and to reconciliation.

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Mr. LATTA. Mr. Speaker, I yield 2 minutes to the gentleman from Louisiana [Mr. LIVINGSTON].

Mr. LIVINGSTON. Mr. Speaker, I rise in support of this rule allowing for consideration of H.R. 3500, the Omnibus Reconciliation Act of 1985.

I normally do not support modified closed rules that prohibit Members from exercising their legislative will. However, it is critical to the passage of any omnibus reconciliation bill to limit the number of amendments that can be offered. To reopen this omnibus bill to any and all amendments would severly jeopardize an already fragile reconciliation process.

More importantly, I am supporting this rule because it will protect the budget savings provisions reported by both the Interior and Merchant Marine and Fisheries Committees dealing with the disposition of revenues under section 8(g) of the Outer Continental Shelf Lands Act; 8(g) revenues are those derived from Federal offshore oil and gas leases within 3 miles of State boundaries.

In meeting the reconciliation savings required under this year's budget resolution, both the Interior and Mer-

chant Marine and Fisheries Committees have finally and equitably resolved how the Federal Government and seven coastal States should share the $6.1 to $7.9 billion in estimated 8(g) revenues.

Some Members have criticized the distribution formula in this bill as a bail out and Federal windfall for only seven coastal States, but I would reply:

Over the years, billions of dollars in revenue have been collected by the Federal Government from oil, gas, and other mineral development on Federal onshore lands. This onshore mineral development occurs primarily in States west of the Mississippi where over 90 percent of our Federal lands exist. These Western States have always split the billions and billions in revenues from onshore development with the Federal Government on a 50-50 basis.

The Federal-State split for the offshore revenues provided in this reconciliation package will be 73-percent for the Federal Government and only 27-percent for the States.

This 73-percent Federal share means over $4.3 billion in immediate revenues to the U.S. Treasury and billions more in the outyears.

The distribution formula in H.R. 3500 is the only equitable formula that addresses coastal State concerns regarding the existing 8(g) escrow account, future 8(g) revenues, royalty payments, and the recoupment of 8(g) revenues collected since 1978 that were not placed in escrow.

The 27-percent State share of all these 8(g) revenues are desperately needed by my State of Louisiana where unemployment rates are still well above the national average and where the environmental impacts from intense offshore development have never been adequately addressed.

By approving the 8(g) revenue distribution formula in this reconciliation package, the Federal Government gets the best deal and we have for the first time our best chance to resolve a complex Federal-State dispute that began in the Carter administration and that has been debated in the Interior and Merchant Marine and Fisheries Committees since 1977.

Mr. Speaker, I urge the adoption of this rule.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 2 minutes to the gentleman from Pennsylvania [Mr. GRAY], the distinguished chairman of the Committee on the Budget.

Mr. GRAY of Pennsylvania. Mr. Speaker, today we have an opportunity to live up to a commitment we made on August 1, a commitment that would put us on a course of reducing the tremendous deficits that are cutting off economic growth, opportunity, and jobs in this country. And today we have the opportunity to take the first step toward implementation of the budget recommendations by passing the reconciliation portion of the budget that calls for 75 billion dollars' worth of reconciled spending cuts. That is what we are about today. That is what this rule is about. It provides us the opportunity to begin the implementation of deficit reduction.

I know that there are those who often use the reconciliation process for the passage of legislation authorization, terminations, et cetera. We know that from 1981 in Gramm-Latta 1, where we had over 200 of those. However, I hope, despite how you may feel about any of these jurisdictional questions, authorization questions, that we will not lose sight that this is the opportunity for the House of Representatives to work its will on deficit reduction and begin to implement what we said we were going to do on August 1.

Therefore, I urge the Members, if they are serious about deficit reduction, to pass this rule, and that the Rules Committee has provided an opportunity for the House to work its will. Failure to pass this rule means that the House will be at a disadvantage in terms of meeting its reconciliation targets and achieving deficit reduction and implementing strong measures to reduce the sea of red ink that is drowning this Nation.

Therefore, I urge the support and the passage of the rule so that we can get on with the important business of reducing our deficits, drying up the sea of red ink and therefore we can move forward.

Mr. LATTA. Mr. Speaker, I yield such time as she may consume to the gentlewoman from New Jersey [Mrs. ROUKEMA].

Mrs. ROUKEMA. Mr. Speaker, I rise in support of the rule on H.R. 3500 (H. Res. 296), especially as it relates to the ERISA provisions approved by the Committee on Education and Labor as contained under subtitles B, C, and D of title III.

I support the rule in order to expedite the consideration and passage of the ERISA single employer termination insurance reforms which are absolutely crucial to the Pension Benefit Guaranty Corporation [PBGC], if it is to avoid a $1 billion funding crisis.

In granting the rule that they did, the members of the Rules Committee obviously understood that the need for the subtitle C single employer provision was both immediate and compelling. They understood, as this body now must also, that prompt action is necessary if we are to avoid the sort of future funding crisis under ERISA that this Congress faced under Social Security only a few short years ago.

To avoid this sort of crisis the Committee on Education and Labor reforms discourage sham transactions and the unwarranted dumping of pension liabilities onto the PBGC, practices which in the past have imposed responsible plan sponsors the additional obligation of funding the liabilities of others.

The budget implications of these reforms can be substantial. Using a Congressional Budget Office example, if the reforms are successful in avoiding or delaying even one large plan termination, that would otherwise result in the unwarranted dumping of pension liabilities, the annual outlay reductions could average around $50 million over the 1986-88 period. In the long run, of course, many millions or even $1 billion can be saved by preventing even a single large plan termination.

In addition to the reforms contained under subtitle C, the provisions of subtitle B increase the single employer premium, thus enabling the PBGC to amortize its one-half billion-dollar deficit. This also results in a $666 million savings in budget outlays over the 1986-88, 3 fiscal year period.

It is important to stress that these provisions of H.R. 3500 are the product of 5 long years of obtaining a consensual approach to a problem which all affected parties agree must be addressed immediately. While these provisions do not contain the wish list of any single group, it enjoys the support of labor and the administration. The Secretary of Labor, William Brock, has expressed his strong support for this package, and it is also supported by the Pension Benefit Guaranty Corporation, which administers the program. The business community, which will be affected by the premium increase and the reforms, has raised no objections to our committee with respect to this package and there has been no opposition expressed from any other quarter. Most importantly, it enjoys the unanimous, bipartisan support of the members of our Committee on Education and Labor.

Therefore I urge this body to support the rule, House Resolution 296, in order that these ERISA title IV provisions be retained in their entirety under the omnibus budget reconciliation bill.

Mr. LATTA. Mr. Speaker, I yield such time as he may consume to the gentleman from Alabama [Mr. CALLAHAN].

Mr. CALLAHAN. Mr. Speaker, I rise in support of the rule, as I feel it represents the only manner under which the House can debate a bill on reconciliation with the many technical funding issues it contains.

I am particularly interested in titles V and VI which contain amendments to section 8(g) of the Outer Continental Shelf Lands Act. Section 8(g) deals with the equitable sharing of revenues by States and the Federal Government resulting from oil and gas leasing on OCS lands within 3 miles of a State's seaward boundary. I am not

going to go into any detail concerning the particulars of this issue as this has been discussed by others who have had more experience with the issue than I. I will, however, point out that the House Budget Committee has stated that the Merchant Marine and Fisheries Committee has fully met its reconciliation requirements as has the Committee on Interior and Insular Affairs. In both instances, both committees, because they have joint jurisdiction over this issue, have reported resolutions dealing almost identically with section 8(g) of the Outer Continental Shelf Lands Act, and have done so by significant votes.

The 8(g) issue is not new. It is one that has been dealt with for many years by both State governments, the executive branch of the Federal Government, the Federal courts, and the committees of Congress. This is a complicated issue as are the other issues contained in title 6 of H.R. 3500, all of which are designed to reduce the Federal deficit as directed by the budget reconciliation resolution. To allow these sections to be reopened, no matter how well-intentioned the effort for change, can only serve to undercut the reconciliation process.

Again, Mr. Speaker, I urge the adoption of the rule and hope that it is overwhelmingly supported by my colleagues.

Mr. LATTA. Mr. Speaker, I yield 1 minute to the gentleman from Vermont [Mr. JEFFORDS].

Mr. JEFFORDS. Mr. Speaker, I rise in strong support of this rule, especially as it affects the reforms to be recommended in title III of H.R. 3500 by the Education and Labor Committee to prevent further losses in our single employer pension insurance program. The Ways and Means Committee has raised objections because it claims jurisdiction. Ways and Means does not have joint jurisdiction over ERISA title IV programmatic aspects. It only has joint jurisdiction with the Education and Labor Committee over the premium increase.

Why do we need this bill immediately rather than next month or next year or yet another 5 years? Because right now the Pension Benefit Guaranty Corporation has an unfunded liability of one-half billion dollars and will soon have a liability of $1 billion if we do not act. This $1 billion will quickly multiply in the coming years unless these reforms are put in place.

The rule adopted by this body should in no manner permit changes to these urgently needed reforms or allow a delay in their adoption. The Secretary of Labor, Bill Brock, has written to urge us to act on the reforms as quickly as possible inasmuch as they are crucial to the financial health of the Pension Benefit Guaranty Corporation [PBGC].

These ERISA title IV changes, included in H.R. 3500 as subtitles B and C, were unanimously adopted in committee as being necessary to fulfill our committee's total deficit reduction target of $2.265 billion.

In meeting this target, the program reforms under subtitle C are inextricably intertwined with the single employer premium increase under subtitle B. As one observer put it, trying to fix the PBGC through a premium increase alone is like trying to fix a leaky bathtub by turning up the faucet.

The PBGC estimates that approximately 20 percent of its claims to date have resulted from abuses of the sort which the subtitle C reforms are designed to reduce or eliminate. The administration informs us that without the reforms, abusive claims will probably increase in the future as a result of recent financial activities, including takeovers, mergers, and leveraged buyouts.

The truth of this fact should be clearly understood. In the words of Secretary Brock, if reforms to restrain outlays are not adopted, the necessary PBGC premium will obviously need to be higher than already requested to meet the increased Federal expenditures. More to the point, we will be making what might be termed "the billion dollar mistake" if we do not act favorably on the single employer reforms immediately. Both business and labor organizations have also testified that reforms are needed to avoid larger claims and yet higher premiums.

In summary, the ERISA title IV changes in H.R. 3500 are necessary to carry out the instructions of the budget resolution, are necessary to reduce the Federal deficit, are necessary to keep the PBGC from becoming a fiscal basket case leading to a massive Federal bailout, and are necessary to help assure this Nation's workers and retirees that they will receive their full earned benefits in the event of plan termination.

They are the product of the extensive research, debate, and compromise that has taken place over the past few years among the interested parties in Government and the employee benefits community. The reforms and the premium increase are needed now.

I urge the Members to adopt these provisions which are supported by the administration, by business and by the labor unions, in hopes of trying to stave off the further undermining of the Pension Guaranty Corporation's ability to carry out its role.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 1 minute to the distinguished gentleman from California [Mr. MILLER].

Mr. MILLER of California. Mr. Speaker, I rise in support of the rule.

There is one great mandate before this House today.

And that is the challenge to make substantial reductions in the $200 billion a year deficit which jeopardizes the economic security of this Nation.

For the last 2 weeks, we have been debating a proposal by the Senate to force massive spending reductions to achieve that deficit reduction.

That proposal promises to achieve a miracle in the next 5 years.

But the reconciliation bill we have before us today gives us each the opportunity to do something to reduce spending and cut the deficit right here, right now.

This legislation will cut $61 billion over the next 3 years.

We have not just made good on our promise to cut spending in the budget resolution.

We have exceeded the target we set for cuts by an additional $3.3 billion.

These are not illusory or symbolic cuts. They are real. They deserve our support.

Now, we are going to hear all sorts of complaints about why this rule is poorly crafted and why we should send it back to the Rules Committee.

Let's not kid ourselves.

The public, and the press, will interpret our vote on this rule, and on this bill, in one way, and one way only.

They will not care about jurisdictional quibbling.

They will not care about the intricacies of the budget process.

They will not care about the technicalities of the rule.

They are going to want to know one thing, and one thing only:

When you had a chance to vote for $61 billion in deficit reductions today, how did you vote?

Some cynically say we haven't made tough decisions. We haven't made deep cuts.

This resolution cuts over $4 billion in rural housing.

It cuts $10 billion in Medicare.

It cuts $2.5 billion from education and wage protection programs.

It saves over $12 billion from pay freezes and health benefits cuts.

It reduces highway spending by $2 billion.

It slashes veterans' health and compensation benefits by over $1 billion.

These are real cuts. They are going to cause some real hardships. But given the size of our deficit, they must be made.

Let us send a clear signal to the American people today that we are going to make these cuts stick.

Let's not delude ourselves. Parliamentary posturing on this rule is going to send only one message: that the Congress has no backbone when it comes to cutting.

And that would be disastrous.

So I urge an "aye" vote for the rule, and in support of H.R. 3500.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 1 minute to the gentleman from Texas [Mr. FROST].

Mr. FROST. I thank the gentleman for yielding.

Mr. Speaker, I would echo the sentiments of the chairman of our Budget Committee that it is time to get on with this process. This has been a lengthy and difficult process. We now have a reconciliation bill that will make a difference on the deficit. Not to proceed with this today will send absolutely the wrong sentiment to the country, the wrong message to the country.

I would also like to make one passing comment on the matter raised by the chairman of the Committee on the Interior. My good friend, the gentleman from Arizona [Mr. UDALL], lost that fight in his committee. He lost that fight in the Committee on Merchant Marine and Fisheries. The two committees have original jurisdiction over this particular matter. Both are in agreement. And now we are asking that there be a third consideration of a matter when there was no disagreement, no difference of opinion between the two committees that considered it. The Rules Committee acted exactly proper in not permitting a third bite at that particular apple.

I urge adoption of the rule.

Mr. PICKLE. Mr. Speaker, will the gentleman yield?

Mr. FROST. I yield to the gentleman from Texas.

Mr. PICKLE. Mr. Speaker, as the gentleman knows, I am not happy at all with action on the ERISA question that the Rules Committee made. They took the jurisdiction of the Ways and Means Committee. But I think this rule is a fair rule because it fulfills a commitment made to certain States 6 years ago. The rule ought to be adopted in fairness and on the basis of commitment.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 1 minute to the gentleman from Louisiana [Mr. ROEMER].

Mr. ROEMER. I thank the gentleman for yielding.

Mr. Speaker, I would like to echo the comments that the chairman of the Committee on the Budget, the gentleman from Pennsylvania [Mr. GRAY], said when he asked us to support this rule. I plan to do so. It is not perfect. There are legitimate questions of jurisdiction, legitimate questions as to the right degree of sharing between the States and the Nation on offshore oil, legitimate questions as to housing money, legitimate questions as to on-budget and off-budget. But there is a larger question here that the gentleman from Pennsylvania [Mr. GRAY] has stated. It is a question in this country if this House is going to begin this day to do something about the deficit. This bill, if we pass the rule, will allow us to reduce the deficit by more than $61 billion in the next few years, $3 billion greater than the budget called for. That is the question. I think we ought to begin today by passing the rule and debating the points of contention within the framework of this imperfect but reasonable rule.

Mr. LATTA. Mr. Speaker, I yield 1 minute to the gentleman from Louisiana [Mr. MOORE].

Mr. MOORE. Mr. Speaker, I support the rule. I have watched as some of my colleagues have come to the well and attacked the rule on the specific point of the settlement of the offshore revenues. I would just like to answer that, for a minute, if I could. There are three parts to that. The administration has told me and others it is willing to settle on bonuses and rents. The point that is in conflict is royalties. And they say, "We will pay you those royalties, Louisiana, Texas, and the other States, on a drainage basis."

My reply to them is, "Why, since 1978, haven't they done that?" This has been the law since 1978 and we have not received the first check. So why haven't they? They tell us they are going to pay it. Defeat this rule, they say, pass an amendment to the bill that would prevent it from being settled, and they would pay it to us in the future. And I say, "Why haven't you done it in the past?"

The reason they have not is that each time they tendered that check, they have asked the States to sign on the bottom line that they waive any further claims to anything in the trust fund. That is not right. You would not advise your client or your family friend to do that. We cannot do that to the States.

This bill finally settles that issue that has been festering since 1978 and settles it in a fair way. So this rule ought to be voted for.

Mr. DERRICK. Mr. Speaker, for the purpose of debate only, I yield 30 seconds to the gentleman from Rhode Island [Mr. ST GERMAIN], the distinguished chairman of the Committee on Banking, Finance and Urban Affairs.

Mr. ST GERMAIN. Mr. Speaker, it is with regret that I have to rise in opposition to the rule. Unfortunately, the rule, if adopted in its present form, would, I am afraid, jeopardize a great deal of work that was done by the Committee on Banking, particularly the Subcommittee on Housing.

We have some new programs in that particular section, but we are within the reconciliation figures. I believe it is $20.6 billion. And if we do not get a housing bill in reconciliation, Mr. Speaker, I predict that the prospect for a housing bill are just about nil because of the fact that the Senate will not act.

I urge the defeat of the rule.

Mr. LATTA. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas [Mr. BARTON].

Mr. BARTON of Texas. Mr. Speaker, I rise in strong support of the rule on H.R. 3500, the Budget Reconciliation Act. Some Members have spoken on the House floor today against what they characterize as a "giveaway" of Federal revenues from offshore oil and gas revenues to coastal States, otherwise known as the 8(g) settlement. I would like to shed a little light on this heated discussion. As a member of the Interior Committee I have worked on the 8(g) settlement for months now.

In 1978, Congress passed the Outer Continental Shelf Lands Act amendments that provided for compensation to coastal States from the impact of offshore oil and gas development. The language of the 1978 act is crystal clear:

Notwithstanding any other provision of this subchapter, the Secretary shall deposit in a separate account in the Treasury of the United States all bonuses, royalties, and other revenues * * * until such time as the Secretary and the Governor of such coastal State agree on, or if the Secretary and the Governor of such coastal State cannot agree, as a district court of the United States determines, the fair and equitable disposition of such revenues and any interest which has accrued and the proper rate of payments to be deposited in the treasuries of the Federal Government and such coastal State.

The 8(g) check was written back in 1978. Seven years later, when it is time to go to the bank, some Members are trying to put a stop on the check. The 8(g) settlement developed by the Interior Committee would share 27 percent of the 8(g) revenues with coastal States. I would like to remind my colleagues that inland States receive 50 percent of the revenues from onshore minerals leasing.

Coastal States did not seek a legislative solution to the 8(g) dispute because they felt that they were on sound legal grounds to demand 50 percent of all revenues from offshore development in the 8(g) zone. A legislative solution was foisted upon them by the House Budget Committee in order to free up $4 billion from the escrow account for the fiscal year 1986 budget.

The reconciliation resolution reported by the Interior Committee enjoyed the support of the majority of the committee. I would like to point out that the Members from affected coastal States constitute a slim minority of the committee membership. The Interior Committee has one Texan, one Louisianan, one Alaskan, and five Californians; for a total of eight votes. Since there were 22 votes for the reconciliation resolution it is apparent that most of the support came from inland States. I should note that many of my Republican colleagues from Western States voted for the resolution. These Members are not in the habit of handing out billions of dollars.

The Interior Committee was instructed by the Budget Committee to report a resolution that would make available $4 billion for the fiscal year 1986 budget. The resolution reported by the committee does exactly that. The 8(g) settlement will reduce the Federal budget deficit next year, and in following years.

There has been a good deal of discussion over the future cost of the 8(g) settlement. During markup of the resolution in the Interior Committee, the Interior Department estimated that the settlement would share $4 billion in additional revenues with the coastal States than the settlement proposed by Chairman UDALL. Some opponents of the settlement claim that it will share an additional $12 billion to $20 billion with coastal States. These estimates are not worth the paper they are written on.

Actually, the 8(g) settlement would share much less with coastal States. The Congressional Budget Office [CBO] estimated that sharing 50 percent of all 8(g) revenues with the States, which they assumed was fair and equitable, would result in an additional $4 billion of revenues for the coastal States. Since the 8(g) settlement shares only 27 percent of revenues with the coastal States, it appears that the cost of the settlement will be $2 billion over 30 years. I would like to point out that the Federal revenues from offshore oil and gas development exceed $76 billion. The State share is small in comparison.

In conclusion, I would like to encourage the House to support the rule on H.R. 3500, the Omnibus Budget Reconciliation Act. Otherwise, I foresee that the 8(g) settlement will be disrupted, and the future distribution of 8(g) revenues will be blocked by interminable litigation. The settlement ensures that revenues will be smoothly distributed to Federal and State governments.

Mr. LATTA. Mr. Speaker, I yield such time as he may consume to the gentleman from Colorado [Mr. STRANG].

Mr. STRANG. Mr. Speaker, I rise in support of House Resolution 296, the rule to provide for consideration of the bill H.R. 3500, the Omnibus Budget Reconciliation Act.

Mr. Speaker, as has been pointed out by others on the floor today, this is not a perfect rule. But the fact is we need reconciliation, we need to balance the Federal budget, and we need to reduce the budget deficit.

To be sure, there are provisions of this rule, and provisions in the bill itself, that bear serious consequences for our future as a nation. For example, the bill guts our national synthetic fuels program and even provides for the abrogation of existing contracts signed after July 31. I believe that is a wrong course of action to take in terms of long-term national energy security. Second, the bill proposes to remove the highway trust fund account from the unified Federal budget. Efforts to dismantle the unified budget at a time when we are making efforts to balance the budget are unwise. Third, the bill provides billions of dollars to reauthorize and in some create new housing programs. While some of these housing programs may be vital, the fact is these issues have not been subjected to scrutiny through the regular committee process.

The point is, Mr. Speaker, these issues need to be debated and voted on by this body. We can accomplish that only by accepting an admittedly imperfect rule, and getting on with a full discussion of these important issues.

Thank you.

Mr. LATTA. Mr. Speaker, I yield myself the remainder of my time.

Mr. Speaker, I cannot urge too strongly the Members of the House to support the rule. Somebody just said it is an imperfect rule. It is an imperfect rule in some people's eyes. Certainly, in my eyes it is an imperfect rule. But it is the best rule we could get. We would like to have made all of these things in order. We would like to have solved all of the questions of jurisdiction between the committees all in one swoop. We cannot do that. But we can reduce the deficit if we adopt this rule and pass a reconciliation bill.

We cannot lose sight of that fact.

I was surprised that the chairman of the Committee on Banking, Currency and Urban Affairs said he was going to oppose the rule. The gentleman is already in with his bill. What he is opposing is the House's opportunity to vote on that proposition. Now, I think the House ought to have an opportunity to vote on that proposition. I would have thought that he would have been supportive of the rule.

I support the position of the chairman of the Committee on Interior and Insular Affairs, the gentleman from Arizona [Mr. UDALL], but it is not in the rule. I cannot vote against the rule just because I support his position and it is not in the rule. We have got bigger things to do, and we also have a conference committee where we could resolve some of these problems.

Mr. DERRICK. Mr. Speaker, I yield myself the balance of my time.

The SPEAKER pro tempore. The gentleman from South Carolina [Mr. DERRICK] is recognized for 1½ minutes.

Mr. DERRICK. Mr. Speaker, this is payday. The Members can vote for all of the balanced budget amendments that they want, they can vote for Gramm-Rudman, they can vote for all of that stuff, and it does not make a bit of difference. But this vote does. This vote is like borrowing money from the bank, and when it comes due, if you do not pay it, that means that you do not want to vote for this rule.

These are obligations that we have solemnly made in the budget process that we were going to reconcile. For those of you who may not understand it, reconciliation is the enforcement process of the Budget Committee. The budget process means nothing without reconciliation. This is when we made ourselves do what we said we were going to do.

So I suggest to the Members that if in all these speeches we have made back home over the years we mean we are going to be fiscally responsible, that they vote for this rule and let us get ahead with the business of reconciliation.

Just one short remark about the distinguished chairman of the Banking Committee. The rule has not taken a thing away from him. What he needs to be doing is to argue about the fact that we gave this House an opportunity to vote the only time that they will ever get to vote on what was put in there by his committee. It is a fair rule. It merely does what we said we were going to do and what we led the American people to believe that we must do.

I ask the Members to vote for the rule.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

RECORDED VOTE

Mr. GIBBONS. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 230, noes 190, not voting 14, as follows:

[Roll No. 367]

AYES—230

Akaka	Chandler	Florio
Alexander	Chapman	Foley
Anderson	Chappell	Ford (MI)
Andrews	Chappie	Franklin
Annunzio	Cheney	Frost
Archer	Clay	Fuqua
Armey	Cobey	Gallo
AuCoin	Coble	Gaydos
Barnard	Coelho	Glickman
Barnes	Coleman (TX)	Gonzalez
Bartlett	Collins	Gordon
Barton	Combest	Gray (PA)
Bates	Coughlin	Grotberg
Bellenson	Craig	Gunderson
Bennett	Daschle	Hall (OH)
Berman	Davis	Hall, Ralph
Bevill	de la Garza	Hansen
Billirakis	DeLay	Hatcher
Boggs	Dellums	Hawkins
Boland	Derrick	Hayes
Boner (TN)	DeWine	Hendon
Bonior (MI)	Dicks	Henry
Bosco	DioGuardi	Hiler
Boucher	Dixon	Hillis
Boulter	Dornan (CA)	Holt
Boxer	Dowdy	Hoyer
Breaux	Dreier	Huckaby
Brooks	Dwyer	Hughes
Brown (CA)	Dymally	Hunter
Broyhill	Early	Hutto
Bryant	Edwards (CA)	Ireland
Burton (CA)	Edwards (OK)	Jeffords
Burton (IN)	Emerson	Jones (NC)
Bustamante	Evans (IA)	Jones (TN)
Byron	Fascell	Kasich
Callahan	Fazio	Kemp
Carper	Fiedler	Kleczka
Carr	Fields	Kolbe

Lagomarsino	Morrison (WA)	Smith (NJ)
Lantos	Murtha	Smith, Denny (OR)
Latta	Myers	Smith, Robert (NH)
Leath (TX)	Natcher	Spence
Lehman (CA)	Neal	Spratt
Lehman (FL)	Nichols	Stallings
Leland	Ortiz	Stenholm
Lent	Oxley	Stokes
Levine (CA)	Packard	Strang
Lewis (CA)	Panetta	Stratton
Lewis (FL)	Parris	Studds
Livingston	Pashayan	Sweeney
Lloyd	Penny	Swindall
Loeffler	Pepper	Tallon
Long	Perkins	Tauzin
Lott	Pickle	Taylor
Lowery (CA)	Porter	Thomas (GA)
Lungren	Price	Torres
Mack	Pursell	Valentine
MacKay	Quillen	Vucanovich
Madigan	Ray	Waxman
Manton	Robinson	Weber
Martin (IL)	Roemer	Wheat
Martinez	Rose	Whitehurst
Matsui	Roukema	Whitley
Mazzoli	Rowland (GA)	Whittaker
McHugh	Roybal	Whitten
McKernan	Sabo	Wilson
McMillan	Savage	Wolf
Mica	Saxton	Wright
Michel	Schaefer	Wyden
Mikulski	Schneider	Wylie
Miller (CA)	Shaw	Young (AK)
Miller (OH)	Shelby	Young (FL)
Mineta	Shumway	Young (MO)
Moakley	Siljander	Zschau
Mollohan	Sisisky	
Montgomery	Skeen	
Moore	Skelton	
Moorhead	Smith (FL)	

NOES—190

Ackerman	Gejdenson	McGrath
Anthony	Gekas	McKinney
Applegate	Gephardt	Meyers
Aspin	Gibbons	Mitchell
Atkins	Gilman	Molinari
Badham	Gingrich	Monson
Bateman	Goodling	Moody
Bedell	Gradison	Morrison (CT)
Bentley	Gray (IL)	Mrazek
Bereuter	Green	Murphy
Biaggi	Gregg	Nielson
Bliley	Guarini	Nowak
Boehlert	Hamilton	O'Brien
Bonker	Hammerschmidt	Oakar
Broomfield	Hartnett	Oberstar
Brown (CO)	Hertel	Obey
Bruce	Hopkins	Olin
Carney	Horton	Owens
Clinger	Howard	Pease
Coats	Hubbard	Petri
Conte	Hyde	Rahall
Cooper	Jacobs	Rangel
Courter	Jenkins	Regula
Coyne	Johnson	Reid
Crane	Jones (OK)	Richardson
Crockett	Kanjorski	Ridge
Daniel	Kaptur	Rinaldo
Dannemeyer	Kastenmeier	Ritter
Darden	Kennelly	Roberts
Daub	Kildee	Roe
Dickinson	Kindness	Rogers
Dingell	Kolter	Rostenkowski
Donnelly	Kostmayer	Roth
Dorgan (ND)	Kramer	Rowland (CT)
Downey	LaFalce	Rudd
Duncan	Leach (IA)	Russo
Durbin	Levin (MI)	Scheuer
Dyson	Lightfoot	Schroeder
Eckart (OH)	Lipinski	Schuette
Eckert (NY)	Lowry (WA)	Schulze
English	Lujan	Schumer
Erdreich	Luken	Seiberling
Evans (IL)	Lundine	Sensenbrenner
Fawell	Markey	Sharp
Feighan	Marlenee	Shuster
Fish	Martin (NY)	Sikorski
Flippo	Mavroules	Slattery
Foglietta	McCain	Slaughter
Ford (TN)	McCloskey	Smith (IA)
Fowler	McCollum	Smith (NE)
Frank	McCurdy	Smith, Robert (OR)
Frenzel	McDade	
Garcia	McEwen	Snowe
Snyder	Tauke	Walker
Solarz	Thomas (CA)	Watkins
Solomon	Torricelli	Weiss
St Germain	Towns	Williams
Staggers	Traficant	Wirth
Stangeland	Traxler	Wise
Stark	Udall	Wolpe
Stump	Vander Jagt	Wortley
Sundquist	Vento	Yates
Swift	Visclosky	Yatron
Synar	Volkmer	

NOT VOTING—14

Addabbo	Edgar	Nelson
Borski	Hefner	Rodino
Campbell	Heftel	Walgren
Coleman (MO)	McCandless	Weaver
Conyers	Miller (WA)	

□ 1220

Messrs. NIELSON of Utah, BEREUTER, OBERSTAR, REID, KOLTER, GILMAN, TOWNS, BIAGGI, RINALDO, and BOEHLERT changed their votes from "aye" to "no."

Messrs. DREIER of California, YOUNG of Missouri, and SKELTON changed their votes from "no" to "aye."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

□ 1230

CONFERENCE REPORT ON H.R. 2409, HEALTH RESEARCH EXTENSION ACT OF 1985

Mr. WAXMAN. Mr. Speaker, I call up the conference report on the bill (H.R. 2409) to amend the Public Health Service Act to revise and extend the authorities under that act relating to the National Institutes of Health and National Research Institutes, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to the provisions of clause 2, rule XXVIII, the conference report is considered as having been read.

(For conference report and statement, see proceeding of the House of October 11, 1985.)

The SPEAKER pro tempore. The gentleman from California [Mr. WAXMAN] will be recognized for 30 minutes and the gentleman from Illinois [Mr. MADIGAN] will be recognized for 30 minutes.

The Chair recognizes the gentleman from California [Mr. WAXMAN].

GENERAL LEAVE

Mr. WAXMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report presently under consideration.

The SPEAKER pro tempore (Mr. MINETA). Is there objection to the request of the gentleman from California?

There was no objection.

Mr. WAXMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased to announce that the conferees on H.R. 2409, the Health Research Extension Act of 1985, have resolved their differences and reported a conference report to extend the research authorities of the National Institutes of Health.

The provisions of the House and Senate legislation were similar in many respects. Our negotiations were productive and guided by a bipartisan commitment to strengthen the Nation's support of biomedical research.

At this time I want to acknowledge and express my appreciation for the able assistance and contribution of the distinguished committee chairman, Mr. DINGELL, and the ranking minority member, Mr. MADIGAN, to the successful completion of conference.

The conference report is different from the original House passed bill in two major respects. First, as requested by the administration, the authorization of appropriations for expiring NIH authorities is extended for 3 fiscal years.

Second, the legislation does not create a National Institute of Nursing Research as originally proposed in the House bill. Instead, the conferees agreed to establish a center at NIH which will integrate nursing and patient care research into the mainstream of NIH activities. Establishment of a nursing center is intended to be substantially less disruptive than creation of a new national research institute which would have required greater resources.

Mr. Speaker, the National Institutes of Health is a national treasure. It deserves the stature and affirmation of public support that is embodied by this legislation.

Passage of H.R. 2409 properly establishes health research among the highest priorities of the 99th Congress.

I urge each Member's support for this important legislation.

Mr. MADIGAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of this conference report that reauthorizes the expiring authorities of the National Institutes of Health.

This conference report reauthorizes for 3 years the research authorities of the National Cancer Institute and the National Heart, Lung, and Blood Institute, the National Research Service Awards and the Medical Library Assistance Act. This legislation is virtually identical to S. 540, the conference report which received unanimous support of both the House and Senate during the final days of the 98th Congress.

Many of the management directives and line-item authorizations contained in previous NIH bills which were criticized have been removed from this leg-

islation. Additionally, the authority of the Secretary of Health and Human Services contained in section 301 of the Public Health Service Act to conduct biomedical research has been strengthened. I should also note that consensus language from last year's conference report dealing with the sensitive issues of fetal research and the use and care of animals in research is maintained in this conference report.

This conference report also provides for establishment of the National Institute of Arthritis and Musculoskeletal and Skin Disease, a proposal which has been a part of NIH reauthorizing legislation for the past 4 years.

Finally, I am especially heartened that the conference agreement includes a provision that establishes a national center for nursing research at the National Institutes of Health. It is my expectation that this center will be an enormous asset in contributing to the basic biomedical research conducted at NIH.

Mr. Speaker, I yield back the balance of my time.

Mr. WAXMAN. Mr. Speaker, I yield 5 minutes to my colleague, the gentleman from California [Mr. ANDERSON].

Mr. ANDERSON. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I would like to take this opportunity to commend the chairman of the Health and Environment Subcommittee, Mr. WAXMAN and all the conferees for one title in the conference report that provides for research on lupus erythematosus. As many Members of this House know, I have long been concerned with this disease and have been working to provide research funding and coordination in the search for a cure for lupus.

The conference report will establish a lupus erythematosus coordinating committee to plan, develop, coordinate and implement comprehensive Federal initiatives in research on lupus erythematosus. This committee will meet at least four times a year and will submit a report on their activity no later than 18 months after the date of the enactment of this conference report. I believe that this coordinating committee will provide tremendous leadership in the fight against lupus.

I urge my colleagues to join me in supporting this conference report which provides vital funding for research on lupus and other serious health problems confronting Americans.

Mr. WAXMAN. Mr. Speaker, I yield such time as he may consume to the gentleman from Alabama [Mr. SHELBY], who as a member of the subcommittee has played a most constructive role in bridging the differences that we have had in the subcommittee, in the full committee, in the House and in the conference.

I want to commend the gentleman for the very important role he played in this legislation.

Mr. SHELBY. Mr. Speaker, I rise in support of the conference report and want to praise its sponsors for achieving a balanced compromise reauthorizing our important biomedical research programs.

I am pleased to know that conferees reached agreement on a substantial portion of a bipartisan bill approved by the House Energy and Commerce Committee. This bipartisan consensus evolved after several months of negotiations by members of the Health and the Environment Subcommittee both last Congress and this Congress.

The NIH deserves this vote of confidence for their excellent track record in biomedical research. The work of the NIH is a source of tremendous national pride. The scientific research and advances in the prevention and treatment of disease generated at NIH are unrivaled throughout the world.

This legislation will provide the necessary encouragement to the scientific and medical professionals at NIH who are working hard to prevent and conquer serious disease.

I urge my colleagues to support the conference report.

Mr. FORD of Tennessee. Mr. Speaker, today, we are discussing the conference report on health research extension bill H.R. 2409. Frankly, I believe this is an excellent bill in many respects.

Health research is an item which to my mind is clearly underfunded. Total health care costs in the United States are estimated at $45.6 billion, Federal investment in medical research is only 1.2 percent of this figure.

The annual expenditure on health care in the United States is $2,000 per person.

The annual investment in medical research is only $25 per person.

In 1980 the Nation spent over $37.3 billion on medical and social cost of cancer treatment, while the Federal Government spent only a fraction of a percent of this amount on cancer research.

Statistics show that the rate of return on every $1 invested in medical research is $13.

I believe in spending money up front for research. It is a practical and prudent investment of taxpayer dollars, and one that clearly benefits the people of America.

However, I must seriously question if Americans in all sections of our country benefit from this investment to the same degree. Frankly, I think not. In fact, I know they don't.

The mid-South area is one of the last remaining major geographic and population bases within the Nation whose people do not have ready access to a comprehensive cancer research and treatment center.

All other ingredients for the complete spectrum of medical services already exist in the Memphis Medical Center. A children's comprehensive cancer center, St. Jude Children's Research Hospital, is fully operational in Memphis and will help bring in outstanding biomedical scientists and clinical investigators to the Memphis medical center. The University of Tennessee Center for the Health Sciences is in a phase of rapid growth and special emphasis is being given to the basic medical sciences.

We have the will, the people, the human resources, what we lack are the buildings and the funds.

What I sincerely hope is that when funds are applied for under this act, given that it does become law, that it is clear to those individuals approving grants that it is the intention of this body to have all Americans share, to the extent possible, fairly in the fruits those funds will provide; that those sections of the country which currently lack adult treatment and research centers be provided special consideration; that a sincere effort will be made to see to it that all Americans are given a chance to defeat this dread disease.

In order to bring a Memphis comprehensive cancer center into being, we need money for brick, mortar and equipment. There is a legitimate need for more cancer research and treatment facilities, if we hope to come anywhere near the goal of the National Cancer Institute to reduce cancer mortalities by 50 percent by the year 2000.

There are legitimate and compelling reasons to locate such a center in Memphis to service the mid-South region and hopefully, when they are requested there will be funds available to insure that the mid-South region can share fully in the fight to conquer this dread disease.

Mr. O'BRIEN. Mr. Speaker, I rise in support of the bill, H.R. 2409, the Health Research Extension Act of 1986 which contains authorization for our Nation's first line of defense against disease, the National Institutes of Health.

I wish to commend the conferees of both Houses on reaching the agreement on the multifaceted issues embodied in the reauthorization for 3 years of the several Institutes. I particularly wish to commend the conferees and all the members of the House Energy and Commerce Committee and the Senate Education and Labor Committee for bringing into existence, the new National Center for Nursing Research.

A national focus for research into nursing has been a particular concern of mine for several years. In the bill, H.R. 2409, the new Center will be comprised of the nursing research and research training activities supported by the current Division of Nursing in the Health Resources and Services Administration.

I share the conferee's view that the new Center will lead to significant long-term savings in health care costs through improved patient care, patient education, and health promotion that will follow from a concentration of research into nursing and nurse-related functions within the total health care delivery system.

The creation of the Center is a long overdue recognition of the nursing profession as a significant and integral part of the Na-

tion's health care delivery system. I am convinced that the new Center will pay for itself many times over as the new organization concentrates its efforts into improving patient care and upgrading the nursing profession.

Mr. WAXMAN. Mr. Speaker, I yield back the balance of our time.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the conference report.

There was no objection.

The SPEAKER pro tempore. The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. WAXMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 395, nays 10, not voting 29, as follows:

[Roll No. 368]

YEAS—395

Ackerman	Clay	Fields
Alexander	Clinger	Fish
Anderson	Coats	Flippo
Andrews	Cobey	Florio
Annunzio	Coble	Foglietta
Anthony	Coelho	Foley
Applegate	Coleman (TX)	Ford (MI)
Armey	Combest	Ford (TN)
Aspin	Conte	Fowler
Atkins	Cooper	Frank
AuCoin	Coughlin	Franklin
Barnard	Courter	Frenzel
Barnes	Coyne	Frost
Bartlett	Craig	Fuqua
Barton	Crockett	Gallo
Bateman	Daniel	Garcia
Bates	Darden	Gaydos
Bedell	Daschle	Gejdenson
Beilenson	Daub	Gekas
Bennett	Davis	Gephardt
Bentley	DeLay	Gibbons
Bereuter	Dellums	Gilman
Berman	Derrick	Glickman
Bevill	DeWine	Gonzalez
Biaggi	Dickinson	Goodling
Bilirakis	Dicks	Gordon
Bliley	Dingell	Gradison
Boehlert	DioGuardi	Gray (IL)
Boggs	Dixon	Gray (PA)
Boland	Donnelly	Green
Boner (TN)	Dorgan (ND)	Gregg
Bonior (MI)	Dornan (CA)	Grotberg
Bonker	Dowdy	Guarini
Bosco	Downey	Gunderson
Boucher	Dreier	Hall (OH)
Boulter	Duncan	Hall, Ralph
Boxer	Durbin	Hamilton
Breaux	Dwyer	Hammerschmidt
Brooks	Dymally	Hansen
Brown (CA)	Dyson	Hartnett
Broyhill	Early	Hatcher
Bruce	Eckart (OH)	Hawkins
Bryant	Eckert (NY)	Hayes
Burton (CA)	Edwards (CA)	Hendon
Burton (IN)	Edwards (OK)	Henry
Bustamante	Emerson	Hertel
Byron	English	Hiler
Callahan	Erdreich	Hillis
Carney	Evans (IA)	Holt
Carper	Evans (IL)	Hopkins
Carr	Fascell	Horton
Chandler	Fawell	Howard
Chapman	Fazio	Hoyer
Chappie	Feighan	Hubbard
Cheney	Fiedler	Huckaby
Hughes	Mineta	Sikorski
Hunter	Mitchell	Siljander
Hutto	Moakley	Sisisky
Hyde	Molinari	Skeen
Ireland	Mollohan	Skelton
Jacobs	Monson	Slattery
Jeffords	Montgomery	Slaughter
Jenkins	Moody	Smith (FL)
Johnson	Moore	Smith (IA)
Jones (NC)	Moorhead	Smith (NE)
Jones (OK)	Morrison (CT)	Smith (NJ)
Jones (TN)	Morrison (WA)	Smith, Denny (OR)
Kanjorski	Mrazek	
Kaptur	Murphy	Smith, Robert (NH)
Kasich	Murtha	
Kastenmeier	Myers	Smith, Robert (OR)
Kennelly	Natcher	
Kildee	Neal	Snowe
Kindness	Nichols	Snyder
Kleczka	Nielson	Solarz
Kolbe	Nowak	Solomon
Kolter	O'Brien	Spence
Kostmayer	Oakar	Spratt
Kramer	Oberstar	Staggers
LaFalce	Obey	Stallings
Lagomarsino	Olin	Stangeland
Lantos	Ortiz	Stark
Latta	Owens	Stenholm
Leach (IA)	Oxley	Stokes
Leath (TX)	Packard	Strang
Lehman (CA)	Panetta	Stratton
Lehman (FL)	Parris	Studds
Leland	Pashayan	Sundquist
Lent	Pease	Sweeney
Levin (MI)	Penny	Swift
Levine (CA)	Pepper	Swindall
Lewis (CA)	Perkins	Synar
Lewis (FL)	Petri	Tallon
Lightfoot	Pickle	Tauzin
Lipinski	Porter	Taylor
Lloyd	Price	Thomas (GA)
Loeffler	Pursell	Torres
Long	Quillen	Torricelli
Lott	Rahall	Towns
Lowery (CA)	Rangel	Traficant
Lowry (WA)	Regula	Traxler
Lujan	Reid	Udall
Luken	Richardson	Valentine
Lundine	Ridge	Vander Jagt
Lungren	Rinaldo	Vento
Mack	Ritter	Visclosky
MacKay	Roberts	Volkmer
Madigan	Robinson	Vucanovich
Manton	Roe	Walker
Markey	Roemer	Watkins
Marlenee	Rogers	Waxman
Martin (IL)	Rose	Weiss
Martin (NY)	Rostenkowski	Wheat
Martinez	Roukema	Whitehurst
Matsui	Rowland (CT)	Whitley
Mavroules	Rowland (GA)	Whittaker
Mazzoli	Roybal	Whitten
McCain	Rudd	Williams
McCandless	Russo	Wirth
McCloskey	Sabo	Wise
McCollum	Savage	Wolf
McCurdy	Saxton	Wolpe
McDade	Schaefer	Wortley
McGrath	Schneider	Wright
McHugh	Schroeder	Wyden
McKernan	Schuette	Wylie
McKinney	Schulze	Yates
Meyers	Schumer	Yatron
Mica	Sensenbrenner	Young (AK)
Michel	Sharp	Young (FL)
Mikulski	Shaw	Young (MO)
Miller (CA)	Shelby	Zschau
Miller (OH)	Shuster	

NAYS—10

Badham	McEwen	Stump
Brown (CO)	Miller (WA)	Tauke
Crane	Ray	
Dannemeyer	Shumway	

NOT VOTING—29

Addabbo	de la Garza	Roth
Akaka	Edgar	Scheuer
Archer	Gingrich	Selberling
Borski	Hefner	St Germain
Broomfield	Heftel	Thomas (CA)
Campbell	Kemp	Walgren
Chappell	Livingston	Weaver
Coleman (MO)	McMillan	Weber
Collins	Nelson	Wilson
Conyers	Rodino	

□ 1255

Mr. TAUKE changed his vote from "yea" to "nay."

Ms. KAPTUR and Mr. DENNY SMITH changed their votes from "nay" to "yea."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

CORRECTING ENROLLMENT OF H.R. 2409, HEALTH RESEARCH EXTENSION ACT OF 1985

Mr. WAXMAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate concurrent resolution (S. Con. Res. 79) correcting the enrollment of the bill (H.R. 2409) to amend the Public Health Service Act to revise and extend the authorities under that act relating to the National Institutes of Health and National Research Institutes, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the Senate concurrent resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the Senate concurrent resolution, as follows:

Resolved by the Senate (the House of Representatives concurring), That in the enrollment of the bill (H.R. 2409) to amend the Public Health Service Act to revise and extend the authorities under that Act relating to the National Institutes of Health and National Research Institutes, and for other purposes, the Clerk of the House of Representatives shall make the following corrections:

(1) In the proposed section 406(a)(3)(B), strike out "disease" and insert in lieu thereof "diseases".

(2) In the proposed section 408(a)(2)(B), strike out "$90,000 for fiscal year 1987, and $98,000" and insert in lieu thereof "90,000,000 for fiscal year 1987, and $98,000,000".

(3) In the proposed section 436(b)(2), insert a comma after "rehabilitation".

(4) Redesignate the proposed section entitled "STUDIES RESPECTING BIOMEDICAL AND BEHAVIORAL RESEARCH PERSONNEL" as section 489.

(5) In the proposed section 495(c), insert "of" after "date of enactment".

(6) In the proposed section 497, strike out "or national" and insert in lieu thereof "or a national".

(7) In the proposed section 442(f), strike out "Advi- sory" and insert in lieu thereof "Advisory".

(8) In the proposed section 487(c)(4)(A), $A=\phi(t-s/t)$ and insert in lieu thereof

$$\text{"}A=\phi\left(\frac{(t-s)}{t}\right)\text{"}.$$

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. McCANDLESS. Mr. Speaker, on rollcall 367, my card did not show my vote. I would like the record to show my vote would have been "yea."

APPOINTMENT OF CONFEREES ON H.R. 2419, INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 1986

Mr. HAMILTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 2419) to authorize appropriations for fiscal year 1986 for intelligence and intelligence-related activities of the U.S. Government, the Intelligence Community Staff, and the Central Intelligence Agency Retirement and Disabilty System, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment, and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana? The Chair hears none, and, without objection, appoints the following conferees: Messrs. HAMILTON, STOKES, McCURDY, BEILENSON, KASTENMEIER, DANIEL, ROE, BROWN of California, McHUGH, DWYER of New Jersey, STUMP, IRELAND, HYDE, CHENEY, LIVINGSTON, and McEWEN.

And, for matters within the jurisdiction of the Committee on the Judiciary under clause 1(m) of House rule X, Mr. MAZZOLI.

There was no objection.

PERSONAL EXPLANATION

Mr. FAZIO. Mr. Speaker, I regret that I was unavoidably detained yesterday at the White House during rollcall 365 when the House adopted H.R. 2095, the Daylight Saving Extension Act. I wish it to be known that had I been here, I would have voted in favor of this measure.

PERSONAL EXPLANATION

Mr. MILLER of Washington. Mr. Speaker, I was unavoidably absent earlier today during rollcall 367.

Had I been present, I would have voted "aye."

PERSONAL EXPLANATION

Mr. EARLY. Mr. Speaker, I regret that I was unavoidably detained yesterday at the White House during rollcall No. 365 when the House adopted H.R. 2095, the Daylight Saving Extension Act.

I wish it to be known that had I been here, I would have voted in favor of this measure.

PERSONAL EXPLANATION

Mr. ROTH. Mr. Speaker, on the last rollcall, I was unavoidably detained. Had I been here on rollcall 368, I would have voted "aye."

OMNIBUS BUDGET RECONCILIATION ACT OF 1986

The SPEAKER pro tempore. Pursuant to House Resolution 296 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 3500.

The Chair designates the gentleman for Texas [Mr. DE LA GARZA] as Chairman of the Committee of the Whole and requests the gentleman from California [Mr. TORRES] to assume the chair temporarily.

□ 1303

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3500), to provide for reconciliation pursuant to section 2 of the first concurrent resolution on the budget for the fiscal year 1986, with Mr. TORRES (Chairman pro tempore), in the chair.

The CHAIRMAN pro tempore. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from Pennsylvania [Mr. GRAY] will be recognized for 2 hours and the gentlewoman from Illinois [Mrs. MARTIN] will be recognized for 2 hours.

The Chair recognizes the gentleman from Pennsylvania [Mr. GRAY].

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, you have before you today the cooperative efforts of 10 House committees to produce savings of over $61 billion over a 3-year period in the Omnibus Budget Reconciliation Act of 1985.

This was not an easy task. Many of the committees made reforms which were very difficult for them in order to meet the common goal of deficit reduction. This package may include some elements which all of us would prefer to see done a little differently. But our House committees generally acted in good faith to meet their reconciliation directives. Some committees went back more than once to come up with sufficient savings. And the end result represents the collective wisdom of our House committees on how to best meet their reconciliation target.

As you know, two committees have moved their reconciliation legislation separately from this omnibus package. The Agriculture Committee has made 3-year savings of $7.913 billion in the Food Security Act of 1985 which passed the House by 282 to 141 on October 8. Chairman DE LA GARZA has indicated to me that he will seek an immediate conference on this bill and will make every effort to ensure that the legislation meets the needed reductions after conference with the Senate. The Ways and Means Committee has also reported separate legislation, H.R. 3128, containing Medicare provisions as well as IRS and Customs provisions. The Energy and Commerce health provisions are also moving separately in H.R. 3128.

This is not an unusual procedure. In the past, the reconciliation directive has been met both by inclusion of savings in an omnibus reconciliation package and by the enactment of separate reconciliation legislation.

If you add the Agriculture Committee savings and Ways and Means Committee legislation to the omnibus proposal before you today, the 3-year total will be $77.119 billion which exceeds the 3-year reconciliation directive of $75.535 billion by almost $2 billion.

I urge you to support this package.

Mrs. MARTIN of Illinois. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, we begin debate today on the reconciliation package. There is no question that many of the committees have put in difficult amounts of time and work to achieve what they felt were budget savings.

Regrettably, there is some disagreement on how accurate the savings claimed are in reality. Indeed, one of the other groups that judges how we are truly sticking to reconciliation guidelines indicates that this bill is over $15 billion shy of what the original House goal was and the goal from the conference committee.

Too often in this reconciliation bill, we are seeing committees putting on whole sets of new legislative priorities that could no more pass their committee or pass the Rules Committee than you or I could walk the Potomac.

□ 1310

This is not the purpose of the reconciliation process. When we reach the amendment stage, we will be hearing from the ranking member of the Committee on the Budget, DEL LATTA, with an amendment that was made in order by the Rules Committee, that will strip at least some of these extraneous spending initiatives from the reconciliation document.

One does not fault the chairman of the Budget Committee, but one must fault this Congress again for its ability

to make speeches concerning cutting the deficit and its absolute inability to make those difficult judgments necessary to truly cut spending and to truly lower the deficit.

Without the Latta amendment, this is not an efficient deficit reduction package; indeed, it does not achieve the goals that each Member of this House should want to achieve in a deficit reduction package. It adds housing bills, it adds changes in State revenues, it, in category after category, ignores the voice of the American people to cut back, to conserve. Rather it indulges in an orgy of spending by using the reconciliation bill, the very bill that was to hold down spending.

Therefore, Mr. Chairman, regrettably this is not the reconciliation package that all of us wish. We would hope that this House would carefully listen to the amendments to at least make the bill more marginally acceptable to more of our Members.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 10 minutes to the gentleman from Mississippi, the distinguished chairman of the Committee on Veterans' Affairs, the gentleman from Mississippi [Mr. MONTGOMERY] and I ask unanimous consent that he be permitted to yield time.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. MONTGOMERY. Mr. Chairman, I will first take up the Armed Services Committee report on reconciliation, and I yield myself such time as I may consume.

The CHAIRMAN pro tempore. The Chair recognizes the gentleman from Mississippi [Mr. MONTGOMERY].

Mr. MONTGOMERY. Mr. Chairman, the House Armed Services Committee has complied with its reconciliation instructions by reporting legislation to authorize the Secretary of Defense to bill private insurers for the reasonable cost of medical and dental care provided in military medical facilities to nonactive-duty beneficiaries—that is, dependents and retirees—who are eligible for such care and who are also covered by health insurance plans. Many individuals eligible for care on a space-available basis in military medical facilities are also covered by private health insurance policies. For example, retirees generally seek second-career employment which often includes an attractive package of benefits, such as retirement plans, profit-sharing plans, and life and health insurance programs. Many military retirees prefer to seek medical care for themselves and their families from private physicians and hospitals under their new employer-sponsored health insurance. Others, however, continue to seek care from military medical facilities, particularly since there is virtually no cost sharing—in contrast to private sector health plans.

Despite the fact that many of their patients have private insurance coverage, military medical facilities do not seek reimbursement from the insurer for the cost of care provided to such covered individuals. This legislation would remedy that situation by authorizing the United States, through the Secretary of Defense, to collect from a third-party payer the reasonable cost of medical care provided to dependents of active duty personnel, retirees, their dependents, and survivors. Third-party payer includes both insurance underwriters and private employers who offer self-insured or partially self-insured/partially underwritten health insurance plans.

The Government could collect only for benefits covered by the insurance plan—subject to the terms and conditions of that plan. Thus, if the insurance plan did not cover psychiatric care or covered only outpatient care, then the Government would not have the authority to collect the expenses for an inpatient psychiatric admission. In addition, to the extent that insurance contracts have provisions that require, for example, preadmission screening and second opinions before surgery, the Department of Defense would be expected to comply in order to collect under those contracts.

The legislation would have no financial impact on dependents and retirees who use military hospitals: Their costs would remain the same—dependents pay $7.10 per day; retired officers, $3.80 per day; and retired enlisted, nothing. Retirees and dependents would not be liable for any deductible and copayment included in the plan.

CBO estimates of savings—for both budget authority and outlays—over the next 3 fiscal years are as follows:

	Millions
Fiscal year:	
1986	$125
1987	266
1988	284

Collection from third-party payers has been endorsed in three recent studies of Federal hospital programs. In its task force report on Federal hospital management, the President's Private Sector Survey on Cost Control, commonly known as the Grace Commission, called for collecting from third-party payers the cost of care provided in Government medical facilities, asserting that private insurers were receiving a windfall. Such collection efforts have subsequently been endorsed by the Congressional Budget Office in its March 1984 report, entitled "Options for Change in Military Medical Care," and by the General Accounting Office in its February 1985 report, entitled "Legislation to Authorize VA Recoveries From Private Health Insurance Would Result in Substantial Savings."

Mr. Chairman, at this time I would like to move right into title X of the bill relating to the Committee on Veterans' Affairs.

If there are no objections, I will cover title X, and after that, Mr. HAMMERSCHMIDT will comment on the title X provisions and Mr. HILLIS will cover title I for the House Armed Services Committee.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. MONTGOMERY. Mr. Chairman, the agreement reached by the House and Senate on the first concurrent resolution on the budget instructed the Committees on Veterans' Affairs to report changes in laws within their jurisdiction sufficient to reduce budget authority and outlays by $300 million in fiscal year 1986, $400 million in fiscal year 1987 and $450 million in fiscal year 1988. Our committee target is $1.15 billion for the 3-year period.

The Committee on Veterans' Affairs has met its targets. According to the Congressional Budget Office [CBO], should title X be enacted, we would exceed the mandated targets by $142 million in budget authority and $127 million in outlays. Our own committee estimate—which includes cost estimates from VA—is about $60 million higher.

Our committee has met the savings targets by adjusting the cost-of-living increase for certain veterans, reforming the eligibility requirements for health care in VA facilities, and authorizing third-party reimbursement for care and treatment in VA facilities.

Part A of title X would provide a cost-of-living adjustment [COLA] of 3.7 percent for veterans receiving compensation for service-related disabilities and for eligible survivors and dependents receiving dependency and indemnity [DIC] benefits from the Veterans' Administration. The increase would become effective December 1, 1985. The baseline contained in the conference agreement would have provided an increase of 4.1 percent.

Part B of this title would reform and improve eligibility for veterans' health care in VA facilities. Under current law health care for all veterans is discretionary. If a bed is not available on a given day, any veteran may be denied needed care. Service-connected veterans are not usually turned away since these veterans are given priority by the Veterans' Administration.

Part B identifies categories of veterans to whom VA would be required to provide inpatient and outpatient health care when determined by the Administrator to be medically necessary. Included are: Service-connected veterans, former POW's, veterans exposed to certain herbicides and ionizing radiation, World War I veterans,

veterans drawing pension from the VA, and any veteran with one dependent whose income does not exceed $25,000—or $19,000 for a single veteran.

Any non-service-connected veteran with income above these limits may receive care provided: First, space and resources are available, and second, the veteran agrees to pay the initial deductible he or she would be required to pay under Medicare—estimated to be $492 for inpatient care in fiscal year 1986. Unlike the Medicare Program, the veteran would not be required to pay more than $492 for inpatient and outpatient care during a 12-month period.

In making a determination whether the veteran would be required to pay the deductible, the Veterans' Administration would be required to use the same criteria and procedure that is now used in determining annual income and net worth for pension purposes.

Part B would repeal the current provision of law that allows a veteran over the age of 65 to receive care in VA facilities regardless of his or her inability to defray the cost of necessary health care.

All of the provisions that would affect eligibility for health care would expire on September 30, 1988.

The bill authorizes the Veterans' Administration to recover from health insurers the reasonable costs of care furnished in VA facilities to insured veterans who have non-service-connected disabilities. Most of the savings in title X would be realized through this provision of the bill. Most health insurance plans and contracts contain exclusionary clauses which bar reimbursement to the United States for care provided in Federal health-care facilities. The bill would effectively nullify any contract provision agreed to after the date of enactment of this measure which seeks to bar recovery in connection with care furnished in VA facilities. This makes the VA similar to private hospitals for insurance purposes.

The bill would authorize VA to require non-Federal health care providers that furnish hospital care and services to veterans to accept the same payment from VA for such services that is now accepted for Medicare purposes.

Part C of this title would establish an advisory committee on American Indian veterans. In addition, the Administrator of Veterans' Affairs would be required to conduct an epidemiological study of long-term adverse health effects, if any, in females who served in the Armed Forces of the United States in the Republic of Vietnam and who were exposed to herbicides containing dioxin during such service.

The reform proposal contained in this bill is fair to veterans. It is easy to administer. It sets out our commitment to take care of service-connected disabled veterans and the non-service-connected veteran most in need. The committee proposal does not bar any veteran from the health care system and, if implemented, will force the agency to better plan to meet the future needs of our Nation's veterans.

Our committee has met its targets and I urge my colleagues to support the bill.

Mrs. MARTIN of Illinois. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana [Mr. HILLIS], the ranking member of the Committee on Armed Services, and I ask unanimous consent that he be permitted to yield time.

The CHAIRMAN pro tempore. Is there objection to the request of the gentlewoman from Illinois?

There was no objection.

Mr. HILLIS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, in order to achieve the $600 million in savings assigned by the first concurrent resolution on the budget for fiscal year 1986, the House Armed Services Committee has reported legislation to bill third-party payers for the reasonable cost of medical and dental care provided in military medical facilities. The gentleman from Mississippi [Mr. MONTGOMERY], the ranking member of the Subcommittee on Military Personnel and Compensation, as well as the distinguished chairman of the Committee on Veterans' Affairs, has already explained the thrust of the legislation. I would like to highlight several points.

Representatives of private insurance companies have expressed concern that this legislation could impede their current cost-containment efforts. That is not the intent.

Clearly, the private sector has made great strides in recent years in the area of medical care cost containment and been in the forefront of innovative ways to moderate the rapidly escalating cost of medical care. As a part of that cost-containment effort, third-party payers routinely audit provider records for appropriateness of care, length of stay, and similar utilization indicators.

The Committee on Armed Services endorses such cost-containment initiatives.

This legislation would, therefore, afford third-party payers a similar opportunity to inspect and review military medical treatment facility records for those cases for which collection is sought.

Under this legislation, the Secretary of Defense would prescribe regulations for computing the reasonable cost of medical and dental care for which collection could be made. Although these regulations could utilize the per-diem charges currently used for collection under the Medical Care Recovery Act—$441 per inpatient day and $58 per outpatient visit for fiscal year 1986—other methods of determining reasonable costs would be equally appropriate.

To the maximum extent possible, the method of reimbursement should complement the cost-containment objectives of the third-party payer within that geographic area.

Thus, reimbursement might be based on the average rate—usual and customary fee for service, fee schedule, or other fee mechanism—that the third-party payer can demonstrate it would pay under valid contractual arrangements with other facilities or providers within the same geographic area for similar service or services.

The use of prospective payment or diagnostic related groups [DRG's] is becoming widespread as a method of reimbursement within the civilian medical community.

In view of the work already underway within the Department of Defense on the potential utilization of DRG's as an internal budgetary tool, the Department of Defense should carefully consider DRG's as a means of reimbursement for third-party payers under this title.

To facilitate claims processing, Department of Defense medical facilities may wish to negotiate reasonable cost through contractual arrangements with third-party payers within their geographic areas.

□ 1320

Mr. Chairman, I yield back the balance of my time.

Mrs. MARTIN of Illinois. Mr. Chairman, I yield 10 minutes to the gentleman from Arkansas [Mr. HAMMERSCHMIDT], the ranking minority member of the Committee on Veterans' Affairs, and I ask unanimous consent that he be permitted to yield time.

The CHAIRMAN pro tempore. Is there objection to the request of the gentlewoman from Illinois?

There was no objection.

Mr. HAMMERSCHMIDT. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in strong support of title X of H.R. 3500, the Omnibus Budget Reconciliation Act of 1985. Title X pertains to Veterans' Affairs and is the result of a bipartisan effort of which we can all be proud. The joint budget resolution calls upon the Veterans' Affairs Committee to achieve $300 million in savings. With title X, we can do that.

Mr. MONTGOMERY, the distinguished chairman of the Veterans' Affairs Committee, and I, the ranking member, believe that we have developed a proposal for fiscal year 1986 budget savings which is responsible and which would enable the Nation to

keep its commitment to provide medical care for veterans who were disabled in the line of duty or who are truly in need, regardless of age.

Also, title X would provide a 3.7-percent cost-of-living increase for disability compensation and for dependency and indemnity compensation. It has been customary, and it is a matter of fairness, to treat COLA's for veterans' programs on the same basis as COLA's for other Federal programs.

America's veterans, who have already sacrificed for their country by military service, have always stood ready to sacrifice again if called upon. Veterans rightly ask only that the sacrifices be shared equitably and that particular groups not be exempt.

Many disabled veterans live on fixed compensation incomes and face the same hardships as all other such persons, if the buying power of the dollar declines. Yet veterans are willing to do their part in helping to win the crucial battle against the deficit.

The Veterans' Affairs Committee is proposing a historic reform of veterans' health care eligibility. My good friend, Mr. MONTGOMERY, has already provided many of the details of the proposal. The eligibility reform consists of a stronger commitment to provide hospital and outpatient care to a universe of veterans defined by specific income and asset criteria or by service-related categories.

Many veterans are surprised to learn that the VA today has no firm obligation under the law to give medical care to any veteran, whether service-connected or not. Through administrative prioritizing or resources, veterans in fact have received medical care for service-connected conditions, but if VA resources become inadequate, care could actually be denied to a service-connected veteran.

We have here an opportunity to do something for veterans which has never been done before. We can take the step, which many people thought had already been taken, to give service-connected and needy veterans the Government's assurance that the VA will provide them hospital and outpatient care.

About two-thirds of the savings would be accomplished by the third-party reimbursement provision. It would generally make private health insurance coverage for VA treatment the same as for private treatment in the case of non-service-connected veterans. Instead of cutting budget dollars, we have found insurance dollars to pay some of the medical bills. Third-party reimbursement would have a mninimal effect on policy premiums while ending what amounts to a subsidy for health care insurance companies.

The Veterans' Affairs Committee has studied carefully the whole range of options available to it for achieving $300 million in savings. The committee has sought out the views and suggestions of veterans' groups and concerned citizens, and I am satisfied that there is no better way to save the money, given the necessity to do it. The committee heard no alternatives from any quarter, and nearly all veterans' groups have accepted the approach which title X takes.

I want to make one thing very clear about the proposed means test. The committee would not be recommending it if it were not for the need to save money and to head off a means test which the VA already has the administrative authority to impose.

Therefore, a 3-year sunset provision has been included as a part of the proposal, and the VA would be required to report to the Congress on its experience with the means test. After 3 years, if the means test has not worked out, the VA would revert to the current health care eligibility criteria.

Mr. Chairman, title X's provisions can enhance VA health care for service-connected and needy veterans. It is an opportunity for achieving the savings mandated for veterans' programs while continuing to meet the Nation's basic commitment to its veterans.

Mr. Chairman, I yield 1 minute to the distinguished gentleman from Pennsylvania [Mr. RIDGE] a member of our committee.

Mr. RIDGE. Mr. Chairman, I thank the gentleman for yielding me time.

First of all, I would like to commend our chairman and the gentleman in the well for carefully crafting the compromise which was necessary to meet the fiscal responsibility with which we are faced.

However, I have a variety of reasons why I am opposed in principle to the means test.

Mr. Chairman, I rise in opposition to the means test for veterans as proposed in H.R. 3500, and ask permission to revise and extend my remarks.

Mr. Chairman, most everyone in this Chamber agrees that Government spending must be brought under control. Indeed, my colleagues on the House Veterans' Affairs Committee worked diligently to produce the best alternative to achieve reductions in the VA budget, and they must be commended for their efforts.

I rise in opposition not to this particular proposal, Mr. Chairman, but to a means test for veterans in principal. Long ago we made a commitment to our Nation's servicemen and women that the sacrifices they made would not go unrewarded. We promised, among other things, that their medical needs would be compensated for, in recognition of their service to their country.

I ask then, what kind of message are we sending to young men and women today, who are considering a commitment to serve in our Armed Forces? If we are to break the faith with those who have already served by proposing a means test, what assurance are we giving our young people that we, as their elected representatives, will not tamper with other rewards and benefits we committed to long ago.

Moreover, as a member of the House Veterans' Affairs Committee, I have become acutely aware of the health care problems facing our rapidly aging veterans population. Health care costs are rising exponentially, with no real relief in sight. I believe we have a responsibility to find ways to improve the quality of health care for our Nation's veterans—not find ways to make it less accessible and more burdensome. A means test is a bad idea and a bad precedent. Let's show yesterday's veterans that we have not forgotten them and tomorrow's veterans that their future is secure.

Mr. HAMMERSCHMIDT. Mr. Chairman, I yield such time as he may consume to the gentleman from Connecticut [Mr. ROWLAND] another member of our committee.

Mr. ROWLAND of Connecticut. I thank the gentleman for yielding.

Mr. Chairman, I had hoped to be arguing today for an amendment to delete third party reimbursement and the means test without disturbing the veterans' compensation cost-of-living adjustment.

The health care consequences of the means test and third party reimbursement are sweeping. The vote by the Veterans' Affairs Committee of 14 to 12 demonstrates that the choices being made by the two are serious.

There are at least two questions that, as of yet, have not been adequately addressed. First, would the requirement of a non-service-connected veteran to pay a $492 copayment create a legal obligation on the part of the Veterans' Administration to require it to pay for all of the veterans' health care for a full year irrespective of VA space availability limitations? In the case of Medicare beneficiaries, who also pay a $476 copayment, there is no question that care is provided for the whole year.

Second, the means test creates an entitlement for all non-service-connected veterans whose income is below the threshold. Given the current resource limitation leading to over 20,000 non-service-connected veterans being turned away yearly, where will the resources come from to pay for the care of the veterans who are said to be entitled?

Mr. Chairman, I rise in opposition to the means test because it creates an entitlement program for the first time for veterans using the VA health system. The veteran has always had the security of knowing that such care would be available. A means test changes the rule. While it is being introduced as a 3-year pilot, I feel that it will become a permanent feature and open the door to lower and lower income levels, not to mention the pos-

sibility of applying it to service-related disability.

The CBO has estimated that the means test will require $20 million to administer, which will significantly erode the expected savings of nearly $50 million. In my opinion, the means test will sacrifice medical care dollars for paperwork dollars. Veterans who served their country in wartime have already made sufficient sacrifices. No one was concerned about the income of our servicemen before they entered the service, and we should not start now.

Mr. Chairman, I think the means test sends the wrong message to our veterans across this Nation.

I thank the gentleman for yielding.

Mr. HAMMERSCHMIDT. Mr. Chairman, I thank the gentleman for his statement.

Mr. Chairman, I yield such time as he may consume to the distinguished gentleman from Florida [Mr. BILIRAKIS] a member of our committee.

Mr. BILIRAKIS. I thank the gentleman for yielding.

Mr. Chairman, I would just like to take a few minutes of the Committee's time to enter into a colloquy with the ranking member of the Committee on Veterans' Affairs, the gentleman from Arkansas [Mr. HAMMERSCHMIDT].

Mr. Chairman, I have just a few questions on the sections in the bill which relate to the provision of outpatient medical services to veterans. I think it is vital that the intentions of the Committee regarding this matter be made absolutely clear, both for the benefit of the Members and for those who will be administering the changes, and I know this is your intention as well.

Does the bill guarantee outpatient care to the eight categories of veterans listed on pages 518 and 519 of the bill, including those non-service-connected veterans who, under the income limitations established in the bill, are unable to defray the cost of care?

Mr. HAMMERSCHMIDT. If the gentleman will yield, the gentleman is correct.

Mr. BILIRAKIS. In other words, the VA will be required to furnish such care?

Mr. HAMMERSCHMIDT. The gentleman is correct.

Mr. BILIRAKIS. Will the VA be able to refuse to provide outpatient care to an eligble veteran because the resources are not available in that area?

Mr. HAMMERSCHMIDT. Yes. The bill does not guarantee the veteran that he or she will get care in a specific hospital on a particular given day. The bill would require the VA to provide care at the particular facility or at another facility within a reasonable distance.

Mr. BILIRAKIS. So the VA will be expected to take whatever action is necessary to provide care to eligible veterans? Specifically, the VA will be required to transfer resources to areas where the demand for outpatient care by eligible veterans is unmet, such as in the State of Florida.

Mr. HAMMERSCHMIDT. The VA would be required to manage its resources and allocate funds to take care of the demand in areas throughout the country.

Mr. BILIRAKIS. Does this guarantee of outpatient care extend only to cases in which such services are necessary in preparation for, or to obviate the need of, hospital admission, or as a necessary followup to the hosptialization? Or will eligible veterans be able to get treatment for any necessary medical problem?

Mr. HAMMERSCHMIDT. Mr. Chairman, service-connected disabled veterans would be eligible to get outpatient treatment of any kind for his or her service-connected disability. For most of the non-service-connected cases, the veteran would get outpatient treatment to obviate care or for posthospital care. A veteran rated 50 percent or more would also be able to get outpatient care for any condition. The gentleman is correct. Certain categories would get treatment for anything.

Mr. BILIRAKIS. I thank the gentleman for his comments.

Mr. Chairman, I would hope that possibly in this last particular area, if we have the opportunity available to us in our report language we might get it to be a little more specific in that regard rather than keep things in such a hazy area that it might result in problems later on.

Mr. HAMMERSCHMIDT. I am sure we will be working in the committee to do that, and with the leadership of the gentleman from Florida I am sure we can strengthen it.

Mr. BILIRAKIS. I thank the gentleman.

Mr. MONTGOMERY. I would like to reclaim my time and make a few brief comments.

First, I would like to thank the gentleman from Arkansas [Mr. HAMMERSCHMIDT], the ranking minority member of our Committee on Veterans' Affairs, for his work and cooperation with the chairman pertaining to reconciliation.

I would also like to thank Mr. HILLIS, who is on the Committee on Veterans' Affairs as well as the Committee on Armed Services, for his help and support.

And to the distinguished chairman of the Committee on the Budget, Mr. GRAY of Pennsylvania, I will say it has been a pleasure working with him. He has been very cooperative. It has been, in effect, an enjoyable experience working with the gentleman and the other committee members, including Mr. LATTA and Mrs. MARTIN. I also appreciate the cooperation we have received from the Budget Committee staff.

Mr. Chairman, I yield such time as he may consume to the gentleman from New Mexico [Mr. RICHARDSON].

Mr. RICHARDSON. I thank the gentleman for yielding time to me.

Mr. Chairman, I commend the chairman of the Committee on Veterans' Affairs and its ranking minority member.

Mr. Chairman, I would like to commend the efforts of my colleague, Mr. MONTGOMERY, for his fine work on title X of the Omnibus Budget Reconciliaton Act of 1985. One section of this act is of particular significance to my constituents. Section 10031 of this act would establish an advisory Committee on American Indians by the Administrator of Veterans' Affairs. I rise in strong support of this section. This advisory committee is desperately needed—there has been no major scientific study of veterans which has examined Indians as a specific group—their particular needs and readjustment problems have neither been identified nor addressed.

American Indians have made major contributions to the defense of our country. They have played prominent roles in the military history of the United States since its inception. During the Revolutionary War, George Washington utilized their scouting abilities; in the Civil War, Indian regiments fought in both the Union and Confederate armies. Following the Civil War, Indians officially became part of the enlisted ranks of the U.S. Army—previously they had been hired as auxiliaries. On August 1, 1866, the Indian scouts were established by order of the War Department. As regular enlisted men of the Army, the Indian scouts now received the same pay and allowance as their fellow service members.

Throughout this century many Indians have served valiantly and with distinction in the Army and other Armed Services in World Wars I and II, the Korean conflict and during the Vietnam era. According to the 1980 census, 44,500 American Indians served during World War II, 29,700 during the Korean war and 73,681 during the Vietnam era. These people did not serve without sacrifice—their traditional ways of life were distrupted, leaving problems above and beyond the problems experienced by other American veterans.

The proposed advisory committee would fill an important role in indentifying particular needs which Indian veterans have. They have willingly served this country in its times of need—we now have an opportunity to ensure that their needs, created by their willingness to sacrifice for their country, are also met.

I am very proud of the contributions to our national defense made by American Indians. Their tradition continues—there is currently a Marine platoon made up entirely of Navajo Indians, for example. There is however, a tragic lack of recongnition for the willingness of the Indians in our country to lay their lives on the line when called upon to defend the United States. In spite of their long and prominent history of participation in our Nation's military, no major recognition has been shown to these veterans. I believe that Congress needs to recognize their contributions. I will, therefore, be introducing legislation in the near future to establish a memorial to symbolize our acknowledgement of the involvement of these native Americans in our Nation's military.

I hope that all of my colleagues will support the Ominibus Budget Reconciliation Act of 1985 and other legislation aimed at addressing these unmet needs.

Mr. MONTGOMERY. I thank the gentleman for his comments. I know he and Mr. DASCHLE of South Dakota had a great deal to do with getting this amendment in the Reconciliation Act.

I thank the gentleman.

Mr. Chairman, I have no requests for time, and I yield back the balance of my time.

□ 1335

Mrs. MARTIN of Illinois. Mr. Chairman, I yield 20 minutes to the gentleman from Ohio [Mr. WYLIE], the ranking minority Member on the Committee on Banking, Finance and Urban Affairs, and, Mr. Chairman, I ask unanimous consent that the gentleman from Ohio [Mr. WYLIE] be permitted to yield time.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Illinois?

There was no objection.

Mr. WYLIE. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, later on we will be considering the Latta amendment which would strike from H.R. 3500 all new programs, all budget add-ons to existing programs, and all legislative language that is not germane to reconciliation. This last point is especially important to the Banking Committee portion which is contained in title II.

Let me just say a few words about striking the new programs and reducing the add-ons. Included in title II are five new programs that would fall under the jurisdiction of the Banking Committee. These programs total $235 million in new budget authority. In committee, when H.R. 1, the Housing Authorization Act of 1985, was being considered, I argued that this was the worst possible time to be creating new programs and I offered an amendment to strike all such programs. Although it was defeated, our minority views on H.R. 1 clearly indicated that the minority expected to pursue a similar course of action when the bill reached the House floor. Adoption of the Latta amendment will provide us with an opportunity to fulfill that pledge.

Mr. Chairman, unless there was an extremely strong case to be made for them, I felt very strongly about authorizing new programs in H.R. 1. I feel even stronger about authorizing new programs in what is supposed to be a deficit reducing bill. I feel the same way about add-ons. We are either going to freeze programs or we're not. By wiping out all the nongermane language, the Latta amendment necessarily takes care of these two problems.

Now to the question of placing the entire housing authorization bill in H.R. 3500 and then protecting it with what amounts to a closed rule. Mr. Chairman, unless the Latta amendment is adopted, we will effectively disenfranchise 405 Members of the House from having any say-so in determining priorities for our housing and community development programs this year.

While it is true the Banking Committee did mark up and report H.R. 1, the 1985 housing authorization bill, the particulars of that bill—especially as they relate to individual funding levels—are not the same as those contained in the reconciliation bill. In 25 instances, the funding levels have been changed. In seven instances, albeit minor ones, legislative language has been added or changed. These changes have never been subjected to a formal debate or vote and unless the Latta amendment is approved they never will be.

When the first concurrent resolution on the budget was adopted and the Banking Committee was placed under reconciliation instructions, the majority on the committee decided not to hold a formal session of the committee to determine how to meet these instructions. Instead they held a caucus of the majority members. Only 30 members were eligible to attend that meeting. They made the decisions as to how to split up a somewhat smaller pie.

Unless we approve Latta, the Members of the House will have no alternative but to either ratify these decisions or reject them completely. The House's position on the relative priority of various programs and indeed the structure of the programs themselves will have been determined by only 30 Members.

Mr. Chairman, H.R. 1 was a controversial bill in both subcommittee and committee. It was the object of 125 amendments, 86 of which were adopted and it contains 227 pages. I have it marked here in red. Over one-third of this bill pertains to housing legislation. But, it is still by no means a good piece of legislation.

It is clear to me the fairest procedure is to strip the nongermane legislative provisions from the reconciliation resolution and handle the housing authorization bill in regular order. The amendment by Mr. LATTA would accomplish this. This perfecting amendment would include language as it relates to title II that would provide only those provisions necessary to comply with the instructions for the Banking Committee contained in the first concurrent resolution.

Adoption of the Latta amendment would be beneficial for the final passage of H.R. 3500. Without it, I fear the conference on reconciliation will get bogged down by the housing title and this necessary deficit reduction measure will be needlessly delayed. In support of this proposition the chairman of the Senate Banking Committee has sent a letter to Chairman ST GERMAIN and me.

Similarly, adoption of the amendment would increase chances of enacting a housing authorization bill this year. It would allow the House to promptly take up H.R. 1, which I am willing to do. We still have time to complete action. What I fear, however, is that practically nothing will be decided in the conference on reconciliation and we will lose irreplaceable time before we can focus on a full-blown housing bill.

In summary, Mr. Chairman, the only fair thing to do regarding title II is to approve the Latta amendment. This would not jeopardize the prompt consideration of H.R. 3500, but just as important it would not disenfranchise 405 Members of the House when it comes to establishing Federal housing policy.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 15 minutes to the distinguished gentleman from Texas [Mr. GONZALEZ], and Mr. Chairman, I ask unanimous consent that the gentleman from Texas [Mr. GONZALEZ] be permitted to yield time.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GONZALEZ. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, of course, I voted for the rule on this H.R. 3500, the Omnibus—some people say the ominous—Budget Reconciliation Act. The reason is that under the procedures that were initiated in 1981, we have no recourse. For me, it was a very difficult decision this time. I had no problem in voting negatively in 1981. This year, given the nature of the crisis that confronts the Nation with respect to housing, shelter, and the general community development situation, we are living at

a time when a President and an administration have turned their backs on a 44-year commitment on a national basis to providing a safe, decent affordable house or housing or home for an American family or an American who wishes to so possess the ownership of a home.

Today we are back where we were in 1929. About 6 percent of the Americans in the country today are able to afford a new single-family dwelling unit. This was exactly the picture in 1929, which then, before the October crash, boasted prosperity.

The reason is very simple. For 4½ years we have had a steady assault on all of the programs that have been erected over a 44-year period to provide housing opportunities. Coincident with that has been the collapse of the financial structural base work or foundation that made it possible to construct homes at affordable prices for American families.

It is difficult for me to fold into this compelling process because I was 1 of 10 who voted against the so-called Budget Reform Act of 1974, for that very reason, that I felt and feared at the time that the net impact would be to cause the Congress to abdicate the solemn constitutional mandate to control the purse strings of this Nation's Government.

In effect, the process since 1981 has been to yield this constitutional grant to the executive branch and, therefore, a very, very serious cleavage in this tripartite form of government we have.

Today I rise in support of this Reconciliation Act because it affords the only opportunity we will have to have housing legislation as envisioned in what we called H.R. 1, the Housing and Community Development Authorization Act for 1985.

This bill in the committee and subcommittee took the longest time to be considered in leisurely and calm and dispassionate manner. We made history because we had a total of 96 amendments offered during the course of what we call markup, so that there is no question but what the authorization legislation was seriously, soberly, methodically compared and considered.

Mr. ROTH. Mr. Chairman, will the gentleman yield?

Mr. GONZALEZ. If the gentleman will hold off for just 1 minute, I want to complete my thought, which will not take long, and then I will be delighted to yield to my very distinguished colleague on the subcommittee.

We had, really, more than 100 amendments. Finally, when we ended the markup, the subcommittee passed the measure out unanimously on a voice vote. It was again passed in full committee unanimously by a voice vote. The big issue was, from the beginning, due to the budgetary exigencies, we felt, after comprehensive hearings throughout the country and here in Washington, that there are substantial and growing needs to meet the burgeoning needs and be responsive to those needs in shelter and housing. The country is in a housing crisis.

We visited the teeming, dense metropolitan areas of this country. We visited the rural areas of this country. We found the existence of a crisis. So we tried to respond minimally under the prevailing dictum of the moment a few months ago of a freeze, that is, we would freeze all expenditures, all authorizations, all appropriations, at a level not 1 penny above that which the prior fiscal year had entailed.

Well, then came the reconciliation process, and under that, we were obligated to reduce the freeze by $20 billion we are under; so that when I hear voices that seem to speak as if they are knowledgeable contending that what is enclosed in H.R. 1 here today in the reconciliation process is in excess in any amount, that is absolutely an untruth, I resent it very much, because we feel that we have really sacrificed the recognizable, sincere need, basic minimal needs of the country, in order to reach the reduction of $20 billion under.

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. GONZALEZ. In just a minute.

The total funding level authorized by this title is within the total established by the budget resolution for the community development and housing programs operated by HUD and the Farmers Home Administration. And even though we have what has been variously called new programs, these are in effect new variations of existing programs that have been in place, statutorily authorized, for some time, but always in the expenditure levels that represent a $20-billion cut below the budget that had been approved by the House.

So I want to say, to sum up, that I urge a favorable vote for this resolution at this time. I think that it is so important and so vital for anyone who is even minimally cognizant of the minimal needs in the way of shelter of this country.

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. GONZALEZ. I will be glad to yield, momentarily, to the gentleman who first requested, and I promised I would, so I do.

Mr. ROTH. I thank my chairman for yielding. First of all, I want to say that I thank the gentleman for being eminently fair with us in committee. There is no Member in this Congress who works harder than the gentleman from Texas [Mr. GONZALEZ].

Mr. GONZALEZ. I thank the gentleman.

Mr. ROTH. As the gentleman mentioned, there are 96 amendments that we considered to this legislation, so there is no unanimity on this bill. This is one of the most important pieces of legislation, H.R. 1, to come before this Congress. That is why it is entitled H.R. 1. It is a flagship. But it is wrong to throw this important bill into the hodgepodge of reconciliation. This bill should stand on its own merits. I do not believe that a powerful Member like the gentleman in the well would go to the Speaker and could not get this bill up on its own merits. We owe that to this body and to this country to do that.

□ 1350

Mr. GONZALEZ. I will reclaim my time and say that as I said earlier during another debate, I always accept these compliments, but in no way do they deceive me as to the extent of my inherent power in this body. I am still a VIP, a very important peon.

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. GONZALEZ. I yield to the gentleman.

Mr. VENTO. I want to commend the gentleman for his statement. We are her today because this is the process that has been set up.

Mr. Chairman, those who worship process, they ought to love this reconciliation process, like they loved it in 1981 when they passed the hodgepodge of things that cut the guts out of every social program in this Nation. The same thing is occurring here. We bring forth some proposals within the context of reconciliation legislation that wants to do a little bit for the low-income people of this country; wants to do a little bit for housing; wants to do something for the homeless; wants to deal with housing discrimination at the request of Secretary Samuel Pierce, then we are told it is not the right time. It is not the right time to deal with the homeless when we are below budget.

You know, we have 10 dozen budget experts up here that are telling us what the budget was. We got the lowest common denominator in terms of housing programs, in terms of H.R. 1 in this bill, but it is still not the right time.

I tell you what, I think that I question the support of those individuals that raise that and that try to sacrifice housing community development programs on the altar of process. In other words, they are making a fetish out of this particular issue and I think it is wrong. I think that this bill and this measure is here at the right time because it is necessary. Because we want to house people in this Nation, and because we want to meet their needs. That is why we are here, because the homeless this Thanksgiving ought to

have some hope. We have passed these bills before, they are not new, and we ought not to deceive ourselves. This proposal is here because it is necessary.

We are following the process; this is the reconciliation process. It is within the rules, and I hope we will defeat the Latta amendment. Support the initiatives of your Secretary Samuel Pierce in terms of housing discrimination. Support housing for the poor people in this Nation through this measure. Defeat the Latta amendment so that the needs of the homeless are addressed. That is what we have to do. That is what we should be about here in the people's Congress.

Mr. GONZALEZ. I say to my kind friend, the gentleman from Minnesota, let me explain that we have limited time, I have been so advised by the controlling Member. But if I have time, I would be delighted to yield. I appreciate the gentleman's generosity.

Mr. Chairman, I yield such time as he may consume to the gentleman from New York [Mr. SCHUMER].

Mr. SCHUMER. I thank the gentleman for yielding.

Mr. Chairman, I compliment the gentleman and I would like to address myself to the remarks made by my good friend, the gentleman from Wisconsin [Mr. ROTH].

First of all, there is a pitch that there should be no new programs. That implies to many people, particularly on that side of the aisle, that it means more money. Let us make one thing clear, and I would ask my good friend, the gentleman from Ohio, the ranking minority member who I have worked with, my friend from Texas, my friend from Wisconsin, when they get up and make a pitch that there should be no new programs, they should at least make it clear that the Housing Committee has lived within its budget.

When we have allocated $50 million in reconciliation for a new program, we have taken an existing $50 million; we have $50 million out of an existing program so that we come out equal. So let one thing be 100-percent clear to every Member of this body: New programs live within the budget; they have been paid for by other programs, and let me give the gentleman a reason for that and why some of us feel so strongly about this bill.

Many people, Democrat, Republican, have said the old housing programs do not work. We have conceded that. Many of them do not work. They are extremely expensive and house very few people. So we have attempted to come up with some new programs, some cost-efficient programs, some programs that are much better, that learn from the mistakes of the past.

We have tried to authorize those programs. H.R. 1 has reached the floor in this body and passed it before. But let me remind the gentleman from Wisconsin and my good friends what has happened in the other body. Just this session in the other body, the Housing Subcommittee of the other body passed two of the new programs because two gentlemen from the other body, from that side of the aisle, agreed that there ought to be new programs and they voted against their chairman. Lo and behold, the Housing Subcommittee of the other body ratified those two new programs. What did the chairman of the Housing Authorizing Committee in the other body do? He withdrew a bill.

We are whistling into the wind.

Mr. WYLIE. Mr. Chairman, will the gentleman yield?

Mr. SCHUMER. I yield to the gentleman.

Mr. WYLIE. This is precisely why we need more debate on this 227-page, $20 biliion bill. There is a difference of opinion as to whether we came within the cap of budget reconciliation. I happen to think that we did not. The Office of Management and Budget thinks we did not. The Congressional Budget Office thinks we did not. So I think that what we should do is bring it up on the House floor and debate it.

Mr. SCHUMER. No. 1, just to correct my friend, the Congressional Budget Office, which is the one truly nonpartisan group of all he has mentioned, said we did live within the budget. OMB may have said not, but CBO said we did.

To say let us have H.R. 1 on the floor, is to say, let us have nothing. If the other body had actually put a housing bill on the floor, on its floor, we would not be in reconciliation. The gentleman from Ohio knows, the gentleman from Texas knows, the gentleman from Wisconsin knows, that even if we were to pass H.R. 1 here, nothing would happen. And as the good gentleman from Texas has said, the needs of millions of people in this country would not be addressed.

The CHAIRMAN pro tempore. The time of the gentleman from Texas [Mr. GONZALEZ] has expired.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 5 additional minutes to the gentleman from Texas [Mr. GONZALEZ].

Mr. GONZALEZ. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. SCHUMER].

Mr. SCHUMER. I thank the gentleman for his generosity and time.

Mr. Chairman, as every one of the gentleman who is arguing against this knows, No. 1, we will get nothing if we go through H.R. 1, through the authorization process. We have been through that route 3 of the last 4 years. There will not be a bill from the other body, so you are telling us to whistle in the dark and not have an authorizing process.

No. 2, that we have indeed by the Budget Committee, and more importantly CBO, we have lived within the budget. Certainly when the new programs were started, because I was there at the negotiations, money was taken out of existing programs to try these itty-bitty new programs. I would appeal to the gentleman: Be fair. We are not trying to spend more money than we are supposed to; we are not trying to get around the mechanisms of this body, but what has happened is, we have been pushed against the wall, time and time and time again. We are trying to do something that is fair and trying to do something that is right: No. 1, without breaking the budget; No. 2, without violating the processes of this House, and the gentleman from Ohio's amendment, aided by some of my good colleagues who I know care about this issue, will simply push us back to where we started from.

Mr. GONZALEZ. Reclaiming my time, Mr. Chairman, I now yield time to the other distinguished gentleman from New York, who also has quite a bit of expertise on the question of homelessness. He chairs a subcommittee of the Committee on Government Operations. I am delighted the gentleman is here, and I now yield such time as he may consume to the gentleman from New York [Mr. WEISS].

Mr. WEISS. I thank my distinguished friend and colleague from Texas for yielding to me.

Mr. Chairman, I simply want to say a word about the hearings which my subcommittee conducted around this country. It should come as no surprise to any Member of this body, indeed to any American living in any kind of urban setting that there are up to 2 million homeless people in our country who do not know, from day to day, where they are going to live. Most of them live outside without any shelter whatsoever. Many of them live in improvised shelters which in many instances are almost as bad as living outside.

This piece of legislation contains, because of the efforts of the gentleman from Texas, the gentleman from Minnesota, a demonstration program which for the first time attempts to address the problem of providing through local and through charitable organizations a handle on providing some housing for Americans who are otherwise sleeping out in the elements in the worst kind of weather.

I commend the gentleman for his efforts in that regard. I would think that every Member of this body would want to be supportive of efforts to provide some decent minimal amount of shelter for Americans who do not have that shelter right now.

Mr. GONZALEZ. I thank the gentleman.

Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I think the RECORD ought to reflect that the gentleman's colleague sitting there next to him, Mr. VENTO, was the very first that really pushed hard after witnessing what he saw, the situation back in the State of Minnesota, and he ought to get credit. I do give him credit.

Then we went in and we did what we could and we were the subcommittee that first brought the question of homelessness before the Nation. The gentleman's subcommittee, and Government Operations, Mr. WEISS', did a masterful job in accumulating the data, and in going throughout the country and reaffirming what we knew 3 years ago was a real emerging problem.

□ 1400

Mr. LEVIN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. GONZALEZ. I yield to the gentleman from Michigan.

Mr. LEVIN of Michigan. Mr. Chairman, I appreciate the distinguished chairman of the subcommittee yielding.

Mr Chairman, I simply would like to rise to support the gentleman's position and to support it heartily, making three quick points.

No. 1, it is ironic that the proponents of the amendment that would take housing components out of this bill are of the same party as those who control the other House, and if you could get a guarantee from the other House that a housing bill would go through that House——

Mr. WYLIE. Mr. Chairman, would the gentleman yield to me?

Mr. GONZALEZ. I yield to the gentleman from Ohio.

Mr. WYLIE. Mr. Chairman, I have talked to Senator GARN, and he indicated to me that the best procedure for getting a housing bill would be to do it separately, that if it comes over in the budget——

Mr. LEVIN of Michigan. That would be what?

Mr. WYLIE. That would be to do it separately and to debate a housing bill on the House floor; that if we pass a housing bill by this process in H.R. 3500, where we have over 227 pages and 20 billion dollars' worth of authorizations that will never be debated on the House floor, Chairman GARN is going to try to get H.R. 1 out in conference.

Mr. LEVIN of Michigan. Mr. Chairman, reclaiming the time that was yielded to me, let me say that we need more than a statement from the honorable Member of the other body as to what is the best procedure here. What we need is a written commitment supported by the leadership of the Senate with a firm commitment that a housing bill will be passed in the Senate and put into conference.

The CHAIRMAN. The time of the gentleman from Texas [Mr. GONZALES] has expired.

Mr. WYLIE. Mr. Chairman, I yield 2 minutes to the gentlewoman from New Jersey [Mrs. ROUKEMA].

Mrs. ROUKEMA. Mr. Chairman, I thank the gentleman from Ohio [Mr. WYLIE].

Mr. Chairman, I rise today in strong support of the Latta amendment and in opposition to the inclusion of H.R. 1 in the reconciliation bill.

What we have before us today is a bill authorizing new spending totaling over $3.5 billion over the next 3 years. Of this total, approximately $1 billion is in increased housing authorizations contained in title II. Now, as a member of the Subcommittee on Housing, I sat through literally months of subcommittee and full committee hearings and markup sessions of H.R. 1, the housing authorization bill. And while I may not agree with all of the provisions in H.R. 1, I do strongly believe that it is important for this House to consider a major housing bill this year. But my friends, this is not the same housing bill that the Banking Committee reported in June. In 25 instances, legislative language has been added or changed. These changes have never been subjected to a formal debate or vote. Nor is this reconciliation bill the proper forum for considering such a major piece of authorizing legislation. I ask you, what right do we have to bring a major authorization bill to the floor without the ability to amend it?

When the first concurrent resolution on the budget was adopted and the Banking Committee was charged with reconciliation instructions, the majority on the committee decided not to hold a formal session of the committee to determine how to meet these instructions. Instead there was only a caucus of the majority members. Only 30 members were eligible to attend that meeting. Thus, if the Latta amendment is not adopted today, it means that 405 Members of the House will have been effectively disenfranchised in determining priorities for our housing and community development programs this year.

During markup, I was strongly opposed to authorizing new programs in this time of necessary fiscal constraint and, consequently, I supported an amendment offered by Mr. WYLIE to strike new programs from the bill. Today, I am even more strongly opposed to authorizing new programs and new spending in what is supposed to be a deficit reduction bill. The Latta amendment gives us the real chance to save money today. And this I must stress for my colleagues concerned with the deficit.

The reconciliation process contains the only enforceable spending cuts agreed to this year. While I support the Gramm-Rudman amendment that is now in conference, I would remind the Members of this body that Gramm-Rudman is a long-range plan requiring future years of budgetary restraint. What we have before us today is the opportunity to exercise fiscal responsibility this year. The time to start deficit reduction is now.

In title II alone, the Latta amendment will strip out new programs and increases in existing programs totaling $809 million. While the revised H.R. 1 that is in title II meets budget authority and outlay targets of the budget resolution of fiscal year 1986, it does not meet the outlay targets for fiscal year 1987 and 1988. The Latta amendment will also strike legislative language containing other hidden costs.

Mr. Chairman, H.R. 1 was a controversial bill in both subcommittee and committee. It was the object of 125 amendments, 86 of which were adopted. I agree with the chairman of my committee and the ranking minority member that there is a great need to pass a substantive housing bill this year. But I am vehemently opposed to the process by which this body will be adopting housing legislation using this omnibus reconciliation bill as the vehicle. We should bring H.R. 1 to the floor. The chairman should seek a rule from the Rules Committee, bring the bill to the floor on its own, and allow the Members to work their will by offering proper amendments. I urge my colleagues to support Latta for deficit reduction and bring a separate housing bill to the floor so that we can all have the opportunity to consider the legislation on its merits.

Mr. WYLIE. Mr. Chairman, I thank the gentlewoman from New Jersey [Mrs. ROUKEMA] for her contribution, and she is right.

Mr. Chairman, I yield 1 minute to the gentleman from Wisconsin [Mr. ROTH].

Mr. ROTH. Mr. Chairman, I thank my friend, the gentleman from Ohio, for yielding the time, but in 1 minute, it takes that long to read the title of this legislation.

First of all, Members on this side have said, "Let's be fair." I say, yes, let us be fair, and let us be honest.

This is $20 billion—not $20 million but $20 billion. That is 10 percent of our total budget; that is the amount of dollars we are dealing with here.

I am opposed to this bill coming up in this fashion for two reasons: No. 1, this Reconciliation Act is not the proper vehicle to consider this substantive and controversial legislation. As the chairman of our committee pointed out, we had some 95 to 97 substantive amendments that were debated in committee on this legislation.

With this reconciliation we have had no markup, we have had no real committee deliberations, and it just is not fair to the taxpayers.

We have a document here that is over 200 pages, with 146 sections in the bill, and we are asked to pass this legislation in the Reconciliation Act.

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. ROTH] has expired.

Mr. ROTH. Mr. Chairman, I ask the gentleman from Ohio [Mr. WYLIE] for an additional 10 minutes.

Mr. WYLIE. I am sorry, but I do not have it. I do not have 10 minutes to yield, Mr. Chairman, but I do yield 30 additional seconds to the gentleman from Wisconsin [Mr. ROTH].

Mr. ROTH. Mr. Chairman, I appreciate the generosity of the gentleman from Ohio.

This essentially is a very ineffective way to legislate. We have an obligation here to the American taxpayer. How can we say we are going to be fair to the American taxpayer when we have H.R. 1, the most important piece of legislation, according to that side of the aisle—that is why it has the number, H.R. 1—and we are going to pass it in the reconciliation bill? This is being totally unfair, totally dishonest.

The other thing is that we are not being fair to the committee members. We worked day after day, day after day on this legislation, and now just to take all this work and throw it in the wastepaper basket and say we are going to pass it in this manner, it is totally unfair not only to the American taxpayer but to the Members who worked so very hard on this committee.

Mr. WYLIE. Mr. Chairman, I thank the gentleman from Wisconsin [Mr. ROTH] for his contribution.

Mr. Chairman, I yield 1 minute to the gentleman from Indiana [Mr. HILER].

Mr. HILER. Mr. Chairman, I rise to voice my support for the Latta amendment to delete H.R. 1 from the provisions of this bill.

There are many aspects of H.R. 1 that I support, amendments that I voted for. I supported the amendment offered by the gentleman from Texas [Mr. BARTLETT] in committee to bring enterprise zones into play, something that many of us have wanted to see on this floor for a very, very long time. I supported the revised formula for UDAG, which clearly will be a better formula than what exists today. I think there could be a better formula devised, but the formula in the bill for UDAG will be better than existing law. We expand the use of vouchers in H.R. 1, and I am supportive of that.

But there is no reason in the world why the rest of my colleagues in the House of Representatives should not have the opportunity to offer amendments and to debate H.R. 1.

The CHAIRMAN. The time of the gentleman from Indiana [Mr. HILER] has expired.

Mr. WYLIE. Mr. Chairman, I yield 30 additional seconds to the gentleman from Indiana [Mr. HILER].

Mr. HILER. Mr. Chairman, to have H.R. 1 get 20 minutes of debate during the general debate on the reconciliation bill and only another 5 or 10 minutes or so when we are actually debating the Latta amendment is not conscionable. We should not be considering substantive legislation that will reathorize all the housing programs and urban development programs that we have in a reconciliation bill.

The Members can support merits of H.R. 1, but they should support the Latta amendment which will strike H.R. 1 from this bill so we could treat it like every other substantive piece of legislation in this body on the floor of the House and take up nothing but H.R. 1.

The CHAIRMAN. The time of the gentleman from Indiana [Mr. HILER] has expired.

Mr. WYLIE. Mr. Chairman, I yield 2 minutes to the ranking minority member of the Subcommittee on Housing and Community Development, the gentleman from Connecticut [Mr. MCKINNEY].

Mr. MCKINNEY. Mr. Chairman, let us face it, this is no way to take up this legislation, and reconciliation is no way to do anything, but we will not throw the housing bill into the trashcan, as my good friend suggested earlier. The Senate of the United States has thrown it into the trashcan, as my good friend suggested earlier. The Senate of the United States has thrown it into the trashcan, and we have got to do something in housing for America.

I hear a lot about how much it is going to cost. My goodness gracious, believe it or not, the total authorized in title II is under what we appropriated for HUD. Is that some kind of major sin?

It is a very strange thing, but everyone says, "New, new, new." Is there something wrong with "new"? I thought we were sent here to legislate. I really did. I thought we were sent here to turn things around and say that maybe the Nehemiah program would be better than section 8. We know this House is not quite operating on a straight track and I agree. We took up the appropriation before the authorization.

We agree on that, but then we have my friends and colleagues from the other body that I cannot discuss, who have a chairman who says, "I don't like going out of the regular order." But we have several other Members of that body who belong to my political party—and I hope the Senator from New York is one of them—who say, "Do it."

□ 1410

This is our chance. This Nation is built on housing. It is built on owning your own home. This particular H.R. 1 is under the appropriation level. It authorizes exactly what the budget figure that Chairman GRAY and his committee agreed on says. It has new and innovative programs. It improves the UDAG formula. It does a great many things that need to be done. To sit here and say new is bad shows that maybe we need a new Congress.

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. MCKINNEY. Yes.

Mr. VENTO. Mr. Chairman, I want to commend the gentleman for his statement. I would point out that we had lengthy hearings, over a month of hearings and markup in the committee and subcommittee and that should be a strength to this bill and a reason not to rehash everything done in the committee on this floor.

Mr. WYLIE. Mr. Chairman, what is the situation on time?

The CHAIRMAN. The gentleman from Ohio [Mr. WYLIE] has 8 minutes remaining, and the gentleman from Texas [Mr. GONZALEZ] has no time remaining.

PARLIAMENTARY INQUIRY

Mr. GRAY of Pennsylvania. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. GRAY of Pennsylvania. Mr. Chairman, it is my understanding that we do have additional time that we can allocate, even though this gentleman only asked for 15 minutes originally and yielded another 5, which therefore was 20 minutes to this section on banking.

I now see that the distinguished chairman of the Banking Committee is on the floor, as well as one of the ranking members, who would like to have an opportunity to speak; so I do plan out of the total allotment of our time to yield additional time to the distinguished chairman of the Banking Committee, the gentleman from Rhode Island [Mr. ST GERMAIN], and also to the gentleman from Maryland [Mr. MITCHELL] and 1 additional minute to the gentleman from New York [Mr. SCHUMER].

The CHAIRMAN. The gentleman has stated it correctly, that he has additional time that he may allocate.

For the present, the time of the gentleman from Texas has expired.

The gentleman from Ohio [Mr. WYLIE] has 8 minutes remaining.

Mr. WYLIE. Mr. Chairman, I yield 2 minutes to the gentleman from Florida [Mr. MCCOLLUM].

Mr. McCOLLUM. Mr. Chairman, this is absolutely incredible. We are here taking a $20 billion bill, this huge size of our budget, and being asked to swallow it on the House floor in a reconciliation package with no chance at all for the Members to vote on amendments.

This is an incredible amount of money, a $20 billion plus package; no chance for amendments. It is ridiculous.

In all the time that I have been here, I have never seen anything more ridiculous than this. We are talking about something that ought to take 3 days of solid debate on the floor of this House.

Mr. SCHUMER. Mr. Chairman, will the gentleman yield?

Mr. McCOLLUM. Not now.

Mr. SCHUMER. I would like to know how the gentleman voted on Gramm-Latta for $300 billion.

Mr. McCOLLUM. We are talking about something that ought to take 3 days of solid debate on the floor of this House to cover 100 amendments that will probably be offered.

Let me give you one example. I offered an amendment in committee that I think ought to be considered on the floor of this House that I think we could probably pass if we had that chance. There is $150 million in this particular housing bill that would go toward HODAG for new construction of housing for low-income folks. The problem is that 80 cents of the dollar goes to developers and only 20 cents goes to the low-income people. If we had adopted an amendment of mine, instead of having 3,000 units for low-income housing amongst that money for $150 million, we could have had 27,000 units of low-income housing through a Rehab Program.

We have not had an opportunity and we will not have one under this reconciliation proposal to have the full House consider numerous ways that we could give better housing to low-income Americans to get a better bang for the dollar, to give the Members and the taxpayers of this country a chance to get some truly workable housing programs at reduced cost, and that is what it is all about.

We are trying to save money and passing a balanced budget proposal is part of the debt ceiling this time, while we on the other side of the coin are slapping the taxpayers in the face by saying, "OK, we are going to pass without even really considering it, no amendments allowed, $20 billion in a new housing bill."

I call on my colleagues to vote for the Latta amendment to strike the housing bill from this particular reconciliation proposal and put some sense back into what we are doing.

Mr. WYLIE. Mr. Chairman, I yield 4 minutes to the gentleman from Texas [Mr. BARTLETT].

Mr. BARTLETT. Mr. Chairman, I thank the gentleman for yielding.

This is an extraordinarily serious amendment that will be on the floor, the Latta amendment, and I rise as many have in strong support.

I would say on the matter of fairness that we have heard today, I listened to the chairman of the subcommittee, whom I respect a great deal, and he said that he wanted to bring the housing bill up.

I will go to the Rules Committee with the chairman tomorrow, Friday, Monday, to bring the housing bill to the floor under regular order. Let us go to the Rules Committee. Let us get a rule. Let us bring it to the floor and let us legislate.

Given the nature of this debate, 20 minutes to a side, for a 227-page piece of legislation, larger in terms of pages, H.R. 3500, than the rest of the reconciliation package.

This is a single legislative item that consumed days, weeks, months of hearings; 125 amendments offered in committee, many of those amendments were accepted or rejected on the narrowest of rollcall votes.

I think that this floor, this Congress, needs to consider those housing issues, those reform issues.

Now, can we bring the housing bill to the floor and get a vote on it and consider it and make it a matter of legislative policy? You bet we can.

Can we get housing issues considered by both bodies? You bet we can, but we cannot do it through a budget process that is separate, that allocates 20 minutes for the debate.

In fact, we have a letter from the chairman of the committee of the other body, who says bring it in the regular legislative process and we will go to committee and we will go to conference.

Mr. LEVIN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. BARTLETT. Rather than yield to the gentleman from Michigan, I would read it into the RECORD.

Mr. LEVIN of Michigan. I would like to have it read.

Mr. BARTLETT. I would read into the RECORD a letter dated today, signed by Senator JAKE GARN, the committee chairman in the other body:

> If the House passes a separate housing bill under the normal procedures, I am sure that the Senate will go to a conference and consider substantive housing law changes.

The fact of the matter is, housing is too big an issue to do in 20 minutes. The status quo of housing, as we have heard from both sides of the aisle, is not worth coming to the floor and defending and simply reauthorizing.

Does H.R. 1 contain some positive changes? Yes; it does.

Does H.R. 1 go far enough in terms of reforms of home ownership, of tenant management, of making those decisions to repair the dilapidated units that we have, rather than to build now units, those decisions of security and livability? No; it does not.

But the floor of this Congress can make those decisions. The floor of this Congress was asked under the appropriations guidelines to shortcircuit the process and the floor of the Congress decided under appropriations not to do so, decided to say, "Wait a minute," by two separate votes bring back the authorization legislation back to the floor and then we can legislate.

The House has already decided this issue once under appropriations. This is not the first time that an end run has been tried to shortcircuit the process.

I say, bring the housing bill back to this floor. Bring it tomorrow. Bring it Friday. Bring it next Monday or next Tuesday. Let us debate it. Let us reform it. Let us amend it. Let us let it pass or fail on its own weight. Let us give it the priority that it deserves. I thank everyone on this side of the aisle and on both sides of the aisle would agree with that. I think in that way we can make those reform issues, those decisions.

One other point, Mr. Chairman, and I thank the gentleman for yielding me so much time. There are funding priority issues to be made which have not been resolved by this House in the past, including that this country has 80,000 vacant units of public housing. We should be taking the $300 million in H.R. 1 from the new unit construction and using that $300 million and other funds to repair the units that are dilapidated and in need of repair that we already have. The House has never been called upon to make that decision and cannot unless the Latta amendment passes.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Maryland [Mr. MITCHELL], who is the ranking member of the Committee on Banking, Finance, and Urban Affairs.

Mr. MITCHELL. Mr. Chairman, I have heard the word incredible used about this process, and for me that is almost hypocritical use. In the wee hours of the night a few years ago we rammed through this House a monstrosity that made no sense to anybody, that was one of the most costly monstrosities that we have ever moved. That was the infamous Gramm-Latta legislation, we rammed it through, we did not know what was in it, we could not even read it. The ink was not dry on it. There were notes scribbled in pencil on it.

A whole lot of folks were screaming about the incredible vote for that monstrosity.

Now, what is all the hue and cry about this bill? H.R. 1 is in reconcilia-

tion where it belongs. Why? Because there are some new programs?

What do you intend to do about the homeless in this Nation, let them continue to sleep in the street? Is that what America is about?

What do you intend to do about those being forced to do workfare now, who need day care for their children? Are we going to send their children out on the streets so that they can become juvenile delinquents?

It is incredible that the sense of humanity that was once so high in this Nation with regard to the commitment to provide safe, sanitary and decent housing for our citizens who cannot afford it, that that commitment has eroded to the point where now we are talking about some procedural debate in order to try to cut even further into this Nation's need, really, to meet the housing problems of our Nation.

Vote it down. You had your shot under Gramm-Latta a few years ago. You almost destroyed the housing program. The little that is left now you want to destroy that, too, and I do not think we should do it.

Vote the Latta amendment down. It does not make any sense. H.R. 1 belongs in reconciliation. That is where it should be and anybody who argues in another direction is arguing only for the opportunity to once again show their contempt and their callousness toward those who are disadvantaged in this Nation.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. SCHUMER], who is a member of the Committee on Banking, Finance and Urban Affairs.

Mr. SCHUMER. Mr. Chairman, I thank the Chairman. I will be very brief.

I just would wish to refer all Members to a letter to Hon. FERNAND ST GERMAIN, copy to the ranking minority Member, the gentleman from Ohio [Mr. WYLIE], from the Congressional Budget Office that says that this reconciliation is within budget, dated October 2, 1985. The letter is available.

I yield to the good gentleman from California [Mr. TORRES].

Mr. TORRES. Mr. Chairman, I thank the gentleman.

Mr. McKINNEY. Mr. Chairman, will the gentleman yield?

Mr. TORRES. Certainly, I yield to the gentleman from Connecticut.

Mr. McKINNEY. Mr. Chairman, would the gentleman from California engage the gentleman from Connecticut in a brief colloquy?

Mr. TORRES. I would be happy to do that.

Mr. McKINNEY. We have included a provision in H.R. 3500 that provides for timely payment of subcontractors. This provision, section 2365, states:

It is the policy of the United States that each prime contractor of the Department of Housing and Urban Development should establish procedures to ensure the timely payment of amounts due pursuant to the terms of the subcontracts of such prime contractor.

I wonder whether the gentleman from California could provide some clarification here. I am concerned that this language will be interpreted to require general or prime contractors to pay their subcontractors regardless of whether they have received payment from the owner through HUD. Such an interpretation, whether by a court or HUD through regulations, would be contrary to the general industry practice that the subcontractor is paid by the prime contractor after the prime contractor is paid by the owner.

Mr. TORRES. As the author of this provision, I assure the gentleman from Connecticut that it is not my intent to require general or prime contractors to pay their subcontractors regardless of whether they have received payment from the owner through HUD. The intent of the provision is to ensure that prime contractors pay their subcontractors in a timely manner once they have received payment from the owner.

Mr. McKINNEY. I thank the gentleman from California for that clarification.

Mr. WYLIE. Mr. Chairman, how much time do I have left?

The CHAIRMAN. The gentleman for Ohio [Mr. WYLIE] has 2 minutes remaining.

Mr. WYLIE. And how much does the other side have?

The CHAIRMAN. The gentleman from Pennsylvania [Mr. GRAY], has 1 hour and 25 minutes remaining.

Mr. GRAY of Pennsylvania. Mr. Chairman, I would inform the gentleman that I intend to yield 2 minutes to the distinguished chairman of the Committee on Banking, Finance and Urban Affairs, following the closing remarks of the gentleman on the other side of the aisle.

Mr. WYLIE. Mr. Chairman, I yield myself the remaining 2 minutes.

Mr. Chairman, we have heard a very spirited and I think very informative debate here on whether H.R. 1 should be included in the budget reconciliation bill, H.R. 3500.

I think the debate points up the fact that we really do need more time.

Now, the gentleman from New York says that this is within the budget figures. I say that our figures show from the Congressional Budget Office that in the out years there is $300 million at least over the budget in the fiscal year 1987 and fiscal year 1988.

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But the point I want to make is that it does include some new programs which were the subject of debate in the Banking Committee, and these new programs, I think, deserve an airing here on the House floor so that all 435 Members of the House can decide which new programs, if we are going to have new programs, should be put in H.R. 1.

I do think, as someone mentioned, we do not follow necessarily the 1981 reconciliation bill. As a matter of fact, we are reversing some of the procedures which were followed in the budget reconciliation bill in 1981, and I am not necessarily defending that procedure, but we did make some caps and we did some things in that bill which would be repealed in essence by this bill, and I would like an opportunity to debate that point.

Mr. BARTLETT. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I would be glad to yield to the gentleman from Texas.

Mr. BARTLETT. I thank the gentleman for yielding.

Mr. Chairman, in the remaining few seconds, which demonstrates the difficulty of this debate, I would just put on record some but not all of the issues that remain to be resolved.

This House needs to resolve the HODAG Program, which has been $77,000 per unit for low-income housing. We need to resolve whether we should be building 5,000 more units of new housing or repairing the some 200,000 units of housing that are in need of repair. We need to resolve and have for the first time a vote on the UDAG formula, which at the present time skewered most of the funds.

Mr. WYLIE. Mr. Chairman, I urge the Members to vote for the Latta amendment, which would eliminate all extraneous provisions in the bill pertaining to housing.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 2 minutes to the distinguished chairman of the Committee on Banking, Finance and Urban Affairs, the gentleman from Rhode Island [Mr. ST GERMAIN].

Mr. ST GERMAIN. I thank the gentleman for yielding this time to me.

Mr. Chairman, I think this is, frankly, a very sad situation. I think in Texas and in Florida they have Indians, and Indians in the old days used to use the expression, "White man speak with forked tongue," meaning out of both sides of his or her mouth. Are we ever hearing it now.

The very people who shoved Gramm-Latta down the throats, not our throats, down the throats of the American people, brought that monstrosity up here, insisted on a vote, and did us in, did the American people in, without anyone knowing what was in it. As I recall it, there were some notes in there about who was going to go out and get the coffee, but sadly, more sadly than anything, things like saying to the blind and to the disabled, "You can no longer sell magazines and newspapers in Federal buildings."

That is what is called legislating with heart, with compassion. Mr. Chairman, in this reconciliation we asked and have had included H.R. 1. What does H.R. 1 do? Yes, it has some new programs in it. Out of $20.3 billion or $20.6 billion, the new programs amount to $500 million. Frankly, the section 8 program that we are all concerned about because of its cost, for those who are new arrivals, let me tell you where it came from. It came from that side of the aisle.

The CHAIRMAN. The time of the gentleman from Rhode Island [Mr. ST GERMAIN] has expired.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 1 additional minute to the gentleman from Rhode Island [Mr. ST GERMAIN].

Mr. ST GERMAIN. I thank the gentleman for yielding this additional time to me.

Mr. Chairman, in this legislation we have projects like Nehemiah. Why is Nehemiah named Nehemiah? Because it is demonstrated already. It is an actuality. We are not talking about a fiction. It is an actuality.

We have programs in here that are not new programs; they are people programs to help out public housing and low-income housing.

Ladies and gentlemen of the House, we may well lose, but I have news here: We will be back. We will be back, and I am going to take a close look at requests to send hundreds of millions and billions of dollars to foreign countries if we cannot have compassion for our people here. If you want to play hard ball, we are going to play hard ball, ladies and gentlemen. Rest assured to that.

Mr. WYLIE. Mr. Chairman, will the gentleman yield?

Mr. ST GERMAIN. I yield to the gentleman from Ohio.

Mr. WYLIE. I thank the gentleman for yielding. I appreciate it.

Mr. Chairman, I think we should bring a housing bill out.

The CHAIRMAN. The time of the gentleman from Rhode Island [Mr. ST GERMAIN] has expired.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 30 seconds to the gentleman from Michigan [Mr. FORD].

Mr. FORD of Michigan. I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise to support the position of the House Budget Committee, which labored long and hard to achieve savings on the civil service side of the budget process without further destroying the morale of the Federal workforce.

The proposal offered by the Budget Committee would save more than $3 billion in fiscal year 1986 and more than $12.5 billion in the 3 fiscal years 1986–88 in civil service and postal areas.

It would achieve the savings by:

Freezing Federal civilian pay for 1986 and providing a 5-percent increase in 1987 and another 5-percent hike in 1988 and extending for another 3 years the "2,087 hour" pay computation factor.

Requiring the Office of Personnel Management to determine the minimum level of necessary reserves which should be held by FEHBP insurance carriers and requiring each carrier to refund to the FEHBP fund any excess reserves.

Authorizing only $749 million in fiscal year 1986 for the revenue foregone appropriation—an amount $83 million below the Congressional Budget Office baseline.

These are big savings. And they are real. They are the result of hard work and long hours on the part of members of the Committee on Post Office and Civil Service, which approved the recommendations 17 to 0. In direct and indirect savings they more than meet the committee's reconciliation instructions.

I would say this was a significant achievement. But to some, sadly, it is not enough. Despite all the Budget Committee and the Post Office and Civil Service Committee have done, there are those who want more.

In the Latta substitute there is an attempt to replace a sound and thoughtful solution with a proposal that is unwise, unfair, and grossly inaccurate in its savings assumptions.

Mr. LATTA wants to pick and choose. In my committee's jurisdiction he wants to eliminate the 5-percent pay increases in 1987 and 1988, without requiring agencies to absorb any of the increase, and reimpose the 75-percent FEHBP cap.

He does all this on the pretense that it will save more money. This is a claim without foundation.

The pay-increase provisions of the Latta substitute do not achieve more savings than recommendations proposed by the Post Office and Civil Service Committee [POCS]. According to the Congressional Budget Office, the Latta substitute saves $19 million less than POCS proposed over the next 3 years.

The Latta pay provisions are identical to the Senate reconciliation pay provisions and are based on the same assumptions. Both the Senate and the Latta provisions assume full funding of a 3.8-percent pay increase in fiscal year 1987 and a 4.7-percent increase in fiscal year 1988. We, on the other hand, mandate a 5-percent increase in both fiscal 1987 and 1988 and require agencies to absorb one-third of the cost.

Any claim that the Latta substitute saves more in this area simply cannot be supported.

In addition to using exaggerated and questionable savings figures, the proposed substitute undermines the entire committee process. Of what value is thoughtful, careful deliberation that can be blithely pushed aside in a moment of recklessness?

Are we simply to ignore the fact that members of the Post Office and Civil Service Committee voted 17 to 0 after countless hours of studying the issues? If this is what we want to do, we might just as weil scrap the committee system.

We have here a situation where knowledgeable members of a committee worked hard and made tough decisions to reach a difficult objective. Are we to say their work and expertise counts for nothing?

After all is said and done, however, the most important reason for voting against the Latta substitute is that it does just the opposite of what it purports to do: it costs money instead of saving it—to the tune of $19 million.

What's more—and this is hard to figure—Federal workers get less even though it costs the people more.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 22 minutes to the chairman of the Committee on Education and Labor, the gentleman from California [Mr. HAWKINS], and I ask unanimous consent that the gentleman be permitted to yield time.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. HAWKINS. Mr. Chairman, I yield myself such time as I may consume.

I thank the chairman of the Committee on the Budget for his generous allotment of this time to the majority members of the Committee on Education and Labor.

Mr. Chairman, the budget resolution for fiscal year 1986 required the Committee on Education and Labor to achieve savings of $2.6 billion in budget authority and $2.6 billion in outlays between fiscal year 1986–88. The committee's actions resulted in savings of $68 million more than the resolution required. The committee made changes in the Guaranteed Student Loan Program, raised the premium for the Pension Benefit Guarantee Corporation, and, in the context of the authorization for the Department of Defense reluctantly accepted changes in the overtime provisions included in the Walsh-Healey Act.

There has, however, been a lack of symmetry in the budget process which is very troublesome. The budget resolution, passed by both Houses, with unusual bipartisan support, assumed that the poor would be held harmless from additional efforts at deficit reduction. The Congress and members of both parties agreed that the poor had suffered enough. Yet, by the time the House acted on the Labor-HHS appropriations bill for fiscal year 1986, this

consensus had disappeared. The priorities included in the budget resolution were absent from the appropriations bill.

This simple fact raises several questions about the process.

If the budget resolution can be so easily ignored, why should we spend 7 months struggling with it? If the Appropriations Committee can substitute its own spending ceilings and priorities for those in the budget resolution, why do we need a budget process? If the Budget Committee, and the House, will not defend its priorities, why should we support its resolutions and comply with its reconciliation instructions?

The treatment of the disadvantaged also raises questions about us.

There has been no dramatic improvement in the economy since March that renders these programs less vital. If anything, the economic situation has become more precarious. We need these programs every bit as much as we did in March and as we did in August when the resolution passed. We gather here to bemoan our lack of competitiveness, our inability to respond creatively to dislocations caused by the trade imbalance, the chronic unemployment of our youth, exploding health care costs, and so forth. What happens? We freeze the very education programs we all know we need to lead the world into the 21st century, we rely on an imperfect market to find jobs for our unemployed, we write off our kids, and we underfund the WIC Program which we know conclusively saves $3 for every $1 we invest in it. Our focus on the bottom line is myopic.

It should be clear to everybody that the budget process only affects direct spending. While we freeze programs for the poor, we let tax expenditures grow. Twenty-seven years ago, we had $37 billion worth of tax preferences in the Code. Today we have $370 billion. Half the income in the country is not subject to the income tax because of legal preferences in the Tax Code. Further, between 1981 and 1983, 65 of this Nation's most profitable corporations paid no income tax at all.

It is also appropriate to note that unemployment is still at unacceptably high levels in historical terms. If we focused our efforts on creating growth rather than imposing austerity we could reduce the deficit constructively rather than destructively. Even a 1-percent drop in joblessness would reduce the deficit by some $30 billion. Full employment would certainly render the deficit controllable as well as lay the foundation for the future that we must have if we are to remain great.

This reconciliation bill jeopardizes the budget process because it exposes its flaws for all to see.

Instead of cutting programs that work; instead of continuing the misguided attempts of the last 5 years to reduce the deficit on the backs of the poor; instead of putting our fate in the hands of unelected officials of the Federal Reserve; and instead of focusing only on the spending portion of the budget, we ought to apply our wisdom and experience to the issue of insuring stable, noninflationary economic growth. This means monetary as well as fiscal policy and revenues as well as spending.

I reserve the balance of my time.

□ 1435

The CHAIRMAN. The gentleman from California [Mr. HAWKINS] has consumed 7 minutes.

Mrs. MARTIN of Illinois. Mr. Chairman, I yield 13 minutes to the gentleman from Vermont [Mr. JEFFORDS], the ranking minority member of the Committee on Education and Labor, and I ask unanimous consent that he be allowed to yield time.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Illinois?

There was no objection.

Mr. JEFFORDS. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. I thank the gentleman for yielding.

While this is not exactly on the topic that the gentleman is about to discuss, I think it is important to put on the record, just for the information of the membership, and so that there can be no doubt about some of the information that will be going into Members' districts in the next few days, if you vote for this bill and you do not vote for the Latta amendment, you are voting for a congressional pay raise. The Latta amendment is the only alternative on the floor that gives us a chance to knock out the congressional pay raise that has been put into this bill.

I just want the Members to be aware of that because we often hear out in the country after one of these bills passes, "Oh, I didn't know that was in there." "Oh, that comes as great news to me." They are going back to their districts and telling their constituents that somehow this congressional pay raise slipped by them.

Well, I am telling them right now, in this bill is a $7,500 pay raise for Members of Congress over the next 2 years. It is a 5-percent-a-year increase. It will raise congressional pay to over $82,000 in the next 2 years.

It is in there. If you do not vote for the Latta amendment, you are, in effect, voting for a congressional pay increase, and you had better be prepared to answer for it in your districts.

Again, I thank the gentleman for yielding.

Mr. JEFFORDS. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. GOODLING].

Mr. GOODLING. I thank the gentleman for yielding me this time.

First of all, I want to congratulate the chairman of our committee, the gentleman from California [Mr. HAWKINS], and the chairman of my subcommittee, the gentleman from Michigan [Mr. FORD], and the ranking member, the gentleman from Vermont [Mr. JEFFORDS], as well as the gentleman from Missouri [Mr. COLEMAN].

Basically we brought to the Budget Committee reconciliation in the way it should be brought, almost, in that as a matter of fact, we did meet our financial obligations in relationship to the budget. My concern as a new Budget Committee member is the fact that we did do some things that did not cost any additional money; we did do some things that should have been done, but my concern is that they were done in this process rather than through the authorization process in such areas as the discounting of income from foreclosures or bankruptcies, Sallie Mae holdings, insurance premiums, lenders of last resort.

These are very minor things in relationship to what has happened in reconciliation. My concern is that every Member of Congress, as a matter of fact, not only has the right to vote on any new program, any additional program, any changes in programs, but they have a responsibility to do it individually.

What we do in reconciliation is take that opportunity away from individual Members because you get one opportunity, you vote up or down on reconciliation. You do not get an opportunity then to vote on authorizations as you should do or changes in programs. That is my concern.

Ours are very minor, they are needed, but nevertheless we could have gone through the proper process in order to do that. I think it is dangerous to be doing that, and it does not matter whether it is 1981, whether either side has a 2-to-1 majority at that time, or whether it is 1982 and either side has a 2-to-1 majority, or 1983, 1984 or 1985. It does not matter which year it is. The fact is, if we are going to do reconciliation correctly, and it has any impact on trying to do anything in relationship to the budget, then we should try to steer clear, and we as a Budget Committee should make sure, as a matter of fact, that you cannot authorize, you cannot change programs, that you cannot add new programs, and that you cannot add additional money through the reconciliation process.

I again compliment our committee for at least doing what some others have not done. We have hit the budget figure. We have hit the budget target,

whether it is in child nutrition, whether it is school lunch, whether it is higher education, whatever it is. And I particularly compliment those responsible for the higher education part of our bill, because it is they who had to make the cuts in order to bring it down to meet the budget.

So again, we did well. But I think in reconciliation we have to make very, very sure that everybody has the opportunity to continue to register their individual votes on individual programs.

Mr. JEFFORDS. Mr. Chairman, I yield 3 minutes to the gentleman from Wisconsin [Mr. GUNDERSON].

Mr. GUNDERSON. Mr. Chairman, I rise to point out that the Education and Labor Committee has more than done its job in dealing with this reconciliation process. I think special commendations are in order for both the chairman and the ranking member of the full committee and the chairman and ranking member of our Subcommittee on Postsecondary Education in particular.

The Education and Labor Committee was instructed to come up with savings over 3 years of $2.6 billion in authority and $2.57 billion in outlays. The fact is, we came up with $2,630 million in authority and $252,580 million in budget outlays over that 3-year period. We exceeded our overall targets assigned to us by the Budget Committee.

I would point out also that the numbers from the Education and Labor Committee are real numbers. There are no accusations that we are dealing with smoke and mirrors.

In particular, I want to focus, however, on the postsecondary area, the student loan area. We had a target of $800 million. We came up with savings over 3 years of $868 million.

In addition to that, I think we made a couple of noncost items that are very important. The most important that I would bring to the attention of my colleagues, from a rural perspective, is a provision offered by my colleague from Iowa, Mr. TAUKE, which would, in calculating eligibility for Pell grants and guaranteed student loans, allow for an exclusion from income the proceeds from the sale of a farm under bankruptcy foreclosure or forfeiture. This is a very real problem in the Midwest during our agricultural crisis, and I think an important addition that does not have any, or at least any significant cost savings, if any at all.

Above and beyond that, I want to assure the student community across this country that the savings achieved in reconciliation in the higher education area are savings which will not eliminate any eligible student from the Guaranteed Student Loan Program. We do require that every student, not just those coming from families above $30,000 income, must go through the financial needs test. But that again will not eliminate eligibility for any student who is truly needy.

Above and beyond that, one of our major savings areas is the area of requiring multiple disbursement of guaranteed student loans. Rather than giving all of the money up front, give the money periodically, by semester, quarter, whatever the case might be, so if a student drops out in the first or second week, they do not get all of the money. That alone over 3 years will save some $225 million.

In addition, we do such things as recalling $50 million in State agency advances in fiscal year 1988. We are giving the States a couple of years to deal with that area and come up with a process where we can withdraw that money from those States which have programs which are more than financially solvent.

Mr. JEFFORDS. Mr. Chairman, I yield 2 minutes to the gentlewoman from New Jersey [Mrs. ROUKEMA].

Mrs. ROUKEMA. Mr. Chairman, I rise to support the ERISA single employer termination insurance provisions contained under title III.

Our Committee on Education and Labor has taken the lead in calling for a national retirement income policy which is responsive to the present and future needs of our Nation's retirees. The ERISA title IV Termination Insurance Program is certainly a cornerstone of this policy, and the efforts today to shore up the single employer fund will help assure that the ERISA foundation remains a solid one.

Mr. Chairman, I want to commend the chairman, Mr. CLAY of Missouri and the other members of our committee who have worked on a bipartisan basis over the past 4 years to design legislation which addresses the complex problems facing the Pension Benefit Guaranty Corporation [PBGC] in its financing of employee and retiree benefits under terminated single employer pension plans. Additionally I commend the Secretary of Labor, Bill Brock, the new Executive Director of the PBGC, Kathy Utgoff, and the other administration officials who met untiringly, who remain convinced of the need for legislation, and who kept an open mind about the specific language of the reforms until a workable compromise could be fashioned. I am satisfied at this point that the reform package is reasonable, responsible, and will prove workable in helping reduce PBGC financing needs in the future.

The provisions adopted by the Committee on Education and Labor which are contained in subtitles B and C of title III strengthen the Single-Employer Termination Insurance Program in three ways: First, by placing the PBGC back on a sound financial footing by increasing the premium paid by covered plans; second, by restructuring the system to limit access to PBGC assistance to only those cases in which workers' pensions are jeopardized because their employers are in genuine financial difficulty; and third, by assuring that, to the greatest extent possible, workers receive their full earned benefits when plans terminate.

The actuarial deficit of the PBGC is fast approaching $1 billion and, without further action, will reach $6 billion by the end of this century. To meet these demands, as well as the directives of the Committee on Education and Labor in the House budget resolution, the legislation increases the premium for the Single-Employer Termination Insurance Program from its present $2.60 per capita to $8.50 for plan years beginning in 1986.

But to merely enact a premium increase is not enough. After nearly a half-decade of study and debate it has been clearly demonstrated that there is a pressing need for reforms as well, to ensure that access to the insurance program is limited to companies which are faced with genuine hardships. As a result the legislation includes features that will discourage the dumping of pension liabilities onto the PBGC.

This bill closes the loopholes that have permitted unjustified drains on the insurance program.

Therefore one provision of subtitle C divides all plan terminations into two new categories called either a standard termination or distress termination. A standard termination proceeds with minimal PBGC involvement when plan assets are sufficient to cover all plan vested benefits. A distress termination proceeds as under current law with the PBGC playing a major role, except that to avoid a dumping of liability on the PBGC by ongoing employers, an employer would have to meet one of four financial distress tests in order to terminate. A 60-day notice of termination would be required.

Another provision increases the chances that the PBGC be made whole in the event of a distress termination by requiring that an additional 10-percent pretax profits interest be paid to the PBGC for up to 10 years to cover any funding shortfall in the event the current law employer liability limit of 30 percent of net worth is insufficient. A related 5-percent pretax profits interest for up to 10 years, payable to a termination trust, would also be triggered if plan assets are insufficient to pay all plan vested benefits; that is, benefits in excess of those guaranteed by the PBGC.

A provision, designed to protect the PBGC, allows the IRS to obtain security for the plan in the event a waiver of the minimum funding standard is granted. The IRS must request PBGC's views and consider them in obtaining such security.

To close another loophole, the measure authorizes the PBGC to assess liability on persons who have undertaken transactions for the purpose of evading liability. This authority is limited to transactions taken within 5 years prior to a plan termination.

Finally, the measure contains a provision which codifies the present law right of employers to freeze plan benefits—except that vesting based on future service continues—thus allowing them to fix their benefit liabilities and fund for them over time and assure that workers receive their full earned benefits when plans terminate.

While these provisions of the single-employer reform package are only protective in nature, it is intended that their application help avoid the kind of future program funding crisis that faced Social Security only a few years ago. In summary the case for the enactment of these single employer termination insurance reforms is a compelling one.

The Committee on Education and Labor title also contains subtitle D—continuation coverage under group health plans. These provisions amend title I of ERISA to require group health care plans to include a 5-year continuation option for widowed, divorced, and Medicare ineligible spouses and dependent children. Plans could require such persons to pay the cost of such coverage. These ERISA provisions, although solely within the jurisdiction of the Committee on Education and Labor, were added to the bill under exceptional circumstances and are deserving of further scrutiny during conference, since they did not have the benefit of hearings at either the subcommittee or full committee level.

Mr. JEFFORDS. Mr. Chairman, I yield myself the balance of my time.

The CHAIRMAN. The gentleman from Vermont [Mr. JEFFORDS] is recognized for 4 minutes.

□ 1450

Mr. JEFFORDS. Mr. Chairman, I would like to talk about the provisions in reconciliation which are under the jurisdiction of the Committee on Education and Labor.

First of all, the higher education provisions and second, the pension reform provisions. As we all know, this country's education system has been labeled "at risk," and in the view of our committee it is important that we do nothing to make things worse. Hopefully we will make things better.

First of all with respect to the higher education provisions, I think it is important for everyone to recognize that, notwithstanding many of the statements that were made earlier, that severe problems may result this year with respect to the availability of loans and grants to our college students. Such is not the case with respect to our actions in reconciliation.

What we have done is met our commitment. We have done what is responsible and necessary to bring our provisions within budget. There are only two provisions which do affect students to any significant degree: multiple disbursement and tighter loan collection provisions.

Specifically, this package of recommendations meets and may even exceed the targets established by the Budget Committee. In addition, I am pleased to note that the committee adopted the Coleman loan default prevention bill which will provide $48 million in savings over the 3-year period—fiscal years 1986–88—by reducing the default rate in the Guaranteed Student Loan Program. It is also true that the Coleman proposal, which has the blessing of the administration, will enhance the integrity of the GSL Program.

Briefly, the proposed savings are as follows:

First, multiple disbursement: Loans are to be multiply disbursed to students on the basis of their academic terms; that is, semester, quarter, and so forth; lenders receive subsidies only on the disbursed portion of the loan; the origination fee is charged proportionately on each disbursement; the effective date is July 1, 1986.

Savings: Zero in fiscal year 1986; $100 million in fiscal year 1987; $115 million in fiscal year 1988.

Second, recall of advances: $50 million in advances are to be recalled in fiscal year 1988; agencies less than 5 years old at the time of recall are exempt; the Secretary must take into consideration the solvency and maturity of the insurance and reserve funds of the agencies, as determined by the Comptroller General, in determining how much of their advances to recall.

Savings: $50 million in fiscal year 1988.

Third, extension of State agency collection period: State guaranty agencies may not submit defaulted loans to the Secretary for reinsurance until at least 210 days after the loan becomes delinquent. Agencies are required to continue collection efforts on the loans during the 210-day period.

Savings: $160 million in fiscal year 1986; $15 million in fiscal year 1987; $15 million in fiscal year 1988.

Fourth, preclaims assistance: Lenders and guaranty agencies may be reimbursed through the Federal reinsurance for use of collection agencies in reinstating delinquent loans in repayment status. The maximum allowable reimbursement is lesser of $100 or 2 percent of the loan value.

Savings: $19 million in fiscal year 1986; $18 million in fiscal year 1987; $7 million in fiscal year 1988.

Fifth, tightened collection efforts: Collection efforts are to be enhanced by the use of credit bureaus, stiffer penalties for late payments, increased auditing of State agencies; disbursement of GSL through postsecondary education institutions; a standard Federal statute of limitations on collection efforts.

Savings: $11 million in fiscal year 1986; $17 million in fiscal year 1987; $20 million in fiscal year 1988.

Sixth, student eligibility requirements: Students must demonstrate need in order to be eligible for a GSL and must have a determination of their Pell grant eligibility or ineligibility before applying.

Savings: $10 million in fiscal year 1986; $105 million in fiscal year 1987; $220 million in fiscal year 1988.

There is no cost implication to the Pell grant eligibility requirement.

The members of the committee, and in particular Postsecondary Education Subcommittee Chairman BILL FORD and ranking Republican TOM COLEMAN, are to be complimented on both the process by which the recommendations were achieved as well as for the substantive results that were produced.

Although I have elsewhere expressed some concerns over the addition of certain policy changes, unrelated to the budget which are contained in the committee's recommendations, I must reinforce my support for the overall package. Despite my misgivings over the impact of one budget savings provision regarding an across-the-board needs analysis on the independent students, I am confident that such details can be remedied in conference without derailing the overall goals of the Education and Labor Committee's action.

I am convinced that these recommendations represent a good faith effort on the part of our committee to comply with the targets established in the budget reconciliation instructions for our authorizing committee. In fact, the recommendations exceed the budget target by $68 million over the life of the 3-year proposal. This set of proposals represents a difficult task that was handled extremely well through bipartisan cooperation.

Next, I would like to talk about the ERISA provisions. We have heard some complaints, primarily of a jurisdictional nature, expressed by others that perhaps this should not be in this bill, or at least it ought to be amended. I would say that after some 5 years of going over very carefully the needs for revisions and for closing of loopholes in our ERISA provisions; that is, dealing with pension programs, that this provision has the backing of the administration, the backing of business groups, and the backing of labor unions. It also is supported by those who agree that what we must do is to prevent those that would take advantage of the present law to dump onto PBGC liabilities which ought not to be there. This bill will protect against that, and will save in the long run billions of dollars to the taxpayers and also to those that have a genuine right to a good benefit under their pension programs.

Before proceeding with an explanation of the intent behind the ERISA changes contained under subtitles B, C, and D of title III, I would like to make several points in

connection with the development of this legislation.

First, the ERISA single employer termination insurance revisions in subtitles B and C are the product of nearly 5 years of effort by the members of the Committee on Education and Labor to fashion a workable compromise acceptable to the administration and other groups representing retirees, organized labor, and the business community. That these diverse interests can now agree on the need for and the general parameters of the reform package provides strong evidence that the proper balance has been struck in the legislation to restore the long-term solvency of the PBGC while maintaining the critical support of the termination insurance program by those who must ultimately pay its costs. Appropriate credit must be given to my chairman, GUS HAWKINS, and particularly to MARGE ROUKEMA and BILL CLAY, the ranking member and chairman, respectively, of the Subcommittee on Labor-Management Relations who together with their other subcommittee members worked so diligently to carefully craft a reform package that addresses the complex problems in an effective manner.

Second, it is to the credit of this body, collectively, that rather than slow down the consideration of these single employer reforms over an unfortunate and untimely jurisdictional dispute, the mounting financial problems of the PBGC were recognized and the reforms permitted to be favorably acted on at this time. In this connection, I would like to personally thank the Secretary of Labor, Bill Brock, for his extensive efforts to educate the Members of this House to the urgent need to put into place the new design for the single employer program.

Third, there should be no mistaking the relevancy that the ERISA changes have to the deficit reduction under H.R. 3500. The PBGC Single Employer Program had a $462 million deficit as of September 30, 1984, and a negative cash-flow. The deficit continues to grow, especially when the roughly $160 million unfunded liability of one large plan that was recently terminated is taken into account. If recent news accounts of the finances of certain companies can be believed, absent the enactment of the reforms contained in subtitle C the PBGC deficit could easily be expected to triple in size to over one and one-half billion dollars. As described by Secretary Brock, the reforms will have a direct and substantial effect on the Federal deficit and thus, are clearly germane to the budget process.

They are inextricably intertwined with the premium rate proposal; and their adoption would lead to a significant decrease in payments from the PBGC's revolving fund (and, hence, to reduced outlays in the Federal budget). The PBGC estimates that approximately twenty percent of its claims to date have resulted from abuses of the sort addressed by the reforms. The present value of these claims is about $300 million, representing outlays averaging $35 million per year over the next 20 years. Without the proposed reforms, abusive claims will continue in the future and will probably increase as a result of recent financial activities, including takeovers, mergers, and leveraged buy-outs.

The premium increase to $8.50 contained in subtitle B and the reforms in subtitle C, when considered together, are estimated by the Congressional Budget Office to result in a reduction in Federal outlays of about $666 million over the next 3 fiscal years—1986–88.

Fourth, the other body has also included similar ERISA title IV single employer changes in its reconciliation bill. Given the foreknowledge of the number of differences between the two measures and the inherent complexity of ERISA, perhaps it is not an overstatement to observe that an exceptional level of cooperation and care will be required in conference, if the final product is to stand the test of time and not contain inadvertent oversights. In this connection I would encourage the Pension Benefit Guaranty Corporation to offer the conferees its close cooperation and expertise toward this end.

Finally, I have this observation to make in connection with the provisions of subtitle D—continuation coverage under group health plans. However, meritorious the provisions of this amendment to title I of ERISA may be, they were added in committee without the benefit of hearings or the usual perfecting legislative process which has proven so beneficial to improving other ERISA legislation. Again I would encourage my colleagues to exercise extreme care in the conference committee to fashion a workable regulatory structure and one with which plan sponsors have become accustomed under ERISA and the Internal Revenue Code. In this connection. I would also encourage the Department of Labor to offer the conferees its close cooperation and expertise.

Consistent with the goals originally proposed to the Congress by the Pension Benefit Guaranty Corporation, the single employer termination insurance provisions under title III are intended to address the following problems. First the increase in the per capita premium from $2.60 to $8.50 per annum beginning in 1986 is designed to amortize the current PBGC deficit over a reasonable period of about 15 years. The level is set to also meet the rising level of claims projected to be incurred over the foreseeable future. Together with the program reforms the increased premium income is expected to place the PBGC on a more sound financial footing, alleviating the present threat to the continued payment of guaranteed benefits at current levels. Second, the reform package is intended to deal with three major abuses that exist under the present program. At present, it is possible for an employer to receive a minimum funding waiver without providing any security to secure repayment of a waived contribution. The revisions permit the IRS to impose security conditions in connection with such waivers after actively taking into account any comments or concerns the PBGC may have.

Also, at present a company can, in certain circumstances, dump unfunded pension benefits on the PBGC and continue in business with little or no liability for those benefits. The revisions require an employer to meet one of four statutory distress tests before being able to terminate an underfunded plan. The employer would also be subject to a 10-percent pretax profits interest to the PBGC in the event the employer's liability exceeds 30 percent of net worth.

Currently a controlled group of corporations can spin off a financially distressed affiliate with large unfunded pension benefits and escape any responsibility for any subsequent claim against the PBGC. The reforms clarify that an employer remains liable if there is an evasion of liability.

Finally, the reforms require a plan sponsor to fully fund for vested benefits if the plan is to be terminated other than in a distress situation. This enhances the protection of employee vested benefits in cases in which the sponsor can afford to meet the promised level of benefits. In the case of a distress termination, vested but nonguaranteed benefits would be protected by means of an additional 5-percent employer pretax profits interest payable to a termination trust.

Mr. CLAY. Mr. Chairman, I rise in support of H.R. 3500. Title III would make necessary changes in the pension plan termination insurance program created in 1974 by the Employee Retirement Income Security Act [ERISA]. Currently more than 30 million American workers and retirees are covered under single-employer defined benefit plans. The PBGC Insurance Program was designed to provide a safety net for those workers when their pension plans terminated without enough assets to pay benefits.

The PBGC is currently in financial trouble. Unlike many other Federal programs, the Termination Insurance Program is funded entirely by the private sector through annual premiums paid by covered plans based on the number of participants in the pension plan. Since May 1982, the administration has been seeking a premium increase from the current $2.60 per participant per year to $8.10. The current premium falls far short of what is needed to fund the program. At the end of fiscal 1984, PBGC's deficit was $462 million and climbing. We are told that its current deficit is closer to $600 million.

Subtitle B of title III authorizes a premium of $8.50. The Education and Labor Committee believes that the administration's $8.10 request is not adequate to deal with the current financial condition of the PBGC, because it was based on data nearly a year old. Since that time, the PBGC has had to assume significant additional amounts of liability. Raising the premium to $8.50 effective January 1, 1986, as the bill authorizes, would amortize the PBGC deficit over 15 years. I personal-

ly doubt that $8.50 is enough, particularly in light of the pending termination of the Wheeling-Pittsburgh Steel Corp. plan, which may add as much as $425 million to the PBGC deficit. Nevertheless, the committee unanimously supported the $8.50 premium and that is what is contained in H.R. 3500.

Not only does the PBGC face the problem of eliminating the existing deficit, it also must control the level of claims in the future. Thus the reforms are urgently needed as well. According to the Congressional Budget Office, the additional effect on the Federal deficit is sizable if even one major plan termination were to occur in 1986 that could have been prevented with the reforms. In recent weeks, one major termination has occurred and one is imminent. PBGC's liability is significant: Over $165 million for Allis-Chalmers and approximately $425 million for Wheeling-Pittsburgh Steel. In addition, the press has reported the possibility of a third big termination: LTV, Corp., with unfunded pension liabilities of $850 million.

Therefore title III of the bill makes necessary structural changes to close certain loopholes in the current law in order to avoid unwarranted or abusive claims against the insurance system—claims that must ultimately be paid by the rest of the premium payers. In addition, structural reforms are needed to prevent profitable employers from avoiding responsibility for payment of certain earned benefits to participants and beneficiaries that are not guaranteed by the PBGC.

The single-employer provisions of H.R. 3500 are strongly supported by the administration and by organized labor. The business community is generally not opposed to them. At every step in the process over the past 4 years, the legislation has had bipartisan support and it passed the Education and Labor Committee this year twice unanimously. Both the premium increase and the reforms are germane to the budget reconciliation process and are needed now. Moreover, the other body has similar reform legislation on its budget reconciliation bill as well. Thus it appears that at long last the PBGC may receive the financial shoring up it needs so badly. Just as importantly, participants will be better protected when their plans terminate and will be more likely to receive the full benefits that they have been promised and have earned.

I want to express my appreciation to the chairman of our committee, GUS HAWKINS, and the ranking Republican member, JIM JEFFORDS, for their support and cooperation in bringing this matter to the floor today. Special thanks also to the ranking member of the subcommittee, MARGE ROUKEMA, for her hard work and cooperation. Together we have fashioned a good and necessary bill.

I urge you to support H.R. 3500.

Mr. HAWKINS. I have no further requests for time, Mr. Chairman, and I reserve the balance of my time.

Has the other side used their time?

Mrs. MARTIN of Illinois. Mr. Chairman, on this issue, we are finished.

The CHAIRMAN. The gentlewoman from Illinois [Mrs. MARTIN] had yielded time to the gentleman from Vermont [Mr. JEFFORDS] on this item.

Mr. HAWKINS. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. FORD].

Mr. FORD of Michigan. Mr. Chairman, I rise in support of the committee version of the reconciliation, but primarily to tell the House that the reconciliation coming from this committee was worked out in the finest bipartisan spirit that I have seen in the many years that I have been on the committee; and indeed we did save more money than we were told to save, but we did not do that at the expense of any student or any program because we made some changes that are not earth shattering, but they will produce savings that offset any improvements, as such, that we made, and that was done.

Some of the amendments came from the Republican side and some from the Democratic side; unanimously with respect to higher education, I must say. We are a little bit different than the Senate and we will have to go to conference; and presumably between the two versions we will come up with something even better.

I would like to take this opportunity to thank the Members, both the majority and minority members of the Subcommittee on Postsecondary Education for working in such a manner with the cooperation, one with another, to make it possible for us to do what could have been very painful, and could have cost a lot of people the loss of their dreams for an opportunity to pursue their education.

I am pleased to say that I do not think that what the committee has done is going to produce that kind of result, even though we are initiating some efficiencies that will reduce the cost of the program.

Mr. HAWKINS. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore (Mr. TORRES). The Chair now recognizes the gentleman from Pennsylvania [Mr. GRAY].

Mr. GRAY of Pennsylvania. At this time, Mr. Chairman, we would defer to the minority with regard to the Committee on Interior and Insular Affairs. We believe they would like to take some time at this point to discuss the issues in reconciliation.

Mrs. MARTIN of Illinois. Mr. Chairman, I yield 6 minutes to the gentleman from Colorado [Mr. STRANG].

Mr. STRANG. Mr. Chairman, I yield to the gentlewoman from Illinois [Mrs. MARTIN].

Mrs. MARTIN of Illinois. I wish to notify the chairman of the committee that the ranking member of the Budget Committee will soon return. Some of us have to go to our own task forces.

I would ask the Members, however, to remember that even when some of these committees are saying they are meeting budget guidelines that there is enough smoke in this particular reconciliation package that if the Surgeon General would have to label it, he indeed would have to label it "Dangerous to the financial health of the Nation."

Mr. STRANG. I thank the gentlewoman for yielding.

Mr. Chairman, in this reconciliation bill is a proposal that we have visited before in this House; and the proposal is to abolish the Synthetic Fuels Corporation, and to take apart those agreements which the Synthetic Fuels Corporation has made in good faith with some existing companies.

Now I am particularly concerned, Mr. Chairman, about what has happened in my particular part of the country, western Colorado. I am concerned because the Synthetic Fuels Corporation has made in good faith, agreements under legal permission under existing law, to provide for incentives for companies to produce oil in commercial quantities not to exceed a certain limit, to produce this product for this country so that in the event we have the plug pulled on us in international oil, we will have available to us in this country a supply, a safe supply of synthetic fuel.

Oil shale contains, in the Green River Formation, 620 billion barrels of recoverable oil surrounded not by countries of the Mideast, but surrounded by our own Nation.

It has never been the intention to try to produce in a declining commodity market synthetic oil at prices that are presently seen on the world market. That is not the issue, Mr. Chairman.

The issue is that this country must have a supply of hydrocarbons against that day which is coming fairly soon when we simply are shut off again from world markets. This has happened twice before, and I believe it is happening again.

I would submit that this kind of legislation in this bill is not germane to the bill; that is an issue that we can take up, but the rule simply begs the issue.

I have written a letter, Mr. Chairman, to Secretary Herrington which I have asked the Wall Street Journal to print in which I point out that once again, the House of Representatives is

about to vote to abolish America's energy future.

What does that mean? In my area it means that an industry which has been struggling, an industry which has put $2 billion of private money in development without a penny of taxpayers dollars, is being told that when we make an agreement for the U.S. Government, we really do not mean it.

More importantly, Mr. Chairman, the arguments that have been used by the Secretary, by the administration, and by many people who have been ill-advised in this body; those comments are full of factual misstatements, probably not intentional; misstatements about what synfuels is all about and what it can do.

□ 1500

I am concerned about jobs. I am concerned about people in Illinois, in Ohio, in Michigan. I am concerned about the manufacturing heart belt of this country when we have a severe energy crisis. What are we going to tell them when we have done nothing to find a replacement for the energy that is going to be cut off? And we know it is going to be cut off from many foreign markets. I believe that this issue is so serious that it is inappropriate to deal on the floor of the House, by amendment, without having the committee process discuss the true facts of energy independence and strategic energy independence.

The Synthetic Fuels Corporation has had its troubles, I realize that, but over the last 8 months a newly constituted Synthetic Fuels Corporation has been able to come to grips with the situation realistically, under a cut-down budget, under smaller projects, to be sure that the American taxpayer is well served.

I would simply say, Mr. Chairman, that we are going to have to face this issue, we are going to have to not only face it now but in the 1990's when they say: "Where was the U.S. Congress when we had an opportunity for rational, controlled, minimal development of synthetic fuels as a bargain for the American taxpayer?"

Sure, oil is $25, $26 a barrel right now. What is it going to be when the plug is pulled? $90, $100? Probably.

At that time, what we do now will represent a significant bargain.

I would urge this Committee to oppose the proposal to abolish the Synthetic Fuels Corporation and to undo its commitment.

Mr. GRAY of Pennsylvania. Mr. Chairman, at this time, if there are no further requests from the minority side on the Committee on Interior and Insular Affairs, I yield 15 minutes to the distinguished chairman of the Committee on Merchant Marine and Fisheries, the gentleman from North Carolina [Mr. JONES], and I ask unanimous consent that he be permitted to yield time.

Mr. JONES of North Carolina. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, on October 2, 1985, the Committee on Merchant Marine and Fisheries reported its response to the reconciliation instructions imposed by the first budget resolution for fiscal year 1986. The cost estimate compiled by the Congressional Budget Office indicates that the Merchant Marine and Fisheries Committee has met its reconciliation directive by reporting legislative changes resulting in $495 million in savings over 3 years. Title VI contains eight subtitles, each dealing with a different, specific issue.

Subtitle A amends the boating safety fund. It authorizes a $15 million transfer to the General Treasury from amounts deposited in the fund during fiscal year 1985.

Subtitle B authorizes the National Oceanic and Atmospheric Administration to increase the price for nautical and aeronautical charts. The Secretary of Commerce must increase the price of these charts annually, so that by the end of a 3-year period, the cost of a chart is closer to the costs of producing and distributing it. The Secretary may charge a lower price if necessary for reasons of air and marine safety. These provisions will increase the average cost of a chart from $5 to approximately $12 over 3 years.

Subtitle C amends the Fishery Conservation and Management Act of 1976 to increase the fees charged to foreigners fishing within the 200 miles of the United States. These changes will result in additional revenues of $42 million over the 3-year period.

Subtitle D amends the Outer Continential Shelf Lands Act to distribute nearly $6.1 billion in disputed revenues between the Federal government and coastal States. The provision reported by the Committee on Merchant Marine and Fisheries are largely similar to provisions reported by the Interior Committee, with one important exception: The Merchant Marine and Fisheries version will result in additional Federal revenues of $183 million during fiscal year 1986.

Subtitle E contains the text of the Ocean and Coastal Resources Management and Development Block Grant Act. This bill is better know as general, OCS revenue sharing. It has been considered by the House and passed on four occassions. Each time by increasingly wide margins, and most recently by a vote of 312 to 94. This program would not begin until fiscal year 1988. During that year it would be authorized at $150 million, or one-half the authorization level previously approved by the house.

In fiscal year 1989, the authorization level increases to $300 million and 5 percent each year thereafter. The funds would be distributed to coastal States, including Great Lakes States and U.S. territories, in the form of block grants for a broad range of ocean and coastal management activities. Again, I would like to emphasize that this measure has been considered by the House and passed overwhelmingly on four occasions.

Subtitle F contains the text of H.R. 2121, a bill to amend and reauthorize the Coastal Zone Management Act of 1972. This bill was considered by the House on July 30, 1985, and was passed on an uncontested voice vote. After 13 years of overseeing this law, the Merchant Marine and Fisheries Committee remains firmly convinced that important national interests are being well served by this program.

Subtitle G contains amendments to the Merchant Marine Act of 1936.

Subtitle H contains proposed amendments to the Outer Continental Shelf Lands Act. They would require that any vessel or structure used for exploring or producing oil and gas on the Outer Continental Shelf must be built in the United States. In addition, that structure must be built from materials or supplies which are at least 50 percent, by cost, of U.S. origin. These "Buy American" provisions would not apply to the Alaskan OCS.

As I mentioned previously, these provisions will result in $495 million in savings to the Federal Government from fiscal year 1986 to fiscal year 1988. Therefore, the Committee on Merchant Marine and Fisheries has fully complied with its reconciliation instructions. Some additional material has been included within title VI, such as the general OCS revenue-sharing legislation and the Coastal Zone Management Act reauthorization. However, these are not issues which are unfamiliar to the Members of the House. Both of these matters have been fully debated on the floor of the House with full opportunity for amendment and modification.

Both have been approved by this body overwhelmingly. For this reason, I will oppose the amendment to be offered by Mr. LATTA because of its intent to eliminate the provisions of subtitles E and F. Likewise, I hope that all of my colleagues who have supported OCS revenue sharing and Coastal Zone Management Act legislation in the past will once again lend their support by joining me in opposition to the Latta amendment.

I rise in opposition to the amendment proposed by our colleague from Ohio.

That amendment would purge two specific authorizations from the provisions reported by the Committee on Merchant Marine and Fisheries. I would hope that my colleagues would vote, as they have on several occasions in the past, to support these programs.

The authorization for an OCS revenue-sharing program has been debated on the floor of the House and passed by overwhelming margins on four occasions. The Coastal Zone Management Act reauthorization was debated and passed by an uncontested voice vote on July 30. The House of Representatives has demonstrated its support for these programs. I trust that this support will continue and that all of my colleagues who have supported OCS revenue sharing and coastal zone management in the past will again support those programs by voting against the Latta amendment.

I rise in opposition to the motion by our distinguished colleague from Arizona.

There is no need to extend debate further on this controversial and complex issue. My committee, Mr. UDALL's committee, and the Energy Committee in the Senate have all considered this issue at great length. All sides of the issue have been debated within each of these committees, and each came to a similar resolution. We have before us a rather rare circumstance. Three committees in the U.S. Congress have considered a very complex and controversial issue and all have come to largely the same resolution. We seem to have agreement. We should not seek to throw that agreement asunder. We should stand by the agreement and recognize the expertise and thorough consideration of our committees. I rise in opposition to the motion, and ask for the support of my colleagues.

Mr. Chairman, I have no further requests for time, and I reserve the balance of my time.

The CHAIRMAN pro tempore. The gentleman from North Carolina [Mr. JONES] has consumed 5 minutes.

Mr. LATTA. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. LENT], the ranking member of the Committee on Merchant Marine and Fisheries, and I ask unanimous consent that he be permitted to yield time.

Mr. LENT. I thank the gentleman from Ohio for yielding to me.

Mr. Chairman, I just want to very briefly take this opportunity to associate myself with the remarks of the gentleman from North Carolina, the chairman of the Committee on Merchant Marine and Fisheries, and join with him in supporting title VI of H.R. 3500.

Mr. Chairman, I would like to point out, in doing so, that under this distinguished and able leadership the House Committee on Merchant Marine and Fisheries has fully met its obligations under reconciliation.

Mr. Chairman, the contents of title VI have been debated thoroughly by the Merchant Marine and Fisheries Committee at one time or another.

I support the contents of this title and hope that it is given favorable consideration.

Mr. Chairman, I yield back the balance of my time.

Mr. LATTA. Mr. Chairman, I yield 6 minutes to the gentleman from Massachusetts [Mr. CONTE].

Mr. CONTE. Mr. Chairman, I rise in opposition to this measure. Despite the efforts of many of the House committees to comply with the reconciliation instructions of the budget resolution, that effort has come up short. In its present form, I cannot support this legislation.

My basis for opposition has two strands—one relates to what has not been included in this bill, but should have been, and the other relates to something that should not be in this bill, but was included anyway.

What should have been included in this bill was a proposal of mine to raise $150 million per year in Coast Guard user fees.

The amendment I had proposed to offer, but which was not made in order under the rule, was based on legislation I introduced last April, H.R. 1936, which would have authorized the Coast Guard to collect approximately $150 million in user fees from the beneficiaries of Coast Guard services. This would have included $50 million from direct fees, for such things as vessel documentation, licensing fees, and regatta permits.

The other $100 million would have been raised from a modest fee of less than $20 per year, to be paid every year by recreational boaters who use waters under Coast Guard jurisdiction. With about 6 million boaters in this category, it would take a fee of only $18 a year to raise $100 million.

We had a hearing on my measure last June before the Merchant Marine Subcommittee on the Coast Guard. The general reaction, as I recall, was that the members of the committee would oppose me with an open mind.

I regret that attitude. The selfish interests of a small minority of boatowners are going to result in a tremendous loss of Coast Guard services. At a time when we are facing drastic cuts in human need programs like Food Stamps and Elderly Nutrition, and are even talking about reducing cost-of-living increases for Social Security recipients, I think it is incredible that the boaters of this country would refuse to pay $18 a year—$18 a year—to help pay the cost of Coast Guard search and rescue services.

Even as we debate today, the Senate Appropriations Committee has reported out a bill that cuts Coast Guard operating expenses by $200 million. That means reducing search and rescue by 4,000 cases a year. That means reducing drug interdiction by 20 percent. That means reducing icebreaking, almost eliminating fisheries enforcement, and significantly reducing noncoastal environmental response capabilities. That is the effect of our current budget situation.

Faced with this situation, I would have thought that the boaters of this country would have been willing to pay $20 a year or even more to keep the Coast Guard in the search and rescue business. That amount is peanuts compared to the value of the boats involved—surely a trivial amount to pay as a form of insurance to protect that investment.

Mr. Chairman, in response to suggestions made by members of the boating community and members of the Merchant Marine Committee, I have tightened up my bill. I have proposed to put the money into a trust fund, to be made available only for Coast Guard use. I have made the $20 limitation statutory. Even then, I couldn't get it considered today.

But I'm not going to give up. I will reintroduce this measure, and seek cosponsors. Because I have faith that when the boaters of this country realize that the Coast Guard really needs this money to keep providing essential services, the boaters will come through.

Mr. Chairman, I wish I did not have this cold, and I wish the rules of the House would let me sing a song because I would sing something like this to the voters of this country:

Row, row, row, my boat
Gently, up the stream,
But if you try to make me pay,
I'll throw a fit and scream.

Tow, tow, tow, my boat
Through the surf to shore;
So what if I don't pay my share,
The others can pay more.

I hope that after listening to my speech, the boaters will change their tune, as follows:

Search, search, search, for me
When I am over-due;
The Coast Guard needs these user fees,
To pull us safely through.
Tow, tow, tow, my boat—
I'll pay that user fee;
'Cause when I really need it,
The Coast Guard's there for me.

Mr. Chairman, on another issue, I take strong exception to the provision in this bill to take the highway and aviation trust funds offbudget. That would place them in a special category, exempt from any budgetary control or oversight—a status that even the Social Security trust fund would not receive until 1992.

Mr. Chairman, this is back-door spending if I've even seen it. This proposal would provide a blank check to the Federal Highway Administration and the Federal Aviation Administration to spend these funds without oversight, without review, and without congressional supervision. I think that such an approach would involve walk-

ing away from our congressional responsibilities.

How can we explain to our constituents why highway and airport spending should be exempt from the budget process, while Social Security is not?

How can we explain why highway and airport spending should proceed unchecked, while other trust fund programs like Medicare, Veterans' Life Insurance, Unemployment Compensation, and Civil Service Retirement are subject to the usual budgetary controls?

Mr. Chairman, reasonable people can differ on whether trust funds should be on budget or off budget. But a reconciliation bill is no place to single out a handful of trust funds and put them at the front of the line. This issue has not been comprehensively explored by the Public Works Committee, or by the Government Operations Committee, which really has jurisdiction over the matter.

The one committee that has looked at it seriously, the Budget Committee, recommended that trust funds remain on budget.

Mr. Chairman, I urge that sections 8201 and 8202 be stricken from the bill, and that the Fazio amendment be adopted.

□ 1515

Mr. JONES of North Carolina. Mr. Chairman, I yield such time as he may consume to the gentleman from Louisiana [Mr. BREAUX].

Mr. BREAUX. I thank the chairman of the Committee on Merchant Marine and Fisheries for yielding me some time on this section of the bill.

First, I would like to commend the chairman for the work that he has done on seeing to it that the Merchant Marine and Fisheries Committee has abided by the instructions of the budget reconciliation bill and has come up with the amount of money necessary. It was not easy for our committee to find the cuts that were needed. The chairman has complied with the budget resolution as presented. The Merchant Marine and Fisheries Committee complied with what the budget ordered us to do. That is not an easy achievement. The chairman is to be commended for his leadership in that area.

A couple other things that I think are appropriate to recognize that our committee has reported, that others would try and remove from the budget, are items that have already passed the House. We are merely using this vehicle to allow the legislation and the will of the House to reach completion, and that is the OCS revenue sharing, which passed this House under the leadership of the chairman from North Carolina last year by an overwhelming margin, and one year by unanimous consent, that we have merely taken those provisions and included them in the budget reconciliation that has come from the Merchant Marine and Fisheries Committee. Make no mistake, this is not controversial. It has passed the House once by unanimous consent, once by an overwhelming margin. It is now part of our package. Another thing is the reauthorization of the Coastal Zone Management Act which again is legislation that has already passed the House by an overwhelming margin. This is part of the package that we are now presenting and should not cause anybody any difficulty whatsoever.

The third item, which is extremely important to 30 coastal States, is for the first time Congress, recognizing what Congress thought we had done in 1978, and that is to have the administration comply with the law of the land which requires that the Federal Government share with the coastal States on a fair and equitable basis those revenues coming from the 8(g) area. That is the law of the land. It should not be controversial. It has taken us 8 years to get them to agree on what the figure should be. The figure is so far less than that interior States get from Federal lands from the leasing and oil and gas and mineral production on Federal lands within interior States. I say that because interior States get 50 percent of the bonuses, the rents, and the royalties coming from Federal leasing on Federal lands within their borders. The only thing the coastal States are going to receive is 27 percent. Is it a large amount? Of course it is, because no one has given the coastal States any money since 1978. The interior States have continued to take 50 percent of all of the bonuses, the rents, and royalties.

The Federal Government failed to put enough money into the escrow account over the years, and so this legislation includes a provision which provides for recoupment of the money that they should have put into the escrow account in the first place. There is nothing unusual about that. It makes sense. We are merely trying to get what they should have done in the first place. So it does provide for the past inadequate escrowing activities because of the prorationing scheme that the Interior Department came up with, including post-1978 royalties from the 8(g) tracts no matter when the lease was issued. So I think the bill we have does cover all of the areas of concern and it is recommended to all of the Members. I commend the gentleman from North Carolina for doing what was necessary to comply with the budget and to bring forth good legislation and also the ranking minority member, the gentleman from New York, who has been so helpful in this effort.

Mr. JONES of North Carolina. Mr. Chairman, I yield 2 minutes to the gentlewoman from Maryland [Ms. MIKULSKI].

Ms. MIKULSKI. Mr. Chairman, I rise today to support passage of H.R. 3500. Title VI of this bill reauthorizes the Coastal Zone Management Act and provides for a fair and just sharing of offshore oil and gas revenues between the Federal Government and the coastal States.

Mr. Chairman, this body has already passed H.R. 2121 reauthorizing the Coastal Zone Management Act for 5 years at fiscal year 1985 level funding. The Subcommittee on Oceanography which I chair heard two days of testimony on this legislation. The verdict was unanimous—the Coastal Zone Management Program involving 28 coastal States has been successful in managing our coastal resources. Further, this program serves important national interests related to energy development, port rehabilitation, the protection of living marine resources, and preserving access to coastal areas.

Subtitle E of title VI of this bill provides for the sharing of oil and gas revenues between the Federal Government and the coastal States. During the previous Congress, both Houses passed bills that are practically identical to the revenue sharing provisions of this bill. The right of the coastal States to share in these oil and gas revenues has been established through the many hearings conducted over the past several years by both the House and the Senate.

I urge my colleagues to support passage of this bill.

Mr. JONES of North Carolina. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. Bosco].

Mr. BOSCO. Mr. Chairman, I want to draw the committee's attention to a provision of this reconciliation bill that will add hundreds of millions of dollars to the Federal Treasury and provide about $10 billion in business for American industry and labor. The provision will require that rigs used in the development of offshore oil be constructed in the United States of at least 50 percent U.S. steel.

As one who has voted consistently for free trade, I assure my colleagues that this measure is not a protectionist scheme. Rather, it will carry out the clear intent of our OCS Program that Americans will be the primary beneficiaries as property owned by U.S. taxpayers is developed. Accordingly, at present, only U.S. oil companies and their subsidiaries may bid on this oil. The oil may only be sold domestically. It is only fair and consistent, Mr. Chairman, to insure that American suppliers and labor build the structures that are necessary for the development of this resource.

More specificially, as approved by the House Merchant Marine and Fish-

eries Committee, this provision would require that any platform, drilling rig or vessel built for exploration or production of oil or gas on the OCS after October 1 of this year must be constructed in the United States with at least 50 percent domestic materials. Waivers would be provided under two conditions to ensure that the demand for rigs and platforms can be met. First, if an adequate supply of domestic materials is not available, the Secretary of Interior would be authorized to waive the 50-percent requirement and allow them to be imported. The Secretary could also waive part of the domestic construction requirement on some larger projects. For example, if a company needed two platforms for a given lease sale and agreed to build one in the United States, the Secretary could waive the "build-American" requirement and allow the second platform to be constructed overseas. Taken together, these two provisions should ensure that the OCS Program is able to proceed without undue hindrance while allowing American workers to benefit directly from development of our offshore oil and gas resources.

The issue here is not protectionism versus free trade. The Federal laws, rules and regulations governing the development of our publicly owned natural resources are all inherently protectionist in that they are intended to maximize the resulting benefits to the American public, not private interests or foreign nations. In cases where those basic laws have not been sufficient, Congress has not hesitated to impose additional restrictions to protect U.S. economic and national security interests. Foreign oil companies, for example, are barred from bidding on OCS oil and gas leases unless they have U.S. affiliates. Raw logs from western national forests cannot be exported. Foreign mining companies cannot obtain mineral leases on Federal lands unless their own governments grant Americans the same right.

This provision is perfectly consistent with these longstanding policies. The intent is simply to ensure that American workers and communities receive maximum employment and economic benefits possible from the exploration and development of the publicly owned oil and gas resources on the Outer Continental Shelf.

The American public is not going to reap the benefit of those jobs if Congress does not act to deal with the issue. Since June of 1982, our domestic industry has been virtually shut out of the west coast platform construction market. The last nine contracts have all gone to Korea or Japan, due in large part to large government subsidies of their steel fabricating industry.

When you consider that just one offshore platform may require up to 70,000 tons of steel, provide more than 1,300 jobs and generate hundreds of millions of dollars in benefits to the domestic economy, the ramifications of these exports become enormous. And the problem is not limited to the west coast. Suppliers in the Far East are beginning to penetrate the traditionally domestic market for platforms on the gulf coast as well by shipping components, rather than complete platforms, for final assembly in the United States.

This situation also has serious implications for our national security, as some of my colleagues have already recognized. In a letter to Commerce Secretary Baldrige that I signed earlier this year along with several other members of the House Merchant Marine and Fisheries Committee, we noted that: "If this situation is not abated or at least modified, the United States could find itself in the position of not being able to respond adequately to a national emergency because of insufficient industrial capabilities." We added that we were specifically concerned about "the offshore support, supply and equipment industries as well as steel fabricating and related plants."

There is one other aspect to this issue that Members of this House may want to consider, and that is the effect of the recent decline in OCS-related employment on public support for our offshore leasing program. I can testify from personal experience how difficult it is to explain to my constituents why so many people in Congress believe that we need to open the California coast to leasing when we have been repeatedly rebuffed in our efforts to obtain some of the jobs involved in OCS-related construction.

In closing, Mr. Chairman, I want to underscore my strong belief that the time for strong congressional action is now. I realize that unfair trade complaints and petitions have been filed against the Japanese and Koreans, and efforts have been made to get offshore platforms included under a voluntary trade agreement. But to date, all these efforts have proved futile. In the meantime, our production technological capacity in this field has been rapidly shrinking. If we wait much longer, I fear that it will be too late.

Mr. JONES of North Carolina. Mr. Chairman, I reserve the balance of my time.

Mr. LATTA. Mr. Chairman, I yield 3 minutes to the gentleman from Texas [Mr. FIELDS].

Mr. FIELDS. Mr. Chairman, I rise to express my strong and enthusiastic support for the language contained in sections 5 and 6 of H.R. 3500 dealing with the distribution of certain OCS revenues.

As the ranking minority member of the Panama Canal/OCS Subcommittee, I have long sought a solution to the highly contentious and complex issue of section 8(g) of the OCS Lands Act Amendments.

This provision is designed to provide coastal States with a fair and equitable share of certain revenues obtained from oil and gas resource pools underlying both the Federal OCS and submerged State lands.

Unfortunately, Public Law 95-372 does not define the term "fair and equitable" nor does it provide explicit instructions on how the Secretary of the Interior shall distribute these funds.

While there have been various administrative attempts to negotiate a settlement with the affected coastal States, these efforts failed in the past and are doomed in the future.

The most notable of these efforts was initiated by Secretary William Clark who on August 8, 1984, offered to share with certain States 16⅔ percent of the bonuses, rents, and accumulated interest held in the 8(g) escrow account. The offer was not extended to either Texas or Louisiana allegedly because of their ongoing litigation.

On April 15, 1985, the affected coastal States responded to the Secretary by making a counteroffer of 37½ percent of all bonuses, delayed rentals, royalty payments, and tax income attributable to the 8(g) tracts.

This counteroffer was flatly rejected by Secretary Don Hodel in a letter to Gov. Mark White of Texas on May 24, 1985. While the Secretary indicated that a negotiated settlement was still possible in the future, this was but the latest in a series of failed attempts.

Mr. Chairman, during this period of 7 years of unsuccessful negotiations, there has been a steady increase in the amount of 8(g) money being deposited in the administration's escrow account. These are funds, now exceeding $6 billion, which are unavailable for use by either the Federal Government or the affected coastal States.

Mr. Chairman, regrettably, we have also witnessed a dramatic rise in the amount of friction, acrimony, and distrust between the Federal Government and the 8(g) States.

For the first time in the history of the Federal OCS, we have seen States like Texas and Louisiana, who have long benefited from this program, file a proliferation of lawsuits on not only 8(g) but other issues affecting individual lease sales.

The future of the Federal OCS program and the energy security of this Nation must not be threatened and imperiled by the continued unwillingness or inability to achieve a negotiated settlement of this issue.

The time has come to end this controversy. The language contained within sections 5 and 6 of H.R. 3500 as approved overwhelmingly by the House Merchant Marine and Fisheries Committee and by the Interior Com-

mittee will provide the coastal States with a fair and equitable distribution of 8(g) revenues.

Under the Merchant Marine and Interior solution, the affected coastal States will receive a 27-percent share of the bonuses, rents, royalties, and earned interest from both the existing escrow account and all future revenues obtained from leases in the 8(g) zone.

Mr. Chairman, the 27-percent solution was not arrived at either hastily or with prejudice toward any particular entity. It is based on a number of discussions and congressional hearings involving both the affected coastal States and the Department of the Interior. In fact, the Panama Canal/OCS Subcommittee received extensive testimony on section 8(g) of the OCSLA on April 3, May 3, and July 25 of this year.

I believe this approach, which is the product of many hours of careful deliberation, offers the best, perhaps the only, hope for settling this dispute. While the 27-percent figure is the median point between Secretary Hodel's 16⅔ percent offer and the States' counteroffer of 37½ percent, more importantly, 27-percent is totally consistent with the February 15, 1984, ruling of Judge Robert Parker in the Texas versus Secretary of the Interior case.

In his decision, Judge Parker ruled that prior State leasing activities resulted in enhanced value to the Federal Government and that Texas was entitled to 50 percent of these enhanced revenues. According to Mr. William Bettenberg, Director of the Minerals Management Service at the Department of the Interior, the Parker decision represents approximately 27-percent of the bonuses received on blocks leased either wholly or partially in the 8(g) area.

Mr. Chairman, let there be no misunderstanding—this is not a Federal giveaway to certain coastal States. In fact, the 27-percent solution represents far less, millions less, than dozens of interior States receive under the Mineral Leasing Act and the National Forest Fund which provide them with 50 percent of those Federal revenues obtained from mining and timber leasing on Federal lands within their States boundaries.

The affected coastal States of Texas, Louisiana, California, Alaska, Alabama, Mississippi, and Florida have set aside their well-established claims of 50 percent and have accepted in a spirit of compromise the Merchant Marine and Interior language as their absolute bottom line.

The 27-percent solution represents the absolute minimum amount which can be viewed as fair and which will bring 7 years of contention and litigation to an end.

Mr. Chairman, during the last several days, there has been an increasing amount of discussion on whether to include or not include 8(g) royalties under the 27-percent solution.

Unfortunately, much of this discussion, which has originated from the administration, is both misleading and wrong. We have heard for instance that this legislation will result in the loss of $4 to $6 billion in future 8(g) royalties.

Mr. Chairman, anyone even remotely familiar with the 8(g) issue knows that these figures are ludicrous. Nothing in the past 7 years of experience supports that kind of production.

In fact, after 7 years of 8(g) activity, there is barely $200 million in total royalty payments in the escrow account.

Under CBO's assumption, total royalty income from the 8(g) zone over a 30-year period would be only $3 billion. This is based on an optimistic projection of $100 million a year in total 8(g) royalty income.

For the administration's highly inflated assertions to be correct, the total royalty income would have to be greater than $16 billion, which is simply not credible or possible since vast amounts of 8(g) acreage have already been leased in the past.

Mr. Chairman, it is clear from reading Public Law 95-372 that royalties must be included in any settlement of the 8(g) issue since the language of the act emphatically states that:

> The Secretary shall deposit in a separate account of the Treasury of the United States all bonuses, and royalties, and other revenues attributable to oil and gas pools underlying both the Outer Continental Shelf and submerged lands subject to the jurisdiction of any coastal State until such time as the Secretary and the Governor of such State agree on the fair and equitable distribution of such revenues.

If the Congress had not intended that royalties were to be included, the act would have specifically excluded those revenues from inclusion in the escrow account. It would be totally inconsistent for the Congress on one hand to mandate that royalties be part of the escrow account and then simultaneously dictate they not be shared with the coastal States.

Clearly, the intent was that royalties are an integral and inseparable component of the overall 8(g) account and are to be shared with the coastal States, just like bonuses and rents, on a "fair and equitable" basis.

Mr. Chairman, the 27-percent solution contained within H.R. 3500 is fair, equitable, and in the best interests of all affected parties. It will distribute the existing 8(g) revenues and those in the future based on a simple but fair formula.

It will provide the affected States with badly needed revenues and it will reduce our staggering Federal deficit by over $4 billion. In addition, it will remove a growing cloud of suspicion and friction which now hangs over the Federal OCS Program, which itself provides more funds to the U.S. Treasury than any other revenue raising activity except Federal income taxes.

It will not, however, drain the U.S. Treasury nor will it violate the budget requirement in either this fiscal year or in the future. In fact, the legislative language implementing the 8(g) solution exceeds the savings called for in Senate Concurrent Resolution 32.

Mr. Chairman, 7 years of lawsuits, negotiations, and stalemate have convinced most of us involved in the 8(g) issue that this legislative action holds the only promise of ending this dispute.

I urge my colleagues to join with me in supporting this permanent solution to the 8(g) problem. H.R. 3500 satisfies the requirements of Public Law 95-372 by providing the affected coastal States with a fair and equitable share of these long-contested 8(g) revenues.

Mrs. BENTLEY. Mr. Chairman, I wish to associate myself with the remarks made here on the floor earlier by the gentleman from New York [Mr. LENT], the minority leader on the House Merchant Marine and Fisheries Committee and our chairman, particularly as it pertains to the Buy American provisions of the Bosco amendment in title VI.

I rise in support of title VI of the 1986 Budget Reconciliation bill, in particular, the Bosco amendment.

Foreign government subsidization, below cost pricing, dumping, and the lower cost of labor have placed U.S. producers at a distinct competitive disadvantage vis-a-vis Korean and Japanese producers. Since 1982, only three mobile drill rigs have been built in the United States. Since 1979, 13 of 14 west coast platform construction contracts have been issued to Korea and Japan.

This amendment requires offshore structures used in the production of oil and gas in the protected waters of the west coast, to be constructed in the United States of 50 percent domestic materials. It allows exceptions for short supply conditions and for offshore lease holders promising to install 50 percent of structures on a lease parcel accepting more than one offshore structure.

One offshore oil platform can generate between 1,000 and 1,300 jobs resulting in as much as $200 million in revenue for the U.S. economy. One mobile unit can mean 450 direct shipyard jobs, plus an additional 1,200 indirect steel and supply jobs nationwide. It is predicted that 25 platforms will be built within the next 5 years generating economic benefits totaling $4.9 billion including $91 million in tax revenue.

We, the Congress, are the trustees for the public lands. It is not unreasonable for us to ask the oil companies

who will benefit up to $100 billion from drilling in the OSC to buy American in accordance with the Bosco amendment. Therefore, I urge you to support this amendment which insures national security, generates economic and employment benefits, and is compatible with the Outer Continental Shelf Program.

Mr. JONES of North Carolina. Mr. Chairman, I have no further requests for time, but I would like to say, before I yield back my time, that any controversy which might be attacked tomorrow by the amendments, two items, revenue sharing, coastal revenue sharing, and coastal zone management, have passed this House one or more times by overwhelming votes. It is not something we brought in through the back door during the dark of night but it is something that has been before the House time and time again.

With that, Mr. Chairman, I yield back the balance of my time.

Mr. DERRICK. Mr. Chairman, I yield 15 minutes to the gentleman from New Jersey [Mr. HOWARD], the distinguished chairman of the Committee on Public Works and Transportation, and Mr. Chairman, I ask unanimous consent that the gentleman from New Jersey [Mr. HOWARD] be permitted to yield time.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. HOWARD. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I want to take this time during general debate to express as clearly and dispassionately as I possibly can the reasons why Members should oppose two amendments which may be offered, one by Congressman FAZIO and the other by Congressman LATTA. These amendments would strike the language in the Public Works and Transportation Committee's title of the bill removing certain self-financed, deficit-proof transportation trust funds from the unified budget. Our basic purpose in taking this time and opposing these amendments is to expose the shameful fraud being committed by inclusion of transportation trust funds in the unified budget—all being done in the high name of budgetary responsibility; when, in fact, nothing is further from the truth.

Precisely who is being victimized? Every day, we cheat transportation users who are not receiving the full benefits of their investments and we deceive the public at large by continuing to rely on bogus bookkeeping to conceal higher real deficits than are shown on paper. What we're doing in the name of fiscal responsibility is in fact irresponsible, and you can see it for yourself if you look back far enough.

The evidence is on this chart. The highway trust fund was first brought under the unified budget in 1969, as was the aviation trust fund when it was created in 1970, and the mass transit fund when it was established in 1982. Prior to the adoption of the unified budget concept in 1969, trust funds were reported separately from the administrative budget. As you can see on the chart, the balance for the highway fund was maintained at a relatively low and stable level prior to the adoption of the unified budget concept in 1969. After 1969, the trust fund balances grew dramatically, and by the end of fiscal year 1985, had grown to a combined total balance well in excess of $21 billion. This despite the fact that balances in the $2 to $3 billion range according to the Congressional Budget Office is all that is needed to maintain the highway fund on sound footing; obviously far less would be necessary for the other funds.

Mr. Chairman, how did this happen? How did we build up these excessive balances? First, we had the unified budget working in combination with executive impoundment which began in the late 1960's. Then, we had the unified budget working in combination with congressional impoundment in the form of excessively low obligation limitations. Both achieved the same result.

I would now pose the following question: What conceivable public purpose is served by allowing these trust fund balances to reach such excessively high levels? The simple answer, as astonishing as it may sound, is to assure that these funds are used for other public purposes. Assuming the balances in these funds continue to grow—and there is little doubt that they would under the unified budget—the requirement to invest accruing balances in debt obligations of the Federal Government effectively diverts these funds from the purposes for which they are raised.

Given the reality of these large balances, Mr. Chairman, the sooner these trust funds are separated from the unified budget, the less chance for these programs to distort other spending decisions, or conversely, for other Federal decisions to thwart these pay-as-you-go programs.

Transportation users contribute to these funds because they want to believe they will benefit from their contributions. If they don't believe that, they are not going to be willing to support these programs that offer so much hope for the country's transportation future.

That precious public confidence is something we have to work hard to restore, and it is my view we will have that opportunity tomorrow by defeating these ill-advised amendments.

Finally, Mr. Chairman, I want to respond to the question of why the Committee's language is appropriately included as part of the reconciliation bill. As I indicated during debate on the rule, the committee language is consistent with the primary purpose of the budget resolution to achieve budget savings; it is based on ample precedent; it is germane to the instructions given the committee and to the recommendations that it made; and, finally, it is totally consistent with the procedural exemptions of the Budget Act.

Mr. Chairman, I urge my colleagues to vote against the FAZIO and LATTA amendments and I reserve the balance of my time.

□ 1530

Mr. LATTA. Mr. Chairman, I yield 15 minutes to the gentleman from Pennsylvania [Mr. SHUSTER] a member of the committee, and I ask unanimous consent that the gentleman be permitted to yield time.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. SHUSTER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, as a former member of the Budget Committee and the ranking member of the Surface Transportation Subcommittee, I rise to urge my colleagues to strike a blow for truth in budgeting, and at the same time, strengthen America's transportation system.

My colleagues, you may strike a blow for truth in budgeting and strengthen America's transportation system by opposing the Fazio amendment and the Latta amendment when they come before us. Why should this be done? It should be done because finally we have in the legislation before us long overdue language which removes transportation trust funds from the budget.

My colleague, the distinguished chairman of our committee has outlined the reasons behind this. Suffice it to say that as long as we have dedicated transportation trust funds—highway, aviation, transit—on budget, it has the effect of masking the enormity of the real general fund deficit. As long as we have transportation trust funds on budget, we are breaking faith with the American people because we told them that if you pay your dedicated gasoline taxes into these dedicated trust funds, the money will not be spent for anything else: It will be spent solely for transportation purposes.

But as a result of putting these trust funds on budget, they are being used

to build up surpluses, to mask and hide the real general fund deficit. So we can strike a blow for trust in budgeting if we finally remove these dedicated trust funds from general fund budgeting.

There is a second reason equally if not more important. That second reason is by doing so, we can improve and increase the expenditure of these dedicated funds for the purposes for which they are meant, and that is transportation construction.

The Members have heard earlier that this is simply a bookkeeping matter; it really makes no difference; it is simply bookkeeping. That is just not so. As long as trust funds are on budget, this means that the Appropriations Committee has a strong interest in reducing the obligational ceilings for transportation expenditures. As we know, the obligations ceilings limit those funds that are actually permitted to be spent. As long as transportation trust funds are on budget, this means that the Appropriations Committee by reducing obligational expenditures, even though the dollars are there in the trust funds, by reducing them it means that more spending can take place in the general fund categories and the overall impact on the deficit is hidden because the surpluses in the transportation trust fund cover up these other deficits.

So do not be misled, my colleagues, by the argument that this is simply a bookkeeping transaction. It is much more than that; it is a very real matter. When we remove transportation trust funds from the general budget, then the Appropriations Committee has no motive to reduce obligational ceilings and they can let the trust funds expend whatever is in there and whatever can be justified on a deficit-proof basis.

So this is an extremely important issue. It is the heart of the issue. It is real; it is not bookkeeping. Let me share with the Members just a couple of examples of what it means as a result of the Appropriations Committee passing low obligational ceilings to mask expenditures. The effect has been that virtually every State across America, while it has had more money apportioned to spend, has been unable to spend the money, and has not been permitted to spend the money because of the obligational ceiling placed upon it.

What does this mean? For example, just in this fiscal year 1986, in Pennsylvania, while the federally apportioned funds from the Highway Trust Fund amount to $587 million, because of the artificial obligational ceiling placed upon it by the budget process, Pennsylvania will have an obligational ceiling of only $505 million. Therefore, Pennsylvania is being shortchanged in 1 year alone out of the trust fund, $85 million.

The money is there; it is lying there, but Pennsylvania and Pennsylvania taxpayers cannot spend it. This is not a Pennsylvania problem; this problem applies across the board. When you add up the cumulative effect of the gap between what has been apportioned to States and what can be spent, the figures are staggering.

California, for example, has unobligated balances, apportionments that they are not allowed to spend over the years of $704 million. That is highways and only highways in this example. But you can extend this to aviation and transit. Likewise Texas, $494 million; Massachusetts, $345 million; Ohio, $246 million; Louisiana, $218 million; Hawaii, $202 million; Florida, $201 million; Maryland, $190 million; New Jersey, $175 million; on and on. Virtually every State across this country.

□ 1540

Hundreds of millions of dollars are not being spent, dollars that are dedicated, paid for by the highway and aviation users of America, dollars that are tied up because the money is tied up as a result of these obligational ceilings because the trust funds are on budget.

The cure, the solution: Remove these dedicated trust funds from the budget, and let them stand on their own. There can be no deficit spending. As you know, under the law, the law requires you cannot spend a penny out of these trust fund dollars unless the dollars are there, one of the few deficit-proof programs we have in this Congress.

So, do not be beguiled by these other arguments. Support honesty in budgeting. Support a better transportation system. Let the dollars that are sent by your taxpayers to Washington for dedicated transportation purposes be returned to the States so they can be used. Oppose, vote down these pernicious Latta and Fazio amendments.

Mr. HAMMERSCHMIDT. Mr. Chairman, will the gentleman yield?

Mr. SHUSTER. I yield to the gentleman from Arkansas.

Mr. HAMMERSCHMIDT. Mr. Chairman, I commend the gentleman for his very articulate statement, and I rise in support of H.R. 3500, the 1985 Omnibus Reconciliation Act.

Mr. Chairman, I rise in support of H.R. 3500, the 1985 Omnibus Reconciliation Act.

My colleagues have eloquently and adequately explained the provisions in our committee's reconciliation package, and I join them in urging that the language in that package be accepted without any altering amendments.

However, as ranking member of the Aviation Subcommittee, I do want to underline the importance of our provision removing the airport and airway trust fund from the unified budget.

Since this trust fund usually contains a surplus, the practice, under the unified budget, has been to inflate its cash balance by not spending money to meet very real program needs, thereby offsetting the real deficit of the general fund.

In other words, our Government has been collecting billion of dollars in taxes from the users of our airports for the stated purpose of expanding or repairing those facilities, and at the same time, has been refusing to spend the dollars collected for their specified purpose.

Without question, we are breaking faith with the airline passengers and private pilots in this country.

I well recall that when aviation taxes were increased in 1981, the airline industry and passengers were told that such increases were necessary to modernize our air traffic control system and to expand airport capacity so that the system could handle the increased demands expected during this decade. The needs were well documented; they were very real then, and they are very real today.

However, in order to make the Federal deficit look smaller on paper, the aviation taxes collected as a result of that congressional action in 1981 have not been used as promised. The programs established in 1981 have not been fully funded, and, in fact, obligation ceilings have been imposed on the Airport Improvement Program in every year since fiscal year 1981. Right now, there are many airports throughout the country, both large and small, in need of new runways or significant repairs. But appropriations for such airport improvements are more than $300 million below authorized levels. This situation is expected to get worse in fiscal year 1986.

Appropriations for airway facilities and equipment show an even greater shortfall. By the end of fiscal year 1986, it may approach $1 billion. This means that important programs to increase the safety and efficiency of the air traffic control system are not being fully funded.

To give just one example, our subcommittee recently held hearings on the need for a new doppler radar system to detect wind shear.

This radar system could have prevented crashes like the one in Dallas last summer or the one in New Orleans in 1982. But this radar system is very expensive. It will cost about $3 to $4 million at each airport. It would be unfortunate if any more airline passengers had to die because we lacked the money to install doppler radar. But it would be even worse if the money was there in the trust fund, and Congress refused to spend it simply to make the deficit appear smaller. Yet this could occur if the aviation trust fund is not taken off budget.

Uncommitted surpluses continue to rise in the airport and airway trust fund. Currently, more than $3 billion has not been spent at all. It is estimated that this surplus will rise to $4.5 billion by the end of fiscal year 1986.

There is no real danger that trust fund spending will exceed trust fund receipts.

Not only does this fund contain a large surplus, but our proposal contains an antideficit provision similar to the Byrd amendment in the highway trust fund.

We cannot reasonably expect continued support for our aviation programs if the taxes collected are not used as the taxpayers were told they would be.

Therefore, in the interest of a strong national transportation system and the integrity of the Federal budget process, I urge my colleagues to support H.R. 3500 including the provision to take the aviation trust fund off budget.

Mr. SHUSTER. Mr. Chairman, how much time do I have left?

The CHAIRMAN. The gentleman from Pennsylvania [Mr. SHUSTER] has consumed 8 minutes. He has 7 minutes left.

Mr. SHUSTER. Mr. Chairman, I reserve the balance of my time.

Mr. HOWARD. Mr. Chairman, I yield 4 minutes to the chairman of our Subcommittee on Surface Transportation, the gentleman from California [Mr. ANDERSON].

Mr. ANDERSON. Mr. Chairman, in the few minutes I have to address this critical issue, I want to clear up three misconceptions I have heard repeated by some of our colleagues, and then to lay out, once again, our case for taking the transportation trust funds off-budget.

First, let me clarify that the Public Works Committee has met the funding levels we were given. We are in full compliance with our reconciliation instructions. So any who would suggest that we are trying to go off-budget because we failed to meet these instructions are simply confusing their facts.

Second, I feel constrained to point out that we are not engaged in some jurisdictional turf battle. Whether or not we are successful in turning back the Fazio and Latta amendments will have no impact on the ability of our friends on the Appropriations Committee to impose annual obligation ceilings on our trust fund programs or to engage in other practices relating to those programs. Taking the trust funds off-budget will not affect the relationship between our two committees.

And that's an important point. Because, third, there are those who suggest that if we go off-budget, the ceilings on our programs will be lifted and, if I can mix my metaphors, the dam that holds back transportation spending will be shattered. But, I would point out that obligation ceilings may still be periodically imposed on the programs to control spending and impose necessary budgetary restraints desired by the Congress. And, of course, there is the protection afforded by the Byrd and Rostenkowski amendments for highways and mass transit; and I suppose we should call it the Mineta amendment for aviation, which is included in our language, to absolutely guarantee that the trust funds be administered in a responsible, conservative manner.

So what are we trying to do? If we are not trying to blow the lid off transportation spending, if we are not trying to evade the responsibility that was given to us as part of reconciliation this year, and if we are not trying to grab some other committee's turf?

Mr. Chairman, we are trying to be honest with the American people.

As has been explained, the transportation trust funds are generated exclusively by fees levied on transportation users, and may be used exclusively for their designated transportation purposes. They are administered separately from the general funds of the U.S. Treasury. They have absolutely no genuine impact on the horrible, terrible, monstrous deficit or debt confronting our country.

Yet there are those who would like to say, "Let's hold down trust fund spending," they forget what the trust in trust fund means. "Let's hold down trust fund spending so that the deficit will look a little bit smaller." Mr. Chairman, those who would do that are saying, "Let's try and fool the American people. Let's not let them know how big a deficit we really have.

Mr. Chairman, I don't want to fool the American people. And I don't want it said that we misled them 3 years ago when the highway user fees were increased so that we could have better highway and public transit systems in this country. Those fees should be used and not abused.

Mr. Chairman, that is why we must turn back the Fazio and Latta amendments.

Mr. HOWARD. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON. I yield to the gentleman from New Jersey.

Mr. HOWARD. Mr. Chairman, I thank the gentleman, and thank him for his statement.

I would just like to comment on what the gentleman from Pennsylvania stated about the amount of money that is in the trust fund, able to be apportioned, but not obligated. It amounts to about $6.2 billion. At the rate of 140,000 jobs per billion dollars, that is about 868,000 people in this country that could be working building and fixing and repairing our roads and bridges and other transportation systems in this country.

Mr. Chairman, I thank both gentleman for making very good points.

Mr. ANDERSON. Mr. Chairman, I thank the gentleman from New Jersey [Mr. HOWARD] for his contribution.

The CHAIRMAN. The time of the gentleman from California [Mr. ANDERSON] has expired.

Mr. SHUSTER. Mr. Chairman, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. CLINGER], a member of the committee.

Mr. CLINGER. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I urge in the strongest possible way rejection of the Latta and the Fazio amendments. This would undercut the entire user-fee concept, and I urge defeat of both amendments.

Mr. SHUSTER. Mr. Chairman, I yield 3 minutes to the distinguished ranking member of the full committee, the gentleman from Kentucky [Mr. SNYDER].

Mr. SNYDER. Mr. Chairman, the reconciliation submission of the Committee on Public Works and Transportation, as detailed in title VIII of H.R. 3500, contains some very important and far-reaching provisions.

First of all, it complies fully with the Budget Committee's instructions to reduce the obligational authority of the highway trust fund. Among other things, it reduces the fiscal year 1986 authorization for the Federal-aid highway program by $800 million; sets obligation limitations on the program as directed by the budget resolution; and takes the highway, aviation, and mass transit trust funds off-budget starting with fiscal year 1987.

I cannot overstate the importance of removing these trust funds from the unified budget. We have the world's finest transportation system, and that is directly attributable to the willingness of our citizens to pay taxes on gasoline, airline tickets, and aviation fuel in order to make the capital available to support that system.

The trust funds created as a repository for this capital have served our transportation system well—when they have been permitted to do so. They are unique because by law they can have no deficits, and therefore, they have never contributed 1 penny to the Federal deficit. They rely on dedicated sources of revenue, and they are self-supporting.

Since the users of this Nation's highways and airways pay the taxes to support both systems, they have every right to expect that those taxes collected be spent for the purpose for which they are levied—the improvement of the Nation's highways, transit systems, airports and airways.

That was the contractual obligation, if you will, of the Federal Government when it imposed these taxes. Unfortunately, the Federal Government has not lived up to its obligation.

Since these transportation trust funds usually contain surpluses, the practice under the unified budget has been to inflate their balances by not spending money to meet program needs, thereby offsetting the actual deficit of the general fund.

In the most fundamental sense, this amounts to breaking faith with the Nation's highway and airport users, and I submit that there is no reason to assume that they will continue to support these vitally important systems if their taxes go unused.

It is time we put an end to this long-running budgetary charade by letting the real Federal deficit be seen for what it is and letting Congress address the true deficit accordingly.

This is not a new proposal. The uniqueness of trust fund capital programs and the need to preserve their integrity was recognized by the very Presidential Commission that recommended the inclusion of trust funds in the unified budget. It was also reflected in the 1974 Budget Act. Unfortunately, while the distinctions have been recognized, they have not been observed in practice.

Now is the appropriate time to address this issue. It is the intent of reconciliation to help decrease the general fund deficit. Under this very bill we are cutting the highway trust fund program to make the paper deficit in the general fund look smaller—and that is exactly the problem we are trying to correct by taking these trust funds off-budget.

There is also precedent for taking this action at this time. The Omnibus Budget Reconciliation Act of 1981 took the strategic petroleum reserve off-budget, and that was not even a user-supported program.

This is in reality a "truth-in-budgeting" provision. Once we can see what the budget deficit really is, we will get an accurate picture of Federal spending in future years and can make budget decisions free of the distortions created by having self-financed transportation trust funds pitted against other Federal programs which compete for scarce general revenues.

Some of our friends on the Appropriations Committee feel that by taking these trust funds off budget, the Public Works Committee is trying to get rid of obligation ceilings, drop all congressional controls, and go on a spending spree.

Nothing could be further from the truth. Our two committees have had their differences as to how these ceilings should be utilized and that will probably continue, but nothing in this provision will prevent the Appropriations Committee from continuing to put obligation ceilings in appropriations bills. All this provision would do is remove the incentive for that committee to gradually ratchet down on trust fund programs in order to make room in their budget for general fund programs.

The so-called Byrd amendment insures that the trust funds can never operate in a deficit regardless of how much spending Congress authorizes. The highway trust fund has lived with that discipline for years, and the reconciliation bill adds a similar antideficit provision to the airport and airway trust fund.

In addition, the Public Works Committee continues to put obligation ceilings on these programs in our authorizing legislation in order to maintain an even flow in our programs. New funding for the highway program, for example, can be no higher than the trust fund can support. This is a "pay-as-you-go" program.

Taking these trust funds off budget is an idea whose time has come. The Public Works Committee has over the years argued for more national treatment of these trust funds, but our pleas have fallen on deaf ears. As a result, the highway and aviation programs have been damaged and the integrity of the budget process has been seriously undermined.

Another provision of our committee's reconciliation submission makes available excess budgetary authority for the construction of three bridges across the Ohio River to demonstrate the feasibility of reducing the time required to replace unsafe bridges.

This is merely the reprogramming of a portion of existing budget authority which was originally provided to construct two Ohio River bridges under section 147 of the 1978 Federal-aid Highway Act.

The committee's package also retains the historical prohibition against the sale of excess power by the Tennessee Valley Authority outside its service area. This provision is merely a response to the reconciliation language adopted by the Energy and Commerce Committee which would remove this so-called "wall" around the service area of TVA.

I feel very strongly that this "wall" should not be removed. It was established in the 1933 TVA Act, as amended, for the purpose of protecting surrounding utilities from competition with TVA. In any case, the matter is exclusively within the Public Works Committee's jurisdiction.

I feel confident that we can resolve this matter during conference, and I have received some assurances from the Energy and Commerce Committee leadership along those lines.

□ 1550

Mr. HOWARD. Mr. Chairman, I yield 4½ minutes to the chairman of the Subcommittee on Aviation, the gentleman from California [Mr. MINETA].

Mr. MINETA. Mr. Chairman, I rise today to demonstrate my full support for the provisions to remove the highway and aviation trust funds from the unified budget and congressional budget processes but not from the appropriations process. The provisions which I support are contained in subpart B of title VIII of the Omnibus Budget Reconciliation Act.

The 1982 Airport and Airway Improvement Act was a mutual commitment between the Federal Government and the aviation industry to look to the long-term needs of the airport and airway system, to provide funding for needed growth and improved efficiency through the introduction of new technology, and to build in a financial mechanism equal to doing the job. Unfortunately, the Federal Government has repeatedly reneged on its commitment, while the users have continued to make good faith payments into the trust fund.

Not only the executive branch, but my colleagues in the Congress as well, continue to take less than seriously the agreements, made in our 1983 legislation. Only a month ago, the fiscal year 1986 DOT appropriations bill passed by the House reduced funding for the Airport Improvement Program to $925 million, about 10 percent below the authorized level. To come within the overall transportation spending ceiling set by the budget resolution, the House allowed $75 million in available trust fund dollars to be cut. Similarly, during the prior 3 fiscal years, obligations under the Airport Improvement Program were a full $300 million less than the amounts which were authorized and for which the users had paid taxes.

There has been an even greater shortfall in the facilities and equipment program for modernization of the air traffic control and navigation systems. From fiscal 1982 through fiscal 1985, appropriations for this program were $700 million below the authorized level. The House appropriations bill for fiscal 1988 produces an additional $318 million deficiency below the authorization level.

These shortfalls are inexcusable when user taxes are producing far more revenues than are needed to support the airport and airway trust fund programs. As a result of the shortfalls, the uncommitted surplus in the trust fund has grown from $2.1 billion at the end of fiscal 1982 to an estimated $3.3 billion at the end of fiscal year 1985. By the end of fiscal 1986, the uncommitted surplus is estimated to reach $4.5 billion.

Thus, despite the airport and airway trust fund's ever-increasing surplus and the fact that aviation users have paid the taxes in good faith, expecting them to be used to finance needed airport and airway safety and capacity improvements, aviation's dedicated revenues continue to be surreptiously used to avoid having to cut general fund programs. The only relationship between the programs that are indirectly subsidized by the surplus in the airport and airway trust fund and the airport and airway programs is that

they are all included under the Budget's Act transportation category.

To prevent this from continuing to happen, I have tried various remedies. I have supported legislation to provide a separate process for capital budgeting at the Federal level, inserted a "pay-as-you-go" amendment for trust funds in the fiscal year 1985 budget resolution, testified repeatedly before the Ways and Means and Appropriations Committees, and authored legislation to amend the Budget Act to allow trust fund programs to expend what they collect in revenues.

In every instance, at every turn, I have been met repeatedly with the refrain that now is not the time.

In the face of a $2.078 trillion debt limit, how can now not be the time?

When the administration is virtually mandating tax reforms that produce no additional revenues to ease that deficit, can this body say now is not the time?

When the House conferees are forced to consider a so-called emergency deficit control measure which institutionalizes and memorializes the present use of the aviation and highway trust fund surpluses to offset the overall Federal deficit, can now not be the time? The fact that our users have paid for these programs in advance is meaningless if the hastily contrived and irresponsible measure is allowed to pass and we are blocked from taking these trust funds from the unified budget.

You should be aware that our off-budget proposal includes its own anti-deficit language which allows us to authorize spending only what has been collected in revenues. Between this provision and the appropriations process itself, we are assured fiscal responsibility for the airport and airway improvement programs.

In the face of the the other body's actions tearing the existing congressional budget process to shreds, I have to say that now is the time for approaches more radical than those we have tried in the past.

That is why I have come forward with my Public Works and Transportation Committee colleagues to take the self-supporting and deficit-proofed airport and airway trust fund, as well as the highway trust fund, out of the Presidential and congressional budget processes.

I have been a long-time supporter of the Congressional Budget Act of 1974 and the process it established. I chaired the budget process task force during 4 of my 6 years on the Budget Committee. It is therefore, only after trying all other avenues and failing in those attempts that I have reluctantly concluded that the trust fund concept will not work for aviation and aviation safety unless our trust fund is separated from the unified budget with its massive deficits.

That is why I implore you to vote against the Fazio and Latta amendments on Thursday.

Mr. SHUSTER. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from California [Mr. PACKARD].

Mr. PACKARD. Mr. Chairman, I rise in opposition to the amendment.

There are those who say that the treatment of trust funds should not be dealt with in budget reconciliation. They would have us delay this issue and continue business as usual, with all of the unfavorable repercussions that would have for our highway, transit, and aviation programs and for the integrity of the budget process itself.

I say that this is precisely the right time and the appropriate vehicle for moving the highway and aviation trust funds off budget.

In the first place, the budget process treatment of trust-fund financed transportation programs lies at the very heart of the problem the Public Works Committee seeks to remedy by removing the trust funds from the unified budget.

The very purpose of the reconciliation process is to reduce the general fund deficit, and to that end, it directs the Public Works Committee to reduce spending for the Federal-aid highway programs, which we have done. The reconciliation bill is, therefore, cutting trust fund programs to make the paper deficit in the general fund look smaller. This is dishonest, counter productive, and deceptive.

Since the budget process is causing the problem, we should deal with that problem through the budget process. There is certainly precedent for taking this action in a reconciliation bill. The Omnibus Budget Reconciliation Act of 1981 placed the strategic petroleum reserve program off budget, and that was not even a user fee supported program.

Let's face it, taking the trust funds off budget is really a truth-in-budgeting provision and, conversely, the amendment before us is most definitely not a truth-in-budgeting amendment.

Removing these trust funds from the unified budget would enable us to have a more accurate picture of Federal spending in future years. These self-financed programs only distort decisionmaking in the budget process when they are pitted against other programs which compete for scarce general revenues.

It is time that we see the budget deficit for what it really is, so that Congress can deal with it directly. The American people have already lost confidence in Congress' ability to deal with budget. Is the way to restore that lost confidence, to deceive, and hide the real size of the deficit?

The Fazio amendment would have us continue to use trust fund surpluses to hide the true budget deficit. The budget process does not deserve this, and the users of our transportation system—the benefactors of those systems—do not deserve it either.

I urge my colleagues to vote against both the Fazio and Latta amendments.

Mr. SHUSTER. Mr. Chairman, I yield 1½ minutes to the distinguished gentleman from Florida [Mr. LEWIS].

Mr. LEWIS of Florida. Mr. Chairman, I rise in support of removing the highway and aviation trust funds from the unified budget.

When Congress passed legislation in 1982 authorizing the funding for the national airspace system plan [NAS] and increased the taxes going into the airport and airways trust fund skeptics were assured that this time surpluses would not be allowed to accumulate. This time the funds really would be appropriated for their intended purpose of air safety modernization.

However, each year since then, we have watched budgets submitted with funding levels below that needed to fully fund the "NAS" plan. And each year we have failed to appropriate the needed funds and have even reduced the funding.

It is obvious that as long as the budget deficits continue and the trust fund continues to grow larger, the temptation to use this surplus to offset those deficits will increase, not diminish.

The Federal Government has clearly not kept its side of the bargain, and I am not very optimistic that any change is in sight. To continue to include these trust funds in the unified budget is a betrayal of the hundreds of millions of transportation users who have continued to pay into these trust funds in good faith.

The current situation is a gross injustice, but worse yet, it is dangerously shortsighted. There is no excuse to place the safety of the traveling public in jeopardy in order to allow Congress the luxury of continuing to avoid facing the real dimensions of the real deficit.

If we are to put an end to the mishandling of the trust fund we must put an end to the temptation; and, therefore, I strongly support the removal of these trust funds from the unified budget—now.

Defeat the Fazio-Latta amendments.

Mr. HOWARD. Mr. Chairman, I yield 1 minute to a member of our committee, the gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. Mr. Chairman, as a member of the Public Works and Transportation Committee, I urge defeat of the Latta and Fazio amendments.

The trust funds that are used for most transportation projects and gen-

erated by user fees should be considered off budget. Since these funds are used only for their designated purposes, they have absolutely no effect on the real deficit.

Attempts to reduce the deficit by pulling a fast one on paper and applying the trust fund surplus to the deficit is nothing more than a deceitful ploy to fool the American people that Congress is acting responsibly and is attempting to really reduce the deficit.

Let us take real action to reduce the deficit, but let us quit playing bookkeeping games with the trust fund.

I agree with the chairman, as he stated, that tampering with this $6 billion plus in this fund is equivalent to eliminating or endangering 850,000 jobs for Americans in our infrastructure.

This revenue to update our infrastructure should not be a political football here today.

Our deficit situation needs to be addressed, but not on the back of the situation as it has been presented.

Mr. HOWARD. Mr. Chairman, I yield my remaining 30 seconds to the gentleman from California [Mr. DYMALLY].

Mr. DERRICK. Mr. Chairman, I yield 1 additional minute to the gentleman from New Jersey [Mr. HOWARD].

Mr. HOWARD. Mr. Chairman, I yield that additional time to the gentleman from California [Mr. DYMALLY], so that he may be recognized for 1 minute and 30 seconds.

The CHAIRMAN. The gentleman from California [Mr. DYMALLY] is recognized for 1 minute and 30 seconds.

Mr. DYMALLY. Mr. Chairman, I rise in opposition to the amendment to be offered by my colleague from California.

Mr. Chairman, this amendment contends that removing from the unified budget highway, mass transit, airport, and aviation programs will unfairly shelter and protect these programs from future budget cuts required to balance the budget. This amendment contends that removing the Federal Aid Highway Program from the unified budget will cause other on-budget programs such as Medicare, housing, and other trust fund programs to suffer deeper cuts in the future and, therefore, exempt Federal Aid Highway Programs from sharing in the sacrifice of program budget cuts in our effort to reduce the deficit.

Mr. Chairman, nothing can be further from the truth. We are talking apples and oranges in this case.

Transportation trust funds do not belong in the unified budget because spending from these trust funds is limited to specified programs. Moreover, spending from these funds cannot add to the Federal deficit. Transportation trust funds are generated by user fees and can only be used for highway and transit capital projects mandated by the passage of the 1982 Surface Transportation Act which imposed a 5-cents-a-gallon gasoline tax that in turn created the transportation trust fund to be utilized by the States for their respective transportation-related projects. Current law requires the Department of Transportation to reduce or withhold disbursements from the highway trust fund if anticipated user fees cannot support obligations for the affected programs. Therefore, highway and mass transit spending cannot exceed the balance in the trust fund and cannot add to the Federal deficit.

This amendment will allow highway trust funds to be raided as a part of a misguided attempt to reduce the Federal deficit by making a sacrificial lamb of highway programs that did not cause the deficit problem that we are faced with today.

Mr. Chairman, for these reasons, I again register my opposition to the Fazio amendment and urge my colleagues to do likewise.

Mr. BOEHLERT. Mr. Chairman, will the gentleman yield?

Mr. DYMALLY. Yes; I yield to the gentleman.

Mr. BOEHLERT. Mr. Chairman, the gentleman made reference to apples and oranges. I would suggest that we are talking about phony baloney and the phony baloney is having these trust funds in the unified budget. I support strongly the removal of these trust funds from the unified budget.

Mr. DYMALLY. Phony baloney—I do not like baloney.

Mr. DERRICK. Mr. Chairman, I yield such time as he may consume to the gentleman from Arkansas [Mr. ALEXANDER].

Mr. ALEXANDER. Mr. Chairman, the House is taking another step today in meeting its fiscal responsibilities by considering the Omnibus Budget Reconciliation Act. This bill reduces Federal spending by $61.1 billion over the next 3 years. That is $3.3 billion more than required by the reconciliation instructions of the budget resolution.

This bill deals with Federal spending for veterans, housing, student loans, the Small Business Administration, and highways as well as a host of other programs.

The Members of this House should be congratulated for reporting a bill that cuts more than was required by the budget resolution. We've done it again. This is the only way that fiscal discipline can be imposed, steadily, and incrementally.

This, I submit, shows out determination to follow through on our commitment to reduce spending and the deficit and restore America's economic vitality.

No one should be surprised that this bill comes in below the budget resolution spending targets. Congress over the years has fulfilled its responsibility to wield the fiscal knife.

National Journal, the publication that covers Congress so perceptively and thoroughly, recognized our seriousness about meeting our fiscal obligations. In a recent article, National Journal observed, "In fact, Congress has probably done more this year than it is getting credit for" in reducing spending and the deficit.

This recognition by the press is critical. Only through the type of accurate reporting that we see in National Journal will the public come to accept that Congress is doing its job and that Congress recognizes the gravity of the threat posed by the deficit.

The public must understand that we, indeed, are heeding the warning of Franco Modigliani of the Massachusetts Institute of Technology, this year's winner of the Nobel Prize for Economics. Professor Modigliani told the Joint Economic Committee earlier this week that the deficit posed a great threat to our economic stability, requiring Congress to "cut the budget now and cut it deeply, with no ifs, ands or buts."

Congress can do the job. In fact, it has been doing the job for the last 42 years. That's the best kept secret in Washington. Congress has been keeping appropriations below the amount requested by the President for all but 4 years in the past 4 decades.

The figures speak loudly and clearly about what we have done. Let's look at appropriations approved by Congress and how they compare with the President's requests:

In 1944, in the midst of World War II, Congress appropriated $2.3 billion less than requested by the President.

In 1954, Congress appropriated $2.6 billion less than requested by the President.

Ten years later, in 1964, the appropriations bills voted by Congress totaled $4.1 billion less than requested by the President.

In 1974, Congress appropriated $9.7 billion less than the President's budget request.

And last year, the amount was $17.2 billion less than the President's budget request.

All of the figures I have just cited are taken from a comparison compiled by the House Appropriations Committee of Presidential budget requests and congressionally appropriated amounts enacted in regular, supplemental, and deficiency appropriations bills.

The budget resolution for fiscal 1986 passed on August 1 demonstrated once again Congress' intent to provide for less spending than requested by the President. Spending approved in the budget resolution is $4.6 billion below what the President asked for.

We have just seen, in dollars and cents, that the problem is the President. Congress knows how to cut and has cut appropriations bills below the President's request. That's an incontrovertible fact.

Today, the spending problem has reached a magnitude never before experienced in our Nation's history. The President talks about cutting spending and cutting the deficit. Yet the Reagan administration has piled up a $1 trillion deficit just since 1981.

This is a deficit that threatens economic disaster and the economic well-being of our people and Nation. It is a dagger pointed at the heart of America.

This deficit draws in foreign capital in record amounts to finance it. This influx of foreign capital has produced an insidious form of inflation—the overvalued dollar. This, in turn, has resulted in a $150 billion trade deficit, the worst trade deficit in our Nation's history.

The overvalued dollar has made American products too expensive for foreigners to buy, and it has subsidized foreign imports that have taken jobs away from hundreds of thousands of American workers.

Federal spending must be cut and can be cut. Congress has demonstrated over the past 40 years that it has kept Federal spending below the Presidents' requests.

We have shown year in and year out the leadership in cutting spending and we will continue to provide that leadership.

COMPARING PRESIDENTIAL BUDGET REQUESTS AND CONGRESSIONALLY APPROPRIATED AMOUNTS ENACTED IN REGULAR ANNUAL, SUPPLEMENTAL AND DEFICIENCY APPROPRIATIONS BILLS [1]

[Current as of January 16, 1985]

Calendar year [1]	Appropriations: Congressionally appropriated amounts	Presidential budget request [2]: Congressionally appropriated amounts	Congressionally appropriated amounts less (−) or more (+) than Presidential request
1943	$115,041,366,395	$110,634,660,785	−$4,406,705,610
1944	63,513,471,020	61,257,906,152	−2,255,564,868
1945	62,453,310,868	61,042,345,331	−1,410,965,537
1946	30,051,109,870	28,459,502,172	−1,591,607,698
1947	33,367,507,923	30,130,762,141	−3,236,745,782
1948	35,409,550,523	32,699,846,731	−2,709,703,792
1949	39,545,529,108	37,825,026,214	−1,720,502,894
1950	54,316,658,423	52,427,926,629	−1,888,731,794
1951	96,340,781,110	91,059,713,307	−5,281,067,803
1952	83,964,877,176	75,355,434,201	−8,609,442,975
1953	66,568,694,353	54,539,342,491	−12,029,351,862
1954	50,257,490,985	47,642,131,205	−2,615,359,780
1955	55,044,333,729	53,124,821,215	−1,919,512,514
1956	60,892,420,237	60,647,917,590	−244,502,647
1957	64,638,110,610	59,589,731,631	−5,048,378,979
1958	73,272,859,573	72,653,475,248	−619,383,325
1959	74,859,472,045	72,977,957,952	−1,881,514,093
1960	73,845,974,490	73,634,335,992	−211,638,498
1961	91,597,448,053	86,606,487,273	−4,990,960,780
1962	96,803,292,115	92,260,154,659	−4,453,137,456
1963	98,904,155,136	92,432,923,132	−6,471,232,004
1964	98,297,358,556	94,162,918,996	−4,134,439,560
1965	109,448,074,896	107,037,566,896	−2,410,508,000
1966	131,164,926,586	130,281,568,480	−883,358,106
1967	147,804,557,929	141,872,346,664	−5,932,211,265
1968	147,908,712,996	133,339,868,734	−14,568,744,262
1969	142,702,346,215	134,431,463,135	−8,269,883,080
1970	147,765,358,434	144,273,528,504	−3,491,829,930
1971	167,874,624,937	165,225,661,865	−2,648,963,072
1972	185,431,804,552	178,960,106,864	6,471,697,688

COMPARING PRESIDENTIAL BUDGET REQUESTS AND CONGRESSIONALLY APPROPRIATED AMOUNTS ENACTED IN REGULAR ANNUAL, SUPPLEMENTAL AND DEFICIENCY APPROPRIATIONS BILLS [1]—Continued

[Current as of January 16, 1985]

Calendar year [1]	Appropriations: Congressionally appropriated amounts	Presidential budget request [2]: Congressionally appropriated amounts	Congressionally appropriated amounts less (−) or more (+) than Presidential request
1973	177,959,504,255	174,901,434,304	−3,058,069,951
1974	213,667,190,007	204,012,311,514	−9,654,878,493
1975	267,224,774,434	259,852,322,212	−7,372,452,222
1976	282,142,432,093	282,536,694,665	+394,262,572
1977	364,867,240,174	354,025,780,783	−10,841,459,391
1978	348,506,124,701	337,859,466,730	−10,656,657,971
1979	397,653,765,836	386,822,093,291	−10,831,672,545
1980	340,339,446,763	333,695,164,197	−6,644,282,566
1981	440,398,234,909	442,215,127,541	+1,816,892,632
1982	507,740,133,484	514,832,375,371	+7,092,241,887
1983	542,956,052,209	551,620,505,328	+8,664,453,119
1984	576,343,258,980	559,151,835,986	−17,191,422,994

[1] This data is given on a calendar year, not a fiscal year, basis since supplemental and deficiency appropriations laws are generally enacted in the calendar year succeeding the calendar year during which the regular annual appropriations acts are enacted for the fiscal year to which the supplemental and deficiency appropriations laws apply.

[2] This column includes only those requests which are considered by the Committee on Appropriations.

Data source: Committee on Appropriations, U.S. House of Representatives.

Mr. SHUSTER. Mr. Chairman, I yield myself the remaining 30 seconds.

Mr. Chairman, I would ask my colleagues to think about it for a minute. We have trust fund surpluses building up, dedicated tax dollars not being spent, safer highways and airways not being built, thousands of real construction jobs not being created.

The cure—defeat Latta, defeat Fazio.

Mr. DERRICK. Mr. Chairman, I yield 5 minutes to the distinguished chairman of the Committee on Small Business, the gentleman from Maryland [Mr. MITCHELL], and I ask unanimous consent that the gentleman be permitted to yield time, if he wishes.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was not objection.

Mr. MITCHELL. Mr. Chairman, I want to make clear at the outset that I do not rise in support of these provisions, although I do favor a few of them. My heart tells me to oppose them, but I know that to do so would be futile as this train has already left the station.

The Small Business Administration repeatedly has incurred drastic budget cutbacks and yet everytime we need to reduce spending more, the President and a majority of those in Congress again look toward SBA. This must stop.

The provisions in the small business title of this bill are virtually identical with those contained in H.R. 2540 except that we are expanding the scope and duration of a pilot program to shift the financial mechanism for funding certified development companies away from the Federal Financing Bank and into the private sector. If this pilot is successful, I would expect that we would move the program totally into the private sector.

I am including a brief summary of the provisions of title IX and would note that they are fully explained in both the House Small Business Committee's report on H.R. 2540 (House Rept. 99-222, part 1) and on pages 680-772 of the report on this reconciliation measure (H. Rept. 99-300). Suffice it to say that the Congressional Budget Office has evaluated this measure, with the additional certified development company provisions, and has found that title IX reduces budget authority by $2.082 billion or $10 million more than is required and outlays by $2.48 billion or $1 million more than is required.

I certainly hope that I never am called upon again to discuss provisions making budget cuts in SBA of this magnitude. I am convinced that the adverse impact of these reductions upon small business, minority small business and our economy is going to be felt for years to come.

SUMMARY OF HOUSE SMALL BUSINESS COMMITTEE PART OF RECONCILIATION (H.R. 3500, TITLE IX)

PROGRAM LEVELS AND AUTHORIZATIONS

Section 1 provides levels for each of fiscal years 1986 through 1988 as follows:

General business loans	$2,332.00
Direct and IP	0
Guaranteed	2,332.00
Handicapped loans	20.00
Direct and IP	15.00
Guaranteed	5.00
Economic opportunity loans	105.00
Direct and IP	45.00
Guaranteed	60.00
Energy loans	15.00
Direct and IP	0
Guaranteed	15.00
Development compnay loans	450.00
Direct and IP	.....
Guaranteed	450.00
Investment company loans	291.00
Direct and IP	41.00
Guaranteed	250.00
Veterans loans	20.00
Direct and IP	20.00
Guaranteed	.....
Total business loans	3,233.00
Direct and IP	121.00
Guaranteed	3,112.00
Disaster loans	(1)
Physical	(1)
Nonphysical	0
Surety bond guarantees	900.00
Pollution control bond guarantees	50.00

Salaries and expenses	205.34

[1] As needed.

In order to support the above program levels, the bill authorizes the following appropriations:

	1986	1987	1988
Business loan and investment fund	$376.00	$410.00	$417.00
Real estate lease guarantees	0	0	0
Surety bonds	12.00	12.00	12.00
White House conference	0	0	0
Salaries and expenses	205.34	205.34	205.34
Total	593.34	627.34	634.84

DISASTER PROGRAM CAP

Section 2 eliminates the $500 million program limit on physical disaster loans and economic injury disaster loans for 1986 and repeals the $100 million program level for non-physical disaster loans for 1986.

LABOR SURPLUS AREA POPULATION

Section 3 provides a minimum population criterion of 25,000 when population criteria are used in determinations of labor surplus areas for the purpose of set-asides under section 15 of the Small Business Act.

SALE OF SBIC DEBENTURES

Section 4 prohibits the Federal Financing Bank from purchasing debentures issued by Small Business Investment Companies. Instead these debentures, guaranteed by SBA, would be sold in the private market.

POOLING OF SBIC DEBENTURES

Section 5 clarifies that SBIC debentures may be pooled or packaged and sold to investors in the secondary market under the same terms and conditions governing secondary market sales of SBA guaranteed loans.

AGRICULTURAL DISASTER LOANS AND NONPHYSICAL DISASTER LOANS

Section 6 prohibits SBA from making disaster loans to agricultural producers and abolishes the non-physical disaster loan programs which have been used to provide loans to small businesses hurt by El Nino, the peso devaluation, or PIK.

LOAN GUARANTEE FEE

Section 7 requires SBA to collect a 3 percent guarantee fee on any loan with a term in excess of one year (now 1 percent).

DEVELOPMENT COMPANY DEBENTURES PILOT

Section 8 directs SBA to conduct a pilot program for the sale to private investors of debentures issued by certified development companies and guaranteed by SBA. The amount of the pilot program in 1986 would be $220 million and in 1987 would be $280 million. The balance of the annual $450 million program level would be via sales to the Federal Financing Bank.

MINORITY FRONTS

Section 9 makes it a criminal offense, punishable of a fine of not more than $50,000 or imprisonment of not more than five years, or both, to make a knowing misrepresentation of small business status or disadvantaged (minority) status in order to obtain contracts or subcontracts restricted to firms or individuals in such a status.

STUDY OF NON-GOVERNMENTAL-LOAN GUARANTEES

Section 10 requires SBA to report by December 14, 1985 on options available for establishing a non-Federal government 8(a) guaranteed loan program.

LOANS TO ABORTIONISTS

Section 11 prohibits SBA from providing 7(a) loans to benefit any applicant who performs abortions, engages in abortion research, promotes abortions or trains individuals to perfom abortions unless performed, promoted or recommended in cases where the life of the mother would be endangered if the fetus were carried to term.

IMPOSITION OF FEES

Section 12 requires SBA to impose fees of up to $5.00 each for SBA publications, of up to $100 for processing applications for guaranteed or other loans, and for up to $100 for determining whether any business is a small business concern or any type of such concern, which shall be refunded to the applicant if such designation is not made.

It also requires a report within one year on the feasibility of imposing fees for counseling services and for an annual guarantee fee on loans.

□ 1605

Mr. Chairman, I reserve the balance of my time.

Mr. LATTA. Mr. Chairman, I yield myself 1½ minutes, and I do this just to compliment my good friends on the Committee on Public Works and Transportation on their unity in opposition to the proposition that we put forward in holding together what we have presently as far as having these trust funds on the budget.

We seem to have forgotten that Lyndon Johnson, when he was President of the United States, brought them on budget. It was not something that was done in this administration, and it has been quite some time since Lyndon Johnson was President, as we well know.

So I am a little surprised at the unity over a bookkeeping mechanism. They seem to leave the impression that we are going to be able to build more highways and more bridges and more airport runways if we suddenly take this money off budget. They are still going to have to run through this Congress to get the authority to do whatever they want to do with that money. They are not going to have an open door where they can just reach in at will in that committee or any other committee and haul out the money.

So we cannot overlook this fact, but I do want to commend them on their unity.

Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. McDADE].

Mr. McDADE. I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise in support of title IX of this bill. I would like to commend the very distinguished gentleman from Maryland for his outstanding leadership, we will sorely miss that leadership when he leaves Congress.

Let us focus for a moment on the mission of SBA. The Small Business Administration was established as an independent agency in 1953 under President Eisenhower and the Republican-controlled 83d Congress. Through that action, President Eisenhower and Congress specifically recognized the crucial role played by small business in the American economy.

During the past 32 years, SBA has assumed an ever-larger role as the protector of the independent sector. The agency has been saddled with more and more responsibilities, many of them lying far outside SBA's natural territory. Perhaps it has been a victim of its own effectiveness.

SBA has been so efficient in expediting assistance to victims of natural disasters that it has been told to assist agricultural enterprises. It has been forced to duplicate programs administered by the Department of Agriculture.

Originally, SBA provided financial assistance only through direct loans analyzed, made and monitored by SBA employees. In a short time, this proved to be an expensive and cumbersome program, so SBA began to make more and more of its loans jointly with banks through its loan guarantee authority. Today, the overwhelming majority of SBA loans are made through the guarantee mechanism and the agency has made great strides in delegating lending authority to banks and other financial institutions through its certified and preferred lender programs.

In 1958, Congress passed the Small Business Investment Act and established an innovative source of venture capital for new and growing businesses. It was innovative because it harnessed private sector capital and management to achieve a public policy goal. Congress gave SBA the authority to license and regulate these small business investment companies, as well as the authority to make loans to SBIC's to supplement their private capital. Originally, SBA received appropriations to make direct loans to SBIC's but for the past 14 years the assistance has been in the form of guarantees.

In the late 1960's and early 1970's a number of programs to encourage and promote minority business were established and SBA was given additional responsibilities in this area.

In 1976, Congress created the Office of Chief Counsel for Advocacy. In a short time that office has become an effective and active champion of small business in every Federal department and agency.

During the last 3 years Jim Sanders has been a most outstanding Administrator. He has made the agency effective and useful for small business.

Mr. Chairman, our committee took a long hard look at all the programs. I do not need to go into detail on the cuts we made—the bottom line is we achieved over $2.4 billion in savings

for the next 3 years. Savings that were not easy but were a bipartisan effort of a committee of which I am very proud to be a member.

Mr. Chairman, I yield back the balance of my time.

Mr. DERRICK. Mr. Chairman, I yield 15 minutes to the distinguished chairman of the Committee on Energy and Commerce, the gentleman from Michigan [Mr. DINGELL], and I ask unanimous consent that he be permitted to yield such time as he wishes.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. DINGELL. I thank the gentleman for yielding this time to me, and I yield myself 5 minutes.

Mr. Chairman, I want to express my particular thanks and very high regard for my distinguished friend, the gentleman from South Carolina [Mr. DERRICK], and to have my colleagues know the great esteem and respect in which I hold that very able Member of this body.

Mr. Chairman, I rise in support of H.R. 3500, the Omnibus Budget Reconciliation Act of 1985. I would like for a few minutes to discuss title IV of that bill, the title which contains the reconciliation recommendations of the Committee on Energy and Commerce.

Title IV contains legislation that will result in 3-year outlay savings of $5.9 billion. These savings have been achieved in part by abolishing the wasteful, scandalous, and unnecessary Synthetic Fuels Corporation, whose officers and directors have characterized themselves uniquely by their attention to their own high standard of living and to providing themselves with various emoluments of office to which they are entitled neither by election nor by performance. Our committee's legislation also achieves reconciliation savings by reducing the rate of fill for the strategic petroleum reserve, by requiring utilities to repay their Federal debts for uranium enrichment, and by imposing fees on users of various Federal regulatory agencies.

These user fees have been imposed on licensees of the Nuclear Regulatory Commission and the Federal Energy Regulatory Commission, and on parties before the Federal Communications Commission. The committee also imposed fees on oil pipelines to cover the cost of safety inspections by the Department of Transportation. It was the view of the committee that the users of the services of these agencies should pay a modest sum to cover the costs of administering the benefits they derive therefrom.

In addition, the committee voted to terminate the local rail service assistance program in this and future years, while permitting all previously appropriated but unobligated or unexpended funds for this program, as well as State revolving loan funds, to remain available until expended.

Mr. Chairman, in addition to these savings in title IV, H.R. 3290, introduced on September 12, 1985, represents the joint effort of the Committee on Energy and Commerce and the Committee on Ways and Means to achieve reconciliation savings in Medicare and Medicaid. That measure is moving separately through the House.

The combined savings from H.R. 3290 and title IV of the bill before us result in total deficit reduction of more than $16.3 billion over 3 years. I am proud to report that the Committee on Energy and Commerce has thus exceeded its reconciliation instructions by nearly $850 million. And I would add that these are all hard savings. There is no "blue smoke and mirrors" whatsoever in the package of the Committee on Energy and Commerce.

Mr. Chairman, this package was the product of a strong bipartisan effort in our committee. Indeed, many of the items in this package originated with our dear friends and colleagues on the minority side. I want to pay particular tribute to the able and distinguished ranking member of the committee, the gentleman from North Carolina [Mr. BROYHILL], as well as the chairmen and ranking members of the several subcommittees who cooperated in this effort, for their invaluable input and their active and capable participation in this difficult process.

Mr. Chairman, I would now like to take some time for a colloquy with my able and distinguished friend, the gentleman from Illinois [Mr. YATES], in regard to the synthetic fuels issue.

Section 4110 of the bill includes a rescission of most funds appropriated for the Energy Security Reserve. Normally such rescissions are accomplished by the Committee on Appropriations. The Committee on Energy and Commerce, however, included this rescission language concerning the Synthetic Fuels Corporation in its reconciliation bill because of the strong support for the provision in the committee and in the House.

I do understand that my dear friend from Illinois and the Committee on Appropriations harbor strong concerns about jurisdiction and about the need for the Committee on Appropriations to retain the right to score budget savings from the rescission. I will support Mr. YATES, of course, on the point of order which I gather he intends to offer. The gentleman from Illinois [Mr. YATES] has always dealt with us in a gentlemanly fashion and has supported us in the past on similar points of order concerning legislation in appropriation bills.

I would appreciate, however, if Mr. YATES would confirm his strong support for retaining in the conference report on Interior appropriations the synfuels rescission adopted by the House in the Interior appropriations bill for fiscal year 1986.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I would be glad to yield to the gentleman from Illinois for a comment on this point.

□ 1615

Mr. YATES. Mr. Chairman, I thank the gentleman for yielding.

I will say to the gentleman that in view of the House's vote on the rescinding of funds of the Synthetic Fuels Corporation, this member of the conference committee will strongly support the House's position.

Mr. DINGELL. Mr. Chairman, I thank my distinguished friend. I am aware of the difficulty that this has caused him, and I am appreciative of his sensitivities and those of the distinguished Committee on Appropriations.

Mr. YATES. If the gentleman will yield further, it causes me no great difficulty. I voted with the gentleman's position when the bill was before the House.

Mr. DINGELL. The gentleman cannot be criticized in my presence. I intend to defend him against all criticism, as I properly should.

Mr. Chairman, I yield back to the distinguished gentleman from South Carolina.

Mr. BOULTER. Mr. Chairman, I yield 10 minute to the gentleman from New York [Mr. LENT] a member of the Committee on Energy and Commerce, and I ask unanimous consent that he be permitted to yield time.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. LENT. Mr. Chairman, I thank the gentleman, and I yield myself such time as I may consume.

Mr. Chairman, I rise in support of title IV of H.R. 3500, the reconciliation recommendations made by the Energy and Commerce Committee. Working in a bipartisan fashion, the committee achieved $4.681 billion in outlay savings over fiscal years 1986 through 1988. These savings are real. This estimate comes from the Congressional Budget Office and reflects savings resulting from the legislative recommendations contained in title IV. Let me briefly detail what the committee did.

First, the committee abolished the Synthetic Fuels Corporation and authorized a scaled-down Synthetic Fuels Program at the Department of Energy. This is consistent with the action taken by the House on July 31 when it voted to rescind all but $1 billion of the funds remaining available to the Corporation in the energy security reserve.

Second, the committee reduced the fill rate of the strategic petroleum reserve to the level assumed in the conference report on the first budget resolution. The reserve would be filled at a rate of 35,000 barrels per day over the next 3 years. Construction would be continued on facilities to store up to 750 million barrels of oil and on enhancements to the reserve's drawndown and distribution capability.

Third, the committee would require the Department of Energy to accelerate repayment of the debt its Uranium Enrichment Program has incurred to the Treasury. This repayment schedule was negotiated with the Department of Energy and is generally acceptable to it.

As part of this section, the committee also authorized the Department of Energy to sell to utilities electricity it is contractually committed to take from the Tennessee Valley Authority, but for which it has no need. I understand that the Public Works Committee has strong concerns about this provision, but I trust that we will be able to work together in conference to remedy those concerns.

Fourth, the committee authorized the Nuclear Regulatory Commission, the Federal Energy Regulatory Commission, and the Department of Transportation to collect user fees to offset some of the cost of regulating interstate natural gas pipelines, interstate oil pipelines, and electric utilities.

The conference report on the budget assumed that the Energy and Commerce Committee would report legislation imposing a system of user fees to fund most of the activities of the Federal Energy Regulatory Commission. The committee complied with this assumption in a manner similar to previous administration proposals on FERC user fees.

The committee determined that user fees could and should also be imposed to defray the costs of the Federal Hazardous Liquid and Natural Gas Pipeline Safety Program administered by the Department of Transportation, and of the Nuclear Regulatory Commission. The total cost of the Pipeline Safety Program would be funded through user fees imposed on pipelines subject to Department of Transportation regulation. The NRC would be required to assess annual charges on its licensees which, when combined with other fees, would equal one-half of the total NRC budget.

Fifth, the committee would authorize Federal agencies to enter into shared savings contracts with private energy service companies. Under these contracts, private contractors would install energy conservation equipment in Federal buildings at their own expense. The private contractors would be repaid by sharing in the savings to the Government resulting from the installation of the energy efficiency improvements.

Private building owners, as well as State and local governments, are finding shared savings programs to be very successful. The Federal Government should be able to participate in such contracts as well. Any opportunity to save Government money, provide opportunity for private enterprise, and save energy ought to be seized.

Sixth, the committee would require the Federal Communications Commission to charge fees for the services it provides to the firms it regulates. These fees have been recommended by the FCC and are based on the Commission's estimate of the cost of providing such services.

Seventh, and finally, the committee recommends that no additional funds be authorized for the Local Rail Service Assistance Program after September 1, 1985. This is consistent with the assumption of the conference report on the first budget resolution that funding for this program would be terminated. All previously appropriated but unobligated or unexpended funds would remain available until expended.

In summary, this package is a good package which deserves the support of this body. It complies with budget resolution assumptions and provides real savings. It does not contain extraneous material I commend the chairman of the committee on the bipartisan manner by which this package was developed and I urge my colleagues to support it.

Mr. Chairman, I yield back the balance of my time to the gentleman from Texas [Mr. BOULTER].

Mr. EDGAR. Mr. Chairman, as you know I have opposed proposals to implement a means test and third party reimbursement for Veterans' Administration medical care. I have long been concerned about deficits, but there were several reasons for my not supporting these proposals. Chief among those reasons was the inability of the VA to provide details of the impact of the anticipated savings.

With regard to the third-party-recovery authority, I have consulted closely with representatives of various third-party insurers and others with an interest in the legislation. As a result of these consultations, I offered, and the committee agreed to, clarifications on two points. The first point is about how the costs of VA medical care are to be established by the VA. Specifically, the VA may use either the regulatory process with public review and comment or may enter into contracts or agreements with third parties to establish reasonable costs. In either event, the way the costs are established should be open and clear. The second point is the extent that such costs could be recovered from third parties. No third-party payor would be required to reimburse the VA for the cost of a health care service that is not covered under the terms and conditions of their contracts or agreements with the veteran patient. Except for the provisions which invalidate insurance contract exclusionary clauses banning payment for VA care, all other provisions of an insured veteran's health insurance contract will be applicable in any situation in which the VA is seeking to recover the cost of care provided to the veteran. Thus, to the extent that insurance contracts have provisions requiring preadmission screening or utilization review requirements, or any other such elements, the VA, if it seeks to collect under contracts, will have to comply in a similar fashion as a non-VA entity.

With regard to the means test in title X of this bill, in my judgment, it is still not clear what the savings will really be; it is still not clear what the impact will be on other Federal programs such as Medicaid and Medicare due to demands for care from veterans made ineligible by the means test; it is still not clear what the impact will be on private insurers and the rest of the American health system; and it is still not clear what the impact will be on veterans themselves.

Mr. Chairman, in addition to clarifying the specific items in the third-party reimbursement provision that I have just discussed and in consideration of my doubts about the means test provision, I proposed and the committee agreed to a report on the implementation of these policy changes. This report will include, but not be limited to, the following: First, the number of veterans receiving health care from the VA during the report period, including the existence and extent of policies, contracts, or other arrangements with third parties for the purpose of providing, paying for, or reimbursing expenses for health services; second, the number of veterans applying for health care from the VA during the report period, including the existence and extent of third-party reimbursement arrangements and reasons why veterans who applied for care did not receive it. I did not intend when I offered this provision, nor did the Committee on Veterans' Affairs intend, that an elaborate or costly data collection system be set up. This report is to be derived from management information only. The cost of the report as projected by the CBO is the cost that is routinely incurred as program operations expenses.

There is one final feature about the provisions in title X that is salient. This is a provision that I developed, Mr. MONTGOMERY, the chairman of the full committee agreed to, and was accepted by the committee. It is most important as it provides a sunset clause which would terminate the health care eligibility reform provision of title X after 3 years unless the Congress acts to extend them.

Mr. Chairman, I voted against the package of provisions at our committee markup even though I sincerely believe that my amendments improved it. I would have hoped then and I would hope now that the Members of this body could have the opportunity to vote on these major changes to VA health care eligibility separate from the

overall budget reconciliation package before us today. That opportunity has not been afforded. I still carry my doubts on the VA policies in this package, and would hope that as these provisions are developed further that our committee and the Congress will have the opportunity to fully monitor and evaluate the resulting impact on the veteran population very closely.

Mr. FORD of Michigan. Mr. Chairman, the first concurrent resolution on the budget, fiscal year 1986, includes reconciliation instructions and assumptions which require that the Committee on Education and Labor achieve $800 million in savings in the Guaranteed Student Loan [GSL] Program over the next 3 fiscal years. The savings are to be distributed as follows: $100 million in fiscal year 1986; $250 million in fiscal year 1987; and $450 million in fiscal year 1988.

The reconciliation proposal adopted by the full committee on September 19, 1985, contains items which result in $868 million in savings for fiscal year 1986 through 1988.

Additionally, there are five noncost items in the reconciliation recommendations which help to ensure that the savings do not adversely affect the smooth and continuous operation of the GSL Program.

The committee's budget recommendations contain three proposals which directly affect the financing of guaranty agencies: A return of $50 million in advances in fiscal year 1988; mandatory payment of the administrative cost allowance by the Secretary of Education; and the collection of a 3-percent insurance premium per loan from students.

The first of these provisions requires that $50 million in advances made by the Secretary to guaranty agencies to establish reserve funds and to pay insurance costs be repaid in fiscal year 1988. However, the Secretary must take into consideration the solvency and maturity of the agency as determined by the Comptroller General and any State which established a guaranty agency less than 5 years prior to the recall of the advances is exempt from repaying their advances.

The second guaranty agency financing provision mandates that the Secretary pay the administrative cost allowance for each year beginning in fiscal year 1985. The allowance has not been paid in fiscal year 1985 and, as a result, the operations and financing of several State guaranty agencies have been severely disrupted. This is not a cost item because the Congressional Budget Office [CBO] assumes payment of the administrative cost allowance in its baseline projections for the GSL Program. The administrative cost allowance has been paid in every year from its establishment until fiscal year 1985. Requiring the Secretary to pay the allowance provides greater stability and predictability in financing the agencies.

The committee recommendation further requires all State agencies to charge students an insurance fee of 3 percent per loan collected proportionately on each disbursement of the loan. Current practice in most States is to charge students an insurance premium of 1 percent per year for the in-school period and grace period. The flat 3-percent insurance fee per loan results in a slightly higher premium for students in shorter programs, who are the most likely to default, and the same premiums for students in a 4-year program, who are less likely to default. This provision also enhances the national uniformity of the GSL Program while providing a short-term increase in State guaranty agency financing. In part, this provision will offset the recall of advances.

A second major area addressed by the committee recommendation is collection of loans. While the committee is well aware that the default rate on student loans is low and over the past few years has fallen, it is still important that every action be taken to reduce it even further. Therefore, three provisions in the proposal will have the effect of reducing defaults.

The first of these requires that collection attempts on a defaulted loan continue for 210 days before a State guaranty agency can file with the Federal Government for reinsurance. Currently, defaulted loans can be turned in for reinsurance after 120 days. Thus, the State guaranty agencies are to spend an additional 90 days attempting to get a defaulted loan into repayment status before they can file for reinsurance.

Reimbursement to State agencies or lenders for the costs of supplemental preclaims assistance, in addition to the statutorily required due diligence efforts, is permitted. The amount of the reimbursement is limited to 2 percent of the loan or $100, whichever is less.

During full committee markup, the committee also adopted modified provisions of the Coleman collection bill, H.R. 2150, which was introduced on April 22, 1985. These amendments are designed to improve debt collection activities and default recoveries and to reduce the costs of loan programs administered by the Department of Education.

The committee recommendations further require that students receive a determination of their eligibility or ineligibility for Pell grants before being eligible for a guaranteed student loan. This provision takes effect July 1, 1986, and is not a cost item. It prevents unnecessary borrowing by low-income students who are eligible for Pell grants and helps ensure that Pell grants achieve their basic purpose as the foundation of Federal student aid.

All students are also required to undergo a needs analysis and their guaranteed student loan must be limited to their "remaining need." Current law requires such a needs analysis only for students from families with incomes of $30,000 or more. The recommendation also includes a related provision which extends the current needs analysis for GSL through fiscal year 1989.

All lenders must multiply disbursed guaranteed student loans. Loans made for enrollment periods of 1 semester, 2 quarters, 600 clock hours or less or for amounts of $1,000 or less need not be multiply disbursed. Lenders will receive the in-school interest subsidy and special allowance only on the portion of the loan actually disbursed. The student's loan origination fee is charged proportionately on each disbursement.

The proposal extends the GSL Program for 2 years, fiscal years 1987 and 1988. Since the program expires at the end of fiscal year 1986 but the committee is adopting provisions to make savings in fiscal years 1987 and 1988, it is logical to extend the program through the years in which the savings are to be achieved. This is not a cost item because the CBO baseline projections assume the continuation of the program beyond 1986.

Two additional amendments were adopted in full committee which do not affect costs. The first of these; intoduced by Representative GUNDERSON allows the Student Loan Marketing Association [SLMA] to increase its investment in tax-exempt student loan revenue bonds to support the GSL Program without the necessity of owning a financial institution.

The second amendment, offered by Representative TAUKE, and adopted in full committee includes a provision directing the Secretary to promulgate regulations to permit, in the computation of family contributions for the Pell grant and GSL Programs, the exclusion from family income of any proceeds from a sale of farm or business assets of that family, if such sale results from a foreclosure, forfeiture, or bankruptcy. The provision is effective for academic years beginning on or after July 1, 1985.

The provision is necessary to correct an inequity caused by current law and regulations which require that proceeds from the sale of assets be included in the computation of the family contribution, regardless of the outstanding debt or financial insolvency of the family. The committee believes that denying student aid to families facing farm or business foreclosure or bankruptcy misconstrues the intent of Congress and should be addressed as soon as possible.

Mr. DANNEMEYER. Mr. Chairman, I rise to address the budget savings made by the Committee on Energy and Commerce which are within the jurisdiction of the Subcommittee on Fossil and Synthetic Fuels, of which I am privileged to be the ranking minority member.

The largest single source of outlay savings in the Energy and Commerce title comes from setting the fill rate for the strategic petroleum reserve at 35,000 barrels per day for each of the next 3 years. This action produces a 3-year outlay reduction of $4 billion. This can be done without adversely affecting our energy security position.

As of the end of fiscal year 1985, the strategic petroleum reserve contained 489 million barrels of oil, enough to cover our oil imports for 100 days. This quantity in storage represents a taxpayer investment of almost $18 billion to date.

The 35,000 barrel fill rate is a compromise with the administration, which originally had recommended a moratorium on

any further fill of the reserve. Adoption of the administration request would have resulted in an additional $1.5 billion in savings over the next 3 years.

There is one aspect of the SPR provisions which continues to trouble me. The Energy Policy and Conservation Act, as amended and extended earlier in the year, links the continued production and sale of oil from the Elk Hills Naval Petroleum Reserve in California to the fill of the SPR until the reserve contains at least 500 million barrels of oil. This bill would extend the linkage until the SPR contains 527 million barrels, the projected level after 3 years of further fill at 35,000 barrels per day.

It is unwise and unfair to continue to hold the Elk Hills Reserve hostage to the SPR. Elk Hills is one of the largest oil fields in the United States and its revenues to the Federal Government, which owns three-quarters of it, exceed $1.2 billion annually. Its production of lighter grade crude and natural gas are absolutely necessary for the production, transportation, and refining of the extensive heavy oil fields in the surrounding Kern County area. Furthermore, Elk Hills is a vital source of crude for independent refiners in California, who in turn supply the independent gasoline stations that are at the heart of competition at the retail level in California.

The conference committee on the supplemental appropriations bill earlier in the year recognized the importance of the Elk Hills field by amending EPCA to provide greater flexibility in applying its linkage. I am hopeful that the conference on the reconciliation bill will also recognize the importance of Elk Hills in fashioning the final version of this legislation.

The bill also eliminates the U.S. Synthetic Fuels Corporation and rescinds $6.9 billion budget authority. However, this only results in a 3-year outlay savings of less than $500 million. The reason is the SFC assistance is in the form of loan and price guarantees, not grants. This leaves $1 billion in the energy security reserve, of which $500 million will go the Clean Coal Technology Program and $500 million will be used for a smaller synthetic fuels program at the Department of Energy.

The bill purports to retroactively block project awards made after July 31, 1985 by prohibiting future payments and removing any right of affected parties to sue the U.S. Government. This provision is of dubious constitutionality. Beyond that, it represents very bad policy. Project sponsors, such as Unocal in my congressional district, responded to the Government's call for synthetic fuels programs. Over $700 million in its own funds have been invested to date. The assistance is in the form of price guarantees, so there is no Government outlay until and unless there is product to sell. The SFC board recently scaled back phase two of the Unocal shale project from $2.7 billion to $500 million in keeping with the interest in Congress for a smaller program. It did so on the basis of the statutory charter under which it operates. Congress can, of course, change that charter and we would be doing so with the enactment of the legislation before us. However, to be fair, changes should not be applied retroactively to abrogate contracts in this manner.

The third area of budget savings is in energy-related user fees. The Reagan adminsitration and the Grace Commission have recommended that user fees could save general fund money in cases where a Govenment agency provides benefits or undertakes regulatory activities due to the needs of particular industries and individuals.

The bill authorizes and mandates that the Department of Transportation collect fees to cover the Pipeline Safety Program, which regulates natural gas and hazardous liquids pipelines. There is direct Federal regulation in some cases and also grants to States. The General Accounting Office looked into this at the request of the subcommittee. It is feasible and the impact on consumers of passing through an $8 million program in a multibillion-dollar industry is de minimis.

Unfortunately, the bill before us is contradictory on this issue. While the Energy and Commerce title mandates these fees, the Public Works Committee's title expressly prohibits them. This will need to be worked out in conference. In doing so, permit me to observe that the Public Works Committee has seen fit to add the pipeline safety reauthorization bill to this package. It contains other provisions with which I am in sympathy, but all of these matters must be resolved satisfactorily to move forward on any of them. User fees are an important element. This bill seeks sacrifices from many groups to reduce the deficit. It is not unreasonable to ask certain industries to do their fair share.

On user fees generally, the Energy and Commerce version also directs the Federal Energy Regulatory Commission [FERC] to collect additional fees and charges from those it regulates. This will save an additional $110 million over the next 3 years. It has been requested by the Commission and also deserves our support.

As always, I look forward to working with my colleagues to come up with meaningful budget savings in our committee's jurisdiction to reduce the deficit.

Mr. KILDEE. Mr. Chairman, I rise in support of the Education and Labor Committee's Pension Benefit Guaranty Program provisions in H.R. 3500, the Omnibus Budget Reconciliation Act of 1985.

I know that the members of the committee—and especially Representatives CLAY and ROUKEMA—worked long and hard to develop provisions that would address the various problems facing the Termination Insurance Program in a manner that is acceptable to all interested parties. They have produced an excellent product, and deserve to be commended for their efforts. The single-employer pension provisions were approved unanimously by the Education and Labor Committee, and they have been endorsed by both the administration and by the labor movement.

I would like to take a moment to talk about the background leading up to this important legislation. Title IV of the Employee Retirement Income Security Act of 1974 [ERISA] provided for the establishment of the Pension Plan Termination Insurance Program. Under this program, the Pension Benefit Guaranty Corporation [PBGC] guarantees the payment of certain pension benefits in situations where a pension plan is terminated with insufficient assets to pay benefits which have been earned by participants.

Since the PBGC was created, it has played an invaluable role in assuring the retirement income security of participants. Especially in plant closing situations—which have had a particularly devastating impact on my own State of Michigan during the last recession—the PBGC has helped to assure that participants receive at least a portion of the pension benefits which they have earned.

Although the Pension Plan Termination Insurance Program has generally been successful in achieving the objectives it was intended to accomplish, a number of problems have arisen in connection with the portion of the program covering single-employer pension plans.

First and most importantly, the PBGC currently has a deficit of $462 million. This deficit is projected to grow unless prompt action is taken to increase the premiums paid by plan sponsors to finance the Termination Insurance Program. In its original budget recommendations, the administration requested that the PBGC premium be increased from $2.60 to $8.10 per participant per year—effective January 1, 1986. To eliminate the PBGC's deficit and to insure that the PBGC will be able to meet its future obligations to participants, the legislation approved by the Education and Labor Committee would increase the PBGC premium to $8.50 per participant per year. We believe that this slightly higher amount is justified, in light of the fact that there have been a number of plan terminations involving large unfunded pension liabilities.

The increase in the PBGC premium is not excessive, and will not impose an undue burden on plan sponsors. The General Accounting Office has verified the need for the premium increase. Furthermore, the increase would only amount to about three-tenths of 1 cent per hour in labor costs, which is a small price to pay for such valuable protection for the retirement income security of participants.

It is also important to note that the PBGC premium has not been increased since 1977. Thus, part of the increase simply reflects the need to catch up for inflation.

Second, in the past some profitable employers have been able to take advantage of loopholes in ERISA in order to dump their unfunded pension liabilities onto the PBGC. This has not only increased the PBGC's deficit; it has also increased the upward pressure on the premiums which must be paid by other plan sponsors.

Furthermore, in some cases profitable employers have also been able to evade re-

sponsibility for the payment of certain benefits which have been earned by employees and retirees—such as early retirement and plant shutdown benefits—but which may not be guaranteed by the PBGC. As a result, employees and retirees have still lost a substantial portion of their pension benefits, despite the PBGC guarantees, and even though their employer continued in business and was profitable.

Last July 16, the Labor-Management Relations Subcommittee of the Education and Labor Committee held hearings on the proposed single-employer pension legislation. Several retirees who had formerly worked for companies in my own State of Michigan testified about situations involving this type of abuse. In one case, 667 out of 839 retirees had their benefits reduced when the company terminated its pension plan. Some of these persons had worked over 30 or 40 years for the company. Yet the pension benefits which they had earned were drastically cut when the company terminated its pension plan, even though the company continued in business and was earning record profits. In another case involving a subsidiary of a corporation, almost all of the 67 persons who had retired under the company's pension plan wound up losing a substantial portion of their benefits when the pension plan was terminated. Again, many of these people had been loyal workers for 30 or 40 years. Yet they still had their pensions cut, even though the corporation continued in business and remained a highly profitable corporation. In both of these cases, the retirees suffered tremendous hardships due to the cuts in their pension benefits—benefits which they had earned and were relying on. In both cases there was no reason for these losses, since the companies were highly profitable and could afford to pay for the benefits which they had promised.

Mr. Chairman, I believe that Members on both sides of the aisle share my outrage at this type of situation. It is simply not right that a company should be able to hold out the promise of a pension to its workers, and then after they have worked 30 or 40 years to earn their pension simply pull the rug out from under them by terminating the pension plan. Something is wrong when a profitable company can simply walk away from any responsibility to pay for pension benefits that have been earned by workers under its pension plan.

I am pleased to say that the legislation approved by the Education and Labor Committee would close the loopholes in existing law that have permitted both of the types of abuses that I have described. That is, the legislation would prevent profitable employers from dumping their unfunded pension liabilities onto the PBGC—and thus indirectly onto the other premium payors. And the legislation would also prevent profitable employers from evading responsibility for the payment of certain benefits that have been earned by participants, but which are not guaranteed by the PBGC.

The legislation accomplishes this by creating two types of voluntary plan terminations—standard and distress terminations. Unless an employer can satisfy certain objective criteria of financial hardship, it would only be allowed to terminate its pension plan in a standard termination. Under a standard termination, the employer would be required to pay for all "benefit entitlements" that have been earned by participants, regardless of whether those benefits are guaranteed by the PBGC. Under this type of termination the PBGC and participants are both completely protected against any losses, because the employer must fully fund all benefits that have been earned by participants.

If an employer does satisfy the hardship criteria, then it would be permitted to terminate its plan in a distress termination. However, if the employer later returned to profitability, it would have to set aside a portion of its profits to cover any losses that were sustained by the PBGC or by participants. I want to stress, though, that in the event the employer does not return to profitability, the employer would not have any additional liability beyond that imposed under current law.

The legislation also addresses several other problems which have arisen in connection with the Single-Employer Pension Plan Termination Insurance Program. The legislation provides that if a principal purpose of any person in entering into a transaction is to evade liability to the PBGC or to participants, then that person will still be held liable under the law. This is designed to prevent companies from trying to evade liability to the PBGC or participants through abusive spinoff transactions. The legislation also clarifies that the IRS may require plan sponsors to provide greater security to a plan in situations where they are requesting a funding waiver. This is designed to reduce the losses which may be sustained by the PBGC as a result of funding waiver.

Mr. Chairman, the Education and Labor Committee has wrestled with the problems associated with the Single-Employer Pension Plan Termination Insurance Program for the last 5 years. I believe that the reforms which have been developed by the committee represent a balanced package that addresses the concerns of all interested parties in a fair and equitable manner. It is a good package, which I am confident will greatly improve the soundness of the Single-Employer Pension Plan Termination Insurance Program, and contribute to the retirement income security of participant.

Mr. UDALL. Mr. Chairman, today during debate on the rule for H.R. 3500, the budget reconciliation bill, several proponents of the giveaway of billions in Federal offshore oil and gas revenues to certain coastal States argued that the provision is comparable to the 50–50 split of onshore mineral receipts with other States. I wanted to take a couple of minutes to explain how utterly wrong headed this notion is.

It is true that since 1920 the Federal Government has shared with the individual States 50 percent of the revenues derived from the leasing of the public mineral lands. It is also true that the Federal Government does not now share any of the revenues derived from offshore oil and gas development in Federal waters.

However, what the seven coastal States who benefit so overgenerously from H.R. 3500 want this House to conveniently forget is that the United States made its deal with the coastal States on offshore resources and revenues 32 years ago.

In 1953, after the Supreme Court ruled that all offshore waters belong solely to the United States, the Congress turned around and gave the coastal States the first 3 miles of those waters. In the case of Texas, the grant was 3 leagues or about 11 miles. Within this first 3 miles, these States have been receiving 100 percent of all the rents, bonuses, royalties, taxes, and other economic benefits of oil and gas development for the past 32 years.

Now that these States are complaining that that was not enough and they want to get a piece—they modestly are willing to settle for just 27 percent this time—of the next 3 miles of Federal waters. So when these coastal States cry out for fairness and equality in sharing U.S. mineral revenues, the answer is simple. You already have it and you have it in ways the noncoastal States never will have it.

Even if the Congress were to accept the proponents basic theory, the talk about comparing percentages—27-percent offshore as opposed to 50-percent onshore—are wildly misleading because the amount of revenue at stake is completely incomparable.

For example, in fiscal year 1985, my own State of Arizona collected $2,687,000 as its 50 percent share of onshore mineral receipts. Under H.R. 3500, the State of Louisiana will get $662,000,000 in bonuses, rents and royalties collected since 1978 and an untold amount in the future. At this rate, it would take Arizona 254 years just to catch up to this one-time giveaway to one State. California is guaranteed at least $600,000,000 and it would take Arizona 240 years to catch up to that State. Even at an annual rate, Louisiana's windfall is 37 times what Arizona got from onshore mineral receipts last year.

To compare these mechanisms is wholly misleading on many other grounds. The onshore lands are entirely within the boundaries of the respective States while the 8(g) zone of offshore waters are completely outside the boundary of any State.

In addition, although proponents of this giveaway love to read the requirements of section 8(g)(4) which requires a "fair and equitable distribution" of all revenues from the 8(g) zone, what they don't quote to you is section 8(g)(2). This section makes it clear that there is to be a division of these revenues with the States only when Federal leasing in the 8(g) zone directly involves a reservoir of oil and gas that is commonly held by the State and Federal government, an extremely rare circumstance.

Congress never intended in 1978 to put what amounts to 20 percent of all its OCS revenues on the table for some vague fair and equitable distribution with the States. It never intended this relatively obscure

section to become the excuse for slipping general OCS revenue sharing past the Congress, which is what it has become. If Congress wanted to do that now, then fine. But I know, and I suspect my colleagues from these coastal States know, that if this effort were exposed to the full legislative process they could never succeed.

Mr. Chairman, these cries for fairness and justice heard today miss the mark and miss it badly. They cover up an indefensible grab of purely Federal revenue that has been skillfully engineered by these seven States.

Ms. OAKAR. Mr. Chairman, I rise to strongly support the provisions of the Omnibus Reconciliation Act of 1985 concerning Federal employees and annuitants.

As you may know, in its recommendations to the budget committee, which have been incorporated in the Reconciliation Act, the House Committee on Post Office and Civil Service removed the current 75-percent limitation on the Government's contribution to the Federal Employees Health Benefits Program [FEHBP] and mandated a 5-percent pay raise for Federal workers in fiscal years 1987 and 1988.

By removing the cap on the Government's contribution to the Health Benefits Program, the committee reaffirmed its commitment to providing health insurance protection to Federal workers and annuitants at a reasonable cost. If the cap is retained, the 3 million subscribers to the FEHBP would be forced, in many instances, to pay substantially more for their health insurance protection than justified by the rate structure of the various plans.

Mr. Chairman, the 75-percent limitation on the Government's contribution would force these individuals to pay more than $100 million in additional premiums. Given the recent history of the FEHBP, in which the administration has cut benefits by approximately 15 percent while increasing premiums by nearly 50 percent, it is only fair that we permit subscribers to pay the actual cost of their insurance and not an artificially increased rate. It is for these reasons that the Post Office and Civil Service Committee approved the elimination of the cap on the Government's contribution which, by the way, was supported in testimony before my Subcommittee on Compensation and Employee Benefits by the administration, numerous employee organizations, and other public witnesses. I would urge the House to retain this provision of the Reconciliation Act.

Mr. Chairman, we have also witnessed a tremendous buildup in the FEHBP reserves this year, due to decreased utilization and excessive premium charges. Eleven carriers will be providing rebates to subscribers, while many others have announced premium reductions. It is extremely important that all funds which are rebated from the special reserves be returned to subscribers or remain within the program and not be transferred to the General Treasury. The FEHBP provides less benefits at greater cost than scores of plans in the private sector and the States. We should use the excess reserves to improve the program and restore some of the unwarranted reductions that have taken place over the past 3 years.

As many of you are aware, the Budget Reconciliation Act freezes the pay of Federal workers in fiscal year 1986. Through this action and other reductions in previous years, the wages of Federal workers are nearly 20 percent behind those of their private sector counterparts, according to the President's own advisory committee on Federal pay. The current system for determining wages for Federal workers is a shambles, providing neither the stability nor the predictability that Congress intended when it adopted the Federal Pay Comparability Act of 1971.

In reviewing the history of wage increases in the Federal Government for the past 15 years, I am struck by the fact that pay for white collar workers has risen by 221 percent, while wages in the private sector have increased by 270 percent; and the consumer price index has increased by 306 percent.

Because of the failure of Federal pay to keep pace with inflation and wage movements in private industry, the Government is losing some of its most talented and experienced employees. Of equal concern, the Federal Government is experiencing great difficulties in recruiting top-notch college students, especially in the engineering and scientific occupations. I am convinced that, if we do not act in a fair and reasonable manner to provide an equitable wage adjustment for Federal workers, we will continue to witness an erosion of Government services because of the inability to attract and retain highly qualified employees.

For these reasons, the committee approved a provision in the Budget Reconciliation Act providing a 5-percent pay raise for Federal workers in fiscal years 1987 and 1988. While these adjustments will not bring Federal wages to the levels of private industry, it will demonstrate to employees our recognition of the serious inequities in the current wage system and our determination to ease their burden. It also recognizes the need to take immediate action to deal with the severe deficit problem that we are facing by limiting the pay raise to 5 percent.

Mr. Chairman, I believe that this is a balanced proposal that is fair to the employees and the citizens of our great Nation and urge its adoption by the House. If we are to retain a high caliber, dedicated workforce to provide essential services to the American people, then we must begin to act reasonably and responsibly in dealing with the severe problems in Federal compensation. We have an opportunity to begin this process today by supporting the provisions of the Omnibus Reconciliation Act of 1985 affecting Federal wages and the Health Benefits Program.

Mr. CONTE. Mr. Chairman, I want to take a few minutes to run through the Small Business Committee provisions of H.R. 3500—title IX of the legislation.

Earlier this year, when the administration had proposed shutting down the Small Business Administration, we on the Small Business Committee worked long and hard to come up with a proposal to slim down, but not shut down, that Agency. The committee held weeks and weeks of hearings on the importance of the SBA. Witness after witness told us that Congress could do two things for small business in America: Reduce the deficit, and retain the SBA as an independent agency for small business in this country.

Title IX of this bill is consistent with both of these principles. It is a carefully crafted, balanced compromise which the Small Business Committee should be proud of. It keeps a strong, independent voice for small business in the executive branch, but consistent with the budget constraints facing our Nation, achieves $2.5 billion in outlay savings over the next 3 years. This will not cripple or destroy small business in America, but it is an important first step on the road to fiscal restraint.

I want to thank my chairman, PARREN MITCHELL, for inviting all members of the committee to sit in on the hearings he held earlier this year on the SBA, and for his work and accommodation to the members of the committee on drafting an authorization bill. I also want to thank my good friend, JOE MCDADE, the ranking member of the committee, for his hard work in drafting a balanced compromise for the SBA authorization.

Mr. Chairman, the small business authorization bill contains an important amendment I offered in the full committee, requiring the SBA to impose user fees for certain services the Agency provides. Many of you know of my interest in imposing user fees for many Government services, and the amendment adopted by the committee is an important first step in that direction. We're not saying that small businesses will have to pay outlandish fees for simple services—in fact, the bill prevents that. Instead, we're saying that these people who get publications and other benefits for free will now have to pay a nominal fee to recover some of the Government's costs. In other words, if you want to dance, you'll have to pay the piper.

Mr. Chairman, user fees are an idea whose time has come. A more technical explanation of the amendment and the committee's intent follows:

USER FEE AMENDMENT TO TITLE IX

The bill requires the Administrator of the SBA to impose modest fees for *only* the following services: publication, loan applications, and designation as a small business entitled to preferential treatment under any federal government programs. In addition, the SBA will be directed to study and report to the Congress within one year on the feasibility of imposing user fees for SBA-sponsored counseling services, including Small Business Development Centers and the SCORE and ACE programs. Although the Committee did not express any opinion on the appropriateness of imposing user fees for counseling services, I believe that this is another area where fees could be imposed.

With respect to fees that must be imposed, the Committee directed the Administrator of the SBA to advice the House and Senate Committees on Appropriations and

Small Business of the fees proposed and the services for which fees will be imposed. That report is due within 60 days of enactment. The Administrator will also advise the committees as to the date he expects the fees to become effective. The Administrator would, before imposing the fees, issue regulations to formally implement them, and the Committee anticipated that the fees would be in effect no later than March 1, 1986.

The Committee believed that this period of time was suitable for the Congress to study the Administrator's fee schedule. The Committee urged the Administrator to impose reasonable fees which will meet with the approval of the Congress. To further insure that the fees are fair to users of SBA services, the Committee imposed statutory limits on the fees that could be charged for certain services.

With respect to publications provided by the agency, the Committee directed the SBA to charge the lesser of $5, or the actual publication costs. The Administrator could also charge up to, but no more than, $100 for processing applications. Finally, if a firm seeks designation as a small business eligible for preferential treatment, the fee could not be more than $100. The Committee also believe that if the designation was not made, the fee would be refunded.

The proceed collected from the user fees would be deposited into the general fund of the Treasury as proprietary receipts of the Small Business Administration to be retained and used by that agency to cover the costs of services and publications on which the fees are imposed. Use of those receipts would be subject, of course, to the annual appropriations process. The Committee expected the Administrator to provide an annual verification to the Congress on the amounts collected from the fees.

Since adoption of the Conte amendment, it has come to the Committee's attention that the amendment may pose two minor problems. First, the amendment requires the Administrator to impose fees for "guaranteed and other loans". Initially, we thought that this phrasing would give the Administrator enough discretion to avoid imposing fees for certain types of loans—disaster loans, for example. The Committee did not intend that fees be imposed for disaster loan applications. A technical amendment in conference with the other body is anticipated to clarify the Committee's intent.

The user fee amendment also requires fees to be imposed for "designation as a small business (or any type of such business)" eligible for preferential treatment under the Small Business Act or any other Act. The SBA has indicated that such broad language may create administrative problems. The Committee's intent in including this service was only to require fee imposition for such designation as an "8(a)" firm. Again, a technical amendment is anticipated to clarify this point.

Mr. BOULTER. Mr. Chairman, we have no further requests for time and I yield back the balance of my time.

Mr. DERRICK. Mr. Chairman, I yield back the balance of my time, and I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore [Mr. DINGELL] having assumed the Chair, Mr. DE LA GARZA, chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3500) to provide for reconciliation pursuant to section 2 of the First Concurrent Resolution on the Budget for the fiscal year 1986, had come to no resolution thereon.

GENERAL LEAVE

Mr. DERRICK. Mr. Speaker, I ask unanimous consent that all Members may be permitted to revise and extend their remarks and to include extraneous matter on H.R. 3500, the bill just debated in the Committee of the Whole.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

A PROPOSED MEMORIAL TO HONOR THE 3D INFANTRY DIVISION

(Mr. RAY asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. RAY. Mr. Speaker, last month the Society of the 3d Infantry Division gathered in Tampa, FL, for its 66th reunion. More than 600 members from around the United States attended this meeting, including two Medal of Honor recipients and two veterans from World War I.

At their convention, the members of the society adopted a resolution calling on Congress to enact H.R. 2440, which I have introduced authorizing them to establish here in Washington a memorial to their fallen comrades.

The legislation will not cost the taxpayers any money. And the society is raising the funds necessary to cover the cost of the memorial.

The long, proud history of the Army's 3d Infantry Division demonstrates that its war dead are deserving of this kind of memorial. And there is ample precedent for the memorial.

Over 50 of my colleagues have already joined me in cosponsoring H.R. 2440, and I urge others to join us.

Mr. Speaker, I insert in the RECORD at this point the text of the resolution that was adopted by the society at its meeting in Florida:

RESOLUTION

Whereas, the Government of the United States has a long and ennobling history of honoring its war-dead, and

Whereas, respectful memorialization of 3d Infantry Division dead from two World Wars and the Korean Conflict is clearly consistent with this policy and practice, and

Whereas, they deserve to be and are not memorialized in the National Capital Area, and

Whereas, two measures now pending in the 99th Congress, S. 1107 and H.R. 2440, can satisfy this need at no cost to the Government, therefore

Be it resolved, That the Society, recognized by the U.S. Government as "a national, non-profit, patriotic veterans' organization" and open to all who have contributed, or are now contributing, to the 3d Infantry Division's proud and unparalleled record of nearly seventy years; continuous distinguished service on four continents, petition the 99th Congress for early approval of the measures identified in this document.

And further resolved, In recognition that the Society draws its membership from virtually all fifty states, a copy of this Resolution be presented to each Member of the 99th Congress as an expression of broad-based constituent concern and interest in these measures.

PRESIDENTIAL PRIMARY REFORM LEGISLATION ON TRACK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. NELSON] is recognized for 5 minutes.

Mr. NELSON of Florida. Mr. Speaker, I recently introduced H.R. 3542, the Regional Presidential Primary and Caucus Act, to bring a measure to order to the present chaotic way we nominate candidates for President of the United States.

My legislation would reform the nominating process by dividing the country into 10 regions and provide for primaries or caucuses in the States of 2 of the regions at a time—on 1 of 5 dates over a 4-month period. The States could decide, with the respective national and State party committees, on whether to have a primary or a caucus or to choose their national convention delegates in some other way. But the dates of the primaries and caucuses would be specified according to lot and would be limited to the five dates separated by 4-week periods. Candidates would be able to concentrate on the States in two areas, instead of running all over the country in a frantic effort to meet primary and caucus schedules set by competing State legislatures.

I think the result would be a more orderly and rational system of selecting the Chief Executive of the greatest country on Earth. It would made the Presidential selection process less of a mad scramble and would strengthen our basic democratic institutions.

I include with my remarks at this point in the RECORD an editorial recently published by Florida Today, October 17, 1985, on this subject, as follows:

[From Florida Today, Oct. 17, 1985]

NELSON ON TRACK TO SEEK PRIMARY ELECTION REFORMS

With the next presidential election three years away, the subject of presidential primaries is not exactly a hot topic right now, but that issue is on the mind of Brevard Congressman Bill Nelson.

Last week he filed a bill that would drastically reform the "system"—or, more correctly, the lack thereof—by which our nation selects its presidential contenders. Actually, now is an opportune time to pursue this reform, because there would be no hope of getting the political action necessary if a presidential election were on the horizon.

Nelson's proposal calls for limiting the number and timing of presidential primaries by changing to a regional system. We editorially advocated the same type of change 10 years ago. And a special bipartisan commission, jointly headed by Melvin Laird, a Republican former defense secretary, and former Sen. Adlai Stevenson, D-Ill., made a similar recommendation in 1982.

Nelson's proposal would cut the number of primary election dates to just five. Contrast that with the fact that in 1980 primaries were held by 37 states stretching over a period of half a year.

Under the congressman's proposal, the nation would be divided into 10 regions, with two regions holding primaries on each of five set dates. The first primary would be held the first Tuesday in February in the presidential election year, with succeeding primaries held at four-week intervals. Primary dates would be assigned to regions by lot, with a provision that regions conducting primaries on the same date not be contiguous.

Florida would be in Region 10, along with Tennessee, Mississippi, Alabama, Georgia, Puerto Rico and the Virgin Islands.

Nelson says a federal law is necessary to "bring a measure of order to the present chaotic process." We fully agree, because things haven't changed in the 10 years since we noted:

The length of the primary seasons and the requirements for raising contributions for federal matching funds almost force campaigning to begin two years before the election. That's too much for the candidates and the voters to stand, and should be reduced.

States such as New Hampshire with early primaries have far too great an impact on the nomination, way out of proportion to their size. Voters in several large states with late primaries were forced to sit helpless, unable to support the candidate of their choice, because he had dropped out after only a few losses in smaller states.

"Crossover voting" should be banned to make sure only Democrats vote for Democratic candidates and Republicans for Republicans in primaries. (It's already that way in Florida.)

Rules governing selection of convention delegates should be standardized to make the election process convenient and easy to understand. In some states, one candidate won the "beauty contest" or popularity vote, while another walked off with all the delegates. In some places, like Florida, candidate names were on the ballot. Elsewhere, only delegate names were printed.

A TRIBUTE TO MARINES KILLED IN BEIRUT, LEBANON

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut [Mr. GEJDENSON] is recognized for 5 minutes.

Mr. GEJDENSON. Mr. Speaker, I rise today to pay special tribute to the 241 marines who were tragically killed 2 years ago today in Beirut, Lebanon.

I think all of us here today remember that painful moment when we learned that a suicide bomber had driven a truck loaded with explosives into the marine barracks at Beirut International Airport. That explosion took the lives of 241 brave, young, American men, 4 of whom came from the Second District of Connecticut; Thomas G. Smith of Middletown, Thomas A. DiBenedetto of Mansfield, William Hart of Groton, and Stephen D. Tingley of Ellington.

Whatever disagreements there may have been at the time over what U.S. policy with respect to Lebanon should have been, there is no argument that these young men represented America's hope for bringing peace to a region of the world that has known only violence and terror for many years now. I know that my colleagues in the Congress share my view that the marines who gave their lies in Lebanon will be forever remembered in the hearts of their families and in the hearts of all of us who hope for peace in the world.

STATUS REPORT ON FIRST CONCURRENT RESOLUTION ON THE BUDGET, FISCAL YEAR 1986

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. GRAY] is recognized for 5 minutes.

Mr. GRAY of Pennsylvania. Mr. Speaker, I am submitting for the RECORD my letter of today's date setting forth the report of the Committee on the Budget, as follows:

COMMITTEE ON THE BUDGET,
Washington, DC, October 23, 1985.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: On January 30, 1976, the Committee on the Budget outlined the procedure which it had adopted in connection with its responsibilities under Section 311 of the Congressional Budget Act of 1974 to provide estimates of the current level of revenues and spending.

Pursuant to Committee Rule 10, I am herewith transmitting the status report under S. Con. Res. 32, the First Concurrent Resolution on the Budget for Fiscal Year 1986. This report reflects the adopted budget resolution of August 1, 1985, and the current CBO estimates of budget authority, outlays, and revenues.

As with last year, the procedural situation with regard to the spending ceiling is affected this year by Section 3(b) of S. Con. Res. 32. Enforcement against possible breaches of the spending ceiling under Section 311(a) of the Budget Act will not apply where a measure would not cause a committee to exceed its "appropriate allocation" made pursuant to Section 302(a) of the Budget Act. In the House, the appropriate 302(a) allocation includes "new discretionary budget authority" and "new entitlement authority" only. It should be noted that under this procedure neither the total level of outlays nor a committee's outlay allocation is considered. This exception is only provided because an automatic budget resolution is in effect and will cease to apply if Congress revises the budget resolution for fiscal year 1986.

The intent of the Section 302(a) "discretionary budget authority" and "new entitlement authority" subceiling provided by Section 3(b) of the resolution is to protect a committee that has stayed within its spending allocation—discretionary budget authority and new entitlement authority—from points of order if the total spending ceiling has been breached for reasons outside of its control. The 302(a) allocations to House committees made pursuant to the conference report on S. Con. Res. 32 were printed in the Congressional Record, September 5, 1985, H. 7290.

The enclosed tables compare enacted legislation to each committee's 302(a) allocation of discretionary budget authority and of new entitlement authority.

Sincerely,

WILLIAM H. GRAY, III,
Chairman.

REPORT TO THE SPEAKER OF THE U.S. HOUSE OF REPRESENTATIVES FROM THE COMMITTEE ON THE BUDGET ON THE STATUS OF THE FISCAL YEAR 1986 CONGRESSIONAL BUDGET ADOPTED IN SENATE CONCURRENT RESOLUTION 32

REFLECTING COMPLETED ACTION AS OF OCTOBER 17, 1985

[In millions of dollars]

	Budget authority	Outlays	Revenues
Appropriate level	1,069,700	967,600	795,700
Current level	1,067,268	980,306	792,895
Amount under ceilings	2,432		
Amount over ceilings		12,706	
Amount under floor			2,805

BUDGET AUTHORITY

Any measure providing budget or entitlement authority which is not included in the current level estimate and that exceeds $2,432 million for fiscal year 1986, if adopted and enacted, would cause the appropriate level of budget authority for that year as set forth in S. Con. Res. 32 to be exceeded.

OUTLAYS

Any measure providing budget or entitlement authority which is not included in the current level estimate in outlays for fiscal year 1986, if adopted and enacted, would cause the appropriate level of outlays for that year as set forth in S. Con. Res. 32 to be exceeded.

REVENUES

Any measure that would result in a revenue loss for fiscal year 1986, if adopted and enacted, would cause revenues to be less than the appropriate level for that year as set forth in S. Con. Res. 32.

Fiscal year 1986 budget authority—comparison of current level and budget resolution allocation by committee

[In millions of dollars]

	Current level budget authority[1]
House committee: Total current level	−2,432
Appropriations Committee: Discretionary	(−15,460)
Authorizing committee—discretionary action:	
Agriculture	(+1,250)
Armed Services	(.....)
Banking, Finance, and Urban Affairs	(+2,067)
District of Columbia	(.....)
Education and Labor	(.....)
Energy and Commerce	(+14)

Fiscal year 1986 budget authority—comparison of current level and budget resolution allocation by committee—Continued

[In millions of dollars]

	Current level budget authority[1]
Foreign Affairs	(+75)
Government Operations	(.....)
House Administration	(.....)
Interior and Insular Affairs	(+3,827)
Judiciary	(.....)
Merchant Marine and Fisheries	(+100)
Post Office and Civil Service	(.....)
Public Works and Transportation	(.....)
Science and Technology	(.....)
Small Business	(+216)
Veterans' Affairs	(.....)
Ways and Means	(+1,266)

[1] Committees are over (+) or under (−) their 302(a) allocation.

CURRENT LEVEL—NEW ENTITLEMENT AUTHORITY (NEA)

	NEA target	Enacted NEA
Committee:		
Agriculture	−1,250	
Armed Services	−100	
Education and Labor	−339	
Energy and Commerce	−80	
Interior and Insular Affairs	+307	
Post Office and Civil Service	−145	
Veterans' Affairs	+45	
Ways and Means	−2,454	−236
Total	−4,016	−236

CONGRESSIONAL BUDGET OFFICE,
Washington, DC, October 21, 1985.

Hon. WILLIAM H. GRAY III,
Chairman, Committee on the Budget, U.S. House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: Pursuant to section 308(b) and in aid of section 311(b) of the Congressional Budget Act, this letter and supporting detail provide an up-to-date tabulation of the current levels of new budget authority, estimated outlays and estimated revenues in comparison with the appropriate levels for those items contained in the most recently agreed to concurrent resolution on the 1986 budget (S. Con. Res. 32). This report for fiscal year 1986 is tabulated as of close of business October 17, 1985, and is based on assumptions and estimates consistent with S. Con. Res. 32. A summary of this tabulation is as follows:

[In millions of dollars]

	Budget authority	Outlays	Revenues
Current level	1,067,268	980,306	792,895
1985 budget resolution, Senate Concurrent Resolution 32	1,069,700	967,600	795,700
Current level is:			
Over resolution by		12,706	
Under resolution by	2,432		2,805

Since my last report the Congress has cleared for the President's signature the Energy and Water Appropriations Bill for 1986, H.R. 2959; Simplification of Imputed Interest Rules, H.R. 2475; Health Professions Educational Assistance, H.R. 2410; and amendments to the Arms Control Act affecting the Special Defense Acquisition Fund, S. 1726. Budget authority, outlay, and revenue estimates change as a result of these bills.

With best wishes,
Sincerely,

RUDOLPH G. PENNER.

PARLIAMENTARIAN STATUS REPORT HOUSE SUPPORTING DETAIL, FISCAL YEAR 1986 AS OF CLOSE OF BUSINESS OCTOBER 17, 1985

[In millions of dollars]

	Budget authority	Outlays	Revenues
I. Enacted in previous sessions:			
Revenues			792,700
Permanent appropriations and trust funds	708,256	631,009	
Other appropriations		185,348	
Offsetting receipts	−162,006	−162,006	
Total enacted in previous sessions	546,249	654,351	792,700
II. Enacted this session:			
Famine Relief and Recovery in Africa (Pub. L. 99–10)		421	
Federal Supplemental Compensation Phaseout (Pub. L. 99–15)			10
Appropriations for the MX Missile (Pub. L. 99–18)		368	
Contemporaneous Recordkeeping Repeal Bill (Pub. L. 99–44)			13
U.S.-Israel Free Trade Act (Pub. L. 99–47)			−8
Statue of Liberty-Ellis Island Coin Act (Pub. L. 99–61)	−15	31	
International Security and Development Cooperation Act (Pub. L. 99–83)	−25	−25	
Supplemental Appropriations Bill (Pub. L. 99–88)	36	3,138	
State Department Authorization (Pub. L. 99–93)			2
Emergency Extension Act of 1985 (Pub. L. 99–107)	−49	−230	210
Simplificaton of Imputed Interest Rules (Pub. L. 99–121)			−31
Total enacted this session	−53	3,702	195
III. Continuing resolution authority:			
Continuing Appropriations, 1986 (Pub. L. 99–103)	530,238	338,964	
Offseting Receipts	−27,233	−27,233	
Total continuing resolution authority	503,005	311,731	
IV. Conference agreements ratified by both Houses:			
Health Professions Educational Assistance (H.R. 2410		−8	
Energy & Water Appropriations, 1986 (H.R. 2959)	15,252	8,245	
Amendments-Special Defense Acquisition Fund (S. 1726)	100		
Total conference agreements	15,352	8,237	
V. Entitlement authority and other mandatory items requiring further appropriation action:			
Payment to the CIA retirement fund	10	10	
Claims, defense	7	3	
Payment to the Foreign Service retirement trust fund*	(7)	(7)	
Range improvements	1		
BLM: Miscellaneous trust fund	*		
Payment to air carriers, DOT	18	17	
Retired pay—Coast Guard	21	19	
Maritime, Operating-differential subsidies		3	
BIA: Miscellaneous trust funds	*	*	
Higher education facilities loans and insurance	4		
Retirement pay for PHS officers	12	6	
Medicaid	1,617	1,285	
Payment to health care trust funds*	(1,011)	(1,011)	
Child nutrition programs	254	234	
Advances to unemployment trust fund*	(516)	(516)	
Special benefits (general retirement and Federal employee retirement)	48	48	
Black lung disability trust fund	85	85	
Assistance payments	573	573	
Rehabilitation services	52		
Veterans pensions	10		
Salaries of judges	3	1	
Payment to Civil Service retirement*	(214)	(214)	
National wildlife refuge fund	*	*	
General revenue sharing*	(1,142)	(1,142)	
Total	2,715	2,284	
Total current level as of October 17, 1985	1,067,268	980,306	792,895
1986 budget resolution (S. Con. Res. 32)	1,069,700	967,600	795,700
Current level is:			
Over budget resolution		12,706	
Under budget resolution	2,432		2,805

* Less than $500,000.
* Interfund transactions do not add to budget totals.
Note.—Numbers may not add due to rounding.

IN MEMORY OF ALEX ODEH

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Ohio [Ms. OAKAR] is recognized for 5 minutes.

Ms. OAKAR. Mr. Speaker, the murder of Alex Odeh was a despicable act that we must all condemn and deplore. Above all, his murder is a terrible tragedy for his family, that includes three small children. I want to offer my condolences to his widow and children. Nothing can ever make up for the terrible loss they have sustained.

Because Alex Odeh was allegedly murdered for his political beliefs, his death is a terrible loss to our society, as well. He was the victim of a vicious bombing because he chose to exercise his constitutionally guaranteed right to express his views in a public forum. In a very real sense, therefore, the attack on Alex Odeh was an attack on our society and an attack on each citizen of our country. Our country is strong because of the diversity of our people. The rich interplay of views and ideals creates a dynamic in our society that invariably leads to creative solutions to difficult. Political dialog itself, is often the first step toward the solution of seemingly intractable problems.

Alex Odeh had strong views on the Middle East, grounded on his personal experiences with the problems of the region. He emigrated to our country in the early 1970's and immediately began participating in our society, eventually becoming a citizen. Alex Odeh offered his insights and his suggestions for a responsible and peaceful resolution of the conflict in the Middle East. Not everyone agreed with his views but that is the American way. Everyday, throughout our land, people appear on radio and television talk shows, they write letters to the editor, they offer articles for

publication to magazines and newspapers. The listeners and readers of these views, are able to measure their own views against them and change them accordingly. The practice of free speech has served our country well for more than two centuries. On Friday morning, October 11, 1985, a good, decent man was killed for engaging in this practice. The fabric of American life was pierced as a result.

As we take time today to commemorate the memory of Alex Odeh, let us resolve to reaffirm our belief in the principles of free speech. Only by continuing to exercise our own right to free speech, and by defending the rights of others to that same exercise, can be contributed to repairing the damage to our society that was done by that vicious bomb blast.

It is also essential that the perpetrators of this crime be brought to justice. This is a case that demonstrates the adage that the price of freedom is eternal vigilance.

Finally, we must all contribute to a resolution of the terrible conflict that continues to divide the people of the Middle East and has even spilled over into the normally peaceful office buildings of Snata Ana, CA. We must put an end to all violence by bringing to justice those who have perpetrated these actions.

□ 1630

ORDER OF BUSINESS

Mr. CRAIG. Mr. Speaker, I ask unanimous consent to proceed at this point with my special order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Idaho?

There was no objection.

CONGRESS' ACTIONS ON THE DEFICIT AND THE BALANCED BUDGET CONSTITUTIONAL AMENDMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Idaho [Mr. CRAIG] is recognized for 60 minutes.

Mr. CRAIG. Mr. Speaker, I have taken this special order out this evening to once again discuss an issue that is not only very important to the constituency of the State of Idaho, but now has grown to become a major national issue; and that is the question of the deficit and the question of what this Congress will do in the coming months to build a program of deficit reduction that the American people can effectively recognize as being a process that will work and a process that they can believe in.

Some years ago, as I began my service here in the Congress, it became clear to me as it has been clear to others for a good long while, that unless we changed the budget process, unless this Congress was and had to live under a rule that would dictate in large part to them what they could or could not do in the area of spending, that we would someday arrive at an unmanageable deficit.

The reason that was happening is a historic one. A historic one that results over the last 20 years of the passing of laws and the creating of programs that has to this day institutionalized the spending process. So that when Members of Congress are asked if they are fiscally responsible and support deficit reduction they find themselves in most instances saying "Yes, they do; Yes, we do; and Yes, of course, we vote for those kinds of things."

While at the same time, budgets continue to grow way beyond balance, deficits continue to grow and today we are now faced with well over a $200 billion deficit, and in just the last several weeks, we have been asked to raise the debt ceiling in this Nation to well over $2 trillion.

I use the word "institutionalizing." What is meant by that? I believe it means in large part that the Budget Act itself and programs that have granted entitlement are those that drive the budget process and result in Members of this body not necessarily having to vote on individual programs while the spending process continually goes on.

It was this fear and this concern and a lack of willingness to make hard, tough fiscal decisions that brought me to the conclusion some time ago that it would not be a law inside this body; that it would not be a Federal statute that would and could control the spending of our country, but that it would have to be a constitutional law. A constitutional provision, a constitutional amendment that in fact mandated a certain level of spending.

It was with that in mind that I joined with others who were then actively involved in the process of attempting to get a constitutional amendment to our Constitution that would mandate a balanced budget.

Two years ago, I and others began to work to form an organization here called Congressional Leaders United for a Balanced Budget. That organization is now well over 150 strong and today we have well over 200 cosponsors who support House Joint Resolution 27, that mandates a constitutional amendment to balance the Federal budget.

As we talk about that and as we work for cosponsorship and encourage a broader base of this Congress to recognize the will of the American people, another issue has developed on the scene that I beleive goes hand in glove with the effort to balance the Federal budget vis-a-vis a constitutional amendment.

What is that? Well, that is, of course, the amendment to the debt ceiling that was sent to us by the other body known as Gramm-Rudman, or here in the House as Gramm-Rudman-Mack-Cheney.

It is an amendment that would mandate a procedure for the next 6 years that would require a given dollar figure of deficit reduction that would bring us in to compliance or into a balanced budget by 1991. That issue is now before a conference of the House and the Senate as they attempt to work out the difficulities that are argued are built within the legislation itself.

Some have said, "Well, now, if we have this, if the Congress in their wisdom passes Gramm-Rudman-Cheney-Mack, then we won't need a constitutional amendment requiring a balanced budget; that this solves the problem."

My argument and the argument of a good many others who support Gramm-Rudman is that it will not solve the problem. It is telling the American people by law, by legislative action that here is a process, here is a 6-year process that the American public can watch and that will govern this body and the other moving toward a balanced budget by 1991.

Remember, it is important to recognize that it is a law; it is not a constitutional amendment, it is a Federal statute if it becomes law.

It was in 1978 and 1979 that this body and the other body in their wisdom passed similar laws that said, by a given date—and that date was 1981—that we would have a balanced budget; that we would require of our Government a balanced budget; in essence, we would require of ourselves a balanced budget.

What happened? Why do we not have a balanced budget today if it is in fact law upon the books of this country that we were to have one by 1981?

Sadly enough, there lies the problem. What laws this body passes are laws that it can change; and it decided, as it found that it was very difficult to cut spending, very difficult to bring budgets in balance, that it would simply violate the law by ignoring the law with another law; and of course in the Budget Act and in the rules of the House, that became an easy kind of thing to do.

Many of my colleagues, including myself, have from time to time pointed out as we voted on appropriation bills that were way beyond a balanced budget that we were violating our own law.

Technically that was not true. We had by that act waived the law that was passed in 1978 and restated in 1979. Although the law for a balanced budget remains on the books of this country, it has been consistently bypassed over the last good many years, and of course we now have well over a $200 billion deficit.

Am I arguing, then, that the Gramm-Rudman-Mack-Cheney proposal would be followed or reacted to by this body in the same way? No; not necessarily. It is distinctively different in that it grants certain powers to the Executive that did not exist in the last that was passed in 1978.

Remember, it is a law; it is a Federal statute that could be changed by this body as it mandates the very, very difficult choices that would have to be made under a Gramm-Rudman-Cheney-Mack proposal.

That is why I have said, and the members of the CLUBB organization and those who support a constitutional amendment to balance the Federal budget have continually said: Mr. Speaker and Members of this body, give us both. Give us Gramm-Rudman-Cheney-Mack as a procedure or as a process by which to get to a balanced budget by 1991, but to ensure to the American people that we really do mean business. Give us a constitutional amendment to send forth to the States for their ratification that would require, by constitutional law, a balanced budget by 1991.

That way we have doubled insurance: We have provided for those who are our skeptics and who say, how can you balance a budget that is $200 billion in deficit today? We can say, "Here's the process. Here's the procedure by which we'll do it, and we'll do it over a 6-year period; and then here's the constitutional law on the other side that will strengthen the backbone and the will of this body to assure that we will have a balanced budget and that in fact it will become the law of the land, the constitutional law of the land by 1991."

So I am saying, Mr. Speaker, give us both. Give us and the American people the opportunity to have both Gramm-Rudman-Cheney-Mack and also give us the opportunity to vote here on this floor on a constitutional amendment that we can then send out to the American people for their decision-making process; for their ratification and not for this body's decision.

That is really the issue that I think is before this Congress today, as our conference, our joint House-Senate conference works its will in attempting to refine and bring forth the Gramm-Rudman proposal, let us also echo forth the need for a constitutional amendment that would ensure or assure the implementation of Gramm-Rudman.

I believe those are the critical issues of the day if we are to convince the American people who are now becoming very skeptical as to whether this Congress will be fiscally responsible and begin a rather lengthy and arduous march down the road toward a balanced budget and fiscal responsibility that we can arrive at by 1991.

□ 1640

I would be happy to yield to my colleague from Arizona.

Mr. RUDD. I thank the very distinguished gentleman from Idaho for yielding.

Mr. Speaker, I appreciate the concern of the gentleman and the fact that he is attempting to see that that concern is projected to the people of the United States. I would just like to say that only a short time ago I was speaking to a group of people who asked me what I thought was the most important thing that Congress could do, what was the most important concern facing Congress at this point and facing the United States of America. And I responded without hesitation that that concern is the debt, a debt of $2 trillion-plus at the moment and huge deficits that have made that debt possible and that are occurring and reoccurring every year. This is the single biggest concern. It is not the taxes at this point; it is that concern. And the only way that we can possibly address this impossible figure of $2 trillion is to do something about balancing the budget. That means income must equal outlay and vice versa. The only way we can get started to do something about that debt, to do something about the deficits, is to do what the gentleman is pleading for.

First of all, enabling legislation such as what is being considered, what will be considered here shortly in the form of attempting to have a balanced budget by 1991. And that enabling legislation would lead very smoothly into a possible constitutional amendment which would prevent this ever from happening again without some very strong emergency situations that would occur. And I can foresee that, too.

I do thank the gentleman for yielding. It is the single most important problem facing the people of the United States, and therefore this Government, and therefore this Congress.

So I again thank the gentleman for what he is doing.

Mr. CRAIG. I thank my colleague from Arizona for those remarks. I had the privilege of being in the district of the gentleman from Arizona not long ago on hearings, that the Subcommittee on Mines and Mining of the House Committee on Interior and Insular Affairs was holding as it relates to the copper industry in the area of the gentleman, in his district, which has just literally been devastated in the last several years and laid thousands of people out of work.

One of the things that is consistent in the thread of the testimony that we heard in the State of Arizona and then when we went on up to Utah and heard the same kinds of thoughts and concerns with the large copper industry being laid off in the State of Utah also, is that we no longer can compete. We simply cannot compete at the level that our foreign competition is selling into the market for.

One of the things that became obvious as we began to analyze it was the strong dollar, the extremely strong dollar, that was pushing markets and straining the economic fiber of this society, and those of us who believe in a balanced budget and believe that we ought not have these massive deficits are also strongly led to believe that a component, not the total problem but a clear component of that very strong dollar that is throwing thousands of people out of work in the district of the gentleman, in my district, and across this country, in primary resource industries, manufacturing, and a variety of other kinds of industries, is a product of deficit spending.

Whatever this House does, the one thing the American people are sounding a very loud cry for at this moment is a program to reduce the deficit, to bring it under control, which we believe, I think, will begin to bring down the value of the dollar, stabilize this economy, and reinstate our competitiveness in some ways in an international market that we have got to be in and also tremendously assist the kind of problems the gentleman is having in his district with unemployment, not just in copper but in a variety of other industries.

I yield to the gentleman.

Mr. RUDD. I again thank the gentleman for yielding.

The gentleman has hit the mark right squarely in the center. Our copper industry, which previously provided 64 to 65 percent of all of the copper in the Nation, has now been destroyed, not only in my State but in Michigan, in Idaho, and especially in Utah.

So the gentleman has hit the mark. I thank the gentleman very much for his empathy, and understanding, and concern of the problem.

Mr. CRAIG. I thank the gentleman once again, the gentleman from Arizona, and if there is anything we in the Congress can do besides pushing to get a good clean Gramm-Rudman-Mack-Cheney proposal before this body is of course to push toward and ask the Speaker and the chairman of the House Committee on the Judiciary to allow us to vote on a constitutional amendment to balance the Federal budget, because I know of no other issue as it relates to deficits and deficit control that is driving this country right now toward high levels of unemployment in primary industries that are so critical to the economic base that all of us strive for.

I would now be happy to yield to my colleague from Pennsylvania.

Mr. WALKER. I thank the gentleman for yielding. And I, too, want to congratulate him once again for rais-

ing the attention of this body and the attention of the American people to the problem of the deficit and the need to move toward a systematic means of dealing with deficits and moving us toward a balanced budget.

The gentleman, I think, has performed a magnificent service over the last several months of moving this body in the appropriate direction.

And who can doubt that we need to be moved along, and who can doubt at this point that we need something along the lines of the Gramm-Rudman-Mack-Cheney proposal? Because today, under the budget process that we now operate under, we have the reconciliation bill out on the floor. We debated it today, and it will be up for a vote tomorrow. At a time when this Nation has $200 billion worth of deficits, what does that reconciliation bill include? Among other things, the bill that is supposed to get us to reduce spending has increased spending by $3.5 billion. So we simply are not capable at the present time, under the present means that we have available to us, of controlling the spending.

Most appalling of all, buried down within that bill is none other than a congressional pay increase. Here we are, after all of this talk about deficits for many months on the floor, we come to the floor with a bill that is supposed to do something about the budget, and what do we do? We come to the floor, and we talk about the poor, the disadvantaged, and the needy. Many of the speeches on the floor today, nobody wants to mention that down in the bill buried in there is a 10-percent pay increase for Members of Congress.

Yes, indeed; they are going to raise our pay from $75,000 to $82,000 mandated in this bill and to do in a way that hides behind reconciliation and tries to tell the American people that we do not know where these pay raises will come from. Here is one place I can tell you it comes from, it is right in the reconciliation bill. Buried in that bill, that reconciliation bill, is at least a $7,500 pay increase for Members of Congress. You cannot get away from it.

This is our version of balancing the budget? Our version of controlling deficits? It is absolutely appalling. There is no way that anyone can vote for that bill tomorrow and not recognize that what they are doing is voting for a congressional pay increase. I think that it is very important for the American people to understand when their Member of Congress comes back home proclaiming the fact that he was saving them money in the reconciliation bill, that he was voting for a 5-percent increase next year and a 5-percent increase the year after to bring his pay to about $82,000. That in the name of helping to do something about the deficit. The process that we have got around here is failing.

We cannot even bring ourselves to freeze our own pay during times of deficit crisis. We are going to proceed ahead with something that raises the pay of every Member of this body. Now, what we have asked people who are opposed to the process to do is give us an alternative. Last evening I was surprised we had a couple of members of the Democratic Party come to the floor, and when I asked them that question they gave me some outlines of their alternative, of what their alternative would be to Gramm-Rudman. They are saying they are opposed to that, that they do not want that procedure. So I said, "OK, what is your alternative?" And they gave me a series of things where they would make their cuts, the kind of budget that they would bring forward to get us to a balanced budget.

I took the time today to cost out what they told us last evening, the Democratic alternative presented to us on the floor last evening, which consisted of eliminating water projects, eliminating foreign assistance, eliminating the National Endowment for Democracy, eliminating Radio Marti, eliminating synthetic fuels, raising the cigarette tax, eliminating agricultural subsidies, and reducing significantly the defense weapons programs.

So I went through today and costed out to find out how much of a dent in our $200 billion deficit that would make, because obviously if you are going to propose that as your program, then it seems to me that you ought to be able to say it is going to get us to a balanced budget just like the Gramm-Rudman proposal is going to get us to a balanced budget.

Surprisingly enough, I find it does not get us anywhere close to a balanced budget, by doing all those things.

Let me give the figures. If you take the water projects and you cancel the entire money given to the Interior Department's Bureau of Reclamation, you save $820 million. Then if you take the DOD Civilian Corps of Engineers Program, which includes all the water resource projects, recreational resource projects, the flood control projects, the coastal projects, the mine and harbor projects, and you cancel them all completely, you do not do anything, that gives you another $2.3 billion. So in water projects you can get $3.1 billion, a little bit more, in savings by canceling them all, doing nothing, just having no water projects whatsoever. We cancel every one of them.

Now, I do not think there is anybody on that side of the aisle that will buy that program. Nevertheless, let us give them the benefit of the doubt. They are willing to come out here and are going to have the guts to cancel everything in the water projects area as a part of their program. Then in foreign assistance, I went back and I got the figures for that for fiscal year 1986. And I find out that if you cancel the entire foreign assistance program, wipe it all out, nothing, no humanitarian aid, no aid going to Ethopia, no aid whatsoever for humanitarian purposes anywhere in the world, just cut it all out wipe out the entire foreign assistance program, you get a savings of $18.34 billion. Now, that would mean that we would have no programs for any aid anywhere, there would be no aid for Israel, no aid going to Egypt, no aid anywhere in the world. We would simply wipe out the entire foreign assistance program.

All right, fine. Let us give them the benefit of the doubt, let us say that there is a majority of Members of Congress who are willing, in the majority party, to do that, let us wipe out the whole thing, and so on, and let us say they have the votes over there to do that. All right. Then they said that we will cancel the National Endowment for Democracy. That is $290 million. Let us say they would wipe that out completely. They said last night they would.

Let us say they would wipe out Radio Marti. Fine. That would save $130 million. They are willing to do that.

They are going to raise the cigarette tax. That will get them $1.8 billion more, that is one more thing that they are willing to do, basically double the cigarette tax. Fine.

They are willing to eliminate the entire Synfuels Program. Fine. They get $320 million next year by totally eliminating the Synfuels Program, something a number of us have said is something that we are willing to do. That is fine. Let us do that.

They are willing to wipe out virtually every agricultural subsidy.

Now, let us understand, let us understand that if you take every agricultural subsidy out and you take out the Commodity Credit Program, that is all the dairy subsidies, that is all the grain subsidies, virtually every subsidy that the Federal Government has in agriculture would be eliminated, there would be no more Dairy Program, no more Grain Program, no more nothing. You would simply wipe out the entire Agricultural Subsidy Program. That gets you $10.5 billion.

Then if you eliminate, in addition, the Rural Electrification Program; the Farmers Home Administration; the Soil Conservation Service; the Animal, Plant, and Health Inspection Service; and the Agricultural Marketing Service, you come up with a total savings, by totally wiping out all the programs aimed at the farmers and the Department of Agriculture, you come up with a savings of $16.5 billion.

In defense, and this is the area where they concentrated a lot of their attention, let us say they would have the votes on their side to wipe out all of these programs, do away with virtually every one of these programs, do away with MX deployment, do away with Minuteman silo modernization, do away with the Trident Submarine Program, the development and production of the Trident II missiles, the continued modernization of the bomber fleet, namely, buying 48 more B-1B bombers, the development of a new bomber, new cruise missiles using Stealth technology, deployment of the first generation of cruise missiles, and the continued reengining of the KC-135 tanker so you have longer distances.

Let us say they are willing to wipe out every one of those programs. In other words, we would have no modernization of our strategic defense whatsoever. This Nation would unilaterally disarm under that kind of a program. Let us say you are willing to go that far. Let us say they have the votes on their side of the aisle to unilaterally disarm the Nation.

□ 1655

All of those programs put together save you a total of $29.9 billion. What does that all add up to? Those were all the programs they gave us last night that they would be willing to eliminate as part of their program. The whole thing comes to $70 billion worth of savings that are in their program. That ends up $130 billion short of what you need in order to get us to the balanced budget.

Now, where are they going to get the other $130 billion? That is the problem. That is the reason why we are for Gramm-Mack-Rudman-Cheney, because you have to have a mechanism that gets you to where you want to be, $70 billion in savings. I will admit to you there is no way that there are votes of a majority of the Members in this body to do that whole $70 billion. That is their alternative, though. That is the alternative we heard from at least two of the Members last night. Costed out, we find that it does not get us anywhere.

Now, let me say to the gentleman that there is a way in defense, if you use the defense budget, since that was their big item, there is a way that you get almost to the $200 billion. Let me tell you how much further they would unilaterally disarm the Nation, going into the conventional forces, if in fact they wanted to get the money they need. They would eliminate the procurement funds for the M-1 Abrams tank; 716 Bradley fighting vehicles; the Apache helicopters; the Blackhawk support helicopters; short-range Stinger and Chaparral missile system; the long-range Patriot and Hawk missile systems; and also of course the one we already know is being eliminated, the Sergeant York gun.

In the Navy, they would eliminate 11 Aegis cruisers, 17 guided missile destroyers, 19 attack submarines, 12 amphibious ships, 24 support ships, 21 minesweepers, the modernization of two aircraft carriers. They would take away 24 land-based patrol squadrons, the continued procurement of 18 F-14, 84 F/A-18 airplanes, 46 AV-8B aircraft, as well as 9 P-3C long-range patrol aircraft and 18 LAMPS helicopters for antisubmarine warfare.

In the Air Force, they would do away with the procurement of the F-16's, the F-15's, the MC-130H special operations forces aircraft, and they would do away with the entire support for the 26 active tactical wings of the Air Force.

We would have no weapons left. We would literally do away with the weapons systems of the United States.

If you did all of those things—and I do not think anybody is going to suggest that you do all of those things—they still come up short of balancing the budget under their program using defense. They come up $16 billion short under their plan.

The reason why I make this statement is because last night this was presented as their alternative. When we suggested that you need an approach like Gramm-Rudman, they suggested that there was an alternative, and they gave us this scenario. There is exactly what you would have to do, and they still come up short. Given that situation, I think it is absolutely essential that we pass the Gramm-Mack proposal. I think it is absolutely essential that we move to a balanced budget amendment to the Constitution, because we have got to have a process that equally shares across the board some of the burdens of cutting back so that we can in fact eliminate $200 billion worth of deficits. It cannot be done with the alternative they gave us last night. As a matter of fact, this kind of listing is almost an absurdity, because everybody knows that you are not going to wipe out every agricultural program that exists in order to get the $16 billion in savings. It just is not going to happen.

So their program is nonsense. Unless they get on board for the Gramm-Mack proposal, it seems to me that they have no alternative, and what we are going to end up with is the spenders continuing to spend, the deficits continuing to mount, the burden of debt piled upon young people in this country continuing to expand, and this country's economy continuing to move toward collapse as a result of the overweight of debt. If they do not have an answer any better than this one, which is a pretty crummy excuse for an alternative, then it seems to me they had better get the two proposals that the gentleman mentioned out here on the floor so that this Congress can begin responsible action.

I thank the gentleman for yielding.

Mr. CRAIG. Mr. Speaker, let me thank my colleague from Pennsylvania for that interesting and rather unique analysis.

I think the problem that we face in this country and that clearly we face in the U.S. Congress, I think all of us here in the Congress have had the experience of going home and holding town meetings or being in public gatherings where we have talked about the deficit and the problem of the deficit, and certainly as a strong advocate of the balanced-budget constitutional amendment, I have been back in my district and have traveled across the country speaking about it, and you hear these kinds of comments: Well, if you would just cut back on defense spending, you could balance the budget. If you would just eliminate foreign aid or foreign assistance, you could balance the budget. If you would do just this one thing or this other thing, Congressman, then the deficit would go away, because there are those who are led to believe, for whatever reason, that it is only this or that part of the total budget that is driving the phenomenal debt burden that the citizens of this country now have to pay for well over the tune, in interest alone, of some $120 billion plus a year.

Well, I think the examples and the observations that my colleague from Pennsylvania has just made, demonstrate that it is no easy task, that it is not an impossible task but that you do not single out one or two items big or small in the budget and solve the problem. If you are going to go goose hunting, you go where they are flying in flocks, in hopes of bagging one. And that is what we have to do here. That, of course, is what the Gramm-Rudman proposal brings about. It looks at the budget problem, the deficit, in total, and it says in a fair and equitable way that we will do the kinds of across-the-board reductions that touch every segment of Federal spending, that we are not going to single out one program or another, that we are not going to, in essence, bring forth special interest groups that are supportive of one program, we are going to bring them all out because we are going to go after every segment of the budget, and we are going to attempt a deficit reduction over a 6-year period of approximately $36 billion a year progressively and that we will move and have that balanced budget, of course, by 1991.

I have not seen yet a proposal that demonstrates more fairness and equity than the one that the conference committee is now working on. I know of no other way that we can proceed in an orderly fashion, that we can touch every segment of Federal spending,

that we can tell all of our constituents with a good, clear conscience that we are treating all segments of Government with some degree of equity as we approach the kind of deficit reduction that is critically necessary to bring us to the balanced budget.

So I appreciate my colleague's analysis.

It is not a partisan issue, Gramm-Rudman is not, and the balanced-budget constitutional amendment is not. It is a bipartisan problem. It is a bipartisan issue. It is Democrat and Republican alike that has to support this approach if we are to deal with it fairly and equitably.

One of the problems we get into in attempting to deal with this is the division of who supports and who does not. I have always said it is the spenders versus the nonspenders. I think that is what we saw here on the floor last night—those who advocate solving social problems and economic problems and human problems in this country with money, and they believe, as they have historically, that that is how you arrive at solutions: money from the Federal trough solves all problems. And, of course, the reverse of that is that when you begin to reduce the volume of flow from the Federal trough, you begin to hurt people.

We have all known for a long time that the only real way you help people is to provide a vibrant economy in which those people can seek work and provide for themselves. We have been told by economists, liberal and conservative, that when you begin to reduce the deficit in a timely fashionable way and you arrive at a point where you can bring revenues and expenditures into balance and keep them there, that you will unleash the kind of dynamic forces in this country that not only brings down the value of the dollar, make our products salable once again abroad in foreign markets, but you bring down real interest rates and therefore the kind of long-term capital investment that is so critically necessary to this country, that produces jobs by producing plants and employment, is exactly the product of the kinds of cuts that we have to produce in the budget to bring about that kind of economic renaissance.

I wish to thank once again my colleague from Pennsylvania for that observation, and I yield to my colleague, the gentleman from Texas [Mr. BARTON].

Mr. BARTON of Texas. I thank the gentleman for yielding.

Mr. Speaker, I was attending the Republican conference this morning when the gentleman from Idaho got up and made remarks that he spent the weekend listening to the people in his district and they told him that reducing the deficit was a top priority. The gentleman's district and my district must be quite a bit alike. I recently did an opinion poll in my district that 94 percent of the people in my district said that reducing the deficit is the No. 1 priority, and they strongly support the balanced-budget amendment.

The first thing that I did, once I was sworn in back on January 3, was to introduce my own balanced-budget amendment, House Resolution 12. I have also cosponsored the gentleman's amendment. I am a member of the CLUBB organization that you are the chief sponsor of, you and Congressman CHARLES STENHOLM, and I am here to tell you that I feel that the service you are doing to this country by bringing this issue to the attention of the American people and getting enough sponsorships, cosponsorships on your amendment, that we actually have a chance to bring it to the House floor, is one of the most important things that we are going to do in this Congress.

Now, we have a chance next week with Gramm-Rudman-Mack-Cheney to begin a 5-year program to bring spending under control. But that is not going to be enough. We need the constitutional amendment that you are the chief sponsor of to have a permanent solution to spending.

Now, we have heard some people say that we have these programs that we need to help, we need to help the needy, we need to help the handicapped, we need to help all these folks. That is very true. But the fastest growing item in the Federal budget is interest on the national debt. I believe last year that is was an additional $13 billion.

Now, we are not going to have any money for anybody if we cannot bring spending under control and stabilize what we pay on interest on the debt. If we can get your balanced-budget amendment to the Constitution, if we can get Gramm-Rudman passed, then we will control spending, we will have additional funds that we can spend on these new programs. But if we do not, we are going to spend more and more every year on interest on the national debt.

So I rise in support of your amendment. I hope you get the 218 signatures on the cosponsorship list. I will be there to help you.

I have one question for you: Is there a discharge petition now at the desk that we can sign to try to get it out of the Judiciary Committee and get it to the floor?

Mr. CRAIG. Let me respond to my colleague from Texas. I thank you for those comments and I appreciate your observation as it relates to the people of your district versus the people of my congressional district. I guess they have one thing in common. They are Americans. And as Americans they believe in their system of government. But they have also come to recognize very clearly in the last 10 to 15 years that their Government is not doing for them what they ask it to do, and that is to provide them, in a limited sense, with a variety of programs that provide for their safety and for their protection and yet at the same time assures that they will have access to a free and vibrant economy with which to seek their successes and their failures as American citizens.

I have often said that if there was anything good to come out of the recessions of 1981 and 1982 it was the fabulous lesson in economics for the American people, because they saw for the first time so clearly what happens when you tax too much and when you spend too much at the Federal level and at all levels of Government, and you simply pull from the economic reserve or reservoir in this country that we call the gross national product too much money for Government, simply not leaving enough money for the average citizen. Interest rates went through the roof, inflation began to take off, and all of those kinds of problems resulted from a Government that was running loose and rampant. We were able to rein it in some over the period of 1981–83. But why does the American public, without question today, say that the number one issue is the deficit, as they say in your district and as they say in mine? Because they know. They know very clearly, from lessons of the past, that deficit spending is that dynamic, if you will, or that force inside the economy that ultimately destroys the economy, and when you destroy it you destroy their jobs, you destroy their homes and you destroy the very future they have that they can turn and offer to their children and to their children's children. And that is what they are frightened of right now. To see the interest on the debt becoming one of the largest single items in the Federal budget is a frightening experience, because we know, as business people in what we oftentimes say real life, with business experience, when that happens with business, all of a sudden it is bankrupt, it is gone, it destroys its jobs, it destroys any form of economic vitality that it had. There is only one difference here. We can borrow and we can print, but it does catch up with us. And that is what is happening today. There are a good many of us who are struggling to try to bring that under control.

I think the gentleman is absolutely correct. Gramm-Rudman-Mack-Cheney provides us with the tool, the enabling legislation, the process by which we get from here to here and over here, is that balanced budget. And to ensure that it happens, then, I do believe, as the gentleman has mentioned, that we need a constitutional

amendment that says to the Congress, "No, you cannot change us arbitrarily because we are the Constitution, we are the law that governs you, because we are the people."

That is one thing that sometimes the American citizens forget. The Constitution is theirs.

□ 1710

We cannot change it here in the Congress; we can only propose change. Is it the American people that have to vote by three-fourths of their States in the ratification of a change that really brings about the change. Well over 70 percent of the American people today say that a constitutional amendment to balance the Federal budget is what they want. Of course, they recognize, as the 90-plus percent in the gentleman's district recognize, that you can accomplish deficit reduction by getting to that balanced budget vis-a-vis the peoples' law.

Once again, let me thank my colleague from Texas for those excellent remarks and observations and I appreciate your loud, clear, and strong leadership on this critical issue.

Mr. BARTON of Texas. I would ask the gentleman: Is there a discharge petition that we can sign?

Mr. CRAIG. There is not at this time. We are nearing the 218 cosponsorship that we have been striving for; we believe once that is accomplished, depending on how the leadership in this House and how the chairman of the Judiciary Committee reacts to a majority of the Members of this body saying, "We want to vote on a constitutional amendment to balance the budget."

We are going to give them an opportunity to react—to let the process here work. If it fails, then there will be a discharge petition and we will simply say that it is the right of the people of this body, the Members, to serve their constituents by getting an opportunity to vote on that on the floor.

Mr. BARTON of Texas. If the gentleman would yield, I would suggest to the gentleman from Idaho that if we can get it out of committee and get it on this floor and get an up or down vote on it, it will pass overwhelmingly.

If we can, in the glare of publicity and let the American people see the true merits of the case, your amendment on this floor will pass this Congress overwhelmingly. So I urge the gentleman to do everything possible to get the requisite number of signatures. If we need a discharge petition, I will be more than willing to help the gentleman from Idaho because we will win because the American people as you said, are behind us.

Mr. CRAIG. I thank the gentleman and I now yield to the gentleman from Arizona [Mr. RUDD].

Mr. RUDD. Once again, Mr. Speaker, I would like to commend the gentleman from Idaho, for his statesmanlike concern for this most all-important problem that faces our Nation today. I would also like to commend the gentleman from Pennsylvania, for his statesmanship in the same vein.

Especially I would like to commend our colleague from Texas, Mr. BARTON, for his interest in these matters, in this matter particularly, but in all matters like that, and I hope that the people he represents will be very aware that this Congressman from Texas is a first-term Congressman and has worked very, very very hard to do the job of a Congressman, to do the work of a Congressman, and has deported himself in a good, statesmanlike way and I think he should be commended.

Mr. CRAIG. I want to thank my colleague from Arizona for those comments and I yield to my colleague from Pennsylvania [Mr. WALKER].

Mr. WALKER. I thank the gentleman for yielding.

Mr. Speaker, the gentleman made a statement a little bit ago, about the fact that you can divide the economic classes in this Congress between the spenders and the nonspenders. That essentially is what you are dealing with in the economic clash that takes here.

I think the gentleman is right that there are two distinctly different groups. For the gentleman's possible definition in the future, I would suggest that the real clash is between the spenders and the builders. That the people around here who are attempting to get a rein on Federal spending are not just nonspenders—what they are is builders.

As the gentleman so eloquently pointed out, what we found out at the time of the recession in the 1981-82 time period, is that too many taxes and too much spending in fact lead to economic troughs, that cause tremendous hardship across this country. We are still trying to recover from the unemployment problem generated by that. We are still trying to put lives back together that were shattered at that particular recession.

The reason why I think you can use the term "builders", if you go back slightly before that time, you will find out that what we had in this country is a negative GNP. That we were actually not only not growing, we were actually declining. This country was in a state of economic decline, in the late seventies and early eighties. That was because that we had spent our time taxing and spending at the Federal level, to the point where it had become such a burden on the economy, that the economy was no longer viable.

The people who advocate a reduction of spending, a reduction of borrowing, a reduction of taxes, are in fact the builders who have put the economy back together again, and are allowing positive growth in the economy, not as fast as we would like, but nevertheless who have produced a growing economy at the present time. That is building—that is building for the future.

When you are a spender and you are adding to the debt burden of every man, woman, and child in this country, you are not doing anything positive, you are doing something very negative. If you are trying to reduce the debt burden, you are a builder.

It seems to me that the contrast is very, very clear. On the economic issues that face this body, it is indeed a clash between spenders and builders. The fact is that the Gramm-Mack-Rudman proposal and the balanced budget amendment to the Constitution, are building proposals. They put the reins on the spenders. It is the spenders who are out here screaming bloody murder. It is people who want to continue to spend and borrow and tax who do not want Gramm-Rudman. It seems to me that anybody who casts a no vote on Gramm-Rudman is in fact defining themselves in precisely that way. They are a spender. They do not want to spend, they do want to tax, they do want to borrow. Instead, it seems to me that what you want to do, is come up with proposals that are building-type proposals, where you create things that allow us to build an economy and build a future for our young people in the future.

Mr. CRAIG. I thank the gentleman and I yield to the gentleman from California [Mr. DYMALLY].

Mr. DYMALLY. I thank the gentleman.

Mr. Speaker, I note with some humor, that every time the gentleman refers to the big spenders, he looks over at this side. I just want him to know that I am a small spender.

Mr. WALKER. If the gentleman will yield, I thank the gentleman for his observation. However, we do have, it seems to me, some empirical data developed by the National Taxpayers Union that makes fairly clear where this body comes down, and I would say to the gentleman that we consistently find that the Democrats—and particularly liberal Democrats—are those people who fall into the spending category, while on this side of the aisle, it is the people on this side of the aisle, who fall into the building category. That is one of those things that the American people can analyze each election. It seems to me that one of the votes that will make it quite clear, who is who, and where is where, is when we get a vote, hopefully in the near future, on the Gramm-Mack-Rudman proposal.

Mr. CRAIG. Once again, let me thank my colleagues for joining me this evening, in this special order to discuss the Gramm-Rudman-Mack-

Cheney proposal, that is now before the conference committee of the House and Senate, and of course, before the American people.

One of the reasons I thought it was important to have this special order, is to say once again that there is a very real difference between Federal law, Federal statute, and constitutional law, or the Constitution itself. One of the things that we have consistently read in the press, the last couple of weeks is "The Balanced Budget Amendment Will Do This"; "A Balanced Budget Amendment Was Attached to Debt Ceiling Legislation." In the headlines of many of the papers across this country, have been printed the words "Balanced Budget Amendment."

That simply is not the total story, nor is it the true picture. What the press is referring to in its reaction, or its observation as to what the other body or this House is doing, is looking at a procedure that we call Gramm-Rudman-Mack-Cheney, a proposed amendment, to the debt ceiling which would be, if passed by this body, Federal law that would mandate a 6-year process, by which we would get to a balanced budget by about 1991. But it in no way mandates that we must have a balanced budget by 1991.

□ 1720

We have tried that in the past and, of course, as I mentioned earlier, we have simply failed, because when pushed up against the hard decisions, the Congress caved in their spending mentality and said, "Can't do it." And they waived Federal law and moved right on down the road of deficit spending.

A constitutional amendment, as I mentioned earlier, in the people's law, would tell this body, that they would have to bring expenditures and revenue into balance except under certain conditions, in which they could in fact deficit-spend. And it would be that kind of law that this body would have to abide by and could not change.

So I though it was important this evening through this special order and being joined with my colleagues to point out the importance and the difference, the importance of the enabling legislation that the Gramm-Rudman-Mack-Cheney proposal recognizes, a process and procedure by which to move toward a balanced budget, and then a constitutional amendment that would require a balanced budget by a given date.

In other words, to assure that this process or procedure that we call the Gramm-Rudman bill, would be adhered to and that Congress would not in their wisdom, as they would choose to call it, and as the American people would say in their lack of wisdom, attempt to violate over the course of time and remain in their spending mentality, or that institutionalized process which says that we always spend more the next year than we did the year prior, and that we will ultimately have to either borrow more or tax more, from the American people to satisfy what we think the American people want in the form of Federal programs.

Is it not unique that while we are here on the floor and in our committee work struggling to bring about certain programs, and fund them, and to deal with the financing of our Government, all of us believe, or at least a good many believe, that a lot of the programs with which we work so hard to get, are what our people want?

Yet, at the same time, the American public is saying louder and more clearly than they ever have before, "Cut the deficit. Get it under control. Give us a balanced budget."

I have to believe that the American public is saying by that expression, "Cut your spending. Get your spending under control. A lot of the programs that you are attempting to provide to us for our good, are simply programs we don't need, or if they are, we don't need that much of a program, that lucrative of a program, a program with that kind of benefit."

That is the fundamental debate that is going on in this Congress today. It is the debate that is underway in the House-Senate conference committee. It is very, very important that the Members of this body understand, and the American people understand that here lies a unique opportunity, to put in process that motion, that activity that will bring us to a balanced budget, and then to assure the American people that we will adhere to it, by offering forth to the American people a constitutional amendment to balance the budget that they can debate, in their own State legislatures and decide to accept or deny, and it would be that law that would then govern this body.

ORDER OF BUSINESS

Mr. OWENS. Mr. Speaker, I ask unanimous consent that my special order may be called at this time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

THE DANGER OF GRAMM-RUDMAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. OWENS] is recognized for 60 minutes.

Mr. OWENS. Mr. Speaker, my concern is the Gramm-Rudman proposal or the Gramm-Rudman process, as some speakers have labeled it. My primary concern is the fact that the Gramm-Rudman process, its final impact, its dangerous impact, will fall mostly on the poor and defenseless and it will fall particularly on the black people of this country, because in addition to them being poor, a larger percentage of black people being poor, they are also the victims of certain other policies of the present Reagan administration with respect to affirmative action, the attempt to eliminate affirmative action, the rollback of certain other civil rights programs, all of which combined result in a situation which you might call the final abandonment of black people in America.

I think that the Gramm-Rudman proposal is a cause for alarm and the alarm should be sounded loud and clear. There are a number of things wrong with it, beginning with the fact that it is a process going forward in secret.

The Gramm-Rudman process is being discussed in a conference of the House and Senate by what you might label superlegislators only. All of us were elected to represent our constituents and all of us should be participating in a debate of this magnitude. A program as important as the Gramm-Rudman proposal should not be a program which is debated and decided in secret. A program as important as Gramm-Rudman should be subjected to the same processes that any other bill before this House would be subjected to. It should have a series of public hearings. Since it is a major change in the way we conduct our Government, since it is a change even in the basic principles of the Constitution, there should be a nationwide series of hearings.

The President of the United States has gone throughout the country making speeches and discussing his proposed tax reform bill. It does not appear that that tax reform bill is going to come before us any time soon. But I think Gramm-Rudman has even greater implications than the tax reform bill. And certainly if we are going to discuss the tax reform bill across the country, and have leading political figures talk to large audiences and get a feedback from those audiences, then Gramm-Rudman should be subjected to the same process.

Not a single hearing has been held on Gramm-Rudman. Not a single opportunity for the American people and their various representatives of various groups, who participate has been provided under the present procedure. So Gramm-Rudman represents a very undemocratic or antidemocratic process to begin with.

We should not allow this kind of process to decide such major legislation. We should not allow the prerogatives of elected officials from the 435 districts in this country, to be taken

away and the process be put behind closed doors and brought back to us later in a package where we have to vote it up or down. So that is the first problem with Gramm-Rudman.

The next problem with Gramm-Rudman is it is a discussion of how to take care of the deficit merely by cutting spending. Gramm-Rudman refuses to recognize the basic fact that, that the problem is not the deficit alone. The deficit is the problem; I agree with the speakers who say we must get the deficit down, and everybody is concerned about getting the deficit down. It is important to get the deficit down. It is important to eliminate the deficit.

But let us talk about the deficit in context. The only way we are going to have a solution with the deficit problem is to deal with it in the context of a mismanaged economy. We have a mismanaged economy, an administration which is out of control. The deficit did not appear as a crisis overnight. The deficit was created by this administration, the super deficits.

When the Carter administration left office, we had a deficit of less than $75 billion, less than $75 billion. Now we have a deficit of more than $200 billion. It has run for several years more than $200 billion, with projections that the deficit at this level will probably continue if we do not take some extraordinary measures.

How did we get here? How did we get here? It was not by magic. It was not by the Democratic Members of the Congress, as we have heard before, spending.

We have the leadership of a new administration, a new President who said that you could at the same time you increase spending in megabucks, large increases for defense, decrease taxes. At the same time a family's income is going down, a family can run out and spend tremendous amounts of money on some chosen priority.

It is as simple as that. That is what the leader of this country decided to do, and that is why we went from a national debt of less than $1 trillion, to a national debt now approaching $2 trillion in such a short period of time, less than 5 years. It was not by magic. It was created by decisions made by the present administration.

I do not accept the charge that as a Congressman I am a big spender or spender at all. I have no pork barrel projects in my district. I do not have any factories manufacturing useless MX missiles in my district.

We are put in a position of having to defend ourselves against charges which are totally erroneous. The President of the United States at present has never submitted a balanced budget. The President of the United States on the other hand has submitted budgets which did have deficits in them. At the same time you had tremendous deficits in those budgets, this President has also made it clear that he wanted to cut certain kinds of programs. He has put zero in the budget for certain kinds of programs and still not achieved a deficit, but he has put zero in the budget, so we now what kinds of programs he wants to cut.

Here is the problem with Gramm-Rudman. Gramm-Rudman in the final analysis, the bottom line, is it hands the President the power to make the final budget cuts, to set the priorities for this Nation without the Congress participating in that final decisionmaking about what should be cut. The imperial Presidency is augmented greatly. Many of the Congressmen or most of the Congress might as well go home because a nation is defined by the way it sets its budget. We can have all kinds of ideologies, philosophies, differences, et cetera, but if we have no control over the budget, we are whistling in the wind, we cannot do very much about the problems, we cannot implement policies.

So if we hand the President the power to make the final decisions about the budget, then we have very little left to do here in the Congress. We are violating the principle of separation of powers, which is a basic flaw in the Gramm-Rudman bill, but there are other people who can argue that matter of constitutionality far better than I can.

Another problem, as has been pointed out by people who are economists and who can make the economic argument far better than I can is that it is bad economic policy, or it puts us in a straitjacket where we cannot deal with problems as they arrive, that if you have a situation in the next 5 years where we move into a recession, whether a deep recession or a light recession, that the option of being able to correct that by spending in certain areas is taken away. Not only is the option to spend taken away, but certainly the mandate to cut is there, so you must keep cutting regardless of what kind of revenue is being generated by the economy, you must keep cutting, so we will sink deeper and deeper into a depression if that process begins to start to take place.

That is one of the basic things wrong with taking the prerogatives of decisionmaking away from the Congress, and mandating that they must proceed in a certain way. That is a devastating blow to the prerogatives of both the President and the Congress. So it is bad economics, the results will probably be quite bad indeed.

The other thing, and I am moving toward the basic point that I want to make, is that the cuts that will be made by the President, the imperial President, with these powers, the same President who through his voodoo economics, the President's approach of cutting taxes at the same time you dramatically increase expenditures, that approach was labeled "voodoo economics" not by a Democrat, it was labeled "voodoo economics" by a candidate for President who later became the Vice President, Mr. BUSH. Voodoo economics is what we are the victims of, mismanagement of the economy via voodoo economics.

We must pay the price of voodoo economics. Voodoo economics has created a $2-trillion national debt. Voodoo economics has created a budget crisis in terms of a deficit which everybody has to be concerned with. Let us not forget where it came from.

So the creator of the problem will now have handed to him the authority to not only, not atone for the mistake that he has made in the past, he has not handled that responsibility, but he is handed new authority, he is given new authority to make cuts in those areas where he has already demonstrated great hostility. He has already demonstrated great hostility toward social programs, certain educational programs. They are going to be cut. Domestic programs will be cut dramatically by a President who says that is what he wants to cut. The goal of some of these policies and practices of voodoo economics has not been concealed. It is not a secret. We have been told again and again that one of the major goals for us is to shrink the amount of money available, to box in the Congress and the whole governmental establishment in a situation where the scarcity of resources, the scarcity of money would be so great that they would be forced to make the cuts in social programs and domestic programs. They would be forced to do it, because who dares to look at defense with an objective, analytical approach?

They did not expect that two men in the Senate who are responsible for the oversight of the Defense Establishment, the defense budget, would be willing to look at defense clearly, objectively, and say where the emperor has no clothes on and what is wrong. That has happened. That was not expected.

It is expected that only in the area where the hostility has been shown by this administration will the cuts take place if you squeeze the amount of money available for expenditures.

We are now in that position. Gramm-Rudman is the final coup de gras. It is going to take care of the situation and finish off the work that was begun with voodoo economics in 1981. What Gramm-Latta started, Gramm-Rudman will finish.

The bulk of the programs, as I said before, are programs which are most needed by people in this country who

depend on our Federal Government as the advocate of last resort.

Why must the Government stay in the business of advocating for certain groups? Why must the Federal Government remain in the position of providing aid to dependent children? Why must the Federal Government remain in the business of providing food stamps to the needy? Why must the Federal Government remain in the business of being the major financier of health care for the needy? Because if the Federal Government is not in the business, nobody else is going to do it. The local governments, the State governments, will not pick up what the Federal Government lays down.

The history of these programs is quite clear. We never had the kind of concern expressed at the State and the local level until the Federal Government got involved in the problem. There was no concern about health care on a scale that there should have been. There was no concern about education of the kind the Federal Government now finances. Those concerns are expressed through the collective wisdom of the American people, and the generosity as expressed by the collective wisdom of the American people, that is not expressed at the local level and many local governments rush to abandon programs once they have no Federal participation, and many local governments and many State governments would not be in the business of providing certain kinds of programs if there were no Federal participation. So the Federal participation is crucial. If you take that away, down the drain these programs go and the people dependent on them will go also.

Now, who cares about poor people? We are in a situation where this administration has indicated that it operates on the principle of triage, that we are unconsciously or consciously, it does not matter, if you get killed by a bullet accidentally, you are dead as you would be if the bullet is aimed at you. Whether it is consciously done or unconsciously done, the practice of triage is under way, and this administration has been very consistent with it. This administration has decreed silently behind the scenes that we shall throw overboard a certain segment of the population. We will not be concerned about unemployment as long as unemployment only affects about a tenth of the population.

The President made the statement once that if 9 people out of 10 are working, then why are you worried about the problem of unemployment?

I am sure the same thing is true if nine people have their stomachs full, why worry about the one person who is hungry, and on and on it goes. If nine are healthy, why worry about providing health care for the one that is sick.

That kind of reasoning is the driving force behind this administration. We are just going to throw overboard a certain segment of the population. We do not care.

It is very important I think for us to stop and think for a moment about the future of this Nation, the security of this Nation, the kind of ongoing long-term struggle that this Nation is engaged in. We are engaged in a long-term struggle which I think could be compared sometimes with the struggle between Athens and Sparta, ancient Athens and ancient Sparta. We, of course, are Athens because we have a democratic system. We believe in the worth of the individual. We extol the worth of the individual. We are philosophically, theoretically, committed to providing an opportunity for individuals. We are philosophically and theoretically committed to providing a vehicle for the democratic participation of individuals.

We have a great system, a great form of government, a great economic system, but if we do not hew to the theoretical and philosophical principles that we extol, if we do not see every individual as being of great value, if we do not see our citizenry, our own people, as being our primary resource, our people are a primary resource in this long-term struggle, then we are surely going to fail, just as ancient Athens did. They failed because they did not have the nerve to live up to their own principles. They failed because they did not really believe enough in democracy. They failed because they really did not believe enough in individuals.

We are going to fail if we are going to make the assumption that we can throw overboard a large segment of our population. We are going to fail if we assume that we do not need to educate everybody in this country, that it is big enough, great enough that we can have all we need. We can have the scientists, the superscientists that are responsible for the strategic defense initiative. We can have the technicians. We can have people at every level that we need without educating everybody. We can have an elitist education. We can just educate a few and do not bother to deal with the necessary funds that are needed and the reauthorization say of the Higher Education Act.

Let us cut back, begin to cut back on our commitment to higher education. We have already cut back drastically on our commitment to elementary and secondary, and vocational education. Let us continue to cut back.

Let us set aside certain classes of people and give them tax breaks, make certain that their parents are able to take care of them, and forget about the fact that we need in a society as complex as ours, everybody to be educated in order for him to do what he has to do a little better. We need in a society as complex as ours everybody to have knowledge and be able to deal with the very complex world that is changing rapidly.

It is important that we put more funds into the education of airline pilots. We are spending the maximum on the training and education of airline pilots, of plane pilots.

I am worried about the education of the person who lubricates, who provides the lubrication for the plane or who puts the gas in the plane, the necessary increase in education that is due at that level, just as it is in any undertaking of our society.

You need people at every level to have more education. You do not get that more education if you do not have a commitment to spend more money on education. Money will not necessarily solve the problem, but you certainly will not get the problem solved if you do not have the necessary money or necessary funds out there.

We seldom compare ourselves to the Soviet Union in terms of commitment to education. I think we ought to take a hard look at what they do in the number of scientists that they produce each year, the number of technicians that they produce at every level. We are engaged in a long-term struggle and our principal foe, is the Soviet Union. Let us study more carefully the resources that are committed to education. They are committing large amounts of resources to defense, to weapons systems also, but they are committing large amounts of resources to the development of people in their country.

Development of people means more than education, of course. They have to be healthy in order for them to get an education. They have to be getting enough to eat in order for them to concentrate in school.

Understanding that every individual is a valuable resource is the beginning of a process that is necessary if we are going to meet the challenge of a long-term struggle either with the Soviet Union as an ideological and philosophical foe or with our allies in the free world who are our commercial competition. We are not going to be able to compete commercially with Japan, with Germany, and with a number of other nations, unless we continue not only to theoretically and philosophically value the individual, but also in the implementation of our policy.

What does Gramm-Rudman do? Gramm-Rudman will cut very deeply into the commitment that we have made to education. The dollars for education will be cut drastically because they are out there. They do not have any contracts. If they have contracts, it is minuscule, the number of

contracts that are out there for education.

Gramm-Rudman says that the portion of any program that is contracted out will be protected. The President will not be able to cut in situations where there are contracts.

Well, in the domestic area when you are talking about education, health, or food stamps, aid to dependent children, there are no large numbers of contracts out there. They will not benefit from that particular provision of Gramm-Rudman. The great beneficiaries of that particular part of Gramm-Rudman would be the Defense Department, because already their major commitments, a large part of the budget, at least half the budget is committed in a way where contracts are involved. Weapons systems involve contracts. The building of new installations, new defense installations involves contracts.

I assure you that as we move through this process and Gramm-Rudman appears more and more to become a reality, that numerous contracts that are not made already in the Defense Department will be made and they will be in place by the time Gramm-Rudman is supposed to go into effect.

□ 1745

So I doubt if we are going to impact on any part of that budget except the parts where we probably should have the least impact, the salaries of the servicemen, the military pensions, whatever fringe benefits there are, services provided to the individuals. Again, the educational programs probably for servicemen. A number of things that should not be cut are going to be cut, even in the military.

That is what Gramm-Rudman will result in. Where we cannot make contracts, that is where the cut will fall, and because the cut has to meet a certain goal, $36 billion is it per year, because the goal must be reached, the cut will be heavier because of the fact that they cannot take cuts out of Social Security, cannot take cuts out of the interest on the debt, cannot take cuts in the area of defense where we have made contracts. So the cuts, where do they fall? They have to fall in the areas where there are not contracts, and those will be the areas like food stamps, the Pell grants, aid to higher education institutions, chapter I aid to elementary and secondary education, vocational education, and on and on it goes.

One of my colleagues recently brought a list of letters from various organizations dealing with the handicapped, dealing with certain kinds of disabling diseases, a number of groups that expressed a great deal of concern about Gramm-Rudman, and they are on target. They should be concerned, because their portion of the budget, the little amount that they have in the Federal budget will not be shielded or concealed in any way from these tremendous cuts.

Again, those groups that have been spoken of as special interest groups have only a tiny amount of the total Federal budget. It is almost immeasurable in many cases, the portion of the Federal budget that people who are in certain categories, disabling diseases, the handicapped, et cetera, have. What they are concerned about is the fact that if that tiny portion of the Federal budget, that almost immeasurable amount, is taken away they will have no recourse because foundations often base their funding on the fact that an agency or a program receives Federal funding. the judgments that they make about where they put their resources in many cases are made on the basis of what agencies are getting Federal funding.

I have already spoken about the fact that the State governments and the local governments often make their decisions, or they will not give any funds, unless they are giving funds as part of a matching grant program. So the stimulant, the dollars that are necessary to prime the pump, come from the Federal Government.

True, the Federal Government is not the basic source of funds for education, not by a long shot. We probably do not spend any more than 10 percent of the funds that are spent in this country for education, but the priming of the pump is very important in matters related to education, and the provision of funds that cannot provide it in any other way for themselves.

Remedial education under chapter I, it was for a long time understood that it was needed and the kinds of successes that chapter I has realized in this country have been documented by numerous studies. The successes of Head Start have been documented by numerous studies. It was realized long before the Federal Government began to fund Head Start that the earlier you get to a child to provide education, the more likely you are to have an impact on the total life of that child. That was realized long before we had Head Start. Until we had Head Start, with funding flowing from the Federal Government, there were no dollars out there to do large-scale experimentation. Certainly there were no dollars available in the poor communities to test out the theory of early childhood education and the benefits of early childhood education. The poor, the people who needed it most, did not get it until the Federal Government became involved.

In black communities, those communities that are predominantly poor and also the victims of racial segregation and racial oppression, there were no funds available to do the kinds of experimentation that Head Start has brought forward until we had the Federal funding.

So Gramm-Rudman will cut Head Start. Gramm-Rudman will cut Head Start dramatically. Gramm-Rudman will cut funds that are provided for college students who would never be able to go to college, unless they had the Federal assistance. That will be cut dramatically. And because of the fact that the goals must be met, the $36 billion or whatever additional goals are set, they must be met, and it means that people who are entitled, people who qualify, will also be cut. It does not matter that you need it.

Means-tested programs are included. One of the major amendments offered in the other body to the Gramm-Rudman bill, was an amendment to exempt means-tested programs, or programs where people have to prove that they are in need before they can get the service. I think it was a very intelligent amendment. Gramm-Rudman in general I think is a disaster, but if you have to have Gramm-Rudman, it certainly could be made more humane if we had an amendment which exempted the means-tested programs.

That was voted down. It was voted down and had to be voted down, because the philosophy, the ideology of this administration, is to eliminate these programs. That is the target. The last thing they want to do is exempt those programs which are ultimately the target of this effort.

More important than balancing the budget is the elimination of certain social and educational programs that are disliked for ideological reasons, not because they have such an overwhelming percentage of the Federal budget. When you look at the budget and you count up the domestic programs that we are talking about eliminating, those are not the ones that have the overwhelming percentage of the Federal budget. But because they are ideologically and philosophically unacceptable, because they are the reason we have Gramm-Rudman in the first place, the last thing that will be accepted is an exemption of these particular programs.

So Gramm-Rudman is bad for all of these reasons. It is bad for the country. It is constitutionally questionable and for a number of reasons it is a disaster, but my primary concern is that it is the final abandonment of the black people of this country. The black people of this country have been under attack since this administration came into power. The black people of this country have to endure an attempt to roll back the clock in areas not related to fiscal or budgetary matters. In areas related to civil rights, we have a situation now where the Attorney General of the United States is proposing to eliminate an affirmative-action order that we have lived with

for a number of years that has achieved a number of dramatic successes that I think most American people are ready to accept. But for ideological and philosophical reasons, an assault will now be attempted to roll back the affirmative action Executive order. That does not relate directly to budget and fiscal matters, but it does relate to the assault on the black community. It relates to the fact that those same people who have no jobs being provided by Federal employment programs, who have no jobs being provided by training programs, who are struggling and now have to struggle even more to get an education than they did before, those same people who are up against discrimination and always have been up against discrimination as a major factor, they will now have no protection in terms of law with respect to affirmative action.

A recent study done by the Community Service Society of New York City demonstrated the fact that large numbers of jobs were created in New York City over a 5-year period, and those jobs were not necessarily high technology jobs. Many of the jobs were entry level jobs, clerical jobs, secretarial jobs, jobs which the young black people of New York City could qualify for. But they found a pattern of discrimination which froze those people out, and most of the jobs that happened to be located in New York City went to people who came in from the suburbs, who happened to be white.

There are numerous reasons for this. One of them is the old pattern that all of us know so well, the old-boy, old-girl network, and now we have the young-boy, young-girl network. But anyway, if you know somebody who works somewhere, they have connections with the boss, if they are already in, then they reach out and they get other people that they know. So it is a social pattern. If there are no obligations to interview people and allow them to have an opportunity to objectively qualify for the jobs, then you have a problem.

So we have jobs being created. We have large numbers of people unemployed, and yet the jobs are going to people who live in the suburbs, while people who live close to those jobs are not able to get them, mostly for reasons related to discrimination.

The assault of Mr. Meese, the Attorney General, is therefore, a very deadly one in the black community. When you add to the fact that this administration has in various ways attempted to turn back the clock, with respect to the black community in matters of civil rights, in matters of employment and affirmative action, when you add to that Gramm-Rudman, which finishes them off in terms of budget and fiscal policy, then you have a concentration of this poison. This evil that Gramm-Rudman represents is concentrated and focused on the black community as nowhere else, and that is the reason I am here. We must sound the alarm and understand what we are doing to the population in the black community.

□ 1755

First of all, we must understand what we are doing to all of the poor people, and second and finally, we must understand that particularly the concentration of the impact of Gramm-Rudman will be in minority communities, black, Hispanics are just as bad off, but I am focusing on black communities because my district happens to be one of them. I am speaking primarily from that which I know best in my own constituency.

I think that Gramm-Rudman again, to return to my earlier statement, I think that Gramm-Rudman ought to be a discussion which has a much larger scope than the present narrow attempt to balance the budget with gimmicks. I think that Gramm-Rudman should be a discussion of the mismanaged economy and how we got where we are, and beyond that, Gramm-Rudman should be a discussion of priorities.

What is this Nation all about? What are our priorities? How do we deal with the long-term struggle that we are involved in? How do we first of all stay true to our own values in the budget decisions that we make?

For that reason, I would like to turn for a moment to a document which has been ignored, certainly in this House, certainly by the media, just for a few background statements. I would like to talk for a minute about the Catholic Bishops Pastoral Letter entitled "Catholic Social Teaching on the U.S. Economy." I am going to read just a few portions from that, because I think it undergirds what I am about to say.

We have a responsibility that is moral, idealogical, philosophic, and beyond that, I think we also have a responsibility to see what we are doing to our own national security, to our own population, and what the impact of that is going to be in the long run. Certainly the Catholic bishops are on target when they state that employment, above all employment is a moral concern, and ought to be an urgent concern in U.S. policy.

Let me just read a portion of that section on employment. I quote from the document:

> The most urgent priority for U.S. domestic economic policy is the creation of new jobs with adequate pay and decent working conditions. The prime goal must be to make it possible for everyone who is seeking a job to find employment which befits human dignity. By almost any measure for individuals, social, economic or political, the costs of unemployment are enormous. Current levels of unemployment are morally unjustified. Several criteria presented which can help shape an effective response to unemployment, efforts to generate employment should be aimed specifically at bringing marginalized persons into the labor force.

Marginalized persons, Mr. Speaker, are a large percentage of the unemployed in my district. They can be categorized as marginalized persons.

> It should give priority to long-term jobs. It should produce jobs and services needed by society. It should be as economically efficient as possible, and it should include both the private and the public sectors.

Then they have under a section called policy objectives:

> The Nation should make a major new policy commitment to achieve full employment, to reduce unemployment to the range of 3 percent or 4 percent.

And in this policy objective that the Catholic bishops are stating, they follow closely the existing Humphrey-Hawkins full employment bill which calls for our Government, our President to take certain actions when unemployment reaches 4 percent. Of course, unemployment is far above 4 percent. And most important of all, in certain areas which are impacted heavily by unemployment, in my district, the 12th Congressional District in Brooklyn, unemployment for adults is close to 20 percent, and unemployment for teenagers is close to 50 percent.

The policy objectives statement of the Catholic bishops continues:

> The Government should increase support for direct job creation programs targeted on the structurally unemployed.
>
> Three, job training and apprenticeship programs in the private sector supported jointly by business, labor and Government should be expanded.
>
> Four, local, State and national coalitions to press for job creation should be formed.
>
> Five, job placement services should be improved and expanded.

It goes on to discuss unemployment and poverty.

In other words, nothing is more central to both the improvement of our economy and also the improvement of the lives of individuals, the saving of the lives of individuals and family than employment, job creation.

In the most practical and specific terms, every economist argues that every increase in the number of employed people produces revenue which decreases or has the potential of decreasing the deficit.

Why do we not discuss unemployment, why do we not discuss a full-employment policy, or a policy that gets us as close to full employment as possible? Why do we not discuss that at the same time we are discussing ways to get ourselves out of the current mess that we are in with our mismanaged economy.

Gramm-Rudman is too narrow in scope. Gramm-Rudman might be helped a great deal, or the goals of

Gramm-Rudman to reduce the deficit and to help balance the budget might be helped a great deal if employment is increased, if job creation programs are increased. But this administration, for ideological and philosophical reasons refuses to expand programs for employment and programs for job training.

In another section of the Catholic bishops letter, they talk about employment further.

The most urgent priority of U.S. domestic economic policy is the creation of new jobs with adequate pay and decent working conditions. The prime goal must be to make it possible for everyone who is seeking a job to find employment which benefits human dignity.

As noted above, Pope John Paul II has written that human work is a key to the whole social question. There are many forms of work which express human dignity and contribute to society, not all of them in the formal job market. Homemakers, students, artists, and those whose lives are devoted to enhancing the spiritual life of the community deserve respect and support. Nevertheless, a job with adequate pay should be available to all who seek one, and a job with adequate pay produces taxes, it produces revenue for the Government. It eliminates and lessens the number of people who are in need of special help, the number of families that are in need of special help. It keep families together.

This is only one example of the numerous policies that should be discussed at the same time we are considering Gramm-Rudman.

I mention jobs because they are the cornerstone of any economic policy. We have sat by in this administration and watched jobs flow out of the country at an ever-increasing rate. We have seen plants closing down, manufacturing plants closing down at an ever-increasing rate. We have allowed our competitors to swindle us at the same time that they put enormous barriers up before American products and do not allow American products to be received as imports and sold widely in their own markets.

We allow them to swindle us and we keep the barriers down here in the name of free trade. Free trade should not be a swindle, and for its own reasons, and those reasons might relate to the fact that there are so many people that have left the Government and are on the payroll of some of these foreign exporters, the people who are sending products here and who know very well how to deal with our Government, and they have a large number of lobbyists, and large numbers of advisers who are on their payroll, some of them who recently came out of the present White House. So the mystery that exists around why we allow ourselves to be swindled by other governments and other economies that refuse to accept our products while they flood our markets, some of that mystery can be solved by taking a close look at the employment policies as relates to some former high-level officials in our own Government. They influence our policies and they keep us parroting a line which says that it is bad for our economy to have any policies which seek to protect the American workers. It is bad, it is unholy in the litany of free trade and the free economy, it is unholy, and for their own various reasons, they have sold us this bill of goods, and we are the victims of an ongoing swindle.

If we had a policy, if we were more concerned about employment, if we had a policy of full employment, some of this camouflage, some of this smokescreen that we have been forced to accept with respect to our own export and import policies, the fact that our balance of trade, you know, the money, we are hemorrhaging in terms of the amount of money that is flowing out of the country because we have a lopsided balance of trade. With Japan alone, I think the surplus on their side is $80 billion. That is, we are buying $80 billion more from the Japanese than we are selling to them because they are smart enough to put up barriers and keep our products out, while we let their lobbyists, the people that they pay to lobby for them tell us that we cannot put up any barriers here.

So numerous issues fold into this bigger issue of employment, and the inability or the refusal of our own Government to have an employment policy which addresses the basic problems in this economy. It you give people jobs, you eliminate a large part of the necessity of Government participation. If you give people a job, you eliminate a large number of problems. And if you give people jobs, you also increase revenue, and you will go on to eliminate a large part of the deficit.

The black community, the black people of the United States of America who are the primary victims of the policies of this administration so far, and who will be the victims of Gramm-Rudman, Gramm-Rudman will finish off that population that is already suffering so greatly, they would greatly benefit from a discussion and an implementation, development and implementation of a full-employment policy.

If we were to create jobs at the same time we are talking about Gramm-Rudman and talk about the improvement of our economy and the better management of our economy, we would instead of victimizing the black population of America, we would restore the kind of help that Government should give and is best able to give, and that is the help of having individuals develop a meaningful life because they are employed, they are able to make a contribution, and they are also able to take their fair share of providing revenue for this economy.

Mr. WALKER. Mr. Speaker, will the gentleman yield for some questions on the facts that he has stated during his speech?

Mr. OWENS. I will yield in just a moment. I just want to conclude, and then I will yield to questions.

I cannot stress too much the fact that Gramm-Rudman is a dangerous adventure. Gramm-Rudman is an attempt to stampede legislators who ought to know better. Gramm-Rudman is being developed in secrecy. It is an extraordinary process that is anti-Democratic, that is non-Democratic. The American people have no opportunity to participate in that, and because of that, instead of discussing what should be discussed, and that is the mismanagement of the American economy by this administration, and what steps we could take to correct the mismanagement of the economy, we are discussing merely how to make cuts. The only solution to the deficit problem we see is how to make cuts, and those cuts, in the final analysis, we are going to wire the situation, we are going to rig the game in a way which guarantees that most of those cuts are going to be made in ways which hurt the poor people of this Nation the most, which hurt the black communities, the black populace of this Nation the most.

For that reason, Gramm-Rudman should be opposed. Gramm-Rudman should not be passed. Gramm-Rudman should be seen for what it is: An attempt to stampede people who should know better, and we should withdraw it and develop an alternative plan within a timetable.

Why are we in such a hurry? Let us have a timetable that allows full participation of the American people.

I will support a balanced budget, a policy which calls for a balanced budget. I would be happy to support it. A lot of Democrats would support a balanced budget. A lot of Democrats from communities and districts like mine would support a policy which called for a balanced budget, because the abuses of the budget in the past certainly have not been in the area of social programs.

If a dime is appropriated for any social program, or any educational program on this floor, that appropriation of that dime will have the maximum discussion. We will come in with a rule which is an open rule allowing endless amendments whenever social programs are discussed on this floor, whenever they are discussed, either in terms of authorizing or in terms of appropriating, and they always have maximum discussion. Never is anything done in secret, and for that reason, there are very few abuses that have taken place with respect to social programs.

I know the myth the social programs had dollars thrown at them, and they took a great part of it, they sucked money out of the economy, et cetera. It is a myth. When you look at the facts, when you look at the proportions, the dollars that were appropriated, the small proportion of the total Federal budget that was taken by these programs, you see that that is all it is, is a myth, and social programs have not hurt the economy that much, social programs are not the cause of the deficit.

□ 1810

On the other hand, when certain other kinds of programs are discussed, we come with closed rules. With the prerogatives of certain committees, you find items added so that you have pork barrel projects appearing in the districts of the most powerful committee chairpersons, and the ranking members in their districts.

So the kinds of things that have gone on which have abused the budget, have not helped at all in my community, in my constituency; so I have no problem with a balanced budget policy, a process which would achieve a balanced budget; an open process where the American people can see what the priorities are, an open process where we move to correct the mismanagement of the economy. I welcome that. That would be a great alternative, a worthy alternative to the Gramm-Rudman stampede process that is now under way.

Let us deal with a deliberative process which takes into consideration the total problem. The problem of mismanagement of the economy, and lay aside the Gramm-Rudman proposal as a centerpiece for the discussion. It is a dangerous centerpiece, and will only lead us down the path to making disasterous decisions.

I yield to the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. I thank the gentleman for yielding. He has made a number of statements that I just would like to raise some questions about, and I have a whole series of them here, and I do not think probably in the time left that we may get to all of them; I am hopeful maybe the gentleman will stick around.

I have some time and I would like to pose some of these questions, and I do not want to do it in a way that the gentleman would not have a chance to to respond.

Mr. OWENS. Reclaiming my time, I will take the gentleman's most significant questions, by his priority.

Mr. WALKER. There are a number of them.

First of all, the gentleman has said that the process is going forward in secret. Now, does the gentleman have information that I do not? It is my understanding that the conference is wholly open; that today there were some 250 people in there, some 15 television cameras, a number of radio stations, major newspapers; that in fact the conference is going on in full view of the public.

Does the gentleman have information different than that?

Mr. OWENS. Yes; when will they have the first hearing?

Mr. WALKER. Well, they have already held hearings. There have been a number of hearings already. The gentleman stated that——

Mr. OWENS. No; Gramm-Rudman has not had a single public hearing.

Mr. WALKER. The gentleman is wrong on that point. The Government Operations Committee has held hearings on Gramm-Rudman. Some of the statements coming from your side——

Mr. OWENS. No, no; the Government Operations Committee has not had hearings on Gramm-Rudman.

Mr. WALKER. The Legislation and National Security Subcommittee the other day held a hearing on this; they brought people in to talk about the Gramm-Rudman approach; the conference committee itself has held hearings, brought people in.

The fact is——

Mr. OWENS. What day did they have hearings? The conference committee?

Mr. WALKER. The conference committee has been bringing people in to listen to them. As a matter of fact, some of the people on your side have been delighting here recently in quoting the Nobel Prize winner who called the Gramm-Rudman plan a mickey-mouse plan or something like that——

Mr. OWENS. He did not do that at a hearing?

Mr. WALKER. Yes; he did. He said that at a hearing—I am not certain which committee hearing that was——

Mr. OWENS. A Gramm-Rudman hearing?

Mr. WALKER. But it was said in the course of a congressional hearing.

Mr. OWENS. If the gentleman would give us a schedule of those hearings, we could let the American people know when the hearings are taking place, and——

Mr. WALKER. This gentleman does not happen to serve on the conference committee; he is simply telling the gentleman from New York——

Mr. OWENS. The gentleman seems to be quite knowledgeable about what is going on, so why does he not share the information, and we can all go to the hearing?

Mr. WALKER. I am telling the gentleman where some of these are being held, and I would say to the gentleman, I just want to make certain that when he makes these statements that he in fact is factual. It is not proceeding in secret; it is proceeding in the open and there are hearings taking place.

Mr. OWENS. As far as I know, what I said is factual.

What I said was factual; I have heard nothing to the contrary yet.

Mr. WALKER. Well, I am telling the gentleman something to the contrary, and I hope the gentleman will go back and check his facts.

Mr. OWENS. What date and what time are the hearings being held?

Mr. WALKER. Well, I would ask the gentleman to go back and check his facts, because indeed hearings have been held over the last few days, and indeed they are being held by the conference committee; the conference committee has split up into task forces at the present time in order to hear a whole variety of witnesses dealing with some of the criticisms of the proposals so in fact there is a process going forward that at least comes up.

I would also say to the gentleman——

Mr. OWENS. I welcome the gentleman's information. I hope the process will go forward. I have a lot of suggestions about where hearings should be held, and I hope that they will honor some of those suggestions.

Mr. WALKER. I would also say to the gentleman that he ought not raise the question of the hearings process with the people on this side of the aisle who are the supporters of Gramm-Rudman.

The fact is that it is the Democratic leadership who made the decision to go to conference rather than take the procedure which would allow them to take this bill to the Rules Committee, and in the Rules Committee they could have certainly held hearings.

But instead, the decision was made to proceed directly to conference rather than give the House the opportunity of going through the regular processes that the gentleman seems to endorse.

Mr. OWENS. The gentleman is misinformed.

Mr. WALKER. I would suggest the gentleman may want to take that up with his own leadership.

Mr. OWENS. I reclaim my time. The gentleman is misinformed. I did not criticize the people on that side of the aisle; I did not single out any side of the aisle for criticism.

I say the whole process is extraordinary, antidemocratic; it should not be going forward, whoever bears the blame for it should accept it.

Mr. WALKER. Well, once again, it was the people who tend, though, now to be opposing this approach who were the people who decided on the direction that we go. So to hear, then, the opponents then say that the process is a wrong process having determined the process themselves, it seems to me is somewhat disingenuous.

Mr. OWENS. Has the gentleman asked me to yield for questions? Do you have a question?

Mr. WALKER. Yes; I have another question. The gentleman said that the President has not submitted a series of statements, or a balanced budget; he has not submitted any programs for reductions; the President——

Mr. OWENS. No; I did not say that. I said the President has never submitted a balanced budget.

Mr. WALKER. Well, that is wrong. The President in his very first budget——

Mr. OWENS. He submitted a balanced budget?

Mr. WALKER. Yes; the very first budget.

Mr. OWENS. When did he submit one?

Mr. WALKER. The very first budget the President sent up here was a balanced budget, which was rejected out-of-hand by the Congress. The very first one, soon after he came into office was rejected out-of-hand by the Congress.

Mr. OWENS. He was hurt, and since then all the budgets he has sent, he refused to have them in balance?

Mr. WALKER. The President has not submitted a balanced budget since then, although the President has submitted budgets since then that have called for dramatic program cuts, none of which the Congress has decided to take.

This year, for example, the President submitted 20 program eliminations; eliminations of programs like Amtrak and some of these kinds of things, that serve basically people who make $30,000 and $40,000 a year. Not one of those program eliminations was agreed to by this Congress.

It seems to me that once again Congress has not——

Mr. OWENS. Reclaiming my time. The gentleman was correcting me on the issue of the President submitting a balanced budget. The gentleman says he submitted one.

Mr. WALKER. Yes; that is correct.

Mr. OWENS. I will accept that. How many budgets has the present President submitted, and has he ever submitted a budget that did not have a deficit over $100 billion? Except for the first one.

Mr. WALKER. Well, if the gentleman will yield further, as I said to the gentleman in his earliest budget submission, that was rejected out-of-hand by the Congress——

Mr. OWENS. I will accept that as fact even though I will have to check it, if the gentleman says so.

How many budgets has he submitted since then, and has he submitted one that did not have a deficit of under $100 billion?

Mr. WALKER. And the gentleman is absolutely correct; the President's budget deficits have come up, but let me——

Mr. OWENS. They have been above $100 billion, have they not?

Mr. WALKER. That is exactly right.

Mr. OWENS. The President has submitted budgets with deficits above $100 billion.

Mr. WALKER. And Congress has never yet cut back on what the President submitted. The Congress has the authority to do something—we do not have to accept the President's figures; we do not have to accept his deficit figures.

Mr. OWENS. Was there ever another President who submitted such enormous deficits to the Congress? In peacetime? Nonwar?

Mr. WALKER. In terms of percentage of gross national product, the answer to your question is yes.

Mr. OWENS. I did not say in terms of percentage of gross national product.

Mr. WALKER. Well, that is a major——

Mr. OWENS. Because the gross national product is not helping us to reduce the deficit. We have an enormous debt, enormous interest on that debt——

Mr. WALKER. Oh, sure it is.

Mr. OWENS. And the gross national product is not relevant, obviously, because it does not bring that down. So why introduce a factor like gross national product?

Mr. WALKER. If the gentleman would yield, one of the reasons why we have major deficits today is because we had a declining gross national product in the early eighties.

The fact is that we had an economy that was in decline; that obviously produces major dislocations in terms of Government revenues, in terms of the ability of the economy to sustain any kind of Government spending.

Mr. OWENS. The gentleman is saying that the President should not have reduced revenues so drastically?

Mr. WALKER. Oh, I think the President needed to reduce revenues drastically in order to get the economy growing again. When we were taxing at the rate that the gentleman wants to tax, evidently, we had an economy that was in an absolute decline.

Mr. OWENS. Did the President achieve his goal of getting the economy going again to the point where it generated the revenues that would balance off the deficit?

Mr. WALKER. Well, if the gentleman would yield, if the gentleman would yield, instead of having a decling GNP at the present time, we have an advancing GNP. We are growing again instead of declining, as an economy. That certainly is a success.

Mr. OWENS. And how is that reducing the deficit?

Mr. WALKER. Well, for one thing, we have generated, I would say to the gentleman, 25 percent more revenues in just the last 2 years than we were generating before.

Mr. OWENS. And how is that reducing the deficit?

Mr. WALKER. Well, more revenues coming into the Federal Government as a result of economic growth has certainly helped reduce deficits.

The problem is——

Mr. OWENS. Why is the deficit going down then?

Mr. WALKER. Well, because Congress continues to spend at a greater rate than the increased revenues. Last year, for example, I would say to the gentleman, between March and March, you had an 11-percent increase in revenues to the Federal Government. That is a rate almost three times the rate of inflation.

So in fact we had revenues coming in at a very, very large rate. The problem is that Congress was spending at a rate of 12 percent, and so we are spending at a greater rate out of this Congress than we are collecting revenues, even though revenues are at three times the rate of the growth of the economy.

Mr. OWENS. Did I hear the gentleman say——

Mr. WALKER. Rate of inflation.

Mr. OWENS. Did I hear the gentleman say that we had an increase of $25 billion in revenue?

Mr. WALKER. No; we have an increase of 25 percent. Revenues have gone up during the period of time from 1983 through fiscal year 1985 by 25 percent, in a 2-year period. That is a tremendous amount of growth of revenue for one——

Mr. OWENS. From what to what? From 1980——

Mr. WALKER. No; from 1983——

Mr. OWENS. Reduced it drastically, and now the gentleman is telling me that we have a tremendous growth.

Mr. WALKER. Yes.

Mr. OWENS. After reducing it.

Now we have gotten back to where we were?

Mr. WALKER. Absolutely.

Mr. OWENS. Before the reduction, and——

Mr. WALKER. We are way over the revenues that we were collection in 1980, I would say to the gentleman.

□ 1820

In fact, we are collecting the same percentage of revenues when you compare it to GNP as we were in that period of time. We used to collect, under the old system, about 18 percent of our gross national product in Federal revenues. That is what we are getting today. The revenue base of this country has not declined. The problem is that in spending, instead of being at a 20-percent level where it was just a few years ago, spending has gone up to a 25-percent level. So that the problem

in our deficits is the fact that spending has increased from 20 percent of GNP up to 25 percent of GNP while the revenue base has remained relatively stable. But the revenue base is not declining, I would say to the gentleman, it has been expanding in terms of dollars coming into the Federal Government.

Mr. OWENS. The spending has increased, I would agree. I am all in favor of decreasing the spending in the areas where it has so dramatically increased. It has increased mostly in the area of defense. The gentleman is criticizing the President's program to drastically increase the defense expenditures.

Mr. WALKER. If the gentleman would yield again, in this particular budget year of course we have frozen defense spending.

Does the gentleman——

Mr. OWENS. Finally frozen it, but not the President, he did not freeze it, we froze it.

Mr. WALKER. Exactly. The President eventually agreed to that.

Mr. OWENS. But a responsible Congress had to freeze it.

Mr. WALKER. Does the gentleman contend that we ought to cut defense more than that, that we ought to have real cuts in defense spending instead of just freezing? Is the gentleman advocating that we ought to take and now go in and cut, in absolute terms, the defense budget?

Mr. OWENS. If I may reclaim my time, absolutely, we should cut the defense budget. That is the place where you have the largest amount of money. We should have weapons that are defunct or weapon systems that are questionable like the Sergeant York gun cut out.

Mr. WALKER. We already cut that out.

Mr. OWENS. We should give up on the MX missile, which has been agreed by military experts does not add to our defense, certainly not in proportion to its tremendous cost. We should listen to the gentleman from the other body that our defense apparatus and establishment is mismanaged. We should look to making managerial changes, changes in the way the services operate, changes in the amount of money and resources we commit to modernization. There are a number of things that can be done that do not cost as much as some of the systems we have under contract and underway at this point.

We do not need to spend as much money as rapidly as possible, even if you accept the necessity for a strategic defense initiative. You know, the Congressional Black Caucus budget, its alternative budget, recognized that here is an area where certainly research should go forward, but we do not need to put as much in the budget as we have put in. We cut it because we know you cannot spend money that rapidly and spend it wisely. The history of the Defense Department under this administration is that they have been throwing dollars at problems and not getting the kind of results that we have paid for. So we should spend at a slower rate, we should set our priorities more carefully, and we can realize considerable savings in the area of defense where the great expenditures are being made.

It has been interesting to talk to the gentleman. He always has lots of words and lots of statements. I assume most of them are factual. But I would like to conclude at this time, Mr. Speaker, and say that Gramm-Rudman is a disaster and it should be defeated if ever it comes back to the floor.

Mr. Speaker, I yield back the balance of my time.

ORDER OF BUSINESS

Mr. HUNTER. Mr. Speaker, I ask unanimous consent that my special order may be called at this time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

STRATEGIC DEFENSE INITIATIVE IS TRULY A REAGAN INITIATIVE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. HUNTER] is recognized for 60 minutes.

Mr. HUNTER. Mr. Speaker, "isn't it better to save lives than to avenge them?" President Reagan made these remarks, made this statement, in opening his strategic defense initiative speech on March 23, 1983, and with that speech gave new hope not only to the United States but to all of the democracies of the world for a chance to escape the situation that we have lived in for some 30 to 40 years, that situation in which we relied on a mutual terror, that is, mutual assured destruction, to preserve the peace.

You know, it has been said by a lot of defense experts that President Reagan has not really come up with any new defense programs. They have pointed out that the MX missile was Jimmy Carter's program, the B-1 bomber development initially started under the administration of Richard Nixon, and on a number of other weapon systems that we are producing at this time, they really began under other administrations and have evolved to the point where we are just now producing them under the Reagan administration.

But, Mr. President, it can truly be said that this in fact is your program, this very meaningful program that has great import to the Western World, the strategic defense initiative, it is a chance for us to utilize the one ace in the hole the Western World has had for the last 30 or 40 years, and that is their technology to defend their freedoms.

You have been the leader in this, and by bringing forth this program you have been able to do something that other Presidents have not been able to do for many years, and that is to really get the attention of the Soviet Union.

Mr. President, we are worried that you may make some concessions before the summit conference, during the summit conference or afterward that may, to some degree, give away or surrender some of the advantages that the United States can find under the strategic defense initiative. We want to talk about a few of those tonight. We want to talk about some of the important elements of the strategic defense initiative.

I would like to yield at this time to my friend from Arizona to see if he has any statements he would like to make to start off with.

Mr. RUDD. I thank my friend and colleague from California for yielding. I have a lot to say about this, but I will keep it very brief. We are involved in a last-ditch operation to preserve freedom in our country, in my estimation, and it all relates to the strategic defense initiative at the moment. So, Mr. Speaker, I would ask the President of the United States to hold firm. I recognize that the flames of pressure are singeing him constantly in an effort to try to put this, the strategic defense initiative, in as a bargaining chip or as a part of the negotiations with the Soviet Union with regard to arms reduction.

I plead with you, Mr. President, not to use this in any way along those lines. The only reason we are at the bargaining table today is because this strategic defense initiative has been brought forth as something that we intend to do on behalf of our country and in defense of our country, and I ask you not to do that.

So let me enumerate some of the actions for the benefit of the people, some of the actions that are involved and surround the strategic defense initiative.

First of all, what has happened here in Congress? The President initially asked for a strategic defense initiative in 1984, his initial request was cut by $1 billion, from $3.72 billion to $2.75 billion. The heavy pressure continues in the House and in the Senate to cut that funding even further. I hope that the public will become aware of the very meritorious actions that the strategic defense initiative has brought forth and will help the President and insist on the Congress providing suffi-

cient funds for this. Let me tell you what the Soviets have done.

The Soviets are launching an all-out propaganda campaign to stop the SDI Program, and it is estimated and indicated that the Soviets will spend more time and money trying to derail SDI than they did in trying to undermine the deployment of the Pershing and cruise missiles in Europe back in 1983.

The Soviets are working on their own SDI development and have been for perhaps a dozen years. So they are well ahead of us in this order.

While the Soviets continue to denounce America's continuous militarization of space, in their words, they are simultaneously upgrading their Moscow antiballistic missile system, deploying antiballistic missiles, surface-to-air missiles, constructing phased array radars in violation, I might say, of the SALT I Treaty, and investing many billions of dollars, perhaps more than $2 billion annually, in laser research alone.

Now, with regard to what has happened on the domestic scene here, Mr. Speaker, and I relay this to my colleague and friend from California, a number in the so-called peace movement organizations are opposing SDI. SDI opponents are having a lot of difficulty justifying their opposition to this initiative since they argue against a defensive system which, in essence, means a continuation of the status quo of the mutually assured destruction, or MAD, theme, if they would destroy SDI.

These contradictions are undermining the own positions of the so-called peace movement organizations and even undermining public support of their freeze movement.

With regard to the media, let me say this: There are segments of the media which have praised the Soviet leader Gorbachev's recent offering of reducing nuclear weapons on both sides by 50 percent as a bold, new initiative. Conveniently, they forget at the same time that President Reagan made a similar offer 3 years ago which the Soviets flatly rejected in order for them to continue their offensive, nuclear modernization.

This is another reason why they are at the bargaining table today, because they ignored that and they now are concerned about anything we might be doing in SDI.

Certain segments of the media have refused to acknowledge that the Soviets are violating the ABM Treaty and that we are strategically no better off today than we were in 1972 when the ABM Treaty was ratified. Because of technological advances, ABM could not possibly apply to the offensive nuclear missile capabilities which exist today. With regard to public awareness, let me just quickly enumerate for the benefit of the people of this country what SDI is all about and the positive side of it.

SDI is purely defensive, and it is our constitutional mandate to protect you, the citizens, the citizens of this country.

Second, SDI kills Soviet missiles and in the postlaunch or boost phase with nonnuclear methods.

Another reason, and I will just clock these off, Mr. Speaker, SDI saves lives. It does not avenge them as under the MAD theory. SDI is a defensive reaction to the Soviet offensive buildup after the ABM Treaty was signed by the Soviets who declared the world would be a safer place, and yet today they have three times the arsenal that they had back in 1972 when the treaty was signed.

So we do not live in a safer world.

SDI research and development does not legally violate any of the terms of the ABM Treaty. Discussion of SDI has already contributed to the arms negotiations, as I previously stated, because it is SDI which brought the Soviets back to the arms talks and negotiations and brought them back in a serious vein for negotiations.

SDI does not help fight a better war; it helps build a better peace. Unless we commit ourselves to defense against the real Soviet offensive threat and take the necessary steps to push forward with SDI research and development, we do not deserve to continue as a free nation.

Let me tell you that we will not continue as a free nation. Public opinion shows that in 1985 the indication was that 90 percent of the people of this country support deployment of SDI and its systems as a shield against Soviet long-range offensive weaponry; 76 percent of the people feel that committing 2 percent of the entire defense budget to SDI is fiscally responsible and therefore acceptable.

□ 1835

This is for the benefit of the people and, hopefully, for the benefit of the Members of Congress who will vote on this initiative from this moment forward.

I thank the gentleman from California for taking this special order. It is a tribute to him and his concern for this, and his concerns, and my concerns, and the concerns of a number of other Members of Congress that the President might be pushed into negotiating a part or putting this SDI initiative on the table as a part of the negotiating. It does not belong there; it was not agreed to in the original arms control setup, and it is the only reason we are there with the Soviets today, so it should not be a part of this negotiation. Mr. President, I plead with you not to use this as a part of the negotiations.

Mr. HUNTER. I thank the gentleman for his statement and I thank him for his participation in this special order.

Let me just say there are a number of reasons why we should hang tough with our SDI Program and the President should not be interested in surrendering any parts of that program to the Soviet Union at this time.

No. 1, we should not adopt an interpretation of the ABM Treaty that is more conservative than the interpretation that the Soviets have adopted.

Let me just explain that. The Soviet Union has built a radar at Krasnoyarsk that most of our experts say, because it is located in the interior of the country and it is in a situation where it can be used for battle management, it has been deemed to be a violation by most experts, not just those who support the SDI Treaty but those who oppose the SDI Program. It has been deemed to be a violation of the ABM Treaty. The Soviets have done that. They have not apologized for it. They have not indicated that they are going to stop work on it, that they are going to dismantle it, or anything else. And yet, apparently, over the last several weeks this country has become involved in an exercise of torturing ourselves over the limitations of the ABM Treaty and in fact we have now two interpretations that have been offered, one by an analyst who was asked to do an analysis of the ABM Treaty by the Department of Defense. After his analysis, the Secretary of State asked another expert to analyze the treaty. Both analyses came to the conclusion that in fact some of the more exotic equipment that could be used for strategic defense initiatives—and we are talking about lasers, particle beam weapons, and things of that sort—in fact could be developed and could be deployed, at least according to one interpretation, under the treaty as it stands. They claim that in reading the record of the ABM Treaty our negotiators back in the early 1970's tried to convince the Soviet negotiators that we should lock out even futuristic types of weaponry, and the Soviets refused to go that far. So the Soviets built in this exclusion in the treaty. But now we have people in the administration and people who are urging this administration to adopt a more constrictive interpretation of the treaty than the Soviet Union has adopted itself. We cannot have an adoption of the ABM Treaty that is going to give us tighter constraints that the Soviet Union gives itself under the treaty.

I yield to my friend, the gentleman from Arizona.

Mr. RUDD. I thank the gentleman for yielding. What the gentleman is saying is: Let's face reality, let's face facts.

I know the gentleman is an admirer of the very distinguished scientist, Dr.

Edward Teller. I just remind my colleague that Dr. Teller has faced facts throughout his life, throughout his career. An example of this is the development of the hydrogen bomb. Dr. Teller was a lone voice in the development of the bomb. Everyone else said, "We don't dare develop this bomb," and the other scientists were all opposed to him, saying, "We should not develop this because it will encourage the Soviets to develop it." But Dr. Teller professed reason, projected reason, and the hydrogen bomb was built. Then we found out that the Soviets really had that hydroben bomb concomitantly and at the same time that we developed it. They were with us or either very shortly behind us on the hydrogen bomb. Dr. Teller today is a proponent of SDI. Again in the scientific world he becomes a lone voice. Thank God for Dr. Teller.

I just want to remind my colleague of his admiration for Dr. Teller, which I know he has.

Mr. HUNTER. I thank the gentleman. I think the debate that he is referring to in the early 1950's is the Oppenheimer-Teller debate, when Dr. Oppenheimer said that we should not develop the hydrogen bomb because it would provoke the Russians into developing their own. Dr. Teller retorted that he thought that they were already developing their own and, sure enough, shortly after we tested, they tested.

Mr. RUDD. The gentleman is correct.

Mr. HUNTER. And that goes to another point. In January 1985, speaking in Madrid, a Soviet scientist, Bashov asserted: "Moscow would have no difficulty in duplicating the American Star Wars Program."

Dr. Teller says, "I suspect that Bashov's confidence arises from his knowledge that the so-called duplication is already completed."

Let me give another reason why the United States should hang tough with SDI and why we should not surrender any parts of our SDI Program.

No. 1, it puts the security of the free world back into our own hands. Even though we have a policy now of mutually assured destruction, that policy is based on the rationality, the presumed rationality of Soviet leaders. We are hoping, we are praying that we are not going to be faced with Soviet leaders who would be willing to take enormous casualties in their country in return for devastating the United States of America. And we hope that that will never occur. But if we have a defensive system, if we are able to knock those missiles out before they can arrive in the United States, then our security is not in their hands and it is not dependent on the Soviet Union having a succession of very stable leaders, something that I do not think we can depend upon.

Another thing we have to remember is that SDI is inspiring our European allies to investigate the issues and the questions of their own self-defense. Under the ABM agreement, ATBM's are allowed, that is, antitheater ballistic missile systems. That means right now they can develop SDI systems or defense systems against slow-moving theater ballistic missiles, and that is the main type of missile that faces Western Europe right now. For example, the SS-20's. They can do that.

I think that for that reason an SDI Program, a sharing of information and going forward with the entire Western World, moving forward together, is going to bring the allies together, not drive them apart.

I yield to my friend from Texas.

Mr. BARTON of Texas. I thank my colleague from California for yielding. I want to commend him for conducting this special order. This is a very important subject, especially considering the President will soon be meeting with Gorbachev in Geneva.

Although I am an engineer, I am not a real technical person, and I do not pretend to know all of the technical reasons for and against the strategic defense initiative. But I look at this in a little more simplistic fashion. What we have today, we have a situation called mutual assured destruction, where the Soviet Union has got an offensive nuclear arsenal, the United States has got an offensive nuclear arsenal, and we depend on the ability to annihilate each other to keep either side from pulling the trigger, so to speak.

Mr. HUNTER. That is right. We called it mutual terror.

Mr. BARTON of Texas. Mutual terror. And so far that has worked. But it is beginning to get to the point where there are those who believe that the Soviet Union, because they have moved ahead with their own strategic defense program, has the ability to negate our offensive capability. As President Reagan said in 1983, when he announced the strategic defense initiative, if we have the ability to make offensive nuclear weapons obsolete, we have an obligation to do that. I support the strategic defense initiative. I voted for full funding. I consider this not to be a bargaining chip. I consider it to be the most important defensive program that we are currently pursuing. Let me state why.

Right now, when I go to bed each night and I tuck my children into bed, the only thing that I have that I feel comfortable with is knowing that I am going to wake up the next morning, and my children are going to wake up the next morning, and we still have this mutual terror. But if we had the ability to make sure that even if the Soviets decided to pull the trigger it would not work, why should we not do that? I think we should. I would encourage the President, if he were in this Chamber this evening, to say, "Mr. Chairman, do not use this as a bargaining chip, because this is so important." We have, possibly, if research proves that we can implement this system, we have the ability to once and for all render nuclear war obsolete. Let us go ahead and do it.

To use a football analogy—and in my State, football is very important.

Mr. HUNTER. It used to be.

Mr. BARTON of Texas. It still is. But right now we have two offensive teams on the field. Both teams, since there is no defense, has the ability to score touchdowns. Consequently, neither team tries to score touchdowns, but if the Soviet Union puts a defensive team on the field, they may decide to go ahead and begin to score touchdowns because they know they can keep us from scoring touchdowns.

Now, in the history of warfare, to every offensive action there has at some point in time been an equal and opposite defensive reaction, whether you are talking about building moats around castles or walls around cities. We have at least the potential to research a defensive system that would prohibit the Soviet Union from even contemplating a first strike.

I do not think it has to be 100 percent effective. If it is 80 percent effective or 70 percent effective, if it is in any way a high degree of probability that it will be effective, then we ought to build it. We are not yet at that stage to know whether we should build it. We need, as I understand it, 2 or 3 more years of research. But we should certainly go ahead and do that research. And until we have done it and until we know whether it is implementable, whether it is effective, we should not even consider it as a bargaining chip. It is so important.

So I would tell the President, if I could, "Mr. President, go to Geneva, try to get the Soviets to negotiate a meaningful arms reduction, try to get the Soviets to negotiate in good faith, but, for heavens sake, do not negotiate away the only thing that we have that may actually be able, in the long run, to prevent nuclear war."

I know my colleague from California is of that opinion, my colleague from Arizona is of that opinion. I think the American people are of that opinion. In my district, strategic defense initiative has got an 85-percent approval rating right now, because where I come from people realize that you cannot always trust the other guy. You have to have the ability to defend yourself. And we should not negotiate this away until we know whether it will work or not and until we know that the Soviet Union will trust us and work with us to reduce their nuclear arms.

Mr. HUNTER. I thank the gentleman for his remarks, and I think his observations are very good. In reflecting upon what we have to rely on in the Soviet leadership, while we have some new style and a few new suits in the wardrobe of the Soviet leader, we still have a system that resulted in Major Nicholson lying in East Germany, suffocating on his own blood, while the East German officers refused to allow anybody to give him medical help. That type of a system I think holds little promise for Americans who are relying on the mercy of the Soviet Union in preventing a nuclear war.

I want to yield in a second to my good friend from Ohio, Mr. KASICH, but I want to say just one thing before I do that, and that is that any American President, when he negotiates with a foreign power, really has two negotiating sessions. The Soviet leader only has one negotiating session. That is when he negotiates with the President of the United States. But the President of the United States has two negotiating sessions. The first negotiating session takes many months. It precedes the summit, it always precedes the summit, and it takes maybe 4, 5, or 6 months. In that negotiating session he negotiates with the press, he negotiates with Congress, and he negotiates with our allies. He is forced to talk with them and to talk about them and to talk to their concerns. If the Soviets are lucky, during that first negotiating session he gives up valuable things that they then do not even have to deal with in the second negotiating session when he meets them face to face. I know a lot of people predicted that there would be pressure on this President, before he even got to the summit with Mr. Gorbachev, to start giving up things. And I thought, "Well, that is not going to happen." And, sure enough, last week, when we had an interpretation of the ABM agreement, which looks to me to be absolutely accurate, to the effect that we did not agree with the Soviets, in fact, they did not agree with us in the early 1970's to ban futuristic systems, at least the development, if not the deployment, of futuristic systems, and the President, after being pressured by the State Department, allowed that even though that was not the law under ABM, as matter of Presidential policy he would allow himself to be constrained, already taking on constraints that the Soviet Union has no intention of taking on for themselves.

□ 1850

Mr. Speaker, I now yield to the gentleman from Ohio [Mr. KASICH].

Mr. KASICH. I thank the gentleman for yielding.

Mr. Speaker, I want to commend the gentleman for his work on SDI. He really has had a futuristic look at SDI. In fact, it was not long ago I remember him telling me how he wanted me to sit down with his brother who is one of the fine scientists in this country who is familiar with the kind of technological capabilities that we have in this country, and I have got to tell the gentleman that I had the great pleasure of having Jim Abramson in my district. He was able to attend Batell, which is in my district, one of the Nation's great research institutes.

He was able to attend the session at Ohio State University with people from the strategic studies area of Merchon, and these are people who are thinkers in defense policy. I was able to make a speech to the Columbus Council on World Affairs where he took a number of questions from people in the audience who were trying to gain an understanding of what SDI is all about. I had an opportunity to meet with a variety of people who really want to know can SDI work.

Now, I happened to catch the very beginning of the gentleman's special order where he talks about our current policy of MAD—mutual assured destruction. That of course being the idea that you will not blow us up if we can blow you up, so therefore, if we have enough weapons to blow you up, you will not think about blowing us up.

Let me say this to the gentleman. I an sure he finds this interesting. In 1972, when we negotiated the ABM Treaty, it was negotiated under the philosophy that if we limit the amount of defenses that we have in the country to one site; the Soviet Union has decided to deploy an ABM system around Moscow and we limited ourselves of course to one under that treaty, if you only have very limited defenses and only affecting one site, there would be no incentive to build a great number and stockpile or develop new nuclear weapons, would there? Because it would only take the bare minimum of these weapons to destroy the other nation.

Mr. HUNTER. The gentleman is absolutly right. A number of our so-called far thinkers thought that if we signed the ABM Treaty there would be no proliferation of nuclear weapons.

Mr. KASICH. Absolutely. And since that time of course we have seen a deployment of the SS-17, the SS-18, the SS-19, which are the most accurate and powerful weapons that we have in the world and I know the gentleman is familiar because he used these same numbers in the same arguments, and then beyond that of course, in just recent times they have deployed the SX-24, which is their new system under the SALT Treaty, that they get to deploy one new system, and today, on the front page of the New York Times, and on the front page of the Wall Street Journal; I have not seen the Post today; the Secretary of Defense announced that the Soviets are again violating our agreement with the deployment of the SX-25, which is the second long-range missile clearly in violation of our treaty. That is the second time they have violated the treaty that we clearly can charge, one, on the deployment of the SX-25, of the numbers of them, and there are more than two, but in recent times the two cases we have been talking about lately is the SX-25 and, of course, the deployment of the radar, the Krasnoyarsk radar which is located in the country. Under this ABM Treaty, you can have radars but only if they are located on the periphery of the country. Krasnoyarsk radar is located in the middle of the country. It gives them battle management capability with this new radar.

It is clearly a violation; there is no one in any of the intelligence communities, either here or around the world, that will dispute this. But back to what I was saying about this 1972 treaty, the philosophy perhaps was a good one at the time that if we have very limited defenses there will not be a deployment of additional systems, and yet, we have got the 17, the 18, the 19, the 24, the 25 on their side. We have pretty much stuck to it with only modernizing the Minuteman III. Now, of course talking about MX, but we have not pursued that line but we still see a need to modernize, and even the need to deploy a new system when we talk about MX.

So obviously the idea that they limited defenses will mean that people will have no need to deploy new systems has not turned out to be a very effective argument. So what we are talking about now is rather than permitting the continued proliferation of systems, the President says in light of the political problems you have on trying to build consensuses for more new systems, in light of the resource probem you have, not having the kind of money that you need to deploy systems, and in light of the fact of this policy that you blow us up and we blow you up is really a "MAD" policy; it has worked well since World War II. We have not had a war like that. We have not used the weapons; deterence has worked.

I think there is a sense in our minds, a sense in the view of the President and his military advisers that we ought to change strategies; that we ought to shift away from this idea of destruction on each other, raining destruction on one another, and move into an area of survival. Let us put a giant "catcher's mitt" or a safety net, but a more effective description perhaps would be a "shelled defense," a variety of nets that could catch these systems. A system that could render these weapons of destruction impotent

on the boost phase. Of course that is an important point because in that boost phase that weapon, that 17, 18, 19, 24, or 25, those 5 separate kinds of missiles are armed with 10 warheads. If you can take that missile out in the boost phase, and it is not an explosive thing, you do not rain nuclear destruction on people if you can take it out with a laser system or some effective system in the boost phase, you will prevent those warheads from ever being able to separate from that missile and pose a great technical problem on us, the ability to distinguish which warheads are real and which of these objects are decoys. But the bottom line here is you set it up, you get something that can take it out in the boost phase or in the intermediate range or when it is up in space or when it begins to reenter the atmosphere.

If in fact we can develop the kind of technology that the experts, many, many, many experts, brilliant scientists say that we can, then in fact we do change the strategies of the United States and of the Soviet Union away from policies of MAD and into the policies of mutual assured survival, and then you do not need to build another generation of missiles. You do not need to keep stockpiling more weapons because your system of defense will mean these systems simply will not work, will not be effective, and I think frankly like the President says, it is the great hope for mankind to take and rid ourselves of these weapons.

Let me just say this to the gentleman, because I think one of the questions in the minds of people all across this country, your district, my district, is, "Great idea, John, but can it work?" You listen to the scientists who are involved in the project, first of all, the scientists who were opposed to it said, well, we have got to have x amount of objects in space. They have now cut their predictions literally three-quarters, saying now that we were wrong in our estimates about how many different systems and computers we need. Now they are changing their minds on that.

As General Abramson points out, and I remember back, it was not too long ago, whoever dreamt we would put a man on the Moon? Whoever thought that beyond putting a man on the Moon we would be up there in space literally catching satellites and repairing them so that they would work. The ability of people in this country to develop technology that can save man can never be underestimated. I do not care whether we are talking about the science of space or the science of medicine, boy, we need to take a chance. This is a research program. We are attempting to find out which of the technologies can work the best. I would say to the gentleman from California that we have got to be very careful in this body and in the other body that we do not engage in a wholesale stoppage of programs in SDI, because the research phase is allowing us to try to determine which of those programs really can work.

What you do, if you limit the ability of these people to investigate and to determine which of these programs makes the most sense, is you cut off the research into a technology that really might work.

□ 1900

So I would urge us to fund SDI at the level that can give us the kind of research we need, that we follow forward with this research program and do all the investigations, the checks, the counterchecks into what kind of systems will be, how effective this thing can be, and then somewhere down the road we will let a future Congress or a future President decide if this thing really can happen.

But let us not sell it short. They talked about Fulton's folly, they talked about so many things and laughed at the Wright brothers. People would have said, "Buck Rogers, that is a cartoon. We can't land anybody on the Moon or fix satellites." I think we can do these kinds of things. Or give a man an artificial heart, we can do it. We can make this technology work for all of mankind.

I appreciate the gentleman's leadership because I believe he is one of the first people in this Congress that recognized the value of SDI. I certainly appreciate the gentleman taking this special order.

Mr. HUNTER. I thank my friend from Ohio.

Let me read a brief speech by Dr. Teller. I am going to read just a few pages of it and try to insert the rest of it in the RECORD, because I think it explains part of the evolution from our thinking during the ABM Treaty to the situation as it exists today. It is entitled "Better a Shield Than a Sword." This is Dr. Teller's speech:

BETTER A SHIELD THAN A SWORD

(By Edward Teller)

(EDITOR'S NOTE.—Edward Teller is a senior research fellow at the Hoover Institution, Stanford, and associate director emeritus of the Lawrence Livermore National Laboratory. A recipient of the National Medal of Science, Dr. Teller serves on the White House Science Council.)

ABM

In the spring of 1969 my friend, Henry Kissinger, telephoned; "Edward, you argued for the anti-ballistic missile (ABM). We are supporting it, but we know there will be objections. You must go on the road and explain it." So I did.

In June of that year, I was invited to speak at a conference of the media at Glacier National Park. I arrived on a beautiful, sunny morning and went for a walk with some other members of the conference. That afternoon, my talk was introduced by one of my companions on that hike who told an anecdote: "A hundred yards from the lodge, Teller picked up a large dead branch. I asked him what it was for. He replied, 'For protection against grizzly bears.' I protested, 'That stick isn't an effective weapon!' He answered, 'I know, but I hope the grizzly bears don't.' Edward Teller will now talk about ABM defense."

This was, at that time, a justified introduction. Neither plans nor ideas suggested that a cost effective, comprehensive defense system could be produced in the foreseeable future. Why then was I arguing for it?

The basis of my support remains unchanged today. The balance of terror, aside from its ill effects on international cooperation and trust, is an unstable means of securing peace. The balance depends on current technology remaining unchanged. But in fact technology is changing at an accelerating pace. Deterrence by retaliation becomes ineffective if defense is possible. Defense, even if incomplete, has more reliability in deterring aggression because it makes the outcome of an attack dubious.

Defense is also a much more humane form of deterrence. I find it hard to argue the justice of 'an eye for an eye, a tooth for a tooth,' much less for the morality of millions of lives in exchange for millions of lives.

The 1968 ABM debate ended with approval by the margin of a single vote in the Senate. But work was barely underway when the United States signed an agreement that limited the Soviet Union and the United States to protecting a single site. At that time (1972), I was not sure enough of my arguments to lodge a protest.

The Soviets decided to protect Moscow; we chose to defend one of our missile sites. Subsequently, the American authorities abandoned this site defense; the Russians have continued for more than a decade to improve their missile defense of Moscow. Indeed, defense is very much of a reality in the Soviet Union. The uncounted billions of rubles that they have devoted to it may not be in a hard currency, but the extensive Soviet defense effort is a hard fact.

THE SOVIET DEFENSES

"I think that a defensive system which prevents attack is not a cause of the arms race. . . . Perhaps an anti-missile system is more expensive than an offensive system, but its purpose is not to kill people, but to save human lives."

This statement is one with which I wholeheartedly agree. It was made in London on February 9, 1967 by Aleksei N. Kosygin, then Premier of the Soviet Union, when he was asked by western newsmen about limiting ABM defenses.[1]

For twenty years the Soviets have developed and deployed defenses and the leaders argued for their necessity. On March 23, 1983, President Reagan changed the minds of some Americans with his strategic defense proposal; but even more clearly, he changed the statements coming from the Soviet Union.

Within three days, Secretary Andropov had denounced defense. After eighteen days, 244 members of the Soviet Academy of Sciences—led by Evgenii Velikhov—issued a statement about the Strategic Defense Initiative that bears little resemblance to earlier Soviet pronouncements on defense: [2]

[1] *Pravda*, February 11, 1967.

[2] Appeal to All Scientists of the World, *Pravda*, April 10, 1983.

"The initiative . . . is clearly oriented toward a destabilization of the existing strategic balance. By his statement, the President is creating a more dangerous illusion which may cause an even more threatening spiral of the arms race."

Many other Academicians who signed the statement have been involved in the development of Russian defenses. Nikolai Basov and Alexander Prokhorov who were among them, shared the 1967 Nobel Prize for their work on lasers together with Charles Townes. At present, Townes is working in Berkeley on some problems of the highest scientific interest connected with the center of our galaxy. One question is whether our galaxy contains a black hole a million times more massive than our sun. By contrast, Basov and Prokhorov have been working on practical problems including national defense.

In January 1985 speaking in Madrid, Basov asserted that "Moscow would have no difficulty in duplicating the American Star Wars program." [3] I suspect that Basov's confidence arises from his knowledge that the "duplication" is already completed.

For instance, recently some information about the large Soviet directed-energy research center at Sary Shagan was made public. High intensity ground-based lasers such as theirs are effective in destroying satellites. It is probable that they also can provide defense against ballistic missiles. The deployment of lasers at the weapons testing center suggests that Russians consider lasers useful in defense.

The Soviets have focused the attention of their best scientists on questions pertinent to military affairs for a very long time. In 1951, the greatest and most respected of them, Andrei Sakharov, suggested the use of an explosive to compress a strong magnetic field and generate an even stronger field.[4] In 1966 he, together with his associates, reported that they had produced a magnetic field so strong (25 million gauss) that only the use of a nuclear explosive could have produced it.[5] The technique in question may be used to transform the energy of a nuclear explosion into electricity and eventually produce microwaves that could be employed against electronic devices. Such electromagnetic pulses have been studied by the Russian scientists more thoroughly than by the Americans. One of the obvious uses of these pulses is to destroy or confuse the electronics of missiles used in an attack. The experiment performed by Sakharov anticipated similar American activities by nearly two decades.

These are just examples of the large, diverse and continuing Russian effort in defense.

During the last thirteen years, the ABM system deployed around Moscow has been twice upgraded. This installation gave their military the opportunity to train scientists and technicians on an operational ballistic missile defense system. Such defense requires appropriately placed, high performance radars. These cannot be built in a hurry, but it is generally known that the Soviets have built at Krasnoyarsk at least one such radar which violates the ABM Treaty of 1972. With parts prepared in advance, the system deployed around Moscow could be duplicated in other cities and military facilities in a very short time.

In five or ten years Russian defenses, more perfect versions of those at Sary Shagan and Moscow, may have the capability of stopping a retaliatory blow, for instance one launched from our submarines, even if the submarines remain practically undetectable. In that case, the danger of a Soviet first strike will have increased sharply. The effectiveness of such a strike could be overwhelming—provided we are still without a defense. This situation may be one reason for their protests.

Directed energy weapons, important in American defense plans, work as precisely as surgical instruments. They are not a means of producing mass destruction, but a means of preventing it. Lasers are one example of such weapons; particle beam accelerators are another hopeful prospect; and x-ray lasers, if successfully developed, may become the most effective of all. In all these cases, the pioneering work has appeared in the open Soviet scientific literature. As the scientific aims have been approached, the publications stopped. The significance of this work has been recognized in the United States only recently.

An hour after President Reagan proposed that Americans attend to defense, headlines appeared dubbing his suggestion "Star Wars". Reagan's speech included no reference to space, satellites or stars. The purpose of SDI, Reagan announced, was "to provide a long-term research and development program to begin to achieve our ultimate goal of eliminating the threat posed by strategic nuclear missiles." He mentioned no specific lines of research. Secretary Andropov did not answer in terms of what Reagan had said, but in terms of "Star Wars".

The strong Soviet reaction to President Reagan's defense proposal makes no sense unless the Soviets believe that we may succeed. They have decades of experience in this field. Their opinion, not the one expressed by rhetoric but the one made evident by their action, is, indeed, relevant.

THE UMBRELLA

Shortly before 6:00 in the evening of March 23, 1983, I arrived at the White House. I had received a cryptic message a few days earlier that I should be there for dinner, but it was only just before dinner that I learned of the approximate content of the President's speech.

"Isn't it better to save human lives than to avenge them?" This is Reagan's sentence which I shall never forget. In a few words it summarized all my worries and all my hopes. The purpose is to make weapons of mass destruction impotent and obsolete. After some 30 months of hard work this goal appears to be nearer.

Minutes after the President finished his talk, Secretary Shultz, with whom I worked for many years, asked me: Could we stop 99.9% of the incoming missiles? The question is most important.

A 99.9% defense can not be attained soon. It may not be attained ever. Even if it is attained, it will not be attained with complete certainty.

How complete can the defense be? No amount of war damage is "acceptable": War must be avoided. Defense happens to be the best deterrent for aggression. Defense does not need to be a tight umbrella. It suffices if it makes the sucesss of an attack uncertain.

It has been said to the horrible concept of mutually assured destruction that it has kept peace for forty years. I believe that what has kept the peace are the memories of two world wars. These memories are deeply embedded in the consciousness of all people of the advanced world. In the democracies, they are the ones who ultimately make the decision.

The real danger of war comes from the dictatorships, and particularly from the most powerful military power in the world.

In the first half of the twentieth century, the Russians fought the Russo-Japanese War, the First World War, the Russian Civil War, the Russo-Finnish War, and the Second World War. Tens of millions of Russians died. The men in the Kremlin are fully aware of the horrors of war. They too want to avoid war. But they also want power and ever more power. They are not paranoid; their planning is consistent and logical. Since great power is in the grasp of only a few Soviet leaders, it will be difficult to predict the ways in which they may try to attain their goals.

A defense of America and the free world which is not complete but which makes the outcome of an attack dubious would have great persuasive power to deter aggression. To my mind, and I believe to anyone's mind in a democracy, a third world war is not winnable. I believe that for a Soviet leader it is winnable only if it results in complete world domination—in the annihilation of the United States. That is why even an imperfect and uncertain defense would be an excellent deterrent. Gorbachev could not count on an absolute victory. The grizzly bears in the Kremlin don't like to take chances.

In the long run we should try to get an excellent defense. The atomic bomb took less than seven years. What we could develop by the year 2000 may come remarkably close to a satisfactory unbrella. But in the foreseeable future the umbrella probably will be leaky; it's primary purpose is to deter war. It also has a second military purpose: If we should not succeed in deterring war, SDI will diminish human suffering. This suffering will remain at a level which is entirely unacceptable, but the difference between having or not having active defense, as between having or not having civil defense, could amount to many millions of lives.

On the basis of their terrible experience, the Russians have realized this truth. Why should so many in the democratic countries doubt it?

THE ARMS RACE AND SAKHAROV

Won't defense fuel the arms race?

The answer is no. The Russian tortoise has been plodding ahead for years. The American hare has been sleeping behind the hedge.

I do not blame the Russians for their effort. If we vigorously support SDI, we shall develop a defense that will create a valuable deterrent. Rivalry in protective defense is far more acceptable than our present situation. Ultimately, if could lead to a political climate that would have the potential for rational discussion and cooperation. But in view of the international discussion on defense one must still consider the arms race. Defense will not be the final answer. Any defense may be defeated by more ingenuity. Also, any attack can be stopped by a better defense. Indeed, for

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[3] Chalfont, Alun, "Moscow's Star Wars Plan: Keeping Facts Under Wraps," Toronto Globe and Mail, April 23, 1985, p. 7.

[4] Sakharov, Andrei D., "The Danger of Thermonuclear War: An Open Letter to Dr. Sidney Drell," *Foreign Affairs*, Summer 1983, p. 1010.

[5] A.D. Sakharov, R.Z. Lyudaev, E.N. Smirnov, Yurui Piyushchev, A.I. Pavlovski, U.K. Chernyshev, E.A. Feoktistova, E.I. Zharinov, Yu. A. Zysin, Sov. Phys.—Doklady English Translation, *10*, 1045, 1966; Magnetic Cumulation. A.D. Sakharov, Sov. Phys.—U. Spekhi, English Translation, 9, 294, 1966, Magneto Impulsive Generators.

every system of defense there can and will be a countermeasure, probably even more than one. For defense to be effective in the long run it must cost less—if possible much less—than the cost of replacing the weapons that it stopped. Similarly, defense must be designed so that destroying it will be more expensive than deploying it. Defense in itself does not mean progress toward stability. Such progress is accomplished only if defense has a sufficiently low price.

I believe that this goal can be reached. Great ingenuity will be required. This is one more reason to take steps toward an obvious goal: we should try to bring about greater cooperation among free world nations. There is no insurance against a higher quality of offense. The only thing that will help in defense is even more ingenuity.

The question should be asked in a different way. What is an arms race? Why must it be avoided? The conventional concept suggests that an arms race is a quantitiative race; more men under arms, more guns, more battleships, more bombs which can be used for war alone. What is happening today would be named more appropriately a race in technology, rather than an arms race. This cannot be compared with arms races of the past.

Unfortunately, the emphasis in U.S. weapons research has not been on defense; but neither has it been on larger, more powerful weapons of mass destruction. Emphasis has been given to weapons that are more accurate, lighter and less expensive to deliver.

Because of the current excessively restrictive classification rules, the number of megatons in our stockpile remains a secret. The published data show only how the stockpile has changed. In 1960, our total megatonnage was four times greater than it is at present. We are accomplishing the same military purpose with less unintended and unwanted destructive power. This unilateral fourfold reduction is the result of American weapons research and testing. The reduction of the American stockpile would not have occurred without testing.

While the American stockpile was becoming more effective and less indiscriminately destructive, the Soviet stockpile continued to increase in megatonnage as well as in quality and accuracy.

Much of our work in developing defensive arms can be used with little or no modification in the civilian economy. One essential new development is to enhance accuracy. This had the effect in the past of reducing our stockpile. Accuracy is even more essential in all defensive weapons. The same technique has made it possible to locate objects anywhere on earth to a 10-foot accuracy. This technology is beginning to be applied in transportation; no vehicle will be lost on land, sea, or air unless the people in it want to be lost.

A perfected x-ray laser, besides being an effective anti-missile device, could have an important application in science. One may make three-dimensional holographs of such biological phenomena as a virus attacking a cell, or a normal cell in the process of dividing. The resolution would be a hundred times finer than that of three dimensional microscopic pictures of the present.

Energy storage will be required to power lasers if an extensive defensive system is to be deployed. Such devices would also benefit the energy economy.

New computer technology is essential for defense. This is a small portion of the use of these computers. The major application of the computers is in industry, science, even in our cultural life and the games of our children.

According to conventional wisdom, any arms can be misused and the only way toward peace and stability is through negotiations and treaties. Actually, negotiations and agreements can also be misused and this, indeed, has been the case in recent history.

The USSR signed the Helsinki Accords, thereby pledging to guarantee certain human "rights" to its peoples. Most unhappily, the only visible change was that Yuri Orlov and Anatoly Shcharansky were sent to prison for asking that the Accords be put into practice.

Andrei Sakharov, the Russian physicist instrumental in the development of the Soviet hydrogen bomb and the scientist who has outdone Galileo in resisting authoritarian control, gave us some insight how the Soviet leaders consider negotiations.[6] In early 1961, he together with some of his colleagues were called by Khrushchev to a secret Soviet meeting which, it turned out, was "to prepare for a series of tests that would bolster up the new policy of the USSR on the German question [the Berlin Wall]." I wrote a note to Khrushchev, saying "to resume tests after a three-year moratorium would undermine the talks on banning tests and on disarmament, and would lead to a new round in the armaments race—especially in the sphere of intercontinental missiles and anti-missile defense." I passed it up the line. Khrushchev put the note in his breast pocket and invited all present to dine. At the dinner table he made an off-the-cuff speech that I remember for its frankness and that did not reflect merely his personal position. He said more or less the following: Sakharov is a good scientist. But leave it to us, who are specialists in this tricky business, to make foreign policy. Only force—only the disorientation of the enemy. We can't say aloud that we are carrying out our policy from a position of strength, but that's the way it must be. I would be a slob, and not chairman of the Council of Ministers, if I listened to the like of Sakharov.

The essential words "force—only the disorientation of the enemy"—refer back to foreign policy.

The moratorium was actually broken on a one day notice.

For thirty years, or for sixty if one counts disarmament treaties prior to the Second World War, we have tried to negotiate for peace. No one has ever asked whether an agreement can offer a 99.9 percent guarantee against war. The past three decades have seen Soviet military power become dominant in the world. The result is "stability" of the Soviet variety as seen in Afghanistan, Africa, and Central America.

In response to the nuclear freeze movement, Sakharov wrote a letter which was published in 1983.[7]

"The restoration of strategic parity is only possible by investing large resources and by an essential change in the psychological atmosphere in the West. There must be a readiness to make certain limited economic sacrifices and, most important, an understanding of the seriousness of the situation and of the necessity for some restructuring. In the final analysis, this is necessary to prevent nuclear war, and war in general . . . If the probability of such an outcome could be reduced at the cost of another ten or fifteen years of the arms race, then perhaps that price must be paid."

[6] *Sakharov Speaks*, by Andrei D. Sakharov (Knopf, New York, 1974), p. 33.

[7] Sakharov, Andrei D., "The Danger of Thermonuclear War: An Open Letter to Dr. Sidney Drell," *Foreign Affairs*, Summer 1983, p. 1010.

THE OBVIOUS DEFENSE

The defender always had the advantage that he did not need to cover great distances. He could stay at home. In rocket warfare the main expense is to hurl an object over a distance of several thousand miles. For the defender 100 miles suffice.

The most simple defense is to destroy an incoming warhead shortly before it reaches its target. One such defensive measure was demonstrated by the United States in 1984. A short-range, inexpensive device, assisted by radar, tracked and intercepted an approaching rocket at an altitude of 100 miles with remarkable accuracy. This accuracy was not even necessary because the defensive missile opened up like an umbrella to cover a considerable area. The velocity of the two approaching objects was so great that the incoming rocket would have been destroyed if any portion of the umbrella had touched it.

Against a massive attack, this demonstrated defense would not suffice. The attacking rocket would be accompanied by decoys. When the rockets reenter the atmosphere, the cheap and light decoys will be slowed down and burned up. Now it is possible to concentrate on the rockets, but only a minute or two remain in which they can be destroyed.

A further difficulty is that maneuverable warheads can be used. During reentry, the rocket can sprout stubby wings that steer the rocket on an erratic path to a predetermined target. The demonstrated American device would miss such a rocket by a considerable margin. An additional problem is that a nuclear missile can be triggered to explode with full force if it is merely touched. Such bombs, even if they do not reach their target, could do much damage. The explosion would also make it much more difficult to track the rockets that follow.

It is more effective to arm the defensive rocket with a very small nuclear explosive. This would work even if the attacking rocket maneuvers. It also prevents the nuclear explosion of the attacker. While the incoming warhead might have several million tons of explosive force, the nuclear explosive of the defensive rocket would be roughly equivalent to a thousand tons.

Still, the non-nuclear rocket interceptor has some important uses. It sufficies to stop a small attack, such as Colonel Khadafy could launch. It also could prevent the catastrophe that would be caused by the accidental, unintentional firing of a missile. The probability of such an event is quite low. Yet it remains worrisome. Deployment of interceptors would make it probable that the consequences will not be dreadful.

These rocket interceptors could provide some protection before the end of this decade. But this system is inadequate as the only national protection against a large scale attack.

Mr. Speaker, I ask unanimous consent that the remainder of the extraneous material be placed in the RECORD at this point.

SHORT-RANGE LASER DEFENSE

Progress in directed energy weapons was the main reason why, six years ago, I became confident about the feasibility of defense. Today, a limited but significant

success of defense is not a mere possibility; it is a high probability.

Lasers are most familiar as visible light of great regularity, sharp direction and remarkable intensity. In technical terms, they have a sharply defined phase. They have already made great contributions in medicine, manufacturing, and scientific instruments. One military application for lasers is to increase the effectiveness of radar in tracking incoming missiles.

Today, lasers are also the most promising directed-energy defensive weapons against missiles. Science fiction fans may call them death rays. But they are not weapons of mass destruction. They are not to be used against humans but against missiles of attack. They are anti-weapons.

Lasers become increasingly effective as the wavelength gets shorter. Microwaves are about an inch long. Infrared wavelength is shorter by a factor thousand and the wavelength decreases through infrared, visible light, and ultraviolet to x-rays whose wavelength is once again a thousand times shorter.

To destroy satellites in space is the least difficult military application of lasers. This is an important reason why predeployed battle stations in space are not apt to survive. Ground-based lasers may play an important role in providing direct defense against short-range missiles (fired from 100 miles away) in less than ten years.

Defense against short-range missiles is much easier to accomplish than defense against long-range missiles for several reasons. For instance, much of the path of the short-range missile is in full sight of the attacked position; decoys are usually not a problem.

Lasers of the necessary energy are being developed rapidly and effectively. Ground-based lasers can be supplied with power directly from the civilian electric grid. Since the laser would need great amounts of energy for short periods, energy storage devices would be advantageous.

However, the beam of a ground-based laser must be transmitted through the atmosphere without distorting its favorable regular properties. Turbulent air causes density changes that deflect light, as one can see in the apparent twinkling of stars. Such diffusion of a laser beam makes the beam far less effective. The problem is not insoluble. Astronomers have recognized for years that irregularities in atmospheric density can be compensated if one replaces big curved mirrors by an array of many small mirrors, which can be oriented in a fraction of a second to eliminate the twinkling. Rapid progress in solving this problem in a practical manner is currently being made.

Unfortunately, clouds stop laser beams, though high intensity light can bore a hole through thin clouds for the requisite short time. Still, duplication of laser installations at various locations will be needed to ensure that at least one of the beams will get through. This, incidentally, is also an insurance against attempts on the part of the attacker to put the defense out of action.

While short-range missile defense is important to the United States as a protection against missiles launched from offshore submarines, such a defense system is most interesting for our allies in Europe, Japan and particularly Israel.

Laser defense does not use any nuclear devices, is not connected with any deployment of battle stations or anything else in space, and does not violate any treaties because such defenses are purely tactical. None of the current objections apply to it. Therefore, laser defense against short-range missiles is likely to be the defense first deployed.

LONG-RANGE LASER DEFENSE

The lasers described above would not be effective against missiles whose range is much more than 100 miles. The range can be extended by the use of mirrors. Such mirrors would be deployed on the ground but would be popped up out of the atmosphere at the time of an enemy attack. The longer the distance the higher the needed pop up and the greater the difficulty.

The mirrors required become smaller and easier to handle as the wavelength of the defense laser becomes shorter. Short wavelength lasers are also more efficient in destroying enemy rockets.

The existence of an x-ray laser has been demonstrated. This in itself is a remarkable accomplishment. If a usable x-ray laser can be produced, we will have made an immense step forward in our ability to defend ourselves. These lasers would be the most effective; they are also the most difficult to develop.

It should be noted that x-ray lasers will not penetrate the atmosphere. They together with their power sources, have to be lofted outside the atmosphere. The only power source that can be popped up is a nuclear explosive. The effects of powering an x-ray laser with a nuclear device would have no serious effect on the ground.

It should be mentioned that our work on the x-ray laser was based on publications from the Soviet Union. These publications essentially stopped in the late 1970s, a fact that suggests that the Soviets consider this information of not purely scientific interest.

MORE DIRECTED ENERGY WEAPONS

One radically different directed-energy weapon probably capable of destroying missiles in flight is an electron beam device. This instrument could be used in the moderately high atmosphere, though not outside the atmosphere. One would require first a well-directed but relatively weak laser to ionize a path along a narrow channel which becomes positively charged; then a high-intensity electron beam can be sent along this path. In this way the electron beam will not be deflected by the earth's magnetic field which is neither constant nor sufficiently predictable. All this was first discussed in the Soviet Union, for scientific uses.

Lasers and other rapid-fire directed-energy weapons may be used for the more modest but important purpose to find which, among the approaching objects are the dangerous rockets and which are mere decoys.

Another possibility is to use a beam of neutral atoms. This can be done by accelerating atoms that carry an extra electron, and then, just before use, stripping off this electron. The beam of atoms would be specifically useful in discriminating decoys from real rockets outside the atmosphere. It seems best to pop up the apparatus which produces the beam.

DEFENSE IN SPACE

Reagan did not speak of stars, space, satellites, only about defense. There are advantages in deploying defense in space. There are also great disadvantages. The deployed defenses can be attacked over many months, even years. Space defense may not be impossible—it is certainly difficult.

In one case we should try to use space deployment.

A rocket-launching is accompanied by the sudden, characteristic appearance of a powerful infrared radiation burst. This can be easily detected from space, for instance from a synchronous satellite. Even now, we have such observation satellites. It is possible but difficult to protect these early warning systems. One may make them "hard," or may make them easily replaceable, and one also may have inconspicuous "sleeping detectors" which will unfold and become active only when the functioning detector is incapacitated. These sleepers in turn may be protected by decoys.

All this can be done. Whether it can be done cheaply enough to be really effective is an open question. It will help to make the detecting system as simple as possible.

Detectors in space may, in turn, be backed up by earth-based radars. Against short-range rockets, these radars will be highly effective. If the radars work at long wavelengths, ionization in the high layers of the atmosphere will confine the propagation of these waves to the neighborhood of the earth's surface so that the radar will follow the curvature of the earth over long distances. This is called over-the-horizon (OTH) radar.

The OTH radar will locate the launching of a rocket over any distance, because the launching emits plenty of electromagnetic waves of long wavelength. Thus we can know when to pop-up our defense systems, particularly in the case of a massive attack. However, the problem of detection needs much more attention.

Space deployment—Star Wars if you please—has many purposes. The Russians are working on this problem. We must be aware of the possibilities. But we should not follow suit until we know that the system is effective and survivable. The most hopeful, though not mandatory approach, is to use stations in space for early warning.

Not battle stations, but observation posts!

COMPUTERS

Computers are important for defense. Indeed, without computers, defense against a massive attack hardly could work. Computers may make it possible to keep track of thousands of rockets and many more decoys. Does this mean that vital decisions must be turned over to computers? When one understands the root of the problem, the answer becomes obvious.

One real danger of nuclear conflict is connected with the fact that the crisis may occur fast and it may be over—with a tragic ending—in practically no time.

Decisions must be made in minutes. Some must be made in seconds. Whom can one trust with fast decisions? I would not trust myself. I would not trust anyone. There is no perfect solution. We must be satisfied with an imperfect solution. After careful consideration, the best alternative seems to be the computer.

It has been claimed that the computer system that must be deployed is beyond our capabilities. In particular, to write a program that will function under battle conditions is an unprecedented challenge.

But anyone who gives up at this point has forgotten that a tenfold improvement in computer technology has occurred regularly in every decade since 1945. The needs for defense will further stimulate this rapid development. The latest design of supercomputers utilizes numerous parallel computers. This often results in redundancy, and redundancy is precisely what is required when one in under attack. The parallel computers

could be widely dispersed and still in almost instant communication. Thus the attack is apt to result in nothing more serious than a reduction of the redundancy. The programming for several connected computers is a tremendous task. Plans call for the programming to be performed by the computer itself in a redundant manner.

The program of a computer may fail, even in a catastrophic way. It should be possible to plan self-surveillance by the computer. When there is a serious failure, the computer should be programmed to fall back to a simpler, less effective procedure that it still can handle.

Neither the defender nor the attacker can know fully how much a computer can achieve. Given the excellence of our computer technology, the result may well be sufficient to serve as a powerful deterrent to the Soviets. They may fear our computers more than our bombs.

REAGAN

Around November 1, 1939, President Franklin D. Roosevelt received a letter from Albert Einstein. I was present when this letter was signed. The letter stated that fission had been discovered in Berlin, that atomic explosives of unprecedented power were now possible, that Nazi Germany had taken control of the Czechoslovakian mines from which the bomb's raw material could be obtained, and that the United States should initiate a program to try to develop such an explosive. On receiving this letter Roosevelt called for urgent action.

In 1967, the newly elected Governor of California visited the weapons laboratory at Livermore. Reagan was the first California governor to visit the national laboratory in his state. This was his first chance to hear about defensive weapons. During his presidential campaign in 1980, Reagan visited the National Defense Center, located deep within Cheyenne Mountain, not far from Colorado Springs. He was told that Russian missile launch could be detected and ascertained minutes after launch. "And what can we do about it?" Reagan asked. The answer was: "Nothing."

This is the background of the present discussions on defense of which I have personal knowledge. After two years in office, Reagan challenged American scientists to replace the balance of terror by real defense. He clearly indicated that success in such a huge undertaking cannot be expected in his lifetime. But he did set a new direction for our work. Comments about President Reagan's lack of forethought in proposing SDI need to be assessed by comparison with the Presidential decision that began the atomic age. The threat to our national survival today is comparably greater than it was in 1939.

In arriving at this decision, Reagan consulted numerous individuals: scientists, politicians, and his official advisors on national defense—the Joint Chiefs of Staff. The President did not ask some of the long-time advocates of disarmament negotiations who have exercised great influence on our nuclear arms policy during the past decades. The latter were invited to the White House when the President make his statement on March 23, 1983. Their reaction, having considered the problem for a very short time, was adversarial.

What will happen if Gorbachev offers a real reduction of Soviet arms in exchange for a bilateral cessation of defense preparedness? Such an agreement would make the Republicans enormously popular and would amply justify our meager efforts on SDI. Yet, no agreement can stop research in a verifiable manner. We would stop. The Russians would not.

Recently, Gorbachev offered a unilateral test moratorium for the remainder of 1985. This was a clever step in a campaign that may prove disastrous to our fledgling defense effort and to our future. The test moratorium broken by the Russians in 1961 marked the beginning of a Soviet advantage in nuclear research that we have not been able to repair. Today, we need leadership and wisdom as badly as during the horrors of civil war in the 1860's; perhaps more so. We need to ensure the ability of our children and grandchildren to live in peace and freedom.

We cannot hope that the policy of the balance of terror, where the terror is more certain than the balance, can deter war much longer.

Our present administration differs sharply from the previous one. Indeed, it has been the most innovative in decades. Reagan's epochal proposal has not borne fruit as yet. It may be seen by posterity to be as important as the liberation of slaves by Lincoln.

WHAT IF WE REALLY SUCCEED?

After two years of discussion, I thought that I had heard all possible questions about SDI. Recently, however, the editor of the New York Times asked a novel question in a private conversation: "What if we succeed completely? Suppose we destroy all the weapons coming at us in a massive attack. Should we retaliate?"

I responded instinctively and spontaneously: "Certainly not!" The editor was not satisfied. He wanted a complete answer, a measured answer. He was right. After careful consideration, I am convinced that my first reaction was correct. Here are my reasons.

If we succeeded in a complete manner, if a Soviet attack killed not one single person, retaliation would be wrong. Indeed, it would be a crime to test the efficacy of Soviet defenses; such an act might result in the deaths of innumerable innocent people. Furthermore, completely stopping a nuclear attack would be a victory. Not only would this be crushing for the aggressor, it would be a victory for peace that would lift a nightmare from mankind. If we can achieve it, we must not introduce another nightmare by attempting to retaliate.

Our greatest achievement in the Second World War came after 1945 when we helped our former enemies, Germany and Japan, to recover. This possibility of acting out the values of this nation is the goal to which Ronald Reagan opened the door on March 23, 1983.

THE GENIE AND THE BOTTLE

The atomic genie existed during the unmeasured depth of time in the dark bottle of ignorance. Neither through technology nor through our fervent wishes can we put the genie back into that bottle.

But technology can provide a better situation. The Genie should contribute to the shield, stronger than the sword.

Will this be a final solution to international problems? In human affairs, there is never a final solution. Man is a problem-solving animal. Even more, he is a problem-creating animal. As long as people live, they will have problems. But these problems need not include the menace of sudden massive destruction by human agency. To set limits to that destruction is possible and necessary.

Mr. KASICH. Mr. Speaker, will the gentleman yield?

Mr. HUNTER. I yield to my friend from Ohio.

Mr. KASICH. Mr. Speaker, let me ask the gentleman a question, what the gentleman's thinking would be if we assume that the Soviets are engaged—I mean, we look at the facts and we recognize the escalation of the numbers of systems that they have deployed, offensive nuclear systems.

Let me ask the gentleman what his view is when we take a look at the fact that the Soviets are in the process and really have a functional ABM system that surrounds Moscow, and I will put the second generation of interceptors in there; they have got their key command in control operations underground, developing a tremendous number of air interceptors, and some people say can use some of their surface-to-air missiles in an ABM mode. What are the consequences of a country that can develop both offensive and defensive systems in absence of our being able to develop or refusing or deciding not to develop a system and really being very limited in the offensive systems that we deploy?

I wonder what the gentleman's view would be of the consequences of that.

Mr. HUNTER. I think the gentleman has pointed out a major problem that a lot of Americans do not want to address, and that is the fact that the Soviets have embarked on their own SDI program in a fairly uninhibited fashion.

As Dr. Teller said when one Soviet scientist, "We can duplicate the Star Wars system," he said that he thinks that that so-called capability of duplicating that, that confidence is generated by the fact that perhaps much of that system is already in place in the Soviet Union.

But to answer the question, if the Soviets can acquire a defensive capability before we do and acquire an offensive capability and do not combine that with the same policy changes that the President has offered to make defensive available perhaps even to our adversaries, then it would be a critical situation for the United States.

There are a number of scientists who feel in fact that we may be reaching that situation in Europe very shortly, because the Europeans are faced with short-range ballistic missiles. They could legally under the ABM Treaty build short-range ballistic missile defense right now.

The Soviets are building an SA-12, which is an ATBM, an antitheater ballistic missile defense system.

Mr. KASICH. That would be a mobile system, too, would it not?

Mr. HUNTER. That is right. It would be a mobile system and the radar would be mobile.

Mr. KASICH. That would be in violation of the treaty.

Mr. HUNTER. Absolutely.

One problem is it is very difficult to tell where ATBM leaves off and ABM begins.

But again to go back to the concern many scientists have raised in the West, it is a concern that we are going to be in the same position that we were with regard to theater nuclear weapons. All of a sudden we found out that we had a great many SS-20 nuclear weapons facing our allies in the West and we had nothing. We are running to play catchup with our Pershing II's and our ground-launched cruise missiles.

And we may be in the same situation if we do not act and act expediently and actively effectively. We may be in the same situation with regard to SDI. We may find that they have developed a defensive system and we have not developed a defensive system, and we may find that that is not going to accrue to our benefit.

Mr. KASICH. I think the gentleman would comment on the fact that the Soviets have not just been experimenting and in fact, of course, deployed a system that would utilize a missile or a projectile against an incoming missile. That is somewhat of a capability that we could deploy literally today.

But they have moved in the area of directed energy, something that we really do not think the Soviets do not have the view all too often, the Soviets have the capability to develop. Is not that in fact true that they are directed energy weapons, in fact have done a lot of research on those?

Mr. HUNTER. That is right. In fact, they had a great many publications and references to directed energy research in their own scientific publications. But as they became more adept and made bigger and bigger advances, all of the information disappeared from their open publications, which indicates that they are making some headway in that area.

□ 1910

Mr. Speaker, at this time I yield to my friend, the gentleman from Ohio [Mr. KASICH].

Mr. KASICH. Mr. Speaker, I just appreciate the gentleman taking the time to discuss this issue. I hope we are going to do it a number of times as the program develops, because I think we need to talk about developments as they occur. The successful test that occurred on the use of the laser not long ago, I think we need to come out and to talk about the succeses, because it is not magic. It is hard work and it is the use of the kind of technologies that we have to make it clear that there is no magic, but in fact we can do these kinds of things. We can make in the minds of the Soviet military planner, we can tremendously increase doubt about the success of an attack and that is one of the obviously vital elements of the SDI proposal.

The ultimate goal, however, is not just to make it worth anything to keep developing these weapons, but rather in fact to rely on a system that can provide survival, rather than destruction.

Mr. HUNTER. Mr. Speaker, I thank the gentleman. I think he has made a good point, because we live in a horribly imperfect world and yet those who would be against this system and who would criticize it say that we cannot attempt to defend ourselves against nuclear weapons because we do not have a guarantee that we will have a perfect system. That makes no sense.

In fact, I think it makes good sense and I think it is a good moral judgment to go ahead with a system that would save at least in the event of nuclear war, God forbid, millions of American lives.

There is a good chance that we can develop a system that will be very, very close to leakproof.

Mr. Speaker, I thank the gentleman for his contribution. I wish I could read the entire speech into the RECORD that was given by Dr. Teller, but I think it lays out, it puts the ABM Treaty in perspective, and I think it puts our development and our evolution of the decisionmaking process in Washington, our decision to move ahead with SDI in perspective also.

The Soviets like the idea of defense and they like to rationalize its use to European leaders because they were developing the SA-5, the SA-10, the SA-12 until they saw the United States of America developing defense and their speeches changed overnight, from a good thing; in fact, you could have taken Mr. Kosygin's words about defense being such a great thing, you could have put that in the President's speech. Instead of defense being such a good thing, all of a sudden it was a bad thing.

I hope the gentleman, who is a member of the Armed Services Committee and a very active member of the committee, will work with me with regard to the strategic defense initiative and with our other leaders over the next 6 or 7 months.

I hope that this President will hang tough and not surrender any part of the initiative in his coming talks with Mr. Gorbachev.

DOMESTIC TERRORISM AND NATIONAL POLICY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. DYMALLY] is recognized for 60 minutes.

Mr. DYMALLY. Mr. Speaker, I have asked for time tonight because in the past 2 weeks an Arab American and a Jewish American have been murdered in terrorist incidents. As representatives of both the Arab American and the Jewish American communities, it is our responsibility to look carefully and objectively at why these two decent and innocent Americans were deprived of life. It is our responsibility to search for the means by which to stop terrorism. With that sense of responsibility in mind, I want to begin a careful and objective discussion of terrorism. And I want to pay special attention to terrorism in the United States because although the national consciousness is most often captured by acts of terrorism against Americans abroad, domestic acts of terrorism have occurred much more often.

A recent article in the Washington Post recounted an interview several years ago with Mohammad Abbas. The reporter noted that Abbas was clearly moved by the deaths of Palestinian Commandos and, in fact, kept pictures of these people on his wall. In many instances these Commandos were killed when they were staging attacks against innocent Israeli civilians. The reporter marvelled that Abbas was intensely aware of the death of each Palestinian but seemed hardly aware that Israelis had died as well.

Similarly when Alex Odeh, an Arab American, was murdered in Santa Ana, CA, on October 11, 1985, the reaction of the chairman of Jewish Defense League, Irv Rubin, was, "I have no tears for Mr. Odeh. he got exactly what he deserves." The FBI has linked the Jewish Defense League with at least 15 terrorist acts in the United States resulting in at least one death and seven injuries since 1981.

Common to the reaction of both Mohammed Abbas and Irvin Rubin is a depersonalization of the victims of terrorism. Black Americans are not unfamiliar with the effects of depersonalization. We have known it by many names: bigotry, stereotyping, prejudice, racism, discrimination. In all cases, whatever its name, the effect of depersonalization is to make it permissible to carry out inhumane acts against the depersonalized individual. The mental replacement of a human being with a stereotype makes it alright to commit atrocities. Why? Because the human victims become merely symbols. Leon Klinghoffer was not seen by his murderers as a person. Through his Americanism, he became a symbol of America. Alex Odeh was not seen by his murderer or murderers as a person. Through his Palestinian ancestry he became a symbol of the Arab community.

If we are to stop terrorism, then as leaders and as representatives we must ourselves not resort to the mental

shorthand of stereotyping, of depersonalizing as a base for action. I want to attempt to personalize one of these acts of terrorism for you. I knew Alex Odeh, and I grieve personally for him and for the young family he leaves behind. Alex was a member of the Los Angeles Human Rights Commission, and was known in Southern California for his efforts to gain equality for the disadvantaged. As head of the Southern California regional office of the American Arab Anti-Discrimination Committee he worked tirelessly to promote friendly dialog among Semites.

That term Semites is not one we hear often. We usually accentuate the difference between Jews and Arabs. Semite is a term that applies to all those with their roots in the Middle East. It connotes a commonality of origin that is all too often ignored by opinion makers. Denial of that common human bond allows depersonalization.

And only hours before his murder Alex was on television characteristically speaking out against stereotyping, against lumping everyone in a complex group under one summary designation. In that interview he condemned all forms of terrorism. He went on to point out that there is a difference between the Palestine Liberation Front which carried out the *Achille Lauro* hijacking and the Palestine Liberation Organization which played an important role in bringing the hijacking to an end without further loss of life. I regret that the television station in Los Angeles choose to edit out Alex's condemnation of terrorism and broadcast only his drawing of a distinction between Palestinian groups. They too should weep for his death because of their journalistic manipulation.

Alex was a teacher at Coastline Community College. He taught Arabic and Middle Eastern cultures. You can see that through his civic activities, through his teaching, and through his life he tried to bring about an end to depersonalization.

Alex was a poet as well. He had published one book of poetry and a second book was at the typesetter when he was killed. Here is a part of one of his poems which I think says something about his approach to his work and to those whose lives he touched deeply in his own brief life:

Lies are like still ashes.
When the wind of truth blows
The lies are dispersed like dust and disappear.
At least we all owe thanks
To the one who tries to speak write or paint
An honest thought to the world.

I share with Alex one thing that many of my colleagues will understand. He and I both fathers of daughters. My daughter, Lynn, is grown now. And I cannot tell you how much we have shared. But those of my colleagues who are fathers of daughters know that special bond of affection between father and child. Alex was the father of three daughters. Suzanne is only two; Samia is five, and Helena is seven. I am so saddened when I think that Alex's daughters will grow up without that very special affection. Alex was at his happiest moment when he was just walking through the park with his wife Norma and their three daughters. He spent every free moment with them often taking pictures the way young fathers do.

To me, and I hope now to you also, Alex is much more than a symbol. He was a warm and gentle person, a man full of intelligence, full of humor, and motivated in his actions by the need to bring his fellow human beings to treat one another humanely.

If we are to stop terrorism, then we must not only resist the efforts of terrorists to depersonalize the victims, we must also resist our own tendency to depersonalize the terrorists. And we in Congress have been as guilty as anyone of such depersonalization. We are the elected leaders of this country. We do a disservice to those who elected us when we fail to make critical distinctions. Moreover, we should not expect our constituents, who may be remote from the debate on terrorism, to make distinctions if we do not make them ourselves.

When I say we fail to make distinctions I mean we are all too prone to allowing the hateful act of an individual or even a group of individuals to color our approach to the whole of the group the terrorists purport to represent. We know from our own political process that no one group speaks for all Americans. The Republican Party does not speak for Democrats. The Democratic Party does not speak for Republicans. If we recognize diversity among ourselves it should take no great leap of the imagination to realize that no terrorist group should be taken as the surrogate of the whole group from which it springs. The Jewish Defense League is not the Jewish people. The Palestine Liberation Front is not the Palestinian people. It is not even the Palestine Liberation Organization. And it is certainly not Arabs broadly defined.

If we succumb to the tendency to generalize the acts of terrorists to the whole group from which they spring, then it is ourselves who will be most damaged. Why? Because in generalizing we obscure the range of our own options not only in dealing with the terrorists but in our relationship with the large group from which they spring. And there is a second subtle but crucial effect of our failure to make distinctions. By failing to do so we invite the citizens of our own country to be superficial as well. We invite them to think the Arabs killed Leon Klinghoffer, or the Jews killed Alex Odeh. All of us know we are swayed by public opinion and we know also that by our public statements and our deeds we help to form public opinion. Let us not participate in the formation of public opinion that might lead us to make very wrong, very unfair public policy decisions.

Let me illustrate my point with an example. FBI Chief William Webster announced shortly after Alex was killed that the FBI intends to step up surveillance on all pro-PLO groups in the country. Now, potentially, that could include every Arab American group in the country. I expect that this stepped up surveillance is meant to stop PLO terrorism within the United States. The superficial reaction is to say, "Great, the FBI is protecting the public." But wait a minute! When was the last time a PLO group committed an act of terrorism within our borders? I obtained the FBI analyses of terrorist incidents in the United States for the years 1981 through 1984, the last date for which a published report is available. Our FBI reports show no PLO terrorist acts in the United States. And with the exception of two terrorist incidents in which Libyans terrorized other Libyans, there is no mention of any domestic terrorist activity by an Arab group whatsoever including the PLO during those years. A Moslem group held a sit-in at the Saudi Arabian Embassy in Washington in 1982. That is the closest that non-Libyan Arabs have come to terrorism in the United States and as I said earlier that action was a sit-in.

If we are to be responsible policymakers, then we must ask why the surveillance is being stepped up. Is it because of past Arab terrorism in the United States? No, it cannot be. Such terrorism has not occurred here. Is it because the PLO hijacked the *Achille Lauro* off the coast of Egypt? But wait. Wasn't that the Palestine Liberation Front, not the PLO? Has the FBI committed the depersonalizing error of over generalization? Will that over generalization encourage the American people to think all Arab Americans are potential terrorists? Will that encourage prejudice against Arab Americans? Will that public opinion continue to make it expedient for public officials like you and me to downplay or, even worse, ignore, domestic terrorism when it is perpetrated against Arab Americans? The fact of the matter is that Arab Americans have shown themselves to be peaceful, law abiding citizens in our society. The fact of the matter is that Arab Americans have been the victims, not the perpetrators of terrorism. They live in fear of discrimination. They live literally in fear for their lives. Alex Odeh received so many death threats that as a precaution his incoming mail was x-rayed before he received it. Fear of

terrorist activity has prompted our former Senate colleague Jim Abourezk, chairman of the American Arab Anti-Discrimination Committee, to request repeatedly and in writing that the FBI investigate the alarming number of terrorist threats and terrorist acts against Arab Americans. If we are responsible representatives of our constituents then far from condoning the surveillance of Arab Americans, we should be asking clearly and forcefully that our Arab American citizens be protected from terrorism in this land of the free. Mr. Speaker, keep in mind we are talking here about Americans, not foreigners, or visitors.

If we are to be responsible representatives, then we should know what groups are terrorizing our citizens. A look at the FBI reports for the past 4 years in enlightening. Let me summarize for you the findings which cover the years 1977 through 1984. There were 395 terrorist incidents in the United States over those 8 years. Terrorism, by the way, is defined by the FBI as "The unlawful use of force or violence against persons or property to intimidate or coerce government, the civilian population, or any segment thereof, in furtherance of political or social objectives." Interestingly enough the FBI does not consider bombings of health clinics as terroristic and does not include these incidents in its statistics. How strange! How very strange! Jurisdiction over these incidents rests with the Bureau of Tobacco, Alcohol and Firearms rather than the FBI.

Of those 395 incidents of terrorism, 161 or nearly 41 percent were perpetrated by groups related to Puerto Rican politics. Many of these groups are dedicated to making Puerto Rico an independent country through revolution. The next most frequent perpetrators are members of the well known category "other." The FBI divides "other" into "domestic other", and simply "other." "Domestic other" is the most active with 98 incidents. These incidents are divided among a hodge podge of domestic groups ranging from the Aryan Nation, which has been responsible for much of the terrorist activity against Jewish citizens and property, to various remnants of 1960's radical groups. No single group has acted often enough to have a distinct category within the statistics. Next most active with 57 incidents are Cuban groups dedicated to the overthrow of Fidel Castro. The fourth most active group in the FBI list is called Jewish groups. They have been responsible for 39 incidents. At least five Jewish groups have been named: Jewish Direct Action, Jewish Defenders, The Jewish Defense League, and the United Jewish Underground and the American Revenge Committee. The FBI describes the latter two as affiliates or offshoots of the Jewish Defense League. The FBI reports for 1981 through 1984 show that in those years the groups have claimed responsibility for nine attacks on Russians or Russian property, five attacks on Arabs or Arab property, and one attack each on Germans, French, Iranian, and Austrian persons or property.

After the Jewish groups, Armenian groups have been next most active with 14 incidents. The major group is the Armenian Secret Army for the Liberation of Armenia. Other groups appear to be offshoots of this main group. The terrorism is aimed at achieving two goals: avenging the genocide of Armenians by Turks at the beginning of this century and reconstituting Armenia as a state free of Turkish control.

Croation groups are next most active with 12 incidents. The goal of the Croation Freedom Fighters is to remove the historically Croation region from Yugoslavian control.

Next most active is the catch all group "other" with nine incidents. The "other" category, like "other domestic" contains an array of groups. The list includes Salvadoran, Haitian, South African, Liberian, and Philippine groups as well as one opposed to the Sierra Leone Government and an antinuclear group.

Iranian and Libyan groups are tied for next most active with three incidents each out of the total of 395. The Iranian incidents have involved attacks against the government of the Ayatollah Khomeini, while the Libyan attacks have involved terrorism against Libyans who are opposed to the rule of Colonel Mu'ammar Qadhafi.

Finally, there are two incidents recorded involving Middle Eastern groups outside of Libya. In 1982 a group of Moslems held a sit in at the Saudi Arabian Embassy in Washington to protest the Saudi Arabian Government. And in 1978 a terrorist act was also accredited to a "Middle Eastern Group." Because the detailed FBI analyses of terrorist activities were published for the first time in 1981, I have not yet been able to determine the nature of the 1978 incident. FBI officials are checking their files for me to determine what occurred.

I think, however, that the facts speak for themselves. If we count Libyan terrorist activities against other Libyans as Middle Eastern group terrorist activities, then Arabic groups have perpetrated 5 of the 395 acts of United States domestic terrorism since 1977. That is about one tenth of 1 percent. If Libyan terrorism is not counted, then Arabs or Arab Americans are responsible for two cases in 395 acts committed since 1977.

I want to reflect on the statistics for a moment because they are important in helping us determine how we should respond to domestic terrorism. It appears that domestic terrorism may be divided into two broad groups: those that perform single terrorist acts and those that perform repeated terrorist acts over time. More than 65 percent of the terrorist acts since 1977 have been singular acts. The other roughly 35 percent have been perpetrated by groups that have struck repeatedly. The obvious approach to minimizing the effect of groups that repeatedly terrorize others is to identify the leadership of the groups and make every effort to bring those leaders to justice. To the credit of the FBI, it appears that they have been doing just that. In 1977 there were 111 terrorist incidents. In 1984 there were 13. Of those 13 incidents in 1984, 6 were committed by the Aryan Nation group or its apparent offshoot the Aryan Resistance Movement. Five were committed by Puerto Rican groups, 1 by Jewish Direct Action, and 1 was committed by a Marxist group.

It is in identifying new groups or single act groups that the greatest difficulty lies. And it is in this area that policy makers must exercise the greatest sensitivity. Many of you remember that during the Nixon Presidency it was proposed that children be given a test to determine whether they were prone to become criminals. The idea was met with outrage and was quickly dropped. The FBI in the case of new or single act terrorists is faced with a dilemma like Richard Nixon's. The American people are best protected from terrorist attacks when those attacks can be stopped before they happen. But to accomplish such a task, it would appear that our law enforcement agencies would need to intrude in the lives of those who might be prone to commit terrorist acts. The critical public policy question is "where should the line be drawn between protecting the public from terrorism and undue government intrusion in the activities of individuals or groups?"

I think the Government, and I include the Congress here, has gone too far if its activities invite the general public to form prejudicial attitudes toward all members of a group. The prejudice itself will breed violence as it did in the case of Alex Odeh. I think repeated threats of violence either by a potentially terrorist group or by the potential victims of terrorism must be taken extremely seriously. Again referring to Arab victims, it is undeniable that Arab American organizations have received and reported a large number of terrorist threats in the past year. So far this year the threats have resulted in at least two incidents of deliberate destruction of property and three terrorist bombings, the latest of which killed Alex Odeh.

When terrorists are apprehended they must be prosecuted to the fullest extent of the law. These criminals are in a special category. They do much more than destroy property or take life. Through the fear they generate they are attempting to undermine the civil and constitutional rights of whole groups of citizens. Their targets are not just individuals but all members of a racial, ethnic, religious, or social group. They are attempting to undermine freedom. And it is that attempt to undermine the basic principles of democracy that compels me to call for severe penalties for terrorism.

In the same breath, however, I want to emphasize that individuals, even if they hide behind the cloak of an organizational name, are the perpetrators of terrorism. Individuals, therefore, must be punished, not groups. Individuals may by their activities invite surveillance. But the specter of surveillance should not be held over the heads of an entire group of people.

Moreover, public figures must exercise the greatest caution in commenting about acts of terrorism lest they invite the public to engage in an escalation of terrorism. Lawmakers, the President, as well as Jewish-American and Arab-American public figures and public figures representing any group that has experienced terrorism, should be united in condemning individuals who engage in terrorism or who advocate terrorism. But no public figure should fuel the fire of hatred by generalizing the acts of the few to the many; to an entire national group.

I believe terrorism can be stopped in the United States through responsible action. I would call on my colleagues to join in that responsible action by helping to form an enlightened public attitude toward terrorism. All Americans should be concerned that an Arab-American, Alex Odeh, was killed by individuals engaging in terrorism. All Americans should be concerned that four people participated in the terroristic kidnaping and murder of Leon Klinghoffer, a Jew. All Americans should desire that those individuals responsible for these acts be brought to justice. But no Americans should be led to mistrust Arab-Americans or Jewish-Americans or Armenian-Americans or Cuban-Americans or Puerto Rican-Americans because individuals from these groups take it upon themselves to undermine the liberties of all Americans.

I would end by pointing out that I am proud of Jewish-American leaders in southern California who set an example for the Nation in the wake of Alex Odeh's murder. Their condemnation of the act and their call for justice was immediate and ringing. They knew that the life of a good man was taken cruelly and senselessly. While they did not always agree with Alex's views, they recognized his right to hold them. Let us hope that in their act of solidarity with Arab-American leaders in condemning this act of terrorism against democracy we may find the seeds of friendship and a beginning to the end of conflict between these two groups of Americans.

Mr. Speaker and Members of Congress, I thank you for the opportunity to bring this important message to you, and wish to emphasize, in conclusion, that I have attempted to be very objective in my analysis of domestic terrorism in the United States, by using data supplied to me by the FBI, without fear, favor, or prejudice. Again I thank you.

□ 1950

ORDER OF BUSINESS

Mr. WALKER. Mr. Speaker, I ask unanimous consent to proceed out of order on the special order previously ordered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

THE CASE FOR THE GRAMM-MACK PROPOSAL TO BALANCE THE BUDGET

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. WALKER] is recognized for 60 minutes.

Mr. WALKER. Mr. Speaker, let me begin by saying I have been reminded by the Chair of the World Series game, and I will try to take that into account, but I do want to talk a little bit on the Gramm-Mack proposal for balancing the budget, because we had a fairly extensive discussion out here earlier this evening in opposition, which raised a number of questions which I think deserve to be addressed; and I am disappointed that the gentleman from California [Mr. DYMALLY] who talked earlier, was not able to stay around and respond to some of the things I am going to raise, because I think there were a number of cases of misinformation in what he had to say, and I would like to correct the record, and hopefully make the case for the Gramm-Mack proposal as a device that should help us move toward the balanced budget that large numbers of Americans across the country say that they want.

The problem that we hear so often defined on the House floor that is brought up with regard to the Gramm-Mack proposal is the fact that somehow we are going to get away from what is Congress' responsibility to do budgeting.

Congress has had the responsibility under the Budget Act here since 1974. The fact is the budget process has failed miserably. It is coming apart at the seams; we have consistently, over the last several weeks, had rules out on this floor that were aimed not at enhancing the budget process but destroying the budget process.

Every bill that comes to the floor under a rule recently, it seems, has a waiver in it of the Budget Act. Simply throwing the Budget Act and saying that we do not need that Budget Act any longer.

The reconciliation bill that we brought to the floor today is going to be voted on tomorrow, came out under a rule that waived the Budget Act. It seems to me that it is awfully strange to have a bill that is supposedly enforcing the Budget Act that has to come out here with a Budget Act waiver in it; there is something awfully strange happening in this House—and we all know what it is; it is a strange system of spending, spending, spending.

In fact, in the last 5 years we have overspent our own budgets by $150 billion. That is a system out of control; it is a system that has to be dramatically modified. The dramatic modification that is now before us is the Gramm-Mack proposal, and we ought to move ahead with that particular proposal.

I will be glad to yield to one of the authors of that proposal, the gentleman from Florida [Mr. MACK].

Mr. MACK. I just want to raise the question, you mentioned that over the last 5 years that we have overspent our own budgets by $150 billion?

□ 2000

Mr. WALKER. That is correct. If you analyze what we said we were going to spend and then the actual spending by the end of the year, you will find out that with the supplementals and the add-ons that we have done over that period of time that we took our budget resolutions and overspent them by $150 billion. So in fact we have added $150 billion to the national debt over and above what we ourselves said was going to be our spending pattern.

Mr. MACK. It would be helpful, I think, if we would determine how in the world we could establish a budget and then turn around and overspend it in a 5-year period by $150 billion. The gentleman mentioned the term "supplementals." By that, does the gentleman mean there are other methods, that, in essence, you could circumvent the budget process?

Mr. WALKER. Oh, sure. The appropriations process has become an atrocity. For example, we actually bring appropriations to the floor with the knowledge that they are not going to be the whole appropriations for the year but later on in the year we are going to come back with another appropriation to spend more than what that appropriation bill calls for.

The original appropriation bill comes to the floor supposedly under budget or at budget. We are told that during the debate. What you find, though, is that they have buried down in the bill little devices aimed at bringing about additional spending later on in the year. I will give the gentleman an example:

In the Food Stamp Program we are now consistently bringing the appropriations for the Food Stamp Program to the floor funded for only 9 months, meaning that at some point during the fiscal year we have to come back and fund the other 3 months. That bill is under budget when it first comes to the floor, but then when you do the add-on for the last 3 months of the year for the Food Stamp Program, it throws it over. So that supplemental then leads to additional spending in the program. We do that with appropriation bill after appropriation bill after appropriation bill with the knowledge that the administration then will come back and ask for a supplemental. And that is another phony thing that goes on around here. We hear the gentleman on the other side continually talk about the fact that these supplementals are those the President asked for. Sure, he has to ask for it. What is he going to do? Say for the last 3 months of the Food Stamp Program that we are not going to issue them? He has a choice of either not issuing the food stamps or coming up here and asking for a supplemental because we did phony budgeting in the first place. That is one device.

The other device I would say to the gentleman that is prominently used on the House floor is the budget waiver. We consistently, with rules that we bring to the House floor, simply say that the Budget Act does not matter, for one purpose or another we are going to waive the Budget Act. So, therefore, we specifically say that we are going to get around those mandates that we impose upon ourselves in the Budget Act. That is a consistent pattern on this floor.

Nearly every rule since we have come back from the August recess has had a budget waiver in it.

I yield to the gentleman.

Mr. MACK. I think the gentleman has brought up a good point in the sense of how we should approach this to the proposal of the Gramm-Rudman in the Senate and the Mack-Cheney bill in the House. Basically, it says that there must be circumstances under which supplementals that are not really done deviously, there are times when there are needs for additional spending. So we have not in this proposal said that an individual or a committee could not request supplemental spending. But what we have said is that if you do come to the floor with a supplemental that you must, in essence, make it neutral. That is, that you cannot break the target that has been established. So you have to do one of two things when a supplemental is brought to the floor. You have got to show where spending has been reduced in another area of the budget to allow this spending to take place or simply state the revenue source, the tax increase necessary, to provide for that supplemental.

Again, one might argue whether it is a good policy or a bad policy to have supplementals. One might argue whether it is a good policy or a bad policy about the particular funds and program that you want to spend it for. That is debatable. But all we are saying is that people have to live within the targets that we have established. Therefore, supplementals would be allowed but there would have to be offsetting reductions in the spending in other places to make it in order.

Mr. WALKER. The gentleman is absolutely right. We do have time when you have emergencies arise, that you have emergency supplementals. But I think what the gentleman's program would end up doing is, it would stop the planned supplementals, it would stop the process around here that uses supplementals as a way of subterfuging additional spending. So people who come to the floor knowing that they have to bring a supplemental later on, knowing that it would not be neutral then but would throw the budget out of constraints, would therefore have an impact that is dramatically different than the impact today.

Mr. MACK. This goes right to the point we have been making for several years now, that what we need to do, we ought to be labeling this thing "Truth-in-Budgeting," that no longer can you phony up assumptions, no longer can you phony up spending proposals, no longer can you hide future spending plans until after the budget goes through and say, "Here, by the way, is an emergency situation that has come up that should be taken care of."

Again we have allowed for supplementals in this particular procedure, but there must be offsetting receipts, there must be an offsetting spending reduction. The second point I would like to raise has to do with the budget waivers. I would assume that that is an area where we really do get into trouble in the sense of being able to overspend the budgets that we have passed. And what we have done in this proposal is to say there are still times when there may be ligitimate reasons for a budget waiver. But we have said in this particular case you have to have three-fifths votes of the House in order to take care of that. So we have allowed again budget waivers. But the other thing to keep in mind is, if you do breach that or if you do pass a waiver, if the overall spending is going to breach the target, then the automatic spending reduction, reduction in spending across the broad takes place. So we have added, you might say, some consequences to the responsibilities of the actions around here.

Mr. WALKER. The final point the gentleman makes is what is driving the spenders in this body up the wall. it is not that they do think they can muster the three-fifths vote from time to time in order to pass a budget waiver, although it would make it more difficult, but the fact is that now, if that budget waiver puts us over the amount that we have as our overall budget target, then all of a sudden the President is given the power to sequester the funds and they lose their ability to really spend that money without the discipline. That is what they are really screaming about. That is what all the talk is about. When you have them coming to the floor, they are talking almost wholly about the sequestering process because they realize that that is ultimately the real control here.

I think the gentleman would agree with me, the fact is, you never have to get to sequestering. You never have to give the President the authority to make these onerous cuts that we keep hearing about. If the Congress does its job and does the budgeting within the constraints imposed upon us, namely, that you have deficits consistently going down, the President is never given the power to sequester. If the Congress lives within the budgets that it develops that meet those constraints, the President is never given the power to sequester.

So that what you really have is the President sitting there as a disciplinary tool that never has to be used.

It is a little like when I was in school and you had the paddle hanging on the wall. The fact is that the teacher did not use it very often or at all. In many instances I remember the teacher, in my going through school, the teacher never had to use the paddle because it was hanging there as a symbol of what could happen.

That is precisely the kind of way that this can operate. If we do our job, do it right, do it within our constitutional prerogratives, we never have to have the discipline of sequestering imposed.

The point of the spenders is, they do not think they can live with that and they do not want anything in the way of their spending just as they have not allowed the budget process that we have now in place, which was a very elaborate document, to get in the way of their spending.

Let me ask the gentleman: In the discussion we had a little bit ago with the gentleman from New York, he mentioned the fact that the great

problem with the Gramm-Rudman-Mack proposal is the fact that it is being hammered out in secret, that there are some kind of secret sessions going on, hammering out this process, in fact it has been subject to no hearings, and we do not have a process that is meeting the legislative need to have an open process. Am I correct that the conference is totally open to the public?

Mr. MACK. Well, if I may just kind of expand on that a little, that is the reason I smile, because last evening I raised a point that was mentioned here that one of our colleagues was concerned because they just did not have time to study the proposal and know what was in it. I was chastised for reminding that gentleman that anyone who is really serious should really not use an excuse about not knowning what is in it or it is a closed session kind of situation. Anybody who knows the workings of this place knows full well that there virtually are no secrets, No. 1. No. 2, the hearings, I think we can go back to the other body where in September there were rather lengthy discussions and debate about what was proposed as far as the Gramm-Rudman-Hollings proposal was concerned. Since then we have gone to conference; which, by the way, there are 48 Members of the House in that conference. Those meetings have all been open. We have had hearings, we have had people come in and testify as to what they believe is in the proposal; those things have been excluded; suggestions they have made about problems; suggestions they have made about cleaning it up.

So I would say that, again, if there was a real interest in knowing what was in there——

Mr. WALKER. My understanding is that right in the conference committee you have about 15 television cameras in there and a couple of hundred people sitting around. Is that correct?

Mr. MACK. I would certainly say the first day there were quite a few members of the press, TV cameras, and so forth.

Mr. WALKER. So this is happening right out in the open. The gentleman mentioned hearings. Now, what the gentleman from New York told us in his opposition is that there have been no hearings on this bill.

Mr. MACK. By the way, I have just been referring to what has happened in the conference committee. I think the gentleman knows there have been several committees of the Congress in the past few weeks that have been holding hearings. I know the Budget Committee has held several meetings.

Mr. WALKER. The Budget Committee held hearings on this?

Mr. MACK. They certainly have.

Mr. WALKER. And the conference committee held hearings on it?

Mr. MACK. They certainly have.

Mr. WALKER. The Government Operations Committee, on which I serve and, by the way, on which the gentleman from New York serves on, the gentleman who was talking about this, that committee, I know, has held hearings. Has not the Joint Economic Committee held hearings on this, too?

Mr. MACK. They may have held a hearing today, I am not sure about that.

Mr. WALKER. I am pretty certain there have been a whole series of hearings held on this process. Once again, there is nothing going on in secret.

Mr. MACK. I think it is interesting in this relatively short period of time that there have been all these hearings on what is referred to as the Balanced Budget Emergency Deficit Reduction Act. You know, as the gentleman from Pennsylvania knows, I have been here now for about 3 years, and one of the things that I feel strongly about when I ran for the Congress and that I feel more strongly about now was the need to pass an amendment to the Constitution requiring a balanced budget. But it is interesting, at least again as far as my knowledge is concerned, I do not believe that in the entire 3 years that I have been here that there ever were any hearings about the balanced budget amendment.

Mr. WALKER. In this body I do not think there have been; I think the gentleman is absolutely correct.

Mr. MACK. Until the crisis was at hand, when we have been able to say that those people who say they are serious about reducing spending, balancing the budget, have an opportunity to come and step forward and support this proposal. It is interesting that most of the hearings seem to be directed at trying to find ways to undermine the proposal as opposed to a real open hearing of presenting both sides of the issue.

Mr. WALKER. The gentleman, I think, makes a key point that has been made a number of times on this House floor. There is a real attempt around here to bottle up things that the majority party does not want to deal with. Balanced budget has been one of those. However, all of a sudden they were presented with a fait accompli, the Senate-passed balanced budget language, and all of a sudden there is panic in the House of Representatives. The spenders have become apoplectic about the fact that they actually have to face up to this issue. So the gentleman is correct; we have had a whole series of hearings, but it is not, as was portrayed out here earlier this evening, a case where there have been no hearings.

That is certainly not a case that can be made in reality.

Another point raised, and I would bring it up to the gentleman, was that we are changing basic constitutional principles in the amendment or in the bill that the gentleman has drafted. It seems to me that those kind of things are also being addressed by the conference committee. Is there not a task force specifically set up to look at those particular questions?

Mr. MACK. There is a separate task force to deal with the question of the constitutionality. And I would assume that the question of constitutionality comes up on almost any piece of legislation that the Congress is going to deal with. I would suspect in many cases the question of constitutionality is a smokescreen and is not the real issue that people are concerned with.

Mr. WALKER. If the gentleman would yield back to me just a minute, I would tell the gentleman that on a couple of occasions we have had bills brought to the House floor by the majority party that I would have regarded as being constitutionally dangerous.

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On a couple of those occasions, I have brought the issue to the floor, suggesting that there might be constitutional problems with this. The ruling of the Chair at that point has been that constitutional arguments against the bill are not admissible as a part of points of order, and so on, out here. So the fact is—and this gentleman knows it, too—when we bring up constitutional points, those are ultimately going to have to be resolved by the courts. That is not something which is admissible in legislative consideration other than as a debating point. Certainly, people can get up and call it unconstitutional, but we do not decide constitutional questions here. That is something that is left to the court.

Mr. MACK. If the gentleman will yield further, I think one of the points that has been raised under the guise of a constitutional question has to do with the transfer, the supposed transfer of power from the legislative branch to the executive branch.

Mr. WALKER. I think that is the main thing.

Mr. MACK. A moment ago you used the term, though, that the President is empowered to execute the sequester order. I think, frankly, there is a better way of saying that. The President really is an executor of the law. He is required to sign the sequester order. Not empowered. He is required to sign the sequester order.

Mr. WALKER. He does not have discretion, in other words.

Mr. MACK. That is absolutely right. He has no choice. He must sign the order.

And the second point of it is, he cannot pick and choose as to where the sequester order is going to hit. He

must follow it according to the law that is being established.

Mr. WALKER. Would the gentleman specify for us precisely what that particular requirement is, because we have heard a lot of talk, again, from the critics of the bill out here on the floor that somehow some programs were going to be hit much harder than other programs.

Is it not true that under the formula that there is an attempt to protect programs even during a sequestering process?

Mr. MACK. What we have tried to do, even though many of us may disagree with present policy as it is exemplified by expenditures of the Federal budget, while many of us may disagree with those, what we have said is our desire is to try to maintain as close as possible the present policy so that we want to touch programs across the board in equal percentages.

Now, there is truth to the argument that there have been some exemptions. One exemption that has been given is Social Security. People may grin and say, "Well, gee, that is strange." Well, the reality, the political reality, the reality of this place, is that there is no way to put forward any meaningful deficit reduction plan that includes Social Security.

Mr. WALKER. There is one other point, too, and that is that there does exist a separate trust fund for Social Security, which is in fact a solvent trust fund, given what we did a couple years ago. So you are dealing with a little bit different economic reality than the general-fund budget at that point; is that not the case?

Mr. MACK. That is true. And let me mention the second area. The feeling was that if we have contracts that the Government has entered into in the private sector, in which the person that we have contracted with can, in essence, come back and sue us for specific performance, it is misleading for us to say that we can reduce the expenditures under those contracts when we know we are going to have to, in essence, pay more as a result of that suit.

So we have exempted long-term or multiyear contracts, where we believe there is a higher cost to us for sequestering.

Again, the strawman that has been raised is that that whole thing was designed for the purpose of protecting defense.

Mr. WALKER. That is precisely the point raised by the gentleman earlier today. He said that that particular device is in there in order to protect one-half of the defense budget and emasculate the domestic programs.

Mr. MACK. Well, let me tell you where I think they have gotten the idea that that was occurring. Frankly, when the whole plan was first discussed, when people heard that there was this contract provision in there, there was a natural kind of reaction saying, "Wait a minute, that really is done for the purpose of protecting something. We really need to find out what that is."

During the process of the discussion, there were also some numbers and some figures that came out as to what contracts in dollar amounts would be exempt. And a figure was generated of roughly $92 to $109 billion on the defense side and some $74 or $76 billion on the domestic side. The point I am raising there is that even under the first run, there was the belief on both sides, that is, the domestic and the defense, would be affected by some kind of an exemption for contracts.

As we worked through this and we began to look closer at the makeup of the contracts and the wording of those contracts, we found that in most of the Defense Department contracts there was an option that, in essence, said at the convenience of the Government there could be some changes in performance. As a result of that, those contracts would be included in the overall sequester order.

So what really has happened now is that the greater dollar amount of contracts that are going to be exempt actually occurs on the domestic side, not on the defense side.

Mr. WALKER. Well, now, wait a minute. That is precisely opposite of what we heard out here earlier this evening. You are claiming that in the hearing process that you have gone through, in the study process that you have gone through, it has now been developed that the contract provision in the proposal will result in more domestic set-asides than defense set-asides?

Mr. MACK. That is absolutely correct. Let me go further and say that that information I believe was available either last Thursday or Friday in one of the open conference sessions that we had.

Mr. WALKER. So in other words, in one of these open meetings that we had heard were not taking place, in one of these open public meetings it has been in fact explained at this point that under the proposal you would have more discretionary set-asides, or, I should say, set-asides for domestic programs under the contracting authority than you would the defense programs.

Mr. MACK. The gentleman is correct.

Mr. WALKER. I think that is an important refutation of the explanation that we had in opposition to this bill earlier on this evening.

We also heard earlier this evening that absolutely this program is going to cut education, it is going to cut Head Start, it is going to cut college grant programs.

Is there any way that that particular point of view can be sustained based upon the reality of the program?

Mr. MACK. Let me respond to that and say that, yes, that could occur, but I would remind you that that would only occur either because Congress decided to do it, No. 1, or No. 2, that Congress failed to carry out any kind of significant deficit reduction that would get us within the targets.

The point is, if we do not put together a plan that sets other priorities that gets us below the target number, then sequestering would take place, that is, the reduction in spending across the board, and, therefore, the program that you mentioned would be hit on a percentage basis, the same way as, say, the defense number, or any other particular spending in the makeup of the Federal budget.

Mr. WALKER. So in other words, the way we would get there is if we ourselves spent our way into the problem, that is we found that we were not able to discipline ourselves to the point of meeting the target, the only way we could get to those kinds of cuts would be that the spenders win up here and we do not get to a responsible level of reduced deficit.

Mr. MACK. If there is a failure on the part of the Congress to meet the targets as established in this proposal, then there would be a sequester across the board, which would impact the programs that you just mentioned. That is one way.

The second way would be, as the gentleman knows, that, while we have established targets here, and sequestering would take place at some point, the Congress still has the responsibility of developing its own budget resolution that meet those specific targets. If the Congress should happen to decide that education or the other programs that you mentioned should be cut, that is a second way. But a way of protecting those programs is for those people who feel strongly about that to put their proposal together as to how they think the priorities of the Federal expenditures ought to be arranged. And then the Congress can debate which of those should take place.

Mr. WALKER. I thank the gentleman. Of course, the point being made by some of the opponents of your proposal is the fact that this would hit particularly hard at domestic policies, and the statement was made that that is irresponsible because it is a known fact that there has been no real social program waste, that there is a myth of social program waste. The fact is that we do have in the Defense Department, we do have waste in the social programs, as well. To cite one, just to let people know that that is not a myth, the Food Stamp Program, for example, was examined by GAO just a couple years ago, and they found a 20-

percent waste, fraud and abuse rate in that social program. That is a pretty significant waste, fraud and abuse rate and one which I think we might want to address as a part of a budget-reduction scenario.

Mr. MACK. I think one of the interesting things that is developing on this particular proposal is that those who are concerned about the domestic side of the budget have made the claims that that is where all the cuts are going to occur. Those people who feel very protective of the defense numbers make the claim that that is where all of the cuts are going to be made, or a good portion of it.

And it is also interesting that those of us who feel strongly about no tax increases have heard several say, "Well, this is just the kind of system that is going to force increases in taxes," and we have heard just the opposite point of view about taxes from other people; the point is that this proposal is about as even and as straight across and as neutral approach as you can come up with to, as you said, provide the paddle necessary to make Congress carry out its responsibility.

Mr. WALKER. Well, the final point that was made by the gentleman that was discussing here this morning—and there were a number of other points, too, that can be refuted—was that the Democrats and liberals would in fact support a policy calling for a balanced budget.

Our question to them is: What? What policy is it that you are willing to support?

Last night we had a discussion out here on the floor of the alternative budget that they would propose. Earlier in the evening I went through the alternative budget and found that if you totally did away with all agricultural programs, which was one of the things they discussed, all foreign aid programs, which is one of the things they discussed, all water projects, which is one of the things they discussed, emasculated the entire strategic Defense Program of this country, they would come up with $70 billion in savings, and that included some increases in taxes. They would come up with $70 billion in deficit reduction. That leaves them $130 billion short.

So the question becomes: What are they really willing to do?

They are willing to criticize your proposal, they are willing to talk about balancing the budget, they are willing to try to blame deficits on Ronald Reagan, but they are not willing to come up with a proposal, and they are willing to do anything to destroy a proposal that is now before us.

I think it is an appalling episode. I think it demonstrates once again why we have a dichotomy in the economy today between spenders and builders, and it seems to me that, clearly, those who are spenders are fighting the Gramm-Mack proposal, those who are the builders of our society, trying to build an economy for the future, are those defending it.

The American people need to choose between the two. Are you with the spenders, who want to continue to spend us into debt and into oblivion, as we have spent for the last decade or more? Or are you with the builders who want to rebuild the economy, build toward the future, lower the debt load on the American people and begin the process of strengthening ourselves going into the 21st century?

Those are the choices. It is a choice that has become very clear in the Gramm-Mack proposal, and I think that the opposition voices that we hear on the floor are those people who want to continue the spending.

I congratulate the gentleman for being in the forefront of the builders.

Mr. Speaker, I yield back the balance of my time.

COMMEMORATING THE 40TH ANNIVERSARY OF THE UNITED NATIONS

(Mr. LEACH of Iowa asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. LEACH of Iowa. Mr. Speaker, tomorrow, October 24, 1985, marks the 40th anniversary of the founding of the United Nations. President Reagan, who has on various occasions reaffirmed a U.S. commitment to the principles and ideals on which the United Nations was founded, will be addressing a special commemorative session of the General Assembly on that occasion. I believe it appropriate for the Congress likewise to observe this 40th anniversary by reflecting on the past four decades of post-World War II experience with the United Nations.

It was not far from this Chamber, in 1944, that meetings were convened at Dumbarton Oaks to begin the preliminary work on what was to become the new United Nations organization. The following year, delegates from 50 nations gathered in San Francisco and on June 25, 1945, adopted the Charter of the United Nations. In the post-World War II era, the United States played the dominant role in the United Nations and most other international bodies. Not only did we never veto a Security Council measure, but for 20 years, we never voted on the losing side of a U.N. resolution. As the world's preeminent military and economic power the United States exerted unrivaled influence.

However, as the decolonization process unfolded and the membership of the United Nations tripled, Americans have had to come to grips with the fact that the character of the United Nations has changed as the world has changed. The United States does not now, nor will it ever again claim as great a percentage of the world's economic and military might as it did at the end of the last world war. Hence, in a very practical sense, our national security today requires a greater subtlety be applied to our diplomacy as it effects international institutions.

Apart from arms control, the most fundamental issue of world politics is the advancement of international law and international institutions. In a world which Pope John Paul has suggested has shifted from a "post-war" to a "pre-war" mentality, political leaders in Congress and the executive branch have a responsibility to appeal to the highest rather than the lowest instincts of the body politic in approaching issues of multilateral diplomacy.

This is not to suggest that criticism of the United Nations should be stifled. Rather it should be channeled constructively. Many, for instance, have suggested that the United Nations has degenerated into a world debating society. Citizens of the world had higher hopes for the United Nations than to see country after country use the podium of New York for political diatribe, much of it directed against the United States. As a former delegate to the United Nations General Assembly, I have witnessed firsthand the corruption in rhetoric that plagues the U.N. system today. Still, all in all, words are cheaper than bullets and who knows how much conflict such open discussion of issues prevents.

American representatives, confronted with such situations, have a responsibility to stand up, not only for American national interests, but for the principle of rational dialog. In diplomacy, as in sports, it does matter how you play the game. Verbal joustings, however, must be measured. It is simply counterproductive to suggest, as one of our representatives recently did, that the United Nations should meet half time in Moscow and that he would cheerfully stand at the wharf and wave goodbye to delegates. It is even more mischievous to gratuitously call the United Nations a "cesspool" as the mayor of New York recently has done. Beyond the realm of rhetoric, the burden of proof would seem to be on the administration to show how abandoning UNESCO advances our national interest, how empty chair diplomacy is more effective than U.S. participation. Likewise, torpedoing the Law of the Sea negotiations and abandoning compulsory jurisdiction of the World Court would for all intents and purposes appear to shrink the scope of international law. How does this lead to a safer world?

We may not like all that the United Nations or its individual members do,

but we no longer have the capacity, even if we so desired, to successfully go it alone. We simply cannot reject the world as it is the 1980's and return to the world as it once was or as we would like it to be. The economic and military might we were once able to exercise at the end of World War II is history. Now, Japan and several of the European nations devastated by the war and assisted by the United States in their recovery are heavy contenders for rival economic and political influence and many smaller nations of Asia and Latin America have developed to the point too where they can claim a significant share of the world's economic resources and influence. The reordering of power in the world implies that the United States must work cooperatively with other nations in the promotion of our own interests and ideals, not only bilaterally, but in international organizations such as the United Nations.

Ironically, the American people often seem to understand better than American politicians that isolationism has no place in the world today. If there is any hope of diminishing intolerance and hostility among nations, it must come through a greater international commitment to mutual understanding and cooperative problem solving. Those who demand that the United States get out of the United Nations must realize that going it alone may be psychologically satisfying, but strategically it is a prescription for disaster for the United States. Existing international institutions may be flawed, but the case for retreat from international dialog is nonexistent. Multilateral cooperation is a prerequisite for establishing a safer if not saner world.

While the United Nations more frequently earns headlines through its failures and shortcomings, the success stories of the United Nations go on largely without public notice. During the last four decades, the United Nations Children's Fund [UNICEF] has made a major contribution to the health of the world's children; the World Health Organization [WHO] played a crucial role in eradicating smallpox from the face of the Earth; the International Civil Aviation Organization [ICAO] has helped to assure the safety of the world's commercial air travelers; the International Atomic Energy Agency [IAEA] has, through its inspections and related activities, contributed to global efforts to protect against the proliferation of nuclear weapons; the United Nations Development Program [UNDP] has assisted in the basic task of economic development in many of the world's poorest countries, the U.N. High Commissioner for Refugees earned the Nobel Peace Prize for caring for millions of refugees, and United Nations Educational, Scientific and Cultural Organization [UNESCO] has made a signficant contribution to worldwide problems of literacy and preservation of cultural heritage.

The world has witnessed significant progress in the development of international law under the auspices of the U.N. system, particularly in such areas as maritime law and in the development of human rights conventions.

While these kinds of activities and accomplishments may not relate directly to the peacekeeping initiatives on which we tend to focus such enormous attention, they are, nevertheless, indispensable to the creation of the conditions for a lasting world peace. As a Member of this body, I am proud of the historical leadership role which the United States has played in these areas through the U.N. system.

This is not to say that the United Nations has not been a deep disappointment at times and that the conduct of some of its members has not from time to time been deplorable. But the occasion of the 40th anniversary of the United Nations offers the 159 member states of the United Nations an opportunity to rededicate themselves to the original purposes and principles embodied in the charter and to undertake new initiatives to improve the United Nations itself. As U.S. Ambassador to the United Nations, Vernon A. Walters, said in testifying before two House subcommittees on September 18, 1985, "The United Nations is essential to us. But if the United Nations is to function as it should, if it is to play the role it should play, it must become a more effective institution."

I agree with Ambassador Walters' assessment and have recently introduced legislation which I hope will provide an appropriate format for a constructive review of the United Nations. This legislation (H.J. Res. 417) proposes the establishment of a "United States Commission on Improving the Effectiveness of the United Nations," to consist of 18 members, with the House, the Senate, and the President each selecting six. Former U.S. Permanent Representatives to the United Nations would also be invited to serve as advisors to the Commission. In carrying out its mandate to report back to Congress and the President in 1 year's time its recommendations, the Commission would be charged with giving special attention to such issues as: "weighted" voting, assessed contributions from member states, potential nongovernmental sources of revenue for the United Nations, staff salaries and contracts, peacekeeping functions, the use of the International Court of Justice, potential creation of new mechanisms such as a U.N. Mediation and Conciliation Service and professional antiterrorism units, a possible verification and inspection service to assist in enforcing compliance with arms control agreements, the implementation of international human rights standards, the possible creation of a new U.N. High Commissioner for Human Rights, the role of the United States in the United Nations and a variety of other subjects. The Commission would be mandated to examine such ideas as with a view toward developing concrete practical recommendations for reform in the United Nations. It would also be charged with developing strategies for promoting appropriate reforms at the United Nations itself.

The proliferation in the last couple of years of House and Senate amendments dealing with U.S. policy toward the United Nations reflects a great degree of frustration with the United Nations as it presently operates. The Commission described above is neither intended to be liberal nor conservative, but instead to be, above all, practical. Without a constructive forum for multilateral international discourse, managing global problems will become far more difficult in the years to come.

It is time for the United States to lead, rather than simply denigrate the United Nations. There is no better occasion than on this, the 40th anniversary of the United Nations, to engage the American people in the quest for a better, more effective United Nations for the next 40 years.

I would like to submit for the record the text of House Joint Resolution 417 and to urge my colleagues in supporting this initiative.

H.J. RES. 417

Joint resolution to establish a United States Commission on Improving the Effectiveness of the United Nations

Whereas October 24, 1985, marks the fortieth anniversary of the entry into force of the Charter of the United Nations;

Whereas the United Nations was established for the purposes, as enunciated in the Charter, of maintaining international peace and security, developing friendly relations among nations based on respect for equal rights and self-determination, achieving international cooperation in solving economic, social, cultural, and humanitarian problems, and promoting respect for human rights;

Whereas the purposes and principles of the United Nations Charter and founders remain as relevant today as they were forty years ago;

Whereas the United Nations system is a necessary universal and democratic institution in our interdependent world and has made significant contributions in such areas as the development of international law, peacekeeping, decolonization, nuclear nonproliferation, child health, refugee relief, economic development, and human rights;

Whereas in spite of its achievements, the United Nations has been unable to bring an end to war or human suffering;

Whereas the United Nations has also, on occasion, strayed from its original purposes and has served as a forum for irresponsible rhetoric and politicization, such as the adoption by the General Assembly in 1975 of

Resolution 3379 equating Zionism with racism;

Whereas in spite of such grave lapses, the United States remains committed to the United Nations and the purposes of the Charter, not only as a member of the United Nations and one of its earliest leaders and supporters, but also as host to the United Nations headquarters;

Whereas the fortieth anniversary of the United Nations provides a special opportunity for the United States not only to reaffirm its support for the United Nations but to reappraise the potential of the United Nations and recommend means of making that institution more effective and responsible, consistent with the national interests of the United States; and

Whereas the Secretary General of the United Nations has, on this fortieth anniversary, called for renewed commitment to the Charter and an effort to appraise and improve the functioning of the United Nations: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ESTABLISHMENT OF COMMISSION.

The United States Commission on Improving the Effectiveness of the United Nations (hereafter in this joint resolution referred to as the "Commission") is hereby established.

SEC. 2. PURPOSES OF THE COMMISSION.

(a) PURPOSES.—The purposes of the Commission shall be to—

(1) examine the forty years of the United Nations and identify and evalute the strengths and weaknesses in the organization and its work; and

(2) prepare and submit to the President and to the Congress recommendations on ways to improve the effectiveness of the United Nations and the role of the United States in the United Nations, including the feasibility of and means for implementing such recommendations.

(b) SPECIAL ATTENTION.—In carrying out its responsibilities under subsection (a), the Commission shall pay special attention to the following:

(1) The mechanisms and procedures within the United Nations system for peacekeeping and conflict-resolution and ways in which they may be expanded or improved, examining in particulr the functions of the Secretary General, the role of the Security Council, the use of the International Court of Justice, potential third-party dispute-solving mechanisms (as in the establishment of a United Nations Mediation and Conciliation Service), the possible creation of standing United Nations peacekeeping forces or anti-terrorism units, the role of United Nations institutions in fact-finding, and potential verification and inspection services to assist in enforcing compliance with international arms control agreements.

(2) Formal and informal decisionmaking procedures in the United Nations, its agencies and programs, and recommendations to modify those procedures which have emerged from various interested parties, examining in particular the role of consensus decisionmaking, the feasibility and advisability of weighted voting (including the so-called "binding triad" formula requiring multiple concurrent majorities based on one-nation-one-vote along with population and contributions), the possible modification of the Security Council veto, and the relationship of the principles of universality and democracy to decision-making procedures.

(3) The cost-effectiveness and administrative efficiency of the United Nations, examining in particular budgetary reform (including the role of the major donors in budget decision-making), the prioritization of programs, adjustments in assessments, potential alternative non-governmental sources of revenue, salaries, benefits, hiring of consultants, contracts for goods and services, and appointment of staff in the Secretariat.

(4) The economic, social, and humanitarian role of the United Nations system, examining in particular the optimum coordination of economic development programs, the United Nations' short-term and long-term response to crises and natural disasters, population and health issues, refugee relief, the protection of the environment, the implementation of international human rights law, and the potential creation of a United Nations High Commissioner for Human Rights.

(5) United States participation in the United Nations, examining in particular the strengths and weaknesses of United States performance, United States policy toward the International Court of Justice and international law, provisions in United States law relating to the United Nations, ways in which the United States can better use the United Nations to advance its national interests, the state of public opinion with regard to the United States role in the United Nations, United States voluntary and assessed contributions to the United Nations, and the hiring of United States citizens in the United Nations system.

(6) Strategies and actions for promoting the implementation of recommended reforms in the United Nations and the United States role in the United Nations.

SEC. 3. MEMBERSHIP OF THE COMMISSION.

(a) MEMBERS.—The Commission shall be composed of 18 members, appointed as follows:

(1) Two Members of the Senate, one appointed by the President pro tempore of the Senate and one appointed by the minority leader of the Senate.

(2) Two Members of the House of Representatives, one appointed by the Speaker of the House and one appointed by the minority leader of the House.

(3) Eight individuals from the private sector, two appointed by the President pro tempore of the Senate, two appointed by the minority leader of the Senate, two appointed by the Speaker of the House, and two appointed by the minority leader of the House.

(4) Six individuals appointed by the President, such appointees to be representative, to the maximum extent possible, of the full range of American society. Not more than three of the members of the Commission appointed pursuant to this paragraph may be from the same political party.

All such appointments shall be made no later than 60 days after the date of enactment of this joint resolution. Any vacancy in the membership of the Commission shall be filled in the same manner as the original appointment was made.

(b) ADVISORS.—Former United States Permanent Representatives to the United Nations who are not appointed to the Commission shall be invited by the Commission to serve as Advisors to the Commission.

(c) COMPENSATION AND TRAVEL EXPENSES.—(1) Except as provided in paragraph (2), each member of the Commission shall be entitled to receive the daily equivalent of the annual rate of basic pay in effect for grade GS-18 of the General Schedule (5 U.S.C. 5332) for each day during which that member is engaged in the actual performance of the duties of the Commission.

(2) Members of the Commission who are full-time officers or employees of the United States or Members of the Congress shall receive no additional pay on account of their service on the Commission.

(3) While away from their homes or regular places of business in the performance of services for the Commission, members of the Commission, and Advisors serving pursuant to subsection (b), shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703(b) of title 5, United States Code.

(d) CHAIRMAN AND VICE CHAIRMAN.—The Chairman and Vice Chairman shall be elected by the Commission from among the members of the Commission.

(e) QUORUM.—Ten members of the Commission shall constitute a quorum for purposes of transacting business, except that four members shall constitute a quorum for holding public hearings.

SEC. 4. POWERS OF THE COMMISSION.

(a) IN GENERAL.—For the purpose of carrying out this joint resolution, the Commission may hold such hearings (subject to the requirements of subsection (b)) and sit and act at such times and places, take such testimony, and receive such evidence as the Commission considers necessary to fulfill the purposes specified in section 2. The Commission may administer oaths and affirmations to witnesses appearing before the Commission.

(b) MEETINGS.—

(1) MINIMUM NUMBER OF PUBLIC HEARINGS.—The Commission shall hold a minimum of 5 public hearings.

(2) OPEN MEETINGS.—Section 552b of title 5 of the United States Code shall apply with respect to the Commission.

(3) CALLING MEETINGS.—The Commission shall meet at the call of the Chairman or a majority of its members.

(c) DELEGATION OF AUTHORITY.—When so authorized by the Commission, any member or agent of the Commission may take any action which the Commission is authorized to take by this section.

(d) INFORMATION FROM FEDERAL AGENCIES.—The Commission may secure directly from any Federal agency information necessary to enable it to carry out this joint resolution. Upon request of the Chairman of the Commission, the head of any such Federal agency shall furnish such information to the Commission.

SEC. 5. STAFF.

(a) STAFF MEMBERS AND CONSULTANTS.—Subject to such rules as may be adopted by the Commission, the Chairman of the Commission, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classifications and General Schedule pay rates, may—

(1) appoint a Director who shall be paid at a rate not to exceed the rate of basic pay in effect for level V of the Executive Schedule (5 U.S.C. 5316);

(2) appoint and fix the compensation of such other staff personnel as the Chairman considers necessary; and

(3) procure temporary and intermittent services to the same extent as is authorized by section 3109(b) of title 5, United States Code.

(b) DETAILING OF GOVERNMENT PERSONNEL.—Upon request of the Commission, the head of any Federal agency may detail, on a reimbursable basis, any of the personnel of that agency to the Commission to assist it in carrying out this joint resolution.

SEC. 6. REPORT.

The Commission shall transmit to the President and to the Congress a report containing a detailed statement of the findings, conclusions, and recommendations of the Commission. This report shall be transmitted not later than one year after—

(1) the date on which appropriations first become available to the Commission, or

(2) the first date on which all members of the Commission have been appointed,

whichever date is later.

SEC. 7. FUNDING FOR THE COMMISSION.

(a) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $250,000 to carry out this joint resolution.

(b) PRIVATE CONTRIBUTIONS.—The Commission may accept contributions from private sources to carry out the purposes of this joint resolution. The source and amount of each such contribution shall be listed in the report submitted pursuant to section 6.

SEC. 8. TERMINATION OF THE COMMISSION.

The Commission shall cease to exist 60 days after submitting its report pursuant to section 6.

CONFERENCE REPORT ON H.R. 2942

Mr. FAZIO submitted the following conference report and statement on the bill (H.R. 2942) making appropriations for the legislation branch for the fiscal year ending September 30, 1986, and for other purposes:

CONFERENCE REPORT (H. REPT. 99-321)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2942) making appropriations for the legislative branch for the fiscal year ending September 30, 1986, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 4, 15, 18, 19, 20, 23, 24, and 25.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 5, 6, 7, and 21, and agree to the same.

Amendment numbered 3:

That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$919,000*; and the Senate agree to the same.

Amendment numbered 8:

That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$16,886,000*; and the Senate agree to the same.

Amendment numbered 9:

That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment, as follows:

Restore the matter stricken by said amendment, amended as follows:

In lieu of the sum named in said amendment insert: *$100,000*; and the Senate agree to the same.

Amendment numbered 10:

That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$10,880,000*; and the Senate agree to the same.

Amendment numbered 16:

That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment, as follows:

Restore the matter stricken and inserted by said amendment, amended as follows: *$2,188,000: Provided, That appropriations under this head shall be available for Bartholdi Fountain repairs without regard to section 3709 of the Revised Statutes, as amended*; and the Senate agree to the same.

Amendment numbered 17:

That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$138,047,000*; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 1, 11, 12, 13, 14, 22, and 26.

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JOHN EDWARD PORTER,
Managers on the Part of the House.

ALFONSE D'AMATO,
MARK O. HATFIELD,
TED STEVENS,
DALE BUMPERS,
TOM HARKIN,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2942) making appropriations for the Legislative Branch for the fiscal year ending September 30, 1986, and for other purposes, submit the following joint statement to the House and Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

TITLE I—CONGRESSIONAL OPERATIONS

SENATE

Amendment No. 1: Reported in technical disagreement. Inasmuch as the amendment relates solely to the Senate and in accord with long practice, under which each body determines its own housekeeping requirements and the other concurs without intervention, the managers on the part of the House will offer a motion to recede and concur in the Senate amendment.

JOINT ITEMS

CONTINGENT EXPENSES OF THE SENATE

JOINT ECONOMIC COMMITTEE

Amendment No. 2: Appropriates $2,644,000 as proposed by the Senate instead of $2,670,000 as proposed by the House.

JOINT COMMITTEE ON PRINTING

Amendment No. 3: Appropriates $919,000 instead of $910,000 as proposed by the House and $935,000 as proposed by the Senate.

OFFICE OF THE ATTENDING PHYSICIAN

Amendment No. 4: Appropriates $1,056,000 as proposed by the House instead of $1,036,000 as proposed by the Senate.

CAPITOL POLICE

General expenses

Amendment No. 5: Appropriates $1,336,000 as proposed by the Senate instead of $1,361,000 as proposed by the House.

Official mail costs

Amendment No. 6: Appropriates $100,000,000 as proposed by the Senate instead of the $104,211,000 as proposed by the House.

Statement of appropriations

Amendment No. 7: Appropriates $13,000 as proposed by the Senate instead of $11,000 as proposed by the House.

CONGRESSIONAL BUDGET OFFICE

Salaries and expenses

Amendment No. 8: Appropriates $16,886,000 instead of $16,609,000 as proposed by the House and $17,541,000 as proposed by the Senate. The additional $277,000 provided over the House bill is allocated as follows: $127,000 for computer time sharing, including $27,000 for the personnel system; $115,000 for administrative costs; and $35,000 for the summer intern program.

ARCHITECT OF THE CAPITOL

OFFICE OF THE ARCHITECT OF THE CAPITOL

Contingent expenses

Amendment No. 9: Appropriates $100,000 instead of $235,000 as proposed by the House.

CAPITOL BUILDINGS AND GROUNDS

Capitol buildings

Amendment No 10: Appropriates $10,880,000 instead of $11,405,000 as proposed by the House and $10,590,000 as proposed by the Senate. This level provides $290,000 for the conservation, including the necessary scaffolding, of the frescoed frieze in the Capitol Rotunda. With respect to the frescoed canopy, "The Apotheosis of George Washington," which also requires extensive conservation treatment, the conferees believe that alternatives to the plan for masking the joints between the giornate should be considered. There is a concern that the aesthetics of the giornate will be altered because the proposal presented to the Committees will eliminate the effects of the variations in the painting created by the artist, Constantino Brumidi, in his day-to-day progress on this masterpiece frescoe. Consequently, the conferees direct that an alternative conservation program be developed for the canopy which then can be considered together with the current plan. Funding for the elevator traffic analyzer is not provided.

Amendment No. 11: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which extends the availability of $109,000 appropriated in P.L. 98-367, until September 30, 1986, as proposed by the Senate.

Capitol grounds

Amendment No. 12: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the sum stricken and inserted by said amendment, insert the following:

"$3,510,000, of which $495,000 shall be available until expended for the procurement and installation of hydraulic security barriers at vehicular entrances to the Capitol grounds, subject to the approval of the design development drawings by the House and Senate Committee on Appropriations

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The managers have approved the front end loader and resurfacing of square 639; funds for a dump truck are not provided. The managers have included funding and approve the reprogramming for the construction of hydraulic barriers at the East Plaza vehicle entrances to increase the security of the Capitol, its inhabitants, and the visiting public. The East Plaza funds are provided subject to approval of the design development drawings by the Committees on Appropriations. Authorization legislation (H.R. 3066) reported to the House on October 11, 1985 also requires that the Architect of the Capitol will proceed with the project under the direction of the House Office Building Commission and the Committee on Rules and Administration of the Senate.

Senate office buildings

Amendment Nos. 13-14: Reported in technical disagreement. Inasmuch as the amendments relate solely to the Senate and in accord with long practice, under which each body determines its own housekeeping requirements and the other concurs without intervention, the managers on the part of the House will offer motions to recede and concur in the Senate amendments 13 and 14.

LIBRARY OF CONGRESS

CONGRESSIONAL RESEARCH SERVICE

Salaries and expenses

Amendment No. 15: Appropriates $38,963,000 as proposed by the House instead of $40,333,000 as proposed by the Senate. The managers realize that this level of funding will require very tight financial management at CRS and urge the agency to seek reprogramming authority if that becomes necessary in meeting Congressional workload requirements.

TITLE II—OTHER AGENCIES

BOTANIC GARDEN

SALARIES AND EXPENSES

Amendment No. 16: Appropriates $2,188,000 instead of $2,197,000 as proposed by the House and $2,113,000 as proposed by the Senate. The conferees have allowed $75,000 for repairs to the Bartholdi Fountain, without regard to section 3709 of the Revised Statutes. Funding for a delivery truck is not provided.

LIBRARY OF CONGRESS

SALARIES AND EXPENSES

Amendment No. 17: Provides $138,047,000 in direct appropriations and receipts instead of $136,569,000 as proposed by the House and $139,325,000 as proposed by the Senate. The conferees have allowed $1,478,000 over the House bill, to be allocated as follows: $675,000 for preservation, including $250,000 for continued experimentation with the diethyl zinc deacidification process; $303,000 for automated systems, including $96,000 for personnel expenses for three existing staff positions to assist in the Congressional Research Service automation program; and $500,000 for relocation expenses.

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SALARIES AND EXPENSES

Amendment No. 18: Provides $17,631,000 in direct appropriations and collection receipts as proposed by the House instead of $18,081,000 as proposed by the Senate. The conferees are aware that recent semiconductor chip legislation has generated additional registration workload, which the Copyright Office has been able to absorb through reassignment of existing resources. The Office should continue to monitor this situation closely, and report the status of this workload during the next appropriation hearings.

Amendment No. 19: Provides a limitation of $6,000,000 in collections under 17 USC 708(c) which may be credited to this appropriation as proposed by the House instead of $6,500,000 as proposed by the Senate.

Amendment No. 20: Provides that the total amount available for obligation shall be reduced by the amount by which collections are less than $6,750,000 as proposed by the House instead of $7,250,000 as proposed by the Senate.

GOVERNMENT PRINTING OFFICE

PRINTING AND BINDING

Amendment No. 21: Appropriates $11,555,000 as proposed by the Senate instead of $11,655,000 as proposed by the House.

OFFICE OF SUPERINTENDENT OF DOCUMENTS

SALARIES AND EXPENSES

Amendment No. 22: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which provides that $3,000,000 of the amount available for fiscal year 1986 shall be derived from excess receipts from the sales of publications as proposed by the Senate.

GOVERNMENT PRINTING OFFICE REVOLVING FUND

Amendment No. 23: Restores language proposed by the House and stricken by the Senate which imposed a limitation of 5,480 employees at the Government Printing Office. In applying this employment cap, the managers direct that it be applied equitably, and with due regard to the efforts at GPO to provide equal employment opportunities to women and minority groups.

GENERAL ACCOUNTING OFFICE

SALARIES AND EXPENSES

Amendment No. 24: Appropriates $300,992,000 as proposed by the House instead of $299,726,000 as proposed by the Senate. The conferees expect that this level of funding will provide necessary training for GS-14's and above, and that the GAO will maintain an employment level of 5,100. The managers also note the increasing use of staff at the General Accounting Office as detailees to the Committees of Congress on a non-reimburseable basis. This practice should not be allowed to further burden the resources available to the General Accounting Office, which are severely limited as they are for all Legislative Branch agencies due to fiscal constraint and increasing workloads. The Comptroller General is asked to review this situation and to make appropriate recommendations in the fiscal year 1987 appropriations requests.

Amendment No. 25: Restores language proposed by the House and stricken by the Senate amending section 7(b) of Public Law 90-545 to authorize the use of the claims and judgments fund for final partial payments and compromise settlement of claims after certification by the Attorney General to the Comptroller General that it is in the interest of the United States to do so.

TITLE III—GENERAL PROVISIONS

Amendment No. 26: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter proposed by said amendment, insert the following:

SEC. 306. (a) Notwithstanding the provisions of this or any other Act, the United States International Narcotics Control Commission, established by section 814 of the Foreign Relations Authorization Act, Fiscal Years 1986 and 1987, is hereby redesignated and shall hereafter be known as the United States Senate Caucus on International Narcotics Control.

(b) Any reference to the United States International Narcotics Control Commission in any law, regulation, document, record, or other official paper of the United States shall be deemed to be a reference to the United States Senate Caucus on International Narcotics Control.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees believe that H.R. 2942 contains sufficient authority in the language under the Office of the Superintendent of Documents to make available for salaries and expenses excess receipts from the sales of publications, in the amount specified. With respect to the narcotics commission, the conferees have inserted language which will clear up an ambiguity created in the conference agreement on H.R. 2068, the Foreign Relations Authorization (P.L. 99-93). This commission, originally approved in the Senate bill to be comprised of members of the House and Senate, as a result of conference agreement consists of only members of the Senate and the public. The amendment redesignates the title of the commission as the "United States Senate Caucus on International Narcotics Control", thus making it a more appropriate reflection of its actual membership.

CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 1986 recommended by the Committee of Conference, with comparisons to the fiscal year 1985 amount, the 1986 budget estimates, and the House and Senate bills for 1986 follow:

New budget (obligational) authority, fiscal year 1985	$1,599,977,138
Budget estimates of new (obligational) authority, fiscal year 1986	1,783,255,000
House bill, fiscal year 1986	1,294,473,000
Senate bill, fiscal year 1986	1,599,663,800
Conference agreement, fiscal year 1986	1,598,293,800

Conference agreement compared with:	
New budget (obligational) authority, fiscal year 1985	−1,683,338
Budget estimates of new (obligational) authority, fiscal year 1986	−184,961,200
House bill, fiscal year 1986	+303,820,800
Senate bill, fiscal year 1986	−1,370,000

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JOHN EDWARD PORTER,
Managers on the Part of the House.

ALPHONSE D'AMATO
MARK O. HATFIELD,
TED STEVENS,
DALE BUMPERS,
TOM HARKIN,
Managers on the Part of the Senate.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative programs and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. BOULTER) to revise and extend their remarks and include extraneous material:)

Mr. PARRIS, for 60 minutes, on October 24.

Mr. SMITH of New Hampshire, for 60 minutes, on October 30.

Mr. LEACH of Iowa, for 30 minutes, today.

Mr. RUDD, for 5 minutes, today.

Mr. KASICH, for 5 minutes, today.

Mr. WALKER, for 60 minutes, today.

Mr. MACK, for 60 minutes, today.

Mr. WEBER, for 60 minutes, today.

Mr. PARRIS, for 60 minutes, on October 28.

Mr. PARRIS, for 60 minutes, on October 29.

(The following Members (at the request of Mr. DERRICK) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. NELSON of Florida, for 5 minutes, today.

Mr. GEJDENSON, for 5 minutes, today.

Mr. GRAY of Pennsylvania, for 5 minutes, today.

Ms. OAKAR, for 5 minutes, today.

Mrs. COLLINS, for 30 minutes, today.

Mr. NEAL, for 60 minutes, today.

Mr. BRYANT, for 5 minutes, today.

Mr. LIPINSKI, for 5 minutes, on October 24.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. FORD of Tennessee, prior to the vote on the conference report on H.R. 2409, in the House, today.

(The following Members (at the request of Mr. BOULTER) and to include extraneous matter:)

Mr. GUNDERSON in two instances.
Mr. VANDER JAGT.
Mr. SHUMWAY.
Mr. MOLINARI.
Mr. WORTLEY.
Mr. STRANG.
Mr. LEWIS of California.
Mr. GILMAN in three instances.
Mr. YOUNG of Alaska.
Mrs. BENTLEY in two instances.
Mr. O'BRIEN.
Mr. BATEMAN.
Mr. CRANE.
Mr. KEMP.
Mr. SCHUETTE in two instances.

(The following Members (at the request of Mr. DERRICK) and to include extraneous matter:)

Mr. ROE.
Mr. DINGELL.
Mr. KOLTER.
Mr. MRAZEK.
Mr. FRANK.
Mr. O'NEILL.
Mr. HAMILTON.
Mr. SOLARZ.
Mr. GEJDENSON.
Mr. ATKINS.
Mr. LANTOS in two instances.
Mr. DORGAN of North Dakota in two instances.
Mr. MONTGOMERY.
Mr. GARCIA in two instances.
Mr. KASTENMEIER.
Mr. MILLER of California.
Mr. CLAY.
Mr. SHARP.
Mr. MICA.
Mrs. BYRON.
Mr. LELAND.
Mr. ECKART of Ohio.

ENROLLED JOINT RESOLUTION SIGNED

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H.J. Res. 407. Joint resolution designating the 12-month period ending on October 20, 1986, as the "Centennial Year of Liberty in the United States."

SENATE ENROLLED JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to an enrolled joint resolution of the Senate of the following title:

S.J. Res. 104. Joint resolution to proclaim October 23, 1985, as "A Time of Remembrance" for all victims of terrorism throughout the world.

BILL AND JOINT RESOLUTIONS PRESENTED TO THE PRESIDENT

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a bill and joint resolutions of the House of the following title:

H.R. 2959. An act making appropriations for energy and water development for the fiscal year ending September 30, 1986, and for other purposes;

H.J. Res. 79. Joint resolution to designate the week beginning October 6, 1985, as "National Children's Week"; and

H.J. Res. 407. Joint resolution designating the 12-month period ending on October 28, 1986, as the "Centennial Year of Liberty in the United States."

ADJOURNMENT

Mr. WALKER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 27 minutes p.m.) the House adjourned until tomorrow, Thursday, October 24, 1985, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2174. A letter from the Chairman, Council of the District of Columbia, transmitting D.C. Act 6-96, "Closing of a Portion of Davenport Street, N.W., adjacent to Squares 1672 and 1673, S.O. 84-313, Act of 1985", and report, pursuant to Public Law 93-198, section 602(c), to the Committee on the District of Columbia.

2175. A letter from the Chairman, Council of the District of Columbia, transmitting D.C. Act 6-94, "The Sibley Memorial Hospital Revenue Bond Act of 1985", and report, pursuant to Public Law 93-198, section 602(c), to the Committee on the District of Columbia.

2176. A letter from the Chairman, Council of the District of Columbia, transmitting D.C. Act 6-97, "Mandatory Use of Seat Belts Act of 1985", and report, pursuant to Public Law 93-198, section 602(c), to the Committee on the District of Columbia.

2177. A letter from the Chairman, Council of the District of Columbia, transmitting D.C. Act 6-95, "Business Incubator Facilitation Act of 1985", and report, pursuant to Public Law 93-198, section 602(c), to the Committee on the District of Columbia.

2178. A letter from the Director, Defense Security Assistance Agency, transmitting notification of the Department of the Navy's proposed lease of defense articles to Israel (Transmittal No. 4-86), pursuant to 22 U.S.C. 2796(a); to the Committee on Foreign Affairs.

2179. A letter from the Director, Defense Security Assistance Agency, transmitting notification of the Department of the Navy's proposed lease of defense articles to the Dominican Republic (Transmittal No. 1-

86), pursuant to 22 U.S.C. 2796(a); to the Committee on Foreign Affairs.

2180. A letter from the Secretary of Energy, transmitting the seventh annual report on the Automotive Technology Development Program—fiscal year 1985, pursuant to Public Law 93-577, section 15, 19(1), and 20 (92 Stat. 61, 69, 70 and 85); Public Law 95-238, section 310(a); to the Committee on Science and Technology.

2181. A communication from the President of the United States, transmitting notification of the intent to remove Portugal from the list of beneficiary developing countries under the Generalized System of Preferences (GSP) Program, pursuant to 19 U.S.C. 2462(a) (H. Doc. No. 99-177); to the Committee on Ways and Means and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FAZIO. Committee of conference. Conference report on H.R. 2942 (Rept. 99-321). Ordered to be printed.

Mr. FUQUA. Committee on Science and Technology. H.R. 3235. A bill to authorize the Administrator of the National Aeronautics and Space Administration to accept title to the Mississippi Technology Transfer Center to be constructed by the State of Mississippi at the National Space Technologies Laboratories in Hancock County, Mississippi; with an amendment (Rept. 99-322). Referred to the Committee of the Whole House on the State of the Union.

Mr. DELLUMS. Committee on the District of Columbia. H.R. 2050. A bill to give to the Board of Parole for the District of Columbia exclusive power and authority to make parole determinations concerning prisoners convicted of violating any law of the District of Columbia, or any law of the United States applicable exclusively to the District (Rept. 99-323). Referred to the Committee of the Whole House on the State of the Union.

Mr. DELLUMS. Committee on the District of Columbia. H.R. 2946. A bill to establish an independent jury system for the Superior Court of the District of Columbia. (Rept. 99-324). Referred to the Committee of the Whole House on the State of the Union.

Mr. DELLUMS. Committee on the District of Columbia. H.R. 3592. A bill to provide permanent authority for hearing commissioners in the District of Columbia courts, to modify certain procedures of the District of Columbia Judicial Nomination Commission and the District of Columbia Commission on Judicial Disabilities and Tenure, and for other purposes (Rept. 99-325). Referred to the Committee of the Whole House on the State of the Union.

Mr. DELLUMS. Committee on the District of Columbia. H.R. 3578. A bill to provide permanent authority for hearing commissioners in the District of Columbia courts, to modify certain procedures of the District of Columbia Judicial Nomination Commission and the District of Columbia Commission on Judicial Disabilities and Tenure, and for other purposes with amendments (Rept. 99-326). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ACKERMAN:

H.R. 3605. A bill to provide that the authority to establish and administer flexible and compressed work schedules for Federal Government employees be extended through December 31, 1985; to the Committee on Post Office and Civil Service.

By Mr. ASPIN (for himself and Mrs. BOXER):

H.R. 3606. A bill to clarify the application of section 2406 of title 10, United States Code, relating to cost and price management, and to delay the effective date of such provision; to the Committee on Armed Services.

By Mr. HUNTER (for himself and Mr. PACKARD):

H.R. 3607. A bill to declare that certain lands located in California and held by the Secretary of the Interior are lands held in trust for the benefit of certain bands of Indians and to declare such lands to be part of the reservation with which they are contiguous; to the Committee on Interior and Insular Affairs.

By Mr. MITCHELL:

H.R. 3608. A bill to amend the Small Business Investment Act of 1958; to the Committee on Small Business.

By Mr. SILJANDER:

H.R. 3609. A bill to authorize the furnishing of military assistance to the National Union for the Total Independence of Angola (UNITA); to the Committee on Foreign Affairs.

By Mr. YOUNG of Alaska:

H.R. 3610. A bill to equalize the duties on canned tuna; to the Committee on Ways and Means.

By Mr. GUNDERSON:

H.R. 3611. A bill to amend the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 to clarify the liability of the United States Government for hazardous substances released during the manufacture of munitions or ordnance parts using equipment owned by the Department of Defense or any subdivision thereof; jointly, to the Committees on Energy and Commerce, Public Works and Transportation, and Armed Services.

By Mr. LEVIN of Michigan:

H.J. Res. 426. Joint resolution to designate the week of April 6, 1986, through April 12, 1986, as "World Health Week" and to designate April 7, 1986, as "World Health Day"; to the Committee on Post Office and Civil Service.

By Mr. O'BRIEN (for himself, Mr. ANDREWS, Mr. ANNUNZIO, Mr. BARNES, Mr. CHAPPIE, Mr. CLINGER, Mr. CROCKETT, Mr. DURBIN, Mr. DWYER of New Jersey, Mr. DYMALLY, Mr. EMERSON, Mr. FAZIO, Mr. FISH, Mr. GRAY of Illinois, Mr. GROTBERG, Mr. GUARINI, Mr. HAYES, Mrs. HOLT, Mr. HORTON, Mr. HOYER, Mr. KOSTMAYER, Mr. LAFALCE, Mr. MADIGAN, Mr. MAZZOLI, Mr. MINETA, Mr. MONTGOMERY, Mr. OWENS, Mr. RAHALL, Mr. REID, Mr. RODINO, Mr. ROE, Mr. SHAW, Mr. VALENTINE, Mr. WEISS, Mr. WOLF, and Mr. WORTLEY):

H.J. Res. 427. Joint resolution designating the week beginning on May 11, 1986, as "National Asthma and Allergy Awareness Week"; to the Committee on Post Office and Civil Service.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. PASHAYAN:

H.R. 3613. A bill for the relief of Wesley P. and Lois R. Kliewer; to the Committee on Judiciary.

H.R. 3612. A bill for the relief of Rodney E. Hoover; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 264: Mr. BONIOR of Michigan.

H.R. 347: Mr. RAY and Mrs. MEYERS of Kansas.

H.R. 604: Mr. RICHARDSON.

H.R. 1229: Mr. EVANS of Illinois.

H.R. 1482: Mr. SUNIA.

H.R. 1616: Mr. PEPPER, Mr. BOSCO, Mr. LANTOS, Mr. COELHO, Mr. GONZALEZ, Mr. MOLLOHAN, Mr. VOLKMER, Mr. DYSON, Mr. LUKEN, Mr. DASCHLE, Mr. GARCIA, and Mr. BROOKS.

H.R. 1662: Mr. ANDERSON.

H.R. 1809: Mr. GRAY of Illinois.

H.R. 1877: Mr. FLORIO and Mr. FOGLIETTA.

H.R. 1920: Mr. FAZIO.

H.R. 2280: Mr. GONZALEZ and Mr. BENNETT.

H.R. 2382: Mr. STALLINGS.

H.R. 2543: Mr. BERMAN, Mr. CROCKETT, Mr. TOWNS, and Mr. MORRISON of Connecticut.

H.R. 2589: Mr. DOWNEY of New York and Mr. LOWRY of Washington.

H.R. 2686: Mr. MARTINEZ, Mr. ANTHONY, Mr. CONYERS, and Mr. SIKORSKI.

H.R. 2691: Mr. NEAL

H.R. 2768: Mr. DEWINE.

H.R. 2793: Mr. BLILEY.

H.R. 2951: Mr. GINGRICH and Mr. RIDGE.

H.R. 3024: Mr. DE LUGO, Mr. DE LA GARZA, Mr. GONZALEZ, Mr. BUSTAMANTE, Ms. SNOWE, Mr. ANDREWS, Mr. WILSON, Mr. FRANK, Mr. EVANS of Illinois, Mr. DOWDY of Mississippi, Mr. ENGLISH, Mr. BENNETT, Mr. HARTNETT, Mr. PENNY, Mr. WOLF, Mr. HEFNER, Mr. HALL of Ohio, Mr. HOWARD, Mr. DYMALLY, Mr. LOTT, Mr. DAUB, Mr. BURTON of Indiana, Mr. WORTLEY, Mr. LAGOMARSINO, Mr. HUCKABY, Mr. BONIOR of Michigan, Mr. CHAPPIE, Mr. DARDEN, Mr. OBERSTAR, Mrs. BENTLEY, Mr. WILLIAMS, Mr. RAHALL, Mr. ANTHONY, Mr. FAZIO, Mr. MCCAIN, Mrs. BOXER, Mr. GRAY of Illinois, Mr. MCKERNAN, Mr. DYSON, Mr. CHANDLER, Mr. ROWLAND of Georgia, Ms. KAPTUR, Mr. MANTON, Mr. CARNEY, Mr. HENDON, Mr. MOLLOHAN, Mr. MCGRATH, Mr. ROSE, Mr. LIGHTFOOT, Mr. APPLEGATE, Mr. BEVILL, Mr. O'BRIEN, Mr. ROE, Mr. SOLOMON, Mr. STUMP, Mr. SUNIA, Mr. SHUMWAY, Mr. LIVINGSTON, Mr. BONER of Tennessee, Mr. GROTBERG, Mr. COLEMAN of Texas, Mr. SCHEUER, Mr. STENHOLM, Mr. PICKLE, Mr. SKEEN, Mr. TORRES, Mr. MRAZEK, Mr. MILLER of Ohio, Mr. MARTINEZ, Mr. CHAPMAN, Mr. PARRIS, and Mr. DASCHLE.

H.R. 3032: Mr. LOWRY of Washington.

H.R. 3086: Mr. CONYERS.

H.R. 3204: Mr. HAYES, Mr. GARCIA, Mr. GUNDERSON, Mr. STOKES, Mr. SABO, Mr. TORRICELLI, Mr. FAZIO, Mrs. LLOYD, Mr. DE LA GARZA, Ms. KAPTUR, Mrs. BENTLEY, Mr.

WEISS, Mr. SCHEUER, Mr. CROCKETT, Mrs. BURTON of California, Mr. SUNIA, and Mr. KASTENMEIER.

H.R. 3232: Mr. CLINGER.

H.R. 3369: Mrs. BENTLEY, Mr. BURTON of Indiana, Mr. GINGRICH, Mr. LEWIS of California, Mr. KEMP, and Mr. SHUMWAY.

H.R. 3448: Mr. SWINDALL, Mr. MURPHY, Mr. SLATTERY, and Mr. BARTON of Texas.

H.R. 3487: Mr. RANGEL and Mr. MITCHELL.

H.R. 3505: Mr. BLILEY, Mr. SWINDALL, Mrs. COLLINS, and Mr. PORTER.

H.R. 3513: Mr. MILLER of California, Mr. LEVIN of Michigan, Mr. MORRISON of Connecticut, Mr. BONER of Tennessee, Mr. MURPHY, Mr. MARKEY, Mr. HOYER, Mr. MATSUI, Mr. DYSON, Mr. EDWARDS of California, Mr. RANGEL, Mr. DE LA GARZA, Mr. FUSTER, Mr. THOMAS of Georgia, Mr. MOAKLEY, Mr. FAZIO, Mr. COELHO, Mrs. BURTON of California, Mr. LELAND, Mr. ACKERMAN, Mr. WILSON, Mr. EVANS of Illinois, Mrs. BOXER, Mr. WEISS, and Mr. DONNELLY.

H.R. 3525: Mr. BATES, Mr. BEREUTER, Mr. BIAGGI, Mrs. BOXER, and Mr. GUARINI.

H.R. 3530: Ms. SNOWE, Mr. GUARINI, Mr. DELLUMS, Mr. FUQUA, and Mr. KASTENMEIER.

H.R. 3555: Mr. MURPHY, Mr. DYMALLY, Mr. CROCKETT, Mr. FRANK, Mr. UDALL, and Mr. FAZIO.

H.J. Res. 126: Mr. MOORE, Mr. MORRISON of Connecticut, Mr. PRICE, Mr. RINALDO, Mr. SKELTON, Mr. SNYDER, Mr. TALLON, Mr. THOMAS of Georgia, Mr. WOLPE, Mrs. LONG, Mr. PEPPER, Mr. RICHARDSON, Mrs. BURTON of California, Mr. KOSTMAYER, Mr. BROOMFIELD, and Ms. OAKAR.

H.J. Res. 127: Mr. SYNAR, Mr. DONNELLY, Mr. WEISS, Mr. GINGRICH, Mr. OWENS, Mrs. BOXER, Mr. ST GERMAIN, and Mr. GEJDENSON.

H.J. Res. 231: Mr. GORDON.

H.J. Res. 254: Mr. YOUNG of Missouri, Mr. DAUB, Mr. KOSTMAYER, Mr. COYNE, Mr. BROOKS, Mr. WAXMAN, Mrs. LONG, Mr. COLEMAN of Missouri, Mr. RANGEL, Mr. WALGREN, Mr. BENNETT, Mr. SWINDALL, Mr. JENKINS, and Mr. KEMP.

H.J. Res. 275: Mr. HOWARD, Mr. YATRON, Mrs. BOXER, Mr. MCGRATH, Mr. ECKERT of New York, and Mr. FUQUA.

H.J. Res. 297: Mr. EVANS of Illinois, Mr. JACOBS, Mr. DIOGUARDI, Mr. SPRATT, Mr. KOSTMAYER, Mr. GONZALEZ, Mr. SUNIA, Mr. BOEHLERT, Mr. MARKEY, Mr. TRAFICANT, Mr. VOLKMER, Mr. MONSON, Mr. LEWIS of California, Mr. SNYDER, and Mr. CHANDLER.

H.J. Res. 314: Mr. GREEN, Mr. JONES of North Carolina, Mr. MINETA, Mr. COOPER, Mr. BOUCHER, Mr. SMITH of Iowa, Mr. MCCAIN, Mr. DIOGUARDI, Mr. HENRY, Mr. CARPER, Mr. EVANS of Iowa, Mrs. BENTLEY, Mr. SKEEN, Mr. EVANS of Illinois, Mr. WOLPE, Mr. SILJANDER, Mr. MATSUI, Mr. NEAL, Mr. MAVROULES, Mr. COURTER, Mr. CONYERS, Mr. YOUNG of Missouri, Mr. WAXMAN, Mr. RODINO, Mr. LEHMAN of Florida, Mr. CRANE, Mr. WHITTEN, Mr. GEJDENSON, Mr. PURSELL, Mrs. KENNELLY, Mr. TORRICELLI, Mr. CALLAHAN, Mr. HEFNER, Mr. OBERSTAR, Mr. COBLE, Mr. ROBERTS, and Mr. PERKINS.

H.J. Res. 381: Mr. WIRTH.

H.J. Res. 397: Mr. PASHAYAN, Mr. WISE, Ms. KAPTUR, Mr. LAGOMARSINO, Mr. ROE, Mr. NIELSON of Utah, Mr. BUSTAMANTE, Mr. DORNAN of California, Mr. DAUB, Mr. WORTLEY, Mr. HORTON, Mr. GINGRICH, Mr. RALPH M. HALL Mr. MOORHEAD, Mr. SHUMWAY, Mr. RUDD, Mr. EMERSON, Mr. MONTGOMERY, Mr. FROST, Mr. STRATTON, Mr. PRICE, Mr. MAVROULES, Mr. DYSON, Mrs. Lloyd, Mr. HUNTER, Mr. HARTNETT, Mr. FOGLIETTA, Mr. DARDEN, and Mr. CARNEY.

H. Con. Res. 129: Mr. GUARINI.

H. Con. Res. 202: Mr. STARK and Mr. ECKART of Ohio.

H. Con. Res. 213: Mr. DYSON, Mr. FRANK, Mr. BRYANT, Mr. BARTON of Texas, Mr. FAZIO, Mr. MATSUI, Mr. MORRISON of Connecticut, Mr. MRAZEK, Mr. BENNETT, Mr. STRATTON, Mr. THOMAS of Georgia, Mr. COELHO, Mr. LIPINSKI, Ms. KAPTUR, Mr. WIRTH, Mr. WHITEHURST, Mr. BUSTAMANTE, Mr. CLINGER, Mr. NICHOLS, Mr. HUCKABY, Mr. BEDELL, Mr. SMITH of Florida, Mr. TALLON, Mr. DARDEN, Mr. HOWARD, and Mrs. BOXER.

H. Res. 74: Mr. RICHARDSON.

H. Res. 99: Mr. GRAY of Pennsylvania.

H. Res. 268: Mr. MCHUGH, and Mr. MONSON.

H. Res. 270: Mrs. BOXER, Mr. LEVINE of California, Mr. RANGEL, and Mr. TOWNS.

H. Res. 295: Mr. DELLUMS.

PETITIONS, ETC.

Under clause 1 of rule XXII,

239. The SPEAKER presented a petition of the Knights of Peter Claver, Lake Charles, LA, relative to apartheid; which was referred to the Committee on Foreign Affairs.

EXTENSIONS OF REMARKS

LATIN AMERICA: POPULATION AND INTERNAL UNREST

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 23, 1985

Mr. BARNES. Mr. Speaker, as the administration continues to bend to the desire of those who oppose population programs, rapid rates of population growth in Latin America are creating economic problems, environmental nightmares, and political instability. In an article that appeared recently in the Draper Fund Report published by the Population Crisis Committee, Howard and Ieda Wiarda argue that Latin America's "staggering population growth is likely to have serious political, economic, social, strategic, and other implications."

In the guise of stopping abuses in one country, the foes of population programs have been able to terminate or seriously curtail the long-term commitment of the Agency for International Development to two outstanding population organizations, the International Planned Parenthood Federation and the United Nations Fund for Population Activities. More recently, AID has abandoned its longstanding policy of requiring that contractors provide accurate and reliable information to couples about the wide range of available family planning methods.

Howard and Ieda Wiarda correctly point out that by the year 2000, Brazil's population will reach almost 200 million and Mexico's 113 million (half the current U.S. population in one-fifth of the territory). Food production in the region is not keeping up with population growth, and some experts are already drawing parallels between Haiti and Ethiopia. Although population growth rates have been declining in Latin America, much more needs to be done. The United States has always been viewed as a leader in this field. It is very unfortunate that we are now abandoning this leadership role because the administration has decided to yield in this area to the enemies of family planning programs.

I would like to submit for the RECORD a copy of this article for the consideration of my colleagues.

LATIN AMERICA: POPULATION AND INTERNAL UNREST

(By Howard J. Wiarda and Iêda Siqueira Wiarda, professor of political science, University of Massachusetts)

At current growth rates, the population of Latin America is projected to increase between 1981 and 2001 by 225 million people. Brazil will grow to almost 200 million people, Mexico to 113 million (half the current U.S. population on one fifth the territory) and Central America's population will be similarly burgeoning. This staggering population growth is likely to have serious political, economic, social, strategic, and other implications.

The strong opposition to family planning which came principally from nationalists, the military, the church, the Right, and the Left during the 1960s has changed to general support for voluntary family planning programs in much of Latin America. Too rapid population growth is now widely viewed as aggravating the problems of development and putting severe strains on services and facilities. Surveys show a growing preference among the public for smaller families, especially in cities. The wish to limit family size is particularly strong among women. Both civilian and military elites in Latin America now believe unchecked population growth—and hence an uneducated, alienated, unemployed "mass" of people in the capital cities—spells long-term disaster for society and the nation and, likely, short-term chaos in the form of food riots, mass protests, and general discontent which may destabilize governments.

PRESSURES ON LAND AND AGRICULTURE

Although the person-to-land ratio is lower in Latin America than in India, China or Western Europe, most of Latin America's untapped land is unusable, either so steeply mountainous, densely tropical or barren of topsoil (as in the Amazon Basin) that it cannot support life at even the most meager level of subsistence. The frontiers that did exist (western Brazil, the Colombian and Venezuelan *llanos*) have been settled in the last thirty years.

Latin American landholding has long been characterized by the problems of *latifundia* (large, often unproductive estates) and *minifundia* (holdings that are too small to be economically viable). Food production in most of Latin America has not kept up with population growth. And since most new agricultural production is oriented toward exports rather than home consumption, conditions for most rural populations are worsening.

While subsistence agriculture was never very profitable, it at least enabled many to survive. Today, peasants are forced by large families and competing interests onto less fertile hillsides, often crossing the thin but deadly barrier between subsistence and starvation. In the face of these hardships, there has been widespread abandonment of the land as rural people flock to the cities in search of opportunity. Agricultural countries that were once self-sufficient are now forced to import basic foodstuffs at relatively high prices.

Even in key food producers like Brazil, some people are literally starving to death. Governments pay little attention to "poor people's food" because only export products will help them cope with their international debts. Incomes are so low and unevenly distributed that many *campesinos* cannot afford the food they need and may be experiencing worsening health, as demonstrated by rising infant mortality throughout the region.

ECONOMIC FRUSTRATIONS

The economic dilemmas facing Latin America include widespread poverty, the world's highest *per capita* debt, unemployment and underemployment that may reach between 40 and 50 percent of the workforce, negative economic growth rates over the past five years, immense income inequalities, declining terms of trade, extensive capital flight, little new investment or foreign assistance, increased protectionism on the part of those countries with whom Latin America must trade, rising prices for the goods Latin America must import, and (in some countries) devastation of the economic infrastructure by guerrilla forces.

Governments are caught in a "population-treadmill effect." High fertility countries that face a doubling or tripling of the school-age population by the end of the century will require major increases in spending for education, even if the objective is simply to maintain current, already low enrollment levels. The same population-treadmill effect applies to electric power, transportation, jobs, housing, health care and other basic services. Given present and projected population growth, Latin American economies must move ahead at accelerated rates just to stay even. Nowhere, under present economic projections, is that likely to happen.

In this period of economic contraction, tough decisions must be made about how to spend scarce resources. Today's deprivation will have important effects later on. Insufficient spending on education, for example, will mean a less skilled labor force in years to come when Latin America will increasingly need a better trained population to achieve economic diversification. Additionally, there is mounting evidence that infant malnutrition stunts brainpower. Unchecked population growth means that the severe income inequalities will worsen, as will poverty, unemployment, bitterness and frustration.

URBANIZATION AND MIGRATION

The unprecedented flow from the countryside has made Latin America the Third World's most highly urbanized region with over 65 percent of its population residing in cities, particularly capital cities. Metropolises like São Paulo and Mexico City have grown to 16 or 17 million. Lima, Bogota and capital cities in the smaller countries have also seen their populations double in the last two or three decades. The same is true of Santo Domingo, totaling 300,000 in 1950, now with over a million people, some of the worst slums in Latin America and virtually unmanageable problems.

Social services are breaking down in all Latin American capitals to the extent that over half the inhabitants lack water or sewage facilities. We sometimes read of "ungovernability" in the advanced industrial nations, but that is nothing compared to the increasingly ungovernability of most Latin American capital cities. The relation between size, crowding and internal tension is complex. Crowding may not be a direct cause of violence, but it does provide a set of conditions in which tension, violence, and various forms of aberrant behavior are more likely to occur.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member of the Senate on the floor.

Boldface type indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

Mexico City adds at least 350,000 migrants from rural areas and small towns each year—in addition to its net annual increase by births of 2.5 percent, another 425,000 people. Projections place Mexico City's population at 26 million by the year 2000. But the city already lacks the governmental infrastructure, economic strength and social services to handle its current population. It has some of the world's worst pollution, its traffice problems are legendary, and it is literally sinking several inches a year as groundwater is progressively drawn from its swampy base. Conservative estimates put infant deaths at 30,000 a year from the effects of inadequate sewage facilities and air pollution alone.

Mexico City is not unique in Latin America. Urban life requires a large and complex set of services—water, sewage and electricity to say nothing of schools and housing—that cannot be easily or quickly scaled up as population growth and migration accelerate. Latin American cities are proverbially short of money. Local governments have little or no taxing power and in most cases also lack the administrative and technical capacity to cope with the doubling of population size which may now occur in a single decade.

There are, of course, benefits to urbanization. These include economies of scale, differentiated labor markets, and concentration of suppliers and consumers. However awful the conditions in city slums, the opportunities there are greater than in the countryside. Three out of four migrants make economic gains in the city and have better access to the limited services provided by the government. Women can also more easily find employment as factory workers, maids or vendors. The sheer size and uncontrolled nature of Latin America's cityward migration, however, threaten to produce such paralysis and chaos as to cancel the gains.

YOUTH AND RADICALISM

Because of high birthrates and public health improvements, half the population in virtually all Latin American countries is under eighteen years of age; in some, half is under fifteen. The implications for politics and public policy are immense. The dependency ratio, which compares the economically inactive, or dependent, population to the economically active and productive population, has undergone a dramatic increase. This rising dependency ratio has increased internal tensions, as a smaller pool of productive persons is being called upon to support more dependents and an ever larger requirement is placed on governments to carry the burden of the vast youth population.

There is mixed evidence on the relationship between youth and radicalism but it is certain that in Latin America most of the generation of university-trained young people are Marxists. As many as 45 percent of college-aged people are activists. The implications of this disaffected group coming to power are enormous, particularly since the generation currently under fifteen is likely to be even more embittered and radical.

In our preoccupation with the political and ideological aspects of the Nicaraguan Revolution, we tend to forget that it also marked a sharp generational change. Both the Somoza regime and its more moderate opponents represented one generation; the Sandinistas represent a whole new age group coming to power. In 1979 most of the comandantes were in their late 20s or early 30s; the Revolution's strongest supporters are also at the younger end of the age spectrum. In fact, the Sandinistas lowered the voting age for the 1984 election from eighteen to sixteen in order to increase their margin of victory.

It is not likely that there will soon be a wave of "Nicaraguas" sweeping over Latin America—although in quite a few countries radical change led by the new generation can be expected. More likely is that demagogic politicians and political movements will seize upon the aggravations, pent-up frustrations, and radicalism of youth for their own purposes. The spectacle of high school or university students and unemployed graduates leading protest marches of recent migrants or urging peasants to take agrarian reform into their own hands is now common in Latin America. These are indirect effects of spiraling population growth. Those in power confronting such "direct action" do not necessarily see the culprit as population growth *per se*, but rather as a malevolent opposition using "marginals" (the urban and rural unemployed) as shock troops. The predictable outcome is usually government overreaction, repression and the reassertion of authoritarian controls.

RISING SOCIAL TENSIONS

Tension, frustration and violence in society are likely to have a political impact. Unemployment in most Latin American countries may now reach 20 to 25 percent. Underemployment, often referred to as "invisible unemployment," may add another 20 to 25 percent, including "penny capitalists" who sell a few cigarettes a day, or shine shoes for a few customers. This "lumpen proletariat," the residents of urban slums surrounding all Latin American capital cities, is a powder keg waiting to explode. Few if any social or city services reach their neighborhoods. Living conditions are wretched; the slums are filthy, unhealthful and increasingly crime-ridden. The incidence of abandoned children (10 million in Brazil alone) has reached epidemic proportions. These are no longer isolated, diffused, "sleepy" peasants, fatalistically resigned to their present circumstances, but people with ambition and expectations who have been uprooted and among whom revolutionary and demagogic appeals are likely to find receptivity.

POLITICAL INSTABILITY

It takes relatively little—a change in bus fares, an increased tax on gasoline, rising prices for basic foodstuffs—to set off lawless protests in the cities' teeming slums. Protests and food riots have recently occurred in Brazil, Colombia, Peru, Nicaragua, Mexico and the Dominican Republic. They are generally unorganized, what social scientists call "anomic movements," without leadership or clear political goals. But these protests can be captured by organized political movements with the potential to undermine governments. Such movements, if they occur when other circumstances are propitious (for example, when the middle class is also feeling austerity's bite, the armed forces are divided, and the government is weak and/or illegitimate), can produce revolutionary consequences.

The prime recruiting grounds for such destabilizing movements are capital city slums, where the legions of unemployed and underemployed are concentrated, where the surplus population gathers with nothing to do, and where abandoned street children are looking for adventure and diversion. It can be a short march from there to the national palace. Movements arising from social tensions derive from unchecked population growth, and we are likely to see more and more of them in the future.

Latin American political system have depended on an ever-expanding economic pie to continue functioning in an efficient, democratic context. As long as there were more pieces of the pie to hand out, the standard of living for most groups could be expected to increase. With the negative economic growth rates of the past several years, however, competition has intensified for the fewer available "pieces." Violence and full-scale revolutionary challenges have increased and existing political systems have begun to unravel—in El Salvador, Nicaragua, Bolivia, Peru and elsewhere.

There is no doubt that mass discontent and challenges to established ways and institutions have been fueled by the population and urban explosions. Although the relationship is indirect, it is no less important. The youthfulness of Latin American populations, the absence of jobs and opportunities, the growing impatience, the economic downturn, and rising social tensions have all combined to make traditional accommodative politics in Latin America difficult at best and well-nigh impossible in certain countries.

In summary, there is a close but indirect relationship between unchecked population growth, spiraling socioeconomic problems and the potential for political breakdown, destabilization and internal unrest in Latin America. It is not necessary to overstate the case or paint it in "crisis" terms in order to recognize the severity of the problem. Population growth rates in Latin America have begun to decline in recent years. Moreover, the problems of the area are not due to population growth alone; economic underdevelopment, social tensions and the weakness of political institutions are also prime causes. Nevertheless, uncontrolled population growth is an important factor adding to the possibility of increased tension, fragmentation and destabilization. As such, it is not only harmful to Latin American but also carries major implicatons for international political alignments and involvement in the region by the major powers. Hence and politically viable policy responses are required.

MARYLAND, SECOND DISTRICT, OPINION POLL RESULTS

HON. HELEN DELICH BENTLEY

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 23, 1985

Mrs. BENTLEY. Mr. Speaker, the results of a poll run in my district, the Second of Maryland, showed some surprising answers from over 12,250 households. It will possibly be of interest to our colleagues. I ask that the results of this poll from the month of September be included in the extension of remarks for today.

SECOND DISTRICT QUESTIONNAIRE RESPONSES FROM AUGUST

Thank you for your participation in answering the questionnaire which we sent to you in August. We received an overwhelming number of responses, 25,024 to be exact. Here are the results of the opinion poll for your information. It has been very helpful to me to learn your opinions on such very

complicated issues which I must decide upon as a member of Congress.

[In percent]

	Yes	No	Undecided
1. In general, do you approve of the President's tax reform proposal?	56	38	5
2. In order to reduce the Federal deficit, would you approve of a general tax increase?	35	61	3
3. Do you think the United States should help nations in Central America which are under attack from Soviet-backed internal military forces?	69	24	5
4. Do you favor a constitutional amendment that would allow voluntary prayer in our public schools?	71	25	2
5. Do you support the President's strategic defense initiative?	68	24	7
6. Do you support efforts underway to reclaim the Chesapeake Bay and to protect the environmental balance of its tributaries?	93	4	2
7. Do you believe the United States should impose the same restrictions on imports from its foreign trading partners that they impose on U.S. exports?	85	11	3
8. Should a balanced budget be mandated by law?	64	30	5
9. Do you think America is stronger and more respected in the world than it was 5 years ago?	51	44	4
10. Should Congress pass legislation to reaffirm the right of citizens to keep and bear arms?	49	45	5

GROWING HUNGER IN AMERICA

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 23, 1985

Mr. MILLER of California. Mr. Speaker, despite the economic recovery, which many Americans are enjoying, the number of hungry people in America continues to grow outpacing our anti-hunger policies.

Whether one looks at the just-released Bread for the World study, "Unfed America, '85," or the Food Research and Action Center's new analysis of the Food Stamp Program, one cannot escape this sad truth. These reports come on the heels of earlier studies issued by the Physicians Task Force on Hunger and the U.S. Conference of Mayors which reached the same conclusions.

Millions of our impoverished children, our elderly, our low-income pregnant mothers, deserve better. In these studies, church volunteers and policy analysts alike tell us that the number of malnourished continues to grow and the programs we have cannot or do not serve them adequately. They tell us that the human tide of misery and want is continuing to rise.

Church volunteers who serve hungry Americans report that in 1985 they served an average of 16.2 percent more people each month. As reported in "Unfed America, '85," "our churches are being called upon to feed and assist growing numbers of individuals and families. The severe crisis of the early 1980's has been a stubborn problem that refuses to go away." Thirty-six cities were surveyed in this study, which looked at all the major Federal food programs, as well as the role of private organizations.

New levels of hunger are not inevitable. This ugly tide has risen before, and we have battled back.

As always, we must begin by facing the facts, and the facts are that our anti-hunger efforts have been curtailed.

The second survey, by the Food Research and Action Center, conducted in 309 grocery stores in eight cities, shows that it is literally impossible for an impoverished family of four to feed itself on the food stamps they receive. In fact, just to purchase the very modest "thrifty" food plan, as defined by USDA, that family would need another $80 worth of stamps.

So, this report proves that our major program to help impoverished Americans meet normal nutritional needs, is not doing the job.

We've got to do better. In the face of this evidence, and numerous similar studies over the last 5 years, doing nothing is simply malfeasance on our part. To do nothing about hunger—which we have the knowledge to alleviate—is an abdication of our most basic responsibilities.

I am submitting two Washington Post articles which describe in greater detail the studies by Bread for the World and the Food Research and Action Center.

The articles follow:

[From the Washington Post, Oct. 19, 1985]

CHURCHES REPORT NUMBERS OF HUNGRY ON INCREASE

(By William Bole)

Church-run emergency food programs are serving rapidly increasing numbers of Americans despite the current economic recovery, according to a nationwide survey released here.

A national Christian antihunger organization that conducted the study also reported that people are now using the programs not as emergency sources of food but as permanent supplements to public assistance programs.

"There are still too many hungry people in our communities. Our churches are being called on to feed and assist growing numbers of needy individuals and families. The severe crisis of the early 1980s has become a stubborn problem that refuses to go away," said the study by Bread for the World, a 49,000-member ecumenical advocacy organization.

Titled "Unfed America '85," the report is based on research in 36 cities and counties by volunteers who take part in Hunger Watch U.S.A., a food-monitoring project. The study estimates that 1.5 million are going hungry in the areas surveyed, and that federal food programs lack adequate funding to meet the needs of hungry Americans.

When Hunger Watch began in 1982, Bread for the World leaders said publicly that the data-gathering project would last only a year or two, until the effects of the economic recession and high unemployment of that period wore off.

"It is fall 1985," the report said. "Parts of the economy have improved, but unemployment and under-employment still plague many areas of the country. Congress has not restored federal public assistance programs to their pre-1982 levels and the impact of Food Stamp program cuts continues to be felt. The need for Hunger Watch U.S.A. surveys has continued."

The study found that the number of people served in private and voluntary food programs, most of which are church-run, has increased during this year by an average of 16.2 percent a month.

Monthly increases of 30 percent were reported in Boston, where an average of 123,389 people use the programs every month; Houston, which serves 17,916 people a month, and Nashville, which serves 1,913 people each month.

Although the rate of increase is slower than it was between 1982 and 1984, this "does not necessarily mean that the hunger problem is diminishing. Instead it may mean that emergency food providers are reaching their capacity to expand services," wrote the authors of the 50-page report.

The study cited a statewide survey in Utah earlier this year that concluded: "While the rate of caseload increases has slowed during 1985, this may be the result of the inability of agencies to serve more people rather than a leveling of demand."

The survey cited Montgomery County as one of a number of places where food programs have cut back hours and tightened eligibility standards for aid because of lack of staff and funds. Others that it mentioned included Appleton, Wis.; Boulder, Colo.; Melbourne, Fla.; Memphis, Milwaukee and Nashville.

Traditionally acting as emergency sources of food, the churches are beginning to serve a new role, the report said. "Private food providers say they are seeing their role transformed from that of short-term emergency food provider to a long-term, permanent supplement to the public-assistance system."

Local coordinators of the study attributed this change to the inadequacies of the federal food stamp program. "These programs are intended to fill a gap, not to sustain the nutritional needs of low-income individuals and families over an extended period of time," said the report.

In other findings, the group reported that "substantial numbers of people" who are eligible to receive food stamps and aid from other food programs, such as those aimed at women and children and the elderly, are receiving no benefits. For instance, in the cities surveyed by Bread for the World, about 60 percent of the people eligible for the Women, Infants and Children program were not participating in it.

As reasons for lack of participation, the report cited the "social stigma" often attached to the programs, lack of information about them and the difficulties of going through the bureaucratic process of getting assistance.

"The real tragedy is that while we hear reports of an improving economy, there are still hungry people in our communities," said Arthur Simon, executive director of Bread for the World.

In its report, Bread for the World called on Congress to raise food stamp benefits by 10 to 25 percent and expand the WIC program. The group also recommended a federal system for monitoring hunger and malnutrition in the United States. In addition, it called on government or private agencies to provide seed money to expand voluntary emergency food programs.

[From the Washington Post, Oct. 19, 1985]

FOOD STAMP ALLOTMENT INADEQUATE, GROUP CHARGES: SURVEY FINDS COSTS FOR "THRIFTY" PLAN MUCH HIGHER THAN ESTIMATED BY USDA

(By Spencer Rich)

The Agriculture Department's allotment of food stamps for a typical U.S. family with

no other income is not enough to cover the cost of USDA's minimum monthly food plan in major American cities, an advocacy group charged yesterday.

Michael Lemov, director of the Food Research and Action Council, said a FRAC survey of 309 grocery stores in the District and seven other major cities found that it would cost a family of four an average of $348.48 to buy the USDA's "Thrifty" food plan, purchasing national brands off the shelf. But, it noted, a family of four with no other income receives only $268 worth of food stamps.

The food plan ranged in cost from a low of $377.20 a month in Philadelphia to a high of $412.88 in the District.

Lemov said the department, using its national surveys, has estimated that the plan would cost only $268 a month, which it uses as the basis for its food stamp allotment.

Lemov said the FRAC survey, supported by a grant from the American Can Co. Foundation, shows that "poor people are being shortchanged on food stamps. This helps explain why people are running out of food stamps by the end of the month and are going to food kitchens and pantries to supplement their food." The FRAC survey, taken during the summer, was based on food purchases for a week's portion of the Thrifty budget in each city.

Betty B. Peterkin of USDA's Human Nutrition Information Service, said the department could not explain the cost discrepancies without a detailed analysis of the FRAC survey.

But she said a preliminary look suggested that FRAC had overestimated by tenfold the amount of ground beef called for in the Thrifty budget, adding $11 a week to costs, used higher-priced breadfast cereals instead of more moderately priced ones and had overestimated needed supplies of certain oils and mayonnaise.

However, FRAC disputed these contentions, saying that, for example, it had substituted the higher level of ground beef for other meat, poultry or fish components to the Thrifty plan.

According to the FRAC survey, the cost of the Thrifty plan, which the department estimates is the minimum adequate food a family needs for a month, was $381.04 in Boston, $383.28 in Chicago, $377.56 in Detroit, $399.76 in Houston, $384.12 in New York and $400.60 in San Francisco, when national brands were purchased. If store-name brands were used, the monthly cost $20 to $60 a month less, with Detroit the lowest at $338.36—but still far higher than the $268 food stamp allotment.

Under the food stamp program, low-income families are allowed to deduct from their income up to 18 percent of earned income, plus $98 a month as a standard deduction, plus certain amounts for extra-high rents and child care.

If that amount comes to zero, they are allowed to obtain food stamps equal to the full cost of Thrifty budget.

However, if their income after deductions is more than zero, they are expected to spend 30 percent of it on food, and they get food stamps to make up the difference between that amount and $268—the cost of the Thrifty plan.

Thus, a family of four with gross income of $446 a month—about average for recipients—might have net income of $260 after deductions.

In that case, it would be expected to spend $78 out of pocket for food (30 percent of $260) and it would get $189 in stamps, bringing its food budget up to about $268 (figures are rounded).

Lemov said that it is absurd to think that a family with $446 gross income a month, receiving $189 in food stamps, could pay another $200 or so a month out of pocket to cover the average of $384.48 that FRAC said is needed to buy the Thrifty food plan.

PERILS OF AMERICA'S ENERGY FUTURE

HON. MICHAEL L. (MIKE) STRANG

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 23, 1985

Mr. STRANG. Mr. Speaker, over the next 2 days, this House will most likely once again vote to put America's energy future in peril by adopting legislation to abolish the U.S. Synthetic Fuels Program. This time, the opponents of synfuels will attempt to go even farther, by essentially abrogating good-faith, formal contracts, properly executed under existing law and Federal energy policies.

This lack of a thorough understanding by Members of Congress of the crucial national importance of a viable domestic synfuels program is also exhibited by some members of the administration—particularly Secretary of Energy John Herrington. Mr. Herrington demonstrated his lack of understanding in a recent article in the Wall Street Journal.

Secretary Herrington's comments contained several outright misstatements of fact. I would like to share with my colleagues, given the pending debate here over the next 2 days, the following "letter to the editor" which I sent to the Wall Street Journal to set the record straight.

HOUSE OF REPRESENTATIVES,
Washington, DC, October 18, 1985.

LETTERS TO THE EDITOR,
Editorial Page, the Wall Street Journal, New York, NY.

DEAR EDITOR: Given the demonstrated lack of understanding of America's energy security needs as that exhibited by many in Congress and most recently in Op Ed space provided by your newspaper ["The Synfuels Energy Dinosaur" 10/9/85] by Secretary of Energy John Herrington, I most respectfully request an opportunity to respond to correct the record.

It is true that the Synthetic Fuels Corporation (SFC) was born amidst the most recent and severe energy supply disruptions of the early and late 70's. Wartime has also found our nation mobilized to begin ventures in synthetic fuels. Then, as now, when the emergency passes, the Congress conveniently loses sight of the long-range necessity and retreats from what turned out to be a pusillanimous conviction. We wait for the next crisis, which will now surely come by the mid 1990's, to act once again to spur synfuels development, having failed to follow through on prior occasions. The electorate should rightly ask why we must always be reacting to energy emergencies, instead of acting to chart a sound course of action.

The Congress and the Administration did act to chart such a course for energy independence in 1979, when the Energy Security Act was put into place. We set production goals, and earmarked an $18 billion dollars line of credit for the newly created Synthetic Fuels Corporation to invest in our national energy future. But as the SFC sought to define and refine its mission, the immediate crisis passed. Late last year, spurred by smoke and mirror budget claims, the SFC line of credit (not actual expenditures or obligations) was cut about in half, with enough remaining essentially to fund only present letter-of-intent projects. The SFC Board was reconstituted and began to restructure the organization and its goals, and to streamline management and projects under consideration.

The SFC has now converted the letter-of-intent for the Union Parachute Creek Project in Colorado to a contract. The original letter-of-intent was for $2.7 billion. The contract is for a scaled down project with $500 million in price and loan guarantees. Before these price guarantees, and the original $400 million in price guarantees (provided by the Department of Energy) are triggered, the project must first begin producing in commercial quantities. The fact is, not one red cent of taxpayer money has been given to this project, and none will unless and until production is underway. On the other hand, Unocal stockholders have invested over $800 million in private capital in this project and will commit an additional $300 million, for a total of over $1.1 billion. As with any massive conversion from demonstration to commercial prototype, problems have emerged. But those problems are being resolved and are becoming opportunities to assist America's security.

Secretary Herrington's assertion that the Union process "has major technological weaknesses" is an outright misstatement of facts. On another occasion he termed it a "failed technology". While it is true that the materials handling problems on a small site have been difficult, it is also true that the operation of the retort and the refinery process are miracles of technology, that work flawlessly. This is precisely the reason the nation needs a small program to apply technology in a commercial setting at commercial scale.

The Energy Secretary claims, "Both Parachute Creek and Seep Ridge have technologies applicable to only a small portion of the U.S. oil-shale resources." This simply is not true. The Unocal Parachute Creek technology is applicable to the bulk of U.S. oil shale reserves, estimated to be about 600 billion barrels recoverable. The Seep Ridge technology is applicable to a small fraction of the total U.S. reserves; but the total reserve is so large that that small fraction is still enough resource to make a significant, and relatively low-cost contribution to U.S. oil reserves.

Mr. Herrington says, "six to 10 years from now, when subsidies are exhausted, Union could walk away from the project." The fact is, pioneer projects are seldom operated indefinitely, in the private sector or elsewhere. They are typically shut down after six to ten years of successful operation, either because the operating experience suggests ways to build an even better technology or because market conditions do not then justify continued operation. If Unocal chooses to shut down the project after producing enough fuel to collect on the price supports, the technological lessons will have been learned and the taxpayers will have received the benefit of their investment. There is no reason to continue forcing operation of a project once it has accomplished its purpose. The SFC assistance is designed

explicitly to avoid locking the government into long-term operating subsidies for projects.

Mr. Herrington claims, "There is little point in building demonstration projects when the fuel costs are two, three or four times that of current and anticipated market prices. . . . Both [projects] would have guaranteed price supports at a level several times the market price." Again the Secretary misses the mark for two reasons. First, the pioneer projects assisted by the SFC are intended to provide experience with commercial-scale equipment in a commercial setting in a cost-effective way, and are not necessarily designed or sized to minimize per-barrel costs. Neither unit production costs nor the level of price supports necessary to pay for these projects bear any simple relationship to the production costs expected in full-scale plants using the improved and proven technology. Second, the whole point of the synfuels program as now defined by the SFC Board, is to gain experience *before* oil prices increase to the levels at which synfuels pay for themselves. If this nation waits until prices increase enough to make pioneer plants pay for themselves, billions of dollars will be wasted while the industry searches for the best technologies, corrects mistakes made in many plants simultaneously, and delays investment until the uncertainties are reduced. The nation should invest in synfuels now, not because the pioneer plants will pay for themselves now or in the future, but to provide insurance against the possibility of future higher prices.

Secretary Herrington says, "The development of a commercial synthetic fuels industry at a pace envisioned by Congress in 1980 would require huge expenditures of federal tax dollars that would not be offset by economic benefits." He is exactly right, but not in touch with present realities. Precisely because of those concerns, the SFC Board in its updated Business Plan and new Comprehensive Strategy Report to Congress, explicity rejected the 1980 congressional goals and objectives, stating instead that it would support a few plants that would lay the base for the likely future expansion of the industry.

"Advanced technology now under research and development by industry and the Department of Energy," the Secretary asserts, "will ultimately surpass these plants' existing technologies." There are no miracle technologies on the horizon in this field. Surely the Secretary is aware that the SFC Board and its technical staff are aware of what technologies are out there. An SFC staff member, Eric Reichl, is a key advisor to the DOE research program. while improvements can be expected, most of these will be evolutionary developments from existing technologies and will not occur until and unless some pioneer plants are built. It is misleading at best for Secretary Herrington to hold out false hopes that some secret formula is about to emerge from the research labs to revolutionize the synthetic fuels industry.

Finally, Mr. Herrington says, "The SFC is about to lock up more than $1 billion in taxpayer-supported subsidies for two uneconomical . . . oil shale projects." The SFC has awarded a $500 million loan and price guarantee amendment for the Unocal project. Secretary Herrington fails to mention that it was DOE that approved the original $400 milion price guarantee which he now opposes as a "microcosm of what is wrong with the SFC."

To wait, as Secretary Herrington and some Members of Congress suggest, for a different oil market and different budget season, will only perpetuate the mistakes of the past and compound the perils of America's energy future.

Sincerely,

MICHAEL L. STRANG,
Member of Congress.

LEE HAMILTON CALLS FOR FUNDAMENTAL REFORMS IN THE PHILIPPINES

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 23, 1985

Mr. SOLARZ. Mr. Speaker, I would like to share with my colleagues a thoughtful and timely essay by Hon. LEE HAMILTON on the deteriorating situation in the Philippines.

In the article, published in the Christian Science Monitor on October 17, Mr. HAMILTON writes that the United States "must unambiguously support fundamental reforms" in the Philippines. He notes that the New People's Army [NPA], the Communist insurgents fighting the Government of the Philippines, now consists of 15,000 guerrillas. He points out that President Ferdinand Marcos is "the insurgency's greatest asset" and that "the NPA can be stopped and democracy restored in the Philippines only if major political, economic, and military reforms take place."

Once again, Mr. HAMILTON has made a lucid and insightful contribution to an important foreign policy issue. I very much hope that this essay by one of the most respected Members of the Congress will be read widely not only in our own country, but in the Philippines as well.

The article follows:

IT'S TIME FOR SOME TOUGH THINKING ABOUT THE PHILIPPINES

(By Lee H. Hamilton)

Once a promising democracy and supporter of United States interests in the Pacific, the Philippines now threatens to slide from authoritarianism and corruption into a radical revolutionary society that is inimical to the U.S. position in Asia. This island nation of 58 million people, barely the size of Nevada, confronts serious problems: a discredited and authoritarian government under Ferdinand Marcos, which has seriously mismanaged the economy and alienated much of the population; a democratic opposition that is badly fragmented and ineffectual; and a well-organized and rapidly growing communist insurgency.

An anti-American regime in the Philippines would threaten important American interests in the Pacific. A U.S. colony until 1946, the Philippines is one of our oldest allies in Asia. U.S. military facilities at Subic Bay Naval Base and Clark Air Base are essential for defending sea lanes and supporting U.S. forces in Asia, the Western Pacific, and the Middle east. Alternate bases would be expensive to develop and less effective. U.S. presence at these bases is a key factor in regional stability. We also have important economic interests in the Philippines. U.S. private investments exceed $2 billion, more than 50 percent of total foreign investment there. The country is an important market for U.S. goods, inlcuding food grains and machinery. U.S. and U.S.-supported financial institutions hold a majority to the $26 billion Philippine debt.

The communist insurgency is the most serious threat to U.S. interests in the Pacific. The insensitive Marcos government is that insurgency's greatest asset. Fifteen thousand communist guerrillas now operate freely in one-third of the country, and the political base of the movement is even more widespread. U.S. observers say that the Communist New People's Army could take over the country by the end of the decade.

The NPA can be stopped and democracy restored in the Philippines only if major political, economic, and military reforms take place. As the country moves toward presidential elections in 1987 and another round of base negotiations, the U.S. must either exert pressure on President Marcos sufficient to ensure significant reform or dissociate our government from his. While we must be sensitive to meddling in Filipino affairs, our historic relationship does not permit us merely to observe developments. Many Filipinos not only admire American values, but look to the U.S. to protect their interests. They are disturbed by U.S. financial support for Marcos's regime and our tolerance of its corruption and authoritarianism.

The Philippines receives more than $250 million a year in direct U.S. economic and military aid. Most of this aid is part of a five-year pact that gives the U.S. access to military facilities in the country. In addition, the U.S. provides Export-Import Bank loans and substantial Commodity Credit Corporation credits to finance agricultural commodities. The U.S. also supports more than $500 million in aid the Philippines receives annually from international organizations. This aid should be conditioned on economic, military, and political reform.

The U.S. must help shore up electoral and democratic institutions. We have publicly urged political liberalization and have expanded contacts with some opposition groups. Several initial reforms have been taken by Marcos, some of them grudgingly. Parliamentary elections in 1984 showed two trends: growing disaffection with the Marcos regime and support for democratic processes, rather than radical strategies, to resolve problems. Perhaps most discouraging, however, has been the ability of opposition leaders to set aside regional and personal differences and organize around a single leader who could seriously challenge Marcos.

The U.S. must also urge military reform and a just resolution of the trial for the 1983 assassination of opposition leader Benigno Aquino. Recently, a program to rebuild the armed forces was developed to combat the communist insurgency through better operations, morale, and discipline and stronger public support. These reforms will test the nation's ability to deal with its growing insurgency. They are in jeopardy pending the outcome of the Aquino assassination trials. An initial report concluded that a military conspiracy was behind Aquino's death, implicating the armed forces chief of staff, Gen. Fabian Ver, who was placed on leave. If General Ver is acquitted and returned to power, most observers expect a return to the repression that had given the military a bad reputation under his leadership.

The financial crisis is serious: Real gross national product declined by 5.5 percent in 1984 and will, at best, achieve zero growth this year. Underemployment and unemployment, as well as the number of Filipinos living below the poverty line, is rising. "Crony" capitalism is rampant, with President Marcos bestowing economic favors on his friends. The country also has severe debt problems. Structural reforms are necessary, especially in the area of deregulating agriculture and trade.

The U.S. faces a real dilemma in the Philippines. For all his faults, Marcos has been a loyal friend and a strong anticommunist. Some observers recommend letting him handle things his own way. But he has been the dominant force in Philippine politics for 20 years and is not likely to bring about the reforms necessary to stabilize the country. His era is nearing its end, and U.S. policy must recognize the coming changes. The U.S. must unambiguously support fundamental reforms. Democratic opponents of Marcos must also recognize, however, that the fate of the country is in their hands.

IMMIGRATION AND DISCRIMINATION

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 23, 1985

Mr. GARCIA. Mr. Speaker, I am submitting for the RECORD testimony by Raul Yzaguirre, president of the National Council of La Raza, on the discriminatory impact of employer sanctions, now contained in the immigration bill pending before the House Judiciary Committee.

I think Mr. Yzaguirre offers keen insight as to why so many of us in the Hispanic community are fearful of employer sanctions. I hope my colleagues will take a minute to read his testimony.

STATEMENT ON DISCRIMINATION RELATED TO EMPLOYER SANCTIONS AS CONTAINED IN H.R. 3080

(By Raul Yzaguirre, President, National Council of La Raza)

Mr. Chairman, and members of the Subcommittee, on behalf of the National Council of La Raza I wish to submit the following statement on the discriminatory impact of employer sanctions legislation for the record. I do so in my capacity as President of the National Council, which is a private, nonprofit Hispanic organization dedicated to the improvement of the socio-economic status of all Hispanic people in the United States.

I. INTRODUCTION

The Immigration Control and Legalization Amendments Act of 1985 (H.R. 3080) relies on employer sanctions as its central measure to reduce and deter undocumented immigration. As in earlier debates, employer sanctions have raised concerns among Hispanic groups, who oppose them because they are inherently discriminatory (see attachment, National Council of La Raza Issue Brief, "Employer Sanctions and Employment Discrimination," August 1983).

In the past, arguments on the discrimination issue have centered on theoretical considerations, by attempting to predict the ways in which employers were likely to react to the provisions rather than discussing empirical, "real world" evidence of actual employer responses. A growing body of evidence directly links employer sanctions with increased employment discrimination. The National Council urges the Subcommittee and all members of Congress to closely examine this evidence in its consideration of employer sanctions and various systems of redress for those affected by sanctions-related discrimination.

II. THEORETICAL CONSIDERATIONS

A. Employer responses to sanctions

Experience in labor market and employment practices suggests that efforts to monitor and control the hiring process will bring about different types of reactions from different types of employers. It is reasonable to assume that many employers would comply with employer sanctions in completely nondiscriminatory ways. Others, however, are likely to act in ways that would have the effect of job discrimination. For example, those employers who would be inclined to discriminate anyway would be provided a legal pretext for such discrimination. If legislation passes, these employers will be given an affirmative defense against discrimination charges, since they could contend that they had not been satisfied that the applicant was authorized to work.

A second, larger group of employers may discriminate through good faith efforts to comply with sanctions statutes. Employer sanctions would create within applicant pools a subgroup of persons who, on the basis of physical characteristics, language, or other factors, appear to be "foreign" to employers. Some employers seeking to avoid sanctions, as well as those who want to avoid burdensome paperwork, may choose not to hire Hispanics or other "foreign-looking" applicants.

Given the complex, subjective nature of the hiring process, it is unclear how all employers will react to sanctions. However, because of the way the threat of substantial penalties is likely to affect the process—because it will be much easier to avoid hiring "risky" individuals—discrimination related to the employer responses outlined above would very likely occur in a considerable number of cases.

B. Uniform verification standards

Almost all of the major proponents of employer sanctions have consistently maintained that, in order to avoid discrimination, employers must be required to inspect and record the documents of all persons seeking work. This process—the inspection of work authorization documents for all new hires—is known as uniform verficiation. Proponents argue that uniform verification will eliminate the possibility of employers verifying the eligibility only of "foreign-looking" applicants, and thus prevent differential treatment of any applicants during the hiring process.

However, previous legislation has not fully incorporated all of the elements of the uniform verification process. First, under verification provisions of last year's Simpson-Mazzoli bill (S. 529/H.R. 1510), employers would have been required to verify eligibility only for all hires; uniform verification standards would not be required for all applicants, thus allowing employers to "screen out" applicants who appear "foreign."

Second, penalties for violations of uniform recordkeeping provisions were substantially lower than those related to the knowing hire of undocumented aliens. Thus, while the employer who violates uniform verification requirements by checking only "suspect" applicants' documents risks a small fine, he or she avoids much larger employer sanctions fines as well as increased administrative burden—i.e., incentives to "play it safe" outweigh incentives *not* to discriminate. Further, convictions and penalties for mere recordkeeping violations would be very unlikely if, as would often be the case with discriminating employers, no undocumented aliens were actually hired.

Theoretically, uniform verification might partially alleviate discrimination. In this respect, H.R. 3080 is better than its Senate counterpart (S. 1200). Neither bill, however, includes all of the key elements of a uniform verification system.

III. EVIDENCE OF EMPLOYMENT DISCRIMINATION RESULTING FROM EMPLOYER SANCTIONS

A growing body of evidence strongly suggests that, when faced with complicated hiring restrictions carrying heavy penalties, employers, especially small businesspersons, are confused about their actual liability. Daniel Leach, former Vice-Chair of the Equal Employment Opportunity Commission (EEOC), has pointed this out in reference to employer sanctions:

"The smaller employer is perhaps where some of the problems in Title VII remain most severe: those that lack the sophistication, don't understand the law, choose not to deal with the law. That's a problem for EEOC as it is. I'm sure it would be a problem and continue to be a problem with any legislation that's proposed in [the employer sanctions] area." [1]

History demonstrates that, due to their confusion and uncertainty, many employers over-react and take overly zealous measures to ensure compliance with immigration laws. For example:

After Project Jobs, a country-wide sweep operation conducted by the INS in 1982, Time magazine reported that employers involved in the over 300 raids were reluctant to rehire even those workers who proved their legal status to INS officers.[2]

Officials in the Chicago Mayor's Office of Employment and Training reported that in the fall of 1984, amid extensive press coverage of immigration legislation, the Office received a call from an employer who asked that they "not send Hispanics" because he believed employer sanctions had been adopted.[3]

Colleen Logan, a high-level official in the California Department of Industrial Relations, attested before the U.S. Commission on Civil Rights (USCCR) to the relation between this confusion and discrimination. The USCCR reported that:

"As she put it, I can't say that they did [understand what to screen for], because I really didn't understand it totally. She further testified that the response of some employers was to screen employees on the basis of the color of their skin or their speech accent." [4]

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[1] U.S. Commission on Civil Rights, "The Tarnished Golden Door," 1983.

[2] "Dragnet for Illegal Workers," Time Magazine, May 10, 1982.

[3] Letter from Onelia Limes-Miller, Senior Coordinator, Chicago Mayor's Office of Employment and Training, Dislocated Worker Program, to Senate Judiciary Committee staff, June, 1985.

[4] U.S. Commission on Civil Rights, "The Tarnished Golden Door," 1983.

The criteria by which employers screen applicants can be very damaging to persons who fit immigrant stereotypes. When Texas Businessman J.E. Kastrop, who testified in 1984 before a Texas Congressional committee on an employer sanctions bill, was asked how he determined the immigration status of applicants, he replied:

"We check the records. We check them out. Gentleman, if you have a fellow come up to your office, and he can't speak English, and he is looking for a job, and he doesn't have many credit cards, and he lives with six other guys that are illegal aliens, you don't have to look twice to determine this guy shouldn't be in this country." [5]

Specific examples of this type of discrimination were reported during House consideration of the Simpson-Mazzoli bill last year, as employers began to prepare for the enactment of sanctions legislation. The effects of these employer reactions ranged from differential treatment to denial of employment based in skin color or accent. Some examples included:

Bernard Brown, Vice President of the Coalition of Apparel Industries, acknowledged that, to prepare for employer sanctions laws, the 600 employers he represented were instructed to ask applicants who were "Latinos or look[ed] like Latinos" for immigration documents.[6]

Similar employer responses were reported in Utah, where in one case 20–40 suspected individuals were summarily fired by a foreman.[7]

The director of a California manufacturing plant has confirmed that verification processes led directly to discrimination: "I hate to say this, but I'm sure there have been a lot of times that I've discriminated against Latinos. Sometimes you just don't have time to wait. . . . If I have four applicants for a job, I would naturally incline toward the one that's not Latino. . . . Most employers would rather play it safe. . . ." Because of these new screening processes, Hispanics dropped from 75 percent to 50 percent of the company's workforce.[8]

The Chairman of the Texas Governor's Task Force on Immigration stated in July 1985 that the Task force "heard from a number of individuals in Texas, including some employers, who stated that they would be more likely to discriminate against Hispanics if employer sanctions passed, in order to avoid any possibility that they would be in violation of the law.[9]

Employers in these examples did not act with intent to discriminate. They responded to the threat of penalties by "playing it safe"; in the process, Hispanic job applicants were put at a serious disadvantage, and in many cases were denied employment.

Arguments that imposition of employer sanctions will increase employment discrimination have moved from a theoretical to a factual base. It is already known that some employers will react to sanctions in discriminatory ways. The only question is one of the scope of this discrimination.

[5] Testimony of J.E. "Hank" Kastrop before Texas House of Representatives Committee on Business and Commerce, March 4, 1985.

[6] "Some Employers Weed Out Illegal Aliens," The Los Angeles Times, June 19, 1984.

[7] Letter from Utah Immigration Project, Catholic Community Services; to Senate Judiciary Committee Staff, July, 1985.

[8] "Some Employers Weed Out Illegal Aliens," The Los Angeles Times, June 19, 1984.

[9] Letter from Charles Foster, Attorney at Law, to Seante Judiciary Committee staff, July 11, 1985.

IV. POTENTIAL SCOPE OF DISCRIMINATION

The National Council does not argue that employer sanctions would lead all employers to discriminate against all Hispanic applicants. Many employers probably will not discriminate; others would discriminate absent the pretext which sanctions provide. But, as shown above, some will undoubtedly discriminate due to sanctions. How many Hispanics will be "at risk" of sanctions-induced employment discrimination?

Some sample, rough analysis of the Hispanic workforce in the United States provides some guidance in this respect. The total Hispanic workforce comprises just over six million persons. Given the current Hispanic unemployment rate of 10.4 percent, and assuming that only 25 percent of this group are looking for jobs on any given day, it can be estimated that over 150,000 Hispanic workers would come into contact with employer sanctions each day under H.R. 3080. According to some recent estimates, small firms hire up to 1.5 million full- and part-time workers weekly—roughly 750,000 in states with large Hispanic populations. Thus, as many as 150,000 Hispanic jobseekers potentially will be affected by employer sanctions each week, as they compete for 750,000 availabe small business jobs.

Proponents of employer sanctions have argued that "90 percent of all employers" will comply with recordkeeping and verification requirements. Assuming for the sake of argument that this estimate is accurate, applying the 90% compliance rate of small employers produces significant figures: some 15,000 Hispanic workers would be competing for 75,000 jobs offered by employers who are most likely to react to sanctions in a discriminatory fashion and who may be violating uniform verification standards. Small businesspersons' demonstrated tendency to "play it safe" while hiring would, under this scenario, jeopardize as many as 15,000 unemployed Hispanic applicants every week.

V. ANTIDISCRIMINATION PROTECTIONS

Convinced that any employer sanctions statute would inevitably lead to an increase in job discrimination, the National Council strongly supports measures which provide redress for those whose civil rights are violated under new enforcement programs. Legislation recently passed in the Senate has no such system of redress. Here, again, H.R. 3080 represents a substantial improvement over S. 1200. Yet protections provided in H.R. 3080 stop far short of those overwhelmingly adopted by House members last year.

The National Council urges that last year's Frank Amendment, as passed by the House, replace H.R. 3080's current system. Limitation of coverage in H.R. 3080 to "intending citizens" could create a subclass of individuals who, under the legislation, would be legally present in this country and authorized to work but would not have an equal right to employment. In assessing the need for restoration of key original Frank amendment protections, we ask that the Subcommittee consider the following points.

Lawfully resident aliens are entitled to work. A basic tenet of U.S. immigration policy, upheld continually by the Supreme Court, is that aliens legally admitted into this country have a right to seek and keep employment. Documented evidence shows that employer sanctions will threaten this right.

The number of aliens "at risk" left uncovered by H.R. 3080 is likely to be large. There are some eight million noncitizens in the country who, if they do not apply for citizenship within months of the bill's enactment, could be legally discriminated against by employers wishing to avoid hire of aliens. Rates of application for citizenship among those immigrant groups potentially hardest hit by sanctions-related discrimination (eg., Hispanics) are traditionally very low.

Current law does not effectively protect against alienage discrimination. Several different studies and reports have found that Title VII of the Civil Rights Act of 1964 and Sec. 1981 of the Civil Rights Act of 1866 will not provide adequate protection to those who chose to remain noncitizens, those who work for small employers, and those who are seasonally employed.[10]

To the extent that sanctions legislation is enacted, the National Council believes that an effective redress system is essential. For the reasons briefly outlined above, we feel that protections provided in H.R. 3080 would be ineffective.

VI. CONCLUSION

The National Council of La Raza opposes employer sanctions, because they would have little effect on the flow of undocumented immigration while seriously jeopardizing many thousands of Hispanics and other "foreign-looking" job applicants. Mounting evidence of sanctions-related discrimination strongly suggests that Congress should explore less onerous, potentially more effective enforcement options, and that any sanctions legislation must contain—at a minimum—those protections provided in the Frank amendment.

[10] See, for example, Congressional Research Service memorandum to House Judiciary Committee Staff, on alienage discrimination, September 1985.

WORLD FOOD DAY

HON. GUY V. MOLINARI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 23, 1985

Mr. MOLINARI. Mr. Speaker, last week, we observed October 16 as the fifth celebration of World Food Day and the 40th anniversary of the founding of the Food and Agriculture Organization [FAO].

Two years ago I had the honor of serving as the congressional advisor to the U.S. delegation to the 22d session of the Conference of the FAO, which was held in Rome in November of 1983. We can be proud of our former colleague and Ambassador to the FAO, Millicent Fenwick, for the very real concern she has regarding the critical issues facing the FAO. I am thankful for having had the opportunity to learn of the workings of the FAO firsthand and to meet with delegates from over 150 countries who shared recent developments in their own countries as they strive to provide adequate food supplies for their citizens.

Without a doubt, the overriding and most urgent topic discussed at that conference 2 years ago was the drought and famine in Africa. This was before the American public and most Members of Congress were as acutely aware of the tragedy as we are today. But the FAO had been diligently working to address this crisis for many months, monitoring food shortages in spe-

cific countries and providing assistance throughout the continent. The conference and testimonies of the various African delegates enabled me to see the African issue in a new light, and I returned from Rome committed to do all that I could to effectively address the problem.

Since that time, the FAO has continued in its mission of raising nutritional levels and living standards around the world. The World Food Program, one of four departments within the FAO, serves as the primary multilateral agency for food aid and is active in refugee resettlement programs. The FAO is working to in.prove the production and distribution of food and agricultural products through it's monitoring services and the scientific and technical research it conducts and shares with developing nations striving to increase their agricultural production. Various field projects, such as better irrigation methods, soil management, and vaccination programs, provide needed assistance throughout the world.

America's commitment to the FAO and other efforts aimed at alleviating world hunger must remain strong. The current drought and resulting famine being experienced by millions of Africans is unique because of its widespread and prolonged nature, but this type of suffering goes on day after day throughout the world. World Food Day serves to heighten our awareness of world hunger and, although the problem often appears to be overwhelming, I am convinced that by working together we can gain much ground toward the eventual total elimination of world hunger.

REAGAN ADMINISTRATION RELIANCE ON UNILATERALISM IN FOREIGN AFFAIRS

HON. ROBERT W. KASTENMEIER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 23, 1985

Mr. KASTENMEIER. Mr. Speaker, I would like to call to the attention of my colleagues an article in the October 23, 1985, edition of the New York Times by Richard Barnet who succinctly states why the Reagan administration's increasing reliance on a go-it-alone policy in the conduct of foreign affairs is wrong.

The article follows:

AMERICA GOES IT ALONE

(By Richard J. Barnet)

WASHINGTON—"We did this all by our little selves," said President Reagan as he announced proudly that United States Navy fighters had forced an Egyptian plane to land in Italy without prior consultation with either country. In the Administration's view, the widespread American applause for this use of military force against an ally and major aid recipient plainly outweighed the cost in injured relationships with Italy and Egypt. Indeed, the action was a classic example of the Administration's unilateral approach to world affairs.

No Administration in the postwar period has celebrated unilateralism as this one has. In national security, economic policy and diplomacy, Washington prefers to advance American interests through its own initiatives and power rather than the mechanisms of international cooperation.

Upon taking office, the Administration withdrew from the Law of the Sea Treaty. It has consistently denounced the United Nations and refused to be bound by judgments of the World Court. It has pursued economic recovery through deficit spending, high interest rates and an overvalued dollar, thus sucking up needed capital from Europe and the third world without regard to the devastating effects of these policies on other countries.

In Soviet-American relations, the United States has signaled its intention to dash rather than build a relationship based on mutual interest. In Washington's view, our Soviet adversary is to be managed by steadily increasing the threat we pose to it. Indeed, the Administration appears to deny that we have any interest in common with "the evil empire." The approach to negotiation has been grudging and the proposals so far safely non-negotiable. The Administration has, for example, cut off negotiations on the nearly completed Comprehensive Test Ban Treaty: Washington evidently prefers to rely instead on our own technological edge and superior economic power.

The Administration would rather wage a "covert" war against Nicaragua than support Latin American efforts to negotiate the conflict. In Afghanistan, the Administration supports the cause of the "freedom-fighters" resisting the Soviet Army and barely gives lip service to the efforts of our European allies and others to settle the conflict through negotiation.

Perhaps the most dramatic symbol of unilateralism is the Strategic Defense Initiative. With this imaginary technological shield of our own making, we are meant to prevent the nation's destruction by relying on our machines—rather than Moscow's self-interest—to prevent war.

Unfortunately, this reliance on unilateralism comes at the wrong historical moment: "Rambo" nationalism has no place in a world of nuclear weapons and more than 160 countries. Even the most powerful country has lost considerable control over its own economy. America has never been so dependent on world trade, and more than a trillion dollars of unregulated Eurodollars are beyond the reach of the United States Treasury. We risk a trade war reminiscent of the 1930's. Meanwhile, the world debt crisis continues unabated, threatening the collapse of the banking system. None of these problems can be solved by the United States acting alone or laying down the law to other nations.

In the field of national security, the United States remains totally vulnerable, despite the myth of the nuclear Maginot Line in the sky. The pursuit of security through building ever more weapons has failed, as ever more weapons are in turn aimed at us, increasing the risks of war through miscalculation.

The United States is a strong nation, considerably stronger economically and militarily than any other country, including the Soviet Union. But its power to create a world environment in which Americans can be secure and prosperous is limited by the strange new world in which we live. New forms of international cooperation are badly needed; existing international institutions must be improved or replaced. No nation has as much to lose as this one by international anarchy.

The national interest of the United States cannot be served by outmoded nationalism, however good the rhetoric may make us feel. We can no longer secure our most vital interests by acting alone.

THE 596TH DAY OF HOSTAGE CRISIS IN LEBANON

HON. GEORGE M. O'BRIEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 23, 1985

Mr. O'BRIEN. Mr. Speaker, today is the 596th day Americans have been held hostage in Lebanon.

William Buckley, a U.S. Foreign Service officer, was kidnapped on the streets of Beirut on March 16, 1984, 596 days ago today.

Today marks the 289th day Father Lawrence Jenco, the head of Catholic Relief Service in Beirut, has been held hostage.

Terry Anderson, the Beirut bureau chief of the Associated Press, was taken hostage in Lebanon 221 days ago.

The director of the American University hospital, Beirut, David Jacobsen, was kidnapped 147 days ago.

Thomas Sutherland, the dean of the American University agriculture school, was taken hostage 136 days ago.

Today also marks the 324th day since the disappearance of Peter Kilburn, the American University librarian.

Mr. Speaker, next Sunday, the American hostage crisis in Lebanon will be 600 days long. Let's keep our eye on the ball. The objective of our concern for the hostages is their swift and safe release. Nothing less.

CONTAIN THE FUTURES FUTURE

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 23, 1985

Mr. DINGELL. Mr. Speaker, I would like to take this opportunity to share with my colleagues in the House an insightful New York Times editorial, urging the Commodity Futures Trading Commission and the Congress to fill a regulatory gap that is costing our constituents millions of dollars. The focus of these remarks is the sharp practices of the unregulated leveraged contract merchants who have managed to escape the antifraud, trading, and customer protection rules applicable to other sellers of derivative instruments. It is estimated that hundreds of millions of dollars in customer funds are put at risk each year in leverage trading and approximately 11 percent of all customer reparation claims filed with the CFTC since 1980 have concerned four firms marketing leverage. Representatives DAN GLICKMAN and THOMAS DASCHLE have introduced legislation, H.R. 3434, to extend the moritoria on new entrants into the leverage industry, and to require all leverage contracts to be traded on futures ex-

changes, putting them on a regulatory par with standardized futures contracts. The gentleman from Kansas and the gentleman from South Dakota are to be commended for their intelligent response to this problem and I urge the other Members of the House Agriculture Committee to give this bill timely and favorable consideration. The Oversight and Investigations Subcommittee, which I chair, will be looking at this and a number of other troublesome issues next year in connection with the reauthorization of the Commodity Futures Trading Commission, pursuant to our jurisdiction under rules X and XI of the rules of the House.

[From the New York Times, Sept. 18, 1985]

CONTAIN THE FUTURES FUTURE

Thousands of unsophisticated investors have been conned in recent years by smooth-talking salesmen bearing promises of easy money in precious metals and currencies: profits in gold and silver, guaranteed . . . Make millions with pennies in yen and marks. Ordinary brokers face regulatory discipline for such tricks. But through some fancy political footwork, a small group of securities sellers known as leveraged contract merchants have evaded effective oversight.

It's up to the Commodity Futures Trading Commission and Congress to fill the regulatory gap before large brokerage houses decide that they, too, want a piece of the leveraged contract action.

A futures contract is a bet on the future price of a commodity. Assume, say, that you sell your aunt 150,000 pounds of orange juice for delivery next March at $1.25 a pound. If the price then is $1.30 a pound, she wins the bet, gaining 5 cents a pound, or $7,500. No juice needs to change hands to settle the bet; you simply pay her in cash.

But if the price falls below $1.25, she would lose the bet. And because futures speculators need invest only a few thousand dollars to enter into a contract for hundreds of thousands worth of a commodity, a small price change can mean wipe-out.

The Government sanctions such gambling to give companies a chance to hedge against business risks. Orange growers, for example, might sell orange juice futures to speculators today so as to lock in the value of the crop they will harvest next month. To minimize fraud and keep markets liquid, futures trading is legally confined to organized exchanges, dealing in everything from soy meal to gasoline. The Government oversees the process, but the exchanges police day-to-day activities.

Nonetheless, a few companies hustle futures contracts outside the exchanges by relabeling the products as "leveraged commodity contracts." Whereas futures exchanges act as intermediaries between a buyer and seller, leveraged commodity merchants say they sell a different product because they take one side of the transaction. Their commissions are extremely high and settlement prices are often set in ways that stack the odds against the investor. When hundreds of investors complained, the Securities and Exchange Commission and state regulators moved to put the leveraged contract merchants out of business. But they lobbied for special treatment, and Congress foolishly complied.

In 1978, it directed the Commodity Futures Trading Commission to create trading rules for off-exchange leveraged contracts. The commission subsequently set fraud rules and forbade any companies beyond the original four to enter the business. But the commission is ill equipped to enforce trading rules. Complaints have piled up.

Congressional support for the leverage merchants has faded under the glare of publicity. Nevertheless, the Trading Commission is about to grant licenses to two of them. That raises a big fear: once formally licensed, a leverage dealer may be purchased by a big brokerage house, which will then lobby Congress for the permanent right to keep selling contracts off the exchanges. If one big broker should win permission, the others would want it too.

The first order of business, then, is for the commission to suspend its licensing proceedings. Then it will be up to Congress to bar off-exchange trading in futures contracts, no matter what they are called.

VOLUNTARY IGNORANCE

HON. NORMAN D. SHUMWAY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 23, 1985

Mr. SHUMWAY. Mr. Chairman, as we look toward the November summit meeting between President Reagan and Soviet General Secretary Gorbachev, I believe that the plight of Afghanistan should not be pushed to the back of our minds, to the bottom of the agenda. For 6 years, the Soviet battle to subjugate that sovereign nation has raged and the stories of Soviet brutality against the Afghan people proliferate. Nevertheless, seldom is attention focused on the Afghan freedom fighters' struggle to regain independence; while we can read about human rights abuses in South Africa or Central America on a daily basis, rarely do we see the startling statistics of Soviet terror in Afghanistan in print.

"Voluntary Ignorance" is the label applied by Jean-Francois Revel to the apparent international indifference toward Afghanistan. In an excellent analysis that recently appeared in the Washington Times, Revel probes "our Afghan blind spot," decrying the lack of continuing international opprobrium against the Soviet Union for its actions. In order to help keep alive our memory of the ongoing struggle in Afghanistan, I am submitting this valuable article for the RECORD.

VOLUNTARY IGNORANCE—OUR AFGHAN BLIND SPOT

The occupation of Afghanistan by the Red Army, which has been going on for almost six years now, continues to provoke in the Western democracies a reaction that Montaigne calls "voluntary ignorance."

Information on Afghanistan is scarce, to be sure, because of Soviet censorship. The Communist powers enjoy an unwritten but tacitly accepted privilege, a privilege practically legalized by international consent, to shape and to ration information that concerns them.

By closing Afghan territory to TV teams and non-Communist reporters, by imprisoning journalists, and even doctors who have entered the country clandestinely, the Soviets have kept the Afghan horror story from being told by the mass media.

Thus they have prevented the vast wave of worldwide opprobrium that would engulf a democracy guilty of far lesser crimes but accessible to news coverage by nature of its politics and principles.

But the blindness of certain Western elites does not result in the main from the practical difficulties of finding out what is going on. There is sufficient information available to anyone who wants to think seriously about the situation of the Afghan people. If the Free World discards this information or relegates it to the margins of its awareness, that is because it fears it will have to start questioning certain soothing interpretations of Soviet behavior and be forced to face the gravity of the crimes committed against the Afghan people.

The first reason for our resistance to listening to news about Afghanistan has to do with our desire to interpret the invasion of Afghanistan as an accident of Soviet foreign policy. Reread what all our oracles have written about it in the last six years. It was a mistake . . . a marginal act . . . unrepresentative of the fundamental thinking of the Soviet leaders. The Soviets acted without premeditation; they were "caught up in a situation"; they fell "into a trap."

The Western powers should, consequently, help them to get out of it, "to save face." How? By not bullying them, by not reawakening their well-known "sense of insecurity."

This analysis, made by most of the statesmen in power in the West during the invasion of 1979, remains the attitude of a great number of commentators today. It entails certain practical prescriptions:

We must abstain from arming the Afghan resistance, for fear of provoking the Soviets. Only the fear of foreign intervention, they tell us, will delay the spontaneous departure of the Red Army. In view of the insignificance of our military aid to the Afghan resistance, one wonders how much further this would have to be reduced to "reassure" the Soviets, and how long it will take for their supposed desire to evacuate the country to be demonstrated.

The explanation that the Soviet seizure of Afghanistan is a result of unhappy chance is rooted in a more general theory. According to many politicans and students of politics, the Soviet Union does not nourish long-term foreign policy objectives, at least not aggressive objectives. They admit, to be sure, that the U.S.S.R. has an overall vision, but they believe it to be strictly defensive. The notion that it has an expansionist design, an imperialistic outlook both ideological and strategic, a program patiently pursued, long planned, and unfailingly prepared for setbacks, could only emanate—in their view—from the *idee fixe* dating from the Cold War.

Unhappily, there are few cases where even a summary knowledge of history so completely pulverizes that theory as Afghanistan.

From the start of the revolution in 1917, the new Soviet power moved to eliminate British influence from Central Asia. A Soviet-Afghan treaty of friendship was signed Sept. 13, 1920, a prelude to a long series of treaties destined to tighten the Soviet's ties with Kabul. After World War II, the Soviet Union capitalized on the void left by Britain's influence, and above all the new situation that resulted from the creation of Pakistan to tie Kabul's foreign policy to her own.

Alas, the United States understood nothing of what the Soviet Union was up to. In December 1954, John Foster Dulles refused

military aid to Afghanistan and threw that country into Moscow's arms.

Sardar Mohammed Daud, prime minister from 1953 to 1963 and president from 1973 to 1978, permitted the Soviet Union to take over the task of equipping and training the Afghan army. In 1955, Nikita Khrushchev and Nicolai Bulganin despite their concerns in Europe and at home that year, made one of their first foreign trips to Kabul and accorded Afghanistan a grant of $100 million, the biggest grant given by Moscow to any country beyond the Iron Curtain. Such a demarche is incompatible with the thesis that Moscow never had any long-term plans for Afghanistan.

Here, too, the Western experts and commentators who date the Sovietization of Afghanistan from the invasion of Dec. 27, 1979, prove at best, that they are professionally incompetent. The protectorate had been in the works for decades.

The second reason the West resists information about Afghanistan is the Soviet violations of human rights in that country. These violations are so widespread that our governments are scared even to raise the question, knowing very well that Moscow will, in its usual humiliating manner, refuse even to discuss it. That is why the press and other media greeted so tepidly the February 1985 United Nations report on the condition of human rights in Afghanistan by Felix Ermacora, Special Rapporteur—a report whose very existence is practically miraculous and which deserves a salute in that ground alone, but which was quickly relegated to obscurity.

The repression takes two forms the torture and execution of opponents and resistance fighters, and massacre and deportations of the civilian population. In Le Grand Jeu Afghan (Politique Internationale, Spring 1985), for example, Michael Barry reports that between April 27, 1978 (the date of the pro-Soviet coup d'etat), and January 1980, 27,000 people were executed in the Pol Charki concentration camp, six miles east of Kabul.

"This is not an estimate," writes Mr. Barry. "This is the simple addition of the names of the victims posted by the regime in public places to discourage the families from crowding around the gates of the prisons with packages of clothing and food."

A major portion of the educated elite, the author adds, perished in this carnage: diplomats, doctors, professor, engineers, non-Communist officials, spiritual leaders. While estimating the number of those shot at "only" 12,000, the U.N. report corroborates the basic story.

Must one conclude that the Soviet Union is invulnerable and can—as South Africa, or Chile, cannot—violate human rights with impunity, shielded by the discreet complicity of an international opinion that knows it is powerless?

Perhaps not. What the discreet people find a bit upsetting are the anti-Communist guerrillas: in Angola, in Nicaragua, and above all in Afghanistan. For the first time, the United States Congress, in July 1985, openly recognized the importance of this phenomenon and voted official aid—$15 million to the Afghan resistance.

PRIME MINISTER PERES' U.N. SPEECH

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 23, 1985

Mr. HAMILTON. Mr. Speaker, I would like to bring to the attention of my colleagues an important speech Prime Minister Peres gave October 21, 1985, before the United Nations General Assembly on behalf of the Government of Israel.

This speech is significant because it seeks to advance the peace process. It represents important moves by Israel to seek a mutually satisfactory basis for starting negotiations with Jordan or a Jordanian-Palestinian team. In the speech, the Prime Minister holds out the possibility of an international or United Nations framework for peace talks and also, while omitting any reference to the Palestine Liberation Organization [PLO], calls for peace talks between Israel and an Arab delegation including Jordanians and Palestinians "that represents peace, not terror." This raises the possibility of moving toward talks with individual Palestinians on the sole condition that they are willing to enter a peace process in a peaceful environment.

I commend Prime Minister Peres for his speech. It represents the kind of effort needed to advance the peace process. I hope all parties will respond to it positively.

Prime Minister Peres' speech follows:

[From the New York Times, Oct. 22, 1985]

EXCERPTS FROM PERES'S SPEECH PROPOSING TALKS

(United Nations, N.Y., Oct. 21—Following are excerpts from a speech today by Prime Minister Shimon Peres of Israel, as issued by the Israeli Mission)

Terrorism is bent on injuring the peace process, but we have an equal determination: it will not stop progress toward peace.

We reject the absurd claim that resisting terrorism—rather than terrorism itself—undermines efforts for peace.

Mr. President, nobody brought more tragedy on the Palestinians than P.L.O. terrorism. Our enemy is not a people, a race, a religion, or a community. Our enemy is belligerency, hatred, and death. We know that there is a Palestinian problem. We recognize the need to solve it honorably. We are convinced that there is no solution but through diplomatic means. From this rostrum, I call upon the Palestinian people to put an end to rejectionism and belligerency. Let us talk. Come forth and recognize the reality of the State of Israel—our wish to live in peace and our need for security. Let us face each other as free men and women, across the negotiating table.

Let us argue, but not fight. Let us arm ourselves with reason. Let us not reason with arms.

Ever since the beginning of the dispute between us, we have urged our Palestinian neighbors to reach an accommodation.

For all these years, our hand remained outstretched in vain, and the reply we heard was the echo of our own voices.

VISIT BY SADAT

When President Sadat came to Jerusalem, the course of history for all of us was changed. He found Israel willing, open and as courageous as he was in the pursuit of peace. The world looked on in wonder as a conflict which had seemed insoluble for more than 30 years, turned soluble in less than one.

Between the 48 million Egyptians and 4 million Israelis there is today peace. Peace with Egypt was to accomplish several objectives:

Sinai was returned to Egypt.

A solution to the Palestinian problem, in all its aspects, was to be reached. It was agreed that full autonomy to the residents of the territories could be a promising step in that direction.

Peace between Egypt and Israel—never intended to be an isolated episode—was to become the cornerstone of a comprehensive peace strategy in our region.

Peace between us was to be filled with constructive content.

This treaty survived tests none of us foresaw. Its full implementation is a challenge and a hope.

We turn to our Egyptian friends with the invitation to breathe life into our relations and to raise our peoples' spirits. Let us not allow gloom and doom to overshadow our worthiest accomplishment. Let us make our peace a success, a source of encouragement to others.

RELATIONS WITH JORDAN

The most complex issue—yet the most promising—involves our neighbor to the east: the Hashemite Kingdom of Jordon. An issue confined not only to borders, it reaches across peoples and states. Its settlement should also comprise the resolution of the Palestinian issue.

Middle East archives are filled with negotiating plans, but its diplomacy is short of negotiating partners. Thus, this is the hour for decisions and statesmanship.

I invite this organization to depart from the tired and timid norn and to fulfill its destiny as enshrined in its walls, but ushering the parties to the conflict into a new diplomatic initiative.

Let all parties to the dispute facilitate a new phase in Arab-Israeli peace by renouncing the use of violence.

This new initiative should be based on the following principles:

1. The objective of these negoiations is to reach peace treaties between Israel and the Arab states, as well as to resolve the Palestinian issue.

2. Neither party may impose preconditions.

3. Negotiations are to be based on United Nations Security Council Resolutions 242 and 338 and on willingness to entertain suggestions proposed by other participants.

4. Negotiations are to be conducted directly, between states.

5. If deemed necessary, these negotiations may be initiated with the support of an international forum, as agreed upon by the negotiating states.

6. This gathering can take place before the end of this year, in Jordan, Israel or any location, as mutually agreed upon. We will be pleased to attend an opening meeting in Amman.

7. Negotiations between Israel and Jordan are to be conducted between an Israeli delegation on the one hand and Jordanian—or a Jordanian-Palestinian—delegation on the

other, both comprising delegates that represent peace, not terror.

POSSIBLE BLUEPRINT

Aware of the nature of this undertaking, I propose the following as a possible blueprint for implementation:

Negotiations may produce intermediate as well as permanent arrangements. They may deal with the demarcation of boundaries as well as the resolution of the Palestinian problem. The Camp David Accords provide a possible basis for the attainment of these objectives.

The permanent members of the Security Council may be invited to support the initiation of these negotiations. It is our position that those who confine their diplomatic relations to one side of the conflict, exclude themselves from such a role.

This forum, while not being a substitute for direct negotiations, can offer support for them. Indeed, nothing should undermine the direct nature of these negotiations.

To expedite this process, the agenda, procedure and international support for negotiations can be discussed and agreed upon at a meeting of small working teams to be convened within thirty days.

Mr. President, distinguished delegates, let us put this process into motion. Let us shield this flickering hope from threatening winds. Let us not consign this moment of hope to the fate of missed opportunities.

Let us look our younger generation in the eye and vow to do all that is humanly possible so that never again will a young boy die in a war we failed to prevent.

The sons of Abraham have become quarrelsome, but remain family nonetheless.

I hereby proclaim: The state of war between Israel and Jordan should be terminated immediately. Israel declares this readily in the hope that King Hussein is willing to reciprocate this step.

BRUNSWICK, MD, RAILROAD YMCA BUILDING

HON. BEVERLY B. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 23, 1985

Mr. BYRON. Mr. Speaker, I would like to take this opportunity to insert in the CONGRESSIONAL RECORD the article "Up From the Ashes" by Mr. Richard D.L. Fulton. This article is about the rebirth of the Brunswick, MD, Railroad YMCA in my district. The 70-year-old Brunswick, MD, Railroad YMCA building, originally called the Brunswick Baltimore and Ohio Railroad YMCA, was destroyed by fire on November 8, 1980. Through the cooperative efforts of the Chessie System Railroad, the YMCA of the U.S.A., and the city of Brunswick, the long awaited ground-breaking ceremony for the new Brunswick Railroad YMCA building took place on May 24, 1984, and the new building is scheduled to be completed by July 1, 1986. With this new building, the Brunswick YMCA will be continuing its 94-year-old tradition of serving the transportation industry and the community. Thank you.

UP FROM THE ASHES—THE REBIRTH OF THE BRUNSWICK, MARYLAND RAILROAD YMCA

(Richard D.L. Fulton)

When the 70-year-old Brunswick, Maryland Railroad YMCA building was gutted by fire on November 8, 1980, the community lost more than a stop-over point for railroad crews. The town lost what had become "an old friend," for the Railroad YMCA facilities had also long served as a community center for the local citizenry as well.

Although there had been some discussions prior to the fateful fire concerning building a new YMCA facility in Brunswick to replace the old 1907 building, the fate of the building was sealed about 9:30 p.m. on November 8, 1980, when a central fire dispatching employee received a call stating that there was a building fire (at the Y) and that all of the light had gone out.

Brunswick railroad YMCA Executive Director Glenn R. Moler was at home when the fire broke out. He soon received a call from employee Wanda Porter who told him, "Please come, the place is on fire." Moler arrived at the building and went around to the various rooms to make sure that all of the employees and railroad crews were out of the building.

As the fire intensified, over 13 fire companies responded to either help combat the flames or cover for other units that had left their stations to assist. In addition to the utilization of two of the town's fire hydrants, water was also drafted from the Potomac river and brought to the scene of the fire in tankers.

Apparently, however, much more water was needed, given the advanced stages of the fire as equipment arrived, then could be brought to bear on the blazing structure. Current Brunswick Mayor Richard G. Campbell was then the chief of the Brunswick fire department. At that time he told the press, "By the time the fire was discovered it had almost surely reached the top floor and started spreading through the flooring."

After the fire was brought under control early the following morning, investigations revealed that the fire had been started by old electrical wiring. It was determined that once the fire had started it would have been difficult to control because of the old type of construction employed in the building, which included the lack of fire stops in the walls.

Railroad employees scheduled to stay at the Brunswick YMCA during and following the fire were housed in other facilities in Frederick, Harpers Ferry and Charles Town. The fire also put 30 to 40 Brunswick residents employed by the Railroad YMCA out of work.

The five years that elapsed after the old building was gutted was filled with often apprehensive moments for community residents, railroad workers, and YMCA officials as all awaited to see if, when, and where a new YMCA facility would be established. Meetings by officials to pave the way for a new Y were described as being sometimes unnerving, sometimes exciting. However, progress was being made and Brunswick was to have its new Railroad YMCA.

"An exciting day for the community of Brunswick." That's what Brunswick Mayor Campbell called it as more than 50 YMCA, railroad, and government officials gathered on May 24, 1985, for the long awaited ground-breaking ceremony for the new Brunswick Railroad YMCA.

The new YMCA building, to be located at 620 Souder Road in Brunswick, was made possible by the cooperative efforts of the Chessie System Railroads, the YMCA of the USA, and the City of Brunswick, who issued $3.7 million in bonds to provide financing for the new facility. The bonds were purchased by the Maryland National Bank of Baltimore.

Chessie System Railroad's Transportation Vice-president Ronald W. Drucker "dug into" the Brunswick soil with the ceremonial "golden" shovel just before noon on May 24, marking the official beginning of the $3.7 million project to replace the old, gutted building formerly located on East Potomac Street.

Drucker was also one of the key speakers at the ground-breaking ceremony, which included Transportation YMCA of the USA President Harry McCarty, Mayor Campell, and Maryland House of Delegates member George Littrell.

Glenn Moler, who had been serving as the director of the Brunswick Railroad YMCA when it was destroyed by fire, presided over the ceremony. Moler is presently serving as the temporary director of the Clifton Forge, Virginia, YMCA, and will be returning as the Brunswick YMCA director when the new building is completed.

Moler was cited by Littrell as being "the one man who stayed with it" and did not give up when the often hampered progress toward a new Y seemed to stall. "Glenn Moler," Littrell said, "fought the battle of the Y," and won. Unlike most battles, however, there were no 'sides,' as such, in this one, and everybody shared in the victory.

The new 30 thousand square-foot Railroad YMCA building will include a one-story general purpose unit which will house the offices, meeting rooms, and the fitness, recreational, and eating facilities, and a two-story residence unit consisting of 60 modern, private rooms designed for privacy, noise reduction, and reduced energy consumption.

Transportation YMCA of the USA President Harry McCarty described the facilities overall as "up to date," utilizing modern technology and planning in producing accommodations which maximize privacy and efficiency. The building will also house lockers for the safe-keeping of personal effects, as well as a chapel for meditation.

The target date for the completion of the new Brunswick Railroad YMCA is on, or before, July 1, 1986. The new facility will be operated as a branch of the King of Prussia, Pennsylvania-based Transportation YMCA of the USA. The building and grounds will be owned by the YMCA of the USA.

It is unlikely that the new facility will erase completely the many memories associated with the old Railroad YMCA building, originally called the Brunswick Baltimore and Ohio Railroad YMCA, which had to be demolished after the November 1980 fire.

The old three-story building was originally constructed in 1907. The facility housed railroad crew personnel on the top two floors, with the balance of the space in the building devoted to a restaurant, lounge area, game room, chapel, and meeting rooms and offices. Two bowling lanes were also maintained in the basement.

Other services provided for in the old building from time to time included a complete laundry service, a barber shop, and pool tables. A thoroughly provisioned stock room was also located in the basement where the restaurant and facility supplies were housed.

In 1926, the Brunswick YMCA assumed the management and sponsorship of the Brunswick Baseball Team, then a member

of the Frederick County Baseball League. The YMCA also developed the Brunswick Community League that year consisting of six teams, one from each of the railroad departments, and one representing the City of Brunswick. The league team of 1929 produced such astonishing results that a "bountiful dinner of Maryland fried chicken with all the accessories" was given in honor of the team at the end of the season.

An athletic field on New York Hill, in Brunswick, was developed by the Brunswick YMCA during 1928 and 1929 at the cost of about $15 thousand. The field was named "The E.W. Scheer Stadium" in honor of the General Manager of the Baltimore and Ohio's Eastern Lines, whose active support and cooperation made the field's development possible. The stadium was sold in 1966.

The old Brunswick YMCA experienced its first fire in 1934 on Christmas Eve, when a fire erupted in the building's dining room. Although the fire was contained in that area, the eating facilities were knocked-out of service until the following June. During the interim before the food services could be put back into service, the Baltimore and Ohio Railroad had a dining car sent to Brunswick for the use of the railroad crews until they could again use the YMCA facility.

Prior to the actual construction of the YMCA building itself in 1907, railroad crews were given lodging in various homes around the community which were rented for that purpose by the YMCA. The Brunswick YMCA itself was founded in 1891.

Thanks to Brunswick YMCA Executive Director Glenn Moler, and to many others, the Brunswick YMCA will be continuing its 94-year-old traditon of serving the transportation industry and the community, both of whom have so lovingly supported it over the decades (now, nearly a century) past.

LESSONS OF GRENADA WEEK

HON. HERBERT H. BATEMAN

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 22, 1985

Mr. BATEMAN. Mr. Speaker, as the second anniversary of the liberation of Grenada approaches, we must be reminded of the continuing treat of Soviet imperialism. The capture of 35,000 lbs. of revealing documents is the first time a Communist bureaucacy has ever been captured intact, and it clearly demonstrates that Grenada was rapidly becoming a major Soviet-aligned military fortress complete with Soviet military personnel. From these documents I quote Marshall Nikolai Ogarkov, then the U.S.S.R.'s top military strategist, "Over two Decades ago there was only Cuba in Latin America. Today there are Nicaragua, Grenada, and a serious battle is going on in El Salvador." Mr. Speaker, can there be any doubt concerning Soviet intentions in the Southern Hemisphere?

From these documents we have also learned that the Soviets were going to use Grenada as an airbase for their own military jets, as a port for their Navy, as a center for world terrorism and revolution in Latin America, and as a base of operations against the United States in the event of war with the free world. I think we can all agree that Soviet intentions in Latin America should be viewed most soberly.

Mr. Speaker, another one of the many "lessons of Grenada" is that, contrary to the "Brezhnev doctrine" which holds that once a nation falls to communism it never returns to the free world, communism can be reversed successfully. Grenada is a clear example of the failure of the Breshnev doctrine if the people of the free world are willing to aid those who yearn to breath free in their own country.

The action taken by the United States and the East Caribbean States is both a lesson and an inspiration to anti-Communist resistance movements everywhere. It was a psychological boost to freedom fighters because our action showed that communism is not indestructable. As the "Brezhnev Doctrine" was shattered, new hope was created in the hearts of freedom fighters in Nicaragua, Afghanistan, Angola, Mozambique, Vietnam, Cambodia, and Ethiopia. These hopes which the liberation of Grenada have unleashed, should not be ignored and left to die on the vine. The United States must assert its role as the leader of the free world to aid those who wish to join the ranks of the free.

Mr. Speaker, our forefathers obviously knew the importance of resistance to tyranny. As Thomas Jefferson said over 200 years ago, "the God who gave us life, gave us liberty at the same time." We in the United States must never cease to help those who strive for their rights to life and liberty. The most important lesson of Grenada was the one of hope and a new found determination in the United States to aid those who long for freedom yet toil under the yoke of Soviet communism. It is a lesson the whole world should take note of. The decisive action taken by President Reagan to liberate Grenada and set them on a path of self determination will go down in history as a milestone in the worldwide struggle for freedom against communism.

Mr. Speaker, this is only the beginning of what there is to be learned from our Grenada experiences. It is important that all citizens take time out during "Grenada Week" beginning October 21 to reflect on the many lessons of Grenada. Not the least of which is that eternal vigilence is the price of liberty.

YUGOSLAVIA—HAVEN FOR INTERNATIONAL TERRORISTS

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 23, 1985

Mr. LANTOS. Mr. Speaker, our distinguished colleague from New Jersey, Congressman JIM COURTER, has written a thoughtful and perceptive article that was published in today's Wall Street Journal. That fine piece focuses on the outrageous actions of the Yugoslav Government in permitting Abu Abbas to leave that country, despite our Government's request for his extradition for masterminding the Palestinian piracy aboard the *Achille Lauro*.

Congressman COURTER details the appalling record of the Yugoslav Government in dealing with international terrorism for well over a decade now. The facts are well presented, and that record is there for all to see. We should draw the appropriate conclusions.

[From the Wall Street Journal, Oct. 23, 1985]

WHY ABBAS CHOSE YUGOSLAVIA

(By Jim Courter)

Only one day separated Prime Minister Bettino Craxi's insistence that Italy, not the U.S., must be allowed to prosecute the Achille Lauro hijackers from the moment Italy freed the suspected mastermind of the crime. The day after U.S. jets intercepted the Egyptian airliner on which he was a passenger, Mohammed Abbas Zaida, or Abul Abbas, believed by the State Department to be "one of the most notorious Palestinian terrorists . . . involved in savage attacks on civilians," flew to Belgrade—and freedom—on a Yugoslav airliner. Italian authorities handled the boarding at Rome's Leonardo da Vinci Airport and even arranged disguises for Mr. Abbas and Mani Ali Hassan, a senior aide of Yasser Arafat. In flight, Mr. Abbas remarked mildly to another passenger that he would be in the Yugoslav capital "for two or three days . . . for a brief rest."

His confidence was not misplaced. For Mr. Abbas, the ordeal was over. Associated Press reporters on the ground in Belgrade say the two Palestinians were allowed to bypass customs, were greeted by other officials of the Palestine Liberation Organization, and were then driven from the airport in a limousine bearing the license plate of the PLO Embassy. Meanwhile, the American officials who had waged a short, spirited battle to gain Italian extradition of Mr. Abbas to the U.S. began preparing new warrants to present to the Yugoslav government.

But it will be some time before Mr. Abbas sees the insides of any courtroom. As a member of the PLO executive council and chief of the subgroup named the Palestine Liberation Front, he will more likely be feted in than extradited from the countries of his choosing. Yugoslavia is among the worst offenders. During the past decade innumerable terrorist, Palestinian and pro-Palestinian, have rested, traveled through or undergone guerrilla training there. They come because the Yugoslav government approves of them. Urgent extradition requests by oher countries, particularly West Germany, are turned aside. Indeed, one must perhaps go back to 1975 to find the Yugoslavs moving decisively and publicly against international terrorists, and in that instance the three Germans they had seized (on Interpol warrants) were neo-Nazis.

The dignified reception that Belgrade permitted Mr. Abbas is strikingly reminiscent of that once accorded the infamous "Carlos." On Sept. 6, 1976, this Moscow-trained European commander of Palestinian and other terrorists touched down in Belgrade on a flight from Algiers. He had five companions, two of them Germans; they apparently intended to participate in an international terrorist summit that Belgrade was then hosting, according to later reports. Though West German police were waiting for him at the airport, and Yugoslav authorities were already in possession of

papers from Bonn requesting his seizure and extradition, Yugoslav agents guided Carlos to an airport VIP lounge and then into the city. Four days later he was allowed to depart on a Yugoslav airliner for Damascus and Baghdad.

A similar incident occurred in 1978 when four of West Germany's most wanted Red Army Faction members were picked up in Zagreb, but then released, despite Bonn's requests for extradition. Libya, Algeria and Iraq had all expressed willingness to receive them. Little wonder that West German counterintelligence later complained that it gets next to no cooperation from the authorities in Belgrade.

Yugoslav ties with the PLO are nothing new. In 1973, Marshal Tito and Soviet Premier Aleksei Kosygin ended a week of meetings with a communique that declared their "solidarity with the just struggles of the Arab peoples with Israel." In 1978 the Yugoslavs were reported to have built several training camps for Palestinians near their Bulgarian border. By the following year, if not well before, PLO arsenals in the Middle East included a variety of Yugoslav-made weaponry. Yugoslavia also accepted PLO guerrillas evacuated from Lebanon in late 1983.

Mr. Arafat's close deputy, a notorious chief of the Palestinians' European terrorist operations named Salah Khalaf (Abu Iyad), was received by the Yugoslav minister of defense in February 1981. PLO representatives have held many more meetings with top officials of the Yugoslav government and armed services both in Belgrade and in Lebanon.

There is distressingly little one can say to those astonished by the Italian release of Mr. Abbas before time allowed a full investigation of his alleged role in the murder of Leon Klinghoffer. The scandal recalls the Greek release of an accomplice to the recent TWA 847 hijacking, the French release of a Black September leader named Abu Daoud in 1977, and the still incomprehensible American participation in the 1982 boat lift that saved so many terrorists, including Mr. Arafat and his Eastern bloc aides, from the Israeli army in southern Lebanon.

But there is something to be said about the destination Mr. Abbas chose when allowed to leave Italy. Quiet, "nonaligned" Yugoslavia has encouraged, armed and directly assisted PLO terrorists for many years, and has done that as a matter of declared state policy.

Mr. Abbas seems to understand that. So should we.

THE 75TH ANNIVERSARY OF ESPIRITO SANTO SCHOOL

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 23, 1985

Mr. FRANK. Mr. Speaker, this Sunday, October 27, I will have the very great privilege of participating in the commemoration of the 75th anniversary of the Espirito Santo School. This school was founded on September 19, 1910, by Father Joao de-Valles for 200 students in grades 1 to 5. It was the first parochial school designed for Portuguese Americans in the United States, and it was for 40 years the only such school.

Since its founding it has been staffed by the Franciscan Missionaries of Mary as well as by lay teachers. In 1925 kindergarten was added and Miss Mary Cabral, who became the kindergarten teacher there, remained in that post for the next 53 years. In 1963, under the leadership of Father Joao Resendes, a new school was built with pledges and donations from the parishioners. The school's enrollment has remained stable and is now at 300 students. It has a large number of distinguished graduates, among whom I am pleased to say is one of my important staff members, Michael Vieira.

I am delighted to have this chance to salute those who began this school in 1910, and who have kept it in being as a vibrant educational and cultural force in Fall River for 75 years. Keeping alive the various cultural heritages that have contributed to this country is an important element in maintaining the fabric of American society. The people of Espirito Santo parish deserve a great deal of credit for their willingness to maintain this very important and worthwhile educational institution. I congratulate them on their good works and I look forward to participating with them on Sunday in what is both a celebration and a renewed dedication to keeping this important educational activity alive and well.

Mr. Speaker, I think the staff members of this important institution ought to be recognized for the good work they do and I ask that their names be printed here.

The present staff is:

Principal—Sister Mildred Morrissey; Kindergarten—Miss Christine Mello; 1st Grade—Miss Debra Polselli; 2nd Grade—Mr. Neil Manso; 3rd Grade—Miss Karlene Kenyon; 4th Grade—Mrs. Barbara Toni; 5th Grade—Miss Martha Ward; 6th Grade—Sister Lia Oliveria (teaching at the school for 45 years); 7th Grade—Sister Ruth Tamulisi; 8th Grade—Sister Simone Decelles (teaching at the school for 35 years); Secretary—Mrs. Judith Lussier; Custodian—Mr. Raymond Machado.

PRESERVE THE STATE AND LOCAL TAX DEDUCTION

HON. BILL SCHUETTE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 23, 1985

Mr. SCHUETTE. Mr. Speaker, as the Ways and Means Committee considers tax reform in the coming weeks I would like to address the one tax reform issue that has been the most controversial in my home State of Michigan: the deductibility of State and local taxes.

My opposition to the elimination of these deductions results from the higher taxes Michigan residents would have to pay and the principle that is involved.

The single most important factor contributing to higher taxable income for middle-income Michigan taxpayers would be the loss of the deduction for State and local taxes. Even though most Michigan taxpayers would face lower marginal tax rates under the administration's proposal, the loss of deductibility would result in higher net taxes.

A typical Michigan family that owns a home, earns $28,000 a year and itemizes deductions, would see its tax bill increase by $1,150 in additional Federal taxes. This net increase in taxes would fall most heavily on the middle class, which is the economic backbone of our country and already heavily burdened with taxation.

Proponents of eliminating the deduction for State and local taxes have argued that the deduction primarily benefits high-income taxpayers. But in my home State of Michigan that simply isn't true. According to IRS tax data, 40 percent of all the itemized State and local taxes were deducted by Michigan taxpayers with adjusted gross incomes below $30,000 a year. Nearly 80 percent of these deductions were claimed by households with less than $50,000 in adjusted gross income a year.

The loss of this deduction would hurt my State, which is only now starting to recover from the recession of several years ago.

I also oppose the elimination of this deduction because it contradicts one of our basic principles in this society: That there shall be no double taxation. The principle involved here is that it is profoundly unfair to tax income that has been used to pay taxes.

Mr. Speaker, as autumn progresses, the congressional agenda gets more and more hectic. It is difficult to predict what the tax-writing House Ways and Means Committee will be able to accomplish. They are marking up an alternative reform plan and the committee is divided on this issue. No matter what happens in committee, I am committed to fighting the elimination of the State and local tax deductions on the House floor.

A TRIBUTE TO KENNETH BROWN BILLUPS

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 23, 1985

Mr. CLAY. Mr. Speaker, an outstanding American, a gifted artist, and one of my renowned constituents, Kenneth Brown Billups, passed away on October 10, 1985.

As an offering to posterity, this Nation can memorialize the contributions of this outstanding citizen in perpetuity by insertion of his beautifully written and sensitive obituary in the CONGRESSIONAL RECORD. Kenneth Billups was a personal friend who worked tirelessly on every conceivable musical project in the community. He gained national recognition through his musical compositions, choral arrangement, and choral direction.

A great deal of his time was also spent working with youth programs and with civic projects as an administrator. Kenneth Billups was a multifaceted, very gifted, hardworking committed citizen. A truly outstanding constituent, I proudly submit

the following documentation of his many contributions.

KENNETH BROWN BILLUPS

Kenneth Brown Billups, a native of St. Louis, Missouri, was born April 15, 1918. He was the second son of the late Reverend and Mrs. Louis Billups.

Education for Kenneth began in the St. Louis Public Schools, and he graduated from Sumner High School. His college training began at Lincoln University in Jefferson City where he played varsity basketball and earned a Bachelor's degree in biology.

Northern University is where he earned the Master of Music degree; further graduate work was done at Washington University in St. Louis.

Noteworthy, and a tribute to Kenneth's musical expertise, is the fact for several summers he was a visting professor of voice, composition, and choral technique at Northwestern University, Lincoln University, and Texas Southern University in Houston, Texas.

Early, during his childhood, he was made aware of religious training. Reared in a Christian home, he joined Antioch Baptist Church at an early age and was baptized by the late Dr. William L. Perry. Kenneth went through every department of the Sunday School from Cradle Roll to Adult.

Throughout his life, Kenneth loved music. He sang in the choirs at Antioch. He formed quartets and other small groups with his boyhood friends, and they sang and played wherever they found an available piano.

His work in the musical world included his service as Minister of Music and director of the Chancel Choir at Antioch for over 40 years, and as choral director and music teacher at Sumner High School before becoming Superintendent of Music for the St. Louis Public School System.

Born to the union of Kenneth and his wife, Florence White Billups, were four children—Kathleen, Karla, Karyl, and Kenneth, Jr.

Included among Kenneth's lifetime accomplishments was the recognition and many awards received from various groups and organizations locally and throughout the United States. They included recognition from: the City of St. Louis, the National Urban League, Northwestern University, Kappa Alpha Psi Fraternity, the St. Louis American Newspaper, Frontiers of America, St. Louis Argus Newspaper, MECA, National Association of Negro Musicians, Sigma Gammo Rho Sorority, Missiouri Music Educators, National Guild of Community Music Schools, and the Antioch Baptist Church.

Lincoln University honored Kenneth in 1978 by conferring on him the Doctor of Humane Letters degree.

Launching forth with new ideas and unusual ventures as a trademark of Dr. Billups. He formed and directed the Legend Singers. He organized and produced the "God's Musical World"—A KTVI Channel 2 weekly musical program. He directed the "Wings Over Jordan" choir. He directed choral and cultural activities at the Jewish Community Center Association (JCCA) and the Page-Park YMCA. He served as host for KMOX's "Afro-Americans and Their Music", as well as guest choral director for the St. Louis Symphony Orchestra on more than 20 occasions.

Untiring were his efforts as he worked with such artists as Grace Bumbry; as he worked on the Mayor's Council on Youth; Missouri State Council of the Arts; as conductor for Scott Joplin's opera, "Treemonisha"; as co-chairman of the Bicentennial Planning Committee; as choral assistant at the St. Louis Municipal Opera for several seasons; as a member of the St. Louis Arts and Humanities Commission; as composer of the National Hymn of the Kappa Alpha Psi Fraternity; as a resource person for music written by and for black people; and as president of the St. Louis Music Association and the National Association of Negro Musicians.

Poetry was another great love of Dr. Billups. He often interspersed poetry readings with songs. He will be remembered for his many original musicals which he produced and directed, as well as for his original songs, his arrangements, and his recitations of poems.

Suddenly and swiftly, on Thursday evening, October 10, 1985, the fruitful, earthly life of Dr. Kenneth Brown Billups, Sr. came to an end. The family he leaves includes: wife, Florence Billups; three daughters, Kathleen Buie, Granada Hills, Calif.; Karla Philip, Brooklyn, New York; Karyl Boozer, Avondale, Maryland; one son, Kenneth Brown Billups, Jr., Inglewood, Calif.; brother, Wendell, St. Louis; two aunts, Esther K. Harris, St. Louis; and Mary Williams, Detroit Mich.; seven grandchildren; and a host of other relatives and friends.

EXCELLENCE IN EDUCATION

HON. PHILIP R. SHARP

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 23, 1985

Mr. SHARP. Mr. Speaker, it was a very nice surprise to open the newspaper this morning and see that the rest of the country is now finding out what we in Indiana have known for quite awhile. Writing from Columbus, nationally syndicated columnist David Broder devoted an entire article to praise that city's fine school system and in particular the work of East High science teacher Mrs. Carole R. Goshorn, who yesterday received a Presidential Award for Excellence in Science and Mathematics Teaching from President Reagan.

As Mr. Broder points out, Mrs. Goshorn is special; for it is she along with the Columbus educational system as a whole that represent the model of what American teachers and schools can and must aim for. Working closely with many parts of the local community, the Columbus school system has provided the environment for such stellar instructors like Mrs. Goshorn to foster in their students an excitement for learning and achieving in such a vital area of study as science.

There is now widespread agreement in the scientific community on two points: the United States is increasingly going to need well-trained scientists if it is to maintain a competitive economic as well as military position in the world, but at the same time our future scientists are being readied by teachers without the training or facilities to allow their students to reach their very bright potentials. It is so refreshing to see that the Nation is finally recognizing the long overlooked efforts of the many Carole Goshorns around America who have made many sacrifices in order to nurture the seed for a stronger and more secure future America.

I have submitted Mr. Broder's article for the RECORD so my colleagues might read of a success story we Hoosiers are quite proud of.

A SPECIAL (SCIENCE) TEACHER

(By David S. Broders)

COLUMBUS, IN.—Carole R. Goshorn is special—one of 104 high-school science and mathematics teachers who are in Washington this week to receive presidential awards for their excellence in the classroom.

Although she does not look it, the 34-year-old mother of two is one of the front-line fighters in America's battle for survival in the increasingly tough international economic competition. Study after study has shown the United States is doing a worse job on science and math education—the building blocks for tomorrow's techology and industry—than Germany, Japan and other competitor nations.

Despite recent moves in many states to require more and tougher science and math courses in high schools, close to one-third of those classes are taught by people with minimal or no qualifications in those subjects. And the proportion is growing.

Science and math majors can double their teaching salaries by moving into industry. Science-minded college undergraduates tend to shun teaching degrees. Colleges complain that high schools are sending them fewer students with good preparation for science, math and engineering courses. And industry says it cannot find the trained technical and scientific people it needs.

Two years ago, after a wave of reports highlighted these problems, the administration reversed course. After reducing to one-tenth the National Science Foundation programs for math and science education in his first two years, Reagan endorsed an expanded program of scholarships and training for teachers in those fields. The annual presidential awards for two top math and science teachers in each state are the public relations frosting on that cake.

They are also a measure of how far most communities in this nation have to go if they are to provide students with the education that results when a gifted teacher such as Carole Goshorn works in a well-equipped school in a community as supportive of education as Columbus, Ind.

Columbus is the international headquarters of Cummins Engine Company, whose management has made this city of 31,000 a showcase of distinguished architecture and a remarkably comfortable place to live. Along with Arvin Industries and other local firms, the Cummins people have spurred

the development of high-quality local schools, needed to attract top managers to central Indiana and to educate a skilled work force.

East High, where Goshorn teaches, was designed and built 13 years ago to accommodate and foster team teaching and highly individualized instruction. In the science wing, there are large lecture halls with sophisticated audiovisual equipment, where several classes can get basic instruction at one time. Individual classrooms are very small, holding not more than 20 pupils, so teachers can supervise problem-solving and answer questions on a one-on-one basis. A large, modern lab serves several courses, with a full-time lab attendant and at least one teacher on duty at all times. Between the lab and the classroom, a science library has desks for individual study.

The 1,600-student school draws from an industrial city and a farm county; it is not elitist, but its standards are tough. The other day, Goshorn, wearing a white lab coat with a button reading "Chemists Have Solutions" on her lapel, and her teaching partner, Jack Young, took perhaps 120 beginning chemistry students through a fast-paced workout on calculating molecular weights of compounds. Her analogies were down-home—"10 to the 23d power is about as many leaves as you'd find on all the trees in Bartholomew County"—but the equations flashed on the screen click-click-click. No one had time to daydream.

With a master's degree in biology from Indiana University, Goshorn could probably double her mid-$20,000s salary in industry. But she and her husband, an administrator at North High, have a commitment to education and welcome the chance to work in a community that has demonstrated its dedication to its schools. Despite its small size, Columbus has just hired a superintendent away from a swanky Minneapolis suburb by offering him the second-highest education salary in Indiana and a $100,000 "excellence in education" fund, raised from local business and available for projects he picks.

The recommendations for Goshorn's award, which brings a $5,000 federal grant to her school, noted not only her work on statewide science curriculum development but her skill as a student adviser, her role-model status for young women considering science or other professional careers and her enthusiasm for teaching.

"It's wonderful to work in a school and community like this," she said. It is wonderful to watch her in her superb public school. But you have to remember she stands out as special. America will have to clone her—and the commitment to education her school and community represent—many times over to meet the challenges ahead.

ELIMINATING STATE TAX DEDUCTIBILITY IS A BIG, BAD REVENUE RAISER

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 23, 1985

Mr. GARCIA. Mr. Speaker, I want to commend to my colleagues an article by the Institute for Research on the Economics of Taxation addressing the issue of eliminating State tax deductibility from the Tax Code.

As Mr. Egger, the author of the piece points out, this is the worst idea in the administration's tax reform plan. The policies for this action are indefensible and the administration relies on sheepish apologies, semantic tricks, and a poorly reasoned list of "winners and losers" in its unconvincing arguments.

Mr. Speaker and my colleagues, I urge you to read the following article. I am confident that once you have considered the illogic of eliminating State tax deductibility you will agree that it makes little political sense and cannot stand the light of economic analysis.

ELIMINATING STATE-TAX DEDUCTIBILITY IS A BIG, BAD REVENUE RAISER

(By John B. Egger, Economist)

One of the worst ideas in the Administration's tax-reform plan is the elimination of the deductibility of state and local taxes from federally taxable income. Unable to make a defensible case that the state taxes we pay should be in the federal tax base, the Administration falls back on sheepish apologies, semantic tricks, and a poorly-reasoned list of "winners and losers." Its case is unconvincing.

The apologies are familiar. "Well, it wouldn't hurt very many taxpayers," just the third who itemize. This argument could be better used to triple taxes on left-handed redheads. Bad tax policy isn't made good by harming a minority.

"Besides, we need the money." Something is very wrong with the Administration's case when this is its ultimate defense. It could with equal validity justify any absurd tax. Sound policy doesn't justify taxing a payment flow just because it's large.

Semantic tricks and biased language make life difficult for one's opponents. Deductibility is called "federal aid" that affords "unfair subsidies" and creates "interference," resulting in an "overproduction" and "underpricing" of state and local government services. But without the premise that deductibility is bad, this is like saying that I subsidize your driving by not stealing your Toyota, and interfere with your evening by not coming over to watch TV. Biased language can seduce the most careful analyst. Like most (not all) seductions, this one should be resisted firmly.

Calling state and local tax deductibility a "subsidy" is a sneaky misuse of the term. Subsidies are generally considered bad because they inefficiently reduce the price and increase the production of some specific good. Deductibility doesn't do this. It does transfer tax liability among taxpayers, but this transfer is not a subsidy.

Basing an equity argument on transfers among states, the Administration correctly notes that while deductibility requires that federal tax rates or other taxes be higher than otherwise, its benefits are proportional to the level of state taxes which can be deducted on individual income tax returns. Deductibility permits states which are "high-tax" by this measure to transfer tax liability to "low-tax" states. But this is a highly distorted way to rank states and to examine interstate transfers of taxes, as a study of states' per capital government spending would show. Alaska, Texas, and Wyoming—"low-tax" by the Administration's standard—raise substantial revenue from severance taxes which are largely paid by other states. By ignoring the other interstate transfers which deductibility helps to offset, the Administration presents a case which is simply not credible.

The Administration again tells only part of the story when it asserts that deductibility creates a "subsidy" for itemizers by non-itemizers. This "subsidy," actually a transfer, is an offset to the sizable reverse transfer which is created by the zero bracket amount (or "standard deduction"), used by the two-thirds of returns which don't itemize. The tax code recognizes that for equity or other reasons certain expenditures should be deductible, but non-itemizers use the zero bracket amount to shelter from tax income which is not used for deductible expenditures. For example, the zero bracket amount for a joint return in 1985 is $3,540. A taxpayer won't itemize if his itemizable expenditures fall short of this. A non-itemizer who files a joint return shields from tax not only, say, his $1,000 of itemizable expenditures but also another $2,540 of non-deductible expenditures. Itemizers, by contrast, earn their deductions, paying tax on every dollar of income not spent on deductible items.

The transfer of tax liability from non-itemizer to itemizer which this asymmetry creates is offset in part insofar as the itemizer may deduct state and local taxes paid. These taxes should be considered neither income nor expenditures, but their deductibility offsets the effect of the deductions for imaginary expenses granted to non-itemizers by the zero bracket amount.

None of this addresses whether taxes paid should be part of federally taxable income anyway. Income is the sum of one's consumption and the change in one's net worth. Some economists think taxes can be considered consumption expenditures, arguing that by choosing where we live we tacitly agree to pay for the local and state services which are provided.

But individuals have to buy a combination of location and taxes/services. While the package is freely chosen, it is not correct to infer that the choice necessarily demonstrates a preference for either part individually. Some people like being close to mountains or family, and tolerate the taxes and unwanted public services as the price. Others will live wherever public schools and libraries are good. The outside observer has no way to distinguish between these two types of citizen, so it is simple governmental selfserving to argue that they are all of the second type. Let's face it: taxes are forced exactions. They are not consumption and are not part of income. Neither state nor federal taxes should be part of the other's income-tax base.

Finally, it is perplexing to find this proposal advanced by an Administration which has apparently respected the federalist principle and considered the federal government a servant, not a master, of the states. It hardly seems the way to encourage states and localities to shoulder more of the public-services burden.

The elimination of deductibility makes little political sense and cannot stand the light of economic analysis. It is a bad idea through and through.

SWAPO AND THE UNITED NATIONS

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 23, 1985

Mr. CRANE. Mr. Speaker, the United Nations General Assembly has convened once again in New York, and President Reagan is scheduled to speak there soon. But not long ago, several of the so-called "nonaligned" countries introduced a resolution to invite Yasser Arafat, leader of the PLO, and Sam Nujoma, self-appointed leader of the the Soviet-backed terrorists of the South West Africa People's Organization [SWAPO], to address the assembly. It took serious opposition from the U.S. Ambassador to the United Nations, Vernon Walters, to convince the United Nations that President Reagan would not address the assembly if these terrorist leaders were given the chance to peddle their poisonous doctrines before the United Nations. Only then was this wrongheaded resolution withdrawn.

This situation is only a symptom of the real problem at the United Nations. The Washington Post has described the United Nations as operating "much of the time by the mob rule of its third world majority in close alliance with the Soviet bloc." The United Nations enthusiastically supports such vicious terrorist groups as the PLO and SWAPO, designating each of them the "sole and authentic" representative of their people. But more than just moral support is given: these organizations are granted permanent status at the U.N. General Assembly, a designation which permits them to participate in United Nations proceedings as if they were sovereign countries. Furthermore, the U.N. finances offices in New York and around the world for their nefarious activities, and funnels untold amounts of money to them. This is particularly outrageous in the case of SWAPO, because the people of Namibia enjoy local self-government under the recently formed Namibian Government of National Unity by reason of their "commonwealth" relationship with South Africa.

Although Congress has enacted laws which reduce the U.S. taxpayer annual contribution of $1 billion to the United Nation by any sums the United Nation allocates for the support of SWAPO and PLO, the U.S. Department of State and its misguided bureaucrats continue to ignore political leaders within Namibia and the government they administer. Instead, they lend encouragement and support to those who believe that a SWAPO takeover is not only desirable, but inevitable. This one-sided policy must end.

Furthermore, the United States should withdraw from the United Nations until it returns to compliance with its own charter and ends its sponsorship of terrorist groups such as the PLO and SWAPO. The United States has important national security interests in seeing that SWAPO is not successful in Namibia, not the least of which is access to strategic minerals on which U.S. industry is 100 percent import dependent. The following article by Carl Shipley, in a recent edition of the Washington Inquirer, points up the importance of the United States providing at least as much financial aid to the pro-West internal leaders of Namibia as the United Nations provides to SWAPO. I highly recommend it to my colleagues here in the House.

The article follows:

[From the Washington Inquirer, Oct. 11, 1985]

WHAT'S AT STAKE IN NAMIBIA

(By Carl Shipley)

Reliable news reports tell us that the Kremlin's war for the world is heating up in southern Africa as well as in Afghanistan, Central America and Asia. Increased Soviet-sponsored activity apparently is a calculated Russian strategy to soften up President Reagan prior to the summit meeting. But Namibia's Kudu gas field and other minerals may be stimulating increased Soviet military activity on Namibia's northern border.

A few weeks ago the newly installed Namibian Transitional Government of National Unity (TGNU), established on June 17, 1985 when the Republic of South Africa transferred complete administrative authority for local self-government in South West Africa (Namibia) to Namibia's Multi-Party Conference of internal political leaders, announced that the new government would commence immediately to develop the Kudu oil field off Namibia's south west coast.

Recent tests and seismological studies indicate that this is probably the largest natural gas field on Earth. At the time the South African government gave Namibia the equivalent of commonwealth status, it announced that it had no claim to the Kudu gas field and that that resource belonged entirely to the people of Namibia. Namibian governmental leaders have estimated that it will cost approximately $30 million over several years to develop the field but that ultimately this natural resource alone will provide a great part of the revenue to support Namibian independence. This news has not been lost on the Soviets or their SWAPO surrogates.

When one considers that in addition to the Kudu gas field. Namibia has the largest uranium mine in the world, enormous reserves of other strategic minerals and is the gateway to ultimate Soviet political, economic and military domination of the access routes to such strategic minerals as manganese, chromium and platinum on which the U.S. is 100% import dependent, one can only wonder why U.S. State Department officials continue to turn a blind eye on the pro-West Namibian territorial government.

The U.S. Department of State continues to insist that Namibia can achieve independence only by compliance with U.N. Res. 435, which is widely viewed by Namibian political and governmental leaders as nothing more than an out-of-date blueprint for installing a SWAPO government in Windhoek. SWAPO, a Soviet-backed terrorist group based in southern Angola and engaged in a continuing terrorist campaign to seize control of Namibia, has rejected all efforts of Namibia's TGNU to join the government and participate in writing a new constitution to protect the rights of all ethnic and political groups in the territory, while at the same time providing a national government. U.N. Resolution 435 was concocted in 1978 by the then U.S. Ambassador to the U.N., Andrew Young, and his colleague, Donald McHenry, during the Carter Administration when U.S. interests in Africa were generally subordinated to those of Third World countries in the vain hope that we would encourage democratic governments in Africa and strengthen U.S. relations with newly independent countries in that region. Since that time most of those governments have adopted one-party Marxist states, and have joined in the anti-American hue and cry which is the central obsession of the Third World—Communist bloc today dominating the United Nations General Assembly.

Apartheid has been abolished in Namibia by the new government, and the TGNU is providing the people of Namibia with complete local self government for the first time in their history. One can only hope that U.S. officialdom will recognize that the TGNU in Namibia offers the U.S. and the West a viable alternative to a SWAPO takeover. All it needs is friendly recognition, and some of the same kind of economic support the U.S. is providing the one-party Marxist governments of Angola, Mozambique, Zimbabwe, Ethiopia and Zambia.

It must surely be clear to the most stubborn and self-deceived bureaucrats in the U.S. State Department that U.N. Resolution 435 is, for all practical purposes, as dead as a dodo. The people of Namibia plan to determine their own destiny, with or without the approval and help of the United States and its Western colleagues. Considering the importance of Namibia in maintaining the U.S. interest in preventing Soviet bi-section of the mineral and oil pipeline to the NATO countries around the Cape of Good Hope (25,000 ships per year), and U.S. industry's 100 percent import dependence on strategic minerals in southern Africa, the U.S. should encourage Namibia's TGNU and help it write a new constitution and achieve internally acceptable independence free from the threat of a SWAPO takeover or Soviet domination.

YULI EDELSHTEIN

HON. GUY VANDER JAGT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 23, 1985

Mr. VANDER JAGT. Mr. Speaker, I am honored to join with many distinguished colleagues in sending a series of letters to President Reagan about Soviet Jewish political prisoners. I want to commend Congressmen KEMP and LANTOS and the Congressional Spouses' Committee of 21 for their outstanding leadership in this effort that is designed to bring greater attention to the plight of the Soviet Prisoners of Conscience during the President's summit meeting. We are indeed hopeful that by underlining the suffering of these courageous people, we can help the President in his efforts by presenting a unified front on critical human rights issues in the Soviet Union.

Following is the text of the letter I have sent to President Reagan concerning the political prisoner, Yuli Edelshtein, whom my wife, Carol, adopted for the Congressional Spouses' Committee of 21:

The PRESIDENT,
The White House, Washington, DC.

DEAR MR. PRESIDENT: As you prepare for your upcoming meeting with Secretary General Gorbachev, I know that the issue of human rights remains foremost in your mind. As one who is dedicated to liberty and justice, I know that you will continue to stress the American peoples' outrage at human rights abuses in the Soviet Union and will bring greater attention to the plight of the political prisoners in that country, who long to know the simple dignity of self-determination—to be accorded the right to be free.

I would like to bring to your attention one such individual—Mr. Yuli Edelshtein, who with his wife has become very important to my wife, Carol, my daughter, Ginny, and myself. My wife has corresponded with Mr. and Mrs. Edelshtein on several occasions and as we have learned more about their suffering we have sadly gained a greater insight into the conditions in the Soviet Union for those who fight for truth and religious freedom. Yuli Edelshtein has been falsely accused of possessing drugs. Through a statement by his wife, Tatiana Edelshtein, we know that an officer in charge where he is being held declared that steps were being taken to "knock the religious delirium out of my husband." Mr. Edelshtein has been beaten continuously and deprived of sleep and rest. His personal belongings have been stolen, his prayerbook taken and he is constantly moved from one job to another. Mr. Edelshtein is an official member of the Moscow Jewish religious congregation and because of his religious beliefs has suffered beyond the tolerance of many human beings. How much longer can he and his fellow prisoners hold out? In a June 1985 statement, Mrs. Edelshtein asked that the physical and other persecution of her husband be stopped. Since that time word had been received that Yuli's treatment in his labor camp had reached beyond the bounds of human endurance. However, after repeated appeals from his wife and the West, the Union of Councils for Soviet Jews has reported that his conditions have improved somewhat and his wife has received several letters from him.

It is for this reason that we appeal to you, Mr. President, to bring to Secretary General Gorbachev's personal attention the plight of Yuli Edelshtein and those like him who are not allowed to speak for themselves in their own country. We have learned that world opinion can be very meaningful and the more attention given to cases like this one the better. I know that you agree we cannot protest human rights abuses too strongly or fail to seize any opportunity presented to try and effect desperately needed change.

In a letter my wife, Carol, wrote to Mr. and Mrs. Edelshtein in July, she stated, "While this new friendship is a privilege and honor for me, it is also painful because the blows delivered by the Soviet Union no longer fall on nameless, faceless individuals; they fall on a human being I have come to know as Yuli, and the pain of your beating, Yuli, has become my pain, too. I truly hope and pray that you both can draw strength from the knowledge that many people are very aware of your suffering and follow your fight for freedom with painful attention and prayers; you are not alone! We are trying to help."

With your continued assistance, Mr. President, the American people can continue to help, continue to let the Edelshteins know that they are not alone and together we can work for a day when our appeals are no longer needed, when we can all live in peace and freedom and when men and women like Mr. and Mrs. Yuli Edelshtein can taste the fruit of liberty.

With all good wishes,

GUY VANDER JAGT,
Member of Congress.

APPEAL FOR REFUSENIKS

HON. CHESTER G. ATKINS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 23, 1985

Mr. ATKINS. Mr. Speaker, in November, a historical event will take place as President Ronald Reagan will, for the first time, meet with Soviet General Secretary Mikhail S. Gorbachev in Geneva. While the emphasis of this summit will be talks on the bilateral reduction of nuclear weapons, I urge both leaders to discuss the issue of human rights in the Soviet Union. Thousands of Soviet Jews are subjected to harassment, intimidation, and often imprisonment in their attempts to emigrate from the Soviet Union.

One such individual is Leonid Volvovsky, a prominent Jewish refusenik, who is currently being tried for allegedly defaming the Soviet State. Mr. Volvovsky, who along with his wife and daughter applied for emigration to Israel in 1976, was arrested on June 26 for stating that there was anti-Semitism in the Soviet Union. As cochairman of the Congressional Coalition on Soviet Jewry, Representative DEAN A. GALLO and I sent a telegram to both the Acting Chairman of the Gorky Regional Court and Procurator General S.A. Yemelyanov to urge for the dismissal of the charges against Mr. Volvovsky.

Elie Wiesel, a prominent Jewish scholar, wrote an op-ed piece that appeared in the October 22 issue of the New York Times in the behalf of Mr. Volvovsky. I, at this time, place Mr. Wiesel's article into the RECORD:

[From the New York Times, Oct. 22, 1985]

APPEAL FOR REFUSENIKS

(By Elie Wiesel)

When Ronald Reagan meets Mikhail S. Gorbachev, I hope he will speak to him, among others, of an innocent man who is now in danger of being sentenced to hard labor in the Soviet Union. His name is Leonid Volvovsky, a 45-year-old mathematician; his trial opened Friday in Gorky. His "crime"; active involvement with the large "refusenik" community there. His friends are worried that the prosecution may use his case as a warning, handing down a severe condemnation.

Leonid is married to Ludmila; they have a 17-year-old daughter, Kira. Their troubles began in 1976 when they applied for an exit visa to Israel. In the eyes of officialdom, Leonid became an outcast. That remains the lot of all refuseniks. Overnight, they are cut off, isolated, marked for harassment, abandoned by colleagues and humiliated by institutions. Still, they lean on each other and help one another to safeguard their sanity and morale.

I have met many refuseniks in the Soviet Union. I admire them. They are, to paraphrase Jean-Paul Sartre's expression, among the freest people in the land. I admire their courage, their exuberant spirit, their unfathomable faith. When I asked them what to send them from home, they answered: "Books, send us books." These books were needed for students and teachers—for the unofficial educational network that now exists throughout the Soviet Union.

Leonid Volvovsky is one of its leading members. He learned Hebrew and English. Thus equipped, he established seminars for Hebrew, Jewish history, Jewish literature and philosophy and ethics. In 1976, he was vice-chairman of a committee that tried to convene a seminar on Jewish culture. This resulted in the first of his several arrests, followed by relentless harassment. Searches was conducted in his home, materials were confiscated, threats were issued. But Leonid Volvovsky persevered, and hundreds of refuseniks owe him their Jewish education. In 1979, his seminar attracted 700 students.

The K.G.B. responded in kind. Leonid Volvovsky "lost" his materials, his Hebrew books. His modest apartment was taken. The renowned scholar had to accept other jobs: elevator operator, photography salesman and garbage collector.

He was arrested on June 26, 1985, and charged under Article 190-1 of the criminal code of the Russian Soviet Socialist Republic. In other words, he is accused of slandering the Soviet Union.

Nonsense. Leonid Volvovsky and his refusenik friends have nothing to do with politics. All they want is to join their families in Israel so that they can lead a Jewish life in accordance with Jewish law. When they meet, they discuss the Prophets, the Talmudic legends and classical Jewish authors, not politics.

I have known the refuseniks, and I know they are more concerned with Jewish memory than with Soviet politics. This is what makes the Volvovsky trial such an injustice. A condemnation would be a scandal.

Let us hope President Reagan will find it important to discuss this case—and hundreds of others—when he meets Mr. Gorbachev. The refuseniks, like the dissidents, are our heroes. They place their hope on us, our our involvement.

They are so many. Ida Nudel, Vladimir Slepak, Anatoly Shcharansky, Dan Shapiro, Iosif Begun, Vladimir and Anna Lifshits and Yuri Edelshtein; The list could go on and on. Is Mr. Gorbachev capable of making a gesture? Will be make it? Should he do so, the refuseniks' hope in us may be justified, and our hope in him as well.

Let us hope that Mr. Reagan and Mr. Gorbachev take this unique opportunity to seriously discuss the human rights issue not solely for the sake of Leonid Volvovsky, but for every Soviet Jew wishing to emigrate from the Soviet Union.

LOUIS MORENO RETIRES AS POLICE CAPTAIN

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 23, 1985

Mr. LEWIS of California. Mr. Speaker, it is with great pride that I rise today to recognize a gentleman who, through his re-

markable career, has had a great impact on the citizens of Chino, CA, Capt. Louis Moreno.

For 28 years, Louis Moreno has served the city of Chino as a member of its police force, most importantly, as lieutenant in command of the detective bureau for burglary and organized crime, and at one point, served as temporary chief of police.

His record in law enforcement and crime prevention is most impressive, especially in the field of drug abuse prevention and rehabilitation. In the past, Captain Moreno has served as special consultant to State and Federal drug and organized crime strike forces along with drug rehabilitation. More recently, in 1984, he founded project HELP, a total community drug intervention and awareness program. Captain Moreno is presently serving the San Bernardino County Sheriff's Department as the head of their disaster preparedness unit along with being the county's leading adviser on drug abuse.

Being himself a native of Chino, Louis Moreno has a place in heart for the youth of the community. He cofounded one of California's most superior youth service organizations, the Chino Youth Services Program, and in the 1970's, was instrumental in the establishment of the Jericho Outreach for men and women. His latest community endeavor is serving as a member and acting president of the Chino School Board.

To elaborate on Moreno's involvements in local and State organizations would take considerable time for they cover a broad and diverse spectrum. I feel it is safe to say that Louis Moreno has extended his time and expertise far beyond that which is normally asked from a citizen, all for the benefit of his community.

Mr. Speaker, I am extremely proud of the accomplishments of Capt. Louis Moreno, and I want to join with the colleagues, family, and friends in saying thank you to him for having the courage and dedication to be one of Chino's finest. It is indeed a privilege to represent a community like Chino, a place that has been made better by the likes of Louis Moreno. I wish Louis all the best for a healthy and happy retirement.

STOP DEFICIT SPENDING—PASS GRAMM-RUDMAN-MACK

HON. BILL SCHUETTE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 23, 1985

Mr. SCHUETTE. Mr. Speaker, House and Senate conferees are in the process of making a historic decision. They are debating whether or not the Gramm-Rudman-Mack deficit reduction proposal should become law.

As you know, the Gramm-Rudman-Mack measure would mandate spending cuts of $36 billion to $43 billion annually for each of the next 5 years. By 1991, we will have balanced the Federal budget. I commend my distinguished colleague, CONNIE MACK of Florida, for introducing this measure in the House and am pleased to be an original cosponsor of H.R. 3520.

I know that there is opposition to this measure. One must ask, Mr. Speaker, why anyone would oppose this simple and straightforward mechanism to get our country out of fiscal crisis. I think also that I can answer why. Everybody wants a balanced Federal budget and no one wants to see his or her favorite program cut.

Mr. Speaker, the future is now. We must demonstrate legislative discipline if we are going to break this deficit-spending habit. We must distinguish between behavior that we like and behavior that assures our survival.

Our children should not have to pay for the mistakes of their parents. There is no reason why, as responsible adults, we should always be passing appropriations bills that exceed the amount of revenue that is raised.

Mr. Speaker, everybody here has to balance his or her checkbook and now it's time to balance the checkbook of the United States. Let's support Gramm-Rudman-Mack and force ourselves to own up to our mistakes and make the hard choices.

NORTH DAKOTA HAS A WORKABLE CLEAR TITLE SYSTEM AT THE STATE LEVEL

HON. BYRON L. DORGAN

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 23, 1985

Mr. DORGAN of North Dakota. Mr. Speaker, I would like to bring up an issue that I hope will be addressed in the House-Senate conference committee after the other body finishes its work on the farm bill. That is the issue of whether State solutions to the farm products clear title problem will be allowed to stand. I bring this up because my State of North Dakota has such a solution, and I would like to see it preserved, if possible.

The issue of clear title for agricultural products has been debated for years. On the one hand, lenders have said that the exception granted agricultural commodities under the Uniform Commercial Code was necessary because of the unique quality of much agricultural lending—that is, credit is extended on produce that is yet to be planted.

On the other hand, buyers of farm products have noted the difficulty of checking for security interests quickly, at the time of purchase. Buyers of cattle, for instance, are required to make payment to the seller within 24 hours.

The UCC exception means, however, that buyers of farm products who unsuspectingly purchase farm products which have liens on them, may be held liable for paying off those liens if a farmer or rancher does not use the proceeds of the sale to satisfy the claim of the lender. In other words, buyers may be held responsible for paying for the commodity twice—one to the farmer or rancher, and again to the lender.

In my State of North Dakota, lenders and purchasers of farm products worked together to develop a central notification system to deal with this problem. Lenders will notify the secretary of state of outstanding liens on farm products. The secretary of state will compile a list, formatted both alphabetically and by region of the State, based on these notices from lenders.

Buyers of farm products, in order to avoid the double jeopardy they are now subject to, will have to purchase this list and use it to verify whether or not they should make out a check jointly—to both the farmer and his lender—if there is an outstanding lien.

Each side has made sacrifices in setting up this system. Lenders will have to pay a fee to have notices of liens placed on the central list; purchasers of farm products will pay to obtain the list, which will be updated monthly. However, each side believes the system, which will go into effect on January 1, 1986, is workable and fair.

However, section 1314 of the House farm bill supersedes this system. Neither buyers of farm products nor lenders in my State are happy about this. They would prefer to keep the system they have so carefully worked out at the State level in place. In addition, the North Dakota Banking Commissioner has shared her concerns with me over the current language in the bill, saying it is her opinion that agricultural lending could be restricted.

The issue is scheduled to be heard by the Senate Banking Committee, to which it was referred from the Senate Agriculture Committee. I believe that the House should recognize that some modifications to this provision to satisfy concerns such as those of North Dakota, which already has a system it likes, may be included in the Senate version of the farm bill. I would like to urge my colleagues to keep in mind that some flexibility on this issue may be warranted.

VETERAN OF THE YEAR

HON. JOE KOLTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 23, 1985

Mr. KOLTER. Mr. Speaker, today I ask that we join in honoring Cameron M. "Smokey" Stover, who has been chosen by the Butler County, PA, War Veterans Committee as their "Veteran of the Year."

Mr. Stover is a man who has served his country well during peace and during time of conflict. As a veteran of the U.S. Army Medical Corps, Mr. Stover served overseas with the 10th Air Force in the Asiatic-Pacific theater. His tour of duty was from May 23, 1944, to November 5, 1945. While on tour, Mr. Stover received numerous decorations and commendations including the Distinguished Flying Cross, which was

presented to him by Gen. Hap Arnold in Kunming, China.

Following the conclusion of the Second World War, Mr. Stover returned to Butler, PA, and has been active in veterans' organizations. The American Legion posts in Butler and Lyndora and the Veterans of Foreign Wars post have received countless hours of service from Mr. Stover since his return home. For example, he has held various positions in local and regional offices of the VFW. Presently, Mr. Stover is serving as chairman of the Voice of Democracy Program sponsored each year by the VFW. Mr. Stover's work has not gone unnoticed at the national level. For the last 8 years, he has received the National-Aide-de-Camp Award for outstanding work in recruiting new members to the VFW.

Cameron Stover has also set an honorable example in serving his community by being a member of the Butler Quarterback Club, past treasurer of the Deshon Area Sewer Authority, and is a past member of the International Drum and Bugle Corp.

Having been employed by Armco Steel in Butler, PA, as a maintenance rigger for 31 years, Mr. Stover is now retired. He is an active member of Christ Community United Methodist Church and still resides in Butler with his wife Margaret.

I think it is proper that this body recognize Cameron Stover for his lifetime of service and achievement.

REAGAN'S ISOLATIONIST FOREIGN POLICY

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 23, 1985

Mr. CONYERS. Mr. Speaker, for some time I have been very concerned about the effects of Reagan administration foreign policies in terms of isolating us from our allies and world opinion. Dick Barnett, a senior fellow at the Institute of Policy Studies and distinguished author of the landmark book "Global Reach," has written a superb analysis of this dangerous trend which appeared on the op-ed page of today's New York Times.

The article follows:

[From the New York Times, Oct. 23, 1985]

AMERICA GOES IT ALONE

(By Richard J. Barnett)

WASHINGTON.—"We did this all by our little selves," said President Reagan as he announced proudly that United States Navy fighters had forced an Egyptian plane to land in Italy without prior consultation with either country. In the Administration's view, the widespread American applause for this use of military force against an ally and major aid recipient plainly outweighed the cost in injured relationships with Italy and Egypt. Indeed, the action was a classic example of the Administration's unilateral approach to world affairs.

No Administration in the postwar period has celebrated unilateralism as this one has. In national security, economic policy and diplomacy, Washington prefers to advance American interests through its own initiatives and power rather than the mechanisms of international cooperation.

Upon taking office, the Administration withdrew from the Law of the Sea Treaty. It has consistently denounced the United Nations and refused to be bound by judgments of the World Court. It has pursued economic recovery through deficit spending, high interest rates and an overvalued dollar, thus sucking up needed capital from Europe and the third world without regard to the devastating effects of these policies on other countries.

In Soviet-American relations, the United States has signaled its intention to dash rather than build a relationship based on mutual interest. In Washington's view, our Soviet adversary is to be managed by steadily increasing the threat we pose to it. Indeed, the Administration appears to deny that we have any interest in common with "the evil empire." The approach to negotiation has been grudging and the proposals so far safely non-negotiable. The Administration has, for example, cut off negotiations on the nearly completed Comprehensive Test Ban Treaty: Washington evidently prefers to rely instead on our own technological edge and superior economic power.

The Administration would rather wage a "covert" war against Nicaragua than support Latin American efforts to negotiate the conflict. In Afghanistan, the Administration supports the cause of the "freedom-fighters" resisting the Soviet Army and barely gives lip service to the efforts of our European allies and others to settle the conflict through negotiation.

Perhaps the most dramatic symbol of unilateralism is the Strategic Defense Initiative. With this imaginary technological shield of our own making, we are meant to prevent the nation's destruction by relying on our machines—rather than Moscow's self-interest—to prevent war.

Unfortunately, this reliance on unilateralism comes at the wrong historical moment: "Rambo" nationalism has no place in a world of nuclear weapons and more than 160 countries. Even the most powerful country has lost considerable control over its own economy. America has never been so dependent on world trade, and more than a trillion dollars of unregulated Eurodollars are beyond the reach of the United States Treasury. We risk a trade war reminiscent of the 1930's. Meanwhile, the world debt crisis continues unabated, threatening the collapse of the banking system. None of these problems can be solved by the United States acting alone or laying down the law to other nations.

In the field of national security, the United States remains totally vulnerable, despite the myth of the nuclear Maginot Line in the sky. The pursuit of security through building ever more weapons has failed, as ever more weapons are in turn aimed at us, increasing the risks of war through miscalculation.

The United States is a strong nation, considerably stronger economically and militarily than any other country, including the Soviet Union. But its power to create a world environment in which Americans can be secure and prosperous is limited by the strange new world in which we live. New forms of international cooperation are badly needed; existing international institutions must be improved or replaced. No nation has as much to lose as this one by international anarchy.

The national interest of the United States cannot be served by outmoded nationalism, however good the rhetoric may make us feel. We can no longer secure our most vital interests by acting alone.

EQUALIZATION OF DUTIES ON CANNED TUNA

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 23, 1985

Mr. YOUNG of Alaska. Mr. Speaker, today I have introduced legislation to equalize the duties on canned tuna. Currently the duty on canned tuna packed in oil is 35 percent, while the duty on canned tuna packed in water is only 6 percent with an allowable increase to 12½ percent after a predetermined quota is reached. My bill, which equalizes the duties at 24 percent, will ensure the future viability of the U.S. tuna fleet by enabling them to remain competitive in both the U.S. and world markets.

Imports of canned tuna products have substantially eroded the domestic market share and have depressed domestic prices to the point that three major U.S. processing facilities have closed. Imported tuna is expected to comprise up to 28 percent of the total U.S. tuna market in 1985. This equals a 179-percent growth in imports since 1981.

Due to the inequity that exists in duty rates, foreign tuna producers have concentrated on exporting tuna packed in water to the United States and have established market access to the extent that U.S. producers can no longer compete. At the same time, foreign countries have maintained barriers preventing the export of U.S. tuna products. For example, Thailand—a major tuna producer—has a duty rate of 75 percent on all canned tuna. The European Economic Community has a rate of 24 percent. Foreign nations are thereby successfully displacing the U.S. tuna industry in U.S. markets while denying it markets abroad.

By eliminating the tariff differential that currently exists, the U.S. tuna industry will be given the opportunity to compete on a more equal footing with foreign tuna producers. I am not seeking protectionism in this bill. I believe in free trade, but in order for free trade to work successfully, it must also be fair trade. I urge the support of my colleagues for this measure.

TOPSY-TURVY ECONOMICS

HON. MICKEY LELAND

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 23, 1985

Mr. LELAND. Mr. Speaker, I would like to bring to the attention of my colleagues an article by Mr. Robert Samuelson that appeared in the October 23 edition of the Washington Post. The article clearly points out many of the economic misconceptions of the Gramm-Rudman balanced budget

proposal, specifically its effect on interest rates.

TOPSY-TURVY ECONOMICS

As usual, Congress is all mixed up. It is stampeding toward the Gramm-Rudman-Hollings budget proposal, which would require a balanced budget by 1991, and is forgetting tax reform. This is topsy-turvy economics. The enthusiasm for the budget plan is based on a mirage: the belief that cutting deficits will sharply lower interest rates. Almost no one in Congress understands that our tax system also causes unnecessarily high rates.

We are suffering economic amnesia. The jump of interest rates in the early 1980s was a response to runaway inflation. Because our tax system subsidizes borrowing, suppressing inflation required the Federal Reserve to push rates high enough to offset the subsidies. Otherwise, artificially low rates would have continued to promote inflationary borrowing. Unless the tax subsidies are reduced, any sharp drop in interest rates risks renewed inflation.

Much of the Gramm-Rudman-Hollings debate is a fraud. It focuses on whether budget deficits actually would be cut and, if so, whether Congress is ceding too much power to the president. These are interesting questions that ignore the central economic issue. Even if Gramm-Rudman-Hollings does what it promises, it may fail. The unstated premise is that lower deficits guarantee much lower interest rates. If not, why would anyone favor it?

The cause and cure of our high interest rates is perhaps the most important practical question in economics today. Farmers, debtor developing countries and U.S. manufacturers all have suffered the adverse side effects of rates that, after adjusting for inflation, are near historic records. And big budget deficits are everyone's explanation. In the popular wisdom, they've become the economic equivalent of original sin—the source of all evil.

By raising interest rates, they're said to increase the dollar's exchange rate, bloat the trade deficit, weaken the recovery and fan protectionism. Eliminate the deficits, and everything else (it's argued) will get better. It's a domino theory of economics, whose appeal lies in its sweeping simplicity. It does not, however, fit the evidence:

The biggest rises in interest rates occurred before deficits exploded. In 1981, three-month Treasury bills averaged 14 percent. Adjusted for inflation, the "real" rate was 4.5 percent. In the third quarter of 1985, Treasury bills averaged 7.1 percent, with a 3.7 percent "real" rate. In 1985, the budget deficit (as a proportion of gross national product) is twice as large as it was in 1981.

If deficits had made interest rates prohibitive, businesses and households would have been deterred from borrowing. Indeed, in 1981 and 1982, it was predicted that private borrowers would be "crowded out." Instead, private debt rose by $826 billion between the end of 1982 and 1984. The growth rate exceeded the growth of GNP. For many borrowers, tax write-offs neutralized high rates.

Consider a corporation with a 46 percent tax rate that borrows at 10 percent. Because it can deduct its interest expenses from taxable income, its aftertax interest rate is 5.4 percent. At 5 percent inflation, it's borrowing for almost nothing. The same logic applies to individuals. But someone without taxable income—and, therefore, no interest deduction—pays the full 10 percent. The "real" rate is 5 percent.

We have different classes of borrowers, based on their tax rates, and that fosters economic instability. If the Federal Reserve accommodates borrowers with low tax write-offs, it must keep interest rates just above inflation. But the result is accelerating inflation, because for many borrowers effective interest rates (after tax subsidies) are near or below inflation.

Going into debt becomes a simple way to grow richer; borrowing at 5 percent to buy something—a house, for example—whose value is rising 6 percent is hugely tempting. People and firms will borrow a lot, forcing the Fed to pump out inflationary amounts of credit. But offsetting the tax subsidies with higher rates crushes those borrowers who can't take large tax write-offs.

We have been riding this roller coaster for a decade, and the swings are too extreme. As economic conditions shift, so do political pressures for changes in interest rates. In turn, the changes in interest rates cause ripple effects throughout the economy. Exchange rates, inflation and the trade balance are affected. In the 1970s, we had low interest rates, rising inflation and a depreciating dollar. The 1980s' reversal has victimized farmers, debtor developing countries and U.S. manufacturers with high interest rates and a high exchange rate.

Is any of this a part of the Gramm-Rudman-Hollings debate? Hardly. The effect of taxes on interest rates (and, through them, on inflation and exchange rates) is a subject outside mainstream economics and politics. With a few exceptions, economists ignore it. Congress prefers it that way. If anything is more politically distasteful than deficit reduction, it's tax reform. But any serious assault on rates will have to tackle both.

Deficits do matter, though the dangers may lie mainly in the future. By intensifying the demand for credit, they put upward pressure on interest rates. This already may have increased long-term bond rates somewhat. But the Fed can offset these pressures temporarily by pumping out more money and credit—and it has. Low inflation has permitted easier money policies. The deficits' danger exists precisely because this accommodation cannot continue forever without rekindling inflation.

If deficits aren't reduced, our roller coaster ride may get rougher. But if taxes aren't changed, the roller coaster may continue even if deficits vanish. As a practical matter, interest deductibility won't be eliminated, because it's tied to home ownership. But even reducing top tax rates—by ending many tax preferences—would cut the value of the borrowing subsidy. And many other specialized borrowing subsidies could be cut.

Our obsession with deficits is not misplaced. It is simply incomplete, and therein lies the hazard. Congress is struggling with deficits as if they're the beginning and the end of our economic problem. They're not. Just because they're bad doesn't mean they're the source of all evil.

A TRIBUTE TO MR. KENNETH S. HOUSE AND MR. STEPHEN R. CONRAD

HON. ROBERT J. MRAZEK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 23, 1985

Mr. MRAZEK. Mr. Speaker, I would like to take this opportunity to pay tribute to the two outstanding educators on Long Island who represent the State of New York as recipients of the 1985 Presidential Awards for Excellence in Science and Mathematics.

Kenneth S. House, dedicated biology teacher at Huntington High School for 22 years, has been specially recognized with this award for his superior teaching for students of science. Stephen R. Conrad is an exemplary teacher of calculus at Roslyn High School who has been awarded for his unusual ability to teach students of mathematics. Both men serve as excellent models for their colleagues on Long Island, in the State of New York, and throughout the Nation. The National Science Foundation makes $5,000 grants on their behalf to each school to supplement other resources for improving their science and mathematics programs.

Mr. House has had a profound impact on the quality of science education on Long Island. Not only is he well respected, but he has involved himself beyond the classroom. He has published the Laboratory Education Science Program and has consulted to the college board. In addition, he assists the New York State Regents in writing test items.

Mr. House is extremely versatile within his own field of biology. At Huntington High School, he has devised the genetics and microbiology curriculum. He has taught such challenging and fascinating subjects from advanced placement biology to anthropology and marine ecology.

Mr. House also received two noteworthy awards in 1983. The Suffolk County Science Teachers Association awarded him the Science Teacher of the Year Award and he was chosen by the National Association of Biology Teachers for an Outstanding Biology Teacher Award from New York State.

Stephen R. Conrad, the recipient of the 1985 Presidential Award for Excellence in Mathematics Teaching, is also an unusually talented educator. He earned his bachelor's degree from Queens College and his master's from Yeshiva University and he taught in New York City until he moved to Roslyn High School in 1980, where he teaches calculus and related subjects.

At Roslyn High School, Mr. Conrad plays an integral role in a school-sponsored program known as Independent Research in Math. In fact, he proposes to help to strengthen this program by using part of the $5,000 grant to furnish the math department with a library for students engaged in independent research for math fairs or for the Westinghouse competition.

Mr. Conrad also participates in the grading of the Standardized College Entrance Exams. He encourages his students to succeed in math and in learning in general. "Teaching is not telling," he tells his students on the first day of school. "It's an attempt to help students make their own joy of discovery."

That both outstanding teachers were selected by the National Science Foundation from Long Island high schools makes me very proud. I wish these fine educators renewed success in the classroom and encourage them to continue to serve as role models for their colleagues, and as sources of inspiration for their students. Kenneth S. House and Stephen R. Conrad are an asset to the field of education.

CLARIFYING GOVERNMENTAL RESPONSIBILITY UNDER SUPERFUND

HON. STEVE GUNDERSON

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 23, 1985

Mr. GUNDERSON. Mr. Speaker, shortly, we will be considering legislation on the House floor to reauthorize the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 [CERCLA], better known as Superfund.

Subsequent to the Energy and Commerce Committee approval of H.R. 2817 in July, I became aware of an anomaly in the law which might result in private interests being considered solely responsible for the cleanup expenses associated with the release of hazardous materials during the production of munitions or other ordinance parts using government equipment.

Presently, under Superfund, the Federal Government accepts responsibility and liability for the cost of cleaning up hazardous substances at Government-owned, Government operated [GOGO] and Government-owned, contractor operated [GOCO] facilities.

However, there is no similar Federal liability where Government equipment operated under Government supervision on privately owned land and in privately owned buildings results in the release of hazardous materials. Such a private/Federal split of ownership frequently exists in the production of munitions and other ordinance materials.

Clearly, this split of ownership ought not absolve the Federal Government of any responsibility and liability under Superfund. But, presently, it does.

As such, the legislation I am introducing today—and which I will ask the Rules Committee to make in order as amendment to H.R. 2817—would clarify the CERCLA definition of "owner or operator" to include the U.S. Government in cases where munitions or other ordinance parts are manufactured using equipment owned by the Department of Defense, or a subdivision, and a hazardous substance results from the manufacturing operations.

In this way, if a partnership between private industry and the Federal Government results in the creation of hazardous material, all of the partners—not just the private industry partner—will be responsible for its cleanup.

I urge my colleagues to review this issue carefully.

IT'S ABOUT TIME THAT THE UNITED STATES FIGHTS UNFAIR EC FARM SUBSIDIES

HON. BYRON L. DORGAN

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 23, 1985

Mr. DORGAN of North Dakota. Mr. Speaker, I would like to express my support for President Reagan's action last week in challenging the fairness of the European Economic Community's export subsidies. It's about time that the United States lodged a formal complaint against this practice, which has been steadily undermining our share of the world wheat market. As Mr. Reagan noted, the EC has used these subsidies to double its share of the international wheat trade over the past 10 years.

The European Community's export subsidies are an integral part of its Common Agricultural Policy [CAP]. The other major components are high price supports and effective barriers against imports. Through CAP policies, the EC has become a surplus producer not only of wheat, but of barley, sugar, butter, powdered milk, cheese, beef, poultry, and eggs.

The EC, unlike the United States, does not operate production control programs. Nor does the Community store significant amounts of excess commodities. Instead, it uses export subsidies—known as restitution payments—to make up the difference between its high internal prices and lower world market prices.

The impact on U.S. wheat producers has been devastating. U.S. exports have declined in both value and volume since 1981. Although other factors have played a role, the EC's Common Agricultural Policy has contributed to the shrinking export situation, both by imposing high threshold prices on U.S. products coming into EC countries, and by unfairly diminishing the U.S. share of world markets.

There is no doubt in my mind that the EC has gone beyond the standard allowed under the General Agreement on Tariffs and Trade—that is, they have used subsidies to gain "more than an equitable share of world export trade." The U.S. Trade Representative's office estimates that the subsidies cost U.S. farmers more than $2 billion in potential sales over the past 4 years—this at a time when the farm economy is also buffeted by stubbornly high interest rates and the overvalued dollar, which in effect adds a 30 percent tax on every bushel of wheat we try to sell overseas.

For all these reasons, I'm glad to see that the President is finally taking a more aggressive stance on foreign trade. Our forecasted $150 million trade deficit, with its negative impact not only in our agriculture sector, but throughout the economy, demands attention. I just hope that the President's initiatives are not too little, too late.

CONGRESSIONAL SALUTE TO THE HONORABLE RICHARD J. FORTINO OF NEW JERSEY 1985 "MAN OF THE YEAR AWARD," THE MOTHER CABRINI SOCIETY OF PATERSON

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 23, 1985

Mr. ROE. Mr. Speaker, on Sunday, October 27, residents of the city of Paterson, my congressional district and State of New Jersey will join with members of the Mother Cabrini Society in testimony to an esteemed councilman, distinguished citizen and good friend, the Honorable Richard J. Fortino of New Jersey, whose standards of excellence throughout his lifetime have earned him the most highly coveted award of the Mother Cabrini Society of Paterson, NJ—"The Man of the Year." I know that you and our colleagues here in the Congress will want to join with me in extending our heartiest congratulations to Richard Fortino and share the great pride of his parents, Ben and Ethel Vacca Fortino; four brothers, Roger, Robert, Ronald and Raymond; and sister, Rosand, on this milestone of achievement in their family endeavors.

Mr. Speaker, Richard J. Fortino has been a staunch supporter and active participant in many civic and community improvement programs and we applaud the quality of his leadership endeavors in the vanguard of service to people's needs.

Richard was born in Paterson on January 25, 1951 and, we are proud to boast, has been a resident of the city for his entire life. He attended Paterson public schools Nos. 19 and 27, St. Mary's High School and Montclair State College. During his school years he was an outstanding athlete—both in basketball and football and received outstanding defensive player awards as a member of Paterson's Tri-County Football League.

His exemplary record of performance in academic and athletic endeavors has served to enhance his leadership qualities of self-reliance, character building, sportsmanship, fair play and eagerness to serve others. It was no accident—but based on his integrity, personal commitment and sincerity of purpose to help people—that he was elected to the governing body of the city of Paterson.

Since his election in 1984, he has served the people of the city of Paterson as a full-time councilman engrossed daily in responsible service to our people. He also owns the Westside Weightlifting Gym in the city. It is interesting to note that he was first elected to office as a Democratic county committeeman 8 years ago and has been

active and highly successful in the coordination of many political campaigns at the State and local levels.

The quality of leadership and sincerity of purpose that Richard Fortino has imparted to our people are mirrored in his many accomplishments and the warmth of his friendship that have earned him the confidence and support of all of us who have the good fortune to know him.

Among his accomplishments as a city of councilman which will be referred to at the Mother Cabrini Society's Testimonial Dinner in his honor, we point with pride to the ordinances and regulations he has promulgated and fostered requiring the abatement of lead paint from all city homes, protection against illegal conversions, the homeowner's capital improvement tax exemption increase to $10,000 and repeal of the tenant's automatic tax surcharge.

Richard is indeed a dedicated elected official representing the city of Paterson's second ward but his concerns and actions go far beyond his own second ward. He was the chief architect and sponsor of a program for city-wide street lighting in conjunction with a crime watch study that will be in effect by November 1985. His interest in the education or our young people are well known and recognized not only in Paterson but throughout the State and parents in the city of Paterson are especially praiseworthy of his success in offering a resolution to require a referendum in the city of Paterson's 1986 election to establish an elected school board. He was instrumental in reorganizing the board of recreation of the city of Paterson and his stand on issues such as asbestos are also well-known and respected. His action on asbestos in the public schools resulted in school closings to protect the children until the situation was corrected.

Mr. Speaker, when we reflect upon the contributions of our people to America's history and the quality of our way of life which have achieved preeminence of our representative democracy, second to none, among all nations throughout the world, I am pleased to seek this national recognition of a young man who is a credit to his family and our community. As we gather together on Sunday, October 27 in tribute to Richard's leadership endeavors and personal commitment dedicated to service to people, we do indeed salute the Mother Cabrini Society's Man of the Year—Hon. Richard J. Fortino of Paterson, NJ.

REV. DAVID CORY: AN ACTIVE CHURCH AND COMMUNITY LEADER

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 23, 1985

Mr. SOLARZ. Mr. Speaker, I would like to pay tribute to Rev. David Cory, who is celebrating his 25th anniversary as the pastor of the Homecrest Presbyterian Church.

At the age of 83, Reverend Cory is the oldest pastor in active service in New York City. As a church leader, a community activist, and a scholar, he leads a truly inspirational life.

Having graduated from Columbia College in 1926, Reverend Cory pursued his theological studies in Scotland at the New College in Edinborough. It was in Scotland that Reverend Cory began his efforts as a social worker and a champion of the working class people. After working in many of Scotland's slums, he developed a special understanding of the poor—an understanding that has been the catalyst for his life of service.

Upon his return from Scotland, Reverend Cory completed his doctorate in theology at Union Theological College and became the pastor of the Cuyler Presbyterian Church, where he served his congregation for 30 years. During this period, he also became active in politics. In 1931, he ran for Congress on the Socialist Party ticket and in 1938 he again sought elective office when he ran for Brooklyn Bourough president. Although Reverend Cory was unsuccessful in both races, his message of decency, compassion, and assistance for the poor and underprivileged won him the respect and admiration of all those who hear him.

In addition to his numerous responsibilities as pastor, Reverend Cory has devoted much of his time to the plight of the American Indian in post-World War II America. He authored a textbook, "Within Two Worlds," which deals with how the Indian could confront the realities of American urban life. In addition, he has mastered the Mohawk Indian dialect.

After his years of dedicated service to the Cuyler Church, Reverend Cory went on to become the executive secretary of the Council of Churches of Brooklyn, an interdenominational organization devoted to community service. Following his 5-year tenure at the council, he became pastor at the Homecrest Church in 1960.

Since his ordination over five decades ago, Reverend Cory has demonstrated a deep and longstanding commitment to the larger needs of the communities in which he has served. He has contributed innumerable hours and has shown tremendous energy, compassion, and insight in working with his congregation and with the residents of the larger Brooklyn community.

On the occasion of his 25th anniversary as the pastor of Homecrest Church, I want to congratulate him for his many years of service and wish him continued strength and success in all his future endeavors.

COMMEMORATING WORLD FOOD DAY

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 16, 1985

Mr. SCHEUER. Mr. Speaker, I would like to commend Mr. GILMAN for his foresight and leadership in putting together these special orders to recognize World Food Day. There is no simple solution to solving world hunger. What is working in Latin America or Asia may not be appropriate for Africa.

But it is clear that the United States and other developed nations must work together and go beyond the band-aid approach to the problem. We must think and act in the long term. As you may know, the Science and Technology Subcommittee on Natural Resources, Agriculture Research, and Environment—which I chair—is conducting a series of hearings this fall on long-term solutions to the hunger in Africa. In these hearings we are focusing on what science and technology can do to assist sub-Saharan Africa to feed itself.

These hearings, of course, do not purport to be a comprehensive examination of all the issues relating to the African situation. Mr. LELAND and Mrs. ROUKEMA, the leaders of the Select Committee on Hunger, and Mr. WOLPE and Mr. SILJANDER of the Foreign Affairs Subcommittee on Africa have addressed many of the other important issues pertaining to the African crisis. The Natural Resources Subcommittee's examination of the potential of the African environment for feeding its own people on a sustained basis will provide an important contribution to long-range solutions for this region.

The first hearing in the series was held together on September 19 and looked at the climatologic aspects of the drought in Africa. We examined the scientific basis for drought prediction and questioned the possibility that this unusually severe drought may represent a long-term change in climate. Just as climatic variation and the recurrence of drought set one type of limit on the development of this region, the tremendous population growth rate of the nations in sub-Saharan Africa also will determine the future course of development.

On October 17, our second hearing assessed the dimensions of the population problem facing this region and the prospects for future fertility decline. Experts predict that 20 years from now there will be a second Africa with twice as many people to support—to feed and to educate. Any development effort for this region must take into account the vast demands of future populations. In future hearings on October 23, 30, and 31, we will explore various approaches to increasing agricultural production.

African soils are unusually poor and past development practices have not conserved this fragile resource. As a result, in the last 50 years, 650,000 square kilometers of productive land in the South Sahara has become desert. What Africans need are programs providing education and access to low-resource technology, labor intensive technology—appropriate hand tools, simple machines, drought-resistant and blight-resistant crops. In order for this region to have hope for a future, soil and water must be conserved, food production increased, and, at the same time, population growth rate must be stabilized.

We must achieve a balance between food and people if Africa is going to attain food self-sufficiency.

SAVE STATE AND LOCAL GOVERNMENT

HON. DENNIS E. ECKART

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 23, 1985

Mr. ECKART of Ohio. Mr. Speaker, much attention has been focused in recent months on several proposals to reform our current tax system. Recently, the House of Representatives' Ways and Means Committee started consideration of this important issue. Many of us agree on the need to simplify our current, complicated tax laws and eliminate the many inequities inherent in it, and President Reagan, too, has come forward with several proposals to alter the existing Tax Code.

Even though the President has eliminated some inequities in his proposals, he seems to have created new ones which are just as unfair as some of the current inequities. Perhaps the most significant of these is his proposal to abolish the Federal tax deduction allowed for the payment of State and local taxes. This deduction has been allowed since the Federal Tax Code was first enacted in 1913 so that our Government would not engage in double taxation.

Double taxation, in addition to being unjust, would have a horrendous effect on the economy of the northeast-midwest region of our Nation. These States, which account for 44 percent of the country's population, would have to pay 57 percent of the new Federal revenue generated by the elimination of this important deduction. In my State of Ohio alone, tax rates for the average taxpayer would increase $701.66 if this deduction were repealed.

I strongly support tax reform in the name of simplicity and fairness; however, I urge the retention of this important deduction to avoid tax inequality.

ELIE WIESEL'S APPEAL FOR REFUSENIKS

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 23, 1985

Mr. KEMP. Mr. Speaker, President Reagan will soon travel to Geneva to meet with General Secretary Gorbachev. It is imperative that the United States' position is unified and clear. A firm human rights position should be a prerequisite to any other discussion.

The Helsinki Final Act is a clear statement of intent on the part of the 35 signatory nations. The violations on the part of the Soviet Union have been blatant and consistent. Compliance by the Soviet Union with existing agreements should be a prerequisite to entering into new ones. We must have a show of good faith from the Soviet Government that it will not continue its tradition of agreeing to noble goals on paper and violating these same goals in practice.

My good friend and distinguished historian, Elie Wiesel, made an eloquent appeal to President Reagan through an editorial in the New York Times yesterday. Elie Wiesel is the noted chronicler and symbol of the Nazi Holocaust who presided over the groundbreaking for the U.S. Holocaust Memorial Museum in Washington, DC last week.

Professor Wiesel raises the case of Leonid Volvovsky, the latest casualty of the Soviet Union's anti-Semitic war. Volvovsky risks being sentenced to hard labor for his personal commitment to Judaism.

Volvovsky is one more significant name added to a sadly growing list which includes Ida Nudel, Vladimir Feltsman, Vladmir Slepak, Anatoly Shcharansky, and so many others. The recitation of these names has become a tragic litany, a rollcall of people who are punished for their dreams.

Professor Wiesel writes:

When Ronald Reagan meets Mikhail S. Gorbachev, I hope he will speak to him, among others, of an innocent man who is now in danger of being sentenced to hard labor in the Soviet Union. His name is Leonid Volvovsky, a 45-year-old mathematician; his trial opened Friday in Gorky. His "crime": active involvement with the large "refusenik" community there. His friends are worried that the prosecution may use his case as a warning, handing down a severe condemnation.

Leonid is married to Ludmila; they have a 17-year-old daughter, Kira. Their troubles began in 1976 when they applied for an exit visa to Israel. In the eyes of officialdom, Leonid became an outcast. That remains the lot of all refuseniks. Overnight, they are cut off, isolated, marked for harassment, abandoned by colleagues and humiliated by institutions. Still, they lean on each other and help one another to safeguard their sanity and morale.

I have met many refuseniks in the Soviet Union. I admire them. They are, to paraphrase Jean-Paul Sartre's expression, among the freest people in the land. I admire their courage, their exuberant spirit, their unfathomable faith. When I asked them what to send them from home, they answered: "Books, send us books." These books were needed for students and teachers—for the unofficial educational network that now exists throughout the Soviet Union.

Leonid Volvovsky is one of its leading members. He learned Hebrew and English. Thus equipped, he established seminars for Hebrew, Jewish history, Jewish literature and philosophy and ethics. In 1976, he was vice-chairman of a committee that tried to convene a seminar on Jewish culture. This resulted in the first of his several arrests, followed by relentless harassment. Searches were conducted in his home, materials were confiscated, threats were issued. But Leonid Volvovsky persevered, and hundreds of refuseniks owe him their Jewish education. In 1979, his seminar attracted 700 students.

The K.G.B. responded in kind. Leonid Volvovsky "lost" his materials, his Hebrew books. His modest apartment was taken. The renowned scholar had to accept other jobs: elevator operator, photography salesman and garbage collector.

He was arrested on June 26, 1985, and charged under Article 190-1 of the criminal code of the Russian Soviet Socialist Republic. In other words, he is accused of slandering the Soviet Union.

Nonsense. Leonid Volvovsky and his refusenik friends have nothing to do with politics. All they want is to join their families in Israel so that they can lead a Jewish life in accordance with Jewish law. When they meet, they discuss the Prophets, the Talmudic legends and classical Jewish authors, not politics.

I have known the refuseniks, and I know they are more concerned with Jewish memory than with Soviet politics. This is what makes the Volvovsky trial such an injustice. A condemnation would be a scandal.

Let us hope President Reagan will find it important to discuss this case—and hundreds of others—when he meets Mr. Gorbachev. The refuseniks, like the dissidents, are our heroes. They place their hope on us, on our involvement.

They are so many. Ida Nudel, Vladimir Slepak, Anatoly Shcharansky, Dan Shapiro, Iosif Begun, Vladimir and Anna Lifshits and Yuri Edelshtein; The list could go on and on. Is Mr. Gorbachev capable of making a gesture? Will he make it? Should he do so, the refuseniks' hope in us may be justified, and our hope in him as well.

NORFOLK SOUTHERN SHOULD BOW OUT OF CONRAIL

HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 23, 1985

Mr. EDGAR. Mr. Speaker, months of thorough review and deliberation it has become clear that the sale of Conrail to the Norfolk Southern Corp. would have a negative impact on the railroad industry operating in Conrail's territory, as well as on the jobs, riders, and services depending on the Government-owned rail and freight line. It is also evident that the Department of Transportation's fundamental reason for selling Conrail—that it could not survive on its own—is invalid. Conrail's net income of $500 million in 1984 will lead the railroad to its fifth consecutive year of profitability.

I am submitting this recent editorial from the Philadelphia Inquirer, which summarizes why Congress should move ahead on options to keep Conrail an independent railroad. I think my colleagues will find a public offering of stock like that proposed by Morgan Stanley & Co. a more preferable and attractive proposal not only for my State of Pennsyvlania, but for the entire Nation as well. I urge my colleagues to cosponsor H.R. 2873, which I introduced with Representatives ECKART and BLILEY to implement the Morgan Stanley plan. The editorial follows:

[From the Philadelphia Inquirer, Oct. 23, 1985]

CONRAIL SHOULDN'T BE SOLD TO NORFOLK SOUTHERN

It has become increasingly uncertain in recent weeks whether Congress will act this year on proposals for the sale of Conrail but

it now is abundantly clear that, one way or another, Transportation Secretary Elizabeth Hanford Dole's recommendation that it be sold to the Norfolk Southern Corp. should be rejected. That could be done by congressional action if necessary but more appropriately by Mrs. Dole's withdrawing her recommendation or Norfolk Southern's rescinding its purchase offer.

The Norfolk Southern proposal, embraced by Mrs. Dole in February, appeared shaky from the start. It has become a growing embarrassment with each passing month. Testimony at public hearings and authoritative analyses have demonstrated that selling Conrail to Norfolk Southern would be detrimental to the national interest and jeopardize competitive railroad-freight service in the Northeast and Midwest, where Conrail operates.

A particularly devastating blow was dealt last month by the Interstate Commerce Commission in a report to the House public works and transportation subcommittee chaired by Rep. James J. Florio (D., N.J.). The ICC concluded that acquisition of Conrail by Norfolk Southern would place in doubt the long-term viability of smaller railroads serving portions of the same territory.

The ICC's report gives added validity to earlier findings of the U.S. Railway Association (USRA), which monitors Conrail operations for Congress. It reported in July that regional railroads operating in Conrail's territory would lose substantial volumes of traffic if it were acquired by Norfolk Southern, raising questions about their ability to remain in business.

At the outset, the Justice Department ruled that a Norfolk Southern takeover would violate antitrust laws unless significant trackage was divested to smaller railroads. The subsequent ICC and USRA findings suggest that, even with divestiture, the outlook for small lines would be bleak and rail-freight customers in some areas could find themselves at the mercy of a Norfolk Southern monopoly.

Moreover, the basic rationale for selling Conrail to Norfolk Southern—namely, that Conrail could not stand alone—is no longer valid. Conrail, with net income of $500 million in 1984, is now well on its way to a fifth consecutive year of profitability. USRA has informed Congress that Conrail should remain profitable at least through the remainder of the 1980s.

There also are questions about the adequacy of Norfolk Southern's bid. It could become a government giveaway considering tax benefits that would accrue. But with a sale to Norfolk Southern demonstrated to be unwise because of other factors, there is no point in haggling over price.

The proper course for Congress now is to devote its attention to options that would preserve Conrail as an independent railroad. One way to do that would be through a public offering of stock. A consortium headed by Morgan Stanley & Co., a New York investment firm, has proposed to buy Conrail and offer most of all of the stock for sale to the public.

Congress has not yet fully explored Morgan Stanley's proposal and there are many questions to be answered. That should be the focus of congressional attention in weighing Conrail's future.

Norfolk Southern has become a distraction. It received a fair hearing on an offer that was scrutinized and found wanting. It should step aside and let Congress move on to other options.

THE DEFICIT REDUCTION PLAN

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 23, 1985

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, October 23, 1985, into the CONGRESSIONAL RECORD:

THE DEFICIT REDUCTION PLAN

Frustrated by huge, recurrent deficits, Congress is considering a dramatic new approach to balance the federal budget by 1991.

Balanced budget fever is not new in Congress, but the latest approach might have greater impact than before. The plan in its current form sets a maximum deficit of $180 billion in 1986, and reduces the allowable deficits by $36 billion each year, producing a balanced budget in 1991. The plan includes a powerful mechanism to force compliance with the limits: if Congress and the President fail to make the mandated reductions, automatic, across-the-board spending cuts would go into effect. Stronger enforcement procedures ensure that the budget targets are followed in detail during congressional consideration of budgetary legislation. Unlike the current budget system, in which targets can be waived by a resolution of the House or Senate, deficit targets in the new plan could be waived only by passage of legislation subject to a presidential veto.

Each year, the Office of Management and Budget (OMB) and the Congressional Budget Office would jointly estimate the deficit, the gross national product, and the amount by which the deficit could exceed the approved deficit cap. In case of disagreement, the two figures would be averaged. If the projected deficit exceeded the cap by more than 5% (7% in 1986), the President would be required to reduce spending to bring the deficit under the limit. Half the savings would come from reducing or eliminating automatic spending increases such as various cost of living adjustments (COLAs); the other half would come from equal, across-the-board cuts in outlays for most discretionary federal spending. Social Security, interest payments on the debt, and some relatively uncontrollable defense procurement expenses would be exempt from automatic cuts. Unless Congress proposed alternate cuts in spending and worked out an agreement with the President, the President's cuts would prevail. A declaration of war would negate the compliance requirement and a recession could postpone it.

In effect, the plan creates an annual budget crisis. If Congress does not reduce the deficit to the required level, spending cuts would be made automatically. The presumption of the plan is that the threat of automatic spending cuts, administered by the President, would scare Congress into meeting its own budget targets.

Although an innovative approach to our deficit problems, the plan raises several questions. One worry is that rigid targets could be economically counterproductive. Without good economic performance, it will be difficult, if not impossible, to meet the deficit caps. In these circumstances, Congress might be required to cut spending or raise taxes to meet the targets, which could worsen the downturn. Most policy makers recommend increased government spending during a downturn to stimulate the economy.

The plan is also unclear on crucial issues, such as its effect on defense spending and major programs for the poor. While the President could recommend tax increases to reduce the deficit, he is not required to do so. Action to reduce the deficit emphasizes spending cuts, but many areas of spending are excluded from the cuts. The exemption of Social Security, a large share of federal spending, places an extra burden on other federal programs. Expenditures under binding contracts and other prior commitments would be exempt from across-the-board cuts, as could about 40% of "uncontrollable" defense expenditures.

Spending cuts in remaining categories could disrupt vital government services. Sharp cuts in discretionary programs like education, health care, and defense would be particularly disruptive since they fall heavily on more easily controlled spending categories such as personnel and maintenance. Defense cuts, for example, would probably be made by reducing civilian and military personnel costs, maintenance and training operations, and purchases of spare parts and ammunition. Non-defense agencies such as law enforcement, courts, air traffic control, tax collection, public land management and VA hospitals would also suffer large personnel cuts. One sensitive point is that COLAs for veterans and the poor could be reduced or eliminated, while those for the elderly under Social Security would not, raising disturbing questions of equity.

The plan also raises constitutional questions. The plan's impact on the legislative-executive power balance in budget-making is unclear, but it could increase the President's budgetary powers. His determination that automatic spending cuts should take effect would be based on deficit projections prepared in part by OMB, which is an integral part of his office. In addition, although the plan apparently stipulates how spending would be cut if the deficit targets are exceeded, ambiguities in the bill's language raise questions about the extent of the President's new powers to reduce spending.

These problems show the difficulty of translating strong sentiment for deficit reduction into a manageable budget process. Undoubtedly, the plan would be a powerful tool to reduce the deficit. That is its most attractive feature. Despite serious efforts to reduce the deficit in recent years, no end to $200 billion annual deficits is in sight without drastic action. Members are now trying to determine how the plan would work and what effect it would have on the economy and government programs. I am concerned that the plan could require major cuts in the budget even if such cuts caused a recession, that it would require deep cuts in military spending, and that it would make tax increases more likely. I am also uneasy that the plan tips the balance of power over spending toward the President. Also, because some of its provisions can be waived, the plan will not necessarily force the President and Congress to make tough decisions they have avoided in the past. Nonetheless, the plan deserves careful consideration as an approach to our horrendous deficit problems. At the very least, the plan needs a lot more discussion and revision. Members must address the plan's problems and correct them before it becomes law.

DANIEL ORTEGA

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 23, 1985

Mr. DORNAN of California. Mr. Speaker, Commandante Ortega's appearance Tuesday on the "Phil Donahue Show" was, to put it mildly, disgusting.

However, even Phil Donahue's national bootlicking apology for U.S. funding of the Contras did not prevent Daniel Ortega from exposing himself as the petty little thug that he is.

That made it tough for Mr. Donahue, but he pressed on with his message to the Commandante which was basically, "Don't you know you are making things awfully tough for us fellow travelers here in the United States. I mean, Danny, first President Reagan was proven right in El Salvador and now you're helping prove him right in Nicaragua. What about the credibility of us liberals."

Alas, it is too late for the dyspeptic Donahue. This neutral-gender feminist has no credibility left and is now more irrelevant than ever.

Accordingly I would now like to resubmit for the historical record my floor statement of Tuesday on this subject along with an excellent analysis of the program by Don Kowet that appeared in the Washington Times on Wednesday, October 23:

Mr. DORNAN of California. Mr. Speaker, this morning "The Phil Donahue Show" on network television, and carried across the country in syndication reaching millions of people, hosted the Communist President of Nicaragua Daniel Ortega.

Now, you and I both know, Mr. Speaker, that Phil Donahue, Irish last name notwithstanding, is the No. 1 anti-Catholic bigot in the United States as far as widespread negative impact on our beloved church is concerned. Phil Donahue is to Catholicism what Lewis Farrakhan is to Judaism. If this Donahue were to attack Jews or blacks or any other ethnic or racial group the way he attacks the Catholic Church I love, he would be kicked off the air by any of the networks. But, Mr. Speaker, remember what Arthur Schlesinger has said for decades. Anti-Catholicism is the anti-Semitism of the pseudo-intellectual left.

So it was a peculiar thing to see Donahue, given his hatred of Catholicism, pressing Ortega about his persecution of a man I have called the most courageous clergyman in this hemisphere. Bishop Miguel Obando y Bravo. Donahue, of course, pressed the case weakly about Ortega trying to crush religion. He mostly verbally dusted off Ortega's shoes. Donahue did bring up the testimony of Alvaro Jose Baldizon, a man who defected from the highest levels of Tomas Borge's Ministry of the Interior. Baldizon has told ghastly stories of Communist murder and torture by the Sandinistas inside Nicaragua.

Baldizon, unfortunately, has met with only eight or nine Congressmen. He told me there are 10 times as many political prisoners as under the hated dictator Samoza. He said there is wholesale capital punishment, and that he couldn't take the unrelenting murder and torture.

This scene was bizarre, of Ortega reaching out to the American people on "The Donahue Show" and challenging our President to come down to Managua and speak to the Nicaraguan people on television as Ortega was doing, through a simultaneous translator.

Well, Mr. Ortego, I accept that offer as a supporter of the President's policies. I hope other Members will. I would like to go down to Managua and plead again for the brother and the wife of Mr. Baldizon. They have been imprisoned and abused because Baldizon, obviously, speaks the truth.

When Donahue brought up Baldizon's wife and imprisoned brother, Ortega looked as if he had been hit in the forehead with a ball peen hammer. Mrs. Ortega, who speaks perfect English, and the translator were also stunned and fished for an answer. Ortega said that if Baldizon's brother is in jail, if is because of offenses that the brother committed. Ortega, of course, denied that he holds 10,000 political prisoners. The shows was, all in all, Mr. Speaker, an inadvertent unmasking of a Communist dictator on a man's program who gags on the word "Communist." Phil Donahue is not alone in his aversion to using the proper description of a Communist as a Communist. We have more than a few members in this chamber with the same hangup.

By the way, I wonder, Mr. Speaker, if Donahue, a Notre Dame alumnus, has publicly condemned the kidnapping of President Duarte's daughter in El Salvador. Mr. Duarte is a fellow Notre Dame alumnus.

ORTEGA SAYS HIS "VICTORY" JUSTIFIES DENIAL OF RIGHTS

(By Don Kowet)

It was a dirty job, but someone had to do it.

Daniel Ortega, the president of Nicaragua, had the poor taste to time his suspension of all civil liberties at home shortly before he was due in New York to celebrate the 40th anniversary of the United Nations.

Liberals who had bestowed on the Sandinistas their blessings were bleeding.

New York Times columnist Tom Wicker wrote that Mr. Ortega's act was "a heavy burden to bear," calling the Sandinistas "their own worst enemy."

The Washington Post's Mary McGrory was about to award the Sandinista an "Oscar for bad timing." She wrote: "Whoever he was aiming at, Ortega, once again, seems to have shot himself."

Someone had to face the fallen idol on national television.

Phil Donahue, that incurable hemophiliac, rolled up his sleeves, tightened his tourniquets and braced himself for the bloodletting.

In a program last March, Mr. Donahue had flaunted his Sandinista sympathies, joining a nun and a congressman in their assault on Rep. Robert Dornan, California Republican, a defender of aid to the Nicaraguan resistance.

But yesterday morning, with President Ortega and his wife, Rosario Maria Murillo, seated beside him at the conference table, Phil seemed uncharacteristically subdued. Glum. A power-outage dimmed his usual high-energy performance. Phil was taking Mr. Ortega's indiscretion personally.

Mr. Ortega had foregone his famed battle fatigues for a solemn gray suit; his wife, the pretty Rosario, was wearing a blue dress with a puritanically high collar. The scenario was familiar to any parent who ever was called to school to see the principal because little Janey or Johnny had cut a class or tossed a spitball in science lab.

Phil was disappointed in his pupils and had to reprimand them. But he was not prepared to admit that they had fulfilled the dire promise of the White House probation officer who had predicted all along they'd end up in reform school.

It didn't take long before the audience realized that, as far as Phil was concerned, suspending all civil rights in Nicaragua was only a misdemeanor.

"How could you impose such radical measures on your own people at a time when you claim to be on the edge of victory?" Phil said. "You really have apparently scored, without meaning to, a tremendous public relations victory for the Reagan administration."

Phil was so upset.

Mr. Ortega replied that "when you're at the point of reaching a victory, but you have an opponent who has many resources, then you have to make a maximum effort to assure your victory, and thus bring nearer the possibilities for peace."

The answer made no sense at all. Suspending civil liberties, as most idiots know, is a sign of weakness, not of strength. But not this idiot. Phil had a list of questions, and kept on reading them.

"But . . . this is the worst kind of repression," said Phil. He was worried about the appearance of dictatorial arbitrariness. "This looks like the work—I'm not saying it is, Mr. President—it looks like the work of a fascist government."

The lovely Mrs. Ortega wanted to interrupt.

"May I?" she said.

"You may, of course you may," Phil gushed.

"We don't like these measures, we regret them. But what else can we do if we are at war?" asked the first lady, her voice dripping with pathos and wounded sincerity. There was, she said, "a manual by the CIA on how to assassinate our leaders."

Phil: "Yes, there was."

"We have to defend ourselves."

Phil: "Yes, you do."

After Mrs. Ortega's passionate plea, it was time for Phil to unload the first of his vaunted Value Judgments. Would he deliver an indictment of Sandista repression?

"I don't speak for all Americans," said Phil with a rare modesty, "but I do speak for a considerable number when I say that . . . millions were embarrassed by that [CIA] manual. And millions today," Phil added emphatically, "are upset at this administration for the private war that they accuse it of engaging in against your country."

Having rendered this public apology on our behalf, Phil returned to the root of his irritation: Mr. Ortega's clumsiness at public relations.

"You have 60,000 armed people in Nicaragua," Phil roared. "It looks like you're afraid of your own people!"

Phil was bothered. It wasn't that Mr. Ortega had confiscated a church newspaper, but that he had done it when the world was watching.

"You've snatched defeat from the jaws of victory! You've got the whole Catholic Church angry with you . . . . You cannot confiscate a church newspaper and expect the world to give you a standing ovation," he said. "It's a political newspaper," replied Mrs. Ortega.

"So what," said Phil, assuming the role of media consultant. "Let them speak. Your revolution," he said, "is popular."

This might have been a relief to the president and his first lady. Others might wrongly conclude from Mr. Ortega's suspension of civil liberties that he feared that his fully armed populace might be discontented enough to start pointing their pistols in his direction. But Phil had taken his own poll, and found that Mr. Ortega had the full support of the people!

A photo flashed on the screen showing Mr. Ortega in his role of doting father, surrounded by his seven sons.

"Seven boys!" cried Phil. "Wow! Your daughter has the sympathy of most of the women in this audience."

The audience laughed. Now the Ortegas were just mom 'n' pop.

Phil was nearing the end of the show. A caller complained that he had been apologizing "for America to a Communist dictator." "Well," said Phil scathingly, "aren't you a little ashamed that we gotta privately fund [the resistance]? What a terrible thing for a powerful nation, a democratic nation, to do."

In a rush of commercials—nobody gets interrupted by commercials in Nicaragua, the Ortegas bragged—the program was over.

It had been a dirty job, but someone had to do it.

1985 CONTRIBUTIONS TO U.N. FUND FOR DRUG ABUSE CONTROL

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 23, 1985

Mr. GILMAN. Mr. Speaker, I recently received correspondence from Dr. Giuseppe di Gennaro, Executive Director of the U.N. Fund for Drug Abuse Control [UNFDAC], discussing the forthcoming U.N. Pledging Conference for Development Activities, which will be held in New York on November 14–15, 1985, and detailing cash contributions and pledges for 1984 and 1985—as of August 31, 1985.

The good news is that 39 members of the United Nations contributed $11,947,943, which I believe is a record contribution to UNFDAC and which has already been broken for 1985—as of August 31—in the amount of $15,629,353. These cash contributions and pledges reverse a downward trend that occurred in 1983 in which only 28 nations reportedly contributed slightly more than $3.7 million to UNFDAC.

The bad news is that worldwide efforts to provide cash contributions to the U.N. Drug Fund are still shouldered by only a handful of nations with many nations making meager symbolic contributions and three-fourths of the 159 members of the U.N. community not even contributing a single penny to the global effort to combat narcotics trafficking and drug abuse. As of August 31, 1985, only 41 nations, or 25 percent, of the 159 member nations of the United Nations contributed $15.6 million to UNFDAC.

Although the contributions for 1984 and 1985 represent recordbreaking commitments by nations of the U.N. system, the international community must not become complacent by this record, for in reality the $12 million and the $15 million contributed to the U.N. Drug Fund for 1984 and 1985 to conduct a global "war" against narcotics trafficking and drug abuse is a pittance compared to the hundreds of billions of untaxed dollars that the narcotics-terrorists reap from their illicit drug activities. If nations of the international community are truly serious about waging a global "war" against the narcotics-terrorists, then the entire family of nations must contribute to this effort and many nations should try to increase their contributions to the fund.

Drug trafficking and drug abuse have reached epidemic proportions throughout the world. The political, economic, and social institutions of all nations are being corrupted by the narcotics-terrorists and the health of citizens throughout the world are being jeopardized by the deadly menace of drug abuse. Drug-producing nations have now become drug-consuming nations and drug-consuming nations, including the United States, have become drug-producing nations.

Given the enormous magnitude of the illicit production, trafficking, and consumption of narcotics, I hope that more nations will participate at the forthcoming U.N. Pledging Conference for Development Activities and that the 159 nations comprising the U.N. system will contribute to the U.N. Drug Fund. To wage an effective "war" against the narcotics-terrorists requires a worldwide commitment from the international community in the form of additional funds, equipment, personnel, expertise, and other resources. Now is the time for a concerted global program of action, not mere rhetoric.

As Dr. di Gennaro stated in his letter to the international community requesting governments to contribute to the U.N. Development Conference:

The level of funding received so far is inadequate in the face of the current dimensions of the problem—with the enormous institutional, economic, social and human costs associated with it—and is totally disproportionate to the proceeds derived from the illicit drug trade. Although it would never be possible to confront the prevailing situation with resources equal to those at the disposal of drug traffickers, the international community should react to the unprecedented challenge posed world-wide by the spread of drug abuse and trafficking by taking advantage of the acquired momentum of the multilateral approach. The gravity of the evil to which societies are prey and the magnitude of the financial empires of the crime syndicates can be effectively opposed only if countries are prepared to mobilize comparable determination and commensurate resources, in a renewed spirit of solidarity.

Mr. Speaker, in an effort to share with my colleagues information concerning contributions to UNFDAC for 1984 and 1985, I am requesting that at this point in the RECORD the insertion of the following documents: the complete text of Dr. Gennaro's letter to me, dated October 7, 1985, his letter to members of the United Nations, dated October 3, 1985, the status of contributions pledged or paid for 1984 as of December 31, 1984, and the status of contributions pledged or paid for 1985 as of August 31, 1985.

UNITED NATIONS,
Vienna, Austria, October 7, 1985.

Hon. BENJAMIN A. GILMAN,
U.S. House of Representatives, Select Committee on Narcotics Abuse and Control, Washington, DC.

DEAR CONGRESSMAN GILMAN: I have received from the Office of the Secretary-General a copy of your letter to him of 19 June 1985, along with his response of 24 July 1985.

Allow me to express our appreciation to you for your firm statement of support to UNFDAC. For many years we have known that we had a strong ally in you, as a leader fully cognizant of the unique role of UNFDAC in the global fight against drug abuse.

I was pleased to note your emphasis on the need for broader support to UNFDAC. You will note in the attached letter, which has gone to all Member States of the United Nations, that we have pointed to the fact that only a "handful" of Governments provide the bulk of the financing of UNFDAC.

While I join you in deploring this situation, I am indeed pleased to notice a major improvement in both volume and breadth of support. For example, since 1 January 1984 contributions to UNFDAC have nearly equalled those made during the entire thirteen years of the Fund's previous existence. We are thus able to increase substantially our programme. The budget proposed for 1986 is in fact 34% higher than that for 1984. This has been accomplished without significant increase in UNFDAC's own operating budget.

As for the diversity of the funding, the group of "major" donors is slowly increasing. For example, support from Italy, for programmes in South America and Pakistan, is now on the order of that of your own Government, while Norway continues to be a pillar of support to our South East Asia programmes. The Federal Republic of Germany has recently decided to provide a special purpose contribution for UNFDAC's work in South America. We are also encouraged by much greater financial support from the United Kingdom to the UNFDAC projects in Pakistan through an initial pledge of US $1.2 million, with strong indications of further pledges. The Government of Saudi Arabia has pledged a similar amount to UNFDAC for Pakistan. Indications have been received of major increases in contributions from Canada, Japan, Sweden and Switzerland as well. I enclose a list of pledges made during the entire year 1984, and those made to 31 August this year.

Despite this improvement, I agree with you entirely that a number of Governments are conspicuously absent from the list of major donors. We are making a concerted effort to ensure their participation, and I retain my optimism that we will succeed.

Your faithful support and that of the select Committee are highly appreciated, and I am confident that we can count on you now and in the future.

I take this opportunity to extend to you my warmest personal greetings and best wishes.

Yours Sincerely,

GIUSEPPE DI GENNARO,
Executive Director,
U.N. Fund for Drug Abuse Control.

UNITED NATIONS,
Vienna, Austria, October 3, 1985.

SIR: I have the honour to refer to the forthcoming United Nations Pledging Conference for Development Activities, to be held in New York on 14 and 15 November 1985, during which Governments will have the opportunity to pledge their financial contributions to the United Nations Fund for Drug Abuse Control (UNFDAC).

In the past two years, UNFDCA has witnessed a major expansion of its activities. The total pledges made for UNFDAC in 1984 up to and including the first quarter of 1985, which amounted to $US 64.5 million, almost equal the contributions received during its entire 13-years existence prior to that time. This new financial dimension has permitted UNFDAC to programme its operations for 1985 at a level of $US 18.7 million, representing an increase of almost 300 percent over the average annual expenses in the past.

Guided by the experience gained since its creation, UNFDAC is chanelling international assistance funds towards the support of comprehensive programmes and projects intended to meet the most urgent needs. For that purpose, UNFDAC has prompted the formulation of a number of masterplans, as a basis for the development of viable projects, with clear goals articulated prior to implementation. This approach encourages collaboration between donor and recipient Governments and harmonizes drug control activities. At present, the Fund's resources are allocated to assist approximately 25 developing countries, through a total of 70 integrated rural development programmes and sectoral projects in the fields of law enforcement, preventive education, treatment and rehabilitation.

Breakthroughs in international efforts to curb the illicit supply of drugs are now in the offing. Technical co-operation based on a rural development approach has proven to be effective, when combined with the individual Government's determination to take concurrent legal measures. Programmes of this nature are well under way in both Asia and Latin America and include activities as diverse as crop substitution and diversification, road-building, rural health, electrification, agro-industry, credit and marketing facilities and community development, for the implementation of which far more resources than those currently available are necessary.

Also, much more remains to be done in order to stem the phenomenon of drug abuse, which has become even more serious, especially among young people. Rates of addiction in some developing countries are as high as in the worst-hit industrialized countries. With the many other dilemmas that they face, the developing countries are the most poorly equipped of all to cope with the problem. Through its projects in preventive education, treatment and rehabilitation, UNFDAC offers an opportunity for action which might otherwise not exist.

Despite the high degree of confidence of Member States in UNFDAC and the progress achieved in proving the effectiveness of the multilateral approach to drug abuse control through development assistance, there are still many countries which are providing only symbolic contributions or, indeed, no contributions at all. Consequently, the financial burden continues to be shared by a handful of Governments.

Furthermore, the level of funding received so far is inadequate in the face of the current dimensions of the problem—with the enormous institutional, economic, social and human costs associated with it—and is totally disproportionate to the proceeds derived from the illicit drug trade. Although it would never be possible to confront the prevailing situation with resources equal to those at the disposal of drug traffickers, the international community should react to the unprecedented challenge posed worldwide by the spread of drug abuse and trafficking by taking advantage of the acquired momentum of the multilateral approach. The gravity of the evil to which societies are prey and the magnitude of the financial empires of the crime syndicates can be effectively opposed only if countries are prepared to mobilize comparable determination and commensurate resources, in a renewed spirit of solidarity.

Both the donors to UNFDAC and the countries in which UNFDAC undertakes projects share a common concern: to protect society from the threat posed by illicit drugs, which undermine social and economic development for both the rich and the poor countries and which must be countered simultaneously on all fronts.

It is for these reasons that we are appealing to your Government to review and reinforce its commitment, by following the example of those States which have so generously and substantially increased their contributions to the Fund.

It is our hope that, with the additional support of your Government, the level of resources to be made available to UNFDAC will increase still further at the forthcoming Pledging Conference, thus strengthening our operational capacity to combat drug abuse.

Accept, Sir, the assurances of my highest consideration.

GIUSEPPE DI GENNARO,
Executive Director,
U.N. Fund for Drug Abuse Control.

U.N. FUND FOR DRUG ABUSE CONTROL

[Status of contributions pledged or paid for 1985 as at August 31, 1985]

	Country	Currency of pledge	Amount	Amount in U.S. dollars or U.S. dollars equivalent
1.	Australia	Australian dollars..	150,000	122,535
2.	Austria	Austrian schillings.	1,500,000	69,126
3.	Bahamas	U.S. dollars		1,000
4.	Barbados	U.S. dollars		250
5.	Brazil	U.S. dollars		5,000
6.	Canada	Canadian dollars...	333,000	243,066
7.	Chile	U.S. dollars		5,000
8.	Denmark	Danish kroner.....	148,000	13,091
9.	Ecuador	U.S. dollars		2,500
10.	Egypt	U.S. dollars		993
11.	Finland	U.S. dollars		39,994
12.	France	French francs.....	1,500,000	157,132
13.	Germany, Federal Republic of.	Deutsche marks....	400,000	132,450
		Deutsche marks....	2,200,000	679,715
14.	Greece	U.S. dollars		2,000
15.	Hong Kong	Hong Kong dollars.	100,000	12,858
16.	Iceland	U.S. dollars		2,000
17.	India	U.S. dollars		10,000
18.	Indonesia	U.S. dollars		2,000
19.	Ireland	U.S. dollars		5,000
20.	Italy	Italian lire.....	500,000,000	263,158
		U.S. dollars		652,632
		U.S. dollars		5,000,000
		U.S. dollars		1,500,000
21.	Jamaica	Jamaican dollars...	1,000	235
22.	Kenya	Pounds sterling.....	2,760	3,730
23.	Madagascar	U.S. dollars		2,000
24.	Malaysia	U.S. dollars		17,000
25.	Malta	Swiss francs.....	517,300	194
26.	New Zealand	Austrian schillings.	450,828	20,680

U.N. FUND FOR DRUG ABUSE CONTROL—Continued

[Status of contributions pledged or paid for 1985 as at August 31, 1985]

	Country	Currency of pledge	Amount	Amount in U.S. dollars or U.S. dollars equivalent
27.	Norway	Norwegian kroner.	6,000,000	653,502
		Norwegian kroner.	7,200,000	784,203
		U.S. dollars		56,189
28.	Pakistan	Pakistani rupee....	25,000	1,238
29.	Panama	U.S. dollars		4,051
30.	Philippines	U.S. dollars		1,000
31.	Republic of Korea	U.S. dollars		2,000
32.	Saudi Arabia	U.S. dollars		290,000
33.	South Africa	Austrian schillings.	109,900	4,758
34.	Spain	Spanish pesetas....	6,160,000	35,387
35.	Sweden	Swedish kroner....	4,000,000	442,600
		U.S. dollars		914,286
36.	Switzerland	Swiss francs.....	90,000	36,000
37.	Turkey	U.S. dollars		15,570
38.	United Kingdom	Pounds sterling....	400,000	437,730
		U.S. dollars		234,500
		U.S. dollars		4,872
39.	UR Cameroon	CFA francs.....	1,000,000	2,128
40.	United States of America.	U.S. dollars		2,732,000
41	Yugoslavia	U.S. dollars		12,000
	Total			15,629,353

U.N. FUND FOR DRUG ABUSE CONTROL

[Status of contributions pledged or paid for 1984 as at December 31, 1984]

	Country	Currency of pledge	Amount	Amount in U.S. dollars or U.S. dollar equivalent
1.	Australia	Australian dollars..	220,000	197,564
2.	Austria	Austrian schillings.	1,500,000	78,011
3.	Barbados	U.S. Dollars		250
4.	Belgium	Belgian francs.....	925,000	17,516
5.	Brazil	U.S. Dollars		5,000
6.	Canada	Candian dollars....	303,000	241,723
7.	Chile	U.S. Dollars		5,000
8.	Denmark	Danish kroner.....	250,000	26,455
9.	Egypt	U.S. Dollars		1,000
10.	France	French francs.....	1,500,000	182,695
11.	Germany, Federal Republic of.	Deutsche marks....	1,670,000	673,527
		Deutsche marks....	2,000,000	752,941
12.	Greece	U.S. Dollars		2,000
13.	Hong Kong	Hong Kong dollars.	100,000	12,791
14.	Iceland	U.S. Dollars		2,000
15.	India	U.S. Dollars		7,000
16.	Indonesia	U.S. Dollars		2,000
17.	Ireland	U.S. Dollars		5,000
18.	Israel	Austrian schillings.	91,000	4,764
19.	Italy	Italian lire.....	300,000,000	155,888
		Italian lire.....	7,635,180,000	4,149,368
20.	Jamaica	Jamaican dollars...	1,000	303
21.	Japan	U.S. Dollars		406,003
22.	Kenya	Pounds sterling.....	2,760	3,971
23.	Madagascar	U.S. Dollars		2,000
24.	Malta	Swiss francs.....	490	215
25.	Mexico	Mexican pesos.....	140,000	706
26.	New Zealand	New Zealand dollars.	36,000	23,652
27.	Norway	Norwegian kroner.	6,000,000	677,209
		Austrian schillings.	981,114	51,367
28.	Pakistan	Pakistani rupee....	10,000	750
29.	Panama	Panama balb	2,470	2,470
30.	Philippines	U.S. Dollars		3,300
31.	Saudi Arabia	U.S. Dollars		290,000
32.	Sweden	Swedish kroner.....	4,000,000	557,081
33.	Switzerland	Swiss francs.....	90,000	34,523
34.	Turkey	U.S. Dollars		9,994
35.	United Kingdom	Pounds sterling.....	100,000	116,700
		Pounds sterling.....	180,000	260,370
36.	UR Cameroon	CFA francs.....	1,000,000	2,336
37.	United States of America.	U.S. Dollars		2,980,000
38.	Venezuela	U.S. Dollars		2,000
39.	Zaire	U.S. Dollars		500
	Total			11,947,943

A TRIBUTE TO DR. ANTHONY TERCYAK

HON. NANCY L. JOHNSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 23, 1985

Mrs. JOHNSON. Mr. Speaker, today I would like to join the members of the Polish American Business and Professional Association in honoring the outstanding work of Dr. Anthony Tercyak. A music educator since 1959, Dr. Tercyak has devoted over 25 years of his life to teaching music to our youth. After teaching in Waterville, ME, and Darien, CT, Dr. Tercyak is currently the director of the Talented and Gifted Program for music at New Britain High School.

Dr. Tercyak is well known throughout New England as a very talented guest conductor and an outstanding example for the young people he instructs. A Polish folklore scholar, Dr. Tercyak has incorporated his love of Polish folklore with his extensive background in music. The young people of New Britain are benefiting not only from his extensive musical background, they are learning very important cultural lessons as well.

Devoted to the entire community, Dr. Tercyak is a corporator of the New Britain Boys' Club, the charter past president of the Holy Cross Parish Council, a member of the Knights of Columbus, and a member of Connecticut Music Educators.

Mr. Speaker, I am sure you will agree with the distinguished members of the Polish American Business and Professional Association and indeed all Americans that Dr. Tercyak is certainly a fine example of a selfless, devoted citizen dedicated to the youth of today and the leaders of tomorrow. I applaud his efforts and hope that others will follow his example for the good of all our country.

CONGRESSMAN GEORGE MILLER SALUTES JACK HORTON OF RICHMOND

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 23, 1985

Mr. MILLER of California. Mr. Speaker, Jack Horton has been devoted to the business of the residential development of Richmond, CA, for 34 years, starting each day with, "Good morning. It's a beautiful day in Richmond." On October 24, 1985, an era of Richmond history will come to a close. "Mr. Richmond," as Jack Horton, executive vice president of the Richmond Chamber of Commerce, has come to be known, will retire.

Jack has long been known as Richmond's biggest fan. He was raised and educated here and has been employed here since 1923. He remembers the past glory days and holds strong convictions for the good times ahead for the city. He sees Richmond as a "diamond with many facets" and has been in the forefront of polishing that diamond in his relentless pursuit of bringing business and industry to the city.

He leaves Richmond at a time when his hard work is beginning to pay off. The billion dollar development along Richmond's waterfront, overlooking San Francisco, Oakland, and the Marin County hills, is underway with new condominiums, new marinas and open space for the public. Moving up Highway 80, you see the Hilltop development, with its shopping center, new office buildings, growing residential community, and plans for a new highrise hotel. All these are part of the dream Jack has for Richmond.

The city of Richmond will surely miss his smile and good humor. I wish Jack and his wife, Josephine, a long, happy and healthy retirement. It is my hope that Jack will remain active in civic affairs to see that his dream for Richmond is fulfilled.

Jack, on behalf of myself and the residents of Richmond, which is my own hometown, we salute you. Thank you for all you have done.

NATIONAL LUPUS AWARENESS WEEK

HON. THOMAS P. O'NEILL, JR.

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 23, 1985

Mr. O'NEILL. Mr. Speaker, it is with deep concern that I rise today in recognition of National Lupus Awareness Week, which is being observed from October 20 through 26.

Systemic Lupus Erythematosus is a chronic inflammatory disease of autoimmune nature that can affect various parts of the body, especially the skin, joints, blood, kidneys, and central nervous system. Over 500,000 Americans suffer from lupus and it is estimated that 50,000 new victims are discovered each year. It can attack men, women, and children alike, however, it is most common among women of childbearing ages.

The purpose of Lupus Awareness Week is to draw the attention of all Americans to this chronic and life-threatening disease. Lack of knowledge and fear only perpetuate misunderstandings about lupus. It is not contagious and with proper diagnosis and medical care patients can lead normal and active lives. Yet, it is only with continued education and substantial research that advances in treatment and an eventual cure are possible.

It pleases me to note that many of the strides that have been made to increase public awareness and fundraising for lupus are the result of the establishment of the Lupus Foundation of American, by Henrietta Aladjem of Massachusetts. In addition to bringing lupus to national attention, the foundation provides support groups for lupus victims and their families through its 100 nationwide chapters.

As Lupus Awareness Week draws to a close, let the fight for greater education and research continue throughout the entire year. With the cooperation of government, private groups, and individual citizens, the day will soon come when lupus is a curable disease.

TIME OF REMEMBRANCE

HON. DAN MICA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 23, 1985

Mr. MICA. Mr. Speaker, I am pleased—and saddened at the necessity—to announce that today, October 23, has been proclaimed a Time of Remembrance for victims of terrorism. This day marks the second anniversary of the terrorist attack on the multinational peacekeeping mission in Beirut, Lebanon. This is a day to honor those who have died on the front lines of terrorism, a day to remember those who have been victimized by this international pestilence.

We, of course, are all cognizant of the immediate importance of this day. Leon Klinghoffer, so recently a victim of a terrorist act, remains uppermost in our minds. Terrorism is nothing less than undeclared warfare; Leon Klinghoffer was a soldier whose life was taken in the undeclared war between barbarians and civilized peoples everywhere.

The sad fact is, terrorism is on the rise: Diplomats, businessmen, tourists, unknowing bystanders, all are increasingly the targets of international terrorists who are nothing more than self-glorified hoodlums.

Terrorism will wane only when all nations undertake an unyielding policy of cooperation, of bringing terrorists to justice when possible and swiftly retaliating when appropriate. This day will serve to heighten our attention to terrorism and its victims, and hopefully to help bring about its demise. Therefore, I am proud to have been the sponsor of this resolution, and I look forward to the day when such resolutions will no longer be necessary.

A TRIBUTE TO THE HONORABLE ROBERT MUIR, JR.

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 23, 1985

Mr. COURTER. Mr. Speaker, I would like to join the members of the Morris County Bar Association in paying tribute to one of my States finest jurists, Judge Robert Muir, Jr., of Mendham.

The citizens of Morris County have been extremely fortunate to have a man of Judge Muir's caliber and dedication to serve them.

A native son of New Jersey, Judge Muir earned his bachelor of arts degree from Wesleyan University, CT, in 1954. Upon graduation, he saw active service, from 1954 through 1956, as an officer in the U.S.

Naval Reserve. With an inherent love and respect for the law, Judge Muir received a juris doctorate degree from New York University Law School in 1959. He was admitted to the practice of law in New Jersey in 1960. From 1960 to 1971, he was engaged in the private practice of law, concentrating in the field of municipal law. During that time, he represented Denville Township, Florham Park Borough, Madison Borough, Mendham Borough and several municipal planning boards.

Judge Muir's expertise and commitment to the field of law were recognized by Gov. William Cahill in June 1971, when he was appointed to the Morris County Court. Shortly after, in March 1973, Judge Muir was appointed to the superior court bench. He was assigned to the chancery division, general equity, of the Superior Court of New Jersey, for the Morris-Sussex-Warren Counties Vicinage, sitting at the court house in Morristown. He then briefly served on the bench in Union County and transferred back to Morris County in January 1974. In September 1976, he was appointed assignment judge of the vicinage by Chief Justice Hughes. The recent designation, by State Supreme Court Chief Justice, Robert N. Wilentz, of Judge Muir to the Superior Court Appellate Division, acknowledges his vast experience and compassionate approach.

Judge Muir resides with his wife, Harriet, and their three children in Mendham. They are active members of the First Presbyterian Church in Mendham, where Judge Muir is an elder.

Mr. Speaker, I join the members of the Morris County Bar Association in paying tribute to this outstanding public servant.

JOHN E. DOWLING

HON. JOSEPH J. DioGUARDI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 23, 1985

Mr. DioGUARDI. Mr. Speaker, I am proud to have the opportunity to mention the accomplishments of John E. Dowling, chairman of the board of and chief executive officer of Westchester Financial Services Corp. and the Westchester Federal Savings Bank.

Jack will be retiring at the end of this year. In his time at the helm of WFSB, he turned the institution from a small thrift bank to a billion dollar diversified financial services corporation.

Under Jack's leadership, WFSB introduced many modern services. He was the first banker to offer a money market account, the first to make a condominium loan in New York, and perhaps most importantly, the first to make a student loan.

A prime mover in professional and community service organizations, Jack heads the Westchester County League of Savings Associations and has served as chairman of the board of directors of the New York League of Savings Institutions, as New York's Governor on the National Council of Savings Institutions, as a legislative committeeman of the U.S. League of Savings Institutions and as a trustee of the New York State Bankers Retirement System

In the city of New Rochelle, he is a founder, director, and vice president of the New Rochelle Development Council and chairman of its membership committee. He has also served as president of the Downtown Association, Housing Authority commissioner, Chamber of Commerce director, Rotary Club president, and a Community Chest director for 15 years. He has also been a treasurer of the Westchester County United Fund and president of the Beechwoods Cemetery Association for 7 years and as a trustee for 21.

Jack's interest in our youth is evident by his active role as trustee of the New Rochelle Boys Club, YWCA director, treasurer, and executive committee member of Junior Achievement of Westchester and member of the executive committee of the advisory committee of the New York State Higher Education Assistance Corp. He is a founder and trustee of the Police-Youth Fishing Program for which he has raised funds for the past 16 years and has been a member of the executive board of the Hutchinson River Council of the Boy Scouts of America.

Along with his wife and two other families, Jack founded the Orthodox Presbyterian Church in New Rochelle. He served in World War II in the Pacific Theater as a master sergeant with the Marines and graduated magna cum laude with a B.S. in banking and finance from New York University.

Jack's service to my neighbors in my hometown of New Rochelle is worthy of the admiration of every Member of this body. I thank you Mr. Speaker, for the opportunity to make this statement to the American people.

TITLE X OF THE OMNIBUS BUDGET RECONCILIATION ACT OF 1985

HON. G.V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 23, 1985

Mr. MONTGOMERY. Mr. Speaker, earlier today we began debate on H.R. 3500, the Omnibus Budget Reconciliation Act of 1985. Title X of the bill relates to the Committee on Veterans' Affairs.

The eligibility reform provisions contained in title X have been strongly endorsed by the national service organizations and there follows as series of letters from the organizations who have expressed their support of the action taken by the Committee on Veterans' Affairs.

VETERANS OF FOREIGN WARS
OF THE UNITED STATES,
Washington, DC, September 24, 1985.

Hon. G.V. MONTGOMERY,
U.S. House of Representatives,
Washington, DC.

DEAR MR. MONTGOMERY: The Veterans Administration is presently turning away 25 thousand veterans a month in need of health care and dumping them on the faltering Medicare and impoverished Medicaid systems. The Administration plans to callously exacerbate this shameful situation by imposing a stringent $15,000 annual family income means test for veterans seeking care for nonservice-connected disabilities regardless of age.

A realistic and compassionate alternative to the above insensitive approach has been introduced by the Honorable G.V. (Sonny) Montgomery and the Honorable John Paul Hammerschmidt, passed by the Veterans' Affairs Committee and ordered reported. This honorable resolution of an escalating problem would establish thresholds of $25,000 for a veteran with one dependent and $19,000 for a veteran alone. Veterans exceeding either threshold could, where VA beds are available, receive needed care by making a copayment equal to that under Medicare, estimated at $476 for inpatient care in fiscal year 1986.

The Veterans of Foreign Wars has historically opposed charging war veterans for health care, but being realistic and responsible in resolving a problem due to worsen before it improves, we support the Veterans' Affairs Committee's alternative. On behalf of our two million members and all veterans, I urge you to adopt the Montgomery/Hammerschmidt alternative which will continue to provide health care with dignity for our war veterans in need.

Sincerely yours,

JOHN S. STAUM,
National Commander-in-Chief.

DISABLED AMERICAN VETERANS,
Washington, DC, October 9, 1985.

Hon. G.V. (SONNY) Montgomery,
U.S. House of Representatives, Rayburn House Office Building, Washington, DC.

DEAR CONGRESSMAN MONTGOMERY: The Veterans Administration will finally be given authority to guarantee health care services to our nation's most deserving and needy veterans should the Congress approve legislation recently reported by the House Veterans Affairs Committee—The Veterans' Compensation and Health Care Amendments of 1985 (H.R. 1538).

Earlier this year, the Disabled American Veterans urged the Veterans Affairs Committee to clearly define the scope and direction of VA health care for our nation's veterans. By reporting H.R. 1538, the House Veterans Affairs Committee has responded with a measure that both complies with the reconciliation savings mandated by the First Concurrent Budget Resolution and assures that the health care needs of the nation's service-connected and impoverished veterans are protected.

As reported, H.R. 1538 clearly defines and statutorily mandates the VA to provide health care to specific categories of veterans—service-connected disabled veterans, former prisoners-of-war, veterans exposed to herbicides or ionizing radiation, Spanish American War and World War I veterans, non-service-connected veterans receiving pension, as well as those sick and indigent veterans who are unable to pay for the cost of health care.

This legislation further provides health care, when space and resources are available, for veterans who have private medical insurance, by allowing the VA to collect from private insurance companies. Also, veterans whose incomes are above the generous "means test" limit ($25,000 for a veteran with one dependent and $19,000 for a single veteran) would only be required to pay (during any given 12 month period) a modest "co-payment" which would not exceed the amount of the inpatient deductible of the Medicare Program (approximately $476.00 in FY 1986)—a feature designed to assist those veterans who suffer from catastrophic illnesses.

On behalf of the more than one and a quarter million members of the Disabled American Veterans and its Ladies Auxiliary, I strongly urge you to actively support this fiscally responsible legislation—thus allowing the VA to continue to provide needed health care to our nation's most deserving veterans.

May we count on your support for H.R. 1538? We look forward to your reply.

Sincerly yours,

ALBERT H. LINDEN, JR.,
National Commander.

AMVETS,
Lanham, MD, September 25, 1985.

Hon. G.V. (SONNY) MONTGOMERY,
U.S. House of Representatives, Rayburn House Office Building, Washington, DC.

DEAR MR. MONTGOMERY: On March 20, 1985, in the presentation of our legislative program to a joint session of the Senate and House Veterans' Affairs Committees, AMVETS severely critized the Administration's proposal to impose on all non-service connected veterans, including those aged 65 and older, what we described as "a pauper's test in order to receive medical care from the VA".

The agreement worked out in the Senate/House Budget Conference this past August requires a $300 million cut of VA funds requested by the Administration in February. One of the ways of effecting the cut would be imposition of the "means test", cutting off non-service connected care for veterans with incomes of $15,000 or higher. On September 11, 1985 the House Veterans Affairs Committee favorably reported HR 1538, the Veteran's Compensation and Health Care Amendments of 1985. This measure, introduced by the Chairman of the Committee, G.V. (Sonny) Montgomery and Ranking Minority Member John Paul Hammerschmidt, in addition to raising compensation and DIC rates by 3.7%, would provide for non-service connected VA medical care to single veterans with annual income of $19,000 or less and veterans with one dependent with an income of $25,000 or less, increasing in $900.00 increments per additional dependent. Other non-service connected veterans who were not exposed to certain herbicides or ionizing radiation, are not former POW's World War I veterans or drawing pension would be entitled, as they now are, to space available VA medical care, but with the payment of an annual fee of approximately $476.00.

Considering the numerous and expensive subsidy programs included in the budget agreement which do not relate to veterans, and the steep annual increase of some of those programs, it is a shame that we are asked to cut corners on the VA budget which has not even kept pace with inflation and increasing demands. The Montgomery/Hammerschmidt proposal (HR 1538) does, however, represent about the most compassionate approach thus far advanced for making the cuts in the VA budget and yet preserving the effectiveness of the VA health care system. On behalf of the more than 200,000 members of AMVETS, I urge your support for the enactment of HR 1538.

Sincerely,

ROBERT A. MEDAIROS,
National Commander.

PARALYZED VETERANS OF AMERICA,
Washington, DC, October 15, 1985.

Hon. G.V. (SONNY) MONTGOMERY,
U.S. House of Representatives, Washington, DC.

DEAR REPRESENTATIVE MONTGOMERY: The Paralyzed Veterans of America would like to inform you that H.R. 1538, the Montgomery/Hammerschmidt health care proposal, has been incorporated into Title X of H.R. 3500, the Omnibus Budget Reconciliation Act of 1985. We also seek your favorable consideration and support for the provisions of Title X.

Your endorsement of Title X will acknowledge the fact that the Committee on Veterans' Affairs has met the cost-saving goals as mandated by S. Con. Res. 32, and that it has done so in such a manner that few, if any, veterans will be adversely affected. Secondly, and more importantly, Title X, if enacted, will remove the existing ambiguity of "who is eligible and who shall pay" for the health-care services currently provided by the Veterans Administration.

Title X provides a clear definition of a veteran's VA health-care eligibility. This eligibility criteria will serve all veterans well. It will ensure veterans that the existing VA health-care system will be available for their use, not only for today, but for the many unknown tomorrows which we all hope to enjoy.

As a congressionally chartered veterans' service organization, comprised almost equally of service-connected and nonservice-connected, catastrophically disabled veterans, PVA can personally attest to the need for the provisions contained within Title X. We can also attest to the dedication and concern with which Title X was crafted by its authors, the Honorable G.V. (Sonny) Montgomery and John Paul Hammerschmidt, Chairman and Ranking Minority Member of the House Committee on Veterans' Affairs, respectively. Their 34 years of congressional service to the needs of our Nation's veterans is testimony in itself of the value of Title X.

The question before you now is not "Do I support a means test for veterans?" The question is "What means test shall I support?" We encourage you to honor your colleagues, and the Nation's 28 million veterans, support Title X of H.R. 3500 when it comes up for consideration in the full House.

Sincerely yours,

RICHARD D. HOOVER,
National President.

BLINDED VETERANS ASSOCIATION,
Washington, DC, September 25, 1985.

Hon. G.V. MONTGOMERY,
Chairman, Committee on Veterans Affairs, U.S. House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Blinded Veterans Association supports the Amendment to the Compensation Health Care Bill which was offered by Representative Hammerschmidt and you.

After having reviewed the individual aspects of the amendment, we feel that it not only facilitates the reduction of the budget authority and outlays but also addresses our concerns on veterans health care in a positive manner.

We are in agreement with the outlined categories of veterans that would be eligible for VA hospital care including the income levels you have designated.

We find your plan to be more equitable in content and simpler to administer than any other plan we have seen thus far, and wish to lend our support in seeing it implemented.

Sincerely,

ROBERT ROUTH, JR.,
National President and Chairman of the Board.

VETERANS OF WORLD WAR I
OF THE U.S.A., INC.,
Alexandria, VA, October 4, 1985.

Hon. G.V. MONTGOMERY,
Chairman, Committee on Veterans' Affairs, U.S. House of Representatives, Washington, DC.

DEAR CHAIRMAN MONTGOMERY: We are in receipt of the Montgomery-Hammerschmidt Amendment to the Compensation Health Care Bill. As the newly elected and installed National Commander of the Veterans of World War I of the U.S.A., Inc., and the official spokesman for the Organization, I wish to express the sincere appreciation of the membership for their inclusion in the outlined categories of verterans.

For so many years, the World War I veterans have been overlooked and left out completely from legislation regarding our veteran population.

The original plan of the Administration to impose a $15,000.00 annual family income means test for veterans seeking care for nonservcie-connected disabilities regardless of age, has been a concern to our unique membership. Under this Amendment, the World War I veterans, service-connected or not, would be *equally* entitled to V. A. Health care, regardless of income.

Many of the World War I veterans do not have insurance through an outside source and are solely dependent on the care through the Veterans Administration.

We are therefore, pleased to state the Veterans of World War I of the U.S.A., Inc., support this Amendment and appreciate being asked to contribute our thoughts in support of this Amendment.

Sincerely,

CHARLES C. WILSON,
National Commander.

VIETNAM VETERANS OF AMERICA, INC.,
Washington, DC, October 9, 1985.

Hon. G.V. ("SONNY") MONTGOMERY,
Chairman, Committee on Veterans Affairs, U.S. House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: I am writing to express the appreciation and respect of Vietnam Veterans of America for your courageous action in developing a means test for the VA's health care system. The proposal developed by you and your colleague, Congressman John Paul Hammerschmidt, is a significant step both in maintaining the integrity of the system itself, and in addressing the enormous demand which will be placed upon VA medical care in the closing years of this century.

As you know, VVA is vitally concerned with the future of all veterans benefits and health care, particularly in light of the huge

federal deficits faced by this nation, as well as an aging veteran population which is expected to double in the next decade. Both in our appearances before the Committee and in other forums, we have suggested that the veterans community needs to carefully examine the system of benefits and services developed over the past forty years, to determine what changes need to be made to sustain programs for veterans which not only address the legitimate needs of those who served their country, but are in the overall national interests as well. To neglect such an assessment, in our opinion, invites the intercession of those whose only consideration is budget trimming, and who care little for either the veteran or the programs and services established to care for his or her needs.

There is no better illustration of this than the Administration's draconian means test proposal. As evisioned by OMB, admittance to a VA facility would be denied unless the veteran and family were at a poverty levels income. As you rightly pointed out, this might force many veterans to spend down to poverty level, exhausting what little assets they may have spent a lifetime accumulating.

Clearly, we as veterans must put our own house in order. Your proposal is an excellant indication that we are ready to do so. We applaud your efforts and look forward to working with you on the tasks before us.

Sincerely,

ROBERT O. MULLER,
President.

JEWISH WAR VETERANS OF THE UNITED STATES OF AMERICA,
Washington, DC, October 17, 1985.

Hon. SONNY MONTGOMERY,
Chairman, House Committee on Veterans Affairs, Washington, DC.

DEAR REPRESENTATIVE MONTGOMERY: After reviewing, "The Veterans Compensation and Health Care Amendments Act of 1985," I am pleased to inform you that the Jewish War Veterans of The United States of America strongly supports passage of H.R. 1538.

I would like to take this opportunity to commend the Committee on Veterans' Affairs, and you as its Chairman, for developing legislation that clearly defines the categories of veterans that the VA must provide service for. In addition, you have been able to achieve the $300 million in unspecified costs savings for fiscal year 1986 mandated by the Budget Conference Committee and still provide a cost-of-living increase of 3.7% for veterans receiving compensation for service-connected disabilities.

While we still oppose a means test for treatment of non-service connected veterans, to receive care on a space available basis, we believe that the solution offered in H.R. 1538 is far more equitable than those offered by the Administration.

Again, on behalf of the Jewish War Veterans of the U.S.A., the nation's oldest active veterans organization, we commend you and your Committee.

Sincerely,

HARVEY S. FRIEDMAN,
National Commander.

CATHOLIC WAR VETERANS OF THE UNITED STATES OF AMERICA,
Washington, DC, October 17, 1985.

Hon. G.V. MONTGOMERY,
Chairman, House Veterans' Affairs Committee, Washington, DC.

DEAR CONGRESSMAN MONTGOMERY: The Catholic War Veterans of the United States of America, Inc., support the provisions of H.R. 1538—Veterans' Compensation and Health Care Amendments of 1985, as approved by the House Veterans' Affairs Committee.

Sincerely,

WALTER DRAHAN,
National Commander.

MILITARY ORDER OF THE PURPLE HEART,
Springfield, VA, October 3, 1985.

Hon. G.V. (SONNY) MONTGOMERY,
Chairman, Committee on Veterans' Affairs, Washington, DC.

DEAR CONGRESSMAN MONTGOMERY: The enclosed letter to the Chairman of the Committee on the Budget pertaining to H.R. 1538 is for your information.

We want to thank you for your dedication and service not only to our combat-wounded veterans, but to all veterans.

We totally support you in your endeavors to provide for our veterans.

Yours in Patriotism,

RICHARD J. GALLANT,
National Service Director.

Enclosure.

MILITARY ORDER OF THE PURPLE HEART,
Springfield, VA, October 2, 1985.

Hon. WILLIAM H. GRAY,
Chairman, Committee on the Budget, U.S. House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Military Order of the Purple Heart urges you and the distinguished members of your committee to adopt the Montgomery/Hammerschmidt Amendment; H.R. 1538, Veterans Compensation and Health Care Amendments of 1985.

It is our opinion that H.R. 1538 provides the requisite cost savings as directed by your committee, without emasculating veterans' programs.

Mr. Chairman, we would be remiss if we did not state that we believe, veterans' programs overall are well managed, are a recognition of the sacrifices made by our veterans who answered our country's call to arms, and that they have and continue to provide many spin-off benefits to all of our citizens, such as the housing industry, medical field, and education.

As you know, it is possible to expostulate for hours on either side of any issue. We prefer to state to you and through you to the members of the Committee on the Budget, that one of the highest responsibilities of the members of the U.S. Congress is to provide for our combat-wounded disabled veterans, while at the same time being aware of the needs within the general veteran population and the essential desire to provide for their needs as well as the service connected disabled veteran.

Too often in times of emergencies, currently our Federal Budget Deficit, the actions taken are those that solve an immediate crisis, but not the root problem. Veterans' programs are not the root problem. There are many factors such as Domestic Economics, International Trade, Balance of Payments, Interest Rates, etc. We ask, therefore, that you and the distinguished members of your committee, with great deliberation, recognize that there has been a great amount of economizing on veterans' issues by the Committee on Veterans' Affairs, and that their proposal H.R. 1538 reflects their expertise. Further, their recommendation provides an equitable solution to the dilemma of finding cost-savings within the programs and the Federal Budget.

Mr. Chairman, there comes a time when dealing with the overall socio-economic realities of the Nation, priorities need to be established and maintained. Of all groups fitting that broad scenario, the honorably discharged service connected veteran has more than paid his dues to his country. In fact, all veterans have and should be a top priority in your committee. We have a saying here at the Purple Heart about our combat-wounded disabled veterans, "For our today . . . they gave their tomorrows." So, let all of us use our todays to provide for those essential needs as outlined in H.R. 1538.

Thank you, Mr. Chairman, for your consideration and favorable action to meet the needs of our veterans.

Yours for Patriotism,

RICHARD J. GALLANT,
National Service Director.

MARINE CORPS LEAGUE,
Arlington, VA, October 4, 1985.

Hon. G.V. (SONNY) MONTGOMERY,
U.S. House of Representatives, Washington, DC.

DEAR MR. MONTGOMERY: The purpose of this letter is to advise you that as National Director of Veterans Services, and on behalf of the National Commandant of the Marine Corps League, I am pleased to report that the League supports the Montgomery-Hammerschmidt Amendment relative to veterans health care and the reduced budget authority and outlays during the next three fiscal years.

Thank you for your continued strong interest in veterans and your support of them and their families.

Sincerely,

E. RANDALL,
National Director of Veterans Services.

FLEET RESERVE ASSOCIATION,
Washington, DC, October 4, 1985.

Hon. G.V. MONTGOMERY,
Chairman, Veterans' Affairs Committee, U.S. House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: This letter is to inform you and the Veterans' Affairs Committee of the Fleet Reserve Association's enthusiastic and complete support of the Montgomery-Hammerschmidt amendment embodying the health care provisions of H.R. 1538. I have spent the past week informing our membership of the provisions, and they are delighted to see the language of the bill and fully concur with the amendment's use of the word "shall."

We have no qualms about the means test provision and accept your explanation of how the Veterans' Administration will administer the test; as explained by you, the administrative procedures are equitable and reasonable.

The initial payment of $476 for inpatient care for any non-service-connected veteran certainly is not an unwarranted charge. As you know, for 20 years, military retirees have been assured health care in civilian medical facilities on a cost-sharing basis (CHAMPUS); therefore, we find this provision very equitable.

The Fleet Reserve Association fully supports the principle of third-party reimbursement in the field of medical care. If a veteran feels that he is entitled to health care for a service-connected health problem at government expense, then surely he can find no fault with the philosophy of third-party reimbursement because he is surely entitled to the protection of the private health insurance coverage he has either through his personally paid premiums or by virtue of his employment if the coverage is a benefit of his employment.

It is for these reasons the 168,000 Shipmates of the Fleet Reserve Association heartily endorse the provisions of H.R. 1538 and commend you and Mr. Hammerschmidt for your innovative thinking and action in assuring the continuing care of America's veterans while realistically addressing the funding of such care in a practical manner.

With best wishes for your continuing service to the veterans of the United States, the U.S. Congress and our nation, I remain sincerely in

Loyalty, Protection and Service,
ROBERT W. NOLAN,
National Executive Secretary.

HELEN HAYES—THE THEATER'S FIRST LADY IS 85 YEARS YOUNG

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 23, 1985

Mr. GILMAN. Mr. Speaker, I wish to call to the attention of our colleagues the birthday celebrated this month by one of my favorite constituents, "Rockland's Rose," Miss Helen Hayes.

Helen Hayes has been celebrated as the "first lady of the American theater" before most of us in this Chamber were born. A native of Washington, DC, she made her acting debut in 1905 with the Columbia Players here in Washington. At age 9, she gave her first New York performance on November 22, 1909, and by 1920—after touring the country as "Pollyanna"—she was recognized as a Broadway star.

The roles of Helen Hayes made memorable on the stage are too numerous to list in their entirety. In "What Every Woman Knows" in 1926, in "Coquette" in 1927, in "Mary of Scotland" in 1933, and in her role as Queen Victoria in "Victoria Regina" in 969 performances, from 1935 until 1939, in each performance aging 80 years in 2½ Khours, Helen Hayes earned a reputation as a versatile actress that many aspiring young hopefuls studied with envy and awe. She also became acclaimed in motion pictures and on television, winning Oscars in 1932 and in 1971 and delivering many performances which remain memorable to generations of viewers.

Helen Hayes has never been content to rest on her career laurels. In 1979, she received the Catholic Interracial Council of New York "Hoey" Award for her efforts to end racial discrimination by theaters throughout the Nation. The fact that Miss Hayes led this fight in the 1940's—long before it was fashionable or politically acceptable to do so—adds further luster to this honor.

Helen Hayes is also recognized as a spokesperson for the elderly. She was quoted in the Washington Times a few years ago as saying:

It's hard for some people to say "the elderly" or "the old," but not for me, because I just know I am old and that's nice. I just think any ducking of the issue is depressing to me.

Helen Hayes is a well-known lobbyist and fundraiser for countless worthy organizations, including the Actors Fund of America Home in Englewood, NJ.

Undoubtedly, however, her favorite cause is the Helen Hayes Hospital in Haverstraw, NY. Thousands of patients lead happy lives today because of the efforts of Helen Hayes to raise funds over the years for this modern rehabilitation facility.

Miss Hayes has been a resident of Nyack, NY, for nearly 50 years. She moved to the beautiful Hudson River Valley with her late husband, the playright Charles MacArthur, soon after their marriage, and remains our good Rockland County neighbor until this day.

Earlier this month, all of Rockland County and the surrounding region joined in celebrating as Helen Hayes became 85 years young. In this tribute to Helen Hayes, President Reagan said:

. . . She is ever and always a lady, a lady of warmth and kindliness, as eternally feminine as she was when she captured the hearts of all who saw her on stage or screen . . . she was a superb actress . . . there was beauty and an inner light that was Helen Hayes herself shining through every role she played.

Mr. Speaker, I invite my colleagues to join with me in saluting Helen Hayes, a beautiful, talented actress, a dedicated humanitarian, and a great American.

THE 100TH ANNIVERSARY OF THE NEW ROCHELLE POLICE DEPARTMENT

HON. JOSEPH J. DioGUARDI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 23, 1985

Mr. DIOGUARDI. Mr. Speaker, I am honored to have the privilege to speak on behalf of the Police Association of New Rochelle on the occasion of the 100th anniversity of the city police department.

Throughout the years, those of us who are lucky enough to live in the Queen City on the Sound, have been proud of the efforts of the New Rochelle Police Department and their continuing work on behalf of our city.

I am also proud to make some brief comments about the two dinner honorees. Hon. Carl Vergari, our district attorney, and Hon. Rudolph Giuliani, our U.S. attorney for the southern district of New York.

Carl will be this year's recipient of the Life Achievement Award. His efforts on behalf of Westchester's taxpayers and law abiding citizens are countless in his nearly 20 years as our chief law enforcement official in Westchester.

Rudy will be this year's recipient of the Crimebuster of the Year Award. A tireless soldier in the battle against organized crime, he has done this thankless job with much hard work and tireless dedication.

I can think of no more appropriate occasion for these two fine men to be honored under the same roof. To Rudy, Carl, and the men and women of the New Rochelle Police Department, I salute you. Thank you, Mr. Speaker.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, October 24, 1985, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

OCTOBER 25

9:30 a.m.
Environment and Public Works
Toxic Substances and Environmental Oversight Subcommittee
To hold hearings on the impact of lead phasedown on farm vehicles and heavy duty engines.
SD-406

OCTOBER 28

9:30 a.m.
Finance
Health Subcommittee
To hold hearings on S. 1551, to provide for administrative appeals and judicial review under Part B of Medicare, and to review the beneficiary and provider appeals provisions under Parts A and B of the Medicare program.
SD-215

OCTOBER 29

9:30 a.m.
Commerce, Science, and Transportation
To hold oversight hearings on the implementation of the Motor Carrier Safety Act (P.L. 98-554).
SR-253

*Judiciary
Constitution Subcommittee
To resume hearings on S. 1580, to revise federally mandated attorneys' fees applicable to civil, criminal, and administrative proceedings involving the United States and civil proceedings involving State and local governments.
SD-538

Labor and Human Resources
Handicapped Subcommittee
To hold hearings on the Tenth Anniversary of the Education for All Handicapped Children Act (P.L. 94-142).
SD-430

Rules and Administration
Business meeting, to consider S. 581, to authorize construction of facilities for the Whipple Observatory in Arizona and to authorize repair and replacement of facilities at the Tropical Research Institute in Panama, S. 582, to authorize funds for museum programs of the Smithsonian Institution, S. 583, to authorize funds for construction of additional facilities for the Cooper-Hewitt Museum in New York, S. Res. 28, S. Res. 29, and S. Res. 81, measures to set forth regulations to implement television and radio coverage of Senate Chamber proceedings, and administrative business.
SR-301

10:00 a.m.
Armed Services
Defense Acquisition Policy Subcommittee
To resume oversight hearings to review the status and impact of certain legislative provisions to reform the defense acquisition process.
SD-628

Energy and Natural Resources
Public Lands, Reserved Water and Resource Conservation Subcommittee
To hold hearings on S. 1107, to authorize the Society of the Third Infantry Division to erect a memorial in the District of Columbia or its environs, S. 1223, to authorize the erection of a memorial on Federal land in the District of Columbia or its environs to honor members of the Armed Forces of the United States who served in the Korean War, S. 1379, to authorize the erection of a monument given to the American people as a gift of the Kingdom of Morocco, on public grounds in the District of Columbia, S.J. Res. 143, to authorize the Black Revolutionary War Patriots Foundation to establish a memorial in the District of Columbia at an appropriate site in Constitution Gardens, S.J. Res. 184, to authorize the Korean War Memorial, Inc. to erect a memorial in the District of Columbia, and S.J. Res. 156, to authorize a memorial to women who served in the armed forces to be erected in the District of Columbia.
SD-366

Governmental Affairs
Permanent Subcommittee on Investigations
To hold hearings on the Federal enforcement of the Bank Secrecy Act (title 31 of the U.S. Code).
SD-342

Judiciary
To hold hearings on S. 1335, Money Laundering and Related Crimes Act of 1985.
SD-226

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
Business meeting, to mark up provisions of H.R. 3228, appropriating funds for fiscal year 1986 for foreign assistance and related programs.
S-126, Capitol

OCTOBER 30

9:30 a.m.
Environment and Public Works
To hold oversight hearings on the Department of Energy's high-level radioactive waste disposal program.
SD-406

Judiciary
Criminal Law Subcommittee
To hold hearings on S. 440, Computer Systems Protection Act of 1985, and other computer fraud related measures.
SD-226

Judiciary
Patents, Copyrights and Trademarks Subcommittee
To hold hearings on S. 1739, Home Audio Recording Act.
SD-562

Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

10:00
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Labor and Human Resources
Children, Family, Drugs, and Alcoholism Subcommittee
To hold hearings on the effects of domestic violence.
SD-628

Select on Indian Affairs
Business meeting, to mark up S. 1684, to declare that the U.S. holds certain Chilocco Indian School lands in trust for the Kaw, Otoe-Missouri, Ponca, and Tonkawa Indian Tribes of Oklahoma, S. 1728, to authorize the Cherokee Nation of Oklahoma to lease certain lands held in trust for up to ninety-nine years, S. 1298, to coordinate and expand services for the prevention, identification, and treatment of alcohol and drug abuse among Indian youth, S. 1621, to revise the Indian Education Act Amendments of 1978, by defining the eligibility of children who attend the Bureau of Indian Affairs funded schools, and S. 1396, to settle unresolved claims relating to certain allotted Indian lands on the White Earth Indian Reservation in Minnesota.
SD-138

Conferees
On H.R. 3036, appropriating funds for fiscal year 1986 for the Department of the Treasury, U.S. Postal Service, Executive Office of the President, and certain independent agencies.
H-164, Capitol

1:00 p.m.
Judiciary
Courts Subcommittee
Business meeting, to mark up S. 704, to establish an Intercircuit Panel of the United States Courts of Appeals to decide cases referred by the U.S. Supreme Court.
SD-226

2:00 p.m.
Judiciary
To hold hearings on pending nominations.
SD-226

OCTOBER 31

9:30 a.m.
Agriculture, Nutrition, and Forestry
To hold hearings on the financial condition of the farm credit system, and to discuss possible legislative remedies.
SR-328A

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on S. 240, to start daylight savings time on the first Sunday of March, and S. 1433, to start daylight savings time on the first Sunday of April and to end it on the first Sunday of November.
SR-253

Labor and Human Resources
Employment and Productivity Subcommittee
To resume hearings on the impact of trade on employment and productivity.
SD-430

10:00 a.m.
Small Business
To hold oversight hearings on activities of the Small Business Administration's Office of Veterans Affairs.
SR-428A

2:00 p.m.
Appropriations
Business meeting, to mark up H.R. 3327, appropriating funds for fiscal year 1986 for military construction programs of the Department of Defense, and provisions of H.R. 3228, appropriating funds for fiscal year 1986 for foreign assistance and related programs.
SD-192

Joint Library
To hold a general business meeting.
H-328, Capitol

4:00 p.m.
Select on Intelligence
Closed briefing on U.S. intelligence monitoring capabilities.
SH-219

NOVEMBER 1

9:15 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold oversight hearings on the implementation of the Staggers Rail Act (P.L. 96-448).
SR-253

9:30 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on the financial condition of the farm credit system, and to discuss possible legislative remedies.
SR-328A

NOVEMBER 4

9:30 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To resume oversight hearings on the implementation of the Staggers Rail Act (P.L. 96-448).
SR-253

NOVEMBER 5

9:30 a.m.
Rules and Administration
To hold hearings on proposed legislation to provide for public financing of Senate general election campaigns.
SR-301

NOVEMBER 6

10:00 a.m.
Judiciary
Administrative Practice and Procedure Subcommittee
Courts Subcommittee
To hold joint hearings on farm bankruptcy.
SD-628

2:00 p.m.
* Commerce, Science, and Transportation
Communications Subcommittee
Science, Technology, and Space Subcommittee
To hold joint hearings on the space world administrative radio (WARC).
SR-253

NOVEMBER 7

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on insurance and space commercialization.
SR-253

NOVEMBER 8

9:15 a.m.
Finance
Health Subcommittee
To hold hearings on a Department of Health and Human Services report on proposed reform of the Federal hospital insurance program (Medicare Part A) method of paying for capital costs.
SD-215

9:30 a.m.
Energy and Natural Resources
Natural Resources Development and Production Subcommittee
To hold hearings on S. 570, S. 372, S. 946, and S. 913, bills to improve the administration of the Federal coal leasing program, and other coal related issues.
SD-366

NOVEMBER 12

9:30 a.m.
Governmental Affairs
Permanent Subcommittee on Investigations
To resume hearings on espionage activities in the United States.
SD-342
Labor and Human Resources
Employment and Productivity Subcommittee
To resume hearings on the impact of trade on employment and productivity.
SD-562

NOVEMBER 13

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold oversight hearings on LANDSAT commercialization.
SR-253
Labor and Human Resources
To hold hearings on nutrition and fitness in public health.
SD-430

NOVEMBER 14

9:30 a.m.
Commerce, Science, and Transportation
Business meeting, to consider pending calendar business.
SR-253
Governmental Affairs
Permanent Subcommittee on Investigations
To resume hearings on espionage activities in the United States.
SD-342

10:00 a.m.
Energy and Natural Resources
To hold oversight hearings on the President's July 8, 1985 National Defense Stockpile "modernization" proposal and its potential impact on the domestic mining industry.
SD-366
Governmental Affairs
Intergovernmental Relations Subcommittee
To hold oversight hearings on regulatory activities of the Office of Management and Budget.
SD-562
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
Business meeting, to mark up proposed legislation authorizing funds for programs of the Higher Education Act.
SD-430

NOVEMBER 15

10:00 a.m.
Environment and Public Works
Toxic Substances and Environmental Oversight Subcommittee
To resume oversight hearings on ground-water level and use and on ground-water quality and flow in the United States.
SD-406

NOVEMBER 18

9:15 a.m.
Finance
Health Subcommittee
To hold hearings on the Federal supplementary medical insurance program (Medicare Part B) payments for physician services, focusing on efforts by the Department of Health and Human Services and others to assess the current payment mechanism and develop reform options.
SD-215

NOVEMBER 19

9:30 a.m.
Energy and Natural Resources
To hold hearings on S.J. Res. 192, to authorize financial assistance for the Northern Mariana Islands.
SD-366

10:00 a.m.
Commerce, Science, and Transportation
Business, Trade, and Tourism Subcommittee
To hold hearings on the promotion of domestic tourism.
SR-253

Office of Technology Assessment
The Board, to meet to discuss pending business.
EF-100, Capitol

NOVEMBER 21

9:30 a.m.
Energy and Natural Resources
Energy Regulation and Conservation Subcommittee
To hold oversight hearings to review Federal Energy Regulatory Commission Order 436, final rule and notice requesting supplemental comments on regulation of natural gas pipelines after partial wellhead decontrol (Docket No. RM85-1-000).
SD-366

DECEMBER 10

10:00 a.m.
Environment and Public Works
Toxic Substances and Environmental Oversight Subcommittee
To hold oversight hearings on environmental effects of global atmospheric warmings.
SD-406

CANCELLATIONS

OCTOBER 24

10:00 a.m.
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To resume hearings on proposed legislation authorizing funds for programs of the Higher Eduction Act.
SD-430

11:00 a.m.
Appropriations
Military Construction Subcommittee
Closed business meeting, to mark up H.R. 3327, appropriating funds for fiscal year 1986 for military construction programs of the Department of Defense.
SD-116

HOUSE OF REPRESENTATIVES—*Thursday, October 24, 1985*

The House met at 10 a.m. and was called to order by the Speaker pro tempore [Mr. WRIGHT].

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
October 23, 1985.

I hereby designate the Honorable JIM WRIGHT to act as Speaker pro tempore on Thursday, October 24, 1985.

THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives.

PRAYER

Rabbi Lynne Landsberg,, Temple House of Israel, Staunton, VA, and Beth El Congregation, Harrisonburg, VA, offered the following prayer:

Lord, this day, be with those whom we have chosen to lead us. We pray this morning for all men and women who hold positions of responsibility in our national life. Let Your blessing rest upon them. Allow them to listen to each other with open minds and hearts so that they may be responsive to Your will—that our Nation be to the world an example of justice and compassion.

Cause each of us to see clearly that the well-being of our Nation is in the hands of all its citizens. Deepen our love for our country and our desire to serve it. Teach us to uphold its good name by our own right conduct.

Lord, You are the Lord of all nations and parent to all creation. Help us to understand that freedom is a worldwide right that when guarded for only a select few is in itself defeated.

Imbue us, therefore, with zeal for the cause of liberty in our own land and in all lands so that all who live on this Earth may find freedom, prosperity, contentment, and peace—their heritage as children of God.

We rejoice in the variety of perspectives that constitutes this House of Representatives. We rejoice in the pluralism that defines our country. And on this, the 40th anniversary of the United Nations, we rejoice in the spectrum of cultures that colors the entire human family. For the joy of community, for the gift of diversity, and for the vision of harmony, we offer our grateful thanks.

"Baruch atah adonai elohenu melech haolam shehechehyanu, v'keeyihmanu, v'higiyanu, lazman hazeh." Blessed are You, O Lord, our God, who gives us life, sustains us, and has brought us in health to the tasks of this day. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

RABBI LYNNE LANDSBERG

(Mr. OLIN asked and was given permission to address the House for 1 minute.)

Mr. OLIN. Mr. Speaker, it is with great pleasure that I rise to introduce Members of the House to Rabbi Lynne Freyda Landsberg, who is our guest chaplain today.

Rabbi Landsberg was among the first 30 women ordained as rabbis in the United States. She came to the Shenandoah Valley of Virginia last year to serve a seven-county area. She is the valley's only rabbi and first woman in that position. Her congregations are Temple House of Israel in Staunton and Congregation Beth El in Harrisonburg.

She comes to our valley with an impressive educational background: bachelor of science in education from Boston University, master of theological study at Harvard Divinity School, and master of arts in Hebrew literature from Hebrew Union College, Jewish Institute of Religion.

While maintaining a heavy schedule in professional activities, both locally and nationally, she is also taking a very active part in the cultural life of our valley and we are proud that she has been honored by being selected to be here today.

PERMISSION TO MODIFY LATTA AMENDMENT TO H.R. 3500, OMNIBUS BUDGET RECONCILIATION ACT OF 1985

Mr. LATTA. Mr. Speaker, I ask unanimous consent to strike from my amendment which appears on page H8910 of the CONGRESSIONAL RECORD of October 17, 1985, the following, "Page 481, strike out line 1 and all that follows through line 6 on page 486." and insert in lieu thereof the following: "On page 482, line 11, strike out "1986" and insert "1988." "; "Strike out section 10025 and subtitle C of title X (page 537, line 17, through page 545, line 8)."; and all the conforming amendments to page 486 through 494.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

FREEDOM TO EXERCISE RELIGION IN PUBLIC PLACES

(Mr. ARMEY asked and was given permission to address the House for 1 minute.)

Mr. ARMEY. Mr. Speaker, Thomas Jefferson was in France when James Madison finally got the Virginia General Assembly to adopt a statute for religious freedom. Jefferson had written this statute 7 years earlier and said that getting it passed was "the severest contest in which I have ever been engaged."

This statute put in words the idea of separation of church and state. Today, this separation doctrine is being used to restrict religious freedom.

What better way to understand what Jefferson meant in the statute than to listen to his own words:

> That no man shall be compelled to frequent or support any religious worship, place, or ministry whatsoever, nor shall be enforced, restrained, molested, or burthened in his body or goods, nor shall otherwise suffer on account of his religious opinions of belief * * *.

Mr. Speaker, what Mr. Jefferson wanted for Americans was not freedom from religion, but freedom to pursue religion wherever their conscience led.

Many Americans feel compelled to exercise this freedom in public places. I seriously doubt Mr. Jefferson would object.

GIVE OUR YOUNG PEOPLE JOB OPPORTUNITIES

(Mr. COMBEST asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COMBEST. Mr. Speaker, summer jobs play an extremely important role in the future of any young person. In addition to the monetary benefits received, summer employment demonstrates responsibility and ambition to prospective future employers.

Unfortunately, youth unemployment remains high, particularly for minorities. Some of these young people do not have the skills necessary to earn the minimum wage and are unable to secure jobs even during the

summer when youth employment is at a peak.

There is a proposal currently pending in the House that would help to alleviate this unemployment problem. H.R. 1811, the Youth Employment Opportunity Wage Act of 1985, would allow employers to hire youths at $2.50 per hour during the summer months. This legislation has built-in safeguards to prevent displacement of regular employees in favor of the subminimum wage earners.

I encourage my colleagues to join me in cosponsoring H.R. 1811 which is endorsed by the National Federation of Independent Business, the U.S. Chamber of Commerce, and other organizations. We must give our young people the opportunity to obtain the experience that will ultimately fortify our Nation's work force.

FARM CREDIT SYSTEM

(Mr. VALENTINE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VALENTINE. Mr. Speaker, I think all of us here today realize the immensity of the crisis which America's farmers are currently facing, not only because of the depressed agricultural economy, but because of the farm credit crisis as well. Every day we see news stories about farmers across this great Nation being forced to leave their farms, family farms which may have been handed down from generation to generation, because they are unable to pay their mounting debts caused by rising interest rates and depressed commodity prices.

It is because of the pain I have seen in the faces of these farmers that I stand here today imploring this body to join me in supporting House Concurrent Resolution 190. The Farm Credit System is in urgent need of repair, and it is vital that the proposed National Commission on the Farm Credit System be approved without further delay.

This crisis will not go away overnight. It is only going to get worse unless direct and immediate action is taken by the President in conjunction with Congress. Because the proposed Commission would report its findings and recommendations to the President and Congress within 3 weeks of its creation, the Farm Credit System could soon be on a path toward recovery, ending the uncertainty and destabilization that has victimized the agricultural economy in recent years.

YOUTH OPPORTUNITY WAGE ACT

(Mr. SCHUETTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHUETTE. Mr. Speaker, I rise today in support of the Youth Opportunity Wage Act, and would urge my colleagues and 69 other Members of the House who joined with me in sponsoring this piece of legislation to join in and be a sponsor of this important tool to reduce the high teenage unemployment that is gripping this Nation because we see teenagers, young people under 20, frozen out of the job market today. This legislation would permit and would have safeguards so we do not displace or discharge or transfer existing jobholders. By sponsoring this legislation and passing this legislation we would give young people an opportunity for a job. We would give young people an opportunity for career development and we would be giving young people hope for a better future.

So, Mr. Speaker, I urge my colleagues to join with me in sponsoring the Youth Opportunity Wage Act.

I thank the Speaker.

NUCLEAR TECHNOLOGY IN THE HANDS OF TERRORISTS

(Mr. BURTON of Indiana asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BURTON of Indiana. I thank the Speaker.

And now for the bone-chilling tale of the day: Mr. Speaker, we have agreed to sell to the Red Chinese nuclear technology, and it was reported in the news today that they have been selling nuclear technology to Iran. The Ayatollah Khomeini, one of the leading advocates of terrorism in the world, is going to get from our friend, Red China, nuclear technology. Can you imagine that? I certainly cannot. There are two things that come to mind when I think about this: No. 1, we sure need the strategic defense initiative. If Ayatollah Khomeini gets a delivery system and has nuclear technology and can develop a nuclear bomb, he can launch it whenever he wants to with his terrorist ideas at the United States of America. So we need the strategic defense initiative. Second, we should reevaluate our policy of doing business with the Red Chinese, especially where nuclear technology is concerned, if they are going to be selling that same technology to terrorists.

□ 1015

FIRST COLUMBUS LANDING ON U.S. TERRITORY

(Mr. DE LUGO asked and was given permission to address the House for 1 minute.)

Mr. DE LUGO. Mr. Speaker, I will bet that many of my colleagues would be hard pressed to tell you where the first Columbus landing took place—on territory that is now under the U.S. flag. But any U.S. Virgin Islander would be proud to inform you that our islands hold that distinction.

During the second voyage to the New World, on November 14, 1493, Columbus landed on the island of St. Croix. He was sailing on the ship *Mariagalante* along with 16 other vessels. He named the island "Santa Cruz," now known as St. Croix, after the Feast Day of the Holy Cross. There Columbus found a settlement of several hundred native Indians, known to us as the Caribs.

The people of the U.S. Virgin Islands take great pride in this historic encounter. In preparation for the quincentennial celebration planned for 1992, the Christopher Columbus Jubilee Committee was formed in St. Croix this year to bring national attention to our role in the Columbus discoveries. The committee has already petitioned for a commemorative stamp and coin to mark the occasion.

I share their enthusiasm because a greater understanding of all of the U.S. territories and their role in this Nation's history is needed. Any commemorative marking of the St. Croix landing would serve as an excellent educational vehicle in chronicling the role of the West Indies in the discovery of the New World. It would also serve, just as importantly, to bring attention to the strategic importance the Virgin Islands maintain as a democratic role model for this Nation in the Caribbean Basin.

THE GRAMM-MACK PROPOSAL

(Mr. MONSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MONSON. Mr. Speaker, although balancing the budget is not a new idea, legislation which forces discipline on Congress is a new idea.

As a CPA, I am shocked by the Federal Government's budgeting practices. They ignore the most basic, commonsense accounting principles. There is simply no correlation between how much money is taken in and how much is spent. I would be willing to bet that nearly every family in this country has better sense than the Federal Government when it comes to watching pennies and balancing a budget. In fact, if a family followed Congress' example, their finances would be in the worst state of turmoil imaginable.

The Gramm-Mack proposal is one big step toward revamping the budget process. It may help put some new words into the congressional vocabulary. Such words as "restraint," "discipline," "reason," and perhaps a new definition of the word "budget." The word "budget" in Congress has never

meant balancing debits and credits. I'm not convinced Congress has ever understood that definition.

We need a balanced budget. We need fiscal discipline. We must enact the Gramm-Mack proposal immediately. And we must follow that up with a balanced budget amendment for future generations as well.

THE PROPOSED ARMS SALE TO JORDAN

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, on May 14, 1948, Jordan joined Syria and four other Arab countries in a combined attack against Israel. Since 1948, Jordan has taken some form of military action against Israel five additional times.

Technically, Israel and Jordan are still at war.

Today I rise to express my strong opposition to the administration's proposed arms sale to Jordan. This is one crazy way to try and deal with our trade problem. I do so because I believe it harms both the United States and Israel interests in the Middle East.

It reduces the incentives for King Hussein to enter the peace process. It escalates an already staggering arms race in the region and increases the likelihood of another conflict. Until the King makes peace with Israel, a Jordanian arms buildup adds to the threat to the Jewish state. The King has moved away from the idea for direct negotiations between Jordan and Israel, and instead is proposing negotiations between the United States and the PLO.

Finally, the King's emphasis on this policy is additional evidence that he is not ready for face-to-face negotiations with Israel at all.

I believe with these conditions in place we cannot provide Jordan with any additional arms until real and meaningful dialog for peace is underway.

Again, this is one crazy way to look at our trade problem.

THE GRAMM-RUDMAN-MACK DEFICIT REDUCTION PROPOSAL

(Mr. KOLBE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KOLBE. Mr. Speaker, it was inevitable. The vigorous counterattack against enactment of the Gramm-Rudman-Mack deficit reduction plan is underway.

Letters, mailgrams and phone calls from interest groups are pouring in. The media has weighed in with a hand-wringing editorial campaign against its enactment. Even the administration has said that it is not sure it likes Gramm-Rudman-Mack because of the limits it could put on the needed defense buildup.

There is just one group that remains to be heard from: The American people. They know we're spending too much. They know we have demonstrated an uncontrollable urge to spend even more. And they want something done to stop it.

In my own State of Arizona in 1980, the people adopted strict limitations on spending and taxation. They put a stop to a government whose spending habits were growing faster than their earning abilities. And it works.

Gramm-Rudman-Mack isn't perfect. It doesn't solve all problems and those it does tackle, it doesn't do perfectly. But it does give us a chance to curb spending. It gives hope to our children and grandchildren that we won't spend them into oblivion.

Mr. Speaker, I hope the conference committee will very soon report strong measures to curb spending and cure our deficits.

YOUTH UNEMPLOYMENT OPPORTUNITY WAGE ACT OF 1985

(Mr. OXLEY asked and was given permission to address the House for 1 minute.)

Mr. OXLEY. Mr. Speaker, ask any teenager: Would you rather have a job paying about a dollar an hour less than the minimum wage or no job at all?

Having a job comes out on top every time.

Unemployment for those age 16 to 19 has been consistently higher than the overall unemployment rate. To encourage employers to hire youth age 19 and under from May 1 to September 30, I urge my colleagues to support H.R. 1811, the Youth Employment Opportunity Wage Act of 1985, introduced by the gentleman from Mississippi, Mr. TRENT LOTT.

The U.S. Labor Department has estimated that up to half a million new jobs would be created for unemployed youth if this proposal to reduce the minimum wage during the summer were implemented.

Youth unemployment is a national concern and we must work toward making Government-created wage rates more flexible to enable young people to find jobs and gain valuable work experience. Congressman LOTT's bill will achieve this purpose.

The status quo has failed miserably. Let's give youth opportunity wage a chance.

UNITED STATES-JAPANESE TRADE

(Mr. RICHARDSON asked and was given permission to address the House for 1 minute.)

Mr. RICHARDSON. Mr. Speaker, this week at the United Nations another summit meeting is scheduled between the President and Prime Minister Nakasone of Japan. Like most summits, that our two leaders have had, once again there will be smiles and promises—and on the Japanese side, no action.

Mr. Speaker, for 2 years the Prime Minister of Japan has promised to "Buy America"; he has promised export reductions; access to Japanese markets. He has made many promises that he failed to deliver on. He has made promises on better treatment of U.S. wood products, pharmaceuticals, telecommunications and many other items, and he has not delivered. Lots of promises, and smoke and mirrors, but no concrete action except smiles and rhetoric.

Last week our negotiators on telecommunications were rebuffed by the Japanese in Tokyo. Japan is a friend and ally, but once again we must stop and say: How many more times are we going to get smiles and promises from Mr. Nakasone and Japan? The Congress waits and waits—if this wait continues and there is no action on the Japanese side, Mr. Nakasone's smiles will soon turn to frowns.

MEMBERS URGED TO VOTE FOR LATTA AMENDMENT TO H.R. 3500

(Mr. SNYDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SNYDER. Mr. Speaker, yesterday during general debate of the Reconciliation Act, the leadership of the Public Works Committee recommended strongly a vote against both the Latta amendment and the Fazio amendment on the basis of the fact that the Latta amendment took the trust funds for highways and aviation that we were proposing to take out of the unified budget and leave them in the unified budget.

Earlier today, by unanimous consent, the gentleman from Ohio changed his amendment so that the trust funds will come out of the unified budget beginning in fiscal year 1989.

As far as I am concerned, that takes away any objection that I have to the Latta amendment, and I would urge our Republican members of the Public Works Committee who had committed to a vote against Latta for that reason to now support the Latta amendment but to vigorously oppose the Fazio amendment.

I yield to the gentleman from New Jersey [Mr. HOWARD].

Mr. HOWARD. I thank the gentleman for yielding.

Mr. Speaker, I will like to say that we spent the last several days urging the members to oppose the Latta amendment and the Fazio amendment based on this highway trust fund and airway and transit trust fund provision that we have, and we do find that that has been amended satisfactorily in the Latta amendment. Now, there may be many reasons that many of us on both sides of the aisle would want to oppose the Latta amendment but not on the Public Works position; however, we would urge Members to still strongly oppose the Fazio amendment should that come up during the deliberations.

TERRORISM MUST NOT BE TOLERATED

(Mr. BRYANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BRYANT. Mr. Speaker, every American is justifiably appalled by the repeated acts of terrorism directed at our citizens, allies, and other innocent people around the world by international criminals. The latest of these barbarous acts—the sea-jacking of a cruise ship and the indefensible murder of a defenseless American citizen confined to a wheelchair demanded swift and effective response.

Our immediate strong pursuit and capture of these criminals by air was justified, effective, and long overdue. But we must do more still to stop terrorism.

The four terrorists responsible for this heinous crime have been apprehended and will be brought to justice. This will, I hope, send a clear signal to others who have planned and executed such terrorist acts that the United States—and presumably her allies—will not tolerate bombings, hijackings, kidnapings, or killings such as those we have witnessed in recent years without an immediate response.

Bringing a handful of terrorists to justice and insuring that the punishment they receive fits the dastardly crimes they committed, however, is not enough.

Those who masterminded this awful plot against all civilized morality remain free and are no doubt plotting terrorist acts of retribution for America's unified strong stand against these four international criminals.

We must take even stronger and more far-reaching action still to help insure that terrorists can have no place to hide. We must make certain that those nations which aid and abet their efforts—whether through fear or complicity—know that we in America mean business.

Not only am I in support of the action we took in capturing these hijackers, despite the considerable risks involved, but I have also joined with several of my colleagues in the Congress in working to increase our ability to fight terrorism.

I have cosponsored legislation to terminate all forms of U.S. assistance to any nation that has an opportunity to prosecute international terrorist acts, but fails to do so. The legislation also directs the President to develop a plan, in cooperation with our Western allies, to respond swiftly and certainly to terrorist incidents, to obtain and distribute accurate intelligence concerning terrorists threats, resolve any crises resulting from terrorist incidents.

So long as there is one nation on Earth where terrorists are safe to pursue their madness, no individual, group, or country is secure. So I also propose that, in concert with the civilized nations of the world, we offer a sizable reward for the apprehension, prosecution, and conviction of any person involved in the planning or execution of any terrorist act.

International terrorism constitutes one of the gravest and most serious threats to free and open societies. Not only must we begin taking the strong steps necessary to protect our own people, but we must let the world know that we regard failure to act against terrorism and its perpetrators as an act of hostility toward civilization.

PERSONAL EXPLANATION

Mr. ST GERMAIN. Mr. Speaker, in the October 23, 1984, issue of the CONGRESSIONAL RECORD I am recorded as having missed rollcall No. 368 on the Health Research Extension Act. I know full well I put my card in and went over to the Senate for a meeting, but unfortunately it did not record. I just want it noted in the RECORD that I did vote for it, I thought. But that is the electronic voting for you.

THE LATTA AMENDMENT TO H.R. 3500

Mr. ST GERMAIN. Mr. Speaker, I am very disappointed in what happened a little earlier today. I am disappointed that the leadership could not have alerted us to the fact that it was going to happen. I am chagrined to hear that since Public Works now has been taken out of the Latta amendment that the members of the Public Works Committee might well go the other way. We will be watching the vote very closely, those of us on the Banking Committee, and we hope that the people on Public Works will not forget what almost happened to them and not do it to us and not allow us to have a housing bill to go to the Senate so that the Senate will indeed consider a total housing bill. We will discuss this a little further in the debate on the Latta amendment.

□ 1030

UNEMPLOYMENT AMONG OUR YOUNG AMERICANS REMAINS A SERIOUS PROBLEM

(Mr. BILIRAKIS asked and was given permission to address the House for 1 minute and to extend his remarks.)

Mr. BILIRAKIS. Mr. Speaker, in March of this year President Reagan urged the Congress to enact H.R. 1811, the Youth Employment Opportunity Wage Act of 1985. I share the President's opinion that providing adequate employment opportunities for our young people is a longstanding problem. In these times of economic prosperity, we tend to forget that unemployment among young Americans, particularly blacks and Hispanics, remains a serious problem.

The minimum wage has most hurt unskilled youth by pricing them out of the job market, at a time when they need to learn good work habits, responsibility, and acquire skills that will help them become upwardly mobile. H.R. 1811 would create a youth minimum wage effective for the months of May through September. During this period employers may not fire or demote other employees to take advantage of the special minimum wage level, and the Secretary of Labor would be required to monitor the program and report to the Congress on its effectiveness.

Our young people would learn the basic ingredients of success through the development of job skills. Their contributions will help insure the continued strength of our economic and political system, a system which requires the participation of all Americans. I feel that our young people are in need of this opportunity, and the Congress is in a position to make it possible.

REJECTION OF THE LATTA AMENDMENT URGED

(Mr. GRAY of Pennsylvania asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GRAY of Pennsylvania. Mr. Speaker, unfortunately something has taken place this morning which I think really is not fair and does not serve the process of this House well.

There were going to be amendments that were offered during the reconciliation process which have been decided upon by the Rules Committee, but unanimous-consent was requested to take the trust funds and put them off budget in 1989, as I understand it, as a part of the Latta amendment.

I would like to say that if I had been present and on the floor, I would have objected to that, and therefore, I will urge Members of this body to oppose Latta, if they are serious about budgeting, if they are serious about keeping everything in the budget. How can you take off three major trust funds? And if you take those off, you better be prepared to take the rest of the trust funds off of the budget as well.

I am extremely disappointed that the Member who made that unanimous-consent request, who is also a member of the Budget Committee, never conferred with the Chair to find our position. So therefore I am forced to oppose that unanimous consent request by urging the rejection of the amendment which will be offered later by the gentleman from Ohio, the Latta amendment.

Mr. HOWARD. Mr. Speaker, will the gentleman yield?

Mr. GRAY of Pennsylvania. I yield to the gentleman.

Mr. HOWARD. I thank the gentleman for his statement, and I have stated myself that does not mean the Members of the Public Works Committee are automatically going to be supporting the Latta amendment, including myself.

I would just like to ask the gentleman one question: Is it not true that the Budget Committee, having received from the Public Works Committee the provision that takes trust funds off budget, did submit the reconciliation bill to the Rules Committee with no recommendations one way or the other concerning the trust fund?

Mr. GRAY of Pennsylvania. The Budget Committee voted 22 to 7, including the Member who made the unanimous-consent request this morning, to submit as the Budget Act calls for, the entire reconciliation package. The Budget Committee does not have the ability to offer anything submitted by the committees under reconciliation.

We have a ministerial duty which passes it to Rules. Rules then decided whether or not to allow amendments. The Rules Committee in its wisdom decided to allow three amendments. There would be ample opportunity to debate the question of new authorizations. There would be an opportunity to debate the question of keeping the trust funds on. There would also be an opportunity to debate the Amtrak reauthorization.

I think what we have seen here today through this unanimous-request and by the combining of the new authorizations with the issue of the trust funds is an unfortunate thing that therefore means that we ought to all vote against the Latta amendment.

THE ISSUE OF THE TRUST FUND AND THE HOUSING FUND SHOULD BE SEPARATE ISSUES

(Mr. BARTLETT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BARTLETT. Mr. Speaker, I thank my colleagues for allowing me to go a bit out of order, but to follow up on what the chairman of the Budget Committee said just a minute ago, I would call the House's attention to several facts on the Latta amendment.

First of all, the Fazio amendment is still in order, and that is on a freestanding basis the House will be able to decide what to do with the highway and the airport trust fund, and that is the way it should be, a freestanding basis. It should come as no surprise that many of us had long advocated the opportunity to vote on the housing bill and those reauthorizations separately. In fact, I testified before the Rules Committee to ask that such a thing be put in order.

The Fazio amendment, in my judgment, should never have been included in the Latta amendment in the first place. They are two separate issues. Now the House will have the opportunity to vote simply on the reauthorization issues of legislative issues, primarily the extension of the housing bill, within the context of a freestanding vote up or down.

We will urge that the Latta amendment be adopted on its own so the House then can consider the housing bill on its own merits.

Mr. SCHUMER. Mr. Speaker, will the gentleman yield?

Mr. BARTLETT. I yield to the gentleman.

Mr. SCHUMER. Mr. Speaker, I thank the gentleman from Texas.

A question just comes to mind if the other side was so eager to see things voted separately then why did the chairman, the ranking minority of the Budget Committee combine them all in one amendment?

Mr. BARTLETT. Reclaiming my time, I appreciate the gentleman's question because I do not know why. I have long urged the ranking member, Mr. LATTA, of the Budget Committee to separate the amendments, and I testified to that effect in the Rules Committee, and I would simply urge that the issue of the trust fund and the issue of the housing bill could be two separate issues and should be considered that way.

Mr. SCHUMER. If the gentleman would yield further, there are five items still attached in Latta. Why did he just choose one? I would urge the gentleman and I would wager to the gentleman that if the other side was serious about budget deficit reduction instead of just making what we used to call in the legislature a "rain dance," they would have separated them all or put them all together. There are a lot of games going on here.

THE TRUE COLORS OF THE OTHER SIDE HAVE BEEN REVEALED

(Without objection, Mr. SCHUMER was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHUMER. Mr. Speaker, I would like to say to my colleagues that what happened on the floor a few minutes ago reveals the seriousness of the other side about deficit reduction.

When it comes to a program like low-income housing, they are very serious about deficit reduction. When it comes to highways or airports or offshore oil, they are not very serious about deficit reduction.

The gentleman from Ohio has now exempted probably the No. 1 area of deficit reduction. Removing the airport and highway trust funds from the budget increases the deficit by more than anything that exists in the Latta amendment. I would just say before I yield to my good frined, the gentleman from Texas, that the true colors of the other side have been revealed. Let us make a few headlines, let us make a little noise, but let us not really reduce the deficit across the board.

Mr. BARTLETT. Mr. Speaker, will the gentleman yield?

Mr. SCHUMER. I yield to the gentleman.

Mr. BARTLETT. I assume then that the gentleman will vote for the Fazio amendment as will I vote against it. I testified openly, publicly, privately in every capacity that the public works amendment and the housing amendment should be separate amendments, and I am glad that the gentleman from Ohio has done that this morning.

SUPPORT URGED FOR THE LATTA AMENDMENT

(Mr. RIDGE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RIDGE. Mr. Speaker, as a Member who has been interested in reform of the Urban Development Action Grant Program these past several years to make it more responsive to worthy and two needed projects across the country, I thought this House was going to have a chance soon to work its will on the UDAG Program when we opened floor consideration of H.R. 1, the housing bill.

Now I find that the housing bill has been deftly tucked into the budget reconciliation measure, and those of us who are interested in UDAG and other HUD programs important to our dis-

tricts will have to vote either up or down this entire lengthy bill without having a chance to get it explained or modify it.

Slipping this HUD authorization into a deficit reduction bill is, I can only suspect, some artful legislative sleight of hand which will deprive the Members of this House from having any say on one of our major economic development programs.

I urge my colleagues to join me in supporting the Latta amendment, which would permit us all to have a fair look at the housing bill under regular order that every other major authorization bill must endure.

□ 1040

THE GOOD NEWS AND THE BAD NEWS ON THE LATTA AMENDMENT

(Mr. FRANK asked and was given permission to address the House for 1 minute.)

Mr. FRANK. Mr. Speaker, the advice of my predecessor at the microphone would make a great deal of sense if Members have had a great hungering once again to participate in a model United Nations, because you could have the authorization come to the floor and you could debate it and vote on it and amend it, and it would die, it would go no further.

The reason the housing bill is in reconciliation is that the other body has refused to act on a housing bill. There was a meeting being held that was not going well. It got adjourned.

There ought to be some changes in UDAG. The gentleman from Pennsylvania alluded to changes in UDAG. There is a compromise whereby Members from the Northeast have supported broadening UDAG so it is more available in the South and the Southwest. That is in this authorization.

Defeat that piece. Vote for the Latta amendment, and UDAG will stay as it is, primarily a Northeastern program, for which I thank you in this specific. But I do not think it is good overall because we have no willingness on the part of the other body to act.

Yes, it would be good for Members to have a chance to vote. You can vote, you can dance, you can sing, you can do up-and-down and feel good, but the thing will die.

If you want to seriously legislate in the housing area, the only option we have been given by the other body is to do it in this way and send it to a conference.

So the good news is if you vote for the Latta amendment, you will get to make yourself look good by voting on the housing bill. The bad news is that it will not do you any good whatsoever because the other body will not act on it.

Mr. Speaker, this is the only way to act. It is a responsible bill. It is below budget. It has some new programs in it because it replaces some old programs at less money.

THE GRAMM-RUDMAN AMENDMENT

(Mr. GROTBERG asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GROTBERG. Mr. Speaker, the Federal Government has been ringing the budget deficit register for far too long now. We have a Bureau of Public Debt with about 2,400 employees and a $200 million budget just to manage the debt load. It's time to put a stop to the seemingly endless cycle of deficits and high interest payments taking money away from American citizens and businesses.

For a long time, the President and the Congress have been talking about reducing and eliminating the Federal deficit. Despite good intentions, efforts to cut the deficit beast down to size have been unsuccessful. Now an amendment known as Gramm-Rudman is pending in a House-Senate conference committee which would set mandatory deficit reduction goals for Congress and the President to follow. I strongly support the Gramm-Rudman amendment and I intend to vote for it if it is reported out of the conference committee intact. The Federal Government must begin doing what every American must do each day—live within its means.

The United States is nearing a $2 trillion deficit. A pile of $1,000 bills stacked 134 miles tall equals $2 trillion. Such an image well illustrates the dangerous implications of a high debt; $2,000,000,000,000—$2 trillion—is simply too much. Some economists fear that in the near future, interest payments on the Federal debt will actually exceed the budget deficit.

I urge my colleagues to support Gramm-Rudman so we never see the terrible results.

TRIAL OF LEONID VOLVOVSKY

(Mr. LEVIN of Michigan asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEVIN of Michigan. Mr. Speaker, this morning our President has been addressing the United Nations about Soviet-United States relations. At the same time Leonid "Ari" Volvovsky stands in a Soviet courtroom on trial for so-called slandering the Soviet State.

What evidence have the Soviets produced for their charge? A single witness has claimed that Volvovsky gave her a copy of the book, "Exodus," and, therefore, he has engaged in distributing anti-Soviet material with the intention of slandering the Soviet Union.

The Government has not allowed Volvovsky's wife and daughter to attend the trial. In fact, the Soviets have named his wife as a prosecution witness to deny her the right to observe the trial.

Mr. Speaker, this is certainly not the climate that the U.S. Congress and the U.S. Government expects from the Gorbachev regime less than a month before the November summit. If the Russians are serious about progress at Geneva, they should drop their unsubstantiated charges against Leonid Volvovsky.

TRANSPORTATION TRUST FUND

(Mr. GINGRICH asked and was given permission to address the House for 1 minute.)

Mr. GINGRICH. Mr. Speaker, I think there is a great deal of confusion and to some extent misinformation about the Fazio amendment and about what has happened this morning.

The wording of the Latta request in the amendment which the gentleman from Ohio [Mr. LATTA] put in reduces the deficit on balance. The way it is worded, the trust funds will stay on budget for the next 2 years when it helps the deficit and go off budget at precisely the point to continue helping the deficit. To vote for Fazio would mean, according to the Congressional Budget Office, that the deficit will be larger by $80 million in 1989 and by $230 million in 1990.

The fact is that a Fazio vote is a pro-larger deficit vote. Furthermore, the argument that the trust funds going off budget will in any way hurt the social programs can only be true if you intend to steal from the people who pay the taxes directly, that is, the people who drive cars and pay gas tax, the people who fly airplanes and pay a passenger tax. Those taxes are in trust funds, and those trust funds are deficit proof. They cannot spend any more than they get in. They receive no general funds.

What we have been doing in the last few years is in a sense cheating the people who pay in order to build a better transportation system to buy up Government bonds instead of building the construction that is supposed to be built.

NO NEED FOR DISCHARGE PETITION

(Mr. SMITH of Florida asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of Florida. Mr. Speaker, I urge my colleagues not to sign the discharge petition on S. 49, the Firearms Owners Protection Act.

The Subcommittee on Crime, on which I serve, will be holding two hearings next week on a plethora of gun-related bills. The legislative process is working.

Furthermore, discharging the committee from further consideration of S. 49 would preclude the House's being able to correct language in that bill which would make it easier for guns to get into the hands of the criminal element.

Sarah Brady, wife of White House Press Secretary James S. Brady, has written that "we must take steps to ensure that criminals and other irresponsible persons cannot have free and easy access to these potentially deadly weapons."

If you want to stand on the side of James and Sarah Brady, law enforcement officers across the country, and the vast majority of the American people, then do not sign the discharge petition on S. 49.

APPOINTMENT OF ADDITIONAL CONFEREES ON H.R. 2419, INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 1986

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that the Speaker be authorized to appoint five additional conferees on the bill (H.R. 2419) to authorize appropriations for fiscal year 1986 for intelligence and intelligence-related activities of the U.S. Government, the Intelligence Community Staff, and the Central Intelligence Agency Retirement and Disability System, and for other purposes.

The SPEAKER pro tempore (Mr. SLATTERY). Is there objection to the request of the gentleman from Texas? The Chair hears none, and, without objection, appoints the following conferees:

Additional conferees for matters within the jurisdiction of the Committee on the Judiciary under clause 1(m) of House rule X: Mr. RODINO and Mr. LUNGREN; and

Additional conferees for matters within the jurisdiction of the Committee on Armed Services under clause 1(c) of rule X: Messers. ASPIN, STRATTON, and DICKINSON.

There was no objection.

EFFORTS TO REDUCE UNEMPLOYMENT

(Mr. SHUMWAY asked and was given permission to address the House for 1 minute.)

Mr. SHUMWAY, Mr. Speaker, high unemployment is one of the most serious economic problems facing our Nation today, and is particularly acute among our Nation's youths. Currently, the teenage unemployment rate is 18.9 percent, and minority youth unemployment is 42 percent. These are sobering statistics which should be seriously addressed by this body.

Without question, minimum wage laws have created many of our youth unemployment problems. Employers are reluctant to invest limited resources to employ unskilled and inexperienced workers at the mandatory minimum wage. The Minimum Wage Commission reported that increases in the minimum wage have led to decreases in youth employment. A 1982 study by economist Robert H. Meyer and David A. Wise, who are associated with the National Bureau of Economic Research, indicated that employment in the 1970's would have been 7.1 percent higher for teenagers and 2.2 percent higher for the 20-24 age group had there been no minimum wage.

In response, Congress currently has before it proposals which would expand employment opportunities for young people by creating new incentives for summer youth employment. Among these is the subminimum wage proposal, which would allow employers to hire youth at about 75 percent of the minimum wage for summertime employment. Unlike make-work programs which do little to prepare individuals for placement in the job market, the subminimum wage provides incentive for employers to hire youth to do needed work, and make a valuable contribution to the job market. By encouraging employers to hire young people through the subminimum wage, unemployment among youth will be reduced and young people will be given a start in the job market. In the short run, an estimated 400,000 summer jobs will be added to the private sector in a wide variety of industries; in the long run, youth will gain experience which will lead to more substantial and responsible work in later years.

There is broad-based support for subminimum wage, including the Boys Clubs of America, the National Coalition of Hispanic Mental Health and Human Services Organizations, the Fraternal Order of Police, National Association of Minority Contractors, and the National Conference of Black Mayors to name a few. In light of this support in the private sector, and inasmuch as provisions of pending legislation prohibit the displacement of adults and already-employed youth, I urge strong House support for subminimum wage legislation.

TODAY'S WASHINGTON POST LEAD EDITORIAL

(Mr. SHAW asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHAW. Mr. Speaker, this morning we are greatly indebted to—of all things—the Washington Post for its lead editorial today which very neatly demolished the argument of those who oppose taking self-financed transportation trust funds off budget.

It is not that that was the Post's intent. Indeed, our friends at the Post are frantic at the idea of moving the highway, transit, and aviation trust funds off budget. But by inadvertence, the Post helped make our case.

□ 1050

The Committee on Public Works and Transportation has been arguing that there is no real justification for keeping these funds in the unified budget because the revenues are so distinct in terms of origin and in terms of end use, so thoroughly subject to congressional controls, that on-budget status is neither necessary, desirable, nor is it honest.

More specifically, the committee has argued that the principal rationale for keeping them in the unified budget is one of shabby deception at odds with the principles of honest budgeting and honest accounting; namely, to make the general fund deficit look smaller and therefore make a little more room for deficit spending programs.

Now comes the Post supporting our contention, if not our case. "The present unified budget," reads the editorial, "in which all funds are combined, was adopted in the Johnson administration. (President Johnson liked the idea because the surplus in the Social Security fund made the general fund deficit look smaller.)"

Thank you, Washington Post. The former President liked that sort of budget gimmick. That's not news. And so does the Office of Management and Budget today. And a lot of people on the Budget Committee, and the Appropriations Committee, and Mr. FAZIO. That doesn't make it any more honest today than it was in the late 1960's.

I urge my colleagues to vote "no" on Fazio and to support the Latta amendment.

SEPARATE VOTE ON FAZIO AND LATTA AMENDMENTS

(Mr. PACKARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PACKARD. Mr. Speaker, I am particularly delighted that we have been able to separate the major issues involved in the voting today.

The Fazio amendment addresses the issue of the trust funds, and the Latta amendment addresses primarily issues of deficit reduction. To join those two together will prohibit the Members of this body from being able to vote on those two issues separate and apart. Now we have that opportunity, and I applaud the action taken that allows this.

There is inherent within the reconciliation bill an automatic raise for the Members of Congress. Some of us violently object to that provision and want to vote against it. But at the same time, there are many of us who are very concerned about putting the trust funds within the unified budget. This will allow us now to vote separately on these issues, which I think this body has a right to do. I certainly support the Latta amendment in the present form and would encourage this body to oppose the Fazio amendment which would put the trust funds in the unified budget.

YOUTH EMPLOYMENT OPPORTUNITY WAGE

(Mr. LAGOMARSINO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LAGOMARSINO. Mr. Speaker, one of this Nation's most serious longstanding problems is providing adequate employment opportunities for our young people. Teenage unemployment has been historically two to three times that of adult unemployment rates. The impact of these unemployment figures on our Nation's youth are not only economic but social. Inadequate work opportunities act as a disincentive for many youth to continue their education and shifts their attention to less desirable pursuits, such as crime and delinquency. A great deal of Federal Manpower Training and Antipoverty Programs has been extended to improve this group's employment situation, with little success. The youth unemployment opportunity wage would be a much more effective strategy of combating youth unemployment and would help ease Federal budgetary pressures. The Labor Department has estimated that a youth subminimum wage would create 400,000 new jobs and the total could reach 640,000 if States with their own laws implement a similar program.

Mr. Speaker, the concept of a youth employment opportunity wage has attracted a broad coalition of support from such diverse groups as the National Conference of Black Mayors, the U.S. Chamber of Commerce, and the American Farm Bureau. I urge my colleagues to support the youth employment wage proposal because a job paying $2.50 per hour sure beats no job at all.

GRAMM-RUDMAN-MACK

(Mr. BOULTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BOULTER. Mr. Speaker, I rise in support of the Gramm-Rudman-Mack bill.

One of the strongest points of the bill is the beneficial effect it is likely to have on interest rates. As most of you know, real interest rates have been at a near historic high, despite most economic indicators being positive.

Unquestionably, the main reason for such excess caution in the financial markets is that we have sent no meaningful signals that we intent to do anything about the deficit. There is no reason for the markets to believe we are not going to let the Federal debt continue spiraling out of control, moving like a destructive hurricane across the economic landscape.

Gramm-Rudman-Mack gives them that reason. Its passage would show that we, in Congress, are committed to getting our fiscal house in order. It would nullify the fears of inflation caused by the prospect of continually larger deficits.

It would, without a doubt, bring down interest rates and generate economic growth. This increased growth would expand the tax base, generating additional revenue that will help narrow the deficit and lessen the need for draconian budget cuts.

CALL OF THE HOUSE

Mr. GRAY of Pennsylvania. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members responded to their names:

[Roll No. 369]

Ackerman	Brown (CO)	DeWine
Akaka	Bruce	Dickinson
Alexander	Bryant	Dicks
Anderson	Burton (CA)	Dingell
Andrews	Burton (IN)	DioGuardi
Annunzio	Bustamante	Dixon
Anthony	Byron	Donnelly
Applegate	Callahan	Dorgan (ND)
Armey	Campbell	Dornan (CA)
Atkins	Carney	Dowdy
AuCoin	Carper	Downey
Barnard	Carr	Dreier
Barnes	Chandler	Duncan
Bartlett	Chapman	Durbin
Barton	Chappell	Dwyer
Bateman	Chappie	Dymally
Bates	Cheney	Dyson
Bedell	Clay	Early
Beilenson	Clinger	Eckart (OH)
Bennett	Coats	Eckert (NY)
Bentley	Cobey	Edgar
Bereuter	Coble	Edwards (CA)
Berman	Coleman (TX)	Edwards (OK)
Bevill	Collins	Emerson
Biaggi	Combest	English
Bilirakis	Conte	Erdreich
Bliley	Cooper	Evans (IA)
Boehlert	Coughlin	Evans (IL)
Boggs	Courter	Fascell
Boland	Coyne	Fawell
Boner (TN)	Craig	Fazio
Bonior (MI)	Crane	Feighan
Bonker	Crockett	Fiedler
Borski	Daniel	Fields
Bosco	Dannemeyer	Fish
Boucher	Darden	Flippo
Boulter	Daschle	Florio
Boxer	Daub	Foglietta
Breaux	Davis	Foley
Brooks	de la Garza	Ford (MI)
Broomfield	Dellums	Ford (TN)
Brown (CA)	Derrick	Fowler
Frank	Luken	Sabo
Franklin	Lundine	Savage
Frenzel	Lungren	Saxton
Frost	Mack	Schaefer
Fuqua	MacKay	Scheuer
Gallo	Madigan	Schneider
Garcia	Manton	Schroeder
Gaydos	Markey	Schuette
Gejdenson	Marlenee	Schulze
Gekas	Martin (IL)	Schumer
Gephardt	Martin (NY)	Sensenbrenner
Gibbons	Martinez	Sharp
Gilman	Mavroules	Shaw
Gingrich	Mazzoli	Shelby
Glickman	McCain	Shumway
Gonzalez	McCandless	Shuster
Goodling	McCloskey	Sikorski
Gordon	McCollum	Siljander
Gradison	McCurdy	Sisisky
Gray (IL)	McDade	Skeen
Gray (PA)	McEwen	Skelton
Green	McGrath	Slattery
Gregg	McHugh	Slaughter
Grotberg	McKernan	Smith (FL)
Guarini	McMillan	Smith (IA)
Gunderson	Meyers	Smith (NE)
Hall (OH)	Mica	Smith (NJ)
Hall, Ralph	Michel	Smith, Robert (NH)
Hamilton	Mikulski	
Hammerschmidt	Miller (CA)	Smith, Robert (OR)
Hansen	Miller (OH)	
Hartnett	Miller (WA)	Snowe
Hatcher	Mineta	Snyder
Hawkins	Mitchell	Solarz
Hayes	Moakley	Spence
Hefner	Molinari	Spratt
Heftel	Mollohan	St Germain
Hendon	Monson	Staggers
Henry	Montgomery	Stallings
Hertel	Moody	Stangeland
Hiler	Moore	Stenholm
Hillis	Moorhead	Stokes
Holt	Morrison (CT)	Strang
Hopkins	Morrison (WA)	Stratton
Horton	Mrazek	Studds
Howard	Murphy	Stump
Hoyer	Murtha	Sundquist
Hubbard	Myers	Sweeney
Huckaby	Natcher	Swift
Hunter	Neal	Swindall
Hutto	Nichols	Synar
Hyde	Nielson	Tallon
Ireland	Nowak	Tauke
Jacobs	O'Brien	Tauzin
Jeffords	Oakar	Taylor
Jenkins	Oberstar	Thomas (CA)
Johnson	Obey	Torres
Jones (NC)	Olin	Torricelli
Jones (OK)	Ortiz	Towns
Jones (TN)	Owens	Traficant
Kanjorski	Oxley	Traxler
Kaptur	Packard	Udall
Kasich	Panetta	Valentine
Kastenmeier	Pashayan	Vander Jagt
Kennelly	Pease	Vento
Kildee	Penny	Visclosky
Kindness	Pepper	Volkmer
Kleczka	Perkins	Vucanovich
Kolbe	Petri	Walgren
Kolter	Pickle	Walker
Kostmayer	Porter	Watkins
Kramer	Price	Waxman
LaFalce	Pursell	Weber
Lagomarsino	Quillen	Weiss
Lantos	Rahall	Wheat
Latta	Rangel	Whitehurst
Leach (IA)	Ray	Whitley
Leath (TX)	Regula	Whittaker
Lehman (CA)	Reid	Whitten
Lehman (FL)	Richardson	Wilson
Leland	Ridge	Wirth
Lent	Ritter	Wise
Levin (MI)	Roberts	Wolf
Levine (CA)	Robinson	Wolpe
Lewis (CA)	Rodino	Wortley
Lewis (FL)	Roe	Wright
Lightfoot	Rogers	Wyden
Lipinski	Rose	Wylie
Livingston	Rostenkowski	Yates
Lloyd	Roth	Yatron
Loeffler	Roukema	Young (AK)
Long	Rowland (CT)	Young (FL)
Lott	Rowland (GA)	Young (MO)
Lowery (CA)	Roybal	Zschau
Lowry (WA)	Rudd	
Lujan	Russo	

□ 1115

The SPEAKER pro tempore. On this rollcall, 410 Members have recorded their presence by electronic device, a quorum.

Under the rule, further proceedings under the call were dispensed with.

OMNIBUS BUDGET RECONCILIATION ACT OF 1985

The SPEAKER pro tempore. Pursuant to House Resolution 296 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 3500.

□ 1118

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 3500) to provide for reconciliation pursuant to section 2 of the first concurrent resolution on the budget for the fiscal year 1986, with Mr. DE LA GARZA in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Wednesday, October 23, 1985, all time for general debate had expired.

Pursuant to the rule, the bill is considered as having been read for amendment under the 5-minute rule, an amendment to strike lines 8 through 10 on page 15 and insert in lieu thereof the following: "Which become available during fiscal year 1986, the Secretary shall, to the extent approved in appropriations acts, reserve authority to enter into obligations aggregating," shall be considered as having been adopted.

The text of the bill, as amended by an amendment considered as having been adopted pursuant to House Resolution 296, is as follows:

H.R. 3500

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Omnibus Budget Reconciliation Act of 1985".

SEC. 2. TABLE OF CONTENTS.

Title I—Committee on Armed Services.
Title II—Committee on Banking, Finance and Urban Affairs.
Title III—Committee on Education and Labor.
Title IV—Committee on Energy and Commerce.
Title V—Committee on Interior and Insular Affairs.
Title VI—Committee on Merchant Marine and Fisheries.
Title VII—Committee on Post Office and Civil Service.
Title VIII—Committee on Public Works and Transportation.
Title IX—Committee on Small Business.
Title X—Committee on Veterans' Affairs.

TITLE I—COMMITTEE ON ARMED SERVICES

SEC. 1101. COLLECTION BY THE UNITED STATES OF MEDICAL AND DENTAL COSTS INCURRED ON BEHALF OF CERTAIN PERSONS.

(a) IN GENERAL.—(1) Chapter 55 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§1095. Collection from third-party payers of reasonable medical and dental care costs incurred on behalf of retirees and dependents

"(a)(1) In the case of a person who is covered by section 1074(b), 1076(a), or 1076(b) of this title, the United States shall have the right to collect from a third-party payer the reasonable costs of medical and dental care incurred by the United States on behalf of such person through a facility of the uniformed services to the extent that the person would be eligible to receive reimbursement or indemnification from the third-party payer if the person were to incur such costs on the person's own behalf. If the insurance, medical service, or health plan of that payer includes a requirement for a deductible or copayment by the beneficiary of the plan, then the amount that the United States may collect from the third-party payer is the reasonable cost of the care provided less the appropriate deductible or copayment amount.

"(2) A person covered by section 1074(b), 1076(a), or 1076(b) of this title may not be required to pay an additional amount to the United States for medical and dental care by reason of this section.

"(b) No provision of any insurance, medical service, or health plan contract or agreement having the effect of excluding from coverage or limiting payment of charges for certain care if that care is provided through a facility of the uniformed services shall operate to prevent collection by the United States under subsection (a).

"(c) Under regulations prescribed under subsection (g), records of the facility of the uniformed services that provided medical or dental care to a beneficiary of an insurance, medical service, or health plan of a third-party payer shall be made available for inspection and review by representatives of the payer from which collection by the United States is sought.

"(d) Notwithstanding subsections (a) and (b), collection may not be made under this section in the case of a plan administered under title XVIII or XIX of the Social Security Act (42 U.S.C. 1395 et seq.).

"(e)(1) The United States may institute and prosecute legal proceedings against a third-party payer to enforce a right of the United States under this section.

"(2) The administering Secretary may compromise, settle, or waive a claim of the United States under this section.

"(f) Sums collected pursuant to this section shall be credited to the appropriation from which the costs of the care were paid.

"(g) The Secretary of Defense, in consultation with the other administering Secretaries, shall prescribe regulations for the administration of this section. Such regulations shall provide for computation of the reasonable cost of medical and dental care. Computation of such reasonable cost may be based on—

"(1) per diem rates; or

"(2) such other method as may be appropriate.

"(h) In this section, 'third-party payer' means an entity that provides an insurance, medical service, or health plan by contract or agreement.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"1095. Collection from third-party payers of reasonable medical and dental care costs incurred on behalf of retirees and dependents.".

(b) EFFECTIVE DATE.—Section 1095 of title 10, United States Code, as added by subsection (a), shall apply with respect to health care provided on or after the date of the enactment of this Act, but only with respect to an insurance, medical service, or health plan agreement entered into, amended, or renewed on or after that date.

TITLE II—COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS

SECTION 2001. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This title may be cited as the "Housing Act of 1985".

(b) TABLE OF CONTENTS.—

Sec. 2001. Short title and table of contents.
Sec. 2002. Findings and purpose.
Sec. 2003. Congressional policy regarding aggregate budget authority.
Sec. 2004. Regulatory authority.
Sec. 2005. Collection of certain data.

Subtitle A—Housing Assistance

PART 1—PROGRAMS UNDER UNITED STATES HOUSING ACT OF 1937

Sec. 2101. Lower income housing authorization.
Sec. 2102. Tenant rental contributions.
Sec. 2103. Grants for public housing development.
Sec. 2104. Public housing child care grants.
Sec. 2105. Additional public housing provisions.
Sec. 2106. Section 8 assistance.
Sec. 2107. Voucher demonstration program.
Sec. 2108. Payments for operation of lower income housing projects.
Sec. 2109. Grants for comprehensive improvement assistance.
Sec. 2110. Additional comprehensive improvement assistance program provisions.
Sec. 2111. Public housing comprehensive grants.
Sec. 2112. Income eligibility for assisted housing.
Sec. 2113. Rental development program.
Sec. 2114. Rental rehabilitation program.

PART 2—MULTIFAMILY HOUSING MANAGEMENT AND PRESERVATION

Sec. 2121. Prepayment of mortgages.
Sec. 2122. Management and preservation of HUD-owned multifamily housing projects.
Sec. 2123. Acquisition of insured multifamily housing projects.
Sec. 2124. Tenant participation in multifamily housing projects.
Sec. 2125. Troubled multifamily housing projects.
Sec. 2126. Inapplicability of certain income eligibility restrictions to property disposition contracts.

PART 3—OTHER HOUSING ASSISTANCE PROGRAMS

Sec. 2141. Housing for the elderly and handicapped.
Sec. 2142. Housing for the handicapped.
Sec. 2143. Congregate services.
Sec. 2144. Section 235 homeownership program.
Sec. 2145. Task Force on Family Housing Needs.
Sec. 2146. Energy conservation in assisted housing.

Sec. 2147. Annual report on characteristics of families in assisted housing.
Sec. 2148. Procedures and policies for mandatory meals programs in assisted housing for the elderly.
Sec. 2149. Modification of restriction on use of assisted housing.
Sec. 2150. Exclusion of housing assistance as income.
Sec. 2151. Use of certain excess rental charges for assistance for troubled multifamily housing projects.
Sec. 2152. Housing demonstration project.
Sec. 2153. Flexible subsidy assistance for certain housing projects for elderly or handicapped families.
Sec. 2154. Housing assistance technical amendments.

Subtitle B—Rural Housing

Sec. 2201. Program authorizations.
Sec. 2202. Income levels for family eligibility.
Sec. 2203. Plans for allocation of financial assistance.
Sec. 2204. Rural housing escrow accounts.
Sec. 2205. Rural housing guaranteed loans.
Sec. 2206. Study of procedures for appeals of adverse decisions.
Sec. 2207. Use of fee inspectors and appraisers.
Sec. 2208. Loans for rehabilitation of rural rental housing.
Sec. 2209. Management of insured and guaranteed loans.
Sec. 2210. Definition of rural area.
Sec. 2211. Rural housing preservation grant program.
Sec. 2212. Limitation on restrictions on tax-exempt financing.
Sec. 2213. Task Force on Housing Needs of Rural America.
Sec. 2214. Rural housing technical amendments.

Subtitle C—Program Amendments and Extensions

PART 1—FEDERAL HOUSING ADMINISTRATION MORTGAGE INSURANCE PROGRAMS

Sec. 2301. Extension of Federal Housing Administration mortgage insurance programs.
Sec. 2302. Amount to be insured under National Housing Act.
Sec. 2303. Negotiated interest rates on mortgages insured by Federal Housing Administration.
Sec. 2304. Study of voluntary standards for modular homes.
Sec. 2305. Limitation on certain premium charges.
Sec. 2306. Mortgages on Hawaiian home lands and Indian lands to be obligations of General Insurance Fund.
Sec. 2307. Repeal of requirement to publish prototype housing costs for 1- to 4-family dwelling units.
Sec. 2308. Authority for increased mortgage limits for multifamily projects in high-cost areas.
Sec. 2309. Permissible annual interest rate adjustment for adjustable rate mortgages.
Sec. 2310. Double damages remedy for unauthorized use of multifamily housing project assets and income.
Sec. 2311. Administrative improvements in single-family mortgage insurance program.
Sec. 2312. Refinancing mortgage insurance for hospitals, nursing homes, intermediate care facilities, and board and care homes.
Sec. 2313. Mortgage insurance for nursing homes, intermediate care facilities, and board and care homes.
Sec. 2314. Requirement of State approval for mortgage insurance for hospitals.
Sec. 2315. Mortgage insurance technical amendments.

PART 2—FLOOD AND CRIME INSURANCE PROGRAMS

Sec. 2321. Flood insurance.
Sec. 2322. Crime insurance.
Sec. 2323. Flood and crime insurance technical amendments.

PART 3—SECONDARY MORTGAGE MARKET PROGRAMS

Sec. 2341. Government National Mortgage Association mortgage-backed securities program.
Sec. 2342. Prohibition of certain fees.
Sec. 2343. Secondary mortgage market technical amendments.

PART 4—REGULATORY AND OTHER PROGRAMS

Sec. 2361. Solar Energy and Energy Conservation Bank.
Sec. 2362. Counseling.
Sec. 2363. Home mortgage disclosure.
Sec. 2364. Research authorization.
Sec. 2365. Timely payment of subcontractors.
Sec. 2366. Median area income.
Sec. 2367. Manufactured housing construction and safety standards.
Sec. 2368. Removal of maximum fee for interstate land sales registration.
Sec. 2369. Preventing fraud and abuse in Department of Housing and Urban Development programs.
Sec. 2370. Fair housing initiatives program.
Sec. 2371. Lead-based paint poisoning prevention.
Sec. 2372. Regulatory and other programs technical amendments.

PART 5—COMMUNITY AND NEIGHBORHOOD DEVELOPMENT AND CONSERVATION PROGRAMS

Sec. 2381. Community development block grant metropolitan city and urban county classifications.
Sec. 2382. Statement of activities and review.
Sec. 2383. Housing assistance plans.
Sec. 2384. Limited new construction of housing under community development block grant program.
Sec. 2385. Community development block grant public service activities.
Sec. 2386. State certifications for receiving community development block grants for nonentitlement areas.
Sec. 2387. Discretionary fund.
Sec. 2388. Community development block grant loan guarantees.
Sec. 2389. Urban development action grant selection criteria.
Sec. 2390. Prohibition on use of urban development action grants for business relocations.
Sec. 2391. Consideration of certain counties as cities under urban development action grant program.
Sec. 2392. Urban development action grant loan guarantees.
Sec. 2393. Urban homesteading.
Sec. 2394. Rehabilitation loans.
Sec. 2395. Neighborhood Reinvestment Corporation.
Sec. 2396. Neighborhood development demonstration program.
Sec. 2397. Use of urban renewal land disposition proceeds.
Sec. 2398. Limitation on recapture of certain reservations of assistance.
Sec. 2399. Community development authorizations of appropriations.
Sec. 2399A. Community development technical amendments.

Subtitle D—Shelter Assistance for the Homeless and Displaced

PART 1—NATIONAL BOARD OF CHARITIES PROGRAM

Sec. 2401. Authorization of appropriations.
Sec. 2402. Eligible activities.

PART 2—SECOND STAGE HOUSING FOR THE HOMELESS AND DISPLACED

Sec. 2411. Establishment of demonstration program.
Sec. 2412. Assistance to nonprofit organizations.
Sec. 2413. Program requirements.
Sec. 2414. Regulations.
Sec. 2415. Reports to Congress.
Sec. 2416. Definitions.
Sec. 2417. Limitation on budget authority.

PART 3—EMERGENCY SHELTER GRANTS

Sec. 2421. Grant assistance.
Sec. 2422. Allocation and distribution of assistance.
Sec. 2423. Eligible activities.
Sec. 2424. Responsibilities of grantees.
Sec. 2425. Homeless Assistance Council.
Sec. 2426. Administrative provisions.
Sec. 2427. Definitions.
Sec. 2428. Authorization of appropriations.

Subtitle E—Nehemiah Housing Opportunity Grants

Sec. 2501. Statement of purposes.
Sec. 2502. Definitions.
Sec. 2503. Assistance to nonprofit organizations.
Sec. 2504. Use of assistance.
Sec. 2505. Program requirements.
Sec. 2506. Terms and conditions of assistance.
Sec. 2507. Program selection criteria.
Sec. 2508. Distribution of assistance to nonprofit organizations.
Sec. 2509. Nehemiah Housing Opportunity Fund.
Sec. 2510. Annual report.
Sec. 2511. Regulations.
Sec. 2512. Authorization of appropriations.

Subtitle F—Multifamily Housing Preservation Loans

Sec. 2601. Purpose.
Sec. 2602. Definitions.
Sec. 2603. Authority to provide loans.
Sec. 2604. Eligibility for loans.
Sec. 2605. Amount and conditions of loans.
Sec. 2606. Multifamily Housing Preservation Fund.
Sec. 2607. Regulations.
Sec. 2608. Authorization of appropriations.

Subtitle G—Enterprise Zone Development

Sec. 2701. Designation of enterprise zones.
Sec. 2702. Evaluation and reporting requirements.
Sec. 2703. Interaction with other Federal programs.
Sec. 2704. Waiver or modification of certain agency rules in enterprise zones.
Sec. 2705. Coordination of housing and urban development programs in enterprise zones.

SEC. 2002. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress hereby finds that—

(1) for the past 50 years, the Federal Government has taken the leading role in enabling the people of the Nation to be the best housed in the world;

(2) the efforts of the Federal Government have included a system of specialized lending institutions, favorable tax policies, construction assistance, mortgage insurance, loan guarantees, secondary markets, and interest and rental subsidies, that have enabled people to rent or buy affordable, decent, safe, and sanitary housing;

(3) at no time since the Great Depression has the shortage of housing been more severe, and, unless actions are taken to increase the production of moderately priced homes and affordable rental units, the housing crisis of persons of low and moderate income will deepen;

(4) the tragedy of homelessness in urban and suburban communities across the Nation, involving a record number of people, dramatically demonstrates the lack of affordable residential shelter;

(5) people living on the economic margins of our society (the elderly, the working poor, and the deinstitutionalized) have few available alternatives for shelter;

(6) due to high interest rates and construction costs, the cherished dream of becoming a homeowner is fading for many Americans;

(7) a combination of direct subsidies and beneficial tax expenditures for homeowners and renters has resulted in the Federal Government providing an average to each household of more than 4 times the amount of Federal assistance to households with annual incomes above $50,000 than to households with annual incomes below $20,000; and

(8) continued large Federal Government deficits are anti-housing and such large Federal Government deficits tend to keep interest rates high, thereby denying many otherwise eligible homebuyers the opportunity to own a home.

(b) PURPOSE.—The purpose of this title, therefore, is—

(1) to reaffirm the principle that decent and affordable shelter is a basic necessity, and the general welfare of the Nation and the health and living standards of its people require the addition of new housing units to remedy a serious shortage of housing units for all Americans, particularly for persons of low and moderate income;

(2) to make the distribution of direct and indirect housing assistance more equitable by providing Federal assistance for the less affluent people of the Nation;

(3) to provide needed housing assistance for homeless people and for persons of low and moderate income who lack affordable, decent, safe, and sanitary housing;

(4) to reform existing programs to ensure that such assistance is delivered in the most efficient manner possible; and

(5) to provide opportunities through lower Federal expenditures and lower Federal budget deficits, and the resulting lower interest rates, for more Americans to realize the dream of owning their own home.

SEC. 2003. CONGRESSIONAL POLICY REGARDING AGGREGATE BUDGET AUTHORITY.

(a) FINDINGS.—The Congress hereby finds that—

(1) the congressional budget process for fiscal year 1986 has not been completed;

(2) in its consideration of this title, the Committee on Banking, Finance and Urban Affairs of the House of Representatives has been required to operate under new principles of budget accounting, including the inclusion of off-budget accounts;

(3) this title establishes a new direct capital grant program to finance public housing that generates substantial savings in budget authority but has no net effect on the Federal budget, since the new method of financing merely cancels numerous intragovernmental transfers that occur under the current financing system; and

(4) the Congress has established a policy of freezing authorizations of appropriations for fiscal year 1986 at the actual level of appropriations for fiscal year 1985.

(b) POLICY.—It is, therefore, the policy of the Congress that the aggregate amount of funds authorized in this title for any fiscal year not exceed the total amount of funds approved in appropriation Acts for similar programs for fiscal year 1985.

SEC. 2004. REGULATORY AUTHORITY.

(a) DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.—Section 7(o) of the Department of Housing and Urban Development Act is amended by adding at the end thereof the following new paragraphs:

"(7) The Secretary shall, on a quarterly basis, transmit to both Committees a summary (or, upon the request of the Chairman of either Committee, a copy) of each notice or handbook to be issued by the Secretary not less than 15 days before the date of such issuance.

"(8) The Secretary shall include with each rule or regulation, notice, or handbook required to be transmitted to the Committees under this subsection a detailed summary of all changes required by the Office of Management and Budget that prohibit, modify, postpone, or disapprove such rule or regulation, notice, or handbook in whole or part.".

(b) FARMERS HOME ADMINISTRATION.—Section 534 of the Housing Act of 1949 is amended by adding at the end thereof the following new subsections:

"(d) The Secretary shall, on a quarterly basis, transmit to both Committees referred to in subsection (b) a summary (or, upon the request of the Chairman of either Committee, a copy) of each notice or handbook to be issued by the Secretary under this title not less than 15 days before the date of such issuance.

"(e) The Secretary shall include with each rule or regulation, notice, or handbook required to be transmitted to the Committees under this section a detailed summary of all changes required by the Office of Management and Budget that prohibit, modify, postpone, or disapprove such rule or regulation, notice, or handbook in whole or part.".

SEC. 2005. COLLECTION OF CERTAIN DATA.

The Secretary of Housing and Urban Development and the Secretary of Agriculture shall each collect data on the racial and ethnic characteristics of persons eligible for, assisted, or otherwise benefiting under the community development, housing assistance, and mortgage and loan insurance programs administered by such Secretary.

Subtitle A—Housing Assistance

PART 1—PROGRAMS UNDER UNITED STATES HOUSING ACT OF 1937

SEC. 2101. LOWER INCOME HOUSING AUTHORIZATION.

(a) AGGREGATE BUDGET AUTHORITY.—Section 5(c)(6) of the United States Housing Act of 1937 is amended by adding at the end thereof the following new sentence: "The aggregate amount of budget authority that may be obligated for contracts for annual contributions for assistance under section 8, for contracts referred to in paragraph (7)(A)(iv), and for grants for public housing and comprehensive improvement assistance, is increased by $9,179,498,000 on October 1, 1985.".

(b) UTILIZATION OF BUDGET AUTHORITY.—Section 5(c)(7) of the United States Housing Act of 1937 is amended to read as follows:

"(7)(A) Using the additional budget authority provided under paragraph (6) and the balances of budget authority which become available during fiscal year 1986, the Secretary shall, to the extent approved in appropriations Acts, reserve authority to enter into obligations aggregating—

"(i) for public housing grants under subsection (a)(2), $418,000,000, of which amount $108,000,000 shall be available for Indian housing;

"(ii) for assistance under section 8(b)(1), not less than $4,830,592,000, of which amount $43,776,000 shall be available only for use in connection with the Park Central New Community Project;

"(iii) for assistance under section 8(e)(2), not less than $542,748,000;

"(iv) for assistance under section 8 in connection with projects developed under section 202 of the Housing Act of 1959, not less than $1,775,280,000, of which amount not more than $290,400,000 may be made available for entering into contracts under section 202(h)(4) of such Act; and

"(v) for comprehensive improvement assistance grants under section 14(k), $1,132,000,000, of which amount $200,000,000 shall be available only for use with respect to vacant uninhabitable dwelling units in public housing projects and $50,000,000 shall be available only for purposes of assisting public housing agencies to reduce the hazards of lead-based paint in public housing in accordance with the lead-based paint poisoning prevention procedures established by the Secretary under section 302 of the Lead-Based Paint Poisoning Prevention Act.

"(B)(i) Any amount available for Indian housing under subsection (a) that is recaptured may be used only for such housing.

"(ii) Any amount available for the conversion of a project to assistance under section 8(b)(1), if not required for such purpose, shall be used for assistance under section 8(b)(1).".

SEC. 2102. TENANT RENTAL CONTRIBUTIONS.

(a) PUBLIC HOUSING ECONOMIC RENT.—Section 3(a) of the United States Housing Act of 1937 is amended—

(1) by inserting "(1)" after "(a)";

(2) in the last sentence, by striking out "A" and inserting in lieu thereof the following: "Except as provided in paragraph (2), a";

(3) by redesignating paragraphs (1) through (3) as subparagraphs (A) through (C), respectively; and

(4) by adding at the end thereof the following new paragraph:

"(2) Any public housing agency may provide that each family residing in a public housing project owned and operated by such agency shall pay as monthly rent an amount determined by such agency to be appropriate that does not exceed a maximum amount that—

"(A) is established by such agency and approved by the Secretary;

"(B) is not more than the amount payable as rent by such family under paragraph (1); and

"(C) is not more than (i) the average monthly amount of debt service and operating expenses attributable to dwelling units

of similar size in public housing projects owned and operated by such agency; or (ii) the fair market rentals established in the housing area for projects under section 8(b)(1).".

(b) ADJUSTED INCOME.—Section 3(b)(5) of the United States Housing Act of 1937 is amended—

(1) by striking out "and" at the end of subparagraph (C);

(2) by striking out the period at the end of subparagraph (D) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new subparagraph:

"(E) 10 percent of the earned income of the family, in the case of a family in which any member pays taxes imposed under chapter 2 or 21 of the Internal Revenue Code of 1954.".

(c) UTILITY ALLOWANCE.—Section 3(c) of the United States Housing Act of 1937 is amended by adding at the end thereof the followng new paragraph:

"(4) The term 'rent' means—

"(A) the amount payable by a family to a public housing agency for shelter; and

"(B) in any case in which a family is required to make a separate payment to a public housing agency or a utility supplier based on actual utility consumption, an allowance established annually based on actual utility consumption (excluding telephone service) for each size and type of dwelling unit.".

(d) PUBLIC HOUSING RENT PHASE-IN.—Section 3 of the United States Housing Act of 1937 is amended by adding at the end thereof the following new subsection:

"(d) In any case in which the obtaining of employment by a resident of a public housing project will result in an increase in the rent payable by the family of such resident under subsection (a), the public housing agency involved may provide for a gradual increase in such rent to the full amount during a period of not more than 6 months.".

SEC. 2103. GRANTS FOR PUBLIC HOUSING DEVELOPMENT.

(a) AUTHORITY TO PROVIDE GRANTS.—Section 5(a) of the United States Housing Act of 1937 is amended to read as follows:

"(a)(1) The Secretary may make annual contributions to public housing agencies to assist in achieving and maintaining the lower income character of their projects. The Secretary shall embody the provisions for such annual contributions in a contract guaranteeing their payment. The contribution payable annually under this section shall in no case exceed a sum equal to the annual amount of principal and interest payable on obligations issued by the public housing agency to finance the development or acquisition cost of the lower income project involved. Annual contributions payable under this section shall be pledged, if the Secretary so requires, as security for obligations issued by a public housing agency to assist the development or acquisition of the project to which annual contributions relate and shall be paid over a period not to exceed 40 years.

"(2) The Secretary may make contributions (in the form of grants) to public housing agencies to cover the development cost of public housing projects. The contract under which such contributions shall be made shall specify the amount of capital contributions required for each project to which the contract pertains, and that the terms and conditions of such contract shall remain in effect for a 40-year period.

"(3) The amount of contributions that would be established for a newly constructed project by a public housing agency designed to accommodate a number of families of a given size and kind may be established under this section for a project by such public housing agency that would provide housing for the comparable number, sizes, and kinds of families through the acquisition and rehabilitation, or use under lease, of structures that are suitable for lower income housing use and obtained in the local market.".

(b) CANCELLATION OF OUTSTANDING LOANS AND OBLIGATIONS.—Section 4 of the United States Housing Act of 1937 is amended by adding at the end thereof the following new subsection:

"(c)(1) At such times as the Secretary may determine, and in accordance with such accounting and other procedures as the Secretary may prescribe, each loan made by the Secretary under subsection (a) that has any principal amount outstanding or any interest amount outstanding or accrued shall be forgiven; and the terms and conditions of any contract, or any amendment to a contract, for such loan with respect to any promise to repay such principal and interest shall be canceled. Such cancellation shall not affect any other terms and conditions of such contract, which shall remain in effect as if the cancellation had not occurred. This paragraph shall not apply to any loan the repayment of which was not to be made using annual contributions, or to any loan all or part of the proceeds of which are due a public housing agency from contractors or others.

"(2)(A) On the date of the enactment of the Housing Act of 1985, or on September 30, 1985, whichever occurs later, each note or other obligation issued by the Secretary to the Secretary of the Treasury pursuant to subsection (b), together with any promise to repay the principal and unpaid interest that has accrued on each obligation, shall be forgiven; and any other term or condition specified by each such obligation shall be canceled.

"(B) On September 30, 1986, and on any subsequent September 30, each such note or other obligation issued by the Secretary pursuant to subsection (b) during the fiscal year ending on such date, together with any such promise to repay, shall be forgiven; and any other term or condition specified by each such obligation shall be canceled.".

(c) CONFORMING AMENDMENTS.—

(1) Section 5 of the United States Housing Act of 1937 is amended—

(A) by striking out "ANNUAL" in the section heading; and

(B) by striking out "annual" in subsection (e)(2).

(2) Section 6 of the United States Housing Act of 1937 is amended by striking out "annual" the first place it appears in the first sentence of subsection (g), and each place it appears in subsection (d) and the first sentence of each of subsections (a), (b), and (c).

(3) Section 7 of the United States Housing Act of 1937 is amended by striking out "annual" in the proviso in the first sentence.

(4) Section 9(a)(2) of the United States Housing Act of 1937 is amended—

(A) by striking out "being assisted by an annual contributions contract authorized by section 5(c)" and inserting in lieu thereof the following: "one developed pursuant to a contributions contract authorized by section 5"; and

(B) by striking out "any such annual" and inserting in lieu thereof "any such".

(5) Section 12 of the United States Housing Act of 1937 is amended by striking out "annual".

(6) Section 14 of the United States Housing Act of 1937 is amended—

(A) by striking out "receive assistance under section 5(c)" in subsection (c)(2) and inserting in lieu thereof "assisted under section 5"; and

(B) by striking out "annual" in each of paragraphs (2) and (4)(C) of subsection (d).

(7) Section 15 of the United States Housing Act of 1937 is amended by striking out "with loans or debt service annual contributions" in clause (2).

(8) Section 16(b) of the United States Housing Act of 1937 is amended by striking out "annual".

(9) Section 18(c) of the United States Housing Act of 1937 is amended by striking out "annual contributions authorized under section 5(c)" and inserting in lieu thereof "contributions authorized under section 5".

SEC. 2104. PUBLIC HOUSING CHILD CARE GRANTS.

(a) PROGRAM AUTHORITY.—

(1) The Secretary of Housing and Urban Development shall, to the extent approved in appropriation Acts, carry out a demonstration program of making grants to public housing agencies to assist such agencies in providing child care services for lower income families who reside in public housing.

(2) The Secretary shall design the program described in paragraph (1) to determine the extent to which the availability of child care services in lower income housing projects facilitates the employability of the parents or guardians of children residing in public housing.

(3) The program described in paragraph (1) shall be in addition to any demonstration program carried out under section 222 of the Housing and Urban-Rural Recovery Act of 1983.

(b) ELIGIBILITY FOR ASSISTANCE.—The Secretary may make a grant to any public housing agency under this section only if—

(1) prior to receipt of assistance under this section, such public housing agency does not have a child care services program in operation in the project for which such assistance is requested;

(2) such public housing agency agrees to provide suitable facilities for the provision of child care services;

(3) the child care services program of such public housing agency will serve preschool children during the day, elementary school children after school, or both, in order to permit the parents or guardians of such children to obtain, retain, or train for employment;

(4) the child care services program of such public housing agency is designed, to the extent practicable, to involve the participation of the parents of children benefiting from such program;

(5) the child care services program of such public housing agency is designed, to the extent practicable, to employ in part-time positions elderly individuals who reside in the lower income housing project involved; and

(6) the child care services program of such public housing agency complies with all applicable State and local laws, regulations, and ordinances.

(c) ALLOCATION OF ASSISTANCE.—In providing grants under this section, the Secretary shall—

(1) give priority to lower income housing projects in which reside the largest number of preschool and elementary school children of lower income families;

(2) seek to ensure a reasonable distribution of such grants between urban and rural areas and among lower income housing projects of varying sizes; and

(3) seek to provide such grants to the largest number of lower income housing projects practicable, considering the amount of funds available under this section and the financial requirements of the particular child care services programs to be developed by the applicant public housing agencies.

(d) ADMINISTRATIVE PROVISIONS.—

(1) Applications for grants under this section shall be made by public housing agencies in such form, and according to such procedures, as the Secretary may prescribe.

(2) Any public housing agency receiving a grant under this section may use such grant only for operating expenses and minor renovations of facilities necessary to the provision of child care services under this section.

(3) The Secretary shall conduct periodic evaluations of each child care services program assisted under this section for purposes of—

(A) determining the effectiveness of such program in providing child care services and permitting the parents or guardians of children residing in public housing to obtain, retain, or train for employment; and

(B) ensuring compliance with the provisions of this section.

(4) Nothing in this section may be construed as authorizing the Secretary to establish any health, safety, educational, or other standards with respect to child care services or facilities assisted with grants received under this section.

(e) REPORT TO CONGRESS.—Not later than the expiration of the 3-year period following the date of the enactment of this Act, the Secretary shall prepare and submit to the Congress a detailed report setting forth the findings and conclusions of the Secretary as a result of carrying out the demonstration program established in this section. Such report shall include any recommendations of the Secretary with respect to the establishment of a permanent program of assisting child care services in lower income housing projects.

(f) DEFINITIONS.—For purposes of this section:

(1) The term "lower income families" has the meaning given such term in section 3(b)(2) of the United States Housing Act of 1937.

(2) The terms "lower income housing project" and "public housing" have the meanings given such terms in section 3(b)(1) of the United States Housing Act of 1937.

(3) The term "public housing agency" has the meaning given such term in section 3(b)(6) of the United States Housing Act of 1937.

(4) The term "Secretary" means the Secretary of Housing and Urban Development.

(g) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out the provisions of this section $15,000,000 for fiscal year 1986. Any amount appropriated under this subsection shall remain available until expended.

SEC. 2105. ADDITIONAL PUBLIC HOUSING PROVISIONS.

(a) LIMITATION ON RECAPTURE OF FUNDING RESERVATIONS.—Section 5 of the United States Housing Act of 1937 is amended by adding at the end thereof the following new subsection:

"(j) After the reservation of public housing development funds to a public housing agency, the Secretary may not recapture any of the amounts included in such reservation due to the failure of a public housing agency to begin construction or rehabilitation, or to complete acquisition, during the 30-month period following the date of such reservation. During such 30-month period, the public housing agency shall be permitted to change the site of the public housing project or reformulate the project, if not less than the original number of dwelling units are to be constructed, rehabilitated, or acquired. There shall be excluded from the computation of such 30-month period any delay in the beginning of construction or rehabilitation of such project caused by (1) the failure of the Secretary to process such project within a reasonable period of time; (2) any environmental review requirement; (3) any legal action affecting such project; or (4) any other factor beyond the control of the public housing agency.".

(b) NEW CONSTRUCTION.—Section 6(h) of the United States Housing Act of 1937 is amended—

(1) by inserting before "is" the following: "in the neighborhood where the public housing agency determines the housing is needed"; and

(2) by inserting "in such neighborhood" after "rehabilitation".

(c) PUBLIC HOUSING AGENCY RECEIVERSHIP.—Section 6 of the United States Housing Act of 1937 is amended—

(1) by redesignating subsection (g) as subsection (f); and

(2) by inserting after such subsection (f) the following new subsection:

"(g)(1) Notwithstanding any other provision of this Act or of any contract for contributions, upon the occurrence of events or conditions that constitute a substantial default in respect to the covenants or conditions to which the public housing agency is subject, the Secretary or a tenant of the public housing agency may petition for the appointment of a receiver (which may be a private management corporation) of the public housing agency to any district court of the United States or to any court of the State in which the real property of the public housing agency is situated that is authorized under the laws of such jurisdiction to appoint a receiver for the purposes and having the powers prescribed in this subsection. The court shall order appropriate notice of such petition to the tenants of such public housing agency and shall permit the intervention of 1 or more classes of tenants in the proceedings.

"(2) Upon a determination that such a substantial default has occurred, and without regard to the availability of alternative remedies, the court shall appoint a receiver to conduct the affairs of the public housing agency in a manner consistent with this Act and in accordance with such further terms and conditions as the court shall provide. The court shall have power to grant appropriate temporary or preliminary relief pending final disposition of the petition by the Secretary.

"(3) The appointment of a receiver pursuant to this subsection may be terminated upon the petition of any party or when the court determines that all defaults have been cured and that the projects of the public housing agency will thereafter be operated by the public housing agency in accordance with the covenants and conditions to which the public housing agency is subject.".

(d) DEMOLITION AND DISPOSITION.—

(1) Section 18(a)(1) of the United States Housing Act of 1937 is amended by striking out "or" after "purposes," and inserting in lieu thereof "and".

(2) Section 18(b) of the United States Housing Act of 1937 is amended—

(A) by striking out "and" at the end of paragraph (1);

(B) by striking out the period at the end of paragraph (2) and inserting in lieu thereof "; and"; and

(C) by adding at the end thereof the following new paragraph:

"(3) the public housing agency has developed a plan for the addition of public housing dwelling units in an aggregate number equal to the number of such units proposed to be demolished or disposed under such application, and the Secretary has agreed to provide funding for such plan if necessary, except that (A) such 1-for-1 replacement requirement shall not apply if there is no local need for low-income housing; and (B) if necessary funding for public housing dwelling units is not available, project-based dwelling units assisted under section 8 may be substituted.".

(e) TRANSFERS OF PROPERTY UNDER INDIAN MUTUAL HELP HOMEOWNERSHIP OPPORTUNITY PROGRAM.—Each homebuyer under the Indian Mutual Help Homeownership Opportunity Program established by the Secretary in subpart D of part 905 of title 24, Code of Federal Regulations, shall be entitled to transfer the dwelling unit involved to any person who complies with the eligibility requirements of such program and will reside in such dwelling unit.

(f) PUBLIC HOUSING MANAGEMENT AND FUNDING REPORT.—Not later than the expiration of the 2-year period following the date on which the public housing profession institutes voluntary professional performance standards for certifying public housing agencies as efficient and well managed, the Secretary of Housing and Urban Development shall prepare and submit to the Congress a report evaluating the feasibility of establishing a system under which public housing agencies are permitted to certify compliance with such standards and with other requirements established by the Secretary for purposes of substantially simplifying the procedure for receiving assistance under section 9 or 14 of the United States Housing Act of 1937.

SEC. 2106. SECTION 8 ASSISTANCE.

(a) CONTRACTS FOR EXISTING DWELLING UNITS.—The first sentence of section 8(b)(1) of the United States Housing Act of 1937 is amended by inserting ", which shall be for 15 years," after "annual contributions contracts".

(b) USE OF ASSISTANCE IN CONNECTION WITH RENTAL REHABILITATION.—Section 8(b) of the United States Housing Act of 1937 is amended by adding at the end thereof the following new paragraph:

"(2) Assistance payments may also be made under this subsection for a family residing in a project being rehabilitated under section 17 that is determined to be a lower income family at the time it initially receives assistance and whose rent after rehabilitation would exceed 30 percent of the monthly adjusted income of the family.".

(c) PUBLIC HOUSING AGENCY FEES.—

(1) Section 8(b) of the United States Housing Act of 1937, as amended by subsection (b), is amended by adding at the end thereof the following new paragraph:

"(3) The method of calculation, the preliminary fee, and the percentage established

for administrative fees paid to a public housing agency administering a contract under this subsection shall be the method of calculation, the preliminary fee, and the percentage established by the Secretary before January 1, 1985, and in effect on such date.".

(2) The amendment made by this subsection shall be applicable to administrative fees payable with respect to the administrative activities of a public housing agency after December 31, 1984.

(d) FAIR MARKET RENTALS.—Section 8(c)(1) of the United States Housing Act of 1937 is amended by inserting before the last sentence the following new sentence: "Each fair market rental in effect under this subsection shall be adjusted to be effective on October 1 of each year to reflect changes, based on the most recent available data trended so the rentals will be current for the year to which they apply, of rents for existing or newly constructed rental dwelling units, as the case may be, of various sizes and types in the market area suitable for occupancy by persons assisted under this section.".

(e) SHARED HOUSING.—Section 8(p) of the United States Housing Act of 1937 is amended by adding at the end thereof the following new sentence: "Such standards may not require any person residing in a 1-bedroom dwelling to accept another person to share such dwelling, to move to a smaller dwelling, or to pay additional rent due to a refusal to accept another person to share such dwelling or to move to a smaller dwelling.".

(f) PORTABILITY OF CERTIFICATES AND VOUCHERS.—Section 8 of the United States Housing Act of 1937 is amended by adding at the end thereof the following new subsection:

"(q) Any family assisted under subsection (b) or (o) may continue to receive such assistance when such family moves to another eligible dwelling unit—

"(1) if such dwelling unit is within the same metropolitan statistical area as the dwelling unit from which the family moves; and

"(2) notwithstanding that such dwelling unit is not within the area of jurisdiction of the public housing agency having jurisdiction in the area of the dwelling unit from which the family moves.".

SEC. 2107. VOUCHER DEMONSTRATION PROGRAM.

(a) OPERATION OF PROGRAM.—Section 8(o) of the United States Housing Act of 1937 is amended—

(1) in the first sentence of paragraph (1), by striking out "In" and all that follows through ", the" and inserting in lieu thereof "The";

(2) by striking out paragraph (4);

(3) by redesignating paragraphs (5) through (8) as paragraphs (4) through (7), respectively; and

(4) in paragraph (5), as so redesignated by this subsection, by striking out "an initial" and inserting in lieu thereof "a".

(b) USE OF VOUCHERS IN CONNECTION WITH RENTAL REHABILITATION.—The first sentence of section 8(o)(3) of the United States Housing Act of 1937 is amended—

(1) by striking out "or" before "(C)"; and

(2) by inserting before the period at the end thereof the following: ", or (D) a family residing in a project being rehabilitated under section 17 that is determined to be a lower income family at the time it initially receives assistance and whose rent after rehabilitation would exceed 30 percent of the monthly adjusted income of the family".

(c) ADMINISTRATIVE EXPENSES.—Section 8(o) of the United States Housing Act of 1937, as amended by subsection (a), is amended by adding at the end thereof the following new paragraph:

"(8) The assistance under this subsection that is retained by public housing agencies for administrative expenses shall be equal to the assistance under section 8(b) that is retained by such agencies for such expenses.".

(d) STUDY.—Section 8(o) of the United States Housing Act of 1937, as amended by subsections (a) and (c), is amended by adding at the end thereof the following new paragraph:

"(9) For purposes of facilitating congressional consideration of the appropriateness of additional funding for assistance under this subsection, the Secretary shall prepare and submit to the Congress a report comparing the impact of assistance under this subsection with assistance under subsection (b)(1). Such report shall include comparisons with respect to—

"(A) the percentage of income paid by assisted families after receiving assistance for a 3-year period;

"(B) the financial characteristics of assisted families;

"(C) the extent to which rents paid by assisted families exceed 30 percent of adjusted income;

"(D) the security deposits required to be paid by assisted families and the impact of such deposits on the cost of housing for such families;

"(E) the accounting systems used by public housing agencies and the impact of such systems on the administrative costs incurred by such agencies;

"(F) the amount of time needed by assisted families to obtain dwelling units;

"(G) the extent to which families requiring dwelling units with 3 or more bedrooms are able to obtain such dwelling units;

"(H) the characteristics of assisted families, including information with respect to family size, age, race, and sex;

"(I) the extent to which assisted families move to other dwelling units; and

"(J) the extent of improvement in the physical condition of dwelling units occupied by eligible families as a result of assistance.".

SEC. 2108. PAYMENTS FOR OPERATION OF LOWER INCOME HOUSING PROJECTS.

(a) PERFORMANCE FUNDING SYSTEM.—Section 9(a) of the United States Housing Act of 1937 is amended—

(1) by striking out the last sentence of paragraph (1); and

(2) by adding at the end thereof the following new paragraph:

"(3)(A) For purposes of making payments under this section, the Secretary shall utilize a performance funding system that is substantially based on the system defined in regulations and in effect on November 30, 1983 (as modified by this paragraph), and that establishes standards for costs of operation and reasonable projections of income, taking into account the character and location of the project and the characteristics of the families served, in accordance with a formula representing the operations of a prototype well-managed project. Such performance funding system shall be established in consultation with public housing agencies and their associations, be contained in a regulation promulgated by the Secretary prior to the start of any fiscal year to which it applies, and remain in effect for the duration of such fiscal year without change.

"(B) Under the performance funding system established under this paragraph—

"(i) changes to the allowable expense level shall be made annually to reflect actual inflation rates for the most recent year for which data is available;

"(ii) in the first year that the reductions occur, any public housing agency shall share equally with the Secretary any cost reductions due to the differences between projected and actual energy rates attributable to actions taken by the agency which lead to such reductions;

"(iii) funds received by any public housing agency from sources other than tenant rents or other tenant payments, investment income, or income earned from commercial leases or receipts, including any amounts recovered through litigation, shall not be counted as income in computing the allowable subsidy nor shall prior receipt of any such funds affect the allowable expense level;

"(iv) payments to public housing agencies may only be ratably reduced if sufficient funds are not available, and, if excess funds are available, they shall be retained by the Secretary for use in the next fiscal year;

"(v) there shall be a formal review process for the purpose of providing such increases to the allowable expense level of a public housing agency as necessary—

"(I) to correct inequities and abnormalities that exist in the base year expense level of such public housing agency;

"(II) to reflect changes in operating circumstances since the initial determination of such base year expense level; and

"(III) to ensure that the allowable expense limit accurately reflects the higher cost of operating the project in an economically distressed unit of local government;

"(vi) public housing agencies shall be reimbursed for costs incurred that were beyond their control and the full extent of which were not taken into consideration in the original distribution of funds for the fiscal year involved;

"(vii) subsidy eligibility shall be calculated on the basis of 97 percent occupancy rate, except that a lower occupancy rate shall be permitted if—

"(I) it is due to vacant units in projects funded for modernization activity that is on schedule; or

"(II) it is acceptable to the Secretary as part of the plan of the public housing agency to achieve not less than a 97 percent occupancy rate over a reasonable period of years;

"(viii) public housing agencies shall maintain reasonable operating reserves similar to those established by well-managed, privately owned rental property;

"(ix) the estimate of the rental income for the next fiscal year of a public housing agency shall be based on the actual rent for the fourth, fifth, or sixth month prior to the beginning of the new fiscal year of the public housing agency;

"(x) any revenues resulting from rental income or other income (excluding investment income) in excess of estimated revenues from such items may not be recaptured, used, or computed to reduce assistance provided under this section, unless such estimate—

"(I) was unreasonable according to regulations in effect when the estimate was made; or

"(II) was fraudulent and deceptive; and

"(xi) estimated investment income may be recomputed and appropriate adjustments may be made at the end of the fiscal year to reflect actual average cash availability and average interest rates during such year.".

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 9(c) of the United States Housing Act of 1937 is amended—

(1) by striking out "not" the first place it appears and all that follows through ", and by"; and

(2) by inserting before the period at the end thereof the following: ", and $1,279,000,000 for fiscal year 1986 (of which amount not more than $100,000,000 shall be made available for purposes of clauses (v) and (vi) of subsection (a)(3)(B))".

(c) TIME OF PAYMENT.—Section 9 of the United States Housing Act of 1937 is amended by adding at the end thereof the following new subsection:

"(e) Assistance to be provided to any public housing agency under this section for any fiscal year of such agency shall commence not later than the 1st month of such fiscal year, and shall be paid in equal monthly or quarterly installments or in accordance with such other payment schedule as may be agreed upon by the Secretary and such agency.".

SEC. 2109. GRANTS FOR COMPREHENSIVE IMPROVEMENT ASSISTANCE.

(a) AUTHORITY TO PROVIDE GRANTS.—Section 14 of the United States Housing Act of 1937 is amended by adding at the end thereof the following new subsection:

"(k) The Secretary may make contributions (in the form of grants) to public housing agencies under this section. The contract under which such contributions shall be made shall specify the amount of contributions required for each project to which the contract pertains, and that the terms and conditions of such contract shall remain in effect for a 20-year period.".

(b) CONFORMING AMENDMENTS.—

(1) Section 14(e) of the United States Housing Act of 1937 is amended by striking out "annual".

(2) Section 14 of the United States Housing Act of 1937 is amended by inserting "or (k)" after "subsection (b)" each place it appears in subsections (c), (d), (e), (g), (h), and (i).

SEC. 2110. ADDITIONAL COMPREHENSIVE IMPROVEMENT ASSISTANCE PROGRAM PROVISIONS.

(a) PURPOSES.—Section 14(a) of the United States Housing Act of 1937 is amended—

(1) by redesignating paragraphs (1) and (2) as paragraphs (2) and (3), respectively; and

(2) by inserting before paragraph (2), as so redesignated, the following new paragraph:

"(1) to maintain the marketability of existing public housing projects and contribute to their long-term viability;".

(b) ADVANCE ARCHITECTURAL ENGINEERING AND PLANNING.—Section 14(e)(3) of the United States Housing Act of 1937 is amended by inserting after "(d)(4)" the following: "(including any such cost incurred in any year before the year in which the application of the public housing agency under subsection (d) is approved)".

(c) VACANT UNIT SET-ASIDE.—Section 14 of the United States Housing Act of 1937 is amended by inserting after subsection (e) the following new subsection:

"(f) Any amount available for financial assistance under subsection (b) or (k) for improving the physical condition of vacant uninhabitable dwelling units in public housing projects shall be made available in a manner to ensure the long-term viability of such dwelling units as public housing.".

(d) REHABILITATION STANDARDS.—

(1) Section 14(j)(2) of the United States Housing Act of 1937 is amended by adding at the end thereof the following new sentence: "Notwithstanding any other provision of this section, the Secretary shall provide assistance under this section in accordance with rehabilitation standards established by the Secretary under this paragraph and in effect on June 1, 1984.".

(2) Section 14(j) of the United States Housing Act of 1937 is amended by adding at the end thereof the following new paragraph:

"(3) Not later than the expiration of the 6-month period following the date of the enactment of the Housing Act of 1985, the Secretary shall issue regulations that establish a system for allocating and distributing assistance under this section.".

(e) REPORTS.—

(1) Section 14 of the United States Housing Act of 1937, as amended by section 2109, is amended by adding at the end thereof the following new subsection:

"(l) The Secretary shall include in the annual report under section 8 of the Housing and Urban Development Act a description of the allocation, distribution, and use of assistance under this section on a regional basis.".

(2) Not later than the expiration of the 12-month period following the date of the enactment of this Act, the Secretary of Housing and Urban Development shall prepare and submit to the Congress a report evaluating the comprehensive improvement assistance program under sections 14 and 20 of the United States Housing Act of 1937. Such report shall include—

(A) an analysis of the current physical condition of public housing projects;

(B) an estimate of the amount of assistance necessary under such sections to improve the physical condition of such projects and to upgrade the management and operation of such projects;

(C) a proposal for the creation of a replacement reserve account for major and nonroutine repairs of public housing projects, and a formula for such replacement reserve;

(D) an evaluation of the feasibility of incorporating such replacement reserve account into the performance funding system under section 9 of the United States Housing Act of 1937;

(E) an estimate of the total annual cost of such replacement reserve account; and

(F) an analysis of the feasibility for distribution of funds under such sections on a formula basis, a description of criteria for such a formula, and an estimate of the amount that each public housing agency with more than 500 dwelling units in public housing could be expected to receive under such formula distribution.

(f) RESIDENT MANAGEMENT IN PUBLIC HOUSING.—Section 14 of the United States Housing Act of 1937, as amended by subsection (e), is amended by adding at the end thereof the following new subsection:

"(m) During fiscal year 1986, the Secretary may make available up to $1,500,000, from amounts otherwise available during such fiscal year for purposes of this section, for assistance to public housing agencies that obtain, by contract or otherwise (not exceeding $100,000 per project), technical assistance for the development of resident management entities, including (but not limited to) formation of such entities, development of the management capability of newly formed or existing entities, and identification of project social support needs and securing such support.".

SEC. 2111. PUBLIC HOUSING COMPREHENSIVE GRANTS.

(a) FINDINGS.—The Congress hereby finds that—

(1) the condition of public housing projects financed under the United States Housing Act of 1937 is in some cases substandard, forcing many dwelling units to remain vacant, forcing many lower income families to live in substandard or dangerous living conditions, and preventing many others from obtaining decent, safe, and sanitary rental housing at an affordable rent as provided for under such Act;

(2) the Federal Government has a responsibility to help ensure the maintenance of public housing dwelling units in decent, safe, and sanitary condition, and to provide public housing agencies with funds sufficient to carry out such maintenance;

(3) the current comprehensive assistance improvement program has not provided public housing agencies the flexibility and responsibility essential for establishing priorities for capital improvement expenditures, assessing the relative needs of all public housing projects, and evaluating the relative advantages of repair, major maintenance, and capital replacement;

(4) the current comprehensive assistance improvement program has made it difficult for public housing agencies to plan capital improvements on a multiyear basis; and

(5) the current comprehensive assistance improvement program has resulted in unnecessary paperwork and delay, thereby increasing costs for capital improvements.

(b) PURPOSE.—It is the purpose of the amendments made by this section—

(1) to provide assistance on a reliable basis to public housing agencies to enable them to operate, upgrade, modernize, and rehabilitate public housing projects financed under the United States Housing Act of 1937 to ensure their continued availability as decent, safe, and sanitary rental housing at rents affordable to lower income families;

(2) to increase the reliability of Federal assistance for capital improvements in public housing projects;

(3) to significantly deregulate the program of Federal assistance for capital improvements in public housing projects;

(4) to provide increased opportunities and incentives for more efficient management of public housing projects; and

(5) to afford public housing agencies greater control in planning for the maintenance and improvement of public housing projects.

(c) COMPREHENSIVE GRANT PROGRAM.—The United States Housing Act of 1937 is amended by adding at the end thereof the following new section:

"COMPREHENSIVE GRANT PROGRAM

"SEC. 20. (a) PURPOSE.—It is the purpose of this section to provide assistance to improve the physical condition of existing public housing projects and to upgrade their management and operation in order to contribute to their long-term physical and social viability and their continued availability to provide decent, safe, and sanitary living conditions for lower income families.

"(b) AUTHORITY TO PROVIDE FINANCIAL ASSISTANCE.—The Secretary may make available, and contract to make available, financial assistance to public housing agencies in accordance with the provisions of this sec-

tion with respect to public housing (as defined in section 3(b)(1)) owned or operated by such agencies.

"(c) COMPREHENSIVE PLAN.—No financial assistance may be made available to a public housing agency under this section unless the Secretary approves a 5-year comprehensive plan submitted by the public housing agency on a date determined by the Secretary, except that the Secretary may provide such assistance if it is necessary to correct conditions that constitute an immediate threat to the health or safety of tenants. The comprehensive plan shall contain—

"(1) a comprehensive assessment of—

"(A) the current physical condition of each public housing project owned or operated by the public housing agency;

"(B) the physical improvements necessary for each such project to permit the project to be rehabilitated to a level at least equal to the minimum property standards established by the Secretary and in effect at the time of the preparation of the comprehensive plan; and

"(C) the replacement needs of equipment systems and structural elements that will be required to be met (assuming routine and timely maintenance is performed) during the 5-year period covered by the comprehensive plan;

"(2) a comprehensive assessment of the improvements needed to upgrade the management and operation of the public housing agency and of each such project so that decent, safe, and sanitary living conditions will be provided such projects, which assessment shall include at least an identification of needs related to—

"(A) the management, financial, and accounting control systems of the public housing agency that are related to such projects;

"(B) the adequacy and qualifications of personnel employed by the public housing agency (in the management and operation of such projects) for each category of employment; and

"(C) the adequacy and efficacy of—

"(i) tenant programs and services in such projects;

"(ii) the security of each such project and its tenants;

"(iii) policies and procedures of the public housing agency for the selection and eviction of tenants in such projects; and

"(iv) other policies and procedures of the public housing agency relating to such projects, as specified by the Secretary;

"(3) an analysis, made on a project-by-project basis in accordance with standards and criteria prescribed by the Secretary, demonstrating that completion of the improvements and replacements identified under paragraphs (1) and (2) will reasonably ensure the long-term physical and social viability of each such project at a reasonable cost;

"(4) an action plan for making the improvements and replacements identified under paragraphs (1) and (2) that are determined under the analysis described in paragraph (3) to reasonably ensure long-term viability of each such project at a reasonable cost, which action plan shall include at least a schedule, in order of priority, of the actions that are to be completed over a period of not more than 5 years from the date of approval of the comprehensive plan by the Secretary and that are necessary—

"(A) to make the improvements and replacements identified under paragraph (1) for each project expected to receive capital improvements or replacements; and

"(B) to upgrade the management and operation of the public housing agency and its public housing projects as described in paragraph (2);

"(5) a statement, to be signed by the chief local government official (or Indian tribal official, if appropriate), certifying that—

"(A) the comprehensive plan was developed by the public housing agency in consultation with appropriate local government officials (or Indian tribal officials, if appropriate) and with tenants of the housing projects eligible for assistance under this section, which shall include not less than 2 public hearings (i) at least 1 of which shall be held prior to the initial adoption of any plan by the public housing agency for use of such assistance, and afford tenants and interested parties an opportunity to summarize their priorities and concerns, to ensure their due consideration in the planning process of the public housing agency; and (ii) at least 1 of which shall be held prior to final submission of the plan to the Department of Housing and Urban Development for its approval, to provide tenants and other interested parties an opportunity to comment on the plan of action proposed by the public housing agency in its submission; and

"(B) the comprehensive plan is consistent with the assessment of the community of its lower income housing needs and that the unit of general local government (or Indian tribe, if appropriate) will cooperate in the provision of tenant programs and services (as defined in section 3(c)(2));

"(6) a statement, to be signed by the chief public housing official, certifying that the public housing agency will carry out the comprehensive plan in conformity with title VI of the Civil Rights Act of 1964, title VIII of the Act of April 11, 1968 (commonly known as the Civil Rights Act of 1968), and section 504 of the Rehabilitation Act of 1973;

"(7) a preliminary estimate of the total cost of the items identified in paragraphs (1) and (2), including a preliminary estimate of the costs that will be incurred during each year covered by the comprehensive plan; and

"(8) such other information as the Secretary may require.

"(d) REVIEW OF COMPREHENSIVE PLANS.—

"(1) STANDARD FOR APPROVAL.—The Secretary shall approve a comprehensive plan unless—

"(A) the comprehensive plan is incomplete;

"(B) on the basis of available significant facts and data pertaining to the physical and operational condition of the public housing projects of the public housing agency or the management and operations of the public housing agency, the Secretary determines that the identification by the public housing agency of needs is plainly inconsistent with such facts and data;

"(C) on the basis of the comprehensive plan, the Secretary determines that the action plan described in subsection (c)(4) is plainly inappropriate to meeting the needs identified in the comprehensive plan, or that the public housing agency has failed to demonstrate that completion of improvements and replacements identified under paragraphs (1) and (2) of subsection (c) will reasonably ensure long-term viability of 1 or more public housing projects to which they relate at a reasonable cost; or

"(D) there is evidence available to the Secretary that tends to challenge in a substantial manner any certification contained in the comprehensive plan.

"(2) SCHEDULE FOR APPROVAL.—The comprehensive plan shall be considered to be approved, unless the Secretary notifies the public housing agency in writing within 75 calendar days of submission that the Secretary has disapproved the comprehensive plan as submitted, indicating the reasons for disapproval and modifications required to make the comprehensive plan approvable.

"(e) ANNUAL STATEMENT.—

"(1) Each public housing agency receiving assistance under this section shall submit to the Secretary, at a date determined by the Secretary, an annual statement of the activities and expenditures projected to be funded, in whole or in part, by such assistance during the immediately following fiscal year of the public housing agency. The annual statement shall include a certification by the public housing agency that the proposed activities and expenditures are consistent with the approved comprehensive plan of the public housing agency. The annual statement also shall include a certification that the public housing agency has provided the tenants of the public housing and other interested parties the opportunity to review the annual statement and comment on it, and that such comments have been taken into account in formulating the annual statement as submitted to the Secretary.

"(2) A public housing agency may propose an amendment to its comprehensive plan under subsection (c) in any annual statement. Any such proposed amendment shall be reviewed in accordance with subsection (d), and shall include a certification that (A) the proposed amendment has been made publicly available for comment prior to its submission; (B) tenants and other interested parties have been given sufficient time to review and comment on it; and (C) such comments have been taken into consideration in the preparation and submission of the amendment.

"(3) The Secretary shall approve the annual statement unless the Secretary determines that it is inconsistent with the comprehensive plan. The annual statement shall be considered to be approved, unless the Secretary notifies the public housing agency in writing before the expiration of the 75-day period following submission of the annual statement that the Secretary has disapproved the annual statement as submitted, indicating the reasons for disapproval and the modifications required to make the annual statement approvable. The annual statement shall be approved before the public housing agency receives any assistance under this section for the fiscal year to which the annual statement relates.

"(f) ANNUAL PERFORMANCE REPORTS; REVIEWS AND AUDITS.—

"(1) PERFORMANCE AND EVALUATION REPORTS.—Each public housing agency receiving assistance under this section shall submit to the Secretary, on a date determined by the Secretary, a performance and evaluation report concerning the use of funds made available under this section. The report of the public housing agency shall include an assessment by the public housing agency of the relationship of such use of funds made available under this section, as well as the use of other funds, to the needs identified in the comprehensive plan of the public housing agency and to the purposes of this section. The public housing agency shall certify that the report has been made available for review and comment by tenants and other interested parties prior to its submission to the Secretary.

"(2) REVIEWS BY SECRETARY.—The Secretary shall, at least on an annual basis, make

such reviews as may be necessary or appropriate to determine whether each public housing agency receiving assistance under this section—

"(A) has carried out its activities under this section in a timely manner and in accordance with its comprehensive plan;

"(B) has a continuing capacity to carry out its comprehensive plan in a timely manner;

"(C) has satisfied, or has made reasonable progress towards satisfying, such performance standards as shall be prescribed by the Secretary, which shall include at least that the public housing agency shall—

"(i) maintain all occupied dwelling units in public housing projects eligible for assistance under this section at levels at least equal to the housing quality standards established by the Secretary under section 8(o)(6);

"(ii) maintain at least a 97-percent occupancy rate for all dwelling units in such projects; and

"(iii) maintain an operating reserve, as authorized under section 9(a), equal to at least 20 percent of the routine expenses in the operating budget of each year; and

"(D) has made reasonable progress in carrying out modernization projects approved under the provisions of section 14.

"(3) AUDITS OF FINANCIAL TRANSACTIONS.—Recipients of assistance under this section shall have an audit made in accordance with chapter 75 of title 31, United States Code. The Secretary, the Inspector General of the Department of Housing and Urban Development, and the Comptroller General of the United States shall have access to all books, documents, papers, or other records that are pertinent to the activities carried out under this section in order to make audit examinations, excerpts, and transcripts.

"(4) CORRECTIVE ACTION.—The comprehensive plan, any amendments to the comprehensive plan, and the annual statement shall, once approved by the Secretary, be binding upon the Secretary and the public housing agency. The Secretary may order corrective action only if the public housing agency does not comply with paragraph (1) or (2) or if an audit under paragraph (3) reveals findings that the Secretary reasonably believes require such corrective action. The Secretary may withhold funds under this section only if the public housing agency fails to take such corrective action after notice and a reasonable opportunity to do so. In administering this section, the Secretary shall, to the greatest extent possible, respect the professional judgment of the administrators of the public housing agency.

"(g) ELIGIBLE COSTS.—A public housing agency may use financial assistance received under subsection (b) only—

"(1) to undertake activities described in its approved comprehensive plan under subsection (c) or its annual statement under subsection (e);

"(2) to correct conditions that constitute an immediate threat to the health or safety of tenants, whether or not the need for such correction is indicated in its comprehensive plan or annual statement;

"(3) to prepare a comprehensive plan under subsection (c), including reasonable costs that may be necessary to assist tenants in participating in the planning process in a meaningful way, an annual statement under subsection (e), an annual performance and evaluation report under subsection (f)(1), and an audit under subsection (f)(3); and

"(4) to operate public housing projects consistent with the requirements that apply to amounts provided under section 9, except that not more than 20 percent of the funds secured under this section may be used for such purposes.

"(h) ALLOCATION OF ASSISTANCE.—The system for allocating assistance under section 14 in effect on May 21, 1985, shall remain in effect until the Congress, by law, establishes criteria for a formula or other allocation method to be used by the Secretary under this section in determining—

"(1) for each public housing agency, the amounts that are necessary to address current needs for capital improvements;

"(2) for each public housing agency, the amounts that are necessary to address the future needs for capital improvements through a replacement reserve; and

"(3) the relative needs of public housing agencies of different sizes for the amounts described in paragraphs (1) and (2).

"(i) ANNUAL REPORT.—The Secretary shall include in the annual report under section 8 of the Department of Housing and Urban Development Act a description of the allocation, distribution, and use of assistance under this section on a regional basis.

"(j) AUTHORIZATION OF APPROPRIATIONS.—

"(1) CURRENT NEEDS.—

"(A) There are authorized to be appropriated under this section to provide assistance for the current needs for capital improvements of public housing agencies such sums as may be necessary for fiscal years 1987, 1988, and 1989.

"(B) Of the amounts appropriated under subparagraph (A), 3 percent shall be reserved by the Secretary to provide assistance to correct conditions in public housing agencies that constitute an immediate threat to the health or safety of tenants.

"(2) REPLACEMENT RESERVE.—There are authorized to be appropriated under this section to provide assistance for the future needs for capital improvements in replacement reserves for public housing agencies such sums as may be necessary for fiscal years 1987, 1988, and 1989.

"(3) AVAILABILITY.—Any amount appropriated under this subsection shall remain available until expended.

"(k) REGULATIONS.—The Secretary may issue such regulations as are necessary to carry out the provisions of this section.".

(d) USE OF OPERATING ASSISTANCE.—Section 9(a)(1) of the United States Housing Act of 1937 is amended by inserting after the first sentence the following new sentence: "A public housing agency may also use any available amounts provided under this section in accordance with the purpose and requirements of section 20.".

(e) ASSISTANCE FOR PREPARATION OF COMPREHENSIVE PLANS.—Of the amounts approved in appropriation Acts for fiscal year 1986 for financial assistance under section 14 of the United States Housing Act of 1937, the Secretary shall, not later than November 1, 1985, provide such sums as may be reasonable and necessary to public housing agencies that request funds to prepare comprehensive plans under section 20(c) of the United States Housing Act of 1937, as added by this section.

(f) APPLICABILITY.—

(1) IN GENERAL.—The amendments made by subsections (c) and (d) shall be applicable in fiscal year 1987 and succeeding fiscal years, but in no event before the date of the enactment of the law referred to in section 20(h) of the United States Housing Act of 1937, as added by this section. Except as provided in paragraph (2), the provisions of section 14 of the United States Housing Act of 1937 shall continue to apply to amounts appropriated for any prior fiscal year to carry out such section 14.

(2) TRANSITION PROVISION.—Any amount obligated by the Secretary of Housing and Urban Development to a public housing agency under section 14 of the United States Housing Act of 1937 from amounts appropriated for any fiscal year beginning on or before the date of the enactment of the law referred to in section 20(h) of the United States Housing Act of 1937, as added by this section, shall be used for the purposes for which such amount was provided, or for purposes consistent with a comprehensive plan submitted by the public housing agency and approved by the Secretary under such section 20 as added by this section, as the public housing agency considers appropriate.

SEC. 2112. INCOME ELIGIBILITY FOR ASSISTED HOUSING.

The United States Housing Act of 1937 is amended by striking out section 16.

SEC. 2113. RENTAL DEVELOPMENT PROGRAM.

(a) BUDGET AUTHORITY.—Section 17(a) of the United States Housing Act of 1937 is amended by adding at the end thereof the following new paragraph:

"(4) ADDITIONAL AUTHORIZATION.—There are authorized to be appropriated not to exceed $150,000,000 for fiscal year 1986 for development grants.".

(b) PROGRAM REQUIREMENTS.—Section 17(d)(4) of the United States Housing Act of 1937 is amended—

(1) in subparagraph (E)—

(A) by inserting "(i)" after the subparagraph designation;

(B) by striking out "lower income families" and inserting in lieu thereof the following: "families who are lower income families on the date of initial occupancy";

(C) by adding "and" at the end of clause (i), as so redesignated by this paragraph; and

(D) by adding at the end thereof the following new clause:

"(ii) a family shall be considered to meet the requirements of clause (i) until it pays a rent equal to the lowest rent for a unit of the same size in the same project that is occupied by a family that does not meet the requirements of clause (i);";

(2) by striking out "and" at the end of subparagraph (G);

(3) by striking out the period at the end of subparagraph (H) and inserting in lieu thereof "; and"; and

(4) by adding at the end thereof the following new subparagraph:

"(I) the owner of each assisted structure agrees to comply with the provisions of paragraph (8) until the 20-year period specified in paragraph (7) has ended.".

(c) RENT PROVISIONS.—Section 17(d)(8)(A) of the United States Housing Act of 1937 is amended—

(1) in the first sentence by striking out "lower income families" and inserting in lieu thereof the following: "families that meet the requirements of paragraph (4)(E)"; and

(2) in the second sentence, by striking out "30" and all that follows through "families" and inserting in lieu thereof the following: "the amount permitted under section 3(a) for lower income families".

(d) ENFORCEMENT OF PROGRAM REQUIREMENTS.—Section 17(d)(7)(A) is amended by striking out the penultimate sentence.

SEC. 2114. RENTAL REHABILITATION PROGRAM.

(a) ELIGIBLE PROPERTY.—Section 17(a)(1)(A) of the United States Housing Act of 1937 is amended by inserting after "property" the following: ", or of real property that will be privately owned upon the completion of rehabilitation,".

(b) AVAILABILITY OF AMOUNTS.—Section 17(a)(3)(A) of the United States Housing Act of 1937 is amended by inserting before the semicolon the following: "(and such amounts may be permitted by appropriation Acts to remain available until September 30, 1987)".

PART 2—MULTIFAMILY HOUSING MANAGEMENT AND PRESERVATION

SEC. 2121. PREPAYMENT OF MORTGAGES.

Section 250(a)(1) of the National Housing Act is amended by striking out "or" and all that follows through "needs" the last place it appears.

SEC. 2122. MANAGEMENT AND PRESERVATION OF HUD-OWNED MULTIFAMILY HOUSING PROJECTS.

(a) GOALS.—Section 203(a) of the Housing and Community Development Amendments of 1978 is amended by striking out "(a)" and all that follows through the semicolon at the end of paragraph (1) and inserting in lieu thereof the following:

"(a) The Secretary of Housing and Urban Development (hereafter in this section referred to as the 'Secretary') shall manage and dispose of multifamily housing projects that are owned by the Secretary, or whose mortgages are held by, assigned to, or being foreclosed upon by the Secretary, in a manner that is consistent with the National Housing Act and this section and that will, in the least costly fashion among the reasonable alternatives available, further the goals of—

"(1) preserving so that they are available to and affordable by low- and moderate-income persons—

"(A) all units in multifamily housing projects that are formerly subsidized projects; and

"(B) in all other multifamily housing projects, at least those units that are, on the date of assignment, occupied by low- and moderate-income persons or vacant;".

(b) MANAGEMENT SERVICES.—Section 203(b)(2) of the Housing and Community Development Amendments of 1978 is amended by striking out ", owned by the Secretary" and inserting in lieu thereof "to which subsection (a) applies".

(c) MAINTAINING OF PROJECTS.—Section 203(c) of the Housing and Community Development Amendments of 1978 is amended to read as follows:

"(c) The Secretary shall—

"(1) to the greatest extent possible, maintain all occupied multifamily housing projects to which subsection (a) applies in a decent, safe, and sanitary condition;

"(2) to the greatest extent possible, maintain full occupancy in all such projects; and

"(3) maintain all such projects for purposes of providing rental or cooperative housing for the longest feasible period.".

(d) FINANCIAL ASSISTANCE.—Section 203 of the Housing and Community Development Amendments of 1978 is amended—

(1) by redesignating subsections (d) through (g) as subsections (e) through (h), respectively; and

(2) by inserting after subsection (c) the following new subsection:

"(d) In carrying out the goals specified in subsection (a)(1) the Secretary shall, to the extent provided in appropriation Acts, take one or both of the following actions:

"(1) Enter into contracts under section 8 of the United States Housing Act of 1937 with owners of multifamily housing projects that are acquired at foreclosure or after sale by the Secretary. Such contracts shall be attached to the project involved for a period of not less than 15 years and shall be sufficient to assist all units that are occupied by lower income families eligible for assistance under such section 8 at the time of foreclosure or sale, as the case may be, or that are vacant at such time (which units shall forthwith be made available for such families). In order to make available to families any units that are occupied by persons not eligible for assistance under such section 8, but that subsequently become vacant, the contract shall also provide that when any such vacancy occurs the owner involved shall apply to the Secretary for additional assistance to the project involved under the same terms as the original assistance. The Secretary shall provide such contracts at fair market rents that, consistent with subsection (a), provide for the rehabilitation of such project and do not exceed the most recently adjusted fair market rents for substantially rehabilitated units published by the Secretary in the Federal Register. Such contracts shall not be subject to section 16 of the United States Housing Act of 1937.

"(2) Provide purchase-money mortgages to the owners of multifamily housing projects that are acquired at foreclosure or after sale by the Secretary on terms that will ensure that the project will remain available to and affordable by low- and moderate-income persons for a period of not less than 15 years.".

(e) PARTIAL CLAIM PAYMENTS.—Section 203(e)(1) of the Housing and Community Development Amendments of 1978, as so redesignated in this section, is amended by striking out "owned by the Secretary" and inserting in lieu thereof "to which subsection (a) applies".

(f) LIMITATIONS ON CERTAIN TRANSFERS.—Section 203 of the Housing and Community Development Amendments of 1978 is amended—

(1) by redesignating subsections (g) and (h), as so redesignated in this section, as subsections (h) and (i); and

(2) by inserting before such subsection (h) the following new subsection:

"(g)(1) The Secretary may not approve the transfer of any mortgage insured by the Secretary on any formerly subsidized project unless such transfer is made as part of a transaction that will ensure that such project will continue to operate at least until the maturity date of such mortgage in a manner that will provide rental housing on terms at least as advantageous to existing and future tenants as the terms required by such mortgage.

"(2) The Secretary may not approve a transfer of the physical assets of any formerly subsidized project subject to a mortgage held or insured by the Secretary unless the proposed owner agrees to maintain the low- and moderate-income character of such project for a period of not less than the remaining term of such mortgage.".

(g) FORMERLY SUBSIDIZED PROJECTS.—Section 203(h) of the Housing and Community Development Amendments of 1978, as so redesignated in this section, is amended—

(1) by inserting "(1)" after the subsection designation; and

(2) by adding at the end thereof the following new paragraph:

"(2) For the purpose of this section, the term 'formerly subsidized project' means a multifamily housing project receiving any of the following assistance immediately prior to the assignment of the mortgage on such project to, or the acquisition of such mortgage by, the Secretary:

"(A) below market interest rate mortgage insurance under the proviso of section 221(d)(5) of the National Housing Act;

"(B) interest reduction payments made in connection with mortgages insured under section 236 of the National Housing Act;

"(C) rent supplement payments under section 101 of the Housing and Urban Development Act of 1965;

"(D) direct loans at below market interest rates, made under section 202 of the Housing Act of 1959 or section 312 of the Housing Act of 1964; or

"(E) housing assistance payments made under section 23 of the United States Housing Act of 1937 (as in effect before January 1, 1975) or section 8 of the United States Housing Act of 1937 (other than subsection (b)(1) of such section).".

SEC. 2123. ACQUISITION OF INSURED MULTIFAMILY HOUSING PROJECTS.

Section 207(k) of the National Housing Act is amended by inserting after the second sentence the following new sentence: "In determining the amount to be bid, the Secretary shall act consistently with the goal established in section 203(a)(1) of the Housing and Community Development Amendments of 1978.".

SEC. 2124. TENANT PARTICIPATION IN MULTIFAMILY HOUSING PROJECTS.

(a) APPLICABILITY.—Section 202(a) of the Housing and Community Development Amendments of 1978 is amended by inserting before the period at the end thereof the following: "or section 202 of the Housing Act of 1959".

(b) NOTICE AND COMMENT.—Section 202(b)(1) of the Housing and Community Development Amendments of 1978 is amended—

(1) by striking out "or" the third place it appears;

(2) by inserting after "alterations," the following: "transfer of physical assets, or application for capital improvements loan,"; and

(3) by striking out "and the Secretary deems it appropriate" and inserting in lieu thereof the following: "or where the Secretary proposes to sell a mortgage securing a multifamily housing project".

(c) NONDISCRIMINATION AGAINST SECTION 8 CERTIFICATE HOLDERS.—Section 202(b)(2) of the Housing and Community Development Amendments of 1978 is amended by inserting before the semicolon at the end thereof the following: ", and such owners agree not to refuse unreasonably to lease any vacant dwelling unit in the project that rents for an amount not greater than the fair market rent for a comparable unit, as determined by the Secretary under section 8 of the United States Housing Act of 1937, to a holder of a certificate of eligibility under such section solely because of the status of such prospective tenant as a holder of such certificate".

SEC. 2125. TROUBLED MULTIFAMILY HOUSING PROJECTS.

Section 201(d)(1) of the Housing and Community Development Amendments of 1978 is amended by inserting before the semicolon at the end thereof the following: "and to apply for sufficient assistance under this section, section 8 of the United States Housing Act of 1937, or any other appropriate housing assistance program to permit the

owner to maintain both the financial soundness and the low- and moderate-income character of the project, except that such agreement shall also provide that the agreement of the owner to maintain the low- and moderate-income character of the project for such period shall be binding only as long as such sufficient assistance is available and offered and the project receives such sufficient assistance".

SEC. 2126. INAPPLICABILITY OF CERTAIN INCOME ELIGIBILITY RESTRICTIONS TO PROPERTY DISPOSITION CONTRACTS.

Section 16 of the United States Housing Act of 1937 is amended by adding at the end thereof the following new subsection:

"(c) Subsections (a) and (b) shall not be applicable to contracts entered into under section 8 of the United States Housing Act of 1937 with owners of multifamily housing projects that are acquired at foreclosure or after sale by the Secretary under section 203 of the Housing and Community Development Amendments of 1978.".

PART 3—OTHER HOUSING ASSISTANCE PROGRAMS

SEC. 2141. HOUSING FOR THE ELDERLY AND HANDICAPPED.

(a) BUDGET AUTHORITY.—

(1) The first sentence of section 202(a)(4)(B)(i) of the Housing Act of 1959 is amended—

(A) by striking out "and" the first place it appears; and

(B) by inserting after "1984," the following: "and to such sums as may be approved in an appropriation Act on October 1, 1985,".

(2) Section 202(a)(4)(C) of the Housing Act of 1959 is amended by adding at the end thereof the following new sentence: "Not more than $601,000,000 may be approved in appropriation Acts for such loans for fiscal year 1986.".

(b) INTEREST RATE LIMITATION.—Section 223(a)(2) of the Housing and Urban-Rural Recovery Act of 1983 is amended by striking out "October 1, 1984" and inserting in lieu thereof "October 1, 1986".

(c) COMMUNITY PARTICIPATION.—

(1) Section 202(a) of the Housing Act of 1959 is amended by adding at the end thereof the following new paragraph:

"(8) To the maximum extent practicable, the Secretary shall encourage each corporation to provide for appropriate community participation in the development of the housing project assisted under this section.".

(2) Section 202(d)(2)(B) of the Housing Act of 1959 is amended to read as follows:

"(B) that owns and is responsible for the operation of the housing project assisted under this section; and".

SEC. 2142. HOUSING FOR THE HANDICAPPED.

(a) FINDINGS AND PURPOSE.—

(1) The Congress hereby finds that—

(A) housing for nonelderly handicapped families is assisted under section 202 of the Housing Act of 1959 and section 8 of the United States Housing Act of 1937;

(B) the housing programs under such sections are designed and implemented primarily to assist rental housing for elderly and nonelderly families and are often inappropriate for dealing with the specialized needs of the physically impaired, the developmentally disabled, and the chronically mentally ill;

(C) the development of housing for nonelderly handicapped families under such programs is often more expensive than necessary, thereby reducing the number of such families that can be assisted with available funds;

(D) the program under section 202 of the Housing Act of 1959 can continue to provide direct loans to finance group residences and independent apartments for nonelderly handicapped families, but can be made more efficient and less costly by the adoption of standards and procedures applicable only to housing for such families;

(E) the use of the program under section 8 of the United States Housing Act of 1937 to assist rentals for housing for nonelderly handicapped families is time consuming and unnecessarily costly and, in some areas of the Nation, prevents the development of such housing;

(F) the use of the program under section 8 of the United States Housing Act of 1937 to assist rentals for housing for nonelderly handicapped families should be replaced by a more appropriate subsidy mechanism;

(G) both elderly and handicapped housing projects assisted under section 202 of the Housing Act of 1959 will benefit from an increased emphasis on supportive services and a greater use of State and local funds; and

(H) an improved program for nonelderly handicapped families will assist in providing shelter and supportive services for mentally ill persons who might otherwise be homeless.

(2) The purpose of this section is to improve the direct loan program under section 202 of the Housing Act of 1959 to ensure that such program meets the special housing and related needs of nonelderly handicapped families.

(b) HOUSING FOR HANDICAPPED FAMILIES.—

(1) Section 202(h) of the Housing Act of 1959 is amended to read as follows:

"(h)(1) Of the amounts made available in appropriation Acts for loans under subsection (a)(4)(C) for any fiscal year commencing after September 30, 1985, not less than 15 percent or $100,000,000, whichever amount is greater, shall be available for loans for the development costs of housing for handicapped families. If the amount required for any such fiscal year for approvable applications for loan under this subsection is less than the amount available under this paragraph, the balance shall be made available for loans under other provisions of this section.

"(2) The Secretary shall take such actions as may be necessary to ensure that—

"(A) funds made available under this subsection will be used to support a variety of methods of meeting the needs primarily of nonelderly handicapped families by providing a variety of housing options, ranging from small group homes to independent living complexes; and

"(B) housing for handicapped families assisted under this subsection will provide families occupying units in such housing with an assured range of services specified in subsection (f), will provide such families with opportunities for optimal independent living and participation in normal daily activities, and will facilitate access by such families to the community at large and to suitable employment opportunities within such community.

"(3)(A) In allocating funds under this subsection, and in processing applications for loans under this section and assistance payments under paragraph (4), the Secretary shall adopt such distinct standards and procedures as the Secretary determines appropriate due to differences between housing for handicapped families and other housing assisted under this section.

"(B) The Secretary may, on a demonstration basis, determine the feasibility and desirability of reducing processing time and costs for housing for handicapped families by limiting project design to a small number of prototype designs. Any such demonstration shall be limited to the 3-year period following the date of the enactment of the Housing Act of 1985, may only involve projects whose sponsors consent to participation in such demonstration, and shall be described in a report submitted by the Secretrary to the Congress following completion of such demonstration.

"(4)(A) The Secretary shall, to the extent approved in appropriation Acts, enter into contracts with owners of housing for handicapped families receiving loans under, or meeting the requirements of, this section to make monthly payments to cover any part of the costs attributed to units occupied (or, as approved by the Secretary, held for occupancy) by lower income families that is not met from project income. The annual contract amount for any project shall not exceed the sum of the initial annual project rentals for all units and any initial utility and services allowances for such units, as approved by the Secretary. Any contract amounts not used by a project in any year shall remain available to the project until the expiration of the contract. The term of a contract entered into under this subparagraph shall be 240 months. The annual contract amount may be adjusted by the Secretary if the sum of the project income and the amount of assistance payments available under this subparagraph are inadequate to provide for reasonable project costs. In the case of an intermediate care facility in which there reside families assisted under title XIX of the Social Security Act, project income under this subparagraph shall include the same amount as if such families were being assisted under title XVI of the Social Security Act.

"(B) The Secretary shall approve initial project rentals for any project assisted under this subsection based on the determination of the Secretary of the total actual necessary and reasonable costs of developing and operating the project, taking into consideration the need to contain costs to the extent practicable and consistent with the purposes of the project and this section.

"(C) The Secretary shall require that, during the term of each contract entered into under subparagraph (A), all units in a project assisted under this subsection shall be made available for occupancy by lower income families, as such term is defined in section 3(b)(2) of the United States Housing Act of 1937. The rent payment required of a lower income family shall be determined in accordance with section 3(a) of such Act, except that the gross income of a family occupying an intermediate care facility assisted under title XIX of the Social Security Act shall be the same amount as if the family were being assisted under title XVI of the Social Security Act.

"(D) The Secretary shall coordinate the processing of an application for a loan for housing for handicapped families under this section and the processing of an application for assistance payments under this paragraph for such housing.".

(2) Section 202(d) of the Housing Act of 1959 is amended by adding at the end thereof the following new paragraphs:

"(9) The term 'housing for handicapped families' means housing and related facilities to be occupied by handicapped families

who are primarily nonelderly handicapped families.

"(10) The term 'nonelderly handicapped families' means elderly or handicapped families, the head of which (and spouse, if any) is less than 62 years of age at the time of initial occupancy of a project assisted under this section.".

(3) Section 202(c)(3) of the Housing Act of 1959 is amended by inserting after "section" the following: "and designed for dwelling use by 12 or more elderly or handicapped families".

(c) SUPPORTIVE SERVICES FOR ELDERLY AND HANDICAPPED FAMILIES.—Section 202(f) of the Housing Act of 1959 is amended—

(1) by inserting "(1)" after the subsection designation; and

(2) by adding at the end thereof the following new paragraph:

"(2) Each applicant for a loan under this section for housing and related facilities shall submit with the application a supportive services plan describing—

"(A) the category or categories of families such housing and facilities are intended to serve;

"(B) the range of necessary services to be provided to the families occupying such housing;

"(C) the manner in which such services will be provided to such families; and

"(D) the extent of State and local funds available to assist in the provision of such services.".

(d) TERMINATION OF SECTION 8 ASSISTANCE.—On and after the first date that amounts approved in an appropriation Act for any fiscal year become available for contracts under section 202(h)(4)(A) of the Housing Act of 1959, as amended by subsection (b) of this section, no project for handicapped (primarily nonelderly) families approved for such fiscal year pursuant to section 202 of such Act shall be provided assistance payments under section 8 of the United States Housing Act of 1937, except pursuant to a reservation for a contract to make such assistance payments that was made before the first date that amounts for contracts under such section 202(h)(4)(A) became available.

(e) IMPLEMENTATION.—Not later than the expiration of the 120-day period following the date of the enactment of this Act, the Secretary of Housing and Urban Development shall, to the extent amounts are approved in an appropriation Act for use under section 202(h)(4)(A) of the Housing Act of 1959 for fiscal year 1986, publish in the Federal Register a notice of fund availability to implement the provisions of, and amendments made by, this section. The Secretary shall issue such rules as may be necessary to carry out such provisions and amendments for fiscal year 1987 and thereafter.

(f) EFFECTIVE DATE AND APPLICABILITY.—

(1) The provisions of, and amendments made by, this section shall become effective on October 1, 1985.

(2)(A) Except as otherwise provided in this section, the provisions of, and amendments made by, this section shall not apply with respect to projects with loans or loan reservations under section 202 of the Housing Act of 1959 using authority approved in appropriation Acts for fiscal years beginning before October 1, 1985.

(B) Notwithstanding subparagraph (A), the Secretary may apply the provisions of, and amendments made by, this section to any project in order to facilitate the development of such project in a timely manner.

SEC. 2143. CONGREGATE SERVICES.

Section 411(a) of the Congregate Housing Services Act of 1978 is amended—

(1) by striking out "and" at the end of paragraph (5);

(2) by striking out the period at the end of paragraph (6) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new paragraph:

"(7) for fiscal year 1986, not to exceed $8,000,000.".

SEC. 2144. SECTION 235 HOMEOWNERSHIP PROGRAM.

(a) CONTRACT AUTHORITY.—The second sentence of section 235(h)(1) of the National Housing Act is amended—

(1) by striking out "and" the last place it appears; and

(2) by inserting before the period at the end thereof the following: ", and by $7,500,000 on October 1, 1985".

(b) BUDGET AUTHORITY.—Section 235(h)(1) of the National Housing Act is amended by inserting after the third sentence the following new sentence: "The aggregate amount that may be obligated over the duration of the contracts entered into with the authority provided on October 1, 1985, may not exceed $75,000,000.".

(c) ASSISTANCE PAYMENTS AUTHORITY.—Section 235(h)(1) of the National Housing Act is amended by striking out "September 30, 1985" in the last sentence and inserting in lieu thereof "September 30, 1986".

(d) INSURANCE AUTHORITY.—Section 235(m) of the National Housing Act is amended by striking out "September 30, 1985" and inserting in lieu thereof "September 30, 1986".

(e) HOUSING STIMULUS AUTHORITY.—Section 235(q)(1) of the National Housing Act is amended by striking out "September 30, 1985" in the last sentence and inserting in lieu thereof "September 30, 1986".

SEC. 2145. TASK FORCE ON FAMILY HOUSING NEEDS.

(a) ESTABLISHMENT.—There hereby is established a task force to be known as the Task Force on Family Needs in Assisted Housing (hereafter referred to in this section as the "task force"), which shall examine—

(1) the problems of families with children living in highrise buildings assisted by the Secretary of Housing and Urban Development (hereafter referred to in this section as the "Secretary");

(2) the problems of such families who are on waiting lists for housing assistance provided by, or housing assisted by, the Secretary; and

(3) the need for construction of additional dwelling units for such families.

(b) MEMBERS.—

(1) The task force shall consist of not less than 20 members appointed by the Secretary as follows:

(A) 5 members appointed from persons who are officials of the Department of Housing and Urban Development;

(B) 5 members appointed from persons who are public housing agency directors;

(C) 5 members appointed from persons who are representatives of tenants in assisted housing; and

(D) 5 members appointed from persons who are representatives of units of general local government.

(2) Each member of the task force shall serve without pay, allowances, or benefits by reason of such service. Each such member shall be reimbursed for actual expenses, including travel expenses, incurred in the course of performing the duties vested in the task force.

(c) MEETINGS.—The task force shall meet as necessary to carry out the purposes of this section, at the call of the Secretary.

(d) STAFF AND OFFICES.—The Secretary shall provide the task force with such staff and office facilities as the Secretary, following consultation with the task force, considers necessary to permit the task force to carry out its functions under this section.

(e) REPORT.—Not later than the expiration of the 1-year period following the date of the enactment of this Act, the task force shall submit to the Secretary and the Congress a report setting forth its findings as a result of its study under subsection (a). Such report shall include any recommendations of the task force for actions to resolve the problems identified in such study.

SEC. 2146. ENERGY CONSERVATION IN ASSISTED HOUSING.

(a) IN GENERAL.—Any housing project, for which development is assisted under the United States Housing Act of 1937 or section 202 of the Housing Act of 1959 and commences after the 1-year period following the date of the enactment of this Act, shall be developed in accordance with life-cycle cost-effective energy conservation performance standards established by the Secretary of Housing and Urban Development and designed to ensure the lowest total construction and operating costs over the estimated life of the building.

(b) CONSTRUCTION COST LIMITS.—The Secretary shall revise the cost limits applicable to the development of housing assisted under the United States Housing Act of 1937 and section 202 of the Housing Act of 1959 for purposes of taking into consideration life-cyle costs of the structure and major energy consuming heating and cooling systems.

(c) REGULATIONS.—The Secretary of Housing and Urban Development shall, not later than the expiration of the 1-year period following the date of the enactment of this Act, issue regulations establishing the standards referred to in subsection (a) and revising the cost limits referred to in subsection (b).

SEC. 2147. ANNUAL REPORT ON CHARACTERISTICS OF FAMILIES IN ASSISTED HOUSING.

(a) IN GENERAL.—The Secretary of Housing and Urban Development shall include in the annual report under section 8 of the Housing and Urban Development Act descriptions of the characteristics of families assisted under each of the following programs of assistance: public housing, section 8 of the United States Housing Act of 1937 (other than subsection (o) of such section), section 8(o) of the United States Housing Act of 1937, and section 202 of the Housing Act of 1959.

(b) SPECIFIC REQUIREMENTS.—The descriptions required in subsection (a) shall include information with respect to—

(1) family size, including the number of children;

(2) amount and sources of family income;

(3) the age, race, and sex of family members; and

(4) whether the head of the family (or the spouse of such person) is a member of the armed forces.

SEC. 2148. PROCEDURES AND POLICIES FOR MANDATORY MEALS PROGRAMS IN ASSISTED HOUSING FOR THE ELDERLY.

(a) IN GENERAL.—The Secretary of Housing and Urban Development (hereafter referred to in this section as the "Secretary"),

in consultation with owners, managers, and tenants of housing projects for the elderly that are assisted under section 202 of the Housing Act of 1959, section 236 of the National Housing Act, and section 8 of the United States Housing Act of 1937 and that have mandatory meals programs, shall develop and implement within 1 year following the date of the enactment of this Act procedures and policies governing the operation of such programs to facilitate the sound and equitable administration of all such programs and to ensure that meals provided under such programs are at the least possible cost to all tenants.

(b) SPECIFIC REQUIREMENTS.—Procedures and policies prescribed by the Secretary under subsection (a) shall include rules to—

(1) require sponsors of mandatory meals programs to accept food stamps toward payment for meals;

(2) require, when the lease is renewed or within 12 months of the date of the enactment of this Act, whichever occurs earlier, the contract for any meals service to be separate from the lease for the housing unit and to prohibit the eviction of any tenant for nonpayment of the meals service contract;

(3) require exceptions from participation in mandatory meals programs where such programs cannot satisfactorily accommodate the special dietary or health needs of a tenant, as certified by the tenant's physician, or the special diet or food practice tenets of a tenant's religion, or where such programs substantially interfere with a tenant's employment;

(4) require sponsors of mandatory meals programs to provide refunds or otherwise excuse tenants from payment for meals not eaten during periods of temporary absence from a housing facility due to confinement in a hospital, nursing home, or other health care or rehabilitative facility, or, where prior notification is provided to the sponsor by tenants, during periods of extended absence from the facility; and

(5) encourage sponsors of mandatory meal programs to make meals available to tenants who are confined to units within the facility due to illness or other temporary incapacitation that prevents participation in congregate dining or otherwise to compensate tenants for meals not eaten during such temporary incapacitation.

(c) LIMIT ON TENANT PAYMENTS.—

(1) The Secretary shall prescribe rules requiring sponsors of mandatory meals programs to exempt from participation in such programs tenants for whom participation in such programs constitutes an unbearable financial hardship, especially for the very lowest income tenants, or to provide such tenants with financial assistance toward the cost of participation in such programs.

(2) In determining unbearable financial hardship under paragraph (1), the Secretary shall take into consideration the cost to tenants of meals not covered by the program and other necessary living costs remaining after payment of charges for the mandatory meals program.

(d) STUDY.—For purposes of facilitating congressional consideration of the appropriateness of mandatory meals programs in assisted housing projects for the elderly, the Secretary shall, not later than the expiration of the 18-month period following the date of the enactment of this Act, submit to the Congress a report reviewing the operation of mandatory meals programs and actions of the Department of Housing and Urban Development implementing the provisions of this section. Such report shall include information with respect to—

(1) the cost effectiveness of mandatory meals programs in comparison to comparable meals programs offered on a voluntary basis;

(2) the benefits to tenants provided by mandatory participation in meals programs;

(3) the extent of compliance among sponsors of mandatory meals programs with rules required by this section;

(4) the extent to which tenants of assisted housing projects with mandatory meals programs have been required to participate in such programs against their wishes due to limited availability of alternative assisted housing projects for the elderly; and

(5) the availability of funding under the Congregate Housing Services Act of 1965, title III of the Older Americans Act of 1965, or other Federal programs for facilitating the conversion of current mandatory meals programs to voluntary participation by tenants.

(e) MORATORIUM ON NEW MANDATORY MEAL PROGRAMS.—During the 18-month period following the date of the enactment of this Act, the Secretary—

(1) shall permit the establishment of only voluntary meals programs in assisted housing projects for the elderly with respect to which funds for assistance are reserved by the Secretary after September 30, 1985; and

(2) shall not permit the conversion of a voluntary meals program in existence as of September 30, 1985, to a mandatory meals program.

SEC. 2149. MODIFICATION OF RESTRICTION ON USE OF ASSISTED HOUSING.

(a) IN GENERAL.—Section 214 of the Housing and Community Development Act of 1980 is amended to read as follows:

"RESTRICTION ON USE OF ASSISTED HOUSING

"SEC. 214. (a) Notwithstanding any other provision of law, the Secretary of Housing and Urban Development may not make financial assistance available for the benefit of any nonimmigrant student-alien.

"(b) For purposes of this section:

"(1) The term 'financial assistance' means financial assistance made available pursuant to the United States Housing Act of 1937, section 235 or 236 of the National Housing Act, or section 101 of the Housing and Urban Development Act of 1965.

"(2) The term 'nonimmigrant student-alien' means—

"(A) any alien who—

"(i) has a residence in a foreign country that such alien has no intention of abandoning;

"(ii) is a bona fide student qualified to pursue a full course of study; and

"(iii) is admitted to the United States temporarily and solely for purposes of pursuing such a course of study at an established institution of learning or other recognized place of study in the United States, particularly designated by such alien and approved by the Attorney General after consultation with the Department of Education of the United States, which institution or place of study shall have agreed to report to the Attorney General the termination of attendance of each nonimmigrant student (and if any such institution of learning or place of study fails to make such reports promptly the approval shall be withdrawn); and

"(B) the alien spouse and minor children of any alien described in subparagraph (A), if accompanying such alien or following to join such alien.".

(b) CONFORMING AMENDMENT.—The Housing and Community Development Amendments of 1981 is amended by striking out section 329(b).

SEC. 2150. EXCLUSION OF HOUSING ASSISTANCE AS INCOME.

Notwithstanding any other provision of law, the value of any assistance paid with respect to a dwelling unit under the United States Housing Act of 1937, the National Housing Act, section 101 of the Housing and Urban Development Act of 1965, or title V of the Housing Act of 1949 may not be considered as income or a resource for the purpose of determining the eligibility of, or the amount of benefits payable to, any person living in such unit for assistance under any State program receiving payments under part A of title IV of the Social Security Act.

SEC. 2151. USE OF CERTAIN EXCESS RENTAL CHARGES FOR ASSISTANCE FOR TROUBLED MULTIFAMILY HOUSING PROJECTS.

Section 236(f)(3) of the National Housing Act is amended by striking out "1985" and inserting in lieu thereof "1986".

SEC. 2152. HOUSING DEMONSTRATION PROJECT.

(a) REPORT.—Section 225(h) of the Housing and Urban-Rural Recovery Act of 1983 is amended—

(1) by striking out paragraph (1);

(2) by redesignating paragraph (2) as paragraph (1);

(3) by striking out "October 1, 1985" and inserting in lieu thereof "October 1, 1986"; and

(4) by adding at the end thereof the following new paragraph:

"(2) The report required in paragraph (1) shall include an analysis of the condition in urban areas commonly known as roving slums. Such analysis shall evaluate in particular—

"(A) the extent to which such condition is affected by—

"(i) a lack of coordination between housing assistance programs administered by the Secretary and shelter allowances provided to families receiving public assistance payments under programs administered by the Secretary of Health and Human Services; and

"(ii) the manner in which such housing assistance and shelter allowances are provided; and

"(B) possible approaches to eliminating or reducing such condition through improved coordination between the programs referred to in subparagraph (A)(i).".

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 225(i) of the Housing and Urban-Rural Recovery Act of 1983 is amended to read as follows:

"(i) There is authorized to be appropriated to carry out this section $10,000,000 for fiscal year 1986. Any amount appropriated under this subsection shall remain available until expended.".

SEC. 2153. FLEXIBLE SUBSIDY ASSISTANCE FOR CERTAIN HOUSING PROJECTS FOR ELDERLY OR HANDICAPPED FAMILIES.

(a) PURPOSES.—Section 201(a) of the Housing and Community Development Amendments of 1978 is amended by inserting "the Housing Act of 1959," after "1937,".

(b) ELIGIBILITY FOR ASSISTANCE.—Section 201(c)(1)(A) of the Housing and Community Development Amendments of 1978 is amended by inserting before the semicolon at the end thereof the following: ", or received a loan under section 202 of the Housing Act of 1959 before October 1, 1970".

SEC. 2154. HOUSING ASSISTANCE TECHNICAL AMENDMENTS.

(a) RENTAL HOUSING FOR LOWER INCOME FAMILIES.—The last sentence of section 236(i)(1) of the National Housing Act is amended by striking out "(h)" and inserting in lieu thereof "(f)(4)".

(b) DEFINITION OF DISABILITY.—Section 3(b)(3)(A) of the United States Housing Act of 1937 is amended—

(1) by striking out "or" the first place it appears and inserting in lieu thereof a comma; and

(2) by striking out "or in section 102 of the Developmental Disabilities Services and Facilities Construction Amendments of 1970" and inserting in lieu thereof the following: ", has a developmental disability as defined in section 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001(7))".

(c) LOWER INCOME HOUSING CONTRACT PROVISIONS.—The first sentence of section 6(a) of the United States Housing Act of 1937 is amended by inserting "The" before "Secretary".

(d) HOUSING DEVELOPMENT GRANTS.—Section 17(d)(7)(A) of the United States Housing Act of 1937 is amended by striking out "title" and inserting in lieu thereof "subsection".

(e) HOUSING FOR THE ELDERLY AND HANDICAPPED.—

(1) The third sentence of section 202(d)(4) of the Housing Act of 1959 is amended by striking out "is a developmentally disabled individual as defined in section 102(5) of the Developmental Disabilities Services and Facilities Construction Amendments of 1950" and inserting in lieu thereof the following: "has a developmental disability as defined in section 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001(7))".

(2) Section 202(f) of the Housing Act of 1959 is amended by striking out "section 134" and inserting in lieu thereof "section 133".

(3) Section 202(l) of the Housing Act of 1959 is amended by striking out "difference" and inserting in lieu thereof "different".

(f) RENT SUPPLEMENTS.—Section 101(j)(1)(D) of the Housing and Urban Development Act of 1965 is amended by striking out "divided" and inserting in lieu thereof "dividend".

Subtitle B—Rural Housing

SEC. 2201. PROGRAM AUTHORIZATIONS.

(a) INSURANCE AND GUARANTEE AUTHORITY.—Section 513(a)(1) of the Housing Act of 1949 is amended to read as follows:

"(a)(1) The Secretary may, to the extent approved in appropriation Acts, insure and guarantee loans under this title during fiscal year 1986 in an aggregate amount not to exceed $2,266,000,000 as follows:

"(A) for insured or guaranteed loans under section 502 on behalf of borrowers receiving assistance under section 521(a)(1) or receiving guaranteed loans pursuant to section 502(f), $1,328,000,000;

"(B) for loans under section 504, $17,000,000;

"(C) for insured loans under section 514, $20,000,000;

"(D) for insured loans under section 515, $900,000,000; and

"(E) for site loans under section 524, $1,000,000.".

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 513(b) of the Housing Act of 1949 is amended to read as follows:

"(b) There are authorized to be appropriated for fiscal year 1986, and to remain available until expended—

"(1) for grants under section 504, $20,000,000;

"(2) for purposes of section 509(c), $2,000,000;

"(3) such sums as may be necessary to meet payments on notes or other obligations issued by the Secretary under section 511 equal to—

"(A) the aggregate of the contributions made by the Secretary in the form of credits on principal due on loans made pursuant to section 503; and

"(B) the interest due on a similar sum represented by notes or other obligations issued by the Secretary;

"(4) for financial assistance under section 516, $15,000,000;

"(5) for grants under section 523(f), $15,000,000;

"(6) for grants under section 533, $20,000,000; and

"(7) such sums as may be necessary for the Secretary to administer the provisions of sections 235 and 236 of the National Housing Act and section 8 of the United States Housing Act of 1937.".

(c) RENTAL ASSISTANCE PAYMENT CONTRACTS.—Section 513(c) of the Housing Act of 1949 is amended to read as follows:

"(c) The Secretary, to the extent approved in appropriation Acts for fiscal year 1986, may enter into rental assistance payment contracts under section 521(a)(2)(A) aggregating $198,000,000. Such authority as is approved in appropriation Acts shall be used by the Secretary to renew rental assistance payment contracts that expire during such fiscal year and to make additional rental assistance payment contracts for existing or newly constructed dwelling units.".

(d) RENTAL HOUSING LOAN AUTHORITY.—Section 515(b)(4) of the Housing Act of 1949 is amended by striking out "September 30, 1985" and inserting in lieu thereof "September 30, 1986".

(e) MUTUAL AND SELF-HELP HOUSING GRANT AND LOAN AUTHORITY.—

(1) Section 523(f) of the Housing Act of 1949 is amended by striking out "September 30, 1985" and inserting in lieu thereof "September 30, 1986".

(2) Section 523(g) of the Housing Act of 1949 is amended by striking out "fiscal year 1985" and inserting in lieu thereof the following: "fiscal years 1985 and 1986, respectively".

SEC. 2202. INCOME LEVELS FOR FAMILY ELIGIBILITY.

(a) IN GENERAL.—Section 501(b)(4) of the Housing Act of 1949 is amended by adding at the end thereof the following new sentence: "Notwithstanding the preceding sentence, the maximum income levels established for purposes of this title for such families and persons in the Virgin Islands shall not be less than the highest such levels established for purposes of this title for such families and persons in American Samoa, Guam, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands.".

(b) APPLICABILITY.—The amendment made by subsection (a) shall be applicable to any determination of eligibility for assistance under title V of the Housing Act of 1949 made on or after the date of the enactment of this Act.

SEC. 2203. PLANS FOR ALLOCATION OF FINANCIAL ASSISTANCE.

Section 501 of the Housing Act of 1949 is amended by adding at the end thereof the following new subsection:

"(h) Not later than 30 days after the allocation to any State office of any financial assistance available under this title, there shall be made available to the public in each State, county, and district office in such State a statement of the amount of such assistance that will be available for each program under this title within the area of jurisdiction of such office.".

SEC. 2204. RURAL HOUSING ESCROW ACCOUNTS.

(a) ESCROW PROCEDURES.—Section 501(e) of the Housing Act of 1949 is amended by striking out the first sentence and inserting in lieu thereof the following: "The Secretary shall, not later than 60 days after the date of the enactment of the Housing Act of 1985, establish procedures under which borrowers under this title shall make periodic payments for the purpose of taxes, insurance, and such other necessary expenses as the Secretary determines to be appropriate.".

(b) PREPAYMENT OF TAXES AND OTHER EXPENSES.—Section 502(a)(1) of the Housing Act of 1949 is amended by striking out the last sentence and inserting in lieu thereof the following: "The borrower shall prepay to the Secretary as escrow agent, on terms and conditions prescribed by the Secretary, such taxes, insurance, and other expenses as are required in accordance with section 501(e).".

SEC. 2205. RURAL HOUSING GUARANTEED LOANS.

Section 502 of the Housing Act of 1949 is amended by adding at the end thereof the following new subsection:

"(f)(1) Of the total loans under this section for any fiscal year beginning after September 30, 1985, the following percentage shall be guaranteed loans in accordance with this section, section 517(d), and the last sentence of section 521(a)(1)(A):

"(A) for fiscal year 1986, 10 percent;

"(B) for fiscal year 1987, 20 percent; and

"(C) for fiscal year 1988 and each succeeding fiscal year, 30 percent.

"(2) Loans guaranteed pursuant to this subsection shall be made only to borrowers with moderate or above-moderate incomes that do not exceed 115 percent of the median income of the area, as determined by the Secretary with adjustments for smaller and larger families.".

SEC. 2206. STUDY OF PROCEDURES FOR APPEALS OF ADVERSE DECISIONS.

Not later than 180 days after the date of the enactment of this Act, the Secretary of Agriculture shall study, and submit to the Congress a report evaluating, the procedures established by the Secretary under section 510(g) of the Housing Act of 1949. Such study and report shall include (1) an analysis of the advantages of providing that any appeal of an adverse decision shall be heard by an impartial person disinterested in the result of such appeal; and (2) any additional recommendations of the Secretary for improving such procedures.

SEC. 2207. USE OF FEE INSPECTORS AND APPRAISERS.

(a) IN GENERAL.—Section 510(j) of the Housing Act of 1949 is amended by inserting after "grant applications" the following: "(as determined by the Secretary under section 532(c))".

(b) DETERMINATION OF SECRETARY.—Section 532 of the Housing Act of 1949 is

amended by adding at the end thereof the following new subsection:

"(c)(1) Each county or district office shall immediately notify the Secretary in any case in which such office is unable to process any loan or grant application before the expiration of the 30-day period following the receipt of such application. Such notification shall include a statement of the reason for such delay in application processing.

"(2) Upon the receipt of any notification under paragraph (1), the Secretary shall determine whether the delay in application processing by the county or district office involved is likely to continue without the use of the services of fee inspectors and fee appraisers, as provided in section 510(j). If the Secretary determines that such delay is likely to continue without the use of such services, the Secretary shall require the use of such services by such office until such office is able to expeditiously process loan and grant applications without such services.".

SEC. 2208. LOANS FOR REHABILITATION OF RURAL RENTAL HOUSING.

Section 515(l) of the Housing Act of 1949 is amended—

(1) by inserting "(1)" after the subsection designation; and

(2) by adding at the end thereof the following new paragraph:

"(2) The Secretary shall, not later than the expiration of the 90-day period following the date of the enactment of the Housing Act of 1985, issue regulations to establish the standards required in paragraph (1).".

SEC. 2209. MANAGEMENT OF INSURED AND GUARANTEED LOANS.

(a) SALE OF INSURED AND GUARANTEED LOANS TO PUBLIC.—Section 517(c) of the Housing Act of 1949 is amended by adding at the end thereof the following new sentence: "Any loan made and sold by the Secretary under this section after the date of the enactment of the Housing Act of 1985 (and any loan made by other lenders under this title that is insured or guaranteed in accordance with this section, is purchased by the Secretary, and is sold by the Secretary under this section after such date) shall be sold to the public and may not be sold to the Federal Financing Bank, unless such sale to the Federal Financing Bank is required to service transactions under this title between the Secretary and the Federal Financing Bank occurring on or before such date.".

(b) INTEREST SUBSIDY ON INSURED AND GUARANTEED LOANS OFFERED FOR SALE TO PUBLIC.—Section 517(d) of the Housing Act of 1949 is amended—

(1) by inserting "(1)" after the subsection designation; and

(2) by adding at the end thereof the following new paragraph:

"(2) Each loan made by the Secretary or other lenders under this title that is insured or guaranteed in accordance with this subsection shall, when offered for sale to the public, be accompanied by an agreement by the Secretary to pay to the holder of such loan (through an agreement to purchase such loan or through such other means as the Secretary determines to be appropriate) the difference between the rate of interest paid by the borrower of such loan and the market rate of interest (as determined by the Secretary) on obligations having comparable periods to maturity on the date of such sale.".

(c) PROTECTION OF BORROWERS UNDER LOANS SOLD TO PUBLIC.—Section 517(d) of the Housing Act of 1949, as amended by subsection (b) of this section, is amended by adding at the end thereof the following new paragraph:

"(3) Each loan made by the Secretary or other lenders under this title that is insured or guaranteed in accordance with this subsection shall, when offered for sale to the public, be accompanied by agreements for the benefit of the borrower under the loan that provide that—

"(A) the purchaser or any assignee of the loan shall not diminish any substantive or procedural right of the borrower arising under this title;

"(B) upon any default of the borrower, the loan shall be assigned to the Secretary for the purpose of avoiding foreclosure; and

"(C) following any assignment under subparagraph (B) and before commencing any action to foreclose or otherwise dispossess the borrower, the Secretary shall afford the borrower all substantive and procedural rights arising under this title, including consideration for interest subsidy, moratorium, reamortization, refinancing, and appeal of any adverse decision to an impartial officer.".

(d) USE OF RURAL HOUSING INSURANCE FUND.—Section 517(j) of the Housing Act of 1949 is amended—

(1) by striking out "and" at the end of para-graph (4);

(2) by striking out the period at the end of paragraph (5) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new paragraph:

"(6) to make payments and take other actions in accordance with agreements entered into under paragraphs (2) and (3) of subsection (d).".

(e) ELIGIBILITY FOR GUARANTEED LOANS.—Section 517 of the Housing Act of 1949 is amended by striking out subsection (n).

(f) REGULATIONS.—Section 517(o) of the Housing Act of 1949 is amended—

(1) by inserting "(1)" after the subsection designation; and

(2) by adding at the end thereof the following new paragraph:

"(2) Not later than the expiration of the 90-day period following the date of the enactment of the Housing Act of 1985, the Secretary shall issue regulations to facilitate the marketability in the secondary mortgage market of loans insured or guaranteed under this section. Such regulations shall ensure that such loans are competitive with other loans and mortgages insured or guaranteed by the Federal Government.".

SEC. 2210. DEFINITION OF RURAL AREA.

The last sentence of section 520 of the Housing Act of 1949 is amended by striking out "through" and inserting in lieu thereof the following: "until determined to no longer be such an area on the basis of data obtained in a decennial census conducted after".

SEC. 2211. RURAL HOUSING PRESERVATION GRANT PROGRAM.

Section 533(h) of the Housing Act of 1949 is amended—

(1) by inserting "(1)" after the subsection designation; and

(2) by adding at the end thereof the following new paragraph:

"(2) The Secretary shall, not later than the expiration of the 90-day period following the date of the enactment of the Housing Act of 1985, issue regulations to carry out the program of grants under subsection (a)(2).".

SEC. 2212. LIMITATION ON RESTRICTIONS ON TAX-EXEMPT FINANCING.

Title V of the Housing Act of 1949 is amended by adding at the end thereof the following new section:

"LIMITATION ON RESTRICTIONS ON TAX-EXEMPT FINANCING

"SEC. 536. In addition to the limitations established in section 817 of the Housing and Community Development Act of 1974, the Secretary may not issue any regulation or take any other action that may have the effect of prohibiting or preventing the issuance of tax-exempt bonds or other obligations to provide financing for use in connection with assistance provided under this title.".

SEC. 2213. TASK FORCE ON HOUSING NEEDS OF RURAL AMERICA.

(a) ESTABLISHMENT.—There hereby is established a task force to be known as the Task Force on Housing Needs in Rural America, which shall examine—

(1) the problems of supplying low and moderate income families in rural areas with adequate housing through existing Federal programs;

(2) the access to affordable credit for housing for low and moderate income families in rural areas;

(3) the availability of housing stock in rural areas suitable for rehabilitation;

(4) the feasibility of assisting low and moderate income families in rural areas with existing programs, new programs, or a combination of such programs; and

(5) the need for new construction and additional dwelling units for low and moderate income families in rural areas.

(b) MEMBERS.—

(1) The task force shall consist of not less than 8 members appointed by the Secretary of Agriculture as follows:

(A) 2 members appointed from persons who are officials of the Department of Agriculture;

(B) 2 members appointed from persons representative of for-profit and non-profit organizations and agencies engaged in housing development in rural areas;

(C) 2 members appointed from persons who reside in rural housing assisted under title V of the Housing Act of 1949; and

(D) 2 members appointed from persons who are representatives of units of general local government in rural areas.

(2) Each member of the task force shall serve without pay, allowances, or benefits by reason of such service. Each such member shall be reimbursed for actual expenses, including travel expenses, incurred in the course of performing the duties vested in the task force.

(c) MEETINGS.—The task force shall meet as necessary to carry out the purposes of this section, at the call of the Secretary.

(d) STAFF AND OFFICES.—The Secretary shall provide the task force with such staff and office facilities as the Secretary, following consultation with the task force, considers necessary to permit the task force to carry out its functions under this section.

(e) REPORT.—Not later than the expiration of the 1-year period following the date of the enactment of this Act, the task force shall submit to the Secretary and the Congress a report setting forth its findings as a result of its study under subsection (a). Such report shall include any recommendations of the task force for actions to resolve the problems identified in such study. The

task force shall cease to exist after filing such report.

(f) DEFINITIONS.—For purposes of this section:

(1) The term "rural area" has the meaning given such term in section 520 of the Housing Act of 1949.

(2) The term "Secretary" means the Secretary of Agriculture.

(3) The term "task force" means the Task Force on Housing Needs in Rural America established in subsection (a).

SEC. 2214. RURAL HOUSING TECHNICAL AMENDMENTS.

(a) DEFINITIONS.—Section 501(b)(3) of the Housing Act of 1949 is amended by striking out "is a developmentally disabled individual as defined in section 102(7) of the Development Disabilities Services and Facilities Construction Act" and inserting in lieu thereof the following: "has a developmental disability as defined in section 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001(7))".

(b) FARM LABOR HOUSING.—Section 514(f)(1) of the Housing Act of 1949 is amended by striking out "and" at the end thereof.

(c) HOUSING FOR ELDERLY FAMILIES.—Section 515(o)(1) of the Housing Act of 1949 is amended by striking out "effective".

(d) LOANS TO LOW- AND MODERATE-INCOME FAMILIES.—Section 521(a)(1)(A) of the Housing Act of 1949 is amended by striking out ", except" and all that follows through "charges".

(e) HOUSING FOR RURAL TRAINEES.—Section 522(a) of the Housing Act of 1949 is amended by striking out the comma after "Health".

(f) CONDOMINIUM HOUSING.—

(1) Section 526(a) of the Housing Act of 1949 is amended by striking out "and" the first place it appears.

(2) Section 526(c) of the Housing Act of 1949 is amended by striking out "and" the first place it appears.

(g) HOUSING PRESERVATION GRANTS.—

(1) Section 533(e)(1)(B)(iii) of the Housing Act of 1949 is amended by inserting "to" before "refuse".

(2) Section 533(g) of the Housing Act of 1949 is amended by striking out "persons of low income and very low-income" and inserting in lieu thereof "low income families or persons and very low-income families or persons".

Subtitle C—Program Amendments and Extensions

PART 1—FEDERAL HOUSING ADMINISTRATION MORTGAGE INSURANCE PROGRAMS

SEC. 2301. EXTENSION OF FEDERAL HOUSING ADMINISTRATION MORTGAGE INSURANCE PROGRAMS.

(a) TITLE I INSURANCE.—Section 2(a) of the National Housing Act is amended by striking out "October 1, 1985" in the first sentence and inserting in lieu thereof "October 1, 1986".

(b) GENERAL INSURANCE.—Section 217 of the National Housing Act is amended by striking out "September 30, 1985" and inserting in lieu thereof "September 30, 1986".

(c) LOW AND MODERATE INCOME HOUSING INSURANCE.—Section 221(f) of the National Housing Act is amended by striking out "September 30, 1985" in the fifth sentence and inserting in lieu thereof "September 30, 1986".

(d) CO-INSURANCE.—

(1) Section 244(d) of the National Housing Act is amended by striking out "September 30, 1985" and inserting in lieu thereof "September 30, 1986".

(2) Section 244(h) of the National Housing Act is amended by striking out "October 1, 1985" in the last sentence and inserting in lieu thereof "October 1, 1986".

(e) GRADUATED PAYMENT AND INDEXED MORTGAGE INSURANCE.—Section 245(a) of the National Housing Act is amended by striking out "September 30, 1985" in the last sentence and inserting in lieu thereof "September 30, 1986".

(f) ARMED SERVICES HOUSING INSURANCE.—

(1) Section 809(f) of the National Housing Act is amended by striking out "September 30, 1985" in the last sentence and inserting in lieu thereof "September 30, 1986".

(2) Section 810(k) of the National Housing Act is amended by striking out "September 30, 1985" in the last sentence and inserting in lieu thereof "September 30, 1986".

(g) LAND DEVELOPMENT INSURANCE.—Section 1002(a) of the National Housing Act is amended by striking out "September 30, 1985" in the last sentence and inserting in lieu thereof "September 30, 1986".

(h) GROUP PRACTICE FACILITIES INSURANCE.—Section 1101(a) of the National Housing Act is amended by striking out "September 30, 1985" in the last sentence and inserting in lieu thereof "September 30, 1986".

SEC. 2302. AMOUNT TO BE INSURED UNDER NATIONAL HOUSING ACT.

Section 531 of the National Housing Act is amended by striking out "and 1985" and inserting in lieu thereof the following: ", 1985, and 1986".

SEC. 2303. NEGOTIATED INTEREST RATES ON MORTGAGES INSURED BY FEDERAL HOUSING ADMINISTRATION.

(a) NURSING HOME FIRE SAFETY EQUIPMENT INSURANCE.—Section 232(i)(2)(B) of the National Housing Act is amended to read as follows:

"(B) bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee;".

(b) ARMED SERVICES HOUSING INSURANCE.—The first sentence of section 810(h) of the National Housing Act is amended—

(1) by striking out "(exclusive of" and all that follows through "207" and inserting in lieu thereof the following: "at such rate as may be agreed upon by the mortgagor and the mortgagee"; and

(2) by striking out before the period at the end thereof the following: ", and shall bear interest at not to exceed the rate applicable to mortgages insured under section 203".

SEC. 2304. STUDY OF VOLUNTARY STANDARDS FOR MODULAR HOMES.

(a) IN GENERAL.—In order to facilitate the construction of less costly housing, the Secretary of Housing and Urban Development shall prepare and submit to the Congress not later than 6 months after the date of the enactment of this Act a report describing feasible alternative systems for implementing a voluntary preemptive national code for modular housing, including the method for inspecting the structures to ensure compliance with the recommended code. Such code shall provide for the development of modular housing standards for construction, design, and performance that ensure quality, durability, and safety and are in accordance with life-cycle cost-effective energy conservation standards established by the Secretary of Housing and Urban Development and designed to ensure the lowest total construction and operating costs over the estimated life of such housing.

(b) DEFINITION.—For purposes of this section, the term "modular housing" means factory-built single-family housing not subject to the requirements of the National Manufactured Housing Construction and Safety Standards Act of 1974.

SEC. 2305. LIMITATION ON CERTAIN PREMIUM CHARGES.

Section 530 of the National Housing Act is amended—

(1) by inserting "(a)" after the section designation; and

(2) by adding at the end thereof the following new subsection:

"(b) Notwithstanding any other provisions of this Act, no loan or mortgage insurance premium charge pursuant to subsection (a)(1) may exceed 3.8 percent of the principal obligation of the loan or mortgage involved.".

SEC. 2306. MORTGAGES ON HAWAIIAN HOME LANDS AND INDIAN LANDS TO BE OBLIGATIONS OF GENERAL INSURANCE FUND.

(a) MORTGAGES ON HAWAIIAN HOME LANDS.—Section 247 of the National Housing Act is amended by adding at the end thereof the following new subsection:

"(d) Notwithstanding any other provision of this Act, the insurance of a mortgage using the authority contained in this section shall be the obligation of the General Insurance Fund created pursuant to section 519 of this Act. The mortgagee shall be eligible to receive the benefits of insurance as provided in section 204 of this Act with respect to mortgages insured pursuant to this section, except that all references in section 204 to the Mutual Mortgage Insurance Fund or the Fund shall be construed to refer to the General Insurance Fund, and all references in section 204 to section 203 shall be construed to refer to the section under which the mortgage is insured.".

(b) MORTGAGES ON INDIAN RESERVATIONS.—Section 248 of the National Housing Act is amended—

(1) by redesignating subsections (f), (g), and (h) as subsections (g), (h), and (i), respectively;

(2) by inserting after subsection (e) the following new subsection:

"(f) Notwithstanding any other provision of this Act, the insurance of a mortgage using the authority contained in this section shall be the obligation of the General Insurance Fund created pursuant to section 519 of this Act. The mortgagee shall be eligible to receive the benefits of insurance as provided in section 204 of this Act with respect to mortgages insured pursuant to this section, except that all references in section 204 to the Mutual Mortgage Insurance Fund or the Fund shall be construed to refer to the General Insurance Fund, and all references in section 204 to section 203 shall be construed to refer to the section under which the mortgage is insured."; and

(3) in the last sentence of subsection (g)(3) and the first sentence of subsection (g)(5), as so redesignated by paragraph (1), by striking out "insurance fund" each place it appears and inserting in lieu thereof "General Insurance Fund".

SEC. 2307. REPEAL OF REQUIREMENT TO PUBLISH PROTOTYPE HOUSING COSTS FOR 1- TO 4-FAMILY DWELLING UNITS.

The Housing and Community Development Act of 1977 is amended by striking out section 904.

SEC. 2308. AUTHORITY FOR INCREASED MORTGAGE LIMITS FOR MULTIFAMILY PROJECTS IN HIGH-COST AREAS.

Section 207(c)(3), the second proviso of section 213(b)(2), the first proviso of section 220(d)(3)(B)(iii), section 221(d)(3)(ii), section 221(d)(4)(ii), section 231(c)(2) and sec-

tion 234(e)(3) of the National Housing Act are each amended by striking out "not to exceed 75 per centum" and all that follows through "involved) in such an area" and inserting in lieu thereof the following: "not to exceed 110 percent in any geographical area where the Secretary finds that cost levels so require and by not to exceed 140 percent where the Secretary determines it necessary on a project-by-project basis, but in no case may any such increase exceed 90 percent where the Secretary determines that a mortgage purchased or to be purchased by the Government National Mortgage Association in implementing its special assistance functions under section 305 of this Act (as such section existed immediately before November 30, 1983) is involved".

SEC. 2309. PERMISSIBLE ANNUAL INTEREST RATE ADJUSTMENT FOR ADJUSTABLE RATE MORTGAGES.

The last sentence of section 251(a) of the National Housing Act is amended by striking out "1 percent" and inserting in lieu thereof "2 percent".

SEC. 2310. DOUBLE DAMAGES REMEDY FOR UNAUTHORIZED USE OF MULTIFAMILY HOUSING PROJECT ASSETS AND INCOME.

(a) ACTION TO RECOVER ASSETS OR INCOME.—

(1) The Secretary of Housing and Urban Development (hereafter referred to in this section as the "Secretary") may request the Attorney General to bring an action in a United States district court to recover any assets or income used by any person in violation of (A) a regulatory agreement that applies to a multifamily project whose mortgage is insured or held by the Secretary under title II of the National Housing Act; or (B) any applicable regulation. For purposes of this section, a use of assets or income in violation of the regulatory agreement or any applicable regulation shall include any use for which the documentation in the books and accounts does not establish that the use was made for a reasonable operating expense or necessary repair of the project and has not been maintained in accordance with the requirements of the Secretary and in reasonable condition for proper audit.

(2) For purposes of a mortgage insured or held by the Secretary under title II of the National Housing Act, the term "any person" shall mean any person or entity which owns a project, as identified in the regulatory agreement, including but not limited to any stockholder holding 25 percent or more interest of a corporation that owns the project; any beneficial owner under any business or trust; any officer, director, or partner of an entity owning the project; and any heir, assignee, successor in interest, or agent of any owner.

(b) INITIATION OF PROCEEDINGS AND TEMPORARY RELIEF.—The Attorney General, upon request of the Secretary, shall have the exclusive authority to authorize the initiation of proceedings under this section. Pending final resolution of any action under this section, the court may grant appropriate temporary or preliminary relief, including restraining orders, injunctions, and acceptance of satisfactory performance bonds, to protect the interests of the Secretary and to prevent use of assets or income in violation of the regulatory agreement and any applicable regulation and to prevent loss of value of the realty and personalty involved.

(c) AMOUNT RECOVERABLE.—In any judgment favorable to the United States entered under this section, the Attorney General may recover double the value of the assets and income of the project that the court determines to have been used in violation of the regulatory agreement or any applicable regulation, plus all costs relating to the action, including but not limited to reasonable attorney and auditing fees. Notwithstanding any other provision of law, the Secretary may apply the recovery, or any portion of the recovery, to the project or to the applicable insurance fund under the National Housing Act.

(d) TIME LIMITATION.—Notwithstanding any other statute of limitations, the Secretary may request the Attorney General to bring an action under this section at any time up to and including 6 years after the latest date that the Secretary discovers any use of project assets and income in violation of the regulatory agreement or any applicable regulation.

(e) CONTINUED AVAILABILITY OF OTHER REMEDIES.—The remedy provided by this section is in addition to any other remedies available to the Secretary or the United States.

SEC. 2311. ADMINISTRATIVE IMPROVEMENTS IN SINGLE-FAMILY MORTGAGE INSURANCE PROGRAM.

The National Housing Act is amended by inserting after section 532 the following new section:

"ADMINISTRATIVE IMPROVEMENTS IN MORTGAGE INSURANCE PROGRAM

"SEC. 533. (a) ANNUAL REPORT.—The Secretary shall annually prepare and submit to the Congress a comprehensive report regarding the non-subsidized single-family mortgage insurance programs carried out by the Secretary under title II in metropolitan cities and urban counties. Each such report shall describe the types of dwellings insured, the individual income eligibility, the delinquency in foreclosure rates, the condition of the dwellings, and the status of the homeowners (including whether such homeowners are first-time homeowners or single-parent families). Each such report shall be made available to the public in all regional and local offices of the Secretary.

"(b) SPECIAL OVERSIGHT.—The Secretary shall establish procedures to analyze in detail and conduct scrutinized oversight of the single-family mortgage insurance operations of the Department of Housing and Urban Development under title II, with specific attention to Milwaukee, Camden, and other cities having recent single-family mortgage foreclosure difficulties.

"(c) FEE APPRAISAL STANDARDS.—The Secretary shall review the fee appraisal standards used under title II with respect to single-family dwellings, and shall develop a higher standard of appraisal with respect to such dwellings for fee appraisers in predominately low and moderate income neighborhoods.

"(d) FEE APPRAISERS.—The Secretary may not use the services of fee appraisers who are not employees of the Federal Housing Administration for purposes of appraising single-family dwellings subject to mortgages insured under title II and located in any metropolitan city or urban county.

"(e) COORDINATION OF ACTIVITIES WITH PUBLIC HOUSING AGENCIES AND COMMUNITY GROUPS.—The Secretary shall require each regional and local office of the Department of Housing and Urban Development to provide on a priority basis, to public housing agencies and community advocacy groups located within the area of its jurisdiction, adequate and timely information regarding the single-family mortgage insurance activities of such office under title II.

"(f) PUBLICIZING OF AVAILABILITY OF MORTGAGE INSURANCE.—The Secretary shall take such actions as may be necessary, including improved marketing and advertising practices, to publicize the availability of single-family mortgage insurance under title II.".

SEC. 2312. REFINANCING MORTGAGE INSURANCE FOR HOSPITALS, NURSING HOMES, INTERMEDIATE CARE FACILITIES, AND BOARD AND CARE HOMES.

(a) STATE CERTIFICATION REQUIREMENT.—Section 223(f)(4)(D) of the National Housing Act is amended to read as follows:

"(D) such existing hospital has received such certification from the State in which the hospital is located as is comparable to the certification required for hospitals under section 242.".

(b) REFINANCING INSURANCE FOR NURSING HOMES, INTERMEDIATE CARE FACILITIES, AND BOARD AND CARE HOMES.—Section 223(f) of the National Housing Act, as amended by subsection (a), is amended—

(1) in paragraph (1), by inserting after "existing hospital" the following: ", existing nursing home, existing intermediate care facility, or existing board and care home"; and

(2) in paragraph (4)—

(A) by inserting after "existing hospital" each place it appears the following: ", existing nursing home, existing intermediate care facility, or existing board and care home";

(B) by inserting after "the hospital" the following: ", nursing home, intermediate care facility, or board and care home"; and

(C) by inserting after "section 242" the following: "or for nursing homes, intermediate care facilities, or board and care homes insured under section 232, as the case may be".

(c) REGULATIONS.—The Secretary of Housing and Urban Development shall issue such regulations as may be necessary to carry out the amendments made by this section by not later than the expiration of the 90-day period following the date of the enactment of this Act.

SEC. 2313. MORTGAGE INSURANCE FOR NURSING HOMES, INTERMEDIATE CARE FACILITIES, AND BOARD AND CARE HOMES.

(a) INSURANCE FOR PUBLIC NURSING HOMES.—Section 232(b)(1) of the National Housing Act is amended by inserting "public facility," before "proprietary".

(b) REQUIREMENT OF STATE APPROVAL.—Section 232(d)(4)(A) of the National Housing Act is amended by striking out "(i)" and all that follows through "(ii)" and inserting in lieu thereof the following: "(i) the facility has received such approval as the State in which the facility is located requires for the facility, and (ii)".

(c) REGULATIONS.—The Secretary of Housing and Urban Development shall issue such regulations as may be necessary to carry out the amendments made by this section by not later than the expiration of the 90-day period following the date of the enactment of this Act.

SEC. 2314. REQUIREMENT OF STATE APPROVAL FOR MORTGAGE INSURANCE FOR HOSPITALS.

(a) IN GENERAL.—Section 242(d)(4) of the National Housing Act is amended by striking out "(A)" and all that follows through "(B)" and inserting in lieu thereof the following: "(A) the facility has received such approval as the State in which the facility is located requires for the facility, and (B)".

(b) REGULATIONS.—The Secretary of Housing and Urban Development shall issue such regulations as may be necessary to carry out the amendment made by this section by not

later than the expiration of the 90-day period following the date of the enactment of this Act.

SEC. 2315. MORTGAGE INSURANCE TECHNICAL AMENDMENTS.

(a) ADMINISTRATIVE PROVISIONS.—The second sentence of section 1 of the National Housing Act is amended by striking out the last comma.

(b) APPLICABILITY.—Section 9 of the National Housing Act is amended by inserting the following section heading:

"APPLICABILITY"

(c) CO-INSURANCE.—Section 244(h) of the National Housing Act is amended by striking out "coinsurance" each place it appears and inserting in lieu thereof "co-insurance".

(d) INSURANCE ON HAWAIIAN HOME LANDS.—Section 247(a)(2) of the National Housing Act is amended by striking out "Mortgagor" and inserting in lieu thereof "mortgagor".

PART 2—FLOOD AND CRIME INSURANCE PROGRAMS

SEC. 2321. FLOOD INSURANCE.

(a) GENERAL AUTHORITY.—Section 1319 of the National Flood Insurance Act of 1968 is amended by striking out "September 30, 1985" and inserting in lieu thereof "September 30, 1986".

(b) EMERGENCY IMPLEMENTATION.—Section 1336(a) of the National Flood Insurance Act of 1968 is amended by striking out "September 30, 1985" and inserting in lieu thereof "September 30, 1986".

(c) AUTHORIZATION OF APPROPRIATIONS FOR STUDIES.—Section 1376(c) of the National Flood Insurance Act of 1968 is amended to read as follows:

"(c) There are authorized to be appropriated for studies under this title $36,902,000 for fiscal year 1986. Any amount appropriated under this subsection shall remain available until expended.".

(d) FLOOD INSURANCE PREMIUMS.—The premium rates charges for flood insurance under any program established pursuant to the National Flood Insurance Act of 1968 may not be increased during the period beginning on the date of the enactment of this Act and ending on September 30, 1986.

(e) PREMIUM RATES FOR COMMUNITY MAKING ADEQUATE PROGRESS.—For purposes of the determination of premium rates under the National Flood Insurance Act of 1968, the flood protection system in Winfield, in the State of Kansas, shall be considered to comply with the requirements and conditions of section 1307(e) of such Act.

SEC. 2322. CRIME INSURANCE.

(a) GENERAL AUTHORITY.—Section 1201(b)(1) of the National Housing Act is amended in the matter preceding subparagraph (A)—

(1) by striking out "parts A, C, and D" and inserting in lieu thereof "part A"; and

(2) by inserting after "1985," the following: "and parts C and D shall terminate on September 30, 1986,".

(b) CONTINUATION OF EXISTING CONTRACTS.—Section 1201(b)(1)(A) of the National Housing Act is amended by striking out "September 30, 1986" and inserting in lieu thereof "September 30, 1987".

(c) CRIME INSURANCE PREMIUMS.—The premium rates charged for crime insurance under any program established pursuant to part C of title XII of the National Housing Act may not be increased during the period beginning on the date of the enactment of this Act and ending on September 30, 1986.

SEC. 2323. FLOOD AND CRIME INSURANCE TECHNICAL AMENDMENTS.

(a) CRIME INSURANCE PROGRAM AUTHORITY.—Section 1201(b) of the National Housing Act is amended—

(1) by striking out paragraphs (2) and (3);

(2) by striking out "(b)(1)" and inserting in lieu thereof "(b)"; and

(3) by redesignating subparagraphs (A) through (C) as paragraphs (1) through (3), respectively.

(b) REINSURANCE AGREEMENTS.—Section 1222(c) of the National Housing Act is amended by striking out "section 3679(a) of the Revised Statutes of the United States (31 U.S.C. 665(a))," and inserting in lieu thereof "section 1341(a) of title 31, United States Code,".

(c) NATIONAL INSURANCE DEVELOPMENT FUND.—Section 1243(d) of the National Housing Act is amended by striking out "by law (sections 102, 103, and 104 of the Government Corporation Control Act (31 U.S.C. 847-849))" and inserting in lieu thereof "by sections 9103 and 9104 of title 31, United States Code,".

(d) NATIONAL FLOOD INSURANCE FUND.—Section 1310(e) of the National Flood Insurance Act of 1968 is amended by inserting a comma after "Code".

(e) FEMA TREASURY BORROWINGS.—The third sentence of section 15(e) of the Federal Flood Insurance Act of 1956 is amended by inserting a comma after "Code".

PART 3—SECONDARY MORTGAGE MARKET PROGRAMS

SEC. 2341. GOVERNMENT NATIONAL MORTGAGE ASSOCIATION MORTGAGE-BACKED SECURITIES PROGRAM.

Section 306(g)(2) of the Federal National Mortgage Association Charter Act is amended by striking out "and 1985" and inserting in lieu thereof the following: ", 1985, and 1986".

SEC. 2342. PROHIBITION OF CERTAIN FEES.

(a) FEDERAL NATIONAL MORTGAGE ASSOCIATION.—Section 304 of the Federal National Mortgage Association Charter Act is amended by adding at the end thereof the following new subsection:

"(f) Except for fees paid pursuant to section 309(g), no fee or charge may be assessed or collected by the United States (including any executive department, agency, or independent establishment of the United States) on or with regard to the purchase, acquisition, sale, pledge, issuance, guarantee, or redemption of any mortgage, asset, obligation, trust certificate of beneficial interest, or other security by the corporation. No provision of this subsection shall affect the purchase of any obligation by the Secretary of the Treasury pursuant to subsection (c).".

(b) GOVERNMENT NATIONAL MORTGAGE ASSOCIATION.—Section 306(g) of Federal National Mortgage Association Charter Act is amended by adding at the end thereof the following new paragraph:

"(3) No fee or charge may be assessed or collected by the United States (including any executive department, agency, or independent establishment of the United States) on or with regard to any guarantee under this subsection, unless such fee or charge is not more than the applicable percentage amount in effect on June 1, 1985.".

(c) FEDERAL HOME LOAN MORTGAGE CORPORATION.—Section 306 of the Federal Home Loan Mortgage Corporation Act is amended by adding at the end thereof the following new subsection:

"(i) Except for fees paid pursuant to section 303(c), no fee or charge may be assessed or collected by the United States (including any executive department, agency, or independent establishment of the United States) on or with regard to the purchase, acquisition, sale, pledge, issuance, guarantee, or redemption of any mortgage, asset, obligation, or other security by the Corporation.".

SEC. 2343. SECONDARY MORTGAGE MARKET TECHNICAL AMENDMENTS.

Section 482 of the Housing and Urban-Rural Recovery Act of 1983 is amended by striking out "such Act" and inserting in lieu thereof "the National Housing Act".

PART 4—REGULATORY AND OTHER PROGRAMS

SEC. 2361. SOLAR ENERGY AND ENERGY CONSERVATION BANK.

Section 522(a) of the Solar Energy and Energy Conservation Bank Act is amended by inserting before the period at the end thereof the following: "and $15,000,000 for fiscal year 1986".

SEC. 2362. COUNSELING.

Section 106(a)(3) of the Housing and Urban Development Act of 1968 is amended by inserting before the period in the first sentence the following: ", and for fiscal year 1986 there is authorized to be appropriated not to exceed $4,000,000 for such purposes".

SEC. 2363. HOME MORTGAGE DISCLOSURE.

(a) APPLICABILITY TO MORTGAGE BANKING AFFILIATES.—

(1) Section 303(2) of the Home Mortgage Disclosure Act of 1975 is amended—

(A) by striking out "or" the first place it appears; and

(B) by inserting before the semicolon at the end thereof the following: ", mortgage banking subsidiary of a bank holding company or savings and loan holding company, or savings and loan service corporation that originates or purchases mortgage loans".

(2) Section 304 of the Home Mortgage Disclosure Act of 1975 is amended by adding at the end thereof the following new subsection:

"(g) The requirements of subsections (a) and (b) shall not apply with respect to mortgage loans that are—

"(1) made by any mortgage banking subsidiary of a bank holding company or savings and loan holding company or by any savings and loan service corporation that originates or purchases mortgage loans; and

"(2) approved by the Secretary for insurance under title I or II of the National Housing Act.".

(3) The first sentence of section 311 of the Home Mortgage Disclosure Act of 1975 is amended by inserting after "306(b)" the following: "(and for each mortgagee making mortgage loans exempted under section 304(g))".

(4) The amendments made by this subsection shall be applicable to calendar years beginning after December 31, 1985.

(b) RECORDS ON MORTGAGE LOANS SECURED BY PROPERTY OUTSIDE METROPOLITAN STATISTICAL AREAS.—Section 304(a)(2)(B) of the Home Mortgage Disclosure Act of 1975 is amended by inserting ", by State," after "paragraph (1)".

(c) AVAILABILITY OF DISCLOSURE STATEMENTS.—Section 304(f) of the Home Mortgage Disclosure Act of 1975 is amended by adding at the end thereof the following new sentence: "Disclosure statements shall be made available to the public at such central depository of data not later than June 1 of the year following the calendar year on which the statements are based.".

(d) EXTENSION OF GENERAL AUTHORITY.—The Home Mortgage Disclosure Act of 1975 is amended by striking out section 312.

(e) STUDY OF DATA COLLECTION REQUIREMENTS.—

(1) The Federal Financial Institutions Examination Council shall conduct a study to assess the following:

(A) the estimated cost incurred by depository institutions for the preparation and dissemination of disclosure reports pursuant to the requirements of the Home Mortgage Disclosure Act of 1975, based upon the results an independent analysis of the actual costs incurred by a representative sample of such institutions located in at least 3 and not more than 6 metropolitan statistical areas;

(B) the estimated usage of the data available to the public pursuant to the Home Mortgage Disclosure Act of 1975, based upon the results of a survey of both direct and indirect usage of such data over a 12-month period following the date of the enactment of this Act; and

(C) the obstacles to the usage by the public of the data made available pursuant to the Home Mortgage Disclosure Act of 1975 and recommendations for action to be taken by the Federal financial institutions regulatory agencies to increase public awareness about the availability of such data.

(2) The Council shall submit a report on the results of such a study to the Congress not later than 36 months following the date of the enactment of this Act.

SEC. 2364. RESEARCH AUTHORIZATION.

The second sentence of section 501 of the Housing and Urban Development Act of 1970 is amended—

(1) by striking out "and" the last place it appears; and

(2) by inserting before the period at the end thereof the following: ", and $17,000,000 for fiscal year 1986".

SEC. 2365. TIMELY PAYMENT OF SUBCONTRACTORS.

It is the policy of the United States that each prime contractor of the Department of Housing and Urban Development should establish procedures to ensure the timely payment of amounts due pursuant to the terms of the subcontracts of such prime contractor.

SEC. 2366. MEDIAN AREA INCOME.

For purposes of calculating the median income for any area that is not within a metropolitan statistical area (as established by the Office of Management and Budget) for programs under title I of the Housing and Community Development Act of 1974, the United States Housing Act of 1937, the National Housing Act, or title V of the Housing Act of 1949, the Secretary of Housing and Urban Development or the Secretary of Agriculture (as appropriate) shall use whichever of the following is higher:

(1) the median income of the county in which the area is located; or

(2) the median income of the entire nonmetropolitan area of the State.

SEC. 2367. MANUFACTURED HOUSING CONSTRUCTION AND SAFETY STANDARDS.

Not later than the expiration of the 6-month period following the date of the enactment of this Act, the Secretary of Housing and Urban Development shall submit to the Congress a detailed report describing the fees collected by the Secretary during the 4-year period preceding the date of the enactment of this Act in connection with inspection of manufactured homes under section 614 of the National Manufactured Housing Construction and Safety Standards Act of 1974. Such report shall include the amount of such fees collected, the allocation of expenses, the costs of the program, and any available reserves.

SEC. 2368. REMOVAL OF MAXIMUM FEE FOR INTERSTATE LAND SALES REGISTRATION.

Section 1405(b) of the Interstate Land Sales Full Disclosure Act is amended by striking out "a fee, not in excess of $1,000" and inserting in lieu thereof "a reasonable fee".

SEC. 2369. PREVENTING FRAUD AND ABUSE IN DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT PROGRAMS.

(a) DISCLOSURE OF SOCIAL SECURITY ACCOUNT NUMBER.—As a condition of initial or continuing eligibility for participation in any program of the Department of Housing and Urban Development involving loans, grants, interest or rental assistance of any kind, or mortgage or loan insurance, and to ensure that the level of benefits provided under such programs is proper, the Secretary may require that an applicant or participant (including members of the household of an applicant or participant) disclose his or her social security account number or employer identification number to the Secretary.

(b) VERIFICATION OF INFORMATION.—As a condition of initial or continuing eligibility for participation in any program of the Department of Housing and Urban Development involving initial and periodic review of the income of an applicant or participant, and to ensure that the level of benefits provided under such programs is proper, the Secretary may require that an applicant or participant (including members of the household of an applicant or participant) sign a consent form approved by the Secretary authorizing (1) the Secretary, or the public housing agency or owner responsible for determining eligibility or level of benefits, to verify the information furnished by the applicant or participant, and (2) any Federal, State, or local agency or private person or entity to release information related to the determination of eligibility and benefit level. The information may include, but is not limited to, data concerning wages (not including return information as defined in section 6103(b)(2) of title 26, United States Code), unemployment compensation, benefits made available under the Social Security Act, and veterans benefits under title 38, United States Code. Any individually identifiable information received by the Secretary under this section shall be subject to the requirements of section 552a of title 5, United States Code. An applicant or participant shall have the right to obtain, examine, and correct any information that the Secretary, public housing agency, or owner responsible for determining eligibility or level of benefits has received under this section before the Secretary, public housing agency, or owner takes any action on the basis of such information, unless a criminal investigation is pending. An applicant or participant shall also have the right to file a statement disputing or augmenting any such information and to have such statement included in any records of such information.

(c) DEFINITIONS.—For purposes of this section:

(1) The terms "applicant" and "participant" shall have such meanings as the Secretary by regulation shall prescribe. Such terms shall not include persons whose involvement is only in their official capacity, such as State or local government officials or officers of lending institutions.

(2) The term "public housing agency" means any agency described in section 3(b)(6) of the United States Housing Act of 1937.

(3) The term "Secretary" means the Secretary of Housing and Urban Development.

SEC. 2370. FAIR HOUSING INITIATIVES PROGRAM.

(a) IN GENERAL.—The Secretary of Housing and Urban Development (hereafter referred to in this section as the "Secretary") may make grants to, or enter into contracts or cooperative agreements with, State or local governments or their agencies, public or private nonprofit organizations or institutions, or other public or private entities that are formulating or carrying out programs to prevent or eliminate discriminatory housing practices, to develop, implement, carry out, or coordinate—

(1) programs or activities designed to obtain enforcement of the rights granted by title VIII of the Act of April 11, 1968 (commonly referred to as the Civil Rights Act of 1968), or by State or local laws that provide rights and remedies for alleged discriminatory housing practices that are substantially equivalent to the rights and remedies provided in such title VIII, through such appropriate judicial or administrative proceedings (including informal methods of conference, conciliation, and persuasion) as are available therefor; and

(2) education and outreach programs designed to inform the public concerning rights and obligations under the laws referred to in paragraph (1).

(b) PROGRAM ADMINISTRATION.—

(1) Not less than 30 days before providing a grant or entering into any contract or cooperative agreement to carry out activities authorized by this section, the Secretary shall submit notification of such proposed grant, contract, or cooperative agreement (including a description of the geographical distribution of such contracts) to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives.

(2) The Secretary shall provide to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives a quarterly report that summarizes the activities funded under this section and describes the geographical distribution of grants, contracts, or cooperative agreements funded under this section.

(c) REGULATIONS.—

(1) The Secretary shall issue such regulations as may be necessary to carry out the provisions of this section.

(2) Such regulations shall include provisions governing applications for assistance under this section, and shall require each such application to contain—

(A) a description of the assisted activities proposed to be undertaken by the applicant, together with the estimated costs and schedule for completion of such activities;

(B) a description of the experience of the applicant in formulating or carrying out programs to prevent or eliminate discriminatory housing practices;

(C) available information, including studies made by or available to the applicant, indicating the nature and extent of discriminatory housing practices occurring in the general location where the applicant proposes to conduct its assisted activities, and the relationship of such activities to such practices;

(D) an estimate of such other public or private resources as may be available to assist the proposed activities;

(E) a description of proposed procedures to be used by the applicant for monitoring conduct and evaluating results of the proposed activities; and

(F) any additional information required by the Secretary.

(3) Regulations issued under this subsection shall not become effective prior to the expiration of 90 days after the Secretary transmits such regulations, in the form such regulations are intended to be published, to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives.

(4) The Secretary shall not obligate or expend any amount under this section before the effective date of the regulations required under this subsection.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out the provisions of this section, including any program evaluations, $10,000,000 for fiscal year 1986. Any amounts appropriated under this section shall remain available until expended.

SEC. 2371. LEAD-BASED PAINT POISONING PREVENTION.

(a) LEAD-BASED PAINT POISONING PREVENTION PROCEDURES.—Section 302 of the Lead-Based Paint Poisoning Prevention Act is amended—

(1) in clause (1) of the second sentence, by inserting after "exposed" the following: ", including intact lead-based paint on the interior and exterior surfaces of such housing";

(2) by striking out the third sentence;

(3) by inserting "(a)" after the section designation; and

(4) by adding at the end thereof the following new subsections:

"(b) The Secretary shall make a periodic determination of whether housing constructed during or after 1950 presents hazards of lead-based paint. The Secretary shall apply the procedures established under this section to housing constructed during or after 1950 if such housing presents immediate hazards of lead-based paint.

"(c) The Secretary shall take such actions as may be necessary to ensure that each public housing agency owning or operating housing assisted under the United States Housing Act of 1937 complies with the procedures established by the Secretary under this section.".

(b) REGULATIONS.—Not later than the expiration of the 90-day period following the date of the enactment of this Act, the Secretary of Housing and Urban Development shall issue such regulations as may be necessary to carry out the amendments made by this section.

SEC. 2372. REGULATORY AND OTHER PROGRAMS TECHNICAL AMENDMENTS.

(a) HUD ADMINISTRATIVE PROVISIONS.—

(1) Section 502(a) of the Housing Act of 1948 is amended by striking out the fourth sentence.

(2) Section 502(b) of the Housing Act of 1948 is amended—

(A) by striking out "United States Housing Authority" each place it appears and inserting in lieu thereof "Secretary of Housing and Urban Development"; and

(B) by striking out "the Authority" each place it appears and inserting in lieu thereof "the Secretary of Housing and Urban Development".

(3) Section 502(c)(2) of the Housing Act of 1948 is amended by adding "and" at the end thereof.

(b) ANNUAL REPORT OF SECRETARY.—Section 802 of the Housing Act of 1954 is amended by inserting the following section heading:

"ANNUAL REPORT OF SECRETARY".

(c) ENERGY CONSERVATION IN NEW BUILDINGS.—Section 303(11) of the Energy Conservation Standards for New Buildings Act of 1976 is amended by striking out "Secretary of Housing and Urban Development" and inserting in lieu thereof "Secretary of Energy".

(d) WEATHERIZATION ASSISTANCE.—Section 412(9)(G) of the Energy Conservation in Existing Buildings Act of 1976 is amended by striking out the first comma after "determine".

(e) SOLAR ENERGY AND ENERGY CONSERVATION BANK.—Sections 506(f)(1), 509(b)(2)(E), 515(b)(1)(A)(iii), 515(b)(1)(B), 515(b)(1)(C)(ii), 515(b)(1)(D), and 515(b)(2) of the Solar Energy and Energy Conservation Bank Act are amended by striking out "38" and "44C" each place they appear and inserting in lieu thereof "23" and "38", respectively.

(f) NATIONAL INSTITUTE OF BUILDING SCIENCES.—Section 809(g)(4) of the Housing and Community Development Act of 1974 is amended by striking out "and its" and inserting in lieu thereof "of its".

PART 5—COMMUNITY AND NEIGHBORHOOD DEVELOPMENT AND CONSERVATION PROGRAMS

SEC. 2381. COMMUNITY DEVELOPMENT BLOCK GRANT METROPOLITAN CITY AND URBAN COUNTY CLASSIFICATIONS.

(a) CENTRAL CITIES.—Section 102(a)(4) of the Housing and Community Development Act of 1974 is amended by adding at the end thereof the following new sentence: "Any city classified as a metropolitan city under clause (A) of the first sentence for purposes of assistance under any section of this title shall retain such classification until such city is determined to no longer qualify as a metropolitan city on the basis of data obtained in a decennial census conducted after the end of fiscal year 1985.".

(b) OTHER CITIES.—Section 102(a)(4) of the Housing and Community Development Act of 1974, as amended by subsection (a), is amended by adding at the end thereof the following new sentence: "Any city classified as a metropolitan city under clause (B) of the first sentence for purposes of assistance under any section of this title shall retain such classification notwithstanding a decrease in population below 50,000 if the population of such city is not measured by 2 consecutive decennial censuses (including the 1980 census) to be below 50,000.".

(c) URBAN COUNTIES.—Section 102(a)(6) of the Housing and Community Development Act of 1974 is amended by inserting before the period at the end of the first sentence the following: ", or (D) has a current population in excess of 177,000, with more than 50 percent of the housing units of the area unsewered and with the unsewered housing units contributing to the degradation of an aquifer that has been declared a sole source aquifer by the Environmental Protection Agency".

SEC. 2382. STATEMENT OF ACTIVITIES AND REVIEW.

Section 104(a)(1) of the Housing and Community Development Act of 1974 is amended by striking out the last sentence.

SEC. 2383. HOUSING ASSISTANCE PLANS.

Section 104(c)(1)(A) of the Housing and Community Development Act of 1974 is amended—

(1) in the second parenthetical phrase, by inserting "homeless persons," after "assistance,"; and

(2) in the last parenthetical phrase, by inserting "and homeless persons" after "persons".

SEC. 2384. LIMITED NEW CONSTRUCTION OF HOUSING UNDER COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM.

Section 105(a) of the Housing and Community Development Act of 1974 is amended—

(1) by striking out "and" at the end of paragraph (17);

(2) by striking out the period at the end of paragraph (18) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new paragraph:

"(19) provision of assistance to facilitate new construction or substantial reconstruction in instances in which persons of low and moderate income own and occupy a home that the grantee determines is not suitable for rehabilitation.".

SEC. 2385. COMMUNITY DEVELOPMENT BLOCK GRANT PUBLIC SERVICE ACTIVITIES.

Section 105(a)(8) of the Housing and Community Development Act of 1974 is amended—

(1) by inserting "(A)" after "paragraph unless"; and

(2) by inserting before the semicolon at the end thereof the following: "; or (B) the Secretary authorizes such unit of general local government to use more than 15 percent (but not more than the highest amount permitted to be used under subparagraph (A) by another unit of general local government located in the same metropolitan area) of the assistance received under this title for such activities following (i) a determination by such unit of general local government that the activities carried out using the amounts authorized under this subparagraph are appropriate to support proposed community development activities; and (ii) submission to the Secretary of a request for such authorization by such unit of general local government".

SEC. 2386. STATE CERTIFICATIONS FOR RECEIVING COMMUNITY DEVELOPMENT BLOCK GRANTS FOR NONENTITLEMENT AREAS.

Section 106(d)(2) of the Housing and Community Development Act of 1974 is amended—

(1) in subparagraph (C), by striking out "the Governor must certify that the State" and inserting in lieu thereof "the State must certify that it"; and

(2) in subparagraph (D), by striking out "the Governor of each State" and inserting in lieu thereof "the State".

SEC. 2387. DISCRETIONARY FUND.

Section 107(a) of the Housing and Community Development Act of 1974 is amended by adding at the end thereof the following new sentence: "Of the amount set aside for grants under subsection (b) for fiscal year 1986, not more than $5,000,000 shall be made available by the Secretary for purposes of grants under subsection (b)(1) for the Park Central New Community Project.".

SEC. 2388. COMMUNITY DEVELOPMENT BLOCK GRANT LOAN GUARANTEES.

(a) MORATORIUM FOR FISCAL YEAR 1986.—Section 108(a) of the Housing and Community Development Act of 1974 is amended by

striking out the last sentence and inserting in lieu thereof the following: "The Secretary may not enter into any commitment to guarantee a note or obligation under this section during fiscal year 1986.".

(b) PROHIBITION ON FEES.—Section 108 of the Housing and Community Development Act of 1974 is amended by adding at the end thereof the following new subsection:

"(1) No fee or charge may be assessed or collected by the Secretary or any other Federal agency on or with respect to a guarantee made by the Secretary under this section.".

SEC. 2389. URBAN DEVELOPMENT ACTION GRANT SELECTION CRITERIA.

(a) SELECTION FOR 40 PERCENT OF FUNDS BASED ON PROJECT QUALITY.—Section 119(d)(1) of the Housing and Community Development Act of 1974 is amended—

(1) by inserting "(A)" after "(d)(1)";

(2) by inserting before the first comma the following: "or as otherwise provided in subparagraph (B)";

(3) by redesignating subparagraphs (A) through (C) as clauses (i) through (iii), respectively; and

(4) by adding at the end thereof the following new subparagraph:

"(B)(i) Of the aggregate amount awarded for grants for any fiscal year under this paragraph, 40 percent shall be awarded for grants made solely on the basis of the selection criteria established by the Secretary under subparagraph (A)(iii).

"(ii) In evaluating applications for grants under this paragraph, the Secretary shall first evaluate such applications in accordance with the provisions of this subparagraph. The Secretary shall then evaluate the applications that are not to be selected under such provisions under the selection criteria established under subparagraph (A).".

(b) MODIFICATIONS IN SELECTION CRITERIA RELATING TO PROJECT QUALITY.—

(1) Section 119(d)(1)(A)(iii) of the Housing and Community Development Act of 1974, as so redesignated by subsection (a), is amended by inserting before the last semicolon the following: "; the failure of the city or urban county to receive a preliminary grant approval under this section on or after December 21, 1983".

(2) Section 119(d)(1) of the Housing and Community Development Act of 1974, as amended by subsection (a), is amended by adding at the end thereof the following new subparagraph:

"(C) In determining the score to be awarded each of the criteria under subparagraph (A)(iii) for applications for grants for housing activities, the Secretary shall compare such applications only with other applications for grants for housing activities. For purposes of this subparagraph, an application shall be considered an application for a grant for housing activities if such application proposes that—

"(i) not less than 51 percent of all funds available for the project shall be used for dwelling units and related facilities; and

"(ii) not less than 20 percent of all funds used for dwelling units and related facilities shall be used for dwelling units to be occupied by persons of low and moderate income, or not less than 20 percent of all dwelling units made available for occupancy using such funds shall be occupied by persons of low and moderate income, whichever results in the occupancy of more dwelling units by persons of low and moderate income.".

(3) Section 119(r) of the Housing and Community Development Act of 1974 is amended by striking out "In" and inserting in lieu thereof the following: "Except as provided in subsection (d)(1)(C), in".

(c) MODIFICATIONS IN SELECTION CRITERIA RELATING TO URBAN COUNTIES.—Section 119(d)(1) of the Housing and Community Development Act of 1974, as amended by subsections (a) and (b), is amended by adding at the end thereof the following new subparagraph:

"(D) In determining the score to be awarded each of the criteria under clauses (i), (ii), and (iii) of subparagraph (A) for applications for grants for urban counties, the Secretary shall compare such applications only with other applications for grants for urban counties.".

(d) NUMBER OF COMPETITIONS FOR GRANTS.—Section 119(d) of the Housing and Community Development Act of 1974 is amended by adding at the end thereof the following new paragraph:

"(3)(A) For each fiscal year, the Secretary shall hold—

"(i) 3 competitions for grants under paragraph (1) for cities not described in the first sentence of subsection (i) (relating to small cities) and urban counties; and

"(ii) 3 competitions for cities described in the first sentence of subsection (i) (relating to small cities).

"(B) Each competition for grants described in any clause of subparagraph (A) shall be for an amount equal to the sum of—

"(i) approximately ⅓ of the funds available for such grants for the fiscal year;

"(ii) any funds available for such grants in any previous competition that are not awarded; and

"(iii) any funds available for such grants in any previous competition that are recaptured.".

(e) REPORTS TO CONGRESS.—

(1) Not later than the expiration of the 6-month period following the date of the enactment of this Act and each year thereafter, the Secretary of Housing and Urban Development shall prepare and submit to the Congress a comprehensive report evaluating the eligibility standards and selection criteria applicable under section 119 of the Housing and Community Development Act of 1974. Such report shall evaluate in detail the standards and criteria specified in such section that measure the level or comparative degree of economic distress of cities and urban counties. Such report shall also evaluate in detail the extent to which the economic and social data utilized by the Secretary in awarding grants under such section is current and accurate, and shall compare the data used by the Secretary with other available data. The Secretary shall make recommendations to the Congress on whether or not other data should be collected by the Federal Government in order to fairly and accurately distribute grants under such section based on the level or comparative degree of economic distress. The Secretary shall also make recommendations on whether or not existing data should be collected more frequently in order to ensure that timely data is used to evaluate grant applications under such section. Such report shall also describe in detail the standards and criteria utilized by the Secretary to evaluate project quality under section 119(d)(1)(A)(iii) of such Act.

(2) Not later than the expiration of the 3-month period following the date of the final competition for grants for fiscal year 1986 under section 119 of the Housing and Community Development Act of 1974, the Secretary of Housing and Urban Development shall prepare and submit to the Congress a comprehensive report describing the effect of the amendments made by this section on—

(A) the targetting of grant funds to cities and urban counties having the highest level or degree of economic distress;

(B) the distribution of grant funds among regions of the United States;

(C) the number and types of projects receiving grants; and

(D) the per capita funding levels for each city, urban county, or identifiable community described in subsection (p), receiving assistance under this section.

(f) REGULATIONS.—The Secretary shall issue such regulations as may be necessary to carry out the amendments made by this section. Such regulations shall be published for comment in the Federal Register not later than 60 days after the date of the enactment of this Act.

(g) APPLICABILITY.—The amendments made by this section shall be applicable to the making of urban development action grants that have not received the preliminary approval of the Secretary of Housing and Urban Development before the date on which final regulations issued by the Secretary under subsection (f) become effective. For the fiscal year in which the amendments made by this section become applicable, such amendments shall only apply with respect to the aggregate amount awarded for such grants on or after such date.

SEC. 2390. PROHIBITION ON USE OF URBAN DEVELOPMENT ACTION GRANTS FOR BUSINESS RELOCATIONS.

Section 119(h) of the Housing and Community Development Act of 1974 is amended—

(1) by inserting after the subsection designation the following: "(1) SPECULATIVE PROJECTS.—";

(2) by adding at the end of paragraph (1), as so redesignated, the following new sentence: "The provisions of this paragraph shall apply only to projects that do not have identified intended occupants."; and

(3) by adding at the end thereof the following new paragraphs:

"(2) PROJECTS WITH IDENTIFIED INTENDED OCCUPANTS.—No assistance may be provided or utilized under this section for any project with identified intended occupants that is likely to facilitate—

"(A) a relocation of any operation of an industrial or commercial plant or facility or other business establishment—

"(i) from any city, urban county, or identifiable community described in subsection (p), that is eligible for assistance under this section; and

"(ii) to the city, urban county, or identifiable community described in subsection (p), in which the project is located; or

"(B) an expansion of any such operation that results in a reduction of any such operation in any city, county, or community described in subparagraph (A)(i).

"(3) SIGNIFICANT AND ADVERSE EFFECT.—The restrictions established in paragraph (2) shall not apply if the Secretary determines that the relocation or expansion does not significantly and adversely affect the employment or economic base of the city, county, or community from which the relocation or expansion occurs.

"(4) DEFINITION.—For purposes of this subsection, the term 'operation' includes any plant, equipment, facility, position, em-

ployment opportunity, production capacity, or product line.

"(5) REGULATIONS.—The Secretary shall issue such regulations as may be necessary to carry out the provisions of this subsection. Such regulations shall include specific criteria to be used by the Secretary in determining whether there is a significant and adverse effect under paragraph (3).".

SEC. 2391. CONSIDERATION OF CERTAIN COUNTIES AS CITIES UNDER URBAN DEVELOPMENT ACTION GRANT PROGRAM.

Section 119(n)(1) of the Housing and Community Development Act of 1974 is amended by adding at the end thereof the following new sentence: "Such term also includes the counties of Kauai, Maui, and Hawaii in the State of Hawaii.".

SEC. 2392. URBAN DEVELOPMENT ACTION GRANT LOAN GUARANTEES.

Section 119 of the Housing and Community Development Act of 1974 is amended by adding at the end thereof the following new subsection:

"(s)(1) The Secretary shall, to the extent provided in appropriation Acts, guarantee (in accordance with the provisions of this subsection), the repayment of loans made to neighborhood-based nonprofit organizations.

"(2) Such guarantees may be made only if—

"(A) the organization is based in a neighborhood in which activities financed with funds from a grant under this section are being or will be carried out;

"(B) the funds from the loan are to be used to finance neighborhood revitalization activities that are designed to meet housing and other related needs of persons of low and moderate income in the neighborhood and that have been developed with the approval of the city or urban county receiving the grant described in subparagraph (A);

"(C) the amount guaranteed at any time does not exceed 90 percent of the outstanding unpaid principal balance of the loan;

"(D) the amount of the loan does not exceed 95 percent of the cost of the neighborhood revitalization activities financed by the loan;

"(E) the organization meets requirements established by the Secretary;

"(F) there is reasonable assurance of repayment of the loan;

"(G) the guarantee is requested by a financial institution in the manner and form required by the Secretary;

"(H) the loan is not available from financial institutions without the guarantee; and

"(I) the guarantee meets terms and conditions prescribed by the Secretary with respect to the interest rate and amortization of the loan, security required for the loan, proceedings in the event of default, and other matters defined by the Secretary.

"(3) In making available guarantees under this subsection, the Secretary shall give a priority to assisting neighborhood revitalization activities designed primarily to mitigate the displacement of persons of low and moderate income that is likely to occur as a result of commercial or other activities in the neighborhood.

"(4) The aggregate amount of loans that may be guaranteed under this subsection during fiscal year 1986 may not exceed an amount equal to 10 percent of the amount approved in appropriation Acts for urban development action grants during such fiscal year.

"(5) The full faith and credit of the United States is pledged to the payment of all guarantees made under this subsection. Any such guarantee made by the Secretary shall be conclusive evidence of the eligibility of the loan for such guarantee, and the validity of any such guarantee so made shall be incontestable in the hands of a holder of the guaranteed loan.

"(6) With respect to any proceedings conducted in connection with the default of any loan guaranteed under this subsection, the Secretary shall have the authority described in paragraphs (3) through (8) of section 402(c) of the Housing Act of 1950.".

SEC. 2393. URBAN HOMESTEADING.

(a) CONVEYANCES OF PROPERTY BY STATE AND LOCAL GOVERNMENTS FOR CONSIDERATION.—Section 810 of the Housing and Community Development Act of 1974 is amended—

(1) in subsection (b)(1), by inserting after "consideration" the following: "in the case of a lower income family or individual, or for such consideration (if any) as may be agreed upon by the entity and the family or individual in the case of a family or individual that is not a lower income family or individual";

(2) by striking out "and" at the end of subsection (b)(3)(C);

(3) by inserting "and" after the semicolon at the end of subsection (b)(3)(D);

(4) by adding at the end of subsection (b)(3) the following new subparagraph:

"(E) pay the agreed upon consideration (if any) for the property, in the case of a family or individual that is not a lower income family or individual;";

(5) in subsection (b)(5), by inserting after "consideration" the following: "in the case of a lower income family or individual, or for such consideration (if any) as may be agreed upon by the entity and the family or individual in the case of a family or individual that is not a lower income family or individual,";

(6) in subsection (b)(7)—

(A) by striking out "and" at the end of subparagraph (B);

(B) by striking out the period at the end of subparagraph (C) and inserting in lieu thereof a semicolon; and

(C) by adding at the end thereof the following new subparagraphs:

"(D) prohibits the unit of general local government, State, or public agency designated by a unit of general local government or a State, from considering the amount of consideration it desires to charge for a property, if such charge results in excluding any prospective recipient qualified for the special priority under subparagraph (A); and

"(E) prohibits the conveyance of any property under this section to a family or individual that is not a lower income family or individual, if there is a qualified applicant who is a lower income family or individual.";

(7) by adding at the end of subsection (b) the following new sentences: "Any unit of general local government, State, or public agency designated by a unit of general local government or a State, that receives consideration in connection with the conveyance of a property to an individual or family under this section shall remit to the Secretary any amount received, in such manner and at such time as the Secretary may prescribe. The Secretary shall deposit any amount remitted under the preceding sentence in the miscellaneous receipts of the Treasury of the United States."; and

(8) in subsection (h)(3), by striking out "subsection and subsection (i)" and inserting in lieu thereof "section".

(b) INCREASED ASSISTANCE FOR COMMUNITIES HAVING HIGH RATES OF FORECLOSURES.—Section 810 of the Housing and Community Development Act of 1974 is amended—

(1) by redesignating subsection (k) as subsection (l); and

(2) by inserting after subsection (j) the following new subsection:

"(k)(1) Any unit of general local government in which the rate of foreclosure on mortgages on single-family dwellings insured under title II of the National Housing Act exceeds by more than 20 percent such rate of foreclosure in such unit of general local government during the preceding year may apply to the Secretary for an increase in its assistance under this section.

"(2) Any unit of general local government applying for an increase in assistance under this subsection shall provide the Secretary with documentation describing the rate of foreclosure referred to in paragraph (1), the administrative capacities of the homestead program of such unit of general local government, and the likely effect of the use of additional assistance under this subsection on such rate of foreclosure.

"(3) The Secretary may not approve an increase in assistance under this subsection that exceeds an amount equal to 50 percent of the assistance requested by the unit of general local government under this section in its original application.".

(c) AUTHORIZATION OF APPROPRIATIONS.—The first sentence of section 810(l) of the Housing and Community Development Act of 1974, as so redesignated by subsection (b), is amended—

(1) by striking out "and" the last place it appears; and

(2) by inserting before the period at the end thereof the following: ", and $12,000,000 for fiscal year 1986".

SEC. 2394. REHABILITATION LOANS.

(a) LOAN AUTHORITY.—Section 312(h) of the Housing Act of 1964 is amended—

(1) by striking out "September 30, 1984" and inserting in lieu thereof "September 30, 1986"; and

(2) by striking out "October 1, 1984" and inserting in lieu thereof "October 1, 1986".

(b) PROHIBITION OF FEES ON REHABILITATION LOANS.—Section 312(g) of the Housing Act of 1964 is amended by adding at the end thereof the following new sentence: "No risk premium or loan fee may be assessed or collected by the Secretary or any other Federal agency on or with respect to a loan made by the Secretary under this section.".

SEC. 2395. NEIGHBORHOOD REINVESTMENT CORPORATION.

Section 608(a) of the Neighborhood Reinvestment Corporation Act is amended—

(1) by striking out "and" the last place it appears; and

(2) by inserting before the period at the end thereof the following: ", and $15,500,000 for fiscal year 1986".

SEC. 2396. NEIGHBORHOOD DEVELOPMENT DEMONSTRATION PROGRAM.

Section 123(g) of the Housing and Urban-Rural Recovery Act of 1983 is amended by inserting before the period at the end thereof the following: ", and not to exceed $10,000,000 for fiscal year 1986".

SEC. 2397. USE OF URBAN RENEWAL LAND DISPOSITION PROCEEDS.

Notwithstanding any other provision of law or other requirement, the City of Boston in the State of Massachusetts is authorized to retain any land disposition proceeds from the financially closed-out Government Center Urban Renewal Project

(NO. MASS. R-35) not paid to the Department of Housing and Urban Development, and to use such proceeds in accordance with the requirements of the community development block grant program specified in title I of the Housing and Community Development Act of 1974. The City of Boston shall retain such proceeds in a lump sum and shall be entitled to retain and use all past and future earnings from such proceeds, including any interest.

SEC. 2398. LIMITATION ON RECAPTURE OF CERTAIN RESERVATIONS OF ASSISTANCE.

After the reservation of assistance for any person or governmental entity under section 312 of the Housing Act of 1964 or section 810 of the Housing and Community Development Act of 1974, the Secretary of Housing and Urban Development shall not recapture any of the assistance included in such reservation due to the failure of such person or governmental entity to utilize, obligate, or expend such assistance during the fiscal year in which such amount is received or during the succeeding fiscal year.

SEC. 2399. COMMUNITY DEVELOPMENT AUTHORIZATIONS OF APPROPRIATIONS.

(a) COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM.—Section 103 of the Housing and Community Development Act of 1974 is amended by striking out the second sentence and inserting in lieu thereof the following: "There is authorized to be appropriated for purposes of assistance under sections 106 and 107 not to exceed $2,980,000,000 for fiscal year 1986.".

(b) URBAN DEVELOPMENT ACTION GRANT PROGRAM.—Section 119(a) of the Housing and Community Development Act of 1974 is amended by striking out the second and third sentences and inserting in lieu thereof the following: "There is authorized to be appropriated to carry out the provisions of this section not to exceed $352,000,000 for fiscal year 1986. Any amount appropriated under this subsection shall remain available until expended.".

SEC. 2399A. COMMUNITY DEVELOPMENT TECHNICAL AMENDMENTS.

Section 123(e)(3) of the Housing and Urban-Rural Recovery Act of 1983 is amended by striking out "Act" and inserting in lieu thereof "section".

Subtitle D—Shelter Assistance for the Homeless and Displaced

PART 1—NATIONAL BOARD OF CHARITIES PROGRAM

SEC. 2401. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to the Federal Emergency Management Agency to carry out an emergency program equivalent to the emergency food and shelter program established in the Second Supplemental Appropriations Act, 1984 (98 Stat. 1382), $66,000,000 for fiscal year 1986. Any amount appropriated under this section shall remain available until expended.

SEC. 2402. ELIGIBLE ACTIVITIES.

Any amount appropriated under section 401 may be used for the activities carried out under the emergency food and shelter program referred to in such section, other than renovation of buildings to be used as emergency shelters.

PART 2—SECOND STAGE HOUSING FOR THE HOMELESS AND DISPLACED

SEC. 2411. ESTABLISHMENT OF DEMONSTRATION PROGRAM.

(a) IN GENERAL.—The Secretary shall carry out a demonstration program in accordance with the provisions of this part to determine the effectiveness of assisting nonprofit organizations in providing housing and supportive services for homeless persons.

(b) PURPOSES.—Such demonstration program shall be designed to determine—

(1) the cost of acquisition, rehabilitation, or acquisition and rehabilitation of existing structures for the provision of housing for homeless persons;

(2) the cost of operating such housing and providing supportive services to the residents of such housing;

(3) the social, financial, and other advantages of such housing and supportive services as an alternative to continued institutionalization of handicapped persons; and

(4) the social, financial, and other advantages of such housing and supportive services as a means of assisting homeless persons.

SEC. 2412. ASSISTANCE TO NONPROFIT ORGANIZATIONS.

(a) IN GENERAL.—The Secretary may provide the following assistance to any eligible nonprofit organization under the demonstration program established in this part:

(1) a non-interest-bearing advance equal to the aggregate cost of acquisition, rehabilitation, or acquisition and rehabilitation of an existing structure for use in the provision of housing and supportive services for homeless persons;

(2) annual payments for operating expenses of such housing, not to exceed 80 percent of the annual operating expenses of such housing; and

(3) technical assistance in establishing and operating such housing and providing supportive services to the residents of such housing.

(b) NONREPAYMENT OF ADVANCES.—Any advance provided under subsection (a)(1) shall not be required to be repaid if the nonprofit organization involved utilizes the structure for which such advance is made as housing for homeless persons in accordance with the provisions of this part for not less than the 10-year period following initial occupancy of such housing.

(c) ASSISTANCE CONTRACTS.—The Secretary shall, to the extent approved in appropriation Acts, enter into a contract with each nonprofit organization receiving annual payments under subsection (a)(2) to provide for the making of such payments for not more than a 10-year period.

SEC. 2413. PROGRAM REQUIREMENTS.

(a) APPLICATIONS.—Applications for assistance under this part shall be made in such form and in accordance with such procedures as the Secretary shall establish.

(b) SELECTION CRITERIA.—In selecting nonprofit organizations for assistance under this part, the Secretary shall consider—

(1) the ability of such nonprofit organization to develop and operate housing for homeless persons and to provide or coordinate supportive services for the residents of such housing;

(2) the need for such housing and supportive services in the area to be served; and

(3) such other factors as the Secretary determines to be appropriate for purposes of carrying out the demonstration program established in this part in an effective and efficient manner.

(c) REQUIRED AGREEMENTS.—Each nonprofit organization receiving assistance under this part shall agree, with respect to each structure for which such assistance is provided—

(1) to conduct an assessment of the supportive services required by the residents of such structure;

(2) to employ a full-time residential supervisor with sufficient expertise to provide, or supervise the provision of, supportive services to the residents of such structure;

(3) to utilize such structure as housing for homeless persons in accordance with the provisions of this part for not less than the 5-year period following initial occupancy of such housing; and

(4) to comply with such other terms and conditions as the Secretary may establish for purposes of carrying out the demonstration program established in this part in an effective and efficient manner.

(d) OCCUPANT RENT.—Each homeless person residing in housing assisted under this part shall pay as rent an amount determined in accordance with the provisions of section 3(a) of the United States Housing Act of 1937.

SEC. 2414. REGULATIONS.

(a) IN GENERAL.—Not later than the expiration of the 180-day period following the date of the enactment of this Act, the Secretary shall issue such regulations as may be necessary to carry out the provisions of this part.

(b) ADVANCE CONSULTATION.—Before issuing regulations under this section, the Secretary shall consult with persons and entities having expertise with respect to the problems and needs of homeless persons or experience in providing housing or supportive services for such persons.

SEC. 2415. REPORTS TO CONGRESS.

The Secretary shall submit to the Congress—

(1) not later than 3 months after the end of fiscal year 1986, an interim report summarizing the activities carried out under this part during such fiscal year and setting forth any preliminary findings or conclusions of the Secretary as a result of such activities; and

(2) not later than 6 months after the end of fiscal year 1987, a final report summarizing all activities carried out under this part and setting forth any findings, conclusions, or recommendations of the Secretary as a result of such activities.

SEC. 2416. DEFINITIONS.

For purposes of this part:

(1) The term "elderly person" means an individual who is not less than 62 years of age.

(2) The term "handicapped person" means an individual having a physical, psychological, or other impairment that substantially impedes the ability of such individual to live independently without supportive services.

(3) The term "homeless person" means an individual who—

(A) is a lower income person, elderly person, or handicapped person;

(B) lacks permanent housing; and

(C) cannot live independently without supportive services.

(4) The term "housing for homeless persons" means a single- or multifamily structure suitable for the provision of housing and supportive services for not more than 12 homeless persons.

(5) The term "lower income person" means an individual whose income does not exceed 80 percent of the median income of the area involved.

(6) The term "nonprofit organization" means any governmental or private nonprofit entity that is approved by the Secretary as to financial responsibility.

(7) The term "operating costs" means expenses incurred by a nonprofit organization

operating housing for homeless persons under this part with respect to—

(A) the administration, maintenance, repair, and security of such housing;

(B) utilities, fuel, furnishings, and equipment for such housing;

(C) the conducting of the assessment required in section 413(c)(1); and

(D) the provision of supportive services to the residents of such housing.

(8) The term "Secretary" means the Secretary of Housing and Urban Development.

(9) The term "supportive services" means assistance in obtaining permanent housing, medical and psychological counseling and supervision, employment counseling, nutritional counseling, and such other services essential for maintaining independent living as the Secretary determines to be appropriate. Such term includes the provision of assistance to residents of housing for homeless persons in obtaining other Federal, State, and local assistance available for such persons, including mental health benefits, employment counseling, and medical assistance.

SEC. 2417. LIMITATION ON BUDGET AUTHORITY.

The aggregate amount of non-interest bearing advances and annual payments for operating expenses made by the Secretary under this part in fiscal year 1986 may not exceed $50,000,000. Such amount shall remain available until expended.

PART 3—EMERGENCY SHELTER GRANTS

SEC. 2421. GRANT ASSISTANCE.

The Secretary of Housing and Urban Development shall, to the extent of amounts approved in appropriation Acts, make grants to States and units of local government (and to private nonprofit organizations providing assistance to the homeless, in the case of grants made with reallocated amounts) in order to carry out activities described in section 423.

SEC. 2422. ALLOCATION AND DISTRIBUTION OF ASSISTANCE.

(a) IN GENERAL.—The Secretary shall allocate assistance under this part to metropolitan cities, urban counties, and States (for distribution to units of general local government in the States) in a manner that ensures that the percentage of the total amount available under this part for any fiscal year that is allocated to any State, metropolitan city, or urban county is equal to the percentage of the total amount available for section 106 of the Housing and Community Development Act of 1974 for such fiscal year that is allocated to such State, metropolitan city, or urban county.

(b) MINIMUM ALLOCATION REQUIREMENT.—If, under the allocation provisions applicable under this part, any metropolitan city or urban county will receive a grant of less than $30,000 for any fiscal year, such amount shall instead be allocated to the State in which such city or county is located and shall be included in the amount available for distribution to units of general local government in the State.

(c) DISTRIBUTIONS TO NONPROFIT ORGANIZATIONS.—Any unit of general local government receiving assistance under this part may distribute all or a portion of such assistance to private nonprofit organizations providing assistance to the homeless.

(d) REALLOCATION FUNDS.—

(1) The Homeless Assistance Council established in section 425 shall, not less than twice during each fiscal year, reallocate any assistance provided under this part that is unused or returned to the Secretary.

(2) The Council shall provide such reallocation funds—

(A) to units of general local government demonstrating extraordinary need or large numbers of homeless individuals;

(B) to private nonprofit organizations providing assistance to the homeless; and

(C) to meet such other needs consistent with the purposes of this part.

SEC. 2423. ELIGIBLE ACTIVITIES.

Assistance provided under this part may be used for the following activities relating to emergency shelter for the homeless:

(1) renovation of buildings to be used as emergency shelters;

(2) provision of essential services, including services concerned with employment, health, drug abuse, or education, if—

(A) such services have not been provided by the unit of general local government during any part of the immediately preceding 12-month period; and

(B) not more than 15 percent of the amount of any assistance to a unit of general local government under this part is used for activities under this paragraph; and

(3) maintenance, operation (other than staff), utilities, and furnishings.

SEC. 2424. RESPONSIBILITIES OF GRANTEES.

(a) SUBMISSION OF HOMELESS ASSISTANCE PLAN.—Following notification by the Secretary of eligibility for assistance under this part, each State, metropolitan city, and urban county shall submit to the Secretary a plan describing the proposed use of such assistance. The Secretary shall provide the appropriate amount of assistance to such State, metropolitan city, or urban county before the expiration of the 60-day period following the date of the submission of such plan, unless the Secretary determines before the expiration of such period that such plan is not in compliance with this part.

(b) MATCHING AMOUNTS.—

(1) Each grantee under this part shall be required to supplement the assistance provided under this part with an equal amount of funds from sources other than this subtitle. Each grantee shall certify to the Secretary its compliance with this paragraph, and shall include with such certification a description of the sources and amounts of such supplemental funds.

(2) In calculating the amount of supplemental funds provided by a grantee under this part, a grantee may include the value of any donated material or building, the value of any lease on a building, any salary paid to staff to carry out the program of the grantee, and the value of the time contributed by volunteers to carry out the program of the grantee (calculated at a rate of $5 per hour).

(c) ADMINISTRATION OF ASSISTANCE.—Each grantee shall act as the fiscal agent of the Secretary with respect to assistance provided to such grantee.

(d) CERTIFICATIONS ON USE OF ASSISTANCE.—Each grantee shall certify to the Secretary that—

(1) it will maintain as a shelter for the homeless for not less than a 3-year period any building for which assistance is used under this part, or for not less than a 7-year period if such assistance is used for the substantial rehabilitation of such building;

(2) any renovation carried out with assistance under this part shall be sufficient to ensure that the building involved is safe and sanitary; and

(3) it will assist homeless individuals in obtaining—

(A) appropriate supportive services, including permanent housing, medical and mental health treatment, counseling, supervision, and other services essential for achieving independent living; and

(B) other Federal, State, local, and private assistance available for such individuals.

(e) USE OF INTEREST ON ASSISTANCE.—Any interest received by any grantee under this part on assistance provided under this part shall be used in accordance with this part or returned to the Secretary for reallocation.

SEC. 2425. HOMELESS ASSISTANCE COUNCIL.

(a) ESTABLISHMENT.—There hereby is established a commission to be known as the Homeless Assistance Council.

(b) MEMBERSHIP.—The Council shall be composed of 9 members as follows:

(1) the Secretary of Housing and Urban Development, or the designee of the Secretary;

(2) the Secretary of Health and Human Services, or the designee of the Secretary;

(3) 1 individual appointed by the Secretary of Housing and Urban Development from individuals recommended jointly by the National League of Cities, the National Conference of Mayors, the National Association of Counties, and the National Association of Towns and Townships;

(4) 1 individual appointed by the Secretary of Housing and Urban Development from individuals who are representative of the providers of services to the homeless;

(5) 3 individuals appointed by the Secretary of Housing and Urban Development from individuals who are members of, and are recommended by the members of, the national board of charities constituted under the emergency food and shelter program established in the Second Supplemental Appropriations Act, 1984 (98 Stat. 1382);

(6) 1 individual appointed by the Secretary of Housing and Urban Development from individuals recommended by the Speaker of the House of Representatives; and

(7) 1 individual appointed by the Secretary of Housing and Urban Development from individuals recommended by the Majority Leader of the Senate.

(c) TERM OF MEMBERSHIP.—

(1) Each member of the Council described in paragraphs (3) through (7) of subsection (b) shall be appointed for a term of 2 years.

(2) Any vacancy in the Council occurring before the expiration of a term shall be filled in the manner in which the original appointment was made. Any member appointed to fill such a vacancy shall be appointed only for the remainder of such term.

(d) MEMBERS NOT FEDERAL EMPLOYEES.—The members of the Council shall not, by reason of their membership on the Council, be considered to be officers or employees of the Federal Government.

(e) PAY AND EXPENSES.—

(1) Each member of the Council shall serve without pay, allowances, or benefits by reason of such service.

(2) Each member of the Council shall, while attending meetings of the Council or while engaged in duties relating to such meetings or in other activities of the Council under this part, be allowed (except in the case of members of the Council who are Members of Congress or officers or employees of the Federal Government) travel expenses while away from their homes or regular places of business, including per diem in lieu of subsistence, equal to that authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

(f) POWERS.—The powers of the Council are—

(1) to review plans submitted by recipients of emergency shelter grants;

(2) to reallocate unexpended emergency shelter grant funds in accordance with section 422(d);

(3) to recommend to the Secretary that action be taken against recipients of emergency shelter grants who use such grants improperly;

(4) to call meetings of the Council, elect a chairperson of the Council, and to empower the chairperson to convene the Council; and

(5) to request additional temporary staff from the Secretary.

SEC. 2426. ADMINISTRATIVE PROVISIONS.

(a) REGULATIONS.—Not later than the expiration of the 30-day period following the date of the enactment of this Act, the Secretary shall by notice establish such requirements as may be necessary to carry out the provisions of this part. Such requirements shall not be subject to section 553 of title 5, United States Code, or section 7(o) of the Department of Housing and Urban Development Act. The Secretary shall issue regulations based on the initial notice before the expiration of the 12-month period following the date of the enactment of this Act.

(b) INITIAL ALLOCATION OF ASSISTANCE.—Not later than the expiration of the 30-day period following the date of the enactment of a law providing appropriations to carry out this part, the Secretary shall notify each State, metropolitan city, and urban county of its allocation of assistance under this part. Such assistance shall be allocated and may be used notwithstanding any failure of the Secretary to issue regulations under subsection (a).

(c) STAFF AND OFFICES OF COUNCIL.—The Secretary shall provide the Council with such staff and office facilities as the Secretary, following consultation with the Council, considers necessary to permit the Council to carry out its functions under this part.

(d) RECAPTURE OF UNUSED ASSISTANCE.—The Secretary shall recapture any assistance provided under this part that is not used by the grantee within a reasonable period of time.

SEC. 2427. DEFINITIONS.

For purposes of this part:

(1) The term "Council" means the Homeless Assistance Council established in section 425.

(2) The term "Secretary" means the Secretary of Housing and Urban Development.

SEC. 2428. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out the provisions of this part $100,000,000 for fiscal year 1986 and such sums as may be necessary for fiscal year 1987. Any amount appropriated under this section shall remain available until expended.

Subtitle E—Nehemiah Housing Opportunity Grants

SEC. 2501. STATEMENT OF PURPOSE.

It is the purpose of this subtitle—

(1) to encourage homeownership by families in the United States who are not otherwise able to afford homeownership;

(2) to undertake a concentrated effort to rebuild the depressed areas of the cities of the United States and to create sound and attractive neighborhoods; and

(3) to increase the employment of neighborhood residents.

SEC. 2502. DEFINITIONS.

For purposes of this subtitle:

(1) The term "Fund" means the Nehemiah Housing Opportunity Fund established in section 509(a).

(2) The term "home" means any 1- to 4-family dwelling. Such term includes any dwelling unit in a condominium project or cooperative project consisting of not more than 4 dwelling units, any town house, and any manufactured home.

(3) The term "lower income families" has the meaning given such term in section 3(b)(2) of the United States Housing Act of 1937.

(4) The term "metropolitan statistical area" means a metropolitan statistical area as established by the Office of Management and Budget.

(5) The term "nonprofit organization" means a private nonprofit corporation, or other private nonprofit legal entity, that is approved by the Secretary as to financial responsibility.

(6) The term "Secretary" means the Secretary of Housing and Urban Development.

(7) The term "State" means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and any other territory or possession of the United States.

(8) The term "substantial rehabilitation" means—

(A) rehabilitation involving costs in excess of 60 percent of the maximum sale price of a home assisted under this subtitle in the market area in which it is located; or

(B) the rehabilitation of a vacant, uninhabit- able structure.

(9) The term "unit of general local government" means any borough, city, county, parish, town, township, village, or other general purpose political subdivision of a State.

SEC. 2503. ASSISTANCE TO NONPROFIT ORGANIZATIONS.

(a) IN GENERAL.—The Secretary may provide assistance to nonprofit organizations to carry out Nehemiah housing opportunity programs in accordance with the provisions of this subtitle. Such assistance shall be made in the form of grants.

(b) APPLICATIONS.—Applications for assistance under this subtitle shall be made in such form, and in accordance with such procedures, as the Secretary may prescribe.

SEC. 2504. USE OF ASSISTANCE.

(a) IN GENERAL.—Any nonprofit organization receiving assistance under this subtitle shall use such assistance to provide loans to families purchasing homes constructed or substantially rehabilitated in accordance with a Nehemiah housing opportunity program approved under this subtitle.

(b) SPECIFIC REQUIREMENTS.—Each loan made to a family under this section shall—

(1) be secured by a second mortgage held by the Secretary on the property involved;

(2) be in an amount not exceeding $15,000;

(3) bear no interest; and

(4) be repayable to the Secretary upon the sale or other transfer of such property.

SEC. 2505. PROGRAM REQUIREMENTS.

(a) IN GENERAL.—Assistance provided under this subtitle may be used only in connection with a Nehemiah housing opportunity program of construction or substantial rehabilitation of homes.

(b) FAMILY NEED.—Each family purchasing a home under this subtitle shall—

(1) have a family income on the date of such purchase that is not more than whichever of the following is higher:

(A) 115 percent of the median income for a family of 4 persons in the metropolitan statistical area involved; or

(B) the national median income for a family of 4 persons; and

(2) not have owned a home during the 3-year period preceding such purchase.

(c) DOWNPAYMENT.—

(1) Each family purchasing a home under this subtitle shall make a downpayment of not less than 10 percent of the sale price of such home, or of such greater amount determined by the nonprofit organization involved to be appropriate.

(2) Any downpayment made under this subsection shall accrue interest from the date on which such downpayment is made through the date of settlement, at a rate not less than the passbook rate. Such interest shall be paid by the nonprofit organization involved to the family purchasing the home for which such downpayment was made.

(d) LEASING PROHIBITION.—No family purchasing a home under this subtitle may lease such home.

SEC. 2506. TERMS AND CONDITIONS OF ASSISTANCE.

(a) LOCAL CONSULTATION.—No proposed Nehemiah housing opportunity program may be approved by the Secretary under this subtitle unless the nonprofit organization involved demonstrates to the satisfaction of the Secretary that—

(1) it has consulted with and received the support of residents of the neighborhood in which such program is to be located; and

(2) it has the approval of each unit of general local government in which such program is to be located.

(b) PROGRAM SCHEDULE.—Each nonprofit organization applying for assistance under this subtitle shall submit to the Secretary an estimated schedule for completion of its proposed Nehemiah housing opportunity program, which schedule shall have been agreed to by each unit of general local government in which such program is to be located.

(c) MINIMUM PARTICIPATION.—No nonprofit organization receiving assistance under this subtitle may commence any construction or substantial rehabilitation (except with respect to homes to be constructed or substantially rehabilitated for the purpose of display) until not less than 25 percent of the homes to be constructed or substantially rehabilitated are contracted for sale to purchasers who intend to live in such homes and the required downpayments are made.

(d) FINANCIAL FEASIBILITY.—The Secretary may not provide any assistance under this subtitle to any nonprofit organization unless such nonprofit organization demonstrates the financial feasibility of its proposed Nehemiah housing opportunity program, including the availability of non-Federal public and private funds.

(e) HOME QUALITY AND LOCATION.—A Nehemiah housing opportunity program may be approved under this subtitle only if it provides that—

(1) the number of homes to be constructed or substantially rehabilitated under such program will not be less than whichever of the following is less:

(A) the greater of (i) 50 homes; or (ii) 0.25 percent of the number of existing dwelling units in the unit of general local government that provides the most assistance to such program; or

(B) 250 homes;

(2) each home constructed or substantially rehabilitated under such program will comply with—

(A)(i) applicable local building code standards; or

(ii) in any case in which there is not an applicable local building code, a nationally recognized model building code mutually agreed upon by the sponsoring nonprofit organization and the Secretary; and

(B) the energy performance requirements established under section 526 of the National Housing Act;

(3) all homes constructed or substantially rehabilitated under such program will be located in census tracts, or identifiable neighborhoods within census tracts, in which the median family income is not more than 80 percent of the median family income of the area in which such program is to be located, as such median family income and area are determined for purposes of assistance under section 8 of the United States Housing Act of 1937;

(4) all homes constructed or substantially rehabilitated under such program will be concentrated in a single neighborhood and located on contiguous parcels of land, except that if the unit of general local government in which the project is located certifies that such land cannot be made available for a program of the size required by subsection (e)(1), homes may be constructed in a single identifiable neighborhood if the program provides for construction or substantial rehabilitation of homes on not less than 20 percent of the lots in such neighborhood; and

(5) sales contracts entered into under such program will contain provisions requiring repayment of any loan made under this subtitle upon the sale or other transfer of the home involved, unless the Secretary approves a transfer of such home without repayment (in which case the second mortgage held by the Secretary on such home shall remain in force until such loan is fully repaid).

SEC. 2507. PROGRAM SELECTION CRITERIA.

(a) IN GENERAL.—In selecting Nehemiah housing opportunity programs for assistance under this subtitle from among eligible programs, the Secretary shall make such selection on the basis of the extent to which—

(1) non-Federal public or private entities will contribute land necessary to make each program feasible;

(2) non-Federal public and private financial or other contributions (including tax abatements, waivers of fees related to development, waivers of construction, development, or zoning requirements, and direct financial contributions) will reduce the cost of homes constructed or substantially rehabilitated under each program;

(3) each program will produce the greatest number of units for the least amount of assistance provided under this subtitle, taking into consideration the cost differences among different market areas;

(4) each program is located in a neighborhood of severe physical and economic blight (and, in determining the degree of physical blight, the Secretary shall consider the condition (but not age) of the housing, other buildings, and infrastructure, in the neighborhood of the proposed program);

(5) each program uses construction methods that will reduce the cost per square foot below the average construction cost in the market area involved; and

(6) each program provides for the involvement of local residents in the planning, and construction or substantial rehabilitation, of homes.

(b) EXCEPTION.—To the extent that non-Federal public entities are prohibited by the law of any State from making any form of contribution described in paragraph (1) or (2) of subsection (a), the Secretary shall not consider such form of contribution in evaluating such program.

SEC. 2508. DISTRIBUTION OF ASSISTANCE TO NONPROFIT ORGANIZATIONS.

(a) RESERVATION OF AMOUNTS.—Following the selection of any Nehemiah housing opportunity program for assistance under this subtitle, the Secretary shall reserve sufficient amounts in the Nehemiah Housing Opportunity Fund for such assistance.

(b) DISTRIBUTION OF ASSISTANCE.—Following the sale of any home constructed or substantially rehabilitated under a Nehemiah housing opportunity program selected for assistance under this subtitle, the Secretary shall provide to the sponsoring nonprofit organization an amount equal to the amount of the loan made to the family purchasing such home. Such amount shall be provided not more than 30 days after the sale of such home.

(c) MAXIMUM ASSISTANCE.—The assistance provided to any nonprofit organization under this subtitle may not exceed $15,000 per home.

SEC. 2509. NEHEMIAH HOUSING OPPORTUNITY FUND.

(a) ESTABLISHMENT.—There hereby is established in the Treasury of the United States a revolving fund, to be known as the Nehemiah Housing Opportunity Fund. The Fund shall be available to the Secretary, to the extent approved in appropriation Acts, for purposes of providing assistance under section 503.

(b) ASSETS.—The Fund shall consist of—

(1) any amount appropriated under section 512;

(2) any amount received by the Secretary under section 504(b)(4); and

(3) any amount received by the Secretary under subsection (c).

(c) ADMINISTRATION.—Any amount in the Fund determined by the Secretary to be in excess of the amount currently required to carry out the provisions of this subtitle shall be invested by the Secretary in obligations of, or obligations guaranteed as to both principal and interest by, the United States or any agency of the United States.

SEC. 2510. ANNUAL REPORT.

The Secretary shall annually prepare and submit to the Congress a comprehensive report setting forth the activities carried out under this subtitle. Such report shall include—

(1) an analysis of the characteristics of the families assisted under this subtitle during the preceding year, including family size, number of children, family income, sources of family income, race, age, and sex;

(2) an analysis of the market value of homes purchased under this subtitle during the preceding year;

(3) an analysis of the non-Federal public and private financial or other contributions made during the preceding year to reduce the cost of homes constructed or substantially rehabilitated under each program;

(4) an analysis of the sales prices of homes under this subtitle during the preceding year;

(5) an analysis of the amounts of the grants made to programs under this subtitle during the preceding year; and

(6) any recommendations of the Secretary for modifications in the program established by this subtitle in order to ensure the effective implementation of such program.

SEC. 2511. REGULATIONS.

The Secretary shall issue such regulations as may be necessary to carry out the provisions of this subtitle. Any such regulations shall be issued in accordance with section 553 of title 5, United States Code, notwithstanding the provisions of subsection (a)(2) of such section.

SEC. 2512. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated to carry out the provisions of this subtitle $100,000,000 for fiscal year 1986. Any amount appropriated under this section shall be deposited in the Nehemiah Housing Opportunity Fund, and shall remain available until expended.

Subtitle F—Multifamily Housing Preservation Loans

SEC. 2601. PURPOSE.

The purpose of this subtitle is to provide loans to the owners of certain multifamily housing projects assisted by the Secretary of Housing and Urban Development to permit such owners to make capital improvements required to maintain such projects as decent, safe, and sanitary housing and to maintain the low- and moderate-income character of such projects.

SEC. 2602. DEFINITIONS.

For purposes of this subtitle:

(1) The term "capital improvement" means any major repair or replacement of a capital item in a multifamily housing project, including any such repair or replacement required as a result of deferred or inadequate maintenance. Such term does not include maintenance of any such item.

(2) The term "Fund" means the Multifamily Housing Preservation Fund established in section 606.

(3) The term "lower income families" has the meaning given such term in section 3(b)(2) of the United States Housing Act of 1937.

(4) The term "low- and moderate-income character" means the character of a multifamily housing project with respect to tenant admission and rental charges that have been agreed to by the owner of such project and the Secretary in connection with assistance or insurance provided by the Secretary.

(5) The term "Secretary" means the Secretary of Housing and Urban Development.

SEC. 2603. AUTHORITY TO PROVIDE LOANS.

(a) IN GENERAL.—The Secretary may provide and, to the extent approved in appropriation Acts, contract to provide loans to owners of rental or cooperative housing projects meeting the requirements of this subtitle for purposes of assisting such owners to make capital improvements required to maintain such projects as decent, safe, and sanitary housing and to maintain the low- and moderate-income character of such projects.

(b) APPLICATIONS.—Applications for loans under this subtitle shall be made in such form, and in accordance with such procedures, as the Secretary may prescribe.

SEC. 2604. ELIGIBILITY FOR LOANS.

(a) PROJECT REQUIREMENTS.—The owner of any rental or cooperative housing project shall be eligible for a loan under this subtitle only if such project—

(1)(A) is assisted under section 236 of the National Housing Act, the proviso of section 221(d)(5) of the National Housing Act, or section 101 of the Housing and Urban Development Act of 1965, without regard to

whether such project is insured under the National Housing Act;

(B) is assisted under section 8 of the United States Housing Act of 1937 following conversion to such assistance from assistance under section 236(f)(2) of the National Housing Act or section 101 of the Housing and Urban Development Act of 1965;

(C) is assisted under section 23 of the United States Housing Act of 1937, as in effect before January 1, 1975; or

(D) was a project described in subparagraph (A) before the acquisition of such project by the Secretary, and has been sold by the Secretary subject to an agreement that provides that the low- and moderate-income character of such project will be maintained; and

(2) meets such other requirements consistent with the purposes of this subtitle as the Secretary may prescribe.

(b) LOAN AND BORROWER REQUIREMENTS.—No loan may be provided under this subtitle to the owner of any rental or cooperative housing project unless the Secretary determines that—

(1) such loan, when considered with other resources available to and financially feasible for such project, is necessary for such owner to make capital improvements with respect to capital items that have failed, or are likely to seriously deteriorate or fail in the near future, in such project;

(2) the owner of such project agrees to contribute assistance to such project in such amounts, from such sources, and in such manner as the Secretary determines to be appropriate, except that—

(A) such contribution shall not be less than 20 percent of the total estimated cost of the capital improvements involved, unless the Secretary, upon application of the owner, determines that such contribution is financially infeasible and waives or reduces such contribution to the extent necessary;

(B) the Secretary may not require an amount to be contributed, from the reserve funds established by the owner of such project for the purpose of making capital improvements, in excess of 50 percent of the amount of such reserve funds on the date of such loan; and

(C) the Secretary shall waive the requirements of this paragraph if such owner is a private nonprofit corporation or association;

(3) the owner of such project agrees to maintain the low- and moderate-income character of such project for a period of not less than the remaining term of the project mortgage;

(4) the management of such project is conducted by persons who meet levels of competency and experience prescribed by the Secretary and are approved by the Secretary;

(5) such project is structurally sound, or will be made structurally sound as a result of the capital improvements involved, as determined on the basis of information obtained as a result of an onsite inspection of such project;

(6) such loan, when considered with other resources available to and financially feasible for such project, will maintain the financial soundness of such project;

(7) such project is operated and managed in accordance with a management improvement and operating plan that has been determined to be necessary and approved by the Secretary and that includes the following:

(A) a detailed maintenance schedule;

(B) a schedule for correcting past deficiencies in maintenance, repairs, and replacements;

(C) a plan to upgrade the capital items being improved, and any other capital items determined by the Secretary to be associated with such capital items being improved and to require upgrading, to meet cost-effective energy efficiency standards prescribed by the Secretary;

(D) a plan to improve or maintain financial and management control systems;

(E) a detailed annual operating budget taking into account such standards for operating costs in the area as may be determined by the Secretary to be appropriate; and

(F) such other items as the Secretary may determine to be appropriate;

(8) the reserve funds established by the owner of such project for the purpose of making capital improvements are insufficient to finance both the capital improvements for which such loan is requested and other capital improvements that are reasonably expected to be required in the near future, and such insufficiency is not the result of the failure of such owner to comply with any standard established by the Secretary for management of such reserve funds; and

(9) such loan will be less costly to the Federal Government than other reasonable alternatives available to the Secretary for maintaining the low- and moderate-income character of such project.

(c) PRIORITIES IN PROVIDING LOANS.—In providing, and contracting to provide, loans under this subtitle, the Secretary shall give priority to—

(1) the extent to which the capital improvements for which such loans are requested are immediately required;

(2) the extent to which the projects for which such loans are requested serve as the residences of lower income families, and the extent to which other suitable housing is unavailable for such families in the areas in which such projects are located;

(3) the extent to which the capital improvements for which such loans are requested involve the life, safety, or health of the residents of the projects or involve major capital improvements in the projects; and

(4) projects that demonstrate the greatest financial distress, while continuing to meet the requirements of subsection (b)(6).

SEC. 2605. AMOUNT AND CONDITIONS OF LOANS.

(a) PRINCIPAL AMOUNT OF LOANS.—Subject to section 604(b)(2), the principal amount of any loan provided under this subtitle to the owner of any project shall not exceed 80 percent of the sum of—

(1) the amount determined by the Secretary to be necessary for such owner to make capital improvements with respect to capital items that have failed, or are likely to seriously deteriorate or fail in the near future, in such project;

(2) the amount determined by the Secretary to be necessary to carry out a plan to upgrade the capital items being improved, and any other capital items determined by the Secretary to be associated with such capital items being improved and to require upgrading, to meet cost-effective energy efficiency standards prescribed by the Secretary; and

(3) the amount determined by the Secretary to be necessary to comply with the requirements of section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794).

(b) CONDITIONS OF LOANS.—

(1) The term of any loan provided under this subtitle shall not exceed the remaining term of the mortgage on the project with respect to which such loan is provided.

(2) Subject to subsection (c), each loan provided under this subtitle shall bear interest at a rate determined by the Secretary to be appropriate, except that such rate shall not be less than 6 percent or more than the rate determined under section 221(d)(5)(B) of the National Housing Act.

(3) Each loan provided under this subtitle shall be considered to be a liability of the project involved, and shall not be dischargeable in any bankruptcy proceeding under section 727, 1141, or 1328(b) of title 11, United States Code.

(4) The Secretary may establish such additional conditions on loans provided under this subtitle as the Secretary determines to be appropriate.

(5) The Secretary may provide more than one loan to any project under this subtitle, if each such loan complies with the provisions of this subtitle.

(c) MINIMIZATION OF RENT INCREASES.—In order to minimize any increases in rental payments that may occur as a result of the debt service and other expenses of a loan provided under this subtitle, and that would be incurred by residents of the project involved whose rental payments are, or would as a result of such expenses be, in excess of the amount allowable if section 3(a) of the United States Housing Act of 1937 were applicable to such residents, the Secretary may take any or all of the following actions:

(1) Provide assistance with respect to such project under section 8(b)(1) of the United States Housing Act of 1937, to the extent amounts are available for such assistance and without regard to section 16 of such Act.

(2) Reduce the rate of interest charged on such loan to a rate of not less than 1 percent.

(3) Increase the term of such loan to a term that does not exceed the remaining term of the mortgage on such project.

(4) Increase the amount of assistance to be provided by the owner of such project under section 604(b)(2), if applicable, to an amount not to exceed 30 percent of the total estimated cost of the capital improvements involved.

SEC. 2606. MULTIFAMILY HOUSING PRESERVATION FUND.

(a) ESTABLISHMENT OF FUND.—For purposes of carrying out the provisions of this subtitle, there hereby is established in the Treasury of the United States a revolving fund, to be known as the Multifamily Housing Preservation Fund. The Fund shall, to the extent approved in appropriation Acts, be available to the Secretary for purposes of carrying out the provisions of this subtitle.

(b) ASSETS OF FUND.—The Fund shall consist of (1) any amount appropriated under section 608; (2) any amount repaid on a loan provided under this subtitle; and (3) any other amount received by the Secretary under this subtitle.

(c) MANAGEMENT OF FUND.—Any amounts in the Fund determined by the Secretary to be in excess of the amounts currently required to carry out the provisions of this subtitle shall be invested by the Secretary in obligations of, or obligations guaranteed as to both principal and interest by, the United States or any agency of the United States.

SEC. 2607. REGULATIONS.

The Secretary shall, not later than the expiration of the 180-day period following the date of the enactment of this Act, issue such regulations as may be necessary to carry out the provisions of this subtitle.

SEC. 2608. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated to carry out the provisions of this subtitle $60,000,000 for fiscal year 1986. Any amount appropriated under this section shall be deposited in the Fund and shall remain available until expended.

Subtitle G—Enterprise Zone Development

SEC. 2701. DESIGNATION OF ENTERPRISE ZONES.

(a) DESIGNATION OF ZONES.—

(1) DEFINITION.—For purposes of this section, the term "enterprise zone" means any area that—

(A) is nominated by 1 or more local governments and the State or States in which it is located for designation as an enterprise zone (hereafter in this section referred to as a "nominated area"); and

(B) the Secretary of Housing and Urban Development designates as an enterprise zone, after consultation with—

(i) the Secretaries of Agriculture, Commerce, Labor, and the Treasury; the Director of the Office of Management and Budget; and the Administrator of the Small Business Administration; and

(ii) in the case of an area on an Indian reservation, the Secretary of the Interior.

(2) LIMITATION ON DESIGNATIONS.—

(A) PUBLICATION OF REGULATIONS.—Before designating any area as an enterprise zone, the Secretary of Housing and Urban Development shall prescribe by regulation not later than 4 months following the date of the enactment of this Act, after consultation with the officials described in paragraph (1)(B)—

(i) the procedures for nominating an area under paragraph (1)(A);

(ii) the parameters relating to the size and population characteristics of an enterprise zone; and

(iii) the manner in which nominated areas will be compared based on the criteria specified in subsection (d) and the other factors specified in subsection (e).

(B) TIME LIMITATIONS.—The Secretary of Housing and Urban Development shall designate nominated areas as enterprise zones only during the 36-month period beginning on the later of—

(i) the 1st day of the 1st month following the month in which the effective date of the regulations described in subparagraph (A) occurs; or

(ii) July 1, 1985.

(C) NUMBER OF DESIGNATIONS.—

(i) IN GENERAL.—The Secretary of Housing and Urban Development may not designate more than 75 nominated areas as enterprise zones during the period beginning with the 1st day of the 36-month period described in subparagraph (B).

(ii) MINIMUM DESIGNATION IN RURAL AREAS.—Of the areas designated under clause (i), at least 1/3 must be areas that—

(I) are within a local government jurisdiction or jurisdictions with a population of less than 50,000 (as determined under the most recent census data available) and are determined by the Secretary of Housing and Urban Development, after consultation with the Secretary of Commerce, to be rural areas; or

(II) are outside of a metropolitan statistical area (as designated by the Director of the Office of Management and Budget).

(D) PROCEDURAL RULES.—The Secretary of Housing and Urban Development shall not make any designation under paragraph (1) unless—

(i) the local governments and the State in which the nominated area is located have the authority—

(I) to nominate such area for designation as an enterprise zone;

(II) to make the State and local commitments under subsection (d); and

(III) to provide assurances satisfactory to the Secretary of Housing and Urban Development that such commitments will be fulfilled;

(ii) a nomination therefor is submitted in such a manner and in such form, and contains such information, as the Secretary of Housing and Urban Development shall by regulation prescribe;

(iii) the Secretary of Housing and Urban Development determines that any information furnished is reasonably accurate; and

(iv) the State and local governments certify that no portion of the area nominated is already included in an enterprise zone or in an area otherwise nominated to be an enterprise zone.

(3) NOMINATION PROCESS FOR INDIAN RESERVATIONS.—In the case of a nominated area on an Indian reservation, the reservation governing body (as determined by the Secretary of the Interior) shall be deemed to be both the State and local governments with respect to such area.

(b) PERIOD FOR WHICH DESIGNATION IS IN EFFECT.—

(1) IN GENERAL.—Any designation of an area as an enterprise zone shall remain in effect during the period beginning on the date of the designation and ending on the earliest of—

(A) December 31 of the 24th calendar year following the calendar year in which such date occurs;

(B) the termination date designated by the State and local governments as provided for in their nomination pursuant to subsection (a)(2)(D)(ii); or

(C) the date the Secretary of Housing and Urban Development revokes such designation under paragraph (2).

(2) REVOCATION OF DESIGNATION.—The Secretary of Housing and Urban Development, after consultation with the officials described in subsection (a)(1)(B), may revoke the designation of an area if the Secretary of Housing and Urban Development determines that the local government or the State in which it is located is not complying substantially with the State and local commitments pursuant to subsection (d).

(c) AREA AND ELIGIBILITY REQUIREMENTS.—

(1) IN GENERAL.—The Secretary of Housing and Urban Development may make a designation of any nominated area under subsection (a)(1) only if it meets the requirements of paragraphs (2) and (3).

(2) AREA REQUIREMENTS.—A nominated area meets the requirements of this paragraph if—

(A) the area is within the jurisdiction of the local government;

(B) the boundary of the area is continuous; and

(C) the area—

(i) has a population, as determined by the most recent census data available, of at least—

(I) 4,000 if any portion of such area (other than a rural area described in subsection (b)(2)(C)(ii)(I)) is located within a metropolitan statistical area (as designated by the Director of the Office of Management and Budget) with a population of 50,000 or greater; or

(II) 1,000 in any other case; or

(ii) is entirely within an Indian reservation (as determined by the Secretary of the Interior).

(3) ELIGIBILITY REQUIREMENTS.—For purposes of paragraph (1), a nominated area meets the requirements of this paragraph if the State and local governments in which it is located certify and the Secretary of Housing and Urban Development, after such review of supporting data as he deems appropriate, accepts such certification, that—

(A) the area is one of pervasive poverty, unemployment, and general distress;

(B) the area is located wholly within the jurisdiction of a local government that is eligible for Federal assistance under section 119 of the Housing and Community Development Act of 1974, as in effect on the date of the enactment of this Act; and

(C) 1 of the following criteria is met:

(i) the unemployment rate, as determined by the appropriate available data, was at least 1.5 times the national unemployment rate for that period;

(ii) the poverty rate (as determined by the most recent census data available) for each populous census tract (or where not tracted, the equivalent county division as defined by the Bureau of the Census for the purpose of defining poverty areas) within the area was at least 20 percent for the period to which such data relate;

(iii) at least 70 percent of the households living in the area have incomes below 80 percent of the median income of households of the local government (determined in the same manner as under section 119(b)(2) of the Housing and Community Development Act of 1974); or

(iv) the population of the area decreased by 20 percent or more between 1970 and 1980 (as determined from the most recent census data available).

(d) REQUIRED STATE AND LOCAL COMMITMENTS.—

(1) IN GENERAL.—No nominated area shall be designated as an enterprise zone unless the local government and the State in which it is located agree in writing that, during any period during which the area is an enterprise zone, such governments will follow a specified course of action designated to reduce the various burdens borne by employers or employees in such area.

(2) COURSE OF ACTION.—The course of action under paragraph (1) may be implemented by both such governments and private nongovernmental entities, may be funded from proceeds of any Federal program, and may include, but is not limited to—

(A) a reduction of tax rates or fees applying within the enterprise zone;

(B) an increase in the level of efficiency of local services within the enterprise zone, such as crime prevention (particularly through experimentation with providing such services by nongovernmental entities);

(C) actions to reduce, remove, simplify, or streamline governmental requirements applying within the enterprise zone; and

(D) involvement in the program by private entities, organizations, neighborhood associations, and community groups, particularly those within the nominated area, including a commitment from such private entities to provide jobs and job training for, and technical, financial, or other assistance to, employers, employees, and residents of the nominated area.

(e) PRIORITY OF DESIGNATION.—In choosing nominated areas for designation, the Secretary of Housing and Urban Development shall give special preference to the areas with respect to which the strongest and highest quality contributions described in subsection (d)(2) have been promised as part of the course of action, taking into consideration the fiscal ability of the nominat-

ing State and local governments to provide tax relief. The Secretary shall also give preference to—

(1) the nominated areas with respect to which the strongest and highest quality contributions other than those described in subsection (d)(2) have been promised as part of the course of action;

(2) the nominated areas with respect to which the nominating State and local governments have provided the most effective and enforceable guarantees that the proposed course of action under subsection (d) will actually be carried out during the period of the enterprise zone designation;

(3) the nominated areas with high levels of poverty, unemployment, and general distress, particularly the areas—

(A) that are near areas with concentrations of disadvantaged workers or long-term unemployed individuals; and

(B) with respect to which there is a strong likelihood that residents of the area described in subparagraph (A) will receive jobs if the area is designated as an enterprise zone;

(4) the nominated areas the size and location of which—

(A) will primarily stimulate new economic activity; and

(B) minimize unnecessary tax losses to the Federal Government;

(5) the nominated areas with respect to which private entities have made the most substantial commitments in additional resources and contributions, including the creation of new or expanded business activities; and

(6) the nominated areas that best exhibit such other factors determined by the Secretary of Housing and Urban Development as are—

(A) consistent with the intent of the enterprise zone program; and

(B) important to minimizing the unnecessary loss of tax revenues to the Federal Government.

(f) DEFINITIONS.—For purposes of this section:

(1) GOVERNMENT.—If more than 1 government seeks to nominate an area as an enterprise zone, any reference to, or requirement of, this section shall apply to all such governments.

(2) LOCAL GOVERNMENT.—The term "local government" means—

(A) any county, city, town, township, parish, village, or other general purpose political subdivision of a State;

(B) any combination of political subdivisions described in subparagraph (A) recognized by the Secretary of Housing and Urban Development; and

(C) the District of Columbia.

(3) STATE.—The term "State" includes Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, and any other possession of the United States.

SEC. 2702. EVALUATION AND REPORTING REQUIREMENTS.

Not later than the close of the 4th calendar year after the year in which the Secretary of Housing and Urban Development first designates areas as enterprise zones, and at the close of each 4th calendar year thereafter, the Secretary of Housing and Urban Development shall prepare and submit to the Congress a report on the effects of such designation in accomplishing the purposes of this subtitle.

SEC. 2703. INTERACTION WITH OTHER FEDERAL PROGRAMS.

(a) TAX REDUCTIONS.—Any reduction of taxes under any required program of State and local commitment under section 701(d) shall be disregarded in determining the eligibility of a State or local government for, or the amount or extent of, any assistance or benefits under any law of the United States.

(b) COORDINATION WITH RELOCATION ASSISTANCE.—The designation of an enterprise zone under section 701 shall not—

(1) constitute approval of a Federal or federally assisted program or project (within the meaning of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4601)); or

(2) entitle any person displaced from real property located in such zone to any rights or any benefits under such Act.

(c) COORDINATION WITH ENVIRONMENTAL POLICY.—Designation of an enterprise zone under section 701 shall not constitute a Federal action for purposes of applying the requirements of the National Environmental Policy Act (42 U.S.C. 4341) or other provisions of Federal law relating to the protection of the environment.

SEC. 2704. WAIVER OR MODIFICATION OF CERTAIN AGENCY RULES IN ENTERPRISE ZONES.

(a) IN GENERAL.—Upon the written request of the governments that designated and approved an area that has been designated as an enterprise zone under section 701, an agency is authorized, in order to further the job creation, community development, or economic revitalization objectives of the zone, to waive or modify all or part of any rule that it has authority to promulgate, as such rule pertains to the carrying out of projects, activities, or undertakings within the zone.

(b) LIMITATION.—Nothing in this section shall authorize an agency to waive or modify any rule adopted to carry out a statute or Executive order that prohibits, or the purpose of which is to protect persons against, discrimination on the basis of race, color, religion, sex, marital status, national origin, age, or handicap.

(c) SUBMISSION OF REQUESTS.—A request under subsection (a) shall specify the rule or rules to be waived or modified and the change proposed, and shall briefly describe why the change would promote the achievement of the job creation, community development, or economic revitalization objectives of the enterprise zone. If a request is made to an agency other than the Department of Housing and Urban Development, the requesting governments shall send a copy of the request to the Secretary of Housing and Urban Development at the time the request is made.

(d) CONSIDERATION OF REQUESTS.—In considering a request, the agency shall weigh the extent to which the proposed change is likely to further job creation, community development, or economic revitalization within the enterprise zone against the effect the change is likely to have on the underlying purposes of applicable statutes in the geographic area that would be affected by the change. The agency shall approve the request whenever it finds, in its discretion, that the public interest that the proposed change would serve in furthering such job creation, community development, or economic revitalization outweighs the public interest that continuation of the rule unchanged would serve in furthering such underlying purposes. The agency shall not approve any request to waive or modify a rule if such waiver or modification would—

(1) directly violate a statutory requirement (including any requirement of the Fair Labor Standards Act of 1938 (29 U.S.C. 201 et seq.)); or

(2) be likely to present a significant risk to the public health, including environmental health or safety, such as a rule with respect to occupational safety or health, or environmental pollution.

(e) NOTICE OF DISAPPROVAL.—If a request is disapproved, the agency shall inform the requesting governments in writing of the reasons therefor and shall, to the maximum extent possible, work with such governments to develop an alternative, consistent with the standards contained in subsection (d).

(f) PERIOD FOR DETERMINATION.—Agencies shall discharge their responsibilities under this section in an expeditious manner, and shall make a determination on requests not later than 90 days after their receipt.

(g) APPLICABLE PROCEDURES.—A waiver or modification of a rule under subsection (a) shall not be considered to be a rule, rulemaking, or regulation under chapter 5 of title 5, United States Code. To facilitate reaching its decision on any requested waiver or modification, the agency may seek the views of interested parties and, if the views are to be sought, determine how they should be obtained and to what extent, if any, they should be taken into account in considering the request. The agency shall publish a notice in the Federal Register stating any waiver or modification of a rule under this section.

(h) EFFECT OF SUBSEQUENT AMENDMENT OF RULES.—In the event that an agency proposes to amend a rule for which a waiver or modification under this section is in effect, the agency shall not change the waiver or modification to impose additional requirements unless it determines, consistent with standards contained in subsection (d), that such action is necessary.

(i) EXPIRATION OF WAIVERS AND MODIFICATIONS.—No waiver or modification of a rule under this section shall remain in effect for a period longer than the period for which the enterprise zone designation remains in effect for the area in which the waiver or modification applies.

(j) DEFINITIONS.—For purposes of this section:

(1) AGENCY.—The term "agency" means the Department of Housing and Urban Development and, with respect to any rule issued under title V of the Housing Act of 1949, the Department of Agriculture.

(2) RULE.—The term "rule" means (A) any rule as defined in section 551(4) of title 5, United States Code; or (B) any rulemaking conducted on the record after opportunity for an agency hearing pursuant to sections 556 and 557 of such title 5.

SEC. 2705. COORDINATION OF HOUSING AND URBAN DEVELOPMENT PROGRAMS IN ENTERPRISE ZONES.

Section 3 of the Department of Housing and Urban Development Act is amended by adding at the end thereof the following new subsection:

"(d) The Secretary shall—

"(1) promote the coordination of all programs under the jurisdiction of the Secretary that are carried on within an enterprise zone designated pursuant to section 701 of the Housing Act of 1985;

"(2) expedite, to the greatest extent possible, the consideration of applications for programs referred to in paragraph (1)

through the consolidation of forms or otherwise; and

"(3) provide, whenever possible, for the consolidation of periodic reports required under programs referred to in paragraph (1) into 1 summary report submitted at such intervals as may be designated by the Secretary.".

TITLE III—COMMITTEE ON EDUCATION AND LABOR

Subtitle A—Amendments to the Higher Education Act of 1965

PART 1—AMENDMENTS RELATING TO FEDERALLY INSURED AND GUARANTEED STUDENT LOANS

SEC. 3101. RECOVERY OF OUTSTANDING ADVANCES TO GUARANTY AGENCIES.

Section 422 of the Higher Education Act of 1965 (hereafter in this subtitle referred to as "the Act") is amended by adding at the end thereof the following new subsection:

"(d)(1) Notwithstanding any other provision of this section, advances made by the Secretary under this section shall be repaid in accordance with this paragraph and shall be deposited in the fund established by section 431. The Secretary shall, in accordance with the requirements of paragraph (2), recover (and so deposit) an amount equal to $50,000,000 during fiscal year 1988.

"(2) In determining the amount of advances which shall be repaid by a State or nonprofit private institution or organization under paragraph (1), the Secretary—

"(A) shall consider the solvency and maturity, as determined by the Comptroller General, of the reserve and insurance funds of the State or nonprofit private institution or organization assisted by such advances; and

"(B) shall not seek repayment of such advances from any State described in subsection (c)(5)(B) during any year of its eligibility under such subsection.".

SEC. 3102. DISBURSEMENT OF STUDENT LOANS TO INSTITUTIONS REQUIRED.

(a) FISL LOANS REQUIREMENT.—Section 427(a)(2)(I) of the Act is amended to read as follows:

"(I) the funds borrowed by a student are disbursed to the institution by check or other means that is payable to and requires the endorsement or other certification by such student, except nothing in this subparagraph shall be interpreted to allow the Secretary to require checks to be made copayable to the institution and the borrower or to prohibit the disbursement of loan proceeds by means other than by check; and".

(b) GSL LOANS REQUIREMENT.—Section 428(b)(1)(O) of the Act is amended to read as follows:

"(O) provides that funds borrowed by a student are disbursed to the institution by check or other means that is payable to and requires the endorsement or other certification by such student, except nothing in this subparagraph shall be interpreted to allow the Secretary to require checks to be made co-payable to the institution and the borrower or to prohibit the disbursement of loan proceeds by means other than by check;".

(c) CONFORMING AMENDMENT.—Section 433A(a) of the Act is amended by striking out "to a borrower" in the first sentence.

SEC. 3103. NEED REQUIREMENTS AND SCREENING OF PELL GRANT—ELIGIBLE STUDENTS.

(a) REQUIREMENT THAT FISL AND GSL BORROWERS FIRST OBTAIN PELL GRANT ELIGIBILITY DETERMINATION.—Section 428(a)(2)(A) of the Act is amended—

(1) by striking out "and" at the end of clause (i);

(2) by striking out the period at the end of clause (ii) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new clause:

"(iii) in the case of any student other than a graduate or professional student (as defined in regulations of the Secretary), have obtained a determination of eligibility or ineligibility for a grant under subpart 1 of part A of this title.".

(b) NEED ANALYSIS REQUIRED FOR ALL FISL AND GSL BORROWERS.—Section 428(a)(2)(B) of the Act is amended to read as follows:

"(B) For the purposes of clause (ii) of subparagraph (A), a student shall qualify for a portion of an interest payment under paragraph (1) if the eligible institution has provided the lender with a statement evidencing a determination of need for a loan and the amount of such need, subject to the provisions of subparagraph (F).".

SEC. 3104. MULTIPLE DISBURSEMENTS OF STUDENT LOANS REQUIRED.

(a) REPEAL OF INCENTIVES TO LENDERS TO MAKE MULTIPLE DISBURSEMENTS.—Section 428(a) of the Higher Education Act of 1965 (20 U.S.C. 1078(a)) is amended by striking out paragraph (8).

(b) MULTIPLE DISBURSEMENT REQUIRED IN FISL PROGRAM.—Section 427(a) of the Act is amended—

(1) by striking out "and" at the end of paragraph (1);

(2) by striking out the period at the end of paragraph (2) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following:

"(3) in the case of a loan made for any period of enrollment of more than six months, one semester, two quarters, or 600 clock hours and for an amount of $1,000 or more, the proceeds of the loan will be disbursed directly by the lender in two or more installments, none of which exceeds one-half of the loan, with the interval between the first and second installment being not less than one-third of such period.

For purposes of paragraph (3), all loans issued for the same period of enrollment shall be considered as a single loan.".

(c) MULTIPLE DISBURSEMENTS REQUIRED IN GSL PROGRAM.—Section 428(b)(1) of such Act is amended—

(1) by redesignating subparagraph (P) as subparagraph (Q); and

(2) by inserting after subparagraph (O) the following new subparagraph:

"(P) provides that the proceeds of any loan made for any period of enrollment of more than six months, one semester, two quarters, or 600 clock hours and for an amount of $1,000 or more—

"(i) will be disbursed directly by the lender in two or more installments, none of which exceeds one-half of the loan, with the interval between the first and second installment being not less than one-third of such period, or

"(ii) will be disbursed in such installments pursuant to the escrow provisions of subsection (i) of this section,

but all loans issued for the same period of enrollment shall be considered as a single loan for purposes of this subparagraph; and".

(d) ORIGINATION FEE TO BE DEDUCTED PROPORTIONATELY FROM EACH INSTALLMENT.—Section 438(c)(2) of the Act is amended by striking out "which may be deducted from the proceeds of the loan prior to payment to the borrower" and inserting in lieu thereof "which shall be deducted proportionately from each installment payment of the proceeds of the loan to the borrower".

(e) CONFORMING AMENDMENTS.—(1) Section 425(a)(1) of the Act is amended—

(A) by inserting "and" at the end of subparagraph (A), by striking out subparagraph (B), and by redesignating subparagraph (C) as subparagraph (B); and

(B) by striking out the last sentence.

(2) Section 428(a)(3)(A) of the Act is amended—

(A) by striking out "Except as provided in paragraph (8) and subject" and inserting in lieu thereof "Subject"; and

(B) by striking out "but, except as provided in paragraph (8) of this subsection, such portion" and inserting in lieu thereof "but such portion".

(3) Section 428(b)(1)(A) of such Act is amended—

(A) by inserting "and" at the end of division (i);

(B) by striking out division (ii) and by redesignating division (iii) as division (ii); and

(C) in the matter following such division, by striking out "annual limit," and all that follows and inserting in lieu thereof "annual limit;".

SEC. 3105. INSURANCE PREMIUM.

Section 428(b)(1)(H) of the Act is amended to read as follows:

"(H) provides for collection of an insurance premium equal to 3 per centum per loan, by deduction proportionately from each installment payment of the proceeds of the loan to the borrower, and insures that the proceeds of the premium will not be used for incentive payments to lenders;".

SEC. 3106. AGREEMENT FOR AUDITS.

Section 428(b)(2) of the Act is amended—

(1) by striking out "and" at the end of subparagraph (B);

(2) by striking out the period at the end of subparagraph (C) and inserting in lieu thereof "; and"; and

(3) by inserting after such subparagraph the following:

"(D) provide for—

"(i) conducting, except as provided in clause (ii), financial and compliance audits of the guaranty agency at least once every two years and covering the period since the most recent audit, conducted by a qualified, independent organization or person in accordance with standards established by the Comptroller General for the audit of governmental organizations, programs, and functions, and as prescribed in regulations of the Secretary, the results of which shall be submitted to the Secretary; or

"(ii) with regard to a guaranty program of a State which is audited under chapter 75 of title 31, United States Code, deeming such audit to satisfy the requirements of clause (i) for the period of time covered by such audit.".

SEC. 3107. PRECLAIM COLLECTION ACTIVITIES.

(a) DELAY REQUIRED BEFORE SUBMISSION OF CLAIMS BY GUARANTY AGENCIES.—Section 428(c)(1)(A) of the Act is amended by adding at the end thereof the following new sentence: "In no case shall a State or nonprofit private institution or organization with which the Secretary has an agreement pursuant to subsection (b) file a claim for such reimbursement with respect to such losses prior to 210 days after the loan becomes delinquent with respect to any installment thereon.".

(b) SUPPLEMENTAL PRECLAIMS ASSISTANCE.—Section 428(c)(6) of the Act is amended—

(1) in subparagraph (A), by inserting after "assistance for default prevention," the following: "the administrative costs of supplemental preclaims assistance for default prevention,";

(2) in such subparagraph, by striking out "as such terms are defined in subparagraph (B)" and inserting in lieu thereof "as such terms are defined in subparagraph (B) or (C)"; and

(3) by adding at the end thereof the following new subparagraph:

"(C)(i) For purposes of this paragraph, 'administrative costs of supplemental preclaims assistance' means (subject to divisions (ii) through (iv)) any administrative costs—

"(I) incurred by a guaranty agency in connection with a loan on which the guarantor has exercised preclaims assistance required or permitted under sections 428(c)(2)(A) and 428(f)(2), and which has been in delinquent status for at least 120 days; and

"(II) which are directly related to providing collection assistance to the lender on a delinquent loan, prior to a claim being filed with the guaranty agency,

including the attributable compensation of appropriate personnel (and in the case of personnel who perform several functions, only the portion of compensation attributable to the collection assistance), fees paid to locate a missing borrower, postage, equipment, supplies, telephone, and similar charges, but does not include overhead costs.

"(ii) The administrative costs for which reimbursement is authorized under this subparagraph must be clearly supplemental to the preclaim assistance for default prevention which the guaranty agency is required or permitted to provide pursuant to section 428(c)(2)(A) and section 428(f)(2) of this Act.

"(iii) The services associated with carrying out this subparagraph may be provided by the guaranty agency directly or under contract, except that such services may not be carried out by an organization or entity (other than the guaranty agency)—

"(I) that is the holder or servicer of the loan or an organization or entity that owns or controls the holder or servicer of the loan; or

"(II) that is owned or controlled by the same corporation, partnership, association, or individual that owns or controls the holder or servicer of the loan.

"(iv) The costs for each delinquent loan associated with carrying out this subparagraph may not exceed 2 per centum of the outstanding principal balance of each such loan subject to the supplemental preclaims assistance authorized by this subparagraph or $100, whichever is less.".

SEC. 3108. STATUTE OF LIMITATIONS.

Section 428(d) of the Act is amended—

(1) by redesignating clauses (A) and (B) of paragraph (2) as clauses (i) and (ii), respectively;

(2) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively;

(3) by inserting "(1)" before "No provision of any law"; and

(4) by adding at the end thereof the following new paragraphs:

"(2) Notwithstanding any provision of State law that would set an earlier deadline for filing suit—

"(A) a guaranty agency which has an agreement with the Secretary under subsection (c) may file suit for collection of the amount due from a borrower on a loan made under this part during a period of time extending at least until a date six years (exclusive of periods during which the State statute of limitations period otherwise applicable to the suit would be tolled under State law) after the date such guaranty agency reimburses the previous holder of the loan for its loss on account of the default of the borrower; and

"(B) subject to the provisions of section 2416 of title 28 of the United States Code, the Attorney General may file suit for collection of the amount due the Secretary from a borrower pursuant to subsection (c)(2)(D) of this section until six years following the date on which the loan is assigned to the Secretary under this part.".

SEC. 3109. ADMINISTRATIVE COST PAYMENTS.

Section 428(f) of the Act is amended—

(1) by striking out "is authorized to make payments" each place it appears in the first sentence of paragraphs (1) and (2) and inserting in lieu thereof "shall make payments";

(2) by striking out "shall not exceed" each place it appears in the second sentence of such paragraphs and inserting in lieu thereof "shall be equal to"; and

(3) by striking out the third and fourth sentences of each such paragraph.

SEC. 3110. RECOVERY OF COSTS.

Section 430(b) of the Act is amended—

(1) by striking out "(b)(1)" and inserting in lieu thereof "(b)";

(2) by striking out "(including reasonable administrative costs)" and inserting in lieu thereof the following: "(including reasonable administrative and collection costs, to the extent set forth in regulations issued by the Secretary)"; and

(3) by striking out paragraph (2).

SEC. 3111. CREDIT BUREAU REPORTS.

Part B of the Act is amended by adding immediately after section 430 the following new section:

"REPORTS TO CREDIT BUREAUS AND INSTITUTIONS OF HIGHER EDUCATION

"SEC. 430A. (a) For the purpose of promoting responsible repayment of loans covered by Federal loan insurance pursuant to this part or covered by a guaranty agreement pursuant to section 428, the Secretary, and each guaranty agency having a guaranty agreement with the Secretary under section 428, shall enter into agreements with credit bureau organizations to exchange information concerning student borrowers, in accordance with the requirements of this section. For the purpose of assisting such organizations in complying with the Fair Credit Reporting Act, such agreements may provide for timely response by the Secretary, concerning loans covered by Federal loan insurance, or by a guaranty agency, concerning loans covered by a guaranty agreement, to requests from such organizations for responses to objections raised by borrowers. Subject to the requirements of subsection (c), such agreements shall require the Secretary or the guaranty agency, as appropriate, to disclose to such organizations, with respect to any loan under this part—

"(1) the date of disbursement and the amount of the loan;

"(2) information concerning the date of any default on the loan and the collection of the loan, including information concerning the repayment status of any defaulted loan on which the Secretary has made a payment pursuant to section 430(a) or the guaranty agency has made a payment to the previous holder of the loan; and

"(3) the date of cancellation of the note upon completion of repayment by the borrower of the loan or payment by the Secretary pursuant to section 437.

"(b) Such agreements may also provide for the disclosure by such organizations to the Secretary or a guaranty agency, whichever insures or guarantees a loan, upon receipt of a notice under subsection (a)(2) that such a loan is in default, of information concerning the borrower's location or other information which may assist the Secretary, the guaranty agency, the eligible lender, or the subsequent holder in collecting the loan.

"(c) Agreements entered into pursuant to this section shall contain such provisions as may be necessary to ensure that—

"(1) no information is disclosed by the Secretary or the guaranty agency unless its accuracy and completeness have been verified and the Secretary or the guaranty agency has determined that disclosure would accomplish the purposes of this section;

"(2) as to any information so disclosed, such organizations will be promptly notified of, and will promptly record, any change submitted by the Secretary or the guaranty agency with respect to such information, or any objections by the borrower with respect to any such information, as required by section 611 of the Fair Credit Reporting Act (15 U.S.C. 1681i);

"(3) no use will be made of any such information which would result in the use of collection practices with respect to such a borrower that are not fair and reasonable or that involve harassment, intimidation, false or misleading representations, or unnecessary communication concerning the existence of such loan or concerning any such information; and

"(4) with regard to notices of default under subsection (a)(2) of this section, except for disclosures made to obtain the borrower's location, the guaranty agency, eligible lender, or subsequent holder (A) shall not disclose any such information until he has notified the borrower that such information will be disclosed to credit bureau organizations unless the borrower enters into repayment of his loan, but (B) shall, if the borrower has not entered into repayment within a reasonable period of time, but not less than thirty days, from the date such notice has been sent to the borrower, disclose the information required by this subsection.

"(d) A guaranty agency or credit bureau organization which discloses or receives information under this section shall not be considered a Government contractor within the meaning of section 552a of title 5, United States Code.

"(e) The Secretary and each guaranty agency, eligible lender, and subsequent holder of a loan are authorized to disclose information described in subsections (a) and (b) concerning student borrowers to the eligible institutions such borrowers attend or previously attended.

"(f) Notwithstanding paragraphs (4) and (6) of subsection (a) of section 605 of the Fair Credit Reporting Act (15 U.S.C. 1681c(a)(4), (a)(6)), a consumer reporting agency may make a report containing information received from the Secretary or a guaranty agency, eligible lender, or subsequent holder regarding the status of a borrower's account on a loan guaranteed under this part until—

"(1) seven years from the date on which the Secretary or the agency paid a claim to the holder on the guaranty, or

"(2) with regard to an account on a loan on which the Secretary or the guaranty agency has paid a claim but not reported the account to a consumer reporting agency on or before October 1, 1985, seven years from that date.".

SEC. 3112. CIVIL PENALTIES.

Section 432 of the Act is further amended by adding at the end thereof the following new subsection:

"(f)(1) Upon determination, after reasonable notice and opportunity for a hearing on the record, that a lender or a guaranty agency—

"(A) has violated or failed to carry out any provision of this part or any regulation prescribed under this part, or

"(B) has engaged in substantial misrepresentation of the nature of its financial charges,

the Secretary may impose a civil penalty upon such lender or agency of not to exceed $25,000 for each violation, failure, or misrepresentation.

"(2) No civil penalty may be imposed under paragraph (1) of this subsection unless it is determined that the violation, failure or substantial misrepresentation referred to in that paragraph resulted from—

"(A)(i) a clear and consistent pattern or practice of violations, failures, or substantial misrepresentations in which the lender or guaranty agency did not maintain procedures reasonably adapted to avoid the violation, failure, or substantial representation;

"(ii) gross negligence; or

"(iii) willful actions on the part of the lender or guaranty agency; and

"(B) the violation, failure, or substantial misrepresentation is material.

"(3) A lender or guaranty agency has no liability under paragraph (1) of this subsection if, prior to the institution of an action under that paragraph, the lender or guaranty agency cures or corrects the violation or failure or notifies the person who received the substantial misrepresentation of the actual nature of the financial charges involved.

"(4) For the purposes of paragraph (1) of this subsection, violations, failures, or substantial misrepresentations arising from a specific practice of a lender or guaranty agency shall be deemed to be a single violation, failure, or substantial misrepresentation even if the violation, failure, or substantial misrepresentation affects more than one loan or more than one borrower, or both, and the Secretary may only impose a single civil penalty for each such violation, failure, or substantial misrepresentation.

"(5) If a loan affected by a violation, failure, or substantial misrepresentation is assigned to another holder, the lender or guaranty agency responsible for the violation, failure, or substantial misrepresentation shall remain liable for any civil money penalty provided for under paragraph (1) of this subsection, but the assignee shall not be liable for any such civil money penalty.

"(6) Until a matter is referred to the Attorney General, any civil penalty under paragraph (1) of this subsection may be compromised by the Secretary. In determining the amount of such penalty, or the amount agreed upon in compromise, the appropriateness of the penalty to the resources of the lender or guaranty agency subject to the determination; the gravity of the violation, failure, or substantial misrepresentation; the frequency and persistence of the violation, failure, or substantial misrepresentation; and the amount of any losses resulting from the violation, failure, or substantial misrepresentation shall be considered. The amount of such penalty, when finally determined, or the amount agreed upon in compromise, may be deducted from any sums owing by the United States to the lender or agency charged (unless the lender or agency has in the case of a final agency determination commenced proceedings for judicial review within 90 days of the determination, in which case the deduction may not be made during the pendency of the proceeding).".

SEC. 3113. INDEBTEDNESS OF STUDENT LOAN MARKETING ASSOCIATION.

Section 439(h)(1) of the Act is amended by adding at the end thereof the following new sentence: "To the extent that the average outstanding amount of the obligations owned by the Association pursuant to the authority contained in subsection (d)(1)(B) of this section and as to which the income is exempt from taxation under the Internal Revenue Code of 1954 does not exceed the average stockholders' equity of the Association, the interest on obligations issued under this paragraph shall not be deemed to be interest on indebtedness incurred or continued to purchase or carry obligations for purposes of section 265 of the Internal Revenue Code of 1954.".

SEC. 3114. EXTENSION OF PROGRAM.

(a) EXTENSION OF AUTHORITY.—Part B of title IV of the Act is amended—

(1) in section 424(a)—

(A) by striking out "1986" and inserting in lieu thereof "1988";

(B) by striking out "1990" and inserting in lieu thereof "1992";

(2) in section 428(a)(5)—

(A) by striking out "1986" and inserting in lieu thereof "1988";

(B) by striking out "1990" and inserting in lieu thereof "1992"; and

(3) in section 439(l), by striking out "1988" and inserting in lieu thereof "1990".

(b) EXTENSION OF FAMILY CONTRIBUTION SCHEDULES.—Section 9 of the Student Financial Assistance Technical Amendments Act of 1982 is amended—

(1) in subsection (a), by striking out "and from July 1, 1986, through June 30, 1987," and inserting in lieu thereof "from July 1, 1986, through June 30, 1987, from July 1, 1987, through June 30, 1988, from July 1, 1988, through June 30, 1989, and from July 1, 1989, through June 30, 1990,"; and

(2) in subsection (c)—

(A) by striking out "and" at the end of paragraph (3);

(B) by striking out the comma at the end of paragraph (4) and inserting in lieu thereof a semicolon; and

(C) by inserting after such paragraph the following new paragraphs:

"(5) April 1, 1987, for the period of instruction from July 1, 1987, through June 30, 1988;

"(6) April 1, 1988, for the period of instruction from July 1, 1988, through June 30, 1989; and

"(7) April 1, 1989, for the period of instruction from July 1, 1989, through June 30, 1990,".

PART 2—AMENDMENTS RELATING TO THE NATIONAL DIRECT STUDENT LOAN PROGRAM

SEC. 3121. ASSIGNMENT AND REFERRAL OF LOANS FOR COLLECTION.

Section 463(a)(5) of the Act is amended to read as follows:

"(5) provide that where a note or written agreement evidencing a loan has been in default despite due diligence on the part of the institution in attempting collection thereon—

"(A) if the institution has knowingly failed to maintain an acceptable collection record with respect to such loan, as determined by the Secretary in accordance with criteria established by regulation, the Secretary may—

"(i) require the institution to assign such note or agreement to the Secretary, without recompense; and

"(ii) apportion any sums collected on such a loan, less an amount not to exceed 30 per centum of any sums collected to cover the Secretary's collection costs, among other institutions in accordance with section 462; or

"(B) if the institution is not one described in clause (A), the Secretary may allow it to refer such note or agreement to the Secretary, without recompense, except that any sums collected on such a loan, less an amount not to exceed 30 per centum of any sums collected to cover the Secretary's collection costs, shall be repaid to such institution and treated as if a part of Federal capital contributions from funds appropriated under section 461;".

SEC. 3122. REPORTING BY CONSUMER REPORTING AGENCY.

Section 463(c) of the Act is amended by adding the following new paragraph:

"(3) Notwithstanding paragraphs (4) and (6) of subsection (a) of section 605 of the Fair Credit Reporting Act (15 U.S.C. 1681c(a)(4), (a)(6)), a consumer reporting agency may make a report containing information received from the Secretary regarding the status of a borrower's account on a loan made under this part until—

"(A) seven years from the date on which the Secretary accepted an assignment or referral of a loan, or

"(B) seven years from the date the Secretary first reports the account to a consumer reporting agency, if that account has not been previously reported by any other holder of the note.".

SEC. 3123. DEFAULT PENALTY.

Section 463A(a)(7) of the Act is amended by inserting immediately before the semicolon at the end thereof the following: "and a description of any penalty imposed as a consequence of default, such as liability for expenses reasonably incurred in attempts by the Secretary or institutions to collect on a loan".

SEC. 3124. STUDENT LOAN AGREEMENTS.

(a) CHARGES FOR LATE PAYMENTS.—Section 464(c)(1)(H) of the Act is amended to read as follows:

"(H) pursuant to regulations of the Secretary, shall provide for an assessment of a charge with respect to the loan for failure of the borrower to pay all or part of an installment when due, which shall include the expenses reasonably incurred in attempting collection of the loan, to the extent permitted by the Secretary, except that no charge imposed under this clause shall exceed 20 per centum of the amount of the monthly payment of the borrower; and".

(b) CONFORMING AMENDMENT.—Section 464(c)(4) of the Act is amended to read as follows:

"(4) The institution may elect—

"(A) to add the amount of any charge imposed under paragraph (1)(H) to the principal amount of the loan as of the first day after the day on which the installment was due and to notify the borrower of the assessment of the charge; or

"(B) to make the amount of the charge payable to the institution not later than the due date of the next installment.".

SEC. 3125. REFERRAL FOR COLLECTION.

Section 467(a) of the Act is amended—

(1) by inserting immediately after "attempt to collect" a comma and "by any means authorized by law, including referral to the Attorney General for litigation, for collecting claims of the United States"; and

(2) by striking out the comma after "any loan".

SEC. 3126. FEDERAL COLLECTION PROCEDURE.

Section 467(b) of the Act (20 U.S.C. 1087gg(b)) is amended to read as follows:

"(b) The Secretary shall continue to attempt to collect any loan referred or assigned under section 465(a)(5) or (6) until all appropriate collection efforts, as determined by the Secretary, have been expended.".

SEC. 3127. STATUTE OF LIMITATIONS.

Part E of title IV of the Act is amended by adding immediately after section 467 the following new section:

"STATUTE OF LIMITATIONS

"SEC. 467A. Notwithstanding any provision of State law that would set an earlier deadline for filing suit—

"(1) an institution which has an agreement with the Secretary pursuant to section 463(a) may file suit for collection of the amount due from a borrower on a loan made under this part during a period of time extending at least until a date six years (exclusive of periods during which the State statute of limitations period otherwise applicable to the suit would be tolled under State law) after the date of the default of the borrower with respect to that amount; and

"(2) subject to the provisions of section 2416 of title 28 of the United States Code, the Attorney General may file suit for collection of the amount due from a borrower on a loan made under this part until six years following the date on which the loan is assigned or referred to the Secretary under this part.".

PART 3—AMENDMENTS RELATING TO STUDENT ASSISTANCE GENERALLY

SEC. 3131. EXCLUSION OF LIQUIDATION PROCEEDS FROM FAMILY CONTRIBUTION COMPUTATIONS.

Section 482 of the Act is amended by adding at the end thereof the following new subsection:

"(f) The Secretary shall, within 30 days after the date of enactment of this subsection, promulgate special regulations to permit, in the computation of family contributions for the programs under subpart 1 of part A and part B of this title for any academic year beginning on or after July 1, 1985, the exclusion from family income of any proceeds of a sale of farm or business assets of that family if such sale results from a voluntary or involuntary foreclosure, forfeiture, or bankruptcy.".

SEC. 3132. STUDENT ELIGIBILITY.

Section 484(a) of the Act is amended—

(1) by striking out the word "such" each place it appears in paragraph (4) and inserting in lieu thereof "any"; and

(2) by striking out "(which need not be notarized)" in paragraph (5) and inserting in lieu thereof "(which need not be notarized but which shall include such student's social security number or, if the student does not have a social security number, such student's student identification number)".

SEC. 3133. STATUTE OF LIMITATIONS.

Part F of title IV of the Act is amended by adding immediately after section 484 the following new section:

"STATUTE OF LIMITATIONS

"SEC. 484A. (a) Notwithstanding any provision of State law that would set an earlier deadline for filing suit—

"(1) an institution which receives funds under this title may file suit for collection of a refund due from a student on a grant made or work assistance awarded under this title during a period of time extending at least until a date six years (exclusive of periods during which the State statute of limitations period otherwise applicable to the suit would be tolled under State law) after the date the refund first became due; and

"(2) subject to the provisions of section 2416 of title 28 of the United States Code, the Attorney General may file suit for payment of a refund due from a student on a grant made under this title until six years following the date on which the refund first became due.

"(b) Notwithstanding any provision of State law to the contrary, a borrower who has defaulted on a loan made under this title shall be required to pay, in addition to other charges specified in this title, reasonable collection costs.".

SEC. 3134. PROGRAM PARTICIPATION AGREEMENTS.

(a) USE OF INTEREST ON FUNDS RECEIVED.—Section 487(a)(1) of the Act is amended to read as follows:

"(1) The institution will use funds received by it for any program under this title and any interest or other earnings thereon solely for the purposes specified in and in accordance with the provision of that program.".

(b) AUDIT AND RECOVERY OF FUNDS.—Section 487(b)(1) of the Act is amended by striking out subparagraph (A) and inserting in lieu thereof the following:

"(A)(i) except as provided in clause (ii), a financial and compliance audit of an eligible institution, with regard to any funds obtained by it under this title or obtained from a student or a parent who has a loan insured or guaranteed by the Secretary under this title, at least once every two years and covering the period since the most recent audit, conducted by a qualified, independent organization or person in accordance with standards established by the Comptroller General for the audit of governmental organization, programs, and functions, and as prescribed in regulations of the Secretary, the results of which shall be submitted to the Secretary; or

"(ii) with regard to an eligible institution which is audited under chapter 75 of title 31, United States Code, deeming such audit to satisfy the requirements of clause (i) for the period covered by such audit;".

PART 4—EFFECTIVE DATES

SEC. 3141. EFFECTIVE DATES.

(a) IN GENERAL.—Except as provided in subsections (b), the amendments made by this subtitle shall take effect on October 1, 1985.

(b) EXCEPTIONS.—(1) The amendments made by sections 3102, 3123, and 3124 shall apply to loans to cover the cost of attendance for any period of enrollment beginning on or after July 1, 1986.

(2) The amendments made by sections 3103(a) and 3104 of this Act shall take effect on July 1, 1986.

(3) The amendment made by section 3105 shall take effect on October 1, 1986.

(4) The amendments made by sections 3106, 3108, 3110, 3111, 3112, 3121, 3122, 3125, 3126, and 3127 shall apply to all loans, including loans made before the enactment of this Act, and shall take effect ninety days after the date of enactment of this Act.

(5) The amendment made by section 3109 shall apply to any fiscal year beginning after September 30, 1984.

(6) The amendment made by section 3132 shall apply to grants, loans, or work assistance to cover the cost of attendance for any period of enrollment beginning on or after July 1, 1986.

(7) The amendment made by section 3133 shall apply to all grants, including grants awarded before the enactment of this Act, and shall take effect ninety days after the date of enactment of this Act.

(8) The amendment made by section 3134 shall apply to all grants, loans, or work assistance, including such assistance awarded before the date of enactment of this Act, and shall take effect ninety days after the date of enactment of this Act.

Subtitle B—Single-Employer Plan Termination Insurance Premiums

SEC. 3201. SHORT TITLE.

This subtitle may be cited as the "Single-Employer Pension Plan Termination Insurance Premium Act of 1985".

SEC. 3202. PREMIUM INCREASE.

(a) GENERAL RULE.—Section 4006(a)(3)(A)(i) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1306(a)(3)(A)(i)) is amended by striking out, "for plan years beginning after December 31, 1977, an amount equal to $2.60" and inserting in lieu thereof "for plan years beginning after December 31, 1985, an amount equal to $8.50".

(b) CONFORMING AMENDMENT WITH RESPECT TO PLAN YEARS AFTER 1977.—Section 4006(c)(1) of such Act (29 U.S.C. 1306(c)(1)) is amended by striking out subparagraph (A) and inserting in lieu thereof the following new subparagraph:

"(A) in the case of each plan which was not a multiemployer plan in a plan year—

"(i) with respect to each plan year beginning before January 1, 1978, an amount equal to $1 for each individual who was a participant in such plan during the plan year, and

"(ii) with respect to each plan year beginning after December 31, 1977, an amount equal to $2.60 for each individual who was a participant in such plan during the plan year, and".

SEC. 3203. INCORPORATION OF CERTAIN FORMER PROVISIONS IN LIEU OF CROSS REFERENCE THERETO.

Section 4006(a) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1306(a)) is amended—

(1) in paragraph (1), by striking out the last sentence; and

(2) by adding at the end thereof the following new paragraph:

"(6)(A) In carrying out its authority under paragraph (1) to establish premium rates and bases for basic benefits guaranteed under section 4022 with respect to single-employer plans, the corporation shall establish such rates and bases in coverage schedules in accordance with the provisions of this paragraph.

"(B) The corporation may establish annual premiums for single-employer plans composed of the sum of—

"(i) a charge based on a rate applicable to the excess, if any, of the present value of the basic benefits of the plan which are

guaranteed over the value of the assets of the plan, not in excess of 0.1 percent, and

"(ii) an additional charge based on a rate applicable to the present value of the basic benefits of the plan which are guaranteed.

The rate for the additional charge referred to in clause (ii) shall be set by the corporation for every year at a level which the corporation estimates will yield total revenue approximately equal to the total revenue to be derived by the corporation from the charges referred to in clause (i) of this subparagraph.

"(C) The corporation may establish annual premiums for single-employer plans based on—

"(i) the number of participants in a plan, but such premium rates shall not exceed the rates described in paragraph (3),

"(ii) unfunded basic benefits guaranteed under this title, but such premium rates shall not exceed the limitations applicable to charges referred to in subparagraph (B)(i), or

"(iii) total guaranteed basic benefits, but such premium rates shall not exceed the rates for additional charges referred to in subparagraph (B)(ii).

If the corporation uses two or more of the rate bases described in this subparagraph, the premium rates shall be designed to produce approximately equal amounts of aggregate premium revenue from each of the rate bases used.

"(D) For purposes of this paragraph, the corporation shall by regulation define the terms 'value of assets' and 'present value of the benefits of the plan which are guaranteed' in a manner consistent with the purposes of this title and the provisions of this section.".

SEC. 3204. APPROVAL BY JOINT RESOLUTION OF RECOMMENDATIONS OF THE PENSION BENEFIT GUARANTY CORPORATION.

Title IV of the Employee Retirement Income Security Act of 1974 is amended as follows:

(1) The last sentence of subsection (a)(2) of section 4006 (29 U.S.C. 1306(a)(2)) is amended by striking out "the Congress approves such revised schedule by a concurrent resolution" and inserting in lieu thereof "a joint resolution approving such revised schedule is enacted".

(2) Subsection (a)(4) of section 4006 (29 U.S.C. 1306(a)(4)) is amended by striking out "approval by the Congress" and inserting in lieu thereof "the enactment of a joint resolution".

(3) Subsection (b)(3) of section 4006 (29 U.S.C. 1306(b)(3)) is amended by striking out "concurrent" and inserting in lieu thereof "joint", by striking out "That the Congress favors the" and inserting in lieu thereof "The", and by inserting "is hereby approved" before the period preceding the quotation marks.

(4) Subsection (f)(2)(B) of section 4022A (29 U.S.C. 1322a(f)(2)(B)) is amended by striking out "Congress by concurrent resolution" and inserting in lieu thereof "the enactment of a joint resolution".

(5) Subsection (f)(2)(C) of section 4022A (29 U.S.C. 1322a(f)(2)(C)) is amended by striking out "approved" and inserting in lieu thereof "so enacted".

(6) Subsection (f)(3)(B) of section 4022A (29 U.S.C. 1322a(f)(3)(A)) is amended by striking out "Congress by a concurrent resolution" and inserting in lieu thereof "enactment of a joint resolution".

(7) Subsection (f)(4)(A) of section 4022A (29 U.S.C. 1322a(f)(4)(A)) is amended by striking out "concurrent" and inserting in lieu thereof "joint".

(8) Subsection (f)(4)(B) of section 4022A (29 U.S.C. 1322a(f)(4)(B)) is amended by striking out "concurrent" each place it appears and inserting in lieu thereof "joint", by striking out "That the Congress favors the" and inserting in lieu thereof "The", and by inserting "is hereby approved" immediately before the period preceding the quotation marks.

(9) Subsection (g)(4)(A)(ii) of section 4022A (29 U.S.C. 1322a(g)(4)(A)(ii)) is amended by striking out "concurrent" and inserting in lieu thereof "joint", and by striking out "adopted" and inserting in lieu thereof "enacted".

(10) Subsection (g)(4)(B) of section 4022A (29 U.S.C. 1322a(g)(4)(B)) is amended by striking out "concurrent" each place it appears and inserting in lieu thereof "joint", by striking out "That the Congress disapproves the" and inserting in lieu thereof "The", and by inserting "is hereby disapproved" immediately before the period preceding the quotation marks.

SEC. 3205. EFFECTIVE DATES.

(a) GENERAL RULE.—Except as provided in subsection (b), the amendments made by this subtitle shall be effective for plan years commencing after December 31, 1985.

(b) SPECIAL RULE.—The amendments made by section 3203 shall be effective as of the date of the enactment of the Multiemployer Pension Plan Amendments Act of 1980.

Subtitle C—Single-Employer Plan Termination Insurance System Amendments

SEC. 3301. SHORT TITLE AND TABLE OF CONTENTS.

This subtitle may be cited as "Single-Employer Pension Plan Amendments Act of 1985".

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Sec. 3306. General requirements relating to termination of single-employer plans by plan administrators.
Sec. 3307. Standard termination of single-employer plans.
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Sec. 3309. Termination proceedings; duties of the corporation.
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Sec. 3314. Security for waivers of minimum funding standard and extensions of amortization period.
Sec. 3315. Conforming, clarifying, technical, and miscellaneous amendments.
Sec. 3316. Effective date.

SEC. 3302. FINDINGS AND DECLARATION OF POLICY.

(a) FINDINGS.—The Congress finds that—

(1) single-employer defined benefit pension plans have a substantial impact on interstate commerce and are affected with a national interest;

(2) the continued well-being and retirement income security of millions of workers, retirees, and their dependents are directly affected by such plans;

(3) the existence of a sound termination insurance system is fundamental to the retirement income security of participants and beneficiaries of such plans; and

(4) the current termination insurance system in some instances encourages employers to terminate pension plans, evade their obligations to pay benefits, and shift unfunded pension liabilities onto the termination insurance system and the other premium-payers.

(b) ADDITIONAL FINDINGS.—The Congress further finds that modification of the current termination insurance system—

(1) is desirable to increase the likelihood that full benefits will be paid to participants and beneficiaries of such plans; and

(2) is desirable to provide for the transfer of liabilities to the termination insurance system only in cases of severe hardship, and to keep the premium costs of such system at a reasonable level.

(c) DECLARATION OF POLICY.—It is hereby declared to be the policy of this Act—

(1) to foster and facilitate interstate commerce,

(2) to encourage the maintenance and growth of single-employer defined benefit pension plans,

(3) to increase the likelihood that participants and beneficiaries under single-employer defined benefit pension plans will receive their full benefits, and

(4) to provide for the transfer of unfunded pension liabilities onto the single-employer pension plan termination insurance system only in cases of severe hardship, and to keep the premium costs of such system at a reasonable level.

SEC. 3303. AMENDMENT OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974.

Whenever in this subtitle an amendment is expressed in terms of an amendment to a section or other provision, the reference is to a section or other provision of the Employee Retirement Income Security Act of 1974, unless otherwise specified.

SEC. 3304. DEFINITIONS.

Section 4001(a) (29 U.S.C. 1301(a)) is amended—

(1) by striking out paragraph (2) and inserting in lieu thereof the following new paragraph:

"(2) 'substantial employer', for any plan year of a single-employer plan, means one or more persons—

"(A) who are contributing sponsors of the plan in such plan year,

"(B) who, at any time during such plan year, are members of the same affiliated group (within the meaning of subsection (a) of section 1563 of the Internal Revenue Code of 1954, determined without regard to subsections (a)(4) and (e)(3)(C) of such section), and

"(C) whose required contributions to the plan for each plan year constituting one of—

"(i) the two immediately preceding plan years, or

"(ii) the first two of the three immediately preceding plan years,
total an amount greater than or equal to 10 percent of all contributions required to be paid to or under that plan for such plan year;";

(2) in paragraph (11), by striking out "and";

(3) in paragraph (12), by striking out "corporation." and inserting in lieu thereof "corporation;" and

(4) by adding after paragraph (12) the following new paragraphs:

"(13) 'contributing sponsor', of a single-employer plan, means a person—

"(A) who is responsible for meeting the funding requirements under section 302, or

"(B) who is a member of the controlled group of a person described in subparagraph (A), has been responsible for meeting such funding requirements, and has employed a significant number (as may be defined in regulations of the corporation) of participants under such plan while such person was so responsible;

"(14) in the case of a single-employer plan—

"(A) 'controlled group' means, in connection with any person, a group consisting of such person and all other persons under common control with such person; and

"(B) the determination of whether two or more persons are under 'common control' shall be made under regulations of the corporation which are consistent and coextensive with regulations prescribed for similar purposes by the Secretary of the Treasury under section 414(c) of the Internal Revenue Code of 1954;

"(15) 'single-employer plan' means, except as otherwise specifically provided in this title, any plan which is not a multiemployer plan;

"(16) 'benefit entitlements', of a participant or beneficiary as of any date under a single-employer plan, means all benefits provided by the plan with respect to the participant or beneficiary which—

"(A) are guaranteed under section 4022,

"(B) would be guaranteed under section 4022, but for the operation of subsection 4022(b), or

"(C) constitute—

"(i) early retirement supplements or subsidies,

"(ii) plant closing benefits, or

"(iii) death benefits,

irrespective of whether any such benefits are guaranteed under section 4022, if the participant or beneficiary has satisfied, as of such date, all of the conditions required of him or her under the provisions of the plan to establish entitlement to the benefits, except for the submission of a formal application, retirement, completion of a required waiting period, death, or designation of a beneficiary;

"(17) 'amount of unfunded guaranteed benefits', of a participant or beneficiary as of any date under a single-employer plan, means an amount equal to the excess of—

"(A) the actuarial present value (determined as of such date on the basis of assumptions prescribed by the corporation for purposes of section 4044) of the benefits of the participant or beneficiary under the plan which are guaranteed under section 4022, over

"(B) the current value as of such date of the assets of the plan which are required to be allocated to those benefits under section 4044;

"(18) 'amount of unfunded benefit entitlements', of a participant or beneficiary as of any date under a single-employer plan, means an amount equal to the excess of—

"(A) the actuarial present value (determined as of such date on the basis of assumptions prescribed by the corporation for purposes of section 4044) of the benefit entitlements of the participant or beneficiary under the plan, over

"(B) the current value as of such date of the assets of the plan which are required to be allocated to such benefit entitlements under section 4044;

"(19) 'outstanding amount of benefit entitlements', of a participant or beneficiary under a terminated single-employer plan, means the excess of—

"(A) the actuarial present value (determined as of the termination date on the basis of assumptions prescribed by the corporation for purposes of section 4044) of the benefit entitlements of such participant or beneficiary under the plan, over

"(B) the actuarial present value (determined as of such date on the basis of assumptions prescribed by the corporation for purposes of section 4044) of the benefits of such participant or beneficiary which are guaranteed under section 4022 or to which assets of the plan are allocated under section 4044;

"(20) 'person' has the meaning set forth in section 3(9);

"(21) 'affected party' means, with respect to a plan—

"(A) each participant in the plan,

"(B) each beneficiary under the plan who is a beneficiary of a deceased participant or who is an alternate payee (within the meaning of section 206(d)(3)(K)) under an applicable qualified domestic relations order (within the meaning of section 206(d)(3)(B)(i)),

"(C) each employee organization representing participants in the plan, and

"(D) the corporation,

except that, in connection with any notice required to be provided to the affected party, if an affected party has designated, in writing, a person to receive such notice on behalf of the affected party, any reference to the affected party shall be construed to refer to such person; and

"(22) 'section 4049 trustee', in connection with a terminated single-employer plan, means the trustee appointed under section 4049(a) in connection with the plan.".

SEC. 3305. CLARIFICATION OF AUTHORITY TO FREEZE PLANS.

(a) FREEZING OF PLANS UNDER TITLE IV.—Section 4001 (29 U.S.C. 1301) is amended by adding at the end thereof the following new subsection:

"(c)(1) For purposes of this title, the term 'terminate', when used in connection with a single-employer plan, means to terminate in accordance with section 4041 or 4042.

"(2)(A) The adoption and operation of a provision of a single-employer plan amendment is not a termination for purposes of this title if such provision constitutes a freezing of the plan.

"(B)(i) Except as provided in clause (ii), a provision referred to in subparagraph (A) constitutes a freezing of a plan if and only if the sole effect of the provision is to provide that some or all service performed on or after a specified date (which is or follows the effective date of the amendment) will not be taken into account under the plan solely for purposes of determining (in accordance with section 204 of this Act benefits accrued on or after such specified date.

"(ii) A provision referred to in subparagraph (A) shall not be treated as failing to constitute a freezing of the plan solely because the provision also provides that some or all relevant factors used to determine benefits based on service performed prior to such specified date shall remain constant.

"(C) A provision referred to in subparagraph (A) shall not constitute a freezing of the plan if an effect of the provision is to provide that some or all service performed on or after such specified date will not be taken into account under the plan for purposes of determining (in accordance with section 203) nonforfeitability of benefits accrued before such specified date or for purposes of determining satisfaction of any other requirements for eligibility for benefits accrued before such specified date.".

(b) FREEZING OF PLANS UNDER TITLE I.—

(1) IN GENERAL.—Part 2 of subtitle B of title I is amended—

(A) by redesignating section 211 as section 212; and

(B) by inserting after section 210 the following new section:

"FREEZING OF PLANS

"SEC. 211. (a) The adoption and operation of a provision of a single-employer plan amendment is not a violation of this title if such provision constitutes a freezing of the plan.

"(b)(1) Except as provided in paragraph (2), a provision referred to in subsection (a) constitutes a freezing of a plan if and only if the sole effect of the provision is to provide that some or all service performed on or after a specified date (which is or follows the effective date of the amendment) will not be taken into account under the plan solely for purposes of determining (in accordance with section 204) benefits accrued on or after such specified date.

"(2) A provision referred to in subsection (a) shall not be treated as failing to constitute a freezing of the plan solely because the provision also provides that some or all relevant factors used to determine benefits based on service performed prior to such specified date shall remain constant.

"(c) A provision referred to in subsection (a) shall not constitute a freezing of the plan if an effect of the provision is to provide that some or all service performed on or after such specified date will not be taken into account under the plan for purposes of determining (in accordance with section 203) nonforfeitability of benefits accrued before such specified date or for purposes of determining satisfaction of any other requirements for eligibility for benefits accrued before such specified date.

"(d) A single-employer plan may not be amended on or after the date of the enactment of the Single-Employer Pension Plan Amendments Act of 1985 so as to provide for a freezing of the plan, unless, after adoption of the plan amendment and not less than 60 days before the effective date of the plan amendment, the plan administrator provides to each affected party (as defined in section 4001(a)(21)) a written notice setting forth the plan amendment and its effective date.".

(B) CLERICAL AMENDMENT.—The table of contents in section 1 is amended by striking out the item relating to section 211 and inserting in lieu thereof the following new items:

"Sec. 211. Freezing of plans.
"Sec. 212. Effective dates.".

SEC. 3306. GENERAL REQUIREMENTS RELATING TO TERMINATION OF SINGLE-EMPLOYER PLANS BY PLAN ADMINISTRATORS.

(a) IN GENERAL.—Section 4041 (29 U.S.C. 1341) is amended by striking out subsections (a) through (c) and inserting in lieu thereof the following:

"SEC. 4041. (a) GENERAL RULES GOVERNING SINGLE-EMPLOYER PLAN TERMINATIONS.—

"(1) EXCLUSIVE MEANS OF PLAN TERMINATION.—Except in the case of a termination for which proceedings are otherwise instituted by the corporation as provided in section 4042, a single-employer plan may be terminated only in a standard termination under subsection (b) or a distress termination under subsection (c).

"(2) 60-DAY NOTICE TO AFFECTED PARTIES.—Not less than 60 days before the proposed termination date of a plan termination under subsection (b) or (c), the plan administrator shall provide to each affected party a written notice stating that such termination is intended and the proposed termination date. The written notice shall include any related additional information required in regulations of the corporation.

"(3) PROCEDURE IN THE EVENT OF RELATED ADJUDICATORY PROCEEDINGS.—

"(A) PROCEDURE IN THE CASE OF STANDARD TERMINATION.—In any case in which, during the period beginning on the date on which the plan administrator provides the notice required under paragraph (2) and ending on the proposed termination date specified in such notice, the plan administrator receives written notice from an affected party that there is pending a related adjudicatory proceeding with respect to the proposed standard termination of the plan under subsection (b), the plan administrator—

"(i) shall suspend the termination, by refraining from further processing or implementing the termination during the pendency of such proceeding, or

"(ii) may proceed with the termination, except that, in so proceeding, the plan administrator shall take such actions (including, but not limited to, providing for segregation of plan assets or maintenance of plan records) as are necessary and appropriate to assure that the plan may be effectively restored if the plan is finally determined in any such proceeding to have been terminated in violation of the contractual or statutory rights of any affected party and is ordered in such proceeding to be restored.

During any period of time for which the plan administrator suspends the termination pursuant to clause (i), any applicable time limitation in the termination procedure shall cease to run.

"(B) PROCEDURE IN THE CASE OF DISTRESS TERMINATION.—In the case of a related adjudicatory proceeding with respect to a proposed distress termination of the plan under subsection (c), subparagraph (A) shall apply with respect to such termination and proceeding in the same manner and to the same extent as it applies in the case of a standard termination, except that any reference in subparagraph (A) to the plan administrator shall be considered a reference to the plan administrator and to the corporation or other person serving as trustee under section 4042.

"(C) RELATED ADJUDICATORY PROCEEDING.—For purposes of this paragraph, the term 'related adjudicatory proceeding' means any proceeding (including timely appeals therefrom) commenced by an affected party as—

"(i) a grievance proceeding before an appropriate adjudicative entity,

"(ii) an administrative proceeding before an appropriate governmental agency, or

"(iii) a civil action in a court of competent jurisdiction,

in which the affected party alleges that the proposed termination would violate the contractual or statutory rights of any affected party.

"(D) PENDENCY OF PROCEEDING.—For purposes of this paragraph, a related adjudicatory proceeding shall be treated as pending from the date on which it is commenced until the earlier of—

"(i) the date of a final determination in the proceeding that the proposed termination would not violate the contractual or statutory rights referred to in subparagraph (C), or

"(ii) the date of a preliminary decision by the presiding adjudicative entity, governmental agency, or court that, taking into consideration all the facts and circumstances, the affected party is not likely to prevail in such proceeding and the equities clearly favor discontinuing compliance with clauses (i) and (ii) of subparagraph (A).

"(E) EFFECTS OF SUSPENSION OF TERMINATION.—In any case in which a termination is suspended pursuant to the preceding provisions of this paragraph, if the proposed termination is finally determined in a related adjudicatory proceeding not to be in violation of the contractual or statutory rights of any affected party, the termination of the plan shall be effective as of the proposed termination date.".

(b) DEFINITIONS RELATING TO SUFFICIENCY.—Section 4041(d) (29 U.S.C. 1341(d)) is amended to read as follows:

"(d) SUFFICIENCY.—For purposes of this section—

"(1) SUFFICIENCY FOR BENEFIT ENTITLEMENTS.—A single-employer plan is sufficient for benefit entitlements if there is no amount of unfunded benefit entitlements under the plan.

"(2) SUFFICIENCY FOR GUARANTEED BENEFITS.—A single-employer plan is sufficient for guaranteed benefits if there is no amount of unfunded guaranteed benefits under the plan.".

SEC. 3307. STANDARD TERMINATION OF SINGLE-EMPLOYER PLANS.

(a) IN GENERAL.—Section 4041 (as amended by section 3306 of this Act) is further amended by inserting after subsection (a) the following new subsection:

"(b) STANDARD TERMINATION OF SINGLE-EMPLOYER PLANS.—

"(1) GENERAL REQUIREMENTS.—A single-employer plan may terminate under a standard termination only if—

"(A) when the final distribution of assets occurs, the plan is sufficient for benefit entitlements (determined as of the termination date),

"(B) the plan administrator provides the 60-day advance notice to affected parties required under subsection (a)(2),

"(C) the requirements of subparagraphs (A) and (B) of paragraph (2) are met, and

"(D) the corporation does not issue a notice of noncompliance under subparagraph (C) of paragraph (2).

"(2) TERMINATION PROCEDURE.—

"(A) NOTICE TO THE CORPORATION.—As soon as practicable after the termination date proposed in the notice provided pursuant to subsection (a)(2), the plan administrator shall send a notice to the corporation setting forth—

"(i) certification by an enrolled actuary—

"(I) of the amount of the assets of the plan (as of a proposed date of final distribution of assets),

"(II) of the actuarial present value (as of such date) of the benefit entitlements under the plan, and

"(III) that the plan will be sufficient (as of such date) for benefit entitlements,

"(ii) such information as the corporation may prescribe in regulations as necessary to enable the corporation to make determinations under subparagraph (C), and

"(iii) certification by the plan administrator that the information on which the enrolled actuary based the certification under clause (i) and the information provided to the corporation under clause (ii) is accurate and complete.

"(B) NOTICE TO PARTICIPANTS AND BENEFICIARIES OF BENEFIT ENTITLEMENTS.—At the time a notice is sent by the plan administrator under subparagraph (A), the plan administrator shall send a notice to each person who is a participant or beneficiary under the plan specifying the amount of such person's benefit entitlements (if any), expressed in terms of the normal form of benefits under the plan. Such notice shall be written in such manner as is likely to be understood by the participant or beneficiary and as may be prescribed in regulations of the corporation.

"(C) NOTICE FROM THE CORPORATION OF NONCOMPLIANCE.—

"(i) IN GENERAL.—Within 60 days after receipt of the notice under subparagraph (A), the corporation shall provide the plan administrator with a notice of noncompliance if—

"(I) it has reason to believe that the requirements of subsection (a)(2) and subparagraphs (A) and (B) have not been met, or

"(II) it otherwise determines, on the basis of information provided by affected parties or otherwise obtained by the corporation, that there is reason to believe that the plan is not sufficient for benefit entitlements.

"(ii) EXTENSION.—The corporation and the plan administrator may agree to extend the 60-day period referred to in clause (i) by a written agreement signed by the corporation and the plan administrator before the expiration of the 60-day period. The 60-day period shall be extended as provided in the agreement and may be further extended by subsequent written agreements signed by the corporation and the plan administrator made before the expiration of a previously agreed upon extension of the 60-day period. Any extension may be made upon such terms and conditions (including the payment of benefits) as are agreed upon by the corporation and the plan administrator.

"(D) FINAL DISTRIBUTION OF ASSETS IN ABSENCE OF NOTICE OF NONCOMPLIANCE.—The plan administrator shall commence the final distribution of assets pursuant to the standard termination of the plan as soon as practicable after the expiration of the 60-day (or extended) period referred to in subparagraph (C), but such final distribution may occur only if—

"(i) the plan administrator has not received during such period a notice of noncompliance from the corporation under subparagraph (C), and

"(ii) when such final distribution occurs, the plan is sufficient for benefit entitlements (determined as of the termination date).

"(3) METHODS OF FINAL DISTRIBUTION OF ASSETS.—

"(A) IN GENERAL.—In connection with any final distribution of assets pursuant to the termination of the plan, the plan administrator shall distribute the assets in accord-

ance with section 4044. In distributing such assets, the plan administrator shall—

"(i) purchase irrevocable commitments from an insurer to provide when due the benefit entitlements under the plan and all other benefits (if any) under the plan to which assets are allocated under section 4044, or

"(ii) otherwise fully provide when due the benefit entitlements under the plan and all other benefits (if any) under the plan to which assets are allocated under section 4044 in accordance with the provisions of the plan and any applicable regulations of the corporation.

"(B) CERTIFICATION TO THE CORPORATION OF FINAL DISTRIBUTION OF ASSETS.—Within 30 days after the final distribution of assets is completed pursuant to the termination of the plan, the plan administrator shall send a notice to the corporation certifying that the assets of the plan have been distributed in accordance with the provisions of subparagraph (A) so as to pay when due the benefit entitlements under the plan and all other benefits (if any) under the plan to which assets are allocated under section 4044.

"(4) CONTINUING AUTHORITY.—Nothing in this section shall be construed to preclude the continued exercise by the corporation, after the termination date of a plan terminated in a standard termination under this subsection, of its authority under section 4003 with respect to matters relating to the termination. A certification under paragraph (3)(B) shall not affect the corporation's obligations under section 4022.".

(b) CONFORMING AMENDMENTS.—Section 4041(f) (29 U.S.C. 1341(f)) is amended—

(1) by inserting after "(f)" the following: "CONVERSION OF A DEFINED BENEFIT PLAN TO A DEFINED CONTRIBUTION PLAN TREATED AS A STANDARD TERMINATION.—";

(2) by striking out "subsection (a)" and inserting in lieu thereof "this section"; and

(3) by inserting "in a standard termination" after "terminated".

SEC. 3308. DISTRESS TERMINATION OF SINGLE-EMPLOYER PLANS.

Section 4041 (as amended by sections 3306 and 3307 of this Act) is further amended by inserting after subsection (b) the following new subsection:

"(c) DISTRESS TERMINATION OF SINGLE-EMPLOYER PLANS.—

"(1) IN GENERAL.—A single-employer plan may terminate under a distress termination only if—

"(A) the plan administrator provides the 60-day advance notice to affected parties required under subsection (a)(2),

"(B) the requirements of subparagraph (A) of paragraph (2) are met, and

"(C) the corporation determines that the requirements of subparagraph (B) of paragraph (2) are met.

"(2) TERMINATION REQUIREMENTS.—

"(A) INFORMATION SUBMITTED TO THE CORPORATION.—As soon as practicable after the termination date proposed in the notice provided pursuant to subsection (a)(2), the plan administrator shall provide the corporation, in such form as may be prescribed by the corporation in regulations, the following information:

"(i) such information as the corporation may prescribe by regulation as necessary to make determinations under subparagraph (B) and paragraph (3);

"(ii) certification by an enrolled actuary of—

"(I) the amount (as of the proposed termination date) of the current value of the assets of the plan,

"(II) the actuarial present value (as of such date) of the benefit entitlements under the plan,

"(III) whether the plan is sufficient for benefit entitlements as of such date, and

"(IV) whether the plan is sufficient for guaranteed benefits as of such date;

"(iii) in any case in which the plan is not sufficient for benefit entitlements as of such date—

"(I) the name and address of each participant and beneficiary under the plan as of such date, and

"(II) such other information as shall be prescribed by the corporation by regulation as necessary to enable the section 4049 trustee to be able to make payments to participants and beneficiaries as required under section 4049; and

"(iv) certification by the plan administrator that the information on which the enrolled actuary based the certifications under clause (ii) and the information provided to the corporation under clauses (i) and (iii) is accurate and complete.

"(B) DETERMINATION BY THE CORPORATION OF NECESSARY DISTRESS CRITERIA.—Upon receipt of the notice of distress termination required under subsection (a)(2) and the information required under subparagraph (A), the corporation shall determine whether the requirements of this subparagraph are met as provided in clause (i), (ii), (iii), or (iv).

"(i) RECENT FUNDING WAIVERS.—The requirements of this subparagraph are met if a funding waiver has been granted with respect to the terminating plan with respect to not fewer than three of the five plan years immediately preceding the termination date, and such a waiver has also been granted to each other single-employer plan of which any of the contributing sponsors of the terminating plan or the substantial members of their controlled groups (if any) is a contributing sponsor with respect to at least one of the three plan years immediately preceding the termination date. For purposes of this clause, the term 'funding waiver' means a waiver of the minimum funding standard under section 303.

"(ii) LIQUIDATION IN BANKRUPTCY OR INSOLVENCY PROCEEDINGS.—The requirements of this subparagraph are met if each of the contributing sponsors and the substantial members of their controlled groups (if any) has filed or has had filed against it as of the termination date a petition seeking liquidation in a case under title 11, United States Code (or under any similar law of a State or political subdivision of a State) which has not, as of the termination date, been dismissed or converted to a case under chapter 11 of such title (or under any similar law of a State or political subdivision of a State) in which reorganization is sought.

"(iii) TERMINATION REQUIRED TO ENABLE PAYMENT OF DEBTS WHILE STAYING IN BUSINESS.—The requirements of this subparagraph are met if a contributing sponsor provides to the corporation substantial evidence that, unless a distress termination occurs, the contributing sponsors and the substantial members of such sponsors' controlled groups (if any) will each be unable to pay their respective debts when due and will be unable to continue in business.

"(iv) UNREASONABLY BURDENSOME PENSION COSTS CAUSED BY DECLINING WORKFORCE.—

"(I) IN GENERAL.—The requirements of this subparagraph are met if, as determined under regulations of the corporation, solely as a result of a decline in the workforce covered as participants under all single-employer plans maintained by the contributing sponsors of the terminating plan and the members of their controlled groups, the costs of providing pension coverage have become unreasonably burdensome.

"(II) REQUIREMENT MET BY DOUBLING OF COST RATIOS.—The requirements of subclause (I) shall be considered met if and only if the contribution-wage ratio for the plan year in which the termination date occurs is at least twice the contribution-wage ratio for the applicable preceding plan year, and the contribution-income ratio for the plan year in which the termination date occurs is at least twice the contribution-income ratio for the applicable preceding plan year. The corporation may provide by regulation for application of this clause with respect to the plan year of the terminating plan preceding the year in which the termination date occurs, in lieu of the plan year in which the termination date occurs, in any case in which the corporation determines that such application will enable the corporation to carry out the purposes of this title more equitably and effectively.

"(III) CONTRIBUTION-WAGE RATIO.—For purposes of this clause, the contribution-wage ratio is the ratio of the total required contributions under all single-employer plans of which the persons who are contributing sponsors of the terminating plan or who are members of their controlled groups are contributing sponsors, to the total annualized wages with respect to the active participants under such plans.

"(IV) CONTRIBUTION-INCOME RATIO.—For purposes of this clause, the contribution-income ratio is the ratio of the total required contributions under all single-employer plans of which the persons who are contributing sponsors of the terminating plan or who are members of their controlled groups are contributing sponsors, to the consolidated gross income of such persons.

"(V) APPLICABLE PRECEDING PLAN YEAR.—For purposes of this clause, the applicable preceding plan year is the later of the plan year following the initial effective date of the plan, the earliest of the five immediately preceding plan years (if the plan has completed five or more plan years), or the plan year following the effective date of the most recent plan amendment (if any) increasing benefits which was adopted and took effect before the termination date.

"(C) SUBSTANTIAL MEMBER.—For purposes of subparagraph (B), the term 'substantial member' of a controlled group means a person whose assets comprise 5 percent or more of the total assets of the controlled group as a whole. Such term includes any member of the controlled group who does not meet the requirements of the preceding sentence but did meet such requirements—

"(i) for purposes of subparagraph (B)(i), as of the beginning of the earliest applicable plan year referred to therein, or

"(ii) for purposes of subparagraph (B)(ii), as of the date of the filing of the petition referred to therein.

"(D) NOTIFICATION OF DETERMINATIONS BY THE CORPORATION.—The corporation shall notify the plan administrator as soon as practicable of its determinations made pursuant to subparagraph (B).

"(3) TERMINATION PROCEDURE.—

"(A) DETERMINATIONS BY THE CORPORATION RELATING TO PLAN SUFFICIENCY FOR GUARANTEED BENEFITS AND FOR BENEFIT ENTITLEMENTS.—If the corporation determines that

the requirements for a distress termination set forth in paragraphs (1) and (2) are met, the corporation shall—

"(i) determine whether the plan is sufficient for guaranteed benefits (as of the termination date) or that the corporation is unable to make such determination on the basis of information made available to the corporation,

"(ii) determine whether the plan is sufficient for benefit entitlements (as of the termination date) or that the corporation is unable to make such determination on the basis of information made available to the corporation, and

"(iii) notify the plan administrator of the determinations made pursuant to this subparagraph as soon as practicable.

"(B) IMPLEMENTATION OF TERMINATION.—After the corporation notifies the plan administrator of its determinations under subparagraph (A), the termination of the plan shall be carried out as provided in clause (i), (ii), or (iii).

"(i) CASES OF SUFFICIENCY FOR BENEFIT ENTITLEMENTS.—In any case in which the corporation determines that the plan is sufficient for benefit entitlements, the plan administrator shall proceed to distribute the plan's assets in the manner described in subsection (b)(3), and take such other actions as may be appropriate to carry out the termination of the plan.

"(ii) CASES OF SUFFICIENCY FOR GUARANTEED BENEFITS WITHOUT A FINDING OF SUFFICIENCY FOR BENEFIT ENTITLEMENTS.—In any case in which the corporation determines that the plan is sufficient for guaranteed benefits, but further determines that the plan is not sufficient for benefit entitlements (or that it is unable to determine whether the plan is sufficient for benefit entitlements on the basis of the information made available to it)—

"(I) the plan administrator shall proceed to distribute the plan's assets in the manner prescribed in section 4044,

"(II) the corporation shall appoint a section 4049 trustee as provided in section 4049(a), notify the plan administrator of the identity of the section 4049 trustee, and submit to such trustee copies of the notice of distress termination and other information provided to the corporation pursuant to subsection (a)(2) and clauses (ii), (iii), and (iv) of paragraph (2)(A), and

"(III) the plan administrator shall notify each contributing sponsor and member of such sponsor's controlled group of the identity of the section 4049 trustee and that they may be liable under section 4062 in connection with the termination.

"(iii) CASES WITHOUT ANY FINDING OF SUFFICIENCY.—In any case in which the corporation determines that the plan is not sufficient for guaranteed benefits (or that it is unable to determine whether the plan is sufficient for guaranteed benefits on the basis of the information made available to it)—

"(I) the corporation shall commence proceedings in accordance with section 4042, and

"(II) the corporation and the plan administrator shall take the respective actions required under subclauses (II) and (III) of clause (ii) relating to the section 4049 trustee, unless the corporation determines that all benefit entitlements under the plan are benefits guaranteed by the corporation under section 4022.

"(C) FINDING AFTER AUTHORIZED COMMENCEMENT OF TERMINATION THAT PLAN IS UNABLE TO PAY BENEFITS WHEN DUE.—

"(i) FINDING WITH RESPECT TO GUARANTEED BENEFITS ONLY.—If, after the plan administrator has begun to terminate the plan as authorized by subparagraph (B) (i) or (ii), the corporation or the plan administrator finds that the plan is unable, or will be unable, to pay when due all benefits under the plan which are guaranteed by the corporation under section 4022, the plan administrator shall notify the corporation of such finding as soon as practicable thereafter. If the corporation makes such a finding or concurs with the finding of the plan administrator, it shall institute appropriate proceedings under section 4042.

"(ii) FINDING WITH RESPECT TO BENEFIT ENTITLEMENTS WHICH ARE NOT GUARANTEED BENEFITS.—If, after the plan administrator has begun to terminate the plan as authorized under subparagraph (B)(i), the corporation or the plan administrator finds that the plan is unable, or will be unable, to pay when due benefit entitlements which are not benefits guaranteed by the corporation under section 4022, the plan administrator shall notify the corporation of such finding as soon as practicable thereafter. If the corporation makes such a finding or concurs with the finding of the plan administrator, it shall take the actions set forth in subparagraph (B)(ii)(II) relating to the section 4049 trustee.

"(D) ADMINISTRATION OF THE PLAN DURING INTERIM PERIOD.—During the period commencing on the date on which the plan administrator provides a notice of distress termination to the corporation under subsection (a)(2) and ending on the date on which the plan administrator receives notification from the corporation of its determinations under subparagraph (A), the plan administrator—

"(i) shall refrain from distributing assets or taking any other actions to carry out the proposed termination under this subsection,

"(ii) shall pay benefits attributable to employer contributions, other than death benefits, only in the form of an annuity,

"(iii) shall not use plan assets to purchase irrevocable commitments to provide benefits from an insurer, and

"(iv) shall continue to pay when due all benefit entitlements under the plan, except that, commencing on the proposed termination date, the plan administrator shall limit the payment of benefits under the plan to those benefits which are guaranteed by the corporation under section 4022 or to which assets are required to be allocated under section 4044.

In the event the plan is later determined not to have terminated in a distress termination, any benefits which are not paid solely by reason of clause (iv) shall be due and payable immediately (together with interest).

"(4) RESTORATION OF PLAN TERMINATED ON THE BASIS OF BANKRUPTCY OR INSOLVENCY UPON CONVERSION OF LIQUIDATION PROCEEDINGS TO REORGANIZATION PROCEEDINGS.—In any case in which—

"(A) a single-employer plan has been terminated under a distress termination and the requirements of paragraph (2)(B) in connection with such termination were met solely on the basis of the filing of a petition seeking liquidation in a case under title 11, United States Code (or under a similar law of a State or a political subdivision of a State), as provided in paragraph (2)(B)(ii), and

"(B) during the one-year period following the date of the filing of the petition, such case is dismissed or converted to a case under chapter 11 of such title (or under a similar law of a State or a political subdivision of a State) in which reorganization is sought,

the distress termination shall be void and the plan shall be restored to pretermination status (effective as of the proposed termination date), unless the plan administrator obtains a determination by the corporation that the requirements of paragraph (2)(B) as provided in clause (i), (iii), or (iv) thereof were met as of such date.".

(b) CONFORMING AMENDMENTS.—Section 4041 (as amended by the preceding provisions of this Act) is further amended—

(1) by striking out subsection (e); and

(2) by redesignating subsection (f) as subsection (e).

SEC. 3309. TERMINATION PROCEEDINGS; DUTIES OF THE CORPORATION.

(a) MANDATORY COMMENCEMENT OF PROCEEDINGS UPON INABILITY OF SINGLE-EMPLOYER PLAN TO PAY BENEFITS THAT ARE CURRENTLY DUE.—

(1) IN GENERAL.—Section 4042(a) (29 U.S.C. 1342(a)) is amended by striking out in the second sentence "The corporation" and inserting in lieu thereof the following: "The corporation shall as soon as practicable institute court proceedings under this section to terminate a single-employer plan whenever it determines that the plan does not have assets available to pay benefits that are currently due under the terms of the plan. The corporation".

(2) CONFORMING AMENDMENTS.—

(A) Section 4042(b)(1) (29 U.S.C. 1342(b)(1)) is amended, in the first sentence, by inserting "or is required under subsection (a) to institute court proceedings under this section," after "to a plan".

(B) Section 4042(c) (29 U.S.C. 1342(c)) is amended in the first sentence by striking out "If the corporation" and all that follows down through "it may," and inserting in lieu thereof the following: "If the corporation is required under subsection (a) of this section to commence court proceedings under this section with respect to a plan or, after issuing a notice under this section to a plan administrator, has determined (whether or not a trustee has been appointed under subsection (b)) that the plan should be terminated under this section, it shall,".

(b) CLARIFICATION OF POWER TO COLLECT AMOUNTS DUE THE CORPORATION.—Section 4042(d)(1)(B)(ii) (29 U.S.C. 1342(d)(1)(B)(ii)) is amended by inserting after "amounts due the plan" the following: ", including but not limited to the power to collect from the persons obligated to meet the requirements of section 302 or the terms of the plan".

(c) CONFORMING AMENDMENT.—The heading for section 4042 is amended to read as follows:

"INSTITUTION OF TERMINATION PROCEEDINGS BY THE CORPORATION"

SEC. 3310. AMENDMENTS TO LIABILITY PROVISIONS; LIABILITIES RELATING TO BENEFIT ENTITLEMENTS IN EXCESS OF BENEFITS GUARANTEED BY THE CORPORATION.

(a) LIABILITY FOR DISTRESS TERMINATIONS AND TERMINATIONS BY THE CORPORATION.—Section 4062 (29 U.S.C. 1362) is amended by striking out so much as precedes subsection (e) and inserting in lieu thereof the following:

"LIABILITY FOR TERMINATION OF SINGLE-EMPLOYER PLANS UNDER A DISTRESS TERMINATION OR A TERMINATION BY THE CORPORATION

"SEC. 4062. (a) IN GENERAL.—In any case in which a single-employer plan is terminated in a distress termination under section 4041(c) or a termination otherwise instituted by the corporation under section 4042, any person who is, on the termination date, a contributing sponsor of the plan or a member of such a contributing sponsor's controlled group shall incur liability under this section. The liability under this section of all such persons shall be joint and several. The liability under this section consists of—

"(1) liability to the corporation to the extent provided in subsection (b), and

"(2) liability to the section 4049 trustee to the extent provided in subsection (c).

"(b) LIABILITY TO THE CORPORATION.—

"(1) IN GENERAL.—The liability to the corporation of a person described in subsection (a) shall consist of the sum of—

"(A) the amount of the plan's funding shortage (as defined in subsection (d)(1)), and

"(B) the total amount of unfunded guaranteed benefits (as of the termination date) of all participants and beneficiaries under the plan,

together with interest calculated from the termination date.

"(2) PAYMENT OF LIABILITY TO THE CORPORATION.—

"(A) GENERAL RULE.—Except as provided in subparagraph (B), the liability to the corporation under this subsection shall be due and payable to the corporation as of the termination date, in cash or securities acceptable to the corporation.

"(B) PAYMENTS TO CORPORATION UNDER PROFITS SCHEDULE.—Notwithstanding subparagraph (A), if any person subject to liability under this subsection in connection with a plan termination demonstrates to the satisfaction of the corporation that the liability described in paragraph (1)(B) exceeds 30 percent of the collective net worth of persons subject to liability, any person subject to such liability may satisfy the liability described in paragraph (1)(B) in excess of such 30 percent amount by means of payments under the profits schedule as provided in paragraph (3).

"(3) ANNUAL LIABILITY PAYMENTS UNDER PROFITS SCHEDULE.—

"(A) FORM OF PAYMENTS.—Each person making liability payments under the profits schedule shall be liable to the corporation for an annual payment, in cash or securities acceptable to the corporation, for each of the ten liability payment years in connection with the terminated plan (subject to earlier satisfaction of the liability under paragraph (4)(B)).

"(B) AMOUNT OF ANNUAL PAYMENT.—The amount of each annual payment for a liability payment year shall be equal to 10 percent of the sum of the individual pretax profits (if any) of all persons liable under this section in connection with the plan termination for their respective fiscal years ending during such liability payment year.

"(C) DUE DATE.—A person's liability for each annual liability payment referred to in subparagraph (A) for a liability payment year shall accrue as of the end of such year and shall be paid (together with interest accrued from the end of such year) not later than 30 days after the later of—

"(i) the end of such liability payment year, or

"(ii) the latest date on which any person liable for such payment is required to file a Federal income tax return for a fiscal year ending during such liability payment year (taking into account any applicable extensions of time to file such return).

"(4) SATISFACTION OF LIABILITY UNDER PROFITS SCHEDULE.—Notwithstanding paragraph (3)(A)—

"(A) SATISFACTION OF ANNUAL LIABILITY UPON RECEIPT BY CORPORATION OF 10-PERCENT AMOUNT.—The liability to the corporation of all persons who are subject to the profits schedule under this subsection in connection with the same plan termination shall be satisfied with respect to any liability payment year upon receipt by the corporation of one or more liability payments under paragraph (3) for such liability payment year which equal, in the aggregate, the 10-percent amount described in paragraph (3)(B).

"(B) SATISFACTION OF ENTIRE LIABILITY UNDER PROFITS SCHEDULE.—All liability to the corporation under this subsection in connection with the same plan termination with respect to which payment has commenced under the profits schedule under this subsection may be satisfied with respect to all liability payment years at any time by payment by any person to the corporation of the excess of—

"(i) the total amount of liability to the corporation under this subsection subject to payment under the profits schedule in connection with such termination (plus interest), over

"(ii) the total amount of prior liability payments previously made by all persons to the corporation under the profits schedule under this subsection in connection with such termination (plus interest).

"(C) REFUNDS OF EXCESS PAYMENTS.—The corporation shall refund to the payor (with interest) any amounts paid to the corporation as profits liability payments which are in excess of amounts necessary for satisfaction of liability under subparagraph (A) or (B).

"(5) ALTERNATIVE ARRANGEMENTS.—The corporation and any person liable under this section may agree to alternative arrangements for the satisfaction of liability to the corporation under this subsection.

"(c) LIABILITY TO SECTION 4049 TRUSTEE.—

"(1) IN GENERAL.—A person described in subsection (a) shall be subject to liability to the section 4049 trustee under this subsection if there is an outstanding amount of benefit entitlements under the plan.

"(2) ANNUAL LIABILITY PAYMENTS.—

"(A) FORM OF PAYMENTS.—The liability of any person under this subsection shall consist of an annual payment to the section 4049 trustee, in cash or securities acceptable to the section 4049 trustee, for each of the ten liability payment years in connection with the terminated plan (subject to earlier satisfaction of the liability under paragraph (3)(B)).

"(B) AMOUNT OF ANNUAL PAYMENT.—The amount of each annual payment for a liability payment year shall be equal to 5 percent of the sum of the individual pretax profits (if any) of all persons liable under this section in connection with the plan termination for their respective fiscal years ending during such liability payment year.

"(C) DUE DATE.—A person's liability under this subsection for a liability payment year shall accrue as of the end of such year and shall be paid (with interest accrued from the end of such year) not later than 30 days after the later of—

"(i) the end of such year, or

"(ii) the latest date on which any person subject to liability under this subsection in connection with such termination is required to file a Federal income tax return for a fiscal year ending during such liability payment year (taking into account applicable extensions of time to file such return).

"(3) SATISFACTION OF LIABILITY.—Notwithstanding paragraph (2)(C)—

"(A) SATISFACTION OF ANNUAL LIABILITY UPON RECEIPT BY TERMINATION TRUSTEE OF 5-PERCENT AMOUNT.—The liability to the section 4049 trustee of all persons who are subject to liability under this subsection in connection with the same plan termination shall be satisfied with respect to any liability payment year upon receipt by the section 4049 trustee of one or more liability payments under this subsection for such liability payment year which equal, in the aggregate, the 5-percent amount described in paragraph (2)(B).

"(B) SATISFACTION OF ENTIRE LIABILITY TO SECTION 4049 TRUSTEE.—All liability to the section 4049 trustee of all persons who are subject to liability under this subsection in connection with the same plan termination may be satisfied with respect to all liability payment years at any time by payment by any person to the section 4049 trustee of an amount equal to the excess of—

"(i) the total outstanding amount of benefit entitlements of all participants and beneficiaries under the plan (plus interest), over

"(ii) the total amount of prior liability payments previously made by all persons to the section 4049 trustee under this subsection in connection with such termination (plus interest).

"(C) REFUNDS OF EXCESS PAYMENTS.—The section 4049 trustee shall refund to the payor (with interest) any amount paid to the section 4049 trustee as liability payments which is in excess of amounts necessary for satisfaction of liability under subparagraph (A) or (B).

"(d) DEFINITIONS.—For purposes of this section—

"(1) FUNDING SHORTAGE.—The term 'funding shortage', in connection with a terminated plan, means an amount (as of the termination date) equal to the sum of—

"(A) the outstanding balance of the accumulated funding deficiencies (within the meaning of section 302(a)(2)) of the plan (if any) (which, for purposes of this subparagraph, shall include the amount of any increase in such accumulated funding deficiencies of the plan which would result if all applications for waivers of the minimum funding standard under section 303 and for extensions of the amortization period under section 304 which are pending with respect to such plan were denied),

"(B) the outstanding balance of the amount of waived funding deficiencies of the plan waived before such date under section 303 (if any), and

"(C) the outstanding balance of the amount of decreases in the minimum funding standard allowed before such date under section 304 (if any).

"(2) COLLECTIVE NET WORTH OF PERSONS SUBJECT TO LIABILITY.—

"(A) IN GENERAL.—The collective net worth of persons subject to liability in connection with a plan termination consists of the sum of the individual net worths of all persons who—

"(i) have individual net worths which are greater than zero, and

"(ii) are (as of the termination date) contributing sponsors of the terminated plan or members of their controlled groups.

"(B) DETERMINATION OF NET WORTH.—For purposes of this paragraph, the net worth of a person is—

"(i) determined on whatever basis best reflects, in the determination of the corporation, the current status of the person's operations and prospects at the time chosen for determining the net worth of the person, and

"(ii) increased by the amount of any transfers of assets made by the person which are determined by the corporation to be improper under the circumstances, including any such transfers which would be inappropriate under title 11, United States Code, if the person were a debtor in a case under chapter 7 of such title.

"(C) TIMING OF DETERMINATION.—For purposes of this paragraph, determinations of net worth shall be made as of a day chosen by the corporation (during the 120-day period ending with the termination date) and shall be computed without regard to any liability under this section.

"(3) PRETAX PROFITS.—The term 'pretax profits' means—

"(A) except as provided in subparagraph (B), for any fiscal year of any person, such person's consolidated net income (excluding any extraordinary charges to income and including any extraordinary credits to income) for such fiscal year, as shown on audited financial statements prepared in accordance with generally accepted accounting principles, or

"(B) for any fiscal year of an organization described in section 501(c) of the Internal Revenue Code of 1954, the excess of income over expenses (as such terms are defined for such organizations under generally accepted accounting principles),

before provision for or deduction of Federal or other income tax, any contribution to any single-employer plan of which such person is a contributing sponsor at any time during the period beginning on the termination date and ending with the end of such fiscal year, and any amounts required to be paid for such fiscal year under this section. The corporation may by regulation require such information to be filed on such forms as may be necessary to determine the existence and amount of such pretax profits.

"(4) LIABILITY PAYMENT YEARS.—The liability payment years in connection with a terminated plan consist of the ten consecutive one-year periods, the first of which is the earlier of—

"(A) the first of the consecutive one-year periods, following the last plan year preceding the termination date, in which any person liable under this section in connection with the plan termination earns a pretax profit, or

"(B) the fourth of the consecutive one-year periods following the last plan year preceding the termination date.".

(b) CLERICAL AMENDMENT.—Subsection (e) of section 4062 is amended by inserting "TREATMENT OF SUBSTANTIAL CESSATION OF OPERATIONS.—" after "(e)".

SEC. 3311. DISTRIBUTION TO PARTICIPANTS AND BENEFICIARIES OF LIABILITY PAYMENTS TO SECTION 4049 TRUSTEE.

Subtitle C of title IV is amended by adding at the end thereof the following new section:

"DISTRIBUTION TO PARTICIPANTS AND BENEFICIARIES OF LIABILITY PAYMENTS TO SECTION 4049 TRUSTEE

"SEC. 4049. (a) APPOINTMENTS OF TRUSTEE; ESTABLISHMENT OF TRUST.—Whenever the corporation is required under section 4041(c)(3)(B)(ii) or (iii) to appoint a section 4049 trustee, it shall appoint either itself or another person to act as the section 4049 trustee. The trustee appointed under this section shall establish a separate trust with respect to the terminated plan. The trust established by the section 4049 trustee shall be used exclusively for—

"(1) receiving liability payments under section 4062(c) from the persons who were (as of the termination date) contributing sponsors of the terminated plan and members of their controlled groups,

"(2) making distributions as provided in this section to the persons who were (as of the termination date) participants and beneficiaries under the terminated plan, and

"(3) defraying the reasonable administrative expenses incurred by the section 4049 trustee in carrying out its responsibilities under this section.

The section 4049 trustee shall establish and maintain such trust with respect to the terminated plan for such period of time as is necessary to receive all liability payments required to be made to the trustee under section 4062(c) with respect to the terminated plan and to make all distributions required to be made to participants and beneficiaries under this section with respect to the terminated plan.

"(b) DISTRIBUTIONS BY TRUSTEE.—

"(1) IN GENERAL.—Not later than 30 days after the end of each liability payment year (described in section 4062(d)(4)) with respect to a terminated single-employer plan, the trustee appointed under this section with respect to such plan shall distribute from the trust maintained by the trustee pursuant to subsection (a) to each person who was (as of the termination date) a participant or beneficiary under the plan—

"(A) in any case not described in subparagraph (B), an amount equal to the outstanding amount of benefit entitlements of such person under the plan (including interest calculated from the termination date), to the extent not previously paid under this paragraph, or

"(B) in any case in which the balance in the trust at the end of such year (after taking into account liability payments received under subsection (a)(1) and administrative expenses paid under subsection (a)(3)) is less than the total of all amounts described in subparagraph (A) in connection with all persons who were (as of the termination date) participants and beneficiaries under the terminated plan, the product derived by multiplying—

"(i) the amount described in subparagraph (A) in connection with each such person, by

"(ii) a fraction—

"(I) the numerator of which is such balance in the trust, and

"(II) the denominator of which is equal to the total of all amounts described in subparagraph (A) in connection with all persons who were (as of the termination date) participants and beneficiaries under the terminated plan.

"(2) CARRY-OVER OF MINIMAL PAYMENT AMOUNTS.—The trustee may withhold a payment to any person under this subsection in connection with any liability payment year (other than the last liability payment year with respect to which payments under paragraph (1) are payable) if such payment does not exceed $25. In any case in which such a payment is so withheld, the payment to such person in connection with the next following liability payment year shall be increased by the amount of such withheld payment.

"(c) REGULATIONS.—The corporation may issue such regulations as it considers necessary to carry out the purposes of this section.".

SEC. 3312. TREATMENT OF TRANSACTIONS TO EVADE LIABILITY; EFFECT OF CORPORATE REORGANIZATION.

Subtitle D of title IV is amended by adding at the end thereof the following new section:

"TREATMENT OF TRANSACTIONS TO EVADE LIABILITY; EFFECT OF CORPORATE REORGANIZATION

"SEC. 4069. (a) TREATMENT OF TRANSACTIONS TO EVADE LIABILITY.—If a principal purpose of any person in entering into any transaction is to evade liability under this subtitle in connection with the termination of a single-employer plan under sections 4041 or 4042 and the transaction becomes effective within five years before the termination date, then such person and the members of such person's controlled group (determined as of the termination date) shall be subject to liability under this subtitle in connection with such termination as if such person were a contributing sponsor of the terminated plan as of the termination date. This subsection shall not cause any person to be liable under this subtitle in connection with such plan termination for any increases or improvements in the benefits provided under the plan which are adopted after the date on which the transaction referred to in the preceding sentence becomes effective.

"(b) EFFECT OF CORPORATE REORGANIZATION.—For purposes of this subtitle, the following rules apply in the case of certain corporate reorganizations:

"(1) CHANGE OF IDENTITY, FORM, ETC.—If a person ceases to exist by reason of a reorganization which involves a mere change in identity, form, or place of organization, however effected, a successor corporation resulting from such reorganization shall be treated as the person to whom this subtitle applies.

"(2) LIQUIDATION INTO PARENT CORPORATION.—If a person ceases to exist by reason of liquidation into a parent corporation, the parent corporation shall be treated as the person to whom this subtitle applies.

"(3) MERGER, CONSOLIDATION, OR DIVISION.—If a person ceases to exist by reason of a merger, consolidation, or division, the successor corporation or corporations shall be treated as the person to whom this subtitle applies.".

SEC. 3313. ADDITIONAL ENFORCEMENT AUTHORITY RELATING TO TERMINATIONS OF SINGLE-EMPLOYER PLANS.

Subtitle D of title IV (as amended by section 3312) is further amended by adding at the end thereof the following new section:

"ADDITIONAL ENFORCEMENT AUTHORITY RELATING TO TERMINATIONS OF SINGLE-EMPLOYER PLANS

"SEC. 4070. (a) IN GENERAL.—A person who is with respect to a single-employer plan a fiduciary, employer, contributing sponsor, member of a contributing sponsor's controlled group, participant, or beneficiary, and who is adversely affected by an act or practice of any party in violation of any provision of section 4041, 4042, 4049, 4062, 4063, 4064, or 4069, or an employee organization

which represents such a participant or beneficiary for purposes of collective bargaining with respect to such plan, may bring an action—

"(1) to enjoin such act or practice, or

"(2) to obtain other appropriate equitable relief (A) to redress such violation or (B) to enforce such provision.

"(b) STATUS OF PLAN AS PARTY TO ACTION AND WITH RESPECT TO LEGAL PROCESS.—A single-employer plan may be sued under this section as an entity. Service of summons, subpoena, or other legal process of a court upon a trustee or an administrator of a single-employer plan in such trustee's or administrator's capacity as such shall constitute service upon the plan. If a plan has not designated in the summary plan description of the plan an individual as agent for the service of legal process, service upon the corporation shall constitute such service. The corporation, not later than 15 days after receipt of service under the preceding sentence, shall notify the administrator or any trustee of the plan of receipt of such service. Any money judgment under this section against a single-employer plan shall be enforceable only against the plan as an entity and shall not be enforceable against any other person unless liability against such person is established in such person's individual capacity.

"(c) JURISDICTION AND VENUE.—The district courts of the United States shall have exclusive jurisdiction of civil actions under this section. Such actions may be brought in the district where the plan is administered, where the violation took place, or where a defendant resides or may be found, and process may be served in any other district where a defendant resides or may be found. The district courts of the United States shall have jurisdiction, without regard to the amount in controversy or the citizenship of the parties, to grant the relief provided for in subsection (a) in any action.

"(d) RIGHT OF CORPORATION TO INTERVENE.—A copy of the complaint in any action under this section shall be served upon the corporation by certified mail. The corporation shall have the right in its discretion to intervene in any action.

"(e) RIGHT OF CORPORATION TO ATTORNEY REPRESENTATION.—In all civil actions under this section, attorneys appointed by the corporation may represent the corporation.

"(f) VENUE OF SUITS AGAINST THE CORPORATION.—Suits under this section to review a final determination or order of the corporation, to restrain the corporation from taking any action contrary to the provisions of sections 4041, 4042, 4062, 4063, 4064, and 4069, or to compel the corporation to take action required under such provisions, may be brought in the district court of the United States for the district where the plan has its principal office or in the United States District Court for the District of Columbia.

"(g) AWARDS OF COSTS AND EXPENSES.—

"(1) GENERAL RULE.—In any action brought under this section, the court in its discretion may award all or a portion of the costs and expenses incurred in connection with such action, including reasonable attorney's fees, to any party who prevails or substantially prevails in such action.

"(2) SPECIAL RULE FOR STANDARD TERMINATION VIOLATIONS.—If, in any action brought under this section the plaintiff alleges a violation of any requirement of section 4041(b) (relating to the termination of a single-employer plan in a standard termination), and, in the judgment of the court, the plaintiff substantially prevails on such allegation, the court shall award to the plaintiff the costs and expenses incurred in connection with such action (including reasonable attorney's fees).

"(3) SPECIAL RULE FOR FAILURE TO MAKE LIABILITY PAYMENT.—In the case of a failure to make timely payment of any liability payment under section 4062(c), the court, in any action for enforcement under this section relating to such failure, shall award to the plaintiff the costs and the expenses incurred in connection with such action (including reasonable attorney's fees), unless the defendant demonstrates that the failure to make the liability payment was based on reasonable cause.

"(4) EXEMPTION FOR PLANS.—Notwithstanding the preceding provisions of this subsection, no plan shall be required in any action to pay any costs and expenses (including attorney's fees).

"(h) TIME LIMITATION.—An action under this section may not be brought after the later of—

"(1) 6 years after the date on which the cause of action arose, or

"(2) 3 years after the earliest date on which the plaintiff acquired or should have acquired actual knowledge of the existence of such cause of action; except that in the case of fraud or concealment, such action may be brought not later than 6 years after the date of discovery of the existence of such cause of action.".

SEC. 3314. SECURITY FOR WAIVERS OF MINIMUM FUNDING STANDARD AND EXTENSIONS OF AMORTIZATION PERIOD.

(a) IN GENERAL.—Part 3 of subtitle B of title I is amended—

(1) by redesignating section 306 (29 U.S.C. 1086) as section 307; and

(2) by inserting after section 305 (29 U.S.C. 1085) the following new section:

"SECURITY FOR WAIVERS OF MINIMUM FUNDING STANDARD AND EXTENSIONS OF AMORTIZATION PERIOD

"SEC. 306. (a) IN GENERAL.—Except as provided in subsection (c), the Secretary may require security to a single-employer plan as a condition for granting or modifying a waiver of the minimum funding standard with respect to such plan under section 303 or an extension of an amortization period with respect to such plan under section 304. The providing of such security to the plan in accordance with this section shall not be considered an extension of credit for purposes of part 4 of this subtitle. Such security may be perfected and enforced only by the Pension Benefit Guaranty Corporation or by a contributing sponsor (within the meaning of section 4001(a)(13)) or a member of such a sponsor's controlled group at the direction of the Corporation.

"(b) CONSULTATION WITH THE PENSION BENEFIT GUARANTY CORPORATION AND OTHER INTERESTED PARTIES.—Except as provided in subsection (c), before granting or modifying a waiver of the minimum funding standard with respect to a single-employer plan under section 303 or an extension of the amortization period with respect to such plan under section 304 or taking any other action under this section, the Secretary shall—

"(1) provide the Pension Benefit Guaranty Corporation notice of the proposed waiver, extension, modification, or other action and a reasonable period of time to comment with respect to such waiver, extension, modification, or action and consider any comments of such Corporation relating to such waiver, extension, modification, or action which are provided to the Secretary during such period, and

"(2) consider the views of any other interested parties relating to such waiver, extension, modification, or action which are submitted in writing to such Secretary.

"(c) EXCEPTION.—The requirements of subsections (a) and (b) shall not apply in the case of any waiver, extension, modification, or other action referred to in such subsections with respect to a plan if the sum of—

"(1) the outstanding balance of the accumulated funding deficiencies (within the meaning of section 302(a)(2)) of the plan (which, for purposes of this paragraph, shall include the amount of any increase in such accumulated funding deficiencies of the plan which would result if all applications for waivers of the minimum funding standard under section 303 and for extensions of the amortization period under section 304 which are pending with respect to such plan were denied),

"(2) the outstanding balance of the amount of waived funding deficiencies of the plan waived under section 303, and

"(3) the outstanding balance of the amount of decreases in the minimum funding standard allowed under section 304,

is less than $1,000,000.".

(b) CLERICAL AMENDMENT.—The table of sections in section 1 is amended by striking out the item relating to section 306 and inserting in lieu thereof the following new items:

"Sec. 306. Security for waivers of minimum funding standard and extensions of amortization period.

"Sec. 307. Effective dates.".

(c) EFFECTIVE DATES.—The amendments made by this section shall apply with respect to—

(1) waivers of the minimum funding standard granted on or after the date of the enactment of this Act with respect to a single-employer plan under section 303 of the Employee Retirement Income Security Act of 1974,

(2) extensions of an amortization period granted on or after such date with respect to a single-employer plan under section 304 of such Act, and

(3) modifications granted on or after such date of waivers of the minimum funding standard granted with respect to a single-employer plan under such section 303 on or after such date and modifications granted on or after such date of extensions of the amortization period granted with respect to a single-employer plan under such section 304 on or after such date.

SEC. 3315. CONFORMING, CLARIFYING, TECHNICAL, AND MISCELLANEOUS AMENDMENTS.

(a) CONFORMING AMENDMENTS RELATING TO PLAN TERMINATIONS.—

(1) CREDITS TO PENSION BENEFIT GUARANTY FUNDS.—Section 4005(b)(1)(C) (29 U.S.C. 1305(b)(1)(C)) is amended by inserting "terminated under section 4041(c) or" after "a plan".

(2) APPLICABILITY OF ASSET ALLOCATION RULES.—Section 4044(c) (29 U.S.C. 1344(c)) is amended—

(A) in the first sentence, by striking out "Any" and inserting in lieu thereof "In the case of a distress termination under section 4041(c) or a termination by the corporation under section 4042, any", and by striking out "the period beginning" and all that follows down through "is to be allocated" and inserting in lieu thereof the following: "the period beginning on the date a trustee is appointed under section 4042(b) and ending on the termination date is to be allocated"; and

(B) in the second sentence, by inserting "in such a termination under section 4041(c) or 4042" after "terminated".

(3) TERMINATION DATE.—Section 4048(a) (29 U.S.C. 1348(a)) is amended—

(A) by striking out "date of termination" and inserting in lieu thereof "termination date";

(B) by redesignating paragraphs (1) through (3) as paragraphs (2) through (4), respectively;

(C) in paragraph (2) (as redesignated), by inserting "in a distress termination" after "terminated" and by striking out "section 4041" and inserting in lieu thereof "section 4041(c)";

(D) by inserting before paragraph (2) (as redesignated) the following new paragraph:

"(1) in the case of a plan terminated in a standard termination in accordance with the provisions of section 4041(b), the date specified in the notice provided under section 4041(a)(2),";

and

(E) in paragraph (4) (as redesignated), by striking out "in accordance with the provisions of either section" and inserting in lieu thereof "under section 4041(c) or 4042".

(4) CONFORMING AMENDMENTS TO SPECIAL LIABILITY RULES RELATING TO CERTAIN SINGLE-EMPLOYER PLANS WITH MULTIPLE CONTROLLED GROUPS.—

(A) LIABILITY OF SUBSTANTIAL EMPLOYER FOR WITHDRAWAL.—

(i) Section 4063(a) (29 U.S.C. 1363(a)) is amended—

(I) by striking out "plan under which more than one employer makes contributions (other than a multiemployer plan)" and inserting in lieu thereof "single-employer plan which has two or more contributing sponsors at least two of whom are not under common control";

(II) in paragraph (1), by striking out "withdrawal of a substantial employer" and inserting in lieu thereof "withdrawal during a plan year of a substantial employer for such plan year";

(III) in paragraph (2), by striking out "of such employer" and all that follows and inserting in lieu thereof "of all persons with respect to the withdrawal of the substantial employer.";

(IV) by striking out "whether such employer is liable for any amount under this subtitle with respect to the withdrawal" and inserting in lieu thereof "whether there is liability resulting from the withdrawal of the substantial employer"; and

(V) by striking out "notify such employer" and inserting in lieu thereof "notify the liable persons".

(ii) Section 4063(b) (29 U.S.C. 1363(b)) is amended—

(I) by striking out "an employer" and all that follows down through "shall be liable" and inserting in lieu thereof "any one or more contributing sponsors who withdraw, during a plan year for which they constitute a substantial employer, from a single-employer plan, to which section 4021 applies and which has two or more contributing sponsors at least two of whom are not under common control, shall, upon notification of such contributing sponsors by the corporation as provided by subsection (a), be liable, together with the members of their controlled groups,";

(II) by striking out "such employer's";

(III) by striking out "the employer's withdrawal" and inserting in lieu thereof "the withdrawal referred to in subsection (a)(1)";

(IV) in paragraph (1), by striking out "such employer" and inserting in lieu thereof "such contributing sponsors";

(V) in paragraph (2), by striking out "all employers" and inserting in lieu thereof "all contributing sponsors"; and

(VI) by striking out "the liability of each such employer" and inserting in lieu thereof "such liability".

(iii) Section 4063(c) (29 U.S.C. 1363(c)) is amended—

(I) in paragraph (1), by striking out "In lieu of payment of his liability under this section the employer" and inserting in lieu thereof "In lieu of payment of a contributing sponsor's liability under this section the contributing sponsor";

(II) in paragraph (2), by inserting "under section 4041(c) or 4042" after "terminated", by striking out "of such employer", and by striking out "to the employer (or his bond cancelled)" and inserting in lieu thereof "(or the bond cancelled)"; and

(III) in paragraph (3), by inserting "under section 4041(c) or 4042" after "terminates".

(iv) Section 4063(d) (29 U.S.C. 1363(d)) is amended—

(I) by striking out "Upon a showing by the plan administrator of a plan (other than a multiemployer plan) that the withdrawal from the plan by any employer or employers has resulted" and inserted in lieu thereof "Upon a showing by the plan administrator of the plan that the withdrawal from the plan by one or more contributing sponsors has resulted";

(II) by striking out "by employers"; and

(III) in paragraph (1), by striking out "their employer's" and inserting in lieu thereof "the".

(v) Section 4063(e) (29 U.S.C. 1363(e)) is amended—

(I) by striking out "to any employer or plan administrator"; and

(II) by striking out "all other employers" and inserting in lieu thereof "contributing sponsors".

(vi) The heading for section 4063 is amended by adding at the end thereof the following "FROM SINGLE-EMPLOYER PLANS UNDER MULTIPLE CONTROLLED GROUPS.".

(B) ALLOCATION OF LIABILITY UPON TERMINATION OF CERTAIN SINGLE-EMPLOYER PLANS.—

(i) Section 4064(a) (29 U.S.C. 1364(a)) is amended—

(I) by striking out "all employers who maintain a plan under which more than one employer makes contributions (other than a multiemployer plan)" and inserting in lieu thereof "all contributing sponsors of a single-employer plan which has two or more contributing sponsors at least two of whom are not under common control"; and

(II) by inserting "under section 4041(c) or 4042" after "terminated".

(ii) Section 4064(b) (29 U.S.C. 1364(b)) is amended—

(I) by striking out "liability of each such employer" and inserting in lieu thereof "liability with respect to each contributing sponsor and each member of its controlled group";

(II) by striking out "under section 4062(b)(1)";

(III) by striking out "each employer" the first place it appears and inserting in lieu thereof "each contributing sponsor and member of its controlled group";

(IV) in paragraph (1), by striking out "each employer" and inserting in lieu thereof "members of such controlled group";

(V) in paragraph (2), by striking out "such employers" and inserting in lieu thereof "contributing sponsors";

(VI) by striking out "5 years," in paragraph (2) and all that follows down through "employer." and inserting in lieu thereof "5 years."; and

(VII) in the last sentence, by striking out "of each such employer" and inserting in lieu thereof "of each such contributing sponsor and member of its controlled group".

(iii) The heading for section 4064 is amended to read as follows:

"LIABILITY ON TERMINATION OF SINGLE-EMPLOYER PLANS UNDER MULTIPLE CONTROLLED GROUPS".

(C) ANNUAL NOTIFICATION TO SUBSTANTIAL EMPLOYERS.—Section 4066 (29 U.S.C. 1366) is amended—

(i) by striking out "each plan under which contributions are made by more than one employer (other than a multiemployer plan)" and inserting in lieu thereof "each single-employer plan which has at least two contributing sponsors at least two of whom are not under common control";

(ii) by striking out "any employer making contributions under that plan" and inserting in lieu thereof "any contributing sponsor of the plan"; and

(iii) by striking out "that he is a substantial employer" and inserting in lieu thereof "that such contributing sponsor comprises with others a substantial employer".

(5) ADDITIONAL AMENDMENTS RELATING TO RECOVERY OF AMOUNTS OF LIABILITY.—

(A) Section 4067 (29 U.S.C. 1367) is amended—

(i) by striking out "employers" and inserting in lieu thereof "contributing sponsors and members of their controlled groups"; and

(ii) by inserting "of amounts of liability to the corporation accruing as of the termination date" after "deferred payment".

(B)(i) Section 4068 (29 U.S.C. 1368) is amended—

(I) in subsection (a), by striking out "employer or employers" each place it appears and inserting in lieu thereof "person", and by striking out "neglect or refuse" and inserting in lieu thereof "neglects or refuses";

(II) in subsection (d)(1), by striking out "employer" and inserting in lieu thereof "liable person";

(III) in subsection (d)(2), by striking out "employer" each place it appears and inserting in lieu thereof "liable person"; and

(IV) in subsection (e), by striking out "employer or employers" and inserting in lieu thereof "liable person".

(ii) Section 4068 is further amended by striking out the second sentence in subsection (c)(1) (29 U.S.C. 1368(c)(1)) and inserting in lieu thereof the following:

"Such section 6323 shall be applied for purposes of this section by disregarding subsection (g)(4) and by substituting—

"(A) 'lien imposed by section 4068 of the Employee Retirement Income Security Act of 1974' for 'lien imposed by section 6321' each place it appears in subsections (a), (b), (c)(1), (c)(4)(B), (d), (e), and (h)(5);

"(B) 'the corporation' for 'the Secretary' in subsections (a) and (b)(9)(C);

"(C) 'the payment of the amount on which the lien is based' for 'the collection of any tax under this title' in subsection (b)(3);

"(D) 'a person whose property is subject to the lien' for 'the taxpayer' in subsections (b)(8), (c)(2)(A)(i) (the first place it appears), (c)(2)(A)(ii), (c)(2)(B), (c)(4)(B), and (c)(4)(C) (in the matter preceding clause (i));

"(E) 'such person' for 'the taxpayer' in subsections (c)(2)(A)(i) (the second place it appears) and (c)(4)(C)(ii);

"(F) 'payment of the loan value of the amount on which the lien is based is made to the corporation' for 'satisfaction of a levy pursuant to section 6332(b)' in subsection (b)(9)(C);

"(G) 'section 4068 lien' for 'tax lien' each place it appears in subsections (c)(1), (c)(2)(A), (c)(2)(B), (c)(3)(B)(iii), (c)(4)(B), (d), and (h)(5); and

"(H) 'the date on which the lien is first filed' for 'the date of the assessment of the tax' in subsection (g)(3)(A).".

(b) CLARIFICATION OF DESCRIPTION OF CERTAIN INFORMATION REQUIRED TO BE FILED IN ANNUAL REPORT.—

(1) IN GENERAL.—Section 103(d)(6) (29 U.S.C. 1023(d)(6)) is amended to read as follows:

"(6) Information required in regulations of the Pension Benefit Guaranty Corporation with respect to:

"(A) the current value of the assets of the plan,

"(B) the present value of all nonforfeitable benefits for participants and beneficiaries receiving payments under the plan,

"(C) the present value of all nonforfeitable benefits for all other participants and beneficiaries,

"(D) the present value of all accrued benefits which are not nonforfeitable (including a separate accounting of such benefits which are benefit entitlements, as defined in section 4001(a)(16)), and

"(E) the actuarial assumptions and techniques used in determining the values described in subparagraphs (A) through (D).".

(2) CONFORMING AMENDMENT.—Section 104(a)(2)(A) (29 U.S.C. 1024(a)(2)(A)) is amended by striking out the second sentence.

(3) TRANSITION RULES.—Any regulations, modifications, or waivers which have been issued by the Secretary of Labor with respect to section 103(d)(6) of the Employee Retirement Income Security Act of 1974 (as in effect immediately before the date of the enactment of this Act) shall remain in full force and effect until modified by any regulations with respect to such section 103(d)(6) prescribed by the Pension Benefit Guaranty Corporation.

(c) ADDITIONAL AMENDMENTS.—

(1) DEFINITIONS FOR TITLE I.—Section 3 (29 U.S.C. 1002) is amended—

(A) in paragraph (37)(A), by inserting "pension" before "plan"; and

(B) by adding after paragraph (40) the following new paragraph:

"(41) The term 'single-employer plan' means any pension plan which is not a multiemployer plan.".

(2) NOTICE OF REQUEST FOR WAIVERS OF MINIMUM FUNDING STANDARDS AND RIGHT TO SUBMIT RELEVANT INFORMATION.—Section 303 (29 U.S.C. 1083) is amended—

(A) by redesignating subsection (d) as subsection (e); and

(B) by inserting after subsection (c) the following new subsection:

"(d)(1) Before granting a waiver under this section, the Secretary shall require that the applicant provide evidence satisfactory to the Secretary that the applicant has notified each affected party (within the meaning of section 4001(a)(21)) that the waiver has been requested.

"(2) After granting a waiver under this section, the Secretary may (subject to section 306) modify the terms and conditions under which the waiver was granted if the Secretary determines that this is appropriate taking into account all the facts and circumstances.

"(3) The Secretary shall consider any relevant information submitted by a recipient of the notification described in paragraph (1) relating to the propriety of granting the waiver or of subsequently modifying the terms and conditions thereof.".

(3) NOTICE OF REQUEST FOR EXTENSIONS OF AMORTIZATION PERIOD AND RIGHT TO SUBMIT RELEVANT INFORMATION.—Section 304 (29 U.S.C. 1084) is amended by adding at the end thereof the following new subsection:

"(c)(1) Before granting an extension under this section, the Secretary shall require that the applicant provide evidence satisfactory to the Secretary that the applicant has notified each affected party (within the meaning of section 4001(a)(21)) that the extension has been requested.

"(2) After granting an extension under this section, the Secretary may (subject to section 306) modify the terms and conditions under which the extension was granted if the Secretary determines that this is appropriate taking into account all the facts and circumstances.

"(3) The Secretary shall consider any relevant information submitted by a recipient of the notification described in paragraph (1) relating to the propriety of granting the extension or of subsequently modifying the terms and conditions thereof.".

(4) TECHNICAL CORRECTION.—Section 4003(f) (29 U.S.C. 1303(f)) is amended, in the first sentence, by striking out "employee" and inserting in lieu thereof "employer".

(5) REPEAL OF EXPIRED AUTHORITY.—Section 4004 (29 U.S.C. 1304) is repealed.

(6) VOTING BY CORPORATION OF STOCK PAID AS LIABILITY.—Section 4005 (29 U.S.C. 1305) is amended by adding at the end thereof the following new subsection:

"(g) Any stock in a person liable to the corporation under this title which is paid to the corporation by such person or a member of such person's controlled group in satisfaction of such person's liability under this title may be voted only by the custodial trustees or outside money managers of the corporation.".

(7) EFFECTIVE YEARS.—Section 4022(b)(7) (29 U.S.C. 1322(b)(7)) is amended by striking out "following" and inserting in lieu thereof "beginning with".

(8) TREATMENT OF PRE-RETIREMENT SURVIVOR BENEFITS.—Section 4022 (29 U.S.C. 1322) is amended by adding at the end thereof the following new subsection:

"(d) For purposes of subsection (a), a pre-retirement survivor benefit with respect to a participant under a terminated single-employer plan shall not be treated as forfeitable solely because the participant has not died as of the termination date.".

(9) CONFORMING AMENDMENT.—Section 4042(d)(3) (29 U.S.C. 1342(d)(3)) is amended by striking out "same duties as a trustee appointed under section 47 of the Bankruptcy Act" and inserting in lieu thereof "same duties as those of a trustee under section 704 of title 11, United States Code".

(10) CLERICAL CORRECTIONS.—Section 4044(a)(4) (29 U.S.C. 1344(a)(4)(A)) is amended—

(A) in subparagraph (A), by striking out "section 4022(b)(5)" and inserting in lieu thereof "section 4022B(a)"; and

(B) in subparagraph (B), by striking out "section 4022(b)(6)" and inserting in lieu thereof "section 4022(b)(5)".

(11) RELEASE OF LIEN.—Section 4068(e) (29 U.S.C. 1368(e)) is amended by striking out ", with the consent of the board of directors,".

(d) AMENDMENTS TO THE TABLE OF CONTENTS OF ERISA.—The table of contents in section 1 is amended—

(1) by striking out the item relating to section 4004;

(2) by striking out the item relating to section 4042 and inserting in lieu thereof the following new item:

"Sec. 4042. Institution of termination proceedings by the corporation.";

(3) by inserting after the item relating to section 4048 the following new item:

"Sec. 4049. Distribution to participants and beneficiaries of liability payments to section 4049 trustee."; and

(4) by striking out the items relating to subtitle D of title IV and inserting in lieu thereof the following new items:

"Subtitle D—Obligations of the Corporation; Liability of Employers and Other Persons

"Sec. 4061. Amounts payable by the corporation.

"Sec. 4062. Liability for termination of single-employer plans under a distress termination or a termination by the corporation.

"Sec. 4063. Liability of substantial employer for withdrawal from single-employer plans under multiple controlled groups.

"Sec. 4064. Liability on termination of single-employer plans under multiple controlled groups.

"Sec. 4065. Annual report of plan administrator.

"Sec. 4066. Annual notification of substantial employers.

"Sec. 4067. Recovery of employer liability for plan termination.

"Sec. 4068. Lien for liability of employer.

"Sec. 4069. Treatment of transactions to evade liability; effect of corporate reorganization.

"Sec. 4070. Additional enforcement authority relating to terminations of single-employer plans.".

SEC. 3316. EFFECTIVE DATE.

(a) IN GENERAL.—Except as otherwise provided in this subtitle, the provisions of this subtitle shall take effect on the date of enactment of this Act.

(b) TRANSITIONAL RULE.—If a single-employer plan which has not terminated under title IV of the Employee Retirement Income Security Act of 1974 fails to meet the requirements of the amendments made by this subtitle but is administered in a manner which meets such requirements, such plan need not be amended to meet such requirements until the earlier of—

(1) the date on which such plan is first amended after the date of the enactment of this Act, or

(2) the beginning of the first plan year beginning after December 31, 1989.

Subtitle D—Continuation Coverage Under Group Health Plans

SEC. 3401. TEMPORARY EXTENSION OF COVERAGE AT GROUP RATES FOR FAMILY MEMBERS OF DECEASED, DIVORCED, OR MEDICARE-ELIGIBLE WORKERS.

(a) IN GENERAL.—Subtitle B of title I of the Employee Retirement Income Security Act of 1974 is amended by adding at the end thereof the following new part:

"PART 6—CONTINUATION COVERAGE UNDER GROUP HEALTH PLANS

"SEC. 601. REQUIRED OPTION OF CONTINUATION COVERAGE WHEN QUALIFIED BENEFICIARY WOULD LOSE COVERAGE.

"The plan sponsor of each group health plan shall provide under such plan, in accordance with this part, to each qualified beneficiary who would lose coverage under the plan because of a qualifying event the option of electing continuation coverage under the plan.

"SEC. 602. ELECTION.

"(a) ELECTION PERIOD.—The option of electing continuation coverage must be offered during a period that—

"(1) begins not later than the termination date (as defined in section 603(2))

"(2) is of at least 60 days duration, and

"(3) ends not earlier than 60 days after the date the qualified beneficiary is notified under section 606(4) or the termination date, whichever date is later.

"(b) EFFECT OF ELECTION ON OTHER BENEFICIARIES.—Unless otherwise specified in the election, any such election by a qualified beneficiary described in section 607(3)(A) shall be deemed to include an election of continuation coverage on behalf of any other qualified beneficiary whose coverage would, but for continuation coverage provided in accordance with this paragraph, be affected by the qualifying event.

"SEC. 603. QUALIFYING EVENT AND TERMINATION DATE.

"For purposes of this part—

"(1) QUALIFYING EVENT.—A 'qualifying event' under a group health plan, with respect to a covered employee, is any of the following events if coverage of a qualified beneficiary under the plan would, but for continuation coverage provided in compliance with this paragraph, be terminated by the occurrence of the event:

"(A) The death of the covered employee.

"(B) The divorce or separation of the covered employee from the employee's spouse.

"(C) The covered employee becoming entitled to benefits under title XVIII of the Social Security Act.

"(2) TERMINATION DATE.—The term 'termination date' means, with respect to a qualifying event, the date on which coverage of a qualified beneficiary under a group health plan would be terminated under the plan but for continuation coverage provided in compliance with this part.

"SEC. 604. TERMS OF CONTINUATION COVERAGE.

"Any continuation coverage elected by or on behalf of a qualified beneficiary shall meet the following requirements:

"(1) NO REQUIREMENT OF INSURABILITY.—The coverage may not be conditioned upon, or discriminate on the basis of lack of, evidence of insurability.

"(2) CONTINUED BENEFITS.—The coverage shall consist of coverage which is identical to the coverage provided under the plan to similarly situated beneficiaries under the plan with respect to whom a qualifying event has not occurred.

"(3) PERIOD OF CONTINUED COVERAGE.—The coverage shall be for a period commencing upon the termination date and ending not earlier than the earliest of the following:

"(A) MAXIMUM OF FIVE YEARS.—Five years after the termination date.

"(B) END OF PLAN.—The date on which the plan sponsor ceases to provide any group health plan to employees.

"(C) FAILURE TO PAY PREMIUMS.—The date on which there is a failure in making timely payment of any premium required under the plan with respect to the qualified beneficiary.

"(D) REEMPLOYMENT OR MEDICARE ELIGIBILITY.—The date on which the qualified beneficiary first becomes or could become, after the date of the election, a covered employee under any other group health plan or becomes entitled to benefits under title XVIII of the Social Security Act.

"(E) REMARRIAGE OF SPOUSE.—In the case of a qualified beneficiary described in section 607(3)(A), the date on which the beneficiary remarries and becomes (or could become) covered under a group health plan as the spouse of a covered employee.

"(F) CHILD TURNING MAJORITY.—In the case of an individual who is a qualified beneficiary by reason of having been a covered dependent child of a covered employee, the date on which the individual ceases to be a covered dependent child of the covered employee.

"(4) CONVERSION OPTION.—In the case of a qualified beneficiary whose period of continued coverage expires under paragraph (3)(A), the plan must provide to the beneficiary, during the 180-day period ending on the date of expiration of the period of continued coverage, the option of enrollment under a conversion health plan otherwise generally available to beneficiaries under the plan.

"SEC. 605. PREMIUMS FOR CONTINUATION COVERAGE.

"(a) AMOUNT.—The total premium charged under a group health plan with respect to any qualified beneficiary for continuation coverage under the plan shall not exceed the sum of employer premiums and employee premiums generally charged with respect to coverage under the plan of similarly situated beneficiaries with respect to whom a qualifying event has not occurred. The total of all premiums charged under the plan in any plan year may be based upon reasonably anticipated community costs for such plan year of the entire pool of covered employees and other beneficiaries under the plan, including qualified beneficiaries receiving continuation coverage under the plan under this part.

"(b) PAYMENTS.—The plan may provide for payment of the total premium by the qualified beneficiary receiving such coverage, or for payment of all or part of such premium by the plan sponsor, employer, or other party and payment of the remainder of such premium by such beneficiary. The plan shall provide for payment of any premium by a qualified beneficiary in monthly installments if so elected by such beneficiary. If an election is made during an election period but after the termination date, the plan shall permit payment of any premium for continuation coverage during the preceding period to be made within 45 days of the date of the election.

"(c) PREMIUM CHARGED DEFINED.—As used in this section, the term 'premium charged' means any amount payable with respect to the provision of coverage under a group health plan.

"SEC. 606. NOTICE REQUIREMENTS.

"In accordance with regulations of the Secretary—

"(1) the group health plan must provide, at the time of commencement of coverage under the plan, for written notice to each covered employee and spouse of the employee (if any) of the rights provided under this part;

"(2) the employer of an employee under the plan must notify the group health plan administrator if the employer knows or has reason to know that the covered employee has died;

"(3) each covered employee is responsible for notifying the group health plan administrator of the occurrence of any qualifying event (other than that described in section 603(1)(A)) with respect to such employee; and

"(4) the group health plan administrator must notify each qualified beneficiary, within a period of 14 days after the date the administrator is notified concerning the occurrence of a qualifying event affecting such beneficiary, of—

"(A) the termination date with respect to such beneficiary, and

"(B) such beneficiary's right to elect continuation coverage under this part and the election period established under section 602(a) during which such beneficiary can exercise that right.

For purposes of paragraph (4), any notification to an individual who is a qualified beneficiary as the spouse of the covered employee shall be treated as notification to all other qualified beneficiaries residing with such spouse at the time such notification is made.

"SEC. 607. DEFINITIONS.

"For purposes of this part—

"(1) GROUP HEALTH PLAN.—

"(A) IN GENERAL.—The term 'group health plan' means any employee welfare benefit plan of, or contributed to by, a plan sponsor to provide medical care to employees, former employees, or the families of such employees or former employees, directly or through insurance, reimbursement, or otherwise.

"(B) MEDICAL CARE.—For purposes of this paragraph, the term 'medical care' means amounts paid—

"(i) for the diagnosis, cure, mitigation, treatment, or prevention of disease, or for the purpose of affecting any structure or function of the body,

"(ii) for transportation primarily for and essential to medical care referred to in clause (i), or

"(iii) for insurance (including amounts paid as premiums under part B of title XVIII of the Social Security Act, relating to supplementary medical insurance for the aged) covering medical care referred to in clauses (i) and (ii).

"(2) COVERED EMPLOYEE.—The term 'covered employee' means an individual who is (or was) provided coverage under a group health plan by virtue of the individual's employment or previous employment with an employer.

"(3) QUALIFIED BENEFICIARY.—The term 'qualified beneficiary' means, with respect to a covered employee under a group health plan, any other individual who, on the date before the date of a qualifying event for that employee—

"(A) is a beneficiary under the plan as the spouse of the employee and has been married to the employee for at least the immediately preceding 30-day period, or

"(B) is a beneficiary under the plan as a covered dependent child of the employee.

"(4) COVERED DEPENDENT CHILD.—The term 'covered dependent child' means, with respect to a covered employee, an individual who meets the generally applicable requirements of the plan for treatment as a dependent child covered under the plan by reason of the coverage of the employee under the plan.

"(5) GROUP HEALTH PLAN ADMINISTRATOR.—The term 'group health plan administrator'

means, in connection with a group health plan, the plan administrator.

"SEC. 608. REGULATIONS.

"The Secretary may prescribe regulations to carry out the provisions of this part.".

(b) PENALTY FOR FAILURE TO PROVIDE NOTICE.—Section 502(c) of such Act (29 U.S.C. 1132(c)) is amended by inserting after "such request" the following: ", or who fails to meet the requirements of paragraph (1) or (4) of section 606 with respect to a participant or beneficiary,".

(c) CLERICAL AMENDMENTS.—The table of contents in section 1 of such Act is amended by inserting after the item relating to section 514 the following new items:

"PART 6—CONTINUATION COVERAGE UNDER GROUP HEALTH PLANS

"Sec. 601. Required option of continuation coverage when qualified beneficiary would lose coverage.
"Sec. 602. Election.
"Sec. 603. Qualifying event and termination date.
"Sec. 604. Terms of continuation coverage.
"Sec. 605. Premiums for continuation coverage.
"Sec. 606. Notice requirements.
"Sec. 607. Definitions.
"Sec. 608. Regulations.".

SEC. 3402. EFFECTIVE DATES.

(a) GENERAL RULE.—The amendments made by this subtitle shall apply to plan years beginning on or after January 1, 1986.

(b) SPECIAL RULE FOR COLLECTIVE BARGAINING AGREEMENTS.—In the case of a group health plan maintained pursuant to one or more collective bargaining agreements between employee representatives and one or more employers ratified before the date of the enactment of this Act, the amendments made by this subtitle shall not apply to plan years beginning before the earlier of—

(1) the date on which the last of the collective bargaining agreements relating to the plan terminates (determined without regard to any extension thereof agreed to after the date of the enactment of this Act), or

(2) January 1, 1987.

For purposes of paragraph (1), any plan amendment made pursuant to a collective bargaining agreement relating to the plan which amends the plan solely to conform to any requirement added by this section shall not be treated as a termination of such collective bargaining agreement.

SEC. 3403. NOTIFICATION TO COVERED EMPLOYEES.

At the time that the amendments made by this subtitle apply to a group health plan (within the meaning of section 607(1) of the Employee Retirement Income Security Act of 1974, the plan shall notify each covered employee, and spouse of the employee (if any), who is covered under the plan at that time of the continuation coverage required under part 6 of subtitle (B) of title I of such Act. The notice furnished under this section is in lieu of notice that may otherwise be required under section 606(1) of such Act.

TITLE IV—COMMITTEE ON ENERGY AND COMMERCE

Subtitle A—Synthetic Fuels

SEC. 4101. SHORT TITLE.

This subtitle may be cited as the "Synthetic Fuels Fiscal Responsibility Act".

SEC. 4102. FINDINGS AND PURPOSES.

Section 100 of the Energy Security Act (42 U.S.C. 8701) is amended to read as follows:

"FINDINGS AND PURPOSES

"SEC. 100. (a) The Congress finds and declares that—

"(1) the reduction of unnecessary Federal spending is essential to reducing the budget deficit, and important to the health of the national economy and the well-being of our citizens;

"(2) the United States Synthetic Fuels Corporation has failed in its mission, has spent funds on unreasonable and excessive personnel and administrative costs, and is not the appropriate institution to carry out a scaled down synthetic fuels assistance program;

"(3) such a program can best be carried out by the Department of Energy under standard Government procedures regarding conflicts-of-interest, salaries and benefits, and public access to information;

"(4) the achievement of energy security for the United States is essential to the long-term health of the national economy, the well-being of our citizens, and the maintenance of national security;

"(5) the petroleum industry and petroleum consumers have been subject to alternating cycles of shortage and oversupply, which has disrupted and inhibited the orderly development of alternatives to continually depleting petroleum supplies; and

"(6) the vulnerability of the United States to oil supply interruptions or world energy price increases can be reduced by a limited program to develop the capability to produce synthetic fuels from the vast available domestic resources.

"(b)(1) The purposes of this Act are to reduce the budget deficit, to improve the Nation's balance of payments, to reduce the threat of economic disruption from oil supply interruptions or price increases, to improve the Nation's environmental quality, and to increase the Nation's security by reducing its future dependence on imported oil.

"(2) Congress declares that these purposes can be served by—

"(A) abolishing the United States Synthetic Fuels Corporation, transferring to the Department of Energy its functions and authorizing funds for a smaller synthetic fuels assistance program to be administered by the Secretary of Energy; and

"(B) providing limited financial support for capital and operating expenses of commercial scale synthetic fuel plants at the smallest scale which will encourage the replication of commercial scale technologies.".

SEC. 4103. ABOLITION OF THE UNITED STATES SYNTHETIC FUELS CORPORATION.

Subtitle B of part B of title I of the Energy Security Act is amended to read as follows:

"SUBTITLE B—ABOLITION OF CORPORATION

"CESSATION OF COMMITMENTS

"SEC. 115. The Corporation shall not enter into any legally binding commitment, including any increase or addition to an existing commitment, under this part after the date of enactment of the Synthetic Fuels Fiscal Responsibility Act.

"TEMPORARY OPERATIONS

"SEC. 116. (a) The Board of Directors of the Corporation is disestablished and the Directors shall be discharged on the date of enactment of the Synthetic Fuels Fiscal Responsibility Act.

"(b) The Secretary, or the designated representative of the Secretary, shall be the Chief Operating Officer of the Corporation.

"(c) The Secretary shall dispose of all assets of the Corporation not necessary for the operation of the synthetic fuels assistance program described in sections 125 and 126, shall transfer to the Department of Energy all other assets of the Corporation, and shall take such other steps as are necessary to terminate the affairs of the Corporation.

"(d) No officer or employee of the Corporation shall receive a salary for the period after the date of enactment of the Synthetic Fuels Fiscal Responsibility Act in excess of the rate of basic pay payable for level IV of the Executive Schedule under title 5 of the United States Code.

"(e)(1) The Director of the Office of Personnel Management shall, within 90 days after the date of enactment of the Synthetic Fuels Fiscal Responsibility Act, determine—

"(A) the amount of compensation rights which have vested under contract with respect to each Director, officer, or employee of the Corporation; and

"(B) the extent of compensation claims made by each such Director, officer, or employee that are not vested under contract and are unreasonable or excessive.

"(2) No payments of any amounts described in paragraph (1)(B) shall be made to any Director, officer, or employee of the Corporation by the Secretary, the Corporation, or the United States.

"ABOLITION

"SEC. 117. The Corporation shall be abolished and all officers and employees of the Corporation discharged 90 days after the date of enactment of the Synthetic Fuels Fiscal Responsibility Act.".

SEC. 4104. SYNTHETIC FUELS ASSISTANCE PROGRAM.

Subtitle C of part B of title I of the Energy Security Act is amended to read as follows:

"SUBTITLE C—SYNTHETIC FUELS ASSISTANCE PROGRAM

"SECRETARY'S RESPONSIBILITIES

"SEC. 125. (a)(1) The Secretary shall assume the responsibility for administering under this part the synthetic fuels program formerly administered by the Corporation, and shall assume all legally binding obligations and contractual rights and responsibilities of the Corporation in connection therewith. Liability to the United States under this paragraph is limited to the extent of budget authority for such purposes provided by law before the date of enactment of the Synthetic Fuels Fiscal Responsibility Act.

"(2) This subsection shall take effect on the date of enactment of the Synthetic Fuels Fiscal Responsibility Act or on October 1, 1985, whichever occurs later.

"(b)(1) The Secretary shall administer the modified synthetic fuels assistance program described in section 126(a), to the extent provided in advance in appropriation Acts.

"(2)(A) For purposes of determining the Secretary's compliance with the limitation contained in paragraph (1)—

"(i) loans shall be counted at the initial face value of the loan plus such amounts as are subsequently obligated pursuant to section 132(a)(3);

"(ii) loan guarantees shall be counted at the initial face value of such loan guarantee (including any amount of interest which is guaranteed under such loan guarantee) plus such amounts as are subsequently obligated pursuant to section 133(a)(3);

"(iii) price guarantees and purchase agreements shall be valued by the Secretary as of

the date of each such contract, based upon the Secretary's estimate of the maximum potential liability of the United States;

"(iv) joint ventures and Department construction projects shall be valued at the current estimated cost to the United States, as determined annually by the Secretary; and

"(v) any increase in the liability of the United States pursuant to any amendment or other modification to a contract for a loan, loan guarantee, price guarantee, purchase agreement, joint venture, or Department construction project shall be counted.

"(B) Determinations made under subparagraph (A) shall be made in accordance with generally accepted accounting principles, consistently applied.

"(C) If more than one form of financial assistance is to be provided to any one synthetic fuel project or if the financial assistance agreement provides a right to the United States to purchase the synthetic fuel project, then the obligations and commitments thereunder shall be valued at the maximum potential exposure on such project at any time during the life of such project.

"(D) Any commitment by the Secretary to provide financial assistance or make capital expenditures which is nullified or voided for any reason shall not be considered in the aggregate for the purpose of paragraph (1).

"MODIFIED ASSISTANCE PROGRAM

"SEC. 126. (a) The Secretary shall undertake a program to encourage the synthetic fuels industry in the United States by providing financial assistance for commercial scale projects in the United States on the smallest, least expensive, scale practicable that would encourage the replication of commercial scale synthetic fuels technologies, including those which may face economic or other risks in order to compete in the market place.

"(b)(1) To the extent possible in carrying out the program described in subsection (a), the Secretary shall avoid duplication of effort by adapting work done by the Corporation and by applicants for financial assistance on solicitations and projects already in negotiation.

"(2) In carrying out the program described in subsection (a), the Secretary shall first give consideration to projects, as originally proposed or as modified within 90 days after the date of enactment of the Synthetic Fuels Fiscal Responsibility Act, with respect to which the Corporation issued a letter of intent before February 5, 1985.

"ASSISTANCE PLAN

"SEC. 127. (a) The Secretary shall, within 90 days after the date of enactment of the Synthetic Fuels Fiscal Responsibility Act, submit to the Congress an assistance plan, consistent with section 126(a) and the purposes of this part, setting forth the anticipated methods and schedules for the attainment of the synthetic fuels assistance program of the United States described by sections 125 and 126. Such plan shall address—

"(1) which synthetic fuel resources and technologies deserve Federal support;

"(2) the economic and technical feasibility or potential of each technology;

"(3) the anticipated improvements in later commercial scale projects to be derived from projects under this part;

"(4) the anticipated environmental effects associated with each technology and resource, including water requirements; and

"(5) the most advantageous combination of technologies and resources to be supported.

"(b) To the extent possible in preparing the assistance plan required by subsection (a), the Secretary shall avoid duplication of effort by adapting information and materials compiled by the Corporation.

"ASSISTANCE STRATEGY

"SEC. 128. (a) In order to assure achievement of the purposes of this title and the assistance plan developed under section 127, the Secretary—

"(1) shall, pursuant to subtitle D, solicit proposals for synthetic fuel projects;

"(2) shall, pursuant to section 131(a), award financial assistance to those qualified concerns submitting proposals acceptable to the Secretary;

"(3) shall, after soliciting proposals pursuant to paragraph (1) and reviewing such proposals, if in the judgment of the Secretary, there are, or will be, insufficient acceptable proposals as necessary to achieve the purposes of this title, undertake to negotiate contracts pursuant to subtitle D as necessary to achieve the purposes of this title; and

"(4) may, only after fulfilling the requirements of paragraphs (1), (2), and (3), and subsection (c), if in the judgment of the Secretary, there still are, or will be, insufficient acceptable proposals as necessary to achieve the purposes of this title, consistent with the objectives set forth in subsection (b) and the assistance plan developed under section 127, undertake a construction project under subtitle E as necessary to achieve the purposes of this title.

"(b)(1) The Secretary, in discharging responsibilities under subsection (a), shall employ financial assistance pursuant to subtitle D or construction projects under subtitle E in such manner as will, in the judgment of the Secretary, (A) incorporate a technological diversity of processes, methods and techniques for each domestic resource that offers significant potential for use as a synthetic fuel feedstock, and (B) offer the potential for achieving the assistance plan developed under section 127.

"(2) For the purposes of this subsection, the term 'domestic resource' shall be construed so as to require the consideration of different types and qualities of coal (such as high- and low-sulphur coal, or Eastern and Western coal), shale, and tar sands, as different domestic resources.

"(c) Prior to undertaking a construction project under subtitle E, the Secretary shall publish in the Federal Register the intention to undertake a project and the objectives of such a project, and shall solicit proposals to meet such objectives through the use of other financial assistance mechanisms established under subtitle D. If the Secretary does not receive, within thirty days after the publication of the objectives pursuant to the preceding sentence, an acceptable notice of intent to submit a proposal, the Secretary may undertake such a construction project under subtitle E.

"SOLICITATION OF PROPOSALS

"SEC. 129. (a) The Secretary is hereby directed to solicit proposals from time to time from concerns interested in the construction or operation, or both, of synthetic fuel projects. Such set of solicitations shall encompass a diversity of technologies (including differing processes, methods, and techniques) for each potential domestic resource as well as all of the forms of financial assistance authorized in subtitle D. The Secretary shall provide notice of such solicitations in the Federal Register and by such other notice as is customarily used to inform the public of Federal assistance for major research and development undertakings.

"(b) All solicitations of proposals for financial assistance shall be conducted in a manner so as to encourage maximum open and free competition.

"(c) Any concern may request the Secretary to issue a solicitation pursuant to this section for proposals for a general type of synthetic fuel project and the Secretary, if the action is in accordance with the purposes of this title and the provisions of this part, may issue such a solicitation.

"(d) Each solicitation for proposals pursuant to the authority of this section shall set forth general evaluation criteria, as determined by the Secretary, taking into account—

"(1) the achievement of the assistance plan developed under section 127; and

"(2) the requirements of the assistance strategy set forth under section 128.

"(e) The Secretary shall consult with the Governor of any State in which a proposed construction project under subtitle E or a proposed joint venture project under section 136 would be located with regard to (1) the manner in which the project would be developed, and (2) regulatory, licensing, and related governmental activities pertaining to such project. The States shall have the opportunity to provide written response to the Secretary on all aspects of such project development, licensing, and operation.

"EMPLOYEES

"SEC. 130. The Secretary may hire former employees of the Corporation who have special expertise or experience to assist the Secretary in carrying out the synthetic fuels assistance program under this part, subject to the laws of the United States with respect to Federal employment.".

SEC. 4105. ENVIRONMENTAL PLAN.

Section 131(e) of the Energy Security Act (42 U.S.C. 8731(e)) is amended to read as follows:

"(e) Any proposed legally binding obligation for financial assistance not entered into before the date of enactment of the Synthetic Fuels Fiscal Responsibility Act shall include a plan, acceptable to the Secretary and the Administrator of the Environmental Protection Agency, for the monitoring of environmental and health related effects of the construction and operation of the synthetic fuel project. Such plan shall be developed by the applicant for financial assistance in consultation with the Secretary, the Administrator of the Environmental Protection Agency, and appropriate State, regional, and local agencies, and shall—

"(1) provide for the collection of data of environmental significance;

"(2) identify all known or potentially significant pollutants and emissions associated with the project;

"(3) provide for the testing of mitigation methods and control, monitoring, and assessment technologies;

"(4) provide for the accumulation of a data base for assessing solid waste disposal problems;

"(5) ensure the operation of such project in compliance with applicable environmental requirements, including the Federal Water Pollution Control Act (33 U.S.C. 1151-1175) and the Clean Air Act (42 U.S.C. 7400 et seq.);

"(6) provide information with respect to the anticipated effect of such project on regional and local water supplies;

"(7) provide information with respect to the anticipated health effects on workers

and other persons connected to the project, including any carcinogenic effects;

"(8) provide information with respect to the anticipated social and economic impacts on local communities which will be most directly affected by the project; and

"(9) provide for the participation in appropriate activities under such plan by representatives of the Environmental Protection Agency.".

SEC. 4106. FUNDING LIMITATION.

Section 131(o) of the Energy Security Act (42 U.S.C. 8731(o)) is amended by adding at the end the following new sentence: "No financial assistance may be extended under this part after the date of enactment of the Synthetic Fuels Fiscal Responsibility Act from funds authorized under section 109(a) of such Act (1) to the extent such assistance would cause the total amount of assistance under this part for any one synthetic fuel project or module to exceed 60 percent of the capital and operating costs of such project or module, or (2) for any synthetic fuel project which received, before November 1, 1984, more than $1,000,000,000 pursuant to a Federal Financing Bank Agreement guaranteed by the Department of Energy.".

SEC. 4107. PRICE GUARANTEE LIMITATION.

Section 134 of the Energy Security Act (42 U.S.C. 8734) is amended—

(1) by inserting "(a)" after "SEC. 134."; and

(2) by adding at the end a new subsection as follows:

"(b) No price guarantee shall be made under this section after the date of enactment of the Synthetic Fuels Fiscal Responsibility Act from funds authorized under section 109(a) of such Act at a level in excess of 125 percent of the projected market price of comparable energy over the term of the guarantee.".

SEC. 4108. CONGRESSIONAL REVIEW.

Section 138 of the Energy Security Act (42 U.S.C. 8738) is amended to read as follows:

"CONGRESSIONAL REVIEW PROCEDURE

"SEC. 138. (a) No legally binding obligation, or accumulation of such obligations for one project, for an amount in excess of $20,000,000 may be entered into by the Secretary under this part after the date of enactment of the Synthetic Fuels Fiscal Responsibility Act unless a proposal for such obligation, or accumulation of such obligations for one project, is submitted to the Congress under this section.

"(b) For purposes of this section, the term 'synthetic fuel action' means any matter required under subsection (a) to be submitted to the Congress.

"(c) Along with any synthetic fuel action submitted to the Congress under this section the Secretary shall attach—

"(1) a detailed analysis of the aid proposal, including the amount and type of assistance;

"(2) an assessment by the Secretary of the potential of the resource and technology being assisted;

"(3) a cost-benefit analysis, including projections of net monetary gains and losses for the United States;

"(4) a copy of the environmental plan required under section 131(e); and

"(5) an explanation of how the proposed project and its technology relates to the assistance plan submitted by the Secretary under section 127, including a justification of resource applicability and reproducibility.

"(d) The Secretary shall transmit any synthetic fuel action (bearing an identification number) to both Houses of the Congress on the same day. If both Houses are not in session on the day on which any synthetic fuel action is transmitted to the appropriate officers of each House, for the purposes of this section such synthetic fuel action shall be deemed to have been received on the first succeeding day on which both Houses are in session.

"(e) No synthetic fuel action shall take effect if a joint resolution disapproving such synthetic fuel action is enacted within the first period of 90 calendar days of continuous session of Congress beginning on the date after the date such synthetic fuel action is received by the Congress.".

SEC. 4109. AUTHORIZATION OF APPROPRIATIONS.

(a) AUTHORIZATION.—There is authorized to be appropriated to the Secretary of Energy for carrying out part B of title I of the Energy Security Act, as amended by this subtitle, $500,000,000.

(b) ADDITIONAL REQUESTS.—The Secretary may from time to time request the Congress to authorize additional funds for such purposes.

SEC. 4110. RESCISSION.

Except as otherwise provided in this section, all funds appropriated to the Energy Security Reserve are hereby rescinded. Funds so rescinded shall include all funds appropriated to the Energy Security Reserve by the Department of the Interior and Related Agencies Appropriations Act, 1980 (Public Law 96-126) and subsequently made available to carry out title I, part B, of the Energy Security Act by Public Laws 96-304 and 96-514, and shall be deposited in the general fund of the Treasury. This rescission shall not apply to—

(1) $500,000,000 for cost-shared clean coal technology projects for the construction and operation of facilities to demonstrate the feasibility for future commercial application of such technology;

(2) $500,000,000, which is hereby appropriated to the Secretary of Energy for carrying out part B of title I of the Energy Security Act, as amended by this subtitle; and

(3) such amounts as may be necessary to make payments for projects or modules for which obligations were entered into under title I of the Energy Security Act before July 31, 1985.

SEC. 4111. RESTRICTIONS.

(a) USE OF FUNDS.—None of the funds appropriated by section 4110 or any other provision of law may be used by the United States Synthetic Fuels Corporation, the Secretary of Energy, or any other agent or officer of the United States for making payments with respect to obligations entered into by the United States Synthetic Fuels Corporation after July 31, 1985, and before the date of enactment of this Act.

(b) IMMUNITY FROM SUIT.—The United States hereby withdraws any stated or implied consent for the United States, any officer or agent of the United States, or the United States Synthetic Fuels Corporation to be sued by any person with respect to any claim arising out of obligations described in subsection (a).

SEC. 4112. TECHNICAL AND CONFORMING AMENDMENTS.

(a) SHORT TITLE.—Section 111 of the Energy Security Act is amended by striking out "United States Synthetic Fuels Corporation Act of 1980" and inserting in lieu thereof "United States Synthetic Fuels Assistance Act".

(b) DEFINITIONS.—Section 112 of the Energy Security Act (42 U.S.C. 8702) is amended—

(1) by inserting after paragraph (15) the following new paragraph:

"(15A) The term 'Secretary' means the Secretary of Energy."; and

(2) by adding at the end the following new paragraph:

"(19) The term 'United States' means the States, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States.".

(c) ADDITIONAL LOAN AMOUNTS.—Section 132(a)(3)(B) of the Energy Security Act (42 U.S.C. 8732(a)(3)(B)) is amended by striking out ", except that" and all that follows through "has not been disapproved".

(d) ADDITIONAL LOAN GUARANTEES.—Section 133(a)(3)(B) of the Energy Security Act (42 U.S.C. 8733(a)(3)(B)) is amended by striking out ", except if" and all that follows through "pursuant to such section".

(e) JOINT VENTURES.—Section 136(a) of the Energy Security Act (42 U.S.C. 8736(a)) is amended—

(1) by striking out the second sentence; and

(2) by striking out ": *Provided, however*" and all that follows through "joint venture agreement".

(f) FEES AND RECEIPTS.—

(1) FEES.—Section 139 of the Energy Security Act (42 U.S.C. 8739) is amended to read as follows:

"USER FEES

"SEC. 139. (a) The Secretary may charge and collect fees in connection with the financial assistance provided under this part, except that such fees shall not exceed 1 percent of the amount of such financial assistance. Fees received by the Secretary shall be deposited in the general fund of the Treasury.

"(b) The Secretary shall prescribe and collect an annual fee, in connection with each loan guarantee provided under this part, of one-half of one percent of the amount of such loan guarantee. Sums realized from such loan guarantee fees shall be deposited in the general fund of the Treasury.".

(2) RECEIPTS.—Section 154 of the Energy Security Act (42 U.S.C. 8754) is amended to read as follows:

"RECEIPTS

"SEC. 154. All receipts collected by the Secretary in connection with the synthetic fuels assistance program under this part shall be deposited in the general fund of the Treasury.".

(g) POWERS.—Section 171 of the Energy Security Act is amended—

(1) by amending subsection (a) to read as follows:

"(a) In carrying out the provisions of this part, the Secretary may lease, purchase, accept gifts or donations of, or otherwise acquire, and own, hold, improve, use, or otherwise deal in or with, and sell, convey, mortgage, pledge, lease, exchange, or otherwise dispose of, any property, real, personal, or mixed, or any interest therein."; and

(2) by striking out subsection (b).

(h) REPEALS.—Sections 113, 131(d), (j), (k)(2), (k)(3), and (u), 142, 151, 152, 153, 155, 172, 173(e) and (g), 174, 175, 177, 179, 180, and subtitles G, I, J, and K of part B of title I of the Energy Security Act are repealed.

(i) MISCELLANEOUS TERMINOLOGY CHANGES.—Part B of title I of the Energy Security Act is amended—

(1) in the title of such part by striking out "Corporation" and inserting in lieu thereof "Assistance Program";

(2) by striking out "Board of Directors" and inserting in lieu thereof "Secretary" each place it appears in sections 112(15), 131(a), (b)(2), (b)(4), (o), (p), and (r),

132(a)(2)(B) and (d), 133(a)(1), (a)(4), and (b), 134, 136(b), (c), and (f)(1), 137(b)(1) and (5), 141(d), and 173(a) and (b)(2), and in the last sentence of section 171(c);

(3) by striking out "127" and inserting in lieu thereof "129" each place it appears in sections 131 and 141(c);

(4) by striking out "Corporation" and inserting in lieu thereof "Secretary" each place it appears in sections 131(a), (b)(3), (c), (f), (g), (h), (i), (o), (p), (q), (s), and (t), 132(a) and (b), 133(a), 134, 135(a), (b), (d), and (e), 136(a), 141(b)(4), and 173(b); the first two places it appears in section 131(b)(1) and (r); the first place it appears in sections 131(l) and (n), 136(f)(1), 141(e), and 173(c), (d), and (f)(1); the second place it appears in sections 143(a), 144, and 173(a); the first and third places it appears in section 132(d); the fourth, fifth, and sixth places it appears in section 133(b); the second and third places it appears in section 137(c); the first, second, and fifth places it appears in section 140; the second and fourth places it appears in section 141(a); the third and fourth places it appears in section 141(d); the first, third, and fourth places it appears in section 145; the second and sixth places it appears in section 171(c); and each place it appears in the section headings for sections 132, 133, 134, 135, and 136;

(5) by striking out "Corporation" and inserting in lieu thereof "United States" each place it appears in sections 131(b)(2) and (k)(1), 133(b)(1) and (2), 135(c), 136(c), (d)(2), and (f)(2), 137(a), and 173(f)(1)(B) and (C); the second place it appears in sections 131(b)(1)(C), (l), and (n), and 136(f)(1); the third place it appears in section 131(r); the second and fourth places it appears in section 132(d); the first place it appears in sections 133(b)(3), 137(c), 141(a) and (b), and 173(a); all but the last two places it appears in section 137(b); the third and sixth places it appears in section 140; and the second, third, fourth, and fifth places it appears in section 173(d);

(6) by striking out ", upon such terms and conditions as the Board of Directors shall determine" in section 131(b)(1);

(7) by striking out "national synthetic fuel production goal established under section 125" and inserting in lieu thereof "objectives set forth in the assistance plan developed under section 127" in sections 131(b)(2) and (4) and 132(b);

(8) by striking out "national synthetic fuel production goal set forth in section 125" and inserting in lieu thereof "objectives set forth in the assistance plan developed under section 127" in section 136(b)(1);

(9) by striking out "126" and inserting in lieu thereof "128" in section 131(b)(4);

(10) by striking out ", except as provided in section 151" in section 131(f);

(11) by striking out "or its designee" each place it appears in sections 131(i) and 173(d);

(12) by striking out "as it deems" and inserting in lieu thereof "as the Secretary deems" in section 131(i);

(13) by striking out ", as computed in accordance with section 152" in section 131(k)(1);

(14) by striking out ", in its judgment," in section 131(r);

(15) by striking out "its determination of" and inserting in lieu thereof "determining" in section 131(t);

(16) by striking out ", on such terms and conditions as the Board of Directors may prescribe," in sections 132(a)(1), 134, 135(a), 136(a), and 137(c);

(17) by striking out "Corporation" the last two places it appears in section 137(b), the last two places it appears in section 137(c), and the fifth and sixth places it appears in section 141(d);

(18) by striking out "128" and inserting in lieu thereof "138" in sections 137(b) and (c) and 141(d);

(19) by striking out "not been disapproved" and inserting in lieu thereof "been approved" in sections 137(b) and (c) and 141(d);

(20) by striking out "in its sole discretion" in section 134;

(21) by striking out "of Energy" in sections 135(a) and (d) and 143(b);

(22) by striking out ", subject to section 172(d)," in section 135(d);

(23) by striking out "Prior to the approval of a comprehensive strategy pursuant to section 126(c), the" and inserting in lieu thereof "The" in section 136(a);

(24) by striking out "pursuant to section 181" in section 136(c);

(25) by striking out "Corporation" and inserting in lieu thereof "United States'" in section 136(e);

(26) by striking out "Corporation's" and inserting in lieu thereof "United States'" in section 136(e) and (f)(1);

(27) by striking out ", prior to the approval of the comprehensive strategy pursuant to section 126(c)," in section 137(b);

(28) by striking out "until it has submitted" and inserting in lieu thereof "until the Secretary has submitted" in section 137(b) and (c);

(29) by striking out "Corporation" and inserting in lieu thereof "Department" each place it appears in sections 112(5), 141(c), and 143(b); the fourth place it appears in section 140; the third and fifth places it appears in section 141(a); the second place it appears in sections 141(b) and (e) and 145; the first and second places it appears in section 141(d); the first place it appears in sections 143(a) and 144; the first, third, fourth, fifth, and seventh places it appears in section 171(c); and each place it appears in the headings for subtitle E and section 141;

(30) by striking out "126(a)(1)(D), section 126(a)(3), and section 142" and inserting in lieu thereof "128(a)(4) and (c)" in section 141(a);

(31) by striking out ", prior to the approval of a comprehensive strategy pursuant to section 126(c)," in section 141(a);

(32) by striking out ", in the judgment of the Board of Directors," in section 141(a);

(33) by striking out "126(a)(2)" and inserting in lieu thereof "128(b)" in section 141(a);

(34) by striking out "subject to section 172(d)," in section 141(b);

(35) by striking out ", in its sole discretion," in section 141(d);

(36) by striking out "addition to the powers granted under subsections (a) and (b), and only in" in section 171(c);

(37) by striking out "by its Board of Directors" in section 171(c);

(38) by striking out "it holds the patent but it" and inserting in lieu thereof "the United States holds the patent but the Secretary" in section 173(b)(1);

(39) by striking out "it holds the patent" and inserting in lieu thereof "the United States holds the patent" in section 173(b)(2);

(40) by striking out "including provision for the Corporation," in section 173(c);

(41) by striking out "and its designees" in section 173(d); and

(42) by striking out "Chairman of the Board of Directors" and inserting in lieu thereof "Secretary" in section 173(f)(1)(A).

(j) TABLE OF CONTENTS.—The table of contents for part B of title I of the Energy Security Act is amended to read as follows:

"Part B—United States Synthetic Fuels Assistance Program

"SUBTITLE A—GENERAL PROVISIONS

"Sec. 111. Short title.
"Sec. 112. General definitions.

"SUBTITLE B—ABOLITION OF CORPORATION

"Sec. 115. Cessation of commitments.
"Sec. 116. Temporary operations.
"Sec. 117. Abolition.

"SUBTITLE C—SYNTHETIC FUELS ASSISTANCE PROGRAM

"Sec. 125. Secretary's responsibilities.
"Sec. 126. Modified assistance program.
"Sec. 127. Assistance plan.
"Sec. 128. Assistance strategy.
"Sec. 129. Solicitation of proposals.
"Sec. 130. Employees.

"SUBTITLE D—FINANCIAL ASSISTANCE

"Sec. 131. Authorization of financial assistance.
"Sec. 132. Loans made by the Secretary.
"Sec. 133. Loan guarantees made by the Secretary.
"Sec. 134. Price guarantees made by the Secretary.
"Sec. 135. Purchase agreements made by the Secretary.
"Sec. 136. Joint ventures by the Secretary.
"Sec. 137. Control of assets.
"Sec. 138. Congressional review procedure.
"Sec. 139. User fees.
"Sec. 140. Disposition of securities.

"SUBTITLE E—DEPARTMENT CONSTRUCTION PROJECTS

"Sec. 141. Department construction and contractor operation.
"Sec. 143. Environmental, land use, and siting matters.
"Sec. 144. Project reports.
"Sec. 145. Financial records.

"SUBTITLE F—CAPITALIZATION AND FINANCE

"Sec. 154. Receipts.

"SUBTITLE H—GENERAL PROVISIONS

"Sec. 171. General powers.
"Sec. 173. Patents.
"Sec. 176. Severability.
"Sec. 178. Water rights.".

Subtitle B—Strategic Petroleum Reserve

SEC. 4201. STRATEGIC PETROLEUM RESERVE.

(a) STRATEGIC PETROLEUM RESERVE FILL RATE.—Notwithstanding any other provision of law, the Strategic Petroleum Reserve shall be filled at an annual average rate of 35,000 barrels per day for each of the fiscal years 1986, 1987, and 1988. Authorizations under subsection (b) are made for this purpose.

(b) AUTHORIZATIONS OF APPROPRIATIONS.—(1) There are authorized to be appropriated the following amounts for the acquisition, transportation, and injection of petroleum products into the Strategic Petroleum Reserve:

(A) For fiscal year 1986, $358,000,000.
(B) For fiscal year 1987, $334,000,000.
(C) For fiscal year 1988, $357,000,000.

(2) There are authorized to be appropriated the following amounts for the implementation of the Strategic Petroleum Reserve Plan, including planning, administration, and acquisition and construction of storage and related facilities but excluding

the acquisition of petroleum products for such Reserve:

(A) For fiscal year 1986, $136,000,000.

(B) For fiscal year 1987, $359,000,000.

(C) For fiscal year 1988, $157,000,000.

(3) Amounts authorized by this subsection are in lieu of any other amount authorized to be appropriated for the purposes and fiscal years referred to in paragraphs (1) and (2).

(c) LIMITATION ON UNITED STATES' SHARE OF NAVAL PETROLEUM RESERVE.—(1) Section 160(d)(1) of the Energy Policy and Conservation Act (42 U.S.C. 6240(d)(1)) is amended—

(A) by striking out "500,000,000 barrels" each place it appears in subparagraphs (A) and (C) and inserting in lieu thereof "527,000,000 barrels"; and

(B) by striking out "100,000 barrels" in subparagraph (B) and inserting in lieu thereof "35,000 barrels".

(2) The amendment made by this subsection shall take effect on October 1, 1985.

Subtitle C—Uranium Enrichment and Power Sales

SEC. 4301. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—In accordance with section 660 of the Department of Energy Organization Act (42 U.S.C. 7270), there is authorized to be appropriated to the Department of Energy for each of the fiscal years 1986, 1987, and 1988 to carry out uranium enrichment service activities an amount equal to the difference between—

(1) the revenues to be received during such fiscal year by the Department of Energy in providing uranium enrichment service activities, as estimated in the budget submitted by the President to the Congress for such fiscal year; and

(2) the amount specified in section 4302(a) for such fiscal year.

(b) ADJUSTMENTS.—If the estimate referred to in subsection (a)(1) for any fiscal year is increased or decreased in the budget submitted by the President to the Congress for the subsequent fiscal year, the authorization of appropriations in subsection (a) for such subsequent fiscal year shall be increased or decreased by an equal amount, as the case may be.

SEC. 4302. REPAYMENTS TO UNITED STATES TREASURY.

(a) PARTIAL REPAYMENT OF APPROPRIATED AMOUNTS.—In partial repayment of amounts appropriated from the general fund of the Treasury of the United States for uranium enrichment service activities, the Secretary of Energy shall deposit in the general fund not less than the following amount of the revenues received by the Department of Energy in providing uranium enrichment service activities:

(1) $110,000,000 for fiscal year 1986;

(2) $150,000,000 for fiscal year 1987; and

(3) $150,000,000 for fiscal year 1988.

(b) REPAYMENT SCHEDULE.—The Secretary of Energy may make the repayments required in subsection (a) for any fiscal year on a quarterly basis.

SEC. 4303. SALE OF UNNECESSARY ELECTRIC ENERGY.

(a) IN GENERAL.—The Secretary of Energy shall attempt to sell to electric utilities any electric energy that the Secretary has the right to buy under any Federal law or contract in effect on the date of the enactment of this Act for use in the provision of uranium enrichment service activities under section 161 v. of the Atomic Energy Act of 1954 (42 U.S.C. 2201(v)) that the Secretary determines to be unnecessary to the conduct of such activities.

(b) CONSENT TO SALE.—Notwithstanding any other Federal law or contract in effect on the date of the enactment of this Act, no Executive agency may withhold its consent to the sale of electric energy under subsection (a).

(c) TRANSMISSION.—Notwithstanding any other Federal law or contract in effect on the date of the enactment of this Act—

(1) any Executive agency selling electric energy to the Department of Energy shall make such electric energy available to the location requested by the Secretary of Energy; and

(2) the Secretary of Energy, acting through the organizational entities described in subparagraphs (A) and (B) of section 302(a)(1) of the Department of Energy Organization Act (42 U.S.C. 7152(a)(1)) shall assist in the transmission of any electric energy sold under subsection (a).

(d) REVENUES FROM SALE.—In partial repayment of amounts appropriated from the general fund of the Treasury of the United States for uranium enrichment service activities, the Secretary of Energy shall deposit in the general fund any revenues derived from the sale of electric energy under subsection (a) that are in excess of the energy charge incurred by the Secretary. Any amount required to be repaid under this subsection shall be in addition to any amount required to be repaid in section 4302(a).

(e) DEFINITIONS.—For purposes of this section:

(1) The term "electric utility" has the meaning given such term in section 3(4) of the Public Utility Regulatory Policies Act of 1978 (16 U.S.C. 2602(4)). Such term does not include any person or entity that sells electric energy solely from cogeneration facilities or small power production facilities, as such terms are defined in paragraphs 17(A) and 18(A) of section 3 of the Federal Power Act (16 U.S.C. 796).

(2) The term "energy charge" means any fee or payment associated with the purchase of electric energy that is supplied by an electric energy seller to an electric energy purchaser and does not include any fee or payment made exclusively for the availability of electric energy or the right to purchase specified amounts of electric energy.

(3) The term "Executive agency" has the meaning given such term in section 105 of title 5, United States Code.

(f) EXPIRATION.—This section shall cease to be effective on December 31, 1992.

Subtitle D—Energy-Related User Fees

SEC. 4401. PIPELINE SAFETY USER FEES.

(a) ESTABLISHMENT.—

(1) SCHEDULE.—The Secretary of Transportation (hereafter in this section referred to as the "Secretary") shall establish a schedule of fees based on the usage, in reasonable relationship to volume-miles, miles, or an appropriate combination thereof, of natural gas and hazardous liquid pipelines.

(2) COLLECTION.—The Secretary shall establish procedures for the collection of such fees and shall collect such fees.

(3) LIABILITY.—Fees established under this section shall be assessed to the persons operating the pertinent pipeline facilities.

(b) TIME OF ASSESSMENT.—The Secretary shall assess and collect fees described in subsection (a) with respect to each fiscal year before the end of such fiscal year.

(c) USE OF FUNDS.—Funds received under subsection (a) shall be used, to the extent provided for in advance in appropriation Acts, only—

(1) in the case of natural gas pipeline safety fees, for activities authorized under the Natural Gas Pipeline Safety Act of 1968 (49 U.S.C. App. 1671 et seq.); and

(2) in the case of hazardous liquid pipeline safety fees, for activities authorized under the Hazardous Liquid Pipeline Safety Act of 1979 (49 U.S.C. App. 2001 et seq.).

(d) FEE SCHEDULE.—

(1) SUFFICIENT TO MEET COSTS.—Fees established by the Secretary under subsection (a) shall be assessed against all natural gas and hazardous liquids transported by pipelines subject to the Natural Gas Pipeline Safety Act of 1968 and the Hazardous Liquid Pipeline Safety Act of 1979 after September 30, 1985, and shall be sufficient to meet the ongoing costs, beginning on October 1, 1985, described in subsection (c).

(2) NON-HYDROCARBON RATES.—Fees established for the transportation through pipelines of substances other than hydrocarbons may be set at a rate higher than those for the transportation of hydrocarbons.

(3) UNUSUAL DRAIN ON SAFETY RESOURCES.—The Secretary may charge additional fees to any user of pipelines if the use results in an unusual drain on the pipeline safety resources of the United States.

(e) STATE FEES.—If a State establishes a pipeline safety fee mechanism compatible with the mechanism established by the Secretary under this section, the Secretary may by agreement with such State administer the collection of such State fees.

SEC. 4402. NUCLEAR REGULATORY COMMISSION ANNUAL CHARGES.

(a) IN GENERAL.—

(1) The Nuclear Regulatory Commission (hereafter in this section referred to as the "Commission") shall assess and collect annual charges from its licensees on a fiscal year basis, beginning with fiscal year 1986.

(2) The amount of such charges shall be established by rule.

(b) MATTERS TO CONSIDER IN ESTABLISHING ASSESSMENTS.—

(1) In establishing the amounts of such assessments, the Commission shall take into consideration the relative cost of regulating different categories of its licensees and other factors determined to be appropriate by the Commission, including the impact of such assessments on research and medical treatment.

(2) In establishing the amounts of such assessments with respect to any utilization or production facility for industrial or commercial purposes issued a license under section 103 or 104 b. of the Atomic Energy Act of 1954 (42 U.S.C. 2133 or 2134(b)), the Commission shall also take into consideration the rated capacity of such facility.

(c) LIMITATION.—The maximum amount of assessments made under this section with respect to any fiscal year may not exceed an amount that, when added to other amounts collected by the Commission for such fiscal year under other provisions of law, is estimated to be equal to 50 percent of the costs incurred by the Commission with respect to such fiscal year.

(d) TIME OF PAYMENT.—The Commission may make estimates in assessing charges under this section and shall provide that the charges assessed under this section shall be paid by the end of the fiscal year for which they are assessed.

(e) USE OF FUNDS.—To the extent approved in appropriation Acts, amounts collected under this section may be retained and used for costs incurred by the Commis-

sion and shall remain available for such purpose until expended.

SEC. 4403. FEDERAL ENERGY REGULATORY COMMISSION ANNUAL CHARGES.

(a) IN GENERAL.—The Federal Energy Regulatory Commission shall assess and collect annual charges on a fiscal year basis, beginning with fiscal year 1986, from interstate natural gas pipelines, interstate oil pipeline carriers, and public utilities in amounts determined under subsection (b).

(b) AMOUNT OF ASSESSMENTS.—The Commission shall assess and collect charges under this section—

(1) in the case of an interstate natural gas pipeline, in an amount that bears the same relationship to the adjusted costs of the Commission for the fiscal year as the volume of natural gas sold or transported by the pipeline during such year bears to the total volume of natural gas sold or transported by all interstate natural gas pipelines during such year;

(2) in the case of an interstate oil pipeline carrier, in an amount that bears the same relationship to the adjusted costs of the Commission for the fiscal year as the total barrels delivered (subject to the jurisdiction of the Commission) by the pipeline carrier during such year bears to the total barrels delivered (subject to such jurisdiction) by all interstate oil pipeline carriers during such year; and

(3) in the case of a public utility, in an amount that represents the public utility's proportional share of the adjusted costs of the Commission for the fiscal year, taking into consideration the public utility's proportional share of the total of the kilowatt hours transmitted under interchange hour agreements and the total jurisdictional kilowatt hours sold by all public utilities during such fiscal year.

(c) TIME OF ASSESSMENT.—The Commission shall assess charges under this section during the fourth quarter of the fiscal year for which the charge is being determined by making estimates based on data available to the Commission at the time of assessment.

(d) TIME OF PAYMENT.—The Commission shall provide that the charges assessed under this section shall be paid by the end of the fiscal year for which they were assessed.

(e) ADJUSTMENTS.—The Commission shall, after the completion of a fiscal year, make adjustments in the assessments for such fiscal year. Such adjustments shall be made on the basis of the complete data applicable to the fiscal year concerned, as determined by the Commission, and shall be used for making adjustments in assessments made under subsection (b) for the following fiscal year.

(f) USE OF FUNDS.—To the extent approved in appropriation Acts, amounts collected under this section may be retained and used for costs incurred by the Commission in administering its jurisdictional statutes and shall remain available for such purpose until expended.

(g) NATURAL GAS CHARGES IN RATES.—The Commission shall provide that charges assessed under this section shall be included in the rates of an interstate natural gas pipeline as a uniform charge on each thousand cubic feet (Mcf) or million Btu (MmBtu), as determined appropriate by the Commission, of natural gas sold or transported by the pipeline.

(h) DEFINITIONS.—For purposes of this section—

(1) the term "adjusted costs of the Commission" means—

(A) in the case of the assessment of charges on interstate natural gas pipelines, costs incurred by the Commission (but not to exceed the amount authorized by law for such costs) in administering the Natural Gas Act and the Natural Gas Policy Act of 1978 for a fiscal year, reduced by the amount of fees collected by the Commission during such fiscal year under section 9701 of title 31, United States Code, with respect to the regulation of the sale or transportation of natural gas,

(B) in the case of the assessment of charges on interstate oil pipeline carriers, costs incurred by the Commission (but not to exceed the amount authorized by law for such costs) as a result of regulating the transportation of oil under title 49, United States Code, reduced by the amount of fees collected by the Commission during such fiscal year under such section 9701 with respect to the regulation of the transportation of oil, and

(C) in the case of the assessment of charges on public utilities, costs incurred by the Commission (but not to exceed the amount authorized by law for such costs) in administering titles II and III of the Federal Power Act (other than for the regulation of cogeneration and small power production under sections 201 and 210 of such Act) for a fiscal year, reduced by the amount of fees collected under such section 9701 for services or benefits rendered under such titles during such fiscal year;

(2) the term "Commission" means the Federal Energy Regulatory Commission;

(3) the term "interstate natural gas pipeline" means any person engaged in the transportation or sale of natural gas subject to the jurisdiction of the Commission under the Natural Gas Act;

(4) the term "pipeline carrier" has the meaning given such term in section 10102 of title 49, United States Code;

(5) the term "natural gas sold or transported" means—

(A) sales or deliveries of natural gas to distribution utilities for sales or use, and

(B) sales or deliveries of natural gas to consumers for ultimate use; and

(6) the term "public utility" has the same meaning given such term by section 201(e) of the Federal Power Act, except that such term does not include a qualifying small power producer or a qualifying cogenerator.

Subtitle E—Federal Energy Conservation Shared Savings

SEC. 4501. SHARED ENERGY SAVINGS.

(a) IN GENERAL.—The National Energy Conservation Policy Act (42 U.S.C. 8201 and following) is amended by adding at the end the following new title:

"TITLE VIII—SHARED ENERGY SAVINGS

"SEC. 801. AUTHORITY TO ENTER INTO CONTRACTS.

"The head of a Federal agency may, notwithstanding any other provision of law, enter into contracts under this title for the purpose of achieving energy savings. Each such contract may be for a period not to exceed 25 years and shall provide that the contractor shall incur the initial cost of implementing energy savings measures in exchange for a share of any savings resulting from such implementation.

"SEC. 802. PAYMENT OF COSTS.

"Any amount paid by a Federal agency pursuant to any contract entered into under this title, including any costs of terminating any such contract, may be paid only from funds appropriated, after the date of enactment of this title, for the payment of utility costs (and related operational and maintenance costs) of such agency.

"SEC. 803. REPORTS.

"Each Federal agency shall periodically furnish the Secretary of Energy with full and complete information on its activities under this title, and the Secretary shall include in the report submitted to Congress under section 550 a description of the progress made by each Federal agency in—

"(1) including the authority provided by this title in its contracting practices; and

"(2) achieving energy savings under contracts entered into under this title.

"SEC. 804. DEFINITIONS.

"For purposes of this title—

"(1) the term 'Federal agency' means an agency defined in section 551(1) of title 5, United States Code, and

"(2) the term 'energy savings' means a reduction in the energy consumption, or in the energy-related costs, of an existing building or buildings as a result of—

"(A) equipment, supplies, improvements, altered operation and maintenance, technical services, or other means; or

"(B) the increased efficient use of existing energy sources by cogeneration, heat recovery, or other means."

(b) TABLE OF CONTENTS.—The table of contents of such Act is amended by adding the following at the end:

"TITLE VIII—SHARED ENERGY SAVINGS

"Sec. 801. Authority to enter into contracts.

"Sec. 802. Payment of costs.

"Sec. 803. Reports.

"Sec. 804. Definitions."

Subtitle F—Charges to Cover the Cost of Federal Communications Commission

SEC. 4601. CHARGES TO COVER THE COST OF FEDERAL COMMUNICATIONS COMMISSION.

(a) SCHEDULE OF CHARGES.—(1) The Federal Communications Commission (hereafter in this section referred to as the "Commission") shall assess and collect charges listed in this subsection at the rates listed or at such modified rates as it shall establish pursuant to the provisions of subsection (b) of this section.

Schedule of Charges

	Service	Fee amount
	PRIVATE RADIO BUREAU	
1.	Marine Coast Stations (new, modifications, renewals).	$60
2.	Operational Fixed Microwave Stations (new, modifications, renewals).	135
3.	Aviation (ground stations) (new, modifications, renewals).	60
4.	Land, Mobile Radio Licenses (new, modifications, renewals).	30
	EQUIPMENT APPROVAL SERVICE	
1.	Certification	
	a. Receivers (except TV and FM receivers).	250
	b. All other devices	650
2.	Type Acceptance	
	a. Approval of subscription TV systems.	2,000
	b. All others	325
3.	Type Approval	
	a. Ship (radio telegraph) automatic alarm systems.	6,500
	b. Ship and lifeboat (radio telegraph) transmitters.	3,250
	c. All others (with testing)	1,300
	d. All others (without testing)	150
4.	Notifications	100

Schedule of Charges—Continued

Service	Fee amount
MASS MEDIA BUREAU	
1. Commercial TV Stations	
a. New and major change construction permits application fees.	2,250
b. Minor changes application fee.	500
c. Hearing charge	6,000
d. License fee	150
2. Commercial Radio Stations	
a. New and major change construction permits.	
(1) Application fee AM station.	2,000
(2) Application fee FM station.	1,800
b. Minor changes application fee—AM and FM.	500
c. Hearing charge	6,000
d. License fee	
(1) AM	325
(2) FM	100
e. Directional antenna license fee (AM only).	375
3. FM/TV Translators and LPTV Stations (new and major change construction permits)	
a. Application fee	375
b. License fee	75
4. Station Assignment and Transfer Fees	
a. AM, FM, and TV commercial stations.	
(1) Application fee (Forms 314/315).	500
(2) Application fee (Form 316).	70
b. FM/TV translators and LPTV stations.	75
5. Auxiliary Services Major Actions—Application Fee.	75
6. Renewals—All Services	30
7. Cable Television Service	
a. Cable television relay service—construction permits, assignments and transfers, renewals and modifications.	135
b. Cable special relief petitions—filing fee.	700
8. Direct Broadcast Satellite New and Major Change CP's	
a. Application for authorization to construct a direct broadcast satellite.	1,800
b. Issuance of CP and launch authority.	17,500
c. License to operate satellite	500
d. Hearing charge	6,000
COMMON CARRIER BUREAU	
1. Domestic Public Land Mobile Stations (Base, Dispatch, Control and Repeater Stations)	
a. New or additional facility authorizations, assignments and transfers (per transmitter/per station).	200
b. Renewals and minor modifications (per station).	20
c. Air-Ground individual license renewals and modifications.	20
2. Cellular Systems	
a. Initial construction permits and major modification applications (per cellular systems).	200
b. Assignments and transfers (per station).	200
c. Initial covering license (per cellular system).	
(1) Wireline carrier	525
(2) Nonwireline carrier	50
d. Renewals	20
e. Minor modifications and additional licenses.	50
3. Rural Radio (Central Office, Interoffice Relay Facilities)	
a. Initial construction permit, assignments and transfers (per transmitter).	90
b. Renewals and modifications (per station).	20
4. Offshore Radio Service	
a. Initial construction permits, assignments and transfers (per transmitter).	90
b. Renewals and modifications (per station).	20
5. Local television or point-to-point microwave radio service	
a. Construction permits, modifications of construction permits, and renewals of licenses.	135
b. Assignments and transfers of control (per station).	45
c. Initial license for new frequency.	135
6. International Fixed public radio (public and control stations)	
a. Initial construction permits, assignments and transfers.	450
b. Renewals and modifications	325
7. Satellite services	
a. Transmit Earth stations	
(1) Initial station authorizations.	1,350
(2) Assignments and transfers of station authorizations.	450
(3) All other applications	90
b. Small transmit/receive Earth stations (2 meters or less)	
(1) Lead authorization	3,000
(2) Routine authorization	30
(3) All other applications	90
c. Receive only Earth stations	
(1) Initial station authorization.	200
(2) All other applications	90
d. Applications for authority to construct a space station.	1,800
e. Applications for authority to launch and operate a space station.	18,000
f. Satellite system application	
(1) Initial station authorization.	5,000
(2) Assignments and transfers of systems.	1,333
(3) All other applications	90
8. Multipoint distribution service	
a. Construction permits, renewals and modifications of construction permits.	135
b. Assignments and transfers of control (per station).	45
c. Initial license (per channel)	400
9. Section 214 applications	
a. Applications for overseas cable construction.	8,100
b. Applications for domestic cable construction.	540
c. All other 214 applications	540
10. Tariff filings	
a. Filing fee	250
b. Special permission filings	200
11. Telephone equipment registration	135
12. Digital electronic message service	
a. Construction permits, renewals and modifications of construction permits.	135
b. Assignments and transfers of control (per station).	45
c. Initial license (first license or license adding a new frequency).	135

(2) The schedule of charges established by this subsection shall be implemented not later than 360 days after the date of enactment of this subsection.

(b) SUBSEQUENT INCREASES OR DECREASES IN CHARGES.—(1) The schedule of charges established by this section shall be reviewed by the Commission every 2 years after the date of enactment of this section and adjusted by the Commission to reflect changes in the Consumer Price Index. Increases or decreases in charges shall apply to all categories of charges, except that individual fees shall not be adjusted until the increase or decrease, as determined by the net change in the Consumer Price Index since the date of enactment of this section, amounts to at least $5 in the case of fees under $100, or 5 percent in the case of fees of $100 or more. All fees which require adjustment will be rounded upward to the next $5 increment. The Commission shall transmit to the Congress notification of any such adjustment not later than 90 days before the effective date of such adjustment.

(2) Increases or decreases in charges made pursuant to this subsection shall not be subject to judicial review.

(c) PENALTIES FOR LATE PAYMENTS.—(1) The Commission shall prescribe by regulation an additional charge which shall be assessed as a penalty for late payment of charges required by subsection (a) of this section. Such penalty shall be 25 percent of the amount of the charge which was not paid in a timely manner.

(2) The Commission may dismiss any application or other filing for failure to pay in a timely manner any charge or penalty under this section.

(d) EXEMPTIONS AND WAIVERS.—(1) The charges established in this section shall not be applicable—

(A) to the following radio services: Local Government, Police, Fire, Highway Maintenance, Forestry-Conservation, Public Safety, and Special Emergency Radio; or

(B) to governmental entities licensed in other services.

(2) The Commission may waive or defer payment of a charge in any specific instance for good cause shown, where such action would promote the public interest.

(e) DEPOSIT OF MONEYS RECEIVED.—Moneys received from charges established in or prescribed pursuant to this section shall be deposited in the general fund of the Treasury to reimburse the United States for amounts appropriated for use by the Commission in carrying out its functions.

(f) RULES AND REGULATIONS.—The Commission shall prescribe appropriate rules and regulations to carry out the provisions of this section.

Subtitle G—Local Rail Service Assistance

SEC. 4701. LOCAL RAIL SERVICE ASSISTANCE.

Section 5(q) of the Department of Transportation Act (49 U.S.C. App. 1654(q)) is amended by adding at the end the following new sentence: "No funds are authorized to be appropriated under this section after September 1, 1985.".

TITLE V—COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

SEC. 5101. REVISION OF SECTION 8(g).

Section 8(g) of the Outer Continental Shelf Lands Act (43 U.S.C. 1337(g)) is amended to read as follows:

"(g)(1) At the time of soliciting nominations for the leasing of lands containing tracts wholly or partially within three nautical miles of the seaward boundary of any coastal State, and subsequently as new information is obtained or developed, the Secretary shall, in addition to the information required by section 26 of this Act, provide the Governor of such State—

"(A) an identification and schedule of the areas and regions proposed to be offered for leasing;

"(B) all information from all sources concerning the geographical, geological, and ecological characteristics of such region;

"(C) an estimate of the oil and gas reserves in the areas proposed for leasing; and

"(D) an identification of any potentially hydrocarbon-bearing area or areas located wholly or partially within three nautical miles of the seaward boundary of such coastal State, including all information relating to the entire potentially hydrocarbon-bearing area.

The confidentiality provisions of section 26 of this Act shall apply to all information provided under this paragraph.

"(2) Notwithstanding any other provision of this Act, the Secretary shall deposit into a separate account in the Treasury of the United States all bonuses, rents, royalties, and other revenues, excluding Federal income and windfall profits taxes, derived from any lease of any Federal tract which lies wholly or partially within three nautical

miles of the seaward boundary of any coastal State. Except as provided in paragraph (5), not later than the last business day of the month following the month in which those revenues are deposited in the Treasury, the Secretary shall transmit to such coastal State 27 percent of those revenues, together with all accrued interest. The remaining balance of such revenues shall be transmitted simultaneously to the miscellaneous receipts account of the United States Treasury.

"(3) Whenever the Secretary or the Governor of a coastal State determines that a common potentially hydrocarbon-bearing area may underlie the Federal and State boundary, the Secretary or the Governor shall notify the other party in writing of his determination and the Secretary shall provide to the Governor notice of the current and projected status of the tract or tracts containing the potentially common hydrocarbon-bearing area. If the Secretary has leased or intends to lease such tract or tracts, the Secretary and the Governor of the coastal State may enter into an agreement to divide the revenues from production of any potentially common hydrocarbon-bearing area, by unitization or other royalty sharing agreement, pursuant to existing law. Any revenues received by the United States under such an agreement shall be subject to the requirements of paragraph (2).

"(4) The deposits in the Treasury account described in this section shall be invested by the Secretary of the Treasury in securities backed by the full faith and credit of the United States having maturities suitable to the needs of the account and yielding the highest available interest rates.

"(5)(A) For all existing and future disputes, including *United States* v. *Alaska*, Supreme Court No. 84, Original, between the United States and any State regarding the location of that State's seaward boundary, the Secretary shall deposit in the separate Treasury account described in paragraph (2) all revenues not put into a separate escrow account of the Treasury escrowed pursuant to section 7 of the Outer Continental Shelf Lands Act (43 U.S.C. 1336) which are attributable to tracts which are wholly or partially within three nautical miles of the seaward boundary claimed by the coastal State in that dispute. Upon final agreement of the parties or upon a final determination by a court of competent jurisdiction resolving such dispute, the Secretary shall distribute such revenues pursuant to paragraph (2) based upon the results of the boundary dispute.

"(B) After distribution to any State of its direct entitlement under any final agreement by the parties or any final determination by a court of competent jurisdiction concerning any controversy arising under section 7 of the Outer Continental Shelf Lands Act (43 U.S.C. 1336) that portion of any remaining revenues which is attributable to lease tracts which are wholly or partially within three nautical miles of such State's seaward boundary as established by such agreement or court decree shall be deposited and then distributed in accordance with the process established under paragraph (2). This paragraph applies to all existing accounts for revenues attributable to leased tracts sold in the Federal/State Joint Beaufort Sea Oil and Gas Lease Sale BF, Sale 71 and Sale 87, all of which involve tracts related to the dispute under section 7 of the Outer Continental Shelf Lands Act in *United States* v. *Alaska*, Supreme Court No. 84, Original, as well as to all future Outer Continental Shelf oil and gas lease sales which may involve tracts subject to an ownership dispute.

"(6) This section shall be deemed to take effect on October 1, 1985, for purposes of determining the amounts to be deposited in the separate account and the States' shares described in paragraph (2).

"(7) When the Secretary leases any tract which lies wholly or partially within three miles of the seaward boundary of two or more States, the revenues from such tract shall be distributed as otherwise provided by this section, except that the State's share of such revenues that would otherwise result under this section shall be divided equally among such States.".

SEC. 5102. DISTRIBUTION OF 8(g) ACCOUNT.

(a) Prior to January 1, 1986, the Secretary shall distribute to the designated coastal States the sum of—

(1) the amounts due and payable to each such State under paragraph (2) of section 8(g) of the Outer Continental Shelf Lands Act, as amended by this title, for the period between October 1, 1985, and the date of such distribution, and

(2) the amounts due each such State under subsection (b) for the period prior to October 1, 1985.

(b)(1) The funds which were deposited in the separate account in the Treasury of the United States under section 8(g)(4) of the Outer Continental Shelf Lands Act (43 U.S.C. 1337(g)(4)) which was in effect prior to the date of enactment of this Act shall be distributed in the following manner as a fair and equitable disposition of such funds derived from bonuses and rents and accrued interest thereon through September 30, 1985:

Louisiana	$635,000,000
Texas	$424,000,000
California	$375,000,000
Alabama	$73,000,000
Alaska	$56,000,000
Mississippi	$15,000,000
Florida	$30,000

(2) The Secretary shall distribute to each coastal State 27 percent of the royalties derived from any lease of Federal lands within three miles of the seaward boundary of such coastal State and accrued interest thereon which have been deposited through September 30, 1985, in the separate account described in paragraph (1), as a fair and equitable disposition of such royalties.

(3) Of the funds attributable to bonuses, rents, royalties, and accrued interest remaining in the separate account after payment is made to the States in accordance with paragraphs (1) and (2) of this subsection, $4,300,000,000 shall be credited to the miscellaneous receipts of the Treasury. The remainder of the money shall be paid to the affected coastal States. Each State shall receive an amount equal to its proportional share of the total additional amount that would have been due to the States if all revenues derived from any lease of any Federal tract which lies wholly or partially within three miles of a State's seaward boundary had been deposited in the separate account in the Treasury of the United States in accordance with section 8(g)(4) of the Outer Continental Shelf Lands Act (43 U.S.C. 1337(g)(4)), as in effect prior to the date of enactment of this Act. A State's proportional share of the total additional amount due is based on an amount equal to—

(A) 27 percent of all bonuses, rents, and royalties, plus accrued interest derived through September 30, 1985, from any lease of any Federal tract which lies wholly or partially within three miles of the seaward boundary of such coastal State, less

(B) the amounts paid to such coastal State under paragraphs (1) and (2) of this subsection.

SEC. 5103. IMMOBILIZATION OF BOUNDARIES.

Section 2(b) of the Submerged Lands Act (43 U.S.C. 1301(b)) is amended by inserting before the semicolon at the end of the subsection the following: ", except that any boundary between a State and the United States under this Act which has been or is hereafter fixed by coordinates under a final decree of the United States Supreme Court shall remain immobilized at the coordinates provided under such decree and shall not be ambulatory".

SEC. 5104. RECOUPMENT.

(a) As a fair and equitable disposition of revenues derived between September 18, 1978, and September 30, 1985, from all bonuses, royalties, other revenues, excluding Federal income and windfall profits taxes, and accrued interest through September 30, 1985, from any Federal leases within three miles of the seaward boundary of any coastal State, including all such revenues which should have been, but which were not, deposited in the separate account in the Treasury of the United States under section 8(g)(4) of the Outer Continental Shelf Lands Act (43 U.S.C. 1337(g)(4)) which was in effect prior to the date of enactment of this Act, such coastal State shall be entitled to an additional amount equal to—

(1) 27 percent of all bonuses, rents, royalties, other revenues, and accrued interest through September 30, 1985, derived from any lease of any Federal tract which lies wholly or partially within three nautical miles of the seaward boundary of such coastal State, less

(2) the amounts paid to such coastal State under section 5102(b) of this Act.

(b) The additional amount due each State under subsection (a) shall be paid from a separate Treasury account which is constituted as set forth in subsection (c). The total amount contained in such account on the last business day of each month shall be paid to each State in an amount proportional to that State's share of the total additional amounts due to all States under subsection (a).

(c) Beginning on October 1, 1986, the Secretary shall deposit into the account described in subsection (b) from the separate account described in section 8(g)(2) of the Outer Continental Shelf Lands Act, as amended by this title, 10 percent of all revenues deposited after October 1, 1986, into the account described in such section 8(g)(2) until such time as the amount due to all coastal States under subsection (a) has been paid.

SEC. 5105. REVISION OF SECTION 19(c).

(a) Section 19(c) of the Outer Continental Shelf Lands Act (43 U.S.C. 1345(c)) is amended to read as follows:

"(c) The Secretary shall accept recommendations of the Governor and may accept recommendations of the executive of any affected local government unless he determines, based on substantial evidence and after having provided the opportunity for consultation, that acceptance of such recommendations would significantly impair the national interest. For purposes of this subsection, a determination of the national interest shall be based on the desirability of obtaining oil and gas supplies in a balanced manner and on the findings, purposes, and

policies of this Act. The Secretary shall inform the Governor in writing of his decision to accept or reject a recommendation or to implement any alternative means to protect the national interest identified in consultation with the Governor, and the reasons for his decision. Should the Secretary reject a recommendation, he shall, no less than thirty days prior to proceeding with the proposed action, provide the Governor with the findings on which his decision is based.".

(b)(1) Section 19(d) of such Act is repealed.

(2) Subsection (e) of section 19 of such Act is redesignated as subsection (d).

TITLE VI—COMMITTEE ON MERCHANT MARINE AND FISHERIES

Subtitle A—Boating Safety Fund

SEC. 6101. BOATING SAFETY FUND.

An amount equal to one-third of the amount transferred for fiscal year 1985 to the Boat Safety Account under section 9503(c)(4) of the Internal Revenue Code of 1954 (26 U.S.C. 9503(c)(4)) shall be deposited in the general fund of the Treasury as proprietary receipts of the department in which the Coast Guard is operating and ascribed to Coast Guard activities. Section 13106(a) of title 46, United States Code, shall be applied with respect to fiscal year 1985 by substituting "one-third" for "two-thirds" in the first sentence.

Subtitle B—NOAA Charts

SEC. 6201. NOAA CHARTS.

(a) Section 1307 of title 44, United States Code (relating to the sale and distribution of charts and associated reference materials published by the National Oceanic and Atmospheric Administration) is amended to read as follows:

"§ 1307. National Oceanic and Atmospheric Administration: charts; sale and distribution

"(a) GENERAL RULE.—Each nautical or aeronautical product shall be sold at a price established by the Secretary of Commerce as follows:

"(1) The Secretary shall increase the price annually, from the price in effect immediately before the date of the enactment of this paragraph, so that by the end of the three-year period beginning on such date it is equal to the costs attributable to data base management, compilation, printing, and distribution which are allocable to the nautical or aeronautical product.

"(2) At all times after the end of such three-year period the price shall be equal to the costs attributable to data base management, compilation, printing, and distribution which are allocable to the nautical or aeronautical product unless the Secretary determines that a lower price is necessary for reasons of air and marine safety.

"(b) EXCEPTIONS AND LIMITATIONS.—

"(1) FOREIGN GOVERNMENTS AND INTERNATIONAL ORGANIZATIONS.—The Secretary of Commerce may distribute nautical and aeronautical products without charge to each foreign government or international organization with which the Secretary or a Federal department or agency has an agreement for exchange of these products without cost.

"(2) DEPARTMENTS AND AGENCIES OF THE UNITED STATES.—The Secretary of Commerce may distribute nautical and aeronautical products to officers and employees of the United States requiring them for official use at such prices as the Secretary may establish.

"(3) EXCHANGES FOR CONTRIBUTIONS OF INFORMATION.—The Secretary of Commerce may distribute nautical and aeronautical products without charge, or at a reduced charge, if the Secretary determines that it is a reasonable exchange for a voluntary contribution of information by the recipient to the National Oceanic and Atmospheric Administration.

"(4) LIMITATION ON COSTS OF ACQUIRING AND PROCESSING DATA.—Prices established under this section shall not include costs attributable to the acquisition or processing of nautical or aeronautical data.

"(c) ANNUAL PUBLICATION OF PRICES.—The Secretary of Commerce shall establish and publish annually the prices at which nautical and aeronautical products are sold to the public under this section.

"(d) DEPOSIT OF REVENUES IN TREASURY.—Revenues from the sale of nautical and aeronautical products shall be deposited in the general fund of the Treasury and credited to miscellaneous receipts.

"(e) REPORT.—Not later than the end of the three-year period beginning on the date of the enactment of this subsection, the Secretary of Commerce shall report to Congress on the effects of raising prices for nautical and aeronautical products under subsection (a), including the effect on air and marine safety.

"(f) DEFINITION OF NAUTICAL AND AERONAUTICAL PRODUCTS.—For purposes of this section, the term 'nautical and aeronautical products' includes all nautical and aeronautical charts, tide and tidal current tables, tidal current charts, coast pilots, water level products, and associated data bases which are created or published by the National Oceanic and Atmospheric Administration.

"(g) SAVINGS PROVISION.—The collection of fees under this section does not—

"(1) alter or expand any duty or liability of the United States under existing law for the performance of functions for which fees are collected; or

"(2) constitute an express or implied undertaking by the United States to perform any activity in a certain manner.".

(b) The table of sections for chapter 13 of title 44, United States Code, is amended by striking out the item relating to section 1307 and inserting in lieu thereof the following:

"1307. National Oceanic and Atmospheric Administration: charts; sale and distribution.".

Subtitle C—Amendments to Fishery Conservation and Management Act of 1976

SEC. 6301. AMENDMENTS TO FISHERY CONSERVATION AND MANAGEMENT ACT OF 1976.

Paragraph (10) of section 204(b) of the Magnuson Fishery Conservation and Management Act (16 U.S.C. 1824(b)) is amended—

(1) in the third sentence thereof by striking out "and the territorial waters of the United States"; and

(2) by striking out the last sentence of such paragraph and inserting in lieu thereof the following: "The Secretary shall transfer the amount collected during any fiscal year under this paragraph as follows:

"(A) The fisheries loan fund established under section 4 of the Fish and Wildlife Act of 1956 (16 U.S.C. 742c), for so long as such fund exists, shall be credited with an amount that bears to the total cost of carrying out the provisions of this Act (as described in the preceding sentence) during the fiscal year the same ratio as the aggregate quantity of fish harvested by foreign fishing vessels within the fishery conservation zone during the preceding year bears to the aggregate quantity of fish harvested by both foreign and domestic fishing vessels within such zone and the territorial waters of the United States during the preceding year. Such amount may be used for the purpose of making loans from the fund to the extent and in amounts provided for in advance in appropriation Acts.

"(B) The general fund of the United States Treasury shall be credited with any portion of the amount collected during the fiscal year that remains after the Secretary completes the transfer under subparagraph (A)."

SEC. 6302. EFFECTIVE DATE.

The amendments made by section 6301 shall apply to permits issued under section 204(b) of the Magnuson Fishery Conservation and Management Act (16 U.S.C. 1824(b)) on October 1, 1985.

Subtitle D—Amendments to the Outer Continental Shelf Lands Act

SEC. 6401. NATIONAL POLICY FOR THE OUTER CONTINENTAL SHELF.

The Outer Continental Shelf Lands Act (43 U.S.C. 1331 et seq.) is amended in subsection (4) of section 3 by deleting the word "and" at the end of paragraph (A); deleting the semicolon at the end of paragraph (B) and inserting in lieu thereof, a period; designating paragraph (B) as paragraph (C); and inserting the following new paragraph (B):

"(B) the distribution of a portion of the receipts from the leasing of mineral resources of the outer Continental Shelf adjacent to State lands, as provided under section 8(g), will provide affected coastal States and localities with funds which shall be used for the mitigation of adverse economic and environmental effects related to the development of such resources;".

SEC. 6402. REVISION OF SECTION 8(g).

Section 8(g) of the Outer Continental Shelf Lands Act (43 U.S.C. 1337(g)) is amended to read as follows:

"(g) Leasing of lands within three nautical miles of seaward boundaries of coastal States:

"(1) At the time of soliciting nominations for the leasing of lands containing tracts wholly or partially within three nautical miles of the seaward boundary of any coastal State, and subsequently as new information is obtained or developed by the Secretary, the Secretary shall, in addition to the information required by section 26 of this Act, provide the Governor of such State—

"(A) an identification and schedule of the areas and regions proposed to be offered for leasing;

"(B) at the request of the Governor of such State, all information from all sources concerning the geographical, geological, and ecological characteristics of such tracts;

"(C) an estimate of the oil and gas reserves in the areas proposed for leasing; and

"(D) at the request of the Governor of such State, an identification of any field, geological structure, or trap located wholly or partially within three nautical miles of the seaward boundary of such coastal State, including all information relating to the entire field, geological structure, or trap.

The provisions of the first sentence of subsection (c) and the provisions of subsections (e)-(h) of section 26 of this Act shall be applicable to the release by the Secretary of any information to any coastal State under this paragraph. In addition, the provisions or subsections (c) and (e)-(h) of this Act shall apply in their entirety to the release by the Secretary to any coastal State of any information relating to federal lands beyond

three nautical miles of the seaward boundary of such coastal State.

"(2) Notwithstanding any other provision of this Act, the Secretary shall deposit into a separate account in the Treasury of the United States all bonuses, rents, royalties and other revenues, excluding federal income and windfall profits taxes, derived from any lease of any federal tract which lies wholly or partially within three nautical miles of the seaward boundary of any coastal State. Except as provided in paragraph (5) of this subsection, not later than the last business day of the month following the month in which those revenues are deposited in the Treasury, the Secretary shall transmit to such coastal State 27 percent of those revenues, together with all accrued interest. The remaining balance of such revenues shall be transmitted simultaneously to the miscellaneous receipts account of the United States Treasury.

"(3) Whenever the Secretary or the Governor of a coastal State determines that a common potentially hydrocarbon-bearing area may underlie the federal and State boundary, the Secretary or the Governor shall notify the other party in writing of his determination and the Secretary shall provide to the Governor notice of the current and projected status of the tract or tracts containing the potentially common hydrocarbon-bearing area. If the Secretary has leased or intends to lease such tract or tracts, the Secretary and the Governor of the coastal State may enter into an agreement to divide the revenues from production of any potentially common hydrocarbon-bearing area, by unitization or other royalty sharing agreement, pursuant to existing law. Any revenues received by the United States under such an agreement shall be subject to the requirements of paragraph (2) of this subsection.

"(4) The deposits in the Treasury account described in this section shall be invested by the Secretary of the Treasury in securities backed by the full faith and credit of the United States having maturities suitable to the needs of the account and yielding the highest available interest rates.

"(5) (A) For all existing and future disputes, including United States v. Alaska, Supreme Court No. 84, Original, between the United States and any State regarding the location of that State's seaward boundary, the Secretary shall deposit in the separate Treasury account described in paragraph (2) of this subsection all revenues not put into a separate escrow account of the Treasury escrowed pursuant to section 7 of the Outer Continental Shelf Lands Act (43 U.S.C. 1336) which are attributable to tracts which are wholly or partially within three nautical miles of the seaward boundary claimed by the coastal State in that dispute. Upon final agreement of the parties or upon a final determination by a court of competent jurisdiction resolving such dispute, the Secretary shall distribute such revenues pursuant to paragraph (2) of this subsection based upon the results of the boundary dispute.

"(B) After distribution to any State of its direct entitlement under any final agreement by the parties or any final determination by a court of competent jurisdiction concerning any controversy arising under section 7 of the Outer Continental Shelf Lands Act (43 U.S.C. 1336) that portion of any remaining revenues which is attributable to lease tracts which are wholly or partially withing three nautical miles of such State's seaward boundary as established by such agreement or court decree shall be deposited and then distributed in accordance with the process established under paragraph (2) of this subsection. This paragraph applies to all existing accounts for revenues attributable to leased tracts sold in the Federal/State Joint Beaufort Sea Oil and Gas Lease Sale BF, Sale 71 and Sale 87, all of which involve tracts related to the dispute under section 7 of the Outer Continental Shelf Lands Act in United States v. Alaska, Supreme Court No. 84, Original, as well as to all future Outer Continental Shelf oil and gas lease sales which may involve tracts subject to an ownership dispute.

"(6) This section shall be deemed to take effect on October 1, 1985 for purposes of determining the amounts to be deposited in the separate account and the States' shares described in paragraph (2) of this subsection.

"(7) When the Secretary leases any tract which lies wholly or partially within three miles of the seaward boundary of two or more States, the revenues from such tract shall be distributed as otherwise provided by this section, except that the State's share of such revenues that would otherwise result under this section shall be divided equally among such States."

SEC. 6403. DISTRIBUTION OF 8(g) ACCOUNT.

(a) Prior to January 1, 1986, the Secretary shall distribute to the designated coastal States the sum of:

(1) The amounts due and payable to each such State under paragraph (2) of section 8(g) of the Outer Continental Shelf Lands Act, as amended by this title, for the period between October 1, 1985, and the date of such distribution, and

(2) The amounts due each such State under subsection (b) of this section for the period prior to October 1, 1985.

(b)(1) The funds which were deposited in the separate account in the Treasury of the United States under section 8(g)(4) of the Outer Continental Shelf Lands Act Amendments of 1978 (43 U.S.C. 1337(g)(4)) which was in effect prior to the date of enactment of section 6402 of this title shall be distributed in the following manner as a fair and equitable disposition of such funds derived from bonuses and rents and accrued interest thereon through September 30, 1985:

	($ million)
Louisiana	635
Texas	424
California	375
Alabama	73
Alaska	56
Mississippi	15
Florida	0.03

(2) The Secretary shall distribute to each coastal State 27 percent of the royalties derived from any lease of Federal lands within 3 miles of the seaward boundary of such coastal State and accrued interest thereon which have been deposited through September 30, 1985, in the separate account described in paragraph (1) of this subsection, as a fair and equitable disposition of such royalties.

(3) The amounts derived from bonuses, rents and royalties, and accrued interest thereon through September 30, 1985, remaining in the account after distribution to the States under this subsection shall be transmitted to the miscellaneous receipts account of the United States Treasury.

(4) The acceptance of payment under this section shall satisfy and release any and all claims against the United States arising under, or related to, former section 8(g) of the Outer Continental Shelf Lands Act, as amended.

SEC. 6404. IMMOBILIZATION OF BOUNDARIES.

Section 2(b) of the Submerged Lands Act (43 U.S.C. 1301(b)) is amended by inserting before the semicolon at the end of the subsection the following: ", except that any boundary between a State and the United States under this Act which has been or is hereafter fixed by coordinates under a final decree of the United States Supreme Court shall remain immobilized at the coordinates provided under such decree and shall not be ambulatory".

SEC. 6405. RECOUPMENT.

(a) As a fair and equitable disposition of revenues derived between September 18, 1978 and September 30, 1985 from all bonuses, royalties, other revenues, excluding Federal income and windfall profits taxes, and accrued interest through September 30, 1985, from any Federal leases within three miles of the seaward boundary of any coastal State, including all such revenues which should have been, but which were not, deposited in the separate account in the Treasury of the United States under section 8(g)(4) of the Outer Continental Shelf Lands Act Amendments of 1978 (43 U.S.C. 1337(g)(4)) which was in effect prior to the date of enactment of section 6402 of this title, such coastal State shall be entitled to an additional amount equal to:

(1) 27 percent of all bonuses, rents, royalties, other revenues and accrued interest through September 30, 1985, derived from any lease of any Federal tract which lies wholly or partially within three nautical miles of the seaward boundary of such coastal State, less

(2) the amounts paid to such coastal State under section 6403(b) of this title.

(b) The additional amount due each State under subsection (a) of this section shall be paid from a separate Treasury account which is constituted as set forth in subsection (c) of this section. The total amount contained in such account on the last business day of each month shall be paid to each State in an amount proportional to that State's share of the total additional amounts due to all States under subsection (a) of this section.

(c) Beginning on October 1, 1986, the Secretary shall deposit into the account described in subsection (b) of this section from the separate account described in section 8(g)(2) of the Outer Continental Shelf Lands Act, as amended by this title, 10 percent of all revenues deposited after October 1, 1986, into the account described in such section 8(g)(2) until such time as the amount due to all coastal States under subsection (a) of this section has been paid.

SEC. 6406. LOCAL PASSTHROUGH.

Unless otherwise prohibited by its constitution, or a constitutional amendment pending as of the date of enactment of this title, subsequently approved, each State receiving payment under sections 6402, 6403, and 6405 of this title, shall provide no less than 33 percent of the funds to local coastal governments for the mitigation of economic and environmental effects related to OCS mineral leasing, exploration, development, and production. In the case of the State of Alaska, the State shall be considered the local coastal community for the Unorganized Borough.

Subtitle E—Ocean and Coastal Resources Management and Development Block Grant Act

SEC. 6501. DEFINITIONS.

SEC. 6501. FOR PURPOSES OF THIS SUBTITLE—

(1) "block grant" means a National Ocean and Coastal Resources Management and Development Block Grant;

(2) "coastal population" means that term as defined in regulations issued on May 17, 1982, at 15 CFR Part 927;

(3) "coastal-related energy facilities" means any equipment or facility that (A) is or will be used primarily in the exploration for, or the development, production, conversion, storage, transfer, processing, or transportation of, any energy resource or for the manufacture, production, or assembly of equipment, machinery, products, or devices that are involved in any such energy-resource activity, and (B) is, or is likely to be, sited, constructed, expanded, or operated in, or in close proximity to, the coastal zone of any state because of technical requirements;

The term includes, (i) electric generating plants; (ii) facilities associated with the transportation, transfer, or storage of coal; (iii) petroleum refineries and associated facilities; (iv) gasification plants; (v) facilities associated with the transportation, conversion, treatment, transfer, or storage of liquefied natural gas; (vi) oil and gas facilities, including platforms, assembly plants, storage depots, tank farms, crew and supply bases, and refining complexes; (vii) facilities, including deepwater ports, for the transfer of petroleum; (viii) facilities used for alternative ocean energy activities, including those associated with ocean thermal energy conversion; and (ix) pipelines, transmission facilities, and terminals associated with any of the foregoing.

For the purposes of this subtitle, the siting, construction, expansion, or operation of any coastal-related energy facilities is "in close proximity to the coastal zone of any state" if such siting, construction, expansion, or operation has, or is likely to have, a significant effect on such coastal zone.

(4) "coastal state" means the Commonwealth of Puerto Rico and any state of the United States in, or bordering on, the Atlantic Ocean, the Pacific Ocean, the Arctic Ocean, the Gulf of Mexico, Long Island Sound, or one or more of the Great Lakes;

(5) "coastal territory" means the Virgin Islands, the Northern Mariana Islands, the Trust Territory of the Pacific Islands, American Samoa, or Guam;

(6) "Fund" means the Ocean and Coastal Resources Management and Development Fund;

(7) "local government" means that term as defined in section 304(11) of the Coastal Zone Management Act of 1972 (16 U.S.C. 1453(11)) and, with respect to the State of Alaska, the term includes unincorporated communities, including Alaska Native villages;

(8) "outer Continental Shelf planning area" means one of the geophysical regions of the outer Continental Shelf which is so designated in the Outer Continental Shelf Leasing Program (43 U.S.C. 1344), dated July 21, 1982, or as so designated in subsequent outer Continental Shelf leasing programs;

(9) "proportionately" means in the same ratio as a state's allocation;

(10) "Secretary" means the Secretary of Commerce;

(11) "shoreline mileage" means that term as defined in regulations issued on May 17, 1982, at 15 CFR Part 927; and

(12) "state" means any coastal state or coastal territory.

SEC. 6502. OCEAN AND COASTAL RESOURCES MANAGEMENT AND DEVELOPMENT FUND.

(a) There is established in the Treasury of the United States a fund to be known as the Ocean and Coastal Resources Management and Development Fund.

(b)(1) Beginning in fiscal year 1988 and in each fiscal year thereafter, the Secretary of the Treasury shall deposit into the Fund, not later than 60 days after the end of the previous fiscal year, an amount equal to 4 per centum of the average amount of all sums deposited in the Treasury of the United States pursuant to section 9 of the Outer Continental Shelf Lands Act (43 U.S.C. 1338) during the three previous fiscal years.

(2) The amount deposited in the Fund in fiscal year 1988 shall not exceed $150,000,000. The amount deposited in fiscal year 1989 shall not exceed $300,000,000. Beginning in fiscal year 1990, and in each fiscal year thereafter, the amount deposited in the Fund shall not exceed 105 per centum of the amount deposited in the Fund in the prior fiscal year.

(c) As provided in advance by appropriation Acts, the Secretary shall use the total amount of any amounts deposited in the Fund during each fiscal year to carry out the purposes of, and in accordance with, section 6503 of this title.

SEC. 6503. NATIONAL OCEAN AND COASTAL RESOURCES MANAGEMENT AND DEVELOPMENT BLOCK GRANTS.

(a) Subject to the provisions of section 6502(c) and this section, for fiscal year 1988 and for each subsequent fiscal year, the Secretary shall provide to each state a national ocean and coastal resources management and development block grant from amounts paid into the Fund during such fiscal year under section 6502(b).

(b)(1) No state may receive a block grant for a fiscal year unless such state has submitted to the Secretary a report for such fiscal year that—

(A) specifies the proposed allocation by such state of the block grant among coastal zone management activities, coastal energy impact activities, living marine resource activities, and natural resource preservation, enhancement and management activities under section 6504(a); and

(B) describes each proposed activity receiving funds provided by the block grant and the amounts proposed to be expended for each activity.

(2) In order to be eligible to receive a block grant pursuant to this subtitle and before submitting the report required under paragraph (1), each state shall provide opportunities for the public to review and comment on the report and shall hold at least one public hearing on such report at a site in the state convenient for encouraging maximum public participation.

(c) A block grant shall not be paid from the Fund to a state until the state has established a trust fund for the receipt of such grant.

(d) The amount of each block grant provided under subsection (a) shall be determined by the Secretary under a formula established by the Secretary which gives equal consideration to each of the following criteria:

(1) For each state, the equal combination of—

(A) the amount of actual leasing with respect to oil and gas which is carried out under the Outer Continental Shelf Lands Act (43 U.S.C. 1331 et seq.) during the previous fiscal year which occurs within the Outer Continental Shelf planning area to which such state is adjacent; and

(B) the volume of oil and gas produced from Outer Continental Shelf acreage leased by the Federal Government which is first landed in such state during the previous fiscal year.

(2) For each state, any proposed oil and gas lease sales specified by the Outer Continental Shelf leasing program prepared under section 18(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1344(a)) and scheduled to occur within the Outer Continental Shelf planning area to which such state is adjacent.

(3) The coastal-related energy facilities (including coal facilities) located within each state during the previous fiscal year. For any state for which the Secretary has not approved a coastal zone management program under section 306 of the Coastal Zone Management Act of 1972 (16 U.S.C. 1455), this criterion shall be reduced by fifty per centum. The amounts resulting from such reduction shall be reallocated proportionately, under this paragraph, among states for which the Secretary has approved such a management program.

(4) The shoreline mileage of each state for which the Secretary has approved a coastal zone management program under section 306 of the Coastal Zone Management Act of 1972 (16 U.S.C. 1455).

(5) The coastal population of each state for which the Secretary has approved a coastal zone management program under section 306 of the Coastal Zone Management Act of 1972 (16 U.S.C. 1455).

(e) For purposes of paragraphs (4) and (5) of subsection (d)—

(1) the Secretary shall be presumed to have approved the coastal zone management program of any state if the Secretary determines that, in any fiscal year, such state is making satisfactory progress toward the development of a coastal zone management program which will be approvable under section 306 of the Coastal Zone Management Act (16 U.S.C. 1455). Such presumption may be renewed only once and for a period not to exceed one additional fiscal year if the Secretary makes such determination under this subsection for such additional fiscal year; and

(2) a state shall not receive in excess of 30 per centum of the amounts attributable to either criterion. If any state would receive an allotment greater than 30 per centum, the Secretary shall reduce such allotment to 30 per centum. The amounts resulting from such reduction shall be reallocated proportionately among those states that receive less than 30 per centum of the amounts attributable to such criterion.

(f)(1) For states for which the Secretary has approved a coastal zone management program under section 306 of the Coastal Zone Management Act of 1972 (16 U.S.C. 1455), a coastal state shall receive not less than one and sixty two one-hundredths per centum, and a coastal territory not less than one-half of one per centum, of the total amount available for block grants under section 6502(c) during any fiscal year.

(2) If, after the calculations required under subsection (d), any coastal state or coastal territory is to receive a block grant that is less than the respective minimum grant levels established under paragraph (1), the Secretary shall increase such state's block grant to the minimum level. Amounts necessary to make such increases shall be

derived by reducing proportionately the block grant of each state which, as determined under subsection (d), exceeds the respective minimum level under paragraph (1).

(3) For the purposes of the implementation of section 6504(b), block grant levels may fall below the respective minimum levels established under this section.

(g) If, after the calculations required under subsections (d), (e) and (f), any state would receive a block grant which is greater than 15 per centum of the funds appropriated under section 6502(c), the Secretary shall reduce such state's block grant to 15 per centum. The amounts resulting from such reduction shall be reallocated proportionately among states receiving less than 15 per centum of such funds and more than the minimum grant levels under subsection (f).

SEC. 6504. REQUIREMENTS ON THE USE OF BLOCK GRANTS.

Block grants provided to a state under section 6503(a) shall be used for the enhancement and management of ocean and coastal resources and for the amelioration of any adverse impacts that result from the siting, construction, expansion, or operation of coastal-related energy facilities.

(a) Such block grants shall be used only for each of the following activities:

(1) activities of such state authorized by the Coastal Zone Management Act of 1972 (16 U.S.C. 1451 et seq.);

(2) activities of such state pursuant to the coastal energy impact program administered under section 308 of the Coastal Zone Management Act of 1972 (16 U.S.C. 1457);

(3) activities of such state for the enhancement, management and development of living marine resources; and

(4) activities of such state for the preservation, enhancement and management of its natural resources including coastal habitats.

(b) Nothing in this subtitle shall be construed to repeal or modify, by implication or otherwise, section 312 of the Coastal Zone Management Act of 1972 (16 U.S.C 1461). The Secretary shall reduce any block grant, provided under this subtitle to a state that has an approved program under section 306 of the Coastal Zone Management Act (16 U.S.C. 1455), by no more than 30 per centum of the amount of such state's block grant that is attributable to paragraphs (4) and (5) of section 6503(d) of this subtitle, if the Secretary makes the determination provided in section 312(c) of the Coastal Zone Management Act.

SEC. 6505. LOCAL GOVERNMENTS.

(a) Each State receiving a block grant in any fiscal year under section 6503(a) shall—

(1) establish an effective mechanism for consultation and coordination with its local governments with respect to the allocation of such block grant within the state; and

(2) provide to its local governments allocations from such block grant, taking into consideration the responsibilities of the local governments in carrying out activities under section 6504(a).

(b) In carrying out its responsibilities under subsection (a)(2), the State shall give particular emphasis to the activities of local governments in—

(1) providing public services and public facilities required as a result of the siting, construction, expansion, or operation of coastal-related energy facilities; and

(2) preventing, reducing, or ameliorating any unavoidable loss of valuable environmental or recreational resources if such loss results from the siting, construction, expansion, or operation of coastal-related energy facilities.

(c) In carrying out its responsibilities under this section, each State shall provide no less than 33⅓ per centum of each block grant received under section 6503(a) to its local governments.

SEC. 6506. AUDIT.

(a) Under regulations promulgated by the Secretary, any State receiving a block grant under section 6503(a) shall, for each fiscal year that it receives such grant, submit to the Secretary a financial audit of the trust fund established pursuant to section 6503(c). The income derived from such trust fund for each fiscal year shall be included in the audit required by this section.

(b) Each audit submitted by a State under subsection (a) shall—

(1) contain a statement of all funds provided by the block grant received by such State for the fiscal year;

(2) include a statement of all financial assistance provided to such State's local governments pursuant to section 6505;

(3) be conducted by an entity which is independent of any agency or official administering or using funds provided by such block grant; and

(4) be conducted in accordance with the financial and compliance element of the standards for audit of governmental organizations, activities, and functions established by the Comptroller General of the United States.

(c) After receiving a State's financial audit under this section, the Secretary shall—

(1) make a preliminary evaluation of each audit submitted pursuant to this section. If the Secretary determines, in the preliminary evaluation of a State's audit, that all or any part of the block grant has not been used as required by this subtitle, the Secretary shall publish notice of this finding in the Federal Register. In addition, the Secretary may suspend, and place in escrow, an amount from any future block grant which is equivalent to the amount misused, pending final determination pursuant to paragraph (3);

(2) provide the state with an opportunity for a hearing; and

(3) make a final determination.

(d) If the Secretary makes a final determination under subsection (c)(3) that all or any part of such funds were not used as required by this subtitle, the Secretary shall—

(1) provide in writing to the State the reasons for the determination and the amount of funds misused; and

(2) take appropriate action to recover an amount equal to that determined to have been misused under subsection (c), including the withholding of such amount from a State's future block grant or the amount which may have been suspended under subsection (c)(1).

(e) If no appeal of the final determination is filed within sixty days following notification to the State of the final determination, any funds withheld or recovered by the Secretary under subsection (d)(2) shall be returned to the Fund.

(f) If an appeal of the final determination is filed within the sixty-day period specified in subsection (e), any funds withheld by the Secretary shall be held in escrow until such time as a final determination is made of the appeal.

SEC. 6507. RULES AND REGULATIONS.

The Secretary shall promulgate, pursuant to section 553 of title 5, United States Code, after notice and opportunity for participation by relevant Federal agencies, State agencies, local governments, regional organizations, and other interested parties, both public and private, such rules and regulations as may be necessary to carry out the provisions of this subtitle.

Subtitle F—Amendments to the Coastal Zone Management Act

SEC. 6601. SHORT TITLE.

This subtitle may be cited as the "Coastal Zone Management Reauthorization Act of 1985".

SEC. 6602. REFERENCE.

Whenever in this subtitle an amendment or repeal is expressed in terms of an amendment, or repeal, of a section, subsection, paragraph, or other provision, the reference is to be considered to be made to a section, subsection, paragraph, or other provision of the Coastal Zone Management Act of 1972 (16 U.S.C. 1451 et seq.) unless otherwise specified.

SEC. 6603. REDUCTION OF ADMINISTRATIVE GRANTS.

(a) Section 312(c)(16 U.S.C. 1458(c)) is amended by striking "if the Secretary determines" and all that follows thereafter and inserting in lieu thereof the following: "if the Secretary determines that the coastal state—

"(1) is failing to make significant improvement in achieving the coastal management objectives specified in section 303(2)(A) through (I); or

"(2) is failing to make satisfactory progress in providing in its management program for the matters referred to in section 306(i)(A) and (B).".

(b)(1) Subsection (a) of section 306 of the Coastal Zone Management Act of 1972 (16 U.S.C. 1455) is amended by striking, "The Secretary may" and all that follows through "if the Secretary—" and substituting in lieu thereof the following: "The Secretary may make grants to any coastal state for the purpose of administering that state's management program, if the state provides for the applicable fiscal year: 20 per centum of the grant for fiscal year 1986; 30 per centum of the grant for fiscal year 1987; 40 per centum of the grant for fiscal year 1988; and 50 per centum of the grant for each fiscal year thereafter. The Secretary may make the grant only if the Secretary—".

(2) Section 306A is amended by striking section (d)(1) and substituting in lieu thereof the following:

"(d)(1) The Secretary may make grants to any coastal state for the purpose of carrying out the project or purpose for which such grants are awarded, if the state provides for the applicable fiscal year: 20 per centum of the grant for fiscal year 1986; 30 per centum of the grant for fiscal year 1987; 40 per centum of the grant for fiscal year 1988; and 50 per centum of the grant for each fiscal year thereafter.".

(c) Section 306(g) (16 U.S.C. 1455) is amended by striking all that follows after the first sentence, and inserting in lieu thereof, the following: "Provided that—

"(1) The state shall promptly notify the Secretary of any proposed amendment, modification or other program change and submit it for Secretarial approval. The Secretary may suspend all or part of any grant made under this section pending state submission of the proposed amendment, modification or other program change;

"(2) The state may not implement any proposed amendment as part of its approved program pursuant to section 306, until after it has been approved by the Secretary, and the Secretary may not authorize any federal

financial assistance for such implementation until the Secretary approves the amendment; and

"(3) Within four months from the date on which any proposed amendment is received by the Secretary, the Secretary shall notify the state of the decision to approve or disapprove it. This period may be extended only as necessary to meet the requirements of the National Environmental Policy Act (42 U.S.C. 4321).".

SEC. 6604. NATIONAL ESTUARINE RESERVE RESEARCH SYSTEM.

Section 315 (16 U.S.C. 1461) is amended to read as follows:

"NATIONAL ESTUARINE RESERVE RESEARCH SYSTEM

"(a) ESTABLISHMENT OF THE SYSTEM.—There is established the National Estuarine Reserve Research System (hereinafter referred to in this section as the 'System') that consists of—

"(1) each estuarine sanctuary designated under this section as in effect before October 1, 1985; and

"(2) each estuarine area designated as a national estuarine reserve under subsection (b).

Each estuarine sanctuary referred to in paragraph (1) is hereby designated as a national estuarine reserve.

"(b) DESIGNATION OF NATIONAL ESTUARINE RESERVES.—After September 30, 1985, the Secretary may designate an estuarine area as a national estuarine reserve if—

"(1) the Governor of the coastal state in which the area is located nominates the area for that designation; and

"(2) The Secretary finds that—

"(A) the area is a representative estuarine ecosystem that is suitable for long-term research and contributes to the biogeographical and typological balance of the System;

"(B) the law of the coastal State provides long-term protection for reserve resources to ensure a stable environmental for research;

"(C) designation of the area as a reserve will serve to enhance public awareness and understanding of estuarine areas, and provide suitable opportunities for public education and interpretation; and

"(D) the coastal State in which the area is located has complied with the requirements of any regulations issued by the Secretary to implement this section.

"(c) ESTUARINE RESEARCH GUIDELINES.—The Secretary shall develop guidelines for the conduct of research within the System that shall include—

"(1) a mechanism for identifying, and establishing priorities among, the coastal management issues that should be addressed through coordinated research within the System;

"(2) the establishment of common research principles and objectives to guide the development of research programs within the System;

"(3) the identification of uniform research methodologies which will ensure comparability of data, the broadest application of research results, and the maximum use of the System for research purposes;

"(4) the establishment of performance standards upon which the effectiveness of the research efforts and the value of reserves within the System in addressing the coastal management issues identified in subsection (1) may be measured; and

"(5) the consideration of additional sources of funds for estuarine research than the funds authorized under this Act, and strategies for encouraging the use of such funds within the System, with particular emphasis on mechanisms established under subsection (d).

In developing the guidelines under this section, the Secretary shall consult with prominent members of the estuarine research community.

"(d) PROMOTION AND COORDINATION OF ESTUARINE RESEARCH.—The Secretary shall take such action as is necessary to promote and coordinate the use of the System for research purposes including—

"(1) requiring that the National Oceanic and Atmospheric Administration, in conducting or supporting estuarine research, give priority consideration to research that uses the System; and

"(2) consulting with other Federal and State agencies to promote use of one or more reserves within the System by such agencies when conducting estuarine research.

"(e) FINANCIAL ASSISTANCE.—(1) The Secretary may, in accordance with such rules and regulations as the Secretary shall promulgate, make grants—

"(A) to a coastal State—

"(i) for purposes of acquiring such lands and waters, and any property interests therein, as are necessary to ensure the appropriate long-term management of an area as a national estuarine reserve,

"(ii) for purposes of operating or managing a national estuarine reserve and constructing appropriate reserve facilities, or

"(iii) for purposes of conducting educational or interpretive activities; and

"(B) to any coastal State or public or private person for purposes of supporting research and monitoring within a national estuarine reserve that are consistent with the research guidelines developed under subsection (c).

"(2) Financial assistance provided under paragraph (1) shall be subject to such terms and conditions as the Secretary considers necessary or appropriate to protect the interests of the United States, including requiring coastal States to execute suitable title documents setting forth the property interest or interests of the United States in any lands and waters acquired in whole or part with such financial assistance.

"(3)(A) The amount of the financial assistance provided under paragraph (1)(A)(i) of subsection (e) with respect to the acquisition of lands and waters, or interests therein, for any one national estuarine reserve may not exceed an amount equal to 50 per centum of the costs of the lands, waters, and interests therein or $4,000,000, whichever amount is less.

"(B) The amount of the financial assistance provided under paragraph (1)(A) (ii) and (iii) and paragraph (1)(B) of subsection (e) may not exceed 50 per centum of the costs incurred to achieve the purposes described in those paragraphs with respect to a reserve.

"(f) EVALUATION OF SYSTEM PERFORMANCE.—(1) The Secretary shall periodically evaluate the operation and management of each national estuarine reserve, including education and interpretive activities, and the research being conducted within the reserve.

"(2) If evaluation under paragraph (1) reveals that the operation and management of the reserve is deficient, or that the research being conducted within the reserve is not consistent with the research guidelines developed under subsection (c), the Secretary may suspend the eligibility of that reserve for financial assistance under subsection (e) until the deficiency or inconsistency is remedied.

"(3) The Secretary may withdraw the designation of an estuarine area as a national estuarine reserve if evaluation under paragraph (1) reveals that—

"(A) the basis for any one or more of the findings made under subsection (b)(2) regarding that area no longer exists; or

"(B) a substantial portion of the research conducted within the area, over a period of years, has not been consistent with the research guidelines developed under subsection (c).

"(g) ANNUAL REPORT.—Beginning with fiscal year 1987, the Secretary shall provide to the Congress an annual report that sets forth, with respect to the period covered by the report—

"(1) new designations of national estuarine reserves;

"(2) any expansion of existing national estuarine reserves;

"(3) the status of the research program being conducted within the System; and

"(4) a summary of the evaluations made under subsection (f). "The Secretary shall submit the report within three months after the end of the fiscal year covered by the report.".

SEC. 6605. REPEALS.

The following are repealed:

(1) Section 310 (16 U.S.C. 1456c; relating to research and tehnical assistance programs and grants).

(2) Section 314 (16 U.S.C. 1460; establishing the Coastal Zone Management Advisory Committee).

(3) Subsection (c) of section 15 of the Coastal Zone Management Act Amendments of 1976, Public Law 94-370 (16 U.S.C. 1451 note; relating to certain additional personnel positions).

SEC. 6606. AUTHORIZATIONS OF APPROPRIATIONS.

Section 318 (16 U.S.C. 1464) is amended as follows:

(1) by amending paragraph (1) to read as follows:

"(1) such sums, not to exceed $36,600,000 for the fiscal year ending September 30, 1987; $37,900,000 for the fiscal year ending September 30, 1988; $38,800,000 for the fiscal year ending September 30, 1989; and $40,600,000 for the fiscal year ending September 30, 1990, as may be necessary for grants under sections 306 and 306A, to remain available until expended;".

(2) By striking paragraph (2) and renumbering subsequent paragraphs—

(3) By amending the new paragraph (3) to read as follows:

"(3) such sums, not to exceed $1,500,000 for each of the fiscal years occurring during the period beginning October 1, 1986, and ending September 30, 1990, as may be necessary for grants under section 309, to remain available until expended;".

(4) By amending the new paragraph (4) to read as follows:

"(4) such sums, not to exceed $3,800,000 for the fiscal year ending September 30, 1987; $4,500,000 for the fiscal year ending September 30, 1988; $5,000,000 for the fiscal year ending September 30, 1989; and $5,500,000 for the fiscal year ending September 30, 1990, as may be necessary for grants under section 315, to remain available until expended;" and

(5) By amending the new paragraph (5) to read as follows:

"(5) such sums, not to exceed $3,300,000 for the fiscal year ending September 30, 1987; $3,300,000 for the fiscal year ending

September 30, 1988; $4,000,000 for the fiscal year ending September 30, 1989; and $4,000,000 for the fiscal year ending September 30, 1990, as may be necesssary for administrative expenses incident to the administration of this title.".

SEC. 6607. TECHNICAL AMENDMENT.

Section 308(h) (16 U.S.C. 1456a(h)) is amended by deleting "subsections (c)(1)" each place it appears and inserting instead "subsections (c)".

Subtitle G—Merchant Marine Act Amendments

SEC. 6701. MERCHANT MARINE ACT AMENDMENTS.

The Merchant Marine Act, 1936 (46 App. U.S.C. 1101 et seq.) is amended—

(1) by amending section 607(k)(1) to read:

"(1) The term 'eligible vessel' means a vessel—

"(A) documented under the laws of the United States; or

"(B) owned by a United States controlled foreign corporation.";

(2) by amending section 607(k) (2)(C) to read:

"(C) which the person maintaining the fund agrees with the Secretary will be operated in, or assisting in, the operation of a vessel in United States or foreign waters in—

"(1) the foreign, Great Lakes, or noncontiguous domestic trade of the United States;

"(2) the fisheries of the United States; or

"(3) support of exploration, exploitation, or production of offshore mineral or energy resources."; and

(3) in section 607(1) by striking "require." and substituting "require, including a schedule of projected deposits and withdrawals, for a period of not less than ten years, to meet the program objectives.".

Subtitle H—Use of American-Built Rigs For OCS Drilling

SEC. 6801. USE OF AMERICAN-BUILT RIGS FOR OCS DRILLING.

Section 5 of the Outer Continental Shelf Lands Act (43 U.S.C. 1334) is amended by adding at the end the following new subsection:

"(j)(1) Any vessel, rig, platform, or other structure used for the purpose of exploration or production of oil and gas on the outer Continental Shelf south of 49 degrees North latitude shall be built—

"(A) in the United States; and

"(B) from articles, materials, or supplies at least 50 percent of which, by cost, shall have been mined, produced, or manufactured, as the case may be, in the United States.

"(2) The requirements of paragraph (1) shall not apply to any vessel, rig, platform, or other structure which was built, which is being built, or for which a building contract has been executed, on or before October 1, 1985.

"(3) The Secretary may waive—

"(A) the requirement in paragraph (1)(B) whenever the Secretary determines that 50 percent of the articles, materials, or supplies for a vessel, rig, platform, or other structure cannot be mined, produced, or manufactured, as the case may be, in the United States, and

"(B) the requirement in paragraph (1)(A) upon application, with respect to any classification of vessels, rigs, platforms, or other structures on a specific lease, when the Secretary determines that at least 50 percent of such classification, as calculated by number and by weight, which are to be built for exploration or production activities under such lease will be built in the United States in compliance with the requirements of paragraph (1)(A).".

TITLE VII—COMMITTEE ON POST OFFICE AND CIVIL SERVICE

SEC. 7101. PAY ADJUSTMENTS DURING FISCAL YEARS 1986, 1987, AND 1988.

(a) ADJUSTMENTS FOR EMPLOYEES UNDER STATUTORY PAY SYSTEMS.—(1) Notwithstanding any other provision of law, adjustments under section 5305 of title 5, United States Code, in the rates of pay under the General Schedule and in the rates of pay under the other statutory pay systems shall be as follows:

(A) In the case of fiscal year 1986, no adjustment under such section shall be made.

(B) In the case of fiscal year 1987, the overall percentage of the adjustment under such section shall be an increase of 5 percent.

(C) In the case of fiscal year 1988, the overall percentage of the adjustment under such section shall be an increase of 5 percent.

(2) Each increase in a pay rate or schedule which takes effect pursuant to subparagraph (B) or (C) of paragraph (1) shall, to the maximum extent practicable, be of the same percentage and shall take effect as of the beginning of the first applicable pay period beginning on or after January 1 of the fiscal year involved.

(b) ADJUSTMENTS FOR PREVAILING RATE EMPLOYEES.—(1) Notwithstanding any other provision of law, and except as otherwise provided in this subsection, in the case of a prevailing rate employee described in section 5342(a)(2) of title 5, United States Code, or an employee covered by section 5348 of such title, the total adjustment to any wage schedule or rate applicable to such employee which is to become effective (determined without regard to paragraph (2)) during—

(A) fiscal year 1986, shall (except to the extent permitted by section 616(a)(2) of H.R. 5798, incorporated by reference in section 101(j) of Public Law 98-473 (98 Stat. 1963)) be equal to zero;

(B) fiscal year 1987, shall not exceed an increase of 5 percent; and

(C) fiscal year 1988, shall not exceed an increase of 5 percent.

(2) Notwithstanding any other provision of law, any increase permitted by paragraph (1) which is scheduled to take effect during fiscal year 1987 or 1988 (determined without regard to this paragraph) shall take effect as of the beginning of the first applicable pay period beginning at least 90 days after the date on which such increase is so scheduled to take effect.

(3) Notwithstanding the provisions of section 9(b) of Public Law 92-392 or section 704(b) of Public Law 95-454, the provisions of paragraph (1) shall apply (in such manner as the Office of Personnel Management shall prescribe) to prevailing rate employees to whom such section 9(b) applies, except that the provisions of paragraph (1) shall not apply to any increase in a wage schedule or rate which is required by the terms of a contract entered into before October 1, 1985.

(4) Nothing in this subsection or any provision of law governing the use of appropriated funds for the payment of employees covered by this subsection during the period covered by paragraph (1) (or any part of such period) shall be construed to permit or require the payment to any such employee at a rate in excess of the rate that would be payable were this subsection, or such provision of law governing the use of appropriated funds, not in effect.

(5) The Office may make exceptions from the limitations imposed by paragraph (1) if the Office determines that such exceptions are necessary to ensure the recruitment or retention of well-qualified employees.

(c) ASSUMPTION.—Notwithstanding any other provision of law, determinations relating to amounts to be appropriated in order to provide for the respective adjustments described in subparagraphs (B) and (C) of subsection (a)(1), and subparagraphs (B) and (C) of subsection (b)(1), shall be made based on the assumption that the various departments and agencies of the Government will, in the aggregate, and with respect to the fiscal year involved, absorb 33 percent of the increase in total pay for such year, as defined in subsection (d)(2).

(d) DEFINITIONS.—For purposes of this section—

(1) the term "total pay" means, with respect to a fiscal year—

(A) the total amount of basic pay which, in the case of employees covered by the statutory pay systems, will be payable to such employees for service performed during such year; and

(B) the total amount of basic pay which, in the case of prevailing rate employees described in section 5342(a)(2) of title 5, United States Code, and employees covered by section 5348 of such title, will be payable to employees under those respective provisions for service performed during such year;

(2) the term "increase in total pay" means, with respect to a fiscal year, that part of total pay for such year which is attributable to the adjustment taking effect under this section during such year; and

(3) the term "statutory pay system" has the meaning given such term by section 5301(c) of title 5, United States Code.

SEC. 7102. AMENDMENTS RELATING TO FEDERAL EMPLOYEES HEALTH BENEFITS PROGRAM.

(a) AMOUNTS TO BE REFUNDED FROM CARRIERS' SPECIAL RESERVES.—(1) The Office of Personnel Management—

(A) shall determine the minimum level of financial reserves necessary to be held by a carrier for each health benefits plan under chapter 89 of such title for the purpose of ensuring the stable and efficient operation of such plan; and

(B) shall require the carrier to refund to the Employees Health Benefits Fund any such reserves in excess of such minimum level in such amounts and at such times during fiscal years 1986 and 1987 as the Office determines appropriate.

Any refund made by a carrier under this subsection shall be credited to the contingency reserve of the health benefits plan of such carrier (as described in section 8909(b) of such title).

(2) In carrying out its responsibilities under this subsection, the Office shall ensure that the aggregate amount to be refunded to the Employees Health Benefits Fund under this subsection—

(A) during fiscal year 1986 shall be not less than $800,000,000; and

(B) during fiscal year 1987 shall be not less than $300,000,000.

(3) No amount in any of the contingency reserves referred to in paragraph (1) may be transferred to the general fund of the Treasury of the United States, to the United States Postal Service, or to the government of the District of Columbia as a

result of a refund made under this subsection.

(b) ELIMINATION OF 75 PERCENT LIMITATION ON GOVERNMENT CONTRIBUTIONS FOR FISCAL YEARS 1986 AND 1987.—Effective for each of the contract years commencing in fiscal years 1986 and 1987, respectively, the maximum biweekly Government contribution allowable under section 8906(b)(2) of title 5, United States Code, for any individual shall be 100 percent of the applicable subscription charge.

SEC. 7103. CONVERSION OF ANNUAL TO HOURLY RATES OF PAY BASED ON 2,087 HOURS PER YEAR.

(a) CONVERSION.—Section 5504(b) of title 5, United States Code, is amended—

(1) by striking out the first sentence;

(2) in the second sentence, by striking out "When" and inserting in lieu thereof "When, in the case of an employee,";

(3) in paragraph (1), by striking out "2,080" and inserting in lieu thereof "2,087"; and

(4) in the last sentence, by striking out "title." and inserting in lieu thereof "title other than an employee or individual excluded by section 5541(2)(xvi) of this title.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect as of the beginning of the first applicable pay period commencing on or after October 1, 1985.

(c) TERMINATION DATE.—The amendments made by paragraphs (1), (2), and (3) of subsection (a) shall cease to have effect as of the beginning of the first applicable pay period commencing on or after October 1, 1988.

SEC. 7104. SAVINGS UNDER POSTAL SERVICE PROGRAMS.

(a) REDUCTION OF AUTHORIZATION FOR REVENUE FORGONE.—Notwithstanding subsection (c) of section 2401 of title 39, United States Code, the amount authorized to be appropriated pursuant to such subsection for fiscal year 1986 shall be $749,000,000.

(b) REDUCTION OF TRANSITIONAL APPROPRIATIONS.—(1) Notwithstanding section 2004 of title 39, United States Code—

(A) no sum is authorized to be appropriated pursuant to such section for fiscal year 1986; and

(B) for fiscal year 1989, there is authorized to be appropriated—

(i) such sums as may be necessary to carry out such section in such year; and

(ii) such sums as may be necessary to reimburse the Postal Service Fund (established by section 2003 of such title) for any expenditures made from such Fund under paragraph (2).

(2) The United States Postal Service, during fiscal year 1986, shall carry out section 2004 of title 39, United States Code, using any amounts available in the Postal Service Fund.

TITLE VIII—COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

Subtitle A—Highway Programs

SEC. 8101. REDUCTIONS IN HIGHWAY APPORTIONMENTS.

(a) PRIMARY SYSTEM.—The first sentence of section 105(a)(1) of the Highway Improvement Act of 1982 is amended by striking out "$2,450,000,000" and inserting in lieu thereof "$2,300,000,000".

(b) BRIDGE REPLACEMENT AND REHABILITATION.—Section 202(1) of the Highway Safety Act of 1982 is amended by striking out "$2,050,000,000" and inserting in lieu thereof "$1,750,000,000".

(c) INTERSTATE 4R.—The first sentence of section 105 of the Federal-Aid Highway Act of 1978 is amended by striking out "$3,150,000,000" and inserting in lieu thereof "$2,800,000,000".

(d) APPORTIONMENT ADJUSTMENTS.—

(1) DETERMINATION OF ADJUSTMENT AMOUNT.—On the first day following the effective date of this Act, the Secretary of Transportation shall determine—

(A) the amount of funds that would have been apportioned to each State on October 1, 1985—

(i) for the Federal-aid primary system program if the amendment made by subsection (a) had been in effect on such date;

(ii) for the highway bridge replacement and rehabilitation program if the amendment made by subsection (b) had been in effect on such date; and

(iii) for the program to resurface, restore, rehabilitate, and reconstruct routes on the National System of Interstate and Defense Highways if the amendment made by subsection (c) had been in effect on such date; and

(B) the amount by which the amount which was apportioned to such State on October 1, 1985, for such program exceeds the amount determined under subparagraph (A) for such program.

(2) ADJUSTMENTS TO CURRENT APPORTIONMENT.—To the extent that any funds—

(A) which were apportioned to a State on October 1, 1985, for any program referred to in paragraph (1)(A); and

(B) which are unobligated on the first day following the effective date of this Act;

do not exceed the amount determined under paragraph (1)(B) for such program, such apportioned and unobligated funds shall lapse on such first day.

(3) ADJUSTMENT TO FUTURE APPORTIONMENT.—If the amount determined under paragraph (1)(B) with respect to the apportionment made on October 1, 1985, to any State for any program referred to in paragraph (1)(A) is greater than the amount of funds which lapse from the apportionment to such State for such program under paragraph (2), the Secretary of Transportation shall reduce the amount which, but for this paragraph, would otherwise be apportioned to such State for such program on October 1, 1986, by the amount of such excess.

SEC. 8102. OBLIGATION CEILING.

(a) GENERAL LIMITATION.—Notwithstanding any other provision of law, the total of all obligations for Federal-aid highways and highway safety construction programs shall not exceed—

(1) $13,250,000,000 for fiscal year 1986;

(2) $13,800,000,000 for fiscal year 1987; and

(3) $14,400,000,000 for fiscal year 1988.

(b) EXCEPTIONS.—The limitations under subsection (a) shall not apply to obligations—

(1) under section 125 of title 23, United States Code;

(2) under section 157 of such title;

(3) under section 320 of such title;

(4) under section 147 of the Surface Transportation Assistance Act of 1978;

(5) under section 9 of the Federal-Aid Highway Act of 1981;

(6) under sections 131(b) and 131(j) of the Surface Transportation Assistance Act of 1982;

(7) under section 118 of the National Visitor Center Facilities Act of 1968; and

(8) for completion of the Zilwaukee Bridge required because of construction failure.

No obligation constraints shall be placed upon any ongoing emergency project carried out under section 125 of title 23, United States Code, or section 147 of the Surface Transportation Assistance Act of 1978.

(c) DISTRIBUTION OF OBLIGATIONAL AUTHORITY.—For each of fiscal years 1986, 1987, and 1988, the Secretary of Transportation shall distribute the limitation imposed by subsection (a) by allocation as follows:

(1) 95 percent of such limitation shall be allocated among the States in the ratio which sums authorized to be appropriated for Federal-aid highways and highway safety construction which are apportioned or allocated to each State for such fiscal year bears to the total of the sums authorized to be appropriated for Federal-aid highways and highway safety construction which are apportioned or allocated to all the States for such fiscal year.

(2) 5 percent of such limitation shall be allocated among the States in the ratio which sums apportioned or allocated for Federal-aid highways and highway safety construction which remain available for obligation to each State and are unobligated on the last day of the fiscal year preceding such fiscal year and which will not lapse at the end of such last day bears to the total of the sums apportioned or allocated for Federal-aid highways and highway safety construction which remain available for obligation to all the States and are unobligated on such last day and which will not lapse at the end of such last day.

(d) LIMITATION ON OBLIGATIONAL AUTHORITY.—During the period October 1 through December 31 of each of fiscal years 1986, 1987, and 1988, no State shall obligate more than 35 percent of the amount distributed to such State under subsection (c) for such fiscal year, and the total of all State obligations during such period shall not exceed 25 percent of the total amount distributed to all States under such subsection for such fiscal year.

(e) REDISTRIBUTION OF UNUSED OBLIGATIONAL AUTHORITY.—Notwithstanding subsections (c) and (d), the Secretary of Transportation shall—

(1) provide all States with authority sufficient to prevent lapses of sums authorized to be appropriated for Federal-aid highways and highway safety construction which have been apportioned or allocated to a State, except in those instances in which a State indicates its intention to lapse sums apportioned under section 104(b)(5)(A) of title 23, United States Code;

(2) after August 1 of each of fiscal years 1986, 1987, and 1988, revise a distribution of the funds made available under subsection (c) for such fiscal year if a State will not obligate the amount distributed during such fiscal year and redistribute sufficient amounts to those States able to obligate amounts in addition to those previously distributed during such fiscal year giving priority to those States having large unobligated balances of funds apportioned under section 104 of title 23, United States Code, and giving priority to those States which, because of statutory changes made by the Surface Transportation Assistance Act of 1982 and the Federal-Aid Highway Act of 1981, have experienced substantial proportional reductions in their apportionments and allocations; and

(3) not distribute amounts authorized for administrative expenses and Federal lands highways programs.

(f) CONFORMING AMENDMENT.—Section 157(b) of title 23, United States Code, is amended by striking out the period at the end of the last sentence and inserting in lieu

thereof "and section 8102(c) of the Omnibus Budget Reconciliation Act of 1985.".

SEC. 8103. OHIO RIVER BRIDGE FUND REPROGRAMMING.

Section 147 of the Federal-Aid Highway Act of 1978 is amended by inserting "(a)" after "SEC. 147." and by adding at the end thereof the following new subsection:

"(b)(1) Funds which have been set aside previously pursuant to the fourth and fifth sentences of subsection (a) of this section and which are in excess of the amounts needed to complete the projects authorized by such subsection shall be available to the Secretary of Transportation to carry out the following state-of-the-art technology projects:

"(A) Construction of a bridge (including approaches thereto) across the Ohio River between Newport, Kentucky, and Cincinnati, Ohio, to replace a bridge on a highway designated as a United States route.

"(B) Construction of a bridge (including approaches thereto) across the Ohio River near Covington, Kentucky, and Cincinnati, Ohio, to replace a bridge on a Kentucky State highway.

"(C) Construction of a bridge (including approaches thereto) across the Ohio River between Maysville, Kentucky, and Aberdeen, Ohio, to replace a bridge on a highway designated as a United States route.

"(2) In order to demonstrate the latest high-type geometric design features (including safety hardware) and new advances in highway bridge construction, the projects authorized by this subsection shall utilize state-of-the-art technology, and all design elements, including the decking, shall be designed to provide the best life-cycle costs, thereby minimizing future maintenance and rehabilitation costs.

"(3) The Secretary of Transportation shall provide necessary technical assistance in the design and construction of projects under this subsection.

"(4) Not later than one year, six years, 11 years, and 21 years after the completion of the state-of-the-art technology projects under this subsection, the Secretary of Transportation shall submit reports to Congress, including but not limited to the results of such projects, the effects of using the best available technology on safety and other considerations, recommendations for applying the results to other bridge projects, and any changes that may be necessary by law to permit further use of such features.

"(5) In allocating funds made available to carry out this subsection, the Secretary shall assure that sufficient funds are allocated to the projects described in subparagraphs (A) and (B) of paragraph (1) to complete such projects. Any remaining funds shall be used to carry out the project described in subparagraph (C) of such paragraph.

"(6) Funds made available to carry out this subsection shall be available for obligation in the same manner and to the same extent as if such funds were apportioned under chapter 1 of title 23, United States Code, except that such funds shall be available until expended and shall not be subject to any obligation limitation. The Federal share of the projects carried out under this subsection shall be that provided in subsection (a).".

Subtitle B—Highway and Airport Trust Funds

SEC. 8201. BUDGETARY TREATMENT OF HIGHWAY AND AIRPORT TRUST FUND OPERATIONS.

(a) IN GENERAL.—The receipts and disbursements of the Highway Trust Fund and the Airport and Airway Trust Fund allocable to the transportation-related operations of each such Trust Fund—

(1) shall not be included in the totals of—

(A) the budget of the United States Government as submitted by the President, or

(B) the congressional budget, and

(2) shall be exempt from any general budget limitation imposed by statute on expenditures and net lending (budget outlays) of the United States Government.

(b) TRANSPORTATION-RELATED OPERATIONS.—For purposes of subsection (a), the transportation-related operations—

(1) of the Highway Trust Fund are the disbursements, and the receipts allocable to such disbursements, under—

(A) paragraph (1) of section 9503(c) of the Internal Revenue Code of 1954 (relating to expenditures from the Highway Trust Fund for the Federal-aid highway program), and

(B) paragraph (3) of section 9503(e) of such Code (relating to expenditures from the Mass Transit Account); and

(2) of the Airport and Airway Trust Fund are the disbursements, and the receipts allocable to such disbursements, under paragraph (1) of section 9502(d) of the Internal Revenue Code of 1954 (relating to expenditures from the Airport and Airway Trust Fund for the airport and airway program).

(c) EFFECTIVE DATE.—This section shall apply to fiscal years beginning after September 30, 1986.

SEC. 8202. AIRPORT AND AIRWAY TRUST FUND.

The Airport and Airway Improvement Act of 1982 is amended by adding at the end the following new section:

"SEC. 533. ADJUSTMENTS OF AUTHORIZATIONS AND APPORTIONMENTS.

"(a) ESTIMATES OF UNFUNDED AVIATION AUTHORIZATIONS AND NET AVIATION RECEIPTS.—Not later than March 31 of each year, the Secretary of Transportation, in consultation with the Secretary of the Treasury, shall estimate—

"(1) the amount which would (but for this section) be the unfunded aviation authorizations at the close of the next fiscal year, and

"(2) the net aviation receipts for the 24-month period beginning at the close of such fiscal year.

"(b) PROCEDURE WHERE THERE IS EXCESS UNFUNDED AVIATION AUTHORIZATIONS.—If the Secretary of Transportation determines for any fiscal year that the amount described in subsection (a)(1) exceeds the amount described in subsection (a)(2), he shall determine the amount of such excess.

"(c) ADJUSTMENT OF AUTHORIZATIONS WHERE UNFUNDED AUTHORIZATIONS EXCEED 2 YEARS' RECEIPTS.—

"(1) DETERMINATION OF PERCENTAGE.—If the Secretary of Transportation determines that there is an excess referred to in subsection (b), the Secretary of Transportation shall determine the percentage which—

"(A) such excess, is of

"(B) the total of the amounts authorized to be appropriated and the amounts available for obligation from the Airport and Airway Trust Fund for the next fiscal year.

"(2) ADJUSTMENT OF AUTHORIZATIONS.—If the Secretary of Transportation determines a percentage under paragraph (1), each amount authorized to be appropriated or available for obligation from the Airport and Airway Trust Fund for the next fiscal year shall be reduced by such percentage.

"(d) AVAILABILITY OF AMOUNTS PREVIOUSLY WITHHELD.—If, after an adjustment has been made under subsection (c)(2), the Secretary of Transportation determines that the amount described in subsection (a)(1) does not exceed the amount described in subsection (a)(2) or that the excess referred to in subsection (b) is less than the amount previously determined, each amount authorized to be appropriated or available for obligation that was reduced under subsection (c)(2) shall be increased, by an equal percentage, to the extent the Secretary of Transportation determines that it may be so increased without causing the amount described in subsection (a)(1) to exceed the amount described in subsection (a)(2) (but not by more than the amount of the reduction). The Secretary of Transportation shall apportion amounts made available for apportionment by reason of the preceding sentence. Any funds apportioned pursuant to the preceding sentence shall remain available for the period for which they would be available if such apportionment took effect with the fiscal year in which they are apportioned pursuant to the preceding sentence.

"(e) DEFINITIONS.—For purposes of this section—

"(1) UNFUNDED AVIATION AUTHORIZATIONS.—The term 'unfunded aviation authorizations' means, at any time, the excess (if any) of—

"(A) the total amount authorized to be appropriated or available for obligation from the Airport and Airway Trust Fund which has not been appropriated or obligated, over

"(B) the amount available in the Airport and Airway Trust Fund at such time to make such appropriations or to liquidate such obligations (after all other unliquidated obligations at such time which are payable from the Airport and Airway Trust Fund have been liquidated).

"(2) NET AVIATION RECEIPTS.—The term 'net aviation receipts' means, with respect to any period, the excess of—

"(A) the receipts (including interest) of the Airport and Airway Trust Fund during such period, over

"(B) the amounts to be transferred during such period from such Fund under section 9502(d) of the Internal Revenue Code of 1954 (other than paragraph (1) thereof).

"(f) REPORTS.—Any estimate under subsection (a) and any determination under subsection (b), (c), or (d) shall be reported by the Secretary of Transportation to the Committee on Ways and Means of the House of Representatives, the Committee on Finance of the Senate, the Committee on Public Works and Transportation of the House of Representatives, and the Committee on Commerce, Science, and Transportation of the Senate.".

Subtitle C—Pipeline Safety

SEC. 8301. NATURAL GAS PIPELINE SAFETY AUTHORIZATIONS.

Section 17(a) of the Natural Gas Pipeline Safety Act of 1968 (49 U.S.C. App. 1684(a)) is amended—

(1) by striking out "and" at the end of paragraph (2);

(2) by striking out the period at the end of paragraph (3) and inserting in lieu thereof a semicolon; and

(3) by adding at the end thereof the following new paragraphs:

"(4) $3,450,000 for the fiscal year ending September 30, 1986; and

"(5) $3,600,000 for the fiscal year ending September 30, 1987.".

SEC. 8302. AUTHORIZATIONS FOR FEDERAL GRANTS-IN-AID.

(a) COMBINED PROGRAM.—Section 17 of the Natural Gas Pipeline Safety Act of 1968 (49 U.S.C. App. 1684) is amended by adding at the end thereof the following new subsections:

"(c) For the purpose of carrying out the Federal grants-in-aid provisions of section 5(d) of this Act and section 205(d) of the Hazardous Liquid Pipeline Safety Act of 1979 (49 U.S.C. App. 2004(d)) there are authorized to be appropriated—

"(1) $5,000,000 for the fiscal year ending September 30, 1986; and

"(2) $5,230,000 for the fiscal year ending September 30, 1987.

"(d) Not less than 5 percent of any amounts appropriated for carrying out the Federal grants-in-aid provisions for any fiscal year beginning after September 30, 1985, shall be available only for carrying out the Federal grants-in-aid provisions of section 205(d) of the Hazardous Liquid Pipeline Safety Act of 1979 (49 U.S.C. App. 2004(d)).".

(b) CONFORMING AMENDMENTS.—

(1) Section 5(d)(2) of such Act (49 U.S.C. App. 1674(d)(2)) is amended—

(A) by striking out "authorized to be appropriated by section 17(b) of this Act" and inserting in lieu thereof "appropriated for carrying out the Federal grants-in-aid provisions of this subsection"; and

(B) by striking out "(1) of this section" and inserting in lieu thereof "(1) of this subsection".

(2) Section 205(d)(2) of the Hazardous Liquid Pipeline Safety Act of 1979 (49 U.S.C. App. 2004(d)(2)) is amended by striking out "authorized to be appropriated by section 214 of this title" and inserting in lieu thereof "appropriated for carrying out the Federal grants-in-aid provisions of this subsection".

(3) Section 214(a) of the Hazardous Liquid Pipeline Safety Act of 1979 (49 U.S.C. App. 2013(a)) is amended by inserting after "subsection (b)" the following: "or section 17(c) of the Natural Gas Pipeline Safety Act of 1968 (49 U.S.C. App. 1684(c))".

(4) Section 17(a) of the Natural Gas Pipeline Safety Act of 1968 (49 U.S.C. App. 1684(a)) is amended by inserting after "subsection (b)" the following: "or (c)".

SEC. 8303. HAZARDOUS LIQUID PIPELINE SAFETY AUTHORIZATIONS.

Section 214(a) of the Hazardous Liquid Pipeline Safety Act of 1979 (49 U.S.C. App. 2013(a)) is amended—

(1) by striking out "and" at the end of paragraph (2);

(2) by striking out the period at the end of paragraph (3) and inserting in lieu thereof a semicolon; and

(3) by adding at the end thereof the following new paragraphs:

"(4) $875,000 for the fiscal year ending September 30, 1986; and

"(5) $912,000 for the fiscal year ending September 30, 1987.".

SEC. 8304. TAX DISCRIMINATION AGAINST NATURAL GAS TRANSMISSION PROPERTY.

(a) IN GENERAL.—The Natural Gas Pipeline Safety Act of 1968 (49 U.S.C. App. 1671-1686) is amended by adding at the end thereof the following new section:

"TAX DISCRIMINATION AGAINST NATURAL GAS TRANSMISSION PROPERTY

"SEC. 20. (a) As used in this section—

"(1) 'assessment' means valuation for a property tax levied by a taxing district;

"(2) 'assessment jurisdiction' means a geographical area in a State used in determining the assessed value of property for ad valorem taxation;

"(3) 'natural gas transmission property' means property owned or used for the transportation of natural gas by a natural gas company providing transportation of natural gas by pipeline in interstate commerce;

"(4) 'commercial and industrial property' means all real and personal property, other than transportation property, and land used primarily for agricultural purposes or timber growing, devoted to a commercial or industrial use and subject to a property tax levy; and

"(5) 'natural gas company' has the meaning natural gas company has under the Natural Gas Act; except that such term shall not include any person not subject to the jurisdiction of the Federal Energy Regulatory Commission under the Natural Gas Act solely by reason of section 1(c) of such Act (15 U.S.C. 717 and following).

"(b) The Congress finds and declares that the following acts unreasonably burden and discriminate against interstate commerce, and a State, subdivision of a State, or authority acting for a State or subdivision of a State may not do any of them:

"(1) assess natural gas transmission property at a value that has a higher ratio to the true market value of the natural gas transmission property than the ratio that the assessed value of other commercial and industrial property in the same assessment jurisdiction has to the true market value of the other commercial and industrial property;

"(2) levy or collect a tax on an assessment that may not be made under paragraph (1) of this subsection; and

"(3) levy or collect an ad valorem property tax on natural gas transmission property at a tax rate that exceeds the tax rate applicable to commercial and industrial property in the same assessment jurisdiction.

"(c) Notwithstanding section 1341 of title 28, United States Code, and without regard to the amount in controversy or citizenship of the parties, a district court of the United States has jurisdiction, concurrent with other jurisdiction of courts of the United States and the States, to enjoin, suspend, restrain, or set aside, any tax of any State or local unit of government which is in violation of subsection (b) of this section. Relief may be granted under this subsection only if the ratio of assessed value to true market value of natural gas transmission property exceeds, by at least 5 percent, the ratio of assessed value to true market value of other commercial and industrial property in the assessment jurisdiction. The burden of proof in determining such assessed value and true market value shall be governed by State law. If the ratio of the assessed value of other commercial and industrial property in the assessment jurisdiction to the true market value of all other commercial and industrial property cannot be determined to the satisfaction of the district court through the random-sampling method known as a sales assessment ratio study, the court shall find that—

"(1) an assessment of the natural gas transmission property at a value that has a higher ratio to the true market value of the natural gas transmission property than the assessed value of all other property subject to a property tax levy in the assessment jurisdiction has to the true market value of all such other property; and

"(2) the collection of an ad valorem property tax on the natural gas transmission property at a tax rate that exceeds the tax rate applicable to taxable property in the taxing district;

are violations of this section. Any sales assessment ratio study conducted pursuant to this subsection shall be carried out under statistical principles applicable to such study.

"(d) It is the sense of the Congress that any savings accruing to any person (including any natural gas company) by reason of the enactment and implementation of this section should be passed on to the ultimate consumers of natural gas.

"(e) The Federal Energy Regulatory Commission shall submit to Congress—

"(1) an interim report two and one half years after the effective date of this section, and

"(2) a final report five years after such effective date,

on the amount of savings, through reduced rates, accruing to consumers as a result of the enactment and implementation of this section.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) of this section shall take effect two years after the date of the enactment of this Act.

SEC. 8305. PROHIBITION ON THE ASSESSMENT AND COLLECTION OF CERTAIN FEES AND CHARGES.

(a) SECRETARY OF TRANSPORTATION.—Notwithstanding any other provision of this Act (including any amendment made by this Act), the Secretary of Transportation may not assess or collect any fees based on the usage of any natural gas pipeline or hazardous liquid pipeline, except those fees assessed or collected pursuant to a law approved before the date of the enactment of this Act.

(b) FEDERAL ENERGY REGULATORY COMMISSION.—Notwithstanding any other provision of this Act (including any amendment made by this Act), the Federal Energy Regulatory Commission may not assess or collect any charges from any interstate natural gas pipeline or any interstate oil pipeline carrier, except those charges assessed or collected pursuant to a law approved before the date of the enactment of this Act.

Subtitle D—Tennessee Valley Authority

SEC. 8401. SALE BY SECRETARY OF ENERGY OF CERTAIN UNNECESSARY ELECTRIC ENERGY.

(a) AUTHORITY TO SELL.—

(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary of Energy shall attempt to sell to electric utilities any electric energy that the Secretary has the right to buy under any Federal law or contract in effect on the date of the enactment of this Act for use in the provision of uranium enrichment service activities under section 161 v. of the Atomic Energy Act of 1954 (42 U.S.C. 2201(v)) and that the Secretary determines to be unnecessary to the conduct of such activities.

(2) EXCEPTION.—The Secretary of Energy may not sell any electric energy referred to in paragraph (1) that the Secretary has the right to buy from any federally chartered or Federal regional power marketing authority.

(b) CONSENT TO SALE.—Notwithstanding any other Federal law or contract in effect on the date of the enactment of this Act, no Executive agency (other than a federally chartered or Federal regional power marketing authority) may withhold its consent to

the sale of electric energy under subsection (a).

(c) TRANSMISSION.—Notwithstanding any other Federal law or contract in effect on the date of the enactment of this Act—

(1) any Executive agency (other than a federally chartered or Federal regional power marketing authority) selling electric energy to the Department of Energy shall make such electric energy available to the location requested by the Secretary of Energy; and

(2) the Secretary of Energy, acting through the organizational entities described in subparagraphs (A) and (B) of section 302(a)(1) of the Department of Energy Organization Act (42 U.S.C. 7152(a)(1)), shall assist in the transmission of any electric energy sold under subsection (a).

(d) REVENUES FROM SALE.—In partial repayment of amounts appropriated from the general fund of the Treasury of the United States for uranium enrichment service activities, the Secretary of Energy shall deposit in the general fund of the Treasury any revenues derived from the sale of electric energy under subsection (a) that are in excess of the energy charge incurred by the Secretary.

(e) DEFINITIONS.—For purposes of this section:

(1) The term "energy charge" means any fee or payment associated with the purchase of electric energy that is supplied by an electric energy seller to an electric energy purchaser and does not include any fee or payment made exclusively for the availability of electric energy or the right to purchase specified amounts of electric energy.

(2) The term "Executive agency" has the meaning given such term in section 105 of title 5, United States Code.

(f) EXPIRATION.—Subsections (a) through (e) of this section shall cease to be effective on December 31, 1992.

(g) TENNESSEE VALLEY AUTHORITY.—Notwithstanding any other provision of this Act (including any amendment made by this Act)—

(1) the Tennessee Valley Authority shall comply with section 15d of the Tennessee Valley Authority Act of 1933 (16 U.S.C. 831n-4);

(2) the Tennessee Valley Authority shall, under any contract for the sale of electric power and energy with the Department of Energy in effect on September 25, 1985, make available and deliver electric power and energy to the Department of Energy only in such amounts as the Tennessee Valley Authority may lawfully make available and deliver, and under such terms and conditions as are provided, under such contract, the Tennessee Valley Authority Act of 1933, and other laws, as such contract, Act, and laws are in effect on September 25, 1985; and

(3) the Department of Energy shall comply with all payment and contract terms under any Department of Energy contract with the Tennessee Valley Authority providing for the sale of electric power and energy.

TITLE IX—COMMITTEE ON SMALL BUSINESS

SEC. 9101. Section 20 of the Small Business Act is amended by adding the following:

"(u) The following program levels are authorized for fiscal year 1986—

"(1) for the programs authorized by section 7(a) of this Act, the Administration is authorized to make $80,000,000 in direct and immediate participation loans; and of such sum, the Administration is authorized to make $15,000,000 in loans as provided in paragraph (10), $45,000,000 in loans as provided in paragraph (11), and $20,000,000 in loans to disabled veterans and Vietnam era veterans as defined in section 1841, title 38, United States Code, under the general terms and conditions of title III of Public Law 97-72;

"(2) for the programs authorized by section 7(a) of this Act and section 503 of the Small Business Investment Act of 1958, the Administration is authorized to make $2,862,000,000 in deferred participation loans and guarantees of debentures; and of such sum, the Administration is authorized to make $5,000,000 in loans as provided in paragraph (10), $60,000,000 in loans as provided in paragraph (11), $15,000,000 in loans as provided in paragraph (12), $450,000,000 in loans as provided in paragraph (13) and guarantees of debentures as provided in section 503;

"(3) for the programs authorized by title III of the Small Business Investment Act of 1958, the Administration is authorized to make $41,000,000 in direct purchases of debentures and preferred securities and to make $250,000,000 in guarantees of debentures;

"(4) for the programs authorized by part B of title IV of the Small Business Investment Act of 1958, the Administration is authorized to enter into guarantees not to exceed $900,000,000; and

"(5) for the programs authorized in sections 404 and 405 of the Small Business Investment Act of 1958, the Administration is authorized to enter into guarantees not to exceed $50,000,000.

"(v) There are authorized to be appropriated to the Administration for fiscal year 1986, $593,340,000. Of such sum, $376,000,000 shall be available for the purpose of carrying out the programs referred to in subsection (u), paragraphs (1) through (3); $12,000,000 shall be available for the purposes of carrying out the provisions of section 412 of the Small Business Investment Act of 1958; and $205,340,000 shall be available for salaries and expenses of the Administration. There also are hereby authorized to be appropriated such sums as may be necessary and appropriate for the carrying out of the provisions and purposes, including administrative expenses, of sections 7(b)(1) and 7(b)(2) of this Act; and there are authorized to be transferred from the disaster loan revolving funds such sums as may be necessary and appropriate for such administrative expenses.

"(w) The following program levels are authorized for fiscal year 1987—

"(1) for the programs authorized by section 7(a) of this Act, the Administration is authorized to make $80,000,000 in direct and immediate participation loans; and of such sum, the Administration is authorized to make $15,000,000 in loans as provided in paragraph (10), $45,000,000 in loans as provided in paragraph (11), and $20,000,000 in loans to disabled veterans and Vietnam era veterans as defined in section 1841, title 38, United States Code, under the general terms and conditions of title III of Public Law 97-72;

"(2) for the programs authorized by section 7(a) of this Act and section 503 of the Small Business Investment Act of 1958, the Administration is authorized to make $2,862,000,000 in deferred participation loans and guarantees of debentures; and of such sum, the Administration is authorized to make $5,000,000 in loans as provided in paragraph (10), $60,000,000 in loans as provided in paragraph (11), $15,000,000 in loans as provided in paragraph (12), $450,000,000 in loans as provided in paragraph (13) and guarantees of debentures as provided in section 503;

"(3) for the programs authorized by title III of the Small Business Investment Act of 1958, the Administration is authorized to make $41,000,000 in direct purchases of debentures and preferred securities and to make $250,000,000 in guarantees of debentures;

"(4) for the programs authorized by part B of title IV of the Small Business Investment Act of 1958, the Administration is authorized to enter into guarantees not to exceed $900,000,000; and

"(5) for the programs authorized in sections 404 and 405 of the Small Business Investment Act of 1958, the Administration is authorized to enter into guarantees not to exceed $50,000,000.

"(x) There are authorized to be appropriated to the Administration for fiscal year 1987, $627,340,000. Of such sum, $410,000,000 shall be available for the purpose of carrying out the programs referred to in subsection (w), paragraphs (1) through (3); $12,000,000 shall be available for the purposes of carrying out the provisions of section 412 of the Small Business Investment Act of 1958; and $205,340,000 shall be available for salaries and expenses of the Administration. There also are hereby authorized to be appropriated such sums as may be necessary and appropriate for the carrying out of the provisions and purposes, including administrative expenses, of sections 7(b)(1) and 7(b)(2) of this Act; and there are authorized to be transferred from the disaster loan revolving funds such sums as may be necessary and appropriate for such administrative expenses.

"(y) The following program levels are authorized for fiscal year 1988—

"(1) for the programs authorized by section 7(a) of this Act, the Administration is authorized to make $80,000,000 in direct and immediate participation loans; and of such sum, the Administration is authorized to make $15,000,000 in loans as provided in paragraph (10), $45,000,000 in loans as provided in paragraph (11), and $20,000,000 in loans to disabled veterans and Vietnam era veterans as defined in section 1841, title 38, United States Code, under the general terms and conditions of title III of Public Law 97-72;

"(2) for the programs authorized by section 7(a) of this Act and section 503 of the Small Business Investment Act of 1958, the Administration is authorized to make $2,862,000,000 in deferred participation loans and guarantees of debentures; and of such sum, the Administration is authorized to make $5,000,000 in loans as provided in paragraph (10), $60,000,000 in loans as provided in paragraph (11), $15,000,000 in loans as provided in paragraph (12), $450,000,000 in loans as provided in paragraph (13) and guarantees of debentures as provided in section 503;

"(3) for the programs authorized by title III of the Small Business Investment Act of 1958, the Administration is authorized to make $41,000,000 in direct purchases of debentures and preferred securities and to make $250,000,000 in guarantees of debentures;

"(4) for the programs authorized by part B of title IV of the Small Business Investment Act of 1958, the Administration is au-

thorized to enter into guarantees not to exceed $900,000,000; and

"(5) for the programs authorized in sections 404 and 405 of the Small Business Investment Act of 1958, the Administration is authorized to enter into guarantees not to exceed $50,000,000.

"(z) There are authorized to be appropriated to the Administration for fiscal year 1988, $634,340,000. Of such sum, $417,000,000 shall be available for the purpose of carrying out the programs referred to in subsection (y), paragraphs (1) through (3); $12,000,000 shall be available for the purposes of carrying out the provisions of section 412 of the Small Business Investment Act of 1958; and $205,340,000 shall be available for salaries and expenses of the Administration. There also are hereby authorized to be appropriated such sums as may be necessary and appropriate for the carrying out of the provisions and purposes, including administrative expenses, of sections 7(b)(1) and 7(b)(2) of this Act; and there are authorized to be transferred from the disaster loan revolving funds such sums as may be necessary and appropriate for such administrative expenses.".

SEC. 9102. Section 20(t) of the Small Business Act is amended as follows:

(a) by striking "each of fiscal years 1985 and 1986," and by inserting in lieu thereof "1985"; and

(b) by striking "for each of such years".

SEC. 9103. (a) Section 15 of the Small Business Act is amended by adding at the end thereof the following new subsection:

"(n) For purposes of this section, the determination of labor surplus areas shall be made on the basis of the criteria in effect at the time of the determination except that any minimum population criteria shall not exceed twenty-five thousand. Such determination, as modified by the preceding sentence, shall be made by the Secretary of Labor.".

(b) The amendment made by subsection (a) shall take effect on the ninetieth day after the date of the enactment of this Act.

SEC. 9104. (a) Title III of the Small Business Investment Act of 1958 is amended by adding at the end thereof the following new section:

"GUARANTEED OBLIGATIONS NOT ELIGIBLE FOR PURCHASE BY FEDERAL FINANCING BANK

"SEC. 320. Nothing in any provision of law shall be construed to authorize the Federal Financing Bank to acquire after September 30, 1985—

"(1) any obligation the payment of principal or interest on which has at any time been guaranteed in whole or in part under this title,

"(2) any obligation which is an interest in any obligation described in paragraph (1), or

"(3) any obligation which is secured by, or substantially all of the value of which is attributable to, any obligation described in paragraph (1) or (2).".

(b) The table of sections for such title III is amended by adding at the end thereof the following new item:

"Sec. 320. Guaranteed obligations not eligible for purchase by Federal Financing Bank.".

SEC. 9105. (a) Title III of the Small Business Investment Act of 1958 is amended by adding at the end thereof the following new section:

"ISSUANCE AND GUARANTEE OF TRUST CERTIFICATES

"SEC. 321. The Administration or its agent is authorized to issue trust certificates representing ownership of all or a fractional part of the guaranteed debentures issued by small business investment companies and guaranteed by the Administration under this Act under the same authority, terms and conditions as are applicable to trust certificates issued for loans pursuant to the authority of subsection 5(g) of the Small Business Act.".

(b) The table of sections for such title III is amended by adding at the end thereof the following new item:

"Sec. 321. Issuance and guarantee of trust certificates.".

SEC. 9106. (a) Section 7(b) of the Small Business Act is amended as follows:

(1) by striking "The" after "(b)" and inserting in lieu thereof "Except as to agricultural enterprises as defined in section 18(b)(1) of this Act, the,";

(2) by adding "and" to the end of paragraph (1);

(3) by striking out the semicolon at the end of paragraph (2) and inserting in lieu thereof a period; and

(4) by striking paragraphs (3) and (4).

(b) Section 7(c)(4) of such Act is amended by striking out the last, undesignated paragraph.

(c) Section 18(a) of such Act is amended by striking all of the first sentence that follows "Federal Government," and precedes "and nothing".

SEC. 9107. Section 7(a) of the Small Business Act is amended by adding at the end thereof the following:

"(16) The Administration shall collect a guarantee fee equal to three percent of the amount of the deferred participation share of any loan under this subsection other than a loan repayable in one year or less or a loan under paragraph (13). The fee shall be payable by the participating lending institution and may be charged to the borrower.".

SEC. 9108. The Small Business Investment Act of 1958 is amended by adding the following new section to title V:

"SEC. 504. (a) Notwithstanding any other law, rule or regulation, the Administration is authorized and directed to conduct a pilot program involving the sale to investors, either publicly or by private placement, of debentures guaranteed pursuant to section 503 of the Small Business Investment Act of 1958 as follows—

"(1) of the program levels otherwise authorized by law for fiscal year 1986, an amount not to exceed $235,000,000; and

"(2) of the program levels otherwise authorized by law for fiscal year 1987, an amount not to exceed $280,000,000.

"(b) The sales may be for all or a fractional part of such amounts and the Administration or its agent further is authorized to issue trust certificates for such debentures under the same authority, terms and conditions as are applicable to trust certificates issued for loans pursuant to the authority of section 5(g) of the Small Business Act.

"(c) Nothing in any provision of law shall be construed to authorize the Federal Financing Bank to acquire—

"(1) any obligation the payment of principal or interest on which at any time has been guaranteed in whole or in part under section 503 of the Small Business Investment Act of 1958 and which is being sold pursuant to the provisions of the pilot program authorized in this section,

"(2) any obligation which is an interest in any obligation described in paragraph (1), or

"(3) any obligation which is secured by, or substantially all of the value of which is attributable to, any obligation described in paragraph (1) or (2).

"(d) The Administration shall report to the President and the Congress on the conduct of such pilot program not later than 90 days after the date on which the last sale is made pursuant to paragraph (a) in each fiscal year and unless a report has been made by October 1 of each of 1986 and 1987, the Administration shall make an interim report by such dates.".

SEC. 9109. Section 16 of the Small Business Act is amended by adding to the end thereof the following new subsection:

"(d) Whoever makes any statement knowing it to be false, or whoever knowingly makes or uses any false document, writing or entry, for the purpose of misrepresenting the status of any concern or person as a 'small business concern' or 'small business concern owned and controlled by socially and economically disadvantaged individuals', in order to obtain for oneself or another any—

"(1) prime contract to be awarded pursuant to section 9 or 15;

"(2) subcontract to be awarded pursuant to section 8(a);

"(3) subcontract that is to be included as part or all of a goal contained in a subcontracting plan required pursuant to section 8(d); or

"(4) prime or subcontract to be awarded as a result or in furtherance of any other provision of Federal law that specifically references section 8(d) for a definition of program eligibility,

shall be punished by a fine of not more than $50,000 or by imprisonment for not more than five years, or both.".

SEC. 9110. Not later than December 15, 1985, the Administrator of the Small Business Administration shall submit to the Committees on Small Business of the Senate and House of Representatives an internal report on the options available to providing a guarantee on loans under section 7(a) of the Small Business Act from sources outside the Federal Government, together with such recommendations as the Administrator may have with respect to such options. One option which shall be evaluated in such report is the creation of a corporation owned by the Federal Government to make such guarantees.

SEC. 9111. Subsection (a) of section 7 of the Small Business Act is amended by adding at the end thereof the following new paragraph:

"(17)(A) No financial assistance shall be available under this subsection which benefits any applicant—

"(i) which performs abortion,

"(ii) which engages in research which relates, in whole or in part, to methods of, or the performance of, abortion,

"(iii) which promotes or recommends abortion, or

"(iv) which trains any individual to perform abortion.

"(B) Subparagraph (A) shall not apply to any activity described in clause (i) or (iii) of subparagraph (A) if all of the abortions performed, promoted, and recommended in such activity are in cases where the life of the mother would be endangered if the fetus were carried to term.".

SEC. 9112. (a) Section 5 of the Small Business Act is amended by adding at the end thereof the following new subsection:

"(i)(1) Notwithstanding any other provision of law, the Administrator shall prescribe regulations which impose fees for

services provided by the Administration. Such fees shall be in such amounts (subject to the limitation in paragraph (2)) as the Administrator determines to be appropriate, and apply only to the following services—

"(A) publications provided by the Administration,

"(B) processing applications for guaranteed or other loans, and

"(C) determining whether any business is a small business concern (or any type of such concern) for purposes of enabling such business to be eligible for any assistance or preferential treatment under this or any other Act.

"(2) With respect to any fee imposed under this subsection—

"(A) In the case of fees imposed for publications, such fees shall not exceed the lesser of $5 per publication, or the actual publication costs of said publication.

"(B) In the case of fees imposed for processing applications for loans, such fee shall not exceed $100.

"(C) In the case of fees imposed for designation as a small business concern (or any type of such concern), such fee shall not exceed $100 but shall be refunded to the applicant if such designation is not made.

"(3) Amounts collected pursuant to this subsection shall be deposited in the general fund of the Treasury as proprietary receipts of the Small Business Administration to be retained and used by such Administration to cover the costs of such services and publications to the extent and in the amounts as provided in advance in appropriations Acts. There shall be an annual verification by the Administrator of amounts collected and expended for services and publications as provided herein.".

(b) Within one year of the date of enactment of this Act, the Administrator of the Small Business Administration shall submit to the Committees on Small Business and Appropriations of the Senate and House of Representatives a report with his findings and recommendations as to:

(1) the imposition of fees for counseling services provided by the Administration; and

(2) the imposition of each participating lender in the guaranteed loan program under section 7(a) of the Small Business Act of an annual fee of between one-quarter of one percent and one percent of the value of the unpaid balance of any loan made under such program, particularly on the revenues that could be expected and whether such revenues could be used for a loss reserve fund or to defray the cost of administration of the program.

(c) Not later than 60 days after the enactment of this Act, the Administrator of the Small Business Administration shall submit to the Committees on Small Business and Appropriations of the Senate and House of Representatives a report detailing the fees which the Administrator is considering to impose under the amendment made by subsection (a) and his proposed timetable for imposing such fees.

TITLE X—COMMITTEE ON VETERANS' AFFAIRS

SEC. 10001. SHORT TITLE; REFERENCES TO TITLE 38, UNITED STATES CODE.

(a) SHORT TITLE.—This title may be cited as the "Veterans' Compensation and Health Care Amendments of 1985".

(b) REFERENCES.—Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

Subtitle A—Compensation Rate Increases

SEC. 10011. SHORT TITLE.

This subtitle may be cited as the "Veterans' Compensation Rate Amendments of 1985".

SEC. 10012. DISABILITY COMPENSATION.

(a) IN GENERAL.—Section 314 is amended—

(1) by striking out "$66" in subsection (a) and inserting in lieu thereof "$68";

(2) by striking out "$122" in subsection (b) and inserting in lieu thereof "$127";

(3) by striking out "$185" in subsection (c) and inserting in lieu thereof "$192";

(4) by striking out "$266" in subsection (d) and inserting in lieu thereof "$276";

(5) by striking out "$376" in subsection (e) and inserting in lieu thereof "$390";

(6) by striking out "$474" in subsection (f) and inserting in lieu thereof "$492";

(7) by striking out "$598" in subsection (g) and inserting in lieu thereof "$620";

(8) by striking out "$692" in subsection (h) and inserting in lieu thereof "$718";

(9) by striking out "$779" in subsection (i) and inserting in lieu thereof "$808";

(10) by striking out "$1,295" in subsection (j) and inserting in lieu thereof "$1,343";

(11) by striking out "$1,609" and "$2,255" in subsection (k) and inserting in lieu thereof "$1,669" and "$2,338", respectively;

(12) by striking out "$1,609" in subsection (l) and inserting in lieu thereof "$1,669";

(13) by striking out "$1,774" in subsection (m) and inserting in lieu thereof "$1,840";

(14) by striking out "$2,017" in subsection (n) and inserting in lieu thereof "$2,092";

(15) by striking out "$2,255" each place it appears in subsections (o) and (p) and inserting in lieu thereof "$2,338";

(16) by striking out "$968" and "$1,442" in subsection (r) and inserting in lieu thereof "$1004" and "$1,495", respectively;

(17) by striking out "$1,449" in subsection (s) and inserting in lieu thereof "$1,503"; and

(18) by striking out "$280" in subsection (t) and inserting in lieu thereof "$290".

(b) SPECIAL RULE.—The Administrator of Veterans' Affairs may adjust administratively, consistent with the increases authorized by this section, the rates of disability compensation payable to persons within the purview of section 10 of Public Law 85-857 who are not in receipt of compensation payable pursuant to chapter 11 of title 38, United States Code.

SEC. 10013. ADDITIONAL COMPENSATION FOR DEPENDENTS.

Section 315(1) is amended—

(1) by striking out "$79" in clause (A) and inserting in lieu thereof "$82";

(2) by striking out "$132" and "$42" in clause (B) and inserting in lieu thereof "$137" and "$44", respectively;

(3) by striking out "$54" and "$42" in clause (C) and inserting in lieu thereof "$56" and "$44", respectively;

(4) by striking out "$64" in clause (D) and inserting in lieu thereof "$66";

(5) by striking out "$143" in clause (E) and inserting in lieu thereof "$148"; and

(6) by striking out "$120" in clause (F) and inserting in lieu thereof "$124".

SEC. 10014. CLOTHING ALLOWANCE FOR CERTAIN DISABLED VETERANS.

Section 362 is amended by striking out "$349" and inserting in lieu thereof "$362".

SEC. 10015. DEPENDENCY AND INDEMNITY COMPENSATION FOR SURVIVING SPOUSES.

Section 411 is amended—

(1) by striking out the table in subsection (a) and inserting in lieu thereof the following:

"Pay grade	Monthly rate	Pay grade	Monthly rate
E-1	$494	W-4	$707
E-2	508	O-1	624
E-3	521	O-2	644
E-4	555	O-3	690
E-5	569	O-4	729
E-6	582	O-5	804
E-7	611	O-6	905
E-8	644	O-7	979
E-9	[1]673	O-8	1,073
W-1	624	O-9	1,152
W-2	649	O-10	[2]1,262
W-3	668		

"[1] If the veteran served as sergeant major of the Army, senior enlisted advisor of the Navy, chief master sergeant of the Air Force, sergeant major of the Marine Corps, or master chief petty officer of the Coast Guard, at the applicable time designated by section 402 of this title, the surviving spouse's rate shall be $726.

"[2] If the veteran served as Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, Commandant of the Marine Corps, or Commandant of the Coast Guard, at the applicable time designated by section 402 of this title, the surviving spouse's rate shall be $1,353.";

(2) by striking out "$55" in subsection (b) and inserting in lieu thereof "$57";

(3) by striking out "$143" in subsection (c) and inserting in lieu thereof "$148"; and

(4) by striking out "$70" in subsection (d) and inserting in lieu thereof "$73".

SEC. 10016. DEPENDENCY AND INDEMNITY COMPENSATION FOR CHILDREN.

Section 413 is amended—

(1) by striking out "$240" in clause (1) and inserting in lieu thereof "$249";

(2) by striking out "$345" in clause (2) and inserting in lieu thereof "$358";

(3) by striking out "$446" in clause (3) and inserting in lieu thereof "$463"; and

(4) by striking out "$446" and "$90" in clause (4) and inserting in lieu thereof "$463" and "$93", respectively.

SEC. 10017. SUPPLEMENTAL DEPENDENCY AND INDEMNITY COMPENSATION FOR CHILDREN.

Section 414 is amended—

(1) by striking out "$143" in subsection (a) and inserting in lieu thereof "$148";

(2) by striking out "$240" in subsection (b) and inserting in lieu thereof "$249"; and

(3) by striking out "$122" in subsection (c) and inserting in lieu thereof "$127".

SEC. 10018. EFFECTIVE DATE FOR RATE INCREASES.

The amendments made by this part shall take effect on December 1, 1985.

Subtitle B—Health-Care Eligibility Reform

SEC. 10021. SHORT TITLE.

This subtitle may be cited as the "Veterans' Health-Care Eligibility Reform Act of 1985".

SEC. 10022. ELIGIBILITY FOR HEALTH CARE OF VETERANS WITH NON-SERVICE-CONNECTED DISABILITIES.

(a) HOSPITAL CARE AND NURSING HOME CARE.—(1) Subsection (a) of section 610 of title 38, United States Code, is amended to read as follows:

"(a) The Administrator shall furnish hospital care which the Administrator determines is needed and may (within the limits of Veterans' Administration facilities) fur-

nish nursing home care which the Administrator determines is needed—

"(1) to any veteran for a service-connected disability;

"(2) to a veteran whose discharge or release from the active military, naval, or air service was for a disability incurred or aggravated in line of duty, for any disability;

"(3) to a veteran who is in receipt of, or but for the receipt of retirement pay would be entitled to, disability compensation, for any disability;

"(4) to a veteran who, but for a suspension pursuant to section 351 of this title (or both such a suspension and the receipt of retired pay), would be entitled to disability compensation, but only to the extent that such veteran's continuing eligibility for such care is provided for in the judgment or settlement described in such section, for any disability;

"(5) to a veteran as provided in subsection (e) of this section;

"(6) to a veteran who is a former prisoner of war, for any disability;

"(7) to a veteran of the Spanish-American war, Indian wars, Mexican border period, or World War I, for any disability;

"(8) to a veteran for a non-service-connected disability, if the veteran is unable to defray the expenses of necessary care; and

"(9) to a veteran for a non-service-connected disability if, in the case of hospital care (as well as nursing home care), the Administrator determines that the care may be provided within the limits of Veterans' Administration facilities.".

(2) Subsection (e)(1) of such section is amended by striking out "may be furnished hospital care or nursing home care" in subparagraphs (A) and (B) and inserting in lieu thereof "shall be furnished hospital care and may (within the limits of Veterans' Administration facilities) be furnished nursing home care".

(3) Such section is further amended by adding at the end the following new subsections:

"(f)(1) Except as provided in paragraph (2) of this subsection, the Administrator may not furnish hospital care or nursing home care under this section to a veteran who is eligible for such care solely because of subsection (a)(9) of this section unless the veteran agrees to pay to the United States the lesser of—

"(A) the cost of furnishing such care, as determined by the Administrator; and

"(B) the amount of the inpatient Medicare deductible in effect on the date of the veteran's admission for such care.

"(2) A veteran may not be required to make a payment under paragraph (1) of this subsection for care furnished during any 12-month period to the extent that such payment would cause the total amount paid by the veteran under such paragraph for hospital and nursing home care furnished during that period and under section 612(f)(3) of this title for medical services furnished during that period to exceed the amount of the inpatient Medicare deductible in effect for services provided during the first month of such 12-month period.

"(3) An amount collected or received by the Veterans' Administration under this subsection shall be deposited in the Treasury as a proprietary receipt.

"(4) For the purposes of this subsection, the term 'inpatient Medicare deductible' means the amount of the inpatient hospital deductible in effect under section 1813(b) of the Social Security Act (42 U.S.C. 1395e(b)).

"(g) Nothing in this section—

"(1) requires the Administrator to furnish hospital care in a facility other than a Veterans' Administration facility;

"(2) requires the Administrator to furnish care to a veteran to whom another agency of Federal, State, or local government has a duty to provide care in an institution of such government; or

"(3) restricts the Administrator's discretion to determine—

"(A) the appropriateness of furnishing medical services, therapies, or programs under this chapter; or

"(B) in what manner they will be furnished.".

(b) MEDICAL SERVICES FURNISHED ON AN OUTPATIENT OR AMBULATORY BASIS.—(1) Subsections (a) and (g) of section 612 are amended by striking ", within the limits of Veterans' Administration facilities, may" and inserting in lieu thereof "shall".

(2) Subsection (f) of such section is amended—

(A) by striking out "The Administrator, within the limits of Veterans' Administration facilities, may" and inserting in lieu thereof "(1) Except as provided in paragraph (3) of this subsection, the Administrator shall";

(B) by redesignating clause (1) as clause (A) and redesignating subclauses (A) and (B) of such clause as subclauses (i) and (ii), respectively;

(C) by redesignating clauses (2) and (3) as clauses (B) and (C), respectively;

(D) by designating the second sentence as paragraph (2);

(E) by striking out the third sentence; and

(F) by adding at the end the following:

"(3)(A) The Administrator may not furnish medical services under paragraph (1) of this subsection or home health services under paragraph (2) of this subsection to a veteran who is eligible for such care solely because of section 610(a)(9) of this title unless the veteran agrees to pay to the United States, in the case of each visit in which such medical or home health services are furnished, the amount equal to 20 percent of the estimated average cost of an outpatient visit in a Veterans' Administration facility during the fiscal year in which the services are furnished. Such estimated average cost shall be determined by the Administrator.

"(B) Subparagraph (A) of this paragraph does not apply to services furnished under paragraph (1)(A)(ii) of this subsection.

"(C) A veteran may not be required to make a payment under this paragraph for services furnished under this subsection during any 12-month period to the extent that such payment would cause the total amount paid by the veteran under this paragraph for medical services furnished during that period and under section 610(f) of this title for hospital and nursing home care furnished during that period to exceed the amount of the inpatient Medicare deductible in effect for services provided during the first month of such 12-month period.

"(D) For the purposes of this paragraph, the term 'inpatient Medicare deductible' means the amount of the inpatient hospital deductible in effect under section 1813(b) of the Social Security Act (42 U.S.C. 1395e(b)).

"(E) An amount collected or received by the Veterans' Administration under this paragraph shall be deposited in the Treasury as a proprietary receipt.".

(3) Subsection (i) of such section is repealed.

(4) Subsection (j) of such section is amended—

(A) by striking out "pursuant to" and inserting in lieu thereof "under";

(B) by striking out "(voluntarily requesting" and inserting in lieu thereof "who voluntarily request";

(C) by striking out the parenthesis after "immunizations";

(D) by striking out "facility, utilizing" and inserting in lieu thereof "facility. Any such immunization shall be made using";

(E) by striking out "Administration," and all that follows through "to provide" and inserting in lieu thereof "Administration. For such purpose, the Secretary may provide"; and

(F) by striking out "cost and the provisions of section" and inserting in lieu thereof "cost. Section".

(c) DETERMINATION OF ABILITY TO PAY.—Section 622 of such title is amended—

(1) by inserting "(a)" before "For the purposes";

(2) by striking out "610(a)(1)(B)" and inserting in lieu thereof "610(a)(8)"; and

(3) by adding at the end the following new subsection:

"(b)(1) An individual who does not qualify as having sufficient evidence of inability to defray necessary expenses by reason of subsection (a) of this section shall nevertheless be presumed to be unable to defray necessary expenses for the purpose of the sections referred to in that subsection if the individual's attributable income during the 12-month period preceding the date of the individual's application for care under one of those sections is not greater than the health-care income threshold.

"(2) Notwithstanding paragraph (1) of this subsection, the Administrator may refuse to determine that an individual is unable to defray necessary medical expenses for the purpose of the sections referred to in subsection (a) of this section if the corpus of the estate of the individual (and of the individual's spouse and dependent children, if any) is such that under all the circumstances (including consideration of the annual income of the individual and of such spouse and dependent children) it is reasonable that some part of the corpus of such estates be consumed for the individual's maintenance.

"(3) For purposes of this subsection, an individual's attributable income shall be determined in the same manner as the manner in which a determination is made of the total amount of income by which the rate of pension for such individual under section 521 of this title would be reduced if such individual were eligible for pension under that section.

"(4) For purposes of paragraph (1) of this subsection, the health-care income threshold for an individual—

"(A) in the case of an application for care made during the 12-month period beginning on December 1, 1985, is the amount equal to the product of—

"(i) 3.34, and

"(ii) the applicable current maximum annual rate of pension (as determined under paragraph (5) of this subsection); and

"(B) in the case of an application for care made during a 12-month period beginning on December 1 of a calendar year after 1985, is the amount in effect for purposes of this paragraph during the previous 12-month period increased by the percentage by which benefits have been increased under section 3112(a) of this title during that period.

"(5) For purposes of paragraph (4)(A)(ii) of this subsection, the current maximum annual rate of pension for a veteran is—

"(A) the amount in effect under section 521(b) in the case of a veteran who is unmarried (or married but not living with or reasonably contributing to the support of such veteran's spouse) and there is no child of the veteran in the custody of the veteran or to whose support the veteran is reasonably contributing; and

"(B) the amount in effect under section 521(c), in the case of a veteran who is married and living with or reasonably contributing to the support of such veteran's spouse or if there is a child of the veteran in the veteran's custody or to whose support the veteran is reasonably contributing.".

(d) CONFORMING AMENDMENTS.—(1) Section 525(a) is amended by striking out "and special priority with respect to such care and services under section 612(i)(5) of this title".

(2) Section 601 is amended—

(A) in paragraph (4)(C)(ii) by striking out "in clause (1)(b) or (2) of the first sentence, or in the third sentence," and inserting in lieu thereof "in paragraph (1)(A)(ii), (1)(B), or (1)(C)";

(B) in paragraph (6)(A)(i) by striking out "section 612(f)(1)(A)" and inserting in lieu thereof "section 612(f)(1)(A)(i)"; and

(C) in paragraph (6)(B)(ii) by striking out "section 612(f)(1)(B)" and inserting in lieu thereof "section 612(f)(1)(A)(ii)".

(3) Section 612A is amended—

(A) by striking out "clause (1)(b)" in subsection (b)(1) and inserting in lieu thereof "paragraph (1)(A)(ii)"; and

(B) by striking out "612(f)(2)" in subsection (e)(1) and inserting in lieu thereof "612(f)(1)(B)".

(4) Section 618(e) is repealed.

(5) Section 620(f)(1)(A)(ii) is amended by striking out "612(f)(2)" and inserting in lieu thereof "612(f)(1)(B)".

(6) Section 663(a)(1) is amended by striking out "612(f)(2)" both places it appears and inserting in lieu thereof "612(f)(1)(B)".

(e) EFFECTIVE DATE.—(1) Except as provided in paragraph (2), the amendments made by this section shall apply to hospital care, nursing home care, and medical services furnished after the end of the 60-day period beginning on the date of the enactment of this Act.

(2) The provisions of sections 610 and 622 of title 38, United States Code, as in effect on the day before the date of the enactment of this Act, shall apply with respect to hospital and nursing home care and medical services furnished after the end of such 60-day period to veterans who were furnished such care or services on the day before the end of such period, but only to the extent that such care or service is furnished with respect to the same spell of illness for which it was furnished on such day as determined by the Administrator.

(f) SUNSET PROVISION.—The amendments made by this section shall expire on October 1, 1988.

SEC. 10023. RECOVERY OF THE COST OF CERTAIN CARE AND SERVICES.

(a) IN GENERAL.—Section 629 of title 38, United States Code, is amended to read as follows:

"§ 629. Recovery by the United States of the cost of certain care and services

"(a)(1) In any case in which a veteran is furnished care or services under this chapter for a disability described in paragraph (2) of this subsection, the United States has the right to recover or collect the reasonable costs of such care or services (as determined by the Administrator under subsection (d)(2)) from a third party to the extent that the veteran (or the provider of the care or services) would be eligible to receive reimbursement or indemnification for such care or services from such third party if the care or services had not been furnished by a department or agency of the United States.

"(2) Paragraph (1) of this subsection applies to a non-service-connected disability—

"(A) that is incurred incident to the veterans' employment and that is covered under a workers' compensation law or plan that provides reimbursement for or indemnification of the cost of health care and services provided to the veteran by reason of the disability;

"(B) that is incurred as the result of a motor vehicle accident to which applies a State law that requires the owners or operators of motor vehicles registered in that State to have in force automobile accident reparations insurance;

"(C) that is incurred as the result of a crime of personal violence that occurred in a State, or a political subdivision of a State, in which a person injured as the result of such a crime is entitled to receive health care and services at such State's or subdivision's expense for personal injuries suffered as the result of such crime; or

"(D) that is incurred by a veteran who—

"(i) does not have a service-connected disability; and

"(ii) is entitled to care (or reimbursement for the expenses of care) under an insurance policy, contract, medical, or hospital service agreement, membership, or subscription contract, or similar arrangement for the purpose of providing, paying for, or reimbursing expenses for health services.

"(b)(1) With respect to the right provided in subsection (a) of this section, the United States shall be subrogated to any right or claim that the veteran (or the veteran's personal representative, successor, dependents, or survivors) may have against a third party.

"(2)(A) In order to enforce any right or claim to which it is subrogated under paragraph (1) of this subsection, the United States may intervene or join in any action or proceeding brought by the veteran (or the veteran's personal representative, successor, dependents, or survivors) against a third party.

"(B) The United States may institute and prosecute legal proceedings against the third party if—

"(i) an action or proceeding described in subparagraph (A) of this paragraph is not begun within 180 days after the first day on which care and services for which recovery is sought are furnished to the veteran by the Veterans' Administration under this chapter;

"(ii) the United States sends written notice by certified mail to the veteran at the veteran's last-known address (or to the veteran's personal representative or successor) of the intention of the United States to institute such legal proceedings; and

"(iii) a period of 60 days has passed following the mailing of such notice.

"(c) The Administrator may compromise, settle, or waive a claim of the United States under this section.

"(d)(1) The Administrator may enter into contracts or agreements with individuals or organizations for services to recover or collect amounts due the United States under this section. Notwithstanding section 3302(b) of title 31, such a contract or agreement may provide that a fee an individual or organization charges to recover or collect amounts due the United States is payable from the amount recovered or collected. Any such contract or agreement shall provide that—

"(A) the Administrator retains the authority to—

"(i) resolve a dispute;

"(ii) compromise a claim;

"(iii) end collection action; and

"(iv) refer a matter to the Attorney General to bring a civil action; and

"(B) with respect to any such recovery or collection, the individual or organization is subject to—

"(i) section 552a(m) of title 5 and sections 3301 and 4132 of this title; and

"(ii) laws and regulations of the United States and of the States related to collection practices.

"(2) The amount that may be recovered by the United States under subsection (a) of this section may not exceed the lesser of—

"(A) an amount equal to the reasonable cost of the care and services furnished the veteran under this chapter, as determined by the Administrator; or

"(B) the maximum amount specified (as applicable)—

"(i) by the law of the State or political subdivision concerned; or

"(ii) by any relevant contractual provision to which the veteran was a party or was subject.

"(3) For the purpose of determining the reasonable cost of care and services under subsection (a)(1) of this section and paragraph (2)(A) of this subsection, the Administrator—

"(A) shall prescribe regulations; and

"(B) may enter into agreements with insurance, medical service, and health-plan carriers and contractors.

"(4) Regulations prescribed under paragraph (3) of this subsection shall be prescribed only after notice and opportunity for public comment.

"(5) A determination for the purposes of this subsection of the reasonable cost of care and services furnished a veteran under this chapter shall be made in accordance with regulations prescribed and agreements entered into under paragraph (3) of this subsection.

"(e) A veteran eligible for care or services under this chapter may not be denied such care or services by reason of this section.

"(f) No law of any State or of any political subdivision of a State, and no provision of any contract or other agreement entered into, renewed, or modified (including any modifications of premiums or coverage) after the date of the enactment of the Veterans' Health-Care Eligibility Reform Act of 1985, shall operate to prevent recovery or collection by the United States under this section or with respect to care or services furnished under section 611(b) of this title.

"(g) Any moneys collected or received by the Veterans' Administration under this section shall be deposited in the Treasury as a proprietary receipt.

"(h) The Administrator shall make available clinical records of the Veterans' Administration for a veteran who is a beneficiary of any kind of policy, contract, agreement, or other arrangement which is referred to in subsection (a)(2)(D) of this section and with respect to which recovery or collection is sought under this section for inspection and review by the parties to such policy, contract, agreement, or other arrangement for the sole purpose of permitting such parties

verify that services for which recovery or collection is sought were furnished.

"(i)(1) For purposes of this section, the term 'third party' means—

"(A) a State or political subdivision of a State;

"(B) an employer or an employer's insurance carrier;

"(C) an automobile accident reparations insurance carrier;

"(D) an insurance, medical service, or health plan carrier; or

"(E) a contractor.

"(2) Such term does not include—

"(A) the insurance programs under parts A and B of title XVIII of the Social Security Act; or

"(B) a State plan for medical assistance approved under title XIX of such Act.".

(b) EFFECTIVE DATE.—(1) The amendments made by this section shall apply to care and services provided on or after the date of the enactment of this Act, but shall not affect any policy, contract, agreement, or other arrangement referred to in section 629(a)(2)(D) of title 38, United States Code, as amended by subsection (a), that was entered into before such date and is not modified or renewed on or after such date.

(2) For purposes of paragraph (1), the term "modified" includes any change in premiums or coverage.

SEC. 10024. ACCEPTANCE OF VA BENEFICIARIES BY PROVIDERS WHO ACCEPT MEDICARE BENEFICIARIES.

(a) IN GENERAL.—Chapter 17 is amended by inserting after section 624 the following new section:

"§ 625. Requirement that providers accept Medicare and Veterans' Administration beneficiaries on similar basis and accept Veterans' Administration payments as payments in full

"(a) A non-Federal provider of hospital services to any Medicare beneficiary—

"(1) must accept Veterans' Administration beneficiaries on a similar basis; and

"(2) must accept payments made by the Administrator in accordance with Veterans' Administration regulations as payments in full.

"(b) Upon a finding by the Administrator, made in accordance with procedures developed in consultation with the Secretary of Health and Human Services, that a Medicare provider has failed to comply with subsection (a) of this section, the Administrator shall report such finding to the Secretary for possible corrective action or for possible termination of the provider's agreement with the Secretary entered into under the Social Security Act (42 U.S.C. 1395cc(a)). Thereafter, in addition to the bases for termination set forth in such Act, the Secretary may terminate such agreement with the provider if the Secretary determines that the provider has failed to comply with this section.

"(c) For purposes of this section, the term 'Veterans' Administration beneficiaries' means all veterans and other persons for whose hospital care outside Federal facilities the Administrator is authorized to pay.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 624 the following new item:

"625. Requirement that providers accept Medicare and Veterans' Administration beneficiaries on similar basis and accept Veterans' Administration payments as payments in full.".

SEC. 10025. REPORT.

(a) REPORT ON PROVISION OF HEALTH CARE.—The Administrator of Veterans' Affairs shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report describing in detail—

(1) the number of veterans receiving health care from the Veterans' Administration during the report period;

(2) the number of veterans applying for health care from the Veterans' Administration during the report period who did not receive such care; and

(3) the reasons why veterans who applied for such care did not receive such care.

(b) DEADLINE FOR REPORT.—The report shall be submitted not later than 30 days after the end of the report period.

(c) REPORT PERIOD.—For the purposes of this section, the term "report period" means the 12-month period beginning on the effective date of the amendments made by section 202.

Subtitle C—Miscellaneous

SEC. 10031. ADVISORY COMMITTEE ON AMERICAN INDIAN VETERANS.

(a) ESTABLISHMENT OF COMMITTEE.—The Administrator of Veterans' Affairs shall establish, by January 15, 1986, an advisory committee to be known as the Advisory Committee on American Indian Veterans (hereinafter in this section referred to as the "Committee").

(b) DUTIES.—The Committee shall examine and evaluate programs and other activities of the Veterans' Administration with respect to the needs of American Indian veterans. Such examination and evaluation shall include—

(1) an assessment of the needs of such veterans with respect to health care, rehabilitation, outreach, and other programs administered by the Veterans' Administration; and

(2) a review of the manner in which and the extent to which the programs and other activities of the Veterans' Administration meet such needs.

(c) MEMBERS.— The Committee shall consist of—

(1) the Secretary of Labor (or a representative of the Secretary of Labor designated by the Secretary after consultation with the Assistant Secretary of Labor for Veterans' Employment);

(2) the Chief Medical Director and Chief Benefits Director of the Veterans' Administration; and

(3) members appointed by the Administrator from the general public, including—

(A) representatives of American Indian veterans, including such veterans with service-connected disabilities; and

(B) individuals who are recognized authorities in fields pertinent to the needs of such veterans, including specific health care needs of such veterans and the delivery of health care services by the Veterans' Administration to such veterans.

(d) PARTICIPATION BY OTHER AGENCIES.—The Administrator may invite representatives of other departments and agencies of the Federal Government to participate in the meetings and other activities of the Committee.

(e) EXPENSES.—The members of the Committee appointed by the Administrator shall be paid for reasonable and necessary expenses, as determined by the Administrator, incurred in carrying out the duties of the Committee.

(f) REPORTS.—(1) Not later than November 1, 1986, and not later than November 1, 1987, the Committee shall transmit to the Administrator a report on the matters described in paragraphs (1) and (2) of subsection (b) that were examined and evaluated by the Committee during fiscal year 1986 in the case of the first report and during fiscal year 1987 in the case of the second report.

(2) Within 60 days after receiving each such report, the Administrator shall transmit to the Congress a copy of the report, together with any comments concerning the report that the Administrator considers appropriate.

(g) TERMINATION.—The Committee shall terminate on the date on which the second report is transmitted by the Committee pursuant to subsection (f)(1).

SEC. 10032. AGENT ORANGE STUDY FOR FEMALE VETERANS.

(a) REQUIREMENT FOR EPIDEMIOLOGICAL STUDY.—(1) The Administrator of Veterans' Affairs shall provide for the conduct of an epidemiological study of any long-term adverse gender-specific health effects in females of service in the Armed Forces of the United States in the Republic of Vietnam during the period of the Vietnam conflict as such health effects may result from exposure to—

(A) phenoxy herbicides (including the herbicide known as Agent Orange); and

(B) the class of chemicals known as the dioxins produced during the manufacture of such herbicides.

(2) In providing for such study, the Administrator may expand the scope of the study to include an evaluation of any long-term adverse gender-specific health effects in females of such service as such health effects may result from other factors involved in such service (including exposure to other herbicides, chemicals, medications, or environmental hazards or conditions).

(3) The Administrator may also include in the study an evaluation of the means of detecting and treating adverse gender-specific health effects found through the study.

(4) The Administrator shall provide for the study to be conducted through contracts or agreements with public or private agencies or persons.

(b) FUNCTIONS OF OFFICE OF TECHNOLOGY ASSESSMENT.—(1) The study required by subsection (a) shall be conducted in accordance with a protocol approved by the Director of the Office of Technology Assessment.

(2) The Director shall monitor the conduct of such study in order to assure compliance with such protocol.

(3)(A) Concurrent with the approval or disapproval of any protocol under paragraph (1), the Director shall submit to the appropriate committees of Congress a report—

(i) explaining the basis for the Director's action in approving or disapproving the protocol; and

(ii) providing the Director's conclusions regarding the scientific validity and objectivity of the protocol.

(B) If the Director has not approved such a protocol during the 180 days following the date of the enactment of this Act, the Director—

(i) shall submit to the appropriate committees of Congress a report describing the reasons why the Director has not given such approval; and

(ii) shall submit to such committees an update report on such initial report each 60 days thereafter until such a protocol is approved.

(4) The Director shall submit to the appropriate committees of Congress, at each of the times specified in the second sentence of this paragraph, a report on the Director's monitoring of the conduct of such study pursuant to paragraph (2). A report under the preceding sentence shall be submitted—

(A) before the end of the six-month period beginning on the date of the approval of the protocol by the Director;

(B) before the end of the 12-month period beginning on such date; and

(C) annually thereafter until the study is completed or terminated.

(c) DURATION OF STUDY.—The study conducted pursuant to subsection (a) shall be continued for as long after the submission of the first report under subsection (d)(1) as the Administrator may determine reasonable in light of the possibility of developing through such study significant new information on the long-term gender-specific adverse health effects in females of exposure to dioxins.

(d) REPORTS TO CONGRESS.—(1) Not later than 24 months after the date of the approval of the protocol pursuant to subsection (b)(1) and annually thereafter, the Administrator shall submit to the appropriate committees of Congress a report containing—

(A) a description of the results thus far obtained under the study conducted pursuant to such subsection; and

(B) such comments and recommendations for administrative or legislative action, or both, as the Administrator considers appropriate in light of such results.

(2) Not later than 90 days after the submission of each report under paragraph (1), the Administrator shall publish in the Federal Register, for public review and comment, a description of any action that the Administrator proposes to take with respect to programs administered by the Veterans' Administration. Each such description shall include a justification or rationale for any such action the Administrator proposes to take. Any such proposal shall be based on the results described in the report under paragraph (1) and the comments and recommendations on that report and any other available pertinent information.

(3) The requirement in paragraph (1) for the submission of annual reports expires upon the submission of a report after the completion of the study under subsection (a).

(e) BUDGET ACT PROVISIONS.—(1) This section does not authorize the enactment of new budget authority for a fiscal year before fiscal year 1987.

(2) A contract to carry out the study under subsection (a) may be entered into only to the extent that—

(A) appropriated funds are available to carry out the contract; or

(B) the contract provides that the obligation of the United States to make payments under the contract is contingent upon the availability of appropriated funds for such payments.

(f) DEFINITION.—For the purposes of this section, the term "gender-specific health effects in females" includes effects on female reproductive capacity, reproductive organs, and reproductive outcomes, effects on female-specific organs and tissues, and other effects unique to the physiology of females.

The CHAIRMAN. No amendments to the bill are in order except the following amendments which shall not be subject to amendment:

First, a motion, if offered by Representative FAZIO to strike subtitle B of title VIII, which shall be debatable for 30 minutes to be equally divided and controlled by Representative FAZIO and a Member opposed thereto;

Second, an amendment printed in the CONGRESSIONAL RECORD of October 17, 1985, by, and if offered by, Representative LATTA, as modified by the unanimous-consent order of the House of today, which shall be debatable for 1 hour, to be equally divided and controlled by Representative LATTA and a Member opposed thereto; and

Third, an amendment printed in the CONGRESSIONAL RECORD of October 17, 1985, by, and if offered by, Representative FLORIO, which shall be debatable for 30 minutes, to be equally divided and controlled by Representative FLORIO and a Member opposed thereto.

PARLIAMENTARY INQUIRY

Mr. YATES. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. YATES. Mr. Chairman, is it in order at this point to make a point of order to the pending bill?

The CHAIRMAN. It is in order.

POINT OF ORDER

Mr. YATES. Mr. Chairman, I make a point of order against section 4110 of the bill, beginning on page 379, line 20 through page 380, line 17. This section contains the following language: "$500,000,000, which is hereby appropriated to the Secretary of Energy for carrying out Part B of title I of the Energy Security Act, as amended by this subtitle;".

Mr. Chairman, this language is clearly an appropriation, and since this bill was reported by a committee not having jurisdiction to report appropriations, the section is in violation of clause 5(a) of rule XXI of the House of Representatives.

The rule states that "No bill or joint resolution carrying appropriations shall be reported by any committee not having jurisdiction to report appropriations, * * *". The language in question was a recommendation of the Committee on Energy and Commerce, which was included in this omnibus reconciliation bill by the Committee on the Budget, without change, pursuant to reconciliation procedures. Since neither committee has jurisdiction to report appropriations, in my opinion, the language violates rule XXI, clause 5(a).

I make this point of order.

The CHAIRMAN. The Chair will entertain the gentleman's point of order.

Does anyone desire to be heard on the point of order?

If not, the Chair will sustain the gentleman's point of order.

Mr. YATES. I thank the Chair.

The CHAIRMAN. The section is stricken.

AMENDMENT OFFERED BY MR. LATTA

Mr. LATTA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LATTA: Strike out title II (page 5, line 7, through page 231, line 22) and insert in lieu thereof the following:

TITLE II—COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS

SEC. 2001. SHORT TITLE.

This title may be cited as the "Housing and Community Development Reconciliation Act of 1985".

SEC. 2002. COMMUNITY DEVELOPMENT BLOCK GRANT LOAN GUARANTEE PROGRAM MORATORIUM

Section 108(a) of the Housing and Community Development Act of 1974 is amended by striking out the last sentence and inserting in lieu thereof the following: "The Secretary may not enter into any commitment to guarantee a note or obligation under this section during fiscal year 1986.".

SEC. 2003. CANCELLATION OF OUTSTANDING PUBLIC HOUSING DEVELOPMENT LOANS AND OBLIGATIONS.

Section 4 of the United States Housing Act of 1937 is amended by adding at the end thereof the following new subsection:

"(c)(1) At such times as the Secretary may determine, and in accordance with such accounting and other procedures as the Secretary may prescribe, each loan made by the Secretary under subsection (a) that has any principal amount outstanding or any interest amount outstanding or accrued shall be forgiven; and the terms and conditions of any contract, or any amendment to a contract, for such loan with respect to any promise to repay such principal and interest shall be canceled. Such cancellation shall not affect any other terms and conditions of such contract, which shall remain in effect as if the cancellation had not occurred. This paragraph shall not apply to any loan the repayment of which was not to be made using annual contributions, or to any loan all or part of the proceeds of which are due a public housing agency from contractors or others.

"(2)(A) On the date of the enactment of the Housing and Community Development Reconciliation Act of 1985, each note or other obligation issued by the Secretary to the Secretary of the Treasury pursuant to subsection (b), together with any promise to repay the principal and unpaid interest that has accrued on each obligation, shall be forgiven; and any other term or condition specified by each such obligation shall be cancelled.

"(B) On September 30, 1986, and on any subsequent September 30, each such note or other obligation issued by the Secretary pursuant to subsection (b) during the fiscal year ending on such date, together with any such promise to repay, shall be forgiven; and any other term or condition specified by each such obligation shall be canceled.".

SEC. 2004. PUBLIC HOUSING OPERATING SUBSIDIES.

Section 9(c) of the United States Housing Act of 1937 is amended to read as follows:

"(c) There is authorized to be appropriated to carry out the provisions of this section $1,279,000,000 for fiscal year 1986.".

SEC. 2005. RURAL HOUSING PROGRAM AUTHORIZATIONS.

(a) INSURANCE AND GUARANTEE AUTHORITY.—Section 513(a)(1) of the Housing Act of 1949 is amended to read follows:

"(a)(1) The Secretary may, to the extent approved in appropriation Acts, insure and guarantee loans under this title during fiscal year 1986 in an aggregate amount not to exceed $2,266,000,000 as follows:

"(A) for insured or guaranteed loans under section 502 on behalf of borrowers receiving assistance under section 521(a)(1), $1,328,000,000;

"(B) for loans under section 504, $17,000,000;

"(C) for insured loans under section 514, $20,000,000;

"(D) for insured loans under section 515, $900,000,000; and

"(E) for site loans under section 524, $1,000,000.".

(b) RENTAL ASSISTANCE PAYMENT CONTRACTS.—Section 513(c) of the Housing Act of 1949 is amended to read as follows:

"(c) The Secretary, to the extent approved in appropriation Acts for fiscal year 1986, may enter into rental assistance payment contracts under section 521(a)(2)(A) aggregating $198,000,000. Such authority as is approved in appropriation Acts shall be used by the Secretary to renew rental assistance payment contracts that expire during such fiscal year and to make additional rental assistance payment contracts for existing or newly constructed dewelling units.".

SEC. 2006. MANAGEMENT OF INSURED AND GUARANTEED RURAL HOUSING LOANS.

(a) SALE OF INSURED AND GUARANTEED LOANS TO PUBLIC.—Section 517(c) of the Housing Act of 1949 is amended by adding at the end thereof the following new sentence: "Any loan made and sold by the Secretary under this section after the date of the enactment of the Housing and Community Development Reconciliation Act of 1985 (and any loan made by other lenders under this title that is insured or guaranteed in accordance with this section, is purchased by the Secretary, and is sold by the Secretary under this section after such date) shall be sold to the public and may not be sold to the Federal Financing Bank, unless such sale to the Federal Financing Bank is required to service transactions under this title between the Secretary and the Federal Financing Bank occurring on or before such date.".

(b) INTEREST SUBSIDY ON INSURED AND GUARANTEED LOANS OFFERED FOR SALE TO PUBLIC.—Section 517(d) of the Housing Act of 1949 is amended—

(1) by inserting "(1)" after the subsection designation; and

(2) by adding at the end thereof the following new paragraph:

"(2) Each loan made by the Secretary or other lenders under this title that is insured or guaranteed in accordance with this subsection shall, when offered for sale to the public, be accompanied by an agreement by the Secretary to pay to the holder of such loan (through an agreement to purchase such loan or through such other means as the Secretary determines to be appropriate) the difference between the rate of interest paid by the borrower of such loan and the market rate of interest (as determined by the Secretary) on obligations having comparable periods to maturity on the date of such sale.".

(c) PROTECTION OF BORROWERS UNDER LOANS SOLD TO PUBLIC.—Section 517(d) of the Housing Act of 1949, as amended by subsection (b) of this section, is amended by adding at the end thereof the folowing new paragraph:

"(3) Each loan made by the Secretary or other lenders under this title that is insured or guaranteed in accordance with this subsection shall, when offered for sale to the public, be accompanied by agreements for the benefit of the borrower under the loan that provide that—

"(A) the purchaser or any assignee of the loan shall not diminish any substantive or procedural right of the borrower arising under this title;

"(B) upon any default of the borrower, the loan shall be assigned to the Secretary for the purpose of avoiding foreclosure; and

"(C) following any assignment under subparagraph (B) and before commencing any action to foreclose or otherwise dispossess the borrower, the Secretary shall afford the borrower all substantive and procedural rights arising under this title, including consideration for interest subsidy, moratorium, reamortization, refinancing, and appeal of any adverse decision to an impartial officer.".

Page 437, line 8, through page 451, line 10, strike out subtitle E.

Page 460, line 17, through page 462, line 4, strike out section 6606.

Page 465, strike line 3, and all that follows thereafter through page 468, line 25, and insert in lieu thereof the following:

SEC. 7101. PAY ADJUSTMENTS.

(a) FISCAL YEAR 1986.—(1) The rates of pay under the General Schedule and the rates of pay under the other statutory pay systems referred to in section 5301(c) of title 5, United States Code, shall not be adjusted under section 5305 of such title during fiscal year 1986.

(2) Notwithstanding any other provision of law, the wage schedules and rates of pay for prevailing rate employees described in section 5342(a)(2) of title 5, United States Code (including employees covered under section 9(b) of Public Law 92-392 (86 Stat. 574; 5 U.S.C. 5342 note) and section 704(b) of Public Law 95-454 (92 Stat. 1218; 5 U.S.C. 5343 note)), and for officers and members of crews of vessels shall not be increased under the provisions of subchapter IV of chapter 53 of title 5, United States Code, or any other applicable provision of law as a result of a wage survey or negotiation during fiscal year 1986, except to the extent permitted by section 616(a)(2) of the conference report on H.R. 5798, agreed to by the House of Representatives on September 12, 1984, as contained in House Report 98-993 (referred to in Public Law 98-473, 98 Stat. 1963).

(b) REDUCTIONS FOR FISCAL YEARS 1987 AND 1988.—(1) For fiscal years 1987 and 1988, the President shall provide for the adjustment of rates of pay under section 5305 of title 5, United States Code, as appropriate to reduce outlays, relating to pay of officers and employees of the Federal Government, by at least $746,000,000 in fiscal year 1987 and $1,264,000,000 in fiscal year 1988 (without regard to reductions in outlays which result by reason of subsections (a), (c), and (d) of this section and the application of section 1009 of title 37, United States Code), computed using the baseline used for the First Concurrent Resolution on the Budget for Fiscal Year 1986 (S. Con. Res. 32, 99th Congress, 1st Session), agreed to on August 1, 1985.

(2) Paragraph (1) shall not be construed to suspend the requirements of section 5305 of title 5, United States Code, with respect to fiscal years 1987 and 1988.

(c) 90-DAY DELAY IN PAY INCREASES FOR PREVAILING RATE EMPLOYEES.—Notwithstanding any other provision of law, any adjustment in a wage schedule or rate of pay that—

(1) applies to—

(A) a prevailing rate employee described in section 5342(a)(2) of title 5, United States Code, including employees covered under section 9(b) of Public Law 92-392 (86 Stat. 574; 5 U.S.C. 5342 note) and section 704(b) of Public Law 95-454 (92 Stat. 1218; 5 U.S.C. 5343 note), or

(B) to an employee covered by section 5348 of such title,

(2) results from a wage survey or negotiation, and

(3) would take effect, but for this subsection, on or after October 1, 1986,

shall not take effect until the first day of the first applicable pay period beginning not less than 90 days after the day on which such adjustment would, but for this subsection, otherwise have taken effect. The Office of Personnel Management shall take such actions as may be necessary to carry out this subsection.

(d) NEW EFFECTIVE DATE FOR PAY ADJUSTMENTS UNDER STATUTORY PAY SYSTEMS.—(1) Section 5305 of title 5, United States Code, is amended—

(A) in subsection (a)(2), by striking out "October 1 of the applicable year" and inserting in lieu thereof "January 1 of the next year after the date the report is submitted to the President";

(B) in subsection (c)(2), by striking out "October 1 of the applicable year" and inseting in lieu thereof "January 1 of the next year after the year in which the alternative plan is transmitted to the Congress"; and

(C) in subsection (m), by striking out "October 1" and inserting in lieu thereof "the applicable January 1".

Page 469, strike lines 3 and 4 and insert in lieu thereof the following:

(a) REQUIRED REFUNDS FROM CARRIERS' SPECIAL RESERVES.—The Office of Personnel

Page 469, line 6, strike "(A)" and insert in lieu thereof "(1)".

Page 469, line 11, strike "(B)" and insert in lieu thereof "(2)".

Page 469, line 16, strike out "subsection" and insert in lieu thereof "section".

Page 469, strike line 19 and insert in lieu thereof the following:

(b) MINIMUM AMOUNTS.—In carrying out its responsibilities under this sec-

Page 469, line 22, strike "subsection" and insert in lieu thereof "section".

Page 469, line 23, strike "(A)" and insert in lieu thereof "(1)".

Page 469, line 25, strike "(B)" and insert in lieu thereof "(2)".

Page 470, strike line 1 and insert in lieu thereof the following:

(c) RESTRICTION.—No amount in any of the contingency re-

Page 470, line 2, strike "paragraph (1)" and insert in lieu thereof "subsection (a)".

Page 470, strike lines 6 through 13.

On page 482, line 11, strike out "1986" and insert "1988."

Mr. LATTA (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The CHAIRMAN. Pursuant to House Resolution 296, the gentleman from Ohio [Mr. LATTA] will be recog-

nized for 30 minutes, and a Member opposed will be recognized for 30 minutes.

Is the gentleman from South Carolina [Mr. DERRICK] opposed?

Mr. DERRICK. I am opposed, Mr. Chairman.

The CHAIRMAN. The gentleman from South Carolina [Mr. DERRICK] will be recognized for 30 minutes.

The Chair now recognizes the gentleman from Ohio [Mr. LATTA].

Mr. LATTA. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. WYLIE].

□ 1130

Mr. WYLIE. Mr. Chairman, I support the Latta amendment because according to OMB, Mr. LATTA would save some $4.5 billion, but I will limit my remarks to the impact of the amendment on title II of H.R. 3500, which is the Banking Committee title.

From the standpoint of fiscal responsibility and the size of the Government, the amendment is right on target. It would strike all newly authorized programs and all increases in existing programs over last year's baseline. In title II this would amount to $574 million in savings.

In committee this year I opposed authorizing new programs in the Housing Authorization Act. I believe it is the wrong time to bring on live new programs unless a strong case can be made for them and that should be done with full debate. I feel even stronger about authorizing new spending in what is supposed to be a deficit reducing bill. We are either going to freeze programs or we are not.

Even if these savings were not present in the Latta amendment, I would support the gentleman from Ohio's amendment because it strips nongermane legislative language from the reconciliation bill. We don't have just a little nongermane language in title II—we have over 200 pages of it. Mr. Chairman, what we have in title II is H.R. 1, the $20.565 billion housing authorization bill.

Furthermore, this is a title that hasn't been approved by any committee. It was approved by a party caucus of 30 Members. And now having disenfranchised 19 members of the Banking Committee, they are attempting to disenfranchise the rest of the House by sheltering the provisions in a reconciliation bill.

I suspect few Members know exactly what is contained in the 146 additional sections that the Banking Committee added to title II. It would take a while to explain, more time than I could every command during this debate. During committee consideration, it took the professional staff 3 days just to explain the staff's proposal to the Members.

Suffice it to say, Mr. Chairman, that there are many controversial items contained in title II. The UDAG selection criteria is changed. The Home Mortgage Disclosure Act is made permanent and expanded. There are mandated changes in FHA processing that the Department of Housing and Urban Development believes will make it difficult for them to deliver their product without hiring many new employees. I could go on and on, and I haven't even mentioned the implications of the new programs. Not how much they cost, just how and where they may operate.

Mr. Chairman, I would like to see a housing bill this year. I am afraid that unless the Latta amendment is adopted we will not have one. Title II and the other nongermane provisions in H.R. 3500 are going to face heavy opposition in conference. The chairman of the Senate Banking Committee has termed such substantive legislative provisions as being simply not acceptable.

Mr. Chairman, H.R. 3500 has merit. It is burdened by title II. This title hasn't been approved by any committee. The Members don't know what is in it, look at the size of it—outlined in red. Let's get rid of title II and get on with the business of reconciliation. Approve the Latta amendment.

Mr. BARTLETT. Will the gentleman yield?

Mr. WYLIE. I yield to the gentleman from Texas.

Mr. BARTLETT. I commend the gentleman for his statement and for his diligence since January 3, since the Housing Subcommittee and the Banking Committee have been working on H.R. 1.

What I hear the gentleman saying is, the only way to pass a housing bill, a housing bill with any semblance of reform, is to bring it to the House floor in its regular order, and the gentleman supports that; he said he did. We support that on our side.

I think what the gentleman is saying is, bring a housing bill onto this floor, let the legislative process work. As I understand, the chairman of the committee in the other body has just this week indicated to you and to the chairman of our committee [Mr. ST GERMAIN] that he would then in regular order consider a housing bill in that body also, and go to conference.

Mr. WYLIE. He has said in a letter to the chairman of the full committee and to myself, that is Senator GARN, in the other body, has said he will not consider H.R. 1 or title II in conference in H.R. 3500 if there is any way to avoid it.

On the other hand, under regular procedure, where the provisions of this bill could be debated, he would take it up timely in the other body.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. LATTA. Mr. Chairman, I yield 2½ additional minutes to the gentleman from Ohio [Mr. WYLIE].

Mr. WYLIE. So I think the gentleman is making a very valid point, but there are numerous programs in here in which the funding has been changed and a few provisions which were not in the original bill, even as it was reported from the House Banking Committee.

I just think that the Members, all 435 of them—not just 30 members from the Democratic caucus—deserve an opportunity.

Mr. BARTLETT. Will the gentleman yield?

Mr. WYLIE. I would be glad to yield to the gentleman.

Mr. BARTLETT. I thank the gentleman for yielding.

Mr. Chairman, the gentleman is saying that the other body has indicated that in the reconciliation they will not consider it because they should not, but as freestanding legislation, they will; and that is what the gentleman is saying.

If the gentleman would further yield, I think the House needs to know there is a budget issue; and that is while, as I understand H.R. 1 and H.R. 3500, it is within the budget for the first year but it is above budget outlays for fiscal year 1987 and fiscal year 1988.

It seems to me that when it comes to the House floor under regular order, with amendments being in order, then the House would want to reduce those budget outlays.

Mr. ST GERMAIN. Will the gentleman yield?

Mr. WYLIE. I would be glad to yield to the chairman of the full committee.

Mr. ST GERMAIN. Would my distinguished ranking minority member kindly tell me one program added to this legislation that was not in the legislation reported from the Banking Committee?

Mr. WYLIE. There were some modifications, Mr. Chairman, made to bring it in the cap for fiscal year 1986.

Mr. ST GERMAIN. Are you talking about the numbers, sir?

Mr. WYLIE. In the outyears, there are about $574 million——

Mr. ST GERMAIN. Excuse me. You said——

Mr. WYLIE. Well, I am talking about numbers, but I am also talking about some legislative language.

Mr. ST GERMAIN. If the gentleman would yield?

Which programs were added?

Mr. WYLIE. I will get into that a little later.

Mr. LATTA. If the gentleman will yield for one question.

Mr. WYLIE. Yes, of course.

Mr. LATTA. What is actually happening here, if we do not adopt the Latta amendment, is that the very voluminous bill that you have in your hands could become or could pass this House without the House ever know-

ing, No. 1, what is in it; No. 2, having an opportunity to amend it.

Is that true?

Mr. WYLIE. That is the real point to be made here, and I appreciate the gentleman from Ohio [Mr. LATTA] making the point.

This is title II to H.R. 3500. All 227 pages of it, and I would like to make the point again that I think the Members of the House would like to have full and fair debate on a title of this magnitude.

Also, in the outyears, in fiscal year 1987 and 1988, according to CBO, it does increase the budget deficit by $300 million. I will be glad to list those programs a little later on; I will list them for the record.

Mr. SCHUMER. Will the gentleman yield?

Mr. WYLIE. I will be glad to yield.

Mr. SCHUMER. I thank my good friend, the gentleman from Ohio, and would simply ask the gentleman, is he aware of a letter sent by the Congressional Budget Office which says that we are below budget on this?

Mr. WYLIE. I am aware of that, and we analyzed it last night, and we think that it is $300 million over the outyears, but that is another subject for debate before the full House.

Mr. SCHUMER. I appreciate the gentleman yielding.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 15 minutes to the distinguished chairman of the Committee on Banking, Finance and Urban Affairs, the gentleman from Rhode Island [Mr. ST GERMAIN], and ask unanimous consent that he be permitted to yield time.

The CHAIRMAN. Is the Chair to understand that the gentleman is opposed to the amendment?

Mr. ST GERMAIN. Yes, indeed, Mr. Chairman.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. ST GERMAIN. Mr. Chairman, I yield myself such time as I may utilize, and then I will go to some of my other Members.

For instance, my distinguished colleague from Ohio, my ranking minority member [Mr. WYLIE] first said that reconciliation adds programs. I assure the membership, we did not go beyond the programs approved by the full Committee on Banking.

□ 1140

Now, we did indeed have 12 days of hearings and 8 days of markups, morning and afternoon; 146 legislative sections. Of course we are reauthorizing the housing bill, but very little of that is new; 170 amendments were considered, I think that is patent, clear evidence, and I want you to know that when HENRY GONZALEZ, chairman of the Subcommittee on Housing and Community Development, chaired those markup sessions, everyone was recognized for their amendments. No one was precluded on their amendments, and I defy anyone to say they were precluded from offering their amendments. And the same process prevailed in the full committee.

Ladies and gentlemen, I then read from the proponents of Gramm-Latta that they want us to come to the floor in a different fashion so that we can, among other things, look at tenant management. My gracious, one of the signatories of the letter here, we accepted his amendment on tenant management.

Then security for public housing residents, can I tell you what that amendment was that the full committee defeated? You put policemen in the housing projects, you give them guns, you give them patrol cars, and you give them free rent.

What do we want? A police state in public housing? Certainly not, ladies and gentlemen, certainly not.

Why are we here before you opposing the Latta amendment? Very clear and simple, ladies and gentlemen, because we want a housing bill.

The Senate committee was meeting on housing, and when the Senate committee chairman found that he did not have control of his committee, he pulled the bill. and he told Republicans and Democrats, "If you don't go my way, there is no bill."

This Member is different, this chairman is different; we passed a bill out of subcommittee, we passed it out of full committee, in regular order.

Now, let's keep it in reconciliation so that the unhoused people, the underprivileged people of this Nation, the communities of this Nation in the South, the Southwest, who today have not gotten UDAG will be able to participate in UDAG. Rural housing, Farmers Home Administration, are provided for in this particular piece of legislation. VA and FHA extensions are provided for in this legislation.

Ladies and gentlemen, we have brought before you a bill that has been given more consideration than most legislation ever to come before this House, believe you me.

Now, it is all right to say a voluminous bill, and I heard our distinguished colleague from Ohio [Mr. LATTA] say to my distinguished ranking minority member, "a voluminous bill." My goodness gracious, that is a midget, it is a midget compared to the very famous, which will go down in history, document, it is going to really compete with the Bible as times goes by. It was a bible on how to do a number on the American people, the blind and everybody else in this Nation, and the name of it was Gramm-Latta. Five hundred, six hundred pages with telephone numbers and orders for coffee, and pizza, and hot dogs, and peanuts, and hamburgers.

Ladies and gentlemen, I may be back to you before this debate ends, but I just want to say to you we need your assistance to help the people of this country. No new programs, just improve the programs; and the numbers are $500 million out of $20.6 billion.

We are within the reconciliation numbers; we are below the amounts appropriated by the House and the Senate.

Mr. GONZALEZ. Mr. Chairman, will the gentleman yield?

Mr. ST GERMAIN. I yield to the gentleman from Texas [Mr. GONZALEZ], the distinguished chairman of our subcommittee.

Mr. GONZALEZ. I thank the gentleman for yielding.

Mr. Chairman, I rise in wholehearted support of what the distinguished chairman of the full committee has just said. I could not add anything more to what he very eloquently stated.

Mr. ST GERMAIN. Mr. Chairman, I reserve the balance of my time.

Mr. LATTA. Mr. Chairman, I yield 4 minutes to the gentleman from Texas [Mr. BARTLETT].

Mr. BARTLETT. Mr. Chairman, this debate is terribly limited. One hour to debate a $20 billion reauthorization of a bill that has 146 legislative sections, which is in fact larger than the rest of the reconciliation itself.

But let me help the House get to the heart of some of the issues. Issue No. 1: How do we get a housing bill passed and signed into law at all? Mr. Chairman, we have not done a very good job of that using the old system of trying end runs every time. In fact, in the last 10 years there has only been one housing bill passed by Congress and signed into law. If the opponents of the Latta amendment proposal was merely—the only way to do it was to ride roughshod over the process, then, (a) we will never get a housing bill, and (b), if we ever do, it will be a pretty terrible housing bill.

The fact is, if it is in the reconciliation bill we will not have a Housing Act. If the Latta amendment passes and if the chairman of the committee and the chairman of the subcommittee will join with us and go before the Rules Committee and ask for an open and fair consideration of H.R. 1, then we can get a housing bill passed and signed into law.

Mr. SCHUMER. Mr. Chairman, will the gentleman yield?

Mr. BARTLETT. I yield to the gentleman from New York.

Mr. SCHUMER. I thank the gentleman for yielding.

I say to the gentleman we would be happy to do that if the Senate would send over a bill, something they have

not done in 4 years; not a letter from Senator GARN.

Mr. BARTLETT. Reclaiming my time, we do want to go to both sides, and the other body has agreed to go under regular order. But they have agreed not to go under a conference. So we send this to the reconciliation in a conference, and nothing, absolutely nothing, happens.

Now, issue No. 2: Are there issues to be resolved? Yes, there are issues to be resolved. Were some of those issues resolved with great pain and agony and with rollcall votes in the Housing Subcommittee? Yes. Some of those issues were not allowed to be considered. I remember on the last day I was precluded from offering two amendments at the very end when the subcommittee decided to adjourn. But that is all right. There is time to consider it on the House floor.

Many of the issues were resolved well.

I remember I worked with the gentleman from Massachusetts and the gentleman from New York and others in coming with a better housing bill today than we started with on January 1 of 1985. But it is not time to stop, it is time to finish the process. And the issues include home ownership, tenant management, deregulation, livability, security, FHA, and the other issues that this House needs to resolve.

Mr. WYLIE. Mr. Chairman, will the gentleman yield?

Mr. BARTLETT. I yield to the gentleman from Ohio.

Mr. WYLIE. I thank the gentleman for yielding.

The distinguished chairman of the full committee indicated that there were no new programs contained in H.R. 1 as contained in H.R. 3500. There is a new Public Housing Child Care Demonstration Program, there is a Fair Housing Initiative Program, there is a Second Stage Homeless Assistance Program, there is an Emergency Shelter Grant Program, a Nehemiah Grant Program. Those are new programs. Plus there are funding figures which have been changed 25 times from H.R. 1 as reported from our committee to H.R. 3500.

Mr. BARTLETT. I reclaim my time so that I may respond. I thank the gentleman for his comment, and the gentleman is correct.

Some of those changes were no doubt positive, some of them were no doubt negative, but they were made by caucus, a party caucus of the other body. I know, I sent, as ranking member of the full committee, to the committee chairman some suggestions for arriving at a bipartisan consensus, but that bipartisan consensus was not arrived at. We have issues left to be resolved.

Mr. FRANK. Mr. Chairman, will the gentleman yield?

Mr. BARTLETT. I yield to the gentleman from Massachusetts [Mr. FRANK].

Mr. FRANK. I thank the gentleman for yielding.

The gentleman said we all want to do this in regular order. Now, he has more faith in the recent apparent change of mind of the Senate chairman than I have got. But I would make this proposal to him: If this amendment is defeated and becomes part of reconciliation, and if the other body then decides to take up a bill, we would cheerfully agree to drop it out. We do not have any insurance. What we have had is a record of the other body not wanting to act. If the other body begins to act, if it is in reconciliation, we can say to our colleagues, "Forget about it, we can do it in the regular way." But it is the only insurance policy we have.

Mr. BARTLETT. If I may reclaim my time, the House ought to just simply act in the regular process. It is a legislative process which has proven over time that it can work if both sides will make the effort.

Mr. ST GERMAIN. Mr. Chairman, may I inquire how much time has been utilized out of the 15 minutes allotted to me?

The CHAIRMAN. The gentleman from Rhode Island [Mr. ST GERMAIN] has 9½ minutes remaining.

Mr. ST GERMAIN. Mr. Chairman, I yield half a minute to the distinguished gentlewoman from Ohio [Ms. OAKAR].

Ms. OAKAR. We all know what the issue is. The issue is, Do you want to gut the Housing and Community Development Programs of the United States of America? If you want to do that, then vote for the Latta amendment. We are within the budget confines and restrictions. We worked very, very hard on that. And we were also able to cut some programs and add new programs.

Let us talk about what these new programs are. A program for the homeless that we have never had in the history of our country before. We have millions of people in our country who are homeless.

A program that relates to rural areas which have been cheated.

Now, if you want to vote for Latta, then you vote to cut the programs that have been in authority since 1936.

Mr. LATTA. Mr. Chairman, I yield 30 seconds to the gentleman from Ohio [Mr. WYLIE] to answer the statement just made by the gentlewoman from Ohio.

Mr. WYLIE. Mr. Chairman, if the Latta amendment is adopted, it will not gut the housing program; they will continue in existence as they are. What we are saying is that there should not be any new add-ons.

Mr. Penner, head of the Congressional Budget Office, in response to the gentleman from New York [Mr. SCHUMER] says that H.R. 1, over a period of time, would exceed the budget resolution by $320 million.

Mr. ST GERMAIN. Mr. Chairman, I yield 1½ minutes to the gentleman from Maryland [Mr. MITCHELL], a member of the committee.

Mr. MITCHELL. I would ask that the House, please listen to, as ordinarily I do not make such a request, but I want you to hear me on this one: In the legislative process we are always subjected to external pressures. Call them interest groups, call them what you will, that is the normal process.

That is what is happening on this bill in a most unusual fashion.

I am amazed at the National Association of Realtors for their lobbying efforts against our position. I will stake my life on it, I do not care what kind of language they cloak it in, they are zeroing in on only one thing, and that is section 2370 of the bill, the fair housing initiative.

This is our attempt to make the fair housing law work in this country; and they do not want it to work.

Now, I do not care what kind of excuses they use, I do not care what other kinds of rationale they come up with, they have never supported fair housing in a meaningful fashion.

Now, when we as a body are attempting to make the law work, they come with this all-out blitzkreig, to try not to make it work.

In a sense, the integrity of this House is in question.

Do we knuckle under to those forces that have never supported civil rights? Do we knuckle under to those forces which are now in the process of undermining and eroding and emasculating every single gain that my people and other minorities have made? The integrity of this House is in question.

Mr. BOULTER. Mr. Chairman, I yield 2 minutes to the gentleman from Arizona [Mr. KOLBE].

Mr. KOLBE. Mr. Chairman, there are a lot of reasons for Members to support the Latta amendment. We will see substantial budget savings if the Latta amendment is adopted. But, as a member of the Banking Committee my reason for standing here this morning is to tell you we ought to support it for reasons that have already been outlined.

□ 1155

This is just the wrong way to proceed, and I join with the ranking minority member of the Banking Committee in saying so.

We have got part of this reconciliation bill, title II, that includes an entire authorization for housing. That bill, as we passed it in committee, is 227 pages long. As the chairman of the full committee said earlier, we had 12 days of hearings and 8 days of markup

on it. There were more than 100 amendments that were offered in committee. A lot of those amendments were debated vigorously. Some of them were adopted by very narrow margins.

We need to have a full debate on those issues on this floor. When we are talking about making substantive changes to programs and adding new programs, as the ranking Republican member has suggested would be the case here, we need to have a full debate on that. Why not bring H.R. 1 to the floor? Let us have a full debate on the authorization bill. I am not opposed to that, and I do not know anybody on my side of the aisle who is opposed to that. I know my colleagues have said they would support that. I think we ought to have that kind of full debate.

Mr. GONZALEZ. Mr. Chairman, will the gentleman yield?

Mr. KOLBE. I yield to the gentleman from Texas.

Mr. GONZALEZ. Mr. Chairman, I want to remind the gentleman, because he is a member of the committee, that no other committee history—I have been a member of this subcommittee for 24 years, and at no time have we ever had anywhere near 136 amendments offered leisurely.

The gentleman from my State of Texas, my colleague, a while ago said he had been denied an opportunity for two. Well, he offered 36 percent of those amendments. But when we voted on the bill in subcommittee and full committee, will the gentleman tell me who voted against it? It passed out on voice vote unanimously.

Mr. KOLBE. Reclaiming my time, the chairman was very fair in allowing debate on the amendments in the committee. But many of those amendments were vigorously debated. And we ought to have the same debate on authorization of new programs and existing programs totaling $20 billion or more on the floor, too. The bill is in Rules Committee. The majority dominates that committee by a more than a 2-to-1 margin. Why not bring it out of committee and onto this floor for a full debate?

As to the question of who voted against the bill in committee, I would only say to the distinguished chairman of the subcommittee that many of us were prepared to vote against it in the full committee but were not given that opportunity.

The CHAIRMAN. The time of the gentleman from Arizona [Mr. KOLBE] has expired.

Mr. ST GERMAIN. Mr. Chairman, I yield 2 minutes to the very distinguished and honorable gentleman from Connecticut [Mr. MCKINNEY].

Mr. MCKINNEY. Mr. Chairman, today there is more fog in this House about H.R. 1 than there is hanging over the Capitol dome, and you cannot see the Capitol dome it is so foggy out there.

Title II is not over budget. It is under the HUD appropriated level. There is not a single new program in H.R. 1 that has not been accounted for financially by taking money from other areas.

It is wonderful to bring up a fog against progress. I trust my colleagues and the Members of my party. But I do not believe the Banking Committee on the other side will ever get us a bill.

What is going to happen to FHA insurance? What is going to happen to flood insurance? What is going to happen to the amendments for UDAG that so many of my Republican colleagues asked me to support for them so that other parts of the country would benefit?

It is wonderful to stand here and say, "New programs" today's zap word. A real zap word.

But is that not what the Congress of the United States is about? Were we not sent here to try to pass laws that will work?

I would suggest to you that the Nehemiah Program will work. The handicapped changes in section 202 are incredible changes, and I think they are very valuable. The gentlewoman from Ohio [Ms. OAKAR] on that side of the aisle and myself on this side of the aisle worked very hard on them.

It is a fact that for the first time we in the Congress are going to say to Health and Human Services and HUD: You must talk to each other. Right now Health and Human Services is the biggest payer of rent to slum landlords in the United States of America.

Mr. ROTH. Mr. Chairman, will the gentleman yield?

Mr. MCKINNEY. I yield to the gentleman from Wisconsin for just 2 seconds.

Mr. ROTH. I appreciate what my leader, the ranking minority member, is saying. But the gentleman heard the chairman of our subcommittee. We had 137 substantive amendments that we debated, which shows the terrible condition of this bill. What the gentleman says is correct, but we want this bill to come to the floor so that the entire House can vote on these issues.

Mr. MCKINNEY. I can understand what the gentleman is saying. I would like this House to operate under regular order, too; but it does not, and it has not, and the last Latta amendment I voted on in 1981 was not in regular order either.

Mr. Chairman, while I am speaking on the housing issue, I have a point of clarification. The committee report language accompanying section 2142 concerning the housing for the handicapped provision which I sponsored highlights a policy which permits a sponsor to limit tenancy in a section 202 project to elderly persons or to the elderly and physically handicapped but excluding the developmentally disabled, chronically mentally ill, and other handicapped persons. The committee report indicates that this policy is contrary to the purposes of section 202 program.

It is my understanding that under the section 202 program, section 202 development should be custom-tailored to the specific client population sought to be served. The key consideration as I understand it would be that a section 202 sponsor must affirmatively demonstrate that it possesses the resources to meet the special service needs of the tenant group sought to be served. Therefore, the fact that a person is eligible under the section 202 program, does not necessarily mean that the person is eligible for occupancy in each and every section 202 project.

Section 2142 the housing for the handicapped provision would not alter the present policy.

Mr. ST GERMAIN. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. MOLINARI].

Mr. MOLINARI. I thank the gentleman for yielding.

Mr. Chairman, I rise in opposition to the Latta amendment.

Very briefly, there is a provision in this bill that is extremely important to the public housing stock of this Nation. In my district, there is great threat that the public housing stock is going to deteriorate. It seems to me that when we are talking about deficits and defict reduction, we should not want to evict those who are paying rents and replace them with people who cannot afford to. The theory is good, it sounds like it is a humanitarian proposal; but it does not work out that way. We are destroying our public housing stock, we are increasing the amount of Federal subsidies by present law, and it is working exactly to the contrary of those who are saying on the floor today, "We want to reduce deficits."

I would ask those who have public housing in their districts to join me in opposing the Latta amendment.

Mr. Chairman, although I believe there are some commendable provisions contained in the Latta amendment, I must oppose passage because it would exclude from H.R. 3500 a particular provision which is essential for my district.

Public housing tenants across the country will be penalized until this and the other body takes action and approves maximum rent legislation. These provisions which I introduced are contained in section 2102 and would allow housing authorities, at their discretion, to establish maximum rents, which are approved by the Secretary, and are based on either the average monthly debt service and oper-

ating expenses for projects of similar size owned and operated by the agency, or the fair market rent in the area. The proposed rent cap is not mandated upon public housing authorities, but rather is made available as an option which can be used based on an authority's individual economic considerations.

A rent ceiling is essential for the long-term future of this Nation's public housing program. In order to maintain an economic mix—a cross section of lower, low and lowest income families—and prevent the isolation of the very poor, public housing authorities must have this flexibility. I believe enough evidence has been produced to illustrate that social change and economic mobility are enhanced by encouraging housing in which families of different incomes and in different age groups can live together.

A broad income mix includes those who are largely self-supporting but still need some help in obtaining decent housing. This group includes people with upward mobility who will provide leadership in developing good and stable communities. Should these lower income working tenants, many of whom serve as role models in the community, leave public housing due to higher rents, we would be left with dense concentrations of the very poorest tenants. Again, experience has shown that this may bring on higher maintenance and social service costs, as well as having a detrimental effect on the surrounding neighorhood.

The positive effect working tenants have on public housing cannot be denied. In fact, the New York City Housing Authority, which runs one of the most successful housing programs in the country, maintains that the integration of various income groups is one of the key factors to its success for over 50 years.

Apart from promoting an economic mix, there is another very important reason for allowing housing authorities to establish a rent ceiling. If the lower income working tenants are driven out of public housing due to the inability to pay a higher rent, there will be a drastic loss in rental income to the authority because the incoming tenants will have significantly reduced incomes and rent levels. New York City has estimated that it could lose as much as $47 million a year in rental income if working tenants were forced out of its housing facilities. The result of this would be increased operating subsidies by the Federal Government and the American taxpayer. In these times of great concern over Federal deficits, this does not seem to be the course of action we would want to follow.

The loss of a rent cap does not affect only large metropolitan areas. I have received letters of endorsement from such cities as Pueblo, CO, and Bloomington, IL, among others, on the need for a rent cap to ensure the future of their public housing programs. In addition, these rent cap provisions have been endorsed by the National Association of Housing and Redevelopment Officials [NAHRO], the Council of Large Public Housing Authorities [CLPHA], and the Public Housing Authorities Director's Association—three major public housing organizations. I have attached an analysis prepared by the New York City Housing Authority on the loss of the rent cap as well as letters from MAHRO and CLPHA in support of rent cap legislation I introduced last year.

In order to preserve our public housing program, a public housing rent cap must be restored. The provisions contained in H.R. 3500 must be upheld by this body and finally enacted into law.

The CHAIRMAN. The time of the gentleman from New York [Mr. MOLINARI] has expired.

Mr. LATTA. Mr. Chairman, I yield 30 additional seconds to the gentleman from New York [Mr. MOLINARI].

If the gentleman will yield, Mr. Chairman, does the gentleman realize that there is a lot more in the Latta amendment than savings to the taxpayers of this country than what this housing bill does? There is $3.5 billion in deficit reductions in the Latta amendment. There is also striking your pay raise that they have got in there for 1987 and 1988 at 5 percent each year in the Latta amendment. So by voting against the Latta amendment you are saying, "I want my pay raise in 1987 and 1988."

Mr. MOLINARI. May I have 30 seconds to respond to that?

The CHAIRMAN. The time of the gentleman from New York [Mr. MOLINARI] has expired.

Mr. LATTA. Mr. Chairman, I yield 30 seconds to the gentleman to respond.

Mr. MOLINARI. I can stand here and look you directly in the face and say I have no qualms whatsoever about voting for a pay raise if it is in this bill if it means protecting my district, at the same time and I think the gentleman should not raise that point as an issue on this question.

Mr. WYLIE. Mr. Chairman, will the gentleman yield?

Mr. MOLINARI. I yield to the gentleman from Ohio.

Mr. WYLIE. May I suggest that I support the gentleman's provision on public housing stock. We had it in a substitute which we were prepared to offer on the House floor. I think that is the time to debate that issue rather than in this reconciliation bill.

Mr. MOLINARI. I thank the gentleman.

Mr. LATTA. Mr. Chairman, I yield 2 minutes to the gentlewoman from Illinois [Mrs. MARTIN].

Mrs. MARTIN of Illinois. Mr. Chairman, I think, ultimately, everyone can find in the bill something they would like to keep, they can find something in the Latta amendment that they would prefer not be in it. But it, ultimately, comes down to a very simple decision. And, really, much of this argument about H.R. 1 or about a pay raise is really peripheral to it.

Do you want to cut the deficit or don't you? Is this one thing for my district or even for my State or even a group of people? You have to determine if the speeches that almost every Member of this Congress has given about how they want to cut the deficit, if they are true——

Mr. SCHUMER. Mr. Chairman, will the gentlewoman yield?

Mrs. MARTIN of Illinois. No; not for a second. If my colleague would just let me finish a sentence, I would be grateful.

If you want to cut the deficit, you vote for Latta, because it cuts the deficit more. If you do not, or if you have other priorities than the deficit—and I do not think you have to be ashamed of them, you do not have to say they are wrong—but if the deficit comes first, you vote for Latta. If it comes second, you do not.

But many Members of both sides of the aisle have gone home and they have said to their constituents that the deficit matters, that they will do everything to cut, that they do not care where it comes, it matters.

So I tell you, as much as I can appreciate the distinguished members of the Banking and Urban Affairs Committee, as much as I can appreciate my own colleagues who want parts of the bill, they miss the greater good. If you care about small business and if you care about the poor and if you care about agriculture, you have got to want that deficit lower, and that means you have to vote for Latta.

There is one difference between H.R. 1 and Gramm-Latta. Gramm-Latta cut. It did not add.

Mr. ST GERMAIN. Mr. Chairman, I yield 1 minute to another very distinguished member of our committee, the gentleman from North Carolina [Mr. NEAL].

Mr. NEAL. Mr. Chairman and members of the committee, the problem is that the Senate will not pass the bill so that we can go to committee.

The only way that we can get a housing bill is to attach it in this case.

Do we need a housing bill? We need a housing bill for rural America, for the small towns of America. And this appears to be the only way of getting it.

We are told by the Congressional Budget Office that this bill is under the budget. It is 10 percent under the appropriations bills already passed by this House. It is $4 billion under last

year's bill. It is the only way that we can get to conference with the Senate.

I urge my colleagues to reject the Latta approach.

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN. The Chair would like to inform the Members that any statement critical of the other body is not within the rules, and critical comment of inaction or inactivity by the other body mentioned here would violate the rule.

The Chair has not asked Members to refrain, but the Chair would make the general statement at this time that the Members who particpate in the debate should be very cautious as to mention of actions of the other body or its Members.

PARLIAMENTARY INQUIRIES

Mr. ST GERMAIN. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ST GERMAIN. Mr. Chairman, if, on the one hand, the other side of the proposition on this floor refers to the other body stating they will do something, and if this side of the proposition is convinced and has evidence of the fact that the facts speak against that, does the Chair mean to tell us that that would be critical to state that they are not acting—I mean, I think there has to be fairmess. If you are going to compliment the other body by submitting a letter and contending that it is Biblical or Sanskrit, then certainly the other side of the proposition should be allowed also, should it not, under the rules?

The CHAIRMAN. The Chair will state to the Member that the general rule is that there be no critical mention made of activities of the other body. The Chair will allow each Member to use discretion as to how he makes his pronouncements, whether or not it is in answer to one side or the other.

Mr. ST GERMAIN. Mr. Chairman, I have a further parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ST GERMAIN. If, on the one hand, the other side of the proposition speaks in glowing terms of that which the other side says it will do, one can on this side state that, "Well, we appreciate that statement; however, this is what we know that has been done to date." That would not be critical, would it?

The CHAIRMAN. The Chair has stated the general rule. Both sides of the issue, pro or con, should within the rule refrain from making observations of the other body that would be termed to be critical.

Mr. ST GERMAIN. I thank the Chair for its ruling.

Mr. GONZALEZ. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GONZALEZ. Mr. Chairman, in further elucidation about this very vague general rule about allusions to the other body, assuming that we wish to answer an inference or an insinuation advanced by any Member of the House that has reference to the workings on the other side, would it be in order for us to preface whatever critical evaluations we make of those statements if we make a statement and say that we take judicial knowledge that the other body is honorable, illustrious but misbegotten in its judgments, would that fall within the objectionable section of this rule?

□ 1210

The CHAIRMAN. The Chair will state that is not a proper parliamentary inquiry, but the Chair again will state that the Chair cannot respond to hypothetical questions at this time. Each statement will have to be regarded in its own.

The Chair asks the indulgence and the cooperation of the Members to refrain from any critical mention made of the activities of the other body.

Mr. BARTLETT. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BARTLETT. Mr. Chairman, to further on what I think is the Chair's good ruling, I assume it would be in order for this body to comment about what this body, the House of Representatives, should do in our processes in considering legislation on the floor of this House. I assume, from the Chair's ruling, that that is what we should focus on in the debate.

The CHAIRMAN. Within the proper language and within the rules, the gentleman is correct. Under the principles of comity, there are restrictions on debate as it pertains to mention of other Members or the other body.

The Chair would hope that the membership would cooperate with the Chair. All the Chair is asking is that the Members be judicious in their statements as it relates to the other body.

Mr. ST GERMAIN. Mr. Chairman, I yield 2 minutes to the elegant gentleman, my neighbor from the State of Massachusetts [Mr. FRANK].

Mr. FRANK. Mr. Chairman, I yield to the gentleman from California [Mr. EDWARDS].

Mr. EDWARDS of California. I thank the gentleman for yielding to me.

Mr. Chairman, I rise in opposition to the amendment. I am opposed to the portion of this amendment which eliminates proposed HUD funding of fair housing demonstration centers to assist private enforcement of the Fair Housing Act, title VIII of the 1968 Civil Rights Act.

H.R. 3500 authorizes $2 million to centers across the country which, for the past 15 years, have provided assistance to persons who have experienced racial discrimination in the home rental and ownership markets.

Title VIII grants no fair housing enforcement authority to HUD and very limited enforcement authority to the Attorney General. Enforcement of the statute has been left to private parties and the fair housing demonstration centers have been critical to that enforcement effort.

Despite inadequate enforcement mechanisms, the centers have been quite effective on what most would agree is a shoestring budget. One of the most effective enforcement tools available to them is the use of testers to establish a discrimination claim. The methodology is simple but effective: A black or Hispanic person is told an apartment is unavailable for rent; a white person, with a similar social and economic profile, submits an application to the same apartment complex and is offered an apartment(s). Such disparate treatment could be used as evidence of discrimination—the apartment operators would have to come forward with evidence to establish that their treatment was not discriminatory. If discrimination is proved, the punishment for such illegal treatment is monetary damages and/or the requested apartment. It is a small price to pay for such an indignity.

Testers have been recognized by the Supreme Court as a reasonable and necessary device to combat housing discrimination.

Support of the modest Tester Program sponsored by HUD under H.R. 3500 should be allowed. I therefore urge a "no" vote on the Latta amendment.

Mr. FRANK. Mr. Chairman, there is a wholly spurious procedural issue here. There are Members who would claim that it is somehow irregular for this House to legislate in reconciliation. We have had Gramm-Latta which did that. We have got on the debt extension, Gramm-Rudman, which has never had hearings. There may be a Member of this body who honestly and genuinely is opposed in principle to legislating on reconciliation, but I do not know who he or she is. No one thinks that anyone is serious about that.

There is other legislation here. The first action of the gentleman from Ohio today was to get up during the 1 minutes and get unanimous consent to leave alone a piece of legislation in this bill. He has not offered an amendment to cut other pieces of legislation. So no one thinks seriously that there is an objection in principle to legislating.

Why are we legislating? Because it takes, under the Constitution, the action of this House and something else to become law. Now, you cannot talk about something else, but this House alone cannot make a law; this House plus something has got to make a law. And if something does not want to make a law, this House cannot do anything.

So what we are saying is this: Let us put, as this House, on to reconciliation this bill, because we have not seen anything from something. But if something should change its mind because we have got reconciliation, then we will drop it in conference. We are not suggesting that this is the best way to legislate; we are not saying it is a good way to legislate. We are saying given what is happening somewhere else, and is not happening, it is the only way to legislate.

Do you want to respond to the homeless? Do you want to improve, as the gentleman from Texas knows we are trying to do, public housing modernization?

There is a new program here that I sponsored. Do you know what it does? We have built hundreds of thousands, millions of units of assisted housing. Some of them are starting to fall apart. We have a small revolving fund in here which was wholly noncontroversial to try and preserve units. We are not building new ones; we are preserving them.

Somewhere over the rainbow, something is not happening, and this is the only chance to get any action, and we will be glad to drop it if they change their minds.

Mr. LATTA. Mr. Chairman, I yield 2½ minutes to the gentleman from Florida [Mr. YOUNG].

Mr. YOUNG of Florida. I thank the gentleman for yielding me this time.

Mr. Chairman, 2 weeks ago, I inspected the Laurel Park public housing complex in St. Petersburg, FL, and found deplorable conditions in these units, such as rodent infestation, and water leaking from second floor bathrooms through ceilings to the first floor kitchens below.

HUD officials I've spoken with tell me that this situation is not unique to St. Petersburg, but that many public housing projects throughout our Nation are rundown and in serious need of repair and renovation.

Mr. Chairman, I would like to engage in a brief colloquy with my colleague from Texas, Mr. BARTLETT, a strong advocate of the Latta amendment currently under consideration. My concern is that we need to provide additional Federal funding for the modernization of our Nation's public housing stock so that our constituents renting these units don't have to live in such deplorable conditions. My question is, if the Latta amendment is adopted by the House today, what effect will it have on modernization funding for housing projects such as Laurel Park?

Mr. BARTLETT. If the gentleman will yield, I very much commend the gentleman from Florida for his leadership in modernizing and attempting to repair Laurel Park and other units.

The direct answer to the question is, the only way to obtain more funds for modernization and repair is to pass the Latta amendment today and then bring H.R. 1 back to the floor to provide for reprioritizing of the funding so that we can place more funding in the modernization and repair of Laurel Park and other units.

I commend the gentleman for his support because the way to obtain more funding is to pass the Latta amendment so that we can place modernization as a priority, which it has not been.

Mr. YOUNG of Florida. Mr. Chairman, according to information I've received, there are as many as 70,000 units of public housing throughout our Nation in such disrepair that they are uninhabitable. Yet, I look at Federal funding levels for the past 3 years and see that modernization funding remained level while funding for new housing programs and the construction of new units has increased. Would my colleague respond to that?

Mr. BARTLETT. If the gentleman will yield, I would say the gentleman is absolutely correct. H.R. 1, in its present form, would continue the status quo of this repair of public housing units. We have made some improvements in modernization and CIAP in H.R. 1. But what we can do with H.R. 1 on the floor is to eliminate constructing new units and take those funds to repair existing units such as Laurel Park and the other several hundred thousand units that are in need of repair.

Mr. YOUNG of Florida. Mr. Chairman, I want to thank my colleague for his answers and commend him for his leadership on the Housing Committee to try and reform our Nation's housing programs so that we can clean up the Laurel Parks of our Nation and provide decent but affordable public housing for our Nation's elderly, handicapped, and low-income families.

Mr. ST GERMAIN. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman.

Mr. ST GERMAIN. I thank the gentleman for yielding.

Mr. Chairman, I would say to the gentleman, as everybody knows from my ad in the Wall Street Journal, I go to St. Petersburg on occasion; modernization has been doubled in H.R. 1 because we go by means of grants. If the Latta amendment is adopted, you will not have any funds for doing anything at Laurel Park.

The CHAIRMAN. The gentleman from Rhode Island [Mr. ST GERMAIN] has 1½ minutes remaining.

Mr. ST GERMAIN. Mr. Chairman, I yield that 1½ back to the gentleman from Pennsylvania [Mr. GRAY].

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 3 minutes to the gentleman from North Carolina [Mr. JONES].

Mr. JONES of North Carolina. I thank the gentleman for yielding me this time.

Mr. Chairman, I rise in strong opposition to the amendment offered by the gentleman from Ohio.

There has been much talk around here for the last couple of days about the need to "purify" the reconciliation bill—the need to remove from the legislation matters which, in the view of some, do not belong in a reconciliation bill.

What is a proper piece for reconciliation—like "beauty"—is in the eye of the beholder. And, although I hesitate to remind my colleagues about the 1981 Gramm-Latta reconciliation bill, sometimes one's view of what is beautiful can change.

However, buried in the Latta amendment are a couple of lines that would strike from the bill two of the most important efforts of the Merchant Marine Committee.

One line would strike the OCS revenue-sharing legislation on which our committee has worked for 3½ years.

Is this an idea that the Merchant Marine Committee is trying to slip into H.R. 3500 because it could not be passed on its own merits?

Well, look at the record and decide for yourself.

In 1982, similar legislation passed in the House by a 260-to-134 vote.

In 1983, similar legislation passed in the House by a 301-to-93 vote.

In 1984, similar legislation passed in the House by a unanimous voice vote as an amendment to a Senate bill so that we could go into a conference committee.

Also, in 1984, the conference report, which is practically identical to the provision in this reconciliation bill, was passed in the House by a veto override margin of 312 to 94.

Only time limits at the end of the 98th Congress prevented the other body from fully considering the conference report which its conferees had unanimously approved.

The record on this matter is clear. We have included OCS revenue sharing in reconciliation only to finally resolve what should have been settled at the end of the last Congress.

Another line in the Latta amendment would strike the coastal zone management reauthorization section of the bill.

Less than 3 months ago, this body passed that legislation by an uncontested voice vote—with bipartisan support. Again, the Merchant Marine Committee is not—I repeat not—trying to pass anything that this House has not already approved—by overwhelming margins.

Some have argued that reconciliation should only include provisions that involve "savings" to the Federal Government.

In point of fact, both of these measures will result in such savings.

The CZMA bill reduces authorizations to fiscal year 1985 freeze levels and tells the States that they will have to pick up a greater share of the costs of their CZM grants—from 20 percent under existing law to 50 percent in the years ahead.

Also, the reduced authorizations, including the striking of the fiscal year 1986 level, will result in total authorization savings of well over $200 million over the next 4 years. This, in my view, is "savings."

The OCS revenue-sharing provision will bring even greater savings to the Federal Government.

Coastal State opposition to offshore leasing has led to litigation and other problems that have meant major losses to the Federal Treasury and serious delays in our OCS Program.

Giving States a financial stake in the program will eliminate opposition unless it's based on serious environmental problems.

A more predictable OCS Program with considerably less litigation will result in more areas being leased with higher bonuses from the oil companies.

At the same time, the States will be required to use their money to protect the marine and coastal environment.

We have even scaled back our proposal. It does not begin until fiscal year 1988, and the first year's ceiling on the fund has been cut in half—it is now $150 million whereas the prior bills passed by the House were at $300 million. And it is all subject to appropriations.

This is a small price to pay for a sounder OCS Program. Some have calculated that the Government has lost billions of dollars because of State opposition. The time has come to stop this loss of Federal revenues and the place is H.R. 3500.

I urge my colleagues to vote "no" on the Latta amendment.

□ 1220

The CHAIRMAN. The gentleman from Ohio [Mr. LATTA] has 10½ minutes remaining and the gentleman from Pennsylvania [Mr. GRAY] has 13½ minutes remaining.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 2 minutes to the chairman of the Committee on Post Office and Civil Service, the gentleman from Michigan [Mr. FORD].

Mr. FORD of Michigan. Mr. Chairman, like the gentleman from North Carolina, I was surprised when I saw the Latta amendment, because it comes after our jurisdiction in two ways, and in both instances he seeks to strike cost-effective changes that we put into the reconciliation.

The first one is the pay. You have heard the red herring about the Member's pay; that is all absolute nonsense, because whether you vote for Latta or you vote for the House will not make any difference in the pay of Members of the House, in 1988. So to throw that up as a reason for doing this is nonsense. But what is frightening is that we were directed to save $10,554,000,000 in pay over the next 3 years. We actually in the bill that is brought before us without Latta save $10,573,000,000, $19 million more. So one asks, "Why would Latta be doing something that would cost $19 million more over 3 years than what the committee recommended?" We do not understand it. We think this is another one of those things like knocking the blind people out in Gramm-Latta. He did not mean to do it, and after it happens, he will explain that to all of those who vote for his amendment, as he did before.

What is really important, is that he is going to affect the health insurance premiums of 1.4 million subscribers to more than 128 Federal health benefit plans that Federal employees are enrolled in. That proposal was put in after testimony from the Office of Personnel management as a cost-containment measure, and it is guaranteed over the years to drive down the cost to the Government and to the subscribers of health insurance premiums because it encourages the members to move to the lower cost plans and away from the higher cost plans. There are some of the people who run the higher cost plans who do not like that. They like to sell the premium insurance for the high premiums, and I do not know whether they got involved in writing this or not, but again it is a cost-containment provision that reduces the cost to the Government and to the subscribers, and Mr. LATTA wants to repeal it. I do not know why.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. FORD] has expired.

Mr. LATTA. Mr. Chairman, I yield myself 30 seconds.

Mr. Chairman, let me say I find it difficult to follow the line of reasoning just put forward that when you increase Federal pay in 1987 and 1988 by 5 percent, you save money. What they are saying is that we want these agencies and departments to absorb the pay increase? Ridiculous. The Office of Management and Budget says it is impossible for them to do that.

On the matter of Federal health insurance, why, we have a 75-percent cap right now. What they propose to do is to have the taxpayers of the country pay 100 percent, and that is supposed to save money?

The CHAIRMAN. The time of the gentleman from Ohio [Mr. LATTA] has expired.

Mr. LATTA. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio [Mr. KASICH].

Mr. KASICH. Mr. Chairman, I yield to the gentleman from Texas [Mr. BARTLETT].

Mr. BARTLETT. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, to clarify the issue of modernization, the fact is, H.R. 1 continues the status quo of building new units of public housing, and what many of us want to do is to use those funds to repair the existing substandard and vacant units of public housing, and if it comes back to the floor on an open rule, we would attempt to do that and to give the Members a chance to vote that way.

Mr. KASICH. Mr. Chairman, I thank the gentleman from Texas.

Mr. Chairman, let me say this very quickly to the people who have been expressing their concerns about the enactment of Gramm-Rudman, should that amendment in fact be carried through both Houses: There are a lot of people who are complaining or who are concerned about what the impact of Gramm-Rudmann would be. People in defense, including experts in both Houses, have said, "Well, we are concerned about the impact on readiness." People are expressing their concerns about the impact on social programs.

But what we must remember is that in fact if Gramm-Rudman becomes law, Gramm-Rudman only kicks into effect if we exceed our budget targets, and what we do in this reconciliation bill—and I just simply cannot believe it, after all the debates we have had over the last couple of months—is to have spending increases in a bill that is designed to carry out spending reductions as provided in the Budget Act. So what we really do is call into question whether we in fact are going to meet our targets.

Mr. SCHUMER. Mr. Chairman, will the gentleman yield?

Mr. KASICH. I have only limited time, and I cannot yield.

Mr. Chairman, if we should exceed our targets, then we are in a position where we simply must go forward and call for across-the-board cuts that concern people and readiness and everything else. If we do not enact a reconciliation bill that enacts the spending reductions as provided in the Budget Act, we are phony budgeting; we are not providing for numbers that make any sense.

That is how we get in trouble. That is how we would get in trouble under Gramm-Rudman. Gramm-Rudman would only kick into effect if this Congress did not exercise truth in budgeting.

Mr. Chairman, I say that we ought to do it, we ought to do it together, and we ought to make reconciliation do what it is designed to do.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 30 seconds to the gentlewoman from Ohio [Ms. OAKAR].

Ms. OAKAR. Mr. Chairman, I just wanted to briefly refute the remarks made by my friend, the distinguished gentleman from Ohio [Mr. LATTA].

We passed under suspension a bill that would remove the cap for the contribution of Government employees' health insurance. The reason we did that was to provide an incentive for those people in that plan, including ourselves and all Government workers, 3 million who are working today and about 1.5 million who are retirees, and to encourage them to go into lower premium plans.

Mr. Chairman, it is a help. It is a savings device, not an increase at all, and I think my friend knows that.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 1½ minutes to the gentleman from California [Mr. MINETA].

Mr. MINETA. Mr. Chairman, I have been a long-time supporter of the Congressional Budget Act of 1974 and the process that it established. In fact, I served on the Budget Committee for 6 years and served as the chair of the Budget Process Task Force, and it is only after trying all other avenues for the last 5 years as the chair of the Subcommittee on Aviation that I have concluded that as long as the aviation trust fund is a part of the budget process, there can be no assurance that needed aviation safety and capacity improvements will be funded.

Aviation safety pays every time we cut back on spending from the revenues that are sitting in the aviation trust funds.

□ 1230

Safety pays every time we ignore the users' good-faith payment of taxes in expectation of safety and capacity improvements.

The gentleman from Ohio has today seen the light with guidance from the distinguished gentleman from Kentucky as far as taking the aviation and highway trust funds off budget. I applaud him for this.

However, the gentleman's amendment continues to ignore needed housing and community development programs. Moreover, this morning's changes to the amendment make mockery of this body's deliberative procedures and it points out once again what happens when the House plants its collective feet in concrete and refuses to change the Budget Act.

We must fine tune our budget process and defeat the Latta amendment.

Mr. LATTA. Mr. Chairman, may I inquire as to how much time is remaining?

The CHAIRMAN. The gentleman from Ohio [Mr. LATTA] has 8 minutes remaining and the gentleman from Pennsylvania [Mr. GRAY] has 9½ minutes remaining.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 1 minute to the gentleman from South Carolina [Mr. DERRICK].

Mr. DERRICK. Mr. Chairman, I would like to address some of the arguments that I have heard from the other side of the aisle.

The Latta amendment is the deal of the year and if you did not get your part of it, you really missed out.

Now, let me tell you what we are going to do with the gentleman from Ohio [Mr. LATTA]. I hear all this concern about budgets and fiscal responsibility. Well, you do not do anything with OCS. That is going to cost billions of dollars in the future. We cannot do that. That is the big guy. We cannot do that.

Then we put the trust funds off budget. Now, how could anyone stand up and call themselves fiscally responsible when you are talking about taking things off budget that the President nor the Congress will no more have any impact on to hold down the spending?

What do you do? You do what you do most of the time. You sock it to the little guy in the housing programs, in the things that are needed, and you leave the big guy out.

So I want to tell you, if we stick around for another hour or so, maybe we can make some more deals.

There is no one who can possibly vote for this amendment who believes in fiscal responsibility.

Mr. LATTA. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio [Mr. OXLEY].

Mr. OXLEY. Mr. Chairman, I rise in strong support of the Latta amendment. Here is one Member who is willing to vote for the Latta amendment, willing to vote for the Latta amendment up front, understanding very strongly that the reconciliation process, as I understand it when I came to this body 4 years ago, was to get us to budget savings and to drive the deficit down. That is what reconciliation meant to me and it still means that to me today.

We have a chance, I think, in this amendment to save the taxpayers $3.5 billion. As the gentlewoman from Illinois said earlier, this is a chance for us to put our money where our mouths are and to save the taxpayers that kind of money.

Somebody mentioned that place over the rainbow, my friend, the gentleman from Massachusetts, and indeed, they are playing that same game that some Members of this body are trying to do as well, and that is to use the reconciliation process to raise spending.

The Chief of Staff sent a letter just the other day to the other body saying that the President would consider very strongly a veto if those spending measures were added to the reconciliation process. We are playing into the same game if we do that here.

We have got one chance and one chance only and that is to vote for the Latta amendment and to save that $3.5 billion. It is as simple as that.

I would like to see a good housing program. I would like to see a program come out of committee and work its way through the process, but that is not happening.

The other body, for example, if you will, has added some provisions in there that I am concerned about, increasing, for example, public broadcasting by $15 million over a number that the President has already vetoed twice. I am concerned about that.

I think we have a chance here to set the record straight and to pass a meaningful reconciliation process. If we do not, then we might as well junk the whole budget process and, indeed, this is going to bring about a much more strict type of legislation, known as Gramm-Rudman, that many of us I think are concerned about in its application to cutting the budget.

So this is a responsible approach. I salute my colleague, the gentleman from Ohio, who has made a career out of saving the taxpayers money and eliminating waste and fraud in Government spending.

Mr. DREIER of California. Mr. Chairman, as a member of the Banking Committee which spent nearly an entire working month grappling with H.R. 1, the Federal housing authorization, I was startled to learn that the text of that massive bill would be included as a part of the budget reconciliation legislation we will consider later on today.

I can assure my colleagues that those of us who studied this legislation in committee ran into difficulty with it as reflected by the fact that amendments were offered to the bill on the average of one for every other page, and a full 86 of those amendments carried.

Notwithstanding that arduous 8-day markup, however, the bill that is being brought to you between the bookends of reconciliation is not the bill that our committee reported, for major changes were made to it later in a small caucus.

If you agree with me that the rest of the House should have a better look at this major bill, I hope you'll join with me in supporting the Latta amendment, which would bring about regular order consideration of the housing bill.

Mr. SHUMWAY. Mr. Chairman, I rise today to strongly support the Latta amendment which seeks to eliminate the authorization add ons which were included during the reconciliaton proceedings of certain House committees. In eliminating these authorizations for new Federal spending, we will help restore a certain degree of fiscal discipline which otherwise is notably lack-

ing as Congress proceeds with its fiscal year 1986 budget process.

In my mind, the reconciliation actions taken by two particular committees on which I serve—the House Merchant Marine and Fisheries Committee and the Banking Committee—amply demonstrate the reason why Congress is presently unable to deal with the current deficit crisis: We, as a body, are institutionally much more concerned with finding new and politically attractive ways to spend Federal money—without regard to accepted legislative procedure or even at times the substance of the policy issues—than we are with making the sometimes-tough political choices required to achieve spending cuts and control the deficit. In essence, realization of this inability is the real reason behind the House leadership oppositon to the Gramm-Rudman-Hollings budget proposal. Congress knows full well that to avoid the risk of Presidential budget slashing, it will have to step forward and accomplish the unpalatable task of passing a budget resolution that adheres to strict deficit limits. By opposing Gramm-Rudman, Members of Congress are conceding that we are not equal to the task, and in essence we are signaling that we would prefer to continue current practices, such as today's reconciliation proceeding, which cleverly render our budget process useless.

As the ranking minority member of the Merchant Marine and Fisheries Committee's Subcommittee on Oceanography, I strongly opposed the add ons included by our committee. Our committee's reconciliation instructions required us to come up with $300 million in savings for fiscal year 1986. Only through certain questionable accounting practices by the Budget Committee and CBO (whereby they gave both the Merchant Marine and Fisheries Committee and the Interior Committee credit for the same $4 billion in savings from an 8(g) settlement) did our committee surpass its goal. Were it for this "double accounting," however, we would have fallen short of the savings quota. In any event, the committee then proceeded to turn an exercise designed to achieve fiscal year 1986 budget savings into a means of authorizing over $350 million annually in new open-ended spending authority starting in 1989.

The majority of this new spending authority is targeted for a new program which shares with a wide range of U.S. States and territories a portion of the Federal revenues, generated by the OCS oil and gas leasing program. The program, however, includes Great Lakes States and U.S. territories, none of which even participate in the OCS Program. Why, then, are we sharing OCS-generated revenues with them? As well, the State grant formula, under the program's proposed provisions, is not tied only to actual OCS oil and gas leasing or production but rather it includes nonrelevant factors such as coastline mileage and population. Finally, the money will be used by States for coastal zone management-type purposes, but not in lieu of separate Federal CZMA funding. At a time when this House has already passed legislation this year to reauthorize but cut back CZMA funding, it makes no sense, particularly given our Federal deficits, to be passing this program to be used for this duplicative purpose.

From a procedural standpoint, including a program such as OCS revenue sharing in the reconciliation bill stifles the legislative due process. Our committee has had no hearings on this measure this year. No doubt its proponents will say that this program has passed the House in previous years. While that is true, more than one revenue-sharing proposal was considered during our committee markup. As well, this proposal, for the first time, is in conjunction with CZMA funding and not in lieu of it. And, furthermore, our fiscal picture is even worse today than it was 2 years ago when the House last passed it.

Clearly, this is a provision which cries out for careful consideration and amendment—not concealment in a bill meant to fulfill the purposes of the Budget Act.

Mr. Chairman, as a ranking minority member of the Banking Committee, I witnessed an equally, perhaps greater, abuse of the legislative process by that committee's inclusion of H.R. 1 in its reconciliation package. Our committee considered over 125 amendments to the measure and the result was far, far short of what I consider to be a good bill. What logic, then, prevails in considering this measure as part of a vehicle which drastically restricts a Member's ability to offer amendments? Not to mention, of course, the larger policy question of whether we are actually doing our Nation's housing cause more damage than good by irresponsibly increasing our deficit and, therefore, raising interest rates which are so important to potential homeowners.

The Latta amendment should not be a difficult vote. Its passage will simply mean that the House recognizes that it is time to stick to our own budget rules as best we can, and debate the other issues fairly and openly on their merits.

Let's change the tone played by this symphony of lawmakers—from the monotone of deficit spending to the harmony of thoughtful, responsible fiscal planning.

Mr. WIRTH. Mr. Chairman, I want to amplify my reasons for voting against the Latta amendment to the House reconciliation budget bill, H.R. 3500.

We have seen more smoke and mirror budget tricks this year than I hope we will ever see again. However, the unfortunate reality is that this amendment gives us more of the same.

Supporters of the Latta amendment have argued that it will save $3.5 billion from the deficit over the next 3 years. That assertion is flat wrong. Using figures from the nonpartisan Congressional Budget Office, the House Budget Committee has shown that the Latta amendment would save at most $300 million over 3 years, and even those savings will probably not materialize.

Proponents of this amendment appear to have dramatically overstated budget savings to make their proposal look like a major deficit cutter. It is not. In the area of civilian pay raises, for example, this amendment's supporters have ignored CBO cost estimates, claiming $1.3 billion in savings that will never occur.

Moreover, last-minute revisions by the authors of this amendment would take aviation, highways, and mass transit trust funds off budget, thereby removing about $17 billion in Federal programs from budget scrutiny.

Mr. Chairman, as its contribution to this deficit reduction bill, the Banking, Finance and Urban Affairs Committee has surpassed the deficit-cutting targets specified by the fiscal year 1986 budget resolution by $2.3 billion. While it is true that the committee has added some new programs, every one of them has been paid for by cuts in other areas.

These zero-sum changes were the product of a careful program-by-program review by the Subcommittee on Housing and Community Development and the full committee. Moreover, the programs under question here today had broad, bipartisan support when they were passed unanimously by voice vote out of both committee and subcommittee. This bill includes a fair housing program proposed by the Housing and Urban Development Secretary, and a new Rural Housing Loan Guarantee Program and public housing financing changes which were proposed by Republican members of the committee.

Although the authors of the Latta amendment argue that a reconciliation bill should not contain any new funding, they apply this principle inconsistently. While the amendment singles out 16 of the bills programs, it does not touch 11 other new authorizations. This kind of arbitrary budget policy is simply unfair.

Mr. Chairman, let us be perfectly clear. The provisions that the Latta amendment would delete not only meet but actually exceed the agreed upon budget-cutting targets. CBO figures certify that those who claim this amendment would cut the deficit by $3.5 billion are deceiving the American public.

The authors of this amendment are not writing good budget policy; they're writing fiction.

Mr. GRAY of Pennsylvania. Could I inquire of the Chair how much time is remaining on both sides?

The CHAIRMAN. The gentleman from Pennsylvania [Mr. GRAY] has 8½ minutes remaining, and the gentleman from Ohio [Mr. LATTA] has 6 minutes remaining.

The Chair would state to the gentleman from Pennsylvania that as the manager of the bill he would have the right to close debate.

Mr. GRAY of Pennsylvania. Mr. Chairman, at this time what I would propose to do is to yield to one other speaker and then use the remaining time to close debate.

Mr. Chairman, I yield 1½ minutes to the distinguished chairman of the Committee on Banking, Finance, and

Urban Affairs, the gentleman from Rhode Island [Mr. ST GERMAIN].

Mr. ST GERMAIN. Mr. Chairman, I would like to address a few points that have been made since I initially spoke.

We held 12 days of hearings in the subcommittee and had 8 days of markup.

"Over the Rainbow," we had 3 days of hearings, March 22, 25, and 15; whereas we marked up in other places, instead of a markup, the markup call was for 9:35 a.m. and it was adjourned at 9:40 a.m. with a promise that on September 24 that it would be concluded, the markup, that is, at the end of that week.

Well, here we are in October and no new markup scheduled. I guess they have not found out yet where they are going.

That is why we are asking you to help us keep the housing bill in reconciliation.

I say to my colleagues that our very, very distinguished member of the Rules Committee who spoke a few moments ago put it right on the button. He hit it right on the button.

Having stripped other items from the bill, we are left with a situation where the unfortunates of this country are going to be hit, but we took care of the big guys.

Incidentally, there were 30 members on the Democratic side of the Banking Committee and I would like to inform the members of the Public Works Committee that we on the Banking Committee are going to be looking very closely at the next vote that is going to occur in a few moments, because I have not decided yet how I want to go on the Fazio amendment. I think many of my colleagues on the Banking Committee, the 30 Democrats and myself, have that decision yet to make.

Vote "no," please, on Latta.

Mr. LATTA. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. BOULTER].

Mr. BOULTER. Mr. Chairman, I rise in support of Congressman LATTA's amendment to H.R. 3500, the Omnibus Reconciliatin Act of 1985. As you know, this amendment would eliminate approximately $3.5 billion of add ons to the deficit, including a major authorizing bill—H.R. 1, the Housing Act of 1985, and a congressional pay raise.

Ladies and gentlemen, this body is at a watershed point. Are we going to continue profligate spending of the taxpayers' money, or are we not? Are we going to do something about the deficit, or are we not?

Now is the time to decide. If savings cannot be achieved during the reconciliation process, they are never going to be achieved. If the Latta amendment fails, then we don't have reconciliation and Congress will have made a sham of the budgetary process once again.

Following the August district recess, it is now clear to all of us that the process by which we take tax dollars and spend them has come under intense public scrutiny as never before. Opinion polls show that the deficit is now the No. 1 area of concern the American people have about their Government. Imagine that—inflation, national security, the entire array of public concerns now takes a back seat to our spending habits. We're castigated on editorial pages across the country. Many have suggested that the budgetary process is out of control and can be salvaged only through institutional changes.

Congress brought all this attention on itself. Congress spent its way into the deficit, and then last fall Members traveled around their districts wringing their hands over it. I'll wager about 90 percent of the Members here campaigned in 1984 on cutting Government spending.

Now is the time to begin redeeming those promises to our constituents. Mr. LATTA's amendment will save $3.5 billion over 3 years. That's a small but steady step toward the $276 billion in savings this body has resolved to achieve in the fiscal year 1986 budget resolution.

Is the House genuinely concerned about this Nation's economic health, or is it an out-of-control collection of spendthrifts? Is the fiscal 1986 budget resolution meaningless rhetoric, or a real goal? Whether or not Congressman LATTA's amendment passes will do much to provide the answers.

Mr. GRAY of Pennsylvania. Mr. Chairman, may I inquire how much time is left?

The CHAIRMAN. The gentleman from Ohio has 4 minutes remaining and the gentleman from Pennsylvania has 7 minutes remaining.

The gentleman from Pennsylvania has requested to utilize the balance of his time in closing, which under the precedents he would have the right to do.

Mr. LATTA. Mr. Chairman, I have the right under the procedures of the House, since it is my amendment, to close the debate.

The CHAIRMAN. The Chair will state to the gentleman that the manager of the bill, under the precedents, has that right, and the Chair so rules.

Mr. LATTA. Well, Mr. Chairman, that is new.

Mr. GRAY of Pennsylvania. Mr. Chairman, I would like to inform the Chair, as well as the distinguished gentleman on the other side, that there may have been some implication that we have one speaker; we have two for the closing, and if the gentleman is saying that, we will be glad to put on one speaker and then close.

The CHAIRMAN. The Chair will be happy to accommodate the Members in whatever agreement they reach.

Does the gentleman from Pennsylvania wish to yield at this time, or the gentleman from Ohio?

Mr. LATTA. Mr. Chairman, if the gentleman from Pennsylvania has another speaker, I will be glad to yield to him, but not for closing. I still have some time.

Mr. GRAY of Pennsylvania. Mr. Chairman, it is my understanding that this side will close; is that correct?

The CHAIRMAN. The Chair has so stated.

Mr. GRAY of Pennsylvania. Therefore, Mr. Chairman, I yield myself 2½ minutes.

Mr. Chairman, I rise in opposition to the Latta amendment for two reasons. First, it is discriminatory; and second, it is claiming falses promises.

First, let us talk about the discriminatory nature. It says it wants to go after new programs that are authorized in reconciliation, even though it ignores the fact that just 4 years ago in 1981 the Gramm-Latta reconciliation had 200 changes in authorization.

But be that as it may, it asks us to go after 16 programs that are in reconciliation, yet it overlooks 11.

The question then is that if you want to go after authorizations and new programs, let us be honest about it; go after all of them, do not pick and choose. Do not skip here and go there. Do not go after poor people's programs and leave the others alone; so I say that it is discriminatory and, therefore, ought to be rejected because it does not go after all the authorizations. It only goes after some. It picks and chooses.

Second, it is also guilty of false promises and false claims, and let me tell you what they are. It claims that it is going to reduce the deficit even further. That is absolutely not the case at all. The Latta amendment claims $1.3 billion in additional savings for pay. CBO stated in a letter to us that the Latta language saves the same as the House-passed reconciliation. Therefore, the Latta amendment can claim zero for new savings.

For those who say this is going to reduce the deficit, I am here to tell you that it does not further reduce the deficit at all. What you are doing is selecting a different set of priorities from those selected by the 10 committees that submitted their recommendations.

Now, if the minority side wants to admit that its Members who served on the 10 committees failed to live up to their responsibilities, then that ought to be dealt with somewhere else; but it ought not to be dealt with here in reconciliation, because it was not dealt with in the various respective committees of jurisdiction.

I urge you to vote "no" on Latta because it discriminates. It does not go after all the authorizations.

I urge you to vote "no" on Latta because CBO certifies that it will not save additional dollars, as claimed by its author.

Mr. Chairman, I urge a "no" vote.

Mr. LATTA. Mr. Chairman, I yield 1 minute to the gentleman from Kentucky [Mr. SNYDER].

Mr. SNYDER. Mr. Chairman, on yesterday during general debate I spoke in opposition to the Latta amendment because I felt that it blocked our efforts to take the transportation trust funds off budget. I thought it was inappropriate to include that language in the budget.

This morning, as you know, the amendment was amended and now the trust funds go off budget beginning in fiscal year 1989.

The Congressional Budget Office has advised us, and it is in the printed report, that because of the surplus being built up in these funds and not being spent, that when you begin to draw down on them in future years you would increase the deficit beginning in 1989.

□ 1245

So by taking the trust funds off budget in 1989, we will decrease the deficit in 1989 by $80 billion, and $230 million in 1990.

This is a deficit reduction move, by taking the trust funds out of the unified budget and I am pleased to support the Latta amendment and ask my colleagues to do likewise.

Mr. LATTA. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, this has been good debate, but we are far afield from what we are concerned with. We are concerned with reducing the deficit by $3.5 billion. Vote against the Latta amendment and you are saying, "I want to go $3.5 billion further in the red."

That is the question. Also, it has been brought up here and I cannot believe my ears when it's said that when you increase the salaries of Federal employees, including Members of Congress, in fiscal years 1987 and 1988, somehow you are going to reduce the deficit.

On the housing matter, we have had that bill up before the Committee on Rules for 2 months. If that bill could have stood on its own, the Committee on Rules would have reported it and we would have had it down here on the floor. They should not be attempting to slip it through here on the floor of this House without amendment, without having a chance to debate it. That is what they are saying to us.

Let me say in conclusion that we cannot take all the problems of country in one amendment. We are being criticized because we are not taking care of all of the problems of the country. We are taking care of $3.5 billion, and that is the issue.

Mr. Chairman, I yield the balance of my time to the minority leader, the gentleman from Illinois [Mr. MICHEL].

The CHAIRMAN. The gentleman from Illinois [Mr. MICHEL] is recognized for 2 minutes.

Mr. MICHEL. I thank the gentleman for yielding this time to me.

Mr. Chairman, the reconciliation process is the means through which the various committees meet their obligations for deficit reduction. It is not a Christmas tree upon which we hang goodies for one and all. It is not a piece of legislative machinery to create new spending. It is the enforcement arm of the budget. It is not a procedure for initiating new ideas. It is a procedure for implementing ideas that we have already accepted.

So it logically follows that any deficit add ons to the Omnibus Reconciliation Act of 1985 are against the spirit and the letter of the reconciliation process.

The substitute offered by the gentleman from Ohio [Mr. LATTA] helps us subdue our fiscal schizophrenia which I see ballooning here. His amendment would eliminate the spending increases contained in the bill and reduce the deficit by an additional $3.5 billion over 3 years. That is what this is all about. That is why some of us are over on the other side of the Capitol with that deficit-reduction reconciliation conference over there.

I cannot belabor the points. We have a clearcut choice. Either we accept the substitute offered by the gentleman from Ohio [Mr. LATTA] and help to reduce the deficit, or we accept this bill as it is and add to the deficit another $3½ billion that we are supposed to milk out over there on that conference committee.

There are no ambiguities here, I do not think, no complexities. Just a simple choice: Either support the substitute offered by the gentleman from Ohio [Mr. LATTA] or support rising deficits. Up or down. Yes or no. It is a clean-cut issue. There just is not anything more simple than that.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield the balance of my time to the distinguished gentleman from Texas [Mr. WRIGHT], the majority leader of the House.

The CHAIRMAN. The gentleman from Texas [Mr. WRIGHT] is recognized for 4½ minutes.

Mr. WATKINS. Mr. Chairman, will the majority leader yield?

Mr. WRIGHT. Yes, Mr. Chairman, I yield to the gentleman from Oklahoma.

Mr. WATKINS. I thank the gentleman for yielding.

Mr. Chairman, I would like to make it very clear to my colleagues on what the Latta amendment would do to rural housing across this Nation.

It would zero out and gut rural housing. There will not be any rural housing. We do not have commercial mortgage lending operations in most of these counties, so I urge my colleagues all across this Nation, if you are concerned about rural housing to vote "no" against the Latta amendment.

Mr. WRIGHT. I thank the gentleman from Oklahoma for pinpointing one of the very good reasons for voting against the Latta amendment, because it does zero out any effort to do anything for rural housing.

In addition to that, it would zero out the language that permits the extension of the FHA Mortgage Insurance Program, something that all of us have enjoyed for 35 years. It would zero it out. It would zero out the Nehemiah Program, which permits poor and low-income Americans in our cities to be able to buy homes and own their own homes and get a piece of the rock and have a feeling that they own a piece of America and become capitalists in a small way of their own. It would zero that out.

Those are some of the things it would do. It would zero out free programs that provide emergency shelter and food for homeless Americans left to drift on this tide of American mobility.

Those are the things that it would cut out. The purpose is not really to save money. Let us not be deceived by that. The Congressional Budget Office makes it abundantly clear that this reconciliation bill without the Latta amendment is fully within the budget figures that this very House adopted. What it does instead is to do what it was attempting to do 4 years ago, and that is to second-guess the committees of the House, come out here on the House floor at the last minute and substitute the judgment of one individual for the judgments of the committees that have been appointed to make these individual choices.

The Committee on Banking, Housing and Urban Development has stayed within its limits. The Budget Reconciliation Act has only the responsibility for dividing among the various committees of the House the various categorical programs that we have highlighted in our budget resolution. Then we have left it up to those committees, under the rules of the House, to make the judgments as to where those individual moneys properly would best be spent.

The gentleman from Ohio has made statements today that it would be a tragedy to come in here at the last minute and use a reconciliation bill for authorization purposes. Yet, I remember 4 years ago when the very same gentleman from Ohio presented a reconciliation amendment. We do not know how many pages long it was because they were unnumbered, but more than 700 pages long, and nobody knew what was in it.

Mr. LATTA. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I do not yield at this point, because I did not ask the gentleman to yield to me. I have only about 2½ minutes left and I have several other points I want to make.

The gentleman full well knows that in that reconciliation amendment he offered that day, nobody knew what was in it and it changed more than 200 regular laws of the House, regular laws of the United States, and it was crammed down our throats in one blind gulp. The gentleman has little bearing when he comes to stand before us and complain about authorizations in these reconciliation bills. We have always had some authorizations in reconciliation bills. That is the purpose of the committee system of the House.

Were it not for that, we could just do away with the committees and invest all the House's responsibility in the Budget Committee alone. I do not think any of us want to do that.

□ 1255

So it is not money and it is not procedure that they are complaining about.

Well, what is it they are complaining about? They are complaining about spending any of this money on these programs that benefit the least fortunate among us, the homeless, the hungry, the people who are trying to grub out a bare living, the working poor, those who would like to own a home, those who would like to be good citizens, those who would like an opportunity to buy a home in the neighborhood of $40,000.

Every time a home cost goes up $1,000, it knocks 100,000 Americans out of the market. And every time the interest rate goes up 1 percentage point, it knocks 300,000 Americans out of the market. It renders that many more people incapable of owning their own homes.

It seems to me that this part of the American dream that we make it possible for the humblest among us to have a decent standard of living, and to own their own home, and a piece of the action in this country, is something that is at stake in this amendment, and I ask us to vote no on the Latta amendment.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Ohio [Mr. LATTA].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. LATTA. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 209, noes 219, not voting 6, as follows:

[Roll No. 370]

AYES—209

Andrews	Gunderson	Pashayan
Archer	Hall, Ralph	Penny
Armey	Hamilton	Petri
Badham	Hammerschmidt	Porter
Barnard	Hansen	Pursell
Bartlett	Hartnett	Quillen
Barton	Hatcher	Ray
Bateman	Hendon	Regula
Bedell	Henry	Ridge
Bentley	Hiler	Ritter
Bereuter	Hillis	Roberts
Bilirakis	Hopkins	Robinson
Bliley	Hunter	Roemer
Boehlert	Hutto	Rogers
Boulter	Hyde	Roth
Broomfield	Ireland	Roukema
Brown (CO)	Jenkins	Rowland (CT)
Broyhill	Johnson	Rowland (GA)
Bruce	Jones (OK)	Rudd
Burton (IN)	Kasich	Saxton
Callahan	Kemp	Schaefer
Campbell	Kindness	Schneider
Carney	Kolbe	Schuette
Carr	Kostmayer	Schulze
Chandler	Kramer	Sensenbrenner
Chapman	Lagomarsino	Sharp
Chappie	Latta	Shaw
Cheney	Leach (IA)	Shelby
Clinger	Leath (TX)	Shumway
Coats	Lent	Shuster
Cobey	Lewis (FL)	Siljander
Coble	Lightfoot	Skeen
Coleman (MO)	Livingston	Slattery
Combest	Loeffler	Slaughter
Coughlin	Lott	Smith (FL)
Courter	Lowery (CA)	Smith (NE)
Craig	Lujan	Smith, Robert (NH)
Crane	Lungren	Smith, Robert (OR)
Daniel	Mack	Snowe
Dannemeyer	MacKay	Snyder
Darden	Madigan	Solomon
Daub	Marlenee	Spence
Davis	Martin (IL)	Stallings
DeLay	Martin (NY)	Stangeland
DeWine	McCain	Stenholm
Dickinson	McCandless	Strang
DioGuardi	McCollum	Stratton
Dornan (CA)	McCurdy	Stump
Dowdy	McDade	Sundquist
Dreier	McEwen	Sweeney
Duncan	McGrath	Swindall
Durbin	McKernan	Tauke
Eckert (NY)	McMillan	Taylor
Edwards (OK)	Meyers	Thomas (CA)
Emerson	Mica	Thomas (GA)
English	Michel	Vander Jagt
Evans (IA)	Miller (OH)	Volkmer
Fawell	Miller (WA)	Vucanovich
Fiedler	Monson	Walker
Fields	Montgomery	Weber
Franklin	Moore	Whitehurst
Frenzel	Moorhead	Whittaker
Gallo	Morrison (WA)	Wortley
Gekas	Mrazek	Wylie
Gingrich	Myers	Yatron
Glickman	Nichols	Young (FL)
Goodling	Nielson	Zschau
Gordon	O'Brien	
Gradison	Olin	
Gregg	Oxley	
Grotberg	Packard	

NOES—219

Ackerman	Boner (TN)	Cooper
Akaka	Bonior (MI)	Coyne
Alexander	Bonker	Crockett
Anderson	Borski	Daschle
Annunzio	Bosco	de la Garza
Anthony	Boucher	Dellums
Applegate	Boxer	Derrick
Aspin	Breaux	Dicks
Atkins	Brooks	Dingell
AuCoin	Bryant	Dixon
Barnes	Burton (CA)	Donnelly
Bates	Bustamante	Dorgan (ND)
Beilenson	Byron	Downey
Bennett	Carper	Dwyer
Berman	Chappell	Dymally
Bevill	Clay	Dyson
Biaggi	Coleman (TX)	Early
Boggs	Collins	Eckart (OH)
Boland	Conte	Edgar
Edwards (CA)	Lehman (CA)	Rose
Erdreich	Lehman (FL)	Rostenkowski
Evans (IL)	Leland	Roybal
Fascell	Levin (MI)	Russo
Fazio	Levine (CA)	Sabo
Feighan	Lewis (CA)	Savage
Fish	Lipinski	Scheuer
Flippo	Lloyd	Schroeder
Florio	Long	Schumer
Foglietta	Lowry (WA)	Seiberling
Foley	Luken	Sikorski
Ford (MI)	Lundine	Sisisky
Ford (TN)	Manton	Skelton
Fowler	Markey	Smith (IA)
Frank	Martinez	Smith (NJ)
Frost	Matsui	Solarz
Fuqua	Mavroules	Spratt
Garcia	Mazzoli	St Germain
Gaydos	McCloskey	Staggers
Gejdenson	McHugh	Stark
Gephardt	McKinney	Stokes
Gibbons	Mikulski	Studds
Gilman	Miller (CA)	Swift
Gonzalez	Mineta	Synar
Gray (IL)	Mitchell	Tallon
Gray (PA)	Moakley	Tauzin
Green	Molinari	Torres
Guarini	Mollohan	Torricelli
Hall (OH)	Moody	Towns
Hawkins	Morrison (CT)	Traficant
Hayes	Murphy	Traxler
Hefner	Murtha	Udall
Heftel	Natcher	Valentine
Hertel	Neal	Vento
Holt	Nowak	Visclosky
Horton	Oakar	Walgren
Howard	Oberstar	Watkins
Hoyer	Obey	Waxman
Hubbard	Ortiz	Weaver
Huckaby	Owens	Weiss
Hughes	Panetta	Wheat
Jacobs	Parris	Whitley
Jeffords	Pease	Whitten
Jones (NC)	Pepper	Williams
Jones (TN)	Perkins	Wilson
Kanjorski	Pickle	Wirth
Kaptur	Price	Wise
Kastenmeier	Rahall	Wolf
Kennelly	Rangel	Wolpe
Kildee	Reid	Wright
Kleczka	Richardson	Wyden
Kolter	Rinaldo	Yates
LaFalce	Rodino	Young (AK)
Lantos	Roe	Young (MO)

NOT VOTING—6

Addabbo	Conyers
Brown (CA)	Nelson
Coelho	Smith, Denny (OR)

□ 1310

The Clerk announced the following pairs:

On this vote:

Mr. Nelson of Florida for, with Mr. Brown of California against.

Mr. Denny Smith for with Mr. Conyers against.

Mr. YATRON changed his vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

POINT OF ORDER

Mr. ROSTENKOWSKI. Mr. Chairman, I raise a point of order against section 3113 of H.R. 3500.

I raise a point of order against section 3113 of H.R. 3500 on the grounds that it is in violation of clause 5(b) of House rule 21 which prohibits legislation carrying a tax or tariff measure from being reported by any committee not having jurisdiction to report tax or tariff measures.

Mr. Chairman, section 3113 of H.R. 3500 attempts to exclude certain interest on the Student Loan Marketing Association from application of Internal Revenue Code section 265. Code section 265 denies an income tax deduction for certain expenses and interest incurred to purchase tax-exempt obligations. Section 3113 of H.R. 3500 deems certain interest of the Student Loan Marketing Association not to come under code section 265.

The allowance or denial of an interest deduction against income taxes is clearly within the jurisdiction of the Committee on Ways and Means.

Mr. Chairman, it is clear that section 3113 is a tax measure and, as such, violates clause 5(b) of rule 21.

The CHAIRMAN. Is there any Member who desires to be heard on the point of order?

The Chair sustains the point of order.

That section is stricken from the bill.

POINT OF ORDER

Mr. ROSTENKOWSKI. Mr. Chairman, I raise a point of order against section 6701 of H.R. 3500.

I raise a point of order against section 6701 of H.R. 3500 on the grounds that it is in violation of clause 5(b) of House rule 21 which prohibits legislation carrying a tax or tariff measure from being reported by any committee not having jurisdiction to report tax or tariff measures.

Mr. Chairman, section 6701 of H.R. 3500 expands the tax benefits available to shipowners through a capital construction fund or CCF. Today, a U.S. citizen owning or leasing one or more eligible vessels may enter into an agreement to establish a CCF with respect to such vessels. The owner may deposit all taxable income from the eligible vessel, depreciation on the vessel, and proceeds from its sale or disposition into the CCF.

For purposes of the Internal Revenue Code, taxable income from the vessel is reduced by the deposits into the fund. Gain from the sale or disposition of the vessel is not taken into account for tax purposes. The fund is tax exempt unless the money is spent for other than a qualified purpose.

Under present law, the eligible vessel for which these tax-deductible deposits can be made must be constructed in the United States and, if reconstructed, reconstructed in the United States. Section 6701 of H.R. 3500 would modify the definition of an eligible vessel so that a CCF could be established for foreign built or reconstructed ships. This would mean that tax deductions would be allowed for income from foreign-built ships deposited in a CCF.

The report language included in the conference report on H.R. 3500 makes it clear that the amendment was intended to allow repatriation of foreign-source income without current U.S. tax. Under present law, the foreign-source income of U.S. taxpayers is taxed when it is repatriated to the United States. By expanding the tax benefits of a CCF, section 6701 overrides that tax rule with regard to CCF deposits.

A second part of section 6701 expands the definition of "qualified vessel" for purposes of CCF. Under present law, funds in a CCF may be spent—still without tax—for the acquisition, construction, or reconstruction of a qualified vessel. To qualify, a vessel must be operated in the U.S. foreign, Great Lakes, or noncontiguous domestic trade, or in the fisheries of the United States Section 6701 expands the definition of qualified vessel so that vessels used in the exploitation of offshore mineral and energy resources would qualify.

The shipowner can continue to exclude from tax the money from the CCF used to purchase the vessel. Again, this is clearly a tax provision.

Mr. Chairman, section 6701 is clearly a tax amendment for all of the reasons I have mentioned. Although these provisions are now contained in the Merchant Marine Act of 1936, these amendments are tantamount to amendments to the Internal Revenue Code.

These sections clearly state that the tax benefits are "for purposes of the Internal Revenue Code."

These provisions are within the jurisdiction of the Committee on Ways and Means.

Clause 5(b) of rule XXI is similar to clause 5(a) of the same rule which allows a point of order to lie against appropriations' measures reported by any committee not having jurisdiction to report appropriations. It is my understanding Mr. Chairman, that under clause 5(a), which has been in the House rules for a much longer period than clause 5(b), the fact that legislation containing an appropriation has from time to time been referred to committees other than Appropriations has not controlled. Those referrals have not conferred upon other committees jurisdiction over appropriations' measures.

Mr. Chairman, clause 5(b) should be construed in a similar fashion to clause 5(a). Referral of tax measures to other committees does not give those committees jurisdiction over those tax measures as far as a point of order under clause 5(b) of rule 21 is concerned.

Mr. Chairman, in addition, I would argue that under the jurisdictional rules of the House of Representatives adopted in 1974, the Committee on Ways and Means has jurisdiction over all tax measures.

Mr. Chairman, I restate that section 6701 of H.R. 3500 is clearly a tax measure which is in violation of clause 5(b) of rule XXI.

□ 1320

The CHAIRMAN. Is there any other Member who desires to be heard on the point of order?

If not, for the reasons stated by the gentleman from Illinois, the point of order is sustained.

The section is stricken from the bill.

AMENDMENT OFFERED BY MR. FAZIO

Mr. FAZIO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offerd by Mr. FAZIO: Strike out subtitle B of title VIII beginning on page 481 line 1 through page 486, line 6.

The CHAIRMAN. Under the rule, the gentleman from California [Mr. FAZIO] will be recognized for 15 minutes, and a Member opposed thereto will be recognized for 15 minutes.

Mr. HOWARD. Mr. Chairman, I am opposed to the amendment.

The CHAIRMAN. The gentleman from New Jersey [Mr. HOWARD] will be recognized for 15 minutes in opposition.

The Chair now recognizes the gentleman from California [Mr. FAZIO].

Mr. FAZIO. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, first of all let me say this is not the traditional appropriation/public works battle that a number of people tell me they have gotten tired of us having on the floor of the House.

I enjoy laying concrete on runways and on freeways just as much as the people on the Public Works Committee. In fact, I have carried gas tax legislation at the State level. I tend to have a different point of view that comes more as a result of my service on the Budget Committee. I think the issue we are fighting out here today goes much further and is much more basic about how we are going to deal with the continuing struggle to reduce expenditures, particularly as we face the Gramm-Rudman prospect that is in conference right now.

The issue is, why should we single out transportation trust funds for special treatment? Why not Medicare or veterans' insurance, or any of the dozen other large trust funds? Why not take the entire 40 percent of Federal spending that trust funds represent off budget? Are we really ready to do that at this juncture facing Gramm-Rudman? I do not think so. Certainly these provisions will set that precedent. This is not the right vehicle nor is this the right committee to make such a decision. The full ramifications of these provisions ought to be reviewed by a committee of broader jurisdiction, the Committee on Government Operations. You can see from the arguments made by the proponents that their only concern is the

wellbeing of these two transportation programs, nothing else. We ought to make a reasoned decision about all trust funds, not a hasty judgment based on incomplete facts.

At this time I would yield to the chairman of the Committee on the Budget to ask Mr. GRAY what the impact wold be if we were to move all trust funds from the budget process.

Mr. GRAY of Pennsylvania. If the gentleman will yield, if we removed all trust funds off budget, it would mean $306.4 billion in budget authority, $248 billion in outlays would be deducted from the fiscal year 1986 unified budget.

Mr. FAZIO. Clearly, if we were to take that step today that is being asked of us, this first step, we would be setting the kind of precedent that could well lead us in the direction of removing that kind of budgetary control from the hands of Congress at the very time when we are under even more pressure to reduce expenditures?

Mr. GRAY of Pennsylvania. What we would be doing, if you remove the trust funds, would be two things. One, there would be an increase of about $500 million to the deficit. But you would also have to get into the question of the other trust funds as to whether they would be moved off budget as well. That would be a decision I would imagine that would follow in the process.

Mr. FAZIO. I appreciate the comments of the chairman.

With particular focus on transportation alone, let me say that these provisions are going to force additional cuts in the general funded have-not programs.

They are have-nots because they are not guaranteed anything. They do not have trust fund support. Yet they are very important to all of us.

Railroad safety, air traffic control, we have all been focusing on the need to pay more attention in that area; airline maintenance inspection, the problems as a result of deregulation that are very much on the minds of America this year; Coast Guard Service, drug interdiction; Amtrak; repairing the St. Lawrence Seaway, something very important to Members from the upper Midwest; mass transit operating assistance, very fundamental to people representing urban areas. All of these general fund programs, the have-nots will suffer because, as we limit overall transportation spending, these two trust fund accounts continue to grow, thereby pushing down on all the other programs.

In fact, the chairman of the Subcommittee on Aviation, the authorizing committee, Mr. MINETA, sponsored a successful amendment on the appropriations bill just this year to transfer $15 million from the Trust Fund Aviation Procurement Program to the General Fund Airline Inspection Program. We need to continue to have this kind of flexibility for good budgetary control. These programs have a large impact on the economy, and their impact should be considered when we make decisions that affect the total economy. And the President's budget is the primary document we use to base spending and taxing priorities upon. We should not deny Congress the opportunity to scrutinize each and every spending activity on a regular and annual basis.

I want to make clear, this amendment is strongly supported by the administration, by OMB, and by the Comptroller General, a member of the legislative branch, and the GAO.

Mr. PURSELL. Mr. Chairman, will the gentleman yield?

Mr. FAZIO. I would be happy to yield at this time to my friend from Michigan, the gentleman from Michigan [Mr. PURSELL].

Mr. PURSELL. I thank the gentleman for yielding.

Mr. Chairman, I want to congratulate the gentleman for an excellent crafted amendment. It is fundamental, this principle of off-budget and budget constraints in relation to this amendment are very important.

I support the Fazio amendment. I think it should be adopted unanimously today.

I congratulate the gentleman for his effort.

Mr. FAZIO. I appreciate the comments of the gentleman.

Mr. HOWARD. Mr. Chairman, I yield 2½ minutes to the chairman of the Surface Transportation Subcommittee of our committee, the gentleman from California [Mr. ANDERSON].

Mr. ANDERSON. Mr. Chairman, intellectual honesty demands that we reject this amendment. I am convinced that every one of our colleagues who will take the time, read the "Dear Colleagues," listen to the debate, and think objectively, will oppose the amendment.

People pay user taxes into a trust fund because their government has told them they will help pay for improved highway—public transit, and aviation transportation systems. But their money is allowed to sit in a fund so that the same government—and that's each of us—can deceive them into thinking that the deficit is smaller than we all know it to be.

If we cut highway or transit spending by a nickel, we cannot increase domestic spending or defense spending by a nickel. Because transportation funding comes from a trust fund. That's "trust," spelled t-r-u-s-t.

Mr. Chairman, the choice is clear. Let no person say that they didn't know, or that it wasn't made clear. Because although the details and technicalities can be confusing, here is what it boils down to: a vote for this amendment is a vote against better highways and public transit in your district, and it is a vote to continue deceiving our constituents on the magnitude of the deficit and the debt.

This amendment cries out for a "no" vote.

Mr. Chairman, we all know where JIM HOWARD and VIC FAZIO stand on this issue. Let's take a look at what Ronald Reagan thinks about trust fund programs being included in the unified budget.

At a January news conference, the President was asked about the impact that a particular trust fund program—Social Security—has on the budget. The President said:

> That tax is totally dedicated to that one program. If Social Security spending was reduced, you could not take the money saved and use it to fund some other program in the deficit. It would simply go back into the * * * trust fund * * * it is far more profitable * * * to turn to the programs that are really causing the deficit.

President Reagan recognizes the basic principle that trust fund spending has nothing to do with the deficit. Congress has recognized that basic principle with respect to Social Security and that program is being taken off-budget. So, if this body wants to stand by this principle, it will reject the amendment that is before us.

Finally, Mr. Chairman, let me just elaborate on something I heard a moment ago. Transportation trust funds are virtually unique among our Nation's trust funds because they are 100 percent user-paid programs that include antideficiency provisions which guarantee that the funds will operate in the black. That is a very critical distinction between the transportation trust funds and other trust funds, and it is the distinction that makes them worthy of the same treatment as Social Security.

Vote "no" on the Fazio amendment.

Mr. HOWARD. Mr. Chairman, I yield 3 minutes to the distinguished ranking member of the Surface Transportation Subcommittee, the gentleman from Pennsylvania [Mr. SHUSTER].

Mr. SHUSTER. Mr. Chairman, I rise in strong opposition to the Fazio amendment for two reasons. First, as one who has served for 6 years on the Budget Committee, I believe that by defeating the Fazio amendment we will be striking a blow for truth in budgeting. Now, what do I mean by that? I mean this: That the transportation trust funds are dedicated, user-supported funds, dollars which cannot by law be spent for any other purpose than transportation, highway, aviation, and transit construction.

So to mask general fund spending under the guise of limiting transportation trust fund spending really distorts, very clearly distorts, the issue of what the real deficit is in this country. But beyond the issue of truth in budg-

eting, of great significance is the fact that we are not talking here simply about a bookkeeping transaction, we are talking about a very serious limitation which has been imposed on transportation expenditures. As a result of keeping this trust fund under the unified budget, it has created a pressure to reduce the obligational ceilings for transportation spending. Never mind that there are multibillion-dollar surpluses in the transportation trust funds, never mind that those dollars under law must be dedicated to transportation construction; by being under the unified budget there has been pressure to limit the obligations of these expenditures in order to create the false impression that the deficit is not as large as it really is. The impact, and this is not theoretical, the impact on every one of our States as a result of these limitations on their obligations has been, in toto, $6.2 billion. These billions of transportation dollars are languishing in those trust funds, not being spent in your State and in my State, because of the false ceilings placed upon those expenditures.

□ 1335

From Alabama losing $75 million, to Puerto Rico $62 million, to Texas $494 million, every State in America is losing money, losing money that otherwise would be spent to help build better highways, safer highways, saving lives in your States, better airports, better aviation systems and better transit systems. Why? Because of this fictitious ceiling on obligations.

Mr. Chairman, for these reasons, I would urge the defeat of the Fazio amendment.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. SHUSTER] has expired.

Mr. HOWARD. Mr. Chairman, I yield 1 additional minute to the gentleman from Pennsylvania [Mr. SHUSTER].

Mr. HAMMERSCHMIDT. Mr. Chairman, will the gentleman yield?

Mr. SHUSTER. I yield to the gentleman from Arkansas.

Mr. HAMMERSCHMIDT. I commend the gentleman for his statement.

Mr. Chairman, I rise in opposition to this amendment. This amendment would, if adopted, eliminate the provision in the current bill taking the aviation, highway, and mass transit trust funds off-budget.

Airline passengers now have to pay an 8-percent tax when they buy a ticket. Other users of the air transportation system, such as private pilots, also have to pay taxes on the fuel they buy. The money generated from these taxes goes into the airport and airway trust fund. This trust fund is used to improve the air transportation system.

But unfortunately, much of the money in this trust fund is often not spent in the way intended. In fact, currently more than $3 billion has not been spent at all. Instead it is used to make the deficit appear smaller. Of course, since trust fund money cannot be spent for any purpose but aviation, the reduction in the deficit is merely an illusion. The money is not spent for other public purposes or to pay off the national debt. It just sits there in the trust fund and accumulates.

The money just sits there despite many urgent needs in the air transportation system. Air traffic control facilities and equipment need to be modernized in order to enhance the safety and efficiency of the system. Airport improvements need to be made in order to help increase capacity and reduce delays.

This problem would be corrected by H.R. 3500. But approval of this amendment would reverse that. If this amendment is adopted, it is likely that appropriations will remain below needed spending levels. The defeat of this amendment will ensure that the money in the aviation trust fund is actually used for the transportation purposes for which it was established. It is of the greatest importance that we not break faith with the airline passengers and private pilots of this country who have supported this trust fund.

I know that some may say that by taking the trust fund off-budget there will be no assurance that trust fund spending is covered by trust fund receipts. Given the huge surplus in this trust fund, this is not a realistic concern. Nevertheless, it should be noted that this bill contains an antideficit provision that is patterned after the Byrd amendment in the Highway Act. This will ensure that aviation spending programs always operate in the black.

Therefore, I oppose this amendment and urge my colleagues to vote against it.

Mr. SHUSTER. Mr. Chairman, I yield to my friend, the gentleman from Kentucky [Mr. SNYDER].

Mr. SNYDER. Mr. Chairman, I, too, want to commend the gentleman for his statement.

Mr. Chairman, I rise in strong opposition to the amendment of the gentleman from California. The Fazio amendment would continue the fraudulent budgetary practice of using large user-financed transportation trust fund balances to create the illusion of a smaller deficit in the general fund. That amounts to breaking faith with those highway and airport users who agreed to pay the taxes that support trust funds on the condition that they be used to improve the Nation's highway, transit, airport, and airway systems.

In fact, these dedicated funds cannot be used for purposes other than transportation as provided by law. Any budget-enforced savings cannot be used to fund other programs, so the money just sits idle, while the needed improvements that highway and airway users paid for are not made.

Reconciliation is the appropriate place to move the highway and aviation trust funds off budget. There is precedent, in that the 1981 reconciliation measure took the general fund-supported strategic petroleum reserve program off budget. Moreover, since the budget process is creating the problem by cutting trust fund programs, it only makes sense to deal with the problem through the budget process itself.

Taking these trust funds off budget will not remove all controls over spending from the fund. Those programs that require appropriations will still require annual appropriations. The Appropriations Committee can still put obligation ceilings in appropriations bills, but it will no longer have the incentive to unduly ratchet down on trust fund programs in order to increase programs funded from the deficit-ridden general fund.

Unlike open-ended entitlement programs, highway, transit capital and aviation spending is limited by authorizing legislation regularly passed in both Houses and signed into law. Furthermore, highways and transit have a built-in antideficit mechanism limiting outlays to income, and the reconciliation bill extends this to aviation.

According to CBO, taking the trust funds off budget will increase the deficit by $580 million in fiscal year 1987 and $50 million in 1988 and decrease the deficit by $80 million in fiscal year 1989 and by $230 million in fiscal year 1990, since in those years the trust funds will be spending out more than they take in so as to draw down their balances. It is my understanding that the Public Works Committee would have no problem in slipping the effective date of the provision from fiscal year 1987 to fiscal year 1989, thereby eliminating any adverse effect on the "paper deficit."

Cutting trust fund construction programs creates special problems due to the slow rate of spendout of these programs. It often takes 6 or 7 years for the full amount of the outlays to pay out, with only 10 to 15 percent paying out in the first year. Therefore, just to achieve the $200 million in outlay savings required by reconciliaton for fiscal year 1986, our committee had to cut the obligational authority of the highway trust fund by $1.2 billion.

We have reached this point after years of frustration and attempts by the Public Works and Transportation Committee to get proper recognition of the uniqueness of these trust funds. The current practice damages our highway, transit, and aviation pro-

grams and it undermines the integrity of the budget process. It must not be allowed to continue. Accordingly, I urge the defeat of the amendment.

Mr. FAZIO. Mr. Chairman, I yield 1 minute to the gentleman from South Carolina [Mr. DERRICK].

Mr. DERRICK. I thank the gentleman for yielding.

Mr. Chairman, I strongly support the Fazio amendment for two reasons. One is that we have no business dealing with this sort of situation on a reconciliation bill. I think, in all fairness, you must ask yourselves, "Why are we doing it here as opposed to doing it through the normal authorization and appropriations process?"

Well, I asked a senior member of that committee why that was so, and they said it was because they could not get it through if they went through the regular channels.

Now, we have no business dealing with it. If they want to bring it down the regular process, let them do it.

The other reason is, here we are, talking about Gramm-Rudman, here we are, talking about balancing the budget, here we are, talking about fiscal responsibility, but in the same breath we are going to take major trust funds out from under the control of Congress, out from under control of the administration, and go home and tell our people that we are fiscally responsible.

I ask you to vote for the Fazio amendment. It is an important vote.

Mr. FAZIO. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. CONTE].

Mr. CONTE. Mr. Chairman, I rise in strong support of the Fazio amendment, which would strike sections 8201 and 8202 from this bill.

These sections, which would take the highway and aviation trust funds off budget, have no business being in this measure in the first place. No comprehensive hearings on this question have been held by either the Public Works Committee or the Committee on Government Operations. And it is especially inappropriate that a reconciliation measure—the enforcement mechanism of the budget process—should be used in this way to further open the spending back door.

What we are doing here is making highway and airport spending—programs that I strongly support, by the way—completely exempt from the budget process. How can we justify that when other trust fund programs like Social Security and Medicare are subject to budgetary controls?

Should highway spending proceed out of control, while we shut down Coast Guard stations and cut back on transit assistance?

Should we build new airport facilities full speed, while we have to cut funds for air traffic controllers and aviation inspectors?

I think not. I think we need to look at transportation as a whole, and proceed with a balanced, national program.

But of greater concern in this bill, is that we need to look at the Federal budget as a whole. We can't single out a few programs for special treatment. We can't make highways and airports exempt from the Budget Act, from Gramm-Rudman, and from any other form of budgetary control in this measure. That represents a misplaced sense of priorities.

Mr. Chairman, if trust funds are to be taken off budget, let them all be considered together. Let us consider that question in the proper manner, when the implications of off-budget trust fund outlays can be seriously considered. But let's not set up a special category of transportation programs to take precedence over every other program in the Federal budget.

I urge my colleagues to support the Fazio amendment.

Mr. HOWARD. Mr. Chairman, I yield 3 minutes to the distinguished chairman of the Aviation Subcommittee, the gentleman from California [Mr. MINETA].

Mr. MINETA. Mr. Chairman, I rise to oppose the amendment offered by my good friend and colleague, the gentleman from California [Mr. FAZIO].

I also served on the Budget Committee for 6 years and, in fact, chaired the Budget Process Task Force, and I have come to the conclusion that as long as the trust fund is part of the budget process, there can be no assurance that needed aviation safety improvements will be funded. The budget process creates irresistible temptations to cut trust fund programs, even though the programs are essential for safety and the users have contributed more than enough in taxes to fund them.

In the last 5 years, as the chair of the Aviation Subcommittee, to prevent this from continuing to happen, I have tried various remedies. I have supported legislation to provide a separate process for capital budgeting at the Federal level, inserted a pay-as-you-go amendment for trust funds in the fiscal year 1985 budget resolution, testified repeatedly before the Ways and Means and Appropriations Committees, and authored legislation to amend the Budget Act to allow trust fund programs to expend what they collect in revenues.

In every instance, at every turn, I have been met repeatedly with the refrain that now is not the time.

Aviation safety pays every time we cut back on spending the revenues sitting in the aviation trust fund. Safety pays the price every time we ignore the users' good faith payment of taxes in expectation of needed safety and capacity improvements. Safety pays every time we falsely use the aviation trust fund to offset the general fund's deficit. Furthermore, these dedicated revenues cannot be used for any other purpose, no matter how worthwhile.

The only way to prevent safety from continuing to pay is to take the trust fund programs off budget. This would not change the yearly appropriations process and an antideficit provision would limit expenditures to what is collected in revenues. The only vote to assure aviation safety is a "no" on the Fazio amendment.

Mr. FAZIO. Mr. Chairman, I yield 2 minutes to the gentlewoman from California [Ms. FIEDLER].

Ms. FIEDLER. Mr. Chairman, I rise in strong support of the Fazio amendment.

Can anyone imagine that the decisionmaking process will improve if these programs are taken off budget? No one can possibly believe that. And does anyone believe that the Federal Government will collect money in these trust funds and not spend it? I wish. The taxpayers wish. That is not going to happen. You know it.

Nearly 40 percent of all Federal spending is in the form of trust funds. Now, if we take these trust funds off budget, why not take the rest off budget? In fact, with that kind of thinking, these are those who would propose to take the budget off budget and then we do not have to worry about our deficit. Rediculous.

It was implied a couple of moments ago that President Reagan supported the concept of taking the trust fund off budget. Let me read just briefly just one line from the letter of the Director of OMB, representing this President and his administration. It says:

I would like to take this opportunity to express the administration's opposition to the proposals included in H.R. 3500, the House reconciliation bill, to move the Highway and Airport and Airways Trust Fund off budget.

Specifically stated, just a few weeks ago, on October 15, the President opposes this effort.

Also, there was a statement made in the Washington Post, and I think it is worth quoting, as well. The Washington Post, today, in an editorial headed, "Splitsville," says:

The House is scheduled to take up the idea today—

And they are referencing the removal of these trust funds from on budget—

and should junk it for all time.

Now, what we are seeing here is a giant shell game. The question is: Do the people of this country have a right to have access and information to what is taking place in the various trust funds that are under the authority of the Federal Government? Or do they simply pull it off budget, take it away from the ordinary budget proc-

ess and let those people who want to have authority over it spend at their will?

We should strongly support the Fazio amendment and keep the trust funds on budget, and under the scrutiny of the Congress.

Mr. HOWARD. Mr. Chairman, I yield 15 seconds to the gentleman from Pennsylvania [Mr. SHUSTER].

Mr. SHUSTER. I thank my friend for yielding.

Mr. Chairman, a lot of misinformation is being passed around this Chamber. Members I hope understand that the transportation trust funds are the only trust funds which are funded by user fees. Therefore, people already have been singled out to pay these user fees. So it is appropriate that these funds be dedicated and spent only for transportation.

Mr. HOWARD. Mr. Chairman, I yield 45 seconds to the gentleman from Pennsylvania [Mr. CLINGER].

Mr. CLINGER. Mr. Chairman, I would like to respond to a few of the misconceptions and exaggerations that have been stated here on the floor suggesting that there would be unrestrained spending, that there would be no control whatever if these programs are taken off budget.

I would suggest that these programs are now and will continue to be subject to adequate budget security. First, these programs are deficit proof. We cannot increase funding for those programs beyond what the trust funds have in them unless we raise taxes, which is not likely.

Second, they are not entitlement programs. Every penny of new budget authority must be approved by the Congress either in the form of the contract authority in authorization bills or appropriations in appropriations bills. So there is no suggestion here that these are entitlement programs.

And, third, we anticipate that the annual obligation ceilings will continue to be set in both authorizing bills and appropriation bills. These are going to be subject to continual oversight by the Congress.

Mr. HOWARD. Mr. Chairman, I yield 1 minute to the gentleman from Florida [Mr. SHAW].

Mr. SHAW. I thank the chairman for yielding.

Mr. Chairman, I think what is really involved here is the basic trust, the commitment that we as Members of Congress have made from time to time when these taxes were imposed. They are users fees. They are fees that are earmarked specifically for a specific purpose and they are not to be used or mingled with the general fund of the U.S. Government, nor should we allow them to be mingled in our budgetary process.

It would be the same situation if a lawyer would take a trust fund which is made up of his client's money and put it on his personal financial sheet before he submits that to the bank to show them what it is worth.

What we are talking about is the snapshot of the Federal Government budget and whether or not it is correct or incorrect, and to have money that is being held in a trust fund such as this and to mingle it with the rest of the general fund as far as the budgetary process is clearly wrong.

In my own State of Florida, there are some $200 million that we are being delayed because of this process. In California alone, I understand, there are $600 million.

We need these highways. These highways save lives. These highways mean business for America.

Mr. HOWARD. Mr. Chairman, I yield 1½ minutes to the gentleman from Texas [Mr. DELAY].

□ 1350

Mr. DELAY. I thank the gentleman for yielding me this time.

Mr. Chairman, I rise in strong opposition to the amendment of the gentleman from California.

The gentleman from South Carolina [Mr. DERRICK] is dead wrong when he leads you to believe these programs are uncontrolled.

The gentleman would have us continue to subject our deficit-proof transportation trust funds to unified budget controls, and that is an entirely unnecessary exercise. These programs are already subject to many controls.

They are, first of all, authorized just like any other program. Even though these authorizations carry contract authority, they are typically in multiyear legislation, which contains a revenue title originating in the Ways and Means Committee. Therefore, both committees review carefully any program authorizations. These authorizations must then be voted on in each House under an open rule and signed into law like any other authorization.

In addition, the highway and mass transit programs are subject to the Byrd amendment limitation on apportionments, and the Public Works Committee's reconciliation submission would extend an antideficit mechanism similar to the Byrd amendment to the Airport and Airway Trust Fund. I might add also that the Byrd amendment is not unlike the Gramm-Rudman balanced budget amendment which recently passed the Senate.

Since both the highway and aviation programs cannot spend more than they take in, they operate under a de facto balanced budget. If other Federal programs operated in this manner, we would have a balanced Federal budget.

Thus, with the authorization-revenue review and the Byrd limitation on apportionments, these transportation trust funds further demonstrate their uniqueness. Since they are subject to more control than nontrust fund general revenue programs, it hardly makes sense to combine them with those programs that do run deficits under the unified budget.

For this and many other valid reasons, the gentleman's amendment should be defeated, and I, therefore, urge my colleagues to vote for its defeat.

Mr. FAZIO. Mr. Chairman, may I inquire how much time is remaining?

The CHAIRMAN. The Chair will state that the gentleman from California [Mr. FAZIO] has 5 minutes remaining and the gentleman from New Jersey [Mr. HOWARD] has 3 minutes remaining.

Mr. FAZIO. I thank the Chair.

Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania [Mr. COUGHLIN].

Mr. COUGHLIN. I thank the gentleman for yielding me this time.

Mr. Chairman, I rise in strong support of the Fazio amendment to H.R. 3500, the Omnibus Budget Reconciliation Act of 1985, which would strike the provisions to take the highway and aviation trust funds off budget. Sections 8201 and 8202 would remove highway and aviation trust fund receipts and expenditures from the unified budget. This would effectively decontrol nearly $20 billion of spending. Such a move is fiscally irresponsible and bad public policy.

Unified budget controls are necessary. The 1967 President's Commission on Budget Concepts, 1973 Joint Study Committee on Budget Control, 1984 House Rules Committee Task Force on the Budget Process, the Office of Management, and Budget, and the Department of Transportation all support keeping trust funds on budget. The unified budget was established in response to widespread dissatisfaction about confusing and disjointed budget practices; we will be returning to these days if the Fazio amendment is not adopted.

It is entirely appropriate for trust funds to be included in a unified budget. In our "Dear Colleague" letter of October 22, 1984, Transportation Appropriations Chairman BILL LEHMAN and I pointed out that by taking the highway and aviation trust funds off budget, the Federal budget would be divided into two categories—the protected "haves" and the vulnerable "have nots." The "haves," such as highway and aviation, would enjoy unrestrained spending. The "have nots," such as elderly nutrition, Pell grants, cancer research, school lunch program, agriculture programs, or the WIC Program, would have to compete for limited funds—not only bearing their fair share of any spending reductions, but absorbing additional cuts to

compensate for the held harmless off budget programs.

Of direct concern is the competition which would be generated among transportation programs and modes should the highway and aviation trust funds go off budget. Further cuts would be borne by general fund funded programs. If you support air traffic controllers, Coast Guard drug interdiction, Amtrak, mass transit operating assistance, or drunk driving public education, vote "yea" on the Fazio amendment.

You have seen a "Dear Colleague" from our distinguished colleague on the Public Works Committee, Mr. MINETA of California, which says "the only way to prevent—aviation—safety from continuing to pay is to take the trust funds programs off budget." I might point out that when the fiscal year 1986 transportation appropriations bill was considered by the House on September 12, 1985, it was that very Member who offered a successful floor amendment to take aviation trust funds money and put it in the general operations account for increased safety inspectors. This could not have been done if trust funds were off budget.

You may have heard that obligation limitations have distorted trust fund programs by preventing full spending. This is not the case. The Federal Aviation Administration is holding $1.6 billion in unobligated funds. Thirty percent of their national airspace system [NAS] plan programs are behind schedule. This is due, not to a lack of funds, but to poor management. It has been said that off-budget trust funds will free billions for highways and, thereby, create new jobs. According to the Congressional Budget Office, the highway trust fund will go broke in 1988. There will not be enough revenue for it to continue as authorized. Either taxes will be increased, spending reduced, or both. The location of this trust fund, on or off budget, makes no difference. In fact, the highway trust fund is better off if it is left on budget due to the added measure of control this gives the Congress.

Reconciliation is an inappropriate place to take the highway and aviation trust funds off budget. Reconciliation is supposed to be used to achieve spending and revenue targets of the budget resolution—not enact new legislation which would reduce Congress' ability to limit Federal spending. Sections 8201 and 8202 will trigger further requests to take other pet programs off budget. We should vote for the Fazio amendment which strikes this unwise and nongermane attempt to weaken congressional control over Federal spending.

Mr. FAZIO. Mr. Chairman, I yield 1 minute to the gentleman from Michigan [Mr. CARR].

Mr. CARR. I thank the gentleman for yielding me this time.

Mr. Chairman, I just want to take my time to respond to my good friend, the gentleman from California [Mr. MINETA].

No one has done more for aviation in this country than he has, but when the gentleman equates this vote as a vote on aviation safety, I must respectfully submit that he is wrong. Aviation safety in this country is paid for, in part, out of the trust funds, and the part that is paid for out of the trust funds is largely the hardware and the real estate portion for airways development and runways and NAVAIDS.

But there is a bigger piece of the aviation safety budget that comes from general funding, and that is the air traffic controllers; the numbers of slots, the amount of salaries they have. The fact of the matter is if we take only a piece of aviation safety off budget we are going to absolutely unbalance the aviation safety in this country. I think that we ought to pass the Fazio amendment and keep transportation as a whole.

I urge support for the Fazio amendment.

Mr. FAZIO. Mr. Chairman, I yield 1 minute to the gentleman from Minnesota [Mr. SABO].

Mr. SABO. I thank the gentleman for yielding me this time.

Mr. Chairman, I rise in strong support of the Fazio amendment. It makes no sense to take these trust funds off the unified budget. Let us make it clear that if there are obligation limits, so these trust funds do not spend all the money that is available, the money does not go anyplace else. It stays in the trust funds for future use.

On the other hand, on a year-by-year basis, it clearly sets up certain preferential types of expenditures. In transit, some of the funding is from trust fund; some is from general revenue. The job of the Congress is to try and balance those two expenditures. With the passage of this amendment, it clearly puts all the weight of maintaining the trust fund, decreasing the general revenue fund, which includes such thing as the formula distribution, which includes the operating subsidies for transit in this country. I think it is very important for good policy and also for good budgetmaking to pass the Fazio amendment.

Mr. FAZIO. Mr. Chairman, I yield 1 minute to the gentleman from Florida [Mr. LEHMAN].

Mr. LEHMAN of Florida. I thank the gentleman for yielding me this time.

Mr. Chairman, I rise in strong support of the amendment offered by the gentleman from California [Mr. FAZIO]. This amendment would strike sections 8201 and 8202 from the bill.

These sections, if enacted, would set major new lopsided budget policy for this country—and should be carefully reviewed by committees with broader jurisdiction before being passed by this body.

Our highway, subway, and airport construction programs are important, but they certainly do not rate the same or have higher priority than Social Security, which is still on budget. And they certainly do not outrank Medicare, black lung, Superfund, and other trust-funded programs that will remain on budget—and that, in these times of high deficits, would have to be cut further to compensate for the nearly $20 billion in yearly transportation trust fund expenditures that would be taken out of the competition.

If Congress wants to gut the unified budget, so be it. But such action has serious repercussions that should be carefully considered. It should not be done in a piecemeal and backdoor fashion such as this, by a committee with its own budget perspective and a parochial interest in the outcome.

I am particularly concerned about the harmful effect these provisions will have on nontrust fund transportation programs. These programs have already taken their fair share of necessary reductions, and we are particularly concerned about any device that would place the entire burden of future Gramm-Rudman or other budget cuts on general-funded program, which often have broader national priority.

If you support such general-funded activities as: air traffic controllers, airline and other safety inspectors, Coast Guard drug interdiction, Amtrak, mass transit operating assistance, rural transit, and hazardous materials and rail safety enforcement—you should vote for the Fazio amendment.

I urge an "aye" vote on the amendment.

Mr. FAZIO. Mr. Chairman, I will conclude the debate for this side, and yield myself such time as I may consume.

I think it is evident that there are many points of view on a very crucial matter, and we have had 30 minutes on a reconciliation bill that was not meant to deal with this question at all, to deal with this fundamental issue. It clearly is in need of the kind of attention that the normal legislative process, through the Government Operations Committee, would bring.

Fundamentally, we cannot allow ourselves to fail the test of including all of the interests in this country in the process of deficit reduction. If we vote today to take these funds off budget, we will be sending the exact wrong signal as we confront the very difficult choice we are going to have to be making on Gramm-Rudman, and on

all subsequent budget matters that we have to face over the next several years under any scenario if we are to get a handle on our budget deficit.

It is not that we do not want to build airports and highways; it is simply that we do not want an unbalanced transportation program that means that the have-nots in the general fund category that provide very important transportation services to this country will not get their share of attention.

Everyone ought to participate in the cuts, and everyone ought to feel them. I ask for the defeat of this proposal by the Public Works Committee and support for this amendment.

Mr. HOWARD. Mr. Chairman, I yield such time as he may consume to the gentleman from Utah [Mr. MONSON].

Mr. MONSON. I thank the gentleman for yielding time to me.

Mr. Chairman, I rise in opposition to this amendment.

As a CPA, one of the biggest problems I face is getting good information on where we are in our financial position. By rejecting this amendment we have an opportunity to correct one thing that would better allow us to get a handle on Government finances.

The highway and aviation trust funds should not be included in the budget. This action will not really add to or reduce the deficit. In fact these funds should not even be included in figuring the deficit. All that inclusion does is distort what we think the deficit is. It may lead us to think we are better off than we are. Some future time may produce just the opposite effect. It should produce neither effect but should be left to work independently to accomplish the purpose the fund was established for.

We do not lose control by doing this. Congress will still authorize the uses of this fund. We will still have oversight of these funds.

Moving these funds off budget will also allow quicker access to them by the States, for whom we collected them in the first place. This is our chance to get the highway and aviation work done that is needed.

It's time to quit playing games with the budget. It's time to quit using the phony numbers that this kind of accounting creates. By voting no, we can get a better handle on where we really are without losing any budgetary control. I strongly urge a no vote on this amendment.

Mr. HOWARD. Mr. Chairman, I yield myself the remaining time.

Mr. Chairman, I would first like to state on behalf of the chairman of the Committee on Rules, the gentleman from Florida [Mr. PEPPER] who is busy with his committee and not on the floor at this time, that he is in strong opposition to the Fazio amendment, feeling that fairness dictates that money collected from the taxpayers for a specific purpose ought to be available to be used for that specific purpose.

Also I would like to state on the comment that taking these trust funds off budget either that they do not qualify or that a great number of other trust funds might come off budget, I would just like to state that there are only three trust funds in the Federal Government that qualify for the exemption under the Budget Act because they derive over 90 percent, in fact, 100 percent of their revenues from user taxes. That is the aviation trust fund, the highway trust fund and the mass transit trust fund account in that, along with the boating safety trust funds. So, I hope that we will not be having that as an argument any more.

Mr. Chairman, I rise in strong opposition to this amendment.

The proponents of this amendment would have you believe that taking the trust funds off-budget adds to the deficit. The truth is these funds are deficitproof, by law.

The proponents would have you believe that we're victimizing the elderly, the sick and the poor by removing these funds from the unified budget. The simple truth is that these dedicated funds cannot be used for those purposes, no matter how worthwhile they are.

The proponents are saying the reconciliation bill is not the proper vehicle for the trust fund provision. The fact is the committee's provision is completely consistent with the purposes of the budget resolution, is based on ample precedent, is germane to the committee's instructions, and is consistent with procedural exemptions of the Budget Act.

The proponents contend that taking the trust funds off budget removes Congress' ability to control trust fund spending. The facts are that the rules of the House remain unchanged and spending controls may still be imposed on these programs, by the Appropriations Committee.

The proponents say the committee provision increases spending when in fact the committee provision adds no new programs nor does it add a penny of additional spending over the next 3 years. In fact, it makes substantial cuts.

Finally, Mr. Chairman, the proponents say we're irresponsible in our efforts to insure that transportation users receive a fair return on their investment and for informing the public of the bogus bookkeeping being practiced to cover up the real deficits this country is running. The truth is it would be irresponsible not to do so.

Mr. Chairman, this amendment is supported by too many distortions and far too much misinformation and must be defeated. I strongly urge a "no" vote.

Mr. LIGHTFOOT. Mr. Chairman, as a member of the Committee of Public Works and Transportation, I rise in opposition to the Fazio amendment.

The highway, aviation, and mass transit funds are generated by taxes on gasoline, airline tickets, and aviation fuel paid in good faith by the citizens who use the Nation's transportation system. Projections of the income from these taxes are made and limits put in place before the money is spent, not afterward, as is so often the case around here. Therefore, spending from these funds does not and cannot add to the Federal deficit.

The users of our highways and airways put this money in our trust with the understanding that they will be spent for their designated purpose—the improvement of our highways, airways, transit systems. To use one penny of these funds to offset the deficit of the general fund is being dishonest to the American taxpayer, and it undermines the integrity of the user fee concept. We should put an end to this dishonesty, and start treating these funds with the respect they deserve.

I therefore urge my colleagues to oppose the Fazio amendment.

□ 1400

The CHAIRMAN. The time of the gentleman from New Jersey [Mr. HOWARD] has expired.

All time has expired.

The question is on the amendment offered by the gentleman from California [Mr. FAZIO].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. FAZIO. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 222, noes 205, not voting 7, as follows:

[Roll No. 371]

AYES—222

Ackerman	Coleman (TX)	Fazio
Akaka	Collins	Feighan
Anthony	Conte	Fiedler
Aspin	Cooper	Flippo
AuCoin	Coughlin	Foley
Barnes	Courter	Ford (TN)
Barton	Coyne	Fowler
Bates	Craig	Frank
Bedell	Crockett	Franklin
Bellenson	Daniel	Frenzel
Bennett	Davis	Fuqua
Bereuter	de la Garza	Garcia
Berman	Dellums	Gejdenson
Bevill	Derrick	Gephardt
Boggs	DeWine	Gibbons
Boland	Dickinson	Gordon
Boner (TN)	Dicks	Gradison
Bonior (MI)	Dingell	Gray (PA)
Boucher	Dixon	Green
Brooks	Dorgan (ND)	Gregg
Broomfield	Durbin	Hamilton
Brown (CO)	Dwyer	Hatcher
Bruce	Dyson	Hayes
Bryant	Early	Hefner
Carper	Eckart (OH)	Heftel
Carr	Edwards (CA)	Henry
Chappell	Edwards (OK)	Hertel
Cheney	Erdreich	Hiler
Clay	Evans (IL)	Holt
Coats	Fascell	Hopkins

Hoyer	McKernan	Sensenbrenner
Hubbard	McKinney	Sharp
Hughes	Meyers	Shelby
Hunter	Mica	Sikorski
Hutto	Mikulski	Skeen
Hyde	Miller (CA)	Slattery
Jeffords	Miller (WA)	Smith (FL)
Jenkins	Moakley	Smith (NE)
Jones (OK)	Montgomery	Smith, Robert (NH)
Kaptur	Moore	
Kasich	Morrison (CT)	Snowe
Kastenmeier	Mrazek	Solarz
Kemp	Murtha	Spratt
Kennelly	Myers	Stallings
Kildee	Natcher	Stark
Kindness	Neal	Stenholm
Kolbe	Nichols	Stokes
Kostmayer	Nielson	Strang
Kramer	O'Brien	Stratton
LaFalce	Obey	Studds
Leach (IA)	Olin	Stump
Leath (TX)	Owens	Swift
Lehman (FL)	Panetta	Synar
Leland	Parris	Tauzin
Lent	Pease	Traxler
Levin (MI)	Penny	Vento
Levine (CA)	Pickle	Visclosky
Livingston	Porter	Walgren
Lloyd	Pursell	Watkins
Lott	Rangel	Waxman
Lowery (CA)	Regula	Weaver
Lowry (WA)	Richardson	Weiss
Lujan	Ridge	Wheat
Lundine	Roberts	Whitten
Lungren	Roemer	Wilson
Mack	Rogers	Wirth
MacKay	Roukema	Wolf
Markey	Rudd	Wolpe
Matsui	Sabo	Wyden
Mazzoli	Saxton	Yates
McCain	Schaefer	Yatron
McCloskey	Scheuer	Young (FL)
McCollum	Schroeder	Zschau
McDade	Schumer	
McHugh	Seiberling	

NOES—205

Alexander	Downey	Lantos
Anderson	Dreier	Latta
Andrews	Duncan	Lehman (CA)
Annunzio	Dymally	Lewis (CA)
Applegate	Eckert (NY)	Lewis (FL)
Archer	Edgar	Lightfoot
Armey	Emerson	Lipinski
Atkins	English	Loeffler
Badham	Evans (IA)	Long
Barnard	Fawell	Luken
Bartlett	Fields	Madigan
Bateman	Fish	Manton
Bentley	Florio	Marlenee
Biliirakis	Foglietta	Martin (IL)
Bliley	Ford (MI)	Martin (NY)
Boehlert	Frost	Martinez
Bonker	Gallo	Mavroules
Borski	Gaydos	McCandless
Bosco	Gekas	McCurdy
Boulter	Gilman	McEwen
Boxer	Gingrich	McGrath
Breaux	Glickman	McMillan
Broyhill	Gonzalez	Michel
Burton (CA)	Goodling	Miller (OH)
Burton (IN)	Gray (IL)	Mineta
Bustamante	Grotberg	Mitchell
Byron	Guarini	Molinari
Callahan	Gunderson	Mollohan
Campbell	Hall (OH)	Monson
Carney	Hall, Ralph	Moody
Chandler	Hammerschmidt	Moorhead
Chapman	Hansen	Morrison (WA)
Chappie	Hartnett	Murphy
Clinger	Hawkins	Nowak
Cobey	Hendon	Oakar
Coble	Hillis	Oberstar
Coleman (MO)	Horton	Ortiz
Combest	Howard	Oxley
Crane	Huckaby	Packard
Dannemeyer	Ireland	Pashayan
Darden	Jacobs	Pepper
Daschle	Johnson	Perkins
Daub	Jones (NC)	Petri
DeLay	Jones (TN)	Price
DioGuardi	Kanjorski	Quillen
Donnelly	Kleczka	Rahall
Dornan (CA)	Kolter	Ray
Dowdy	Lagomarsino	Reid
Rinaldo	Skelton	Torricelli
Ritter	Slaughter	Towns
Robinson	Smith (IA)	Traficant
Rodino	Smith (NJ)	Udall
Roe	Smith, Robert (OR)	Valentine
Rose		Vander Jagt
Rostenkowski	Snyder	Volkmer
Roth	Solomon	Vucanovich
Rowland (CT)	Spence	Walker
Rowland (GA)	St Germain	Weber
Roybal	Staggers	Whitehurst
Russo	Stangeland	Whitley
Savage	Sundquist	Whittaker
Schneider	Sweeney	Williams
Schuette	Swindall	Wise
Schulze	Tallon	Wortley
Shaw	Tauke	Wright
Shumway	Taylor	Wylie
Shuster	Thomas (CA)	Young (AK)
Siljander	Thomas (GA)	Young (MO)
Sisisky	Torres	

NOT VOTING—7

Addabbo	Coelho	Smith, Denny (OR)
Biaggi	Conyers	
Brown (CA)	Nelson	

□ 1410

Messrs. DOWNEY of New York, FOGLIETTA, DOWDY of Mississippi, and SWEENEY changed their votes from "aye" to "no."

Mr. McCAIN, Mr. RANGEL, Ms. KAPTUR, Mr. HYDE, Ms. MIKULSKI, and Mr. RUDD changed their votes from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. BIAGGI. Mr. Chairman, I missed the last vote. I was inadvertently delayed. If I were present, I would have voted "no" on the last amendment.

AMENDMENT OFFERED BY MR. FLORIO

Mr. FLORIO. Mr. Chairman, I offer an amendment which was printed in the CONGRESSIONAL RECORD on October 17, 1985, pursuant to the rule.

The Clerk read as follows:

Amendment offered by Mr. FLORIO: Page 412, after line 16, insert the following new subtitle:

Subtitle H—Amtrak

SEC. 4801. AUTHORIZATION OF APPROPRIATIONS.

(a) AUTHORIZATION.—Section 601(b)(2) of the Rail Passenger Service Act (45 U.S.C. 601(b)(2)) is amended—

(1) in subparagraph (A) by striking out "and" after "403(b) of this Act;";

(2) in subparagraph (B) by striking out the period and inserting in lieu thereof "; and"; and

(3) by adding at the end the following new subparagraphs:

"(C) not to exceed $603,500,000 for the fiscal year ending September 30, 1986.".

(b) LIMITATION.—Such section 601(b) is further amended by adding at the end a new paragraph as follows:

"(5) Unless sufficient funds are otherwise available to operate the Corporation's rail system at substantially the same level of service, maintenance, and equipment overhauls in effect on the date of the enactment of this paragraph, funds appropriated to or for the benefit of the Corporation under this section before the date of the enactment of this paragraph which the Corporation has designated for nonoperational capital projects shall be used as necessary to maintain the operations of the system at such level.".

SEC. 4802. STUDY COMMISSION.

(a) ESTABLISHMENT.—There is established a commission to be known as the National Railroad Passenger Corporation Financial Status Commission (hereafter in this subtitle referred to as the "Commission").

(b) PURPOSE OF COMMISSION.—The purpose of Commission is to study—

(1) the ability of the National Railroad Passenger Corporation (hereafter in this subtitle referred to as "Amtrak") to continue to improve, or to accelerate the improvement of, its financial performance;

(2) the short-term and long-term capital needs of Amtrak; and

(3) alternative funding mechanisms for Amtrak.

(c) MEMBERSHIP.—

(1) NUMBER AND APPOINTMENT.—The Commission shall be composed of seventeen members as follows:

(A) Two State legislators appointed by the National Conference of State Legislators, one from the area comprised of Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania, Delaware, Maryland, and the District of Columbia, and one from outside such area.

(B) Two members of the National Association of Railroad Passengers appointed by the President of such Association; one who lives in the area comprised of Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania, Delaware, Maryland, and the District of Columbia, and one who lives outside such area.

(C) A Member of the United States Senate appointed by the President pro tempore of the Senate.

(D) A Member of the United States House of Representatives appointed by the Speaker of the House.

(E) A State transportation official from a State financially participating in the program established under section 403(b) of the Rail Passenger Service Act, appointed by the Executive Director of the National Conference of State Railway Officials (NCSRO).

(F) A State transportation official from a State not participating in the program established under section 403(b) of the Rail Passenger Service Act, appointed by the Executive Director of the National Conference of State Railway Officials (NCSRO).

(G) A representative of the Department of Transportation designated by the Secretary of Transportation.

(H) A person appointed by the Railroad Labor Executives Association.

(I) A representative of freight railroads appointed by the Association of American Railroads or its successor.

(J) Two commuter authorities, as such term is defined for purposes of the Rail Passenger Service Act, appointed by the American Public Transit Association; one that operates exclusively within the area comprised of Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania, Delaware, Maryland, and the District of Columbia and one that operates exclusively outside such area.

(K) A person from the private sector, appointed by the President, with no financial interest in Amtrak or any competing mode of transportation.

(L) A representative of the passenger bus industry appointed by the President.

(M) A representative of Amtrak appointed by the President of Amtrak.

(N) A representative of the Office of Management and Budget appointed by the Director of such Office.

(2) SELECTION.—The members of the Commission shall be selected in accordance with paragraph (1) within sixty days after the date of enactment of this Act.

(3) EXPENSES.—Members of the Commission shall each be reimbursed actual expenses incurred in the actual performance of duties vested in the Commission.

(4) QUORUM.—Nine members of the Commission shall constitute a quorum, but a lesser number may hold hearings.

(5) CHAIRMAN.—The Chairman of the Commission shall be elected by the members of the Commission from among such members.

(6) ORGANIZATION MEETING.—The members of the Commission shall hold their first meeting for the purpose of organizing the Commission and electing a Chairman under paragraph (4) within ninety days after the date of enactment of this Act.

(7) All meetings of the Commission shall be open to the public.

(d) STAFF OF COMMISSION.—

(1) STAFF.—Subject to such rules as may be prescribed by the Commission, the Chairman may appoint such personnel as the Chairman considers appropriate.

(2) APPLICABILITY OF CERTAIN CIVIL SERVICE LAWS.—The staff of the Commission shall be appointed subject to the provisions of title 5, United States Code, governing appointments in the competitive service, and shall be paid in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

(3) EXPERTS AND CONSULTANTS.—Subject to such rules as may be prescribed by the Commission, the Chairman may procure temporary and intermittent service under section 3109(b) of title 5, United States Code.

(4) STAFF OF FEDERAL AGENCIES.—Upon request of the Commission, the head of any Federal agency is authorized to detail, on a reimbursable basis, any of the personnel of such agency to the Commission to assist the Commission in carrying out its duties under this subtitle.

(e) POWERS OF COMMISSION.—

(1) HEARINGS AND SESSIONS.—The Commission, or, if so authorized by the Commission, any three members of the Commission, may, for the purpose of carrying out this subtitle, hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence, as the Commission considers appropriate. The Commission may administer oaths or affirmations to witnesses appearing before it.

(2) OBTAINING OFFICIAL DATA.—The Commission may secure directly from any department or agency of the United States information necessary to enable it to carry out this subtitle. Upon request of the Chairman of the Commission, the head of such department or agency shall furnish such information to the Commission.

(3) MAILS.—The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

(4) ADMINISTRATIVE SUPPORT SERVICES.—The Administrator of General Services shall provide to the Commission on a reimbursable basis such administrative support services as the Commission may request.

(f) REPORT.—The Commission shall transmit to the Congress a report not later than March 30, 1986. The report shall contain a detailed statement of the findings and conclusions of the Commission, together with its recommendations for such legislation as it considers appropriate.

(g) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated for the purpose of carrying out this section not to exceed $1,000,000 for the fiscal year ending September 30, 1986, to remain available until expended.

SEC. 4803. CAPITAL ASSETS.

Section 304(c) of the Rail Passenger Service Act (45 U.S.C. 544(c)) is amended by adding at the end thereof the following new paragraph:

"(3) The preferred stock issued pursuant to paragraphs (1) and (2) of this subsection shall be deemed to have been issued as of the date of receipt by the Corporation of the funds for which such stock is issued.".

SEC. 4804. GOVERNMENT TRAVEL.

Section 306(f) of the Rail Passenger Service Act (45 U.S.C. 546(f)) is amended by inserting ", which shall include allowing the Corporation to participate in the contract air program administered by the General Services Administration in markets where service provided by the Corporation is competitive as to rates and total trip times" before the period.

SEC. 4805. REPORT CONSOLIDATION.

Section 308(a) of the Rail Passenger Service Act (45 U.S.C. 548(a)) is amended to read as follows:

"(a) The Corporation shall submit to the Congress a report not later than February 15 of each year. The report shall include, for each route on which the Corporation operated intercity rail passenger service during the preceding fiscal year, data on ridership, passenger miles, short-term avoidable profit or loss per passenger mile, revenue-to-cost ratio, revenues, the Federal subsidy, the non-Federal subsidy, and on-time performance.".

SEC. 4806. CHARTER TRAINS.

Section 402 of the Rail Passenger Service Act (45 U.S.C. 562) is amended:

(1) by repealing subsection (g); and

(2) by redesignating subsection (h) as subsection (g).

SEC. 4807. MISCELLANEOUS AMENDMENTS.

(a) AUDITS.—Section 805 of the Rail Passenger Service Act (45 U.S.C. 644) is amended:

(1) in subsection (2)(A) by striking out "shall conduct annually a" in the first sentence and inserting in lieu thereof "may conduct"; and

(2) in subsection (2)(A) and (2)(B) by striking "audit" wherever it appears and inserting in lieu thereof "audits".

(b) REPEAL OF STUDIES AND REPORTS.—Sections 306(k), 806, 810, and 811 of the Rail Passenger Service Act (45 U.S.C. 546(k), 645, 649, and 650) are repealed.

(c) EMERGENCY ASSISTANCE.—Title VII of the Rail Passenger Service Act (45 U.S.C. 621 and 622) is repealed.

(d) NORTHEAST CORRIDOR REPORTS.—Section 703(1)(D) of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 853(1)(D)) is repealed, effective October 1, 1986.

(e) PERFORMANCE EVALUATION CENTER.—Section 305(1) of the Rail Passenger Service Act (45 U.S.C. 545(1)) is repealed.

SEC. 4808. REVENUE-COST RATIO.

Section 404(c)(4)(A) of the Rail Passenger Service Act (45 U.S.C. 564(c)(4)(a)) is amended by adding at the end the following new sentence: "Commencing in fiscal year 1986, the Corporation shall set a goal of recovering an amount sufficient that the ratio of its revenues, including contributions from States, agencies, and other persons, to costs, excluding capital costs, shall be at least 61 percent.

SEC. 4809. LABOR-RELATED COST SAVINGS.

Amtrak and the representatives of employees of Amtrak shall negotiate changes in existing agreements between such parties that will result in substantial cost savings to Amtrak, and shall report the results of such negotiations to the Congress within six months after the date of enactment of this Act.

SEC. 4810. ROUTE DISCONTINUANCE.

(a) PROHIBITION.—Amtrak shall not, by reason of any provision of this subtitle, including section 4801, reduce the frequency of service on any line on which, as of May 1, 1985, three or fewer trains operate per week.

SEC. 4811. UNSAFE FACILITIES.

Title VIII of the Rail Passenger Service Act (45 U.S.C. 641 et seq.) is amended by adding at the end the following new section:

"SEC. 812. UNSAFE FACILITIES.

"(a) The Corporation, or the owner of any facility which presents a danger to the employees, passengers, or property of the Corporation, may petition the Secretarty for assistance to the owner of such facility for relocation or other remedial measures to minimize or eliminate such danger under this section.

"(b) If the Secretary determines that—

"(1) a facility which is the subject of a petition under subsection (a) presents a danger of death or serious injury to any employee or passenger of the Corporation or serious damage to any property of the Corporation; and

"(2) the owner of such facility should not be expected to bear the cost of relocating or other remedial measures necessary to minimize or eliminate such danger, the Secretary shall recommend to the Congress that the Congress, as a part of its periodic reauthorizations of this subtitle, authorize funding, by reimbursement or otherwise, for such relocation or other remedial measures.

"(c) Petitions may be submitted under subsection (a) of this section with respect to any relocation or remedial measures undertaken on or after January 1, 1978.".

SEC. 4812. EMPLOYMENT VACANCY FILING.

(a) LIABILITY.—Section 704(c) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 797c(c)) is amended—

(1) by inserting "(1)" after "VACANCY NOTICES.—"; and

(2) by adding at the end a new paragraph as follows:

"(2)(A) As soon as the Board becomes aware of any failure on the part of a railroad to comply with paragraph (1), the Board shall issue a warning to such railroad of its potential liability under subparagraph (B).

"(B) Any railroad failing to comply with paragraph (1) of this subsection after being warned by the Board under subparagraph (A) shall be liable for a civil penalty in the amount of $1,000 for each vacancy with respect to which such railroad has so failed to comply.".

(b) EXTENSION.—Section 704(f) of such Act (45 U.S.C. 797c(f)) is amended by striking out "4-year" and inserting in lieu thereof "6-year".

(c) EFFECTIVE DATES.—The amendments made by subsection (a) shall take effect on the date of enactment of this Act, and the amendment made by subsection (b) shall be effective as of August 1, 1985.

SEC. 4813. TRANSPORTATION OF UNOCCUPIED VEHICLES.

Section 103(3) of the Rail Passenger Service Act (45 U.S.C. 502(3)) is amended by inserting ", and, when space is available, of unoccupied vehicles" after "and their occupants".

SEC. 4814. RAIL EMPLOYEE TAXES.

Section 11504(a) of title 49, United States Code, is amended by adding at the end of the following new paragraph:

"(3) No part of the compensation paid by a rail carrier providing transportation subject to the jurisdiction of the Interstate Commerce Commission under subchapter I of chapter 105 of this title to an employee who performs his regular assigned duties as such an employee on a railroad in more than one State, shall be subject to the income tax laws of any State or subdivision thereof other than a State or subdivision thereof described in paragraph (2) of this subsection.".

□ 1425

Mr. FLORIO. Mr. Chairman, the amendment I am offering with, I think, bipartisan support, is exactly the same as the Amtrak authorization bill, H.R. 2266, which the House passed on September 19, by a 290-to-128 rollcall vote.

Briefly, the bill, as passed by the House, and this amendment, authorize $603.5 million for Amtrak for fiscal year 1986—a reduction of $80.5 million from the fiscal year 1985 appropriation level of $684 million and a reduction of $109.5 million from the fiscal year 1986 baseline of $713 million. The bill ensures the continuation of a national rail passenger system while providing tools for Amtrak to increase its efficiency and cost-effectiveness.

Until recently, I had hoped that the House would not have to deal with Amtrak as part of the reconciliation process. Unfortunately, the other body has put us in a position where we must attach this bill the reconciliation bill to protect the House position. During the conference on the budget resolution, I voiced strong objection to dealing with Amtrak in the reconciliation process. The conference report on the budget resolution did not assume reconciliation of Amtrak. Nevertheless, the Commerce Committee in the other body has inserted Amtrak provisions into the reconciliation bill. Because of this, Amtrak will be an issue in conference. Adoption of this amendment will ensure that the House position will be reflected in the House bill that goes to conference.

I urge adoption of this amendment.

Mr. LENT. Mr. Chairman, will the gentleman yield?

Mr. FLORIO. I am happy to yield to the ranking member of the subcommittee of authorization, the gentleman from New York [Mr. LENT].

Mr. LENT. I thank the gentleman for yielding.

Mr. Chairman, I rise in support of Chairman FLORIO's amendment to incorporate H.R. 2266, as passed by the House, as part of H.R. 3500.

H.R. 2266 was passed by the House on September 19 of this year. The bill provides for a 1-year reauthorization of Amtrak at a level of $603.5 million for fiscal year 1986. This is approximately 11.4 percent below the level of Federal funding that Amtrak received in fiscal year 1985. This authorization level is the same as the appropriations level for Amtrak included in H.R. 3244, the Department of Transportation fiscal year 1986 appropriations bill, which was also passed by the House last month. In addition, H.R. 2266 makes a number of changes to current law which are helpful to Amtrak.

Although the conference report on Senate Concurrent Resolution 52, the first concurrent resolution on the budget for fiscal year 1986, did not include specific reconciliation instructions with respect to the levels of Federal funding for Amtrak, I feel that the inclusion of H.R. 2266 in H.R. 3500 is necessary for several reasons.

The other body included language reauthorizing Amtrak in S. 1730, the consolidated Omnibus Budget Reconciliation Act of 1985. Since they have chosen to reauthorize Amtrak as part of S. 1730, it appears unlikely that they will act on H.R. 2266 independently. Therefore, the inclusion of H.R. 2266 in H.R. 3500 may be the only chance Congress will have to make the statutory changes helpful to easing the financial plight of Amtrak.

As reported by the Budget Committee, S. 1730 provides for a straight 3-year reauthorization of Amtrak. However, when the Subcommittee on Commerce, Transportation, and Tourism, on which I serve as the ranking minority member, held hearings on legislation to reauthorize Amtrak, Amtrak testified that changes in current law were necessary to enable it to increase its revenues and its efficiency in order to operate a successful nationwide rail passenger service at reduced Federal funding levels.

One of the changes which Amtrak suggested was amending current law to allow Amtrak to carry unoccupied vehicles on its auto-train service. Section 13 of H.R. 2266 includes this change. Let me explain how this could increase Amtrak's revenues. Under the Rail Passenger Service Act, Amtrak is authorized to operate an auto-train service. The statute also provides that the occupants of the vehicles must accompany the vehicles.

Amtrak has successfully inaugurated auto-train service between Lorton, VA, and Sanford, FL. While auto-train is a successful venture, there are times when unused space is available. Section 13 would allow Amtrak to fill this available space with unaccompanied vehicles. Amtrak estimates that this change to current law would increase its revenues by $600,000 to $800,000 per year.

If the legislative changes set forth in H.R. 2266 are not included in the House-passed reconciliation bill, the conferees would be unable to address these changes to current law which are vital to Amtrak's continued success as a nationwide system. The provisions included in H.R. 2266 which are not in S. 1730 would fall outside the scope of the conference since they are presently not included in either body's reconciliation bill.

As a side note, I would like to mention for my colleagues' benefit that the other body is currently debating S. 1730, and yesterday they adopted several amendments to current law. One of the amendments they adopted, as a possible budget saving device, addresses the costs incurred by Amtrak on the Northeast corridor as a result of its use by Conrail and transit authorities. Based on a decision issued in March 1983, by the Interstate Commerce Commission, these carriers pay the avoidable costs of their use of the corridor, leaving Amtrak to absorb the full costs of maintenance, operation, and capital programs.

If this cost allocation is reworked, it could save Amtrak roughly $70 million per year in expenses—expenses that are not attributable to its operations. This suggested change was also presented at our subcommittee hearing and I believe it merits close scrutiny in conference.

Mr. Chairman, Congress is asking Amtrak to increase its revenues and its efficiency and, thereby, decrease its reliance on the American taxpayer. It is essential that Congress act promptly to provide the necessary tools for Amtrak to succeed. Adoption of the Florio amendment today will put us one step closer toward achieving that goal.

In conclusion, I urge my colleagues to support the Florio amendment.

Mr. FLORIO. Mr. Chairman, I yield 3 minutes to the gentleman from Indiana [Mr. COATS], a member of the committee.

Mr. COATS. I thank the gentleman for yielding this time to me.

Mr. Chairman, I join my colleague, the gentleman from New York, and the gentleman from New Jersey, in supporting the Florio amendment to H.R. 3500, the Omnibus Budget Reconciliation Act of 1985.

The Florio amendment incorporates H.R. 2266, as passed by the House, which reauthorizes Amtrak, into title IV of H.R. 3500.

I have consistently advocated providing Amtrak with the flexibility it needs to increase its revenues and operate an efficient nationwide rail passenger system and, thereby, reduce its reliance on Federal funding. In order to achieve this goal, changes are

needed in current law. H.R. 2266 makes some of those necessary changes.

For example, section 4 of the bill allows Amtrak to compete for preferred contract carrier status in the Federal Government's discount program for Federal employees traveling on official business. Amtrak's inclusion in this program should result in additional revenues for Amtrak and considerable savings to the Federal Government.

The other body has incorporated the reauthorization of Amtrak into S. 1730, the consolidated Omnibus Budget Act of 1985. Since this is the manner in which the other body has chosen to proceed, it appears unlikely that further action will be taken on H.R. 2266. Therefore, inclusion of H.R. 2266 as part of H.R. 3500 may be our only chance this session to provide Amtrak with the changes in current law necessary to reduce its reliance on the American taxpayer.

In conclusion, I urge my colleagues to support the Florio amendment.

Mr. FLORIO. Mr. Chairman, I reserve the balance of my time.

Mr. LATTA. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from New Jersey [Mr. FLORIO].

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. LATTA] for 15 minutes in opposition to the amendment offered by the gentleman from New Jersey [Mr. FLORIO].

Mr. LATTA. Mr. Chairman, just a word about Amtrak, and then I want to talk about this bill.

Everybody knows of the tremendous subsidy that the taxpayer has to put forward for Amtrak and of the efforts of the administration to do something about it. Unfortunately, the House and the other body to date have refused to do anything about it, the same as they have refused to do anything here today about reducing the deficit by $3.5 billion.

We have come to a very sorry place, I think, here on Capitol Hill because we cannot seem to get what we maintain in public and in our speeches put together with our votes. So here is another opportunity to find out whether or not we really mean to cut back on spending, cut back on some of these subsidies.

The question is: Where are we going to start? Every single program that is brought up to be looked at, with the thought that perhaps we can reduce some spending that everybody complains about that is out of line, that we ought to do something about that $2 trillion debt, that we ought to do something about that impending $200 billion deficit for fiscal year 1986, but when every program comes up, "No, no; we cannot do anything about this."

The question is: When? When will the Congress of the United States take the bit in its mouth that it needs to take and do something about spending. This is just typical, this program, and I do not single it out, but it is just typical of what we do all the time around here.

So I intend to vote "no" on this program, as I voted when it was before the House, but what are we doing now in reconciliation? Thinking now that reconciliation in its present form is going to be singed into law, there is an attempt to rush this bill through under reconciliation. Let me tell the people who are attempting to do that and to do some of these other things, that the President has to sign that bill. I have a letter from OMB in my possession that says if we do not do something about five huge programs, he is going to veto it. It is just that simple.

□ 1435

So we ought to start doing something on our own. We have three branches of Government in this country and we have a function to perform, a legislative function. Now we are depending on the executive branch to do our jobs for us.

This is one of the things that brought on Gramm-Rudman-Hollings, the fact that the Congress of the United States refuses to do a thing, and that is to reduce these programs. Everybody admits they have to be reduced, but they say, "Do not do anything about my program."

We held hearings at the beginning of this year in the Budget Committee at various cities around this Nation. I knew exactly what the witnesses were going to say when they came before our committee. They were all saying "Don't cut my programs. Give me more." At the same time, they were saying, "You have to do something about interest rates."

Mr. SCHUMER. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I will not yield to the gentleman. I know his position and I know what he is going to say, but I do not have the time.

Mr. SCHUMER. I may surprise the gentleman, I may not.

Mr. LATTA. But let me say to my friend from New York [Mr. SCHUMER] that he was there in New York City and he heard his mayor of New York City on revenue sharing, for example, say, "Hey, you can't do anything about revenue sharing, you can't do anything about the transit funds." At the very time the mayor was being chided by the Governor of New York for having $900 million in surplus, he wanted more from the taxpayers of this Nation.

And when I put the question to the mayor, what did he say? He said that is not surplus, that is insurance.

If he places that in that category, it is high time that we do something about insurance for our country, and we have to do it as these programs come along. This is typical of the problem that we face and that the country faces because of our inability, our absolute refusal to do anything about it when we have the opportunity.

Then we go out with our press releases across the country and say, oh, I voted against this or that, but knew it was going to pass. We had an opportunity today, but we failed. We failed. We are going to fail on this one too because it is going to pass. Reconciliation is going to pass.

But I am going to point out when the time comes, some of these programs that we are putting in there will add billions and billions of dollars to the deficit, and the Members of this House know it, and the American people ought to know it.

I yield back the balance of my time.

Mr. FLORIO. Mr. Chairman, I yield myself such time as I may consume.

Mr. FLORIO. Mr. Chairman, just in brief response to the gentleman's observations, they are clearly very interesting points with regard to a philosophic approach to Amtrak. Interesting, but irrelevant. We have already decided what it is that we want to do, which is to reject the philosophy that we should eliminate Amtrak. We have rejected that and the other body has rejected it.

So, therefore, what we are doing today is making a decision not on the substance but on the procedure. It was not the intention to include this bill in reconciliation. The other body did that. Our failure to include this in reconciliation will mean that we will not be realistic participants in the discussion between the two approaches that the two Houses have taken.

Thus, failure to pass this amendment will not allow us to take part in the discussions on the other body's Amtrak proposal which, and I am not sure the gentleman is aware of it, was somewhat drastically modified last night with some amendments. One amendment clearly flies in the face of what I think is the feeling in this body, and hopefully is the feeling of the gentleman from Ohio as well.

For example, it has been the feeling of this body that Conrail should be sold. As a matter of fact, the Budget Committee has assumed receipts of $1.2 billion to help with deficit reduction.

Last night the other body passed an amendment that will make Conrail less salable by virtue of assigning new costs to Conrail. This will preclude to a great degree the prospects of a sale or the prospects of receiving revenue and thus the prospects of reducing the deficit.

I do not think we want to allow that to happen automatically without

being able to participate in the discussion. So if we truly want to discuss differences between what it is that we have done and what it is that the other body has done, we have to approve this amendment to get us into the discussion process. Not to approve it is to say that we are irrelevant to the process, and I do not think this body wants to be irrelevant to the process.

I have no further requests for time, and so I yield back the balance of my time.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from New Jersey [Mr. FLORIO].

The amendment was agreed to.

Mr. BEDELL. Mr. Chairman, because I believe in the urgent need to reduce the deficit, I intend to vote today for passage of H.R. 3500, the fiscal year 1986 Budget Reconciliation Act. Although this legislative package is far from perfect, and contains some provisions that I oppose, on balance I believe that our greatest need today is to enact the deficit reduction provisions contained in this bill.

This reconciliation bill carries out the deficit reduction instructions contained in the fiscal year 1986 budget resolution adopted earlier this year by Congress. This reconciliation bill would reduce Federal spending by $61 billion over the next 3 years, which is $3.3 billion more than required by the 1986 budget resolution. Because I believed that the final House-Senate compromise version of that budget resolution did not hold the line on an across-the-board budget freeze and reduce deficits enough, I voted against it. However, today the choice is whether to support the package of spending cuts reported by the committees and included in this bill. I do support this package.

As a member of the Small Business Committee, I would note that this reconciliation bill includes cuts in small business programs that exceed the required $2.479 billion savings target by over $100 million. These cuts in small business programs would eliminate most direct lending programs, terminate SBA farmer disaster assistance loans, and result in future SBA program levels far below a freeze level. As a member of the House Agriculture Committee, I would also note that H.R. 2100, the 1985 farm bill passed earlier this month by the House, would achieve the required savings of $7.9 billion.

Among other provisions, I oppose the provisions in this bill that would result in sharing excessive amounts of offshore drilling revenues with a handful of coastal States. Because I thought that we in the House should have had the opportunity to vote on this unjustifiable giveaway, I voted against the rule that prohibited most amendments.

I voted for the Latta amendment, which would have cut an additional $3.5 billion from deficits in the next 3 years. This amendment would have cut proposed new housing programs, and allowed their consideration separately by the House at another time. I have been a consistent supporter of housing programs, and continue to support enactment of comprehensive housing authorization legislation this year.

I strongly support preserving the integrity of transportation trust funds, and object to using surpluses in the trust funds to mask deficits elsewhere in the budget. However, I voted for the Fazio amendment because I recognize that there is enormous public concern at this time over proposals to move certain programs off budget. I would be supportive of budget policy initiatives aimed at ensuring the integrity of these trust funds in a fiscally sound manner.

Mr. FRENZEL. Mr. Chairman, I rise today in strong opposition to H.R. 3500, the fiscal year 1986 budget reconciliation bill.

When we adopted our creampuff budget resolution on August 1, we called for savings in outlays totaling $75.5 billion over the next 3 years. After much agonizing, the bill before us does no better than a reduction of $61.1 billion, and it achieves those insufficient savings by some very dubious means.

I grant that the bill does not include portions from the Committees on Agriculture and Ways and Means. But despite the bill's claim that we will realize an additional $16 billion in savings out of those committees, the farm bill appears certain to miss its budget target by at least $4 billion, and Ways and Means is struggling to come within $2 billion of its target. The inclusion of those two committees' work is likely to make the picture more, not less, bleak.

No one has any reason to brag about H.R. 3500. It's a failed attempt to reach a feeble target. Most sections simply don't cut enough. That's reason enough to reject the bill. Worse, however, are the new programs and other changes in substantive law that have been packaged into the reconciliation bill because they could not pass muster in the regular procedures.

Perhaps most offensive of these is the $3.5 billion in new spending authority contained in the bill. Money is generously provided to a wide array of housing programs and to the Ocean and Coastal Resources Development Block Grant Program. What an awful mockery of budget process it is to use reconciliation, a spending reduction device, to spend more money.

The bill also makes a major backward step by removing the highway and airport trust funds from the budget, allegedly to protect their integrity. Actually the change prevents legislative oversight and makes it easier for spenders to spend more freely.

That provision is a major legislative initiative which, in my judgment, properly should be subject to the full legislative process. Forcing it into the reconciliation bill is a sure indication that H.R. 3500 is a spending rather than a saving bill.

The bill before us assuredly contains some reductions that were painful to make and were well drawn. I do not mean to belittle the effort many committees made to reach their budget targets. I applaud their honest work as much as I desire the extra spending efforts of others. This is a time of runaway deficits. In times like these strong measures are necessary. Pretty good isn't good enough. We are living off creampuffs and soda pop at a time when a strong cathartic is called for.

The bill also represents a violation of House jurisdictional rules. The Ways and Means Committee's jurisdiction was needlessly invaded more than half a dozen times, most dangerously in questionable amendments to the ERISA law. Under this precedent, committees will unload all their garbage, which could not pass under regular procedures, into the reconciliation bill. They will assume, I suppose, that the annual bill will, like this one, be protected by a closed rule, and will be veto proof. I hope they will be fooled by a veto of this bill.

Another dreadful feature of this bill is the diversion of Federal oil and gas revenues from the Federal Treasury into the coffers of a few privileged States. This bill creates a running sore of about $5 billion.

Our budget targets were pretty soft. They should have been met. In my judgment, this bill is an embarrassment to the budget process and to this body. If we cannot achieve more responsible legislation than H.R. 3500, we ought to go back to the drawingboard. I urge my colleagues to join me in voting no on this legislation.

Mr. DASCHLE. Mr. Chairman, the budget deficit has been referred to as a time bomb. That time bomb is ticking. The budget deficit must be reduced to defuse this ticking time bomb.

Record breaking budget deficit after record breaking budget deficit have created an intolerable burden of debt for our Nation. Our national debt is now more than $2 trillion. As a nation, we have become a fiscal policy junkie constantly needing a fix of deficit spending. Mr. Chairman, deficit spending provides no fix. It is no solution. It only prolongs and worsens the problem.

There are some who wish the budget deficit would just go away, simply disappear, but that won't happen. The budget deficit didn't just appear one morning on the Nation's doorstep. It was created. It must now be reduced and next eliminated.

The Omnibus Budget Reconciliation Act now being considered by the House will reduce deficit spending by an estimated $61.1 billion. This legislation combined with other cost-saving measures will reduce spending in total by $78 billion. For a nation addicted to deficit spending, this is strong medicine. But it is also the first step to recovery.

Earlier this week, Prof. Franco Modigliani, the 1985 Nobel Laureate in Economics, in testimony before the Joint Economic Committee concluded, "the current and perspective deficit of the United States is of a magnitude such as to cause a clear and present danger and call for immediate remedial action." Professor Modigliani's conclusion parallels the collective judgment of the American people. The budget deficit

must be reduced and eliminated and now is the time for action.

Mr. Chairman, there are many provisions in this legislation which I strongly support, like abolishing the Synthetic Fuels Corporation. There are other provisions, however, which I do not support. The Omnibus Reconciliation Act imposes a means test on our veterans who seek health care services from the Veterans' Administration. As a member of the House Committee on Veterans' Affairs, I opposed this proposal when it was considered in committee and I remain strongly opposed to a means test approach to veterans health care.

As a nation we have made a commitment to our veterans. We have a moral obligation to the men and women who have honorably served our Nation and our obligation to the Nation's veterans is not revocable.

I am particularly concerned about the practical application of a means test. The means test being imposed for VA health care is a new and uncharted course and many fundamental questions remain unanswered. How will the veteran who is a farmer or small business owner be affected? How will the Veterans' Administration compute the income of these veterans in determining if they will be required to make a payment of nearly $500 in order to receive medical treatment from the VA? These questions have not been answered.

Mr. Chairman, in thousands of communities throughout the Nation preparations are well under way for ceremonies next month to honor America's veterans. On November 11, our Nation will pay tribute to the men and women who answered the call to preserve and defend the democracy and freedom which all Americans today enjoy. In the future, how many men and women may choose not to respond because they now question our Nation's commitment to veterans? Veterans Day, 1985, may long be remembered by a retreat from our commitment to the men and women who serve our Nation and the passage of legislation imposing a means test on our Nation's veterans.

My second concern with the legislation before us today is the Small Business Committee's recommendations on disaster loans for farmers and ranchers. While not acquiescing to the administration's request that the Small Business Administration be eliminated, the committee has recommended a number of far reaching changes that will have a tremendous impact on the small business owners, ranchers, and farmers throughout the Nation.

One recommended change would have a drastic effect on thousands of western South Dakota ranchers, suffering from the effects of one of the worst droughts in the history of my State. This deficit reduction package would eliminate farmers and ranchers from eligibility for SBA disaster loans. Unfortunately, it is anticipated that the SBA will very likely begin denying ranchers disaster loans retroactive to the beginning of the fiscal year. This retroactive ban means that many farmers and ranchers who may have applied for disaster loans, but were not yet approved, will suddenly find themselves ineligible for loans they previously thought they were receiving.

The pressure by the administration to eliminate the SBA is tremendous. Every Member of this body understands that. I would urge my colleagues, however, to make certain these proposed changes are not implemented in a fashion which reneges on commitments made to agriculturral producers. As this legislation continues through the legislative process, I would urge my colleagues to make clear the congressional intent with regard to retroactive application of this disaster loan.

Mr. WEISS. Mr. Chairman, I cast my vote in favor of H.R. 3500, the Omnibus Budget and Reconciliation Act, but only with great reluctance.

The fundamental premise of this bill is that continued cuts in domestic spending programs are the proper response to the serious deficit crisis that threatens the future of our Nation.

This premise is wrong. We know beyond any shadow of a doubt that the prime causes of the deficit crisis are Ronald Reagan's massive military buildup and his inequitable tax giveaways. Logic dictates that the solution to the deficit crisis should address the causes. Therefore, a responsible approach to the deficit crisis should involve efforts to cut excessive military spending and to secure additional revenues by plugging inequitable loopholes in the Tax Code, not to eliminate spending for programs that serve human needs.

The current reconciliation bill contains a wide range of burdensome and unnecessary cuts that will harm veterans' programs, student loans, small business assistance, and other government services. In addition, the bill imposes an unwarranted pay freeze on our devoted Federal work force, which is already proven to be undercompensated relative to the private sector. I remain firmly opposed to these cutbacks.

But as on so many other occasions in recent years, a flawed vehicle provides the only opportunity for serious action on a critical problem—in this case, the serious national shortage of adequate housing. Indeed, as the all but monolithic opposition of our Republican colleagues indicates, defeating this bill would guarantee one that would cause even more pain.

While the reconciliation bill contains many damaging provisions, it also contains an urgently needed reauthorization of essential housing programs. It is well known that, unless this reauthorization is included in the reconciliation bill, there is little likelihood of any substantive action in this area in the near future. The severity of the current housing shortages and the importance of the housing reauthorization to the American public cannot be overstated. Therefore, I must join other Members of the House in demanding serious action on this issue.

The Government Operations Subcommittee on Intergovernmental Relations and Human Resources, which I chair, issued a report earlier this year on the need of a Federal response to the crisis of homelessness. The report noted that homelessness in this country is increasing by 38 percent each year. If we continue to neglect our country's fundamental housing and urban aid programs, we can only expect greater numbers of men, women, and children forced to live on the streets.

In New York City, approximately 170,000 eligible low-income families are on waiting lists for public housing. The waiting time currently stretches from 15 to 18 years. Approximately 47,000 families and individuals are "doubling up" with relatives and friends.

This bill represents an insufficient but important response to these problems. Positive changes have been made to assist families in section 8 housing, including important clarifications regarding their rent contribution. In addition, a small child care demonstration project has been authorized. An urgently needed rental rehabilitation program will be funded as well as three good new programs to aid the homeless. Included also is a homeownership demonstration project for low-income working families, the Nehemiah Project.

The provisions of H.R. 3500 concerning mandatory meals are also a step in the right direction. Some senior and disabled citizens living in federally subsidized housing (section 202/8) are forced to buy a mandatory meal plan as a condition of occupancy. The new provisions permit exemptions from mandatory meals for medical, religious, financial and other reasons; place a moratorium on new mandatory meals programs for 18 months while HUD conducts a study, and separate the meal contract from the rental agreement.

Proponents of mandatory meals claim voluntary programs are economically unfeasible; yet, many voluntary programs not only function well but provide cheaper meals. Proponents also say mandatory meals prevent isolation of the elderly. These arguments are patronizing and ageist. By law, section 202 housing is for people capable of independent living. It may be more sociable to eat with others; it may, for some, even be more nutritious to eat a prepared meal. Neither point is relevant. The pertinent issue is the compulsory nature of the meal programs.

The fight against mandatory meals, which is part of the movement for respect and equal treatment of all elderly people, revolves around the issue of whether elderly and disabled citizens capable of independent living have the right to decide when, where and what to eat if they choose to live in federally subsidized housing. Although the abolition of mandatory meals should be our ultimate goal, I feel the provisions on mandatory meals in this bill are a responsible and necessary step toward eliminating some of the most blatant problems associated with mandatory meals.

The bill also contains some welcome improvements in the law surrounding termination of pension plans that will eliminate the deficit of the Pension Benefit Guarantee Corporation and make it more difficult

for profitable firms to terminate their employee pension plans.

Finally, I strongly favor the provisions of the bill that will require employers to provide a 5-year continuation of health insurance at group rates to the spouse of a worker who dies, is divorced, or becomes eligible for Medicare provided the spouse pays the entire premium. Discontinued health insurance following divorce or death of a spouse is a particularly acute problem for midlife women. There are an estimated 5 million American women between the ages of 40 and 65 who have no basic health insurance coverage. Passage of this provision would help alleviate this crisis.

Mr. Chairman, I have long been a vocal advocate of programs to ensure adequate health care and housing for our Nation's citizens. And so long as this bill remains a vehicle for accomplishing these highly important goals, I will support it, seriously flawed as it otherwise is. But should these and other favorable provisions be significantly diluted or eliminated in conference, I will vote against the conference report.

Mr. WYLIE. Mr. Chairman, yesterday, during general debate on H.R. 3500, the Omnibus Budget Reconciliation Act of 1985, a question arose concerning the issue as to whether H.R. 1, as contained in title II of H.R. 3500, meets the budget resolution.

I believe I can shed some light on the question.

While it is true that the Banking Committee's reconciliation provision is within the budget authority and outlay targets of the budget resolution for fiscal year 1986, an analysis which I requested and which was prepared by the Congressional Budget Office, shows that the banking provision is over the outlay targets by $135 million for fiscal year 1987 and $185 million for fiscal year 1988. To find that I call the Members attention to the last line of numbers in the following table under outlays for 1987 and 1988. This is important, since reconciliation guidelines issued by the Budget Committee on September 20, 1985, which I also am including in the RECORD, indicate that the reconciliation directive covers fiscal years' 1986 through 1988. Since H.R. 1 is included in title II in its entirety, it seems clear that all of the H.R. 1 provisions would be subject to the reconciliation guidelines.

Mr Chairman, I thank you for the opportunity to clarify this issue because we all know that it is outlays that determine deficits, not the level of budget authority. Once again, I want to make clear, that while H.R. 1 may meet the budget authority targets of the budget resolution for fiscal year 1986. It does not meet the outlay targets for fiscal years 1987 and 1988.

HOUSE OF REPRESENTATIVES, COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS,
Washington, DC, October 2, 1985.

Mr. RUDOLPH G. PENNER,
Director, Congressional Budget Office, Washington, DC.

DEAR MR. PENNER: This is in further regard to my letter of September 10, 1985 concerning H.R. 1, the Housing Act of 1985 as it relates to the First Concurrent Resolution on the Budget for Fiscal Year 1986.

Based on informal communications between members of our respective staffs, I have been advised that the H.R. 1 Reconciliation Amendment is within the FCR budget authority and outlay targets for Fiscal Year 1986. However, based on reconciliation guidelines issued by Budget Committee Chairman Gray on September 20, 1985, it appears that the Budget Committee Assumes that Fiscal Years 1986 through 1988 are covered under the reconciliation directive. In order that I may have a clearer understanding of H.R. 1 as it relates to the FCR and guidelines issued by the Budget Committee, I request that your office prepare an analysis of the H.R. 1 Reconciliation Amendment compared with the FCR showing budget authority and outlays for Fiscal Years 1986 through 1988.

I would appreciate your earliest reply and would like to have it no later than Monday, October 7, 1985.

Very truly yours,

CHALMERS P. WYLIE,
Ranking Member.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, October 7, 1985.

Hon. CHALMERS P. WYLIE,
Ranking Minority Member, Committee on Banking, Finance and Urban Affairs, House of Representatives, Washington, DC.

DEAR CONGRESSMAN: In response to your letter of October 2, 1985, I am enclosing a table that compares the reconciliation amendment to H.R. 1 dated September 23, 1985, to the First Concurrent Resolution on the Budget for Fiscal Year 1986. There are two important factors that should be noted concerning this table. First, as you mentioned, the budget resolution includes funding assumptions for the three fiscal years 1986 through 1988. With a few exceptions, however, the reconciliation amendments to H.R. 1 would provide authorizations for 1986 only. For comparison with the budget resolution, the House Budget Committee staff has requested that these authorizations be projected through 1988 using the same annual rates of inflation that were used to construct the resolution baseline. The enclosed table shows the results of this procedure. The second factor to consider when comparing proposed legislation to the resolution is the allocation of the resolution totals to the specific programs authorized by H.R. 1. The allocation shown in the table represents House Budget Committee staff assumptions.

As you can see from the table, the estimated budget impact of H.R. 1 falls within the resolution assumptions for fiscal year 1986. After applying the projection procedures noted above, it is estimated that the bill would save a total of about $1.5 billion in budget authority over the resolution period 1986–1988. Over the same period of time, however, outlays would exceed those in the resolution by $320 million.

If you wish further details on this estimate, we will be pleased to provide them.

With best wishes,
Sincerely,

RUDOLPH G. PENNER.

H.R. 1: RECONCILIATION AMENDMENT COMPARED WITH BUDGET RESOLUTION

[In millions of dollars]

Program	Budget authority			Outlays		
	1986	1987	1988	1986	1987	1988
Sec. 8 public housing contracts:						
H.R. 1 amended [1]	9,179	9,568	9,972	9,481	10,283	11,916
FCR (House)	9,786	10,299	10,623	9,345	10,186	11,052
Difference	(607)	(731)	(651)	136	97	864
Public housing loan fund:						
H.R. 1 amended [1]	1,822	2,203	819	1,965	2,344	958
FCR (House)	2,053	2,643	2,198	2,196	2,783	2,336
Difference	(231)	(440)	(1,379)	(231)	(439)	(1,378)
Public housing child care demonstration:						
H.R. 1 amended [1]	15	16	16	6	15	16
FCR (House)	0	0	0	0	0	0
Difference	15	16	16	6	15	16
Public housing operating subsiders:						
H.R. 1 amended [1]	1,279	1,306	1,341	1,387	1,293	1,325
FCR (House)	1,279	1,306	1,341	1,387	1,293	1,325
Difference	0	0	0	0	0	0
Rental development grants (HoDAG):						
H.R. 1 amended [1]	150	157	163	127	228	201

H.R. 1: RECONCILIATION AMENDMENT COMPARED WITH BUDGET RESOLUTION—Continued

[In millions of dollars]

Program	Budget authority			Outlays		
	1986	1987	1988	1986	1987	1988
FCR (House)	0	0	0	112	137	46
Difference	150	157	163	15	91	155
Rental rehabilitation grants:						
H.R. 1 amended [1]	0	0	0	150	75	0
FCR (House)	0	0	0	150	75	0
Difference	0	0	0	0	0	0
Elderly and handicapped loans:						
H.R. 1 amended [1]	579	606	627	603	564	607
FCR (House)	578	605	627	603	564	606
Difference	1	1	0	0	0	1
Congregate housing services:						
H.R. 1 amended [1]	8	8	9	11	8	9
FCR (House)	4	5	5	8	4	5
Difference	4	3	4	3	4	4
Sec. 235 homeownership assistance:						
H.R. 1 amended [1]	75	78	82	4	11	19
FCR (House)	0	0	0	0	0	0
Difference	75	78	82	4	11	19
HUD–HHS housing demonstration:						
H.R. 1 amended [1]	10	10	11	4	10	11
FCR (House)	0	0	0	0	0	0
Difference	10	10	11	4	10	11
Rural housing loans (on-budget: Includes rental assistance on existing units):						
H.R. 1 amended [1]	3,294	2,906	2,966	3,214	2,843	2,902
FCR (House)	2,567	2,768	2,862	2,722	2,822	2,880
Difference	727	138	104	492	21	22
Rural housing loans (off-budget):						
H.R. 1 amended [1]	137	154	280	137	4	280
FCR (House)	699	154	280	699	4	280
Difference	(562)	0	0	(562)	0	0
Rural rental assistance—Newly built units:						
H.R. 1 amended [1]	0	0	0	7	18	21
FCR (House)	55	57	59	8	22	34
Difference	(55)	(57)	(59)	(1)	(4)	(13)
Rural housing grants:						
H.R. 1 amended [1]	72	75	78	52	66	73
FCR (House)	27	28	29	41	41	35
Difference	45	47	49	11	25	38
Flood insurance studies:						
H.R. 1 amended [1]	37	39	40	40	38	39
FCR (House)	37	39	40	40	38	39
Difference	0	0	0	0	0	0
Solar bank:						
H.R. 1 amended [1]	15	16	16	28	27	15
FCR (House)	15	16	16	28	27	15
Difference	0	0	0	0	0	0
Housing counseling assistance:						
H.R. 1 amended [1]	4	4	4	4	4	4
FCR (House)	4	4	4	4	4	4
Difference	0	0	0	0	0	0
HUD research:						
H.R. 1 amended [1]	17	18	19	18	18	18
FCR (House)	17	18	19	18	18	18
Difference	0	0	0	0	0	0
Fair housing initiative:						
H.R. 1 amended [1]	10	10	11	4	11	10
FCR (House)	0	0	0	0	0	0
Difference	10	10	11	4	11	10
Urban homesteading:						
H.R. 1 amended [1]	12	13	13	12	12	13
FCR (House)	12	13	13	12	12	13
Difference	0	0	0	0	0	0
Community development block grants:						
H.R. 1 amended [1]	2,980	3,095	3,213	3,559	3,386	3,068
FCR (House)	2,948	3,062	3,178	3,559	3,374	3,038
Difference	32	33	35	0	12	30
Urban development action grants:						
H.R. 1 amended [1]	352	366	378	524	506	453

H.R. 1: RECONCILIATION AMENDMENT COMPARED WITH BUDGET RESOLUTION—Continued

[In millions of dollars]

Program	Budget authority			Outlays		
	1986	1987	1988	1986	1987	1988
FCR (House)	352	366	378	524	506	453
Difference	0	0	0	0	0	0
Neighborhood Reinvestment Corporation:						
H.R. 1 amended [1]	16	16	17	16	16	17
FCR (House)	16	16	17	16	16	17
Difference	0	0	0	0	0	0
Neighborhood development demonstration:						
H.R. 1 amended [1]	10	10	11	5	10	11
FCR (House)	0	0	0	0	0	0
Difference	10	10	11	5	10	11
National Board of Charities:						
H.R. 1 amended [1]	66	69	72	59	69	72
FCR (House)	0	0	0	0	0	0
Difference	66	69	72	59	69	72
2d stage homeless assistance:						
H.R. 1 amended [1]	50	52	55	20	51	53
FCR (House)	0	0	0	0	0	0
Difference	50	52	55	20	51	53
Emergency shelter grants:						
H.R. 1 amended [1]	100	104	109	2	40	94
FCR (House)	0	0	0	0	0	0
Difference	100	104	109	2	40	94
Nehemiah grants:						
H.R. 1 amended [1]	100	104	109	0	8	53
FCR (House)	0	0	0	0	0	0
Difference	100	104	109	0	8	53
Multifamily preservation loans:						
H.R. 1 amended [1]	60	62	66	24	60	60
FCR (House)	0	0	0	0	0	0
Difference	60	62	66	24	60	60
Sec. 108 community development loan guarantees:						
H.R. 1 amended [1]	116	111	71	28	65	38
FCR (House)	116	137	69	28	22	(25)
Difference	0	(26)	2	0	43	63
Total (budget functions 370, 450, 600, other):						
H.R. 1 amended [1]	20,565	21,176	20,568	21,491	22,083	22,356
FCR (House)	20,565	21,536	21,758	21,500	21,948	22,171
Difference	0	(360)	(1,190)	(9)	135	185

[1] H.R. 1 would provide fiscal year 1986 authorizations only. For comparison purposes, these authorizations were projected with allowances for inflation. The allocation of the resolution to specific programs represents House Budget Committee staff assumptions.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON THE BUDGET,
Washington, DC, September 20, 1985.

Hon. FERNAND J. ST GERMAIN,
Chairman, Committee on Banking, Finance and Urban Affairs, Rayburn House Office Building, Washington, DC.

DEAR FRED: As you know, the fiscal year 1986 budget resolution includes reconciliation directives to fourteen House committees, including the one you chair. The deadline for submitting reconciliation legislation to the Budget Committee is September 27, and many committees have made substantial progress in drafting their reconciliation bills.

I have enclosed a set of reconciliation guidelines for your information. However, I would urge you to call upon me at any time if you need further information or I can be of assistance in any other way.

Sincerely,

BUTLER DERRICK,
Chairman, Task Force on the Budget Process.

Enclosure.

RECONCILIATION GUIDELINES FOR COMMITTEES

1. What years are covered under the reconciliation directive?

Fiscal Years 1986 through 1988.

2. The reconciliation directives specify budget authority and outlay targets for each of the three years. Does a committee have to meet each year's target for both budget authority and outlays?

Committees are expected to meet their targets. In the past, Congress has been most concerned that the three-year total outlay savings be met, and less concerned with the year-by-year distribution and the budget authority targets. The Budget Committee encourages committees to be guided by the distribution and budget authority figures to the extent feasible.

The CHAIRMAN. Under the rule, no further amendments are in order.

Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. BONIOR of Michigan) having assumed the chair, Mr. DE LA GARZA, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3500) to provide for reconciliation pursuant to section 2 of the First Concurrent Resolution on the Budget for the fiscal year 1986, pursuant to House Resolution 296, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Under the rule, the amendment on page 15 is considered to have been adopted in the House.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. LATTA

Mr. LATTA. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. LATTA. I am, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. LATTA moves to recommit the bill, H.R. 3500, to the Committee on the Budget.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. LATTA. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 228, nays 199, not voting 7, as follows:

[Roll No. 372]

YEAS—228

Ackerman	Dowdy	Kaptur
Akaka	Downey	Kennelly
Alexander	Durbin	Kildee
Andrews	Dwyer	Kleczka
Annunzio	Dymally	Kostmayer
Anthony	Dyson	LaFalce
Aspin	Early	Lantos
Atkins	Eckart (OH)	Leath (TX)
AuCoin	Edgar	Lehman (CA)
Barnard	Edwards (CA)	Lehman (FL)
Barnes	Erdreich	Leland
Bates	Evans (IL)	Levin (MI)
Bedell	Fascell	Levine (CA)
Beilenson	Fazio	Lipinski
Bennett	Feighan	Livingston
Berman	Fish	Lloyd
Bevill	Flippo	Long
Biaggi	Florio	Lowry (WA)
Boggs	Foglietta	Luken
Boland	Foley	Lundine
Boner (TN)	Ford (MI)	MacKay
Bonior (MI)	Ford (TN)	Manton
Bonker	Fowler	Markey
Borski	Frank	Martinez
Bosco	Frost	Matsui
Boucher	Fuqua	Mavroules
Boxer	Garcia	Mazzoli
Breaux	Gejdenson	McCloskey
Brooks	Gephardt	McCurdy
Bruce	Gilman	McHugh
Bryant	Gonzalez	McKinney
Burton (CA)	Gordon	Mica
Bustamante	Gray (IL)	Mikulski
Byron	Gray (PA)	Miller (CA)
Carper	Green	Mitchell
Chapman	Guarini	Moakley
Chappell	Hall (OH)	Molinari
Clay	Hall, Ralph	Mollohan
Coleman (TX)	Hatcher	Montgomery
Collins	Hawkins	Moody
Cooper	Hayes	Moore
Coyne	Hefner	Morrison (CT)
Crockett	Heftel	Mrazek
Darden	Horton	Murtha
Daschle	Hoyer	Natcher
de la Garza	Huckaby	Neal
Dellums	Hutto	Nichols
Derrick	Jeffords	Nowak
Dicks	Jenkins	O'Brien
Dingell	Jones (NC)	Oakar
Dixon	Jones (OK)	Oberstar
Donnelly	Jones (TN)	Obey
Ortiz	Sabo	Torres
Owens	Savage	Torricelli
Panetta	Scheuer	Towns
Parris	Schroeder	Udall
Pease	Schumer	Valentine
Penny	Seiberling	Vento
Pepper	Sikorski	Visclosky
Perkins	Sisisky	Walgren
Pickle	Smith (FL)	Waxman
Porter	Snyder	Weaver
Price	Solarz	Weiss
Rahall	Spratt	Wheat
Rangel	St Germain	Whitley
Ray	Staggers	Williams
Reid	Stallings	Wilson
Richardson	Stenholm	Wirth
Rodino	Stokes	Wise
Roe	Stratton	Wolf
Roemer	Studds	Wolpe
Rose	Swift	Wright
Rostenkowski	Synar	Wyden
Rowland (GA)	Tallon	Yates
Roybal	Tauzin	Young (AK)
Russo	Thomas (GA)	Young (MO)

NAYS—199

Anderson	Grotberg	Packard
Applegate	Gunderson	Pashayan
Archer	Hamilton	Petri
Armey	Hammerschmidt	Pursell
Badham	Hansen	Quillen
Bartlett	Hartnett	Regula
Barton	Hendon	Ridge
Bateman	Henry	Rinaldo
Bentley	Hertel	Ritter
Bereuter	Hiler	Roberts
Bilirakis	Hillis	Robinson
Bliley	Holt	Rogers
Boehlert	Hopkins	Roth
Boulter	Howard	Roukema
Broomfield	Hubbard	Rowland (CT)
Brown (CO)	Hughes	Rudd
Broyhill	Hunter	Saxton
Burton (IN)	Hyde	Schaefer
Callahan	Ireland	Schneider
Campbell	Jacobs	Schuette
Carney	Johnson	Schulze
Carr	Kanjorski	Sensenbrenner
Chandler	Kasich	Sharp
Chappie	Kastenmeier	Shaw
Cheney	Kemp	Shelby
Clinger	Kindness	Shumway
Coats	Kolbe	Shuster
Cobey	Kolter	Siljander
Coble	Kramer	Skeen
Coleman (MO)	Lagomarsino	Slattery
Combest	Latta	Slaughter
Conte	Leach (IA)	Smith (IA)
Coughlin	Lent	Smith (NE)
Courter	Lewis (CA)	Smith (NJ)
Craig	Lewis (FL)	Smith, Robert (NH)
Crane	Lightfoot	Smith, Robert (OR)
Daniel	Loeffler	Snowe
Dannemeyer	Lott	Solomon
Daub	Lowery (CA)	Spence
Davis	Lujan	Stangeland
DeLay	Lungren	Stark
DeWine	Mack	Strang
Dickinson	Madigan	Stump
DioGuardi	Marlenee	Sundquist
Dorgan (ND)	Martin (IL)	Sweeney
Dornan (CA)	Martin (NY)	Swindall
Dreier	McCain	Tauke
Duncan	McCandless	Taylor
Eckert (NY)	McCollum	Thomas (CA)
Edwards (OK)	McDade	Traficant
Emerson	McEwen	Traxler
English	McGrath	Vander Jagt
Evans (IA)	McKernan	Volkmer
Fawell	McMillan	Vucanovich
Fiedler	Meyers	Walker
Fields	Michel	Watkins
Franklin	Miller (OH)	Weber
Frenzel	Miller (WA)	Whitehurst
Gallo	Mineta	Whittaker
Gaydos	Monson	Whitten
Gekas	Moorhead	Wortley
Gibbons	Morrison (WA)	Wylie
Gingrich	Murphy	Yatron
Glickman	Myers	Young (FL)
Goodling	Nielson	Zschau
Gradison	Olin	
Gregg	Oxley	

NOT VOTING—7

Addabbo	Conyers	Smith, Denny (OR)
Brown (CA)	Nelson	
Coelho	Skelton	

□ 1500

The Clerk announced the following pair:

On this vote:

Mr. Nelson of Florida for, with Mr. Denny Smith against.

Mr. HUGHES changed his vote from "yea" to "nay."

Mr. YATES changed his vote from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GRAY of Pennsylvania. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remakrs, and include extraneous material, in the RECORD on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

REPORT ON RESOLUTION WAIVING CERTAIN POINTS OF ORDER AGAINST CONFERENCE REPORT ON S. 1160, DEPARTMENT OF DEFENSE AUTHORIZATION ACT, 1986, AND AGAINST CONSIDERATION THEREOF

Mr. BEILENSON, from the Committee on Rules, submitted a privileged report (Rept. No. 99-330) on the resolution (H. Res. 299), waiving certain points of order against the conference report on the bill (S. 1160) to authorize appropriations for the military functions of the Department of Defense and to prescribe personnel levels for the Department of Defense for fiscal year 1986, to authorize certain construction at military installations for such fiscal year, to authorize appropriations for the Department of Energy for national security programs for such fiscal year, and for other purposes, and against the consideration of such conference report, which was referred to the House Calendar and ordered to be printed.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO HAVE UNTIL MIDNIGHT, FRIDAY OCTOBER 25, 1985, TO FILE PRIVILEGED REPORT ON DEPARTMENT OF DEFENSE APPROPRIATIONS, FISCAL YEAR 1986

Mr. CHAPPELL. Mr. Speaker, I ask unanimous consent that the Commit-

tee on Appropriations may have until midnight tomorrow to file a privileged report on the bill making appropriations for the Department of Defense for the fiscal year ending September 30, 1986, and for other purposes.

Mr. McDADE reserved all points of order on the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

LEGISLATIVE PROGRAM

(Mr. MICHEL asked and was given permission to address the House for 1 minute.)

Mr. MICHEL. Mr. Speaker, I have asked unanimous consent to proceed for 1 minute to inquire of the distinguished majority leader the program for the balance of the day and next week.

Mr. WRIGHT. Mr. Speaker, will the distinguished minority leader yield?

Mr. MICHEL. I yield to the majority leader.

Mr. WRIGHT. I thank the gentleman.

Mr. Speaker, this concludes the legislative business for the week. And before we adjourn today, I will ask unanimous consent that we adjourn to meet at noon on Monday.

On Monday we will have four district bills and seven suspensions, and recorded votes requested on the district bills or the suspensions will be postponed until Tuesday, so we would have no votes on them on Monday. They are listed on the page that I have handed to the distinguished minority leader, and I include that list at this point in the RECORD.

District of Columbia bills:

H.R. 2050, District Parole Board;

H.R. 2946, District Jury System;

H.R. 3578, Prosecutorial and Judicial Efficiency Bill; and

H.R. 3592, Prosecutorial and Judicial Efficiency Bill.

Suspensions (seven bills):

H.R. 3603, clarify application of section 2406 of United States Code title X;

H.R. 3235, Mississippi Technology Transfer Center Act;

H.R. 3530, Fair Labor Standards Amendments of 1985;

H.R. 3447, Congressional Awards Acts amendments;

H. Con. Res. 201, 10th Anniversary Commemoration of Education for All Handicapped Children Act;

H.R. 2713, restitution amendments, United States Code, title XVIII; and

H.R. 3511, bank bribery amendments.

On Tuesday we will meet at noon, takes votes on any district bills or suspensions that have been postponed on Monday, and then take up the conference report on the Department of Defense authorization bill.

On Wednesday and the balance of the week we meet at 10 a.m. and take care of the Department of Defense appropriations for fiscal year 1986, subject to the granting of a rule, and the possibility exists that we might need to be in session on Friday, November 1.

It is even possible, and I think Members should note this possibility, that we might have to be in on Saturday, November 2, if it becomes necessary in order to pass the debt ceiling extension legislation. That would be the only reason that we would contemplate any possibility of being in session on Saturday. But I think, in fairness, Members ought to crank that into their computers.

That would account for the major part of the program for next week.

Any conference reports, of course, could be brought up at any time, and any other program will be announced later.

Mr. MICHEL. I would assume on Tuesday, prior to consideration of the defense authorization and subject to a rule being granted, we would consider the rule, and that would be the first, or after the rollcalls on Tuesday, we would take up the rule and then proceed immediately to the defense authorization.

Mr. WRIGHT. The gentleman is absolutely correct.

I am advised that the Rules Committee has just voted upon a very simple rule, merely waiving points of order against consideration of the conference committee report.

I do not know whether there would be any conflict or disagreement on the rule; quite possibly not. But we would vote on it obviously.

Mr. MICHEL. Of course then when we are concluded with the authorization, we would go to the rule on defense appropriations, again because that one is subject to a rule?

Mr. WRIGHT. The gentleman is absolutely right, but we would hold that over until the following day and, I think, would take up the rule, with the bill beginning on Wednesday. Coming in at 10 o'clock, I do not know whether we would be able to finish it on Wednesday and Thursday or not. That is why I think Members probably should expect the possibility of being in session on Friday, November 1.

Mr. MICHEL. It has been the feeling of the gentleman from Illinois, if we could at all possibly complete that defense appropriation bill next week, it would be much more preferable than spilling over into the following week when it may very well eat up all that much more time when we go into the next week.

But if I understand correctly, the gentleman is holding out to the House the prospect of Friday and Saturday primarily because of the uncertainty of what might happen on the debt ceiling, is that not correct?

Mr. WRIGHT. The gentleman is absolutely correct. I think Members need to be on notice that there exists that possibility as we near the date on which it will become necessary for Congress to take final action on the extension of the debt ceiling.

Now, with respect to Friday, it is possible we may be in session Friday to complete the Defense Department appropriation bill; not on Saturday. We would not be in on Saturday for that purpose. Only in case we had to be here for purposes of keeping the Government operating with regard to the debt ceiling extension would we come in on Saturday.

Mr. MICHEL. I thank the gentleman.

Mr. Speaker, I yield back the balance of my time.

ADJOURNMENT TO MONDAY, OCTOBER 28, 1985

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at noon on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that business under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

Mr. WALKER. Mr. Speaker, I object.

The SPEAKER pro tempore. The gentleman was not on his feet, and there is no objection.

Mr. WALKER. Mr. Speaker, I object.

The SPEAKER pro tempore. Objection is heard.

Mr. WRIGHT. Mr. Speaker, we will have Calendar Wednesday on next Wednesday, and then we will have the Department of Defense appropriation bill.

PERMISSION FOR COMMITTEE ON EDUCATION AND LABOR TO FILE REPORT ON H.R. 3530, FAIR LABOR STANDARDS AMENDMENTS OF 1985

Mr. HAWKINS. Mr. Speaker, I ask unanimous consent that the Committee on Education and Labor be permitted to file the committee's report on H.R. 3530 (the Fair Labor Standards Amendments of 1985) by midnight tonight, October 24, 1985.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. JEFFORDS. Reserving the right to object, Mr. Speaker, and I will not object, it is my understanding that this is necessary to consider that legislation early next week; is that correct.

Mr. HAWKINS. If the gentleman will yield, that is correct, in order that this bill, the Fair Labor Standards Act, affecting the Garcia decision, will be on the Suspension Calendar Monday or Tuesday at the latest.

Mr. JEFFORDS. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

NATIONAL SCIENCE FOUNDATION AUTHORIZATION ACT FOR FISCAL YEAR 1986

Mr. FUQUA. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 1210), to authorize appropriations to the National Science Foundation for the fiscal year 1986, and for other purposes, with a Senate amendment thereto and concur in the Senate amendment with an amendment.

The Clerk read the title of the bill.

The Clerk read the House amendment to the Senate amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

That this Act may be cited as the "National Science, Engineering, and Mathematics Authorization Act of 1986".

TITLE I—NATIONAL SCIENCE FOUNDATION AUTHORIZATION

SHORT TITLE

SEC. 101. This title may be cited as the "National Science Foundation Authorization Act for Fiscal Year 1986".

AUTHORIZATION OF APPROPRIATIONS

SEC. 102. (a) There are authorized to be appropriated to the National Science Foundation, for the fiscal year 1986, the sums set forth in the following categories:

(1) Advanced Scientific Computing, $46,230,000.

(2) Astronomical, Atmospheric, Earth, and Ocean Sciences, $359,670,000.

(3) Biological, Behavioral, and Social Sciences, $262,010,000.

(4) Engineering, $169,796,000.

(5) Mathematical and Physical Sciences, $408,820,000.

(6) Scientific, Technological, and International Affairs, $37,770,000.

(7) Program Development and Management, $72,230,000.

(8) Science and Engineering Education, $50,550,000.

(9) United States Antarctic Program, $110,080,000.

(b)(1) Notwithstanding any other provision of this Act, from the amounts authorized under subsection (a)—

(A) not less than $1,000,000 are authorized only for the purposes of the ethics and values in science and technology program; and

(B) not less than $3,000,000 are authorized only for purposes of the Policy Research and Analysis program.

The Foundation shall report to the Committees on Labor and Human Resources and Commerce, Science, and Transportation of the Senate on the distribution of the funds made available under subparagraph (A) of this paragraph not later than December 30, 1986.

(c) In the obligation, use, and expenditure of the amounts appropriated for Biotic Systems and Resources under the authority provided in subsection (a)(3) and for Atmospheric Sciences under the authority provided in subsection (a)(2), emphasis shall be placed on basic scientific research to support a better understanding of the phenomena that contribute to acid rain.

SCIENTIFIC REVIEW PRIOR TO CLOSURE OF A NATIONAL FACILITY

SEC. 103. Of the funds authorized to be appropriated in section 102, no funds shall be expended with respect to closure of a National facility without appropriate scientific review, including review by the National Science Foundation's appropriate advisory committee or committees and the National Science Board.

AVAILABILITY

SEC. 104. Appropriations made under authority provided in sections 102 and 106 shall remain available for obligation for periods specified in the Acts making the appropriations.

OFFICIAL EXPENSES

SEC. 105. From appropriations made under authorizations provided in this Act, not more than $3,500 for fiscal year 1986 may be used for official consultation, representation, or other extraordinary expenses at the discretion of the Director of the National Science Foundation. The determination of the Director shall be final and conclusive upon the accounting officers of the Government.

FOREIGN CURRENCY AUTHORIZATION

SEC. 106. In addition to the sums authorized by section 102, not more than $1,000,000 for fiscal year 1986 are authorized to be appropriated for expenses of the National Science Foundation incurred outside the United States, to be drawn from foreign currencies that the Treasury Department determines to be excess to the normal requirements of the United States.

TRANSFERS AUTHORIZED

SEC. 107. (a) Funds may be transferred among the categories listed in section 102(a), so long as the net funds transferred to or from any category do not exceed 10 percent of the amount authorized for that category in section 102.

(b) The Director of the Foundation may propose transfers to or from any category exceeding 10 percent of the amounts authorized for that category in section 102. An explanation of any such proposed transfer must be transmitted in writing to the Speaker of the House, the President of the Senate, the Committees on Labor and Human Resources and Commerce, Science, and Transportation of the Senate, and the Committee on Science and Technology of the House of Representatives. The proposed transfer may be made only when thirty calendar days have passed after submission of the written proposal.

DATA COLLECTION AND ANALYSIS

SEC. 108. The National Science Foundation is authorized to design, establish, and maintain a data collection and analysis capability in the Foundation for the purpose of identifying and assessing the research facilities needs of universities. The needs of universities, by major field of science and engineering, for construction and modernization of research laboratories, including fixed equipment and major research equipment, shall be documented. University expenditures for the construction and modernization of research facilities, the sources of funds, and other appropriate data shall be collected and analyzed. The Foundation, in conjunction with other appropriate Federal agencies, shall conduct the necessary surveys every 2 years and report the results to the Congress. The first report shall be submitted to the Congress by September 1, 1986.

NATIONAL SCIENCE FOUNDATION ADMINISTRATIVE AMENDMENTS

SEC. 109. (a) The last sentence of section 4(e) of the National Science Foundation Act of 1950 (42 U.S.C. 1863(e)) is amended by striking out "by registered mail or certified mail mailed to his last known address of record".

(b) Section 5(e) of the National Science Foundation Act of 1950 (42 U.S.C. 1864(e)) is amended to read as follows:

"(e)(1) The Director may make grants, contracts, and other arrangements pursuant to section 11(c) only with the prior approval of the Board or under authority delegated by the Board, and subject to such conditions as the Board may specify.

"(2) Any delegation of authority or imposition of conditions under the preceding sentence shall be effective only for such period of time, not exceeding two years, as the Board may specify, and shall be promptly published in the Federal Register and reported to the Committees on Labor and Human Resources and Commerce, Science, and Transportation of the Senate and the Committee on Science and Technology of the House of Representatives. On October 1 of each odd-numbered year the Board shall submit to the Congress a concise report which explains and justifies any actions taken by the Board under this subsection to delegate its authority or impose conditions within the preceding two years. The provisions of this subsection shall cease to be effective at the end of fiscal year 1989.".

(c) Section 12 of such Act (42 U.S.C. 1871) is amended—

(1) by striking out "(a)" after "SEC. 12."; and

(2) by striking out subsection (b).

(d) Section 9 of the National Science Foundation Act of 1950 (42 U.S.C. 1868) is amended to read as follows:

"SPECIAL COMMISSIONS

"SEC. 9. (a) Each special commission established under section 4(h) shall be appointed by the Board and shall consist of such members as the Board considers appropriate.

"(b) Special commissions may be established to study and make recommendations to the Foundation on issues relating to research and education in science and engineering.".

(e)(1) Section 14 of such Act (42 U.S.C. 1873) is amended—

(A) by striking out subsection (b);

(B) by redesignating subsections (c) through (i) as subsections (b) through (h), respectively; and

(C) by adding at the end thereof the following new subsection:

"(i) Information supplied to the Foundation or a contractor of the Foundation by an industrial or commercial organization in survey forms, questionnaires, or similar

instruments for the purposes of subsection (a)(5) or (a)(6) of section 3 may not be disclosed to the public unless such information has been transformed into statistical or aggregate formats that do not allow the identification of the supplier. The names of organizations supplying such information may not be disclosed to the public.".

(2) Sections 3(b) and 15(b)(1) of such Act (42 U.S.C. 1862(b), 1874(b)(1)) are each amended by striking out "14(g)" and inserting in lieu thereof "14(f)".

(f) Section 10 of the National Science Foundation Authorization Act, Fiscal Year 1978 (42 U.S.C. 1873(a)), is repealed.

(g) Section 6(a) of the National Science Foundation Authorization Act, 1976 (42 U.S.C. 1881a(a)) is amended—

(1) by striking out "not to exceed $50,000 per year for a period not to exceed three years" in the last sentence; and

(2) by adding at the end thereof the following new sentence: "The National Science Board will periodically establish the amounts and terms of such grants under this section.".

(h) Section 6 of the National Science Foundation Authorization Act, Fiscal Year 1978 (42 U.S.C. 1884), is repealed; and sections 7, 8, 9, 11, 12, 13, and 14 of such Act are redesignated as sections 6 through 12, respectively.

(i) Section 9 of the National Science Foundation Authorization Act for Fiscal Year 1980 (42 U.S.C. 1882) is amended by inserting "and the National Science Board" after "the Director of the National Science Foundation".

AMENDMENT TO THE NATIONAL SCIENCE FOUNDATION ACT OF 1950 RELATING TO ENGINEERING

SEC. 110. (a) The National Science Foundation Act of 1950 (42 U.S.C. 1861 through 1875) is amended as follows:

(1) Section 3(a)(1) (42 U.S.C. 1862(a)(1)) is amended—

(A) by striking out "engineering,";

(B) by inserting after "other sciences," the following: "and to initiate and support research fundamental to the engineering process and programs to strengthen engineering research potential and engineering education programs at all levels in the various fields of engineering,"; and

(C) by striking out "such scientific and educational activities" and inserting in lieu thereof "such scientific, engineering, and educational activities".

(2) Section 3(a)(2) (42 U.S.C. 1862(a)(2)) is amended by striking out "in the mathematical, physical, medical, biological, engineering, social, and other sciences" and inserting in lieu thereof "for study and research in the sciences or in engineering".

(3) Section 3(a)(3) (42 U.S.C. 1862(a)(3)) is amended—

(A) by inserting "and engineering" after "scientific"; and

(B) by inserting "and engineers" after "scientists".

(4) Section 3(a)(4) (42 U.S.C. 1862(a)(4)) is amended—

(A) by inserting "and engineering" after "scientific"; and

(B) by inserting "and engineering" after "sciences".

(5) Section 3(a)(5) (42 U.S.C. 1862(a)(5)) is amended by inserting "and fields of engineering" after "sciences".

(6) Section 3(a)(6) (42 U.S.C. 1862(a)(6)) is amended by striking out "technical" each place it appears and inserting in lieu thereof "engineering".

(7) Section 3(a)(7) (42 U.S.C. 1862(a)(7)) is amended by inserting "and engineering" after "scientific".

(8) Section 3(b) (42 U.S.C. 1862(b)) is amended by inserting "and engineering" after "scientific" each place it appears.

(9) Section 3(c) (42 U.S.C. 1862(c)) is amended—

(A) by inserting "and engineering" after "scientific" in the first sentence; and

(B) by inserting "and engineering research" after "applied scientific research" in the second sentence.

(10) Section 3(d) (42 U.S.C. 1862(d)) is amended by striking out "basic research and education in the sciences" and inserting in lieu thereof "research and education in science and engineering".

(11) Section 3(e) (42 U.S.C. 1862(e)) is amended by inserting "and engineering" after "sciences".

(12) Section 4(c) (42 U.S.C. 1863(c)) is amended—

(A) by inserting "and engineering" after "scientific" in clause (3) of the first sentence;

(B) by inserting "and engineers" after "scientists" in the second sentence; and

(C) by inserting "the National Academy of Engineering," after "National Academy of Sciences,", and inserting ", engineering," after "scientific", in the third sentence.

(13) The first sentence of section 10 (42 U.S.C. 1869) is amended by striking out "scientific study or scientific work in the mathematical, physical, medical, biological, engineering, social, and other sciences" and inserting in lieu thereof "study and research in the sciences or in engineering".

(14) Section 11 (42 U.S.C. 1870) is amended—

(A) by inserting "or engineering" after "scientific" each place it appears in subsections (c), (d), and (i);

(B) by striking out "technical" and inserting in lieu thereof "engineering" in subsection (g); and

(C) by striking out "scientific value" and inserting in lieu thereof "scientific or engineering value" in subsection (g).

(15) Section 12 (42 U.S.C. 1871), as amended by section 109(c) of this Act, is further amended by inserting "or engineering" after "scientific".

(16) Section 13(a) (42 U.S.C. 1872(a)) is amended—

(A) by inserting "or engineering" after "scientific" each place it appears in the first two sentences;

(B) by inserting "or engineers" after "scientists"; and

(C) by striking out "scientific study or scientific work" and inserting in lieu thereof "study and research in the sciences or in engineering".

(17) Section 13(b) (42 U.S.C. 1872(b)) is amended by inserting "or engineering" after "scientific".

(18) Section 14 (42 U.S.C. 1873), as amended by section 109(e) of this Act, is further amended—

(A) by inserting "or engineering" after "scientific" each place it appears in subsection (e); and

(B) by striking out "technical" in subsection (f) and inserting in lieu thereof "engineering".

(19) Section 15(b) (42 U.S.C. 1874(b)) is amended—

(A) by striking out "technical" in paragraph (1) and inserting in lieu thereof "engineering"; and

(B) by inserting "or engineering" after "scientific" in paragraph (2).

(b) Section 2(b) of the National Science Foundation Authorization Act, 1976 (42 U.S.C. 1869a) is amended by inserting "or engineering" after "science" each place it appears.

AMENDMENT TO SCIENCE AND TECHNOLOGY EQUAL OPPORTUNITY ACT RELATING TO ENGINEERING

SEC. 111. (a) The first section of the National Science Foundation Authorization and Science and Technology Equal Opportunities Act (42 U.S.C. 1861, note) is amended by striking out "Technology" and inserting in lieu thereof "Engineering".

(b) Part B of the National Science Foundation Authorization and Science and Technology Equal Opportunities Act (42 U.S.C. 1885 to 1885(d)) is amended as follows:

(1) Sections 31 (42 U.S.C. 1885) is amended by striking out "Technology" and inserting in lieu thereof "Engineering".

(2) Sections 32(a) (42 U.S.C. 1885(a)) is amended—

(A) by striking out "technology" and inserting in lieu thereof "engineering"; and

(B) by striking out "scientific talent and technical skills" and inserting in lieu thereof "scientific and engineering talents and skills".

(3) The first sentence of section 32(b) (42 U.S.C. 1885(b)) is amended—

(A) by striking out "skills in science and mathematics" and inserting in lieu thereof "skills in science, engineering, and mathematics";

(B) by striking out "technical" and inserting in lieu thereof "engineering";

(C) by striking out "scientific literacy" and inserting in lieu thereof "scientific and engineering literacy"; and

(D) by striking out "technology" and inserting in lieu thereof "engineering".

(4) The second sentence of section 32(b) (42 U.S.C. 1885(b)) is amended—

(A) by striking out "highest quality science" and inserting in lieu thereof "highest quality science and engineering";

(B) by striking out "technology" and inserting in lieu thereof "engineering".

(5) The third sentence of section 32(b) (42 U.S.C. 1885(b)) is amended by striking out "technology" and inserting in lieu thereof "engineering".

(6) Section 33 (42 U.S.C. 1885a) is amended—

(A) by striking out "technology" and "technical" each place they appear and inserting in lieu thereof "engineering";

(B) by inserting ", engineering," after "science" in paragraph (2);

(C) by inserting "and engineers" after "scientists" each place it appears;

(D) by inserting "and engineering" after "science" in paragraph (10); and

(E) by striking out "science, engineering, and technology" in paragraph (11) and inserting in lieu thereof "science and engineering".

(7) Section 34 (42 U.S.C. 1885b) is amended—

(A) by striking out "science education" and inserting in lieu thereof "science and engineering education"; and

(B) by striking out "technology" and inserting in lieu thereof "engineering".

(8) Section 36 (42 U.S.C. 1885c) is amended—

(A) by striking out "TECHNOLOGY" in the heading and "Technology" and "technology" each place they appear, and inserting in lieu thereof "ENGINEERING", "Engineering", and "engineering", respectively; and

(B) by striking out "scientific engineering, professional, and technical" and inserting in lieu thereof "scientific, engineering, and professional".

(9) Section 37(b) (42 U.S.C. 1885d(b)) is amended—

(A) by striking out "technical" each place it appears and inserting in lieu thereof "engineering"; and

(B) by striking out "Technology" in paragraph (3) and inserting in lieu thereof "Engineering".

(10) The heading of such part B is amended by striking out "TECHNOLOGY" and inserting in lieu thereof "ENGINEERING".

PRIVATE SECTOR SURVEY REVIEW

SEC. 112. Within 90 days after the date of the enactment of this Act the Director of the National Science Foundation shall review the recommendations of the President's Private Sector Survey on Cost Control and such other recommendations as may be included in the OMB report "Management of the United States Government—1986", and shall submit a report to the Speaker of the House of Representatives, the President of the Senate, and the appropriate Committees of the House and Senate on the implementation status of each such recommendation which affects the National Science Foundation and which is within the authority and control of the Director.

TITLE II—EDUCATION FOR ECONOMIC SECURITY REAUTHORIZATION

PART A—NATIONAL SCIENCE FOUNDATION MATHEMATICS AND SCIENCE PROGRAMS

MATHEMATICS, SCIENCE, AND ENGINEERING EDUCATION PROGRAMS

SEC. 201. Title I of the Education for Economic Security Act (Public Law 98-377) is amended to read as follows:

"TITLE I—NATIONAL SCIENCE FOUNDATION SCIENCE AND ENGINEERING EDUCATION

"POLICY

SEC. 101. (a) The Congress declares that the science and engineering education responsibilities of the National Science Foundation are—

"(1) to improve the quality of instruction in the fields of mathematics, science, and engineering;

"(2) to support research, fellowships, teacher-faculty-business exchange programs in mathematics, science, and engineering;

"(3) to improve the quality and availability of instrumentation for mathematics, science, and engineering instruction;

"(4) to encourage partnerships in education between local and State education agencies, business and industry, colleges and universities, and cultural and professional institutions and societies; and

"(5) to improve the quality of education at all levels in the fields of mathematics, science, and engineering.

"(b) In exercising its responsibilities to strengthen scientific and engineering research potential and science and engineering education programs at all levels, the Foundation shall avoid undue concentration of support for research and education activities.

"FUNCTIONAL OBJECTIVES; USES OF FUNDS

"Sec. 102. (a) In carrying out its science and engineering education responsibilities, the Foundation shall have the following functional objectives: public understanding of science and technology, faculty enhancement, student education and training, instructional development and instrumentation, and materials development and dissemination.

"(b) Funds under this title shall, consistent with such functional objectives, by used for—

"(1) enhancement of public understanding of science and engineering through informal education activities using a variety of mediums such as broadcasting, museums, clubs, and amatuer science societies;

"(2) development of new science and engineering faculty resources and talents;

"(3) enhancement of the quality of science and engineering instruction in colleges of teacher education;

"(4) development of four-year college faculty and instructors in high technology fields;

"(5) development of two-year community college faculty and instructors especially in high technology fields;

"(6) development of precollege mathematics, science and engineering education and training;

"(7) encouragement of potential students, including underrepresented and underserved populations, to pursue careers in mathematics, science, engineering, and critical foreign languages;

"(8) development of instructional instrumentation and systems for postsecondary technical, engineering, and scientific education; and

"(9) development of science, engineering, and education networks to aid in the development and dissemination of successful curricula, methods, and materials.

"TEACHER INSTITUTES

"Sec. 103. (a) The Foundation shall, in accordance with the provisions of this title, make competitive grants to institutions of higher education, businesses, nonprofit private organizations (including schools), local education agencies, professional engineering and scientific associations, museums, libraries, public broadcasting entities (as defined in section 397(11) of the Communications Act of 1934), and appropriate State agencies to support institutes and workshops for supervisors and teachers in public and private elementary and secondary schools for the purpose of improving the subject knowledge and teaching skills of such teachers in the areas of mathematics and science.

"(b) In making grants under this section, the Foundation shall assure that there is an equitable distribution among States of institutes established and operated with funds made available under this section. The Foundation shall award not less than one institute in each State, except that the Foundation may waive this requirement if there is no proposal from a State which meets the requirements of this title. Proposals which exceed $300,000 in any fiscal year incorporating the services or resources of more than two entities in the design and operation of the institute, may be funded at the discretion of the Director of the Foundation.

"(c) Institutes assisted under this title may, to the extent possible, involve the cooperation of advanced technology businesses and other businesses which are able to supply assistance in the teaching of mathematics and science.

"(d) In making grants under this title, the Foundation shall require assurances that local education agencies will be involved in the planning and development of the institute in the case of applications submitted by other eligible applicants described in subsection (a) of this section, or that one or more such applicants will be involved in the planning and development of the institute in the case of applications submitted by State or local education agencies.

"MATERIALS DEVELOPMENT AND METHODS RESEARCH FOR MATHEMATICS, SCIENCE, AND ENGINEERING

"Sec. 104. (a) The Foundation is authorized, in accordance with the provisions of this title, to award competitive grants to institutions of higher education, businesses, nonprofit private organizations, local education agencies, professional engineering and scientific associations, museums, libraries, public broadcasting entities (as defined in section 397(11) of the Communications Act of 1934), and appropriate State agencies—

"(1) for instructional curriculum improvement and faculty development in mathematics, science, and engineering;

"(2) for programs designed to enhance public understanding of mathematics, science, and engineering, including the use of public broadcasting entities; and

"(3) for research on methods of instruction and educational programs in mathematics, science, engineering, and critical foreign languages.

"(b) Studies conducted under subsection (a)(3) may include—

"(1) teaching and learning research and its application to local and private sector instructional materials development and to improved teacher training programs;

"(2) research on the use of local and informal science education activities;

"(3) research on recruitment, retention, and improvement of mathematics, science, engineering, and critical language faculties; and

"(4) analysis of materials and methods for mathematics, science, and engineering education used in other countries and their potential application in the United States.

"(c) Funds awarded for such competitive grants shall be expended through a system requiring matching of the grant. The minimum amount required as a match shall be equal to a percentage of the grant that is determined by the Foundation. Funds made available for matching purposes may include in-kind services or other resources.

"(d) In making grant applications for materials or methods research for the purposes described in subsections (a)(1) and (a)(3), the Foundation shall assure the involvement of appropriate State or local education agencies in the case of applications submitted by other entities described in subsection (a), or that one or more of such other entities will be consulted in the case of applications submitted by State or local education agencies.

"GRADUATE FELLOWSHIPS

"Sec. 105. The Foundation is authorized, in accordance with the provisions of this title, to establish and carry out a program of graduate fellowships for the purpose of encouraging and assisting promising students to continue their education and research in mathematics, science, and engineering.

"OTHER FUNCTIONAL ACTIVITIES

"Sec. 106. (a) The Foundation is authorized to expend up to 15 per centum of the funds available for science and engineering education for applications which the Foundation determines will meet one or more of the functional objectives described in section 102(b).

"(b) Such programs may include a program for the exchange of mathematics, science, or engineering faculty between institutions of higher education (particularly institutions having nationally recognized research facilities) and eligible institutions. For the purposes of this section, the term 'el-

igible institution' means an institution of higher education which—

"(1) has an enrollment which includes a substantial percentage of students who are members of a minority group, or who are economically or educationally disadvantaged; or

"(2) is located in a community that is not within commuting distance of a major institution of higher education; and

"(3) demonstrates a comitment to meet the special educational needs of students who are members of a minority group or are economically or educationally disadvantaged.

"SCIENCE AND ENGINEERING EDUCATION STRATEGIC PLAN

"SEC. 107. The Foundation shall develop a five-year strategic plan for science and engineering education, to be up-dated on an annual basis, and submitted to the Committee on Labor and Human Resources of the Senate, and the Committee on Science and Technology of the House of Representatives by November 30 of each year.

"APPROVAL OF PROPOSALS

"SEC. 108. The Foundation shall adopt approval procedures designed to assure that awards are made on the basis of the scientific and educational merit as determined by the peer review process. To the maximum extent possible, the Foundation shall assure that there is an equitable distribution of resources with respect to institutions and geographical areas.

"SPECIAL CONSIDERATION OF UNDERREPRESENTED AND UNDERSERVED POPULATIONS

"SEC. 109. In providing financial assistance under this title, the Foundation shall make every effort to ensure that consideration is given to proposals which contain provisions designed to meet the needs of underrepresented and underserved populations.

"AVAILABILITY OF FUNDS

"SEC. 110. Funds to carry out this title for any fiscal year shall be made available from amounts appropriated pursuant to annual authorizations of appropriations for the National Science Foundation for Science and Engineering Education. For fiscal year 1986, funds to carry out this title shall be available from amounts authorized by section 102(a)(8) of the National Science Foundation Authorization Act for fiscal year 1986.

"PROHIBITION AGAINST THE FEDERAL CONTROL OF EDUCATION

"SEC. 111. The provisions of section 432 of the General Education Provisions Act, relating to prohibition against Federal control of education, shall apply to each program and award authorized by this title.

"PARTICIPATION OF TEACHERS FROM PRIVATE SCHOOLS

"SEC. 112. The Foundation shall, after consultation with appropriate private school representatives, make provision for the benefit of teachers in private elementary and secondary schools in the programs authorized by this title, in order to assure equitable participation of such teachers.".

PART B—EDUCATION FOR ECONOMIC SECURITY

DEFINITIONS

SEC. 221. Section 3(1) of the Act is amended by striking out "section 195(2) of the Vocational Education Act of 1965" and inserting in lieu thereof "section 521(3) of the Carl D. Perkins Vocational Educational Act.".

PROGRAM REAUTHORIZATION

SEC. 222. (a) Section 203(b) of the Act is amended—

(1) by striking out "and", and

(2) by inserting after "1985" a comma and the following: "and $350,000,000 for each of the fiscal years 1986, 1987, and 1988".

(b) Section 205 of the Act is amended by striking out "the fiscal years 1984 and 1985" each place it appears and inserting in lieu thereof "the fiscal years 1984, 1985, 1986, 1987, and 1988".

STATE ALLOTMENTS

SEC. 223. (a) Section 204(a)(2) of the Act is amended—

(1) by inserting "(A)" after the paragraph designation;

(2) by striking out "the remaining 10 per centum" and inserting in lieu thereof "9 per centum of such amount"; and

(3) by adding at the end thereof the following new subparagraph:

"(B) The Secretary shall reserve the remaining 1 per centum to carry out the provisions of subsection (c).".

(b) Section 204(c) of the Act is amended to read as follows:

"(c)(1) From the amount reserved for each fiscal year under subsection (a)(2)(B), the Secretary shall allot—

"(A) not less than one-half of that amount to whatever agency the Secretary determines appropriate for programs authorized by this title for children in elementary and secondary schools operated for Indian children by the Department of the Interior; and

"(B) the remainder of that amount among Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands according to their respective needs for assistance under this title.

"(2) The Secretary shall make payments under paragraph (1)(A) on whatever terms the Secretary determines will best carry out the purpose of this title.

ELEMENTARY AND SECONDARY EDUCATION PROGRAM

SEC. 224. (a) Section 206(b)(1)(A) of the Act is amended by striking out "inservice training" and inserting in lieu thereof "training, inservice training,".

(b)(1) Section 206(b)(1)(B) of the Act is amended to read as follows:

"(B) if the local educational agency determines that the agency has met its need for training, inservice training, and retraining under subparagraph (A), subject to the provisions of section 210(c), such training, inservice training, and retraining in the fields of computer learning and foreign languages, and the acquisition of instructional materials and equipment related to mathematics and science instruction.".

(2) The third sentence of section 206(b)(1) is amended by striking out "private" before "organizations,".

(3) The fifth sentence of section 206(b)(1) of the Act is amended by inserting "training," before "inservice training".

(c) Section 206(b)(2)(A) of the Act is amended to read as follows:

"(2)(A) The State educational agency shall distribute 50 per centum of the funds available under this subsection to local educational agencies according to the relative enrollments in public and private nonprofit schools within the school district of such agencies. Such relative enrollments may be calculated, at the option of the State educational agency, on the basis of the total number of children enrolled in public schools and (i) private nonprofit schools, or (ii) private nonprofit schools desiring that their children and teachers participate in programs or projects assisted under this title. Nothing in the preceding sentence shall diminish the responsibility of local educational agencies to contact, on an annual basis, appropriate officials from private nonprofit schools within their school districts in order to determine whether such schools desire that their children and teachers participate in programs or projects assisted under this title.".

(d) The first sentence of section 206(d) of the Act is amended—

(1) by striking out "for demonstration and exemplary programs" in the matter proceeding clause (1); and

(2) by inserting "demonstration and exemplary programs for" immediately after the clause designation in clauses (1), (2), and (3), respectively.

HIGHER EDUCATION

SEC. 225. (a) Section 207(b)(2)(B) of the Act is amended to read as follows:

"(B) retraining of secondary school teachers who specialize in disciplines other than the teaching of mathematics, science, foreign languages, or computer learning to specialize in the teaching of mathematics, science, foreign languages, or computer learning, including the provision of stipends for participation in institutes authorized under title I; and".

(b)(1) Section 207(b)(2)(C) of the Act is amended by striking out "and science" and inserting in lieu thereof a comma and the following: "science, foreign languages".

(2) The second sentence of section 207(b)(2) of the Act is amended by inserting after "science" a comma and the following: "foreign languages".

(c) The first sentence of section 207(c)(1) of the Act is amended—

(1) by striking out "private nonprofit organizations" and inserting in lieu thereof "nonprofit organizations"; and

(2) by inserting "computer learning" immediately before "and critical foreign languages".

STATE ASSESSMENT

SEC. 226. (a)(1) The second sentence of section 208(a) of the Act is amended by striking out "section 210" and inserting in lieu thereof "section 210(b)".

(2) The fourth sentence of section 208(a) of the Act is amended by striking out "first" and inserting "preliminary".

(b) Section 208(c)(1)(E) of the Act is amended by striking out "public" and inserting in lieu thereof "nonprofit".

(c) Section 208 of the Act is amended by adding at the end thereof the following new subsection:

"(d) The Secretary shall prepare and submit to the Congress a summary report of the final version of the assessments submitted by States under subsection (a) as soon as practicable after the receipt of such assessments.".

STATE APPLICATION

SEC. 227. Section 209(b) of the Act is amended—

(1) by striking out "sections 207 and 208" in clause (1) and inserting in lieu thereof "sections 206 and 207";

(2) by striking out "sections 207 and 208" in clause (3) and inserting in lieu thereof "sections 206 and 207";

(3) by striking out "by local educational agencies, institutes of higher education, junior or community colleges, and other organizations for programs described in section 206" in clause (4)(A) and inserting in lieu thereof "for programs described in sections 206 and 207"; and

(4)(A) by striking out "of such funds, be available for" in clause (6) and inserting in

lieu thereof "of such Federal funds, be available from non-Federal sources for";

(B) by striking out "sections 207 and 208" in clause (6) and inserting in lieu thereof "sections 206 and 207"; and

(C) by inserting before the semicolon in clause (6) the following: "from non-Federal sources".

LOCAL EDUCATION ASSESSMENTS

SEC. 228. The first sentence of section 210(c) of the Act is amended—

(1) by striking out "retraining" and inserting in lieu thereof "training, retraining,"; and

(2) by striking out "its funds" and inserting in lieu thereof the following: "all or a portion of its funds".

PARTICIPATION OF CHILDREN AND TEACHERS FROM PRIVATE SCHOOLS

SEC. 228A. (a) Section 211(a) of the Act is amended by inserting "nonprofit" before "elementary".

(b) Section 211(b) of the Act is amended by inserting "nonprofit" before "elementary".

(c) Section 211(c) of the Act is amended by inserting "nonprofit" after "private".

SECRETARY'S DISCRETIONARY FUND FOR PROGRAMS OF NATIONAL SIGNIFICANCE

SEC. 229. (a) Section 212(a) of the Act is amended to read as follows:

"(a) From the amount reserved by the Secretary under section 204(a)(2)(A), the Secretary is authorized to carry out directly, or through grants, cooperative agreements, or contracts, projects which are authorized by this section.".

(b) Section 212(b)(1) of the Act is amended—

(1) by striking out "make grants to" in the first sentence and inserting in lieu thereof "make grants to and enter into cooperative agreements with"; and

(2) by striking out "awarding of grants" in the third sentence and inserting in lieu thereof "awarding of grants and cooperative agreements".

PAYMENTS

SEC. 230. Section 213(a) of the Act is amended by striking out "section 211" and inserting in lieu thereof "section 212".

PART C—PARTNERSHIPS IN EDUCATION FOR MATHEMATICS, SCIENCE, AND ENGINEERING

ADMINISTRATIVE AMENDMENT

SEC. 231. Title III of the Act is amended by striking out "Foundation" wherever it appears (other than in section 303(3)) in such title and inserting in lieu thereof "Secretary".

DEFINITIONS

SEC. 232. Section 303 of the Act is amended:

(1) by inserting "and" at the end of clause (2);

(2) by striking out clauses (3), (4), and (5); and

(3) by redesignating clause (6) as clause (3).

PARTNERSHIP PROGRAM AUTHORIZATION

SEC. 233. Section 304(b) of the Act is amended to read as follows:

"(b) There are authorized to be appropriated $50,000,000 for each of the fiscal years 1986, 1987, and 1988, to carry out the provisions of this title.".

PART D—PRESIDENTIAL AWARDS

AUTHORIZATION AND AVAILABILITY OF FUNDS

SEC. 241. (a) Section 403(a) of the Act is amended to read as follows:

"(a) Funds to carry out this title for any fiscal year shall be made available from amounts appropriated pursuant to annual authorizations of appropriations for the National Science Foundation for Science and Engineering Education. For fiscal year 1986, funds to carry out this title shall be available from amounts authorized by section 102(a)(8) of the National Science Foundation Authorization Act for fiscal year 1986. Not more than $1,000,000 are authorized to be available to carry out this title.".

(b) Section 403(b) of the Act is amended by inserting after "subsection (a)" the following: "and amounts made available under subsection (a)".

PART E—EXCELLENCE IN EDUCATION

PROGRAM REAUTHORIZATION

SEC. 251. Section 604(b)(1) of the Act is amended by striking out "the fiscal years 1984 and 1985" and inserting in lieu thereof "the fiscal year 1984 and each of the succeeding fiscal years ending prior to October 1, 1988,".

PART F—MAGNET SCHOOLS ASSISTANCE

AUTHORIZATION OF APPROPRIATIONS

SEC. 261. Section 701 of the Act is amended by striking out "and 1986" and inserting in lieu thereof "1986, 1987, and 1988".

STATEMENT OF PURPOSE

SEC. 262. Section 703 of the Act is amended to read as follows:

"STATEMENT OF PURPOSE

SEC. 703. It is the purpose of this title to support through financial assistance to eligible local educational agencies—

"(1) the elimination, reduction, or prevention of minority group isolation in elementary and secondary schools with substantial portions of minority students; and

"(2) courses of instruction within magnet schools that will substantially strengthen the knowledge of academic subjects and the grasp of tangible and marketable vocational skills of students attending such schools.".

USE OF FUNDS

SEC. 263. Section 706 of the Act is amended to read as follows:

"USES OF FUNDS

"SEC. 706. Grants made under this title may be used by eligible local educational agencies for—

"(1) planning and promotional activities directly related to expansion and enhancement of academic programs and services offered at magnet schools;

"(2) the acquisition of books, materials, and equipment including computers and the maintenance and operation thereof, necessary for the conduct of programs in magnet schools; and

"(3) the payment of or subsidization of the compensation of elementary and secondary school teachers who are certified or licensed by the State and who are necessary for the conduct of programs in magnet schools;

where with respect to clauses (2) and (3), such assistance is directly related to improving the knowledge of mathematics, science, history, english, foreign languages, art, or music, or to improving vocational skills.".

MODIFICATION OF PROHIBITION

SEC. 264. Section 709 of the Act is amended to read as follows:

"PROHIBITIONS

"SEC. 709. Grants under this title may not be used for consultants, for transportation, or for any activity which does not augment academic improvement.".

TITLE III—LIBRARY SERVICES PROGRAM

LIBRARY SERVICES AND CONSTRUCTION ACT AMENDMENTS

SEC. 301. (a) Section 3(12) of the Library Services and Construction Act (20 U.S.C. 351a(12)) (hereafter in this title referred to as the "Act") is amended by striking out "five-year program" and inserting in lieu thereof "program of not less than three nor more than five years".

(b) Section 3(15) of the Act is amended—

(1) by inserting "by the Secretary of the Interior" after "recognized"; and

(2) by striking out ", as determined by the Secretary after consultation with the Secretary of the Interior".

APPLICABILITY OF PUBLIC LIBRARY PROVISIONS TO HAWAIIAN NATIVE PROGRAM

SEC. 302. (a)(1) The first sentence of section 5(d)(2) of the Act (20 U.S.C. 351c(d)(2)) is amended by striking out "sections 403" and inserting in lieu thereof "sections 402(b), 403,".

(2) The second sentence of section 5(d)(2) of the Act is amended by inserting immediately before the period ", to contract to provide public library services to Native Hawaiians, and to carry out any other activities authorized under this sentence by contract".

(3) Section 5(d)(2) of the Act is amended by adding at the end thereof the following new sentence: "The Secretary shall issue criteria for the approval of applications and plans but the criteria may not include an allotment formula and may not contain a matching of funds requirement.".

(b) Section 6(b)(4) of the Act (20 U.S.C. 351d(b)(4)) is amended by inserting "(as defined in section 703(a) of the Bilingual Education Act)" after "limited English-speaking proficiency".

CORRECTION OF ADMINISTRATIVE COST MISINTERPRETATION

SEC. 303. (a) The references in section 8 of the Act (20 U.S.C. 351f) to "such titles" mean, and shall be construed as meaning, the immediately preceding reference to "titles I, II, and III".

(b) The matter preceding clause (1) of section 102(b)(1) of the Act (20 U.S.C. 353(b)(1)) is amended by striking out "this title" and inserting in lieu thereof "this Act".

MAJOR URBAN RESOURCE LIBRARY RESERVED AMOUNTS

SEC. 304. Section 102(c)(1) of the Act (20 U.S.C. 353(c)(1)) is amended by inserting "(excluding the amount made available for Indian tribes and Hawaiian natives)" after "section 4(a)".

SERVICES TO TRIBES IN STATES WITHOUT INDIAN RESERVATIONS

SEC. 305. Title IV of the Act (20 U.S.C. 361 et seq.) is amended by adding at the end thereof the following new section:

"SERVICES IN STATES WITH INDIAN TRIBES NOT RESIDING ON OR NEAR RESERVATIONS

SEC. 406. The provisions of this title requiring that services be provided on or near Indian reservations, or to only those Indians who live on or near the Indian reservations, shall not apply in the case of Indian tribes and Indians in California, Oklahoma, and Alaska.".

TITLE IV—MINORITY INSTITUTIONS; MIGRATORY CHILDREN PROGRAM

MINORITY INSTITUTIONS SCIENCE IMPROVEMENT PROGRAM AUTHORIZATION

SEC. 401. The General Education Provisions Act is amended—

(1) by redesignating section 406A (as added by the Education Amendments of 1980; 94 Stat. 1497) as section 406B; and

(2) by inserting after such section the following new section:

"AUTHORIZATION OF APPROPRIATIONS FOR SCIENCE IMPROVEMENT PROGRAM

"SEC. 406C. There are authorized to be appropriated $5,000,000 for each of the fiscal years 1985 and 1986 for the purpose of carrying out the Minority Institutions Science Improvement Program transferred to the Secretary of Education from the National Science Foundation by section 304 of the Department of Education Organization Act.".

MIGRATORY CHILDREN RECORDS SYSTEM

SEC. 402. Section 143(a) of the Elementary and Secondary Education Act of 1965 is amended—

(1) by striking out "grants to, or enter into contracts with," and inserting in lieu thereof "enter into contracts with"; and

(2) by adding at the end thereof the following: "For the purpose of ensuring continuity in the operation of such system, the Secretary shall, not later than July 1 of each year, continue to award such contract to the State educational agency receiving the award in the preceding year, unless a majority of the States notify the Secretary in writing that such agency has substantially failed to perform its responsibilities under the contract during that preceding year. No activity under this section shall, for purposes of any Federal law, be treated as an information collection that is conducted or sponsored by a Federal agency.".

TITLE V—HARRY S TRUMAN MEMORIAL SCHOLARSHIP PROGRAM

PROGRAM AMENDMENT

SEC. 501. Section 8 of the Harry S Truman Memorial Scholarship Act is amended by striking out "$5,000" and inserting in lieu thereof "$10,000 (adjusted annually to reflect increases, if any, in the Consumer Price Index for All Urban Consumers, published by the Bureau of Labor Statistics)".

TITLE VI—EDUCATION OF THE HANDICAPPED ACT

EDUCATION OF THE HANDICAPPED ACT AMENDMENTS

SEC. 601. (a) Section 611(c)(2)(A)(II) of the Education of the Handicapped Act (20 U.S.C. 1411(c)(2)(A)(i)(II)) is amended by striking out "300,000" and inserting in lieu thereof "350,000".

(b) Section 611(c)(1)(B) of such Act is amended by striking out "paragraph (3)" and inserting in lieu thereof "paragraph (4)".

EFFECTIVE DATE

SEC. 602. The amendment made by section 601(a) shall take effect on July 1, 1985.

TITLE VII—CARL D. PERKINS VOCATIONAL EDUCATION ACT TECHNICAL AMENDMENTS

TERRITORIAL HOLD HARMLESS

SEC. 701. Section 101(a)(3)(D) of the Carl D. Perkins Vocational Education Act (20 U.S.C. 2311(a)(3)(d)) (hereafter in this title referred to as the "Act") is repealed.

STATE ALLOCATION

SEC. 702. Section 102 of the Act is amended to read as follows:

"WITHIN STATE ALLOCATION

"SEC. 102. (a)(1) Each State shall reserve from its allotment of funds appropriated under section 3(a) for each fiscal year an amount that does not exceed 7 percent of the allotment for State administration of the State plan. If the cost of carrying out the provisions of section 111(b) exceeds 1 percent of a State's allotment of funds appropriated under section 3(a), the State may reserve that excess amount from that allotment in addition to the 7 percent authorized by the preceding sentence.

"(2) The amount reserved under paragraph (1) shall be considered as part of that portion of the State's allotment that is retained for State activities and is not distributed under section 113(b)(4).

"(b) From the remainder of its allotment of funds appropriated under section 3(a), each State shall reserve for each fiscal year—

"(1) 57 percent for activities described in part A of title II; and

"(2) 43 percent for activities described in part B of title II.".

STATE COUNCIL ON VOCATIONAL EDUCATION

SEC. 703. (a) Section 112(b) of the Act is amended to read as follows:

"(b) The State shall certify to the Secretary the establishment and membership of the State council by the beginning of each State plan period described in section 113(a)(1).".

(b) Section 112(d) of the Act is amended by striking out "(d)" and all that follows through clause (1) and inserting in lieu thereof the following:

"(d) During each State plan period described in section 113(a)(1), each State council shall—

"(1) meet with the State board or its representatives to advise on the development of the subsequent State plan;".

(c)(1) Section 112(f)(1)(A) of the Act is amended by striking out "From" and inserting in lieu thereof "Except as provided in subparagraph (B), from".

(2) Section 112(f)(1)(B) of the Act is amended to read as follows:

"(B) From the amounts appropriated pursuant to section 3(c), for each fiscal year, the Secretary shall make grants of $50,000 to the State councils of the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands.".

STATE PLANS

SEC. 704. Section 113(b)(9)(C) of the Act is amended by striking out "not less than" and all that follows through "year" and inserting in lieu thereof "the projects, services, and activities supported under this Act of not less than 20 percent of the participating eligible recipients within the State in each fiscal year".

WITHIN STATE ALLOCATION

SEC. 705. Section 203(a)(3) of the Act is amended to read as follows:

"(3) The State board shall ensure that each eligible recipient that receives funds under paragraph (2) uses those funds to provide vocational education services and activities for individuals with limited English proficiency at least in proportion to the number of such individuals enrolled by that eligible recipient in the fiscal year preceding the fiscal year in which the determination is made as compared to the total number of disadvantaged individuals, including individuals with limited English proficiency, so enrolled in that fiscal year.".

CONSUMER AND HOMEMAKING EDUCATION

SEC. 706. (a) The heading of part B of title III of the Act is amended to read as follows:

"PART B—CONSUMER AND HOMEMAKING EDUCATION".

(b)(1) The first sentence of section 311 of the Act is amended by striking out "homemaker" and inserting in lieu thereof "homemaking".

(2) The heading of section 311 of the Act is amended to read as follows:

"CONSUMER AND HOMEMAKING EDUCATION GRANTS".

(c)(1) Subsection (b) of section 312 of the Act is amended by striking out "homemaker" and inserting in lieu thereof "homemaking" both places it appears.

(2) The heading of section 312 of the Act is amended to read as follows:

"USE OF FUNDS FROM CONSUMER AND HOMEMAKING EDUCATION GRANTS".

(d) The table of contents of the Act is amended by striking out the items relating to part B of title III and sections 311 and 312 and by inserting in lieu thereof the following:

"PART B—CONSUMER AND HOMEMAKING EDUCATION

"Sec. 311. Consumer and homemaking education grants.

"Sec. 312. Use of funds from consumer and homemaking education grants.".

CONSUMER AND HOMEMAKING EDUCATION STATE LEADERSHIP

SEC. 707. Section 313(b) of the Act is amended by striking out "to carry out leadership activities under this section." and inserting in lieu thereof "for State administration of projects, services, and activities under this part.".

CAREER GUIDANCE AND COUNSELING STATE LEADERSHIP

SEC. 708. Section 333(b) of the Act is amended by striking out "to carry out leadership activities under this section." and inserting in lieu thereof "for State administration of projects, services, and activities under this part.".

AUTHORIZATION OF GRANTS

SEC. 709. Section 342(c) of the Act is amended by striking out "subsection (b)(2)" both places it appears and inserting in lieu thereof "subsection (b)(3)".

MODEL CENTERS FOR VOCATIONAL EDUCATION FOR OLDER INDIVIDUALS

SEC. 710. Section 417(b) of the Act is amended by inserting "shall" immediately after "subpart".

FEDERAL SHARE

SEC. 711. (a) Section 502(a) of the Act is amended in the introductory clause by striking out "shall be" and inserting in lieu thereof "shall not exceed".

(b)(1) Section 502(a)(2) of the Act is amended by striking out "not to exceed".

(2) Section 502(b) of the Act is amended by adding at the end thereof the following new sentence: "The non-Federal contributions for the costs of vocational education programs, services, and activities for the disadvantaged from local sources may be in cash or in kind, fairly valued, including facilities, overhead, personnel, equipment, and services, if the eligible recipient determines that it cannot otherwise provide such contribution.".

TRANSITION

SEC. 712. The matter preceding clause (1) of section 3(a) of Public Law 98-524 (98 Stat. 2487) is amended to read as follows: "Until July 1, 1986, a State or eligible recipient may use funds received under the Vocational Educational Act of 1963 or the Carl D. Perkins Vocational Education Act to—".

TECHNICAL AMENDMENTS

SEC. 713. (a)(1) Section 113(b)(10) of the Act (20 U.S.C. 2323(b)(10)) is amended by inserting "of 1981" after "Education Consolidation and Improvement Act".

(2) Section 113(b)(11) of the Act is amended by inserting "provide assurances" before "that".

(3) Section 504(d)(1) of the Act is amended by striking out "section 434(c)" and inserting in lieu thereof "section 453".

(4) Section 521(15) of the Act is amended by inserting "or language" immediately after "speech".

(b)(1) Section 4(a)(1)(A) of Public Law 98-524 is amended by striking out "section 4(14)" and inserting in lieu thereof "section 521(19)".

(2) Section 4(a)(6)(D) of Public Law 98-524 is repealed.

EFFECTIVE DATE

SEC. 714. (a) The provisions of this title shall take effect July 1, 1985.

(b) The amendment made by section 703(c)(2) of this Act shall not apply to funds appropriated before the date of the enactment of this Act.

TITLE VIII—HIGHER EDUCATION PROGRAMS

NATIONAL DIRECT STUDENT LOAN APPORTIONMENT

SEC. 801. (a) Section 12 of the "Student Financial Assistance Technical Amendments Act of 1982" is amended—

(1) by inserting "(a)" after the section designation; and

(2) by inserting at the end thereof the following new subsection:

"(b) Notwithstanding subsections (a) and (b) of section 462 of the Higher Education Act of 1965, if in the fiscal year 1986 the sums appropriated pursuant to section 461(b)(1) of the Higher Education Act of 1965 are less than the sums appropriated pursuant to such section for the fiscal year 1980, the Secretary shall apportion the sums appropriated pursuant to section 461(b)(1) of the Higher Education Act of 1965 for such fiscal year among the States so that each State's apportionment bears the same ratio to the total amount appropriated as that State's apportionment in fiscal year 1980 bears to the total amount appropriated pursuant to section 461(b)(1) for the fiscal year 1980.".

(b) The amendments made by this section shall take effect October 1, 1985.

NATIONAL GRADUATE FELLOWS PROGRAM

SEC. 802. The last sentence of section 931(a) of the Higher Education Act of 1965 is amended to read as follows: "In the fiscal year beginning October 1, 1985, and each succeeding fiscal year, all funds appropriated in each fiscal year shall be awarded to students by April 1 of the fiscal year for which the funds were appropriated. All funds appropriated in a fiscal year shall be obligated and expended to the students for fellowships for use in the academic year beginning after July 1 of the fiscal year for which the funds were appropriated. The fellowships shall be awarded for only 1 academic year of study and shall be renewable for a period not to exceed 4 years of study.".

Mr. FUQUA (during the reading). Mr. Speaker, I ask unanimous consent that the House amendment to the Senate amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objections to the request of the gentleman from Florida?

Mr. LUJAN. Mr. Speaker, reserving the right to object, and I shall not object, I take this reservation in order to ask the gentleman from Florida if he would kindly explain the contents of the legislation.

Mr. FUQUA. Mr. Speaker, will the gentleman yield?

Mr. LUJAN, I yield to the chairman of the committee, the gentleman from Florida [Mr. FUQUA].

Mr. FUQUA. Mr. Speaker, I thank the gentleman for yielding so that the amendment we have worked out together to the Senate passed version of H.R. 1210, the National Science Foundation Authorization Act for fiscal year 1986, can be explained.

I want to especially thank the chairman of the subcommittee DOUG WALGREN, as well as the ranking Republican member of the committee, Mr. LUJAN, and the ranking Republican member of the subcommittee, Mr. BOEHLERT for their hard work and cooperation in the development of this legislation, and more particularly, this amendment.

I also want to thank our colleagues on the Committee on Education and Labor, Chairman HAWKINS and ranking Republican member of the committee, Mr. JEFFORDS, as well as the chairman of the Subcommittee on Postsecondary Education, Mr. FORD, and the ranking Republican member, Mr. COLEMAN, for their outstanding cooperation and diligent efforts to reconcile any differences with the other body over those matters added to H.R. 1210 that are within their jurisdiction.

H.R. 1210 was considered by the Committee on Science and Technology early this year, and passed the House on April 17. In the other body, two committees considered the NSF authorization—the Committee on Commerce, Science, and Transportation and the Committee on Labor and Human Resources. I am delighted that these two committees were able to work together and come up with a bill which was passed on September 26. This action allows Congress to move forward with an authorization for the National Science Foundation, for the first time in 5 years.

There were a number of differences between the House-passed and Senate-passed versions of H.R. 1210. The bill before us amends the Senate-passed bill. These amendments were discussed with the Senate Committees on Labor and Human Resources, and Commerce, Science, and Transportation and we believe they will be satisfactory and acceptable to the other body.

Let me point out the main points of difference and how they were resolved:

In the budget line items, the two Houses had authorized the same amounts in four categories, the Senate had authorized more than the House in four categories, and less than the House in one category. Where the figures were at variance, the committee accepted the figures in the Senate-passed bill. Total funds authorized for NSF for fiscal year 1986 are $1,518,156,000, or about $16 million more than the House authorized. The total amount is, however, $51 million less than the original administration request for fiscal year 1986.

Both bills contained a mandate that not less than $1 million be authorized for the Ethics and Values in Science and Technology Program. The House provision to authorize $3 million for the Policy Research and Analysis Program was retained, as was the House provision for an emphasis on basic scientific research on acid rain.

The House had passed an amendment to the National Science Foundation Act of 1950, which removed the requirement that NSF Assistant Directors be appointed by the President and approved by the Senate. The Senate bill had no such provision, and it is not included in this amendment.

The Senate's amendment contained language, not requested by the administration, to indemnify contractors associated with the Ocean Drilling Program. The House had no similar language. It was decided to go with the House-passed bill in this instance, and the language is not included in this amendment.

Both Houses amended the NSF Act to provide for limited delegation of award approval authority by the National Science Board to the NSF Director. The amendment before us today includes the House provision on such authority, plus additional language to terminate the authority in 4 years, which will permit Congress the opportunity to reevaluate this delegation of authority at that time.

Both Houses included an amendment to the NSF Act that would add fundamental engineering research to NSF's mission, which is retained in this amendment. This will authorize the initiation of fundamental engineering research and education parallel to current NSF functions relating to basic science and education. A similar amendment was adopted by the Science and Technology Committee and the House in the 98th Congress.

Both Houses included a provision that no funds shall be expended with respect to closure of a national facility without appropriate scientific review. Authorization was also included in both bills for the Foundation to establish and maintain a permanent data collection and analysis capability to assess the research facilities needs of universities. These provisions are retained in this amendment.

The Senate bill amended and reauthorized the Education for Economic Security Act (Public Law 98-377), and included it as title II of H.R. 1210. The House-passed bill did not contain that language.

In the House amendment to H.R. 1210, before us today, part A of title II sets forth the policy and functional objectives of NSF in regard to its science and engineering education responsibilities, and outlines programs

which the Foundation will carry out. I believe Mr. WALGREN intends to speak more in detail on these science and engineering responsibilities and programs.

Presidential awards for teaching excellence in mathematics and science to elementary and secondary teachers, outlines in part D of title II of H.R. 1210, are authorized from the science and engineering education category for fiscal year 1986 by this amendment.

Other parts of Public Law 98-377, responsibility for which previously was shared jointly by the National Science Foundation and the Department of Education, were amended by the other body to make them solely the responsibility of the Department of Education. These parts of the bill, as well as those originally under that Department, have been handled in the House by the Committee on Education and Labor.

I would urge my colleagues to vote for H.R. 1210, so that we may once again assert our authorizing responsibilities in the Congress.

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Mr. LUJAN. I thank the gentleman for his explanation.

Mr. Speaker, further reserving the right to object, I rise in strong support of the unanimous consent request made by the chairman of the Science and Technology Committee to amend H.R. 1210, as amended by the Senate on September 26, 1985.

This is a great occasion for the science, engineering, and education community of the United States, and that includes the legislative and executive branches of the Federal Government. For several years now the House has successfully passed legislation to reauthorize funding and programs for the activities of the National Science Foundation. There have been, unfortunately, circumstances with the Senate that have prohibited similar action. This year both the House and Senate have passed a NSF authorization bill.

At this time, I would like to extend sincere thanks to Senate majority leader, Senator DOLE, Senators DOMENICI, HATCH, DANFORTH, and GORTON for their coordinated efforts in resolving those issues which have held this legislation up. Similarly, their minority counterparts are to be commended likewise for their cooperative spirit, Senators KENNEDY, HOLLINGS, and RIEGLE.

The amendment proposed by the gentleman from Florida, Mr. FUQUA, also involves the Education Committees in the House and Senate. As the ranking Republican member of the Science and Technology Committee, I will address my comments to those provisions of the bill which directly affect the National Science Foundation and allow my fellow colleagues from the Education Committee to address those provisions amending the Department of Education.

The Congress, the American newspapers, and the business community has been preoccupied by discussions of the decline of the United States in the international market, the rise in the Federal deficit, and the imbalance in foreign nations' trade policies. So very often the question comes up as to what are we going to do to remedy the negative factors the American business community is so concerned about. And once again the American taxpayer asks, What is Congress doing to address these situations.

The measure before us today provides Congress an excellent opportunity to inform the American citizens that Congress is responding. Too often we focus on the negatives, but let me tell you why we should focus on the positive. We have an asset in the United States that is the focus of jealousy for the rest of the world.

We have mastered it, nurtured it, and even shared it. We are often reprimanded for giving it away for free. It is the basic research done by scientists and engineers. It has made our universal mark on history and it is the key to future success.

We fund it through a variety of institutional arrangements, whether that be within our educational institutions, our Federal laboratories, or industrial complexes. And we support it through a variety of mechanisms: through Federal dollars, tuition, consumer prices, and so forth. And we have been seeking to further strengthen it by partnerships, technology transfer, tax, and trade incentives.

The National Science Foundation is one example of how we are funding it, supporting it, and seeking to further strengthen it. Approximately 95 percent of NSF funds leave the agency to support scientists, engineers, and educators, to purchase an array of instrumentation and equipment, to support teams of American researchers in international endeavors as well as on own shores. They are tackling essential and basic problems facing our American industry, and they are doing what no other country does better, pushing further for answers to secrets of the unknow. NSF, as part of the U.S. R&D enterprise, bridges the science and technology with the needs of our economy. I believe that the $1.52 billion being authorized in this bill will have a return many times greater because of the role basic research and technology plays in our national well-being.

Mr. BOEHLERT. Mr. Speaker, will the gentleman yield?

Mr. LUJAN. Further reserving the right to object, Mr. Speaker, I yield to the gentleman from New York.

Mr. BOEHLERT. I would like to compliment the chairman of our committee and the ranking minority member for the excellent cooperation that has been evidenced all through the proceedings on this very important legislation.

Mr. Speaker, I rise in strong support of the request made by Mr. FUQUA to accept under unanimous-consent request an amendment to H.R. 1210, as amended by the Senate on September 26, 1985. As has been stated by other Members in the Chamber today, this is truly a spectacular occasion.

The House has long awaited the opportunity to work with the Senate on legislation to reauthorize programs and funds for the National Science Foundation [NSF] and to respond to the demands of the educational system of this Nation as we face increasing technological change.

There are several people I would like to acknowledge at this time, particularly the leadership in the Senate, members of the Senate Committees on Labor and Human Resources and Commerce, Science and Transportation. Likewise, in the House, I have been pleased to work with the Committee on Education and Labor. As the ranking Republican member of the subcommittee which first brought this measure to the full House early this spring, I commend my fellow colleagues on the Science and Technology Committee and other Members who previously served on the committee in the 97th and 98th Congress. For 4 repeated years we have collaborated in a bipartisan manner to bring forward authorization requests for NSF.

We have faced some very challenging national issues: The present and future educational and manpower needs of the United States in science, mathematics, and engineering, inadequacies in the recognition of our Nation's education profession, the rising cost of basic research, the need for further investment in equipment and instrumentation, and the necessary investment in developing fields and disciplines of science, to name only a few.

We have debated the role of basic and applied research and develpment in our Federal laboratories, the nature of collaboration between the university community and industry, where and when national security clash with the publishing of scientific and engineering research. And we have discussed resource needs of national research and educational facilities, balancing "big" science with "small" science, the U.S. role in international science and engineering community, and the role of peer review in the funding of science through Federal dollars.

Mr. Speaker and Members of the House, I am pleased to speak about the broad range of funding in the legislation before you. With the $1.52 bil-

lion authorized for expenditure by NSF, engineering research centers will be funded at several universities, providing undergraduate and graduate students an opportunity to work with university and industry researchers on fundamental processes affecting the manufacturing and technological changes needed to advance the U.S. economy. National supercomputer facilities will be made available to a broad range of scientific disciplines. Use of and research on present computer architecture and software will continue as the demand to meet the information age of technology increases.

There are innumerable other programs, whether very large in scale or small in number, that will be funded through the NSF—all with the same goal of furthering the investment in scientific and engineering research and education manpower.

The committee is very proud of the NSF, its personnel and those supported by their funds. I commend Mr. Erich Bloch and Dr. Roland Schmidt for the leadership they are providing, and I stand willing to assist the community in seeing that this bill receive the status as a public law.

Mr. WALGREN. Mr. Speaker, will the gentleman yield?

Mr. LUJAN. Further reserving the right to object, Mr. Speaker, I yield to my friend, the gentleman from Pennsylvania.

Mr. WALGREN. I thank the gentleman for yielding.

Mr. Speaker, as chairman of the Subcommittee on Science, Research and Technology, I want to extend my respect and commendation to those in the leadership of both our Science and Technology Committee as a whole, Chairman FUQUA, the ranking minority member of my subcommittee, the gentleman from New York [Mr. BOEHLERT], the ranking minority member of the full committee and those on the Education and Labor Committee for bringing this to the point where we now are about to see become law not only a good educational piece but an authorization for the National Science Foundation which will be the first authorization going into law since 1980. That is a long period of time. I think the Foundation should be commended on its responsiveness to the authorizing committees of the House of Representatives in that time period, that gap, but this is a very important matter that we get into law.

Mr. Speaker, in the context of revising and extending, I will submit a statement that discusses particularly title II of H.R. 1210, which lays out for some legislative history the points that are covered in that part of the conference report, from our perspective, in hopes that that will be some way of highlighting the elements of that part of the bill that set out some goals and functions for the educational component of the National Science Foundation's work in this area.

Mr. Speaker, I welcome this opportunity to speak in support of H.R. 1210, the National Science, Engineering, and Mathematics Authorization Act of 1986. As chairman of the Subcommittee on Science, Research and Technology, I want to thank Chairman FUQUA of the Science and Technology Committee and Chairman HAWKINS of the Education and Labor Committee for their leadership in bringing this amendment to the House for consideration. We believe this amendment will be favorably received by the other body which could result in the first National Science Foundation authorization bill since 1980.

The bill before us today not only provides for authorization of appropriations for the NSF for fiscal year 1986 but, more importantly, it makes several changes in the National Science Foundation Act of 1950 to enhance the mission of the Foundation. Among these changes is the elevation of engineering research to the same level as basic scientific research in the Foundation's priorities.

Since Mr. FUQUA has discussed many of these features, I will direct my comments to title 11 of H.R. 1210 which amends title 1 of the Education for Economic Security Act—Public Law 98-377.

The amendment to H.R. 1210 before us today enumerates policies and objectives for the science and engineering education functions of the Foundation. These policies and objectives—not included in the Senate version of H.R. 1210—are intended to provide broad, long-term goals for the Foundation in education activities. Objectives for science and engineering education include the enhancement of public understanding of mathematics, science, and engineering; faculty improvement; student education; and instructional and teaching materials development. These statements of policies and objectives are important contributions to H.R. 1210 because they set forth clear and comprehensive goals for science education activities for many years to come.

H.R. 1210, as amended by the Senate, authorizes specific programs in the science and engineering education programs in the Foundation. The House amendment renews and expands the teacher institutes as established under Public Law 98-377. NSF support for these teacher institutes would continue in the form of competitive grants to institutions of higher education. A new and important feature added by the House amendment is that various entities including businesses, nonprofit organizations, professional societies, museums, libraries, public broadcasting, and State education agencies are eligible to receive support for conducting teacher institutes. This amendment encourages the development of partnerships to support and conduct teacher institutes and workshops, and the development of institutes which could serve teachers in more than two States or within a broad geographical area. Also, the limit on a teacher institute of $200,000 in Public Law 98-377 was raised to $300,000 in the Senate amendment and is included in the bill before us today.

The House amendment expands the programs authorized in title I of Public Law 98-377 to include methods research, as well as materials development and dissemination of instructional programs. The House amendment also provides that funds for this program be awarded on a system of competitive matching grants. The matching grant provision was included to motivate participation, and to increase the percentage of matching resources or in-kind services contributed by the public and private sectors, such as publishers and public broadcasting entities. The involvement of educational publishers is essential to the effective development of instructional materials, and we will carefully monitor the ability of the Foundation to stimulate private-sector support and expertise in these activities.

Within the materials development and methods research activity, the Foundation would assure the involvement of State or local education agencies. the purpose of this program is to improve instructional curriculum, enhance public understanding of science and mathematics, and conduct research on methods of instruction. I want to point out the strong emphasis on collaborative efforts among various groups and institutions for activities in both the teacher institutes program and the materials development and research program.

Graduate fellowships are continued for the purpose of encouraging promising students to continue their education and research in mathematics, science, and engineering. This program is of particular importance to the quality of science and mathematics education in light of the current and projected shortage of undergraduate faculty in these areas.

The discretionary fund of the Director established in title I of Public Law 98-377 is changed by the House amendment. The amendment specifies that up to 15 percent of the science and engineering education funds are authorized for activities that promote faculty exchange between institutions of higher education and research with those institutions serving minority students, and for innovative programs in addition to those specified in title I as amended by the House.

The House amendment also includes a requirement, not in the Senate amendment, for a 5-year plan for science and engineering education, to be updated on an annual basis. The plan will assist the NSF and the Congress in identifying areas of priority and progress by the Foundation. We anticipate the plan will include an assessment of national science and engineering needs, identification of NSF programs and priorities to accomplish the policy and functional objectives as defined in this amendment, the timeframes in which these activities will be accomplished, and the resources necessary to achieve the objectives of the strategic plan.

H.R. 1210 reemphasizes various provisions regarding the approval of applications based on scientific and educational merit, as well as equitable geographical and institutional distribution, the consideration of proposals that meet the needs of underrepresented and underserved populations, the prohibition of any Federal control of education, and the inclusion of private-school teachers in the activities outlined in this bill.

The House accepted the Senate provision to authorize funds for title I and title IV of Public Law 98-377 for fiscal year 1986 from the amounts authorized for the science and engineering education category of the National Science Foundation Authorization Act for fiscal year 1986. The House amendment further specifies that funds to carry out these two titles for any fiscal year shall be made available from annual appropriations.

Mr. JEFFORDS. Mr. Speaker, will the gentleman yield?

Mr. LUJAN. Mr. Speaker, further reserving the right to object, I yield to the gentleman from Vermont.

Mr. JEFFORDS. Mr. Speaker, I want to thank the chairman, Mr. FUQUA, and ranking Republican, Mr. LUJAN, on the Science and Technology Committee for working with the Education and Labor Committee on the education amendments which were added to H.R. 1210 by the Senate. I also want to thank the chairman of the Education and Labor Committee, Mr. HAWKINS, for working closely with this side to come up with a set of amendments that enjoy bipartisan support.

Last fall we enacted the Carl D. Perkins Vocational-Technical Education Act. This past year has served as a period of transition. During this time, several desired changes were brought to our attention by the administration and vocational educators in the field. Through the provisions in this bill, we have addressed these issues. Although most are clarifying in nature, their substance will allow the programs to work more efficiently. In the case of the required match under the programs for the disadvantaged, these amendments will indeed enable some areas to operate programs rather than refuse Federal funds and not serve those students most in need.

Without reauthorization the Education for Economic Security Act would lapse. This law is commonly referred to as the math-science bill and has provided incentives to local school districts to develop innovation programs in math and science. It also encourages teacher training in these areas of critical need. The amendments in this bill authorize the program through 1988 and make technical changes similar to those included in H.R. 3023, a bill I introduced earlier this year. The Appropriations Committee did not include funding for this program in its Labor-HHS bill, citing lack of authorizing languages as its rationale. This amendment is critical to sustaining these programs which have just begun.

Two items of particular import to small population States such as Vermont, are the small State administrative cap under Public Law 94-142, education for all handicapped children, and NDSL apportionment.

Under Public Law 94-142, the administrative cap for 12 small States was set at $300,000. Many of the States have reached that cap, and thus were limited in their ability to provide such services as technical assistance, parent training, program evolution, and monitoring and curriculum development. These amendments increase this cap to $350,000 to reflect the need expressed by these small States. While this amendment provides temporary relief for these States, the need remains for a more permanent solution.

The amendment regarding NDSL apportionment extends the authority that assures that each States apportionment bears the same ratio to the total amount appropriated as the apportionment for each State in fiscal year 1980. For some States, this provision retains up to one-half of its NDSL allocation. In Vermont, this figure amounts to approximately $400,000.

Other provisions are included in the amendments attached to this bill. They include language which requires the Secretary of Education to contract for the migratory children records system by July 1 of each year and to provide notification of National Graduate Fellow Awards by April 1 of each year. Further, the excellence in eduction, magnet school assistance, and minority institutions science improvement programs are extended. Finally, the cap of $10,000 indexed to the CPI is authorized for the Harry S. Truman Memorial Scholarship Program.

The education provisions in this bill are product of a cooperative effort between the Senate, House, Department of Education, and various educational groups. As such, they enjoy broad bipartisan support in both bodies. I would urge my colleagues to join me in voting for passage of this legislation.

Mr. HAWKINS. Mr. Speaker, I rise in support of the House amendment to H.R. 1210, as amended by the Senate. As regards the programs administered by the Department of Education, we are substantially accepting the Senate bill with minor, technical modifications.

H.R. 1210, in general, reauthorizes the activities of the National Science Foundation, but the legislation also amends certain programs within the Department of Education. The major amendment extends for 3 years certain education programs authorized by Public Law 98-377, the Education for Economic Security Act.

First, the mathematics and science education improvement programs under that act would be extended through fiscal year 1988. For fiscal year 1985, $100 million was distributed to school districts through this program to train teachers and undertake other activities to improve math and science at the elementary and secondary education level. This inital appropriation has provided valuable seed money to begin to address the teacher shortages in these vital areas. The bill before us today will ensure that this effort is not thwarted even as school districts are just beginning to implement these programs.

Second, the bill extends through fiscal year 1988 two other education programs authorized by Public Law 98-377. These include the Magnet School Assistance Program to encourage school districts to develop schools with special curricula to attract students from all around the school district to enroll; and the Excellence in Education Program to fund model programs for school reform carrying out recommendations of the National Commission on Excellence in Education.

Third, the bill makes minor but necessary technical amendments to the Carl D. Perkins Vocational Education Act, the Library Services and Construction Act, and other education statutes.

Fourth, the bill reauthorizes the Minority Institutions Science Improvement Program for fiscal year 1986, and also revises a hold-harmless provision for national direct student loans and increases the amount States may retain in the Education of the Handicapped Act.

Mr. Speaker, I would like to commend Chairman FUQUA and the members and staff of the Committee on Science and Technology for being so cooperative with the Committee on Education and Labor in resolving the issues addressed in this bill.

We believe the other body has developed a sound bill that we can accept with just a very few modifications that have been worked out with the other body. I urge the Members to support this reauthorization bill.

Mr. SKEEN. Mr. Speaker, I rise to call the attention of my colleagues to an especially important provision of H.R. 1210, which amends the National Science Foundation Organic Act of 1950 in order to clarify and emphasize the Foundation's respon-

sibility for fundamental engineering research and education. Along with my good friend from California, GEORGE BROWN, I sponsored similar legislation during the 98th Congress, which this body unanimously approved. I would like to commend the National Science Foundation for including this provision in H.R. 1210, and urge your support.

The purpose of this provision is to more clearly establish the role of the National Science Foundation in supporting our Nation's base of research and talent in both science and engineering. While NSF currently operates a healthy engineering program, it does so without the benefit of a well-defined engineering mission. By explicitly recognizing the important role of NSF in supporting fundamental engineering research and education, we will strengthen the ability of the Foundation to address critical national issues.

If our Nation is to remain competitive in world technology markets, we must maintain and improve our base of university research and talent, both of which are essential ingredients for innovation and technological progress. Under the able leadership of Erich Block and Nam Suh, the National Science Foundation has been making significant gains in meeting engineering research and education needs. With the passage of an engineering mission change, the contribution of NSF to American excellence in science and engineering will be even greater. By bringing science and engineering closer together in the Federal structure, the overall climate for innovation can only improve.

Mr. GOODLING. Mr. Speaker, I rise to speak in support of H.R. 1210, the reauthorization of the National Science Foundation. This legislation contains provisions which amend several programs which are under the jurisdiction of the Elementary, Secondary, and Vocational Education Subcommittee, of which I am the ranking member.

I first want to thank the chairman, Mr. FUQUA, and ranking Republican, Mr. LUJAN, of the Science and Technology Committee for working with my committee on these provisions. I also commend the chairman of the Education and Labor Committee, Mr. HAWKINS, for his effort to create a package of amendments that have bipartisan support.

The reauthorization of the Education for Economic Security Act is vitally important. Without this action the Math-Science Program could come to a halt after only 1 year of operation. The Appropriations Committee did not include funding for this program in its Labor-HHS bill, citing the lack of authorizing language as a major reason for this action. Teacher shortages in the math and science area are increasing and the need to improve instruction in these vital areas continues to be cited in major educational reports. Thus the conditions that lead to the original enactment of this legislation continue, and the program itself is only taking effect this school year.

Last year we authorized the Carl D. Perkins Vocational Education Act. During this reauthorization process we made many significant changes in the legislation aimed at focusing Federal resources on the twin areas of access and improvement. The amendments to this act included in H.R. 1210 are largely technical and will improve the operation of the program. Brought to our committee's attention by the Department of Education and vocational educators in the field, they enjoy bipartisan support in both bodies.

In addition, these amendments would reauthorize the Excellence in Education Program, the Magnet Schools Assistance Program, and provide greater continuity in the migratory children records system.

The cooperative effort that went into the creation of these amendments should be applauded and will result in significant improvements in the operation of the programs with the end result being better serices for students. I would urge my colleagues to join me in supporting this legislation and voting for its passage.

Mr. LUJAN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

The SPEAKER pro tempore. Is there objection to the initial request of the gentleman from Florida?

There was no objection.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. FUQUA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the legislation just considered, H.R. 1210.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

EXTENSION OF AUTHORITY TO ESTABLISH AND ADMINISTER FLEXIBLE AND COMPRESSED WORK SCHEDULES FOR FEDERAL GOVERNMENT EMPLOYEES

Mr. ACKERMAN. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the bill (H.R. 3605) to provide that the authority to establish and administer flexible and compressed work schedules for Federal Government employees be extended through December 31, 1985, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. HORTON. Mr. Speaker, reserving the right to object, I will not object, but I take this time to ask the gentleman from New York [Mr. ACKERMAN] if he will explain this bill.

Mr. ACKERMAN. Mr. Speaker, H.R. 3605 is a noncontroversial bill which has been cleared with the minority. It is an emergency measure which will permit the continuation of alternative work schedules which are not being used by more than 300,000 Federal employees. The present authority is due to expire on October 31. We must act today because October 31 occurs in the middle of a pay period for most Federal agencies. H.R. 3605 is essential if we are to avoid the unnecessary and costly disruption which would occur if the authority for these programs were to lapse.

The House has already approved H.R. 1534, to give permanent authorization for the Flexible and Compressed Work Schedules Program. For reasons unrelated to the program, the other body has delayed action on the House bill. I am optimistic that we will see action on permanent authorization before the end of this session, especially in light of the fact that this gentleman will be very reluctant to bring an additional temporary reauthorization before this House. In the meantime, we need this temporary extension, and I urge my colleagues to support it.

Mr. HORTON. Mr. Speaker, further reserving the right to object, I plan to support the bill. I urge the Members to support it. OPM has indicated their agreement with the bill. As the gentlemen explained, it only allows the additional time for the Senate to act so that they can arrive at a permanent bill.

Mr. GILMAN. Mr. Speaker, will the gentleman yield?

Mr. HORTON. Further reserving the right to object, Mr. Speaker, I yield to the gentleman from New York.

Mr. GILMAN. I thank the gentleman from yielding.

Mr. Speaker, I want to commend the gentleman from New York, the subcommittee chairman, for bringing the bill to the floor at this time, and I thank the ranking minority member for his support of the measure.

Mr. Speaker, I rise in support of H.R. 3605, an act to extend the Federal Employees Flexible and Compressed Work Schedules Act to December 31, 1985.

Since the authorization by Congress in 1978 of experimental programs in the use of flexible and compressed work schedules, the great majority of comments concerning this program have been very positive.

The experimentation, sometimes referred to as "flexitime," afforded Federal public employees the opportunity to participate in a number of work schedule designs other than the traditional 5-day, 40-hour work week.

The program has not been without some weaknesses when used improperly outside the framework of management consultation, but as with the private sector experience, flexible work schedules result in innumerable benefits; increased usage of buildings and equipment, decreased traffic congestion, improved attendance, and heightened productivity and worker morale.

Recently the results of a GAO and OPM study accessing the success of the program was released and the data showed that the program is highly productive; beneficial to both Government and to its employees and represents a permanent step toward accessible, efficient Government.

Accordingly, I urge my colleagues to support H.R. 3605.

Mr. HORTON. Mr. Speaker, I thank the gentleman.

Mr. PARRIS. Mr. Speaker, will the gentleman yield?

Mr. HORTON. I yield to the gentleman from Virginia.

Mr. PARRIS. Mr. Speaker, I rise in support of H.R. 3605, the so-called flexitime extension. This legislation has been of enormous benefit to the improvement of the quality of life of literally thousands of my constituents who are employed by the Federal Government.

I was delighted to hear the comments of the chairman of the subcommittee regarding the early attention to the permanent extension of this legislation.

Mr. HORTON. Mr. Speaker, I support the bill, and I urge its adoption.

Mr. Speaker, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the bill, as follows:

H.R. 3605

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5 of the Federal Employees Flexible and Compressed Work Schedules Act of 1982 (5 U.S.C. 6101 note) is amended to read as follows:

"SEC. 5. The amendments made by this Act shall not be in effect after December 31, 1985.".

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

IMPACT OF GRAMM-RUDMAN DEVASTATING TO OUR CHILDREN

(Mr. HAWKINS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. HAWKINS. Mr. Speaker, I wish to share with our Members the contents of a letter concerning the Gramm-Rudman (so-called) Emergency Deficit Control Act of 1985 by the Children's Defense Fund.

The Children's Defense Fund has expertly documented the impact of this unconscionable and devastating attack on our children.

The facts are startling. Acting in the knowledge of them, we must assume a moral accountability for the consequences if we attempt to balance the budget without exempting from any proposal of further cuts in programs affecting those in poverty.

If not, "thousands of poor children would be denied a Head Start; and thousands more removed from the highly successful chapter I program for the educationally disadvantaged. Food stamps would be cut below the Federal Government's minimum diet plan; free school lunches for poor children would be cut. Large numbers of women and children would be thrown off the WIC program; and the health care, housing, and basic survival needs of the poor would be further jeopardized."

Such action is unworthy of a civilized people who would destroy its future to benefit a selfish few.

The letter in its entirety follows:

CHILDREN'S DEFENSE FUND,
Washington, DC, October 14, 1985.

Re Gramm-Rudman-Mack Emergency Deficit Control Act of 1985.

DEAR REPRESENTATIVE: Child poverty has shot up dramatically since children and families were sent to the front lines of the Deficit Reduction War of 1981. More than half of all black children are now poor. Nearly 40 percent of all Hispanic children are now poor. More than 20 percent of all America's children are now poor.

Poor children and families have suffered enough. You cannot and must not sacrifice them once again in the Deficit Reduction War of 1985.

Gramm-Rudman-Mack—or any alternative proposal to balance the budget—must exempt from additional budget cuts all programs serving low income children and families. To cut further into programs for the poor, after $10 billion a year has already been withdrawn from vital health, nutrition, education and other basic survival services is inhumane, short-sighted and unfair.

It is both inhumane and cost-ineffective to add to the deprivation of poor children and families. Increased hunger and homelessness, increased reports of child abuse and neglect, indefensible rates of infant mortality, and declining availability of basic health and prenatal care, child care and educational services are common knowledge in countless communities in this nation. In the face of these facts, are you really prepared to support a proposal that would cut 100,000 children out of a Head Start, many more women, infants, and children from the WIC program, and deny hundreds of thousands of babies basic medical care?

Unless Gramm-Rudman-Mack, or its House alternative, exempts all low income programs from further cuts, further child poverty and deprivation are certain to result. This is a short-sighted strategy that saps the potential future strength of the nation. Children are our future. We must invest in them rather than harm and neglect them.

It would be unconscionable to try to balance the budget again on the backs of the poor, while exempting again the well-known causes of the budget deficit facing this country—defense expenditures and tax giveaways to the wealthy. While Gramm-Rudman exempts a large proportion of the defense budget and totally ignores tax expenditures or revenue measures, programs for the poor would be subject to cuts equal to as much as twice their share of the federal budget.

Even if all the defense budget were firmly on the table, and tax breaks and Social Security were on the table, nevertheless poor children and families must be taken off the table. What standard of justice could ask those who have already paid dearly to pay again? Let those who have yet to sacrifice pay their fair share of deficit reduction.

Deficit reduction is hard work, requiring hard choices. Just because poor children are politically vulnerable and expendable is no reason to sacrifice them once again. I implore you to exempt all programs for poor children and families from the Deficit Reduction Scrimmage of 1985.

Sincerely,

MARIAN WRIGHT EDELMAN,
President.

PERSONAL EXPLANATION

Mr. YOUNG of Missouri. Mr. Speaker, I rise in support of H.R. 2095, the Daylight Saving Extension Act. I was unable to vote on the bill because I was unavoidably absent. However, had I been able, I would have voted in favor of this urgently needed legislation. I urge my colleagues in the other body to act on this measure promptly and favorably.

AMENDMENTS TO THE CHARTER OF THE SOUTHERN INTERSTATE ENERGY BOARD

(Mr. YOUNG of Missouri asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. YOUNG of Missouri. Mr. Speaker, today I am introducing a bill to grant the consent of Congress to certain amendments to the charter of the Southern Interstate Nuclear Board [SINB].

The SINB was originally founded in 1961 and passed by the 17-member State legislatures to promote the safe development of nuclear power and foster regional cooperation on nuclear issues. Congress concurred by enacting Public Law 87-563 on July 31, 1962. The member jurisdictions of the compact are Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, Missouri, North Carolina, Oklahoma, Puerto Rico, South Carolina, Tennessee, Texas, Virginia, and West Virginia.

In the mid-1970's SINB was directed by the Southern Governors' Association and the Southern Legislative Con-

ference to seek legislative amendments to the compact as follows:

To change the name of the organization from the Southern Interstate Nuclear Board to the Southern States Energy Board.

To specify that the board's scope of responsibility includes energy and environmental policy areas.

To recommend that the States change the current membership provision, so as to provide for three individuals to be appointed from each State, one of whom shall be the Governor and one appointed or designated to represent each house of the State legislature.

To provide for these changes to become effective upon enactment of the amendments by a majority of the member jurisdictions in the SINB.

Sixteen of the seventeen member States have adopted these amendments since 1979. Only congressional concurrence is needed for the amendments to become effective.

The board and its staff provide technical support, research, and information to the member States and the general public. It is funded primarily by State revenues and receives no Federal appropriations.

The interests of the Federal Government are protected by a Federal representative to the board, appointed by the President. The Federal representative reports annually to the President and to the Congress on the programs and activities of the board.

Mr. Speaker, I urge prompt consideration and passage of this bill by the Congress.

WORLDWIDE IMMUNIZATION OF CHILDREN BY 1990

(Mr. SMITH of New Jersey asked and was given permission to address the House for 1 minute and to revise and exend his remarks.

Mr. SMITH of New Jersey. Mr. Speaker, tomorrow, I will be participating in the ceremony of the signing of the people's declaration at the United Nations in New York. This declaration, will be citing and reaffirming the U.N. goal of Universal Child Immunization by 1990.

Mr. Speaker, one of the greatest tragedies of our time is the prevalence of sickness, malnutrition, and death of the world's children. Each year half a million children in poorer countries come down with polio. Another 5 million are inflicted with either the measles, whooping cough, diphtheria, or tetanus. And for every death, many more children are crippled, retarded, seriously weakend, or otherwise permanently disabled.

Mr. Speaker, in the past few months, we have seen the House of Representatives affirm its commitment to the life-saving impact of vaccination and immunizations. In fact, on May 7, 1984, the House supported, by a vote of 420 to 1, a resolution I introduced commending President Napoleon Duarte and participating organizations for the successful immunization program conducted in El Salvador. I was in El Salvador for the program and was greatly encouraged by what I saw. More than 300,000 children were immunized and thereby protected from the five most painful, debilitating and even fatal diseases as whooping cough, diphtheria, tetanus, measles, and polio.

Mr. Speaker, with the passage of the foreign aid authorization bill in July 10, 1985, this body again recognized the real and positive impact of mass immunization programs by adopting my amendment to reauthorize the Child Survival Fund at 100 percent funding increase. The provision to reauthorize the Child Survival Fund was originally a separate bill—H.R. 1746—with more than 50 Members of the House supporting it as cosponsors.

Mr. Speaker, while I think the Members of this body can be proud of our part in advancing the availability of immunizations around the world, it is significant to note that even with our recent increases in support, only about 20 percent of the world's newborns are getting the shots. And the problem, relatively speaking, should not be one of finances. In fact, Mr. Speaker, for about 50 cents worth of vaccine and $4.50 to administer it, the millions of children who die each year around the world from these terrible diseases could be protected and saved from this suffering.

Mr. Speaker, aware of the technological breakthroughs that have made the goal of universal immunization attainable, the United Nations Children's Fund [UNICEF] has kindled a new mobilization toward this goal which was originally established in 1974. On Friday, October 25, 1985, the Secretary General, President General Assembly, heads of state from several countries, and the Holy See, will join with NGO and PVO leaders in signing a declaration entitled "To Save Succeeding Generations."

Undoubtedly, Mr. Speaker, this event will symbolize and demonstrate a very essential continuing role of UNICEF in service to the world's people and especially the most vulnerable of all, our children. Furthermore, it highlights the coordinating role that UNICEF has assumed and which is so vital to foster cooperation between governments and private voluntary groups in an international setting.

Mr. Speaker, Universal Child Immunization by 1990 is precisely the kind of effort which the U.S. Congress should actively support and encourage. As the free world's leading nation we should take an even greater role in freeing the world's children from the suffering and dying which occurs when children are not protected against these diseases.

Mr. Speaker, I strongly encourage my colleagues, and indeed, all the world during the United Nation's birthday celebration to commit themselves to the goal of mass immunization and thereby save the lives of millions of children around the world.

NATIONAL BLIND WORKER OF THE YEAR

(Mr. BOEHLERT asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BOEHLERT. Mr. Speaker, I rise today to call to the attention of my colleagues the accomplishments and leadership of Mr. Robert Knapp, an employee of the Central Association for the Blind located in Utica, NY. Each year National Industries for the Blind chooses one outstanding blind production worker from among the 5,800 blind and multihandicapped blind individuals who are provided job opportunities nationwide in their associated workshops. This year Mr. Knapp was selected as the 1985 National Blind Worker of the Year. Mr. Knapp is a symbol of determination and hard work not only for blind persons, but for any American who has had to confront a new or challenging life situation. I commend Mr. Knapp for his outstanding work, courage, and advocacy on behalf of other blind citizens. And, I would like to share with you a profile of Mr. Knapp which recently appeared in Opportunity.

The article follows:

[From Opportunity, July/August 1985]

PETER J. SALMON NATIONAL BLIND WORKER OF THE YEAR

(By Catherine Raphael-Wetzel)

When he isn't working on a Javits-Wagner-O'Day contract, or doing small engine repairs, or speaking out on behalf of legislation benefiting blind people, Robert Knapp tends to his thriving vegetable garden, attends sporting events or socializes either in person or through his CB radio. Idleness is something he doesn't allow in his life, because he never lets his handicap keep him from doing what he wants to do.

Bob Knapp's infectious positive attitude is one of the many attributes that earned him selection as the 1985 Peter J. Salmon National Blind Worker of the Year, and it is one that has earned him the respect of his colleagues at the Central Association for the Blind (CAB) in Utica, New York.

Since joining CAB six years ago, Bob has tried and mastered every one of the workshop's contracts. Gifted with an exceptional mechanical aptitude, he finished fifth in a class of 28 students learning small engine repair and was the only blind person taking the course. Today he uses this skill at CAB where the agency has set up a repair shop where he works on lawnmowers and other small engines.

Workshop Director Luca Esposito, who has worked with Bob for the past six years, gave him a perfect score in an evaluation report submitted in support of his nomination for the Peter J. Salmon award. Although he didn't know Bob ten years ago, Luca has heard about the frustration Bob felt when he first lost his sight to glaucoma and had to give up driving his truck. After surgery failed to restore his sight well enough to resume his career as a truck driver, Bob applied his tremendous determination and strength of character to coping with new circumstances and deriving the most from them.

Today he likes to tell his story in the hope others will feel inspired to turn their lives around. Together with his best friend, guide dog Zion, he is a familiar figure to city bus drivers along the routes between the workshop and his apartment on the other side of town.

In October, Bob will travel to Seattle, Washington, to attend the Annual Meeting of The General Council of Workshops for the Blind and to receive the Peter J. Salmon National Blind Worker of the Year Award presented by National Industries for the Blind (NIB). Joining Bob in Seattle will be all blind workers of the year from NIB-associated workshops for the blind who were nominated for the prestigious award.

WE SHOULD NOT EXPORT JOBS

(Mrs. BENTLEY asked and was given permission to address the House for 1 minute and to revise and extend her remarks and include extraneous matter.)

Mrs. BENTLEY. Mr. Speaker, yesterday, I received another letter from another American company that has lost a U.S. defense contract to a foreign country. The president of that company wrote:

We understand that our customers, Aerojet General and Morton Thiokel, were required to switch their future procurements to foreign sources to satisfy offset obligations.

This company president is concerned because:

1. The loss of industrial base for domestic production.

2. The loss of company business without any compensation—after years of investment in building a unique capacity.

3. The loss of jobs with the impact on valued employees and the community.

Although Kaiser Electroprecision is not in my district—it's in Irvine, CA, I am concerned, and Congress should be concerned with the continuous erosion of our industrial base to overseas firms at this time to Australia.

We, the Congress, are the trustees of American taxpayers' dollars. We cannot and should not spend those dollars to export American jobs.

I include his entire letter to be printed in the RECORD, as follows:

IRVINE, CA, *October 8, 1985.*

Congresswoman HELEN BENTLEY,
Longworth House Office Building, Washington, DC

Subject: Military Contract Offsets.

DEAR CONGRESSWOMAN BENTLEY: For approximately ten years Kaiser Electroprecision has manufactured rocket motor cases for the booster rocket used on the U.S. Navy's Harpoon Missile. We supplied these motor cases to Aerojet General and Morton Thiokol, who are subcontractors to the Harpoon prime contractor, McDonnell Douglas.

Kaiser Electroprecision was the only source for the Harpoon Motor Case for many years, but Aerojet General began buying them from a source in England a few years ago. More recently, Morton Thiokol has initiated Harpoon Motor Case procurement from a company in Australia. Kaiser Electroprecision will complete a current production order for Morton Thiokol by the end of 1985. It is our understanding that all their future requirements will be sourced overseas. Kaiser Electroprecision will dismantle its production lines and there will no longer be an American source for Harpoon Rocket Motor Cases.

We understand that our customers, Aerojet General and Morton Thiokol, were required to switch their Harpoon Rocket Motor Case procurement to foreign sources in order to satisfy offset obligations.

Our company understands that it is sometimes necessary to accept offset obligations in order to facilitate foreign sales. However, we are concerned about several aspects of such agreements:

1. Loss of industrial base for domestic production of important defense components.

2. Loss of company business without any compensation—this after years of investment in building a unique capability.

3. Loss of jobs with all the economic impact on our valued employees and the community.

Sincerely, yours

R.S. CARLSON.

□ 1530

SUPPORT URGED FOR H.R. 3531

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. LIPINSKI] is recognized for 5 minutes.

Mr. LIPINSKI. Mr. Speaker, on October 9, I introduced legislation H.R. 3531 which would help alleviate the severe funding shortage that exists today in the Federal Interstate Highway and Transit Program.

My bill would reinstitute an escalation clause in the Interstate Transfer Highway Transit Program that was in the law prior to the enactment of the Surface Transportation Assistance Act of 1982. When States and cities were required to take in their outstanding interstate balances they were promised a value-for-value exchange. However, the cost of construction and the inflation rate can not be taken into account. As the years go by and costs increase, these areas are not receiving the same value of their original tradeins. The escalation clause that I am proposing will be based on the national cost of construction index. Problems in the current program are compounded by the fact that each fiscal year localities have to compete in the appropriations process to receive an adequate earmark. These budget restrictions cause further delays in the interstate program.

With the recent decision by the State of New York to withdraw the Westway highway project there will be even more areas competing for these scarce funds. The Transportation Appropriations bill passed by the House would provide $237.5 million for transit and $725 million for highway interstate programs. With the new addition of New York in the program there will be insufficient funds for projects in this program to be completed before 1991 as the Department of Transportation projects. My own State of Illinois has several projects that are ready to be constructed, however, each year we receive insufficient funding for these projects. The city of Chicago, part of which I represent is not certain that there will be enough money left to finish their projects. There are many other areas of the country that participate in this program that are experiencing similar problems. My legislation will benefit both transit and highway projects in the interstate programs. A change is needed in the law in order for the Federal Government to live up to its word on providing States a value-for-value trade-in.

I realize that in this period of high deficits and budget restrictions there is tremendous pressure on the Federal Government to cut back on expenditures. But the highway funds for this program come from the user supported highway trust fund. This fund is supported by the Federal tax on gasoline. States deserve a fair return on promises made by the Federal Government.

I urge my colleagues to join with me in cosponsoring this legislation.

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. NELSON] is recognized for 5 minutes.

Mr. NELSON of Florida. Mr. Speaker, due to official business, I was unable to be present and voting for rollcall vote Nos. 364 through 368 on October 22, and October 23, 1985. Had I been present, I would have voted "aye" on No. 364, to suspend the rules and pass H.R. 463, Topsoil Preservation; "aye" on No. 365, for final passage of H.R. 2095, to provide for daylight saving time on an expanded basis; "aye" on No. 366, the procedural motion to approve the Journal; "aye" on No. 367, to agree to House Resolution 296, the rule for consideration of the Omnibus Budget Reconciliation Act; and "aye" on No. 368, to agree to the conference report on H.R. 2409, the Health Research Extension Act.

OPPOSE CHANGES IN AFFIRMATIVE ACTION REGULATIONS

The SPEAKER pro tempore. Under a previous order of the House, the gen-

tlewoman from Illinois [Mrs. COLLINS] is recognized for 20 minutes.

Mrs. COLLINS. Mr. Speaker, I rise to express my outrage at the most recent attempt by the Reagan administration to gut a generation of social and legal progress in this country.

Equal employment opportunity is an issue of critical importance. No one can deny the high value that is placed on guaranteeing fairness and equality in the workplace.

Everyone deserves an equal, fighting chance to make it in the job market. Everyone—regardless of race, sex, religion or national origin.

But, of course, I really don't have to remind my colleagues of that fact. After all, it was a little more than 20 years ago that this very body breathed life into that principle of equality. The principle became the law of the land—the Civil Rights Act of 1964.

And for the past 20 years, the Federal Government has consistently and pretty much enforced that law.

Although vigorous enforcement of strong antidiscrimination laws may be enough to prevent overt discrimination, it is not enough to make up for the many years that discrimination was institutionalized in this country.

It is for that reason that we have taken affirmative action to correct those pervasive historical patterns. And in 1965, President Johnson took executive action, signing an Executive order to ensure that people who benefit from doing business with the Federal Government make a special effort to ensure that all Americans have the chance to work and to be treated equally in the labor force.

It seems that there are people in the Reagan administration who believe we are doing too much to guarantee fairness. They are pushing a revised Executive order that effectively reverses the 20 years of progress we have seen.

In particular, they want to abolish the use of goals and timetables in keeping track of employer progress toward reaching equality of opportunity. They want to limit all remedies to people who can prove they have suffered from discrimination.

This proposal simply ignores the complexity of historical discrimination in this country and the tremendous impact its bitter legacy continues to have on the lives of far too many in our society.

What more needs to be said in support of the need for strong affirmative action policy.

The evidence already shows that there is a continuing gap in the employment rates of blacks and whites, as well as in the income levels and upward mobility of the two groups.

It simply takes more than 20 years of equal opportunity to correct hundreds of years of exclusion and job discrimination.

Moreover, the current administration proposal ignores its own evidence of progress—documented by the Department of Labor. The Department's statistics provide beyond all doubt that where employers have used goals and timetables, their EEO profiles have indeed improved.

According to the Labor Department, between 1974 and 1980, minority employment by Federal contractors grew from only 12 percent to more than 20 percent. The employment of women by these firms grew from only 2 to 15 percent.

Another recent study showed that between 1970 and 1980, the percentage of minorities and women in professional and managerial jobs nearly doubled.

These are the positive results of Federal affirmative action. It seems that they are results that make some people in this administration unhappy. Because it is this kind of progress that would be destroyed if the proposed changes are made.

The curious thing about this whole affair is that, for the most part, the businesses that are subject to Executive order affirmative active say they really don't want to abolish goals and timetables.

Even they know they work.

Besides, businessmen are quite accustomed to goal setting and to implementing plans according to timetables. If it can be done to expand profit margins it can be done to expand the margin of fairness.

While they might want the rules simplified, they are not pushing for the kind of wholesale revisions proposed by this administration.

I stand opposed to this administration's attempt to scuttle the hard won victories of the civil rights movement. I stand opposed to this administration's attempt to destroy the only chance many people will have for an opportunity to succeed in the job market. I stand opposed to this administration's attempt to devastate our dream of a discrimination-free employment.

We have seen that voluntary compliance will not be effective in eliminating the problems created by purposeful discrimination. We have seen that colorblind policies will not be effective in eliminating the present problems created by years of color consciousness.

We need the strongest Government enforcement possible. We must guarantee that this country truly becomes what it was supposed to be throughout its history: The land of opportunity—equal opportunity.

□ 1540

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. ARMEY) to revise and extend their remarks and include extraneous material:)

Mr. IRELAND, for 5 minutes, today.

Mr. BARTON of Texas, for 60 minutes, today.

Mr. BARTON of Texas, for 60 minutes, on October 30.

Mr. BARTON of Texas, for 60 minutes, on October 31.

Mr. COBEY, for 60 minutes, on October 30.

Mr. MACK, for 60 minutes, on October 31.

Mrs. BENTLEY, for 30 minutes, on October 29.

(The following Members (at the request of Mr. LIPINSKI) to revise and extend their remarks and include extraneous material:)

Mr. LIPINSKI, for 5 minutes, today.

Mr. NELSON of Florida, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mrs. COLLINS, for 20 minutes, today.

Mr. NEAL, for 60 minutes, today.

Mr. NEAL, for 60 minutes, on October 29.

Mr. GONZALEZ, for 60 minutes, today.

Mr. OBEY, for 60 minutes, today.

Mr. OBEY, for 60 minutes, on October 28.

Mr. OBEY, for 60 minutes, on October 29.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. ARMEY) and to include extraneous matter:)

Mr. GINGRICH in two instances.

Mr. BROOMFIELD.

Mr. GILMAN in four instances.

Mr. FRENZEL.

Mr. LOTT in two instances.

Mr. WORTLEY.

Mr. HORTON.

Mr. MYERS of Indiana.

Mr. LIGHTFOOT.

Mr. MARLENEE in two instances.

Mr. SAXTON in two instances.

Mr. O'BRIEN.

Mrs. VUCANOVICH.

Mr. HAMMERSCHMIDT.

Mr. MICHEL in two instances.

Mr. DAVIS.

Mr. BURTON of Indiana.

Mr. GOODLING.

(The following Members (at the request of Mr. LIPINSKI) and to include extraneous matter:)

Mr. GARCIA in two instances.

Mr. FLORIO.

Mr. AUCOIN.

Mr. LUNDINE.

Mr. WOLPE.

Mr. FORD of Michigan.

Mr. ROSTENKOWSKI.

Mr. DWYER of New Jersey.
Mr. YATRON.
Mr. PEASE.
Mr. FRANK.
Mr. WYDEN.
Mr. HUBBARD.
Mr. LUKEN.
Mr. WILLIAMS.
Mr. ENGLISH.
Mr. GUARINI.
Mr. KLECZKA.
Mr. SOLARZ.
Mr. HOYER.
Mr. BARNES.

ADJOURNMENT

Mrs. COLLINS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 43 minutes p.m.) under its previous order, the House adjourned until Monday, October 28, 1985, at 12 o'clock noon.

EXPENDITURE REPORTS CONCERNING OFFICIAL FOREIGN TRAVEL

Reports of various House committees concerning the foreign currencies and U.S. dollars utilized by them during the first, second, and third quarters of calendar year 1985 in connection with foreign travel pursuant to Public Law 95-384 are as follows:

AMENDED REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON ARMED SERVICES, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1985

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Visit to Federal Republic of Germany, Feb. 7–10, 1985—Amended report:											
Dickinson, Hon. William L	2/7	2/10	Germany		150.00						150.00
Martin, Hon. David O'B	2/7	2/10	Germany		150.00						150.00
Stratton, Hon. Samuel S	2/7	2/10	Germany		150.00						150.00
Delegation expenses									646.52		646.52
Visit to United Kingdom, Egypt, and Kenya, Feb. 7–18, 1985—Amended report:											
Aspin, Hon. Les											
Commercial transportation							−278.27				−278.27
Committee total					450		−278.27		646.52		818.25

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

LES ASPIN, Chairman, Oct. 30, 1985.

AMENDED REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON ARMED SERVICES, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1985

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Delegation to Central America, Apr. 5–12, 1985—Amended report:											
Delegation expenses	4/10	4/10	Costa Rica				102.04				102.04
Delegation to Italy, Turkey, and France, May 24 to June 4, 1985—Amended report:											
Delegation expenses	5/31	6/4	France				2,588.08		1,549.63		4,137.71
Committee total							2,690.12		1,549.63		4,239.75

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

LES ASPIN, Chairman, Oct. 30, 1985.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON ARMED SERVICES, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30 1985

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Delegation visit to Republic of Korea, June 28 to July 5, 1985:											
Badham, Hon. Robert E	6/30	7/5	Korea		500						500.00
Commercial transportation							2,091.00				2,091.00
Blaz, Hon. Ben	6/28	7/3	Korea		400.00						400.00
Commercial transportation							2,135.00				2,135.00
Courter, Hon. Jim	6/30	7/2	Korea		200.00						200.00
Transportation: Department of the Army							9,338.30				9,338.30
Slatkin, Ms. Nora	6/29	7/6	Korea		600.00						600.00
Commercial transportation							2,101.00				2,101.00
Delegation to West Germany, Italy, and France, June 30 to July 7, 1985:											
Sisisky, Hon. Norman	6/30	7/2	West Germany		224.00						224.00
	7/2	7/4	Italy		256.00						256.00
	7/4	7/5	West Germany								.00
	7/5	7/7	France		262.00						262.00
Transportation: Department of the Air Force							3,974.10				3,974.10
Tsompanas, Mr. Paul L	6/30	7/2	West Germany		224.00						224.00
	7/2	7/4	Italy		256.00						256.00

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
	7/4	7/5	West Germany								.00
	7/5	7/7	France		262.00						262.00
Transportation: Department of the Air Force.							3,974.10				3,974.10
Staff visit to the Federal Republic of Germany, Italy, and Turkey:											
Cofer, Mr. Williston B., Jr	8/3	8/9	Germany		525.00						525.00
	8/10	8/13	Italy		225.00						225.00
	8/13	8/15	Turkey		225.00						225.00
Commercial transportation							1,088.46				1,088.46
Delegation to Mediterranean and northern Africa Aug. 2–16, 1985:											
Badham, Hon. Robert E	8/3	8/6	Yugoslavia		324.00						324.00
	8/6	8/8	Tunisia		216.00						216.00
	8/8	8/10	Morocco		216.00						216.00
	8/10	8/12	Algeria		384.00						384.00
	8/12	8/14	Spain		216.00						216.00
	8/14	8/16	Portugal		216.00						216.00
Transportation: Department of the Air Force.							4,447.29				4,447.29
Bateman, Hon. Herbert	8/3	8/6	Yugoslavia		324.00						324.00
	8/6	8/8	Tunisia		216.00						216.00
	8/8	8/10	Morocco		216.00						216.00
	8/10	8/12	Algeria		384.00						384.00
	8/12	8/14	Spain		216.00						216.00
	8/14	8/16	Portugal		216.00						216.00
Transportation: Department of the Air Force.							4,447.29				4,447.29
Carney, Hon. William	8/3	8/6	Yugoslavia		324.00						324.00
	8/6	8/8	Tunisia		216.00						216.00
	8/8	8/10	Morocco		216.00						216.00
	8/10	8/12	Algeria		384.00						384.00
	8/12	8/14	Spain		216.00						216.00
	8/14	8/16	Portugal		216.00						216.00
Transportation: Department of the Air Force.							4,447.29				4,447.29
Dickinson, Hon. William L	8/3	8/6	Yugoslavia		324.00						324.00
	8/6	8/8	Tunisia		216.00						216.00
	8/8	8/10	Morocco		216.00						216.00
	8/10	[3]8/12	Algeria		384.00						384.00
	8/12	8/14	Spain		216.00						216.00
	8/14	8/16	Portugal		216.00						216.00
Transportation: Department of the Air Force.							4,447.29				4,447.29
Dyson, Hon. Roy	8/3	8/6	Yugoslavia		324.00						324.00
	8/6	8/8	Tunisia		216.00						216.00
	8/8	8/10	Morocco		216.00						216.00
	8/10	8/12	Algeria		384.00						384.00
	8/12	8/14	Spain		216.00						216.00
	8/14	8/16	Portugal		216.00						216.00
Transportation: Department of the Air Force.							4,447.29				4,447.29
Oktiz, Hon. Solomon	8/3	8/6	Yugoslavia		324.00						324.00
	8/6	8/8	Tunisia		216.00						216.00
	8/8	8/10	Morocco		216.00						216.00
	8/10	8/12	Algeria		384.00						384.00
	8/12	8/14	Spain		216.00						216.00
	8/14	8/16	Portugal		216.00						216.00
Transportation: Department of the Air Force.							4,447.29				4,447.29
Price, Hon. Melvin	8/3	8/6	Yugoslavia		324.00						324.00
	8/6	8/8	Tunisia		216.00						216.00
	8/8	8/10	Morocco		216.00						216.00
	8/10	8/12	Algeria		384.00						384.00
	8/12	8/14	Spain		216.00						216.00
	8/14	8/16	Portugal		216.00						216.00
Transportation: Department of the Air Force.							4,447.29				4,447.29
Spence, Hon. Floyd	8/3	8/6	Yugoslavia		324.00						324.00
	8/6	8/8	Tunisia		216.00						216.00
	8/8	8/10	Morocco		216.00						216.00
	8/10	8/12	Algeria		384.00						384.00
	8/12	8/14	Spain		216.00						216.00
	8/14	8/16	Portugal		216.00						216.00
Transportation: Department of the Air Force.							4,447.29				4,447.29
Stump, Hon. Bob	8/3	8/6	Yugoslavia		324.00						324.00
	8/6	8/8	Tunisia		216.00						216.00
	8/8	8/10	Morocco		216.00						216.00
	8/10	8/12	Algeria		384.00						384.00
	8/12	8/14	Spain		216.00						216.00
	8/14	8/16	Portugal		216.00						216.00
Transportation: Department of the Air Force.							4,447.29				4,447.29
Whitehurst, Hon. G. William	8/3	8/6	Yugoslavia		306.97						306.97
	8/6	8/8	Tunisia		216.00						216.00
	8/8	8/10	Morocco		216.00						216.00
	8/10	8/12	Algeria		384.00						384.00
	8/12	8/14	Spain		216.00						216.00
	8/14	8/16	Portugal		191.91						191.91
Refund to U.S. Treasury					−50.00						−50.00
Transportation: Department of the Air Force.							4,447.29				4,447.29
Argenta, Ms. Rita D	8/3	8/6	Yugoslavia		324.00						324.00
	8/6	8/8	Tunisia		216.00						216.00
	8/8	8/10	Morocco		216.00						216.00
	8/10	8/12	Algeria		384.00						384.00
	8/12	8/14	Spain		216.00						216.00
	8/14	8/16	Portugal		216.00						216.00
Transportation: Department of the Air Force.							4,447.29				4,447.29
Bauser, Mr. Edward J	8/3	8/6	Yugoslavia		324.00						324.00
	8/6	8/8	Tunisia		216.00						216.00

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
	8/8	8/10	Morocco		216.00						216.00
	8/10	8/12	Algeria		384.00						384.00
	8/12	8/14	Spain		216.00						216.00
	8/14	8/16	Portugal		216.00						216.00
Transportation: Department of the Air Force.							4,447.29				4,447.29
Nelson, Mr. Warren L	8/3	8/6	Yugoslavia		306.00						306.00
	8/6	8/8	Tunisia		216.00						216.00
	8/8	8/10	Morocco		216.00						216.00
	8/10	8/12	Algeria		384.00						384.00
	8/12	8/14	Spain		216.00						216.00
	8/14	8/16	Portugal		216.00						216.00
Transportation: Department of the Air Force.							4,447.29				4,447.29
Scrivner, Mr. Peter C	8/3	8/6	Yugoslavia		324.00						324.00
	8/6	8/8	Tunisia		216.00						216.00
	8/8	8/10	Morocco		216.00						216.00
	8/10	8/12	Algeria		384.00						384.00
	8/12	8/14	Spain		216.00						216.00
	8/14	8/16	Portugal		216.00						216.00
Transportation: Department of the Air Force.							4,447.29				4,447.29
Steffes, Mr. Peter M	8/3	8/6	Yugoslavia		324.00						324.00
	8/6	8/8	Tunisia		216.00						216.00
	8/8	8/10	Morocco		216.00						216.00
	8/10	8/12	Algeria		384.00						384.00
	8/12	8/14	Spain		216.00						216.00
	8/14	8/16	Portugal		216.00						216.00
Transportation: Department of the Air Force.							4,447.29				4,447.29
Delegation to Greece, Cyprus, and Turkey, Aug. 5–13, 1985:											
Byron, Hon. Beverly B	8/5	8/9	Greece		432.00						432.00
	8/9	8/10	Cyprus		108.00						108.00
	8/10	8/13	Turkey		324.00						324.00
Commercial transportation							1,817.61				1,817.61
Transportation: Department of the Air Force.							7,707.75				7,707.75
Mavroules, Hon. Nicholas	8/5	8/9	Greece		432.00						432.00
	8/9	8/10	Cyprus		108.00						108.00
Commercial transportation							2,618.00				2,618.00
Transportation: Department of the Air Force.							2,709.00				2,709.00
Fleshman, Mr. William T	8/5	8/9	Greece		432.00						432.00
	8/9	8/10	Cyprus		108.00						108.00
	8/10	8/13	Turkey		324.00						324.00
Commercial transportation							1,817.61				1,817.61
Transportation: Department of the Air Force.							7,707.75				7,707.75
Preston, Ms. Colleen A	8/5	8/9	Greece		432.00						432.00
	8/9	8/10	Cyprus		108.00						108.00
	8/10	8/13	Turkey		324.00						324.00
Commercial transportation							1,817.61				1,817.61
Transportation: Department of the Air Force.							7,707.75				7,707.75
Delegation expenses	8/5	8/9	Greece				178.41		126.07		304.48
Staff visit to Canada Aug. 9–12, 1985:											
Tsompanas, Mr. Paul L	8/9	8/12	Canada		300.00						300.00
Commercial transportation							612.02				612.02
Staff visit to Iceland, Scotland, and the United Kingdom, Aug. 19–27, 1985:											
Elrod, Ms. Marilyn A	8/19	8/20	Iceland		203.50						203.50
	8/20	8/23	Scotland		273.00						273.00
	8/23	8/27	United Kingdom		496.00						496.00
Commercial transportation							1,143.27				1,143.27
Moore, Ms. Alama B	8/19	8/20	Iceland		203.50						203.50
	8/20	8/23	Scotland		273.00						273.00
	8/23	8/27	United Kingdom		496.00						496.00
Commercial transportation							1,143.27				1,143.27
Delegation to Canada, United Kingdom, and Bermuda, Sept. 5–9, 1985:											
Hopkins, Hon. Larry J	9/5	9/6	Canada		83.55						83.55
	9/6	9/7	United Kingdom		83.89		54.45				127.43
	9/7	9/9	Bermuda		280.00						280.00
Transportation: Department of the Air Force.							7,689.60				7,689.60
Stump, Hon. Bob	9/5	9/6	Canada		83.55						83.55
	9/6	9/7	United Kingdom		83.89		43.54				127.43
	9/7	9/9	Bermuda		280.00						280.00
Transportation: Department of the Air Force.							7,689.60				7,689.60
Steffes, Mr. Peter M	9/5	9/6	Canada		83.55						83.55
	9/6	9/7	United Kingdom		83.89		43.54				127.43
	9/7	9/9	Bermuda		280.00						280.00
Transportation: Department of the Air Force.							7,689.60				7,689.60
Delegation to Switzerland and Austria, Sept. 22–25, 1985:											
Byron, Hon. Beverly B	9/22	9/24	Switzerland		270.00						270.00
	9/24	9/25	Austria		109.00						109.00
Refund to the U.S. Treasury					−43.00						−43.00
Transportation: Department of the Navy							6,424.22				6,424.22
Courter, Hon. Jim	9/22	9/24	Switzerland		270.00						270.00
Transportation: Department of the Navy							3,152.09				3,152.09
Commercial transportation							1,560.18				1,560.18
Ray, Hon. Richard	9/22	9/24	Switzerland		270.00						270.00
	9/24	9/25	Austria		109.00						109.00
Transportation: Department of the Navy							6,424.22				6,424.22
Stratton, Hon. Samuel S	9/22	9/24	Switzerland		270.00						270.00
	9/24	9/25	Austria		109.00						109.00
Transportation: Department of the Navy							6,424.22				6,424.22
Klein, Mr. Adam J	9/22	9/24	Switzerland		270.00						270.00
	9/24	9/25	Austria		109.00						109.00

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Transportation: Department of the Navy							6,424.22				6,424.22
Osterman, Ms. Georgia	9/22	9/24	Switzerland		270.00						270.00
	9/24	9/25	Austria		109.00						109.00
Transportation: Department of the Navy							6,424.22				6,424.22
Staff visit to the United Kingdom and Austria, Sept. 22–27, 1985:											
Battista, Mr. Anthony R	9/22	9/24	United Kingdom		655.00						655.00
Commercial transportation							2,758.20				2,758.20
Mansfield, Dr. John E	9/22	9/24	United Kingdom		393.00						393.00
	9/24	9/25	Austria		109.00						109.00
Commercial transportation							778.00				778.00
Transportation: Department of the Navy							3,272.13				3,272.13
Committee total					37,646.20		195,232.48		126.07		233,004.75

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

LES ASPIN, Chairman, Oct. 30, 1985.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON INTERIOR AND INSULAR AFFAIRS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 1985

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [3]
Larry Craig, MC	8/1	8/2	British Columbia		158.00		[3] 812.43		[4] 4.77		1,042.70
							67.60				
Richard Lehman, MC	6/28	7/4	Great Britain		461.00		1,101.00				1,562.00
	7/4	7/6	France		196.00						196.00
	7/6	7/7	Ireland		123.00		286.00				409.00
Morris K. Udall, MC	9/21	9/22	Japan		37.50						37.50
	9/22	9/29	Soviet Union		600.00						600.00
	9/29	9/30	Ireland		98.00		[3] 5,269.34		[4] 14.81		5,382.15
John F. Seiberling, MC	9/21	9/22	Japan		37.50						37.50
	9/22	9/29	Soviet Union		600.00						600.00
	9/20	9/30	Ireland		98.00		[3] 5,269.34		[4] 14.81		5,382.15
James Weaver, MC	9/21	9/22	Japan		37.50						37.50
	9/22	9/29	Soviet Union		600.00						600.00
	9/29	9/30	Ireland		98.00		[3] 5,269.34		[4] 14.81		5,382.15
Ron de Lugo, MC	9/21	9/22	Japan		37.50						37.50
	9/22	9/29	Soviet Union		600.00						600.00
	9/29	9/30	Ireland		98.00		[3] 5,269.34		[4] 14.81		5,382.15
Fofo I.F. Sunia, MC	9/21	9/22	Japan		37.50						37.50
	9/22	9/29	Soviet Union		600.00						600.00
	9/29	9/30	Ireland		98.00		[3] 5,269.34		[4] 14.81		5,382.15
Ben Blaz, MC	9/21	9/22	Japan		37.50						37.50
	9/22	9/29	Soviet Union		600.00						600.00
	9/29	9/30	Ireland		98.00		[3] 5,269.34		[4] 14.81		5,382.15
Roy Jones, Jr., staff	9/21	9/22	Japan		37.50						37.50
	9/22	9/29	Soviet Union		600.00						600.00
	9/29	9/30	Ireland		98.00		[3] 5,269.34		[4] 14.81		5,382.15
Ronald K. Burton, staff	9/21	9/22	Japan		37.50						37.50
	9/22	9/29	Soviet Union		600.00						600.00
	9/29	9/30	Ireland		98.00		[3] 5,269.34		[4] 14.81		5,382.15
C. Stanley Sloss, staff	9/21	9/22	Japan		37.50						37.50
	9/22	9/29	Soviet Union		600.00						600.00
	9/29	9/30	Ireland		98.00		[3] 5,269.34		[4] 14.81		5,382.15
Richard Agnew, staff	9/21	9/22	Japan		37.50						37.50
	9/22	9/29	Soviet Union		600.00						600.00
	9/29	9/30	Ireland		98.00		[3] 5,269.34		[4] 14.81		5,382.15
Franklin Ducheneaux, staff	9/21	9/22	Japan		37.50						37.50
	9/22	9/29	Soviet Union		600.00						600.00
	9/29	9/30	Ireland		98.00		[3] 5,269.34		[4] 14.81		5,382.15
Teddy Roe, staff	9/21	9/22	Japan		37.50						37.50
	9/22	9/29	Soviet Union		600.00						600.00
	9/29	9/30	Ireland		98.00		[3] 5,269.34		[4] 14.81		5,382.15
Mark Trautwein, staff	9/21	9/22	Japan		37.50						37.50
	9/22	9/29	Soviet Union		600.00						600.00
	9/29	9/30	Ireland		98.00		[3] 5,269.34		[4] 14.81		5,382.15
Daniel Val Kish, staff	9/21	9/22	Japan		37.50						37.50
	9/22	9/29	Soviet Union		600.00						600.00
	9/29	9/30	Ireland		98.00		[3] 5,269.34		[4] 14.81		5,382.15
Jerome Targovnik, staff	9/21	9/22	Japan		37.50						37.50
	9/22	9/29	Soviet Union		600.00						600.00
	9/29	9/30	Ireland		98.00		[3] 5,269.34		[4] 14.81		5,382.15
Committee total					11,970.50		81,307.03		226.92		93,504.45

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Cost of military air transportation (C–135).
[4] Control room.

MORRIS K. UDALL, Chairman, Oct. 18, 1985.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2182. A letter from the Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting notice of intent to consent to a proposed transfer of U.S. origin defense articles from the United Kingdom and the Kingdom of Denmark to Japan and Australia, pursuant to 22 U.S.C. 2753(d)(1), (2)(B); to the Committee on Foreign Affairs.

2183. A letter from the Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting a report on the extent to which the Government of Haiti is cooperating in halting illegal immigration, implementing development, food and economic assistance programs, and improving the human rights situation, pursuant to Public Law 98-473, section 540(c) (98 Stat. 1903); jointly, to the Committees on Appropriations and Foreign Affairs.

2184. A letter from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to ensure the supply of childhood vaccines, and for other purposes; jointly, to the Committees on Energy and Commerce and the Judiciary.

2185. A letter from the General Counsel, Department of the Treasury, transmitting a draft of proposed legislation to amend title 31, United States Code, to establish an orderly system for payment of Treasury checks, for issuance of replacements for those checks, and for other purposes; jointly, to the Committees on Ways and Means and Banking, Finance and Urban Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HAWKINS. Committee on Education and Labor. H.R. 3447. A bill to amend and extend the Congressional Award Act; with amendments (Rept. 99-327). Referred to the Committee of the Whole House on the State of the Union.

Mr. HAWKINS. Committee on Education and Labor. H. Con. Res. 201. A bill to commemorate the accomplishments of Public Law 94-142, the Education for All Handicapped Children Act, on the 10th anniversary of its enactment; with an amendment (Rept. 99-328). Referred to the House Calendar.

Mr. MONTGOMERY. Committee on Veterans' Affairs. H.R. 1361. A bill to designate the Veteran's Administration Outpatient Clinic to be located in Crown Point, Indiana, as the "Adam Benjamin, Junior, Veteran's Administration Outpatient Clinic"; with an amendment (Rept. 99-329). Referred to the House Calendar.

Mr. BONIOR. Committee on Rules. H. Res. 299. A resolution waiving certain points of order against the conference report, and consideration of such conference report on S. 1160 (Rept. 99-330). Referred to the House Calendar.

Mr. HAWKINS. Committee on Education and Labor. H.R. 3530. A bill to amend the Fair Labor Standards Act of 1938 to authorize the provision of compensatory time in lieu of overtime compensation for employees of States, political subdivisions of States, and interstate governmental agencies, to clarify the application of the act to volunteers, and for other purposes; with an amendment (Rept. 99-331). Referred to the Committee of the Whole House on the State of the Union.

Mr. ADDABBO. Committee on Appropriations. H.R. 3629. A bill making appropriations for the Department of Defense for the fiscal year ending September 30, 1986, and for other purposes. (Rept. 99-332). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BROOKS (for himself, Mr. HORTON, Mr. SAXTON, and Mr. DIO-GUARDI):

H.R. 3614. A bill to restrict the use of government vehicles for transportation of officers and employees of the Federal Government between their residences and places of employment, and for other purposes; to the Committee on Government Operations.

By Mr. BRUCE (for himself, Mr. DURBIN, Mr. TALLON, Mr. TOWNS, Mr. HOPKINS, and Mr. STALLINGS):

H.R. 3615. A bill to extend the use of and expand eligibility for Agricultural Industrial Development Bonds; to the Committee on Ways and Means.

By Mrs. COLLINS:

H.R. 3616. A bill to authorize the Secretary of Health and Human Services to fund adolescent health demonstration projects; to the Committee on Energy and Commerce.

By Mr. ENGLISH:

H.R. 3617. A bill to exempt rural water systems facilities assisted under the Consolidated Farm and Rural Development Act as amended from certain right-of-way rental payments under the Federal Land Policy and Management Act of 1976; to the Committee on Interior and Insular Affairs.

By Mr. EVANS of Iowa:

H.R. 3618. A bill to amend the Farm Credit Act of 1971 with respect to obligations of the farm credit system; to the Committee on Agriculture.

By Mr. EVANS of Iowa:

H.R. 3619. A bill to amend the Farm Credit Act of 1971 to provide for purchases of foreclosed farmland in the farm credit system; to the Committee on Agriculture.

H.R. 3620. A bill to amend the Farm Credit Act of 1971 to encourage institutions of the farm credit system to renegotiate problem loans and to permit those institutions to treat portions of those renegotiated loans as assets for a period of time; to the Committee on Agriculture.

By Mr. MARLENEE:

H.R. 3621. A bill to provide for the conveyance of the Miles City National Fish Hatchery to the State of Montana; to the Committee on Merchant Marine and Fisheries.

By Mr. NICHOLS (for himself, Mr. ASPIN, Mr. SKELTON, Mr. HOPKINS, Mrs. BYRON, Mr. STUMP, Mr. MAVROULES, Mr. KASICH, Mr. MCCURDY, Mrs. MARTIN of Illinois, Mr. SPRATT, Mr. CARNEY, Mr. MCCLOSKEY, Mr. PRICE, Mr. WHITEHURST, Mr. DANIEL, Mrs. SCHROEDER, Mr. KRAMER, Mr. LEATH of Texas, Mr. FOGLIETTA, Mr. DYSON, Mr. HERTEL of Michigan, Mrs. LLOYD, Mr. ORTIZ, Mr. DARDEN, Mr. ROBINSON, Mr. BUSTAMANTE, Mr. HAMILTON, Mr. EDGAR, Mr. ENGLISH, Mr. FOWLER, Mr. ANDREWS, Mr. MATSUI, Mrs. BENTLEY, Mr. WHITLEY, Mr. CONYERS, Mr. GEPHARDT, Mr. GLICKMAN, Mr. WATKINS, Mr. DICKS, Mr. BEDELL, Mr. BEILENSON, Mr. HUGHES, Mr. FAZIO, Mr. GINGRICH, Mr. BEVILL, Mr. FISH, Mr. COELHO, Mr. ECKART of Ohio, Mrs. BOXER, Mr. LAFALCE, Mr. VOLKMER, Mr. HOYER, Mr. PANETTA, Mr. CARPER, Mr. SMITH of Florida, Mr. LUNDINE, Mr. PORTER, Mr. REID, Mr. DENNY SMITH, Mr. SABO, Mr. NEAL, Mr. RANGEL, Mr. YATRON, Mr. LIPINSKI, Mr. SIKORSKI, Mr. GORDON, Mr. BATES, Mr. WILSON, Mr. OLIN, Mr. COOPER, and Mr. DASCHLE):

H.R. 3622. A bill to amend title 10, United States Code, to strengthen the position of Chairman of the Joint Chiefs of Staff, to provide for more efficient and effective operation of the Armed Forces, and for other purposes; to the Committee on Armed Services.

By Mr. SYNAR (for himself, Mr. EDWARDS of Oklahoma, Mr. JONES of Oklahoma, Mr. ENGLISH, Mr. MCCURDY, and Mr. WATKINS):

H.R. 3623. A bill to declare that the United States holds certain Chilocco Indian School lands in trust for the Kaw, Otoe-Missouria, Pawnee, Ponca, and Tonkawa Indian Tribes of Oklahoma; to the Committee on Interior and Insular Affairs.

By Mrs. VUCANOVICH:

H.R. 3624. A bill to authorize the conveyance of 470 acres in Nevada to the University of Nevada for use as a research and development center; to the Committee on Interior and Insular Affairs.

H.R. 3625. A bill to authorize and direct the Secretary of the Interior to convey certain real property to the Pershing County Water Conservation District; to the Committee on Interior and Insular Affairs.

By Mr. WORTLEY (for himself, Mr. BOEHLERT, Mr. EMERSON, Mr. FISH, Mr. GALLO, Mr. GARCIA, Mr. GILMAN, Mr. LAGOMARSINO, Mr. LEWIS of California, Mr. MCCANDLESS, Mr. MOLINARI, Mr. NIELSON of Utah, Mr. RUDD, and Mr. DENNY SMITH):

H.R. 3626. A bill to establish the National Commission on Classified Information and Security Clearance Procedures; jointly to the Committee on Government Operations, and the Permanent Select Committee on Intelligence.

By Mr. YOUNG of Missouri (for himself, Mr. TAUZIN, Mr. SHELBY, and Mr. FIELDS):

H.R. 3627. A bill granting the consent of Congress to the Southern States Energy Compact, and for related purposes; to the Committee on Energy and Commerce.

By Mr. FASCELL (for himself, Mr. WRIGHT, Mr. BROOMFIELD, Mr. SMITH of Florida, Mr. ACKERMAN, Mr. ADDABBO, Mr. AKAKA, Mr. ALEXANDER, Mr. ANDERSON, Mr. ANDREWS, Mr. ANNUNZIO, Mr. ANTHONY, Mr. ATKINS, Mr. AUCOIN, Mr. BARNARD, Mr. BARNES, Mr. BARTON of Texas, Mr. BATES, Mr. BEILENSON, Mr. BENNETT, Mr. BERMAN, Mr. BIAGGI, Mr. BILIRAKIS, Mr. BOEHLERT, Mrs. BOGGS, Mr. BOLAND, Mr. BONER of Tennessee, Mr. BOUCHER, Mr. BOULTER, Mrs. BOXER, Mr. BORSKI, Mr. BREAUX, Mr. BROOKS, Mr. BROWN of California, Mr. BROWN of Colorado, Mr. BRUCE, Mr. BRYANT, Mrs. BURTON of California, Mr. BUSTAMANTE, Mr. CARNEY, Mr. CARPER, Mr. CARR, Mr. CHANDLER, Mr. CHAPMAN, Mr. CHAPPELL, Mr. COATS, Mr. COBLE, Mr. COELHO, Mr. COBEY, Mr. COLEMAN of Texas, Mrs. COLLINS, Mr. CONTE, Mr. COOPER, Mr. COUGHLIN, Mr. COURTER, Mr. COYNE, Mr. DANIEL, Mr. DASCHLE, Mr. DELAY, Mr. DELLUMS, Mr. DERRICK, Mr. DICKS, Mr. DIOGUARDI, Mr. DIXON, Mr. DONNELLY, Mr. DORGAN of North Dakota, Mr. DORNAN of California, Mr. DOWDY of Mississippi, Mr.

DOWNEY of New York, Mr. DUNCAN, Mr. DURBIN, Mr. DYSON, Mr. DWYER of New Jersey, Mr. EARLY, Mr. ECKART of Ohio, Mr. ECKERT of New York, Mr. EDGAR, Mr. EDWARDS of California, Mr. EDWARDS of Oklahoma, Mr. ENGLISH, Mr. ERDREICH, Mr. EVANS of Illinois, Mr. FAZIO, Mr. FEIGHAN, Ms. FIEDLER, Mr. FISH, Mr. FLORIO, Mr. FOGLIETTA, Mr. FOLEY, Mr. FORD of Michigan, Mr. FORD of Tennessee, Mr. FOWLER, Mr. FRANK, Mr. FRANKLIN, Mr. FRENZEL, Mr. FROST, Mr. FUQUA, Mr. GALLO, Mr. GARCIA, Mr. GEJDENSON, Mr. GEKAS, Mr. GEPHARDT, Mr. GIBBONS, Mr. GILMAN, Mr. GINGRICH, Mr. GLICKMAN, Mr. GONZALEZ, Mr. GORDON, Mr. GRADISON, Mr. GRAY of Pennsylvania, Mr. GRAY of Illinois, Mr. GREEN, Mr. GROTBERG, Mr. GUARINI, Mr. HALL of Ohio, Mr. HAWKINS, Mr. HAYES, Mr. HEFNER, Mr. HEFTEL of Hawaii, Mr. HENDON, Mr. HERTEL of Michigan, Mr. HOWARD, Mr. HOYER, Mr. HUCKABY, Mr. HUGHES, Mr. HUNTER, Mr. HUTTO, Mr. JACOBS, Mr. JENKINS, Mrs. JOHNSON, Mr. JONES of Oklahoma, Mr. JONES of Tennessee, Mr. KANJORSKI, Ms. KAPTUR, Mr. KASICH, Mr. KEMP, Mrs. KENNELLY, Mr. KINDNESS, Mr. KLECZKA, Mr. KOSTMAYER, Mr. KOLBE, Mr. KRAMER, Mr. LAFALCE, Mr. LANTOS, Mr. LEACH of Iowa, Mr. LEATH of Texas, Mr. LEHMAN of California, Mr. LEHMAN of Florida, Mr. LELAND, Mr. LENT, Mr. LEVIN of Michigan, Mr. LEVINE of California, Mr. LEWIS of Florida, Mr. LIGHTFOOT, Mr. LIPINSKI, Mrs. LLOYD, Mr. LOEFFLER, Mr. LOWRY of Washington, Mr. LUKEN, Mr. MACK, Mr. MANTON, Mr. MARKEY, Mr. MARTIN of New York, Mrs. MARTIN of Illinois, Mr. MAVROULES, Mr. MARTINEZ, Mr. MATSUI, Mr. MAZZOLI, Mr. MCCAIN, Mr. MCCLOSKEY, Mr. MCCOLLUM, Mr. MCCURDY, Mr. MCGRATH, Mr. MCHUGH, Mr. MCKERNAN, Mr. MCKINNEY, Mr. MICA, Mr. MILLER of California, Mr. MILLER of Washington, Ms. MIKULSKI, Mr. MINETA, Mr. MOAKLEY, Mr. MOLINARI, Mr. MOLLOHAN, Mr. MOODY, Mr. MOORE, Mr. MONSON, Mr. MORRISON of Connecticut, Mr. MRAZEK, Mr. NEAL, Mr. NELSON of Florida, Mr. OBERSTAR, Mr. OLIN, Mr. ORTIZ, Mr. OWENS, Mr. PANETTA, Mr. PASHAYAN, Mr. PENNY, Mr. PERKINS, Mr. PEPPER, Mr. PICKLE, Mr. PORTER, Mr. QUILLEN, Mr. RANGEL, Mr. REID, Mr. RICHARDSON, Mr. RINALDO, Mr. ROBINSON, Mr. RODINO, Mr. ROEMER, Mr. ROSE, Mrs. ROUKEMA, Mr. ROYBAL, Mr. RUSSO, Mr. SABO, Mr. SAXTON, Mr. SCHEUER, Mrs. SCHNEIDER, Mrs. SCHROEDER, Mr. SCHUETTE, Mr. SCHUMER, Mr. SHARP, Mr. SHAW, Mr. SHELBY, Mr. SHUSTER, Mr. SILJANDER, Mr. SIKORSKI, Mr. SISISKY, Mr. SKELTON, Mr. SLATTERY, Mr. SMITH of New Hampshire, Mr. SMITH of New Jersey, Ms. SNOWE, Mr. SOLARZ, Mr. ST GERMAIN, Mr. STAGGERS, Mr. STALLINGS, Mr. STARK, Mr. STOKES, Mr. STRATTON, Mr. SUNDQUIST, Mr. SWEENEY, Mr. SWIFT, Mr. SYNAR, Mr. TALLON, Mr. TAUZIN, Mr. THOMAS of Georgia, Mr. TORRES, Mr. TORRICELLI, Mr. TOWNS, Mr. TRAFICANT, Mr. TRAXLER, Mr. UDALL, Mrs. VUCANOVICH, Mr. WALGREN, Mr. WALKER, Mr. WATKINS, Mr. WAXMAN, Mr. WEBER, Mr. WEISS, Mr. WHEAT, Mr. WHITLEY, Mr. WILLIAMS, Mr. WIRTH, Mr. WISE, Mr. WOLF, Mr. WOLPE, Mr. WORTLEY, Mr. WYDEN, Mr. YATES, Mr. YATRON, Mr. YOUNG of Florida, Mr. YOUNG of Missouri, and Mr. ROE):

H.J. Res. 428. Joint resolution to prohibit the sales of certain advanced weapons to Jordan; to the Committee on Foreign Affairs.

By Mr. FLORIO:

H.J. Res. 429. Joint resolution to designate July 2, 1986, as "National Literacy Day"; to the Committee on Post Office and Civil Service.

By Mr. LAGOMARSINO:

H. Res. 300. Resolution supporting the intent of the President to discuss with leaders of the Soviet Union American concerns with the Soviet presence in Afghanistan, and for other purposes; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

MS. MIKULSKI introduced a bill (H.R. 3628) for the relief of Rukert Marine Corporation of Baltimore, Md.; to the Committee on Ways and Means.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII sponsors were added to public bills and resolutions as follows:

H.R. 58: Mr. RICHARDSON.

H.R. 85: Mr. DASCHLE.

H.R. 400: Mr. BONIOR of Michigan.

H.R. 506: Mr. BROWN of Colorado.

H.R. 692: Mr. ORTIZ, Mr. MITCHELL, Mr. FROST, Mr. STRANG, Mr. RUSSO, Mr. SUNIA, Mr. CHANDLER, Mr. BURTON of Indiana, Mr. TOWNS, Mr. SABO, and Mr. HUGHES.

H.R. 875: Mrs. SCHROEDER, Mr. SAVAGE, and Mr. MATSUI.

H.R. 983: Mr. COLEMAN of Texas, Mr. DYSON, Mr. CHANDLER, Mr. MOODY, Mr. TAUKE, Mr. BENNETT, Mr. JONES of Tennessee, Mr. HENDON, Mr. MRAZEK, and Mr. RODINO.

H.R. 989: Mr. YOUNG of Florida.

H.R. 1059: Mr. SPENCE and Mr. HARTNETT.

H.R. 1207: Mr. GOODLING, Mr. BEDELL, Mr. BROWN, of Colorado, Mr. HEFTEL of Hawaii, Mr. MOORE, Mr. WORTLEY, Mr. YATES, Mr. ZSCHAU, Mr. SHAW, Mr. WEBER, Mr. GREGG, Mr. ASPIN, Mrs. MEYERS of Kansas, Mr. HARTNETT, Mr. BOSCO, Mr. FROST, Mr. KRAMER, Mr. LAFALCE, Mr. MCKINNEY, Mr. STAGGERS, Mr. WATKINS, and Mr. WOLPE.

H.R. 1309: Mr. RODINO and Mr. LOWRY of Washington.

H.R. 1538: Mr. BONIOR of Michigan.

H.R. 1594: Mr. FAUNTROY and Mr. FRANK.

H.R. 1627: Mr. ROGERS.

H.R. 1674: Mr. RICHARDSON.

H.R. 1769: Mr. LEHMAN of California.

H.R. 1840: Mr. WILSON, Mr. EVANS of Illinois, Mr. LEHMAN of California. Mrs. LONG, Mr. DAVIS, Mr. SKEEN, and Mr. OBERSTAR.

H.R. 1875: Mr. PACKARD, Mr. MCKINNEY, Mr. MACKAY, Mr. JONES of North Carolina, Mr. LIPINSKI, Mr. EVANS of Illinois, Mrs. BOXER, Mr. GARCIA, Ms. KAPTUR, Mr. TORRES, Mr. DIXON, Mr. TOWNS, Mr. RAHALL, and Mr. LELAND.

H.R. 2001: Mr. TRAFICANT, Mr. ROSE, Mr. MILLER of Washington, and Mr. WATKINS.

H.R. 2157: Mr. TAUKE, Mr. GOODLING, Mr. BARTLETT, Mr. RALPH M. HALL, and Mr. GUNDERSON.

H.R. 2181: Mr. SUNIA.

H.R. 2221: Mr. GRAY of Pennsylvania.

H.R. 2653: Mrs. COLLINS, Mr. CONYERS, Mr. CROCKETT, Mr. DANIEL, Mr. ECKART of Ohio, Mr. GEJDENSON, Mr. GRAY of Pennsylvania, Mr. JONES of North Carolina, Mr. KASICH, Mr. KOSTMAYER, Mr. KRAMER, Mr. LOWRY of Washington, Mr. MCKINNEY, Mr. MOODY, Mr. RICHARDSON, Mr. SWIFT, Mr. SWINDALL, Mr. WEISS, Mr. WILLIAMS, Mr. YATRON, Mr. YOUNG of Missouri, and Mr. ZSCHAU.

H.R. 2700: Mr. DELUGO, Mr. FLORIO, Mrs. COLLINS, Mr. GINGRICH, Mr. WIRTH, and Mr. MINETA.

H.R. 2815: Mr. COMBEST, Mr. CHAPPIE, Mr. LAGOMARSINO, Mr. DORNAN of California, Mrs. HOLT, Mr. COBEY, and Mr. SMITH of New Hampshire.

H.R. 2899: Mr. HOPKINS.

H.R. 3064: Mr. MARKEY, Mr. MARTINEZ, Mr. HANSEN, and Mr. FRANK.

H.R. 3115: Mr. WEBER.

H.R. 3319: Mr. MARTINEZ, Mr. HUGHES, Mr. KASTENMEIER, Mr. LEHMAN of California, Mrs. BOXER, Mr. GARCIA, and Mr. MINETA.

H.R. 3325: Mr. RANGEL, Mr. MOODY, Mr. TORRICELLI, Mr. HAWKINS, and Mr. BERMAN.

H.R. 3346: Mr. WEBER, Mr. ARMEY, Mr. HUNTER, Mr. BEVILL, and Mr. SMITH of New Hampshire.

H.R. 3357: Mr. BADHAM, Mr. SWINDALL, Mr. DARDEN, Mr. DIOGUARDI, Mr. BARTON of Texas, and Mr. LUNGREN.

H.R. 3359: Mr. RAHALL, Mr. WORTLEY, Mr. DANIEL, Mr. APPLEGATE, Mr. MORRISON of Connecticut, Mr. LAGOMARSINO, Mr. DYSON, Mr. CAMPBELL, Mr. HYDE, Mr. DAUB, Ms. KAPTUR, Mr. FROST, Mr. NIELSON of Utah, Mr. DEWINE, and Mr. HENDON.

H.R. 3393: Mr. FAZIO, Mr. PENNY, Mr. ROE, Mr. DELUGO, Mr. MURPHY, Mr. KASTENMEIER, Mr. JONES of North Carolina, Mr. HORTON, Mr. BEDELL, Mr. GLICKMAN, Ms. KAPTUR, and Mr. RANGEL.

H.R. 3416: Mr. LAGOMARSINO, Mr. REGULA, Mr. HENRY, Mr. JEFFORDS, and Mr. Goodling.

H.R. 3438: Mr. VANDER JAGT, and Mrs. COLLINS.

H.R. 3474: Mr. HYDE, Mr. MORRISON of Connecticut, Mr. PRICE, Mr. PENNY, Mr. LIGHTFOOT, Mr. CONYERS, Mr. WHITEHURST, and Mr. WORTLEY.

H.R. 3509: Mr. LELAND, Mr. JONES of North Carolina, Mr. BOEHLERT, and Mr. DOWDY of Mississippi.

H.R. 3515: Mr. BARTON of Texas.

H.R. 3522: Mr. WOLF.

H.R. 3530: Mr. OBEY, Mr. SIKORSKI, Mr. HARTNETT, Mr. DORNAN of California, Mr. OBERSTAR, and Mrs. BURTON of California.

H.R. 3565: Mr. THOMAS of Georgia, Mr. CAMPBELL, Mrs. BENTLY, Mr. GALLO, Mr. KINDNESS, Mr. LEWIS of Florida, Mr. GINGRICH, Mr. DEWINE, Mr. ROBERT F. SMITH, Mr. WILSON, and Mr. BROWN of Colorado.

H.R. 3567: Mr. TORRES, Mr. GARCIA, and Mr. PARRIS.

H.R. 3569: Mr. COURTER.

H.J. Res. 20: Mr. MORRISON of Washington, Mr. BONER of Tennessee, Mr. DIOGUARDI, Mr. GEJDENSON, Mr. MILLER of Washington, Mr. TOWNS, Mr. GRAY of Illinois, Mr. DE LA GARZA, Mr. DELLUMS, Mr. DAUB, Mr. MCCOLLUM, Mr. CAMPBELL, Mr. DREIER of California, Ms. FIEDLER, Mr. GILMAN, Mr. GINGRICH, Mr. HARTNETT, Mr. HUNTER, Mr. IRELAND, Mr. MACK, Mr. MOLINARI, Mr. PASHAYAN, Mr. RITTER, Mr. SCHAEFER, Mr. SKEEN, Mr. SLAUGHTER, Mr. STRANG, Mr. WALKER, Mr. WYDEN, and Mr. LATTA.

H.J. Res. 47: Mr. DASCHLE, Mr. SAVAGE, Mr. GORDON, and Mr. SCHEUER.

H.J. Res. 122: Mr. MCKINNEY, Mr. MCEWEN, Mr. LOTT, Mrs. MEYERS of Kansas, Mr. DINGELL, Mr. MILLER of Ohio, Mr.

DORNAN of California, Mr. HYDE, Mr. MICHEL, Mr. DIOGUARDI, Mr. LUNGREN, Mr. JONES of Tennessee, Mr. APPLEGATE, Mr. STANGELAND, Mr. MOORHEAD, Mr. MCDADE, Mr. LOEFFLER, Mr. DICKINSON, Mr. DANIEL, Mr. BROOMFIELD, Mr. RUDD, Mr. BILIRAKIS, Mr. YATRON, Mr. MACK, Mr. CARNEY, Mr. COURTER, Mr. FRENZEL, Mr. GALLO, Mr. HAMMERSCHMIDT, Mr. HARTNETT, Mr. HUNTER, Mr. LEWIS of California, Mr. MARTIN of New York, Mr. CLINGER, Mr. TAUZIN, Mr. MOORE, Mr. SPENCE, Mr. CAMPBELL, Mr. SWINDALL, Mr. BLAZ, Mr. IRELAND, Mr. PACKARD, Mr. EDWARDS of Oklahoma, Mr. PRICE, Mr. STARK, and Mr. WILSON.

H.J. Res. 127: Mr. CARPER, Mr. LATTA, Mr. MOLINARI, Mr. AKAKA, Mrs. BENTLEY, Mr. BONER of Tennessee, Mr. DORNAN of California, Mr. DYMALLY, Mr. ERDREICH, Mr. RAY, and Mr. MRAZEK.

H.J. Res. 267: Mr. COBEY.

H.J. Res. 391: Mr. FAZIO, Mr. HORTON, Mr. SCHEUER, Mr. CHAPPIE, Mr. ROWLAND of Georgia, Mr. MARTIN of New York, Mr. ROE, Mr. LIVINGSTON, Mr. SMITH of Florida, Mr. HOYER, Mr. WOLF, Mr. MORRISON of Connecticut, Mr. WEISS, Mr. MCKINNEY, Mr. HARTNETT, Mr. CAMPBELL, Mr. CHANDLER, Mr. BATEMAN, Mrs. KENNELLY, Mr. REID, Mr. BOUCHER, Mr. BONIOR of Michigan, Mr. DE LA GARZA, Mr. DANIEL, Mr. MATSUI, Mr. LEVIN of Michigan, Mr. ERDREICH, Mr. BONER of Tennessee, Mr. JONES of Tennessee, Mr. FASCELL, Mr. YOUNG of Alaska, Mr. VOLKMER, Mr. FROST, Mr. RANGEL, Mr. MCEWEN, Mr. DORNAN of California, Mr. DERRICK, and Mr. EMERSON.

H.J. Res. 416: Mr. DIXON.

H.J. Res. 417: Mr. YATRON, Mr. HENRY, Mr. GALLO, Mr. FRANK, Mr. BILIRAKIS, Mr. BEDELL, Mr. LEVINE of California, Mr. SEIBERLING, Mr. KOSTMAYER, Mr. WILSON, Mr. LIVINGSTON, Mr. NEAL, and Mr. KASTENMEIER.

H.J. Res. 424: Mr. MURPHY, Mr. BRYANT, Mr. MOORHEAD, Mr. DIXON, Mr. YOUNG of Alaska, Mrs. BENTLEY, Mr. WATKINS, Mrs. BYRON, Mr. KASICH, Mr. JONES of North Carolina, Mr. HORTON, Mr. CARNEY, Mr. MOORE, Mr. GINGRICH, Mr. ADDABBO, Mr. FAZIO, Mr. MCGRATH, Mr. SCHAEFER, Mr. COBLE, Mr. BURTON of Indiana, Mr. DAUB, Mr. KLECZKA, Mr. DANIEL, Mr. DWYER of New Jersey, Mr. RAHALL, Mr. BERMAN, Mr. FRENZEL, Mr. MANTON, Mr. BOUCHER, Mr. NIELSON of Utah, Mr. REID, Mr. DE LA GARZA, Mr. SWINDALL, and Mr. HOWARD.

H. Con. Res. 198: Mr. GARCIA, Mr. ADDABBO, Mr. BOSCO, Mrs. BURTON of California, Mr. CROCKETT, Mr. MATSUI, Mr. MOAKLEY, Mr. MOODY, Mr. MORRISON of Connecticut, Mr. RANGEL, and Mr. WEISS.

H. Con. Res. 208: Mr. BONIOR of Michigan, Mr. BERMAN, Mr. HUGHES, Mr. BEDELL, Mr. WHEAT, Mr. CROCKETT, Mr. FAUNTROY, Ms. KAPTUR, Mr. UDALL, and Mr. RICHARDSON.

H. Con. Res. 210: Mrs. MARTIN of Illinois, Mr. FROST, Mr. GRAY of Pennsylvania, Mr. WILSON, Mr. LIPINSKI, Mr. REID, Mr. DAUB, Mr. PORTER, Mr. HOWARD, Mr. FAZIO, Mr. MATSUI, Mr. THOMAS of Georgia, Mr. FRANK, Mr. KINDNESS, Mr. BEDELL, and Mr. SIKORSKI.

H. Res. 268: Mr. WOLPE and Mr. MCCOLLUM.

SENATE—*Thursday, October 24, 1985*

(Legislative day of Monday, October 21, 1985)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

"We the peoples of the United Nations, determined to save succeeding generations from the scourge of war, which twice in our lifetime has brought untold sorrow to mankind, and to reaffirm faith in fundamental human rights, in the dignity and worth of the human person, in the equal rights of men and women and of nations large and small, and to establish conditions under which justice and respect for the obligations arising from treaties and other sources of international law can be maintained, and to promote social progress and better standards of life in larger freedom.

"And for these ends to practice tolerance and live together in peace with one another as good neighbors, and to unite our strength to maintain international peace and security, and to ensure, by the acceptance of principles, and the institution of methods, that armed force shall not be used, save in the common interest, and to employ international machinery for the promotion of the economic and social advancement of all peoples, have resolved to combine our efforts to accomplish these aims."

Eternal God, Lord of history, on this 40th anniversary of the United Nations, forgive our human propensity for big words and small deeds. Be with the leadership of the nations gathered in New York today, and especially we pray for the President of the United States, that he may be endowed with an unusual measure of grace and wisdom as he addresses them. In the name of truth. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The distinguished acting majority leader is recognized.

SCHEDULE

Mr. MATTINGLY. Mr. President, under the standing order, the two leaders will have 10 minutes each.

There will be routine morning business for not to extend beyond 9:30 a.m., with Senators permitted to speak therein for not more than 5 minutes each.

Following morning business, the Senate will begin consideration of H.R. 2965, the State, Justice, Commerce appropriations bill. Votes can be expected prior to 12 noon in relation to the appropriations bill.

By unanimous consent, at 12 noon, the Senate will lay aside the pending business to turn to the joint resolution offered by Senators DOLE, BYRD, LUGAR, and PELL relating to the sale of arms to Jordan. There is a 1-hour time limitation on the resolution, and no amendments are in order. Also, the yeas and nays have been ordered on the resolution; therefore, a rollcall vote will occur on adoption of the resolution.

Following the Jordan resolution, the Senate will resume consideration of S. 1730, the reconciliation bill. Votes can be expected throughout the day and possibly into the evening in order to complete action on the reconciliation bill.

Following passage of the reconciliation bill, it will be the intention of the majority leader to turn to the Compact of Free Association, if time permits today.

Mr. President, I ask unanimous consent that after the recognition of the acting Democratic leader, the Senator from Rhode Island [Mr. CHAFEE] be recognized.

The PRESIDENT pro tempore. Without objection, it is so ordered.

RECOGNITION OF THE ACTING DEMOCRATIC LEADER

The PRESIDENT pro tempore. The distinguished acting Democratic leader is recognized.

THE MYTH THAT ARMS SALES TO JORDAN CONTRIBUTE TO PEACE IN THE MIDDLE EAST

Mr. PROXMIRE. Mr. President, the administration is asking Congress to approve an arms sale package to Jordan totaling $1.9 billion. The justification for this sale rests on several points—all of which in my opinion are part of the mythology of arms sales.

First, the administration argues that this proposed sale is for the self-defense of Jordan and does not pose a new threat to Israel. How absurd! Provision of 40 advanced fighter aircraft, 12 mobile improved Hawk surface-to-air missile units, 108 Stinger handheld antiaircraft missiles, 300 Sidewinder air-to-air missiles, and 32 Bradley fighting vehicles can be nothing but an increased threat projection to Israeli planners. These weapons cannot and will not be placed in isolation to be used only under special conditions and by agreement never used against the Israelis. Nations at war use every available weapon even if prior assurances are given.

Second, this package is supposed to give King Hussein the incentive to enter into the peace process. Consider the logic here. Arms sales which threaten Israeli security are considered a positive development in the relations between these two nations. Not hardly. This sale will only provoke Israeli security concerns, which will lead to more arms sales to Israel and heightened tensions.

Third, it is suggested that this sale will protect Jordan from the Syrians. Here is another myth. Jordan simply does not have the military power, with or without this proposed sale, to withstand a war against the Syrians. Syrian air defenses and ground forces are substantially superior to Jordanian forces, no matter what comparison is made. The arms sale package will not alter this strategic disadvantage.

Taken in sum, Mr. President, the administration's arguments for the Jordanian arms sale package rest on such a weak foundation that they are more myth than reality.

WHY THE SUMMIT MEETING IN GENEVA WILL BE AN ARMS CONTROL FLOP

Mr. PROXMIRE. Mr. President, what would constitute a useful arms control agreement between the United States and the Soviet Union? What could the two superpower leaders begin to aim at in their Geneva meeting that could truly start to halt the nuclear arms race? President Reagan has suggested a sharp reduction by both sides in offensive nuclear missiles. Secretary Gorbachev has indicated that under the right circumstances, the Soviet Union might consider negotiating a 50-percent reduction in at least certain kinds of offensive missiles on both sides. Now, how about that? Does this mean that the superpowers may be on the verge of agreeing at Geneva to a 50-percent reduction in offensive nuclear missiles as a starter

toward the goal President Reagan has frequently stated of eliminating all nuclear weapons?

The answer, Mr. President, is that there are enormous obstacles in the way of even beginning to reach any agreement on reducing offensive nuclear missiles at Geneva in November. The President has made it abundantly clear over and over and over again that he will not stop moving ahead as rapidly as possible with SDI or star wars, the antimissile defense. And Secretary Gorbachev has bluntly asserted that he will not agree to any reduction in offensive nuclear missiles by the Soviet Union as long as the United States is building a defense against Soviet intercontinental ballistic missiles. So the possibility of an agreement reducing nuclear missiles at Geneva seems remote.

But, Mr. President, that appearance of only a long shot chance of any agreement to reduce nuclear weapons may be deceptive. Both superpower leaders have much to gain by achieving some kind of agreement that could be dolled up with some cosmetic camouflage and sold as a real live arms control achievement. Both superpowers have plenty of unnecessary nuclear power. In fact, much of it has been aging for a few years and is about to be retired to the junk heap and replaced with far more devastating, more accurate, and more reliable new nuclear weapons.

Instead of quietly replacing the obsolete, old weapons why shouldn't both leaders agree to a ceremony at Geneva in which, with a fanfare of trumpets, they agree to retire much, or all, of the older nuclear weapons that were on their way to the scrap heap, anyway? Both could then claim worldwide credit for a successful agreement that diminished the terrible, threatening nuclear arsenals on both sides. Both leaders would appear to their countrymen and their allies as heroes of peace and sanity. Both could boast that, for the first time, the superpowers had made a real breakthrough for arms control and a peaceful world. They would claim that they had negotiated an arms control treaty that, unlike previous treaties, did not just set a limit on how much the respective nuclear arsenals could expand. Instead, they could have their agreement as a great historical first, the first great reduction of nuclear weapons in the nuclear age. There could even be ceremonies attended by both leaders in which millions of tons of TNT explosive weapons were visibly sterilized and destroyed.

Why wouldn't such an achievement actually advance the world toward peace? The answer is obvious. Such an agreement and such action under such an agreement would be absolutely meaningless. It would not advance arms control an inch. Why not? Because both sides could and would replace the obsolete, old nuclear weapons that had served such a spectacular political purpose for the two leaders. They would replace them with far more deadly new weapons that would be much surer to reach and demolish the targets in the adversary country.

Now let me point out why all this could happen. The Soviet Union is now fully aware that its present massive force of land-based stationary ICBM's could become worthless in a world in which their prime adversary, the United States, has determined to build a highly advanced antiballistic missile system. The U.S.S.R. would undoubtedly benefit by shifting massively to cruise missiles that could underfly any intercepting antimissile net.

Also the Soviet nuclear weapons labs are undoubtedly working as feverishly as those of the United States to develop nuclear weapons that can penetrate any SDI antimissile shield. As these new, penetrating nuclear weapons come on scene, the Soviet Union would, even absent an agreement, substitute the new penetrators for their old ICBM's that lack that penetrating capacity. On our side, the United States, with our remarkable technology will—as it has in the past—continue to pour out of our weapons labs constantly more lethal, reliable, accurate weapons to replace the old, nuclear weapons we had so spectacularly destroyed. So the immensely dangerous and costly nuclear weapons race would speed ahead, without a moment's hesitation after an agreement on both sides to destroy offensive nuclear weapons.

Isn't it clear, Mr. President, that the only kind of arms control agreement worth the paper its written on must stop the arms race by stopping the nuclear testing that is essential to bringing on these constantly more devastating weapons on both sides? It now seems clear that the Geneva summit conference will provide for no significant arms control agreement. Any agreement to cut back on offensive nuclear weapons on both sides will mean nothing, because it will simply permit both superpowers to claim credit for destroying obsolete weapons they would destroy anyway, and will replace with even more devastating weapons. The prime prerequisite to an arms control agreement that will truly advance peace is an agreement that would provide a verifiable end to nuclear weapons testing.

FRENCH EXPLORATON OF WISCONSIN

Mr. PROXMIRE. Mr. President, I do wish to mention one other matter, and that is that the Governor of Wisconsin has declared this to be the 300th anniversary of the French exploration of Wisconsin.

We have had some marvelous French explorers who did a great deal in opening up our State. We are very proud of them—Nicolet, Marquette, and others. They have given their names and the French names to many of the cities and to our great university, Marquette University in Milwaukee.

The Governor and Mayor Bittner of the city of Prairie du Chieu have issued proclamations on that day and I ask unanimous consent to have those proclamations printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

A PROCLAMATION

Whereas, in 1673, explorers Louis Jolliet and Father Jacques Marquette traveled across the wild regions of our land from the French settlement at Green Bay to the confluence of the Wisconsin and Mississippi Rivers; and

Whereas, Nicholas Perrot followed the trail of Marquette and Jolliet in 1685 establishing a line of defensive forts to protect the French-Canadian fur traders operating in the region; and

Whereas, in that year Perrot ordered a fort erected on the prairie north of where the two rivers meet, naming the structure Fort Nicholas and thus beginning the settlement at what was to be called Prairie du Chien; and

Whereas, the 18th Century French voyagers who traveled this region and settled in Prairie du Chien are of great historical significance due to their many fine contributions of culture and tradition to the state of Wisconsin;

Now, therefore, I, Anthony S. Earl, Governor of the State of Wisconsin, do hereby proclaim 1985 "the Year of the French" in Wisconsin and urge the citizens of this state to join with the people of the City of Prairie du Chien in the celebration of the 300th anniversary of the building of Fort Nicholes.

PROCLAMATION BY MAYOR JAMES R. BITTNER

Whereas, In 1685 Nic(h)olas Perrot established a fort at Prairie du Chien, one in a series, to protect the French fur trade in the Upper Mississippi Valley, and

Whereas, this was the beginning of permanent habitation in Prairie du Chien, and

Whereas, In the 18th Century French Voyageurs from Canada, who used the prairie as a place of trade, began to make Prairie du Chien their home, and

Whereas, Throughout the second half of the 18th Century and into the 19th Century French Canadians settled on this prairie.

Now, therefore, I, James R. Bittner, Mayor of the historic city of Prairie du Chien, in honor of those first settlers, their culture and traditions which were the basis for the city, do hereby proclaim that 1985 shall be known to all who receive these presents as "the Year of the French".

Signed and sealed this 19th day of January, 1985 in the city of Prairie du Chien.

THE GENOCIDE CONVENTION WOULD NOT PLACE AMERICAN SOLDIERS AT RISK

Mr. PROXMIRE. Mr. President, today I want to consider a very serious criticism of the Genocide Convention.

Would ratification of the convention lead to trials of American soldiers for carrying out their orders? Would we be handing our enemies a weapon with which to pummel American POW's should—Heaven forbid—we find ourselves in another conflict?

The American Bar Association asked the people who are in the best position to know and the best position to care if the convention does pose such a threat. In 1976, the ABA asked the general counsel of the Defense Department and each branch of the Armed Forces if ratification of the convention would place service men and women at risk. The general counsel responded that the provisions of the Genocide Convention were wholly consistent with the domestic law that governs U.S. forces in wartime. Ratification of the convention would not put American soldiers at additional risk.

The legislative history of the Genocide Convention shows clearly that the convention does not apply to the combat actions between two soldiers. Excesses in wartime are lamentable—but they are governed by an entirely different bundle of international law and precedent that seeks to establish proportionality in warfare.

The convention would apply only to actions taken against civilian populations within the carefully drawn definition: actions taken with intent to destroy in whole or in part a national, ethnical, racial, or religious group. This definition clearly would exclude combat actions between soldiers.

Of course, hostile nations probably can be counted on to make life miserable for American POW's. Show trials and cooked-up charges pose a threat to American POW's regardless of Senate action on the Genocide Convention.

The Genocide Convention would not threaten Americans because we both live the peace and fight the war according to responsible guidelines. Ratification of the convention would threaten only those who flagrantly disregard those guidelines and commit genocide.

Mr. President, I reserve the remainder of the minority leader's time and yield the floor.

The PRESIDING OFFICER (Mr. MATTINGLY). The Senator from Rhode Island is recognized.

PRESERVING THE ABM TREATY

Mr. CHAFEE. Mr. President, many of us were shocked 2 weeks ago when the administration announced its sudden reinterpretation of the ABM Treaty.

National security adviser Robert McFarlane's abrupt new interpretation insists that development and testing of exotic antiballistic missile systems, such as those planned for the strategic defense initiative, are permitted under the ABM Treaty. Such a viewpoint flies in the face of the legal interpretations of past administrations. It raises very troubling questions that go to the heart of whether or not the ABM Treaty can survive as an effective accord governing the control of ballistic defense systems.

Mr. President, Mr. McFarlane's sudden switch—I do not know whether he was on the way to Damascus or what occurred. It turns out he was on his way to "Meet The Press." His sudden switch caught all by surprise.

The administration's new position on the ABM Treaty proves the old adage, "You can always find a lawyer to give a new interpretation to anything."

Until the McFarlane statement, the U.S. interpretation of the ABM Treaty was that there were certain limits placed upon both sides regarding development, as well as testing and, of course, deployment of ABM systems based on other physical principles such as lasers, particle beams, and other exotic components.

Ambassador Gerard Smith, who negotiated the ABM Treaty in 1972, summarized the restrictions on development this way at Senate hearings on ratification of the treaty.

Let us listen to the man who was there who negotiated it. What did he say about all of this? It is very clear and unequivocal:

> The prohibitions on development contained in the ABM Treaty would start at that part of the development process where field testing is initiated on either a prototype or model. It is understood by both sides that the prohibition on development applies to activities involved after a component moves from the laboratory development and testing stage to the field testing stage, whenever performed.

That makes it very clear—the prohibitions on development mean that you can test in the laboratory but when you move out into the field testing stage that is prohibited. What could be clearer?

Here is from the man who was there. This is not some sudden reinterpretation 13 years later.

Mr. PROXMIRE. Mr. President, will the Senator from Rhode Island yield for a minute?

Mr. CHAFEE. I yield.

Mr. PROXMIRE. Mr. President, I wish to say that I wholeheartedly approve what the Senator from Rhode Island is saying. I am delighted that he has come to the Chamber because other Senators have taken a contrary position and no one can speak with greater prestige than the former Secretary of the Navy in this kind of area, and he is so right.

The ABM Treaty is essential. It is the best arms control treaty we have. It is in very serious jeopardy, and if it is repudiated in the way it may well be, it will be a real blow to arms control as a whole.

How can anyone trust the word of the United States of America when it is so clear that that treaty prohibits any kind of testing in space, and it seems to me there is no way they can trust us if we now repudiate that part of the treaty. That is so explicit. I thank my good friend from Rhode Island. He is making a real contribution here.

Mr. CHAFEE. I thank the distinguished Senator from Wisconsin because he has long been active in this field. He has paid attention to it. He is not a Johnny-come-lately. He has dealt with this for many, many years and reflects the concerns that all of us feel.

John Rhinelander, legal counsel to the SALT I team, in testimony before the House Foreign Affairs Committee on Tuesday, said:

> And reinterpretation of the ABM Treaty is patently absurd and would frustrate the stated premise of this treaty—to prohibit deployment of nationwide ABM systems or a "base" for such a system.

The importance of the ABM Treaty cannot be underestimated. And this follows up on the statement that the distinguished senior Senator from Wisconsin says. It is the only accord between the United States and the Soviet Union which, until now, has limited in any true sense the aresenals of either side.

In other words, this is a limitation treaty. This is not a treaty that you can build up to and eventually reach the maximum. This treaty imposes limitations and it has worked. It has worked for 13 years and there would be an ABM system around Moscow but the United States decided not even to go ahead with an ABM system.

Abandoning the treaty would elevate, by several orders of magnitude, the dangers we face.

The ABM Treaty is important not only to us but to our allies. Now there is a tendency around this place lately to pooh-pooh our allied, to say what do we care about them. Well, as we found out in NATO when it came to positioning those cruise missiles and those Pershing II's our allies are extremely important. British Prime Minister Margaret Thatcher has agreed to the principles of SDI—but with the understanding that strict compliance with the ABM Treaty will continue. In the Netherlands, where the political situation is extremely sensitive since that country must make a decision on cruise missile deployment by November 1, a reinterpretation of the ABM Treaty threatens to undermine Dutch confidence in the United States and could adversely influence that decision about the deployment of the cruise missile. Throughout NATO, the reaction to the administration's sudden abrupt reinterpretation of the ABM

Treaty has been negative to state it mildly.

The administration, in response to the NATO concerns, among others, has now agreed to continue abiding by the old, more restrictive interpretation of the treaty. But it continues to insist upon the correctness of the new reading of the treaty. As long as the new interpretation stands, we will continue to run the risk that at a given moment, the United States will suddenly switch gears again. The existing situation—that we read the treaty permissively in principle but not in practice—will continue to create friction with United States allies, as well as with the Soviet Union.

It may be, as some have suggested, that the new interpretation is a "bargaining ploy." If that is the case, it is risky business. If it is not a bargaining ploy, then the danger is greater, for it will complicate needlessly the entire future of arms control, diverting attention from more pressing concerns of arms reductions.

Let us not throw this into the pot all of a sudden when we are on our way to Geneva where hopefully we can achieve deep and stabilizing reductions in the offensive arms.

I hope the President, upon reflection, will reaffirm, in unambiguous language, the longstanding, traditional interpretation of the ABM Treaty which has held sway for 13 years through four administrations—including the President's own—and that he will reject the McFarlane view.

Now is not the time to tamper with the most successful arms control agreement of the postwar era.

Mr. President, on Wednesday, October 23, Ambassador Smith expressed his concerns over the new interpretation of the ABM Treaty in a thoughtful letter to the editor of the New York Times. As the principal negotiator of the treaty, his views are entitled to special weight. I ask unanimous consent that the text of his letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

[From the New York Times, Oct. 23, 1985]

HOW THE ADMINISTRATION AMENDED THE ABM TREATY

WASHINGTON, DC
1, October 18, 1985.

To the Editor:

Despite Secretary of State George P. Shultz's efforts to blunt adverse domestic and international political repercussions, it is clear that the Reagan administration has repudiated its former position, and that of all previous administrations, that the anti-ballistic-missile treaty bars development and testing of space-based strategic defenses or components of them that use lasers, particle beams and other types of nontraditional technology. This new version of the treaty has drastic implications for the survival of the treaty and indeed of the whole arms control process.

As head of the United States delegation to the strategic arms limitation talks that negotiated the ABM treaty, I would like to record that it was not our intention that any type of technology for space-based ABM systems could be developed or tested under the treaty. This has been the official view of the United States Government for more than 13 years. In my opinion, the Russians agree with this position, which is binding on both parties and have stated so on a number of recent occasions. The controlling provisions of the treaty (to which the Senate consented to ratification by a vote of 88 to 2) is Article 5. Section 1 reads, "Each party undertakes not to develop, test or deploy ABM systems or components which are sea-based, air-based, space-based or mobile land-based."

The treaty does permit a small deployment of fixed land-based ABM missiles using traditional technology. It also permits development and testing of new technology for such fixed land-based defenses—but not deployment. The differences between the ban on deployment and testing of space-based systems, and the more limited constraints on fixed land-based systems is reflected in an agreed statement appended to the treaty (Agreed Statement D), which provides that if new type systems are developed, they cannot be deployed unless authorized by a treaty amendment. This agreed statement does not modify in any way the total ban on the development and testing of space-based systems.

The administration, after having accepted the official interpretation for more than four years, now has concluded that space-based systems or components using new technology may be developed and tested under the treaty, despite the ban in Article 5. The apparent rationale for this change is that the Russians never agreed to the broader historical American position.

This radical change in a central provision of the treaty, which is the supreme law of the United States, was apparently accomplished in secrecy without consultation with the Congress or United States allies for which this treaty has security significance.

While the Article 5 ban seems unambiguous to this writer, if the Administration is concerned about some ambiguity in the negotiating record, it should be recalled that the treaty anticipated this contingency and provided for consultational machinery to clarify any such situation. Would it not at least be prudent, as well as correct international procedure, to undertake such consultation with the other party to the treaty before the Administration implements this new interpretation in carrying out the "Star Wars" program?

GERARD C. SMITH.

Mr. CHAFEE. Mr. President, I have spoken here just as one Senator. I know there are others. There are others who if not available to speak have statements. But I certainly am delighted that the distinguished senior Senator from Maryland is here, a man who has given a lot of thought to this matter over many years and whose concerns about effective arms control are well known.

I yield to him whatever time he desires.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business not to extend beyond the hour of 9:30 a.m. with statements therein limited to 5 minutes each.

Mr. CHAFEE. I yield any time that I might have to Senator MATHIAS.

Mr. MATHIAS. How much time does the Senator from Rhode Island have?

The PRESIDING OFFICER. There is no leader time left. We are in morning business time. The Senator has 5 minutes.

ABM TREATY INTERPRETATION

Mr. MATHIAS. Mr. President, the extraordinary internal debate within the administration over a departure from the 13-year-old interpretation of the ABM Treaty—an interpretation confirmed by Republican and Democratic administrations alike—has generated very deep concern throughout the Atlantic alliance.

Last week I had the privilege of attending a session of the North Atlantic Assembly, which convened in San Francisco. When the delegates from the national legislatures of all of the 16 NATO countries arrived in San Francisco, they were greeted by the news that the long-accepted interpretation of the 1972 Antiballistic Missile Treaty, which prohibits the development and testing of space-based missiles defenses, had apparently been recast by some administration spokesmen to permit such activities.

Such a definition would allow the strategic defense initiative, sometimes called star wars, to move automatically and without further consultation beyond the research phase.

This attempted unilateral reinterpretation of the ABM Treaty drew a very heated reaction from many of our European partners who have already questioned the depth of our commitment to arms control. They asked, not without some reason, how the President could expect to reach a new arms control agreement reducing offensive missiles if the Untied States should choose to conveniently reinterpret its existing obligations to accommodate the expansion of the SDI program.

It was against this background of concern that the North Atlantic Assembly began to debate the subject of whether or not the North Atlantic Assembly, the parliamentary voice of NATO, should commit itself and should give its support to a strategic defense initiative research program. That research program was consistent with the U.S. plans but not yet adopted by the North Atlantic Assembly.

When we scheduled the debate, it was, of course, with the concept that the research would be conducted in a

manner consistent with the limits set in the ABM Treaty. But as the debate opened with this uncertainty in Washington, we were literally at sea. And, as events unfolded, it was highly questionable whether such a proposition would be accepted by a majority of the delegates attending the assembly, because they could not be sure what the U.S. position would be on the ABM issue.

I must give great credit to the Secretary of State, George Shultz, because he came to San Francisco to address the assembly well aware of the fact that this debate had been set for many months on the topic whether or not the North Atlantic Assembly should support the SDI research program. He made it unmistakably clear that the original, widely accepted interpretation, as set forth in the report of the administration to the Congress on the 15th of March this year, would be the interpretation to be retained and executed by the administration. It was extremely important that he laid it out in those terms because he then was referring to the original orthodox interpretation of the ABM Treaty which was set forth in writing—not something that could be subjected to further reinterpretation, but which was set forth in writing in the report of the administration to Congress. That was an enormously helpful step in this debate within the North Atlantic Assembly, because it gave the delegates an anchor by which they could stop the drift in policy.

On the basis of Secretary Shultz' statement and on the basis of the further statement of Ambassador Paul Nitze, the delegates than began to find that they were in a firm position from which they could begin to form opinions.

Ambassador Nitze, of course, has a very high degree of credibility within NATO because of his long association with security issues at many levels. He was able to reinforce the message that had been given to the delegates by the Secretary of State.

As a result of these activities, and because of some very strenuous work done on the floor by members of the American delegation—and I would particularly single out for thanks and praise the Representative from Texas [Mr. BROOKS] and the Representative from Florida. [Mr. FASCELL] who worked tirelessly in the interests of the United States.

As a result of all these activities, the resolution calling for alliance support for research in strategic defense within the limits of the ABM Treaty as traditionally interpreted was adopted by a vote of 91 to 12 with 28 abstentions, a remarkable resounding victory for American policy.

The resolution calls upon the United States and the Soviet Union to draw the line between research and development and development in accordance with a strict interpretation of the Antiballistic Missile Treaty.

Mr. President, I am glad that the Senator from Rhode Island has begun this discussion today because it is important that this whole matter be placed on the record. The episode which occurred at San Francisco at the session of the North Atlantic Assembly is just one example of the kind of disruptive effect that the attempt to reinterpret the Antiballistic Missile Treaty unilaterally can have upon our alliance and upon our whole security structure.

I think it would be useful to place in the RECORD—and if the Senator from Rhode Island has no objection, I will do it at this time—a copy of the resolution adopted by that vote of 91 to 12 in San Francisco because that illustrates what can be done when we are dealing on a consistent basis and with full consultation with our allies. It is essential to follow lines of policy that do not mindlessly deviate and lines of policy that are maintained with consistency and continuity.

So I ask unanimous consent that a copy of the North Atlantic Assembly resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

STRATEGIC DEFENCE AND THE ALLIANCE[1]

The Assembly,

Recalling resolution 132 on arms control in outer space (1982) and resolution 145 on ballistic missile defence (1983);

Reaffirming deterrence based on retaliatory offensive systems as an essential component of Alliance security;

Concerned by the increase in numbers and capability of offensive strategic weapons, and the consequent implications for crisis stability;

Underlining that the existing strategy of flexible response must remain in force as long as there is no more efficient alternative;

Convinced that the 1972 Anti-Ballistic Missile (ABM) Treaty continues to make a fundamental contribution to strategic stability;

Aware that differing interpretations are placed on the forms of research permissible under the terms of the ABM Treaty;

Concerned by evidence of Soviet violations of the ABM Treaty and continued Soviet research in, and modernization of, strategic defence technologies;

Concerned that advanced Soviet surface-to-air missile (SAM) systems may impinge on the ABM Treaty regime;

Recognizing some similarities between anti-satellite (ASAT) and strategic defence technologies; and, therefore,

Concerned that some aspects of advanced future ASAT development may undermine the ABM Treaty regime;

Acknowledging the need for the United States to pursue research in defensive technologies as a hedge against a potential Soviet breakout from the ABM Treaty;

Supporting, therefore, the United States' commitment to continue research into strategic defence technology within the provisions of the ABM Treaty;

Welcoming the statement of the United States that their research efforts are not directed towards gaining superiority;

Noting that disagreement exists within the Alliance over the technical and financial feasibility, military utility and political desirability of deployment of large-scale ballistic missile defences;

Convinced that negotiated constraints on offensive and defensive arms represent the preferred means of achieving greater stability;

Welcoming the United States' commitment to consult fully on the Strategic Defense Initiative with its Alliance partners;

Convinced that decisions about the potential development and deployment of defensive systems can only be made after the Alliance partners have been consulted and negotiations with the Soviet Union on co-operative solutions have taken place, i.e., that there must be no automatic sequence of research, development and deployment;

Urges member governments of the North Atlantic Alliance:

1. to recognize the close relationship between strict adherence by all parties to existing arms control agreements and the construction of a framework for mutual restraint between East and West;

2. to support every effort to enhance Western security through negotiated limitations and mutually verifiable reductions of offensive nuclear forces;

3. to encourage agreement between the Soviet Union and the United States on the technical definitions of the forms of research permissible under the terms of the ABM Treaty;

4. to ensure that any future arms control regimes covering strategic defence contain provisions which preclude circumvention by advanced ASAT development;

5. to support United States research into strategic defence consistence with the provisions of the ABM Treaty;

6. to assess what forms, if any, of ballistic missile defence would allay fears about "decoupling" and would contribute to the security of the Alliance as a whole;

7. to ensure that any Alliance participation in the Strategic Defence Initiative complies fully with the terms of the ABM Treaty; and

8. to ensure that the aim of extending the transatlantic two-way street must also be pursued with regard to research efforts by the United States.

Mr. MATHIAS. I would also, Mr. President, ask unanimous consent to have printed in the RECORD copies of certain press reports which may be helpful to those who have not followed on a day-to-day basis the unfolding of this story: One which appeared in the Washington Post on the 17th of October, a story written by Don Oberdorfer; one which appeared in the Washington Post on the 18th of October, with respect to the ABM missile interpretation; and, finally, one which appeared on the 22d of October, also written by Don Oberdorfer.

[1] Presented directly to the Plenary Assembly at the request of the President by Mr. John Cartwright (SDP, United Kingdom) and Senator Charles Mathias (Republican, United States), amended, and adopted.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post, Oct. 17, 1985]

TOP-LEVEL FIGHT LED TO ABM POLICY SHIFT—SHULTZ PREVAILED IN "KNOCK-DOWN, DRAG-OUT MEETING" ON MISSILE DEFENSE TREATY

(By Don Oberdorfer)

Secretary of State George P. Shultz persuaded President Reagan to preserve key limits of the Antiballistic Missile Treaty in an emotionally charged meeting with a few top officials at the White House last Friday, administration sources said yesterday.

Reagan's decision, announced by Shultz in San Francisco on Monday, partially reversed a shift in policy announced a week earlier by White House national security affairs adviser Robert C. McFarlane and strongly advocated by Secretary of Defense Caspar W. Weinberger.

Shultz, McFarlene, Weinberger and Director Kenneth L. Adelman of the Arms Control and Disarmament Agency are reported to have been the only officials present with Reagan when a new ABM policy was formulated in what one administration source called a "knock-down, drag-out meeting."

CBS News reported last night that Shultz won the day after "a subtle threat of resignation" by the secretary of state was conveyed to the White House. A State Department spokesman quoted Shultz as saying the CBS account was "nonsense."

Backing up Shultz's appeal to Reagan, official sources said, were diplomatic messages of sharp concern on the ABM issue from the West German and British governments and the argument of Paul H. Nitze, the U.S. special arms control adviser, that a shift in U.S. policy on the ABM Treaty at this time would cause a storm among U.S. allies and arms control advocates in Congress on the eve of the U.S.-Soviet summit meeting.

The topic at issue was the legal interpretation of the 1972 ABM Treaty, which the United States for 13 years has construed as limiting testing and development of antiballistic missile systems based on exotic technologies such as lasers and directed energy weapons. Many elements of Reagan's Strategic Defense Initiative, or "Star Wars" program, are based on such exotic technology.

A new Pentagon legal study, endorsed by State Department legal adviser Abraham D. Sofaer, argued that the Soviet negotiators in 1969-72 never accepted the limits on exotic technology as they would apply to Star Wars and that therefore the United States was not bound to do so. This position, which has not yet been formally accepted within the administration, was unexpectedly made public by McFarlane on NBC's "Meet the Press" Oct. 6 and affirmed as administration policy in a White House background briefing two days later.

Retired ambassador Gerard C. Smith, who negotiated the ABM Treaty for the Nixon administration, charged that the new interpretation was erroneous and would make "a dead letter" of the treaty.

Friday's White House meeting took place as Shultz prepared to speak Monday to the San Francisco meeting of legislators from NATO countries, who had sharply questioned NATO Secretary General Lord Carrington and Lt. Gen. James A. Abrahamson, director of the SDI program, about the ABM shift. Shultz was also preparing to fly from San Franciso to Brussels to see NATO foreign ministers, who were showing signs of dismay about the new ABM stance.

As a result of the White House meeting, Shultz was able to tell both gatherings that Reagan had decided to continue to conduct the SDI program "in accordance with a restrictive interpretation" of the ABM Treaty even though the administration believed the new interpretation advanced by the Pentagon was "fully justified."

In effect, Shultz said that Reagan agreed with the new legal interpretation, which would allow virtually unrestricted testing and devleopment of Star Wars, but would continue to pursue the program under greater restrictions as a measure of voluntary self-restraint.

Shultz did not specify how long the self-restraint would continue, though he suggested it would not end soon. He told a Brussels press conference, for example, that "we have designed our research program to fall within the narrower definition of the ABM Treaty's provisions, and we intend to keep it that way."

Assistant Secretary of Defense Richard N. Perle, whose office originated the new legal interpretation of the treaty, indicated yesterday that Reagan's decision to abide by the previous restrictive interpretation was temporary.

Perle told reporters that "with respect to the future, it remains to be seen" whether the United States will continue to accept an interpretation of the treaty that rules out full-scale testing and development of space-based antimissile systems.

Asked if the Soviets would be "well within their legal rights" to proceed with research, testing and development of exotic ABMs now that Reagan has decided that restrictions on such activity have no legal standing in the ABM Treaty, Perle replied, "That's correct." When a reporter asked if this were a desirable position from the U.S. standpoint, Perle replied, "It's a realistic position."

[From the Washington Post, Oct. 18, 1985]

REAGAN FINESSES CONFLICT OVER SDI, MISSILE TREATY

President Reagan, glossing over an apparent policy conflict between two top advisers, said yesterday that the objective of his missile-defense plan can be achieved without violating the 1972 Antiballistic Missile Treaty.

"Everything we're doing is within the context of the treaty," Reagan said while posing for pictures in the Oval Office with Israeli Prime Minister Shimon Peres.

The declaration came amid apparent differences between national security affairs adviser Robert C. McFarlane and Secretary of State George P. Shultz over what limits, if any, the United States accepts on its Strategic Defense Initiative, popularly known as "Star Wars."

At the center of the controversy was an Oct. 6 statement by McFarlane that the administration, relying on a broad intrepretation of the treaty, believed SDI testing and development are authorized by the ABM pact. Reagan has made similar statements on numerous occasions.

Eight days later, Shultz assured North Atlantic Treaty Organization allies that SDI work would "be conducted in accordance with a restrictive intrepretation of the treaty's obligation." He did not explain what restrictions were recognized.

However, White House spokesman Edward Djerejian yesterday denounced "inaccurate reports in the press" that McFarlane and Shultz have been at odds over interpretation of the treaty.

Reagan's interpretation of the ABM Treaty provoked outrage yesterday from a cluster of Senate conservatives, who said the administration's narrower view would prevent full development of the U.S. strategic defense program. Several suggested that they might withdraw support from SDI unless full research, development, testing and deployment is permitted.

Arms control advocates, including ABM Treaty negotiator Gerard Smith, say the pact imposes clear limitations on testing and development—the phase between basic research and deployment.

In a related development, Djerejian added a new dimension to the debate and then came back later to try to clarify it.

He first appeared to link congressional support for the SDI program and the ability to adhere to treaty obligations in its development.

Three hours later, Djerejian said that while funding from Congress "is not a condition for U.S. treaty interpretation," adequate support from Congress would render moot the concern on Capital Hill and among U.S. allies about treaty compliance.

As now structured, Djerejian told reporters, the course charted by Reagan "can permit us to answer the technical questions necessary while being accommodated under even the more restrictive interpretation of the treaty."

[From the Washington Post, Oct. 22, 1985]

ABM REINTERPRETATION: A QUICK STUDY—YOUNG LAWYER'S NEW LOOK AT 1972 PACT TRIGGERS CONTROVERSY

(By Don Oberdorfer)

Early last month, in what might have seemed just another document review by just another government lawyer, the Defense Department asked former New York assistant district attorney Philip Kunsberg to read the fine print of one of the most important arms control agreements between the United States and Soviet Union—the Antiballistic Missile Treaty of 1972.

Kunsberg, 35, whose background includes battles against "pornographers and the Mafia but no arms control experience, spent less than a week studying secret records of the ABM negotiations. His conclusions, outlined in a 19-page report, have triggered an uproar in Washington and Moscow by leading to a reinterpretation of the treaty—and reversing the legal positions of four U.S. presidents, including President Reagan—to allow nearly unlimited development and testing of the components of Reagan's Strategic Defense Initiative, the so-called "Star Wars" shield against nuclear missiles.

What seemed at first glance to be an obscure issue of treaty interpretation—intriguing mostly to lawyers—has become a central question affecting the future of U.S. arms policy, Star Wars and the summit meeting next month between Reagan and Soviet leader Mikhail Gorbachev.

The Kunsberg conclusions, modified and embraced as administration policy, strikes at the heart of the Soviet Union's preeminent objective at the summit and arms talks under way in Geneva—curbing the U.S. strategic defense program. The Soviets have described such curbs as their essential requirement for any superpower agreement in limiting offensive nuclear missiles.

Kunsberg's unlikely entrance into global power politics began last spring when he was hired as a Pentagon staff lawyer by Fred C. Ikle, undersecretary of defense for policy, and Richard N. Perle, assistant secre-

tary for international security policy, both Star Wars advocates. One of his first tasks in early May was to analyze the ABM Treaty to gauge its impact on strategic defenses.

The traditional interpretation of the treaty accepted by the United States since its signing and ratification by the Senate during the Nixon administration—and repeated in reports to Congress by every administration since—had been that the pact bans "testing" and "development" of mobile and space-based ABM weapons based on "new physical principles" such as laser beams, directed energy weapons and the other exotic technology of Star Wars.

The ban is not flatly stated in the treaty but is based on the cumulative evidence of several phrases and statements, some ambiguous. Reagan, in unveiling his SDI dream on March 23, 1983, had promised that Star Wars would be conducted "consistent with our obligations" under the ABM Treaty.

Nevertheless, trying to fit Star Wars within the treaty restrictions had became increasingly problematic as the U.S. program moved closer to a phase requiring technical testing of potential components. In April the administration offered an interpretation of the treaty that distressed arms control advocates. In a report to Congress, the Pentagon argued that major Star Wars tests planned in coming years would involve only restricted "subcomponents" of systems, or would be tested against satellites in space instead of incoming rockets, and thus not violate ABM stipulations.

As Kunsberg began his review, however, he was "astonished by the rather large gap between what the treaty said and what was attributed to it," according to a source familiar with Kunsberg's thinking. His suggestion that the treaty might allow even more room for Star Wars was followed by a request from Perle in early September to have Kunsberg examine more closely the record of treaty negotiations in order to evaluate the backing for the widely accepted restrictions on "exotic" ABM systems such as those now contemplated for U.S. strategic defenses.

There was no doubt, according to Kunsberg's subsequent report, which included extracts of the negotiating record, that the United States had sought a tight ban on "exotic" ABM systems of the future except for those (unlike Star Wars) in a fixed land-based mode. But Kunsberg concluded that the Soviets had never agreed and, to the contrary, consistently rejected the broad ban advocated by the United States. Kunsberg did not interview any of the U.S. negotiators, but drew his conclusions from the written record.

Perle "almost fell off the chair" when presented with Kunsberg's report, the assistant secretary later remarked. Suddenly most of the problems posed for future Star Wars "testing" and "development" by the ABM Treaty seemed of doubtful validity, and Kunsberg's analysis even questioned whether Star Wars "deployment" would be curbed by the treaty.

Perle and the Defense Department lost no time in presenting their dramatic new findings about the ABM Treaty restrictions to an interagency committee. The new Pentagon position seized the attention of officials concerned with arms negotiation policy, who quickly understood the large-scale significance of the "new interpretation" for SDI, the ABM Treaty and U.S.-Soviet relations on the eve of the summit.

Secretary of State George P. Shultz called in the newly installed State Department legal adviser, Abraham D. Sofaer, 47, who came to Washington this summer after six years as a U.S. District Court judge in New York City. Charged by Shultz with studying the issue, Sofaer began his review of the negotiating record as maintained in Foggy Bottom. In addition, he held lengthy discussions with Paul H. Nitze, the administration's senior arms control adviser and the only senior member of the 1972 ABM negotiating team still in government.

Sofaer found the Pentagon report to be more opinion than analysis but, after several all-night bouts of study, reached a conclusion close to that of the Defense Department. He concluded that the U.S. negotiating team had tried—but failed—to convince the Soviet Union to ban future "devices" which might be invented to do the antimissile job.

Sofaer also concluded that while the treaty does not ban testing or development of space-based futuristic ABM systems, unlike the Pentagon he concluded it does ban their "deployment."

Sofaer's conclusions were reported to Nitze and Shultz in a series of memos, the most extensive and authoritative of them on Thursday, Oct. 3.

The following day, Oct. 4, the administration's high-level Special Arms Control Policy Group (SAC-G) met to discuss the issue at the White House under chairmanship of White House national security affairs adviser Robert C. McFarlane. During this meeting, according to informed sources, Pentagon representatives accepted Sofaer's position, rather than their broader one.

The discussion moved toward acceptance of the Sofaer position as new government policy, several sources said, though no formal agreement was reached. There are conflicting reports about whether there was a consensus around the table.

Toward the close of the late-afternoon meeting. McFarlane ordered a new position paper written to discuss a new legal position on the ABM Treaty that relieves the United States of most of the restrictions on Star Wars. At least some of those present expected to thrash out the issues further in connection with preparation of this paper.

All this had taken place in secret, without the knowledge of even well-informed people outside government. Last month, when the former counsel to the ABM Treaty negotiations, John D. Rhinelander, was asked by a journalist about rumors of a new treaty interpretation, he advised his caller that "this is too ridiculous to take seriously" and promptly forgot about it.

The shift became public in a way that is still a puzzle to many in government, on a "Meet the Press" interview with McFarlane Oct. 6. In response to a question from Marvin Kalb which did not mention the ABM Treaty, McFarlane volunteered the view that "testing" and "development" of ABMs based on "new physical concepts" is "approved and authorized by the treaty" rather than banned.

This startling pronouncement by a high official, almost a 180-degree reversal of the longstanding U.S. position on the treaty, was a shock to the ABM Treaty's negotiators and other arms control advocates, to U.S. allies in Europe and arms control-minded members of Congress.

When Gerard C. Smith, chief negotiator of the 1972 treaty and a well-respected veteran of six administrations, learned that McFarlane's pronouncement was a serious expression of policy rather than a mistake, he denounced the new interpretation as erroneous and said it would "make a dead letter" of the ABM Treaty.

In an interview, Smith questioned "the whole idea of searching the [negotiating] record" for the meaning of the treaty. He said that, while some of the final language was "not the best," it was clear to him and other U.S. negotiators that the Soviets explicitly agreed to tight limits on future "exotic" ABM systems such as those envisaged in the Strategic Defense Initiative.

Smith said the most important negotiations on this point took place in a "working group" headed by Sidney Greybeal for the United States and a then little-known Soviet official named Viktor Karpov, who went on to be chief strategic arms negotiator for Moscow in 1979-83 is chief Soviet negotiator at the current offensive and space arms talk in Geneva.

Greybeal was reported by Smith and others to be certain that the Soviets clearly agreed in the working group to ban "testing" and "development" of space-based and other "mobile" ABMs based on exotic technology. (Greybeal declined to be interviewed on this matter.) Prof. Albert Carnesale, a dean of the John F. Kennedy School of Politics at Harvard University, who was a member of the Greybeal-Karpov working group, said in an interview that his understanding at the end of the negotiations was that space-based exotic weapons could not be tested or developed.

"Any other interpretation doesn't make sense," Carnesale said.

Retired Lt. Gen. Royal B. Allison, who was the senior military official on the U.S. ABM negotiating delegation, said in an interview he was deeply involved in the discussions of this issue because the Joint Chiefs of Staff were determined to leave room for "research and research-testing" in case "exotic" ABMs such as lasers could someday be developed.

"Nowhere did I understand that we retained the right to development and full-scale testing of new systems," Allison said. He added, "I didn't have any doubt in my mind as to what the Soviets had approved. If there had been any doubt you can be sure we would have announced it."

Of the members of the former U.S. negotiating team, only Nitze was consulted by Kunsberg, Sofaer or other U.S. officials in connection with the reinterpretation of the ABM Treaty. Sofaer's position is that the U.S. negotiators may have sincerely believed they had a Soviet agreement, but that the record is devoid of evidence to that effect.

Sofaer has also said, though, that the record is incomplete: new documents were still coming to light even after his report that galvanized the government.

Nitze's position, as a senior official of the Reagan administration, was the most important to the internal deliberations. Nitze declined to make a public statement of what he believed the treaty to provide when it was signed in 1972 or what he has come to believe now.

However, sources close to him said Nitze is now convinced that the Soviet delegation rejected U.S. efforts to ban "testing" and "development" of exotic ABMs, though they did agree that "deployment" would have to be negotiated by the two sides.

From the beginning of the internal debate six weeks ago, Nitze is reported to have taken the position that, legalities aside, the most vital job of the administration was to "keep faith" with the interpretation of the treaty previously presented to U.S. allies, Congress and the public. Nitze appears to

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have been the driving force behind Shultz' proposal, ultimately accepted by Reagan in a showdown White House meeting Oct. 11, that the "new" ABM interpretation be accepted by the administration as a matter of law, but that the "old" ABM interpretation restricting Star Wars testing and development be retained as a matter of administration policy.

The final decision, signed by Reagan according to official sources, did not say how long he would continue to observe the "old interpretation." Since it is now judged to be valid only as a matter of presidential policy, rather than as treaty law, it could be presumably be abandoned whenever convenient.

The Soviet Union, which had little to say as the "new interpretation" of the ABM Treaty became a matter of public debate in Washington, began to warm to the subject late last week.

The chief of the Soviet general staff, Marshal Sergei F. Akhromeyev, accused the Reagan administration of "deliberate deceit" in reinterpreting the ABM Treaty. In a Pravda article, Akrohmeyev charged McFarlane with having "distorted the essence of the treaty" by "trying to substantiate the lawfulness of experiments" that would lead to a space-based ABM.

Among the several mysteries remaining about the administration's reinterpretation of the 1972 treaty is why the issue came to the fore now, when the Star Wars program is still about five years away from breaking though the bounds of the treaty as previously interpreted, at least as the treaty's prohibitions have been applied by the Reagan administration.

Some of the advocates of the new interpretations said the timing was essentially a coincidence caused by the "fresh look" at the evidence by the two new government lawyers. Others, including a senior White House official, said the issue arose now because "people are staking out their gound" for the long term before the Reagan-Gorbachev summit.

Some in the administration are "very nervous" that Reagan might agree to some restraints on SDI in his meeting with Gorbachev and are moving to forestall such a possiblity by reinterpreting the ABM Treaty now, this official said.

On the other, and at the moment the losing side, the official said, are those who still hope for compromise with Gorbachev on SDI as the essential building block of a broad U.S.-Soviet agreement.

WARSAW PACT LEADERS GATHER

(By Jackson Diehl)

SOFIA, BULGARIA, October 21.—Soviet leader Mikhail Gorbachev and other top Eastern European officials arrived here today for a Warsaw Pact summit meeting Tuesday and Wednesday that is expected to produce an endorsement of Soviet arms control proposals prior to Gorbachev's talks next month with President Reagan.

Official reports said the meeting would focus on arms control and might produce new proposals by the Warsaw Pact.

"The session will adopt decisions that will strengthen the constructive stands of the socialist countries for a new, powerful and irreversible revival of detente in international relations," a dispatch of the official Bulgarian news agency said.

Western diplomats here said the session was expected to produce a communique endorsing recent Soviet arms proposals and echoing Moscow's call for a ban on space-based weapons. It may also take up the issue of economic relations, including Soviet demands for closer cooperation and larger economic contributions from its allies, western sources said.

Mr. MATHIAS. Mr. President, I think the Senator from Rhode Island has called attention to an extremely important chapter in the evolving history of American security policy and our entire international relationship within NATO.

And it is an instructive story. It is happily a story that has a successful ending. I think that is one of the reasons we ought to call attention to it although it was a story which did not need to be written. But we can derive some good from it. It has a successful and a happy ending because we returned to our firmly set lines of policy. The lesson that we can draw is that we should not deviate in such an impulsive manner again and without consultation within the Alliance because we may not be as lucky the next time.

I thank the Senator from Rhode Island.

Mr. CHAFEE. Mr. President, first of all, I would like to thank the distinguished senior Senator from Maryland for that excellent statement. The Senator was at the NATO Assembly meeting in San Francisco, and I think modesty on his part caused him not to mention his role in reassuring the delegates to that Assembly regarding the U.S. position. Whereas, the Senator mentioned two Members of the House of Representatives—the Senator is one of the delegates—and, of course, from the Senate, did an excellent job in San Francisco as well.

Mr. President, I would like to say that those of us who had the chance to meet with the Foreign Minister of West Germany, Mr. Genscher, personally heard from him his concerns about this new interpretation, and his relief that the administration is sticking by the old interpretation. Let me just say that while I share the joy of the Senator from Maryland that this close call was averted, and we returned to the old interpretation, nonetheless, I do want to express once again my concern that there exists hanging out there the idea that the correct interpretation is the broad interpretation, but in practice we will come back to the old and restrictive interpretation.

It is my hope that this thing will be put to rest once and for all by the President, and the new sudden remarkable interpretation of Mr. McFarlane be rejected in its entirety.

Mr. MATHIAS. Mr. President, will the Senator yield for a moment?

Mr. CHAFEE. Yes.

Mr. MATHIAS. I agree with the Senator that there should be no doubt that the broader interpretation should be scotched right now. In one of the news reports which I just put into the RECORD there is a rather interesting history of how it came about largely as a result of the efforts of a young lawyer who never even discussed it with any of the veterans within the Government who participated in the negotiation of the treaty. I think it shows what shaky ground it is on.

I think that the San Francisco earthquakes that resulted from it should be a warning that we need to stick to our settled policy and not try these impulsive innovations.

Mr. CHAFEE. I could not agree with the Senator more.

Mr. President, there are others who will have statements. I ask unanimous consent that when those statements are submitted during the course of the day they could be placed in the RECORD along with a colloquy which the Senator from Maryland and I have participated in.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STAFFORD. Mr. President, I am drawn to join with my colleagues in this colloquy over the interpretation of the 1972 ABM Treaty by my concern for the survival of this planet and of all who live on it.

I want once again to urge my President and the Congress to pursue every possible way of ending the global and suicidal arms race that threatens our very existence.

In particular, I want to reaffirm my support for the strict and traditional interpretation of the 1972 ABM Treaty that has been taken by every administration—including the administration of President Reagan—regarding the limitation of antiballistic missile weapons.

Detailed interpretations of the treaty and of the missile systems have been discussed at length this morning by several of my colleagues, who have made the arguments against a reading of the treaty that would be more permissive than the past policies of this Nation. I join with them in opposition to that more permissive reading.

Americans across this great land want an end to nuclear madness. They have been sending that message to Washington over the years, and with increasing urgency. Once again, the people are ahead of the politicians and it is about time for the politicians to pay heed.

It has been more than a third of a century since the first nuclear cloud cast its long and terrible shadow across our Earth. Somehow, we have managed to avoid global disaster, but our luck could run out any minute.

As our military technologies become more dependent upon the uses of computers and as they venture farther into the distant areas of outer space, our survival becomes more and more hostage to computer error and to the limits of our knowledge.

We already know that U.S. computer malfunctions have erroneously signaled a Soviet strategic attack hundreds of times in past years. Some of those errors reached the point where our strategic forces were ordered to increase their state of alert.

The threat of nuclear destruction by design, miscalculation, or accident grows with each passing moment. That is why I have supported a wide variety of nuclear arms control proposals over the last decade.

Our planet has become an endangered species. The two most powerful nations have the power not only to destroy each other, but also to wipe out all of our past achievements and to leave the future to a blackened, incinerated world.

Still, each side continues to add to stockpiles that already are many times greater than required to destroy each other.

As an American, I continue to believe that we must maintain a national defense inferior to no other—a military strength powerful enough to deter any attack from any adversary.

But a senseless arms race will not provide us with national security. Instead we are weakened by the terrible cost of these weapons, in terms of our tax dollars and of our sense of well-being.

The recently revealed more permissive interpretation of the ABM Treaty threatens not only that treaty, it threatens the entire network of arms control agreements between the United States and the Soviet Union.

It also threatens to harden—perhaps to poison—the important circumstances under which we seek to work out new arms control agreements.

No one has to convince me that arms control will not produce disarmament—not tomorrow or, probably, not a decade from now.

Arms control will not eliminate the need for our Nation to maintain a strong defense. It will not eliminate the need for military forces second to none. It will not eliminate the need for massive defense spending.

Nor will an arms control agreement end the international distrust and competition—real and imagined—between the United States and the Soviet Union.

But those prospects should not diminish our determination to seek effective arms control agreements. Such agreements are in our own self-interest.

We should seek to end the arms race because that goal serves our interests, not because we seek to serve any Soviet interests.

I have the sense that the people of America understand this better than American leaders do. I have the sense that Americans want our President to be serious in his quest to seek arms control agreements with the Kremlin.

It seems to me that a conviction is growing that since we have developed an ability to destroy all mankind, we should also be able to develop the ability to save mankind.

This issue is too important to be left to international lawyers looking for loopholes in treaties.

The ABM Treaty is of vital importance to peace on this planet.

The United States is strong enough and secure enough to continue its strict interpretation of that treaty. It is in our interest to stick to that interpretation because it is the one treaty that has helped to limit the arsenals of war of each side.

We must stick by the treaty. We must not abandon that treaty.

Common sense requires that we dare to reduce—and not to increase—the dimensions of the dangers we all face.

PRESERVING THE ABM TREATY PRESERVES U.S. SECURITY

Mr. BUMPERS. Mr. President, it was 23 years ago this week that the United States was in the midst of the most serious crisis of the postwar era. The Cuban missile crisis was our closest brush with the threat of thermonuclear war. I know I speak for all in this Chamber when I say that we fervently hope that this country we all love never comes that close to catastrophe again.

It is often true in life that good can come from terrible events, as mankind learns from such experiences. And so it has been in the nuclear age. Reeling from two atomic bombs, Japan sued for peace, sparing the lives of many hundreds of thousands of American and Japanese lives alike. Our nuclear deterrent has helped keep the peace in Europe. And the Cuban missile crisis galvanized the superpowers into a burst of arms control activity that has benefited the world. In 1963, the United States and Soviets signed the limited test ban. In 1970, the Nonproliferation Treaty went into effect. And there were many more agreements. But of all these, perhaps the most important achievement was the Antiballistic Missile, or ABM, Treaty.

The ABM Treaty was and is of preeminent importance for U.S. security. It recognizes what experience has taught us, that attempts to defend against nuclear weapons, no matter how well-intentioned, only result in greater insecurity. Just look at the Soviet experience in strategic defense. After spending many billions on a primitive ABM system in the 1960's, they found themselves far worse off.

For a fraction of what the Soviets spent, the United States developed multiple warhead missiles that could overwhelm the capabilities of that early ABM system; and it can overwhelm its present-day successor. The United States also developed other penetration aids to further increase our capabilities. And just to be sure, we developed a maneuvering reentry vehicle, or MARV, warhead for our Trident I missiles. This Mark 500 Evader MARV, which we have not deployed but can if we believe it necessary, gives us further insurance against Soviet ABM developments. And this year, as in past years, we are authorizing many tens of millions of dollars on new penetration aid techniques for our strategic missiles.

Look at Soviet efforts in bomber defenses. After spending literally hundreds of billions on strategic air defense over the last couple of decades, the Soviet air defense system still cannot stop the great majority of our bombers and cruise missiles from reaching their targets, as our Strategic Air Command officials attest. New Soviet air defense developments will be more than met by new U.S. cruise missiles, Stealth technology, new radar jammers, and a host of other countermeasures.

Look at the Soviets' own offensive programs. As we increasingly become able to target fixed Soviet ICBM's, they are now moving toward mobile ICBM's. As U.S. antisubmarine warfare technology improved, the Soviets developed longer range submarine-based missiles and base them in safer waters closer to home.

Even the other nuclear powers have gotten into the act. The British responded to a possible Soviet ABM with their chevaline penetration aid package. The French are deploying more survivable submarine-based missiles, and putting multiple warheads on their newest M-4 submarine missiles. Indeed, just recently, the director of France's Atomic Energy Commission, Jacques Chevalier, stated that France can develop warheads in the 1990's that will be able to defeat strategic defenses. And now the Chinese are deploying submarine-based missiles, and I'm sure that multiple warheads for them are not far behind.

In short, measure begets countermeasure. This is as true in the nuclear era as it was in eras past. The ABM Treaty recognizes this fact of life and embodies the only sensible formula for stability. If we had not signed the ABM Treaty with the Soviets in 1972, we would today be engaged in an arms competition that would make today's situation look tame by comparison. Those who believe that we would sit quietly by while the Soviets tried to develop and deploy a defense against our missiles and bombers are ignoring 40 years of experience in the nuclear age. Likewise, I have no doubt that the Soviets will spare no expense to counter a United States ABM system to assure the credibility of their deterrent.

There are those who argue that the ABM Treaty is immoral, that it sactions the holding of populations hos-

tage to nuclear annihilation. I would respond that their quarrel is not with the ABM Treaty, but rather with 40 years of U.S. policy, the foundations of the NATO alliance, and with simple strategic realities. Until we can find a very high confidence defense against nuclear weapons, it would be immoral to consign the world to the kind of horrendously destabilizing arms race that we just barely chocked off in 1972.

The desire to defend against nuclear weapons is understandable. It is a natural human reaction to a threat. But the nuclear threat is different than any mankind has ever faced. As Einstein put it many years ago,

> The unleashed power of the atom has changed everything save our modes of thinking, and we thus drift toward unparalleled catastrophes.

Mr. President, the Senate should take note of the statement made recently by six former Secretaries of Defense, representing both Democratic and Republican administrations, to "avoid actions that would undermine" the ABM Treaty. Harold Brown, James Schlesinger, Eliot Richardson, Melvin Laird, Clark Clifford, and Robert McNamara stated that "this international agreement of unlimited duration makes an important contribution to American security and to reducing the risk of nuclear war."

There is broad, bipartisan support in the Senate for a prudent level of research on ballistic missile defense technology, including on exotic technologies. I support such research. But it makes no sense to undo the ABM Treaty, especially when the research needed to achieve a high-confidence defense against Soviet missiles and bombers has not been identified, much less studied.

It was particularly disturbing when the President's National Security Adviser, Robert McFarlane, recently announced that the United States had the right under the ABM Treaty to conduct not only research but also development and testing of exotic new weapons, contrary to over 13 years of U.S. policy pronouncements on the matter. I am pleased that President Reagan has decided to conduct the SDI Program "in accordance with a restrictive interpretation" of the ABM Treaty. Amazingly, however, the administration asserts that the interpretation advanced by McFarlane was fully justified.

This stance shows disregard for the Senate and damages U.S. security interests. It shows disregard for the Senate because the Senate clearly understood, when it ratified the ABM Treaty in 1972 by the overwhelming vote of 88-2, that exotic technologies would be subject to the same general limitations as conventional ballistic missile defense technologies. Indeed, one of the two dissenting Senators, Senator James Buckley, based his opposition to the treaty precisely on the fact that exotic technologies such as high energy lasers would be too limited under the treaty, as he stated on this very floor on August 3, 1972.

This stance damages U.S. security because it leaves the door wide open for the Soviet Union to develop, flight test, and thereupon even produce exotic technology systems. We have now provided the Soviets with the justification to take actions which a year ago we would have branded as treaty violations. If we are going to continue as we have in the past, let's at least force the Soviets to do the same.

This strange stance also hurts our security because it puts added strain on our NATO alliance. The administration's position has caused consternation in the capitals of our NATO allies, who strongly support the ABM Treaty. We could do little more damaging to the NATO alliance than to disavow the ABM Treaty, and those who seek to weaken or even junk the treaty are dealing a grievous blow to NATO.

For these reasons, I call upon President Reagan to elicit from Soviet General Secretary Gorbachev a similar statement of understanding regarding testing and deployment of exotic ABM systems at the summit next month. Let's close this gaping loophole now, before damage is done to our security.

Mr. President, the ABM Treaty has been an important pillar of U.S. and NATO security for over 13 years now. It has prevented the Soviets from a major deployment of ABM systems, which we would have been forced to both counter and match at great cost. It has enhanced the credibility of our strategic deterrent, and those of Britain and France, thereby safeguarding the peace. It is crucial that the United States continue both its adherence to and support of the vitally important ABM Treaty and thus enhance our security in the uncertain years ahead.

THE UNITED STATES AND ABM TREATY

Mr. LEAHY. Mr. President, within 1 month, President Reagan and Mikhail Gorbachev will meet in Geneva to discuss the fate of nuclear and space arms negotiations.

It is by now no secret to anyone that the basis of a deal in Geneva rests on the willingness of the United States to trade the potential deployment of star wars systems for deep cuts in Soviet offensive forces.

The greater meaning of such a deal would be the preservation of the Anti-Ballistic Missile Treaty [ABM] and its strict limitations against deployment of mobile space-based, sea-based, air-based or ground-based systems.

Rather than accept such an outcome, star wars advocates within the administration have now begun to wage a guerrilla war against the ABM Treaty. Consistent with their efforts to have the United States abandon the provisions of the ratified SALT I and unratified SALT II treaties, they now insist that under the terms of the ABM Treaty, the United States can take unilateral action to develop and test space-based defensive systems.

The opening shot in the war of attrition against the ABM Treaty was fired by President Reagan's National Security Adviser, Robert McFarlane, on Sunday, October 6, when he appeared on NBC's "Meet the Press." During the course of the interview, he stated:

> . . . research, testing, and development of new defensive weapons involving new physical concepts are approved and authorized by the treaty. Only deployment is foreclosed.

Mr. President, Bud McFarlane's statement represented a fundamental departure of what we, in the Senate, have understood the administration's position to be with regard to the relationship between SDI and the ABM Treaty.

Last year, in a formal statement, the administration stated:

> The ABM Treaty prohibition on the development testing and deployment of space-based ABM systems or components for such systems applies to directed energy technology or any other technology used for this purpose. Thus when such directed energy programs enter the field-testing phase, they become constrained by these ABM Treaty obligations.

Mr. President, let's take a moment to examine the specific provisions of the ABM Treaty.

Article 3 of the 1972 treaty allowed a limited number of fixed land-based ABM's. Article 5 banned the development testing and deployment of "sea-based, air-based, space-based, or mobile land-based systems." the in "Agreed Statement D," the parties said they would discuss "specific limitations" on exotic new ABM systems if they were "created in the future."

Administration proponents of a broader interpretation of the treaty contend that Statement D permits new kinds of ABM systems unless the parties now agree to limit them.

Yet the American diplomats who negotiated the treaty have stated that "Agreed Statement D" provides the United States with no such rights.

In fact, according to Gerard Smith, the U.S. ABM negotiator, such a reading would make the ABM Treaty "a dead letter."

It is worth pointing out that Agreed Statement D itself begins by saying that its purpose is "to insure fulfillment of the obligations not to deploy ABM systems and their components except as provided in article 3."

Mr. President, it is fair to say that subsequent to Bud McFarlane's statement, a furor erupted within the administration and among our NATO allies about our intentions.

A week later, Secretary of State Shultz clarified the administration's

thinking by stating that the United States will continue to limit testing and development of our star wars program according to a "restrictive interpretation" of the 1982 ABM Treaty, even though it has decided that "a broader interpretation of our authority is fully justified."

Mr. President, just what does the Secretary mean by a restrictive interpretation? Are we going to strictly abide by the terms of the ABM Treaty or are we going to exploit its loopholes for our advantage? How long will the administration be bound by a restrictive interpretation? These are questions that deserved to be answered.

In my view, these ambiguities must be forcefully resolved. The United States should formally commit itself to continue to observe the spirit and letter of the ABM Treaty so long as the Soviet Union does the same.

The Geneva summit will be doomed to failure if the United States does not clearly signal its willingness to trade SDI deployment for deep cuts in Soviet offensive forces.

Such an offer cannot be treated seriously if the integrity of the ABM Treaty is jeopardized.

Mr. KERRY. Mr. President, 13 years ago, this body voted to ratify the ABM Treaty by a vote of 88 to 2. Since that time, the ABM Treaty has been the cornerstone of arms control.

As I have said many times before in this Chamber, I believe it is as clear as day that the President's Star Wars Program is absolutely incompatible with the continuation of the ABM Treaty and indeed is on a collision course with both that treaty and any limits on the nuclear arms race between the United States and the Soviet Union.

However, the recent attempt by some in the Reagan administration to radically redefine the ABM Treaty to permit the testing and development of laser, particle beam and other developing ABM technologies would accomplish the demise of the ABM Treaty with greater speed and certainty than I think any of us could have anticipated as recently as this spring when we considered limits on the SDI Program.

Indeed, I believe the demise of the ABM Treaty is exactly what those who seek to reinterpret the treaty at this time seek to accomplish. It is absolutely clear that the treaty cannot fairly be read in the way that some within the Reagan administration are urging it be read. Any fair reading of the legislative and negotiating histories of the treaty make it unambiguously clear that it absolutely bars the development, testing, and deployment of all nonfixed land-based ABM systems and components.

The United States has followed that interpretation of the treaty since the day it was signed by President Nixon. It was that interpretation of the treaty that was presented to the Senate Foreign Relations and Armed Services Committees by the Government of the United States.

It was that interpretation of the treaty that was relied on by the U.S. Senate when it ratified the ABM Treaty by a vote of 88 to 2.

That interpretation of the treaty remains the only interpretation accepted by NATO allies, and they remain firmly opposed to any other interpretation of the treaty.

The Soviet Union has unambigiously stated that it recognizes that the treaty prohibits the development and testing of nonfixed land-based ABM systems of all kinds.

The chief negotiator of the SALT I Treaty, Gerard Smith, has stated that any other interpretation of the treaty is erroneous. Other U.S. officials directly involved in negotiating and drafting the treaty, including John D. Rhinelander, former counsel to the ABM Treaty negotiations, Prof. Albert Carnesale of Harvard, who was a member of the ABM working group that drafted the language of the treaty, and retired Lt. Gen. Royal B. Allison, the senior U.S. military official on the ABM negotiating delegation, have agreed that they had no doubt that the United States and the Soviet Union gave up the right to testing and development of all nonfixed land-based ABM systems, including those based on new physical concepts other than those used by existing systems.

Even the Reagan administration has issued numerous statements agreeing with this interpretation of the treaty.

The following is from the 1982 Arms Control Impact Statement of ACDA:

> The ABM Treaty bans the development, testing and deployment of all ABM systems and components that are sea-based, air-based, space-based, or mobile land-based. In addition, although the Treaty allows the development and testing of fixed, land-based ABM systems and components based on other physical principles (such as lasers or particle beams) and including such fixed, land-based components capable of substituting for ABM intercept missiles, ABM launchers, or ABM radars, the Treaty prohibits the deployment of such fixed, land-based systems and components unless the Parties consult and amend the Treaty.

As ACDA recognized in 1982, "unless otherwise amended, the ABM Treaty prohibition applies to directed energy technology, or any other technology, used for this purpose. Thus, when such DE programs enter the field testing phase they become constrained by these ABM Treaty obligations."

This statement was reiterated by ACDA in its 1983 arms control impact statement and its 1984 arms control impact statement.

It is understandable that ACDA has interpreted the treaty this way. Gen. Bruce Palmer, acting Army chief of staff told the Senate Armed Services Committee in 1972 that the treaty "did not prohibit the development of new technologies in the fixed, land-based ABM systems. We can look at futuristic systems as long as they are fixed and land based."

As General Palmer recognized, the ABM Treaty permitted further developments in fixed, land-based development and testing by both sides, short of deployment, but explicitly banned such developments in nonfixed land-based systems and components in article V, section 1, which contains the prohibition.

As Secretary of State Rogers told the House Foreign Affairs Committee in its hearings on the treaty in 1972:

> We and the Soviet Union have agreed not to develop, test our deploy: First, ABM systems or components that are sea based, air based, space based, or mobile land based; second, automatic or semiautomatic or other similar systems for rapid reloading of ABM launchers; third, an intercepter missile with more than one independently guided warhead; and fourth, an ABM launcher capable of launching more than one interceptor missile at a time from each launcher, or to modify launchers to give them such a capability.

Secretary Rogers told the committee:

> Such undertakings are important. It may be of ever greater importance that both sides have agreed that future types of ABM systems based on different physical principles, for example, systems depending on such devices as lasers, that do not consist of ABM interceptor missiles, launchers, and radars, cannot be deployed even in permitted areas. So there is a limitation on what may be employed in the ABM systems now in operation and it prohibits the deployment of new esoteric systems in these areas.

As Senator James Buckley told his colleagues in this body on August 3, 1972:

> The agreement goes so far as to prohibit the development, test or deployment of sea, air or space based ballistic missile defense systems. This clause, in article V of the ABM treaty, would have the effect, for example, of prohibiting the development and testing of a laser type system based in space." According to Senator Buckley, who favored the development and testing of such systems, the technological possibility has been formally excluded by this agreement.

So I think it is pretty clear, based on the statements of Ambassador Smith, ACDA, Secretary Rogers, Senator Buckley and so many others intimately involved with the process of negotiation and ratifying SALT I that the treaty did in fact ban development and testing, as well as deployment, of nonfixed based systems regardless of the nature of the technology involved.

It is important this body declare itself firmly opposed to those in the Reagan administration who have advanced the proposition that the United States should suddenly adopt a different interpretation—contrary to the negotiating history and contrary to the common understanding

through five administrations, including this one prior to the month of October 1985.

What would be the results if the new reinterpretation sought by some members of the administration were to be adopted by the United States?

First, the treaty's ban on a nationwide ABM defense, a base for such defense, and a regional ABM defense would remain for traditional ABM technologies, but would be eliminated for exotic technologies. This is because some members of the administration have interpreted that article V(1) and other articles in the treaty do not apply to exotic systems, and that only agreed statement D blocks their deployment. But agreed statement D only requires the United States to discuss exotic systems. Hence, if one concluded that agreed statement D was the only part of the treaty covering exotic systems, one logically has to decide that the United States and the Soviet Union have the right under the treaty to go ahead and deploy exotic systems any time they want to, so long as they "discuss it" first.

Second, the language "currently consisting of" in article II(1), to describe what ABM systems and components are covered by the treaty, would have to be ignored as surplusage, words with no meaning, since the treaty had now been read to refer only to those types of ABM systems that existed at the time it was signed.

Third, the United States could test mobile or space based exotic systems at its will, without any restrictions, since the restrictions on ABM testing which limit those tests to the designated test sites—for the United States, the Kwajalein site—only would apply to fixed, land-based ABM launchers, missiles and radars.

Fourth, the United States could transfer exotic ABM technologies to other States, such as our NATO allies, and deploy them in Europe, since the prohibitions in article IX of the ABM Treaty against transfering such systems to other States would apply only to traditional technology and not to exotic systems.

This is a dramatic shift from what had always been understood by both the United States and the Soviet Union as what was permissible under the ABM Treaty. Indeed, even the Reagan administration had always acknowledged that we could not test ABM components or systems except within the limits of fixed, land-based testing at the ABM test sites. For this reason, the SDI Program has been designed ostensibly to avoid such tests. Instead, the SDI Program has identified its demonstration projects as constituting tests of subcomponents and adjuncts—terms which have never been publicly defined, and which are not used in the treaty.

Last May, during consideration of an amendment to the DOD authorizations bill to stop funding for the demonstration projects, I articulated why I believe that many of these demonstration projects erode or violate the treaty—chiefly because the tests of subcomponents and adjuncts appear to constitute tests of prototypes of nonfixed land-based ABM components. The Department of Defense has acknowledged that tests of prototype ABM components of these types are prohibited by article V(1) of the treaty, forbidding testing and development of such components.

The new interpretation of the treaty, however contrary to the treaty's legislative and negotiating history, would eliminate the problems of treaty compliance I discussed by doing an end run around them and asserting that the treaty prohibitions just don't cover these new types of ABM's.

This demonstrates great creativity on the part of those in the Reagan administration who have no use for the ABM Treaty, and is evidence of their recognition that the SDI Testing Program as currently constituted and the ABM Treaty are fundamentally incompatible.

The new interpretation of the treaty is creative enough, but it is also unjustified by history, logic or good faith, and the Senate should demonstrate its desire that the fixed interpretation of the treaty adopted by President Nixon, and retained under Presidents Ford, Carter, and over the first term of President Reagan remain the national policy of the United States.

We must stand up in support of the treaty as it has always been understood, because if we fail to do this we undermine not only the ABM Treaty but the process of arms control and our national security. It is ludicrous to believe that the Soviet Union will sign another treaty with the United States to limit offensive weapons while we retain the right to go ahead with unlimited testing and development of star wars components in the air, on the sea, and in space. It is also dangerous to assume that our vital relationships with our NATO allies will also be unaffected.

We have all read the reports about the devastating reaction in Europe to the proposed reinterpretation of the treaty. Our allies recognize the value of the ABM Treaty—they have profound fears about the effect of the deployment of star wars systems on their own security—and I fear deeply for the strain on the alliance if we continue to go forward full speed ahead with this program regardless of the limitations contained on the face of the ABM Treaty.

Since SDI's inception, the program has caused serious strains on the NATO alliance. These strains began when our allies were not told about the President's speech of March 23, 1983 ahead of time. They continued as Europeans wondered what the effect of defensive systems would have on the NATO nuclear umbrella, the French and British nuclear forces, and the doctrine of flexible response.

If one assumes that SDI can produce a 99-percent effective defense of the United States, one must assume that the Soviets will also be able to develop or steal a 99-percent effective defensive system.

If both sides have a shield that protects the population, that means that both sides will have a shield to protect against tactical or intermediate range nuclear weapons as well. And Secretary of Defense Weinberger has testified that our SDI Program will indeed protect our European allies against tactical or intermediate range nuclear weapons.

So in a world where star wars systems were 99 percent or more effective, nuclear weapons would have little or no military use. At that point, we no longer have either a nuclear umbrella or an option of flexible response—Europe can only deter the Soviets from conventional attack through strength in conventional forces.

Presidential Science Advisor and SDI advocate George Keyworth has been quoted as saying that:

> A high probability conflict with acceptable consequences is preferable to a low probability global conflict with unacceptable consequences.

I think there are some questions we should be asking ourselves about such a statement.

Do we agree with Presidential Advisor Keyworth that increasing the probability of a conventional war in Europe by eliminating the United States nuclear umbrella is preferable for West Germany, or for any of our allies in Europe?

Is the United States prepared to increase its standing forces in Europe to help our allies defend themselves in a conventional war, if necessary? How will we pay for this, along with the major costs of deploying and maintaining all the star wars systems?

If Europe is threatened by conventional attack, and has no nuclear umbrella to protect it, doesn't this encourage attitudes among our allies which favor neutrality? If Europeans are forced to choose between the massive destruction of fighting World War II all over again, or neutrality, won't some in Europe make the choice to become neutral? Neutrality is cheap, neutrality reduces risks, even if it isolates the United States from Western Europe.

It seems to me that the solution to the problem of the Soviet conventional threat does not lie in star wars—

that star wars only makes the problem worse by eliminating the doctrine of flexible response developed by Secretary Schlesinger as a modernization of previous doctrines of deterrence. The solution, it seems to me, is twofold: on the one hand, NATO must be strong enough in its conventional forces to deter Soviet attack without requiring an early resort to nuclear weapons; and second, the United States should seek policies which reduces the tensions likely to bring about a land-war in Europe. Among those policies would be increasing our efforts to bring about mutual and balanced force reductions in Europe through negotiating a treaty or even through informal, but conscious parallelism.

Finally, it seems to me that European security is best served not by star wars systems with a combination of defense and offense, but by an ABM Treaty that is reinforced at the same time that offensive systems are vastly reduced. This is the choice that appears to be available to the United States in the current Geneva negotiations.

It is clear to this Senator that the reinterpretation of the ABM Treaty sought by some members of the Reagan administration is a potential national security and arms control disaster for the United States, as reckless as it is dangerous.

The ABM Treaty means what we have always understood it to mean—and means what we understood it to mean when this body ratified it.

The United States and the Soviet Union undertook to stop the development, testing, and deployment of ABM systems, except under the very limited conditions set forth in the treaty. That treaty has served us well over the past 13 years, and done much to promote nuclear stability.

Instead of eroding that treaty further, our Government should be seeking to strengthen it.

NATIONAL BUSINESS WOMEN'S WEEK

Mr. DOLE. Mr. President, 57 years ago, the National Federation of Business and Professional Women's Clubs began National Business Women's Week, calling it a time "to dramatize women's contributions to the economic, social, and political life of the community, State, Nation, and the world." Each year since then, BPW has observed the week with special activities, seminars, and ceremonies in honor of women's contributions to the Nation's business and economic development. In recent years, the President has officially proclaimed the third full week of October as National Business Women's Week. Governors and mayors throughout the country have followed suit with similar proclamations at the State and local level.

The number of women in the work force has increased dramatically since the first observance of the week over half a century ago—it currently exceeds 47 million. Though barriers still remain for women entering the marketplace, many doors previously closed to them have been opened. Women's expanded opportunities in the business arena have been encouraged by the important work carried out by BPW in educating employers and the public in general about women's talents, abilities, and accomplishments. BPW continues this work through, for instance, its national council on the future of women in the workplace, which honors employers who are particulary responsive to the needs and aspirations of their women employees.

This year, as in years past, BPW is joined by other women's organizations and businesses in paying tribute to women in the business sector. I join these groups in saluting these women and the vast contributions they have made to America's economy and work force.

NICARAGUA

Mr. LEAHY. Mr. President, on Tuesday, October 15, the Government of Nicaragua announced the imposition of severe restrictions on the civil liberties of the Nicaraguan people.

Mr. President, this is a regrettable action. It will have the effect of further legitimizing the Reagan administration's dubious efforts to support the so-called Contras in their efforts to overthrow the government of Nicaragua. More importantly, it will strip the Nicaraguan people of the rights they fought so hard to attain for so many years during the dictatorial rule of Anastasio Somoza.

Among the rights suspended were free expression, public assembly, the right of workers to form unions or go on strike. Also suspended was the right of habeas corpus and the rights to appeal convictions and refusal of self incriminating testimony. News censorship was also strengthened with the press required to submit material to the Government before publication or broadcast.

Particularly disturbing are reports relating to the increased harassment of the Catholic Church. It has been reported that the Nicaraguan security forces seized all copies of a new church newspaper, Iglesia, as well as its press and printing equipment.

Mr. President, it is no secret to my colleagues that I have consistently opposed aid to the Contras in any form. My opposition to this policy is as firm today as it has always been.

At the same time, I believe it is absolutely essential that Senators on all sides of this issue speak out to condemn the action taken by the Nicaraguan Government. Indeed we must speak out to condemn the suspension of basic democratic values whenever and wherever such action is taken, whether it be by friend or foe, by dictatorships or freely elected governments.

The outcome of this action by the Nicaraguan Government can only be to increase violence and undermine any hope of a negotiated solution.

While support of the Contras continues to be inimical to the long-term interests of the United States, the suspension of democratic rights by the Nicaraguan Government will have the effect of isolating thousands of Nicaraguans who oppose the methods both of the Contras and the Sandinistas.

Once again, as is so often the case in Central America, a solution to a crisis will be left in the hands of the extremes, on the right and on the left, while the Nicaraguan people are left to pay the heavy price inflicted by their violence.

Mr. President, it is my hope that the Nicaraguan Government will come to its senses and reverse this decision.

At the same time, let me make it clear to the Reagan administration that this act does not justify any attempt to supply lethal aid to the Contras or take more blatant military action against the Government of Nicaragua. The terms of permitted U.S. humanitarian assistance to the Contras are clearly spelled out in the law. I intend to ensure that the spirit and letter of the law are carried out.

DANIEL PATRICK MOYNIHAN AND THE AMERICAN IRISH FOUNDATION

Mr. KENNEDY. Mr. President, I would like to call the attention of my colleagues to the impressive recent address last month by our colleague, Senator DANIEL PATRICK MOYNIHAN, before the American Irish Foundation, which honored him with its Distinguished Leadership Award at its annual dinner in New York City.

On his famous visit to Ireland in 1963, President Kennedy and President Eamon de Valera of Ireland founded the American Irish Foundation. In his address last month, Senator MOYNIHAN quoted President Kennedy's words in Dublin:

> Democracy is a difficult kind of government. It requires the highest qualities of self-discipline, restraint, a willingness to make commitments and sacrifices for the general interest, and also it requires knowledge.

As Senator MOYNIHAN points out in his address:

> Ireland and the Irish have lived up to President Kennedy's standard. In order for our democracy to be able to undertake commitments to Ireland, we in the United States need to fulfill the responsibilities President Kennedy described so well at

Dublin Castle, responsibilities which, above all, "require knowledge."

For the past two decades, the American Irish Foundation has generously fulfilled that goal, through its many successful efforts to encourage the people of the United States to learn about the accomplishments of democracy in Ireland, Its failures in Northern Ireland—and the hopes we all share that the current historic negotiations between Ireland and Great Britain will mark the long-awaited turning point toward true democracy for the peoples of both communities of Northern Ireland.

Mr. President, I commend the American Irish Foundation for its extraordinary record of achievement, and I ask unanimous consent that Senator MOYNIHAN'S eloquent address may be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

REMARKS OF SENATOR DANIEL PATRICK MOYNIHAN

Twenty-two years ago, at the conclusion of his historic state visit to Ireland—that voyage in June 1963 during which he and President Eamon de Valera founded this American Irish Foundation—President John F. Kennedy said:

"Ireland is an unusual place. What happened 500 or 1000 years ago is yesterday, where we on the other side of the Atlantic 3000 miles away, are next door. While there may be those removed by two or three generations from Ireland, (and) they may have left 100 years ago, . . . when I ask how many people have relatives in America, nearly everybody holds up their hands."

Ireland remains an unusual place, not least because it is a free country. We in the United States perhaps do not fully appreciate the extraordinary achievement of the Irish people in creating and sustaining a democratic system in the years following independence and the civil war that ensued. There was once a time when decolonialization was thought to be synonymous with democratization, but that time has long passed. It is, in fact, the rarest of events for a democracy to have emerged and endured in our century, a century that has seen a great deal more of independence and civil war than it has of freedom.

While I am optimistic, indeed confident, that the future will bring a freer, more democratic world—as the false promises of totalitarians and petty tyrants alike become ever more apparently so—for the present we should recognize and take some satisfaction in the survival of democratic societies where they are to be found. Ireland is such a place, despite continuing, though still very much containable, threats to democracy there. The situation in the North remains unresolved, and provides fertile ground for the alienated and the impoverished to tolerate—and even themselves to turn to—political violence, which is vastly revived from President Kennedy's time, and is recurring. Nevertheless, today Ireland is a vibrant and thriving democracy.

Those 139 of us in the United States Congress who have organized ourselves into the group "Friends of Ireland" think this is significant. We who are ourselves involved in an electoral process—we who know firsthand the ordeal and the triumph of that process—find especially compelling the proposition that the people best qualified to speak for a society are the men and women who have been elected by it. We therefore choose to believe that the elected leaders of Ireland speak for the Irish people. And in this moment of greatest opportunity, we stand with them.

Foreign Minister Peter Barry, who is with us tonight, is a member of that elected government of Ireland. Mr. Barry can speak to the details if it is appropriate, but I can say (because it is generally known) that his government is now engaged in what may prove to be historic negotiations with the government of Great Britain, similarly an elected, democratic government, about a new arrangement for Northern Ireland. One which will, it is hoped, provide significant guarantees of the rights of the minority, nationalist community in the North, and pave the way toward an enduring, peaceful and just reconciliation there. It would be difficult to overstate the importance of this enterprise, for it represents an effort to resolve one of the more ancient of the world's quarrels: the overlapping and conflicting nationalisms that are the result of England's settlements in Ireland over so many centuries. It has proved to be among the most intractable of disputes.

I would offer the thought that the most enduring and destructive of human divisions are those of race and religion and ethnicity. A quarter-century ago Nathan Glazer and I finished *Beyond the Melting Pot*, our first book on ethnicity as a post-modern phenomenon. Never mind about me; Glazer was trying to figure out something more complicated and important than why we have 'ethnic' mayors. If we were right, especially in the more general subsequent work, *Ethnicity* (1975), then quite simply Marx was wrong. Blood will tell, said we, and I have observed little else since. Look around the world today: the most violent quarrels (being waged with the most modern arsenals) are fights about the most ancient of grievances: 'the sons of my father's enemies are my enemies.'

Northern Ireland provides ample illustration of just how enduring such conflict can be. Driving through a Protestant slum in Belfast not too long ago, I came across a peeling red brick wall across which was painted, in large black block letters: "Remember 1689!" A measure, if you will, of the depth of the passions involved, and the distance today's diplomats must traverse.

Beyond all reasonable expectation, however, these Anglo-Irish talks are rather far along just now. We find ourselves, in fact, at a moment of promise—promise of settlement and accommodation and reconciliation—not seen since before the First World War. There is on the horizon at the same time the precarious prospect of internal conflict not witnessed in Ireland since the Civil War. For there are those who have a stake in political stalemate, economic misery, and the violence that they bring. These people will not easily abide peaceful, democratic solutions to age-old grudges.

It is thus an important moment. America, and America's Irish, face the question of how to respond. There will surely be a formal role for governments if Ireland and Britain are able to announce an agreement. The Friends of Ireland have begun to anticipate that. There is also an informal, though not less important, role for the Irish in America to play in supporting and sustaining the process of peace and reconciliation. (JFK again: ". . . we on the other side of the Atlantic 3000 miles away are next door.")

Yet there exists now a breach between Ireland and portions—I want to emphasize that it is with only some portions—of Irish America. Because of this rift it is not at all clear that we in the United States will be able to contribute to the peace process as much as we might. Thus, almost incredibly, it is the fact that representatives of the Irish Government have been all but banned from participating in New York City's St. Patrick's Day parade—not just the largest celebration of the feast of Ireland's patron saint, but the oldest public event of its kind in North America, older even than the United States government. I am sure this situation will not persist indefinitely. I am aware of serious concerns about it within the Ancient Order of Hibernians. But my goodness—that it should ever have begun! I have been watching or marching in the St. Patrick's Day parade for getting on to half a century now. In all that time no event has been more dramatic or painful than those which have forced the Irish Government to absent itself. An elected, democratic Irish government convinced it could not participate in our great observance.

The quarrels here are numerous, and complex; some significant, some quite petty. Without wanting to embark on a discussion of these differences, I would suggest that they derive ultimately from a certain impatience on this side of the Atlantic with the democratic and diplomatic process of peace in Ireland. President Kennedy said at Dublin Castle, on June 28, 1963, that:

"Democracy is a difficult kind of government. It requires the highest qualities of self-discipline, restraint, a willingness to make commitments and sacrifices for the general interest, and it also requires knowledge."

Ireland and the Irish have lived up to President Kennedy's standard. It is time more Irish-Americans knew this—knew more about the accomplishments of democratic Ireland and about its work on behalf of its kinsmen in the North.

Perhaps a little more plain-speaking is in order all around. From the Irish Government itself, which I know is sensitive to the problem I describe. Perhaps also from the American Irish Foundation, founded, as I said at the outset, by Eamon de Valera, the American-born Irish President who was baptized just 18 blocks from where we are tonight (at the Church of St. Agnes). In order for our democracy to be able to undertake commitments to Ireland, we in the United States need to fulfill the responsibilities President Kennedy described so well at Dublin Castle, responsibilities which above all, "require knowledge."

Earlier tonight, Fr. O'Hare made a very sensitive and thoughtful reference to "Ireland's very sad wars." I take him to have been referring to those lines from G.K. Chesterton:

For the great Gaels of Ireland
Are the men that God made mad,
For all their wars are merry,
And all their songs are sad.

Well there are no merry wars in Ireland (or anywhere). Only an unreal sentimentality suggests that destructive, divisive violence can bring peace to Ireland. I choose the democratic alternative, and I look forward to the day, no longer far off, when we may all celebrate an historic dawn in a new Ireland.

SHEP LEE OF AUBURN

Mr. COHEN. Mr. President, I rise to pay tribute to one of my State's most successful entrepreneurs, Shep Lee of Auburn.

Shep has been a key figure in the automobile industry in Maine for nearly 40 years, and has seen his empire expand from a single dealership to a string of seven throughout the State.

Beyond his success in business, which has been considerable, Shep has devoted enormous amounts of time to bettering his community of Lewiston/Auburn and to statewide political activity. For as long as I have known Shep, he has maintained an abiding belief that friendship transcends party lines, which explains the high esteem in which he is held by Democrats and Republicans alike.

I ask unanimous consent that a recent profile of Shep be inserted in the RECORD from the Lewiston Sunday Sun-Journal of October 20, 1985.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Lewiston (ME) Sun-Journal, Oct. 20, 1985]

SHEP LEE: CAR DEALER PUT HIS FAITH IN PEOPLE, TOOK A CHANCE AND MADE IT WORK

(By Joe O'Connor)

AUBURN.—Shep Lee says he has "always resented the sterotype image that car salesmen have."

Going against stereotypes has been a lifelong pastime for Lee. In some 38 years of selling cars, he has gone from one dealership in downtown Auburn to one of the largest auto sales operations in northern New England—putting the road known as "Automobile Row" on the map along the way.

In partnership or alone, Lee operates seven dealerships—five of them in Auburn—that sell Dodge, Chrysler, Plymouth, Cadillac, Oldsmobile, Subaru, Honda, Nissan/Datsun, and BMW, as well as GMC trucks.

As a successful businessman in what he admits is a much-maligned business, Lee has brought modern management techniques to what until recently was a fragmented, learn-as-you-go industry.

Contending that his employees are the cornerstone of his success, Lee has initiated extensive in-house training programs. And, through a strict promote-from-within policy, employees are offered the opportunities to work their way up through the organization—even to co-ownership of a dealership.

At the same time, Lee has gone against the common stereotype of the conservative businessman with his longstanding involvement in the Democratic Party and Maine and American Civil Liberties Unions.

At 59, Lee is still looking ahead. The owner of about 20 acres along Auburn's Automobile Row (a term he coined for advertising purposes), Lee now plans to develop Maine's first "autopark," where people can drive around to look at cars without fighting traffic.

Shepard Lee has been in the automobile business "all my life." Almost immediately after he graduated from Bowdoin College in 1947, he went to work at Advance Auto Sales, founded by his father, Joseph Lifshitz, in 1936.

When Lee entered the business, he said, there were three Plymouth dealers in Lewiston-Auburn, two Chevrolet dealers, and two Ford dealers. In addition, many small towns also had new car dealerships.

Nationwide, there were about 50,000 dealers; today there are 24,000.

To some extent, the reduction was caused by auto manufacturers' efforts to consolidate their dealerships, giving support to those who could build the best facilities. The tightening of the auto market in the 1970s—particularly for large American cars—also pushed many marginal dealers out of business.

In the past 10 years or so, Lee said, he has observed another new development: the growth of multi-dealership operations, in which one company sells a number of competing car makes.

Lee acknowledges that the Lee Group, a prime example of a multi-dealership, gives him far more leverage with the automakers than a dealer whose fortunes are tied to only one manufacturer.

To keep his nearly 400 employees working toward the same goals, Lee established a management company, which employs a full-time trainer, full-time director of parts and services, and other personnel whose jobs are "to provide a whole bunch of support services" to the various dealerships.

Even though he employs an elaborate organization and planning mechanism, Lee says the key to a successful operation is finding the best people—and keeping them.

"If you have a good record and good credit, you can always borrow money for land or a new building," Lee says. "But if you don't have the people, new buildings won't help you.

"I have always resented the stereotyped image that car salesmen have, but dealers have contributed to that themselves by hiring anybody off the street," he says.

"It's amazing how badly treated a customer can be at a car dealer, and how indifferent most salespeople—who depend on selling to make their living—are."

So jaded is Lee about most car salespeople that as a rule his dealerships will not hire anyone who has sold cars before.

To make sure employees know what to expect—and what is expected of them—the Lee Group issues a 16-page operating standards booklet, which covers everything from hiring and promotion policies to customer satisfaction to advertising.

Prospective employees undergo at least two interviews, part of a rigorous selection process that is necessary, Lee says, because the company spends a lot of money both on salaries while new employees are in training, and on the training itself.

"I am sure that we have the most expensive training program in New England," Lee says. "And I am sure that it is worth it."

To retain good people, Lee promises that all promotions to management within the dealerships and the Lee Group as a whole will be made from within the organization.

For about the past five years, Lee said, he has gone beyond simply promoting from within, by seeking out "ambitious, intelligent young people who want to end up owning something for themselves."

While no promises are made, Lee said if a person works his way through all the positions available and still shows promise, "We will buy you a dealership and allow you to buy into that business out of your bonus."

That offer is particularly attractive given the cost of starting a new dealership, which Lee estimates would take about $500,000 cash for operating costs plus loans of $2 million to $3 million for inventory and facilities.

"If you want to see someone work hard, just give them the opportunity to own something," Lee says. Of the Lee Group's seven dealerships, "five have young partners," he said—and he hints that he would like to add a few more dealerships to the group.

In the early 1960s, Auburn underwent urban renewal, and Advance Auto was on the hit list.

Lee had been pleased with his downtown location, and he agonized over where to move before he purchased a parcel of land on Center Street.

Advance succeeded at its new site, and in 1974, when the gas crisis made big American gas-guzzlers as popular as a harborful of dead fish, Lee put his faith in the economic might of General Motors and purchased the local Cadillac-Oldsmobile dealership and moved that up to Center Street also.

Then came Datsun World, in 1975, and Subaru, whose four-wheel-drive economy cars delighted Maine drivers. Last year, Lee added a GMC truck dealership to his Center Street lot, and then came Honda, the Japanese-owned company which also happened to be a fourth-largest American automaker—thus eliminating any potential problems with import quotas.

Lee says this concentration of ownership doesn't mean any drop in competitiveness among the dealerships, because his partners know that "their income is derived from the profitability of their operation," and because salespeople know that promotions to management are based on sales prowess.

After formally dedicating the Honda dealership last week, Lee is now looking at moving Datsun World to Center Street, between Cadillac-Olds-Honda and Subaru, in a year or so.

In the long term, he has started filling behind the Cadillac building with plans to build the areas first autopark.

There, shoppers will be able to cruise along a landscaped driveway running the quarter mile from Stetson Road behind the Lee dealerships, stopping perhaps for lunch at picnic tables along Bobbin Mill Brook.

The purpose of an autopark is simple, Lee said: "To create a pleasant environment in which people can drive around and look at cars."

Although such a park would be a first for Maine, they are in evidence nationwide.

"To say that they are relatively common might be overstating the case, but it is something that is happening more and more throughout the country," he said.

One quality that sets Lee off from many others in the business community is his longtime participation in the Democratic Party.

As a Democrat, he admits, he is in a minority among business-people: "My business friends always tell me that I'm 'well-intentioned but misguided,'" he laughs.

Then he adds: "I am a Democrat because I believe in Democratic principles."

Lee's involvement with politics goes back to the 1950s, when he served as a manager for Frank M. Coffin's (now federal Judge Coffin) successful congressional campaigns and became acquainted with Gov. Edmund Muskie, now a close friend as is his successor, Sen. George Mitchell.

But, despite his long involvement with politics, and his practiced ease in front of television cameras, the former Auburn

School Committee member has no intention of going after elective office.

"My wife would divorce me if I did, and I've been married 35 years, much too long for that."

As early as the 1950s, Lee also was involved in the Androscoggin Valley Mental Health Association and the local chapter of the NAACP. Then there is his long service on the board of the Maine and American Civil Liberties Unions; he was elected national vice president of the ACLU in 1982.

Questioned about his involvement with these groups, Lee says simply, "If you believe in something, you should do something about it."

He recalls that shortly after his college graduation, he often wondered if he wouldn't be happier as a college professor. One day he had a customer of the type salesmen have nightmares.

"I was trying to sell him a $100 car and he kicked the tires, slammed the doors, and used incredibly foul and abusive language. And he didn't buy the car. I asked myself, 'Is this really what I want to do for the rest of my life?' "

Lee returned to Bowdoin and discussed his indecision with a former professor.

"You think that being a professor means spending all your time reading good books and talking with smart students—it's not," the professor said, and proceeded to offer some revelations about academic politics.

Then the professor mentioned a prominent businessman in Brunswick. "If I go to a selectmen's meeting and say something, I can see them thinking, 'He's never met a payroll, or balanced the books, or hired and fired.' But when that businessman gets up and says the same thing I said, they sit up and listen, because he has done these things."

So Lee went back to Advance Auto, and now he says, "I believe that you can still be successful in business and make a contribution in other areas too."

He says he still sees customers on the showroom floor who bought their first car from his father, or from him when he was just starting out.

The importance of returns and referrals is greater here than in a more metropolitan area, Lee says.

"Certainly, in a small town in a small state, you have to have a good reputation if you're going to succeed in the long run."

SHOES AND TEXTILES

Mr. EAGLETON. Mr. President, not so long ago, it was said Missouri was first in shoes, first in booze, and last in the American League.

Today, we are first in the American League but last in shoes. Only booze seems to be holding its own.

To some people, that may sound like a fair trade. But I guarantee you it is anything but fair to the thousands of Missouri shoe and textile workers who have seen their jobs exported to the factories of Taiwan, Hong Kong, Korea, and Brazil.

It is anything but fair to an industry which undertook a massive modernization program only to find itself still swamped by foreign competitors who enjoy the benefit of sweatshop wages. It is anything but fair to the rural areas of Missouri where a shoe factory is often the backbone of a town's economy.

The textile and apparel industry has changed dramatically in Missouri during my Senate career. When I came to office there were a booming 33,600 textile and apparel jobs in Missouri. I have watched that employment sector erode down to 30,000 in 1972, and it has fallen to nearly 22,000 jobs today. In this period employment has dropped 33 percent. As the imports come pouring in the jobs have flooded out the door. Import penetration into the textile market has gone wild. In 1968, import penetration was 14.5 percent. The statistics now put import penetration at just over the 50-percent mark.

The less than illustrious record of textile and apparel industry during my Senate career is only beat by the bottoming out of the footwear industry. When I came to office, Missouri produced 56.5 million pairs of shoes. We now produce only 36.5 million pairs, marking a change of minus 35.4 percent. Missouri in 1968 employed 24,000 people in footwear products and now there are less than 15,000 of those existing jobs; a drop of negative 36.4 percent. Since 1968, 55 footwear plants have shut their doors in Missouri; 7 have closed in the past year alone.

We have heard a lot in this debate about retaliation from our trading partners. We are told we can't take action to save American jobs and basic industries for fear the nations which are reaping huge benefits from free access to the U.S. market will somehow retaliate against our exports.

Who is kidding whom? We are the ones who are getting killed in this free-trade marketplace with a trade deficit approaching $150 billion. When is it our turn to retaliate against unfair, unbalanced and unrestrained exploitation of our domestic market? Are foreign countries the only ones allowed to take action in their self interest?

The United States is by far the largest and richest marketplace in the world. Foreign producers will go to any lengths to gain a foothold here for their products. We are the one with the leverage to deemed fair terms in our trade relations. And yet we cower before the threat that some foreign nation is going to risk its lucrative position in our marketplace by retaliating against U.S. exports.

I think it is time this country served notice that while it is dedicated to the growth of the freest possible world trade, it will not play patsy to nations which observe no restraint, no limits in their push to exploit our market. It is time we exercised the tremendous strength we possess as the world's premier trade market to demand that free and fair trade go together.

CHILDHOOD VACCINES—WE NEED IMPROVEMENTS

Mr. HATCH. Mr. President, over the last 2 days, the Senate has discussed and debated, and passed an appropriations bill for the Department of Health and Human Services. During the proceedings of October 21, the Senate agreed to an amendment offered by Senator BUMPERS, to add funds for our childhood immunization programs. I want to commend Senator BUMPERS for his continuing support for these programs—the most successful disease prevention this country has ever known. Senator BUMPERS recently testified before the Labor and Human Resources Committee about his longstanding commitment at both the State and National levels to childhood immunization.

On the Senate floor, as in his testimony before the committee, Senator BUMPERS hit the nail on the head, and got to the heart of a complex conundrum: we must continue to immunize our children against diseases which would otherwise take—and have in the past taken—an enormous toll. Yet we are being told by the private sector vaccine manufacturers that they may be unable to continue in the market because of their increasing and increasingly unpredictable liability costs. It seems to me that the unacceptable alternative is Government-supplied vaccines. But what are the acceptable alternatives and options? How and to what extent are the astronomical increases in vaccine costs—increases which necessitated Senator BUMPERS' amendment, and may necessitate even a supplemental appropriation—related to the industry's liability problems? And what is the resolution of the problem?

Senator BUMPERS noted that the Committee on Labor and Human Resources is working toward markup of appropriate legislation that will accomplish these critical goals: Continuation of our essential childhood immunization programs, with an adequate supply of vaccines; compensation for victims of vaccine-related injuries; education of health providers and parents about possible risks associated with some vaccinations; and application of the latest in science and technology to the development of the best possible vaccines for our children.

With respect to that last goal, I agree completely with the questions raised by Senators HAWKINS and WEICKER about the priority being placed on development of new and improved pediatric vaccines. In our conference report on H.R. 2409, the NIH authorization bill recently passed by the Senate and the House, we noted specifically the conferees' intent that the new Associate Directors for Prevention at NIH should assure that Congress is informed about immuniza-

tion research, particularly about research toward developing an improved pertussis vaccine.

Mr. President, I strongly support the childhood immunization programs of this country. I am pleased that both HHS and Lederle Laboratories have a new pertussis vaccine ready to enter clinical trials. I understand that the new Government vaccine will be tested this winter, and Lederle's vaccine will be tested as soon as an appropriate test population is determined. Nevertheless, I am convinced that we cannot rest until we have the best that science can produce. I continue to urge HHS to place the highest possible priority on the development of better and safer vaccines—especially a better and safer pertussis vaccine. In no way do I presume to second-guess the experts at HHS about alining research priorities. But this is important—indeed, it is essential. We are facing a potential crisis in public health. Is there anything more important than solving it?

CONCLUSION OF MORNING BUSINESS

(The following proceedings occurred during the foregoing colloquy:)

The PRESIDING OFFICER (Mr. ANDREWS). The hour of 9:30 having arrived, routine morning business is closed.

Mr. CHAFEE. Mr. President, I ask unanimous consent that we may proceed as if in morning business for 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

(Conclusion of earlier proceedings.)

COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS, 1986

Mr. RUDMAN. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar Order No. 338, H.R. 2965, the State, Justice, Commerce, the Judiciary, and Related Agencies Appropriations Act, 1986.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 2965) making appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year ending September 30, 1986, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New Hampshire?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Appropriations, with amendments, as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets, and the parts of the bill intended to be inserted are shown in italics.)

H.R. 2965

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year ending September 30, 1986, and for other purposes, namely:

TITLE I—DEPARTMENT OF COMMERCE

GENERAL ADMINISTRATION

SALARIES AND EXPENSES

For expenses necessary for the general administration of the Department of Commerce, including not to exceed $2,000 for official entertainment, [$31,609,000] *$32,343,000.*

BUREAU OF THE CENSUS

SALARIES AND EXPENSES

For expenses necessary for collecting, compiling, analyzing, preparing, and publishing statistics, provided for by law, [$88,662,000] *$90,400,000.*

PERIODIC CENSUSES AND PROGRAMS

For expenses necessary to collect and publish statistics for periodic censuses and programs provided for by law, [$105,111,000] *$105,687,000,* to remain available until expended.

ECONOMIC AND STATISTICAL ANALYSIS

SALARIES AND EXPENSES

For necessary expenses, as authorized by law, of economic and statistical analysis programs, [$30,543,000] *$30,168,000.*

ECONOMIC DEVELOPMENT ADMINISTRATION

ECONOMIC DEVELOPMENT ASSISTANCE PROGRAMS

For economic development assistance as provided by the Public Works and Economic Development Act of 1965, as amended, and Public Law 91-304, and such laws that were in effect immediately before September 30, 1982, [$180,000,000] *$160,000,000: Provided,* That during fiscal year 1986 total commitments to guarantee loans shall not exceed $150,000,000 of contingent liability for loan principal: *Provided further, That none of the funds appropriated or otherwise made available under this heading may be used directly or indirectly for attorney's fees in connection with grants and contracts made by the Economic Development Administration.*

SALARIES AND EXPENSES

For necessary expenses of administering the economic development assistance programs as provided for by law, [$26,000,000] *$24,450,000: Provided,* That these funds may be used to monitor projects approved pursuant to title I of the Public Works Employment Act of 1976, as amended, title II of the Trade Act of 1974, as amended, and the Community Emergency Drought Relief Act of 1977. Notwithstanding any other provision of this Act or any other law, funds appropriated in this paragraph shall be used to fill and maintain forty-nine permanent positions designated as Economic Development Representatives out of the total number of permanent positions funded in the Salaries and Expenses account of the Economic Development Administration for fiscal year 1986.

INTERNATIONAL TRADE ADMINISTRATION

OPERATIONS AND ADMINISTRATION

For necessary expenses for international trade activities of the Department of Commerce, including trade promotional activities abroad without regard to the provisions of law set forth in 44 U.S.C. 3702 and 3703; full medical coverage for dependent members of immediate families of employees stationed overseas; employment of Americans and aliens by contract for services abroad; rental of space abroad for periods not exceeding ten years, and expenses of alteration, repair, or improvement; purchase or construction of temporary demountable exhibition structures for use abroad; payment of tort claims, in the manner authorized in the first paragraph of 28 U.S.C. 2672 when such claims arise in foreign countries; not to exceed $253,000 for official representation expenses abroad; awards of compensation to informers under the Export Administration Act of 1979, and as authorized by 22 U.S.C. 401(b); purchase of passenger motor vehicles for official use abroad and motor vehicles for law enforcement use with special requirement vehicles eligible for purchase without regard to any price limitation otherwise established by law; [$196,472,000] *$192,980,000, of which $7,090,000 is for the Office of Textiles and Apparels, including $3,500,000 for a grant to the Tailored Clothing Technology Corporation,* to remain available until expended: *Provided,* That the provisions of the first sentence of section 105(f) and all of section 108(c) of the Mutual Educational and Cultural Exchange Act of 1961 (22 U.S.C. 2455(f) and 2458(c)) shall apply in carrying out these activities. [During fiscal year 1986 and within the resources and authority available, gross obligations for the principal amount of direct loans shall not exceed $3,500,000. During fiscal year 1986, commitments to guarantee loans shall not exceed $10,000,000 of contingent liability for loan principal.]

MINORITY BUSINESS DEVELOPMENT AGENCY

MINORITY BUSINESS DEVELOPMENT

For necessary expenses of the Department of Commerce in fostering, promoting, and developing minority business enterprise, including expenses of grants, contracts, and other agreements with public or private organizations, [$44,802,000] *$45,090,000,* of which $31,495,000 shall remain available until expended: *Provided,* That not to exceed [$13,307,000] *$13,595,000* shall be available for program management for fiscal year 1986[: *Provided further,* That none of the funds appropriated in this paragraph or in this title for the Department of Commerce shall be available to reimburse the fund established by 15 U.S.C. 1521 on account of the performance of a program, project, or activity, nor shall such fund be available for the performance of a program, project, or activity, which had not been performed as a central service pursuant to 15 U.S.C. 1521 before July 1, 1982, unless the Appropriations Committees of both Houses of Congress are notified fifteen days in advance of such action in accordance with the Committees' reprograming procedures].

UNITED STATES TRAVEL AND TOURISM ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses of the United States Travel and Tourism Administration including travel and tourism promotional activities abroad without regard to the provisions of law set forth in 44 U.S.C. 3702 and 3703; and including employment of aliens by

contract for services abroad; rental of space abroad for periods not exceeding five years, and expenses of alteration, repair, or improvement; purchase or construction of temporary demountable exhibition structures for use abroad; advance of funds under contracts abroad; payment of tort claims in the manner authorized in the first paragraph of 28 U.S.C. 2672, when such claims arise in foreign countries; and not to exceed $8,000 for representation expenses abroad; $12,000,000.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

OPERATIONS, RESEARCH, AND FACILITIES

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of activities authorized by law for the National Oceanic and Atmospheric Administration, including acquisition, maintenance, operation, and hire of aircraft; 399 commissioned officers on the active list; construction of facilities, including initial equipment; alteration, modernization, and relocation of facilities; and acquisition of land for facilities; [$1,121,228,000] *$1,131,699,000*, to remain available until expended, and in addition, $28,000,000 shall be derived from the Airport and Airways Trust Fund; and in addition, [$30,000,000] *$35,700,000* shall be derived by transfer from the Fund entitled "Promote and Develop Fishery Products and Research Pertaining to American Fisheries"; and in addition, $8,000,000 shall be derived by transfer from the Coastal Energy Impact Fund: *Provided*, That [unobligated] *unexpended* balances in the account "Coastal Zone Management" are merged with this account on October 1, 1985: *Provided further*, That grants to States pursuant to section 306 and section 306(a) of the Coastal Zone Management Act, as amended, shall not exceed $2,000,000 and shall not be less than $450,000: *Provided further, That of the funds appropriated in this paragraph, necessary funds shall be used to fill and maintain a staff of three persons, as National Oceanic and Atmospheric Administration personnel, to work on contracts and purchase orders at the National Data Buoy Center in Bay St. Louis, Mississippi, and report to the Director of the National Data Buoy Center in the same manner and extent that such procurement functions were performed at Bay St. Louis prior to June 26, 1983, except that they may provide procurement assistance to other Department of Commerce activities pursuant to ordinary interagency agreements. Where practicable, these positions shall be filled by the employees who performed such functions prior to June 26, 1983.*

FISHERMEN'S CONTINGENCY FUND

For carrying out the provisions of title IV of Public Law 95-372, not to exceed $750,000, to be derived from receipts collected pursuant to that Act, to remain available until expended.

FOREIGN FISHING OBSERVER FUND

For expenses necessary to carry out the provisions of the Atlantic Tunas Convention Act of 1975, as amended (Public Law 96-339), the Magnuson Fishery Conservation and Management Act of 1976, as amended (Public Law 94-265), and the American Fisheries Promotion Act (Public Law 96-561), there are appropriated from the fees imposed under the foreign fishery observer program authorized by these Acts, not to exceed $4,500,000, to remain available until expended.

FISHERMEN'S GUARANTY FUND

For expenses necessary to carry out the provisions of the Fishermen's Protective Act of 1967, as amended, $1,800,000, to be derived from the receipts collected pursuant to that Act, to remain available until expended.

[FISHERIES LOAN FUND

[For expenses necessary to carry out the provisions of section 221 of the American Fisheries Promotion Act of December 22, 1980 (Public Law 96-561), there are appropriated to the Fisheries Loan Fund, $2,500,000 from receipts collected pursuant to that Act: *Provided*, That during fiscal year 1986 not to exceed $300,000 of the Fisheries Loan Fund shall be available for administrative expenses.]

PATENT AND TRADEMARK OFFICE

SALARIES AND EXPENSES

For necessary expenses of the Patent and Trademark Office, including defense of suits instituted against the Commissioner of Patents and Trademarks, [$84,739,000] *$88,535,000* and, in addition, such fees as shall be collected pursuant to 15 U.S.C. 1113 and 35 U.S.C. 41 and 376, to remain available until expended.

NATIONAL BUREAU OF STANDARDS

SCIENTIFIC AND TECHNICAL RESEARCH AND SERVICES

For necessary expenses of the National Bureau of Standards, [$123,985,000] *$125,916,000*, to remain available until expended, of which not to exceed $3,708,000 may be transferred to the "Working Capital Fund".

NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses, as provided for by law, of the National Telecommunications and Information Administration, [$13,186,000] *$13,686,000*, of which $700,000 shall remain available until expended.

PUBLIC TELECOMMUNICATIONS FACILITIES, PLANNING AND CONSTRUCTION

For grants authorized by section 392 of the Communications Act of 1934, as amended, $24,000,000, to remain available until expended: *Provided*, That not to exceed [$750,000] *$1,200,000* shall be available for program management as authorized by section 391 of the Communications Act of 1934, as amended: *Provided further, That notwithstanding the provisions of section 391 of the Communications Act of 1934, as amended, the prior year unobligated balances may be made available for grants for projects for which applications have been submitted and approved during any fiscal year.*

GENERAL PROVISIONS—DEPARTMENT OF COMMERCE

SEC. 101. During the current fiscal year, applicable appropriations and funds available to the Department of Commerce shall be available for the activities specified in the Act of October 26, 1949 (15 U.S.C. 1514), to the extent and in the manner prescribed by said Act, and, notwithstanding 31 U.S.C. 3324, may be used for advance payments not otherwise authorized only upon the certification of officials designated by the Secretary that such payments are in the public interest.

SEC. 102. During the current fiscal year, appropriations to the Department of Commerce which are available for salaries and expenses shall be available for hire of passenger motor vehicles; services as authorized by 5 U.S.C. 3109; and uniforms or allowances therefor, as authorized by law (5 U.S.C. 5901-5902).

SEC. 103. No funds in this title shall be used to sell to private interests, except with the consent of the borrower, or contract with private interests to sell or administer, any loans made under the Public Works and Economic Development Act of 1965 or any loans made under section 254 of the Trade Act of 1974.

SEC. 104. During the current fiscal year, the National Bureau of Standards is authorized to accept contributions of funds, to remain available until expended, from any public or private source to construct a facility for cold neutron research on materials, notwithstanding the limitations contained in 15 U.S.C. 278d.

This title may be cited as the "Department of Commerce Appropriation Act, 1986".

TITLE II—DEPARTMENT OF JUSTICE

GENERAL ADMINISTRATION

SALARIES AND EXPENSES

For expenses necessary for the administration of the Department of Justice, [$72,533,000] *$71,200,000.*

UNITED STATES PAROLE COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the United States Parole Commission, as authorized by law, [$9,681,000] *$9,836,000.*

LEGAL ACTIVITIES

SALARIES AND EXPENSES, GENERAL LEGAL ACTIVITIES

For expenses necessary for the legal activities of the Department of Justice, not otherwise provided for, including not to exceed $20,000 for expenses of collecting evidence, to be expended under the direction of the Attorney General and accounted for solely on his certificate; and rent of private or Government-owned space in the District of Columbia; [$200,277,000] *$205,400,000*, of which not to exceed $6,000,000 for litigation support contracts shall remain available until September 30, 1987[; and of which $3,088,000 shall be for the Office of Special Investigations].

SALARIES AND EXPENSES, ANTITRUST DIVISION

For expenses necessary for the enforcement of antitrust and kindred laws, [$43,476,000] *$44,520,000.*

SALARIES AND EXPENSES, FOREIGN CLAIMS SETTLEMENT COMMISSION

For expenses necessary to carry out the activities of the Foreign Claims Settlement Commission, including services as authorized by 5 U.S.C. 3109; allowances and benefits similar to those allowed under the Foreign Service Act of 1980 as determined by the Commission; expenses of packing, shipping, and storing personal effects of personnel assigned abroad; rental or lease, for such periods as may be necessary, of office space and living quarters of personnel assigned abroad; maintenance, improvement, and repair of properties rented or leased abroad, and furnishing fuel, water, and utilities for such properties; insurance on official motor vehicles abroad; advances of funds abroad; advances or reimbursements to other Government agencies for use of their facilities and services in carrying out the functions of the Commission; hire of motor vehicles for field use only; and employment of aliens; [$700,000] *$850,000.*

[SALARIES AND EXPENSES, UNITED STATES ATTORNEYS AND MARSHALS

[For necessary expenses of the offices of the United States attorneys, marshals, and bankruptcy trustees; including acquisition, lease, maintenance, and operation of aircraft, $471,500,000.]

SALARIES AND EXPENSES, UNITED STATES ATTORNEYS AND TRUSTEES

For necessary expenses of the Offices of the United States attorneys and bankruptcy trustees, $335,000,000: Provided, That not less than $450,000 shall be used for the investigation and prosecution of individuals indicted for violations of obscenity statutes.

SALARIES AND EXPENSES, UNITED STATES MARSHALS SERVICE

For necessary expenses of the United States Marshals Service; including acquisition, lease, maintenance, and operation of vehicles and aircraft, $149,000,000.

SUPPORT OF UNITED STATES PRISONERS

For support of United States prisoners in non-Federal institutions, [$53,240,000] *$52,000,000*[; and in addition, $9,000,000 shall be available under the Cooperative Agreement Program until expended for the purposes of renovating, constructing, and equipping State and local correctional facilities]: *Provided,* That amounts made available for constructing any local correctional facility *pursuant to the Cooperative Agreement Program* shall not exceed the cost of constructing space for the average Federal prisoner population to be housed in the facility, or in other facilities in the same correctional system, as projected by the Attorney General: *Provided further,* That following agreement on or completion of any Federally assisted correctional facility construction, the availability of the space acquired for Federal prisoners with these Federal funds shall be assured and the per diem rate charged for housing Federal prisoners in the assured space shall not exceed operating costs for the period of time specified in the cooperative agreement.

FEES AND EXPENSES OF WITNESSES

For expenses, mileage, compensation, and per diems of witnesses and for per diems in lieu of subsistence, as authorized by law, including advances; [$47,900,000] *$47,400,000,* to remain available until expended, of which not to exceed $550,000 may be made available for planning, construction, renovation, maintenance, remodeling, and repair of buildings and the purchase of equipment incident thereto for protected witness safesites: *Provided, That restitution of not to exceed $25,000 shall be paid to the estate of victims killed as a result of crimes committed by persons who have been enrolled in the Federal witness protection program, if such crimes were committed within two years after protection was terminated, notwithstanding any limitations contained in part (a) of section 3525 of title 18 of the United States Code.*

SALARIES AND EXPENSES, COMMUNITY RELATIONS SERVICE

For necessary expenses of the Community Relations Service, established by title X of the Civil Rights Act of 1964, [$33,217,000] *$31,000,000,* of which [$26,583,000] *$24,366,000* shall remain available until expended to make payments in advance for grants, contracts and reimbursable agreements and other expenses necessary under section 501(c) of the Refugee Education Assistance Act of 1980 (Public Law 96-422; 94 Stat. 1809) for the processing, care, maintenance, security, transportation and reception and placement in the United States of Cuban and Haitian entrants: *Provided,* That notwithstanding section 501(e)(2)(B) of the Refugee Education Assistance Act of 1980 (Public Law 96-422; 94 Stat. 1810), funds may be expended for assistance with respect to Cuban and Haitian entrants as authorized under section 501(c) of such Act.

ASSETS FORFEITURE FUND

For expenses authorized by 28 U.S.C. 524, as amended by the Comprehensive Forfeiture Act of 1984, such sums as may be necessary to be derived from the Department of Justice Assets Forfeiture Fund: *Provided,* That in the aggregate, not to exceed $10,000,000 shall be available for expenses authorized by subsections (c)(1)(B), (c)(1)(E), and (c)(1)(F) of that section.

INTERAGENCY LAW ENFORCEMENT

PRESIDENTIAL COMMISSION ON ORGANIZED CRIME

For expenses necessary for the Presidential Commission on Organized Crime, $1,000,000.

FEDERAL BUREAU OF INVESTIGATION

SALARIES AND EXPENSES

For expenses necessary for detection, investigation, and prosecution of crimes against the United States; including purchase for police-type use of not to exceed one thousand six hundred forty passenger motor vehicles of which one thousand four hundred fifty will be for replacement only, without regard to the general purchase price limitation for the current fiscal year, and hire of passenger motor vehicles; acquisition, lease, maintenance and operation of aircraft; and not to exceed $70,000 to meet unforeseen emergencies of a confidential character, to be expended under the direction of the Attorney General, and to be accounted for solely on his certificate; [$1,194,132,000] *$1,209,468,000,* of which not to exceed $25,000,000 for automated data processing and telecommunications and $1,000,000 for undercover operations shall remain available until September 30, 1987; of which $3,000,000 for research related to investigative activities shall remain available until expended; and of which not to exceed $500,000 is authorized to be made available for making payments or advances for expenses arising out of contractual or reimbursable agreements with State and local law enforcement agencies while engaged in cooperative activities related to terrorism: *Provided,* That notwithstanding the provisions of title 31 U.S.C. 3302, the Director of the Federal Bureau of Investigation may establish and collect fees to process fingerprint identification records for noncriminal employment and licensing purposes, and credit not more than $13,500,000 of such fees to this appropriation to be used for salaries and other expenses incurred in providing these services: *Provided further, That $13,120,000 shall remain available until expended for constructing and equipping new facilities at the FBI Academy, Quantico, Virginia: Provided further,* That not to exceed $45,000 shall be available for official reception and representation expenses.

DRUG ENFORCEMENT ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses of the Drug Enforcement Administration, including not to exceed $70,000 to meet unforeseen emergencies of a confidential character, to be expended under the direction of the Attorney General, and to be accounted for solely on his certificate; purchase of not to exceed [five] *seven* hundred fifty-two passenger motor vehicles of which four hundred eighty-nine are for replacement only for police-type use without regard to the general purchase price limitation for the current fiscal year; and acquisition, lease, maintenance, and operation of aircraft; [$353,421,000] *$380,000,000,* of which not to exceed $1,200,000 for research shall remain available until expended and not to exceed $1,700,000 for purchase of evidence and payments for information shall remain available until September 30, 1987.

IMMIGRATION AND NATURALIZATION SERVICE

SALARIES AND EXPENSES

For expenses, not otherwise provided for, necessary for the administration and enforcement of the laws relating to immigration, naturalization, and alien registration, including not to exceed $50,000 to meet unforeseen emergencies of a confidential character, to be expended under the direction of the Attorney General and accounted for solely on his certificate; purchase for police-type use (not to exceed four hundred ninety, all of which shall be for replacement only) and hire of passenger motor vehicles; acquisition, lease, maintenance and operation of aircraft; and research related to immigration enforcement; [$577,510,000] *$600,000,000,* of which not to exceed $400,000 for research shall remain available until expended: *Provided,* That none of the funds available to the Immigration and Naturalization Service shall be available for administrative expenses to pay any employee overtime pay in an amount in excess of [$20,000] *$25,000* except in such instances when the Commissioner makes a determination that this restriction is impossible to implement: *Provided further,* That uniforms may be purchased without regard to the general purchase price limitation for the current fiscal year: *Provided further, That no funds appropriated in this Act may be used to implement Immigration and Naturalization Service reorganization proposals which would have the purpose of or would result in the closing of the Northern Regional Office of the Immigration and Naturalization Service at Fort Snelling, Minnesota.*

FEDERAL PRISON SYSTEM

SALARIES AND EXPENSES

For expenses necessary for the administration, operation, and maintenance of Federal penal and correctional institutions, including purchase (not to exceed one hundred nine, of which ninety-four are for replacement only) and hire of law enforcement and passenger motor vehicles; [$550,334,000] *$554,360,000*: *Provided,* That there may be transferred to the Health Resources and Services Administration such amounts as may be necessary, in the discretion of the Attorney General, for direct expenditures by that Administration for medical relief for inmates of Federal penal and correctional institutions: *Provided further,* That uniforms may be purchased without regard to the general purchase price limitation for the current fiscal year.

NATIONAL INSTITUTE OF CORRECTIONS

For carrying out the provisions of sections 4351-4353 of title 18, United States Code, which established a National Institute of Corrections, [$12,226,000] *$12,000,000,* to remain available until expended.

BUILDINGS AND FACILITIES

For planning, acquisition of sites and construction of new facilities; purchase and acquisition of facilities and remodeling and equipping of such facilities for penal and

correctional use, including all necessary expenses incident thereto, by contract or force account; and constructing, remodeling, and equipping necessary buildings and facilities at existing penal and correctional institutions, including all necessary expenses incident thereto, by contract or force account, $46,063,000, to remain available until expended: *Provided*, That labor of United States prisoners may be used for work performed under this appropriation.

FEDERAL PRISON INDUSTRIES, INCORPORATED

The Federal Prison Industries, Incorporated, is hereby authorized to make such expenditures, within the limits of funds and borrowing authority available, and in accord with the law, and to make such contracts and commitments, without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the program set forth in the budget for the current fiscal year for such corporation, including purchase of not to exceed five (for replacement only) and hire of passenger motor vehicles, except as hereinafter provided.

LIMITATION ON ADMINISTRATIVE AND VOCATIONAL EXPENSES, FEDERAL PRISON INDUSTRIES, INCORPORATED

Not to exceed [$2,070,000] *$2,102,000* of the funds of the corporation shall be available for its administrative expenses, and not to exceed [$6,920,000] *$7,018,000* for the expenses of vocational training of prisoners, both amounts to be available for services as authorized by 5 U.S.C. 3109, and to be computed on an accrual basis to be determined in accordance with the corporation's prescribed accounting system in effect on July 1, 1946, and such amounts shall be exclusive of depreciation, payment of claims, and expenditures which the said accounting system requires to be capitalized or charged to cost of commodities acquired or produced, including selling and shipping expenses, and expenses in connection with acquisition, construction, operation, maintenance, improvement, protection, or disposition of facilities and other property belonging to the corporation or in which it has an interest.

OFFICE OF JUSTICE PROGRAMS

JUSTICE ASSISTANCE

For grants, contracts, cooperative agreements, and other assistance authorized by the Justice Assistance Act of 1984, Runaway Youth and Missing Children Act Amendments of 1984, and the Missing Children Assistance Act including salaries and expenses in connection therewith, [$135,197,000] *$130,000,000* to remain available until expended; and for grants, contracts, cooperative agreements, and other assistance authorized by title II of the Juvenile Justice and Delinquency Prevention Act of 1974, as amended, including salaries and expenses in connection therewith, [$70,282,000] *$62,100,000*, to remain available until expended. In addition, $5,000,000 for the purpose of making grants to States for their expenses by reason of Mariel Cubans having to be incarcerated in State facilities for terms requiring incarceration for the full period October 1, 1985 through September 30, 1986 following their conviction of a felony committed after having been paroled into the United States by the Attorney General: *Provided*, That within thirty days of enactment of this Act the Attorney General shall announce in the Federal Register that this appropriation will be made available to the States whose Governors certify by February 1, 1986 a listing of names of such Mariel Cubans incarcerated in their respective facilities: *Provided further*, That the Attorney General, not later than April 1, 1986, will complete his review of the certified listings of such incarcerated Mariel Cubans, and make grants to the States on the basis that the certified number of such incarcerated persons in a State bears to the total certified number of such incarcerated persons: *Provided further*, That the amount of reimbursements per prisoner per annum shall not exceed $12,000.

GENERAL PROVISIONS—DEPARTMENT OF JUSTICE

SEC. 201. A total of not to exceed $75,000 from funds appropriated to the Department of Justice in this title shall be available for official reception and representation expenses in accordance with distributions, procedures, and regulations established by the Attorney General.

SEC. 202. Notwithstanding any other provision of law or this Act, materials produced by convict labor may be used in the construction of any highways or portion of highways located on Federal-aid systems, as described in section 103 of title 23, United States Code.

SEC. 203. Appropriations for "Salaries and expenses, General Administration", "Salaries and expenses, United States [Attorneys and] Marshals *Service*", "Salaries and expenses, Federal Bureau of Investigation", "Salaries and expenses, Immigration and Naturalization Service", and "Salaries and expenses, Federal Prison System", shall be available for uniforms and allowances therefor as authorized by law (5 U.S.C. 5901-5902).

SEC. 204. (a) Subject to subsection (b) of this section, authorities contained in Public Law 96-132, "The Department of Justice Appropriation Authorization Act, Fiscal Year 1980", shall remain in effect until the termination date of this Act or until the effective date of a Department of Justice Appropriation Authorization Act, whichever is earlier.

(b)(1) With respect to any undercover investigative operation of the Federal Bureau of Investigation or the Drug Enforcement Administration which is necessary for the detection and prosecution of crimes against the United States or for the collection of foreign intelligence or counterintelligence—

(A) sums authorized to be appropriated for the Federal Bureau of Investigation and for the Drug Enforcement Administration, for fiscal year 1986, may be used for purchasing property, buildings, and other facilities, and for leasing space, within the United States, the District of Columbia, and the territories and possessions of the United States, without regard to section 1341 of title 31 of the United States Code, section 3732(a) of the Revised Statutes (41 U.S.C. 11(a)), section 305 of the Act of June 30, 1949 (63 Stat. 396; 41 U.S.C. 255), the third undesignated paragraph under the heading "Miscellaneous" of the Act of March 3, 1877 (19 Stat. 370; 40 U.S.C. 34), section 3324 of title 31 of the United States Code, section 3741 of the Revised Statutes (41 U.S.C. 22), and subsections (a) and (c) of section 304 of the Federal Property and Administrative Service Act of 1949 (63 Stat. 395; 41 U.S.C. 254 (a) and (c)),

(B) sums authorized to be appropriated for the Federal Bureau of Investigation and for the Drug Enforcement Administration, for fiscal year 1986, may be used to establish or to acquire proprietary corporations or business entities as part of an undercover investigative operation, and to operate such corporations or business entities on a commercial basis, without regard to section 9102 of title 31 of the United States Code,

(C) sums authorized to be appropriated for the Federal Bureau of Investigation and for the Drug Enforcement Administration, for fiscal year 1986, and the proceeds from such undercover operation, may be deposited in banks or other financial institutions, without regard to section 648 of title 18 of the United States Code and section 3302 of title 31 of the United States Code, and

(D) proceeds from such undercover operation may be used to offset necessary and reasonable expenses incurred in such operation, without regard to section 3302 of title 31 of the United States Code,

only, in operations designed to detect and prosecute crimes against the United States, upon the written certification of the Director of the Federal Bureau of Investigation (or, if designated by the Director, a member of the Undercover Operations Review Committee established by the Attorney General in the Attorney General's Guidelines on Federal Bureau of Investigation Undercover Operations, as in effect on July 1, 1983) or the Administrator of the Drug Enforcement Administration, as the case may be, and the Attorney General (or, with respect to Federal Bureau of Investigation undercover operations, if designated by the Attorney General, a member of such Review Committee), that any action authorized by subparagraph (A), (B), (C), or (D) is necessary for the conduct of such undercover operation. If the undercover operation is designed to collect foreign intelligence or counterintelligence, the certification that any action authorized by subparagraph (A), (B), (C), or (D) is necessary for the conduct of such undercover operation shall be by the Director of the Federal Bureau of Investigation (or, if designated by the Director, the Assistant Director, Intelligence Division) and the Attorney General (or, if designated by the Attorney General, the Counsel for Intelligence Policy). Such certification shall continue in effect for the duration of such undercover operation, without regard to fiscal years.

(2) As soon as the proceeds from an undercover investigative operation with respect to which an action is authorized and carried out under subparagraphs (C) and (D) of subsection (a) are no longer necessary for the conduct of such operation, such proceeds or the balance of such proceeds remaining at the time shall be deposited in the Treasury of the United States as miscellaneous receipts.

(3) If a corporation or business entity established or acquired as part of an undercover operation under subparagraph (B) of paragraph (1) with a net value of over $50,000 is to be liquidated, sold, or otherwise disposed of, the Federal Bureau of Investigation or the Drug Enforcement Administration, as much in advance as the Director or the Administrator, or the designee of the Director or the Administrator, determines is practicable, shall report the circumstances to the Attorney General and the Comptroller General. The proceeds of the liquidation, sale, or other disposition, after obligations are met, shall be deposited in the Treasury of the United States as miscellaneous receipts.

(4)(A) The Federal Bureau of Investigation or the Drug Enforcement Administration, as the case may be, shall conduct a detailed financial audit of each undercover investigative operation which is closed in fiscal year 1986,

(i) submit the results of such audit in writing to the Attorney General, and

(ii) not later than 180 days after such undercover operation is closed, submit a report to the Congress concerning such audit.

(B) The Federal Bureau of Investigation and the Drug Enforcement Administration shall each also submit a report annually to the Congress specifying as to their respective undercover investigative operations—

(i) the number, by programs, of undercover investigative operations pending as of the end of the one-year period for which such report is submitted,

(ii) the number, by programs, of undercover investigative operations commenced in the one-year period preceding the period for which such report is submitted, and

(iii) the number, by programs, of undercover investigative operations closed in the one-year period preceding the period for which such report is submitted and, with respect to each such closed undercover operation, the results obtained. With respect to each such closed undercover operation which involves any of the sensitive circumstances specified in the Attorney General's Guidelines on Federal Bureau of Investigation Undercover Operations, such report shall contain a detailed description of the operation and related matters, including information pertaining to—

(I) the results,

(II) any civil claims, and

(III) identification of such sensitive circumstances involved, that arose at any time during the course of such undercover operation.

(5) For purposes of paragraph (4)—

(A) the term "closed" refers to the earliest point in time at which—

(I) all criminal proceedings (other than appeals) are concluded, or

(II) covert activities are concluded, whichever occurs later,

(B) the term "employees" means employees, as defined in section 2105 of title 5 of the United States Code, of the Federal Bureau of Investigation, and

(C) the terms "undercover investigative operation" and "undercover operation" mean any undercover investigative operation of the Federal Bureau of Investigation or the Drug Enforcement Administration (other than a foreign counterintelligence undercover investigative operation)—

(i) in which—

(I) the gross receipts (excluding interest earned) exceed $50,000, or

(II) expenditures (other than expenditures for salaries of employees) exceed $150,000, and

(ii) which is exempt from section 3302 or 9102 of title 31 of the United States Code,

except that clauses (i) and (ii) shall not apply with respect to the report required under subparagraph (B) of such paragraph.

This title may be cited as the "Department of Justice Appropriation Act, 1986".

TITLE III—DEPARTMENT OF STATE

ADMINISTRATION OF FOREIGN AFFAIRS

SALARIES AND EXPENSES

For necessary expenses of the Department of State and the Foreign Service, not otherwise provided for, including obligations of the United States abroad pursuant to treaties, international agreements, and binational contracts (including obligations assumed in Germany on or after June 5, 1945), expenses authorized by section 9 of the Act of August 31, 1964, as amended (31 U.S.C. 3721), and section 2 of the State Department Basic Authorities Act of 1956, as amended (22 U.S.C. 2669); telecommunications; expenses necessary to provide maximum physical security in Government-owned and leased properties and vehicles abroad; permanent representation to certain international organizations in which the United States participates pursuant to treaties, conventions, or specific Acts of Congress; acquisition by exchange or purchase of vehicles as authorized by law, except that special requirement vehicles may be purchased without regard to any price limitation otherwise established by law; [$1,452,689,000] *$1,459,000,000.*

[REOPENING CONSULATES

[For necessary expenses of the Department of State and the Foreign Service for reopening and operating certain United States consulates as specified in section 103 of the Department of State Authorization Act, fiscal years 1982 and 1983, $1,700,000.]

REPRESENTATION ALLOWANCES

For representation allowances as authorized by section 905 of the Foreign Service Act of 1980, as amended (22 U.S.C. 4085), and for representation by United States missions to the United Nations and the Organization of American States, $4,700,000.

PROTECTION OF FOREIGN MISSIONS AND OFFICIALS

For expenses, not otherwise provided, to enable the Secretary of State to provide for extraordinary protective services in accordance with the provisions of section 605 of Public Law 98-164, and to provide for the protection of foreign missions in accordance with the provisions of 3 U.S.C. 208, [$9,900,000] *$9,500,000.*

ACQUISITION[, OPERATION,] AND MAINTENANCE OF BUILDINGS ABROAD

For necessary expenses for carrying out the Foreign Service Buildings Act of 1926, as amended (22 U.S.C. 292-300), [$341,992,000] *$336,600,000,* to remain available until expended*: Provided, That balances of previous appropriations for "Acquisition, operation, and maintenance of buildings abroad" shall be transferred to and merged with this appropriation.*

[ACQUISITION, OPERATION, AND MAINTENANCE OF BUILDINGS ABROAD (SPECIAL FOREIGN CURRENCY PROGRAM)

[For payments in foreign currencies which the Treasury Department determines to be excess to the normal requirements of the United States for the purposes authorized by section 4 of the Foreign Service Buildings Act of 1926, as amended (22 U.S.C. 295), $2,707,000, to remain available until expended.]

EMERGENCIES IN THE DIPLOMATIC AND CONSULAR SERVICE

For expenses necessary to enable the Secretary of State to meet unforeseen emergencies arising in the Diplomatic and Consular Service to be expended pursuant to the requirement of 31 U.S.C. 3526(e), $4,400,000.

PAYMENT TO THE AMERICAN INSTITUTE IN TAIWAN

For necessary expenses to carry out the Taiwan Relations Act, Public Law 96-8 (93 Stat. 14), [$10,000,000] *$9,800,000.*

PAYMENT TO THE FOREIGN SERVICE RETIREMENT AND DISABILITY FUND

For payment to the Foreign Service Retirement and Disability Fund, as authorized by law, $118,174,000.

INTERNATIONAL ORGANIZATIONS AND CONFERENCES

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

For expenses, not otherwise provided for, necessary to meet annual obligations of membership in international multilateral organizations, pursuant to treaties, conventions, or specific Acts of Congress, [$460,235,000] *$475,000,000: Provided,* That none of the funds appropriated in this paragraph shall be available for a United States contribution to an international organization for the United States share of interest costs made known to the United States Government by such organization for loans incurred on or after October 1, 1984, through external borrowings.

CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES

For payments, not otherwise provided for, by the United States for expenses of the United Nations peacekeeping forces, [$47,400,000] *$36,400,000.*

INTERNATIONAL CONFERENCES AND CONTINGENCIES

For necessary expenses authorized by section 5 of the State Department Basic Authorities Act of 1956, contributions for the United States share of general expenses of international organizations and representation to such organizations, and personal services without regard to civil service and classification laws, $6,839,000, to remain available until expended, of which not to exceed $207,000 may be expended for representation as authorized by law.

INTERNATIONAL COMMISSIONS

For necessary expenses, not otherwise provided for, to meet obligations of the United States arising under treaties, conventions, or specific Acts of Congress, as follows:

INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES AND MEXICO

For necessary expenses for the United States Section of the United States and Mexico International Boundary and Water Commission, and to comply with laws applicable to the United States Section; and leasing of private property to remove therefrom sand, gravel, stone, and other materials, without regard to section 3709 of the Revised Statutes, as amended (41 U.S.C. 5); as follows:

SALARIES AND EXPENSES

For salaries and expenses, not otherwise provided for, including preliminary surveys, [$11,392,000] *$10,340,000: Provided,* That expenditures for the Rio Grande bank protection project shall be subject to the provisions and conditions contained in the appropriation for said project as provided by the Act approved April 25, 1945 (59 Stat. 89): *Provided further,* That the Anzalduas diversion dam shall not be operated for irrigation or water supply purposes in the United States unless suitable arrangements have been made with the prospective water users for repayment to the Government of such portions of the cost of said dam as shall have been allocated to such purposes by the Secretary of State[: *Provided further,* That not to exceed $1,800,000 of the amount appropriated in this paragraph shall be available for reimbursement of the city of San Diego, in the State of California, for expenses incurred in treating domestic sewage received from the city of Tijuana, in the State of Baja California, Mexico].

CONSTRUCTION

For detailed plan preparation and construction of authorized projects, to remain available until expended, $2,257,000.

AMERICAN SECTIONS, INTERNATIONAL COMMISSIONS

For necessary expenses, not otherwise provided for, including not to exceed $6,000 for representation, $3,755,000; for the International Joint Commission, including salaries and expenses of the Commissioners on the part of the United States who shall serve at the pleasure of the President; salaries of employees appointed by the Commissioners on the part of the United States with the approval solely of the Secretary of State; travel expenses and compensation of witnesses; and the International Boundary Commission, for necessary expenses, not otherwise provided for, including expenses required by awards to the Alaskan Boundary Tribunal and existing treaties between the United States and Canada or Great Britain.

INTERNATIONAL FISHERIES COMMISSIONS

For necessary expenses for international fisheries commissions, not otherwise provided for, $11,300,000: *Provided,* That the United States share of such expenses may be advanced to the respective commissions.

OTHER

UNITED STATES BILATERAL SCIENCE AND TECHNOLOGY AGREEMENTS

For expenses, not otherwise provided for, to enable the United States to participate in programs of scientific and technological cooperation with Yugoslavia $2,000,000, to remain available until expended.

PAYMENT TO THE ASIA FOUNDATION

For a grant to the Asia Foundation, $10,000,000, to remain available until expended.

[SOVIET-EAST EUROPEAN RESEARCH AND TRAINING

[For expenses not otherwise provided to enable the Secretary of State to reimburse private firms and American institutions of higher education for research contracts and graduate training for development and maintenance of knowledge about the Soviet Union and Eastern European countries, $5,000,000.]

GENERAL PROVISION—DEPARTMENT OF STATE

SEC. 301. Funds appropriated under this title shall be available, except as otherwise provided, *for salaries and expenses of personnel and dependents as authorized by the Foreign Service Act of 1980 (94 Stat. 2071); allowances and differentials as authorized by subchapter 59 of 5 U.S.C.;* for services as authorized by 5 U.S.C. 3109; *expenses as authorized by section 2 (a), (c), and (e) of the State Department Basic Authorization Act of 1956;* and hire of passenger or freight transportation.

SEC. 302. None of the funds appropriated in this title shall be used (1) to pay the United States contribution to any international organization which engages in the direct or indirect promotion of the principle or doctrine of one world government or one world citizenship; (2) for the promotion, direct or indirect, of the principle or doctrine of one world government or one world citizenship.

SEC. 303. Funds appropriated under this title shall be available for expenses of international arbitrations and other proceedings for the international resolution of disputes arising under treaties or other international agreements, including international air transport agreements, and arbitrations arising under contracts authorized by law for the performance of services or acquisition of property abroad.

This title may be cited as the "Department of State Appropriation Act, 1986".

TITLE IV—THE JUDICIARY

SUPREME COURT OF THE UNITED STATES

SALARIES AND EXPENSES

For expenses necessary for the operation of the Supreme Court, as required by law, excluding care of the building and grounds, including purchase, or hire, driving, maintenance and operation of an automobile for the Chief Justice and not to exceed $10,000 for the purpose of transporting Associate Justices, hire of passenger motor vehicles; not to exceed $10,000 for official reception and representation expenses; and for miscellaneous expenses, to be expended as the Chief Justice may approve; $15,000,000.

CARE OF THE BUILDING AND GROUNDS

For such expenditures as may be necessary to enable the Architect of the Capitol to carry out the duties imposed upon him by the Act approved May 7, 1934 (40 U.S.C. 13a-13b), including improvements, maintenance, repairs, equipment, supplies, materials, and appurtenances; special clothing for workmen; and personal and other services (including temporary labor without regard to the Classification and Retirement Acts, as amended), and for snow removal by hire of men and equipment or under contract, and for security installations both without compliance with section 3709 of the Revised Statutes, as amended (41 U.S.C. 5); [$2,200,000] *$2,275,000,* of which [$200,000] *$275,000* shall remain available until expended.

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

SALARIES AND EXPENSES

For salaries of the chief judge, judges, and other officers and employees, and for all necessary expenses of the court, $5,500,000.

UNITED STATES COURT OF INTERNATIONAL TRADE

SALARIES AND EXPENSES

For salaries of the chief judge and eight judges; salaries of the officers and employees of the court; services as authorized by 5 U.S.C. 3109; and necessary expenses of the court, including exchange of books and traveling expenses, as may be approved by the court; $6,400,000: *Provided,* That travel expenses of judges of the Court of International Trade shall be paid upon written certificate of the judge.

COURTS OF APPEALS, DISTRICT COURTS, AND OTHER JUDICIAL SERVICES

SALARIES OF JUDGES

For salaries of circuit judges; district judges (including judges of the district courts of the Virgin Islands, Guam, and the Northern Mariana Islands); judges of the United States Claims Court; bankruptcy judges; and justices and judges retired from office or from regular active service under title 28, United States Code, sections 371, 372, and 373; $103,000,000.

SALARIES OF SUPPORTING PERSONNEL

For the salaries of secretaries and law clerks to circuit, district, and bankruptcy judges, magistrates and staff, circuit executives, clerks of court, probation officers, pretrial service officers, staff attorneys, librarians, the supporting personnel of the United States Claims Court, and all other officers and employees of the Federal Judiciary, not otherwise specifically provided for, [$480,000,000] *$472,690,000: Provided,* That the secretaries and law clerks to judges shall be appointed in such number and at such rates of compensation as may be determined by the Judicial Conference of the United States: *Provided further,* That the number of staff attorneys to be appointed in each of the courts of appeals shall not exceed the ratio of one attorney for each authorized judgeship.

DEFENDER SERVICES

For the operation of Federal Public Defender and Community Defender organizations, the compensation and reimbursement of expenses of attorneys appointed to represent persons under the Criminal Justice Act of 1964, as amended, and the compensation of attorneys appointed to represent jurors in civil actions for the protection of their employment, as authorized by law; [$64,000,000] *$61,830,000,* to remain available until expended.

FEES OF JURORS AND COMMISSIONERS

For fees and expenses and refreshments of jurors; compensation of jury commissioners; and compensation of commissioners appointed in condemnation cases pursuant to Rule 71A(h) of the Federal Rules of Civil Procedure; [$45,000,000] *$43,400,000,* to remain available until expended: *Provided,* That the compensation of land commissioners shall not exceed the daily equivalent of the highest rate payable under section 5332 of title 5, United States Code.

EXPENSES OF OPERATION AND MAINTENANCE OF THE COURTS

For necessary operation and maintenance expenses, not otherwise provided for, incurred by the Judiciary, including the purchase of firearms and ammunition, [$139,000,000] *$136,000,000,* of which $6,000,000 shall be available for contractual services and expenses relating to the supervision of drug dependent offenders.

SPACE AND FACILITIES

For rental of space, alterations, and related services and facilities for the United States Courts of Appeals, District Courts, Bankruptcy Courts, and Claims Court, [$150,000,000] *$148,000,000.*

COURT SECURITY

For necessary expenses, not otherwise provided for, incident to the procurement, installation, and maintenance of security equipment and protective services for the United States Courts in courtrooms and adjacent areas, including building ingress-egress control, inspection of packages, directed security patrols, and other similar activities; [$32,000,000] *$33,500,000,* to be expended directly or transferred to the United States Marshals Service which shall be responsible for administering elements of the Judicial Security Program consistent with standards or guidelines agreed to by the Director of the Administrative Office of the United States Courts and the Attorney General.

ADMINISTRATIVE OFFICE OF THE UNITED STATES COURTS

SALARIES AND EXPENSES

For necessary expenses of the Administrative Office of the United States Courts, including travel, advertising, hire of a passenger motor vehicle, and rent in the District of Columbia and elsewhere, [$30,000,000] *$29,200,000,* of which an amount not to exceed $5,000 is authorized for official reception and representation expenses.

FEDERAL JUDICIAL CENTER

SALARIES AND EXPENSES

For necessary expenses of the Federal Judicial Center, as authorized by Public Law 90-219, [$9,700,000] *$9,600,000.*

GENERAL PROVISIONS—THE JUDICIARY

SEC. 401. Appropriations and authorizations made in this title which are available for salaries and expenses shall be available for services as authorized by 5 U.S.C. 3109.

SEC. 402. Appropriations made in this title shall be available for salaries and expenses of the Temporary Emergency Court of Appeals authorized by Public Law 92-210.

SEC. 403. The position of Trustee Coordinator in the Bankruptcy Courts of the United States shall not be limited to persons with formal legal training.

SEC. 404. Notwithstanding any other provision of law, the Administrative Office of the United States Courts, or any other agency or instrumentality of the United States, is prohibited from restricting solely to staff of the Clerks of the United States Bankruptcy Courts the issuance of notices to creditors and other interested parties. The Administrative Office shall permit and encourage the preparation and mailing of such notices to be performed by or at the expense of the debtors, trustees or such other interested parties as the Court may direct and approve. The Administrator of the United States Courts shall make appropriate provisions for the use of and accounting for any postage required pursuant to such directives. The provisions of this paragraph shall terminate on October 1, 1986.

This title may be cited as "the Judiciary Appropriation Act, 1986".

TITLE V—RELATED AGENCIES

DEPARTMENT OF TRANSPORTATION

MARITIME ADMINISTRATION

OPERATING-DIFFERENTIAL SUBSIDIES (LIQUIDATION OF CONTRACT AUTHORITY)

For the payment of obligations incurred for operating-differential subsidies as authorized by the Merchant Marine Act, 1936, as amended, $299,500,000, to remain available until expended.

RESEARCH AND DEVELOPMENT

For necessary expenses for research and development activities, as authorized by law, $9,900,000, to remain available until expended.

OPERATIONS AND TRAINING

For necessary expenses of operations and training activities authorized by law, [$69,812,000] *$68,736,000*, to remain available until expended: *Provided*, That reimbursements may be made to this appropriation from receipts to the "Federal Ship Financing Fund" for administrative expenses in support of that program.

GENERAL PROVISIONS—MARITIME ADMINISTRATION

Notwithstanding any other provision of this Act, the Maritime Administration is authorized to furnish utilities and services and make necessary repairs in connection with any lease, contract, or occupancy involving Government property under control of the Maritime Administration and payments received by the Maritime Administration for utilities, services, and repairs so furnished or made shall be credited to the appropriation charged with the cost thereof: *Provided*, That rental payments under any such lease, contract, or occupancy on account of items other than such utilities, services, or repairs shall be covered into the Treasury as miscellaneous receipts.

No obligations shall be incurred during the current fiscal year from the construction fund established by the Merchant Marine Act, 1936, or otherwise, in excess of the appropriations and limitations contained in this Act, or in any prior appropriation Act and all receipts which otherwise would be deposited to the credit of said fund shall be covered into the Treasury as miscellaneous receipts.

ARMS CONTROL AND DISARMAMENT AGENCY

ARMS CONTROL AND DISARMAMENT ACTIVITIES

For necessary expenses, not otherwise provided for, for arms control and disarmament activities, including not to exceed $43,000 for official reception and representation expenses, authorized by the Act of September 26, 1961, as amended (22 U.S.C. 2551 et seq.), [$25,614,000] *$26,100,000.*

BOARD FOR INTERNATIONAL BROADCASTING

GRANTS AND EXPENSES

For expenses of the Board for International Broadcasting, including grants to RFE/RL, Inc., [$98,000,000] *$106,822,000*, of which not to exceed $52,000 may be made available for official reception and representation expenses.

COMMISSION ON THE BICENTENNIAL OF THE UNITED STATES CONSTITUTION

SALARIES AND EXPENSES

For necessary expenses of the Commission on the Bicentennial of the United States Constitution authorized by Public Law 98-101 (97 Stat. 719-723), $775,000, to remain available until expended.

COMMISSION ON CIVIL RIGHTS

SALARIES AND EXPENSES

For expenses necessary for the Commission on Civil Rights, including hire of passenger motor vehicles, [$12,061,000] *$12,320,000.*

COMMISSION ON SECURITY AND COOPERATION IN EUROPE

SALARIES AND EXPENSES

For expenses necessary for the Commission on Security and Cooperation in Europe, as authorized by Public Law 94-304, $550,000 to remain available until expended: *Provided*, That not to exceed $6,000 of such amount shall be available for official reception and representation expenses.

COMMISSION ON THE UKRAINE FAMINE

For necessary expenses for the Commission on the Ukraine Famine, as provided for in section 136 of Public Law 98-473, $400,000, to remain available until expended.

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

SALARIES AND EXPENSES

For necessary expenses for the Equal Employment Opportunity Commission as authorized by title VII of the Civil Rights Act of 1964, as amended (29 U.S.C. 206(d) and 621-634), including services as authorized by 5 U.S.C. 3109; hire of passenger motor vehicles; not to exceed [$19,500,000] *$20,500,000* for payments to State and local enforcement agencies for services to the Commission pursuant to title VII of the Civil Rights Act, as amended, and sections 6 and 14 of the Age Discrimination in Employment Act; [$165,000,000] *$163,240,000.*

FEDERAL COMMUNICATIONS COMMISSION

SALARIES AND EXPENSES

For necessary expenses for the Federal Communications Commission, as authorized by law, including uniforms and allowances therefor, as authorized by law (5 U.S.C. 5901-02); not to exceed $700,000 for land and structures; not to exceed $200,000 for improvement and care of grounds and repair to buildings; not to exceed $3,000 for official reception and representation expenses; purchase (not to exceed ten) and hire of motor vehicles; special counsel fees; and services as authorized by 5 U.S.C. 3109; [$92,285,000] *$94,400,000.* Not to exceed $300,000 of the foregoing amount shall remain available until September 30, 1987, for research and policy studies.

FEDERAL MARITIME COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the Federal Maritime Commission, including services as authorized by 5 U.S.C. 3109; hire of passenger motor vehicles; and uniforms or allowances therefor, as authorized by 5 U.S.C. 5901-02; [$11,606,000] *$11,873,000*: *Provided*, That not to exceed $1,500 shall be available for official reception and representation expenses.

FEDERAL TRADE COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the Federal Trade Commission, including uniforms or allowances therefor, as authorized by 5 U.S.C. 5901-5902; services as authorized by 5 U.S.C. 3109; hire of passenger motor vehicles; and not to exceed $2,000 for official reception and representation expenses; the sum of [$63,900,000] *$65,500,000: Provided, That the funds appropriated in this paragraph are subject to the limitations and provisions of sections 10(a) and 10(c) (notwithstanding section 10(e)), 11(b), 18, and 20 of the Federal Trade Commission Improvements Act of 1980 (Public Law 96-252; 94 Stat. 374).*

INTERNATIONAL TRADE COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the International Trade Commission, including hire of passenger motor vehicles and services as authorized by 5 U.S.C. 3109, and not to exceed $2,500 for official reception and representation expenses, [$28,900,000] *$28,060,000.*

JAPAN-UNITED STATES FRIENDSHIP COMMISSION

JAPAN-UNITED STATES FRIENDSHIP TRUST FUND

For expenses of the Japan-United States Friendship Commission as authorized by Public Law 94-118, as amended, from the interest earned on the Japan-United States Friendship Trust Fund, $1,550,000, to remain available until expended; and an amount of Japanese currency not to exceed the equivalent of $1,200,000 based on exchange rates at the time of payment of such amounts, to remain available until expended: Provided, That not to exceed a total of $2,500 of such amounts shall be available for official reception and representation expenses.

LEGAL SERVICES CORPORATION

PAYMENT TO THE LEGAL SERVICES CORPORATION

For payment to the Legal Services Corporation to carry out the purposes of the Legal Services Corporation Act of 1974, as amended, [$305,500,000] *$306,400,000*[: *Provided*, That none of the funds appropriated in this paragraph shall be expended for any purpose prohibited or limited by or contrary to any of the provisions of—

[(1) Public Law 98-411 and Public Law 98-396 unless paragraph (2) or (3) applies;

[(2) authorizing legislation for fiscal year 1986 for the Legal Services Corporation as passed by the House of Representatives unless paragraph (3) applies; or

[(3) authorizing legislation for fiscal year 1986 for the Legal Services Corporation as enacted into law]

: Provided, That none of the funds appropriated in this Act for the Legal Services Corporation shall be used to bring a class action suit against the Federal Government or any State or local government unless—

(1) the project director of a recipient has expressly approved the filing of such an action in accordance with policies established by the governing body of such recipient;

(2) the class relief which is the subject of such an action is sought for the primary benefit of individuals who are eligible for legal assistance; and

(3) that prior to filing such an action, the recipient project director has determined that the government entity is not likely to change the policy or practice in question, that the policy or practice will continue to adversely affect eligible clients, that the recipient has given notice of its intention to seek class relief and that responsible efforts to resolve without litigation the adverse effects of the policy or practice have not been successful or would be adverse to the interest of the clients:

except that this proviso may be superseded by regulations governing the bringing of class action suits promulgated by a majority of the Board of Directors of the Corporation who have been confirmed in accordance with section 1004(a) of the Legal Services Corporation Act: Provided further, That none of the funds appropriated in this Act made available by the Legal Services Corporation may be used—

(1) to pay for any publicity or propaganda intended or designed to support or defeat legislation pending before Congress or State or local legislative bodies or intended or designed to influence any decision by a Federal, State, or local agency;

(2) to pay for any personal service, advertisement, telegram, telephone communication, letter, printed or written matter, or other device, intended or designed to influence any decision by a Federal, State, or local agency, except when legal assistance is provided by an employee of a recipient to an eligible client on a particular application, claim, or case, which directly involves the client's legal rights or responsibilities;

(3) to pay for any personal service, advertisement, telegram, telephone communication, letter, printed or written matter, or any other device intended or designed to influence any Member of Congress or any other Federal, State, or local elected official—

(A) to favor or oppose any referendum, initiative, constitutional amendment, or any similar procedure of the Congress, any State legislature, any local council or any similar governing body acting in a legislative capacity,

(B) to favor or oppose an authorization or appropriation directly affecting the authority, function, or funding of the recipient or the Corporation, or

(C) to influence the conduct of oversight proceedings of the recipient or the Corporation;

(4) to pay for any personal service, advertisement, telegram, telephone communication, letter, printed or written matter, or any other device intended or designed to influence any Member of Congress or any other Federal, State, or local elected official to favor or oppose any Act, bill, resolution, or similar legislation, except that this proviso shall not preclude funds from being used to provide communication directly to a Federal, State, or local elected official on a specific and distinct matter where the purpose of such communication is to bring the matter to the official's attention if—

(A) the project director of a recipient has expressly approved in writing the undertaking of such communication to be made on behalf of a client or class of clients in accordance with policy established by the governing body of the recipient; and

(B) the project director of a recipient has determined prior to the undertaking of such communication, that—

(i) the client and each such client is in need of relief which can be provided by the legislative body involved;

(ii) appropriate judicial and administrative relief have been exhausted; and

(iii) documentation has been secured from each eligible client that includes a statement of the specific legal interests of the client, except that such communication may not be the result of participation in a coordinated effort to provide such communications under this proviso; and

(C) the project director of a recipient maintains documentation of the expense and time spent under this proviso as part of the records of the recipient; or

(D) the project director of a recipient has approved the submission of a communication to a legislator requesting introduction of a private relief bill:

except that nothing in this proviso shall prohibit communications made in response to a request from a Federal, State, or local official: Provided further, That none of the funds appropriated in this Act made available by the Legal Services Corporation may be used to pay for any administrative or related costs associated with an activity prohibited in clause (1), (2), (3), or (4) of the previous proviso: Provided further, That none of the funds appropriated under this Act for the Legal Services Corporation will be expended to provide legal assistance for or on behalf of any alien unless the alien is present in the United States and is—

(1) an alien lawfully admitted for permanent residence as defined in section 101(a)(20) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(20));

(2) an alien who is either married to a United States citizen or is a parent or an unmarried child under the age of twenty-one years of such a citizen and who has filed an application for adjustment of status to permanent resident under the Immigration and Nationality Act, and such application has not been rejected;

(3) an alien who is lawfully present in the United States pursuant to an admission under section 207 of the Immigration and Nationality Act (8 U.S.C. 1157, relating to refugee admissions) or who has been granted asylum by the Attorney General under such Act; or

(4) an alien who is lawfully present in the United States as a result of the Attorney General's withholding of deportation pursuant to section 243(h) of the Immigration and Nationality Act (8 U.S.C. 1253(h)):

Provided further, That an alien who is lawfully present in the United States as a result of being granted conditional entry pursuant to section 203(a)(7) of the Immigration and Nationality Act (8 U.S.C. 1153(a)(7)) before April 1, 1980, because of persecution or fear of persecution on account of race, religion, or political opinion or because of being uprooted by catastrophic natural calamity shall be deemed, for purposes of the previous proviso, to be an alien described in clause (3) of the previous proviso: Provided further, That none of the funds appropriated for the Legal Services Corporation may be used to support or conduct training programs for the purpose of advocating particular public policies or encouraging political activities, labor or antilabor activities, boycotts, picketing, strikes, and demonstrations, including the dissemination of information about such policies or activities, except that this provision shall not be construed to prohibit the training of attorneys or paralegal personnel necessary to prepare them to provide adequate legal assistance to eligible clients or to advise any eligible client as to the nature of the legislative process or inform any eligible client of his rights under statute, order, or regulation: Provided further, That none of the funds appropriated in this Act for the Legal Services Corporation may be used to carry out the procedures established pursuant to section 1011(2) of the Legal Services Corporation Act unless the Corporation prescribes procedures to insure that financial assistance under this title shall not be terminated, and a suspension of financial assistance shall not be continued for more than thirty days, unless the grantee, contractor, or person or entity receiving financial assistance under this title has been afforded reasonable notice and opportunity for a timely, full, and fair hearing and, when requested, such hearing shall be conducted by an independent hearing examiner, subject to the following conditions—

(1) such request for a hearing shall be made to the Corporation within thirty days after receipt of notice to terminate financial assistance, deny an application for refunding, or suspend financial assistance and such hearing shall be conducted within thirty days of receipt of such request for a hearing;

(2) the Corporation shall make such final decision within thirty days after completion of such hearing; and

(3) hearing examiners shall be appointed by the Corporation in accordance with procedures established in regulations promulgated by the Corporation:

Provided further, That none of the funds appropriated in this Act for the Legal Services Corporation may be used to carry out the procedures established pursuant to section 1011(2) of the Legal Services Corporation Act unless the Corporation prescribes procedures to ensure that an application for refunding shall not be denied unless the grantee, contractor, or person or entity receiving assistance under this title has been afforded reasonable notice and opportunity for a timely, full, and fair hearing to show cause why such action should not be taken and subject to all other conditions of the previous proviso: Provided further, That none of the funds appropriated in this Act for the Legal Services Corporation shall be used by the Corporation in making grants or entering into contracts for legal assistance unless the Corporation insures that the recipient is either (1) a private attorney or attorneys (for the sole purpose of furnishing legal assistance to eligible clients) or (2) a qualified nonprofit organization chartered under the laws of one of the States, a purpose of which is furnishing legal assistance to eligible clients, the majority of the board of directors or other governing body of which organization is comprised of attorneys who are admitted to practice in one of the States and who are appointed to terms of office on such board or body by the governing bodies of State, county, or municipal bar associations

the membership of which represents a majority of the attorneys practicing law in the locality in which the organization is to provide legal assistance.

MARINE MAMMAL COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the Marine Mammal Commission as authorized by title II of Public Law 92-522, as amended, $900,000.

OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

SALARIES AND EXPENSES

For expenses necessary for the Office of the United States Trade Representative, including the hire of passenger motor vehicles and the employment of experts and consultants as authorized by 5 U.S.C. 3109, $13,158,000: *Provided*, That not to exceed $72,000 shall be available for official reception and representation expenses.

SECURITIES AND EXCHANGE COMMISSION

SALARIES AND EXPENSES

For necessary expenses for the Securities and Exchange Commission, including services as authorized by 5 U.S.C. 3109, and not to exceed $2,000 for official reception and representation expenses, [$109,767,000] *$110,355,000.*

SMALL BUSINESS ADMINISTRATION

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses, not otherwise provided for, of the Small Business Administration, including hire of passenger motor vehicles and not to exceed $2,500 for official reception and representation expenses, [$170,000,000] *$174,360,000*; and for grants for Small Business Development Centers as authorized by section 21(a) of the Small Business Act, as amended, [$35,000,000] *$30,000,000, to remain available until expended.* In addition $80,000,000 for disaster loan making activities, including loan servicing, shall be transferred to this appropriation from the "Disaster Loan Fund".

WHITE HOUSE CONFERENCE ON SMALL BUSINESS

For necessary expenses of the White House Conference on Small Business as authorized by Public Law 98-276, [$3,000,000] *$2,700,000*, to remain available until expended.

REVOLVING FUNDS

The Small Business Administration is hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to its revolving funds, and in accord with the law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the budget for the current fiscal year for the "Disaster Loan Fund", the "Business Loan and Investment Fund", the "Lease Guarantees Revolving Fund", the "Pollution Control Equipment Contract Guarantees Revolving Fund", and the "Surety Bond Guarantees Revolving Fund".

BUSINESS LOAN AND INVESTMENT FUND

For additional capital for the "Business Loan and Investment Fund", [$80,400,000] *$73,400,000*, to remain available without fiscal year limitation; and for additional capital for new direct loan obligations to be incurred by the "Business Loan and Investment Fund", [$121,000,000] *$76,000,000*, to remain available without fiscal year limitation.

SURETY BOND GUARANTEES REVOLVING FUND

For additional capital for the "Surety Bond Guarantees Revolving Fund", authorized by the Small Business Investment Act, as amended, $7,000,000, to remain available without fiscal year limitation.

STATE JUSTICE INSTITUTE

SALARIES AND EXPENSES

For necessary expenses of the State Justice Institute authorized by the State Justice Institute Act of 1984 (Public Law 98-620; 98 Stat. 3336-3346), [$8,883,000] *$5,000,000, of which not to exceed $550,000 shall be available for administration.*

UNITED STATES INFORMATION AGENCY

SALARIES AND EXPENSES

For expenses, not otherwise provided for, necessary to enable the United States Information Agency, as authorized by Reorganization Plan No. 2 of 1977, the Mutual Educational and Cultural Exchange Act, as amended (22 U.S.C. 2451 et seq.), and the United States Information and Educational Exchange Act, as amended (22 U.S.C. 1431 et seq.), to carry out international communication, educational and cultural activities, including employment, without regard to civil service and classification laws, of persons on a temporary basis (not to exceed $270,000, of which $250,000 is to facilitate United States participation in international expositions abroad); expenses authorized by the Foreign Service Act of 1980 (22 U.S.C. 3901 et seq.), living quarters as authorized by 5 U.S.C. 5912, and allowances as authorized by 5 U.S.C. 5921-5928; and entertainment, including official receptions, within the United States, not to exceed $20,000; [$569,672,000] *$569,000,000, of which not to exceed $2,000,000 shall be available for the worldwide book program initiative notwithstanding section 205 of Public Law 99-93*: *Provided*, That not to exceed [$734,000] *$800,000* may be used for representation abroad: *Provided further*, That not to exceed $5,704,000 of the amounts allocated by the United States Information Agency to carry out section 102(a)(3) of the Mutual Educational and Cultural Exchange Act, as amended (22 U.S.C. 2452(a)(3)), shall remain available until expended: *Provided further*, That receipts not to exceed $500,000 may be credited to this appropriation from fees or other payments received from or in connection with English-teaching programs as authorized by section 810 of Public Law 80-402, as amended.

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

For expenses of Fulbright, International Visitor, Humphrey Fellowship and Congress-Bundestag Exchange Programs, as authorized by Reorganization Plan No. 2 of 1977 and the Mutual Educational and Cultural Exchange Act, as amended (22 U.S.C. 2451 et seq.), [$144,412,000] *$128,106,000*, [of which $8,982,000 is for] *For* the Private Sector Exchange Programs, *$12,894,000, of which $1,500,000, to remain available until expended, is for the Eisenhower Exchange Fellowship Program.*

ACQUISITION AND CONSTRUCTION OF RADIO FACILITIES

For an additional amount for the purchase, rent, construction, and improvement of facilities for radio transmission and reception and purchase and installation of necessary equipment for radio transmission and reception, [$124,310,000] *$124,000,000*, to remain available until expended.

RADIO BROADCASTING TO CUBA

For an additional amount, necessary to enable the United States Information Agency to carry out the Radio Broadcasting to Cuba Act (providing for the Radio Marti program or Cuba Service of the Voice of America), including the purchase, rent, construction, and improvement of facilities for radio transmission and reception and purchase and installation of necessary equipment for radio transmission and reception, [$8,500,000] *$11,500,000*, to remain available until expended.

CENTER FOR CULTURAL AND TECHNICAL INTERCHANGE BETWEEN EAST AND WEST

To enable the Director of the United States Information Agency to provide for carrying out the provisions of the Center for Cultural and Technical Interchange Between East and West Act of 1960, by grant to any appropriate recipient in the State of Hawaii, [$19,000,000] *$21,000,000*: *Provided*, That none of the funds appropriated herein shall be used to pay any salary, or to enter into any contract providing the payment thereof, in excess of the highest rate authorized in the General Schedule of the Classification Act of 1949, as amended.

NATIONAL ENDOWMENT FOR DEMOCRACY

For grants made by the United States Information Agency to the National Endowment for Democracy as authorized by the National Endowment for Democracy Act, [$19,300,000] *$10,000,000, notwithstanding section 506(c) of the National Endowment for Democracy Act, as amended.*

GENERAL PROVISIONS—UNITED STATES INFORMATION AGENCY

SEC. 501. None of the funds provided in this Act for the United States Information Agency shall be awarded to the National Democratic Institute for International Affairs, the National Republican Institute for International Affairs, or any other organization connected in any manner with any political party operating in the United States.

SEC. 502. Notwithstanding the provisions of 31 U.S.C. 3302(b) or any law or limiation of authority, the Eisenhower Exchange Fellowship Program may retain and use for program purposes interest and dividends earned on funds granted to it under or pursuant to this or any previous or subsequent Act.

TITLE VI—GENERAL PROVISIONS

SEC. 601. No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes not authorized by the Congress.

SEC. 602. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 603. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to 5 U.S.C. 3109, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order issued pursuant to existing law.

SEC. 604. If any provision of this Act or the application of such provision to any person or circumstances shall be held invalid, the remainder of the Act and the application of such provision to persons or circumstances other than those as to which it is held invalid shall not be affected thereby.

SEC. 605. None of the funds appropriated in titles II and V of this Act may be used for any activity to alter the per se prohibition on resale price maintenance in effect under Federal antitrust laws: *Provided*, That nothing in this provision shall prohibit any employee of a department or agency for which funds are provided in titles II and V of this Act from presenting testimony on this matter before appropriate committees of the House and Senate: *Provided further, it is the sense of the Congress that—*

(1) the antitrust enforcement policy guidelines stated in 'Vertical Restraints Guidelines', published by the Department of Justice on January 23, 1985—

(A) are not an accurate expression of the Federal antitrust laws or of congressional intent with regard to the application of such laws to resale price maintenance and other vertical restraints of trade;

(B) should not be accorded any force of law or be treated by the courts of the United States as binding or persuasive; and

(C) should be recalled by the Attorney General for review and should not be reissued before providing fair procedures for public participation in the formulation of such policy guidelines, including public notice and hearings;

(2) any antitrust enforcement policy guidelines formulated or adopted by the Department of Justice—

(A) cannot and do not have the force of law; and

(B) cannot modify or supersede the antitrust laws, regardless of the fact that public participation may be permitted in the formulation or adoption of such policy guidelines.

[SEC. 606. None of the funds appropriated by the Act to the Legal Services Corporation may be used by the Corporation or any recipient to participate in any litigation with respect to abortion.]

SEC. 606. (a) None of the funds provided under this Act shall be available for obligation or expenditure through a reprogramming of funds which: (1) creates new programs; (2) eliminates a program, project, or activity; (3) increases funds or personnel by any means for any project or activity for which funds have been denied or restricted; (4) relocates an office or employees; (5) reorganizes offices, programs, or activities; or (6) contracts out any functions or activities presently performed by Federal employees; unless the Appropriations Committees of both Houses of Congress are notified fifteen days in advance of such reprogramming of funds.

(b) None of the funds provided under this Act shall be available for obligation or expenditure for activities, programs, or projects through a reprogramming of funds in excess of $250,000 or 10 per centum, whichever is less, that: (1) augments existing programs, projects, or activities; (2) reduces by 10 per centum funding for any existing program, project, or activity, or numbers of personnel by 10 per centum as approved by Congress; or (3) results from any general savings from a reduction in personnel which would result in a change in existing programs, activities, or projects as approved by Congress, unless the Appropriations Committees of both Houses of Congress are notified fifteen days in advance of such reprogramming of funds.

This Act may be cited as "the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriation Act, 1986".

Mr. RUDMAN. Mr. President, I am pleased today to present H.R. 2965, the fiscal year 1986 appropriations bill for the Departments of Commerce, Justice, and State, the Judiciary and related agencies. The bill totals $11,900,660,000 in new budget authority. While this amount is over the administration's requests, it is $365.6 below the total appropriations for the same agencies in fiscal year 1985.

The committee has made every attempt to find all the savings possible in drafting this bill. I have received the assurances from the Budget Committee that this bill is in substantial compliance with the budget ceilings, both for budget authority and outlays, and will not be subject to an across-the-board reduction amendment. I would like to explain to my colleagues that in order to achieve this result, Senator HOLLINGS and I fashioned a package of $68 million in cuts which we offered to the recommendations made by the Commerce, Justice, State Subcommittee. This package, while distasteful, was developed to insure that the Senate version of H.R. 2965 will meet the most stringent budgetary requirements.

In order to maintain the bottom line of the bill, Senator HOLLINGS and I are requesting today that every amendment adding outlays to the bill be accompanied by an offsetting decrease. We have worked with a number of our colleagues to develop such amendments. We simply cannot allow the bill to significantly exceed the outlay totals as are now in the bill.

Despite the reductions from the current year's totals, H.R. 2965 contains enhancements for a number of important programs. The bill continues the drug law enforcement initiative first developed by the committee and the administration last summer. In addition, over $30 million is provided to the State Department for additional overseas security. Also, we added $9.5 million to the Department of Commerce to carry out the provisions of the United States-Canada Salmon Treaty.

In short, Mr. President, this is a bill of which the Senate can be proud. We have lived with a ceiling while at the same time adjusted accounts to enhance priority programs.

None of this would have been possible without the cooperation and help from my good friend and colleague, the Senator from South Carolina, Senator HOLLINGS. As the former chairman of the subcommittee, his assistance has been invaluable. All the other members of the subcommittee have also provided important support, guidance, and input. H.R. 2965 is truly a bipartisan bill, thanks to the efforts of every member of the committee. The eventual success of the bill is a tribute to each of them.

I now yield for any comments Senator HOLLINGS may have.

Mr. HOLLINGS. Mr. President, I thank the distinguished Senator from New Hampshire, who has led the way on this bill and brought us into balance in conformance with the Budget Act. We have had to necessarily make some very serious cuts. It is always a pleasure and a privilege to work with Senator RUDMAN. He is a real professional. His staff is professional also.

Incidentally, Mr. John Shank, a member of the staff, lost his mother over the weekend. We regret that and sympathize with him at this particular hour. I understand why he cannot be here, and want him to know how much we appreciate his help on the bill.

Mr. President, in 1980, when I last chaired the Commerce, Justice, State, the Judiciary and Related Agencies Appropriations Subcommittee, we recommended a total of $9,053,168,000 to the Senate for fiscal year 1981. In this bill, H.R. 2965, the committee is recommending a total of $11,900,660,000, for fiscal year 1986, a net increase of $2,847,492,000 over the last 5 years.

Please note that I said "a net increase," as the changes in this bill have not been uniform. For instance, the Department of Justice has increased by $1,744,110,000, or 79 percent over the last 5 years, as we have provided the resources required by the FBI, DEA, Immigration Service, the U.S. attorneys, marshals, and kept up with the 49-percent population increase in Federal prisons since 1980.

Those increases are for law enforcement, and I have been pleased that my Republican successors, Senator WEICKER and Senator LAXALT, as well as our acting chairman, Senator RUDMAN share my high priority for maintaining our internal defenses. In the recent supplemental, Senator LAXALT and I worked out major increases for the DEA and U.S. attorneys to step up the apprehension and prosecution of illegal drug traffickers, and this bill includes some $41 million to annualize that increase.

I should note to my colleagues that the Reagan administration actually budgeted a decrease of 22 positions for the Drug Enforcement Administration for fiscal year 1986. That tells you something about someone's priorities, and most of those someones have now departed the administration.

This bill also includes an unbudgeted increase of $8,468,000 and 191 positions for the FBI's terrorism program. While I know there are some that advocate a larger increase, this is as much as Senator RUDMAN and I could squeeze out of our overall allocation to increase the FBI's work in terrorism. The FBI has also indicated informally that this is a reasonable increase.

The Department of State has increased by $908,668,000 since 1980, or an increase of 57 percent. This reflects the worsening situation overseas with regard to the security of our personnel and facilities. We have also provided major increases over the last few years for additional reporting and analysis personnel, as well as meeting the great workload in the passport offices as more and more Americans travel abroad.

The judiciary appropriation has also expanded by some 68 percent since 1980, primarily due to the additional judgeships that have been authorized. In 1980, there were 648 district and circuit judgeships; now there are 731. In addition, there are 69 more senior judges now active than we had in 1980. That is fine with me as there is no use fighting crime unless you have judges to try the cases. Incidentally, the judiciary budget now exceeds $1 billion.

This year the related agencies are back in title V of the bill, where they used to be when I was chairman. We have a few of them that have grown a lot: The U.S. Information Agency is up by 96 percent, Arms Control and Disarmament up by 41 percent, and the International Trade Commission by 66 percent, because of the administration's terrible trade policies.

Mr. President, as I said at the outset, there has been a net increase of more than $2.8 billion in this bill since 1980. I have mentioned some of the increases, so where are the decreases? Well, the Department of Commerce is down by 9 percent after allowing for the $146 million we recommended for the tabulation of the 1980 census.

Since 1980, the EDA has been reduced by $500 million and the Direct Business Loan Program has been eliminated. The Secretary of Commerce talks of the general national economic health trickling down, but nothing has trickled down to Marlboro County, SC, here the unemployment rate is 15.2 percent.

The trade adjustment assistance to import impacted firms has been reduced by nearly $35 million. I do not know why Secretary Baldrige does not take credit for the reforms he has instigated in this program. He keeps talking about the sour loans made by the Carter administration but you cannot hardly get a trade adjustment loan out of the Commerce Department anymore.

I want to especially thank the acting chairman for the earmarking of $7,090,000 to underwrite the Office of Textile and Apparel which provides the surveillance of textile imports through the Tims computer system. We have also maintained the Federal grant to the Tailored Clothing Technology Corporation [TC²], a joint industry, union, and Government innovation to fight back against rising apparel imports.

Within the overall commerce decrease, the appropriations for the National Oceanic and Atmospheric Administration are $340,234,000 over the amount in 1980 but most of that has gone to the insatiable appetite of the National Weather Service and the ever-hungry satellites. Those of us who appreciate the vast potential of the oceans, have had to fight a rearguard action just to hold the gains made in the 1970's in oceans research and development. We certainly have lost much of the momentum we built up to explore and develop the oceans.

Lastly, but by no means least, the Small Business Administration is substantially below the 1980 levels. Our recommendations for 1986 track S. 408, the SBA authorization bill that I joined Senators WEICKER and BUMPERS in sponsoring. A chief casualty is the business loan and investment fund which has declined by $439,100,000 over the last 5 years. It should be noted that in fiscal 1986, we have taken advantage of the huge carryover from 1985 due to the administration's shutting down of the Direct Loan Program for awhile last year.

However, we have also experienced a great erosion of the program level. The direct loans are down by $314 million, which is the general direction that the Senate has been heading for sometime in just maintaining the direct loans for the handicapped, veterans, and minorities. However, the guaranteed loans—which were supposed to balance off the reduced direct loans—have also decreased by $420 million from the level we recommended in 1980.

Mr. President, there is talk from time to time about having an omnibus appropriations bill and combining the present 13 separate appropriations bills into one grand package. If that was the present situation, there would be a Hollings amendment pending to cut the foreign aid account by whatever it takes to restore the EDA, trade adjustment and SBA business loans to their 1980 levels. The President has got to get out from behind the bunting and parades and out to the America you cannot see from the tarmac. We need those SBA loans to rebuild our cities and the EDA to provide the facilities our rural and urban areas need to develop the necessary base to restore their economies and retain their youth.

Mr. President, there has indeed been a significant shift over the last 5 years. As the ranking minority member, I have taken the time to outline the consequences of these shifts. However, as a responsible ranking minority member, I must also say that the overall budget constraints do not allow us to do much about the problem. Our acting chairman, Senator RUDMAN and I, with the great help of our staff, have worked together to fashion this bill. We have a few small differences—such as the $10 million that still remains for NED—but, basically, we did the best we could under the circumstances and I am ready to proceed with the bill.

Mr. RUDMAN. Mr. President, I ask unanimous consent that the committee amendments, with the exception of committee amendments on page 33, line 1; page 66, lines 4 and 5, and page 68, line 22 through page 69, line 24 be considered and agreed to en bloc and that the bill as amended be considered as original text for the purpose of further amendment, with the understanding that no points of order shall be waived by reason thereof.

The PRESIDING OFFICER. Without objection, it is so ordered.

The excepted committee amendments are as follows:

On page 31, line 1, strike "OPERATION,"

On page 66, inserting lines 4 and 5; as follows:

GENERAL PROVISIONS—UNITED STATES INFORMATION AGENCY

On page 68, strike line 22, through and including line 25, and insert the following:

SEC. 606. (a) None of the funds provided under this Act shall be available for obligation or expenditure through a reprogramming of funds which: (1) creates new programs; (2) eliminates a program, project, or activity; (3) increases funds or personnel by any means for any project or activity for which funds have been denied or restricted; (4) relocates an office or employees; (5) reorganizes offices, programs, or activities; or (6) contracts out any functions or activities presently performed by Federal employees; unless the Appropriations Committees of both Houses of Congress are notified fifteen days in advance of such reprogramming of funds.

(b) None of the funds provided under this Act shall be available for obligation or expenditure for activities, programs, or projects through a reprogramming of funds in excess of $250,000 or 10 per centum, whichever is less, that: (1) augments existing programs, projects, or activities; (2) reduces by 10 per centum funding for any existing program, project, or activity, or numbers of personnel by 10 per centum as approved by Congress; or (3) results from any general savings from a reduction in personnel which would result in a change in existing programs, activities, or projects as approved by Congress, unless the Appropriations Committees of both Houses of Congress are notified fifteen days in advance of such reprogramming of funds.

Mr. RUDMAN. Mr. President, I ask unanimous consent that the pending committee amendment be laid aside for the purpose of considering an amendment by the distinguished senior Senator from Vermont.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 862

(Purpose: To appropriate subject to authorization, $2 million for the study, design, and engineering of a building to serve the judicial system)

Mr. STAFFORD. Mr. President, I have an amendment at the desk. I ask

that it be stated and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Vermont [Mr. STAFFORD], for himself, Mr. BENTSEN, and Mr. MOYNIHAN, proposes an amendment numbered 862.

Mr. STAFFORD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 42, line 24 strike "$136,000,000" and insert in lieu thereof "$135,000,000"; on page 43, line 7 strike $148,000,000" and insert in lieu thereof "$147,000,000"; and on page 40, after line 10 insert the following:

CONSTRUCTION

For necessary expenses of the Architect of the Capitol to carry out, in cooperation with the Union Station Redevelopment Corporation, feasibility studies, design, and engineering for the construction of a building on the United States Capitol Grounds to provide office space for the judicial branch of the Federal Government and for other purposes, to become available upon enactment of S. 1706 or similar legislation authorizing such appropriations, $2,000,000, to remain available until September 30, 1986.

Mr. STAFFORD. Mr. President, this is an amendment to appropriate $2 million, contingent on authorization, to begin work in the design of a building to house the Administrative Office of the U.S. Courts.

I am pleased that Senators BENTSEN and MOYNIHAN are cosponsors of this amendment.

This amendment is quite straightforward. It appropriates $2 million to pay for work required in S. 1706, once that bill, or similar legislation, becomes law.

S. 1706 will direct the Architect, working with the Union Station Redevelopment Corporation, to initiate planning, design, and engineering for a building that would serve the Administrative Office and related judicial functions. This building would be located adjacent to Union Station, north of Massachusetts Avenue, here on Capitol Hill.

In order to assure that this amendment poses no adverse cost impact on the Federal taxpayers, this amendment includes offsetting cuts totaling $2 million: A reduction in operations and maintenance for the courts of $1 million, plus a cut of $1 million for space and facilities for the courts.

Before outlining the specifics of the work that would be funded by S. 1706 and this amendment, I would like to discuss some of the background.

For quite some time, Congress has sought to redevelop Washington's Union Station. Prior to the creation of Amtrak, Congress enacted legislation to convert Union Station to a National Visitors Center. Tens of millions of dollars were spent to begin construction on a parking garage and the conversion of the station. Following a series of cost overruns and other problems, the project was abandoned and the structure closed.

In 1981, Congress passed the Union Station Redevelopment Act as Public Law 97-125. The concept of that law was to revive Union Station as a station for Amtrak, while attracting commercial development into the building.

As a part of Public Law 97-125, Congress included a provision allowing the Department of Transportation, which is in charge of the revival of Union Station, to obtain from the Architect of the Capitol the use of two squares—721 and 722—on the north side of Massachusetts Avenue. For the past decade, these two squares have been used as open, ground-level parking for Senate staff.

In that 1981 law, Congress took the position, which remains valid today, that development on these squares must occur in a manner that complements the revival of Union Station.

But because the Department of Transportation has not requested use of that land, control over those two squares remains somewhat uncertain. While the land continues to be a part of the Capitol Grounds, yet it is also subject to an option that has not been exercised.

When it became clear that both the Union Station Act and the master plan for Capitol Hill projected construction of some sort of Federal building on squares 721 and 722, discussions began to focus on the opportunity to locate there the Administrative Office of the U.S. Courts and related judicial activities.

The Administrative Office faces a severe housing problem. In this fiscal year, its 635 employees, along with another 122 persons assigned to the Federal Judicial Center, will be scattered among eight buildings in Washington, many of them several miles from the Supreme Court, to which they are responsible ultimately.

In July, the Committee on Environment and Public Works conducted a hearing on the options for squares 721 and 722. It is worth noting that each witness favored, to one degree or another, the use of the site for the Administrative Office. Three basic alternatives were presented:

The first would have authorized the Architect of the Capitol to spend $70.5 million in Federal money to build the building.

Second, there was the option, which still exists in the law, allowing the Department of Transportation to exercise its rights to develop the site for the Administrative Office, in connection with Union Station.

Third, a private developer suggested a public-private partnership, permitting private interests to develop and lease the property to the Administrative Office.

Each of these approaches contains opportunities and flaws. For example, I doubt that we can, or should, appropriate $70 million for another Federal building. I also doubt we should simply turn over the use of Capitol Grounds to a private developer. Nor is DOT likely to have the needed development skills.

In an effort to resolve this question, we developed what I consider a rational alternative, one that will move the project forward, while retaining the proper and effective degree of public control. This alternative is S. 1706, which has been reported by the Committee on Environment and Public Works and is now on the calendar.

This amendment provides $2 million to the Architect of the Capitol, then directs that he work with DOT's Union Station Redevelopment Corporation, to make a 10-month study to produce the following information for the Congress:

First, an assessment of the size of a building that would be suitable for this site, while meeting the needs of the Administrative Office and other potential uses. For example, the best proposal might be a building far larger than needed simply to accommodate the Administrative Office. Such a building could include restaurants, shops, and other offices. This would be in line with the goals of the Public Buildings Cooperative Use Act (Public Law 94-541).

Second, a national architectual competition on the building's design. Such a competition, as I see it, would involve selection of half a dozen or so leading architects, each of whom would be paid a sum, possibly $10,000 or $25,000, to develop a basic design. The building's ultimate design would be selected from these submissions, with work on the drawings to begin immediately, using much of the $2 million appropriated in this amendment. It is important that the design fit the magnificance of the setting next to Union Station.

Third, and, finally, an assessment, including solicitation of actual proposals, for financing the building or buildings. We should expect to receive plans for alternative financing that would lessen or eliminate any need for a direct Federal capital investment. While the study is undertaken by the Architect, in cooperation with DOT's Union Station agency, it is intended to be sufficiently flexible so that developers can bid at a later date to participate in the financing and construction.

This is a sound approach. But I must stress three points:

This is a cooperative venture, between the Architect and the DOT's Union Station Redevelopment Corporation.

This amendment is intended to assure that as much of the construction financing as possible comes from non-Federal sources.

This amendment is intended to meet the spirit of mixed use in the Public Buildings Cooperative Use Act, enhancing Union Station both visually and economically.

Mr. President, I move the adoption of the amendment.

Mr. President, I believe this legislation has been examined by the managers for the bill and that it is acceptable to them.

Mr. RUDMAN. Mr. President, the Senator from Vermont is correct. Let me simply state that this has been cleared on both sides. We have some concern about starting work even as small as this appropriation will be for yet another building up here on the Hill at this time in light of all the budgetary constraints, but we understand that there has been a great concern on the part of the U.S. Supreme Court about this issue. The Senator from Vermont has concern for it because of the position of the authorizing committee. I understand this amendment is being offered subject to authorization. I simply state that by accepting it we in no way indicate how we might be feeling about future appropriations at this time.

Mr. STAFFORD. Mr. President, the Senator from Vermont understands that. This is to consolidate the administrative office of the Federal court system. The Chief Justice has, on several occasions, indicated his desire that we get this done so the Federal court administrative offices can be in one place, instead of scattered all over the city of Washington.

Mr. HOLLINGS. Mr. President, this proposal has been presented by the Chief Justice and the administrative office of the Court over the last several years. We feel it should be done and join without objection on the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 862) was agreed to.

Mr. STAFFORD. I move to reconsider the vote by which the amendment was agreed to.

Mr. RUDMAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 863

Mr. HATFIELD. I send an amendment to the desk and ask for its immediate consideration. I ask unanimous consent that the committee amendments be temporarily laid aside for the purpose of considering this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The legislative clerk read as follows:

The Senator from Oregon [Mr. HATFIELD] proposes an amendment numbered 863.

On page 66 after line 17 insert:

"SEC. 503. Both the United States and Soviet Union, as signatories of the United Nations Declaration of Human Rights and the Helsinki Accords, are pledged to allow information to flow freely across their national boundaries;

Allowing information to flow freely across their national boundaries is in the best interest of the people of the United States and the Soviet Union, and is a necessary response to the times;

Increased communications between the United States and the Soviet Union reduces the risk that misunderstandings will cause conflict; and

The Director of the United States Information Agency, Charles Z. Wick, has extended to the Chief of International Information Department of the Soviet Union, Mr. Leonid M. Zamyatin, an invitation to participate in reciprocal exchanges using the medium of television: Now, therefore, be it

Declared by the Senate (the House of Representatives concurring), That the Congress, recognizing the significant potential for improving communications, enhancing mutual understanding, and aiding the free flow of information through the medium of television, supports the initiative of the Director of the United States Information Agency to

(1) Arrange for a high level official of the Soviet Union to appear on American television if the Soviet Union reciprocates by arranging for a high level official of the United States to appear for an equal time on Soviet television; and

(2) Plan for participation by the United States and the Soviet Union in a worldwide discussion using the WORLDNET international satellite television transmission network, and giving journalists an opportunity to ask uncensored questions of such officials."

Mr. HATFIELD. Mr. President, before I take up the amendment which I understand has been cleared on both sides, I should first of all like to say a word of commendation to the managers of the bill pending. Senator RUDMAN has taken on the role of acting chairman of this subcommittee, with the long-time expertise and leadership of the Senator from South Carolina, Mr. HOLLINGS, as the ranking member of the subcommittee.

This bill is like any other, but it still has uniquely difficult problems to begin with and they have moved this bill through the subcommittee, the committee, and now to the floor with remarkable, outstanding skill. I especially want to take this moment to commend them on this great performance of legislative responsibility. They have both served with great distinction in this role.

Mr. President, this amendment is a sense-of-the-Senate amendment. It will have no budgetary impact to the bill but merely expresses a view that the Soviet Union and the United States, should arrange for a joint television exchange involving the leadership of the two countries.

Specifically my amendment asks the United States Information Agency and their Soviet counterpart, the International Information Department, to arrange for a high-level United States official to appear on Soviet television and for a high-level Soviet official to appear on the United States sponsored Worldnet Satellite Television Network.

In recognition of the significant potential for improving communications between our two countries, recognizing also the upcoming summit in Geneva, it seems highly appropriate and timely for the Senate to express its interest in such an exchange.

Much has been said about the propaganda war between the Soviet Union and the United States, but I for one believe a reciprocal arrangement such as a television exchange will remove any manipulation, yet allow for a free and frank exchange of goals and ideology.

I offer thanks to my colleagues, Senator SIMON and Senator GRASSLEY, who have helped sponsor a similar resolution, Senate Concurrent Resolution 74 and I ask for the support of my other colleagues on this amendment I am offering today.

Mr. President, I merely add that I think there is no question that television is one of the most significant modes of communication, not only within our country but also between nations. I can recall when President Nixon appeared on Soviet television a number of years ago, it had tremendous impact at that time and I think probably solidified the whole policy of détente.

I say this merely represents the sense of the Senate. Charles Wick of the USIA has been proposing this to the Soviet Union and I think a sense-of-the-Senate amendment will strengthen his hand in proposing it.

Mr. RUDMAN. Mr. President, the Senator from Oregon has discussed this with both the ranking member and me. We not only agree with it but enthusiastically support it. I yield to my friend from South Carolina.

Mr. HOLLINGS. I thank the distinguished chairman of our full committee for his very generous remarks. We join in this wholeheartedly.

Mr. HATFIELD. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 863) was agreed to.

Mr. HOLLINGS. I move to reconsider the vote.

Mr. RUDMAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. RUDMAN. Mr. President, will the Senator from Oregon yield for a moment?

Mr. HATFIELD. I am happy to yield.

Mr. RUDMAN. It is my understanding that the distinguished chairman of the Judiciary Committee has an amendment that will take just a few moments. I know the Senator from Oregon has another amendment which might take a bit longer. I inquire of the distinguished chairman of the Appropriations Committee whether we might deal with the amendment of the distinguished chairman of the Judiciary Committee first.

Mr. HATFIELD. Mr. President, I should be happy to yield to the chairman of the Judiciary Committee for the purpose of offering an amendment. I ask unanimous consent that I may not lose my right to the floor following his presentation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RUDMAN. Mr. President, if the Senator will yield to me for one moment, I ask unanimous consent that the pending committee amendment be laid aside in order to proceed to an amendment to be offered by the senior Senator from South Carolina.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from South Carolina is recognized.

AMENDMENT NO. 864

Mr. THURMOND. Mr. President, I rise to introduce an amendment to H.R. 2965.

The PRESIDING OFFICER. The clerk will state the amendment.

The bill clerk read as follows:

The Senator from South Carolina [Mr. THURMOND] proposes an amendment numbered 864.

On page 16, line 1, strike "$31,000,000" and insert in lieu thereof "$29,900,000"; on page 16, line 2, strike "$24,366,000" and insert in lieu thereof "$23,266,000"; and on page 66, after line 17, insert the following:

UNITED STATES SENTENCING COMMISSION

SALARIES AND EXPENSES

For the salaries and expenses necessary to carry out the provisions of chapter 58 of title 28, United States Code, $1,100,000, to remain available until expended.

Mr. THURMOND. Mr. President, this amendment to H.R. 2965 provides the $1.1 million necessary for the salaries and operation of the U.S. Sentencing Commission.

The Commission was created by the passage of the Comprehensive Crime Control Act in the 98th Congress. Its function is to redefine the Federal criminal justice sentencing procedures.

The original allocation of $2.3 million in funds to the Commission as part of the supplemental was limited to an estimated 6-month budget. The members of the Commission were recently confirmed and are now ready to begin their important work. H.R. 2965 provides no funds for the Commission's operation in fiscal year 1986. Accordingly, without my amendment, it is anticipated that there will not be sufficient funds for operation beyond May 1986.

The additional $1.1 million will permit the Commission to move forward in designated function, albeit on a modest budget.

In order to maintain our fiscal responsibility, I have offset my request for these funds with a corresponding decrease. It is never easy to propose such cuts. In this case, I have relied on the recommendation of the Department of Justice. I have been informed that the funds can be taken from the Community Relations Service with no negative impact on their projected program. This reduction has the approval of the Appropriations Committee.

I urge my colleagues to support this amendment. It is necessary to the important task of the U.S. Sentencing Commission and maintains the projected needs of the Community Relations Service.

Mr. President, what we are doing is providing the necessary funds for the Sentencing Commission but in order not to increase the deficit, we have taken away funds with the approval of the Justice Department from another section of the Justice Department.

I ask the approval of the amendment.

Mr. RUDMAN. Mr. President, I thank the distinguished chairman of the Judiciary Committee. The managers have considered the amendment and are ready to accept it. We are particularly pleased that the distinguished chairman of the Judiciary Committee has found an offsetting amount within the bill that has been cleared and is acceptable because we are very pleased that this bill will not be the subject of an amendment for an across-the-board cut by the Budget Committee, we understand, because we are within our targets both in outlays and, of course, budget authority.

So we are pleased the Senator from South Carolina has made our job easier.

I yield to my friend from South Carolina.

Mr. HOLLINGS. Mr. President, the U.S. Sentencing Committee is headed by our distinguished Judge Wilkins, of South Carolina.

The original request was $2,650,000. We have found that it can be reduced to $1,100,000, and with the offset from the Community Relations Service, we are delighted to join in the amendment of our distinguished colleague. I urge its adoption.

The PRESIDING OFFICER (Mr. ARMSTRONG). Is there further discussion of the amendment?

Mr. THURMOND. Mr. President, I ask unanimous consent that the Senator from Delaware [Mr. BIDEN], the ranking minority member of the Judiciary Committee, be added as a cosponsor of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. I thank the able chairman of the subcommittee, the Senator from New Hampshire [Mr. RUDMAN], who is handling the bill this morning, for his fine cooperation and the able Senator from South Carolina for his splendid cooperation.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 864) was agreed to.

Mr. THURMOND. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. RUDMAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

LUXURY TRAVEL BY FOREIGN SERVICE PERSONNEL

Mr. HOLLINGS. Mr. President, on October 8 I introduced an amendment to this bill that would prohibit Foreign Service personnel, or any other Government officials from using approriated funds to take trips on the *Queen Elizabeth II* and the *Delta* and *Mississippi Queens*. As reported by Jack Anderson and others, an employee of the U.S. Information Agency had arranged for his family to return to Burlington, IA, on home leave from Montevideo, Uruguay, by way of 16 days on the *Delta Queen* up the Mississippi, from New Orleans to Burlington. The General Accounting Office has reported that 260 employees of the Department of State and the USIA—including 120 on the *Queen Elizabeth II*—booked taxpayer-paid trips aboard ships in fiscal years 1982 through 1984. The cost of the sea voyages was $556,232, more than $400,000 higher than airline tickets would have cost.

Needless to say, my amendment has prompted considerable concern at Foggy Bottom. In fact, my own inquiries have found that USIA was not the only agency funding trips up the Mississippi, as the State Department itself paid for two of its employees, Michael and Claudia Skol, to ride on the *Delta Queen* on the same trip that the USIA employee and his family took in July 1982. USIA has filed suit in Federal District Court for the District of Columbia to recover the $12,760 that the GAO has instructed the agency to recoup from the employee, only to be overturned by a decision of the Foreign Service Grievance Board. I am informed that State will expect their employees to make similar restitution if the court decides in favor of USIA.

Mr. President, on October 21, 1985, I received a letter from the Under Sec-

retary of State for Management, Ronald I. Spiers, informing me that:

The Department has changed its Foreign Service travel regulations to prohibit travel by ship at Government expense if the cost of such travel exceeds the cost of the authorized air travel for the same trip unless the traveler pays the difference. In that case, the traveler could also be charged annual leave for any travel time in excess of the time which it would have taken had the traveler used the authorized air travel.

Mr. Spiers goes on to say that the only exception to this rule would be when air transportation would be detrimental to the traveler's health.

Mr. President, I ask unanimous consent that Mr. Spiers' letter and the new travel regulation be printed in the RECORD at the conclusion of my remarks.

Since the Department has made the necessary change in the regulations to restrict travel by ship, it is no longer necessary to press my amendment. However, the Department, USIA, and the other agencies with personnel abroad, are on notice that I will closely monitor the exceptions granted for medical reasons. If there is any significant number, I will ask the GAO to review each and every one of them for medical sufficiency.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNDER SECRETARY OF STATE
FOR MANAGEMENT,
Washington, DC, October 21, 1985.

Hon. ERNEST F. HOLLINGS,
U.S. Senate.

DEAR SENATOR HOLLINGS: This is to inform you that the Department has changed its Foreign Service travel regulations to prohibit travel by ship at government expense if the cost of such travel exceeds the cost of the authorized air travel for the same trip unless the traveler pays the difference. In that case, the traveler would also be charged annual leave for any travel time in excess of the time which it would have taken had the traveler used the authorized air travel. The sole exception to this rule is if ship travel be authorized for medical reasons.

Sincerely yours,

RONALD I. SPIERS.

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131 ROUTING OF TRAVEL

*131.1 MODES OF TRAVEL

a. Use of air transportation is encouraged.

b. Surface transportation or a combination of air and surface is authorized, subject to the provisions of section 131.1-*1* and 133.

c. Use of ship transportation is authorized when use of air transportation by the traveler would be detrimental to his or her health or well-being (see 133.2-3b).

d. Travel by ship is permitted, provided travel expenses (including per diem, incidental expenses, fare, and travel time) are limited to those which would accrue by authorized air travel. Leave is charged for excess travel time.

e. Ferry travel is authorized when expedient and necessary to the mission.

f. Travel by privately-owned vehicle is governed by section 145.*

131.1-1 Same except for cite.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. RUDMAN. Mr. President, will the Senator from Oregon yield for one moment?

Mr. HATFIELD. Yes.

EXCEPTED COMMITTEE AMENDMENTS

Mr. RUDMAN. Mr. President, we now have a unanimous-consent request on the committee amendments which I would like to state.

Mr. President, I ask unanimous consent that the committee amendments, with the exception of the committee amendment on page 68, line 22, through page 69, line 24, be considered and agreed to en bloc and that the bill, as amended, be considered original text for the purpose of further amendments, with the understanding that no points of order shall be waivered thereon.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. RUDMAN. I thank my friend, the distinguished chairman of the Appropriations Committee.

The PRESIDING OFFICER. The Senator from Oregon may proceed.

AMENDMENT NO. 865

(Purpose: To withhold funding of international organizations while the United States is not subject to the compulsory jurisdiction of the World Court)

Mr. HATFIELD. Mr. President, I send an amendment to the desk on behalf of myself, Senators MOYNIHAN, WEICKER, and SIMON and ask for its immediate consideration.

The PRESIDING OFFICER. The committee amendment must now be laid aside.

Mr. HATFIELD. Mr. President, I ask unanimous consent to temporarily set aside the committee amendment so that I might offer my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The bill clerk read as follows:

The Senator from Oregon [Mr. HATFIELD], for himself, Mr. MOYNIHAN, Mr. WEICKER, and Mr. SIMON, proposes an amendment numbered 865.

Mr. HATFIELD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 34, line 20, before the period insert a colon and the following: *"Provided further,* That none of the funds appropriated under this heading may be made available while the United States is not subject to the compulsory jurisdiction of the International Court of Justice (as described in Article 36(2) of the Statute of the International Court of Justice and in the United States declaration thereto)".

Mr. HATFIELD. Mr. President, on behalf of my colleagues, Senators MOYNIHAN, SIMON, and WEICKER, I offer this amendment on the World Court today, and I suppose in some ways one might say it will not stir too much interest.

It has been rather interesting to observe in the last few weeks since the incident arose with which this amendment deals, that very few people in the press or elsewhere have really commented a great deal about it, and perhaps that is precisely why the administration, acting in the name of the President, acted the way it did and got away with the action that was consummated. I refer to the American foreign policy decision made by the President to withdraw from the compulsory jurisdiction of the International Court.

I view this as a grave decision with all kinds of perceptions from unconcerned and concerned people alike. I think it is somewhat the result of a dangerous ideological agenda, and that agenda holds that nothing should stand between the United States and the pursuit of its goals by whatever means it deems necessary. I need not cite many examples. There are some very obvious ones that involve overthrows of governments and covert activity and funding organizations to overthrow governments.

But I want to say, Mr. President, this withdrawal for the World Court does not represent an action that is derived from a Repubican agenda.

I want to use that term wisely and with care. I think when one looks at the history of the founding and the early support of the World Court, one cannot help but run into the extraordinary, outstanding work of Republican statesmen like Elihu Root, like Charles Evans Hughes, and Robert A. Taft. And even for those who are given a lesser standing in the Republican lexicon of names and leaders, it has the support of every Republican President since Warren G. Harding. I think it is remarkable when you call upon the name of Warren G. Harding to support a noble and purposeful cause, not in any way to demean the individual but from the ranking that he has received from most political experts on his status as President of the United States he does not rank amongst the top five on anybody's list. I think also we have to remember that a war was fought, World War II, for the principle embodied in the World Court. We sought to prove that sheer might does not equate with justice and that the rule of law is more than a definition of victory on a battlefield.

The International Court of Justice has served us well far more frequently than it has worked to our detriment. I think it is rather ironic as a further observation that an administration which took office the day the United States hostages were released from Iran would abandon its support for an institution which was so vital to the realization of that goal.

The World Court remains an important mechanism for forging world opinion in support of United States objectives, the most basic of all, the rule of law as against the rule of the jungle. Terrorism and other unique circumstances which confront the United States today should compel us to lend encouragement and patience to an international jurisprudence as the preferred method of resolving conflict and furthering justice. In my view, this action taken by the President was a step back into the jungle rather than a step forward into enlightenment. While perpetrators of terrorism are often faceless or difficult to identify, terrorism is also sanctioned and executed by governments. The International Court of Justice may be an imperfect means of combating terrorist governments but it remains one of the only means, short of armed force, with which to challenge those countries that refuse to play by the rules of the civilized world.

Let me quote from the words and wisdom of President Richard Nixon on this subject when he recently stated:

> We will only eliminate terrorism if we choke it off by drawing the dark curtain of international condemnation around its sponsors. * * * Unless they are willing to live peacefully in the community of nations, we cannot allow them any of the privileges of membership.

Mr. President, I believe that acceptance of the compulsory jurisdiction of the International Court of Justice is an important litmus test of a nation's willingness to meet the standards of that membership. Let me be very objective and say I share the administration's frustration over the use of the World Court as a propaganda forum, and that is what we will hear today from anyone who is interested enough to even discuss the subject.

But let me say, too, that the world is better served through exposure to our values than insulation from the propaganda designs of nations which fear freedom and which do not support or represent open societies. The only appropriate national posture given the current world situation is to advance the rule of international law. The other option is the jungle, and terrorism is the great weapon of the jungle. Instead, the world's greatest constitutional democracy has turned the clock of civilized international behavior back 40 years by denying the International Court of Justice the prestige its support brings to that institution.

Mr. President, international law was an inconvenience which stood between the United States and the forceful overthrow of the Sandinista regime in Nicaragua.

Whether it be on the national, local, or international level, the rule of law is not a matter of convenience. It does not lend itself to selective adherence and application. The law is useless when it is applied selectively. The law has to be applied in all instances across the board, and we are denying that kind of universal application by our action.

We would not submit to the test of international law in the case against Nicaragua because we were not assured of a favorable decision in advance. There is no difference between this approach and the approach Iran took during the hostage crisis. Fundamentally, it is the same kind of reaction—no difference whatsoever, even though we could always justify things when we do them and always find opportunity for condemnation when someone else does them.

Earlier this year, after we had refused to defend ourselves in the Nicaragua case, the New York Times, a newspaper with which I do not always agree, certainly put the issue most eloquently in this case when it said:

> At the borders where our laws stop and someone elses begin, there is a dangerous legal gap. Whatever its size the gap is a realm of anarchy (and) barbarity—*except* as nations voluntarily write contracts, or treaties and submit to a higher order. Nations aspiring to live less like beasts in the jungle hesitantly submit to the court and try, by the force of their example, to prove that rational argument and codes of conduct can, to some extent, become a substitute for international pilage, piracy, and murder. Until last week, the United States was one of this minority of nations. And being the most powerful beast in the jungle, it thinks it loses little by thus diminishing the World Court.

Mr. President, the most powerful beast in the jungle is not necessarily the most vicious or the most agile under all circumstances. It, too, can benefit from the protection of the law, probably when it leasts expects it.

We think we are denying countries which fear freedom a propaganda forum with which to challenge us. This is illogical. We are denying an institution which, however imperfect, holds out some promise of a future system by which nations can resolve their differences peacefully.

There is only one reason why the most powerful beast in the jungle would refuse to tangle in an international courtroom with a powerless and in some ways morally bankrupt small animal, and that reason is that, without violence, the beast will lose the battle.

The assumption, Mr. President, is that we can never afford to lose because our perceived power to work our will in the world will diminish. What is totally lost here is that the ability of the Qadhafis and the Khomeinis and the Pol Pots to work their will in world of lawlessness is enhanced. The ability of the Soviet Union to work its will in an environment of lawlessness is also enhanced.

The same country that just pulled out of the World Court was standing on the soapbox, not so long ago, expressing its disgust and indignation because the Soviet Union had just blown a commercial airliner out of the sky.

Mr. President, I do not entertain any illusions about the opportunity of this amendment to be adopted. This amendment would simply say, in effect, that we would fence the language of the appropriations bill dealing with international organizations until the United States reconsidered and accepted the jurisdiction of the International World Court. It is very simple and straightforward.

Mr. President, I have seen a copy of a letter sent to Congress and the chairman of the subcommittee, signed by William L. Ball III, Assistant Secretary for Legislative Intergovernmental Affairs. I ask unanimous consent that the letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF STATE,
Washington, DC, October 23, 1985.

Hon. WARREN RUDMAN,
U.S. Senate.

DEAR SENATOR RUDMAN: It has come to my attention that an amendment may be introduced to H.R. 2965 which would have the effect of withholding our contributions to international organizations.

The amendment would prohibit the payment by the United States of its assessed contributions to international organizations of which it is a member, so long as the United States does not accept the compulsory jurisdiction of the International Court of Justice under Article 36(2) of the Court's Statute.

The Department of State opposes this amendment and would recommend the bill be vetoed if the amendment is included. The United States is obliged to pay its proportionate share of the regular budgets of organizations to which it belongs. Failure to pay such contributions would violate our legal obligations and could result in loss of our vote or exclusion from participation in the organization.

By contrast, the President's action in terminating our acceptance of compulsory jurisdiction, effective six months from October 7, is entirely consistent with international law, the terms of the U.S. acceptance itself, and his constitutional powers in respect of the conduct of foreign affairs.

The consequence of this amendment would be that the United States would be compelled to violate its international legal obligations as the price for having taken a completely legal step with respect to the Court.

This amendment would not reverse the President's action. It can only call into question our commitment to our legal obligations to the organizations that would be affected, and penalize those organizations financially for reasons entirely unrelated to them.

The Office of Management and Budget advises that from the standpoint of the Administration's program there is no objection to the submission of this report and that enactment of this amendment would not be in accord with the program of the President.

With best wishes,
Sincerely,

WILLIAM L. BALL III,
Assistant Secretary,
Legislative and Intergovernmental Affairs.

Mr. HATFIELD. Mr. President, the third paragraph of this letter reads:

The Department of State opposes this amendment and would recommend the bill be vetoed if the amendment is included. The United States is obliged to pay its proportionate share of the regular budgets of organizations to which it belongs. Failure to pay such contributions would violate our legal obligations and could result in loss of our vote or exclusion from participation in the organization.

Mr. President, if that is the sole reason why the administration is opposing this amendment, that can be answered and rebutted very easily.

Let me remind the Senate that our obligations are contractual and part of our whole concept of an order based upon law. They therefore carry a certain sanctity which we must always observe, whether it is contracts with parties or treaties. However, we have some 6 months to work out the arrangements that this kind of amendment, if adopted, would impose. Adopting this amendment in October 1985 would in no way forestall the responsibility and the performance of that responsibility to fulfill our contractual obligations to these international organizations in the meantime.

I hope that the least that could be said about this amendment is that it may focus a little public attention on the severity of the situation and the seriousness of the action taken by the administration, which has received so little response, so little comment. Therefore, I offer this amendment today for that particular purpose.

Mr. RUDMAN. Mr. President, I inquire of my friend, the chairman of the full committee—we have not had a chance to clear this—whether or not there might be an opportunity to obtain a time agreement on this amendment in order to move the bill along. Does the Senator have any views on what might be a reasonable time on this, if it could be cleared?

Mr. HATFIELD. I respond to the chairman of the subcommittee by saying I am in a somewhat difficult situation, in that the major cosponsor on the Democratic side, Mr. MOYNIHAN, is arriving back in the city from New York at 10:45.

I ask the Senator, in order to accommodate him, whether we could have an agreement to vote at a time certain. That would give us a little more flexibility for him to pursue other matters, or if Senators wish to speak on this amendment as they might be able to obtain the floor. Say, a time certain at 11:30.

Mr. RUDMAN. Let me respond to the distinguished chairman of the committee by saying that, No. 1, I hope that at some point during this discussion we might be able to dissuade the distinguished Senator from Oregon and the distinguished Senator from New York from bringing this to a rollcall vote. We would like the opportunity to discuss that. Failing that, we will have a vote.

I wonder if it might not be more efficient, if it is possible procedurally, to protect the rights of the Senator from Oregon, that, since the other principle cosponsor is not in the city, we temporarily lay this amendment aside, with the unanimous-consent agreement that it would immediately be the pending business.

The Senator from Rhode Island has an amendment which will take about 45 minutes to an hour. The Senator from New Hampshire, my senior colleague, has an amendment. We could start through those and have the Hatfield-Moynihan amendment reappear as the pending business at the conclusion.

Mr. HATFIELD. Mr. President, I would acquiesce to the request of the chairman by making this as the pending order of business and that upon the arrival of the cosponsor or others who may wish to speak that they would be given that privilege of raising this back for a few brief remarks.

I say to the chairman I do not know of any extended debate. There is no effort to delay the ultimate decision on this amendment. We want to expedite. I must leave here from this particular point at 12 noon anyway. I want to be here to either cast a vote or to make some ultimate decision on it.

I would say that we could dispose of this at 11:20 a.m. I would say that we do want to vote. I would eliminate that particular contingency. We do want a vote. We would like to be able to have a vote up or down on the amendment if that is possible to work out.

I think under the circumstances of protecting Senator MOYNIHAN and Senator SIMON, and Senator WEICKER, if we could agree to say a vote at 11:30 a.m. or 12 o'clock that would work. I want to give the Senator the flexibility to move ahead with these other amendments because as chairman of the full committee I want to get this bill off the floor.

Mr. RUDMAN. Let me respond to the Senator from Oregon, the chairman of the full committee, by suggesting that it might be more efficient then to do that by simply asking unanimous consent that that amendment be temporarily laid aside and that it be the pending business at the conclusion of the next amendment which I believe will be an amendment offered by the Senator from Rhode Island.

The PRESIDING OFFICER. If this amendment is laid aside the pending business will be the committee amendment.

Mr. HATFIELD. Mr. President. reserving the right to object, I understand it will be the pending business after each succeeding amendment will be offered by individual Senators such as the Senator from Rhode Island and the Senator from New Hampshire. Would that be the understanding?

Mr. RUDMAN. The Senator is correct. It is my understanding that the Senator from Rhode Island has an amendment that is going to take somewhere about 1 hour of time. There is going to be a vote on that amendment.

My unanimous-consent request, if I put it to the Chair, would be that when the Chafee amendment is disposed of the pending committee amendment then be laid aside which would then be the recurring business under the order and that we turn back to the Hatfield-Moynihan amendment.

Mr. HATFIELD. Mr. President, as I understand the schedule more clearly, let me say that if that is the case and the hour is, say, 11:20 a.m. or 11:30 a.m. and then we have a vote which now takes about a half hour, that would preclude any opportunity for me to have a chance to vote on this amendment by having to remove myself at 12 noon in order to catch a plane.

I am not asking the Senate to accommodate to my schedule but I see Senator SIMON here on the floor. He wishes to be heard. I would like to then provide whatever time may be necessary for others to speak on this amendment and continue on this amendment until we dispose of it.

Otherwise, I would be willing to have a vote at a time certain on the amendment which would then bring it down to an actual conclusion.

Mr. RUDMAN. The Senator from New Hampshire, the manager of the bill, is not sure he can offer that assurance because of the nature of the amendment that is pending. I have already had a number of Senators who have contacted me since the amendment was introduced saying that if there is going to be a vote, they may want to have an extended discussion on this because obviously, as the Senator from Oregon recognizes, this is not what would be called around here a noncontroversial amendment.

So I think we better just then proceed as we are proceeding and hopefully get to some resolution.

Mr. HATFIELD. Mr. President, I notice one of my chief cosponsors has arrived on the floor who wishes to be heard, I am sure, on this amendment which is now the pending order of business.

Mr. SIMON. Mr. President, I strongly support the amendment of my colleague from Oregon and my colleague from New York on this.

It just seems to me that the United States ought to be leading in the effort for international law and instead we have the appearance of lead-

ing in the effort in moving in reverse. There is no justification for that.

How did we get to this situation? Well, what happened was we did something in Nicaragua that I do not think any Member of this Senate would defend. It was a clear violation of international law putting those mines in the harbor at Nicaragua. And Nicaragua understandably took the United States to the World Court and we were embarrassed. All of us were embarrassed by it.

The President of the United States I think incorrectly decided we would not be present, we would not acknowledge the jurisdiction of the World Court in this regard.

It was a mistake. It was a bad mistake.

Now we are going to compound that mistake by saying we are going to withdraw from the jurisdiction of the World Court. We clearly should not be doing that.

There are any number of questions that are being raised by this and I would like to put into the RECORD an article that I wrote and let me acknowledge that Steve Smith of my staff was very helpful in this, which appeared in the New York Times and I ask unanimous consent to have that printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

REAGAN'S WORLD-COURT ERROR

(By Paul Simon)

WASHINGTON.—The worst decisions are made in anger. President Reagan's decision to withdraw from the compulsory jurisdiction of the World Court was a lamentable over-reaction to the impending negative ruling in the case of our clearly illegal mining of Nicaragua's harbors. The action may give us some fleeting satisfaction. But in the long term it will damage our foreign policy interests, undermine our legitimacy as a voice for morality and erode the rule of law in international relations.

When Congress ratified President Harry S. Truman's decision to participate in the World Court, it was with the clear intention that we should abide by the Court's compulsory jurisdiction. Since then, every President has strengthened that original commitment. They have done so because the United States has an interest in a political and diplomatic entity that seeks peaceful solutions to international disputes.

When Mr. Reagan withdrew the United States from the compulsory jurisdiction of the Court, he changed a longstanding American commitment—without notice or consultation depriving Congress of the opportunity to hold hearings on the potential implications of the withdrawal and ignoring Congress's institutional concern about such a drastic change in our posture. Nor does the decision bode well for our future effectiveness in other international forums such as the Inter-American Commission on Human Rights.

The Court has not yet ruled in the Nicaragua case, although all 16 judge's including the one from the United States, sided with Nicaragua's complaint on a preliminary issue. But even if one does not believe, as nearly everyone does, that the mining of Nicaraguan harbors was illegal, the United States need not have made a blanket withdrawal. We could have followed the example of Britain, India and other nations that have fashioned carefully crafted exceptions to the Court's jurisdiction.

Has the President stopped to consider the United States' long-term foreign policy interests? We have always conceived of ourselves as a nation more sinned against than sinning, and with much justification. That being the case, it behooves us to support an international forum where we can redress grievances against nations that refuse to abide by the norms that govern civilized states.

The Court's ruling against Iran during the hostage crisis, for example, enabled the United States to muster the global support for economic sanctions that were helpful in securing the release of the hostages. Under the International Court of Justice statute, a state can subject another state to compulsory jurisdiction only if the petitioner is itself subject to compulsory jurisdiction. Thus, if another Khomeini took hostages tomorrow, we would have lost access to an important international remedy. Not only idealism but also realism should lead us to oppose withdrawal.

Only 45 nations out of 157 have consented to abide by compulsory jurisdiction. But casting blame on others to excuse ourselves dodges some fundamental questions. Are we prepared to lead in respecting international rules, or will we join those, such as Soviet bloc nations, that refuse to subject themselves to international law and that too often respect international agreements solely for their own tactical purposes? Will we continue to speak for the rule of law in the world, or contribute to an atmosphere in which international disputes are resolved by violence?

The question of abiding by World Court jurisdiction goes beyond national self-interest to the issue of what kind of country we are and what kind of country we could become. Our adherence to the rule of law, and our belief in the value of truth in the marketplace of ideas, is what distinguishes the United States from totalitarian societies. Our feeling that we are a moral nation may lead us not to want to have our policies questioned by others. But withdrawing from the World Court jurisdiction contradicts the tradition and the values that are the source of our strength.

Mr. SIMON. Mr. President, under article 94, paragraph 1 of the United Nations Charter each member of the United Nations agrees to abide by the decision of the Court in a case in which it is a party.

In the Nicaragua case we withdrew. We were not even represented. The Court by and large, unlike the United Nations, has not been as volatile politically.

I am not suggesting that there have not been political considerations, that there are not weaknesses, there are not problems with the World Court. But the alternative to some kind of rule by law among nations is chaos among nations. And we had the ability to literally destroy the world in a matter of moments. For us to be moving in the wrong direction just does not make sense.

We are violating a treaty obligation, in my opinion, by withdrawing from the Nicaragua case.

All treaties are under the Constitution the supreme law of the land and I think you could argue—I am not saying it is a clear-cut case—that the President's action in withdrawing from the Nicaragua case was unconstitutional.

But, in any event, what we should not be doing is withdrawing from the World Court's jurisdiction.

I am old enough at the age of 56 and some of my colleagues here remember when the World Federalists were a booming group and it looked like we were going to be heading toward some kind of one world government, and then I remember when the Atlantic Union was the then-current phase when the Western European nations and the United States would form some kind of a union.

These things have not happened but the need for some self-restraint by nations continues and the need grows.

For us to simply pull out from the World Court just violates everything that I think we should stand for.

So I hope that we accept the amendment of the Senator from Oregon. I point out the composition of the Court, three judges from Africa, three from Latin America, three from Asia, one from the Middle East, five from the United States, Canada, and Western Europe, and two from Eastern Europe and the U.S.S.R. It is a fair balance.

I did not hear anyone on this floor criticize the World Court 5 years ago when it ruled in our favor in the Iran hostage case, nor in its recent rulings in the Gulf of Maine case.

We have used the Court in the past. We have praised the Court when it has ruled in favor of us. Now that the Court is likely to rule against us in the Nicaragua case, we are like the little boy who took the bat and said, "We want to pull out and move away."

Mr. President, I think it is important that the United States not say: "If we cannot have things our way, we are going to take our bat and ball and walk off the field."

We ought to continue our participation. We ought to continue giving the Court jurisdiction. I urge the adoption of the Hatfield amendment.

Mr. HOLLINGS. Mr. President, while we are trying to arrange——

Mr. SIMON. Will the Senator from South Carolina yield?

Mr. HOLLINGS. Yes.

The PRESIDING OFFICER. Has the Senator from Illinois yielded the floor?

Mr. SIMON. Yes.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

ABORTION AMENDMENTS

Mr. METZENBAUM. Mr. President, I rise not to address myself to this amendment, but I came over here and left a hearing that I was conducting in order that I might make this statement on the floor. I do it not in connection with this amendment. I do it in connection with an amendment that has not as yet been offered.

But it is my understanding that there is an amendment about to be offered having to do with the subject that we do not deal with much around here; that is, the subject of abortion; that is, we do not deal with the subject of abortion much unless it happens to be the HHS bill, or the HUD bill or the Defense bill, or the Justice bill, or the foreign relations bill, or whatever. Every time I turn around in this body, I find that there is a new amendment, somebody has a new idea, a new concept about abortion.

Now we have a lot of laws on the books at the moment in connection with abortion and I am not on the floor insisting that they be changed although I think some should be. We have some Supreme Court decisions on the subject of abortion and they have spoken and that is in the courts.

But I am here to say publicly, without rancor, without excitement and certainly with a total lack of enthusiasm that I am prepared to spend as much time as necessary—and some might call that a filibuster—to keep any more new abortion amendments or laws being enacted.

When the whole world is crying for a solution of problems having to do with our economy, having to do with the whole confrontation with the Soviets, having to do so many more important problems, all we have time to do in the United States Senate is to debate the issue of abortion. And if that is what you want to do, then that is what I am going to give you an opportunity to do, whether it is on this bill or any other.

I have had it. No more amendments that go beyond the present law with respect to the subject of abortion. And if you want to offer them, fine with me. But then we ought to be prepared to enlighten the whole Nation as to why we are trying up this bill or some other bill: It is because we have got to add something new, something new on the subject of abortion or else somehow the Nation will not go on and do that which it has to do and Congress would have failed in its responsibilities.

Mr. RUDMAN. Will the Senator yield for a question?

Mr. METZENBAUM. I certainly will.

Mr. RUDMAN. I wish to just ask my friend from Ohio whether he is aware of the fact that there are two abortion-related amendments that are on the proposed list for this bill?

Mr. METZENBAUM. That there are two abortion-related amendments that are contemplated to be added or offered in connection with this bill, is that what the Senator from New Hampshire is saying?

Mr. RUDMAN. Yes.

Mr. METZENBAUM. I am aware of that.

Mr. RUDMAN. And is it my further understanding—I am asking this for the record because the Senator from South Carolina, Senator HOLLINGS, and I are charged with trying to get this bill through. If we are looking at some other scenario, we ought to know in the early—but I believe, if I understand the Senator correctly, what he is saying is this: That on the Legal Services abortion-related amendment and on the prison abortion-related amendment, it is his present intention not to allow votes to come on either of those amendments, is the Senator correct?

Mr. METZENBAUM. Mr. President, one thing about the Senator from New Hampshire is that he fully understands full well the intentions of the Senator from Ohio. He has stated it better than I could state it. That is 100 percent correct.

Mr. RUDMAN. I thank the Senator from Ohio, because we now at least know what stadium we are playing in.

Mr. METZENBAUM. Mr. President, I want to say that the line in the sand has been drawn. We have gone far enough.

Mr. HUMPHREY. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state the point of order.

Mr. HUMPHREY. Mr. President, the debate is not germane to the pending business.

The PRESIDING OFFICER. The Senator is correct.

Mr. HUMPHREY. I would like to add that we would be willing to reserve our debate on abortion until those matters are pending.

Mr. METZENBAUM. Mr. President, I wish to point out that it was my understanding of the rules of the Senate that at this point in the parliamentary procedure there is no requirement that the debate be germane. We are not under any time limitation with respect to germaneness. I wish to inquire, what is the Senate rule that would even cause the Parliamentarian to so indicate. If the Chair is talking about the pastore rule——

The PRESIDING OFFICER. In response to the inquiry of the Senator, I would call attention to the provisions of rule XIX, paragraph (b), which requires that debate be germane during the first 3 hours of the calendar day.

Mr. METZENBAUM. But after 3 hours we can have this debate, is that it?

The PRESIDING OFFICER. The Senator is correct.

Mr. METZENBAUM. How many hours have we been on this bill so far?

The PRESIDING OFFICER. The Senator has had this measure under consideration for 50 minutes.

Mr. METZENBAUM. Since that is the rule, I will accept the rule. But I believe that my message has been adequately conveyed, with or without its germaneness, and, therefore, I yield the floor.

Mr. RUDMAN. Mr. President, what is the pending business before the U.S. Senate at this time?

The PRESIDING OFFICER. The pending business is the amendment No. 865 of the Senator from Oregon. Are you ready for the question?

Mr. RUDMAN. I do not believe we are ready for the question. It is my understanding that that is the pending business, and I understand that my friend from South Carolina is seeking recognition. I yield the floor.

Mr. HOLLINGS. Mr. President, pending the Senator from New York and others who are more erudite in this particular regard, with respect to my colleagues, the Senator from Oregon and the distinguished Senator from Illinois, Senator SIMON, I think this would be a bad, bad kind of initiative or amendment for this body to adopt. I say so advisedly because no one else is on the floor particularly right now to defend President Reagan and the United States Government's position with respect to Nicaragua and the World Court.

I have read, just in a cursory fashion, some of the articles. I think if you really want to understand this problem better, certainly better than I understand it, you should have a sense of the history of the World Court.

My best recollection, from what my study has shown, is the World Court, of course, is not a world court. Let us start at that particular point. It was intended to be a world court. It was intended to have compulsory jurisdiction. It was intended to really govern, but it never reached that particular preeminence. Rather, only 43 of the nation states ever came close to adopting the jurisdiction of the World Court. And with respect to the 43, there were certain caveats or preconditions of adoption, such as the Connolly amendment by the U.S. Government.

So that is No. 1. Let us not sanctify the World Court and jump all about on the floor of the U.S. Senate like we have got something like the U.S. Supreme Court or the court of appeals or the judicial system of the United States or the judicial system of the State of Illinois. We do not have that kind of body.

Yes; as the Senators from Illinois and Oregon are trying to point out, that is a worthy goal. No one is trying

to debunk or deride in any sense the idea of a world court.

But while we do not have that rule of law, which they talked like it is almost a Supreme Court decision. While we do not have that rule of law, we have to live in the real world. If we really had to take this amendment any more seriously—and I do not mean to say they do not take it seriously—but if we in the Senate are anywhere near about adopting such an amendment, then we will put another amendment on to the effect of ceasing the 727, or whatever was the number of that plane, but in any event, we just took over the Mediterranean for those who are worried about the rule of law. We had to seize an Egyptian airliner with those particular terrorists that killed Klinghoffer and terrorized the *Achille Lauro* and all of its passengers. We have all hailed that. If someone wants to put in a resolution and condemn President Reagan and the United States for having done it, let them bring forth that amendment. I happen to support that particular conduct in that living in the real world that we live in we have to act in the security interests of the United States. And we have learned the hard way with respect to terrorism that we must make it absolutely certain it does not pay.

Therefore, if President Mubarak of Egypt wants to come forth and bring another case in the World Court, I would expect the Senator from Illinois and the Senator from Oregon to be running around yelling, "whoopee for the World Court, and whoopee for terrorism." That is what we have going on in Nicaragua. I happen to have met with that fellow Ortega. I went over with Senator ZORINSKY, and Senator STONE and others and met with Ortega. We knew Somoza was a mistake and we wanted to give our friends in Nicaragua a chance for sovereignty. Ortega promised, he had Pastora and all the rest of the particular counselors at the time. He promised freedom of the press, he would quit harassing the Catholic Church; free elections; freedom of speech; all these things. He was just as democratic as I was. That is what he was trying to do. Well, we gave him $75 million, I think an additional $50 million, and none of the promises have come forth.

While we recognize I guess as a government, a conspiracy down in Nicaragua which we lose out on, just like Vietnam. They say it was not really our interest there. It was just a little civil war, and it did not affect any of the other countries. We have yet to find that same group, the best and the brightest who came running forward on Cambodia, and on Laos. When the dominoes did fall, we have not heard from them. They had lockjaw. We had the Genocide Convention people, incidentally the same crowd arguing against dominoes. We have not heard from the group of the best and the brightest; trying to protect the security interests. Yes, Nicaragua is not invading. No one is nonsensical. But I can tell you right now in the Western Hemisphere the security is in issue.

We have already learned from Cuba and Castro that Cuba is none other than a Soviet base. And they can export troops all around into Angola, Yemen, Ethiopia, and all around the world, and use it at will as long as they pay Castro. We have another sort of Castro on our hands. In Nicaragua, yes, we have taken action admittedly by our forces one way or the other, and I am not here to endorse the criticism of those forces wrapped in the garment of the austerity and the jurisdiction of the so-called World Court. This is not a treaty violation or one of those particular things that they talk about that is—I think they call it, with respect to the World Court itself you have to join in, as I understand it, the principle of consent. Without the principle of consent, in conscientious cases is the word, then the jurisdiction of the Court itself does not affix.

We never accepted it on that basis. The majority never accepted that basis. Nicaragua, that is a matter of dispute itself. They are just using the Court to embarrass the United States. While you get well-intentioned lawyers and well-intentioned Senators that want to all get mixed up in their zeal for the ultimate, which I would join in, yes, I would like to have, perhaps, someday a world court. But I am living in the real Court with these international outlaws, like the Soviets supporting its terrorism.

You cannot say a word about the Soviets now. You have to have an agreement. You have to put a happy smile on your face and be as clever as they are. They have a good actor, too. Now both countries have an actor. We can all enjoy Gorbachev and Reagan. It will be the best off-Broadway show that we will all witness for the next several years. We will watch those events. But we should not, in all seriousness, wrap ourselves in the jurisdiction that has not affixed, has not been adhered to, is not a world court and criticism of our Government's particular action desperate as it has been. It has been awfully difficult to get a consensus in the U.S. Congress on Nicaragua. If you want to show how tentative the consensus is, and how emotional it is, it was not until Ortega says, I am going to Russia, that then they all turned around over in the House of Representatives and voted the other way.

You cannot call that mature conduct. But that is the way they act. They act with the headlines and the press of the Washington press. That is the way we live in this day and age. We do not sit back.

I have had an opportunity, just fleetingly you might say, to wonder awhile with the President. This President has been harassed, besieged, and beleaguered every day from the body of the national Congress. Do this, do that, do not agree, agree, do this, be tougher, be softer, meet here, do this, and do that.

I guess if I had become the President, I would have to assign a wonderful artisan like the Senator from New Hampshire who seems to work both sides of the aisle, the conservative and the liberal bent. I would get me a WARREN RUDMAN and I would say, I will give you a staff, I will sit you over there, and watch that crowd every day because communications with them is almost impossible. I have to read it in the headlines every morning. Now they want to put in tomorrow morning's headlines "Reagan Embarrassed By Senate Vote On World Court Jurisdiction." I do not want to stand for that.

Somebody had better come here that knows this subject better, and get up and argue it until the Senator from New York can come and some of the others because I happen to think that President Reagan believes in international order. He believes in law and order. He is not an outlaw. He is not running around trying his dead-level best to disobey law and order. But he is trying to realistically act down a Nicaragua which is awfully tough. We cannot control the Contras. Around here, they act like when you give assistance to somebody, you control them. Heavens no, sir, we have learned that does not occur. But there are those around who think if a dollar goes to any country, we control the Government, the people, the mores, the culture, and the law. Not so.

And with respect to the terrorism that is engaged in there in the Mideast, in the seizure, now our seizure, yes. I guess it was extralegal when we downed the Egyptian airliner on Sicily. But please do not start to set precedent around here and say we like to seize those terrorists, but leave alone those terrorists down there in Nicaragua because I can tell you here and now that is what we have on our hands. I never have divided in my mind the fact that terrorists do not have uniforms. Yes. They do not have uniforms in the Midwest. They have to act according to where they think their security interests are. So it is not necessarily that terrorism is bad and uniformed soldiers in military actions are good. I can understand the conduct sometimes from time to time, but there it is. We live in this particular era. We have to act for the security interests of the United States and the best interests.

I think the President of the United States in this particular regard with

respect to the World Court certainly did not want to embarrass his country. There was no need to. We had not adhered to that jurisdiction. We had an option under the document, if you read it, not to adhere to it. The Senators who propose the amendment say, well, we should have. I disagree very strongly that we should have. I think the President of the United States has taken the proper conduct. This is not an action for necessarily the law review on the campuses of America.

They can argue otherwise as to what it should be, but they have never been elected to anything. They have never had to respond to anything.

I am glad to see the majority leader here trying to help us so, hopefully, we can kill this amendment.

Mr. RUDMAN. Mr. President, we were hoping to move along with some alacrity on this bill. With all due respect to airplanes, trains, fog, and whatever, this place is getting to run like Amtrak—never on time.

Mr. HOLLINGS. And broke.

Mr. RUDMAN. And broke. My friend from South Carolina is correct. Never on time and broke.

I want to say that I am about to get to the point where, unless people want to talk about this—too many people have worked too long and too hard on this bill than to just sit around and wait—I am going to move to have a vote on this and let the Senate express its will.

I am going to talk for a few minutes, and if we do not have action on this bill, then it will be time to vote.

I ask unanimous consent to have printed in the RECORD a letter dated October 23, signed by William Ball III, Assistant Secretary, Legislative and Intergovernmental Affairs, Department of State.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF STATE,
Washington, DC, October 23, 1985.

Hon. WARREN RUDMAN,
U.S. Senate.

DEAR SENATOR RUDMAN: It has come to my attention that an amendment may be introduced to H.R. 2965 which would have the effect of withholding our contributions to international organizations.

The amendment would prohibit the payment by the United States of its assessed contributions to international organizations of which it is a member, so long as the United States does not accept the compulsory jurisdiction of the International Court of Justice under Article 36(2) of the Court's Statute.

The Department of State opposes this amendment and would recommend the bill be vetoed if the amendment is included. The United States is obliged to pay its proportionate share of the regular budgets of organizations to which it belongs. Failure to pay such contributions would violate our legal obligations and could result in loss of our vote or exclusion from participation in the organization.

By contrast, the President's action in terminating our acceptance of compulsory jurisdiction, effective six months from October 7, is entirely consistent with international law, the terms of the U.S. acceptance itself, and his constitutional powers in respect of the conduct of foreign affairs.

The consequence of this amendment would be that the United States would be compelled to violate its international legal obligations as the price for having taken a completely legal step with respect to the Court.

This amendment would not reverse the President's action. It can only call into question our commitment to our legal obligations to the organizations that would be affected, and penalize those organizations financially for reasons entirely unrelated to them.

The Office of Management and Budget advises that from the standpoint of the Administration's program there is no objection to the submission of this report and that enactment of this amendment would not be in accord with the program of the President.

With best wishes,

Sincerely,

WILLIAM L. BALL III,
Assistant Secretary,
Legislative and Intergovernmental Affairs.

Mr. RUDMAN. I want to briefly refer to one of the things that this letter says, and quite correctly. It is that this amendment, of course, would not really do anything constructive. What it essentially will do is to put the United States in default of its obligations to support a number of international organizations, international organizations, I believe, that the very sponsors of this amendment support, and probably support more than the managers of this bill. The result will not be in any way to compel the President to do anything he does not want to. It will simply compel the Treasurer of the United States not to send checks to some people he ought to send checks to.

I do not think it is an amendment that is really offered by the sponsors with any great thoughts that it will accomplish what they wish to accomplish. It is a symbolic act.

With all due respect, I agree with my friend from South Carolina. The President of the United States will meet with the head of the Soviet Union in about 3 weeks, and with the situation in Nicaragua where they deny all rights to their citizens, it seems to this Senator that this is the wrong time and the wrong place for this amendment.

Mr. President, I do not see anyone here willing to speak on this.

I would say to my friend from Illinois I do not want to vote to table this amendment offered by the chairman of the full committee. I think it deserves an up or down vote. Frankly, I do not think we ought to wait much longer before we vote on it. We were hoping to have this bill finished by 12 o'clock.

Mr. INOUYE. Will the Senator yield for a question?

Mr. RUDMAN. Yes.

Mr. INOUYE. Does this proposal cover the international programs in the jurisdiction of the Foreign Operations Subcommittee?

Mr. RUDMAN. No. The Senator from Hawaii is the ranking member of that subcommittee.

Mr. President, I yield the floor.

Mr. DOLE. Mr. President, I hope we can have a vote on this. We are going to try to complete work around here sometime this year. We cannot do that if we are going to be frustrated every time somebody is on an airplane or train and will not be back until 2 or 3 o'clock in the afternoon. I would hope we would start voting. Everyone has been on notice that this bill would come up at 9 o'clock this morning. We are here to vote. We are not here to stall or protect somebody. We are going to have votes of one kind or another this morning. We might as well be voting on the amendment.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. SIMON. Mr. President, I would like to respond briefly to my friend from South Carolina.

I do not pretend to be an expert. Our friend from New York, a cosponsor, Senator MOYNIHAN, knows a lot more about this than probably any Member of this body.

Despite the eloquence of my good friend from South Carolina, as eloquent as any Member of this body, the issue is not what kind of government is in Nicaragua. I am not in love with the Sandinistas any more than the Senator from South Carolina. They are not Boy Scouts.

The question is whether the United States, for the first time since the Court began, is going to say, "We are not going to permit any jurisdiction."

Every President, every Congress, Republican and Democratic, has accepted the jurisdiction of the Court. All of a sudden, because we got caught with our hands in the cookie jar, so to speak, which we should not have done, we are going to say we are going to pull out of the Court.

The Senator from South Carolina is correct in saying that this is not the same court as the Supreme Court or the court of appeals because there are no enforcement mechanisms. It is a voluntary thing. But should we be withdrawing from a voluntary court of law that this world has? Should we be leaning toward rule by law or moving in the other direction?

I think, clearly, we ought to be moving toward a world where we abide by laws, where there is self-restraint.

It is interesting that the Senator from South Carolina just used the word "boatjacking," I guess it is the most recent word used now, of this Italian liner. It is interesting because I think what we did was fully justified. I

join with the Senator from South Carolina in applauding the President's actions there.

What happened was a violation of internationally recognized law called piracy. Those four PLO people violated that international law.

We have come to an agreement that is international law, that there are certain things you do not do without having something happen. We frankly need more of that.

Concerning the question asked by the Senator from New Hampshire, what does the amendment do, he is absolutely correct. I want to support those international organizations. Senator HATFIELD wants to support those international organizations. Senator MOYNIHAN does.

But what we want to do is to send a message to the administration just pulling off and pulling out of the World Court is not the direction this Nation ought to go. It is a very simple message.

If you believe that we ought to be among the nations who voluntarily go along with the World Court, we ought to adopt the Hatfield amendment.

If you believe that we ought to just pull out and have chaos and no self-restraint on the part of nations, then let us defeat the amendment.

I think the Hatfield amendment makes good sense and I hope it will be adopted.

Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HOLLINGS. Mr. President, I ask unanimous consent to include an article from the New York Times dated January 19 on the withdrawal from the case before the World Court by our Department of State, where they point out much more clearly and positively with respect to the jurisdiction of the World Court.

Of course, where armed conflict is involved, the Court has no jurisdiction.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Jan. 19, 1985]

TEXT OF U.S. STATEMENT ON WITHDRAWAL FROM CASE BEFORE THE WORLD COURT

WASHINGTON, Jan. 18.—Following is the text of a statement made public today by the State Department and called "U.S. Withdrawal From the Proceedings Initiated by Nicaragua in the International Court of Justice":

The United States has consistently taken the position that the proceedings initiated by Nicaragua in the International Court of Justice are a misuse of the Court for political purposes and that the Court lacks jurisdiction and competence over such a case. The Court's decision of Nov. 26, 1984, finding that it has jurisdiction, is contrary to law and fact. With great reluctance, the United States has decided not to participate in further proceedings in this case.

U.S. POLICY IN CENTRAL AMERICA

United States policy in Central America has been to promote democracy, reform and freedom; to support economic development; to help provide a security shield against those—like Nicaragua, Cuba and the U.S.S.R.—who seek to spread tyranny by force, and to support dialog and negotiation both within and among the countries of the region. In providing a security shield, we have acted in the exercise of the inherent right of collective self-defense, enshrined in the United Nations Charter and the Rio Treaty. We have done so in defense of the vital national security interests of the United States and in support of the peace and security of the hemisphere.

Nicaragua's efforts to portray the conflict in Central America as a bilateral issue between itself and the United States cannot hide the obvious fact that the scope of the problem is far broader. In the security dimension, it involves a wide range of issues: Nicaragua's huge buildup of Soviet arms and Cuban advisers, its cross-border attacks and promotion of insurgency within various nations of the region, and the activities of indigenous opposition groups within Nicaragua. It is also clear that any effort to stop the fighting in the region would be fruitless unless it were part of a comprehensive approach to political settlement, regional security, economic reform and development, and the spread of democracy and human rights.

ROLE OF THE INTERNATIONAL COURT OF JUSTICE

The conflict in Central America, therefore, is not a narrow legal dispute; it is an inherently political problem that is not appropriate for judicial resolution. The conflict will be solved only by political and diplomatic means—not through a judicial tribunal. The International Court of Justice was never intended to resolve issues of collective security and self-defense and is patently unsuited for such a role. Unlike domestic courts, the World Court has jurisdiction only to the extent that nation-states have consented to it. When the United States accepted the Court's compulsory jurisdiction in 1946, it certainly never conceived of such a role for the Court in such controversies. Nicaragua's suit against the United States—which includes an absurd demand for hundreds of millions of dollars in reparation—is a blatant misuse of the Court for political and propaganda purposes.

As one of the foremost supporters of the International Court of Justice, the United States is one of only 44 of 159 member states of the United Nations that have accepted the Court's compulsory jurisdiction at all. Furthermore, the vast majority of these 44 states have attached to their acceptance reservations that substantially limits its scope. Along with the United Kingdom, the United States is one of only two permanent members of the U.N. Security Council that have accepted that jurisdiction. And of the 16 judges now claiming to sit in judgment on the United States in this case, 11 are from countries that do not accept the Court's compulsory jurisdiction.

Few if any other countries in the world would have appeared at all in a case such as this which they considered to be improperly brought. Nevertheless, out of its traditional respect for the rule of law, the United States has participated fully in the Court's proceedings thus far, to present its view that the Court does not have jurisdiction or competence in this case.

THE DECISION OF NOVEMBER 26

On Nov. 26, 1984, the Court decided—in spite of the overwhelming evidence before it—that it does have jurisdiction over Nicaragua's claims and that it will proceed to a full hearing on the merits of these claims.

This decision is erroneous as a matter of law and is based on a misreading and distortion of the evidence and precedent:

The Court chose to ignore the irrefutable evidence that Nicaragua itself never accepted the Court's compulsory jurisdiction. Allowing Nicaragua to sue where it could not be sued was a violation of the Court's basic principle of reciprocity, which necessarily underlies our own consent to the Court's compulsory jurisdiction. On this pivotal issue in the Nov. 26 decision—decided by a vote of 11-5—dissenting judges called the Court's judgment "untenable" and "astonishing" and described the U.S. position as "beyond doubt." We agree.

El Salvador sought to participate in the suit to argue that the Court was not the appropriate forum to address the Central Amercian conflict. El Salvador declared that it was under armed attack by Nicaragua and, in exercise of its inherent right of self-defense, had requested assistance from the United States. The Court rejected El Salvador's application summarily—without giving reasons and without even granting El Salvador a right and in disregard of the Court's own rules.

The Court's decision is a marked departure from its past, cautious approach to jurisdictional questions. The haste with which the Court proceeded to a judgment on these issues—noted in several of the separate and dissenting opinions—only adds to the impression that the Court is determined to find in favor of Nicaragua in this case.

For these reasons, we are forced to conclude that our continued participation in this case could not be justified.

In addition, much of the evidence that would establish Nicaragua's aggression against its neighbors is of a highly sensitive intelligence character. We will not risk U.S. national security by presenting such sensitive material in public or before a Court that includes two judges from Warsaw Pact nations. This problem only confirms the reality that such issues are not suited for the International Court of Justice.

LONGER TERM IMPLICATIONS OF THE COURT'S DECISION

The Court's decision raises a basic issue of sovereignty. The right of a state to defend itself or to participate in collective self-defense against aggression is an inherent sovereign right that cannot be compromised by an inappropriate proceeding before the World Court.

We are profoundly concerned also about the long-term implications for the Court itself. The decision of Nov. 26 represents an overreaching of the Court's limits, a departure from its tradition of judicial restraint and a risky venture into treacherous political waters. We have seen in the United Nations, in the last decade or more, how international organizations have become more and more politicized against the interests of the Western democracies. It would be a tragedy if these trends were to infect the International Court of Justice. We hope this will not happen, because a politicized Court would mean the end of the Court as a serious, respected institution. Such a result would do grievous harm to the goal of the rule of law.

These implications compel us to clarify our 1946 acceptance of the Court's compulsory jurisdiction. Important premises on which our initial acceptance was based now appear to be in doubt in this type of case. We are therefore taking steps to clarify our acceptance of the Court's compulsory jurisdiction in order to make explicit what we have understood from the beginning, namely that cases of this nature are not proper for adjudication by the Court.

We will continue to support the International Court of Justice where it acts within its competence—as, for example, where specific disputes are brought before it by special agreement of the parties. One such example is the recent case between the United States and Canada before a special five-member Chamber of the Court to delimit the maritime boundary in the Gulf of Maine area. Nonetheless, because of our commitment to the rule of law, we must declare our firm conviction that the course on which the Court may now be embarked could do enormous harm to it as an institution and to the cause of international law.

Mr. RUDMAN. Mr. President, I think we have given everyone the opportunity to speak who wants to speak. If there are no other Members seeking recognition and since the yeas and nays have been ordered, I would hope we could get to a vote fairly soon.

Mr. SIMON. Will the Senator yield?

Mr. RUDMAN. I am happy to yield.

Mr. SIMON. I understand fully what you are saying and what the majority leader is saying. I know Senator MOYNIHAN, whose plane is within 10 minutes of landing, wants to speak on this. If there is further business before this body that can be accomplished, I have no objection to moving ahead, but I would like to show that courtesy to our colleague.

Mr. RUDMAN. I will not say anything in response to that other than the fact that, looking at the weather outside, I daresay that a plane due at Washington at 11 o'clock this morning might get here the day before Thanksgiving.

I yield the floor.

CALL OF THE ROLL

The PRESIDING OFFICER. Who seeks recognition?

Mr. HOLLINGS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SIMON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. RUDMAN. Mr. President, I object.

The PRESIDING OFFICER. The objection is heard.

The legislative clerk resumed the call of the roll and the following Senators entered and answered to their names.

[Quorum No. 19 Leg.]

Armstrong	Hatch	Rudman
Byrd	Heflin	Simon
D'Amato	Hollings	Simpson
Dole	Inouye	Thurmond
Grassley	Leahy	

The PRESIDING OFFICER (Mr. D'AMATO). A quorum is not present. The clerk will call the names of the absentees.

The legislative clerk resumed the call of the roll.

Mr. DOLE. Mr. President, I move that the Sergeant at Arms be instructed to request the attendance of absent Senators. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kansas. The yeas and nays were ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Minnesota [Mr. BOSCHWITZ], the Senator from Alabama [Mr. DENTON], the Senator from Washington [Mr. EVANS], the Senator from Maryland [Mr. MATHIAS], the Senator from Indiana [Mr. QUAYLE] and the Senator from Alaska [Mr. STEVENS are necessarily absent.]

Mr. CRANSTON. I announce that the Senator from Connecticut [Mr. DODD], the Senator from Colorado [Mr. HART], the Senator from Montana [Mr. MELCHER] and the Senator from Mississippi [Mr. STENNIS] are necessarily absent.

I further announce that the Senator from New Jersey [Mr. BRADLEY] is absent on official business.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 85, nays 4, as follows:

[Rollcall Vote No. 248 Leg.]

YEAS—89

Abdnor	Gorton	Metzenbaum
Andrews	Gramm	Mitchell
Armstrong	Grassley	Moynihan
Baucus	Harkin	Murkowski
Bentsen	Hatch	Nickles
Biden	Hatfield	Nunn
Bingaman	Hawkins	Packwood
Boren	Hecht	Pell
Bumpers	Heflin	Pressler
Burdick	Heinz	Proxmire
Byrd	Helms	Pryor
Chafee	Hollings	Riegle
Chiles	Humphrey	Rockefeller
Cochran	Inouye	Roth
Cranston	Johnston	Rudman
D'Amato	Kassebaum	Sarbanes
Danforth	Kasten	Sasser
DeConcini	Kennedy	Simon
Dixon	Kerry	Simpson
Dole	Lautenberg	Specter
Domenici	Laxalt	Stafford
Durenberger	Leahy	Symms
Eagleton	Levin	Thurmond
East	Long	Trible
Exon	Lugar	Warner
Ford	Matsunaga	Wilson
Garn	Mattingly	Zorinsky
Glenn	McClure	
Gore	McConnell	

NAYS—4

Cohen	Wallop
Goldwater	Weicker

NOT VOTING—11

Boschwitz	Evans	Quayle
Bradley	Hart	Stennis
Denton	Mathias	Stevens
Dodd	Melcher	

So the motion was agreed to.

The PRESIDING OFFICER. With the addition of Senators voting who did not answer the quorum call, a quorum is now present.

COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS, 1986

The Senate continued with the consideration of the bill.

AMENDMENT NO. 865

Mr. DOLE. Mr. President, the distinguished Senator from New York wanted 2 minutes yielded to him, which I now yield.

Mr. MOYNIHAN. I thank the distinguished majority leader.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. MOYNIHAN. Mr. President, today, October 24, marks the 40th anniversary of the entry into force of the "Charter of the United Nations and Statute of the International Court of Justice." Even as we speak, the President of the United States is in New York City addressing the U.N. General Assembly on this occasion—an illustration, if you will, of how important Ronald Reagan considers that forum to be, the only place in the world where an American President can speak at one time to leaders and representatives of 159 nations.

Today is therefore an opportune time to recall the founding of that international body, and no less the high hopes that accompanied its first months and years.

The documents were drafted in San Francisco, and signed there on June 26, 1945. But, as agreed in article 110, they did not take effect until deposit of ratifications by the five permanent members of the Security Council and "a majority of the other signatory states."

Although the United States was not the first to ratify the Charter—El Salvador, Nicaragua, and New Zealand preceeded us—the United States was the first to deposit its ratification, on August 8, 1945. No doubt it helped that the United States was the repository of the instruments. On October 24, the fifth of the five permanent members—the U.S.S.R.—deposited its ratification with the Secretary of State and the Charter came into force.

The Statute of the International Court of Justice came into force at the same time; to join the United Nations was to join the World Court. The U.N.

Charter says as much. Article 92 states:

The Permanent Court of International Justice . . . forms an integral part of the present Charter.

Article 93 says:

All Members of the United Nations are ipso facto parties to the Statute of the International Court of Justice.

In the summer of 1946, the United States again led the way, becoming one of the very first members of the United Nations to declare that it would also accept the compulsory jurisdiction of the ICJ, and optional higher level of commitment to the rule of law in world affairs not automatically incurred with membership in the United Nations system.

On August 2, 1946, by near unanimous vote [60-2], the Senate gave its advice and consent to the acceptance by the United States of the compulsory jurisdiction "in all legal disputes" of the International Court of Justice, "in relation to any other state accepting the same obligation."

President Truman promulgated this declaration of August 14, and it was deposited with the Secretary General of the United Nations on August 26, 1946.

In moving the measure, Senator Wiley, for the Committee on Foreign Relations, noted that the aceptance of compulsory jurisdiction was "for a period of 5 years and thereafter until 6 months following notice of termination." He continued:

The provision for 6 months' notice of termination after the 5-year perod has the effect of a renunciation of any intention to withdraw our obligation in the face of a threatened law suit.

Yet, in April 1984, the present administration, anticipating a suit by Nicaragua, announced it would not accept the Court's authority in disputes involving Central America for 2 years. This was a clear violation of the letter and spirit of our original declaration. I so stated at the time.

I would have much preferred that the United States welcome the opportunity to meet Nicaragua in Court, and file our own counterclaims against what I regarded as egregious and persistent violations of international law by that nation, most especially in its interference with neighboring El Salvador.

For 3 years running, in my capacity as the vice chairman of the Senate Select Committee on Intelligence, I had brought intelligence authorization bills to the floor of the Senate, stating that American activity in Central America arose because of violations by Nicaragua. I said at the time that we would have a very great deal indeed to talk about in Court, especially if joined by El Salvador. But our Government decided not to participate in any further proceedings of the Court with respect to Nicaragua's suit, leaving the public record at The Hague to be constructed entirely by Nicaraguan representatives.

It was a further disappointment, therefore, though not a surprise, to learn 3 weeks ago that the administration had decided more formally to more thoroughly renounce the American acceptance of the compulsory jurisdication of the Court. While that announcement, on October 7, rendered moot some of the evasions of 18 months ago, I believe it is nevertheless a mistaken course of action.

Accordingly, I joined the distinguished chairman of the Appropriations Committee, Mr. HATFIELD, in sponsoring a concurrent resolution, Senate Concurrent Resolution 77, deploring that decision and reaffirming instead "support for the international rule of law."

It was our hope that the administation might at least choose to come to the Congress and discuss this. That remains our hope, although, speaking now for myself, I admit that the expectation that it be fulfilled is waning. I would say that, in the spirit of concern for law and respect for American commitments, the administration might request hearings by the Foreign Relations Committee in which we can consider where to go from here.

Not 40 years ago, it was the near-unanimous judgment of the Senate, of the American bar, and, as Senator Wiley stated, unanimously that of the witnesses that came before his committee—including, most particularly, of the American Bar Association and the American Society of International Law—that the United States should accept the compulsory jurisdiction of the Court via-a-vis any other national that did so.

We expected most would. We were wrong. This fact controls our present action, but need not preclude further initiative. We can still go to the world community and state that, if the perhaps-ideal world of law we envisioned in 1945 has not come to pass, is it not even so possible to salvage something of this great ideal of American statecraft? Such is to be found in the Constitution itself where Congress is specifically given power to define and punish "offenses against the law of nations."

In offering the pending amendment, Senator HATFIELD, Senator SIMON, and others who have joined as cosponsors, are stating in as emphatic terms as we know, our belief that the administration has made a mistake in abandoning the International Court of Justice.

It is especially sad that we should be obliged to consider this amendment on this the 40th anniversary of the entry into force of the United Nations—and the ICJ. I hope the President will be struck by the irony of this vote taking place on the day he is addressing the General Assembly of the United Nations, and will reconsider whether such forums, including the judicial forum provided by the International Court of Justice, might be worth preserving and strengthening.

I move the adoption of the amendment.

Mr. CHAFEE. Mr. President, I find that I must vote against this amendment with exception. The amendment we now consider would prohibit the payment by the United States of its assessed contributions to international organizations of which it is a member, as long as the United States does not accept the compulsory jurisdiction of the International Court of Justice under article 36(2) of the Court's statute.

On October 7, the President announced that the United States will no longer accept the notion of "compulsory jurisdiction" of member states to the International Court of Justice—the Court that the United States helped to found over 40 years ago.

The administration's action comes as the World Court is considering a case against the United States brought by Nicaragua. The Sandinista government charges that the United States illegally mined Nicaraguan harbors and is unlawfully directing the counterrevolutionary insurgency of the Contras.

By refusing to accept compulsory jursidiction, we have taken the position that we will use the Court only when it serves the interests of American Foreign Policy. Prof. Alfred Rubin, professor of international law at the Fletcher School of Law and Diplomacy says,

By pulling out in this manner we apply to the world the same standard as Soviet Union. We are accepting their model of the world.

The United States accepted compulsory jurisdiction in 1946. In the history of the Court, it has never decided against the United States. In fact, it was the decision of the Court that laid the basis for our claims against Iran, after the hostage incident. To withdraw from the Court as this time would serve little useful purpose for it is a viable international forum.

However, while I am troubled at the announcement of our position with respect to the Court, I believe this amendment goes too far. It calls for us to stop our payments to many international organizations that truly serve humanity, including the World Health Organization, the Food and Agriculture Organization, the International Civil Aviation Organization, the World Meteorological Organization, the Atomic Energy Agency, the International Telecommunications Union, the International Labour Organization, and the Organization of American States.

Beyond these organizations, the amendment would have severe repercussions on our own security: Our assessed contribution of $20 million that pays for our participation in NATO would also be prohibited.

Mr. President, while I am a supporter of the International Court of Justice, I find myself voting against this amendment. The basic reason is that it goes too far in pursuit of a worthy goal.

Mr. MITCHELL. Mr. President, I find myself facing the situation in which I must vote against a proposal whose purpose I endorse. I do so reluctantly, but I believe to do otherwise would be equally mistaken.

The amendment before us consists of two parts:

First, it requires the United States to accept the jurisdiction of the World Court in the current pending case brought by Nicaragua.

Second, it cuts off U.S. contributions to the United Nations and its agencies unless the administration reverses its current stance on World Court jurisdiction.

Now I understand that the premise of this amendment is that the administration is not going to use this opportunity to pull out of the United Nations. We are all aware that despite its rhetorical excesses, this administration has found and continues to find the United Nations a useful forum for a broad variety of foreign policy initiatives.

But the fact that the administration is disingenuous in using the United Nations while at the same time denouncing the United Nations is no reason for the Senate to adopt a similar stance.

I support the World Court. I believe our Nation was right in accepting the Court's jurisdiction 40 years ago. and I believe the administration was wrong in withdrawing the United States from that recognition this month.

Despite its many failings, I recognize that the United Nations does valuable work through its independent agencies and serves as a useful forum for international exchanges. So I do not wish to see our Nation lose its vote in the body.

For these reasons, I will vote against the pending amendment.

Mr. SPECTER. Mr. President, I am voting against the Hatfield amendment because I am opposed to freezing or cutting off funds for the international organizations as provided by that amendment. The position of the United States on the issue of submitting to the jurisdiction of the World Court is one which should be fully considered by the U.S. Senate. In my judgment, that cannot be accomplished in a hurried setting on an abbreviated debate on the Hatfield amendment on this appropriations bill.

The issue should be framed by appropriate legislation or an appropriate resolution with hearings by the Foreign Relations Committee so that the executive branch and all others may present their views. At this juncture since it is highly unlikely that the action of the Senate will alter the United States' position on the issue of submitting to the jurisdiction of the World Court, it is preferable to await the conclusion of the proceedings before the World Court before the U.S. Senate or the full Congress expresses a position so that we may do so after all of the facts are before us.

This issue cannot be dealt with adequately in this context at this time, and I therefore oppose the curtailment of funding as provided by the Hatfield amendment.

Mr. MATHIAS. Mr. President, the United States, as a great power, has a particular interest in the establishment and maintenance of the rule of law among nations.

We bear the responsibility for peace and stability in the world, but neither we nor any other nation has the power to preserve order by police action at all times and in every corner of the globe.

It is only through universal respect for the institutions and the principles that help to keep the peace that the United States can hope to do what it promised to do when it sponsored and supported the establishment of the World Court on October 24, 1945, exactly 40 years ago today.

Our country, which rightly prides itself on being the most vital democratic nation on Earth—a nation governed by the rule of law and the freely expressed views of its people—cannot turn its back on the leading international body dedicated to advancement of the rule of law.

Mrs. HAWKINS. Mr. President, I have serious objections to the proposition behind the Hatfield amendment that somehow the World Court is some great, objective, legal body that is paving the way for the millennium. Several weeks ago former U.S. Ambassador to the United Nations, Jeane J. Kirkpatrick, wrote a column which appeared in the Washington Post concerning the realities of the World Court. I commend that article to my colleagues and ask unanimous consent that it appear in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Sept. 30, 1985]

NICARAGUA'S U.S. LAWYERS

(By Jeane J. Kirkpatrick)

At the Hague, Nicaragua's case against the United States' government continues to display some unusual characteristics.

It is the first time—old hands say—that lawyers and witnesses have opposed their own country in the World Court. The court, after all, deals with issues between governments, not persons. Heretofore, governments have relied on their own nationals to represent them and citizens have supported their governments. Now, Managua is accusing the United States of major violation of international law for organizing, funding and directing the anti-Sandinista forces (the contras), and for mining Nicaragua's ports.

To press its case against the United States government inside the International Court of Justice, the government of Nicaragua has retained an international team headed by Americans and has called American witnesses to support its case. This development is the more interesting because of the issues involved and because one of the Americans representing Nicaragua is Abram Chayes, a Harvard law professor who served as top legal adviser to the State Department during the Kennedy administration, and one of the American witnesses, David MacMichael, held a top-secret clearance as a contract employee of the CIA as recently as 1983. The other American witness is Michael J. Glennon, a professor of law at the University of Cincinnati.

The United States is refusing to participate in the proceedings on grounds that the issue before the court is not a narrow or technical legal question but U.S. policy toward Central America and more specifically toward Nicaragua. Such political questions are not deemed justiciable by United States courts and have heretofore not been seen as falling within the jurisdiction of the World Court. The issue, U.S. attorneys insisted, "is an inherently political problem that is not appropriate for judicial resolution." This gives the unprecedented role of the American lawyers and witnesses on the Nicaraguan team an additional political dimension. What are they doing there?

Prof. Glennon claims that he is "acting in the highest tradition of the American people" and that he had "a responsibility to make available relevant information in his possession." However, he does not explain how he acquired the responsibility or to whom it is owed.

It is possible that the attorneys believe that representing Nicaragua before the World Court is no different from representing an accused criminal before an American court. But it seems unlikely given the broadly political character of the issues involved.

It is also possible that the Americans' involvement on Nicaragua's team is simply one more affirmation of the American faith that political problems between nations can be settled by supranational judicial means. However, this too is unlikely.

Real naiveté is required to believe that the International Court is today a nonpolitical body. Its judges loosely "represent" the world's various political and regional groups. They are nominated by the U.N. Security Council and are elected by one of the world's most political bodies, the General Assembly of the United Nations. Fewer than one-third of the nations of the world accept the court's jurisdiction. Almost all of that one-third have filed reservations limiting jurisdiction. On non-technical questions, the court's views broadly reflect the politics of the General Assembly.

But if Chayes and his colleagues do not believe that the World Court can be counted on to function nonpolitically, what then are they doing?

I believe that they along with the Nicaraguan government are seeking to change U.S. policy and that they regard their appearance before the court as a legitimate act to that end. Chayes said as much when he

noted that U.S. policy toward the Sandinistas is "under continuous discussion" and that an "authoritative statement" by the court could affect the debate (The Washington Post, Sept. 8, 1985). What should the rest of us think of this form of political action?

We regard it as legitimate for Americans to represent a foreign government's interests in Washington, provided that they register as agents and otherwise obey our laws. But the Washington lobbyist for a foreign government seeks to influence American policy directly as it is being made, while counsel and witnesses for Nicaragua cooperate with a foreign government to undermine the legitimacy of existing U.S. government policies. They do this in the name of "higher" loyalties that presumably override a citizen's obligation to support decisions made through normal democratic processes. Glennon invokes these "highest tradition of the American people."

Does such a tradition exist?

We may be in the process of forging one. Traditionally, citizens of a democracy have a right to participate in making policy and an obligation to accept the resulting decision. Acceptable political behavior in a democracy has not featured collaboration with foreign powers in the policy process. However, the boundaries of acceptable political action and of dissent were stretched during the Vietnam's war by those who marched under the Viet Cong flag and worked on North Vietnam's behalf. Boundaries are being stretched again in the Hague. And elsewhere.

More and more actual and potential adversaries are invited into our political process—Hezbollah hijackers, Sandinista ministers. Soviet spokesmen whomever. We have put our foot firmly down on a slippery slope where distinctions between one's country and its adversaries, citizen and alien, loyalty and disloyalty fade and disappear. And any side is made to seem roughly equivalent to any other. It is all relative.

Or is it?

In the effort now under way at the Hague, the government of Nicaragua seeks to deprive the United States of control over important aspects of its foreign policy. It is curious that such a course would appeal to Americans.

Mr. THURMOND. Mr. President, I rise in opposition to the amendment proposed by my distinguished colleagues, Senator HATFIELD and Senator MOYNIHAN.

In 1946, the United States accepted the compulsory jurisdiction of the International Court of Justice. At that time, it was contemplated that most nations would do the same. However, fewer than one-third of the world's nations have accepted the compulsory jurisdiction of the court. The Soviet Union and its allies are among those nations which have never accepted compulsory jurisdiction.

The statute of the International Court of Justice specifically allows each nation to determine its relationship to the court. Furthermore, the statute expressly refers to the right of a nation to condition its acceptance of compulsory jurisdiction on the basis of reciprocity.

For too long, such reciprocity by the vast majority of nations has been lacking in the International Court. Nations, like the United States, which have accepted compulsory jurisdiction must defend the claims of others. However, our Nation cannot force other nations before the court to defend our claims against them.

I support the recent decision of the President regarding the jurisdiction of the International Court of Justice. That decision does not reduce our devotion to international law and the peaceful resolution of disputes. The use of the International Court of Justice for these laudable purposes should be continued. However, it is a matter of elemental fairness that if other nations have the opportunity of consensual jurisdiction, so should the United States.

The logic behind the President's decision does not deserve the sanctions which the authors of this amendment seek to impose. Therefore, I request that my colleagues join me in opposing this amendment.

Mr. DOLE. Mr. President, I understand the yeas and nays have been ordered on the amendment.

The PRESIDING OFFICER. Yes, they have.

Mr. DOMENICI. The question is on the amendment.

The PRESIDING OFFICER. If there be no further debate on the amendment, the question is on agreeing to the amendment of the Senator from Oregon.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Idaho [Mr. MCCLURE], the Senator from Alaska [Mr. MURKOWSKI], and the Senator from Idaho [Mr. SYMMS] are necessarily absent.

Mr. CRANSTON. I announce that the Senator from New Jersey [Mr. LAUTENBERG] is necessarily absent.

I further announce that the Senator from New Jersey [Mr. BRADLEY] is absent on official business.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 21, nays 74, as follows:

[Rollcall Vote No. 249 Leg.]

YEAS—21

Andrews	Harkin	Metzenbaum
Baucus	Hatfield	Moynihan
Burdick	Kennedy	Proxmire
Cranston	Kerry	Sarbanes
Dodd	Leahy	Simon
Goldwater	Mathias	Stennis
Gore	Matsunaga	Weicker

NAYS—74

Abdnor	Chafee	Dole
Armstrong	Chiles	Domenici
Bentsen	Cochran	Durenberger
Biden	Cohen	Eagleton
Bingaman	D'Amato	East
Boren	Danforth	Evans
Boschwitz	DeConcini	Exon
Bumpers	Denton	Ford
Byrd	Dixon	Garn
Glenn	Kasten	Riegle
Gorton	Laxalt	Rockefeller
Gramm	Levin	Roth
Grassley	Long	Rudman
Hart	Lugar	Sasser
Hatch	Mattingly	Simpson
Hawkins	McConnell	Specter
Hecht	Melcher	Stafford
Heflin	Mitchell	Stevens
Heinz	Nickles	Thurmond
Helms	Nunn	Trible
Hollings	Packwood	Wallop
Humphrey	Pell	Warner
Inouye	Pressler	Wilson
Johnston	Pryor	Zorinsky
Kassebaum	Quayle	

NOT VOTING—5

Bradley	McClure	Symms
Lautenberg	Murkowski	

So the amendment (No. 865) was rejected.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. RUDMAN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. RUDMAN. Mr. President, I ask unanimous consent that the pending committee amendment be laid aside temporarily for the purpose of considering amendments which are going to be agreed to.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RUDMAN. Mr. President, we have 6 minutes remaining and there are amendments that the committee has agreed to on both sides: One amendment by Senator WILSON, one by Senator HEFLIN, one by Senator CHILES, one by Senator PRESSLER, and one by Senator LUGAR. I have one amendment to offer on behalf of Senator DOMENICI.

If any of those Senators are present, I would like them to seek recognition now.

Mr. WILSON addressed the Chair.

The PRESIDING OFFICER. The Senator from California.

AMENDMENT NO. 866

Mr. WILSON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from California [Mr. WILSON] proposes an amendment numbered 866.

Mr. WILSON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 35, line 7 strike "$6,839,000" and insert in lieu thereof "$6,039,000"; on page 35, line 25 strike "$10,340,000" and insert in lieu thereof "$11,340,000"; on page 36, restore the matter stricken on line 10 through line 15, amended to change the appropriation on line 11 to "$1,200,000"; and on page

37, line 22 strike "$10,000,000" and insert in lieu thereof "$9,800,000"

Mr. WILSON. Mr. President, the amendment that I am offering today reimburses the city of San Diego for sewage treatment services it provides the Republic of Mexico under a treaty obligation of the United States. It is important to note that the chairman and I have worked to see that this amendment is revenue neutral.

Under the terms of a 20-year-old international agreement, the city of San Diego treats between 13 and 15 million gallons of Tijuana sewage daily. As a result, local ratepayers have been burdened with up to a $1.8 million annual cost for treating sewage from Mexico.

Mr. President, last year, the International Boundary and Water Commission budget included $1.8 million to reimburse San Diego for treating Mexican sewage. At the request of the IBWC, because of their efforts to negotiate with Mexico to secure funds to pay for San Diego treatment, a similar request was not made in the Senate this year. Despite these negotiations, the IBWC has been unable to secure a financial commitment from Mexico. Therefore, I am offering this amendment to reimburse San Diego for services it provides to a foreign country under a treaty obligation of the United States.

There has been significant progress on the Tijuana sewage situation in the last year. It is my hope that this will be the last time that a full appropriation for reimbursement will be required because Mexico is in the process of upgrading and improving Tijuana's sewage situation. The first phase of this project includes a 50-million-gallon-per-day treatment plant that will eliminate the need for daily San Diego treatment of Tijuana sewage. The project is on schedule and should be completed by the end of 1986.

Finally, I want to thank the committee for its assistance with this amendment. This situation and its inherent health hazard are important and serious concerns to me and my constituents and I appreciate the assistance the committee has provided, particularly my friend from New Hampshire [Mr. RUDMAN].

Mr. RUDMAN. Mr. President, the amendment has been cleared on this side.

Mr. CHAFEE. Mr. President, has the Public Works Committee been consulted on this? I believe this is an issue we have had before us in the past. I am not opposed to it, but I think that I prefer us to set this aside. We are coming back to this bill.

Mr. RUDMAN. This was cleared, the identical amount, 2 years ago. This is the last payment on it, I believe. However, we will be happy to lay the amendment aside.

Mr. CHAFEE. I would like to make sure that the chairman of that committee has a chance to know about it. I will try and call him right now.

Mr. RUDMAN. Mr. President, I believe the pending business will still be the Wilson amendment. I wonder if the Senator from California would withdraw his amendment for the time being.

Mr. WILSON. Yes, I will.

Subsequently, the following occurred:

Mr. WILSON. Mr. President, the problem raised by the distinguished Senator from Rhode Island has been dealt with. I thank the manager particularly for his very great cooperation.

Mr. RUDMAN. Mr. President, the amendment has been cleared on both sides.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from California.

The amendment (No. 866) was agreed to.

Mr. RUDMAN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BUMPERS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 867

Mr. CHILES. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Florida [Mr. CHILES], for himself and Mr. HEFLIN, proposes an amendment numbered 867.

Mr. CHILES. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 8 at the end of line 6 insert:

In addition, $3,000,000 for payments under section 4(b) of the Commercial Fisheries Research and Development Act of 1964 for commercial fisheries failures and disruptions to be derived by transfer from the "Disaster loan fund, Small Business Administration".

Mr. CHILES. Mr. President, I join with the distinguished senior Senator from Alabama in offering an amendment to add $3 million for rehabilitation of oyster beds along the gulf coast. The oyster beds from Apalachicola Bay in Florida through Alabama were recently devastated by Hurricane Elena. Elena's strong currents and winds swept over shallow coastal waters where oysters spawn and dislodged productive oysters shells from the reefs. Surveys of some of Florida's most productive oyster beds have found them barren. This has caused an indefinite closing of many oyster areas and has resulted in widespread unemployment in the surrounding coastal communities. In fact, its estimated that as many as 4,000 people in Florida may be out of work as a direct result of closing the oyster fisheries. Both the National Marine Fisheries Service [NMFS] and Florida's Department of Natural Resources [DNR] have documented the devastation. What is needed now is the immediate rehabilitation of the oyster beds. As I understand, it is necessary to place new shell on hard bottom before the next spawning season in the summer of 1986. This will provide a surface on which oysters can attach. At best, the beds cannot reopen for 12 to 18 months beyond that spawning season. While this is an extended delay, restoration of the oyster beds is essential for the long-term economic health of the gulf coast areas.

But rehabilitation of these beds is not inexpensive. It is estimated $1.57 million will be needed in Florida and $1.5 million in Alabama. Rehabilitation authority exists under section 4(b) of Public Law 88-309 but no funds have been requested for fiscal year 1986. The amendment by the Senators from Alabama and Florida would make these funds available. Since surplus funds exist in the Small Business Administration's Disaster Loan Program, our amendment would transfer the required amount from this account to the section 4(b) account of Public Law 88-309. This would incur no new budget authority. I urge the Senate to adopt this amendment.

Mr. HEFLIN. Mr. President, I rise to offer an amendment along with the distinguished senior Senator from Florida to provide $3 million for the rehabilitation of oyster beds along the coast of Alabama and Florida which were destroyed by Hurricane Elena.

Mr. President, the oyster industry in Alabama and Florida suffered a serious blow at the hands of Hurricane Elena. Elena's strong winds and ferocious tides devastated Alabama's oyster reefs which are located in the southwestern coastal area of the gulf coast. More that 220 million oysters with an economic value of $48 million were lost due to the hurricane. Officials at the Alabama Department of Conservation and Natural Resources have informed me that it will take 1½ to 2 years to rehabilitate these resources.

The economic impact upon the population of south Mobile County will be felt throughout most segments of the local economy. There were more than 1,100 licensed fishermen, 47 oyster shucking houses and approximately 3,000 shuckers, cullers, transporters and other persons impacted by this loss. In the communities of Heron Bay, Alabama Port, Coden, Irvington,

and Bayou La Batre, almost every family is employed in some segment of the oyster industry. The income loss to these people for the next 1 to 2 years will no doubt result in a severe economic hardship.

Mr. President, immediate action must be taken. Rehabilitation must begin now if the oyster beds are to be ready for the next spawning season in the summer of 1986. It is estimated that just over $3 million will be needed to rehabilitate the oyster beds in Alabama and Florida. While authority exists under section 4(b) of Public Law 88-309 to provide aid in this situation, no funds have been requested for 1986. Our amendment would simply transfer funds from the Small Business Administration's Disaster Loan Program to this account, incurring no new budget authority. If we do not provide this needed assistance thousands of people along the gulf coast will continue to suffer Elena's wrath for years to come. I urge my colleagues to adopt this amendment.

Thank you, Mr. President.

Mr. RUDMAN. Mr. President, this amendment has been cleared by this subcommittee and the authorizing committee.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment.

The amendment (No. 867) was agreed to.

Mr. RUDMAN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. CHILES. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 868

(Purpose: To require a report on the advisability of imposing economic boycotts against countries supporting or harboring international terrorists)

Mr. MURKOWSKI. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Alaska [Mr. MURKOWSKI] proposes an amendment numbered 868.

On page 69, after line 4, add the following:

SEC. 607. (a) Not later than January 15, 1986, the Secretary of State, in consultation with the Secretary of Commerce and the United States Trade Representative, shall prepare and transmit to the committee on Appropriations and the committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate a report which—

(1) assesses the advisability of imposing a boycott against any country that supports or harbors international terrorists;

(2) describes the diplomatic and economic consequences of imposing an economic boycott against such a country; and

(3) assesses the potential for gaining international or multilateral cooperation in imposing an economic boycott against such a country.

(b) For purposes of making the assessment required by subsection (a)(1), the Secretary of State shall consider the adequacy of existing laws imposing economic sanctions against a country described in such subsection.

(c) For purposes of this section, the term "economic boycott", with respect to a country, means a prohibition on imports and exports from such country and a termination of United States assistance for such country.

Mr. RUDMAN. Mr. President, if the Senator from Alaska will yield, I have cleared this request with the majority leader, however, I did not yet talk with the Democratic leader. I ask unanimous consent to extend the period for consideration of this matter by 10 minutes so that we might approve additional amendments before proceeding to the Jordan resolution. I put that in the form of a unanimous-consent request.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. MURKOWSKI. Mr. President, this amendment has been cleared with both sides. It provides that the Secretary of State, in consultation with the Secretary of Commerce and the U.S. Trade Representative, shall prepare a report concerning the advisability of imposing a boycott against any country that supports or harbors international terrorists.

Before I briefly review this matter further, I would like to thank the floor managers of the bill, Senators RUDMAN and CHILES, for their cooperation in considering and accepting my proposal.

There is no need for me to spell out in exhaustive detail the challenge international terrorism poses to the United States, its allies and civilized peoples everywhere. We have just recently experienced, in the unjustified, cold-blooded murder of Leon Klinghoffer, the senseless tragedy and human cost of international terrorism. I sincerely regret to say that we are likely to experience more such tragedies if we are unable to devise an effective response to these terrorists and the governments that support their destructive activities.

It is clear that the President and the Congress are determined to take strong measures to combat international terrorism. Among those measures are economic sanctions involving restrictions or total cutoffs of U.S. trade and/or aid relations. For example, the Fiscal Year 1986-87 Foreign Assistance Authorization Act includes provisions which authorize the President to prohibit imports and exports of goods or technology to or from Libya, as well as United States imports of goods and services from any country which supports or harbors terrorists or terrorist organizations.

Congressional interest in using economic sanctions against terrorism was also reflected in legislation that was recently introduced by Senator BENTSEN, and which I have cosponsored, that would deny trade preferences, such as most-favored-nation status, to any country that supports international terrorism. These recent legislative initiatives are an addition to standing legislation included in such statutes as the Arms Control Export Act and the Export Administration Act.

The proposal I am making today is consistent with and encompasses these other initiatives to which I have made reference this morning. Moreover, this amendment and the report that it requires will provide this administration with an opportunity to review this issue of the use of economic sanctions and boycotts as a means of addressing the threat of international terrorism and present its conclusions to the Senate Foreign Relations and Appropriations Committees, as well as other committees of jurisdiction in the House and Senate. The report should then serve as standard reference to be considered in the future when legislation involving economic sanctions is proposed and debated.

Let me conclude by pointing out that I appreciate the limits of economic sanctions alone to rid us of the threat of terrorism. But I am convinced that such sanctions can extract a price from those that support and harbor international terrorists; and I am convinced that such measures, when used in concert with other foreign policy tools at the disposal of the President and his advisers, can contribute in a positive fashion to the objective of deterring terrorist acts.

Mr. President, I would be happy to answer any questions from my colleagues.

Mr. RUDMAN. Mr. President, as stated by the Senator from Alaska, the amendment was cleared on this side. It is my understanding it was cleared with the Democratic side as well.

Mr. CHILES. We have no problem, Mr. President.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 868) was agreed to.

Mr. RUDMAN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GRAMM. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 869

Mr. LUGAR. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Indiana [Mr. LUGAR] for himself and Mr. SIMON proposes an amendment numbered 869.

On page 33, line 5 strike "$336,600,000" and insert in lieu thereof "$331,800,000" and on page 38, restore the matter stricken on line 1 through line 7, amended to appropriate "$4,800,000".

Mr. LUGAR. Mr. President, I have sent to the desk an amendment with two connected parts. One would restore funding for the Soviet-East European research program. The other would take an offsetting reduction from the State Department Foreign Buildings account.

Mr. RUDMAN. Mr. President, the Senator is correct. Furthermore, we have found an offset in the bill which has also been agreed to by both sides. As you know, we are attempting to keep the bill within outlay limits. This amendment is acceptable and it has been cleared on both sides.

Mr. BUMPERS. It has been cleared on this side, Mr. President.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 869) was agreed to.

Mr. LUGAR. I move to reconsider the vote by which the amendment was agreed to.

Mr. BUMPERS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 870

Mr. PRESSLER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from South Dakota [Mr. PRESSLER] proposes an amendment numbered 870.

On page 7, line 6, after "expended," insert: of which $600,000 shall be for enhancements to the EROS Data Center in Sioux Falls, South Dakota.

Mr. PRESSLER. Mr. President, the purpose of this amendment is to establish a reception and processing capability at the EROS Data Center which would enable it to receive and process Advanced Very High Resolution Radiometer (AVHRR) data from polar orbiting meteorological satellites, and to make that data available to the land and Earth science communities in a timely, usable format.

Because of EROS' geographically central location in the United States, establishment of this capability at EROS would provide real time access for an area including the entire continental United States and large parts of Canada and Mexico. Much of the processing capabilities already exist at EROS. Its staff has extensive expertise in this area.

The existing AVHRR data reception and processing facilities operated by the National Oceanic and Atmospheric Administration (NOAA) are oriented to the supply of data for meteorological users. Demand for AVHRR data by land resource managers and Earth scientists is increasing, and there is a need to establish an improved interface with this user community. Users, especially those working in the Central and Western United States, cannot obtain digital data in a timely fashion and cannot obtain data that have been geometrically corrected and geographically referenced. Because of EROS' central location and its high quality staff, these problems will be corrected by this amendment.

Awareness, visibility, and use of AVHRR data within the land management and Earth sciences community will increase with an improved user interface provided by the EROS Data Center and with anticipated movements in polar orbiter sensor systems.

The new data will be used in a host of applications, including large area mapping, monitoring of irrigation water cosumption, agricultural production, fire detection, famine relief, land management, and monitoring large-scale disasters such as floods, earthquakes, volcanoes, and forest fires.

Mr. President, I want to emphasize that this amendment is not an add-on or an offset, but rather an earmark out of existing funds appropriated by this bill. This does not increase the budget authority or outlays of the bill. But I do want to make it very clear that, as the amendment states, these moneys will be used for enhancements at EROS. The intent of that language is to make certain that the existing functions at EROS are not adversely affected.

The $600,000 earmarked by this amendment is a relatively small portion of NOAA's affected budget, but would be a very substantial portion of EROS' budget. Whereas the $600,000 represents, I believe, approximately 0.05 percent of the total affected NOAA budget, it would be approximately 9 percent of the NOAA protion of EROS' budget. So I want to emphasize that this money is for the enhancement of EROS. It is for the prupose of establishing an AVHRR data reception and processing capability, and is not to have any impact or bearing on the Landsat data handling and processing or other NOAA activities at EROS.

Mr. RUDMAN. Mr. President, we certainly understand the Senator's concern, and agree with him. The purpose of the amendment clearly is to enhance the EROS Data Center, and should not be used to detract from existing or other future activities at the center.

Mr. PRESSLER. I thank the distinguished manager of the bill. With that understanding, I would like to go forward with the amendment.

I believe it has been agreed to on both sides.

Mr. RUDMAN. Mr. President, the Senator from South Dakota states the situation correctly. It is acceptable to this side.

Mr. BUMPERS. Mr. President, it is acceptable to the Democratic side.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 870) was agreed to.

Mr. RUDMAN. I move to reconsider the vote by which the amendment was agreed to.

Mr. BUMPERS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 871

(Purpose: To waive copying fees of the Department of Justice regarding certain documents requested by the Birmingham Public Library of Birmingham, Alabama)

Mr. HEFLIN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Alabama [Mr. HEFLIN] proposes an amendment numbered 871.

On page 31, after line 5, add the following new section:

SEC. 27. (a) Notwithstanding any other provision of law, the Department of Justice shall—

(1) make available to the Birmingham Public Library located in Birmingham, Alabama the twenty-five thousand seven hundred and eleven releasable pages of documents, requested by such Library on August 22, 1984, relating to files on Dr. Martin Luther King and racist hate groups; and

(2) waive the duplication fee of $2,571.10 for such documents.

(b) Nothing in the provisions of subsection (a) may be construed to affect any determination of the Department of Justice pursuant to section 552(a)(4)(A) of title 5, United States Code, relating to any other request for such documents.

BIRMINGHAM PUBLIC LIBRARY EXHIBIT

Mr. HEFLIN. Mr. President, the Birmingham Public Library would like to set up a permanent exhibit for the people of Birmingham as a remembrance of Martin Luther King's historic activities in Birmingham. Birmingham is very concerned that the ERA of racial strife be remembered, and that materials are available for study by present and future generations. To do this, the library needs a minimum of 25,711 pages of releasable FBI documents. The library is a nonprofit, public institution with extremely limited resources, and cannot afford the copying costs for these documents of $2,571. It is important that this period of Birmingham's history not be forgotten.

My amendment would waive the copying fees for the Birmingham Public Library for the documents they have requested. The documents are already prepackaged and available.

The Birmingham Public Library is a small one, and the need for remembering and studying the years of racial strife is great. This amendment will allow the Birmingham Public Library to provide a service to the citizens of Birmingham and to the entire State without exhausting already limited resources.

This amendment has been cleared on both sides.

Mr. RUDMAN. Mr. President, the amendment offered by the Senator from Alabama has been cleared on this side and I believe it has been cleared on the other side as well. I move its adoption.

Mr. BUMPERS. Mr. President, the amendment has been cleared on this side.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 871) was agreed to.

Mr. HEFLIN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. RUDMAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 872

(Purpose: To increase the allocation of funds of the United States Information Agency for a worldwide book program initiative)

Mr. LUGAR. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Indiana [Mr. LUGAR] proposes an amendment numbered 872.

On page 63, line 20, strike out "$2,000,000 shall be available" and insert in lieu thereof "$1,200,000 in addition to the base shall be available only".

Mr. LUGAR. Mr. President, there is general agreement that the increase for this program is merited. The amendment that I offer makes clear that the increased funding will actually go to increased programming and could not simply be used for the base programming already in existence.

It is my understanding it is acceptable to both sides.

Mr. RUDMAN. Mr. President, the Senator from Indiana is correct. It has been cleared on both sides.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 872) was agreed to.

Mr. RUDMAN. I move to reconsider the vote by which the amendment was agreed to.

Mr. BUMPERS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 873

Mr. RUDMAN. Mr. President, I send an amendment to the desk on behalf of the Senator from New Mexico [Mr. DOMENICI] and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. MURKOWSKI). The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from New Hampshire [Mr. RUDMAN], for Mr. DOMENICI, proposes an amendment numbered 873.

On page 12, line 5 after "$71,200,000" insert: ", of which $500,000 shall remain available until expended to reimburse private litigants for legal fees incurred in the United States v. Abousleman, the United States v. Bluewater-Toltec Irrigation District, and the State of New Mexico ex rel. Reynolds v. Aamodt water adjudication suits".

● Mr. DOMENICI. Mr. President, this amendment has no net budget impact. It simply provides $500,000 within funds made available to the Department of Justice to help pay legal fees for non-Indian litigants in three New Mexico water rights cases.

The House-passed fiscal year 1986 Commerce-State-Justice appropriation bill includes $500,000 for these purposes through the Legal Services Corporation, so if this amendment is adopted, it will need to be addressed by the conferees.

I urge my colleagues to support this amendment so that non-Indian litigants in three ongoing water rights cases will have equal access to justice.●

Mr. RUDMAN. Mr. President, the amendment has no net budget impact. It has been cleared on both sides.

Mr. BUMPERS. There is no objection here, Mr. President.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 873) was agreed to.

Mr. RUDMAN. I move to reconsider the vote.

Mr. BUMPERS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UNDERCOVER OPERATIONS

Mr. MATHIAS. Mr. President, once again in the appropriations bill that is before us, the Congress grants to the Federal Bureau of Investigation and the Drug Enforcement Administration temporary exemptions from certain statutory strictures that impede the conduct of undercover operations. These exemptions are granted subject to conditions that echo those enacted in the appropriations bills for fiscal years 1984 and 1985. These conditions include reporting and financial audit requirements that should enable the appropriate committees of both Houses to maintain more effective oversight of undercover operations. I support these provisions, as I supported those included in the prior appropriations bills, as a reasonable temporary solution to the difficult problems posed by the explosion in the use of undercover operations by Federal law enforcement agencies.

However, it should be clear that these expedients cannot continue indefinitely. The challenges to effective oversight that are posed by the increasing use of undercover techniques will not go away. As we buy time through the enactment of temporary provisions in successive appropriations measures, we should redouble our efforts to enact realistic permanent legislation on Federal law enforcement undercover operations.

The undercover operation is a powerful weapon in the arsenal of modern law enforcement. Techniques of deception allow the authorities to bring to light conspiracies that would otherwise escape revelation. For the detection of consensual crimes—trafficking in contraband or stolen goods, giving and taking bribes, perversions of public trust—the undercover weapon often appears to be uniquely well suited.

But the use of undercover techniques also brings with it serious risks. More frequently than ever, the charge is heard that the undercover weapon has been misdirected or has misfired.

Any Senator who has followed the press accounts over the past few months is familiar with the concerns. Churches and synagogues are worried about law enforcement infiltration of their congregations. Honest businessmen caught in the wake of undercover "sting" operations claim financial losses. The recurring controversy over crimes committed by informants has bubbled to the surface again.

Mr. President, I am confident that there are aspects of the legislative control of undercover operations about which there is substantial agreement in both Houses of Congress. Building upon the work of the Select Committee on Undercover Operations, during the 97th Congress, the task before us now is to identify this common ground and enact these agreed-upon principles into law. In that way, we will place Federal law enforcement undercover operations on a more solid legal footing than they currently enjoy. We will also, by the enactment of permanent legislation, give Congress the tools to ensure that the powerful undercover weapon is used in a way that

protects our fundamental liberties, as well as the safety of our people.

THE NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION'S WORK IN THE CHESAPEAKE BAY

Mr. President, with the passage of the appropriations bill for the Departments of Commerce, Justice, State, the Judiciary, and Related Agencies for fiscal year 1986, we assure the continuation of the important work being performed to help save the Chesapeake Bay by the Department of Commerce's National Oceanic and Atmospheric Administration [NOAA]. Senators may be interested in some information about what NOAA is doing to help the bay by investigating the bay's living marine resources, including fish, shellfish and other organisms, and evaluating the effects of pollutants and oxygen depletion on these organisms.

Pollutants from various sources around Chesapeake Bay affect its sediments and water quality, which in turn affect its living resources. NOAA is primarily concerned with the status of fish and shellfish stocks and the influence of pollutants on these stocks. Last year, Congress appropriated $2 million, including half a million for the emergency striped bass study. NOAA's activities include identifying and acquiring existing fisheries data, improving fisheries statistics, observing the responses of bay organisms to pollutants, and evaluating oxygen depletion effects on bay organisms.

In May of this year, NOAA released its "Chesapeake Bay Study Plan," which assesses the scientific investigations needed to successfully clean up the bay. The plan was developed in cooperation with the Environmental Protection Agency's Chesapeake Bay Program through a series of NOAA, State, and academic workshops. Previously, the EPA in its own study had concluded that observed declines in important fish and shellfish probably reflected a combination of adverse impacts, including excessive nutrient enrichment and resultant deoxygenated bottom water, toxic substances in certain areas, and degradation of critical spawning and nursery habitats.

To help turn this situation around and enhance the understanding of the bay's fisheries, NOAA will be investigating short- and long-term environmental factors affecting commercial and recreational fish and shellfish, including both natural and man-induced fishery problems.

As part of this effort, NOAA formed the Chesapeake Bay Stock Assessment Committee with representatives from Maryland, Virginia, Pennsylvania and the District of Columbia, as well as from the U.S. Fish and Wildlife Service and NOAA. NOAA is helping to develop a baywide fishery assessment plan, implement that plan, and carry out assessments for critical bay species. To be examined are the effects of climate, fishing pressure, and pollution on the bay's living resources.

Investigations will be made to assess the status of young and adult fish populations of important species, such as striped bass, white perch, shad, river herring and others. Investigations will concentrate in the York, James, Patuxent, Potomac, and Choptank Rivers to determine the effects from overfishing, contaminants, and habitat degradation.

Of critical importance is the need to understand the relations between pollutants in the bay's plants and animals and the pollutants present in the bay's water and sediment. The EPA Chesapeake Bay Program confirmed that many areas of the bay are contaminated with toxic substances, including metals, synthetic organic compounds, and other chemicals, such as chlorine. The highest chemical concentrations were found close to sources, particularly urban and industrial areas in the upper bay and in reaches of major tributaries. While clear cause-and-effect relationships between environmental pollutant levels and plant and animal declines were demonstrated only in severely polluted areas, the presence of any toxic substance in major spawning or nursery areas is cause for concern.

The bay's deoxygenated bottom water is a critical problem and the oxygen depletion effects on the bay's aquatic organisms are very serious. A stationary oyster has no place to go if oxygen becomes depleted from its locality and many animals are unable to avoid the deoxygenated water before they are overcome and die.

To make matters worse, recent studies indicate that there may be a net increase in the duration and area affected by oxygen depletion. The summertime episodes have lasted longer recently than in previous years. A possible link exists between oxygen depletion and excess nutrients entering the bay's waters, but has not been positively demonstrated. Nevertheless, the evil triangle of low dissolved oxygen, sedimentation, and contaminants cause the loss of high-quality habitat needed for the survival of many of the bay's species.

When in July, my colleague, the Senator from Maryland [Mr. SARBANES]; the EPA Administrator, Lee Thomas; Secretary of the Interior, Donald Hodel; the Governors of Maryland and Virginia, and others toured the Chesapeake Bay, we saw firsthand the black, deoxygenated mud from the bay's bottom. It smelled like rotten eggs and was devoid of life. However, we need not accept this condition as inevitable, and NOAA, with other Federal and State agencies can make the difference.

NOAA will be monitoring habitat quality to assess the amount and the rate of habitat loss. Some items NOAA will be investigating will be oxygen depletion effects on fish and shellfish reproduction, disease resistance, feeding ability and other key survival factors. Also to be examined are effects from excess phosphorus and nitrogen nutrients. This information will be used to find answers to the bay's plaguing problems concerning oxygen depletion.

Finally, one of the less glamorous, but no less important NOAA aspects in restoring the bay, is improving fishery statistics. Unfortunately, we do not have an accurate statistical picture of the bay's fisheries. A complete understanding of the adverse effects of habitat changes affecting the bay's fisheries requires better statistical data than presently available. Such data are required to establish the historical use, trends, and benefits of the fisheries and to determine when a fishery starts to head downhill.

NOAA's fish and shellfish studies have provided useful data on fishery landing and on adult and juvenile fish populations, but there is need for additional information if adequate bay management is to be accomplished. Presently, bay fishery landing statistics generally do not reflect recreational catch, which has been significant for some species, such as striped bass. Additionally, landing statistics do not adequately indicate the variety of fishing gear, the number of days fished, or locations. Consequently, existing statistics are only general indications rather than actual measures of abundance, making the bay's fishery management difficult and the reasons for fishery declines obscure.

NOAA's work gets to the core of the bay's problem for better statistical analysis. NOAA, in conjunction with the States, will be filling the statistical gaps in existing data for commercial and recreational fisheries by providing linkages between existing Chesapeake Bay State statistics and those of the National Marine Fisheries Service. For example, in Maryland there will be trips to the field to gather on-site biological data, as well as trips to gather information from fish dealers and from recreational and commercial fishermen.

Work began by NOAA shows great promise in fulfilling many of the most pressing fishery needs for management information. This is a long-term effort and one that must be supported over the long haul. Together with the States and other Federal agencies, NOAA is moving forward to increase understanding of declines in the bay's important fisheries and to reverse those declines and manage the bay's resources for long-term benefits to the region and the Nation. I urge my colleagues to approve $1.7 million to sup-

port NOAA's continuing efforts in the Chesapeake Bay.

Mr. BIDEN. Mr. President, I support this amendment (No. 864) that will provide necessary funding for the Federal Sentencing Commission that we established last year when we passed the Comprehensive Crime Control Act of 1984.

The transfer of these funds will come from the Cuban and Haitian Reception, Processing and Care Program within the Community Relations Service at the Justice Department.

It is my understanding that this program's caseload has seen some reduction and that there are programs that have not yet begun, although funding has been provided since the beginning of the fiscal year. If this offset of funds becomes a problem for the Cuban and Haitian Program during the 1986 fiscal year I expect the Justice Department will make that known in the 1986 supplemental request.

A crucial provision of the Comprehensive Crime Control Act called for the creation of a "Sentencing Commission" that would have the responsibility of redefining the Federal criminal justice sentencing system. The seven-member Commission has the enormous task of drafting guidelines to be used by Federal judges when imposing sentences. The purpose of the guidelines are to establish a fairer and more equitable sentencing process that eliminates indiscriminate and inconsistent sentences. Past criminal sentences have been based largely on an outmoded rehabilitation model which we have come to realize has failed. Because our system lacks statutory guidance, judges have been left to apply their own subjective opinions of the purposes of sentencing. Unfortunately, this system has resulted in a lack of certainty in sentencing which is further exacerbated when the Parole Commission releases prisoners according to their own criteria, which might be different than that of the sentencing judge.

Mr. President, I need not go on explaining the importance of the Sentencing Commission's work. That was agreed to by this body last year when we all voted in favor of establishing the Commission.

Regrettably, the Commission is behind schedule. Ironically, the Commissioners were just confirmed last week, 1 entire year from enactment of the legislation providing for their creation. We now have the potential for another obstacle that could interfere with the Commission carrying out their work. There is currently no appropriation for the Sentencing Commission in this bill. This omission is probably the result of initial funding for the Commission being provided in the supplemental appropriation for fiscal year 1985 which was passed this summer. The supplemental provided $2.3 million for the Commission; however, that is only sufficient funding to carry them through the spring of 1986. At that point, unless new funds are made available, the Commission would have to shutdown.

The potential interruption of the Commission's work is something we must prevent. Not only would such an interruption usurp the laws passed by Congress last year which outline the Commission's responsibilities and expected work products, but the expectation of only a half year's funding will cause numerous administrative problems in hiring staff, leasing space and equipment, etc.

Our amendment simply provides the needed funds for the Commission to carry out its work through fiscal year 1986.

Mr. President, I have been working with Senators THURMOND and KENNEDY and many others to reform our Federal sentencing process. We were finally successful last year in passing unanimously the legislation necessary to begin this major reform effort.

It is time for the Commission to get down to the extremely difficult task Congress has instructed them to do. Therefore, I ask my colleagues to support this amendment so that the funds needed by the Commission will be available and their vitally important work will not be interrupted.

Mr. SPECTER. Mr. President, as the Senate considers the appropriations for the Department of Justice, I wish to address an issue of tremendous importance: Prison overcrowding.

On September 15, 1985, the Bureau of Justice Statistics reported that the population in the Nation's overcrowded prisons increased by 1,000 a week in the first half of 1985. The average State prison is operating at over 15 percent above capacity and the Nation's 46 Federal prisons are over 30 percent above capacity. A GAO study done at my request last year came up with equally disturbing statistics.

Convicted prisoners and pre-trial detainees are being prematurely released, by the tens of thousands, because there is no space for them in our prisons and jails. Courts have intervened in nearly 80 percent of the States' systems, and judges have admitted their reluctance to sentence criminals they would otherwise incarcerate because they know there is nowhere to put them.

Prison overcrowding has reached crisis proportions.

As a member of the State, Justice, Commerce Subcommittee of Appropriations and of the Judiciary Committee, I have pressed for Federal funds to assist in State and local prison expansion. Last year, in order to relieve overcrowding and substandard conditions at State and local correctional facilities, Congress authorized the Director of the Bureau of Justice Assistance to make grants to States, units of local government, and combinations of such units to assist in construction of correctional facilities, and in planning to relieve overcrowding and substandard conditions in correctional facilities.

The program was designed in close consulation with Justice Department officials and in negotiations with the House on the Justice Assistance Act of 1984, and was passed in both Houses without opposition. The authorizing legislation contains a funding cap of $25,000,000 for each of fiscal years 1984 through 1988. However, late enactment of the authorizing legislation precluded appropriation of funding for fiscal year 1984, the first year of the pilot program's limited 5-year life span.

I am deeply concerned that this essential and urgent program is not being funded. I believe a minimum of $25 million should be promptly appropriated, and that much more must ultimately be made available to State and local systems collapsing under the pressure of a burgeoning prison population. While I understand it is not possible to add these funds here today, I intend to continue to press for Federal assistance to State and local corrections until the Federal Government meets its responsibility in this essential aspect of our domestic defense.

If we are serious about having a criminal justice system that works, we cannot afford to ignore the growing crisis presented by grossly overcrowded prisons.

THE NATIONAL ENDOWMENT FOR DEMOCRACY

Mr. SPECTER. Mr. President, I would prefer that 1986 appropriation for the NED be funded at its full 1986 authorization level of $18.4 million. The $10 million Appropriations Committee recommendation represents a drop of $8.5 million from fiscal year 1985 funding and the limits the effectiveness of this important program.

This nonpartisan private nonprofit organization was established in 1983 and funded by Congress as a concrete conduit of our commitment to the development of democratic values and institutions around the world and to serve as a counter to Communist efforts to mold political processes to fit their goals.

It has been extremely productive already. In its first year, the endowment awarded grants to more than 20 private sector organizations to aid projects to reopen schools in central Afghanistan; provide financial and technical assistance to the democratic opposition in Poland; establish European citizen committees to gather and disseminate information about the human rights situation in Cuba to encourage pluralism and respect for human rights in that country; established a network of democratic opinion

leaders; and a number of projects to train local citizenry in developing nations to initiate and implement the effective political processes of a democracy. These are but a few of the worthwhile projects aided by these funds.

A key focus of the NED, of course, is the vital role of free trade unions in a democracy. The Free Trade Union Institute, with the help of a NED grant, has conducted a broad range of programs aimed at promoting the development of free and independent democratic trade unions. These efforts must be supported as the only truly effective counter to the Communist trade movement gaining a foothold in so many developing nations.

A second key focus is the U.S. Chamber of Commerce's efforts through CIPE [the Center for International Private Enterprise] in developing countries. These associations are providing education in free market economics and institutions, and in advocacy of free market enterprise. The development of independent business institutions is important as a means of fostering the development of democratic pluralism abroad.

I request that $18.4 million in funding be provided to maintain funding at, at least, 1985 levels. I, and I am sure many of my colleagues, do not want to risk a program with so many important benefits. When one compares this funding request for the advocacy of democracy to the necessary defense and intelligence appropriations to protect democracy, the $18.4 million seems like a very fiscally responsible investment indeed.

MISSING CHILDREN

Mr. SPECTER. Mr. President, the tragedy of missing and exploited children continues to plague our Nation. As many as 1.5 million children are reported missing each year. As chairman of the Senate Judiciary Subcommittee on Juvenile Justice and cochairman of the Senate children's caucus, I have spent considerable time studying this horrible problem and working to solve it.

To address the national tragedy of missing children, I joined in introducing the Missing Children's Assistance Act, which President Reagan signed into law on October 12, 1984. This act establishes a national clearinghouse for information on missing and exploited children, and a national toll-free hotline.

Mr. President, you may recall that over 80 Members of the Senate joined Senator HEINZ and I as signatories to a letter dated May 20, 1985, to the major television broadcasters, urging them to air pictures of missing children as part of their regular programing. I am pleased to report that the networks and broadcasting groups are responding positively; CBS, for example, advised us on July 3, 1985, that, beginning this fall, it will air on a regular basis the pictures and descriptions of missing children.

Many efforts are being made in the private sector to ensure that pictures of missing children reach the general public in increasing numbers. The Subcommittee on Juvenile Justice, which I chair, held a hearing on May 22, 1985, to consider the effectiveness of private efforts to find missing children. I commend these efforts, but firmly believe that much more needs to be done.

I am deeply concerned that the Missing Children's Assistance Act will receive only level funding in fiscal year 1986. I believe that a minimum of $10 million should be earmarked for missing children's assistance. However, recognizing the extreme constraints placed on us by the enormous Federal deficit, I shall not offer an amendment at this time, but hope that we will elevate this important matter in next year's agenda with an increased appropriation.

Mr. President, I believe that the funding in this bill for the Office of Juvenile Justice and Delinquency Prevention [OJJDP] is totally unsatisfactory. It is deceptive to claim that we are providing level funding for OJJDP by counting carryover funds not spent from last year's appropriation.

For a number of years, the administration has sought to eliminate funding for this important Office, and OJJDP has supported these efforts. Because Congress has repeatedly rejected this proposal, and continued to fund OJJDP at $70.282 million, the administration has sought to eliminate the Office's functions by having it not spend the appropriated funds. Early this year, the administration sought to sequester more than $12 million of OJJDP's fiscal year 1985 funds; in fact, about $7.9 million in OJJDP's funds apparently have been carried over because they were not spent although there was a need to utilize the full appropriation made last year.

The original agreement in the Appropriations Committee was to fund OJJDP at $70 million; the House figure is $70.282 million, which is level funding.

The bill would now effectively cut OJJDP's funding by more than 10 percent, to $62.1 million, based upon the fact that there are $7.9 million in carryover funds. This simply lets OJJDP achieve its goal of cutting back its efforts in the field of juvenile justice through its own dilatory actions.

While I think that funding in the reduced amount of $62.1 million is inadequate, I understand the realities of the situation and do not intend to offer an amendment at this time. I stress, however, that I am committed to providing true level funding for OJJDP. I urge my colleagues to yield to the House figure of $70.282 million at conference, and I pledge my own efforts at conference toward that end.

Mr. President, I ask unanimous consent that a series of letters I have received on this issue be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

THE NATIONAL PTA,
Chicago, IL, October 17, 1985.

Hon. ARLEN SPECTER,
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR SENATOR SPECTER: I am writing on behalf of the National Congress of Parents and Teachers (National PTA) in regard to Juvenile Justice appropriations, a priority concern of our association. It has come to our attention that the Senate Appropriations Committee cut the FY 1986 appropriation for the Office of Juvenile Justice and Delinquency Prevention (OJJDP) by nearly 12 percent, from the current level of $70.2 million to $62.1 million.

The National PTA urges you, as a chief advocate in the Senate for juvenile justice programs, to lead the effort during the House-Senate Conference on the Justice Department appropriation bill to maintain the $70.2 million appropriation for FY 1986 that was approved by the House of Representatives.

A reduction in the appropriation for OJJDP would have dire consequences for state and local juvenile justice programs. The action taken by the Senate Appropriations Committee sends a message to the states that the federal commitment to juvenile justice is withering. That message is coming at a time when states need maximum assistance to come into compliance with the jail removal mandates of the Juvenile Justice and Delinquency Prevention Act (JJDPA).

Further, efforts in states across the country to develop and implement innovative model programs (programs that would not be possible but for the JJDPA) would be severely hampered. Some programs would have to be eliminated; others will never get off the ground.

Under the Senate Appropriations Committee-passed reduction, states with the largest juvenile populations will bear the largest percentage cutback in formula grant allocations. But indeed, all programs in states receiving more than a $225,000 basic grant will suffer. Following are examples of how states will be affected by a cutback from $70.2 million to $62.1 million.

Pennsylvania would lose 13.7% of its formula grant allocation, approximately $248,690. Programs in Philadelphia would be jeopardized. For example, a proposed project using JJDPA funding to develop a Management Information System for tracking services to delinquent youth may not be funded. Other programs are likely to be discontinued, such as a new initiative to provide aftercare and intensive probation services to mentally retarded juvenile offenders and the Juvenile Law Center's alternative to detention program.

Other programs at risk across the state include day treatment, juvenile prostitution projects, an in-home detention program and a truancy reduction program which involves family members.

Connecticut, which would lose 8.5% of its state allocation, would have to cut back all existing programs and would be unable to

develop any new ones. Juvenile justice system capacity-building, truancy reduction efforts and an innovative program to ensure services for all youthful offenders regardless of the disposition of their cases or their past histories would be severely hampered by the loss of formula grant funds.

Oregon, which has been forced to cut back on state and county services because of distress in the state's basic industry, would lose 8% of its allocation and necessary status offender and chronic runaway services. Programs for serious offenders and for alternatives to jail would be in jeopardy.

Florida would lose 13% of its formula grant monies. Important deliquency prevention programs (currently receiving nearly $800,000 in formula grant funds) would be endangered—for example, a School Resource Project and community-based youth guidance programs. In addition, an innovative runaway and homeless youth program would be lost.

New Jersey would also lose nearly 13% of its formula grant funds and across-the-board cuts would have to be made endangering exemplary model programs currently funded. One such program at risk is truancy reduction in Camden, New Jersey high schools. In just one year of operation, this program has increased the average daily attendance rate from below 75% to more than 86%.

On the endangered species list would be New Jersey's adjudication and dispositional services programs in which the courts and community services work together for the rehabilitation of youthful offenders rather than sending them to correctional institutions. One such effort in Ocean County has an 80% success rate.

Also affected would be an innovative vocational education program, "Twilight Tech," for youths who were in correctional facilities and those on probation. This model program utilizes an existing vocational high school during the hours of 3 p.m. to 7 p.m. (after the regular student body has gone for the day and before evening programs begin). Also in jeopardy are substance and alcohol abuse programs that provide aftercare services to youths on parole.

California would lose nearly 15% of its state allocation, more than $595,000. California PTA members are deeply concerned about across-the-board cuts in currently funded programs. They are worried about California's exemplary juvenile justice initiatives such as the Status Offender Network in Santa Clara County which reflects the deinstitutionalization mandates of the JJDPA and provides alternative community-based counseling, emergency treatment, and has a small residential component for youngsters unable to return home immediately. They point to a dispositional alternative program in San Diego which is utilizing 400 different resources in community-based rehabilitation and counseling rather than secure detention; and the Lachein School, a social ecology model alternative school in Contra Costa County, which serves a three-county area and emphasizes involving family members in rehabilitating youth. Such programs and the youth they serve would suffer under the cuts.

Illinois, which would have its state allocation cut by nearly 14 percent, reports that across-the-board cuts in programs would have to be made.

Programs in Cook County (which includes the city of Chicago) focusing on serious offenders and on homeless youth would be big losers. This means reduction in efforts for such projects as Treatment Alternatives to Street Crime (also being implemented in Peoria County) and the Chicago Youth Services Project. Components of the latter include a Homboldt Park gang program and a transitional living program for teenage prostitutes in the Lakeview area.

Furthermore, jail removal efforts in rural areas of Illinois would be lost (50 percent of Illinois counties are rural).

In New York state, the cut of 14 percent in formula grant funds (approximately $410,000) would necessitate across the board reductions in programs administered by a variety of state agencies including the Department of Corrections, Division of Youth, Division of Substance Abuse Services, Probation Department, Council on Children and Families, Department of Social Services, and Office of Mental Health.

Local government juvenile justice efforts would also suffer as JJDPA funds provide the seed money for new innovative programs and start-up funds would not be available through any other source. The New York PTA reports that programs started with JJDPA funds are not only innovative and successful, they are also cost effective. One example is the $56,000 of JJDPA money that funds the Sullivan County Juvenile Intensive Supervision Program. This diversion program serving 35 youths has an 85 percent success rate. It would cost more than one year's worth of the federal funds to place even two youths in a detention facility in New York.

In Ohio, the PTA reports that the state allocation reduction of 13.7 percent would mean all current projects (both urban and rural) would have to be cut and new projects would not get funded at all.

Since local governments in Ohio provide a 50% match to the federal funds, the leveraging of non-federal resources would also be diminished (and it is my understanding that a very important element of the JJDPA is its leveraging of resources at the state and local levels).

The primary areas of focus in Ohio include Youth Victims Services, Abused Children, Crime Prevention, Alternatives to Institutionalization, and Serious Juvenile Offenders programs. The Toledo (Lucas County) Serious Violent Offender project is a typical example of how the state allocation cutback would impact individual programs. The Project currently receives approximately $90,000. But the funding reduction would result in a $30,000 loss to this project.

In Michigan, the PTA reports that under a 13% cutback in formula grant money, efforts would be hampered in the areas of delinquency prevention, jail removal (particularly in rural areas) and violent juvenile offenders programs. The cutback in dollars equals four grants of $50,000 to $60,000 each.

These are just a few examples of what National PTA is hearing from State PTAs. All across the country there is deep concern about the future of juvenile justice programs should the reduction in appropriation to $62.1 million become law.

PTA members are asking: "What has happened to federal commitment and leadership in the area of juvenile justice? Is Congress backing down on the incentives needed to accomplish the mandates and goals of the JJDPA? What rationale is there in requiring three-year comprehensive planning if Congress turns around and cuts assistance for program implementation? Do our elected leaders truly care about our youth and the reduction of delinquency? Does Congress really want to foster cost-effective programs?

PTA members have also questioned the rationale used by the Senate Appropriations Committee for their reduction in the OJJDP appropriation level. They have asked: "Isn't the carryover money already obligated? Does anyone really know whether there actually is $7.9 million still to be distributed, and how have the carryover funds been allocated? Moreover, they are questioning the true intent of Congress in rejecting the Administration's proposal to transfer the OJJDP carryover money to other agencies.

A few months ago Congress said that money was needed immediately by the states so they could progress in meeting JJDPA mandates. It certainly cannot be less important today for states to comply, and adequate services are necessary to do so.

For the past five years Congress has rejected Administration attempts to eliminate the historic role of the federal government in preventing delinquency, improving our juvenile justice system, reducing juvenile offenses and protecting youth. Last year Congress overwhelmingly reaffirmed the federal role in juvenile justice by reauthorizing the JJDPA. The Senate Appropriations Committee's cut in the OJJDP funding level is a total contradiction of these past efforts, and would erode the national resolve in this area. States will not be able to maintain current services under the JJDPA, and the stage would be set for even deeper cuts in the future. Where would it end? This action could likely mean the elimination of the juvenile justice program in a few short years. All the progress made to date would be lost; all the goals still to be achieved would be unattainable. Such a scenario cannot be allowed to be played out.

The members of the National PTA (now 5.6 million strong) have long considered juvenile justice a priority of our association. We have joined with many other youth advocacy groups in efforts to maintain the federal role.

Senator Specter, the National PTA has deeply appreciated your strong support for juvenile justice. We have always relied on your leadership in the Senate to maintain the federal program. We are counting on your leadership, once more—when the Senate and House Conference Committee on Justice Department Appropriations considers the FY 1986 appropriation for the OJJDP. We believe your advocacy of the $70.2 million level passed by the House is absolutely imperative if we are to maintain the current appropriation level.

The National PTA will gladly provide any assistance to you in this regard. Please feel free to have your staff contact Barbara Goldston-Hatfield in our Washington Governmental Relations Office (822-7878).

Thank you for your continuing support for our nation's youth and the programs that serve them, and for your consideration of the concerns of the National PTA.

Sincerely,

MILLIE WATERMAN,
Vice President for Legislative Activity.

AD HOC COALITION FOR JUVENILE JUSTICE AND DELINQUENCY PREVENTION,
Washington, DC, October 18, 1985.

Hon. ARLEN SPECTER,
Chairman, Senate Subcommittee on Juvenile Justice, Senate Office Building, Washington, DC.

DEAR SENATOR SPECTER: In your work with the conference committee on FY 86 appropriations for Commerce, Justice, and State, be assured of the strong support of many organizations participating in the Ad Hoc Coalition for funding of at least $70 million for the Juvenile Justice and Delinquency Prevention Act (JJDPA).

The enclosed letter, signed by 19 organizations and sent earlier this year to Rep. Neal Smith, indicates the range of this support. Other groups such as the American Bar Association's Juvenile Justice Project, American Legion, Boys Clubs of America, Child Welfare League of America, and National Council of Jewish Women also join in calling for JJDPA of at least $70 million.

The $7.9 million cut proposed by the Senate Appropriations Committee would seriously damage the states' efforts to meet the mandates of the Act. We estimate that close to $5 million of the cut would come from state allocations. 1986 is an especially critical year for the removal of youth from adults jails and lock-ups. Reducing the already minimal federal support would make progress in this area even more difficult.

We recognize that the Committee assumes a carryover of FY 85 funds to offset the loss of FY 86 funding. We have several concerns, however, in that regard:

That the carryover may not exist—certainly not at the level the Committee assumes—and that any such funds may be spent even as Congress deliberates the appropriation;

That carryover money designated for Special Emphasis or other sections of the Act would not be transferrable to Formula Grants for the states;

That the greatest loss, as indicated above, will come in the state allocations where the most direct benefits occur; and

That FY 86 funding below $70 million will inevitably work to keep appropriations in later years below this necessary minimum.

The estimated loss per state from a cut of this magnitude ($4.8 million of the $7.9 million reduction) appears on the enclosed chart. Because the money that reaches the states leverages far more in state, local, and private resources, the effect of such reductions would exceed these figures.

In your own Commonwealth of Pennsylvania, the lower appropriation would result in a cut of about 13.7%—down from $1,913,000 in FY 85 to $1,651,000 in FY 86—on top of almost 38.5% the state has lost since 1981. In Philadelphia, plans by police and judges to implement a Management Information System for tracking and serving delinquent youth would be threatened by the cut. The plan depends on JJDPA funding for two years and then calls for state funding. Efforts in aftercare and intensive probation would be cut back, especially a new initiative for mentally retarded offenders, which would likely be ended. Support of the Juvenile Law Center, which uses Formula Grant money to provide an alternative to the much-criticized juvenile detention center, would also be jeopardized.

Connecticut, with a potential reduction from $493,000 to $451,000, would be faced with cutting back truancy reduction efforts and a particularly successful local juvenile justice capacity-building initiative. Another likely target would be a program of "unconditional care of juveniles," which makes certain that a youth's disposition or history does not prevent him or her from receiving services. Connecticut has already lost 40% of its JJDPA funding since 1981.

Sources in Massachusetts indicate the state would likely implement across-the-board cuts, to cope with an 11.6% additional reduction. Also in Illinois, across-the-board cuts would be the probable result of the loss of another 13.8% in JJDPA funding. Cook County's services to status offenders and runaways would suffer, as would rural jail removal efforts in the state. Massachusetts' funding has already fallen from $1,521,000 in 1981 to $895,000 in 1985. Illinois has lost 37% since 1981.

In Oregon, funds under the Act have been used to shore up county-funded juvenile services, hard hit by the depressed timber economy. JJDPA cuts would especially affect community-based services, not only directly but through leveraged state dollars. Status offender and chronic runaway services would probably be the first programs cut, followed by serious offender programs and programs providing alternatives to jails. Oregon received only $460,000 in FY 85, down 31.5% (from $672,000) in FY 81. Another 7.8% reduction would be a significant loss.

Thirty-eight states stand to lose resources for juvenile justice and delinquency prevention.

Finally, the JJDPA appropriation—unlike that of most federal programs—must cover all expenses of the program, including the staff of the Office of Juvenile Justice and Delinquency Prevention. Again, $70 million has proved the minimum necessary to maintain a federal role and to maintain the momentum of state action.

We appreciate your efforts and hope this information is helpful in conference.

Sincerely,

DON MATHIS,
Co-Chair, Ad Hoc Coalition, National Network of Runaway and Youth Services, Inc.
SHARON MARTIN,
Co-Chair, Ad Hoc Coalition, YMCA of the USA.

Submitted to Senator Specter by the Ad Hoc Coalition for Juvenile Justice and Delinquency Prevention (October 21, 1985).

JUVENILE JUSTICE AND DELINQUENCY PREVENTION: FORMULA GRANTS

State	1985	1986	Percent cut
Alabama	$723,000	$645,000	−10.8
Alaska	225,000	225,000	.....
Arizona	542,000	493,000	−9.0
Arkansas	422,000	391,000	−7.3
California	4,256,000	3,361,000	−14.7
Colorado	550,000	500,000	−9.1
Connecticut	493,000	451,000	−8.5
Delaware	225,000	225,000	.....
District of Columbia	225,000	225,000	.....
Florida	1,595,000	1,383,000	−13.3
Georgia	1,055,000	926,000	−12.2
Hawaii	225,000	225,000	.....
Idaho	225,000	225,000	.....
Illinois	2,019,000	1,741,000	−13.8
Indiana	989,000	871,000	−11.9
Iowa	511,000	467,000	−8.6
Kansas	420,000	390,000	−7.1
Kentucky	675,000	605,000	−10.4
Louisiana	880,000	778,000	−11.6
Maine	225,000	225,000	.....
Maryland	710,000	635,000	−10.6
Massachusetts	895,000	791,000	−11.6
Michigan	1,635,000	1,416,000	−13.4
Minnesota	733,000	654,000	−10.8
Mississippi	519,000	473,000	−8.9
Missouri	852,000	756,000	−11.3
Montana	225,000	225,000	.....
Nebraska	287,000	277,000	−3.5
Nevada	225,000	225,000	.....
New Hampshire	225,000	225,000	.....
New Jersey	1,215,000	1,061,000	−12.7
New Mexico	280,000	271,000	−3.2
New York	2,872,000	2,462,000	−14.3
North Carolina	1,040,000	914,000	−12.1
North Dakota	225,000	225,000	.....
Ohio	1,890,000	1,632,000	−13.7
Oklahoma	596,750	539,000	−9.7
Oregon	460,000	424,000	−7.8
Pennsylvania	1,913,000	1,651,000	−13.7
Rhode Island	225,000	225,000	.....
South Carolina	602,000	544,000	−9.6
South Dakota	225,000	225,000	.....
Tennessee	812,000	721,000	−11.2
Texas	3,015,000	2,583,000	−14.3
Utah	396,000	369,000	−6.8
Vermont	225,000	225,000	.....
Virginia	925,000	817,000	−11.7
Washington	745,000	664,000	−10.9
West Virginia	351,000	331,000	−5.7
Wisconsin	837,000	742,000	−11.4
Wyoming	225,000	225,000	.....
Puerto Rico	793,000	705,000	−11.1
American Samoa	56,250	56,250	.....
Guam	56,250	56,250	.....
Trust Territories	56,250	56,250	.....
Virgin Islands	56,250	56,250	.....
Northern Marianas	56,250	56,250	.....

[1] 1985 figures include initial allocations to nonparticipating States.
[2] 1986 estimates do not include the effects of changes in youth population on State allocations. Also includes nonparticipating States.

Submitted to Senator Specter by the Ad Hoc Coalition for Juvenile Justice and Delinquency Prevention (October 21, 1985).

JUVENILE JUSTICE AND DELINQUENCY PREVENTION: FORMULA GRANTS

State	1981	1982	1983	1984 [1]	1985 [1]	1986 [2]
Alabama	$1,104,000	$732,000	$737,000	$735,000	$723,000	$645,000
Alaska	225,000	225,000	225,000	225,000	225,000	225,000
Arizona	772,000	490,000	516,000	527,000	542,000	493,000
Arkansas	627,000	415,000	426,000	422,000	422,000	391,000
California	6,070,000	4,042,000	4,126,000	4,215,000	4,256,000	3,631,000
Colorado	776,000	520,000	523,000	536,000	550,000	500,000
Connecticut	822,000	533,000	516,000	510,000	493,000	451,000
Delaware	225,000	225,000	225,000	225,000	225,000	225,000
District of Columbia	225,000	225,000	225,000	225,000	225,000	225,000
Florida	2,172,000	1,447,000	1,554,000	1,578,000	1,595,000	1,383,000
Georgia	1,531,000	1,012,000	1,058,000	1,058,000	1,055,000	926,000

JUVENILE JUSTICE AND DELINQUENCY PREVENTION: FORMULA GRANTS—Continued

State	1981	1982	1983	1984 [1]	1985 [1]	1986 [2]
Hawaii		225,000	225,000	225,000	225,000	225,000
Idaho	272,000	225,000	225,000	225,000	225,000	225,000
Illinois	3,210,000	2,101,000	2,055,000	2,040,000	2,019,000	1,741,000
Indiana	1,578,000	1,036,000	1,014,000	1,004,000	989,000	871,000
Iowa	818,000	535,000	518,000	518,000	511,000	467,000
Kansas	634,000	419,000	415,000	421,000	420,000	390,000
Kentucky	1,018,000	678,000	683,000	677,000	675,000	605,000
Louisiana	1,268,000	841,000	864,000	873,000	880,000	778,000
Maine	315,000	225,000	225,000	225,000	225,000	225,000
Maryland	1,151,000	746,000	736,000	723,000	710,000	635,000
Massachusetts	1,521,000	986,000	834,000	920,000	895,000	791,000
Michigan	2,716,000	1,780,000	1,715,000	1,677,000	1,635,000	1,416,000
Minnesota	1,156,000	759,000	737,000	741,000	733,000	654,000
Mississippi	786,000	523,000	517,000	519,000	519,000	473,000
Missouri	1,329,000	873,000	862,000	859,000	852,000	756,000
Montana	232,000	225,000	225,000	225,000	225,000	225,000
Nebraska	444,000	292,000	285,000	287,000	287,000	277,000
Nevada				225,000	225,000	225,000
New Hampshire	247,000	225,000	225,000	225,000	225,000	225,000
New Jersey	1,992,000	1,300,000	1,249,000	1,238,000	1,215,000	1,061,000
New Mexico	395,000	263,000	269,000	274,000	280,000	271,000
New York	4,752,000	3,088,000	2,949,000	2,930,750	2,872,000	2,462,000
North Carolina	1,590,000	1,049,000	1,052,000	1,051,000	1,040,000	914,000
North Dakota				225,000	225,000	225,000
Ohio	3,064,000	2,006,000	1,946,000	1,933,000	1,890,000	1,632,000
Oklahoma			557,000	573,000	596,750	539,000
Oregon	672,000	455,000	461,750	462,000	460,000	424,000
Pennsylvania	3,106,000	2,023,000	1,962,000	1,944,000	1,913,000	1,651,000
Rhode Island	247,000	225,000	225,000	225,000	225,000	225,000
South Carolina	887,000	588,000	600,000	601,000	602,000	544,000
South Dakota				225,000	225,000	225,000
Tennessee		810,000	821,000	819,000	812,000	721,000
Texas	3,937,000	2,659,000	2,838,000	2,944,000	3,015,000	2,583,000
Utah	473,000	328,000	362,000	376,000	396,000	369,000
Vermont	225,000	225,000	225,000	225,000	225,000	225,000
Virginia	1,432,000	935,000	935,000	935,000	925,000	817,000
Washington	1,053,000	713,000	736,000	742,000	745,000	664,000
West Virginia	525,000	350,000	355,000	352,000	351,000	331,000
Wisconsin	1,337,000	876,000	859,000	855,000	837,000	742,000
Wyoming					225,000	225,000
Puerto Rico	1,391,000	930,000	921,000	794,000	793,000	705,000
American Samoa	56,250	56,250	56,250	56,250	56,250	56,250
Guam	56,250	56,250	56,250	56,250	56,250	56,250
Trust Territories	59,000	56,250	56,250	56,250	56,250	56,250
Virgin Islands	56,250	56,250	56,250	56,250	56,250	56,250
N. Marianas	56,250	56,250	56,250	56,250	56,250	56,250

[1] 1984 and 1985 figures include initial allocations to nonparticipating States.
[2] 1986 estimates do not include the effects of changes in youth population on State allocations. Also includes nonparticipating States.

AD HOC COALITION FOR JUVENILE JUSTICE AND DELINQUENCY PREVENTION,
July 3, 1985.

Hon. NEAL SMITH,
Chairman, House Appropriations Subcommittee on Commerce, Justice, and State, Capitol Building, Washington, DC.

DEAR CONGRESSMAN SMITH: The Ad Hoc Coalition on Juvenile Justice and Delinquency Prevention appreciates your consistent leadership in restoring funding each year for juvenile justice and delinquency prevention in the face of annual Administration proposals to close off federal support in this area entirely.

The undersigned organizations which participate in the Coalition, however, are deeply concerned about the recent decision of the Appropriations Subcommittee to cut another 7% from the already minimal appropriation for the Office of Juvenile Justice and Delinquency Prevention and the state and national initiatives the funds are intended to support.

You are, of course, well aware of the funding history. What $100 million could help accomplish in FY 81 cannot be matched by $70 million in FY 85 or by $65 million in FY 86.

The work Congress envisioned in passing the Juvenile Justice and Delinquency Prevention Act and in subsequent amendments to the Act is not complete. State Advisory Group representatives and state Juvenile Justice Specialists have testified to the particular need in the coming year for incentives and assistance for states to come into compliance with the jail removal mandate. Despite a decade of progress, other aims of the Act also remain only partially fulfilled, including the development of community-based alternatives to detention, diversion from court systems, and the prevention of delinquency.

The reduction in effort proposed by the Subcommittee is particularly regrettable when the House-passed Budget Resolution provides not only for continuation of the current level, but also for an overdue increase for inflation. We hope you will reconsider the Subcommittee's decision.

Sincerely,

DON MATHIS,
Co-Chair.
SHARON MARTIN,
Co-Chair.

(American Academy of Child Psychiatry, American Psychological Association, American Society for Adolescent Psychiatry, American Youth Work Center, Association of Junior Leagues, Inc., Camp Fire, Inc., Children's Defense Fund, Coalition of Spanish-Speaking Mental Health Organizations (COSSMHO), General Federation of Women's Clubs, Girls Clubs of America, Inc., Justice for Children, National Coalition of State Juvenile Justice Advisory Groups, National Collaboration for Youth, National Congress of Parents and Teachers (National PTA), National Education Association, National Network of Runaway and Youth Services, Inc., Roosevelt Centennial Youth Project, YMCA of the USA, YWCA of the USA, National Board.)

NATIONAL COALITION OF STATE JUVENILE JUSTICE ADVISORY GROUPS,
October 15, 1985.

Hon. ARLEN SPECTER,
Chairman, Subcommittee on Juvenile Justice, Hart Senate Office Building, Washington, DC.

DEAR SENATOR SPECTER: On behalf of the National Coalition of State Juvenile Justice Advisory Groups, I would like to thank you for your continued support for the Juvenile Justice and Delinquency Prevention Act and the funding which makes it possible to implement the Act. As you know, the Act has resulted in many improvements in the juvenile justice system and in services to juveniles.

States continue to work to meet the mandates of the Act, with much of their effort currently being directed to meeting the jail removal mandate. Removing juveniles from adult-serving jails and lockups requires the cooperation and commitment of state and county governments, as well as that from the Federal government. Continued support from Congress is absolutely essential if states are to be successful in their efforts to remove juveniles from jails. In 1981, the funding level for the Juvenile Justice Program was reduced from $100 million to $70 million. Congress has continued to appropriate $70 million for the program each year since then. However, there has been no increase for inflation during that period. The $70 million funding level is the absolute minimum necessary to maintain the program, although that level still does not provide the resources needed to fully implement the Act.

I hope that you will continue your strong support for the states' efforts to implement

the Act. Please let me know if I can be of any assistance to you in your effort to maintain this effective, necessary program.

Sincerely yours,

A.L. CARLISLE,
Chairman.

Mr. HOLLINGS. Mr. President, when this bill was before the House of Representatives on July 17, 1985, a reduction of $2,700,000 was made to the radio broadcasting to Cuba appropriation which supports the Radio Marti Program. The Chairman of the Advisory Board for Radio Broadcasting to Cuba, Jorge Mas, sent me a letter last week that destroys the arguments made in the other body about the number of staff and average salaries of Radio Marti. This is a good letter that includes a summary of the program costs for fiscal years 1984 and 1985, as well as the levels proposed for fiscal 1986.

The subcommittee approved full restoration of the amount requested for radio broadcasting to Cuba. Radio Marti went on the air May 20, 1985, with a full 14½ hours of daily programming. The cut approved by the other body would compel the firing of up to 30 percent of the existing staff as well as a lowering of the number and quality of broadcast hours.

I ask unanimous consent that Mr. Mas' letter and enclosure be printed in the CONGRESSIONAL RECORD at this point so that we may have this documentation readily at hand when we go to conference with the House managers to work out the final form of H.R. 2965.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

ADVISORY BOARD FOR RADIO BROADCASTING TO CUBA,
Washington, DC, October 16, 1985.

Hon. ERNEST HOLLINGS,
Ranking Minority Member, Subcommittee on Commerce, Justice, State and Judiciary, Russell Senate Office Building, Washington, DC.

DEAR SENATOR HOLLINGS: I am writing to express my regret over the voice vote cast by the House of Representatives on July 17, 1985 to cut funding for the Radio Marti Program from $11.2 million to $8.5 million. Therefore, I believe negotiators from the House Appropriations Committee should reaffirm their Committee's position when in conference with the Senate on the FY86 Continuing Resolution and FY86 State-Justice-Commerce Appropriation bills.

The argument of the amendment authors can be succinctly stated: "Radio Marti has too many staffers and average salaries are too high. Therefore, in times of budgetary stress, funding should be frozen at FY 85 levels to implement a "freeze".

Each of these points is incorrect. As the chart below shows, the operating plan for the Radio Marti Program establishes goals that are 17% to 47% more efficient than comparable organizations. Radio Free Europe/Radio Liberty, Inc. spends $1,376 per hour on staff time to put its shows on the air. And the Voice of America spends $1,730 per hour. However, the Radio Marti Program in FY 86 plans to spend only $1,164 per hour.

Even these comparisons understate the Radio Marti Program's planned staff efficiencies. Voice of America labor costs are held down because 24% of its employees are foreign nationals living abroad who receive, on average, only $13,952 in annual salary. Similarly, Radio Free Europe/Radio Liberty, Inc., has been able to moderate its labor costs because of the strong dollar. If the Radio Marti program also had access to "cheap labor", its employee costs per hour, already lower than the Voice or RFL/RE, would be even lower.

	Payroll costs	Annual hours broadcasts	Employee costs per hour
Organization:			
Voice of America	$99,578,972	57,553	$1,730
Radio Free Europe/Radio Liberty	77,476,000	56,314	1,376
Radio Marti Program	6,243,000	5,292	1,179

According to the House amendment authors, staff inefficiency should be a cause for cutting the Radio Marti Program's budget. Since the Program is, in fact, more efficient than comparable organizations their logic could be used to justify budget increases!

However, it would be wrong to justify an FY 86 appropriation of $11.2 million solely on the basis of impressive productivity.

The proper way to budget is to evaluate what is the minimum needed to produce a 14½ hours daily quality broadcast to the people of Cuba. When OMB performed this excise, they froze the Program's budget at $11.202 million. In calculating their "freeze" level, OMB included full-year operating funding for FY 86 and a 5% pay cut for all Radio Marti program staff. (Since Congress decided not to cut federal salaries by 5% but retain existing levels instead, another $231,000 is needed to "freeze" the Marti program at $11.432 million.) Higher full-year operating costs, of course, reflect the fact that Radio Marti did not go on the air until May 20, 1985 and with only a skeleton staff. It was for these reasons that the House and Senate Foreign Affairs Committees agreed to a $11.5 million FY86 authorizing ceiling.

A summary breakdown on Program costs by past fiscal year, and anticipated needs in FY86 is attached. These figures prove that any cut below the OMB "freeze" level will compel Program management to fire up to 30% of existing staff and to lower the number and quality of broadcast hours.

Sincerely,

JORGE MAS,
Chairman.

[Dollars in thousands]

	1984	1985	1984–5 total	Proposed 1986
I. Capital Purchases				
1. Marathon		$3,060	$3,060	
2. Refurnish antennas, building and upgrading power generators		375	375	$7
3. Primary studio		1,584	1,584	
4. ADP equipment	$382	206	588	47
5. Radio equipment plus replacement parts	394	429	823	230
6. Music library	4	21	25	21
7. Audio/video system		106	106	
8. Recording tape	48	73	121	75
9. Emergency generator		151	151	
10. Miami studio		116	116	
11. Transmitter		189	189	
12. Office equipment plus furniture	539	227	766	26
13. Library and information processing	327	383	710	248
14. Security enhancements	250	248	498	51
15. Telephones		35	35	
Total	1,944	7,203	9,147	705
II. Personnel				
1. Salaries	523	4,144	4,667	6,243
2. Recruitment costs				
a. Appointment travel	51	100	151	69
b. Consultants	8	21	29	3
c. Recruitment ads	9	10	19	7
d. Security clearances	145	99	244	47
3. Training		12	12	26
4. Security staff contract	126	337	463	440
5. Overseas stringers		204	204	360
6. Translations		8	8	5
Total	862	4,935	5,797	7,200
III. Other Non-recoverable Items				
1. Travel	24	131	155	247
2. Telex		5	5	6
3. Newswire	25	127	152	157
4. Teletype supplies		28	28	7
5. Talent/roundtables	23	21	44	57
6. Program acquisition		196	196	175
7. Other contractural services		203	203	198
8. Media monitoring	0	141	141	50
9. Audience research	9	53	62	240
10. Research and analysis	26	38	64	124
11. Miscellaneous supplies	50	105	155	57
12. Miscellaneous rentals	0	9	9	3
13. Satellite circuit	0	18	18	114
14. Marathon lease	75	315	390	
15. Telephones	2	80	82	106
16. Rent	92	856	948	1,084
17. Power and utilities	12	195	207	271
18. Renovation	237	168	405	205
19. Agency shared support		86	86	133
20. Newspapers, books, magazines		22	22	20
21. Printing		27	27	38
22. Shipping postage		6	6	5
23. ADP maintenance		111	111	111
Total	575	2,941	3,516	3,408
Grand total	3,381	15,079	18,470	11,313

	1985	1986	Difference
Reconcilliation:			
Capital Purchases	$7,203	$705	−$6,498
Personnel	4,935	7,200	+2,265
Other	2,941	3,408	+467
Total	15,079	11,313	−3,766

ADVISORY BOARD FOR RADIO BROADCASTING TO CUBA,
Washington, DC, October 16, 1985.

Mr. WARREN KANE,
Minority Staff Director, Appropriations Subcommittee on Commerce, Justice, State and Judiciary, Washington, DC.

DEAR MR. KANE: Jorge Mas requested that this summary justification of FY 86 funding of the Radio Marti Program at $11.5 million be sent to your personal attention. An identical letter has been sent to the Senator.

Please feel free to call me any time you have any questions concerning the Program. After working 5 years on Capitol Hill as a Senate Legislative Assistant and 2½ years as a Senate Legislative Director, I became the executive director to the Advisory board on Radio Broadcasting to Cuba. I am therefore familiar with the legislative history and current operating issues surrounding the Program.

Sincerely,

STUART SWEET,
Executive Director.

Mr. METZENBAUM. Mr. President, I rise in support of the Appropriations Committee amendment which expresses congressional disapproval for

the Justice Department's vertical restraints guidelines.

The committee language incorporates Senate Concurrent Resolution 56, which I cosponsored with the distinguished manager of the bill, Senator RUDMAN. I note that a similar resolution has been introduced in the House of Representatives by Congressman HAMILTON FISH, the ranking Republican on the House Judiciary Committee. This bipartisan support demonstrates a strong congressional rejection of the radical, anticonsumer views of the Reagan Justice Department.

If the Justice Department's views became law, there will be higher price markups, fewer discount stores, and a reduced opportunity for comparison shopping.

Therefore, I am pleased that Republicans and Democrats in both Houses are joining together in recognition that strong antitrust enforcement is an essential element of our free enterprise system. I note that this bipartisan coalition has been joined by the National Association of State Attorneys General, who have also condemned the guidelines on a bipartisan basis.

I am very disppointed that the administration has published these guidelines. The administration claims to be for free enterprise. But free enterprise doesn't just mean freedom from governmental regulations. Free enterprise also means free and open competition in the marketplace. These guidelines encourage private restraints of trade which limit free and open competition.

Some administration spokesmen have defended these guidelines as consistent with current judicial precedent as a worthwhile contribution to the marketplace of ideas concerning antitrust policy. Mr. Chairman, if these guidelines were a consumer product, the Justice Department could be sued for false adverstising.

The guidelines state, for example, that agreements among competing dealers to restrict competition are not per se illegal, as long as the dealers only sell one brand of a product. In other words, if a group of dealers selling only Chevrolets conspired to eliminate a discount Chevy dealer, their conspiracy would not be automatically illegal. Not only is this position shockingly anticonsumer, it directly contradicts the Supreme Court's decision in United States against General Motors Corp. holding such a conspiracy to be automatically illegal.

The guidelines are also deceptive in stating that they have no effect on the laws against resale price maintenance, which has been condemned both by the Supreme Court and Congress as per se illegal. Studies demonstratred that abolition of State fair trade laws which permitted resale price maintenance saved consumers $1.2 billion. But the fine print of the guidelines reveals that price fixing, which is combined with other restraints, will not be per se illegal. As a result, manufacturers will be able to artificially prop up retail prices with impunity.

Moreover, the guidelines state that the per se ban on resale price maintenance only applies to express agreements about specific prices. Yet, when I asked the Justice Department's witness at a committee hearing what judicial precedent supported his argument that the per se ban was so narrow, he could not find a single case.

Under the Department's guidelines, it will be much easier for manufacturers with highly desirable consumer products to force consumers to buy from one authorized dealer instead of comparison shopping for the best value. As far as the Department is concerned, Ford or Chrysler could designate one dealer for an entire metropolitan area without objection. Competition among dealers of the same brand is irrelevant, according to the Department. Ask any consumer who has recently purchased a car, or a television, or a stereo, whether intrabrand competition is irrelevant. In the real world, in contrast to the Department's fancy theories, consumers save millions of dollars each year from intrabrand competition. I totally agree with Donald Baker—President Nixon's antitrust chief—who recently wrote that the guidelines reflect "more the flavor of the seminar rooms at the University of Chicago than the historical jurisprudence of the Federal courts."

Because the Justice Department's views are so contrary to established judicial precedent and basic notions of free competition, I am confident that they will be rejected by the courts. This resolution will hopefully bolster the efforts of litigants seeking to retain traditional, proconsumer enforcement of the antitrust laws.

Mr. President, the administration claims that these vertical restraints only harm consumers in rare instances, usually, they argue, a restraint will help efficiently promote a consumer product. Thus, they claim the law permits vertical restraints unless they are being used by almost everyone in an industry. Neither the factual or legal record supports these arguments.

At the Judiciary Committee hearing on this issue, representatives of three national retailing organizations all testified that their efforts to cut prices on desirable consumer products were often hampered by vertical restraints. Why were these restrictions imposed? Because a manufacturer had some efficient way of marketing the product? No. Restrictions were often imposed based on pressure from competing high-priced retailers. Listen to the testimony of Monroe Milstein, president of Burlington Coat Factory:

> A manufacturer faced with coercion of large retailers could well use the guidelines to withdraw his lines from off-price retailers and then cause the consumers to pay high, full prices. * * * In my experience, my company has frequently been deprived of highly valuable branded merchandise because a full-price retailer has coerced the manufacturer not to sell to Burlington in certain areas.

The administration's contentions are also rejected by existing judicial precedent in the Sylvania case, the Supreme Court expressly called for a balancing, under the rule of reason, of the reduction of intrabrand competition against possible benefits to interbrand competition.

In sum, these guidelines are bad law and bad policy, and deserve congressional condemnation.

Mr. RUDMAN. Mr. President, I believe we have now worked through most of the noncontroversial amendments. It is my understanding that we now have two amendments, both involving the issue of abortion, which could be subject to extensive debate, if I understand this morning's conversation correctly. We will, however, attempt to work that out. There is also an amendment to be offered by the Senator from New Jersey [Mr. LAUTENBERG]. We probably shall have a vote on that with a fairly short debate.

In addition, the Senator from Rhode Island [Mr. CHAFEE] has an EDA amendment. I believe that if we can reach a settlement with respect to the two abortion amendments, we could finish this bill in 1½ hours. It is now 12:08. Under the previous unanimous-consent agreement, it is my understanding that we will now leave this bill and move to consideration of the Jordan arms sale resolution. Is the Senator from New Hampshire correct?

The PRESIDING OFFICER. The Senator is correct.

PROPOSED SALE OF ARMS TO JORDAN

The PRESIDING OFFICER. Under the previous order, the hour of 12:10 having arrived, the majority leader is recognized to offer the resolution.

Mr. LUGAR. Mr. President, on behalf of the majority leader and the distinguished minority leader, the ranking minority member of the Foreign Relations Committee [Mr. PELL] and myself, I send a joint resolution to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The assistant legislative clerk read as follows:

> A Senate joint resolution (S.J. Res. 228) proposing the sale of arms to Jordan.

Mr. LUGAR. Mr. President, I ask unanimous consent that these additional cosponsors be added: Mr. DENTON, Mr. TRIBLE, Mr. BOSCHWITZ,

Mr. PRESSLER, Mr. SARBANES, Mr. KENNEDY, Mr. KASTEN, Mrs. KASSEBAUM, Mr. EVANS, Mr. HEINZ, Mr. METZENBAUM, Mr. LAUTENBERG, Mr. WILSON, Mr. HEFLIN, Mr. JOHNSTON, and Mr. MURKOWSKI.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LUGAR. Mr. President, a unanimous consent agreement was reached yesterday for 1 hour of debate equally divided in the usual form on this resolution; that no amendments be in order; that no motions to commit with instructions be in order; that the agreement be in the usual form. Under that procedure, the resolution has now been offered. I yield to the majority leader as much time as he may require for an initial statement on the resolution.

Mr. DOLE. Mr. President, I thank the distinguished chairman of the Foreign Relations Committee, and I am pleased to be joined by the distinguished minority leader, the chairman and ranking member of the Foreign Relations Committee, and a large number of other Senators, in cosponsoring a joint resolution dealing with arms sales to Jordan.

The resolution is simple. It says that, prior to March 1, 1986, no letter of offer for any sale to Jordan of advanced weapons systems included in the administration's notification of October 21 shall be valid unless "direct and meaningful peace negotiations between Israel and Jordan are underway."

This formulation has been carefully constructed to meet the needs of all the parties in the debate over this issue.

It should enjoy the support of the overwhelming majority of Senators, since it encompasses two ideas strongly felt in this Chamber: That direct negotiations between Jordan and Israel must be at the heart of any realistic effort to forge a regional peace and that such negotiations, if they take place, will do more than any arms sale to enhance the real security of both countries.

Passage of this resolution will also serve the administration's needs, and I'm pleased the administration has agreed to our action. Most important, our formulation preserves the President's strong hand as he deals with both Jordan and Israel, in an effort to get the peace process moving.

The resolution also reflects the admiration of many of us in the Senate for King Hussein's initiatives and the understanding we have of his legitimate need for an adequate defense against many of the radical forces which he confronts. For that reason, I especially regret the statement attributed to the King that our action today represents some kind of "blackmail." I hope the King didn't say that and doesn't believe it. For it's just not true. We are not trying to blackmail anyone. We are trying to take responsible actions to encourage negotiations for a true peace in the Middle East, which will be of more benefit to Jordan's security than anything else we can do.

The events of the past months—the President's diplomacy, the King's initiatives, the forward-looking speech of Israel Prime Minister Peres at the United Nations recently—all of these offer some new hope that a real breakthrough in the peace process is possible. But we are in a very sensitive period, where many threads must come together.

This resolution will keep open the window of opportunity for that process. It will preserve our options as we deal with this evolving situation. The resolution deserves our unanimous support.

The PRESIDING OFFICER. Who yields time?

Mr. LUGAR. Mr. President, I yield to the distinguished minority leader.

Mr. BYRD. I yield the time on my side to Mr. PELL.

Mr. DOLE. I yield the time on this side to the distingushed chairman of the committee.

Mr. LUGAR. Mr. President.

The PRESIDING OFFICER. Who yields time?

Mr. LUGAR. Mr. President, I ask unanimous consent to delete Senator CRANSTON'S name as a cosponsor of the resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LUGAR. Mr. President, I yield to myself 5 minutes.

Mr. President, the resolution now before the Senate is the work of many Senators who are deeply concerned about several issues. Each Senator involved is hopeful that the peace process may continue. Each Senator is most hopeful that the action that we take in the Senate will help the peace process. In my judgment, the resolution we now have before us offers a strong opportunity for the peace process to continue, for the excellent initiatives that have been manifested by Prime Minister Peres in his United Nations speech, by King Hussein in his important comments following that speech, and comments made by our President and Secretary of State offering their good offices for all of these processes to continue.

We faced a situation yesterday in which there were those who were fearful that a time period of 30 days might run out before the peace process could come to greater flower. Many Members felt that an arms sale to Jordan would be inadvisable until the peace process had resulted in face-to-face negotiations. We have relieved that difficulty by providing that consideration of the arms sale may extend over a period of 120 days. This will prevent an unfortunate adverse vote on a subject that could have ramifications with regard to the peace process and result in discouragement not only of our Government but of King Hussein, of the Israeli leadership and others who are deeply interested. It seems to me that the interests of all parties have been considered, and let me simply reiterate what I believe those interests to be.

First of all, the President of the United States has made a proposal that he wishes permission to sell arms to Jordan. That proposal is still with us. Those who are in favor of that proposal could simply let the clock tick but now that clock must go for a period of over 120 days to March 1, 1986. Those who are opposed to the sale would have had to take action within a 30-day period under the old situation. They now have until March 1 of next year to take adverse action if they would wish to do so. A motion of disapproval would be in order at any point along the line. But it is the general desire, I think, of most Members not to file that motion or to press it until it is clear that the peace process is not coming to fruition. Therefore, all interests are protected in that respect.

Finally, Mr. President, it seems to me important to say that there are incentives for the parties to get together. Clearly, the qualifying aspect of this resolution is that an arms sale could progress if face-to-face negotiations occur; negotiations that are substantive, meaningful; that deal with peace; that move away from a status of nonbelligerency between Jordan and Israel to a question of peace. I think most Members of the Senate would agree with Prime Minister Peres' comments to Senators the other day that we ought to look first toward peace and the end of hostilities, then toward arms, that Prime Minister Peres, at least speaking for himself, said he would not object to arms sales to Jordan if Jordan was not at war with Israel, if the belligerency issue was finally removed. That is the key factor.

Let me add once again this resolution takes away no rights of any Senator. A motion of disapproval could be filed immediately if that was the wish of Senators. I hope that will not occur, but that could occur. It could occur anytime during November or December if we were in session, or in January or February. But it seems to me that the disposition of most Senators is to withhold that motion of disapproval to give people more time, to let peace have a chance and to have an opportunity for direct negotiations, given some assurances by our Secretary of State that considerable movement is now afoot in the Middle East and possibilities for peace might come about. I

hope that the resolution might find nearly unanimous favor, if not a totally unanimous vote, as a signal of our interest in keeping vigilance but likewise our desire to try to enhance the peace process.

Mr. PELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. Mr. President, I am pleased to join my distinguished colleagues, the majority and minority leaders, and the chairman of the Committee on Foreign Relations in offering a resolution which would preclude the administration from going ahead with its proposed arms sales to Jordan before March 1, 1986.

If adopted, this resolution will give much needed time for Jordan and Israel to find a way to commence direct and meaningful peace negotiations.

Mr. President, I am convinced that, if the Congress were forced to act now, it would reject the proposed sales. I would agree with such a decision. At the same time, however, I have no doubt that there are many in this body and the House who would be very sympathetic to helping Jordan meet its genuine security needs if that nation becomes a true partner in the effort to achieve a just and comprehensive peace in the Middle East.

I believe that both Prime Minister Peres and King Hussein are genuinely interested in sitting down at the bargaining table. I hope that they will do so at the earliest possible date. Now is not the time to be debating and deciding upon a major arms sale to Jordan.

In the past, I have had severe reservations as to the wisdom of injecting massive weapons packages into the streaming cauldron of the Middle East. I have supported the provision of necessary arms to Egypt since it made peace with Israel and became engaged in the effort to work toward a just settlement.

Mr. President, in early summer, Congress adopted a provision I offered which stated it to be the policy of Congress not to provide any major arms sale until, and unless, Jordan has recognized Israel's right to exist, agreed to abide by U.N. Resolutions 242 and 338 and entered into direct peace negotiations with Israel. Those conditions were enacted in connection with the provision of $250 million in economic assistance for Jordan.

In recent weeks, we have witnessed yet another cycle of Middle East violence climaxed by the hijacking of a passenger ship on the open sea. These events and the continuing terrorist threat in that volatile region of the world only underscore the desperate need for peace between Israel and her Arab neighbors.

We abhor terrorists and we must not let them prevail. Unfortunately, they prosper in the absence of a comprehensive peace. Accordingly, it is imperative that we work with those striving for peace. Jordan is central to the possibility of that peace ever reaching fulfillment.

Mr. President, passage of this resolution will give time for the steps so urgently needed now in the Middle East to be taken. At the same time, it will preserve for the Congress the option to stop sales to Jordan if nothing happens.

Unfortunately, optimism about progress toward peace in the Middle East is seldom justified. Nonetheless, I am optimistic—I hope with justification—that passage of this resolution will prove a very wise move by leaving the way open for early progress toward peace through serious face-to-face negotiation and by providing a genuine incentive for success.

I hope no one will mistake our intent here. We intend to give time for success, but I and fully three-quarters of the Senate have indicated that Israel and Jordan must be at the bargaining table before a major arms sale may occur. It would be foolhardy to chance that the Congress will settle for anything less next year. No one should doubt our resolve in this matter.

Mr. CRANSTON. Mr. President, will the Senator yield me 3 or 4 minutes?

Mr. PELL. I yield 3 minutes to the Senator from California.

Mr. CRANSTON. Mr. President, the sale of advanced weapons to Jordan at this time would do just the opposite of what the Reagan administration says it wants: It would take away our leverage to help bring about a lasting peace in the Middle East. If America sells Jordan arms now just because Jordan is talking about peace, we will not be using our leverage wisely.

We have been down this path before.

In 1981, we conditioned the sale of AWACS to Saudi Arabia on the Saudis becoming a more constructive partner in the peace process. Since then, the Saudis have been bankrolling Syria and PLO terrorists, and we are still going to give the Saudis the planes.

I do not think it is smart to put ourselves in an analagous situation with Jordan—especially when you consider the contradictory statements which King Hussein is making about war and peace. I respect King Hussein greatly. He is striving, I am sure, for peace. But his remarks point out the need for us to remember that talk is cheap.

I have stated repeatedly that we need more from King Hussein than talk about peace talks. We need deeds. We need, as the pending resolution declares, direct and meaningful negotiations underway between Israel and Jordan. I believe we need more than that. We need to see actions for peace before we commit to arming Jordan.

Last week, at a meeting with members of the Senate Foreign Relations Committee, King Hussein, responding to a question asked by the distinguished chairman of the committee, Senator LUGAR, told us that the state of belligerency with Israel was over. But in today's New York Times, he says just the opposite. He says that a termination of the state of war can only occur after "a peace effort under the right auspices—an international conference dealing with all aspects of their problem, in particular, the Palestinian dimension and Palestinian rights."

The King's rhetoric before Congress says that the conditions for peace exist. But let us consider the current conditions that exist between Jordan and Israel:

There is no trade between those two nations.

There is no recognition of Israel's right to exist, and no peace treaty ending the Arab "holy war" against Israel.

There is the matter of the PLO—which Jordan protects as it commits crimes of terror against the people of Israel and others.

And there is the heavily armed border. When you are at the border between Israel and Jordan, as I have been, you cannot avoid thoughts about the foreboding presence of the PLO. I have walked through the line of fire of the machine guns lining the Jordanian side of the River Jordan, machine guns trained on the Allenby Bridge, the only open land route between Israel and Jordan.

These are hardly the conditions of peace. We must not consider any weapons sales to Jordan as long as there is not the reality of peace. We must wait for the King's deeds to match his words.

In conclusion, I will vote for the compromise resolution now before us because it gives King Hussein the opportunity to act for peace before we take any final action in the U.S. Senate banning an arms sale to Jordan.

The PRESIDING OFFICER. Who yields time?

Mr. PELL. Mr. President, I yield 3 minutes to the Senator from Ohio [Mr. METZENBAUM].

Mr. METZENBAUM. Mr. President, I rise to support this resolution, and in doing so, I rise also to commend the efforts of Senators KENNEDY, HEINZ, DOLE, CRANSTON, BOSCHWITZ, SPECTER, PELL, and others who were involved in bringing it about. I think it is the right solution for the problem that faces us.

We are faced with the fact that 74 Senators have joined, I being one of them, and indicated that we were prepared to act to stop the sale of arms to Jordan. There is not much question that if that matter had come to the floor, it would have passed.

However, as a consequence of a number of meetings, it appeared that there might be more merit to sending a message to the King of Jordan that the Senate does not look favorably upon the sale and that the Senate and Congress and the White House really are much interested in the parties getting together for direct negotiations.

We are not just saying that we are talking about getting together for direct negotiations, having a meeting, and saying "hello" and "goodbye." This resolution goes beyond that. It talks about the fact that those negotiations shall be underway; and "underway" means that the parties will actually be involved in meaningful peace negotiations between Israel and Jordan.

That, I think, is what all who are concerned about peace in the Middle East really want to see occur. We do not want just a meeting for the purpose of a meeting. We want the parties to get together and discuss their differences and, it is hoped, be able to resolve those differences.

Some have indicated concern by saying, "What if the date of March 1 arrives and nothing has transpired at that time?" Well, if 74 Senators could sign in the first instance, 74 Senators could sign in the second instance. We have the opportunity to act, if that be necessary.

The point is that by enacting this resolution, which I hope will pass unanimously, we are sending a message to the world and to Jordan and to Israel that we are very hopeful that they will engage in direct, meaningful negotiations and sit at the bargaining table and bring about a resolution of their differences. That, in my opinion, is the objective. I think it is achieved by this effort, and I do not think it would have come about had there not been 74 Senators who first joined together in connection with the Kennedy-Heinz proposal. I think we have moved in the right direction and have come up with the right solution, and I commend all those who have been in the leadership role in causing that to come about.

Mr. LUGAR. Mr. President, I ask unanimous consent that the names of Senator ABDOR, Senator MURKOWSKI, and Senator WARNER be added as cosponsors of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LUGAR. Mr. President, I shall take 2 minutes at this point to try to respond to a question being asked by many Senators with respect to the March 1, 1986 date.

The question is, essentially, "What happens on March 1, 1986?" The answer is, simply, nothing, necessarily. But I think the point made by the distinguished Senator from Ohio was constructive, which is that prior to adoption of this resolution, the timeframe for a motion of disappoval was 30 days. That means that at the end of 30 days, the President would have been authorized to proceed with a letter of sale, unless the Congress acted otherwise.

The effect of this resolution is to move that 30 days all the way to March 1, 1986. It means that a motion of disapproval could be made any time during that period.

In other words, nothing necessarily happens on March 1, 1986. If it is the will of Congress to proceed with disapproval, that may occur at any point from now until March 1, at which time a sale would be possible or, if the Congress decides, additional action could be taken.

I make that point because no Senator is giving away any rights today. He can file for disapproval at any point throughout that period of time.

Many Senators felt they were constrained by having only a 30-day period and preferred not to act within that period, but might prefer to act at some other time in the event the peace process did not move along.

I make that point simply as an answer to a question that is being raised by many Senators with regard to this March 1, 1986, date.

Mr. METZENBAUM. Mr. President, will the Senator from Indiana yield for a question?

Mr. LUGAR. I am happy to yield to the Senator from Ohio.

Mr. METZENBAUM. The Senator from Indiana speaks about a motion of disapproval. The Senator from Ohio has some concerns which have been somewhat confirmed by the Parliamentarian as to whether or not the motion of disapproval is the necessary action in order to disapprove the action of the President in making the sale and that by reason of the Chadha decision having to do with the right of Congress to act in a matter of this kind or similar nature.

Is it not the fact that in this legislation which has the force of law and does not provide any basis for question as to its validity, in effect we really are taking a much more major step, a much more meaningful step, and we totally obviate any legal question that might otherwise arise?

Mr. LUGAR. It is my clear impression that we are doing that and that this has been a careful thought behind this resolution.

Mr. METZENBAUM. I thank the Senator from Indiana.

Mr. LUGAR. I yield to the distinguished Senator from Washington for 5 minutes.

The PRESIDING OFFICER. The Senator from Washington.

Mr. EVANS. Mr. President, I wish to speak not just on this question of delay or even on the question of the arms sale to Jordan. But rather I wish to speak in a broader context because I have been somewhat disturbed by the ways in which we have attempted, in recent months, to influence or carry out American foreign policy.

It seems to me we sometimes forget that American foreign policy should be guided by what I conclude to be the No. 1 principle. The No. 1 principle of American foreign policy should be is what do we do in the best interests of the United States?

What we do in the best interests of the United States does not always coincide with what may be seen as the best interest of Jordan or of Egypt, or of Israel, for that matter, or even for domestic organizations as well intentioned and as good as AIPAC.

It seems to me that American best interests in the Middle East are best served if we at least try to achieve three fundamental goals, perhaps more but at least three.

One, is to continue as we have since the birth of that nation: To supporting the security, the independence, and ultimately the ability to live in peace in the Middle East of our friend and ally, Israel.

Second, is to attempt to move toward stability in the Middle East: Stability among all nations that will aid in keeping at bay the rising tide of Moslem fundamentalism as it affects governments and as it potentially affects the stability of that part of the world.

Third, in our moment of energy complacency, let us not forget that we have gone through a period of minimum dependence on foreign oil, that we are slowly, inexorably now turning around. With the increased demand for petroleum products in this country, the beginning of decline in domestic products, we are going to be increasingly dependent on external sources and they will inevitably include sources from the Middle East.

These three interests, it seems to me, are paramount for America in the Middle East. The security of Israel, the stability among nations of that part of the world, and as a result the protection and the opportunity for continued supply of petroleum are in America's best interest.

I feel very strongly, as I suspect most of my colleagues do, that we were placed in a position that was uncomfortable for all of us where an immediate vote might be placed before us and an immediate vote which, in my opinion, would be a no-win vote. It would make no difference which way that vote went. We would not be achieving the real goals of American foreign policy in that part of the world. We would either drive away Arab States and give great encouragement to the cause of the radicals in that part of the world, or we would turn aside from our friend and ally Israel.

I think we also have to understand and recognize that whatever influence we try to apply on actions of other independent nations should be done with great care and with particular understanding. Every nation, every leader has a sense of pride, a sense of independence, and a natural reluctance to react directly to the demands or threats from others.

So we have to be careful, exceedingly careful, to use our great influence wisely and well, and I think in doing so we in this Congress and particularly in the Senate, where we have such an extraordinary responsibility for foreign policy, have to have some faith and develop even closer working relationships with this administration or any administration for that matter. Our best years of American foreign policy have always been those years in which foreign policy was both bipartisan and in partnership, Congress and the President.

The PRESIDING OFFICER. The Senator from Washington has used 5 minutes of his time.

Mr. EVANS. May I ask for 2 additional minutes?

Mr. LUGAR. Mr. President, I yield 2 additional minutes.

The PRESIDING OFFICER. The Senator yielded 2 additional minutes to the Senator from Washington.

Mr. EVANS. We must be careful in these coming months, between now and March 1, 1986, to analyze the progress toward peace negotiations in the Middle East, to lower our voices, to lower our voices in order to give the tenuous moves toward peace a chance.

Last, the ultimate conditions, if any, which we apply to this or any other proposal for the Middle East, must be capable of being met by those to whom the conditions are directed. I think it is perfectly appropriate to suggest that an end to a state of belligerency is something that could be done independently by Jordan, that the opening of talks could certainly be accomplished, that a successful selection of a Palestinian delegation could be accomplished. But it is not within the purview of any one nation to conclude a peace agreement, to sign one, to finish the act, and I think that that is an inappropriate condition.

Mr. President, I congratulate the chairman and the leaders who have worked together to bring us to this point. It is the best solution given the unhappy alternatives which were in front of us, and I desperately hope, along with my colleagues, that between now and March 1 of next year we will have moved and taken several steps toward initiation of the peace process in the Middle East.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. Mr. President, I yield 3 minutes to the Senator from Connecticut.

Mr. DODD. I ask the distinguished chairman of the committee for 5 minutes.

Mr. LUGAR. I yield 5 minutes.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Thank you, and I thank my distinguished chairman.

Mr. President, I will announce in advance what I want to do at the end of the 5 minutes so Senators will have some time to think about it.

I commend, first of all, those who have been responsible for putting together this particular language in this resolution. I have no objection whatsoever to the language that is before us.

The concern I have, and I realize procedurally I am under a constraint given the unanimous-consent request, is that I am concerned that we have not provided for an expedited procedure for this body to react if during this period of time it becomes quite obvious for whatever set of reasons that the peace process is not going to be capable of going forward and that is, given the volatility of the region we are talking about, a likelihood that cannot be dismissed.

The absence of some language here, which I will ask unanimous consent to offer, does not change one period or one comma in the resolution we are considering but adds a paragraph that says the following:

> Any joint resolution introduced on or after February 1, 1986, which states that the Congress objects to the proposed sales shall be considered in the Senate in accordance with the provisions of Section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

That would give us the opportunity to react.

My concern is, just as has been described by my colleagues, that we will not know or have any sense of what the President is thinking about on this matter until actually March 1, at which point the psychology changes dramatically in terms of this body reacting after the fact. I would like to give us that opportunity to react before, if we can, if, in fact, the situation is not proceeding well.

I have listened to the distinguished chairman of the committee suggest that he knows of no reason why anyone would object if things were going sour for a resolution of disapproval to be brought forward. If that is the case, then I hope there would be no objection to the unanimous-consent request that would simply add the language that would provide us that opportunity here since it does not change the substance at all of the proposition before us, but merely adds that guarantee that we would then be removing as a result of the adoption of this particular resolution.

I might add, as well, Mr. President, that I, for one, happen to have been supportive of the efforts of the chairman in trying to get an extension and, in fact, communicated to the Secretary of State, Mr. Shultz, myself, on October 16 requesting this matter not be brought up now but rather delayed until after the first of the year. So I am in total agreement with the substantive effort here.

My concern is the procedural hole or gap, if you will, that we have left ourselves here that I think that we may very well all regret.

So, for that reason, Mr. President, I ask unanimous consent to be able to offer a substitute joint resolution that includes all of the language in the resolution before us and adds the paragraph I just read.

The PRESIDING OFFICER. Is there objection?

Mr. LUGAR. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. DODD. Mr. President, let me just say to my colleagues here—and I say this with great regret, because I really do approve of what is happening substantively—but, as a procedural matter, this is too important an issue, it seems to me, to leave without that kind of safeguard. I would say, with all due respect to my chairman, who I have deep personal fondness for and respect, that the objection, frankly, causes me concern. I do not know why there should be an objection to this. It is merely protecting the prerogatives of this body. We have adopted legislation in the past that has given us that opportunity. It is a matter of some judicial inquiry as to whether or not it is constitutional, but, nonetheless, this body has felt in the past that we ought to protect ourselves in arms sales by having the opportunity to express our disapproval of it.

This resolution denies us that opportunity, except to the extent we obviously include an appropriating process or submit all sorts of resolutions. But there is no guarantee it would be considered. Of course, one Senator here could filibuster such a proposal if it were to come and deny us that opportunity until after March 2.

As a result of that, as someone who prefers to have this kind of timeframe, I would reluctantly have to oppose this resolution.

The PRESIDING OFFICER. Who yields time?

Mr. LUGAR. Mr. President, I yield myself 2 minutes to respond to the distinguished Senator from Connecticut.

It is with regret that I object, but I do so to protect the interests of all Senators who are of the opinion, or at least they entered into this debate with the opinion, that there would not be amendments.

Presently, there is no expedited procedure for a motion of disapproval. This resolution supplants the 30-day motion of disapproval that we would

have voted on otherwise. There is no expedited effort there.

The Senator from Connecticut is correct, Senators have the privilege of filibustering or extending debate or employing parliamentary delays, or what have you. Many want to protect that. To change that situation in the course of this debate, and without notice to extend this resolution, is an important request, but one, in all honesty, which I feel I could not accede to, given the agreements we have reached with all parties.

I appreciate the problem. This is why I tried to respond earlier to suggest that what we have done is simply to push the period of consideration back from 30 days to March 1, 1986, so that there is a longer period in the event Senators wish to file the motion to disapprove and to get that into the normal course of debate.

Mr. DODD. Will the Senator yield?

Mr. LUGAR. I am happy to yield.

Mr. DODD. I appreciate the Senator's response to that. Does the Senator know of anyone who objects to the addition of this language?

Mr. LUGAR. The Senator does know of persons who do. I can be candid and say that one factor in going this route was the attempt to obtain consent from the Secretary of State and from the President, who indicated that, if this resolution comes to him in this form, he would sign it. That is an important point, because prior to that consent we did not know the President's views. Members, however, may speculate about vetoes, about overriding them and about the time sequence of that.

But, in the context of effective action, it seems to me that part of the agreement is the language in the resolution that was known, and this procedure, with all the options given to the parties, including the President, being protected, that lead me to object to changes at this point.

The PRESIDING OFFICER. The Senator has used 2 minutes.

Mr. LUGAR. I yield 2 minutes to the Senator from California.

Mr. WILSON. Mr. President, I commend those who have fashioned this legislation. I think it is a wise procedure. Hopefully, it is one that will produce a new leverage for peace in the Middle East.

If this sale, as proposed, were to come to a vote today, it would lose in this body. I think that there are those who are simply unwilling to proceed without having the opportunity for the kind of bilateral direct negotiations between Jordan and Israel that will lead to peace before we add to the total number of arms in that area. To put it as simply as possible, peace is likely to bring arms—arms of a kind that will be required to allow Jordan to defend itself, with its allies, against attack from radical Arab States, and that is the real threat to Jordan's security. Unhappily, history does not illustrate that arms coming first enhance the cause of peace.

I commend those who have fashioned this. I hope it will achieve the goal that all of us who support it seek for it, and that is the production of new leverage for peace in the Middle East. Jordan, I believe, is entitled to some assurance from those of us that are concerned about peace in the Middle East that we are concerned about her security, as well. I believe they are entitled to think that we will not stand idly by, as, indeed, we did not stand idly by when Israel was attacked by other radical Arab States in earlier times.

So, Mr. President, I again commend those that have fashioned this compromise. I hope that it does produce that leverage for peace in the Middle East.

Mr. PELL. Mr. President, I yield 3 minutes to the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I want to join others in commending the various Senators who have brought us to this particular place in addressing this issue, especially the Senator from Ohio, Senator METZENBAUM, Senator CRANSTON, Senator PELL, Senator HEINZ, Senator BOSCHWITZ, Senator KASTEN, Senator INOUYE, and our leader of the Foreign Relations Committee, Senator LUGAR, and the majority leader, Senator DOLE.

Two days ago, Senator HEINZ and I introduced a resolution with 74 Senate sponsors opposing the administration's plan, announced on Monday, to sell up to $2 billion in sophisticated fighter planes, missiles, and other advanced weapons to Jordan. As the broad support for our resolution demonstrates, there is overwhelming opposition in the Senate to any such arms sale at this time.

The administration's plan is irreparably flawed, because it puts the arms cart before the peace horse. We all hope that Jordan and Israel are on the verge of a historic breakthrough for peace between their nations. It is obvious that Israel is not the obstacle to peace in the Middle East. And we are also well aware of the difficulties that confront King Hussein of Jordan in deciding whether to go forward with direct and meaningful peace negotiations with Israel.

But at least until those negotiations are underway, this arms deal is premature. There is no justification for any weapons sale to Jordan or any other Arab nation that might endanger the security of Israel.

The present resolution achieves the full goal we sought in the resolution we introduced 2 days ago, and it deserves the full support of the Senate. By our action delaying—and denying—the sale for now, we offer a clear, continuing, and appropriate incentive to Jordan to make peace with Israel. The last thing we need is to provide a disincentive to the peace process, by giving the King an opportunity to take our weapons and run.

Let us pray that 4 months from now, with good fortune and courageous leadership, we will be offering a very different resolution—praising the historic decision by Jordan and Israel to begin negotiations for peace.

If not, then we stand ready in the Senate to renew our opposition to any policy and any sale that would escalate the arms race, not facilitate the peace process, in the Middle East.

The PRESIDING OFFICER. Who yields time?

Mr. LUGAR. Mr. President, I yield 5 minutes to the distinguished Senator from Minnesota.

Mr. BOSCHWITZ. I thank the Senator for yielding.

Mr. LUGAR. Mr. President, I believe 6 minutes remains; is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. BOSCHWITZ. Mr. President, I commend my friend from Massachusetts, Senator KENNEDY, as well as Senator METZENBAUM, Senator SPECTER, the chairman and the ranking member of the committee for coming forward with this resolution.

I might say to my friend from Connecticut that it is not my interpretation at all that the Senate has waived any rights whatsoever. The Senate is not constrained to act to reject this arms sale within 30 days. It can reject this arms sale anytime prior to delivery.

I believe there is a critical message contained in the heart of this resolution. Congress has consistently expressed its view that major arms sales to nations at war with Israel should come only after those nations have agreed to make peace with Israel and are sitting down in direct, face-to-face negotiations with Israel toward that end. Arms should not be used as an incentive for such nations to be encourage to discuss peace, but as recognition of achievements in the peace process, as was the case with Egypt, where I think we very fully came forward in meeting our commitments that were made prior to the Camp David Accords.

From the time administration first began discussing the arms package to Jordan, Congress, in keeping with its policy, has consistently urged the Executive to postpone consideration of such sales until Jordan was sitting at the peace table with Israel.

Seventy-four Senators have clearly expressed their view that now is not the time to consider an arms package of such major proportions to Jordan. Rather than rejecting the sale outright, however, which the Senate

would have done if we had insisted, an agreement has been reached that would give the King and the Israelis more time to begin face-to-face negotiations.

Prime Minister Peres, in a bold and courageous speech before the U.S. General Assembly last week, went farther than any Israeli Prime Minister has ever gone toward meeting Jordanian conditions for peace talks. Now it is up to King Hussein to meet that challenge and sit down with Israel. The days of rhetoric are over. Concrete, courageous actions are now required by Jordon. Congress, through this resolution, is giving the process a chance to unfold.

Let me clarify if there are any ambiguities or questions pertaining to the language of the resolution. The resolution delays congressional action on the President's request for 120 days. The language of the resolution, according to my understanding, does not, in effect, approve the arms sale in any way but suspends judgment on the resolution of disapproval for the period specified. The Congress may, at any time during that period or after, pass legislation prohibiting such sales to Jordan.

If direct and meaningful peace negotiations between Israel and Jordan are not underway before March 1, I am certain that Congress will act promptly to ensure that such sales do not proceed.

It is important that this legislative history serve as the clear intent of the Senate regarding its interpretation. Let me assure the President that we, in the Congress, will express our view on these sales during this period extending to March 1, 1986—and after. Through this resolution, the Senate is simply delaying action on the formal notification request.

Mr. PELL. Mr. President, I yield to the Senator from California.

Mr. CRANSTON. Mr. President, I want to comment on a few matters that have come up during the debate.

First, as an habitual vote counter, I want to state my absolute conviction that if those of us who led the way had persisted and brought this matter to a vote within the 30-day period, we would have prevailed. The votes were here to deny proceeding with an arms sale to Jordan.

However, in the interest of comity between the two parties, between the Congress and the President, in the interest of peace and giving King Hussein an opportunity to follow through on his words about peace, we decided to work out the compromise that is now before the Senate and will soon be approved.

Second, on the matter brought up by the Senator from Connecticut, I would have liked to have seen his proposal adopted. I think it would have given us greater assurances about coming to a decision when and if we need to. But I totally understand the position of the chairman of the committee. I think he had no alternative, given the involvement and the terms of this agreement with the President, the Secretary of State, and many, many others.

My own view is that there was no certainty in any of the procedures that we were following. The original disapproval procedure had 30 days. The present procedure has 120 days.

Court decisions have created some doubt as to our capacities in this area.

However, I believe we have developed a spirit of comity on this matter. I feel confident that if those who are opposed to the Jordan sale under current conditions are still concerned in February, that the leadership in this body on the majority side will give us an opportunity to bring this matter to a vote. If we find obstacles to reaching a decision at that time, then, of course, we have a still better alternative and that is to deal with this matter on an appropriations measure. We can adopt, on a very important and significant appropriations measure, a provision stating that no funds can be spent by the U.S. Government in any way to complete the sale of arms to Jordan. We have that recourse, if we need it. I trust we will not have to.

The PRESIDING OFFICER. Who yields time?

Mr. PELL. Mr. President, I yield such time as may be required to the Senator from Connecticut.

Mr. DODD. I thank the Senator.

Mr. President, I ask unanimous consent that a copy of my joint resolution be printed at this point in the RECORD.

There being no objection, the joint resolution ordered to be printed in the RECORD, as follows:

S.J. RES. 228

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, that—

(1) Prior to March 1, 1986, no letter of offer shall be valid with respect to any of the proposed sales to Jordan of advanced weapons systems, including advanced aircraft and advanced air defense systems, that are described in the notification pursuant to section 36 (b) of the Arms Export Control Act submitted to the Congress on October 21, 1985, unless direct and meaningful peace negotiations between Israel and Jordan are underway.

(2) Any joint resolution introduced on or after February 1, 1986, which states that the Congress objects to the proposed sales shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

Mr. DODD. Mr. President, I ask unanimous consent that a letter I sent to Secretary Shultz on October 16, 1985, be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OCTOBER 16, 1985.

Hon. GEORGE P. SHULTZ,
Secretary of State,
Washington, D.C.

DEAR MR. SECRETARY: Last week during your appearance before the Senate Committee on Foreign Relations, I strongly suggested that the Administration give serious consideration to deferring until the first of the year its formal request for the proposed $1.9 billion arms sales package to Jordan.

In view of the serious and tragic events of the past several days, I urge you to give this suggestion your immediate consideration. I do so because I am more convinced than ever that the formal submission of the Jordan arms package will only serve to heighten the Middle East controversy and to reduce the prospects for moving the peace process forward.

Accordingly, I want to reiterate my earlier suggestion and urge you to reassess the timing of this request. Hopefully, the recent developments in the Mediterranean region can be sorted out. Hopefully, they will not have a lasting impact on the peace process. And hopefully, the Administration's expectations for significant progress in bringing Jordan and Israel to the negotiating table before the end of the year can still be realized.

In my judgment all of these hopes, which I know you share, will be seriously jeopardized if the Administration pursues its original plans to submit the Jordan arms proposal on October 17th. Realistically, this proposal deserves to be set aside at least for the time being, in order to guard against any further damage to the peace process and to prospects for getting it back on the track.

I deeply appreciate your timely consideration of this suggestion.

Sincerely,

CHRISTOPHER J. DODD.

Mr. DODD. Mr. President, if I could, I would like to engage my distinguished chairman in a colloquy.

I have expressed my concern about what may happen as a procedural matter, and I appreciate the comments of the Senator from California. The problem with that, of course, is once the train has left and the President has made a decision, for the sake of discussion, that the peace process has not gone forward, and the President has decided in the national interest of the country to issue the letters and for whatever reason we are foreclosed by one or two Senators who want to disapprove of it, but it goes ahead, the process of going back is a far more difficult proposition than it is to dispose of or stop the sale before it occurs.

I think we can agree on that.

My concern would be whether or not the leadership could give this Senator some cause for relaxation by guaranteeing that if a resolution of disapproval is offered on or after February 1, 1986, that we would be guaranteed the opportunity prior to March 1, 1986, on or before March 1, 1986, to vote on that resolution of disapproval. Could that guarantee be given?

Mr. LUGAR. Let me respond to the Senator. I hope he will understand. I personally cannot give a guarantee on

behalf of the leadership in the majority or the minority. I hope the Senator will understand that I frankly do not know what the parliamentary situation is likely to be at that point.

I can assure the Senator in this way: I think the Senator from California has expressed the various obstacles that have been encountered by myself and others who were trying to draft this approach, but the votes for disapproval were here and that view could be expressed.

I would simply say that on that basis, on the basis of comity within our committee, on the basis of the appropriations process, that the will of the Senate is going to be heard and will be heard in a timely manner. But I cannot offer any further assurances.

Mr. DODD. Mr. President, I see the majority leader has arrived on the floor, the distinguished Senator from Kansas, and possibly I could engage the majority leader for 1 minute.

Mr. LUGAR. I am happy to yield to the majority leader.

Mr. DODD. If I might have the attention of the majority leader for a second, I posed a question relating to a substitute that I had hoped to be able to offer that would have guaranteed us an opportunity to vote on a resolution of disapproval prior to March 1, 1986. That unanimous-consent request was objected to, and I understand the reasons why. I wonder if the majority leader could give me and those of us who are concerned about whether or not we would have an opportunity to vote on this prior to March 1, a guarantee that should a resolution of disapproval be offered on or after February 1, 1986, we would have the opportunity in this body to vote on that resolution on or before March 1, 1986. Could such a guarantee be given?

Mr. DOLE. I can offer no guarantee, but I doubt there would be any problem. As far as I am concerned, we are going to be in the same situation then as we are today. There could be at some time an effort to postpone a final resolution of the arms sale issue for another 60 days or 90 days, depending on the status of the peace process. But I can say, as far as I am concerned, that I doubt there will be a problem.

My view is that we have a good resolution. Drafting was a cooperative effort with a number of Senators on each side of the aisle. The effect of the resolution in effect is to just move everything down the road 4 months without disturbing anything else or limiting any Senator's rights.

I am willing to assure the Senator personally that I am not going to stand in the way of anybody who wants to introduce a resolution of disapproval.

Mr. DODD. I thank the majority leader.

Mr. BOSCHWITZ. Will the Senator from Connecticut yield?

Mr. DODD. Certainly.

Mr. BOSCHWITZ. There were Senators on this side, Mr. President, who were concerned that the resolution was not specific enough in disallowing other people to rise at any time and offer resolutions of disapproval.

Mr. DODD. The resolution could be offered. Whether it would be considered is the issue.

Mr. BOSCHWITZ. In the event, once again, the peace process is bogged down and not moving forward, or some other events occur, 74 Senators will certainly get the attention of the Senate. However, we believe that we have expanded, rather than constrained or contracted, the rights of the Senate by virtue of this resolution. Furthermore, just as I felt it was unnecessary to specifically prevent people from offering resolutions of disapproval, so I think the Senator from Connecticut is unduly concerned about something that will not happen.

We have negotiated this in good faith with the majority leader, with the White House, and with the chairman of the Foreign Relations Committee. I know the Senator is and has been for many years interested in the entire subject of the Middle East. I think that the concerns of the Senator are without basis. I cannot foresee another Member of the Senate or the White House trying to prevent such a resolution from being properly debated and voted upon, in the event a member would try to do that. Certainly that would assure such a resolution from succeeding. And such a resolution can arise at any time prior to delivery.

Mr. DODD. Mr. President, if I may retain the floor, the point is obvious. The resolution could be offered. You could offer 100 today. That is not the point.

I would tell the Senator from the Minnesota I hope he is absolutely right and I am wrong. But I also say, as I stand here today, I have a sinking feeling I am right and he is wrong. Now, we will know on March 1. But I would like to think that we had at least covered ourselves in this body so that we might have an opportunity to express our will. I hope I am wrong. I mean that with all sincerity. I think we have left the barn door open and we will come to regret it.

Mr. BOSCHWITZ. Mr. President, the Senate can act on this at any time prior to delivery of the weapon system in the proposed package. I think we have expanded our rights and that we constrained the rights of the administration.

The PRESIDING OFFICER. Who yields time?

Mr. PELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. I think the Senator from Connecticut made a very good and very valid point. I think the majority leader gave us a very good assurance, a generous assurance. I think that point is pretty well covered.

Is there anybody else on our side who wants to speak?

Mr. LEVIN. Will the floor manager yield for a question on our time?

Mr. PELL. Certainly.

Mr. LEVIN. Can the Senator tell me whether or not the 30-day clock, which the law has, would ever, whatever weaknesses or questions that exist about it, will that 30-day clock begin to run again on March 1?

Mr. LUGAR. No, it would not. The clock would expire on March 1.

Mr. LEVIN. The clock will have expired by March 1. I think that is the point the Senator from Connecticut is making, that there are some things that we give up. It may be an imperfect clock because of Chadha, but it is a clock, and that clock would have run out by March 1. We all ought to be aware of that fact. I think the resolution is worthy of support, but there is a very critical problem with it that we are going to have to watch very, very carefully, and that is exactly the fact that the clock will no longer have any time on it by that time.

Mr. BOSCHWITZ. If the Senator will yield, my point is that it does not matter if the clock runs out. We can bring a resolution of disapproval to the floor at any time.

Mr. LEVIN. Except that clock has expedited procedures, does it not? It does not have any expedited procedures left on March 1. Those procedures may have gone down the tube in that Chadha ruled that the concurrent resolution to which it is connected went down the tube, but nonetheless you could offer a concurrent resolution of disapprovel and have expedited procedures, and then it would be a court decision as to whether or not that concurrent resolution in fact violated Chadha or not. Under this resolution, the clock runs out before March 1. There are no expedited procedures at all, as defective as they may be.

The PRESIDING OFFICER. The time of the Senator from Rhode Island has expired.

Mr. PACKWOOD. Mr. President, the administration's decision to hold off on the proposed $1.9 billion arms sale to Jordan should be lauded. Selling Jordan our most sophisticated weapons prior to their negotiating directly with Israel would have been a grave and costly mistake.

King Hussein has taken some initiatives recently, and I believe there is some hope that peace will prevail. I know that the King, like Prime Minister Peres, is a man of peace. However, arms sales have never induced peace in

the Middle East—a region which has suffered from perpetual war and unrest. King Hussein must back up his words with actions.

King Hussein met with Members of the House and Senate earlier this month, and told us that he recognizes the existence of Israel. He also agreed to negotiations with Israel under the auspices of an international conference. Although the U.S. Government has opposed the idea of an international conference because it invites the Soviets, the Syrians, and the PLO to place obstacles in the path toward peace, it is a start.

After years of bloodshed and constant tension, the possibility of peace between Israel and Jordan is much more than a dream. But it requires courageous steps.

I sincerely hope that King Hussein will use the next 4 months to take the necessary, irrevocable steps and engage in direct talks with Israel. When the late Egyptian President Anwar Sadat embarked upon his courageous journey to Jerusalem, he took that all-important step toward a peaceful resolution of the Middle East conflict. I am convinced that King Hussein wants peace just as much as Anwar Sadat did—all that he must do now is take the necessary steps.

I will support this resolution to delay the arms sale but let there be no doubt—if there is no movement in the peace process—if King Hussein continues to avoid direct negotiations with Israel—I will again join my colleagues in opposing this sale. As I have said many times in the past, I simply do not believe we should sell arms to countries in the Middle East that are not willing to make peace with Israel. Our interests—the interests of the United States—are served infinitely better by encouraging peace through negotiations than by contributing to instability in the region through another arms sale.

Mr. HEINZ. Mr. President, as a principle sponsor of Senate Joint Resolution 223, which would have prohibited the sale of advanced weapons to Jordan, I am pleased to join today as a cosponsor of this compromise, which halts the administration's current attempt to sell advanced weapons to Jordan.

This compromise would prohibit the President from proceeding with its proposed sale of weaponry to Jordan between now and March 1, 1986, unless direct and meaningful negotiations between Israel and Jordan begin before then. Most importantly, the compromise preserves the right of the Senate to oppose the sale after the March 1 date if direct negotiations between the two are not taking place.

In effect, the compromise achieves the objectives which 73 of my colleagues and I spelled out in cosponsoring Senate Joint Resolution 223.

In my view, the delay of this sale is vital to improving the prospects for peace in the region. The current flurry of diplomatic gestures between Israeli Prime Minister Peres and Jordan's King Hussein are cause for cautious optimism. To have proceeded with this sale at this time, however, would have been a serious threat to the delicate progress which has already been made.

It is my hope, Mr. President, that direct and meaningful negotiations between Israel and Jordan will begin promptly, and most certainly prior to the March 1, 1986, deadline which this compromise establishes.

I would like to thank the original sponsors on this bill, Senators KENNEDY, KASTEN, BOSCHWITZ, INOUYE, and CRANSTON for their efforts in halting this sale. In addition, the leadership of the distinguished chairman of the Foreign Relations Committee, Senator LUGAR, was vital in avoiding a confrontation on this issue and in crafting this compromise.

Mr. GLENN. Mr. President, I support the resolution delaying action on the proposed sale of arms to Jordan. To support an arms sale to Jordan now would surely be interpreted as suggesting that we are satisfied with the efforts that King Hussein has made toward holding direct, bilateral peace talks with Israel. Clearly this is not the case. I look upon the proposed 4-month delay as a welcome opportunity for Israel and Jordan to make a constructive move toward the peace table.

My position on the sale of arms to Jordan has been very clear. I believe that it is incumbent on the Arab nations—particularly Jordan—to move the peace process forward before I support an arms sale. To date, Jordan has not done this to my satisfaction.

Over the past months, however, statements by King Hussein have been encouraging. Recently, we have heard additional statements from the Middle East that give rise to renewed hope for the peace process. President Mubarak and King Hussein are meeting, and King Hussein has responded favorably—although cautiously—to Prime Minister Peres' recent remarks.

Mr. President, we have heard a lot of talk about peace; it is now time for action. To date, the hopeful words have not been matched by hopeful deeds. It is time for bold action by Jordan to break the current deadlock. I believe it would be foolish for the United States to jeopardize the potential for peace by premature arms sales to Jordan.

Mr. CHILES. Mr. President, I want to take just a minute to thank the leadership for its efforts to defer consideration of the pending arms sale to Jordan.

While I applaud King Hussein's efforts to advance the peace process, I am concerned that the King's insistence on an international conference including the Soviets, Syrians, and PLO, has effectively blocked any real progress in this area. Israel, on the other hand, has taken the first real steps to break the impasse. Let us wait and see if their efforts bear fruit.

One key factor in my own decision to oppose the arms sale was the uncertain funding arrangements for the sale.

Mr. President, this proposed sale represents a potential commitment to provide $2 billion in additional foreign assistance over the next 5 years. I do not believe that the budget can absorb this new commitment.

In my judgment, it does not advance American foreign policy interests for this administration to support major new foreign assistance programs, knowing that the Congress is unwilling to provide the necessary appropriations to fund these initiatives.

I hope that as the Senate considers this measure between now and March 1 of next year, the administration will seriously consider how Jordan will finance the purchase of these arms.

And, if they expect the United States to finance these arms sales, I hope they are prepared to inform the Congress of the additional funding requirements. Of course, in keeping with the Gramm-Rudman amendment, I expect the President will also be prepared to suggest which current activities he proposes to cut in order to finance this new initiative.

Mr. TRIBLE. Mr. President, I wish to express my support for this resolution postponing the time period for disapproval on arms sales to Jordan until March 1, 1986.

Let me say at the outset that were we to vote on the arms sale today, I would oppose it. The sale of these advanced weapons without tangible guarantees by Jordan would unacceptably jeopardize Israeli security. Moreover, at this time, the cause of peace is not served by the introduction of additional arms into the region.

All of us agree that the peace process must be our foremost concern and this is a critical time in that process. King Hussein has made a courageous effort to lay the groundwork for negotiations. He has worked diligently to build support in the Arab world and he has achieved substantial success. Prime Minister Peres remains eager to enter into direct negotiations.

Our action today will ensure that King Hussein's efforts at reconciliation will continue. By delaying action, we indicate to Hussein that should direct negotiations begin, our Nation will provide a full measure of support. We signal our intention to reward those who pursue the path of peace.

We must recognize that King Hussein's project stands as the best hope

for peace. A premature judgment by the Congress would undermine the cause of reconciliation.

Moreover, it would be unwise to repudiate the President. No one in Congress doubts President Reagan's commitment to the security of Israel or the peace process. The decent interval permitted by this resolution will enable the administration to maintain its role as intermediary, unencumbered by the onus of congressional disapproval.

Many obstacles remain, but those obstacles are not insurmountable, but overcoming them requires boldness, decisiveness and good will. Today's resolution encourages that risk taking.

The road to reconciliation will not be easy. Our action today acknowledges the extraordinary difficulties and eliminates a deadline which could become the death knell of the peace process. I urge my colleagues to support this resolution.

Mr. HART. Mr. President, passage of this resolution will be a major victory for all those who have urged the Reagan administration not to sell sophisticated weapons to Jordan until King Hussein agrees to negotiate directly with Israel.

As I have long argued, our efforts should focus on bringing Jordan to the negotiating table, not bringing arms to Jordan. Weapons are no substitute for diplomacy. In this case, I fear that they would forestall diplomacy.

King Hussein has helped to move the peace process forward to a limited extent. But postponing the arms sale is the only leverage the United States has to bring Jordan one step further. Unfortunately, King Hussein did not publicly announce his willingness to end the state of belligerency or enter into direct negotiations with Israel during his recent visit to the United States.

President Reagan has defined his goal as starting direct Israel-Arab negotiations before the end of this year. The resolution before us today gives the administration and the Jordanian Government time to pursue this course. This also strengthens U.S. flexibility and leverage in persuading Jordan to make concessions needed to break the current deadlock.

I urge my colleagues to support this resolution.

Mr. SPECTER. Mr. President, I want to express my strong support for this resolution which would bar an arms sale to Jordan until March 1, 1986, unless Israel and Jordan begin "direct and meaningful peace negotiations" before then.

Providing arms to Jordan before they make peace with Israel would focus attention on the instruments of war rather than on efforts to bring peace to the area. In the 1970's, the United States waited until after Egypt entered direct negotiations with Israel before supplying arms to the Egyptians. This is a basic principle that must also be applied to Jordan. Providing arms to Jordan at this time would reward them for not moving forward in the peace process.

This resolution will encourage the peace process to move forward in a positive direction. This resolution does not embarrass or rebuff King Hussein. But rather, it encourages King Hussein to move foreward. It encourages King Hussein to recognize Israel and to begin direct and meaningful negotiations.

This week, we may have seen the first step toward renewing the peace process. Prime Minister Peres of Israel, in his address to the U.N. General Assembly, and King Hussein's positive response, should be viewed in a most positive light.

In conclusion, I strongly believe that the only means to reach a peaceful settlement of the problems of the Middle East is through direct negotiations between Israel and Jordan.

Mrs. HAWKINS. Mr. President, I rise in support of this resolution to prohibit the sale of advanced warplanes and sophisticated air defense equipment to Jordan until March 1, 1986, unless King Hussein enters into direct and meaningful peace negotiations with Israel. The effect of the amendment is to extend the period in which Congress can consider this proposed arms sale from the standard 30 days, which in this case would expire on November 19, 1985, to March 1, 1986.

On Monday, October 21, 1985, the administration submitted to Congress its formal announcement of its intention to sell $1.9 billion worth of advanced weapons to Jordan. I joined 72 of my colleagues in immediately expressing opposition to this sale. This was no bolt out of the blue for the President. Several months ago, when word first began to circulate that the administration was considering such a sale, I joined at least 70 of my colleagues in writing to the President expressing our view that such a sale would be unwise and counterproductive. In spite of these clear signals of disapproval, the administration insisted in sending this proposed sale to the Senate. As a result, it should have surprised no one in the administration that this proposal would find substantial opposition here in the Senate.

The resolution that we are considering today is not the same as the one that was introduced to disapprove of the proposed sale to Jordan. This resolution, rather than rejecting the sale outright, prohibits the sale until March 1, 1986, unless Jordan and Israel begin direct peace talks. This resolution strikes at the heart of my opposition to the sale: Jordan has done nothing substantial to advance the cause of peace in the Middle East, and, in my view, has actually contributed to the tensions that have made the Middle East a powder keg. Under these circumstances, to reward Jordan with the sale of some of America's most sophisticated weaponry would be the height of folly. Rather, the consideration of an arms sale to Jordan should await positive actions on the part of Jordan to reinforce the peace efforts of the region. In this way, such a sale would at least serve to reinforce and reward the King for steps that are clearly in the interests of the United States and world peace. By refusing to wait until the King has taken these steps, I believe that we heighten the tension and contribute to the problems of the Middle East.

My reservation about this resolution is that it merely delays the possibility of the sale instead of rejecting it outright. I believe that under no circumstances, either now or in March, should we permit this sale unless Jordan has taken concrete steps to end the state of war with Israel and to enter into peace negotiations. I am supporting this resolution because of its timing. I am reluctant to hand the President a major foreign policy setback on the eve of the summit with General Secretary Gorbachev in Geneva. The President needs to enter these talks with as much support from the American people and the Congress as possible.

By passing this resolution, we prevent the sale; we avoid an embarrassing setback for the President; and we provide King Hussein with a clear-cut incentive to get his act together and take a more positive, active, and constructive role in the Middle East peace effort. And in the meantime, if by March there has been no substantial progress toward peace—and by this I mean deeds, not words—the Congress still has the opportunity to reject this proposed sale outright. Given the circumstances, I believe that this is the best course of action, but I would like to go on record as saying that if Jordan does not take positive action with regard to peace with Israel between now and March, that I plan to oppose the sale when it comes up again.

Mr. BINGAMAN. Mr. President, I rise in support of the resolution to delay the proposed sale of advanced weapons to Jordan until March 1, 1986, unless direct and meaningful peace negotiations between Israel and Jordan are underway.

We all want to see the Camp David peace process widened and have been disappointed by the unwillingness of other Arab countries to join Egypt in reaching a peaceful settlement with Israel. For the past 5 years, the United States, Israel, and Egypt have looked hopefully toward King Hussein as the next logical candidate to demonstrate

the statesmanship of the late Anwar Sadat and enter into direct negotiations with Israel. Unfortunately, those hopes remain to this day unfulfilled. King Hussein has occasionally appeared to edge toward the negotiating table, but then has backed off by raising unacceptable preconditions on such matters as PLO and Soviet participation in the talks.

I hope that in the coming months, the King will make the hard decision to sit down with Israel and engage in direct and meaningful negotiations with that government. If he does, then we should be wiling to demonstrate our support for that decision and for that negotiating process as we did in the case of Anwar Sadat and Egypt following President Sadat's visit to Jerusalem. In that instance, we did provide weapons to Egypt, including 50 F-5E air defense aircraft prior to the conclusion of the peace negotiation at Camp David.

But let me make clear that I reserve my opinion on the specific $1.9 billion arms package which the administration formally submitted to the Congress earlier this week. That package includes not F-5E's, but F-16 or F-20 aircraft and Improved Hawk and Stinger air defense missile systems. This weapons package is being justified on the basis of a Syrian threat to Jordan. Yet it would seem that the more immediate threat to Jordan once it entered peace negotiations with Israel would come from radical terrorist groups. An aid package to Jordan designed to meet that terrorist threat and to improve economic conditions for the Jordanian population would appear more likely to guarantee Jordan's internal stability, once the direct peace negotiations were underway, than the arms package sent to us by the administration. If direct talks were underway between Israel and Jordan, the external Syrian threat to Jordan would be deterred by the significant military capabilities Jordan already possesses and the likelihood of Israeli intervention to prevent Syria from setting up a hostile government along Israel's long eastern border to replace the Hussein government. I do not think that a Syrian military planner would make any assumption other than that he would have to deal with both Jordan and Israel, if the peace process were underway.

To conclude, Mr. President, I support the resolution before us. I think that it gives King Hussein a real incentive to get involved in direct negotiations with Israel. To have gone ahead and approved the sale of advanced weapons to Jordan before the King entered negotiations, as the administration proposed, would have had a negative effect on the prospects for peace and would have only eroded Israel's margin of security. If the King will now break with the Palestinian radicals and agree to sit down with Israel, I agree that we should provide him tangible support. But I remain extremely skeptical that the arms package proposed by the administration is the most appropriate means of showing that support. I reserve judgment on that until the direct negotiations we all hope for have commenced. Moreover, if such negotiations have not begun by March 1, 1986, I will support further delays in the proposed sale or outright disapproval of the sale depending on the situation at that time.

Mr. THURMOND. Mr. President, I have had a long history of support for the nation of Israel, and will continue to support the military security of Israel in the Middle East. However, I support this sale since I do not believe it will pose a threat to the security of Israel.

King Hussein is a man of honor. Therefore, I have no reason to doubt his commitment to peace with Israel. Nor do I question his nation's need for these arms.

Under the current circumstances, this resolution is the only alternative available to providing these arms to Jordan. In order to maintain the viability of this sale, I support the resolution.

Mr. McCONNELL. Mr. President, I will keep my remarks brief. Like my colleagues, I have a great deal of respect for King Hussein's apparent personal commitment to peace. In the face of Syrian threats to his life and his nation, he has cautiously edged forward in talking about peace with Israel. I am hopeful his interest will result in progress.

Senators DOLE, LUGAR, BYRD, and PELL have introduced a resolution which affords all of the parties an opportunity and time to demonstrate their commitment to peace. In delaying the decision to sell sophisticated weapons to Jordan, the resolution offers the incentive and reward to act. I support this resolution and the opportunity it offers.

However, I am strongly opposed to delivering arms before Jordan delivers on promises of peace. Under the present circumstances, if we approve the President's request, we are saying Jordan can stand still in the peace process and still benefit from American largesse. In the end, we lose our leverage.

At this point, I think it is critical we exercise this leverage. It's one thing for the King to say he is interested in negotiating a peace agreement, it is quite another to actually sit down and do it. Moreover, while the King may be interested in peace, we have all been repeatedly disappointed when his efforts fail to bring representatives of the Palestinians to the negotiating table. This frustration was experienced most recently by Great Britain when efforts were made to gain a commitment from the PLO to denounce terrorism and recognize Israel's right to exist.

Evidence of the PLO's sustained beligerency was tragically demonstrated during the recent hijacking of the *Achille Lauro*. All information points to the fact that Abu Abbas, a known Arafat loyalist, was intimately involved in the hijacking resulting in the brutal murder of Leon Klinghoffer. The PLO has not spoken of, nor demonstrated, an interest in peace.

There is one challenge: The Senate wants to see Jordan prove by performance it will negotiate a peace agreement with Israel. When these talks commence, I will reconsider my opposition to an arms sale. Unless these talks commence, I will make every effort to oppose a sale. Arms will not buy or build peace.

Mr. LEVIN. Mr. President, I want to join my colleagues in voicing my opposition to the administration's plan to sell sophisticated weapons to Jordan. The many reasons for opposing this proposed sale have already been described in detail by a number of other Senators. But I would like to reemphasize one of the most important arguments against carrying out such a sale at this time.

We must not forget that Jordan still refuses to negotiate directly with Israel. Despite that, there are many who believe that King Hussein is the best hope for the continuation of the peace process begun when Israel and Egypt signed the Camp David accords. But the King has seemed to moved a step backward from his earlier position on negotiations with Israel. In 1982, he was privately assuring the administration that he was on the verge of a decision to enter direct negotiations. But last month, during his visit to the United States, the King was saying that the PLO itself—not just individual Palestinians approved by Yasser Arafat—would have to be a party at the negotiating table. He was also telling the President that the Soviet Union would have to be a full participant as well, as part of an international conference. These positions do not indicate progress; they are a repetition of the same formulas espoused for years by the PLO, Syria, and the Soviet Union.

The President speaks of King Hussein's courageous pursuit of peace with Israel. As yet, I'm afraid I see little evidence of this courageous pursuit. Clearly, it will take courage for the King to negotiate with Israel face-to-face. He will have to do it in spite of pressure and opposition. It will take an act of courage such as that performed by Anwar Sadat 8 years ago. Eight years later, Egypt is at peace with Israel, and receives large amounts of military and economic assistance

from the United States. We should only reward genuine efforts at furthering peace in the Middle East. I hope Jordan will make such an effort in the next few months. As yet we haven't seen it.

Mr. KASTEN. Mr. President, as one of the original cosponsors of the disapproval resolution which was cosponsored by 73 Members of the Senate, I look upon this resolution now before the Senate as a good step toward possible peaceful solutions in the Middle East inasmuch as we will have more time to reason together on this issue, as well as giving more time to those in the region to talk. There is no question that the resolution will have overwhelming bipartisan support, and it is an action that has the consent and agreement of the administration.

Mr. President, this resolution will help avoid acrimonious debate and assure negative votes against arms sales to Jordan, and I believe that the chairman of the Foreign Relations Committee should be complimented for fashioning the resolution, and I compliment the administration for accepting it.

The passage of this resolution will send this message: The United States is not anxious to provide huge new arms sales in the Middle East until actual peace negotiations are in progress—it is that simple. It is somewhat unfortunate that we have had to go through this process inasmuch as I believe it was clear that this would be the result without first engaging in full consultations between the administration and Congress, and especially without developing a true consensus on the issue which the Secretary of State indicated last June that he wanted to develop before sending the package up to Congress. Obviously, that consensus is not developed. In fact the overwhelming consensus is in the opposite direction. However, I do not look upon this action as being a victory or defeat for any particular party, but as I said, rather a chance for us now to have serious discussions among all of the parties, and hopefully before the March 1 deadline, peace negotiations will be underway between Jordan and Israel.

Mr. BRADLEY. Mr. President, I am pleased to cosponsor this resolution postponing congressional action on arms sales to Jordan until March 1, 1986, at which time the President would have to resubmit his request for the sale and Congress then, as now, would have the right to reject it. I believe this outcome furthers the prospects for a serious peace process in the Middle East.

Had the request been before us today, I would have voted to disallow the sale of advanced weapons to Jordan, and indeed had already cosponsored a Senate resolution of disapproval.

For over a decade now, successive Presidents and Secretaries of State have contended that Arab States hostile to Israel could be enticed into the peace process through the sale of sophisticated U.S. weapons. However, in every case in which American arms sales were approved prior to direct, bilateral negotiations between an Arab State and Israel, the peace process either stalled or suffered setbacks.

For this reason, the right precedent for us to follow in approving or rejecting requests for arms sales is Egypt. It was only after Anwar Sadat went to Israel and Egypt agreed to direct negotiations that we agreed to supply Egypt with advanced aircraft. We should do everything in our power to encourage King Hussein to do likewise. Agreeing to arms sales in advance of such negotiations would thus be counterproductive.

In this regard, the developments of the last few days are encouraging. Mr. Peres has reaffirmed Israel's willingness to meet with a Jordanian or Jordanian-Palestinian delegation. And King Hussein has responded by calling Mr. Peres "a man of vision." In this climate, it would be foolhardy to inject the destabilizing factor of advanced weapons sales. Instead, we should be encouraging both nations to do everything in their power to pursue the course of peace.

That's what this resolution does. It encourages face-to-face discussions between Israel and Jordan. And it allows time for negotiations to take place. Finally, it preserves Congress' right to disallow arms sales should those negotiations fail to bear fruit. It therefore provides a compelling reason to move the process in a way that will be beneficial to all. For in the final analysis, no amount of arms can provide the security inherent in a just and lasting peace.

Mr. LAUTENBERG. Mr. President, I rise in support of this resolution to bar a U.S. arms sale to Jordan until March 1 unless direct and meaningful negotiations are underway between Israel and Jordan.

Mr. President, I was an original cosponsor of Senate Resolution 177, the resolution to bar the sale of advanced fighter aircraft and missiles to Jordan prior to the commencement of direct bilateral negotiations between Jordan and Israel. I continue to believe it would be unwise to make such a sale unless direct negotiations are occurring.

Now we have a different resolution before us. This resolution was crafted to prohibit the sale of weapons to Jordan until March 1, unless negotiations are underway. Its purpose is to give Jordan a window in which to move forward with the peace process, and a reason to do so, while assuring that Israel's security is protected. I am cosponsoring and voting for this resolution only because the Senate majority leader has indicated that the Senate would not be banned from considering a resolution of disapproval of the arms sale at a later time if the situation demands that we do so.

Under this resolution, Mr. President, King Hussein has until March 1 to come forward and negotiate with Prime Minister Peres while the possibility of the arms sale remains open. If he has not done so by then, I am committed to barring arms sales to Jordan. This carrot-and-stick approach buys time for the peace process to ripen, while giving King Hussein a chance to demonstrate if he is serious about moving forward.

I remain opposed to this arms sale so long as King Hussein's only contribution to the peace process is rhetoric.

Mr. President, I disagree profoundly with the administration's argument that this arms sale at this time will give King Hussein an incentive for peace. I believe an arms sale at this time will do just the opposite. It will reward King Hussein for not coming to the peace table. It will send a signal that as long as King Hussein keeps talking about peace, he need do no more.

While I welcome King Hussein's statement that Jordan is now prepared to negotiate with the Government of Israel promptly and directly under the terms of U.N. resolutions 224 and 338, from where I sit, the chairs at the peace table are still empty. In order for the peace process to move forward, King Hussein must make more dramatic moves toward peace, and take greater risks than he has. Providing him with arms now will remove his incentive to do so.

King Hussein justifies his request for advanced arms on the grounds that he needs additional protection against conventional attack if he is to risk making peace with Israel. The alleged "conventional military threat" comes principally from Syria. But, Mr. President, this alleged conventional threat from Syria has not prevented Jordan and Syria from recently agreeing on a common position on the Middle East peace process. And it has not prevented them from cooperating against Israel on the battlefield even when diplomatic tensions exist between them. While the administration says that the Jordanians need these weapons for defense against Syria, Syria supports the sale of arms to Jordan. So, to me, the proposed sale of arms to Jordan on the ground that Syria threatens Jordan does not make sense.

While Jordan's need for these weapons is not convincing, the military threat they would pose to Israel is real and demonstrable. Israel does not have enough soldiers to guard its long and vulnerable borders. Instead, it relies on a small standing army backed

by a large number of reservists. In the event of war, Israel's air force must protect the country while her reservists are mobilized. By providing Jordan with aircraft that can fly from Jordan to Jerusalem in less than 10 minutes, this arms sale would enable Jordan to drive a hole through Israel's air force defense. When the aircraft we propose to sell to Jordan is considered in conjunction with other Arab air forces, it poses an even greater threat. Jordan's combat aircraft would provide a high quality addition to total Arab air forces, which, excluding Egypt, exceed 2,100 planes.

In light of this military threat, there is no good reason to given weapons to Jordan when Jordan has given only lip service to the peace process. Israel is entitled to more than Jordan's promises that these weapons will not be used against her. Those promises have been made and broken before. And when Jordan breaks her word, Israel pays in blood.

We should not even consider arming Jordan until King Hussein sits face to face with Israel in bona fide negotiations. If King Hussein truly wants peace with Israel, he doesn't have to cross the Atlantic Ocean to meet with President Reagan. He only needs to cross the Jordan River to meet with Prime Minister Peres.

The prospect of the United States arming Israel's enemies not only threatens Israel militarily; it could cause irreparable damage to an already fragile economy. Building up Jordan's arsenals will require Israel to spend even more of her limited resources on defense. And Israel's economy, though recovering, is still in trouble.

Keeping Israel strong is in America's own national security interests. Israel is a valuable source of intelligence about the Middle East and Eastern Europe. And Israeli military experience yields critical information on how American and Soviet equipment performs in battle. Our alliance with Israel means America can count on the use of Israeli air bases and seaports in the event of a conflict in the region. Alone among the nations of the Middle East, Israel offers strategic value, military sophistication, political stability, and deep and abiding ties of emotion and tradition. We should not jeopardize the security of this valued ally without good reason. Thus far, I have heard none.

Weapons of war rarely promote the business of peace. Under present circumstances, they clearly do not. Until Israel and Jordan are engaged in negotiations, we should not go forward with this arms sale. I urge my colleagues to support this resolution, and to return in several months to disapprove this sale if no progress has been made in the interim.

Mr. KERRY. Will the chairman yield for one question?

Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana is recognized.

Mr. LUGAR. I have a few seconds, and I will yield if I am able to get my point across. First of all, I ask unanimous consent that Senator DOMENICI and Senator STEVENS be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LUGAR. Mr. President, let me respond quickly. There are no expedited procedures under the current situation. I think it is a mistake really to get into that discussion. We are not going to add them apparently before March 1, because I have objected. I would just say Senators retain all of their rights. The clock, instead of ticking until 30 days from now, will now tick until March 1, 1986, and motions of disapproval, as the majority leader has pointed out, will be honored.

Mr. KERRY. Will the chairman yield for a question?

Mr. LUGAR. I will be happy to yield.

Mr. KERRY. Mr. President, I would state very quickly that I share my colleague's concern about this, and that while the majority leader has expressed his willingness to join with us in guaranteeing that there will be no effort to prevent a resolution of disapproval should there be a turnaround immediately after the March 1 date, I would like to know from the chairman of the committee if it would be his intention to join with us in that effort at that time, and that he also would not stand in the way of such an action of disapproval?

Mr. LUGAR. Mr. President, let me respond respectfully that I do not know what the contingencies or hypothetical situations might be on March 1, 1986. As always, I will try to entertain the viewpoints of members of our committee, as we attempted to do yesterday and today, and try to bring about a situation that conforms as best as I can to their will. But I do not know what the situation will be then, and I do not want misconstrued an advance commitment.

Mr. KERRY. I would simply state my wholehearted opposition. Obviously, as the chairman knows, we have discussed this. I am willing to join in the effort to delay it, obviously, but certainly, as the Senator from Connecticut, I do not want to be prejudiced in our current position as a consequence of doing that.

Mr. LUGAR. Mr. President, I ask unanimous consent that Senator HAWKINS be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LUGAR. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. The yeas and nays have been ordered previously. All time has expired.

The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and to be read a third time.

The PRESIDING OFFICER. The question is now on agreeing to the joint resolution. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Oregon [Mr. HATFIELD] is necessarily absent.

Mr. CRANSTON. I announce that the Senator from New Jersey [Mr. BRADLEY] is absent on official business.

The result was announced—yeas 97, nays 1, as follows:

[Rollcall Vote No. 250 Leg.]

YEAS—97

Abdnor	Gore	Mitchell
Andrews	Gorton	Moynihan
Armstrong	Gramm	Murkowski
Baucus	Grassley	Nickles
Bentsen	Harkin	Nunn
Biden	Hart	Packwood
Bingaman	Hatch	Pell
Boren	Hawkins	Pressler
Boschwitz	Hecht	Proxmire
Bumpers	Heflin	Pryor
Burdick	Heinz	Quayle
Byrd	Helms	Riegle
Chafee	Hollings	Rockefeller
Chiles	Humphrey	Roth
Cochran	Inouye	Rudman
Cohen	Johnston	Sarbanes
Cranston	Kassebaum	Sasser
D'Amato	Kasten	Simon
Danforth	Kennedy	Simpson
DeConcini	Kerry	Specter
Denton	Lautenberg	Stafford
Dixon	Laxalt	Stennis
Dole	Leahy	Stevens
Domenici	Levin	Symms
Durenberger	Long	Thurmond
Eagleton	Lugar	Trible
East	Mathias	Wallop
Evans	Matsunaga	Warner
Exon	Mattingly	Weicker
Ford	McClure	Wilson
Garn	McConnell	Zorinsky
Glenn	Melcher	
Goldwater	Metzenbaum	

NAYS—1

Dodd

NOT VOTING—2

Bradley Hatfield

So the joint resolution (S.J. Res. 228) was agreed to, as follows:

S.J. RES. 228

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That prior to March 1, 1986, no letter of offer shall be valid with respect to any of the proposed sales to Jordan of advanced weapons systems, including advanced aircraft and advanced air defense systems, that are described in the notification pursuant to section 36(b) of the Arms Export Control Act submitted to the Congress on October 21, 1985, unless direct and meaningful peace negotiations between Israel and Jordan are underway.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. LUGAR. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. DOLE. Mr. President, I call for the regular order.

THE CONSOLIDATED OMNIBUS BUDGET RECONCILIATION ACT OF 1985

The PRESIDING OFFICER. The clerk will state the pending business by title.

The assistant legislative clerk read as follows:

A bill (S. 1730) to provide for reconciliation pursuant to section 2 of the first concurrent resolution on the budget for fiscal year 1986.

The Senate resumed consideration of S. 1730.

Mr. DOLE. Mr. President, could I indicate that there are 5 hours and 18 minutes remaining on the reconciliation bill. Of course, rollcall votes will not count against that time. I know there are a number of amendments, 22 amendments that the chairman of the Budget Committee is aware of, and there may be others.

So I suggest we have our work cut out for us for the remainder of the day. If we should finish fairly early in the evening, we will go back to the State, Commerce, and Justice Department appropriations bill. If not, we will resume work on that tomorrow morning.

We are trying to work out some arrangement on the farm bill that will permit us to take up a number of amendments tomorrow and Monday, if we can work it out so Senators will be here to offer the amendments. If there are votes required we could postpone those votes to accommodate some of our colleagues who would like to be observers in Geneva on Friday and Monday. If we cannot work it out, then we will have votes tomorrow and Monday.

So I have been discussing that with the distinguished minority leader and we have not yet made any agreement.

Mr. BYRD. Mr. President, will the distinguished majority leader yield?

Mr. DOLE. I yield.

Mr. BYRD. The distinguished majority leader has been very lenient in accommodating Senators on both sides of the aisle, who get to the Chamber after the 15 minutes allowed for the rollcall have expired.

Today he has called for the regular order on one or two occasions. He has a right to do that. I can understand his frustration when rollcalls consume 18 minutes, 25 minutes, 28 minutes, 30 minutes.

But Senators have become accustomed to the extension of that 15 minutes.

I would hope if the distinguished majority leader is going to call for the regular order, and he should do it—I do not challenge that, and I do not question the wisdom of it—but if he is going to do that, I would like for Senators on both sides to be put on notice now so that they will get here within the 15 minutes and not show up just a minute or two later and not be able to vote. I support shortening the rollcalls, but all Senators should be given advance notice that the regular order will be called for when the time is up from here on.

Mr. DOLE. I do not disagree with that. In fact, we have always—even today we let it go over 4 minutes each time, so it is really about 19 minutes and we had Senators pressing on the other side with planes to catch, witnesses waiting in the committee, and we were all waiting for Senators to show up to vote.

So, as the distinguished minority leader knows, it is not always just because you want to blow the whistle on someone. It is someone else pushing you to pull the plug.

Mr. CRANSTON. Mr. President, will the Senator yield?

Mr. DOLE. I am happy to yield.

Mr. CRANSTON. Mr. President, I applaud the efforts of the majority leader to get back to 15-minute rollcalls. We are wasting a tremendous amount of time on longer ones. I hope once the word is out we will stick to 15 minutes.

Mr. DOLE. I know as to my distinguished former friend from Minnesota, Senator BOSCHWITZ, we broke his perfect batting average today and it is very difficult.

So we do not do it with any intention to frustrate someone. But I think it is fair to say we are going to start trying to restrict these votes.

The Senator from Arizona, Senator GOLDWATER, told me a while ago we spent 2 weeks last year on rollcalls when you add up the time. About half that time was waiting for one person to come in.

Again there are going to be times when obviously we will have to make compensations but I think we all should be on notice because all of us would like to leave fairly early this year sometime. We are probably going to stick to that 15-minute rule.

Mr. DOMENICI. Mr. President, before I yield the floor, let me inform Senators that we are now on reconciliation. They heard the leader indicate that we have slightly over 5 hours. The time is about equally divided.

I am now aware of 22 amendments and they are coming in rather rapidly now that we are nearing the end of the 20 hours.

We also have the very difficult problem of the extraneous amendments, which has not been resolved. Everyone knows there are many of them. I do not yet know how this problem is going to be resolved.

Clearly we are going to have a lot of votes at the end of the process, but they will be stacked because there will be no time for debate remaining.

I urge Senators who have amendments to get them to us. Even though I already know of 22, we are going to try to accommodate as many Senators, on both sides, as possible. So if Senators have some amendments and wonder whether they are on the list, the list is right here. We will xerox it and make it available to more Senators. If Senators have additional amendments we would be pleased to try to accommodate them.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

AMENDMENT NO. 875

(Purpose: To achieve the objectives of the Multi-Fiber Arrangement, to promote the economic recovery of the U.S. textile and apparel industry and its workers, to reduce unemployment, and for other purposes)

Mr. HOLLINGS. Mr. President, on behalf of our distinguished colleague, Senator THURMOND, and myself, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from South Carolina [Mr. HOLLINGS], on behalf of Mr. THURMOND and himself, proposes an amendment numbered 875.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

Mr. EVANS. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

The clerk will continue to read the amendment.

The legislative clerk resumed reading the amendment.

Mr. EVANS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Is there objection? Hearing no objection, it is so ordered.

The amendment reads as follows:

At the appropirate place, insert the following:

TEXTILE AND APPAREL TRADE ENFORCEMENT

"SEC. 201. SHORT TITLE.

"This title may be cited as the 'Textile and Apparel Trade Enforcement Act of 1985'.

"SEC. 202. POLICY.

"The policy of this title is—

"(1) to prevent further disruption of the United States textiles and textile products markets, damage to United States textile and apparel manufacturers, and loss of jobs by United States workers by providing for orderly and nondisruptive growth of imports of textiles and textile products; and

"(2) to implement the objectives of the Multi-Fiber Arrangement by requiring the effective enforcement of import levels of textiles and textile products contemplated by the Multi-Fiber Arrangement.

"SEC. 203. FINDINGS.

"The Congress finds that—

"(1) the United States and most major textile producing countries are parties to the Multi-Fiber Arrangement, the purpose of which is to ensure the orderly growth of imports of textiles and textile products and to avoid disruption of the markets for textiles and textile products in importing nations;

"(2) the Multi-Fiber Arrangement, which first entered into force on January 1, 1974, and which was most recently extended in December 1981, through July 1986, contemplates a 6 per centum annual rate of growth for imports for most exporting countries and provides for a lower rate of growth for imports from significant exporting countries;

"(3) since 1980, the objective of orderly growth of imports of textiles and textile products for in the Multi-Fiber Arrangement has not been achieved; from 1981 through 1984 imports of textiles and textile products into the United States have grown at an annual rate of 19 percentum, far in excess of the 1 per centum growth rate of the United States market for textiles and textile products during the same period and far in excess of the annual rate of import growth of less than 2 per centum that prevailed during the period 1974 through 1980;

"(4) the disruptive surge in imports of textiles and textile products which occurred from 1981 through 1984 resulted from the failure of the United States to enforce adequately its rights under the Multi-Fiber Arrangement and to extend coverage of the Multi-Fiber Arrangement to imports made of competing fibers;

"(5) import growth of apparel products has substantially outstripped the growth of the domestic market so that import penetration of the domestic market has more than doubled in the last six years, reaching a level of 50 per centum in 1984;

"(6) based on a nationwide audit of major retail outlets, the import penetration of such major items of apparel as trousers, blouses, shirts, suits, skirts and sweaters exceeds 50 per centum of domestic consumption;

"(7) since the most recent extension of the Multi-Fiber Arrangement, certain exporting countries have sharply increased their exports of textiles and textile products made in whole or in part from fibers not subject to the Multi-Fiber Arrangement with the effect of circumventing restraints agreed to under the Arrangement; the increased imports of these textiles and textile products have caused disruption of the United States market for textiles and textile products and have seriously undercut the effectiveness of the Multi-Fiber Arrangement;

"(8) imports of textiles and textile products into the United States are predominantly the product of significant exporting countries, with five large exporting countries now accounting for more than 50 per centum of all imports of textiles and textile products;

"(9) the domination of import trade by producers in the significant producing countries has limited participation in the United States market by other producing countries, many of which share important trade and other national interests, and encourage mutually beneficial trade and investment, with the United States;

"(10) a change in United States textile trade policy to afford the smaller producing countries and countries in the Caribbean region a relatively greater share of imports of textiles and textile products would promote the national economic interests of the United States;

"(11) the textile and apparel trade deficit of the United States was more than $16,200,000,000 in 1984, an increase of 53 per centum over 1983, and accounted for 13 per centum of the Nation's overall merchandise trade deficit;

"(12) the current level of imports of textiles and textile products, ten billion square yard equivalents in 1984, represents over one million job opportunities lost to United States workers;

"(13) imported textiles and textile products now account for 38 per centum (the equivalent of three million two hundred thousand bales of cotton) of the annual cotton consumption in the United States; only one of five of the bale equivalents included in imported textiles and textile products is grown in the United States; the result of the massive increases in cotton textile and apparel imports has been a declining market share for, and a $1,000,000,000 loss to, domestic cotton producers in 1983 alone, which was only partially offset by Federal cotton program benefits; another result is that United States cotton producers, who are spending about $20,000,000 annually in research and promotion efforts, have built markets not for themselves but for foreign growers;

"(14) imports of wool products have doubled since 1980, creating major disruptions among domestic wool products producers and seriously depressing the price of United States produced raw wool; the Multi-Fiber Arrangement recognizes that imports of certain products, such as wool products, in certain countries, including the United States, pose particular problems for certain industries, such as, the wool products industries in those countries and import growth rates of 1 per centum or less have been permitted in such cases;

"(15) as a result of this increased penetration and the very limited growth of the domestic market, the United States companies producing textiles and textile products identical, or similar, to those imported have been seriously damaged, many of them have been forced out of business, many have closed plants or curtailed operations, workers in such companies have lost employment and have been otherwise materially and adversely affected, and serious hardship has been inflicted on hundreds of impacted communities causing a substantial reduction in economic activity and lost revenues to local governments;

"(16) the increase in imports and increased import penetration of the United States domestic market have occurred notwithstanding the fact that, through extensive modernization programs and investment in more modern equipment, productivity, as measured by output per man hour, in the textile mill products sector has increased in the last ten years at the average annual rate of 4.2 per centum and in the apparel sector at the average annual rate of 3.4 per centum; as compared with the lower productivity growth of all manufacturing in the same period of 1.9 per centum;

"(17) the factors described above are causing serious damage, or the actual threat thereof, to domestic producers of textiles and textile products; as a result, market disruption exists in the United States requiring the new measures established under this Act;

"(18) based on experience during the past ten years and on other factors, the growth of the United States market for textiles and textile products is unlikely to exceed an average annual rate of 1 per centum during the next several years;

"(19) if the rate of growth of imports of textiles and textile products into the United States that occurred since 1980 continues, plant closings will continue to accelerate, leaving the United States market with reduced domestic competition for imported products;

"(20) in order to avoid further market disruption and deterioration of the situation confronting the United States industry producing textiles and textile products, which is already seriously damaged, it is essential—

"(A) to require the establishment of import levels for textiles and textile products supplied by major producing countries that reflect—

"(i) the import level that would have occurred had imports from these countries grown since 1980 by the 6 per centum annual growth rate contemplated by the Multi-Fiber Arrangement, or 1 per centum in the case of wool products, or

"(ii) the actual import level resulting from restraints under a bilateral agreement with the United States providing for an annual import growth rate of less than 6 per centum, whichever is the lesser,

"(B) to require the establishment of import levels for textiles and textile products supplied by producing countries that reflect their 1984 import levels,

"(C) to require the establishment of import levels for textiles and textile products supplied by small producing countries that provide a significant increase in their market shares to meet their development needs and to permit future growth in such shares consistent with the Multi-Fiber Arrangement, and

"(D) to limit the future growth rate of imports of textiles and textile products into the United States to levels which reflect orderly growth as provided for in the Multi-Fiber Arrangement and the most recent Protocol extending the Multi-Fiber Arrangement;

"(21) the establishment of import levels, and limitation on future import growth to levels, that reflect effective enforcement of the Multi-Fiber Arrangement and that also reflect the expected growth rate of the United States market for textiles and textile products will fulfill announced policy objectives of the United States regarding trade in textiles and apparel;

"(22) as the Department of Defense has long recognized, a strong, viable and efficient domestic textiles and textile products industry is essential in order to avoid impairment of the national security of the United States;

"(23) the developments that have led to the sharp increase in imports of textiles and textile products since 1980 may not have been foreseeable; nevertheless, the rights of the United States under international agreements should have been invoked in order to prevent increased quantities of textiles and textile products from being imported under such conditions as to cause or threaten serious damage to domestic producers of textiles and textile products in the United States; and

"(24) the sharp increase in imports of textiles and textile products since 1980, and the effect of this increase on the United States textiles and apparel industry and its workers, constitutes exceptional circumstances within the meaning of the Milti-Fiber Arrangement and its Protocol.

"SEC. 204. DEFINITIONS.

"For purposes of this title—

"(1) The term "Textiles and textile products" includes, but is not limited to, all manmade fibers, tops, yarns, piece goods, made-up articles, apparel, and other textile manufactured products (which derive their chief characteristics from their textile components) made in whole or in part from any natural or manmade fiber, or blend thereof, that are classified under schedule 3, part 6 of schedule 6, part 1, 4, 5 (except subpart E), 7, or 13 of schedule 7, or part 1 of schedule 8 of the Tariff Schedules of the United States or part 1 of the Appendix to the Tariff Schedules of the United States;

"(2) The term "category" means, with respect to textiles and textile products that are the product of a country, each of the following—

"(A) each category of textiles and textile products identified by a three-digit textile category number in the Department of Commerce publication "Correlation: Textile and Apparel Categories with Tariff Schedules of the United States Annotated", dated January 1985 and, subsequently, in the first edition of such document that is revised to reflect the adoption by the United States of the Nomenclature Structure of the Harmonized System;

"(B) with respect to each country with which the United States has (i) an agreement on the date of enactment of this title limiting exports of textiles and textile products to the United States that includes specific limitations on subdivisions of a category described in subparagraph (A), or (ii) taken unilateral action to limit products entered under such a subdivision, each such subdivision;

"(C) a category consisting of the manmade fiber products classified under subpart E of part 1 of schedule 3 to the Tariff Schedules of the United States; and

"(D) each category consisting of each of the following products when, because of any fiber content, that product is not subject to the Multi-Fiber Arrangement:

"(i) yarn,

"(ii) fabric,

"(iii) apparel, and

"(iv) other textile products;

"(3) The term "import sensitive category" means—

"(A) a category (other than a category applicable to textiles and textile products that are a product of a country in the Caribbean region) for which the ratio of imports to domestic production, as reported in the Department of Commerce publication "U.S. Production, Imports and Import/Production Ratios for Cotton, Wool and Man-Made Fiber Textiles and Apparel", equals or exceeds 40.0 for the preceding calendar year; and

"(B) a category covering wool products;

"(4) The term "country" means a foreign country (other than Canada and the Member States of the European Economic Community as constituted on December 31, 1984), a foreign territory, an insular possession of the United States, or any other territory, possession, colony, trusteeship or political entity, whether affiliated with the United States or not, that is outside the customs territory of the United States;

"(5) The term "major producing country" means a country the annual aggregate quantity of textiles and textile products of which that entered under the categories referred to in paragraph (2)(A) during calendar year 1984 equalled or exceeded 10 percent of all textiles and textile products under such categories that entered from all countries and from Canada and the Member States of the European Economic Community during calendar year 1984;

"(6) The term "producing country" means a country (other than a major producing country and a country in the Carribean region) the annual aggregate quantity of textiles and textile products of which that entered under the categories referred to in paragraph (2)(A) during calendar year 1984 equalled or exceeded 1.25 per centum of all textiles and textile products under such categories that entered from all countries and from Canada and the Member States of the European Economic Community during calendar year 1984;

"(7) the term "small producing country" means a country other than a major producing country and a producing country;

"(8) The term "country in the Caribbean region" means Mexico and a country eligible for designation as a beneficiary country under section 212 of the Caribbean Basin Economic Recovery Act (19 U.S.C 2702);

"(9) The term "wool product" means an article containing over 17 per centum by weight of wool;

"(10) The term "cotton, wool and manmade fiber sweaters" means articles classified under categories 345, 445, 446, 645 or 646 as defined in the Department of Commerce publication "Correlation Textile and Apparel Categories with Tariff Schedules of the United States Annotated," dated January 1985;

"(11) The term "entered" means entered, or withdrawn from warehouse, for consumption in the customs territory of the United States;

"(12) The term "imported" means entered; and

"(13) The term "Multi-Fiber Arrangement" means the Arrangement Regarding International Trade in Textiles, as extended by the Protocol done at Geneva, December 22, 1981.

"SEC. 205. LIMITS ON TEXTILE AND APPAREL IMPORTS.

"(a) CALENDAR YEAR 1985.— Notwithstanding any other provision of law, the aggregate quantity of textiles and textile products classified under a category that is entered during calendar year 1985 shall not exceed—

"(1) in the case of textiles and textile products that are a product of a major producing country other than textile luggage and textile flat goods subject (as of the date of enactment of this Act) to a specific limitation under an agreement with a major producing country, the lesser of an amount equal to 101 per centum—

"(A) of the aggregate quantity of such products of such country classified under such category that would have entered during calendar year 1984 if the aggregate quantity of such products of such country classified under such category entered during calendar year 1980 had increased by 6 per centum annually, or 1 per centum annually in the case of a category covering a wool product, during calendar years 1981, 1982, 1983, and 1984, or

"(B) If the United States has an agreement with such country providing for an annual growth rate for such category of less than 6 per centum, of the aggregate quantity of such products of such country classified under such category that entered during calendar year 1984;

"(2) in the case of textile luggage and textile flat goods subject (as of the date of enactment of this Act) to specific limitation under an agreement with a major producing country, the specific limitation quantity in effect as of the date of enactment of the Act;

"(3) in the case of textiles and textile products that are a product of a producing country, an amount equal to the aggregate quantity of—

"(A) such products from such country classified under such category that entered during calendar year 1984, or

"(B) in the case of textile luggage and textile flat goods subject (as of the date of enactment of this Act) to specific limitation under an agreement with a producing country, the specific limitation quantity in effect as of the date of enactment of this Act;

"(4) in the case of textiles and textile products that are a product of a small producing country (other than cotton, wool, and man-made fiber sweaters described in paragraph (5)), an amount equal to the sum of—

"(A) the aggregate quantity of such products of such country classified under such category that entered during calendar year 1984, plus

"(B) an amount equal to—

"(i) 15 per centum of such quantity, in the case of a category that is not an import sensitive category, or

"(ii) 1 per centum of such quantity, in the case of a category that is an import sensitive category; and

"(5) in the case of cotton, wool and manmade fiber sweaters that are—

"(A) the product of substantial assembly operations in Guam from otherwise completed knit-to-shape component parts, an aggregate amount equal to 160,000 dozen; and

"(B) the product of substantial assembly operations in the Commonwealth of the Northern Mariana Islands from otherwise completed knit-to-shape component parts, an aggregate amount equal to 70,000 dozen.

"If application of paragraph (1) would result in the aggregate quantity of textiles and textile products of a major producing country classified under all categories permitted to enter during calendar year 1985 to be less than 70 per centum of the aggregate quantity of such products of such country that entered during calendar year 1984, then, notwithstanding paragraph (1), the aggregate quantity of textiles and textile products of such country that may be entered under each category during calendar year 1985 shall not be less than 40 per centum of the aggregate quantity of such products of such country that entered under such category during calendar year 1984.

"(b) GROWTH ADJUSTMENT.—For calendar years after 1985, the aggregate quantity of textiles and textile products classified under each category that may be entered during each such calendar year shall—

"(1) in the case of such products that are a product of a major producing country or of a producing country, be increased by an amount equal to 1 per centum of the aggregate quantity that could be entered under such category during the preceding calendar year; and

"(2) in the case of such products that are a product of a small producing country, be increased by an amount equal to—

"(A) in the case of a category (other than an import sensitive category), 6 per centum of the aggregate quantity that could be entered under that category during the preceding calendar year, and

"(B) in the case of an import sensitive category, 1 per centum of the aggregate quantity that could be entered under that category during the preceding calendar year.

"If the aggregate quantity that could be entered under a category for a calendar year after 1985 is reduced under section 210(b), than in the first calendar year in which there is no such reduction, this subsection shall be applied as if there had been no reduction under section 210(b) in previous calendar years.

"(c) MINIMUM QUANTITIES.—If, under subsection (a) or (b), the aggregate quantity of textiles and textile products of a country that may be entered during a calendar year under a category is—

"(1) less than one million square yard equivalents, in the case of a category covering yarn, fabric, made-ups, and miscellaneous products, other than wool products;

"(2) less than seven hundred thousand square yard equivalents, in the case of a category covering apparel, other than wool products apparel; or

"(3) less than one hundred thousand square yard equivalents, in the case of a category covering wool products,

"then, notwithstanding subsection (a) or (b), the aggregate quantity of textiles and textile products that may be entered from such country under such category during the calendar year shall be one million, seven hundred thousand, or one hundred thousand square yard equivalents, respectively. The amount prescribed in the preceding sentence shall be accorded growth subject to the provisions of subsection (b) beginning the first calendar year after the aggregate quantity of imports from such country under such category equals the minimum quantity prescribed under this subsection.

"(d) SPECIAL RULE.—For purposes of this section, if during any calendar year after 1984, the aggregate quantity of textiles and textile products that are the product of a small producing country, other than a country in the Caribbean region, and that are entered under the categories referred to in paragraph (2)(A) of section 204 equals or exceeds 1.25 per centum of all textiles and textile products entered under such categories from all countries and from Canada and the Member States of the European Economic Community during such calendar year, then such small producing country shall be considered to be a producing country for all succeeding calendar years.

"(e) ENFORCEMENT.—The Secretary of Commerce shall prescribe such regulations governing the entry, or withdrawal from warehouse, for consumption of textiles and textile products as may be necessary to carry out this title.

"SEC. 206. IMPORT LICENSING.

"In order to ensure the equitable and efficient administration of section 205 of this title, the Secretary of Commerce shall, within six months after the date of enactment of this title, establish and administer an import licensing system under which an importer of any textiles and textile products from any country and from Canada and the Member States of the European Economic Community, will be required to present an import permit as a condition of entry. The Secretary shall charge a fee for import licenses in such amount as may be necessary to cover the cost of administration of the system.

"SEC. 207. ANNUAL REPORT.

"Not later than March 15, 1986, and March 15 each calendar year thereafter, the President shall submit to the Congress a report on the administration of this title during the preceding calendar year. Such report shall include detailed information about the implementation and operation of the limitations established under section 205. All departments and agencies shall cooperate in preparation of this report, as requested by the President.

"SEC. 208. REVIEW.

"The Secretary of Commerce shall commence ten years after the date of enactment of this title a formal review of the operation of the Textile Import Control Program under the provisions of this title. The Secretary shall consult members and committees of Congress, representatives of the labor unions and the industries affected by the program, and appropriate government agencies. Within six months after the commencement of the study, the Secretary shall submit to Congress his findings as well as his recommendations for the future conduct of the program.

"SEC. 209. DUTY FREE ENTRY OF CERTAIN SWEATERS FROM GUAM AND THE NORTHERN MARIANAS.

"Subpart A of part 7, schedule 3 of the Tariff Schedules of the United States (19 U.S.C. 1202) is amended by adding at the end thereof the following new item:

"385.97	Cotton, wool and man-made fiber sweaters that are entitled to enter under the quotas established under section 205(a)(5) of the Textile and Apparel Trade Enforcement Act of 1985 or the increased quotas under section 205(b) of such Act that adjust the quotas under such section 205(a)(5) and that do not contain foreign materials to the value of more than 50 percent of their total value as this standard is applied pursuant to Headnote 3(a) of the General Headnotes and Rules of Interpretation.	Free

"SEC. 210. EFFECTIVE DATE.

"(a) IN GENERAL.—Subject to the provisions of subsection (b), the provisions of this title shall apply to textiles and textile products entered, or withdrawn from warehouse, for consumption on or after the date of enactment of this Act.

"(b) CALENDAR YEARS 1985 AND 1986.—The Secretary of Commerce shall determine, and publish in the Federal Register, the aggregate quantity, if any, of textiles and textile products that may be entered under section 205(a) or (c) of this title from each country under each category during the period beginning on the date of enactment of this title and ending December 31, 1985. Notwithstanding subsection (a), to the extent that the aggregate quantity of imports of textiles and textile products from a country under a category entered after December 31, 1984, and before the date of enactment of this title exceeds the quantity permitted entry for such country and such category during calendar year 1985 under subsection (a) or (c) of section 205, then the limit that would otherwise apply under section 205(b) for such category for such country for calendar year 1986 shall be reduced by the amount of such excess quantity. If such excess quantity exceeds the limit that would otherwise apply under section 205(b) for such category for such country for calendar year 1986, then the limit for such category and country for calendar years after 1986 shall be reduced until such excess is accounted for.

"TITLE III—FOOTWEAR

"SEC. 301. SHORT TITLE

"This title may be cited as the 'American Footwear Industry Recovery Act of 1985'.

"SEC. 302. FINDINGS AND PURPOSE.

"(a) The Congress finds that—

"(1) The domestic nonrubber footwear industry is important to the national economy, and footwear firms are vital to the economic health of small towns throughout the United States.

"(2) The domestic nonrubber footwear industry is highly labor intensive, and low capital requirements for entry into footwear production make it a primary target for industrializing on newly industrialized countries. As a consequence, footwear is produced in virtually every footwear consuming country in the world.

"(3) Tremendous competitive pressure has been created in the world footwear market in the last decade as a result of rapidly growing production and capacity in numerous developing and developed countries. This development has resulted in the widespread erection of tariff and nontariff barriers by foreign countries designed to protect their domestic footwear industries.

"(4) The United States has historically resisted the protectionist trends of other producing nations and has instead maintained a market distinguished by its accessibility. As a result, the United States market has become a focal point for world trade in nonrubber footwear.

"(5) The diversion of international trade to the United States market has resulted in serious injury to domestic producers as manifested by—

"(A) the loss of 155,000 footwear jobs since 1968,

"(B) a decline in domestic production and production capacity, and

"(C) the permanent closure of over 500 plants during the same period.

"(6) The serious injury to domestic producers poses a significant danger to the industry's supplier base as well.

"(7) The domestic nonrubber footwear producers have made a significant commitment to the future of the industry through substantial capital investment.

"(8) Since the termination of temporary import relief in 1981, capital investment in the domestic nonrubber footwear industry has declined as the industry struggled to battle the massive surge in imports which increased the percentage share of imported footwear in the United States market from 51 percent in 1981 to 77 percent in 1985.

"(9) Without the restriction of import levels, capital investment in this domestic industry will continue to decrease.

"(10) The domestic nonrubber footwear industry has thrice been judged by the International Trade Commission, as recently as May 1985, to be seriously injured by imports.

"(11) Since the termination of the two, four-year orderly marketing agreements in 1981, the harm to the domestic industry is even more critical than the serious injury which triggered the Commission's unanimous findings in 1976 and 1977.

"(12) The domestic nonrubber footwear industry has not been afforded adequate and appropriate relief from imports; therefore, the Congress concludes that—

"(A) the administrative process under sections 201, 202, and 203 of the Trade Act of 1974 has proven inadequate; and

"(B) in the absence of and effective remedy under such process, legislative relief is essential.

"(b)(1) It is the purpose of Congress in enacting this section to—

"(A) promote and expend the economic health of the United States nonrubber footwear industry,

"(B) preserve the jobs of American workers, and

"(C) prevent the further decline of this important domestic industry.

"(2) It is declared to be the policy of Congress that access to the United States market for foreign-produced nonrubber footwear should be on an equitable basis to ensure orderly trade in nonrubber footwear, reduce unfair trade in nonrubber footwear, and address United States balance-of-payments problems, or which footwear is the seventh largest component. In order to accomplish these objectives, it is deemed necessary and appropriate to limit imports of nonrubber footwear into the United States market.

"SEC. 303. DEFINITIONS.

"For purposes of this title—

"(1) The term 'entered' means entered, or withdrawn from warehouse, for consumption in the customs territory of the United States.

"(2) The term 'Secretary' means Secretary of Commerce.

"(3) The term 'nonrubber footwear' means the following categories of nonrubber footwear products, identified by reference to the following item numbers of the Tariff Schedules of the United States (as in effect on January 1, 1985): 700.05 through 700.45; 700.56; 700.72 through 700.83; and 700.95.

"(4) The term 'apparent domestic consumption' means, with respect to any 1-year period, the sum of imports plus domestic production less exports.

"SEC. 304. QUANTITATIVE LIMITATION ON NONRUBBER FOOTWEAR.

"(a)(1) During the 8-year period beginning on the date of enactment of this title, the aggregate number of pairs of nonrubber footwear which may be entered during any 1-year period shall not exceed 60 percent of the estimated apparent domestic consumption of nonrubber footwear for such period.

"(2) The quantitative limitation imposed by paragraph (1) for any 1-year period shall be distributed among the following categories of nonrubber footwear so that the aggregate number of pairs of nonrubber footwear in such category which may be entered during any 1-year period shall not exceed the quantity equal to—

"(A) in the case of nonrubber footwear with a customs value that does not exceed $1.25 per pair, 10 percent of apparent domestic consumption of nonrubber footwear for such period,

"(B) in the case of nonrubber footwear with a customs value that exceeds $1.25 per pair but does not exceed $2.50 per pair, 5.4 percent of apparent domestic consumption of nonrubber footwear for such period, and

"(C) in the case of nonrubber footwear with a customs value that exceeds $2.50 per pair, 44.6 percent of apparent domestic consumption of nonrubber footwear for such period.

"(b) Within sixty days after the effective date of this title, and on the first day of the fourth quarter of each 1 year period thereafter, the Secretary shall determine on the basis of the best information available, including his own or independent forecasts, the expected apparent domestic consumption of nonrubber footwear for, in the case of the initial determination, the remainder of the current 1 year period and in the case of the first day of the fourth quarter of each 1 year period thereafter, the next succeeding 1 year period. On each such date, the Secretary shall determine and publish in the Federal Register the allocation for the next succeeeding 1 year period of permissible imports of nonrubber footwear as required by this section.

"(c) On the first days of the first, second, and third quarters of each 1 year period, the Secretary shall revise the determinations of expected apparent domestic consumption made under subsection (b) for the current 1 year period on the basis of the best information then available and shall make such adjustments in the quantity of nonrubber footwear permitted to be imported under this section as indicated by the revision. All revisions and adjustments made under this subsection shall be published in the Federal Register.

"(d) If the revised determination of expected apparent domestic consumption published in the Federal Register under subsection (c) on the first day of the third quarter in any 1 year period for nonrubber footwear varies from the actual apparent domestic consumption of nonrubber footwear for such 1 year period, the Secretary shall publish in the Federal Register on the first day of the second quarter of such succeeding 1 year period a revision to the determination of expected apparent domestic consumption for such 1 year period made under subsection (c) of this section. The revision shall be in the amount of such variance and shall be in addition to any other revision that would be made on any such first day of the second quarter under subsection (c) of this section.

"(e)(1) The Secretary and the Secretary of the Treasury shall take such actions within their respective jurisdictions as may be necessary or appropriate to enforce the provisions of this section, including without limitation, the issuance of orders to customs officers to bar entry to merchandise if the entry of such merchandise would cause the limitations established under this section to be exceeded.

"(2)(A) The Secretary and the Secretary of the Treasury are each authorized to issue such implementing regulations, including the issuance of import licenses, as may be necessary or appropriate to effect the purposes of this section and to enforce the provisions of this section.

"(B) Before prescribing any regulations under subparagraph (A), the Secretary or the Secretary of the Treasury, as the case may be, shall—

"(i) consult with interested domestic parties,

"(ii) afford an opportunity for such parties to comment on the proposed regulations, and

"(iii) consider all such comments before prescribing final regulations.

"SEC. 305. COMPENSATION AUTHORITY.

"For purposes of section 123 of the Trade Act of 1974 (19 U.S.C. 2133), the imposition of the quantitative limitation under section 204 shall be treated as action taken under section 203 of the Trade Act of 1974 (19 U.S.C. 2253).".

Mr. HOLLINGS. Mr. President, so our colleagues will understand, we are not delaying rather we are trying to handle this important matter right on top of the table. It is my intent with this particular amendment to move for a waiver of the germaneness provisions under section 904(b) of the Budget Act at the appropriate time. I have talked with my distinguished colleague from Washington. We will have 30 minutes to debate the motion on either side, and thereafter there would be other amendments to my amendment. I hope that Senator THURMOND would be recognized because he has the real amendment we want to debate.

Mr. President, I would like to take 1 minute to explain why I am offering this amendment today.

Mr. President, the textile amendment I am offering today to the budget reconciliation legislation is the same as the one the Senate discussed at great length on October 2.

Mr. President, it is highly important that the Senate take immediate action on this bipartisan legislation so we can begin turning this trade problem around. We are now at the crisis stage, not only in textiles but in a whole range of industries. How much longer can we sit here in Washington and watch the erosion of this country's productive capacity—a $150 billion trade deficit and the loss of thousands of jobs each week?

We have a measure cosponsored by more than half the Members of the Senate and 300 Members of the House. Having been told by Senator DANFORTH that it would never get out of the Finance Committee, I filed it as an amendment on the compact of free association, the Micronesia compact. We considered it October 2, had a full debate on it, voted not to table it, and it was set aside for the time being.

So, because the Senate has already spent a considerable amount of floor time on this issue, I am offering the textile bill as an amendment to S. 1730 to ensure immediate consideration.

Mr. President, every day we fail to enact this legislation is another day of lost jobs and lost productivity. We have heard talk of quotas and free trade, and how we must stand pat against protectionism. But this measure is not protectionism, or tariffs, or quotas. This measure merely calls for the simple enforcement of our trade agreements.

Right now they are not being enforced. Further, the administration has not kept its commitment to hold import growth to the growth of the domestic market. If it had there would be no need for this legislation. But it has not. And in South Carolina alone we have lost 24,000 textile jobs.

But, as I said, this is not just an issue of textiles or South Carolina. We have got to start turning things around before this country becomes solely a consuming nation and not a producing one. It is going to take some reeducation about the productivity of the American worker, the mainte-

nance of our standard of living, and the truths of international trade.

Let us imagine for a moment that we are sitting in the board room of a large U.S. industrial corporation. We have been the leading manufacturer of our product for years—at least until now. The reason we are meeting is that our chief competitor has overtaken us. He used to work for us. We taught him how to produce, how to play the game. He is aggressive. He is a fighter. And now he has taken all of our techniques, improved upon them, and gone one up on us.

What do we do? Well, someone suggests that we get our act together and start competing—become more aggressive than this upstart competitor, beat him at his own game. But no, the board determines that we should not do that. "That would be unfair," it is decided. "He might get mad at us and retaliate."

Ridiculous? You bet it is. Is this the way corporate America does business? Of course not. When competition is the game, fairness is not an issue. Businesses compete, or die. Yet, sadly enough, this is how the American Government is doing business in the international marketplace. We're not competing. There is a fierce global competition out there, and our Government is just sitting on the sidelines while American industry is getting its hind quarters kicked.

If we are to faithfully and properly discharge our duties as Senators, then it is vitally important that we be able to separate myth from reality.

I know of no issue where the distinction is so crystal clear as it is in international trade.

What is the myth? The myth is that there is free enterprise on the world marketplace—that world trade is open and fair. This is not just a myth, it is a pipe dream.

There is no free enterprise on the world market, only government-to-government enterprise. The issue is not fairness or free trade, it is competitive trade. That is the reality. And anyone who refuses to recognize that reality is being fooled.

Nearly every one of our trading partners is taking strong measures to protect home markets from foreign imports. How free is free trade when Taiwan institutes 50-percent tariffs on textile imports? How free is it when American textile importers are required to obtain a license from the Korean Textile Association to do business in that country? And how free is free trade when countries such as India ban textile imports altogether?

And that is only talking about textiles. There are countless other examples. Just ask the businessmen in this country who have tried to sell their products overseas. You cannot get a license. There are endless regulations. There are high duties and tariffs.

American businessmen try to sell their aircraft in Brazil, and are met with strict licensing and a 60-percent duty. Yet in the United States, that same American company competes against imported aircraft from Brazil which aren't subject to any duties or import licensing restrictions.

Automobiles? A Congressional Research Service survey shows that 27 of 49 countries have adopted domestic content requirements. In Japan, it takes 4 months to get an American car off the dock and into the showroom. In France, it takes 1 year.

European governments now subsidize grain. Ten years ago, Europe was a net importer of the world's wheat. Last year, it exported 20 percent of the world's wheat.

The French are subsidizing wheat 25 percent, the Japanese are subsidizing rice 25 percent, and the Brazilians are subsidizing soybeans 25 percent. Earlier this year the People's Republic of China delivered corn in Los Angeles at 18 cents a bushel cheaper than Nebraska corn.

The Japanese are the masters of them all. Not too long ago, a U.S. vitamin-E exporter found that his product was suddenly reclassified from a food to a drug and could now only be sold through pharmacies. Japanese-manufactured vitamin-E, however, maintained its classification as a food. Moreover, the Japanese product was more expensive than the American vitamin-E. The Japanese Government cited a difference in the extraction methods between the two products as the reason for reclassification, which effectively barred the United States product from the Japanese market, but anyone else would tell you that any differences between the two were indistinguishable.

These countries are taking these measures not because they dislike us. They love us. They love our market. They love it because we keep it open to their industries while they shut their own markets to our industries. Good old Uncle Sam has become good old Uncle Sucker—he has forgotten how to compete. These trading partners of ours are doing right by themselves and they are benefiting from it. It is a fierce, competitive world out there, and to the victors belong the spoils.

I am not angry with the Japanese, the Brazilians, the Taiwanese, or any of our trading partners. I am not bashing any of them. I am trying to bash Washington. The Japanese did exactly what we wanted them to do after World War II. They looked to our example of productivity and they saw success. Over the years, their government instituted more and more protective trade measures, subsidies, and the like. What they now have is state-of-the-art protectionism, a model which other newly industrialized nations are emulating—government subsidies for research and development, trade barriers to protect developing industries, targeting foreign markets.

These practices have been used effectively against us for more than a decade. Only now, when Japanese robots are assembling foreign parts in American automobile plants, are we waking up to the danger. Only now, when dozens of newly industrializing nations are following Japan's lead, are we seeing the red flags. I should say, at least some of us are.

The most discouraging aspect of all this is the refusal on the part of the administration and some Members of this body to recognize that this Nation has a serious problem. Our trade deficit soars ever higher—$150 billion this year. We export our manufacturing jobs, 1½ million of them since 1981, and along with them we export our industrial muscle. These jobs are gone forever.

Years ago, the prevailing attitude was that semiskilled industries like textiles should go to developing nations. We in America would manufacture airplanes and computers. Today, airplanes are being manufactured in Europe—Pan Am just ordered 28 airbuses—and Japan now has 44 percent of our computer chip market. We are running out of things to make in this country. I know, they say "we'll be a service economy." That is what they told Great Britain at the end of World War II. "You'll be a nation of brains rather than brawn. Instead of producing products, you'll provide services." Now, sadly enough, England is a second-rate nation. They did not learn how to compete. And we are going the exact same route—to a service economy, taking in each other's wash and making hamburgers.

Yet when anyone here in Washington stands up for our productive capacity as a world power, he or she is sure to hear from a chorus of myna birds cackling "protectionism, protectionism, be fair, be fair." Well, the American people are sick and tired of watching their Nation sink ever lower toward Third World status while their leaders operate under a free trade policy that exists only in books. It must look to them like the Caine and the Bounty were in better hands.

When are we going to wake up and realize that the trade war began more than 20 years ago? When are we going to finally admit that there is no such thing as free trade on the global market? When are we going to look out for the standard of living in this country? And by "we" I mean the Government of the United States. The American people are ready. They are waiting for Government to follow.

I have had it up to here with those who will flaunt the word "protectionism" as if it were un-American to pro-

tect the highest standard of living in the world. Why has the word taken on such a perjorative meaning? We have the military to protect us from our enemies without. We have the FB to protect us from enemies within. We have unemployment compensation to protect us from the loss of our job, Social Security to protect us from the economic ravages of old age, safety laws to protect us from injury, environmental laws to protect the air we breathe, the water we drink. The paramount function of Government is the protection of its citizens.

So on one hand, we are forcing the manufacturers to assume the cost of maintaining this standard of living. Yet on the other hand, we are doing absolutely nothing to allow them to compete against industries from countries with a lower standard of living and thus lower operating costs. Our inaction and lack of reciprocity are what is driving American industries out of business. How can the textile manufacturer down in South Carolina—despite his tremendous mechanization and modernization—how can he compete with 18-cent-an-hour Shanghai labor?

Are we to lower our standard of living to 18 cents an hour to compete? Of course not. But that appears to be the only alternative offered by the "free traders."

Article I, section 8 of the U.S. Constitution states that Congress shall regulate commerce with foreign nations. Alexander Hamilton recommended protective tariffs in his "Report on Manufacturing" so the United States could develop an industrial base. That became the policy. In the 1930's, Cordell Hull fathered reciprocal free trade, emphasizing reciprocity for those who opened their markets to us and retaliation against those who did not. And the same Congress that provided this initiative also provided protective quotas for American agriculture. In 1935, we instituted the Export-Import Bank to subsidize our grain sales to Russia. And in 1955, President Eisenhower gave us oil import quotas to protect domestic oil producers.

These are the initiatives that the Japanese, and subsequently our other trading partners, have used as the foundation of their current policies. They have improved upon them to build a state-of-the-art model of protection.

America, in the meantime, has been going the other way. We have been playing by a different set of rules. We've been abandoning article I, section 8, and with it our birthright as a leading industrial nation. Sure, its a one-world international market. It is international competition. But industries in other countries are competing with their governments at their side. Our industries are at it alone.

I repeat, there is no such thing as free enterprise on the world market. It is government-to-government enterprise.

And the absolute shame of it all is to hear the economists and editorial writers tell us that it is all because deficits have created a strong dollar, or the American worker just isn't competitive enough, or the industries we are losing are outmoded, uncompetitive, and should go anyway. It's all a lot of hooey.

The deficits are part of the problem, but by no means are they the only part of it. The dollar has risen 40 or 50 percent against European currency, and for that reason we do not deal with Europe in this amendment. The problem there can only be dealt with by getting the deficits down, and God knows that is something I have been trying to accomplish for years.

But in Malaysia, the value of the dollar has risen 1.7 percent over a 4-year period. Textile imports from that country have gone up 227 percent.

In Thailand, the dollar has gone up 7.1 percent, but the increase in textile imports is 167 percent. Much of that, I might add, is in violation of our agreement.

Taiwan? The dollar is up 7.3 percent. Textile imports up 43 percent. No, the dollar is not the problem with these countries.

Nor is the problem our industries and our workers. The American industrial worker is still the most productive in the world. That is according to the Bureau of Labor Statistics. The problem is not with the American worker, it is with the American Government. The Japanese are pulling ahead because their Government is the most productive and the most competitive in the world. The U.S. Government is not producing and not competing.

The textile industry has invested $7.91 billion in modernization since 1980. Over the next 2 years it will be investing another $2 billion. It is the most competitive industry there is. But how can it effectively compete when the odds are so heavily stacked against it?

In August and September, I spent 5 weeks visiting 41 textile mills in South Carolina. I saw the research centers, the card rooms, the spinning, the weave rooms, the dye vats, the finished cloth, the finished garment, and the most modern styles.

Talk about productivity. I saw bales of cotton put on the ramp, and without the touch of a human hand go through the cards and then to the spinning machines. I saw open-end spinning machines "put up an end" instead of threading the machine by hand. I saw threads being joined by a jet of air. I saw modern looms with 550 picks. Today a worker punches a computer causing cloth to be dyed not just 20 or 30 shades of color, but 600 shades. The operator presses a button for a certain fabric, another button for a certain cut, and another for a certain style.

In the sewing operations, machines stamp pockets and collars and cuffs on the garments. I saw research equipment that rendered 42 decisions in 20 minutes, tests that formerly took 7 hours. Another machine takes a piece of fabric and prints out its components. In some plants, the air is cleaner inside than it is outdoors.

I saw an updated, modernized, automated industry that is setting the standard for productivity. But what we now have is an imbalanced situation. The textile industry is not looking for any special advantages of its own—only a chance to compete on a level field of play. The industry is not looking for quotas or tariffs—only a government that enforces the agreements and the laws that we already have on the books. Given a chance to compete, it can do the rest of the job itself.

The legislation I offer as an amendment is designed merely to bring about enforcement of the objectives of the Multi-Fiber Arrangement. Obviously, much more needs to be done if we are to stem the flow of imports and restore our productive capacity. There are a whole bunch of other laws already on the books designed to give our own industries a fair shake—countervailing duty, escape clause, and antidumping laws. What we lack is effective enforcement as part of an overall national trade policy.

There are 25 departments and agencies involved in trade. I have heard that there are some 300 bills filed to respond to individual trade problems. We really would not need any of these bills if we have some coordinated enforcement. The solution to this problem is coordination. We need a national trade council that will coordinate, orchestrate, and begin to enforce current law and any new laws that are passed.

And this is all I am asking for—enforcement. I recently read an article by Henry Kissinger in the Washington Post. His suggestion? Negotiate target trade balances with the Japanese. Negotiate! Mr. President, I am fed up with negotiations. We have already negotiated and we can continue to negotiate until we are blue in the face—but we are not going to accomplish anything if the agreements which result from these negotiations are not enforced. And that is precisely what is happening.

Sure, the Japanese will sit down and negotiate, just like they have in the past. They sit around and jawbone. They tell us how concerned and worried they are. But then they just continue to do what is required to keep

their competitive position and their ascendancy and predomination. Their Government continues to subsidize, finance, license, inspect—anything necessary to protect their markets while they invade ours.

Negotiate! I will tell you where negotiations have gotten us. In a recent study of our bilateral trade agreements and the Multi-Fiber Arrangement, the House Subcommittee on Commerce, Consumer, and Monetary Affairs found that some of our trading partners are skirting the agreements through transshipment. Transshipment is a practice under which one country which has reached its quota limit will ship its goods to the United States by way of another country which either does not have a quota or has not used its entire quota.

The subcommittee reports that this practice has now become widespread, and indicates that transshipment through Japan is the most extensive. Quoting the report: "A serious problem exists in transshipments of textiles and apparel from Republic of Korea through Japan. Because Japan has no quota and no visa system, control of these transshipments is especially difficult."

Have we tried to negotiate a solution? Yes, of course. The United States Customs Service supplied the Japanese with investigative documents. They held a meeting with MITI officials. But according to a Customs Service cable sent after the meeting, it was evident that "no one had even examined the documents." Furthermore, the cable stated, "It is felt the meeting was held simply for the sake of having a meeting, not for the sake of accomplishing anything."

Mr. President, the Japanese and our other trading partners are not going to abide by our trade agreements unless we enforce them. It is as simple as that.

It is high time we meet the competitive challenge accordingly. We cannot continue to stand idly by while American industries fall prey to the trading practices of foreign governments. Wake up. Free trade is a myth. The reality is competitive trade. The world market is government-to-government trade. We are in the fourth quarter of a trade war, and our Government has been sitting on the bench the entire game.

The American industrial worker is the most productive in the world. American industries are the most competitive. We have the human ingenuity, the scientific imagination, the industrial muscle, the financial resources, and the zeal to ensure our productive capacity and our economic leadership among nations. What we do not have is time. We need a government that is as hungry to compete as its citizenry. And we need that government now.

Mr. President, if we want to save some time—and I know all of us are under the pressure of time because there are only about 2 or 3 hours left on this budget legislation—then I would be ready to yield back my time on this amendment, so that I could move under section 904(b) for a waiver, and then we can debate that. Is that all right with the Senator from Washington and the Senator from New Mexico?

Mr. DOMENICI. Mr. President, clearly, this amendment does not belong on this bill. If we want to see a situation where a budget reconciliation bill is totally abused, this is the one. Why do I say that?

It is absolutely known that there are Senators who desire to filibuster this amendment. Now, I am not one who likes filibusters and I might indeed vote to close off debate on this if it was a free-standing amendment not offered under reconciliation. But I make the point that what we are doing here is saying to anybody who would want to filibuster this bill: "We are using the reconciliation process to tell you you cannot do that. You have 2 hours on amendments and 1 hour on amendments to amendments and then you are going to vote."

Now I think that is pretty drastic medicine, especially when it is known that this particular bill might have been filibustered by Senators who feel strongly about it.

The Budget Act of 1974, in a very careful way, set forth an exception to unlimited debate, for our work on budget resolutions and reconciliation bills.

So you will note shortly that they will want to move to make sure the germaneness rule of the Budget Act is waived so they can have it both ways. So they can add it to a reconciliation bill and make it subject to all of the time limitations of the Budget Act. In so doing, you eliminate the rights of those who want to filibuster. I do not really think it is a good way to do business.

I am not agreeing to anything at this point, because I may want to make the point of order and let them move for a waiver after I have done so. This would establish unequivocally that the manager of the bill and the chairman of the committee are clearly aware of the kind of mischief that is going to be perpetrated on the rules of the Senate here this afternoon if we let this amendment be added onto a reconciliation bill.

Mr. LONG. Will the Senator yield at that point?

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Mr. President, I believe I have time in opposition, do I not?

The PRESIDING OFFICER. The Senator is correct.

Mr. DOMENICI. I yield to those who are in opposition to the substance of the amendments. I am not as informed on the issues as my friend from Washington and I will yield to him shortly, but, in the meantime, the Senator from Louisiana wanted some time.

Mr. EVANS. Mr. President, will the Senator yield for a question?

Mr. DOMENICI. Of course.

Mr. EVANS. Will the Senator enlighten me as to precisely where we are? I thought I heard the Senator indicate he would want to make the point of order; is that correct? Are we at that point now?

Mr. DOMENICI. No, we are not.

Mr. EVANS. Or do we have to wait until a motion is actually made before we engage in appropriate debate on a motion to waive the Budget Act?

Mr. DOMENICI. We are debating the pending amendment at this point. As I understand it, I have control of 1 hour in opposition and, until I yield my time, a point of order cannot be made and a motion to waive the Budget Act cannot be made. But I am prepared to yield some of that time, because then we will debate the waiver itself in due course.

But, in the meantime, I wish to use a little bit of this time to make sure everybody understands the implications for the reconciliation process.

I yield to the distinguished Senator from Louisiana.

Mr. LONG. Mr. President, does that not present this situation: Although we have a rule that permits rather extended debate which can only be terminated by a 60-percent majority, it would be possible under this precedent for anyone who has a measure that runs into extended debate to simply come in with a waiver on the budget reconciliation bill and pass just anything that could muster a majority of the votes. That would deny those who would want to debate a matter in honest, good conscience, the opportunity to express their views and to explain to the Senate in detail why they thought it was a bad measure and should not be agreed to.

Mr. DOMENICI. The distinguished senior Senator from Lousisiana is absolutely right. I would even add to that, when he uses the words "extended debate," in this case we are talking about extreme limitations in debate, not extended.

Mr. LONG. There have been many cases where a measure might have something very unsound about it, and those opposing it debate at considerable length and eventually prevail with a majority vote.

But sometimes it needs time, many hours, 6 or 8 hours, or maybe several days to do this. But there have been many times in this Senate that an unsound proposal has been defeated be-

cause the opposition had time to convince the Senate that they were right about the matter. Would not this procedure deny them the opportunity to make their case?

Mr. DOMENICI. That is absolutely right. There is no question about it, in my opinion.

Mr. DANFORTH. Would the Senator yield?

Mr. DOMENICI. I yield 10 minutes to the Senator.

Mr. DANFORTH. Mr. President, it is my understanding, and I may be wrong on this, that the majority leader has stated that when we finish reconciliation we will be going back to the Micronesia bill, and that this amendment has been offered to the Micronesia bill.

If that is the case, if we are going to have a bill on the floor of the Senate that can be debated, that is open to serious consideration and meaningful amendment, it would seem to me that is the way to proceed.

That is not the case if it is put on reconciliation. If it is put on reconciliation, we have a very limited time to debate a very important piece of legislation.

I would hope that on both sides of the issues of textiles we could at least agree on the fact that this is a very important piece of legislation. This is not some small, little, miscellaneous tariff matter. This is not some minor trade issue.

This is a matter of major consequence to a lot of people and, in fact, to a lot of countries throughout the world.

We are asked to decide this in a matter of just a couple of hours.

Mr. President, just to give some example of what this bill gets us into, if we were to pass the textile bill we would, in one legislative stroke, be violating not only the General Agreement on Tariffs and Trade, but also the multifiber arrangement, which is the multilateral trade arrangement dealing with textiles and apparel; we would be violating some 32 bilateral agreements with other countries.

That is no small matter, to violate 32 different agreements in 1 piece of legislation.

We would be engaging in a major alteration of our relationship with the Peoples Republic of China.

Granted, the first version of the textile bill was more onerous with respect to China than is the second version. But we would not be able to judge that fact by the comments coming out of China. They have gone into orbit on this bill.

We decided a decade ago that we were going to have a major change in our relationship with China. We believed that a new relationship with China was of crucial importance to American foreign policy and of crucial importance to American trade policy. All kinds of business people and entrepreneurs went over to China to try to make deals with them—engineers, contractors, not to mention our agricultural sector, attempting to do business in China.

There is no doubt at all that if we pass this legislation we are engaged in a fundamental alteration of our relationships with the People's Republic of China.

How about other countries? Mexico? Everybody who has picked up a newspaper or turned on a TV set has heard about the great tragedy in Mexico. With all of their other problems, with all of their population problems and economic upheaval, they have had earthquakes destroying thousands of lives and billions of dollars' worth of property. Now this bill says that imports of textiles and apparel from poor Mexico, our neighbor to the south, will be cut by 50 percent below agreed levels.

Bangladesh. When you think of poverty in the world, you think of Bangladesh. A 66-percent cut in imports of one of the few things that Bangladesh can make. That is in one bill. Do we really want to do that? Have we really considered that? Or are we simply listening to the voice of some lobbyist who is writing down a bunch of numbers of legislation that we have not looked at.

I do not have the amendment in front of me. It has to be as thick as a book. But the consequences of doing this, Mr. President, we have not considered and cannot consider because we have only a few hours.

Just as an example, there is in the city of Bolivar, MO, a small community in southwest Missouri, a little factory and it is called the Teeter Floral Products Co. What they make are polyester floral displays. People put them on grave sites and so on. That company in Bolivar, MO, is the largest employer. They need polyester flowers. Under this bill, a quota would be imposed on polyester flowers that are not made in the United States. Nobody makes them. They cannot get them anywhere but from abroad.

Do we want, without amendment, without any chance to review and change the law, to just say, "I am sorry" to these 300 people in Bolivar, MO, "You are out of luck because we did not take the time to consider polyester flowers."

I do not think so.

Mr. President, we ought to have ample opportunity to debate the question of textiles. The majority leader has promised that it will come up again. This is not the last chance. But at least give us the opportunity to amend this bill on the floor of the Senate. Do not ram it through in this fashion.

Mr. DOMENICI. Mr. President, I will yield the floor in a moment, but I want Senators to know that the Senator from New Mexico in managing this bill, and managing the time in opposition to this amendment, has no intention of using up all the remaining time on the bill.

We still have 23 amendments. About 15 of the amendments are germane, and ought to be offered. I am not going to have lengthy debate on my side. I am going to yield to a few Senators who want to oppose this measure and a few who want to oppose the motion to waive the Budget Act, if that motion is made. But I am not going to use the remaining 2½ hours to debate this issue when everybody understands it.

The issue is whether the amendment should be considered at all, not its substance. If the issue was the substance of the amendment, we would not have enough time for debate.

I understand that the Senator from Washington wants to debate. Does he want to debate the procedure by which they are avoiding a filibuster or debate the substance?

Mr. EVANS. I would much rather have us move to the motion to waive the Budget Act which would get us into the issue which should be in front of us. I would like to speak to that motion. I think that is the appropriate place to start.

Mr. DOMENICI. I thank the Senator.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, I am pulled in two directions. I rather agree with the Senator from New Mexico. We should yield as much time as we possibly can and get on to the motion with respect to 904(b) of the Budget Act and, thereafter, get on to Senator THURMOND'S and my amendment with respect to textiles and debate it.

I must make a couple of comments because they debate it and then they say, "Let us debate it later."

That is out problem.

With respect to the Senator from Missouri he is the last to complain. He sits in the catbird seat as chairman of the Trade Subcommittee in Finance, and he has voted out S. 1404 on trade with Japan. We have had way more hearings, way more cosponsors, way more votes all year long. This is the end of October. The Senator from Missouri has informed this particular Senator, "Senator, you shall not get your bill out of the Finance Committee"!

Thereupon, with that in mind, I had to file the textile bill as an amendment to the Micronesia bill in July. Now he says that is a good idea. Well, I guess it is a good idea on the sum total of votes, but when you have to do that on another unrelated matter,

you find that the Senator from Idaho [Mr. MCCLURE], the chairman of the Energy Committee, and the Senator from Louisiana, the ranking member, cosponsors of this particular bill, say, "Oh, no, you are messing up Micronesia."

If you get to Micronesia, he said there is plenty of time. There is plenty of time. I know that Micronesia bill—Vice President Bush asked me to refrain from offering the textile bill on the Micronesia bill. I said, "You had better take it to the Republican cloakroom; the trouble is there with your group, not ours."

This bill relates to 34 bilateral agreements. I am, by necessity, shortening a good 2-hour speech. The Chinese say a picture is worth a thousand words. We do not have photography in the U.S. Senate Chamber so it shall appear in the RECORD that the Senator from South Carolina is now waving 34 bilateral agreements entered into formally with our trading partners. What we have asked for is the enforcement of these 34 agreements.

I can turn to the agreements as we get into this debate and tell about the violations. It is very interesting to me that the President and all the media now are saying that due to the overvalued dollar, and the deficit we have come to grief. I disagree, "Oh, no, no, we have been on this the past 30 years."

I testified before the Tariff Commission when Tom Dewey represented the Japanese Government. We worked out a seven-point program under President Kennedy. We worked out the Multi-Fiber Arrangement. It was not being enforced in the Carter-Mondale administration, so we had to do the same thing in 1978.

We took the floor one afternoon on Friday and kept the Senate in until Saturday at 6 o'clock, around the clock, day and night—all Friday, all Saturday, day and night, all Sunday. Then we got enforcement.

Now comes this administration and they appointed Mr. Baldrige, Secretary of Commerce. Now, there you are. On lumber, he reads the ITC decision and he cannot find any subsidized lumber coming out of Canada.

The President reads the shoe decision, unanimously decided upon by the International Trade Commission, saying you obey the law that they now want to reverently uphold. They cannot find any violations after the ITC has unanimously decided.

And with respect to textiles, we can go to these countries that the gentleman watches.

Secretary Baldrige is chairman of a task force to find out about violations. It is like delivering letters by way of a rabbit. I have the violations all up and down here.

He has tried to get the Senator from South Carolina to eat 28 million yards of overshipments from Thailand, before he would go and jump to China. He finally put on an embargo when I appeared—thank heavens for the media.

When I appeared on David Brinkley with these treaties, then we finally got a little enforcement.

But going right to the People's Republic of China, the distinguished Senator from Missouri says China has gone into orbit. He ought to see the employees in South Carolina, where they have gone. China has gone into orbit. The truth of the matter is that China has been violative with transshipments, exceeded quotas, mislabeling shipments.

You know, Mr. President, when you get into this debate, they tell us our business leaders ought to be more competitive, they have to learn the language. That is not our problem. It is just like this crowd that is running around here, the best and the brightest, who want to make tobacco illegal and want to legalize marijuana. Our problem is not learning the language. Our problem is they have learned our language.

You know what they will do? For example, China will knit a garment in downtown Shanghai send it to Italy, and put on a "Made in Italy" tag.

China has learned our language. Our problem is we have moved into a competitive world where their Government is on their side.

We have in the United States of America the most productive and competitive industrial worker in the world. Japan is No. 7. Please write that in your news columns. Give that to Hobart Rowen. For heaven's sake, this fellow does not know about international trade.

The Japanese worker is No. 7. The United States industrial worker is No. 1, the Netherlands is No. 2, and France is No. 3. We have the most productive and competitive industrial worker. We have the most productive and competitive management. They have spent $7.91 billion in 5 years to put in new machinery, to mechanize, computerize, and data process. What is not producing and not competing is the Government, this Department of Commerce, this administration. You know it and I know it.

We have moved into international competition. Let's look at the People's Republic of China. We gave them under the Senate version—480 million square yards more than in the House bill—I thought it was to please you. I have been misled.

I objected to this. You will find the House bill on the desk—480 million square yards less than my amendment. I said why give 480 million square yards to the People's Republic of China? For the very reason the Senator from Missouri said: We want to try to make friends. We are going to make friends out there. But 18 cents an hour labor? You see, we politicians sit around and say, you have to have a minimum wage, clean air, unemployment compensation, Social Security, safe place, safe machinery. Two Fridays ago, we put $8.5 billion on them to clean up toxic waste. In downtown Shanghai, they make this shirt for 18 cents an hour, but we want to make friends with them.

I gave them the 480 million yards and I have not gotten his friendship. He still opposes my bill. I do not know what to do with the People's Republic of China. I wanted to give it instead to this Western Hemisphere, to Central America, Latin America.

And, Senator, you are mistaken. In Mexico, they are trying to compare this bill to an earthquake. Mexico not only gets a 15-percent increase over the 1984 level, but a guaranteed 6-percent increase annually thereafter.

We are trying to get it out of the Pacific Rim and get it down to this Western Hemisphere so we can get the CBI and all these initiatives going. So you are mistaken about Mexico. If you pass that amendment on the desk in the next 2 minutes, 45 percent of domestic consumption will still be imported. You are not rolling back, you are enforcing the objectives of the Multi-Fiber Agreement. What you are doing is like when you catch Willie Sutton with $100 million stolen from the bank; you take that $100 million away from Willie Sutton, you do not roll it back. You try to get what has been illegally taken. Formally entered into signed agreements, that is all we have. We want enforcement within the objectives of the Multi-Fiber Arrangement. We are taking care of Mexico.

The Senator from Louisiana has spoken honestly and in good conscience. Now we have, I say to the Senator, a wonderful thing. We have computerization and if you walk up to that desk—I do not know how to punch it, to tell you the truth. But it was punched and this is what you get:

SUBJECT HEADING(S)

Congressional Budget, Reconciliation, Germaneness.

Congressional Budget, Waive Act by Resolution or Motion, Debate of Motion.

HEADNOTE(S)

It is permissible to move pursuant to section 904(b) of the Congressional Budget Act of 1974 (PL 93-344) to waive the requirement of germaneness of amendments offered to reconciliation bills.

During the consideration of a reconciliation bill, a motion to waive provisions of the Budget Act offered in response to a point of order is debatable for one hour under the act.

Mr. LONG. Mr. President, to save the time of the Senate, I ask unanimous consent that the Senator might raise the question of germaneness and that the Chair might rule on it without

prejudice to the Senators for or against the amendment on its merits at this time.

I did not put that in there. The computer put it in there. Mr. Long put it in there.

And so the Senator from Louisiana triggered this thing. I remember it well. I was chairman of the Budget Committee and opposed it. And guess who has now persuaded me? The distinguished Senator from New Mexico. After 5 years, he won me over. He voted with the distinguished Senator from Louisiana. He voted with Senator Bellmon.

It was the oil stripper wells, they wanted to get on there. They moved at that particular time. So what am I doing here this afternoon? I am standing prepared to make that motion under section 904(b) which says, No. 1, this is in accordance with the law. No. 2, it is in accordance with the precedent that the Senator set, but he thinks now that it does not favor his particular position on the matter; it is going to destroy Government. And, No. 3, it conforms with the spirit of 904(b) because that particular provision on germaneness realizes that every committee in the world can put up whatever they want.

Here is the budget legislation, a book of it. All nongermane provisions, just about, on reconciliation. I happen to be one of those who believes this is getting out of hand. I think we ought to amend that particular section. I think we ought to amend the budget section to have authorizing committee action before even any budget is reported. But at the present time a committee chairman can add any nongermane amendment to the budget legislation.

My rationale, I say to the Senator from Missouri, is I have a bigger committee. I am not a chairman. We Democrats tried our best. But we sure have a good committee. The Committee of Commerce has 17 members. We have a committee of 55 members tried and true. We have had votes. We have stuck together as cosponsors. We are determined to have these bilateral agreements enforced.

The only way we know to get attention and get a bill through is on this bill, because when we go to Micronesia they will suggest the continuing resolution. You go to the continuing resolution and they say, "No, go to reconciliation." You go to reconciliation and they say, "Just go. Just go."

The distinguished Senator from Missouri has said:

> I am on the Finance Committee. I am the chairman of that trade subcommittee and I say to the Senator he will not see that bill come out of our Finance Committee.

Now, the distinguished Senator from Missouri was nice enough to tell me on top of the table.

Mr. DANFORTH. Mr. President, if the Senator will yield, to clarify it, I think what I told him was that I was confident there were not enough votes in the Finance Committee to report out the textile bill. I was not indicating to the Senator from South Carolina I was somehow exercising some mysterious power to keep it from being reported out. It simply does not have the votes of the majority members of the Finance Committee.

Mr. HOLLINGS. I understand. It is not mysterious. I do not reflect in any way on the Senator for having that position. I perhaps would have that myself. At the same time, we are all Senators in the body. I am ready to yield back my time so we can go ahead, make the motion, and move fast; all of us want to get our Senators back to the World Series this afternoon. We would really like to argue the merits of this particular matter. We conferred with the majority leader. We conferred with the chairman of the Budget Committee. We conferred with the ranking member. I know their position. Their position was mine. But I have now been persuaded. They are the ones who set this precedent. I did not.

We already have a House bill we cannot get up off the desk. It has been sent to us by an overwhelming majority on the House side. So what we are engaged in is political maneuvering.

This is the only maneuvering room I have. We just cannot let the Third World imports flow unimpeded into the United States. Everybody talks about the Third World. We have a Third World in the United States. We have 32 million hungry, under the poverty level. They are mainly composed of women and minorities. And here I am with the finest initiative at the Federal level—to save an industry with 29 percent minorities, 67 percent women, and we are worried about the People's Republic of China having gone into orbit.

Not true at all. They put on the full-court press on Washington. I do not fault Japan or the People's Republic. Business is business. There is no such thing, never has been, never will be, as free trade. This Government was founded on the report on manufacturing by Alexander Hamilton. He set up tariffs. We had at that time 96 percent of our people working on the farm and 4 percent in the factory, and we had to develop an industrial capacity to become a nation. Now we have 4 percent on the farm and 96 percent in the factories and service industries. But that is what built us, the protective tariff system.

The Senator from North Carolina and I did not understand that in the Southland. We were rather illiterate on that particular score. Article I, section 8, of the Constitution says Congress shall regulate commerce, but the Senator and I were rather illiterate. In 1865 they taught us how to read. We lost that war. But along came Cordell Hull and he said, "reciprocal free trade."

Do not talk about Smoot-Hawley. It is a bad historical rap. I can show you, Mr. President, in the year of the crash, trade increased, but the crash did cause the receding of trade in 1930. But Cordell Hull came along and said, "Look, we are going to have reciprocity. If they don't reciprocate, we are going to retaliate." We put in protective quotas for agriculture under the Agriculture Adjustment Act. We had protection for oil.

We put in protective quotas for oil in 1955 to protect oil producers. I have not asked for any protective quotas, tariffs, subsidies, retraining. All I am trying to do is hold on to a basic industry found by John F. Kennedy to be second most important to our national security after steel.

The Senator from Maine can talk on shoes. Let me yield time right now.

But I can tell you, Mr. President, here and now, we are ready to make the motion. I am ready to yield back the time to my distinguished senior colleague. I yield to Senator THURMOND.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. I will just take a few minutes. I want to call attention of the Senate to the fact that this is not a State or regional problem. It is a national problem. There are 2 million people engaged in textiles and apparel in this country. There are 2 million more in related industries. One out of every 10 manufacturing jobs in this country is in textiles and apparel. This is a very important industry. It is so important that when we held hearings on the importance of various industries to our defense, it was brought out by the Defense Department that textiles rank second to steel in national defense. It has been predicted that if current trends continue, by 1990 we will not have any textile mills; they will all be closed.

Are we going to give up the textile/apparel field entirely? Are we going to permit foreign imports to continue to grow at increasing rates?

The commitment the President of the United States gave me when he was running in 1980 was that he would keep import growth in line with domestic market growth.

What has happened? Import growth now is 33 percent, domestic growth is 3 percent. So who is getting jobs in textiles? It is not Americans. They have lost jobs. In the last 5 years, we have lost 350,000 jobs. In my State alone we have lost 24,000 jobs. As I said, this is a national problem. Also, it is impor-

tant from the standpoint of eliminating our tremendous trade deficit. The 1984 trade deficit was $123 billion.

Sixteen-and-a-half billion dollars of this was because of imports of textiles, coming from other countries. That is, 13 percent of the entire trade deficit was caused by textile and apparel imports. Fifty percent of all the apparel and textiles used to make apparel that are sold in the United States today is imported. Think of that. Fifty percent comes from other countries. This is a serious problem.

It is argued that imports are advantageous to the consumer. I have heard that argument. Frankly, there is very little merit in it. I have some figures that demonstrate the falsity of that argument. The 1984 average retail price of men's and boys' clothing—domestic $6.68; imported $6.63. The consumer saved 5 cents. That is very little savings when you consider the thousands of American jobs that were lost.

How are we going to compete with some countries paying 15 cents an hour and other countries paying $2 an hour, while the American mills are paying $6, $8, and $10 an hour?

It is a question of whether you want to keep the jobs in America or send them abroad.

I have the greatest respect for the distinguished Senator from Missouri, the chairman of the International Trade Subcommittee. However, but we wanted to get this bill out of that committee and get it before the Senate. That has not proven possible. It has been a hard time getting it anywhere. As my distinguished colleague said, anytime you mention one bill they say, "Don't put it here." Well, we expect to put this bill on everything we can until we get results. Why? To help the American worker, to save American jobs. We have to do it to help our own people.

I believe in trade, but it must be fair trade.

Mr. President, I call the attention of the Senate to an article that appeared in the Los Angeles Times a few days ago, and I believe it also appeared in the Washington Post. It was published in a South Carolina newspaper and is entitled "U.S. Should Renounce Free Trade in Favor of Mercantilism."

I will read one paragraph; but first ask unanimous consent that this important article appear in the RECORD in its entirety at the conclusion of my remarks:

Because global influence and military strength depend on a strong economy, the United States should renounce free trade in favor of mercantilism: a policy that explicitly recognizes the need to place the nation's economic interests first in order to preserve its geopolitical power. No nation can be a great power without maintaining its basic industries, even if they are uncompetitive in the international economy.

Mr. President, it is important that we keep jobs in America. We want to trade with other countries; we want to help them; but they are taking over the entire market. The time has come to draw the line.

It is a question of whether you want to preserve jobs here or let them go overseas.

I am not going to take any more time. I think the question is simple, and everybody knows where they stand on this matter. I hope we can get this bill passed. It is a good bill, and it will be a good bill for the people of this country. I hope the Senate will see fit to pass it. I urge my colleagues to support it.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

U.S. SHOULD RENOUNCE FREE TRADE IN FAVOR OF MERCANTILISM

(By Christopher Layne)

[Because global influence and military strength depend on a strong economy, the United States should renounce free trade in favor of mercantilism: a policy that explicitly recognizes the need to place the nation's economic interests first in order to preserve its geopolitical power. No nation can be a great power without maintaining its basic industries, even if they are uncompetitive in the international economy.]

Free trade is an attractive theory. But we live in a mercantilist world. Our chief economic competitors, Western Europe and Japan, erect tariff and non-tariff barriers to others' exports, subsidize their own export industries and control the export of their capital and technology. The developing industrial nations—Brazil, South Korea, Singapore, Taiwan—do the same. As America reaches industrial maturity, other nations are turning the multilateral free-trade system to our disadvantage. We should acknowledge those realities in our own economic policies.

As Johns Hopkins Professor David Calleo has observed, the postwar free-trade system flourished because "expanding prosperity . . . permitted a game with many winners and few losers." However, as "growth slowed, free trade was hurting more and more domestic interests everywhere, and the essentially mercantilist character of states was reasserting itself." Under such conditions, international economics diverges from the comparative-advantage, free model and begins to resemble a zero-sum game as governments become more conscious of the political and strategic ramifications of economic policy.

Free-traders justify their position by pointing out that under the doctrine of comparative advantage, everyone will gain something from international free trade. In strategic terms, however, the key question is not "Will everyone gain something?" but "Who gains the most?" It is the latter question that should guide Washington's international economic policy.

Viewed in historical perspective, the United States is at a juncture similar to Great Britain's at the turn of the century. The outward flow of British capital and technology, combined with the growth of tariff-protected competing industries in rival nations, enabled the United States, Germany and Japan to gain an ever-increasing economic and political advantage over England.

Although free trade actually undermined London's geopolitical interests, comparative advantage remained the intellectual basis of British trade policy. Few analysts, notably Joseph Chamberlain and J.A. Hobson, recognized that England could remain a great power only by adopting mercantilist policies that protected its domestic economy at the expense of its international economic commitments.

Chamberlain and Hobson were right: Commitment to a free-trade system that no longer advanced its interests was a critical factor in the collapse of British power.

For a nation suffering from political and economic decline, as America is, mercantilism is the most prudent economic strategy. Even those of us who believe in the theoretical superiority of free-market solutions must face the fact that the international economy is inherently mercantilistic and that, in a mercantilist world, free trade must end at the water's edge.

As Adam Smith said, "Defense is much more important than opulence." Thus, the thrust of our economic policy should be to maximize increase our power relative to that of other states. In this context national security is more important than economic efficiency.

Mercantilism does not mean that we no longer would have trade relations with the rest of the world. But America's approach to international economic policy must change. Trade should occur within a framework that enhances our fundamental national economic and security interests. International economic policy is too vital an instrument of statecraft, and the economy is too important as the essential foundation of national strength, to be left solely to private decision-making in a market context.

The fundamental objectives of a mercantilist policy are clear: to link American international economic policy to overall national-security policy, to preserve America's vital industries, to control domestic inflation, to discourage the outflow of capital and technology and encourage domestic savings and investment, and to minimize American dependence on markets and sources of raw materials over which our strategic control is tenuous.

America has reached a historical turning point. Rather than attempting to salvage the postwar free-trade system, we should focus instead on developing a new American international economic policy based on sound principles of political economy.

Mr. HOLLINGS. Mr. President, I yield 2 minutes to the distinguished Senator from Maine [Mr. MITCHELL].

The PRESIDING OFFICER (Mr. COHEN). The distinguished Senator from Maine is recognized.

Mr. MITCHELL. Mr. President, I thank the distinguished Senator from South Carolina for yielding. I will be very brief and not repeat what has been said.

I associate myself with the remarks made by both Senators from South Carolina. The distinguished Presiding Officer (Mr. COHEN) is my colleague from Maine, and I am authorized to say that I speak for him as well as myself at this time.

This measure deals not only with textiles but also with shoes. Whatever argument has been made with respect to the textile industry not pursuing

the legal procedures for relief from excessive imports, has no validity with respect to the shoe industry.

The shoe industry followed the rules. It brought an action. The International Trade Commission unanimously found injury, and by a vote of 4 to 1 recommended relief.

The distinguished Senator from Missouri, the chairman of the Trade Subcommittee, with whom I have the pleasure to serve, wrote an article in the Washington Post just yesterday which I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MITCHELL. Mr. President, as the distinguished Senator from Missouri put it very well, "The shoe industry was wronged. It was played for a sucker. The laborious process before the ITC turned out to be a waste of time."

It is that total abdication of responsibility by the administration, not only for devising a trade policy but also for enforcing the trade laws of this country, that is so disturbing. We are the only Nation in the Western World which does not enforce the trade laws established within the framework of General Agreement on Tariffs and Trade that authorize relief from a surge of imports. The shoe industry has suffered a tremendous loss of market share to imports which have now captured 78 percent of the domestic market. The ITC unanimously agreed that the shoe industry was entitled to relief under section 201 of the Trade Act of 1974. It went through the long and expensive statutory process only to be rejected by the President. The shoe industry followed the rules and was played for a sucker.

For that reason, as well as the arguments advanced by the Senators from South Carolina, I believe this is an appropriate response to a very serious and critical situation. If an American industry suffers 78 percent import penetration and is not eligible for relief from imports under our trade laws, then I defy any Member of this body to define for me a circumstance in which our trade laws do have relevance and meaning. The fact is, of course, that they cannot and do not, under these circumstances.

Mr. President, I yield back whatever time remains to the Senator from South Carolina.

EXHIBIT 1

A RIP IN THE TRADE LAWS

(By John C. Danforth)

While the textile quota bill will pass both houses of Congress by substantial margins, much of the support for it is more embarrassed than enthusiastic. In the House, 28 cosponsors of the bill bailed out on the vote for final passage. Many Senate supporters concede that it is bad legislation, forced upon them by intense constituent pressures.

It is, indeed, a very bad bill. The best that can be said for the House version is that it would increase employment in the textile and apparel industries by about 4 percent, but it would do so at a cost to consumers of about $140,000 per job. Both bills would risk retaliation against $33 billion in U.S. exports, including farm commodities, aircraft and chemicals. Like much special-interest legislation, the bill is designed to favor a few people at the expense of everyone else.

Government can hardly be accused of turning a deaf ear to the textile and apparel industries. In fact, they have been the beneficiaries of the most elaborate and long-standing array of import protection enjoyed by an American industry. But the bill before Congress would go much further than any of the international agreements that protect the domestic textile industry.

Why, then, has it progressed as far as it has? Why has it passed the House and won the support, however embarrassed, of a clear majority of the Senate? The answer is that the executive branch, which should be the place to manage specific trade problems, is now closed to industries seeking import relief. When the executive branch is closed for business, Congress is the only place to turn, and the remedy Congress offers is quota legislation.

The president's decision in August to deny import relief to the shoe industry was a clear sign that the executive branch will no longer be a source of help for trade-damaged sectors of the economy. The president sees no distinction between import relief available under the General Agreement on Tariffs and Trade, if the proper legal process is followed, and import relief provided by Congress in violation of international agreements. To him, all forms of import relief, lawful or not, are equally abhorrent. All are branded "protectionist," and all are equally violative of his free-trade philosophy.

In fact, all forms of import relief are not the same. If proper standards are met, relief is expressly provided under Article XIX of GATT. The mechanism is legal, not political. It entails bringing a case before the U.S. International Trade Commission, proving economic injury as defined in the statute, securing a recommendation for relief from the commission, and securing relief in the form of tariffs, quotas or trade adjustment assistance from the president.

The shoe industry followed all the rules in bringing its case under the law. It did not try to throw its weight around in Congress. It did not ask for any special legislation. Instead, the shoe industry brought its complaint before the ITC, made a compelling argument for application of the law and won its case in a unanimous finding by the commission. Then, after expending unknown amounts of resources and energy before the ITC, it learned that all was for naught, that the president would give no relief at all.

The clear message from the White House is that if the shoe industry does not qualify for relief, no industry will qualify. If 78 percent import penetration in shoes is no basis for remedy, then textiles and apparel, with less than 25 percent import penetration, cannot hope to qualify. In effect, the president has blue-penciled Section 201 of the Trade Act out of the statute books.

For many years, the best shield against quota legislation has been a system of trade law that could deflect protectionist pressures toward generic solutions. The shoe industry believed it did not need special legislation. It had confidence that the basic laws were sufficient and that if it made a good case it would gain relief. The shoe industry was wrong. It was played for a sucker. The laborious process before the ITC turned out to be a waste of time.

The textile and apparel boys have the street smarts in dealing with government. Their method is to ignore the GATT, ignore existing law, ignore the ITC. They have used political muscle and have gone to Congress for help. Perhaps they will lose on a presidential veto. Perhaps this legislation, even if vetoed, will improve their position when the Multi-Fiber Agreement is renegotiated next year. Certainly they will end up better than the shoe people, who made the mistake of playing by the rules. So now the textile industry has its quota bill, and the shoe industry has gotten wise and has a quota bill of its own. Steel is not far behind.

What is truly astonishing is that the president has expressed astonishment at all the protectionist legislation.

Mr. DANFORTH. Mr. President, will the Senator from New Mexico yield 2 or 3 minutes?

Mr. DOMENICI. I suggest to my friend that there will be time in a couple of minutes on the issue, and I will yield to him. I would like to get on with the motion.

Mr. DANFORTH. I mean before we get to the motion.

Mr. DOMENICI. I yield 2 minutes to the Senator from Missouri.

Mr. DANFORTH. Mr. President, there is much to be said on the merits, and I am not going to debate the merits at this point. I hope we do not get to the merits of this matter on reconciliation. I hope we do not waive the rule of germaneness.

I have said to the senior Senator from South Carolina, and I will restate on the floor, that if this is attached to any other bill and there is a filibuster, I will vote for cloture. I do not like the idea of a textile bill; I am against it. I do not intend to slow it down by filibuster. I will vote for cloture. But that is not the issue before the Senate now.

The issue before the Senate right now should not be the merits of the textile bill but, rather, whether the textile bill is going to be taken up on reconciliation, whether the textile bill is going to be given the bum's rush through the Senate, whether the textile bill is going to be available to the Senate for only a matter of a few hours, with very limited possibility of debate and very limited possibility of amendment. That is the issue before the Senate now, not the merits, but whether this is the appropriate bill.

Mr. DOMENICI. Mr. President, on the amendment that is pending, I am prepared to yield back my time, if Senator HOLLINGS is ready to yield back his time.

Mr. HOLLINGS. Mr. President, on the pending amendment, in yielding back the time, I hope we can then move. The chairman obviously will

make a point of order. I am not trying to overrule a point of order. I am trying to get a ruling as to whether this is in conformance with 904(b). I am sure it must be, looking at the precedents.

So if we yield back the time, in all courtesy to the distinguished chairman, I will make the motion, we can get the yeas and nays, bring this to a close, and move from there.

Mr. DOMENICI. Mr. President, I understand what the Senator is going to do. We want a few minutes to argue that his motion should not be granted. That motion is debatable. Before he can make the motion, we have to yield back the time. If I then get recognized, I will make a point of order that the amendment is not germane.

The Senator has the right, under the act and the procedures, to make his motion.

Mr. HOLLINGS. That is the precedent set in 1980.

Mr. DOMENICI. I do not want to waste a lot of time. I do not want this to turn into a substantive argument over the amendment. I want Senators who have legitimate amendments to have a chance to offer them. I do not want to destroy an $86 billion deficit reduction package. That is my concern.

Mr. President, I yield back the remainder of my time, if the Senator yields back his.

Mr. HOLLINGS. I yield back the remainder of my time.

Mr. DOMENICI. Mr. President, I make a point of order that the pending amendment is not germane.

Mr. HOLLINGS. Mr. President, I move under section 904(b) of the Budget Act that title III the requirement for germaneness be waived.

The PRESIDING OFFICER. The motion is debatable for 1 hour.

Mr. HOLLINGS. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. DOMENICI. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOMENICI. This motion is debatable and there is 1 hour on each side?

The PRESIDING OFFICER. One hour total equally divided.

Mr. DOMENICI. A half-hour on each side, after which time a motion to table is in order.

The PRESIDING OFFICER. The Senator is correct.

Mr. DOMENICI. And not before.

The PRESIDING OFFICER. The Senator is correct.

Mr. EVANS. A parliamentary inquiry.

The PRESIDING OFFICER. Who yields time for a parliamentary inquiry?

Mr. HOLLINGS. I yield time.

The PRESIDING OFFICER. The Senator will state it.

Mr. EVANS. My inquiry is I believe that the motion that was just made by the Senator from South Carolina must be placed in writing so we know precisely what would occur if that motion were to carry because the particular wording of that motion could have a great deal of influence on the debate which could occur and the amendment which might be made afterward.

The PRESIDING OFFICER. The Senator is correct. The motion must be submitted in writing.

Mr. HOLLINGS. All right.

Mr. DOMENICI. I suggest the absence of a quorum with the time to be charged equally.

Mr. BUMPERS. Will the Senator withhold that? Will the Senator be willing to yield me 5 minutes while he is trying to work out the difference?

Mr. DOMENICI. Does the Senator desire 5 minutes to debate the issue that is before us?

Mr. BUMPERS. Yes.

Mr. DOMENICI. I yielded all my time back.

Is the Senator in favor or opposed to the amendment?

Mr. BUMPERS. I support the Hollings amendment.

Mr. DOMENICI. I have no time to yield for those who support it. Perhaps the Senator from South Carolina does.

Mr. BUMPERS. Will the Senator from South Carolina yield me 4 or 5 minutes while he is working this out?

The PRESIDING OFFICER. The Senator has submitted his motion in writing.

The motion follows:

Pursuant to section 904(B) I move to waive the germaneness requirement of the Budget Act.

Mr. HOLLINGS. I have submitted it in writing.

Now we are onto the particular motion. I am delighted to yield 5 minutes to the Senator from Arkansas.

The PRESIDING OFFICER. The Senator is recognized.

Mr. BUMPERS. Mr. President, I simply want to make a record on this issue because I have been one who steadfastly resisted domestic content legislation and generally supported the President's position on trade. I did it, not for ideological reasons. I did it because I thought it was fair that it was helping us with our inflation problem, and because I thought all parties were complying until GATT and the Multi-Fiber Agreements.

But now the scales have been tilted to the point that complete and unbridled free trade is no longer an equitable proposition. And in addition, our agreements are being violated by our trading partners.

I never really realized just how inequitable our trade policy was until I investigated our problem with shoe imports. I never will forget when Senator PRYOR and I went over to make our case before the International Trade Commission in 1981. We were pleading with them to hold shoe imports to 50 percent of all the shoe sales in this country. Think about that; in 1981 50 percent of all the shoes in this country were being imported, and we said we do not want to cause the people who manufacture these shoes and send them to us any undue hardship—we want to trade with them—and we will not, if you will, draw the line now, and hold imports at 50 percent.

The International Trade Commission ruled against us. So the President never really had to make a determination on the issue.

In 1985, early this year, we went back to the International Trade Commission. In the period of time since we were there in 1981, shoe imports had increased from 50 to 75 percent. That was early this year. And the International Trade Commission finally agreed, on a unanimous vote, I believe, to support our position. We only asked that we should not permit more than 63 percent of all the shoes sold in this country be imports.

That is not discriminatory. That is not trying to do in the Third World. That is simply saying let us be reasonable about this because our shoe manufacturers will never be able to compete with $3- and $4-a-day wages.

The International Trade Commission ruled in our favor and the President overrode that decision or at least refused to accept that recommendation, and at this very moment shoe imports run 77 to 80 percent all shoes sold in this country.

In 1984, the biggest economic growth year in the history of this country since the post-World War II era, shoe manufacturing in this country declined 13 percent. This year, shoe manufacturing in the United States declined 22 percent.

As the Senator from South Carolina has said time and again, there is no education in the second kick of the mule. Maybe if we redefined national security & determined shoes necessary, we could get the Presidents attention. Manufacturing combat boots should be on the national security list.

We produce fewer shoes in this country right now than we did in 1921.

I realize that the textile and apparel industry has also been plagued by increasing foreign imports. Since 1981, textile import growth has averaged 19 percent annually—and last year imports soared 32 percent over 1983 levels.

I do not like to see Congress getting into this whole arena on an ad hoc basis. Today it is textiles and shoes and tomorrow it will be aluminum and next day it will be steel and next day it will be something else. Tht is not the way it should work.

But our trade policy is not working at all now and, in my opinion, Congress has no alternative but to at least get the President's attention and say to the President, "We are not asking for Smoot-Hawley protectionism. We are not asking for that kind of relief. We are saying give us a trade policy. I believe Congress will not let their issue die. The President can run, but he can not hide.

The PRESIDING OFFICER. The Senator's time has expired.

Who yields time?

Mr. DOMENICI. I yield up to 15 minutes to the distinguished Senator from Washington.

The PRESIDING OFFICER. The Senator from Washington is recognized.

Mr. EVANS. Mr. President, there will be some time presumably, if, in fact, this motion passes, to debate the merits of the issue, not enough, perhaps not enough opportunity to attempt to perfect the bill, but that is not what is before us. What is before us is a question of waiving the Budget Act and it is to that I will turn in just a moment.

But let me say, first, in answer to my distinguished colleagues who have spoken that this is not a question of China, or Korea, or Taiwan, or any other foreign nation compared to this Nation. It is a question of whether we are going to engage in a new civil war, a new civil war of East versus West instead of North versus South. In the first vote on this bill several weeks ago, all but five Senators west of the Mississippi voted against the bill, and all but five Senators east of the Mississippi voted for it.

It could very well be a question of whether we sacrifice an aerospace job in order to save a textile, job, whether we drive one more farmer into bankruptcy to preserve a seamstress.

I might say, in passing, that unemployment in South Carolina and North Carolina and the other States in this bill are substantially lower than unemployment in my own State of Washington, or Oregon, or California, or most of the States of the West.

But let me turn to what is really at stake. I have not been here long. But I came, as my colleagues know, in an unusual fashion. I had one of those rare opportunities to make a choice, to make a decision whether to accept an appointment of my Governor. I came here to the Senate because I respected its history and its tradition, and because I felt this was an unusual body, worth coming back here te represent my State and my country.

This fundamental question is not textile protectionism. The fundamental question is whether this Senate will retain its unique position as the only legislative body in the world devoted to unfettered and yes—even at times—extended debate, whether this body will continue to cherish the right of even a minority of one to express opinions, challenge majority opinion, to shape legislation, and to give colleagues a chance for a second thought.

The history of cloture I think is important to discuss. We have had 196 years of this Republic. Never in 196 years have we attempted in this body to strangle debate as we are going to do it today. There was no cloture rule at all until 1917. Our predecessors in the great debates of the mid-1840's leading up to the Civil War and many of the other great debates which have engaged this Senate did so without any limit whatsoever on debate.

In 1917, rule XXII was adopted. Two-thirds of those present and voting would be required to limit debate. In 1949, we reverted to two-thirds of the entire body. In 1959, we limited debate by two-thirds of those present and voting within 2 days of debate before a cloture vote and, in 1975, the present day cloture rule was adopted, three-fifths of the Senate except when we are engaged in a rules change.

Today we may well take the last step, the last step of majority rule; of majority rule where the rights of the minorities are going to be squashed.

Well, let me advise this Senate that if, indeed, this procedure is to be allowed, then it is time to throw the doors wide open. If 51 Senators choose, then we can add this bill or its successor as each year passes Grove City, without debate; line-item vote, without debate; nominations—for instance, the nomination to the Ambassadorship of the People's Republic of China, without debate; abortion; school prayer—you can add to the list better than I. Is that what we are going to do? Is that what this body is all about?

All that is spoken on the floor of the Senate becomes part of the RECORD. Hundreds of thousands of pages make up the history of this body. The rules of the Senate are important and so are the precedents. The Senate, in a very real sense, is history.

The way to discover the spirit and the importance of this body and of our concept of democracy lies in the pages of our Journal. Reading through the Journal holds out the key to recognizing the importance of this body's tradition of lengthy debate.

It is difficult to trace the roots of our tradition of free and open debate. It is impossible to select a single precedent that allows each Senator to be heard on any matter brought before the body. And yet, this right has been subject to some of the most eloquent speeches and debates on the floor of this Senate. Let me read from a few.

First, from Senator Robert LaFollette, March 8, 1917.

Mr. President, believing that I stand for democracy, for the liberties of the people of this country, for the perpetuation of our free institutions, I shall stand while I am a Member of this body against any cloture that denies free and unlimited debate. Sir, the moment that the majority imposes the restriction contained in the pending rule upon this body, that moment you will have dealt a blow to liberty, you will have broken down one of the greatest weapons against wrong and oppression that the Members of this body possess. This Senate is the only place in our system where, no matter what may be the organized power behind any measure to rush its consideration and to compel its adoption, there is a chance to be heard, where there is opportunity to speak at length, and where, if need be, under the Constitution of our country and the rules as they stand today, the constitutional right is reposed in a Member of this body to halt a Congress or a session on a piece of legislation which may undermine the liberties of the people and be in violation of the Constitution which Senators have sworn to support. When you take that power away from the Members of this body, you let loose in a democracy forces that in the end will be heard elsewhere, if not here.

I ask unanimous consent, Mr. President, that further statements of our distinguished colleague, Senator STENNIS, and from then Senator Lyndon Johnson be printed in the RECORD. And I would like to read briefly from a fourth one and ask unanimous consent that the entire statement be printed in the RECORD.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

SENATOR JOHN STENNIS—MARCH 7, 1975

Personnel can come and go, ideas and opinions and conclusions can vary, and will, but this body will never be the same parliamentary body again if this final step, this fateful step, is ever taken.

There is a yearning and a distinctive feel about coming to the U.S. Senate and it has been true for many, many, many decades, and I hope it will be true for a thousand years . . .

If we just make it a body now where the majority is going to control and can write the rules, or rewrite them, the majorities with all their virtues are impulsive at times, if we are going to make it into that kind of a body, we will take off something that has a great deal of attractiveness, a great many of the attractive features of being here.

I have a great respect for the House of Representatives . . . and I think no man could have a greater honor than to serve with fidelity . . . in the House of Representatives. But at the same time, many men who have served there want to come on over here.

Why is that? I could not describe why, but I believe a part of it is that the membership in this body just cannot be pushed around, and that is what it amounts to.

Perhaps those who have joined us lately have not yet had enough experience here to feel this quality that I am talking about, but wait until someone attempts to push them around, wait until they have experiences

where they see, except . . . they could have been pushed around and then they will get a better understanding of what I am trying to transmit to them, and in a very feeble way.

We call ourselves the deliberative body. That is a little more, I think a good deal more than a self-serving declaration, and that deliberative body, the fact that it is that kind of body, has had tremendous influence in public affairs.

As a young lawyer, in the 1930's, I remember what has become known as the attempt to pack the Supreme Court and I remember my first impulse to the argument was so smooth and so plain and all, I said that maybe it is my duty to consider that further. Under the circumstances, it had some attraction to it, maybe.

But anyway, as I started reading and reading and looking and relooking and getting into the mores of our system, instantly it became clearer and clearer and clearer to me that that would be an awfully bad step, a nagging precedent, and a body blow that would, in effect, destroy that body, restrict and restrain it so.

I came here later and understood from men who were here—I could call names but I will not—but many of them said, and some of these were in favor of President Roosevelt's recommendation, that without a question, without a question, it was the influence of rule XXII looming as a possible roadblock that made it known one could not rush the plan through.

I do not think there are many who have been here long that could avoid saying, admitting and agreeing, that this was a downgrading of the Senate, to go to the rule of majority of those present and voting could change the rule and make it possible to cut off debate on a bare majority vote.

SENATOR LYNDON JOHNSON—MARCH 9, 1949

If I should have the opportunity to send into the countries behind the iron curtain one freedom and only one, I know what my choice would be. I would send to those lands the very freedom we are attempting to disown here in the Senate. I would send to those nations the right of unlimited debate in their legislative chambers.

If we now, in haste and irritation, shut off this freedom, we shall be cutting off the most vital safeguard which minorities possess against the tyranny of momentary majorities. I do not want my name listed as one of those who took this freedom away from the world when the world most needed it.

SENATOR STROM THURMOND—MARCH 7, 1975

This motion would effectively give absolute rule to little more than a mere majority of Senators. A Senate majority does not necessarily represent a consensus of the people or of the States. Many times popular opinion on an issue does not develop until after prolonged discussion of the matter in the Senate has served to publicize the issue. In this sense, prolonged debate may prevent hasty majority action which would be out of harmony with genuine popular consensus; whereas simple majority cloture will not allow for a sober second thought of the American people.

Majority cloture in the Senate would destroy its deliberative function.

Mr. President, prolonged debate is not resorted to lightly or at the whim of a few Senators. To do so would destroy its effectiveness. It is only when an issue of vital importance is presented, that a minority of Senators, concerned with their roles as "ambassadors of the States," engage in extended debate in order that all viewpoints may be presented and all options considered.

If this resolution passes, it is then theoretically possible for the members of the majority party to close off debate on a highly partisan issue, thus effectively negating the rights of the minority. I wish to remind Members of the Senate that today's majority may be tomorrow's minority.

Mr. EVANS. From one of our colleagues who is engaged in this debate today, the senior Senator from South Carolina, STROM THURMOND:

This motion would effectively give absolute rule to little more than a mere majority of Senators. A Senate majority does not necessarily represent a consensus of the people or of the States. Many times popular opinion on an issue does not develop until after prolonged discussion of the matter in the Senate has served to publicize the issue. In this sense, prolonged debate may prevent hasty majority action which would be out of harmony with genuine popular consensus; whereas simple majority cloture will not allow for a sober second thought of the American people.

And I am glad my distinguished colleague from South Carolina has arrived to hear his words, so eloquently spoken years ago, read back.

Mr. President, prolonged debate is not resorted to lightly or at the whim of a few Senators.

And I can say to this body I have not engaged in prolonged debate very often.

To do so would destroy its effectiveness. It is only when an issue of vital importance is presented, that a minority of Senators, concerned with their roles as "ambassadors of the States," engage in extended debate in order that all viewpoints may be presented and all options considered.

Mr. President, let us return to the matter particularly before us. While many have strong feelings on both sides of the textile issue, there should be no disagreement about what we are debating at this moment. The issue at hand is whether or not the Senate should purposefully circumvent its own rules; whether it will decide today to allow the will of a simple majority to silence the voice of a strong opposition.

Should any simple majority, 51 Members, be allowed to silence all other Members on any matter before the body, possible destruction of the constutitionai role of the Senate as a body of deliberation would follow. We would, in my opinion, die as a unique body and take our place in a long and dismal line of ordinary Parliaments and Congresses.

We have a choice. Mr. President, we have three choices, in fact. If we turn down this motion to waive the Budget Act and destroy the Senate and its long tradition of debate, immediately after the conclusion of the reconcilation bill we do return to the Compact of Free Association on which this textile amendment is already attached. If that is insufficient, we have at the desk a House bill, already passed, which has a textile bill attached. And if no bill passes this Congress, we will shortly engage in the renegotiation of the Multi-Fiber Agreement and our agreements bilaterally with each nation. And I believe, and would join with my colleagues in believing, that these ought to be strengthened and changed and modified to better serve the needs and the problems of our Nation.

The alternative to that, to any of those three choices, is to destroy our heritage, wreck our committee process, divide this Senate, and hurt the comity which binds us together, all for a monetary advantage.

And I say for shame, for shame, if we waive these rules for no earthly purpose.

I urge—no, I plead with my colleagues to defeat this proposal. Let us finish reconciliation. In fact, let us finish reconciliation in two ways: On perserving the Senate as we would like it to be and on the reconciliation bill in front of us, and then turn next to the compact and debate the textile issue. It is an issue of major importance. It deserves to have adequate opportunity for amendment and perfection and it may well have support sufficient to pass. And if that is true, so be it. But that is the way in which we do our business. And, Mr. President, that is the way we ought to do our business.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. How much time does the Senator need?

Mr. LONG. Three minutes.

Mr. DOMENICI. I yield 3 minutes to the distinguished senior Senator from Louisiana.

The PRESIDING OFFICER. The Senator will suspend. The Senate is not in order.

The Senator from Louisiana.

Mr. LONG. Mr. President, in years gone by I have voted for the type of measure the Senator seeks to enact at this point.

I have supported the Senator on occasion when he has added measures of this sort to a Finance Committee bill, and I have gone to conference having voted for his amendment. I think the Senator knows that very well. In fact, on occasions the Senator thanked me for fighting harder than anybody on the conference in trying to get his amendment agreed to. I have no quarrel with the Senator on the merits of what he seeks to achieve here. I cosponsored the bill when it was introduced as a bill, and I even voted on this measure on the Micronesia bill.

But, Mr. President, I could not agree more with what the Senator from Washington has said here today. My first speech in the Senate was in favor

of free debate in the Senate. I was a member of the Rules Committee at that time, and served with the senior Member of the Senate, JOHN STENNIS. We fought at that time to preserve the right of free debate in the Senate. What I said then, and what JOHN STENNIS said at that point, still makes sense as far as the Senator from Louisiana is concerned.

In my judgment, if this tactic is to be permitted to succeed, then as long as this is available, any Senator has the option, if he has a simple majority, to deny other Members of this body an opportunity to make their case against a proposal. This is a way that one can bring a controversial proposal to a vote with only a modicum of consideration. That is totally contrary to the intent of the reconciliation process.

Yes, I heard the Senator cite the time when Senator Bellmon of Oklahoma offered an amendment dealing with stripper wells. Senator Bellmon asked appropriately, as he should have asked, for a waiver under the budget resolution to offer his amendment. I voted for it. Mr. President, that was not an attempt to deny others the right to debate the stripper well amendment. We had debated stripper wells many times, voted on it many times before, and we voted on it many times after that. But as much as I would like to see the Senators prevail in seeking consideration for the industries for which they speak, and they are entitled to consideration, I completely disapprove of this approach. And because I love this body and love this institution, Mr. President, I wish that the Senate would refuse to take this approach. It was never the intention when we voted to establish the reconciliation process that it should be used to deny Senators a right to free debate, to have their day in court to explain why they are for or against a measure, and make their arguments for an amendment. There is nothing so desperate about this textile matter that it cannot be considered in an orderly legislative fashion.

There are many measures that come from the Finance Committee on which I would be happy, as one of those who voted to report the bill, to support the Senator's amendment. If the Senator wants to offer his proposal on the trade bill that was reported by that committee, I would be glad to support his amendment. There will be all sorts of opportunities to offer this measure, and have it voted on in the orderly process, without prejudicing the rights of anybody in the Senate. But to agree to the procedure that is being sought here at this moment, knowing the Senators want to debate this matter in considerable length, and some perhaps might even want to filibuster, means that we will be setting a precedent that can be invoked time and again, and that really means the end of free debate in the Senate as we have known it.

I think, Mr. President, it is not necessary to do business that way. It would not be wise. I do not think it would justify using this means even to enact that measure.

So while on the merits I would like to see the Senator prevail on what he is trying to achieve, I thoroughly disapprove of this method, and I hope very much it will not be agreed to.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. I yield 3 minutes to Senator BAUCUS.

Mr. BAUCUS. Mr. President, let me state, so everyone knows, that I am opposed to the underlying amendment. I think if the textile act passes and becomes law, it will be a bill which we in this country will regret having adopted for a long, long time. I oppose the textile bill for many reasons. It violates the MFA. It will be extremely costly to American consumers—about $23 billion a year, or about $450 per family per year. It will begin us in a downward spiral of protectionism.

But these concerns are not what lead me to speak. I am rising to speak because I believe very deeply, and very sincerely that this is the wrong place to have the wrong bill at the wrong time. Every Senator knows it is highly improper to bring this textile bill up as an amendment to the reconciliation bill. We all know that privately. In the few years I have been here I have seen this body slide. We respect the rules of this body less and less. The Parliamentarian's ruling as to whether a motion is germane is now disregarded in the Senate. Senators seem not to care one whit about the rules. Senators now vote on rulings of the Chair— not according to the basic question of germaneness or on whether the issue should be in order but according to their own substantive preferences. I have seen us begin down the slippery slope just in the years I have been here. Soon we will get to the point where we have no rules at all. The Senate will then be absolute chaos, and it will be ruled by brute force, and brute majority will. The special protections for the minority will be gone. That is about where we are coming to right now.

So I stand firmly with my colleagues who argue that we should vote against addressing the textile bill at this time. There will be another time. This body operates on comity and on trust. If we work together we will find a way to bring the textile bill up, but we should not do so now because it is a violation of the rules.

The PRESIDING OFFICER. The Senator's time has expired.

The Chair would hope we would stay within the prescribed time limits.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that an article entitled "Mexico Welcomes U.S. Textile Bill" be included in the RECORD at this time.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MEXICO WELCOMES U.S. TEXTILE BILL

(By Susan Jansen)

The Mexican textile industry looks favorably on last Thursday's decision by the U.S. House of Representatives to reduce sharply textile imports from 12 countries, mainly in Asia.

"If the legislation passes, we feel it would be advantageous for Mexico because we are considered with the Caribbean countries. And within possible negotiations of the Multi-Fiber Agreement (MFA), Mexico would not be subject to the same roll back," Max Grunstein, first vice-president of the National Chamber of the Textile Industry said this weekend.

Grunstein told The News Mexico would probably return to 1984 levels of export quotas to the United States, with the possibility of a 15 percent increase.

Some of the Mexican textile industry's problems would be alleviated if exports to the United States were boosted, said Grunstein, although he pointed out that Mexico could never reach the textile export levels of the Asian countries.

Increasing exports to the United States would be "an important relief at this moment" for the Mexican textile industry, he said.

The U.S. House of Representatives decision is a message to the White House that the United States needs a tougher trade policy to open up world markets, said House Speaker Thomas O'Neill, according to press reports after the decision. O'Neill said House supporters of the bill are "just sick and tired of being the lone free traders, the lone patsies of the world," stated the press reports.

If the U.S. House decision becomes law, it will cut severely imports from Hong Kong, China, Taiwan, South Korea, Japan, Pakistan, the Philippines, Thailand, Brazil, Singapore, Indonesia and India.

Grunstein agreed with charges from the United States that the MFA has been widely violated. Many countries export more than their quotas permit and manufacturers receive government help—"call it subsidies if you will," said Grunstein.

He also said many violations are in the form of "triangular trade," with the country of origin in dispute. For example, a country with a small quota, such as China, will sell textiles to a country with a large quota, such as Hong Kong, which in turn exports the material on its quota, said Grunstein.

"We feel the MFA should be revised and renegotiated, but it is a good vehicle for the integration of the world textile market," Grunstein said.

As for accusations of Mexico's violation of the MFA, Grunstein said that Mexico is a small exporter to the United States, and that Mexico has proved in the past—and is in the process of proving—that Mexican textile subsidies are "minimal if any."

One year ago, the United States fixed an 11 percent countervailing duty on Mexican textiles. Mexico fought the move and the duty was reduced to 3.7 percent, Grunstein said. "And we feel it will be reduced further."

He said this proves Mexican textiles are not subsidized and therefore are not subject to countervailing duties.

The Mexican textile industry "unfortunately has no lobby group in Washington," said Grunstein. Negotiations are carried out through the Chamber and the Secretariat of Trade and Industrial Development's international negotiations department.

He said textile negotiations between the two countries are a constant process.

Grunstein said representatives of the Mexican textile have been in contact with the American Textile Manufacturing Institute to convince them that Mexico does not present a problem to the United States. "We face the same problem, the Asian problem," said Grunstein.

The U.S. House of Representatives decision "has taken on an air of being anti-Asian," press reports cited Representative Sam Gibbons as saying.

Mr. HOLLINGS. I want to emphasize the information that has been given out. This bill has been compared to an earthquake. Now it is being compared to the end of the Senate. My colleagues know differently. I hope we can amend the reconciliation process. You are looking at the first chairman of the reconciliation conference, and we passed it.

In 1980 the Democratic majority had been defeated. I went to President Carter and said we could not leave a deficit in excess of the one we inherited from President Ford, around $66 billion. And the President asked how large would the deficit be. I said it could get up to $75 billion. I was frightened at the $75 billion deficit. He said, "What can I do?" I said, Mr. President, there's a funny word called reconciliation. If you leave us alone, we can get some cuts. I went to my friends, the Senator from Wisconsin, Gaylord Nelson, the Senator from Washington, Warren Magnuson, the Senator from Idaho, Frank Church, the Senator from South Dakota, George McGovern. I said look, we Democrats are going in the books as big spenders. You've got to help us. We brought up the reconciliation bill, they helped me, gave me the vote, and we cut back.

The deficit when President Carter left went back down to $58.7 billion rather than $66 billion. So let us not lecture about reconciliation and the process, after you have already argued it, and won your point on Micronesia. The only reason I went on Micronesia was because it was a "must" bill. Now I find out they could care less. Nobody would care much for Micronesia except the Senator from Montana, and a few others. They have amendments. All the other Senators have amendments. They are sitting around waiting to get that so-called very generous cloture just on an amendment so they can go the "Allen" route of 30 and 30 amendments—some 60 amendments. So the majority leader would then stand in the well, and say I cannot wait 60 hours to complete Micronesia. We have to get appropriations. We have to get the farm bill, and the rest of the calendar.

We have debated this all year long. This side of the aisle has special orders in the morning. We have already debated trade. Now the administration and the other side of the aisle has picked it up. Everyone has a trade bill. There is no question about unlimited debate. We argued this for almost 6 hours on the Micronesia Compact. What we have to do is move in accordance with the law. I did not like the law. I have stated so on the floor. I do not like it now. I have the same misgivings. But on the question of germaneness, the Senator from Washington, just raised the point of germaneness with his amendment on the corporate average fuel economy standards on an appropiations bill. I went along with him. This bill provides for a waiver of germaneness, not a point of order. It is a motion in accordance with the law and the precedents.

Some are worried about the future of the body. But they know differently. It is said this is the instrument that will break the camel's back, but look at the reconciliation bill. It has all kinds of things including trade adjustment assistance. These are not really germane, under the rules.

In any event, they put in what they want. You can get a tobacco bill, public corporations, anything you want. Open the book. There it is.

All of a sudden, this is the amendment.

When we go under the law, when we go under the precedent, when we go under the spirit of the act, when we are trying to get a measure ready to pass in both bodies, of course some are ready to pull the administration's coals out of the fire and keep threatening about the veto.

With respect to the comments of the distinguished Senator from Washington, this is not an East-West aerospace versus textile issue, farmers versus seamstress. I have a shirt from Oregon, they have a very viable textile and apparel industry on the west coast.

There has been a development over the years. The Senator from Washington has been talking about 20 years ago. I remember it well. We had one price for cotton. We had to fight to get it. After that particular debate in the early sixties, 25 years ago, it was like damming half of a river. We had to move to wool and man-made fibers. Now we have come down the line with respect to farmers.

I remember a question asked me a couple of years ago on radio station WHO, in Des Moines. They said, "Senator, you are from textiles. You want protection, protectionism. We farmers do not believe in protectionism."

The farmers are the ones who got protective quotas back in the early thirties. They got subsidies provided by the Export-Import Bank. I said we did not want that, we have the Multi-Fiber Agreement. Our agreements have been solemnly signed, dotted and with the T's crossed. We are not asking for tariffs. There are no tariffs in this bill with respect to textiles.

But I said, "You know, I just rounded the corner coming to this particular station in Des Moines and they had on one corner the tractors from Byelorussia, the U.S.S.R., and on the other corner was International Harvester going broke." I said, "You do not understand, but you have moved into international competition on farm equipment. If you want to pay those in International Harvester $1 an hour, with no Social Security, no unemployment, no clean air, no clean water, that will be fine. But you are in international competition on that equipment. More than that, we have just left Washington debating the Egyptian wheat contract and the Egyptians are beating us out with a 25-percent subsidy in wheat. Your wheat has moved into international competition."

True it is, that 18 years ago the European Economic Community was a net importer of the world's wheat and last year they exported 20 percent with subsidies.

We have come down the road and farmers will begin to stop, look and listen. The cotton farmers who were once worried, now support us. The National Cotton Council supports this particular bill.

The wool-growers began to realize that if you could not manufacture textiles in this country, they were not going to sell any wool.

If you want to talk about so-called free trade, we can later on in the debate. Here is a free trade document outlining the restrictions and prohibitions against our textile and apparel exports. They talk about free trade. It is compiled by the U.S. Department of Commerce and is entitled, "Foreign Regulations Affecting U.S. Textile and Apparel Exports, January 1985."

We will see how free it is. It is a 1-inch volume, 251 pages. I want you to look at that one.

So we have picked up the wool-growers and the cotton council.

Also, the American Agriculture Movement, the National Farmers Union, the National Farmers Organization have all endorsed this bill. It is not farmers against the seamstresses. It is the matter of asking one's government to compete.

Do not talk about ports and trade. We have a dynamic port operation that I have worked for years developing. I have traveled the countries of Latin America. Luther Hodges of North Carolina and I made the first trip to Europe, the first trips to Latin

America to promote international trade. We are proud of the 13 Japanese companies from which we solicited investments. We are not troubled whatever, Mr. President, by this kind of competition. We are troubled by our Government.

Hobart Rowen talks about bashing Japan. I am trying to bash Washington. I am not trying to bash Japan. I am trying to wake up our own crowd so we can have not just free trade, and fair trade, but competitive trade.

We are entitled to make this motion, bring this amendment under this particular rule, under the law. The law is there and if you want to change it, you have my vote on changing the law, but do not change the law on me when we come under the precedent set in 1980, where the distinguished chairman and the distinguished Senator from Louisiana and others voted the other way. Now that I want to use it the sky is falling, the Senate is going to end.

We have had too much debate already on this textile bill and this is our only chance.

Mr. President, my distinguished colleague, the chairman, the Senator from New Mexico, has advised me that the written motion is not in the appropriate language. Therefore, if I can amend the motion, I will have it read:

I move, in accordance with section 904 of the Budget Act to waive the provisions of title III of the act requiring germaneness of amendments with respect to the pending amendment.

The PRESIDING OFFICER (Mr. SYMMS). Is there objection?

Mr. DOMENICI. I reserve the right to object, Mr. President. I have no objection provided the modification in no way changes the time allowed on the motion, that it does alter the time allotment under the Budget Act.

The PRESIDING OFFICER. Are there objections?

Mr. EVANS. Reserving the right to object, a parliamentary inquiry. As the motion is now worded, would it allow even an amendment to the amendment, a perfecting amendment or a modification of the amendment as was proposed?

The PRESIDING OFFICER. There would still be the possibility of amendments to this motion at the end of the time.

Mr. EVANS. Amendments to this motion to waive the Budget Act?

The PRESIDING OFFICER. The Senator is correct.

Mr. EVANS. But as the motion is now written, if it were to be adopted, then what rights will there be subsequent to that for proposed amendments and amendments to those amendments?

The PRESIDING OFFICER. There would be no restriction on germaneness.

Mr. EVANS. Would there be any restriction on amendments thereto?

The PRESIDING OFFICER. There would be no restriction on amendments thereto or germaneness.

Is there objection?

Mr. DANFORTH. Reserving the right to object, Mr. President, may I inquire how much time is left on the reconciliation bill?

The PRESIDING OFFICER. One hour 22 minutes for Senator Domenici and 1 hour 38 minutes for Senator CHILES.

Mr. DANFORTH. So, Mr. President, that would be about 3 hours, is that correct, total, on the reconciliation bill?

The PRESIDING OFFICER. The Senator is correct.

Mr. DANFORTH. And that 3 hours would encompass everything we did with respect to textiles and any other amendment that we would have relating to textiles, of which there will be many.

The PRESIDING OFFICER. That is correct.

Mr. DANFORTH. And further, any other amendments to reconciliation? All of that would have to be encompassed within less than 3 hours; is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. DANFORTH. I thank the Chair.

The PRESIDING OFFICER. Is there objection?

Mr. EVANS. Mr. President, reserving the right to object, I wish to ask a further question. I am not sure my question was responded to. Perhaps I did not pose it correctly, or perhaps did not understand the response. The wording now of this motion is: "I move to waive title III of the germaneness requirement of the Budget Act with respect to the pending amendment." Is that the current wording?

The PRESIDING OFFICER. The clerk will read the suggested modification.

The legislative clerk read as follows:

I move in accordance with section 904 of the Budget Act to waive the provisions of title III of the act requiring germaneness of amendments with respect to the pending amendment.

Mr. EVANS. Mr. President, may I ask what is the pending amendment?

The PRESIDING OFFICER. The pending amendment is No. 875 by the Senator from South Carolina.

Mr. EVANS. The senior Senator or the junior Senator?

The PRESIDING OFFICER. Both the junior and the senior Senators.

Mr. EVANS. It is my understanding that if this motion were to pass and a subsequent amendment were to be offered it would not be under this amendment.

The PRESIDING OFFICER. If the motion is so modified, that is correct.

Mr. EVANS. In other words, as I understand the Senator from South Carolina, this amendment was to be the first amendment and a shell amendment, and that he was to offer another amendment subsequent to getting a waiver. Yet the way this is worded, that waiver would not cover the subsequent amendment. Is that correct?

Mr. HOLLINGS. Not necessarily.

The PRESIDING OFFICER. That is correct.

Mr. HOLLINGS. A perfecting amendment would be covered, would it not, I ask the Chair?

The PRESIDING OFFICER. Only if it is germane.

Mr. DOMENICI. A parliamentary inquiry—germane to what?

The PRESIDING OFFICER. Either this amendment or the bill.

Mr. HOLLINGS. So it would be.

The PRESIDING OFFICER. Is there objection?

Mr. EVANS. Still reserving the right to object.

Mr. HOLLINGS. Mr. President, does it require unanimous consent? I would let the RECORD show that I made my motion just as it was read. He asked for it to be reduced in writing. It has been done. I do not know whether I have to get unanimous consent to give my writing up there. Let the RECORD show it. I would ask the reporter to read back my motion.

The PRESIDING OFFICER. It does require unanimous consent. The yeas and nays have been ordered on the motion. Therefore, the Senator has lost the right to modify.

Mr. HOLLINGS. Mr. President, I am not trying to modify. Let the clerk read exactly what I put in.

I said "In accordance with 904(b) I move to waive title III of the germaneness requirements of the Budget Act" on this motion.

I think I can definitely see what the Senator from Washington is concerned about and I was concerned about that; namely, that the next amendment by my distinguished senior colleague be germane. As I understand it, my senior colleague will submit an amendment, if and when recognized, and it will be germane to this and will not require that section 904 be waived if we obtain that particular waiver on this vote.

The PRESIDING OFFICER. Is there objection to the modification?

Mr. EVANS. Mr. President, may I ask one more question, then? Subsequent to the adoption of this modification, as long as the amendments are germane to the textile bill or the reconciliation bill, they will continue to be allowed and no rights are lost under this to offer amendments, especially to the pending amendment, the textile bill?

The PRESIDING OFFICER. This is correct.

Is there objection?

Mr. DOMENICI. Mr. President, reserving the right to object, and I have no objection at this point, this waiver will permit amendments to the amendment that is pending, if they are germane to it. Is that correct?

The PRESIDING OFFICER. Or to the bill.

Mr. DOMENICI. Or to the bill. And is it not correct that that germaneness test is the same as the germaneness test under reconciliation?

The PRESIDING OFFICER. That is correct.

Is there objection?

Hearing none, it is so ordered; the motion is so modified.

The motion as modified is as follows:

I move in accordance with Section 904 of the Budget Act, to waive the provisions of Title III of the Act requiring germaneness of amendments with respect to the pending amendment.

Mr. DOMENICI. Mr. President, how much time do I have left in opposition to the motion?

The PRESIDING OFFICER. The Senator from New Mexico has 9 minutes.

Mr. HOLLINGS. How much time has this side?

The PRESIDING OFFICER. The Senator from South Carolina has 12 minutes.

Mr. DOMENICI. On our side, could we use as little as possible? We are not going to have any time for what I now think are 32 amendments.

Mr. EVANS. Mr. President, let me add two items to the remarks I made earlier. Let me be very clear about it. There is simply no question. Let me reiterate what my chairman has just said.

It is my understanding that there are now 32 amendments pending on the reconciliation bill. I am absolutely positive, absolutely positive that we will take the remaining time—all of it or virtually all of it—on this textile amendment if, indeed, we waive germaneness. There have to be opportunities to offer appropriate amendments. Each amendment takes some time to discuss. If we are going to be rolled over, we are going to take the maximum amount of time to get rolled over. It means that all of those other 32 amendments will not have time to be heard and some of them are very important amendments and ought to be heard.

My second point, Mr. President, is that adding this proposal to the reconciliation bill, in my view, and I believe it is an accurate view, will almost certainly bring a Presidential veto.

All those who have proposals that are now in the reconciliation bill, all those who are concerned about our deficit and the very tough choices we have made to try to bring the deficit under control—I might add to my colleague from North Carolina, his tobacco support program and the pending amendment which relates to offshore oil leases and a number of proposals on Medicare and Medicaid—all will fall, all will fall if the President vetoes this bill, as he almost certainly will. He then very likely will send back to the Senate and to the House of Representatives a message saying "Why." That "why" will very likely list a number of things he would like out of the bill, and I think those of us who have an interest in proposals which have already been adopted or are in this bill ought to think very carefully about adding one more anchor which, in my view, is going to sink the ship.

Mr. DOMENICI. Mr. President, I yield myself 1 minute. I am then prepared, if Senator HOLLINGS is, to yield back the remainder of my time. I hope everybody understands that this reconciliation bill, which will save $86 billion over 3 years, is in jeopardy. If we are going to proceed to waive the Budget Act for this issue, there is not any question that we will place the reconciliation bill in jeopardy. But I am hopeful that after we take a couple of votes, the parties to this amendment will get an idea of where they stand on this legislation and it will have served that purpose.

It is my hope that we will not have to include this bill as part of reconciliation. I am hopeful that we can finish reconciliation tonight or tomorrow and get on with it. I am prepared to yield back the remainder of my time if the Senator is. I am prepared to move to table the amendment.

Mr. HOLLINGS Mr. President, the Senator from South Carolina has been as considerate as he can be. If you want to be considerate to the same extent, as is the Senator from South Carolina's desire, I would as soon have brought this up at the end of the bill and run through the votes. Some of our colleagues said, "Well, that would be rather arrogant; you wouldn't have any time to discuss the amendment. I said, "It's been debated in the halls and on the floor. Everybody is talking about it."

They have talked about it in both caucuses. They defeated it. We have already had a vote. We are not trying to roll over anyone by using all the time. The distinguished Senator has that right, and I understand it to be the case.

Simply put with respect to the President, he has already said through his Chief of Staff, Don Regan, given a list on tobacco, Medicare, and several other measures that he is prepared to veto. So we all know that without even this particular measure being on it. So this is not a measure that is going to cause a veto. This is a measure of serious consideration that has been tried at every angle. It is in accordance with the law. It is in accordance with the precedent set, and it is in accordance with the spirit of that particular precedent.

So unless there is someone else on our side who desires to speak, I am ready to yield back our time.

Mr. DOMENICI. I yield back my time.

Mr. HOLLINGS. I yield back my time.

Mr. DOMENICI. I move to table the pending motion and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion of the Senator from South Carolina [Mr. HOLLINGS].

The clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS (When his name was called). On this vote I have a pair with the distinguished Senator from Missouri [Mr. EAGLETON]. If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." I therefore withhold my vote.

Mr. SIMPSON. I announce that the Senator from Oregon [Mr. HATFIELD], the Senator from New Hampshire [Mr. HUMPHREY], the Senator from Virginia [Mr. TRIBLE], and the Senator from Connecticut [Mr. WEICKER] are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon [Mr. HATFIELD] would vote "yea."

Mr. CRANSTON. I announce that the Senator from Missouri [Mr. EAGLETON] is necessarily absent.

I further announce that the Senator from New Jersey [Mr. BRADLEY] is absent on official business.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 38, nays 55, as follows:

[Rollcall Vote No. 251 Leg.]

YEAS—38

Abdnor	Durenberger	Mathias
Andrews	Evans	Matsunaga
Armstrong	Exon	McClure
Baucus	Garn	Nickles
Bentsen	Goldwater	Packwood
Boren	Gorton	Pressler
Boschwitz	Gramm	Quayle
Chafee	Grassley	Simpson
Chiles	Hart	Stafford
Cranston	Hecht	Symms
Danforth	Kassebaum	Wallop
Dole	Long	Zorinsky
Domenici	Lugar	

NAYS—55

Biden	DeConcini	Harkin
Bingaman	Denton	Hatch
Bumpers	Dixon	Hawkins
Burdick	Dodd	Heflin
Byrd	East	Heinz
Cochran	Ford	Helms
Cohen	Glenn	Hollings
D'Amato	Gore	Inouye

Johnston	Metzenbaum	Rudman
Kasten	Mitchell	Sarbanes
Kennedy	Moynihan	Sasser
Kerry	Murkowski	Simon
Lautenberg	Nunn	Specter
Laxalt	Pell	Stennis
Leahy	Proxmire	Thurmond
Levin	Pryor	Warner
Mattingly	Riegle	Wilson
McConnell	Rockefeller	
Melcher	Roth	

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Stevens, for.

NOT VOTING—6

Bradley	Hatfield	Trible
Eagleton	Humphrey	Weicker

So the motion to table was rejected.

Mr. HOLLINGS. Mr. President, I move to reconsider the vote by which the motion was rejected.

Mr. THURMOND. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question now is on agreeing to the motion of the Senator from South Carolina to waive the Budget Act.

Mr. HOLLINGS. Mr. President, if I may move to withdraw the yeas and nays so we can save some time, I so ask unanimous consent.

The PRESIDING OFFICER. Without objection, it is so ordered.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The question is on the motion of the Senator from South Carolina to waive the Budget Act.

(Putting the question.)

The PRESIDING OFFICER. The Chair is in doubt.

Mr. HOLLINGS. Mr. President, I ask for the yeas and nays then, if Senators want to do it.

I thought the leader wanted to save some time.

Mr. WEICKER. Let us go ahead and have the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the role.

The bill clerk proceeded to call the role.

Mr. WEICKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WEICKER. Mr. President, I ask unanimous consent, and this will not affect the outcome of the vote, that the Senator from Virginia [Mr. TRIBLE] and myself be permitted to be recorded on the last vote.

We were waiting for a subway for 5 minutes from the Hart Building. We were in the building. We were unable to be here because there was no transportation.

I did not want to violate the rules of this body. And if I were out of the building—does the same hold true?

The PRESIDING OFFICER. The Chair will state it again. It is against the rules even to ask that question.

Mr. WEICKER. By unanimous consent?

The PRESIDING OFFICER. Even to ask unanimous consent for that question, to add names to a vote after it has been announced.

So the request is not in order.

Several Senators addressed the Chair.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. MATHIAS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the motion of the Senator from South Carolina to waive the Budget Act.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The bill clerk called the roll.

Mr. STEVENS. Mr. President, on this vote, I have a pair with the distinguished Senator from Missouri [Mr. EAGLETON]. If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." Therefore, I withhold my vote.

Mr. SIMPSON. I announce that the Senator from Oregon [Mr. HATFIELD] is necessarily absent.

I further announce that, if present and voting, the Senator from Oregon [Mr. HATFIELD] would vote "nay."

Mr. CRANSTON. I announce that the Senator from Missouri [Mr. EAGLETON] is necessarily absent.

I further announce that the Senator from New Jersey [Mr. BRADLEY] is absent on official business.

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 57, nays 39, as follows:

[Rollcall Vote No. 252 Leg.]

YEAS—57

Biden	Heflin	Murkowski
Bingaman	Heinz	Nunn
Bumpers	Helms	Pell
Burdick	Hollings	Proxmire
Byrd	Inouye	Pryor
Cochran	Johnston	Riegle
Cohen	Kasten	Rockefeller
D'Amato	Kennedy	Roth
DeConcini	Kerry	Rudman
Denton	Lautenberg	Sarbanes
Dixon	Laxalt	Sasser
Dodd	Leahy	Simon
East	Levin	Specter
Ford	Mattingly	Stennis
Glenn	McConnell	Thurmond
Gore	Melcher	Trible
Harkin	Metzenbaum	Warner
Hatch	Mitchell	Weicker
Hawkins	Moynihan	Wilson

NAYS—39

Abdnor	Durenberger	Lugar
Andrews	Evans	Mathias
Armstrong	Exon	Matsunaga
Baucus	Garn	McClure
Bentsen	Goldwater	Nickles
Boren	Gorton	Packwood
Boschwitz	Gramm	Pressler
Chafee	Grassley	Quayle
Chiles	Hart	Simpson
Cranston	Hecht	Stafford
Danforth	Humphrey	Symms
Dole	Kassebaum	Wallop
Domenici	Long	Zorinsky

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Stevens, against.

NOT VOTING—3

Bradley	Eagleton	Hatfield

So the motion was agreed to.

Mr. HOLLINGS. Mr. President, I move to reconsider the vote by which the motion to waive the Budget Act was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 876

(Purpose: To achieve the objectives of the Multi-Fiber Arrangement, to promote the economic recovery of the United States textile and apparel industry and its workers, to reduce unemployment, and for other purposes.)

Mr. THURMOND. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from South Carolina [Mr. THURMOND] (for himself, Mr. HOLLINGS, Mr. MOYNIHAN, Mr. HELMS, Mr. HEFLIN, Mr. HEINZ, Mr. COHEN, Mr. WARNER, Mr. KENNEDY, Mr. MITCHELL, Mr. EAGLETON, Mr. SPECTER, Mr. EAST, Mr. COCHRAN, Mr. TRIBLE, Mr. DENTON, Mr. D'AMATO, Mr. SASSER, Mr. HATCH, Mr. PELL, Mr. MATTINGLY, Mr. ROCKEFELLER, Mrs. HAWKINS, Mr. GORE, Mr. DIXON, Mr. DODD, Mr. SIMON, Mr. FORD, Mr. DECONCINI, Mr. PRYOR, Mr. MATHIAS, Mr. LONG, Mr. LEAHY, Mr. METZENBAUM, Mr. RIEGLE, Mr. WEICKER, Mr. MCCONNELL, Mr. KASTEN, Mr. GLENN, Mr. BUMPERS, Mr. NUNN, and Mr. BYRD) proposes an amendment numbered 876.

Mr. THURMOND. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Beginning on page 1 of the pending amendment strike all after line 3 and insert the following:

"This title may be cited as the 'Textile and Apparel Trade Enforcement Act of 1985'.

"SEC. 1202. POLICY.

"The policy of this title is—

"(1) to prevent further disruption of the United States textiles and textile products markets, damage to United States textile and apparel manufacturers, and loss of jobs by United States workers by providing for

orderly and nondisruptive growth of imports of textiles and textile products; and

"(2) to implement the objectives of the Multi-Fiber Arrangement by requiring the effective enforcement of import levels of textiles and textile products contemplated by the Multi-Fiber Arrangement.

"SEC. 1203. FINDINGS.

"The Congress finds that—

"(1) the United States and most major textile producing countries are parties to the Multi-Fiber Arrangement, the purpose of which is to ensure the orderly growth of imports of textiles and textile products and to avoid disruption of the markets for textiles and textile products in importing nations;

"(2) the Multi-Fiber Arrangement, which first entered into force on January 1, 1974, and which was most recently extended in December 1981, through July 1986, contemplates a 6 per centum annual rate of growth for imports for most exporting countries and provides for a lower rate of growth for imports from significant exporting countries;

"(3) since 1980, the objective of orderly growth of imports of textiles and textile products for in the Multi-Fiber Arrangement has not been achieved; from 1981 through 1984 imports of textiles and textile products into the United States have grown at an annual rate of 19 per centum, far in excess of the 1 per centum growth rate of the United States market for textiles and textile products during the same period and far in excess of the annual rate of import growth of less than 2 per centum that prevailed during the period 1974 through 1980;

"(4) the disruptive surge in imports of textiles and textile products which occurred from 1981 through 1984 resulted from the failure of the United States to enforce adequately its rights under the Multi-Fiber Arrangement and to extend coverage of the Multi-Fiber Arrangement to imports made of competing fibers;

"(5) import growth of apparel products has substantially outstripped the growth of the domestic market so that import penetration of the domestic market has more than doubled in the last six years, reaching a level of 50 per centum in 1984;

"(6) based on a nationwide audit of major retail outlets, the import penetration of such major items of apparel as trousers, blouses, shirts, suits, skirts and sweaters exceeds 50 per centum of domestic consumption;

"(7) since the most recent extension of the Multi-Fiber Arrangement, certain exporting countries have sharply increased their exports of textiles and textile products made in whole or in part from fibers not subject to the Multi-Fiber Arrangement with the effect of circumventing restraints agreed to under the Arrangement; the increased imports of these textiles and textile products have caused disruption of the United States market for textiles and textile products and have seriously undercut the effectiveness of the Multi-Fiber Arrangement;

"(8) imports of textiles and textile products into the United States are predominantly the product of significant exporting countries, with five large exporting countries now accounting for more than 50 per centum of all imports of textiles and textile products;

"(9) the domination of import trade by producers in the significant producing countries has limited participation in the United States market by other producing countries, many of which share important trade and other national interests, and encourage mutually beneficial trade and investment, with the United States;

"(10) a change in United States textile trade policy to afford the smaller producing countries and countries in the Caribbean region a relatively greater share of imports of textiles and textile products would promote the national economic interests of the United States;

"(11) the textile and apparel trade deficit of the United States was more than $16,200,000,000 in 1984, an increase of 53 per centum over 1983, and accounted for 13 per centum of the Nation's overall merchandise trade deficit;

"(12) the current level of imports of textiles and textile products, ten billion square yard equivalents in 1984, represents over one million job opportunities lost to United States workers;

"(13) imported textiles and textile products now account for 38 per centum (the equivalent of three million two hundred thousand bales of cotton) of the annual cotton consumption in the United States; only one of five of the bale equivalents included in imported textiles and textile products is grown in the United States; the result of the massive increases in cotton textile and apparel imports has been a declining market share for, and a $1,000,000,000 loss to, domestic cotton producers in 1983 alone, which was only partially offset by Federal cotton program benefits; another result is that United Stats cotton producers, who are spending about $20,000,000 annually in research and promotion efforts, have built markets not for themselves but for foreign growers;

"(14) imports of wool products have doubled since 1980, creating major disruptions among domestic wool products producers and seriously depressing the price of United States produced raw wool; the Multi-Fiber Arrangement recognizes that imports of certain products, such as wool products, in certain countries, including the United States, pose particular problems for certain industries, such as, the wool products industries in those countries and import growth rates of 1 per centum or less have been permitted in such cases;

"(15) as a result of this increased penetration and the very limited growth of the domestic market, the United States companies producing textiles and textile products identical, or similar, to those imported have been seriously damaged, many of them have been forced out of business, many have closed plants or curtailed operations, workers in such companies have lost employment and have been otherwise materially and adversely affected, and serious hardship has been inflicted on hundreds of impacted communities causing a substantial reduction in economic activity and lost revenues to local governments;

"(16) the increase in imports and increased import penetration of the United States domestic market have occurred notwithstanding the fact that, through extensive modernization programs and investment in more modern equipment, productivity, as measured by output per man hour, in the textile mill products sector has increased in the last ten years at the average annual rate of 4.2 per centum and in the apparel sector at the average annual rate of 3.4 per centum; as compared with the lower productivity growth of all manufacturing in the same period of 1.9 per centum;

"(17) the factors described above are causing serious damage, or the actual threat thereof, to domestic producers of textiles and textile products; as a result, market disruption exists in the United States requiring the new measures established under this Title;

"(18) based on experience during the past ten years and on other factors, the growth of the United States market for textiles and textile products is unlikely to exceed an average annual rate of 1 per centum during the next several years;

"(19) if the rate of growth of imports of textiles and textile products into the United States that occurred since 1980 continues, plant closings will continue to accelerate, leaving the United States market with reduced domestic competition for imported products;

"(20) in order to avoid further market disruption and deterioration of the situation confronting the United States industry producing textiles and textile products, which is already seriously damaged, it is essential—

"(A) to require the establishment of import levels for textiles and textile products supplied by major producing countries that reflect—

"(i) the import level that would have occurred had imports from these countries grown since 1980 by the 6 per centum annual growth rate contemplated by the Multi-Fiber Arrangement, or 1 per centum in the case of wool products, or

"(ii) the actual import level resulting from restraints under a bilateral agreement with the United States providing for an annual import growth rate of less than 6 per centum, whichever is the lesser,

"(B) to require the establishment of import levels for textiles and textile products supplied by producing countries that reflect their 1984 import levels,

"(C) to require the establishment of import levels for textiles and textile products supplied by small producing countries that provide a significant increase in their market shares to meet their development needs and to permit future growth in such shares consistent with the Multi-Fiber Arrangement, and

"(D) to limit the future growth rate of imports of textiles and textile products into the United States to levels which reflect orderly growth as provided for in the Multi-Fiber Arrangement and the most recent Protocol extending the Multi-Fiber Arrangement;

"(21) the establishment of import levels, and limitation on future import growth to levels, that reflect effective enforcement of the Multi-Fiber Arrangement and that also reflect the expected growth rate of the United States market for textiles and textile products will fulfill announced policy objectives of the United States regarding trade in textiles and apparel;

"(22) as the Department of Defense has long recognized, a strong, viable and efficient domestic textiles and textile products industry is essential in order to avoid impairment of the national security of the United States;

"(23) the developments that have led to the sharp increase in imports of textiles and textile products since 1980 may not have been foreseeable; nevertheless, the rights of the United States under international agreements should have been invoked in order to prevent increased quantities of textiles and textile products from being imported under such conditions as to cause or threaten serious damage to domestic producers of textiles and textile products in the United States; and

"(24) the sharp increase in imports of textiles and textile products since 1980, and the effect of this increase on the United States textiles and apparel industry and its workers, constitutes exceptional circumstances within the meaning of the Milti-Fiber Arrangement and its Protocol.

"SEC. 1204. DEFINITIONS.

"For purposes of this title—

"(1) The term "Textiles and textile products" includes, but is not limited to, all tops, yarns, piece goods, made-up articles, apparel, manmade fibers, and other textile manufactured products (which derive their chief characteristics from their textile components) made in whole or in part from any natural or manmade fiber, or blend thereof, that are classified under schedule 3, part 6 of schedule 6, part 1, 4, 5 (except subpart E), 7, or 13 of schedule 7, or part 1 of schedule 8 of the Tariff Schedules of the United States or part 1 of the Appendix to the Tariff Schedules of the United States;

"(2) The term "category" means, with respect to textiles and textile products that are the product of a country, each of the following—

"(A) each category of textiles and textile products identified by a three-digit textile category number in the Department of Commerce publication "Correlation: Textile and Apparel Categories with Tariff Schedules of the United States Annotated", dated January 1985 and, subsequently, in the first edition of such document that is revised to reflect the adoption by the United States of the Nomenclature Structure of the Harmonized System;

"(B) with respect to each country with which the United States has (i) an agreement on the date of enactment of this title limiting exports of textiles and textile products to the United States that includes specific limitations on subdivisions of a category described in subparagraph (A), or (ii) taken unilateral action to limit products entered under such a subdivision, each such subdivision;

"(C) a category consisting of the manmade fiber products classified under subpart E of part 1 of schedule 3 to the Tariff Schedules of the United States; and

"(D) each category consisting of each of the following products when, because of fiber content, that product is not subject to the Multi-Fiber Arrangement:

"(i) yarn,

"(ii) fabric,

"(iii) apparel, and

"(iv) other textile products;

"(3) The term "import sensitive category" means—

"(A) a category (other than a category applicable to textiles and textile products that are a product of a country in the Caribbean region) for which the ratio of imports to domestic production, as reported in the Department of Commerce publication "U.S. Production, Imports and Import/Production Ratios for Cotton, Wool and Man-Made Fiber Textiles and Apparel", equals or exceeds 40.0 for the preceding calendar year; and

"(B) a category covering wool products;

"(4) The term "country" means a foreign country (other than Canada and the Member States of the European Economic Community as constituted on December 31, 1984), a foreign territory, an insular possession of the United States, or any other territory, possession, colony, trusteeship or political entity, whether affiliated with the United States or not, that is outside the customs territory of the United States;

"(5) The term "major producing country" means a country the annual aggregate quantity of textiles and textile products of which that entered under the categories referred to in paragraph (2)(A) during calendar year 1984 equalled or exceeded 10 percent of all textiles and textile products under such categories that entered from all countries and from Canada and the Member States of the European Economic Community during calendar year 1984;

"(6) The term "producing country" means a country (other than a major producing country and a country in the Carribean region) the annual aggregate quantity of textiles and textile products of which that entered under the categories referred to in paragraph (2)(A) during calendar year 1984 equalled or exceeded 1.25 per centum of all textiles and textile products under such categories that entered from all countries and from Canada and the Member States of the European Economic Community during calendar year 1984;

"(7) the term "small producing country" means a country other than a major producing country and a producing country;

"(8) The term "country in the Caribbean region" means Mexico and a country eligible for designation as a beneficiary country under section 212 of the Caribbean Basin Economic Recovery Act (19 U.S.C 2702);

"(9) The term "wool product" means an article containing over 17 per centum by weight of wool;

"(10) The term "cotton, wool and manmade fiber sweaters" means articles classified under categories 345, 445, 446, 645 or 646 as defined in the Department of Commerce publication "Correlation Textile and Apparel Categories with Tariff Schedules of the United States Annotated," dated January 1985;

"(11) The term "entered" means entered, or withdrawn from warehouse, for consumption in the customs territory of the United States; and

"(12) The term "Multi-Fiber Arrangement" means the Arrangement Regarding International Trade in Textiles, as extended by the Protocol done at Geneva, December 22, 1981.

"SEC. 1205. LIMITS ON TEXTILE AND APPAREL IMPORTS.

"(a) CALENDAR YEAR 1985.— Notwithstanding any other provision of law, the aggregate quantity of textiles and textile products classified under a category that is entered during calendar year 1985 shall not exceed—

"(1) in the case of textiles and textile products that are a product of a major producing country, other than textile luggage and textile handbags, and textile flat goods subject (as of the date of enactment of this Title) to a specific limitation under an agreement with a major producing country, the lesser of an amount equal to 101 per centum—

"(A) of the aggregate quantity of such products of such country classified under such category that would have entered during calendar year 1984 if the aggregate quantity of such products of such country classified under such category entered during calendar year 1980 had increased by 6 per centum annually, or 1 per centum annually in the case of a category covering a wool product, during calendar years 1981, 1982, 1983, and 1984, or

"(B) If the United States has an agreement with such country providing for an annual growth rate for such category of less than 6 per centum, of the aggregate quantity of such products of such country classified under such category that entered during calendar year 1984;

"(2) in the case of textile luggage and textile handbags and textile flat goods subject (as of the date of enactment of this Title) to specific limitation under an agreement with a major producing country, the specific limitation quantity in effect as of the date of enactment of this Title;

"(3) in the case of textiles and textile products that are a product of a producing country, an amount equal to the aggregate quantity of—

"(A) such products from such country classified under such category that entered during calendar year 1984, or

"(B) in the case of textile luggage and textile handbags and textile flat goods subject (as of the date of enactment of this Title) to specific limitation under an agreement with a producing country, the specific limitation quantity in effect as of the date of enactment of this Title;

"(4) in the case of textiles and textile products that are a product of a small producing country (other than cotton, wool, and man-made fiber sweaters described in paragraph (5)), an amount equal to the sum of—

"(A) the aggregate quantity of such products of such country classified under such category that entered during calendar year 1984, plus

"(B) an amount equal to—

"(i) 15 per centum of such quantity, in the case of a category that is not an import sensitive category, or

"(ii) 1 per centum of such quantity, in the case of a category that is an import sensitive category; and

"(5) in the case of cotton, wool and manmade fiber sweaters that are—

"(A) the product of substantial assembly operations in Guam from otherwise completed knit-to-shape component parts, an aggregate amount equal to 160,000 dozen; and

"(B) the product of substantial assembly operations in the Commonwealth of the Northern Mariana Islands from otherwise completed knit-to-shape component parts, an aggregate amount equal to 70,000 dozen.

"If application of paragraph (1) would result in the aggregate quantity of textiles and textile products of a major producing country classified under all categories permitted to enter during calendar year 1985 to be less than 70 per centum of the aggregate quantity of such products of such country that entered during calendar year 1984, then, notwithstanding paragraph (1), the aggregate quantity of textiles and textile products of such country that may be entered under each category during calendar year 1985 shall not be less than 40 per centum of the aggregate quantity of such products of such country that entered under such category during calendar year 1984.

"(b) GROWTH ADJUSTMENT.—For calendar years after 1985, the aggregate quantity of textiles and textile products classified under each category that may be entered during each such calendar year shall—

"(1) in the case of such products that are a product of a major producing country or of a producing country, be increased by an amount equal to 1 per centum of the aggregate quantity that could be entered under such category during the preceding calendar year; and

"(2) in the case of such products that are a product of a small producing country, be increased by an amount equal to—

"(A) in the case of a category (other than an import sensitive category), 6 per centum of the aggregate quantity that could be entered under that category during the preceding calendar year, and

"(B) in the case of an import sensitive category, 1 per centum of the aggregate quantity that could be entered under that category during the preceding calendar year.

"If the aggregate quantity that could be entered under a category for a calendar year after 1985 is reduced under section 1210(b), than in the first calendar year in which there is no such reduction, this subsection shall be applied as if there had been no reduction under section 1210(b) in previous calendar years.

"(c) MINIMUM QUANTITIES.—If, under subsection (a) or (b), the aggregate quantity of textiles and textile products of a country that may be entered during a calendar year under a category is—

"(1) less than one million square yard equivalents, in the case of a category covering yarn, fabric, made-ups, and miscellaneous products, other than wool products;

"(2) less than seven hundred thousand square yard equivalents, in the case of a category covering apparel, other than wool products apparel; or

"(3) less than one hundred thousand square yard equivalents, in the case of a category covering wool products,

"then, notwithstanding subsection (a) or (b), the aggregate quantity of textiles and textile products that may be entered from such country under such category during the calendar year shall be one million, seven hundred thousand, or one hundred thousand square yard equivalents, respectively. The amount prescribed in the preceding sentence shall be accorded growth subject to the provisions of subsection (b) beginning the first calendar year after the aggregate quantity of imports from such country under such category equals the minimum quantity prescribed under this subsection.

"(d) SPECIAL RULE.—For purposes of this section, if during any calendar year after 1984, the aggregate quantity of textiles and textile products that are the product of a small producing country, other than a country in the Caribbean region, and that are entered under the categories referred to in paragraph (2)(A) of section 1204 equals or exceeds 1.25 per centum of all textiles and textile products entered under such categories from all countries and from Canada and the Member States of the European Economic Community during such calendar year, then such small producing country shall be considered to be a producing country for all succeeding calendar years.

"(e) ENFORCEMENT.—The Secretary of Commerce shall prescribe such regulations governing the entry, or withdrawal from warehouse, for consumption of textiles and textile products as may be necessary to carry out this title.

"SEC. 1206. IMPORT LICENSING.

"In order to ensure the equitable and efficient administration of section 1205 of this title, the Secretary of Commerce shall, within six months after the date of enactment of this title, establish and administer an import licensing system under which an importer of any textiles and textile products from any country and from Canada and the Member States of the European Economic Community, will be required to present an import permit as a condition of entry. The Secretary shall charge a fee for import licenses in such amount as may be necessary to cover the cost of administration of the system. The Secretary of the Treasury shall make all determinations regarding classification under the Tariff Schedules of the United States, appraisement, and valuation of products subject to licensing under this section.

"SEC. 1207. ANNUAL REPORT.

"Not later than March 15, 1986, and March 15 each calendar year thereafter, the President shall submit to the Congress a report on the administration of this title during the preceding calendar year. Such report shall include detailed information about the implementation and operation of the limitations established under section 1205. All departments and agencies shall cooperate in preparation of this report, as requested by the President.

"SEC. 1208. REVIEW.

"The Secretary of Commerce shall commence ten years after the date of enactment of this title a formal review of the operation of the Textile Import Control Program under the provisions of this title. The Secretary shall consult members and committees of Congress, representatives of the labor unions and the industries affected by the program, and appropriate government agencies. Within six months after the commencement of the study, the Secretary shall submit to Congress his findings as well as his recommendations for the future conduct of the program.

"SEC. 1209. DUTY FREE ENTRY OF CERTAIN SWEATERS FROM GUAM AND THE NORTHERN MARIANAS.

"Subpart A of part 7, schedule 3 of the Tariff Schedules of the United States (19 U.S.C. 1202) is amended by adding at the end thereof the following new item:

"'385.97	Cotton, wool and man-made fiber sweaters that are entitled to enter under the quotas established under section 205(a)(5) of the Textile and Apparel Trade Enforcement Act of 1985 or the increased quotas under section 205(b) of such Act that adjust the quotas under such section 205(a)(5) and that do not contain foreign materials to the value of more than 50 percent of their total value as this standard is applied pursuant to Headnote 3(a) of the General Headnotes and Rules of Interpretation.	Free

"SEC. 1210. EFFECTIVE DATE.

"(a) IN GENERAL.—Subject to the provisions of subsection (b), the provisions of this title shall apply to textiles and textile products entered, or withdrawn from warehouse, for consumption on or after the date of enactment of this Act.

"(b) CALENDAR YEARS 1985 AND 1986.—The Secretary of Commerce shall determine, and publish in the Federal Register, the aggregate quantity, if any, of textiles and textile products that may be entered under section 1205(a) or (c) of this title from each country under each category during the period beginning on the date of enactment of this title and ending December 31, 1985. Notwithstanding subsection (a), to the extent that the aggregate quantity of imports of textiles and textile products from a country under a category entered after December 31, 1984, and before the date of enactment of this title exceeds the quantity permitted entry for such country and such category during calendar year 1985 under subsection (a) or (c) of section 1205, then the limit that would otherwise apply under section 1205(b) or (c) for such category for such country for calendar year 1986 shall be reduced by the amount of such excess quantity. If such excess quantity exceeds the limit that would otherwise apply under section 1205(b) or (c) for such category for such country for calendar year 1986, then the limit for such category and country for calendar years after 1986 shall be reduced until such excess is accounted for.

"TITLE XIII—FOOTWEAR

"SEC. 1301. SHORT TITLE

"This title may be cited as the 'American Footwear Industry Recovery Act of 1985'.

"SEC. 1302. FINDINGS AND PURPOSE.

"(a) The Congress finds that—

"(1) The domestic nonrubber footwear industry is important to the national economy, and footwear firms are vital to the economic health of small towns throughout the United States.

"(2) The domestic nonrubber footwear industry is highly labor intensive, and low capital requirements for entry into footwear production make it a primary target for industrializing on newly industrialized countries. As a consequence, footwear is produced in virtually every footwear consuming country in the world.

"(3) Tremendous competitive pressure has been created in the world footwear market in the last decade as a result of rapidly growing production and capacity in numerous developing and developed countries. This development has resulted in the widespread erection of tariff and nontariff barriers by foreign countries designed to protect their domestic footwear industries.

"(4) The United States has historically resisted the protectionist trends of other producing nations and has instead maintained a market distinguished by its accessibility. As a result, the United States market has become a focal point for world trade in nonrubber footwear.

"(5) The diversion of international trade to the United States market has resulted in serious injury to domestic producers as manifested by—

"(A) the loss of 155,000 footwear jobs since 1968,

"(B) a decline in domestic production and production capacity, and

"(C) the permanent closure of over 500 plants during the same period.

"(6) The serious injury to domestic producers poses a significant danger to the industry's supplier base as well.

"(7) The domestic nonrubber footwear producers have made a significant commitment to the future of the industry through substantial capital investment.

"(8) Since the termination of temporary import relief in 1981, capital investment in the domestic nonrubber footwear industry has declined as the industry struggled to battle the massive surge in imports which increased the percentage share of imported footwear in the United States market from 51 percent in 1981 to 77 percent in 1985.

"(9) Without the restriction of import levels, capital investment in this domestic industry will continue to decrease.

"(10) The domestic nonrubber footwear industry has thrice been judged by the International Trade Commission, as recently as May 1985, to be seriously injured by imports.

"(11) Since the termination of the two, four-year orderly marketing agreements in 1981, the harm to the domestic industry is even more critical than the serious injury which triggered the Commission's unanimous findings in 1976 and 1977.

"(12) The domestic nonrubber footwear industry has not been afforded adequate

and appropriate relief from imports; therefore, the Congress concludes that—

"(A) the administrative process under sections 201, 202, and 203 of the Trade Act of 1974 has proven inadequate; and

"(B) in the absence of and effective remedy under such process, legislative relief is essential.

"(b)(1) It is the purpose of Congress in enacting this section to—

"(A) promote and expend the economic health of the United States nonrubber footwear industry,

"(B) preserve the jobs of American workers, and

"(C) prevent the further decline of this important domestic industry.

"(2) It is declared to be the policy of Congress that access to the United States market for foreign-produced nonrubber footwear should be on an equitable basis to ensure orderly trade in nonrubber footwear, reduce unfair trade in nonrubber footwear, and address United States balance-of-payments problems, or which footwear is the seventh largest component. In order to accomplish these objectives, it is deemed necessary and appropriate to limit imports of nonrubber footwear into the United States market.

"SEC. 1303. DEFINITIONS.

"For purposes of this title—

"(1) The term 'entered' means entered, or withdrawn from warehouse, for consumption in the customs territory of the United States.

"(2) The term 'Secretary' means Secretary of Commerce.

"(3) The term 'nonrubber footwear' means the following categories of nonrubber footwear products, identified by reference to the following item numbers of the Tariff Schedules of the United States (as in effect on January 1, 1985): 700.05 through 700.45; 700.56; 700.72 through 700.83; and 700.95.

"(4) The term 'apparent domestic consumption' means, with respect to any 1-year period, the sum of imports plus domestic production less exports.

"SEC. 1304. QUANTITATIVE LIMITATION ON NONRUBBER FOOTWEAR.

"(a)(1) During the 8-year period beginning on the date of enactment of this title, the aggregate number of pairs of nonrubber footwear which may be entered during any 1-year period shall not exceed 60 percent of the estimated apparent domestic consumption of nonrubber footwear for such period.

"(2) The quantitative limitation imposed by paragraph (1) for any 1-year period shall be distributed among the following categories of nonrubber footwear so that the aggregate number of pairs of nonrubber footwear in such category which may be entered during any 1-year period shall not exceed the quantity equal to—

"(A) in the case of nonrubber footwear with a customs value that does not exceed $1.25 per pair, 10 percent of apparent domestic consumption of nonrubber footwear for such period,

"(B) in the case of nonrubber footwear with a customs value that exceeds $1.25 per pair but does not exceed $2.50 per pair, 5.4 percent of apparent domestic consumption of nonrubber footwear for such period, and

"(C) in the case of nonrubber footwear with a customs value that exceeds $2.50 per pair, 44.6 percent of apparent domestic consumption of nonrubber footwear for such period.

"(b) Within sixty days after the effective date of this title, and on the first day of the fourth quarter of each 1 year period thereafter, the Secretary shall determine on the basis of the best information available, including his own or independent forecasts, the expected apparent domestic consumption of nonrubber footwear for, in the case of the initial determination, the remainder of the current 1 year period and in the case of the first day of the fourth quarter of each 1 year period thereafter, the next succeeding 1 year period. On each such date, the Secretary shall determine and publish in the Federal Register the allocation for the next succeeding 1 year period of permissible imports of nonrubber footwear as required by this section.

"(c) On the first days of the first, second, and third quarters of each 1 year period, the Secretary shall revise the determinations of expected apparent domestic consumption made under subsection (b) for the current 1 year period on the basis of the best information then available and shall make such adjustments in the quantity of nonrubber footwear permitted to be imported under this section as indicated by the revision. All revisions and adjustments made under this subsection shall be published in the Federal Register.

"(d) If the revised determination of expected apparent domestic consumption published in the Federal Register under subsection (c) on the first day of the third quarter in any 1 year period for nonrubber footwear varies from the actual apparent domestic consumption of nonrubber footwear for such 1 year period, the Secretary shall publish in the Federal Register on the first day of the second quarter of such succeeding 1 year period a revision to the determination of expected apparent domestic consumption for such 1 year period made under subsection (c) of this section. The revision shall be in the amount of such variance and shall be in addition to any other revision that would be made on any such first day of the second quarter under subsection (c) of this section.

"(e)(1) The Secretary and the Secretary of the Treasury shall take such actions within their respective jurisdictions as may be necessary or appropriate to enforce the provisions of this section, including without limitation, the issuance of orders to customs officers to bar entry to merchandise if the entry of such merchandise would cause the limitations established under this section to be exceeded.

"(2)(A) The Secretary and the Secretary of the Treasury are each authorized to issue such implementing regulations, including the issuance of import licenses, as may be necessary or appropriate to effect the purposes of this section and to enforce the provisions of this section.

"(B) Before prescribing any regulations under subparagraph (A), the Secretary or the Secretary of the Treasury, as the case may be, shall—

"(i) consult with interested domestic parties,

"(ii) afford an opportunity for such parties to comment on the proposed regulations, and

"(iii) consider all such comments before prescribing final regulations.

"SEC. 1305. COMPENSATION AUTHORITY.

"For purposes of section 123 of the Trade Act of 1974 (19 U.S.C. 2133), the imposition of the quantitative limitation under section 1304 shall be treated as action taken under section 203 of the Trade Act of 1974 (19 U.S.C. 2253).".

Mr. THURMOND. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. THURMOND. Mr. President, how much time is allotted on each side?

The PRESIDING OFFICER. Thirty minutes is allotted to each side on the second-degree amendment.

Mr. THURMOND. Mr. President, we are willing to use only 10 minutes instead of 30 minutes if the other side agrees.

The PRESIDING OFFICER. Is the Senator putting that in the form of a unanimous-consent request?

Mr. THURMOND. I put it in the form of a unanimous-consent request.

Mr. DANFORTH. Mr. President, reserving the right to object, I wonder if the Senator from South Carolina can describe to the Senate what the second-degree amendment does?

Mr. THURMOND. It is similar to the amendment that was previously offered and includes only a few technical changes.

Mr. DANFORTH. Basically, the purpose is to shut out other amendments. Is that correct?

Mr. THURMOND. Basically, the purpose is to pass this textile amendment to save jobs for American workers. [Laughter.]

Mr. DANFORTH. I understand the Senator. I was just concerned and interested in what the tactic was. As I understand it, the purpose here is to have a second-degree amendment which is a perfecting amendment.

Mr. THURMOND. This is a perfecting amendment. That is correct.

Mr. DANFORTH. I thank the Senator.

The PRESIDING OFFICER. Is there objection?

Mr. GRAMM. Mr. President, reserving the right to object, I have no idea how many people want to speak in opposition to this amendment and to the bill before us. I have withheld speaking on it to see if we were going to override the rules of the Senate on germaneness as it related to the Budget Act. I think it is important that this bill be debated, and I unless I can get some assurance that I will have an opportunity to speak in opposition to what I consider to be raw protectionism against the interests of the American people, I object.

The PRESIDING OFFICER. Objection is heard.

The Senator from South Carolina has 30 minutes. The opposition to the amendment has 30 minutes.

The Senator from South Carolina is recognized.

Mr. THURMOND. Mr. President, I called attention earlier today to the article in the Los Angeles Times by Mr. Christopher Layne. I hope every

Senator on the floor will read this article.

Quoting again from that article:

As Johns Hopkins Professor David Calleo has observed, the postwar free-trade system flourished because "expanding prosperity . . . permitted a game with many winners and few losers." However, as "growth slowed, free trade was hurting more and more domestic interests everywhere, and the essentially mercantilist character of states was reasserting itself." Under such conditions, international economics diverges from the comparative-advantage, free model and begins to resemble a zero-sum game as governments become more conscious of the political and strategic ramifications of economic policy.

Free-traders justify their position by pointing out that under the doctrine of comparative advantage, everyone will gain something from international free trade. In strategic terms, however, the key question is not "Will everyone gain something?" but "Who gains the most?" It is the latter question that should guide Washington's international economic policy.

Viewed in historical perspective, the United States is at a juncture similar to Great Britain's at the turn of the century. The outward flow of British capital and technology, combined with the growth of tariff-protected competing industries in rival nations, enabled the United States, Germany and Japan to gain an ever-increasing economic and political advantage over England.

Although free trade actually undermined London's geopolitical interests, comparative advantage remained the intellectual basis of British trade policy. Few analysts, notably Joseph Chamberlain and J.A. Hobson, recognized that England could remain a great power only by adopting mercantilist policies that protected its domestic economy at the expense of its international economic commitments.

Chamberlain and Hobson were right: Commitment to a free-trade system that no longer advanced its interest was a critical factor in the collapse of British power.

For a nation suffering from political and economic decline, as America is, mercantilism is the most prudent economic strategy. Even those of us who believe in the theoretical superiority of free-market solutions must face the fact that the international economy is inherently mercantilistic and that, in a mercantilist world, free trade must end at the water's edge.

As Adam Smith said, "Defense is much more important than opulence." Thus, the thrust of our economic policy should be to maximize, increase our power relative to that of other states. In this context national security is more important than economic efficiency.

Mercantilism does not mean that we no longer would have trade relations with the rest of the world. But America's approach to international economic policy must change. Trade should occur within a framework that enhances our fundamental national economic and security interests. International economic policy is too vital an instrument of statecraft, and the economy is too important as the essential foundation of national strength, to be left solely to private decision-making in a market context.

The fundamental objectives of a mercantilist policy are clear: to link American international economic policy to overall national-security policy, to preserve America's vital industries.

That is what we are trying to do here.

to control domestic inflation,

That is what we are trying to do here.

to discourage the outflow of capital and technology and encourage domestic savings and investment

That is what we are trying to do here.

to minimize American dependence on markets and sources of raw materials over which our strategic control is tenuous.

And that is what we are trying to do here.

America has reached a historical turning point. Rather than attempting to salvage the postwar free-trade system, we should focus instead on developing a new American international economic policy based on sound principles of political economy.

Mr. President, this article is by Christopher Layne, who is an attorney and foreign policy expert from Los Angeles. He said it about as well as anyone can say it. The question is whether we are going to maintain the jobs for Americans or let them continue to go overseas.

Already, as I said earlier, half or more of the textile and apparel in this country is imported. We are depriving our own workers of the opportunity to work and in my judgment that is a great mistake.

Still, Mr. President, one out of every 10 manufacturing jobs in this country is in the textile and apparel industry. That is more jobs than automobiles and steel combined.

Mr. President, I am an agricultural supporter—I grew up on a farm and I am interested in the American farmer. Many of our farmers are having a tough time. This amendment would also help them. If import growth continues at current levels, cotton producers face the elimination of most of their domestic market in 4 years. Wool growers, whose production has dropped 75 percent since World War II, would also benefit from this legislation. By keeping textile and apparel manufacturing in this country we are also helping our American farmers.

This amendment merely limits somewhat the imports which have taken over more than half of the American markets, and which have destroyed millions of jobs here. By 1990 it is estimated that imports could destroy the entire textile apparel industry which, the Defense Department says, is second in importance to steel for national defense. We must not stand idly by and let our industry be wiped out.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mrs. KASSEBAUM. Mr. President, I yield time to the Senator from Texas.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. GRAMM. Mr. President, I rise in opposition to this bill because every argument made in favor of it is false. This bill would be counterproductive to America. It would lower employment. It would raise prices. It would discourage world economic growth and it would destroy the progress of the postwar era.

In the postwar era, America has broken away from a policy of protectionism. Under John Kennedy we negotiated a new trade system that has produced economic growth in the Western World. Since that time, there has been general agreement among Democrats and Republicans that protectionism was not in America's interest and though it might be in the political interest of one given party at any given time, we would leave that issue out of the public policy debate because it was not in America's interest.

But unlike historical protectionism, which simply argues the special interest, something we see on the floor of Congress every day, now protectionism is cloaked in new garb. Now, we are told, it is almost American to be protectionist, that we are protecting American jobs.

I will give some quotations that we hear over and over again:

We export not goods, but jobs today.

Every $1 billion in deficits in the U.S. trade balance represents 25 million jobs lost in the United States.

Current trade deficits we are told represent the export of 3.5 million jobs.

Where are those jobs going? Where are they leaving from? That is not to say that there are not industries affected by foreign trade. But what are the facts?

In the last 3 years, we have created 8 million new jobs in America. And look at the nations with a big trade surplus. What has happened in Japan? While unemployment in the United States has fallen every year for 3 years, unemployment in Japan has risen every year for 3 years. Their unemployment rate has risen by 13 percent in the last 3 years with a trade surplus.

The European Economic Community, where all these jobs are supposed to be going, has not created a job in a decade.

The truth is that the United States in the last 3 years has created more jobs than Europe and Japan have created in almost 2 decades.

We hear talk about the need to protect textiles. Well, let me remind you, Mr. President, that we are already protecting textiles.

Since 1981 we have had more than 300 quotas established on textile imports. Textiles are already the most protected products in America: An average of 22.3 percent in tariffs, very stiff quotas, as compared to very little in the way of quota protection for any

other industry, and an average of a 5-percent tariff for all manufacturers.

What about unemployment? We are hearing some Senators talk about unemployment and how they need our help.

Let us take the top five textile States in America.

North Carolina, the top textile State in America, had unemployment of 5.5 percent in the June 1985 spot estimate on unemployment.

Georgia had 7 percent; New York, 6.6 percent; South Carolina, 6.6 percent. Only Pennsylvania, with 9.1 percent, had a higher unemployment rate than the national average.

In fact, the top five textile States are among the lowest unemployment States in America.

The truth is that we are asking States that, on average, have higher unemployment than the textile States to pay higher prices for textile products in order to protect jobs in States that have lower unemployment than we do.

Why do we have a trade deficit? Why is the dollar "overvalued"? The value of the dollar is set by the supply and demand for dollars. We have a trade deficit because we have a massive inflow of capital. Why are people investing in the United States? They are investing in the United States because we have the highest real interest rates in the world. If you want to do something about that—and the Senate has—do something about the deficit, the real deficit, the deficit in the Federal budget. If we bring that deficit under control, that will bring interest rates and the value of the dollar down, and encourage exports.

What nations are targeted in this bill? Who are the villains here? The first villain is Hong Kong. That is an interesting villain. How many people have stood on this floor and said, "We want fair trade, free trade, but fair trade. These nations are cheating, they protect their markets against American goods."

Mr. President, there are many countries in the world you can point the finger at in that regard, but Hong Kong is not one of them. One of the hardest hit nations here in the repeal of a movement toward freer trade started by President Kennedy is Hong Kong, the only place on Earth that has no quotas and no tariffs, that has a free and open market, where we can sell any American goods in any amount without facing a quota or a tariff.

Why have they been singled out? Where is the unfair trade there? How is this anything but raw protectionism?

What is the second target? Korea. The real economic miracle of the postwar period. The Marshall Plan rebuilt Europe and rebuilt Japan, but they had been developed. We simply provided capital. They put their capital markets to work and they rebuilt their economy. But the American miracle in the postwar period, the one nation that we have developed into a modern economy, is Korea, the nation that spends more on national defense as a percentage of national income and GNP than we do. So we single them out and hit them in an industry where 35 percent of their jobs depend on textiles.

What is the third target? Taiwan. Interestingly enough, these protectionist bills related to textiles are aimed at not hitting China—Communist China—because they might retaliate as they did once before. So we hit Taiwan.

That we take a nation divided by political philosophies and leave the Communist part alone but zap the part that has modeled its very existence after America is an interesting paradox.

Mr. President, this is bad legislation. It has a special interest appeal. We have all gotten thousands of letters in support of it, we have all had lobbyists knock on our doors. But the truth is this bill will not solve our problems. Any progress we make with these quotas in reducing American demands for foreign goods will reduce the demand by Americans for foreign currencies, it will drive up the value of the dollar on the world market and discourage American exports in areas where we are competitive and encourage American imports in other areas. This bill cannot lower the trade deficit. All it can do is make people in this country pay more for textiles. It can trigger another trade war and the whole world will lose in the process.

It so happens my State is in the top 10 in textile production, but I do not believe that a bill that will be so bad for America and everything we stand for in the world and everything we have done in the postwar period can be good for Texas. If it is bad for America, it is going to be bad for Texas and that is
bill. That is why I shall work to see that the President vetoes this reconciliation bill if this bill is a part of it.

The PRESIDING OFFICER. Who yields time?

Mr. MOYNIHAN. Mr. President, I seek recognition.

Mr. THURMOND. Mr. President, how much time does the Senator want?

Mr. MOYNIHAN. Five minutes.

Mr. THURMOND. How much time do I have left, Mr. President?

The PRESIDING OFFICER. The Senator from South Carolina has 21 minutes, 13 seconds.

Mr. MITCHELL. Would the Senator from South Carolina yield to me?

Mr. THURMOND. I shall yield 5 minutes to the Senator from New York. I just wanted to make sure it could go around.

Mr. MOYNIHAN. Mr. President, the distinguished Senator from Texas has spoken inaccurately about the movement for freer trade that was started by John F. Kennedy. That, of course, was the Trade Expansion Act of 1962 and the Kennedy Round that followed.

May I, for the RECORD, say that at that time I was an Assistant Secretary of Labor and one of a group, a party of three persons, that was sent by President Kennedy to negotiate the Long-Term Cotton Textile Agreement. The negotiation and conclusion of that agreement was a condition for Congress approving the Trade Expansion Act and the Kennedy Round—which together with the Trade Act of 1974 and the Tokyo Round greatly transformed the world trading system exactly as the Senator from Texas has said. The President reached an understanding with the Congress at that time that with respect to textiles and apparel, the growth in imports had to be steady. There was no question of fixing any level—only that imports would grow at a steady rate. Most recently, the Multi-Fiber Agreement, which succeeded the Long-Term Cotton and Textile Agreement in 1973 and which was last renegotiated in 1981, provided generally that imports under quota be allowed to grow at 6 percent annually.

The distinguished Senator from Missouri, who is chairman of the Subcommittee on International Trade of our Committee on Finance, on which I serve, observed in the Washington Post yesterday that the problem with the present administration is that it cannot distinguish between protectionism and the rules of international trade. I think he is right.

I would like to repeat to the Senate that the beginnings of the modern era of expanding international trade was premised on an understanding that imports of textiles and apparel would be subject to some limitations. Had those limitations been enforced by the administration in the last 3 years, I do not think we would be on this floor with this legislation.

I do not welcome this kind of action. What the Senator from Texas said about Hong Kong not having trade barriers is correct: but Hong Kong was present in 1962 at the Long-Term Cotton Textile Agreement negotiations and agreed that their share of the market would grow, but would not grow at disruptive and finally annihilative rates. That is what is at issue here.

We ought not to have to do this. We ought not to have to do it on a reconciliation bill. But it is a consequence of an administration that the Senator from Missouri has very accurately said

cannot distinguish between enforcement of rules and plain-out protectionism.

Multilateral agreements to gradually increase the market share of foreign imports in textiles and apparel—first negotiated in 1962 and renegotiated several times since—are generous agreements and farsighted ones. They have to do, in my view, with the nature of the textile and apparel industry. If only we had kept to the process for limiting imports set forth in those agreements, had enforced them, we would not be here today. And in this Senator's case, it is with some considerable reluctance that I am here today.

Mr. President, I yield back such time as I have remaining.

Mr. DANFORTH. Mr. President, I wonder if we could have 1 minute on this side to respond to the Senator from New York?

Mrs. KASSEBAUM. Mr. President, I am glad to yield 1 minute.

Mr. DANFORTH. Mr. President, the argument is frequently made that this is a problem of enforcement and that if only the United States enforced international agreements, in this case the Multi-Fiber Agreement, we would not be in this situation, but the special legislation is necessary to make up for nonenforcement. I call to the Senator's attention a report made by the Congressional Budget Office. This is a staff working paper of September 1985 that was sent to me by Rudolph Penner in a letter dated September 25, 1985.

One of the things concluded in the letter is the following sentence:

> Moreover, despite recent rapid growth, total textile and apparel imports in 1984 were 18 percent of the level they would have reached if they had grown by 6 percent per year since 1972.

So we are only at 81 percent now of the maximum level that was permitted in the 1972 agreement.

Mr. MITCHELL addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND. Mr. President, I yield 5 minutes to the distinguished Senator from Maine.

Mr. DOMENICI. Mr. President, I wonder if the distinguished Senator from Maine would permit me to speak for just 1 minute?

Mr. MITCHELL. Certainly, Mr. President.

Mr. THURMOND. Not charged to our time.

Mr. DOMENICI. Not yielded on the Senator's time.

Mrs. KASSEBAUM. I will be happy to yield 2 minutes to the Senator from New Mexico.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I am not going to speak on the substance of this legislation. I am simply going to tell the Senate how I feel, and I hope it has some relevancy to what happens.

For those who do not like the reconciliation process, I would like to remind them that this procedure has probably in a very healthy way saved more than $300 billion through changes made by committees in laws within their respective jurisdictions. What I am seeing is a bill containing at least 100 extraneous provisions, because there is no law that says they cannot be included in the bill.

For those who are worried about deficits of $180 billion and more, it would seem to me that we are about to see this process reach a breaking point. I would not be the least bit surprised if few people will want to use this process in the future even for legitimate purposes. Today we have a bill before us with scores of provisions that under the broadest interpretation should not have been in this bill and now we are about to adopt a far-reaching textile bill as an amendment.

I hope that everyone will understand that in the next few hours, and maybe for part of tomorrow, we have a responsibility to clean up this bill. I do not know how yet, but I hope everybody understands that we are not going to get anywhere if we pass this bill with all these extraneous provisions, a textile amendment, and maybe a Grove City amendment. We will have been here for a couple of weeks and have accomplished nothing. I urge everyone in their best conscience to be concerned as we try to do something about this. I yield the floor.

Mr DOLE. Mr. President, I wonder if somebody might yield me 2 minutes.

The PRESIDING OFFICER. Who yields time?

Mrs. KASSEBAUM. I will be happy to yield to the majority leader.

Mr. DOLE. I want to meet with the distinguished minority leader. As I said publicly before, I was going to support the textile bill but not on a reconciliation bill. I think what we are demonstrating here, if we need to, is that this whole process is about to come unglued. I have been advised by the White House that this is just another good reason to veto the reconciliation bill. Now, I understand Grove City is going to be the next amendment offered, then prayer in school, abortion, line item veto——

Mr. DOMENICI. Busing.

Mr. DOLE. Busing, anything else you cannot get cloture on—this is open season.

So the theory may be to load this bill up after the time has expired. Then we can have votes on all these great ideas, and then maybe recommit the bill to salvage what may be left. So it would be in the interest of good legislative process, if those who support the textile bill on some other amendment are willing, to sit down with me and the opponents of the textile bill to see if we cannot offer it on another bill—to avoid a filibuster. I think those who support the textile legislation might be willing to do that if those who oppose it are also willing. That would at least let us put textiles on a separate piece of legislation so we can preserve what is left of the reconciliation process.

The PRESIDING OFFICER (Mr. GORTON). Who yields time?

Mr. THURMOND. Mr. President, I yield 5 minutes to the distinguished Senator from Maine.

The PRESIDING OFFICER. The Senator from Maine.

Mr. MITCHELL. Mr. President, I thank the Senator from South Carolina.

I would like to return to the substance of the issue and respond specifically to the arguments advanced by the Senator from Texas a few moments ago in opposition to this legislation.

Using 1982 as the base period, the Senator said this legislation should be defeated because we have had a lot of job creation and a decline in unemployment since then. I would point out that 1982 was the depths of the worst recession in the past half century in this Nation, and that in fact the rate of job creation in this country during the last 5 years has been one of the slowest rates in modern American economic history. The Senator suggested, because 8 million jobs have been created in the 4-year period since 1982, that is a sign of economic success.

Well, by that standard, the 4 Carter years were a spectacular success, because from 1976 to 1980, 12 million jobs were created in this country. The decline in unemployment since 1982 has been caused almost exclusively by the fact that in 1982 the unemployment rate in this country was the highest it had been in over 40 years. From 1940 to 1981, unemployment in America never once reached 9 percent. Between 1981 and 1983, it exceeded 9 percent for 23 months and for half of that time was over 10 percent. So the fact that it has declined from 10 percent is no evidence of economic growth. It is a demonstration of the fact that we merely are in the upward turn of the business cycle and unemployment is still much too high. In the 1960's, unemployment in America averaged 4 percent, in the seventies 6 percent, and now in the eighties it will average 8 percent. That is not a record of success. That is a record of dismal failure in terms of unemployment.

Finally, I want to comment on the Senator's last point about Korea which he described as an American miracle, a miracle in the Far East he said, how they have succeeded. I commend to the Senator from Texas, I

commend to every Senator to take a look at this document—I am glad the Senator has returned to the room—a document published this year by the U.S. Department of Commerce entitled "Foreign Regulations Affecting U.S. Textile Apparel Exports." Twenty pages of it are consumed in describing in small print the limitations that Korea places on importation of textile products. Essentially, if American manufacturers of textiles want to sell in Korea, they must get a license. And from who do they have to get a license? The Korean Textile Manufacturers Association. That is, the very people who make the products in Korea with whom our manufacturers must compete have essentially the authority to veto any imports. If that is an example, of an American miracle in the Far East, then perhaps we ought to take a look at the 20 pages of minute restrictions on textile imports that Korea imposes on their country. The fact is this document lists several hundred pages of restrictions placed by countries all over the world.

We have a very serious problem occasioned by the total lack of a trade policy in this administration, aggravated by the failure to even enforce the laws that exist, the only Nation in the Western World which does not enforce those laws authorized by the General Agreements on Tariff and Trade to protect those American industries which are suffering from imports, and as a result millions of American jobs are being lost and they are not being replaced at a reasonable rate, as the rate of job creation in this country is now far slower than it has been in previous years.

This is not a good way to adopt trade policy; we must all acknowledge that, but it has been made necessary by the abject failure of this administration to develop, advocate, and implement a trade policy of any kind except for one principle, and that is to encourage imports into this country in every sector of the economy, in every type of product, because it is now the principal mechanism by which the administration hopes to maintain the fight against inflation. And as a consequence, millions of American jobs have been lost, are being lost and will continue to be lost until we take the kind of meaningful action that this bill proposes.

I comment finally on the shoe industry, which I spoke of earlier, which went through the legal process, which obtained a unanimous vote by the International Trade Committee of injury, in which foreign products have taken 78 percent of the domestic market.

The PRESIDING OFFICER. The time of the Senator from Maine has expired.

Mr. MITCHELL. I conclude by saying that I think we need this legislation because we do not have a policy by this administration.

Mr. THURMOND. Mr. President, I yield 1 minute to the Senator from Georgia.

Mr. MATTINGLY. I thank the distinguished senior Senator from South Carolina.

Mr. President, the chairman of the Budget Committee spoke with reference to the relevancy of amendments on the reconciliation bill. I think that this textile-footwear amendment is relevant to this reconciliation bill. I feel that the closer the textile-footwear amendment gets to the White House, the closer and the sooner we are going to have a trade policy in the United States.

It is very similar in purpose to the proposal put forth by the junior Senator from Texas, referring to Gramm-Rudman. The closer that comes to being law, the sooner we will get control of our Federal budget.

As the Senator from Maine just said, what we really need in this country is a trade policy, which we do not currently have.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MATTINGLY. This amendment will force formulation of a trade policy, and the sooner we pass the amendment, the sooner it is on the way to the White House, and the sooner we will have action.

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND. I yield myself 2 minutes.

Mr. President, I have great affection for the distinguished Senator from Texas, but he gave the impression that we were harming Taiwan to the benefit of the People's Republic of China. Let me make it clear that I yield to no one in my consideration for Taiwan. The Taiwanese are our good friends. Currently, Taiwan is sending in 1 billion 578 million square yard equivalents of textile products and People's Republic of China is sending in 990 million square yard equivalents. Taiwan is the largest textile/apparel importer into this country now and will continue to be under this amendment.

In 1995, for instance, imports from Taiwan will be allowed to increase to 1.220 billion, while the People's Republic of China will be allowed imports of 1.093 billion.

So we are not discriminating against Taiwan, compared to the Republic of China. Taiwan will remain ahead of them by a considerable margin.

The PRESIDING OFFICER. Who yields time?

Mr. EVANS addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Washington?

Mr. DANFORTH. First, Mr. President, a parliamentary inquiry. How much time remains on the entire reconciliation bill?

The PRESIDING OFFICER. Two hours and 45 minutes.

Mr. DANFORTH. How would that be divided?

The PRESIDING OFFICER. On the present amendment——

Mr. DANFORTH. Not on the present amendment, but on the entire reconciliation bill, how much to a side?

The PRESIDING OFFICER. One hour and 12 minutes to the majority, and 1 hour and 28 minutes to the minority.

Mr. DANFORTH. Mr. President, I am prepared to yield time. I know that Senator EVANS wants to speak, and I am told that the occupant of the chair wants to speak. I also know that a number of Senators have amendments, not only on the subject of textiles, but also on other matters that should be in the reconciliation bill, or at least arguably should be in the reconciliation bill. So I urge Senators to be somewhat cautious in speaking for great lengths of time.

How much time would the Senator from Washington like?

Mr. EVANS. Four minutes.

Mr. DANFORTH. I yield 4 minutes to the Senator from Washington.

Mr. EVANS. Mr. President, I first comment to my friend from Missouri that I agree with him, with one major exception. We should have thought of that, and the Senator should have been a little more thoughtful before the last vote. If we had not added this bill onto the reconciliation bill, we would not be where we are; but I suspect that there a number of colleagues who have amendments which are important, which are germane, and which are necessary to offer—if, in fact, this amendment is going to remain as part of the reconciliation bill. Therefore, I suggest that it is highly unlikely that any time will be remaining for other amendments. I do not think that those who have opposed this textile measure should share any of the blame for that.

I point out to the Senator from Maine, who talked about records of recent administrations, that we had two referenda on the question of economic policies and American well being—one in 1980 and one in 1984. I think that would let the record stand better than anything he might argue.

Let me go through several simple and straightforward facts.

Fact No. 1: The textile industry, from 1980 to 1984, did have a job loss of about 100,000 people, but no loss whatsoever in production. That does not sound very much like losses to foreign people, losses to other countries. It sounds a lot like efficiency and better management and getting more out of the number of people who work in an industry. I might say that that

has gone on in a number of other industries in the United States.

Fact No. 2: We are already seeing a shrinkage in import from the countries which would be affected by this bill. So far in 1985, the imports from Taiwan are down by 10 percent. The imports generally from the countries covered are down. The imports are up by 40 percent or more from the countries of the European Economic Community and others which are not even covered by this bill.

With this protectionist measure, you would stick your finger in one dike while the whole dike is breached from the other side of the Atlantic.

Fact No. 3: Exports peaked in 1981. We have not really lost our ability to compete, lost our strength. It has occurred almost exclusively from the strength of the U.S. dollar, as we all know. It has affected the textile industry and has affected all industries in this country.

I think we took strong action just a few weeks ago with the Gramm-Rudman amendment, and the faster that becomes law and takes effect, the better we are going to be, and the better the textile industry and all other industries in this country are going to be.

Fact No. 4: No matter how they wiggle, no matter how they would suggest otherwise, the fact is that this amendment would abrogate 34 bilateral agreements of this Nation and the Multi-Fiber Agreement itself and the General Agreement on Tariffs and Trade. I think that is a pretty monstrous step for this country, which has always prided itself in living up to treaties, to take action so swiftly and unilaterally.

Fact No. 5: The penetration in terms of foreign imports into the United States currently is 27 percent for apparel, 22 percent for textiles—that comes from the textile industry's own figures—and that is nowhere near as high as a good many other relatively nonprotected industries in the United States.

Fact No. 6: The textile industry itself is already the most protected industry in the United States against foreign imports.

The PRESIDING OFFICER. The Senator has used the 4 minutes yielded.

Who yields time?

Mr. DANFORTH. Mr. President, I yield 4 minutes to the Senator from Montana.

Mr. BAUCUS. Mr. President, I rise in opposition to the textile amendment.

Some have argued that the textile bill is needed because the administration has no trade policy. I agree that the administration has no trade policy. But two wrongs do not make a right.

The proposal before us is bad trade policy. We may not have a trade policy today, but that is no reason to vote for this bill.

This proposal is bad policy for all the reasons my colleagues have already given. I will not spent time repeating the arguments.

I would, however, like to raise an issue which has not been mentioned. If this bill ever becomes law, who is going to bear the brunt of retaliation? It is going to be the American farmer.

All of us know the dismal plight of American agriculture today. Farm income has plummeted in the last several years. Land values have fallen over 15 percent in the last year alone. Agricultural exports—our strongest exports—have fallen dramatically. No relief is in sight for the American farmer.

This is not the place to discuss the causes of the farmers' plight. The bottom line is that American agriculture is today in the worst state since the depression; some will even say conditions are as bad or worse than during the depression years.

If this bill passes, life for the farmer will get worse.

Most of the countries affected by this bill are major purchasers of U.S. agricultural products, and we know that those countries will retaliate. Why? Let me just touch on some reasons.

First, all grains, wheat and feedgrains, are what the economists call fungible. That is, durum wheat is durum wheat. Grain is grain. Countries that today buy grain from the U.S. will go elsewhere. They can do so easily. There are other countries eager to step in and take our markets. Purchasing countries will take their business elsewhere.

They will do so in part because this bill violates the MFA. It violates bilateral agreements, and it violates the GATT. That is a good excuse for a country to go elsewhere.

Just put yourselves in the shoes of politicians and officials in those countries affected by this amendment. This proposal will cause unemployment, a loss of foreign exchange and a loss of wealth in textile producing countries. These are not wealthy nations. The people in those countries will be outraged, and it is not hard to imagine against whom they will turn their wrath? They will turn against the nation they see the cause of their problem, the United States of America. There will be tremendous political pressure in those countries to go elsewhere for agricultural products. China has already promised retaliation. The American farmer cannot take much more. Do not add this burden.

Let me conclude repeating: two wrongs do not make a right. We know the administration has no trade policy, but do not compound the problem by enacting bad trade policy. If this bill is enacted, we will all pay a very high price.

The PRESIDING OFFICER (Mr. EVANS). Who yields time?

Mr. DANFORTH. Mr. President I yield 3 minutes to the Senator from Washington and then 2 minutes to the Senator from Nebraska.

The PRESIDING OFFICER. The Senator from Washington is recognized.

Mr. GORTON. Mr. President, on the merits of this particular amendment, the distinguished occupant of the chair at the present time and my good friend from the State of Texas have already spoken so eloquently and so completely against. There is nothing that I can add to their case.

On the procedure, however, on the way in which this amendment has come before us, the very fact that we are debating this proposal at this point is a simple and unmitigated disaster. It is a matter of intense regret to me that the very senior Members of this body who have through their career in the Senate been most solicitous in protecting the rights of minorities to extended discussion of important issues before this country now propose to render the Senate literally a lawless body. They propose that the Senate be able to breach any of its rules no matter how ancient or how wise by a temporarily stampeded majority.

That loss of the comity owed by one Senator to another, that loss of the deliberate nature of this body is a disaster far greater than any possible gain from the passage of any bill before this Senate, even if that bill were a good one, which this is not.

This amendment will clearly destroy the attempt of the Senate of the United States to reduce the budget deficit. It is only through the reconciliation process that that deficit reduction can become a reality, and this bill, should this amendment be attached to it, will clearly and appropriately be vetoed. The proponents will gain nothing. The country will lose a great deal not only from this amendment but from the loss of reconciliation.

Mr. President, I state very sincerely the only proper course at this point in this debate is for the majority leader to come before the Senate and to take this bill down, to take it off the calendar for discussion by the Senate until such time as a rational and appropriate attitude in conformance with the rules relating to reconciliation bills is once again the course of action which the majority of Members of this body are willing to follow.

The PRESIDING OFFICER. Who yields time?

Mr. DANFORTH. Mr. President, I yield 2 minutes to the Senator from Nebraska.

Mr. HELMS. Mr. President, I am in control of the time.

The PRESIDING OFFICER. The Senator from North Carolina is controlling time for the proponents?

Mr. HELMS. That is correct.

The PRESIDING OFFICER. I ask the Senator from North Carolina to whom he yields time.

Mr. HELMS. I inquire how much time remains on either side.

The PRESIDING OFFICER. The time of the Senator from South Carolina is 8 minutes and 3 seconds; the time for the Senator from Missouri is 2 minutes, 24 seconds.

Mr. HELMS. Eight and two, approximately.

The PRESIDING OFFICER. That is correct.

Mr. HELMS. I thank the Chair.

Mr. President, I had not planned to get involved in the discussion today. This measure has been cussed and discussed for a long time around this place.

But when I hear what I consider to be outrageous statements about retaliation I have to ask who is going to retaliate? Is Taiwan going to retaliate? There is not a better friend of Taiwan in this Chamber than the Senator from North Carolina. Is Korea going to retaliate? There is not a better friend of Korea in this Chamber than the Senator from North Carolina.

Mr. President, I can tell you that this argument that we are going to have all this retaliation is not only nebulous, it is ridiculous.

Furthermore, I wonder if Senators who are making such comments about retaliation have even read the bill and if they know what it provides.

All this bill provides and requires is that our trading partners, friends, and otherwise, abide by the agreements they have signed.

We have had the anomaly all these years, Mr. President, where we have been abiding by the trade agreements and others say, "Well, you know, Uncle Sugar over there is not going to protest. We will overload. We will transship. We will do everything we want to."

Now, let us keep this argument on a reasonable, rational, and factual basis.

Retaliation is not reasonable because it is not going to happen. Taiwan and Korea need us a lot more than we need them, and I say that as a friend of Taiwan and Korea.

Mr. President, I am troubled to see that Senators who see the handwriting on the wall, who know what the vote count is, are all of a sudden saying, "We better draw this bill down."

I hope it will not be drawn down because there are 300,000 people out of jobs who are expecting and have a right to expect this Government of ours to insist that our trading partners abide by the trade agreements into which they entered.

I yield the floor.

Mr. FORD. Mr. President, I rise in support of this amendment and thank my distinguished colleagues from South Carolina, Senator THURMOND and Senator HOLLINGS, for working so diligently to get this important measure before the Senate. I was a cosponsor of the original bill, S. 680, and of the revised version which was offered as an amendment to the Micronesia bill, and I am pleased to be a cosponsor of this amendment offered today to the reconciliation bill. There are over 32,000 Kentucky workers who are impacted by our growing textile import problems, and it is time that the Senate was allowed to work its will on this measure.

The Textile and Apparel Trade Enforcement Act is the result of months of negotiations of a bipartisan coalition of textile, apparel, manmade fiber, and agriculture labor and industry leaders. Its purpose is simple: to put teeth in the Multi-Fiber Arrangement in an attempt to stop the export of American textile jobs overseas. As imports of textile and apparel products have soared, thousands of American workers have been displaced. Since 1980, imports of these products have grown at an annual rate of 19 percent, a figure far higher than envisioned under the MFA, and now account for 13 percent of the U.S. merchandise trade deficit. During the last 4 years, an estimated 300,000 American workers have lost their jobs as imports continue to rise unchecked. The Multi-Fiber Arrangement has simply proved insufficient to hold textile and apparel imports within negotiated limits, and this administration has repeatedly refused to provide relief for American industries which are being devastated by foreign imports. It is time for the Congress to act.

The State of Kentucky has a big stake in this debate. The textile and apparel industry employs more than 32,000 workers in 90 communities across my State. Many of these plants are located in small, rural communities and provide the main source of employment for the area. There are 38 cities in which this industry employs more than 300 workers, and 6 cities in which the textile and apparel industry provides jobs for over 1,000 people. Textiles and apparel make up the second largest manufacturing industry in Kentucky in terms of employment and provide security to many families who are primarily employed in farming and coal mining. Last year, this industry supported a payroll of $225 million in Kentucky.

As imports have risen dramatically in recent years, Kentucky has felt the effect as plants have closed across the State. Some of our communities have been able to respond, but many times they cannot replace all the jobs lost. When you have an industry that employs 750 workers in a town of 2,500, any loss of jobs severely impacts the entire community. This is the typical situation in my State.

Mr. President, I know that there are those who feel that this bill is not the answer, that it will drive up consumer prices on imported clothing which may have a domino effect on jobs in other industries. While I am concerned about such an effect, I do not believe that this amendment will lead to the widespread layoff of employees in the discount clothing industry. I firmly believe that we cannot continue to ship our American jobs overseas to areas which have lower labor costs due to depressed standards of living. Labor and management alike, in this Nation, have worked hard to eliminate sweatshop conditions and slave-labor wages in our textile and apparel industry, conditions which still exist in those countries which currently export these products to the United States. We should be proud of the accomplishments we have made in this direction, and should not turn back the clock on the progress we have made in raising the standard of living for these workers. To continue to allow imports from nations which support poor working conditions and low wages to come into this country unchecked, is contrary to all that we have worked for over the years. It is time to let our American workers know that we will not allow them to lose their jobs in order to support the depressed conditions of workers abroad.

I am grateful to my colleagues for pressing for action on this important legislation. The House has acted on this issue and it is time for the Senate to join with our colleagues in the other body in sending a message to this administration that it is time to take action to reduce the flow of textile and apparel imports and preserve jobs at home. This measure does not eliminate imports, it simply ensures that reasonable limits are placed on their growth rates. It is a responsible response to a growing problem, and I urge my colleagues to support this amendment.

Mr. SASSER. Mr. President, I am pleased to join with my colleagues today in offering legislation to come to grips with the truly devastating situation in the shoe and textile industries.

Like my colleagues, I was shocked and appalled at the insensitivity shown by the President in rejecting the advice of the International Trade Commission and refusing to grant import relief to the domestic footware industry.

If ever an example were needed of what constitutes serious injury due to imports, the nonrubber footwear industry provides it. Between 1968 and

1984, imports increased 233 percent. The net decline in the number of plants totaled 507, costing over 112,700 workers their jobs. Production has fallen to the lowest levels since the depression. Import penetration is now 77 percent.

The footwear industry followed the procedures laid down in our trade laws to prove injury—and they proved it to the satisfaction of every single Commissioner on the International Trade Commission. They also offered a comprehensive 5-year plan which the industry agreed to undertake during the quota period.

If the trade laws will not work for this industry, it is doubtful they will work for any industry.

When Congress wrote the trade laws it intended they be used. We did not intend them as a rhetorical statement whose practical application was to be avoided at all cost.

Far more is at stake there than the fate of a single industry. Frankly, we are dealing with the credibility of our entire system of trade law, with the viability of our most basic American industries, and with the future health of our national economy.

Since, the administration will not act, Congress must. This bill will provide the footwear industry with the stability and the time it needs to modernize its manufacturing and marketing processes. It provides for an 8-year quota period during which imports will be held to 60 percent of the U.S. domestic market. That is a far higher level of penetration than our trading partners allow in their domestic markets.

We simply must bring some relief to our domestic footwear industry. As I travel around my State, I continually see the effects of shoe imports on our citizens. Seven shoe facilities were closed in Tennessee last year. In these towns, shoe workers are already out of work or will be put out of work in the near future. I talk to individuals who have lost their jobs in the communities where they have lived and worked for years. They face the future with no prospects of new jobs. There were over 100 communities across the Nation who shared this devastating experience last year.

My own State of Tennessee is the fifth most important footwear producing State in the United States. The industry employs about 11,000 workers in 33 factories and generated in excess of $96 million in payroll dollars last year. We simply must preserve these businesses and these jobs for our citizens.

The footwear industry is the leading employer in 6 counties in Tennessee and is among the top 3 employers in another 14 counties. It is a significant industry in 28 counties. Twenty-four of these 28 counties have populations under 50,000. Sixteen of them have populations under 25,000.

These figures are more than mere statistics. They represent real people and real jobs. The closing of a shoe factory can be devastating to a local community. Many such facilities are located in rural areas. They are often the major employer in the area—areas which have few comparable jobs to which workers may transfer their skills. Many people are prevented by family obligations and ties from moving to a new area—especially when there is no guarantee that they will not face the same situation sometime down the road.

Mr. President, I am also pleased that we are addressing the situation in the textile and apparel industry. They are facing the same problems as the shoe industry.

Those of us who represent textile and apparel producing States have watched the growing import penetration with a rising sense of apprehension. Back in 1981 we thought we had a stable marketing mechanism. However, the Multi-Fiber Agreement that was supposed to ensure an orderly international market has never been enforced and textile and apparel imports have soared.

My own State of Tennessee ranks third in the textile and apparel industry. It employs over 94,000 people, with a payroll of $658 million. However, the textile and apparel industry in Tennessee is facing the same pressures from imports as is the rest of the industry. Last year, textile and apparel imports cost over 4,000 Tennesseans their jobs.

The legislation we are offering includes an assurance of stability for the textile industry. What it says is that we are going to enforce our trade agreements. We are going to make our trading partners adhere to the treaty they signed.

Mr. President, it is past time that some measure of relief is offered to our domestic shoe and textile industries, and I urge passage of the amendment.

Mr. TRIBLE. Mr. President, I rise in support of the amendment offered by the Senators from South Carolina.

Our textile industry is in peril. America's textile workers, among the world's most productive, are threatened with the loss of their livelihood. The reason for this is simple. America's textile workers have been the victims of predatory foreign competition which has the effect of eliminating our domestic textile industry.

Nowhere in the world are the textile and apparel markets really free. For 20 years a complex market-sharing pact—the Multi-Fibers Agreement—has regulated the rate of growth of textile imports to Western Europe and the United States. This agreement was undertaken a generation ago because a political decision was made by our Motion to avoid sending textile production entirely to the Third World.

Despite the Multi-Fibers Agreement, Third World textile production has soared. The Multi-Fibers limits have been overwhelmed by developing nations that have targeted textiles as a vehicle for economic development. Asian textile exporters like Korea and Taiwan, and that shining example of free trade, the PRC, not only subsidize the development of their textile industries but also protect their own textile markets against one another. You won't find a Korean shirt in Taiwan or vice versa.

Japan and the European Community, meanwhile, have dramatically limited their textile imports. The United States is the only nation with anything close to an open market in textile imports and we have become the dumping ground for textile and apparel products. Today we buy an astounding 60 percent of Third World textile imports.

Moreover, I would point out that the U.S. textile industry is not a turn of the century phenomenon. A visit to textile facilities in Virginia reveals state-of-the-art technology and productive workers. Nationally the textile industry has reinvested more than 80 percent of its retained earnings in modernization and has a productivity growth far in excess of the national average.

These are the realities of the world and the sky will not fall if the Congress acts to restrict imports. Rather, the Third World may stop overbuilding textile factories. The U.S. textile industry will get some breathing space and continue to automate. Our industry would not survive into the next century when smart capital will be more important in world trade than cheap labor.

So perhaps it's time to stop being quite so dogmatic about free trade. Our agricultural sector has long been a huge exception to the free trade regime. We limit imports of many crops and we have an elaborate system of price support. We also have the world's cheapest food.

The United States is no longer powerful enough to be the world's largest free trade zone while other nations, rich and poor, subsidize their industry, protect their markets, and engage in predatory pricing.

It's time to formulate a trade and currency and growth regime that responds to the realities of the international marketplace. Mr. President, I urge the adoption of this amendment.

Mr. MATHIAS. Mr. President, I am a cosponsor of the Textile and Trade Enforcement Act and have supported efforts of the footwear industry to gain import relief this past summer. I will, therefore, support the amend-

ment which the Senators from South Carolina have proposed. The difficulties facing the domestic textile and apparel industry and the domestic footwear industry must be recognized and dealt with. Too many hardworking Americans are being forced onto unemployment rolls because of a laissez-faire attitude toward trade policy. Industries are dying and, until now, our Government has been standing by to watch. It is high time action was taken.

I want to make clear, however, that I am disappointed that the Senate has voted to use the budget reconciliation legislation as the vehicle for this amendment. The use of this vehicle removes the trade issue from normal Senate deliberative procedures. It shields it under the wing of legislation which, under the Budget Act, is highly protected against amendments and on which debate is strickly limited. When we voted to waive the Budget Act's rules with respect to this matter, we opened a Pandora's box. We exposed ourselves to the potential of an unending flow of unrelated, inappropriate, and highly controversial amendments which have no place being debated under extremely tight time constraints. Clearly our trade policy is an important matter to be addressed, but this is the wrong place and the wrong time. Furthermore, our cavalier treatment of the rules applicable to budget legislation must cast doubt upon the sincerity of the Senate's recent passage of sweeping new rules to govern our efforts to reduce the deficit. Finally, on a purely practical level, the reconciliation legislation, which the President has already threatened to veto for reasons unrelated to this amendment, seems to be a peculiarly unattractive vehicle.

Mr. President, the Senate, the greatest deliberative body in the world, has taken a wrong turn. This complex legislation, which has not been reported by a Senate committee, and which could, in my view, be improved by amendments, can only be dealt with in the most fleeting way. I will support this amendment because I want the White House, our trading partners and the people of the textile and footwear industries to know how urgent this matter is. But I do so with reluctance and with a foreboding of the precedent we may have wrought for the future of this body.

PIGSKIN FOOTWEAR

Mr. LEVIN. The domestic footwear industry has been seriously hurt by foreign imports and I support the efforts made to curb those imports. I want to emphasize, however, that some parts of the footwear industry face competition in unique product areas which make them especially vulnerable to import competition, specifically, to pigskin footwear.

The evidence presented to me from the largest manufacturer of pigskin footwear headquartered in my State, but with factories in Missouri, Arkansas, Maine, Massachusetts, New Hampshire, and New York, leads me to the conclusion that pigskin footwear deserves special consideration due to the threat of future increases in pigskin imports.

I would like to make clear that I hope the Department of Commerce will address the serious problems created by imports of pigskin footwear in drawing up the regulations implementing this legislation.

Mr. COHEN. I would just like to lend my support to the points raised by the Senator from Michigan and agree that pigskin footwear will continue to be subject to injury from excessive foreign imports. I, too, urge the Commerce Department to give consideration to the special problems the footwear industry faces when implementing quotas set by this bill.

Mr. HOLLINGS. The concerns raised by the Senators from Michigan and Maine are valid and deserve our attention in this debate.

Mr. BINGAMAN. Mr. President, I rise to oppose the Hollings-Thurmond amendment, the Textile and Apparel Trade Enforcement Act of 1985.

This amendment is an inappropriate response to the profound trade problems facing the U.S. textile and apparel industry. By passing this amendment the Congress would be opening the door to further protectionist trade measures, thereby sending a wholly improper and destructive signal to our trading partners. We must remember the United States led the world in creating the General Agreement on Tariffs and Trade after World War II, calling for a policy of worldwide free trade. Since that time, successive administrations have consistently pursued the goal of liberalized trade working to reduce international trade barriers. It would be a disservice to our efforts to regain our competitive position and open foreign markets to our own goods if the United States were to begin erecting protectionist barriers at this time.

The amendment offered by the two distinguished Senators from South Carolina would limit and regulate the growth of textile imports into the United States from the different producing nations by a system of quotas. It also directs the Secretary of Commerce to establish an import licensing system for such imports. I recognize the damage that imports have done to our domestic textile and apparel industry and deplore the failure of the Reagan administration to deal with this problem through effective negotiations. Nevertheless, I have many concerns that lead me to oppose this amendment.

The legislation purports to "implement the objectives of the Multi-Fiber Arrangement (an existing trade agreement for textile and apparel trade)." However, it is, in fact, as I understand it, a serious and unilateral violation of the international obligations of the United States. Nothing in the Multi-Fiber Arrangement authorizes the United States unilaterally to roll back textile imports to 1982 levels. The amendment would establish permanent protection for the textile sector in violation of U.S. bilateral commitments.

Because the bill would cut back textile imports in violation of the GATT and the MFA, it invites foreign retaliation against American exports. The 12 major textile-producing nations targeted by this legislation imported $33 billion in U.S. goods last year, including large quantities of American soybeans, wheat, aircraft, cotton, and tobacco. The Council of Economic Advisors estimates that the bill could expose our exports to $4.9 billion in foreign retaliation. The loss of vital export markets would represent a serious and potentially irrevocable blow to America's hard-pressed farmers.

The amendment would also hurt many U.S. consumers. The Council of Economic Advisers has estimated that the amendment would cost consumers $14 billion per year at the wholesale level, $28 billion at the retail or $450 per family. This burden would fall disproportionately on low-income consumers. The Council of Economic Advisers analysis shows that each job saved by the bill would cost American consumers $140,000.

I would be one of the first in the Senate to speak in favor of protecting U.S. jobs, but this legislation is not the way to do it. We have serious trade problems in this country. We need a coherent trade policy, we must improve and enforce our trade remedy laws to combat unfair foreign trade, and we must do more to enhance exporting. I have tried to fashion legislation in each of these areas to address our near-$150 billion trade deficit and stop the loss of jobs.

While the bill assumes that subsidies are the sole cause of the economic difficulties of our domestic textile industry, the damage to the industry is not the result of Government subsidies or unfair practices by other nations—as is the case with some of our other hand-hit industries. The problem here is cheap labor abroad and the inability of our domestic industry to compete with production that takes advantage of that cheap labor. In passing this legislation we are confirming that the United States has lost a significant part of its international competitive position; that we can only react to trade policies that are not favorable to our own industries. A more positive

show of strength would be to pass provisions that empower our present trade remedies to focus on retooling our domestic industries and management policies.

Therefore, Mr. President, I oppose this legislation because it does not achieve any of these positive and necessary trade goals. I urge my colleagues to oppose its passage.

The PRESIDING OFFICER (Mr. GORTON). Who yields time?

Mr. HOLLINGS. Mr. President, will the distinguished Senator yield me 2 minutes?

Mr. THURMOND. Mr. President, I yield 2 minutes to the Senator from South Carolina.

Mr. HOLLINGS. Mr. President, quickly on a matter following up the distinguished Senator from North Carolina, I have in my hand an agreement with the American Institute of Taiwan. It was signed in November 1982 by Dr. Cyrus Ping of the Taiwan Government.

That is all we are asking for. What we are asking for is that this agreement be enforced that they particularly signed.

Now, I say to the Senator from Montana, they have already retaliated against agriculture. They did not have to wait for textiles. Business retaliates. It reciprocates. It deals. It does business.

Last year there was an order of 550,000 tons from the Soviet Union of our good, American wheat, and there was an order from the People's Republic of China of 250,000 tons, both canceled, both retaliated, not last year on account of a textile bill, but on account they could get it 23 percent cheaper in Argentina.

We politicians better wake up. We are living in international competition where you can produce anything anywhere and the governments of our competitors are a decisive factor in the trading equation or deal.

With respect to our Government, the best example of working out among government, business, and industry—at one time they were all running around on the Senate floor about picking winners and losers. I never did agree with that. But I always believe there should be a better working relationship among Government and labor and business, and we have that in the multifiber arrangement. It is the best example to give stability to jobs, stability to investment and stability to international trade.

Finally, with respect, of course, to the matter of the reconciliation bill, this is most appropriate, in that trade adjustment assistance is considered to be an important part, coming from the Finance Committee. What we are trying to do is save the moneys that will be paid out under the Trade Adjustment Assistance Act by saying we do not want assistance, we just want stability, some reliability for the most productive workers in the entire world, and that is the American textile workers.

So you do not have to say the bill ends and we are going to call it down and everything stops because we got our amendment.

The PRESIDING OFFICER. The Senator from South Carolina has utilized his time.

Mr. DANFORTH. Mr. President, I yield the remaining time on our side to the Senator from Nebraska.

Mr. EXON. Mr. President, I would like to ask the Senate to pause and consider what it is doing. I think that the procedure that we are working on here is not going to be the finest hour in the history of the U.S. Senate when we look on it. It makes a myth out of the traditional position that the U.S. Senate is the most deliberative body in the world. It is not now. It is not today. I think we are about ready to make a big mistake.

I would certainly add to that, Mr. President, that those who have attached this measure here have done it for one reason and one reason only: To stay away from the filibuster and fair and deliberate consideration. That is bad.

Mr. President, I sympathize with the textile people and I would be normally interested in giving them some help. But this is taking only one part of the disaster that we have in international trade today and saying, "Let us fix that and let the others stand alone."

In the Armed Services Subcommittee this morning, we heard of another terrible situation with regard to unfair international trade. It is with regard to the fact that we have all but eliminated the industry of making commercial ships in the United States. It is going to come to an end because we can make it cheaper in Singapore and Korea and other places. We are in for an economic disaster.

I do not believe that this one bill that affects textiles only is the ultimate answer. I simply say that we have no trade policy in the United States today, regardless of whose fault it is. But this is not going to be the salvation. Until we can step back and take an overall look at this, until we can see what it is adversely going to do to agriculture, until we can unite on a trade bill, I suggest, Mr. President, we are making a hasty and ill-advised mistake if we pass the legislation before us.

I reserve any time that we have remaining on this side of the issue.

The PRESIDING OFFICER (Mr. NICKLES). The Senator's time has expired. The Senator from South Carolina controls the remaining time.

Mr. THURMOND. How much time do I have remaining?

The PRESIDING OFFICER. The Senator has 2 minutes and 20 second remaining?

Mr. THURMOND. Mr. President, in closing, I just want to say that this bill is important to the economy of America. This bill is important to the defense of this Nation. This bill is important to the millions of people who have jobs in textiles and related industries—2 million in textiles and apparel and 2 million more in related jobs. Studies show that by 1990, unless something is done, we may not have any textile/apparel jobs left in this country. They will all be gone. This is a fair and just bill which we ought to pass. This bill merely limits import growth by seeking to limit the growth in imports to the growth of our domestic markets.

Mr. President, I hope the Senate will think over this matter carefully and vote to preserve jobs for the people here in America.

So far as the farming States are concerned, I want to say again that if import growth continues at the current level, the cotton producers face elimination of most of their domestic market in 4 years. The wool growers, whose production has dropped 75 percent since World War II, export almost no product at all, which leaves every imported item of wool fabric or apparel to be added to the negative trade balance.

As far as the consumer goes, the consumer is not benefiting here. I gave some figures here earlier today that showed on men's and boys' clothing, you save 5 cents on an item. Who makes the big profit? It is not the consumer. It is the retailer who is reaping the profits by buying cheap and selling at practically the same price as American goods.

So we are not helping the consumer by voting against this bill. It is better for the consumer if we vote for this, because consumer choice of quality goods would be limited if U.S. producers continue to go out of business.

Mr. President, the United States imports two-thirds of all textile/apparel products manufactured in developing countries while other industrial countries have refused to absorb their fair share. The only way we can provide for orderly, nondisruptive import growth is to pass this amendment. And the only way I see to get it into law is to put it on the pending bill.

The PRESIDING OFFICER. All time on the amendment has expired.

The question is on agreeing to the amendment of the Senator from South Carolina [Mr. THURMOND].

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. Mr. President, on this vote, I have a pair with the Senator from Missouri [Mr. EAGLETON]. If

he were present and voting, he would vote "aye." If I were at liberty to vote, I would vote "nay." Therefore, I withhold my vote.

Mr. SIMPSON. I announce that the Senator from Oregon [Mr. HATFIELD] is necessarily absent.

I further announce that, if present and voting, the Senator from Oregon [Mr. HATFIELD] would vote "nay".

Mr. CRANSTON. I announce that the Senator from Missouri [Mr. EAGLETON] and the Senator from Alabama [Mr. HEFLIN] are necessarily absent.

I further announce that, if present and voting, the Senator from Alabama [Mr. HEFLIN] would vote "yea".

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 54, nays 42, as follows:

[Rollcall Vote No. 253 Leg.]

YEAS—54

Bentsen	Helms	Murkowski
Biden	Hollings	Nunn
Bumpers	Johnston	Pell
Byrd	Kasten	Proxmire
Cochran	Kennedy	Pryor
Cohen	Kerry	Riegle
D'Amato	Lautenberg	Rockefeller
DeConcini	Laxalt	Roth
Denton	Leahy	Rudman
Dixon	Levin	Sarbanes
Dodd	Long	Sasser
East	Mathias	Simon
Ford	Mattingly	Specter
Glenn	McConnell	Stennis
Gore	Melcher	Thurmond
Hatch	Metzenbaum	Trible
Hawkins	Mitchell	Warner
Heinz	Moynihan	Weicker

NAYS—42

Abdnor	Domenici	Kassebaum
Andrews	Durenberger	Lugar
Armstrong	Evans	Matsunaga
Baucus	Exon	McClure
Bingaman	Garn	Nickles
Boren	Goldwater	Packwood
Boschwitz	Gorton	Pressler
Bradley	Gramm	Quayle
Burdick	Grassley	Simpson
Chafee	Harkin	Stafford
Chiles	Hart	Symms
Cranston	Hecht	Wallop
Danforth	Humphrey	Wilson
Dole	Inouye	Zorinsky

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Stevens, against.

NOT VOTING—3

Eagleton	Hatfield	Heflin

So the amendment (No. 876) was agreed to.

Mr. THURMOND. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HOLLINGS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. DOLE. Mr. President, I suggest the absence of a quorum, with the time not to be charged to either side.

The PRESIDING OFFICER. The clerk will call the role.

The bill clerk proceeded to call the roll.

Mr. HEFLIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection?

Mr. DOLE. I object for just a moment.

The PRESIDING OFFICER. The objection is heard.

The bill clerk resumed the call of the roll.

Mr. HEFLIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection?

Mr. DOMENICI. Reserving the right to object.

The PRESIDING OFFICER. The Senator may not reserve the right to object.

The Senator from Alabama.

Who yields time?

Mr. DOLE. Mr. President, I ask unanimous consent that the Senator may proceed for 1 minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

ANNOUNCEMENT OF POSITION ON VOTE

Mr. HEFLIN. Mr. President, I missed that last vote. I happened to be in the doctor's office. I asked specifically if they had clocks and bells to notify that we were having a vote. They malfunctioned, they did not work. That is the reason I missed the vote. I would have voted "yea" if I had been present for the Thurmond-Hollings bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Carolina.

Mr. DOLE. Mr. President, have the yeas and nays been ordered?

The PRESIDING OFFICER. The yeas and nays have not been ordered.

AMENDMENT NO. 877

(Purpose: To delay the application of the import quotas and to condition the application of the import quotas on injury determinations by the United States International Trade Commission)

Mr. DANFORTH. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the amendment.

The bill clerk read as follows:

The Senator from Missouri [Mr. DANFORTH] proposes an amendment numbered 877 to Amendment No. 875.

Mr. DANFORTH. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The amendment is as follows:

AMENDMENT NO. 877

At the end of the matter proposed to be inserted, add the following:

SEC. . (a) Notwithstanding any other provisions of this Act, any limitation imposed by this Act on the quantity of any textiles, textile products, or nonrubber footwear that may be entered, or nonrubber footware that may be entered, or withdrawn from warehouse, for consumption in the customs territory in the United States—

(1) shall not apply with respect to textiles and textile products before August 1, 1986,

(2) shall not apply after the first date on which the President provides—

(A) import relief under section 203 of the Trade Act of 1974 (19 U.S.C. 2253) that is substantially equivalent to the import relief recommended by the United States International Trade Commission under section 201(d)(A) of such Act in connection with an investigation conducted under section 201(b) of such Act (19 U.S.C. 2251) with respect to imports of textiles and textile products, and

(B) import relief under section 203 of such Act that is substantially equivalent to the import relief recommended by the United States International Trade Commission under section 201(d)(1)(A) of such Act on June 12, 1985, in connection with the investigation conducted under section 201(b) of such Act with respect to nonrubber footwear, and

(3) shall not apply with respect to textiles and textile products after the date on which the United States International Trade Commission makes a negative injury determination under section 201(b) of such Act with respect to imports of textiles and textile products.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. DANFORTH. Mr. President, this amendment is easy to explain. It is designed to take care of two problems that are pointed out in the amendment that was offered by the two Senators from South Carolina. Those are the problems of our shoe industry and the problems of our textile industry.

The question is, if we are going to take care of the shoe people and the textile people, how do we do it? Do we do it by special legislation offered on the floor of the Senate, offered in a reconciliation bill with very little time to debate it and work on it, are we going to go down the road of special legislation protecting one industry after another, or, instead, is there another mechanism that already exists to take care of troubled industries?

The answer to that question is there is a mechanism which is presently in existence.

Mr. President, there is a mechanism that is already in place. It was written into the Trade Act back in 1976. It is section 201 of the Trade Act. It is specifically recognized under the General Agreement on Tariffs and Trade, article XIX of the GATT, which provides under certain circumstances for safeguard relief for industries which are impacted by imports.

Section 201 is on the books. Section 201 has worked in the past and section 201 should work now.

Why are we here now? Why do we have this great clamor for industry-specific protectionist legislation? Why do people suggest that we need quota

bills? The answer to those questions is that they have given up on the more generic relief that is available pursuant to international agreement in section 201. I think they have given up largely because the President, this past summer, denied relief for the shoe industry even though the shoe industry pressed its case before the International Trade Commission and, in fact, won the case and proved injury and got a recommendation for relief from the ITC.

The President turned down the shoe industry and therefore, the general view around the country, and I think it is the correct view, is that right now, section 201 of the Trade Act is a dead letter. it gets nowhere. It offers no hope for those who pursue it. It is a waste of time. Now, it is my view that there is an alternative to quota legislation and this is to revive section 201; that we do not need quota legislation and we should not have quota legislation provided we have section 201 of the Trade Act that works, and that is precisely what this amendment is designed to do.

This amendment provides that with respect to textiles the Thurmond-Hollings provision will go into effect, not immediately but on August 1. It will go into effect if nothing else is done. But if a section 201 case is brought, and it obviously would be if this amendment were passed, and if injury were found pursuant to the statute and relief were recommended by the ITC pursuant to the statute, then the President would have to provide relief that was substantially equivalent to what was recommended by the International Trade Commission.

And with respect to shoes where there already has been a section 201 case that has gone through the ITC, with respect to shoes the quota relief provided in this bill would not be provided if the President implemented section 201 and put in place substantially equivalent relief to that which was recommended by the ITC. In other words, Mr. President, the issue is very simple: can we reinvigorate the existing trade laws in a way that makes the existing trade laws credible? Can we utilize them again for the purpose for which they were designed or instead are we going to go down the road that we are pointed to by the amendment that was just passed? Are we going to go down the road to quota legislation?

I want the Senate to understand that if we move away from the General Agreement on Tariffs and Trade, if we move away from the 201 relief for which this amendment stands, then there is no end in sight for special legislation. If we say yes to every interest group that comes in the door, we cannot say no to the next one that comes in the door. And, believe me, there will be others. Shoes have come in already in this bill, steel will be next, and on and on and on. So, Mr. President, I think that the issue is whether Congress is going to be the forum for a politicized version of managing trade policy or, instead, whether we can deflect some of this pressure that is now on Congress for special legislation into a renewed version of section 201 of the Trade Act.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Mr. President, it occurs to me that we may have a problem on how we are going to dispose of the reconciliation bill without a lot of other amendments that would not be offered because of filibusters, cloture, whatever. We have been having a discussion between the distinguished minority leader, myself, the chairman of the Budget Committee, Senator DOMENICI, and the ranking member, Senator CHILES. We are not yet certain how to proceed, but it would seem to me that there should be some indication that this is not the way we intend to operate in the future. And so I ask unanimous consent that we temporarily set aside the pending amendment and the amendment to the amendment and that we might let the distinguished minority leader offer an amendment. It deals only with procedure, not with any amendment that is pending.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

AMENDMENT NO. 878

Mr. BYRD. Mr. President, I send to the desk an amendment sponsored by myself, Mr. DOLE, Mr. CHILES, Mr. STEVENS, and Mr. DOMENICI.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from West Virginia [Mr. BYRD], for himself, Mr. DOLE, Mr. CHILES, Mr. STEVENS, and Mr. DOMENICI, proposes an amendment numbered 878:

At the appropriate place add the following: When the Senate is considering a reconciliation bill upon a point of order being made and sustained by any Senator, any part of the bill not in the jurisdiction of the reporting committee or extraneous to the instructions given that committee shall be deemed stricken from the bill and may not be offered as a floor amendment. No motion to waive germaneness on reconciliation bills shall be agreed to unless supported by three-fifths of the Senators duly chosen and sworn, which super majority shall be required to successfully appeal the ruling of the Chair on these matters.

Mr. BYRD. Mr. President, the amendment speaks for itself. I would just say that we are in the process now of seeing, if we have not seen earlier, the Pandora's box which has been opened to the abuse of the reconciliation process. That process was never meant to be used as it is being used. There are 122 items in the reconciliation bill that are extraneous. Henceforth, if the majority on a committee should wish to include in reconciliation recommendations to the Budget Committee any measure, no matter how controversial, it can be brought to the Senate under an ironclad built-in time agreement that limits debate, plus time on amendments and motions, to no more than 20 hours.

It was never foreseen that the Budget Reform Act would be used in that way.

So if the budget reform process is going to be preserved, and more importantly if we are going to preserve the deliberative process in this U.S. Senate—which is the outstanding, unique element with respect to the U.S. Senate, action must be taken now to stop this abuse of the budget process.

Mr. HART. Will the minority leader yield for a question?

Mr. BYRD. May I just finish my thought and I will be happy to yield.

Mr. President, the Senate is a deliberative body, and the reconciliation process is not a deliberative process. It not a deliberative process. Such an extraordinary process, if abused, could destroy the Senate's deliberative nature. Senate committees are creatures of the Senate, and, as such, should not be in the position of dictating to the Senate as is being done here. By including materal not in their jurisdiction or matter which they choose not to report as separate legislation to avail themselves of the nondeliberative reconciliation process, Senate committees violate the compact which created both them and the reconciliation process.

There is a way, pursuant to section 904 of the Budget Act, to add extraneous material which the Senate decided only a few days ago to require a three-fifths vote to accomplish. That is what we did on the Gramm-Rudman package. As a matter of fact, that is about the only item in that package that I fully supported. The three-fifths vote was an improvement over the present requirement of a majority vote.

What the Senate was willing to deny to itself as a whole in the absence of a three-fifths vote, these committees, by being faithless to their instructions, are arrogating to themselves by votes of a mere handful of Senators—a majority of a committee quorum.

The Senate must protect itself from this attack by its own committees, and, if necessary, the reconciliation bill will be amended to the extent necessary to achieve a preponderance of nonreconciliation matters and thus return this bill to a nonprivileged status.

Under the Budget Reform Act, other committees are mandated to make recommendations to the Budget Committee—those committees make their recommendations to the Budget Committee, and the Budget Committee cannot

add to or subtract from those instructions. It cannot amend the instructions. It cannot take from those instructions. It cannot add its own. It merely is to perform an administrative function—and that is, to put all such recommendations into a single package which, when sent to the floor and taken up, is covered by an overall 20-hour time limit.

Normal cloture is but an infinite speck on the horizon as compared to this kind of cloture. Under normal cloture, we have 100 hours. Each Senator has 1 hour, theoretically. But under the restrictions of the Budget Act, 20 hours is all there is on a reconciliation bill.

We saw a moment ago how much time can be taken by one amendment. First there is the waiver. That is an hour. Then there is the amendment. That is 2 hours. Then there is an amendment to the amendment. That is another hour.

So, when all is boiled down, we have not only an abuse of the budget process by way of which other committees recommend to the Budget Committee any controversial bill they want—repeal of the Hobbs Act, acid rain, you name it—but also, when reconciliation comes to the floor, one or two Senators can offer an amendment, and consume at least 4 hours out of the 20 hours, if they want to take all the time that is available with regard to the waiver, the amendment, the amendment to the amendment, quorum calls, and so on.

So, Mr. President, I have offered this amendment, which is being cosponsored by the other Senators whose names have been stated, in order to correct this abuse in the future.

This provides that if a point of order is raised and upheld against extraneous matter in the reconciliation bill or matter that has been recommended by a committee whch does not have jurisdiction over the subject matter, then all such matter that is in the bill will fall and is not subject to being offered as a further amendment thereto.

Mr. DOLE. Mr. President, will the Senator from Colorado permit me to ask one question? Will the Senator from West Virginia yield for a question?

Mr. BYRD. I yield.

Mr. DOLE. We discussed this in the Senator's office, and I think that for the record it sould be stated that there is nothing in this amendment, if adopted, which would affect the pending amendment of any other amendments to be offered to this reconciliation bill. Is that correct?

Mr. BYRD. The Senator is correct.

Mr. DOLE. We are talking about a bill we will have before us next year. It will not affect any appeal from the ruling of the Chair or waiver or motion with reference to the bill before us at this time.

Mr. BYRD. The Senator is correct. The amendment is prospective in nature only.

Mr. HART. Mr. President, will the Senator yield for a question?

Mr. BYRD. I yield.

Mr. HART. The minority leader suggests that procedural changes contained in this would affect only the reconciliation bill, or would it alter in any material way the rules and procedures of the Senate itself?

Mr. BYRD. No, it does not. It does not change the Senate rules, and, therefore, would not require, for example, a two-thirds vote for cloture.

Mr. HART. Does the Senator's amendment set any precedent with regard to the procedures or rules of the Senate that might be used to substantially change those rules?

Mr. BYRD. It does not. It does not affect the Standing Rules of the Senate and does not open any way whereby it might in the future affect the Senate rules or bring about further standing rules change. Any such changes in the future would have to be dealt with on an ad hoc basis by the Senate itself.

Mr. HART. I thank the minority leader.

Mr. McCLURE. Mr. President, will the Senator yield for a question?

Mr. BYRD. I yield.

Mr. McCLURE. First, I want to make a very brief comment.

Whether or not it is a rules change—and I think the Senator from Colorado is right in asking the question—I certainly would not raise any question at that time. But I would like to reserve at least to make plain that I am not certain that I agree with that interpretation, because I think there is a serious question as to whether it affects the procedures of the Senate and how we accomplish that by statutory change.

I think the Senator from West Virginia would be the first to agree that we need to be cautious when we get into that area.

My question is this: Under the existing practice, a point of order being raised as to germaneness is not ruled upon by the Chair. Immediately then a motion is made to suspend the provision, pursuant to the Budget Act. It is my understanding, as this amendment was explained, that this amendment would change that practice and require a ruling by the Chair, to be followed by a motion. Am I correct?

Mr. BYRD. At the present time, no point of order at all may be made against extraneous matter such as I hold in my hand—six pages of extraneous matter contained in this reconciliation bill. No point of order can be made against 122 extraneous items already in the bill. A point of order can only be made against an amendment from the floor. But my amendment would allow a point of order to be made against extraneous matter that is in a reconciliation bill as brought to the Senate by the Budget Committee.

Mr. McCLURE. Mr. President, if the Senator will yield further, a little earlier when the point of order was made against the Hollings-Thurmond amendment, the Chair did not rule on that point of order.

Mr. DOMENICI. Mr. President, will the Senator yield?

Mr. McCLURE. We proceeded immediately to the motion by the Senator from South Carolina, pursuant to the Budget Act, to suspend the requirement for germaneness.

My question is whether this will change that practice, because it seems to me that we are now suggesting—I understood the Senator to say in his explanation of the amendment—that following the ruling by the Chair, it would then require a vote, if it was ruled by the Chair. That would be different from the practice we followed a few short hours ago.

Mr. DOMENICI. Mr. President, will the distinguished minority leader yield?

Mr. BYRD. I yield.

Mr. DOMENICI. I say to the Senator from Idaho that under the Budget Act, the Chair would have ruled on my point of order, but before the Chair could rule, the motion to waive was made. This is to be contrasted with the way it is done on appropriations bills, where the Chair submits questions of germaneness to the Senate.

Mr. McCLURE. That may be what was done earlier, but it was not done earlier today.

As a matter of fact, this Senator made an inquiry about whether or not the Chair should rule and was advised that the Chair does not rule, under the Budget Act waiver procedure.

Mr. DOMENICI. The germaneness.

Mr. McCLURE. The germaneness question.

I understood the Senator from West Virginia to say in the explanation of this amendment that there would be a ruling of the Chair, to be followed by the motion. All I am trying to get very clearly stated is whether or not my understanding of the explanation is correct, that it would contemplate a ruling, to be followed by the motion.

Mr. BYRD. Yes, it would contemplate such a ruling and it would only apply to the extraneous matter that is already in the bill which is reported to the Senate by the Budget Committee.

Mr. McCLURE. If the Senator will yield further, it is not his intention to apply this same process to an amendment that might be offered on the floor?

Mr. BYRD. That is correct. The amendment which was offered deals

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only with extraneous matter in the bill as it is brought to the floor.

Take, for example, the amendment that has just been set aside. The Senators, Mr. HOLLINGS and Mr. THURMOND, came in through the front door. They were forthright. They used the present rule, played everything right on top of the table, and they moved to waive. That is within the present rule.

But I am dealing with matters that are sent to the floor in the bill. It may be we would want at some point to deal with motions that are offered on the floor.

We have 122 extraneous matters here that are in this bill. Some may be controversial; some may not be.

Mr. McCLURE. Mr. President, will the Senator yield further?

Mr. BYRD. Yes.

Mr. McCLURE. I thank the Senator for the explanation.

Let me say I will support the amendment. But I am a little puzzled as to why we would make it the process more restrictive on committee actions than we would make it upon individual Senators who would come to the floor. It seems to me that if there is abuse here, and there very well may be, and I hope the Senate will note that the Committee on Energy and Natural Resources did not do anything of this nature, although certainly it crossed the minds of individual Members, that it may be more competent for a committee after deliberation and a vote of the committee to bring matters of this nature to the floor than it is for an individual Member to come to the floor and offer an amendment.

This amendment would make it more restrictive on the committee process than it would upon the individual Member.

Mr. BYRD. Yes, it would.

Mr. McCLURE. While I support the amendment, I hope we will look at the other end of it also and suggest that still we might desire to say that the committee has perhaps a process that is better and, therefore, more worth of protection than is the individual amendment that might be offered by an individual Senator.

Mr. BYRD. The distinguished Senator makes a good point, except as I said a moment ago, no point of order may currently be made against the extraneous matter already in the bill as it is reported from the committee.

If the Senator wishes to take advantage of the waiver provision in the present Budget Reform Act as it is written, he may do so. A point of order can be made as to germaneness of a floor amendment but such language already in the bill is protected against points of order.

So Senators can protect themselves on this floor. Under the present situation the Senate will vote, and a majority will decide. Senators may move to waive the germaneness requirement, or they may make a point of order as to the nongermaneness of an amendment that is offered from the floor.

But with regard to extraneous matters already in the bill as it comes to the floor, no point of order can be made. The protections that are available for the Senate to utilize under the budget reform process when an amendment is called up from the floor are not when available when extraneous matters are brought to the floor in the reconciliation bill. My amendment will extend those protections to cover matter put into the bill at the committee level.

Mr. JOHNSTON. Mr. President, will the Senator yield for a question?

Mr. BYRD. I yield.

Mr. JOHNSTON. I say I support very strongly what the Senator is trying to do, but for purpose of setting the legislative record, I would like to get an understanding what happens in some instances.

First of all, according to the amendment when a matter is not within the jurisdiction of the committee or is extraneous to the instructions, that matter shall be deemed stricken from the bill. Now the question is: Where you have a whole provision, some of which is germane and some of which is not, does the Parliamentarian go through that and excise those sentences or clauses or subsections which are nongermane or extraneous and leave the rest, or does he excise the entire section as to which there is offending language?

Mr. BYRD. I am not sure I can answer that question with respect to what the Parliamentarian will do.

It might depend upon whether or not the language is divisible. I do not know. Perhaps the distinguished Senator would want to address his question to the Chair on this particular question.

Mr. JOHNSTON. When it says, "Any part of a bill not in the jurisdiction of the committee," I am just wondering what the intent of the authors is with respect to "any part of a bill." Does it mean the entire portion of the bill reported by a committee, or just as the offending extraneous or nongermane language?

Mr. BYRD. If it is any part of the bill that is not within the jurisdiction of the reporting committee, it would fall. If it is not within the jurisdiction of the——

Mr. JOHNSTON. When you say "part," if you have, let us say, a 30-page section of legislation as to which there is one subsection that is not germane, would you simply knock out the subsection or would you take the whole 30-page section?

Mr. BYRD. I think the Senator may be confusing—let me say this: the Senator is talking about germaneness?

Mr. JOHNSTON. The Senator is correct.

Mr. BYRD. And also talking about legislation that has been reported by a committee which does not have jurisdiction over the subject matter. So there are two different things.

The language, I think, would explain the answer. Any part of the bill not in the jurisdiction of the reporting committee, whether it is germane or not, any part that is not within the jurisdiction of the reporting committee, would fall.

Mr. JOHNSTON. For example, we usually put a severability clause in legislation which means that if any section of the bill is declared unconstitutional by the Court, then the rest of the bill does not fall.

I am asking, I guess, whether you intend for there to be, in effect, a severability clause here, or whether the whole section as to which there is any offending language falls.

Mr. BYRD. I say any part of the bill that is not within the jurisdiction of the reporting committee would fall.

Mr. JOHNSTON. You can take out that part and in effect rewrite the bill by striking sentences, clauses, subsections.

Mr. BYRD. That are not within the jurisdiction of the reporting committee.

Mr. JOHNSTON. All right.

My next question is this: Your amendment states: No motion to waive germaneness shall be agreed upon unless supported by three-fifths of the Senators."

Now, you do not have a statement as to waiving extraneousness. What happens in the event language is ruled extraneousness? Can such a ruling be waived and, if so, by what vote?

Mr. BYRD. If it is extraneous, it comes out.

Mr. JOHNSTON. And it cannot be waived even by three-fifths?

Mr. BYRD. No. The three-fifths applies to the vote of the Senate to overrule the ruling of the Chair on a point of order.

(Mr. MATTINGLY assumed the chair.)

Mr. BYRD. It would take three-fifths to override the Chair. If the Chair sustains the point of order, an appeal from the ruling of the Chair would require a three-fifths vote.

Mr. JOHNSTON. As to extraneousness, as well as germaneness? The amendment speaks in terms of motions to waive germaneness, but you also mean extraneousness, as well; is that correct?

Mr. BYRD. That is right. If the point of order is made and is sustained that there is matter in a given reconciliation bill that was reported by another committee rather than the committee which has jurisdiction under rule XXV of the Senate Standing Rules, then that would fall.

Mr. JOHNSTON. It can or cannot be waived by three-fifths? Can the point of order as to extraneousness be waived, and if so, by what vote?

Mr. BYRD. The three-fifths vote applies to the overruling of the Chair on the point of order that has been made.

Mr. JOHNSTON. On germaneness and extraneousness?

Mr. BYRD. That is right. It would be a point of order made and the Chair rules on the point of order. If the Chair rules the point of order is well taken, then it would take 60 votes of the Senate, the same as in the case of cloture, to overrule that Chair.

Mr. JOHNSTON. My final question has to do with the meaning of the word "extraneous" and what your intention is as to how that is interpreted. Frequently, in fact, usually directions are given by the Budget Committee in the very broadest of terms, and the authorizing committees report legislation which is detailed and which, in one sense, might contain matter that is extraneous. It might be germane to the instructions, but extraneous in the sense that it is not specifically called for within the four corners of the instructions from the Budget Committee to the authorizing committee. Could the Senator tell me what he means by "extraneous" in this context of that question?

Mr. BYRD. I beg the Senator's pardon. I was distracted and, I must say, I should have been listening to the able Senator.

Mr. JOHNSTON. If I may repeat it. The question is as to the meaning of the word "extraneous," as used in this amendment. It says matters shall be stricken from the bill if they are extraneous to the instructions given by the Budget Committee.

Now, as I said, instructions by the Budget Committee are generally very, very general in terms. They will usually say: "Save so much money in budget authority, so much in outlays." They may, as in the case of our amendment on the Outer Continental Shelf, give a formula for the division of revenues in escrow, But they, in general terms, are very general instructions.

Now, authorizing committees frequently, in fact, usually report back detailed legislation which will meet the targets of those instructions, but contain a lot of other matters germane to that committee and perhaps germane to the instructions. But the question is: What is the meaning of the word "extraneous"? Do you mean that it must be contained within the four corners of the instructions from the Budget Committee, or may the Budget Committee supplement those instructions by filling out the spirit of the instructions within the jurisdiction of that committee and all within the germaneness rule, if the Senator understands the question?

Mr. BYRD. The word "extraneous" here would be interpreted in the future just as it is presently being interpreted. And I understand that, at the present time, "extraneous," in the context, is determined by whether or not the language contributes to reducing the deficit and balancing the budget; otherwise, it is extraneous. So the same interpretation that is now given to the word "extraneous" would continue to be given.

Mr. JOHNSTON. So, for example, a committee would be able to go beyond the instructions and save more money?

Mr. BYRD. Well, if such language does not serve to balance the budget or to reduce the deficit, the language would be extraneous—then it would be up to the Chair to determine whether or not the point of order is well taken.

Mr. JOHNSTON. I thank the distinguished minority leader.

I see the distinguished chairman of the Budget Committee may have a comment on this question.

Mr. DOMENICI. Will the distinguished minority leader yield?

Mr. BYRD. Yes.

Mr. DOMENICI. First, let me ask the distinguished minority leader a question and then I would like to comment on what I think has developed and evolved as a definition of "extraneous material."

As I read the amendment, I say to the distinguished minority leader, the second part of this amendment—"No motion to waive germaneness on reconciliation bills shall be agreed to unless,"—I understand that this applies to an amendment offered on the floor by a Senator. Is the Senator from New Mexico correct?

Mr. BYRD. The Senator is correct and I was incorrect.

Mr. McCLURE. Will the Senator yield on that point? I read the language the same way the Senator from New Mexico reads it. I appreciate what the Senator from West Virginia has said, because I think it strengthens and makes more uniform the application and, therefore, is an even better amendment. I am thankful for the clarification on that matter.

Mr. BYRD. The Senator is correct. That sentence was added by me just a few minutes prior to my calling up of the amendment. The Senator is correct.

Mr. DOMENICI. Mr. President, I wish to ask one further question of the principal sponsor and drafter of the amendment, the distinguished minority leader. I wonder if he intended to include in the second part of the amendment, "no motion to waive germaneness." I wonder if he wanted that to be just germaneness, whereas before, when we were speaking of striking what a committee sent us, the Senator used two descriptions: he used germaneness and he used extraneous. It appears to me he might want, in the second part, "no motion to waive germaneness or extraneousness," and then provide for the supermajority. Otherwise, you make extraneous material subject to a point of order, but the point of order could be waived by a simple majority.

Mr. BYRD. Mr. President, the distinguished Senator from New Mexico makes an excellent point. I agree with him and think it should be so strengthened and I modify my amendment so to accomplish that purpose.

Mr. DOMENICI. Mr. President, will the distinguished minority leader permit me to respond to what "extraneousness" means thus far in its evolution in the Senate? Let me suggest that, going back to 1981, we have evolved these four definitions, and I believe they are used by minority and majority members of the committee now. I would just read them quickly:

One, provisions that have no direct effect on spending and which are not essential to achieving the savings.

Two, provisions which increase spending and are not so closely related to saving provisions that they cannot be separated.

Three, provisions which extend authorizations without saving money, and which are not so closely related to saving provisions that they cannot be separated.

Four, provisions which invade another committee's jurisdiction, whether or not they save money.

And I am not saying that is all inclusive, but, up to this point, that is what we have been using. That is what we used in developing this list of 129 that the distinguished minority leader has called to the Senate's attention.

The PRESIDING OFFICER. The minority leader has a right to modify his amendment. If he will send it to the desk, the amendment will be so modified.

The amendment, No. 878, as modified, reads as follows:

At the appropriate place add the following:

When the Senate is considering a reconciliation bill, upon a point of order being made by any Senator and sustained, any part of the bill not in the jurisdiction of the reporting committee or extraneous to the instructions given that committee shall be deemed stricken from the bill and may not be offered as a floor amendment. No motion to waive germaneness on reconciliation bills shall be agreed to unless supported by three-fifths of the Senators duly chosen and sworn, which supermajority shall be required to successfully appeal the ruling of the Chair on these matters which include the points of order on extraneous matters and matter not properly reported from a committee.

Mr. JOHNSTON. Will the Senator from West Virginia yield for just one more question?

Mr. BYRD. Yes.

Mr. JOHNSTON. I am sorry I had not read initially that the motion to

waive germaneness could be agreed to unless approved by three-fifths of the Senators. I did not originally read that to mean only as to an amendment offered. But I understand that. I guess it is the Parliamentarian who would automatically strike from the bill that which is not germane or extraneous.

My question is, Can you appeal the ruling of the Chair, make a point of order, that a matter is not extraneous, or is germane, have the Chair rule against you and then reverse that on a simple majority vote, and overruling the ruling of the Chair? Or do you mean for that also to be three-fifths?

Mr. BYRD. Would the Senator ask that question again?

Mr. JOHNSTON. The Parliamentarian strikes from the bill a matter which is extraneous or which is nongermane. I am interested in the matter, and I make a point of order that the matter is not extraneous or is germane to the bill. The Parliamentarian, the Chair, rules against me. I appeal the ruling of the Chair. Can we thereby overturn the Chair by simple minority vote?

Mr. BYRD. No.

Mr. JOHNSTON. Can you challenge the ruling of the Chair at all? If so, how?

Mr. BYRD. The Senator can appeal the ruling of the Chair.

Mr. JOHNSTON. Appeal the ruling of the Chair, but what vote would that require?

Mr. BYRD. Three-fifths.

Mr. JOHNSTON. I think in view of the earlier answer that this motion to waive germaneness applies only to amendments offered on the floor—it would apply to both—and committee action?

Mr. BYRD. Yes.

Mr. JOHNSTON. The automatic ruling out as well as an amendment offered on the floor?

Mr. BYRD. That is correct.

Mr. DOMENICI. I think the distinguished sponsor had answered previously that the supermajority requirement for a waiver applied only to committee reported language, but when we exchanged views here, he clearly indicated that it applies to waivers of the germaneness requirement or the extraneous language point of order or appeals to rulings of the Chair.

Mr. JOHNSTON. I wonder if this language is specific enough to apply to an appeal from the ruling of the Chair. It speaks in terms of a motion to waive germaneness of reconciliation. I think it might be rewritten a bit to make that clear.

Mr. BYRD. Mr. President, that is the intent of the sponsor. If I need to modify it to make it clear, I will do so.

Mr. McCLURE. Will the Senator yield?

Mr. BYRD. Yes.

Mr. McCLURE. I think the Senator from Louisiana has raised perhaps a good point because we have interchangeably talked here of the opportunity of a Member who does not like a ruling of the Chair being able to appeal the ruling of the Chair, and we have not clearly distinguished that from the opportunity to make a motion to suspend pursuant to the Budget Act. Maybe the answer to that question is to make certain that either an appeal from the ruling of the Chair or a motion with respect to germaneness should have to have a three-fifths vote.

I think that would make it clear because in our practice here earlier today it was not an appeal from the ruling of the Chair. As a matter of fact, it was not even a ruling of the Chair. But I think the Senator is very clear in his explanation that it is intended to cover both. Perhaps we ought to make a further statement in the amendment to make certain that it states that.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Will the Senator yield to me?

Mr. BYRD. Mr. President, may I say that also in respect to—I think I should say this for the record—regarding extraneous items that are now in the measure, I have an amendment which would strike the 122 extraneous items in the measure, and I may ask for a division. I am not committing myself at this point to demanding a division. If that should be done, however—and it could be done by someone other than me. The distinguished Senator from Arkansas, for instance, who is for the moment visiting with the distinguished Senator from Mississippi, could demand a division—that would mean there would be a separate vote, not necessarily a rollcall, a separate vote on each of the 122 or 123 extraneous items, and once we run out the 20 hours, we could have vote after vote after vote. I hope Senators will think about that.

I say this in the hope that we can work our way out of this morass without resorting to such a drastic move.

I yield the floor.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I want to compliment the distinguished minority leader for the amendment. I think we have a suggestion for a further modification. We will talk with the Senator from Louisiana. We are working on it. I think there are a couple of words we ought to add.

Mr. BYRD. Will the distinguished Senator yield?

Mr. DOMENICI. Indeed.

Mr. BYRD. Mr. President, I ask unanimous consent that I may retain my right to modify this amendment in the event someone else should ask for the yeas and nays. I ask that I may retain that right.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, as I was saying, I commend the distinguished minority leader. Frankly, as the chairman of the Budget Committee, I am aware of how beneficial reconciliation can be to deficit reduction. But I am also totally aware of what can happen when we choose to use this kind of process to basically get around the Rules of the Senate as to limiting debate. Clearly, unlimited debate is a prerogative of the Senate that is greatly modified under this process.

I have grown to understand that this institution, while it has a lot of shortcomings, has some qualities that are rather exceptional. One of those is the fact it is an extremely free institution, that we are free to offer amendments, that we are free to take as much time as this U.S. Senate will let us to debate, and have those issues thoroughly understood both here and across this country.

I do not like to see committees put amendments on reconciliation that they have not been able to pass for years, or in the process of doing reconciliation just add untold numbers of amendments in order to be immune from unlimited debate.

So I compliment the Senator, and I hope we will adopt his amendment here tonight.

I want to remind everyone that we only have 1½ hours left. We still have the pending amendment on textiles that has not been completed. We have at least 22 amendments that are germane, and people ought to have a chance to offer and debate them. They are serious and substantive.

We have 129 extraneous provisions that the distinguished minority leader has just indicated he might move to strike which will give us an opportunity to vote maybe 129 times if somebody decides to divide the amendment.

Frankly, I am charged with producing in the near future, with the help of the majority and minority leader, a bill. I believe we ought to do that. I do not think we ought to throw away the good provisions of this bill because Senators wish to put everything that has been lingering for all year long on this bill. I will do my very best, subject to the leaders' direction, to try to get something worked out that makes sense. I hope those who have amendments will understand that we are going to need to cut their time immensely.

I hope those who have produced the 129 extraneous amendments that are now in this bill will seriously consider

whether they want to resist motions to strike or not. Conversely—those who want to get rid of some of them—I hope they will seriously consider whether they really want to put us to a vote on a motion to strike or not.

I think we can put all of that together sometime in the not too distant future. But for now, I hope we will adopt the Byrd amendment, and at least we will not find ourselves in this condition again on a reconciliation bill.

Mr. EVANS addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mr. EVANS. Mr. President, I commend the majority and minority leaders, and the chairman and ranking member of the Budget Committee for what they are attempting to do. I think it represents a major step forward in correcting an evil we fell into today which is being well recognized. I listened to the questions asked of the minority leader during the course of the recent discussion. I believe that I had some of the same questions.

I believe they have been answered. As I understand the language, and the minority leader, if I could have his attention for a moment, can correct me if I am in error, do I understand correctly that the proposal made, if it had been in the law prior to today, would have meant that the textile bill as proposed would have been ruled out of order from this proposal?

Mr. BYRD. If a point of order were made against that bill with respect to germaneness and if the point of order were upheld, then it would take a three-fifths vote to overrule the Chair, under my amendment.

Mr. EVANS. That is my understanding. I understand that sustained means as sustained by the Parliamentarian.

Let us understand the terms. I should have said the Presiding Officer rather than the Parliamentarian, when I referred to being sustained.

Mr. BYRD. The point of order as ruled on by the Chair, if the point of order is sustained, then it would take a three-fifths vote to overrule the Chair. The phrase "and sustained," as I had written it earlier was a misplaced phrase and should go at the end of the line.

Mr. EVANS. I thank the minority leader.

Let me add briefly that this is a splendid move forward. If there had been any real progress made today, perhaps this is the best progress we have made for the long-term future of the Senate.

I would suggest just one thing. Because of what we have already done and because of the rather increasingly bleak outlook for the reconciliation bill itself, if and when it ever gets to the White House, I would suggest to the minority leader and the majority leader that perhaps it would be worthwhile to immediately introduce this and carry it through as rapidly as we can as a freestanding or separate proposal in order that we ensure that it be sustained——

The PRESIDING OFFICER. Let there be order in the Chamber.

Mr. EVANS. That it be sustained and continue to be a rule.

Mr. BYRD. The distinguished Senator had made a fine point which has been discussed with the distinguished majority leader and the manager of the bill. I am sure the distinguished majority leader will respond on his own to such a proposal.

The amendment (No. 878), as further modified, is as follows:

At the appropriate place add the following: "When the Senate is considering a reconciliation bill, upon a point of order being made by any Senator, and sustained, any part of the bill not in the jurisdiction of the reporting committee or extraneous to the instructions given that committee shall be deemed stricken from the bill and may not be offered as a floor amendment. This provision may be waived by three-fifths of the Senators duly chosen and sworn. No motion to waive germaneness on reconciliation bills shall be agreed to unless supported by three-fifths of the Senators duly chosen and sworn, which super majority shall be required to successfully appeal the ruling of the Chair on these matters which include the points of order on extraneous matters and matter not properly reported by a committee."

Mr. DOLE. Mr. President, I want to thank my colleague. I think the debate we have had on this amendment has been very helpful. As I look at the votes today, if it had been in effect now, this amendment would not be pending and that would be an improvement on the reconciliation bill. It was never intended as the answer for every amendment whether it is the Hobbs Act, abortion, prayer in school, or anything else. Ordinarily, you just wait for the reconciliation bill to come up every year and put anything on reconciliation. Obviously, that was not the purpose of the Budget Act.

I certainly commend the distinguished majority leader and others who have been working on this throughout the day.

I will say this: It would be my hope that we could pass the Byrd amendment with a substantial, if not unanimous vote. It would then be my intent to move on to the State, Commerce, Justice appropriations bill tonight and complete action on that. In other words, take this bill down and see if we can put it back together somehow. I have discussed this with the distinguished chairmen of the Budget Committee and the distinguished ranking member, and the minority leader in his office. I know a number of second-degree amendments will be offered to the pending amendment. That will take a long, long time. Plus, there are 30-some other amendments. We have about 1 hour 20 minutes left to deal with all those amendments. It might be better if we follow that course of action.

If this amendment is approved, it would be my intention to move back to the State, Justice, Commerce appropriations bill. We believe we can complete action on that bill, I am advised by the managers, in an hour or an hour and a half. At that time I would have an announcement for the remainder of the evening, tomorrow, and Monday. We are working on an arrangement that might be helpful to a number of our colleagues.

Mr. DOMENICI. Will the majority leader yield for a question?

Mr. DOLE. I am happy to yield.

Mr. DOMENICI. I understand from talking with the majority leader, the minority leader, and Senator CHILES that after we have adopted the Byrd amendment, and I hope we do, then we will have just a little over 1 hour left. As I understand it, the majority leader intends to try to help us work this out. But, if not, he will bring the bill back at the earliest possible time and we will have 1 hour to vote on 32 amendments. If anybody wants to move to strike each and every extraneous provision we will have 129 of those votes.

Mr. DOLE. I think there could be 155 rollcall votes. That would be a good day to be in town.

[Laughter.]

Mr. DOMENICI. I thank the majority leader.

Mr. THURMOND. Mr. President, I have no objection to the plan which has been suggested. However, there is only one more vote needed on this amendment. That is to vote on the Thurmond-Hollings amendment to the Hollings-Thurmond amendment so it will be complete.

Mr. DANFORTH. Mr. President, a parliamentary inquiry. What is the situation with respect to the reconciliation bill and the amendment pending to it?

The PRESIDING OFFICER. The amendment by the Senator from West Virginia is pending.

Mr. DANFORTH. And what was laid aside that would automatically recur if the Byrd amendment is agreed to?

The PRESIDING OFFICER. The amendment of the Senator from Missouri who offered an amendment to the Senator from South Carolina.

Mr. HOLLINGS. Mr. President, I have a question with respect to the amendment on textiles. The majority leader is now joining me. In fact, as chairman I opposed this particular question. I opposed it when the distinguished Senator from Oregon, chairman of the Commerce Committee, came in first with all the communications bill. So having opposed and opposed and opposed, I have finally been persuaded. But mind you me, I think

it is an excellent initiative. I join in supporting it. I hope we can, though, not get into what they said they did not want to do, namely filibuster, with amendment upon amendment upon amendment upon amendment. They said what they wanted was a fair vote and a discussion. I hope we can get back tomorrow morning the first thing, or whenever, so that we can vote on those particular amendments. We are ready to stand and vote on those amendments.

Mr. DOLE. The rules provide for anyone to offer an amendment. We are just trying to tighten up the rules a bit. There is no attempt to criticize those who have used this process. It is perfectly proper. Some of us wish we had thought of something before. Maybe we can put the wheat bill into this. We plant a lot of wheat in Kansas.

There are many opportunities which have passed us by because we did not think of it, as the Senator from South Carolina.

Mr. HOLLINGS. It was the Finance Committee that brought in the adjustment assistance. Rather than saving money, when we went to reconciliation that cost us money. Our amendment on textiles saves money, not to be expended.

And this particular amendment that everyone now is talking about, in a peripheral sense, the initiative now supposed to be corrected is not the case. If we could correct in the original instance the extraneous matters, you would not have us coming forward trying to save the Government money with this textile amendment.

Mr. DOLE. I think the Senator's amendment has substantial merit.

Mr. THURMOND. Mr. President, will the distinguished majority leader or minority leader yield?

Mr. DOLE. I yield.

Mr. THURMOND. I would like the record to show that as I understand it, the Byrd amendment would not apply to any amendments put in now.

Mr. DOLE. Right, Mr. President, the horse is already out of the barn. But next year it would.

Mr. THURMOND. I am in favor of it, then, if that is the case.

Mr. President, I now move to table the Danforth amendment.

Mr. HOLLINGS. Or the Byrd amendment.

The PRESIDING OFFICER. The Senator's motion is not in order.

Mr. DOLE. Mr. President, let me suggest the absence of a quorum, not charged to either side or against the bill.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

Mr. DOMENICI. I yield back any time I had on the amendment.

Mr. BYRD. I do the same, Mr. President.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from West Virginia.

The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Oregon [Mr. HATFIELD] is necessarily absent.

Mr. CRANSTON. I announce that the Senator from Missouri [Mr. EAGLETON], the Senator from Illinois [Mr. SIMON] and the Senator from Mississippi [Mr. STENNIS] are necessarily absent.

The PRESIDING OFFICER. [Mr. GRAMM]. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 96, nays 0—as follows:

[Rollcall Vote No. 254 Leg.]

YEAS—96

Abdnor	Glenn	McConnell
Andrews	Goldwater	Melcher
Armstrong	Gore	Metzenbaum
Baucus	Gorton	Mitchell
Bentsen	Gramm	Moynihan
Biden	Grassley	Murkowski
Bingaman	Harkin	Nickles
Boren	Hart	Nunn
Boschwitz	Hatch	Packwood
Bradley	Hawkins	Pell
Bumpers	Hecht	Pressler
Burdick	Heflin	Proxmire
Byrd	Heinz	Pryor
Chafee	Helms	Quayle
Chiles	Hollings	Riegle
Cochran	Humphrey	Rockefeller
Cohen	Inouye	Roth
Cranston	Johnston	Rudman
D'Amato	Kassebaum	Sarbanes
Danforth	Kasten	Sasser
DeConcini	Kennedy	Simpson
Denton	Kerry	Specter
Dixon	Lautenberg	Stafford
Dodd	Laxalt	Stevens
Dole	Leahy	Symms
Domenici	Levin	Thurmond
Durenberger	Long	Trible
East	Lugar	Wallop
Evans	Mathias	Warner
Exon	Matsunaga	Weicker
Ford	Mattingly	Wilson
Garn	McClure	Zorinsky

NOT VOTING—4

Eagleton	Simon
Hatfield	Stennis

So the amendment (No. 878) as further modified, was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. CHILES. I move to lay that motion on the table.

ERISA

Mr. GORTON. Mr. President, 50 years ago this body enacted the Federal old-age, survivors, and disability insurance system—a system that has come to be known as Social Security. The Social Security Program established a partnership among the Federal Government, workers and businesses of our Nation with the goal of providing a stable retirement system for American workers and their survivors. It became clear by 1974, however, that our efforts could not stop with Social Security insurance. Business failures threatened the private pension plans that workers relied upon to supplement their Social Security retirement income. Congress reacted by providing for the Pension Benefit Guarantee Corporation [PBGC] in the Employee Retirement Income Security Act. This new partnership effort now guarantees the retirement benefits of 29 million Americans, or approximately 40 percent of the employees in the private sector.

It is ironic that the agency created by Congress to ensure that company retirement plans are fully funded, is itself seriously underfunded. The Pension Benefit Guarantee Corporation estimates that it will have a deficit for its single employer program of $721 million by the end of 1986. Further, given the unfunded pension liabilities of corporate giants such as Wheeling-Pittsburgh Steel, it seems certain that this deficit will continue to grow.

The underfunded accounts of the Pension Benefit Guarantee Corporation now are affecting not only the private pension system, but the level of Federal indebtedness as well. Since early 1985, the Corporation has had a negative cash-flow that has required borrowing from the Treasury. Without reform, the agency will have to increase its borrowings, an action that will aggravate the Federal deficit problem.

Mr. President, I believe that we must renew the partnership we established with businesses and workers 50 years ago, and strengthen our commitment to providing stable sources of retirement income to working Americans. In these times when we are faced with making the difficult choices needed to reduce the Federal deficit, it is all the more important to take actions that guarantee a secure pension process. I strongly endorse the amendments to the Employee Retirement Income Security Act offered by the Committee on Finance and the Committee on Labor and Human Resources, and urge my colleagues to join me with their support.

Mr. CHAFEE. Mr. President, I would like to take this opportunity to clarify with the Senator from South Carolina a point which makes it clear that the textile amendment which we have just adopted in no way applies to imported toys. It is my understanding that goods otherwise classifiable under sub-

part E, part 5, schedule 7 entering under schedule 8 or the appendix to the Tariff Schedules of the United States would not be covered by the provisions of this bill.

Mr. THURMOND. Yes. The Senator is correct.

Mr. LAUTENBERG. Mr. President, S. 1730, the reconciliation bill, contains a Superfund tax title that is identical to the tax title in the Superfund Improvement Act. I support the Superfund tax title, while I would prefer a higher revenue level. This tax title extends Federal taxing authority to generate revenues for the existing program. Existing authority expired on September 30. The tax title continues the existing tax on crude oil and certain chemical feedstocks and adds a new excise tax. Together, these taxes would raise approximately $7.5 billion for financing the Superfund Program over the next 5 years.

Mr. President, this program is of vital importance to New Jersey and many other States. It should be reauthorized as soon as possible. The fund from which the program is financed has been exhausted of all but emergency funds. Obligations for new expenditures have been frozen at 57 sites across the country, including 11 in New Jersey.

Three committees reviewed the Superfund reauthorization legislation before full Senate consideration, including the Environment and Public Works Committee of which I am a member. I am pleased that the Senate approved a bill that raises a reliable source of funds for Superfund and makes programmatic improvements to the Superfund Program. The bill was approved by a vote of 86 to 13 on September 26. The Senate is now awaiting action by the House of Representatives, which has made important progress over the last few weeks.

It is my understanding that the intent of the leadership of the Finance Committee and the Environment and Public Works Committee is that Congress reauthorize both the tax title and the programmatic title of the statute, and that the inclusion of the tax title in reconciliation is not a substitute for approval of comprehensive Superfund legislation.

Mr. PACKWOOD. Mr. President, this is correct. While the Finance Committee does not have jurisdiction over the programmatic title of Superfund, the committee expects the tax title to be complemented by programmatic amendments to Superfund.

Mr. LONG. Mr. President, I concur with the chairman of the committee. This is not a substitute for the overall Superfund legislation.

Mr. STAFFORD. Mr. President, I support the Superfund tax provisions in the reconciliation bill, which are the same provisions as contained in title II of the Superfund reauthorization. It is certainly the intent of the Environment and Public Works Committee that the tax title of Superfund be complemented with amendments to title 1, the programmatic title of Superfund. The House of Representatives has moved Superfund reauthorization legislation through all committees with jurisdiction now, and floor consideration of the Superfund reauthorization is expected shortly. It is my hope that the Senate and the House will proceed to conference as quickly as possible after the House approves its bill, and that the conference will act expeditiously to send a bill to the President for his signature. It is the committee's intent to have a comprehensive reauthorization of Superfund. We do not regard the Superfund tax title by itself, as contained in the reconciliation bill, as adequately addressing the need for an improved Superfund program.

Mr. BENTSEN. Mr. President, that is my understanding as well. The Environment and Public Works Committee spent many long hours in hearings and in markups considering the Superfund reauthorization. The committee approved a number of important amendments to title 1 of the act, including a number of amendments that were offered by the Senator from New Jersey. I commend him for raising this point and initiating this colloquy. I agree with the chairman of the Environment and Public Works Committee and the Senator from New Jersey that the inclusion of the tax in reconciliation is not meant in any way to jeopardize amendments to title 1 made by the Environment and Public Works Committee and by the full Senate during floor consideration of S. 51. It is, therefore, imperative that the House approve a comprehensive Superfund reauthorization bill, and make it possible for the Senate and the House to meet in conference as soon as possible, and certainly before we adjourn this year.

Mr. LAUTENBERG. Mr. President, I appreciate the reassurances offered by the distinguished leadership of the Finance Committee and the Environment and Public Works Committee, and the opportunity to express my concern that there be a comprehensive reauthorization of the program, not simply an extension of the Superfund tax title. During consideration of the Superfund reauthorization bill, I offered several important amendments, in committee and in the full Senate, including chemical inventory and community right to know provisions, emergency preparedness provisions, and other amendments that address issues related to Superfund site cleanup. The first order of business should be the approval of the Superfund reauthorization in the House and the initiation of the Senate-House conference on these and other amendments. I thank the leadership of the two committees for their assurances of support for improvements to the Superfund program and for approval of a comprehensive reauthorization bill.

Mr. HOLLINGS. Several of our colleagues have expressed concern regarding the intent of section 1205 of the amendment pertaining to import licensing. Am I correct in my understanding that the intent of section 1205 of the Textile and Apparel Trade Enforcement amendment dealing with import licensing is to establish a licensing system in order to assist in administering the limits set in the legislation?

Mr. THURMOND. That is correct, the licensing provision in the bill is intended to assist in implementing the other provisions of the bill but is not in itself the limiting authority. Import licensing is intended to do several things. First, it will provide the administering authorities with accurate up-to-date information on what import flows will be in future periods. This will be very helpful since there have been delays in collecting data on exports once they arrived in the United States. Second, the import licensing system will be very effective in reducing quota fraud. There will have to be matching documentation whereby the import license must correspond exactly to the export license from the producing country. This should reduce attempts at transshipment, misidentification and other types of quota fraud. Third, an import licensing system should completely eliminate overshipments. The present system is plagued by overshipments of quotas due to lack of precise control by the producing countries. An import licensing system should eliminate overshipments completely because an import license would not be granted once a quota is filled.

Mr. HOLLINGS. Is the import licensing system intended to provide continued access for small importers as well as large importers?

Mr. THURMOND. Yes; it is intended that an import licensing system be administered in an equitable and effective fashion by the Secretary of Commerce. While the legislation does not spell out exactly how import licenses are to be administered, nonetheless, it is intended that the licenses should be administered in a way that is fair and equitable and does not disadvantage small importers by providing larger importers with most or all of the import licenses. One approach might be to allocate licenses based on historical shares with some set aside for new market importers. Another way may be to allocate a portion on a first-come, first-served basis with another portion dedicated to small importers. This would be up to the administrating authority but I believe the intent

of this provision is clear. Import licenses are to assist in administering the system without unfairly rewarding large importers at the expense of small importers. Also, the intent of this provision is to charge only a nominal fee to importers for this service which will cover the licensing system's administrative expenses.

Mr. DURENBERGER. Mr. President, the Committee on Armed Services has reported a provision to the Congress as part of its budget reconciliation package that has broad implications for Federal health policy and the Medicare Program. The committee proposes to implement a new prospective payment system for hospitals based on Medicare's diagnosis related groups [DRG's] for its Civilian Health and Medical Program of the Uniformed Services [CHAMPUS]. This provision would amend title XVIII of the Social Security Act to require hospitals that participate in Medicare to accept the CHAMPUS DRG rate as payment in full. Currently, CHAMPUS pays charges for the hospitalization of its subscribers.

The costs of the CHAMPUS Program have increased by nearly 70 percent between 1980 and 1984—from $710 million to more than $1.2 billion. The Committee on Armed Services developed the DRG payment system for CHAMPUS in good faith to help bring the costs of the program under control. The committee sees the tremendous contribution the DRG payment system has made to Medicare and wants to replicate Medicare's success story.

Last year, the committee proposed using DRG's for CHAMPUS and using Medicare as the leverage to get hospitals to accept the CHAMPUS rates in the Omnibus Defense Authorization Act of 1985. At that time, the majority leader in his capacity at the time as chairman of the Finance Committee and myself, as chairman of the Health Subcommittee, voiced concern over the proposal. Despite the committee's good intentions we felt that their proposal, the same one we are considering today, used the Medicare Program inappropriately to leverage hospitals to accept CHAMPUS DRG's and that the cause of Medicare DRG's for CHAMPUS was problematic. The Senate passed an amendment to the defense authorization bill which called for a feasibility study of CHAMPUS DRG's.

I advocated a study over action last year because of a number of concerns I had about going ahead with an untested program. I still have those same concerns. First, basing CHAMPUS payments for inpatient services on Medicare's new prospective payment system for hospitals was designed exclusively for Medicare beneficiaries. Medicare's payment amounts reflect the historical cost of services provided to a beneficiary population whose hospital costs are significantly different from those of CHAMPUS beneficiaries. Medicare currently covers 27 million elderly—age 65 years and older—and 3 million disabled persons.

CHAMPUS, on the other hand, covers some 6 million beneficiaries of all age groups, from the very young to the very old. The differences in the costs of providing hospital care to the elderly and disabled population is very different from the services provided to CHAMPUS patients. In fact, nationally, the average length of a hospital stay for most DRG categories for patients over age 65 is almost 4 days longer than for patients under age 65. It is these differences that should be closely examined before extending the Medicare's new prospective payment system to the CHAMPUS Program.

Second, requiring hospitals who participate in Medicare to not only provide services to CHAMPUS beneficiaries but to accept as payment in full, an amount of payment based on a system which was designed for a Medicare population is unfair, and may be overly regulatory and administratively burdensome. If CHAMPUS chooses to develop a prospective pricing system it should be based on its own experience—and not that of Medicare. And it should stand on its own two feet. Hospitals should be free to negotiate rates and CHAMPUS must continue to seek the best policy for its beneficiaries. Putting it bluntly, it is wrong to hold a $70 billion program like Medicare, hostage for a $1 billion program like CHAMPUS which has a different set of beneficiaries and objectives. CHAMPUS must make its way in the marketplace as comparable private sector plans.

The report required by my amendment to the Omnibus Defense Authorization Act of 1985 was due March 1, 1985. And it was at that time that the Medicare/CHAMPUS link would be discussed, analyzed and further legislation considered. The Congress received no report in March. And, all of a sudden we see the Medicare/CHAMPUS linkage in the Armed Services Committee's reconciliation package. I understand that the Committee's package includes a proposal to delay the submission date of the HHS/DOD study until December 1, 1985, and to mandate the adoption of their CHAMPUS provisions described above, effective October 1, 1987.

Mr. President, it was the intent of Congress to study this issue before proceeding along the approach described by the Armed Services Committee. I feel strongly that the Congress should not proceed with the committee's proposal before a thorough examination and analysis of the effects on the entire health care system of a CHAMPUS/Medicare link is completed.

I would like to pose a few questions to my colleague from California, chairman of the Manpower and Personnel Subcommittee of the Armed Services Committee, to clarify the Committee's intent on their CHAMPUS proposal.

Is it the committee's intent that the implementation of the CHAMPUS linkage to Medicare not proceed until the report mandated by the committee's provisions on the CHAMPUS payment system is received on December 1, 1985, by the Armed Services Committee and the Finance Committee and the committees have the opportunity next spring to conduct hearings on your committee's Medicare/CHAMPUS proposal?

Mr. WILSON. Yes, the committee's provision which would link Medicare and CHAMPUS would not go into effect until October 1, 1986. The report from the Department of Defense and the Department of Health and Human Services would be required by December 1, 1985. Inasmuch as the committee provision is a legislative proposal of the administration, I can imagine no reason why that report cannot be forwarded on time, especially since a similar report has previously been required. This will give our committee and the Finance Committee a full 9 months to hold whatever hearings they believe are needed on the issue of this linkage.

I must say to my colleague from Minnesota I understand some of his concerns, especially those concerning whether the DRG system developed for CHAMPUS should only be modeled after, as opposed to being identical to, the one used by Medicare. That, of course, is a matter solely within the jurisdiction of the Armed Services Committee. However, I do not share his view that CHAMPUS must make its way in the marketplace like a private-sector plan. Neither CHAMPUS nor Medicare is a private-sector plan—both are Federal programs providing reimbursement for health care. I believe the Federal Government as a whole should obtain the best prices possible for all that care.

Mr. DURENBERGER. In addition, is it the chairman's intent to include members of the Finance Committee on the Armed Services conference committee to work out the Medicare/CHAMPUS provisions in this bill?

Mr. WILSON. Yes, the chairman and the ranking members of both the Finance Committee and the Armed Services Committee have agreed to ask for Finance Committee members to participate with Armed Services Committee members in the conference on these provisions.

Mr. DURENBERGER. I thank the Senator for clarifying the committee's intent on the Medicare/CHAMPUS proposal.

THE CIVILIAN AGENCY MULTIYEAR CONTRACTING ACT OF 1985

Mr. COHEN. Mr. President, the Senate has included as part of S. 1730, the Consolidated Omnibus Budget Reconciliation Act of 1985, a section that authorizes civilian procuring agencies to enter into multiyear contracts, not to exceed 5 years, when it is determined to be in the Government's best interest. This section incorporates the language of S. 678, the Civilian Agency Multiyear Contracting Act of 1985, which I introduced along with Senators LEVIN and DANFORTH on March 18 of this year. S. 678, moreover, is identical to a bill I sponsored last year, S. 2300, which the Senate passed unanimously.

The genesis of this proposal dates back to the Commission on Government Procurement. In 1972, the Commission reported to Congress that the advantages of multiyear contracting exceed the disadvantages, and recommended that this procurement method should be used, when appropriate, on a governmentwide basis. The General Accounting Office agreed in a 1978 report, entitled "Federal Agencies Should Be Given Multiyear Contracting Authority for Supplies and Services," and recommended that legislation should be enacted to provide this authority. The Office of Federal Procurement Policy also endorsed the concept of governmentwide multiyear contracting in its February 1982 proposal for a uniform Federal procurement system, as did the Grace Commission in its June 1983 report on procurement. Finally, a similar proposal to extend multiyear contracting authority to the civilian agencies was included as part of the administration's management reform initiatives that were recently submitted to Congress.

The Governmental Affairs Subcommittee on Oversight of Government Management, which I chair, held a hearing last year on S. 2300 and again considered the proposal this past January in its review of the Grace Commission's procurement recommendations.

Under present law, multiyear contracting may be used only when no-year or multiyear funds are available or, in the case of 1-year funds, when multiyear contracting is specifically authorized by statute. The Department of Defense has such statutory contract authority and has used it effectively. Civilian procuring agencies, however, generally do not have multiyear contracting authority and are consequently precluded by fiscal law restrictions—such as the Anti-Deficiency Act—from entering into contractual agreements requiring obligations in excess or in advance of appropriations.

The Civilian Agency Multiyear Contracting Act, as passed by the Senate last year and included in the reconciliation package this year, would authorize civilian procuring agencies to contract on a multiyear basis, provided the following criteria are met.

First, appropriations must be available for the first year of the multiyear contract and there must be a reasonable expectation that, during the remaining years the contract is in effect, additional funding will be requested.

Second, the agency head awarding the multiyear contract must determine that the contract will serve the best interests of the Government by reducing costs; achieving economies in administration, performance, and operation; increasing quality of performance by or service from the contractor; or encouraging effective competition.

Third, during the proposed contract period, there will be a continuing need for the property or services, and this minimum need is expected to remain substantially unchanged.

Fourth, the specifications for the property or services being procured are expected to be reasonably stable.

Fifth, the use of such contracting method will not inhibit small business participation.

The objective of these selection criteria is to ensure that multiyear contracting will be used judiciously and to safeguard against any possible abuse. These criteria, which in some respects are more stringent than the criteria in title 10 governing the Defense Department's multiyear contracting authority, are designed to limit the use of multiyear contracting for civilian agencies to only those circumstances when there is great potential for benefits and less potential for cancellation.

In my judgment, multiyear contracting is especially appropriate for civilian agencies, considering the nature of their procurements. Civilian agencies anticipate using multiyear contracting for standard services, such as trash removal, and for certain commercial items, such as typewriters. These recurring, common-use goods and services, for which there will always be a need, are not technologically sophisticated, involve no research and development, and consequently do not entail the risks inherent in multiyear contracting for major weapons systems. It is highly unlikely, therefore, that the civilian agencies will ever incur significant cancellation costs. The bottom line is that civilian agencies will obtain benefits from multiyear contracting, similar to those experienced by the Defense Department, but without assuming as great a risk.

The primary benefits of extending multiyear contracting authority Governmentwide are reduced costs, improved quality, and increased competition.

Multiyear contracting, used appropriately, provides significant reductions in the cost of procurement resulting from lower contract prices as well as lower administrative expenses.

According to estimates by the Office of Federal Procurement Policy [OFPP], based on data used within the Defense Department, approximately 15 to 20 percent of civilian agency procurement costs could be saved when multiyear contracting is used. The Grace Commission estimated that savings of $1.8 billion could be realized annually through the expanded use of multiyear contracting, which includes savings by the Defense Department, as well. Officials from the General Services Administration [GSA] testified last year that the GSA alone could save up to $200 million annually through multiyear contracting. Finally, the Congressional Budget Office has estimated that this section would produce savings exceeding $500 million in the next 2 fiscal years.

These cost savings result from increased competition, economies of scale, improved contractor productivity, or a contractor's ability to amortize nonrecurring startup costs. Annual contracts frequently involve startup costs which must be recovered during the year. This has a direct impact on the price of property or services offered to the Government. Under a multiyear contract, such nonrecurring costs could be prorated over the life of the contract, thus reducing the unit cost of the work performed and consequently the price offered to the Government.

In some cases, multiyear contracting would allow agencies to take advantage of greater price discounts. For example, GSA analyzed the pricing practices of a major automated data processing [ADP] equipment vendor and found that the vendor's prices varied significantly based on its customer's ability to commit for multiple-year leases of equipment. Those customers—all commercial—who would commit to a 5-year lease were granted discounts ranging from 62 to 75 percent of the 1-year rates. The maximum volume discounts given to those customers who could only commit to a single year was 5 percent of the 1-year rate. In effect, customers such as the Government who leased equipment for several years, but who could only contractually commit themselves to a lease of 1 year, have paid as much in 2 years as other customers pay in 5 years.

Administrative costs to the Government could also be reduced. For annual contracts, agencies expend a significant amount of time and money to accomplish a variety of contract formation functions, including market research, preparation of solicitations, evaluation of offers, negotiation of prices, terms and conditions, and technical analyses. Agencies could reduce their cost of doing business if these ad-

ministrative activities were performed on other than an annual schedule.

In addition to savings in contract prices and administrative costs, the second benefit of multiyear contracting is that the quality of performance and service from contractors is likely to improve. The GAO found in its 1978 report that multiyear contracting can improve contractor performance and service by reducing the uncertainly of continued Government business, providing continuity in the delivery to recurring supply and service needs, and enabling the contractor to maintain a stable, well-trained work force.

Many contracts, particularly those for the provision of services, experience a "learning curve" phenomenon where a new contractor's performance improves steadily as its workers gain experience with the peculiarities of the Government's work requirements. When annual contracts are required and successive contracts are awarded to different firms, the impact of the initial stages of the performance "learning curve" is felt each year. With multiyear contracts, this impact is felt only in the initial year of the contract. Subsequent years should experience a sustained level of quality performance.

The third and perhaps most important benefit in multiyear contracting, which contributes to reduced costs and improved quality, is increased competition in contracting.

Many companies are often unwilling or unable to make significant capital investments for 1 year contracts, because it is difficult to recoup such investments and be price competitive. Multiyear contracts would make such undertakings more attractive by providing longer periods of assured business in which to recoup capital investments, thereby encouraging more companies to compete for the contract.

An example of an annual procurement which would have been competitive had it been awarded on a multiyear basis involves a GSA contract for converting waste into fuel. The GSA received proposals from firms indicating an interest in contracting with GSA to collect trash from Federal buildings, convert it into refuse-derived fuel, and sell it back to GSA for burning in Federal heating plants. GSA's contracting authority for such a service contract, however, is currently limited to a 1-year period. Considering the large front-end investment that would be required for a contractor to acquire the necessary equipment and facilities, potential contractors were unwilling to make such an investment for a 1-year contract. According to GSA, if multiyear contract authority were enacted, GSA would be able to contract competitively for conversion of waste to fuel, with anticipated savings in cost and energy resources.

Small businesses, in particular, stand to benefit substantially from multiyear contracting. According to the Commission on Government Procurement's report:

> Authorizing all executive agencies to enter into multiyear contracts with annual appropriations will permit small firms to become more competitive for contracts requiring substantial start-up costs and capital outlays. Usually such expenditures are more budensome to small than to big business. The ability to amortize such costs over longer periods should be helpful for small firms in competing for service and support contracts.

In other words, small businesses would not be able to submit offers on multiyear contracts by prorating nonrecurring "start up" costs which, for a 1-year contract, would preclude these businesses from competing.

The prospective uses of multiyear contracting for civilian agencies are varied and numerous. The GSA, for example, anticipates that multiyear contracting could be used for recurring support services, such as janitorial, maintenance and repair of real and personal property, protection, trash and snow removal services. GSA would also consider using such authority selectively in the procurement of certain common use supplies and ADP and telecommunications equipment. Multiyear contracting could also be used for small demand items which, when bought in larger quantities, might encouraging age increased competition.

To ensure effective and uniform implementation, the Governmental Affairs Committee recommended last year in its report to accompany S. 2300 (98-417) that the Office of Federal Procurement Policy—the central procurement policy office in the executive branch—should take the lead in monitoring the use of this new authority and fostering the exchange of ideas and experiences between the agencies. The OFPP should consider establishing an inter-agency task group on multiyear contracting for these purposes.

The committee also recommended that the OFPP, working together with the GSA, should incorporate management controls in the Federal acquisition regulation to ensure proper use of this broadened authority. Proposed management controls should: First, require a determination and finding for using multiyear contracting, and second, require that multiyear contracts above an established threshold be reviewed by the agency's procurement executive.

Taken together, statutory guidance, regulatory controls, and management oversight should go far to ensure effective and uniform implementation. Government contracting, however, comprises a series of judgment calls which cannot always be legislated, regulated, or managed. Appropriate use of multiyear contracting, therefore, will also depend on improved training of the procurement workforce. After all, we should not only focus upon the reforms in the process, but the personnel who will implement these reforms.

The committee recommended that the Federal Acquisition Institute, now a part of GSA, should coordinate this training program to instruct agency procurement personnel how to: First, select candidates for multiyear contracting; second, conduct the initial market research which precedes the formulation of solicitations; third, obtain comparative quotations based on single-year and multiyear quantities; fourth, provide incentives for greater competition both at the prime and subcontractor levels; and fifth, assess what would constitute a reasonable cancellation charge in the event the contract cannot be continued.

For many civilian agencies, multiyear contracting is new and untested. While the potential benefits are great, inexperience may also lead to potential problems. The committee therefore recommends that those agencies inexperienced in multiyear contracting should first conduct pilot programs to ensure appropriate use of this new authority.

In closing, Mr. President, considering the support throughout the procurement community for extending multiyear contracting authority Governmentwide, the potential benefits to be gained, and the prospective uses, I am pleased that this provision was included in the package, and I hope that my colleagues in the House will lend their support.

Mr. SPECTER. Mr. President, I share the concern of my colleagues over the Senate Finance Committee's amendment to the reconciliation bill. As you know, on September 19, 1985, the Finance Committee adopted an amendment which would preclude any further borrowing by the Black Lung Trust Fund from general revenues after September 30, 1986. This approach risks that the trust fund will be without adequate funds to meet its statutory obligations for the payment of benefits to victims of black lung disease, as well as administrative costs, and interest.

The Black Lung Program represents an important commitment made by our Government to provide for the health and welfare of miners affected by the debilitating black lung disease. Our Nation's coal miners, their families, and their dependents may suffer if the Senate Finance proposal is passed into law. Adequate funding is an absolute necessity to continue to provide black lung benefits. Without funding, the program cannot continue to exist.

I am extremely concerned that changes in the Black Lung Program could jeopardize the ability of people to obtain benefits fully, equitably, and

in a timely fashion. Although it may be necessary to seek changes in the financial composition of the Black Lung Trust Fund to ensure that it retains fiscal stability, I do not see how disallowing borrowing will help to solve the long-term questions surrounding the fund.

Mr. President, I hope that my colleagues will join me now and in the future to ensure the protection of the victims of black lung disease.

COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS, 1986

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the Commerce, Justice, State appropriations bill, H.R. 2965.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senate continued with consideration of the bill.

SCHEDULE

Mr. DOLE. Mr. President, let me indicate very briefly, if I may have the attention of my colleagues, what we hope to do.

Now that the State-Justice-Commerce appropriations bill is back before the Senate, there will be an amendment by the distinguished Senator from North Carolina. I do not know the contents of that amendment; but after some debate of that amendment, there will be a motion to table the amendment.

Depending on the disposition of the amendment, that will determine what happens for the remainder of the evening. So I cannot tell Members now whether there will be one vote. There could be as many as three votes this evening. That is this bill.

There will also be a unanimous consent request, before we start an amendment, that the distinguished Senator from Oklahoma [Mr. NICKLES] be permitted to bring up a matter that has been cleared on both sides with reference to the Garcia decision.

I will say this: We are shopping for Members, and we need the cooperation of Members or it will not work—we are shopping for Members to indicate that they will be here tomorrow and that they will offer amendments to the farm bill. Some probably can be accepted. We have gone over a list with the distinguished chairman of the committee. Others might require rollcall votes.

We need the cooperation of Members. If a rollcall vote is needed, obviously we will ask for the yeas and nays; but we would postpone the vote until Tuesday, if we can do the same on Monday—in other words, continue to work on the farm bill, have Members agree that they are going to be here Monday, get consent to order the yeas and nays, and have the vote on Tuesday.

This is an effort to accommodate about eight of our colleagues who would like to attend a meeting at Geneva with reference to arms control. It is a very important session. Both the distinguished minority leader and I would like to accommodate those Senators, but let us face it: Many Senators would like to complete action in the Senate sometime late next month, if not early in December. We do not want to lose 2 days by saying we have this all worked out and no one shows up to offer amendments; or they say, "I don't want to offer mine if I can't vote today." That loses 2 days.

So we are in the process of contacting Members personally on each side of the aisle to see if we can have a substantial number of amendments tomorrow and on Monday. If we can have the assurance of Members that they will offer those amendments, they may be accepted. If not, they can ask for the yeas and nays or they can be disposed of on a voice vote. Then we would do the rollcall votes Tuesday afternoon.

That is where we are. If we cannot do it, we will be in tomorrow with votes and on Monday with votes.

Mr. BYRD. Mr. President, I hope that Senators on both sides of the aisle, particularly on my side of the aisle, will attempt to cooperate in this matter, because we have the observer group going to Geneva.

I am told by Mr. NUNN and Mr. STEVENS that this is a very important weekend there, for reasons which they can best state. In other words, they feel that progress is possibly going to be made there and that for them to be there will benefit the Senate, rather than for them not to be there.

So, in view of the fact that the majority leader is bending over backward in an attempt to stack votes over to Tuesday on the farm bill in order to allow the observer group to go to Geneva, I hope Members will be able to come up with amendments and will be here tomorrow and Monday, and I will do everything I can to cooperate.

Mr. DOLE. I thank the distinguished minority leader.

I indicate that this is not for accommodation of the leadership but primarily an accommodation for Members on both sides of the aisle who are deeply interested in this matter and who do not want to miss a number of important votes tomorrow and Monday.

Mr. METZENBAUM. Mr. President, will the Senator yield for a question?

Mr. DOLE. I yield.

Mr. METZENBAUM. Do I correctly understand from the manner in which the majority leader presented the question that those of us who have amendments and concerns about budget reconciliation need not concern themselves about that subject until sometime Tuesday or Wednesday? Is that the plan of the majority leader?

Mr. DOLE. I would say Tuesday or Wednesday. That would be up to the distinguised Senator from New Mexico and the distinguished Senator from Florida.

Mr. METZENBAUM. But not on Friday?

Mr. DOLE. Not tomorrow or Monday.

Mr. METZENBAUM. And we could leave without any concern about the matter?

Mr. DOLE. You could leave, unless you have an amendment to the farm bill.

Mr. METZENBAUM. That is not my interest.

Mr. MOYNIHAN. Mr. President, will the majority leader yield?

Mr. DOLE. I yield.

Mr. MOYNIHAN. Is it the intention to finish the Justice-Commerce bill tonight?

Mr. DOLE. It is my hope and my intention.

Mr. EXON. Mr. President, will the Senator yield for a question?

Mr. DOLE. I yield.

Mr. EXON. I think the majority leader knows that I am delighted to hear that we are finally getting to the farm bill.

Unfortunately, I can tell from what is happening that there probably will not be a lot of Members around on Friday or Monday. I will be here, whether I offer amendments or not. If I have one, I will offer it.

Let me ask this question: Is it the intention of the majority leader then to finish the farm bill on Friday or on Tuesday? Is that his plan?

Mr. DOLE. No.

Mr. EXON. Or Wednesday, or Thursday?

Mr. DOLE. I would hope to be able to conclude it next Wednesday, but I am realistic enough to know that if all of the amendments that I have heard about were offered it could take maybe all next week.

Mr. EXON. Since we are moving in an area of trying to accommodate each other, might this be a good time, since I think whatever kind of a farm bill we pass we should pass it and make the decision, since this is a time when the majority leader is asking some people to be here on extraordinary duty on Friday and Monday, that we could maybe set some time now for those who may want to wait until Thursday, or Friday, or Saturday, or the following Monday to offer amendments? Is it possible that we could have a unanimous-consent agreement now that we would limit the time in some way on the farm bill so we could move ahead?

Mr. DOLE. The Senator will not have any problem with the majority leader in limiting the time.

Again, I would say it is immaterial to the majority leader, but it is not. I think they are important sessions in Geneva. I am only trying to accommodate a number of my colleagues on either side. But if it is obvious that no one will offer amendments tomorrow or Monday, then we will just be here tomorrow and Monday without any special disposition for anyone.

Mr. HEFLIN. Mr. President, if the majority leader will yield, is it the majority leader's intention to stay with the farm bill until it is disposed of or to lay it aside, double track it with other measures? I do not mean to ask for a hard and fast answer. But is it the overall intention to dispose of the farm bill on a priority basis over other pending legislation which we have half done or partially done.

Mr. DOLE. The Senator is correct. It might be, if we can reach an agreement on reconciliation, we might have to interrupt discussion of the farm bill, say, Wednesday or Thursday of next week, and it could result if we cannot get an agreement, we could have 100 and some votes under the reconciliation process, but I do believe that with that one caveat, and again there is always a possibility that the textile amendment should come off reconciliation, there might be some agreement to offer it to some other bill, but the general intention is to finish the farm bill, and I know it is very important to farmers just as it was in July when we tried to bring it up.

Mr. HEFLIN. I thank the majority leader.

Mr. BYRD. Mr. President, will the distinguished majority leader yield?

Mr. DOLE. I yield.

Mr. BYRD. Mr. President, I state a caveat here for the benefit of Members on my side in particular.

Mr. DOLE. Sure.

Mr. BYRD. As I understand the distinguished majority leader, he has not yet said that there will be no votes tomorrow.

Mr. DOLE. That is true.

Mr. BYRD. He has not yet said there will be no votes Monday unless we did not understand him, and start making our plans to be away Friday and Monday. The majority leader's statement, as with respect to Friday and Monday will depend upon the assurances that he gets tonight as to what amendments will be called up tomorrow and what sponsors will be here to call up those amendments, so that he indeed is assured there will be measures that are ready for a vote on Tuesday.

Am I correct?

Mr. DOLE. The Senator is absolutely correct.

Again, I know it is difficult for some to make commitments, but it is a farm bill. There are a number of us from farm States who have a greater interest than other Senators, and it would seem to me it gives us an opportunity, with not much else going on but the farm bill tomorrow and Monday, to offer our amendments. Some may be accepted. On some, rollcalls may be required. We could postpone rollcalls.

But the worst thing that could happen would be to lose the 2 days, if we are looking at getting out of here sometime later this year.

Mr. PRESSLER. Mr. President, will the Senator yield?

Mr. DOLE. I am happy to yield.

Mr. PRESSLER. Mr. President, I have seven amendments, of which I think three will be accepted on both sides. I am willing to offer those tomorrow if we are on the farm bill. If I could offer them tomorrow that would be perfectly agreeable.

Mr. DOLE. I would be very happy to suggest that I need to clear it with the chairman and the ranking minority member, but as far as I am concerned if there are amendments—these are amendments to the farm bill?

Mr. PRESSLER. Yes, amendments to the farm bill. But I have additional amendments that I wish to offer next week at a point that will require rollcall votes.

These will not require a rollcall vote. It would be possible the amendments will be adopted tomorrow. They do not require rollcall votes. Both sides have agreed. Or is there only going to be a debate tomorrow?

Mr. DOLE. No. If the amendments are agreeable and we want to dispose of them, we will accept them.

It is my understanding from the chairman as to amendments where amendments can be accepted he is prepared to be here tomorrow, prepared to be here on Monday, and if the Senator has three amendments, I am not certain if they have been cleared on both sides. Then they can do business.

Mr. STAFFORD. Mr. President, will the majority leader yield?

Mr. DOLE. And if there is a rollcall ordered, of course, we would not do that tomorrow.

Mr. PRESSLER. If they are not agreeable then I can ask for the yeas and nays, if there are Senators here to get the yeas and nays ordered.

Mr. DOLE. Yes, If we do that, they will be stacked and voted on on Tuesday in the order in which they were brought up. In other words, the first one ordered would be the first one voted upon. If there are other Senators who could indicate they would be willing to help us out tomorrow and Monday with amendments that would be all right.

Mr. STAFFORD. Mr. President, if the majority leader will yield, I may have an amendment to the farm bill. I will be here both Friday and Monday. I would prefer to bring it up Monday rather than Friday, but I will be here both days.

Mr. MATHIAS. Mr. President, if the majority leader would yield, I advised the majority leader that I have an amendment with respect to killer bees and the great damage that killer bees are doing to American agriculture, and I will bring it up on Monday.

Mr. HELMS. All right.

Mr. DOLE. How about Friday?

Mr. MATHIAS. Monday.

Mr. DOLE. That will give us something to go on. That is not much. We do not want to get stung in the process.

Mr. PRESSLER. Mr. President, I have a plane to take later in the day. I would like to do it in the morning. At what time will we start tomorrow morning?

Mr. DOLE. It depends. We can start fairly early if we have something to do. It will probably be 9 a.m. when we are on the bill.

Mr. BYRD. Mr. President, if the majority leader will yield, so Senators on my side will understand clearly before they leave this evening or not there are going to be rollcall votes on tomorrow and Monday, and they may make their plans accordingly, could we take an hour, the majority leader and I, while the action is going forward on the appropriations bill and determine from our respective cloakrooms as to what Senators definitely will be here tomorrow and call up amendments and then the majority leader can make a decision and everyone will know what they will do?

Mr. DOLE. Yes. We have been working at the staff level all day, and we have had a great deal of cooperation on each side. I think we will take that time to see what we can produce.

Mr. President, I understand the distinguished Senator from Oklahoma [Mr. NICKLES] has cleared on each side a unanimous-consent request, and I ask unanimous consent that he be recognized for that purpose.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Oklahoma is recognized.

Mr. NICKLES. I thank the majority leader.

FAIR LABOR STANDARDS PUBLIC EMPLOYEE OVERTIME COMPENSATION ACT

Mr. NICKLES. Mr. President, I ask unanimous consent that the Senate now turn to the consideration of Calendar Order No. 348, Senate Bill 1570, the Fair Labor Standards Act.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 1570) to amend the Fair Labor Standards Act of 1938 to exclude the employees of States and political subdivisions of States from the provisions of that Act relating to maximum hours, to clarify the application of that Act to volunteers, and for other purposes.

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Labor and Human Resources, with an amendment to strike out all after the enacting clause, and insert the following:

That this Act may be cited as the "Fair Labor Standards Public Employee Overtime Compensation Act".

SEC. 2. Section 7 of the Fair Labor Standards Act of 1938 (29 U.S.C. 207) is amended by adding at the end thereof the following new subsection:

"(o)(1) Employees of a public agency that is a State, a political subdivision of a State, or an interstate governmental agency may receive overtime compensation in the form of compensatory time off at a rate not less than one and one-half hours for each hour of employment for which overtime compensation is required by subsection (a) of this section pursuant to—

"(A) applicable provisions of a collective bargaining agreement, memorandum of understanding, or any other agreement between the public agency and representative of such employees; or

"(B) in the case of employees not covered by clause (A), an agreement or understanding arrived at between the employer and employee before the performance of the work.

"(2) In the case of employees described in clause (B) of paragraph (1) hired prior to April 15, 1986, the regular practice in effect on April 15, 1986, with respect to compensatory time off in lieu of the receipt of overtime compensation, shall constitute an agreement or understanding under such clause (B).

"(3) In determining eligibility for overtime compensation under this section, compensatory time off taken during any workweek or work period shall not be counted as hours worked during that workweek or work period.

"(4)(A) No overtime compensation in the form of compensatory time off may be accrued by any employee of a public agency that is a State, a political subdivision of a State, or an interstate governmental agency, in excess of 480 hours for hours worked after April 15, 1986.

"(B) Any employee of a public agency that is a State, a political subdivision of a State, or an interstate governmental agency who has accrued 480 hours of compensatory time off shall, for additional overtime hours of work, receive overtime compensation in accordance with subsection (a) of this section.

"(C) If any employee of a public agency that is a State, a political subdivision of a State, or an interstate governmental agency terminates employment with a particular public agency, the employee shall receive overtime compensation in accordance with the provisions of subsection (a) of this section.

"(D) Any employee of a public agency that is a State, a political subdivision of a State, or an interstate governmental agency who—

"(i) has accrued compensatory time off, and

"(ii) has requested the use of such compensatory time off,

shall be permitted to use such compensatory time off within a reasonable period after the request, if the use of such compensatory time off does not unduly disrupt the operations of the public agency.

"(E) In making a determination under subparagraph (B) or (C) of this paragraph, the rate of compensation of the employee shall be the rate of compensation earned by the employee at the time the employee receives compensation for overtime.".

SEC. 3. Section 7 of the Fair Labor Standards Act of 1938 (as amended by section 2) is amended by adding at the end thereof the following new subsection:

"(p) In determining the hours of employment to which the rate prescribed by subsection (a) of this section applies, the hours worked by an employee of a public agency which is a State, a political subdivision of a State, or an interstate governmental agency, may be excluded by the agency in the calculation of the hours for which the employee is entitled to overtime compensation under this section if—

"(1) the hours worked are solely at the employee's option; and

"(2) the hours are worked—

"(A) on an occasional or sporadic part-time basis for such public agency in a different capacity from the capacity in which the employee is primarily employed;

"(B) by any employee engaged in fire protection or law enforcement activities (including security personnel in correctional institutions), on a special detail for a separate and independent employer, if the public agency by whom the employee is employed requires that its fire protection or law enforcement personnel be hired by the separate and independent employer for the work, otherwise facilitates the employment, or affects the condition of employment of employees of the separate and independent employer; or

"(C) by any employee engaged in fire protection or law enforcement activities (including security personnel in correctional institutions), for another employee who was scheduled to work such hours if the employees have agreed, with the approval of the employer, to substitute scheduled work hours.".

SEC. 4. Section 3(e) of the Fair Labor Standards Act of 1938 is amended—

(1) by striking out "paragraphs (2) and (3)" in paragraph (1) and by inserting in lieu thereof "paragraphs (2), (3), and (4)"; and

(2) by adding at the end thereof the following new paragraph:

"(4)(A) The term 'employee' does not include any individual who is a volunteer for a public agency that is a State, a political subdivision of a State, or an interstate governmental agency, even if the individual is paid expenses, reasonable benefits, or a nominal fee to perform the services for which the individual volunteered, except that an individual who is otherwise employed by the same public agency for which the individual volunteered to perform the same type of services is not a volunteer for the purposes of this paragraph.

"(B) The hours in which an employee of a public agency that is a State, a political subdivision of a State, or an interstate governmental agency performs services on a volunteer basis for a public agency, other than the public agency which is the employee's employer, shall not be considered hours worked for the principal public agency for purposes of sections 6, 7, and 11 of this Act, even if the principal public agency has an agreement for mutual aid with the agency for which the employee volunteers.".

SEC. 5. Section 3(e)(2)(C)(ii) of the Fair Labor Standards Act of 1938 is amended—

(1) by striking out "or" at the end of division (III);

(2) by striking out "who" in division (IV);

(3) by striking out the period at the end of division (IV) and inserting in lieu thereof a comma and the word "or"; and

(4) by adding at the end thereof the following:

"(V) is an employee of the legislative branch or legislative body of a State, political subdivision, or agency and is not employed by the legislative library of such State, political subdivision, or agency.".

SEC. 6. Notwithstanding the provisions of section 8, an employee of a public agency who asserts rights under the Fair Labor Standards Act of 1938 between February 19, 1985, and April 14, 1986, shall be accorded the same protection against discharge or discrimination as is available under section 15(a)(3) of the Fair Labor Standards Act of 1938.

SEC. 7. (a) The Secretary of Labor shall promulgate regulations to carry out paragraph (4) of section 3(e) of the Fair Labor Standards Act of 1938, as added by section 4 of this Act, by March 15, 1986.

(b) Prior to April 15, 1986, the practice of a public agency that is State, a political subdivision of a State, or an interstate governmental agency with respect to the definition of volunteers shall, for the purpose of the amendment made by section 4 of this Act, be controlling.

SEC. 8. (a) Except as provided in subsections (b) and (c) of this section, the amendments made by this Act shall take effect on April 15, 1986.

(b)(1)(A) There shall be no liability under section 16 of the Fair Labor Standards Act of 1938 for any violation arising under sections 7 or 11(c) (as it relates to section 7) of the Fair Labor Standards Act of 1938 occurring prior to April 15, 1986, with respect to any employee of a public agency that is a State, a political subdivision of a State, or an interstate governmental agency who would not have been covered by such Act under the special enforcement policy of the Secretary of Labor concerning States and political subdivisions of States on January 1, 1985.

(B) With respect to any employee described in subparagraph (A) of this paragraph a public agency may defer until August 1, 1986 the payment of overtime compensation under section 7 of the Fair Labor Standards Act of 1938 for overtime hours worked after April 14, 1986.

(2) This Act and the amendments made by this Act shall not affect whether a public agency that is a State, a political subdivision of a State, or an interstae governmental agency is liable under section 16 for a violation of section 6, 7, or 11 of the Fair Labor Standards Act of 1938 occurring prior to April 15, 1986 with respect to any employee of such public agency who would have been covered by the Fair Labor Standards Act of 1938 under the special enforcement policy of the Secretary of Labor concerning States and political subdivisions of States on January 1, 1985.

(3) The amendments made by section 2 of this Act shall apply to any collective bargaining agreement, memorandum of understanding, or other agreement between the public agency and recognized representative of such employees in effect on the date of enactment of this Act.

(c) The provisions of sections 6 and 7 shall take effect on the date of enactment of this Act.

AMENDMENT NO. 881

(Purpose: To make certain technical and minor conforming changes)

Mr. NICKLES. Mr. President, I send an amendment to the desk on behalf of myself and Senator METZENBAUM and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Oklahoma [Mr. NICKLES] for himself, Mr. METZENBAUM, and Mr. BENTSEN proposes an amendment numbered 881.

Mr. NICKLES. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

SHORT TITLE; REFERENCE TO ACT

SECTION 1. (a) SHORT TITLE.—This Act may be cited as the "Fair Labor Standards Amendments of 1985".

(b) REFERENCE TO ACT.—Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be a reference to a section or other provision of the Fair Labor Standards Act of 1938.

COMPENSATORY TIME

SEC. 2. (a) COMPENSATORY TIME.—Section 7 (29 U.S.C. 207) is amended by adding at the end the following:

"(o)(1) Employees of a public agency which is a State, a political subdivision of a State, or an interstate governmental agency may receive, in accordance with this subsection and in lieu of overtime compensation, compensatory time off at a rate not less than one and one-half hours for each hour of employment for which overtime compensation is required by this section.

"(2) A public agency may provide compensatory time under paragraph (1) only—

"(A) pursuant to—

"(i) applicable provisions of a collective bargaining agreement, memorandum of understanding, or any other agreement between the public agency and representative of such employees; or

"(ii) in the case of employees not covered by subclause (i), an agreement or understanding arrived at between the employer and employee before the performance of the work; and

"(B) if the employee has not accrued compensatory time in excess of the limit applicable to the employee prescribed by paragraph (3).

In the case of employees described in clause (A)(ii) hired prior to April 15, 1986, the regular practice in effect on April 15, 1986, with respect to compensatory time off for such employees in lieu of the receipt of overtime compensation, shall constitute an agreement or understanding under such clause (A)(ii). Except as provided in the previous sentence, the provision of compensatory time off to such employees for hours worked after April 14, 1986, shall be in accordance with this subsection.

"(3)(A) No overtime compensation in the form of compensatory time off may be accrued by any employee of a public agency which is a State, a political subdivision of a State, or an interstate governmental agency, in excess of 480 hours for hours worked after April 15, 1986. Any such employee who, after April 15, 1986, has accrued 480 hours of compensatory time off shall, for additional overtime hours of work, be paid overtime compensation.

"(B) If compensation is paid to an employee for accrued compensatory time off, such compensation shall be paid at the regular rate of compensation earned by the employee at the time the employee receives such payment.

"(4) An employee who has accrued compensatory time off authorized to be provided under paragraph (1) shall, upon termination of employment, be paid for the unused compensatory time at the regular rate of compensation earned by the employee at the time the employee receives compensation for overtime.

"(5) An employee of a public agency which is a State, political subdivision of a State, or an interstate governmental agency—

"(A) who has accrued compensatory time off authorized to be provided under paragraph (1), and

"(B) who has requested the use of such compensatory time,

shall be permitted by the employee's employer to use such time within a reasonable period after making the request if the use of the compensatory time does not unduly disrupt the operations of the public agency.

"(6) For purposes of this subsection—

"(A) the term 'overtime compensation' means the compensation required by subsection (a), and

"(B) the term 'compensatory time' or 'compensatory time off' means hours during which an employee is not working and which are not counted as hours worked during the applicable workweek or other work period for purposes of overtime compensation, and for which the employee is compensated at the employee's regular rate.".

(b) EXISTING COLLECTIVE BARGAINING AGREEMENTS.—A collective bargaining agreement which is in effect on April 15, 1986, and which permits compensatory time off in lieu of overtime compensation shall remain in effect until its expiration date unless otherwise modified, except that compensatory time shall be provided after April 14, 1986, in accordance with section 7(o) of the Fair Labor Standards Act of 1938 (as added by subsection (a)).

(c) LIABILITY AND DEFERRED PAYMENT.—(1) No State, political subdivision of a State, or interstate governmental agency shall be liable under section 16 of the Fair Labor Standards Act of 1938 for a violation of section 7 or 11(c) (as it relates to section 7) of such Act occurring before April 15, 1986, with respect to any employee of the State, political subdivision, or agency who would not have been covered by such Act under the Secretary of Labor's special enforcement policy on January 1, 1985, and published in sections 775.2 and 775.4 of title 29 of the Code of Federal Regulations.

(2) A State, political subdivision of a State, or interstate governmental agency may defer until August 1, 1986, the payment of overtime compensation under section 7 of the Fair Labor Standards Act of 1938 for hours worked after April 14, 1986.

SPECIAL DETAILS, OCCASIONAL OR SPORADIC EMPLOYMENT, AND SUBSTITUTION

SEC. 3. (a) SPECIAL DETAIL WORK FOR FIRE PROTECTION AND LAW ENFORCEMENT EMPLOYEES.—Section 7 (29 U.S.C. 207) is amended by adding after subsection (o) (added by section 2) the following:

"(p)(1) If an individual who is employed by a State, political subdivision of a State, or an interstate governmental agency in fire protection or law enforcement activities (including activities of security personnel in correctional institutions) and who, solely at such individual's option, agrees to be employed on a special detail by a separate or independent employer in fire protection, law enforcement, or related activities, the hours such individual was employed by such separate and independent employer may be excluded by the public agency employing such individual in the calculation of the hours for which the employee is entitled to overtime compensation under this section if the public agency—

"(A) requires that its employees engaged in fire protection, law enforcement, or security activities be hired by a separate and independent employer to perform the special detail,

"(B) facilitates the employment of such employees by a separate and independent employer, or

"(C) otherwise affects the condition of employment of such employees by a separate and independent employer.".

(b) OCCASIONAL OR SPORADIC EMPLOYMENT.—Section 7(p) (29 U.S.C. 207), as added by subsection (a), is amended by adding at the end the following:

"(2) If an employee of a public agency which is a State, political subdivision of a State, or an interstate governmental agency undertakes, on an occasional or sporadic basis and solely at the employee's option, part-time employment for the public agency which is in a different capacity from any capacity in which the employee is regularly employed, the hours such employee was employed in performing the different employment may be excluded by the public agency in the calculation of the hours for which the employee is entitled to overtime compensation under this section.".

(c) SUBSTITUTION.—(1) Section 7(p) (29 U.S.C. 207), as amended by subsection (b), is amended by adding at the end the following:

"(3) If an individual who is employed by a public agency which is a State, political subdivision of a State, or an interstate governmental agency agrees, with the approval of the public agency and solely at the option of such individual, to substitute during scheduled work hours for another individual who is employed by such agency in the same activities, the hours such employee worked as a substitute may be excluded by the public agency in the calculation of the hours for which the employee is entitled to overtime compensation under this section.".

(2) Section 11(c) (29 U.S.C. 211(c)) is amended by adding at the end the following: "The employer of an employee who performs substitute work described in section 7(p)(4) may not be required under this subsection to keep a record of the hours of the substitute work.".

VOLUNTEERS

SEC. 4. (a) DEFINITION.—Section 3(e) (29 U.S.C. 203(e)) is amended—

(1) by striking out "paragraphs (2) and (3)" in paragraph (1) and inserting in lieu thereof "paragraphs (2), (3), and (4)", and

(2) by adding at the end the following:

"(4)(A) The term 'employee' does not include any individual who is a volunteer for a public agency which is a State, a political

subdivision of a State, or an interstate governmental agency, if (i) the individual receives no compensation or is paid expenses, reasonable benefits, or a nominal fee to perform the services for which the individual volunteered and (ii) such services are not the same type of services which the individual is employed to perform for such public agency.

"(B) An employee of a public agency which is a State, political subdivision of a State, or an interstate governmental agency may volunteer to perform services for any other State, political subdivision, or interstate governmental agency, including a State, political subdivision or agency with which the employing State, political subdivision, or agency has a mutual aid agreement.".

(b) REGULATIONS.—Not later than March 15, 1986, the Secretary of Labor shall issue regulations to carry out paragraph (4) of section 3(e) (as added by subsection (a) of this section).

(c) CURRENT PRACTICE.—If before April 15, 1986, the practice of a public agency was to treat certain individuals as volunteers, such individuals shall until April 15, 1986, be considered, for purposes of the Fair Labor Standards Act of 1938, as volunteers and not as employees. No public agency which is a State, a political subdivision of a State, or an interstate governmental agency shall be liable for a violation of section 6 occurring before April 15, 1986, with respect to services deemed by that agency to have been performed for it by an individual on a voluntary basis.

STATE AND LOCAL LEGISLATIVE EMPLOYEES

SEC. 5. Clause (ii) of section 3(e)(2)(C) (29 U.S.C. 203(e)(2)(C) is amended—

(1) by striking out "or" at the end of subclause (III),

(2) by striking out "who" in subclause (IV),

(3) by striking out the period at the end of subclause (IV) and inserting in lieu thereof ", or", and

(4) by adding after subclause (IV) the following:

"(V) is an employee in the legislative branch or legislative body of that State, political subdivision, or agency and is not employed by the legislative library of such State, political subdivision, or agency.".

EFFECTIVE DATE

SEC. 6. The amendments made by this Act shall take effect April 15, 1986. The Secretary of Labor shall before such date promulgate such regulations as may be required to implement such amendments.

EFFECT OF AMENDMENTS

SEC. 7. The amendments made by this Act shall not affect whether a public agency which is a State, political subdivision of a State, or an interstate governmental agency is liable under section 16 of the Fair Labor Standards Act of 1938 for a violation of section 6, 7, or 11 of such Act occurring before April 15, 1986, with respect to any employee of such public agency who would have been covered by such Act under the Secretary of Labor's special enforcement policy on January 1, 1985, and published in section 775.3 of title 29 of the Code of Federal Regulations.

DISCRIMINATION

SEC. 8. An employee of a public agency who asserts coverage under the Fair Labor Standards Act of 1938 between February 19, 1985, and April 14, 1986, shall be accorded the same protection against discharge or discrimination as is available under section 15(a)(3) of the Fair Labor Standards Act of 1938.

Mr. NICKLES. Mr. President, the amendment that I am offering on behalf of myself and Senator METZENBAUM is an amendment to a bill which was cosponsored by Senator THURMOND and over 50 other Senators that addresses the Supreme Court decision of February 19, 1985, the so-called Garcia decision.

I wish to thank my colleagues for their cooperation in working with us. We have had a multitude of meetings, trying to alleviate a lot of the concerns and also some of the problems that that Supreme Court decision has brought about for some of the cities and counties and States.

Mr. President, we have been working on this for months. It has been a difficult process, but one on which I think everyone has been cooperating, I believe we have had a successful conclusion. I believe we have brought about a product which alleviates most of the problems that have been addressed to this committee.

Mr. President, I am pleased that we are today considering S. 1570, a bill to amend the Fair Labor Standards Act of 1938 to allow the use of compensatory time off—"comp" time—in lieu of overtime for certain public agency employees and to provide other clarifications in the application of that act to employees and volunteers for State and local governments.

The Labor Subcommittee, which I chair, held a 3-day hearing on the impact of the Supreme Court's ruling in Garcia versus San Antonio Metropolitan Transit Authority on State and local governments. This ruling upheld the 1974 congressional extension of the FLSA to these public agencies. The financial impact on State and local governments was disputed by the parties but one theme seemed to dominate the hearings. That message was that both State and local government employees and employers liked the use of comp time and did not want to lose it as an option. This bill restores comp time while providing some reasonable restraints on its use.

In addition, there was concern over the treatment of volunteers under the FLSA. The joint employment concept under FLSA presented similar problems to State and local governments. The bill addresses these areas and provides clarity.

The bill we are considering today is different from the bill I originally introduced and represents a compromise among the affected parties. In my opinion, it is an extremely fair balance among all of the competing interests. I am pleased that this compromise retains the support of the U.S. Conference of Mayors, the National League of Cities, the National Association of Counties, the National Conference of State Legislators, the AFL-CIO, and the Fraternal Order of Police. I ask unanimous consent that copies of letters from these organizations be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

OCTOBER 9, 1985.

Hon. DON. NICKLES,
Hon. HOWARD METZENBAUM,
Committee on Labor and Human Resources, U.S. Senate, Washington, DC.

DEAR SENATORS: The National Association of Counties, National Conference of State Legislators, National League of Cities and United States Conference of Mayors commend you both for the leadership you have shown in resolving the difficulties faced by state and local governments across the nation as a result of the Supreme Court's decision in the *Garcia* v. *the San Antonio Mass Transit Authority* case.

The legislation you have introduced, S. 1570 as amended, the Nickles-Metzenbaum bill, provides a solution to the problems created by *Garcia* which is balanced and equitable for all parties. It maintains the principles of the Fair Labor Standards Act and at the same time recognizes the special circumstances faced by public employers and public employees.

Be assured that you have the strong support of all of our organizations for your bill and that we will provide whatever assistance is needed to achieve its passage in its current form.

Sincerely,

JOHN J. GUNTHER,
Executive Director, U.S. Conference of Mayors.
MATT COFFEY,
Executive Director, National Association of Counties.
ALAN BEALS,
Executive Director, National League of Cities.
EARL MACKEY,
Executive Director, National Conference of State Legislators.

AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS,
Washington, DC, October 10, 1985.

Hon. DON NICKLES,
Hon. HOWARD METZENBAUM,
Subcommittee on Labor, Committee on Labor and Human Resources, U.S. Senate, Washington, DC.

DEAR SENATORS: On behalf of the AFL-CIO, I want to express our support for the revised version of S. 1570. Your joint efforts to obtain the approval of the full Committee are appreciated.

In the AFL-CIO's judgment, S. 1570, as revised, reflects a balanced approach that resolves the questions raised by the U.S. Supreme Court's decision in *Garcia* v. *San Antonio Metropolitan Transit Authority*. The bill preserves the integrity of the Fair Labor Standards Act which is so vital to the interests of employees while addressing the concerns of public employers.

The AFL-CIO will provide whatever assistance is needed to achieve passage of the bill in its current form.

Sincerely,

RAY DENISON,
Director, Department of Legislation.

STATEMENT OF RICHARD A. BOYD, NATIONAL PRESIDENT, FRATERNAL ORDER OF POLICE, 171,000 MEMBERS IN 42 STATES.

The Fraternal Order of Police, the nation's largest law enforcement organization, supports the amended version of the Nickles/Wilson S. 1570. Due to the tough, down in the trenches work of Senator Nickles, public employee organizations and public employer groups came together to work out an acceptable alternative to the current language of the Fair Labor Standards Act, as interpreted by the U.S. Supreme Court, to allow public agencies to reduce their financial liability in the payment of overtime compensation. This proposed compromise then met the scrutiny of Senate staff, representing the varied views of their respective U.S. Senators and their jurisdictions.

What everyone has come up with is a bill which incorporates most of the problems experienced by public employees and public employers alike. Specifically, law enforcement received most of what it asked of the Congress:

1. Public employees will not be removed from the guarantees of overtime compensation under the Fair Labor Standards Act (FLSA);

2. Public employees will be given pay or compensatory time off, based on a collective bargaining agreement, or the recognized past practice of the agency as of April 1986;

3. Overtime pay, and overtime compensatory time off, will be earned at the premium rate; 1.5X;

4. There is a 480 hour cap on accumulated compensatory time, so if an employee reaches that limit, the employer is either going to have to pay or give the time off; but this is not to say that an employee cannot ask for the time off prior to the maximum accumulation, and that employee will receive the time off as it can best be scheduled; and

5. Takes public agencies out of any requirement to pay overtime to the officer working an extra job, even if that job is required security by the agency.

Of course, in any compromise, there are things which public employees did not ask for, none of which, in the spirit of this working compromise, will hold up support of the Fraternal Order of Police.

The Fraternal Order of Police across this nation, and myself personally, thank U.S. SENATOR DON NICKLES for his work on this important proposal. Without Don Nickles the legislation would not be at this stage, because he alone, and his capable staff, established the tone for PUBLIC EMPLOYEES and PUBLIC EMPLOYERS alike. We think that this legislation will pass the test of Congress and the scrutiny of the President.

Mr. NICKLES. Mr. President, I wish to thank Senator METZENBAUM for his assistance in negotiating this final bill and Senator WILSON for his help in focusing attention on the problems resulting from the Garcia decision. The administration has also provided invaluable assistance both in negotiating this bill and in facilitating its passage.

It is my understanding that the House of Representatives will consider legislation very similar to S. 1570 on Monday, October 28, 1985. I hope that a final bill can be agreed to by both the House and the Senate and sent to the President before November 1, 1985, the day the Department of Labor will begin enforcing the FLSA as it applies to State and local governments. It is also my hope that a conference will not be necessary and that differences in the two versions can be resolved in the same spirit of cooperation that has prevailed so far.

Mr. President, again I really do wish to thank my colleagues who have had the willingness to work with us in trying to resolve these issues. Senator METZENBAUM and his staff have worked long and hard. Senator STAFFORD and his staff have had a good deal of input. Senator WILSON was instrumental in bringing this issue to the forefront in the Senate. I compliment them. I believe, together, we have been able to come up with a positive package. I hope that the Senate will adopt the conference report tonight.

Mr. METZENBAUM. Mr. President, I am pleased to be a principal cosponsor of the Fair Labor Standards Public Employee Overtime Compensation Act of 1985. State and local governments across the country have expressed serious budgetary concerns in having to comply with the overtime provisions of the FLSA ever since the Supreme Court—in its Garcia decision issued in February of this year—reinstated the FLSA amendments of 1974. The budgetary problems faced by public employers could affect millions of taxpayers, forcing them to endure a loss in vital public services, or a burdensome increase in taxes, or both. For months, we all have been aware that this potential fiscal crisis cried out for the attention of Congress.

At the same time, it is equally clear to me that 7 million State and local government employees deserve the protection of the FLSA. That protection has been afforded to workers in the private sector since the new deal, and to employees of the Federal Government since 1974. State and local employees should not be treated as second class citizens.

This bill, which reflects the considerable efforts of many individuals, represents a fair and equitable compromise. I am very pleased that Senator NICKLES and I, along with other committee members, were able to develop a piece of legislation which is both responsive to the concerns of affected groups and responsible from the vantage point of the public at large. I wish to thank Senator NICKLES and his staff for their fine work in helping to craft a bill that accommodates the interests of all sides. The bill is in many respects a textbook example of how the legislative process should work.

It is significant that this compromise has been enthusiastically endorsed by the National League of Cities, the U.S. Conference of Mayors, the National Associations of Counties, and the National Conference of State Legislators. These public employer groups have praised the bill as "provid[ing] a solution to the problems created by Garcia which is balanced and equitable for all parties. It maintains the principles of the Fair Labor Standards Act and at the same time recognizes the special circumstances faced by public employers and public employees." The AFL-CIO has praised the bill in similar terms, stating that it "Preserves the integrity of the Fair Labor Standards Act which is so vital to the interests of employees while addressing the concerns of public employers."

I also consider it significant that the bill vindicates the Supreme Court's faith in the role of Congress as a cornerstone of our Federal system of government. As expressed by the Garcia court, our Constitution contemplates that the proper protection for the sovereign interests of States and their political subdivisions lies not in directives issued by the Federal Judiciary but rather in the give-and-take of our federal system—especially the role of the States and cities in the political process. In responding to the concerns expressed so strongly by public employers, we have confirmed that the political process works, and works in the responsible fashion envisioned by our Founding Fathers.

The bill, S. 1570 as amended, will give State and local governments the flexibility they need to operate without going into the red. By negotiating with their employees for compensatory time in lieu of overtime pay. At the same time, by requiring that compensatory time be made available at the premium rate and that employees be able to use, preserve or cash out this time under appropriate conditions, the bill provides public employees with meaningful FLSA protections for any overtime worked. The bill also creates flexibility for public employers and employees in other areas, such as volunteer services and joint employment. Finally, by deferring enforcement of the FLSA overtime provisions until April 15, 1986—1 year after the Garcia decision—the bill provides ample time for State and local governments that have not already done so to achieve full compliance with the requirements of the law.

In addition to the work done by Senator NICKELS and his staff, I also would like to thank Senators KENNEDY, MATSUNAGA, PELL, and STAFFORD, who were influential in resolving this matter constructively at the committee stage.

Mr. President, the Secretary of Labor has made it clear that he will

enforce the FLSA with respect to State and local government employees beginning on November 1, unless Congress acts to modify the requirements of the act. It is imperative that this bill—which has the support of both parties and all major affected groups—reach the President's desk in time to become law prior to November 1. I am gratified that the bill is being approved promptly in this Chamber, and I hope that it receives the same expedited review and approval in the House of Representatives.

Mr. President, this legislation is going to pass, I would guess, unanimously or, if not unanimously, almost unanimously. And it will pass on the basis that it has been agreed upon after a Herculean effort by the staff of Senator NICKLES, my own staff, and the staffs of others who have been previously mentioned.

Were that not to be the case, you might be assured of the fact that this would be a knock-down, drag-out battle on the floor of the Senate, because we had here a situation where, in the Garcia decision, the Court provided that public employees of State, counties, and cities were entitled to be paid overtime under the Fair Labor Standards Act. So the local governmental agencies suddenly recognized that they were faced with a retroactive obligation to their employees which could run up into the millions of dollars.

The question then came before us: Well, how do we handle a matter of that kind? How do we get the employees to agree? How do we get the unions that represent them to agree and how do we get the States, counties, and municipalities to agree?

I am proud of the fact that, through the efforts of Senator NICKLES, myself, and others, we have come to that agreement which is more particularly spelled out in the legislative proposal. I will not burden the Senate with the specifics of that understanding, but I will say to my colleagues that it very well might have been otherwise. I believe it is a tribute to the fact that we can legislate when necessary, we can move forward in a positive way when necessary, and we need not always find ourselves in the position of bickering or differing over details.

In this instance, we have agreed upon the result. It is a good result. I hope that there will be a unanimous vote for the result that has been achieved.

Mr. THURMOND. Mr. President, I commend Senator WILSON, who first brought this matter up, and I joined him on a bill. I also wish to commend Senator NICKLES, and I joined him on a bill.

In my opinion, I think the Garcia decision was an unfortunate decision, because it required overtime pay when policemen and firemen worked overtime, whereas before they could give compensation time, time off. I think that was a good arrangement. It worked well.

But since this Garcia decision was handed down, it was a question of whether we were going to try to reverse it entirely or reach a compromise, as has been done here. I think it is unfortunate that we have to reach this compromise, because this is going to work a hardship on some of the counties and some of the cities.

On the other hand, it seemed it might have been a drawn-out affair here and we might not get anything done. In view of that, I am willing to go along with this compromise that has been reached here and worked out chiefly by Senator NICKLES and Senator METZENBAUM. I hope the Senate will see fit to pass it.

Again, I wish to pay my respects deeply to Senator WILSON, who did such a fine job on this, and congratulate Senator NICKLES and Senator METZENBAUM.

Mr. WILSON. Mr. President, first let me express my gratitude for the very gracious tribute from my friend from South Carolina, the senior Senator, Senator THURMOND. Let me also commend Senator NICKLES, the distinguished chairman of the subcommittee, for shepherding this legislation through his subcommittee and through the full committee chaired by our friend, the Senator from Utah, Mr. HATCH.

Mr. President, I am going to be something of a wet blanket, because I am not able to say that this is a statesmanlike compromise. I am not criticizing for one moment any of those that participated in it, certainly not Chairman NICKLES.

But I must tell you that while this is an improvement over what would occur were there no such legislation—and a significant improvement—it is still but half a loaf. It, by no means, corrects Congress' terrible transgression committed many years ago when we passed the overtime provisions of the Fair Labor Standards Act. A decade ago, Mr. President, the Supreme Court of the United States, in a correct decision, the Usery decision, told Congress that we had been guilty of terrible overreaching, in flagrant derogation of the 10th amendment. We had decided that we would act as a city council for the cities of America and that we would substitute our judgment for theirs as to how they should budget their resources.

Unhappily, Mr. President, recently a member of the majority on that Court woke up and, for no apparent reason, changed his mind and we have a five to four reversal of the Usery decision in the Garcia decision. The effect of that is we have been told to mandate State and local governments to pay overtime in cash. It knocks out what had been the almost universal and successful practice of State and local government in paying what is called comp time, compensatory time, off in lieu of cash.

We have come to this compromise, Mr. President, for two reasons: First, the municipal employee unions recognized that a great many of their people, particularly the safety members, policemen and firemen, very much preferred having the option of comp time, compensatory time, off because in many cases they needed it and desired it far more than cash. Second, they awakened to the terrible financial burden that would have been visited upon State and local governments across this land. Literally hundreds of millions of dollars annually would have been expended for no additional service. And the fact is it would have imposed upon State and local governments the terrible choice as to whether they would increase taxes substantially to maintain exactly the same level of service or, failing to do that, would suffer a marked reduction in the level of service that they provided to their citizenry. That was the reason that the municipal employee unions sought to enter into this compromise.

But, of course, what we have not dwelt upon, Mr. President, is the fact that their pound of flesh in this was that they are now guaranteed, by a statutory guarantee, that the right of overtime will not be what it is as the result of collective bargaining. No, the irony is that they have eschewed collective bargaining in favor of a statutory guarantee that it will be at time and one-half. Now, the result of that, Mr. President, is, of course, that those same State and local governments will receive some degree of relief under this compromise, but that they will still experience significant added costs as a result, not of the Garcia decision, but as a result of this statutory guarantee.

What has happened in the past, Mr. President, is that State and local governments, particularly those operating under revenue limitations who are unable to raise taxes, have bargained collectively with their employees.

They have in most instances agreed to pay some overtime in cash, most of them at time and one-half. Some have agreed that they would pay compensatory time off, some at time and one-half, and others lacking those resources have agreed that after a certain point they would give compensatory time off at the rate of so-called straight time—a day off for a day worked, an hour for an hour.

Mr. President, the reason that the State and local governments have agreed to this compromise is very simply because they had no choice. The municipal employee unions had

them over a barrel because we are facing a deadline, a deadline of November 1. That is the drop-dead date upon which the Department of Labor is required to implement new regulations under the Court decision in the Garcia case.

Mr. President, I suggest that this compromise is going to come back to haunt those who have struck this hard bargain because they are going to find out that as State and local governments face the unpleasant fiscal reality of having to accommodate this legislation, it is going to result in precisely what I described earlier, the unpleasant choice between reducing service and increasing taxes.

In those jurisdictions where they may not increase taxes, as in my home State of California, they have no choice. They will simply reduce services, or to avoid it, they will allocate from other desirable programs moneys for their support so that they can maintain even more essential services of police and fire protection. But what they will undoubtedly do is avoid overtime like the plague because they simply will be unable to afford it. That means they will reduce the level of service. What it means, in addition to the employees, is that they will seek ways to reduce their force levels. There will be people who lose jobs as a result of this legislation. That is unfortunate not only for the employees but obviously for the citizens who depend upon them for essential services.

Mr. President, one day a new court, a court sworn to uphold the Constitution including the amendments to it, will recognize that the 10th amendment should not be treated by the Congress as a dead letter. They will in fact say that it is their prerogative, in fact their duty, to honor not just the spirit but the letter of the law as expressed in the 10th amendment, and give it the kind of protection from the Congress that it has not had certainly in this decision.

I only hope that there will be a very few employees who lose their employment because of this legislation. I hope that no tragedy will occur as a result of reductions in service levels by State and local government. And I hope that one day, Mr. President, not only the Supreme Court but the Congress of the United States once again recognizes that the 10th amendment was a mandate to reserve to the States those powers not specifically delegated under the Constitution to this Federal Union. It is a rather central proposition. It is not just ironic. It is a bitter irony that we are ignoring that mandate.

Mr. President, I do not celebrate this as a triumph. I commend the good, hard work by Chairman NICKLES and by others who have sought to make the best of a very bad situation. They have taken this situation and forged a compromise that will in fact, to be fair, provide significant relief but it is a significant way from what should have occurred. There should be total exemption for State and local governments from the operation of the Federal Fair Labor Standards Act in this area of overtime.

So congratulating Chairman NICKLES on his hard work, I look forward to the day when we can really set right this miscarriage of justice, and this flagrant disregard of the 10th amendment to the U.S. Constitution. I am not going to ask for a rollcall, Mr. President, because like those who have spoken before, for the reasons that I have indicated, I hope that this measure passes. I do not wish to engage in the kind of irresponsibility that would result if we pass November 1 without this action. I would love to have that knock-down, drag-out fight that my friend from Ohio talked about. But frankly, it is a luxury that we cannot afford. We simply cannot require the State and local governments and those citizens whom they serve to experience the tremendous financial burden, and the loss of services that would otherwise ensue if we were to go forward, allow the Garcia decision to become law, and to govern the operation of State and local governments.

Mr. President, I thank my colleagues for their patience. This is a night on which we are seeking to do the business as expeditiously as possible, but I have taken these minutes of my colleagues' time because I guess it is clear I speak from deep conviction about this. I spent 5 years in State government, 11 as the mayor of a large city bargaining collectively in good faith with municipal employees. That process worked, Mr. President. It would work again if Congress would keep its hands off. We have no business intruding in this area. We should not have passed the first instance that provision of the Fair Labor Standards Act that seeks to set wages by statute rather than by collective bargaining.

Mr. President, I thank the Chair.

Mr. MATSUNAGA addressed the Chair.

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I again want to commend my good friend and colleague from California. The Senator speaks with conviction. The Senator has spoken with me and other Senators off and on on this issue. As former mayor of the city of San Diego, the Senator has had personal, firsthand experience on administering city affairs and has dealt with some of these issues firsthand. I think the contribution of the Senator has been very, very significant to this legislation.

I might just quickly say that the bill does provide many benefits. We do offer the flexibility for State and local governments to offer compensatory time off in lieu of overtime having to be paid for only by cash. The comp time is calculated at time and a half. And one of the major, most important things is we have an effective date of April 15 of next year. So we basically eliminate all the potential liability which is in the billions. We also exempt volunteers, which is extremely important for all the cities, all the counties, and all the States. So it is a very significant piece of legislation, one that I think will help.

Mr. President, we have over 50 cosponsors.

Also, I ask unanimous consent that Senator CHAFEE and Senator LAUTENBERG be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

PUBLIC EMPLOYMENT COVERAGE UNDER THE FAIR LABOR STANDARDS ACT

Mr. KASTEN. Mr. President, I rise in support of the legislation before us today which will address a serious situation for public employers and employees throughout the Nation. This carefully crafted compromise will relieve State and local governments and their employees from the inflexible overtime pay requirements of the Fair Labor Standards Act [FLSA] and ensure the continuation of vital community services across America.

There are few in this body who have not heard about the devastating potential of the Supreme Court's decision on Garcia versus San Antonio Metropolitan Transit Authority. In that ruling, the court determined that State and local governments, which were traditionally exempt from the maximum hours provisions of FLSA, must comply with those provisions by April 15, 1985. Department of Labor enforcement of the new pay requirements was to begin on October 15 of this year.

The "Garcia" ruling would prohibit public employers from allowing its employees to use compensatory time in lieu of overtime pay. It would require overtime pay for regular employees as well as volunteers.

In effect, this decision would require that public employees receive overtime pay instead of comp time whether they want it or not. Likewise, volunteers who perform community services would have to be paid overtime whether they want it or not. This situation is particularly troubling for employees who prefer or even require the flexibility of comp time to meet their particular needs. It is no more desirable to volunteers who might be prevented from participating in the community due to the added costs of their services. It is ironic that the new pay requirements designed to benefit public

workers may actually work to their disadvantage.

The impact of the pay provisions on financially strapped State and local governments is equally troubling. One conservative estimate sets the cost of the "Garcia" requirements at $12 million a year for the State of Wisconsin. Consider, for example, an estimated cost of at least $4 million in additional costs a year for Wisconsin State government. Or about $1.5 million more per year for the city of Milwaukee, and roughly $200,000 a year for the city of Oshkosh. The list goes on and on for jurisdictions from one end of the State to the other.

Ultimately, what the new pay requirements mean are increased costs to taxpayers or outright elimination of jobs and crucial commmunity services. The greatest irony of the "Garcia" requirements is that they fly in the face of collective bargaining and limit the employees' ability to negotiate agreeable work benefits.

Fortunately, Secretary Brock delayed implementation of the overtime pay requirements until November 1. This means Congress has time to address the ruling before it goes into effect. But we must act quickly to avert a potentially disastrous situation for State and local governments and their employees.

Mr. President, I believe that the measure we are considering today effectively addresses the needs of public employers and employees and works to the advantage of both. This legislation allows compensatory time in lieu of overtime at time and a half rates, up to 480 hours per year. This will allow workers with erratic work periods more flexibility in meeting their needs. Along with the elimination of retroactive payments, it provides State and local governments more financial breathing room.

This legislation also exempts volunteers from the overtime pay requirements. In addition, it allows public employees to work part time or as volunteers for the same employer in a different capacity with only the primary job counting toward overtime due. These two provisions will resolve major legal tangles for State and local governments and ensure the continuation of numerous community services.

It is important to note that this measure will not exempt State and local government from any other provisions of the FLSA such as minimum wage requirements, the Equal Pay Act or child labor prohibitions.

As a cosponsor of S. 1570, the original bill to address the problems resulting from the Garcia decision, I am pleased that we now have the opportunity to act on this compromise package. I know that many would have preferred some changes in the compromise package, such as comp time in lieu of overtime at an equal time exchange rate. But we must recognize that these provisions were carefully crafted over a series of long, difficult negotiations. To undo a thread of this compromise could unravel the entire package.

Mr. President, I believe that this package resolves some critical State and local issues and it does so in a fair and equitable manner. I urge my colleagues to join in support of this bill for the benefit of State and local employers and employees and taxpayers throughout the Nation.

Mr. SYMMS. Mr. President, I want the RECORD to show that I oppose S. 1570 as amended and reported by the Committee on Labor and Human Resources.

What is before us today as a compromise is, in reality, a major defeat for America's cities and municipalities and most importantly for our Constitution.

On July 15, I joined Senator WILSON in introducing S. 1434, a bill to amend the Fair Labor Standards Act [FLSA] of 1938 to exclude the employees of States and their political subdivisions from the provisions of that act relating to maximum hours. On August 1, I joined Senator NICKLES, the chairman of the Labor Subcommittee, Senator WILSON, and others as an original cosponsor of a similar measure designed to overturn a Supreme Court decision, *Garcia* v. *San Antonio Metropolitan Transit Authority* 105 S.Ct. 105, February 19, 1985, which my fellow cosponsors and I termed "disastrous." Senator NICKLES said on that day:

I am convinced that Federal intrusion into the employer-employee relationship at the State and local level is totally unwarranted.

As introduced, this measure heeded the cries and outrage of our cities' officials who were faced with one of the most preposterous reversals in case law ever handed down by our Supreme Court. In 1984, following *Maryland* v. *Wirtz* 392 U.S. 183, 1968, Congress moved to extend Fair Labor Standards Act [FLSA] coverage to virtually all State and local government employees. In 1976, however, the Supreme Court ruled that this congressional action could not withstand constitutional muster. In *National League of Cities* v. *Usery* 426 U.S. 833, 1976, the Court held that the Commerce Clause did not empower Congress to enforce the FLSA requirements against the States "in areas of traditional government functions." 426 U.S. at 852.

National League of Cities was a victory for the States, for our cities, and for the 10th amendment to the Constitution. Mr. President, as my colleagues are well aware, the 10th amendment reserves to the States all powers "not delegated to the United States by the Constitution, nor prohibited by it to the States." I cosponsored the original version of this bill because I had faith that when the Supreme Court, in which "The Judicial Power of the United States—is—vested * * *," neglected to read the 10th amendment, my colleagues in this Congress would heed the call of States rights.

I have always believed; and believe even more so in the present instance, that Congress must act to protect States rights and restore meaning to the words of the 10th amendment. As reported by the Committee on Labor and Human Resources, S. 1570 does nothing to protect these rights and for that reason, I cannot support this legislation.

I appreciate the statement of Assistant Attorney General for Civil Rights, William Bradford Reynolds, who testified before Senator NICKLES subcommittee regarding the impact of Garcia. I will not attempt to summarize his remarks, but I want to quote from two sections of Mr. Reynold's testimony for the benefit of those Senators who have not focussed in the constitutional questions associated with the Garcia decisions.

The decision essentially reads the Tenth Amendment out of the Constitution as an effective limitation on the power of Congress to regulate the states under the Commerce Clause. . . . The Court's decision goes beyond the misinterpretation of an isolated constitutional provision; it misapprehends the fundamental role of the states in our system of government. . . . [States] are now held as nothing more sovereign than ordinary private entities when Congress seeks to flex the awesome muscle of its power to regulate commerce.

By recognizing the states' sovereignty and preserving their ability to govern, we better secure our ultimate goal of political liberty for all Americans through decentralized government. Let there be no mistake on one point, however. The Administration does not advocate "states' rights" in any narrow negative sense; we advocate states' responsibilities. And in the vast majority of the cases; state and local governments have managed their affairs in a fully responsible fashion by reaching agreements with their workers, by providing services to their citizens at costs acceptable to their taxpayers, and by securing justice for their inhabitants.

While the damage to judicial application of the Constitutional doctrine of federalism caused by Garcia will likely remain until the Supreme Court can be persuaded to remedy it, the Court's reliance upon Congress as the sole bulwark against federal encroachments means that the direct, practical harm of the Garcia holding can be undone by legislation. Even if not constitutionally required to do so, Congress should for sound policy reasons preserve to state and local governments the authority they need to manage their own affairs.

Mr. President, under the original version of S. 1570, this Congress could have shown that it can be the "sole bulwark against Federal encroachments." This compromise bill is perhaps the best example of Congress' inability to restrain its ever-increasing power to interfere. This essentially new bill extends FLSA coverage to tra-

ditional employees of State and local governments, an extension which the language of the 10th amendment, given any meaning at all, clearly prohibits.

With the decision by both Houses of Congress to follow this path, and with the political fallout much too weighty for even the strongest objector to work against this so-called "compromise," I can only ask: Are there any powers which remain the exclusive domain of State governments and have not been unsurped by the Federal Government? The answer, Mr. President, in light of the Court's ruling and the passage of this bill, is a resounding no.

I do not want to close without complimenting the diligent efforts of my good friends Senator NICKLES and Senator WILSON. These men had the courage to act immediately to introduce the original versions of this legislation. Like me, they believe the language of the 10th amendment has meaning today just as it had meaning nearly 200 years ago. I am pleased to have worked with them in this battle to protect our cities and municipalities from the disastrous effects of the Garcia decision.

Mr. HATCH. Mr. President, I rise in support of S. 1570, as amended. I want to commend Senator NICKLES for his diligence in bringing us this compromise measure. Without his perseverance, and leadership, as chairman of the Senate Labor Subcommittee, we may not have been able to provide adequate relief to State and local governments which are currently struggling to provide essential public services to citizens with limited resources.

I do, however, wish to express my continuing concern that coverage of State and local government employees in the Fair Labor Standards Act is beyond the limit of necessary Federal intervention in the affairs of States and localities under the 10th amendment. The bill we are considering today does not fully address this concern. I do not want my support for this bill to be construed as approval of the FLSA provision it modifies, or of the Court's acceptance of it in Garcia. This is not a question of protecting worker rights. This is a question of defining the proper responsiblities of the Federal Government.

Nearly every State has a labor standards statute of its own. If States had wanted State and local government employees to have time and a half for overtime instead of compensatory time, they could have authorized it. Both Congress and the Supreme Court should take another look at the constitutional aspects of the Garcia decision lest we allow it to make federalism a thing of the past.

It is my hope that the States, counties, cities, and townships which participated in the making of this legislation will not be satisfied with only the economic relief provided in this bill. If they do not challenge the underlying basis for the Garcia decision they will be abdicating their own political prerogatives as members of a union of States in exchange for what could be only the temporary easing of financial hardship.

I am supporting the compromise proposal because it is necessary to prevent the taxpayers in every single city in America from suffering reduced services and higher taxes to pay for burdensome, federally imposed requirements. These is no question that immediate action by the Congress is essential before the Department of Labor begins enforcement of mandated overtime pay regulations on November 1, 1985, less than 2 weeks away. Even though I believe this is an incomplete solution to the issue, and the principle of federalism deserves to be held up in this debate, prudence suggests that we should go forward with the legislation.

I appreciate the cooperation that has been exhibited on this matter by the members of the Labor and Human Resources Committee, particularly Senators NICKLES, STAFFORD, PELL, METZENBAUM, and our very fine legislative staffs. The bill, S. 1570, represents a true bipartisan compromise. I also wish to commend the efforts of Senator WILSON in effectively dealing with this issue and his help in bringing this bill to the floor.

Once again, I urge the expeditious enactment of this measure.

Mr. FORD. Mr. President, I had intended to offer an amendment to this bill, similar to the language of a bill I have introduced in the last two Congresses, which would exempt State law enforcement officials from provisions of the Age Discrimination in Employment Act [ADEA] dealing with mandatory retirement.

Since 1947, Congress has recognized the need for early retirement benefits for Federal law enforcement personnel and has provided special early retirement benefits to those Federal employees whose duties are primarily investigating, apprehending, or detaining persons suspected or convicted of committing Federal crimes. These Federal employees include personnel in the Bureau of Prisons, the FBI, the Internal Revenue Service, the Immigration and Naturalization Service, the Secret Service, the Customs Service, and the Postal Service. Congress has consistently maintained that the need for early retirement policies for these employees has been to improve and maintain the quality, efficiency, and productivity of Federal law enforcement activities.

Similarly, State law enforcement agencies have long recognized early retirement as necessary to attracting and maintaining a quality force capable of physically and emotionally meeting the hazards of the job. However, in recent years, the EEOC, under provisions of the ADEA, have brought suit against several States, including Kentucky, challenging early retirement policies. Most recently, the Supreme Court reviewed this issue in the case of Johnson against Mayor and City Council of Baltimore in which it held that the age 55 retirement age for Federal firefighters does not represent a determination by Congress that age 55 is a bona fide occupational qualification [BFOQ] to the requirements of ADEA. This decision, and a subsequent decision in Western Airlines against Criswell jeopardizes the ability of our States and communities to structure retirement policies which meet their specific needs.

The amendment that I sought to offer to this legislation, S. 1570, would have attempted to deal with this growing problem. However, I recognize that this bill represents the result of long and tedious negotiations between the primary sponsors, my distinguished colleague from Oklahoma, Senator NICKLES, and my distinguished colleague from Ohio, Senator METZENBAUM, and any move to amend it might jeopardize the good work they have done in reaching a consensus on a response to another Supreme Court decision in Garcia against San Antonio Metropolitan Transit Authority.

In order to accommodate my colleagues, I have agreed not to offer my amendment at this time, with the understanding that the chairman of the Labor Subcommittee, Senator NICKLES, will hold hearings on this important issue early next year. The good Senator has been most accommodating to me, and I appreciate his consideration of my request, and I thank him for his courtesy.

Mr. NICKLES. Mr. President, I appreciate the words of the Senator from Kentucky and I am grateful to him for not pressing his amendment at this time. We have worked long and hard to arrive at the bill before us, and any attempt to amend it at this time could derail the agreement we have reached.

I share the Senator's concern that it is time to address this issue and as chairman of the Labor Subcommittee, I have agreed to schedule a hearing on this matter next year. I thank my colleague from Kentucky, Senator FORD, for withholding his amendment, and I look forward to working with him on this issue.

Mr. METZENBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, I think we all want to proceed forward promptly to a vote, but because there were some comments made by the dis-

tinguished Senator from California that might cause some to have a misunderstanding of the facts, I think it is important that we point out that there is nothing in the Fair Labor Standards Act, nor anything in the court decision that would provide for the setting of wages. All Congress did was provide that they have to pay time and a half over 40 hours. What happened was about 10 years ago the courts said that was not applicable to public employees. More recently, in February 1985, the court reversed itself and said it was applicable to all employees. If it is applicable to all employees, therefore, they are entitled to time and a half compensation.

What Congress is doing in this effort is we are not legislating what people are going to get paid. We are trying to make it possible to amend the law so that law passed maybe almost 50 years ago, which has been interpreted by the courts to mean to be applicable to State and county and other public employees, will not create an unreasonable burden on the State, counties, and municipalities.

We are not saying that something is new. This is not anything new. This is a matter of ameliorating a problem that exists. You say that Congress should not involve itself in a matter of this kind, that we ought not to be involved and let collective bargaining take place.

I do not have to spell it out for my colleague from California that there are many employees who do not have a collective bargaining agent, and, therefore, there is a concern about them.

The fact is at this instant, to the surprise of many of us, through the able efforts of many of our staffs as well as ourselves we were able to affect a compromise, a compromise that the public bodies and the public employees are all satisfied with.

I would have hoped that the Senator from California would be on the floor recognizing that without this bill, without this legislation, there would be a very, very large burden placed upon the public bodies of this country. Because this legislation hopefully will be signed into law before November 1, that will not occur. Therefore, rather than be critical, I think he might very well have been in the position, having been a former mayor, to say that we have provided this, and the representatives of all the State, county, local and municipal employees are saying this is a great solution. I am sorry that the former mayor of San Diego in this instance does not see fit to join the chorus. If he feels strongly that he wants to vote no, of course, this is his privilege, but I think an eloquent result has been obtained and I am sorry he does not see it that way.

Mr. WILSON. Mr. President, it is true, and I think I have indicated that already, that without this legislation a far greater burden would befall the cities and States of this Nation. But if the Senator from Ohio wonders why I do not join in declaring victory, it is because of the numerous mayors I have talked to, not just in my own State but all across the country who say, "It is the best we can get. We do not like it. It is going to cost us money but if we do not pass it, of course, it will cost us far more."

That is why I do not celebrate with the Senator. It is half a loaf, I hope, but it is a serious mistake. I must say that when Congress dictates that there will be premium overtime, time-and-a-half, that, in my judgment, is setting wages. We may not have set the scale, but we have said that whatever is overtime shall be guaranteed to be time-and-a-half whether it be in cash or compensatory time off.

I will tell you what people have told me, and that is that people in the State of Ohio as well as mine will suffer as a result because those charged with delivering service to them will be unable to deliver the same level of service without raising taxes or without reallocating resources. Many of them will not do it. They will take the way out of cutting service. There is simply no avoidance.

I must say that with respect to the universal joy described among those who participated in the bargaining process, that is an exaggeration as well. Frankly, I am not pleased at all with the performance of those who purported to represent the city and State governments. I do not think they did a very good job in bargaining. But to be fair, I will say that because of the November 1 deadline and the calamity that awaits them without some action, that, in fact, they were over a barrel.

I will have to tell him that if he is sorry I cannot join him in celebrating, I am sorrier than he is, but I would be a fool in celebrating this. It is a far better thing than would occur without it.

May I address a question to the distinguished chairman of the subcommittee?

Mr. President, the question I address is this: It is my understanding that the compromise which has been described in such glowing terms has been embodied in this legislation on the Senate side. However, I understand that in the markup on the House side some liberty has been taken with this compromise and that in addition to the 480-hour cap after which cash must be paid instead of compensatory overtime, on the House side they have amended the provision to include an 180-hour cap for other than safety employees. Is that correct?

Mr. NICKLES. If I understand the question, the Senator is exactly correct. In our bill that we have before us we do have a compensatory time bank of 480 hours. That is what I hope they will adopt in the House provision. We will be working with Chairman HAWKINS and other Members of the House, hoping they will adopt an identical bill to what we are passing at this time.

Mr. WILSON. I would only say if we are going to compromise, I expect it to be honored in the other body as well, both in terms of a possible conference or in terms of a bill coming to us from the House. I think we should make clear to the House that we are going to honor the compromise and not allow amendments to it that derogate that number.

Mr. NICKLES. I appreciate the Senator's comments and we will do the best we can to keep the 480 figure.

Mr. WILSON. I am not talking about that figure. I am talking about an entirely different provision, that anything contained in the compromise that relates to nonsafety employees being assigned the 180-hour cap.

Mr. NICKLES. The Senator is correct. We will do everything we can to keep all employees at the 480-hour cap and not have a separate category for others.

Mr. MATSUNAGA. Mr. President, as a cosponsor of the proposed amendment and as a member of the Subcommittee on Labor, I rise in strong support of the proposal.

As a member of the subcommittee I sat in on the hearings and had occasion to confer with mayors and Governors. I must give due credit and I must commend both the chairman of the subcommmittee and the ranking member of the subcommittee for having worked up this compromise.

Having been in the intitial negotiations, I think what we have here is something which I myself never expected to come before the Senate. I had expected a bloody battle on the floor if the bill had come in the form in which it was first introduced.

Concerning the statements of the Senator from California, rather than having the ruling go into effect on November 1, we have a date here that this act will take effect April 15, which means that States, cities, counties, and municipalities will have a period of 5½ months to make the adjustments rather than immediately having to comply with the decision arrived at here this evening.

So I join in commending the two managers of the measure and I am in strong support of it.

Mr. METZENBAUM. Mr. President, I do want to acknowledge publicly the assistance that Senator MATSUNAGA and his staff have given us in connection with this matter. He was very much involved in this entire issue and we are grateful for his support along the way as well as his support this evening.

I also wish to have printed in the RECORD two letters, both of which are directed to Senator NICKLES and myself, one of which says:

The National Association of Counties, National Conference of State Legislators, National League of Cities, and United States Conference of Mayors commend you both for the leadership you have shown in resolving the difficulties faced by state and local governments across the nation as a result of the Supreme Court's decision in the *Garcia v. the San Antonio Mass Transit Authority* case.

That is signed by the executive director of each of those agencies.

Then we have another letter, also addressed to both of us, which says:

On behalf of the AFL-CIO, I want to express our support for the revised version of S. 1570. Your joint efforts to obtain the approval of the full committee are appreciated.

I ask unanimous consent that both of these letters be printed in the RECORD in their entirety.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

October 9, 1985.

Hon. DON NICKLES,
Hon. HOWARD METZENBAUM,
Committee on Labor and Human Resources, U.S. Senate, Dirksen Senate Office Building, Washington, DC.

DEAR SENATORS: The National Association of Counties, National Conference of State Legislators, National League of Cities, and United States Conference of Mayors commend you both for the leadership you have shown in resolving the difficulties faced by state and local governments across the nation as a result of the Supreme Court's decision in the *Garcia v. the San Antonio Mass Transit Authority* case.

The legislation you have introduced, S. 1570 as amended, the Nickles-Metzenbaum bill, provides a solution to the problems created by *Garcia* which is balanced and equitable for all parties. It maintains the principles of the Fair Labor Standards Act and at the same time recognizes the special circumstances faced by public employers and public employees.

Be assured that you have the strong support of all of our organizations for your bill and that we will provide whatever assistance is needed to achieve its passage in its current form.

Sincerely,

JOHN J. GUNTHER,
Executive Director, U.S. Conference of Mayors.
MATT COFFEY,
Executive Director, National Association of Counties.
ALAN BEALS,
Executive Director, National League of Cities.
EARL MACKEY,
Executive Director, National Conference of State Legislators.

AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS,
October 10, 1985.

Hon. DON NICKLES,
Hon. HOWARD METZENBAUM,
Subcommittee on Labor, Committee on Labor and Human Resources, U.S. Senate, Washington, DC.

DEAR SENATORS: On behalf of the AFL-CIO, I want to express our support for the revised version of S. 1570. Your joint efforts to obtain the approval of the full committee are appreciated.

In the AFL-CIO's judgment, S. 1570, as revised, reflects a balanced approach that resolves the questions raised by the U.S. Supreme Court's decision in Garcia v. San Antonio Metropolitan Transit Authority. The bill preserves the integrity of the Fair Labor Standards Act which is so vital to the interests of employees while addressing the concerns of public employers.

The AFL-CIO will provide whatever assistance is needed to achieve passage of the bill in its current form.

Sincerely,

RAY DENISON,
Director, Department of Legislation.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. BUMPERS. Mr. President, are we under a time agreement?

Mr. METZENBAUM. We are through. We are ready to vote.

Mr. BUMPERS. I commend the Senator from Ohio and the Senator from Oklahoma for their work on this matter in the subcommittee. I am certainly impressed with the letters of the Senator from Ohio to all the Members who will be affected by this. I have answered perhaps as much mail on this issue ever since the Garcia decision was rendered as on any item I can think of.

I was wondering if the subcommittee did any computations on what the total cost of this is in excess, for example, of what the cost would have been had the Garcia decision never been rendered.

Mr. NICKLES. To respond to the question, there is a variety of estimates that have been floating around. the figure we heard that is more prevalent than anything is, if we did not address the Garcia decision, we were probably talking of in excess of $3 billion per year that would go to the cities, counties, and States. Again, those estimates are hard to compute, but that is in the ball park.

Mr. BUMPERS. Can the Senator tell me how much that figure would be reduced by passing this bill, assuming the House accepts it as it is?

Mr. NICKLES. Again, it is hard to calculate and I would be trying to pull a figure from the air, but since we have allowed the option of comp time, there is no question in my mind that we have saved well over, I am going to say over two-thirds, because when we allowed the comp time option and we have eliminated the past liability. Also, we have allowed and have exempted volunteers and the volunteer category is impossible to calculate. But its effect economically would be dramatic.

Mr. METZENBAUM. Will the Senator yield to me?

Mr. NICKLES. I am happy to yield.

Mr. METZENBAUM. I might say the CBO advised us that most of the expenses which otherwise would have been incurred by reason of the Garcia decision have been alleviated by reason of this amendment. I am sorry I cannot define more accurately for the Senator what CBO means by "most," but I think my own guesstimate would be that it is somewhere between 66⅔ percent and 90 percent because it makes possible the use of comp time which otherwise would not be possible. I think the comp time will pretty much cover almost all of the expenses.

Mr. McCLURE. Will the Senator yield on that point?

Mr. BUMPERS. Yes, I am happy to yield.

Mr. McCLURE. I do not mean to prolong this debate, but I think we ought to get the facts on the table. The only way comp time reduces the cost is by elimination of services because it means people who would otherwise be on the job providing services are permitted time off. Either you eliminate services that way or you hire somebody else to perform the service while the person is taking the comp time off.

Mr. METZENBAUM. Mr. President, I point out to my colleague that there is lots of time taken off where people do not fill in for the time taken off. If he wants to check the facts, he can just look in his own office, my office, or Senator NICKLES' office. People do take time off and the same people at other times also work overtime. This is a way to see that it does not provide a financial burden.

Mr. NICKLES. Will the Senator yield?

Mr. BUMPERS. I am happy to yield.

Mr. NICKLES. I thank the Senator from Arkansas.

Just to give a little different answer to the question of the Senator from Idaho, to give an example, the city police force in Tulsa, OK, right now offers comp time at time-and-a-half or pay at time-and-a-half. The Garcia decision said, no, you cannot do that, you have to pay cash. The Garcia decision was going to cost the city more money. Now we are allowing them to have the option that we had before at no additional cost to the city. We are just giving them that flexibility.

Mr. President, I had mentioned when I took the floor that I thought this would take just a few minutes. That is one of the ways I was able to interject this amendment at that time. I hope we can conclude this in short

order and I can somewhat keep my commitment to our majority leader.

Mr. BUMPERS. We can finish it up from my standpoint by just answering one more question.

Prior to Garcia, in a case, for example, where a State trooper worked 60 hours a week in the past—for example, in my State, we had a comp time rule where he got an additional 20 hours off at some time and he was not paid time-and-a-half for that extra 20 hours he put in. As I understand it, what the Senator from Oklahoma just said is that that will be the sense of the rule here. He will be entitled to time-and-a-half pay, but it can also be paid with comp time as it was in the past if comp time were recomputed at time-and-a-half rates. Is that correct?

Mr. NICKLES. The Senator is correct, comp time would be computed at time-and-a-half so if he worked 20 extra hours, he would receive 30 hours of comp time.

Mr. BUMPERS. That certainly ought to reduce the cost of this dramatically. That has been the primary concern of my State, county, and city officials. I am going to vote for this and I thank the Senators again for it. It answers what is obviously a knotty problem. It may not be the best of all possible worlds but it will help the counties in my State, who are already so hard hit by the loss of revenue sharing and what may be perhaps a loss from the deductibility of state and local taxes.

Mr. NICKLES. Mr. President, I ask unanimous consent that Senators WALLOP and HOLLINGS be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment.

The amendment (No. 881) was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the committee substitute, as amended.

The committee substitute, as amended, was agreed to.

Mr. DOLE. Mr. President, I am pleased to support this legislation and I commend the efforts of the Senator from Oklahoma, Senator NICKLES, and others who have worked so hard to bring this much-needed relief to our States and communities.

I have heard from many Kansas officials over the past few months who are truly desperate for an alternative to the Garcia decision. Those officials have shown me their budgets, their current levels of service and, finally, the impossible financial burdens they would suffer under the recent Supreme Court ruling.

It is doubtful that many of us would question the need for Fair Labor Standards Act [FLSA] wage and hour standards in most work situations, but it is clear that the unique services provided by local, county, and State governments do not reasonably conform to the requirements of the FLSA. In many small communities, emergency services are provided by a handful of people—too few to maintain a 24-hour state of readiness. It is unrealistic to expect that personnel in that sort of circumstance can work 8 hours and call it a day. That would mean drastically reduced protection in the event of a real emergency. Few localities could afford to comply with FLSA requirements without the necessary revisions provided by the proposed legislation.

In my view, this is a sensible, uncomplicated solution to what might otherwise be a disastrous situation for our States and communities. I can sympathize with the view that we should not exempt government employees from a wage-and-hour standard that is almost universally applied in the private sector, but I believe that providing the option of comptime will adequately address the somewhat unique requirements of public service. This legislation will ensure that public sector employees—and those who rely on their service—will be treated fairly.

Mr. President, on behalf of the many Kansans who are looking to the Congress for a solution to their dilemma, I sincerely hope that my colleagues in the Senate will see fit to pass the legislation that is now before us.

Mr. BINGAMAN. Mr. President, I rise in support of S. 1570, the Fair Labor Standards Public Employee Overtime Compensation Act. The enactment of this legislation is a necessary response to the U.S. Supreme Court's decision in Garcia versus San Antonio Metropolitan Transit Authority. The Court in Garcia held that the 10th amendment provides no protection for State and local governments from Federal regulation under the Fair Labor Standards Act [FLSA], thereby making State and local government employees eligible for overtime compensation.

The Garcia decision will have significant consequences for State and local governments. The immediate impact of the decision is to impose unanticipated costs and extreme administrative burdens on these governments. The amendment offered today will provide State and local governments the flexibility they need to operate, while providing public employees with premium compensation for any overtime worked. It also excludes volunteers from the definition of the term "employee."

I am deeply concerned about the immediate burden on State and local taxpayers of hundreds of million of dollars in FLSA compliance costs if we do not pass this amendment. The greatest cost and most significant burden on government will be paying time and a half for overtime instead of providing compensatory time off for overtime hours worked.

I commend the distinguished Senators from Oklahoma and Ohio, Senators NICKLES and METZENBAUM, for their efforts to resolve the difficulties faced by State and local governments across the Nation as a result of the Supreme Court's decision in Garcia. After much negotiation a workable compromise was reached in the form of this legislation. It has been praised by the U.S. Conference of Mayors, the National Association of Counties, the National League of Cities, and the National Conference of State Legislators, as well as the AFL-CIO.

The bill modifies the overtime provisions of FLSA to make compensation time available in lieu of overtime pay for employees of State and local governments. Under this legislation, public works could be compensated for overtime in time off, rather than cash, if provided in collective bargaining agreements or individual agreements between employers and employees. Such compensation, however, must be at a rate of time and one-half for each overtime hour worked. Employees could bank up to 480 hours of compensating time, and they must be allowed to use their compensatory time within a reasonable period of requesting it, as long as the employer's operation is not unduly disrupted. The legislation would be effective April 15, 1986, thus allowing States and local governments ample time to comply with the stated regulations.

The compensatory time system, in contrast to the FLSA system of time and a half pay for overtime, recognizes the need for public employees to work flexible schedules. For example, forest firefighters or State legislative staff may be required to work round the clock for days and weeks during peak periods of paid leave. The compensatory time system, thus, balances the seasonal and unpredictable nature of the work with the need to maintain a trained, organized, and stable work force. This system will also save States millions of dollars in comptime pay, and therefore will not restrict the capacity of State and local governments to effectively provide public services and respond to emergencies.

Mr. President, I believe this bill embodies an extremely workable compromise which must be approved. It recognizes the financial hardships to cities and counties in avoiding these costs, but it also protects the rights of employees to be compensated for overtime. I applaud the work of the Labor Committee in reaching this agreement and I urge my colleagues to support the measure as amended.

Thank you, Mr. President.

Mr. QUAYLE. Mr. President, I am proud to be a cosponsor of S. 1570, a

bill to amend the effect of the recent Supreme Court decision in Garcia versus San Antonio Metropolitan Transit Authority. This bill, introduced and expertly sheparded to the floor by my distinguished colleague from Oklahoma, Senator DON NICKLES, has prevented municipal disasters that almost certainly would have resulted from the impact of the decision in Garcia.

Senator NICKLES instantly understood the threat that Garcia presented to State and local governments, especially in this time of severe economic constraints. He put his finger in the dike, and by doing so he prevented not only a flood of lawsuits, but he saved States and local governments from being inundated by excess overtime payments, or from having to convince their residents to pay extra taxes to support the same level of services as they had enjoyed in past years.

Mr. President, the fact of the matter is, the Garcia decision would have had a very unfortunate impact on the State of Indiana. Town mayors and county officials have been burning my ear about what the Garcia decision will do to their budgets this year. Indiana municipalities are worried about budgeting for thousands of dollars more than they had planned for. This bill will allow them to stay within their budget because it permits State and local governments to give employees 1½ hours of compensatory time off for each hour of overtime worked. Those employees will be covered by the Fair Labor Standards Act, but their employers will have the option to reward their employees who work overtime with compensatory time off rather than be required to pay penalty wages.

In addition to permitting State and local governments to use compensatory time off in lieu of paying overtime, S. 1570 will exempt volunteers, such as firefighters, from coverage, even if the volunteers are paid expense money. State and local legislative employees, except library employees would be exempted from coverage. This bill will also, nullify pending lawsuits against the States or municipalities. Finally, the bill provides that firefighters and law enforcement employees who voluntarily do part-time work different from their regular jobs will be considered as working two separate jobs. Thus, hours worked at the second job would not be counted toward the overtime limit at the main job. This provision is intended to cover, for example, a firefighter who also works at a community youth center.

This bill is the result of an agreement worked out between labor unions representing public employees and public employer organizations such as the National League of Cities, the U.S. Conference of Mayors, and the National Association of Counties. The International City Management Association estimated that the costs of compliance with the Garcia decision would be more that $1 billion per year. Other groups have estimated in the $2 to $4 billion range. The city of Indianapolis has estimated that an additional $400,000 will be needed to maintain services if the Garcia decision is permitted to stand unchanged. Shelbyville, IN, will have to pad its budget by $50,000 to comply. In Zionsville, an extra $15,000 would be needed to cover the cost of police and street department overtime. In Carmel, an additional $15,000 for police and another $15,000 for firefighters would be needed to comply with Garcia. In Lebanon, IN, an extra $7,000 is planned for police and fire overtime payments and in Martinsville, the city's budget will have to be increased by $33,700 to comply with the Garcia decision. I can go on and on about the letters and the phone calls I have received about this Supreme Court decision, and I feel certain that my colleagues can do the same.

Again, I am delighted to support S. 1570, I know that my colleagues will join me in supporting this bill that was reported out of the Labor and Human Resources Committee unanimously.

I would like to note that, by passing this bill in a timely fashion, the Senate will have beaten the November 1, 1985, deadline, the date on which Secretary Brock has promised the Congress that he will begin enforcing the Department of Labor's regulations with respect to State and local employees. I understand that the Education and Labor Committee has reported its bill, H.R. 3530. I am told that they plan to go to the House floor next week. Because the two bills are very similar, I hope that the conference report will be considered quickly and the bill will be on the President's desk by November 1, 1985. Again, I commend Senator NICKLES for his leadership during this emergency.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and third reading of the bill.

The bill was ordered to be engrossed for a third reading and to be read a third time.

The bill was read the third time.

Mr. McCLURE. Mr. President, I do not think there is any opportunity for a rollcall vote. The only thing left is to register our opinion. I take this time to say I think it is a bad compromise and I am opposed to it.

The PRESIDING OFFICER. The bill having been read the third time, the question is, shall it pass.

So the bill (S. 1570) as amended was passed as follows:

S. 1570

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE; REFERENCE TO ACT

SECTION 1. (a) SHORT TITLE.—This Act may be cited as the "Fair Labor Standards Amendments of 1985".

(b) REFERENCE TO ACT.—Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be a reference to a section or other provision of the Fair Labor Standards Act of 1938.

COMPENSATORY TIME

SEC. 2. (a) COMPENSATORY TIME.—Section 7 (29 U.S.C. 207) is amended by adding at the end the following:

"(o)(1) Employees of a public agency which is a State, a political subdivision of a State, or an interstate governmental agency may receive, in accordance with this subsection and in lieu of overtime compensation, compensatory time off at a rate not less than one and one-half hours for each hour of employment for which overtime compensation is required by this section.

"(2) A public agency may provide compensatory time under paragraph (1) only—

"(A) pursuant to—

"(i) applicable provisions of a collective bargaining agreement, memorandum of understanding, or any other agreement between the public agency and representative of such employees; or

"(ii) in the case of employees not covered by subclause (i), an agreement or understanding arrived at between the employer and employee before the performance of the work; and

"(B) if the employee has not accrued compensatory time in excess of the limit applicable to the employee prescribed by paragraph (3).

In the case of employees described in clause (A)(ii) hired prior to April 15, 1986, the regular practice in effect on April 15, 1986, with respect to compensatory time off for such employees in lieu of the receipt of overtime compensation, shall constitute an agreement or understanding under such clause (A)(ii). Except as provided in the previous sentence, the provision of compensatory time off to such employees for hours worked after April 14, 1986, shall be in accordance with this subsection.

"(3)(A) No overtime compensation in the form of compensatory time off may be accrued by any employee of a public agency which is a State, a political subdivision of a State, or an interstate governmental agency, in excess of 480 hours for hours worked after April 15, 1986. Any such employee who, after April 15, 1986, has accrued 480 hours of compensatory time off shall, for additional overtime hours of work, be paid overtime compensation.

"(B) If compensation is paid to an employee for accrued compensatory time off, such compensation shall be paid at the regular rate of compensation earned by the employee at the time the employee receives such payment.

"(4) An employee who has accrued compensatory time off authorized to be provided under paragraph (1) shall, upon termination of employment, be paid for the unused compensatory time at the regular rate of compensation earned by the employee at the time the employee receives compensation for overtime.

"(5) An employee of a public agency which is a State, political subdivision of a State, or an interstate governmental agency—

"(A) who has accrued compensatory time off authorized to be provided under paragraph (1), and

"(B) who has requested the use of such compensatory time,

shall be permitted by the employee's employer to use such time within a reasonable period after making the request if the use of the compensatory time does not unduly disrupt the operations of the public agency.

"(6) For purposes of this subsection—

"(A) the term 'overtime compensation' means the compensation required by subsection (a), and

"(B) the term 'compensatory time' or 'compensatory time off' means hours during which an employee is not working and which are not counted as hours worked during the applicable workweek or other work period for purposes of overtime compensation, and for which the employee is compensated at the employees regular rate.".

(b) EXISTING COLLECTIVE BARGAINING AGREEMENTS.—A collective bargaining agreement which is in effect on April 15, 1986, and which permits compensatory time off in lieu of overtime compensation shall remain in effect until its expiration date unless otherwise modified, except that compensatory time shall be provided after April 14, 1986, in accordance with section 7(o) of the Fair Labor Standards Act of 1938 (as added by subsection (a)).

(c) LIABILITY AND DEFERRED PAYMENT.—(1) No State, political subdivision of a State, or interstate governmental agency shall be liable under section 16 of the Fair Labor Standards Act of 1938 for a violation of section 7 or 11(c) (as it relates to section 7) of such Act occurring before April 15, 1986, with respect to any employee of the State, political subdivision, or agency who would not have been covered by such Act under the Secretary of Labor's special enforcement policy on January 1, 1985, and published in sections 775.2 and 775.4 of title 29 of the Code of Federal Regulations.

(2) A State, political subdivision of a State, or interstate governmental agency may defer until August 1, 1986, the payment of overtime compensation under section 7 of the Fair Labor Standards Act of 1938 for hours worked after April 14, 1986.

SPECIAL DETAILS, OCCASIONAL OR SPORADIC EMPLOYMENT, AND SUBSTITUTION

SEC. 3. (a) SPECIAL DETAIL WORK FOR FIRE PROTECTION AND LAW ENFORCEMENT EMPLOYEES.—Section 7 (29 U.S.C. 207) is amended by adding after subsection (o) (added by section 2) the following:

"(p)(1) If an individual who is employed by a State, political subdivision of a State, or an interstate governmental agency in fire protection or law enforcement activities (including activities of security personnel in correctional institutions) and who, solely at such individual's option, agrees to be employed on a special detail by a separate or independent employer in fire protection, law enforcement, or related activities, the hours such individuals was employed by such separate and independent employer may be excluded by the public agency employing such individual in the calculation of the hours for which the employee is entitled to overtime compensation under this section if the public agency—

"(A) requires that its employees engaged in fire protection, law enforcement, or security activities be hired by a separate and independent employer to perform the special detail,

"(B) facilitates the employment of such employees by a separate and independent employer, or

"(C) otherwise affects the conditions of employment of such employees by a separate and independent employer.".

(b) OCCASIONAL OR SPORADIC EMPLOYMENT.—Section 7(q) (29 U.S.C. 207), as added by subsection (a), is amended by adding at the end the following:

"(2) If an employee of a public agency which is a State, political subdivision of a State, or an interstate governmental agency undertakes, on an occasional or sporadic basis and solely at the employee's option, part-time employment for the public agency which is in a different capacity from any capacity in which the employee is regularly employed, the hours such employee was employed in performing the different employment may be excluded by the public agency in the calculation of the hours for which the employee is entitled to overtime compensation under this section.".

(c) SUBSTITUTION.—(1) Section 7(p) (29 U.S.C. 207), as amended by subsection (b), is amended by adding at the end the following:

"(3) If an individual who—

Is employed by a public agency which is a State, political subdivision of a State, or interstate government agency,

agrees, with the approval of the public agency and solely at the option of such individual, to substitute during scheduled work hours for another individual who is employed by such agency in the same activities, the hours such employee worked as a substitute may be excluded by the public agency in the calculation of the hours for which the employee is entitled to overtime compensation under this section.".

(2) Section 11(c) (29 U.S.C. 211(c)) is amended by adding at the end the following: "The employer of an employee who performs substitute work described in section 7(p)(4) may not be required under this subsection to keep a record of the hours of the substitute work.".

VOLUNTEERS

SEC. 4. (a) DEFINITION.—Section 3(e) (29 U.S.C. 203(e)) is amended—

(1) by striking out "paragraphs (2) and (3)" in paragraph (1) and inserting in lieu thereof "paragraphs (2), (3), and (4)", and

(2) by adding at the end the following:

"(4)(A) The term 'employee' does not include any individual who is a volunteer for a public agency which is a State, a political subdivision of a State, or an interstate governmental agency, if (i) the individual receives no compensation or is paid expenses, reasonable benefits, or a nominal fee to perform the services for which the individual volunteered and (ii) such services are not the same type of services which the individual is employed to perform for such public agency.

"(B) An employee of a public agency which is a State, political subdivision of a State, or an interstate governmental agency may volunteer to perform services for any other State, political subdivision, or interstate governmental agency, including a State, political subdivision or agency with which the employing State, political subdivision, or agency has a mutual aid agreement.".

(b) REGULATIONS.—Not later than March 15, 1986, the Secretary of Labor shall issue regulations to carry out paragraph (4) of section 3(e) (as added by subsection (a) of this section).

(c) CURRENT PRACTICE.—If before April 15, 1986, the practice of a public agency was to treat certain individuals as volunteers, such individuals shall until April 15, 1986, be considered, for purposes of the Fair Labor Standards Act of 1938, as volunteers and not as employees. No public agency which is a State, a political subdivision of a State, or an interstate governmental agency shall be liable for a violation of section 6 occurring before April 15, 1986, with respect to services deemed by that agency to have been performed for it by an individual on a voluntary basis.

STATE AND LOCAL LEGISLATIVE EMPLOYEES

SEC. 5. Clause (ii) of section 3(e)(2)(C) (29 U.S.C. 203(e)(2)(C)) is amended—

(1) by striking out "or" at the end of subclause (III),

(2) by striking out "who" in subclause (IV),

(3) by striking out the period at the end of subclause (IV) and inserting in lieu thereof ", or", and

(4) by adding after subclause (IV) the following:

"(V) is an employee in the legislative branch or legislative body of that State, political subdivision, or agency and is not employed by the legislative library of such State, political subdivision, or agency.".

EFFECTIVE DATE

SEC. 6. The amendments made by this Act shall take effect April 15, 1986. The Secretary of Labor shall before such date promulgate such regulations as may be required to implement such amendments.

EFFECT OF AMENDMENTS

SEC. 7. The amendments made by this Act shall not affect whether a public agency which is a State, political subdivision of a State, or an interstate governmental agency is liable under section 16 of the Fair Labor Standards Act of 1938 for a violation of section 6, 7, or 11 of such Act occurring before April 15, 1986, with respect to any employee of such public agency who would have been covered by such Act under the Secretary of Labor's special enforcement policy on January 1, 1985, and published in section 775.3 of title 29 of the Code of Federal Regulations.

DISCRIMINATION

SEC. 8. An employee of a public agency who asserts coverage under the Fair Labor Standards Act of 1938 between February 19, 1985, and April 14, 1986, shall be accorded the same protection against discharge or discrimination as is available under section 15(a)(3) of the Fair Labor Standards Act of 1938.

The title was amended so as to read:

"A bill to amend the Fair Labor Standards Act of 1938 to provide rules for overtime compensatory time off for certain public agency employees, to clarify the application of that Act to volunteers, and for other purposes.".

Mr. METZENBAUM. I move to reconsider the vote by which the bill was passed.

Mr. NICKLES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

STATE, JUSTICE AND COMMERCE, THE JUDICIARY AND RELATED AGENCIES APPROPRIATIONS, 1986

The Senate continued consideration of the bill.

The PRESIDING OFFICER. The question now occurs on the committee amendment to H.R. 2965.

The Senator from New Hampshire.

Mr. RUDMAN. Mr. President, I am first going to tell my colleagues what we are facing this evening. We are going to have, possibly, five rollcall votes unless there is a possibility that some of the amendments will be accepted thus ending rollcall votes.

Second, I want to say that we have an agreement of an informal nature to keep debate relatively short on all of these amendments. It is the intention of the managers to move first to an amendment—because we think it would be most efficient—to be offered by the Senator from North Carolina [Mr. HELMS] and the Senator from Colorado [Mr. ARMSTRONG] which relates to abortions in Federal prisons. I want to make it clear that the Senator from North Carolina has been most cooperative in saying that he would offer that amendment any time we wish and would be willing to agree to an informal time agreement or a formal one.

I suggest to my distinguished friend from South Carolina that it would be better if we had an informal agreement, because to get a unanimous-consent agreement cleared at this time might take more time than we have. And I inquire of both my friend from South Carolina and my colleague and friend from Ohio whether or not they believe we might be able to agree to an informal arrangement of about 20 minutes equally divided.

Mr. HOLLINGS. We do have on this side an amendment by the Senator from New York [Mr. MOYNIHAN], an amendment by the Senator from New Jersey [Mr. LAUTENBERG], an amendment by the distinguished Senator from Illinois [Mr. DIXON], and one other one, but let me yield to the distinguished Senator from Ohio.

Mr. METZENBAUM. I would like to suggest to the distinguished manager of the bill that rather than an informal agreement, which I could not agree to, either as an informal or formal agreement, it might be more appropriate for the Senator from New Hampshire to offer a tabling motion which achieves the same objective in that it brings the matter to a close, but I could not agree to a time agreement.

Mr. RUDMAN. I want to say to my friend from Ohio, obviously you cannot get anything formally agreed so I was not suggesting anybody agree to it. I was simply suggesting informally that is precisely what I intended to do, I hope, that both sides would find 10 minutes would be agreeable prior to that motion. I do not see the Senator from North Carolina on the floor.

Mr. HOLLINGS. Mr. President, the distinguished Senator from Illinois has an amendment relative to the personnel within embassies. His amendment admonishing the Department of State to use American nationals in these secure positions. I am looking at this amendment in the light of the Leahy-Cohen initiative about proportionately bringing down the number between the Soviet Embassy, and particularly the international facilities, and ours in the Soviet Union itself.

I yield to the distinguished Senator from Illinois.

The PRESIDING OFFICER. The Senator from Illinois.

AMENDMENT NO. 882

Mr. DIXON. Mr. President, I offer an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendent.

The assistant legislative clerk read as follows:

The Senator from Illinois [Mr. DIXON] proposes an amendment numbered 882.

Mr. DIXON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

SECTION . (a) The Congress finds that:

(1) there are more than 200 Soviet nationals employed at U.S. diplomatic posts in the Soviet Union;

(2) State Department officials have confirmed that most, if not all, of the Soviets report to the KGB in one way or another;

(3) retaining Soviets to work in our mission is an invitiation to easy espionage;

(4) the reports of radically increased Soviet use of the chemical compound NPPD, a known cancer causing agent, which is used to track Americans are alarming;

(5) NPPD may jeopardize the health and well-being of our diplomatic personnel and their families in the Soviet Union;

(6) the United States must strive continually to safeguard our foreign service officers and their dependents;

(7) Soviet citizens employed at our diplomatic posts in the Soviet Union pose greater risks to our national security than American citizens would; and

(8) reliable reports assert that Secretary of State Shultz endorses a plan to replace Soviets with Americans.

(b) it is the sense of the Congress that:

(1) the State Department should take steps to improve security and protect American lives at our Soviet missions by replacing the maximum number of Soviet citizens possible with Americans, at the earliest available opportunity; and

(2) the employment of a reduced number of Soviet nationals should be continued only if:

(A) such Soviet nationals do not pose a significant threat to the security of the United States;

(B) the employment of such Soviet nationals is necessary to provide usual and customary services to United States nationals, and the employment of a United States national as a replacement for such Soviet national would reduce to a significant extent the efficiency of operations at a United States diplomatic mission or consular post; or

(C) such Soviet nationals are employed in an occupation which precludes entry into the facilities of a United States diplomatic mission or consular post in the Soviet Union.

Mr. DIXON. My amendment is very simple, Mr. President. It states the sense of the Congress that the State Department should take steps to improve security and protect American lives at our Soviet missions by, among other things, replacing Soviet citizens with Americans at the earliest available opportunity.

There are more than 200 Soviet citizens working in our Moscow Embassy, and the State Department has confirmed that most, if not all, report to the KGB in one way or another. Most of the Soviets are in a position to spy on our diplomatic corps on a daily basis.

I am worried about that, Mr. President, and I think something needs to be done.

Hiring Soviets to work in our Embassy is an invitation to easy espionage. What really irritates me is the fact that the Soviets, as a general rule, do not hire Americans to work at their Washington and San Francisco missions. I believe it's about time we start playing the game by the same rules.

I am also alarmed by revelations of stepped-up Soviet use of the chemical compound NPPD, a tracking agent used on individuals under KGB surveillance. This chemical is a known cancer-causing agent, and it may jeopardize the health and well-being of our diplomatic personnel in the Soviet Union.

The United States asks a great deal from its Foreign Service officers. But, Mr. President, it is certainly a matter of extreme concern when KGB methods place American Foreign Service officers and their dependents at a significant health risk. And this is exactly what has happened in Moscow.

For these reasons, I offer this amendment today. In case anyone believes I intend to tie the Secretary's hands in knots with this amendment, let me state as plainly as I can—it just isn't so. First of all, a recent article in the New York Times states that the Secretary personally approved a plan to replace Soviets with Americans some months ago. Second of all, my amendment merely states the sense of the Congress—it doesn't force action on legal grounds. Third, the amendment specifically creates three different exemptions from the "hire American" policy:

If the Soviet citizen does not pose a significant threat to American security;

If the Soviet employee is necessary to provide usual and customary services to Americans, and an American replacement would greatly reduce efficiency at the Embassy; or,

If the Soviet worker is engaged in an occupation which precludes his or her entry into American diplomatic and consular missions in the Soviet Union.

There are probably more than 200 Soviet agents employed in our diplomatic mission in Moscow. This represents a threat to our national security, and it's a situation we should avoid. I believe we must focus more attention on Embassy security in the Soviet Union and Eastern-bloc nations. Several weeks ago, I introduced legislation, S. 1630, which is almost identical to this amendment, to do just that. We must pay greater attention to our Embassy security in Eastern-bloc nations. Reducing Soviet accessibility to American diplomatic and consular missions represents a step in the right direction.

Mr. President, this amendment has been cleared on both sides, with the majority and minority managers.

The PRESIDING OFFICER. The question occurs on the amendment.

Mr. RUDMAN. Mr. President, the amendment offered by the Senator from Illinois is acceptable on this side, I understand it has been cleared on the other side as well.

Mr. HOLLINGS. It has been cleared.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 882) was agreed to.

Mr. RUDMAN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HOLLINGS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 883

Mr. McCLURE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Idaho [Mr. McCLURE] proposes an amendment numbered 883.

Mr. McCLURE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Add at the end of the bill the following new Section:

"SEC. . (a) Since: the Communist government of the Union of Soviet Socialist Republics since it seized power in Russia on November 7, 1917, has never submitted its rule to the consent of the governed through free elections; has designated the anniversary of this seizure "Revolution Day" as a national holiday; has held power since November 7, 1917 only through unrestrained secret police terror, and an extensive network of forced labor Gulag camps; denies its subject Peoples the most basic human rights of free speech, free religion, free press, free assembly, free personal movement, and personal property; this Soviet repression has cost the Peoples of the Soviet Union tens of millions of deaths and has resulted in great damage to the culture, religion, and material well being of these Peoples; this repression violates the Universal Declaration of Human Rights and the 1975 Helsinki Final Act; the Soviet Union is actively seeking to subject other countries to the Communist system and is currently waging a genocidal war to subjugate the people of Afghanistan, making use of the most inhumane weapons of scientific barbarism against defenseless civilians, including the use of toxin weapons the possession of which is outlawed by international conventions to which the USSR is a signatory.

(b) Since: inexplicably, the annual "Revolution Day" message from the United States State Department on behalf of the American People congratulates the Communist Government of the USSR on its violent and undemocratic seizure of power on the anniversary of November 7, 1917; the annual message also congratulates the people of the Soviet Union on their ruler's seizure of power; such U.S. congratulations are displayed before the Soviet Peoples as a demonstration of the legitimacy of the Bolshevik Government in the eyes of the Democratic government of the United States of America and are perceived as the cruelest mockery of these Peoples:

(c) None of the funds appropriated by this Act shall be used in any fashion or manner whatsoever to continue the practice of the Department of State of congratulating or in any way referring to such an anniversary as a holiday or cause for celebration, the Soviet Union, the Communist Party of the Soviet Union, or the People of the Soviet Union on the anniversary of the Communist Revolution of 1917; provided further that the amounts appropriated by this Act for the Department of State shall be reduced by 10 percent on November 4, 1985 unless the Secretary of State shall have submitted before the date of enactment of this Act a report describing his plan for proclaiming the sympathy of the American People for the bondage of the enslaved Peoples of the Soviet Empire and the hope that they will soon recover their freedom and national integrity."

Mr. McCLURE. Mr. President, the U.S. State Department annually congratulates the Soviet Government and its captive peoples on the anniversary of the Communist seizure of power in Russia on November 7, 1917. This "Revolution Day" congratulation is made over the President's signature, and on behalf of the American people. But because the captive Soviet peoples have little to celebrate, it is totally inappropriate for the State Department to congratulate them or to help celebrate the Bolshevik Revolution.

The Soviet Government has never submitted its rule to the consent of the governed in free election. Since 1917, it has relied on secret police terror and forced labor Gulag camps to stay in power. It has killed millions of its subjects. A 1971 Senate Judiciary Committee Report entitled "The Human Cost of Soviet Communism," by the respected British historian Robert Conquest estimated a death toll of "nearly 35 million human lives as a minimum estimate and 45 million as a more probable estimate." Solzhenitsyn has estimated a total of 66 million murdered by the Soviet Communists since 1917. Today, nothing has changed. The Kremlin conducts a genocidal war in Afghanistan; it behaves as an international outlaw by attempting to assassinate the Pope and by shooting down KAL-007.

Why should the State Department consider the anniversary of the 1917 Bolshevik Revolution a matter for congratulation or celebration? How do the captive peoples of the U.S.S.R. react to the State Department's annual message of congratulation? Vladimir Bukovsky believes these cheers from the State Department are comparable to sending Jews congratulations on the anniversary of the founding of Hitler's Third Reich. Such congratulations are perceived as a cruel mockery by those peoples who resist, suffer, and perish at the hands of the barbarous Soviet totalitarian regime.

Mr. President, this amendment requires the State Department to stop congratulating the enslaved peoples of the Soviet Union on the anniversary of their bondage. The amendment instead requires a message to the Soviet peoples expressing the hopes of the American people for their eventual freedom. I urge my colleagues to support my amendment.

The amendment has been discussed with the managers on both sides of the aisle. I know of no objection to the amendment.

Mr. RUDMAN. Mr. President, we have looked at the language and find it agreeable.

Mr. DANFORTH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. DANFORTH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RUDMAN Mr. President, I ask for consideration of the pending amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 883) was agreed to.

Mr. RUDMAN. I move to reconsider the vote by which the amendment was agreed to.

Mr. McCLURE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. RUDMAN. Mr. President, I would now ask unanimous consent that the pending committee amendment be temporarily laid aside for the purposes of an amendment to be offered, I understand, by the Senator from North Carolina.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 884

Mr. HELMS. Mr. President, I thank the distinguished manager of the bill, I thank the Chair, and I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from North Carolina [Mr. HELMS] proposes an amendment numbered 884.

Mr. HELMS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 24, between lines 21 and 22, insert the following:

"SEC. . None of the funds appropriated under this Act shall be used to pay for abortions for which Federal funds are not available under the Medicaid program (title XIX of the Social Security Act).".

Mr. HELMS. Mr. President, this amendment is cosponsored by the distinguished Senator from Colorado [Mr. ARMSTRONG].

This amendment adds a restriction against using funds appropriated under this bill for abortions. It is necessary because the Bureau of Prisons, under the jurisdiction of the Attorney General and the Justice Department, is now funding abortions among the inmates without any congressional restrictions.

In other words, the taxpayers are paying for abortion on demand in the Federal prison system.

Mr. President, this problem was brought to my attention when I received a letter from a constituent complaining about the abortion practices of the Bureau of Prisons. In light of past congressional action to stop Federal funding of abortion, I was surprised to learn that such funding was still going on.

According to information provided my office by the Medical Director of the Federal prison system, Dr. Robert L. Brutsché, abortions have been provided in Federal prisons as follows:

	Abortion elective	Spontaneous or therapeutic
Fiscal year:		
1984	33	8
1983	41	7
1982	21	5
1981	21	5
1980	14	9

It is further my understanding that for fiscal year 1985 the figures are not complete, but that incomplete figures indicate 37 elective abortions and 8 spontaneous or therapeutic abortions.

Mr. President, this classification is a little bit odd in that spontaneous abortions are lumped in with procured abortions. Obviously, spontaneous abortions, or miscarriages, are not the concern of those of us in Congress alarmed over the tax-funding of direct, procured abortion.

Mr. President, the Bureau of Prisons needs to be brought into conformity with the rest of the Federal Government on this matter of tax-funding of abortions. In the Medicaid Program, in health insurance for Federal employees, and in other areas, Congress has firmly established the principle that U.S. taxpayers are not going to be forced to pay for the deliberate termination of innocent human life with their tax dollars.

It is no less important that this principle apply in prisons than that it apply elsewhere. In every case, what is at stake is the same: an innocent unborn child with a God-given right to life.

Mr. President, the precise form of my amendment is as follows:

None of the funds appropriated under this Act shall be used to pay for abortions for which Federal funds are not available under the Medicaid program (title XIX of the Social Security Act).

This language has the effect of incorporating by reference the Hyde amendment which governs abortion funding restrictions under Medicaid.

Mr. President, the Hyde amendment has been the law since 1981 and was unanimously agreed to by the Senate on October 21 in connection with consideration of the Labor-HHS-Education appropriations bill for fiscal year 1986, H.R. 3424. I am hopeful that my pending amendment, incorporating this same Hyde amendment, will meet with similar approval today.

Mr. President, as someone who has taken an active interest in this Hyde amendment over the years, I now offer a few comments on it. These comments apply with equal force to the pending amendment inasmuch as it incorporates the Hyde amendment.

The motivation for the Hyde amendment—on the part of Congressman HYDE, myself, and others—has been a recognition that abortion takes the life of a living unborn child with a God-given right to life. Accordingly, our purpose has been and is to make sure that Federal taxpayers are never forced to participate with their tax dollars in the crime of taking innocent human life.

In the early years of the Hyde amendment debates, we were not successful—or we were only partially successful—in persuading Congress to go along with our view. Since June 1981 and the enactment of Public Law 97-12, however, we have been successful, and Congress has adopted the Hyde amendment undiluted.

This undiluted Hyde amendment language is the same as the language the Senate adopted on October 21 in connection with consideration of H.R. 3424. It is as follows:

None of the funds contained in this Act shall be used to perform abortions except where the life of the mother would be endangered if the fetus were carried to term.

Our specific intent in offering this language was and is to stop all taxpayer funding for abortion. At the same time, however, we have never sought to bar funding of medical procedures necessary to save the life of the mother where bona fide, physical life-threatening conditions occur in connection with pregnancy. That is why the exception clause has been included since 1981.

Given our general purpose and specific intent, the application of the Hyde amendment should always proceed on the basis that with every pregnancy there are two human lives involved, the mother and her unborn child—or fetus. "Child" and "fetus" are taken as being synonymous. Therefore, if exceptional cases occur where funding would be permitted, it is important that every reasonable effort be made to preserve not only the mother's life but also that of her unborn child. In other words, authorizing the funding of medical procedures to save the mother's life is not intended to sanction abandonment of the unborn child. In keeping with the principles embodied in the Hyde amendment, equal care should be extended to both the mother and child.

Mr. President, it is by no means clear that the Hyde amendment has been applied by the Department of Health and Human Services since 1981 with these understandings. I am hopeful that this situation will change, and that the Justice Department, should this amendment become law, will strictly enforce the Hyde amendment ab initio.

With respect to the life of the mother exception, we should not overlook the fact that with advances in modern obstetrics the cases of bona fide, physical life-threatening conditions for a mother in connection with her pregnancy are exceedingly rare.

Mr. President, I urge adoption of this amendment.

Mr. President, I yield to the Senator from Colorado.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. ARMSTRONG. Mr. President, there are many complex legal and cultural issues which swirl around the whole abortion controversy, but it seems to me that there is one central question. The central issue is whether or not the fetus is a living human being, a living though yet unborn human baby. That is the central question.

Over the years, a lot of Senators and others have wandered in and out of various intellectual cul de sacs, trying to explore legal issues. Whether you are for or against the Supreme Court, there are a handful of Senators, especially the Senator from North Carolina, who have consistently focused on the main question: it is a human life or is it not?

I congratulate the Senator from North Carolina for once again taking the lead in attempting to close one more loophole which has permitted Federal funding to be used for this surgical procedure which Congress has rightly and wisely decided should not be our normal practice.

The issue is simply one of human life. I think there are few who believe the fetus is a baby who object to legal protection for the unborn child. While recognizing the very strong presumption against interfering with the privacy and right of personal choice of individual women, few persons, perhaps none in this Chamber, who acknowledge the fetus is a baby would nonetheless object to legal protection for the unborn child. If, as advocates of antiabortion legislation contend, a fetus is a human being, it is very hard, it seems to me—impossible, logically—to dispute the claim that an unborn child is entitled to the same human compassion and legal protection afforded other human beings, particularly helpless and dependent humans.

Mr. President, that is the issue. It is an issue which the Senate has often considered before and wisely decided that we do not want to be in the business of funding the termination of human life.

So, Mr. President, as the evidence continues to mount—the moral evidence, the scientific evidence, the conviction in the human hearts of increasing numbers of people around the country—that it is wrong to perform abortions in almost all circumstances, perhaps in some rare circumstances, that it is morally wrong, it follows naturally that Congress would find increasingly that it is unwise and improper to fund abortions with taxpayer dollars.

I compliment the Senator from North Carolina for his amendment.

Prochoice advocates oppose antiabortion legislation because of their concern for the freedom of choice of the woman and, in most instances, precisely because they deny the humanity of the fetus which they view as prehuman or as having human potential. They do not agree that a fetus is a true human being in the normal sense and, therefore, they deny that the fetus, or unborn child, as prolife persons prefer to say, is entitled to either the compassion or legal protection accorded to true human beings.

To a large extent, the Supreme Court sidestepped this issue when it struck down State antiabortion statutes in the case of Roe against Wade. In that decision, the Court ruled that the 14th amendment right of personal privacy precludes the State from interfering with a woman's right to terminate pregnancy through abortion. The Court indicated that a fetus is not a "person" within the meaning of the 14th amendment and is, therefore, not entitled to constitutional protections. Significantly, however, the Court did not attempt to determine the humanity of the fetus nor to define when human life begins. The Court characterized this issue as "sensitive and difficult" and noted "wide divergence of thinking" on this question and that the judiciary "is not in a position to speculate as to the answer."

But for individual persons who must decide the moral permissibility of abortion and for the Congress, faced with a momentous policy issue, this fundamental question may not be avoided.

The exact instant at which life begins remains the subject of some disagreement. Not everyone would agree with Prof. Hymie Gordon, chairman of the Department of Medical Genetics at the Mayo Clinic who stated: "The question of when human life begins is an established fact. All life, including human life, begins at the moment of conception." However, it does appear that the great preponderance of evidence, as well as expert testimony and opinion, support Professor Gordon's view.

Dr. Francis A. Schaeffer, a leading philosopher and theologian, and Dr. C. Everett Koop, U.S. Surgeon General and well-known author in the field of medical ethics, have persuasively summarized the life-begins-at-conception argument:

THE GROWTH OF HUMAN LIFE

Our reasons against abortion are logical as well as moral. It is impossible for anyone to say when a developing fetus becomes viable, that is, has the ability to exist on its own. Smaller and smaller premature infants are being saved each year! There was a day when a 1000-gram preemie had no chance, now 50 percent of preemies under 1000 grams are being saved. Theoretically, there once was a point beyond which technology could not be expected to go in salvaging premature infants—but with further technological advances, who knows what the limits may be! The eventual possibilities are staggering.

The logical approach is to go back to the sperm and the egg. A sperm has twenty-three chromosomes; even though it is alive and can fertilize an egg, it can never make another sperm. An egg also has twenty-three chromosomes, and it can never make another egg. Thus, we have sperm that cannot reproduce and eggs that cannot reproduce unless they get together. Once the union of a sperm and an egg occurs and the twenty-three chromosomes of each are brought together into one cell that has forty-six chromosomes, that one cell has all the DNA (the whole genetic code) that will, if not interrupted, make a human being.

Our question to a pro-abortion doctor who would not kill a newborn baby is this: "Would you then kill this infant a minute before he was born, or a minute before that, or a minute before that, or a minute before that?" At what point in time can one consider life to be worthless and the next minute precious and worth saving?

Having already mentioned the union of sperm and egg to give forty-six chromosomes, let us briefly review the development of a baby. At twenty-one days, the first irregular beats occur in the developing heart, long before the mother is sure she is pregnant. Forty-five days after conception, electroencephalographic waves can be picked up from the baby's developing brain.

By the ninth and tenth weeks, the thyroid and the adrenal glands are functioning. The baby can squint, swallow, and move his tongue. The sex hormones are already present. By twelve or thirteen weeks, he has fingernails; he sucks his thumb and will recoil from pain. His fingerprints, on the hand which have already formed, will never change throughout his lifetime except for size. Legally, it is understood that an individual's fingerprints distinguish him as a separate identity and are the most difficult characteristic to falsify.

In the fourth month the growing baby is eight to ten inches long. The fifth month is a time of lengthening and strengthening. Skin, hair, and nails grow. Sweat glands come into being; oil glands excrete. This is the month in which the mother feels the infant's movements.

In the sixth month the developing baby responds to light and sound. He can sleep and awaken. He gets hiccups and can hear the beat of his mother's heart. Survival outside the womb is now possible. In the seventh month the nervous system becomes much more complex. The infant is about sixteen inches long and weighs about three pounds. The eighth and ninth months see a fattening of the baby.

We do not know how anyone who has seen the remarkable films of the intrauterine development of the human embryo can still maintain that the product of an abortion consists of just some membranes or a part of the woman's body over which she has complete control—or indeed anything other than a human life within the confines of a tiny body. At the very least we must admit that an embryo is not simply an extension of another person's body; it is something separate and uniquely irreplaceable. Another good reason we should not view the unborn baby as an extension of the woman's body is that it did not originate only from the woman. The baby would not exist without the man's seed.

We are convinced that the reason the Supreme Court decision for abortion-on-demand never came to grips with the issue of the viability of the human fetus is that its viability (that is, ability to live outside the womb on its own) is really not the important point.

Viable or not, the single-celled fertilized egg will develop into a human being unless some force destroys its life. We should add that biologists take the uniform position that life begins at conception; there is no logical reason why the pro-abortionist should try to arrive at a different definition when he is talking about people, the highest form of all biological creatures. After conception, no additional factor is necessary at a later time. All that makes up the whole adult is present as the ovum and the sperm are united—the whole genetic code!

The reasoning of Dr. Schaeffer and Dr. Koop seems to me not only solid and convincing but also directly pertinent to the Roe against Wade decision. In that case, the Court held that only a "compelling State interest" could justify limiting a woman's 14th amendment right to abortion. The "compelling" point with respect to the State's interest in the potential life of the fetus "is at viability." Following viability, the State's interest permits it to regulate and even proscribe an abortion except when necessary, in appropriate medical judgment, for preservation of the life or health of the mother.

The Schaeffer-Koop observations about medical viability are especially impressive in view of Dr. Koop's vast experience and expertise. He is the former surgeon-in-chief of the Children's Hospital in Philadelphia where the entire surgical center is named in his honor. A pacesetter in the field of pediatric surgery, Dr. Koop has developed many new and highly successful procedures in surgery on the newborn. He is a well-known author in the field of medical ethics and the founder and editor-in-chief of the Journal of Pediatric Surgery.

If doubt yet remains, the strong pro-life presupposition of heritage strenuously argues for resolving doubt in favor of caution and restraint when human life is at stake. And so on this point I must agree with the Schaeffer-Koop observation that:

We do not know how anyone who has seen the remarkable films of the intrauterine development of the human embryo can still maintain that the product of an abortion consists of just some membranes or a part of the woman's body over which she has conplete control—or indeed anything other than a human life within the confines of a tiny body.

In brief, Mr. President, it is plain to me that a fetus is a human life and that willful termination of that life, except under compelling circumstances to the contrary is per se, morally wrong. Whether or not it is a proper subject for legislation, however, is an entirely separate question which I would like to briefly address at this time.

Recognizing the great diversity of our Nation and the divergence of opinion about this controversial issue, as well as our longstanding tradition of State jurisdiction in such matters, a strong case can be made against Federal intrusion in his area. Our Federal system leaves to the States vast areas of complete independence. The States define, adjudicate and punish most crimes; protect the safety, welfare, and property of their citizens; establish licensing standards for physicians, lawyers, and other professional persons; regulate health and provide education. Indeed, the States provide the legal framework within which most of life's day-to-day activity takes place, More to the point, State law, not national law, governed abortion until the Roe against Wade decision of 1973.

Unfortunately, however, Roe against Wade has precisely the effect of overruling the States and recasting the abortion controversy as a truly national issue for the first time. On purely legal grounds, the Supreme Court's decision is highly questionable. In his dissent, Justice White termed the Court's action "an exercise in raw judicial power" and "an improvident and extravagant exercise of the power of judicial review." Pointing out the impropriety of overturning long standing State statutes, as a matter of constitutional interpretation, Justice White observed:

At the heart of the controversy in these cases are those recurring pregnancies that pose no danger whatsoever to the life or health of the mother but are nevertheless unwanted for any one or more of a variety of reasons—convenience, family planning, economics, dislike of children, the embarrassment of illegitimacy, etc. The common claim before us is that for any one of such reasons, or for no reason at all, and without asserting or claiming any threat to life or health, any woman is entitled to an abortion at her request if she is able to find a medical advisor willing to undertake the procedure.

The Court for the most part sustains this position: During the period prior to the time the fetus becomes viable, the Constitution of the United States values the convenience, whim or caprice of the putative mother more than the life or potential life of the fetus; the Constitution, therefore, guarantees the right to an abortion as against any state law or policy seeking to protect the fetus from an abortion not prompted by more compelling reasons of the mother.

With all due respect, I dissent. I find nothing in the language or history of the Constitution to support the Court's judgment. The Court simply fashions and announces a new constitutional right for pregnant mothers and, with scarcely any reason or authority for its action, invests that right with sufficient substance to override most existing State abortion statutes. The upshot is that the people and the legislatures of the 50 States are constitutionally disentitled to weigh the relative importance of the continued existence and development of the fetus on the one hand against a spectrum of possible impacts on the mother on the other hand. As an exercise of raw judicial power, the Court perhaps has authority to do what it does today; but in my view its judgment is an improvident and extravagant exercise of the power of judicial review which the Constitution extends to this Court.

The Court apparently values the convenience of the pregnant mother more than the continued existence and development of the life or potential life which she carries. Whether or not I might agree with that marshalling of values, I can in no event join the Court's judgment because I find no constitutional warrant for imposing such an order of priorities on the people and legislatures of the States. In a sensitive area such as this, involving as it does issues over which reasonable men may easily and heatedly differ, I cannot accept the Court's exercise of its clear power of choice by interposing a constitutional barrier to state efforts to protect human life and by investing mothers and doctors with the constitutionally protected right to exterminate it. This issue, for the most part, should be left with the people and to the political processes the people have devised to govern their affairs.

Many legal scholars share Justice White's skepticism about Roe against Wade. But whatever one may think of the legal scholarship on which this decision rests, it remains the law of the land. With the States preempted, what was formerly an issue of State jurisdiction must now be considered at the national level even for the minimal purpose of restoring State jurisdiction by overturning Roe against Wade. This is exactly the purpose of Senate Joint Resolution 3.

A second objection to antiabortion legislation is the oft-repeated contention "you can't legislate morality." At one level, this notion is demonstrably true. Human nature does not seem to change from one millennia to the next; despite legislative intervention, character flaws which humans exhibit today are not noticeably different from those observed at the dawn of history.

Nonetheless, the purpose of much legislation is precisely to make moral judgments—in effect, to legislate morality. Laws are the means by which civilized societies protect and foster that which is right and forbid what is wrong. Underlying legal prohibitions against murder, theft, fraud, and perjury are moral judgments. It is the collective decision of society that such actions are wrong. Murder, fraud, perjury, and the like are deemed not merely inconvenient, untimely, or useless, but actually wrong in the sense that they violate fundamental principles upon which our civilization rests.

As Russell Kirk points out:

At the heart of every culture is a body of ethics, of distinctions between good and evil.

Within the Judeo-Christian heritage, the sanctity of life is among the foremost of values cherished by civilized persons and nations. Protection of human life has traditionally been recognized as one of the paramount functions of government within a civilized society. Indeed, history largely judges prior civilizations by the extent to which human life is valued and protected.

Nonetheless, critics who contend that "you can't legislate morality" have a point. The human impulse to

brutalize and exploit other human beings remains just below the surface in even the most civilized persons and societies.

What is significant, however, is the extent to which wise legislation can curb the expression of such impulses. Legislation implementing moral judgments ended slavery, protect freedom of speech, publication, and worship, assure voting rights, and so forth.

This is not to say that every moral judgment ought to be the subject of legislation. On the contrary, Congress and the States are wise to exercise restraint in making fundamental changes based on moral judgments.

Moral issues are, by their very nature, highly emotional. Debates that disturb the spiritual and ethical foundations of a person's concept of the purpose and meaning of life arouse powerful passions, and it is our experience that decisions reached in highly emotional circumstances are decisions that we frequently regret.

Moreover, moral issues do not readily lend themselves to compromise, which is a distinctive strength of the American system. Our Nation derives much of its resiliency and unity from the very fact that we are able to compromise differences on many issues. Ordinarily, decisions within our political process are not so one-sided that those who are defeated at the polls or in a legislative battle are left utterly without consolation. More commonly, the views of the minority are accommodated, in greater or lesser degree, and there is a general recognition that those who form a political majority today will be in the minority at some future time, thereby fostering an attitude of tolerance and compromise. Obviously, however, it is much easier to work out a compromise on matters of purely practical application, such as budgets and taxes, than on fundamental moral questions about which notions of right and wrong leave less room for conscientious maneuvering.

The need for restraint in implementing moral judgments through legislation is also emphasized by the fact that moral issues often bring fundamental values into conflict. The delicate balance between moral order and personal liberty must be preserved.

Nonetheless, abortion is a proper subject for legislation because of the 15 million or more abortions which have occurred since—and in many instances because of—Roe against Wade are not mere surgical procedures. They are human lives lost. In this perspective, abortion is the greatest human rights issue of our time. I agree with Prof. John T. Noonan's observation:

> Of all the subjects relating to the erosion of the sanctity of human life, abortion is the keystone. It is the first and crucial issue that has been overwhelming in changing attitudes toward the value of life in general.

This amendment represents another in a series of steps toward restricting Federal funding for abortions. It is in my opinion a commendable restriction. I urge adoption of the amendment.

In conclusion, I wish to acknowledge my gratitude to the literally thousands of persons throughout Colorado, and others as well, who have shared their views with me. This is an issue about which thoughtful persons do not agree. And because of its sensitivity, the prospect of abortion legislation tests the intellectual humility and patience of all who care deeply about the outcome. I am gratified that the vast majority of those with whom I have had contact about this matter have expressed their opinions in a serious and dispassionate manner and in a way that is respectful of differing opinions. I have tried to explain my own thinking in the same spirit.

Mr. METZENBAUM. Mr. President, earlier today I indicated that I thought we had enough abortion amendments over the past several years. Just as a matter of curiosity, I had a study made today, and I found that since the 95th Congress, we have had 431 separate abortion proposals. That is quite a few. Four-hundred and thirty-one in the last 9 years.

It seem to me that there are a few other things that the Senate ought to be addressing itself to besides that issue, notwithstanding the fact that I recognize that many feel that it is a very important issue.

I hope we might dispose of this amendment and any other abortion amendments and get on with the underlying bill.

Mr. RUDMAN. Mr. President, first, I thank my friend from North Carolina for being willing to discuss this in a relatively brief period of time. I know that this is a very important issue to the Senator from North Carolina and the Senator from Colorado. I appreciate their courtesy in being forthcoming and doing nothing to delay this bill.

I do not want to address the issue of abortion here tonight, because this is really a different issue we are facing. I say to the Senator from Colorado and the Senator from North Carolina that in this amendment they are talking about people who are in the custody of the U.S. Government. They are in custody as Federal prisoners.

I submit, without getting into any of the moral issues involved, that there is a long line of Federal cases that absolutely mandate a level of medical care for anyone in Federal custody.

There is no doubt in my mind that since abortion is legal in America, whether you like it or not, a women in Federal custody has a right to receive that abortion from her Government, if she needs it.

We are not dealing with people who have an option. We are not talking about people who are freely living in society who may be denied Federal funds from one program, but can find private funds for such purposes. We are talking about prisoners who have become pregnant, either on furloughs, before they arrived in the prison, or in some cases while in the prison.

Mr. President, this is not a debate over whether or not we are for or against abortion. This is a debate over whether or not we are going to observe the minimum standards that the Federal courts have set forth for the medical care of prisoners.

I do not make general declarations about the constitutionality of an issue; that is up to the Supreme Court. From my experience, however, I say that this is on the thin edge, and in my view may be unconstitutional, but I would not want to make a definitive statement.

Before I make a motion, I yield the floor.

Mr. ARMSTRONG. Mr. President, it would be foolhardy in the extreme for me to position myself to discuss the constitutionality of this legislation or any other legislation with the Senator from New Hampshire. We all know that he is a distinguished lawyer and that he served his State with great distinction in a variety of capacities and is a recognized authority on the law, and I certainly am not. But I know enough about the Supreme Court's attitude toward abortion to recognize that the decision which got us into this jam, the Roe versus Wade decision, was extraordinarily controversial at the time.

One of the most distinguished members of that Court wrote a dissenting opinion in which he described it not only as improvident, but really spoke of it in scathing terms as an unnecessary invasion of the rights of States, which all through history, until a few years ago, had the essential jurisdiction to regulate this surgical procedure.

It is also clear to me that people on and off the Federal bench are having a lot of second thoughts and that what seemed clear-cut a decade ago, even among judges, does not seem so clear-cut anymore.

I do not think it is a certainty at all that this language would be declared unconstitutional. In fact, people who know a lot more about constitutional law and the practices of the appellate courts and the Supreme Court, tell me that the judges are shopping around, looking for an excuse to reverse Roe versus Wade, as well they should, for medical, scientific, moral, and legal reasons.

So I do not think we should wander into another intellectual cul de sac, as I characterized it earlier. This is not primarily a question of constitutional law. It is a question primarily of

whether the Federal Government should be in the business of funding abortions. If you think it is all right, you would vote "no" on this amendment. If you think it is not a good idea, you would vote "yes."

Mr. President, I think the Senator is entertaining the ideas of a tabling motion, but I know of no other Senator seeking recognition, so I say let us proceed to the vote.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. RUDMAN. Mr. President, I move to table the amendment.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. RUDMAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RUDMAN. Mr. President, I ask for the yeas and nays on the motion to table.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. RUDMAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the motion of the Senator from New Hampshire [Mr. RUDMAN] to table the amendment of the Senator from North Carolina [Mr. HELMS]. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. EAST], the Senator from Arizona [Mr. GOLDWATER], the Senator from Oregon [Mr. HATFIELD], the Senator from Kentucky [Mr. MCCONNELL], and the Senator from South Dakota [Mr. PRESSLER] are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Missouri [Mr. EAGLETON], the Senator from Illinois [Mr. SIMON], and the Senator from Mississippi [Mr. STENNIS] are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 46, nays 46, as follows:

[Rollcall Vote No. 255 Leg.]

YEAS—46

Baucus	Hart	Pell
Bentsen	Heinz	Pryor
Bingaman	Hollings	Riegle
Bradley	Inouye	Rockefeller
Bumpers	Kassebaum	Roth
Burdick	Kennedy	Rudman
Byrd	Kerry	Sarbanes
Chafee	Lautenberg	Sasser
Cochran	Leahy	Simpson
Cohen	Levin	Specter
Cranston	Mathias	Stafford
Dodd	Matsunaga	Stevens
Evans	Metzenbaum	Warner
Glenn	Moynihan	Weicker
Gorton	Nunn	
Harkin	Packwood	

NAYS—46

Abdnor	Ford	Mattingly
Andrews	Garn	McClure
Armstrong	Gore	Melcher
Biden	Gramm	Mitchell
Boren	Grassley	Murkowski
Boschwitz	Hatch	Nickles
Chiles	Hawkins	Proxmire
D'Amato	Hecht	Quayle
Danforth	Heflin	Symms
DeConcini	Helms	Thurmond
Denton	Humphrey	Trible
Dixon	Johnston	Wallop
Dole	Kasten	Wilson
Domenici	Laxalt	Zorinsky
Durenberger	Long	
Exon	Lugar	

NOT VOTING—8

Eagleton	Hatfield	Simon
East	McConnell	Stennis
Goldwater	Pressler	

So the motion to lay on the table amendment No. 884 was rejected.

Mr. METZENBAUM. Mr. President, I think we ought to understand what is before us on this measure. We are now discussing the 431st opportunity that the Members of Congress have had to act on an abortion amendment or motion during the last 9 years. It seems to me that anytime you get involved in any one of the host of issues there is a determination that somehow, some way, regardless of what the legislation is, we are going to have another abortion amendment.

Before the evening is over, I expect to share with my colleagues a copy showing some of the amendments which have been offered over the years, and there are many of them. I think you are entitled to know. I want to refresh your recollection. There are plenty of amendments to talk about, 431 in the last 9 years.

It just seems to me that enough is enough.

Mr. HELMS. Mr. President, will the Senator yield?

Mr. METZENBAUM. I yield for a question without losing my right to the floor.

Mr. DOLE. Mr. President, I would like to make an announcement about tomorrow and the weekend.

Mr. METZENBAUM. Mr. President, I certainly yield to the majority leader.

Mr. DOLE. Mr. President, I ask unanimous consent that I might proceed for 5 minutes without the Senator from Ohio losing his right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, there will be no more votes this evening, but there will be votes tomorrow and Monday. We tried hard to bring together a group of Senators who were willing to offer amendments on the farm bill tomorrow, but we came up with about 13 on this side and 3 on that side. Most of those on both sides, I might say, were ones that could be disposed of in about 30 seconds each.

It seems to me that if we really want to go to work on the farm bill, we ought to start that tomorrow. I can promise that there will be votes tomorrow.

I would hope you would judge your activities accordingly. We did make a real effort.

I want to thank the distinguished minority leader and the staff on each side. I apologize to those observers who want to go to Geneva. They can still go, of course, but we cannot protect them on votes on tomorrow, Monday, and most of Tuesday. That will be nearly 3 days. Without some agreement to take up meaningful amendments on the agriculture bill, I just do not think the majority leader, with Members on both sides wanting to complete the year as quickly as possible, believes that would be a very good idea.

It also seems to me that we are not going to complete action on this bill tonight so I think the best thing to do is to go home and watch the World Series and come back tomorrow morning.

Mr. BYRD. Mr. President, will the Senator yield to me without the Senator from Ohio losing his right to the floor?

Mr. METZENBAUM. Yes, without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, as the distinguished majority leader stated, we on this side made a good-faith effort to see if amendments could be brought up tomorrow. The best we could do was as the majority leader stated. I thank my staff for diligently trying to assist. I appreciate very much the majority leader's decision based on the record.

Mr. METZENBAUM. Mr. President, if the majority leader has intentions of recessing at this point until tomorrow, I have no particular desire to speak. I will have plenty of opportunity for that next week.

Mr. DOLE. Mr. President, let me indicate we will come in about 8:30 in the morning and be on the farm bill, hopefully, by 9:30.

ROUTINE MORNING BUSINESS

Mr. DOLE. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business, not to extend beyond the hour of 9:15.

Mr. MOYNIHAN. Mr. President, is it the intention of the majority leader to have further action this evening?

Mr. DOLE. We will not have further action this evening. It seems to me that returning to the bill at this point would be an exercise in futility. I am advised by the distinguished Senator from Ohio that he will talk at length on this bill.

Mr. RUDMAN. Mr. President, will the majority leader yield for a moment?

Mr. DOLE. Yes.

Mr. RUDMAN. Mr. President, I would like to inquire of the Senator from North Carolina and the Senator from Ohio. We do have a number of amendments that we can actually complete action on. The bill cannot be finished tonight. We will eventually go to a conference with the House of Representatives, but at the moment it looks to me like there will be a continuing resolution.

There are some enormously important things in this bill. There are a lot of people who have worked hard on this bill for about 7 months. Everybody has the right to offer amendments. I do not have a problem about that. But I do have a problem about getting more action on this bill.

I wonder if there is some way to get the cooperation of the Senator from North Carolina and the Senator from Ohio where we might be able to lay aside the amendment and accept some other amendments where we will not have rollcall votes.

Mr. HELMS. Mr. President, the Senator will recall that I was willing to have a 10- or 20-minute time limitation on mine.

Let me ask my distinguished friend from Ohio a question. How many times did he say there had been abortion votes in the Senate?

You mentioned some number over a period of years. Would you repeat that?

Mr. METZENBAUM. I said there were 431 amendments or motions having to do with abortions in the last 9 years, according to a computer printout that I have in my possession.

Mr. HELMS. Did the printout have the number of unborn children that have been slaughtered through abortion during the same period?

Mr. METZENBAUM. I thought the Senator from North Carolina had a serious question. Now he has raised it to a point that I do not believe it advisable to answer.

Mr. HELMS. The question I asked was perfectly serious. I thank the Senator.

Mr. DOLE. Mr. President, we have already gone into morning business. We will try to work out something on this bill and bring it up next week. We should be on the farm bill by 9:30 tomorrow morning.

NATIONAL LUPUS AWARENESS WEEK

Mr. DOLE. Mr. President, the week of October 20-26 has been designated as Lupus Awareness Week, and I would like to take this time to call attention to this tragic disease.

WHAT IS LUPUS?

Lupus is an inflammatory autoimmune disease of unknown origin, with unpredictable symptoms that vary in intensity. Little is known about this capricious disease which may disguise itself as a milk skin rash, but often results in death. Although lupus affects more than 500,000 people in the United States, and claims 5,000 lives every year, victims are often misdiagnosed and consequently treated with inappropriate drugs.

THE LUPUS FOUNDATION OF AMERICA

The Lupus Foundation of America, the largest of the national organizations, is dedicated to raising funds for lupus research and educating the public about this disease. Their goal is to address the problems of the lupus patient with understanding, compassion and concern.

THE SUN IS MY ENEMY

Henrietta Aladjem is a founder of the Lupus Foundation, as well as a victim of lupus. In her book, "The Sun Is My Enemy," she recounts her own personal struggle with lupus:

With lupus, you can get worse and then get better without obvious cause . . . there are times when you are the only person who is sure that you are really sick, but don't know what the illness is. You can't name the type of discomforts you are experiencing, and somehow you can't make sense of them to describe them to the doctor. The more you try to explain, the more you feel disturbed . . . you keep struggling against pain, dizziness, nausea and fatigue to maintain your relationship with the world on even a minimal level. If you have a job, you live under the constant fear that you might lose your employment because of poor performance. You worry about your children, your husband or wife, you worry about death and dying. You feel the need to understand your illness, you want to know why you feel the way you do, and you want to find ways to deal with your plight.

THE FUTURE

Fortunately, Ms. Aladjem's disease has been in remission for over 20 years. Yet, there are many others who are still suffering and dying from lupus. Mr. President, I commend the Lupus Foundation of America for its work over the years, and I am hopeful that their efforts will help us to solve the mystery of this dreaded disease.

TRIBUTE TO JACK PARADEE

Mr. ROTH. Mr. President, last Thursday a very special friend of mine, Jack Paradee, died in Wilmington. Jack was not only a representative of the United Transportation Union, he was also someone who helped others overcome their all too human frailties. The night of his death, Jack was responding to the needs of a person recovering from alcoholism, something he had been doing for over 25 years.

During the time he worked on legislation for the UTU, Jack was very effective because he had an intimate knowledge of rail transportation and he knew what was in the best interests of the people who worked in that industry. Whenever I had any questions about how a particular provision would affect the rail workers, Jack had an answer. After his retirement from the UTU in 1982, Jack stayed active in community affairs as well as helping Norfolk Southern Corp. in its effort to purchase Conrail.

Perhaps what will best keep Jack in our thoughts will be his great sense of himself and his marvelous sense of humor. He never looked back and cheerful thoughts were the hallmark of a Jack Paradee conversation.

Many individuals leave their lives little noted and vaguely remembered; but Jack's efforts will endure in such programs as progressive alcohol abuse programs, rail safety, railroad retirement and others. We shall miss him and we offer our condolences to his family and many friends.

MESSAGES FROM THE HOUSE

At 4 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks announced that the following are appointed as additional conferees in the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2419) entitled "An Act to authorize appropriations for fiscal year 1986 for intelligence and intelligence-related activities of the U.S. Government, the Intelligence Community Staff, and the Central Intelligence Agency Retirement and Disability System, and for other purposes": Mr. RODINO and Mr. LUNGREN, for consideration of matters within the jurisdiction of the Committee on the Judiciary under clause 1(m) of House rule X; and Mr. ASPIN, Mr. STRATTON, and Mr. DICKINSON, for consideration of matters within the jurisdiction of the Committee on Armed Services under clause 1(c) of House rule X.

The message also announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

51-059 O-87-17 (Pt. 21)

H.R. 3003. An act to authorize the Secretary of the Interior to convey certain land located in the State of Maryland to the Maryland-National Capital Park and Planning Commission.

At 4:51 p.m. a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 3605. An act to provide that the authority to establish and administer flexible and compressed work schedules for Federal Government employees be extended through December 31, 1985.

MEASURES REFERRED

The following bill was read the first and second times by unanimous consent, and referred as indicated:

H.R. 3003. An act to authorize the Secretary of the Interior to convey certain land located in the State of Maryland to the Maryland-National Capital Park and Planning Commission; to the Committee on Energy and Natural Resources.

MEASURES PLACED ON THE CALENDAR

The following bill was read the first and second times by unanimous consent, and referred as indicated:

H.R. 3605. An act to provide that the authority to establish and administer flexible and compressed work schedules for Federal Government employees be extended through December 31, 1985.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-1907. A communication from the Director of the Defense Security Assistance Agency transmitting, pursuant to law, a report on a foreign military assistance sale to Jordan; to the Committee on Armed Services.

EC-1908. A communication from the Director of the Defense Security Assistance Agency transmitting, pursuant to law, a report on a foreign military assistance sale to Jordan; to the Committee on Armed Services.

EC-1909. A communication from the Chairman of the National Advisory Committee on Oceans and Atmosphere transmitting, pursuant to law, a report entitled "Shipping, Shipyards, and Sealift: Issues of National Security and Federal Support"; to the Committee on Commerce, Science and Transportation.

EC-1910. A communication from the Secretary of Energy transmitting, pursuant to law, the 1985 Automotive Technology Development Program report; to the Committee on Energy and Natural Resources.

EC-1911. A communication from the Special Counsel of the Merit Systems Protection Board transmitting, pursuant to law, a report on allegations of mismanagement, waste of funds, and danger to public safety at the Lower Fort Mason Complex, Golden Gate National Recreation Area, National Park Service, San Francisco, CA; to the Committee on Governmental Affairs.

EC-1912. A communication from the Special Counsel, Merit Systems Protection Board, transmitting, pursuant to law, a report on allegations of a violation of law and regulation, and abuse of authority, by officials at Rock Island Arsenal, IL, to the Committee on Governmental Affairs.

EC-1913. A communication from the Secretary of Labor transmitting, pursuant to law, a report on a change in a Privacy Act system of records; to the Committee on Governmental Affairs.

EC-1914. A communication from the Assistant Secretary of the Interior transmitting, pursuant to law, a proposed plan for the use and distribution of judgment funds awarded the Fort Mojave Indian Tribe; to the Select Committee on Indian Affairs.

EC-1915. A communication from the Secretary of Education transmitting, pursuant to law, final regulations for State grants for strengthening the skills of teachers and instruction in mathematics, science, foreign languages, and computer learning and for increasing the access of all students to that instruction; to the Committee on Labor and Human Resources.

EC-1916. A communication from the Deputy Assistant Secretary of Health and Human Services transmitting, pursuant to law, a report on the financial condition of a Government pension plan; to the Committee on Labor and Human Resources.

EC-1917. A communication from the Administrator of the Veterans Administration transmitting a draft of proposed legislation to modify the structure of the office of the Chief Medical Director, to clarify procedures for removal for cause of certain employees, to authorize use of Director pay grade within VA central office; to the Committee on Veterans' Affairs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. LUGAR, from the Committee on Foreign Relations, without amendment:

S. Res. 244. An original resolution authorizing the printing of background information on the Committee on Foreign Relations as a Senate document (Rept. No. 99-164); referred to the Committee on Rules and Administration.

By Mr. THURMOND, from the Committee on the Judiciary, without amendment and with a preamble:

H.J. Res. 308. A joint resolution designating the week beginning on October 20, 1985, as "Benign Essential Blepharospasm Awareness Week".

H.J. Res. 322. A joint resolution to provide for the designation of the week beginning October 6, 1985, as "National Sudden Infant Death Syndrome Awareness Week".

S. Res. 96. A resolution relating to the centennial observance of the University of Arizona.

By Mr. LUGAR, from the Committee on Foreign Relations, without amendment and with a preamble:

S. Res. 237. A resolution supporting the intent of the President to discuss with leaders of the Soviet Union American concerns with the Soviet Union presence in Afghanistan, and for other purposes.

By Mr. THURMOND, from the Committee on the Judiciary, without amendment and with a preamble:

S.J. Res. 207. A joint resolution to designate November 1, 1985 as "National Philanthropy Day".

By Mr. LUGAR, from the Committee on Foreign Relations, without amendment and with a preamble:

S.J. Res. 227. An original joint resolution to commend the people and the sovereign confederation of the neutral nation of Switzerland for their contributions to freedom, international peace, and understanding on the occasion of the meeting between the leaders of the United States and the Soviet Union on November 19-20, 1985, in Geneva, Switzerland.

By Mr. LUGAR, from the Committee on Foreign Relations, without amendment and with a preamble:

S. Con. Res. 76. A concurrent resolution asking that the President bring the rights of the Polish people to the attention of the Soviet Government.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. THURMOND, from the Committee on the Judiciary: Laurence H. Silberman, of the District of Columbia, to be U.S. circuit judge for the District of Columbia;

John S. Rhoades, Sr., of California, to be U.S. district judge for the Southern District of California;

Lyle E. Strom, of Nebraska, to be U.S. district judge for the District of Nebraska;

Jose Antonio Fuste, of Puerto Rico, to be U.S. district judge for the District of Puerto Rico;

Richard H. Battey, of South Dakota, to be U.S. district judge for the District of South Dakota;

Roy C. Hayes, Jr., of Michigan, to be U.S. attorney for the Eastern District of Michigan for the term of 4 years; and

Donald R. Brookshier, of Illinois, to be U.S. marshal for the Southern District of Illinois for the term of 4 years.

By Mr. GARN, from the Committee on Banking, Housing, and Urban Affairs:

Roger A. Yurchuck, of Ohio, to be a Director for the Securities Investor Protection Corporation for a term expiring December 31, 1987.

(The above nomination was reported from the Committee on Banking, Housing, and Urban Affairs with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. MATHIAS (for himself, Mr. SIMON, Mr. KENNEDY, Mr. BURDICK, and Mr. HART):

S. 1787. A bill to amend the Federal Election Campaign Act of 1971 to provide for the public financing of Senate general election campaigns; to the Committee on Rules and Administration.

By Mr. MURKOWSKI (for himself and Mr. THURMOND):

S. 1788. A bill to amend title 38, United States Code, to increase the rates of disability compensation for disabled veterans and the rates of dependency and indemnity compensation for surviving spouses and children of veterans, to improve veterans' education benefits, and to improve the Veterans' Administration home loan guaranty program; to amend titles 10 and 38, United States Code to improve national cemetery programs; to redesignate, improve, and extend the Emergency Veterans' Job Training Act of 1983; and for other purposes; to the Committee on Veterans' Affairs.

By Mr. KERRY:

S. 1789. A bill to amend the Federal Election Campaign Act of 1971 to provide for the public financing of Senate general election campaigns by eliminating the tax credit for political contributions; to the Committee on Finance.

By Mr. LUGAR, from the Committee on Foreign Relations:

S.J. Res. 227. An original joint resolution to commend the people and the sovereign confederation of the neutral nation of Switzerland for their contributions to freedom, international peace, and understanding on the occasion of the meeting between the leaders of the United States and the Soviet Union on November 19-20, 1985, in Geneva, Switzerland; placed on the calendar.

By Mr. LUGAR (for Mr. DOLE) (for himself, Mr. BYRD, Mr. LUGAR, Mr. PELL, Mr. DENTON, Mr. TRIBLE, Mr. BOSCHWITZ, Mr. PRESSLER, Mr. SARBANES, Mr. KENNEDY, Mr. KASTEN, Mrs. KASSEBAUM, Mr. EVANS, Mr. HEINZ, Mr. METZENBAUM, Mr. LAUTENBERG, Mr. JOHNSTON, Mr. WILSON, Mr. HEFLIN, Mr. MURKOWSKI, Mr. INOUYE, Mr. SIMON, Mr. PROXMIRE, Mr. BAUCUS, Mr. HARKIN, Mr. BRADLEY, Mr. MITCHELL, Mr. LEVIN, Mr. ZORINSKY, Mr. FORD, Mr. SPECTER, Mr. ROCKEFELLER, Mr. ABDNOR, Mr. WARNER, Mr. BOREN, Mr. DOMENICI, Mr. EAGLETON, Mrs. HAWKINS, and Mr. STEVENS):

S.J. Res. 228. A joint resolution relating to the proposed sales of arms to Jordan; considered and passed.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. LUGAR, from the Committee on Foreign Relations:

S. Res. 244. An original resolution authorizing the printing of background information on the Committee on Foreign Relations as a Senate document; to the Committee on Rules and Administration.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MATHIAS (for himself, Mr. SIMON, Mr. KENNEDY, Mr. BURDICK, and Mr. HART):

S. 1787. A bill to amend the Federal Election Campaign Act of 1971 to provide for the public financing of Senate general election campaigns; to the Committee on Rules and Administration.

SENATORIAL ELECTION CAMPAIGN ACT

● Mr. MATHIAS. Mr. President, I am introducing today, with my distinguished colleague from Illinois, Senator SIMON, the Senator from Massachusetts [Mr. KENNEDY], and the Senator from North Dakota [Mr. BURDICK], a bill to provide for public financing of Senate general election campaigns. It is similar to legislation I have supported in the past and reflects my belief that public funding of congressional campaigns is essential to complete the task of campaign finance reform begun by Congress over a decade ago. The first day of hearings on this proposed legislation will be held on Election Day, November 5, 1985, before the Committee on Rules and Administration.

I introduce this legislation because I continue to believe that public finance offers the best means to remedy the ills of the current system. Campaign finance legislation has sought to protect equality of access to the political arena and to insure that the system itself, in both fact and appearance, is free from the corrupting influence of money. The flood of campaign dollars in recent years has made it increasingly difficult to achieve these goals.

Candidates and office holders alike increasingly have had to devote themselves to the pursuit of campaign contributions in a way detrimental to the interests of their constituencies and to the functioning of government. I suspect, too, that many qualified men and women are kept out of the process altogether because of the personal and financial sacrifice that running for public office entails. The Federal Election Commission reports that spending in 1984 Senate races increased 23 percent over 1982. These figures suggest that no relief is in sight.

In our effort to regulate campaign finance, we are faced with what I believe is the misguided holding of the Supreme Court in Buckley versus Valeo, that the expenditure of money in campaigns is a constitutionally protected form of speech. Unless and until the Court can be persuaded to change its mind, the Buckley decision leaves us little alternative if we wish to place some reasonable limits on campaign spending. Such limits are constitutionally permissable only in the context of a system of publicly funded elections.

To those who would say that in an era of record deficits, we cannot afford to place additional demands on the Treasury, I would say we will pay a far greater price if we do not reform the way in which campaigns for elective office are financed. My colleague, the distinguished Senator from Arizona, Senator GOLDWATER, has called the current state of campaign finance a crisis of liberty. Our response to this crisis will determine the kind of government we have in the years to come: whether it rightfully enjoys the confidence of the people, and whether it is able to respond boldly and rationally to the challenges of the coming decades.

My bill would provide that any major or minor party candidate would be eligible to receive public funds for his or her general election campaign, if at least two major party candidates, or a major and a minor party candidate, have qualified for the general election ballot in that State. Candidates other than a major or minor party candidate could receive postelection funding if they received 5 percent or more of the vote.

A major party is defined as one whose candidate in any one of the three preceding Senatorial elections in a State has received 25 percent or more of the vote; a minor party is one whose candidate has received at least 5 percent but less that 25 percent of the vote.

Eligible candidates who elect to receive public funds would be subject to an expenditure limit in the general election period equal to $500,000 in each State with a voting age population of 1 million or less, 50 cents times the voting age population in each State with a voting age population greater than 1 million but less than 3 million, and 30 cents times the voting age population in each State with a voting age population of 3 million or more—but not less than $1½ million.

Major party candidates could receive public funds in an amount equal to the expenditure limit in that State; minor party candidates would be eligible for partial public funding. Major party candidates who receive full public funding could accept no private contributions for their general election campaign. Candidates accepting public funding could not make expeditures from personal funds in excess of $20,000.

An eligible candidate whose opponent elected not to accept public funding would be entitled to additional public funds in an amount equal to the amount by which his or her opponent exceeded the expenditure limits.

Funding would be derived from the voluntary taxpayer check-off on individual tax returns.

I ask unanimous consent that a section-by-section summary of the bill, a chart showing the State-by-State expenditures limits, and a copy of the bill be printed in the RECORD at this point.

S. 1787

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Senatorial Election Campaign Act".

SEC. 2. The Federal Election Campaign Act of 1971 is amended by adding at the end thereof the following new subchapter:

"Subchapter III—Public Financing of Senate General Election Campaigns

"DEFINITIONS

"SEC. 501. For purposes of this subchapter—

"(1) unless otherwise provided in this subchapter the definitions set forth in section 301 of this Act apply to this subchapter;

"(2) 'authorized committee' means, with respect to any candidate for election to the United States Senate, any political committee which is authorized in writing by such candidate to accept contributions, incur expenses, or make expenditures on behalf of such candidate to further the election of such candidate. Such authorization shall be addressed to the chairman of the political committee, and a copy of such authorization shall be filed by each candidate with the Commission. A withdrawal of any authorization shall be in writing and shall be addressed and filed in the same manner as the authorization;

"(3) 'candidate' means an individual who has been nominated for election to the office of United States Senator by a major or minor party or who has qualified to have his or her name on the general election ballot;

"(4) 'eligible candidate' means a candidate who is eligible, under section 502, for payments under this subchapter;

"(5) 'expenditure report period' with respect to an election means—

"(A) in the case of a major party candidate, the period beginning on the date such candidate becomes an eligible candidate and ending 30 days after the date of the election or the date such candidate is no longer an eligible candidate, whichever date is earlier; or

"(B) in the case of a candidate other than a candidate of a major party, the same period as the expenditure report period of the major party which has the shortest expenditure report period for such election;

"(6) 'election' means any regularly scheduled general, special, or runoff election, other than a primary election, held to elect a candidate to the United States Senate;

"(7) 'fund' means the Senate General Election Campaign Fund maintained by the Secretary of the Treasury in the Presidential Election Campaign Fund established by section 9006(a) of the Internal Revenue Code of 1954;

"(8) 'major party' means with respect to any election, a political party whose candidate for the office of United States Senator in any of the three preceding elections received, as the candidate of such party, 25 percent or more of the total number of popular votes received by all candidates for such office;

"(9) 'minor party' means with respect to any election, a political party whose candidate for the office of Senator in any of the three preceding elections received, as the candidate of such party 5 percent or more, but less than 25 percent of the total number of popular votes received by all candidates for such office;

"(10) the term 'qualified campaign expense' means an expense—

"(A) incurred by the candidate or the authorized committee of the candidate for the office of United States Senator to further his or her election to such office,

"(B) incurred within the expenditure report period, or incurred before the beginning of such period to the extent such expense is for property, services, or facilities used during such period, and

"(C) neither the incurring nor paying of which constitutes a violation of any law of the United States or of the State in which such expense is incurred or paid.

An expense shall be considered as incurred by a candidate or an authorized committee if it is incurred by a person authorized by such candidate or such committee, as the case may be, for expenses on behalf of such candidate or such committee.

"CONDITION FOR ELIGIBILITY FOR PAYMENTS

"SEC. 502. (a) In order to be eligible to receive any payments under this subchapter, the candidate shall agree, in writing—

"(1) to obtain and furnish to the Commission such evidence as it may request of the qualified campaign expenses and contributions of such candidate,

"(2) to keep and furnish to the Commission such records, books, and other information as it may request, and

"(3) to an audit and examination by the Commission under section 507 and to pay or repay any amounts required under such section.

"(b) To be eligible to receive payments under section 503, the candidate of a major party shall certify to the Commission, under penalty of perjury, that—

"(1) such candidate is seeking election to the United States Senate and such candidate and at least one other major party or minor party candidate have qualified for the election ballot under the law of the State involved,

"(2) such candidate and the authorized committees of such candidate will not incur qualified campaign expenses in excess of the aggregate payments to which they are entitled under section 503, unless otherwise provided in this subchapter,

"(3) no contributions to defray qualified campaign expenses have been or will be accepted by such candidate or any of the authorized committees of such candidate except to the extent necessary to make up any deficiency in payments received out of the fund because of the application of section 506(c), and

"(4) no contributions have been or will be accepted by such candidate or any authorized committees of such candidate to defray expenses which are not qualified campaign expenses.

"(c) In order to be eligible to receive any payments under this subchapter, a candidate other than a candidate of a major party shall certify to the Commission under penalty of perjury, that—

"(1) such candidate is seeking election to the United States Senate and such candidate and at least one other candidate of a major party have qualified for the election ballot under the law of the State involved,

"(2) such candidate and the authorized committees of such candidate will not incur qualified campaign expenses in excess of the aggregate payments to which an eligible candidate of a major party is entitled under section 503, unless otherwise provided in this subchapter, and

"(3) such candidate and the authorized committees of such candidate will accept and expend or retain contributions to defray qualified campaign expenses only to the extent that the qualified campaign expenses incurred by such candidate and the authorized committees of such candidate certified to under paragraph (2) exceed the aggregate payments received by such candidate out of the fund pursuant to section 506.

"(d) Certification for payment to a candidate shall be made by the Commission within 5 days after the date the Commission receives a certification from such candidate, pursuant to this section. Such certification shall be in such form and filed as the Commission shall prescribe by rule or regulation.

"(e)(1) To be eligible to receive any payment under this subchapter, a candidate shall certify to the Commission, under penalty of perjury, that such candidate will not knowingly make expenditures from his or her personal funds, or the personal funds of his or her immediate family in connection with such candidate's campaign for election in excess of, in the aggregate, $20,000.

"(2) For purposes of this subchapter, the term 'immediate family' means the spouse, any child, parent, grandparent, brother, halfbrother, sister, or halfsister of the candidate, and the spouses of such persons.

"(f) If an individual ceases to be a candidate such individual—

"(1) shall no longer be eligible to receive any payments under this subchapter, except that such individual shall be eligible to receive payments to defray qualified campaign expenses incurred while such person was an eligible candidate actively seeking election to the Senate; and

"(2) shall pay to the Secretary, as soon as practicable after the date upon which such individual ceases to be a candidate, an amount equal to the amount of payments received by such individual under this subchapter if such payments are not used to defray qualified campaign expenses.

"ENTITLEMENT OF ELIGIBLE CANDIDATES TO PAYMENTS

"SEC. 503. (a) Subject to the provisions of this chapter—

"(1) each eligible candidate of a major party in an election shall be entitled to equal payments under this subchapter in an amount which, in the aggregate, shall not exceed—

"(A) in each State with a voting-age population of 1,000,000 or less: $500,000";

"(B) in each State with a voting-age population greater than 1,000,000 but less than 3,000,000: an amount equal to 50 cents times such voting-age population; and

"(C) in each State with a voting-age population of 3,000,000 or over: an amount equal to 30 cents times such voting-age population, but not less than $1,500,000.

"(2) An eligible candidate of a minor party in an election shall be entitled to a payment under this subchapter equal in the aggregate to an amount which bears the same ratio to the amount allowed under paragraph (1) for a major party as the number of popular votes received by the candidate for Senator of the minor party, as such candidate, in the preceding election bears to the average number of popular votes received by the candidates for Senator of the major parties in the preceding election.

"(3) An eligible candidate, other than a candidate of a major or minor party, who receives 5 percent or more of the total number of popular votes cast for the office of United States Senate in such election shall be entitled to payments pursuant to this subchapter equal in the aggregate to an amount which bears the same ratio to the amount allowed under paragraph (1) for a major party as the number of popular votes received by such candidate in such election bears to the average number of popular votes received in such election by the candidates for Senator of the major parties. All such payments shall be made at such time after the election as the Commission determines the amount of payments such candi-

date is eligible for pursuant to this subparagraph. The Commission shall certify such amount to the United States Treasury for payment.

"(b) The aggregate payments to which an eligible candidate shall be entitled under paragraph (2) or (3) of subsection (a), shall not exceed an amount equal to the lesser of—

"(1) the amount of qualified campaign expenses incurred by an eligible candidate and the authorized committees of such candidate, reduced by the amount of contributions allowed to defray qualified campaign expenses received and expended or retained by an eligible candidate and such committees, or

"(2) the aggregate payments to which an eligible candidate of a major party is entitled under subsection (a)(1), reduced by the amount of contributions described in paragraph (1) of this subsection.

"(c) An eligible candidate shall be entitled to payments only—

"(1) to defray qualified campaign expenses incurred by an eligible candidate or the authorized committees of such candidate, or

"(2) to repay loans the proceeds of which were used to defray such qualified campaign expenses, or otherwise to restore funds (other than contributions to defray qualified campaign expenses received and expended by such candidate or such committees) used to defray such qualified campaign expenses.

"ADDITIONAL ENTITLEMENT OF OPPONENTS OF NONPUBLICLY FINANCED CANDIDATES

"SEC. 504. (a) Within 5 days after nomination by a major or minor party, and under such regulations as the Commission may prescribe, each candidate nominated by a major or minor party shall notify the Commission in writing of his or her intention to accept or not accept the funds to which he or she is entitled under section 503.

"(b)(1) A candidate of a major party who has elected to accept the funds for which he or she has qualified under section 503 and who is opposed by a major party candidate who has elected not to accept public funding shall be entitled to receive additional funds from the general fund of the United States Treasury, pursuant to paragraph (2).

"(2)(A) Subject to the provisions of subparagraph (B), a major party candidate eligible to receive funds pursuant to paragraph (1), shall receive additional funds in the amount of one dollar for every dollar of contributions or expenditures raised, incurred, or expended by the candidate not accepting funding.

"(B) Such additional funds shall only match those contributions or expenditures raised, incurred, or expended by the candidate not accepting funding which are in excess of the entitlement of such eligible candidate.

"(c) For purposes of implementing subsection (b), a candidate who elects not to accept public funding shall report his or her receipts and expenditures to the Commission—

"(1) monthly for contributions or expenditures received, incurred, or expended prior to 60 days prior to the date of the election;

"(2) weekly for contributions or expenditures received, incurred, or expended from 59 to 11 days prior to the date of the election; and

"(3) daily for contributions or expenditures received, incurred, or expended during the 10 days prior to the date of the election.

"(d) Notwithstanding the provisions of section 505—

"(1) if a major party candidate is eligible, pursuant to subsection (b), to receive additional funding because of contributions or expenditures received, incurred, or expended by such opponent between the date 59 days prior to the date of the election and the date of the election which are required to be reported by paragraph (2) or (3) of subsection (c), and

"(2) such eligible candidate files a request with the Commission stating that such candidate is eligible to receive such additional funds,

the Commission, within 24 hours after such request is filed, shall certify to the Secretary of the Treasury for payments to such eligible candidate.

"CERTIFICATION BY COMMISSION

"SEC. 505. (a) Except as otherwise provided in section 504(d), not later than 5 days after a candidate files a request with the Commission stating that he or she has met all applicable conditions for eligibility to receive payments under this subchapter, the Commission shall certify to the Secretary of the Treasury (hereafter in this subchapter referred to as the 'Secretary') for payment to such eligible candidate, payment in full of amounts to which such candidate is entitled under section 503, unless the provisions of section 506(c) apply.

"(b) Initial certifications by the Commission under subsection (a), and all determinations made by it under this chapter shall be final and conclusive, except to the extent that they are subject to examination and audit by the Commission under section 507 and judicial review under section 511.

"PAYMENTS TO ELIGIBLE CANDIDATES

"SEC. 506. (a) The Secretary shall maintain in the Presidential Election Campaign Fund established by paragraph 9006(a) of the Internal Revenue Code of 1954, in addition to any accounts maintained under such section, a separate account to be known as the 'Senate General Election Campaign Fund'. The Secretary shall deposit into such fund, for use by a candidate eligible for payments under this subchapter, the amount available after the Secretary determines that amounts in the fund necessary for payments under subtitle H of the Internal Revenue Code of 1954 are adequate. The moneys designated for such account shall remain available without fiscal year limitation.

"(b) Upon receipt of a certification from the Commission under section 505, the Secretary shall promptly pay to the candidate, out of the fund, the amount certified by the Commission. Amounts paid to any such candidate shall be under the control of such candidate.

"(c) If at the time of a certification by the Commission under section 505 for payment to an eligible candidate, the Secretary determines that the moneys in the fund are not, or may not be, sufficient to satisfy the full entitlement of such eligible candidate, he shall withhold from such payment such amount as he determines to be necessary to assure that an eligible candidate will receive his or her pro rata share of his or her full entitlement. Amounts so withheld shall be paid when the Secretary determines that there are sufficient moneys in the fund to pay such amounts, or portions thereof, to all eligible candidates from whom amounts have been withheld, but, if there are not sufficient moneys in the fund to satisfy the full entitlement of an eligible candidate, the amounts so withheld shall be paid in such manner that each eligible candidate receives his or her pro rata share of his or her full entitlement.

"EXAMINATIONS AND AUDITS; REPAYMENTS

"SEC. 507. (a) Notwithstanding the provisions of section 311(b), after each election, the Commission shall conduct a thorough examination and audit of the qualified campaign expenses of each candidate for the United States Senate who received payments under this subchapter.

"(b)(1) If the Commission determines that any portion of the payments made to a candidate under this subchapter was in excess of the aggregate payments to which such candidate was entitled, it shall so notify such candidate, and such candidate shall pay to the Secretary an amount equal to the excess.

"(2) If the Commission determines that a candidate or any authorized committee of such candidate incurred qualified campaign expenses in excess of the aggregate payments to which the candidate was entitled under section 503, it shall notify such candidate of the amount of such excess and such candidate shall pay to the Secretary an amount equal to such amount.

"(3) If the Commission determines that a candidate or any authorized committee of such candidate accepted contributions, other than contributions to make up deficiencies in payments out of the fund because of the application of section 506(c) to defray qualified campaign expenses, other than qualified campaign expenses with respect to which payment is required under paragraph (2), it shall notify such candidate of the amount of the contributions so accepted, and such candidate shall pay to the Secretary an amount equal to such amount.

"(4) If the Commission determines that any amount of any payment made to a candidate under section 506 was used for any purpose other than—

"(A) to defray the qualified campaign expenses with respect to wnich such payment was made, or

"(B) to repay loans the proceeds of which were used to defray qualified campaign expenses,

it shall notify such candidate of the amount so used, and such candidate shall pay to the Secretary an amount equal to such amount.

"(5) No payment shall be required from a candidate under this subsection to the extent that such payment, when added to other payments required from such candidate under this subsection, exceeds the amount of payments received by such candidate under this subchapter.

"(c) No notification shall be made by the Commission under subsection (b) with respect to an election more than 3 years after the date of such election.

"(d) All payments received by the Secretary under subsection (b) shall be deposited in the Senate General Election Campaign Fund established in section 506.

"CRIMINAL PENALTIES

"SEC. 508. (a)(1) It shall be unlawful for an eligible candidate of a political party in an election or for any authorized committee of such candidate to knowingly and willfully incur qualified campaign expenses in excess of the aggregate payments to which an eligible candidate of a major party is entitled with respect to such election.

"(2) Any person who violates paragraph (1) shall be fined not more than $5,000, or imprisoned not more than one year, or both.

In the case of a violation by any authorized committee, any officer or member of such committee who knowingly and willfully consents to such violation shall be fined not more than $5,000, or imprisoned not more than one year, or both.

"(b)(1) It shall be unlawful for an eligible candidate of a major party in an election or for any authorized committee of such candidate to knowingly and willfully accept any contribution to defray qualified campaign expenses, except to the extent necessary to make up any deficiency in payments received out of the fund because of the application of section 506 or to defray expenses which would be qualified campaign expenses but for subparagraph (C) of section 501(10).

"(2) It shall be unlawful for an eligible candidate of a political party (other than an eligible candidate of a major party) in an election or for any authorized committee of such candidate to knowingly and willfully accept and expend or retain contributions to defray qualified campaign expenses in an amount which exceeds the qualified campaign expenses incurred with respect to such election by such eligible candidate and an authorized committee of such candidate.

"(3) Any person who violates paragraph (1) or (2) shall be fined not more than $5,000, or imprisoned not more than one year, or both. In the case of a violation by any authorized committee, any officer or member of such committee who knowingly and willfully consents to such violation shall be fined not more than $5,000, or imprisoned not more than one year, or both.

"(c)(1) It shall be unlawful for any person who receives any payment under section 506, or to whom any portion of any payment received under such section is transferred, knowingly and willfully to use, or authorize the use of, such payment or such portion for any purpose other than—

"(A) to defray the qualified campaign expenses with respect to which such payment was made, or

"(B) to repay loans the proceeds of which were used, or otherwise to restore funds (other than contributions to defray qualified campaign expenses which were received and expended) which were used, to defray such qualified campaign expenses.

"(2) Any person who violates paragraph (1) shall be fined not more than $10,000, or imprisoned not more than five years, or both.

"(d)(1) It shall be unlawful for any person knowingly and willfully—

"(A) to furnish any false, fictitious, or fraudulent evidence, books, or information to the Commission under this subchapter, or to include in any evidence, books, or information so furnished any misrepresentation of a material fact, or to falsify or conceal any evidence, books, or information relevant to a certification by the Commission or an examination and audit by the Commission under this subchapter; or

"(B) to fail to furnish to the Commission any records, books, or information requested by it for purposes of this subchapter.

"(2) Any person who violates paragraph (1) shall be fined not more than $10,000, or imprisoned not more than five years, or both.

"(e)(1) It shall be unlawful for any person knowingly and willfully to give or accept any kickback or any illegal payment in connection with any qualified campaign expense of an eligible candidate or any authorized committee of such candidate.

"(2) Any person who violates paragraph (1) shall be fined not more than $10,000, or imprisoned not more than five years, or both.

"(3) In addition to the penalty provided by paragraph (2), any person who accepts any kickback or illegal payment in connection with any qualified campaign expense of an eligible candidate or any authorized committee of such candidate shall pay to the Secretary of the Treasury, for deposit in the general fund of the Treasury, an amount equal to 125 percent of the kickback or payment received.

"(f)(1) It shall be unlawful for any individual to disclose any information obtained under the provisions of this subchapter except as may be required by law.

"(2) Any person who violates paragraph (1) shall be fined not more than $5,000, or imprisoned not more than one year, or both.

"REPORTS TO CONGRESS; REGULATIONS

"SEC. 509. (a) The Commission shall, as soon as practicable after each election, submit a full report to the Senate setting forth—

"(1) the qualified campaign expenses (shown in such detail as the Commission determines necessary) incurred by a candidate and the authorized committees of such candidate;

"(2) the amounts certified by it under section 505 for payment to each eligible candidate; and

"(3) the amount of payments, if any, required from such candidate under section 507, and the reasons for each payment required.

Each report submitted pursuant to this section shall be printed as a Senate document.

"(b) The Commission is authorized to prescribe such rules and regulations in accordance with the provisions of subsection (c), to conduct such examinations and audits (in addition to the examinations and audits required by section 507), to conduct such investigations, and to require the keeping and submission of such books, records, and information, as it deems necessary to carry out the functions and duties imposed on it by this subchapter.

"(c) Thirty days before prescribing any rule or regulation under subsection (b), the Commission shall transmit a statement with respect to such rule or regulation to the Senate, setting forth the proposed rule or regulation. The statement shall contain a detailed explanation and justification of such rule or regulation.

"PARTICIPATION BY COMMISSION IN JUDICIAL PROCEEDINGS

"SEC. 510. (a) The Commission is authorized to appear in and defend against any action filed under section 511, either by attorneys employed in its office or by counsel whom it may appoint without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and whose compensation it may fix without regard to provisions of chapter 51 and subchapter III of chapter 53 of such title.

"(b) The Commission is authorized to appear, through attorneys and counsel described in subsection (a), in the district courts and other appropriate courts of the United States to seek recovery of any amounts determined to be payable to the Secretary of the Treasury as a result of any examination and audit made pursuant to section 507.

"(c) The Commission is authorized to petition the courts of the United States for declaratory or injunctive relief concerning any civil matter arising under this subchapter, through attorneys and counsel described in subsection (a). Upon application of the Commission, an action brought pursuant to this subsection shall be heard and determined by a court of three judges in accordance with the provisions of section 2284 of title 28, United States Code, and any appeal from the determination of such court shall lie to the Supreme Court of the United States. Judges designated to hear the case shall assign the case for hearing at the earliest practicable date, participate in the hearing and determination thereof, and cause the case to be in every way expedited.

"(d) The Commission is authorized on behalf of the United States to appeal from, and to petition the Supreme Court of the United States for certiorari to review judgments or decrees entered with respect to actions in which it appears pursuant to the authority provided in this section.

"JUDICIAL REVIEW

"SEC. 511. (a) Any certification, determination, or other action by the Commission made or taken pursuant to the provisions of this subchapter shall be subject to review by the United States Court of Appeals for the District of Columbia Circuit upon petition filed in such court by any interested person. Any petition filed pursuant to this section shall be filed within thirty days after such certification, determination, or other action by the Commission.

"(b)(1) The Commission, the national committee of any political party, or any individual eligible to vote for a candidate is authorized to institute an action under this section, including an action for declaratory judgment or injunctive relief, as may be appropriate to implement or construe any provision of this subchapter.

"(2) The district courts of the United States shall have jurisdiction of proceedings instituted pursuant to this subsection and shall exercise such jurisdiction without regard to whether a person asserting rights under the provisions of this subsection has exhausted administrative or other remedies provided by law. Such proceedings shall be heard and determined by a court of three judges in accordance with the provisions of section 2284 of title 28, United States Code, and any appeal shall lie to the Supreme Court of the United States. Judges designated to hear the case shall assign the case for hearing at the earliest practicable date, participate in the hearing and determination thereof, and cause the case to be in every way expedited.".

SEC. 3. (a) Section 315(c) of the Federal Election Campaign Act of 1971 is amended by striking out "subsection (b) of this section and subsection (d) of this section" and inserting in lieu thereof "subsections (b) and (d) of this section and subsection (a) of section 503".

(b) Section 315(c)(2)(B) of the Federal Election Campaign Act of 1971 is amended by inserting before the period at the end thereof the following: ", except that with respect to the limitations established by subchapter III of this Act, the term 'base period' means the calendar year 1985".

SEC. 4. This Act and the amendments made by this Act shall become effective on January 1, 1987, and shall apply to campaigns for election to the Senate after such date.

SENATORIAL ELECTION CAMPAIGN ACT

State-by-State expenditure limits of Mathias-Simon legislation to provide for public funding of U.S. Senate general election campaigns.

Alabama[1]	$1,440,000
Alaska[1]	500,000
Arizona[1]	1,098,000
Arkansas[1]	848,500
California[1]	5,688,300
Colorado[1]	1,160,000
Connecticut[1]	1,203,500
Delaware	500,000
Florida[1]	2,539,500
Georgia[1]	1,500,000
Hawaii[1]	500,000
Idaho[1]	500,000
Illinois[1]	2,526,300
Indiana[1]	1,500,000
Iowa[1]	1,063,000
Kansas[1]	893,000
Kentucky[1]	1,346,000
Louisiana[1]	1,500,000
Maine	500,000
Maryland[1]	1,500,000
Massachusetts	1,500,000
Michigan	1,976,000
Minnesota	1,500,000
Mississippi	900,500
Missouri[1]	1,500,000
Montana	500,000
Nebraska	581,500
Nevada[1]	500,000
New Hampshire[1]	500,000
New Jersey	1,698,300
New Mexico	500,000
New York[1]	4,003,800
North Carolina[1]	1,500,000
North Dakota[1]	500,000
Ohio[1]	2,361,900
Oklahoma[1]	1,188,500
Oregon[1]	982,500
Pennsylvania[1]	2,697,300
Rhode Island	500,000
South Carolina[1]	1,186,500
South Dakota[1]	500,000
Tennessee	1,500,000
Texas	3,381,600
Utah[1]	513,500
Vermont[1]	500,000
Virginia	1,500,000
Washington[1]	1,500,000
West Virginia	710,500
Wisconsin[1]	1,500,000
Wyoming	500,000

[1] Senate election in 1986.

Section-by-Section Summary

SENATORIAL ELECTION CAMPAIGN ACT

MATHIAS-SIMON BILL TO PROVIDE FOR PUBLIC FUNDING OF U.S. SENATE GENERAL ELECTION CAMPAIGNS

Title: "Senatorial Election Campaign Act."

SECTION TWO

Amends the Federal Election Campaign Act of 1971 and creates a new subchapter titled "Public Financing of Senate General Election Campaigns."

SEC. 501. DEFINITIONS

The definitions in this section supplement those used in Section 301 of the Federal Election Campaign Act.

"Candidate" means the Senate candidate nominated by a major or minor party or a candidate who has qualified for the general election ballot.

"Eligible candidate" is one who has met all the eligiblity requirements of Section 502.

"Election" includes any general, special, or runoff election held to elect a candidate to the U.S. Senate but does not include a primary.

The "expenditure report period" begins on the date of eligibility for a major party candidate. For all other eligible candidates, it is the same as the shortest expenditure report period of a major party candidate.

A "major party" is a political party whose Senatorial candidate in any of the three preceding elections received 25 percent or more of the popular votes.

A "minor party" is a party whose Senatorial candidate in any of the three preceding elections received 5 percent or more but less than 25 percent of the popular votes.

The "fund" is the Senate General Election Fund maintained by the Secretary of the Treasury as a part of the Presidential Election Campaign Fund.

SEC. 502. CONDITIONS FOR ELIGIBILITY FOR PAYMENTS

To become eligible, a candidate must agree and certify in writing to the Federal Election Commission (FEC), under penalty of perjury:

502(a).—To provide evidence of the qualified campaign expenses and contributions of such candidate, to keep and furnish such records to the Commission as it may require, to an audit and examination by the Commission following the election, and to repay such funds as may be required.

502(b).—A major party candidate must certify that he or she and at least one other major or minor party candidate have qualified for the general election ballot. A major party candidate must agree not to incur qualified campaign expenses in excess of payments to which he or she is entitled under the Act. Such major party candidate may not accept contributions except to the extent necessary to make up any deficiency in payments from the fund.

502(c).—A candidate, other than a major party candidate, must certify that he or she along with at least one major party candidate have qualified for the general election ballot. The candidate must agree not to incur qualified campaign expenses in excess of the limit (which is the amount of a major party candidate's entitlement) and to accept contributions only to the extent that public funds are not sufficient to cover such qualified campaign expenses.

503(d).—The FEC shall certify funds within five days after an application has been received.

502(e).—Any candidate accepting public funds may not make expenditures of personal funds or personal funds of the candidate's immediate family in excess of $20,000.

502(f).—Provides that an individual is no longer eligible to receive payments if he or she ceases to be a candidate.

SEC. 503. ENTITLEMENT OF ELIGIBLE CANDIDATES TO PAYMENTS

503(a).—(1) An eligible candidate of a major party is entitled to receive payments not to exceed:

(A) $500,000 in each state with a voting age population of 1,000,000 or less.

(B) Fifty cents multiplied by the voting age population in states with a voting age population between 1,000,000 and 3,000,000.

(C) Thirty cents multiplied by the voting age population, but not less than $1,500,000, in states with a voting age population of 3,000,000 or over.

(2) Minor party candidates receive an amount that bears the same ratio to the payments received by the major party candidates as the minor party's vote in the preceding Senatorial election bears to the average of the votes received by both major party candidates in the preceding election.

(3) An eligible candidate, other than a major or minor party candidate, who receives 5% or more of the popular votes cast in the election is entitled to post election funding. The amount is equal to an amount which bears the same ratio to the payments allowed major party candidates as the ratio of votes received by the candidate bears to the average vote of the major party candidates.

503(b).—An eligible candidate of a minor party or an eligible candidate qualifying under the 5% threshold is entitled to receive the lesser of (1) the amount of qualified campaign expenses reduced by contributions received or (2) the equivalent of payments allowed a major party candidate reduced by contributions received.

503(c)—Eligible candidates may not receive payments in excess of qualified campaign expenses. Payments may be used for qualified campaigns expenses or to repay loans the proceeds of which were used to defray qualified campaign expenses.

SEC. 504. ADDITIONAL ENTITLEMENT OF OPPONENTS OF NON-PUBLICLY FINANCED CANDIDATES

504(a).—Within five days after nomination by a major or minor party, a Senate candidate must notify the FEC in writing of his or her intention to accept or not accept public funds.

504(b).—A publicly funded major party candidate opposed by a major party candidate who elects not to accept public funds will be entitled to additional public funds equal to the amount by which his or her opponent exceeds the expenditure limits.

504(c).—For purposes of authorizing additional payments under this section, a non-publicly funded major party candidate will be subject to additional reporting requirements, including daily reports of contributions and expenditures in the 10 days preceding the election.

504(d).—The Commission must certify entitlement to additional payments under this section within 24 hours of an eligible candidate's application.

SEC. 505. CERTIFICATION BY COMMISSION

Certification by the FEC for payment of funds is required within five days of an eligible candidate's submission of a request. Initial certifications and other determinations by the Commission are final except to the extent that they are subject to later examination and audit by the Commission and to judicial review.

SEC. 506. PAYMENTS TO ELIGIBLE CANDIDATES

506(a).—After setting aside adequate funds for the presidential general election, national party conventions, and presidential primary accounts, the Secretary of the Treasury shall deposit any remaining funds in the Senate General Election Campaign Fund.

506(b).—The Secretary shall promptly pay out funds upon receipt of the Commission's certification. Amounts paid are expressly under the control of the candidate.

506(c).—When funds are insufficient to satisfy full entitlements, pro rata payments will be made.

SEC. 507. EXAMINATIONS AND AUDITS: REPAYMENTS

507(a).—After each election the FEC shall conduct an audit of each candidate receiving payments.

507(b).—Repayments are required if the Commission determines that a candidate or authorized committee:

(1) Received payments to which the candidate was not entitled.

(2) Incurred qualified campaign expenses in excess of the spending limit.

(3) Accepted contributions other than contributions permitted to make up deficiencies in payments.

(4) Used payments for purposes other than to defray qualified campaign expenses or to repay loans which were used for qualified campaign expenses.

No payment will be required from a candidate in excess of the total amount of public funds received.

507(c).—The FEC may not notify candidates of repayments more than 3 years after the election.

507(d).—Repayments under this section are deposited into the Senate General Election Campaign Fund.

[Sections 508 through 511 parallel provisions of the Presidential Election Campaign Fund Act.]

SEC. 508. CRIMINAL PENALTIES

508(a).—It is unlawful for an eligible candidate, the authorized committee of an eligible candidate, or any officer or member of such authorized committee to knowingly and willfully incur qualified campaign expenses in excess of the aggregate payments to which an eligible candidate of a major party is entitled with respect to an election. Violators shall be fined not more than $5,000 or imprisoned not more than one year, or both.

508(b).—It is unlawful for an eligible candidate of a major party or the authorized committee of such candidate to knowingly and willfully accept any contribution with respect to an election except to the extent necessary to make up for any deficiency in payments from the fund, or to accept contributions in an amount which exceeds qualified campaign expenses. Violators shall be fined not more than $5,000, or imprisoned not more than 5 years, or both.

508(c).—It is unlawful for any person receiving payments under the Act to knowingly and willfully use or authorize the use of payments for any purpose other than to defray qualified campaign expenses or to repay loans which were used for qualified campaign expenses. Violators shall be fined not more than $10,000, or imprisoned not more than 10 years, or both.

508(d).—It is unlawful for any person to knowingly and willfully furnish any false, fraudulent or fictitious information to the Commission, or to fail to furnish any records or information requested by the Commission for purposes of this chapter. Violators shall be fined not more than $10,000, or imprisoned not more than five years, or both.

508(e).—It is unlawful for any person to knowingly and willfully give or accept any kickback or any illegal payment in connection with any qualified campaign expense. Violators shall be subject to a fine of not more than $10,000, or imprisonment for not more than five years, or both. Any person receiving such a kickback or illegal payment shall be required to pay to the Secretary an amount equal to 125 per cent of the illegal payment.

508(f).—It is unlawful for any person to disclose information obtained under the provisions of this chapter, except as provided by law. Violators shall be fined not more than $5,000, or imprisoned not more than one year, or both.

SEC. 509. REPORT TO CONGRESS; REGULATIONS

509(a).—The Commission is required after each election to report to the Senate on the qualified campaign expenses of candidates receiving payments, amounts certified by it under section 505, and the amount of and reasons for any repayments required under the Act.

508(b).—The Commission is given authority to prescribe regulations, to conduct examinations, audits, and investigations, and to require the keeping and submission of such books and records as the Commission deems necessary.

SEC. 510. PARTICIPATION BY COMMISSION IN JUDICIAL PROCEEDINGS

The Commission is authorized through its attorneys or by appointed counsel to seek recovery of any amounts found payable as a result of an audit or examination, and to seek declaratory or injunctive relief concerning any civil matter arising under the Act. Such actions shall be heard by a three judge court on an expedited basis, and any appeal shall lie to the U.S. Supreme Court.

SEC. 511. JUDICIAL REVIEW

511(a).—Commission certifications and other actions taken pursuant to the Act are subject to review by the United States Court of Appeals for the District of Columbia.

508(b).—The Commission, the national committee of a political party, and any eligible voter may pursue declaratory or injunctive remedies to implement or construe the Act's provisions. Such actions shall be heard before a three judge court on an expedited basis with an appeal to the Supreme Court.

SECTION THREE

The amount of payments under the bill are subject to cost of living increases with 1985 designated as the base year.

SECTION FOUR

The bill applies to Senate elections held after January 1, 1987, the effective date of the legislation.●

By Mr. MURKOWSKI (for himself and Mr. THURMOND):

S. 1788. A bill to amend title 38, United States Code, to increase the rates of disability compensation for disabled veterans and the rates of dependency and indemnity for surviving spouses and children of veterans, to improve veterans' education benefits, and to improve the Veterans' Administration Home Loan Guaranty Program; to amend titles 10 and 38, United States Code, to improve national cemetery programs; to redesignate, improve, and extend the Emergency Veterans' Job Training Act of 1983; and for other purposes; to the Committee on Veterans' Affairs.

VETERANS' COMPENSATION AND BENEFITS IMPROVEMENTS ACT

Mr. MURKOWSKI. Mr. President, when the Senate adopted the First Concurrent Budget Resolution we made a commitment to the Nation's veterans suffering from service-connected disabilities. We made a commitment that they would receive a cost-of-living adjustment equal to that provided to the recipients of Social Security and other Federal programs.

I rise today to introduce legislation to fulfill that commitment. This bill S. 1788, the proposed Veterans' Compensation and Benefits Act of 1985, would provide a cost-of-living adjustment of up to 3.7 percent for service-connected disability compensation paid to veterans and for the related benefits paid to the survivors of individuals who die in service or due to a service-connected cause.

In addition to a COLA for those with service-connected disabilities, my legislation is designed to improve and refine a number of veterans' benefits programs. At this time, I would like to summarize the major provision of my bill.

A major component of this proposed legislation is a section designed to streamline and improve the management of the VA's Home Loan Program.

Since 1944, the VA has been guaranteeing loans made to veterans for the purpose of purchasing homes. Over $230 billion in loans for approximately 11.3 million veterans have been guaranteed. I am happy to say that the program is a worthwhile one, but I also must tell you that it is not without its problems. High rates of foreclosure and a growing inventory of foreclosed loans threatens the integrity of the program. For the 2 fiscal years, 1984 and 1985, the VA requested a total of $566.6 million in supplemental appropriations to cover the deficit in the loan guaranty revolving fund. This deficit is the result of a number of factors.

First of all, prior to 1981, the direct loan fund provided a source of financing to keep the program afloat, second, the VA is experiencing an extremely high rate of foreclosure on properties it has guaranteed. Foreclosures continue to run at the average rate of 2,500 per month. The VA is responsible for either paying the guaranty on those pieces of property or taking title to them. If the VA pays the guaranty, it immediately writes off up to $27,500. For this reason the VA takes title to over 85 percent of the foreclosed properties under the assumption that it will be able to turn around and sell the property for, at best, a loss no greater than the value of the guaranty for which the VA was liable. As a result of this policy, the VA's inventory has grown to almost 20,000 homes. The stark reality is that the VA loses on the average, $14,496 on each foreclosed property.

In July of this year alone, the VA paid 2,156 claims filed against it for property it had guaranteed. At an average of $14,496 per property, the VA lost over $31 million in that one month. We would have hoped that the economic upswing would have reduced the number of foreclosures on VA guaranteed properties, but that has not been the case. I am sure that my colleagues realize that this Government cannot afford hundreds of millions of dollars in losses annually under a single program. I am proposing, therefore, that a number of long overdue reforms be made in the administration and management of the program which would bring the program toward solvency in order to pro-

tect this important benefit for eligible veterans.

The VA's Office of the Inspector General released a report on September 30, which addresses the loan approval practices of the VA. The information contained in the report is shocking. The IG found that 14.1 percent of the loans made in fiscal year 1982 should not have been guaranteed by the VA because the veterans receiving those loans were not satisfactory credit risks. Half of those loans have already been foreclosed. That means that approximately 7,293 VA guaranteed loans made during fiscal year 1982 have been foreclosed. The VA has already lost $105.7 million on loans it guaranteed during fiscal year 1982. That is unacceptable. Can we truly believe that veterans—individually or as a group—are well served by such practices.

Therefore, I believe that the method in which the loan guaranty program is now being administered is adversely affecting many veterans. This program is meant to be a veterans benefit. Allowing a veteran to purchase a home he/she cannot afford does not benefit the veteran for whom the program was designed. My bill would require the Administrator of the VA to set and use a maximum debt-to-income ratio as a guideline for determining whether the veteran is a satisfactory credit risk. This type of credit underwriting is more in line with that used by the private lending institutions, and its use will reduce the number of foreclosures. The bill would also hold lending institutions liable for knowingly making loans to veterans who did not meet the credit underwriting standards. In addition, the Administrator would be permitted to waive the basic standard in the event that a veteran could demonstrate that an unusual or extraordinary case exists which warrants approval. A reduction in the number of bad loans will result in reduced losses within the loan guaranty revolving funding and in the fund analysis in the best interests of all veterans.

A second audit report by the VA inspector General addressed the VA appraisal system, and concluded that quality appraisals are not always being conducted by the fee based appraisers. Between October 1981 and January 1985, the VA paid claims on approximately 63,000 loans. The IG found that 42 percent of those foreclosed properties had declined in value. There are many factors which cause property value to decline, but the IG felt that an unacceptable number had been poorly appraised to begin with. Every time a VA guaranteed property receives an inflated initial appraisal, and later ends in foreclosure, the VA loses additional money. This bill would relieve the VA of its duty of determining the value of properties it guarantees, and turn that responsibility over to the industry which practices it on a day-to-day basis. The mortgage bankers are now accepting a greater portion of the risk involved in making these low to no downpayment loans and have every incentive, therefore, to ensure that quality appraisals are made. My bill would require that those same bankers be responsible for designating the appraiser who will determine the value of the property.

Another major problem within the loan guaranty system is the inordinate length of time it takes the VA to dispose of property it has acquired through foreclosure. The VA presently holds on to property an average of 10½ months. This bill would direct the VA to better utilize local realtors to dispose of their inventory of property in a more timely manner. The bill would also provide for the establishment of a pilot program under which a representative sample of the VA inventory of property would be managed and disposed of by a private company, which would also utilize the local real estate industry. The purpose of the program wolud be to enable the VA to determine the cost effectiveness of contracting with the private sector the property management functions of this program. I am very interested in knowing whether the average length of time it takes to resell a VA foreclosed property could be substantially reduced by contracting with a major firm with expertise in managing and disposing of residential properties.

Finally, the bill I am introducing would raise the limit of the amount of guaranty that could be paid on conventional property from $27,500 to $32,500. This would allow veterans greater purchasing power, especially in areas of high housing costs, and help to offset the rate of inflation since the last increase.

Mr. President, I feel that these changes are necessary if we are to continue to provide our veterans with a sound home loan guaranty program.

This legislation would also address the needs of Vietnam veterans who have not yet established themselves in steady, suitable employment. In 1983 Vietnam veterans faced an employment emergency. Their national unemployment rate was over 9 percent, significantly higher than the rate for their nonveteran peers. This situation was unacceptable and the Congress addressed it by enacting the Emergency Veterans' Job Training Act, an 18-month program to reimburse employers for the costs of training veterans on the job.

In September 1985, the unemployment rate for Vietnam veterans aged 30 to 45 was 4.6 percent, the same rate as nonveteran men the same age. For the Nation we can now say the "emergency" is over. The legislation I am introducing today would acknowledge the end of the emergency but would also respond to the need to continue the program for another year to be sure that the job we started during the unemployment emergency is fully carried out. I have proposed that for the duration of the program it be renamed the "Veterans' Job Training Act."

The Commitee on Veterans' Affairs, in hearings and through information provided by the interested organizations, has documented that, for many veterans and some areas of the country, the end of the national emergency has not resulted in an acceptable level of veterans' employment in stable, long-term jobs. Therefore, my bill would address these continuing needs by extending the renamed Veterans' Job Training Act for 1 year and authorizing an additional $55 million for the program. It would reduce the waiting time for unemployed veterans who wish to utilize this program by reducing the unemployment requirement from 15 to 10 of the 20 weeks prior to the veterans' application for benefits.

This legislation would also look to the future by directing an evaluation of the costs and benefits of integrating employer training cost reimbursement, the heart of the Veterans' Job Training Act, into the veterans' employment programs now administered by the Veterans' Employment and Training Service of the Department of Labor as a permanent program under part IV-c of the Joint Training Partnership Act. This evaluation would assess the advisability of continuing reimbursement to employers with the funds to be held and "triggered" by geographic or specific employment deficiencies.

Mr. President, there are two other provisions of my bill that I would like to outline at this time. One is a provision which would require the VA to collocate five regional offices on the grounds of VA medical centers by September 30, 1987. Currently the VA has nine regional offices which are located on the grounds of VA medical centers. This has proved to be a very efficient and worthwhile initiative and I understand that the VA Administrator has identified up to 25 other regional offices which could be colocated over the next several years. There might be some costs associated with the renovation of existing office space or even the need to build additional space. However, the benefits of collocating medical and benefits programs as well as the savings of the GSA rental costs clearly outweigh the disadvantages. The VA has estimated GSA leasing costs for its regional offices of $46,786,000 in fiscal year 1986 rising to $57,324,000 in fiscal year 1990.

A veteran who needs medical treatment and also benefits counseling or other services provided at a regional

office is inconvenienced by the need to go to two locations and deal with the same agency in two totally separate bureaucratic environments. I expect that over the next 5 years, the VA will move to collocate as many regional offices on the grounds or as close to the medical center as possible in order to streamline the benefits and medical care delivery system and become more cost efficient.

The last provision I would like to highlight is one that would provide an opportunity for veterans buried in national cemeteries to have upright markers at their gravesites. Over the past few years, the VA has established a policy that future gravesites will be marked with flat markers. The VA cites the trend toward adoption of flat markers in the private sector, as well as substantial cost savings as reasons to abandon upright markers. Some veterans and their families attach substantial significance to the use of upright markers. Besides the symbolic and aesthetic value of upright markers, there is a practical consideration as well. In cases where veterans are interred in national cemeteries located in northern tier States, upright markers are more easily seen in deep snow. Thus, when family members in such States visit the cemetery, they can better locate the graves of their loved ones. Therefore, my bill would provide that a veteran or the veteran's family could request an upright marker in all national cemeteries with the exception of those already established for the sole use of flat markers.

Mr. President, a cost-of-living adjustment for service-connected disabled veterans and their survivors, reform of the home loan guaranty program and veterans' employment are important issues requiring action by this body. I urge my colleagues to join me in supporting this legislation.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1788

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE AND REFERENCES

SECTION 1. (a) This Act may be cited as the "Veterans' Compensation and Benefits Improvements Act of 1985".

(b) Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

TITLE I—DISABILITY COMPENSATION AND DEPENDENCY AND INDEMNITY COMPENSATION RATE INCREASES

SEC. 101. (a) Section 314 is amended—

(1) by striking out "$66" in subsection (a) and inserting in lieu thereof "$68";

(2) by striking out "$122" in subsection (b) and inserting in lieu thereof "$127";

(3) by striking out "$185" in subsection (c) and inserting in lieu thereof "$192";

(4) by striking out "$266" in subsection (d) and inserting in lieu thereof "$276";

(5) by striking out "$376" in subsection (e) and inserting in lieu thereof "$390";

(6) by striking out "$474" in subsection (f) and inserting in lieu thereof "$492";

(7) by striking out "$598" in subsection (g) and inserting in lieu thereof "$620";

(8) by striking out "$692" in subsection (h) and inserting in lieu thereof "$718";

(9) by striking out "$779" in subsection (i) and inserting in lieu thereof "$808";

(10) by striking out "$1,295" in subsection (j) and inserting in lieu thereof "$1,343";

(11) by striking out "$1,609" and "$2,255" in subsection (k) and inserting in lieu thereof "$1,669" and "$2,338", respectively;

(12) by striking out "$1,609" in subsection (l) and inserting in lieu thereof "$1,669";

(13) by striking out "$1,774" in subsection (m) and inserting in lieu thereof "$1,840";

(14) by striking out "$2,017" in subsection (n) and inserting in lieu thereof "$2,092";

(15) by striking out "$2,255" each place it appears in subsections (o) and (p) and inserting in lieu thereof "$2,338";

(16) by striking out "$968" and "$1,442" in subsection (r) and inserting in lieu thereof "$1,004" and "$1,495", respectively;

(17) by striking out "$1,449" in subsection (s) and inserting in lieu thereof "$1,503"; and

(18) by striking out "$280" in subsection (t) and inserting in lieu thereof "$290".

(b) The Administrator of Veterans' Affairs may adjust administratively, consistent with the increases authorized by this section, the rates of disability compensation payable to persons within the purview of section 10 of Public Law 85-857 who are not in receipt of compensation payable pursuant to chapter 11 of title 38, United States Code.

ADDITIONAL COMPENSATION FOR DEPENDENTS

SEC. 102. Section 315(1) is amended—

(1) by striking out "$79" in clause (A) and inserting in lieu thereof "$82";

(2) by striking out "$132" and "$42" in clause (B) and inserting in lieu thereof "$137" and "$44", respectively;

(3) by striking out "$54" and "$42" in clause (C) and inserting in lieu thereof "$56" and "$44", respectively;

(4) by striking out "$64" in clause (D) and inserting in lieu thereof "$66";

(5) by striking out "$143" in clause (E) and inserting in lieu thereof "$148"; and

(6) by striking out "$120" in clause (F) and inserting in lieu thereof "$124".

CLOTHING ALLOWANCE FOR CERTAIN DISABLED VETERANS

SEC. 103. Section 362 is amended by striking out "$349" and inserting in lieu thereof "$362".

DEPENDENCY AND INDEMNITY COMPENSATION FOR SURVIVING SPOUSES

SEC 104 Section 411 is amended—

(1) by striking out the table in subsection (a) and inserting in lieu thereof the following:

"Pay grade	Monthly rate	Pay grade	Monthly rate
E-1	$494	W-4	$707
E-2	508	O-1	624
E-3	521	O-2	644
E-4	555	O-3	690
E-5	569	O-4	729
E-6	582	O-5	804
E-7	611	O-6	905
E-8	644	O-7	979
E-9	[1]673	O-8	1,073
W-1	624	O-9	1,152
W-2	649	O-10	[2]1,262
W-3	668		

"[1] If the veteran served as sergeant major of the Army, senior enlisted advisor of the Navy, chief master sergeant of the Air Force, sergeant major of the Marine Corps, or master chief petty officer of the Coast Guard, at the applicable time designated by section 402 of this title, the surviving spouse's rate shall be $726.

"[2] If the veteran served as Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, Commandant of the Marine Corps, or Commandant of the Coast Guard, at the applicable time designated by section 402 of this title, the surviving spouse's rate shall be $1,353.";

(2) by striking out "$55" in subsection (b) and inserting in lieu thereof "$57";

(3) by striking out "$143" in subsection (c) and inserting in lieu thereof "$148"; and

(4) by striking out "$70" in subsection (d) and inserting in lieu thereof "$73".

DEPENDENCY AND INDEMNITY COMPENSATION FOR CHILDREN

SEC. 105. Section 413 is amended—

(1) by striking out "$240" in clause (1) and inserting in lieu thereof "$249";

(2) by striking out "$345" in clause (2) and inserting in lieu thereof "$358";

(3) by striking out "$446" in clause (3) and inserting in lieu thereof "$463"; and

(4) by striking out "$446" and "$90" in clause (4) and inserting in lieu thereof "$463" and "$93", respectively.

SUPPLEMENTAL DEPENDENCY AND INDEMNITY COMPENSATION FOR CHILDREN

SEC. 106. Section 414 is amended—

(1) by striking out "$143" in subsection (a) and inserting in lieu thereof "$148";

(2) by striking out "$240" in subsection (b) and inserting in lieu thereof "$249"; and

(3) by striking out "$122" in subsection (c) and inserting in lieu thereof "$127".

EFFECTIVE DATE

SEC. 107. Except as provided in section 108 of this Act, the amendments made by sections 101 through 106 of this Act shall take effect on December 1, 1985.

ALTERNATIVE RATE INCREASES

SEC. 108. (a)(1) If the percentage of the increase in benefit amounts under title II of the Social Security Act that will take effect on December 1, 1985, as a result of a determination under section 215(i) of such Act is not 3.7 percent—

(A) sections 101 through 106 of this Act shall not take effect; and

(B) the Administrator of Veterans' Affairs shall (i) compute alternative increased rates and limitations that are equal to those that would be arrived at by increasing, by the same percentage as the percentage by which such benefit amounts will thus be increased, each dollar amount that would have been increased by the amendments that would have been made by such sections, and (ii) effective December 1, 1985, pay benefits under chapters 11 and 13 of title 38, United States Code, in accordance with such alternative increased rates and limitations.

(2) In the computation of alternative increased rates and limitations pursuant to

paragraph (1)(B), amounts of $0.50 or more shall be rounded to the next higher dollar amount and amounts of less than $0.50 shall be rounded to the next lower dollar amount.

(b) The Administrator may adjust administratively, consistent with the increases authorized by this section, the rates of disability compensation payable to persons within the purview of section 10 of Public Law 85-857 who are not in receipt of compensation payable pursuant to chapter 11 of title 38, United States Code.

(c) If, under subsection (a) of this section, the Administrator is required to compute alternative increased rates and limitations, the Administrator shall publish in the Federal Register such alternative increased rates and limitations and the dollar amounts which would have been increased by the amendments which, but for subsection (a)(1) of this section, would have been made by sections 101 through 106 of this Act. The Administrator shall publish such rates and limitations at the same time as the material required by section 215(i)(2)(D) of the Social Security Act (42 U.S.C. 415(i)(2)(D)) is published by reason of a determination under section 215(i) of such Act.

TITLE II—EDUCATIONAL ASSISTANCE PROGRAM IMPROVEMENTS

DURATION AND LIMITATIONS ON ENTITLEMENT TO POST-VIETNAM ERA VETERANS' EDUCATIONAL ASSISTANCE

SEC. 201. Section 1632 is amended to read as follows:

"(a) Educational assistance benefits shall not be afforded an eligible veteran under this chapter more than 10 years after the date of such veteran's last discharge or release from active duty. In the case of any eligible veteran who was prevented from initiating or completing such veteran's chosen program of education during the delimiting period determined under the first sentence because of a physical or mental disability which was not the result of such veteran's own willful misconduct, such veteran shall, upon application made within 1 year after (1) the last date of the delimiting period otherwise applicable under this section, or (2) the termination date of the period of such mental or physical disability, whichever is later, be granted an extension of the applicable delimiting period for such period as the Administrator determines, from the evidence, that such veteran was so prevented from initiating or completing such program of education. When an extension of the applicable delimiting period is granted a veteran under the preceding sentence, the delimiting period with respect to such veteran shall again begin to run on the first day after such veteran's recovery from such disability on which it is reasonably feasible, as determined in accordance with regulations prescribed by the Administrator, for such veteran to initiate or resume pursuit of a program of education with educational assistance under this chapter.

"(b) In the event an eligible veteran has not utilized any or all of such veteran's entitlement by the end of the 10-year period applicable to the veteran under subsection (a) of this section, such eligible veteran is automatically disenrolled and any contributions made by such veteran remaining in the fund shall be refunded to the veteran after notice of disenrollment is transmitted to the veteran and the veteran applies for such refund. If no application is received within 1 year after the date the notice is transmitted to the veteran, it shall be presumed, for the purposes of section 1322(a) of title 31, that the individual's whereabouts is unknown and the funds shall be transferred as provided in such section.".

EDUCATIONAL AND VOCATIONAL COUNSELING UNDER THE VETERANS' EDUCATIONAL ASSISTANCE PROGRAM

SEC. 202. Section 1663 is amended by inserting immediately after the first sentence the following: "Such counseling shall be required prior to the selection of a program of education or training in any case in which the Administrator, having considered all pertinent evidence of record (including any court adjudication finding the veteran mentally incompetent), has rated the veteran as being incompetent.".

PERIODS OF ELIGIBILITY UNDER THE SURVIVORS' AND DEPENDENTS' EDUCATIONAL ASSISTANCE PROGRAM

SEC. 203. Section 1712(b) is amended by adding at the end thereof the following new paragraph (3):

"(3)(A) Notwithstanding the provisions of paragraph (1) of this subsection, in the case of any eligible person (as defined in clause (B), (C), or (D) of section 1701(a)(1) of this title) who was prevented from initiating or completing such person's chosen program of education within the delimiting period determined under subsection (a) of this section because of a delay in determining such person's eligibility, such person shall, subject to the approval of the Administrator, be permitted to elect a date referred to in subparagraph (B) of this paragraph to commence receiving educational assistance benefits under this chapter.

"(B) The date which an eligible person may elect for the purposes of subparagraph (A) of this paragraph is any date during the period beginning on the date the person became an eligible person within the meaning of clause (B), (C), or (D) of section 1701(a)(1) of this title and ending on the date determined under subparagraph (A), (B), or (C) of paragraph (1) of this subsection to be applicable to such person.".

EDUCATIONAL AND VOCATIONAL COUNSELING UNDER THE SURVIVORS' AND DEPENDENTS' EDUCATIONAL ASSISTANCE PROGRAM

SEC. 204. (a) Section 1720 is amended to read as follows:

"§ 1720. Educational and vocational counseling

"The Administrator may, upon request, arrange for educational or vocational counseling for persons eligible for benefits under this chapter to assist such persons in selecting their educational, vocational, or professional objectives and in developing their programs of education.".

(b)(1) Section 1721 is amended by—

(A) striking out "finally";

(B) striking out clause (1); and

(C) redesignating clauses (2), (3), (4), and (5) as clauses (1), (2), (3), and (4), respectively; and

(2) The catchline of such section is amended to read as follows:

"§ 1721. Approval of application".

(c) The items relating to sections 1720 and 1721 in the table of sections at the beginning of chapter 35 are amended to read as follows:

"1720. Educational and vocational counseling.
"1721. Approval of application.".

EDUCATIONAL ASSISTANCE FOR NONDEGREE PROGRAMS

SEC. 205. (a)(1) Section 1780(a) is amended—

(A) in clause (1), by inserting ", or enrolled in a course which does not lead to a standard college degree if the educational institution offering the course offers courses leading to a standard college degree and courses not leading to a standard college degree and is a fully accredited institution of higher learning," after "college degree"; and

(B) in clause (2), by inserting ", if the educational institution offering the course is not a fully accredited institution of higher learning or does not offer courses leading to a standard college degree and courses not leading to a standard college degree," after "title)".

(2) The third sentence of section 1788(a) is amended by inserting before the period at the end thereof the following: "unless the educational institution offering the course offers courses leading to a standard college degree and courses not leading to a standard college degree and is a fully accredited institution of higher learning".

(b)(1) The amendments made by subsection (a) of this section shall take effect September 1, 1986.

(2) Benefits shall not accrue by reason of such amendments for periods before September 1, 1986.

PAYMENT OF EDUCATIONAL ASSISTANCE

SEC. 206. Section 1780(f) is amended to read as follows:

"(f) Payment of educational assistance allowance in the case of any eligible veteran or eligible person pursuing a program of education at an educational institution on less than a half-time basis shall be made in an amount computed for the entire quarter, semester, or term at the rate provided in section 1682(b) or 1732(a)(2) of this title, as applicable. Such lump-sum payment shall be made only after the Administrator receives certification from the educational institution that such veteran or person has enrolled in and is pursuing a program at such institution.".

PROHIBITION ON BENEFITS UNDER MORE THAN ONE EDUCATIONAL ASSISTANCE PROGRAM

SEC. 207. Section 1781(b) is amended by striking out "for the pursuit of the same program of education".

DELAY OF CERTAIN REPORTS

SEC. 208. Section 1784(a) is amended—

(1) by striking out "(a) The" and inserting in lieu thereof "(a)(1) Except as provided in paragraph (2) of this subsection, the"; and

(2) by adding at the end thereof the following new paragraph (2):

"(2) In the case of a program of independent study pursued on a less than half-time basis in an educational institution, the Administrator may, upon request by the educational institution, approve a delay by the institution in reporting the enrollment or reenrollment of an eligible veteran or eligible person until the end of the term, quarter, or semester.".

REPEAL OF EDUCATION LOAN PROGRAM

SEC. 209. (a) Section 1662(a) is amended by—

(1) striking out paragraph (2); and

(2) redesignating paragraph (3) as paragraph (2).

(b) Section 1682A is repealed.

(c) Section 1686 is repealed.

(d) Section 1712 is amended by—

(1) striking out subsection (f); and

(2) redesignating subsection (g) as subsection (f).

(e) Section 1737 is repealed.

(f) Section 1738 is repealed.

(g) Subchapter III of chapter 36 is repealed.

TECHNICAL AMENDMENTS

SEC. 210. (a)(1) The catchline at the beginning of section 1631 is amended to read as follows:

"§ 1631. Entitlement; payment of benefits".

(2) The table of sections at the beginning of chapter 32 is amended by striking out the item relating to section 1631 and inserting in lieu thereof the following:

"1631. Entitlement; payment of benefits.".

(b) The table of sections at the beginning of chapter 34 is amended by striking out the items relating to sections 1682A and 1686.

(c) The table of sections at the beginning of chapter 35 is amended by striking out the items relating to sections 1737 and 1738.

(d) The table of sections at the beginning of chapter 36 is amended by striking out the items relating to subchapter III and sections 1798 and 1799.

SAVINGS PROVISION

SEC. 211. Notwithstanding the provisions of section 209(g) of this Act—

(1) the Administrator is authorized, with respect to education loans made prior to the date of enactment of this Act, to continue to collect loan principal and interest due, and to declare and recover (or discharge) overpayments, pursuant to the provisions of section 1798, as such section was in effect on the day before the effective date of this Act; and

(2) the Veterans' Administration Education Loan Fund, established by former section 1799(a), shall continue to be maintained in the Treasury of the United States for deposit of the collections referred to in clause (1) of this section, and the Administrator is authorized to transfer all or any part of the sums contained therein to the appropriation for readjustment benefits, from time to time, to be used for the purposes of that appropriation.

TITLE III—HOME LOAN GUARANTY PROGRAM IMPROVEMENTS

CREDIT UNDERWRITING STANDARD

SEC. 301. (a) Section 1810(b)(3) is amended by inserting ", as determined in accordance with the credit underwriting standards prescribed pursuant to subsection (g) of this section" before the semicolon at the end.

(b) Section 1810 is further amended by adding at the end thereof the following new subsections:

"(g)(1) For the purposes of this subsection, the term 'veteran', when used with respect to a loan guaranteed or to be guaranteed under this chapter, includes the veteran's spouse if the spouse is jointly liable with the veteran under the loan.

"(2) For the purpose of determining whether a veteran meets the standards set out in subsection (b)(3) of this section and section 1819(e)(2) of this title, the Administrator shall prescribe in regulations—

"(A) credit underwriting standards to be used in evaluating loans to be guaranteed under this chapter; and

"(B) standards to be used by lenders in obtaining credit information and processing loans to be guaranteed under this chapter.

"(3) In carrying out paragraph (2)(A) of this subsection, the Administrator shall prescribe standards that—

"(A) establish—

"(i) a maximum debt-to-income ratio to apply in the case of the veteran receiving the loan;

"(ii) criteria for evaluating the reliability and stability of the income of the veteran receiving the loan; and

"(iii) procedures for ascertaining the monthly income required by the veteran to meet the anticipated loan payment terms; and

"(B) are designed—

"(i) to assure that, to the maximum extent practicable, a loan guaranteed or made under this chapter will be repaid by the veteran receiving the loan in accordance with the loan agreement;

"(ii) reflect the loan underwriting principles generally accepted and used by commercial lending institutions.

"(4)(A) In carrying out paragraph (2)(B) of this subsection, the Administrator shall prescribe standards that reflect the loan underwriting procedures that are generally accepted and used by commercial lending institutions and are designed to assure that the lender obtains accurate information on prospective veteran borrowers.

"(B) The standards prescribed under paragraph (2)(B) of this subsection as provided in subparagraph (A) of this paragraph shall include—

"(i) procedures for obtaining verifications of the income, employment, and debts of the veteran; and

"(ii) criteria for acceptable credit reports.

"(5)(A) Any lender submitting a loan to the Administrator to be guaranteed under this chapter shall certify, in such form as the Administrator shall prescribe, that the lender has complied with the credit information and loan processing standards prescribed pursuant to paragraph (2)(B) of this subsection, and that, to the best of the lender's knowledge and belief, the proposed loan meets the underwriting standards prescribed pursuant to paragraph (2)(A) of this subsection.

"(B) Any lender who knowingly makes a false certification with respect to a loan under subparagraph (A) of this paragraph shall be liable for a civil penalty equal to two times the amount of the Administrator's loss on such loan or $10,000, whichever is greater. All determinations necessary to carry out this subparagraph shall be made by the Administrator.

"(6) The Administrator may waive the application of the credit underwriting standards prescribed pursuant to this subsection in extraordinary circumstances. The Administrator shall prescribe restrictive guidelines specifying the criteria under which a waiver may be made under this paragraph.

"(h) The Administrator shall require each veteran who applies for a loan to be guaranteed under this chapter to certify whether the veteran has or has not been previously rejected for a loan for which the property which was to be used as the security is the same property which is to be used as security for the loan to be guaranteed under this chapter.".

(c) Section 1819(e)(2) is amended by inserting "as determined in accordance with the credit underwriting standards prescribed pursuant to section 1810(g) of this title and" after "credit risk,".

LOAN GUARANTY AMOUNT

SEC. 302. (a) Section 1810(c) is amended by striking out "$27,500" and inserting in lieu thereof "$32,500".

(b) Section 1811(d)(2)(A) is amended by striking out "$27,500" each place it appears and inserting in lieu thereof "$32,500".

DEFAULT NOTIFICATION AND FORECLOSURE PROCEDURES; FORECLOSURE INFORMATION

SEC. 303. (a) The first sentence of section 1816(a)(1) is amended to read as follows: "The holder of a loan guaranteed under this chapter shall promptly notify the Administrator of any failure of the debtor under the loan to make two consecutive monthly payments due on the loan.".

(b) Section 1816(a)(2) is amended by inserting before the first sentence the following: "Within 15 days after the first date on which a veteran has failed to make four consecutive monthly payments due on any loan guaranteed under this chapter, the holder of the loan shall initiate foreclosure.".

(c) Section 1816 is further amended by adding at the end thereof the following new subsections:

"(e) If a holder of a loan guaranteed under this chapter fails to initiate foreclosure on the loan as required by paragraph (2) of this subsection, other than during a period of forebearance approved by the Administrator under such paragraph, the Administrator shall not be liable under the guarantee for interest accruing on such loan during the period beginning on the date the holder should have initiated the foreclosure and ending on the date the holder initiates the foreclosure.

"(f)(1) The Administrator shall identify and compile information on common factors which contribute to foreclosures on loans guaranteed under this chapter.

"(2) The Administrator shall transmit to the Committees on Veterans' Affairs of the Senate and the House of Representatives an annual report on the Administrator's findings under paragraph (1) of this subsection.".

FORECLOSED LOANS PROPERTY MANAGEMENT PILOT PROGRAM

SEC. 304. (a) Subchapter II of chapter 37 is amended by adding at the end thereof the following new section:

"§ 1819A. Foreclosed loans property management pilot program

"(a) In order to evaluate the effectiveness, feasibility, and desirability of contracting with commercial organizations to perform the functions of management and disposal of property acquired by the Veterans' Administration under this chapter, the Administrator of Veterans' Affairs, during the period beginning April 1, 1986, and ending September 30, 1987, shall conduct a pilot program to contract with commercial organizations for the performance of such functions.

"(b) In order to carry out the pilot program under this section, the Administrator shall—

"(1) designate a representative nationwide sample of 10 percent of the inventory of properties held by the Veterans' Administration and referred to in subsection (a) of this section; and

"(2) enter into contracts with commercial organizations which would utilize local real estate brokers and other real estate sales professionals to manage and dispose of the properties in the designated sample.

"(c) Not later than March 3, 1988, the Administrator shall transmit to the Committees on Veterans' Affairs of the Senate and the House of Representatives a report on the experience under the pilot program. The report shall include—

"(1) the Administrator's assessment of—

"(A) the effectiveness of the program in providing quality management and timely disposition of properties acquired by the Veterans' Administration under this chapter; and

"(B) the cost-effectiveness of the program determined by comparing the cost of the program to the cost of management and dis-

posal of properties by the Veterans' Administration;

"(2) a description of the effects, if any, which the program had on the functions and duties performed by employees of the Veterans' Administration; and

"(3) any recommendations for legislation which the Administrator considers appropriate.".

(b) The analysis at the beginning of such chapter is amended by inserting after the item relating to section 1819 the following new item:

"1819A. Foreclosed loans property management pilot program.".

USE OF ATTORNEYS IN HOME LOAN FORECLOSURES

SEC. 305. The second sentence of section 1830(a) is amended by striking out "With the concurrence of the Attorney General of the United States, the" and inserting in lieu thereof "The".

DETERMINATIONS OF REASONABLE VALUE

SEC. 306. (a)(1) Subchapter III of chapter 37 is amended by adding at the end thereof the following new section 1831:

"§ 1831. Determination of reasonable value

"Whenever the reasonable value of any property, construction, repairs, or alterations is required to be made for the purposes of this chapter in connection with a loan guaranteed or proposed to be guaranteed under this chapter, the reasonable value shall be determined by an appraiser designated by the lender of such loan.".

(2) The chapter analysis at the beginning of such chapter is amended by inserting after the item relating to section 1830 the following new item:

"1831. Determination of reasonable value.".

(b) Section 1810(b)(5) is amended by striking out "as determined by the Administrator".

(c) Section 1819(e)(4) is amended by striking out ", as determined by the Administrator" in subclauses (B) and (C).

USE OF REAL ESTATE PROFESSIONALS TO DISPOSE OF FORECLOSED PROPERTY

SEC. 307. (a) Subchapter III of chapter 37, as amended by section 306 of this Act, is further amended by adding at the end thereof the following new section 1832:

"§ 1832. Use of real estate professionals to dispose of foreclosed property

"(a) The Administrator shall furnish to real estate brokers and other real estate professionals information on the availability of real property for disposition under this chapter and the procedures used by the Veterans' Administration to dispose of such property.

"(b) The Administrator shall, to the maximum extent practicable—

"(1) coordinate with real estate brokers and other real estate sales professionals for the purpose of expeditiously disposing of property acquired by the Veterans' Administration under this chapter; and

"(2) allocate sufficient resources to carry out the purpose specified in clause (1) of this subsection.".

(b) The chapter analysis at the beginning of such chapter is amended by inserting after the item relating to section 1831, as added by section 306(a)(2) of this Act, the following new item:

"1832. Use of real estate professionals to dispose of foreclosed property.".

TASK FORCE ON MANAGEMENT AND DISPOSITION OF PROPERTY

SEC. 308. (a) Subchapter III of chapter 37, as amended by sections 306 and 307 of this Act, is further amended by adding at the end thereof the following new section 1833:

"§ 1833. Task Force on Management and Disposition of Property

"(a)(1) The Administrator shall establish a task force to be known as the Task Force on Management and Disposition of Property (hereafter in this section referred to as the "Task Force").

"(2) The purposes of the Task Force are—

"(A) to exchange information between the Veterans' Administration and the real estate industry on efficient real property management and disposition practices and current developments in such practices; and

"(B) to advise the Administrator on ways to improve the manner in which the Veterans' Administration manages and disposes of real property acquired under this chapter.

"(3) The members of the Task Force shall be appointed by the Administrator and shall include—

"(A) appropriate representatives of the Veterans' Administration;

"(B) real estate brokers and other real estate sales professionals; and

"(C) representatives of residential real property management businesses.

"(4) The Administrator shall designate one member of the Task Force to be the Chairman.

"(5) The Administrator shall prescribe the number and terms of service (not to exceed 3 years) of members of the Task Force and the pay and allowances payable for service on the Task Force in the case of members of the Task Force who are not employees of the Federal Government.

"(b) The Administrator shall, on a regular basis, consult with and seek the advice of the Task Force with respect to matters relating to the purposes of the Task Force.

"(c)(1) Not later than July 1, 1986, and not later than July 1 of each second year thereafter, the Task Force shall submit to the Administrator a report on the activities of the Task Force during the preceding year and such recommendations relating to the purposes of the Task Force as the Task Force considers appropriate.

"(2) The Task Force may also submit to the Administrator such other reports relating to the purposes of the Task Force as the Task Force considers appropriate and may include recommendations with respect to matters relating to such purposes in such reports.

"(d)(1) Not later than 30 days after the date the Administrator receives an annual report required by subsection (c)(1) of this section, the Administrator shall submit such report to the Committees on Veterans' Affairs of the Senate and the House of Representatives. The Administrator shall include with such report any comments concerning the report that the Administrator considers appropriate.

"(2) The Administrator shall submit with each annual report submitted to the Congress pursuant to section 214 of this title—

"(A) a summary of all reports and recommendations submitted by the Task Force pursuant to subsection (c) of this section since the date on which the previous annual report was submitted under such section 214; and

"(B) a summary of all actions taken by the Administrator since such date to implement any recommendations made to the Administrator by the Task Force under subsection (c) of this section before, on, or after such date.

"(e) The Administrator shall furnish the Task Force such administrative services as is necessary for the Task Force to carry out its functions under this section.".

(b) The chapter analysis at the beginning of such chapter is amended by inserting after the item relating to section 1832, as added by section 307(a) of this Act, the following new item:

"1833. Task Force on Management and Disposition of Property.".

EFFECTIVE DATES

SEC. 309. (a) The amendments made by sections 301, 302, and 303 shall take effect 180 days after the date of enactment of this Act.

(b) The amendment made by section 306 shall take effect with respect to loans guaranteed under chapter 37 more than 180 days after the date of enactment of this Act.

TITLE IV—MISCELLANEOUS PROVISIONS

NATIONAL CEMETERY GRAVE MARKERS

SEC. 401. (a) Section 1004(c) is amended—

(1) by inserting "(1)" after "(c)"; and

(2) by adding at the end thereof the following new paragraphs (2) and (3):

"(2)(A) The Administrator shall designate a section in each national cemetery in which a person eligible for interment may be buried in a grave to be marked with an upright grave marker.

"(B) Subparagraph (A) shall not apply to a national cemetery established before the date of enactment of the Veterans' Compensation and Benefits Improvements Act of 1985 if the Administrator has never authorized graves in such cemetery to be marked with upright markers.

"(3)(A) Except as provided in subparagraph (B) of this paragraph, each marker in a national cemetery shall be flat.

"(B) If the person to be buried in a national cemetery (or the survivor or the legal representative of the person to be buried) has requested that the person's grave be marked with an upright marker, the person shall be buried in a cemetery section designated for graves marked with upright markers, and an upright marker shall be used to mark the grave of such person.".

(b) The amendments made by subsection (a) shall apply with respect to markers for the graves of persons who die on or after January 1, 1986.

MEMORIAL AREAS IN ARLINGTON NATIONAL CEMETERY

SEC. 402. (a) Chapter 75 of title 10, United States Code, is amended by adding at the end thereof the following new section 1491:

"§ 1491. Memorial areas in Arlington National Cemetery

"(a) The Secretary of the Army may set aside, when available, suitable areas in Arlington National Cemetery, Virginia, to honor the memory of members of the armed forces and veterans (as defined in section 101(2) of title 38)—

"(1) who are missing in action;

"(2) whose remains have not been recovered or identified;

"(3) whose remains were buried at sea, whether by the member's or veteran's own choice or otherwise;

"(4) whose remains were donated to science; or

"(5) whose remains were cremated and whose ashes were scattered without interment of any portion of the ashes.

"(b) Under regulations prescribed by the Secretary, appropriate memorials or markers may be erected in Arlington National Cemetery to honor the memory of those individuals, or group of individuals, referred to in subsection (a).".

(b) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"1491. Memorial areas in Arlington National Cemetery.".

ESTATE LIMITATIONS RELATING TO INCOMPETENT INSTITUTIONALIZED VETERANS

SEC. 403. Section 3203(b)(1)(A) is amended—

(1) by striking out "$1,500" and inserting in lieu thereof "$8,000"; and

(2) by striking out "$500" and inserting in lieu thereof "$2,000".

EVALUATION OF THE NEEDS OF NATIVE AMERICAN VETERANS

SEC. 404. (a)(1) The Administrator of Veterans' Affairs shall conduct an evaluation to determine the extent to which the programs and other activities of the Veterans' Administration meet the needs of veterans who are Native Americans, including Alaska Natives (as defined in section 3(b) of the Alaska Native Claims Settlement Act (85 Stat. 689; 43 U.S.C. 1602(b)).

(2) The evaluation required by paragraph (1) shall include—

(A) an assessment of the needs of the veterans referred to in such paragraph for health care, rehabilitation, readjustment counseling, drug and alcohol counseling, outreach services, and other benefits and assistance under programs administered by the Veterans' Administration; and

(B) a review of the manner in which and the extent to which the programs and other activities of the Veterans' Administration meet such needs.

(b) In conducting the evaluation required by subsection (a), the Administrator may utilize information or studies which have been obtained or completed by other departments, agencies, or instrumentalities of the Federal Government or by any State or local government, as the Administrator considers appropriate.

(c) Not later than October 1, 1987, the Administrator shall transmit to the Committees on Veterans' Affairs of the Senate and the House of Representatives a report of the Administrator's findings resulting from the evaluation required by subsection (a).

COLLOCATION OF REGIONAL OFFICES AND MEDICAL CENTERS; CONSOLIDATION OF REGIONAL OFFICES

SEC. 405. (a)(1) Not later than September 30, 1987, the Administrator of Veterans' Affairs shall collocate at least 5 regional offices of the Veterans' Administration described in paragraph (3) with Veterans' Administration medical centers.

(2)(A) Not later than September 30, 1986, the Administrator shall report to the Committees on Veterans' Affairs of the Senate and the House of Representatives on the feasibility of collocating more than 5 regional offices of the Veterans' Administration described in paragraph (3) with Veterans' Administration medical centers.

(B) The report required by subparagraph (A) shall include—

(i) an analysis of the estimated costs and savings which would result from the collocations; and

(ii) the benefits and costs of furnishing personnel, supply, administration, and finance services and other supporting services jointly to regional offices of the Veterans' Administration and Veterans' Administration medical centers.

(3) The regional offices referred to in paragraphs (1) and (2) are regional offices of the Veterans' Administration which are not located at Veterans' Administration medical centers on the date of the enactment of this Act.

(b)(1) The Administrator of Veterans' Affairs shall assess the benefits and costs of combining regional offices of the Veterans' Administration which, on the date of enactment of this Act, are located near each other.

(2) The Administrator shall include the results of the assessment required by paragraph (1) in the report required by subsection (a)(2).

REDESIGNATION AND EXTENSION OF THE EMERGENCY VETERANS' JOB TRAINING ACT OF 1983

SEC. 406. (a)(1) The first sentence of section 1 of Public Law 98-77 (29 U.S.C. 1721 note) is amended to read as follows: "This Act may be cited as the 'Veterans' Job Training Act of 1983'.".

(2) Any reference in any Federal law to the Emergency Veterans' Job Training Act of 1983 shall be deemed to refer to the Veterans' Job Training Act of 1983.

(b) Section 16 of such Act is amended by inserting "and $55,000,000 for fiscal year 1986" in the first sentence after "and 1985".

(c) Section 17 of such Act is amended—

(1) in clause (1), by striking out "after February 28, 1985" and inserting in lieu thereof "more than one year after the date of enactment of the Veterans' Compensation and Benefits Improvements Act of 1985";

(2) in clause (2), by striking out "after July 1, 1986" and inserting in lieu thereof "more than 18 months after the date of enactment of the Veterans' Compensation and Benefits Improvements Act of 1985";

(3) by inserting "(a)" after "Sec. 17."; and

(4) by adding at the end thereof the following new subsection:

"(b) Notwithstanding subsection (a), if funds are not appropriated for fiscal year 1986 pursuant to the authorization contained in section 16 and made available by the Director of the Office of Management and Budget on or before January 1, 1986, for the purpose of making payments to employers under this Act, assistance may be paid to an employer under this Act on behalf of a veteran if the veteran—

"(1) applies for a program of job training under this Act within one year after the date on which funds so appropriated are made available to the Veterans' Administration by the Director; and

"(2) begins participation in such program within 18 months after such date.".

(d) Section 5(a)(1)(B) of such Act is amended by striking out "fifteen of the twenty" and inserting in lieu thereof "10 of the 20".

EVALUATION OF VETERANS' JOB TRAINING

SEC. 407. (a) For the purposes of this section:

(1) The term "private industry council" means a private industry council established pursuant to section 102 of the Job Training Partnership Act (29 U.S.C. 1512).

(2) The term "service delivery area" means a service delivery area established pursuant to section 101 of the Job Training Partnership Act (29 U.S.C. 1511).

(b)(1) The Secretary of Labor shall evaluate the feasibility and advisability of establishing and administering, under part C of title IV of the Job Training Partnership Act, a program described in paragraph (2).

(2) The program referred to in paragraph (1) is a program under which, upon the Secretary's determination and declaration of a severe State or regional employment deficiency or a veterans' employment deficiency in a State or service delivery area, grants are made from a veterans' job training grant fund to a State or appropriate private industry council to fund an on-the-job training program which is similar in structure and purpose to the job training program established under the Veterans' Job Training Act of 1983 (as redesignated by section 405(a)(1)) and is to be conducted in such State or service delivery area.

(c) Not later than 90 days after the date of enactment of this Act, the Secretary of Labor shall transmit to the Committees on Veterans' Affairs of the Senate and the House of Representatives a report on the evaluation made under subsection (b). The report shall include—

(1) recommended definitions, standards, and implementation procedures for declaring and determining the duration of a severe State or regional employment deficiency and a veterans' employment deficiency in a State or service delivery area;

(2) recommended procedures for commencing a job training program in a State or service delivery area and for making financial assistance and other resources available for such job training program when a veterans employment emergency is declared with respect to the State or service delivery area;

(3) recommended procedures for administering an emergency veterans' job training grant fund, including recommended minimum and maximum amounts to be maintained in such grant fund, and appropriate amounts to be authorized;

(4) recommended limits on the amounts of grants to be made to any grantee;

(5) recommended veteran and employer eligibility criteria and entry and completion requirements;

(6) a description of the support and counseling services that are necessary to carry out a State or service delivery area job training program;

(7) the recommended division or divisions of the Department of Labor which would be appropriate—

(A) to administer a grant program described in subsection (b), including the contracting and monitoring functions;

(B) to determine the eligibility criteria for applicants for training and for employer certifications;

(C) to establish findings of veterans' employment deficiencies in States and service delivery areas; and

(D) to verify the level of compliance of grantees, veterans, and employers with the requirements of the grant program and the job training programs funded by the grant program;

(8) the estimated costs of administering and monitoring a job training grant program to be established under part C of title IV of the Job Training Partnership Act; and

(9) such other findings and recommendations, including any recommendations for legislation, which the Secretary considers appropriate.

Mr. THURMOND. Mr. President, I am pleased to join Senator MURKOWSKI in sponsoring this legislation to improve the benefits provided to our Nation's veterans. I have always felt that the highest obligation of American citizenship is to provide for the defense of the freedoms and ideals inherent to our great land. We as a grateful Nation, in turn, have the responsibility to see that those who have given of

themselves for their country are provided adequate compensation for their losses. I believe that we will continue to do just that through this legislation.

The bill we have introduced includes a number of provisions which I feel are especially necessary. It provides for a cost-of-living adjustment of up to 3.7 percent for the veterans who receive compensation for their service-connected disabilities. The wounds and injuries suffered by these men and women are silent testimony of their devotion to their country. We cannot allow inflation to erode the compensation that represents our most tangible recognition of their sacrifice.

This bill also includes a provision addressing the employment situation of our Vietnam veterans. This has long been an issue of utmost importance to me. The Emergency Veterans' Job Training Act should be extended and the eligibility requirements made less strict. This bill meets both of those objectives. The program, to be called the Veterans' Job Training Act, would be extended for 1 year. It would have less stringent eligibility requirements, and additional funding would be provided in order that more veterans could be assisted in their effort to gain employment.

This bill also incorporates the provisions of S. 1207, which I introduced earlier in this Congress. These provisions address the problem of the inequities faced by veterans who pursue vocational education as opposed to a traditional academic degree. The legislation which I proposed, and which is now included in this bill, would permit credit hour measurement of vocational training pursued at fully accredited institutions of higher learning, and would establish parity in attendance reporting and payment requirements for both standard college degree and nondegree vocational courses offered by those institutions.

Mr. President, I urge my colleagues to join me in supporting this bill which will benefit those Americans who have done so much. The veterans of our Armed Forces continue to look to those of us in Congress to ensure that their service and sacrifice will be recognized, acknowledged and rewarded.

By Mr. KERRY:

S. 1789. A bill to amend the Federal Election Campaign Act of 1971 to provide for the public financing of Senate general election campaigns by eliminating the tax credit for political contributions; to the Committee on Finance.

DEFICIT REDUCTION CAMPAIGN FINANCE REFORM ACT

● Mr. KERRY. Mr. President, I am today introducing a bill to provide for full public financing of Senate general election campaigns. Under this amendment, public financing would replace contributions by both individuals and political action committees not merely without cost to the Treasury, but with deficit reduction. For this reason, I have entitled this bill the "Deficit Reduction Campaign Finance Reform Act."

All of us have experienced first hand the burden that massive increases in the cost of running for elective office have placed on our political system. We have seen increased reliance on interest groups for campaign funds at the same time that candidates for public office have been forced to devote more and more of their time on raising funds for campaigns—time better spent on carrying out their work as public officials and as candidates.

At the same time, calls for public financing of campaigns have been met by the justifiable concern that public financing of congressional elections would be too costly, especially in a period when we are seeking to reduce the Federal deficit, rather than increase it.

To meet these concerns, the Deficit Reduction Campaign Finance Reform Act provides for public financing of congressional elections by eliminating the current tax credit for political contributions by individuals—50 percent of contributions up to $100 credit per individual, and applying that previously foregone revenue to a newly created Senate general election campaign fund.

As a result, Senate races would be funded in the general election without increasing the Federal deficit either now or in the future, but, in fact, lowering the Federal deficit.

The relevant statistics are as follows:

In recent years, the Government has spent an average of $265 million annually on foregone tax revenues to individuals making political contributions. Recent available figures are: $269.4 million, 1980; $262 million, 1981; $269.8 million, 1982; $256.9 million, 1983. This amounts to at least $520 million per election cycle.

Only 5 to 5.5 percent of the American public has taken this tax credit annually.

Total congressional election campaign expenditures in the 1984 cycle amounted to $377 million. CRS analysts estimate that half of this money is attributable to primaries, and half to the general election campaign. Thus, this fund could pay for all election campaign costs, if it were funded by the foregone credit. Revenues from the foregone credit are clearly more than adequate to fund general election public financing.

The specific calculations are as follows: $530 million available each election cycle; $85 million necessary for full funding of Senate general election; $103 million necessary for full funding of House general election; and $342 million available for deficit reduction.

This legislation encompasses a number of concepts first developed by Philip M. Stern, cochairman of the organization Citizens Against PAC's, and incorporated by Senators MATHIAS and SIMON in their campaign finance legislation, which unfortunately does not contain a funding mechanism. With this new mechanism, the legislation can both provide full funding of Senate general elections while reducing the Federal budget deficit.

We may have an opportunity to act swiftly to engage in this fundamental reform of campaign finance law. I urge my colleagues to support this reform bill, and ask unanimous consent that the text of the bill be inserted in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1789

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Deficit Reduction Campaign Finance Reform Act."

SEC. 2. The Federal Election Campaign Act of 1971 is amended by adding at the end thereof the following new subchapter:

"SUBCHAPTER III—PUBLIC FINANCING OF SENATE GENERAL ELECTION CAMPAIGNS

"DEFINITIONS

"SEC. 501. For purposes of this subchapter—

"(1) unless otherwise provided in this subchapter the definitions set forth in section 301 of this Act apply to this subchapter;

"(2) 'authorized committee' means, with respect to any candidate for election to the United States Senate, any political committee which is authorized in writing by such candidate to accept contributions, incur expenses, or make expenditures on behalf of such candidate to further the election of such candidate. Such authorization shall be addressed to the chairman of the political committee, and a copy of such authorization shall be filed by each candidate with the Commission. A withdrawal of any authorization shall be in writing and shall be addressed and filed in the same manner as the authorization;

"(3) 'candidate' means an individual who has been nominated for election to the office of United States Senator by a major or minor party or who has qualified to have his or her name on the general election ballot;

"(4) 'eligible candidate' means a candidate who is eligible, under section 502, for payments under this subchapter;

"(5) 'expenditure report period' with respect to an election means—

"(A) in the case of a major party candidate, the period beginning on the date such candidate becomes an eligible candidate and ending 30 days after the date of the election or the date such candidate is no longer an eligible candidate, whichever date is earlier; or

"(B) in the case of a candidate other than a candidate of a major party, the same period as the expenditure report period of

the major party which has the shortest expenditure report period for such election;

"(6) 'election' means any regularly scheduled general, special, or runoff election, other than a primary election, held to elect a candidate to the United States Senate;

"(7) 'fund' means the Senate General Election Campaign Fund maintained by the Secretary of the Treasury pursuant to section 506;

"(8) 'major party' means with respect to any election, a political party whose candidate for the office of United States Senator in any of the three preceding elections received, as the candidate of such party, 25 percent or more of the total number of popular votes received by all candidates for such office;

"(9) 'minor party' means with respect to any election, a political party whose candidate for the office of Senator in any of the three preceding elections received, as the candidate of such party, 5 percent or more, but less than 25 percent of the total number of popular votes received by all candidates for such office;

"(10) the term 'qualified campaign expense' means an expense—

"(A) incurred by the candidate or the authorized committee of the candidate for the office of United States Senator to further his or her election to such office,

"(B) incurred within the expenditure report period, or incurred before the beginning of such period to the extent such expense is for property, services, or facilities used during such period, and

"(C) neither the incurring nor paying of which constitutes a violation of any law of the United States or of the State in which such expense is incurred or paid.

An expense shall be considered as incurred by a candidate or an authorized committee if it is incurred by a person authorized by such candidate or such committee, as the case may be, for expenses on behalf of such candidate or such committee.

"CONDITION FOR ELIGIBILITY FOR PAYMENTS

"SEC. 502. (a) In order to be eligible to receive any payments under this subchapter, the candidate shall agree, in writing—

"(1) to obtain and furnish to the Commission such evidence as it may request of the qualified campaign expenses and contributions of such candidate,

"(2) to keep and furnish to the Commission such records, books, and other information as it may request, and

"(3) to an audit and examination by the Commission under section 507 and to pay or repay any amounts required under such section.

"(b) To be eligible to receive payments under section 503, the candidate of a major party shall certify to the Commission, under penalty of perjury, that—

"(1) such candidate is seeking election to the United States Senate and such candidate and at least one other major party or minor party candidate have qualified for the election ballot under the law of the State involved,

"(2) such candidate and the authorized committees of such candidate will not incur qualified campaign expenses in excess of the aggregate payments to which they are entitled under section 503, unless otherwise provided in this subchapter,

"(3) no contributions to defray qualified campaign expenses have been or will be accepted by such candidate or any of the authorized committees of such candidate except to the extent necessary to make up any deficiency in payments received out of the fund because of the application of section 506(c), and

"(4) no contributions have been or will be accepted by such candidate or any authorized committees of such candidate to defray expenses which are not qualified campaign expenses.

"(c) In order to be eligible to receive any payments under this subchapter, a candidate other than a candidate of a major party shall certify to the Commission under penalty of perjury, that—

"(1) such candidate is seeking election to the United States Senate and such candidate and at least one other candidate of a major party have qualified for the election ballot under the law of the State involved,

"(2) such candidate and the authorized committees of such candidate will not incur qualified campaign expenses in excess of the aggregate payments to which an eligible candidate of a major party is entitled under section 503, unless otherwise provided in this subchapter, and

"(3) such candidate and the authorized committees of such candidate will accept and expend or retain contributions to defray qualified campaign expenses only to the extent that the qualified campaign expenses incurred by such candidate and the authorized committees of such candidate certified to under paragraph (2) exceed the aggregate payments received by such candidate out of the fund pursuant to section 506.

"(d) Certification for payment to a candidate shall be made by the Commission within 5 days after the date the Commission receives a certification from such candidate, pursuant to this section. Such certification shall be in such form and filed as the Commission shall prescribe by rule or regulation.

"(e)(1) To be eligible to receive any payment under this subchapter, a candidate shall certify to the Commission, under penalty of perjury, that such candidate will not knowingly make expenditures from his or her personal funds, or the personal funds of his or her immediate family in connection with such candidate's campaign for election in excess of, in the aggregate, $20,000.

"(2) For purposes of this subchapter, the term 'immediate family' means the spouse, any child, parent, grandparent, brother, halfbrother, sister, or halfsister of the candidate, and the spouses of such persons.

"(f) If an individual ceases to be a candidate such individual—

"(1) shall no longer be eligible to receive any payments under this subchapter, except that such individual shall be eligible to receive payments to defray qualified campaign expenses incurred while such person was an eligible candidate actively seeking election to the Senate; and

"(2) shall pay to the Secretary, as soon as practicable after the date upon which such individual ceases to be a candidate, an amount equal to the amount of payments received by such individual under this subchapter if such payments are not used to defray qualified campaign expenses.

"ENTITLEMENT OF ELIGIBLE CANDIDATES TO PAYMENTS

"SEC. 503. (a) Subject to the provisions of this chapter—

"(1) each eligible candidate of a major party in an election shall be entitled to equal payments under this subchapter in an amount which, in the aggregate, shall not exceed—

"(A) in each State with a voting-age population of 1,000,000 or less: $500,000";

"(B) in each State with a voting-age population greater than 1,000,000 but less than 3,000,000: an amount equal to 50 cents times such voting-age population; and

"(C) in each State with a voting-age population of 3,000,000 or over: an amount equal to 30 cents times such voting-age population, but not less than $1,500,000.

"(2) An eligible candidate of a minor party in an election shall be entitled to a payment under this subchapter equal in the aggregate to an amount which bears the same ratio to the amount allowed under paragraph (1) for a major party as the number of popular votes received by the candidate for Senator of the minor party, as such candidate, in the preceding election bears to the average number of popular votes received by the candidates for Senator of the major parties in the preceding election.

"(3) An eligible candidate, other than a candidate of a major or minor party, who receives 5 percent or more of the total number of popular votes cast for the office of United States Senate in such election shall be entitled to payments pursuant to this subchapter equal in the aggregate to an amount which bears the same ratio to the amount allowed under paragraph (1) for a major party as the number of popular votes received by such candidate in such election bears to the average number of popular votes received in such election by the candidates for Senator of the major parties. All such payments shall be made at such time after the election as the Commission determines the amount of payments such candidate is eligible for pursuant to this subparagraph. The Commission shall certify such amount to the United States Treasury for payment.

"(b) The aggregate payments to which an eligible candidate shall be entitled under paragraph (2) or (3) of subsection (a), shall not exceed an amount equal to the lesser of—

"(1) the amount of qualified campaign expenses incurred by an eligible candidate and the authorized committees of such candidate, reduced by the amount of contributions allowed to defray qualified campaign expenses received and expended or retained by an eligible candidate and such committees, or

"(2) the aggregate payments to which an eligible candidate of a major party is entitled under subsection (a)(1), reduced by the amount of contributions described in paragraph (1) of this subsection.

"(c) An eligible candidate shall be entitled to payments only—

"(1) to defray qualified campaign expenses incurred by an eligible candidate or the authorized committees of such candidate, or

"(2) to repay loans the proceeds of which were used to defray such qualified campaign expenses, or otherwise to restore funds (other than contributions to defray qualified campaign expenses received and expended by such candidate or such committees) used to defray such qualified campaign expenses.

"ADDITIONAL ENTITLEMENT OF OPPONENTS OF NONPUBLICLY FINANCED CANDIDATES

"SEC. 504. (a) Within 5 days after nomination by a major or minor party, and under such regulations as the Commission may prescribe, each candidate nominated by a major or minor party shall notify the Commission in writing of his or her intention to accept or not accept the funds to which he or she is entitled under section 503.

"(b)(1) A candidate of a major party who has elected to accept the funds for which he or she has qualified under section 503 and who is opposed by a major party candidate who has elected not to accept public funding shall be entitled to receive additional funds from the general fund of the United States Treasury, pursuant to paragraph (2).

"(2)(A) Subject to the provisions of subparagraph (B), a major party candidate eligible to receive funds pursuant to paragraph (1), shall receive additional funds in the amount of one dollar for every dollar of contributions or expenditures raised, incurred, or expended by the candidate not accepting funding.

"(B) Such additional funds shall only match those contributions or expenditures raised, incurred, or expended by the candidate not accepting funding which are in excess of the entitlement of such eligible candidate.

"(c) For purposes of implementing subsection (b), a candidate who elects not to accept public funding shall report his or her receipts and expenditures to the Commission—

"(1) monthly for contributions or expenditures received, incurred, or expended prior to 60 days prior to the date of the election;

"(2) weekly for contributions or expenditures received, incurred, or expended from 59 to 11 days prior to the date of the election; and

"(3) daily for contributions or expenditures received, incurred, or expended during the 10 days prior to the date of the election.

"(d) Notwithstanding the provisions of section 505—

"(1) if a major party candidate is eligible, pursuant to subsection (b), to receive additional funding because of contributions or expenditures received, incurred, or expended by such opponent between the date 59 days prior to the date of the election and the date of the election which are required to be reported by paragraph (2) or (3) of subsection (c), and

"(2) such eligible candidate files a request with the Commission stating that such candidate is eligible to receive such additional funds,

the Commission, within 24 hours after such request is filed, shall certify to the Secretary of the Treasury for payments to such eligible candidate.

"CERTIFICATION BY COMMISSION

"SEC. 505. (a) Except as otherwise provided in section 504(d), not later than 5 days after a candidate files a request with the Commission stating that he or she has met all applicable conditions for eligibility to receive payments under this subchapter, the Commission shall certify to the Secretary of the Treasury (hereafter in this subchapter referred to as the 'Secretary') for payment to such eligible candidate, payment in full of amounts to which such candidate is entitled under section 503, unless the provisions of section 506(c) apply.

"(b) Initial certifications by the Commission under subsection (a), and all determinations made by it under this chapter shall be final and conclusive, except to the extent that they are subject to examination and audit by the Commission under section 507 and judicial review under section 511.

"PAYMENTS TO ELIGIBLE CANDIDATES

"SEC. 506. (a) The Secretary of the Treasury shall maintain in the Treasury of the United States a separate account known as the 'Senate General Election Campaign Fund'. The Secretary shall deposit into such fund, for use by a candidate eligible to receive payments under this subchapter, an amount equal to $265,000,000 for each fiscal year. Moneys designated for such account which are in excess of amounts needed for the Senate General Election Campaign Fund in any fiscal year shall be returned to the General Fund of the United States Treasury.

"(b) Upon receipt of a certification from the Commission under section 505, the Secretary shall promptly pay to the candidate, out of the fund, the amount certified by the Commission. Amounts paid to any such candidate shall be under the control of such candidate.

"(c) If at the time of a certification by the Commission under section 505 for payment to an eligible candidate, the Secretary determines that the moneys in the fund are not, or may not be, sufficient to satisfy the full entitlement of such eligible candidate, he shall withhold from such payment such amount as he determines to be necessary to assure that an eligible candidate will receive his or her pro rata share of his or her full entitlement. Amounts so withheld shall be paid when the Secretary determines that there are sufficient moneys in the fund to pay such amounts, or portions thereof, to all eligible candidates from whom amounts have been withheld, but, if there are not sufficient moneys in the fund to satisfy the full entitlement of an eligible candidate, the amounts so withheld shall be paid in such manner that each eligible candidate receives his or her pro rata share of his or her full entitlement.

"EXAMINATIONS AND AUDITS; REPAYMENTS

"SEC. 507. (a) Notwithstanding the provisions of section 311(b), after each election, the Commission shall conduct a thorough examination and audit of the qualified campaign expenses of each candidate for the United States Senate who received payments under this subchapter.

"(b)(1) If the Commission determines that any portion of the payments made to a candidate under this subchapter was in excess of the aggregate payments to which such candidate was entitled, it shall so notify such candidate, and such candidate shall pay to the Secretary an amount equal to the excess.

"(2) If the Commission determines that a candidate or any authorized committee of such candidate incurred qualified campaign expenses in excess of the aggregate payments to which the candidate was entitled under section 503, it shall notify such candidate of the amount of such excess and such candidate shall pay to the Secretary an amount equal to such amount.

"(3) If the Commission determines that a candidate or any authorized committee of such candidate accepted contributions, other than contributions to make up deficiencies in payments out of the fund because of the application of section 506(c) to defray qualified campaign expenses, other than qualified campaign expenses with respect to which payment is required under paragraph (2), it shall notify such candidate of the amount of the contributions so accepted, and such candidate shall pay to the Secretary an amount equal to such amount.

"(4) If the Commission determines that any amount of any payment made to a candidate under section 506 was used for any purpose other than—

"(A) to defray the qualified campaign expenses with respect to which such payment was made, or

"(B) to repay loans the proceeds of which were used to defray qualified campaign expenses,

it shall notify such candidate of the amount so used, and such candidate shall pay to the Secretary an amount equal to such amount.

"(5) No payment shall be required from a candidate under this subsection to the extent that such payment, when added to other payments required from such candidate under this subsection, exceeds the amount of payments received by such candidate under this subchapter.

"(c) No notification shall be made by the Commission under subsection (b) with respect to an election more than 3 years after the date of such election.

"(d) All payments received by the Secretary under subsection (b) shall be deposited in the Senate General Election Campaign Fund established in section 506.

"CRIMINAL PENALTIES

"SEC. 508. (a)(1) It shall be unlawful for an eligible candidate of a political party in an election or for any authorized committee of such candidate to knowingly and willfully incur qualified campaign expenses in excess of the aggregate payments to which an eligible candidate of a major party is entitled with respect to such election.

"(2) Any person who violates paragraph (1) shall be fined not more than $5,000, or imprisoned not more than one year, or both. In the case of a violation by any authorized committee, any officer or member of such committee who knowingly and willfully consents to such violation shall be fined not more than $5,000, or imprisoned not more than one year, or both.

"(b)(1) It shall be unlawful for an eligible candidate of a major party in an election or for any authorized committee of such candidate to knowingly and willfully accept any contribution to defray qualified campaign expenses, except to the extent necessary to make up any deficiency in payments received out of the fund because of the application of section 506 or to defray expenses which would be qualified campaign expenses but for subparagraph (C) of section 501(10).

"(2) It shall be unlawful for an eligible candidate of a political party (other than an eligible candidate of a major party) in an election or for any authorized committee of such candidate to knowingly and willfully accept and expend or retain contributions to defray qualified campaign expenses in an amount which exceeds the qualified campaign expenses incurred with respect to such election by such eligible candidate and an authorized committee of such candidate.

"(3) Any person who violates paragraph (1) or (2) shall be fined not more than $5,000, or imprisoned not more than one year, or both. In the case of a violation by any authorized committee, any officer or member of such committee who knowingly and willfully consents to such violation shall be fined not more than $5,000, or imprisoned not more than one year, or both.

"(c)(1) It shall be unlawful for any person who receives any payment under section 506, or to whom any portion of any payment received under such section is transferred, knowingly and willfully to use, or authorize the use of, such payment or such portion for any purpose other than—

"(A) to defray the qualified campaign expenses with respect to which such payment was made, or

"(B) to repay loans the proceeds of which were used, or otherwise to restore funds

(other than contributions to defray qualified campaign expenses which were received and expended) which were used, to defray such qualified campaign expenses.

"(2) Any person who violates paragraph (1) shall be fined not more than $10,000, or imprisoned not more than five years, or both.

"(d)(1) It shall be unlawful for any person knowingly and willfully—

"(A) to furnish any false, fictitious, or fraudulent evidence, books, or information to the Commission under this subchapter, or to include in any evidence, books, or information so furnished any misrepresentation of a material fact, or to falsify or conceal any evidence, books, or information relevant to a certification by the Commission or an examination and audit by the Commission under this subchapter; or

"(B) to fail to furnish to the Commission any records, books, or information requested by it for purposes of this subchapter.

"(2) Any person who violates paragraph (1) shall be fined not more than $10,000, or imprisoned not more than five years, or both.

"(e)(1) It shall be unlawful for any person knowingly and willfully to give or accept any kickback or any illegal payment in connection with any qualified campaign expense of an eligible candidate or any authorized committee of such candidate.

"(2) Any person who violates paragraph (1) shall be fined not more than $10,000, or imprisoned not more than five years, or both.

"(3) In addition to the penalty provided by paragraph (2), any person who accepts any kickback or illegal payment in connection with any qualified campaign expense of an eligible candidate or any authorized committee of such candidate shall pay to the Secretary of the Treasury, for deposit in the general fund of the Treasury, an amount equal to 125 percent of the kickback or payment received.

"(f)(1) It shall be unlawful for any individual to disclose any information obtained under the provisions of this subchapter except as may be required by law.

"(2) Any person who violates paragraph (1) shall be fined not more than $5,000, or imprisoned not more than one year, or both.

"REPORTS TO CONGRESS; REGULATIONS

"SEC. 509. (a) The Commission shall, as soon as practicable after each election, submit a full report to the Senate setting forth—

"(1) the qualified campaign expenses (shown in such detail as the Commission determines necessary) incurred by a candidate and the authorized committees of such candidate;

"(2) the amounts certified by it under section 505 for payment to each eligible candidate; and

"(3) the amount of payments, if any, required from such candidate under section 507, and the reasons for each payment required.

Each report submitted pursuant to this section shall be printed as a Senate document.

"(b) The Commission is authorized to prescribe such rules and regulations in accordance with the provisions of subsection (c), to conduct such examinations and audits (in addition to the examinations and audits required by section 507), to conduct such investigations, and to require the keeping and submission of such books, records, and information, as it deems necessary to carry out the functions and duties imposed on it by this subchapter.

"(c) Thirty days before prescribing any rule or regulation under subsection (b), the Commission shall transmit a statement with respect to such rule or regulation to the Senate, setting forth the proposed rule or regulation. The statement shall contain a detailed explanation and justification of such rule or regulation.

"PARTICIPATION BY COMMISSION IN JUDICIAL PROCEEDINGS

"SEC. 510. (a) The Commission is authorized to appear in and defend against any action filed under section 511, either by attorneys employed in its office or by counsel whom it may appoint without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and whose compensation it may fix without regard to provisions of chapter 51 and subchapter III of chapter 53 of such title.

"(b) The Commission is authorized to appear, through attorneys and counsel described in subsection (a), in the district courts and other appropriate courts of the United States to seek recovery of any amounts determined to be payable to the Secretary of the Treasury as a result of any examination and audit made pursuant to section 507.

"(c) The Commission is authorized to petition the courts of the United States for declaratory or injunctive relief concerning any civil matter arising under this subchapter, through attorneys and counsel described in subsection (a). Upon application of the Commission, an action brought pursuant to this subsection shall be heard and determined by a court of three judges in accordance with the provisions of section 2284 of title 28, United States Code, and any appeal from the determination of such court shall lie to the Supreme Court of the United States. Judges designated to hear the case shall assign the case for hearing at the earliest practicable date, participate in the hearing and determination thereof, and cause the case to be in every way expedited.

"(d) The Commission is authorized on behalf of the United States to appeal from, and to petition the Supreme Court of the United States for certiorari to review judgments or decrees entered with respect to actions in which it appears pursuant to the authority provided in this section.

"JUDICIAL REVIEW

"SEC. 511. (a) Any certification, determination, or other action by the Commission made or taken pursuant to the provisions of this subchapter shall be subject to review by the United States Court of Appeals for the District of Columbia Circuit upon petition filed in such court by any interested person. Any petition filed pursuant to this section shall be filed within thirty days after such certification, determination, or other action by the Commission.

"(b)(1) The Commission, the national committee of any political party, or any individual eligible to vote for a candidate is authorized to institute an action under this section, including an action for declaratory judgment or injunctive relief, as may be appropriate to implement or construe any provision of this subchapter.

"(2) The district courts of the United States shall have jurisdiction of proceedings instituted pursuant to this subsection and shall exercise such jurisdiction without regard to whether a person asserting rights under the provisions of this subsection has exhausted administrative or other remedies provided by law. Such proceedings shall be heard and determined by a court of three judges in accordance with the provisions of section 2284 of title 28, United States Code, and any appeal shall lie to the Supreme Court of the United States. Judges designated to hear the case shall assign the case for hearing at the earliest practicable date, participate in the hearing and determination thereof, and cause the case to be in every way expedited.".

SEC. 3. Section 315(c) of the Federal Election Campaign Act of 1971 is amended by striking out "subsection (b) of this section and subsection (d) of this section" and inserting in lieu thereof "subsections (b) and (d) of this section and subsection (a) of section 503".

SEC. 4. Section 315(c)(2)(B) of the Federal Election Campaign Act of 1971 is amended by inserting before the period at the end thereof the following: ", except that with respect to the limitations established by subchapter III of this Act, the term 'base period' means the calendar year 1985".

SEC. 5. This section and the amendments made by this section shall become effective on January 1, 1987, and shall apply to campaigns for election to the Senate after such date.

SEC. 6. (1) Section 24 of the Internal Revenue Code of 1954 (relating to contributions to candidates for public office) is hereby repealed.

(2)(A) The table of sections for subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 is amended by striking out the item relating to section 24.

(B) Subsection (a) of section 642 of such Code (relating to credits against tax) is amended to read as follows:

"(a) CREDITS AGAINST FOREIGN TAXES.—An estate or trust shall be allowed the credit against tax for taxes imposed by foreign countries and possessions of the United States, to the extent allowed by section 901, only in respect of so much of the taxes described in such section as is not properly allocable under such section to the beneficiaries.".

(C) Paragraph (3) of section 901(i) of such code (relating to cross references) is amended by striking out "section 642(a)(1)" and inserting in lieu thereof "section 642(a)".

(D) Section 7871(a)(6) of such Code (relating to the treatment of Indian tribal governments) is amended by striking out subparagraph (A) and by redesignating subparagraphs (B) through (F) as subparagraphs (A) through (E), respectively.

(3) The amendments made by this subsection shall apply to contributions made after December 31, 1985, in taxable years ending after such date.●

ADDITIONAL COSPONSORS

S. 288

At the request of Mr. GORTON, the name of the Senator from Idaho [Mr. SYMMS] was added as a cosponsor of S. 288, a bill to provide Federal coordination for the continued development and commercialization of food irradiation through the establishment of a Joint Operation Commission for Food Irradiation in the Department of Agriculture and through other means.

S. 524

At the request of Mr. ARMSTRONG, the names of the Senator from New

Hampshire [Mr. HUMPHREY], and the Senator from New Hampshire [Mr. RUDMAN] were added as cosponsors of S. 524, a bill to recognize the organization known as the Retired Enlisted Association, Inc.

S. 571

At the request of Mr. D'AMATO, the name of the Senator from Georgia [Mr. MATTINGLY] was added as a cosponsor of S. 571, a bill to amend subchapter II of chapter 53 of title 31, United States Code, relating to currency reports.

S. 678

At the request of Mr. COHEN, the name of the Senator from Nebraska [Mr. ZORINSKY] was added as a cosponsor of S. 678, a bill to amend the Federal Property and Administration Services Act of 1949 to authorize multiyear contracts in certain cases.

S. 827

At the request of Mrs. HAWKINS, the name of the Senator from Minnesota [Mr. BOSCHWITZ] was added as a cosponsor of S. 827, a bill to amend the Public Health Service Act to provide for the compensation of children and others who have sustained vaccine-related injuries, and for other purposes.

S. 1026

At the request of Mr. PRESSLER, the name of the Senator from Pennsylvania [Mr. HEINZ] was added as a cosponsor of S. 1026, a bill to direct the cooperation of certain Federal entities in the implementation of the Continental Scientific Drilling Program.

S. 1181

At the request of Mr. HATCH, the names of the Senator from Connecticut [Mr. WEICKER], and the Senator from Wyoming [Mr. WALLOP] were withdrawn as cosponsors of S. 1181, a bill to establish a program for the provision of home and community based services to elderly individuals.

S. 1223

At the request of Mr. ARMSTRONG, the names of the Senator from Nevada [Mr. LAXALT], the Senator from Virginia [Mr. WARNER], and the Senator from Kansas [Mr. DOLE] were added as cosponsors of S. 1223, a bill to authorize the erection of a memorial on Federal land in the District of Columbia or its environs to honor members of the Armed Forces of the United States who served in the Korean war.

S. 1292

At the request of Mr. BAUCUS, the names of the Senator from Arkansas [Mr. BUMPERS], and the Senator from South Dakota [Mr. PRESSLER] were added as cosponsors of S. 1292, a bill to amend title VII of the Tariff Act of 1930 in order to apply countervailing duties with respect to resource input subsidies.

S. 1305

At the request of Mr. TRIBLE, the name of the Senator from North Carolina [Mr. EAST] was added as a cosponsor of S. 1305, a bill to amend title 18, United States Code, to establish criminal penalties for the transmission by computer of obscene matter, or by computer or other means, of matter pertaining to the sexual exploitation of children, and for other purposes.

S. 1570

At the request of Mr. NICKLES, the name of the Senator from New Mexico [Mr. BINGAMAN] was added as a cosponsor of S. 1570, a bill to amend the Fair Labor Standards Act of 1938 to exclude the employees of States and political subdivisions of States from the provisions of that act relating to maximum hours, to clarify the application of that act to volunteers, and for other purposes.

S. 1618

At the request of Mr. GORE, the name of the Senator from Nevada [Mr. LAXALT] was added as a cosponsor of S. 1618, a bill to amend the Communications Act of 1934 to clarify policies regarding the right to view satellite-transmitted television programming, and for other purposes.

S. 1639

At the request of Mr. EXON, the name of the Senator from Nevada [Mr. LAXALT] was added as a cosponsor of S. 1639, a bill to authorize the minting of gold bullion coins.

S. 1700

At the request of Mr. PRESSLER, the name of the Senator from South Carolina [Mr. HOLLINGS] was added as a cosponsor of S. 1700, a bill to amend chapter 106 of title 10, United States Code, to extend the educational assistance program for members of the Selected Reserve to additional programs of education.

S. 1734

At the request of Mr. COCHRAN, the names of the Senator from Georgia [Mr. MATTINGLY], the Senator from Georgia [Mr. NUNN], and the Senator from South Carolina [Mr. THURMOND] were added as cosponsors of S. 1734, a bill to prevent distortions in the reapportionment of the House of Representatives caused by the use of census population figures which include illegal aliens.

S. 1774

At the request of Mr. GRASSLEY, the name of the Senator from Georgia [Mr. MATTINGLY] was added as a cosponsor of S. 1774, a bill to amend section 1951 of title 18 of the United States Code, and for other purposes.

S. 1775

At the request of Mr. D'AMATO, the name of the Senator from Hawaii [Mr. INOUYE] was added as a cosponsor of S. 1775, a bill to authorize a multifamily housing preservation loan program.

SENATE JOINT RESOLUTION 102

At the request of Mr. ZORINSKY, the name of the Senator from Michigan [Mr. LEVIN] was added as a cosponsor of Senate Joint Resolution 102, a joint resolution to establish a National Commission on Illiteracy.

SENATE JOINT RESOLUTION 130

At the request of Mr. QUAYLE, the name of the Senator from Illinois [Mr. SIMON] was added as a cosponsor to Senate Joint Resolution 130, a joint resolution designating the week beginning on November 10, 1985, as "National Blood Pressure Awareness Week."

SENATE JOINT RESOLUTION 181

At the request of Mrs. HAWKINS, the names of the Senator from Illinois [Mr. SIMON], the Senator from Washington [Mr. GORTON], the Senator from California [Mr. WILSON], the Senator from New York [Mr. D'AMATO], the Senator from Pennsylvania [Mr. HEINZ], and the Senator from Maine [Mr. COHEN] were added as cosponsors of Senate Joint Resolution 181, a joint resolution to designate the week beginning September 1, 1985, as "National School-Age Child Care Awareness Week."

SENATE JOINT RESOLUTION 198

At the request of Mr. MATHIAS, the names of the Senator from West Virginia [Mr. ROCKEFELLER], and the Senator from Nebraska [Mr. ZORINSKY] were added as cosponsors of Senate Joint Resolution 198, a joint resolution to designate the year of 1986 as the "Sesquicentennial Year of the National Library of Medicine."

SENATE JOINT RESOLUTION 199

At the request of Mr. MURKOWSKI, the names of the Senator from Wisconsin [Mr. KASTEN], the Senator from Ohio [Mr. GLENN], and the Senator from Ohio [Mr. METZENBAUM] were added as cosponsors of Senate Joint Resolution 199, a joint resolution to designate the month of November 1985 as "National Elks Veterans Remembrance Month."

SENATE JOINT RESOLUTION 203

At the request of Mr. MURKOWSKI, the names of the Senator from Illinois [Mr. SIMON], the Senator from Michigan [Mr. RIEGLE], the Senator from Tennessee [Mr. GORE], and the Senator from Oregon [Mr. HATFIELD] were added as cosponsors of Senate Joint Resolution 203, a joint resolution designating November 6, 1985, as "Ignacy Jan Paderewski Day."

SENATE JOINT RESOLUTION 208

At the request of Mr. COCHRAN, the names of the Senator from West Virginia [Mr. BYRD], and the Senator from Minnesota [Mr. BOSCHWITZ] were added as cosponsors of Senate Joint Resolution 208, a joint resolution to designate the week of October 27, 1985, through November 2, 1985, as "National Alopecia Awareness Week."

SENATE JOINT RESOLUTION 211

At the request of Mr. DURENBERGER, the name of the Senator from Indiana

[Mr. LUGAR] was added as a cosponsor of Senate Joint Resolution 211, a joint resolution to provide for the designation of the week of October 6, 1985, as "National Sudden Death Syndrome Awareness Week."

SENATE JOINT RESOLUTION 213

At the request of Mr. FORD, the names of the Senator from Iowa [Mr. GRASSLEY], and the Senator from Utah [Mr. GARN] were added as cosponsors of Senate Joint Resolution 213, a joint resolution to designate January 19-25, 1986, "National Jaycee Week."

SENATE CONCURRENT RESOLUTION 59

At the request of Mr. TRIBLE, the names of the Senator from North Dakota [Mr. ANDREWS], and the Senator from Oklahoma [Mr. BOREN] were added as cosponsors of Senate Concurrent Resolution 59, a concurrent resolution expressing the sense of the Congress that food producers who permit gleaning of their fields and nonprofit organizations which glean fields and distribute the resulting harvest to help alleviate hunger should be commended for their efforts, and for other purposes.

SENATE CONCURRENT RESOLUTION 69

At the request of Mr. DANFORTH, the names of the Senator from Florida [Mrs. HAWKINS], and the Senator from Arizona [Mr. DECONCINI] were added as cosponsors of Senate Concurrent Resolution 69, a concurrent resolution to recognize the National Camp Fire Organization for 75 years of service.

SENATE CONCURRENT RESOLUTION 76

At the request of Mr. HART, the names of the Senator from New Jersey [Mr. BRADLEY], the Senator from Wisconsin [Mr. PROXMIRE], the Senator from California [Mr. WILSON], the Senator from Georgia [Mr. MATTINGLY], the Senator from West Virginia [Mr. ROCKEFELLER], the Senator from Ohio [Mr. GLENN], and the Senator from Maine [Mr. COHEN] were added as cosponsors of Senate Concurrent Resolution 76, a concurrent resolution asking that the President bring the rights of the Polish people to the attention of the Soviet Government.

SENATE RESOLUTION 81

At the request of Mr. ARMSTRONG, the name of the Senator from Alaska [Mr. MURKOWSKI] was added as a cosponsor of Senate Resolution 81, a resolution to establish regulations to implement television and radio coverage of proceedings of the Senate.

SENATE RESOLUTION 244—ORIGINAL RESOLUTION REPORTED AUTHORIZING THE PRINTING OF INFORMATION ON THE COMMITTEE ON FOREIGN RELATIONS

Mr. LUGAR, from the Committee on Foreign Relations, reported the following original resolution; which was referred to the Committee on Rules and Administration:

S. RES. 244

Resolved, That there be printed with illustrations as a Senate document background information relating to the history of the Senate Committee on Foreign Relations in connection with its one hundred and seventieth anniversary (1816-1986); and that there be printed for the use of the committee additional copies of such document not to exceed the cost of $1,200.

AMENDMENTS SUBMITTED

COMMERCE, JUSTICE, STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATION, 1986

STAFFORD (AND OTHERS) AMENDMENT NO. 862

Mr. STAFFORD (for himself, Mr. BENTSEN, and Mr. MOYNIHAN) proposed an amendment to the bill (H.R. 2965) making appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year ending September 30, 1986, and for other purposes; as follows:

On page 42, line 24 strike "$136,000,000" and insert in lieu thereof "$135,000,000"; on page 43, line 7 strike "$148,000,000" and insert in lieu thereof "$147,000,000"; and on page 40, after line 10 insert the following:

CONSTRUCTION

For necessary expenses of the Architect of the Capitol to carry out, in cooperation with the Union Station Redevelopment Corporation, feasibility studies, design, and engineering for the construction of a builidng on the United States Capitol Grounds to provide office space for the judicial branch of the Federal Government and for other purposes, to become available upon enactment of S. 1706 or similar legislation authorizing such appropriations, $2,000,000, to remain available until September 30, 1986.

HATFIELD AMENDMENT NO. 863

Mr. HATFIELD proposed an amendment to the bill H.R. 2965, supra; as follows:

On page 66 after line 17 insert the following:

"SEC. 503. Both the United States and Soviet Union, as signatories of the United Nations Declaration of Human Rights and the Helsinki Accords, are pledged to allow information to flow freely across their national boundaries;

Whereas allowing information to flow freely across their national boundaries is in the best interest of the people of the United States and the Soviet Union, and is a necessary response to the times;

Increased communications between the United States and the Soviet Union reduces the risk that misunderstandings will cause conflict; and

The Director of the United States Information Agency, Charles Z. Wick, has extended to the Chief of International Information Department of the Soviet Union, Mr. Leonid M. Zamyatin, an invitation to participate in reciprocal exchanges using the medium of television: Now, therefore, be it

Declared by the Senate (the House of Representatives concurring), That the Congress, recognizing the significant potential for improving communications, enhancing mutual understanding, and aiding the free flow of information through the medium of television, supports the initiative of the Director of the United States Information Agency to

(1) arrange for a high level official of the Soviet Union to appear on American television if the Soviet Union reciprocates by arranging for a high level official of the United States to appear for an equal time on Soviet television; and

(2) plan for participation by the United States and the Soviet Union in a worldwide discussion using the WORLDNET international satellite television transmission network, and giving journalists an opportunity to ask uncensored questions of such officials."

THURMOND (AND BIDEN) AMENDMENT NO. 864

Mr. THURMOND (for himself and Mr. BIDEN) proposed an amendment to the bill H.R. 2965, supra; as follows:

On page 16, line 1, strike "$31,000,000" and insert in lieu thereof "$29,900,000"; on page 16, line 2, strike "$24,366,000" and insert in lieu thereof "$23,266,000"; and on page 66, after line 17, insert the following:

UNITED STATES SENTENCING COMMISSION

SALARIES AND EXPENSES

For the salaries and expenses necessary to carry out the provisions of chapter 58 of title 28, United States Code, $1,100,000, to remain available until expended.

HATFIELD (AND OTHERS) AMENDMENT NO. 865

Mr. HATFIELD (for himself, Mr. MOYNIHAN, Mr. WEICKER, and Mr. SIMON) proposed an amendment to the bill H.R. 2965, supra; as follows:

On page 34, line 20, before the period insert a colon and the following: "*Provided further*, That none of the funds appropriated under this heading may be made available while the United States is not subject to the compulsory judisdiction of the International Court of Justice (as described in Article 36(2) of the Statute of the International Court of Justice and in the United States declaration thereto)".

WILSON AMENDMENT NO. 866

Mr. WILSON proposed an amendment to the bill H.R. 2965, supra; as follows:

On page 35, line 7, strike "$6,839,000" and insert in lieu thereof "$6,039,000"; on page 35, line 25, strike "$10,340,000" and insert in lieu thereof "$11,340,000"; on page 36, restore the matter stricken on line 10 through line 15, amended to change the appropriation on line 11 to "$1,200,000"; and on page 37, line 22, strike "$10,000,000" and insert in lieu thereof "$9,800,000".

CHILES (AND HEFLIN) AMENDMENT NO. 867

Mr. CHILES (for himself and Mr. HEFLIN) proposed an amendment to the bill H.R. 2965, supra; as follows:

On page 8 at the end of line 6 insert:

In addition, $3,000,000 for payments under section 4(b) of the Commercial Fisheries Research and Development Act of 1964 for commercial fisheries failures and disruptions to be derived by transfer from the "Disaster loan fund, Small Business Administration".

MURKOWSKI AMENDMENT NO. 868

Mr. MURKOWSKI proposed an amendment to the bill H.R. 2965, supra; as follows:

On page 69, after line 4, add the following:

SEC. 607. (a) Not later than January 15, 1986, the Secretary of State, in consultation with the Secretary of Commerce and the United States Trade Representative, shall prepare and transmit to the Committee on Appropriations and the Committee on Foreign Affairs of the House of Representatives and the Committee on Appropriations and the Committee on Foreign Relations of the Senate a report which—

(1) assesses the advisability of imposing a boycott against any country that supports or harbors international terrorists;

(2) describes the diplomatic and economic consequences of imposing an economic boycott against such a country; and

(3) assesses the potential for gaining international or multilateral cooperation in imposing an economic boycott against such a country.

(b) For purposes of making the assessment required by subsection (a)(1), the Secretary of State shall consider the adequacy of existing laws imposing economic sanctions against a country described in such subsection.

(c) For purposes of this section, the term "economic boycott", with respect to a country, means a prohibition on imports and exports from such country and a termination of United States assistance for such country.

LUGAR (AND SIMON) AMENDMENT NO. 869

Mr. LUGAR (for himself and Mr. SIMON) proposed an amendment to the bill H.R. 2965, supra; as follows:

On page 33, line 5 strike "$336,600,000" and insert in lieu thereof "$331,800,000" and on page 38, restore the matter stricken on line 1 through line 7, amended to appropriate "$4,800,000".

PRESSLER AMENDMENT NO. 870

Mr. PRESSLER proposed an amendment to the bill H.R. 2965, supra; as follows:

On page 7, line 6, after "expended," insert "of which $600,000 shall be for enhancements to the EROS Data Center in Sioux Falls, South Dakota".

HEFLIN AMENDMENT NO. 871

Mr. HEFLIN proposed an amendment to the bill H.R. 2965, supra; as follows:

On page 31, after line 5, add the following new section:

SEC. 27. (a) Notwithstanding any other provision of law, the Department of Justice shall—

(1) make available to the Birmingham Public Library located in Birmingham, Alabama the twenty-five thousand seven hundred and eleven releasable pages of documents, requested by such Library on August 22, 1984, relating to files on Dr. Martin Luther King and racist hate groups; and

(2) waive the duplication fee of $2,571.10 for such documents.

(b) Nothing in the provisions of subsection (a) may be construed to affect any determination of the Department of Justice pursuant to section 552(a)(4)(A) of title 5, United States Code, relating to any other request for such documents.

LUGAR AMENDMENT NO. 872

Mr. LUGAR proposed an amendment to the bill H.R. 2965, supra; as follows:

On page 63, line 20, strike out "$2,000,000 shall be available" and insert in lieu thereof "$1,200,000 in addition to the base shall be available only".

DOMENICI AMENDMENT NO. 873

Mr. RUDMAN (for Mr. DOMENICI) proposed an amendment to the bill H.R. 2965, supra; as follows:

On page 12, line 5 after "$71,200,000" insert: , of which $500,000 shall remain available until expended to reimburse private litigants for legal fees incurred in the United States v. Abousleman, the United States v. Bluewater-Toltec Irrigation District, and the State of New Mexico ex rel. Reynolds v. Aamodt water adjudication suits

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OMNIBUS BUDGET RECONCILIATION ACT

THURMOND (AND OTHERS) AMENDMENT NO. 874

(Ordered to lie on the table.)

Mr. THURMOND (for himself, Mr. HOLLINGS, Mr. MOYNIHAN, Mr. HELMS, Mr. HEFLIN, Mr. HEINZ, Mr. COHEN, Mr. WARNER, Mr. KENNEDY, Mr. MITCHELL, Mr. EAGLETON, Mr. SPECTER, Mr. EAST, Mr. COCHRAN, Mr. TRIBLE, Mr. DENTON, Mr. D'AMATO, Mr. SASSER, Mr. HATCH, Mr. PELL, Mr. MATTINGLY, Mr. ROCKEFELLER, Mrs. HAWKINS, Mr. GORE, Mr. DIXON, Mr. DODD, Mr. SIMON, Mr. FORD, Mr. DECONCINI, Mr. PRYOR, Mr. MATHIAS, Mr. LONG, Mr. LEAHY, Mr. METZENBAUM, Mr. RIEGLE, Mr. WEICKER, Mr. MCCONNELL, Mr. KASTEN, Mr. GLENN, Mr. BUMPERS, Mr. NUNN, and Mr. BYRD) proposed an amendment to the bill intended to be proposed by them to the bill (S. 1730) to provide for reconciliation pursuant to section 2 of the first concurrent resolution on the budget for fiscal year 1986 (S. Con. Res. 32, Ninety-ninth Congress); as follows:

In the pending amendment, strike "provisions", and insert:

ENFORCEMENT

"SEC. 1201. SHORT TITLE.

"This title may be cited as the 'Textile and Apparel Trade Enforcement Act of 1985'.

"SEC. 1202. POLICY.

"The policy of this title is—

"(1) to prevent further disruption of the United States textiles and textile products markets, damage to United States textile and apparel manufacturers, and loss of jobs by United States workers by providing for orderly and nondisruptive growth of imports of textiles and textile products; and

"(2) to implement the objectives of the Multi-Fiber Arrangement by requiring the effective enforcement of import levels of textiles and textile products contemplated by the Multi-Fiber Arrangement.

"SEC. 1203. FINDINGS.

"The Congress finds that—

"(1) the United States and most major textile producing countries are parties to the Multi-Fiber Arrangement, the purpose of which is to ensure the orderly growth of imports of textiles and textile products and to avoid disruption of the markets for textiles and textile products in importing nations;

"(2) the Multi-Fiber Arrangement, which first entered into force on January 1, 1974, and which was most recently extended in December, 1981, through July 1986, contemplates a 6 per centum annual rate of growth for imports for most exporting countries and provides for a lower rate of growth for imports from significant exporting countries;

"(3) since 1980, the objective of orderly growth of imports of textiles and textile products for in the Multi-Fiber Arrangement has not been achieved; from 1981 through 1984 imports of textiles and textile products into the United States have grown at an annual rate of 19 centum, far in excess of the 1 per centum growth rate of the United States market for textiles and textile products during the same period and far in excess of the annual rate of import growth of less than 2 per centum that prevailed during the period 1974 through 1980;

"(4) the disruptive surge in imports of textiles and textile products which occurred from 1981 through 1984 resulted from the failure of the United States to enforce adequately its rights under the Multi-Fiber Arrangement and to extend coverage of the Multi-Fiber Arrangement to imports made of competing fibers;

"(5) import growth of apparel products has substantially outstripped the growth of the domestic market so that import penetration of the domestic market has more than doubled in the last six years, reaching a level of 50 per centum in 1984;

"(6) based on a nationwide audit of major retail outlets, the import penetration of such major items of apparel as trousers, blouses, shirts, suits, skirts and sweaters exceeds 50 per centum of domestic consumption;

"(7) since the most recent extension of the Multi-Fiber Arrangement, certain exporting countries have sharply increased their exports of textiles and textile products made in whole or in part from fibers not subject to the Multi-Fiber Arrangement with the effect of circumventing restraints agreed to under the Arrangement; the increased imports of these textiles and textile products have caused disruption of the United States market for textiles and textile products and

have seriously undercut the effectiveness of the Multi-Fiber Arrangement;

"(8) imports of textiles and textile products into the United States are predominantly the product of significant exporting countries, with five large exporting countries now accounting for more than 50 per centum of all imports of textiles and textile products;

"(9) the domination of import trade by producers in the significant producing countries has limited participation in the United States market by other producing countries, many of which share important trade and other national interests, and encourage mutually beneficial trade and investment, with the United States;

"(10) a change in United States textile trade policy to afford the smaller producing countries and countries in the Caribbean region a relatively greater share of imports of textiles and textile products would promote the national economic interests of the United States;

"(11) the textile and apparel trade deficit of the United States was more than $16,200,000,000 in 1984, an increase of 53 per centum over 1983, and accounted for 13 per centum of the Nation's overall merchandise trade deficit;

"(12) the current level of imports of textiles and textile products, ten billion square yard equivalents in 1984, represents over one million job opportunities lost to United States workers;

"(13) imported textiles and textile products now account for 38 per centum (the equivalent of three million two hundred thousand bales of cotton) of the annual cotton consumption in the United States; only one of five of the bale equivalents included in imported textiles and textile products is grown in the United States; the result of the massive increases in cotton textile and apparel imports has been a declining market share for, and a $1,000,000,000 loss to, domestic cotton producers in 1983 alone, which was only partially offset by Federal cotton program benefits; another result is that United Stats cotton producers, who are spending about $20,000,000 annually in research and promotion efforts, have built markets not for themselves but for foreign growers;

"(14) imports of wool products have doubled since 1980, creating major disruptions among domestic wool products producers and seriously depressing the price of United States produced raw wool; the Multi-Fiber Arrangement recognizes that imports of certain products, such as wool products, in certain countries, including the United States, pose particular problems for certain industries, such as, the wool products industries in those countries and import growth rates of 1 per centum or less have been permitted in such cases;

"(15) as a result of this increased penetration and the very limited growth of the domestic market, the United States companies producing textiles and textile products identical, or similar, to those imported have been seriously damaged, many of them have been forced out of business, many have closed plants or curtailed operations, workers in such companies have lost employment and have been otherwise materially and adversely affected, and serious hardship has been inflicted on hundreds of impacted communities causing a substantial reduction in economic activity and lost revenues to local governments;

"(16) the increase in imports and increased import penetration of the United States domestic market have occurred notwithstanding the fact that, through extensive modernization programs and investment in more modern equipment, productivity, as measured by output per man hour, in the textile mill products sector has increased in the last ten years at the average annual rate of 4.2 per centum and in the apparel sector at the average annual rate of 3.4 per centum; as compared with the lower productivity growth of all manufacturing in the same period of 1.9 per centum;

"(17) the factors described above are causing serious damage, or the actual threat thereof, to domestic producers of textiles and textile products; as a result, market disruption exists in the United States requiring the new measures established under this Title;

"(18) based on experience during the past ten years and on other factors, the growth of the United States market for textiles and textile products is unlikely to exceed an average annual rate of 1 per centum during the next several years;

"(19) if the rate of growth of imports of textiles and textile products into the United States that occurred since 1980 continues, plant closings will continue to accelerate, leaving the United States market with reduced domestic competition for imported products;

"(20) in order to avoid further market disruption and deterioration of the situation confronting the United States industry producing textiles and textile products, which is already seriously damaged, it is essential—

"(A) to require the establishment of import levels for textiles and textile products supplied by major producing countries that reflect—

"(i) the import level that would have occurred had imports from these countries grown since 1980 by the 6 per centum annual growth rate contemplated by the Multi-Fiber Arrangement, or 1 per centum in the case of wool products, or

"(ii) the actual import level resulting from restraints under a bilateral agreement with the United States providing for an annual import growth rate of less than 6 per centum, whichever is the lesser,

"(B) to require the establishment of import levels for textiles and textile products supplied by producing countries that reflect their 1984 import levels,

"(C) to require the establishment of import levels for textiles and textile products supplied by small producing countries that provide a significant increase in their market shares to meet their development needs and to permit future growth in such shares consistent with the Multi-Fiber Arrangement, and

"(D) to limit the future growth rate of imports of textiles and textile products into the United States to levels which reflect orderly growth as provided for in the Multi-Fiber Arrangement and the most recent Protocol extending the Multi-Fiber Arrangement;

"(21) the establishment of import levels, and limitation on future import growth to levels, that reflect effective enforcement of the Multi-Fiber Arrangement and that also reflect the expected growth rate of the United States market for textiles and textile products will fulfill announced policy objectives of the United States regarding trade in textiles and apparel;

"(22) as the Department of Defense has long recognized, a strong, viable and efficient domestic textiles and textile products industry is essential in order to avoid impairment of the national security of the United States;

"(23) the developments that have led to the sharp increase in imports of textiles and textile products since 1980 may not have been foreseeable; nevertheless, the rights of the United States under international agreements should have been invoked in order to prevent increased quantities of textiles and textile products from being imported under such conditions as to cause or threaten serious damage to domestic producers of textiles and textile products in the United States; and

"(24) the sharp increase in imports of textiles and textile products since 1980, and the effect of this increase on the United States textiles and apparel industry and its workers, constitutes exceptional circumstances within the meaning of the Milti-Fiber Arrangement and its Protocol.

"SEC. 1204. DEFINITIONS.

"For purposes of this title—

"(1) The term "Textiles and textile products" includes, but is not limited to, all tops, yarns, piece goods, made-up articles, apparel, manmade fibers, and other textile manufactured products (which derive their chief characteristics from their textile components) made in whole or in part from any natural or manmade fiber, or blend thereof, that are classified under schedule 3, part 6 of schedule 6, part 1, 4, 5 (except subpart E), 7, or 13 of schedule 7, or part 1 of schedule 8 of the Tariff Schedules of the United States or part 1 of the Appendix to the Tariff Schedules of the United States;

"(2) The term "category" means, with respect to textiles and textile products that are the product of a country, each of the following—

"(A) each category of textiles and textile products identified by a three-digit textile category number in the Department of Commerce publication "Correlation: Textile and Apparel Categories with Tariff Schedules of the United States Annotated", dated January 1985 and, subsequently, in the first edition of such document that is revised to reflect the adoption by the United States of the Nomenclature Structure of the Harmonized System;

"(B) with respect to each country with which the United States has (i) an agreement on the date of enactment of this title limiting exports of textiles and textile products to the United States that includes specific limitations on subdivisions of a category described in subparagraph (A), or (ii) taken unilateral action to limit products entered under such a subdivision, each such subdivision;

"(C) a category consisting of the manmade fiber products classified under subpart E of part 1 of schedule 3 to the Tariff Schedules of the United States; and

"(D) each category consisting of each of the following products when, because of fiber content, that product is not subject to the Multi-Fiber Arrangement:

"(i) yarn,

"(ii) fabric,

"(iii) apparel, and

"(iv) other textile products;

"(3) The term "import sensitive category" means—

"(A) a category (other than a category applicable to textiles and textile products that are a product of a country in the Caribbean region) for which the ratio of imports to domestic production, as reported in the Department of Commerce publication "U.S. Production, Imports and Import/Production

Ratios for Cotton, Wool and Man-Made Fiber Textiles and Apparel", equals or exceeds 40.0 for the preceding calendar year; and

"(B) a category covering wool products;

"(4) The term "country" means a foreign country (other than Canada and the Member States of the European Economic Community as constituted on December 31, 1984), a foreign territory, an insular possession of the United States, or any other territory, possession, colony, trusteeship or political entity, whether affiliated with the United States or not, that is outside the customs territory of the United States;

"(5) The term "major producing country" means a country the annual aggregate quantity of textiles and textile products of which that entered under the categories referred to in paragraph (2)(A) during calendar year 1984 equalled or exceeded 10 percent of all textiles and textile products under such categories that entered from all countries and from Canada and the Member States of the European Economic Community during calendar year 1984;

"(6) The term "producing country" means a country (other than a major producing country and a country in the Carribean region) the annual aggregate quantity of textiles and textile products of which that entered under the categories referred to in paragraph (2)(A) during calendar year 1984 equalled or exceeded 1.25 per centum of all textiles and textile products under such categories that entered from all countries and from Canada and the Member States of the European Economic Community during calendar year 1984;

"(7) the term "small producing country" means a country other than a major producing country and a producing country;

"(8) The term "country in the Caribbean region" means Mexico and a country eligible for designation as a beneficiary country under section 212 of the Caribbean Basin Economic Recovery Act (19 U.S.C 2702);

"(9) The term "wool product" means an article containing over 17 per centum by weight of wool;

"(10) The term "cotton, wool and man-made fiber sweaters" means articles classified under categories 345, 445, 446, 645 or 646 as defined in the Department of Commerce publication "Correlation Textile and Apparel Categories with Tariff Schedules of the United States Annotated," dated January 1985;

"(11) The term "entered" means entered, or withdrawn from warehouse, for consumption in the customs territory of the United States; and

"(12) The term "Multi-Fiber Arrangement" means the Arrangement Regarding International Trade in Textiles, as extended by the Protocol done at Geneva, December 22, 1981.

"SEC. 1205. LIMITS ON TEXTILE AND APPAREL IMPORTS.

"(a) CALENDAR YEAR 1985.— Notwithstanding any other provision of law, the aggregate quantity of textiles and textile products classified under a category that is entered during calendar year 1985 shall not exceed—

"(1) in the case of textiles and textile products that are a product of a major producing country, other than textile luggage and textile flat goods subject (as of the date of enactment of this Title) to a specific limitation under an agreement with a major producing country, the lesser of an amount equal to 101 per centum—

"(A) of the aggregate quantity of such products of such country classified under such category that would have entered during calendar year 1984 if the aggregate quantity of such products of such country classified under such category entered during calendar year 1980 had increased by 6 per centum annually, or 1 per centum annually in the case of a category covering a wool product, during calendar years 1981, 1982, 1983, and 1984, or

"(B) If the United States has an agreement with such country providing for an annual growth rate for such category of less than 6 per centum, of the aggregate quantity of such products of such country classified under such category that entered during calendar year 1984;

"(2) in the case of textile luggage and textile flat goods subject (as of the date of enactment of this Title) to specific limitation under an agreement with a major producing country, the specific limitation quantity in effect as of the date of enactment of this Title;

"(3) in the case of textiles and textile products that are a product of a producing country, an amount equal to the aggregate quantity of—

"(A) such products from such country classified under such category that entered during calendar year 1984, or

"(B) in the case of textile luggage and textile flat goods subject (as of the date of enactment of this Title) to specific limitation under an agreement with a producing country, the specific limitation quantity in effect as of the date of enactment of this Title;

"(4) in the case of textiles and textile products that are a product of a small producing country (other than cotton, wool, and man-made fiber sweaters described in paragraph (5)), an amount equal to the sum of—

"(A) the aggregate quantity of such products of such country classified under such category that entered during calendar year 1984, plus

"(B) an amount equal to—

"(i) 15 per centum of such quantity, in the case of a category that is not an import sensitive category, or

"(ii) 1 per centum of such quantity, in the case of a category that is an import sensitive category; and

"(5) in the case of cotton, wool and man-made fiber sweaters that are—

"(A) the product of substantial assembly operations in Guam from otherwise completed knit-to-shape component parts, an aggregate amount equal to 160,000 dozen; and

"(B) the product of substantial assembly operations in the Commonwealth of the Northern Mariana Islands from otherwise completed knit-to-shape component parts, an aggregate amount equal to 70,000 dozen.

"If application of paragraph (1) would result in the aggregate quantity of textiles and textile products of a major producing country classified under all categories permitted to enter during calendar year 1985 to be less than 70 per centum of the aggregate quantity of such products of such country that entered during calendar year 1984, then, notwithstanding paragraph (1), the aggregate quantity of textiles and textile products of such country that may be entered under each category during calendar year 1985 shall not be less than 40 per centum of the aggregate quantity of such products of such country that entered under such category during calendar year 1984.

"(b) GROWTH ADJUSTMENT.—For calendar years after 1985, the aggregate quantity of textiles and textile products classified under each category that may be entered during each such calendar year shall—

"(1) in the case of such products that are a product of a major producing country or of a producing country, be increased by an amount equal to 1 per centum of the aggregate quantity that could be entered under such category during the preceding calendar year; and

"(2) in the case of such products that are a product of a small producing country, be increased by an amount equal to—

"(A) in the case of a category (other than an import sensitive category), 6 per centum of the aggregate quantity that could be entered under that category during the preceding calendar year, and

"(B) in the case of an import sensitive category, 1 per centum of the aggregate quantity that could be entered under that category during the preceding calendar year.

"If the aggregate quantity that could be entered under a category for a calendar year after 1985 is reduced under section 1210(b), than in the first calendar year in which there is no such reduction, this subsection shall be applied as if there had been no reduction under section 1210(b) in previous calendar years.

"(c) MINIMUM QUANTITIES.—If, under subsection (a) or (b), the aggregate quantity of textiles and textile products of a country that may be entered during a calendar year under a category is—

"(1) less than one million square yard equivalents, in the case of a category covering yarn, fabric, made-ups, and miscellaneous products, other than wool products;

"(2) less than seven hundred thousand square yard equivalents, in the case of a category covering apparel, other than wool products apparel; or

"(3) less than one hundred thousand square yard equivalents, in the case of a category covering wool products,

"then, notwithstanding subsection (a) or (b), the aggregate quantity of textiles and textile products that may be entered from such country under such category during the calendar year shall be one million, seven hundred thousand, or one hundred thousand square yard equivalents, respectively. The amount prescribed in the preceding sentence shall be accorded growth subject to the provisions of subsection (b) beginning the first calendar year after the aggregate quantity of imports from such country under such category equals the minimum quantity prescribed under this subsection.

"(d) SPECIAL RULE.—For purposes of this section, if during any calendar year after 1984, the aggregate quantity of textiles and textile products that are the product of a small producing country, other than a country in the Caribbean region, and that are entered under the categories referred to in paragraph (2)(A) of section 1204 equals or exceeds 1.25 per centum of all textiles and textile products entered under such categories from all countries and from Canada and the Member States of the European Economic Community during such calendar year, then such small producing country shall be considered to be a producing country for all succeeding calendar years.

"(e) ENFORCEMENT.—The Secretary of Commerce shall prescribe such regulations governing the entry, or withdrawal from warehouse, for consumption of textiles and

textile products as may be necessary to carry out this title.

"SEC. 1206. IMPORT LICENSING.

"In order to ensure the equitable and efficient administration of section 1205 of this title, the Secretary of Commerce shall, within six months after the date of enactment of this title, establish and administer an import licensing system under which an importer of any textiles and textile products from any country and from Canada and the Member States of the European Economic Community, will be required to present an import permit as a condition of entry. The Secretary shall charge a fee for import licenses in such amount as may be necessary to cover the cost of administration of the system. The Secretary of the Treasury shall make all determinations regarding classification under the Tariff Schedules of the United States, appraisement, and valuation of products subject to licensing under this section.

"SEC. 1207. ANNUAL REPORT.

"Not later than March 15, 1986, and March 15 each calendar year thereafter, the President shall submit to the Congress a report on the administration of this title during the preceding calendar year. Such report shall include detailed information about the implementation and operation of the limitations established under section 1205. All departments and agencies shall cooperate in preparation of this report, as requested by the President.

"SEC. 1208. REVIEW.

"The Secretary of Commerce shall commence ten years after the date of enactment of this title a formal review of the operation of the Textile Import Control Program under the provisions of this title. The Secretary shall consult members and committees of Congress, representatives of the labor unions and the industries affected by the program, and appropriate government agencies. Within six months after the commencement of the study, the Secretary shall submit to Congress his findings as well as his recommendations for the future conduct of the program.

"SEC. 1209. DUTY FREE ENTRY OF CERTAIN SWEATERS FROM GUAM AND THE NORTHERN MARIANAS.

"Subpart A of part 7, schedule 3 of the Tariff Schedules of the United States (19 U.S.C. 1202) is amended by adding at the end thereof the following new item:

"'385.97	Cotton, wool and man-made fiber sweaters that are entitled to enter under the quotas established under section 205(a)(5) of the Textile and Apparel Trade Enforcement Act of 1985 or the increased quotas under section 205(b) of such Act that adjust the quotas under such section 205(a)(5) and that do not contain foreign materials to the value of more than 50 percent of their total value as this standard is applied pursuant to Headnote 3(a) of the General Headnotes and Rules of Interpretation.	Free

"SEC. 1210. EFFECTIVE DATE.

"(a) IN GENERAL.—Subject to the provisions of subsection (b), the provisions of this title shall apply to textiles and textile products entered, or withdrawn from warehouse, for consumption on or after the date of enactment of this Act.

"(b) CALENDAR YEARS 1985 AND 1986.—The Secretary of Commerce shall determine, and publish in the Federal Register, the aggregate quantity, if any, of textiles and textile products that may be entered under section 1205 (a) or (c) of this title from each country under each category during the period beginning on the date of enactment of this title and ending December 31, 1985. Notwithstanding subsection (a), to the extent that the aggregate quantity of imports of textiles and textile products from a country under a category entered after December 31, 1984, and before the date of enactment of this title exceeds the quantity permitted entry for such country and such category during calendar year 1985 under subsection (a) or (c) of section 1205, then the limit that would otherwise apply under section 1205 (b) or (c) for such category for such country for calendar year 1986 shall be reduced by the amount of such excess quantity. If such excess quantity exceeds the limit that would otherwise apply under section 1205(b) or (c) for such category for such country for calendar year 1986, then the limit for such category and country for calendar years after 1986 shall be reduced until such excess is accounted for.

"TITLE XIII—FOOTWEAR

"SEC. 1301. SHORT TITLE

"This title may be cited as the 'American Footwear Industry Recovery Act of 1985'.

"SEC. 1302. FINDINGS AND PURPOSE.

"(a) The Congress finds that—

"(1) The domestic nonrubber footwear industry is important to the national economy, and footwear firms are vital to the economic health of small towns throughout the United States.

"(2) The domestic nonrubber footwear industry is highly labor intensive, and low capital requirements for entry into footwear production make it a primary target for industrializing on newly industrialized countries. As a consequence, footwear is produced in virtually every footwear consuming country in the world.

"(3) Tremendous competitive pressure has been created in the world footwear market in the last decade as a result of rapidly growing production and capacity in numerous developing and developed countries. This development has resulted in the widespread erection of tariff and nontariff barriers by foreign countries designed to protect their domestic footwear industries.

"(4) The United States has historically resisted the protectionist trends of other producing nations and has instead maintained a market distinguished by its accessibility. As a result, the United States market has become a focal point for world trade in nonrubber footwear.

"(5) The diversion of international trade to the United States market has resulted in serious injury to domestic producers as manifested by—

"(A) the loss of 155,000 footwear jobs since 1968,

"(B) a decline in domestic production and production capacity, and

"(C) the permanent closure of over 500 plants during the same period.

"(6) The serious injury to domestic producers poses a significant danger to the industry's supplier base as well.

"(7) The domestic nonrubber footwear producers have made a significant commitment to the future of the industry through substantial capital investment.

"(8) Since the termination of temporary import relief in 1981, capital investment in the domestic nonrubber footwear industry has declined as the industry struggled to battle the massive surge in imports which increased the percentage share of imported footwear in the United States market from 51 percent in 1981 to 77 percent in 1985.

"(9) Without the restriction of import levels, capital investment in this domestic industry will continue to decrease.

"(10) The domestic nonrubber footwear industry has thrice been judged by the International Trade Commission, as recently as May 1985, to be seriously injured by imports.

"(11) Since the termination of the two, four-year orderly marketing agreements in 1981, the harm to the domestic industry is even more critical than the serious injury which triggered the Commission's unanimous findings in 1976 and 1977.

"(12) The domestic nonrubber footwear industry has not been afforded adequate and appropriate relief from imports; therefore, the Congress concludes that—

"(A) the administrative process under sections 201, 202, and 203 of the Trade Act of 1974 has proven inadequate; and

"(B) in the absence of and effective remedy under such process, legislative relief is essential.

"(b)(1) It is the purpose of Congress in enacting this section to—

"(A) promote and expend the economic health of the United States nonrubber footwear industry,

"(B) preserve the jobs of American workers, and

"(C) prevent the further decline of this important domestic industry.

"(2) It is declared to be the policy of Congress that access to the United States market for foreign-produced nonrubber footwear should be on an equitable basis to ensure orderly trade in nonrubber footwear, reduce unfair trade in nonrubber footwear, and address United States balance-of-payments problems, of which footwear is the seventh largest component. In order to accomplish these objectives, it is deemed necessary and appropriate to limit imports of nonrubber footwear into the United States market.

"SEC. 1303. DEFINITIONS.

"For purposes of this title—

"(1) The term 'entered' means entered, or withdrawn from warehouse, for consumption in the customs territory of the United States.

"(2) The term 'Secretary' means Secretary of Commerce.

"(3) The term 'nonrubber footwear' means the following categories of nonrubber footwear products, identified by reference to the following item numbers of the Tariff Schedules of the United States (as in effect on January 1, 1985): 700.05 through 700.45; 700.56; 700.72 through 700.83; and 700.95.

"(4) The term 'apparent domestic consumption' means, with respect to any 1-year period, the sum of imports plus domestic production less exports.

"SEC. 1304. QUANTITATIVE LIMITATION ON NONRUBBER FOOTWEAR.

"(a)(1) During the 8-year period beginning on the date of enactment of this title, the aggregate number of pairs of nonrubber footwear which may be entered during any 1-year period shall not exceed 60 percent of the estimated apparent domestic consumption of nonrubber footwear for such period.

"(2) The quantitative limitation imposed by paragraph (1) for any 1-year period shall be distributed among the following categories of nonrubber footwear so that the aggregate number of pairs of nonrubber footwear in such category which may be entered during any 1-year period shall not exceed the quantity equal to—

"(A) in the case of nonrubber footwear with a customs value that does not exceed $1.25 per pair, 10 percent of apparent do-

mestic consumption of nonrubber footwear for such period,

"(B) in the case of nonrubber footwear with a customs value that exceeds $1.25 per pair but does not exceed $2.50 per pair, 5.4 percent of apparent domestic consumption of nonrubber footwear for such period, and

"(C) in the case of nonrubber footwear with a customs value that exceeds $2.50 per pair, 44.6 percent of apparent domestic consumption of nonrubber footwear for such period.

"(b) Within sixty days after the effective date of this title, and on the first day of the fourth quarter of each 1 year period thereafter, the Secretary shall determine on the basis of the best information available, including his own or independent forecasts, the expected apparent domestic consumption of nonrubber footwear for, in the case of the initial determination, the remainder of the current 1 year period and in the case of the first day of the fourth quarter of each 1 year period thereafter, the next succeeding 1 year period. On each such date, the Secretary shall determine and publish in the Federal Register the allocation for the next succeeding 1 year period of permissible imports of nonrubber footwear as required by this section.

"(c) On the first days of the first, second, and third quarters of each 1 year period, the Secretary shall revise the determinations of expected apparent domestic consumption made under subsection (b) for the current 1 year period on the basis of the best information then available and shall make such adjustments in the quantity of nonrubber footwear permitted to be imported under this section as indicated by the revision. All revisions and adjustments made under this subsection shall be published in the Federal Register.

"(d) If the revised determination of expected apparent domestic consumption published in the Federal Register under subsection (c) on the first day of the third quarter in any 1 year period for nonrubber footwear varies from the actual apparent domestic consumption of nonrubber footwear for such 1 year period, the Secretary shall publish in the Federal Register on the first day of the second quarter of such succeeding 1 year period a revision to the determination of expected apparent domestic consumption for such 1 year period made under subsection (c) of this section. The revision shall be in the amount of such variance and shall be in addition to any other revision that would be made on any such first day of the second quarter under subsection (c) of this section.

"(e)(1) The Secretary and the Secretary of the Treasury shall take such actions within their respective jurisdictions as may be necessary or appropriate to enforce the provisions of this section, including without limitation, the issuance of orders to customs officers to bar entry to merchandise if the entry of such merchandise would cause the limitations established under this section to be exceeded.

"(2)(A) The Secretary and the Secretary of the Treasury are each authorized to issue such implementing regulations, including the issuance of import licenses, as may be necessary or appropriate to effect the purposes of this section and to enforce the provisions of this section.

"(B) Before prescribing any regulations under subparagraph (A), the Secretary or the Secretary of the Treasury, as the case may be, shall—

"(i) consult with interested domestic parties,

"(ii) afford an opportunity for such parties to comment on the proposed regulations, and

"(iii) consider all such comments before prescribing final regulations.

"SEC. 1305. COMPENSATION AUTHORITY.

"For purposes of section 123 of the Trade Act of 1974 (19 U.S.C. 2133), the imposition of the quantitative limitation under section 204 shall be treated as action taken under section 203 of the Trade Act of 1974 (19 U.S.C. 2253).".

HOLLINGS (AND THURMOND) AMENDMENT NO. 875

Mr. HOLLINGS (for himself and Mr. THURMOND) proposed an amendmen to the bill S. 1730, supra; as follows:

At the appropriate place, insert the following:

TEXTILE AND APPAREL TRADE ENFORCEMENT

"SEC. 201. SHORT TITLE.

"This title may be cited as the 'Textile and Apparel Trade Enforcement Act of 1985'.

"SEC. 202. POLICY.

"The policy of this title is—

"(1) to prevent further disruption of the United States textiles and textile products markets, damage to United States textile and apparel manufacturers, and loss of jobs by United States workers by providing for orderly and nondisruptive growth of imports of textiles and textile products; and

"(2) to implement the objectives of the Multi-Fiber Arrangement by requiring the effective enforcement of import levels of textiles and textile products contemplated by the Multi-Fiber Arrangement.

"SEC. 203. FINDINGS.

"The Congress finds that—

"(1) the United States and most major textile producing countries are parties to the Multi-Fiber Arrangement, the purpose of which is to ensure the orderly growth of imports of textiles and textile products and to avoid disruption of the markets for textiles and textile products in importing nations;

"(2) the Multi-Fiber Arrangement, which first entered into force on January 1, 1974, and which was most recently extended in December, 1981, through July 1986, contemplates a 6 per centum annual rate of growth for imports for most exporting countries and provides for a lower rate of growth for imports from significant exporting countries;

"(3) since 1980, the objective of orderly growth of imports of textiles and textile products for in the Multi-Fiber Arrangement has not been achieved; from 1981 through 1984 imports of textiles and textile products into the United States have grown at an annual rate of 19 centum, far in excess of the 1 per centum growth rate of the United States market for textiles and textile products during the same period and far in excess of the annual rate of import growth of less than 2 per centum that prevailed during the period 1974 through 1980;

"(4) the disruptive surge in imports of textiles and textile products which occurred from 1981 through 1984 resulted from the failure of the United States to enforce adequately its rights under the Multi-Fiber Arrangement and to extend coverage of the Multi-Fiber Arrangement to imports made of competing fibers;

"(5) import growth of apparel products has substantially outstripped the growth of the domestic market so that import penetration of the domestic market has more than doubled in the last six years, reaching a level of 50 per centum in 1984;

"(6) based on a nationwide audit of major retail outlets, the import penetration of such major items of apparel as trousers, blouses, shirts, suits, skirts and sweaters exceeds 50 per centum of domestic consumption;

"(7) since the most recent extension of the Multi-Fiber Arrangement, certain exporting countries have sharply increased their exports of textiles and textile products made in whole or in part from fibers not subject to the Multi-Fiber Arrangement with the effect of circumventing restraints agreed to under the Arrangement; the increased imports of these textiles and textile products have caused disruption of the United States market for textiles and textile products and have seriously undercut the effectiveness of the Multi-Fiber Arrangement;

"(8) imports of textiles and textile products into the United States are predominantly the product of significant exporting countries, with five large exporting countries now accounting for more than 50 per centum of all imports of textiles and textile products;

"(9) the domination of import trade by producers in the significant producing countries has limited participation in the United States market by other producing countries, many of which share important trade and other national interests, and encourage mutually beneficial trade and investment, with the United States;

"(10) a change in United States textile trade policy to afford the smaller producing countries and countries in the Caribbean region a relatively greater share of imports of textiles and textile products would promote the national economic interests of the United States;

"(11) the textile and apparel trade deficit of the United States was more than $16,200,000,000 in 1984, an increase of 53 per centum over 1983, and accounted for 13 per centum of the Nation's overall merchandise trade deficit;

"(12) the current level of imports of textiles and textile products, ten billion square yard equivalents in 1984, represents over one million job opportunities lost to United States workers;

"(13) imported textiles and textile products now account for 38 per centum (the equivalent of three million two hundred thousand bales of cotton) of the annual cotton consumption in the United States; only one of five of the bale equivalents included in imported textiles and textile products is grown in the United States; the result of the massive increases in cotton textile and apparel imports has been a declining market share for, and a $1,000,000,000 loss to, domestic cotton producers in 1983 alone, which was only partially offset by Federal cotton program benefits; another result is that United Stats cotton producers, who are spending about $20,000,000 annually in research and promotion efforts, have built markets not for themselves but for foreign growers;

"(14) imports of wool products have doubled since 1980, creating major disruptions among domestic wool products producers and seriously depressing the price of United States produced raw wool; the Multi-Fiber Arrangement recognizes that imports of certain products, such as wool products, in cer-

tain countries, including the United States, pose particular problems for certain industries, such as, the wool products industries in those countries and import growth rates of 1 per centum or less have been permitted in such cases;

"(15) as a result of this increased penetration and the very limited growth of the domestic market, the United States companies producing textiles and textile products identical, or similar, to those imported have been seriously damaged, many of them have been forced out of business, many have closed plants or curtailed operations, workers in such companies have lost employment and have been otherwise materially and adversely affected, and serious hardship has been inflicted on hundreds of impacted communities causing a substantial reduction in economic activity and lost revenues to local governments;

"(16) the increase in imports and increased import penetration of the United States domestic market have occurred notwithstanding the fact that, through extensive modernization programs and investment in more modern equipment, productivity, as measured by output per man hour, in the textile mill products sector has increased in the last ten years at the average annual rate of 4.2 per centum and in the apparel sector at the average annual rate of 3.4 per centum; as compared with the lower productivity growth of all manufacturing in the same period of 1.9 per centum;

"(17) the factors described above are causing serious damage, or the actual threat thereof, to domestic producers of textiles and textile products; as a result, market disruption exists in the United States requiring the new measures established under this Act;

"(18) based on experience during the past ten years and on other factors, the growth of the United States market for textiles and textile products is unlikely to exceed an average annual rate of 1 per centum during the next several years;

"(19) if the rate of growth of imports of textiles and textile products into the United States that occurred since 1980 continues, plant closings will continue to accelerate, leaving the United States market with reduced domestic competition for imported products;

"(20) in order to avoid further market disruption and deterioration of the situation confronting the United States industry producing textiles and textile products, which is already seriously damaged, it is essential—

"(A) to require the establishment of import levels for textiles and textile products supplied by major producing countries that reflect—

"(i) the import level that would have occurred had imports from these countries grown since 1980 by the 6 per centum annual growth rate contemplated by the Multi-Fiber Arrangement, or 1 per centum in the case of wool products, or

"(ii) the actual import level resulting from restraints under a bilateral agreement with the United States providing for an annual import growth rate of less than 6 per centum,

whichever is the lesser,

"(B) to require the establishment of import levels for textiles and textile products supplied by producing countries that reflect their 1984 import levels,

"(C) to require the establishment of import levels for textiles and textile products supplied by small producing countries that provide a significant increase in their market shares to meet their development needs and to permit future growth in such shares consistent with the Multi-Fiber Arrangement, and

"(D) to limit the future growth rate of imports of textiles and textile products into the United States to levels which reflect orderly growth as provided for in the Multi-Fiber Arrangement and the most recent Protocol extending the Multi-Fiber Arrangement;

"(21) the establishment of import levels, and limitation on future import growth to levels, that reflect effective enforcement of the Multi-Fiber Arrangement and that also reflect the expected growth rate of the United States market for textiles and textile products will fulfill announced policy objectives of the United States regarding trade in textiles and apparel;

"(22) as the Department of Defense has long recognized, a strong, viable and efficient domestic textiles and textile products industry is essential in order to avoid impairment of the national security of the United States;

"(23) the developments that have led to the sharp increase in imports of textiles and textile products since 1980 may not have been foreseeable; nevertheless, the rights of the United States under international agreements should have been invoked in order to prevent increased quantities of textiles and textile products from being imported under such conditions as to cause or threaten serious damage to domestic producers of textiles and textile products in the United States; and

"(24) the sharp increase in imports of textiles and textile products since 1980, and the effect of this increase on the United States textiles and apparel industry and its workers, constitutes exceptional circumstances within the meaning of the Milti-Fiber Arrangement and its Protocol.

"SEC. 204. DEFINITIONS.

"For purposes of this title—

"(1) The term "Textiles and textile products" includes, but is not limited to, all manmade fibers, tops, yarns, piece goods, made-up articles, apparel, and other textile manufactured products (which derive their chief characteristics from their textile components) made in whole or in part from any natural or manmade fiber, or blend thereof, that are classified under schedule 3, part 6 of schedule 6, part 1, 4, 5 (except subpart E), 7, or 13 of schedule 7, or part 1 of schedule 8 of the Tariff Schedules of the United States or part 1 of the Appendix to the Tariff Schedules of the United States;

"(2) The term "category" means, with respect to textiles and textile products that are the product of a country, each of the following—

"(A) each category of textiles and textile products identified by a three-digit textile category number in the Department of Commerce publication "Correlation: Textile and Apparel Categories with Tariff Schedules of the United States Annotated", dated January 1985 and, subsequently, in the first edition of such document that is revised to reflect the adoption by the United States of the Nomenclature Structure of the Harmonized System;

"(B) with respect to each country with which the United States has (i) an agreement on the date of enactment of this title limiting exports of textiles and textile products to the United States that includes specific limitations on subdivisions of a category described in subparagraph (A), or (ii) taken unilateral action to limit products entered under such a subdivision, each such subdivision;

"(C) a category consisting of the manmade fiber products classified under subpart E of part 1 of schedule 3 to the Tariff Schedules of the United States; and

"(D) each category consisting of each of the following products when, because of any fiber content, that product is not subject to the Multi-Fiber Arrangement:

"(i) yarn,

"(ii) fabric,

"(iii) apparel, and

"(iv) other textile products;

"(3) The term "import sensitive category" means—

"(A) a category (other than a category applicable to textiles and textile products that are a product of a country in the Caribbean region) for which the ratio of imports to domestic production, as reported in the Department of Commerce publication "U.S. Production, Imports and Import/Production Ratios for Cotton, Wool and Man-Made Fiber Textiles and Apparel", equals or exceeds 40.0 for the preceding calendar year; and

"(B) a category covering wool products;

"(4) The term "country" means a foreign country (other than Canada and the Member States of the European Economic Community as constituted on December 31, 1984), a foreign territory, an insular possession of the United States, or any other territory, possession, colony, trusteeship or political entity, whether affiliated with the United States or not, that is outside the customs territory of the United States;

"(5) The term "major producing country" means a country the annual aggregate quantity of textiles and textile products of which that entered under the categories referred to in paragraph (2)(A) during calendar year 1984 equalled or exceeded 10 percent of all textiles and textile products under such categories that entered from all countries and from Canada and the Member States of the European Economic Community during calendar year 1984;

"(6) The term "producing country" means a country (other than a major producing country and a country in the Carribean region) the annual aggregate quantity of textiles and textile products of which that entered under the categories referred to in paragraph (2)(A) during calendar year 1984 equalled or exceeded 1.25 per centum of all textiles and textile products under such categories that entered from all countries and from Canada and the Member States of the European Economic Community during calendar year 1984;

"(7) the term "small producing country" means a country other than a major producing country and a producing country;

"(8) The term "country in the Caribbean region" means Mexico and a country eligible for designation as a beneficiary country under section 212 of the Caribbean Basin Economic Recovery Act (19 U.S.C 2702);

"(9) The term "wool product" means an article containing over 17 per centum by weight of wool;

"(10) The term "cotton, wool and manmade fiber sweaters" means articles classified under categories 345, 445, 446, 645 or 646 as defined in the Department of Commerce publication "Correlation Textile and Apparel Categories with Tariff Schedules of the United States Annotated," dated January 1985;

"(11) The term "entered" means entered, or withdrawn from warehouse, for consump-

tion in the customs territory of the United States;

"(12) The term "imported" means entered; and

"(13) The term "Multi-Fiber Arrangement" means the Arrangement Regarding International Trade in Textiles, as extended by the Protocol done at Geneva, December 22, 1981.

"SEC. 205. LIMITS ON TEXTILE AND APPAREL IMPORTS.

"(a) CALENDAR YEAR 1985.— Notwithstanding any other provision of law, the aggregate quantity of textiles and textile products classified under a category that is entered during calendar year 1985 shall not exceed—

"(1) in the case of textiles and textile products that are a product of a major producing country other than textile luggage and textile flat goods subject (as of the date of enactment of this Act) to a specific limitation under an agreement with a major producing country, the lesser of an amount equal to 101 per centum—

"(A) of the aggregate quantity of such products of such country classified under such category that would have entered during calendar year 1984 if the aggregate quantity of such products of such country classified under such category entered during calendar year 1980 had increased by 6 per centum annually, or 1 per centum annually in the case of a category covering a wool product, during calendar years 1981, 1982, 1983, and 1984, or

"(B) If the United States has an agreement with such country providing for an annual growth rate for such category of less than 6 per centum, of the aggregate quantity of such products of such country classified under such category that entered during calendar year 1984;

"(2) in the case of textile luggage and textile flat goods subject (as of the date of enactment of this Act) to specific limitation under an agreement with a major producing country, the specific limitation quantity in effect as of the date of enactment of the Act;

"(3) in the case of textiles and textile products that are a product of a producing country, an amount equal to the aggregate quantity of—

"(A) such products from such country classified under such category that entered during calendar year 1984, or

"(B) in the case of textile luggage and textile flat goods subject (as of the date of enactment of this Act) to specific limitation under an agreement with a producing country, the specific limitation quantity in effect as of the date of enactment of this Act;

"(4) in the case of textiles and textile products that are a product of a small producing country (other than cotton, wool, and man-made fiber sweaters described in paragraph (5)), an amount equal to the sum of—

"(A) the aggregate quantity of such products of such country classified under such category that entered during calendar year 1984, plus

"(B) an amount equal to—

"(i) 15 per centum of such quantity, in the case of a category that is not an import sensitive category, or

"(ii) 1 per centum of such quantity, in the case of a category that is an import sensitive category; and

"(5) in the case of cotton, wool and man-made fiber sweaters that are—

"(A) the product of substantial assembly operations in Guam from otherwise completed knit-to-shape component parts, an aggregate amount equal to 160,000 dozen; and

"(B) the product of substantial assembly operations in the Commonwealth of the Northern Mariana Islands from otherwise completed knit-to-shape component parts, an aggregate amount equal to 70,000 dozen.

"If application of paragraph (1) would result in the aggregate quantity of textiles and textile products of a major producing country classified under all categories permitted to enter during calendar year 1985 to be less than 70 per centum of the aggregate quantity of such products of such country that entered during calendar year 1984, then, notwithstanding paragraph (1), the aggregate quantity of textiles and textile products of such country that may be entered under each category during calendar year 1985 shall not be less than 40 per centum of the aggregate quantity of such products of such country that entered under such category during calendar year 1984.

"(b) GROWTH ADJUSTMENT.—For calendar years after 1985, the aggregate quantity of textiles and textile products classified under each category that may be entered during each such calendar year shall—

"(1) in the case of such products that are a product of a major producing country or of a producing country, be increased by an amount equal to 1 per centum of the aggregate quantity that could be entered under such category during the preceding calendar year; and

"(2) in the case of such products that are a product of a small producing country, be increased by an amount equal to—

"(A) in the case of a category (other than an import sensitive category), 6 per centum of the aggregate quantity that could be entered under that category during the preceding calendar year, and

"(B) in the case of an import sensitive category, 1 per centum of the aggregate quantity that could be entered under that category during the preceding calendar year.

"If the aggregate quantity that could be entered under a category for a calendar year after 1985 is reduced under section 210(b), than in the first calendar year in which there is no such reduction, this subsection shall be applied as if there had been no reduction under section 210(b) in previous calendar years.

"(c) MINIMUM QUANTITIES.—If, under subsection (a) or (b), the aggregate quantity of textiles and textile products of a country that may be entered during a calendar year under a category is—

"(1) less than one million square yard equivalents, in the case of a category covering yarn, fabric, made-ups, and miscellaneous products, other than wool products;

"(2) less than seven hundred thousand square yard equivalents, in the case of a category covering apparel, other than wool products apparel; or

"(3) less than one hundred thousand square yard equivalents, in the case of a category covering wool products,

"then, notwithstanding subsection (a) or (b), the aggregate quantity of textiles and textile products that may be entered from such country under such category during the calendar year shall be one million, seven hundred thousand, or one hundred thousand square yard equivalents, respectively. The amount prescribed in the preceding sentence shall be accorded growth subject to the provisions of subsection (b) beginning the first calendar year after the aggregate quantity of imports from such country under such category equals the minimum quantity prescribed under this subsection.

"(d) SPECIAL RULE.—For purposes of this section, if during any calendar year after 1984, the aggregate quantity of textiles and textile products that are the product of a small producing country, other than a country in the Caribbean region, and that are entered under the categories referred to in paragraph (2)(A) of section 204 equals or exceeds 1.25 per centum of all textiles and textile products entered under such categories from all countries and from Canada and the Member States of the European Economic Community during such calendar year, then such small producing country shall be considered to be a producing country for all succeeding calendar years.

"(e) ENFORCEMENT.—The Secretary of Commerce shall prescribe such regulations governing the entry, or withdrawal from warehouse, for consumption of textiles and textile products as may be necessary to carry out this title.

"SEC. 206. IMPORT LICENSING.

"In order to ensure the equitable and efficient administration of section 205 of this title, the Secretary of Commerce shall, within six months after the date of enactment of this title, establish and administer an import licensing system under which an importer of any textiles and textile products from any country and from Canada and the Member States of the European Economic Community, will be required to present an import permit as a condition of entry. The Secretary shall charge a fee for import licenses in such amount as may be necessary to cover the cost of administration of the system.

"SEC. 207. ANNUAL REPORT.

"Not later than March 15, 1986, and March 15 each calendar year thereafter, the President shall submit to the Congress a report on the administration of this title during the preceding calendar year. Such report shall include detailed information about the implementation and operation of the limitations established under section 205. All departments and agencies shall cooperate in preparation of this report, as requested by the President.

"SEC. 208. REVIEW.

"The Secretary of Commerce shall commence ten years after the date of enactment of this title a formal review of the operation of the Textile Import Control Program under the provisions of this title. The Secretary shall consult members and committees of Congress, representatives of the labor unions and the industries affected by the program, and appropriate government agencies. Within six months after the commencement of the study, the Secretary shall submit to Congress his findings as well as his recommendations for the future conduct of the program.

"SEC. 209. DUTY FREE ENTRY OF CERTAIN SWEATERS FROM GUAM AND THE NORTHERN MARIANAS.

"Subpart A of part 7, schedule 3 of the Tariff Schedules of the United States (19 U.S.C. 1202) is amended by adding at the end thereof the following new item:

"385.97	Cotton, wool and man-made fiber sweaters that are entitled to enter under the quotas established under section 205(a)(5) of the Textile and Apparel Trade Enforcement Act of 1985 or the increased quotas under section 205(b) of such Act that adjust the quotas under such section 205(a)(5) and that do not contain foreign materials to the value of more than 50 percent of their total value as this standard is applied pursuant to Headnote 3(a) of the General Headnotes and Rules of Interpretation.	Free

"SEC. 210. EFFECTIVE DATE.

"(a) IN GENERAL.—Subject to the provisions of subsection (b), the provisions of this title shall apply to textiles and textile products entered, or withdrawn from warehouse, for consumption on or after the date of enactment of this Act.

"(b) CALENDAR YEARS 1985 AND 1986.—The Secretary of Commerce shall determine, and publish in the Federal Register, the aggregate quantity, if any, of textiles and textile products that may be entered under section 205(a) or (c) of this title from each country under each category during the period beginning on the date of enactment of this title and ending December 31, 1985. Notwithstanding subsection (a), to the extent that the aggregate quantity of imports of textiles and textile products from a country under a category entered after December 31, 1984, and before the date of enactment of this title exceeds the quantity permitted entry for such country and such category during calendar year 1985 under subsection (a) or (c) of section 205, then the limit that would otherwise apply under section 205(b) for such category for such country for calendar year 1986 shall be reduced by the amount of such excess quantity. If such excess quantity exceeds the limit that would otherwise apply under section 205(b) for such category for such country for calendar year 1986, then the limit for such category and country for calendar years after 1986 shall be reduced until such excess is accounted for.

"TITLE III—FOOTWEAR

"SEC. 301. SHORT TITLE

"This title may be cited as the 'American Footwear Industry Recovery Act of 1985'.

"SEC. 302. FINDINGS AND PURPOSE.

"(a) The Congress finds that—

"(1) The domestic nonrubber footwear industry is important to the national economy, and footwear firms are vital to the economic health of small towns throughout the United States.

"(2) The domestic nonrubber footwear industry is highly labor intensive, and low capital requirements for entry into footwear production make it a primary target for industrializing on newly industrialized countries. As a consequence, footwear is produced in virtually every footwear consuming country in the world.

"(3) Tremendous competitive pressure has been created in the world footwear market in the last decade as a result of rapidly growing production and capacity in numerous developing and developed countries. This development has resulted in the widespread erection of tariff and nontariff barriers by foreign countries designed to protect their domestic footwear industries.

"(4) The United States has historically resisted the protectionist trends of other producing nations and has instead maintained a market distinguished by its accessibility. As a result, the United States market has become a focal point for world trade in nonrubber footwear.

"(5) The diversion of international trade to the United States market has resulted in serious injury to domestic producers as manifested by—

"(A) the loss of 155,000 footwear jobs since 1968,

"(B) a decline in domestic production and production capacity, and

"(C) the permanent closure of over 500 plants during the same period.

"(6) The serious injury to domestic producers poses a significant danger to the industry's supplier base as well.

"(7) The domestic nonrubber footwear producers have made a significant commitment to the future of the industry through substantial capital investment.

"(8) Since the termination of temporary import relief in 1981, capital investment in the domestic nonrubber footwear industry has declined as the industry struggled to battle the massive surge in imports which increased the percentage share of imported footwear in the United States market from 51 percent in 1981 to 77 percent in 1985.

"(9) Without the restriction of import levels, capital investment in this domestic industry will continue to decrease.

"(10) The domestic nonrubber footwear industry has thrice been judged by the International Trade Commission, as recently as May 1985, to be seriously injured by imports.

"(11) Since the termination of the two, four-year orderly marketing agreements in 1981, the harm to the domestic industry is even more critical than the serious injury which triggered the Commission's unanimous findings in 1976 and 1977.

"(12) The domestic nonrubber footwear industry has not been afforded adequate and appropriate relief from imports; therefore, the Congress concludes that—

"(A) the administrative process under sections 201, 202, and 203 of the Trade Act of 1974 has proven inadequate; and

"(B) in the absence of and effective remedy under such process, legislative relief is essential.

"(b)(1) It is the purpose of Congress in enacting this section to—

"(A) promote and expend the economic health of the United States nonrubber footwear industry,

"(B) preserve the jobs of American workers, and

"(C) prevent the further decline of this important domestic industry.

"(2) It is declared to be the policy of Congress that access to the United States market for foreign-produced nonrubber footwear should be on an equitable basis to ensure orderly trade in nonrubber footwear, reduce unfair trade in nonrubber footwear, and address United States balance-of-payments problems, or which footwear is the seventh largest component. In order to accomplish these objectives, it is deemed necessary and appropriate to limit imports of nonrubber footwear into the United States market.

"SEC. 303. DEFINITIONS.

"For purposes of this title—

"(1) The term 'entered' means entered, or withdrawn from warehouse, for consumption in the customs territory of the United States.

"(2) The term 'Secretary' means Secretary of Commerce.

"(3) The term 'nonrubber footwear' means the following categories of nonrubber footwear products, identified by reference to the following item numbers of the Tariff Schedules of the United States (as in effect on January 1, 1985): 700.05 through 700.45; 700.56; 700.72 through 700.83; and 700.95.

"(4) The term 'apparent domestic consumption' means, with respect to any 1-year period, the sum of imports plus domestic production less exports.

"SEC. 304. QUANTITATIVE LIMITATION ON NONRUBBER FOOTWEAR.

"(a)(1) During the 8-year period beginning on the date of enactment of this title, the aggregate number of pairs of nonrubber footwear which may be entered during any 1-year period shall not exceed 60 percent of the estimated apparent domestic consumption of nonrubber footwear for such period.

"(2) The quantitative limitation imposed by paragraph (1) for any 1-year period shall be distributed among the following categories of nonrubber footwear so that the aggregate number of pairs of nonrubber footwear in such category which may be entered during any 1-year period shall not exceed the quantity equal to—

"(A) in the case of nonrubber footwear with a customs value that does not exceed $1.25 per pair, 10 percent of apparent domestic consumption of nonrubber footwear for such period,

"(B) in the case of nonrubber footwear with a customs value that exceeds $1.25 per pair but does not exceed $2.50 per pair, 5.4 percent of apparent domestic consumption of nonrubber footwear for such period, and

"(C) in the case of nonrubber footwear with a customs value that exceeds $2.50 per pair, 44.6 percent of apparent domestic consumption of nonrubber footwear for such period.

"(b) Within sixty days after the effective date of this title, and on the first day of the fourth quarter of each 1 year period thereafter, the Secretary shall determine on the basis of the best information available, including his own or independent forecasts, the expected apparent domestic consumption of nonrubber footwear for, in the case of the initial determination, the remainder of the current 1 year period and in the case of the first day of the fourth quarter of each 1 year period thereafter, the next succeeding 1 year period. On each such date, the Secretary shall determine and publish in the Federal Register the allocation for the next succeeeding 1 year period of permissible imports of nonrubber footwear as required by this section.

"(c) On the first days of the first, second, and third quarters of each 1 year period, the Secretary shall revise the determinations of expected apparent domestic consumption made under subsection (b) for the current 1 year period on the basis of the best information then available and shall make such adjustments in the quantity of nonrubber footwear permitted to be imported under this section as indicated by the revision. All revisions and adjustments made under this subsection shall be published in the Federal Register.

"(d) If the revised determination of expected apparent domestic consumption published in the Federal Register under subsection (c) on the first day of the third quarter in any 1 year period for nonrubber footwear varies from the actual apparent domestic consumption of nonrubber footwear for such 1 year period, the Secretary shall publish in the Federal Register on the first day of the second quarter of such succeeding 1 year period a revision to the determination of expected apparent domestic consumption for such 1 year period made under subsection (c) of this section. The revision shall be in the amount of such variance and shall be in addition to any other revision that would

be made on any such first day of the second quarter under subsection (c) of this section.

"(e)(1) The Secretary and the Secretary of the Treasury shall take such actions within their respective jurisdictions as may be necessary or appropriate to enforce the provisions of this section, including without limitation, the issuance of orders to customs officers to bar entry to merchandise if the entry of such merchandise would cause the limitations established under this section to be exceeded.

"(2)(A) The Secretary and the Secretary of the Treasury are each authorized to issue such implementing regulations, including the issuance of import licenses, as may be necessary or appropriate to effect the purposes of this section and to enforce the provisions of this section.

"(B) Before prescribing any regulations under subparagraph (A), the Secretary or the Secretary of the Treasury, as the case may be, shall—

"(i) consult with interested domestic parties,

"(ii) afford an opportunity for such parties to comment on the proposed regulations, and

"(iii) consider all such comments before prescribing final regulations.

"SEC. 305. COMPENSATION AUTHORITY.

"For purposes of section 123 of the Trade Act of 1974 (19 U.S.C. 2133), the imposition of the quantitative limitation under section 204 shall be treated as action taken under section 203 of the Trade Act of 1974 (19 U.S.C. 2253).".

THURMOND (AND OTHERS) AMENDMENT NO. 876

Mr. THURMOND (for himself, Mr. HOLLINGS, Mr. MOYNIHAN, Mr. HELMS, Mr. HEFLIN, Mr. HEINZ, Mr. COHEN, Mr. WARNER, Mr. KENNEDY, Mr. MITCHELL, Mr. EAGLETON, Mr. SPECTER, Mr. EAST, Mr. COCHRAN, Mr. TRIBLE, Mr. DENTON, Mr. D'AMATO, Mr. SASSER, Mr. HATCH, Mr. PELL, Mr. MATTINGLY, Mr. ROCKEFELLER, Mrs. HAWKINS, Mr. GORE, Mr. DIXON, Mr. DODD, Mr. SIMON, Mr. FORD, Mr. DECONCINI, Mr. PRYOR, Mr. MATHIAS, Mr. LONG, Mr. LEAHY, Mr. METZENBAUM, Mr. RIEGLE, Mr. WEICKER, Mr. MCCONNELL, Mr. KASTEN, Mr. GLENN, Mr. BUMPERS, Mr. NUNN, and Mr. BYRD) proposed an amendment to amendment No. 875 proposed by Mr. HOLLINGS (and Mr. THURMOND) to the bill S. 1730, supra; as follows:

Beginning on page 1 of the pending amendment strike all after line 3 and insert the following:

"This title may be cited as the 'Textile and Apparel Trade Enforcement Act of 1985'.

"SEC. 1202. POLICY.

"The policy of this title is—

"(1) to prevent further disruption of the United States textiles and textile products markets, damage to United States textile and apparel manufacturers, and loss of jobs by United States workers by providing for orderly and nondisruptive growth of imports of textiles and textile products; and

"(2) to implement the objectives of the Multi-Fiber Arrangement by requiring the effective enforcement of import levels of textiles and textile products contemplated by the Multi-Fiber Arrangement.

"SEC. 1203. FINDINGS.

"The Congress finds that—

"(1) the United States and most major textile producing countries are parties to the Multi-Fiber Arrangement, the purpose of which is to ensure the orderly growth of imports of textiles and textile products and to avoid disruption of the markets for textiles and textile products in importing nations;

"(2) the Multi-Fiber Arrangement, which first entered into force on January 1, 1974, and which was most recently extended in December, 1981, through July 1986, contemplates a 6 per centum annual rate of growth for imports for most exporting countries and provides for a lower rate of growth for imports from significant exporting countries;

"(3) since 1980, the objective of orderly growth of imports of textiles and textile products for in the Multi-Fiber Arrangement has not been achieved; from 1981 through 1984 imports of textiles and textile products into the United States have grown at an annual rate of 19 centum, far in excess of the 1 per centum growth rate of the United States market for textiles and textile products during the same period and far in excess of the annual rate of import growth of less than 2 per centum that prevailed during the period 1974 through 1980;

"(4) the disruptive surge in imports of textiles and textile products which occurred from 1981 through 1984 resulted from the failure of the United States to enforce adequately its rights under the Multi-Fiber Arrangement and to extend coverage of the Multi-Fiber Arrangement to imports made of competing fibers;

"(5) import growth of apparel products has substantially outstripped the growth of the domestic market so that import penetration of the domestic market has more than doubled in the last six years, reaching a level of 50 per centum in 1984;

"(6) based on a nationwide audit of major retail outlets, the import penetration of such major items of apparel as trousers, blouses, shirts, suits, skirts and sweaters exceeds 50 per centum of domestic consumption;

"(7) since the most recent extension of the Multi-Fiber Arrangement, certain exporting countries have sharply increased their exports of textiles and textile products made in whole or in part from fibers not subject to the Multi-Fiber Arrangement with the effect of circumventing restraints agreed to under the Arrangement; the increased imports of these textiles and textile products have caused disruption of the United States market for textiles and textile products and have seriously undercut the effectiveness of the Multi-Fiber Arrangement;

"(8) imports of textiles and textile products into the United States are predominantly the product of significant exporting countries, with five large exporting countries now accounting for more than 50 per centum of all imports of textiles and textile products;

"(9) the domination of import trade by producers in the significant producing countries has limited participation in the United States market by other producing countries, many of which share important trade and other national interests, and encourage mutually beneficial trade and investment, with the United States;

"(10) a change in United States textile trade policy to afford the smaller producing countries and countries in the Caribbean region a relatively greater share of imports of textiles and textile products would promote the national economic interests of the United States;

"(11) the textile and apparel trade deficit of the United States was more than $16,200,000,000 in 1984, an increase of 53 per centum over 1983, and accounted for 13 per centum of the Nation's overall merchandise trade deficit;

"(12) the current level of imports of textiles and textile products, ten billion square yard equivalents in 1984, represents over one million job opportunities lost to United States workers;

"(13) imported textiles and textile products now account for 38 per centum (the equivalent of three million two hundred thousand bales of cotton) of the annual cotton consumption in the United States; only one of five of the bale equivalents included in imported textiles and textile products is grown in the United States; the result of the massive increases in cotton textile and apparel imports has been a declining market share for, and a $1,000,000,000 loss to, domestic cotton producers in 1983 alone, which was only partially offset by Federal cotton program benefits; another result is that United States cotton producers, who are spending about $20,000,000 annually in research and promotion efforts, have built markets not for themselves but for foreign growers;

"(14) imports of wool products have doubled since 1980, creating major disruptions among domestic wool products producers and seriously depressing the price of United States produced raw wool; the Multi-Fiber Arrangement recognizes that imports of certain products, such as wool products, in certain countries, including the United States, pose particular problems for certain industries, such as, the wool products industries in those countries and import growth rates of 1 per centum or less have been permitted in such cases;

"(15) as a result of this increased penetration and the very limited growth of the domestic market, the United States companies producing textiles and textile products identical, or similar, to those imported have been seriously damaged, many of them have been forced out of business, many have closed plants or curtailed operations, workers in such companies have lost employment and have been otherwise materially and adversely affected, and serious hardship has been inflicted on hundreds of impacted communities causing a substantial reduction in economic activity and lost revenues to local governments;

"(16) the increase in imports and increased import penetration of the United States domestic market have occurred notwithstanding the fact that, through extensive modernization programs and investment in more modern equipment, productivity, as measured by output per man hour, in the textile mill products sector has increased in the last ten years at the average annual rate of 4.2 per centum and in the apparel sector at the average annual rate of 3.4 per centum; as compared with the lower productivity growth of all manufacturing in the same period of 1.9 per centum;

"(17) the factors described above are causing serious damage, or the actual threat thereof, to domestic producers of textiles and textile products; as a result, market disruption exists in the United States requiring the new measures established under this Title;

"(18) based on experience during the past ten years and on other factors, the growth

of the United States market for textiles and textile products is unlikely to exceed an average annual rate of 1 per centum during the next several years;

"(19) if the rate of growth of imports of textiles and textile products into the United States that occurred since 1980 continues, plant closings will continue to accelerate, leaving the United States market with reduced domestic competition for imported products;

"(20) in order to avoid further market disruption and deterioration of the situation confronting the United States industry producing textiles and textile products, which is already seriously damaged, it is essential—

"(A) to require the establishment of import levels for textiles and textile products supplied by major producing countries that reflect—

"(i) the import level that would have occurred had imports from these countries grown since 1980 by the 6 per centum annual growth rate contemplated by the Multi-Fiber Arrangement, or 1 per centum in the case of wool products, or

"(ii) the actual import level resulting from restraints under a bilateral agreement with the United States providing for an annual import growth rate of less than 6 per centum, whichever is the lesser,

"(B) to require the establishment of import levels for textiles and textile products supplied by producing countries that reflect their 1984 import levels,

"(C) to require the establishment of import levels for textiles and textile products supplied by small producing countries that provide a significant increase in their market shares to meet their development needs and to permit future growth in such shares consistent with the Multi-Fiber Arrangement, and

"(D) to limit the future growth rate of imports of textiles and textile products into the United States to levels which reflect orderly growth as provided for in the Multi-Fiber Arrangement and the most recent Protocol extending the Multi-Fiber Arrangement;

"(21) the establishment of import levels, and limitation on future import growth to levels, that reflect effective enforcement of the Multi-Fiber Arrangement and that also reflect the expected growth rate of the United States market for textiles and textile products will fulfill announced policy objectives of the United States regarding trade in textiles and apparel;

"(22) as the Department of Defense has long recognized, a strong, viable and efficient domestic textiles and textile products industry is essential in order to avoid impairment of the national security of the United States;

"(23) the developments that have led to the sharp increase in imports of textiles and textile products since 1980 may not have been foreseeable; nevertheless, the rights of the United States under international agreements should have been invoked in order to prevent increased quantities of textiles and textile products from being imported under such conditions as to cause or threaten serious damage to domestic producers of textiles and textile products in the United States; and

"(24) the sharp increase in imports of textiles and textile products since 1980, and the effect of this increase on the United States textiles and apparel industry and its workers, constitutes exceptional circumstances within the meaning of the Milti-Fiber Arrangement and its Protocol.

"SEC. 1204. DEFINITIONS.

"For purposes of this title—

"(1) The term "Textiles and textile products" includes, but is not limited to, all tops, yarns, piece goods, made-up articles, apparel, manmade fibers, and other textile manufactured products (which derive their chief characteristics from their textile components) made in whole or in part from any natural or manmade fiber, or blend thereof, that are classified under schedule 3, part 6 of schedule 6, part 1, 4, 5 (except subpart E), 7, or 13 of schedule 7, or part 1 of schedule 8 of the Tariff Schedules of the United States or part 1 of the Appendix to the Tariff Schedules of the United States;

"(2) The term "category" means, with respect to textiles and textile products that are the product of a country, each of the following—

"(A) each category of textiles and textile products identified by a three-digit textile category number in the Department of Commerce publication "Correlation: Textile and Apparel Categories with Tariff Schedules of the United States Annotated", dated January 1985 and, subsequently, in the first edition of such document that is revised to reflect the adoption by the United States of the Nomenclature Structure of the Harmonized System;

"(B) with respect to each country with which the United States has (i) an agreement on the date of enactment of this title limiting exports of textiles and textile products to the United States that includes specific limitations on subdivisions of a category described in subparagraph (A), or (ii) taken unilateral action to limit products entered under such a subdivision, each such subdivision;

"(C) a category consisting of the manmade fiber products classified under subpart E of part 1 of schedule 3 to the Tariff Schedules of the United States; and

"(D) each category consisting of each of the following products when, because of fiber content, that product is not subject to the Multi-Fiber Arrangement:

"(i) yarn,

"(ii) fabric,

"(iii) apparel, and

"(iv) other textile products;

"(3) The term "import sensitive category" means—

"(A) a category (other than a category applicable to textiles and textile products that are a product of a country in the Caribbean region) for which the ratio of imports to domestic production, as reported in the Department of Commerce publication "U.S. Production, Imports and Import/Production Ratios for Cotton, Wool and Man-Made Fiber Textiles and Apparel", equals or exceeds 40.0 for the preceding calendar year; and

"(B) a category covering wool products;

"(4) The term 'country' means a foreign country (other than Canada and the Member States of the European Economic Community as constituted on December 31, 1984), a foreign territory, an insular possession of the United States, or any other territory, possession, colony, trusteeship or political entity, whether affiliated with the United States or not, that is outside the customs territory of the United States;

"(5) The term 'major producing country' means a country the annual aggregate quantity of textiles and textile products of which that entered under the categories referred to in paragraph (2)(A) during calendar year 1984 equalled or exceeded 10 percent of all textiles and textile products under such categories that entered from all countries and from Canada and the Member States of the European Economic Community during calendar year 1984;

"(6) The term 'producing country' means a country (other than a major producing country and a country in the Carribean region) the annual aggregate quantity of textiles and textile products of which that entered under the categories referred to in paragraph (2)(A) during calendar year 1984 equalled or exceeded 1.25 per centum of all textiles and textile products under such categories that entered from all countries and from Canada and the Member States of the European Economic Community during calendar year 1984;

"(7) the term 'small producing country' means a country other than a major producing country and a producing country;

"(8) The term 'country in the Caribbean region' means Mexico and a country eligible for designation as a beneficiary country under section 212 of the Caribbean Basin Economic Recovery Act (19 U.S.C 2702);

"(9) The term 'wool product' means an article containing over 17 per centum by weight of wool;

"(10) The term 'cotton, wool and manmade fiber sweaters' means articles classified under categories 345, 445, 446, 645 or 646 as defined in the Department of Commerce publication "Correlation Textile and Apparel Categories with Tariff Schedules of the United States Annotated," dated January 1985;

"(11) The term 'entered' means entered, or withdrawn from warehouse, for consumption in the customs territory of the United States; and

"(12) The term 'Multi-Fiber Arrangement' means the Arrangement Regarding International Trade in Textiles, as extended by the Protocol done at Geneva, December 22, 1981.

"SEC. 1205. LIMITS ON TEXTILE AND APPAREL IMPORTS.

"(a) CALENDAR YEAR 1985.— Notwithstanding any other provision of law, the aggregate quantity of textiles and textile products classified under a category that is entered during calendar year 1985 shall not exceed—

"(1) in the case of textiles and textile products that are a product of a major producing country, other than textile luggage and textile handbags and textile flat goods subject (as of the date of enactment of this Title) to a specific limitation under an agreement with a major producing country, the lesser of an amount equal to 101 per centum—

"(A) of the aggregate quantity of such products of such country classified under such category that would have entered during calendar year 1984 if the aggregate quantity of such products of such country classified under such category entered during calendar year 1980 had increased by 6 per centum annually, or 1 per centum annually in the case of a category covering a wool product, during calendar years 1981, 1982, 1983, and 1984, or

"(B) If the United States has an agreement with such country providing for an annual growth rate for such category of less than 6 per centum, of the aggregate quantity of such products of such country classified under such category that entered during calendar year 1984;

"(2) in the case of textile luggage and textile handbags and textile flat goods subject (as of the date of enactment of this Title) to

specific limitation under an agreement with a major producing country, the specific limitation quantity in effect as of the date of enactment of this Title;

"(3) in the case of textiles and textile products that are a product of a producing country, an amount equal to the aggregate quantity of—

"(A) such products from such country classified under such category that entered during calendar year 1984, or

"(B) in the case of textile luggage and textile handbags and textile flat goods subject (as of the date of enactment of this Title) to specific limitation under an agreement with a producing country, the specific limitation quantity in effect as of the date of enactment of this Title;

"(4) in the case of textiles and textile products that are a product of a small producing country (other than cotton, wool, and man-made fiber sweaters described in paragraph (5)), an amount equal to the sum of—

"(A) the aggregate quantity of such products of such country classified under such category that entered during calendar year 1984, plus

"(B) an amount equal to—

"(i) 15 per centum of such quantity, in the case of a category that is not an import sensitive category, or

"(ii) 1 per centum of such quantity, in the case of a category that is an import sensitive category; and

"(5) in the case of cotton, wool and man-made fiber sweaters that are—

"(A) the product of substantial assembly operations in Guam from otherwise completed knit-to-shape component parts, an aggregate amount equal to 160,000 dozen; and

"(B) the product of substantial assembly operations in the Commonwealth of the Northern Mariana Islands from otherwise completed knit-to-shape component parts, an aggregate amount equal to 70,000 dozen.

"If application of paragraph (1) would result in the aggregate quantity of textiles and textile products of a major producing country classified under all categories permitted to enter during calendar year 1985 to be less than 70 per centum of the aggregate quantity of such products of such country that entered during calendar year 1984, then, notwithstanding paragraph (1), the aggregate quantity of textiles and textile products of such country that may be entered under each category during calendar year 1985 shall not be less than 40 per centum of the aggregate quantity of such products of such country that entered under such category during calendar year 1984.

"(b) GROWTH ADJUSTMENT.—For calendar years after 1985, the aggregate quantity of textiles and textile products classified under each category that may be entered during each such calendar year shall—

"(1) in the case of such products that are a product of a major producing country or of a producing country, be increased by an amount equal to 1 per centum of the aggregate quantity that could be entered under such category during the preceding calendar year; and

"(2) in the case of such products that are a product of a small producing country, be increased by an amount equal to—

"(A) in the case of a category (other than an import sensitive category), 6 per centum of the aggregate quantity that could be entered under that category during the preceding calendar year, and

"(B) in the case of an import sensitive category, 1 per centum of the aggregate quantity that could be entered under that category during the preceding calendar year.

"If the aggregate quantity that could be entered under a category for a calendar year after 1985 is reduced under section 1210(b), than in the first calendar year in which there is no such reduction, this subsection shall be applied as if there had been no reduction under section 1210(b) in previous calendar years.

"(c) MINIMUM QUANTITIES.—If, under subsection (a) or (b), the aggregate quantity of textiles and textile products of a country that may be entered during a calendar year under a category is—

"(1) less than one million square yard equivalents, in the case of a category covering yarn, fabric, made-ups, and miscellaneous products, other than wool products;

"(2) less than seven hundred thousand square yard equivalents, in the case of a category covering apparel, other than wool products apparel; or

"(3) less than one hundred thousand square yard equivalents, in the case of a category covering wool products,

"then, notwithstanding subsection (a) or (b), the aggregate quantity of textiles and textile products that may be entered from such country under such category during the calendar year shall be one million, seven hundred thousand, or one hundred thousand square yard equivalents, respectively. The amount prescribed in the preceding sentence shall be accorded growth subject to the provisions of subsection (b) beginning the first calendar year after the aggregate quantity of imports from such country under such category equals the minimum quantity prescribed under this subsection.

"(d) SPECIAL RULE.—For purposes of this section, if during any calendar year after 1984, the aggregate quantity of textiles and textile products that are the product of a small producing country, other than a country in the Caribbean region, and that are entered under the categories referred to in paragraph (2)(A) of section 1204 equals or exceeds 1.25 per centum of all textiles and textile products entered under such categories from all countries and from Canada and the Member States of the European Economic Community during such calendar year, then such small producing country shall be considered to be a producing country for all succeeding calendar years.

"(e) ENFORCEMENT.—The Secretary of Commerce shall prescribe such regulations governing the entry, or withdrawal from warehouse, for consumption of textiles and textile products as may be necessary to carry out this title.

"SEC. 1206. IMPORT LICENSING.

"In order to ensure the equitable and efficient administration of section 1205 of this title, the Secretary of Commerce shall, within six months after the date of enactment of this title, establish and administer an import licensing system under which an importer of any textiles and textile products from any country and from Canada and the Member States of the European Economic Community, will be required to present an import permit as a condition of entry. The Secretary shall charge a fee for import licenses in such amount as may be necessary to cover the cost of administration of the system. The Secretary of the Treasury shall make all determinations regarding classification under the Tariff Schedules of the United States, appraisement, and valuation of products subject to licensing under this section.

"SEC. 1207. ANNUAL REPORT.

"Not later than March 15, 1986, and March 15 each calendar year thereafter, the President shall submit to the Congress a report on the administration of this title during the preceding calendar year. Such report shall include detailed information about the implementation and operation of the limitations established under section 1205. All departments and agencies shall cooperate in preparation of this report, as requested by the President.

"SEC. 1208. REVIEW.

"The Secretary of Commerce shall commence ten years after the date of enactment of this title a formal review of the operation of the Textile Import Control Program under the provisions of this title. The Secretary shall consult members and committees of Congress, representatives of the labor unions and the industries affected by the program, and appropriate government agencies. Within six months after the commencement of the study, the Secretary shall submit to Congress his findings as well as his recommendations for the future conduct of the program.

"SEC. 1209. DUTY FREE ENTRY OF CERTAIN SWEATERS FROM GUAM AND THE NORTHERN MARIANAS.

"Subpart A of part 7, schedule 3 of the Tariff Schedules of the United States (19 U.S.C. 1202) is amended by adding at the end thereof the following new item:

"385.97	Cotton, wool and man-made fiber sweaters that are entitled to enter under the quotas established under section 205(a)(5) of the Textile and Apparel Trade Enforcement Act of 1985 or the increased quotas under section 205(b) of such Act that adjust the quotas under such section 205(a)(5) and that do not contain foreign materials to the value of more than 50 percent of their total value as this standard is applied pursuant to Headnote 3(a) of the General Headnotes and Rules of Interpretation.	Free

"SEC. 1210. EFFECTIVE DATE.

"(a) IN GENERAL.—Subject to the provisions of subsection (b), the provisions of this title shall apply to textiles and textile products entered, or withdrawn from warehouse, for consumption on or after the date of enactment of this Act.

"(b) CALENDAR YEARS 1985 AND 1986.—The Secretary of Commerce shall determine, and publish in the Federal Register, the aggregate quantity, if any, of textiles and textile products that may be entered under section 1205(a) or (c) of this title from each country under each category during the period beginning on the date of enactment of this title and ending December 31, 1985. Notwithstanding subsection (a), to the extent that the aggregate quantity of imports of textiles and textile products from a country under a category entered after December 31, 1984, and before the date of enactment of this title exceeds the quantity permitted entry for such country and such category during calendar year 1985 under subsection (a) or (c) of section 1205, then the limit that would otherwise apply under section 1205(b) or (c) for such category for such country for calendar year 1986 shall be reduced by the amount of such excess quantity. If such excess quantity exceeds the limit that would otherwise apply under section 1205(b) or (c) for such category for such country for calendar year 1986, then the limit for such category and country for calendar years after 1986 shall be reduced until such excess is accounted for.

"TITLE XIII—FOOTWEAR

"SEC. 1301. SHORT TITLE

"This title may be cited as the 'American Footwear Industry Recovery Act of 1985'.

"SEC. 1302. FINDINGS AND PURPOSE.

"(a) The Congress finds that—

"(1) The domestic nonrubber footwear industry is important to the national economy, and footwear firms are vital to the economic health of small towns throughout the United States.

"(2) The domestic nonrubber footwear industry is highly labor intensive, and low capital requirements for entry into footwear production make it a primary target for industrializing on newly industrialized countries. As a consequence, footwear is produced in virtually every footwear consuming country in the world.

"(3) Tremendous competitive pressure has been created in the world footwear market in the last decade as a result of rapidly growing production and capacity in numerous developing and developed countries. This development has resulted in the widespread erection of tariff and nontariff barriers by foreign countries designed to protect their domestic footwear industries.

"(4) The United States has historically resisted the protectionist trends of other producing nations and has instead maintained a market distinguished by its accessibility. As a result, the United States market has become a focal point for world trade in nonrubber footwear.

"(5) The diversion of international trade to the United States market has resulted in serious injury to domestic producers as manifested by—

"(A) the loss of 155,000 footwear jobs since 1968,

"(B) a decline in domestic production and production capacity, and

"(C) the permanent closure of over 500 plants during the same period.

"(6) The serious injury to domestic producers poses a significant danger to the industry's supplier base as well.

"(7) The domestic nonrubber footwear producers have made a significant commitment to the future of the industry through substantial capital investment.

"(8) Since the termination of temporary import relief in 1981, capital investment in the domestic nonrubber footwear industry has declined as the industry struggled to battle the massive surge in imports which increased the percentage share of imported footwear in the United States market from 51 percent in 1981 to 77 percent in 1985.

"(9) Without the restriction of import levels, capital investment in this domestic industry will continue to decrease.

"(10) The domestic nonrubber footwear industry has thrice been judged by the International Trade Commission, as recently as May 1985, to be seriously injured by imports.

"(11) Since the termination of the two, four-year orderly marketing agreements in 1981, the harm to the domestic industry is even more critical than the serious injury which triggered the Commission's unanimous findings in 1976 and 1977.

"(12) The domestic nonrubber footwear industry has not been afforded adequate and appropriate relief from imports; therefore, the Congress concludes that—

"(A) the administrative process under sections 201, 202, and 203 of the Trade Act of 1974 has proven inadequate; and

"(B) in the absence of and effective remedy under such process, legislative relief is essential.

"(b)(1) It is the purpose of Congress in enacting this section to—

"(A) promote and expend the economic health of the United States nonrubber footwear industry,

"(B) preserve the jobs of American workers, and

"(C) prevent the further decline of this important domestic industry.

"(2) It is declared to be the policy of Congress that access to the United States market for foreign-produced nonrubber footwear should be on an equitable basis to ensure orderly trade in nonrubber footwear, reduce unfair trade in nonrubber footwear, and address United States balance-of-payments problems, or which footwear is the seventh largest component. In order to accomplish these objectives, it is deemed necessary and appropriate to limit imports of nonrubber footwear into the United States market.

"SEC. 1303. DEFINITIONS.

"For purposes of this title—

"(1) The term 'entered' means entered, or withdrawn from warehouse, for consumption in the customs territory of the United States.

"(2) The term 'Secretary' means Secretary of Commerce.

"(3) The term 'nonrubber footwear' means the following categories of nonrubber footwear products, identified by reference to the following item numbers of the Tariff Schedules of the United States (as in effect on January 1, 1985): 700.05 through 700.45; 700.56; 700.72 through 700.83; and 700.95.

"(4) The term 'apparent domestic consumption' means, with respect to any 1-year period, the sum of imports plus domestic production less exports.

"SEC. 1304. QUANTITATIVE LIMITATION ON NONRUBBER FOOTWEAR.

"(a)(1) During the 8-year period beginning on the date of enactment of this title, the aggregate number of pairs of nonrubber footwear which may be entered during any 1-year period shall not exceed 60 percent of the estimated apparent domestic consumption of nonrubber footwear for such period.

"(2) The quantitative limitation imposed by paragraph (1) for any 1-year period shall be distributed among the following categories of nonrubber footwear so that the aggregate number of pairs of nonrubber footwear in such category which may be entered during any 1-year period shall not exceed the quantity equal to—

"(A) in the case of nonrubber footwear with a customs value that does not exceed $1.25 per pair, 10 percent of apparent domestic consumption of nonrubber footwear for such period,

"(B) in the case of nonrubber footwear with a customs value that exceeds $1.25 per pair but does not exceed $2.50 per pair, 5.4 percent of apparent domestic consumption of nonrubber footwear for such period, and

"(C) in the case of nonrubber footwear with a customs value that exceeds $2.50 per pair, 44.6 percent of apparent domestic consumption of nonrubber footwear for such period.

"(b) Within sixty days after the effective date of this title, and on the first day of the fourth quarter of each 1 year period thereafter, the Secretary shall determine on the basis of the best information available, including his own or independent forecasts, the expected apparent domestic consumption of nonrubber footwear for, in the case of the initial determination, the remainder of the current 1 year period and in the case of the first day of the fourth quarter of each 1 year period thereafter, the next succeeding 1 year period. On each such date, the Secretary shall determine and publish in the Federal Register the allocation for the next succeeeding 1 year period of permissible imports of nonrubber footwear as required by this section.

"(c) On the first days of the first, second, and third quarters of each 1 year period, the Secretary shall revise the determinations of expected apparent domestic consumption made under subsection (b) for the current 1 year period on the basis of the best information then available and shall make such adjustments in the quantity of nonrubber footwear permitted to be imported under this section as indicated by the revision. All revisions and adjustments made under this subsection shall be published in the Federal Register.

"(d) If the revised determination of expected apparent domestic consumption published in the Federal Register under subsection (c) on the first day of the third quarter in any 1 year period for nonrubber footwear varies from the actual apparent domestic consumption of nonrubber footwear for such 1 year period, the Secretary shall publish in the Federal Register on the first day of the second quarter of such succeeding 1 year period a revision to the determination of expected apparent domestic consumption for such 1 year period made under subsection (c) of this section. The revision shall be in the amount of such variance and shall be in addition to any other revision that would be made on any such first day of the second quarter under subsection (c) of this section.

"(e)(1) The Secretary and the Secretary of the Treasury shall take such actions within their respective jurisdictions as may be necessary or appropriate to enforce the provisions of this section, including without limitation, the issuance of orders to customs officers to bar entry to merchandise if the entry of such merchandise would cause the limitations established under this section to be exceeded.

"(2)(A) The Secretary and the Secretary of the Treasury are each authorized to issue such implementing regulations, including the issuance of import licenses, as may be necessary or appropriate to effect the purposes of this section and to enforce the provisions of this section.

"(B) Before prescribing any regulations under subparagraph (A), the Secretary or the Secretary of the Treasury, as the case may be, shall—

"(i) consult with interested domestic parties,

"(ii) afford an opportunity for such parties to comment on the proposed regulations, and

"(iii) consider all such comments before prescribing final regulations.

"SEC. 1305. COMPENSATION AUTHORITY.

"For purposes of section 123 of the Trade Act of 1974 (19 U.S.C. 2133), the imposition of the quantitative limitation under section 1304 shall be treated as action taken under section 203 of the Trade Act of 1974 (19 U.S.C. 2253).".

DANFORTH AMENDMENT NO. 877

Mr. DANFORTH proposed an amendment to amendment No. 875 proposed by Mr. HOLLINGS (and Mr. THURMOND), and subsequently amended, to the bill S.1730, supra; as follows:

At the end of the matter proposed to be inserted, add the following:

SEC. . (a) Notwithstanding any other provision of this Act, any limitation imposed by this Act on the quantity of any textiles, textile products, or nonrubber footwear that may be entered, or withdrawn from warehouse, for consumption in the customs territory of the United States—

(1) shall not apply with respect to textiles and textile products before August 1, 1986,

(2) shall not apply after the first date on which the President provides—

(A) import relief under section 203 of the Trade Act of 1974 (19 U.S.C. 2253) that is substantially equivalent to the import relief recommended by the United States International Trade Commission under section 201(d)(1)(A) of such Act in connection with an investigation conducted under section 201(b) of such Act (19 U.S.C. 2251) with respect to imports of textiles and textile products, and

(B) imports relief under section 203 of such Act that is substantially equivalent to the import relief recommended by the United States International Trade Commission under section 201(d)(1)(A) of such Act on June 12, 1985, in connection with the investigation conducted under section 201(b) of such Act with respect to nonrubber footwear, and

(3) shall not apply with respect to textiles and textile products after the date on which the United States International Trade Commission makes a negative injury determination under section 201(b) of such Act with respect to imports of textiles and textile products.

BYRD (AND OTHERS) AMENDMENT NO. 878

Mr. BYRD (for himself, Mr. DOLE, Mr. STEVENS, Mr. CHILES, and Mr. DOMENICI) proposed an amendment, which was subsequently modified and modified further, to the bill S. 1730, supra; as follows:

At the appropriate place add the following:

When the Senate is considering a reconciliation bill upon a point of order being made by any Senator, and sustained any part of the bill not in the jurisdiction of the reporting committee or extraneous to the instructions given that committee shall be deemed stricken from the bill and may not be offered as a floor amendment. This provision may be waived by three-fifths of the Senators duly chosen and sworn. No motion to waive germaneness or reconciliation bills shall be agreed to unless suported by three-fifths of the Senators duly chosen and sworn, which super-majority shall be required to successfully appeal the ruling of the Chair on these matters which include the points of order on extraneous matters and matter not properly reported by a committee.

STAFFORD (AND OTHERS) AMENDMENT NO. 879

(Ordered to lie on the table.)

Mr. STAFFORD (for himself, Mr. KENNEDY, Mr. HEINZ, Mr. GLENN, Mr. DANFORTH, Mr. LEAHY, Mr. D'AMATO, Mr. EAGLETON, Mr. BURDICK, Mr. COHEN, Mr. HATFIELD, Mr. MOYNIHAN, Mr. HART, Mr. ANDREWS, Mr. LAUTENBERG, and Mr. RIEGLE) submitted an amendment intended to be proposed by them to the bill S. 1730, supra; as follows:

On page 10, beginning on line 23, strike out the dash and all that follows through "(2)" on line 4 of page 11.

On page 11, beginning on line 6, strike out "a" and all that follows through "or" on line 10.

On page 11, line 11, strike out "such".

On page 11, beginning on line 11, strike out "In" and all that follows through "Act." on line 15.

COMPACT OF FREE ASSOCIATION

BOREN (AND OTHERS) AMENDMENT NO. 880

(Ordered to lie on the table.)

Mr. BOREN (for himself, Mr. GOLDWATER, Mr. HART, Mr. LEVIN, and Mrs. KASSEBAUM) submitted an amendment intended to be proposed by them to the joint resolution (S.J. Res. 77) to approve the "Compact of Free Association," and for other purposes; as follows:

On page 96, line 7, strike "Senate." and insert in lieu thereof the following: Senate.

SEC. 8. (a) Section 315(a)(1)(A) of the Federal Election Campaign Act of 1971 is amended by striking out "$1,000" and inserting in lieu thereof "$1,500".

(b) Section 315(a)(2) of the Federal Election Campaign Act of 1971 is amended—

(1) by striking out "or" at the end of subparagraph (B);

(2) by striking out "$5,000." in subparagraph (C) and inserting in lieu thereof "$3,000;"; and

(3) by adding at the end the following new subparagraphs:

"(D) to any candidate and his authorized political committees with respect to—

"(i) a general or special election for the office of Representative in, or Delegate to Resident Commissioner to, the Congress (including any primary election, convention, or caucus relating to such general or special election) which exceed $100,000 ($125,000 if at least two candidates qualify for the ballot in the general or special election involved and at least two candidates qualify for the ballot in a primary election relating to such general or special election) when added to the total of contributions previously made by multicandidate political committees to such candidate and his authorized political committees with respect to such general or special election; or

"(ii) a runoff election for the office of Representative in, or Delegate or Resident Commissioner to, the Congress which exceed $25,000 when added to the total of contributions previously made by multicandidate political committees to such candidate and his authorized political committees with respect to such runoff election; or

"(E) to any candidate and his authorized political committees with respect to—

"(i) a general or special election for the office of Senator (including any primary election, convention, or caucus relating to such general or special election) which exceed the greater of $175,000 ($200,000 if at least two candidates qualify for the ballot in the general or special election involved and at least two candidates qualify for the ballot in a primary election relating to such general or special election) or the amount equal to $35,000 times the number of Representatives to which the State involved is entitled, when added to the total of contributions previously made by multicandidate political committees to such candidate and his authorized political committees with respect to such general or special election;

"(ii) a runoff election for the office of Senator which exceed the greater of $25,000 or the amount equal to $12,500 times the number of Representatives to which the State involved is entitled, when added to the total of contributions previously made by multicandidate political committees to such candidate and his authorized political committees with respect to such runoff election; or

"(iii) a general or special election for the office of Senator (including any primary election, runoff election, convention, or caucus relating to such general or special election) which exceed $750,000 when added to the total of contributions previously made by multicandidate political committees to such candidate and his authorized political committees with respect to such general or special election.".

(c) Section 315(a)(8) of the Federal Election Campaign Act of 1971 is amended—

(1) by striking out "person" the second place it appears and inserting in lieu thereof "person and intermediary or conduit".

(d) Section 315(a)(8) of the Federal Election Campaign Act of 1971 is amended—

"(1) by adding at the end of the paragraph the following subparagraph:

"(A) Notwithstanding any other provision of this Act, each multicandidate political committee which makes an independent expenditure in a Federal election in connection with such candidate's campaign, shall not do so in any newspaper, magazine, broadcast or other media advertisement without the following notice placed on, or within such advertisement:

"This message has been authorized and paid for by (name of committee), (name/title of treasurer and/or president). Its presentation is not subject to any campaign law contribution limits."

(e) Section 315 of the Communications Act of 1934 (47 U.S.C. 315) is amended—

(1) by redesignating subsections (b), (c), and (d) as subsections (c), (d), and (e), respectively; and

(2) by inserting immediately after subsection (a) the following:

"(b)(1) if any licensee permits a person to utilize a broadcasting station to broadcast material which either endorses a legally qualified candidate for any Federal elective office or opposes a legally qualified candidate for that office, such licensee shall, within a reasonable period of time, provide to any legally qualified candidate opposing the candidate endorsed (or to the authorized committee of such legally qualified candidate), or to any legally qualified candidate who was so opposed (or to an authorized committee of such legally qualified candidate), the opportunity to utilize, without charge, the same amount of time on such broadcasting station, during the same period of the day, as was utilized by such person.

"(2) For purposes of this subsection, the term 'person' includes an individual, partnership, committee, association, corporation, or any other organization or group of persons, but such term does not include a legally qualified candidate for any Federal elective office or an authorized committee of any such candidate.".

(f) Section 315(a) of the Communications Act of 1934 (47 U.S.C. 315(a)) is amended by striking "section" and inserting in lieu thereof "subsection".

(g) Section 315(e) of the Communications Act of 1934, as so redesignated by subsection (a) of this section, is amended to read as follows:

"(e) For purposes of this section—

"(1) the term 'authorized committee' means, with respect to any candidate for nomination for election, or election, to any Federal elective office, any committee, club, association, or other group of persons which receives contributions or makes expenditures during a calendar year in an aggregate amount exceeding $1,000 and which is authorized by such candidate to accept contributions or make expenditures on behalf of such candidate to further the nomination or election of such candidate;

"(2) the term 'broadcasting station' includes a community antenna television system; and

"(3) the term 'licensee' and 'station licensee' when used with respect to a community antenna system mean the operator of such system.".

(h) Section 301(17) of the Federal Election Campaign of 1971 is amended to read as follows:

"(17) The term 'independent expenditure' means an expenditure by a person expressly advocating the election or defeat of a clearly identified candidate which is made without cooperation or consultation with any candidate, or any authorized committee or agent of such candidate, and which is not made in concert with, or at the request or suggestion of, any candidate, or any authorized committee or agent of such candidate.

"(A) For the purposes of this subsection, 'made without cooperation or consultation with any candidate' means—

"(i) the person making the independent expenditure did not communicate with, advise, or counsel the candidate at any time on the candidate's plans, projects, or needs relating to the candidate's pursuit of nomination for election, or election, to Federal office, including any device relating to the candidate decision to seek Federal office;

"(ii) the person making the independent expenditure does not include as one of its officers, directors, or other employees an individual who communicated with, advised or counseled the candidate at any time on the candidate's plans, projects, or needs relating to the candidate's pursuit of nomination for election, or election to Federal office, including any advice relating to the candidate's decision to seek Federal office; and

"(iii) the person making the independent expenditure does not retain the professional services of any individual or other person also providing, or who in the same election cycle provided, those services to the candidate in connection with the candidate's pursuit of nomination for election, or election, to Federal office, including any services relating to the candidates decision to seek Federal office."

(i) If any provision of this Act or the application of it to any person or circumstance is held invalid, the remainder of the Act and the application of the provision to any other person or circumstance shall not be affected by such invalidation.

(j) The amendments made by such sections (a) through (i) of this section shall apply with respect to general, special, and runoff election occurring after December 31, 1986.

FAIR LABOR STANDARDS ACT AMENDMENTS

NICKLES (AND OTHERS) AMENDMENT NO. 881

Mr. NICKLES (for himself, Mr. METZENBAUM, Mr. BENTSEN, Mr. CHAFEE, and Mr. LAUTENBERG) proposed an amendment to the bill (S. 1570) to amend the Fair Labor Standards Act of 1938 to exclude the employees of States and political subdivisions of States from the provisions of that act relating to maximum hours, to clarify the application of that act to volunteers, and for others purposes; as follows:

In lieu of the matter proposed to be inserted, insert the following:

SHORT TITLE; REFERENCE TO ACT

SECTION 1. (a) SHORT TITLE.—This Act may be cited as the "Fair Labor Standards Amendments of 1985".

(b) REFERENCE TO ACT.—Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section of other provision, the reference shall be considered to be a reference to a section or other provision of the Fair Labor Standards Act of 1938.

COMPENSATORY TIME

SEC. 2. (a) COMPENSATORY TIME.—Section 7 (29 U.S.C. 207) is amended by adding at the end the following:

"(o)(1) Employees of a public agency which is a State, a political subdivision of a State, or an interstate governmental agency may receive, in accordance with this subsection and in lieu of overtime compensation, compensatory time off at a rate not less than one and one-half hours for each hour of employment for which overtime compensation is required by this section.

"(2) A public agency may provide compensatory time under paragraph (1) only—

"(A) pursuant to—

"(i) applicable provisions of a collective bargaining agreement, memorandum of understanding, or any other agreement between the public agency and representative of such employees; or

"(ii) in the case of employees not covered by subclause (i), an agreement or understanding arrived at between the employer and employee before the performance of the work; and

"(B) if the employee has not accrued compensatory time in excess of the limit applicable to the employee prescribed by paragraph (3).

In the case of employees described in clause (A)(ii) hired prior to April 15, 1986, the regular practice in effect on April 15, 1986, with respect to compensatory time off for such employees in lieu of the receipt of overtime compensation, shall constitute an agreement or understanding under such clause (A)(ii). Except as provided in the previous sentence, the provision of compensatory time off to such employees for hours worked after April 14, 1986, shall be in accordance with this subsection.

"(3)(A) No overtime compensation in the form of compensatory time off may be accrued by any employee of a public agency which is a State, a political subdivision of a State, or an interstate governmental agency, in excess of 480 hours for hours worked after April 15, 1986. Any such employee who after April 15, 1986, has accrued 480 hours of compensatory time off shall, for additional overtime hours of work, be paid overtime compensation.

"(B) If compensation is paid to an employee for accrued compensatory time off, such compensation shall be paid at the regular rate of compensation earned by the employee at the time the employee receives such payment.

"(4) An employee who has accrued compensatory time off authorized to be provided under paragraph (1) shall, upon termination of employment, be paid for the unused compensatory time at the regular rate of compensation earned by the employee at the time the employee receives compensation for overtime.

"(5) An employee of a public agency which is a State, political subdivision of a State, or an interstate governmental agency—

"(A) who has accrued compensatory time off authorized to be provided under paragraph (1), and

"(B) who has requested the use of such compensatory time,

shall be permitted by the employee's employer to use such time within a reasonable period after making the request if the use of the compensatory time does not unduly disrupt the operations of the public agency.

"(6) For purposes of this subsection—

"(A) the term 'overtime compensation' means the compensation required by subsection (a), and

"(B) the term 'compensatory time or compensatory time off' means hours during which an employee is not working and which are not counted as hours worked during the applicable workweek or other work period for purposes of overtime compensation and for which the employee is compensated at the employee's regular rate.".

(b) EXISTING COLLECTIVE BARGAINING AGREEMENTS.—A collective bargaining agreement which is in effect on April 15, 1986, and which permits compensatory time off in lieu of overtime compensation shall remain in effect until its expiration date unless otherwise modified, except that compensatory time shall be provided after April 14, 1986, in accordance with section 7(o) of the Fair Labor Standards Act of 1938 (as added by subsection (a)).

(c) LIABILITY AND DEFERRED PAYMENT.—(1) No State, political subdivision of a State, or interstate governmental agency shall be liable under section 16 of the Fair Labor Standards Act of 1938 for a violation of section 7 or 11(c) (as it relates to section 7) of such Act occurring before April 15, 1986, with respect to any employee of the State, political subdivision, or agency who would not have been covered by such Act under the Secretary of Labor's special enforcement policy on January 1, 1985, and published in sections 775.2 and 775.4 of title 29 of the Code of Federal Regulations.

(2) A State, political subdivision of a State, or interstate governmental agency may defer until August 1, 1986, the payment of overtime compensation under section 7 of the Fair Labor Standards Act of 1938 for hours worked after April 14, 1986.

SPECIAL DETAILS, OCCASIONAL OR SPORADIC EMPLOYMENT, AND SUBSTITUTION

SEC. 3. (a) SPECIAL DETAIL WORK FOR FIRE PROTECTION AND LAW ENFORCEMENT EMPLOYEES.—Section 7 (29 U.S.C. 207) is amended by adding after subsection (o) (added by section 2) the following:

"(p)(1) If an individual who is employed by a State, political subdivision of a State, or an interstate governmental agency in fire protection or law enforcement activities (including activities of security personnel in correctional institutions) and who, solely at such individual's option, agrees to be employed on a special detail by a separate or independent employer in fire protection, law enforcement, or related activities, the hours such individual was employed by such separate and independent employer may be excluded by the public agency employing such individual in the calculation of the hours for which the employee is entitled to overtime compensation under this section if the public agency—

"(A) requires that its employees engaged in fire protection, law enforcement, or security activities be hired by a separate and independent employer to perform the special detail,

"(B) facilitates the employment of such employees by a separate and independent employer, or

"(C) otherwise affects the condition of employment of such employees by a separate and independent employer.".

(b) OCCASIONAL OR SPORADIC EMPLOYMENT.—Section 7(p) (29 U.S.C. 207), as added by subsection (a), is amended by adding at the end the following:

"(2) If an employee of a public agency which is a State, political subdivision of a State, or an interstate governmental agency undertakes, on an occasional or sporadic basis and solely at the employee's option, part-time employment for the public agency which is in a different capacity from any capacity in which the employee is regularly employed, the hours such employee was employed in performing the different employment may be excluded by the public agency in the calculation of the hours for which the employee is entitled to overtime compensation under this section.".

(c) SUBSTITUTION.—(1) Section 7(p) (29 U.S.C. 207), as amended by subsection (b), is amended by adding at the end the following:

"(3) If an individual who is employed by a public agency which is a State, political subdivision of a State, or an interstate governmental agency,

agrees, with the approval of the public agency and solely at the option of such individual, to substitute during scheduled work hours for another individual who is employed by such agency in the same activities, the hours such employee worked as a substitute may be excluded by the public agency in the calculation of the hours for which the employee is entitled to overtime compensation under this section.".

(2) Section 11(c) (29 U.S.C. 211(c)) is amended by adding at the end the following: "The employer of an employee who performs substitute work described in section 7 (p)(4) may not be required under this subsection to keep a record of the hours of the substitute work.".

VOLUNTEERS

SEC. 4. (a) DEFINITION.—Section 3(e) (29 U.S.C. 203(e)) is amended—

(1) by striking out "paragraphs (2) and (3)" in paragraph (1) and inserting in lieu thereof "paragraphs (2), (3), and (4)", and

(2) by adding at the end the following:

"(4)(A) The term 'employee' does not include any individual who is a volunteer for a public agency which is a State, a political subdivision of a State, or an interstate governmental agency, if (i) the individual receives no compensation or is paid expenses, reasonable benefits, or a nominal fee to perform the services for which the individual volunteered and (ii) such services are not the same type of services which the individual is employed to perform for such public agency.

"(B) An employee of a public agency which is a State, political subdivision of a State, or an interstate governmental agency may volunteer to perform services for any other State, political subdivision, or interstate governmental agency, including a State, political subdivision or agency with which the employing State, political subdivision, or agency has a mutual aid agreement.".

(b) REGULATIONS.—Not later than March 15, 1986, the Secretary of Labor shall issue regulations to carry out paragraph (4) of section 3(e) (as added by subsection (a) of this section).

(c) CURRENT PRACTICE.—If before April 15, 1986, the practice of a public agency was to treat certain individuals as volunteers, such individuals shall until April 15, 1986, be considered, for purposes of the Fair Labor Standards Act of 1938, as volunteers and not as employees. No public agency which is a State, a political subdivision of a State, or an interstate governmental agency shall be liable for a violation of section 6 occurring before April 15, 1986, with respect to services deemed by that agency to have been performed for it by an individual on a voluntary basis.

STATE AND LOCAL LEGISLATIVE EMPLOYEES

SEC. 5. Clause (ii) of section 3(e)(2)(C) (29 U.S.C. 203(e)(2)(C)) is amended—

(1) by striking out "or" at the end of subclause (III),

(2) by striking out "who" in subclause (IV),

(3) by striking out the period at the end of subclause (IV) and inserting in lieu thereof ", or", and

(4) by adding after subclause (IV) the following:

"(V) is an employee in the legislative branch or legislative body of that State, political subdivision, or agency and is not employed by the legislative library of such State, political subdivision, or agency.".

EFFECTIVE DATE

SEC. 6. The amendments made by this Act shall take effect April 15, 1986. The Secretary of Labor shall before such date promulgate such regulations as may be required to implement such amendments.

EFFECT OF AMENDMENTS

SEC. 7. The amendments made by this Act shall not affect whether a public agency which is a State, political subdivision of a State, or an interstate governmental agency is liable under section 16 of the Fair Labor Standards Act of 1938 for a violation of section 6, 7, or 11 of such Act occurring before April 15, 1986, with respect to any employee of such public agency who would have been covered by such Act under the Secretary of Labor's special enforcement policy on January 1, 1985, and published in section 775.3 of title 29 of the Code of Federal Regulations.

DISCRIMINATION

SEC. 8. An employee of a public agency who asserts coverage under the Fair Labor Standards Act of 1938 between February 19, 1985, and April 14, 1986, shall be accorded the same protection against discharge or discrimination as is available under section 15(a)(3) of the Fair Labor Standards Act of 1938.

COMMERCE, JUSTICE, STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATION, 1986

DIXON AMENDMENT NO. 882

Mr. DIXON proposed an amendment to the bill H.R. 2965, supra; as follows:

SEC. . (a) The Congress finds that:

(1) there are more than 200 Soviet nationals employed at U.S. diplomatic posts in the Soviet Union;

(2) State Department officials have confirmed that most, if not all, of the Soviets report to the KGB in one way or another;

(3) retaining Soviets to work in our mission is an invitation to easy espionage;

(4) the reports of radically increased Soviet use of the chemical compound NPPD, a known cancer causing agent, which is used to attack Americans are alarming;

(5) NPPD may jeopardize the health and well-being of our diplomatic personnel and their families in the Soviet Union;

(6) the United States must strive continually to safeguard our foreign service officers and their dependents;

(7) Soviet citizens employed at our diplomatic posts in the Soviet Union pose greater risks to our national security than American citizens would; and

(8) reliable reports assert that Secretary of State Shultz endorses a plan to replace Soviets with Americans.

(b) it is the sense of the Congress that:

(1) the State Department should take steps to improve security and protect American lives at our Soviet missions by replacing the maximum number of Soviet citizens possible with Americans, at the earliest available opportunity; and

(2) the employment of a reduced number of Soviet nationals should be continued only if:

(A) such Soviet nationals do not pose a significant threat to the security of the United States;

(B) the employment of such Soviet nationals is necessary to provide usual and customary services to United States nationals, and the employment of a United States national as a replacement for such Soviet national would reduce to a significant extent the efficiency of operations at a United States diplomatic mission or consular post; or

(C) such Soviet nationals are employed in an occupation which precludes entry into the facilities of a United States diplomatic mission or consular post in the Soviet Union.

McCLURE AMENDMENT NO. 883

Mr. McCLURE proposed an amendment to the bill H.R. 2965, supra; as follows:

Add at the end of the bill the following new section:

"SEC. . (a) Since the Communist government of the Union of Soviet Socialist Republics since it seized power in Russia on November 7, 1917, has never submitted its rule to the consent of the governed through free elections; has designated the anniversary of this seizure "Revolution Day" as a national holiday; has held power since November 7, 1917 only through unrestrained secret police terror, and an extensive network of

forced labor Gulag camps; denies its subject Peoples the most basic human rights of free speech, free religion, free press, free assembly, free personal movement, and personal property; this Soviet repression has cost the Peoples of the Soviet Union tens of millions of deaths and has resulted in great damage to the culture, religion, and material well being of these Peoples; this repression violates the Universal Declaration of Human Rights and the 1975 Helsinki Final Act; the Soviet Union is actively seeking to subject other countries to the Communist system and is currently waging a genocidal war to subjugate the people of Afghanistan, making use of the most inhumane weapons of scientific barbarism against defenseless civilians, including the use of toxin weapons the possession of which is outlawed by international conventions to which the USSR is a signatory.

(b) Since: inexplicably, the annual "Revolution Day" message from the United States State Department of behalf of the American People congratulates the Communist Government of the USSR on its violent and undemocratic seizure of power on the anniversary of November 7, 1917; the annual message also congratulates the people of the Soviet Union on their rulers' seizure of power; such U.S. congratulations are displayed before the Soviet Peoples as a demonstration of the legitimacy of the Bolshevik Government in the eyes of the Democratic government of the United States of America and are perceived as the cruelest mockery of these Peoples.

"(c) None of the funds appropriated by this Act shall be used in any fashion or manner whatsoever to continue the practice of the Department of State of congratulating or in any way referring to such an anniversary as a holiday or cause for celebration, the Soviet Union, the Communist Party of the Soviet Union, or the People of the Soviet Union on the anniversary of the Communist Revolution of 1917; *Provided further,* That the amounts appropriated by this Act for the Department of State shall be reduced by 10 percent on November 4, 1985 unless the Secretary of State shall have submitted before the date of enactment of this Act a report describing his plan for proclaiming the sympathy of the American People for the bondage of the enslaved Peoples of the Soviet Empire and the hope that they will soon recover their freedom and national integrity."

HELMS (AND ARMSTRONG) AMENDMENT NO. 884

Mr. HELMS (for himself and Mr. ARMSTRONG) proposed an amendment to the bill H.R. 2965, supra; as follows:

On page 24, between lines 21 and 22, insert the following:

"SEC. . None of the funds appropriated under this Act shall be used to pay for abortions for which Federal funds are not available under the Medicaid program (title XIX of the Social Security Act).".

SYMMS AMENDMENT NO. 885

(Ordered to lie on the table.)

Mr. SYMMS submitted an amendment intended to be proposed by him to the bill H.R. 2965, supra; as follows:

At the end thereof add the following new section:

The Senate finds that: The following events document Romania's attitude towards religious freedoms:

(1) Father Geza Palfi, a Romanian Roman Catholic priest was arrested on December 26, 1983, because he mentioned in a Christmas day sermon that Christmas Day should be a national holiday, instead of a working day. At the time of his arrest he was savagely beaten by the Romanian secret police, SECURITATEI, outside his church in Tirgu Mures, Romania. Father Palfi died three months later of internal injuries sustained during the fatal beating.

(2) Geheoghe Caliu was imprisoned for 22 years for his activities in the Romanian Orthodox Church, and after serving five years of his last ten year sentence, he was released to serve the remainder of the sentence under House arrest in Bucharest. House arrest has been harsher punishment than the previous 22 years of imprisonment, owing to its high visibility and the government's desire to make Caliu's case an example to what happens to Christians in Romania.

(3) Doral Catarama, a minister for the Seventh-Day Adventist Church, was sentenced to ten years in prison for "embezzlement" by government officials. This was done in face of the fact that Dorel Catarama's State employers signed an affidavit stating he was a model employee, always "honest and disciplined." Christian Response International and Amnesty International have investigated the charges and found them to be unfounded.

(4) Under pressure from Western governments Romania gave permission to the World Reformed Alliance to send 20,000 Bibles to the Hungarian Reformed Church in Romania. The Romanian ambassador in talks with western officials, United States Senators and Congressmen has continually pointed to his country's acceptance of the Bibles as an illustration of his country's attitude towards religious freedoms. This example would be used frequently when discussing Romania's "most favored nation" trading status with the United States. The Bibles, upon arrival to Romania, immediately disappeared. It soon became apparent what had happened to the Bibles. In areas where toilet paper was extremely scarce, letters and certain words of the confiscated Bibles appeared on the toilet paper. The Romanian government had ground up the Bibles to make toilet paper.

(5) The Romanian government has bulldozed many Christian Churches in Romania. Among these:

(i) The Pentecostal Church of Cinpia Turzii, Romania, on May 7, 1982 was bulldozed and destroyed by government officials.

(ii) The Second Baptist Church of Romania had its building destroyed May 6, 1985, in an attempt to suppress religious freedoms.

(iii) The Baptist Church of Bistrita was bulldozed on November 3, 1984.

(iv) The largest Baptist Church in Europe, the Ordea Baptist Church of Ordea, Romania, which has a congregation of 2,000 members, is soon to be demolished by Romanian officials.

(6) Five leading Romanian Baptist Pastors of Bucharest, Joseph Sarac, Vasile Talos, Vasile Brinzei, Pascu Geabau, and Buni Cocar, have all been falsely accused of "embezzlement" because congregational funds totaling $57,285 were spent with full knowledge and consent of the various congregations involved, but without approval of the Ministry of Cults.

(7) Klaus Wagner of Sighisoara, Romania, a member of the Brethren Church, and Maria and Fibia Delepeta of Carpinis, Romania, members of the Army of the Lord/Romanian Orthodox Church were arrested October 1, 1981, and tried in Romanian courts. They were sentenced to six years, five years, and five years imprisonment respectively, for their illegal religious activities.

(8) Silviu Ciotata and Costel Georgescu of Ploestic, Romania, were arrested on December 11, 1981, for distributing Bibles. Their fate remains unknown.

(9) John Teodosiu of Cluj, Romania, was arrested and charged on December 16, 1981 for espionage, because of his activities compiling information for various human rights organizations relating to the arrests and persecution of religious believers in the Socialist Republic of Romania. John Teodosiu has been held incommunicado by the Romanian secret police; his situation today remains unknown.

(10) Relatives of Christian believers are being compelled to sign statements which would subject their loved ones—solely because of their religious beliefs—to treatment and detention in psychiatric institutions.

(11) Many Christians in Romania today are subjected to daily interrogations; beatings, torture, and electric shock treatment.

(12) These reprehensible, revolting, and blatantly evil practices occur in spite of the fact that in August of 1975 the Romanian government signed the Final Act of the Helsinki Accords, which stated Romania would "Recognize and respect the freedom of the individual to profess and practice, alone or in community with others, religion or belief acting in accordance with the dictates of his own conscience." The International Covenant of Civil and Political Rights which Romania ratified in 1974 is equally violated by these repulsive actions.

(13) In accordance with Section 402 of the 1974 Trade Act, Romania's emigration and human rights record is required to be studied annually by the administration, as well as both houses of Congress to determine whether that country is eligible to receive Most Favored Nation trading status.

Therefore it is the sense of the Senate that:

(1) The United States should play an active role in restoring Human Rights and religious freedoms to the Romanian people—in accordance with the Helsinki Accords and the International Covenant of Civil and Political Rights and the principles of religious freedom on which this country was founded.

(2) These acts of religious oppression and persecution taken by the government of the Socialist Republic of Romania are barbaric and repugnant to the community of civilized nations, and in violation of the intrinsic rights of all men.

(3) These actions are particularly objectionable because they are in blatant violation of the Helsinki Accords and the International Covenant of Civil and Political Rights. Romania's outright contempt for international agreements should be taken into consideration during the future bilateral agreements between this country and the Socialist Republic of Romania.

(4) The Senate should promptly consider and, in the absence of major mitigating circumstances arising subsequent to the consideration of this measure, should adopt a resolution of disapproval concerning the renewal of Most Favored Nation Status for the Socialist Republic of Romania.

NOTICES OF HEARINGS

COMMITTEE ON RULES AND ADMINISTRATION

Mr. MATHIAS. Mr. President, I wish to announce that the Committee on Rules and Administration will meet on Tuesday, October 29, 1985, at 9:30 a.m., in SR-301, Russell Senate Office Building, to deal with legislative and administrative business currently pending on its agenda.

The committee will be marking up the following three measures which concern Smithsonian Institution activities: S. 581, to authorize construction of facilities for the Whipple Observatory in Arizona and to authorize repair and replacement of facilities at the Tropical Research Institute in Panama; S. 582, to reauthorize the National Museum Act; and S. 583, to authorize appropriations for construction of additional facilities for the Cooper-Hewitt Museum in New York. Hearings were held by the committee on these bills on July 24, 1985.

Senate Resolutions 28, 29, and 81, each of which provides for television and radio coverage of Senate proceedings will also be under consideration by the committee. Hearings were held by the committee on the subject of broadcast coverage of Senate floor proceedings on September 17 and 18, 1985.

On its administrative agenda the committee will be considering a number of proposed amendments to the Senate mass mail regulation; chief among them is an amendment which would provide for printing the pictures of missing children on certain Senate mail.

For further information regarding this business meeting, please contact Carole Blessington of the Rules Committee staff on 224-0278.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate on Thursday, October 24, to conduct a meeting on the nomination of Carol G. Dawson to be Commissioner of the Consumer Product Safety Commission.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Thursday, October 24, 1985, in closed executive session in order to receive a briefing on intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON TOXIC SUBSTANCES AND ENVIRONMENTAL OVERSIGHT

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Subcommittee on Toxic Substances and Environmental Oversight, of the Committee on Environmental and Public Works, be authorized to meet during the session of the Senate on Thursday, October 24, in order to conduct a hearing on ground water protection.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON SEAPOWER AND FORCE PROJECTION

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Subcommittee on Seapower and Force Projection of the Committee on Armed Services, be authorized to meet during the session of the Senate on Thursday, October 24, 1985, in order to conduct a hearing on S. 535, National Ship Building Industrial Base Act of 1985

The PRESIDING OFFICER. Without objection, it is so ordered.

PERMANENT SUBCOMMITTEE ON INVESTIGATIONS

Mr. DOMENICI. Mr. President, I ask unanimous consent that the permanent Subcommittee on Investigations, of the Committee on Governmental Affairs, be authorized to meet during the session of the Senate on Thursday, October 24, 1985, in order to conduct a hearing on the role of the feature film industry in deglamourizing drug use.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

AN OPEN LETTER TO THE PRESIDENT OF THE UNITED STATES

● Mr. HART. Each year, in the opening session of the United Nations, the world's leaders come to New York to discuss their visions of the future and their hopes for peace. Tomorrow, it will be President Reagan's turn.

Our President has addressed the United Nations before, but this year the stakes could not be higher. In a matter of weeks President Reagan will be meeting with the Soviet leader at Geneva—his first summit with the Soviets since he took office. On the issue of arms control alone, where so much divides us, this meeting will be of crucial importance. The President's address provides an excellent opportunity for him to spell out an agenda for Geneva, a framework for United States-Soviet relations, and a program for peace.

It is my earnest hope that the President will use this occasion to lay the groundwork for a successful summit. I have prepared a letter to Mr. Reagan which expresses this hope and recommends some steps he should consider. I ask that this letter be printed in the RECORD.

The letter follows:

AN OPEN LETTER TO THE PRESIDENT

DEAR PRESIDENT REAGAN: The support of all Americans goes with you in your first meeting with Soviet Chairman Gorbachev. Our people are united in hoping the summit will help change relations with the Soviet Union and prove a turning point in our quest for peace.

The debate over the potential outcome of the upcoming summit, however, seems to have obscured what you have repeatedly pledged in the critical goal of your Administration: to recast U.S.-Soviet relations to create a lasting peace. The divisive debate among your own advisers only heightens the perception that, with less than four weeks to go, you have not exerted your leadership to set clear and bold objectives for the summit.

Mr. President, please resist the counsel of those in your Administration who might want simply another forum for ideological confrontation. You have before you an historic opportunity to fundamentally reshape U.S.-Soviet relations for the next century. I urge you to ignore the voices—including those within your own Administration—that would guide you toward a narrower agenda.

History offers a precedent: President Nixon's 1972 summit with Mr. Brezhnev. Mr. Nixon used that occasion to draw a comprehensive new paradigm for U.S.-Soviet relations—"detente." At that meeting, President Nixon signed the Agreement on the Prevention of War, the Threshold Test Ban Treaty, and a protocol on the Anti-Ballistic Missile Treaty. He also paved the way for President Ford's signing of the Vladivostok Accords in 1974.

Mr. Nixon's blueprint was not flawless. What is important is that he had a blueprint to offer. It was a blueprint that sketched a plan for the entirety of U.S.-Soviet relations: arms control, European security, trade, human rights, cultural exchange, and engagement in the Third World. The American people expect no less today.

Mr. President, your electoral landslide and personal popularity give you an almost unprecedented opportunity to create a new framework for U.S.-Soviet relations. You have the power to implement a new vision—but only if you make clear to the American people, and the Soviets, what that vision is.

Some in your Administration indicate you are prepared to engage Mr. Gorbachev in serious discussions over the full range of issues that are heightening tensions between our two nations. But your recent statements suggest you have a different agenda: insistence on testing, development, and eventual deployment of your Strategic Defense Initiative—regardless of the impact this single-minded pursuit would have on the overall balance of issues which threaten our security.

Mr. President, we stand on the threshold of a transformed strategic environment. The Soviets have a dynamic new leader, intent on consolidating and expanding his power within and beyond his nation's borders. The SALT II Treaty expires this year. The ABM Treaty is headed for erosion or outright abrogation in the absence of a plan to guide future compliance by both sides.

If you insist simply on defending SDI, our prospects for advancing our interests in this new environment appear grim indeed. Progress in reducing offensive armanents,

an objective you continually espouse, will be held hostage to the two sides' continued insistence on "force modernization." And US-Soviet relations, in a state of steady decline for five years, will continue on a course of dangerous instability. We need a new, clearer blueprint for out survival in the new and dangerous environment with the Soviet Union.

Mr. President, detente proved our antagonisms with the Soviets cannot be transcended with overly optimistic formulas. We cannot wish away the Soviets' internal repression, their military adventurism, or their growing arsenals. Our fundamental differences must be managed, not papered over: and it is a President's obligation to tell us how they should be managed.

In the current environment, it is obviously not realistic to expect that major new agreements will be signed at the upcoming summit or soon thereafter. There is too much mutual suspicion and too much damage to repair. But your announcement of a broad, bold strategy could recapture the initiative from the Soviets.

There is no shortage of realistic goals—compatible with your own philosophy—which you could build into such an agenda: reductions in both sides' offensive nuclear arsenals—not some time in the next century pending the results of SDI experiments—but by the next decade; concrete agreements for the continuation of research on strategic defenses in ways that do not undermine the ABM Treaty; joint efforts to make breakthroughs in verification technology so we can negotiate, ratify, and enforce broader arms control agreements; cooperative measures to stem nuclear proliferation and terrorism; arrangements to avoid inadvertent nuclear conflict in crisis; an agreement to renew progress toward a Comprehensive Test Ban Treaty.

Even this list is just a beginning. East-West trade, human rights, emigration, Third World "hot spots"—all these should be part of a comprehensive strategy for managing our relations with the Soviets. It does not require trusting the Soviets. It does require looking beyond fragile panaceas, like SDI, and developing a comprehensive plan for managing our inevitable tensions with the Soviets.

Mr. President, before you sit down with Mr. Gorbachev next month, I strongly urge you to develop and announce such a strategy in the coming weeks. A troubled, anxious world waits in hope.

Sincerely,

GARY HART.●

FIFTH ANNUAL MEETING OF THE SMALL BUSINESS COMMITTEE'S NATIONAL ADVISORY COUNCIL

● Mr. WEICKER. Mr. President, on Wednesday, October 23, 1985, the National Advisory Council to the Senate Committee on Small Business held its fifth annual day-long meeting and unanimously passed eight resolutions urging Congress and the President to take action on some of the most pressing issues facing small businesses and the economy today.

The Council, composed of 25 small business persons from about the country, provides the committee with regular grassroots insight into the problems and concerns of our Nation's small businesses. The Council was formed in 1981 to give the committee a better understanding of the small business viewpoint, while affording Council members the opportunity to expand their knowledge of the Federal Government and how it operates. This Council is the only officially recognized advisory body in the Senate. Its members come to Washington each year, at their own expense, to meet with committee members and other officials to discuss the state of small business from their perspective as active working members of the small business community.

Yesterday's meeting included morning sessions with Clayton Yeutter, U.S. Trade Representative, Joseph R. Wright, Jr., Deputy Director, Office of Management and Budget, James C. Sanders, Administrator, Small Business Administration, Michael Stern, minority staff director, Senate Finance Committee, and a luncheon address by Senator Ernest F. Hollings. In the afternoon, the council held its formal working session with members of the committee, and approved several important resolutions.

The Council's measures call for the President and Congress to take immediate action on the budget crisis, endorsing cuts in all areas, including entitlement programs, Social Security, defense spending and tax increases, if necessary; to oppose comprehensive tax reform with the exception of a minimum corporate tax; and to maintain the Small Business Administration [SBA] as an independent agency.

The Council also declared its support for vigorous enforcement of U.S. antitrust laws, particularly in the areas of anticompetitive mergers and acquisitions; stronger implementation of the Prompt Payment Act to ensure that small contractors doing business with the Federal Government receive timely payment; called for hearings and a Federal standard on the issue of liability insurance, in light of the current unavailability of affordable insurance for small firms; and finally, asked the President, the U.S. Trade Representative, International Trade Commission, and the Commerce Department to reduce imports from any country whose unfair trade practices contribute to the U.S. trade deficit with that country.

Mr. President, I commend the Advisory Council for the important contribution it has made to the congressional deliberations on small business matters. I urge my colleagues and the President to carefully review these resolutions, as they reflect some of the major concerns of America's 14 million small business owners and operators.

Mr. President, I ask that the full text of the eight resolutions and a list of the Council members who attended the annual meeting to be printed in the RECORD following this statement.

The material follows:

RESOLUTION OF NATIONAL ADVISORY COUNCIL ON BUDGET DEFICIT

Whereas, the total Federal debt has doubled over the past four years to almost 2 trillion dollars, and seriously threatens the majority of the nation's small businesses, which would be particularly hard hit by higher interest rates, renewed inflation and a stagnating economy.

Whereas, the Congressional Budget Office estimates that without any corrective action by the President or Congress to immediately reduce these deficits, and hold the line across the board on controllable spending, that a crisis is at hand for small business;

Whereas, any effective debt reduction package should include necessary tax increases, while allowing for provisions that are favorable to the short- and long-term planning of both small and agri-related businesses: Therefore, be it

Resolved, That the National Advisory Council to the Senate Committee on Small Business calls upon the President and the Congress of the United States to take immediate action to address this budget crisis. In the consideration of specific actions no areas should be exempt, including tax increases, and entitlements programs, as well as substantial reductions in defense spending, and other domestic discretionary programs.

RESOLUTION OF NATIONAL ADVISORY COUNCIL ON PROPOSED TAX REFORM

Whereas, small business is a critical segment of our national economy, whose employment expanded by 11.4% between 1982 and 1984, compared with only 5.3% employment growth for large firms during this same period;

Whereas, small business produces a more-than-proportionate share of net new jobs relative to the small business share of total employment;

Whereas, small business generally does not have access to public capital markets, and therefore, often has to rely on retained earnings to fund its growth and operations;

Whereas, Congress is currently considering comprehensive reform of the income tax code;

Whereas, there are a number of major provisions of the tax code affecting the ability of small business to retain earnings which are currently being recommended for change, either by limitation or elimination;

Whereas, the concerns of small business are often over-looked in important tax legislation;

Whereas, in the last four years, Congress has enacted three major tax revision bills and the small business community desires stability in the tax code in order to be able to make long-term economic decisions;

Whereas, the tax concerns of small business must be adequately addressed for any tax reform bill to be truly equitable;

Whereas, small business is nearly unanimous in its support of the retention of certain provisions of the tax code, including the preferential treatment of capital gains, graduated corporate income tax rates, the investment tax credit, loan loss reserve, direct expensing, tax exempt financing for small business, and some form of accelerated depreciation.

Therefore, be it resolved that, the National Advisory Council to the United States Senate Committee on Small Business does not believe that fundamental change in the tax code is warranted, with the exception of

a strong corporate miminum tax. Should Congress decide to enact comprehensive tax reform, any such revision of the tax code must recognize the needs of small businesses as reflected in the specific small business tax provisions cited above.

RESOLUTION OF NATIONAL ADVISORY COUNCIL ON THE SMALL BUSINESS ADMINISTRATION

Whereas, the Small Business Administration (SBA) was established as an independent Federal agency in 1953, and is the only agency in the Executive Branch whose sole mission is to serve, promote and protect this nation's 14 million small enterprises;

Whereas, small businesses annually lead the country in job creation, productivity and innovation, and provide the key to our overall economic growth;

Whereas, SBA has an impressive 32 year record of providing critical financial and management assistance which is not otherwise available to small business owners and operators;

Whereas, the United States Senate, in passing S. 408, a three year authorization bill for SBA by an overwhelming vote of 94 to 3 on July 16, 1985, has already agreed to preserve SBA as an independent Federal agency;

Therefore, be it resolved that, the National Advisory Council to the Senate Committee on Small Business calls upon the President and the entire Congress of the United States to enact legislation consistent with S. 408, which maintains SBA as an independent agency and maintains adequate funding (at its current funding level) for its essential lending, management, procurement and advocacy functions, and further, that the President, in future budget submissions to Congress, submit recommendations consistent with this Congressional action.

PROPOSED RESOLUTION OF NATIONAL ADVISORY COUNCIL ON FOREIGN TRADE

Whereas, the United States trade deficit threatens the economic well-being of the United States;

Whereas, for the first time since World War I, the United States is a debtor nation, owing its trading partners more than they owe us;

Whereas, the United States trade practices are more free and fair than those of most of our trading partners;

Whereas, small businesses are particularly harmed by unfair trade practices;

Whereas, the President has elected not to follow the recommendations of the International Trade Commission;

Therefore, be it resolved that the National Advisory Council to the Senate Committee on Small Business calls upon the President and the Congress of the United States to take comprehensive action this year to insist that our trading partners promptly reciprocate our free and fair trade policies, including following the recommendations of the International Trade Commission and, in the event that such trading partners fail to reciprocate, the President, the United States Trade Representative, the International Trade Commission, and the U.S. Commerce Department shall take direct action under current trade laws to reduce imports from such country to the full extent of such failure or offset the advantages of any unfair trade practice which contributes to the United States trade deficit with such country.

PROPOSED RESOLUTION OF THE NATIONAL ADVISORY COUNCIL ON LIABILITY INSURANCE

Whereas, small businesses currently face a crisis in obtaining liability insurance with reported rate increases of 300 percent to 1000 percent making insurance coverage either unaffordable or unobtainable at any price;

Whereas, the increase in insurance premium rates adds fuel to inflationary engines in the economy as a result of higher costs being passed along in the cost of goods and services;

Whereas, the number of insurance companies offering such liability coverage is steadily decreasing because of high past loss ratios in this type of insurance;

Whereas, many small firms have discontinued uninsurable products and services, others have closed their doors because they cannot continue operations as self-insurers or without insurance;

Whereas, one factor which has contributed to this crisis is the fractured nature of tort law in the various states of our Union which has caused increased unwillingness by insurance companies to provide coverage for firms which do business in a variety of states; and

Therefore, be it resolved that the National Advisory Council to the Senate Committee on Small Business calls upon the Committee to study and conduct hearings on this critical problem of liability insurance availability and affordability for small businesses, and supports the concept of a federal liability standard removing the uncertainty that surrounds this issue, and thereby providing the type of structure that will permit insurance companies to accurately estimate the costs of such insurance.

RESOLUTION OF NATIONAL ADVISORY COUNCIL ON IMPLEMENTATION OF THE PROMPT PAYMENT ACT

Whereas, the members of the National Advisory Council to the Senate Committee on Small Business, having considered the Federal agency implementation of the Prompt Payment Act, Public Law 97-177, during the three years since it became effective on October 1, 1982 have found that the objectives of the legislation and the intent of Congress are not being fully attained;

Whereas, some Federal agencies continue to make payments beyond the payment date specified in its contracts or beyond the times specified in the Act, without the payment of interest;

Whereas, some Federal agencies are abusing the fifteen day "grace period" provided in the Act by failing to initiate payment action on contractors' invoices until the expiration of thirty days;

Whereas, some Federal agencies are delaying payments to small business contractors by rejecting their invoices as "improper" after the fifteen days provided by the Act;

Whereas, some Federal agencies are delaying payments to small business contractors by refusing formal acceptance of supplies, services or construction so as to delay the start of the payment periods mandated by the Act, after which interest must be paid;

Whereas, some Federal agencies are failing to automatically pay interest due to small business contractors, rather requiring them to make a demand for payment of interest contrary to the Act's self-enforcing intent;

Whereas, these problems with agency implementation of the Act are placing substantial financing burdens on small business government contractors, and acting as an obstacle to small business participation in the Federal procurement market, thus denying the Government the advantages of the competition, industry, and innovation provided by many small businesses;

Therefore, be it resolved That, the National Advisory Council to the Senate Committee on Small Business calls upon the Congress, especially the Senate and House Committees on Small Business, the Senate Governmental Affairs Committee, and the House Government Operations Committee which were instrumental in the passage of the Prompt Payment Act, to:

1. conduct oversight hearings on the implementation of the Prompt Payment Act through OMB Circular A-125, the Federal Acquisition Regulation, and the implementing regulations of individual Federal agencies; and

2. To consider modifications to the Prompt Payment Act that will address demonstrated implementational abuses by some Fedeal agencies and assure attainment of Congressional intent and objectives in passing the Act.

RESOLUTION OF NATIONAL ADVISORY COUNCIL ON ANTITRUST ENFORCEMENT

Whereas, the antitrust laws of the United States have been the strong underpining of the American free enterprise system through insuring a free and open marketplace;

Whereas, the antitrust laws of the United States is the first line of defense against anticompetitive activity and is critical to the health of the economy and the survival of small business;

Whereas, the antitrust laws of the United States have insured the integrity and independence of the American small businessperson in being able to decide which products to handle, where and to whom to sell such products and the prices at which such products are sold;

Therefore, be it resolved That, the National Advisory Council to the Senate Committee on Small Business resolves as follows:

First, that the Federal Trade Commission and the Antitrust Division of the Department of Justice are urged to vigorously enforce the antitrust laws of the United States in the following areas where enforcement is now lacking:

A. Anticompetitive mergers and acquisitions;

B. Resale price maintenance;

C. Tying arrangements; and

D. Unreasonable territorial and customer restrictions.

Second, Senator RUDMAN and the other Members of the Senate Committee on Small Business are to be commended for their opposition to the "Vertical Restraints Guidelines" published by the Department of Justice on January 23, 1985—which do not accurately state current antitrust law—and for urging that the Vertical Restraints Guidelines be withdrawn as per Senate Concurrent Resolution 56;

Third, the Senate Committee on Small Business is urged to oppose the efforts of Secretary of Commerce Malcolm Baldrige to abolish Section 7 of the Clayton Act that makes illegal mergers and acquisitions which may unreasonably restrain competition or increase monopoly in any line of commerce; and

Fourth, the Senate Committee on Small Business is urged to insist that the Administration appoint a recognized spokesman for

small business to the Administration's current Task Force on Antitrust.

RESOLUTION OF NATIONAL ADVISORY COUNCIL ON INVESTMENT TAX CREDIT REFORM

Whereas, the manufacturing community in our nation is currently faced with increasing foreign competition;

Whereas, those foreign competitive businesses are often aided by direct and indirect subsidies afforded them by their home governments;

Whereas, those foreign competitors are further assisted by the artificially high value of the United States dollar vis-a-vis the value of their currencies;

Whereas, our system of government and basic integrity preclude the United States from violating the General Agreement on Tariffs and Trade (GATT);

Whereas, domestic manufacturers have applied for the investment tax credit for the purchase of foreign manufactured machinery, further enhancing the benefit of the purchase of such machinery from foreign suppliers, rather than domestic firms;

Whereas, the investment tax credit was originally designed to act as an incentive for manufacturing in the United States;

Therefore, be it resolved That, the National Advisory Council to the United States Senate Committee on Small Business urges the Members of this Committee to advocate a version of the investment tax credit that would allow only the purchase of equipment manufactured within the United States be eligible for such credit.

NATIONAL ADVISORY COUNCIL PARTICIPANTS

1. Mr. Robert Baker, Essex Bank, Peabody, Massachusetts.
2. Mrs. Asta Ball, Miniature Nut and Screw Corporation, Newington, Connecticut.
3. Mr. Herb Bowden, Sencore, Inc., Sioux Falls, South Dakota.
4. Mr. Timothy H. Fine, The Law Offices of Timothy H. Fine, San Francisco, California.
5. Mr. Walter Floss, Jr., Floss Insurance Agency, East Amherst, New York.
6. Mr. R. Alan Fuentes, Computer Dynamics, Inc., Virginia Beach, Virginia.
7. Mr. Odus Hennessee, Cosmetic Specialty Labs., Inc., Lawton, Oklahoma.
8. Mr. Bruce Hopewell, Lincoln Business Help Associates, Inc., New York, New York.
9. Mr. David L. Houston, Northwest Federal Savings & Loan Association, Woodward, Oklahoma.
10. Mrs. Gay Kruglick, Earls Academy, Phoenix, Arizona.
11. Mr. Michael Lefkiades, Michigan Coni Islands, Inc., Bay City, Michigan.
12. Mr. David Longnecker, Kiltons of Manchester, Manchester, New Hampshire.
13. Mr. F. Ray McCormick, McCormick Construction Co., Inc., El Paso, Texas.
14. Ms. Judy McCoy, McCoy Goldsmith & Jewelers, Dubuque, Iowa.
15. Mr. Frederic E. Mohs, Mohs, McDonald and Widdar, Madison, Wisconsin.
16. Mr. Shaw Mudge, Shaw Mudge & Company, Stamford, Connecticut.
17. Mr. Bill Nourse, Brookmeade Hardware & Supply, Nashville, Tennessee.
18. Mr. Larry Stanley, Empire Bolt and Screw, Inc., Spokane, Washington.
19. Mr. Rufus Tindol, Tindol Service, Inc., Atlanta, Georgia.
20. Mr. Don Munro, Munro & Co., Inc., Hot Springs, Arkansas.
21. Mrs. Thelma Stevenson Ablan, Stevenson & Associates, Chicago, Illinois.
22. Mr. Frank Carroll, Carrolline Travel, Worchester, Massachusetts.

MASSACHUSETTS FOR AFRICA MONTH

● Mr. KERRY. Mr. President, I would like to take this opportunity to draw attention to the fact that Governor Michael Dukakis of Massachusetts has proclaimed November as "Massachusetts for Africa Month." Twenty-five African countries are appealing for emergency aid to fight famine, and 150 million people are facing critical shortages of food, medical supplies, health care, and water. Through a community-wide effort Massachusetts will try to do its part to alleviate these horrible conditions.

This project was initiated by Douglas Rose, a Massachusetts youth counselor. During the month of November, merchants will donate proceeds from certain business days, while local school children, senior citizens, labor unions, colleges, religious organizations and sports teams will contribute in various ways.

Mr. President, I praise Governor Dukakis, Mr. Rose, and all those involved in this program for continuing to keep us aware of the terrible plight facing many Africans. It is this cooperation of neighbor working with neighbor for a common goal that shows true American spirit and compassion. I urge my colleagues to follow the example of Massachusetts and promote this kind of community participation in their own States.●

JAPAN-UNITED STATES SENATE SCHOLARSHIP PROGRAM

● Mr. COHEN. Mr. President, on behalf of myself and Senator MITCHELL, I would like to take this opportunity to share with our colleagues a letter we received from a student in Maine who participated in the Youth for Understandings Japan-United States Senate Scholarship Program. These appointments are made by a State selection committee which is comprised of a member we each name, along with representatives of the National Association of Secondary School Principals, the National Council for the Social Studies, and Youth for Understanding. High school principals throughout the State are invited to nominate one outstanding high school junior for consideration.

One such scholarship winner is Lara Horner of Bar Harbor. Her letter certainly underlines the positive experience which these students enjoy in Japan. The value of the program and the obviously beneficial relationships being established between our two countries are made clear in Ms. Horner's letter. To quote:

I am extremely grateful for the part you played in sending me to Japan. My summer in Japan was a learning and uplifting time unlike anything I have ever experienced in the past. I stayed on Okinawa which is different in many ways from the mainland of Japan. Okinawa does not have temples or an abundance of festivals, so I was able to direct my attention to the people, the school, and the uniqueness of Okinawa's history.

Youth for Understanding could not have selected a better family for me. My family was warm, caring, sensitive, and most of all had a wonderful sense of humor. They have become my second family. I got along very well with each member of the family: my older brother and I took karate lessons together; with my older sister I learned to cook; with my 17-year-old sister I went to school; and with my younger sister I learned origami. These are only a few of my sharing experiences with my family.

Everyone was always willing to teach me as much about Okinawa as possible. My sister read the paper every day and then translated it for me. My father took me to visit famous Okinawan war memorials on the southern part of the island. In his explaining, I learned a lot about the strength of the people and their ability to recover from such devastation in a relatively short period of time.

I learned even more about the Okinawan people by attending school. This gave me the chance to make friends, participate in activities, and share myself with the students and teachers. I attended classes in math, physics, Japanese caligraphy, and English. I was made to feel welcome on my first day of school. No fewer than 50 people surrounded me during my first 5 minutes at Nago High School. Everyone introduced him/herself and made a huge effort to speak English. All of the students wanted to be helpful and took a genuine interest in me. My entire school experience helped to better my image of myself. The students enabled me to understand that effort matters more than ability.

My experiences this summer have influenced my plans for the future. I intend to study the Japanese language in college and hope to spend a year studying in Japan. Maintaining a close relationship with my Japanese family and friends is important to me.

I delivered your message to the Okinawan Governor and he received it with pleasure. I deeply appreciate the privilege of being a U.S. Senate Scholar.

Lara Horner, Bar Harbor, Maine.●

SOUND ECONOMICS

● Mr. BRADLEY. Mr. President, I rise to recommend an article entitled, "Sound Economics, Sound Trade Policy," which appeared in the New York Times on September 15, 1985.

Prof. Richard Gardner's article urges the President not to deal solely with the politics of the trade issue, but to begin solving the fundamental economic problems affecting trade. His article adeptly explains that although unfair foreign trade practices need to be stopped, they only account for 10 percent of the current trade imbalances. He cites five key areas where fundamental policy are needed: The budget deficit, exchange rates, national competitiveness, import adjustments, and capital flows. Without

change in these areas, we may see a future collapse in what remains of the open trading system.

Mr. President, Professor Gardner's article gives us much to think about. I urge my colleagues to review it, and ask that it be printed in the RECORD.

The article follows:

[From the New York Times, Sept. 15, 1985]

SOUND ECONOMICS, SOUND TRADE POLICY

(By Richard N. Gardner)

The tidal wave of restrictive trade legislation pending in Congress has concentrated President Reagan's mind wonderfully. In his second term, he is beginning to give to trade policy the attention so sadly lacking in his first.

But so far he has dealt only with the politics of the problem, not with the economic fundamentals. He has not yet recognized that his free-trade objectives are being undermined, not only by the unfair trading practices of other nations but also by some of his own domestic and international policies.

On protectionism, the President has the right instincts. Import surcharges and other trade restrictions would again ignite inflation, making us less competitive, worsening our long-term trade imbalance and triggering foreign restrictions against our exports. They could also bring the foreign debt crisis to a potentially ruinous climax. Unable to export, debtor nations could not service their debts, and this would damage our banking system and even our national security.

Enforcing our laws against foreign unfair trade practices is essential to protect American interests and to restore confidence in Presidential leadership. But unfair trade practices abroad account for less than 10 percent of the $150 billion annual trade imbalance that is devastating basic industry in this country. A 10 percent solution is not enough. To deal with the other 90 percent, the President will need to consider fundamental policy changes in five key areas.

First, the budget deficit. As long as we go on spending more than we are saving, we will continue to borrow abroad to make up the difference. The high real interest rates necessary to attract foreign capital are a major cause of the overvalued dollar that drives up our trade deficit.

We will not escape this vicious circle until the President meets Congress halfway on deficit reduction—supporting some tax increases as well as limits on cost-of-living adjustments in Social Security and pension programs for middle- and high-income citizens. Without raising individual tax rates, we could raise at least $60 billion of additional revenue a year by a 30 cent gasoline tax, by a minimum tax on wealthy individuals and corporations, and by eliminating the deductibility of interest payments except for mortgage interest on principal residences.

Second, exchange rates. American leadership and support of liberal trade cannot coexist with an overvalued dollar. While we cannot return to fixed exchange rates, we can strengthen multilateral surveillance over domestic policies here and in other countries that determine the relationship among currencies. In return for accepting some international discussion of our domestic economic management, we could mobilize international pressure on Japan, West Germany and other countries to help our trade position by stimulating their economies. We can also limit extreme fluctuations in exchange rates by coordinated intervention in exchange markets with other key countries.

Third, a national program to enhance our competitiveness, even if we get the dollar down. A liberal trade policy cannot survive in the United States if our Government fails to show the same concern for promoting comparative trade advantages for our industries that our toughest competitors do for theirs. This does not mean half-baked "industrial policies." What it does mean, among other things, is more Government assistance to worker training and to education (especially mathematics, science and engineering); maintenance rather than repeal (as the Administration proposes) of the tax credit and accelerated depreciation for investment in modern plant and equipment; and more Export-Import Bank credit facilities for our exporters.

Fourth, adjustment to imports. Since the whole nation gains from open trade policies, it must be willing to help individuals who lose. We need new programs to assist workers, industries and communities hurt by imports, emphasizing worker training rather than simple income maintenance. If import restraints are required in exceptional cases to avoid personal hardship, they should be selective, limited in time and conditioned wherever feasible on action by management and labor to restore competitiveness.

Fifth, capital flows. One main cause of the United States' trade imbalance is the collapse of historic markets in Latin America and elsewhere because of the debt crisis. The major debtor countries will need at least $10 billion more a year in public and private capital flows, as well as open markets for their exports, if they are to service their debts, make the necessary domestic adjustments and resume their role as healthy trading partners.

The World Bank could assure most of this additional money through direct loans and co-financing with private lenders, but only if the Reagan Administration abandons its opposition to a substantial increase in the bank's capital.

These five changes in President Reagan's policies would encounter political and ideological resistance from members of his Administration. Yet without movement in at least some of these areas, he will not merely see the end of his free-trade policies. President Reagan will be partly responsible for the collapse of what is left of the open-trading system—one of the United States' great postwar contributions to its own and the general welfare.●

TVA: THE REAL ISSUE IS ACCOUNTABILITY

● Mr. HUMPHREY. Mr. President, on Monday, I offered for the RECORD my thoughts on the proposal approved by the Tennessee Valley Authority [TVA] Board of Directors to appoint an inspector general within the Agency. I argued that an inspector general created through statute, rather than one simply appointed by the Board, would be a good first step in addressing the problems which the Agency now faces. However, it is my belief that the problems which have plagued the Agency's Nuclear Construction Program reveal fundamental weaknesses in the TVA structure, weaknesses which, I believe, call for fundamental reforms.

First, let me state clearly, that the TVA power system is self-supporting. That is, the Agency must collect from its ratepayers revenues which are sufficient to cover its expenses. The Congress does appropriate funds for certain nonpower functions of the Agency, but that constitutes less than 5 percent of the total TVA budget. The self-supporting nature of TVA suggests some very important points.

First, the decisions which are made by TVA must be paid for by the ratepayers of the TVA system. Who makes those decisions? A three-member Board of Directors appointed by the President and confirmed by the Senate. Each member serves for 9 years. The Board regularly makes decisions about how to conduct business at this $5 billion Agency—decisions which have a potentially enormous impact on the lives of the people of the Tennessee Valley, their economic livelihood, and the condition of their natural surroundings. Yet, despite the importance of TVA and its activities, no one is provided a voice in the decisionmaking process—not regulators, not the marketplace, not the Congress, and least of all, not the people who will be asked to pay for those decisions. For the fact of the matter is, the Tennessee Valley Authority is not directly accountable to anyone.

Accountability is an absolutely essential element in our democratic society. Businesses rise and fall with their decisions. Elected officials must answer to the public at every election. And yet, in TVA we have an agency of the Government which is uniformly absolved from this principle and endowed with extraordinary power. This arrangement goes right to the heart of what is often called the TVA experiment. As President Roosevelt said when he suggested creating the agency, he wanted TVA to be—

. . . a Corporation clothed in the power of Government but possessed of the flexibility and initiative of private enterprises . . .

Perhaps the issue of accountability would be of less concern had there been no problems with the TVA experiment. But there have been. Nowhere are problems more evident than with the nuclear power program. Founded on what proved to be faulty projections of power demands in the future, TVA vastly overcommitted itself to a massive nuclear construction program and was able to finance this expansion through its access to the Federal Financing Bank [FFB]. When committed to the construction of the free world's largest nuclear power system—which called for the construction of 17 nuclear reactors—there were no regulators to question the need for such an expansion. And because TVA had access to easy financing at the FFB, it

was effectively shielded from the harsh discipline of the marketplace.

Today, the nuclear program is in shambles. Of five completed nuclear reactors, none are in operation. Construction and licensing procedures at four other reactors has been indefinitely delayed.

Moreover, because TVA is not subject to regular oversight in the Congress, another crucial link in accountability is lost. The effects are woefully evident in a nuclear program that is now fraught with mismanagement.

Finally, and most important, there is no provision within the TVA Act for the residents of the Tennessee Valley or their elected representatives to have any formal control over TVA policies and programs, except indirectly through the President, and the Congress. Unlike other publicly owned utilities, TVA's ratepayers do not have a voice in the selection of management of the utility. And ratepayers—those who must pay for the mistakes of management—have no rights under the TVA Act in terms of participation.

These are some of the basic issues which face TVA. The creation of an inspector general through statute would be a first step toward introducing some outside accountability at the agency. Clearly, however, even more is needed. TVA has announced that it will raise the rates it charges to its customers 6.9 percent over the coming year, an increase which is needed, in part, to cover costs stemming from problems associated with the nuclear program. This rate increase, like all TVA rate increases, was approved by the TVA Board without approval by a regulatory commission or the Congress. No such approval is needed under the law. And, tragically, those who will have to pay the higher rates—the people of the Tennessee Valley—were denied a voice in matters crucial to them. In my view, few would stand to lose if the TVA curtain of unaccountability were lifted, and many more would stand to gain.●

TRADE POLICY

● Mr. SIMON. Mr. President, one of the things this country is starting to look at seriously is our whole trade policy. We need a sensible appraisal that is practical and that is not dictated by economic theory.

R.C. Longworth is an economics writer for the Chicago Tribune.

In general, I find myself in agreement with what he has to say. He incorrectly describes the bill that our colleague Senator BENTSEN has put in as a "blanket 25-percent tariff," when, in fact, it is a long way from that. But except for that minor inaccuracy, it is a well-balanced, thoughtful presentation of the reality we have to face.

I ask that the article on trade policy be inserted in the RECORD at this point.

The article follows:

[From the Chicago Tribune, Sept. 26, 1985]

A TRADE POLICY IS OVERDUE

(By R.C. Longworth)

The battle between the free-traders and the protectionists is generating an extraordinary amount of sound and fury, considering that both sides are defending a myth.

The trouble is that the myths hide the real world. Both Congress and the White House are arguing about the wrong thing. As a result, the United States is as far as ever from a rational trade policy that might reduce our record $150 billion trade deficit and enable U.S. industry to compete in a new and baffling world.

There is no such thing as pure free trade, and never has been, despite President Reagan's restatement of this credo earlier this week and his promise to punish violators of the free-trade canon. As free trade does not exist, neither does its ideological opposite, pure protectionism.

Consider: At least half the trade in the world is affected, one way or the other, by some sort of "protectionism"—by tariffs, quotas, subsidies or other measures that distort trade by preventing its free flow. These measures grow daily. Free-traders say this should choke off trade and impoverish us all. Yet trade grew by 9 percent last year and will grow by another 4 to 5 percent this year.

Consider: With the spread of multinational companies, fully 40 percent of the world's trade is not between countries but between branches of companies. In other words, trade flows, not between a German manufacturer and an American buyer, but among the various arms of the same company, often American-owned—its Venezuelan mining arm, Indonesian subassembly arm, Mexican assembly arm and American merchandising arm, all setting their own prices.

Consider: American manufacturers compete less these days against factories in Europe or even Japan, where wage scales are roughly similar to ours, than against factories [often American-owned] in Third World countries, where wages are one-tenth what an American worker makes. No amount of wage-cutting here can match these Third World salaries. Nor should it. The entire U.S. economy is based on substantial income for workers.

Consider: Almost every nation except the United States has a trade policy, and makes it part of its overall foreign policy. They all realized long ago that trade is vital to their livelihood. In these countries, government policies on taxes, industry and investment are shaped to promote trade and to expand industries and jobs. The official American line, that these rational policies are somehow evil, strikes the rest of the world as nutty.

Against these realities, President Reagan's faith in free trade—his belief that all will be well if trade is only allowed to flow freely, with no government interference at all—is touching but silly.

His congressional opponents, frustrated by the President's blind faith in this economic tooth fairy, have responded with blunt instruments, such as a blanket 25 percent tariff, as though all imports are equal and all countries deserve the same treatment.

The free-trade theology stems from the theory of comparative advantage, laid out some 170 years ago by English economist David Riccardo. Riccardo argued that each nation has things it can make better and cheaper than other nations. Thus, it should sell what it makes best, and buy abroad things other nations make better. In this way, each nation uses its "comparative advantage" to its own profit.

Riccardo used the example of British textiles and Portuguese wine. Even then, this probably sounded better to the British than the Portuguese. The theories of free trade and comparative advantage have always been most popular in whatever country happened to be top dog in the trading world—as the U.S. has been since World War II.

The trouble is that "comparative advantage"—the natural superiority of countries in certain lines of work—is meaningless today. The swift transfer of technology means that the most modern factories can be moved around the globe, to take advantage of the lowest wages. The communications revolution means that headquarters in Chicago can direct factories in Sri Lanka as easily as plants in Skokie.

In short, "comparative advantage" is no longer some natural, God-given blessing but can be created by any country willing to go to the trouble.

This, is fact, is the biggest cloud on the U.S. trade horizon. The American trade deficit with Europe will disappear when the dollar weakens. Even the record deficit with Japan can be brought under control when the administration realizes that Japan is more a menace to the American economy than a fair-weather friend in the cold war against the Soviet Union.

But the threat of low-wage competition will be with us for years. As China becomes a manufacturing nation, this threat can only grow. Moreover, there is nothing inherently unfair about this. No simple, single measures aimed at "fair trade" will work here. Only a full-fledged trade policy, based on world realities, will suffice.

Does this imply some "protectionism"? Sure. It only recognizes that some things we have—industries, jobs, communities, a standard of living—are worth protecting. Like military defense, economic defense make sense. The question is not whether, but how.

An arsenal of weapons is at hand: quotas, subsidies, bilateral agreements—whatever works best in specific situations. This is much less tidy and satisfying than a blanket, bright-eyed belief in free trade. But unfortunately, ours is not a tidy and satisfying world.

The free-traders maintain that the real culprit is the overvalued dollar and that the trade deficit will fall when the dollar does. They add that the protective measures enable companies to become fat and slothful behind trade barriers, losing the ability to compete. Finally, they say trade barriers raise prices to consumers by keeping out cheap imports: A recent Federal Reserve study put a $14 billion annual cost on current barriers to imports of shoes, textiles, cars and steel.

First, the dollar is crucially important: Economists blame it for one-third to one-half of the deficit. But when the dollar falls, we'll still have a $75 billion to $100 billion deficit.

Second, many industries have used trade shields to modernize radically. Anyone whose idea of a textile mill comes from "Norma Rae" should go look at a modern mill. But even such modernization is over-

whelmed by competitors paying their workers $1 an hour.

Finally, that $14 billion figure must be put in perspective. It amounts to half of 1 percent of America's $3 trillion gross national product. That still a lot of money, but here is the real question: Is 0.5 percent of our GNP a reasonable price to pay for trade policies that could save millions of jobs?

Some might say yes, some no. But the question, put this way, makes it clear that a set of rational trade policies, deliberately aimed at enhancing American's competitiveness in the new global economy, would not be a ruinous enterprise, igniting inflation and busting our budget.

Such a trade policy is long overdue. It is time to jettison the myths and start dealing with the real world. If "protectionism" offends the ear, we can call it "managed trade" or "organized free trade" or some other fancy name. At this stage, what we call it is less important than whether we do it.

VIETNAM VETERANS OF AMERICA

● Mr. CHAFEE. Mr. President, today I am proud to join my colleagues as a cosponsor of S. 8. This bill will grant the Vietnam Veterans of America, Inc., a Federal charter. This bill will entitle the VVA to the benefits enjoyed by every other nonprofit chartered service organization.

As a fully chartered corporation, the VVA will now be able to adequately provide for the improvement of the conditions of Vietnam veterans, and produce research materials that document the relationships between Vietnam veterans and American society. As a result of this bill, the VVA will also be empowered with the ability to financially assist Vietnam veterans in need, along with their dependents and survivors.

Passage of this bill has been a priority for the VVA for quite some time. It is also long overdue. Vietnam veterans have gone through trying times, and have worked hard to overcome the stigma attached to their role as veterans of an unpopular war.

Recognition of the VVA as a federally chartered corporation will go a long way toward making up the debt we owe our Vietnam veterans.●

SANCTIONS ARE OUR BEST WEAPON

● Mr. SIMON. Mr. President, in USA Today, Nadine Hack, an investment banker from the New York area, had an article describing a visit she made to South Africa. When she went, she was not sure whether economic sanctions were right or wrong, but she came back convinced that sanctions can be helpful.

I urge my colleagues to read the Nadine Hack article, and I ask that her article be printed in the RECORD.

The article follows:

[From USA Today, Oct. 15, 1985]

SANCTIONS ARE OUR BEST WEAPON

(By Nadine B. Hack)

NEW YORK.—I went to South Africa firmly opposed to apartheid but painfully undecided about divestment or strong economic sanctions.

Now, I am convinced that sanctions are an appropriate response and in fact the best leverage we have. Regardless of Afrikaner protests that they will not be influenced by outsiders, they obviously are.

Black trade unionists, who hope divestment will not actually take place, applaud the international divestment campaign as the best influence on their country's direction.

While I was there, a boycott of white-owned businesses by the residents of Port Elizabeth's townships—strikingly similar to the Birmingham boycotts—was having a remarkably similar effect: The white mayor was grumbling that Pretoria ought really to be doing something immediately to make it easier for the blacks.

Economic sanctions are the last remaining non-violent, legitimate, and appropriate means we have to apply force.

A growing number of blacks have become so alienated and radicalized that they are no longer willing to tolerate any process of transition; for them, the revolution is long overdue.

U.S. policy is perceived by both backers and critics of the government as tacit complicity with the system. Out of frustration with the West and free enterprise as "supporters of apartheid," Marxist ideology is taking hold among many who know nothing of Marxism or the implications of a Marxist totalitarian system.

In not more fiercely opposing apartheid, we are creating fertile territory for communist influence. If we don't act quickly and strongly in opposition to apartheid, we will have created the problem we most fear.

As Bishop Tutu told us in Johannesburg, it is truly tragic to see mobs of angry black youths brimming over with pent-up frustration and hostility, robbed of any responsible leadership, left alone to roam the streets of the townships.

Sanctions will not bring about immediate reform nor end all the difficulties. However, sanctions can have an effect; merely debating them has already had an impact. We do not have the luxury of choice whether or not to make an impact in South Africa.●

WANDERING WHEELS

● Mr. LUGAR. Mr. President, I would like to bring to the attention of my colleagues a group which desires special tribute.

Wandering Wheels, a bicycling organization from Indiana, is concluding a 10-month, 12,000-mile cycling trip around the perimeter of the United States. Sixty riders, ages ranging from 18 to 52, will complete their journey November 23, on St. Simons Island, GA, which was also the starting point for the trip that began February 2.

While experiencing the geographical wonders of this great country, the bikers have encountered a variety of lifestyles and traditions unique to different areas of the United States. Along with meeting the physical challenge of the trip, the riders have set aside 1 day a week for church and community work projects. The projects have ranged from clearing land for an inner-city church in Dallas, TX, to painting a nursery school in a ghetto area in Boca Raton, FL, to picking up trash and painting fire hydrants in Davenport, WA. Bob Davenport, Wandering Wheels director, estimates that the Circle America team will have donated over $50,000 in labor, calculated at minimum wage, by the trip's end.

A college curriculum has been incorporated into the perimeter trip, enabling the students who have taken on this challenge to earn college credit as they travel. Imagine the exceptional teaching materials afforded the instructors and students on the trip! The participants are experiencing firsthand on a daily basis the various social structures, differing terrain, and history of the places they visit.

I enthusiastically support the thrust of this excursion. I share Wandering Wheels' concern for encouraging young persons, as well as adults, to involve themselves in healthy spiritual, mental and physical discipline. the Circle America team is to be commended for these fine goals and for accomplishing the most ambitious mass cycling coeducational expedition ever attempted in the United States.●

ORDERS FOR FRIDAY

RECESS UNTIL 8:45 A.M.

Mr. DOLE. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 8:45 a.m. on Friday, October 25.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF SENATOR PROXMIRE

Mr. DOLE. I ask unanimous consent that following the recognition of the two leaders under the standing order, there be a special order in favor of the Senator from Wisconsin [Mr. PROXMIRE] for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. DOLE. Mr. President I ask unanimous consent that following the special orders just identified, there be a period for the transaction of routine morning business tomorrow not to extend beyond the hour of 9:30 a.m., with Senators permitted to speak therein for not more than 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. DOLE. Following routine morning business, the Senate will begin consideration of S. 1714, the farm bill. I say to my colleagues that I hope all those who agreed to offer their amendments tomorrow will do that

and I am certain there will be rollcall votes throughout the day.

If we start early, we ought to be able to complete what action we do on the farm bill, say, around 4 p.m.

RECESS UNTIL 8:45 A.M. TOMORROW

Mr. DOLE. Mr. President, there being no further business to come before the Senate, I move that the Senate stand in recess until 8:45 a.m. on Friday, October 25.

The motion was agreed to and, at 9:02 p.m., the Senate recessed until tomorrow, October 25, 1985, at 8:45 a.m.

EXTENSIONS OF REMARKS

THE PRESIDENT'S MESSAGE OF HOPE AT THE GENERAL ASSEMBLY OF THE UNITED NATIONS

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 24, 1985

Mr. BROOMFIELD. Mr. Speaker, today, the President delivered a powerful and moving address to the assembled world leaders who are at the United Nations to mark the 40th anniversary of that international organization.

President Reagan's message was both realistic and hopeful. He recounted the bright successes of the United Nations, as well as its dismal failures. He talked about America's commitment to that organization and of our country's hopes for a peaceful future.

The President honestly described United States-Soviet differences and the importance of resolving our disagreements through frank give and take.

He proposed a new initiative to resolve the many regional conflicts which trouble the world today and involve the interests of both our country and the Soviet Union. Our President proposed negotiations among the warring parties in these regional disputes followed by United States-Soviet discussions on these difficult issues. Most importantly, the President revealed his deep desire to make progress in his forthcoming meeting with Mr. Gorbachev in Geneva.

I am confident that President Reagan, not unlike most Americans, has a vision of peace for this turbulent world. He supports the efforts of the United Nations but has been disappointed by the failures and weaknesses of that organization. If the founders of that institution could come back and visit today, what would they say about that world body? What would they say about the avoidance of real problem solving? How would they react to the efforts of many to politicize issues and, unfortunately, to misuse resources?

Let us hope that the United Nations can address its shortcomings, follow its original charter and rededicate itself to advocating human rights and freedom as the building blocks for true peace on this planet.

Again, I congratulate President Reagan for a splended address and recommend the text of the President's speech to my colleagues in the House.

The speech follows:

ADDRESS BY THE PRESIDENT TO THE GENERAL ASSEMBLY OF THE UNITED NATIONS AT THE COMMEMORATION OF THE 40TH ANNIVERSARY OF THE UNITED NATIONS

Forty years ago, the world awoke daring to believe hatred's unyielding grip had finally been broken—daring to believe the torch of peace would be protected in liberty's firm grasp.

Forty years ago, the world yearned to dream again innocent dreams, to believe in ideals with innocent trust. Dreams of trust are worthy, but in these 40 years too many dreams have been shattered, too many promises have been broken, too many lives have been lost. The painful truth is that the use of violence to take, to exercise, and to preserve power remains a persistent reality in much of the world.

The vision of the U.N. Charter—to spare succeeding generations this scourge of war—remains real. It still stirs our souls and warms our hearts. But it also demands of us a realism that is rockhard, clear-eyed, steady and sure—a realism that understands the nations of the United Nations are not united.

I come before you this morning preoccupied with peace, with ensuring that the differences between some of us not be permitted to degenerate into open conflict. And I come offering for my own country a new commitment, a fresh start.

On this U.N. anniversary, we acknowledge its successes: the decisive action during the Korean War; negotiation of the Non-Proliferation Treaty; strong support for decolonization; and the laudable achievements by the U.N. High Commissioner for Refugees.

Nor must we close our eyes to this organization's disappointments: its failure to deal with real security issues, the total inversion of morality in the infamous Zionism-is-racism resolution, the politicization of too many agencies, the misuse of too many resources.

The U.N. is a political institution and politics requires compromise. We recognize that. But let us remember—from those first days, one guiding star was supposed to light our path toward the U.N. vision of peace and progress—the star of freedom.

What kind of people will we be 40 years from today? May we answer—free people, worthy of freedom, and firm in the conviction that freedom is not the sole prerogative of a chosen few, but the universal right of all God's children.

This is the Universal Declaration of Human Rights set forth in 1948. And this is the affirming flame the United States has held high to a watching world. We champion freedom not only because it is practical and beneficial, but because it is morally right and just.

Free people, whose governments rest upon the consent of the governed, do not wage war on their neighbors. Free people, blessed by economic opportunity, and protected by laws that respect the dignity of the individual, are not driven toward the domination of others.

We readily acknowledge that the United States is far from perfect. Yet we have endeavored earnestly to carry out our responsibilities to the Charter these past 40 years, and we take national pride in our contributions to peace:

We take pride in 40 years of helping avert a new world war and pride in our alliances that protect and preserve us and our friends from aggression. We take pride in the Camp David agreements and our efforts for peace in the Middle East rooted in resolutions 242 and 338; in supporting Pakistan, target of outside intimidation; in assisting El Salvador's struggle to carry forward its democratic revolution; in answering the appeal of our Caribbean friends in Grenada; in seeing Grenada's representative here today, voting the will of its own people. And we take pride in our proposals to reduce the weapons of war.

We submit this history as evidence of our sincerity of purpose. But today it is more important to speak to you about what my country proposes to do, in these closing years of the 20th century, to bring about a safer, a more peaceful, a more civilized world.

Let us begin with candor—with words that rest on plain and simple facts. The differences between America and the Soviet Union are deep and abiding.

The United States is a democratic nation. Here the people rule. We build no walls to keep them in, nor organize any system of police to keep them mute. We occupy no country. The only land abroad we occupy is beneath the graves where our heroes rest. What is called the West is a voluntary association of free nations, all of whom fiercely value their independence and their sovereignty. And as deeply as we cherish our beliefs, we do not seek to compel others to share them.

When we enjoy these vast freedoms as we do, it is difficult for us to understand the restrictions of dictatorships which seek to control each institution and every facet of people's lives, the expression of their beliefs, their movements, and their contacts with the outside world. It is difficult for us to understand the ideological premise that force is an acceptable way to expand a political system.

We Americans do not accept that any government has the right to command and order the lives of its people, that any nation has a historic right to use force to export its ideology. This belief—regarding the nature of man and the limitations of government—is at the core of our deep and abiding differences with the Soviet Union, differences that put us into natural conflict—and competition—with one another.

We would welcome enthusiastically a true competition of ideas, welcome a competition of economic strength and scientific and artistic creativity, and, yes, welcome a competition for the good will of the world's people. But we cannot accommodate ourselves to the use of force and subversion to consolidate and expand the reach of totalitarianism.

When Mr. Gorbachev and I meet in Geneva next month, I look to a fresh start in the relationship of our two nations. We can and should meet in the spirit that we

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member of the Senate on the floor.

Boldface type indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

can deal with our differences peacefully. That is what we expect.

The only way to resolve differences is to understand them. We must have candid and complete discussions of where dangers exist and where peace is being disrupted. Make no mistake: our policy of open and vigorous competition rests on a realistic view of the world. Therefore, at Geneva, we must review the reasons for the current level of mistrust.

For example, in 1972 the international community negotiated in good faith a ban on biological and toxin weapons; in 1975 we negotiated the Helsinki accords on human rights and freedoms; and during the decade just past, the United States and the Soviet Union negotiated several agreements on strategic weapons. Yet, we feel it will be necessary at Geneva to discuss with the Soviet Union what we believe are their violations of a number of the provisions in all of these agreements. Indeed, this is why it is important that we have this opportunity to air our differences through face-to-face meetings—to let frank talk substitute for anger and tension.

The United States has never sought treaties merely to paper over differences. We continue to believe that a nuclear war is one that cannot be won and must never be fought. That is why we have sought, for nearly 10 years, still seek, and will discuss in Geneva radical, equitable, verifiable reductions in these vast arsenals of offensive nuclear weapons.

At the beginning of the latest round of the ongoing negotiations in Geneva, the Soviet Union presented a specific proposal involving numerical values. We are studying the Soviet counter-proposal carefully. I believe that within their proposal there are seeds which we should nurture, and in the coming weeks we will seek to establish a genuine process of give-and-take.

The United States is also seeking to discuss with the Soviet Union in Geneva the vital relationship between offensive and defensive systems, including the possibility of moving toward a more stable and secure world in which defenses play a growing role.

The ballistic missile is the most awesome, threatening, and destructive weapon in the history of man. Thus, I welcome the interest of the new Soviet leadership in the reduction of offensive strategic forces. Ultimately, we must remove this menace—once and for all—from the face of this Earth.

Until that day, the United States seeks to escape the prison of mutual terror by research and testing that could, in time, enable us to neutralize the threat of these ballistic missiles and, ultimately, render them obsolete.

How is Moscow threatened—if the capitals of other nations are protected? We do not ask that the Soviet leaders—whose country has suffered so much from war—leave their people defenseless against foreign attack. Why then do they insist that we remain undefended? Who is threatened if Western research—and Soviet research that is itself well-advanced—should develop a non-nuclear system which would threaten not human beings, but only ballistic missiles?

Surely, the world will sleep more secure when these missiles have been rendered useless, militarily and politically, when the Sword of Damocles that has hung over our planet for too many decades is lifted by Western and Russian scientists working to shield their cities and their citizens and one day shut down space as an avenue for weapons of mass destruction.

If we are destined by history to compete, militarily, to keep the peace, then let us compete in systems that defend our societies rather than weapons which can destroy us both, and much of God's creation along with us.

Some 18 years ago, then-Premier Aleksei Kosygin was asked about a moratorium on the development of an anti-missile defense system. The official Soviet news agency, TASS, reported he replied with these words:

"I believe that defensive systems, which prevent attack, are not the cause of the arms race, but constitute a factor preventing the death of people. . . . Maybe an anti-missile system is more expensive than an offensive system, but it is designed not to kill people but to preserve human lives."

Preserving lives. No peace is more fundamental than that. Great obstacles lie ahead, but they should not deter us. Peace is God's commandment. Peace is the holy shadow cast by men treading on the path of virtue.

But just as we all know what peace *is*, we certainly know what peace is *not*.

Peace based on repression cannot be true peace and is secure only when individuals are free to direct their own governments.

Peace based on partition cannot be true peace. Put simply: nothing can justify the continuing and permanent division of the European continent. Walls of partition and distrust must give way to greater communication for an Open World. Before leaving for Geneva, I shall make major new proposals to achieve this goal.

Peace based on mutual fear cannot be true peace because staking our future on a precarious balance of terror is not good enough. The world needs a balance of safety.

Finally, a peace based on averting our eyes from trouble cannot be true peace. The consequences of conflict are every bit as tragic when the destruction is contained within one country.

Real peace is what we seek, and that is why today the United States is presenting an initiative that addresses what will be a central issue in Geneva—the resolution of regional conflicts in Africa, Asia, and Central America.

Our own position is clear: as the oldest nation of the New World, as the first anti-colonial power, the United States rejoiced when decolonization gave birth to so many new nations after World War II. We have always supported the right of the people of each nation to define their own destiny. We have given $300 billion since 1945 to help people of other countries. And we have tried to help friendly governments defend against aggression, subversion, and terror.

We have noted with great interest similar expressions of peaceful intent by leaders of the Soviet Union. I am not here to challenge the good faith of what they say. But isn't it important for us to weigh the record, as well?

—In Afghanistan, there are 118,000 Soviet troops prosecuting war against the Afghan people.

—In Cambodia, 140,000 Soviet-backed Vietnamese soldiers wage a war of occupation.

—In Ethiopia, 1,700 Soviet advisers are involved in military planning and support operations along with 2,500 Cuban combat troops.

—In Angola—1,200 Soviet military advisers involved in planning and supervising combat operations, along with 35,000 Cuban troops.

—In Nicaragua—some 8,000 Soviet bloc and Cuban personnel, including about 3,500 military and secret police personnel.

All of these conflicts—some of them under way for a decade—originate in local disputes but they share a common characteristic: they are the consequence of an ideology imposed from without, dividing nations and creating regimes that are, almost from the day they take power, at war with their own people. And in each case, Marxism-Leninism's war with the people becomes war with their neighbors.

These wars are exacting a straggering human toll and threaten to spill across national boundaries and trigger dangerous confrontations. Where is it more appropriate than right here at the United Nations to call attention to Article 2 of our Charter which instructs members to refrain "from the threat or use of force against the territorial integrity or political independence of any state. . . ."?

During the past decade these wars played a large role in building suspicions and tensions in my country over the purpose of Soviet policy. This gives us an extra reason to address them seriously today.

Last year I proposed from this podium that the United States and Soviet Union hold discussions on some of these issues, and we have done so. But I believe these problems need more than talk.

For that reason, we are proposing, and are fully committed to support, a regional peace process that seeks progress on three levels:

First, we believe the starting point must be a process of negotiation among the warring parties in each country I've mentioned—which, in the case of Afghanistan, includes the Soviet Union. The form of these talks may and should vary, but negotiations—and an improvement of internal political conditions—are essential to achieving an end to violence, the withdrawal of foreign troops and national reconciliation.

There is as second level: once negotiations take hold and the parties directly involved are making real progress, representatives of the United States and the Soviet Union should sit down together. It is not for us to impose any solutions in this separate set of talks. Such solutions would not last. But the issue we should address is how best to support the ongoing talks among the warring parties. In some cases, it might well be appropriate to consider guarantees for any agreements already reached. But in every case the primary task is to promote this goal: verified elimination of the foreign military presence and restraint on the flow of outside arms.

Finally, if these first two steps are successful, we could move on to the third—welcoming each country back into the world economy so its citizens can share in the dynamic growth that other developing countries—countries that *are* at peace—enjoy. Despite past differences with these regimes, the United States would respond generously to their democratic reconciliation with their own people, their respect for human rights, and their return to the family of free nations.

Of course, until such time as these negotiations result in definitive progress, America's support for struggling democratic resistance forces must not and shall not cease.

This plan is bold. And it is realistic. It is not a substitute for existing peace-making efforts; it complements them. We are not trying to solve every conflict in every region of the globe, and we recognize that each conflict has its own character. Naturally other regional problems will require differ-

ent approaches. But we believe that the recurrent pattern of conflict that we see in these five cases ought to be broken as soon as possible.

We must begin somewhere, so let us begin where there is great need and great hope. This will be a clear step forward to help people choose their future more freely. Moreover, this is an extraordinary opportunity for the Soviet side to make a contribution to regional peace which in turn can promote future dialogue and negotiations on other critical issues.

With hard work and imagination, there is no limit to what, working together, our nations can achieve. Gaining a peaceful resolution of these conflicts will open whole new vistas for peace and progress—the discovery that the promise of the future lies not in measures of military defense, or the control of weapons, but in the expansion of individual freedom and human rights.

Only when the human spirit can worship, create, and build, only when people are given a personal stake in determining their own destiny and benefitting from their own risks do societies become prosperous, progressive, dynamic, and free.

We need only open our eyes to the economic evidence all around us. Nations that deny their people opportunity—in Eastern Europe, Indochina, southern Africa, and Latin America—without exception are dropping further behind in the race for the future.

But where we see enlightened leaders who understand that economic freedom and personal incentive are key to development, we see economies striding forward. Singapore, Taiwan, and South Korea—India, Botswana, and China. These are among the current and emerging success stories because they have the courage to give economic incentives a chance.

Let us all heed the simple eloquence in Andrei Sakharov's Nobel Peace Prize message: "International trust, mutual understanding, disarmament and international security are inconceivable without an open society with freedom of information, freedom of conscience, the right to publish and the right to travel and choose the country in which one wishes to live."

At the core, this is an eternal truth. Freedom works. That is the promise of the Open World and awaits only our collective grasp. Forty years ago, hope came alive again for a world that hungered for hope. I believe fervently that hope is still alive.

The United States has spoken with candor and conviction today, but that does not lessen these strong feelings held by every American: It's in the nature of Americans to hate war and its destructiveness. We would rather wage our struggle to rebuild and renew, not to tear down. We would rather fight against hunger, disease, and catastrophe. We would rather engage our adversaries in the battle of ideals and ideas for the future.

These principles emerge from the innate openness and good character of our people—and from our long struggle and sacrifice for our liberties and the liberties of others. Americans always yearn for peace. They have a passion for life. They carry in their hearts a deep capacity for reconciliation.

Last year at this General Assembly, I indicated there was every reason for the United States and the Soviet Union to shorten the distance between us. In Geneva—the first meeting between our heads of government in more than 6 years—Mr. Gorbachev and I will have that opportunity.

So, yes, let us go to Geneva with both sides committed to dialogue. Let both sides go committed to a world with fewer nuclear weapons—and some day with none. Let both sides go committed to walk together on a safer path into the 21st century and to lay the foundation for enduring peace.

It is time, indeed, to do more than just talk of a better world. It is time to act. And we will act when nations cease to try to impose their ways upon others. And we will act when they realize that we, for whom the achievement of freedom has come dear, will do what we must to preserve it from assault.

America is committed to the world, because so much of the world is inside America. After all, only a few miles from this very room is our Statue of Liberty, past which life began anew for millions—where the peoples from nearly every country in this hall joined to build these United States.

The blood of each nation courses through the American vein—and feeds the spirit that compels us to involve ourselves in the fate of this good Earth. It is the same spirit that warms our heart in concern to help ease the desperate hunger that grips proud people on the African continent.

It is the internationalist spirit that came together last month when our neighbor, Mexico, was struck suddenly by an earthquake. Even as the Mexican nation moved vigorously into action—there were heartwarming offers by other nations offering to help and glimpses of people working together, without concern for national self-interest or gain.

And if there was any meaning to salvage out of that tragedy, it was found one day in a huge mound of rubble that was once the Juarez Hospital in Mexico City.

A week after that terrible event and as another day of despair unfolded—a team of workers heard a faint sound coming somewhere from the heart of the crushed concrete and twisted steel. Hoping beyond hope, they quickly burrowed toward it.

As the late afternoon light faded, and racing against time, they found what they had heard—and the first of three baby girls—newborn infants—emerged to the safety of the rescue team.

Here is the scene through the eyes of one who was there. "Everyone was so quiet when they lowered that little baby down in a basket covered with blankets. The baby didn't make a sound, either. But the minute they put her in the Red Cross ambulance everybody just got up and cheered."

Well, amidst all that hopelessness and debris came a timely—and timeless—lesson for us all. We witnessed the miracle of life.

It is on this that I believe our nations can make a renewed commitment. The miracle of life is given by One greater than ourselves. But once given, each life is ours to nurture and preserve—to foster not only for today's world but for a better one to come.

There is no purpose more noble than for us to sustain and celebrate life in a turbulent world. That is what we must do now. We have no higher duty—no greater cause as humans. Life—and the preservation of freedom to live it in dignity—is what we are on this Earth to do.

Everything we work to achieve must seek that end so that some day our prime ministers, our premiers, our presidents and our general secretaries will talk not of war and peace—but only of peace.

We've had 40 years to begin. Let us not waste one more moment to give back to the world all that we can in return for this miracle of life.

Thank you.

UNIONISM STILL NEEDED

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 24, 1985

Mr. FORD of Michigan. Mr. Speaker, I want to share with my colleagues a speech given by Wayne County Sheriff Bob Ficano to UAW members at local 483 in Romulus, MI, earlier this month. I found Sheriff Ficano's viewpoint insightful when I heard his remarks at this meeting. His speech follows:

STATEMENT OF BOB FICANO, SHERIFF, WAYNE COUNTY, MI

It is an honor and pleasure to be with you today on this special occasion.

My remarks will be relatively short. One of the second times that I did meet Clarence was out at Standard Tube during a strike that was going on. That was one of the first experiences that I ever had. I was in the office only 2 weeks at that time. I have had some experience obviously with the UAW.

My grandfather came out of local 600. He had been bringing me to events since I was about 5 years old. He eventually retired from local 182.

That day the sheriff's department was supposed to have exercises with the Redford Police Department. They were to be in the park. I will never forget. I drove to the police department and they said the chief was around Telegraph and Plymouth Road. My grandmother had lived in that area and I could not remember a park there. I drove down and one of the first people I saw was the UAW person out in the middle of the street who had a yellow jacket on. I think Frank Runnels, your regional director, had just been elected. In fact, he had just come in from California right at the time of the strike. I will never forget seeing that and there were probably over 200 UAW members.

They had the State police, the local Redford police, everyone lined up along the left hand turn lane that faced Standard Tube. I will never forget the police chief coming up to me. He said Robert, we are going to have to bring them through. I said what's this all about? He said well there wasn't even a court injunction at the time of the pickets or anything. We are going to have to bring them through. It is our obligation as police officers to do this.

Well, I said I know quite a few of those people that are on the other side. I also felt that they were reasonable. I said, can we go over and talk to them. He said, oh no, no, no, it is too dangerous. So I think I gave him a heart attack cause I actually went right in the middle. I saw Frank and I said can we talk about it. I happened to know the drug store owner that was right across the street. As I said my grandmother lived in that area and I spent many many summers there. I figured we could use their back room, and sure enough they had a little storage area. At that point we got the supervisor of the township, James Kelly, the chief of police, myself and Frank got the owner on the phone. I told him at that time that I thought it was highly dangerous. I will never forget what he called them.

Obviously they were scabs that they were trying to bring in, but he kept referring to them as "replacement personnel". I said to him you know you may think this is rather funny, but you are sitting on the property and your officers can see all of Plymouth Road and all the activity. If we try to bring anybody through, obviously, somebody's going to get hurt. Either someone on the pickets or one of the police officers. I said you know in the very end you are going to be nice and safe and sound and you know we are going to have this conflict and yet you are going to end up benefitting from this and no one else is. But I suggest, why don't you come out and why don't you try to negotiate a contract. And sure enough by the power of persuasion he did come out and they ended up at a tavern, I guess, about a block and a half down. They got the owner and Frank and the local president.

Unfortunately, I don't think they ever did work out the contract. That was one of the first experiences that I had coming from the job. A lot of it really had to do with my background of being close to labor. I am not embarrased by it at all. In fact, we have been able to carry it over into the sheriff's department through cooperation and not confrontation. I have over five unions that I deal with myself in the sheriff's department. We have been able to arrange a lot of cooperation and a lot of projects that we have started on. And, I can tell you a lot of accomplishments that we've had in the sheriff's department, but I am not really here to talk to you about that day.

I've become very concerned as the Congressman has about not only unions, but also the Democratic Party. You know, many people, especially the Republicans, are now starting to question if we've not done too much for unions. I see the union movement as one of the greatest forces for good in this Nation's history. It was less than a lifetime ago that you could work yourself to death, in a system that would take from those who labored everything it could and give back as little as possible. It was less than 100 years ago that children worked like slaves; that scores died in burning buildings where working people had been packed in under intolerable conditions and it was less than 100 years ago that this Nation operated largely on the assumption that the rich should get rich at the expense of the working class, even if it killed the working class. Government worked to help the rich man by making way for railroads, by providing them with land, by arranging for international trading. But less than 100 years ago Government did very little for the worker.

In the past few years, we have heard a lot about corporate profits and the good corporations do for us. I agree, corporations are needed and are obviously an integral part of our free enterprise system but what we don't hear about, what we seem some times to be forgetting, are the coal miners who choked to death to make their owners rich, working women in Southern textile mills who have been treated little better than animals, and the ugly exploitations of the early auto industry. We too soon forget the pain and injustice that were casually heaped upon millions of people.

The union movement was nothing more than an expression of basic decency and fairness. It was a movement that said that people who worked for a living because they had to—the people who fill the front rows in the shift, who work in the factory, who serve the institutions of commerce and who deliver Government services—should not be abused; rather, they should be dealt with fairly. They should be paid a decent wage, should be protected against accidents and should be provided for in their old age because they earned it. In fact, ever since Adam and Eve, human nature has needed to be coaxed into doing the right thing. And so we needed the union movement and we got it. Thank God for people like Samuel Gompers, William Green, Walter Reuther and that generation of giants for the union movement. But what they really did for the people of this State, they kept families intact, for the fairness and decency the union movement has brought to American society. I think it is right, now, to remember the union movement. But I think it is more than right. I think it is necessary today, because of the challenge that unions face.

I guess the best way to express it is to look at it ourselves. I have a copy of an interview by a woman. She was a member of the UAW and was interviewed on television about 6 months after the Reagan landslide in 1984. These were her words. "We used to be politically active. Then we got good contracts from the unions and we got a winter vacation and even a summer vacation. We got wall-to-wall carpeting and freezers and new cars. Then when new workers came on over the years, we're looking pretty good. We're in the middle class. We don't become politically active any more with the union or with Government. We believe that Reagan was the guy who would protect what we had. We were wrong. Now we have to start waking up. We didn't get what we have from Reagan. We didn't get it by walking away from the unions or from political fights. We got it from tough unions that fought for what they wanted. Now we've got to wake up. There's a movement afoot in this land not just to knock out the unions, but to knock everybody out. All unions."

I tell you brothers and sisters, I am awake. I know you are, too. And together we can wake up this State. I have a hard time believing that here in the State of Michigan, we can't continue to pursue jobs that we have to continue exporting them. I refuse to believe that this great State, that makes cars, this great State with its technology of General Motors, Ford and Chrysler—can't continue to build cars. We have the labor. Lord knows we have the labor. We have the skills. We have the capital. It is a disgrace and a failure of the worst kind to send those jobs away to foreign lands.

But people like Governor Blanchard, Congressmen like Ford and Dingell need your help. Not your neutrality. The people who discovered this great land didn't do it by being neutral. The people who built our Nation didn't do it by being neutral. The people who fought the goons and the greedy and unenlightened Government to form your unions didn't do it by being neutral. And believe me none of you are going to survive by being neutral.

You can't win this fight from the front row. You are going to have to fight as you always have, only harder. You are going to have to be heard. Ronald Reagan and even on the country level, Bill Lucas, the new right, they all ask the same question: What does labor want? We have to tell them clearly. We have to remind them that it's the same question they asked Walter Reuther nearly 50 years ago. The answer is really simple. We want jobs, job security and a decent wage. I don't think there is any complexity to the whole equation here.

But it seems that on many occasions we seem to forget our own labor and democratic heritage. A lot of my friends who are my age, ask me, why do you march in the Labor Day Parade? My answer is simple. I remember where my roots are. You see, I'm a product of labor and the working middle class. I personally feel that I am one of the luckiest people in the world to be in the position I am. I have a law degree. I am a public official and I feel very fortunate to be in this position.

My grandparents and father were immigrants to this country from Italy. They had no college education, but they had simple family desires. They were willing to work hard to obtain some of the simple pleasures of life. They were willing to make sure that their son and grandson would get a college education. But, they were only able to achieve this dream through the help of the labor movement and the Democratic Party. Could they possibly have owned a home, simple as it was, a car, and send me to college, on 25 cents an hour? Obviously they couldn't have.

What upsets me is how my generation is forgetting how our parents had to struggle. If it were not for the gains made by labor, there would be no middle class in America today.

I find it totally amazing that Ronald Reagan can speak of family, church and community, when many of the policies of his administration destroy those very institutions. We in this room are also at fault, because we have not passed on to the next generation the history of the struggle that occurred to get us to our present level.

What bothers me is how people of my generation believe in the false promises of the Republican Party and President Reagan. He truly believes only the select few can make it to a comfortable life. Labor and the Democratic Party believe everyone should be given the opportunity to make it to a comfortable life.

The same people today who support President Reagan and the economic policies never would have obtained their economic freedom today to be yuppies or middle class or whatever you want to call them if his philosophy would have been in place for the past 50 years.

I get upset with Ronald Reagan speaking on values of home, church and community. Yet, we should pause and we should remember. My generation should remember what our parents taught us and experienced. Many of the principals they taught us are inbred really by the Democratic administration especially starting with FDR.

I often speak of our parents as having taught us love. They taught us different kinds of love. They taught us love for God. We as a nation are deeply spiritual people, inbred with a powerful sense of right and wrong. I don't need Ronald Reagan to legislate morality for me. Therefore, as people (Democrats) we're passionate for justice. And because we believe in a merciful God, we are compassionate people.

Our parents and Democrats taught us love of country, this country. Our parents love of their adopted country was founded on the evidence of their own lives. America afforded them dignity. They taught us love of family. The love of parents toward their children and of children toward their parents. All of this was inbred by Democrats and Democratic institutions.

I think some times we get swept away in thinking that the Republicans, that the President does have the answer to everything. But really the Democrats have been supplying for generations.

Now really, all of us have some type of role to play. Some of our problems we discussed and some of the things you have been hearing out of sourcing. In fact we have it right here in Wayne County. One of the biggest controversies that has erupted is that Bill Lucas has attempted to bring privatization right in the Wayne County Sheriff's Department. We find it quite humorous that he actually had to deal with the unions and the unions had a contract up to 1986. What was amazing about it is that these were two of the unions he had imposed a contract and in the contracts it states there should be no subcontracting of their work. He decided that he would impose the privatization regardless of what I, the sheriff, wanted, regardless of what the unions wanted and regardless of what the contract said.

The way he wanted to save the money was to cut a $5 million budget to $1.5 million. Just with the arithmetic alone, if you can imagine cutting $3.5 million out of a $5 million budget what kind of services are going to be delivered. But, he didn't answer that question. For example, they were going to eliminate 58 jobs by saving $3.5 million. Unfortunately, in the first article anyway, the press did ask if you were to divide the $3.5 million by 58 jobs that means everybody was earning over $70,000. Regardless of what you might think is going on in the county, the employees are not paid that well. The doctors in the medical unit are not even paid $70,000 a year. It just goes to show you that the press immediately saw that they were going to save $3.5 million.

Finally, after calling the free press the savings issue was enough to attract their attention. They finally took a close look at it. They found that under the proposal, all that it really did was transfer around 10 different jobs to different locations and really didn't save any money at all.

In fact, what was so ironic is that this medical unit had been surveyed or judged by what is known as the "National Institute of Corrections" and they found that it was one of the most effective and efficient jail medical administrations in the United States. And with that, these are some of the issues that we are facing in the county.

In conclusion, I guess all of us have a role to play and some of the problems we face could be solved soon, others can be solved in time, but nothing is going to happen, nothing will move unless we start today.

Of course, there are those who prefer to dwell more on their fears than their hopes. There are those who would prefer to curse the darkness rather than light a candle. Blame the past, rather than work to share the future.

But, I think together with these opportunities, labor and the Democratic Party is on the march toward greatness for it's followers and really what we want is jobs and job security.

I would like to leave you with one final thought. It has been said that youth measures in only one direction, from the things that they are to the ideal of what things ought to be; while the elderly measure things as they are against a past that they remember. I know all of you here today will never become patient about the gap between what is and what ought to be.

Thank you. It was certainly a pleasure being here today.

GRAMM-RUDMAN AMENDMENT

HON. MICKEY LELAND

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 24, 1985

Mr. LELAND. Mr. Speaker, I would like to bring to the attention of my colleagues, three letters showing the true effects of the Gramm-Rudman balanced budget amendment. The letters are from the U.S. Catholic Conference, the Children's Foundation, and Bread for the World. They are important because they eloquently point out the unfair and prejudiced nature of the Gramm-Rudman plan, a proposal that unfairly places the burden of balancing the budget on the backs of the poor, the sick, the elderly and all needy peoples in this country.

If there is any doubt as to what the administration's true intentions are, I offer as evidence comments made yesterday by the Secretary of Defense. Mr. Weinberger stated if Gramm-Rudman were passed, he thought the President "would not feel required to make any reductions in defense * * * we can't have our defense and our security policy be a total prisoner of a rigid formula." Mr. Speaker, I say that we cannot and must not make disadvantaged Americans prisoners of the President's misguided economic policies.

I urge my colleagues to read the following letters:

U.S. CATHOLIC CONFERENCE, DEPARTMENT OF SOCIAL DEVELOPMENT AND WORLD PEACE,
Washington, DC, October 16, 1985.

DEAR REPRESENTATIVE: On behalf of the United States Catholic Conference I am writing to call your attention to the likely negative impact on the poor of the Gramm-Rudman balanced budget amendment.

As the House begins deliberations on this proposal, we urge you to give careful consideration to the far-reaching consequences a balanced budget plan may have on programs that provide basic necessities for the poor. Over the past four years, reductions in low-income programs have been deeper than the cuts in virtually any other area of the budget. Millions of families have been severely affected by these budget cuts.

The budget deficit is a massive and serious problem. We encourage you to continue to explore responsible ways to reduce the deficit. We believe, however, that additional cutting in programs for the poor is not an acceptable method of dealing with the problem. The basic needs of the poor must take precedence over other areas of the budget that are less fundamental to the protection of human dignity. Therefore, as you craft a plan to reduce the federal deficit, we urge you to exempt low-income programs (e.g., Food Stamps, Medicaid, AFDC, SSI, low-income housing) from any further cuts. We are also concerned about the potentially adverse impact of Gramm-Rudman on foreign aid programs that help the poor in the developing countries, programs which we have consistently supported.

Thank you for consideration of these views.

Sincerely yours,

Rev. J. BRYAN HEHIR.

THE CHILDREN'S FOUNDATION,
Washington, DC, October 15, 1985.

DEAR REPRESENTATIVE: The Children's Foundation is opposed to the Gramm-Rudman "Balanced Budget" amendment as the vehicle for deficit reduction. This approach disproportionately effects the poor. If such legislation is considered provisions must be enacted to protect entitlement and discretionary programs from further budget reductions.

As currently proposed H.J. Res. 372 exempts Social Security and nearly 40 percent of the defense budget. All other programs, however, are subject to automatic cost reductions. Child nutrition, Head Start and school lunches for the poor will be among those programs cut. Some programs will be eliminated entirely. Since 1981, programs benefiting low income persons have been cut by $56 billion. Further reduction in services to the poor is unconscionable.

Furthermore, the plan makes no distinction between deficits resulting from slow economic growth or tax and spending policy deficits. Economic growth influences the size of the budget deficit. During periods of slow economic growth the unemployment rate escalates and consequently tax revenues are reduced, the deficit rises. An estimated one percentage point increase in the unemployment rate would spur about a $40 billion increase in the deficit.

The Gramm-Rudman measure requires rigid adherence to deficit targets resulting in more social spending cuts, despite the fact that deficit increases may be directly related to adverse economic conditions. While the measure has an "escape clause" there is little evidence of its effectiveness. The clause extends from 14 to 30 days the time the President can issue his automatic spending reduction order. If the President chooses not to delay the order or if a compromise cannot be reached with Congressmembers the cuts automatically go into effect.

The recession provision only applies when OMB and CBO predict negative economic growth, with the GNP in decline. Since OMB and CBO have never predicted a recession, not even the recession of 1981–1982, future predictions are unlikely.

Grappling to control the deficit is a complex issue, yet I hope that in your deliberations you weigh the full impact of H.J. Res. 372.

Sincerely,

BARBARA BODE, *President.*

BREAD FOR THE WORLD,
October 14, 1985.

DEAR REPRESENTATIVE: Bread for the World is deeply concerned about the passage of the Gramm-Rudman-Hollings "Balanced Budget" amendment by the House of Representatives. We are deeply concerned for several reasons, but principally because of its implications for hungry people both in the U.S. and abroad. The amendment calls for a balanced budget by FY 1991 through mandatory spending reductions, however, approximately 50 percent of the budget would be exempt, placing a disproportionate burden on means tested entitlements and low-income discretionary programs. Programs which collectively have been reduced by $56 billion since 1981—with $34 billion of this total targeted specifically to programs serving poor people—are hardly the reason for the budget deficits we now suffer from, and will hardly contribute to the retirement of the deficit without broad programmatic elimination. The prospect of this is uncon-

scionable in a time when hunger is on the increase in the United States and around the world.

Bread for the World shares Congress' concern over the ever-increasing federal budget deficit and its impact on the domestic and international economies. However, it is grossly unfair and irresponsible to exempt almost 40 percent of the defense budget, social security for middle and upper income Americans, and tax expenditures which benefit middle and upper income taxpayers at the expense of the poor. All low-income programs including the earned income tax credit should be exempt from any "balanced budget" compromise. Those foreign assistance programs which contribute directly to hungry peoples' abilities to combat hunger and malnutrition should also be exempt.

Bread for the World hopes that you share our concerns and will fight to exempt these program areas from any deficit reduction compromise.

Sincerely,

ARTHUR SIMON,
Executive Director.

CONSTITUTIONALITY OF GRAMM-RUDMAN

HON. TRENT LOTT

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 24, 1985

Mr. LOTT. Mr. Speaker, because some Members have raised concerns about the constitutionality of the Gramm-Rudman Balanced Budget and Emergency Deficit Control Act as included in House Joint Resolution 372, I asked the American Law Division of the Congressional Research Service to prepare a constitutional analysis of the controversial provisions.

In its memorandum of October 21, 1985, the American Law Division responded that the Gramm-Rudman amendment does not violate the Constitution on any of the four grounds questioned. While others may continue to disagree, I think there are sufficient constitutional grounds for proceeding with this approach. At this point I include the full text of the American law memorandum:

CONGRESSIONAL RESEARCH SERVICE,
Washington, DC, October 21, 1985.

To: Honorable Trent Lott, Attn: Don Wolfensberger.

From: American Law Division.

Subject: Various Questions Raised by Gramm-Rudman Deficit Reduction Proposal.

This memorandum discusses four questions that you have raised regarding the validity of aspects of the so-called Gramm-Rudman deficit reduction amendment to the debt ceiling bill (H.J. Res. 372). The time frame imposed by the legislative consideration of this measure necessitates that the response be brief and that background information on the measure as a whole be omitted. Your questions are treated seriatim.

1. Is the inclusion of the Congressional Budget Office in determining deficit amounts an unconstitutional delegation of executive powers to an agent of Congress under the *Buckley* v. *Valeo* decision?

Under Gramm-Rudman, CBO and OMB are to estimate total revenues and outlays each fiscal year, determine whether any deficit exceeds the maximum deficit amount set by law by a statistically significant amount, and estimate the rate of economic growth for the year and for each quarter of the year. If they disagree on any amount, the average amounts are to be reported. These figures are then reported to the President and Congress, along with the percentage by which automatic spending increases and controllable expenditures must be reduced in order to eliminate the excess deficit. Any reductions made in such programs must be by a uniform percentage.

The Court in *Buckley* v. *Valeo*, 424 U.S. 1 (1976), held that the composition of the Federal Election Commission, which at the time included members appointed by officers of Congress, violated the Constitution's appointments clause which requires that "Officers of the United States" be either appointed by the President by and with the advice and consent of the Senate or, in the case of so-called inferior officers, appointed by the President alone, a head of a department or a court of law. Art. II, Sec. 2, cl. 2. The term "Officers of the United States" was held to have substantive meaning whose "fair import is that any appointee exercising significant authority pursuant to the laws of the United States is an 'Officer of the United States,' and must, therefore, be appointed in the manner prescribed by [sec.] 2, cl. 2, of that Article." 424 U.S. at 126. Those not appointed in accordance with Article 2 may "properly perform duties only in the aid of those functions that Congress may carry out by itself, or in an area sufficiently removed from the administration and enforcement of the public law as to permit their being performed by persons not "Officers of the United States'." 424 U.S. at 139. The Court held that while the fact finding and investigatory functions of the FEC could be performed by non-officers, the rulemaking and enforcement duties, including "determinations of eligibility for funds," must be vested in persons appointed in accordance with Article 2 of the Constitution. 424 U.S. at 140.

The functions of both CBO and OMB under this provision of Gramm-Rudman would appear to be fact finding and information gathering, functions of the type the Court in *Buckley* held could be performed by non-officers. The bulk of these functions regarding forecasts of revenues, budget outlays, and economic growth are already performed by CBO and are publicly available. See, 2 U.S.C. 602, 603(a). It would not seem contrary to the *Buckley* analysis to hinge presidential action on the statistical findings arrived at by CBO (and OMB) presumably by means of objective, traditional methodologies. Furthermore, CBO is not the only actor in the process but is a partner with OMB, an executive agency, in determining the various amounts under the proposals.

The CBO (and OMB) calculations form the standard by which the President is to apply uniform percentage cuts in affected programs. The proposal would, in effect, reference those calculations and adopt them as the standard for executive action. Such a role for CBO would seem far removed from enforcement and administration, the type of duties that the *Buckley* court held must be performed by persons appointed in accordance with Article II of the Constitution.

2. Is the delegation of sequestering authority to the President violative of the constitutional lawmaking process as per the *Chadha* decision?

The Court in *INS* v. *Chadha*, 462 U.S. 919 (1983), struck down the legislative veto as contrary to the Constitution's presentment and bicameralism requirements. It held that Congress could not take actions that are legislative in character by means short of legislation. The Court spoke to Congress' ability to make law and held that to do so it must follow the explicit commands of the Constitution governing such congressional actions.

The Court specifically addressed the argument that the executive's action (in *Chadha*, the Attorney General's decision to suspend deportation) also "made law" but did not comply with presentment and bicameralism. In rejecting the analogy between the executive's action and the legislative veto, the Court made clear that what the executive is doing is not lawmaking but rather executing a law passed by Congress. The Constitution imposes no procedural mandates on the faithful execution of the laws by the President. There may be constitutional restraints on Congress in terms of the scope of delegations to the executive. That, however, is a question of delegation doctrine not a *Chadha* question, as the Court made clear. The Court's treatment of this issue is worth extensive quotation:

To be sure, some administrative agency action—rulemaking, for example—may resemble "lawmaking." See 5 U.S.C. § 551(4), which defines an agency's "rule" as "the whole or part of an agency statement of general or particular applicability and future effect designed to implement, interpret, or prescribe law or policy. . . . " This Court has referred to agency activity as being "quasi-legislative" in character. Humphrey's Executor v. United States, 295 U.S. 602, 628 (1935). Clearly, however, "[i]n the framework of our Constitution, the President's power to see that the laws are faithfully executed refutes the idea that he is to be a lawmaker." Youngstown Sheet & Tube Co. v. Sawyer, 343 U.S. 579, 587 (1952). See Buckley v. Valeo, 424 U.S., at 123. When the Attorney General performs his duties pursuant to § 244, he does not exercise "legislative" power. See Ernst & Ernst v. Hochfelder, 425 U.S. 185, 213-214 (1976). The bicameral process is not necessary as a check on the Executive's administration of the laws because his administrative activity cannot reach beyond the limits of the statute that created it—a statute duly enacted pursuant to Art. I, §§ 1, 7. The constitutionality of the Attorney General's execution of the authority delegated to him by § 244 involves only a question of delegation doctrine. The courts, when a case or controversy arises, can always "ascertain whether the will of Congress has been obeyed," Yakus v. United States, 321 U.S. 414, 525 (1944), and can enforce adherence to statutory standards. See Youngstown Sheet & Tube Co. v. Sawyer, supra, at 585; Ethyl Corp. v. EPC, 176 U.S. App. D.C. 373, 440, 541 F.2d 1, 68 (en banc) (separate statement of Leventhal, J.), cert. denied, 426 U.S. 941 (1976); L. Jaffe, Judicial Control of Administrative Action 320 (1965). It is clear, therefore, that the Attorney General acts in his presumptively Art. II capacity when he administers the Immigration and Nationality Act. Executive action under legislatively delegated authority that might resemble "legislative" action in some respects is not subject to the approval of both Houses of Congress and the President for the reason that the Constitution does not so require. That kind of Executive action is always subject to check by the terms of the legislation that authorized it; and if that authority is exceeded it is

open to judicial review as well as the power of Congress to modify or revoke the authority entirely. A one-House veto is clearly legislative in both character and effect and is not so checked; the need for the check provided by Art. I, §§ 1,7, is therefore clear. Congress' authority to delegate portions of its power to administrative agencies provides no support for the argument that Congress can constitutionally control administration of the laws by way of the congressional veto. 462 U.S. at 953–4, n. 16.

The delegation doctrine alluded to by the Court above is the principle that to be constitutionally valid, delegations of power by the Congress to the President must contain standards and be bounded by criteria to guide executive action. Attached is a memorandum that discusses Gramm-Rudman in terms of the delegation doctrine. It concludes that the proposal—at least on its face—arguably contains sufficient standards, criteria and limitations to save it from constitutional challenge on delegation grounds.

3. Does mandating that the President's budget submission contain a specific deficit level violate the President's authority under the Constitution to make such recommendations to Congress as he deems necessary?

Article II, Section 3 of the Constitution provides that the President "shall from time to time give to the Congress Information of the State of the Union, and recommend to their consideration such Measures as he shall judge necessary and expedient." Section 3(c) of Gramm-Rudman would amend 31 U.S.C. 1105 to require that the deficit contained in the budget submitted thereunder not exceed the maximum deficit amounts set forth in the proposal.

Nothing in Gramm-Rudman prohibits the President from submitting any proposal or budget he desires. It merely requires him to submit one budget in which deficits are consistent with statutorily established ceilings. In fact, section 3(d)(2) invites the President to propose alternative ways to reduce the deficit. Of course, nothing prevents him from also recommending deficits that may exceed the statutory limits. He may recommend, but Congress need not enact.

Congress may impose mandatory duties and reporting requirements on the President. The Constitution imposes on the President the duty to faithfully execute the laws, Article II, section 3, and the Court has held that "it would be an alarming doctrine, that Congress cannot impose upon any executive officers any duty they may think proper, which is not repugnant to any rights secured and protected by the Constitution." *Kendall* v. *United States ex rel. Stokes*, 37 U.S. 524 610 (1838). See, *National Treasury Employees Union* v. *Nixon*, 492 F.2d 587 (D.C. Cir. 1974) (requirement that President implement comparability pay adjustment for federal employees or submit alternative plan subject to mandamus by federal court). The imposition of a particular reporting requirement—in this case a budget that is within certain statutory guidelines—does not, however, preclude the President from submitting other budgets or any other recommendations pursuant to his authority to "recommend to [Congress'] Consideration such measures as he shall judge necessary and expedient."

4. Do any provisions in Gramm-Rudman violate the Constitutional right of each House to determine the rules of its proceedings?

Gramm-Rudman requires that certain of its internal procedural requirements may be waived only by three-fifths vote. Sections 3(f), (g). It also would make amendments to the congressional budget process and the rules governing its consideration in Congress. The proposal explicitly recognizes, however, in Section 3(d), that the "provisions of this Act other than those relating to the activities of the executive branch, are enacted by the Congress—. . . (2) with full recognition of the constitutional right of either House to change such rules (so far as relating to such House) at any time, in the same manner, and to the same extent as in the case of any other rule of such House."

Article I, section 5, clause 2 of the Constitution empowers "each House [to] determine the rules of its proceedings . . ." This internal rulemaking authority is an inherent constitutional power. See, *INS* v. *Chadha*, 462 U.S. 919, 956 n.21 (1983). A statute or rule of a prior Congress cannot remove or limit this rulemaking power from future Congresses. See, Deschler's Precedents of the House of Representatives, chap. 5, sec. 3; Constitution, Jefferson's Manual, and Rules of the House of Representatives, H. Doc. No. 97-271, 97th Cong., 2d Sess. Sec. 58 (1983). Gramm-Rudman appears to recognize this principle. Even without the disclaimer in section 3(k), future Congresses could exercise their internal rulemaking authority to effectuate procedures at variance with those outlined in Gramm-Rudman.

RICHARD EHLKE,
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American Law Division.

CONRAIL SHOULDN'T BE SOLD TO NORFOLK SOUTHERN

HON. THOMAS M. FOGLIETTA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 24, 1985

Mr. FOGLIETTA. Mr. Speaker, I want to share with my colleagues today's editorial from the Philadelphia Inquirer. In the not too distant future, Congress will have to make a decision on the disposition of Conrail. The following editorial outlines succinctly the reasons Norfolk Southern's bid should be rejected and an independent Conrail preserved.

CONRAIL SHOULDN'T BE SOLD TO NORFOLK SOUTHERN

It has become increasingly uncertain in recent weeks whether Congress will act this year on proposals for the sale of Conrail but it now is abundantly clear that, one way or another, Transportation Secretary Elizabeth Hanford Dole's recommendation that it be sold to the Norfolk Southern Corp. should be rejected. That could be done by congressional action if necessary but more appropriately by Mrs. Dole's withdrawing her recommendation or Norfolk Southern's rescinding its purchase offer.

The Norfolk Southern proposal, embraced by Mrs. Dole in February, appeared shaky from the start. It has become a growing embarrassment with each passing month. Testimony at public hearings and authoritative analyses have demonstrated that selling Conrail to Norfolk Southern would be detrimental to the national interest and jeopardize competitive railroad-freight service in the Northeast and Midwest, where Conrail operates.

A particularly devastating blow was dealt last month by the Interstate Commerce Commission in a report to the House public works and transportation subcommittee chaired by Rep. James J. Florio (D., N.J.). The ICC concluded that acquisition of Conrail by Norfolk Southern would place in doubt the long-term viability of smaller railroads serving portions of the same territory.

The ICC's report gives added validity to earlier findings of the U.S. Railway Association (USRA), which monitors Conrail operations for Congress. It reported in July that regional railroads operating in Conrail's territory would lose substantial volumes of traffic if it were acquired by Norfolk Southern, raising questions about their ability to remain in business.

At the outset, the Justice Department ruled that a Norfolk Southern takeover would violate antitrust laws unless significant trackage was divested to smaller railroads. The subsequent ICC and USRA findings suggest that, even with divestiture, the outlook for small lines would be bleak and rail-freight customers in some areas could find themselves at the mercy of a Norfolk Southern monopoly.

Moreover, the basic rational for selling Conrail to Norfolk Southern—namely, that Conrail could not stand alone—is no longer valid. Conrail, with net income of $500 million in 1984, is now well on its way to a fifth consecutive year of profitability. USRA has informed Congress that Conrail should remain profitable at least through the remainder of the 1980s.

There also are questions about the adequacy of Norfolk Southern's bid. It could become a government giveaway considering tax benefits that would accrue. But with a sale to Norfolk Southern demonstrated to be unwise because of other factors, there is no point in haggling over price.

The proper course for Congress now is to devote its attention to options that would preserve Conrail as an independent railroad. One way to do that would be through a public offering of stock. A consortium headed, by Morgan Stanley & Co., a New York investment firm, has proposed to buy Conrail and offer most or all of the stock for sale to the public.

Congress has not yet fully explored Morgan Stanley's proposal and there are many questions to be answered. That should be the focus of congressional attention in weighing Conrail's future.

Norfolk Southern has become a distraction. It received a fair hearing on an offer that was scrutinized and found wanting. It should step aside and let Congress move on to other options.

THE MEDICAL CARE GAP IN OUR NATION'S DEFENSES

HON. JOHN T. MYERS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 24, 1985

Mr. MYERS of Indiana. Mr. Speaker, in spite of the commendable efforts by the Reagan administration to improve our Nation's defenses, there are still serious shortcomings. One of these gaps is our shortage of medical personnel. We do not have enough such personnel available to treat our wounded in case of war. According to recent estimates, six out of every seven

wounded might not survive for lack of prompt medical attention. Thus, the cream of our regular forces could be devastated in the first 6 weeks of a war. Certainly, if war comes, the present law could be changed and the necessary number and type of medical personnel drafted to fill these gaps, but that would take too long and our Nation's young men would be dying for lack of care in the meantime. Further, such a situation would be devastating to the morale of the men at the fighting front. Such a factor could mean the difference between victory and defeat.

The Department of Defense is aware of this situation and, within the resources it can allot, is trying to remedy the situation, but it is all too clear that these efforts will not be enough. Maj. Gen. Henry Mohr, U.S. Army (retired), recently described this situation in the October issue of the American Legion magazine in an article entitled: "The Problems of Battlefield Medicine." It is his firm conviction that we need to change the law now and commence registering medical personnel as we now do young men for possible military service. This would be a bitter pill for some to swallow, but it would be an even more bitter pill to lose thousands of young Americans needlessly in a future conflict.

The article follows:

[From American Legion Magazine, October 1985]

THE PROBLEMS OF BATTLEFIELD MEDICINE

(By Maj. Gen. Henry Mohr)

Of a major conventional war started today, 6 of every 7 battlefield wounded might not survive because combat medical care needed to save their lives is not available. If we were drawn into such a war today, the Department of Defense could not provide an adequate level of medical support to our military forces. This is the situation as it was described to me by Pentagon officials in June 1985.

This is a damning indictment of persistent and dangerous deficiencies in military readiness of the United States. As early as 1978, it was known that combat medical care for the U.S. Armed Forces was critically inadequate. This was confirmed by a 1981 Government Accounting Office report to Congress. Dr. John F. Beary III, then Assistant Secretary of Defense for Health Affairs, determined that all available active and Reserve force medical resources could treat only 1 in 10 battlefield wounded in a NATO conventional war.

As recently as 1984, the same assessment was made by Dr. William Mayer, the current Assistant Secretary of Defense for Health Affairs. Mayer also warned that the wounded who are not picked up from the battlefield and not treated within 6 to 10 hours probably would not survive.

The prediction that 1 in 7 wounded men could be treated with present combat medical capabilities represents a small measure of improvement, but it certainly is not comforting for the remaining unfortunate six.

On the positive side, Mayer pointed out that adequate combat medical care in Vietnam saved about 98 percent of wounded men brought into field hospitals. This shows what can and must be done.

Joining with Mayer in working for improvements is James Webb, Assistant Secretary of Defense for Reserve Affairs. A major share of responsibility for combat medical care has been placed on the Reserve forces, with more to come. Webb has made medical readiness a top priority of the Reserve forces.

While the Reserves have repeatedly proven their competence by performance, historically they have been severely short-changed on support, mission-essential equipment and training opportunities. As a result of problems over which thay have had no control, many Reserve and Guard units are not mission-ready. Few, if any, large Reserve component medical units, such as field hospitals, have their full authorizations of wartime equipment.

Yet the capabilities of the Reserve forces to contribute broadly and economically to national defense exist and their use is being appropriately expanded. It is worth noting that a major percentage of the best medical professionals in the military are in the Reserve forces.

Adding to the effect of what could suddently become a combat health care crisis is the effect of inadequacies on America's ability to mobilize. The Selective Service Act of 1948, as amended, prohibits drafting anyone until adequate medical care is provided.

At least 45,000 doctors, nurses and health care specialists who would be required immediately for the early stages of a war are not available. Additional medical units, facilities and equipment that would be urgently needed still do not exist.

Administrative actions can establish and organize units and provide them with facilities and equipment. But this will not solve immediate needs at the outset of a war for field-trained health care specialists—from doctors and surgeons to nurses and many types of medical professionals and corpsmen.

Any consideration of registration or induction will set off a storm of protest. Yet no alternative to peacetime registration or a draft to help solve this problem has surfaced.

Interestingly, about 97 percent to 98 percent of nurses are women. Historically, women have never shirked their responsibility to this nation in time of need. This gives hope that when they understand the life and death importance of their availability now, they will respond.

In what constitutes a major national security issue, the Selective Service system lacks authority to deal with medical personnel shortages.

Missing is a reliable system to respond to a DoD call for health care personnel either before or at the moment when a crisis erupts. There are no current provisions for registration or induction of health care professionals; not even for the purpose of their identification, location, professional classifications and fitness for service—and none for the advance peacetime training that everyone going to the field should have for his own protection. Living, working and surviving in a combat field environment is vastly different from the civilian life of most health care professionals.

If a war should suddenly break out, there could be a wild scramble to try to assemble medical resources. Right now, where the trained people, facilities and equipment would come from on short notice (or none at all) is troubling to contemplate. A great many men could die, unnecessarily, as a result of this gap in U.S. military preparedness, especially if a major conventional war comes at any time in the next several years.

There may be a partial, but not necessarily popular solution in allowing qualified, practicing nurses who lack college degrees to serve in the military. Those not having college degrees are not now being accepted by the military.

The military might consider accepting qualified, practicing nurses without college degrees, electing either to commission them, or appoint them as warrant officer nurses.

This would tap an undisturbed pool of personnel in a highly critical profession, and might partially reduce the need for peacetime registration or a draft of nurses.

At the core of the medical readiness problem is a policy adopted several years ago at the urging of Congress, which has thrown the military forces out of balance. The policy was aimed at "improving the tooth-to-tail (combat-to-support) ratio" of the military forces. That policy was well intended, but in the judgment of some military experts, was carried too far.

Numerous support units, (including medical), became victims and were eliminated. "Host Nation Support" (HNS) from allied countries was said to be an answer. However, even with the existence of HNS agreements, nobody knows if the next major military operations will be in a part of the world where HNS is available. This is a major flaw in the concept since there is no agreement with any potential enemy that the next war will be fought where it is most convenient to us. Such an assumption could be overly optimistic and highly dangerous.

It simply is not known how well HNS may work under the enormous pressures and confusion of sudden major conflict. The concept never has been tested under pressure. But, allied nations will surely meet their own requirements first. Help that comes to our forces may consist of whatever they can make available—adequate or not.

Will it be said that the people of this great nation would send their sons to battle without medical care needed to save the lives of the wounded? Are the costs of providing adequate medical care for those who serve this nation too great?

Even the wish list of corrections are spread out over years—until the "early 1990s," if then.

Americans have never been content with second-rate medical care for their military forces. They are not likely to tolerate military medical care deficiencies when it is known in advance that the life or death of U.S. servicemen is likely to be at stake the moment a war breaks out.

PLEASE, MR. PRESIDENT, HELP US

HON. THOMAS A. DASCHLE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 24, 1985

Mr. DASCHLE. Mr. Speaker, I would like to take this opportunity to share with my colleagues letters sent to the President from schoolchildren in my home State of South Dakota.

With the special innocence that only children can express, these letters reveal the concern that is being felt by everyone who is touched by the crisis in agriculture. They show the frustration, the desperation that farmers and their families feel. The letters show their disbelief in the administration's

lack of response to help them deal with these problems.

The children are students at the Waverly School, which is in the heart of rural South Dakota. Ninety percent of the students are farmers' children. I think that their letters shown below, speak for themselves.

LETTERS TO THE PRESIDENT

MR. PRESIDENT: I think that we should get more money for our crops. Most of our bills are too high to pay. If we spend our money trying to get our crops in our fields we will not have enough money to pay our bills. How are we supposed to take care of our farms? We need help. I would like it if you would help our farmers.

Sincerely,

JANET BUCHHOLZ,
Third Grade.

DEAR MR. PRESIDENT: The farmers need to have a good price for their cows and crops. Our small towns are dying because the farmers are losing their land. Our farmers in South Dakota need your help.

Sincerely,

JEREMY CURREY,
Second Grade.

DEAR MR. PRESIDENT: I live on the farm. I love the outdoors. Buckwheat and wheat prices are too low. We can't make any money.

We need a good farm bill that will help us.

Sincerely,

LANCE DAGEL,
Second Grade.

DEAR MR. PRESIDENT: Please give the farmers money to hold on. Money is our only hope. We don't have enough money for our bills on the farm.

Some day I want to farm our land. Please make it possible. We need your help.

Sincerely,

JOEY FEYEREYSEN,
Third Grade.

DEAR MR. PRESIDENT: Why don't you care about our farms?

We don't have enough money to buy feed for our cows. Can't you do something to raise meat prices and grain prices? Can't you help us? The farmers in South Dakota need your help soon.

Sincerely,

JUSTIN CURREY,
Third Grade.

DEAR MR. PRESIDENT: We've had enough of this!!! The milk prices are dropping, but our expenses go up up up higher. What are we supposed to do? I like living on a farm.

I like to have rabbits, cats and dogs. Help us!!

Sincerely,

NICOLE COMES,
Second Grade.

DEAR MR. PRESIDENT: I think our taxes are up too high. We don't have enough money for our pigs. Please help us. Help the other farmers too. We have had enough of this bankruptcy in our state. And we are the ones who feed you. The farmers need a better bill. Please sign the farm bill that will be coming to you soon.

Sincerely,

TRACIE STRICHERZ,
Third Grade.

DEAR MR. PRESIDENT: The milk price is too low. The farmers have to pay too much for machinery. Meat is too high in the store.

WADE RUNGE,
Second Grade.

DEAR MR. PRESIDENT: I want more money for my calves and higher milk prices if I'll still be on the farm.

Sincerely,

CALVIN MACK,
Second Grade.

DEAR MR. PRESIDENT: We don't have enough money to buy machinery. Can't you make the grain prices higher? I like living on the farm.

Sincerely,

STEVEN BUCHHOLZ,
Second Grade.

DEAR MR. PRESIDENT: We think we need more money for our cattle, better prices for our grain. Our machinery is getting worn out. We need your help. We hope this does not last for another year.

Sincerely,

FIRST GRADERS:
COVEY COMES,
CHARLES MARTINELL,
JAMES RICHTER,
JOHN STRANGE.

A TRADE DEFICIT SCALPEL

HON. NANCY L. JOHNSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 24, 1985

Mrs. JOHNSON. Mr. Speaker, I would like to include in the RECORD a recent editorial in the Boston Globe which praises the proposed trade policy of the New England Council, a regional business association celebrating its 60th anniversary and representing over 1,300 New England firms.

This proposal as well as the House Republican Trade Partnership Act of 1985 offers a sensible alternative to the rising tide of ill-considered trade protectionism. The council and others have put forward a proposal to strengthen U.S. rights under international trading agreements. This change requires the investment of more authority in the office of the U.S. Trade Representative to respond to such unfair trading practices as intellectual property rights violations, counterfeiting, and injurious industrial targeting.

Enactment of such a policy would be an important step toward opening foreign markets to U.S. goods while preventing illegal goods from penetrating our domestic markets. Most important, this proposal reaffirms the commitment to fairness made by the U.S. Government to American companies. As the following editorial summarizes: "Many American companies need no more help to compete than an assurance of fairness."

[From the Boston Globe, Sept. 1, 1985]

A TRADE DEFICIT SCALPEL

A towering trade deficit, likely to top $150 billion this year, has prompted a torrent of proposals in Congress that approach the problem with all the finesse of a meat ax. A regional effort, assembled by former Sen. Paul Tsongas and the New England Council, avoids the danger of rampant protectionism by sharpening a more discriminating tool, which would deal with trade grievances on a case-by-case method. It deserves the support of Congress.

The largest single source of the trade deficit is, of course, the overvalued dollar, which makes American goods less competitive with their counterparts from other countries in both foreign and domestic markets. The problem is compounded by unfair practices by other countries. These practices may make it more difficult for American companies to sell in foreign markets or may give imports an unfair advantage in the open U.S. markets.

The Tsongas-New England Council proposal, filed by Rep. Brian Donnelly (D-Mass.), gives the US trade representative the power to initiate a wide range of actions whenever unfair practices are found in foreign or domestic markets. Under existing law, such an initiative lies only with the president.

Mechanisms of this sort are appropriate to the current trade situation because they avoid across-the-board restrictions that are bound to provoke countermeasures from other countries, running the risk of widespread protectionism among the industrial nations. Their existence should prompt other countries to reevaluate their trade policies; they can be invoked if the countries fail to do so.

The timeliness of the proposal and its moderate approach was emphasized on Friday with the release of the latest US trade figures, showing the best comparative performance so far this year. The reduction of the gap to $10.5 billion during July may have reflected the first effects of a weaker dollar.

If so, it indicates that American goods are regaining their competitiveness even without excessively protectionist measures—and that any heavy-handed efforts by Congress would provoke countermeasures just when Americans are ready to expand their international markets.

The proposal is additionally important because it reaffirms American support of the broad concept of free trade by conforming to the General Agreement on Tariffs and Trade, which continues to form the framework for all world trade.

Many American businesses need no more help to compete than an assurance of fairness. The Tsongas-New England Council proposal would help provide it.

MOSCOW FEEDS A LAP-DOG FOREIGN PRESS

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 24, 1985

Mr. GOODLING. Mr. Speaker, I rise today to express my grave concern about current practices of Western media reporting news from the Soviet Union and other Communist-bloc countries.

As David Satter's Wall Street Journal article of October 22, 1985, which I submit for the RECORD, emphasizes, the Soviet Union is a master of propaganda and disinformation. Often, new information we receive in America has been provided directly

by a fine example of the free press such as Pravda, or given our Moscow correspondents by the KGB or its agents. Mr. Satter, correspondent for the Financial Times for 6 years, further points up that most of the information from Pravda, other Soviet publications, and the KGB which Western journalists use as sources are simply quoted verbatim—without quotation marks—and no analysis is included.

Indeed, it seems that our journalists are so concerned that they not become tools of Western governments and institutions in reporting Eastern bloc news that they have gone too far the other way—and have become pawns of the Soviet propaganda machine. I cannot condone journalists who are eager to uncover crime, corruption and injustice in our own country, yet are seemingly blind to such incidences in the Soviet Union, let alone seeking them out.

It is understandable that Western journalists wish to find well placed sources for news stories everywhere. However, the same questioning, probing and analysis of what is said which all reporters apply to our own politicians and officials, just does not happen when interviewing their Soviet counterparts. I for one find this hypocritical, because of the double standard applied; and reprehensible, because our media is serving to enhance Soviet propaganda goals in the Western World.

[From the Wall Street Journal, Oct. 22, 1985]

MOSCOW FEEDS A LAP-DOG FOREIGN PRESS

(By David Satter)

As next month's summit meeting in Geneva nears, the success of the Soviets' effort to convince Americans that they are peaceful, reasonable and, in general, "just like us" will depend in part on the analytical abilities of Western correspondents.

The Soviet Union is a difficult country to report on because it is not a country "like any other," but rather one based on an ideology that is a complete reinterpretation of given reality.

Every Soviet political position, whether it be that Korean airliner 007 was a "spy plane," that the invasion of Afghanistan was "fraternal help" or that the U.S. Strategic Defense Initiative is a "threat to peace," is justified not in terms of empirical objectivity but on the basis of this ideology, which claims to be a "perfect science" and insists that "the truth" is whatever the Soviet leaders say it is.

The Soviet authorities understand that concessions to their view of reality weaken an adversary's ability to insist on the absolute value of anything. This is why the effort to induce the world to take their ideological lying literally is not just a question of prestige for the Soviet leaders but also a matter of fundamental political strategy.

DEAFENING ECHO CHAMBER

Inside the Soviet Union, indoctrination depends on repetition. Once a specific propaganda position has been decided on, the Soviet media become a deafening echo chamber with official lies repeated in every newspaper, radio broadcast and television news program, as well as in every official statement or speech by a Soviet leader.

In the case of foreigners, however, the Soviet leaders must communicate through the Western media, which is why they attach so much importance to the manipulation of Western correspondents.

The Soviet authorities do not expect Western journalists to believe Soviet propaganda, but only to repeat it uncritically, without any effort to analyze what it means, so that, over time, the Soviet Union's ideological lying and officially sanctioned misuse of language, enhanced by the credibility of important American publications, begin to have the same numbing effect on Westerners as on Soviet citizens.

In his new book, "Reluctant Farewell," Andrew Nagorski, a former Moscow correspondent for Newsweek, analyzes the role of Moscow correspondents. He quotes an unidentified Associated Press correspondent as saying that 90% of stories filed from Moscow by the AP were simple paraphrases of articles from the Soviet newspapers and the Soviet news agency, Tass.

In my experience, the same figure applied to the output of our Western news organizations as well. Even the small percentage of stories that are not taken directly from the Soviet press are largely based on Soviet official information and therefore show the imprint of the Soviet Union's deluded view of reality.

Year after year, for example, Western correspondents who travel outside of Moscow under the auspices of the Soviet foreign ministry or the Soviet press agency, Novosti, are taken on the same factory tours, shown the same collective farms, and treated to the same programmed answers. The result is a spate of identical, meaningless stories, which reappear in the Western press at two- or three-year intervals.

The contrast between the reporting on real events from most countries and the sterile summaries of Pravda and Tass from the Soviet Union may lead many people to think that for Moscow correspondents, the mechanical repetition of Soviet propaganda is the only type of reporting that is possible. This not true. There are many Soviet citizens who are ready to speak honestly to Western journalists. The problem is that Western journalists are often neither willing nor able to take advantage of the opportunities that exist.

American publications often serve, for many reasons, as transmission belts for Soviet disinformation. In the first place, faced with a country that requires an exceptional effort of analysis in order to be understood, Western publications traditionally send people who are completely unqualified. There were times during my tenure in Moscow when the percentage of American correspondents who could not speak Russian reached 90%. This meant that Andrei Sakharov, for example, was frequently interviewed for United Press International by the agency's Soviet translators, who were provided by the KGB. Time magazine sent its KGB-provided Soviet translator to interview Soviet citizens as an "American correspondent." It was common for non-Russian-speaking correspondents to interview their KGB-provided maids to get the reaction of the Soviet "man in the street."

Besides an inability to speak Russian, Western correspondents in Moscow often demonstrate the type of heedless careerism that makes them susceptible to Soviet manipulation.

Even though all Soviet political positions are stated in Pravda and no Soviet official can offer anything except what has been printed in Pravda, the Soviet authorities have achieved considerable success in inducing correspondents to bargain for "high-level access" by demonstrating their conformity. The result is that Moscow correspondents, priding themselves on their "sources," begin to identify with them, as they would in the U.S., and frequently are ready to function as conduits for disinformation while treating those brave Soviet citizens who try to speak to them honestly with barely disguised contempt.

The attitude of many correspondents was well expressed by Nick Daniloff, the Moscow correspondent of U.S. News and World Report, in a recent interview in the Washington Journalism Review. Mr. Daniloff was quoted as saying: "I don't consort with dissidents. The magazine considers them a passing phenomenon of little interest. In a political sense, they don't have any influence—and they are perishing."

In fact, in the Soviet totalitarian contest, a "dissident" is anyone ready to meet with foreign correspondent without lying to him. And far for "perishing," there are hundreds of such people still at liberty in Moscow who are ready to take risks to help correspondents gather truthful information about the real state of Soviet society. Nonetheless, their bravery is of no use if it is not met with bravery on the part of correspondents who feel some responsibility to learn the truth about the nature of the country to which they are accredited. Unfortunately, this is almost never the case.

As the result of long experience, Soviet officials have been able to turn the manipulation of Western correspondents into something approaching a science.

The Soviets know the requirements of different types of correspondents. Wire-service reporters, for example, can be rewarded with information five minutes before their competition. A newspaper correspondent can be sure of having a Soviet official at dinner with his editor, thereby demonstrating his "access." Particularly cooperative journalists can be rewarded with on-the-record interviews in which officials repeat the contents of Pravda. The most cooperative correspondents can even hope for an interview with the Soviet leader, in which he repeats the contents of Pravda.

The favoritism costs the Soviet authorities nothing and it means nothing to the Western reading public, but it is a competitive advantage for which reporters are often, willing to pay with their integrity.

At the same time, every Western journalist in the Soviet Union is aware that if he refuses to cooperate, he may be the target of provocations. He may not be confident that in the face of an accusation by the Soviet government of "hooliganism," "espionage" or "homosexuality," his newspaper would be ready to believe him and not the Soviets. Being honest means taking a risk.

NO RELATIONSHIP TO REALITY

As Americans prepare for the summit meeting, it is important to review not only our knowledge but also the sources of our knowledge. One of the reasons that Americans are often confused about the Soviet Union is that Soviet manipulation of diplomats, who senselessly limit their contacts, and Sovietologists, who depend on the Soviet authorities for their visas, has given rise to a conventional wisdom about the "reasonableness" of the Soviet Union that bears no relationship to reality.

Behind the facade of a country that desires nothing so much as peace and "good relations" with the West is an aggressive police state waiting to be discovered. This is why it is essential that before making policy

decision based on our impressions of the Soviet Union's intentions, we bear in mind that the Soviet system is organized to create illusions and begin to give the most serious thought to the entire process through were formed.

STUDENTS WITH A PURPOSE

HON. PAT WILLIAMS

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 24, 1985

Mr. WILLIAMS. Mr. Speaker, students from Eastern Montana College have sent President Reagan the following letter:

EASTERN MONTANA COLLEGE,
Billings, MT, May 15, 1985.

Hon. President RONALD REAGAN,
Pennsylvania Avenue,
Washington, DC.

DEAR PRESIDENT REAGAN: We would like to solicit your support in our opposition to the proposed Higher Education cut-backs. We have already lodged a protest with the Montana Congressional Delegation and we have their support.

The majority of the students that will be affected by the proposed Federal Higher Education Act are single; one-parent families; nonminority; and minority students. Resources that some of these students have found to supplement their education are being threatened by the cut-backs.

On the Eastern Montana Campus, approximately sixty-four per cent of the independent students are under the poverty level (less than $8,000.00 annually); dependent students under the criteria of poverty are under twenty-four thousand dollars annual income, with percentages of sixty-seven. Your cut-backs will affect this campus when the independent students no longer have resources.

The cut-backs that are of major concern and affect our attempts of completing our education are the Guaranteed Student Loans; Campus Safe; Trio Project Funds; Pell Grants; National Direct Student Loans; Supplementary Educational Opportunity Grants; Welfare Daycare Service's; and others.

We ask your cooperation in remedying these proposed cut-backs. Sir, if these are allowed to be voted on in the House and Senate, or accepted as they presently are proposed, you will see a new generation of illiterates prevail throughout this great Nation.

Further, if these Federal cut-backs in Education are allowed to pass, the American taxpayers of this country will feel the affects in their future tax contributions.

We respectfully need your reconsiderations of the Educational Appropriation Bill as it presently is proposed.

Respectfully,

STUDENTS NEEDING THEIR EDUCATION FOR THE NATION'S FUTURE.

A NATION GRIPPED BY POLITICS OF CONTRABAND

HON. DAN BURTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 24, 1985

Mr. BURTON of Indiana. Mr. Speaker, Narco-Guerrilla warfare is one of the most insidious types of warfare facing us today.

Not only is it spreading at an alarming rate, but the growth is occuring in our own backyard. Countries in Central and South America are nearly under siege by the drug lords, with no end in sight. The "business" is too profitable, and the tacit consent and approval by the Soviets is a major contributing factor.

This issue, combined with the numerous low-intensity wars currently going on in Central America create a serious problem for the United States. Unless we learn how to address this issue, not only will our children be affected, but the Nation's survival will be in question as well.

F. Andy Messing Jr.'s article in the Washington Times titled, "Peru: A Nation Gripped by Politics and Contraband" presents an excellent analysis of this expanding problem. He speaks with firsthand knowledge and draws insightful and alarming conclusions.

I urge my colleagues to read the article and think about the issues Mr. Messing raises.

The article follows:

[From the Washington Times, Sept. 3, 1985]

PERU A NATION GRIPPED BY POLITICS OF CONTRABAND

(By F. Andy Messing, Jr.)

In Peru, an unpayable foreign debt, liberation theology, Sendero Luminoso (the Shining Path), the coalition of 10 leftist parties forming the "United Left," and even the heavy Soviet presence don't constitute the major threat to the democratic efforts of Peru or to the strategic interests of the United States. The real problem is drugs.

While the other problems are grave, they can be dealt with by political-socio-economic methods developed over the past two decades. However, the drug problem, as integrated into the "narco-guerrilla war," is throwing countries like Peru into almost unrecognizable anarchy.

Even democratic elections can not uncover the insidious infrastructure within the government, making it impossible to deal with the network out of government. A current popular song, Smuggler's Blues, refers to it as "the politics of contraband," while State Department officials call it "shared sovereignty."

Whatever it is called, its primary and secondary effects abound. While drug action destabilizes all sorts of formal lines of authority, the money involved finances the chaos. The lure of easy money, in a society where poverty is rampant and class lines are drawn, makes drugs a new and strong aspect of that society. Whole new dynamics emerge.

For instance, the Peruvian army is expanding, ostensibly to deal with the growing Shining Path guerrilla efforts. As the army increases, and it becomes its own political force, it exerts its influence on domestic events and even the drug markets. One former Peruvian government official said both sides are being fueled by drug money, and both sides are getting more dangerous. As one U.S. drug enforcement agent put it, "they are giving each other an excuse to grow."

As Shining Path's terrorist activities continue, authorities have lost sight of how to deal with them without harming the innocent. Accordingly, Shining Path makes even the other hard leftists and extreme measures look palatable. The shifts of power within the United Left will only be changes in faces.

While Alan Garcia, inaugurated as president July 28, may be committed personally to productive change, the drug network will stymie it, since chaos is to the network's benefit.

Furthermore, as the media doesn't focus on drugs as the salient issue, they wind up being manipulated by both elements, and the drug lords of the area get richer. One U.S. government official told of a $2.5 billion loan offer to one South American country by a single drug lord.

Besides the drug lords, the winners in the international set will be the Soviets, as they have no qualms about starting or satelliting onto amoral activities for their own purposes. There already are a large Soviet Embassy staff, an estimated 150 Soviet military advisers, and a huge fishing fleet of 40,000. This activity is increasing, lending excellent cover for extensive KGB activity and surveillance in that area of the world.

Ironically, even the Soviet efforts will be held in check at some points by the drug lords as a weird competition develops.

The Reagan administration is contemplating a $29.1 million military aid program for Peru—in order to buy back Soviet influence or at least put it in check. While Soviet influence is declining in some levels of the Peruvian military, it is still apparent, with dozens of Mi-8 and Mi-24 helicopters on the runway at Lima. In Ayachucho, Soviet BMP vehicles and AK-47 assault rifles are everywhere.

U.S. military aid can produce good results in this type of environment, but only with a thoughtful approach. Despite the conditions Congress is seeking on judicial reform, accounting for the disappeared, and tighter control of authorities, it would be still more positive if any military aid sent be in complete coordination with the U.S. Drug Enforcement Agency, in-country. This would provide more leverage for combating drugs and for controlling misuse by errant factions of the government.

Narco-guerrilla warfare is spreading—Colombia, Mexico, Nicaragua, and now countries in Africa. Unless the United States learns to deal with it, not only will our children be subverted, but our country's survival will be in question.

ARGENTINA AND PRESIDENT ALFONSIN

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 24, 1985

Mr. GARCIA. Mr. Speaker, the Christian Science Monitor published an op-ed piece on October 22 by Argentine economist Martin Redrado on the success of Raul Alfonsin as President of Argentina.

Mr. Redrado has given an excellent analysis of the difficulties that President Alfonsin has had to face, and that he must still face in order to get Argentina back on its feet. I commend Mr. Redrado's article to my colleagues.

The article follows:

[From the Christian Science Monitor, Oct. 22, 1985]

ARGENTINA'S ALFONSÍN

(By Martin Redrado)

Earlier this year Argentine President Raul Alfonsín initiated a comprehensive new economic stabilization plan. Since then inflation has been lowered to 3 percent monthly. Although the country may well be sliding into recesion, with real wages falling, a great majority of the Argentine people think that Mr. Alfonsín is doing what had to be done to put the nation on a sound economic footing. Pools show a relatively optimistic mood within the country. The upshot: President Alfonsín is enjoying widespread popularity.

In this still incipient democracy, Mr. Alfonsín appears to be a unique alternative to the political leadership of recent years. He is seeking to upgrade the nation's economy. He has allowed the civil courts to try the top nine officials of the prior military regime. He is trying to professionalize the military forces.

How long will the current public enthusiasm last? Many factors contribute to support the assumption that it will last at least until the end of the year. First, Alfonsín's majority Radical Party is facing a fragmented Peronist opposition which lacks the requisite leadership and innovative solutions for dealing with Argentina's difficult economic challenges. The Radicals appear likely to win the Nov. 3 elections, expanding their majority in the House. Second, wages and prices will remain frozen until the elections are over, thus maintaining—so far as the public is concerned—a sense of economic stability. Third, the military officers are likely to be convicted before the end of the year.

Granted that the current political and economic setting promises some stability—which Argentina has needed—what about the long haul, the national setting after the beginning of next year? Is the present economic strategy sustainable?

Unfortunately, there are no easy answers to such questions. The new stabilization plan, set up in June, was based on three principles: reduce the fiscal deficit from 13.1 percent to 2.5 percent of the GNP, freeze wages and prices, and establish a new currency, the austral.

Still, structural problems continue to trouble the Argentine economy. The nation's high tax burden, for example, needs to be reduced. This could be achieved by selling many of the 524 state-owned enterprises, most of which run deficits. Mainly privileged monopolies, these corporations control more than 50 percent of the country's gross national product. The financial needs of these state enterprises lead to a crowding out of private investment. Private investment has been diminishing dramatically in recent years. The government has lowered its expenditures by reducing the real wages of the 2 million state employees and also by dampening public investment. But these actions do not reflect a fundamental reform of the relationship between the state sector of the economy and the private sector.

It must also be noted that the economic reform plan announced this past June includes a heavy anti-export bias because import and export duties are being used to finance the public sector.

What all this quickly suggests is that Mr. Alfonsin faces serious challenges at the beginning of next year. That said, it is evident that a slow process of trial and error is taking place in Argentina. When President Alfonsin was first inaugurated, in December 1983, his public statements asserted that a better distribution of wealth would solve Argentina's most challenging economic problems. He also spoke about imperialism and how the interests of the industrialized "North" were squeezing developing countries through the repayment of external debt.

Now he has realized that in order to distribute wealth, the country needs to grow. This can only be done through private investment, either national or foreign. Alfonsin, and his key economic officials are learning that economic reality has little to do with good intentions.

But most important, the country as a whole is understanding that Argentina's most pressing problems are not coming from abroad—and that characteristics of competition, creativity, and entrepreneurialism must all be tapped to build for a better Argentine future.

OPPOSITION TO UNFAIR MANDATORY MEDICARE PARTICIPATION BY TEACHERS

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 24, 1985

Mr. HUBBARD. Mr. Speaker, I would like to share with my colleagues the recent excellent letter I received from two fellow Kentuckians, Charles and Elizabeth Hartley of Shepherdsville, KY, who are among the thousands of teachers in Kentucky who have contacted me in opposition to proposals that will mandate their participation in Medicare and the Social Security system.

Charles and Elizabeth Hartley have expressed well their views about requiring Social Security and Medicare participation by teachers, especially in light of the fact that Kentucky teachers and those in other States already have their own State retirement programs.

I urge my colleagues to consider their views about these important matters. The letter to me from Charles and Elizabeth Hartley follows:

SEPTEMBER 3, 1985.

Representative CARROLL HUBBARD,
Rayburn House Office Building, Washington, DC.

DEAR CONGRESSMAN HUBBARD: It has come to our attention that the compromise budget resolution adopted by both houses of Congress on August 1 contains language that would, if passed into law, require public school teachers in thirteen states including Kentucky to begin contributing to mandatory Medicare coverage. Further, it would require all teacheres hired in those states after January 1, 1986 to participate in the Social Security system.

We have no objection to Medicare coverage deductions for employees who plan to benefit from Medicare in the future. We do question the fairness of mandatory participation of all employees. Further, we wonder if this effort by Congress to reduce the budget deficit is not short-sighted. How much will this end up costing in the long run?

We do object strenuously to mandatory participation in the Social Security system for any Kentucky school teacher. We have both taught in the public schools of Kentucky for more than twenty years. As such, we would not be directly affected by this proposal. However, we object to it for two reasons.

First, the teachers hired after January 1, 1986 and their employers would be required to contribute to both the Social Security system and the Kentucky Teachers' Retirement System. The immediate financial burden would be almost prohibitive.

Second, the long term effects of this proposal on the Kentucky Teachers' Retirement System would almost certainly be drastic. The system would have to be restructured to alleviate the financial burden of those required to participate in both systems. At the very least this would jeopardize the long term funding of benefits, our benefits for which we have been paying for twenty years. At the worst, it would cut off new participants in the system and ultimately destroy it.

Our retirement system was created at a time when the Federal government would not allow public employees to participate under Social Security. It operates on an actuarial and financially sound basis. Our contributions are invested and placed in reserve to pay future claims. In short, we pay our way. Must teachers now be deprived of their own system in order to help bail out Social Security?

And what will be the ultimate effect? Will the Social Security system be any better able to provide benefits for teachers than their own systems? Will Social Security be any sounder financially? We think not.

The truth is that this proposal will merely "rob Peter to pay Paul." And in the long run neither Peter nor Paul will be treated justly.

While you are not our Representative, Congressman Hubbard, you do represent many of our fellow teachers and their families. Please use your considerable influence in the House of Representatives to see that this short-sighted proposal never becomes law.

Respectfully,

CHARLES and ELIZABETH HARTLEY.

EXEMPT RURAL WATER SYSTEMS FACILITIES

HON. GLENN ENGLISH

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 24, 1985

Mr. ENGLISH. Mr. Speaker, today I am introducing legislation to exempt rural water systems facilities assisted under the Consolidated Farm and Rural Development Act as amended from certain right-of-way rental payments under the Federal Land Policy and Management Act of 1976.

This legislation would exempt small nonprofit water systems, which are organized for public benefit, from easement fees for

the right-of-way across Federal land. These costs are proving themselves prohibitive to several rural water systems in Oklahoma and, no doubt, in other States, too. Much of this Federal land is U.S. forestry land. The Forestry Service incurs no expense regarding the location of rural water lines on forestry property, and a right-of-way fee ought not be assessed. Rural electric cooperatives currently receive the exemption which this legislation provides for rural water systems.

Current economic conditions throughout rural America are severely depressed. It is unnecessary to require rural water systems and their users to carry this additional burden of financing right-of-way easement fees. This legislation allows the rural systems to use funds, which they would otherwise have to pay toward the easement fees, to provide the water services which are so vital to rural residents. The text of this legislation follows:

H.R. 3617

A bill to exempt rural water systems facilities assisted under the Consolidated Farm and Rural Development Act as amended from certain right-of-way rental payments under the Federal Land Policy and Management Act of 1976

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Rural Water Right-of-Way Policy Act of 1985."

SEC. 2. Subsection 504(g) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1764) is amended by inserting the following sentence at the end of the subsection: "Rights-of-way shall be granted, issued, or renewed, without rental fees, for rural water and sewer facilities financed pursuant to the Consoldiated Farm and Rural Development Act as amended, or any extension from such facilities: *Provided,* That nothing in this sentence shall be construed to affect the authority of the Secretary granting, issuing, or renewing the right-of-way to require reimbursement of reasonable administrative and other costs pursuant to the second sentence of this subsection.".

CHINA-IRAN NUCLEAR LINK IS REPORTED

HON. HOWARD WOLPE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 24, 1985

Mr. WOLPE. Mr. Speaker, I would like to urge all my colleagues to take a close look at the following article which appeared in yesterday's Washington Post. Since the administration first initialed the agreement for nuclear cooperation with the Chinese in April 1984, many of us have raised questions about the highly dubious track record of the Chinese in the area of nuclear proliferation. Links between China and the Pakistani nuclear program have been widely reported and allegations of Chinese nuclear exports to South Africa and Argentina are frequently heard. These questions turned into very serious concerns when we finally had a chance to examine the text of the agreement, which was submitted to Congress last July, because of the ambiguous and oddly vague language of the document. Such concerns were treated lightly by the State Department, and we were assured that these persistent reports of Chinese proliferation all involved events long past and that the Chinese have renounced these past transgressions.

Now we learn that just this past June, China may have discussed the possibility of exporting sensitive nuclear technology to Iran and may be continuing unsafeguarded nuclear exports to several other countries. Is this reassuring evidence of China's new stance on proliferation? It is important to keep in mind that until just last year, the People's Republic of China had a position of public support for nuclear proliferation, so these reports and allegations should not be casually dismissed.

I do not think that Congress can afford to play a passive role in this affair. Can you imagine what it would mean if we were suddenly faced with a nuclear-armed Iran? The fact is that there is much more at stake in this agreement than simply short-term economic or political gains. The insidious threat posed by nuclear proliferation is one of the most fundamental and least recognized threats to our Nation's security. We must start today to take this threat seriously, before we find that it is just too late. Congressman FEIGHAN, of Ohio, and I have introduced legislation, H.R. 3537, the Sino-American Nuclear Verification Act of 1985, which seeks to address the deficiencies in the United States-China agreement by requiring Presidential certification of China's nonproliferation and nuclear safeguard policies before any export licenses can be granted under the agreement. Frankly, I believe that this agreement is so flawed that it does not even comply with the formal requirements of U.S. nonproliferation laws. Under the procedures set out in law, this pact should be withdrawn and resubmitted with a waiver from the requirements of the Atomic Energy Act of 1954. Short of that, however, I think that H.R. 3537 is a prudent and responsible measure, which is all the more important in light of these recent revelations.

The article follows:

[From the Washington Post, Oct. 23, 1985]

CHINA-IRAN NUCLEAR LINK IS REPORTED

(By Patrick E. Tyler and Joanne Omang)

The Reagan administration has received reliable intelligence reports that China suggested in June that it might provide Iran with sensitive nuclear technology after Peking signed a 30-year atomic power agreement with the United States, according to well-placed sources in the U.S. intelligence community.

These reports from Peking were shared in a closed briefing of the Senate Foreign Relations Committee earlier this month at the insistence of Sen. Jesse Helms (R-N.C.).

Along with other intelligence reports about Peking's continuing nuclear exports to Argentina and South Africa, the disclosure about Iran subsequently triggered an allegation Monday by Sen. Alan Cranston (D-Calif.) that the Reagan administration has "systematically withheld, suppressed and covered up information known virtually throughout the executive branch" about Chinese violations of nonproliferation guarantees.

Cranston's charges that the Chinese shared nuclear technology with what he termed five "nuclear outlaw" nations—Brazil, Argentina, Pakistan, South Africa and Iran—are the latest hitch in the U.S.-China nuclear agreement signed by President Reagan in April 1984. The pact would allow U.S. nuclear contractors to supply reactor components and other technology to Peking.

Because of widespread criticism, however, the agreement was not submitted to Congress until last July while the administration sought additional Chinese nonproliferation assurances. Unless rejected by Congress, the pact automatically takes effect in January.

After months of agitation from senators seeking access to current intelligence on China's nuclear exports, the issue came to a head on Oct. 8. The Central Intelligence Agency at that time refused to brief the Senate Foreign Relations panel about Chinese nuclear proliferation, and committee members reportedly clashed sharply at the hearing with Richard T. Kennedy, the State Department official in charge of nuclear cooperation with China.

The department yesterday "categorically denied" withholding information from the Senate but sources on Capitol Hill yesterday indicated that some senators were not persuaded.

One well-placed source said CIA sensitivity about sharing information with the Senate stemmed from detailed disclosure in a report Sept. 23 by columnists Jack Anderson and Dale Van Atta of the CIA's evidence that China helped Pakistan build a nuclear bomb.

"We have a very serious source problem in Peking," one intelligence official warned, adding that the administration would rather risk angering some senators than compromise intelligence capabilities that have allowed close monitoring of China's nuclear program.

The administration defended the nuclear agreement yesterday as Vice President Bush, just returned from a six-day trip to China, said, "We wouldn't enter into any agreement that would cause an increase in the proliferation of nuclear weapons."

Critics charge that the administration made the pact to score a foreign policy success for Reagan despite serious Pentagon, CIA and congressional concern about whether China has aided nuclear programs of nations expressing interest in developing such weapons.

Intelligence officials said yesterday that the CIA has a well-documented case that China helped design Pakistan's first nuclear weapons, made of nuclear components and reactor technology acquired covertly over a decade.

In a Senate speech Monday, Cranston said, "My information is that China has either engaged in serious nuclear trade negotiations with, or actually has continued a series of nuclear exports to, each and every one of these five 'nuclear outlaw' nations, subsequent to Chinese discussions with Reagan administration officials on the importance of curbing such trouble-some exports.

"China has, in the recent past, engaged in the most egregious effort in history to export nuclear bombmaking know-how," the senator added, referring specifically to Peking's assistance to Pakistan.

Regarding Iran, Cranston said, "China has not shown, in its discussions of nuclear commerce" with Iranian parliament Speaker Ali Akbar Hashemi Rafsanjani ". . . anywhere near the type of prudence we would expect."

Rafsanjani met with senior Chinese officials in Peking in late June. One well-placed official said yesterday that some of the apprehension about Chinese assurances on nuclear issues stems from U.S. problems with Chinese assurances on other issues.

For instance, this official said China asserts that it does not sell conventional arms to Iran, which is at war with Iraq, although U.S. intelligence has ample evidence that it does.

Cranston's reference to wide circulation of the intelligence reports in the executive branch dealt with disclosure in the top secret National Intelligence Daily of the China-Iran discussions.

That occurred after the visit here this summer of Chinese President Li Xiannian, who joined Reagan in signing the nuclear-power pact. The daily intelligence report is circulated to about 200 administration officials.

LATIN AMERICAN PARLIAMENTARIANS CONDEMN CHILEAN DICTATORSHIP

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 24, 1985

Mr. BARNES. Mr. Speaker, last week legislators from countries throughout the Western Hemisphere—representing many ideological leanings—came together for the second special meeting of the Latin American Parliament. The meeting was called to analyze the foreign debt of the region from a political standpoint.

In attendance were more than 100 lawmakers from the hemisphere, including a group of former Chilean parliamentarians who lost their positions 12 years ago as a result of the military coup by General Augusto Pinochet. The Chileans participated as special guests of honor with the right to voice opinions and to cast votes.

During the meeting, the Latin American Parliament issued a statement "strongly" condemning the Chilean military government and resolved to send a delegation to that country "to express its support for solidarity with the political, social and religious organizations seeking to defend human rights and reinstate the democratic system." At the same time, the document accused the government of General Pinochet of "state terrorism" including "kidnapings, disappearances, assassinations, tortures, and weakening of opposition sectors." It went on to condemn strongly "the Chilean military dictatorship because it undermines the universal democratic conscience."

A summary of the statement, which appeared on October 16 in the Foreign Broadcast Information Service, follows:

STATEMENT CONDEMNS CHILEAN REGIME

MONTEVIDEO, October 12—The Latin American Parliament "strongly" condemned the Chilean military Government today and resolved to send a delegation to that country to express its solidarity with the organizations struggling "to reinstate the democratic system." In a statement approved at the extraordinary assembly taking place in Montevideo, the regional forum expressed its "ethical and political duty" to redouble its "efforts to definitively liberate the region from the dramatic experience of military dictatorships."

The document emphasized "the increased human rights violations in Chile" in the wake of "the fierce repression by that country's dictatorship, exercised systematically as the only response to the heroic efforts of the peoples." At the same time, it accused the government of Augusto Pinochet of increasing the "procedures of state terrorism" such as "kidnappings, disappearances, assassinations, tortures, and weakening of opposition sectors." The resolution condemned "strongly the Chilean military dictatorship because it undermines the universal democratic conscience" and expressed solidarity "with the increasing strugglers" of the population "to end the tyranny." It also decided to designate a delegation of the Latin American Parliament "to visit Chile" and "express its support for solidarity with the political, social, and religious organizations seeking to defend human rights and reinstate the democratic system."

THE CONGRESSIONAL GOLD MEDAL AND LEON KLINGHOFFER

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 24, 1985

Mr. BIAGGI. Mr. Speaker, I rise today to announce my cosponsorship of a joint resolution authored by my good friend the distinguished Senator from New York [Mr. D'AMATO] to require the awarding of a Congressional Gold Medal to the widow of Leon Klinghoffer.

I support this resolution and wish to commend Senator D'AMATO for his initiative in sponsoring it. It is unfortunate that there has been some misunderstanding about the precise award proposed for the memory of Leon Klinghoffer by Senator D'AMATO. Press accounts indicated that he was proposing a Congressional Medal of Honor. The Senator had always intended and only proposed it be the Congressional Gold Medal for that is the award that can and has been awarded to civilians to honor significant events, great achievements, and symbols of the American spirit. Leon Klinghoffer paid the supreme sacrifice, the giving of his life as an innocent victim of international terrorism. The Congressional Gold Medal has been awarded 116 times in its history. One of the honorees was our late distinguished colleague Leo J. Ryan, another innocent victim of violence.

The American public was justifiably outraged over the hijacking of the *Achille Lauro* cruise ship. The American public applauded the President's decisiveness which led to the apprehension of the four terrorists. We as a nation and people mourn the death of Leon Klinghoffer and extend our condolences to his widow. Yet we in Congress in order to do something meaningful in his honor should cosponsor the joint resolution authored by Senator D'AMATO and our colleague TED WEISS. I urge you to do so.

ELIMINATING STATE-TAX DEDUCTIBILITY IS A BIG, BAD REVENUE RAISER

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 24, 1985

Mr. HORTON. Mr. Speaker, over the past several months, we have heard from many of our colleagues, representing districts across the Nation, who oppose repeal or restriction of the deduction for State and local taxes. The reasons for this outcry of opposition include fairness, impact on education and other Government services, and the fact that the prohibition on "double taxation" has been a central tenet of our tax policy since the days of our Founding Fathers.

Recently, an editorial came across my desk which discusses the policy implications of repeal or restriction of this deduction. Although it targets the administration's proposal, the arguments hold true for the proposal embodied in the staff recommendations of the House Ways and Means Committee.

I ask unanimous consent that this editorial be included in the RECORD. I hope you will review it and urge you to contact members of the Ways and Means Committee to express your opposition to any attempt to repeal or restrict this deduction.

The editorial follows:

[From the IRET Op Ed, Sept. 23, 1985]

ELIMINATING STATE-TAX DEDUCTIBILITY IS A BIG, BAD REVENUE RAISER

(By John B. Egger)

One of the worst ideas in the Administration's tax-reform plan is the elimination of the deductibility of state and local taxes from federally taxable income. Unable to make a defensible case that the state taxes we pay should be in the federal tax base, the Administration falls back on sheepish apologies, semantic tricks, and a poorly-reasoned list of "winners and losers." Its case is unconvincing.

The apologies are familiar. "Well, it wouldn't hurt very many taxpayers," just the third who itemize. This argument could be better used to triple taxes on left-handed redheads. Bad tax policy isn't made good by harming a minority.

"Besides, we need the money." Something is very wrong with the Administration's case when this is its ultimate defense. It could with equal validity justify any absurd tax. Sound policy doesn't justify taxing a payment flow just because it's large.

Semantic tricks and biased language make life difficult for one's opponents. Deductibility is called "federal aid" that affords "unfair subsidies" and creates "interference," resulting in an "overproduction" and "underpricing" of state and local government services. But without the premise that

deductibility is bad, this is like saying that I subsidize your driving by not stealing your Toyota, and interfere with your evening by not coming over to watch TV. Biased language can seduce the most careful analyst. Like most (not all) seductions, this one should be resisted firmly.

Calling state and local tax deductibility a "subsidy" is a sneaky misuse of the term. Subsidies are generally considered bad because they inefficiently reduce the price and increase the production of some specific good. Deductibility doesn't do this. It does transfer tax liability among taxpayers, but this transfer is not a subsidy.

Basing an equity argument on transfers among states, the Administration correctly notes that while deductibility requires that federal tax rates or other taxes be higher than otherwise, its benefits are proportional to the level of state taxes which can be deducted on individual income tax returns. Deductibility permits states which are "high-tax" by this measure to transfer tax liability to "low-tax" states. But this is a highly distorted way to rank states and to examine interstate transfers of taxes, as a study of states' per capita government spending would show. Alaska, Texas, and Wyoming—"low-tax" by the Administration's standard—raise substantial revenue from severance taxes which are largely paid by other states. By ignoring the other interstate transfers which deductibility helps to offset, the Administration presents a case which is simply not credible.

The Administration again tells only part of the story when it asserts that deductibility creates a "subsidy" for itemizers by nonitemizers. This "subsidy," actually a transfer, is an offset to the sizable reverse transfer which is created by the zero bracket amount (or "standard deduction"), used by the two-thirds of returns which don't itemize. The tax code recognizes that for equity or other reasons certain expenditures should be deductible, but non-itemizers use the zero bracket amount to shelter from tax income which is not used for deductible expenditures. For example, the zero bracket amount for a joint return in 1985 is $3540. A taxpayer won't itemize if his itemizable expenditures fall short of this. A non-itemizer who files a joint return shields from tax not only, say, his $1,000 of itemizable expenditures but also another $2,540 of nondeductible expenditures. Itemizers, by contrast, earn their deductions, paying tax on every dollar of income not spent on deductible items.

The transfer of tax liability from nonitemizer to itemizer which this asymmetry creates is offset in part insofar as the itemizer may deduct state and local taxes paid. These taxes should be considered neither income nor expenditures, but their deductibility offsets the effect of the deductions for imaginary expenses granted to nonitemizers by the zero bracket amount.

None of this addresses whether taxes paid should be part of federally taxable income anyway. Income is the sum of one's consumption and the change in one's net worth. Some economists think taxes can be considered consumption expenditures, arguing that by choosing where we live we tacitly agree to pay for the local and state services which are provided.

But individuals have to buy a combination of location and taxes/services. While the package is freely chosen, it is not correct to infer that the choice necessarily demonstrates a preference for either part individually. Some people like being close to mountains or family, and tolerate the taxes and unwanted public services as the price. Others will live wherever public schools and libraries are good. The outside observer has no way to distinguish between these two types of citizen, so it is simple governmental self-serving to argue that they are all of the second type. Let's face it: taxes are forced exactions. They are not consumption and are not part of income. Neither state nor federal taxes should be part of the other's income-tax base.

Finally, it is perplexing to find this proposal advanced by an Administration which has apparently respected the federalist principle and considered the federal government a servant, not a master, of the states. It hardly seems the way to encourage states and localities to shoulder more of the public-services burden.

The elimination of deductibility makes little political sense and cannot stand the light of economic analysis. It is a bad idea through and through.

KOREAN WAR MEMORIAL ADVANCES AS SUPPORT SPREADS

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 24, 1985

Mr. FLORIO. Mr. Speaker, yesterday the Committee on House Administration took a momentous and significant step toward the establishment of a Korean war memorial. I congratulate the distinguished chairman of the committee, FRANK ANNUNZIO, for his leadership in this effort and I must thank my colleague, Representative MARY ROSE OAKAR, for her hard work with this legislation before that committee.

Mr. Speaker, over 145 of our colleagues have cosponsored H.R. 2205, The Korean War Memorial Act which I introduced earlier this year. The chairman and ranking minority member of the House Veterans Affairs Committee, the Hon. G.V. "SONNY" MONTGOMERY and Hon. JOHN PAUL HAMMERSCHMIDT joined me as original cosponsors of H.R. 2205 and their support has been unwavering. For that support I am deeply grateful.

I draw the attention of my colleagues to an editorial which appeared in the newspaper Stars and Stripes. Stars and Stripes is read by over 2 million American military personnel around the world and I find this editorial to be most descriptive in it's call for a memorial to those who fought in Korea. It was provided to me by the newspaper's editor, Dan McCurry, who is known by many for his dedication to the well-being of America's veterans.

The editorial is particularly timely in this, the 40th anniversary of the founding of the United Nations. It was under the blue flag of the United Nations that over 54,000 Americans died in Korea and that organization stands today as witness to their sacrifice. I urge my colleagues to read the editorial and to support H.R. 2205, The Korean War Memorial Act, when it is brought to the floor. It is recognition which is long overdue.

LOOKING FOR A KOREAN WAR MEMORIAL

This is the story of three rivers and of the stone which men pile upon their banks, of the boulders carved into monuments, and the rock mortised into great buildings, or ground into gravel. The Potomac of Washington, the Han of Seoul and New York City's East River each flow beside a great world city. Along each shore line governments still pay tribute to that September, 1950 when the surface of the Han ran with the blood of American and Korean troops fighting to cross the waters and reinstall in Seoul an elected government pushed out by the rampage of Communist troops from the north.

While an armistice stilled the daily fighting thirty-one years ago, that campaign continues today. Now along the Potomac that war's survivors want to construct a memorial to their living and dead of Korea. They are discovering that creating a peacetime monument in their own capital city is far more difficult than building bridges while under enemy fire in another capital 7,100 miles from home.

Fifty-five thousand men died in service during a Korean War in which almost nine million Americans served. Since then several hundred thousand GI's have guarded the borders of South Korea. Thirty-eight thousand American troops remain there today.

Each hill, every ridge and river valley of South Korea's map was preserved at the cost of American lives. There is no more crucial piece of real estate in northeast Asia than where the world's four great powers, the Soviet Union, the U.S., Japan and China come face to face. We fought a multi-billion dollar war there and annually spent millions of taxpayers' dollars in Korean military and economic aid. Thirty years ago we heard the loud cries of parents and politicians alike to bring our boys home from Korea. Yet three decades and millions of dollars after the shooting stopped we have yet to erect a national memorial to those who served.

A "police action" this war was called by the same Defense Department which now labels war as "violence processing" and peace as "permanent pre-hostility." The Pentagon would still redefine the sacrifice in hope of somehow scrubbing away our memories of the dead, of those who never fully recovered and of the countless others whose bodies are just now feeling the damage caused by days and nights of constant Chosin cold, the hours of continuous fire-fights in Seoul and those awful seconds in which the buddy once standing at your side, now lies at your feet forever dead to wife, children and family. Too easily we have forgotten the 2,700 POWs who died, the 8,177 MIA's unaccounted for in Korea and the small stones over unmarked American graves which still stand in the North.

We should understand that a great memorial to the American sacrifice in Korea has long stood beside New York's East River. That monument is the United Nations, a fledgling organization created from humankind's weariness with World War II. The U.N. would have little to say, and even fewer to listen, had not Americans fighting in Korea first put their military muscle behind the U.N.'s voice. The world flags fluttering along the water's edge have increased in number every year because in 1950 Americans in Korea gave the UN a lasting respect. In so many arenas the legitimacy of the United Nations was not established on the East River, it was confirmed south of the Yalu. That "police action" gave a breathing

space for peace which secured the United Nations from a rapid self-destruction in the Cold War.

UN forces could not have stood between the Greeks and Turks of Cyprus had not Americans first stood strong at Pusan. The blue flag of the United Nations could not have stopped the warring Egyptians and Israelis had not that flag first pushed despotism north of the 38th Parallel. Thousands of UN workers would not be digging wells, healing children and bringing food to the starving in 1984 had not the U.S. Marines crossed the rivers, secured the ridges and provided security against Communist invasion in 1950.

It diminishes in no way the vision of the UN's founders, that rare spirit of Secretary General Dag Hammarskjold or the dedication of the many UN technicians to remember what happened on the Korean peninsula three decades past. Indeed such remainders put to shame the diplomatic dilettantes of all nations whose debates often forestall no wars and serve but to fill their own wallets.

The United States has a heavy investment in democracy in Korean, an investment which has often been in question. What is not in doubt, however, is the alternative which has taken frightful flower in the North Korean regime of Kim II Soong.

In Korea the war continues and victories usually come in small steps. Then suddenly comes a magnificient leap to freedom like the Soviet tour guide last week who crossed the demarcation line into the South.

Step by step will also be the path of creation for a Korean War Memorial in Washington. Those who survived a shooting war in Korea are far to tough to be entangled by naysayers along the Potomac.

Many have served in Korea, more should remember, and all should enlist in the effort for the dedication of a Korean War Memorial within this decade.

REV. ANTHONY FAILLA: A MAN FOR ALL SEASONS

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 24, 1985

Mr. SOLARZ. Mr. Speaker, I would like to pay tribute to Father Anthony Failla, pastor of St. Finbar's R.C. Church in the Bensonhurst area of my district, on the occasion of his being honored by the Independent Neighborhood Democrats of Carroll Gardens for his years of service to the community.

Father Failla was ordained nearly 30 years ago and was first assigned to Holy Family Church in Canarsie where he organized and ran a youth program for area youngsters.

He was transferred to St. Mary Star of the Sea Church in Carroll Gardens where he remained for many years, actively participating in the life of the community. He helped found the Carroll Gardens Neighborhood Association—a civic association dedicated to the betterment of the community and was a founding member of the South Brooklyn Development Council. During the 1960's, he served as an inspiration to a small group of young adults in the neighborhood, urging them to work toward positive change in the community and beyond. Many of these young adults remained in Carroll Gardens and have risen to leadership positions in the civic and political life of the community.

During this time, Father Failla encouraged this group to use its energy to form the Independent Neighborhood Democrats of Carroll Gardens. His support and encouragement helped these activists create a viable political entity which continues to play an important role in the community to this day. For these reasons, IND has selected Father Failla as the guest of honor at their gala dinner dance which will take place at the Embassy Terrace on Friday evening, November 8, 1985.

At the age of 39, Father Failla was selected by the Brooklyn Diocese to administer the St. Michael-St. Edward Church in the Fort Greene section of Brooklyn—making him one of the youngest administrators in the diocese. While serving in this post, he became chairman of community board No. 2 in which the church was located. When the Myrtle Avenue El was dismantled, Father Failla recovered railroad ties and other pieces of the old structure and had an altar, containing these pieces, constructed for the church. This unique reminder of the face of the community at an earlier time remains at St. Michael-St. Edward to this day.

Father Failla also served as a member of the Brooklyn Bicentennial Commission, helping to plan Brooklyn's part in the celebrations to commemorate the Nation's bicentennial. And he helped found the Friends of Fort Greene Park—an organization formed to help upgrade the neighborhood park.

In 1979, Father Failla was transferred to St. Finbar's Church in Bensonhurst, where he again distinguished himself as an active and involved member of the community. He started the Bensonhurst Renaissance Family Counselling Program and offered space to the program—which provides individual, family, and group counselling to children, adolescents, and adults—in one of the church buildings. He was also the founder of the AMICO Extended Services Program—established to meet the needs of the largely Italian-American residents of the area for information and assistance with entitlements and other social services. And he has also provided space for a residence for homeless men, run by the Society of St. Vincent de Paul. This residence provided temporary shelter for a period of up to 9 months which, along with a range of social services, helps these men to obtain permanent shelter and pick up the pieces of their lives. In addition, Father Failla serves as president of the Bensonhurst-Bath Beach Community Council and treasurer of the Bensonhurst Redevelopment Corp., two important and active community organizations in Bensonhurst. He is also a member of the Italian Board of Guardians.

Since his ordination nearly three decades ago, Father Failla has demonstrated his deep and longstanding commitment to the larger needs of the communities in which he has served. He has contributed innumerable hours and has shown tremendous energy, compassion, and enthusiasm in working with parishioners and residents of the larger community to develop needed programs and services for area residents.

I want to congratulate Father Failla for his many years of commitment to the people of the communities in which he has served. On the occasion of this special tribute by the members and friends of IND, I want to wish him continued strength and success in all his future endeavors.

MIDDLETOWN ENTITLEMENT FUNDS

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 24, 1985

Mr. GILMAN. Mr. Speaker, I am pleased today that a great inequity is being remedied in the Community Development Block Grant [CDBG] Program. Seventeen cities suffered a loss of designation as central cities within their standard metropolitan statistical areas [SMSA] when the Office of Management and Budget [OMB] redefined the criteria for central city status. The loss of central city status caused these cities to lose the much needed entitlement funding under the Community Development Block Grant Program.

Within our own 22d Congressional District in New York State, the city of Middletown lost its entitlement funding by OMB's arbitrary decree. Our neighbor to the east, Newburgh, located in Congressman HAM FISH's district has suffered a similar plight. Congressman FISH and I, joining with other Members of Congress from the affected areas, proposed legislation which would "grandfather" these cities in until the next decennial census which will be conducted in 1990.

Last February, I addressed the House Banking Subcommittee on Housing and Community Development asking that they consider the issue of Middletown's entitlement status along with the 16 other affected cities. The subcommittee was sympathetic to the loss of designation. As a result, the subcommittee incorporated the intent of our legislation into H.R. 1, the housing bill.

While we must still await action from the other body, I am pleased that the House acted to alleviate this injustice. In the fiscal year 1985, the city of Middletown received over $500,000 in funding under the CDBG entitlement program. This funding has become particularly important in light of Middletown's revitalization efforts. We must not allow the Office of Management and Budget, an agency which acts like our fourth branch of Government, to arbitrarily eliminate the funding the city of Middletown so desperately needs and deserves. The road to renewal should not have to confront these arbitrary roadblocks.

Mr. Speaker, in closing I thank my colleagues for supporting the redesignation of the city of Middletown, NY, as an entitle-

ment city. While this provision will directly benefit the people of the city of Middletown, NY, it also addresses a need of other "Middletowns" across this Nation.

TIME FOR CHANGE IN SOUTH AFRICA

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 24, 1985

Mr. GARCIA. Mr. Speaker, in his column in today's New York Times, Anthony Lewis discusses the practical, as well as the moral, failure of apartheid.

He also points out that the time for change in South Africa is now. The most striking point that Mr. Lewis makes in his essay is that the South African business community is becoming increasingly aware of the need to do away with apartheid. I submit Mr. Lewis' article for the RECORD.

[From the New York Times, Oct. 24, 1985]

TIME AND SOUTH AFRICA

(By Anthony Lewis)

In this year of crisis in South Africa, one important event has been the change in business attitudes. The business community is now pressing urgently for an end to the apartheid system. Some business leaders took the bold step of going to Zambia to talk with the African National Congress.

Why? Business people are not by nature political reformers. Why are they now taking such an active role on South Africa's central political question? I think it is because they have seen a simple truth in their country's turmoil. From that truth much follows, for South Africans and for us outside.

The truth is that apartheid no longer works. A system that divides a nation, humiliates most of its people and attracts the obloquy of the world imposes too heavy a burden on the society. And its victims will no longer humbly bear it.

The curious thing is that the rulers of South Africa perceive much of that truth, too. That is why President Botha talks about "reform" and disavows the word apartheid. He has lost the old National Party faith in the rightness of racial separation.

But Mr. Botha has nothing to replace the old faith. He cannot justify denying people basic rights because of their skin color, or at least he does not try to. But he has no vision of an alternative South African society. He gives his people no plan, no goal. Those who ask for change get repression.

That is President Botha's tragedy and his country's. For the lack of vision in this time of crisis is a mortal danger to South Africa. Every week, every day that passes in rudderless turmoil makes it less likely that South Africa will arrive in passable shape at a decent future.

By now most people know what that future will be. Some day South Africa will have a non-racist system. Of course racial differences will exist, there as in other countries. But South Africa will not have the unique distinction of writing them into law—of defining in racial terms who may vote, who may live with his family and so on.

The only question is when that future will arrive. It is an absolutely critical question, and it is what the business leaders have understood.

Business sees what is happening in the black community. Its acknowledged leaders are mostly in prison or detention or exile. In their place, pushing the protests in the face of police whips and guns, are students. The old leaders were middle-class men and women—lawyers like Nelson Mandela, doctors, ministers. The new ones are scarcely educated, suspicious of middle-class status in any black because it smacks of dependence on the white world.

In short, business see a black community that is increasingly radicalized, increasingly disconnected from middle-class values. And it sees that Government policy is causing the process: the policy of refusing to envisage, or to talk about, political change.

In those circumstances it is not surprising that the business community wants urgent action. It would rather negotiate with Nelson Mandela than with those who will follow. When 91 business leaders stated their position in an advertisement last month, a cardinal point of their program was "negotiating with acknowledged black leaders about power sharing."

Last week 52 American heads of businesses that operate in South Africa endorsed the program of their South African counterparts. Their aim, apparently, was to try to move Mr. Botha and his Government, but I think they misconceived the way they can apply power to that end.

No one who knows Mr. Botha can believe that he will be moved by political advice from American business leaders. But he has to listen if they say something else: say that their companies are going to leave because they cannot operate profitably in today's South Africa.

Disinvestment is in fact under way. Even the Rev. Leon Sullivan, whose principles of nondiscrimination have been used to justify U.S. corporate presence in South Africa, says he will urge all companies to pull out if apartheid has not been dismantled by 1987.

And there is a deep conservative interest in applying the most effective pressure for change in South Africa. Breyten Breytenbach, the great Afrikaans poet who served a prison term for his anti-apartheid activites, puts it in the current New Republic:

"The rulers [of South Africa] are destabilizing and ruining the region. . . . They are destroying the credibility and the viability of Western values. They are endangering, in the long run, whatever strategic and financial interests the West may have in the area."

COMPLEX PROBLEMS AND SIMPLE SOLUTIONS

HON. THOMAS A. DASCHLE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 24, 1985

Mr. DASCHLE. Mr. Speaker, even though the debate on the 1985 farm bill has passed, unfortunately, the crisis facing family farmers and ranchers throughout this Nation has not. As the other body begins deliberations on new farm legislation, and we anticipate a conference between our respective Agriculture Committee, I would urge my colleagues to examine the thoughts contained in two farm policy editorials published in the Arkansas Gazette.

These editorials lay to rest the fallacies of the so-called "free market system" in agriculture, and echo the comments of tens of thousands of family farmers and ranchers throughout the Nation—passing more of the same in the way of a new farm bill will not pull family agriculture from the depths of its economic depression.

I would commend the editorial writers of the Gazette, and recommend these editorials to each of my colleagues:

COMPLEX PROBLEMS AND SIMPLE SOLUTIONS

The astonishing lack of progress toward a solution of the massive farm problem may be attributed to the fact that those who make policy have no understanding of agriculture's essential role in the economic system. Consequently, they concentrate on searching for a simple solution to an enigma that is beyond their comprehension.

Before any attempt is made to outline a farm program for the remainder of the century, certain assumptions should be established:

Agriculture is an essential industry with a priority that should rank somewhere above the economic health of public utilities, Conrail, Chrysler, Continental Illinois National Bank and Trust Company or any other bank that is regarded as "too big to fail."

The efficiency of farmers has been clearly established and is well known. Their productive capacity—the skill with which they use machines and manpower in growing crops and livestock—is demonstrated by the fact that one farmer produces food and fiber for himself and perhaps 75 other people. Less than 3 percent of the population is engaged in commercial farming, compared with 30 percent only a few years ago.

The problems of agriculture cannot be solved simply by "exporting the surplus."

In agriculture, as in public utilities or the manufacture of automobiles, "price" is the key factor. Farmers cannot stay in business if they are required to sell their commodities below cost, regardless of how efficient they may be in growing crops and livestock.

If Congress and the administration could understand these assumptions, they might be prepared to write a replacement for the Agriculture and Food Act of 1981. The next order of priority would be to hold the cost at the lowest possible level. Certainly, there is no justification for spending $30 billion a year on a farm program, as the country did in 1983, or for a four-year program that might require outlays of $50 billion when the original law called for spending $11 billion. Planning of that quality simply confirms the lack of understanding that has characterized the effort for the last four years.

The presumed efficacy of exports may be the one illusion that has led to more miscalculations than any other factor in the farm program formula. Americans fell into the trap early in the 1970 decade when adverse weather and other circumstances threatened to produce a global food shortage. The United States owned the world's greatest reserve of grain and was in position to profit from the (temporary) sellers' market.

Earl Butz, who was secretary of Agriculture in the Nixon and Ford administrations, misread the signals and concluded that "exports" would provide the permanent solution to the problem. Grow all you can, he said, and we'll sell it. Thus the doctrine of

the free market will be confirmed and farmers will be released from government controls.

The dream world, in which other countries would send their agents to the United States in search of food, soon melted into mist as other regions boosted production. Farm exports have been declining for three years and there is little indication the situation will improve. World sales have been accounting for 40 percent (or more) of some key crops, but the demand is likely to continue its decline.

The Soviet Union, viewed as one of the most promising markets, is expected to harvest 190 million metric tons of grain this year, an increase of about 12 per cent over last year. A crop of this size would enable the Soviets to reduce their imports by about 12 million tons, 10 million tons of which would represent reduced sales by the United States. Grain traders have expressed fear that, for the first time, the USSR will not comply fully with the terms of its agreement to purchase at least 8.5 million metric tons of grain and soybeans in the United States.

Those who write the new farm law should consider the erratic world demands for American farm commodities. Domestic consumption of food and fiber can be predicted with reasonable accuracy, but exports follow no fixed pattern. A "safe" farm law would set production targets that would meet domestic demand with a margin of 30 percent (or some other reasonable figure) for exports. In those years when the world harvest falls a bit short, we could expect prices to rise, when world production soars, the domestic supply could be handled at reasonable cost, particularly if the law contained provisions for adequate reductions the following year.

In order to protect the income of farmers, price supports would have to be set at "profitable" levels.

The exercise in "supply management" would contrast with the current mood of the country and is not likely to be approved. No one should ignore the fact that the Senate Agriculture Committee has tentatively endorsed a farm bill containing a mechanism for a wheat marketing quota referendum as a key component of a legislative sounding board called the Farm Policy Reform Act of 1985. A move reportedly is under way to extend the referendum to other crops.

The measure is certain to encounter rough sledding and the odds against its passage are long. Still it demonstrates that at least a few people in Congress understand that the complex farm problem defies the simple solution of "returning agriculture to a free market," which is exactly what the farmers had when they all went broke more than 50 years ago.

A Fair Warning to Agriculture

Farmers, who gave President Reagan 67 percent of their votes in the 1984 election, should brace themselves for the consequences of their suffrage. In his recent radio address, delivered from his ranch where he is on vacation, Mr. Reagan described the kind of farm program he wanted and urged Americans to send their lawmakers "an unmistakable message that change in our farm policy is not only desired, but essential."

Farmers—those who voted for Mr. Reagan and the few who didn't—probably will be cheered by the message. With commodity prices hovering around 50 percent of parity and with agriculture in the deepest slump since the 1930 decade, producers would welcome a change from what they have. The hazard, from the viewpoint of farmers, is that Mr. Reagan may succeed in doing what he has proposed from time to time, since the days when he taught pop economics for General Electric: Take the government out of the game altogether and return agriculture to the tender mercies of the free market.

In his GE days, Mr. Reagan occasionally praised the productive skills of farmers and urged the government to "turn that genius loose." His theme then was that all farm programs should be aimed at returning agriculture to the law of supply and demand. The lofty and idealistic doctrine did not guide government policies during Mr. Reagan's first term and his radio address mentioned his accomplishments in shelling out subsidies.

"Our administration," he said, "has spent more on farm programs than any administration in history."

No one is likely to challenge the assertion. Mr. Reagan named $59 billion as the amount dished out since 1981, and that did not include his personal Payment-in-Kind (PIK) that cost an additional $9 billion to $10 billion. Outlays in 1983 alone, when the way was being paved for the 1984 campaign, totaled $22.2 billion (plus PIK), compared with about $24 billion for the four years covered by the previous law.

It should be emphasized that the Agriculture and Food Act of 1981 is a product of the Reagan administration. It contained the provisions he wanted, including considerable flexibility for the Secretary of Agriculture to increase or decrease the government's role (and spending) for specific programs. Armed with the mandate of his first term. Mr. Reagan got what he wanted in agriculture. The net result was that the 1981 law is demonstrably the most expensive and least effective in the history of farm legislation.

With farm bankruptcies setting post-depression records and with such commodities as wheat and corn trading below price-support levels, producers may be a bit reluctant to exercise their genius and produce at full capacity for storage bins that already are overflowing.

Mr. Reagan blamed the farm depression on a variety of factors, lumped together as those misguided policies of the past. The implication was that it all happened before he came to office but, in truth, his first term is part of the "past" and virtually all the price-depressing surpluses now in storage were accumulated during his administration and under the programs his Departmen of Agriculture fashioned within the terms fo his 1981 farm law.

"A major contributor to the problem, he said, "is federal efforts designed to help farmers. The answer cannot be found in sticking with discredited programs and increasing government controls. The answer can only be found in our ability to help the agriculture industry to stand on its own feet again."

Mr. Reagan's sense of history may be playing tricks on him. Agriculture has operated under a series of farm programs for more than 50 years. During that period, it has experienced varying degrees of prosperity and, just for the record, its growth rate, its productivity, and the accumulation of assets all constitute an amazing achievement. Under government programs, agriculture mechanized, modernized, adopted scientific practices and became the envy of the world with its ability to produce food and fiber. Recent policies, including the 1981 law, deprived it of the essential ingredient: The ability to turn a profit.

In contrast, it was "standing on its own feet" before it collapsed completely and had to be rescued in the early years of the 1930 decade.

Our historical perspective should be lengthened to embrace a knowledge of the rural poverty that gripped agriculture before the government came to the rescue.

FACED WITH INSURANCE CRISIS, NURSE-MIDWIVES APPEAL TO CONGRESS

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 24, 1985

Mr. FLORIO. Mr. Speaker, in July 1985, malpractice insurance for half of the Nation's 2,800 certified nurse-midwives was canceled, effective over the course of the next 6 months. The midwives had been covered under a blanket policy written for their professional association.

Of the approximately 1,400 nurse-midwives whose coverage was canceled, about 800 are independent practitioners who will have no choice but to stop practicing. Some midwives associated with hospitals, clinics, and other organizations are able to continue practicing under the group policies offered by the institutions; but as those policies come up for renewal, insurers are apparently demanding that nurse-midwives be excluded, thus eliminating all options for obtaining coverage.

Although the midwives had filed very few claims under their policy, no insurance firm has been willing to negotiate a new nationwide group policy. Nurse-midwives believe their abandonment is unjustified and that the lack of liability coverage is jeopardizing their profession. Emergency Federal legislation aimed specifically at making liability insurance available for nurse-midwives has been suggested as a solution.

The following advertisement documenting the midwives' appeal recently appeared in the Washington Post.

[From the Washington Post, Sept. 10, 1985]

AN APPEAL TO MEMBERS OF CONGRESS FROM AMERICA'S 1.7 MILLION PROFESSIONAL NURSES

We appeal for your urgent attention to the special plight of a vitally important segment of this country's nursing profession—and the tens of thousands of mothers and babies throughout this country who depend on them.

We refer to this nation's dedicated corps of nurse-midwives—registered nurses with post-graduate training in childbirth and pre- and post-natal care who work collaboratively with obstetricians. Certified nurse-midwives provide quality, cost effective care that has resulted in reduced infant mortality in settings in which they practice, particularly in low income, rural and inner city areas.

Despite a low incidence of malpractice claims, insurance companies have made an

arbitrary decision to cancel policies for nurse-midwives, refused to renew existing policies and refused to issue new policies. Professional nurse-midwives cannot practice without basic malpractice insurance. They are being denied their right to work.

This is a matter of the gravest concern not only to certified nurse-midwives, but to the whole nursing profession and to women and families throughout the country.

We appeal for your interest and consideration. We need it now. The situation is desperate. Please help!

THE PROFESSIONAL NURSES OF AMERICA

American College of Nurse-Midwives.
American Nurses' Association.
Frontier Nursing Service.
Maternity Center Association.
National Association of Childbearing Centers.
Association of Operating Room Nurses.
Association of Pediatric Oncology Nurses.
Association of Rehabilitation Nurses.
National Association of Pediatric Nurse Associates and Practitioners.
National Nurses' Society on Addictions.
The Nurses' Association of the American College of Obstetricians and Gynecologists.
National Association of Neonatal Nurses.
Legislative Network for Nurses.
Oncology Nursing Society.
American Association of Colleges of Nursing.
American Association of Critical-Care Nurses.
American Association of Neuroscience Nurses.
American Association of Nurse-Anesthetists.
American Association of Occupational Health Nurses.
American Nephrology Nurses' Association.
American Society of Post Anesthesia Nurses.
American Urological Association Allied.
Association for Practitioners in Infection Control.

SECRETARY HODEL'S REMARKS AT THE GROUNDBREAKING OF THE U.S. HOLOCAUST MEMORIAL AND MUSEUM

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 24, 1985

Mr. GILMAN. Mr. Speaker, last week I was privileged to join Secretary of Interior Donald Hodel, Holocaust Memorial Council Chairman Elie Wiesel, and some of our colleagues at the very moving groundbreaking ceremony for the Holocaust Memorial and Museum. On land donated by the Federal Government, this important structure will be constructed solely from private contributions.

Prior to the actual groundbreaking, which included the mixing of soil and ashes from Europe's concentration camps with American soil, Secretary Hodel spoke movingly to those assembled at this historic occasion, bringing with him a message from President Reagan, who has agreed, in an unprecedented manner, to serve as honorary chairman of the fundraising effort.

Mr. Speaker, I know that all of our colleagues, in both Houses of Congress, support this historic effort. We can all appreciate Secretary Hodel's remarks, as well as the President's message, and I ask that they be printed in full at this point in the CONGRESSIONAL RECORD for our colleague's review and commentary.

REMARKS OF SECRETARY OF THE INTERIOR DON HODEL AT OFFICIAL GROUNDBREAKING CEREMONY FOR U.S. HOLOCAUST MEMORIAL AND MUSEUM, OCTOBER 16, 1985

I stood in the Rotunda of the Capitol last April. It was part of this nation's sober observance of the Days of Remembrance. Speaker after speaker, regardless of his faith, implored us to remember the Holocaust.

We free people of the world do remember—in many ways. In Israel, there is Yad Vashem. I was there not quite 2 years ago, and was privileged to lay a wreath at the flame which will flicker eternally in that dark and stone-cold room. It was a gripping, moving experience. No civilized man or woman could fail to be moved.

In the United States, we have the Days of Remembrance Commemoration. And, thanks to the efforts of many men and women—from all walks of life and of many religious faiths—this country will have its own Holocaust Memorial and Museum. But it will come into being, and will achieve its rightful place as an important part of our Nation's Capital, only if a broad cross-section of America understands its purpose and contributes to its funding.

It is in this regard that we should take note that President Reagan has agreed to serve as Honorary Chairman of the fundraising effort. As I am sure you know, it is most unusual for the President of the United States to assume such a position with a private, non-governmental activity.

President Reagan's participation serves as a clear and unmistakable signal to the entire nation that successful completion of the United States Holocaust Memorial and Museum is an important objective of the American people and that it is most deserving of the moral and financial support of all of us.

Ladies and gentlemen, it gives me great pleasure to deliver to you a personal message from the President.

THE WHITE HOUSE,
Washington, DC, October 15, 1985.

I am pleased to send greetings to all those gathered for the groundbreaking for the Holocaust Memorial Museum.

We are building this museum not just to pay our respects to the memory of the victims of an immense tragedy, nor merely to provide the living with a reminder of the horror which even now is slipping out of living memory and into history. We build today for our posterity.

With our children and our children's children in mind, we are creating on this spot a place of remembrance and mourning. Although some have questioned the wisdom of placing the memorial for a European catastrophe so close to the gleaming symbols of our democracy, the lessons of the Holocaust—the brutal, even diabolical perversion of power, unchecked by law and devoid of faith in God—do belong here. When, in the years to come, our children emerge from this museum with the lessons of totalitarianism fresh in their minds, those soaring white monuments to democracy, justice, and freedom under God will gleam all the more brightly in the sunlight of freedom.

Today, much of the world still struggles to rid itself of the rule of godless tyrants and murderers. This memorial will stand always to remind us of the nobility of that struggle and the perils we face if we remain indifferent. God bless you.

RONALD REAGAN.

On an official and personal note, I would like to comment briefly on the working relationship between the Holocaust Memorial Council and the Department of the Interior. Not quite 2 weeks ago, I exercised my responsibility as Secretary to approve the architectural plans for the memorial and museum and to certify to the Congress that funds were available to complete construction. I could not have done so had it not been for the tireless efforts of so many of you, who have made this great day possible, and my confidence that the American people will heed your call for support, so that this noble project can become a vital part of the heart of the world capital of freedom.

But, you ask, why do we have need for these museums and memorials? Why do we seek to remember such a painful episode in history?

The short answer is that if we dare let ourselves forget, we may not be sufficiently vigilant when other Hitlers take those first, almost unnoticeable steps toward tyranny. We must be vigilant to incipient tyranny wherever it occurs, because, as is etched on front of our National Archives, "Eternal Vigilance is the Price of Liberty."

But that merely is a political or societal reason for remembering the Holocaust. I submit, however, that there is an even more important reason for remembering:

We serve God by remembering. If remembering the Holocaust can help us—or our brothers and sisters in the world—avoid the physical and emotional pain of terror and barbarism, we and they obviously are better off for it. But, crucial as that is to our general well-being, I am more concerned about the well-being of our souls.

When Hitler destroyed men, women and children, he sinned against them; but he quite surely also sinned against God. And when the rest of mankind tolerates that happening, we just as surely sin against God.

I firmly believe the Lord did not put man and woman on earth with indifference as to how they treated each other. I have faith that we are commanded by God not merely to be kind to one another; but to stand tall and to take those steps that are within our God-given abilities when we sense that evil has reared its ugly head.

We therefore must remember the Holocaust—now and forever—if we are to remain able as vigilant children of God to serve him.

If I am correct in this respect, then let it be said that those of you who are the builders of the memorial and museum truly are doing the work of the Lord.

TISH SOMMERS: A VERY SPECIAL PERSON

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 24, 1985

Mr. STARK. Mr. Speaker, I wish to pay special tribute to one of California's truly remarkable women, Tish Sommers, who recently lost her battle with cancer. A life-

long social activist and self described freelance agitator, for the past 15 years, she worked tirelessly on the special needs of middle aged and older women.

Tish Sommers had a unique capacity to use her own personal experiences as a means of educating and advocating for social change. Divorced at 57, she quickly recognized the problems women face in entering or returning to the job market in midlife. Because of her own painful experiences, she founded a self-help job program for women in California's Bay Area. Not content to use her talents for California women, she went on to launch a nationwide movement to assist displaced homemakers, a term she coined to describe women who lost their jobs as homemakers through widowhood and divorce. Through the Alliance for Displaced Homemakers, which she cofounded, she was able to gain Federal and State support for critically needed displaced homemaker programs.

Struck with cancer in her fourties she soon learned the importance of health insurance and made this a priority issue when she helped organize the Older Women's League in 1980. Although she had access to her husband's employer-based health insurance when she contracted cancer, she lost this coverage when she was divorced. Because of her cancer she was unable to obtain health insurance coverage. One of the first issues taken up by the Older Women's League [OWL] was access to health insurance by midlife women. OWL promptly drafted a model State bill requiring continuation or conversion of group health insurance for spouses who would otherwise lose their coverage following widowhood, divorce, or their husband's retirement. Through the advocacy of local OWL members, such legislation has been enacted in six States.

Mr. Speaker, I am proud to say that I had the opportunity to work with Ms. Sommer's Older Women's League in developing legislation to deal with the problems women face when they lose their health insurance because of a change in their marital status. Originally introduced as H.R. 21, the Continued Access to Group Health Insurance Act of 1985, the provisions have now been included in H.R. 3128, the Ways and Means Deficit Reduction Amendments of 1985. With parallel provisions already a part of the Senate Finance Committee's deficit reduction legislation, I have every hope that we will soon enact effective continued access to private health insurance for spouses and their dependent children.

This legislation will serve as a wonderful tribute to a truly outstanding woman.

Ms. Sommers died at her home in Oakland, CA, last Friday, October 18. I speak for many when I say that Tish Sommers—activist, feminist, teacher, and role model—left a remarkable legacy, and will be greatly missed in the women's movement and aging network in this country. Memorial services are being held in Washington today and in Oakland in November.

EXPLANATION OF VOTE ON REPRESENTATIVE LATTA'S AMENDMENT

HON. TOM LEWIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 24, 1985

Mr. LEWIS of Florida. Mr. Speaker, on September 11, I expressed my concerns over the $3 billion surplus in the airport and airway trust fund, which has been allowed to accumulate instead of financing those air safety programs for which the moneys were collected.

Since that time, title VIII, subpart B of H.R. 3500, the Omnibus Budget Reconciliation Act of 1985, has made provisions to remove the highway trust fund and the airport and airway trust fund from the unified budget. It is obvious to me, as well as the framers of H.R. 3500, that as long as budget deficits continue to grow, and trust fund surpluses continue to grow larger, the temptation to use the surplus to offset the deficits will increase, not diminish.

Unfortunately, both Representative FAZIO and Representative LATTA introduced amendments to H.R. 3500 which were designed to keep these trust funds under the unified budget. For this reason, I rose yesterday to speak in strong support of removing these trust funds from the unified budget, and in opposition to the Fazio and Latta amendments.

Opposing Representative LATTA's amendment would have been particularly difficult, since aside from the portion dealing with the trust funds, I supported his amendment. Fortunately, Representative LATTA has modified his amendment in order to provide for the removal of these trust funds from the unified budget by 1989, and; therefore, I was pleased to vote for his amendment.

QUALITY OF HIGHER EDUCATION IN NEW YORK PROVEN IN NATIONAL SURVEY

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 24, 1985

Mr. BIAGGI. Mr. Speaker, as the ranking New York member on the House Education and Labor Committee, I was delighted to learn of the results of a recent survey of some 70,000 presidents, vice presidents, and directors in major businesses. The survey was conducted by Dun & Bradstreet. The question they were asked was where did you obtain your undergraduate and graduate degrees?

The results were gratifying. Of the top five undergraduate schools, two were from New York. Of the top five graduate schools two were from New York. The schools attended were both public and private which reflects the balance and diversity of higher education in New York.

While schools outside of New York did finish in first place those schools from New York fared quite respectably in the final survey results which I would like to provide to my colleagues.

Undergraduate.—Yale, Harvard, City University of New York, Princeton, and New York University.

Graduate.—Harvard, New York University, Columbia, University of Pennsylvania, and University of Michigan.

So it is obvious that a good education leads to a good job. This survey further shows that getting educated in New York gives you a leg up on others looking for the better job.

TAX REFORM

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 24, 1985

Mr. GINGRICH. Mr. Speaker, I would like to have the following article placed in the CONGRESSIONAL RECORD:

[From the Wall Street Journal, Oct. 16, 1985]

A TAX RESHUFFLE GONE AWRY

(By Martin Feldstein)

It's remarkable that a president who two years ago said he favored eliminating the corporate income tax has now been maneuvered by his political advisers into supporting a 25% rise in corporate tax collections. It's sad that a president who believes fiercely in economic growth has been reading weekly speech scripts in praise of a plan that would undermine growth by curtailing saving and investment.

But despite the president's weekly trips around the country to sell his tax plan, the American public is decidedly uninterested. That's not really surprising. For a typical middle-income family with annual earnings of $30,000, the president's proposed 7% tax cut would reduce tax liabilities by about $4 a week. That raises net income by less than 1%.

Many individuals also feel instinctively that the promised tax cuts will never materialize, because a government that's running a $200 billion a year deficit has no money to give away. And they also feel that even if they lose their own deduction for state and local taxes, there will still be enough tax-shelter gimmicks left to permit many wealthy individuals to pay little or no tax.

REDUCED INCENTIVE

Although the 7% cut in personal income taxes has not been enough to buy the popular support that the president's political advisers originally predicted, it would reduce the Treasury's personal tax collections by $25 billion a year. To keep total revenue unchanged, corporate tax collections would therefore have to be increased by $25 billion, a rise of more than 25%.

Such an increase in corporate taxes would substantially reduce the incentive to invest in business plant and equipment. By eliminating the investment tax credit and changing the tax depreciation rules, the president's plan would raise the cost of capital for investment in equipment by more than 50%. Historical experience confirms the common-sense conclusion that the result of

such a change in the cost of capital would be a substantial decline in the rate of investment.

The proposal of Ways and Means Committee Chairman Dan Rostenkowski would be even more harmful to investment and growth. By 1990, the Rostenkowski plan would raise annual corporate taxes by nearly twice as much as the president's plan. The depreciation rules would be rolled back to the pre-1981 standard, thereby cutting the incentive to investment even more sharply than the president's plan. The Rostenkowski proposal would also reduce incentives for spending on research and development and would raise the tax rates on corporate profits and capital gains. Although these changes are a repudiation of the president's 1981 tax initiatives, there has not been a word of criticism from either the White House or the Treasury Department.

Indeed, despite the public's lack of interest in the tax proposals and the harm that they would do to investment and long-term economic growth, the president's political advisers are openly cynical about their strategy for getting Congress to enact a tax bill. According to their game plan, the House Democrats will pass a tax bill out of fear that the president would otherwise attack them for blocking a tax cut for middle- and lower-income individuals. The Republican majority in the Senate will then be forced by the coming 1986 elections to support their president by passing his tax bill. In short, although the members of Congress may recognize that it is an economically counterproductive bill, enough of them will vote for it out of political self-interest to ensure its passage.

But what about the business community? Why is it not calling on Congress to reject the president's proposal and postpone tax reform until some future year when it can be approached more sensibly? Although the vast majority of major business firms are strongly opposed to the administration's tax plan (and even more opposed to the Rostenkowski plan), they have certainly not expressed this opposition in a clear and forceful way.

Their lack of effective opposition reflects the cleverness with which the administration has managed its tax campaign. The administration began by designing a tax plan that splits the business community; the proposed cut in the corporate rate (from 46% to 33%) would reduce total taxes for about one-fifth of major firms even though corporate taxes as a whole would rise by more than 25%. Without unanimity, the major business organizations that were so effective in persuading Congress to strengthen investment incentives in the 1981 tax legislation cannot now speak out to defend those incentives by rejecting the current tax proposals.

Although individual companies go to the Treasury Department and the Congress to plead for modifications in specific features of the tax proposals that would hit their own firms particularly hard, they generally do not campaign against the tax proposals as a whole. Instead, each firm tries to protect only what it sees as its own particular vital interests.

The individual business leaders who would like to speak out in opposition to the president's tax plan are generally intimidated into public silence. In the hardball world of tax politics, the Treasury Department and the White House staff try to convince each firm that its public position on the president's plan will strongly influence the Treasury's ultimate willingness to compromise on the specific tax features of greatest interest to that firm.

But there is no way to avoid all of the anti-investment changes proposed in the president's plan and the Rostenkowski plan. As long as the central feature of any enacted tax plan is a reduction in personal taxes, there is no way to avoid a business tax increase of $20 billion to $50 billion a year.

MINIMUM TAX INSTEAD

In place of the current radical and misguided tax plans of the administration and the Ways and Means Committee, tax reform at present should be limited to making sure that all individuals and businesses with substantial incomes are required to pay a significant amount of tax each year. That more modest goal would clearly increase the fairness of the tax system and yet would not weaken incentives to invest in plant and equipment. The revenue raised by such a downpayment on future tax reform should be devoted to reducing the oppressive budget deficits.

It is the time for responsible leaders in Congress to declare that the current plans to reshuffle tax liabilities are misguided and mischievous. Instead of dealing with the budget deficit, the tax proposals would worsen the prospects for future deficit reductions. Instead of strengthening incentives to save and invest, the proposals would weaken these incentives and undermine long-term economic growth. The responsible leaders in Congress should now make it clear that the current tax proposals are not an acceptable starting point for tax reform and that Congress will not be cajoled or frightened into passing such counterproductive legislation.

PRESIDENT REAGAN'S UNITED NATIONS SPEECH

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 24, 1985

Mr. MICHEL. Mr. Speaker, President Reagan today addressed the U.N. General Assembly at the commemoration of the 40th anniversary of the United Nations. I must say that in all my years of hearing Presidential addresses, none has so eloquently, forcefully, and frankly addressed the major issues of our time more than this great speech. It should be read by every American. At this point I wish to insert in the RECORD the President's speech:

ADDRESS BY THE PRESIDENT TO THE GENERAL ASSEMBLY OF THE UNITED NATIONS AT THE COMMEMORATION OF THE 40TH ANNIVERSARY OF THE UNITED NATIONS

Forty years ago, the world awoke daring to believe hatred's unyielding grip had finally been broken—daring to believe the torch of peace would be protected in liberty's firm grasp.

Forty years ago, the world yearned to dream again innocent dreams, to believe in ideals with innocent trust. Dreams of trust are worthy, but in these 40 years too many dreams have been shattered, too many promises have been broken, too many lives have been lost. The painful truth is that the use of violence to take, to exercise, and to preserve power remains a persistent reality in much of the world.

The vision of the U.N. Charter—to spare succeeding generations this scourge of war—remains real. It still stirs our souls and warms our hearts. But it also demands of us a realism that is rockhard, clear-eyed, steady and sure—a realism that understands the nations of the United Nations are not united.

I come before you this morning preoccupied with peace, with ensuring that the differences between some of us not be permitted to degenerate into open conflict. And I come offering for my own country a new commitment, a fresh start.

On this U.N. anniversary, we acknowledge its successes: the decisive action during the Korean War; negotiation of the Non-Proliferation Treaty; strong support for decolonization; and the laudable achievements by the U.N. High Commissioner for Refugees.

Nor must we close our eyes to this organization's disappointments: its failure to deal with real security issues, the total inversion of morality in the infamous Zionism-is-racism resolution, the politicization of too many agencies, the misuse of too many resources.

The U.N. is a political institution and politics requires compromise. We recognize that. But let us remember—from those first days, one guiding star was supposed to light our path toward the U.N. vision of peace and progress—the star of freedom.

What kind of people will we be 40 years from today? May we answer—free people, worthy of freedom, and firm in the conviction that freedom is not the sole prerogative of a chosen few, but the universal right of all God's children.

This is the Universal Declaration of Human Rights set forth in 1948. And this is the affirming flame the United States has held high to a watching world. We champion freedom not only because it is practical and beneficial, but because it is morally right and just.

Free people, whose governments rest upon the consent of the governed, do not wage war on their neighbors. Free people, blessed by economic opportunity, and protected by laws that respect the dignity of the individual, are not driven toward the domination of others.

We readily acknowledge that the United States is far from perfect. Yet we have endeavored earnestly to carry out our responsibilities to the Charter these past 40 years, and we take national pride in our contributions to peace:

We take pride in 40 years of helping avert a new world war and pride in our alliances that protect and preserve us and our friends from aggression. We take pride in the Camp David agreements and our efforts for peace in the Middle East rooted in resolutions 242 and 338; in supporting Pakistan, target of outside intimidation; in assisting El Salvador's struggle to carry forward its democratic revolution; in answering the appeal of our Caribbean friends in Grenada; in seeing Grenada's representative here today, voting the will of its own people. And we take pride in our proposals to reduce the weapons of war.

We submit this history as evidence of our sincerity of purpose. But today it is more important to speak to you about what my country proposes to do, in these closing years of the 20th century, to bring about a safer, a more peaceful, a more civilized world.

Let us begin with candor—with words that rest on plain and simple facts. The differences between America and the Soviet Union are deep and abiding.

The United States is a democratic nation. Here the people rule. We build no walls to keep them in, nor organize any system of police to keep them mute. We occupy no country. The only land abroad we occupy is beneath the graves where our heroes rest. What is called the West is a voluntary association of free nations, all of whom fiercely value their independence and their sovereignty. And as deeply as we cherish our beliefs, we do not seek to compel others to share them.

When we enjoy these vast freedoms as we do, it is difficult for us to understand the restrictions of dictatorships which seek to control each institution and every facet of people's lives, the expression of their beliefs, their movements, and their contacts with the outside world. It is difficult for us to understand the ideological premise that force is an acceptable way to expand a political system.

We Americans do not accept that any government has the right to command and order the lives of its people, that any nation has an historic right to use force to export its ideology. This belief—regarding the nature of man and the limitations of government—is at the core of our deep and abiding differences with the Soviet Union, differences that put us into natural conflict—and competition—with one another.

We would welcome enthusiastically a true competition of ideas, welcome a competition of economic strength and scientific and artistic creativity, and, yes, welcome a competition for the good will of the world's people. But we cannot accommodate ourselves to the use of force and subversion to consolidate and expand the reach of totalitarianism.

When Mr. Gorbachev and I meet in Geneva next month, I look to a fresh start in the relationship of our two nations. We can and should meet in the spirit that we can deal with our differences peacefully. That is what we expect.

The only way to resolve differences is to understand them. We must have candid and complete discussions of where dangers exist and where peace is being disrupted. Make no mistake: our policy of open and vigorous competition rests on a realistic view of the world. Therefore, at Geneva, we must review the reasons for the current level of mistrust.

For example, in 1972 the international community negotiated in good faith a ban on biological and toxic weapons; in 1975 we negotiated the Helsinki accords on human rights and freedoms; and during the decade just past, the United States and the Soviet Union negotiated several agreements on strategic weapons. Yet, we feel it will be necessary at Geneva to discuss with the Soviet Union what we believe are their violations of a number of the provisions in all of these agreements. Indeed, this is why it is important that we have this opportunity to air our differences through face-to-face meetings—to let frank talk substitute for anger and tension.

The United States has never sought treaties merely to paper over differences. We continue to believe that a nuclear war is one that cannot be won and must never be fought. That is why we have sought, for nearly 10 years, still seek, and will discuss in Geneva radical, equitable, verifiable reductions in these vast arsenals of offensive nuclear weapons.

At the beginning of the latest round of the ongoing negotiations in Geneva, the Soviet Union presented a specific proposal involving numerical values. We are studying the Soviet counter-proposal carefully. I believe that within their proposal there are seeds which we should nurture, and in the coming weeks we will seek to establish a genuine process of give-and-take.

The United States is also seeking to discuss with the Soviet Union in Geneva the vital relationship between offensive and defensive systems, including the possibility of moving toward a more stable and secure world in which defenses play a growing role.

The ballistic missile is the most awesome, threatening, and destructive weapon in the history of man. Thus, I welcome the interest of the new Soviet leadership in the reduction of offensive strategic forces. Ultimately, we must remove this menace—once and for all—from the face of this Earth.

Until that day, the United States seeks to escape the prison of mutual terror by research and testing that could, in time, enable us to neutralize the threat of these ballistic missiles and, ultimately, render them obsolete.

How is Moscow threatened—if the capitals of other nations are protected? We do not ask that the Soviet leaders—whose country has suffered so much from war—leave their people defenseless against foreign attack. Why then do they insist that we remain undefended? Who is threatened if Western research—and Soviet research that is itself well-advanced—should develop a non-nuclear system which would threaten not human beings, but only ballistic missiles?

Surely, the world will sleep more secure when these missiles have been rendered useless, militarily and politically, when the Sword of Damocles that has hung over our planet for too many decades is lifted by Western and Russian scientists working to shield their cities and their citizens and one day shut down space as an avenue for weapons of mass destruction.

If we are destined by history to compete, militarily, to keep the peace, then let us compete in systems that defend our societies rather than weapons which can destroy us both, and much of God's creation along with us.

Some 18 years ago, then-Premier Aleksei Kosygin was asked about a moratorium on the development of an anti-missile defense system. The official Soviet news agency, TASS, reported he replied with these words:

"I believe that defensive systems, which prevent attack, are not the cause of the arms race, but constitute a factor preventing the death of people. . . . Maybe an anti-missile system is more expensive than an offensive system, but it is designed not to kill people but to preserve human lives."

Preserving lives. No peace is more fundamental than that. Great obstacles lie ahead, but they should not deter us. Peace is God's commandment. Peace is the holy shadow cast by men treading on the path of virtue.

But just as we all know what peace *is*, we certainly know what peace is *not*.

Peace based on repression cannot be true peace and is secure only when individuals are free to direct their own governments.

Peace based on partition cannot be true peace. Put simply: nothing can justify the continuing and permanent division of the European continent. Walls of partition and distrust must give way to greater communication for an Open World. Before leaving for Geneva, I shall make major new proposals to achieve this goal.

Peace based on mutual fear cannot be true peace because staking our future on a precarious balance of terror is not good enough. The world needs a balance of safety.

Finally, a peace based on averting our eyes from trouble cannot be true peace. The consequences of conflict are every bit as tragic when the destruction is contained within one country.

Real peace is what we seek, and that is why today the United States is presenting an initiative that addresses what will be a central issue in Geneva—the resolution of regional conflicts in Africa, Asia, and Central America.

Our own position is clear: as the oldest nation of the New World, as the first anti-colonial power, the United States rejoiced when decolonization gave birth to so many new nations after World War II. We have always supported the right of the people of each nation to define their own destiny. We have given $300 billion since 1945 to help people of other countries. And we have tried to help friendly governments defend against aggression, subversion, and terror.

We have noted with great interest similar expressions of peaceful intent by leaders of the Soviet Union. I am not here to challenge the good faith of what they say. But isn't it important for us to weigh the record, as well?

—In Afghanistan, there are 118,000 Soviet troops prosecuting war against the Afghan people.

—In Cambodia, 140,000 Soviet-backed Vietnamese soldiers wage a war of occupation.

—In Ethiopia, 1,700 Soviet advisers are involved in military planning and support operations along with 2,500 Cuban combat troops.

—In Angola—1,200 Soviet military advisers involved in planning and supervising combat operations, along with 35,000 Cuban troops.

—In Nicaragua—some 8,000 Soviet bloc and Cuban personnel, including about 3,500 military and secret police personnel.

All of these conflicts—some of them under way for a decade—originate in local disputes but they share a common characteristic: they are the consequence of an ideology imposed from without, dividing nations and creating regimes that are, almost from the day they take power, at war with their own people. And in each case, Marxism-Leninism's war with the people becomes war with their neighbors.

These wars are exacting a straggering human toll and threaten to spill across national boundaries and trigger dangerous confrontations. Where is it more appropriate than right here at the United Nations to call attention to Article 2 of our Charter which instructs members to refrain "from the threat or use of force against the territorial integrity or political independence of any state. . . ."?

During the past decade these wars played a large role in building suspicions and tensions in my country over the purpose of Soviet policy. This gives us an extra reason to address them seriously today.

Last year I proposed from this podium that the United States and Soviet Union hold discussions on some of these issues, and we have done so. But I believe these problems need more than talk.

For that reason, we are proposing, and are fully committed to support, a regional peace process that seeks progress on three levels:

First, we believe the starting point must be a process of negotiation among the warring parties in each country I've mentioned—which, in the case of Afghanistan, includes the Soviet Union. The form of these talks may and should vary, but negotiations—and an improvement of internal political conditions—are essential to achieving an end to violence, the withdrawal of foreign troops and national reconciliation.

There is as second level: once negotiations take hold and the parties directly involved are making real progress, representatives of the United States and the Soviet Union should sit down together. It is not for us to impose any solutions in this separate set of talks. Such solutions would not last. But the issue we should address is how best to support the ongoing talks among the warring parties. In some cases, it might well be appropriate to consider guarantees for any agreements already reached. But in every case the primary task is to promote this goal: verified elimination of the foreign military presence and restraint on the flow of outside arms.

Finally, if these first two steps are successful, we could move on to the third—welcoming each country back into the world economy so its citizens can share in the dynamic growth that other developing countries—countries that *are* at peace—enjoy. Despite past differences with these regimes, the United States would respond generously to their democratic reconciliation with their own people, their respect for human rights, and their return to the family of free nations.

Of course, until such time as these negotiations result in definitive progress, America's support for struggling democratic resistance forces must not and shall not cease.

This plan is bold. And it is realistic. It is not a substitute for existing peace-making efforts; it complements them. We are not trying to solve every conflict in every region of the globe, and we recognize that each conflict has its own character. Naturally other regional problems will require different approaches. But we believe that the recurrent pattern of conflict that we see in these five cases ought to be broken as soon as possible.

We must begin somewhere, so let us begin where there is great need and great hope. This will be a clear step foward to help people choose their future more freely. Moreover, this is an extraordinary opportunity for the Soviet side to make a contribution to regional peace which in turn can promote future dialogue and negotiations on other critical issues.

With hard work and imagination, there is no limit to what, working together, our nations can achieve. Gaining a peaceful resolution of these conflicts will open whole new vistas for peace and progress—the discovery that the promise of the future lies not in measures of military defense, or the control of weapons, but in the expansion of individual freedom and human rights.

Only when the human spirit can worship, create, and build, only when people are given a personal stake in determining their own destiny and benefitting from their own risks do societies become prosperous, progressive, dynamic, and free.

We need only open our eyes to the economic evidence all around us. Nations that deny their people opportunity—in Eastern Europe, Indochina, southern Africa, and Latin America—without exception are dropping further behind in the race for the future.

But where we see enlightened leaders who understand that economic freedom and personal incentive are key to development, we see economies striding forward. Singapore, Taiwan, and South Korea—India, Botswana, and China. These are among the current and emerging success stories because they have the courage to give economic incentives a chance.

Let us all heed the simple eloquence in Andrei Sakharov's Nobel Peace Prize message: "International trust, mutual understanding, disarmament and international security are inconceivable without an open society with freedom of information, freedom of conscience, the right to publish and the right to travel and choose the country in which one wishes to live."

At the core, this is an eternal truth. Freedom works. That is the promise of the Open World and awaits only our collective grasp. Forty years ago, hope came alive again for a world that hungered for hope. I believe fervently that hope is still alive.

The United States has spoken with candor and conviction today, but that does not lessen these strong feelings held by every American: It's in the nature of Americans to hate war and its destructiveness. We would rather wage our struggle to rebuild and renew, not to tear down. We would rather fight against hunger, disease, and catastrophe. We would rather engage our adversaries in the battle of ideals and ideas for the future.

These principles emerge from the innate openness and good character of our people—and from our long struggle and sacrifice for our liberties and the liberties of others. Americans always yearn for peace. They have a passion for life. They carry in their hearts a deep capacity for reconciliation.

Last year at this General Assembly, I indicated there was every reason for the United States and the Soviet Union to shorten the distance between us. In Geneva—the first meeting between our heads of government in more than 6 years—Mr. Gorbachev and I will have that opportunity.

So, yes, let us go to Geneva with both sides committed to dialogue. Let both sides go committed to a world with fewer nuclear weapons—and some day with none. Let both sides go committed to walk together on a safer path into the 21st century and to lay the foundation for enduring peace.

It is time, indeed, to do more than just talk of a better world. It is time to act. And we will act when nations cease to try to impose their ways upon others. And we will act when they realize that we, for whom the achievement of freedom has come dear, will do what we must to preserve it from assault.

America is committed to the world, because so much of the world is inside America. After all, only a few miles from this very room is our Statue of Liberty, past which life began anew for millions—where the peoples from nearly every country in this hall joined to build these United States.

The blood of each nation courses through the American vein—and feeds the spirit that compels us to involve ourselves in the fate of this good Earth. It is the same spirit that warms our heart in concern to help ease the desperate hunger that grips proud people on the African continent.

It is the internationalist spirit that came together last month when our neighbor, Mexico, was struck suddenly by an earthquake. Even as the Mexican nation moved vigorously into action—there were heartwarming offers by other nations offering to help and glimpses of people working together, without concern for national self-interest or gain.

And if there was any meaning to salvage out of that tragedy, it was found one day in a huge mound of rubble that was once the Juarez Hospital in Mexico City.

A week after that terrible event and as another day of despair unfolded—a team of workers heard a faint sound coming somewhere from the heart of the crushed concrete and twisted steel. Hoping beyond hope, they quickly burrowed toward it.

As the late afternoon light faded, and racing against time, they found what they had heard—and the first of three baby girls—newborn infants—emerged to the safety of the rescue team.

Here is the scene through the eyes of one who was there. "Everyone was so quiet when they lowered that little baby down in a basket covered with blankets. The baby didn't make a sound, either. But the minute they put her in the Red Cross ambulance everybody just got up and cheered."

Well, amidst all that hopelessness and debris came a timely—and timeless—lesson for us all. We witnessed the miracle of life.

It is on this that I believe our nations can make a renewed commitment. The miracle of life is given by One greater than ourselves. But once given, each life is ours to nurture and preserve—to foster not only for today's world but for a better one to come.

There is no purpose more noble than for us to sustain and celebrate life in a turbulent world. That is what we must do now. We have no higher duty—no greater cause as humans. Life—and the preservation of freedom to live it in dignity—is what we are on this Earth to do.

Everything we work to achieve must seek that end so that some day our prime ministers, our premiers, our presidents and our general secretaries will talk not of war and peace—but only of peace.

We've had 40 years to begin. Let us not waste one more moment to give back to the world all that we can in return for this miracle of life.

Thank you.

THE 75TH YEAR OF SCOUTING IN AMERICA

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 24, 1985

Mr. SKELTON. Mr. Speaker, Longfellow wrote in "My Lost Youth": A boy's will is the wind's will, and the thoughts of youth are long, long thoughts.

That spirit of youthful adventure, of high hope and valiant enterprise, has always been at the heart of the Boy Scout movement. In this 75th anniversary year of Scouting in America, I am glad to join with those around the world who are celebrating the ideals and the achievements that have marked the Boy Scouts since their beginnings at the turn of the century.

The spirit of scouting was conceived in 1899–1900 during the long ordeal of Mafeking—a town under fierce siege for over 200 days in the Boer War and bravely defended by Robert Baden-Powell, destined to be founder of Scouting. His "Scouting for Boys" in 1906 was a call to British youth

and youth everywhere. The first troops were begun in 1908, and by 1909 over 11,000 Boy Scouts gathered for a jamboree at London. In 1910 the movement was introduced into America by Daniel C. Beard, Ernest L. Seton, and James West. These were men who hoped by precept and example to make it possible for boys to pass from youth to manhood strong in character and in body alike. "Mens sana in corpore sano"—the historic ideal of the ancient Greeks—was a guiding principle in the Scouting movement: "A healthy mind in a healthy body." By the application of this ideal in daily life, Scouting sought to instill values into boys that would carry them into adult life as happy, useful citizens, dedicated to the common good.

Since that time three-quarters of a century ago over 70 million Americans have participated in Scouting in one form or another. That tremendous statistic becomes very personal for me when I recall that I am myself an Eagle Scout and my son Page became an Eagle Scout recently. Scouts have been prominent in every area of our Nation's life from 1910 to the present day, exemplifying in their lives principles and values for which Scouting stands. The roster of former Scouts includes many Members of Congress, President Reagan, former President Ford, and many, many more.

It would be difficult to overstate the service rendered by Scouting to the quality of American life in any era, but especially in the early decades of this century. This was a time of rapid urbanization and industrialization. Social and economic changes were transforming the very face of our country. The benefits of the outdoor life and of health-giving activities in the open air and under God's free Sun and skies were too often denied to millions of boys. A New York City study done at that time indicated that 93 percent of the students in local public schools were anemic and in need of open air treatment. The lure of hills and the woods, and the lore of generations of woodsmen and naturalists, conspired to win the hearts and minds of boys—and of the men who helped them—who felt themselves to be, in the famous phrase of the poet Keats, too "long in city pent."

To one who has been long in city pent,
'Tis very sweet to look into the fair
And open face of heaven.

Something of that spirit, that feeling for the wildness of nature and its challenge to a boy's will, has always been present in Scouting.

But also the early decades of this century were a time of heavy immigration from the Old World. Newcomers were often confused and perplexed by the conditions of American life. The growing diversity of ethnic, cultural, and religious backgrounds underlined the need for binding values, ways by which people of different traditions could be brought together. Scouting was one such means as it still is. The stated purpose of the Scouts' "to promote the ability of boys to do things for themselves and teach them patriotism, courage, and self-reliance," was itself a response to the urgent necessity of the times. As members of the Boy Scouts of America, boys acquired a sense of larger loyalty that strengthened the Nation's moral fabric.

The theme of self-reliance runs all through our history, a theme strikingly articulated by Emerson in his essay of 1841: "Discontent is the want of self-reliance; it is infirmity of will." The call to boys to cultivate self-reliance in Scouting was balanced by its message of patriotism, a concern for the common good and for civic virtue.

It is hardly surprising that Scouting has had such great appeal to American boys in every generation. Chartered by Congress in 1916, in the midst of the Great European War into which this country would be drawn within a year, the movement grew from 100,000 in 1914 to over 1 million by the outbreak of the Second World War.

At this anniversary occasion, it is fitting that we look again at the Scout oath and ponder its significance: Every Scout pledges on his honor "to do my duty to God and my country, to help other people at all times, to keep myself physically strong, mentally awake, and morally straight." That oath reminds us—and I fear we need reminding—that duty to God precedes all other obligations. It is an oath that could not be permitted in any totalitarian country, past or present. It is an oath deeply rooted in the history and traditions of America. The Scout Law lists the qualities of a Scout in a well-known litany of virtues: "Trustworthy, Loyal, Helpful, Friendly, Courteous, Kind, Obedient, Cheerful, Thrifty, Brave, Clean, and Reverent." An organziation which tries to foster such ideals is surely deserving of respect from all who care deeply for the quality of our Nation's life. And I would note the presence of reverence in that sequence: Reverence as an attitude defined by the dictionary as "profound respect mingled with love and awe." An irreverent generation is ultimately an uncaring people. It is the sense of duty, to God, to country, and to other people, that must begin and end in reverence, that profound respect for the source of life and author of liberty.

Think for a moment how deeply the traditions of religious faith inform and sustain the foundations of our national life. Freedom of conscience and of worship is at the heart of our country's heritage, and such freedom would be empty without the vibrant reality of faith in all its rich diversity. The role of religion in our common heritage was definitively expressed by George Washington himself in his first inaugural, 1739:

No people can be bound to acknowledge and adore the Invisible Hand which conducts the affairs of men more than those of the United States. Every step by which they have advanced to the character of an independent nation seems to have been distinguished by some token of providential agency; and in the important revolution, just accomplished in the system of their united government the tranquil deliberations and voluntary consent of so many distinct communities from which the event has resulted cannot be compared with the means by which most governments have been established without some return of pious gratitude, along with a humble anticipation of the future blessings which the past seem to presage.

That "Spirit of pious gratitude" invoked by Washington is, I venture to assert, the same spirit that finds expression in the Scout Oath. Our "duty to God" involves no creedal or sectarian identity. It is a board-based commitment to the Power "that hath made and preserved us as a nation." To be sure, we are free not to make such a commitment. But then we are clearly rejecting the moral and spiritual tenets on which Scouting is founded.

"Duty to country, patriotism, takes many forms also. It may means service in the Armed Forces, or it may mean the quiet obligations of citizenship that are present in every area of human life, in family life, in business and the arts and sciences, the professions, and the like. It is the loyalty that binds State and Nation into indissoluble union.

Above all, Scouting is concerned with the transformation of boys into men. Its dedication to the work ethic, education, morality, reverence, inculcates these ideals as a very way of life, giving direction, and purpose to the energies and enthusiasms of boys. So it is truly that we may say with the poet:

A boy's will is the wind's will,
And the thoughts of youth are long, long thoughts.

I congratulate and commend the Boy Scouts of America on this, their 75th year, confident that their story of achievement, good times, and service to all has only begun.

HUMAN RIGHTS IN THE SOVIET UNION

HON. RON WYDEN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 24, 1985

Mr. WYDEN. Mr. Speaker, the summit meeting between President Reagan and Soviet Secretary General Gorbachev is scheduled to begin in a little over 2 weeks. It is my hope that the subject of human rights in the Soviet Union will be on the agenda for serious discussion at Geneva.

My wife, Laurie, is a member of the Congressional Human Rights Caucus Committee of 21 and is working for the release of Mark Nepomniashchy. Mr. Nepomniashchy, a 53-year-old electrical engineer from Odessa, was arrested in October, 1984, and charged with "circulation of false materials to defame the Soviet state." Mr. Nepomniashchy is now serving a 3-year sentence in a labor camp.

He was detained by the police following the arrest of Yakov Levin, who was to be married to Mr. Nepomniashchy's daugther, Yehudit. Mr. Levin was arrested a few days before his wedding and Mr. Nepomniashchy was arrested for appealing on

Levin's behalf. Mr. Levin was also sentenced to 3 years in a labor camp and is now serving that term.

Before his arrest, Mr. Nepomniashchy wrote an open letter "to the people and government of Israel and to all people of good will." I quote from a passage of the letter:

"I ask you to explain to the world that people are sentenced here just because of their desire to be Jews. I ask you to stop these shameful reprisals. I ask for your help. It is already 5 years since my family tried to be repatriated to Isael. We have suffered a lot for the action of the KGB. Our home was searched three times. We were taken for interrogation more than once. We were demanded to stop the teaching of Hebrew, the observance of our holidays and Shabbats. The chief of the Jewish department of the Odessa KGB, Colonel Krasnov, promised to introduce me to Shcharansky and to imprison me in the same place. . . . Can I lie low when my daughter is deprived of the right to marry the man she loves? Must they wait for my kin to become extinct? Perhaps this appeal is our only defense. Please help my daughter come to Israel. Please help her bridegroom to become free. Please help them to be married and to live in Israel."

We are asking President Reagan to discuss the case of Mark Nepomniashchy and the many, many others like him, with Mr. Gorbachev. The issue of human rights needs to be discussed and we request that it be at the top of the agenda at Geneva. We also request that President Reagan urge Mr. Gorbachev to reaffirm and uphold the promise the Soviet Union made at Helsinki to honor the right of emigration.

The Committee of 21 will continue to speak on behalf of Soviet prisoners of conscience to let Soviet leaders know of their commitment to human rights. My wife and I will continue to work for the release of Mark Nepomniashchy and to write to him and send our best wishes for his good health and that of his family.

AMERICA'S HOMELESS

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 24, 1985

Mr. ACKERMAN. Mr. Speaker, I rise today to join my colleagues from around the Nation in voicing my deep concern for the plight of America's homeless. Public efforts in the past have clearly been inadequate to combat this national problem.

There may be as many as 3 million homeless Americans, and their legions are growing in epidemic proportions—much as 38 percent a year. While we used to regard them as primarily older male alcoholics and drug addicts, the typical homeless person today is 34 years old. Twenty-one percent are families with children; 13 percent are single women. More than half of the homeless have completed high school; 30 percent have attended college. An alarming number of people are newly homeless because of sudden unemployment, eviction, or family crisis. More and more, the emergency shelters brim with parents tightly grasping the small hands of their children.

Despite this growing tragedy and the lack of adequate emergency shelter, the Reagan administration response is nothing less than willful neglect. It proposed this year a 2-year moratorium on spending for federally assisted housing for the poor, which would slash the number of units by some 65,000. What's more, the administration wants to end the Community Services Block Grant Program, which has provided over $125 million in emergency food and shelter funds for the poor, and stop FEMA's Emergency Food and Shelter Program.

I am deeply troubled by the huge budget deficit, as are all of us here today. And while some spending cuts for domestic programs may be in order, we cannot ignore our responsibility to care for those unable to care for themselves. Sacrifices must be shared fairly, but those who have hit rock bottom have nothing left to sacrifice. The largest publicly sponsored shelter system is run by my hometown of New York City. It cares for more than 6,000 people, twice as many as just 2 years ago, and more than during the Great Depression—but deeply insufficient in a city where officials estimate 20,000 homeless under 21 years alone. The city board of health says an average of one homeless person a day is now found dead in the streets. It is painfully clear that despite the best efforts of local governments and private organizations, we have failed to meet our obligation.

H.R. 3500 is a small but powerful helping hand for the homeless. It extends the authorization of the FEMA Shelter Program, establishes new homeless shelter grants to supplement the local government and private efforts, and begins a new program of support services for the homeless. For the Congress to do less would be not only to shirk our responsibility, but also to condemn millions more Americans to poverty, despair, and death.

I urge my colleagues to head the plea of the homeless, and to defeat the Latta amendment.

MEXICO'S EARTHQUAKE REMEMBERED

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 24, 1985

Mr. AuCOIN. Mr. Speaker, in Mexico City, September 19 will long be remembered as the day of disaster and mourning. It will also be remembered as the day people around the world reached out to help their fellow human beings.

In the wake of two massive earthquakes, skyscrapers were reduced to a mass of twisted rubble. Residents were trapped underneath piles of concrete and steel. Thousands died. Many were found miraculously alive.

During the past month, people all over the world have lent their support to helping Mexico City dig out from under the terrible economic aftershocks of these earthquakes. In my home State of Oregon, Northwest Medical Teams of Portland sent the first group of American doctors with much-needed supplies to aid earthquake victims. The Portland Red Cross raised donations to set up a temporary shelter and information center for victims' relatives.

Zapatas, a local Portland restaurant, donated its dining room for an event to benefit Mexico City. The Ecumenical Ministries of Portland collected disaster relief that will be distributed throughout Mexico. KVAS radio in the coastal town of Astoria ran a 3-day campaign to raise funds for Mexico City in a community that continues to fight an uphill battle for economic survival.

All Oregonians have certainly seen their share of hard times, and that's what makes these grassroots relief efforts that much more meaningful.

With our help, the Mexican people can start rebuilding their capital city and their lives.

TEMPLE BETH SOLOMON OF THE DEAF OBSERVES 25TH ANNIVERSARY

HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 24, 1985

Mr. BERMAN. Mr. Speaker, I rise today to pay tribute to one of my community's finest organizations. Temple Beth Solomon of the Deaf is celebrating its 25th year in existence. It is believed to be the oldest synagogue for the deaf in the world. Temple Beth Solomon is a truly unique and vital organization with an outstanding record of accomplishments. As the Representative of California's 26th District, I am proud to share some of Temple Beth Solomon's accomplishments with my colleagues.

On June 10, 1960 Temple Beth Solomon held its first Shabbat service at Temple Israel of Hollywood. Prior to 1965, the temple was known as the mobile congregation because the members had to travel to host congregations. Finally, in 1965 Temple Beth Solomon bought the buildings and property of another synagogue that was relocating, finding a permanent home in Arleta, a Los Angeles suburb in the San Fernando Valley.

Efforts are always being made to develop new activities at Temple Beth Solomon. A particularly successful program was on the deaf victims of the Holocaust. It included the testimony of several death-camp survivors, an exhibition of works by the deaf artist David Bloch, who was imprisoned in Dachau, and a performance in sign language of songs of the Warsaw Ghetto.

Today, regular Sabbath services in English and Hebrew in both sign language and sound are conducted. Beth Solomon has 246 members, about 90 percent deaf or

hearing impaired. They include adults and children born deaf, those who have suffered progressive hearing loss, and hearing relatives and others committed to using sign language.

It is my distinct pleasure and honor to join with my colleagues to pay tribute to Temple Beth Solomon, an invaluable resource to the community and a treasure for all.

RULE ON H.R. 2187 SUPERFUND AMENDMENTS OF 1985

HON. DAN ROSTENKOWSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 24, 1985

Mr. ROSTENKOWSKI. Mr. Speaker, I take this opportunity to inform my colleagues that the Committee on Ways and Means yesterday favorably ordered reported to the House of Representatives H.R. 2817, the Superfund Amendments of 1985.

I wish to serve notice, pursuant to the rules of the Democratic caucus, that I have been instructed by the Committee on Ways and Means to seek less than an open rule for the consideration of the provisions of this bill within the jurisdiction of the Committee on Ways and Means by the House of Representatives.

THE PASSING OF SIDNEY RABB

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 24, 1985

Mr. FRANK. Mr. Speaker, many people in the Greater Boston area and elsewhere were saddened last week by the death of Sidney Rabb. Sidney Rabb was a leader on a national scale in many areas. As a business person, he built one of the great supermarket chains of our country, along with his brothers and other members of his family, the Stop & Shop chain. And he led that chain into diversification into other retail businesses which have also been very successful.

As a public citizen, he was an active supporter of a variety of civic causes, and was often called on by high officials to serve. Among the institutions which benefited enormously from Sidney Rabb's wisdom, energy, and sense of commitment, is the Boston Public Library. His charitable works were also numerous and substantial. And he was a pillar of strength for the Jewish community in Greater Boston. I knew Mr. Rabb for 15 years, during my service as an aide to the mayor of Boston and continuing through my work in the State legislature, when I represented the district he lived in, and when my election mornings at the polls were always brightened by Sidney Rabb's early appearance to vote on his way to work.

Well beyond what some people consider retirement age, Sidney Rabb continued to be a creative force in the business, civic, and charitable worlds. He was an extraordinarily gifted man—in intelligence, in energy, in business sense and in compassion. And all of us are fortunate that he was as willing as he was to share those gifts with so many others. Sidney Rabb's death is a sad event for many of us who had the enormous benefit of his friendship, and for even more who benefited—sometimes without even realizing it—from his good works in so many areas.

CHINA NUCLEAR AGREEMENT

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 24, 1985

Mr. TORRES. Mr. Speaker, reports over the past few days have indicated that China has been negotiating with Iran to supply nuclear technology of a sensitive nature. These reports should reinforce any doubts we may have about the administration's proposed agreement for nuclear cooperation with China. Congress would be making a grave mistake to approve the sale of nuclear technology to China.

The agreement, as it was submitted, does not satisfy important criteria established by law, which must be met in nuclear cooperation agreements. It does not contain adequate safeguards against the spread of nuclear materials and technologies to other countries. Furthermore, it does not guarantee that nuclear materials will not be used to make a bomb.

I call on the President to withdraw the agreement until we have answered all the questions surrounding China's nuclear export activities. The acquisition of nuclear weapons by Iran is a dangerous scenario; one that must be avoided at all costs.

VOYAGER URANUS ENCOUNTER—ANOTHER JPL FIRST

HON. CARLOS J. MOORHEAD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 24, 1985

Mr. MOORHEAD. Mr. Speaker, the week of October 7 the congressional space caucus sponsored a conference on the future of science for the purpose of furthering the process of achieving a long-term national space policy. The caucus had been most fortunate in assembling an array of eminent scientists from all disciplines of space science. I would like to pay special thanks to Dr. Edward Stone of the California Institute of Technology, who served on the panel discussing lunar and planetary exploration, for sharing his knowledge with the Congress. Dr. Stone, who is project scientist for the Voyager to Uranus Program, presented a most fascinating portrait of this mission.

I would like to draw the attention of my colleagues to some of the particulars of the Voyager Uranus mission. Uranus, the seventh planet from the Sun, is so far from Earth, at a distance of nearly 2 billion miles, that its discovery in 1781 doubled the size of the known solar system.

The third largest of the planet, Uranus is circled by at least nine charcoal-black rings. Unlike any of the other planets except Pluto, Uranus lies on its side. It may have been at an early stage of formation when it was tipped off its original axis in a violent collision with another body.

As Uranus travels the solar system in this unusual position, one pole remains in sunlight for 42 years while the other is dark; then for the next 42 years, the situation is reversed. Currently, its sunlit southern pole is framed at the center of the nine rings, like a giant bull's-eye.

The Voyager 2 spacecraft is now headed toward that distant target, after having completed highly successful investigations of Jupiter in 1979 and Saturn in 1981. Voyager will fly past Uranus on January 24, 1986, passing within 64,500 miles of the planet's cloud-tops. The spacecraft's trajectory, which will eventually take it out of the solar system, offers the only opportunity in the foreseeable future to conduct closeup studies of Uranus.

Thus Uranus will be the third planet encountered by the spacecraft in the first 9 years of its 3-billion-mile path looping through and then out of the solar system.

Because of its remoteness, Uranus is difficult to study, but a surprising amount has been learned through painstaking studies from observatories on Earth. Even so, information about the planet is sparse when compared to what is known of planets nearer to Earth.

The Voyager encounter will be the most intensive study of Uranus ever undertaken, with initial observations beginning November 4, 1985. The spacecraft's last look at the planet will occur on February 26, 1986. Many of the highest priority measurements will be obtained on January 24, 1986, during the 6 hours it takes Voyager to sweep through the Uranian system. In half a day, scientists will gain more knowledge of the planet and its moon, strange ring system, and unique magnetic field than has been learned about Uranus in more than 200 years of astronomical study.

Almost as soon as the Voyager/Uranus encounter ends, scientists and engineers will begin detailed planning of the Voyager's 1989 encounter with Neptune.

As it travels toward its next target, the spacecraft will continue fields and particles experiments in the region between Uranus and Neptune. In addition, engineers will use the 3½ year cruise time to explore new ways to improve Voyager's ability to collect, compress, and return data from Neptune to Earth.

In the late 1990's, both Voyagers are expected to find the heliopause—the boundary where interstellar space begins. Voyager 1 will travel in the direction of the star Rasalhague (Alpha Ophiuchus); Voyager 2 toward Sirius (Alpha Canis Majoris).

With the conclusion of the Voyager mission, Pluto remains the only planet in our Sun's system unvisited by U.S. spacecraft.

CONGRESSMAN GEORGE MILLER HONORS PUBLISHER DEAN LESHER

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 24, 1985

Mr. MILLER of California. Mr. Speaker, next Tuesday, October 29, will be Dean Lesher Day in Contra Costa County, CA. I know that Members of the House of Representatives will want to join me in saluting this leading citizen of California.

Dean Lesher publishes several newspapers in my district, but that is far from the complete story of this extraordinary businessman and civic leader. He has been an unqualified advocate of Contra Costa County, and a vigorous promoter of higher education throughout the State of California.

Dean was born not far from this Capitol building, in Williamsport, MD, and studied at the University of Maryland and Harvard law. He began his professional life as an attorney in Missouri. But he obviously had far greater goals.

Today, Dean Lesher personally presides over Lesher Communications, Inc., including 7 daily newspapers, 12 weekly papers, 2 radio stations as well as other newspapers. Five of those newspapers circulate within my own congressional district.

As a longtime proponent of higher education, Dean Lesher has served on the board of governors of the community colleges, the board of trustees of the California State University system, and the California Postsecondary Education Commission.

His many achievements in the field of journalism have won for him and his newspapers many distinguished awards, including California Publisher of the Year, Education Publisher of the Year, and Suburban Newspaper Publisher of the Decade.

Perhaps for Dean, the most memorable of these was the award for his outstanding contributions to the newspaper industry presented to him at the White House in 1983 by President Ronald Reagan.

When Dean Lesher came to California more than 40 years ago, Contra Costa was a thinly populated, heavily rural county which few thought of as an integral part of the bay area.

Today, our county is a booming one, not just part of the bay area, but the central hub of the east bay. Industry, both heavy and light, and a vigorous farming community share this county with business complexes, shopping malls, and homes for more than 600,000 people.

This remarkable change did not happen solely as the result of Dean Lesher's efforts. But perhaps more than any other single individual, Dean Lesher foresaw what this county could become, and he nurtured that growth through his newspaper and through his service in many business and civic organizations over the years.

The designation of October 29 by our county board of supervisors and the mayors' conference as Dean Lesher Day is in recognition not only of his journalistic achievements, but also in gratitude for his unqualified promotion of the county in which we live.

I know that all Members of this Congress will join me in congratulating Dean Lesher, and his wife, Margaret, upon his being honored by the county which he has spent much of his life helping to build.

NATIONAL ORGANIZATION OF ITALIAN AMERICAN WOMEN

HON. JOSEPH J. DioGUARDI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 24, 1985

Mr. DioGUARDI. Mr. Speaker, I am pleased to have this opportunity to salute the members of the National Organization of Italian American Women.

The NOIAW is holding a salute to Italian American talent on Sunday night at Mercy College. As an American and the son of Italian immigrants, I take great pride in the accomplishments of the sons and daughters of the Italian Republic who have made America our home.

The Sunday program features Carozella Napoletano, a delightful musical featuring popular neapolitan songs and dances, as well as arrias from famous operas. This presentation is produced and directed by Mario DiGennaro.

The musical will be followed by an exhibition of the works of Italo-American artists and a champagne reception. The event will be a day of pride for all Americans of Italian heritage.

FARM CREDIT—HOUSE CONCURRENT RESOLUTION 190

HON. RON MARLENEE

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 24, 1985

Mr. MARLENEE. Mr. Speaker, a blue ribbon, nonpartisan commission to evaluate the economy-threatening problems of the Farm Credit System is desperately needed.

The fate of the Farm Credit System must soon be decided. Some analysts believe that we have only until the end of the year to resolve the problems of some system banks. It is the result of years of farmers selling their products at prices below the cost of production. Unless we begin at once to address the situation, we shall witness a disaster that will reverberate across rural America and impact the entire Nation.

I have introduced, and 65 Members have cosponsored, House Concurrent Resolution 190, which calls on the President to appoint a nonpartisan commission to examine the grave situation in the Farm Credit System and make recommendations to the Congress within 3 weeks of its creation.

All of us in a position of responsibility must immediately work together to encourage the formulation of solutions that can restore the soundness and viability of the Farm Credit System. The administration must acknowledge the crisis and join us in this effort to see that the System is sound and can once again provide an adequate supply of farm credit at reasonable interest rates.

There has been much speculation about the administration's attempts to craft a proposal. However, I must caution the administration that any proposal that recommends further deluting of local control is unacceptable to this Member. To concentrate further authority in Washington, DC, will only exacerbate the problem, a problem brought on it part by the isolation of the Farm Credit Administration's officials in our Capital. The strength of the System lies in its farmer borrowers, not in the bureaucrats who have vacillated, equivocated, and delayed until the crisis is upon us.

Also, I believe we should move the Farm Credit Administration out of Washington—to Kansas City, Denver, or Billings. The Farm Credit System has moved away from the farmer. It is time to bring it back to the grassroots.

Mr. Speaker, the future of family farming and farm credit, and the health of the American economy depends in large measure on what we do here.

The establishment of this Commission could be the conduit through which the Farm Credit System will be saved, before it is too late. It should be pointed out that the Commission, in addition to making recommendations, would be a valuable asset in providing an expert evaluation of all proposals to reform the Farm Credit System.

I urge my colleagues to join us in cosponsoring House Concurrent Resolution 190.

A FIRSTHAND ACCOUNT OF NICARAGUAN FREEDOM FIGHTERS

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 24, 1985

Mr. GINGRICH. Mr. Speaker, many times I've addressed the House of Representatives on the nature of communism and the fact that Communist governments work systematically to deceive the American media and the American public. So it's frustrating but not surprising when we see pro-Communist Nicaragua propaganda articles in many American periodicals.

Today, I'm presenting my colleagues an objective eyewitness account of Freedom Fighters in Nicaragua which was published in the Toronto Sun last February. This article was written by a Canadian journalist, Pete Bertie, who has repeatedly traveled with the FDN in areas of conflict in Nicaragua. I urge my colleagues to examine this account and to recognize the real nature of the struggle defenders of freedom are facing in Nicaragua:

POWER OF THE CONTRAS

The first thing you notice on entering the FDN's base camp, hidden in a secluded valley on the Nicaragua-Honduras border, is its remarkable resemblance—except for the weapons—to a Boy Scout camp. We think of Somoza's Guardia as tough professionals with hard eyes and dubious pasts, so it's a shock to find yourself among a couple of thousand high-spirited young men and women with ready smiles and an average age of 20.

Half of the young people had arrived so recently they had neither uniforms nor weapons, and were going through basic training with sticks instead of rifles. Among the would-be guerrillas was Carla, 16, a student from Chinandega. She had fled that city after participating in a large anti-Sandinista demonstration last August which was attacked by the "turbas divinas"—mobs, reportedly composed mainly of militiamen and policemen in plainclothes, unleashed by the authorities on anyone who incurs their displeasure. * * *

Several boys I spoke to had a more urgent reason for fleeing—the forced recruitment by the Sandinistas of all able-bodied men over 12, a hugely unpopular measure that has recently turned the trickle of refugees into a flood. FDN officials claim young men are streaming north at a rate of almost 100 a week to escape the Sandinista regime and then return to fight it.

At dusk my second day, bedlam broke loose inside the camp. Civilian messengers from northern Jinotega province had brought news of a 90-Man Sandinista patrol near the river Coco, which at that point forms the international border. The FDN considers the northernmost parts of Nicaragua its "zona controlada," or controlled zone, into which the Sandinistas venture at their peril, and then only in battalion strength.

The Special Operations Force was immediately assembled, 55 elite soldiers armed to the teeth with M60 machineguns, M79 grenade launchers and 60mm mortars in addition to the standard Kalashnikov and FAL automatic rifles, and trained to cover short distances fast.

I was invited to join their search-and-destroy mission, and within half an hour we were marching into some of the roughest mountain territory in Central America.

There followed a gruelling trek of 13 hours, broken by four hours sleep in an abandoned hut, along mountain trails ankle-deep in treacherous mud and intersected by deep ravines. I marvelled at the strength of these small but wiry men, laden with 60 lb. packs and weapons half as large as themselves, while I staggered along with a mere 15 lb. pack and free hands. they laughed when I comented on it later, explaining: "We're campesinos, we grew up in these mountains."

The afternoon was spent in our hammocks and I had the leisure to observe that besides being very young, my companions were all wearing rosaries and crucifixes around their necks, apparently part of the uniform. It was explained to me that the FDN is devoutly Christian—90% Catholic and 10% evangelical—and that for many guerrillas it was religious persecution, rather than the Sandinistas' political or economic policies, that made them join.

I also learned that all but six of this troop were campesinos, simple country boys who in many cases could not read or write, and that seven were deserters from the Sandinistas' armed forces. Just two had served briefly in the Guardia: Comandante Isaac, 29, and Xavier 26, his second-in-command. Neither seemed much like a man with a criminal past, and they smiled patiently when I quizzed them about their service.

The Sandinistas call the FDN "la Guardia," and the original Contras were indeed just that. They have long since gone, their places taken by the new breed of guerrilla exemplified by my companions. I am told there remain about 100 ex-Guardsmen, those whose democratic credentials stood the test during the stringent weeding-out of those with dubious pasts conducted by the American CIA in the days when "the Company" was still advising the Contra movement. The small contingent of ex-Guardsmen in the ranks of the FDN is in any case vastly outnumbered by the ex-Sandinistas fighting alongside them, an estimated 20% of their total strength.

The Special Operations force returned to base next day, having failed to make contact with the enemy. However, it was good practice for the real thing, the departure of Task Force Independencia for the Nicaraguan heartland one week later.

"Nos vemos en Managua!"

With this ringing farewell "see you in Manague," Task Force Independencia swung out of base camp on the hot afternoon of Oct. 30.

A newly-constituted force of only 150 men, Independencia was led by Comandante Invisible, a 34-year-old career soldier with a friendly, unassuming manner that belied a tough and decisive character. His job was to take these troops down to the southern part of Jinotega province and make a nuisance of himself, for which purpose he was taking along a string of mules laden with C4 plastic explosives, useful for blowing up everything from electricity pylons to bridges.

The men marched jauntily to the accompaniment of rock music blaring from a small ghetto-blaster, which I slowly realized they were intending to take through the mountains with them. "We have to keep abreast of the news while we're inside," said Invisible with a grin.

The pace was relaxed, and for the next seven days our routine would be to rise at dawn and march until early afternoon, select an overnight campsite and spend the rest of the day barbecuing a cow or a couple of pigs. Sometimes the campsite was a mountaintop, our hammocks along between the trees, but usually we were made welcome in the isolated 'fincas' or homesteads of the campesinos, the poor mountain peasants.

On our fifth day out, we stopped at the home of Dona Maria, a tiny shack of rough-cut vertical planks and a beaten earth floor, and as we rested she regaled us with a diatribe against the government. "We can't get sugar, rice, beans or kerosene, even with our ration cards," she complained bitterly, "and they pay us 500 cordobas for a quintal of coffee which would fetch 2,000 on the open market." She said that sooner than sell her coffee at a loss she would let it rot on the bushes.

Before setting out, I had imagined I would be witnessing a struggle between the government and the guerrillas for the hearts and minds of the people, but I was beginning to discover that the government has virtually lost that particular battle already, one of the main reasons being the highly unpopular collectivization of agriculture.

The campesinos claim that it causes perpetual shortages of most staple foods, and obliges them to buy and sell their produce only through the state co-operatives, at prices fixed arbitrarily by the latter. This ability to set prices, and even withhold rations if it suits them, gives the Sandinistas who run the co-operatives considerable power over the lives of the campesinos.

Maria's large family included five adult women but no males over eight, which prompted me to ask where her menfolk were. "All the men are forced to join the army, so they prefer to go with the Contras," she said.

If there is any single word which symbolizes the situation in Nicaragua, it is "Piricuaco." It reportedly means 'mad dog' in the language of the Miskito Indians, and was used as a synonym for Sandinista by nearly every Nicaraguan I met, civilian or guerrilla. It gained currency in the aftermath of the victory of the revolution in July 1979, when the Sandinistas reportedly committed atrocities against defeated Somocistas and former allies alike.

A unit commander in Task Force Diriangen known as Levis told me that he had been a Sandinista guerrilla of the Tercista faction up until the victory, but became more and more disillusioned with his former comrades until the day, Nov. 11, 1979, they murdered two of his friends, Mario and Miguel Castro, in Sacacli, Jinotega. One of the Castros got into a fist fight with a Sandinista activist and beat him, whereupon the loser fetched his friends and set upon the two cousins. They cut out their eyes, tongues and testicles, and from that moment Levis was again an anti-government guerrilla.

On our way south we were overtaken by Task Force Diriangen under the legendary Mike Lima, a 25-year-old commander who lost his right hand in Nov. 1983, ran onto a grenade last March, fracturing both legs and his other arm, and is now back at the head of his troops and at the top of the Sandinistas' list of wanted men.

Arriving at the finca of Dona Ana Nov. 7, we learned that four of Lima's men had been killed the day before by a Sandinista boobytrap, 10 connected mines in a banana plantation—a place frequented more by children than by guerrillas. And said she and her neighbors were now afraid to bring in the bananas and coffee harvests.

A fascinating aspect of this war is the reversal of roles in the Nicaraguan countryside. The FDN's virtual control of the territory, made possible by the support of the people, has obliged the government to resort to the sort of guerrilla-style tactics described above. Wherever the Sandinistas go, the FDN hears about it almost at once through a vast network of correos, or messengers-cum-guides. By the same token, the Sandinistas rarely know where the guerrillas are, and even when they do they rarely catch them, since a campesino correo moves twice as fast as a group of armed men. This human early warning system was with us every step of the way, drawing a cloak of invisibility around us and contributing powerfully to the high moral of my companions.

Among the counter-measures the Sandinistas have tried is the small reconnaisance patrol, eight or 10 fast moving soldiers with a radio who call down mortar fire on contact with guerrillas. One of these had spotted us the previous day, and we had been escorted from the area by whistling 120mm mortar shells lobbed, very inaccurately, from the barracks near Wiwili, some 2½ miles away. The campesinos say that the main effect of such bombardments is to kill livestock and the occassional civilian.

Until now, Independencia had successfully avoided contact with the enemy, and Invisible's precious mules were unharmed. Just ahead, however, lay La Vigia highway, which Mike Lima had fought his way across two days previously. The Sandinistas would be waiting for us.

The full moon hung like a white sun in the southern sky ahead, turning night almost into day as it cast its spectral glow over the Coco Valley 1,000 feet below us. We stood atop the last of the rugged mountains of Nueva Segovia, gazing at the province of Jinotega beyond the unseen river, as archipelago of hilltops in an ocean of white mist. This side of the river Coco, and running parallel to it across our path, lay the highway we had to cross.

My companions, more concerned with the job in hand than with the breathtaking beauty of the view, lost no time is heading down the steep mountainside at a trot. It took four hours to reach the road, which was guarded by Sandinista units stationed on strategic hilltops all along the valley—including one where the path we were following met the highway.

The main body of the task force crouched low in a gully while flanking units moved to cut off the road to our right and left, and at a signal the crossing began.

In an instant the eerie tranquility of that still evening was demolished by a chorus of staccato automatic rifles, crashing rockets and grenades, and warcries, the half-light split asunder by flashing explosions and arcing red tracer bullets.

Since they knew from the correos (guides) that the Sandinistas occupied a low hill immediately to the right of the path, the vanguard raced up the hill to the left, pouring a hail of fire across at the enemy, who wasted no time in replying. Moments later, a unit of Specials stormed straight up the Sandinistas' hill firing from the hip and howling like Hades: "Viva la FDN!" and "Muerte a los Piricuacos!"

As a non-combatant, I had been assigned to a unit which included the paramedics and the mule train, and we soon had our hands full trying to prevent the terrified animals from bolting. Alternately coaxing and bullying them, we drove the mules in what seemed like slow motion along the path beneath the bullets being traded over our heads between the two hills.

As we crossed the highway there was a lull in the battle, the vanguard having ceased fire to avoid hitting the Specials, who by this time had succeeded in storming the Sandinistas' hilltop positions and driving them back. Barring the odd ricochet, we were out of trouble.

It took a further half-hour for Independencia to disengage and regroup beyond the highway, and as unit after unit reported back it was apparent from the excited discussions that the task force had sustained only one casualty, a Special who fell in the initial assault. On the other hand, they talked of 13 Sandinistas killed on the hill, plus another 25 in a troop truck that had the misfortune to run into one of the flanking units farther up the road. At that moment I began to take seriously the absurdly lopsided casualty rates that are always being bandied about in the FDN.

By 2:30 a.m. we were wading chest-deep across the Coco, which although 100 yards wide is as sluggish as it is shallow, and so easily fordable. Another correo, waiting on the Jinotega side, led us on a two-hour hike to the nearest dense cover, where we thankfully collapsed into makeshift tents. Independencia had arrived.

No sooner was Task Force Independencia safely inside Jinotega province than its zone of operation was changed to Matagalpa, 50 km (30 miles) away. Not needing another six-week trudge up and down high mountains, I got myself transferred to Task Force Diriangen, with which we had just caught up.

The majority of Mike Lima's 300 men were to stay in Jinotega, joining the 2,000 other members of Diriangen who were already causing strife in that province, but he himself had to return to base with 60 men and a mule train, a journey of two to three weeks.

Before leaving, Mike was anxious to expend surplus ammunition in a highway ambush in a gorge near Zompopero. This gorge is littered with the wreckage of previous ambushes, and the guerrillas joke that it is so popular for this purpose that it has to be booked in advance.

As it turned out, Diriangen caught only small fry that day, a State Security Jeep carrying some very frightened civilians. State Security is the Nicaraguan little brother of the KGB, and being apparently even more unpopular than the army its members wear plainclothes, so Mike Lima was very suspicious of his catch. However, after warning them that using highways, especially in government vehicles, could be fatal even for civilians, he released them.

Diriangen's presence had been announced in thunderous fashion and speed was now of the essence. We marched eastward for several days to the river Cua, only to find ourselves surrounded by six of the Sandinistas' crack anti-insurgency battalions, almost 6,000 men. It appeared they had realized from talking to his ambush victims that Mike Lima was back in town, and they wanted him badly. Before he had received his terrible wounds he had been the government's nemesis, and such was his fame that the campesinos would visit our campsite as we passed through, just to meet him in person.

From neighboring fincas they arrived with food, some bringing a sack of hot tortillas, some a bucket of cooked beans and one of hot coffee, still others a basket of cheese and a live cow for slaughter.

The escape route was then worked out with the local correos (guides), and at dawn next morning Task Force Diriangen struck camp, marched northeast, and passed through 6,000 enemy troops like smoke through a fence.

Mike Lima commented later: "If it weren't for the campesinos' support we'd be nothing, we wouldn't even exist." It had already occurred to me that it would have taken just one Sandinista, collaborator, among the scores of campesinos who helped or know about us, to end our trip prematurely and painfully. But then the FDN is itself 90% or more campesino, and everywhere we went one or other of the boys would know either the finca owner or one of his friends or relations elsewhere.

Once north of Mount Kilambe the tension eased, and we found ourselves in the huge 'zona contolada', or controlled zone, policed by Task Force Rafaela Herrera under El Tigrillo, a former Sandinista comandante.

Our route was rapidly coming to resemble the Don Valley Parkway on a Friday evening as we met over more of Tigrillo's men and were joined by a detachment from Task Force Armando Blanchard, led by Comandante Johnson. A gentle man with an awesome record of service going back five years, Johnson was proudly escorting his young son to base camp, where he would join his father's cause.

Discipline was evaporating fast along with the need for it, and Diriangen ambled contentedly northwards, chatting and laughing as their radio broadcast Red Red Wine and Karma Chameleon to everyone within a five mile radius.

Task Force Diriangen reached a transit camp on the Coco River on Nov. 28, and next day we were ferried upstream to base camp in launches captured from the Sandinistas two years ago, when the FDN began the drive south that has carried the war to the very outskirts of Managua.

Thus ended a grueling trip, a journey into a world virtually inaccessible to the foreign press, for which the Sandinistas must be profoundly thankful. For the campesinos of Nicaragua are among the poorest of the poor, and as such, supposedly, the main beneficiaries of the revolution; if they have gone over to the opposition, what is the future of the Sandinistas?

I-R 100 AWARD TO UNIVERSITY OF ARKANSAS

HON. JOHN P. HAMMERSCHMIDT

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 24, 1985

Mr. HAMMERSCHMIDT. Mr. Speaker, each year the Research and Development magazine confers the I-R 100 Award for the year's 100 top technological developments. The competition is keen and the award is prestigious.

I call your attention to this fact for the following reasons:

First, I am proud to tell you that the University of Arkansas was the only university to be designated as a winner in the competition which includes industrial and government laboratories. The project, under the direction of Prof. Lothar Schafer, involves developing a gas-phase electron diffraction unit for molecular structure analysis. By using state-of-the-art counting devices and techniques, the apparatus will make rapid structural studies on materials which are not accessible by other processes. Professor Schafer and the University of Arkanas are to be warmly congratulated for receiving a signal honor that is well deserved.

Second, in the early phases, this work was funded by EPSCOR. This latter is the acronym for experimental program to stimulate competitive research, and the program operates through the National Science Foundation [NSF]. In essence, this program sets aside certain funds which enable the less prestigious States and universities to compete for research money without having it preempted by the traditional elite. This recognition of the excellent work at the University of Arkansas underscores the wisdom shown by Congress in making certain that there be opportunity for those universities which are still striving toward academic excellence and prestige.

Third, the fact that the University of Arkansas, and Professor Schafer's project in

particular, could not get funding through the normal NSF peer review process, raises questions about the operation of the peer review method which often functions as a closed network and which can produce self-fulfillment of the internal evaluations of program directors in the agencies. We all support the peer review process, but it is vital that Congress be vigilant as to possible abuses.

In any event, I am proud of this fine recognition that has been bestowed on the University of Arkansas and Professor Schafer and his team.

BRONX BOASTS BEST BUSDRIVER—MICHAEL MURPHY

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 24, 1985

Mr. BIAGGI. Mr. Speaker, it is with great pleasure and pride that I rise today to pay tribute to the champion busdriver of this continent—Michael Murphy, from my home district in the Bronx. Life is filled with many unsung heroes—people who labor day after day at their jobs. Although their stories do not appear in our newspapers or on our televisions, these people do their share to better the community in which they live. Michael Murphy is such a man.

By virtue of his award as Champion of the American Public Transit Association's Bus Rodeo, Michael Murphy has achieved his day of glory, appearing in both the New York Times and the New York Daily News. But he has earned this honor by 15 years of dedicated driving—in and out of every type of neighborhood in New York. In fact, Michael refers to his present route on the Bronx 12 line as "one big obstacle course."

Michael Murphy triumphed over 86 other drivers from across the United States and Canada, many of whom were in awe of the New York busdrivers. Speed was not the measure the American Public Transit Association used to judge the drivers; they tested the more important talents of precision and safety. The contestants had to pass a written examination and then demonstrate skills including braking, turning, and backing up throughout several obstacle courses. One of the most demanding courses involved weaving the bus at a steady speed of 20 mph through a route marked by 55-gallon barrels, which only allowed the bus a 1-inch clearance on either side. Michael Murphy used the skills he's developed on his daily Bronx bus routes to rise above the competition and drive away with the championship, which included a $1,000 savings bond.

The entire Bronx community joins me in congratulating Michael on his outstanding performance. We are proud and privileged to be served by such a fine and safe driver. I rejoice that one of the thousands of Bronx residents, who daily strive their hardest to excel in their chosen profession, is publicly recognized for his outstanding efforts. I am certain that all of my colleagues in the House of Representatives will join with me in wishing Michael Murphy continued success on his Bronx 12 line and in all his future endeavors.

DEDICATION OF COBB MOUNTAIN ELEMENTARY SCHOOL

HON. DOUGLAS H. BOSCO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 24, 1985

Mr. BOSCO. Mr. Speaker. I would like to take a moment to share with my colleagues a heartwarming interpretation of the "Pledge of Allegiance" as written and recited by kindergarten and first grade students at the dedication of Cobb Mountain Elementary School in my district. These youngsters worked hard to memorize their pledge which they named, "Promise to be Loyal." I was proud to take part in the special ceremony marking the dedication of the school and to observe first hand the sense of pride and honor the students felt in making their own personal promise to our great country. I would like to commend both the children and their teachers for their effort in making one of our most fundamental expressions of loyalty and patriotism understandable to the children. Their oath follows:

"PROMISE TO BE LOYAL"

I promise to be loyal to the flag of the United States of America and to the government and for what it means. One country, under God, unbreakable, with freedom and laws for everybody.

MILES CITY NATIONAL FISH HATCHERY

HON. RON MARLENEE

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 24, 1985

Mr. MARLENEE. Mr. Speaker, today I am introducing a bill to transfer title of the Miles City National Fish Hatchery in Miles City, MT to the State of Montana. This simple straightforward piece of legislation will allow the State of Montana to receive title to a fish hatchery which the Federal Government abandoned in 1983 because it could not afford the cost of renovation and maintenance for the hatchery.

The State of Montana is willing to invest $5 million in the hatchery to rebuild and maintain it if the Federal Government will give the State a long-term lease.

However, Mr. Speaker, we have a problem. The State of Montana has tried for the last 9 months to negotiate a long-term lease with the Federal Government that would compensate the State for its $5 million investment should the Federal Government fail to renew the lease. But, by law the Federal Government can not commit itself to future appropriations so it will not accept the terms of the lease.

The alternative proposed by the Federal Government is to sell the hatchery to the State for "fair market value." However, the State is not interested in purchasing a property which the Federal Government has abandoned and in which the State already plans to invest $5 million for reconstruction and maintenance. And believe me Mr. Chairman, the real estate market for a fish hatchery in Miles City, MT is not particularly good now or ever.

The best plan for this hatchery is to put it back to work by transferring ownership to the State. This is clearly in line with the intent of Congress when it decided to abandon its financial commitment to certain Federal fish hatcheries. In the Senate report which accompanied the 1983 Interior appropriation bill, the committee stated:

The Committee understands that a number of States are actively investigating the possibility that the State could assume control of Federal hatcheries. In fact, two States have already reached agreement to take over hatcheries proposed for closure. The Committee supports that development feeling that in many cases, it is more appropriate that the States administer some of these hatcheries rather than the Federal Government.

Mr. Speaker, my bill will accomplish the goals stated in the committee report. Thank you.

YOUTH EMPLOYMENT OPPORTUNITY WAGE ACT OF 1985

HON. TRENT LOTT

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 24, 1985

Mr. LOTT. Mr. Speaker, on March 28, 1985, I introduced H.R. 1811, the Youth Employment Opportunity Wage Act of 1985. Sixty-nine of my colleagues have joined me as cosponsors and together we are making an effort this week in sending a message to our colleagues in the House that we believe it is time to see some action on this legislation.

Despite sustained economic growth over the past 3 years, youth unemployment remains extremely high, particularly for minorities. The unemployment rate of all youth 16 to 19 in July 1985 was 19.5 percent, while the unemployment rate among black youth was 41.3 percent.

The bill would permit employers to pay young people under 20 years of age, from May 1 through September 30, a wage of no less than either 75 percent of the otherwise applicable minimum wage or $2.50 per hour, whichever is less. This bill provides protections so that adult workers or previously hired youth will not be adversely affected by the proposal. It prohibits the discharge, transfer, or demotion of any employee because of ineligibility for the youth wage and for the purpose of hiring an eligible youth and it provides penalties to assist in enforcement of this provision.

I hope that all my colleagues in this House will support the Youth Employment Opportunity Wage Act of 1985.

OPPOSING ADVANCED ARMS SALES TO JORDAN

HON. THOMAS A. LUKEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 24, 1985

Mr. LUKEN. Mr. Speaker, today I am joining with a majority of my colleagues in the House of Representatives in introducing a joint resolution to prohibit the sale of advanced weapons to Jordan unless and until Jordan enters into direct peace negotiations with Israel.

I oppose the sale because it will upset the balance of power in the Middle East and lead to further escalation of the arms race in one of the most volatile areas of the world.

It is important to remember that Jordan has actively participated in three major wars against Israel using American-supplied equipment.

Just 3 years ago, for example, King Hussein sent a Jordanian army battalion to fight Israel in Beirut. Hussein also sent his troops into battle against Israel during the 1973 and 1967 Mideast wars, losing East Jerusalem and the West Bank in 1967 as a result.

While it is in the economic and security interests of the United States to maintain friendly relations with such Arab countries as Egypt, Jordan and Saudi Arabia, a strong and stable Israel also is an integral part of American Middle East policy.

Therefore, the administration's assumption upon which this proposed sale is based, that somehow the position of the United States in the Middle East is strengthened by weakening Israel's military superiority versus its enemies in the region, defies logic. Weakening Israel's military superiority only strengthens Syria, a Soviet client State.

On October 17, Secretary of State Shultz testified before the Committee on Foreign Affairs in support of the Jordanian arms sale. In his testimony, the Secretary said that "the principal conventional threat" to Jordan comes from "a vastly more powerful Syria."

Earlier this week, however, the Jordanian Prime Minister and his Syrian counterpart met in Riyadh and there have been reports from Riyadh that Syria's President Hafez Assad may hold a summit meeting with King Hussein in the near future.

Even if Jordan fears a Syrian move, no amount of weapons that we might sell Jordan would significantly alter the balance of power between them. The fact is that Jordan's security depends on a strong and secure Israel to serve as a deterrent, as Israel did in 1970 and 1980 when it prevented a Syrian invasion of Jordan.

I also see no reason why we should reward King Hussein for continuing to insist on Soviet participation in an international conference—a position the administration emphatically opposes—as an excuse for avoiding direct negotiations with Israel. And I see no reason to accord the PLO a seat at the negotiating table and a veto over the outcome of negotiations, as King Hussein has insisted upon.

When Israeli Prime Minister Shimon Peres, speaking before the United Nations on Monday, called on Jordan to end its 37-year state of belligerency with Israel and offered to go to Amman for direct peace talks before the end of the year, the Jordanian Ambassador responded by joining all delegates from the 21-member Arab bloc except Egypt in walking out. On Tuesday, Jordan flatly rejected his offer.

Is this moderation? Is this an appropriate response to the olive branch of peace extended by Prime Minister Peres? I think not.

I believe that the Reagan administration is engaged in wishful thinking if it believes that the sale of sophisticated weapons to so-called moderate Arab States will persuade them to sit down at the conference table and negotiate peace with Israel.

Selling arms to Jordan now, before it has even agreed to direct talks with Israel, would send the wrong signal to Jordan, Saudi Arabia and other Arab States whose refusal to end the state of war with Israel remains the primary obstacle to peace in the Middle East.

I urge my colleagues to cast an aye vote when the resolution reaches the House floor.

A TRIBUTE TO ALFRED S. HARDING

HON. H. JAMES SAXTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 24, 1985

Mr. SAXTON. Mr. Speaker, I would like to take this opportunity to honor Alfred S. Harding, whose recent retirement caps 18 years of dedicated service to the Township of Moorestown, NJ.

A former New Englander, Al came to Moorestown in 1967 to assume the role of township manager. Members of the local governing body, and the public-at-large, learned very quickly that Al Harding was a highly skilled professional with a warm personality and a strong sense of community and cooperation.

Al's knack for getting the job done right has also been well-recognized outside Moorestown's boundaries. He has been long-regarded by his colleagues as the "dean of New Jersey managers." Governing officials in other municipalities noticed Al's work as well, as former Mayor William A. Angus Jr. will attest.

Mr. Angus recently told me,

Al's very demeanor made it extremely easy to enlist outstanding volunteers for all of the structured boards and committees, as well as those ad hoc committees that arise from time-to-time.

We, as members of the governing body, were often admired and envied by our counterparts in other communities when they realized the quality of people attracted to public service in Moorestown.

Mr. Speaker, if ever there was an individual entitled to a long and healthy retirement, it is Al Harding. Much of his vacation time over the years was spent attending schools and training sessions which would improve his skills as a township manager.

Al now has the opportunity to do some real vacationing. But, as one can well expect, he has even set goals in this area. He and his wife, Dorothy, intend to visit every national park from here to Mauna Loa.

I'm sure all my colleagues in the House will want to join with me in wishing Al Harding many days of well-deserved leisure and congratulating him on his successful and distinguished career in service to the people of Moorestown.

THE UNITED NATIONS AT 40—STILL GIVING PEACE A CHANCE

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 24, 1985

Mr. ALEXANDER. Mr. Speaker, today we are celebrating a very special birthday—the 40th anniversary of the founding of the United Nations.

The U.N. Charter adopted in San Francisco was an expression of hope by a war-torn world that man could create an institution that would allow him to live in peace.

The United Nations has helped us strive for that goal. Although we live in a time of increased armaments, although there is a greater gulf in ideologies that separate us, and although the potential for conflict that will end life on Earth is greater than ever, global conflict has been avoided and regional conflicts have been contained. In large measure, we owe this to the United Nations.

The United Nations today stands as a neutral forum where all nations can meet and search for peace and compromise. It still requires our strong support.

POTTSVILLE, PA, PLANT TO EXPAND

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 24, 1985

Mr. YATRON. Mr. Speaker, I am pleased to share with you and my colleagues the news of the expansion of one of the companies in my district. Allied Corp.'s Engineered Plastics, Specialty Plastic Films Division at Pottsville, PA, will be expanding its current annual operating capacity by 9 million pounds in order to begin the manufacture by 1987 of biaxially oriented nylon film.

On Tuesday, October 29, 1985, a groundbreaking ceremony will take place at the existing plant located on Westwood Road in Pottsville. The plant currently employs 310 people who work in four rotating shifts of 50, 24 hours a day, 7 days a week. Each year, the employees produce 20 million pounds of plastic film that is used in numerous food and nonfood packaging applications.

The expansion of the Pottsville plant has been made possible by Allied Corp.'s winning of an exclusive license to use the technology of Unitika, Ltd., Osaka, Japan, to produce and market biaxially oriented nylon film within the United States, Canada, and Mexico. Unitika is the world's leading supplier of such nylon film, which is used principally in the packaging of cheeses, meats, shelf-stable foods like coffee, cookies, candy, condiments, pickles, and edible oils. Biaxially oriented nylon film has unique properties that make it strong, durable, and resistant to heat, moisture, oxygen, high gas, flavors, and aromas. The applications of this product are seemingly endless and they all make life easier and safer for users and consumers.

Mr. Speaker, at a time when our trade imbalance is so great, I am especially heartened by the nature of this business arrangement between Allied Corp. and Unitika, Ltd. By making the biaxially oriented nylon film technology available to us, Japan will enable the United States to enhance our national industrial output and the local economic well-being of the community of Pottsville, PA.

I would thus like to commend this international economic initiative and wish it outstanding commercial success. I congratulate Allied Corp. and all the managers and employees of the Specialty Plastic Films Manufacturing Plant in Pottsville for the business acumen, hard work, and years of excellence in manufacturing that made it possible.

UNIVERSUM SOKOL PUBLICATIONS PUBLISHES THE BATA STORY

HON. BERNARD J. DWYER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 24, 1985

Mr. DWYER of New Jersey. Mr. Speaker, I would like to bring to the attention of the House and extraordinary publication and its author. "The Stormy Years" by Anthony Cekota is a fascinating chronicle of the Bata family and its entrepreneurial spirit in the face of adversity. This book, which was published by Universum Sokol Publications in Perth Amboy, NJ, details the history of famous shoemaker Tomas Bata and how he built a shoe empire through hard work and ingenuity, during the troubled years 1932–45.

The author, Anthony Cekota, is the oldest personal witness to the origin and worldwide growth of the unique Bata Enterprise. Beginning as a shoe factory worker with Bata in 1914, Mr. Cekota has had a life-long association with Bata enterprises and the Bata family. Through perseverence and hard work he financed his own technical education and found his niche in the field of public service. When the Nazis overran his native Czechoslovakia in 1939, Mr. Cekota accepted an invitation from Thomas J. Bata to join him in Canada.

Through his close association with Bata, Mr. Cekota has many insights to share on the growth of this enterprise and the philosophies which made it so unique. Bata Enterprises was built on the philosophy of the necessity to serve one's customers and the public to the utmost of one's ability. This is a philosophy from which we could all learn and grow.

In closing, I would like to commend Mr. Cekota on this engrossing work and Universum Sokol on its publication so that many more could learn from the Bata story.

SOCIAL SECURITY TRUST FUNDS AND THE DEBT LIMIT

HON. DONALD J. PEASE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 24, 1985

Mr. PEASE. Mr. Speaker, earlier this week the Secretary of the Treasury let us know that he may dip into the Social Security trust funds to keep the Government afloat if we do not increase the debt limit by the end of the month. He could do this by taking back the securities in which the Social Security trust funds are invested. This action would reduce the aggregate amount of the Government's debt, allowing the Treasury to stretch out the period before the Government defaults.

One consequence of taking back those securities would be to deprive the Social Security trust funds of the interest they would earn on those holdings. Members will remember that it was only 2 years ago that this Congress, in cooperation with the Reagan administration, enacted a number of wide-ranging changes to the Social Security Act to assure the financial stability of those very trust funds. That package included unpopular tax increases and benefit cuts that the country ultimately had to accept as the price for maintaining a program as vital as Social Security.

What disturbs me today, Mr. Speaker, is that in 1983 we were not dealing simply with a financial problem. We had to make those difficult decisions in great measure to restore public confidence in Social Security among both workers and beneficiaries. To tamper with those trust funds, even in this emergency situation, could undermine our efforts to rebuild the confidence level the program needs to be effective.

FORM BLUE RIBBON PANEL ON FARM CREDIT

HON. BILL SCHUETTE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 24, 1985

Mr. SCHUETTE. Mr. Speaker, there's an old saying among Michigan farmers: If you borrow $1,000 from the bank and can't pay it back, even though you want to, you're in trouble. But if you borrow $1 million and can't pay it back, even though you want to, the bank's in trouble.

Well, we are learning that when you borrow multibillions of dollars and can't pay it back, America is in trouble.

The administrators of the farm credit system have long maintained that the system has the financial resources to take care of its own problems. However, this assertion is based upon two fundamental assumptions: The first is that the agricultural economy will continue to support the system, and the second is that the system will continue to quickly consolidate its capital.

Obviously, the first of these assumptions is questionable at best. The farm economy continues to deteriorate at an alarming rate. Land values are down 60 percent and more in many areas. As the farm economy slides, the farm credit system loses its ability to function.

May I stress at this point that we are not considering farm credit in a vacuum. The farm credit system of the United States is intimately tied to the farm economy as a whole. The troubles of the system today are symptomatic of the large problem, the depression on America's farms.

We have no time to assess blame for the system's woes, and I don't intend to do so. Congress is as culpable as anyone for creating a system without the ability to move cash reserves around when and where necessary, and for not establishing annual outside audits. By permitting loans of up to 85 cents on the dollar, Congress helped to set the stage for large numbers of defaulted loans.

And, the Farm Credit Administration can rightfully be criticized for many of its management practices including loans that were highly questionable.

These practices, and others, have helped to create the situation faced by the system today. We have all heard the frightening statistics, but they cannot be repeated too often: As much as 15 percent of the system's $74 billion in loans may be uncollectable. System loans that went from $20 billion in 1972 to $66.2 billion in 1980. At least 9 of the system's 37 main banks with more problem loans then they have capital. As much as half of the commercial farm debt in this country may be uncollectable.

Land values—the collateral underpinning most farm debt—continues to slide, eroding up to half the backing of loans in some parts of the country.

And, it comes as no news to this House that the bin-busting harvest this fall will continue to push prices downward.

The many farm bankruptcies that result from the agricultural depression put more land on the market, driving down real estate values and thus eroding more land collateral. That puts more farmers in trouble, and the cycle spirals downward.

We must find solutions to this vicious whirlpool. To fail to do so threatens the very survival of agricultural.

There are some actions the Government can take that will require very little budgetary outlay. For one, it can require the system to use its multibillion-dollar reserves to help cover losses.

Every Member of this House should be a cosponsor of H. Con. Res. 190, introduced by Congressman RON MARLENEE, my friend and ranking minority member of the Subcommittee on Wheat, Soybeans, and Feed Grains, on which I also serve.

The bill expresses the sense of Congress that the President should form a National Commission on the Farm Credit System to make recommendations to the Congress on the crisis in farm credit.

This resolution calls for the creation of a select blue ribbon task force composed of Members of Congress, officials from the Government and lending institutions. The Commission would recommend necessary reforms of the farm credit system to the President and Congress in order to assure adequate credit supplies and fair interest rates to farmers and ranchers.

Mr. Speaker, I cannot overemphasize the enormity of the problems facing the farm credit system, and as a consequence, our Nation. Creation of this blue ribbon panel is the first necessary step in what will be a protracted effort to maintain this vital source of capital for American farmers.

CSCE HEARING ON SOVIET CULTURAL LIFE

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 24, 1985

Mr. HOYER. Mr. Speaker, on Tuesday, October 29, 1985, the Commission on Security and Cooperation in Europe, commonly known as the Helsinki Commission, will hold a hearing on cultural life in the Soviet Union. The hearing, which will concentrate on censorship and other Soviet restrictions on artistic freedom, will take place at 10 a.m. in room 210 of the Cannon House Office Building.

Freedom of expression is an essential aspect of the ability of an individual to fully utilize his or her artistic potential. Unfortunately, in the Soviet Union this freedom is greatly restricted. Soviet authorities attempt to censor all forms of cultural expression so as to ensure conformity with official policies and ideology. In addition, broadcasts from the West, which communicate various Western cultural programs, are jammed in an attempt to isolate the common Soviet citizen.

The Commission currently has a particular concern over restrictions on cultural life in the Soviet Union as the CSCE Cultural Forum, one of six specialized meetings to discuss specific provisions in the Helsinki Final Act mandated by the Madrid Meeting of 1980–83, is taking place in Budapest, Hungary. The forum, which began on October 15, and will end on November 25, has a mandate to discuss interrelated problems concerning creation, dissemination and cooperation in the various fields of culture. This includes human rights issues such as those to be discussed at the October 29 hearing.

The Commission is fortunate to have five experts who will testify at the hearing. We will hear from Oleg Vidov, a film actor and director; Maxim Shostakovich, a conductor and pianist; and Vasily Aksyonov, a novelist. These three artists were prominent in their respective fields in the Soviet Union but are now living in the United States because of Soviet restrictions on their individual creativity. Michael Scammell, a noted British scholar who is an expert on Soviet censorship, and George Jacobs, an expert on Soviet jamming practices, will also testify.

Mr. Speaker, cultural freedom is, in my view, important to the development of a prosperous and peaceful world. The ability to express oneself and communicate that expression to others, particularly to those in other countries, is important to bridging the many wide gaps that separate the peoples of the world. In no case is this more important than with the Soviet Union. As cochairman of the Helsinki Commission, I encourage my colleagues, the press and the public, to attend this important hearing. Thank you.

ASK THE POLICE: S. 49 IS A KILLER

HON. MEL LEVINE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 24, 1985

Mr. LEVINE of California. Mr. Speaker, I rise to express my deep concern regarding the efforts to bring S. 49 to the floor before the scheduled hearings are conducted.

I am alarmed about this effort because S. 49 is a complex bill which affects law enforcement and public safety. Yet, the other body sent this bill directly to the floor without conducting hearings. Now we are being ask to do the same.

I find efforts to bring S. 49 directly to the floor rather suspicious. What is there about this bill that cannot stand the test of hearings?

Is it that every major law enforcement group in the country opposes this bill? S. 49 would enable criminals to acquire guns more readily, making our streets and communities more vulnerable to handgun violence and crime. An October 23 editorial in the Washington Post describes this effort as "a maneuver that would bring (S. 49) directly to the floor without hearings that could show what a terrible bill it is."

This legislation must be examined carefully. I urge my colleagues to oppose efforts to bring S. 49 to the floor before hearings can be held.

I insert the editorial in the RECORD.

ASK THE POLICE: S. 49 IS A KILLER

America's law enforcement officials came to Capitol Hill in uniform and unity yesterday to let it be known that they want their latest enemy in the war against crime killed on the spot. The menace is S. 49—a Senate-passed bill that would gut what minimal federal controls do exist over quickie handgun sales and traffic in this country. The message—from every major law enforcement organization in the United States—was directed squarely at members of the House: "S. 49, the McClure-Volkmer Gun Decontrol Bill . . . will make it harder to fight crime." Will the House listen to those who risk their lives for public safety?

Not if the old familiar gun lobbyists get their way. As always, the big pusher of dangerous gun traffic is the National Rifle Association, which—contrary to what its name might lead members to believe—takes money from people with legitimate sporting interests in firearms but is preoccupied by the defense of Saturday Night Specials and other concealable weapons used by criminals to threaten, maim and kill.

The NRA, along with the Gun Owners of America, wants the McClure-Volkmer bill enacted as is, without hearings, just the way it was railroaded through the Senate. That's part of what is upsetting law enforcement officials. At a gathering yesterday under the auspices of Handgun Control, Inc., Richard Boyd, national president of the Fraternal Order of Police, put it bluntly: "I'm here today to tell the National Rifle Association and the Gun Owners of America to back off." He was joined by representatives of the Police Foundation, the Police Executive Forum, the International Association of Chiefs of Police, the National Troopers Coalition and the National Organization of Black Law Enforcement Executives.

Also circulating are petitions signed by some 850 law enforcement authorities urging House members not to support an effort to discharge the Senate bill from House committee consideration—a maneuver that would bring the Senate version directly to the floor without hearings that could show what a terrible bill it is. S. 49 would undercut state handgun laws requiring registration, licenses to carry, waiting periods and criminal background checks—and this is more than enough to upset law enforcement authorities.

What opponents of S. 49 seek to preserve is public safety, something in the interest of sportsmen, collectors and anybody else who understands the difference between legitimate purchases of firearms—for recreation, law enforcement and private security—and quickie sales of "snubbies" and other concealable handguns to criminals and "impulse" purchases. If House members can understand this, too, S. 49 should be a dead duck.

CONVEY LAND TO THE PERSHING COUNTY WATER CONSERVATION DISTRICT

HON. BARBARA F. VUCANOVICH

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 24, 1985

Mrs. VUCANOVICH. Mr. Speaker, today I am introducing legislation to authorize and direct the Secretary of the Interior to convey certain lands to the Pershing County Water Conservation District in Nevada.

The lands in question were originally purchased for the Humboldt project in order to secure Federal water rights. The district has repaid original project costs including land and water rights acquisition as well as project facilities. The only outstanding repayment obligation is for the raising of Rye Patch Dam 3 feet. Since 1953, the district has leased the land for community pasture. As a result of a request to the Bureau of Reclamation by Lander County in the early 1960's to dispose of the lands in order to increase their tax base, the district makes an annual in-lieu tax payment to the county for the lands. In this way water rights are protected since the lands have not been disposed to private ownership.

The legislation would authorize the Secretary to convey approximately 30,000 acres in Lander County, NV. to the district. The conveyance would be without monetary consideration. The legislation would not release the district from existing contracts and repayment obligations to the Federal Government, nor would it release the district from the responsibility of continuing to protect Federal water rights associated with the Humboldt project. Existing contracts for land use—for example grazing—entered into prior to enactment of the legislation would be in full force.

I believe there are compelling reasons for supporting this legislation, including:

First, the district has already paid for the lands through repayment of original project costs and has exhibited their continuing interest in the lands through the payment of in-lieu taxes to Lander County;

Second, public needs such as protection of Federal water rights, community pasture, and expansion of the County's sewage treatment plant could not be met if the lands were sold to private interests; and

Third, the original repayment contract for the Humboldt project states that title to the project will remain with the United States until Congress enacts otherwise. This clause could be interpreted that the lands can be neither transferred nor sold unless Congress passes appropriate legislation.

I strongly believe that transferring the 30,000 acres to the Pershing County Water Conservation District is fair, equitable, and in the best interest of the public. I urge my colleagues to join me in supporting prompt passage of this legislation.

MULE APPRECIATION DAY 1985

HON. BOB STUMP

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 24, 1985

Mr. STUMP. Mr. Speaker, As we observe Mule Appreciation Day on October 26, 1985, and there is again some interest in the Army using pack mules, the following article will be of interest to many.

Its author, Fred Burke, of Marble Canyon, AZ, joined the Army in 1936 as an enlisted man in the Army's 11th Horse Cavalry in Presidio Monterrey, CA. Upon his retirement some 20 years later at Fort Huachuca, AZ, he was retired with the last MOS of pack officer. During his career, Fred was the company commander of the 256th Quatermaster Pack Company, a part of the 10th Mountain Division and the last of our military to take mules into combat in Italy.

Fred Burke's analogy of the GI and the pack mule, originally written for the Stars and Stripes during World War II, follows:

THE GI AND HIS PACK MULE

Now that the Army is talking about reviewing the use of Army pack mules, the close analogy between enlisted draftees and the conscription of pack mules should prove interesting reading.

Drafted GI's and mules both joined against their wills. Mules and GI's were both sent to training centers. The mules' centers were called Remount Stations. They were both processed with physicals and hair cuts. The mules' manes and tails were cut short.

Both received immunization shots and both received a serial number. Mules got what was called a Preston brand and it was burned on their necks. Although the GI didn't get physically burned, most carried a brand on their minds for the rest of their lives at the memory of this first training.

Both had service records filled out with serial numbers, home towns, date drafted, age and family if known. For mules, the family names might include a mare named Miss Cookie and the father a jack donkey named Sams Man.

Both were given uniforms at training camp. The mules received new shoes and halter. Both were given basic equipment to take recruit training with. The GI got a gun, back pack, canteen etc. The mule got a pack saddle called a Phillips saddle, saddle pad, tarp, lash rope to tie on loads and a lead rope.

Now they were both ready to take basic training and were assigned to a training company. Both learned how to carry heavy loads over long forced marches, to bivuac in the field and live on reduced rations.

During this time, they were assigned living quarters. In the GI's case, it was called a barracks; with the mule, it was a stable and corral. GI's had mess call three times a day; the mules only twice. The mules got grain and hay; the GI's got food that tasted about the same. When it came to cleaning their respective quarters, the mules had the best of it. The GI's had to make their own beds and scrub the barracks. The mules were fortunate to have a detail of enlisted men who cleaned the stable for them.

During recruit training, both would get blisters, sore muscles and sores from equipment rubbing on formerly unused spots. They got colds from field training trips. Both mules and GI's would report in the morning to be placed on the sick call book and reported to the medical facilities.

In the mule's case, his doctor was called a veterinarian. Both received treatment and a notation as to light duty, full duty or confinement to quarters with a report back date. The sick book was a permanent record for both. They were both accused of malingering to get out of work. In the mule's case, he learned that if he went on sick call, he got to loaf in the corral and didn't have to take a long march with a pack.

After recruit training, GI's and mules were assigned to a replacement depot for future assignment to their permanent companies. Their service record went right along with both and the serial number was their identification.

Upon arriving at their new company, both were assigned to a platoon. The mule was given a number from 1 to 50—almost the same number as in a GI's platoon. The mule's number was put on his halter and his saddle. He also got a GI haircut on his tail that told his platoon number. A one bell cut was the 1st platoon, a two bell cut was the 2nd platoon, the three bell cut was the 3rd platoon and no bells was the 4th platoon.

By now both were full fledged, fully trained healthy individuals ready to join their comrades in defense of their country, willingly or not. From here on both were career military and hopefully would volunteer for an Army career.

The parallel continued in love, duty, living conditions and retirement. An exception was leave time—the mules got no leave. And a GI could retire at 20 years with half pay. The mules were sold as surplus and sent to farms.

In love matters, the GI had the PX girls, the USO or Canteen girls. And of course, there was always the girl next door who he would someday marry and reproduce more GI's. The mules only had the platoon "bell mare" for love. Each platoon had one and she was like a queen bee. All the mules in the platoon loved her with a fanatic passion and would follow her to death and did on several occasions.

The mule sometimes fell in love with the local camp followers who would stray close enough to camp for him to pick up her scent. The mule would even go AWOL just like the GI to spend some extra time with a sweet young thing.

Unfortunately for the mule, he was different from the GI when the subject of reproduction came up. The mule cannot reproduce but he enjoyed the pleasures of trying.

In WWII at Camp Swift, Texas, a large number of mules went AWOL and were seen enjoying the pleasures of free love among the horses in the river bottom near Bastrop, Texas. This was just prior to their going overseas with their GI counterparts to fight in the 10th Mountain Division in Italy.

In death both mules and GI's were together at times. Sadly, at times both were killed in either a mine field or by enemy artillery fire. In this case, they both had the same notation in their service records—KIA.

PBGC REFORMS

HON. GERALD D. KLECZKA

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 24, 1985

Mr. KLECZKA. Mr. Speaker, I rise in strong support of the Pension Benefit Guaranty Corporation [PBGC] provisions contained in the budget reconciliation bill.

I commend the Education and Labor Committee for their diligent work in crafting legislation which enjoys bipartisan support. This proposal addresses the fiscal problems facing the PBGC and the pension security problems facing American workers. It is also sensitive to the decisionmaking processes of private business. Balancing these competing interests was not an easy task, and I applaud their efforts.

My interest in this legislation is strong. I represent a district which has been hard hit by unfunded pension liability problems. In July, the Allis-Chalmers Corp., a company which has had financial problems for several years, terminated its pension plan. This decision affected more than 7,000 workers and turned over an unfunded pension liability of nearly $170 million to the PBGC. This was the largest pension plan termination ever faced by the PBGC and it brings total unfunded liabilities for the PBGC to nearly $900 million.

This situation did create many anxious moments and indisputable hardship for many workers. However, thanks to the existence of the PBGC, most of the pension benefits of Allis-Chalmers retirees were guaranteed.

There are nearly 29 million American workers who are covered by the PBGC and will rely on it should their pension plans fold. Therefore, it is incumbent upon this body to ensure that the PBGC will remain solvent. Passage of the reconciliation bill's PBGC reform provisions will help achieve this goal in a responsible manner.

The bill seeks to increase the annual PBGC premium from $2.60 to $8.50 per participant, effective January 1, 1986. There is wide agreement that this premium increase is desperately needed in order to eliminate the current deficit faced by the PBGC and to finance future claims. As the representative of a district which has directly benefited from the PBGC's services, I urge my colleagues to maintain the fiscal solvency of the PBGC. They were there when we needed them; but, in order for them to be there in the future, we must provide proper funding.

In addition to the premium increase, the bill seeks to institute much needed reforms in plan termination procedures to prevent the "dumping" of unfunded liabilities on the Federal Government. It divides plan terminations into two categories, standard terminations and distress terminations. If a company does not meet the criteria for a distress termination, it can only terminate its pension plan if it has sufficient assets to provide all vested benefits, not only the guaranteed level of benefits. Only companies which demonstrate legitimate financial difficulty can make claims against the PBGC insurance fund.

The bill also contains important "communication" provisions. First, it requires that all affected parties be given 60 days notice of any proposed plan termination, which seems only logical and fair. It also requires communication between the Internal Revenue Service [IRS] and the PBGC. The bill requires the IRS to notify the PBGC when a company requests a pension funding waiver in excess of $1 million. This will better enable the PBGC to anticipate future plan terminations.

Now is the time to act. Further delay will only compound the fiscal problems facing the Pension Benefit Guaranty Corporation, thereby jeopardizing the security of our workers' pensions.

Again, I commend the committee's work and urge my colleagues to support these provisions.

HOSTAGE CRISIS REACHING 600 DAYS

HON. GEORGE M. O'BRIEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 24, 1985

Mr. O'BRIEN. Mr. Speaker, Sunday will be the 600th day Americans have been held hostage in Lebanon.

William Buckley, a U.S. Foreign Service officer, was kidnaped in Beirut on March 16, 1984, 600 days ago Sunday.

Today marks the 290th day Father Lawrence Jenco, the head of Catholic Relief Services in Beirut, has been held hostage in Lebanon.

Terry Anderson, the Associated Press Beirut bureau chief, was taken hostage 222 days ago.

The director of the American University Hospital, Beirut, David Jacobsen, was kidnapped 148 days ago.

Thomas Sutherland, the dean of the American University Agriculture School, was taken hostage 137 days ago.

Today also marks the 325th day since the disappearance of Peter Kilburn, the American University librarian.

Mr. Speaker, the hostage crisis in Lebanon is going on 600 days. But it won't be over until all the Americans are returned home safe and sound.

LATTA AMENDMENT TO H.R. 3500

HON. W. HENSON MOORE

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 24, 1985

Mr. MOORE. Mr. Speaker, I voted for the Latta amendment to H.R. 3500 as it is one of the few rare moments in the House that determine whether it is time to stand up to honest and substantial deficit reduction or whether it is time to duck and run from the deficit as usual. I had honest disagreements with a few inputs used in the Latta amendment as a disproportionate negative impact would apply to Louisiana due to the nature of the changes involved. However, the Latta amendment offered the opportunity to cut the deficit by an additional $3.5 billion over the next 3 fiscal years largely by denial of new spending add-ons. In balance, it was fair and possessed the type of fiscal discipline necessary to cut the deficit enough to get interest rates to fall. Its good points far outweighed its few faults.

However, I was particularly concerned about the Latta amendment failing to include provisions adopted by the House Merchant Marine and Fisheries Committee for Outer Continental Shelf revenue sharing and fiscal 1987-90 reauthorization of the Coastal Zone Management Act. These appear as a deficit reduction component in the final year of the Latta amendment and as such ample time for consideration of extension remains.

I would also like to remind my colleagues the geography of Louisiana puts our residents at the jeopardy of floodwaters all to frequently despite the continuing efforts of the Corps of Engineers. Flood insurance is not a secondary consideration. It is a vital interest. I agree with provisions in H.R. 3500 that would prevent FEMA from increasing flood insurance rates in 1986. The cost consequence is too important to those who pay the price. I find fault in the Latta substitute as its rejection of housing program add-ons has a consequence a missed opportunity to remind FEMA of flood insurance cost considerations.

Nothing denies consideration of the H.R. 1 housing bill provisions outside packaging within H.R. 3500. Proper legislative action would be to require such a massive housing bill to be considered independent of any superstructure such as that used today. H.R. 1 should be considered on its own and a freeze on flood insurance rates should be approved within it.

VOTE ON THE LATTA AMENDMENT

HON. ROBERT W. DAVIS

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 24, 1985

Mr. DAVIS. Mr. Speaker, some claim that today's vote on the Latta amendment to H.R. 3500 was a vote on the renewal of Federal housing programs. My colleagues who so eloquently argued that a vote in favor of this amendment was a vote to zero-out these programs know that is, at best, a half truth.

The Latta amendment would have stricken from the Omnibus Reconciliation Act of 1985 extraneous legislative language, including the entire text of H.R. 1, the Housing Authorization Act of 1985. A bill that contains 146 legislative sections and was the subject of 12 days of committee hearings warrants individual consideration.

Proponents of H.R. 1's inclusion in reconciliation claimed that because of inac-

tion in the other body, this would be the only means to force a conference on renewing housing programs. This contention rings hollow when the chairman of the other body's Banking Committee stated that if the House passed a separate housing bill, the other body would go to conference on the issue.

My vote for the Latta amendment should not be construed as a vote against H.R. 1. Many of the housing programs in the bill are vital to my district and have received my strong support. H.R. 1 also contains language which concerns me and should be subject to consideration and debate by the full House. One such issue is the fair housing provision.

Adopting H.R. 1 as part of the reconciliation process denies Members not on the Banking Committee the opportunity to debate its provisions or vote on amendments. What other major authorizing legislation enjoyed similar closed rule and closed door passage?

Let's keep distinct issues distinct. A bill whose purpose is to achieve the deficit reduction required by the budget resolution is not the place for $14.3 billion in fiscal year 1986 spending authority.

DISARRAY OF STANDARDS FOR ISSUING SECURITY CLEARANCES AND CLASSIFYING INFORMATION REQUIRE LEGISLATIVE REMEDY

HON. GEORGE C. WORTLEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 24, 1985

Mr. WORTLEY. Mr. Speaker, today I have introduced legislation for Congress to establish the National Commission on Classified Information and Security Clearances.

My legislation proposes that the Commission be composed of 17 members, including the Chief Justice of the U.S. Supreme Court; four Members of the House of Representatives, two to be appointed by the Speaker, and two to be appointed by the minority leader; four Members of the Senate, two to be appointed by the majority leader and two by the minority leader, and eight members to be appointed by the President of the United States, with not more than four members of the same political party. The Chief Justice would serve as chairman of the Commission. The vice chairman would be elected by Commission members.

The Commission would conduct investigations and make recommendations to the President and the Congress not later than 1 year after appropriations are enacted for the Commission.

The Commission's investigative responsibilities would include: First, examination of standards and procedures used by each Federal department, agency, and entity to issue security clearances, and to classify information; second, to determine if security clearance procedures ensure that all persons who have been issued clearances, including both Federal and private sector personnel, continue to meet security standards; third, to determine if current standards and procedures for classifying information cause more information to be classified than required for the interests of national security; and fourth, the identification of dangers posed to national security by the growth in the numbers of Federal and private sector persons holding security requirements.

The Commission's recommendation duties would include: First, recommending uniform standards and procedures for the issuance of security clearances; second, recommending uniform procedures that ensure that persons holding clearances continue to maintain security standards; third, making recommendations to each Federal entity for the implementation of standards and procedures for classifying information and documents; and fourth, designing standards and procedures to prevent the classification of information and documents that are not sensitive to national security requirements.

Further, my legislation proposes that the Commission shall cease to exist 30 days after submitting its final report.

The original cosponsors of my bill to establish this investigation and recommendatory Commission are: Messrs. SHERWOOD L. BOEHLERT of New York; BILL EMERSON of Missouri; HAMILTON FISH, JR. of New York; DEAN A. GALLO of New Jersey; ROBERT GARCIA of New York; BENJAMIN A. GILMAN of New York; ROBERT J. LAGOMARSINO of California; JERRY LEWIS of California; ALFRED A. MCCANDLESS of California; GUY V. MOLINARI of New York; HOWARD C. NIELSON of Utah; ELDON RUDD of Arizona, and DENNY SMITH of Oregon.

Mr. Speaker, my cosponsors and I are convinced that the establishment of the National Commission on Classified Information and Security Clearances is overdue in this era when espionage is conducted on an alarming scale.

America's military and industrial secrets are more vulnerable than they need be. Part of this vulnerability exists because we live in a free and open society.

Because we live in a free and open society, our Government must take more precautions than governments that are not free.

At the same time, freedom compels us to walk a thin line. We must not classify information which does not require classification. We do not need to issue clearances to those who do not have access to classified information.

In this era of weapons systems sophistication and highly competitive technology, we do need standardization of classification and security clearance procedures. We do need periodic reviews of clearances as personnel move to different responsibilities and different activities.

Our Government estimates there are some 1,400 Soviet and Soviet bloc agents in the United States. But there are only some 1,200 FBI counterintelligence agents available to monitor the activities of the Soviet and Soviet bloc agents.

Approximately 4.3 million Americans possess security clearances of one degree or another.

Mr. Speaker, both the disarray of our systems of classification and clearances and the necessity to update the protection of America's security behooves favorable consideration of this legislation.

I urge that our colleagues join my 13 original cosponsors and myself in cosponsoring this bill.

SENATE—*Friday, October 25, 1985*

(Legislative day of Monday, October 21, 1985)

The Senate met at 8:45 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

Father in Heaven, we pray for our families who so often suffer neglect due to Senate schedules and pressures. We know that the family is the basic unit of the social order and disintegrating families contribute to social decay. Give us grace, Lord, to take seriously the priority of family relationships over all other business and to realize that however we succeed in other areas there is no compensation when we fail as spouses and parents. Instead of hoping to find time for our families this weekend, help us to make time—to take time. If there be estrangement, let there be reconciliation and healing. Remind the Senators that their position, their prestige, their preferential treatment, their power, is for the Hill, not the home; that they need the family and the family needs them. Bless our families, loving Father, sustain them by Your grace. Make Your presence felt and Your love to fill hearts and homes. In Jesus' name. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The distinguished majority leader is recognized.

SCHEDULE

Mr. DOLE. Mr. President, under the standing order the leaders have 10 minutes each. I reserve the time of the distinguished minority leader and also the time that I do not use. Then there is a special order in favor of the distinguished Senator from Wisconsin [Mr. PROXMIRE] for not to exceed 15 minutes, routine morning business not to extend beyond 9:30 with statements limited therein to 5 minutes each. Then we will move to the consideration of S. 1714, the farm bill. It is really a very major piece of legislation with about 17 to 18 different titles. The text of the bill is 459 pages in length. So it is a very extensive piece of legislation, and it will require some time.

It is my hope that Members will be here promptly for opening statements, and that we can start the amendment process. We will have votes today and we will have votes on Monday. So I would hope that we can begin work on the farm bill. In the meantime, the managers of the reconciliation bill, Senators, DOMENICI and CHILES, will be working on some procedure to resolve the problems that are occurring with respect to the reconciliation bill. I would also note that the State-Justice-Commerce appropriations bill seems bogged down temporarily.

I know that the distinguished manager of that bill would like to resolve those conflicts. In any event, the farm bill is up, and we intend to stay on it continuously.

We may have to break temporarily, as I have indicated to the distinguished Senator from Alabama [Mr. HEFLIN], when we work out the reconciliation package, if we do. We hope we can complete action on the farm bill by Friday. That is the bad news.

The good news is that the Royals won and they move back to Kansas City tomorrow for the remaining games of the World Series.

[Laughter.]

TRIP TO ASIA

Mr. DOLE. Mr. President, between August 15 and 29, I visited five of our most important allies and friends in Asia—South Korea, Japan, Taiwan, Hong Kong, and the People's Republic of China. Traveling with me were six distinguished colleagues—JIM MCCLURE, PETE DOMENICI, BILL COHEN, DAN EVANS, PETE WILSON, and PAT MOYNIHAN.

GOALS OF DELEGATION

Our delegation had two main goals. The first was to reaffirm, at each stop, the basic strength of our bilateral relations and the importance we attach to continued close ties. We wanted the leaders of the north Asia region to know that the Senate understands their importance and values their friendship.

The north Asia region is critical to our own security. Its countries play an increasingly active and important international political role. It sits astride vital channels of commerce. And it is the most dynamic economic region in the world and our fastest growing trade partner.

TRADE DEFICITS DOMINATED TALKS

But we also went to discuss differences which do exist and to discuss them frankly, as friends should.

And it is fair to say that one such difference dominated most of our conversations—our huge and rapidly growing trade deficits, specifically including our very large deficits with Japan, Taiwan, South Korea, and Hong Kong.

Our message on trade deficits was loud and clear. The United States cannot be the world's only free trader. We cannot, and will not, continue to tolerate the massive deficits we are running with Japan, Taiwan, South Korea, and other countries around the globe, which add up to a total projected deficit this year of about $150 billion. We have some work to do to put our own house in order, especially in getting the dollar back to a reasonable level. But unless our major trading partners take decisive steps in the immediate future to open their markets to our exports and make a substantial dent in those deficits, the United States will act decisively to deal with this problem. If the Executive is unwilling to act, then Congress is prepared to move unilaterally.

We had the opportunity to present our message at the highest levels of government at each stop. In South Korea, we met with President Chun; in Taiwan, with President Chiang; in Japan, with Prime Minister Nakasone; in Hong Kong, with Governor Youde; and in China, with Chairman Deng.

We do not labor under any illusions that our trip, by itself, will solve the trade deficit problem. But the problem is never going to be solved until each side understands fully and in detail the real problems of the other side. We went to these five places to hear their side of the story, and we learned a great deal. But, even more important, we went to make sure they heard about, and understood, our situation in the United States and our intentions in Congress.

Much more action is needed. We must have more action from these five countries. We need appropriate follow-up here in Congress and, hopefully, in the Executive. If we see these needed actions, we can begin to make some progress in cutting our intolerable trade deficits. If we don't, all of us are going to suffer.

NAKASONE TO SEND MISSION TO DISCUSS DEFICITS

As one small step in the right direction of better understanding and communication, I am pleased to report to the Senate that, in response to our invitation, Japanese Prime Minister Nakasone is sending a high-level delegation for further talks with us in the Congress on our critical trade problems. We expect the Japanese, when they arrive, will find for themselves that our delegation did not exaggerate the intensity of feeling in this country on the trade deficits issue. The American people see it as one of our most important economic and political issues, and they are demanding that Congress act to redress the massive imbalance.

I would like to include in the RECORD at this point a copy of the letter which we, in the delegation, sent to Prime Minister Nakasone, inviting the Japanese delegation, and the Prime Minister's response.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

LETTER FROM SENATORS TO JAPANESE PRIME MINISTER NAKASONE

DEAR MR. PRIME MINISTER: We want to express our appreciation for your warm hospitality during our recent visit to Japan.

Our meeting and luncheon provided an important opportunity for us to convey to you the sense of urgency in the Congress over our huge and growing trade deficit with Japan and to hear your views on this problem.

As we noted, Congress seems determined to assert its Constitutional authority in trade policy-making. To that end, we would welcome your appointment in the immediate future of a high level Government and Liberal Democratic Party delegation to come to Washington for direct meetings with leading Members of Congress. The delegation would be able to continue the dialogue we have begun and to gauge for itself the prevailing mood in Congress and among the American people.

Through such efforts, we are hopeful we can resolve this preplexing problem which divides us.

Sincerely yours,

BOB DOLE.
PETE DOMENICI.
DANIEL J. EVANS.
DANIEL PATRICK MOYNIHAN.
JIM MCCLURE.
BILL COHEN.
PETE WILSON.

LETTER TO SENATOR DOLE FROM JAPANESE PRIME MINISTER NAKASONE

DEAR SENATOR DOLE: Your recent visit to Japan together with other leading members of the United States Senate and your wives was most informative as well as beneficial.

As you stressed in the meetings here, there is no doubt that the relationship between Japan and the United States is of utmost importance. Considering the breadth and depth of our relationship, I believe that leaders of not only the executive branch but also the legislative branch of both states should strive together for furthering mutual understanding and cooperative ties between our countries and peoples. Such forward-looking attitudes are of crucial importance for both countries in resisting the temptations of protectionism.

In this connection, I have considered the timely and useful suggestion in your letter of August 22 for a high-powered delegation to Washington, D.C. to have direct meetings with leading members of Congress, and now plan to dispatch toward the end of September a delegation composed of a select few leading members of the Diet who are well-versed in all aspects of Japan-U.S. relations. The delegation will be headed by Mr. Susumu Nikaido, Vice President of the Liberal Democratic Party, and is expected to have frank and sincere exchanges of views with Congressional leaders on ways to solve current trade and economic problems and to further improve our bilateral relations.

The delegation will also explain about the concrete measures the Japanese Government is taking in order to solve these problems.

I hope that such discussions will help us have a clearer vision of constructive policies to pursue in the near term.

Sincerely yours,

YASUHIRO NAKASONE,
Prime Minister of Japan.

SUMMARY OF STOPS

Mr. DOLE. Mr. President, I would like to summarize briefly the highlights of meetings and events at each stop on our trip.

SOUTH KOREA

The first stop of our trip was the Republic of Korea—ROK, August 16-18—where we met with President Chun; Prime Minister Lho; Deputy Prime Minister Shin; Foreign Minister Lee; and Speaker of the National Assembly Lee and several other assemblymen.

TRADE

We pressed our case that South Korea must begin to take significant, concrete steps to reduce our large—$4 billion—and fast-growing trade deficit. In particular, the delegation pushed for an end to the ban on the import of computers and tobacco products, which are a Government monopoly; sharp and immediate reductions in tariffs on products such as citrus fruits and alcoholic beverages; elimination or liberalization of textile import quotas; an end to recently imposed restraints on motion picture imports; and removal of constraints on the activities of U.S. firms in the service industries.

Noting that South Korea is internationally and justifiably known as one of the centers of counterfeiting of patented, copyrighted, and trademarked material, the delegation stresses that Seoul's failure to provide adequate protection to intellectual property rights was a major bilateral irritant and was seriously damaging the ROK's reputation in international commercial circles.

SECURITY AND NORTH-SOUTH ISSUES

On nontrade issues, we reaffirmed the strength of the American security commitment to South Korea. There is near-unanimous support in the Senate and the Congress for the continued presence of the approximately 40,000 American troops stationed in South Korea, as long as there remains a real and significant military threat from the north. We received some very sobering briefings, from our own Embassy and military personnel and from ROK officials, on the strength and modernization of North Korea's military forces. The north has a standing armed force of about 1 million, with more than 5 million others in active reserve—an astounding one-third of the entire population of 19 million active in the armed forces. Pyongyang has simultaneously tightened its political ties to the Soviet Union—mainly at the expense of the People's Republic of China. Moscow has responded by providing several new and dangerous weapons systems to the north, including Mig-23's. North Korean Migs, from their base closest to the DMZ, can be over Seoul in 6 minutes.

At the same time, we do see some hope in the opening of direct contacts between the south and the north, through the Red Cross family reunification and the economic talks. If the North Koreans are seriously interested in using these contacts to reduce tensions on the peninsula—and that is a very big if—the ROK Government is ready to meet them halfway.

TRIP TO THE DEMILITARIZED ZONE (DMZ)

The delegation visited the DMZ, to receive briefings on the security situation and to meet with American troops stationed there. The reality of the North Korean threat comes home when you traverse the very short distance from Seoul to the DMZ and when you observe first hand the North Korean presence just over the border.

I am pleased, though not surprised, to report on the excellent state of our troops. They know why they are there, they're determined to do the job and their morale is high—they are ready to meet any threat that arises.

DOMESTIC POLITICAL SITUATION

We congratulated the South Korean officials on the selection of Seoul as host for the 1988 Summer Olympic Games, an honor of which the ROK leadership is justifiably proud. We also noted, though, that with the honor would go the increasingly harsh spotlight of international attention, which would focus not only on the games but also on Korean society in general. In that context, we expressed our concern about the limitations on peaceful dissent, especially the imprisonment or prohibition of political activities by opponents of the Government, and we urged the gradual liberalization of the political system.

Following are brief summaries of our most important meetings with South Korean officials.

PRESIDENT CHUN

The delegation reassured Chun of the strong support in the Congress for close American-Korean ties, including the continued presence of American forces in South Korea as long as there was a serious threat from the north. At the same time, we explained to Chun the seriousness with which the Congress and the American people view our high trade deficits. We stressed that the resulting unemployment and other problems had dramatically raised the political stakes at home. The American people are demanding action to reduce those deficits. Congress is prepared to act, and soon, if no other way is found to address this problem. We specifically noted that our $4 billion imbalance with South Korea was too large and would have to be pared quickly.

President Chun stressed the ROK's deep indebtedness to the United States, beginning with the sacrifices made by Americans during the Korean war; the continued U.S. security commitment and presence of American troops in South Korea; and the large American contributions to South Korea's economic miracle.

He acknowledged that the United States, because of its position as leader of the free world, must remain both militarily and economically strong. In that context, he expressed understanding of our deep distress over both our budget and trade deficits and promised that South Korea would do its utmost to cooperate with us in resolving these problems, while noting that the relatively small size of the South Korean economy and domestic problems limited what Seoul could do.

Chun also made the case that South Korea should be viewed as a special case, in light of the threat from North Korea, the ROK's heavy expenditures on defense—6 percent of GNP—and its relatively low level of per capita GNP. Above all, he stressed that South Korea was different than and should not be lumped by us with Japan as a trade problem.

Chun also said that in his extensive personal diplomacy—he has met with leaders of 111 different countries, many of them from the Third World—the point he always makes is that cooperation with the United States has brought South Korea security and relative prosperity. In contrast, those countries which cooperate with the Soviet Union achieve little progress.

PRIME MINISTER LHO

The delegation stressed to Lho that, unless the ROK takes concrete and effective steps to reduce our deficits within 2 or 3 months, at most, Congress is likely to act. The delegation cited computers and tobacco products as examples of American products which could compete effectively in a free market in Korea. We acknowledged Lho's points that Korea is different than Japan and has its own economic problems, such as a labor force working on the margins of poverty, with potential for domestic unrest if unemployment should increase. But we also outlined our own economic problems—per capita debt more than eight times as large as South Korea's, high budget deficits and many thousands of Americans out of work because of imports.

DEPUTY PRIME MINISTER SHIN

The delegation predicted that, if Seoul did not take strong action soon to reduce our overall trade deficit by opening its markets, the Congress would act unilaterally—the votes were there to pass a strong trade bill, possibly within 2 months. The delegation particularly raised the problems of restrictions on the import of computers, citrus products, and motion pictures, the Government monopoly on sales of tobacco products, quotas on imported textiles and high tariffs on a large number of products, including alcoholic beverages.

We also cited serious concerns about South Korea's failure to provide adequate protection to intellectual property, though we acknowledged some progress.

Shin responded that the ROK understood America's problems and was committed to doing what it could to help. He asked the delegation to keep several factors in mind. South Korea had enjoyed a trade surplus with the United States only in the last few years. Because of that surplus, Seoul had already removed many import restrictions and hoped to be able to act on some of the specific items we raised in the foreseeable future. He noted that some products, though, were especially sensitive domestically, such as cigarettes and citrus—progress on those would be more difficult.

Noting that the South Korean currency was tied to a basket of currencies dominated by the dollar, he said that South Korea as a result had not benefited much in its exports to the United States from the strong dollar. He also expressed the hope that a new GATT round could help resolve some trade problems, both internationally and bilaterally. In response, the delegation expressed the view that a new GATT round, properly structured, might be helpful but not in the timeframe demanded by the urgency of our bilateral problem.

FOREIGN MINISTER LEE

The delegation stressed the strong support in the Senate for close United States-Republic of Korea ties and a continued close security relationship. The ensuing discussion centered on two issues: dissent on campus in South Korea and the Soviet-North Korean relationship.

The delegation questioned Lee carefully about the justification and procedures for the "special education camps" which the ROK was considering establishing, where campus dissidents reportedly would be sent. We expressed the concern that the camps could be misused, or at least seen, as a method of quashing legitimate dissent. Noting that the Olympics and other events would focus international attention on South Korea, the delegation said the country would suffer the special vulnerability of a relatively open society to outside criticism—if political rights were denied, it would be noted and reported and be to the long-term detriment of the ROK.

Stressing the immediacy of the threat from the north, Lee said Seoul's chief priority was stability, without which no other progress—including in the north-south talks—was possible. As a result, the Government was in the process of promulgating new regulations to handle campus dissent. The "special education camps" are to be established as a voluntary alternative to prison, for students who had violated the law.

On the question of Soviet-North Korean relations, the delegation expressed strong concern about the north's Soviet-underwritten military buildup. Lee said South Korea, too, was worried, especially with the arrival of Mig-23's. He said Pyongyang was clearly moving closer to Moscow than the People's Republic of China—the Chinese were not even invited to the August 15 celebration of Korean independence in the north.

Despite these concerns, Lee said the south was seriously, though cautiously, pursuing talks with the north, through the Red Cross and directly on economic questions. The north has even put out feelers on the question of participating in some way in the Olympics. The main issue, though, said Lee, was whether the north was serious about these contacts and had in fact given up its determination to conquer the south militarily—that remained to be seen.

NATIONAL ASSEMBLY SPEAKER LEE AND OTHER ASSEMBLYMEN

The codel stressed the political sensitivity of our massive trade deficits in the United States and called on the assemblymen, as fellow legislators, to work cooperatively with us to avoid the need for unilateral, protectionist action by either side. Above all, we said, what is needed is for Korea to open its markets equitably to our exports, such as computers and alcoholic beverages. We also stressed the need for better protection of intellectual property. The assemblymen expressed understanding of our political dilemma and support for greater market opening at home. At the same time, they contrasted Korea's situation with Japan's, which has a much larger trade surplus and far lower spending on defense.

JAPAN

The second stop of our trip was Japan—August 18-20. While there, we met with Prime Minister Nakasone, Foreign Minister Abe, Finance Minister Takeshita, International Trade and Industry [MITI] Minister Murata, Agriculture Minister Sato and a group of Liberal Democratic Party [LDP] Diet leaders, including LDP Vice President Nikaido. We also had a session with leaders of the Japanese business organization Keidanren.

TRADE

Our huge trade deficit with Japan was the central focus of virtually all of our meetings. This year, that deficit is expected to reach $50 billion. We told all of the Japanese with whom we met that the United States can no longer tolerate deficits of that magnitude. Economically, they distort international capital flows, undercut American growth and cost us thousands of jobs. Politically, they have become the political issue at home, as affected constituent groups rightly demand that we do something to resolve the problem. We, frankly, predicted that, in the current environment, the deficits would come down, either through quick, cooperative bilateral action or through unilateral action by the United States, led by the Congress.

Japan must move quickly and decisively to open its markets. It must reduce tariffs on items like wood products, alcoholic beverages, and confectionary products. It must eliminate quotas on beef, citrus, and other agricultural goods. It must allow national treatment for U.S. air cargo carriers. And it must eliminate the complex array of nontariff barriers to our goods and services which deny so many American firms fair access to Japanese markets.

The delegation did acknowledge that, despite all the barriers to our imports, Japan was nonetheless one of our major markets, taking, for example, about 20 percent of all of our agricultural exports. We also expressed our understanding that all of our problems do not originate in Japan or our other trading partners. We need to put our own house in order, by reducing our budget deficits, getting the dollar back to an equitable level and taking other steps to make our export effort more effective. We in the delegation pledged our best efforts to achieve such results.

But the bottom line of our message was that, politically and practically speaking, time is running out. Unless Japan acts soon, the tide of protectionism is going to overwhelm us, to the long-term detriment of both countries.

I would like to insert in the RECORD at this point the text of a speech that I delivered to the Japanese National Press Club, which reiterates and expands on many of these trade-related themes.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

REMARKS BY SENATOR BOB DOLE, MAJORITY LEADER, UNITED STATES SENATE, JAPAN NATIONAL PRESS CLUB, AUGUST 19, 1985

It is a pleasure to appear at your prestigious National Press Club. It is indeed an honor I shall long cherish.

Our ties with Japan are among the most important in the world. They are based on a set of shared security, political, and economic goals. We are friends and our delegation is here in that spirit. While our relationship is fundamentally sound the trade issue threatens to undermine it.

So let me get to the point. I speak today not as a specialist in the intricacies of international trade or one with easy answers. But as the majority leader of the U.S. Senate, I know the mood of the Senate and of the American people. Both believe we have a critical trade problem. They are demanding that something be done now.

We can no longer avoid a trade confrontation. We have one. The time is past for gestures. Immediate action is needed. It is essential that your press, as well as your Government and business leaders, understand how critical the problem is.

Having said that, let me take a step back. Most responsible policymakers, including Members of Congress and business men and women, understand that trade is a very complex issue. Our massive trade deficit has several causes—certainly not all created by Japan, nor do we seek to make your Government the scapegoat.

THE VALUE OF THE DOLLAR

Many feel strongly that the most important cause of our trade problem is of our own making—the value of the dollar. Since 1980 the dollar has appreciated by 30 to 40 percent against other major currencies. This makes our exports substantially more expensive and our imports much cheaper.

Many of us believe a major cause for the dollar's rise is budget deficits. Even with the recent reductions in our Federal spending, budget deficits will be in the $200 billion range for years to come. This flood of red ink drives up interest rates and makes the dollar more attractive.

In an effort to slow the hemorrhage, some in our Congress mounted a serious attack on the budget deficit. We failed in our effort as evidenced by the insufficient savings in the compromise budget resolution passed last month. More should be done but realistically the window of opportunity is probably closed for some time.

GROWTH EXACERBATES TRADE DEFICITS

A second factor contributing to our unprecedented trade deficit is that the U.S. economy has grown more rapidly than that of our trading partners. Therefore, we buy more from them than ever before. The debt problems of the developing countries have made this situation worse.

A third theory suggested by Government and industry leaders in Japan to explain the lack of U.S. competitiveness is that U.S. exporters lack long-term commitment, refuse to make an effort, or simply fail to adapt to market conditions. Given our demonstrated marketing prowess in other countries—it is difficult to accept this theory.

TRADE IS A GLOBAL PROBLEM

As previously stated, our trade problem is neither solely self-induced nor limited to Japan. Canada has a huge positive trade balance with us. Brazil, Taiwan, and Korea also sell much more than they buy. These, and other countries, sometimes deny us equal access to their markets while taking full advantage of ours.

BIG PROBLEM IS JAPAN

None of this can erase the fact that our major problem is with Japan. Our predicted trade deficit this year of $50 billion will be larger than our total international deficit just 3 years ago.

The situation has grown dramatically worse in recent years. Your trade surplus with us increased by more than 70 percent last year and at the current pace will increase by another 35 percent this year. No other country in the world would tolerate such an imbalance.

Your markets are closed to many American products even when they are the best in the world. In the telecommunications field, for example, we are second to none. Yet we have great difficulty selling here. The same is true of many other high technology products. Lumber, plywood, and paper could also be sold in great volume in Japan but high tariffs and other barriers keep them out. Agricultural products are sold here, but if your markets were truly open, the quantities would be much greater. The list of examples could go on and on.

This is not just an American problem. every country in the world has had enormous difficulty selling manufactured products in Japan. It's not just a question of the high-valued dollar or U.S. marketing failures that has created this situation.

EXAMPLES OF JAPANESE RESTRICTIONS

American producers face a multitude of market restrictions here. You impose quotas on beef, citrus, and other agriculture products despite limited domestic production and high potential demand. You have prohibitively high tariffs on wine, chocolates, and wood products.

There are any number of additional examples of how Japan imposes restrictions on foreign imports from tobacco, to satellites, to consumer items. Your testing and standards rules contribute to keeping foreign products out as do your customs regulations. Indeed the Japanese system is notorious among foreign businessmen. It has accomplished in many areas what tariffs and quotas could not do.

You also restrict competition in services where the United States is quite competitive. We could compete effectively in banking, finance, shipping, and international legal services, for example.

In sum, the fundamental problem is that your market is not sufficiently open to our products and services. Its opening is an essential first step toward solving our trade problem.

Prime Minister Nakasone realizes that major changes must be taken to open your markets and his recently announced action program was a small step forward. But the 3-year implementation period ignores the urgency of the problem and fails to respond to many of our top priorities.

New initiatives should be judged by their results in increased sales. Six previous liberalization programs resulted in few new sales. A clear and specific commitment to reduce our bilateral deficit, through a dramatic increase in American exports is needed.

Some have suggested other approaches as well. One idea is to raise the value of your currency. Another is to voluntarily restrict

exports. A third suggestion is for Japan to stimulate economic demand.

I am certainly not here to advocate any of these or other particular remedies, but based on my assessment of the mood of Congress, I can report that the "protectionist pot" is about to boil over.

THE CONGRESSIONAL ROLE IN TRADE POLICYMAKING

Perhaps I should explain to you that our Constitution gives Congress the basic responsibility for trade. While in recent years we have ceded much of this authority to the executive branch, the time is probably approaching when Congress might well impose tighter constraints on executive negotiating authority and limit the broad discretion the executive branch has in trade matters.

THE MOOD IN CONGRESS

The belief among American business men and women, our farmers, and those who have lost their jobs, is that our current trade relationship is not fair. This has generated a powerful momentum in Congress to enact some kind of legislation. Hundreds of trade bills have been introduced this year. They range from surcharges on all imported goods, to attempts to provide protection to specific industries, to proposals to change our laws governing unfair trade practices. One bill that may be considered in the next 60 days focuses specifically on Japan.

The plain fact is that I have never seen stronger congressional sentiment for acting on the trade front. My colleagues, yes even the most responsible ones, are tired of what they perceive as basic unfairness. They are convinced of the need to address the situation one way or another.

We have not lost sight of the fact that maintaining a global trading system with open markets is in our mutual interest and we are aware of the negative consequences of retaliation. Most of us reject protectionism and strive instead for a system of trade based on equal access to all markets. We welcome fair competition from abroad—it improves our industry and makes us more efficient. As a Senator from an agricultural State, I appreciate the benefits of trade and the peril that flows from attempts to close borders.

It should also be noted that trade is and will continue to be a major political issue in the 1986 and 1988 elections. Many in Congress are already moving to gain early poltical advantage and in this highly charged atmosphere administration opposition would not be enough to forestall action for long and even a Presidential veto might be swept aside. Certainly the Government of Japan can fully appreciate that political pressure cannot be ignored forever.

THE PROPOSED NEW GATT ROUND

Some counsel Congress that the answer lies in a new round of negotiations under the General Agreement on Tariffs and Trade. Those who are leading this effort should realize that there is growing skepticism in the Congress about launching such an initiative. With the magnitude of deficits the United States is facing, there is very little we could give up in new negotiations and to expect others to make significant unilateral concessions seem totally unrealistic.

Nonetheless, such talks could possibly be helpful if the agenda fully addresses the real issues in world trade. We need to develop effective rules to eliminate subsidies, and to ensure equal access in all markets. Rules must be developed to open up trade in agriculture and services. The negotiations should also strive to bring the developing countries more fully within the disciplines of the international trading rules.

A new round, however, will take years to negotiate. Congress will not tolerate the status quo for that length of time. The real timeframe is much shorter and those who would use a new round as a way to delay or divert Congress will not likely succeed.

CONCLUSION

Let me conclude by reaffirming that the relationship between our countries is among the most important in the world. I appear here today as a friend, to candidly report the growing surge of congressional impatience which mirrors the frustration felt across America.

I have not exaggerated the depth of feeling at home on this issue. I can assure you that you will witness stong congressional reaction unless prompt and dramatic corrective measures are instituted here.

Thank you for listening.

OTHER ASPECTS OF OUR BILATERAL RELATIONS

Mr DOLE. Mr. President, we expressed to the Japanese our conviction that we have no more important bilateral relationship than with Japan and that, apart from the trade question, our bilateral relations are in excellent shape. Our countries share almost all the same strategic interests and goals, both in north Asia and globally, and we cooperate fully and to great effect on international political issues.

The delegation noted strong Senate support for the basing arrangements which we have in Japan, which are essential to regional security and to balance a growing Soviet presence in the Western Pacific. We also expressed the hope that Japan would continue to increase its defense spending, which is now bumping up against the 1 percent of GNP limit which has been Government policy.

Following are brief summaries of our most important meetings with Japanese officials.

PRIME MINISTER NAKASONE

Nakasone opened our meeting by expressing the view that, overall, American-Japanese bilateral relations were excellent. Our extensive cooperation, he said, is based on our shared commitment to democracy and free enterprise and serves our own countries and the world at large. Nakasone reaffirmed his commitment to do everything he could to resolve cooperatively any bilateral problems which exist, even though his powers and influence are not unlimited.

The delegation responded by noting the strong Senate support for the United States-Japan alliance and expressing appreciation for Nakasone's efforts to improve ties between our countries even further. We noted that we came to Japan as friends, to reaffirm our friendship. But, as friends, we also wanted to speak candidly about any problem which existed.

The delegation stressed that the overriding bilateral issue was the huge rapidly growing trade imbalance between our countries. While there are understanding and appreciation of Nakasone's personal efforts to help redress this imbalance, even in the face of strong domestic counterpressures, it was not clear that all elements of the Japanese Government and society shared the Prime Minister's commitment. It appeared, the delegation said, that elements of the bureaucracy, some of the business community and some strong pressure groups were still doing everything possible to thwart the intent of Nakasone's own market-opening programs.

Noting that despite their own strong views they were only "moderates" on the trade deficit issue compared to many in Congress, delegation members outlined the political pressures that were building in the United States, especially growing out of the dismantling of many of our traditional industries and the resulting unemployment of tens of thousands of Americans. We stressed that time was running out for a joint, cooperative solution to this problem, and we urged Nakasone to redouble his efforts to bring his bureaucracy and other power centers in Japan into line behind an effective program to reduce the Japanese surplus.

Nakasone stated his belief that the problem of a recalcitrant bureaucracy is being solved, through his strong, persistent efforts to remove bureaucratic bottlenecks to market-opening.

Nongovernmental pressure groups, especially those with strong representation in the Diet, are a more difficult problem, he said. He noted that political pressures in Japan were no less real and potent than in the United States. Nonetheless, he was working to bring Diet Members, especially fellow LDP members, around to the view that Japan must take major market-opening steps. It was the hardest job he has encountered in 40 years of politics, he said, but he is trying his best, and he will achieve positive results, at most within the 3 year timetable of the action program announced in July.

FOREIGN MINISTER ABE

The delegation noted growing concern in the United States that our serious trade imbalance could begin to impact on our broader relations, despite the best intentions of both sides. More serious economic problems in the United States, for example, could well lead to cuts in our defense spending, exacerbating the issue of Japanese defense spending, which already is something of a problem between us.

Abe said he welcomed frank talk on trade and any other issues between us. He joined in hoping that our trade problems would not impact on other aspects of our relations, especially our security ties, which would be, he said, "a disaster for both of us." He termed our bilateral relations a "global partnership," in which we cooperate on

problems throughout the world. As one example, he cited the rapid growth in Japanese foreign aid spending, which in absolute terms is now about half of ours and which is projected to equal ours in about 7 years—it is one of only two areas which were increased in this year's Government budget. Moreover, our two countries cooperate closely in our aid efforts in many places, such as Latin America, the Middle East and southern Europe, to the benefit of both of us.

Abe said that, despite the wishes of both sides, we understood the political pressures in the United States and knew there could be "spillover" to other aspects of our relations unless both sides addressed the trade problem urgently. He said that "drastic improvement" in the imbalance was "impossible" in the immediate future, but Japan was determined to demonstrate its good faith and establish a clear trend of improvement.

During our meeting, we also had a useful exchange of views with Abe on the situation on the Korean Peninsula, in the People's Republic of China, and in the Middle East.

FINANCE MINISTER TAKESHITA

Stressing that our trade deficits have become a major political issue at home, the delegation asked Takeshita's views on four particular questions wholly or partly within the purview of his ministry.

First. The Japanese Government's various "action programs" to open its markets to American exports: Takeshita said he was aware of American dissatisfaction with the results so far achieved. He promised that Japan would follow through on all aspects of the July program, including a broad range of tariff cuts.

Second. Government efforts to stimulate domestic demand: Takeshita said a special committee has been set up to study ways to encourage the consumption of imports, with an initial report due in mid-October. He also said there would be increased spending on public works—the largest contemplated project: A $10–$20 billion bridge across Tokyo Bay; a review of Government land holdings, to identify good sites for new projects; encouragement of a shorter workweek, to stimulate spending on leisure-time activities; and the weeding out of Government regulations which retard growth.

Third. Dollar/yen exchange rate issue: Takeshita said that Nakasone accords the issue highest priority—he receives an exchange rate update three times daily. Takeshita predicted the yen would depreciate in the short run, because of high American interest rates, but would move toward an "equilibrium level" in the longer run. He stressed that Japan was adhering to the 1982 bilateral yen-dollar agreement negotiated with the United States.

Fourth. U.S. financial services firms: U.S. trust banks have been able to operate in Japan for several years—six are now active. Takeshita predicted that a Japanese Government report due in November would open the door to U.S. firms' membership in the Tokyo Stock Exchange.

MITI MINISTER MURATA

The delegation said its bottom line aim was to let Japan know it must open its markets on an equitable basis to American exports. Tariff reductions and other reforms in the July action program, though significant, were "too little, too late and too slow." The delegation cited several areas where Japan should move immediately to increase its purchase of American products: agricultural products, including citrus fruits and apples, aircraft, and forest products.

Murata defended the action program, saying that it reflects a "changed mentality" on the part of the Japanese. As part of the followup, Miti will meet with the heads of 134 Japanese companies to encourage them to "buy American."

Murata said a new GATT round was "necessary" to open Japan markets. The delegation indicated there was a great skepticism in Congress about a new round, since other international trade agreements, such as the Multi-Fiber Agreement, have led to unintended floods of foreign products into the American market.

AGRICULTURE MINISTER SATO

The delegation expressed appreciation for Japan's large purchases of U.S. agricultural exports but pressed for greater market access for a range of products in Sato's jurisdiction: Beef and citrus—where a 1984 agreement was being seriously undercut because of Japan's implementing regulations—other agricultural products—for example, noncitrus fruits and nuts—and wood products. The delegation noted that Japan exports seven times as much in wood products to the United States as we export to Japan, even though we have a clear competitive advantage in that industry. While acknowledging the pressure for protection from Japanese farmers, the delegation also noted that Japan was jeopardizing the well-being of its manufacturing workers, who are highly dependent on exports to the United States for their jobs and who will be directly affected if we react to Japanese restrictions with our own; for example, on auto imports.

DIET AND LDP LEADER NIKAIDO AND OTHER MEMBERS OF DIET

The delegation outlined for the Diet Members the intensity of feeling in the United States on the trade deficits issue, which may well be the political issue of 1986 and perhaps even 1988. We expressed understanding that the Diet Members had their own political constituencies to deal with, but we urged that they take the broadest possible view—protecting their farmers, for example, while putting their manufacturing workers at risk of their jobs made little long-term sense. The delegation also offered its perception that the problem was a very broad-based one—attitudes and actions would have to change in the Japanese Government, the political structure, the business community, pressure groups and society at large. The Diet Members would play a key role in reshaping the attitudes and actions of those groups.

The Diet Members expressed an understanding of the seriousness of the problem; urged that we be as patient as possible and accept that Japan was acting in good faith; defended overall Japanese Government strategy to deal with the problem, including the July action program; and said solid results would take time but would be forthcoming.

KEIDANREN

The delegation stressed that the Japanese private sector had to be at the heart of any serious effort to redress our trade imbalance. We also stated frankly that there was a real question whether the Japanese business system was structured, and whether most Japanese businessmen were prepared, to do what is necessary—give American products fair consideration. We outlined for the Japanese business leaders our serious and growing economic problems and told them frankly that, absent a significant turnaround in our trade situation with Japan, there would be very strong, probably overwhelming, pressure to restrict Japanese access to our markets. The Japanese business community should therefore see a resolution of this problem as in its own interest, not as a favor to the United States.

TAIWAN

We visited Taiwan from August 20–22. While there, we met with President Chiang, Premier Yu, Foreign Minister Chu, Defense Minister Soong, Economics Minister Lee, Communications Minister Lien, Central Bank Deputy Governor Chien—whose appointment as Finance Minister was made the day after our meeting—Acting Minister of Finance Li and Agricultural Council Chairman Wang.

TRADE

Trade was again very much at the top of our agenda, and our basic message was much the same as it was in South Korea and Japan—our rapidly growing trade deficit with Taiwan, which will hit $12 billion this year, is economically and politically intolerable. If it is not reversed soon through cooperative efforts, Congress will move to reverse it unilaterally. If Taiwan wants to have continued access to our markets, it must give us competitive access to its markets.

The two primary points we made during the visit were: First, very significant reductions are needed in the extremely high tariffs on many goods of interest to American manufacturers and farmers; and second, significant progress is also needed in strengthening the protection of American intellectual property. In addition, we pressed for national treatment of our companies in service industries, such as insurance, banking, motion picture distribution and leasing.

The principal barrier to our imports is high tariffs, many on products of special interest to us in the range of 50 to 70 percent. We reminded the Taiwanese that, in August, the United States presented to Taiwan a list of 174 items on which sharp tariff cuts are needed. Among the most important items on this list: Beef and other meat products; fruits and vegetables; alcoholic beverages; tobacco products; cosmetics and toiletries; agricultural chemicals; wood products; and scientific instrumentation. We are still awaiting strong action on this list of items.

OTHER ISSUES

The delegation stressed the long friendship between the American and Taiwanese people and pledged that we will never forget that friendship. We reaffirmed the strong Senate support for the Taiwan Relations Act. The United States remains committed to helping the Taiwanese people meet their legitimate defense needs, in accord with that act and other agreements of our Government. We expressed our strong hope that Taiwan would continue to be able to play a full and active role in the appropriate international organizations, such as the Asian Development Bank [ADB].

Following are brief summaries of our most important meetings with Taiwanese officials.

PRESIDENT CHIANG CHING-KUO

The delegation told Chiang that we came to Taiwan as long-time and loyal friends of the Taiwanese people. We reiterated our support for the Taiwan Relations Act, of which several delegation members had been principal backers. We also indicated support for the policy of responding to Taiwan's legitimate self-defense needs and insisting that any resolution of the Taiwan situation be a peaceful one, consistent with the aspirations of the Taiwanese people.

At the same time, as friends, we stated our deep concern about our exploding trade deficit with Taiwan, which in 1984 was about $10 billion and would grow to $12 billion this year. We indicated frankly that this problem was generating tremendous political pressure at home, especially because so many thousands of Americans were being thrown out of work by the flood of imports and so many American farmers were threatened with loss of their livelihood because of foreign restrictions on our exports. We indicated that, unless Taiwan and our other trade partners enjoying high surpluses took concrete steps to reverse these gross trade imbalances, Congress would very likely act on trade legislation within several months.

Chiang said Taiwan regarded its relations with the United States as of vital importance. For that reason, it was taking the trade deficit problem very seriously and would work hard to resolve it. He indicated he had already instructed senior members of his administration to give high priority to this problem and that real progress had been made—tariffs had been reduced on many products and other nontariff barriers had been scaled back.

Chiang also pointed out that Taiwan's was a relatively small economy, with few natural resources and highly dependent on trade. For the first 20 years after 1949, Taiwan had suffered trade deficits, often large ones. There had been large surpluses only in recent years. At the same time, he said, Taiwan faced a major military threat. He pointed to recent statements by People's Republic of China leaders which failed to renounce the use of force in resolving the Taiwan question. Because of the threat, said Chiang, Taiwan had no choice but to expend great resources on defense.

PREMIER YU

The delegation reaffirmed the American commitment to help Taiwan meet its legitimate defense needs and to follow the provisions of the Taiwan Relations Act. The delegation, however, also said that our trade deficit with Taiwan was a major and growing problem, which would have to be dealt with decisively in the near future if congressional action on protectionist legislation was to be avoided. We noted that all of us on the delegation were relative moderates on trade issues—there were many in Congress who were pushing approaches far more confrontational than ours. To argue against such approaches, though, was becoming increasingly difficult, since we had so little "ammunition" in the form of positive action from our trade partners.

MEMBERS OF THE CABINET

We had a lengthy and detailed discussion, focused on trade and, to a lesser extent, bilateral security issues, with the seven members of the Cabinet listed in the introductory paragraph above.

We briefed the Taiwanese on our growing economic problems, of which the most politically potent was growing unemployment in the face of rapidly rising imports. We noted the constitutional responsibility of Congress to set trade policy and outlined the rapidly rising political pressure on Congress to assert its authority by passing restrictive trade legislation. We predicted that Congress was poised to act, possibly within 2 months, unless our major trading partners take steps in the immediate future to give us fair access to their markets. We also opined that, with sentiment running as strong as it is in the United States, there might even be the votes to override a Presidential veto of some trade legislation. In the face of the barriers to our exports which exist in Taiwan, we said, Americans will see any such action not as retaliation but as establishing some equity in our trade relations.

Tariffs are the biggest problem—they must be reduced, sharply and quickly, on a whole range of products. Taiwan must also end such restrictive practices as the Government monopoly on alcoholic beverages and tobacco products and quotas on items like videos and films.

We also pressed hard on the need for more effective protection of intellectual property rights, especially copyrighted material such as motion pictures—and patented and trademarked chemical and pharmaceutical products. The problem was so serious in Taiwan that it has become known as the "counterfeiting capital of the world." Many American firms are reluctant to establish facilities or license their products in Taiwan, fearing they will be pirated.

A third area about which we complained is Taiwan's restrictions on American firms in the service industries, for example, banks and financial institutions and insurance. While acknowledging there had been some progress recently, we described the situation as still very much of a "one way street"—the Taiwanese are free to operate in our markets while we are excluded from theirs.

In responding, the Taiwanese stressed the steps that have already been taken to reduce tariffs, which are much lower than they were 25 years ago. They also mentioned several factors affecting our trade deficits such as the high value of the dollar, the orientation of most American producers toward the domestic market and strong competition from Japan—in particular, the Taiwanese said Japanese firms often provide better, faster after-sales service than American firms, which are much further from the Taiwan market. They also said that they, too, had to cope with domestic political pressures, including from workers who feared the loss of their jobs.

HONG KONG

During our brief stay in Hong Kong—August 22-24—we met with Governor Youde, Financial Secretary Bremridge, Trade and Industry Secretary Ho, and Trade Director McLeod.

TRADE

Because we have a $5 to $6 billion trade deficit with Hong Kong, trade again was the focus of our talks. The situation in Hong Kong, though, is different than in South Korea, Japan, and Taiwan. Hong Kong is essentially an open market, with no duties on our imports—which totaled $3.1 billion last year. Hence protectionism—through tariffs and nontariff barriers—is not a central issue. In fact, Hong Kong's annual per capita imports from the United States of $577 are nearly three times Japan's and more than three times that of the European Economic Community.

Nonetheless, the sheer size of our deficit with Hong Kong demands action, and we frankly told that to the Hong Kong authorities. In the long run, it is precisely those highly export dependent economies such as Hong Kong which will suffer most if our massive bilateral and international trade deficits force us to enact protectionist measures. The United States, in fact, is Hong Kong's largest market, taking about 45 percent of its exports.

TEXTILES

Hong Kong is worried, in particular, about possible restrictions on its textile exports, which make up about a third of its total exports to the United States. We outlined the problems of our domestic textile industry and underscored our conviction that the multifiber agreement was never intended to unleash the flood of textiles which have inundated us in recent years. We also noted that Hong Kong uses a different accounting system than we do on textiles, causing it to undervalue its textile exports.

FUTURE OF HONG KONG

By all appearances, Hong Kong has recovered from the jitters which accompanied the negotiations between Great Britain and the People's Republic of China. One important factor has clearly been the steady stewardship that Governor Youde has given the colony through this difficult transition period. Reflecting the colony's confidence, exports are at a record level, unemployment is a very low 3 percent, and inflation is running at 5 to 6 percent. It is possible that strains may develop as the 1997 transition date approaches, but there also appears to be growing confidence that the People's Republic of China intends to fully live up to its commitment to permit Hong Kong to retain its economic and social identity through a lengthy period of postintegration adjustment.

PEOPLE'S REPUBLIC OF CHINA

The final stop of the delegation was in the People's Republic of China—August 24-29—including visits to Beijing and Shanghai. We visited China at the invitation of the National People's Congress [NPC]. NPC standing committee Vice Chairman Wang was our host throughout our visit. Our most important meetings in the People's Republic of China were with Communist Party Central Advisory Committee Chairman Deng, NPC Chairman Peng, President Li, and Minister of Foreign Economic Relations and Trade Zheng.

BILATERAL RELATIONS

We indicated our satisfaction that American-Chinese relations were developing relatively smoothly, to the benefit of both countries and in accord with the various communiques signed by our Government. We acknowledged that significant bilateral problems exist, notably Taiwan, the climate for foreign investment in China and the People's Republic of China failure to live up to the bilateral grain agreement. We also said, though, that the United States would like to see these problems resolved cooperatively.

The Chinese, from Chairman Deng down, seemed to share these views. They expressed their general satisfaction over our relations, their understanding that cooperative ties served both countries and what appeared to be genuinely warm feelings for the people of the United States.

TAIWAN

The Chinese remain very sensitive on the Taiwan question. In several meetings, and in part perhaps because of our own prior stop in Taiwan, they expressed strongly their view that our policy toward Taiwan represents interference in the internal affairs of China.

We responded, just as vigorously, that there is strong support in the Senate for the Taiwan Relations Act, which will continue to govern our ties to Taiwan. As specified in that act, the United States will continue to help Taiwan meet its legitimate defense needs through the sale of defensive arms. We also reaffirmed that current American policy toward the People's Republic of China and Taiwan was based on an assumption that the Taiwan question would be resolved peacefully. We specifically warned against direct military action against Taiwan, such as a military blockade, which would be extremely dangerous and force us to respond.

ECONOMIC ISSUES

We pressed the Chinese on two particular issues. First, we strongly urged improvement in the climate for foreign investment, particularly through negotiation of a substantive bilateral investment treaty [BIT], liberalizing regulations on repatriation of profits and availability of foreign exchange and reducing extremely and artifically high local support costs—for example, housing, labor—for foreign businesses. The Chinese indicated they understood the benefits they could derive from increased foreign investment and said they were looking into these and other problems. They expressed no optimism, though, that a bilateral investment treaty could be concluded in the foreseeable future.

Second, we expressed deep disappointment that China had failed to live up to our bilateral grain agreement. The Chinese responded that their shortfall of grain purchases resulted solely from economic factors, especially the rapid increase in domestic production of grain. The Chinese did say that they would remain in the market for foreign grain, though at reduced levels, for the forseeable future and indicated they intended to retain the United States as one supplier.

NUCLEAR COOPERATION AGREEMENT

We told the Chinese of the serious concern among some in Congress about the agreement, especially in relation to whether it had sufficient safeguards on proliferation, and said we could not promise it would have smooth sailing in the Senate. The Chinese repeated their standard assurance that they have no intention to provide any assistance to any other state in the development of nuclear weapons.

Following are brief summaries of our most important meetings with Chinese officials.

CHAIRMAN DENG

Deng said he hoped that visits such as ours would contribute to better understanding, and hence closer ties, between our countries, and he urged that more Members of Congress visit China. He said any views we wanted to express would certainly be taken into account by the People's Republic of China as it formulated its policies.

We indicated our general satisfaction at the state and progress of our relations and outlined our concerns on four issues in particular.

First Chinese anti-American votes in international organizations. We expressed dismay that China seemed to pursue a "two-America" policy toward the United States. Bilaterally, our relations are increasingly cooperative and the rhetoric surrounding those relations cordial, sometimes even warm. Yet in international fora, especially the United Nations, China votes against our position consistently. For example, during the 39th U.N. General Assembly—fall 1984—the People's Republic of China voted against us on 89 percent of the plenary votes. On the 20 so-called "name-calling" votes during that assembly, in which the United States was gratuitously singled out for unwarranted attack—for example, on the false charge that we are helping South Africa develop a nuclear capability—China had voted against us each of the 17 times it voted—it did not vote three times. We indicated to Deng that such a record is noted by the Congress and the American people

and inevitably impacts on the way we view the People's Republic of China.

Second. Investment climate in the People's Republic of China. We outlined some of the problems encountered by American businesses trying to operate in China, especially the problems of repatriation of profits and the high cost of maintaining local offices and personnel. We urged serious negotiations on a substantive bilateral investment treaty and substantial reform of the regulations governing foreign investment.

Third. Nuclear cooperation agreement: While indicating that members of the delegation support the agreement, we outlined the reservations of some in Congress about its provisions relating to proliferation. While no one wants to deny China the opportunity to develop its nuclear power potential, all of us want the "nuclear club" to remain as small as possible.

Fourth. Taiwan: We stressed that any suggestions by the People's Republic of China, private or public, that it is contemplating or reserving the right to use force against Taiwan, including a naval blockade, would be counterproductive.

CHAIRMAN PENG

Peng said China's policy of "opening to the outside world" is "irreversible," since it is central to China's goal of catching up to the developed world within 50 years. He said China is satisfied with the "achievements and progress" in the development of our relations, which he described as entering a "new stage" of friendship and cooperation which is "inevitable" between the "most developed country in the world and the world's largest developing country."

Taiwan: He expressed in very strong terms the People's Republic of China's determination to "reunify the country" by gaining control over Taiwan. China was firmly committed to doing that peacefully, he said: "I can assure you that you will not be deceived and disappointed on this." At the same time, though, he added, China could not give up its "sovereign right" to use force, including steps such as a naval blockade, if it should be necessary, for example, if the Taiwanese leadership persisted in its refusal to enter into talks to solve the problem peacefully.

The People's Republic of China, he promised, would pursue a "one country, two systems" policy toward Taiwan—after reunification, Taiwan could keep its "political and social systems" and could continue "economic and cultural relations and personnel exchanges" with foreign countries. The People's Republic of China will not station troops on Taiwan—as it will in Hong Kong.

In the meantime, he stressed, the People's Republic of China "cannot understand why there should be a Taiwan Relations Act" or why a "friendly country like the United States should raise questions about Taiwan." He likened it to an NPC resolution on "China's relations with California or Hawaii."

The delegation responded by reasserting our determination that the Taiwan question be resolved peacefully, with full regard for the rights and wishes of the people of Taiwan. We indicated that we were not going to forget or set aside our long friendship for the people of Taiwan, a pledge embodied in the Taiwan Relations Act. The United States, we indicated, will continue under that act to help the Taiwanese meet their legitimate defense needs. Threats to use force like naval blockades, such as occasionally come from People's Republic of China leaders, reinforce the case for defensive arms sales to Taiwan.

Other issues: First, Peng expressed distress that the United States, including some in Congress, had charged China with inhumane family planning practices. Stressing the urgency of the population problem, he nonetheless denied there was any infanticide or forced abortion in the People's Republic of China. Second we noted our disappointment over China's apparent "two America" policy, reflected in persistent People's Republic of China votes for anti-American, "name-calling" resolutions in the United Nations and other international bodies, which are inconsistent with the People's Republic of China's expressions of friendship for us. Third, the delegation expressed regret over China's failure to live up to the Bilateral Grain Agreement, which raises questions about its commitment to live up to other agreements or to engage in mutually beneficial economic relations.

PRESIDENT LI

Li discussed Taiwan at some length, very much in the same vein as Peng. He indicated the People's Republic of China intended to resolve the Taiwan question peacefully—there is no consideration being given to a naval blockade. He said the People's Republic of China believed the United States was not living up to the provisions of the August 17, 1982, communique, which indicated future American arms sales to Taiwan would decrease in quantity and not exceed the then-current level of technological quality. He specifically said that any sale of advanced fighter aircraft, such as the F-16 or F-20, would create a very serious bilateral problem.

In response to a delegation question, Li said that China was seeking to improve relations with the Soviet Union but that the "three obstacles"—the Russian military buildup on the border, Soviet support for the Vietnamese invasion of Kampuchea, and the Soviet occupation of Afghanistan—remain a barrier to fully normal relations. He also said that, even were those obstacles removed, relations would not revert to the state they were in the 1950's, since the People's Republic of China is now committed to an independent and nonaligned foreign policy.

The delegation expressed concern at China's failure to live up to the grain agreement. Li indicated that, when China was back in the grain market, it would give "first consideration" to the United States as a supplier. The delegation also told Li of the serious concerns on the part of some in Congress about the nonproliferation provisions of the Nuclear Cooperation Agreement.

FOREIGN ECONOMIC RELATIONS AND TRADE MINISTER ZHENG

We discussed four issues with Zheng:

First. Grain agreement: We noted our deep disappointment that China had not lived up to the grain agreement, which would inevitably impact on our consideration of other agreements with the People's Republic of China. Zheng indicated that, from China's perspective, it had met the minimum requirements of the agreement. He expressed regret that it had been affected by American policies on textile imports. He said China would be importing grain for the foreseeable future and would look to the United States as a supplier, if the price and quality were right.

Second. Textiles: We briefed Zheng on the economic and political realities of the textile issue in the United States. Zheng said the Jenkins bill had created a major stir in the People's Republic of China. According to the People's Republic of China's calculations, passage of the bill would reduce Chinese textile exports to the United States by 56 percent. In that event, China would have to take some reciprocal action.

Third. Investment climate in China: We urged Zheng to support negotiations for a substantive bilateral investment treaty. He indicated that the People's Republic of China was aware of the problems of investors and would be working on those problems through new laws and regulations.

Fourth. Technology transfer: Zheng said China appreciated American efforts to facilitate technology transfer and expressed the hope that the signature of the Nuclear Cooperation Agreement would speed up the process even more.

RECOGNITION OF THE ACTING DEMOCRATIC LEADER

The PRESIDENT pro tempore. The distinguished acting Democratic leader is recognized.

THE ADMINISTRATION'S TRAGIC SET-BACK OF ARMS CONTROL

Mr PROXMIRE. Mr. President, the Reagan administration has bluntly and flatly repudiated the Anti-Ballistic Missile Treaty. This body—the U.S. Senate—ratified that treaty by a smashing 88 to 2 in 1972. The treaty represents the solemn word of this country as clearly and simply as any promise possibly can. If there has been any time in history when this country of ours has so conspicuously betrayed its word, this Senator cannot recall it. What I am saying, Mr. President, represents the most serious kind of charge against the Reagan administration. This charge requires evidence. Here it is. Article 5, section 1 of the ABM Treaty reads as follows:

> Each party undertakes not to develop, test or deploy ABM systems or components which are sea-based, air-based, space-based or mobile land-based.

The treaty elsewhere specifically confines permissible testing to fixed land based ABM missiles period. That is it. No sea-based, air-based, land-based, and—the case now in point—no space-based testing of ABM missiles is permitted in the plain, simple language of this treaty. In spite of this crystal clear language in the treaty, the Reagan administration has specifically repudiated its own former position that the treaty means what it says. It has also repudiated the position of every President who has held office since 1972. It now provides a precisely opposite view of the treaty. It is a view that permits no ambiguity. It simply and bluntly declares that this country will proceed to violate article 5, section 1 of the treaty by testing space-based ABM components.

On the face of it, the administration appears to have taken an absolutely clear, incontrovertible position in flat violation of the treaty. Can this be true? Have I missed something? No way. Consider: Who can speak with the most authority on that 1972 treaty? My nomination is the chief U.S. negotiator of the ABM Treaty: Gerard Smith. Smith knows that treaty better than most of us know our own kitchen or bedroom. He knows every article, every section, every sentence, every phrase, every word. He lived with it for years. There is no way anyone in the present administration could begin to know the treaty and what it stands for the way the man who was chief negotiator knows it. So what does Gerard Smith say about the administration's interpretation of the treaty? How does the chief negotiator of the treaty react to the administration contention that the U.S. Presidents and top foreign policy and military officials' interpretation of the treaty in the past is wrong?

Mr. Smith answers that question in an excellent, terse letter that appeared in the New York Times on Wednesday, October 23. Smith vigorously disagrees with the administration. He believes that the ABM Treaty absolutely forbids the development and testing of space weapons. He charges that the administration position "has drastic implications for the survival of the treaty and indeed of the whole arms control process."

This Senator agrees with the chief negotiator of the treaty on both points. The administration's interpretation of the treaty—that it permits testing of antimissile systems in space—should make a nullity of the treaty. It would mean that if we now proceed to tests, we are deliberately violating our solemn promise and pledge.

The second point made by Gerard Smith is even more significant. The interpretation by the Reagan administration does indeed "have drastic implications for the whole arms control process." Why would this administration's interpretation have such a drastic effect on arms control? Because with this cavalier administration repudiation of the explicit language of the treaty, no country in the future could rely on the United States to keep its word when it promised to limit nuclear testing or nuclear weapons production or nuclear deployment. Any future party to an arms control treaty with the United States could not rely on our word. It could not rely on verification of our compliance. With this ABM precedent, any country signing a treaty with the United States could expect this country to flatly ignore the most explicit provisions of the treaty—even when the chief negotiator for the United States publicly and emphatically conceded that the U.S. action constituted a deliberate violation of the treaty. With this action, the administration is kicking nuclear arms control right out the door.

Mr. President, there is an honorable way for the United States to change the treaty. The treaty is permanent. But the United States can forthrightly call for a formal renegotiation of the treaty with the Soviet Union. Or if the Reagan administration is truly convinced that for some strange reason the treaty permits space-based testing despite the explicit ban in article 5, it can go to the Standing Consultative Commission specifically set up in the language of the treaty for the purpose of interpreting any ambiguity in the treaty. On the other hand, this sudden unilateral and reckless announcement by the administration that the treaty does not mean what it says in unmistakable language is a tragedy for our country and for the cause of peace.

Mr. President, I ask unanimous consent that the letter to which I have referred by Gerard Smith in the New York Times be published in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

[From The New York Times, Oct. 23, 1985]

HOW THE ADMINISTRATION AMENDED THE ABM TREATY

(By Gerard C. Smith)

To the EDITOR:

Despite Secretary of State George P. Shultz's efforts to blunt adverse domestic and international political repercussions, it is clear that the Reagan Administration has repudiated its former position, and that of all previous administrations, that the anti-ballastic-missile treaty bars development and testing of space-based strategic defenses or components of them that use lasers, particle beams and other types of nontraditional technology. This new version of the treaty has drastic implications for the survival of the treaty and indeed of the whole arms-control process.

As head of the United States delegation to the strategic arms limitation talks that negotiated the ABM treaty, I would like to record that it was not our intention that any type of technology for space-based ABM systems could be developed or tested under the treaty. This has been the official view of the United States Government for more than 13 years. In my opinion, the Russians agree with this position, which is binding on both parties and have stated so on a number of recent occasions. The controlling provisions of the treaty (to which the Senate consented to ratification by a vote of 88 to 2) is Article 5. Section 1 reads, "Each party undertakes not to develop, test or deploy ABM systems or components which are sea-based, air-based, space-based or mobile land-based."

The treaty does permit a small deployment of fixed land-based ABM missiles using traditional technology. It also permits development and testing of new technology for such fixed land-based defenses—but not deployment. The differences between the ban on deployment and testing of space-based systems, and the more limited constraints on fixed land-based systems is reflected in an agreed statement appended to the treaty (Agreed Statement D), which provides that if new type systems are developed, they cannot be deployed unless authorized by a treaty amendment. This agreed statement does not modify in any way the total ban on the development and testing of space-based systems.

The Administration, after having accepted the official interpretation for more than four years, now has concluded that space-based systems or components using new technology may be developed and tested under the treaty, despite the ban in Article 5. The apparent rationale for this change is that the Russians never agreed to the broader historical American position.

This radical change in a central provision of the treaty, which is the supreme law of the United States, was apparently accomplished in secrecy without consultation with the Congress or United States allies for which this treaty has security significance.

While the Article 5 ban seems unambiguous to this writer, if the Administration is concerned about some ambiguity in the negotiating record, it should be recalled that the treaty anticipated this contingency and provided for consultation machinery to clarify any such situation. Would it not at least be prudent, as well as correct international procedure, to undertake such consultation

with the other party to the treaty before the Administration implements this new interpretation in carrying out the "Star Wars" program?

SECRETARY OF STATE SHULTZ REAFFIRMS ADMINISTRATION SUPPORT FOR RATIFICATION OF THE GENOCIDE CONVENTION THIS YEAR

Mr. PROXMIRE. Mr. President, the Secretary of State, George Shultz, has joined President Reagan in calling upon the Senate for ratification of the Genocide Convention. On October 7, in a letter to the majority leader, Mr. DOLE, Secretary of State Shultz reaffirmed the administration's strong support of the Genocide Convention and called on the Senate to ratify the convention this year.

President Reagan first called on the Senate to ratify the Genocide Convention in September 1984. At that time he joined Presidents Truman, Kennedy, Johnson, Nixon, Ford, and Carter in recognizing the convention as crucial to our ability to fight human rights abuses worldwide.

Last week President Reagan took the opportunity to reaffirm his position on the Genocide Convention in a letter to the majority leader, Mr. DOLE. this letter appeared in the RECORD on Wednesday of this week. I am very pleased with the President's continued support, and with the support of Secretary of State Shultz.

I urge my colleagues to join me in supporting the Secretary's request for prompt action on the Genocide Convention this year.

I ask unanimous consent that the Secretary's letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF STATE,
Washington, October 7, 1985.

Hon. ROBERT DOLE,
U.S. Senate.

DEAR BOB: As you well know, the Genocide Treaty has failed to receive Senate approval for 37 years. Now, as a result of strong Administration support, thoughtful consideration by the Seante Foreign Relations Committee, and careful crafting of eight provisions aimed at protecting US interests, Senate advice and consent now seems possible. I am convinced that ratification of the Convention with the eight provisions adopted by the Senate Foreign Relations Committee would fully protect the United States and advance the national interest.

Ratification now would remove a focal point of international criticism over the years. It would make clear to all that US opposition to genocide is unequivocal. And, it would be seen as a reaffirmation of this nation's longstanding commitment to fundamental human rights and individual dignity.

I urge the Senate to give its advice and consent to the Genocide Convention, with the eight provisions adopted by the Senate Foreign Relations Committee, this year.

Sincerely yours,

GEORGE P. SHULTZ.

MYTH OF THE DAY: CONGRESS HAS LIMITED HOSPITAL COVERAGE TO MEDICARE PATIENTS

Mr. PROXMIRE. Mr. President, the myth of the day is that in adopting the new DRG payment system, Congress has limited hospital coverage of Medicare beneficiaries.

Time and again, senior citizens have been told that "your Medicare DRG is up."

Or a physician will tell his or her patient that, "I think you need an extra day in the hospital, but Medicare has set a limit on your coverage and I must discharge you."

And in some cases, patients needing posthospital home health care have been discouraged from contracting with a Visiting Nurse Association or freestanding home health agency in favor of the hospital's own home health agency because "you do want a service that Medicare will reimburse, don't you?"

Well, Mr. President, these statements are just not true. While it may be popular to substitute the phrase "Medicare made me do it" for the old line "The devil made me do it," the same old rejoinder applies: "It just ain't so!"

Far too many Medicare patients, though, are feeling the old bum's rush to the door, raising the specter of denial of benefits and freedom of choice, and, more alarmingly, premature discharge.

So what are the facts?

First, physicians and hospitals have a legal obligation to provide treatment to Medicare patients in the hospital until they no longer need hospital-level care. Violation of that responsibility can lead to malpractice suits or sanctions by Medicare.

Second, the Medicare Program has not set a limit on the number of days of treatment for any diagnosis. The only reason that hospitals receive an average length of stay for each diagnosis is to establish a basis for extra payments for patients whose hospital stays are unusually long and costly—known as outliners.

Third, patients may receive home health care after leaving the hospital from any certified Medicare provider—and there are almost 6,000 home health agencies across the country certified by Medicare. A Medicare patient does not have to rely upon the hospital-based agency unless they would like to use the hospital's service.

Fourth, a patient cannot be charged for extra days in the hospital based solely upon the average length of stay that accompanies each DRG. A hospital may only begin to charge a patient after a physician has determined that the patient no longer needs hospital-level care and that notice has been provided to the patient in writing. Even then you may not be charged until the third day after the day on which the written notice is provided.

It is time to end this myth that Medicare condones this bum's rush to the door about which we in Congress have received so many complaints. That is why I have introduced a Medicare patient bill of rights to provide Medicare patients with clear, straightforward answers regarding their rights to health care when they need it most—during a hospital admission.

I am concerned that we have let this myth develop a life of its own for far too long. It is time to see that Medicare beneficiaries be given the most powerful tool of all—the facts—and the Medicare patient bill of rights will do just that.

And I put my colleagues on notice that I intend to press this resolution to a vote in the next month and end this myth for good.

Mr. President, I yield the floor.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER (Mr. HECHT). Under the previous order, there will now be a period for the transaction of routine morning business for not to extend beyond 9:30 a.m. with statements therein limited to 5 minutes each.

PRESUMMIT MANEUVERING

Mr. BYRD. Mr. President, I believe the latest round of presummit maneuvering by both the United States and the Soviets should be viewed in a positive light. First, the new proposal on the European intermediate-range missile balance by the Soviets, although not acceptable to the United States in its overall calculations, does present a fresh basis for negotiations at Geneva. So I see an opportunity here for a narrowing or our differences on this matter prior to the summit.

Second, in reviewing the President's speech before the United Nations, I feel that he is taking an upbeat view in his expectations for a real dialogue at the summit. In particular, his three-step proposal toward resolving various regional disputes, including particularly the conflict in Afghanistan, is to be welcomed. I hope that the Soviets will respond positively to this proposal. The Soviet military action in Afghanistan is a major obstacle to improvement in Soviet-American relations. During the recent visit of the Senate delegation which I led to the Soviet Union this past September, we attempted to impress upon Mr. Gorbachev that the withdrawal of Soviet forces from that nation would create a better climate for progress on other major issues in contention between our two nations. Inasmuch as it is not a war which Mr. Gorbachev started, nor one in which he has invested his

prestige up to now, he has an opportunity to take action in the near future to terminate it. If it continues on and on, it will become Mr. Gorbachev's war. Therefore, progress in the ongoing U.N.-sponsored negotiations on Afghanistan should be made, and appropriate international guarantees of an acceptable political solution in Afghanistan could be accomplished. If progress on this matter could be made at the summit, it would be a major achievement.

Mr. President, I ask unanimous consent to include in the RECORD the text of the address by President Reagan to the General Assembly of the United Nations to which I alluded earlier.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY THE PRESIDENT TO THE GENERAL ASSEMBLY OF THE UNITED NATIONS AT THE COMMEMORATION OF THE 40TH ANNIVERSARY OF THE UNITED NATIONS

Forty years ago, the world awoke daring to believe hatred's unyielding grip had finally been broken—daring to believe the torch of peace would be protected in liberty's firm grasp.

Forty years ago, the world yearned to dream again innocent dreams, to believe in ideals with innocent trust. Dreams of trust are worthy, but in these 40 years too many dreams have been shattered, too many promises have been broken, too many lives have been lost. The painful truth is that the use of violence to take, to exercise, and to preserve power remains a persistent reality in much of the world.

The vision of the U.N. Charter—to spare succeeding generations this scourge of war—remains real. It still stirs our souls and warms our hearts. But it also demands of us a realism that is rockhard, clear-eyed, steady and sure—a realism that understands the nations of the United Nations are not united.

I come before you this morning preoccupied with peace, with ensuring that the differences between some of us not be permitted to degenerate into open conflict. And I come offering for my own country a new commitment, a fresh start.

On this U.N. anniversary, we acknowledge its successes: the decisive action during the Korean War; negotiation of the Non-Proliferation Treaty; strong support for decolonization; and the laudable achievements by the U.N. High Commissioner for Refugees.

Nor must we close our eyes to this organization's disappointments: its failure to deal with real security issues, the total inversion of morality in the infamous Zionism-isracism resolution, the politicization of too many agencies, the misuse of too many resources.

The U.N. is a political institution and politics requires compromise. We recognize that. But let us remember—from those first days, one guiding star was supposed to light our path toward the U.N. vision of peace and progress—the star of freedom.

What kind of people will we be 40 years from today? May we answer—free people, worthy of freedom, and firm in the conviction that freedom is not the sole prerogative of a chosen few, but the universal right of all God's children.

This is the Universal Declaration of Human Rights set forth in 1948. And this is the affirming flame the United States has held high to a watching world. We champion freedom not only because it is practical and beneficial, but because it is morally right and just.

Free people, whose governments rest upon the consent of the governed, do not wage war on their neighbors. Free people, blessed by economic opportunity, and protected by laws that respect the dignity of the individual, are not driven toward the domination of others.

We readily acknowledge that the United States is far from perfect. Yet we have endeavored earnestly to carry out our responsibilities to the Charter these past 40 years, and we take national pride in our contributions to peace:

We take pride in 40 years of helping avert a new world war and pride in our alliances that protect and preserve us and our friends from aggression. We take pride in the Camp David agreements and our efforts for peace in the Middle East rooted in resolutions 242 and 338; in supporting Pakistan, target of outside intimidation; in assisting El Salvador's struggle to carry forward its democratic revolution; in answering the appeal of our Caribbean friends in Grenada; in seeing Grenada's representative here today, voting the will of its own people. And we take pride in our proposals to reduce the weapons of war.

We submit this history as evidence of our sincerity of purpose. But today it is more important to speak to you about what my country proposes to do, in these closing years of the 20th century, to bring about a safer, a more peaceful, a more civilized world.

Let us begin with candor—with words that rest on plain and simple facts. The differences between America and the Soviet Union are deep and abiding.

The United States is a democratic nation. Here the people rule. We build no walls to keep them in, nor organize any system of police to keep them mute. We occupy no country. The only land abroad we occupy is beneath the graves where our heroes rest. What is called the West is a voluntary association of free nations, all of whom fiercely value their independence and their sovereignty. And as deeply as we cherish our beliefs, we do not seek to compel others to share them.

When we enjoy these vast freedoms as we do, it is difficult for us to understand the restrictions of dictatorships which seek to control each institution and every facet of people's lives, the expression of their beliefs, their movements, and their contacts with the outside world. It is difficult for us to understand the ideological premise that force is an acceptable way to expand a political system.

We Americans do not accept that any government has the right to command and order the lives of its people, that any nation has an historic right to use force to export its ideology. This belief—regarding the nature of man and the limitations of government—is at the core of our deep and abiding differences with the Soviet Union, differences that put us into natural conflict—and competition—with one another.

We would welcome enthusiastically a true competition of ideas, welcome a competition of economic strength and scientific and artistic creativity, and, yes, welcome a competition for the good will of the world's people. But we cannot accommodate ourselves to the use of force and subversion to consolidate and expand the reach of totalitarianism.

When Mr. Gorbachev and I meet in Geneva next month, I look to a fresh start in the relationship of our two nations. We can and should meet in the spirit that we can deal with our differences peacefully. That is what we expect.

The only way to resolve differences is to understand them. We must have candid and complete discussions of where dangers exist and where peace is being disrupted. Make no mistake: our policy of open and vigorous competition rests on a realistic view of the world. Therefore, at Geneva, we must review the reasons for the current level of mistrust.

For example, in 1972 the international community negotiated in good faith a ban on biological and toxin weapons; in 1975 we negotiated the Helsinki accords on human rights and freedoms; and during the decade just past, the United States and the Soviet Union negotiated several agreements on strategic weapons. Yet, we feel it will be necessary at Geneva to discuss with the Soviet Union what we believe are their violations of a number of the provisions in all of these agreements. Indeed, this is why it is important that we have this opportunity to air our differences through face-to-face meetings—to let frank talk substitute for anger and tension.

The United States has never sought treaties merely to paper over differences. We continue to believe that a nuclear war is one that cannot be won and must never be fought. That is why we have sought, for nearly 10 years, still seek, and will discuss in Geneva radical, equitable, verifiable reductions in these vast arsenals of offensive nuclear weapons.

At the beginning of the latest round of the ongoing negotiations in Geneva, the Soviet Union presented a specific proposal involving numerical values. We are studying the Soviet counter-proposal carefully. I believe that within their proposal there are seeds which we should nurture, and in the coming weeks we will seek to establish a genuine process of give-and-take.

The United States is also seeking to discuss with the Soviet Union in Geneva the vital relationship between offensive and defensive systems, including the possibility of moving toward a more stable and secure world in which defenses play a growing role.

The ballistic missile is the most awesome, threatening, and destructive weapon in the history of man. Thus, I welcome the interest of the new Soviet leadership in the reduction of offensive strategic forces. Ultimately, we must remove this menace—once and for all—from the face of this Earth.

Until that day, the United States seeks to escape the prison of mutual terror by research and testing that could, in time, enable us to neutralize the threat of these ballistic missiles and, ultimately, render them obsolete.

How is Moscow threatened—if the capitals of other nations are protected? We do not ask that the Soviet leaders—whose country has suffered so much from war—leave their people defenseless against foreign attack. Why then do they insist that we remain undefended? Who is threatened if Western research—and Soviet research that is itself well-advanced—should develop a non-nuclear system which would threaten not human beings, but only ballistic missiles?

Surely, the world will sleep more secure when these missiles have been rendered useless, militarily and politically, when the Sword of Damocles that has hung over our planet for too many decades is lifted by

Western and Russian scientists working to shield their cities and their citizens and one day shut down space as an avenue for weapons of mass destruction.

If we are destined by history to compete, militarily, to keep the peace, then let us compete in systems that defend our societies rather than weapons which can destroy us both, and much of God's creation along with us.

Some 18 years ago, then-Premier Aleksei Kosygin was asked about a moratorium on the development of an anti-missile defense system. The official Soviet news agency, TASS, reported he replied with these words:

"I believe that defensive systems, which prevent attack, are not the cause of the arms race, but constitute a factor preventing the death of people. . . . Maybe an anti-missile system is more expensive than an offensive system, but it is designed not to kill people but to preserve human lives."

Preserving lives. No peace is more fundamental than that. Great obstacles lie ahead, but they should not deter us. Peace is God's commandment. Peace is the holy shadow cast by men treading on the path of virtue.

But just as we all know what peace *is*, we certainly know what peace is *not*.

Peace based on repression cannot be true peace and is secure only when individuals are free to direct their own governments.

Peace based on partition cannot be true peace. Put simply: nothing can justify the continuing and permanent division of the European continent. Walls of partition and distrust must give way to greater communication for an Open World. Before leaving for Geneva, I shall make major new proposals to achieve this goal.

Peace based on mutual fear cannot be true peace because staking our future on a precarious balance of terror is not good enough. The world needs a balance of safety.

Finally, a peace based on averting our eyes from trouble cannot be true peace. The consequences of conflict are every bit as tragic when the destruction is contained within one country.

Real peace is what we seek, and that is why today the United States is presenting an initiative that addresses what will be a central issue in Geneva—the resolution of regional conflicts in Africa, Asia, and Central America.

Our own position is clear: as the oldest nation of the New World, as the first anti-colonial power, the United States rejoiced when decolonization gave birth to so many new nations after World War II. We have always supported the right of the people of each nation to define their own destiny. We have given $300 billion since 1945 to help people of other countries. And we have tried to help friendly governments defend against aggression, subversion, and terror.

We have noted with great interest similar expressions of peaceful intent by leaders of the Soviet Union. I am not here to challenge the good faith of what they say. But isn't it important for us to weigh the record, as well?

—In Afghanistan, there are 118,000 Soviet troops prosecuting war against the Afghan people.

—In Cambodia, 140,000 Soviet-backed Vietnamese soldiers wage a war of occupation.

—In Ethiopia, 1,700 Soviet advisers are involved in military planning and support operations along with 2,500 Cuban combat troops.

—In Angola—1,200 Soviet military advisers involved in planning and supervising combat operations, along with 35,000 Cuban troops.

—In Nicaragua—some 8,000 Soviet bloc and Cuban personnel, including about 3,500 military and secret police personnel.

All of these conflicts—some of them under way for a decade—originate in local disputes but they share a common characteristic: they are the consequence of an ideology imposed from without, dividing nations and creating regimes that are, almost from the day they take power, at war with their own people. And in each case, Marxism-Leninism's war with the people becomes war with their neighbors.

These wars are exacting a straggering human toll and threaten to spill across national boundaries and trigger dangerous confrontations. Where is it more appropriate than right here at the United Nations to call attention to Article 2 of our Charter which instructs members to refrain "from the threat or use of force against the territorial integrity or political independence of any state. . . ."?

During the past decade these wars played a large role in building suspicions and tensions in my country over the purpose of Soviet policy. This gives us an extra reason to address them seriously today.

Last year I proposed from this podium that the United States and Soviet Union hold discussions on some of these issues, and we have done so. But I believe these problems need more than talk.

For that reason, we are proposing, and are fully committed to support, a regional peace process that seeks progress on three levels:

First, we believe the starting point must be a process of negotiation among the warring parties in each country I've mentioned—which, in the case of Afghanistan, includes the Soviet Union. The form of these talks may and should vary, but negotiations—and an improvement of internal political conditions—are essential to achieving an end to violence, the withdrawal of foreign troops and national reconciliation.

There is as second level: once negotiations take hold and the parties directly involved are making real progress, representatives of the United States and the Soviet Union should sit down together. It is not for us to impose any solutions in this separate set of talks. Such solutions would not last. But the issue we should address is how best to support the ongoing talks among the warring parties. In some cases, it might well be appropriate to consider guarantees for any agreements already reached. But in every case the primary task is to promote this goal: verified elimination of the foreign military presence and restraint on the flow of outside arms.

Finally, if these first two steps are successful, we could move on to the third—welcoming each country back into the world economy so its citizens can share in the dynamic growth that other developing countries—countries that *are* at peace—enjoy. Despite past differences with these regimes, the United States would respond generously to their democratic reconciliation with their own people, their respect for human rights, and their return to the family of free nations.

Of course, until such time as these negotiations result in definitive progress, America's support for struggling democratic resistance forces must not and shall not cease.

This plan is bold. And it is realistic. It is not a substitute for existing peace-making efforts; it complements them. We are not trying to solve every conflict in every region of the globe, and we recognize that each conflict has its own character. Naturally other regional problems will require different approaches. But we believe that the recurrent pattern of conflict that we see in these five cases ought to be broken as soon as possible.

We must begin somewhere, so let us begin where there is great need and great hope. This will be a clear step foward to help people choose their future more freely. Moreover, this is an extraordinary opportunity for the Soviet side to make a contribution to regional peace which in turn can promote future dialogue and negotiations on other critical issues.

With hard work and imagination, there is no limit to what, working together, our nations can achieve. Gaining a peaceful resolution of these conflicts will open whole new vistas for peace and progress—the discovery that the promise of the future lies not in measures of military defense, or the control of weapons, but in the expansion of individual freedom and human rights.

Only when the human spirit can worship, create, and build, only when people are given a personal stake in determining their own destiny and benefitting from their own risks do societies become prosperous, progressive, dynamic, and free.

We need only open our eyes to the economic evidence all around us. Nations that deny their people opportunity—in Eastern Europe, Indochina, southern Africa, and Latin America—without exception are dropping further behind in the race for the future.

But where we see enlightened leaders who understand that economic freedom and personal incentive are key to development, we see economies striding forward. Singapore, Taiwan, and South Korea—India, Botswana, and China. These are among the current and emerging success stories because they have the courage to give economic incentives a chance.

Let us all heed the simple eloquence in Andrei Sakharov's Nobel Peace Prize message: "International trust, mutual understanding, disarmament and international security are inconceivable without an open society with freedom of information, freedom of conscience, the right to publish and the right to travel and choose the country in which one wishes to live."

At the core, this is an eternal truth. Freedom works. That is the promise of the Open World and awaits only our collective grasp. Forty years ago, hope came alive again for a world that hungred for hope. I believe fervently that hope is still alive.

The United States has spoken with candor and conviction today, but that does not lessen these strong feelings held by every American: It's in the nature of Americans to hate war and its destructiveness. We would rather wage our struggle to rebuild and renew, not to tear down. We would rather fight against hunger, disease, and catastrophe. We would rather engage our adversaries in the battle of ideals and ideas for the future.

These principles emerge from the innate openness and good character of our people—and from our long struggle and sacrifice for our liberties and the liberties of others. Americans always yearn for peace. They have a passion for life. They carry in their hearts a deep capacity for reconciliation.

Last year at this General Assembly, I indicated there was every reason for the United States and the Soviet Union to shorten the

distance between us. In Geneva—the first meeting between our heads of government in more than 6 years—Mr. Gorbachev and I will have that opportunity.

So, yes, let us go to Geneva with both sides committed to dialogue. Let both sides go committed to a world with fewer nuclear weapons—and some day with none. Let both sides go committed to walk together on a safer path into the 21st century and to lay the foundation for enduring peace.

It is time, indeed, to do more than just talk of a better world. It is time to act. And we will act when nations cease to try to impose their ways upon others. And we will act when they realize that we, for whom the achievement of freedom has come dear, will do what we must to preserve it from assault.

America is committed to the world, because so much of the world is inside America. After all, only a few miles from this very room is our Statue of Liberty, past which life began anew for millions—where the peoples from nearly every country in this hall joined to build these United States.

The blood of each nation courses through the American vein—and feeds the spirit that compels us to involve ourselves in the fate of this good Earth. It is the same spirit that warms our heart in concern to help ease the desperate hunger that grips proud people on the African continent.

It is the internationalist spirit that came together last month when our neighbor, Mexico, was struck suddenly by an earthquake. Even as the Mexican nation moved vigorously into action—there were heartwarming offers by other nations offering to help and glimpses of people working together, without concern for national self-interest or gain.

And if there was any meaning to salvage out of that tragedy, it was found one day in a huge mound of rubble that was once the Juarez Hospital in Mexico City.

A week after that terrible event and as another day of despair unfolded—a team of workers heard a faint sound coming somewhere from the heart of the crushed concrete and twisted steel. Hoping beyond hope, they quickly burrowed toward it.

As the late afternoon light faded, and racing against time, they found what they had heard—and the first of three baby girls—newborn infants—emerged to the safety of the rescue team.

Here is the scene through the eyes of one who was there. "Everyone was so quiet when they lowered that little baby down in a basket covered with blankets. The baby didn't make a sound, either. But the minute they put her in the Red Cross ambulance everybody just got up and cheered."

Well, amidst all that hopelessness and debris came a timely—and timeless—lesson for us all. We witnessed the miracle of life.

It is on this that I believe our nations can make a renewed commitment. The miracle of life is given by One greater than ourselves. But once given, each life is ours to nurture and preserve—to foster not only for today's world but for a better one to come.

There is no purpose more noble than for us to sustain and celebrate life in a turbulent world. That is what we must do now. We have no higher duty—no greater cause as humans. Life—and the preservation of freedom to live it in dignity—is what we are on this Earth to do.

Everything we work to achieve must seek that end so that some day our prime ministers, our premiers, our presidents and our general secretaries will talk not of war and peace—but only of peace.

We've had 40 years to begin. Let us not waste one more moment to give back to the world all that we can in return for this miracle of life.

Thank you.

PRESIDENT ZIA'S THOUGHTS ON THE AFGHANISTAN CRISIS

Mr. BYRD. Mr. President, the Washington Post of Tuesday, October 22, 1985, carried a front page article reporting on a lengthy interview with Pakistan's President Mohammed Zia ul-Haq. No world leader has a more immediate interest in events in Afghanistan than does President Zia. Soviet and Afghan aircraft routinely violate Pakistani airspace and bomb refugee settlements in Pakistan. The Pakistani Government has shouldered much of the burden of the Afghan war by providing sanctuary for more than 2 million Afghans driven from their country by Soviet policies that target civilians.

President Zia observes in this interview that the Soviet military effort after nearly 6 years is a failure. He estimates that combined Soviet and Afghan forces have suffered casualties exceeding 60,000. This leads President Zia to speculate that "one day the Soviet Union will come to the conclusion that there is no military solution," and begin the process of achieving a diplomatic settlement.

I hope that President Zia is correct. In my recent meeting with Soviet leader Gorbachev, my delegation stressed the importance the United States attaches to a Soviet withdrawal from Afghanistan, and the damage the Soviet occupation has done. President Zia's remarks provide important insights into developments in South Asia, and I ask unanimous consent that the Washington Post article entitled "Soviet and Afghan Casualties Exceed 60,000, Zia Declares" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Oct. 22, 1985]

SOVIET AND AFGHAN CASUALTIES EXCEED 60,000, ZIA DECLARES

(By Michael Getler and Don Oberdorfer)

NEW YORK, October 21.—Pakistani President Mohammed Zia ul-Haq said today that the Soviet Union and its Afghan ally have suffered 60,000 to 70,000 casualties in less than six years of warfare in Afghanistan and predicted that Moscow will conclude sooner or later that "there is no military solution."

Zia spoke in an hour-long interview that also covered his hopes for improved relations with Indian Prime Minister Rajiv Gandhi, whom he will meet at the United Nations here Wednesday. In addition, he discussed the more limited, nonmilitary role he sees for himself and the currently banned opposition parties when martial law is lifted by the end of the year.

The Pakistani leader, who addresses the U.N. General Assembly on Wednesday, also said that Benazir Bhutto, a leading figure of the main opposition Pakistan People's Party, who has been under 90-day house arrest since late August, "can leave the country any time" and is expected to go back to France before Nov. 6. She had returned to Pakistan from France to attend her brother's funeral.

Zia expressed long-term hopes, but few short-range expectations, for the Afghan policy of the new Soviet leader, Mikhail Gorbachev. He depicted Gorbachev as taking a "wait and see" attitude toward the Afhgan war while being preoccupied with internal questions.

Meeting Zia in Moscow as he took power last March, Gorbachev delivered a personal warning about what he charged was Pakistan's aid to the Afghan resistance. Zia said that in the seven months since that meeting, the Soviets have intensified both their military activity inside Afghanistan and their "border violations" on the Pakistani side of the Afghan-Pakistani line.

In the war zone, said Zia, the intensification of Soviet military activity in four offensives so far this year has caused higher casualties on all sides, but "it has not made much difference to the activities of the freedom fighters inside Afghanistan."

Discussing the military situation in Afghanistan, Zia, a career soldier who took power under martial law in 1977, said that although actual numbers are much smaller, the Soviets have suffered proportionately greater combat troop losses than did the United States in Vietnam or the allies in World War II.

The total toll of killed, wounded or sick among Soviets and their Afghan allies is 60,000 to 70,000 men, Zia said. State Department sources said there were credible estimates. The U.S. estimate early this year, before the stepped-up fighting, indicated that about 9,000 Soviets may have been killed and 16,000 wounded. Zia, saying "we have very close eyes" on the situation across the border, put the present Soviet force in Afghanistan at 150,000 men, which is substantially higher than the 115,000 to 120,000 estimated by the United States. He said there were no casualty figures for the anti-government forces that could be authenticated.

Zia described violations of Pakistan's border, including bombing raids, as attempts "to intimidate people in the border area."

"These warnings cannot be ignored," he said, but gave no hint that Pakistan would change its course. "You've got to put up a fairly good poker face," Zia said of his response to Soviet pressures.

Soviet leader Yuri Andropov, who came to that post after being head of the KGB, or secret police, was reputed to be personally opposed to the Soviet occupation of Afghanistan. Zia said that "we saw definite signs" that Andropov as Kremlin leader had been "following a policy of leniency in trying to resolve the [Afghan] issue."

Gorbachev, on the other hand, was described by Zia as "not so much in a hurry" to find a resolution to the Afghan problem, "which in his [Gorbachev's] opinion, the military is tackling."

The new Soviet leader seems willing to "wait and see" whether an intensification of Soviet military action can change the situation to Moscow's advantage, according to the Pakistani.

Zia predicted with an air of considerable confidence that this effort will not succeed. He said that it was his impression Gorbachev is sensitive to the propaganda loss the

Soviets suffer in much of the nonaligned world over Afghanistan and that "one day the Soviet Union will come to the conclusion that there is no military solution" and thus a diplomatic solution must be arranged.

Zia said that next month's summit meeting in Geneva of President Reagan and Gorbachev could have a "tremendous" positive effect on Moscow if the U.S. leader, with "the right perspective and the right emphasis," makes some simple but clear-cut points about Afghanistan.

Those points are, Zia said, that the Soviet Union must withdraw from Afghanistan and that it can leave behind a "friendly" and "nonaligned" Afghanistan, with no outside interference allowed by anyone, including Moscow.

Zia expressed some concern and surprise at the actions in the past six weeks of Gandhi, who has stepped up his accusations that Pakistan is building atomic weapons. Nevertheless, Zia spoke warmly of the new Indian leader as "an openminded, simple, forthright person" and said he hopes his talks here with Gandhi help "remove the suspicions, misapprehensions and lack of confidence" between the neighboring countries.

He said he had apprehensions that India, which exploded a crude nuclear device in 1974, already had "some nuclear devices for military use" and that a newly operational plutonium-producing breeder reactor, which Zia described as operating without international safeguards, "must create a lot of fear and concern" in the region.

He said both countries could resolve their nuclear fears of each other with bilateral, regional or international accords but said, "I don't know if India is that keen to be bound" by such agreements.

Zia said that his government is asking for more than the current $3.2 billion in the next five-year program of U.S. military and economic aid to his country. The present program is about evenly split between military and economic help. But Zia said that next time he wants to increase the percentage going to economic help while adding "a little more" to the current $1.6 billion in military aid.

Zia reiterated his pledge to end martial law by the end of this year and said there were "all reason" for it to end even sooner. He said that, for another five years, he would retain the presidency, with more limited powers than he presently wields. A new prime minister would be the chief executive. Zia would end his military role as leader of the armed forces.

As a step toward lifting martial law, Zia pushed a new law through Pakistan's National Assembly last week that critics contend merely seeks to legitimize what was done under his martial-law rule and protect him from prosecution from some future government.

Another key bill that may allow opposition parties to operate freely once again, comes before the assembly next month. Under questioning today, Zia said, "I see no reason" why what he described as a "refined" version of the Pakistan Peoples' Party "should not function" once again. Zia said how "refined" the party becomes would depend on how party leaders controlled their various factions.

Before a party could be revived, however, it would have to register and be approved by an "independent" electoral commission. The parties would have to show their political manifesto, financial support and commitment to democracy. Zia described the commission as a device to import a "certain form of discipline" on the political process.

TEXTILE AND APPAREL TRADE ENFORCEMENT

Mr. BYRD. Mr. President, as a cosponsor of the textile bill and a longtime advocate of fair trade for America's shoe industry, I am pleased to join with my colleagues in support of the Hollings-Thurmond amendment.

The American textile industry is regarded as one of the most modern and efficient in the world. The Department of Commerce tells us that American textile companies will spend about $2 billion this year alone on capital improvements, mostly for new equipment. American textile workers have joined with management in an unprecedented drive to improve productivity. But anticompetitive prices by some foreign textile manufacturers are undermining the American industries' efforts and costing jobs. In the last 5 years, textile imports have doubled, and recent trends indicate that foreign products are increasing their share of the American market at an even faster rate. Between 1980 and 1982, the average increase in foreign shipments was 10.2 percent per year. But the annual increase from 1982 to 1984 is more than three times that rate, averaging 30.9 percent.

In the face of this challenge, the administration has steadfastly refused to take steps to protect American jobs. While foreign products have garnered almost half of the domestic market, the administration clings to free trade rhetoric. While some 250 American textile factories have closed over the past 5 years, this administration has managed to remain aloof and philosophical about the resulting job loss.

This is an attitude that American footwear workers know all too well. At the end of 1984, unemployment in the nonrubber footwear industry reached 16.7 percent—twice the national average. American production has fallen more than 20 percent this year below last year's levels. Plant closings are increasing, with 105 footwear plants closing in 1984—more than double the total in 1983. These closings include two plants in West Virginia—one in White Sulfur Springs, and another in Elkins.

As a Member of the Senate footwear caucus, I have tried repeatedly to get the administration to act to save American jobs in this important industry. When the International Trade Commission found that the industry was suffering from serious harm as a result of imports, I joined my colleagues in writing the President to urge that he accept the International Trade Commission's finding and provide appropriate relief for footwear workers and the industry. But the President refused to accept the ITC's recommendation and denied relief for the industry.

In both textiles and footwear products, we have seen administration inaction lead to a bipartisan consensus for Congress to fill the void. In his recent statement of administration trade policy, the President indicated that he would seek modifications and improvements in the trade law. But this administration's failure to apply existing law has undermined the textile and footwear industries and caused thousands of Americans to lose their jobs. No trade policy can survive on rhetoric. To be successful, it must be given fair, consistent, and convincing application. Because the administration has failed to develop that kind of policy, we are acting today. I commend Senators HOLLINGS and THURMOND, and Senators MITCHELL and COHEN, for their efforts on behalf of this measure, and I am pleased to join with them in supporting it.

NATIONAL FOREST PRODUCTS WEEK

Mr. COCHRAN. Mr. President, pursuant to Public Law 86-753, a resolution passed by Congress in 1960, the President has proclaimed this week, October 20-26, as "National Forest Products Week" in honor of this country's magnificent forests, their bountiful resources, and the men and women who harvest and manage those resources with such talent and dedication. The men and women I speak of are the forest managers, the landowners, the mill workers, and the researchers who commit themselves to the production and the conservation of one of America's greatest resources, its forests.

The theme for this year's observance is "America Grows on Trees." Indeed America has grown on trees. The American Indians made canoes from the bark of paper birch; the Jamestown settlers used the dense forest to build their first homes; New England white pines were used to make masts for seagoing ships during the American Revolution; and in the 19th century, wood fibers were discovered to be useful in making paper.

When Congress enacted the National Forest Products Week resolution in September 1960, our great American forest contained about 603 billion cubic feet of wood. Today, due to outstanding management by America's forest industry personnel, that forest has increased to 711 billion cubic feet. In the last 25 years, it has produced 1.7 billion tons of paper and paperboard and has yielded material for the construction of 46 million new housing units.

But the benefits of forest products reach much further than paper and construction. Today, wood alcohols are

used to produce the colognes that some wear. Torula yeast, a product made from wood sugars, is used in baby foods. Cellulose, a carbohydrate that comes from wood, is a prime component in the manufacturing of football helmets, hard hats, and rayon; and pulping liquid is used in the production of hair spray.

Forest managers, through careful and studied management techniques, have made great strides in forest production, somehow facilitating ever-increasing yields while simultaneously fulfilling their roles as stewards of the land. Each year over 1 billion tree seedlings are planted; that is four for every man, woman, and child in the United States. Annual wood growth in the United States totals approximately 21.9 billion cubic feet. In addition, forest managers work steadfastly to combat wildfire, insects, and diseases, which have conspired to destroy so many millions of acres of our forests in the past.

In my home State, the forest covers 53 percent of the land and is a major source of income. In 1984, Mississippi foresters harvested 518 million dollars' worth of forest products, making it the third most valuable crop in the State. That number continues to rise; the 1984 harvest yielded 7 percent more than in 1983.

Henry David Thoreau, at the outset of America's industrial revolution, said:

> It is remarkable what a value is still put upon wood even in this age and in this new country—a value more permanent and universal than that of gold.

Mr. President, as we observe this week as National Forest Products Week, I salute the hard working men and women who diligently work to grow, produce, and conserve our Nation's treasure.

Mr. COCHRAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE CONTINUING PLIGHT OF SOVIET JEWRY

Mr. ZORINSKY. Mr. President, in anticipation of the upcoming summit between President Reagan and Soviet General Secretary Gorbachev, I want to call attention to the continuing plight of Soviet Jewry generally, and specifically to the suffering of one Soviet prisoner of conscience, Rabbi Moshe Abramov.

My wife Cece belongs to the Congressional Spouses' Committee of 21, each member of which has adopted a Soviet prisoner of conscience with whom she tries to open lines of communication. Cece's adopted prisoner is Rabbi Moshe Abramov who was convicted of "malicious hooliganism" and sentenced to 3 years in a Soviet labor camp. His real crime is that he is Jewish—nothing more. Cece has written to Rabbi Abramov. Her letters have not been returned; neither have they been answered. We cannot be certain that he has ever seen them.

Rabbi Abramov, like the other 20 adopted prisoners of conscience, represents hundreds of thousands of Jews who suffer daily persecution, harassment, and abuse in the Soviet Union. They would leave, except that they are denied permission to emigrate by the Soviet authorities. They are hostages, even those not in prisons and labor camps are nonetheless prisoners. All are harassed and discouraged from the practice of religion—even rabbis, and live with a barrage of Soviet anti-Semitic propaganda. Those who seek to emigrate may be dismissed or demoted at work, physically abused, intimidated. Their mail may be confiscated, their telephone service disconnected, or they may be conscripted into the military or arrested on trumped-up charges.

Every Member of this body recently joined in a letter to President Reagan denouncing this abuse of human rights and asking the President to present our unified and adamant opposition to the continued persecution of Soviet Jewry. Today I renew that request on behalf of Rabbi Abramov and 400,000 others, Jewish men, women, and children, and all those of whatever faith or creed yearning to breathe free in the Soviet Union.

ADDRESS BY THE SECRETARY OF THE ARMY JOHN O. MARSH TO CONGRESSIONAL MEDAL OF HONOR SOCIETY

Mr. THURMOND. Mr. Pesident, Secretary of the Army John O. Marsh recently made an address to the Congressional Medal of Honor Society at a biennial convention in my home State.

His speech poignantly addressed three of our Nation's most important monuments: the Washington Monument, Lincoln Memorial, and the Grant Monument. Each carries its own symbolism, which characterizes a facet of this great Nation's worth. Secretary Marsh's speech was patriotic and provided a refreshing reminder that we are fortunate to live in this great democracy.

Mr. President, I ask unanimous consent that the following speech be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

REMARKS BY THE HONORABLE JOHN O. MARSH, JR., SECRETARY OF THE ARMY

The last line of the Declaration of Independence reads: "And for the support of this declaration, with a firm reliance on the protection of Divine Providence, we mutually pledge to each other our lives, our fortunes, and our sacred honor."

There is no group in our country that has done more to keep that pledge and to protect the values America represents than you. I am honored to be here this evening.

I would like to talk with you about three monuments on the Mall of our Nation's Capital. One represents the founding of the Republic and National Will. One honors preservation of the Union. And the third is a tribute to leadership in fighting the Nation's wars.

First is the Washington Monument.

If you were to ascend the steps of the 555 foot obelisk, you would find placed in the side of the monument, stones taken from the various states to emphasize the role of America's first President in founding the Republic.

Just past the 500 foot level is a polished white stone taken from the ruins of ancient Carthage.

Other than an identification of the donor who gave the stone during the last century, there is nothing to indicate why, in a monument that is fully American, there is displayed a stone with a history all its own, taken from a city of another place and another time.

Carthage once flourished on the Southern Shores of the Mediterranean Sea; prosperous in trade and commerce, and material wealth, it was the pride and envy of the ancient world. But, it was crushed by Rome, and its fields were sown with salt.

Could it be this stone from a great but forgotten city was placed there also to remind us that material wealth and progress are never substitutes for National Will?

Second, at the western end of the Mall, facing East toward the Washington Monument and the Capitol, is the Lincoln Memorial honoring our 16th President. His greatness was appreciated in death.

It was during Lincoln's Administration that on July 12, 1862 the Medal of Honor would be first authorized as an Award for bravery.

In the Lincoln Memorial, chipped on a large stone tableau, is the Gettysburg Address. Ironically, an editorial comment by the Harrisburg Patriot newspaper immediately following President Lincoln's Gettysburg Address, said:

"We pass over the silly remarks of the President; for the credit of the nation we are willing that the veil of oblivion shall be dropped over them and that they shall no more be repeated or thought of."

The Memorial honors what he did to preserve the Union, and reminds us today of what we must do to defend it.

The third monument is at the foot of the Capitol, on the eastern end of the Mall, facing west toward the Washington Monument. It is one of the greatest pieces of equestrian statuary in the world. Unfortunately many people are not aware it is the Grant Monument. It is a tribute to military leadership and a strong defense. Infantry is depicted around the base, a cavalry charge to its right, and a field artillery caisson on its left.

This past July we celebrated the centennial of General Grant's death. His great military genius, like his monument, has never

been fully appreciated. His compassion, evidenced at Appomattox, marks him as a great human being.

Grant's greatness was not just his military leadership which was significant, but his ability to mold into a total war effort the resources of an industrial society, and take advantage of technologies that impacted on military logistics such as manufacturing, transportation, and communications especially the telegraph.

The impact of the telegraph was displayed early in the war. At the first Battle of Bull Run in 1861, in the face of civilian flight and Union retreat, the War Department telegraph operator near the battle sent a message to the Department of War. Describing the retreat, he ended the message saying:

"I am going to close the office and go with the crowd:"

The following telegram came back at once:

"If you keep your office open until you have permission to close it, you will be rewarded. If you close it without such permission, you will be shot."

He stayed!

Today, we still live in a troubled world.

In this decade:

Martial law has been declared in Poland.

Russia has seen its fourth dictator in as many years. Their military build-up continues.

In Africa, famine has struck Ethiopia.

The governments of the Sudan and Nigeria have changed, and Libya has moved troops into Chad.

The war of attrition between Iran and Iraq drags on endangering the Persian Gulf.

In Afghanistan, Soviet invaders have increased their forces and the pace of their war of devastation.

In an unsuccessful assassination attempt on the President of South Korea, North Korean terrorists murdered four members of his Cabinet.

Great Britain and Argentina fought a war over the Falkland Islands.

Blood letting continues in Kampuchea.

In September '83 the Russians shot down a Korean airliner, taking 269 lives.

Recently, we were shocked by the murder in East Germany of Major Nicholson, who was carrying out his duties under an international agreement.

In October 1983, Soviet and Cuban aggression into the Southern Caribbean at Grenada was halted by the United States rescue operation to save American citizens.

The hijacking of TWA flight #847 in Lebanon is further evidence of how the scourge of terrorism threatens the peace and stability of the world.

The Soviet Union has made Cuba an arsenal in the Caribbean, and they are the principal supporter of arms going into Nicaragua.

The recent visit to the Kremlin by Daniel Ortega, a Marxist-Leninist ruler, is just further confirmation of the already overwhelming evidence of the Soviet connection.

Surely it must be perceived there is a growing threat to the collective security of the Hemisphere that warrants the modest request made by the President to aid those supporting freedom in Nicaragua.

As the Administration has stated, it is not advocating the overthrow of the communist government of Nicaragua—support for the Contras is to pressure that communist government to live up to the promises it made to the Organization of American States in 1979 when they promised the establishment of democratic processes in Nicaragua.

On the world scene, the conflict we are in, but did not choose, is a challenge of ideas and contrasting values.

What is at stake is personal freedom and liberty, the same stakes that Patrick Henry addressed in St. John's Church in Richmond. Governance in the 20th Century is a struggle between the free society and the police state. Do we choose our leaders or are they chosen for us?

What you do today makes a difference, just as what you once did to earn that Medal made a difference.

It is easy to become disillusioned, but you must keep your vision.

It is easy to become dissatisfied, but you must renew your spirit.

It is easy to become a cynic, but you must retain your sense of purpose.

It is easy to become selfish, but you must be willing to sacrifice.

It is easy to despair, but you must keep your hope.

We need to be reminded of Grant's perseverance when he said:

"I'll fight it out on this line if it takes all summer."

We must remember Lincoln's dedication and compassion when he observed:

"With malice toward none, with charity for all, with firmness in the right as God gives us to see the right, let us strive on to finish the work we are in."

Lincoln's work is not done.

In the Pentagon is the Hall of Heroes, a shrine honoring those who have been awarded this Medal. Although the design may vary slightly for the Medal of each Service, all represent "valor," a magnificent common virtue of those who have served the Nation so well.

From Washington we must strengthen our National Will and renew our sense of purpose. As we approach the Bicentennial of our great Constitution, let us remember the charge that Washington gave to those delegates when it appeared the Convention would fall into disarray because of regional and economic difference, as well as political philosophy. He charged the delegates with these words:

"Let us raise a standard to which the wise and the honest can repair. The event is in the hands of God."

Let us raise that standard today.

NONDEFENSE DISCRETIONARY ACCOUNTS IN DOT APPROPRIATIONS

BILL (H.R. 3244)

Mr. DOMENICI. Mr. President, on October 23 during Senate debate on H.R. 3244, the fiscal year 1986 Department of Transportation and Related Agencies Appropriation bill, an amendment was adopted to reduce nondefense discretionary appropriated programs in that bill.

A list of the nondefense discretionary programs in the bill was inadvertently omitted from the RECORD at that time, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

NONDEFENSE DISCRETIONARY ACCOUNTS IN THE DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATION BILL

National Alcohol Fuels Commission: Salaries and expenses, 48 1700 0 1 271.

DEPARTMENT OF TRANSPORTATION

Budget Committee Unspecified Changes, Rounding Plug, 91 9191 0 1 400.

Federal Highway Administration, Federal-aid highways (trust fund), 20 8102 0 7 401.

INTERSTATE COMMERCE COMMISSION

Salaries and expenses, 30 0100 0 1 401.

OTHER INDEPENDENT AGENCIES

Interstate Commerce Commission, payments for directed rail service, 30 0103 0 1 401.

Washington Metropolitan Area Transit Authority, interest payments, 46 0300 0 1 401.

DEPARTMENT OF TRANSPORTATION

Federal Railroad Administration, rail service assistance, 69 0122 0 1 401.

Federal Railroad Administration, Northeast corridor improvement program, 69 0123 0 1 401.

Federal Highway Administration, highway safety separation demonstration project, 69 0501 0 1 401.

Federal Highway Administration, access highways to public recreation areas on certain lakes, 69 0503 0 1 401.

Federal Highway Administration, auto pedestrian separation demonstration project, 69 0515 0 1 401.

Federal Highway Administration, motor carrier safety, 69 0552 0 1 401.

Federal Highway Administration, railroad-highway crossings demonstration projects, 69 0557 0 1 401.

Federal Highway Administration, waste isolation pilot project, 69 0562 0 1 401.

National Highway Traffic Safety Administration, operations and research, 69 0650 0 1 401.

National Highway Traffic Safety Administration, miscellaneous safety programs, 69 0651 0 1 401.

Federal Railroad Administration, office of the Administrator, 69 0700 0 1 401.

Federal Railroad Administration, railroad safety, 69 0702 0 1 401.

Federal Railroad Administration, grants to National Railroad Passenger Corporation, 69 0704 0 1 401.

Federal Railroad Administration, railroad research and development, 69 0745 0 1 401.

Federal Railroad Administration, commuter rail service, 69 0747 0 1 401.

Urban Mass Transportation Administration, administrative expenses, 69 1120 0 1 401.

Urban Mass Transportation Administration, research, training, and human resources, 69 1121 0 1 401.

Urban Mass Transportation Administration, interstate transfer grants-transit, 69 1127 0 1 401.

Urban Mass Transportation Administration, Washington metro, 69 1128 0 1 401.

Urban Mass Transportation Administration, formula grants, 69 1129 0 1 401.

Federal Railroad Administration, Alaska Railroad revolving fund, 69 4400 0 3 401.

Federal Railroad Administration, railroad rehabilitation and improvement financial funds, 69 4411 0 3 401.

Federal Highway Administration, intermodal urban demonstration project, 69 8001 0 7 401.

Federal Highway Administration, trust fund share of other highway programs, 69 8009 0 7 401.

National Highway Traffic Safety Administration, trust fund share of operations and research, 69 8016 0 7 401.

Federal Highway Administration, highway safety research and development, 69 8017 0 7 401.

Federal Highway Administration, highway-related safety grants, 69 8019 0 7 401.

National Highway Traffic Safety Administration, highway traffic safety grants 69 8020 0 7 401.

Federal Highway Administration, motor carrier safety grants, 69 8027 0 7 401.

Urban Mass Transportation Administration, discretionary grants, 69 8191 0 7 401.

Federal Highway Administration, miscellaneous appropriations, 69 9911 0 1 401.

Urban Mass Transportation Administration, miscellaneous expired accounts, 69 9913 0 1 401.

Federal Highway Administration, miscellaneous trust funds—highway, 69 9972 0 7 401.

OTHER INDEPENDENT AGENCIES

United States Railway Association, administrative expenses, 98 0100 0 1 401.

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration, operations, 69 1301 0 1 402.

Federal Aviation Administration, headquarters administration, 69 1302 0 1 402.

Federal Aviation Administration, facilities engineering and development, 69 1303 0 1 402.

Federal Aviation Administration, operation and maintenance, Metropolitan Washington airports, 69 1332 0 1 402.

Federal Aviation Administration, construction, Metropolitan Washington airports, 69 1333 0 1 402.

Federal Aviation Administration, aircraft purchase loan guarantee program, 69 1399 0 1 402.

Federal Aviation Administration, aviation insurance revolving fund, 69 4120 0 3 402.

Federal Aviation Administration, trust fund share of FAA operations, 69 8104 0 7 402.

Federal Aviation Administration, grants-in-aid for airports (airport and airway trust fund), 69 8106 0 7 402.

Federal Aviation Administration, facilities and equipment (airport and airway trust fund), 69 8107 0 7 402.

Federal Aviation Administration, research, engineering and development (airport and airway trust fund), 69 8108 0 7 402.

CIVIL AERONAUTICS BOARD

Salaries and expenses, 70 1226 0 1 402.

DEPARTMENT OF TRANSPORTATION

Coast Guard, operating expenses, 69 0201 0 1 403.

Coast Guard, acquisition, construction, and improvements, 69 0240 0 1 403.

Coast Guard, reserve training, 69 0242 0 1 403.

Coast Guard, research, development, test, and evaluation, 69 0243 0 1 403.

Coast Guard, alteration of bridges, 69 0244 0 1 403.

Saint Lawrence Seaway Development Corporation, 69 4089 0 3 403.

Coast Guard supply fund, 69 4535 0 4 403.

Coast Guard yard fund, 69 4743 0 4 403.

Coast Guard boat safety, 69 8149 0 7 403.

PANAMA CANAL COMMISSION

Operations and facilities, 95 5190 0 2 403.

DEPARTMENT OF TRANSPORTATION

Office of the Secretary, salaries and expenses, 69 0102 0 1 407.

Research and Special Programs Administration, research and special programs, 69 0104 0 1 407.

Office of the Inspector General, salaries and expenses, 69 0130 0 1 407.

Office of the Secretary, transportation planning, research, and development, 69 0142 0 1 407.

Research and Special Programs Administration, working capital fund, transportation Systems Center, 69 4522 0 4 407.

NATIONAL TRANSPORTATION SAFETY BOARD

Salaries and expenses, 95 0310 0 1 407.

ARCHITECTURAL AND TRANSPORTATION BARRIERS COMPLIANCE BOARD

Salaries and expenses, 95 3200 0 1 751.

Allowances for: 10 percent Administrative Savings, 99 1004 0 1 920.

Allowances for: 2087 Hours/Workyear: Nondefense, 99 1005 0 1 920.

Allowances for: 4 percent Work Force Attrition, 99 1007 0 1 920.

THE CABOT TRADE DECISION

Mr. BAUCUS. Mr. President, American companies face fierce competition from subsidized foreign companies. Our trade law ostensibly outlaw trade subsidies. Unfortunately, the U.S. Commerce Department has invented a loophole in our antisubsidy law, through which our foreign competitors have driven billions worth of lumber, petrochemicals, and other natural resource products.

A few weeks ago, the Court of International Trade issued a well-reasoned opinion reversing the Commerce Department's interpretation. I would like to briefly explain this decision, and its potential significance.

THE LEGAL FRAMEWORK

The basic GATT subsidy provision is article XVI:4, which proscribes subsidies that lead to the sale of exported products at lower prices than similar domestic products and thereby injure an industry. This provision is expanded and elaborated upon in the Subsidies Code, which proscribes not only export subsidies, but also domestic subsidies that "adversely affect the conditions of normal competition."

Neither GATT nor the Subsidies Code are self-executing. Instead, they must be implemented by U.S. trade law provisions that fit the GATT framework. In the subsidies area, Congress has more leeway than in other areas, because, as trade law expert Gary Hufbauer says, the GATT/Subsidies Code provisions "leave such a large gray area where nations have failed to agree on common rules."

The U.S. implementing law is the countervailing duty law contained in title VII of the Trade Act. This law proscribes certain "domestic subsidies," including "the assumption of any costs * * * of manufacture, production or distribution" for "a specific enterprise or industry, or group of enterprises or industries."

The key phrase is "a specific enterprise or industry, or group of enterprises or industries." This phrase, one court has noted, "is simply one of the phrases used to insure that the listed Government subsidies are covered in the widest possible range of circumstances * * *. Congress has covered the full range of possibilities, going from the subsidization of a single unit to all larger units, up to and including the entire productive sector."

The U.S. Commerce Department, however, believes otherwise. In the phrase "specific industry or group of industries," Commerce has divined a "general availability" requirement which, as Deputy U.S. Trade Representative Mike Smith recently described it, "marks the dividing line between permissible and impermissible subsidies."

For example, in one case, United States softwood lumber producers charged that the Canadian Provinces were subsidizing their lumber industries by providing timber cutting rights at substantially less than their fair market value. The Commerce Department, however, disagreed. Commerce held that benefits that were generally available throughout the exporting country's economy are not countervailable subsidies. Further, Commerce held that cheap cutting rights were generally available throughout the Canadian economy because they were nominally available to anybody that wanted them and were in fact used by a few industries besides the lumber industry—such as the furniture and paper industries. In a case involving Mexican natural gas, issued around the same time, Commerce issued a similar general availability holding.

Mr. President, these holdings were absurd. By inventing the general availability test and applying it so broadly that benefits provided to a handful of forest products industries are considered generally available, Commerce created a huge loophole in our countervailing duty law, to the detriment of U.S. industries.

Neither the Canadian lumber nor the Mexican natural gas decisions were appealed to the Court of International Trade. Shortly thereafter, however, the CIT did begin ruling on some similar cases. In Carlisle Rubber, the Court noted the need for some kind of test to protect general subsidies that most governments confer such as national defense, government-subsidized education and infrastructure, and sufficient public health and agricultural extension programs and held, accordingly, that there was a general availability test. In Bethlehem Steel, however, the court disagreed, holding that there was not.

THE CABOT DECISION

A few weeks ago another decision was issued, which begins to make some sense of the CIT's holdings. In Cabot Corp. the Court agreed that there is a general availability test, but that the Commerce Department has applied it too broadly. The Court said that:

The distinction that has evaded the [Commerce Department] is that not all so-called generally available benefits are alike—some are benefits accruing generally to all citizens, while others are benefits that when actually conferred accrue to specific individuals or classes. Thus, while it is true that a generalized benefit provided by government, such as national defense, education or infrastructure, is not a countervailable bounty or grant, a generally available benefit—one that may be obtained by any and all enterprises or industries—may nevertheless accrue to specific recipients. General benefits are not conferred upon any specific individuals or classes, while generally available benefits, when actually bestowed, may constitute specific grants conferred upon specific identifiable entities, which would be subject to countervailing duties.

The appropriate standard focuses on the de facto case by case effect of benefits provided to recipients rather than on the nominal availability of benefits.

Consequently, the Court remanded the case to the Commerce Department for reconsideration.

CONCLUSION

This decision makes good sense. As Gary Hufbauer says, "the general availability standard should be used sparingly to excuse only those incentives that in practice and design are used by a broad range of industries and geographic areas. Otherwise, the international community risks taking countermeasures against little subsidies while big subsidies run free."

Mr. President, the Commerce Department's broad general availability requirement has done exactly what Hufbauer warned against, thereby permitting Canadian lumber subsidies and Mexican natural gas subsidies to run free.

By reversing the Commerce Department, the Cabot decision restores our countervailing duty law to the scope Congress intended for this reason. I urge the administration to adopt the reasoning of the Cabot decision in any future countervailing duty litigation.

THE 10TH ANNIVERSARY OF PUBLIC LAW 94-142 AND THE IMPORTANCE OF S. 873

Mr. CHAFEE. Mr. President, in November we will celebrate the 10th anniversary of the Education for All Handicapped Children Act—Public Law 94-142. I am a cosponsor of Senate Concurrent Resolution 71 to commemorate this revolutionary law.

When this act was originally proposed it was subject to great debate and controversy. There was disagreement about many of the basic premises of the proposal. When I refer to the act as revolutionary, I do so with sincerity.

We are watching the first generation of handicapped children leave public schools after 10 years of education in what is known as the "least restrictive setting"—that is, whenever possible, handicapped and nonhandicapped children being educated together, each getting the education they need.

The 10th anniversary of Public Law 94-142 is indeed a time to celebrate our accomplishments, but it is also a time for us to reflect upon the changes that still must be made to ensure a better quality of life and widespread opportunities for the developmentally disabled.

Handicapped children have become accustomed to learning and playing with nonhandicapped children. Nonhandicapped children have grown to accept children with handicaps as friends and classmates. But Mr. President, we are in danger of eroding these achievements.

As handicapped children leave school at age 18 or 21, they are offered few options for remaining in their own communities—with their families and friends.

Although it has been shown that people with severe handicaps can live, learn, work, and play in the community, as they become young adults our system of funding the services they need forces too many people into segregated residential systems.

We have demonstrated in our educational process that severly handicapped people can be supported in the community given the properly supported environment. Public Law 94-142 provides this type of environment to students in the educational process.

It is time that we reform the Medicaid funding stream to offer the same level of support to promote lifelong integration of handicapped and nonhandicapped children and young adults throughout their lives. We must not allow the gains we have made through Public Law 94-142 to be lost due to a funding mechanism that allows support services only in the most restrictive settings.

I have offered legislation, S. 873, the community and family living amendments of 1985, that offers precisely the sort of reform this system needs. It is the logical follow up to Public Law 94-142.

My bill, offers many of the same types of reforms introduced in the educational field by Public Law 94-142. It calls for greater parental involvement in placement decisions, and formal due process procedures. My bill reforms Medicaid funding to encourage less restrictive residential settings, to allow handicapped and nonhandicapped children and adults to continue to live their lives together. My bill says that just as segregated schooling is unwarranted, so too are many of our segregated residential settings.

The community and family living amendments of 1985 offers those with disabilities the chance to receive those services in community settings, which is where so many of our citizens with disabilities live now, and want to stay.

So, Mr. President, while I join my colleagues in celebrating our achievements over the past 10 years, I also remind them that there is a great deal left to be done.

COMMEMORATING UNIVERSITY OF IOWA'S CENTER FOR THE ARTS 50TH ANNIVERSARY PROGRAM "TO IOWA WITH LOVE"

Mr. HARKIN. Mr. President, on November 15 and 16 the University of Iowa Dance Co. will celebrate the land, people, and spirit of Iowa in a program entitled "To Iowa With Love"—part of the commemoration of the 50th anniversity of the UI's Iowa Center for the Arts.

As we in the Senate begin the debate on the farm bill, we have been overwhelmed with facts and figures illustrating the depth and breadth of the farm crisis in Iowa and throughout the Midwest. What the numbers do not tell us, however, is of the pride and strength of the people of Iowa—of their determination and resolve to fight to save their lands and perserve their way of life.

I want to commend the University of Iowa—in particular, Lan-lan King, acting director of the UI Dance Program; Alicia Brown, director, UI Dance Co.; and Winston Barclay of the UI Arts Center Public Relations Office—for choosing the celebration of Iowa life as a timely and deeply significant theme for the anniversary program. Their efforts and commitment in putting together this expression of pride and hope are deeply appreciated.

KENNEDY CENTER CORPORATE FUND

Mr. McCLURE. Mr. President, I offer my heartfelt personal congratulations for the remarkable efforts undertaken on behalf of the John F. Kennedy Center by John R. Welch, Jr., chairman of the General Electric Co. and chairman of the 1985 corporate fund for the center. Mr. Welch and the 34 distinguished corporate leaders, who are serving as vice chairmen of the corporate fund, have raised an unprecedented $2,250,000 from America's corporations to help sustain the privately funded performing arts operations of Kennedy Center.

The Nation's business community has played an important part in the life of our National Cultural Center since its inception more than 25 years ago. Carrying on this tradition the cor-

porate fund was established in 1977 by a group of dedicated business leaders to help ensure that the corporate community played a continuing part in the growth and development of the center. Since that time, more than 400 corporations have helped to raise over $15 million to assist the Center's privately funded performing arts operations. Now in its eighth year, the center's corporate fund remains one of our Nation's outstanding models of private sector support for the arts. Unique at its inception, the corporate fund has spawned like-minded efforts throughout the business community on behalf of the arts in America.

The funds raised for the corporate fund have helped the center fulfill its national mission of bringing performances and artists to audiences around the country. This past year important performing companies like the San Francisco Ballet were featured in the Nation's Capital while new works for young audiences were enjoyed in more than a score of cities across America. On going private support needed to help make events such as these possible and to ensure that the Kennedy Center continues to flourish. I hope that my colleagues will join me in congratulating John F. Welch and his 34 cochairmen for their leadership of this important endeavor this year:

CHAIRMAN

John F. Welch, Jr., Chairman, Chief Executive Officer General Electric Company.

VICE CHAIRMEN

Samuel H. Armacost, President, Chief Executive Officer, BankAmerica Corporation.

Stephen D. Bechtel, Jr., Chairman, Bechtel Group, Inc.

Robert A. Beck, Chairman, Chief Executive Officer, the Prudential Insurance Company of America.

Bennett E. Bidwell, Executive Vice President, Office of the Chairman, Chrysler Corporation.

Theodore F. Brophy, Chairman, Chief Executive Officer, GTE Corporation.

Charles L. Brown, Chairman, AT&T.

James E. Burke, Chairman, Chief Executive Officer, Johnson & Johnson.

Donald F. Craib, Jr., Chairman, Chief Executive Officer, Allstate Insurance Group.

John J. Creedon, President, Chief Executive Officer, Metropolitan Life Insurance Company.

James H. Evans, Former Chairman, Union Pacific Corporation.

James L. Ferguson, Chairman, Chief Executive, General Foods Corporation.

John H. Gutfreund, Chairman, Chief Executive Officer, Phibro-Salomon.

Robert A. Hanson, Chairman, Deere & Company.

Henry H. Henley, Jr., Chairman, Chief Executive Officer, Cluett, Peabody & Co., Inc.

Edward L. Hennessy, Jr., Chairman, Chief Executive Officer, Allied Corporation.

Edwin K. Hoffman, Chairman, Chief Executive Officer, Woodward & Lothrop, Inc.

John J. Horan, Director, Merck & Co., Inc.

William R. Howell, Chairman, Chief Executive Officer, J.C. Penney Company, Inc.

Edward G. Jefferson, Chairman, E.I. DuPont de Nemours & Co., Inc.

F. Ross Johnson, Vice Chairman, Chief Executive Officer, Nabisco Brands, Inc.

David T. Kearns, Chairman, Chief Executive Officer, Xerox Corporation.

James L. Ketelsen, Chairman, Chief Executive Officer, Tenneco Inc.

William F. Kieschnick, Former President, Atlantic Richfield Company.

Charles F. Knight, Chairman, Chief Executive Officer, Emerson Electric Co.

Howard M. Love, Chairman, National Intergroup, Inc.

Ruben F. Mettler, Chairman, Chief Executive Officer, TRW Inc.

John R. Opel, Chairman, IBM Corporation.

Edmund T. Pratt, Chairman, Chief Executive Officer, Pfizer Inc.

James D. Robinson III, Chairman, Chief Executive Officer, American Express Company.

Andrew C. Sigler, Chairman, Chief Executive Officer, Champion International Corporation.

Roger B. Smith, Chairman, Chief Executive Officer, General Motors Corporation.

Rawleigh Warner, Jr., Chairman, Mobil Corporation.

Thomas H. Wyman, Chairman, Chief Executive Officer, CBS Inc.

SECRETARY

Harold Burson, Chairman, Burson-Marsteller.

INTEGRAL VISTAS

Mr. McCLURE. Mr. President, I want to take this opportunity to offer my congratulations to the Secretary of the Interior for his courageous action today in declining to issue a final list designating integral vistas. The Secretary will undoubtedly receive considerable criticism for his action, but I think he was correct both as a matter of law and as a matter of policy. I had previously written to both the Secretary asking that he not issue this list and to the Administrator of EPA requesting that the underlying regulations be rescinded. I ask unanimous consent that copies of those letters be included in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, if is so ordered.

(See Exhibit 1.)

Mr. McCLURE. Mr. President, as a matter of law, these regulations are not authorized. The legislative history of the Clean Air Act is unambiguous and the colloquies on this precise subject are clear. During consideration of that measure, I participated in a discussion with Senator Muskie in which he stated:

> The Senate accepted the House prohibition against the Administrator imposing any mandatory or uniform buffer zone around a Federal class I area in order to accomplish the purpose of section 128.

When EPA proposed the concept of integral vistas on December 2, 1980, it was an attempt to achieve by regulation what was never authorized and what was specifically rejected by the Congress.

As a matter of policy the Secretary is also correct. The national parks will not be left exposed to massive assaults. Our precious heritage will not be in jeopardy. In fact, the National Park System will be better protected without these designations. We will not have created by implication some artificial double standard that some parks have important vistas and others do not.

I have in the past actively participated in several measures which acquired lands to protect vistas where the lands being acquired had no resource potential other than the vista. The Chesterbrook tract at Valley Forge is perhaps the best example, but there are many others. I resent the implication which apparently is current in some circles that the Department of the Interior and the National Park Services does not care about our national parks. I resent the efforts to regulate to death the commitment and dedication of our park managers. The Federal land managers have ample tools at their disposal to protect the national parks and to fulfill the mandate of the 1916 Organic Act "to conserve the scenery and the natural and historic objects and the wildlife therein and to provide for the enjoyment of the same in such manner and by such means as will leave them unimpaired for the enjoyment of future generations."

Many of the visual threats which we have dealt with are at parks which would not be covered by any such list. Are we to assume that the vistas at those parks are not important? Are we going to substitute a totally ineffectual designation for the professional judgment of our park managers? Are we to allow the issuance of a list to lull us into some false sense of security or worse to have that list turn into some form of priority for future land acquisition whether or not there are any threats? Congress was right to reject the idea of such a list. I applaud the action of the Secretary in following the law and I call again on the Administrator of EPA to rescind these illegal regulations which would harm and not help the National Park System.

The Secretary is correct and I am glad that he did not take the easy approach and issue the list. He could have done so by proclaiming through a press release that the view from our parks was forever protected. He knew that would not be true. It would be false security and it could even serve to impede his efforts to protect other units. Secretary Hodel should be congratulated by all parties. The substitution of sophistry and meaningless lists for reasoned judgment and wise stewardship should never be allowed to happen.

EXHIBIT 1

U.S. SENATE,
Washington, DC, October 7, 1985.

Hon. DONALD P. HODEL,
Secretary of the Interior, U.S. Department of the Interior, Washington, DC.

DEAR DON: I am writing to express my strong objection to the Department of the Interior taking any action to identify "integral vistas" associated with national parks and other mandatory class I Federal areas, in supposed reliance on a 1980 Environmental Protection Agency regulation. For reasons set forth below, I believe the EPA regulations exceed the statutory authority provided by the 1977 Amendments to the Clean Air Act and are, therefore, unlawful. The Department of the Interior has no obligation to perpetuate this unlawful and expansive reading of the Clean Air Act by identifying integral vistas and I urge you not to do so.

As an active participant in the legislative debates on the 1977 Amendments to the Clean Air Act, I can assure you that there was no intent to protect "integral vistas". Indeed, I do not recall that phrase even being used in debates on the Senate bill, discussions with Members of the House of Representatives in conference or in final debates on the Conference Committee report.

It strikes me that, through its integral vistas regulation, EPA has created the type of limitation on economic development which Congress explicitly prohibited in the 1977 Amendments. Although not precisely a "uniform buffer zone"—which Congress explicitly prohibited in the 1977 Amendments—the effect of protecting a broad array of "integral vistas" around a large national park could have a similar economic effect. Since Congress balanced air quality and economic development in the 1977 amendments and decided to protect only very limited geographic areas (mandatory class I Federal areas), I submit it is improper for EPA to reach a different balancing conclusion by regulation and include "integral vistas" within the Air Act's protection.

I would also note that if there was any doubt that the concept of "integral vistas" was not included in the 1977 Amendments to the Clean Air Act, it was eliminated last year when Senator Hart of Colorado proposed an amendment to the Act which would have allowed states to issue PSD permits only where it could be determined that the facility would not cause "a significant impairment of visibility with the integral vistas." Although Senator Hart ultimately withdrew his proposed amendment due to opposition from both industry and environmental groups (Environment Reporter (March 9, 1984)), the critical point to be made is that the Hart amendment recognized that the concept of "integral vistas' is not currently included within the Clean Air Act.

How could there be such confusion on the absence of legislative support for the concept of integral vistas is beyond me. The plain language of Section 169A of the Clean Air Act not only does not refer to "integral vistas", but clearly specifies that visibility is to be protected "in" class I areas. Even so, some clever drafters convinced the EPA Administrator in 1980 that "because 'visibility' is a perceptual value and the perception occurs 'in' a (class I) area", Congress intended "integral vistas" associated with class I areas to be protected.

This is a creative interpretation, but not a convincing one. Refreshing my recollection through a review of the published legislative history, I am struck that there is not even support for the concept of integral vistas in Congress' deliberations. The original Senate bill (S. 252) did not contain a provision comparable to the current visibility protection section (Section 169A). The Conferees adopted, with modification, the visibility provision which had been included in the House bill (H.R. 6161). As explained in the Conference Report, the concern which prompted the House to add the visibility provision to the Act was the perceived need to reach "existing pollution in Federal mandatory class I areas from existing sources." Pollution from new facilities was to be addressed through the Prevention of Significant Deterioration (PSD) permit process.

In agreeing with the House to expand the protection for class I areas to reach existing sources of pollution, the Senate managers (of which I was one), did not intend to also expand the areas to be protected. This is clear both from the language of the conference report, which refers to "pollution in Federal mandatory class I areas", and from the Senate's debates. The Senate thought it was protecting visibility in enacting the PSD provisions of Section 165 and so indicated by giving Federal Land Managers "an affirmative responsibility to protect the air quality related values (including visibility) within a class I area. . . ." As Senator Muskie, the Manager of the Conference Report, stated:

"The purpose of nondegradation provisions is to protect the air quality values of the class I areas in this case. Most of these values are scenic."

The only additional protection provided by visibility language of Section 169A was the ability to reach existing sources.

As can be seen from the foregoing, the contemplated scope of the areas to be protected by the visibility section (169A) and the PSD provision (165) are the same. EPA has recognized in its rulemaking that the PSD provisions do not authorize the protection of integral vistas. If EPA is to be consistent in its reading of legislative history, however, it cannot find support in Section 169A for its "integral vistas" concept, either.

In sum, I find no support in eihter the Clean Air Act as written, or in the legislative history of the 1977 Amendments, which supports the EPA regulations protecting integral vistas. Accordingly, I am contemporaneously writing EPA to request that it proceed forthwith to rescind those regulations. I believe it is both unnecessary and inappropriate, Don, for your Department to proceed with identifying integral vistas based on EPA regulations of questionable lawfulness. I again urge you not to do so.

Sincerely,

JAMES A. MCCLURE,
Chairman.

U.S. SENATE,
Washington, DC, October 9, 1985.

Hon. LEE M. THOMAS,
Administrator, Environmental Protection Agency, Washington, DC.

DEAR LEE: In 1980, the Environmental Protection Agency (EPA) promulgated regulations protecting "integral vistas" associated with national parks and other mandatory class I Federal areas, purportedly in reliance on Section 169A of the Clean Air Act. These regulations required the Secretary of the Interior to identify any such integral vistas deserving of protection by December 31, 1985.

In a recent letter I wrote to Secretary Hodel (copy enclosed), I urged him not to identify any integral vistas before the December 31, deadline and thus allow the EPA regulations to go unimplemented. The basis of my request to the Secretary was that the underlying 1980 EPA regulations were unlawful, inasmuch as they are without support either in the language of the Clean Air Act or in the legislative history of the 1977 Amendments to the Act. To follow through on my position, I am writing you today to urge that you institute the necessary steps to rescind the 1980 EPA integral vista regulations, on the basis that they are unlawful.

My conclusion that the EPA regulations exceed the authority contained in the Clean Air Act follows from an analysis of the statute and its legislative history. As you know, Section 169A of the Act establishes as a national goal "the prevention of any future, and the remedying of any existing impairment of visibility in mandatory class I Federal areas which impairment results from manmade air pollution."

As the above-emphasized word makes clear, Congress intended in Section 169A to limit the protection of visibility to that contained in class I areas. There is no discussion in the section of "integral vistas" or language which even addresses the concept of "vistas" outside class I areas. This is consistent with other provisions of the 1977 amendments. For example, Section 165 of the Act assigns to Federal Land Managers "an affirmative responsibility to protect the air quality related values (including visibility) within a class I area. . . ."

Confronted with this consistent expression of Congressional intent to protect visibility values only in class I areas, EPA's regulation drafters sought support for their position in the legislative history of the 1977 Amendments of the Clean Air Act. However, I find no support for integral vista protection there, either.

As one of the Senate Managers in the Conference Committee which considered the 1977 Amendments, I can assure you there was no intention to reach "integral vistas" by promulgating Section 169A. Indeed, the Conferees understood the only difference between Section 169A (which was in the original House bill) and Section 165 (dealing with PSD permits) to be that the former was capable of reaching existing sources of pollution which were impairing visibility in national parks, whereas the latter was designed to reach new sources. There was no intention to make Section 169A broader in geographic scope than Section 165. Congress was keenly aware of the potential scope of these provisions in passing the 1977 Amendments, because of concerns which had been expressed that too expansive a program would be both expensive for the Federal government and have a detrimental impact on economic development. A concrete expression of these concerns is the prohibition on buffer zones contained in Section 169A(e) of the Act.

The above-expressed concerns were clearly expressed in an exchange I had with Senate Manager of the Clean Air Act Amendments, Senator Muskie:

Mr. MCCLURE. To provide an explicit understanding of the requirements of section 128 (169A) regarding visibility protection for Federal class I areas, I would like to ask the floor manager several questions. First, are the provisions of this section limited to only existing major stationary sources which cause or contribute to visibility impairment in Federal class I areas?

Mr. MUSKIE. Yes, the Federal interest is limited to existing sources which have been in existence 15 years or less. Visibility restrictions with regard to new sources would result under the provisions of section 127 (165), concerning prevention of significant deterioration.

Mr. McCLURE. Once a promise has been granted to a new source and the question of visibility has been considered as a part of air quality values under the significant deterioration provisions, could the source be subjected later to the requirements of section 128?

Mr. MUSKIE. It is my understanding that that was not the intent of the conferees.

Mr. McCLURE. With regard to citizen suits, the House bill prohibited such suits in order to compel attainment of the national goal by a specific date. Is my understanding correct that this provision was accepted by the Senate conference?

Mr. MUSKIE. Yes; your understanding is correct. And, the prohibition is specifically discussed in the statement of managers. In addition, the Senate accepted the House prohibition against the Administrator imposing any mandatory or uniform buffer zone around a Federal class I area in order to accomplish the purpose of section 128.

In sum, the entire concept of "integral vistas" is contrary to the careful balance which Congress struck in passing the 1977 amendments to the Clean Air Act. Although most of us clearly saw the need to protect the visibility qualities of our national parks, we understood the need for such protection to take place simultaneously with economic development. For EPA to have cited Congress' statements regarding the need to protect "vistas" and "panoramas" in our national parks as support for the integral vistas regulations, while ignoring Congress' concerns about stifling economic development in the process, constitutes an improper attempt by EPA to reformulate a balance already struck by Congress.

Because EPA's 1980 regulations lack support either in the Clean Air Act or in the legislative history of the Act, I submit that they were promulgated without lawful authority. To correct this error, which has created great confusion and consternation among many westerners, I urge you to rescind the integral vistas regulation. The regulations to be rescinded include, without being limited to, the following sections of Title 40 of the Code of Federal Regulations: 51.301(n), 51.302(b)(1)(i), 51.304, 51.306(b)(7), and 51.307(b)(1).

I believe it would be far wiser for EPA to now admit the error of the integral vista regulations and—on its own initiative—rescind such regulations, rather than await the almost-certain lawsuits which will follow any identification of integral vistas by the Department of the Interior. In so rescinding these regulations, you will be bringing EPA into conformance with both the plain language of the Clean Air Act and Congressional intent.

Sincerely,

JAMES A. McCLURE,
Chairman.

THE LIVE-AID CONCERTS

Mr. SPECTER. Mr. President, on July 13, 1985, a group of very talented and dedicated individuals came together with one mission: Famine relief for those suffering in Africa and in the world.

Those who performed at the Live-Aid Concerts in Philadelphia and London did so without reimbursement. Neither did the large number of people who worked behind the scenes in making this incredible project the huge success that it became.

Recently, the Congress awarded a special commendation to Bob Geldof, the Irish musician whose idea called "Band-Aid" has been the genesis of all of the recent "Aid" concerts. However, in singling out Mr. Geldof, we have overlooked many other individuals who volunteered their valuable time and resources for this magnificent happening.

At this time, Mr. President, I would personally like to recognize Messrs. Larry Magid and Allen Spivak, owners of Electric Factory Concerts in Philadephia, who coproduced "Live-Aid" along with Mr. Bill Graham of San Francisco.

These gentlemen are representatives of the entertainment industry which pooled its talents and came up with the biggest musical event in history. The problem they addressed was far larger than the pictures we all saw on television. Their work clearly represented the spirit of generosity and brotherhood that, unfortunately, does not occur many times until a situation has become too grave to address. However, these gentlemen, and the wide and varied talent that they attracted, donated their time unselfishly to help in some way stop a bad situation from getting worse. Their spirit transcended hunger and political issues and addressed in human terms all our hopes of living together in peace on this planet.

I applaud Messrs. Magid, Spivak, and Graham and the many other generous men and women, who contributed their time and effort, for their fine work. It is their wish that they be given nothing in return for their efforts in making "Live-Aid" a success; it is my desire that they gain the necessary recognition among my colleagues in the U.S. Congress that they so deserve.

CONCLUSION OF ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

BUDGET ACT WAIVER

Mr. HELMS. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Senate Resolution 235, Calendar No. 344.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 235) waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 1714.

The Senate proceeded to consider the resolution.

Mr. HELMS. Mr. President, I urge the Senate to adopt Senate Resolution 235 so that the Senate may proceed to the consideration of S. 1714, the Agriculture, Food, Trade, and Conservation Act of 1985, a bill to expand export markets for U.S. agricultural commodities, provide price and income protection for farmers, assure consumers an abundance of food and fiber at reasonable prices, continue food assistance to low-income households, and for other purposes. Senate Resolution 235 would waive the provisions of section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 1714.

The waiver of section 402(a) is necessary to permit consideration of various statutory authorities, including those to extend the Dairy Indemnity Program, the Food for Peace Program, the Food Stamp Program, various research and extension programs, and other programs.

S. 1714 extends for 4 years the basic legislation for almost all of the Nation's major farm commodities, as well as extending the authorizations for appropriations for many of the programs mentioned above.

The delay in reporting S. 1714 was occasioned by the complexities of developing legislation to meet the special needs of agricultural producers. The committee deliberations on S. 1714 were especially lengthy because of this.

While I believe that the bill should be amended to bring it into line with the budget resolution assumptions for agriculture and to make certain policy changes, it is important that we pass a bill so that the farm and other programs in the legislation may be continued.

Therefore, I urge adoption of the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 235) was agreed to, as follows:

S. Res. 235

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of S. 1714, the Agriculture, Food, Trade, and Conservation Act of 1985, a bill to expand export markets for United States agricultural commodities, provide price and income protection for farmers, assure consumers an abundance of food and fiber at reasonable prices, continue food assistance to low-income households, and for other purposes.

The waiver of section 402(a) is necessary to permit consideration of statutory authority to extend the Dairy Indemnity Program; the Food for Peace Program; the Food Stamp Program; various research and extension programs; and other programs.

S. 1714 extends for four years the basic legislation for almost all of the Nation's

major farm commodities, as well as extending the authorizations for appropriations for many of the programs specified above. The delay in reporting S. 1714 was occasioned by the complexities of developing legislation to meet the special needs of agricultural producers.

AGRICULTURE, FOOD, TRADE AND CONSERVATION ACT OF 1985

Mr. HELMS. Mr. President, I move that the Senate now proceed to the consideration of the farm bill, S. 1714.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from North Carolina.

The motion was agreed to.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 1714) to expand export markets for United States agricultural commodities, provide price and income protection for farmers, assure consumers an abundance of food and fiber at reasonable prices, continue food assistance to low-income households, and for other purposes.

The Senate proceeded to consider the bill, which was reported from the Committee on Agriculture, Nutrition, and Forestry.

Mr. HELMS. Mr. President, this legislation provides for the authorization, with modifications, for virtually all of the farm commodity programs and activities of the U.S. Department of Agriculture. In addition, the legislation reauthorizes the Food Stamp Program and various research and extension programs of the USDA.

Because the food and agriculture section is the largest single component of the U.S. economy, comprising about 20 percent of the gross national product, this bill will have a direct impact upon every American. And, because the United States is the world's largest exporter of agricultural commodities and products, the decisions Congress makes on this bill will have global impact. It is not an exaggeration to say that this legislation will have more impact on food and agriculture policy worldwide than any action taken by any government anywhere for the rest of this decade and probably the rest of this century.

Mr. President, I regret it is not possible for me to say that this particular farm bill will prove positive and helpful to farmers, consumers, and taxpayers, certainly not as it now stands. Indeed, in the opinion of this Senator, this bill has several major flaws that result in it not being sound farm policy. Very frankly, it offers little hope for recovery in the U.S. agricultural economy. In addition, it is unnecessarily costly, exceeding the budget resolution assumptions for Farm Commodity Program spending by $8.9 billion over 3 years by the calculation of the Congressional Budget Office and by more than $19 billion by what is recognized as the more accurate calculation of the U.S. Department of Agriculture. These immense and unnecessary cost overruns will have a negative impact on every American, and upon heavily indebted farmers in particular. For these reasons, with all due respect to those who disagree with me—and I do respect them—it is my intention—and I think the intention of other Senators as well—to offer corrective amendments at the appropriate time.

I will get to my specific intentions in that regard a little later. But first let me say that despite what I regard as serious flaws, this bill does have much to commend it to the Senate.

The Senate Committee on Agriculture, Nutrition, and Forestry put extraordinary effort into this farm bill, spending almost 4 months in markup, plus more than 3 months in hearings and other preliminary efforts. There is no member of the committee who has not contributed significantly to this bill. It is a tightly drawn and carefully constructed document that makes many improvements in current law in a number of ways.

In addition to providing for farm commodity programs, the bill reauthorizes and improves the Food Stamp Program and other feeding programs. It has a strong and effective trade title, with a number of new policy instruments for the Secretary of Agriculture to use to expand U.S. agricultural exports and to improve our foreign food assistance programs. The conservation title is strong and effective. Indeed, the conservation title makes this bill the most far-reaching piece of environmental legislation likely to be considered by the 99th Congress.

Mr. President, I shall take a few minutes to describe in the briefest way the principal features of this legislation. In addition, I shall include at the end of my remarks a detailed summary of major provisions of the bill.

Senators who wish further information about what is in the bill, or the committee's intentions and rationale for including specific provisions, or background data on the agricultural sector, may refer to the committee report on the bill, Report No. 99-145. I thank the staff of the Agriculture Committee for the excellence of their work on the report, and commend it to anyone who has an interest in agricultural policy.

For the moment, I shall pull a few threads from the fabric of what is in this farm bill, and conclude with a detailed critique of the legislation.

AGRICULTURAL EXPORTS

This title recognizes that U.S. farmers must export to prosper, it expands and extends instruments of export policy, with the specific intention of encouraging agricultural exports generally, of combating the predatory practices of our competitors in overseas markets, and in reforming and expanding the food assistance America extends to other nations.

First, the bill expands the Intermediate Credit Program and authorizes the guarantee of loans in the amount of $1 billion annually for periods of 3 to 10 years. The bill also requires the Commodity Credit Corporation to make available short-term export credit guarantees in the amount of at least $5 billion annually for 4 years.

Second, to combat predatory practices of foreign competitors, the bill requires the Secretary of Agriculture to use at least $325 million annually for 3 years to directly assist in the export of U.S. commodities adversely affected by the price or credit subsidies or unfair marketing arrangements used by other countries. And, to add to the U.S. arsenal, the Secretary is required to sell for export at least 150,000 tons of CCC-owned diary products annually for 3 years. Finally, the bill requires the Secretary to use at least $2 billion of CCC-owned commodities to enhance and encourage export sales of U.S. agricultural commodities during fiscal years 1986 through 1988.

To further assure that the United States gets the "biggest bang for the buck" in encouraging export sales, the bill exempts all export enhancement programs, except Public Law 480 programs, from cargo preference requirements.

And, the committee bill makes a fundamental reform in U.S. foreign food assistance by requiring that foreign payments for commodities provided on concessional terms under title I of Public Law 480 be paid partially in local currencies that are then to be made available for loans to finance private enterprise investment within developing countries. And, the bill authorizes the President to donate up to 500,000 tons annually of CCC commodities under a new Food and Process Program to promote private free enterprise policy and development in recipient countries.

The title II Donation Program under Public Law 480 is expanded by increasing the minimum to be distributed purposes from 1.7 to 1.9 million metric tons per year for 2 years, plus other reforms to permit easier distribution of such concessional sales. On top of all that, the bill broadens the authority of the Secretary to distribute under section 416 of the Agricultural Act of 1949 all agricultural commodities acquired by the CCC. At present, the Secretary is authorized to donate to foreign people only wheat and dairy products. Under this bill, he can give them honey, corn, sorghum, barley, rice, soybeans, and all the rest.

Finally, the export title is capped off by requiring the President to designate a special assistant for agricultural

trade and aid to assist and advise the President on U.S. foreign food assistance and export programs.

DAIRY

Mr. President, the dairy title of the committee bill recognizes that the present Diary Program is too costly and encourages a massive and unacceptable surplus production of milk. The Diary Program established in the bill would allow production to adjust to the size of the actual market by providing that the Government purchase price will be adjusted in accordance with demand, as reflected in estimated net purchases of milk and milk products by the Commodity Credit Corporation. This would be predictable, long-term, and readily understandable so that dairymen can better make production decisions.

Specifically, the bill would maintain the present Government milk purchase price at $11.60 per hundredweight through calendar year 1986. On January 1, 1987, the Government purchase price would be adjusted downward by 50 cents if the Secretary estimated surplus removals for 1987 would exceed 5 billion pounds milk equivalent. On January 1, of succeeding years, the Secretary would be required to drop the Government purchase price $1 if purchase estimates exceed 10 billion pounds. The Secretary would be required to reduce the purchase price by 50 cents if Government purchase estimates were between 5 and 10 billion pounds. And, the Secretary would be authorized to raise the purchase price if estimates for Government purchases are 2 billion pounds or less.

In my judgment the committee bill is defective in that there is no sense or justification in waiting until January 1, 1987 for the purchase price to be reduced. There ought to be at least one 50-cent reduction in 1986. In fact, two such adjustments in 1986 are called for by the huge and unwarranted level of Government purchases at this time. The excessive Government purchase prices are inducing increased investment in the dairy industry—cow numbers are increasing—at a time when the Government surpluses have never been higher. This situation is so incredible, that, as the distinguished majority leader has often said, even the cows are laughing. But the taxpayers aren't laughing. They are being taken to the cleaners.

WOOL AND MOHAIR

Mr. President, this title of the committee bill extends the present Direct Payment Program for producers of wool and mohair, continuing the support price level at 77.5 percent of an amount determined under the current statutory formula. This direct payment is too high in relation to the market price, but at least there is no massive surplus of wool in Government warehouses. Perhaps it is for that reason that the committee did not adjust the amount of subsidy paid to each wool producer for each pound of wool.

However, as there are presently a relatively small number of wool producers receiving incredibly large payments, the committee decided to establish a payment limit of $50,000 per individual producer in 1986 and subsequent years. No doubt this will upset the fellow in California who received $564,000 last year, and the 323 others who received amounts between $50,000 and $200,000. But it will have no impact on the approximately 95,000 other producers who received between $1 and $50,000. I should note that only 569 wool producers would be affected if payments were limited to $25,000—the median average annual income for American families.

WHEAT, FEED GRAINS, COTTON, AND RICE

Mr. President, wheat, feed grains, cotton, and rice are what we call the principal program commodities. For each of these crops the committee bill establishes a somewhat complex panoply of price support programs which have three principal features: First, nonrecourse commodity loans—which means loans the farmers have the entitlement to pay back—it is the Government that has no recourse in this matter—by forfeiting the commodity to the Government; second, target prices and deficiency payments—which means direct subsidy income transfers paid to farmers on the basis of how many bushels, pounds, or hundredweights each produces; and third, production controls designed to reduce the number of acres a farmer may use to grow a particular program crop.

The purpose of these programs is to provide a measure of stability in the agricultural sector, thereby increasing the opportunity for farmers to derive fair and reasonable profits from the marketplace. In short, the aim of Federal farm programs is to introduce elements of predictability into the inherently unpredictable business of farming. It is my assessment that these programs fail miserably, because they have become so excessive as to operate in perverse and counterproductive ways. But more about that later.

The committee bill is quite detailed in these matters and I refer those interested to the summary of major provisions for a precise listing of every provision. The highlights are these:

WHEAT

For the 1986 crops the loan rate is established at $3 per bushel; thereafter it is set at between 75 and 85 percent of the average price received by producers during the immediately preceeding 5 marketing years, excluding the high and low years. But, the loan rate may not be reduced more than 5 percent in any one year.

The Secretary is authorized to reduce further the loan rates by not more than 20 percent if the average market price in the previous marketing year is not more than 110 percent of the loan rate for that year. This is often called the Findley provision.

The committee bill provides for the establishment of marketing quotas for wheat if approved by producers in a referendum. The committee bill requires a referendum to be conducted if 50 percent of wheat farmers request it in a poll to be conducted by April 1986. If 60 percent of the producers approve of marketing quotas in the referendum—to be conducted by August 1, 1986—marketing quotas would be in effect for the 1987 through 1989 crops. If marketing quotas are in effect, the loan rate for wheat would be the higher of 75 percent of the national average cost of production or $3.55 per bushel. Target prices, if marketing quotas are in effect, would be the higher of the national average cost of production or $4.65 per bushel.

A so-called marketing loan is required for wheat. Under this provision, the Secretary is required to permit the repayment of nonrecourse loans at the lower of either the original loan rate or the higher of one of three other measures: First, 70 percent of the original loan rate; second, if the loan level is reduced using the so-called Findley provision, 70 percent of the loan rate that would have been in effect but for such a reduction; or third, the prevailing world market price.

The establishment of the basic loan rate on a formula that is below market clearing levels is commendable, and constitutes a significant reform in Federal farm policy. The limitation of any adjustment to no more than 5 percent per year is not a good idea, as it will simply lengthen the time it will take for the United States to become price competitive again. But, still, putting the loan rate on a market oriented formula will make this bill historic, and is sufficient in and of itself to cause this bill to be regarded as a major reform bill.

If the Secretary is actually able to use the so-called Findley provision, the bill will be much improved. However, the target prices are so high that it is not likely that the administration will ever permit the use of this provision to help U.S. crops become more competitive. Because the subsidies are paid on the spread between the higher of the loan rate or the market price and the target price, the budget exposure would simply be too great to expect the employment of this additional instrument in the Secretary's Nonrecourse Loan Program authority.

Target price subsidies—called deficiency payments—are required to be made for eligible production using the same formula as under current law. However, one important reform—at

least as far as in limiting the impact of the tremendous incentive to produce surplus crops just to get a subsidy payment—is that producers would not be required to plant more than 50 percent of their acreage base in order to qualify for these payments on all of their acreage they are permitted to plant.

For wheat, the payments per bushel are increased from the present level of $4.38 per bushel for all production to $4.55 per bushel for the first 20,000 bushels—only 15 percent of the farmers produce more than this—and $4.00 per bushel for all the rest. This has the effect of increasing the average payment per bushel to $4.50. Target prices are then frozen in this way for 4 years.

Production controls are authorized in the form of acreage limitations on set-asides with a maximum limitation of 20 percent of the wheat acreage base. Haying and grazing in 1986 and grazing for the life of the bill is authorized on the acreage required to be devoted to conservation uses, and would be permitted at the option of a State ASC committee. And, the bill authorizes paid land diversions.

Because of possible market price movement below loan levels from the use of the marketing loan, increased producer participation in the farm commodity programs is expected. Increased participation will increase outlays associated with disbursing commodity loans and deficiency payments. The committee bill provides two new payments to induce producers to forgo use of the Nonrecourse Loan Program or to forgo both the use of the Loan Program and the receipt of deficiency payments but to comply with 50 percent of any Acreage Reduction Program. In both cases, the Secretary would be authorized to make payments—in the second situation they would be payments-in-kind subject to availability of the commodities—in amounts equal to the amount by which the original loan rate exceeds the level at which the loan may be repaid multiplied by the amount of wheat the producer is otherwise eligible to place under loan.

FEED GRAINS

The same programs as for wheat are provided for feed grains, except that there is no authority for marketing quotas for feed grains. The corn loan rate is established at not less than $2.40 per bushel for 1986. For succeeding years the same formula and limitations would be used as those for wheat.

The deficiency payments would use the same formula as current law, except that producers would not be required to plant more than 50 percent of their base in order to qualify for such payments. The target price for corn is set, and frozen for 4 years, at $3.03 per bushel.

The production control programs would be limited to a maximum of 15 percent of a farmer's acreage base.

COTTON

The committee bill requires the Secretary to make available nonrecourse loans for a term of 10 months for upland cotton. For the 1986 crop, the loan level would not be less than 55 cents per pound. For succeeding years, the loan level would be the higher of: First, 85 percent of the average spot market price during the 3 years of the previous 5-year period, with the high and low years excluded; or second, 50 cents per pound. The loan level may not be reduced by more than 5 percent per year. I believe that the 50 cents minimum loan level may prove to be too high. If this occurs, cotton production worldwide will increase, to the detriment of U.S. cotton producers.

A modified marketing loan is provided for as the Secretary is required to permit repayment of loans by producers at the lower of the original loan rate or at the prevailing world market price, with certain limitations that reduce the Government's exposure to no more than 20 percent of the original loan rate.

As in the wheat and feed grains, titles the Secretary may make payments to producers who agree to forgo obtaining loans and to producers who forgo obtaining loans and receiving deficiency payments.

Target prices are established at 81 cents per pound, and are frozen at that level for 4 years. As in wheat and feed grains, producers are not required to plant more than 50 percent of their acreage base in order to qualify for such payments. I have visited with scores of cotton farmers in recent months. Not a single one has failed to mention that the cotton target price is far too high. Sound agriculture policy demands it be reduced, but more about that later.

Both acreage limitations and set-aside production controls are authorized, with maximum limitation of 20 percent. Land diversion payments are also authorized.

RICE

The loan rate for rice is established at not less than $7.20 per hundredweight for the 1986 crop. The adjustment in subsequent years would be on the same basis as for cotton, but the minimum loan level is established at $6.50, with no more than a 5 percent per year reduction permitted.

A modified marketing loan is required, with the loan repayment level at 70 percent of the loan rate or the prevailing world market price, whichever is higher.

As in the other program commodities, the Secretary is authorized to make payments to producers who agree to forgo obtaining loans in return for such payments and to producers who forgo both obtaining loans and receiving deficiency payments.

Deficiency payments are established at $11.90 per hundredweight and are frozen at that level for 4 years. Producers would not be required to plant more than 50 percent of their base in order to qualify for such payments.

Production controls, acreage limitations and set-asides, have a maximum limitation of 35 percent of the rice acreage base.

MISCELLANEOUS PROVISIONS

Mr. President, in addition to the several program instruments already described for each of the program commodities, there are a number of other features of farm programs which apply to all crops, generally.

The bill maintains the present $50,000 payment limit and the $100,000 disaster payment limit. Of course, there are many exclusions and loopholes in this, and I hope the Senate will tighten this provision up. In fact, I see little justification for a payment that is double the median average annual income for American families, particularly when it is clear that farmers, as a class, have greater wealth and incomes than other Americans. But, again, more about that later.

In addition there are a number of other miscellaneous provisions that are similar to provisions contained in previous farm bills. These include authority to make advance deficiency payments, restrictions on the resale of Government commodities, and authority to require producers not to exceed their normally planted acreage if a set-aside is in effect.

And, the bill requires the establishment of beef and pork promotion programs financed by assessments on producers.

SOYBEANS

The committee bill continues the current Soybean Program with a loan level equal to 75 percent of the average price received by farmers during the preceding 5 years, excluding the high and low years, except that it may not be less than $5.02 per bushel.

Further, the bill prohibits acreage control programs being applied to soybeans.

Mr. President, the Soybean Program is the model of what a farm program should be. There are no target prices, and no massive inducements for surplus production. If every commodity program had been structured on the soybean model, there is no question that agriculture in America would be much stronger today. Our foreign competitors would be virtually nonexistent. We would still be in the golden era of the late 1970's as far as commodity prices and export markets. The committee is very wise indeed not to have tampered with the Soybean Program.

PEANUTS

The committee bill continues the current Peanut Program with certain modifications to make the program more accessible to farmers who wish to produce peanuts. The national poundage quota is continued at a minimum of 1.1 million tons annually, and can be increased annually by an amount the Secretary estimates that domestic uses of peanuts would exceed the quota. The two-tier system of "quota" and "additional" peanuts is continued. The Peanut Program operates without payments and subsidies to producers, and has virtually no cost to the taxpayers.

SUGAR

The committee bill continues the current program with a price support loan level of 18 cents per pound. The Secretary may make annual adjustments in the support prices based on changes during the 2 immediately preceding crop years.

HONEY

The committee bill sets the 1986 loan level at not less than 65.3 cents per pound. For the 1987 and subsequent crop years, the loan would be the higher of 85 percent of the average price received by farmers during the 5 preceding years, excluding the high and low years, or 50 cents per pound. The loan level could not be reduced by more than 5 percent in any one year.

As in the other nonrecourse loan programs, the bill allows the Secretary to permit the repayment of loans at levels less than the amount extended to the producer if the Secretary determines that such lesser payment is desirable. And, the Secretary may make payments to producers who agree to forgo obtaining nonrecourse loans in the first place.

FOOD ASSISTANCE RESERVE

The committee bill repeals present authority for the farmer-owned reserve for wheat and feed grains, the food security wheat reserve, and other reserves. In place of these, the Secretary is authorized to establish a food assistance reserve of up to 500 million bushels of wheat and feed grains for humanitarian purposes.

CONSERVATION

Mr. President, the conservation title is one of the most significant and important features of this farm bill. It provides that no Federal subsidies will be paid to farmers who employ unsound conservation practices generally, and specifically includes sodbuster, swampbuster, and cross-compliance provisions that prohibit eligibility for farm programs for those farmers who produce crops on highly erodible land or converted wetland.

In addition, this title establishes a Conservation Acreage Reserve Program of between 25 and 30 million acres of erosion-prone land. At least 10 million acres must go into the reserve in the 1986 crop-year, another 10 million acres in 1987, and an additional 5 million acres by the close of crop-year 1989. The Secretary is provided authority to enter into long-term contracts with producers for 7 through 15 years to make payments to put erosion-prone cropland into the reserve and convert it to less intensive uses.

One of the great tragedies of the massive subsidies paid to farmers on the basis of the maximum number of bushels, pounds, and hundredweights they can manage to produce has been the abuse of the Nation's soil and water resources. While this bill generally continues these current subsidies, these conservation provisions at least provide that the damage done by the farm programs to the soil and water resources will be greatly diminished. I commend the committee for adopting all of the proposals I recommended in this regard.

RESEARCH

Mr. President, this bill extends the current agricultural research, teaching, and extension programs. It authorizes the Secretary to enter into cooperative agreements with private agencies, organizations, and individuals on a cost-sharing or cost-reimbursement basis for the development of new agricultural technology, and makes USDA the lead agency for promoting and managing the appropriate development and regulation of biotechnology in agriculture.

CREDIT

The committee bill consolidates the Farmers Home Administration farm ownership and farm operating loan programs into one leading program with an authorization of $4 billion annually for fiscal years 1986 through 1988, apportioned as follows: fiscal year 1986—$2 billion for direct loans, $2 billion for loan guarantees; fiscal year 1987—$1.5 billion for direct loans, $2.5 billion for loan guarantees; fiscal year 1988—$1 billion for direct loans, $3 billion for guarantees.

In addition, the committee bill requires the Secretary to establish a 3-year interest rate buydown for FmHA-guaranteed-loans, funded at a level of $490 million over 3 years. Eligible guaranteed loan borrowers can receive up to a 2-percent buydown.

Also, the committee encouraged participation in the Federal Crop Insurance Program by restricting access to the Emergency Disaster Loan Program to eligible producers who have suffered physical losses and eligible producers who do not have access to Federal crop insurance.

FOOD STAMPS

The Food Stamp Program is reauthorized for 4 years. The committee made the following changes in the food stamp and commodity distribution statues:

Each State would be required, for the first time, to set up an employment and training program for able-bodied food stamp recipients. States would be provided flexibility to design their own programs, including the number of work-related options—workfare, job training, job finding clubs, and so forth—to provide that an increasing percentage of recipients are involved in such work-related activities. This provision would ultimately require that 45 percent of able-bodied recipients pa9ticipate in such programs.

State and local governments would be prohibited from charging sales taxes on food stamp purchases. Elimination of this practice will increase the purchasing power of food stamp recipients in States that currently have State or local sales taxes on food stamp purchases and eliminate the indirect Federal subsidies to those governments currently taking place through the Food Stamp Program.

States would be given greater incentives for reducing over issuance errors in the Food Stamp Program by the imposition of a strengthened sanctions system for such errors. States that fail to reduce errors below 5 percent would be required to reimburse the Federal Government for an increasing percentage of such errors.

Recipients of energy assistance payments would not be allowed to claim the portion of their energy bills paid by such payments in calculating eligibility for the excess shelter cost deductions.

Income from programs under the Job Training Partnership Act would be counted as income for food stamp purposes, thereby improving compatability with the AFDC Program.

The committee also continued the Temporary Emergency Food Assistance Program, which provides surplus commodities to low-income Americans, for 2 years. Beginning in January 1986, the Federal Government will require matching of administrative costs by the States on a dollar-by-dollar basis, up to a maximum of $50 million Federal costs. For the past 2 years, the Federal Government has not required that a State match the $50 million of Federal funds used to pay State and local commodity distribution costs.

These program reforms are significant, and I commend the committee for adopting them. However, in at least two areas of the Food Stamp Program, the committee approved bill is deficient, and I shall attempt to modify it at the appropriate time.

First, there are 17 States that have indicated an interest in considering an optional block grant for food assistance programs for the needy. The welfare lobby in Washington wants to keep the focus and control of the program centralized so they can better

manipulate it to suit their own purposes. I happen to believe that the poor and hungry can often be better assisted by programs that have diversity, flexibility, and the opportunity for innovation and enterprise. I hope the Senate will agree and join me in permitting an optional block grant to the States for this purpose.

Also, there is now no incentive for States to manage the program in a fiscally responsible way. It is estimated by USDA that about 10 percent of the total food stamp budget is erroneously distributed to people who are not eligible. Of course, this simply makes limited Federal resources achieve less good for those most truly in need. I believe the committee food stamp provisions should be modified to provide for error rate sanctions for those States that do not meet the same standards in the Food Stamp Program that they must meet for other welfare programs such as AFDC. If they can meet it for AFDC, they can meet it for food stamps. This amendment would not reduce benefits by one dime to those Congress intends to be eligible and it will require the States to be more fiscally responsible.

ANALYSIS OF THE BILL AND CHANGES NEEDED

Mr. President, at the outset of deliberations on the 1985 farm bill, I urged the Committee on Agriculture, Nutrition, and Forestry to report a bill that would correct the mistakes in current farm policy and set our sights toward bringing about recovery in the agricultural economy.

It is with regret and no satisfaction that I felt obliged to go on record as the first chairman of the Senate Agriculture Committee to vote against a farm bill. The bill reported by the committee is not sound farm policy and offers no hope for recovery in the U.S. agricultural sector. Moreover, the bill exceeds the budget resolution by $8.9 billion, by the calculation of the Congressional Budget Office—and by what is recognized as a more accurate estimate by the USDA of $19.1 billion. Obviously this bill is totally unsatisfactory to anyone believing, as I do, that Congress has a duty to restore fiscal sanity to the cost of operating the Federal Government.

While my greatest objection is: First, the failure of the policy instruments; and second, the counterproductive impact they will have on the agricultural sector, it will be perilous to the Nation if we ignore the damage that will be done to the entire economy if the Senate does not agree to make this farm bill conform to this budget resolution.

What will happen to the entire budget process if every committee were to exceed the budget by such enormous amounts? What will happen to the general economy if Federal deficits are permitted to grow by these incredible amounts?

Less than 20 percent of the $54 billion in benefits and subsidies provided in this farm bill are directed to farmers who are experiencing financial distress. Yet, it is the relatively high degree of financial distress that is the only justification offered by the proponents of these tremendous otlays for farm subsidies. With all due respect, such justification falls into the category of false pretense.

My point is this: The Senate can, and should adopt a farm bill that is sound farm policy, one that does conform to the budget resolution. It is my hope that Senators will consider carefully amendments that I and others will offer to correct the mistakes in this bill. If efforts to reform the failed policies of the past, and to conform the bill to the budget resolution, are successful, the recovery that is so desperately needed by farmers can get underway. If we fail to do our duty, and if the 1985 farm bill ends up continuing the mistakes of the past, the farm economy is certain to continue a downward spiral.

FAILURES OF THE PAST AND PRESENT

Past and present U.S. agricultural policies have contributed markedly to a downward spiral in the farm economy. In the period from 1981 to 1984, real net farm income declined 27 percent from the previous 4-year period, while direct Government payments increased over 350 percent. At the time the 1981 farm bill was enacted, it was estimated to have a 4-year cost of $11 billion. In fact, outlays under that act will have exceeded $63 billion, almost 600 percent more than projected.

These massive increases in Federal outlays for agriculture over the past 4 years have demonstrated that the answer to the farm problem isn't more and more Government spending distributed indiscriminately. Indeed, the immense spending increases are directly responsible for the massive surpluses that have resulted in the diminished ability of farmers to earn profits in the marketplace.

Why have farm programs proven counterproductive? The answer to that is simple: The price supports are greater than the market value of the crops. But the subsidies aren't paid on the basis of a farmer's demonstrable need or financial stress. The subsidies are paid on the units of production—by the bushel, pound, or hundredweight. The more of a particular crop a farmer produces, the greater his total subsidy. By definition, this means that the greatest benefits and subsidies go to the largest farmers, which also by definition, means those farmers who need help the least.

Because Congress requires the Government, in effect, to purchase everything a participating farmer produces at the loan rate level, there is compelling inducement for farmers to collect the subsidies offered. For example, USDA estimates that the current market price for wheat is about $2.80. The loan rate is $3.30—$3 in this bill. In addition, direct subsidy payments, known as deficiency payments are paid in the same way. The target price is $4.38—$4.55 for 80 to 85 percent of the production and $4 for the rest in this bill. There are similar programs for feed grains, cotton, and rice. The intention is to try to create a price floor in the marketplace for these commodities, plus an income support for the producers of these commodities. But the effect is just the opposite. Here's why.

The U.S. agricultural production system is geared to produce for the export market. More than 40 percent of everything American farmers produce must be sold in export markets, and the United States now controls about 50 percent of all world trade in agriculture. Many fail to consider that foreign farmers operate under the protection of the U.S. price support programs, because our Government will purchase from our farmers anything they produce but cannot sell. Foreign farmers are keenly aware that if they just undercut at the margin the price at which the U.S. Government will take commodities off the market, there go our markets—and 50 percent of the world trade is a very large market for them to target.

And that is just what our competitors have been doing. Price supports established above market clearing levels have stimulated production here and abroad, creating competition for American farmers that they would not otherwise have confronted. After rising from 40 percent to 60 percent of world trade during the 1970's, U.S. agricultural exports have fallen to the present level of about 50 percent. The cumulative loss in U.S. grain exports over the past 5 years totals nearly 100 million tons, roughly equivalent to losing one full year of grain exports.

Unmarketable U.S. surpluses, stored under the price support programs, overhang the markets and further depress prices farmers receive in the marketplace. This resuts in all kinds of dislocations, such as declining land values and increases in production of other crops and livestock. When the surpluses become so great that there is literally no more physical storage space—as was the case in the autumn of 1982, and as is predicted to be the case after the record 1985 crops are harvested—policymakers are then forced by circumstance to turn to efforts to restrict production. The largest acreage reduction program in the history of the world [PIK] was implemented in 1983 for precisely this reason. Over the past 4 years, more than 125 million acres have been idled through Government supply control programs. This has caused tremendous

loss of income to farmers and everyone else in the farm economy. And yet, total world production and trade have increased, while the U.S. share has declined. Foreign farmers see the United States reduce acreage, and promptly expand theirs. In 1983, when the United States removed 80 million acres in the PIK Program, total world acreage actually increased by 13 percent.

Policies that induce more and more production in the face of massive surpluses, for which there is no ready market, put U.S. agriculture in a position like that of a dog chasing its own tail. Loan rates and target prices above market levels stimulate production and help turn U.S. markets over to foreign producers. Surpluses accumulate and put downward pressure on prices. Land values fall as farm units have trouble producing positive cash flows. Farmers who had not previously participated in these entitlement programs feel compelled to sign up, meaning ever greater Government costs and ever greater inducements to excessive production.

Calls then come forth for further production controls and even higher price supports in an effort to support the very farm income that was driven downward by subsidies that were too high to begin with. These actions, when taken, induce even greater surpluses and result in pressure for starting the cycle all over again.

The most startling aspect of all this is that the small- to medium-sized family farmers are the ones most adversely impacted by this bizarre scenario. The larger farms are generally those whose variable costs of production are the least. They have traditionally had access to the greatest amounts of capital and technology, and can most readily adapt to changing conditions. Because the larger farmers' costs of production are generally lower, they find the price supports to be much more generous than do those farmers who are smaller and whose costs of production are generally higher. Those farmers at the lower end of the cost-of-production curve simply apply the relatively lucrative price support payments and protections to purchasing more and more inputs and technology. In this way they attempt to increase their net income by producing and selling more and more bushels, pounds, and hundredweights—for which they receive ever more subsidies and payments. Those who are at the higher end of the cost-of-production curve then find that the surpluses thus created have driven the prices they receive in the marketplace even lower.

What an anomaly. The most vocal advocates of the family farmer then call for increased price supports, thus creating and exacerbating this particularly perverse cycle all over again.

FARM SUBSIDIES ARE TARGETED BACKWARDS: TO THE LARGE AND WEALTHY

It needs to be understood that only about 30 percent of the value of U.S. production is covered by farm programs. There are no subsidies or price supports for livestock or for perishable commodities such as fruit and vegetables and other specialty crops. So, the loan rate and target price programs can't begin to address the problem of income support for the farm sector. The income support functions of the 1985 farm bill will never help farmers who produce 70 percent of our agricultural output.

And, how about the 30 percent of the value of production that is covered? Surely, one would expect that the $65 billion we are talking about spending over the next 4 years in this bill will go to assist farmers experiencing financial stress. Don't count on it. Exactly the opposite will be the case.

You see, these programs operate as nonmeans tested entitlements—paid to farmers, not on the basis of financial condition but on the basis of bushels, pounds, and hundredweights. These units of production are inanimate objects that cannot experience financial stress. Only farm businesses can experience financial difficulty. Financial difficulty for a farming business can be gauged by changes in its asset values, debt commitments, and farm cash income; that is, on the basis of its equity and its cash flow. The most recent data available on this subject is contained in a report issued in July 1985 by the Department of Agriculture entitled "Financial Characteristics of U.S. Farms, January 1985," and is included as an appendix to the committee's report on the bill.

The bottom line? It's this: There is enormous relative wealth in the U.S. agricultural industry. The average net equity for farming operations with gross sales greater than $250,000 was $904,446 on January 1, 1985. The average net equity for all farming operations with gross sales between $100,000 and $250,000 was $429,891 on January 1. And, the statistics for farms with gross sales between $20,000 and $100,000 was $246,220. This compares to the net equity of the average American family of about $92,000.

What's more, farmers as a class, have net annual incomes that often greatly exceed that of the average American family. Average annual income for American families is about $24,800 per year. The average net income for farm families with farming operations grossing more than $250,000 was $96,889 in 1984. Average net income for the $100,000 to $250,000 gross sales farm was $36,273. The same figures for those farming operations with gross sales between $20,000 and $100,000 was $17,602. Of course, there are many farmers in these different sales categories whose incomes were less than these average amounts. But, as in any averaging of statistics, for every farm family that had income less than the amounts indicated here, there was a farm family that had net income greater than these amounts. Farm programs provide their benefits, by definition to the larger farmers, and therefore, definition, to the most wealthy farmers.

The most substantial part of the equity base of American farms is land. Farmland prices peaked in 1981 after three decades of uninterrupted increases. By April 1984, farmland prices had dropped 8 percent nationwide, and by as much as 28 percent in parts of the Corn Belt and upper Midwest. Land values will probably continue to decline further in 1985—and will surely do so if present farm policies continue to induce massive surpluses constantly driving prices lower and lower. Many farmers who purchased land or started farming in the late 1970's now have debts exceeding the value of their assets. But the fact remains that even with depressed land values and correspondingly reduced equities, American farm families—on the average—have net worth equity positions and net annual incomes which greatly exceed that of the average American family.

However, this relative wealth says nothing about debt to asset ratios, and that is where most farmers who are experiencing financial stress are most severely impacted. USDA estimates that by the end of 1985, 4.6 percent of all U.S. farms will be technically insolvent, with debt/asset ratios exceeding 100 percent. Another 2.6 percent are projected to be in the very highly leveraged category, with debt/asset ratios between 70 and 100 percent. Another 19.5 percent are expected to be in the highly leveraged category, with debt/asset ratios between 40 percent and 70 percent.

The remaining 71.9 percent of American farmers are not experiencing—nor are they expected to experience—financial difficulty in 1985. And, it is important to note, not all of the farms in the highly and very highly leveraged categories are under serious financial stress. Farms with less than $50,000 in sales obtain much of their income from off-farm sources, and often serve as tax shelters for the very wealthy. Very large farms with over $500,000 in sales tend to be highly industrialized specialty operations and typically operate with high debt/asset ratios. Most of these farms have positive cash flows.

However, there is a very real, and often livelihood threatening, financial difficulty for a relatively large number of farmers. The American people have great sympathy for the problems these families face, and surely intend that those who can be helped should

be. At current rates of interest and levels of net returns in farming, farms with debt/asset ratios over 40 percent are likely experiencing cash shortfalls. Many will not be successful in keeping their businesses, and that is very sad and unfortunate, indeed.

This is especially unfortunate when it is understood that the cash-flow problems that are creating these wrenching problems are directly attributable to the massive surpluses induced into production by price support subsidies that are paid to all eligible farmers, and in greatest measure to the largest farmers with the highest equities and incomes and the least degree of financial stress. Just as appalling is the degree to which global competition is created under the protection that foreign farmers—such as those in Canada, Australia, Europe, and Argentina—receive from United States loan rates established by law above market clearing levels.

The point is this: The immensely costly provisons of this farm bill have very little to do with helping farmers in distress. It is apparent that these instruments of policy have been mandated by Congress to operate in such a way as actually to contribute significantly to the very real distress that up to 30 percent of the farmers are facing. The farm price support programs indiscriminately spew their subsidies on 100 percent of eligible production, inducing surplus eligible production. This causes ever greater distress for the 20 to 30 percent of the farmers to whom the American people would cheerfully extend a helping hand. And this is what has caused the farm programs to soar in expense from $11 billion to $65 billion over four years.

Indeed, by mandating programs which make it possible for farmers to forfeit unlimited amounts of eligible commodities to the Federal Government, and by insisting that target price deficiency payments must be made to producers based on the maximum amount a farmer can possibly and conceivably produce, this bill is certain to continue the same counterproductive and perverse conditions that have prevailed the past 4 years. And, in the process, it will cause the Federal deficits to soar, adding further to the economic distress of all Americans, but especially to debt-plagued farmers who will be burdened with enormously high interest rates. In short, if we want to douse the fire with gasoline, this farm bill is the way to do it.

The committee approved bill has certain provisions that allow farmers to receive deficiency payments without having to actually grow part of the crop, and to receive direct payments if they are willing to forego putting that which they do grow into the price support loan program. However, these are new and untested policy instruments. They may reduce some of the incentive to produce surpluses, but are even more likely to provide additional payments to farmers without any regard to their financial condition or need for assistance.

Unless properly modified, this farm bill will cause massive surpluses to continue to pile up in Government warehouses, and market prices will continue to decline. Storage will run out, and massive diversion schemes will be implemented. The hapless dog will chew its tail. This will drastically reduce farm income and devastate the agricultural support industries that make up so much of the rural American economy. Such acreage diversion schemes will encourage foreigners to put more acreage into production, and cause American farmers to more intensely cultivate their remaining acres. America will lose another 10 percent, or maybe 20 percent, or more of its export market share. Farm cash flow will deteriorate, and along with that land values will continue to fall. This means that ever greater numbers of farmers will find their operations in the highly leveraged category, and the entire equity base of rural America will be severely threatened. The once great American agricultural sector will lie in ruins, its comparative advantage transferred to the eagerly awaiting farmers in Argentina, Brazil, Europe, India, Canada, Australia, Thailand, and all the other countries which have taken away our export markets at the inducements in U.S. farm policy.

This scenario is very real, because this is precisely what is happening now. And, it is certain to continue to happen in just this way if this bill is not modified by the Senate.

HOW TO ACHIEVE SOUND POLICY

Correcting these counterproductive and destructive flaws in the committee reported bill is not at all impossible. Indeed, the changes required should not even be difficult. The basic instruments of farm policy are sound, and will work well if they are in a sensible relationship to actual market conditions.

LOAN RATES

The concept of nonrecourse loans has worked well as an effective and cost-efficient marketing tool for farmers. The committee bill recognizes the need for the loan rates to be established on a formula that allows the loan rate to adjust to changing market conditions.

There needs to be a limit on the amount of crop loans that one farmer is permitted to forfeit to the Government. The tremendous increase in the cost of the farm programs is a consequence of Congress requiring that any farmer may forfeit to the Government any amount of commodity he can conceivably produce. This is an entitlement for bushels, pounds, and bales that has become too costly and destructive to sound policy. It induces massive overproduction and removes any element of risk for the farmer-businessman. Putting a cap on the total amount of nonrecourse loans would still permit farmers to take out recourse loans that they would have to repay as any other loan. This reform would allow farmers to produce as much as they want, but the amounts above the nonrecourse loan cap would have to be marketed at their own risk.

TARGET PRICES

The target price deficiency payment system is a very orderly and effective procedure for transferring income from the nonfarm to the farm sector. It is far more desirable to support farm income, if that is what Congress intends, with direct payments than it is to try to do so by artificially setting loan rates above market clearing levels and by employing acreage diversion schemes to try to control production. As previously described, both of those tools used to support farm income are destructive to the purpose intended. That is why Congress established target prices.

However, if Congress intends to support farm income the obvious question is, Whose income, and how much? As previously described, the present system of determining who gets income support subsidies, and how much, ends up making immense payments to wealthy farmers, and invites everyone in the production stream to turn out ever greater surpluses, actually depressing market prices for every farmer—and particularly for those small- to medium-sized family farms.

Because past and present policies mandated by Congress have created this chaos, and because so many farmers organized their businesses in a way that now makes them dependent upon receiving direct subsidies, no one has suggested that Congress now terminate the Deficiency Payment Program. However, this does not mean that Congress cannot modify the Target Price Program. Three modifications are necessary:

First, reduce the target price payment level. Freezing the target prices for 1986 at the 1985 level, and providing for their 5 percent across-the-board reduction in each year thereafter will provide massive income protection, yet will signal that over time this protection will diminish marginally. Target prices are simply too high. Congress did not intend them to be at the present levels in inflation adjusted terms when they were established at their present levels in the 1981 farm bill.

Second, reduce the amount of commodities for which one farmer could receive target price payment subsidies. As previously discussed, the target price levels are so high as to serve as

massive inducements to surplus production, and operate as entitlements for income transfer payments to farmers without regard to their financial condition. Almost half of the entire cost of these subsidies benefit the largest 5 percent of the farmers. Limiting the amounts of commodities for which a particular farmer is entitled to these income transfer payments is an absolute necessity if these farm programs are to make any sense at all.

Third, remove gimmicks and loopholes that provide for higher payments and which encourage crafty schemes to evade payment limits. The market price on which the target price deficiency payments are calculated should be made honest. Right now it is skewed to assure the calculation for the highest amount of subsidies. Also, many farm operations have come to violate the spirit of the $50,000 payment limitation permitted to any one farmer by cleverly dividing up his operations into several "payee units." Reports abound of schemes by tax avoidance limited partnerships which craftily exploit the loopholes in the payment limitation provisions of the Target Price Program. This multibillion-dollar program is rife with abuse. It needs to be tightened up.

ACREAGE REDUCTION PROGRAMS

Schemes to limit production on an annual basis should be phased out, because they don't work. Acreage reduction programs, called ARP's in farm bill jargon, are the basis of eligibility for the panoply of farm programs. For this reason, their implementation can give the impression of reducing government costs, at least in theory. But they don't work that way in practice, particularly over a multiyear period.

WHEN ARP'S ARE IN EFFECT

Farmers simply more intensely cultivate their remaining acres, or put generally unproductive land into the ARP. However, when foreign producers read that the United States has an ARP in a particular year they are induced to plant more acreage, increasing world surpluses even more. Further, because ARP's require farmers not to use valuable assets of land and equipment, their implementation makes it less possible for farmers to earn their income from the marketplace, and actually reduces farm income. ARP's are a hoax on farmers and taxpayers alike.

The Conservation Reserve Program provided for in the committee bill will pay farmers more than $4 billion to remove between 25 and 30 million fragile acres from production. And, the sod-buster and conservation cross compliance provisions in the bill make sure that there will be adequate and effective reduction of the least suitable acres.

For these reasons the Senate should modify the committee approved bill to phaseout authority for the Secretary to implement acreage reduction programs as an instrument of agricultural policy.

CONCLUSIONS

If these six modifications are made in the farm bill reported by the committee, the Senate will have assurance that it will be possible for a recovery to get underway in the U.S. agricultural economy. All of these proposals for modifications will improve the effectiveness of the farm programs, and more properly target the billions of dollars in benefits and subsidies to those farmers who are most likely to be in need of assistance. The thrust of these recommendations will be to remove the massive inducements for excessive surplus production now inherent in the extensive and complex weave of farm price support and subsidy programs.

Mr. President, the Senate Committee on Agriculture, Nutrition and Forestry put much effort into this farm bill, spending almost 4 months in markup. With the exceptions I have noted, this farm bill is generally excellent work that makes important reforms in a wide range of programs. The conservation title is outstanding. The export title will provide important new instruments to the Secretary of Agriculture in helping combat the predatory trading practices of some competitor nations, and make significant reforms in our foreign food assistance programs. The research title has a number of reforms and innovations that will improve the quality and delivery of agricultural research in the years ahead. Reforms in a number of the programs for commodities other than those already mentioned will make them more effective in meeting increasing global competition.

In other areas the committee adopted reforms, but simply did not go far enough to be effective or desirable. This is the case in dairy, and in food stamps, and perhaps a few others. There are certain to be floor amendments on these subjects. In particular, I believe that the food stamp error rate sanctions for the States and the work requirements for the able bodied are weak and very much need to be strengthened. Some 17 States have indicated that they would be interested in considering an optional block grant for providing food assistance to the needy, and I feel strongly that the Senate should provide such authority on that basis.

So. while there is much in this farm bill to commend it, I am nonetheless disappointed that by indiscriminately pouring forth massive subsidies on the agricultural sector, this bill will contribute to its further wrenching pain and decline.

As I conclude, I would emphasize that this bill, without the modifications I have outlined, is bad news for American farmers and American taxpayers. It offers no hope for improvement in the farm economy. It repeats all the mistakes of the past. It will perpetuate the existing difficult economic situation of our farmers, and it will waste many billions of deficit dollars—dollars borrowed from future generations—to pay massive subsidies to hundreds of thousands of farmers who least need it. The huge commodity surpluses thus induced into production will further cripple the cash flows and profitability of the very family farmers these programs, it is so loudly proclaimed, are supposed to help.

Mr. President, I ask unanimous consent that a summary of major provisions of the farm bill be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY OF MAJOR PROVISIONS OF S. 1714—AGRICULTURE, FOOD, TRADE, AND CONSERVATION ACT OF 1985

TITLE I—AGRICULTURAL EXPORTS AND PUBLIC LAW 480

A. Agricultural exports

The agricultural export provisions of the bill would—

(1) Authorize the Secretary of Agriculture through the Commodity Credit Corporation (CCC) to guarantee the repayment of loans under the intermediate export credit program to finance export sales of U.S. agricultural commodities and the products thereof. Under this section—

(a) The Secretary is authorized to guarantee loans of more than 3 years and not more than 10 years to finance export sales of agricultural commodities;

(b) The purposes for which intermediate credit financing and guarantees may be provided are expanded to include financing the food and fiber needs of developing countries and otherwise promoting the export sales of U.S. agricultural commodities.

(c) The Secretary is encouraged to finance or guarantee export sales to purchasers from countries that are previous recipients of credit under title I of P.L. 480, and that are friendly countries and purchasers unable to utilize other Department of Agriculture short-term export credit programs;

(d) The repayment of loans financed or guaranteed is required to be in dollars with a rate of interest determined by the Secretary;

(e) The requirement that agreements to finance export sales of agricultural commodities are subject to review by the Secretary or the National Advisory Council on International Monetary and Financial Policies is deleted;

(f) The cargo preference laws do not apply to export sales financed or guaranteed under this provision;

(g) For purposes of financing or guaranteeing export sales, the CCC is required to make available no less than $500,000,000, to the extent practicable, for fiscal year 1985, no less than $1,000,000,000 for each of the fiscal years 1986 through 1988, and no more than $1,000,000,000 for fiscal years 1989 through 1991.

(2) Require the CCC to make available no less than $5,000,000,000 in short-term export credit guarantees for each of the fiscal years 1986 through 1989. The amendment would also require the CCC, when

making repayment guarantees available on terms of up to 3 years in connection with export sales of U.S. agricultural commodities, to take into account the credit needs and creditworthiness of countries that are potential purchasers of U.S. agricultural commodities and whether the availability of CCC guarantees will improve the competitive position of U.S. agricultural exports.

(3) Extend the Agricultural Export Credit Revolving Fund through September 30, 1989.

(4) Require the Secretary to use no less than $325 million of CCC funds or CCC-owned commodities for each of fiscal years 1986, 1987, and 1988 and such funds or commodities as the Secretary deems necessary for each of the fiscal years 1989 through 1991 for assistance in the export of U.S. agricultural commodities and products adversely affected by price or credit subsidies or unfair marketing arrangements or trading practices employed in connection with foreign agricultural exports. The provision would require the Secretary to provide export assistance under this provision on a priority basis for agricultural commodities or products for which a favorable decision under section 301 of the Trade Act of 1974 has been made.

(5) Require the Secretary to sell for export, at prices the Secretary determines appropriate, at least 150,000 metric tons of CCC-owned dairy products in each of the fiscal years 1986, 1987, and 1988 and to report semiannually to the Senate and House agriculture committees on the volume of dairy sales made under this section.

(6) Require that agricultural commodities and products acquired by the CCC be provided at no cost to U.S. exporters, users, and processors, and foreign purchasers to encourage development, maintenance, and expansion of export markets for U.S. agricultural commodities, including value-added or high-value agricultural products. Such commodities may also be provided to countries that do not meet the financial qualifications for export credit or credit guarantees provided by the CCC in order to reduce the cost to such countries of purchasing U.S. agricultural commodities. The Secretary is also authorized to use CCC-owned commodities in conjunction with intermediate credit programs for the export sale of breeding animals, and the establishment of facilities in the importing nation to improve the handling, marketing, processing, storage, or distribution of imported agricultural commodities. Under the export bonus program—

(a) Domestic users must be provided equal treatment relative to foreign purchasers and users in cases where domestic users may be disadvantaged as a result of the program;

(b) All interested foreign purchasers are to be considered for participation, with priority given to those who have traditionally purchased U.S. agricultural commodities and who continue to make such purchases in excess of purchases during a representative period;

(c) CCC commodities must be used to encourage increased use and avoid displacing usual marketings of the United States;

(d) Reasonable precautions must be taken to prevent resale or transshipment of commodities whose export is assisted under the provision;

(e) Supplemental distributions of commodities may be made to foreign purchasers who sell the commodities in the importing country and use the proceeds for the construction or rehabilitation of facilities in the importing country to improve the marketing, storage, or distribution of U.S. agricultural commodities in the importing country.

(f) The Secretary is authorized, in carrying out this section, to make green dollar export certificates available to commercial exporters of U.S. agricultural commodities. These certificates could be redeemed by the exporter for CCC-owned commodities.

(g) The Secretary is required to use no less than $2,000,000,000 of agricultural commodities and products to carry out this section during the period October 1, 1985 through September 30, 1988.

(7) Declare findings of Congress concerning open and fair trade and the unfair trading practices of other countries; declare U.S. policy to be that of promoting free and active world trade in agricultural goods and reducing or eliminating U.S. restrictions on imports of agricultural goods; and express the sense of the Congress that the President should initiate a new round of multilateral trade negotiations to strengthen the General Agreement on Tariffs and Trade (GATT), improve the dispute settlement procedures of the GATT, bring agricultural trade issues within the purview of strengthened and more effective GATT rules and procedures, and clarify the intent of and bring uniformity to the interpretation of Article XVI of GATT.

(8) Declare the sense of Congress that the Foreign Agricultural Service should place emphasis on funding an export market development program for value-added farm products and processed foods at a higher funding level than that provided during fiscal year 1985.

(9) Require consultation between the head of the Foreign Agricultural Service and the heads of other appropriate agencies of the Department of Agriculture, including the Administrator of the Animal and Plant Health Inspection Service, before relaxing or removing any restriction on the importation of any agricultural commodity into the United States. The Secretary would also be required to consult with the United States Trade Representative before removing or relaxing any import restrictions on agricultural commodities. Department of Agriculture personnel assigned to participate in negotiations of trade agreements, protocols or procedures with foreign governments with respect to a specific agricultural commodity, class of commodities or product of an agricultural commodity would be required to consult with the Agricultural Policy Advisory Committee and the appropriate Agricultural Technical Advisory Committee regarding agricultural practices and industry procedures before concluding any agreement with any foreign government on any agricultural trade matter pertaining to the agricultural commodity, class of commodities, or product.

(10) Require appropriate Department of Agriculture officers and employees stationed in foreign countries to submit annually to the Secretary detailed reports decumbenting the nature and extent of (A) programs in the foreign countries that provide direct or indirect government support for the export of agricultural commodities or products and (B) other trade practices that may impede the entry of U.S. agricultural commodities and products into the countries. The reports would also have to identify opportunities for the export of U.S. agricultural commodities and products to the countries in which the officers and employees are stationed. The Secretary would be required to compile information contained in the reports each year and to make the information available to Congress, the Agricultural Policy Advisory Committee and the Agricultural Technical Advisory Committees, and other interested parties. The Secretary and the Trade Representative would be required to convene a meeting, at least once a year, of the Agricultural Policy Advisory Committee and the Agricultural Technical Advisory Committees to develop specific recommendations for reducing or eliminating trade barriers or distortions identified in the annual reports and for expanding U.S. agricultural export opportunities identified in the annual reports. The President would be encouraged to commence negotiations with other countries to reduce or eliminate trade barriers or distortions identified in the annual reports and to report periodically to Congress on actions taken to accomplish those objectives.

(11) Limit to payments the form of compensation that may be made to producers of agricultural commodities for which export controls have been imposed.

(12) Revise the authorities of the Department of Agriculture concerning the barter or exchange of agricultural commodities for strategic and critical materials. In addition, this section would—

(a) Require the CCC, to the maximum extent practicable and in consultation with the Secretary of State, to accept strategic and critical materials produced abroad in exchange for CCC commodities;

(b) Require the Secretary of Agriculture in effecting the exchange of goods to use normal commercial trade channels, avoid displacing usual marketings of U.S. agricultural commodities, and take reasonable precautions to prevent resale or transshipment of commodities;

(c) Authorize the CCC to solicit bids from, and utilize, private trading firms to barter for strategic or other materials;

(d) Require the CCC to be reimbursed for the strategic and critical materials in the same fiscal year the materials are transferred to the stockpile; and

(e) Require the CCC, if the volume of petroleum products stored in the Strategic Petroleum Reserve is less than the level prescribed by law, to the maximum extent practicable, with approval of the Secretary of Agriculture and in consultation with the Secretary of Energy and the Secretary of State, to accept petroleum products in exchange for CCC commodities and to transfer such products, without reimbursement, to the Strategic Petroleum Reserve.

(13) Clarify the application of the cargo preference laws to certain activities of the Secretary of Agriculture or the Commodity Credit Corporation. The provision specifically would provide that the cargo preference laws do not apply to export activities of the Secretary or the CCC—

(a) under which CCC-owned stocks of agricultural commodities or products are made available to U.S. exporters, users, processors, or foreign purchasers for the development, maintenance, or expansion of U.S. agricultural export markets;

(b) under which CCC guarantees of commercial credit are blended with CCC direct credits to reduce the effective interest rate on export sales of U.S. agricultural commodities and products;

(c) under which CCC credit or credit guarantees are extended for not more than 3 years to finance or guarantee export sales of U.S. agricultural commodities or products; or

(d) undertaken for the purpose of promoting the export of U.S. agricultural commodities or products, if the Secretary determines that such activities are necessary to cause such commodities or products to become or remain competitive under conditions prevailing in international trade.

The bill would make no change in the application of the cargo preference laws to the export activities of the Secretary or the CCC when these activities are carried out under the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480) or subsections (a), (b), and (c) of section 416 of the Agricultural Act of 1949.

(14) Authorize the Secretary, effective October 1, 1985, to make grants to States, on a fifty-fifty matching basis, for the purpose of paying the costs of construction, employing personnel, acquiring equipment, and taking other action relating to the expansion of existing international trade development centers in the United States to enhance the exportation of U.S. agricultural products and related products.

B. Public Law 480 and related programs

The Public Law 480 and related program provisions of the bill would—

(1) Revise the authority to finance the sale of U.S. agricultural commodities under title I of Public Law 480 as follows:

(a) Require that at least 25 percent of the aggregate value of title I sales, or 500,000 metric tons (whichever is greater), but not more than 50 percent of such sales be sales for foreign currencies. (The actual amounts of commodities sold for foreign currencies could drop below 500,000 metric tons per year, if certain conditions are met in each of fiscal years 1986, 1987, and 1988.) The terms and conditions of such sales will be established by the Secretary of Agriculture. The foreign currency generated by these sales will be converted into dollars over a 10- to 30-year time period, the conversion to begin on a date 10 years after the sale of the commodities.

(b) Authorize the Secretary to enter into agreements with financial intermediaries in foreign countries under which the Secretary would lend the foreign currency generated from commodity sales to the intermediary and the intermediary would, in turn, use the currency to make loans to finance private enterprise investment within the developing country at reasonable rates of interest.

(c) Require that financial intermediaries give preference to agriculture and agriculturally related enterprises when making loans. The financial intermediaries must repay the currency loaned by the Secretary in time for the currency to be converted to dollars.

(d) Specify that only local citizens can own the entities receiving financing from financial intermediaries, except that U.S. citizens may own up to 25 percent of any such entity.

(e) Provide that the rate of interest charged on loans made to a financial intermediary will be negotiated between the Secretary and the financial intermediary. The Secretary may give preferential rates of interest to cooperatives and private nonprofit voluntary agencies that act as financial intermediaries to help defray their "start-up" costs as financial intermediaries.

(f) Specify that the amount of foreign currency loaned to financial intermediaries in a given country cannot exceed the amount that can be productively used and absorbed in the private sector in that country.

(g) Require that the Secretary, to the maximum extent practicable, use at least 5 percent of the foreign currencies initially obtained from the sale of agricultural commodities for agricultural technical assistance, including the funding of market development activities.

(2) Revise title II as follows:

(a) Require that the following amounts of agricultural commodities be distributed for nonemergency purposes under title II of Public Law 480:

[Million metric tons]

Fiscal year:	
1986	1.9 [1](1.425)
1987	1.9 [1](1.425)
1988 and subsequent fiscal years	1.7 [1](1.275)

[1] The starred amounts represent the minimum amounts of food for nonemergency distribution programs that must be distributed through nonprofit voluntary agencies and the World Food Program.

(b) Require that, in distributing commodities under title II, the President must consider the nutritional needs of the recipients, the purpose of the Title, the cost effectiveness of the commodities, and the benefits to be derived by the United States from distributing commodities in the form of processed and fortified products and provide at least 75 percent of the title II nonemergency minimum quantity of commodities in the form of processed or fortified foods or bagged commodities.

(c) Encourage the President to enter into multiyear agreements with nonprofit voluntary organizations, cooperatives, and international organizations for nonemergency commodity distribution under title II.

(d) Empower the President to authorize nonprofit voluntary organizations to establish local food reserves for subsequent use in combatting famine and other food shortage emergencies or to limit disincentives to local agricultural production which could arise from the immediate distribution of the commodities.

(e) Authorize the sale of commodities provided to nonprofit voluntary agencies and cooperatives by such agencies (monetization) and the use of the proceeds for activities to enhance the food assistance programs carried out by these agencies.

(f) Require that a minimum of 5 percent of the commodities distributed under nonemergency title II programs by nonprofit voluntary agencies and cooperatives be monetized. In carrying out the monetization, the President must safeguard usual U.S. commodity marketings; not permit the use of such funds for personnel and administrative costs of cooperating sponsors, distributing agencies, and recipient agencies (other than local cooperatives), and not permit the funds to replace resources otherwise available to nonprofit voluntary agencies and cooperatives.

(g) Urge the President to establish a task force on food assistance to study ways to provide food (under P.L. 480) to the most nutritionally needy persons in recipient countries.

(h) Require nonprofit voluntary agencies and cooperatives to disclose the intended uses of any funds to be generated through the monetization of commodities at the time the entity makes its request for the commodities.

(3) Lower the aggregate minimum value of title III Food for Development agreements from 15 percent of the aggregate value of all title I agreements made that year to 10 percent of such agreements.

(4) Broaden the Secretary's authority to distribute eligible commodities under section 416 of the Agricultural Act of 1949 to include all commodities and products acquired by the Commodity Credit Corporation through price support operations and make other changes in this authority as follows:

(a) Specify that eligible commodities may not be made available for foreign donation under section 416 in amounts that will reduce the amount of eligible commodities traditionally donated to domestic feeding programs or agencies.

(b) Provide that eligible commodities may not be made available for foreign donation under section 416 unless there are sufficient storage facilities for the commodities, the commodities will not displace U.S. commodity sales, and the commodities will not interfere with local commodity production and marketing. The safeguarding of usual marketing cannot be used to prevent the distribution of eligible commodities for use in countries that—

(i) have not traditionally purchased them from the United States, or

(ii) do not have the resources to purchase them from the United States through commercial sources or commissioned sales.

(c) Requires the Secretary to estimate and announce the types and amounts of commodities that the Secretary anticipates will be available for distribution.

(d) Expand the purposes for which eligible section 416 commodities may be sold or bartered to include (1) the payment of processing and handling costs incurred in connection with the donation of these commodities and (2) if requested by a cooperative or nonprofit voluntary agency, the generation of funds (from the sale of commodities donated to these entities) to enhance the effectiveness of the entity's food assistance programs.

(e) Requires that a minimum of 5 percent of the aggregate value of the eligible commodities distributed to nonprofit voluntary agencies and cooperatives be monetized in the same manner as is provided for monetization under the amendments made by this bill to Title II of Public Law 480.

(f) Specify that at least 400,000 metric tons of eligible section 316 commodities must be furnished to cooperatives and nonprofit voluntary agencies and the World Food Program each fiscal year for distribution in developing countries. The President can waive this requirement if he determines and reports to Congress, together with his reasons, that this quantity cannot be effectively used by the recipients. Neither the Secretary nor CCC is required to purchase commodities for donation under this program.

(5) Authorize the President to donate up to 500,000 metric tons of eligible section 416 commodities in each of the fiscal years 1986 through 1989 under a new Food for Progress program to promote private free enterprise policy and development. In return for the commodities, the recipient country must promote economic freedom in the production of food for domestic consumption and must be able to use the donated commodities without disrupting its own domestic agricultural markets. The Com-

modity Credit Corporation may pay the costs of processing, packaging, transportation, and handling of the donated commodities, as well as purchase commodities and products for program use if CCC does not hold such stocks or if CCC stocks are not sufficient to meet commitments made under the program. The President must carry out this program through his National Security Adviser.

(6) Require the President to appoint, with the advice and consent of the Senate, a Special Assistant for Agricultural Trade and Food Aid. This Special Assistant will have cabinet rank and will assist and advise the President on U.S. domestic and foreign food assistance programs; coordinate and streamline the administration of food assistance programs carried out by the Department of Agriculture and the Agency for International Development; recommend ways to increase and encourage the use and consumption of U.S. agricultural commodities through food assistance; serve as a member of the Development Coordination Committee and as chairman of that Committee's Food Aid Subcommittee; and issue food assistance policy guidelines to Federal departments and agencies to assure the coordination of food assistance programs. In addition, the Special Assistant may solicit information on and recommend steps to promote the export of U.S. agricultural commodities and expand U.S. export markets; develop and recommend national agricultural policies that will foster and promote the U.S. agriculture industry; and examine Federal Government programs and activities for their effect on agriculture.

TITLE II—DAIRY

The dairy provisions of the bill would—

(1) Require, effective October 1, 1985, through September 30, 1989, that the price of milk be supported through the purchase of milk and milk products at a level equivalent to $11.60 per hundredweight for milk containing 3.67 percent milkfat, except that—

(a) On January 1, 1987, if the Secretary of Agriculture estimates that for the succeeding 12-month period beginning on such date net price support purchases of milk or milk products would exceed 5 billion pounds milk equivalent, the Secretary would be required to reduce the price support level by 50 cents per hundredweight; and

(b) On January 1, 1988, and January 1, 1989, the Secretary estimates that for the succeeding 12-month period net price support purchases of milk or milk products would—

(i) exceed 10 billion pounds or more milk equivalent, the Secretary would be required to reduce the price support level by $1.00 per hundredweight, or in the Secretary's discretion, by an amount determined by a cost of production index established by the Secretary;

(ii) exceed 5 billion but be less than 10 billion pounds milk equivalent, the Secretary would be required to reduce the price support level by 50 cents per hundredweight or, in the Secretary's discretion, by an amount using such index; and

(iii) be less than 2 billion pounds milk equivalent, the Secretary would be authorized to increase the price support level by at least 50 cents per hundredweight or, in the Secretary's discretion, by an amount using such index;

(2) Extend through December 31, 1989 the current provisions of the Federal milk marketing law relating to authority for seasonal base-excess plans, seasonal takeout-payback (Louisville) plans, mandatory hearings on amendments to milk marketing orders, and the use of milk production capacity as part of the pricing standard used by the Secretary in setting milk prices under a marketing order;

(3) Extend through September 30, 1989 the requirement that the CCC make dairy products available, without charge, to veterans' hospitals and the military;

(4) Make clear that the legal status of producer-handlers would not be changed under the provisions of the amendment;

(5) Extend through September 30, 1989 authority for indemnity payments to dairy farmers who sustain losses as a result of pesticides, nuclear radiation or fallout, or from other chemicals or toxic substances; and

(6) Require the Secretary to conduct a study of the differentials used to adjust the minimum price for class I milk under Federal milk marketing orders, with particular emphasis on the differentials used for the delivery locations of such milk to handlers and to report within 1 year of enactment of the bill the results of the study, with any recommendations for necessary legislation, to the Senate and House agriculture committees.

TITLE III—WOOL AND MOHAIR

The wool and mohair provisions of the bill would—

(1) Extend the price support program for wool and mohair through December 31, 1989 as follows:

(a) Continue the support level for wool at 77.5 percent of an amount determined under statutory formula;

(b) Continue the support level for pulled wool and mohair in relation to the level for shorn wool;

(2) Establish a limitation of $50,000 on the amount of payments a person may receive under the wool and mohair price support program for any marketing year; and

(3) Expand the authority of the Secretary of Agriculture to enter into or to approve agreements for advertising and sales promotion programs which may be conducted outside of the United States for the purpose of maintaining and expanding foreign markets and uses to include programs for U.S. wool and sheep in addition to such programs for mohair and goats, or their products.

TITLE IV—WHEAT

The wheat provisions of the bill would—

(1) Provide for a loan and purchase program for the 1986 through 1989 crops of wheat. If marketing quotas are not in effect for wheat, loans and purchases would be made available to producers at (a) not less than $3.00 per bushel for the 1986 crop and (b) not less than 75 percent nor more than 85 percent of the average price received by producers during the immediately preceding 5 marketing years, excluding the high and low years, for the 1987 through 1989 crops. The loan rate could not be reduced by more than 5 percent from the level for the preceding year's crop. For the 1986 through 1989 crops, the Secretary of Agriculture would also be authorized to reduce further the loan rates by not more than 20 percent if the average market price of wheat in the previous marketing year is not more than 110 percent of the loan level for that year. Any such reduction would not be considered in determining the loan level in subsequent years.

If marketing quotas are in effect, loans and purchases would be made available at the higher of 75 percent of the national average cost of production of wheat or $3.55 per bushel.

(2) Require the Secretary to permit the repayment of loans at the lower of (a) the loan rate established for the crop or (b) the higher of (i) 70 percent of the loan rate established for the crop, or (ii) if the loan level was reduced using the so-called Findley provision, above, 70 percent of the loan rate that would have been in effect but for such reduction, or (iii) the prevailing world market price, as determined by the Secretary;

(3) Authorize the Secretary to make payments available to producers who agree to forgo obtaining loans in return for such payments. Payments would be made in amounts equal to the loan payment rate multiplied by the amount of wheat the producer is otherwise eligible to place under loan. The amount of wheat eligible to be placed under loan could not exceed the farm program acreage for the crop multiplied by the farm program payment yield. The loan payment rate would be the amount by which the loan rate established for the crop exceeds the level at which the loan could be repaid;

(4) Require the Secretary to make available deficiency payments for the 1986 through 1989 crops of wheat using the same formula as under current law except that producers would not be required to plant more than 50 percent of their base or permitted acreage in order to qualify for such payments. For the 1986 through 1989 crops, the target price would be $4.55 bushel on the first 20,000 bushels of production and $4.00 per bushel on any additional bushels.

If marketing quotas are in effect for any crop of wheat, the target price would be the higher of the national average cost of production of wheat or $4.65 per bushel;

(5) Require the Secretary to make prevented planting and reduced yield disaster payments available to producers for whom Federal crop insurance is not available. The Secretary would also have discretionary authority to make such disaster payments available to any wheat producer if disaster losses have created an economic emergency that cannot be alleviated by crop insurance and other assistance programs;

(6) Authorize acreage limitation and set-aside programs for wheat (with a maximum limitation or set-aside of 20 percent) if needed to protect against overproduction. The Secretary would be required to announce any such wheat acreage limitation or set-aside program not later than July 1 (with authority to change the program up to July 31) prior to the calendar year in which the crop is harvested. The acreage base for determining any such reduction would be the average acreage planted to wheat in the 5 crop years immediately preceding the year for which the determination is made. Haying and grazing in 1986, and grazing in 1987 through 1989, of the acreage required to be devoted to conservation uses would be permitted at the option of the State ASC Committee. In no event could the total acreage base for any farm exceed the total acreage of cropland on the farm;

(7) Authorize the Secretary to make land diversion payments, regardless of whether an acreage limitation or setaside program is in effect, if the Secretary determines that land diversion payments are necessary to assist in adjusting the total national acreage of wheat to desirable goals. Land diversion payments would be made to producers who devote cropland to approved conservation uses in accordance with land diversion contracts entered into by the Secretary;

(8) Authorize the Secretary to make payments available to producers who forgo obtaining a loan, who forgo receiving deficiency payments, who do not plant wheat for harvest in excess of the farm acreage base reduced by one-half of any acreage required to be diverted from production, and who otherwise comply with the provisions of the bill. Payments would be made in the form of wheat owned by the CCC, subject to availability, and would be in amounts equal to the loan payment rate (the amount by which the loan rate established for the crop exceeds the level at which loans may be repaid) multiplied by the amount of wheat the producer is otherwise eligible to place under loan; and

(9) Require the Secretary to conduct a poll not later than April 1, 1986, to determine whether producers favor conducting a marketing quota referendum for wheat. Producers eligible to vote would include those producers who produced wheat during at least one of the 1981 through 1985 crop years. If 50 percent of those polled favor a referendum, the Secretary would be required to conduct such a referendum not later than August 1, 1986. If approved in a referendum by 60 percent or more of the producers voting, marketing quotas would be in effect for the 1987 through 1989 crops. If marketing quotas are in effect, the marketing of wheat in excess of the farm marketing quota would be subject to penalty.

TITLE V—FEED GRAINS

The feed grains provisions of the bill would—

(1) Provide for a loan and purchase program for the 1986 through 1989 crops of feed grains. Loans and purchases would be made available to producers at not less than $2.40 per bushel for the 1986 crop of corn and not less than 75 percent nor more than 85 percent of the average price received by producers during the immediately preceding 5 marketing years, excluding the high and low years, for the 1987 through 1989 crops of corn. The loan rate could not be reduced by more than 5 percent from the level for the preceding year's crop. For 1986 through 1989 crops, the Secretary of Agriculture would also be authorized to reduce further the loan rates by not more than 20 percent if the average market price of corn in the previous marketing year is not more than 110 percent of the loan level for that year. Any such reduction would not be considered in determining the loan level in subsequent years.

Loans and purchases for grain sorghums, barley, oats, and rye would be made at levels that are fair and reasonable in relation to the level of loans and purchases for corn;

(2) Require the Secretary to permit the repayment of loans at the lower of (a) the loan rate established for the crop or (b) the higher of (i) 70 percent of the loan rate established for the crop, or (ii) if the loan level was reduced using the so-called Findley provision, above, 70 percent of the loan rate that would have been in effect but for such reduction, or (iii) the prevailing world market price, as determined by the Secretary;

(3) Authorize the Secretary to make payments available to producers who agree to forgo obtaining loans in return for such payments. Payments would be made in amounts equal to the loan payment rate multiplied by the amount of feed grains the producer is otherwise eligible to place under loan. The amount of feed grains eligible to be placed under loan could not exceed the farm program acreage for the crop multiplied by the farm program payment yield. The loan payment rate would be the amount by which the loan rate established for the crop exceeds the level at which the loan could be repaid;

(4) Require the Secretary to make available deficiency payments for the 1986 through 1989 crops of feed grains to producers of corn, grain sorghums, oats, and, if designated by the Secretary, barley, using the same formula as under current law except that producers would not be required to plant more than 50 percent of their base or permitted acreage in order to qualify for such payments. The target price for corn, for the 1986 through 1989 crops, would not be less than $3.03 per bushel;

(5) Require prevented planting and reduced yield disaster payments for producers for whom Federal crop insurance is not available in the same manner as for wheat;

(6) Authorize acreage limitation and set-aside programs for feed grains (with a maximum limitation or set-aside of 15 percent) if needed to protect against overproduction. The Secretary would be required to announce any such acreage limitation or set-aside program not later than November 15 prior to the calendar year in which the crop is harvested. The acreage base for any reduction would be the average acreage planted to feed grains for harvest in the 5 crop years immediately preceding the year for which the determination is made. In no event could the total acreage base for any farm exceed the total acreage of cropland on the farm;

(7) Authorize the Secretary to make land diversion payments, regardless of whether an acreage limitation or set-aside program is in effect, if the Secretary determines that land diversion payments are necessary to assist in adjusting the total national acreage of feed grains to desirable goals. Land diversion payments would be made to producers who devote cropland to approved conservation uses in accordance with land diversion contracts entered into by the Secretary; and

(8) Authorize the Secretary to make payments available to producers who forgo obtaining a loan, who forgo receiving deficiency payments, who do not plant feed grains for harvest in excess of the farm acreage base reduced by one-half of any acreage required to be diverted from production, and who otherwise comply with the provisions of the bill. Payments would be made in the form of feed grains owned by the CCC, subject to availability, and would be in amounts equal to the loan payment rate (the amount by which the loan rate established for the crop exceeds the level at which loans may be repaid) multiplied by the amount of feed grains the producer is otherwise eligible to place under loan.

TITLE VI—COTTON

The cotton provisions of the bill would—

(1) Require the Secretary of Agriculture to make available to producers of upland cotton nonrecourse loans for a term of 10 months. For the 1986 crop, the loan level could not be less than 55 cents per pound. For the 1987 through 1989 crops, the loan level would be the higher of (i) 85 percent of the average United States spot market price during the 3 years of the 5-year period ending July 31 in the year in which the loan level is announced, with the high and low years excluded, or (ii) 50 cents per pound. The loan level may not be reduced by more than 5 percent from the level determined for the previous year's crop;

(2) Require the Secretary to announce the loan level for upland cotton no later than November 1 of the calendar year preceding the marketing year for which the loan is to be effective;

(3) Authorize the extension of loans, at the producer's request, for an additional 8 months beyond the normal 10-month term unless the average price of upland cotton for the preceding month exceeded 130 percent of the average price for the proceding 36 months in which event a special import quota would be proclaimed;

(4) Require the Secretary to permit the repayment of loans by producers at the lower of the loan rate established for the crop or the prevailing world market price, except that for the 1987 through 1989 crops, if the world market price is less than 80 percent of the loan rate established for the crop, the Secretary may permit repayment at a level not in excess of 80 percent of the loan rate established for the crop;

(5) Authorize the Secretary to make payments available to producers who agree to forgo obtaining loans in return for such payments. Payments would be made in amounts equal to the loan payment rate multiplied by the amount of upland cotton the producer is otherwise eligible to place under loan. The amount of upland cotton eligible to be placed under loan could not exceed the farm program acreage for the crop multiplied by the farm program payment yield. The loan payment rate would be the amount by which the loan rate established for the crop exceeds the level at which the loan could be repaid;

(6) Require the Secretary to make available deficiency payments to producers for the 1986 through 1989 crops of upland cotton using the same formula as under current law, except that producers would not be required to plant more than 50 percent of their base or permitted acreage in order to qualify for such payments. The target price for upland cotton, for the 1986 through 1989 crops, would be not less than 81 cents per pound;

(7) Require prevented planting and reduced yield disaster payments to producers for whom Federal crop insurance is not available in the same manner as for wheat;

(8) Authorize acreage limitation and set-aside programs for cotton (with a maximum limitation or set-aside of 20 percent) if needed to protect against overproduction. The Secretary would be required to announce any such cotton acreage limitation or set-aside program not later than November 1 prior to the calendar year in which the crop is harvested. The acreage base for any reduction would be, for the 1986 crop, the average acreage planted to upland cotton for harvest in the 2 previous years, for the 1987 crop, the average acreage planted to upland cotton for harvest in the 3 previous years, for the 1988 crop, the average acreage planted to upland cotton for harvest in the 4 previous years, and, for the 1989 crop, the average acreage planted to upland cotton for harvest in the 5 previous years. In no event could the total acreage base for any farm exceed the total acreage of cropland on the farm;

(9) Authorize the Secretary to make land diversion payments, regardless of whether an acreage limitation or set-aside program is in effect, if the Secretary determines that land diversion payments are necesssary to assist in adjusting the total national acreage of upland cotton to desirable goals. Land diversion payments would be made to producers who devote cropland to approved conservation uses in accordance with land diversion contracts entered into by the Secretary;

(10) Authorize the Secretary to make payments available to producers who forgo obtaining a loan, who forgo receiving deficiency payments, who do not plant upland cotton for harvest in excess of the farm acreage base reduced by one-half of any acreage required to be diverted from production, and who otherwise comply with the provisions of the bill. Payments would be made in the form of cotton owned by the CCC, subject to availability, and would be in amounts equal to the loan payment rate (the amount by which the loan rate established for the crop exceeds the level at which loans may be repaid) multiplied by the amount of cotton the producer is otherwise eligible to place under loan; and

(11) Require the Secretary to make available to producers recourse loans on seed cotton using existing authorities under the Commodity Credit Corporation Charter Act.

TITLE VII—RICE

The rice provisions of the bill would—

(1) Require the Secretary of Agriculture to make available to producers of rice loans and purchases. For the 1968 crop, the loan level could not be less than $7.20 per hundredweight. For the 1987 through 1989 crops, the loan level would be the higher of (i) 85 percent of the average price received by producers during the preceding 5 years, with the high and low years excluded, or (ii) $6.50 per hundredweight. The loan and purchase level could not be reduced by more than 5 percent from the level determined for the preceding year's crop;

(2) Require the Secretary to permit the repayment of loans by producers at the lower of (a) the loan rate established for the crop or (b) the higher of (i) 70 percent of the loan rate established for the crop or (ii) the prevailing world market price, as determined by the Secretary;

(3) Require the Secretary to announce the loan and purchase level no later than March 1 of the calendar year for the crop harvested in that calendar year;

(4) Authorize the Secretary to make payments available to producers who agree to forgo obtaining loans in return for such payments. Payments would be made in amounts equal to the loan payment rate multiplied by the amount of rice the producer is otherwise eligible to place under loan. The amount of rice eligible to be placed under loan could not exceed the farm program acreage for the crop multiplied by the farm program payment yield. The loan payment rate would be the amount by which the loan rate established for the crop exceeds the level at which the loan could be repaid;

(5) Require the Secretary to make available deficiency payments to producers for the 1986 through 1989 crops of rice using the same formula as under current law, except that producers would not be required to plant more than 50 percent of their base or permitted acreage in order to qualify for such payments. The target price for rice, for the 1986 through 1989 crops would be not less than $11.90 per hundredweight;

(6) Require prevented planting and reduced yield disaster payments to producers for whom Federal crop insurance is not available in the same manner as for wheat;

(7) Authorize acreage limitation and set-aside programs for rice (with a maximum limitation or set-aside of 35 percent) if needed to protect against overproduction. The Secretary would be required to announce any such rice acreage limitation or set-aside program not later than January 31 of the calendar year in which the crop for which the announcement is made is harvested. The acreage base for any reduction would be, for the 1986 crop, the average acreage planted to rice for harvest in the 2 previous years, for the 1987 crop, the average acreage planted to rice for harvest in the 3 previous years, for the 1988 crop, the average acreage planted to rice for harvest in the 4 previous years, and, for the 1989 crop, the average acreage planted to rice for harvest in the 5 previous years. In no event could the total acreage base for any farm exceed the total acreage of cropland on the farm;

(8) Authorize the Secretary to make land diversion payments, regardless of whether an acreage limitation or set-aside program is in effect, if the Secretary determines that such payments are necessary in adjusting the total national acreage of rice to desirable goals. Land diverson payments would be made to producers who devote cropland to approved conservation uses in accordance with land diversion contracts entered into by the Secretary; and

(9) Authorize the Secretary to make payments available to producers who forgo obtaining a loan, who forgo receiving deficiency payments, who do not plant rice for harvest in excess of the farm acreage base reduced by one-half of any acreage required to be diverted from production, and who otherwise comply with the provisions of the bill. Payments would be made in the form of rice owned by the CCC, subject to availability, and would be in amounts equal to the loan payment rate (the amount by which the loan rate established for the crop exceeds the level at which loans may be repaid) multiplied by the amount of rice the producer is otherwise eligible to place under loan.

TITLE VIII—PEANUTS

The peanut provisions of the bill would—

(1) Require a national poundage quota for peanuts for the 1986 through 1989 marketing years at a level that will meet domestic edible, seed, and related uses for peanuts taking into consideration carry forward of stocks and producer undermarketings, but not less than 1,100,000 tons. The national poundage quota would be apportioned among the States so that each State's poundage quota is equal to the percentage of the national poundage quota allocated to farms in the State for 1985;

(2) Require the establishment of farm poundage quotas for each farm that had a farm poundage quota for the 1985 crop year and for other farms on which peanuts were produced in at least 2 of the 1983 through 1985 crop years. If the national poundage quota is increased for any of the 1987 through 1989 marketing years, the increase in a State's poundage quota apportionment would be allocated equally among all farms on which a poundage quota was established for the marketing year immediately preceding the marketing year for which the allocation is being made and all other farms on which peanuts were produced during at least 2 of the 3 immediately preceding crop years as determined by the Secretary of Agriculture. The farm poundage quota established on a farm during any of the 1986 through 1989 marketing years would be reduced to the extent the Secretary determines that the farm poundage quota was not produced on the farm for any 2 of the 3 marketing years preceding the year for which the determination is being made. The bill would authorize leasing of quota after the normal planting season (fall leasing) only if the quota had been planted on the farm from which the quota is to be leased.

(3) Retain the peanut program's two-tier system of "quota" peanuts (production within a farm's poundage quota) and "additional" peanuts (production in excess of the poundage quota and production from a farm for which no farm poundage quota has been established);

(4) Increase the penalties from 120 percent to 140 percent of the quota loan level for marketing violations by handlers relating to quota peanuts and for failure of handlers to comply with the regulations governing the disposal and handling of additional peanuts. The provision would allow the handling and disposal, including export, of additional peanuts by a handler without physical supervision. The Secretary would be required to require adequate financial guarantees and facilities to assure compliance of handlers to export additional peanuts. Penalties at a rate equal to 140 percent of the quota loan level would be imposed on importers who import additional peanuts in commercial quantities which had been exported from the United States;

(5) Establish the deadline for contracting with handlers for the crushing or export of additional peanuts as August 1;

(6) Continue price support for quota and additional peanuts. For the 1986 crop of quota peanuts, the national average quota support rate would be equal to the 1985 rate, adjusted by the percentage increase in prices paid by producers for commodities and services, interest, taxes, and farm wages between 1981 and 1985. The quota support rate for the 1987 through 1989 crops of peanuts would be the rate for the preceding year adjusted to reflect any change in the national average cost of production, excluding any change in the cost of land, except that the support rate for any year could not be less than the 1985 quota support rate and could not exceed the previous year's level by more than 6 percent.

The support level for additional peanuts would be established at a level the Secretary determines appropriate and must ensure that there will be no losses to the Government;

(7) Require the Secretary to make warehouse storage loans available to designated area marketing associations (except cooperatives engaged in activities with respect to peanuts other than handling CCC price support operations), and to use the associations in administrative and supervisory activities relating to price support and marketing; and

(8) Continue the requirement for establishment of marketing pools. No pools would be established by type except for Valencia peanuts produced in New Mexico. Any distribution of net gains on additional peanuts would first be reduced by any CCC losses on quota peanuts placed under loan. Proceeds due any producer from any pool would be reduced by lossees incurred with respect to peanuts transferred from an additional loan pool to a quota loan pool. Losses in area quota pools, other than certain losses incurred as a result of transfers from additional loan pools to quota loan pools, would be offset by gains or profits from pools in other production areas.

TITLE IX—SOYBEANS

The soybean provisions of the bill would—

(1) Extend the price support program for soybeans through the 1989 marketing year as follows:

(a) Require the price of soybeans to be supported through loans and purchases at a

level equal to 75 percent of the average price received by farmers for soybeans during the preceding 5 years, excluding the high and low years, except that the support price could not be less than $5.02 per bushel; and

(b) Provide that the Secretary of Agriculture may not require participation in any production adjustment program as a condition of eligibility for soybean price support, that soybeans may not be considered an eligible commodity for any reserve program, and that the Secretary may not make payments to farmers to cover the cost of storing soybeans.

TITLE X—SUGAR

The sugar provisions of the bill would—

(1) Require the Secretary of Agriculture to provide price support for the 1986 through 1989 crops of domestically grown sugarcane and sugar beets through nonrecourse loans at not less than 18 cents per pound for raw cane sugar and, for sugar beets, at such level as the Secretary determines to be fair and reasonable in relation to the level of loans for sugarcane; and

(2) Give the Secretary discretion to increase the support prices for sugarcane and sugar beets from the level for the preceding crop based on changes during the 2 immediately preceding crop years in such factors as the cost of sugar products, increased cost of production, and other circumstances that may adversely affect domestic sugar production.

TITLE XI—HONEY

The honey provisions of the bill would—

(1) Require the Secretary of Agriculture to make loans and purchases available for the 1986 through 1989 crops of honey at a level not less than (i) 65.3 cents per pound for the 1986 crop and (ii) the higher of 85 percent of the average price received by farmers during the five preceding marketing years, excluding the high and low years, or 50 cents per pound for the 1987 through 1989 crops. The loan level would not be reduced by more than 5 percent from the level determined for the preceding year;

(2) Authorize the Secretary to permit the repayment of loans by producers at the lower of the loan rate established for the crop or such rate as the Secretary determines will minimize loan forfeitures, will not result in excessive stocks, will reduce Government costs of storing honey, and will maintain the competitiveness of honey in domestic and export markets;

(3) Authorize the Secretary to make payments available to producers who agree to forgo obtaining loans in return for such payments. Payments would be made in amounts equal to the loan payment rate (the amount by which the loan rate established for the crop exceeds the level at which loans may be repaid) multiplied by the amount of honey the producer is eligible to place under loan; and

(4) Make any person who knowingly forfeits adulterated or imported honey placed under loan ineligible for honey loans, purchases, or payments for 3 years after the determination.

TITLE XII—FOOD ASSISTANCE RESERVE

The reserve provisions of the bill would—

(1) Require the Secretary of Agriculture to establish a food assistance reserve of up to 500 million bushels of wheat and feed grains to be used by the Secretary to meet urgent humanitarian needs;

(2) Require that at least 200 million bushels of wheat be included in the reserve to be used to provide emergency food assistance to developing countries at any time that the domestic supply of wheat is so limited that wheat cannot be made available for disposition under Public Law 480, except that 300,000 tons of wheat may be released from this portion of the reserve in any fiscal year without regard to the domestic supply situation for use in providing urgent humanitarian relief in any developing country suffering a major disaster;

(3) Require that at least 100 million bushels of wheat be included in the reserve to be used to provide assistance under section 416 of the Agricultural Act of 1949;

(4) Authorize the Secretary, in connection with the use of stocks in the reserve, to pay for processing, reprocessing, packaging, transporting, handling, and other charges, including the cost of overseas delivery;

(5) Authorize the Secretary to establish or replenish the reserve through purchases from producers or in the market and by designating stocks of wheat and feed grains acquired by the Commodity Credit Corporation; and

(6) Repeal the current authorities for the farmer-owned reserve for wheat and feed grains, the food security wheat reserve, and other reserves.

TITLE XIII—MISCELLANEOUS COMMODITY PROVISIONS

The miscellaneous commodity provisions of the bill would—

(1) Apply payment limitation requirements for the 1986 through 1989 crops as follows:

(a) Extend the $50,000 limitation in current law on the total payments (excluding disaster payments) that a person may receive under any one or more of the annual programs for wheat, feed grains, upland cotton, extra long staple cotton, and rice;

(b) Limit disaster payments to $100,000 for wheat, feed grains, upland cotton, and rice;

(c) Specify that the following would not be subject to the payment limitation:

(i) any gain realized by a producer from repaying a loan for wheat, feed grains, upland cotton, or rice at a level less than the loan level established for the crop;

(ii) deficiency payments for wheat or feed grains received as the result of a reduction of the loan level under the so-called Findley provision;

(iii) loan deficiency payments received for a crop of wheat, feed grains, upland cotton, or rice; and

(iv) inventory reduction payments received for a crop of wheat, feed grains, upland cotton, or rice;

(d) Require an adjustment of any acreage reduction requirement established under a set-aside or acreage limitation program if the Secretary of Agriculture determines that the total amount of payments that would be earned by any person under the program for any crop would be reduced under the payment limitation requirements;

(e) Require that regulations issued by the Secretary on December 18, 1970 be used to determine whether a corporation and its stockholders are different persons for purposes of applying the payment limitation requirements;

(2) Authorize the Secretary to require, whenever a set-aside program is in effect for any of the 1986 through 1989 crops of wheat, feed grains, upland cotton, or rice that producers not exceed the acreage on the farm normally planted to designated crops as reduced by the set-aside or diverted acreage, as a condition of eligibility for program benefits. The Secretary would also be authorized, whenever marketing quotas are in effect for any of the 1987 through 1989 crops of wheat, to require as a condition of eligibility for program benefits for any commodity that the acreage normally planted to crops designated by the Secretary be reduced by an amount equal to the acreage normally planted to wheat minus the individual farm program acreage for wheat;

(3) Extend the provision concerning finality of facts determined by the Secretary relating to the basis for loans, payments, price support operations, or the amount thereof, to the extra long staple cotton program;

(4) Provide that the Secretary shall determine the rate of loans, purchases, and payments under the commodity programs under the Agricultural Act of 1949 without regard to the requirements for notice and other procedures for public participation in rulemaking contained in 5 U.S.C. 553, or in any directive of the Secretary.

(5) Provide that the Commodity Credit Corporation for the 1986 through 1989 crops may not sell any of its stocks of wheat, corn, grain sorghum, barley, oats, and rye, respectively, at less than 115 percent of the current national average loan rate for the commodity, as adjusted, or, if the Secretary permits the repayment of loans made for a crop of the commodity at a rate less than the loan rate established for the crop, at less than 115 percent of the average loan repayment rate which is determined for the crop during the period of the loan;

(6) Authorize the Secretary to make available advance deficiency payments to producers who agree to participate in acreage limitation or set-aside programs for any of the 1986 through 1989 crops of wheat, feed grains, upland cotton, and rice if the Secretary determines that deficiency payments will likely be made available for the commodity. Advance payments would be made available to producers as soon as practicable after the producer files a notice of intention to participate in the program. Payments would be made available in amounts the Secretary determines appropriate to encourage participation in the program except the amount could not exceed an amount determined by multiplying the estimated farm program acreage for the crop by the farm program payment yield for the crop by 50 percent of the projected payment rate. If the deficiency payment is determined to be less than the advance deficiency payment made available to the producer, the producer would be required to refund the difference between the payment advanced and the payment finally determined by the Secretary to be payable to the producer. Producers would also be required to refund advance deficiency payments if the Secretary determined that deficiency payments would not be made available to a producer on a crop. If the Secretary makes land diversions payments to assist in adjusting the total national acreage of each of the 1986 through 1989 crops of wheat, feed grains, upland cotton, or rice to desirable levels, the Secretary would be authorized to make at least 50 percent of the advance payments available to a producer as soon as possible after the producer agrees to undertake the diversion of land in return for the payment;

(7) Extend the special grazing and hay program through the 1989 crop year;

(8) Authorize the Secretary to permit a producer to plant a second crop of a commodity on acreage diverted from production under an annual commodity program if the producer has historically produced crops of

two commodities on the same land in the same year.

TITLE XIV—FOOD STAMPS AND COMMODITY DISTRIBUTION

A. Food stamps

The food stamp provisions of the bill would—

(1) Permit certain publicly operated community health centers to accept food stamps from their residents who are participating in drug addiction or alcoholic treatment programs and make residents of such programs eligible to participate in the Food Stamp Program;

(2) Modify the definition of a disabled person for purposes of the Food Stamp Program to include anyone receiving Federal benefits based on a determination of disability or blindness under criteria substantially similar to the criteria used in the supplemental security income (SSI) program to determine disability or blindness;

(3) Clarify the current regulatory practice of including as income benefits provided to third parties on behalf of households by the Aid to Families with Dependent Children (AFDC) program and by State and local governments, except medical, energy, housing assistance, and child care assistance;

(4) Require educational grants, loans, and scholarships, to the extent they provide assistance beyond that for tuition and mandatory fees, to be counted as income if they are provided in the form of vendor payments;

(5) Provide that food stamp benefits will not be adjusted to reflect a reduction in AFDC or SSI benefits due to receipt of a nonrecurring lump sum payment;

(6) Include allowances, earnings, and payments received under programs authorized by the Job Training Partnership Act as income for the Food Stamp Program;

(7) Exclude from income at State option, child support payments that are excluded under AFDC if the State agrees to pay the additional food stamp benefit costs caused by such exclusion;

(8) Clarify that shelter expenses paid by any kind of Low-Income Home Energy Assistance Act payments do not qualify as household expenses for the purpose of calculating the excess shelter expense deduction;

(9) Require retrospective budgeting and monthly reporting for all households with earnings or a recent work history. Prospective budgeting would be used for migrants and households with no earnings and only elderly or disabled adult members. States would have the option of using either prospective or retrospective budgeting and requiring periodic reports for all other types of households;

(10) Exclude from resources the value of a burial plot for each household member;

(11) Authorize States to consider households containing only persons receiving AFDC or SSI benefits as automatically meeting the food stamp income and resource eligibility tests if the gross income of such households does not exceed 130 percent of the poverty level;

(12) Require States to establish employment and training programs for able-bodied food stamp recipients which could include job search training programs, employment experience programs, workfare, or other employment activities. States would be required to place 25 percent of the persons subject to the work requirements in employment and training activities by the end of fiscal year 1987, 35 percent by the end of fiscal year 1988, and 45 percent by the end of fiscal year 1990 and thereafter;

(13) Count all income (instead of a pro rata share) of an ineligible alien as available to his or her household;

(14) Prohibit the charging of sales tax on food purchased with food stamp coupons;

(15) Require (instead of authorize) the Secretary of Agriculture to require the use of alternative methods of food stamp issuance, including electronic benefit transfer, when the Secretary in consultation with the Inspector General of the Department of Agriculture determines that program integrity would be improved by instituting a different method of issuance in an area;

(16) Authorize States, with approval of the Secretary, to use simplified application and benefit determination procedures for households containing members receiving AFDC, SSI or medicaid;

(17) Require State agencies to provide a means of certifying and issuing food stamps to eligible households that do not reside in permanent dwellings or have fixed mailing addresses;

(18) Require all adult members of a household, or one adult member of a household being certified under expedited service procedures, to certify under penalty of perjury the truth of all information on the household's application form and all other reports which the household is required to file;

(19) Require State agencies to verify household size in any case in which household size is questionable and permit State agencies, as well as the Secretary, to establish other factors that must be verified;

(20) Provide that the Secretary, after consulting with the Inspector General may require State agencies to require most households to present photographic identification cards to receive coupons in project areas where the Secretary determines that this practice would be cost effective as well as useful to protect program integrity. State agencies could permit households to comply with this requirement by presenting a photographic identification card used to receive assistance under a welfare or public assistance program;

(21) Permit State agencies to stagger food stamp coupon issuance throughout a month except that no household could go more than 40 days between coupon issuances as a result of changes in scheduling;

(22) Require State agencies to establish and operate fraud detection units in all project areas with 5,000 or more participating households;

(23) Make a retail food store or wholesale food concern that has been disqualified under the Food Stamp Program ineligible to participate in the special supplemental food program for women, infants, and children (WIC) established under section 17 of the Child Nutrition Act. The bill would also authorize information obtained from retail food stores and wholesale food concerns to be used in administration of the WIC program;

(24) Subject retail food stores and wholesale food concerns that are sold during a disqualification period to a civil money penalty and prohibit the buyer of the store or concern from accepting food stamps until the money penalty is fully paid if the buyer had actual or constructive notice of the penalty when the store or concern was sold;

(25) Make all adult household members jointly and severally liable for the value of any overissuance of benefits to the household;

(26) Make State agencies liable for interest on claims assessed against the State by the Secretary after the State agency has exhausted the administrative review process;

(27) Require States to use other means of collection to collect claims arising from intentional program violations which are not collected through cash payment or allotment reduction unless the State agency can demonstrate that other collection methods are not cost effective. Also, State agencies would be allowed to reduce household allotments to collect claims arising from State agencies' errors;

(28) Authorize the intercept of unemployment compensation benefits by State agencies to collect claims arising from a food stamp overissuance caused by an intentional program violation;

(29) Require a retail food store, wholesale food concern, or State agency, to show that it is likely to prevail on the merits of its case to obtain a judicial stay of an administrative action of the Secretary;

(30) Require the Secretary to set standards for States' periodic review of office hours of operations;

(31) Require States with error rates in excess of 5 percent to pay 75 percent of the dollar value of benefits issued erroneously between 5 and 7 percent and 100 percent of the benefits issued erroneously over 7 percent;

(32) Authorize the Secretary to require special certification procedures in project areas with high payment error rates if such procedures would improve program integrity in a cost-effective manner;

(33) Extend for 4 years the supplemental security income cash-out demonstration projects;

(34) Authorize the Secretary to conduct a pilot project on the effects of eliminating cash change;

(35) Prohibit funds appropriated under the Food Stamp Act of 1977 to be transferred to the Department of Agriculture's Office of the Inspector General or Office of the General Counsel;

(36) Delete the requirement that Puerto Rico provide noncash benefits beginning October 1, 1985, under its food assistance block grant. The date by which the Commonwealth must submit its plan describing the provision of assistance would be moved from July 1 to April 1 of the prior fiscal year. Also, the requirement that the Commonwealth designate a single agency as responsible for the supervision of program administration would be deleted to allow different agencies to be responsible for different phases of the nutrition assistance program.

B. Commodity distribution

The commodity distribution provisions of the bill would—

(1) Permit transfer of perishable agricultural commodities purchased under section 32 of Public Law 74-320 from a public or private nonprofit organization that receives these commodities to another such organization that agrees to use the commodities in providing nutrition assistance to individuals in low-income groups without cost or waste;

(2) Extend through September 30, 1989, the Commodity Distribution Program under section 4 of the Agriculture and Consumer Protection Act of 1973;

(3) Extend through September 30, 1989, the Commodity Supplemental Food Program under section 5(a) of the Agriculture and Consumer Protection Act of 1973;

(4) Make section 32 commodities available for Temporary Emergency Food Assistance Program (TEFAP) distribution in addition to the price-support commodities already distributed. The bill also requires States to encourage distribution of TEFAP commodities in rural areas; and

(5) Extend the Temporary Emergency Food Assistance Program for 2 years and authorize appropriations of $50 million for payment of storage and distribution costs of States and local operating agencies with a requirement that States must match these Federal funds.

TITLE XV—AGRICULTURAL RESEARCH, EXTENSION, AND TEACHING

Title XV makes a number of amendments to the National Agricultural Research, Extension, and Teaching Policy Act of 1977 and related statutes. These amendments would—

(1) Amend the findings in the 1977 Act to specifically recognize that the agricultural system of the United States is increasingly dependent on science and technology, and that the system requires a constant supply of expertise in food and agricultural sciences;

(2) Designate the Department of Agriculture as the lead agency for establishing appropriate controls with respect to the development and use of the application of biotechnology to agriculture;

(3) Extend the terms of the Joint Council on Food and Agriculture Sciences and the National Agricultural Research and Extension Users Advisory Board through September 30, 1989;

(4) Add research to develop new and alternative industrial uses for agricultural crops and research to reduce farm input costs to the high priority research areas specifically identified for competitive research grants under section 2(b) of the Act of August 4, 1965. The authorization for appropriations for competitive research grants would be extended at a level of $70 million for each of the fiscal years 1986 through 1989. In addition, panels created for the purpose of reviewing grant proposals would be exempted from the Federal Advisory Committee Act;

(5) Revise the Act of July 22, 1963 (Research Facilities Act) by deleting the formula for allocation of funds, authorizing facilities grants to be made subject to a matching requirement, and extending the authorization of appropriations at the current level of $31 million for each of the fiscal years 1986 through 1989;

(6) Extend the authorization of appropriations for grants and fellowship for food and agricultural sciences education at the current level of $50 million for each of the fiscal years 1986 through 1989;

(7) Extend the term of the Animal Health Science Research Advisory Board through September 30, 1989, extend the authorization for appropriations for continuing animal health and disease research programs at the current level of $25 million annually through September 30, 1989, and extend the authorization for appropriations for research on specific national or regional animal health or disease problems at the current level of $35 million annually through September 30, 1989.

(8) Extend the authorization for appropriations for certain agricultural research programs at the current level of $890 million for each of the fiscal years 1986 through 1989, extend the authorization for appropriations for agricultural research at State agricultural experiment stations at a level of $300 million for each of the fiscal years 1986 through 1989, and consolidate and extend the authorization for appropriations for all extension and related programs administered by or funded through the Extension Service at a level of $380 million for each of the fiscal years 1986 through 1989;

(9) Authorize the Secretary of Agriculture to use a cooperative agreement as the legal instrument reflecting a relationship between the Secretary and any other party when such agreement would further an objective of each of such parties in an agricultural research, extension or teaching activity, including statistical reporting, and all such parties will contribute resources to the accomplishment of the objectives;

(10) Authorize the Secretary to enter into a cooperative agreement with a private agency, organization, or individual to share the cost, on a 50-50 matching fund basis, of a research project or to allow the use of a Federal facility or service on a cost-sharing or cost-reimbursable basis to develop new agricultural technology to further a research program of the Secretary; authorize not more than $3 million of the funds appropriated to the Agricultural Research Service for each of the fiscal years 1986 through 1989 to carry out this program;

(11) Extend the authorization for appropriations for aquaculture assistance at the current level of $7.5 million for each of the fiscal years 1986 through 1989;

(12) Extend the term of the Rangeland Research Advisory Board through September 30, 1989 and extend the authorization for appropriations for rangeland research at the current level of $10 million annually through September 30, 1989;

(13) Include the acquisition and improvement of agricultural libraries as a permissible use of research facilities grants to 1890 land-grant colleges and Tuskegee Institute; and extend the authorization for appropriations for grants to upgrade 1890 land-grant colleges and Tuskegee Institute at the currentl level of $10 million for each of the fiscal years 1986 through 1989;

(14) Require the Secretary to increase and intensify research programs that are directed at developing technology to overcome barriers to expanded sales of U.S. agricultural commodities in foreign markets;

(15) Provide for the establishment of a new program of agricultural productivity research;

(16) Require the Secretary to conduct assessments of existing information concerning dietary calcium, and dietary and blood cholesterol, and to propose protocols and plans for needed studies in such areas; and

(17) Require the Secretary to submit to appropriate congressional committees a comprehensive plan for implementing a national food and human nutrition research program, and an annual report on the human nutrition research activities conducted by the Secretary.

TITLE XVI—CONSERVATION

A. Highly erodible land conservation

The provisions of the bill relating to highly erodible land would—

(1) Provide that any person who produces an agricultural commodity on highly erodible land (defined as class IIIe, IVe, VI, VII, or VIII land) in any crop year would be ineligible, as to any commodity produced by that person during that crop year, for—

(a) agricultural price support or payments made available under any Federal law;

(b) Commodity Credit Corporation loans for the construction or purchase of farm storage facilities;

(c) Federal crop insurance and disaster payments; and

(d) new Farmers Home Administration loans, if the loan proceeds will be used for activity contributing to excessive erosion of highly erodible land.

In addition, the person would not be eligible to receive any payments for the storage of commodities owned by the Commodity Credit Corporation.

(2) Provide that the ineligibility provisions cited above would not apply to any person who produces a crop of an agricultural commodity on highly erodible land—

(a) that was cultivated in any of the last 5 years (except that, beginning in crop year 1988, or 2 years after the land is mapped for purposes of soil classification, the crop would have to be produced using an appropriate conservation system in order to be eligible for price support and other Federal benefits);

(b) that was planted before the date of enactment of the bill;

(c) that was planted during any crop year beginning before the date of enactment of the bill;

(d) using a conservation system approved by a soil conservation district or, in areas where soil conservation districts do not exist, by the Secretary of Agriculture; or

(e) in reliance on a determination made by the Soil Conservation Service that such land was not highly erodible.

(3) Require the Secretary, as soon as is practicable, to complete soil surveys on those private lands not classified as to land capability, concentrating, insofar as is possible, on those localities where significant amounts of highly erodible land are being converted to agricultural production.

(4) Provide that in administering this program, the Secretary must—

(a) use the services of the local, county, and State Agricultural Stabilization and Conservation committees;

(b) Establish appeal procedures under which persons may seek review of the classification of land as highly erodible and under which persons adversely affected by determinations made under this program may seek review of such determinations; and

(c) not later than 180 days after the date of enactment, issue any regulations necessary to implement this program, including regulations that define the term "person," determine program ineligibility, and protect the program interests of tenants and sharecroppers.

B. Wetland conservation

The wetland provisions of the bill would—

(1) Provide that any person who produces an agricultural commodity on wetland (defined as hydric soil, or soil inundated or saturated with water, that supports the growth and regeneration of hydrophytic vegetation) that has been drained, filled, or dredged to reduce the flow of water to make the land suitable for agricultural production in any crop year shall be ineligible, as to any commodity produced by that person during that crop year, for—

(a) agricultural price support or payments made available under any Federal law;

(b) Commodity Credit Corporation loans for the construction or purchase of farm storage facilities;

(c) Federal crop insurance and disaster payments; and

(d) new Farmer's Home Administration loans, if the loan proceeds will be used for

activity contributing to the conversion of wetland.

(2) Provide that the ineligibility provisions cited above would not apply to any person who produces a crop of an agricultural commodity on converted wetland—

(a) if the conversion of such wetland was commenced before the date of enactment of the bill; or

(b) if production is possible as the result of a natural condition, such as drought, and is not assisted by any producer action that destroys the natural characteristics of the wetland.

(3) Provide that the ineligibility provisions would also not apply to a person who produces a crop of an agricultural commodity on land converted to artificial wetland (in an area that was not wetland) for purposes such as stockwater, fish production, irrigation (including subsurface irrigation, a settling basin, cooling, rice growing, or flood control. The Secretary of Agriculture also has the authority to exempt any person from the ineligibility provisions if that person takes action associated with the production of an agricultural commodity on wetland and the action, individually and in connection with other similar actions authorized by the Secretary in the area, has a minimal impact on the wetland.

(4) Provide that in administering the program the Secretary must—

(a) use the services of the local, county, and State Agricultural Stabilization and Conservation committees;

(b) consult with the Secretary of the Interior in carrying out the program, including the identification of wetlands, the determination of exemptions, and the issuance of regulations;

(c) establish appeal procedures under which persons can seek review of the determination that land is converted wetland and under which persons adversely affected by program determinations may seek review of those determinations; and

(d) not later than 180 days after the date of enactment, issue any regulations needed to implement the program, including regulations that define the term "person," specify program ineligibility, and protect the program interests of tenants and sharecroppers.

C. Conservation acreage reserve

The conservation acreage reserve provisions would—

(1) Establish a conservation acreage reserve program to convert eligible erosion-prone land to less intensive uses (such as pasture, permanent grass or legumes, or trees) and to place this land in the conservation acreage reserve. Eligible erosion-prone land is defined as class IVe, VIe, VII, or VIII land, or as land having an excessive rate of erosion (as determined through the use of the universal soil loss equation and the wind erosion equation) that has been used, or is considered to have been used, to produce an agricultural commodity during at least 2 of the 3 crop years prior to January 1, 1986. While the Secretary of Agriculture has discretion to fix the size of the conservation acreage reserve at a maximum of 30 million acres, the Secretary is required to put at least 10 million acres into the reserve during the 1986 crop year, an additional 10 million acres during the 1987 crop year, and an additional 5 million acres by the close of the 1989 crop year.

(2) Require the Secretary, during crop years 1986 through 1990, to enter into conservation contracts (lasting from 7 to 15 years) with owners and operators of eligible erosion-prone land. Under the contracts, the owners and operators must agree—

(a) to implement an approved conservation plan for converting the land to a less intensive use;

(b) to put the land covered by the contract into the conservation acreage reserve and to establish approved vegetative cover on the land;

(c) not to use the land for agricultural purposes, or conduct any harvesting, grazing, or haying, or make commercial use of the forage or trees on such land, except as permitted in the contract or by the Secretary;

(d) to forfeit all future rental payments and conservation payments and to refund all such payments received, with interest thereon, if the owner or operator violates the contract in such a way as to warrant its termination, or to make refunds of such payments or accept payment adjustments, if the Secretary determines that the contract violation does not warrant contract termination;

(e) upon transfer of the land subject to the contract, to forfeit all future rental payments and conservation payments and to refund all such payments received, with interest thereon, unless the transferee agrees to assume the terms of the contract or enters into a new contract with the Secretary;

(f) not to adopt any practice specified in the contract as a practice that would tend to defeat the purpose of this program; and

(g) to any additional provisions that the Secretary believes is desirable to carry out the program or to facilitate its administration.

(3) Require the conservation plan to set forth—

(a) the conservation measures and practices to be installed on the land subject to the contract; and

(b) the commercial use, if any, to be made of the land during the term of the contract.

(4) Require a portion of the conservation contracts to be entered into with owners and operators who agree to plant trees as the vegetative cover. To the extent practicable, in areas prone to wind erosion, at least 10 percent of the acreage under conservation contract must be devoted to shelterbelts, but no more acreage may be devoted to this purpose than is consistent with effective wind erosion control.

(5) Authorize the Secretary, on a yearly basis, to designate a State, or part of a State, as an area in which the haying or grazing of conservation acreage may be permitted. Specific decisions to permit such activity will be made on a contract by contract basis, subject to such terms and conditions as the Secretary may prescribe, except that haying and grazing may be permitted only during the 6 principal nongrowing months.

(6) Provide that in return for the agreement of the owners and operators, the Secretary must agree to—

(a) share the cost of the conservation measures and practices set forth in the contract that the Secretary determines are appropriate and in the public interest;

(b) pay a rental fee in an amount necessary to induce the placement of erosion-prone land into the conservation reserve and obtain the retirement of cropland base and allotment history; and

(c) provide conservation technical assistance in carrying out the contract.

(7) Provide that the amounts of rental payments payable to owners and operators may be determined through the submission of bids or such other means as the Secretary deems appropriate. The Secretary must give priority to those offers that, on the basis of all relevant factors, result in the lowest cost to the Government. The relevant factors include—

(a) the amount of rent needed to bring land into this program;

(b) the productivity and extent of erosion on the land subject to the contract;

(c) the number of eligible acres removed from production each year;

(d) the amount of funding for the program;

(e) the extent to which erosion-prone land may contribute to off-site damages; and

(f) the potential benefits to wildlife.

The Secretary may establish different criteria for the acceptance of contract offers for land located in various States and regions of the country.

(8) Provide that rental payments may be made in cash or in in-kind commodities. If in-kind payments are made—

(a) they must be made in the commodity normally produced on the land; and

(b) they must be made by delivery of the commodity within the county where the land is located or at such other point as is mutually agreeable; by the transfer of negotiable warehouse receipts, or by any other appropriate method.

(9) Authorize the Secretary to pay rental payments in cash if insufficient quantities of commodities are available from which to make payments and to make both rental and conservation payments in advance of compliance with the conservation contract. The total amount of rental payments, however, may not exceed $50,000 per owner or operator for each fiscal year; this limitation, however, is separate from and not related to the payment limitation applicable to the annual commodity programs under the Agricultural Act of 1949.

(10) Authorize the Secretary to modify or terminate a contract if the owner or operator agrees to the modification or termination and the Secretary determines that the modification or termination is in the public interest.

(11) Authorize the Secretary to modify or waive contract terms to permit the production of agricultural commodities on land covered by conservation reserve contracts, subject to such conditions as the Secretary finds are appropriate.

(12) Provide that, in carrying out this program, the Secretary—

(a) must reduce the owner's or operator's program acreage base by the amount of the acreage placed under the conservation reserve contract;

(b) must use the Commodity Credit Corporation (CCC), except that, beginning in fiscal year 1988, the Corporation must receive funds appropriated to carry out this program in advance of any CCC expenditures for the program;

(c) must issue regulations implementing the program within 180 days after the authorizing legislation is enacted;

(d) must provide safeguards to protect the program interests of tenants and sharecroppers;

(e) must consult with Federal and State fish and wildlife agencies, land-grant colleges, conservation districts, and other water management and conservation groups, and

(f) may use the services of a number of land grant colleges and related Federal, State, and local agencies in carrying out the program.

D. Other conservation provisions

Other conservation provisions of the bill would—

(1) Authorize the Secretary of Agriculture to purchase conservation easements on certain highly erodible land and wetland that has been used as security for Farmers Home Administration loans. If the FmHA borrower is unable to repay the loan, the land in question has been cultivated for row crops in each of the last 3 years, and the land is suitable for conservation purposes, the Secretary may forgive all or a portion of the FmHA debt in return for a conservation easement, at least 50 years in length, on all or part of the land pledged as security for the FmHA debt. The person granting the easement would be required to maintain specified conservation practices and to permit certain recreational and wildlife uses of the land for the life of the easement in return for the foregiveness of the debt. The forgiveness of the debt would not be counted as income to the debtor for Federal income tax purposes.

(2) Promote energy and water conservation through dry land farming in the administration of the Soil Conservation and Domestic Allotment Act.

(3) Provide that soil conservation payments or grants in aid under the Agricultural Conservation Program must be used in accordance with approved soil conservation plans.

(4) Extend the Soil and Water Resources Conservation Act of 1977 and provide for updating the data every 10 years that is used in the appraisal of soil and water resources.

(5) Express the sense of Congress concerning the value of the Soil Conservation Service and urging that funding for necessary Soil Conservation Service programs be continued.

(6) Require the Secretary to implement a program for the amortization of delinquent Farmers Home Administration loans, using revenue generated from softwood timber crops planted on land previously used for crop production or pasture and pledge as security for the delinquent loan. Repayment of the reamortized loan must be made within 50 years; with the interest rate set by the Secretary. To be eligible for the program, the FmHA borrower must place at least 50 acres of eligible land in softwood timber production, the eligible land may have no liens, other than the FmHA lien, against it, and the indebtedness against such eligible land cannot exceed $1,000 per acre. The Secretary may also make loans to finance the planting of the softwood timber, but not in excess of $100,000 to any one borrower.

TITLE XVII—AGRICULTURAL CREDIT

The agricultural credit provisions of the bill would—

(1) Consolidate the authorizations for the FmHA farm ownership and farm operating loan programs into one authorization, with an amount of $4 billion authorized annually for these programs for fiscal year 1986, fiscal year 1987, and fiscal year 1988. These authorizations would be apportioned between insured loans and guaranteed loans as follows:

(a) Fiscal year 1986—$2 billion would be designated for insured loans and $2 billion for guaranteed loans.

(b) Fiscal year 1987—$1.5 billion would be designated for insured loans and $2.5 billion for guaranteed loans.

(c) Fiscal year 1988—$1 billion would be designated for insured loans and $3 billion for guaranteed loans.

In each of the 3 fiscal years, the Secretary is authorized to transfer up to 25 percent of the funds designated for guaranteed loans to the insured loan program.

(2) Encourage use of the crop insurance program by restricting access to the emergency disaster loan program—

(a) to eligible producers who have suffered physical losses; and

(b) to eligible producers who do not have access to Federal Crop Insurance for the crop in question.

Any eligible producer who suffers a qualifying loss on annual crops planted before the date of enactment of the bill, however, would have access to the emergency disaster loan program.

(3) Establish a 3-year interest rate buydown program for FmHA guaranteed loans, to be funded at $490 million over 3 fiscal years. The duration of the interest rate buydown on an individual loan would be for the term of the loan, or for three years, whichever is shorter. An individual guaranteed loan borrower would be eligible for up to a 2 percent Federal interest rate buy-down if—

(a) the borrower can meet the 100 percent cashflow test that is currently being used by FmHA;

(b) the lending institution matches the Federal interest rate buy-down with at least an equal reduction in the borrower's interest rate;

(c) the borrower is otherwise unable to make his loan payments in a timely manner; and

(d) the loan guarantee is necessary for the borrower to obtain credit.

(4) Authorize the compromise, adjustment, reduction, or charge-off of claims and the release of security instruments and agreements entered into or administered by the Farmers Home Administration to carry out the Act. Borrowers or others obligated on a debt could also be released from personal liability with or without the payment of any consideration at the time of the compromise, adjustment, reduction or charge-off of the claim.

(5) Require that a loan applicant or borrower who is directly and adversely affected by a decision of the Secretary be given—

(a) written notice of the decision within 10 days of the date of the decision, an opportunity for an informal meeting, an opportunity for a hearing, and the procedures to be used to appeal the decision;

(b) a reasonable opporunity to inspect and reproduce the applicant's or borrower's personal file maintained by the Secretary; and

(c) the right to be represented by an attorney or nonattorney at any file inspection, informal meeting, or hearing. The Secretary may charge the applicant or borrower for reasonable costs incurred in reproducing files.

(6) Provide for the sale or lease of farmland held in FmHA inventory as follows:

(a) To the extent practicable, farmland would be sold or leased to operators of not larger than family-size farms. The Secretary must advertise the availability of such land in at least one local newspaper and post an announcement of the availability of such land in the FmHA county office. If such land could not be sold or leased to family-size farmers, it could be disposed of under the provisions in current law.

(b)(i) The Secretary may sell farmland through installment sales or similar devices. The Secretary may subsequently sell any such installment sale or other contract.

(ii) The Secretary may also enter into lease with option to purchase agreements with farm operators. Such lease agreements must be made on a fair and equitable basis. In leasing such land, the Secretary must give special consideration to the previous owner or operator, if the person has the resources and skills to succeed in the proposed farming operation.

(c) The Secretary must offer to sell the farmland at a price that reflects the average annual income that could be generated from farming the land.

(d) If two or more persons are qualified to purchase a given tract of land, the FmHA county committee will select the person who will be allowed to make the purchase.

(e) If any tract of farmland in the FmHA inventory is too large to be used in a family farm operation, the Secretary must subdivide the tract into parcels suitable for farming by family farmers.

(f) If any of the farmland in the FmHA inventory is highly erodible land, as defined in the "Sodbuster" portion of the bill, the Secretary may require as a condition of sale or lease, that specified conservation practices be used on such land.

(7) Require that the Secretary—

(a) consider recommendations made by a loan applicant or borrower concerning the technical design and choice of materials to be used in the construction of water and waste disposal facilities and give the applicant or borrower a comprehensive justification when such design or materials are not used in the facility;

(b) conducts a study of the practicality and cost effectiveness of making loans and grants for the construction of rural water and waste disposal facilities at individual locations, rather than central or community locations, and report the results to the House and Senate agriculture committees;

(c) with regard to an application for a loan or loan guarantee—

(i) approve or disapprove an application, and notify the applicant of the Secretary's action, including any reasons for disapproval, within 90 days after receipt of a complete application; and

(ii) if the application is incomplete when it is received, inform the applicant of the reasons for its incompleteness within 20 days after receipt;

(d) make the proceeds of an insured loan available within 15 days of the date the loan is approved or within 15 days of the date that sufficient funds become available to the Secretary for such loans, unless the loan applicant agrees to a longer period;

(e) decide whether a lender should be designated as an approved lender under the Department's approved lender program within 15 days of the receipt of a complete application; and

(f) make personnel and resources available in sufficient quantities to expeditiously process FmHA loan applications submitted by farmers and ranchers.

(8) Authorize FmHA insured loan borrowers to—

(a) transfer their loan accounts, on a one-time basis and with the approval of the head of the FmHA State office, to an FmHA county office in an adjacent county; and

(b) make prospective loan payments—

(i) from proceeds generated from the leasing of mineral rights in real property used to secure an FmHA loan, and

(ii) from proceeds generated from the sale of minerals severed from real property used to secure an FmHA loan if the minerals had

not been used as security for the loan and the loan security is otherwise adequate.

The provision for prospective loan payments will not apply to any loan subject to foreclosure or liquidation proceedings on the date of enactment of the bill.

(9) Clarify that the Secretary can sell notes from the Agricultural credit Insurance Fund and the Rural Development Insurance Fund on a nonrecourse basis. All such notes sold from the Agricultural Credit Insurance Fund must have been held in that fund for at least 4 years.

(10) Authorize the use of a portion of the proceeds from an operating loan made to a limited-resource borrower to pay for training in the keeping of farm and ranch business records.

(11) Require a study of the administrative appeals procedure used under the FmHA farm loan programs and a report of the results of such study be made to the House and Senate Agriculture committees by September 1, 1986.

(12) Require a study of the appropriateness of the Farm and Home Plan used by FmHA in the administration of its farm and ranch lending program and a report of the results of such study be made to the House and Senate Agricultural committees not later than 120 days after enactment of the bill.

(13) Require the release of funds from normal income security in amounts sufficient to pay the borrower's essential household and farm operating expenses, until such time as the Secretary determines that the underlying loan should be liquidated.

(14) Require that a detailed annual loan summary statement be issued to any insured loan borrower who requests such a statement.

TITLE XVIII—AGRICULTURAL MARKETING

Subtitle A—Pork Promotion, Research, and Consumer Information

Subtitle A of Title XVIII establishes a new program of promotion, research, and consumer information designed to strengthen the position of the pork industry in the marketplace and to maintain, develop, and expand markets for pork and pork products. Subtitle A of Title XVIII would—

(1) Declare findings of Congress concerning the value of pork and pork products to the human diet; the role of pork production in the U.S. economy; the need to market pork and pork products to ensure adequate nourishment; the importance of maintaining, expanding, and developing markets for pork and pork products; the movement of pork and pork products in interstate and foreign commerce; and the replacement of domestic pork with imported pork in normal trade channels;

(2) Declare the purpose of the subtitle to be that of authorizing assessments for promotion, research, and consumer information to strengthen the pork industry in the marketplace and maintain, develop, and expand markets for pork and pork products;

(3) Require the Secretary of Agriculture to issue and amend orders applicable to persons engaged in the production and sale of porcine animals, pork, and pork products in the United States and the importation of such animals and products into the United States;

(4) Require the Secretary to issue an order, after giving notice and an opportunity for public comment on a proposed order, if the order would assist in carrying out the subtitle;

(5) Require that the order provide for the establishment and appointment by the Secretary of a National Pork Producers Delegate Body consisting of producers, appointed by the Secretary from nominees submitted by State associations, and of importers. States that have State associations that do not submit nominations or that do not have a State association would submit nominees in a manner prescribed by the Secretary. The number of producer members appointed to the Delegate Body from each State would equal two members, and additional members, determined by using an allocation formula based on porcine animals marketed from the State in calendar year 1986 and based on net assessments collected in such State in subsequent calendar years. The number of importer members would be determined on the basis of importations of porcine animals, pork, or pork products in calendar year 1986 and assessments collected from importers in subsequent calendar years. Pork producer and importer members of the Delegate Body would be authorized to cast a number of votes determined on the basis of specified formulas. Members of the Delegate Body would serve for a 1-year term and would serve without compensation but could be reimbursed for transportation expenses. The Delegate Body would nominate not less than 17 members of the National Pork Producer Directors for the first year and not less than one and one-half persons (rounded up to the nearest person) thereafter from among the Directors for each vacancy on the National Pork Board that requires nominations for appointment to the Board;

(6) Require that the order provide for the establishment and appointment by the Secretary of a body to be known as the National Pork Producer Directors to serve as a liaison between the State pork producer associations and the Board and to consult with the Board on policy matters. The Directors would consist of one pork producer member from each State with one additional producer member from each State from which 11 million or more porcine animals were marketed during a year. One importer member, selected in a manner prescribed by the Secretary, would serve on the Board. Directors would serve for 3-year terms, and would serve without compensation but could be reimbursed for transportation expenses;

(7) Require the order to provide for the establishment and appointment by the Secretary of a National Pork Board consisting of 11 pork producers nominated from members of the Directors and appointed by the Secretary. Members of the Board would serve for 3-year terms, and would serve without compensation but would be reimbursed for reasonable expenses. The Board would develop pork promotion, research, and consumer information plans and projects; submit the plans and projects to the Secretary for approval; administer orders issued by the Secretary; prescribe rules necessary to carry out orders; receive, investigate, and report to the Secretary complaints of violations of orders; make recommendations to the Secretary concerning amendments to the orders; and employ a staff and conduct routine business. The Board would be required to prepare and submit, for the approval of the Secretary, a budget for each fiscal year of anticipated expenses and disbursements of the Board in the administration of the order, including the projected cost of any promotion, research or consumer information plan or project to be conducted by the Board directly or by way of contract or agreement, and the budget, plans or projects for which the State associations and National Pork Producers Council are to receive funds. These budgets, plans, or projects would become effective on the approval of the Secretary. The Board, with the approval of the Secretary, would be authorized to enter into contracts or agreements for the development and conduct of activities authorized under an order and for the payment of the costs thereof through assessments;

(8) Require that no later than 30 days after the Board is established, an assessment be paid by each producer for each porcine animal produced in the United States that is sold or slaughtered for sale, and by each importer for each porcine animal, pork, or pork product imported into the United States. A person would not be required to pay an assessment if the person proves to the Board that an assessment was previously paid by a person for a porcine animal of the same category. The initial rate of assessment would be 0.25 percent of the market value of the porcine animal, pork, or pork product sold or imported or such lesser amount as may be set by the Secretary upon recommendation by the Board. The pork or pork product imported into the United States would be assessed based on the equivalent live value of the porcine animal from which such pork or pork product was produced. The assessment could be increased in increments of 0.1 percent but could not exceed 0.5 percent unless approved in a referendum. The Secretary would have authority to waive the collection of assessments upon selected pork products when the collection would not be practicable. Each State pork producer association would receive an amount of funds from the assessments collected based on a specified formula and would be required to use the funds and the proceeds from the investment of such funds for financing pork promotion, research, and consumer information plans and projects. The National Pork Producers Council would receive 60 percent of the aggregate assessments collected less the amount distributed to the State associations and would use these funds and the proceeds from the investment of such funds for financing pork promotion, research, and consumer information plans and projects. The Board would receive the amount of assessments remaining after the distributions to the State associations and the Producers Council. The Board would use the funds and the proceeds from the investment of such funds, generally, for financing pork promotion, research, and consumer information plans and projects;

(9) Require the Secretary, in determining whether to continue an order then in effect, to conduct a referendum not earlier than 1 and not later than 2 years after the effective date of the initial order among persons who have been producers and importers during a representative period, as determined by the Secretary. A majority of the producers and importers voting must approve the order for it to be continued;

(10) Require the Secretary to terminate or suspend an order if, after the initial referendum, the Secretary determines that an order does not tend to effectuate the declared policy of the subtitle. After the initial referendum, on the request of a number of persons equal to at least 15 percent of persons who have been producers and importers during a representative period, as determined by the Secretary, the Secretary would be required to conduct a referendum to determine whether the producers and importers favor the termination or suspension

of the order. The Secretary would not be required to conduct more than one referendum under this subtitle in a 2-year period.

(11) Authorize a producer or importer to receive a refund of an assessment prior to approval of continuation of the order in a referendum. After approval of the order in a referendum, no refunds would be permitted;

(12) Authorize a person subject to an order to file a petition with the Secretary requesting a modification of or an exemption from the order;

(13) Grant jurisdiction to U.S. District Courts to enforce an order, rule, or regulation issued under the title. A person who willfully violates an order, rule, or regulation issued by the Secretary under this title may be assessed a civil penalty of not more than $1,000 and, in the case of a willful failure to pay, collect, or remit an assessment, an additional penalty equal to the amount of the assessment. The Secretary is also authorized to issue cease and desist orders for violations of an order, rule, or regulation; and

(14) Preempt State regulation of promotion and consumer education involving pork and pork products and obtaining funds from pork producers for such activity and prohibit the State regulation of such activity (other than a regulation or requirement relating to public health or the provision of State or local funds for such activity) that is in addition to or different from this subtitle. This section would apply only during a period beginning on the date of the commencement of the collection of assessments and ending on the date of the termination of the collection of assessments.

Subtitle B—Beef Promotion and Research

Subtitle B of Title XVIII revises the Beef Research and Information Act which provides for financing (through assessments on all cattle sold in the United States and on cattle, beef, and beef products imported into the United States) a program of promotion and research designed to strengthen the position of the beef industry in the marketplace and to maintain and expand markets and uses for beef and beef products. Subtitle B of Title XVIII would—

(1) declare findings of Congress concerning the value of beef and beef products to the human diet; the role of beef production in the economy of the United States; the need to market beef and beef products to ensure adequate nourishment; the importance of maintaining and expanding markets for beef and beef products; the conduct by established State and national organizations of beef promotion, research, and consumer education programs that are invaluable to promote the consumption of beef and beef products; and the movement of beef and beef products in interstate and foreign commerce;

(2) Declare the purpose of the Act to be that of authorizing assessments for promotion and research designed to strengthen the beef industry in the marketplace and to maintain and expand markets and uses for beef and beef products;

(3) Require the Secretary of Agriculture to issue a beef promotion and research order after giving notice of and an opportunity for public comment on a proposed order;

(4) Require that the order provide for the establishment and appointment by the Secretary of a Cattlemen's Beef Promotion and Research Board consisting of producers, appointed by the Secretary from nominees submitted by State livestock or farm organizations, and of importers. States that do not have a State livestock or farm organization would submit nominees in a manner prescribed by the Secretary. The number of producer members appointed to the Board would be determined by using an allocation formula based on the total inventory of cattle in each State. The number of importer members would be determined by converting the volume of imported beef and beef products into an equivalent number of live animals. Members of the Board would serve for a 3-year term and would serve without compensation but would be reimbursed from assessment for reasonable expenses incurred in performing duties as a member of the Board of Beef Promotion Operating Committee. The Board would administer the order; issue regulations; elect members of the Board to serve on the Committee; approve or disapprove budgets submitted by the Committee; receive, investigate, and report to the Secretary on complaints of violations of the order; and recommend to the Secretary any necessary amendments to the order.

(5) Require that the order provide for the establishment of a beef Promotion Operating Committee. The Committee would consist of ten members of the Board, elected by the Board, and ten producers who are directors of qualified State beef councils, elected by a federation that includes as members of the qualified State beef councils. A member of the Committee would serve for a 1-year term, and would serve without compensation but would be reimbursed for reasonable expenses incurred in performing duties as a Committee member. The Committee would develop plans or projects for promotion, advertising, research, consumer information, and industry information which would be paid for with assessments collected by the Board. The Committee would develop and submit a budget of anticipated expenses and disbursements of the Committee to the Board for the approval of the Board. If approved by the Board, the budget would be submitted for approval of the Secretary. No plan, project, or budget would become effective unless approved by the Secretary.

(6) Require that an assessment be paid by each person purchasing cattle from a producer and each person marketing beef directly from cattle produced by that person. An assessment would also be paid by each importer of cattle, beef, or edible beef products. The rate of assessment would be $1 per head of cattle, or in the case of imported beef and edible beef products, the equivalent of $1 per head of cattle, as determined by the Secretary. If a producer is participating in a program of an established qualified State beef council, the producer would receive credit of up to 50 cents per head of cattle in determining the amount of the assessment due from the producer for contributions to the program. The assessments would be used for the payment of expenses incurred in administering the order, and the maintenance of a reasonable reserve.

(7) Require the Secretary, in determining whether to continue the initial order, to conduct a referendum not later than 2 years after the issuance of the order (or any earlier date recommended by the Board) among persons who have been producers or importers during a representative period, as determined by the Secretary. A majority of the producers and importers voting must approve the order for it to be continued.

(8) Require the Secretary, after the initial referendum, on the request of 10 percent of persons who have been producers or importers during a representative period, as determined by the Secretary, to conduct a referendum to determine whether the producers and importers favor the termination or suspension of the order. The Secretary would also be required to terminate or suspend an order if the Secretary finds that the order, or a provision of the order, does not tend to effectuate the declared policy of the Act.

(9) Authorize the Secretary to issue an order to restrain or prevent a person from violating an order and to assess a civil penalty of no more than $5,000 for the violation of an order. Jurisdiction would be granted to United States District Courts to enforce an order, rule, or regulation issued under the Act.

TITLE XIX—GENERAL PROVISIONS

The general provisions of the bill would—

(1) Establish a National Commission on Agricultural Policy to study the structure, procedures, and methods of formulating and administering agricultural policies, programs, and practices of the United States. The Commission would be composed of 15 members appointed by the President from nominations submitted by the Governors of the States. The chairmen and ranking minority members of the House and Senate agriculture committees would be ex officio members of the Commission. The Commission would submit annual reports to the President and Congress and would terminate 4 years after the date of enactment of the bill;

(2) Make several amendments relating to the Agricultural Stabilization and Conservation committees, including authorizing county ASC committees to petition the Secretary of Agriculture to change the number of local administrative areas in the county but not to exceed the number of local areas in the county on December 31, 1980; requiring that the members of the local committees be elected for 3-year terms instead of annually and that the local committees meet once a year and more often at the direction of the county ASC committee with the approval of the State ASC committee; specifying the duties of local committees; and increasing the rate of compensation for county and local committee members by 10 percent from the rate in effect on the date of enactment of the bill;

(3) Authorize $57,067,300 to be appropriated for fiscal year 1986 to carry out the Federal Insecticide, Fungicide, and Rodenticide Act and authorize such sums as are necessary for fiscal year 1987 to carry out such Act;

(4) Amend the Consolidated Farm and Rural Development Act to authorize the Secretary to make grants to nonprofit institutions for the purpose of enabling the institutions to establish and operate rural technology development centers;

(5) Expand the authority of the Secretary to change and collect user fees for the provision of pamphlets, reports, and other publications, to include the provision of software, and electronic publications, and to include all such materials prepared in the Department of Agriculture;

(6) Amend the Virus-Serum-Toxin Act of 1913 to authorize the Secretary to regulate the preparation, sale, and shipment of animal biological products in intrastate commerce and for export, as well as for interstate commerce. A 4-year transition period for intrastate animal biological products is provided. The bill also (i) authorizes the issuance of a special license under an expedited procedure for animal biological products that are designed to meet emer-

gency conditions, limited market, or local situations, (ii) requires the Secretary to exempt from licensing requirements animal biological products prepared for use in the preparer's own animals, prepared by a licensed veterinarian for use in animals under such veterinarian's care, or intended for intrastate distribution in a State that licenses such products and meets certain other criteria, and (iii) makes applicable to animal biologicals the enforcement provisions of the Federal Meat Inspection Act regarding detentions, seizures, and injunctions;

(7) Amend the Poultry Products Inspection Act to require all poultry and poultry products, capable of use as human food that are imported into the United States, to be subject to inspection, sanitary, quality, species verification, and residue standards applied to poultry produced in the United States. The amendment also would require that such imported poultry and poultry products be processed in facilities and under conditions at least equal to those under which similar products are processed in the United States. Any imported poultry article that does not meet the standards would not be permitted entry into the United States; and

(8) Provide that neither the Secretary nor any officer or employee of the Department of Agriculture may (1) use information furnished under provisions of certain specified Acts for a purpose other than the development or reporting of aggregate data in a manner such that the identity of the person who supplied the information is not discernible and is not material to the intended uses of the information, or (2) disclose the information to the public unless the information has been transformed into a statistical or aggregate form that does not allow identification of the person who supplied the information. Persons publishing or publicly releasing the information in any manner prohibited by this section would be subject to criminal penalties.

Mr. HELMS. Mr. President, before I yield to my distinguished colleague, the ranking minority member, for his remarks, let me say that I have never been more honored in my life than to work with this committee in connection with this bill. That does not mean that there was 100 percent harmony. Certainly, there was not 100 percent agreement. But the Agriculture Committee is made up of very fine Senators, colleagues of whom I am very proud and whom I respect very much, and none more than the distinguished ranking minority member, the Senator from Nebraska [Mr. ZORINSKY].

Here is a man of incredible patience and good cheer. Day after day, we have sat together in the markup of this bill. I hold Senator ZORINSKY in the greatest affection, and I express my gratitude to him.

I see the distinguished Senator from Mississippi [Mr. COCHRAN] in the Chamber. What a delight it is to work with him!

I think we are going to have a little fun as we proceed on the farm bill. I imagine that there will be a few disagreements along the line. But we do have a little policy in the committee that we agree to disagree agreeably.

Finally—and I will speak of this at the conclusion of the consideration of the farm bill in some detail—I want to pay my respects to the staff, minority and majority. As a matter of fact, we do not have that sort of arrangement on the Agriculture Committee. Everybody works for everybody, and everybody works together. We have a fine staff, and I am grateful to them for the enormous amount of work and time they have devoted to a piece of legislation that has approximately 2,600 provisions and 20 titles. I do not know whether there is a longer piece of legislation that will go through this body, and I say that in the hope that it will go through.

With that, I yield the floor to my distinguished colleague from Nebraska.

The PRESIDING OFFICER (Mr. SIMPSON). The Senator from Nebraska.

Mr. ZORINSKY. Mr. President, I should like to take this opportunity to indicate that the cooperation of the chairman of the committee, Senator HELMS, has been outstanding throughout the development of S. 1714. He also has been a model of patience during the several months in markup and many deliberations on the Senate farm bill, under extremely difficult conditions. Many times we had difficulty in obtaining quorums. We have arrived at a very fragile coalition, which is the bill before the Senate today.

I thank the chairman for his patience and for his fairness and evenhandedness in conducting the business of the committee throughout the deliberations on the farm bill.

Mr. President, agriculture is of key importance to the economic well-being of the Nation. Each citizen in this country has a stake in the farmer's survival. The price and income protection provided by the farm commodity programs in S. 1714—the 1985 farm bill—are, in the strictest sense, an investment in the continuing ability of the Nation's farmers to meet the food and fiber needs of consumers at home and abroad.

S. 1714 would extend and update a number of the important farm commodity programs; extend the Food for Peace Program under Public Law 480 and provide new authorities designed to increase the export of U.S. agricultural commodities; extend the Food Stamp Program; provide renewed authorizations for agricultural research, extension, and teaching programs; and establish programs to promote soil and water resource conservation efforts.

The commodity price support programs have, over the years, been of great importance in providing farmers with a degree of stability in uncertain markets and protection from prices sliding far below the cost of production.

In general, S. 1714 attempts to maintain income protection for farmers while making U.S. commodities more competitive in United States and foreign markets. In this connection, S. 1714 freezes the target prices for the 4-year life of the bill in the case of corn, $3.03 per bushel, upland cotton, 81 cents for pound, and rice, $11.90 per hundredweight. The bill effects a slightly different freeze of the wheat target price $4.38 per bushel—by establishing two levels of target price protection: $4.55 per bushel on the first 20,000 bushels of production and $4 per bushel on all remaining bushels of production.

Mr. President, S. 1714 is the product of a lengthy and arduous series of discussions, meetings, hearings, debates, and markup sessions. The success or failure of this effort must be judged in the context of what can and cannot be accomplished through Government farm programs.

What is apparent to me and, I think, to a number of my colleagues, is that the problems of agriculture are so pervasive, so complex, and so deep, as to be beyond the scope of any farm bill alone, no matter how well thought out or how well-funded. Neither Congress nor the farm community should look to the 1985 farm bill as a permanent, definitive solution to the long-range problems of agriculture.

For example, the deficit-based strong dollar adds, by some estimates, as much as 50 percent to the cost of our agricultural commodities abroad. Removing this inflated expense will do more to provide long-term relief than any other single action we could take.

Tax laws provide another example of governmental policies that distort and often defeat the direct actions taken by Congress on behalf of agriculture. In the current environment, farming the Tax Code is more profitable than farming the land. Competition from wealthy individuals seeking financially-advantageous investment losses adversely affects producers who must farm at a profit to survive.

Monetary policy provides a third example of nonagricultural policies that affect greatly the profitability of farming. Quite simply, high interest rates combined with low income mean insolvency for many farmers.

Thus, as we begin debate on the 1985 farm bill, it must be recognized that the ability of S. 1714 to cure all that ails agriculture today is limited.

AGRICULTURE AND THE ECONOMY

Agriculture is our Nation's most vital industry.

The export of agricultural commodities represents the largest positive share of our balance of trade.

Domestically, agriculture and its related industries are our No. 1 employer, providing the American consumer with a food supply that is as diverse,

as dependable, and as high quality as any in the world. Furthermore, the American consumer spends only about 14 percent of disposable income on food, making our food among the cheapest in the world.

Strategically, we as a nation are insulated from the whims of foreign suppliers when it comes to the acquisition of that most basic of human needs—food. To appreciate the significance of this fact, one has only to remember the oil embargo of 1973 to understand the chaos that would ensue if we were to be deprived of our capacity to produce food.

Despite the tremendous efficiency and productivity of our family farms, and our Nation's vital dependence on them, our farmers are facing the most wrenching financial crisis since the Great Depression. If this crisis is allowed to continue unabated, our family farm system of agriculture, which has thus far served us exceptionally well, will be permanently altered, to the detriment of us all.

DEVELOPING THE 1985 FARM BILL

Agriculture Committee members brought to the committee table diverse opinions as to how the severe problems facing agriculture should be addressed. Those opinions included the so-called market-oriented approach to commodity programs put forth by the administration, commitments to maintaining net farm income, proposals to reduce commodity surpluses, and concepts aimed at reducing Government expenditures. S. 1714 addresses each of these concerns.

The bill reported by the committee gives the administration what it requested in terms of "market-oriented" commodity loan programs by providing market-based price support loan rates. The administration has contended that the key to the salvation of the agricultural sector lies in our ability to compete in foreign markets, and that to compete, we must reduce the cost of our agricultural commodities in international trade. The administration has further contended that, since loan rates establish a floor for the world price of agricultural commodities, lowering the loan rates to so-called market-clearing levels is essential if we are to retain our present markets and recapture those lost to lower priced foreign producers. S. 1714 does just that.

There are economists who contend that the price of our commodities is inelastic, meaning that sales will not necessarily increase as we reduce our selling price, and that the market-oriented concept is merely a mechanism for reducing budget outlays at the expense of a politically weak farm sector.

I have stated many times, on the floor of the Senate and elsewhere, that the international market in which our agricultural commodities are sold is not a free market system. And I repeat—it is not a free market system.

By some estimates, over 90 percent of the commodities traded in the international market are subsidized by either the buyer or the seller. To compel the American farmer to market his or her production at so-called market-clearing prices in such an international market—without the benefit of a proven and effective safety net—could be damaging to our family farm system of agriculture and could have dire consequences for our national economy, as well.

For these reasons, I support the freeze on target prices contained in S. 1714. With effective target prices, we can maintain a safety net for agricultural producers, thereby enabling them to provide American consumers with the most diverse, highest quality, and cheapest food and fiber in the world.

S. 1714 also contains numerous provisions aimed at reducing commodity surpluses.

First, the conservation reserve provisions and the swampbuster and sodbuster provisions, patterned after my farm bill (S. 1051), will go a long way toward removing marginal land from unneeded production.

Second, the enhanced export provisions contained in the bill should provide further incentives for additional foreign sales as a further means of reducing surpluses.

Third, the wheat provisions of S. 1714, also patterned after language contained in my original bill, would provide for a producer referendum to determine if mandatory production controls should be in effect for the 1987 through 1989 crop years. Such controls, if adopted, would reduce surpluses, improve net farm income for wheat producers, and reduce Government expenditures at the same time.

SUPPLY MANAGEMENT FOR WHEAT

The Nation simply produces more wheat than it can consume or sell abroad. We have proven this year after year after year. This has led to the accumulation of massive Government surpluses, accompanied by plummeting market prices and skyrocketing Government expenditures. Wheat growers, in response to lower market prices, have signed up en masse for Government farm programs. Program participation for the upcoming crop year will likely approach 100 percent.

This increased program participation has led to greater Government expenditures for deficiency payments under income support/target price provisions, increased surplus accumulation through loan foreitures under price support/loan rate provisions, and increased Government expense related to the storage of Government-owned grain and grain in the farmer-owned reserve.

The need for an effective supply management program is overwhelming. The American Farm Bureau Federation reports that current wheat acreage exceeds demand by 34 percent. Some economists predict that if present trends continue, demand for our grain will be severely reduced through the remainder of the century. Given the continuing advances in genetics, hybridization, and biotechnology, as well as a heightened desire by our current purchasers abroad to become more nutritionally self-sufficient, this estimate may be conservative. At any rate, the need for fencerow to fencerow production is absent, at least for the foreseeable future.

If we continue this type of fencerow to fencerow mentality, we will create a boom in production.

In fact another administratively imposed Payment-in-Kind Program—the PIK Program—appears possible, unless legislative action is taken to reduce surpluses in a more orderly manner and with less detrimental effect on agribusinesses.

Conceptually, supply management merely entails bringing production into balance with demand. It is the most fundamental tenet of the marketplace. General Motors does not operate its plants at full capacity when to do so would glut the market and force it to sell units below their cost of production. Yet this is exactly what we force our farmers to do. The absence of effective supply management would bankrupt General Motors just as it is bankrupting our Nation's agricultural producers.

Some have asked why my supply management proposal is limited to wheat. Let me state that I will support the application of supply management to any commodity for which an excessive surplus exists. Of course, some commodities, such as tobacco, are already subject to mandatory supply management programs. However, certain factors affected my decision to limit the proposal to wheat.

First, producer support for mandatory supply management appears strongest among wheat producers.

Second, wheat suffers to a greater degree than some other commodities from price-depressing surpluses and the vagaries of volatile and diminishing export markets.

Third, wheat, unlike other food commodities such as feed grains, is predominantly consumed directly by humans. Therefore, increases in the price of a bushel of wheat are more directly—and more equitably—passed on to consumers. Increasing the price of a bushel of wheat by one dollar increases the price of a loaf of bread by only a few pennies. Americans spend only about 14 percent of their disposable income on food, making our food among the cheapest in the world.

Feed grains, on the other hand, pass through a more complex food chain, and the consumer is more price sensitive with regard to the meat end product. This results in the increased costs of feed grains being absorbed by middlemen, some of whom, such as cattle feeders, are in as weak a financial position as the farmer.

Finally, wheat-growing operations tend to be less diversified than feed grain operations, leaving wheat producers more vulnerable to market fluctuations and less able to weather low grain prices for exended periods of time.

It should be further noted that, because of low prices, approximately 600 million bushels of wheat are being fed annually to livestock. Increased prices will eliminate the use of wheat as livestock feed, thereby increasing the consumption of feed grains.

In my view, a mandatory supply management program for wheat is preferable to a voluntary program. A mandatory program offers tighter management and control, and, in view of the "slippage" in implementation and results that have accompanied voluntary programs, a mandatory program would be more cost-effective.

For the last few years we have been wishing for the law of supply and demand to take effect. I feel the time for wishing is over.

Because mandatory supply management represents a dramatic departure from the current wheat programs, I provided for a producer referendum. In addition, language was adopted in committee that would require a polling of wheat producers as a prerequisite to a referendum vote in 1986. In short, before a referendum is held, more than 50 percent of the producers must favor the holding of a referendum. Sixty percent or more of the producers voting in the referendum must favor mandatory controls before the program would become effecive for the 1987 through the 1989 crops of wheat.

Much of the opposition to supply management comes from entities whose primary interests do not include the return of profitability to agriculture. Many of these entities benefit from full production and cheap grain. I understand their concerns.

But what they need to understand is that Federal farm programs should work to the primary benefit of producers, and that when production agriculture is profitable, the corollary industries that support and are in turn supported by agriculture will be profitable as well. Short-term policies designed to benefit agribusiness are doomed to fail in the long run if the producer cannot make a profit and survive.

Specifically, the bill directs the Secretary to conduct a poll, by mail ballot, of wheat producers to determine whether the producers favor the conduct of a marketing quota referendum for the 1987 through 1989 marketing years for wheat. The Secretary is required to conduct the poll by April 1, 1986. Any producer who produced wheat on a farm during at least one of the 1981 through 1985 crop-years of wheat will be eligible to vote in the referendum.

If more than 50 percent of the producers responding to the poll favor the conduct of a referendum, the Secretary must conduct a referendum, by mail ballot, by August 1, 1986.

For any crop of wheat for which marketing quotas are in effect, the level of price support loans will be not less than $3.55 per bushel. Target prices will be not less than the higher of the national average cost of production per bushel, as determined by the Secretary, or $4.65 per bushel.

WHEAT PROGRAM IN ABSENCE OF MARKETING QUOTAS

For the 1986 crop of wheat and any crop of wheat for which marketing quotas are not in effect, the price support loan rate will be set at not less than $3 per bushel. However, the Secretary can reduce this loan rate by as much as 20 percent if the Secretary determines that the average price of wheat received by producers in the preceding marketing year is not more than 110 percent of the loan level. With the current depressed prices of wheat, it is likely that the Secretary will make this determination. The committee has been informed that the Secretary would not need to reduce the loan rate by the full 20 percent authorized.

For crop years 1987 through 1989—and if marketing quotas are not in effect—the wheat loan rate would be not less than an average of historical prices computed through the use of a formula. Under the bill, the loan rate for wheat in these crop years would be not less than 75 percent, nor more than 85 percent of the average price of wheat during the immediately preceding 5 marketing years, excluding the year in which the average price was the highest and the year in which the price was the lowest during that period. Notwithstanding the formula determination, the loan level could not be reduced by more than 5 percent from the level determined for the preceding crop.

Target prices for the 1986 crop of wheat and for the 1987 through 1989 crops of wheat—if marketing quotas are not in effect—would be set so as to provide additional protection for family-sized wheat farms. Under the bill, the target price of wheat in such cases would be $4.55 per bushel for any portion of the crop that does not exceed 20,000 bushels, and $4 per bushel for any portion of the crop that is more than 20,000 bushels.

FEED GRAIN PROGRAM

The bill provides that the loan rate for corn will be set at $2.40 per bushel for the 1986 crop. Other feed grains would be set at a level that the Secretary determines to be fair and reasonable in relation to the loan rate for corn.

The loan rate for the 1987 through 1989 crops of corn would be set at not less than 75 percent, nor more than 85 percent, of the simple average price received by producers of corn during the immediately preceding 5 marketing years, excluding the year in which the average price was the highest and the year in which the average price was the lowest.

However, as in the case of wheat, the loan rates for feed grains could be reduced using the modified Findley amendment.

(Mr. WARNER assumed the chair.)

Too, in the case of wheat and feed grains, the Secretary would be required to permit producers to repay their price support loans at the lower of, first, the loan rate established for the crop or, second, the higher of, first, 70 percent of the loan rate established for the crop, or second, if the loan level was reduced using the Findley amendment, 70 percent of the loan rate that would have been in effect but for such reduction, or third, the prevailing world market price, as determined by the Secretary.

The target prices for the 1986 through 1989 crops of corn would remain at the 1985 level of $3.03 per bushel.

AGRICULTURAL CREDIT

In developing the agricultural credit provisions of S. 1714, the objective was to make improvements in the Farmers Home Administration [FmHA] loan programs that directly benefit agricultural producers in this country while reducing Federal expenditures.

I believe that the legislation goes far in meeting this objective.

I am particularly pleased that the legislation contains provisions for an interest rate buy-down program. This program, which I will discuss in more detail later, is very important to financially troubled farmers and ranchers. Many agricultural producers currently cannot meet the repayment requirements for guaranteed loans from commercial or cooperative lenders because of inadequate cash-flow and high interest rates. If the rate of interest was reduced, a substantial number of these producers would have adequate income to support repayment of their loans.

The program is additionally important in that it would ensure the continued availability of affordable credit under FmHA programs during the period in which the legislation would place greater reliance on the Guaran-

teed Loan Program, and less on the Direct Loan Program.

CONSOLIDATION AND AUTHORIZATION OF FARM OWNERSHIP AND OPERATING LOAN PROGRAMS

Under the provisions of the bill relating to agricultural credit, the authorization for FmHA farm ownership and farm operating loan programs would be consolidated. And $4 billion would be authorized annually for these programs for fiscal years 1986 through 1988. These authorizations would be apportioned between insured loans and guaranteed loans as follows:

First for fiscal year 1986, $2 billion would be provided for insured loans and $2 billion for guaranteed loans.

Second, for fiscal year 1987, $1.5 billion would be designated for insured loans and $2.5 for guaranteed loans.

Third, for fiscal year 1988, $1 billion would be designated for insured loans and $3 billion for guaranteed loans.

The gradual increase in the Guaranteed Loan Program is the primary source of savings under the legislation.

The Secretary of Agriculture would be authorized to transfer up to 25 percent of the funds designated for guaranteed loans to the Insured Loan Program.

AVAILABILITY OF DIRECT LOANS TO NEW FARMERS HOME ADMINISTRATION BORROWERS

The legislation would ensure eligiblity for insured loans could not be restricted to current borrowers, as the Department of Agriculture had planned to do by regulation. This provision is very important in view of the current agricultural crisis in the United States. If eligibility were to be so restricted at this time, it could have a devastating effect on a large number of our farmers and ranchers who do not qualify for commercial or guaranteed loans because their current cash flow cannot support repayments at the current rates of interest on such loans. If FmHA loans having favorable interest rates are available, a number of these agricultural producers would have a reasonable chance of overcoming economic stress and continuing in business.

INTEREST RATE BUY-DOWN PROGRAM

The legislation also contains a number of other provisions that would help alleviate the financial problems of American agricultural producers, including a program for interest-rate reductions on FmHA guaranteed loans.

The program would require the Secretary of enter into contracts with lending institutions that reduce the interest rate on guaranteed loans for a period not to exceed 3 years. The contract would specify the amount by which the interest rate on such loans would be reduced. The Secretary would pay the lender not more than 50 percent of the cost of making the reduction. Any payment made by the Secretary under the program could not exceed the cost of reducing the annual rate of interest by more than 2 percent.

The interest rate buy-down program would be available only to borrowers who cannot locally obtain sufficient credit under reasonable rates and terms to meet their actual needs. In addition, a borrower would be required to have an estimated cash income for the following 12-month period equal to, or in excess of, the estimated cash expenses to be incurred by the borrower during such period. The program would not, however, be available to a borrower if the borrower could otherwise make payments on the guaranted loan in a timely manner.

The bill would authorize up to $490 million from the agricultural credit insurance fund to be used to carry out the program. This authorization level would permit the Secretary to effectuate an interest-rate reduction of 4 percent for 3 years on approximately $8 billion of loans guaranteed by the FmHA. The program is designed to deal directly with one of the gravest problems facing many agricultural producers today—that is, the problem of high rates of interest on outstanding indebtedness. By reducing the rate of interest on guaranteed loans, the program would provide immediate assistance to thousands of financially troubled farmers and ranchers in the United States.

EMERGENCY LOAN PROGRAM AMENDMENTS

The legislation would make a number of changes in the Emergency Loan Program administered by the Farmers Home Administration. These changes are expected to reduce Federal outlays under the program with no significant adverse effect on agriculture. The provisions would, among other things, repeal the authority for the Secretary to make emergency loans to producers who can receive credit elsewhere and would encourage the use of Federal crop insurance by precluding the making of a loan on the basis of the loss of a crop that could have been covered by such insurance.

The limit on the size of an emergency loan under the program would be reduced to $200,000 for each disaster. Current law provides for similar limits of $500,000. The total amount of indebtedness that a borrower could have outstanding under the program would be reduced to $400,000.

SETTLEMENT OF CLAIMS

Under current law, there is limited authority for the settlement of debt obligations of FmHA borrowers. The legislation would broaden this authority to provide the Secretary with greater flexibility to compromise repayment obligations. This would allow the Secretary and the borrower, prior to any liquidation of the loan, to negotiate what assets the borrower may retain as the result of the liquidation. Currently, a borrower is required to liquidate all property securing the loan until the debt is settled. In some cases, the indebtedness exceeds the value of the collateral, which can result in the borrower remaining liable for substantial loan repayments even after the property securing the loan is liquidated. Under these circumstances, there is little incentive for a borrower to voluntarily liquidate, and often the Government becomes involved in protracted legal proceedings to liquidate the loan.

With the new expanded authority to settle debts, the Secretary would be able to negotiate, on a case-by-case basis, agreements that would allow severely delinquent borrowers to retain some property, including their home, in order that the borrower may make a transition from agriculture to another means of livelihood—thereby permitting FmHA loans to be liquidated in a more timely manner.

RELEASE OF NORMAL INCOME SECURITY

The legislation would also require the Secretary to release from the normal income security for a FmHA loan amounts that are sufficient to enable the borrower to pay essential household and farm operating expenses unless the Secretary determines that the loan should be liquidated. Such security consists of, among other things, crops produced on the farm by the borrower.

When the crops securing the loan are sold, the borrower generally repays the indebtedness. However, the sale of the crops, in some cases, does not generate sufficient proceeds to allow the borrower to repay the loan and have enough money left over to cover necessary living and operating expenses. In such cases, the borrower would be allowed to receive from the proceeds of the sale enough money to meet these essential expenses. The release to the funds would help many farmers to continue their operation and meet essential expenses without undue financial stress.

DISPOSITION AND LEASING OF FARMLAND IN THE INVENTORY OF THE FARMERS HOME ADMINISTRATION

Because of the continuing financial crisis in American agriculture, the Farmers Home Administration has liquidated an increasingly large number of loans, and as a result, the inventory of farms owned by the Farmers Home Administration has vastly increased. Prior to 1981, the Farmers Home Administration had never owned more than 260 farms. By April 1984, the inventory increased to 2,135 farms with 506,642 acres in total. The number of farms in FmHA inventory currently is around 3,000 farms.

The legislation would make a number of important changes in the manner in which such farmland is leased or sold by the Secretary. Included among these are the following:

First, to the extent practicable, the farmland would be first offered for sale or lease to operators of family sized farms.

Second, farmland may be leased, with the option to purchase, to operators of family sized farms.

Third, farmland would be offered for sale at a price that reflects the annual income that may be expected from farming the land.

Fourth, in leasing farmland, the Secretary would be required to give special consideration to a previous owner or operator of the farm if there is a reasonable prospect that such operator will be successful in the proposed farming operation.

Fifth, farmland may be sold through installment sales contracts or similar devises if the interest of the Government in the land is protected.

Sixth, if the farmland is in tracts larger than that necessary for family sized operations, the land would have to be subdivided and sold in units suitable to such operations.

The legislation would help to ensure that family farmers would be given the opportunity to purchase farmland from the Government at affordable prices and that such farmers would not be placed at a disadvantage in competing with large operators or nonfarmers for the purchase of additional farmland.

OTHER CREDIT PROVISIONS BENEFITING FARMERS AND RANCHERS

Several provisions are designed to directly or indirectly assist farmers and ranchers. These include:

First, improved procedures for the prompt processing of loan applications by the Farmers Home Administration.

Second, improved appeals procedures for prompt and fair review of adverse determinations affecting FmHA borrowers.

Third, availability to FmHA borrowers of summary loan statements.

Fourth, authorization for loan funds to be used by the borrower for training in the maintenance of records of farming and ranching operations.

Fifth, authorization for a borrower to make prospective payments on a loan from the proceeds of the lease or sale of mineral rights from real estate that secures the loan.

WATER, WASTE, AND COMMUNITY FACILITIES LOANS AND GRANTS

The legislation would also make certain changes in the Farmers Home Administration's programs that provide loans and grants to rural communities for the purpose of constructing or improving water, waste disposal, and other essential community facilities.

Under current law, eligibility for water and waste facility loans at interest rates not to exceed 5 percent are restricted to communities in which the median family income is below the Federal poverty line. This requirement is very restrictive and precludes the granting of assistance to many communities that need to construct or upgrade facilities to meet applicable health standards but cannot meet repayment terms on loans at higher rates of interest. The bill would address this problem by amending the eligibility requirement for these loans so that communities in which the median family income is below 80 percent of the statewide nonmetropolitan median household income would qualify for such loans. In addition, the bill would provide for loans at rates between 5 and 7 percent for communities in which the median family income does not exceed 100 percent of the statewide standard.

FOOD STAMP AND COMMODITY DISTRIBUTION PROGRAMS

The provisions of S. 1714 involving the Food Stamp Program, the Commodity Distribution Program, and related programs would, according to the estimates of the Congressional Budget Office, save $586 million during fiscal years 1986 through 1989. The savings would result from amendments made to the Food Stamp Act of 1977.

A majority of the provisions that would result in savings would not adversely affect food stamp recipients. A number of the provisions would, in fact, be beneficial to certain eligible low-income households. However, it should be noted that some of the provisions would result in higher costs to the States.

FOOD STAMP PROGRAM SAVINGS

The savings in the food stamp program would be accomplished by:

First, maintaining the Puerto Rico nutritional assistance block grant at the current level of $825 million per fiscal year, estimated 3-year savings of $230 million;

Second, ending the current exclusion from income under the Food Stamp Program of allowances, earnings, and payments under the Job Partnership Training Act, estimated 3-year savings of $163 million;

Third, providing that low-income energy assistance payments must be considered in calculating a food stamp household's excess shelter deduction, estimated 3-year savings of $165 million;

Fourth, authorizing States to collect food stamp overissuances that result from agency-caused errors, estimated 3-year savings of $30 million;

Fifth, modifying the Food Stamp Program error-rate sanction provisions to require States with error rates in excess of 5 percent to repay to the Federal Government the sum of: one, 75 percent of the dollar value of benefits overissued between 5 and 7 percent, and two, 100 percent of the amount overissued in excess of 7 percent, less three, 75 percent of value of any overissued benefits collected by the States that would otherwise be returned to the Federal Government, estimated 3-year savings of $41 million; and

Sixth, prohibiting a household's food stamp allotment from being adjusted to reflect a reduction in AFDC or SSI benefits made as a result of the receipt by such household of a nonrecurring lump-sum payment (estimated 3-year savings of $18 million).

OTHER FOOD STAMP PROGRAM PROVISIONS

The food stamp provisions would make numerous other changes in the program, most of which would have little budgetary impact.

Among other things, the legislation would:

First, prohibit the imposition of State and local sales taxes upon food stamp transactions. Currently, such taxes are imposed in about 17 States. This prohibition would result in the loss of revenue in those States. However, the imposition of sales taxes on food stamp purchases has the effect of reducing food stamp recipients' benefits by the rate of the tax imposed, which may be as high as 6 percent. This prohibition against the imposition of such taxes on food stamp transactions would allow recipients to use the full value of their benefits for food—which is the purpose of the food stamp program;

Second, require States to establish employment and training programs and place in such programs 25 percent of food stamp work registrants by the end of fiscal year 1987, 35 percent of such persons by the end of fiscal year 1988, and 45 percent by the end of fiscal year 1990. To assist States in the implementation of these programs, the Federal Government would allocate to States $40 million for fiscal year 1986, $50 million for fiscal year 1987, $60 million for fiscal year 1988, and $75 million for fiscal year 1989 and would share 50 percent of any additional costs that a State may incur over its allocation. The Congressional Budget Office has estimated that under these levels of funding, the increased 3-year cost to the Federal Government would be $10 million. It should be noted that this requirement may result in higher administrative costs to the States in operating these work and training programs. However, if such programs are successfully operated, savings to the States under other programs, such as AFDC and unemployment compensation, should offset these increased costs;

Third, expand the definition of disabled member to cover anyone receiving a Federal benefit based on a determination of blindness or disability under criteria similar to those used under the Supplemental Security Income Program. Under current law, certain blind or disabled veterans, railroad retirement recipients, and other Federal program beneficiaries are not

covered under the definition of disabled member even though they have the same degree of disability as others who are considered blind or disabled for Food Stamp Program purposes. The expanded definition would ensure that all similarly blind or disabled persons who receive benefits under Federal law would be treated the same under the Food Stamp Program;

Fourth, provide for categorical eligibility under the food stamp program for most AFDC and SSI recipients; and

Fifth, require educational grants, loans, and scholarships, to the extent that they cover more than tuition and mandatory fees, to be counted as income if they are provided in the form of a vendor payment. The costs of required textbooks for courses covered by such grants, loans, and scholarships would not be considered mandatory fees for this purpose; therefore, any portion of a grant, loan, or scholarship paid to an educational institution or other supplier on behalf of a student for required textbooks would be considered income for Food Stamp Program purposes.

There are also a number of provisions in the bill that are intended to reduce fraud and abuse in the program and to provide for greater collections by State agencies of overissued benefits. These provisions should provide for better administration of the program by the States.

COMMODITY DISTRIBUTION PROGRAM

S. 1714 would extend, through fiscal year 1989, the Secretary's authority to purchase commodities for distribution to institutions, commodity supplemental food programs, disaster relief areas, summer camps for needy children, needy families on Indian reservations and in the Trust Territory of the Pacific Islands, and other commodity distribution programs.

COMMODITY SUPPLEMENTAL FOOD PROGRAM

The Commodity Supplemental Food Program would also be extended through fiscal year 1989. This program provides food packages of USDA-purchased commodities to low-income pregnant, breastfeeding, and postpartum women, and infants and children up to 6 years of age. The Commodity Supplemental Food Program currently operates in Nebraska and 11 other States as well as the District of Columbia. In addition, the legislation would extend, through fiscal year 1989, three demonstration food projects for low-income elderly persons.

The Secretary would also be authorized to permit State agencies to serve low-income elderly persons when unused caseload slots are available at any of the Commodity Supplemental Food Program sites.

TEMPORARY EMERGENCY FOOD ASSISTANCE PROGRAM

The legislation would extend the Temporary Emergency Food Assistance Program through fiscal year 1987.

To assist States in meeting the costs of storing and distributing commodities made available to them under the program, Congress appropriated $50 million for fiscal years 1983 and 1984 and $57 million for fiscal year 1985. Under current law, there is no requirement for the States to match the funds provided for this purpose.

Under S. 1714, annual appropriations of $50 million would be authorized. However, beginning January 1, 1986, any funds provided to a State by the Federal Government from the appropriation would be required to be matched dollar for dollar by the State. No in-kind contributions would be counted as satisfying the matching requirement.

OTHER PROVISIONS RELATING TO COMMODITY DISTRIBUTION

The legisation would extend the National Commodity Processing Program through June 30, 1986, and would authorize a public or private nonprofit organization to transfer to another such organization perishable agricultural commodities purchased under section 32 of Public Law 74-320 if the other organization agrees to use the commodities in providing nutrition assistance to low-income individuals without cost or waste.

RESEARCH, EXTENSION, AND TEACHING

A major part of the bill focuses on supporting and improving food and agriculture research, extension, and teaching.

Federal support of the development of agricultural science and technology is a public investment that has paid huge dividends for this Nation and the world; and the development and dissemination of new agricultural technology are fundamental missions of the Department of Agriculture.

Congress has the responsibility of providing the necessary tools by which the Department and the scientific community can meet the agricultural research, extension, and teaching needs of our Nation.

Congress first addressed the needs of the food and agricultural sciences in a unified manner in title 14 of the 1977 farm bill.

The 1985 bill will not make radical changes in the Federal policies and programs established under title 14. The bill will continue—through fiscal year 1991—funding authorizations for agricultural research, extension, and teaching programs provided under title 14, and will update and fine tune the operation of a number of these programs.

The testimony of witnesses from the agricultural research, extension, and teaching community at the farm bill hearings was clear that coordination of agricultural research and education activities could be improved.

The great strength of our decentralized system of agricultural research and education has been that diverse needs can be addressed. Yet, that decentralization can be a weakness if coordination of efforts is lacking.

Also, a better system for communication between the Federal and State research systems, and between the research community and the users of that research, is needed.

To better focus the expenditure of funds and insure greater communication and coordination within the food and agricultural sciences, the bill extends the terms of the Joint Council on Food and Agricultural Sciences and the Users Advisory Board. In addition, the responsibilities of these key panels are more carefully defined, to insure the concentration of research and extension efforts in those areas of greatest national needs.

The bill will strengthen the role of the States in the research, extension, and teaching programs. It also will give the Secretary of Agriculture additional authorities to improve higher education in the food and agricultural sciences.

I am pleased that the bill includes the provisions of my bill to strengthen the rural development and small farm research and extension programs.

CONSERVATION

Perhaps the most significant and far-reaching provisions of the legislation are contained in title XVI of S. 1714, the conservation title.

This year we are marking the 50th anniversary of the soil conservation movement in this country. Therefore, it is particularly appropriate for the 1985 farm bill to include strong conservation provisons.

Since 1935, the Agriculture Department's Soil Conservation Service has worked hand-in-hand with local conservation organizations to boost soil and water conservation, conduct natural resource surveys, and enhance community resource protection.

Years ago, Hugh H. Bennett, the first Chief of the Soil Conservation Service and the father of the soil and water conservation movement, thought soil erosion and water depletion could be corrected and halted in as few as 20 years. Bennett was wrong about that. Despite years of effort by Federal and State governments and local organizations—including 3,000 conservation districts covering more than 2 billion acres—threats to the Nation's soil and water resources remain substantial.

According to the national agricultural lands study, we are losing the equivalent of a million acres of our best cropland each year to erosion. In the 10 Great Plains States, wind erosion alone results in the loss of a quarter million acres of land annually.

Erosion by water and wind reduces productivity on 1 of every 4 acres. Over the next 50 years, production capacity lost to erosion could equal the output of 25 million to 62 million acres of cropland.

The current depressed farm economy compounds these problems. Under today's economic conditions, many farmers simply cannot implement needed conservation measures. In some cases, the only way to correct problems is to remove land from cultivation. Yet that reduces farm income. So one big step we can take to promote conservation is to strengthen the farm economy.

Threats to the Nation's water resources are also well documented. Depletion of groundwater acquifers, saltwater intrusion, pollution, and improper water management are serious national concerns that threaten domestic, agricultural, and industrial water use.

The continued presence of soil and water problems is not an indictment of past conservation efforts. Rather, it dramatically points out the need to strengthen the commitment by local organizations—including the efforts of volunteers—and Government to addressing the problems. We can only imagine the condition of our soil and water resources today had it not been for the tireless work of the Soil Conservation Service and the equally important efforts of its partners in conservation districts throughout the country.

The simple fact is that the existing conservation programs are not sufficient to meet our needs. We continue to lose valuable soil at an alarming rate. Resources that go unprotected today will be unavailable to produce commodities tomorrow.

Farmers are rightfully looking to the 1985 farm bill for help in meeting this challenge. That bill must be oriented to conservation and the Senate Agriculture Committee has taken major steps to see that it will be oriented to conservation.

Working on the conservation section of the farm bill over a 2-week period in July, the Senate Agriculture Committee tentatively approved:

Strong "sodbuster" and "swampbuster" provisions; an extension of the landmark 1977 Soil and Water Resources Conservation Act; a Conservation Reserve Program that would idle 25 million to 30 million acres of erosion-prone cropland for 7 to 15 years.

These conservation measures won broad committee support and were approved mostly on voice votes. Also, in many cases, similar provisions have been adopted by the House as part of its farm bill. That greatly increases the likelihood that the conservation measures will be included in the version of the bill that goes to the President.

Let me explain in more detail what these conservation measures would do.

The sodbuster provision denies Federal subsidies and other Farm Program benefits to those who cultivate highly erodible land—defined by the bill as classes IIIe, IVe, VI, VII, and VIII land—without regard to conservation practices. The Companion Swampbuster Program denies farm benefits to those who drain, fill, or dredge wetlands for cultivation.

Land being farmed prior to enactment of the bill would be exempt from the swampbuster provision. For the sodbuster measure, however, the committee adopted a controversial "cross compliance" provision that severely restricts such grandfathering after 1988.

In short, after 1988, farmers who cultivate highly erodible land without implementing sound conservation practices will be ineligible for any type of price support or other payments made by the Commodity Credit Corporation, farm storage facility loans, crop insurance, disaster payments, and Farmers Home Administration farm loans.

The sodbuster and swampbuster provisions are extremely important to those of us interested in conserving our precious natural resources. Conversion of marginal grassland to cropland is most serious in the Great Plains but it is a problem all over the country. Nationwide, 45 million acres of highly erodible land have already been brought into production and another 247 million acres could be cultivated.

Loss of wetlands takes its toll on wildlife and recreation and is a serious problem in Nebraska. We live in one of the five States in the Nation that have lost more than 90 percent of the natural wetlands, most of it through conversion to cropland. Nationwide, 14.7 million acres of wetlands were destroyed from 1955 to 1975, 80 percent of those wetlands were drained or filled for farm use.

The sodbuster and swampbuster programs are needed for economic reasons as well as for conservation. It is time Government stopped subsidizing the cultivation of land not suitable for farming. It just adds to our surpluses and further depresses commodity prices.

Let me also counter an argument used against these proposals. Neither the swampbuster nor the sodbuster interferes with a farmer's right to use his or her land as he or she chooses. This is not an attempt to dictate farming practices. We are simply saying to farmers, if you want to plow highly erodible land without regard to conservation practices, or if you want to drain and plow wetlands, you will do so without the benefits of Federal agricultural programs.

The conservation reserve, endorsed by the Reagan administration earlier this year, would reimburse farmers—in cash or commodities—for the cost of diverting their most erodible land to conservation uses for extended periods. John Block called the reserve the "largest single soil conservation initiative in the history of American agriculture."

The program would promote the planting of protective grasses and trees on classes IV, VI, VII, or VIII land. Payments to individual farmers would be capped at $50,000. And here is the best news: the cost of the program to the taxpayer will be offset by lower spending on crop loans, subsidies, and other Federal farm programs.

The extension of the Soil and Water Resources Conservation Act requires USDA to update its nationwide appraisal of soil and water resources, along with its comprehensive conservation plan, every 10 years. The comprehensive plan has served an essential purpose and played a significant role in educating the public about natural resource conservation. It will be extremely beneficial to have periodic updates.

We cannot afford to mortgage the future by depleting the resources that our children will rely on for their food, clothes, and livelihoods.

More than a century ago, the great statesman and orator, Daniel Webster, reminded us that cultivating the Earth "is the most important labor of man."

"If there is one lesson in history which is unmistakable," he said, "it is that national strength lies very near the soil."

I am pleased to report that Webster's observations were heeded by the Committee on Agriculture, Nutrition, and Forestry in the drafting of S. 1714. The unprecedented programs established in the bill to reduce erosion and preserve our soil and water deserve the support of each and every Senator in this body.

CONCLUSION

Mr. President, S. 1714 may not be a great farm bill. However, S. 1714 is by no means a disastrous farm bill. S. 1714, in fact, contains many important and significant provisions; the legislation combines new and innovative ideas with tried and proven programs. Of course, not all of the problems that plague agriculture will disappear with the enactment of S. 1714. On the other hand, the problems facing agriculture will be exacerbated if provisions similar to those contained in S. 1714 are not enacted.

Other than the surplus reduction provisions, perhaps the most significant contribution S. 1714 can make to solving our Nation's agricultural crisis is to buy time through the income support provisions of the bill. Time is

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needed to see if the economic theory reflected in market-clearing loan rates is valid. Time is needed to reduce the oppressive surpluses that are smothering commodity prices under a mountain of grain. Time is needed for reducing the value of the dollar, to help our commodities move in world trade. Time is needed to address other factors outside the purview of farm legislation that affect agriculture. Most importantly, time is needed to allow the agricultural economy to work its way out of the excessive debt burden that is strangling so many of our farm operations.

Mr. PRESSLER and Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER (Mr. McCONNELL). The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I first commend in the most generous way I can the leadership provided to our committee by the chairman, the distinguished Senator from North Carolina, Mr. HELMS, in the development, drafting, and bringing to the floor of the Senate this important legislation. He has been confronted with a lot of controversy in the development of the new farm bill, but he has displayed an inordinate amount of kindness and patience to committee members and has brought an equally large amount of hard work and expertise to the process. Even though there has been a good amount of criticism of this farm bill, it has been subjected to some bad reviews, it represents a lot of hard work and contains some important new provisions and initiatives which I believe are going to make our country and the agriculture economy stronger. I commend Chairman HELMS and the distinguished ranking Democratic member of the committee, Senator ZORINSKY, for their leadership in bringing this bill to the floor.

THE NEED FOR A MARKETING LOAN

Mr. President, when I introduced my farm bill, the Farm and Market Recovery Act of 1985, I pointed out that today U.S. agriculture is confronted with a major dilemma: on one hand, greater income is needed to help the farm economy overcome its acute financial distress but, on the other hand, lower "effective prices" are needed to help prevent the continued erosion of markets, both international and domestic. The problem is lower farm prices will not generate higher incomes, at least not immediately. So, agriculture is caught in a squeeze: after substantial capital investment increases in response to the 1970's world food demand, many farmers today face cash requirements that exceed their incomes.

As exports increased from less than $8 billion in 1970 to over $40 billion in 1981, farm debt increased from $50 billion to over $200 billion. Since 1981, exports have declined almost 25 percent, but farm debt has not declined. Farm debt today is about $215 billion. With normal to high production during the 1980's, except for the PIK and drought year 1983, there is a surplus of commodities and generally lower prices. The net result is a farm income level which is not adequate to service the outstanding debt. An adjustment period is needed either for income to improve to support current investment or for some capital to exit in an orderly way.

The current farm dilemma did not develop in 1 or 2 years and it will not be resolved in a short time. But help is needed immediately to improve the price competitiveness of U.S. agricultural products. Only by being consistently competitive can markets, domestic or international, be developed and maintained.

Because about 40 percent of current U.S. production must be exported, special attention must be given to international markets. Since marketing internationally is subject to less than completely free price competition, farm policy must provide some measure of income stability. For over 50 years the Nonrecourse Price Support Loan Program has been in place for this purpose. However, with the loan program's fixed price floor, U.S. agriculture, operating as a global industry in an imperfect marketing environment, cannot be competitive enough year in and year out to develop and maintain markets.

Many programs have been developed to assist in developing markets for our agricultural products. The Food-for-Peace Program, Public Law 480, has been in operation for many years. We also have several export credit assistance programs to help make U.S. products more competitive. These are good programs, but, with today's global competition and the current high value of the dollar relative to other currencies, U.S. agricultural products are not price competitive. That is, commodity prices are not competitive enough to sell all that farmers are producing.

We might ask, whose fault is it? Or, what can be done? These are good questions and they must be answered, but the answers are complex because the problem is complex. Failure to recognize this relationship results in some unfortunate conclusions about what is good policy.

At this point in the farm problem debate, you usually can separate the arguments into two groups. One argument would suggest the answer is Government control of production to raise prices by reducing supply. These people say farmers could make it if the Government would just raise prices. Even if the Government could increase prices, farmers would have to cut production because there would be even fewer markets for higher priced products than there are markets for products at current prices. Furthermore, after all this was done, there would be no guarantee that additional reductions would not be needed in the future without building walls around the country to keep foreign products out.

The other argument would have you believe that many inefficient farmers are being kept in business by high Federal supports and all we need to do to solve the farm problem is eliminate these programs, if not immediately, at least in a 3- to 4-year period. Many farmers, however, are already out of business. The number of farmers decline each year. This trend has been in place for over 50 years, and it will likely continue. The number of farms has declined from about 6.5 million in the early 1930's to about 2.3 million today.

I believe neither of these arguments are very helpful because they do not fully recognize the true characteristics of agricultural marketing.

U.S. agriculture is now a highly capitalized, global industry. It is directly affected by national monetary and fiscal policy and by international economic and political factors. Farmers, therefore, are affected by many factors over which they have no control. For example, some economic studies report that 30 to 50 percent of the decline in agricultural exports since 1981 is the result of the high dollar exchange rate.

U.S. agriculture has changed with the times, and world agriculture has changed, and changes must be made in Federal farm policy. But the impact of these policy changes cannot and should not be placed totally and solely on the backs of farmers. Benefits of a large, healthy, and competitive agriculture accrue to many people beyond the farm gate. The total agricultural industry accounts for 20 percent of private employment, 25 percent of our trade, and 20 percent of the Nation's gross national product [GNP]. Thus, it is important to the Nation's economy for agriculture to share in and be able to contribute to the economic recovery.

Toward the objective of ensuring the recovery of the agricultural industry, I proposed in S. 843, the farm bill I introduced, the concept of a "marketing loan" in conjunction with a gradual phase in of market-oriented nonrecourse loan levels. Put simply, the marketing loan is a sales oriented program. Above all else, the 1985 farm bill must address in an effective way the immediate need to sell U.S. agricultural products. There is no alternative to developing a sales program as the centerpiece of a new farm policy.

The marketing loan concept was developed out of the belief that, first, U.S. production agriculture is efficient

and competitive, and second, the Nation's economy would benefit more from producing and selling the production each year than from producing and having the Government store the production, or reducing production to avoid Government storage.

Mr. President, the marketing loan effectively addresses the two critical issues today facing U.S. agriculture: First, industry's need to be domestically and internationally price competitive to move large volumes of production, and second, farmers' need for income stability to make the necessary investments to be on the leading edge of efficiency while operating in a volatile global environment.

By allowing the traditional nonrecourse loan to be repaid at market clearing levels, U.S. commodities will be price competitive. Maintaining the traditional nonrecourse loan provides farmers with minimum income protection, but not a profit, as commodity prices fluctuate in response to world market, economic, and political conditions.

The marketing loan is a policy tool that will allow U.S. agriculture to regain the initiative in world markets. It will stop the erosion of U.S. exports caused by the overvalued dollar and let our competitors know that the United States intends to confront openly and aggressively subsidies and other forms of unfair market competition.

The marketing loan is a strong trade and export program. However, it is not an export program only. It does not discriminate between domestic and international markets. Domestic markets will also benefit from competitive price adjustments generated by the marketing loan.

This concept is important because many domestic users of agricultural products are adversely affected by cheap imports. We must not have Federal programs that add to these problems by selling U.S. products to foreign purchasers at lower prices than to domestic purchasers.

Mr. President, I am happy the Agriculture Committee has adopted the marketing loan for the cotton, rice, and honey programs, and included it as an integral part of the wheat and feed grain programs. I urge my colleagues to support these provisions as adopted by the Committee on Agriculture.

Mr. MELCHER. Mr. President, the scope of the farm problem can be measured by the following factors: First, net farm income.

Second, farm indebtedness and its effect on the financial institutions of the farm credit system, the commercial banks that make agricultural loans, and the Farmers Home Administration, that is the lender of last resort for those agricultural producers who are under severe stress.

Third, I believe the next important factor in the scope of the farm program could be measured by the effect on agribusiness, that includes the suppliers to farmers, all of the variety of business interests that do sell supplies to farmers, and to the economy of their own particular business entities.

Fourth, the effect on rural communities must be measured if we are to understand the scope of the farm problem, and the rural communities of this countryside are the very fabric of America.

Fifth, the continuing trend of the mismanagement of agricultural exports with its buildup of surplus commodities which depress prices and further aggravates the farm economy, liquidating more farms, liquidating more businesses and further damaging the entire economy. That is a fifth factor that must be measured if we are going to understand the scope of the farm problems.

Mr. President, there are several key points that must be first described before going into each of the five factors that make up the total scope of the overall farm problem.

Let us talk about target prices first.

Most of the agricultural producers in America do not receive any deficiency payments that are based on target prices. Let me repeat this, Mr. President: target prices are prices that are set by law in this farm bill and other farm bills and says, that is a price that is the minimum for what farmers should receive in order to cover the costs of their production. And that is not anything, in itself, but a statement. That is nothing more than just a statement that there is a target price for wheat, for corn, or the rest of feedgrains or for cotton or for rice, and it is set by law and says this is a price that should be received by the producers of these products.

Target prices also signify the other side of the coin.

When the prices are below that which the farmers receive for their products, then a deficiency payment is made out of U.S. Treasury funds for those individual producers making up the difference.

This is how we arrive at a large part of the costs of the farm program. Target prices and deficiency payments are not to the liking of individual farmers.

First of all, I think it is important that everybody understands that most farmers are not covered by target price programs—only wheat, feed grain, cotton, or rice are. Most of the agriculture producers of this country are not covered or protected by target prices. They produce other goods or they are not in the program. There are certain restrictions if a producer of wheat, feed grains, rice, or cotton wants to be subject to the deficiency payment. That safety net, which is what it is commonly termed, is a safety net for those farmers who wish to be in the program to produce those crops.

But even those that are covered, those four major commodities, those farmers would prefer, very much prefer, to get the market price payment right out in the market, to receive a price for their product right off the marketplace that is at least equal to the cost of production and, therefore, at least as good as what we have set by law as the target price.

Since that situation does not exist, most of these farmers of these crops do get into the program. But, Mr. President, most agriculture producers are not producers that produce these commodities to begin with. Most agriculture producers are not covered by deficiency payments. They are either not in the program or they are not in production of the commodities that are covered in the program.

It is important that we understand that, Mr. President, because when we talk about farmers, we sometimes think along these lines: Every farmer is producing one of these basic crops and, therefore, every farmer has a stake in getting a deficiency payment. But that is not really true. There are livestock producers, whether it is hogs or cattle; there are poultry producers, whether it is chickens or turkeys; there are producers of vegetables; producers of fruit; and, or course, dairy producers, and none of these are directly involved with deficiency payments geared to the target prices that are spoken of so often. But yet they are involved, Mr. President, because they are all wrapped up in agriculture. Let me explain that.

The basis of food production depends upon these basic commodities, particularly grain. Most of the wheat that is produced in the United States and throughout the world actually goes into human consumption. Still some of the wheat goes into the production of livestock or poultry. All of the livestock producers, dairy producers, and poultry producers depend upon the supply of grain for their operation. They could not operate without it. They would not have the same type of food production without it. So they very much want to know what is going to happen to grain producers and if there is assurance that there will be a supply of grain for their purposes in their endeavors in livestock, poultry, or dairy. That is why we speak of feed grains.

But on the basis of dairy, livestock, and poultry depending upon grain, you might draw the conclusion—and I think many in the public draw the conclusion—that these producers would be better off if the grain were cheaper and that they are better off now because grain is obviously much

cheaper than it has been for the past several years. However, that is not so at all. That is not the way this operation works. That is not the result for their business operation.

Cheap grain and the continuation of any circumstances that continues grain cheap for more than 1 or 2 years creates a bad situation for these producers because it means that more beef will be produced, more pork will be produced, more poultry will be produced, more milk will be produced and, therefore, the prices of their commodities go down. Their prices are low now and continually sag from the pressure of cheap grain.

That wraps up all of those producers not covered by deficiency payments and target prices. Whether they are in beef or in hogs or whether they are in poultry or whether they are producing milk, they are all wrapped up in the price of grain. And while grain is a commodity that they all purchase, they do not want it too cheap because historically, without a doubt, it is going to mean that the prices of their particular commodities go down. Beef prices are low, pork prices are low, poultry prices are low, and milk prices are low, demonstrating, once again, that historically as the price of grain cheapens, those producers of these commodities—pork, beef, poultry, and milk—suffer lower prices for their products along with the grain farmer. The lower costs of the grain they purchase does not offset the lower price they receive for their products.

In summary, low grain prices result in low prices for beef, pork, poultry, and dairy and these producers lose income. It is bad economics and their losses are among the worst of the entire spectrum of agricultural producers.

There is another aspect that should be considered. We are the biggest grain producer in the world. That is, we have the ability year after year to outproduce all of our needs for domestic consumption and have a large amount available to be exported to other countries. So what effect is the world price? This large production virtually establishes the world price of wheat and feed grains. Whatever the U.S. domestic price is becomes the world price. We have large surpluses; therefore, the world price is very low.

What is the effect of low grain prices on the other countries? It has been rather discouraging for other countries, particularly those that are developing countries. Let us talk about them first because, with very cheap grain available, it becomes almost axiomatic that the grain that they can produce in their countries at higher costs is going to be discouraged from production. Indeed, those people from the multinational groups that are attempting to help the hungry people in Africa are very concerned about whether or not, even after the drought, we will see a concerted effort in those various countries within Africa to produce grain for their own use in their own countries. So the developing countries are hurt in Africa by low world prices for grain.

That is true in other parts of the world also. It is true in Central America. It is true in Asia. For all developing countries, when grain prices get as low as they are now, it is a discouragement for producing grain and cereal in their own particular country, because their prices are low also.

In other words, the price of corn and wheat in the United States has a direct bearing on what the world price is. The effects of low prices here in the United States, meaning low world prices for these grains, is not good news for developing countries. It is adverse to their interests.

Now, that might strike a lot of people as being a rather weird situation. After all, if they are a poor, developing country, they must need grain to eat, particularly in drought areas. So why are they not better off with the prices lower? I repeat, Mr. President, the reason they are not better off is that while, for the time being they may get cheap grain, that very fact discourages agriculture endeavors in their own country.

The overall effect of that is a lessening of food production in the world. For their own particular interest, it is a lessening of food production in their own country. And that is of no advantage to any developing country.

Mr. President, other countries that are industrial countries such as the Common Market countries also have quite large grain production. What is the effect of low prices of American grain? It means the world prices are low. It has a harsh effect on them, also. The Common Market countries are very anxious, absolutely gung ho, to protect their own agricultural endeavors. Wheat producers in France or in Germany are protected by a marketing system with a subsidy that assures they will continue to be in operation. To the extent their crops are good, they can export some grains. Then they come into competition with the United States. That is the circumstance of last year, of this year, and it may be the circumstance next year. The Common Market countries have more grain than they need for their own domestic use, and will be aggressive exporters in competition with the United States and other grain exporting countries. But the effect of low world price for grain on them is harsh, also.

Coming back to the United States and to our producers, let me talk a little bit about the cost of production. What is the cost of production of a bushel of wheat, or a bushel of corn, or 100 pounds of rice? We believe we have fairly accurate figures. Target prices reflect those estimates. The reason I say that it is just fairly accurate is that these commodities are produced under different circumstances in different parts of the country. These are independent operations, farm by farm. Some of them have a lower cost of production than others. That is understandable, either because of the area they are in, the soil they have, or the size of their operation.

So when we speak to cost of production, we are talking about the cost of production based on the average. How do we arrive at the average? We look to the land grant colleges throughout the United States to have assessments in their particular States, and to have accurate assessments as near as they can make them. Then we average out those and weight them as to the production of each State. That is the best system that anyone can follows. It is updated annually. The cost of production varies, the cost of fuel varies, and the cost of taxes varies. Most taxes are on the land.

Because most of the people we are talking about here today are connected with production of these grains, cotton, and rice, are they not making much in the way of income. So they are not paying much in Federal income taxes. But the taxes vary on the land from area to area, fuel varies in cost, the size of the farms vary, the weather conditions vary—all of these things are factors that must be considered regularly, repeated every year to see if there are changes, and then arrive State by State through the land grant colleges on what they view as the cost of production for commodities that are produced in their States. By averaging out those on a weighted basis we can come up with a fairly accurate cost of production.

The Department of Agriculture reviews these figures. They have methods of their own. They do it by States, regions, and commodities. And they come up with what they believe is the cost of production. By looking at it all, you can arrive at a figure. That figure is reflected pretty much in what the target price for these various basic commodities are.

Farm producers are of the opinion that the target price really is a little bit on the skimpy side, below the actual cost of production. So they are not in full agreement that the target prices accurately show what their true costs are. There is reason for them to believe that. There are legitimate reasons for them to believe that.

The cost of interest for these producers is relatively high. For most agricultural producers throughout this country, whether they are in grains, cotton, hogs, cattle or poultry, whatever they produce, the average cost of interest for them runs about 14 per-

cent. Some of them are paying to their PCA's a little bit higher, and maybe a little bit lower. Some of them are paying to commercial banks that are carrying their loans that provide them with their lines of credit a little bit higher or a little bit lower than 14 percent. But in general, it is 14 percent, and that is a relatively high rate of interest. It has been averaging at that point for the last 3 or 4 years.

So that one element in the cost of production is at a modern, historic high. I do not think farm producers have had to pay that type of interest since the 1920's.

Considering the average interest rates of the last 50 years, the current 14-percent rate is high and is a heavy cost input to them.

Mr. President, let me recap. We can produce grains in abundance. We have cost effectiveness here in the United States. That cost effectiveness is tremendous. American farmers are producing these farm commodities at a lower cost than anywhere else in the world. Therefore, they are competitive with anyone else in the world. But surpluses of these commodities have driven prices down. And if the Department of Agriculture is accurate, the price of these commodities is going to go down even much more.

Perhaps a lot of people think, well, it is unfortunate that we have so much product here in the United States and other parts of the world because, obviously, we do not need all of the food that we have produced. Mr. President, that simply is not true. There is not too much food in the world. No study, no worldwide study has indicated that there is more than a minimal amount of carryover in the total amount, or total quantities of food that is available in the entire world.

So why do the food commodities continue to sag in price for these agricultural producers? The fact is that we simply have failed in the distribution of all the food supplies that are available. Notably, we have failed here in the United States. First of all, domestically, we are told by very serious studies of nutrition that 20 percent of the people in this country are to a certain degree malnourished, and to a certain degree they do not have adequate food. That should be corrected. The studies that are conducted by the world food organizations or other international groups have always demonstrated that the total output of food as it exists right now is adequate if it were properly distributed to all of the areas of the world where there are deficiencies of food. With their projections of what is going to happen during the next decade and the decade after that—and the projections are consistent that at the present level of world food production demand would outstrip available supplies, hunger would be very damaging, and malnutrition would be extremely serious—it is absolutely essential that there be more food available.

So what we are faced with now is properly utilizing the surpluses we have in this country and in some other countries. There is not such an abundance of food worldwide that we have a carryover of any significance. But that is not true of the United States and that is not true of some other large producing countries. The fact is that individually and collectively we have not found distribution methods that are adequate to take care of the supplies that are on hand.

We could and we should find those distribution methods and make use of them to lower these surpluses. As long as we have the surpluses here in the United States, prices for our producers are going to be low. The target price with deficiency payments will be in effect. However, it is not a good answer for agricultural producers. It is not a good answer for the farmers who produce these commodities. It is only a safety net despite the fact that they do not like it, and they would prefer that it not be necessary. These producers know that this safety net must be there so that at least they can be kept in business.

Mr. President, I started out by listing the five factors that have to be understood, that have to be weighed and measured to thoroughly understand the scope of the farm problem. I wanted to add the remarks I presented in the intervening time so that we could talk with intelligence about the five factors.

The first was net farm income. Net farm income is declining.

Let me put that in the right perspective.

If net farm income for 1985 is going to be around $20 billion, and you divide the 2 million farm operations into that $20 billion, you come up with an average of net farm income for each individual farm of $10,000.

We know that an average can be very misleading. No farm operator that nets $10,000 is going to be out of business, unless they have other losses that they have to make up for.

Is $10,000 an adequate income? Mr. President, it is sad for me to say, but there is a great percentage of ranch and farm operators who do not believe they will show any net farm income from their operation in 1985. They wish they had the same net farm income as in 1984. Some have to go as far back as 1982 or 1983 or perhaps further to find a time when they actually had some income.

Mr. President, just what are we talking about here? Twenty billion dollars may be the net farm income for the entire country during 1985. Twenty billion dollars for whom? There are 2 million farmers. Just the raw arithmetic of that is divide 2 million farmers into $20 billion and come up with $10,000 per farm operator as net income.

Mr. President, we are not talking about some little group that are all banded together and we look at them and talk to them and say, "Are you satisfied, Joe? Is that all right, John?"

The Joes, the Johns, the Marys, the Sallys, and whoever else makes up all these farmers who produce all this stuff in the United States are scattered all over the country. They are producing all these things—wheat, pigs, poultry, grain, milk, fruits, apples, oranges, peaches, pears, and vegetables. They are producing all these things and their operations are not very uniform. So there are some farmers who are going to have quite a bit of money. Maybe they are covered by a marketing order and the marketing order for fruits and vegetables happens to work out OK for this year. The price is all right and they have a crop and make some money. They are going to be able to buy a new car or make a new investment. Maybe they made a bundle. That's fine. I am happy for them.

We might be talking about some grain producers who have had bumper crops and somehow they got their grain in on time. Maybe they produced barley and sold it to beer breweries at a good price and have a good income. Good. I am glad to see somebody successful in agriculture.

But what we are really talking about in net farm income is that it is not adequate to keep agriculture in business. That is what it means to the country. How are we going to keep those agricultural producers in the country? How are we going to produce corn, wheat, cotton, rice, sorgum, barley, and all the rest that are among the commodities that are covered by deficiency payments? Are they going to stay in business?

A lot of them are not. A lot of them are going to go down the tube. I will get into that a little bit later in discussing farm indebtedness.

I think that presenting figures to indicate how some operators are making good money is easy to do, but it is not those operators about which we worry nor for whom we will have to craft this farm bill.

They may be involved indirectly in the suffering which is affecting agriculture as a whole. All I can say about those particular farmers and ranchers who are making good money for 1985 or who made a lot in 1984 is I am glad they did, but, you know, if they were the significant group, Mr. President, we would pass a farm bill in 2 hours because most of what we are going to be discussing in this farm bill is the scope of the farm problem. That farm problem is huge.

The $20 billion net farm income for all these agricultural producers of America, all 2 million of them, is not enough. For those who are having good income, actually have net income and that income is good, we are not going to have to worry about them. They are not the problem.

Our problem is the vast majority of these producers having such price difficulty as to jeopardize the continuation of their operation. That is the problem. The truth is that the vast majority of them are having difficulty on income that jeopardizes the continuation of their operation. So it becomes a national problem. That is what this farm bill is about, to help alleviate a national problem.

Farm indebtedness is the second factor that I believe has to be a part of the factors we review in the scope of the farm problem.

Farm indebtedness, of course, has its effect on the individual operators, but it also has an effect on the financial institution that is providing the credit for those individual operators. That includes the farm credit system. The farm credit system, made up of the Federal land bank and the banks for cooperatives and the production credit associations, is an institution that was started by first the devising of the Federal land bank back in the twenties. The bank for cooperatives and the production credit associations, the other two segments of the farm credit system, were added afterwards. But they have all been in operation for more than 50 years and agricultural producers throughout the country look to this system to provide them with credit that is sound and hopefully at competitive interest rates—usually it has been—and hopefully a little bit lower sometimes than can be provided through commercial lending institutions.

Some $70 billion of the total farm debt in the United States is covered by the farm credit system. The total farm debt in the United States, the last time checked, was $214 billion, a sizable chuck of dough. About one-third of that was covered by the farm credit system. Commercial banks loaned a big portion of the rest, about 25 percent and Farmers Home Administration, the lender of last resort for agricultural producers, was lending about 17 percent of that total package. The rest of the farm credit comes from other sources.

The effect of farm indebtedness is indeed staggering for the farm credit system. They have $70 billion loaned out to agricultural producers, either through the land bank or the PCA's or the banks for cooperatives, and they have precious little reserve left available to write off bad loans. They will approach this directly, formally, in a hearing which has yet to be held here, in the Senate Agriculture Committee, and they will describe the depth of their sickness. It is suggested that they are going to need $10 billion in backing from the United States yet this year in order to keep this entire farm credit system solvent.

As for commercial banks, they are, of course, reviewing their agricultural loans very critically, have been for the past year, and are finding that much of the agricultural portfolio they are carrying has to be classified. I checked with two of the largest chains of commercial banks in the upper Midwest, and I find that as of sometime this summer, about 30 to 35 percent of their agricultural borrowers were classified and they would anticipate that that would increase somewhat during the balance of the year so that by the end of the year, they may be looking at 35 or 40 percent of their agricultural borrowers that have to be classified.

What that means is that some of those are going to be liquidated, some of those are going to have their credit stopped, forcing liquidation.

As for Farmers Home Administration, the borrower of last resort, their portfolio is even worse and all that we can anticipate as we look at this projection of where the prices of these commodities are going to be is very discouraging.

Mr. President, there are three more important factors that I believe must be examined, must be understood, and must be considered as we consider the scope of the farm problem. Those factors I shall discuss at a later time. They are, I repeat, the effect on argibusiness—the suppliers in the economy—and the effect on rural communities and, last, the continuing trend of mismanagement of agricultural exports with its buildup of surplus commodities in the United States. I do not want to prolong my discussion any further. I have taken plenty of the time of the Senate at this time.

I yield the floor.

Mr. McCONNELL. Mr. President, we today begin to write the most important farm legislation since the current enabling farm legislation was written 50 years ago. You'd think that we would have learned something about farm policy in 50 years, Mr. President, but it looks like we haven't. The bill reported by the Senate Agriculture Committee certainly contains some important innovations—more market-oriented loan rates and a conservation reserve—but it also contains many of the same policies that have put agriculture in its current mess. We have an opportunity during this debate to truly redirect farm policy to recognize the worldwide, dynamic nature of the agriculture of the 1980's and beyond and I hope we'll do it.

There are a number of proposals which will be offered that move agriculture in the right direction and merit serious consideration. Maintenance of farm income is critical, but doing it through bad policy deters the long-term growth of agriculture. Let me give you an example. On the one hand, we establish target prices significantly above market-clearing levels, encouraging farmers participating in farm programs to produce as much as they can to obtain maximum program benefits. On the other hand, we pay these same farmers not to plant.

If it does not make much sense to you, Mr. President, it does not make much sense to me either.

There are precedents already found in agriculture where high price support rates do not improve agriculture in the long term. The sugar, cotton, rice, and tobacco programs have served farmers well for years, but the evidence clearly indicates that U.S. farmers are losing market shares of these commodities at alarming rates. Just 10 years ago, U.S. cotton and sugar producers held the lion's share of the world market but now, these same farmers are restricted to a market where we have less than 50 percent of the world market. So the solution to keep price supports high is to further restrict U.S. planted acreage to control supply. Sounds easy and painless doesn't it?

So what happens? Our competitors, the Philippines for sugar, the Chinese for rice, simply increase acreage in response to our reduction and flood the market even further. American growers are again compelled to reduce planted acreage even further and fixed costs of farming must be paid with revenue from significantly smaller acreages. That leaves little if any room for profit and as the words from a current song go "the banker's against the farmer and the farmer's against the wall." We simply have to stop this merry-go-round before American agriculture collapses.

My Kentucky tobacco growers recognized the problem of noncompetitiveness. They swallowed a bitter pill by accepting an immediate 19 percent reduction in loan rates, with future price support rates driven by market forces. The result? Flue-cured tobacco growers, whose own price support structure for the 1985 crop year is geared to world prices, have seen the smallest amount of tobacco go under loan since 1979. Market clearing price supports work.

Mr. President, there are rampant rumors regarding various amendments which may be offered to the farm bill, so I shall address other issues when they are offered for consideration. However, I do think a moment of personal congratulations are in order here.

The distinguished chairman of the Senate Agriculture Committee has worked tirelessly with every member

of the Agriculture Committee, including this Senator, to see that we had the opportunity to debate the issues which were important to us. His patience and diligence, along with his commitment to make the lives of America's family farmers a little better, are to be commended and I congratulate the Senator for his aggressive efforts to move from the failed farm policies of the past to farm policies which serve the best long-term interests of the American farmers.

Mr. President, I ask unanimous consent that an outstanding statement on this farm bill, written by Senator HELMS, which appeared in the October 24 edition of the Washington Post, be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Oct. 24, 1985]

THE STRUGGLING FAMILY FARMER WILL BE THE VICTIM

(By Jesse Helms)

As the Senate prepares to begin the farm bill debate, the image of family farmers struggling to save their livelihoods will be invoked to justify huge expenditures for farm subsidies. The tragic irony is that struggling family farmers will be *victims* of farm programs that, in fact, target their subsidies backward—to the large and the wealthy.

Few Americans understand that less than 20 percent of the $65 billion in benefits and subsidies in the farm bill is directed to farmers experiencing financial distress.

This is the farm bill's equivalent of the "$600 toilet seat."

In fact, the fourfold increase in federal farm spending during the past five years has caused much of the stress. The reason is simple: Congress has established price supports at levels greater than the value of crops, contributing to unmanageable surpluses that drive farmers' prices below profitable levels.

Yet farm program benefits, unlike other means-tested federal programs, are not paid to individuals on the basis of need. Rather, farm subsidies are paid on the units of production—by the bushel, pound or hundredweight. So the more of a subsidized crop a farmer produces, the bigger his government check. By definition, this means the greatest benefits and subsidies go to the largest farmers who least need help.

Despite the severe—and widely publicized—distress among some sectors of the farm economy, it is a fact that there is enormous wealth in the U.S. agricultural industry. On Jan. 1 of this year, the average net equity for farms with gross sales over $250,000 was $904,446, and for farms with gross sales between $100,000 and $250,000, the figure was $429,891. In comparison, the net equity of the average American family—which is taxed to pay these farm subsidies—is about $92,000.

Farmers as a class also have larger annual incomes than Americans on the average. The average net income for farmers with gross sales over $250,000 in 1984 was $96,889, and for those with gross sales between $100,000 and $250,000 it was $36,273. The average income for the typical American family was about $25,000.

An accurate picture of just how many farmers there are, and who they are, is revealed in an Agriculture Department study that estimates that by the end of 1985, about 5 percent of all farms will have debt-to-asset ratios exceeding 100 percent, meaning they are insolvent. Another 23 percent will be highly leveraged, with ratios between 40 and 100 percent.

The remaining 72 percent will not be experiencing financial stress threatening their livelihoods. Yet the agricultural programs indiscriminately spew out subsidies for all who come—the large and small, the poor and wealthy, the financially successful and the financially distressed. It is indisputable that the greatest amount of money is directed to the largest, wealthiest and most financially successful, to the detriment of the small, poor and financially distressed farmers.

The farm bill the Agriculture Committee approved continues this bizarre scenario. That is why I was obliged to become the first chairman in the history of the committee to vote against reporting a farm bill.

But there is hope. There are some very good policy instruments in the bill. Fundamental changes are made in the loan rate for wheat, feed grains, cotton and rice. The bill prudently links the loan rate to world market prices in the future, ensuring increased competitiveness of U.S. farm products in the world markets our farmers must have if they are ever to prosper.

But what the committee improved with one hand, it ruined with the other. By voting to freeze the level of subsidies paid to farmers for each bushel or pound of crop they produce, the committee effectively prevents the secretary from using authorities that permit him to reduce the loan rates that make American farm products competitive. Because subsidy payments are based on the difference between the loan rate and the subsidy or target price, the budget exposure created by lowering the loan without lowering target prices is more than any administration's fiscal managers could allow.

The tragic consequence of unrealistically high target price levels is their inducement to big farmers to produce huge surpluses, continuing the depressed prices that make it almost impossible for the struggling, highly leveraged farmer to make a profit.

The most important change the full Senate should make in the committee bill is to allow target prices to ease downward over the life of the bill. My suggestion is a 5 percent reduction each year. Such gentle reductions would still ensure massive and unprecedented levels of income protection to farmers, but would signal that over time this protection will diminish marginally.

Other worthwhile changes include better targeting of subsidies to those 30 percent of the farmers in financial distress and requiring the largest, wealthiest farmers to bear market risks for producing surpluses. This can be accomplished by capping the amount of crop loans an individual producer can receive and limiting the amount of commodities for which an individual farmer may receive target price payments. The payment limitation, currently $50,000, should be reduced, and the loopholes that allow farmers to divide their farms to avoid the limit could be tightened.

Contrary to popular myths, these changes would not drive thousands of farmers off the land. It is the current perversity of farm programs, which encourages surplus production, that's driving farmers out of business. So these modest reforms would improve the effectiveness of the programs and properly target the billions of dollars in benefits and subsidies to those farmers most likely to be in need of assistance.

Mr. ABDNOR. Mr. President, this is a historic moment—the U.S. Senate has within its hands, heads—and hopefully hearts—the future of the largest and most important sector of the U.S. economy—agriculture. We now begin the debate on Federal farm policies and programs. This debate will send a message to agriculture and rural America as to whether this Congress views this portion of our society as a problem to be minimized or as an opportunity to be maximized.

Since its founding, Mr. President, this Nation has functioned as a family—a family with common roots, goals, and ambitions. This family has held together through great and countless trials for more than two centuries because we possessed mutual confidence and pride in purpose and compassion. We fought a great Civil War and learned that a house divided cannot stand.

But an economy divided cannot stand either, Mr. President.

The rural and agricultural economy is the forgotten economy. Economists tell us that two consecutive quarterly declines in real gross national product represents a recession. This staggering economic event has occurred once during the last 4 years, in the fourth quarter of 1981 and the first quarter of 1982. This recession of 1981–82, we all recall, was devastating. There is a comparable figure which measures gross product for the farm sector. Quarterly real gross farm product has declined seven times during the last 4 years, Mr. President. Technically defined, the farm sector has experienced four recessions in the last 4 years. I contend that the only reason the U.S. farm sector exists today is because its individual units—the farms and ranches—are owned and managed by the most efficient and resilient form of business organization—the family. You see, in farming, unlike other businesses, when times get tough, you can't pick up your marbles and go home—because you are home.

Economists also tell us that during recessions government expenditures go up to cushion economic hardships caused by the recession. It's a "one for all, all for one" philosophy of our democracy. Between 1980 and 1983 Federal budget outlays increased 37 percent and the deficit almost tripled. From our common purse, help was provided when and where needed—high and longer unemployment benefits, job retraining assistance, job-creating public works projects, food assistance, emerging loans and grants and the list goes on.

But those days are behind us as we celebrate the third year of economic recovery and growth: The unemployment rate has fallen better than 3 full

percentage points and millions of jobs have been created; interest rates have been halved; inflation has been cut by better than two-thirds; domestic investment has increased by more than 50 percent.

In South Dakota—in rural America—Mr. President, all this is nothing but self-gratifying happy talk.

I now come before this Congress to plead—no, not to plead—to demand that my part of the family—my fellow rural Americans, farmers and ranchers—be recognized, appreciated, and treated not as robber barons in bib-overalls but as citizens. They have earned their citizenship and with that citizenship comes rights, and among those rights is access to the resources of this great Nation during time of desperate economic need.

I can't tell you how disturbed I was in reading in the October 24 edition of the Washington Times an article by Robert Walters which recommended the elimination of price supports "to slow the rise of food prices." Where has this guy been? According to the Department of Labor, during the last 12 months while the Consumer Price Index went up 3.2 percent, prices of food consumed in the home increased 0.7 percent. Also, according to the Department of Labor, the producer price index for farm foodstuffs during the last 12 months has declined almost 15 percent. Is this stupidity, blindness, or both? If there is any Member in this Chamber who adheres to Mr. Walter's philosophy, I would like to talk to him out in the hall. Let me try to put the economic depression in rural America and agriculture into perspective for my congressional colleagues. I can only ask that you try to relate these economic events in terms of your constituency.

Since the beginning of the so-called economic recovery:

Real net farm cash income has declined 14 percent.

The value of farm assets has declined 20 percent, in some areas of the country by better than 50 percent.

Export sales have dropped over $7 billion, down 22 percent; export volume has fallen to 10 percent.

Department of Agriculture data shows that during just the last 12 months: Wheat prices have fallen 17 percent; corn prices 24 percent; soybean prices 22 percent and; beef cattle prices 11 percent.

And then add the pending collapse of a primary source of credit, the Farm Credit System.

Plus, the depressed financial condition of agriculture has cost the agribusiness sector $26.2 billion in total output, 327,000 jobs and $6.4 billion in personal income.

Maybe I'm still not getting through. According to a recent study by the General Accounting Office, the financial stress on the farm sector could result in farm loan losses of $25 billion between 1985 and 1993. So what? Farm loan losses of this magnitude could cost the economy as a whole—up to 275,000 jobs; a loss of $51 billion in gross national product; an increase in interest rates of more than 1 full percentage point; lower business investment of $38 billion, and 189,000 fewer housing starts.

Many—perhaps a majority—of my colleagues and certainly the Reagan administration will argue during the next several days that we cannot allow this farm bill to bust the budget. And I hope I don't need to inform my colleagues that nobody in this Chamber abhors deficits more than I. But we have a life or death situation here and you don't pull the plug on a patient to save a little electricity nor do you ask a starving man to fast for world hunger. Let those who have benefited from our economic recovery come forward and fast for the farmer.

Mr. President, during the last couple of months I have traveled extensively in South Dakota. I found that my constituency, my neighbors, my family are exhausted; they have given all they have to give. Farming—the origin of 20 percent of this Nation's gross national product and over 20 million jobs—has been treated like a punching bag by Washington. Let's begin with at least the commitment that the 1985 farm bill will provide hope, not despair, and the opportunity for long-term planning not the destruction caused by mass confusion and panic. Let's put a stop to trick-or-treat farm policy. Let's do what is fair and right.

Mr. DURENBERGER. Mr. President, I rise today as the Senate begins its historic debate on the 1985 farm bill to share a few thoughts with my colleagues. Over the next several weeks, while the Senate temporarily diverts it attention from budgets and summits and the other matters, I intend to use this opportunity to focus attention on some of the issues that will tend to be neglected in this debate. On each day the Senate considers the farm bill, I will discuss a different aspect of the problem which we as a nation must address, whether it is as large a topic as the plight of rural America, or as direct and concrete as the letters and stories of individual farmers who have called out to me for help. In so doing, I hope to sensitize my colleagues, and others who may read this RECORD, to the dangers which the current crisis holds for our Nation and the urgency and level of sacrifice its solution will require.

As we start our work as legislators on this bill, I want to remind my colleagues of a statement of President Dwight Eisenhower. He said, "Farming looks mighty easy when your plow is a pencil, and you're a thousand miles from the cornfield." That is what we will be engaged in primarily on this floor, Mr. President, plowing with our pencils and our calculators and our briefing books. We will talk a lot about budget targets, vetoes, and the merits or demerits of many proposals. I was informed that as we begin this bill there are 151 amendments which are out there to be offered to this bill. In the process, Mr. President, let us not lose track of what we are doing here.

We are separated by profession and by geography from those for whom what we say and do here is a matter, not of mere interest, but of survival. The bottom line in this debate is not budget outlays or whether we pass a Democratic package or a Republican package—the bottom line is people: How this bill affects their ability to achieve their hopes and aspirations.

I wish that I could bring the Members of this body with me to towns like Worthington, MN. Since January 1985, 30 businesses there have closed their doors. There has been a 400 percent increase in the number of delinquencies in tax payments. In the area surrounding this town 10,000 people, almost half the farmers are over 55 years of age. What will we find in towns like Worthington in the year 2000?

We are not talking in this debate about whether somebody is going to get their COLA or not, or whether three or four battleships are enough to get the job done. We are talking about the basic necessities for maintaining a way of life and a quality of life for some 60 million rural Americans.

Law, it has been said Mr. President, is nothing unless close behind it stands a warm, living public opinion, I believe that it is the opinion of those I serve in this place, and their countrymen and women, that we pass a law that provides some measure of relief for farmers today and holds out a genuine hope for the future of rural America.

I hope that the human dimension will be foremost in our minds as we consider this bill.

AMENDMENT NO. 886

(Purpose: To authorize the Secretary of Agriculture to prohibit the importation of any livestock or meat that has been administered certain drugs)

Mr. PRESSLER. Mr. President, I have two amendments that have been agreed to by both sides. At this time, I send the first of the two amendments to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from South Dakota [Mr. PRESSLER, for himself and Mr. ABDNOR] proposes an amendment numbered 886.

Mr. PRESSLER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 459, between lines 18 and 19, insert the following:

IMPORTATION OF LIVESTOCK AND MEAT

SEC. 1927. Section 20 of the Federal Meat Inspection Act (20 U.S.C. 620) is amended by adding at the end thereof the following new subsection:

"(g) The Secretary may prohibit the importation into the United States of—

"(1) any livestock, or

"(2) any carcass, meat, or meat products of any livestock,

if the Secretary determines that such livestock may have been administered any drug (including any antibiotic drug) which has been banned for use in livestock in the United States: *Provided*, That

"(A) the Secretary determines that residues of that particular drug (including any antibiotic drug) threaten the health and safety of U.S. consumers;

"(B) the use of that particular drug (including any antibiotic drug) gives foreign producers of livestock an unfair competitive advantage over U.S. producers.".

Mr. PRESSLER. Mr. President, the amendment I am offering would authorize the Secretary of Agriculture to prohibit the importation of livestock intended for slaughter and meat products which may have been treated with an animal drug or antibiotic which has not been approved for use in the United States. This is an effort to make our food safety standards equal for all products.

Currently, an animal drug or antibiotic may be disapproved for use in the United States because of potential health hazards, but the product can still be used in other nations. Meat products and livestock from those nations can still be imported into the United States. Periodic residue samples may be taken from meat imports, but it is possible that contaminated meat or livestock imports nevertheless enter the United States. If we banned the drug in the United States, then we should also ban the importation of products which have been treated with the drug.

If consumer health is threatened by the use of these drugs in food producing animals, then country of origin should not be a factor. Earlier this year there was a controversy over the importation of Canadian hogs which may have been treated with the antibiotic, chloremphenical. This drug had been banned in the United States but it was still being used in Canada. Several States banned the importation of Canadian hogs because of the potential presence of the drug in the meat. In response Canada also has banned the use of the drug. However, there are other nations which use this drug and others banned in the United States. The Secretary of Agriculture should have the authority to restrict the importation of such livestock and meat products. That is all this amendment would do.

Mr. President, here in the United States, the Food and Drug Administration and the Department of Agriculture take great care in assuring the American consumer of a healthy food product. It is only fair that these same standards be imposed on food products imported from other nations. I urge my colleagues to join me in support of this amendment.

Mr. HELMS. Mr. President, I inquire of the Senator from South Dakota [Mr. PRESSLER] if my understanding is correct.

In the first place, his amendment would authorize but not require the Secretary of Agriculture to limit imports of meat products that the Secretary determines were produced with drugs not approved for use in this country. Is that correct?

Mr. PRESSLER. That is correct. It would result in a situation where the Secretary would have the authority, if he chose to use it, to ban products from a country which allows the use of an animal drug that has been banned in the United States.

For example, our current situation is that residue tests are done on a certain amount of meat products imported into the United States. If no residue shows up in those tests, the imports can continue. Under my amendment if the nation has a different standard in terms of an animal drug, then the Secretary would have the authority to restrict imports. He would not be required to use it, but he would have the authority to do so.

Mr. HELMS. I thank the Senator.

Mr. President, it is my understanding that the amendment of the distinguished Senator from South Dakota would authorize but not require the Secretary of Agriculture to limit imports of livestock and meat products that the Secretary determines were produced with drugs that are not appoved for use in this country. With the understanding that this language does not instruct the Secretary to limit or prohibit imports, I am willing to accept this amendment.

I would just simply note for the record that U.S. farmers also have access to drugs and antibiotics that have been banned in other nations. For example, over one-half the cattle in this Nation are produced using a growth hormone called Zeranol. This particular product has been banned throughout much of Europe.

The Agriculture Committee has worked very hard to enact a strong export title to this farm bill. I will not accept any amendments to this legislation that are certain to result in justifiable retaliation by our foreign trading partners and undermine the important components of the export title of this farm bill.

Again, with the understanding that this amendment is not binding upon the Secretary to take action, I am willing to accept this amendment.

I yield to the distinguished Senator from Montana.

Mr. MELCHER. Mr. President, the Senator from South Dakota is offering an amendment that is entirely discretionary and has two provisos, that the Secretary of Agriculture, first of all, may ban imports provided that first, the Secretary determines that residues of that particular drug including any antibiotic drug threatens the health and safety of U.S. consumers; and second, the use of that particular drug, including any antibiotic drug gives foreign producers of livestock an unfair competitive advantage over U.S. producers.

Mr. President, first of all, the amendment seeks to protect U.S. consumers. Foreign producers using drugs that are banned for use on livestock here in the United States seems to be a contradiction in public health matters. We have our laws here in the United States banning certain drugs for livestock. It is enforced and enforced for the very obvious reason, to protect the public health. But we do find ourselves importing products from abroad, even from our closest neighbors such as Canada, where commonly used livestock drugs up there are banned here in the United States for public health reasons.

So, the amendment on its face is absolutely in order and should be accepted, and I only state to my friend from South Dakota that I realize why the Department of Agriculture wants to add these two provisos, making it more difficult to keep out any products that may contain residues of a banned drug here in the United States but, nevertheless, I understand the circumstances. It gives the Secretary of Agriculture an undue authority, in my judgment, to delay or not to enforce what should be enforced.

I compliment the Senator from South Dakota on his amendment. I think it is wise. I think it is unfortunate that the provisos need to be in there to permit the Secretary to perhaps never ban the importation of livestock with such residues and also giving him the out of saying on that, he is not too sure that it constitutes anything in this country that is unfair competition to our producers.

But, nevertheless, I am very much in support of the Senator's amendment and I do not believe there is any objection on our side.

Mr. HELMS. I thank the Senator.

Mr. President, if no one else chooses to speak, I move adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Dakota.

The amendment (No. 886) was agreed to.

AMENDMENT NO. 887

Mr. PRESSLER. Mr. President, I send a second amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from South Dakota [Mr. PRESSLER] proposes an amendment numbered 887.

Mr. PRESSLER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 130, after line 22, insert the following:

STUDY OF OAT IMPORTS

SEC. 503. (a) The Secretary of Agriculture shall conduct a study of the impact on domestic farm programs of the increased importation of oats into the United States.

(b) By no later than one year after the date of enactment of this Act, the Secretary of Agriculture shall submit to the Congress a report on the study conducted under subsection (a).

Mr. PRESSLER. Mr. President, this amendment deals with a problem that is very important in my State, the increase in oats imports.

Mr. President, the amendment I am offering would require the Secretary of Agriculture to conduct a study of the dramatic increase in oat imports and its impact on the domestic price support program for oats.

In recent years the quantity of oats imported into the United States has increased dramatically. During the 1980–81 marketing year 1.3 million bushels of oats were imported. During the 1984–85 marketing year oats imports were 30.2 million bushels. Imports in 1984–85 equaled nearly 7 percent of the total U.S. production of oats. The majority of the increase in oats imports has come from Sweden, Denmark, and Finland. It is unclear why the imports have increased so dramatically.

The high value of the dollar may have encouraged some imports but with the domestic oats prices at very low levels it appears unlikely that it would be profitable to ship oats from Europe to the United States. The August 1985 average price for oats in the United States was $1.13 per bushel. The loan rate for oats is $1.31 per bushel. It is very unclear why imports of oats at an average price of $1.78 would continue to increase. These increased imports should be investigated and action should be taken against any unfair trade policies which may be causing the increase.

The increase in oats imports not only affects farmers but also increases the cost of the farm program. The oats program is relatively small but the low prices have resulted in more oats being put under loan and higher deficiency payments to oats producers. A reduction in import levels would very likely reduce the cost of farm programs in the future.

Mr. President, I urge my colleagues to join me in support of this amendment. With the record trade deficit and high cost of farm programs we cannot afford to allow European nations to dump their surplus oats production on the U.S. market.

Mr. HELMS. If the Senator will yield, I know he has to catch a plane, he made his statement and I have examined the amendment and I find it acceptable.

Let me say to the Senator from South Dakota that I do commend him for his contributions and, as I say, I will accept his amendment.

Mr. MELCHER. Mr. President, we have no objection to this amendment on this side.

Mr. HELMS. I move its adoption, Mr. President.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Dakota.

The amendment (No. 887) was agreed to.

Mr. PRESSLER. Mr. President, I do have two additional amendments that I intend to offer next week and would like to have them printed. One is on misbranding food substitutes for cheese, and the other is to establish a three-tier target price for wheat and feedgrains. It will establish a three-tier target price and wheat and feedgrains to direct benefits to family farmers without increasing the cost of the program.

Mr. DIXON and Mr. HELMS addressed the Chair.

The PRESIDING OFFICER (Mr. CHAFEE). The Senator from North Carolina.

Mr. HELMS. Mr. President, just for the Senators on the floor and those who may be listening in their offices, I anticipate two rollcall votes in fairly short order. One will be by the distinguished Senator from Illinois, who will call up an amendment.

I ask unanimous consent that immediately thereafter, the Senator from Georgia [Mr. MATTINGLY] be recognized to call up an amendment.

The PRESIDING OFFICER. Is there objection? Hearing none, it is so ordered.

Mr. HELMS. I thank the Chair.

I yield the floor.

AMENDMENT NO. 890

(Purpose: To permit the transfer of agricultural products from one licensed warehouse to another warehouse for continued storage)

Mr. DIXON. Mr. President, I have an amendment at the desk and I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Illinois [Mr. DIXON] proposes an amendment numbered 890.

On page 459, between lines 18 and 19, insert the following new section:

TRANSFER OF AGRICULTURAL PRODUCTS STORED IN WAREHOUSES

SEC. . Section 17 of the United States Warehouse Act (7 U.S.C. 259) is amended—

(1) by striking out "That" and inserting in lieu thereof "(a) Except as provided in subsection (b),"; and

(2) by adding at the end thereof the following new subsection:

"(b)(1) Notwithstanding any other provision of this Act, if a warehouseman lacks sufficient space to store the agricultural products of all depositors in a licensed warehouse, the warehouseman may, in accordance with regulations issued by the Secretary of Agriculture and subject to such terms and conditions as the Secretary may prescribe, transfer stored agricultural products for which receipts have or have not been issued out of such warehouse to another licensed warehouse for continued storage.

"(2) The warehouseman of a licensed warehouse to which agricultural products have been transferred under paragraph (1) shall deliver to the rightful owner of such products, on request, at the licensed warehouse where first deposited, such products in the amount, and of the kind, quality, and grade, called for by the receipts or other evidence of storage of such owner.".

Mr. DIXON. Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

COPING WITH A BUMPER HARVEST

Mr. DIXON. Mr. President, the grain bins, country elevators and grain warehouses are bulging at the seams as a result of the bumper harvest our farmers are experiencing throughout much of the Midwest.

A unique problem has developed as a result of the abundance of grain being brought in by our farmers for storage. We have not been confronted with this situation before, and only a legislative remedy will cure the difficulty.

The problem is this: federally licensed warehouses are prohibited by a 1929 statute from redepositing grain at another facility, such as a river terminal. Their State-licensed warehouse counterparts are allowed to engage in such redeposits. As a result of this anomalous situation, Federal warehouses are operating this year at a competitive disadvantage because they cannot move old grain out to another location in order to accommodate the massive harvest of the current season.

To cope with this situation, I am offering an amendment granting discretionary authority to the Secretary of Agriculture to allow federally licensed warehouses to transfer grain during extraordinary circumstances such as

we are faced with now when bumper crops are coming out of the farmers' fields, with no place to go for storage. My colleagues will note that this amendment does not repeal the 1929 law which is causing the current problem. The amendment simply grants discretionary authority to the Secretary to cope with a situation which is beyond everyone's control at a time when we are blessed with a more than bountiful harvest.

Mr. President, I urge my colleagues to support this amendment so that our federally licensed grain warehouses will be on a par with our State licensed warehouses in terms of being able to transfer grain to make room for the new harvest.

I simply want to add that the U.S. Department of Agriculture is aware of this problem and of the language in this pending amendment. Essentially, it puts Federal grain elevators and warehouses in exactly the same position as State grain elevators and warehouses, authorizing them to forward to other places the commodities at such time as their elevators or warehouses are full. I ask that this amendment be given the favorable consideration of the Senate.

Mr. HELMS. Mr. President, I agree with the Senator from Illinois. This amendment is most constructive. It is an improvement over the current law. The Senator from Illinois and some of the rest of us feel that it is a matter on which the Senate ought to express itself. I intend to vote for it with enthusiasm.

Mr. ZORINSKY. Mr. President, we have examined the amendment and believe that it has great merit. In fact, I think it provides insight into the magnitude of the overproduction that can lead to a crisis in the availability of storage. I think it will benefit this Nation to accept this amendment. We have no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Colorado [Mr. ARMSTRONG], the Senator from Alabama [Mr. DENTON], the Senator from Arizona [Mr. GOLDWATER], the Senator from Oregon [Mr. HATFIELD], the Senator from Maryland [Mr. MATHIAS], the Senator from Oregon [Mr. PACKWOOD], the Senator from Alaska [Mr. STEVENS], and the Senator from Wyoming [Mr. WALLOP] are necessarily absent.

I also announce that the Senator from California [Mr. WILSON] is absent on official business.

Mr. BYRD. I announce that the Senator from Texas [Mr. BENTSEN], the Senator from Florida [Mr. CHILES], the Senator from California [Mr. CRANSTON], and the Senator from West Virginia [Mr. ROCKEFELLER] are necessarily absent.

I further announce that the Senator from Massachusetts [Mr. KENNEDY] is absent on official business.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 86, nays 0, as follows:

[Rollcall Vote No. 256 Leg.]

YEAS—86

Abdnor	Gore	Melcher
Andrews	Gorton	Metzenbaum
Baucus	Gramm	Mitchell
Biden	Grassley	Moynihan
Bingaman	Harkin	Murkowski
Boren	Hart	Nickles
Boschwitz	Hatch	Nunn
Bradley	Hawkins	Pell
Bumpers	Hecht	Pressler
Burdick	Heflin	Proxmire
Byrd	Heinz	Pryor
Chafee	Helms	Quayle
Cochran	Hollings	Riegle
Cohen	Humphrey	Roth
D'Amato	Inouye	Rudman
Danforth	Johnston	Sarbanes
DeConcini	Kassebaum	Sasser
Dixon	Kasten	Simon
Dodd	Kerry	Simpson
Dole	Lautenberg	Specter
Domenici	Laxalt	Stafford
Durenberger	Leahy	Stennis
Eagleton	Levin	Symms
East	Long	Thurmond
Evans	Lugar	Trible
Exon	Matsunaga	Warner
Ford	Mattingly	Weicker
Garn	McClure	Zorinsky
Glenn	McConnell	

NOT VOTING—14

Armstrong	Goldwater	Rockefeller
Bentsen	Hatfield	Stevens
Chiles	Kennedy	Wallop
Cranston	Mathias	Wilson
Denton	Packwood	

So the amendment (No. 890) was agreed to.

Mr. HELMS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MATTINGLY addressed the Chair.

The PRESIDING OFFICER. May we have order?

The Senator from Georgia is recognized.

Mr. MATTINGLY. Thank you, Mr. President.

AMENDMENT NO. 891

(Purpose: To enhance the effort of adding to the Strategic Petroleum Reserve and simultaneously stimulating foreign purchases of current-crop U.S. agricultural products by making surplus Commodity Credit Corporation stocks available to the Secretary of Energy for barter purposes)

Mr. MATTINGLY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Georgia [Mr. MATTINGLY] proposes an amendment numbered 891.

Mr. MATTINGLY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 30 of the bill, strike lines 16 through line 24, and insert in lieu thereof the following: "Corporation shall, to the maximum extent practicable and with the approval of the Secretary of Agriculture, make available annually to the Secretary of Energy, upon the request of the Secretary of Energy, a quantity of agricultural products owned by the Corporation with a market value at the time of such request of at least $300,000,000 for use by the Secretary of Energy in acquiring petroleum products (including crude oil) produced abroad for placement in the Strategic Petroleum Reserve through an exchange of such agricultural products. The terms and conditions of each such exchange shall be determined by the Secretary of Energy in consultation with the Secretary of Agriculture; *Provided*, That if the volume of agricultural products to be exchanged has a value in excess of the then established market price of the petroleum products (including crude oil) acquired by such exchange, then the Secretary of Energy shall require as a part of the terms and conditions of the exchange that the party or entity providing such petroleum products shall agree to purchase, within six months following the exchange, current-crop commodities or value-added food products from the United States producers or processors in an amount equal to at least one-half of the difference between the value of the commodities received in the exchange and the market price of the petroleum products acquired for the Strategic Petroleum Reserve in such transaction.".

Mr. MATTINGLY. Mr. President, the amendment which I am presenting today is one which is designed to accomplish several important objectives. It will allow us to continue filling our strategic petroleum reserve at a reasonable rate, while also reducing cash outlays from the Treasury. More importantly, the amendment which I propose may enable us to also stimulate a modest increase in export sales of agriculture-related products into markets which have been stolen from our producers through the use of unfair, predatory subsidies by foreign competitors.

Very briefly, the amendment would require the Secretary of Agriculture to make available to the Secretary of Energy a volume of Commodity Credit Corporation surplus stocks with a present value of $300 million. The Energy Secretary could then use these commodities—either alone or in combination with cash—to purchase, by barter or exchange, crude oil or other petroleum products needed for the petroleum reserve.

Now this alone is really not a new idea, and in fact there is a provision in the farm bill we are considering which expressly grants the authority for such barter exchanges to acquire addi-

tions for the petroleum reserve. However, what is new in my amendment is the concept that the Secretary of Energy can pay a "commodity bonus" to the country from whom we are acquiring the oil, but only if that country agrees to make an additional purchase of U.S. agricultural products in an amount equal to at least one-half of the value of the "commodity bonus" which they received. Such a purchase would have to be made within 6 months of the oil transaction. This subsequent purchase would have to be made in the open market from current-crop commodities or value-added food products. Thus, we accomplish several objectives. We reduce our current-crop commodities surpluses—we save some money by reducing storage costs—we reduce cash outlays for the purchase of strategic petroleum reserve additions—and we stimulate a further cash export sale of U.S. products which generates economic activity and Treasury revenues.

Another important aspect of my amendment is that it leaves the determination of the terms and conditions regarding the acquisition of the petroleum products in the hands of the Secretary of Energy, who will consult with the Secretary of Agriculture. I have the highest regard for my friends at USDA, but I believe that they probably do not have any great expertise when it comes to determining whether or not crude oil is or is not of the proper quality to be fit for addition to the reserve.

Mr. President, I strongly urge my colleagues to adopt this amendment.

Mr. HELMS. Mr. President, I inquire does the Senator desire a rollcall vote?

Mr. MATTINGLY. Yes. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HELMS. Mr. President, I thank the Chair.

This is a good amendment, and I intend to support it with enthusiasm.

It is consistent with what we did in the farm bill in that it provides for the exchange of agricultural commodities owned by the Commodity Credit Corporation for petroleum products produced abroad, which would be placed in the strategic petroleum reserve. The terms and conditions of the exchange, of course, would be determined by the Secretary of Energy under the Senator's amendment and in consultation with the Secretary of Agriculture.

As I say, I support the amendment.

Mr. ZORINSKY. Mr. President, the amendment modifies the committee-reported provision relating to the use of the Commodity Credit Corporation surplus stocks in filling the strategic petroleum reserve. The amendment will allow greater use of the surplus stocks in acquiring petroleum stocks, and I think it has merit. However, the extent to which CCC stocks are used for this purpose will be subject to the approval of the Secretary of Agriculture.

With that understanding, I urge my colleagues to support the amendment.

Mr. MATTINGLY. That is correct.

Mr. ZORINSKY. I thank the Senator.

Mr. McCLURE. Mr. President, I have discussed this amendment with the distinguished Senator from Georgia over the last several days, as he has been developing not only the language but the support of the necessary officials who have the responsibility for administering this program.

I hope the amendment is adopted.

I understand that the amendment does not mandate a substitution of this program for the regular purchases. It gives the Secretary of Energy an option which he does not now have with respect to the acquisition of crude for the strategic reserves.

Mr. MATTINGLY. That is correct.

Mr. McCLURE. I understand it to be that option and not a mandatory program and it is not a mandatory substitution.

I also urge my colleagues to adopt this amendment for another reason. One of the problems we have with the Interior and related agencies appropriation bill is that the strategic petroleum reserve acquisitions were placed off budget in actions taken by Congress, and over my objection, I might add, and have persisted in that for the last several years.

This year as we begin to try to control outlays as well as budget authority in the budget process, we have been confronted with a great difficulty because those strategic petroleum reserve acquisitions not only are counted in the outlays but they have been put back on budget according to the budget reconciliation process for scorekeeping purposes at least. We are suddenly confronted with an entirely different mix of expenditures under that bill.

The result of that will be some pressure, I am certain, before we get finished with that appropriation bill to reduce all of the expenditures in the Interior and related agencies legislation.

This can reduce that pressure.

Therefore, for those of you who have any interest in all of the programs that are funded in the Interior and related agencies bill, this may provide some measure of relief to that pressure.

I urge the adoption of the amendment.

Mr. MATTINGLY. I thank the Senator.

I might add to my good friend that hopefully for the taxpayers it will be the Treasury Department printing presses can slow down also to where that the outlays of dollars will be reduced, therefore, the deficit will be reduced, since we will be using something other than hard cash.

Mr. McCLURE. If the Senator will yield, I have urged for many years that we adopt this kind of a program in order to help market our agricultural surplus. It makes eminent good sense to me to be able to use something that we have in surplus rather than using dollars which, as the Senator notes, are in short supply.

Mr. MATTINGLY. Let common sense prevail on the vote.

Mr. HART. Mr. President, will the Senator from North Carolina yield for a question?

Mr. HELMS. I beg the Senator's pardon?

Mr. HART. Will the distinguished Senator yield for a procedural question?

Mr. HELMS. I yield.

Mr. HART. For those of us trying to make urgent travel arrangements, does the Senator contemplate rollcall votes after this?

Mr. HELMS. I say to the distinguished Senator, yes. We do expect at least one rollcall vote, perhaps two or three more.

Mr. HART. Does the Senator know how long we will be in session on this bill?

Mr. HELMS. That will be up to the majority leader, of course, but I expect it will be late in the afternoon because we were a little delayed getting started on the amendments. But I will be glad to inquire of the majority leader and let the Senator know.

Mr. HART. That will be extremely helpful for this Senator if he does.

Mr. HELMS. I am glad to do that.

Mr. GLENN. Mr. President, if the Senator will yield, I have a question here. In reading through this for the first time, I am not sure I understand the language, and I wish to have it clarified before we vote on this, if I might.

It says that the Secretary of Energy can exchange market value at the time of such request of at least $300 million.

Was that the intent of this, because that would mean that the upper end of it would be unlimited, as I read this? He could go up to billions and billions of dollars worth of exchange with no further approval required from Congress. Is that the correct language on that?

This would say he would have to do at least $300 million but he could go to $300 billion legally and we would be backing him, if I read this correctly. Or am I misinterpreting this?

Mr. McCLURE. If the Senator will permit me to attempt to answer that, first of all, it is a permissive program. It is not mandatory. Second, I view it

as being subject to the same acquisition authority for the strategic petroleum reserve as is now in current law. We have an acquisition rate stated in law.

Mr. GLENN. The upper limit would be, then, whatever the acquisition rate is or what the price per barrel would be on the exchange at that time?

Mr. McCLURE. The Senator is correct.

Mr. GLENN. The $300 million would be a minimum. Do you have any estimate of what the upper limit could be?

Mr. McCLURE. The upper limit is $561 million, roughly.

Mr. GLENN. That would be at the current price level?

Mr. McCLURE. Yes.

Mr. GLENN. I thank the Senator.

Mr. MATTINGLY. That is also conditioned on the Secretary of Agriculture approving it.

The PRESIDING OFFICER. Is there further discussion on the amendment? If there is no further discussion, the question is on agreeing to the amendment of the Senator from Georgia [Mr. MATTINGLY]. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Colorado [Mr. ARMSTRONG], the Senator from Arizona [Mr. GOLDWATER], the Senator from Oregon [Mr. HATFIELD], the Senator from Maryland [Mr. MATHIAS], the Senator from Oregon [Mr. PACKWOOD], the Senator from Alaska [Mr. STEVENS], and the Senator from Wyoming [Mr. WALLOP] are necessarily absent.

I also announce that the Senator from California [Mr. WILSON] is absent on official business.

Mr. BYRD. I announce that the Senator from Texas [Mr. BENTSEN], the Senator from Florida [Mr. CHILES], the Senator from California [Mr. CRANSTON], and the Senator from West Virginia [Mr. ROCKEFELLER] are necessarily absent.

I further announce that the Senator from Massachusetts [Mr. KENNEDY] is absent on official business.

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 83, nays 4, as follows:

[Rollcall Vote No. 257 Leg.]

YEAS—83

Abdnor	Danforth	Garn
Andrews	DeConcini	Glenn
Baucus	Denton	Gore
Bingaman	Dixon	Gorton
Boren	Dodd	Gramm
Boschwitz	Dole	Grassley
Bumpers	Domenici	Harkin
Burdick	Durenberger	Hart
Byrd	Eagleton	Hatch
Chafee	East	Hawkins
Cochran	Evans	Hecht
Cohen	Exon	Heflin
D'Amato	Ford	Helms
Hollings	McConnell	Rudman
Humphrey	Melcher	Sarbanes
Inouye	Metzenbaum	Sasser
Johnston	Mitchell	Simon
Kassebaum	Moynihan	Simpson
Kasten	Murkowski	Specter
Kerry	Nickles	Stafford
Laxalt	Nunn	Stennis
Leahy	Pell	Symms
Levin	Pressler	Thurmond
Long	Proxmire	Trible
Lugar	Pryor	Warner
Matsunaga	Quayle	Weicker
Mattingly	Riegle	Zorinsky
McClure	Roth	

NAYS—4

Biden	Heinz
Bradley	Lautenberg

NOT VOTING—13

Armstrong	Hatfield	Stevens
Bentsen	Kennedy	Wallop
Chiles	Mathias	Wilson
Cranston	Packwood	
Goldwater	Rockefeller	

So the amendment (No. 891) was agreed to.

Mr. MATTINGLY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. MATTINGLY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. GRASSLEY. Mr. President, I have some remarks that I want to make on the farm bill. Before I do that, there are a couple of points I would like to raise for the benefit of all my colleagues. One is that I was just informed this morning that the area offices for the USDA—I presume that would be the area office that covered Iowa—called the Iowa State Agricultural Stabilization Conservation Service Office, the ASCS Office, 2 days ago. They wanted to know this about Senator HARKIN and about Senator GRASSLEY. They wanted to know how many acres we farmed, they wanted to know whether or not we were participating in this year's feed grain program, and they wanted to know what payments we received.

For my part, I am willing to tell the Senate what my State ASCS people there in Iowa, who are civil servants, said in return. I do not want to say anything for Senator HARKIN. I will let him find out for himself and then he probably will want to report his own findings.

They reported that I had cash rented my land. They reported that as a result of that cash rent, in the truest sense of their definition of being in the program, I was not in the program and that I had received $368 sometime in the last 4 or 5 years on some sort of payment from the Federal Government. Off the top of my head right now, I really do not know what that was for, but I do not question that it was given.

The point that I am making here is that I think each one of my colleagues in this body ought to call their State ASCS office and see if that same inquiry was made by the USDA here in Washington about whether the Senators from the various States participate in the program, how many acres they own as a farmer, and how much payment they receive.

I am not sure I know the purpose of those questions being asked. I do happen to know, because there was contact between my State ASCS office and another State ASCS office, that at least one other inquiry has been made in the 50 States about two other Senators in this body.

I would think if they wanted to know this information they would come directly to us and ask us. Maybe it is a normal thing to be done. Maybe it is a normal inquiry that they make every year.

But I do know this, it was made 2 days ago, just prior to our going on this farm bill. I can also say that the same inquiry was not made of my State ASCS office in regard to the various participations of our colleagues in the other body.

My point in using this method, as opposed to sending a "Dear Colleague" letter is to alert my colleagues of this inquiry if they are interested, and, second, and I will do this more directly, I am going to ask Secretary Block what this information is used for.

That is the end of that part of my remarks. That was not part of what I was prepared to talk about this morning. I just received that call a couple of hours ago.

Mr. HELMS. Will the Senator yield?

Mr. GRASSLEY. Yes.

Mr. HELMS. Did the Senator say the USDA called his State?

Mr. GRASSLEY. Yes.

Mr. HELMS. Do you know who made the call?

Mr. GRASSLEY. I do not know the person's name, but I know it is from what is referred to as the area office. That would be the supervisory office here in Washington of the region where Iowa is one of the States. The call was made from that office to our State ASCS office. That was reported to me. I do not want to speak for the other State that I know was involved. I have alerted one of the two Senators from that other State of the fact that a call was made and I told him that he could call his State ASCS director. I told him where I got my information.

Mr. GRASSLEY. The second point I would like to make, and this point has not yet been raised in this debate, is I am sure when we are talking about aspects of this bill that are budgeted items, specifically how much this bill is going to cost, we are going to have the word given to us by some of our colleagues that this bill is so many dol-

lars over budget and that it ought to be reduced. The reason for this is because there will be a threat of a veto hanging over our heads.

I cannot say that anybody has told me directly from the White House or from the USDA that a bill of this cost which is now before us is going to be vetoed, but that is all you have read in the paper, that is all you have seen on television. Every aspect of this farm bill downtown deals simply with dollars, with cost.

I think this is a legitimate question to pose before we get very far into this debate, not only for the colleagues of mine who might share the position of the administration that we might pass something that is too costly, but also if someone comes to the conclusion that the budget items are not that big, we can get that behind us and out of the way.

I would like to put this proposition to my colleagues and the administration: Of all the bills that I know we are going to have before us for consideration, none of those costs in budget are as costly as what the farm program of 1949 would be. If we do not pass farm legislation, there is a reversion to the 1949 legislation. It is my understanding that that would cost two to three times anything we are talking about in this debate. In many respects, again referring to something the administration has said they do not like about some of the legislation being proposed up here, that there is too much regimentation in it, I believe we would all agree that the 1949 law has more regimentation in it and more cost than we are going to send downtown for this President to review.

So if the President is concerned just about cost, and that is basically all we have heard from downtown, then I would ask, if he vetoes this, how can he legitimatize his judgment of cost if what is left on the books is three times more expensive than anything we send down there?

I would suggest that if the President would veto a bill and he would figure that some other bill would pass, that may be legitimate strategy, but I would also suggest that if Congress would bow its back and pass no legislation, that the President of the United States, because of his veto of this farm bill, is stuck with a farm program more costly than anything we are going to send to him.

I think that is the way it has to work out. I think that is the way it will work out. I think if those are the facts, then I suggest two things: The President review and stop making the public comments on costs of legislation, and, second, he consider where we might end up if he does veto a bill. He should look positively at what is going to be presented here. On the bottom line, this would not be as costly as the 1949 legislation we could end up with.

Mr. MELCHER. Mr. President, will the Senator yield?

Mr. GRASSLEY. I will yield in the sense of whatever the rules are, that I hold the floor.

The PRESIDING OFFICER. Does the Senator yield for a question?

Mr. GRASSLEY. Yes, I yield.

Mr. MELCHER. The Senator from Iowa has been laying out the honest to God truth. The Senator from Iowa is reflecting what the Governor of Iowa has recently stated and I might add the Governor is of the same party as the distinguished Senator from Iowa.

My question is simply this: Some of us believe that in the rush of concluding the committee action on the bill, there were some points that were overlooked by the committee that are possible actual savings. In other words, if the committee had looked directly at some of the possibilities of savings, the committee, I feel certain, would have adopted some of those savings. We have been comparing the Senate bill with the House-passed bill. We see things in that bill that are actual savings and not detrimental to the farm procedures of this country.

My question is this: Would the Senator agree, that should we make all the possible savings that are not detrimental to the producers and their ability to continue operation? And in doing so improve the farm bill by making such savings, but not to go beyond those savings that would be detrimental to the producers themselves?

Mr. GRASSLEY. If the Senator from Montana is asking me if I would agree with that, obviously, the answer is yes. I think we ought to try to save wherever we can and be concerned about the cost. I am only trying to make the point that I am getting a little tired of veto threats when even the Secretary of Agriculture admitted on a major television program a couple of weekends ago that the 1949 legislation was much more expensive. If they are just worried about budget items, they ought to be thinking in terms of what the result of the veto can be.

I hope that we have people downtown who are that forward-looking in the process, that they know that this is a fact.

Mr. MELCHER. I believe that the Senator from Iowa makes a very rational and practical point. I suspect that we shall have to have a rather thorough discussion of this very point in some detail so that people in the Department of Agriculture and the people in the White House and the people in the Office of Management and Budget are aware of these very points, because they are very valid.

To return to the 1949 basic law is not very practical. To return to what we are doing right now in the current year is not very practical as far as costs are concerned.

I commend the Senator for his statement. I also advise the Senator that there are some cuts that can be made that are practical, that will not damage the agriculture producers, and that will nevertheless save some money and they do run into the billions of dollars. I ask him if he would like to work with me on developing those types of cuts.

Mr. GRASSLEY. Yes, Mr. President.

Mr. ANDREWS. Mr. President, will my colleague yield?

Mr. GRASSLEY. I yield to the Senator from North Dakota.

Mr. ANDREWS. I appreciate my colleague's yielding. I was listening to my colleague from Iowa on the floor. I picked up my phone to call my State ASCS director to find out if I have had a similar call on my farm. And I have.

I do not know what kind of Big Brother-Gestapo tactics have all of a sudden come into the Department of Agriculture. Let us face it: The Senator from Iowa and I are both farmers. Our constituents know we are farmers. Everybody knows how many acres we have, they know how many head of four-legged losers I have in my feed lot.

I find it personally objectionable for Big Brother to sit down in Washington and call out behind my back and suddenly say, what does the Senator get in payments on this program, that program, and the other program? These are all public records. As I say, everybody in North Dakota and everybody in Iowa knows how much farmland CHUCK GRASSLEY and MARK ANDREWS have. They know whether I have wild oats growing or whether my 2,4.D applications work. In fact, they drive by my farm, probably, more often than I do. That is what is known as total disclosure.

Let me also point out for the Record if they are interested down there that I do not have any loans at low-interest rates from Government entities.

Let me also point out, and I think it ought to be said, as long as they want to find out about my farm operation or Senator GRASSLEY's farm operation, that I do not owe any entity of the Federal Government pass-through loans, and I am not looking for any special deals, and I do not have partners that are in on things going on.

My farm is open, as it has been for a hundred years, to anybody—our neighbors, our State, our people. They know we are farmers, they appreciate the fact that we are farmers.

I know, Mr. President, I sort of think they elect us to come down here because they are proud to have farmers representing them. And all of a sudden to find out—I would not have known it if any colleague had not brought it

up—that Big Brother over in the Department of Agriculture does not have enough to do so they are picking up the phone to call up and find out what kind of farm operation we run, what kind of program payments—I wonder if my colleague from Iowa could enlighten me on this: Would he suppose that there might be some idea of some threat or something, that they are going to call and say that they are going to somehow cut off these farm program payments? Or are they somehow or other saying that we should not participate in the farm programs that we inflict on other farmers?

I always figured that farm programs force you to cut back production and do all the rest and you are not doing your dead-level best if you do not cooperate with programs you have passed and foist on other farmers. Is that not essentially the way my friend and colleague from Iowa feels?

Mr. GRASSLEY. Yes, Mr. President, and it is not too different from the intimidation that you might get from the IRS or the Defense Department or a lot of those other agencies that we have involvement with over a long period of time.

Mr. ANDREWS. I wonder also, Mr. President, if when they were calling up the different State ASCS offices, they would call up the State of California or—is it Arizona—to find out John Norton's figures, and if they would call some of the other States to find out about people in the department?

These are matters of public record. This administration, without that kind of Gestapo threat, blackmail, or whatever kind of tactic it is—I am wondering. I do not think the general public likes it. These are public figures that they can have. But let me make this point in agreement totally with my friend from Iowa.

I wish they would spend their talents on giving us honest figures on these various parts of the farm bill we put together around that table in the Senate committee room. I recall when we had a marketing loan concept—and I know my friend from Iowa supports it because it is a new idea, it will let us be competitive in the marketplace—that they phonied up the figures that they gave to us. On the next day, when we came back at them and said, "Look, you are $100 an acre off on these figures," they were forced to admit they were. But by then, the damage had been done.

I wish they would spend a little more of their time, if they have so much of it, in giving us accurate figures on budget impact, giving us accurate figures on the budget impact if we do not put together a sensible Farm Program, and get this information to us so that we can do our work based on honest figures.

If they want to know about my farm, they can just ask any one of my neighbors. They know about it. I am sure if they want to know about Senator GRASSLEY's farm, they can ask any one of his neighbors. I think farmers in North Dakota, farmers in Iowa, and farmers generally around this country resent the fact that while they are complaining about the money we are spending in agriculture, we have people who are so unemployed in the department that major figures can spend their time to call up behind our backs and want to know what kind of farm program payments we are getting.

I appreciate the Senator bringing it to the floor, and I share his, shall we say, disgust and, let me add, surprise that this is the kind of tactic that is going on in the Department of Agriculture.

(Later the following occurred:)

Mr. GRASSLEY. Mr. President, I ask to have inserted in the RECORD further explanation of the first point I made in my remarks today; that is, that there has been some followup communication with the Department of Agriculture as a result of my statement which I made about the Agriculture Department making requests about Senators' participation in the Farm Program. We have been told by the U.S. Department of Agriculture that a Member of Congress had requested that information. Under the Freedom of Information Act, we have not found out who that Member is. It seems to me like if the USDA is making that request at the behest of a Member of Congress, they ought to tell us who that Member is. But I did want to say to my colleagues that I do have that additional information now at 3 o'clock in the afternoon that I did not have at 1 o'clock in the afternoon. I would like to have what I just now said inserted in the RECORD as a clarification at that point in the RECORD.

I yield to the Senator from Iowa.

The PRESIDING OFFICER. Without objection, the request is granted.

Mr. HARKIN. I thank my colleague for yielding.

I understand the Senator to say this was requested by a Member of Congress. Does the Senator mean a Member of the other body, or this body, or do you have any information on that, and also does not the Freedom of Information Act allow us to find out who made that request? That ought to be public information.

Mr. GRASSLEY. The information that I have now given was information my staff has given me, their communication with the Secretary's office, and then some information that Senator ANDREWS from North Dakota had spoken with the USDA about. The first instance was there was an indication it was a Member of the Senate. Then there was retraction, saying it was a Member of Congress. Then as a result of several requests, not only by Members of this body, but also by members of the press, that the information will not be given out, or at least the questions have not been answered as to what Members of Congress requested it. I would suggest the Freedom of Information Act should allow us to have that information, but I presume, too, that the redtape of getting it under Freedom of Information Act would be so great we might not know it soon enough to do us much good. I would call upon the U.S. Department of Agriculture to be forthcoming with that information.

Mr. HARKIN. If my colleague will yield further, I would think if any Member of this body or the other body would want that information on any of us from Iowa or any other State they can come and ask us. We would tell them. It is public information. They do not have to surreptitiously try to go get it anywhere. It is on the record. There is nothing wrong with anyone finding out that information. I find it curious, I guess, that someone would be, at this point in time, delving into something like it.

Mr. GRASSLEY. Very curious. I would associate myself with the conclusions drawn by may colleague from Iowa.

Mr. HARKIN. I thank my friend from Iowa.

(Conclusion of later proceedings.)

Mr. PRESSLER. Mr. President, I was going to speak to the points of the farm bill, but I have been told that the Senator from Tennessee is under a tight schedule. I will relinguish the floor for whatever the normal order of business would be and then I will try to get the floor back at a later time.

AMENDMENT NO. 892

(Purpose: To prohibit the importation of any tobacco produced or processed with the use of a pesticide that is not registered under the Federal insecticide, Fungicide, and Rodenticide Act)

Mr. GORE. Madam President, I deeply appreciate the courtesy of the Senator from Iowa. I have an amendment which I send to the desk and ask for its immediate consideration.

The PRESIDING OFFICER (Mrs. KASSEBAUM). The clerk will report.

The legislative clerk read as follows:

The Senator from Tennessee [Mr. GORE] proposes an amendment numbered 892.

Mr. GORE. Madam President, I ask unanimous consent that further reading of the amendment be dispensed with.

The amendment is as follows:

On page 459, between lines 18 and 19, insert the following new section:

TOBACCO PESTICIDE RESIDUES

SEC. . (a) Section 213 of the Dairy and Tobacco Adjustment Act of 1983 (7 U.S.C. 511r) is amended by adding at the end thereof the following new subsection:

"(e)(1) Notwithstanding any other provision of law, any tobacco offered for importation into the United States shall be accompanied by a certification by the importer, in such form as the Secretary of Agriculture shall prescribe, that the tobacco has not been produced or processed with the use of a pesticide that is not registered under the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 135 et seq.).

"(2) Any tobacco that is not accompanied by the certification required by paragraph (1) shall not be permitted entry into the United States.

"(3) The Secretary, to such extent and at such times as the Secretary determines appropriate, shall sample and test tobacco offered for importation on entry into the United States to determine whether that tobacco conforms with the certification required under this subsection.

"(4) The Secretary shall by regulation provide that domestically produced tobacco is subject to substantially the same requirements with respect to residues of any pesticide as apply to tobacco offered for importation.

"(5)(A) Subject to subparagraph (B), if the Secretary determines that Flue-cured or Burley tobacco does not meet the requirements of this section, such tobacco may not be moved in commerce among the States and shall be destroyed by the Secretary.

"(B) This paragraph shall apply only to tobacco produced after the date of enactment of this provision that receives price support under the Agricultural Adjustment Act of 1938 (7 U.S.C. 1281 et seq.) or the Agricutural Act of 1949 (7 U.S.C. 1421 et seq.).".

"(b)(1) The second sentence of section 213(c) of such Act is amended by striking out "such subsection" and inserting in lieu thereof "this section".

(2) The second sentence of section 213(d) of such Act is amended by inserting "and subsection (e)" after "subsection (a)(1)".

Mr. GORE. Madam President, let me briefly explain this amendment. I would hope that every single Senator on both sides of the aisle would vote in favor of this amendment. It is a farmer issue, and it is simultaneously a consumer issue. Briefly, all domestic tobacco has to be certified free of pesticides banned for use in the United States. This is to protect the consumers of tobacco against residue in the tobacco and also the farmers who use the substances involved. But foreign tobacco imported into the United States does not have to be so certified, and now the volume of imported tobacco has grown to where it is one-third of the total tobacco consumed.

So we have a situation where American tobacco farmers are prevented from using these chemicals and yet their competitors overseas are allowed to use the same chemicals. That puts the American tobacco farmer at a competitive disadvantage and is one among several factors that has led to the dramatic increase in the amount of imported tobacco sold in the United States.

Second, the American consumers of tobacco, who believe that they are protected by the chemical pesticide laws that prevent American tobacco farmers from using these banned substances, are exposed to the very same chemicals because one-third of all the tobacco they consume has these residues. If you are in favor of the tobacco farmer in Bulgaria, then vote against this amendment because Bulgarian farmers can use these banned pesticides and send them into the United States. If you are in favor of the tobacco farmer in Zimbabwe and want to give that tobacco farmer an additional advantage over the American tobacco farmer, then vote against the amendment. If you want to expose the American tobacco consumer to these chemicals that are judged to be so harmful they have to be banned in the United States, then vote against this amendment.

This amendment has been endorsed by the North Carolina Farm Bureau. It has been endorsed by the American Farm Bureau Federation. And I might say the North Carolina Farm Bureau Tobacco Specialist is probably one of the leading experts on this matter in the entire United States.

There are no implications for GATT. I have a study prepared by the Congressional Research Service which I will supply to any Senator who is interested. If there is enough interest, I will put it in the RECORD, but it is so lengthy that I do not want to take that step. But suffice it to say, this amendment is "GATTable," a phrase common in discussions of trade—fair trade and unfair trade.

So this amendment, Madam President, has something for everyone. It is pro farmer and pro consumer. It would accomplish the modest objective of prohibiting the importation of tobacco into this country which uses pesticides and other chemicals which are banned in the United States. Let me say this amendment is very similar to the provisions of S. 67 which I introduced earlier this year. Indeed, this was the very first bill that I introduced upon becoming a Member of this body. A few moments after I was sworn in in January, I introduced this legislation.

It is also very similar to legislation I introduced last year in the other body and legislation that has long been advocated by the Senator from Ohio [Mr. METZENBAUM]. He advocated it vigorously last year in the conference committee with some success but it fell short of final adoption as did my legislation in the other body.

This amendment would very simply require imported tobacco to comply with exactly the same pesticide certification requirements that we currently impose on American-grow tobacco. It would not impose any additional restrictions whatsoever on any American tobacco. It would simply protect American consumers from these harmful substances in foreign tobacco just as the consumer is protected now from these substances in domestic tobacco. It is designed to protect both the American farmer and the health of the American people. It is also designed to give American farmers an opportunity to compete more fairly with their foreign competitors because if there was ever an example of an unfair trade practice that ought to be immediately eliminated, this is it.

Under current law, we tie the hands of the American tobacco farmer, tell him he cannot use these substances—incidentally, I agree he should not use these substances because they do pose a health risk—but we leave the foreign competitor totally free to use these harmful substances and simultaneously threaten the health of American consumers and drive more American tobacco farmers out of business.

In recent years, as I mentioned, the amount of foreign tobacco imported into America has increased dramatically up to the point now where one-third of the tobacco in American cigarettes is imported. In 1969 our country imported only 9 million pounds of foreign tobacco. By 1983, we were importing 240,000 metric tons of tobacco annually, an increase of 1900 percent over 1969, and an increase of 30 percent over 1982 alone. By 1983 imports of unmanufactured tobacco exceeded $743 million.

Now, let me state, Madam President, what this amendment will and will not do. It will require that imported tobacco be certified as not containing unapproved pesticides before it can be brought into this country.

This is exactly the same requirement that American growers must comply with before selling their tobacco in this country. American tobacco farmers are quite aware of this issue. In fact, there are very few issues that have provoked as much concern and response from tobacco farmers as this unfairness with which they have to deal. In the United States today tobacco farmers have to abide by strict regulations. These regulations prohibit the use of a number of pesticides and other chemicals such as DDT, dieldrin, endrin, toxaphene, and others, all of which have been banned for health reasons, and yet we have absolutely no restrictions whatsoever on tobacco being imported into the United States with respect to these very same chemicals and pesticides. In fact, no agency of the Federal Government knows or keeps track of what pesticides or other chemicals are being used on tobacco being imported into the United States despite the potential health hazard imposed by this problem and despite this disadvantage to the American tobacco farmer.

Our failure to act harms America's tobacco farmers seriously and jeopardizes the 50 to 54 million Americans who smoke. Six hundred billion cigarettes a year are smoked by Ameri-

cans, one-third of the tobacco in those cigarettes comes from foreign producers, yet we have no information about what hazardous substances contaminate that tobacco. We do not even have records of the countries from which we import and have never attempted to determine what their policies are with regard to substances banned for use in the United States. How can the American farmer compete? How can American consumers protect themselves, if we do not even collect this vital information?

There is serious reason for concern. Turkey, Bulgaria, Lebanon, and Zimbabwe are all large suppliers of imported tobacco leaf; yet, the only survey ever done about the use of pesticides and other chemicals used abroad, a survey conducted by the State Department, produced no information about the chemicals used in those countries. What the survey did reveal is that many countries do permit the use of pesticides banned from use in the United States. For example, tobacco from Thailand is imported into the United States; but we know that Thailand permits the use of DDT; dieldrin, and endrin, each of which has been banned in this country for health reasons. In the Philippines, the only chemical banned is DDT. In New Zealand and Australia, DDT is used to treat the soil. And evidence is accumulating that DDT is the pesticide of choice in Brazil, a country from whom we are importing massive and increasing amount of burley tobacco. Unfortunately, what we know about this issue is still less than what we do not know, where the use of pesticides in these foreign countries is concerned. This amendment would give us that information.

To some, the bill may appear to be motivated by protectionist concerns. Nothing could be further from the truth. This bill only seeks to place foreign producers of tobacco on the same ground as our American farmers. The United States not only has a right to impose those health and safety restrictions on imported products, it has an obligation to its citizens to do so.

There is no reason whatsoever for imported tobacco to be exempt from these requirements. What this bill does with regard to tobacco, we already do for most products imported into the United States. For example, we require importers of foreign automobiles to meet our pollution and safety standards. Importers of machinery and consumer products are required to comply with health and safety standards applicable to all products sold in the United States. We already also require cigarette packages imported in the United States to comply with the labeling provisions of the Federal Cigarette Labeling and Advertising Act. The United States would not be the first country to impose the requirements I am proposing. West Germany has gone even further by prohibiting the importation of tobacco containing any chemical or additive not on an approved list.

In conclusion, the amendment represents a cautious, reasonable approach to a potentially serious problem. It is an amendment that directly benefits both the American farmer and the American consumer. And it is a classic example of action that we can take to ensure that our farmers are playing on a level field, without endangering our trade relationships.

Madam President, I am honored to offer this amendment in conjunction with the Senator from Tennessee [Mr. SASSER] and the Senator from Ohio [Mr. METZENBAUM], to whom I referred earlier and to whose efforts I referred earlier.

The amendment embodies a bill that has been introduced and is cosponsored by the Senator from Kentucky [Mr. FORD], the Senator from Maryland [Mr. SARBANES], the Senator from South Carolina [Mr. HOLLINGS], the Senator from Ohio [Mr. GLENN], the Senator from Hawaii [Mr. INOUYE], the Senator from Tennessee [Mr. SASSER], and myself. I urge my colleagues on both sides of the aisle to support this amendment.

I yield the floor, Madam President.

Mr. HELMS. Madam President, I say to the distinguished Senator from Tennessee that this is an attractive amendment, the thrust of which I support. I did not see the draft of his amendment until a few minutes ago, and I feel obliged to ask the Senator his intent, just for the purpose of legislative history.

On page 1, the Senator's amendment states:

> Notwithstanding any other provision of law, any tobacco offered for importation into the United States shall be accompanied by a certification by the importer, in such form as the Secretary of Agriculture * * *

Does the Senator contemplate that each hogshead of tobacco be certified?

Mr. GORE. Will the Senator repeat the question?

Mr. HELMS. On page 1——

Mr. GORE. I heard the last part. It was just the last sentence.

Mr. HELMS. Does the Senator contemplate that each hogshead of tobacco shall be plugged and examined?

Mr. GORE. Each what?

Mr. HELMS. Each hogshead, each container of tobacco.

Mr. GORE. In response, the importer would have to certify that each shipment of tobacco and all tobacco imported by that importer meets the requirements. The inspection process for verifying the certification would not require that each container be sampled, because they could sample and test, according to the second page, subsection 3, as follows:

> The Secretary, to such extent and at such times as the Secretary determines appropriate, shall sample and test tobacco offered for importation on entry into the United States to determine whether that tobacco conforms with the certification required under this subsection.

The process is intended to be similar to the one that is used for American farmers. They have to certify all that, but there are just samples that are tested.

Mr. HELMS. The Senator referred to the portion on page 2, beginning on line 7, that appeared to present the possibility of a contradiction. What the Senator is saying, then, in effect, is that the Secretary of Agriculture shall prescribe how this is to be done. Is that correct?

Mr. GORE. That is correct.

Mr. HELMS. And he is not saying that this amendment would mandate that every hogshead of tobacco be examined. That would be determined by the Secretary of Agriculture, to protect the health of the consumer. Is that correct?

Mr. GORE. The distinguished chairman of the committee is correct, and that is an important clarification, because the amendment should not be interpreted to require the Secretary to inspect every single leaf that is imported. Far from it. The Secretary can determine the appropriate way to set up a sample testing procedure. However, the person importing the tobacco must certify that all the tobacco that importer brings into the country is free and clear, just as an American tobacco farmer has to do the same.

Mr. HELMS. On line 21 of page 2, the Senator is saving, in effect, that this would begin with the 1986 crop.

Mr. GORE. It is intended to operate prospectively, and it applies only to tobacco produced after the date of enactment of this provision. It would not apply to any tobacco that was produced before the date of enactment.

Mr. HELMS. I thank the Senator.

Madam President, the Senator's amendment makes sense, particularly when one considers that we have a tobacco program reform proposal in the reconciliation bill, which is intended and would in fact have the effect of reducing enormously the amount of imported tobacco. I think the Senator may have a little bit of that in his mind with his amendment.

I have become disturbed over a period of several years at the growing percentage of imported tobacco, laying aside the pesticide content, and our legislation was drawn with the purpose of encouraging the tobacco companies to use more domestic tobacco.

I think the Senator, while he is very much interested in the health of the American people, and so am I, is also mindful that this may serve more than one purpose.

So, that is the upside of it. It should protect the health of the American people by prohibiting the importation of tobacco containing pesticides and other chemicals that are not permitted in this country.

The Senator is right. The farmer growing the imported tobacco is not subjected to the same pesticide restrictions as the American farmer and obviously that is not fair and that is the point the Senator made and made eloquently.

The implementation as we have just discussed of this amendment could result in a decrease in imported tobacco. That, as the Prince of Denmark once said, is a consummation devoutly to be wished.

The other side of the coin, and I feel obliged to mention it, is the Senator is certain, and I take his word for it, that it would not violate GATT or any other agreements.

Mr. GORE. If the chairman will yield on that particular point, I asked the Congressional Research Division of the Library of Congress to do a lengthy study of that legal question and what their response boiled down to, in essence, is that this amendment would not do anything that could be construed as a violation of GATT.

Mr. HELMS. That is encouraging.

Madam President, the USDA requires, as the Senator knows, as a condition of price support eligibility, that our farmers—our producers—certify that they have not used DDT, TDE, Toxaphene, or endrin in the production of their tobacco. Even if the American grower has used the restricted pesticide he is still eligible to have his tobacco graded and marketed. The importer would be denied marketing opportunity under this provision.

Madam President, if the Senator will forbear, let me consult with my staff for just a moment.

Mr. GORE. If the chairman will yield, while he is conferring here, Madam President, I ask unanimous consent that the Senator from New Mexico [Mr. BINGAMAN] be listed as a cosponsor of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GORE. I wish again to pay tribute to the Senator from Kentucky who is a cosponsor of the bill which led to this amendment.

Mr. GRASSLEY. Madam President, will the Senator yield?

Mr. GORE. I am delighted to yield.

Mr. GRASSLEY. No. 1, I would also like to be a cosponsor of his amendment and then, No. 2, and this is not a facetious comment but I would like to know. First of all, I obviously support his amendment or I would not cosponsor it, and I very much support the direction that the Senator is going and I could have said the same thing earlier today to Senator PRESSLER on his amendment.

But in what might appear to be a facetious comment I would like to ask if your amendment has been cleared by the State Department. And obviously the Senator probably has not even asked the State Department and I hope he has not.

Let me say why I make that point. I remember the years when I was in the other body, and the Senator from Tennessee served in that other body as well, I served on the Agriculture Committee over there and I remember many a time some of us tried to get similar amendments adopted through the House Agriculture Committee and we were very unsuccessful. Maybe the environment is different. I hope it is, because I want the Senator's amendment to become law.

But I remember at some of the negotiations right in markup sessions we not only had people from the Agriculture Department there but we had people from the State Department called in, and they very much oppose this sort of an amendment. Somehow it was treading on their turf. It would maybe bring about bad relationships between the United States and other countries, just as if that ought to be the primary purpose or primary consideration as opposed to the Senator's primary consideration of putting the consumer of America first.

So, I hope the Senator's amendment would call to attention for my colleagues another point, a point in a larger setting. What I would like to have my colleagues consider in the next 2 weeks of debate on farm legislation is the extent to which so many things have affected agriculture adversely. To a large extent we have had a preeminence of the State Department in those policy decisions and to that extent it has hurt agriculture tremendously.

In consideration of this, I am sure the points are going to be made that the reason agriculture is in bad shape is that we had high support prices. But there are a lot of things done by nonagricultural interests and policy decisions in that area that have been very detrimental to agriculture. One of those has been that we have had an inconsistent policy for the consumers of this country that somehow some pesticides and other additives would be bad if those additives were put on domestic crops but they were OK in the case of imports from foreign countries.

That has been very costly but most important it has been very unfair and it has been unfair both to the farmer and it has been unfair to our consumer.

I thank the Senator from Tennessee for yielding.

Mr. GORE. Madam President, with the indulgence of the Senator from North Carolina, I apologize for presuming to yield earlier. It is the time of the Senator from North Carolina.

Mr. HELMS. That is quite all right. I enjoyed what the Senator from Iowa said. I shall tell the Senate what the Senator from Iowa is saying. He is saying that the State Department has an African desk, a South American desk, a European desk, an Asian desk. The Senator said it is about time the State Department had an American desk. Is that right?

Mr. GRASSLEY. Yes.

Mr. HELMS. OK.

I yield to the Senator.

Mr. GORE. Madam President, I ask unanimous consent that the Senator from Iowa [Mr. GRASSLEY] be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GORE. In response to the question that he assures me is not facetious I will say to the Senator from Iowa that I did not take the step of asking the State Department for formal clearance on the amendment. Perhaps I should have shown them that courtesy, but it is a matter of public record. I introduced it as legislation in January. I introduced it last year. It has been debated by many Senators and Members of the other body who have long favored an idea similar to this one.

The State Department has had ample opportunity to register its objections to this particular amendment if it wishes to.

The only thing that I could conceive of them objecting to would be its intersection with GATT and, as I mentioned earlier because it imposes on imported tobacco only exactly those requirements imposed on our domestic producers, it poses no problems under GATT.

I appreciate the distinguished chairman yielding to me for that interchange.

Mr. HELMS. Very well.

I apologize for the delay but, as I say, I just saw the amendment right after the Senator offered it. I feel obliged to have as much legislative history as I can.

On page 2, line 18, the Senator's amendment states: "Such tobacco may not be moved in commerce among the States and shall be destroyed by the Secretary."

Just for the record, who pays for the destroyed tobacco? What is the intent of the Senator with respect to that?

Mr. GORE. The source of the funding for that would be the same as the source of funding for destroying American tobacco which is found to be in violation of that same requirement.

Mr. HELMS. What is that?

Mr. GORE. I apologize to the chairman in saying that I presume that that source of funding is the Tobacco Program, but I do not have the precise answer to the chairman's question on the tip of my tongue.

Mr. HELMS. Frankly, neither do I. I will tell the Senator that I think it may be a good idea if perhaps we could have a colloquy subsequent to the consideration of the the amendment just to make the legislative history clear as to the Senator's intent. If he will agree to that, we could get together, or our representatives can get together and take care of that.

Mr. GORE. Does the Senator mean, have a colloquy after the amendment is adopted?

Mr. HELMS. Yes.

Mr. GORE. That would be fine.

Mr. HELMS. The important thing is the thrust of the amendment but it is also important to have the Senator's intent and, thereby, the Senate's intent, presuming that the amendment will be approved.

Mr. GORE. I will be delighted to do that.

Mr. HELMS. I thank the Senator.

Madam President, I am predisposed to accept the amendment and take it to conference.

Mr. MELCHER. Madam President, we have no objection to the amendment on this side.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Tennessee [Mr. GORE].

The amendment (No. 892) was agreed to.

(Later the following occurred:)

Mr. GORE. Mr. President, I ask unanimous consent that notwithstanding the pending business, I be allowed to make a motion to reconsider the vote on amendment No. 892.

The PRESIDING OFFICER. Is there objection? The Chair hears none and it is so ordered.

Mr. GORE. I move to reconsider the vote by which the amendment was agreed to.

Mr. MATSUNAGA. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

(Conclusions of later proceedings.)

AMENDMENT NO. 893

(Purpose: To extend the authorization for appropriations for the Federal Insecticide, Fungicide, and Rodenticide Act through fiscal year 1986)

Mr. PROXMIRE. Madam President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Wisconsin [Mr. PROXMIRE] proposes an amendment numbered 893.

Mr. PROXMIRE. Madam President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 445, beginning on line 10, strike out the comma after "57,067,300" and all that follows through "necessary" on line 12.

Mr. PROXMIRE. Madam President, I understand the managers of the bill are favorable to the amendment. This amendment would substitute a 1-year reauthorization of the Federal Insecticide, Fungicide, and Rodenticide Act for the 2-year reauthorization currently contained in the farm bill. As principal author of the FIFRA reform amendments, S. 1303, I am pleased that the campaign for pesticide reform, representing over 40 consumer, environmental and labor organizations, and the National Agricultural Chemicals Association, with 100 members, have recently reached basic agreement on FIFRA amendments which they intend to submit soon for our consideration. For more than a decade, the need for FIFRA reform has been the subject of substantial controversy between industry and environmentalists. This agreement between traditional antagonists is a substantial breakthrough. A 1-year reauthorization will permit the committee to consider this consensus legislation promptly.

Mr. HELMS. Madam President, on behalf of this side of the aisle, I am willing to accept the Senator from Wisconsin's amendment to substitute a 1-year reauthorization of FIFRA for the 2-year reauthorization that is presently contained in this legislation. A 1-year reauthorization for fiscal year 1986 will preserve FIFRA's legal authority, while allowing the Senate Agriculture Committee sufficient time to consider and review the so-called compromise agreement.

We expect to receive recommended statutory language soon which reflects the industry-environmental agreement. I am encouraged that negotiations on controversial FIFRA amendments have produced such a consensus, and believe this compromise language will provide a sound basis for the Agriculture Committee's review of the FIFRA statute next year.

Mr. STAFFORD. I am pleased that the distinguished chairman of the Agriculture Committee intends to review the FIFRA law next year. It is the view of this Senator that this law is vital to protection of public health and the environment from adverse effects of pesticides. Unfortunately, the Pesticide Regulatory Program has not worked as well as it should in some areas. This Senator believes that there is room for improvement in the law.

It is encouraging that representatives of the agricultural chemicals industry and the environmental community have agreed with one another on certain amendments. I commend them for their efforts. Whether the areas of agreement will expand, or even survive to debate over issues not yet agreed, remain to be seen. Whatever the outcome of those discussions, this Senator wishes to commend the distinguished chairman for his willingness to take on this important task. The job will not be easy, but it needs to be done.

Mr. DURENBERGER. I wish to associate myself with the remarks of the distinguished Senator from Vermont. As chairman of the Subcommittee on Toxic Substances and Environmental Oversight, I too am concerned about the problems that pesticide chemicals can cause. Numerous witnesses at subcommittee hearings have described problems with contaminated ground water, contaminated foodstuffs, and inadequate or incorrect data on pesticide toxicity. The time is right to being a review of the pesticide law in order to see whether it can be strengthened in appropriate places.

Mr. MELCHER. Madam President, we have no objection to the amendment on this side.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wisconsin [Mr. PROXMIRE].

The amendment (No. 893) was agreed to.

Mr. PROXMIRE. Madam President, I wish to thank the distinguished chairman of the committee very much for accepting the amendment, and the distinguished ranking minority member.

Mr. HELMS. It is always a pleasure to work with the Senator from Wisconsin.

AMENDMENT NO. 894

(Purpose: To exempt REA financed electric and telephone systems from eligibility restrictions on borrowing from the banks for cooperatives)

Mr. ANDREWS. Madam President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from North Dakota [Mr. ANDREWS] proposes an amendment numbered 894.

Mr. ANDREWS. Madam President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

SEC. —. Section 3.8 of Farm Credit Act of 1971 (12 U.S.C. 2129) is amended by—

(1) inserting "(1)" immediately before "Any association"; and

(2) adding at the end thereof a new subsection (2) as follows:

"(2) Notwithstanding any other provision of this title, cooperatives and other entities which have received a loan, loan commitment, or loan guarantee from the Rural Electrification Administration, or a loan or loan commitment from the Rural Telephone Bank, or which have been certified by the Administrator of the Rural Electrifi-

cation Administration to be eligible for such a loan, loan commitment, or loan guarantee, and subsidiaries of such cooperatives or other entities, shall also be eligible to borrow from a bank for cooperatives."

Mr. ANDREWS. Madam President, the pending amendment would authorize the Farm Credit System's Banks for Cooperatives to extend credit to all rural utilities that participate in the programs administered by the Rural Electrification Administration.

Under current law, 60 percent of the members of a rural utility cooperative must be farmers for the cooperative to be eligible for financing through the Banks for Cooperatives. This restrictive eligiblity requirement eliminates the Banks for Cooperatives as a supplemental source of credit for most of the 2,000 rural utilities that participate in the Rural Electrification Administration programs.

By amending current law to modify the restrictive eligibility requirement, rural utilities will be provided an additional nongovernmental source of credit. However, I want to emphasize that this authority will not be used as a substitute for financing provided by the Rural Electrification Administration as authorized under the Rural Electrification Act.

Rather, this authority will be used primarily to provide supplemental financing in conjunction with low-interest REA loans to electric cooperatives under criteria approved by Congress. Under current law, REA can require electric borrowers to obtain up to 30 percent of their financing from supplemental sources. In addition, this authority will enable rural telephone systems and their subsidiaries to obtain financing for certain projects that contribute to the economic well-being of the telephone system's service area. Many of these projects undertaken by rural telephone systems involve so-called nonact purposes—meaning that such projects are ineligible for REA financing under the Rural Electrification Act. These nonact purposes usually involve providing of communications services—such as cable television facilities and cellular radio facilities that serve both rural and nonrural users.

As a result of divestiture and deregulation, many essential communication services involve both unregulated and regulated services. Generally, the Federal Communications Commission and State regulatory agencies require unregulated operations to be kept separate from regulated activities. This is to ensure that telephone users are not subsidizing unregulated commercial ventures.

Many rural telephone systems establish subsidiary companies to satisfy State and Federal regulators that revenues from regulated operations are not mixed with revenues from unregulated operations. In many cases, these unregulated subsidiary operations provide valuable services to rural consumers and essential revenues for rural telephone systems although such subsidiaries generally do not qualify for REA loans.

As indicated, the amendment has been designed to enable the Banks for Cooperatives to provide for the unmet credit needs of rural electric and telephone utilities and related subsidiaries. In addition, I believe rural consumers will receive a significant benefit in the form of more reasonable utility rates if this amendment is approved.

Finally, I will note that the amendment is supported by the National Rural Electric Cooperative Association, the National Telephone Cooperative Association, and the Rural Telecom Association.

I urge my colleagues to join me in supporting the amendment.

Mr. HELMS. Madam President, the Senator's amendment is a good one. It would amend the Farm Credit Act to authorize all borrowers who participate in the loan programs administered by the Rural Electrification Administration to obtain credit from the Farm Credit System's Banks for Cooperatives.

This amendment, by authorizing all rural utilities that participate in REA programs to obtain credit from the Banks for Cooperatives, will provide an alternative source of unsubsidized credit for borrowers who might otherwise be tempted to rely on Federal credit programs. I believe that is a desirable objective. We need to encourage greater reliance on nongovernmental sources of credit.

I want to emphasize two additional points about this amendment.

First, the amendment deals only with rural utility financing. This proposal is not designed, I ask the Senator from North Dakota, to be part of an emergency farm credit assistance package?

Mr. ANDREWS. No; it is not.

Mr. HELMS. I would say to my good friend that legislation of that nature will be considered as a separate bill after the Agriculture Committee has conducted hearings.

Second, this amendment will not get the Farm Credit System into a new line of business. That is correct, is it not?

Mr. ANDREWS. The Senator is absolutely correct.

Mr. HELMS. For nearly 15 years, the Banks for Cooperatives have been authorized to extend credit to rural utilities that meet certain eligibility requirements. The Banks for Cooperatives currently have outstanding loans or loan commitments in excess of $2.4 billion to rural utilities.

In 1971, the Banks for Cooperatives were authorized to provide financing to those rural electric and telephone cooperatives in which 80 percent of the voting control was held by farmers and ranchers. In 1975, that threshold was reduced to 70 percent of the voting control. With the Farm Credit Act Amendments of 1980, it was further reduced to 60 percent of the voting control.

Despite these periodic adjustments, the restrictive eligibility requirement has proved to be increasingly unworkable for most rural utility cooperatives—given the ever changing demographics of rural America. Urban sprawl, the diminishing number of farms, and the increasing number of nonfarm residents in rural areas will continue to decrease the number of rural utilities eligible to borrow from the Banks for Cooperatives.

These points were brought up during the farm bill hearings that were conducted in the spring of 1985 and the amendment is designed to address that issue.

As indicated, the amendment does not require the expenditure of tax dollars, nor does it create any new bureaucracies. In addition, it is my understanding that the administration and the Farm Credit Administration support the amendment.

For the reasons I have stated, I urge the adoption of the amendment.

(Mr. ABDNOR assumed the chair.)

Mr. ZORINSKY. Mr. President, I support the pending amendment because it would better enable the Farm Credit System's Banks for Cooperatives to serve the needs of rural electric and telephone systems and the consumers those systems serve.

Specifically, the amendment would authorize the Banks for Cooperatives to extend credit to all cooperatives and other entities which have received a loan, loan commitment, or loan guarantee from the Rural Electrification Administration, or a loan or loan commitment from the Rural Telephone Bank, or which have been certified by the Administrator of the Rural Electrification Administration to be eligible for such a loan, loan commitment, or loan guarantee, and subsidiaries of such cooperatives or other entities.

This authority would be in addition to the authority provided under current law.

Under current law, Banks for Cooperatives are authorized to extend credit to rural electric and telephone cooperatives in which farmers account for at least 60 percent of the voting members. This restrictive eligibility requirement eliminates the Banks for Cooperatives as a source of credit for most of the utility systems that serve rural areas.

Because of the restrictive eligibility requirement, rural utilities are denied access to a source of credit based on circumstances beyond the control of

the utilities or lenders. A utility becomes ineligible for Bank for Cooperative financing when service is extended to the household that causes the fraction of farmers in the service area to drop one person below 60 percent. Since most States require utilities to serve every customer in the service area, rural utilities have no control over the proportion of farmers to nonfarmers served.

In addition, by conforming the Banks for Cooperatives' eligibility requirement for utility lending to that of the Rural Electrification Administration, an unnecessary restriction on the marketplace will be eliminated. This will ensure that rural consumers receive the benefits of competition—in the form of lower utility rates.

In recent years, rural electric and telephone systems financed through the Rural Electrification Administration have found it necessary to diversify operations to replace revenues lost as a revenue of conservation practices in the electric industry and divestiture and deregulation in the telephone industry. Financing for those diversified operations is generally not available under programs administered by the Rural Electrification Administration. This amendment is intended to supplement, but not supplant, Rural Electrification Administration financing.

To ensure that rural utilities are able to fully benefit from the authority provided under this amendment, the administration should work with the Banks for Cooperatives and other lenders in developing a responsible lien accommodation policy. This amendment and a workable lien accommodation policy will protect the Government's interest and provide rural utilities access to financing that is needed but not currently available through Rural Electrification Administration programs.

It should be noted that under this amendment, the Banks for Cooperatives, like the Rural Electrification Administration, will be authorized to extend credit to certain rural utilities that are not organized as cooperatives. This is particularly important to Nebraska since the electric utility systems that serve my State are publicly owned and are not organized as cooperatives. In addition, about 750 rural telephone companies that are not organized as cooperatives but that are eligible for the programs administered by the Rural Electrification Administration would become eligible for Bank for Cooperative financing under this amendment.

Since 1971, when the Banks for Cooperatives were first authorized to extend credit to utility cooperatives that could meet the restrictive eligibility requirement, the Banks for Cooperatives have demonstrated a firm commitment to serving the needs of rural utilities. The Banks for Cooperatives have many strengths to offer: Established large funding capacity, industry knowledge, favorable interest rates, diverse loan portfolios, a commitment to serving the needs of rural America, as well as a service-oriented cooperative philosophy.

This proposal is supported by the National Rural Electric Cooperative Association and the National Telephone Cooperative Association. In addition, the Farm Credit Administration has testified in support of this type of legislation and I understand the administration has no objection to the amendment.

I urge my colleagues to join me in supporting the amendment.

The PRESIDING OFFICER (Mr. EAST). Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from North Dakota.

The amendment (No. 894) was agreed to.

Mr. HELMS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. ZORINSKY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, I yield to the distinguished Senator from Kansas.

Mrs. KASSEBAUM. Mr. President, I appreciate the Senator from North Carolina yielding.

AMENDMENT NO. 895

(Purpose: To extend the National Agricultural Cost of Production Standards Review Board and provide that a member may serve on such Board for one or more terms)

Mrs. KASSEBAUM. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Kansas [Mrs. KASSEBAUM], for herself and Mr. DOLE, proposes an amendment numbered 895.

Mrs. KASSEBAUM. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 459, between lines 18 and 19, insert the following new section:

NATIONAL AGRICULTURAL COST OF PRODUCTION STANDARDS REVIEW BOARD

SEC. . (a) Subsection (c) of section 1006 of the Agriculture and Food Act of 1981 (7 U.S.C. 4102(c)) is amended to read as follows:

"(c) A person may serve as a member of the Board for one or more terms.".

(b) Section 1014 of such Act (7 U.S.C. 4110) is amended by striking out "1985" and inserting in lieu thereof "1989".

Mrs. KASSEBAUM. Mr. President, I offer this amendment on behalf of myself and Senator DOLE. The purpose of the amendment is to reauthorize the National Agricultural Cost of Production Standards Review Board. This advisory board was first established by the 1981 farm bill to review the accuracy and adequacy of the cost-of-production methodology used by the Department of Agriculture. This Board has been instrumental in determining specific costs associated with production agriculture and seeing that USDA's figures accurately reflect these costs.

This amendment would eliminate the limits that Board members may only serve two terms. Currently many experienced Board members would have to be removed from the Board in a short period of time.

Mr. President, I think it is important to have consistency of those who would continue to serve with the background of information they have garnered through the service they have already given from the infancy, so to speak, of this newborn. I understand that this same provision has been accepted in the House farm bill, H.R. 2100, and I appreciate the support of the majority leader. I believe it has also been cleared by the managers on both sides of the aisle.

I move its adoption, Mr. President.

Mr. DOLE. Mr. President, I support Senator KASSEBAUM's amendment regarding the National Agricultural Cost of Production Standards Review Board which she was instrumental in establishing as part of the 1981 farm bill. I understand the House has taken similar action and it is appropriate to confirm the important mission this Board undertakes by approving reauthorization language in the Senate farm bill as well.

PURPOSE

The makeup of the Board consists of seven farmers, three general members with the education and background needed to assess the production costs associated with the major agricultural commodities and a designee of the Department of Agriculture. Hopefully this mix of farmers working with agricultural professionals will provide a practical "hands on" approach to determining national average cost of production figures and provide useful advice to the Secretary of Agriculture regarding such methodology.

IMPROVED LANGUAGE

This amendment also removes the cap on the number of terms each member can serve. Since much of the data reviewed by Board members is of a technical nature, it is necessary to maintain a consistent level of expertise among members in order to com-

plete the Board's review of cost of production data.

Mr. President, adopting the amendment will benefit farmers through the development of more accurate methodologies reflective of today's agricultural economy.

Mr. HELMS. Mr. President, the majority has reviewed the amendment and has no objection to it. As a matter of fact, we support it. The amendment, as the distinguished Senator from Kansas has said, will simply extend the National Agricultural Cost-of-Production Standards Review Board through 1989. It would also eliminate the two-term limitation for Board members. As Senator MELCHER said this morning, it is very important that we have accurate cost estimates on production. This amendment will certainly take us a step in that direction.

Mr. ZORINSKY. Mr. President, we have examined the amendment. I compliment the Senator from Kansas for introducing this amendment. I urge my colleagues to support its adoption.

Mrs. KASSEBAUM. Thank you very much. I appreciate that support.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Kansas.

The amendment (No. 895) was agreed to.

Mr. ZORINSKY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HELMS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 896

(Purpose: To require the development of new means of establishing grain classifications)

Mrs. KASSEBAUM. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Kansas [Mrs. KASSEBAUM], for herself, Mr. DOLE, and Mr. NICKLES, proposes an amendment numbered 896.

Mrs. KASSEBAUM. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 459, between lines 18 and 19, insert the following new section:

NEW GRAIN CLASSIFICATIONS

SEC. . (a) The Secretary of Agriculture shall direct the Federal Grain Inspection Service and the Agricultural Research Service to cooperate in developing new means of establishing grain classifications taking into account characteristics other than those visually evident.

(b) The Secretary shall report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, semiannually, with the first report due not later than December 31, 1985, on the status of cooperative efforts required under subsection (a), as such efforts relate to more accurately classifying types of wheat and other grains currently in use.

Mrs. KASSEBAUM. Mr. President, I offer this amendment on behalf of myself, Senator DOLE, and Senator NICKLES in the hope that it will bring a change to existing procedures for the classification of wheat. Wheat is traded in five official classifications: Hard Red Winter, Hard Red Spring, Soft Red Winter, White, and Durum. The Federal Grain Inspection Service is responsible for this classification and uses visual appearance as the criterion. Since its inception, this classification has been based solely on the physical characteristics of the kernel.

In the past, visual appearance was not a problem in deciding classifications, However, recent efforts to improve yields have combined the best qualities of different classes of wheat. These new varieties and wheat hybrids are more productive and resistant to disease.

The problem is that we now have wheat that resembles one class in appearance but has the milling and baking qualities of another class. Since grain millers, exporters, and elevator operators must be able to purchase wheat of known quality, the new type of wheat has run into problems in our present classification system. To address this problem, we must find ways to improve the way wheat classification rules are implemented.

This amendment, which I offer along with Senator DOLE and Senator NICKLES, directs the Federal Grain Inspection Service and the Agriculture Research Service to cooperate in developing new means of establishing wheat classifications taking into account characteristics other than those visually evident. It also requires reports to the House Committee on Agriculture and the Senate Committee on Agriculture and Forestry prior to December 31, 1986, and semiannually thereafter until a new classification method is developed and approved.

Mr. DOLE. Mr. President, I support Senator KASSEBAUM's amendment which would require the Federal Grain Inspection Service [FGIS] to report to the House and Senate Agriculture Committees on the status of improved grain classification techniques.

Language adopted in the House farm bill would require FGIS to make such a report by December 31, 1985. Our amendment would require FGIS to make semiannual status reports following the initial report until an improved means of classifying grain has been adopted by FGIS.

NEED

This amendment would focus the attention of FGIS upon a new and growing problem within our grain marketing system. FGIS has always classified wheat by visually examining the shape and texture of kernels and this method has become universally recognized by the grain trade. As technology has advanced, researchers have been able to cross wheat varieties to develop higher yielding strains less susceptible to the adversities of weather and insects. This holds the potential for significantly increasing the profit margin of many farmers.

However, some new varieties do not exhibit the uniform kernel characteristics which visual criteria are based on. For example, a wheat variety that exhibits characteristics of Soft Red Winter kernels may actually have milling and baking qualities of a Hard Red Winter wheat.

A COOPERATIVE EFFORT

Mr. President, it will be in the interest of farmers and agriculture in general to develop a better way to speedily classify such new varieties. This amendment will provide the ongoing information needed to assist us in our efforts toward this goal.

Mrs. KASSEBAUM. Mr. President, I urge its adoption.

Mr. President, I ask unanimous consent that Senator BOREN be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. I thank the Chair.

Mr. President, the amendment is a good one. I commend the Senator from Kansas for it. I certainly support it. As the Senator from Kansas has stated, the amendment would require the USDA Federal Grain Inspection Service and the Agricultural Research Service to develop an objective means to classify grain.

A report on the status of these efforts is required by December 31, 1985.

It is my understanding that many major grain exporting countries use standards that classify grain based on visual characteristics—including the United States.

However, new wheat varieties that exhibit altered functional properties and atypical appearances are making it difficult to use visual classification standards.

The industry is supportive of the amendment as well as the administration.

I am pleased to accept it on behalf of the majority.

Mr. HELMS. Mr. President, we approve of the amendment on this side.

Mr. ZORINSKY. Mr. President, we have examined the amendment on this

side of the aisle. I urge my colleagues to support its adoption.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Kansas.

The amendment (No. 896) was agreed to.

Mr. ZORINSKY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HELMS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENTS NOS. 897 AND 898

(Purpose: (No. 897) To revise provisions relating to the assessment of scientific literature concerning the relationship of dietary and blood cholesterol)

(Purpose: (No. 898) To revise provisions relating to the assessment of research and scientific literature concerning dietary calcium)

Mr. HELMS. Mr. President on behalf of the distinguished Senator from Utah [Mr. HATCH] and his cosponsors, I send two amendments to the desk and ask for their immediate consideration. I ask unanimous consent that they be considered and agreed to en bloc.

The PRESIDING OFFICER. Without objecton, it is so ordered.

Without objection, the amendments will be considered en bloc.

The clerk will report.

The assistant legislative clerk read as follows:

The Senator from North Carolina [Mr. HELMS], on behalf of the Senator from Utah [Mr. HATCH], for himself and Mr. KENNEDY, propose amendments numbered 897 and 898.

Mr. HELMS. Mr. President, I ask unanimous consent that further reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

AMENDMENT No. 897

On Page 311, line 21, insert "and the Secretary of Health and Human Services" after "Secretary".

On page 312, line 1, insert "and the Secretary of Health and Human Services" after "Secretary".

On page 312, line 4, insert "and the Secretary of Health and Human Services" after "Secretary".

On page 312, line 8, insert "and the Secretary of Health and Human Services" after "Secretary".

On page 312, line 9, insert "and the Secretary of Health and Human Services" after "Secretary".

On page 312, line 11, strike out "the Secretary considers" and insert "such Secretaries consider".

On page 312, line 13, strike out "Secretary shall submit to the Committee" and insert "Secretary and the Secretary of Health and Human Services shall submit to the Committees".

On page 312, line 14, insert "and Energy and Commerce" after "Agriculture".

On page 312, lines 14 and 15, strike out "Committee" and insert "Committees".

On page 312, line 15, insert "and Labor and Human Resources" after "Forestry".

On page 312, line 16, strike out "Secretary" and insert in lieu thereof "Secretaries".

AMENDMENT No. 898

On page 310, line 10, insert "and the Secretary of Health and Human Services" after "Secretary".

On page 310, line 16, insert "and the Secretary of Health and Human Services" after "Secretary".

On page 310, line 19, insert "and the Secretary of Health and Human Services" after "Secretary".

On page 311, line 2, insert "and the Secretary of Health and Human Services" before the period.

On page 311, line 3, insert "and the Secretary of Health and Human Services" after "Secretary".

On page 311, line 5, strike out "the Secretary considers" and insert "such Secretaries consider".

On page 311, line 8, strike out "Secretary shall submit to the Committee" and insert "Secretary and Secretary of Health and Human Services shall submit to the Committees".

On page 311, line 9, insert "and Energy and Commerce" after "Agriculture".

On page 311, lines 9 and 10, strike out "Committee" and insert "Committees".

On page 311, line 10, insert "and Labor and Human Resources" after "Forestry".

On page 311, line 11, insert "and the Secretary of Health and Human Services" after "Secretary".

Mr. HATCH. Mr. President, I have two amendments at the desk on behalf of myself and Mr. KENNEDY and ask for their immediate consideration.

Mr. President, I am offering two amendments to provisions of the bill which call for studies of cholesterol and calcium and health.

The original language of the bill makes these studies mandatory for the Department of Agriculture. Senator KENNEDY and I wrote to Senator HELMS several weeks ago, expressing concern about the fact that the Department of Health and Human Services, which already has considerable research effort in these areas, and which has the scientific expertise for studies of the relationship between nutrients and health or disease, was not included as a participant in these studies. I am delighted that Senator HELMS and the ranking minority member, Senator ZORINSKY, have agreed that the studies should be done jointly by the Department of Health and Human Services and the Department of Agriculture.

My amendments would simply provide that the Secretary of Health and Human Services will work with the Secretary of Agriculture, first in conducting an assessment of existing literature and data relevant to the questions of the relationship between dietary and blood cholesterol and the relationship between calcium and health; and, then, in designing and conducting appropriate additional studies.

Mr. President, I think it is a classic example of serendipity that we are discussing dietary cholesterol in the Senate at the same time as the Nobel Prize for Medicine is awarded to two of the premier heart disease researchers in the world, Drs. Joseph Goldstein and Michael Brown of the University of Texas, whose work has been to determine the mechanism by which the body metabolizes cholesterol. Their elegant work, and the important work of others, will surely comprise a part of the assessment and study of dietary cholesterol which USDA and HHS are asked to do under these provisions. Indeed, as Drs. Brown and Goldstein themselves put it, in an article in the Scientific American, the kind of research that they are doing, and the kind that we are looking to USDA and HHS to review and continue, may one day allow Americans to "have their steak and live to eat it too."

Again, I want to thank Senators HELMS and ZORINSKY for their willingness to work with me on this matter.

Mr. HELMS. Mr. President, I am prepared to accept the two amendments offered by the distinguished Senator from Utah.

These amendments simply clarify that the Secretary of Agriculture must coordinate and work closely with the Secretary of Health and Human Services in developing the assessment of literature and data relevant to the questions of the relationship between dietary and blood cholesterol and the relationship between calcium and health. The Senate Agriculture Committee voted to include these programs in S. 1714.

I am not aware of any opposition to this amendment. Speaking for the majority, I approve of them.

Mr. ZORINSKY. Mr. President, we have examined the amendments, and are wholeheartedly in support of them.

I urge my colleagues to support their adoption. I move adoption of the amendments.

The PRESIDING OFFICER. Is there further debate on the amendments? If not, the question is on agreeing to the amendments of the Senator from Utah.

The amendments (Nos. 897 and 898) were agreed to.

Mr. ZORINSKY. Mr. President, I move to reconsider the vote by which the amendments were agreed to.

Mr. HELMS. I move to lay that motion on the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, am I correct that those amendments were approved en bloc?

The PRESIDING OFFICER. That is correct.

Mr. ZORINSKY addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. ZORINSKY. Mr. President, the Department of Agriculture is distributing statements concerning the costs of S. 1714. In a recent letter to the chairman, Assistant Secretary of Agriculture, Secretary Thompson states that the Department has analyzed, evidently at the chairman's request, the cost of the bill.

According to the Department, the cost of the bill exceeds the congressional budget target by billions of dollars.

Mr. President, this brings to mind a story that illustrates Government bureaucracy and politics.

The story goes that three individuals were seeking public office. The first individual seeking public office went to a place where they gave a test to see if you would qualify for public office.

All of these three individuals went to the same place for the same test.

That test consisted of one question. That one question was, What is 2 and 2?

The first individual wanting to hold public office was an engineer. He went in and was asked, "What is 2 and 2?"

He took out a slide rule and calculated it. He said, "The answer to that question is precisely 4."

They said, "Fine. You qualify."

The next fellow was an accountant and was asked the same question, "What is 2 and 2?"

He took all the papers out and laid them across the table, scrutinizing them very meticulously. He thought for a moment and said, "The answer to that question lies somewhere in the area between 2 and 6."

They thought, "Well, that is close enough. You will make an excellent candidate."

The third fellow was a bureaucrat. In fact, he may have had something to do with the USDA. They asked him the same question, "What is 2 and 2?"

He looked over both shoulders first and then said, "Are we alone?" They said, "Yes, we are alone."

He said, "What do you want it to be?"

I think that is the essence, possibly, of how some of these numbers are being arrived at concerning the cost of this budget and how much S. 1714 supposedly exceeds the congressional budget targets. The Department's estimates may or may not be accurate. To make an informed judgment concerning the accuracy of the estimates, we need to examine the current, detailed assumptions upon which those estimates are based. To date, the Department of Agriculture has not responded to any request for such detailed information.

To be able to reasonably evaluate the Department's cost estimates, the following information, at a minimum, is needed. And the Department must have such information concerning the estimates in order to prepare cost projections.

What are the projected prices of wheat, feed grains, upland cotton, rice, and soybeans for each of the crop years under the bill?

What are the production levels for those crops under the bill?

What are the export levels of those crops for each year under the bill?

What are the ending stocks of those crops each year under the bill?

How much of the ending stocks would be under price support loans in each of those years? In the case of grains, how much of the ending stocks would be in a reserve program?

What amounts of what crops, in each of the years under the bill, are assumed to be made available and shipped under the Food for Peace Program, especially under title II of Public Law 480 and section 416 of the Agricultural Act of 1949?

What is the projected farm income under the bill in each of the years covered by the bill? How do those estimates compare with farm income in those years under an extension of current law?

What assumptions are used with respect to the use of set-aside or acreage reduction programs in the Department's analysis? Does the analysis assume that paid land diversion or payment-in-kind programs are used? If so, what are the terms of such programs?

What amount of acreage is assumed to be placed in the conservation reserve program under the Department's estimates? How much acreage in the reserve, under the assumptions, would be withdrawn from the production of wheat, corn, cotton, and rice?

What interest rates are projected in the Department's analysis of the bill?

What assumptions are made concerning the cost and availability of farm credit? What would be the level of farm debt and average farmland values under the bill, as compared to an extension of current law?

Does the Department assume any change in the exchange rate for the dollar, as compared to the currency of major competitors or major foreign purchasers?

What would be the effect of S. 1714, as compared to an extension of current programs, on consumer food prices?

What are the projected costs of production for commodities under S. 1714 in each of the years under the bill?

In short, Mr. President, to evaluate the Department's cost estimates and their accuracy, it is essential that we receive more detailed information. I am requesting the Secretary of Agriculture to furnish this information and I will share it with my colleagues as soon as I receive it.

But until then, I remain very dubious about USDA estimates. The previous story I told illustrates the point: What do you want the number to be, and someone will make it that way.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Mr. President, I want to thank the managers for their expeditious handling of the farm bill so far. I know we are going to be bogged down later on with major amendments, but I think we have covered a lot of territory today. Some amendments have been accepted. At least that much is done. We will do more on Monday and then on Tuesday, Wednesday, and Thursday probably get into the heavy, more contraversial amendments.

There is no doubt about it, we have to have a farm bill. I am still hopeful that somewhere in this Chamber we can put together a majority, keeping in mind the questions just raised by the distinguished Senator from Nebraska. There has to be a majority in this Chamber on both sides of the aisle to put together some kind of a farm bill that we can pass and that will not be vetoed by the President.

I ask unanimous consent to have printed in the RECORD at this point a letter from the President which I received some weeks ago, indicating the President wants to sign a farm bill if certain guidelines are met.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, September 10, 1985.

Hon. ROBERT DOLE,
Majority Leader, Committee on Agriculture, U.S. Senate, Washington, DC.

DEAR BOB: One of the most important issues facing the Congress this year is the writing of the 1985 Farm Bill. In this legislation, the Congress will have the opportunity to make the fundamental reforms necessary to assure long-term farm prosperity.

We are in a period of difficulty for America's farmers. Prices for the major crops are weak. Demand for exports has fallen as foreign suppliers fill markets once ours alone. Although the successful effort to control inflation has helped farmers greatly by putting an end to double-digit increases in the cost of fuel, fertilizer, and other supplies, at the same time it weakened many farmers financially by dampening inflation-fueled speculation that had been causing land prices to rise sharply.

Farming and ranching are hard work, maybe the hardest. And the strength of our farmers and ranchers has always been the strength of their hopes for the future, seeing a young son or daughter working the fields or tending the herd, hoping they will stay on the farm or ranch and be able to make a go of it.

Those hopes are threatened today. We hear that there is no future for our farmers

and ranchers, only a faster or slower slide into failure.

Only by working together can we plant the seed of hope for America's agriculture community.

In writing the laws that will govern Federal farm programs in the coming years, I believe that we can find agreement on objectives to guide us:

Establishment of commodity price supports that allow export-dependent commodities to become competitive in international markets;

Gradual reductions in the level of income support each year;

Reductions in the dairy support price as long as surpluses exist;

A phaseout of acreage reduction programs; and

Targeting of income benefits to legitimate family farm operations.

In addition, we must develop agricultural policies that do not harm our overall fiscal policy. In this regard, the budget levels adopted by the House and Senate in the First Concurrent Resolution on the Budget should serve as the appropriate balance between the funding needs of farm programs and the need to reduce the deficit.

The farm problem is as important as any challenge we face. We must, therefore, approach it with a spirit of cooperation and consensus. A way of life is at risk, one too previous to our national heritage to be the subject of politically inspired machinations.

I have asked Secretary John Block to renew the Administration's effort to arrive at a farm bill that will achieve the objectives outlined above. He will work with those in the Congress who share these objectives.

I look forward to signing a farm bill that provides hope, not measured doses of despair. But I must note that I am prepared to disapprove legislation that repeats the mistakes of the past.

We must work together to fulfill our responsibility to this Nation's farmers.

Sincerely,

RONALD REAGAN.

Mr. DOLE. It is my hope that, as we debate the various issues—a mandatory program, voluntary program, 1 year, 2 year, 3 year or 4 year target price freeze, plus the hundred other issues—that we can put together some kind of package that will have broad support.

AMENDMENT NO. 904

(Purpose: To amend the Animal Welfare Act to ensure the proper treatment of laboratory animals)

Mr. DOLE. Mr. President, I send an amendment to the desk, which is not on commodities, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Kansas [Mr. DOLE], for himself, Mr. HEINZ, Mr. ROTH, Mr. STEVENS, Mr. LEAHY, Mr. COHEN, Mr. STAFFORD, Mr. MATSUNAGA, Mr. BINGAMAN, Mr. ZORINSKY, Mr. GORTON, Mr. D'AMATO, Mr. BURDICK, Mr. KASTEN, Mr. PROXMIRE, Mr. SIMON, Mr. FORD, Mr. DURENBERGER, Mr. BAUCUS, Mr. DOMENICI, Mr. SPECTER, Mr. CHAFEE, Mr. PELL, Mr. GOLDWATER, Mr. BOSCHWITZ, Mr. MOYNIHAN, Mr. MURKOWSKI, Mr. MITCHELL, Mr. WILSON, Mr. STENNIS, Mr. HUMPHREY, Mr. HECHT, Mr. BUMPERS, Mr. CRANSTON, Mr. METZENBAUM, Mr. MATTINGLY, Mr. HEINZ, and Mr. BIDEN proposes an amendment numbered 904.

Mr. DOLE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill insert the following:

TITLE —AMENDMENTS TO ANIMAL WELFARE ACT

SEC. . This title may be cited as the "Improved Standards for Laboratory Animals Act".

FINDINGS

SEC. . The Congress finds that—

(1) the use of animals is instrumental in certain research and education for advancing knowledge of cures and treatments for diseases and injuries which afflict both humans and animals;

(2) methods of testing that do not use animals are being and continue to be developed which are faster, less expensive, and more accurate than traditional animal experiments for some purposes and further opportunities exist for the development of these methods of testing;

(3) measures which eliminate or minimize the unnecessary duplication of experiments on animals can result in more productive use of Federal funds; and

(4) measures which help meet the public concern for laboratory animal care and treatment are important in assuring that research will continue to progress.

STANDARDS AND CERTIFICATION PROCESS

SEC. . (a) Section 13 of the Animal Welfare Act (7 U.S.C. 2143) is amended—

(1) by redesignating subsections (b) through (d) as subsections (f) through (h), respectively; and

(2) by striking out the first two sentences of subsection (a) and inserting in lieu thereof the following:

"(1) The Secretary shall promulgate standards to govern the humane handling, care, treatment, and transportation of animals by dealers, research facilities, and exhibitors.

"(2) The standards described in paragraph (1) shall include requirements—

"(A) for handling, housing, feeding, watering, sanitation, ventilation, shelter from extremes of weather and temperatures, adequate veterinary care, and separation by species where the Secretary finds necessary for humane handling, care, or treatment of animals; and

"(B) for exercise of dogs and primates.

"(3) In addition to the requirements under paragraph (2), the standards described in paragraph (1) shall, with respect to animals in research facilities, include requirements—

"(A) for animal care, treatment, and practices in experimental procedures to ensure that animal pain and distress are minimized, including adequate veterinary care with the appropriate use of anesthetic, analgesic, tranquilizing drugs, or euthanasia;

"(B) that the principal investigator considers alternatives to any procedure likely to produce pain to or distress in an experimental animal;

"(C) in any practice which could cause pain to animals—

"(i) that a doctor of veterinary medicine is consulted in the planning of such procedures;

"(ii) for the use of tranquilizers, analgesics, and anesthetics;

"(iii) for pre-surgical and post-surgical care by laboratory workers in accordance with established veterinary medical and nursing procedures;

"(iv) against the use of paralytics without anesthesia; and

"(v) that the withholding of tranquilizers, anesthesia, analgesia, or euthanasia when scientifically necessary shall continue for only the necessary period of time;

"(D) that no animal is used in more than one major operative experiment from which it is allowed to recover except in cases of—

"(i) scientific necessity; or

"(ii) other special circumstances as determined by the Secretary; and

"(E) that exceptions to such standards may be made only when specified by research protocol and that any such exception shall be detailed and justified in a report outlined under paragraph (7) and filed with the Institutional Animal Committee.".

(b) Section 13(a) of such Act is further amended—

(1) by designating the third and fourth sentences as paragraph (4);

(2) by designating the fifth sentence as paragraph (5); and

(3) by striking out the last sentence and inserting in lieu thereof the following:

"(6) Nothing in this Act shall be construed as authorizing the Secretary to promulgate rules, regulations, or orders with regard to the design, outlines, or guidelines of actual research or experimentation by a research facility: *Provided*, That the Secretary shall require every research facility to show that professionally acceptable standards governing the care, treatment, and practices on animals are being followed by the research facility during research and experimentation.

"(7)(A) The Secretary shall require, at least annually, every research facility to report that the provisions of this Act are being followed.

"(B) In complying with subparagraph (A), the research facility shall provide—

"(i) the details of any procedure which was likely to produce pain or distress in any animal and assurances demonstrating that the principal investigator considered alternatives to those procedures;

"(ii) assurances satisfactory to the Secretary that such facility is adhering to the standards described in this section; and

"(iii) an explanation for any deviation from the standards promulgated under this section.

"(8) Paragraph (1) shall not prohibit any State (or a political subdivision of such State) from promulgating standards in addition to those standards promulgated by the Secretary under paragraph (1).".

(c) Section 13 of such Act is further amended by inserting after subsection (a) the following new subsections:

"(b)(1) The Secretary shall require that each research facility establish at least one Institutional Animal Committee. Each Committee shall be appointed by the chief executive officer of each such research facility and shall be composed of not fewer than three members. Such members shall possess sufficient ability to assess animal care, treatment, and practices in experimental research as determined by the needs of the research facility and shall represent society's concerns regarding the welfare of animal subjects used in such facility. Of the members of the Committee—

"(A) at least one member shall be a doctor of veterinary medicine;

"(B) at least one member shall not be affiliated in any way with such facility other than as a member of the Committee, shall not be a member of the immediate family of a person who is affiliated with such facility, and shall be charged with primary responsibility for representing society's concerns regarding the welfare of the animal subjects; and

"(C) in those cases where the Committee consists of more than three members, not more than three members shall be from the same administrative unit of such facility.

"(2) A quorum shall be required for all formal actions of the Committee, including inspections under paragraph (3).

"(3) The Committee shall inspect at least semiannually all animal study areas and animal facilities of such research facility and review as part of the inspection—

"(A) practices involving pain to animals, and

"(B) the condition of animals,

to ensure compliance with the provisions of this Act and that pain and distress to animals is minimized. Exceptions to the requirement of inspection of such study areas may be made by the Secretary if animals are studied in their natural environment and the study area is prohibitive to easy access. Nothing in this Act shall be construed to require research facilities to grant access to Institutional Animal Committees during inspections to any area in which research is being conducted involving confidential or proprietary information, which would be subject to compromise or inadvertent disclosure. Such exclusion shall not preclude access to USDA inspectors. Instances of excluding Institutional Animal Committees from access to a facility's confidential or proprietary research shall be reported by the facility to the Secretary of Agriculture in the facility's annual report and included in the records of the Institutional Animal Committee.

"(4)(A) The Committee shall file an inspection certification report of each inspection at the research facility. Such report shall—

"(i) be signed by a majority of the Committee members involved in the inspection;

"(ii) include reports of any violation of the standards promulgated, or assurances required, by the Secretary, including any deficient conditions of animal care or treatment, any deviations of research practices from originally approved proposals that adversely affect animal welfare, any notification to the facility regarding such conditions, and any corrections made thereafter;

"(iii) include any minority views of the Committee; and

"(iv) include any other information pertinent to the activities of the Committee.

"(B) Such report shall remain on file for at least three years at the research facility and shall be available for inspection by the Animal and Plant Health Inspection Service of the Department of Agriculture and any funding Federal agency.

"(C) In order to give the research facility an opportunity to correct any deficiencies or deviations discovered by reason of paragraph (3), the Committee shall notify the administrative representative of the research facility of any deficiencies or deviations from the provisions of this Act. If, after notification and an opportunity for correction, such deficiencies or deviations remain uncorrected, the Committee shall notify (in writing) the Animal and Plant Health Inspection Service of the Department of Agriculture and the funding Federal agency of such deficiencies or deviations.

"(5) The inspection results shall be available to Department of Agriculture inspectors for review during inspections. Department of Agriculture inspectors shall forward any Committee inspection records which include reports of uncorrected deficiencies or deviations to the Animal and Plant Health Inspection Service of the Department of Agriculture and any funding Federal agency of the project with respect to which such uncorrected deficiencies and deviations occurred.

"(c)(1) The research facility shall provide for annual training for scientists, animal technicians, and other personnel involved with animal care and treatment in such facility. Such training shall include instruction on—

"(A) the humane practice of animal maintenance and experimentation;

"(B) research or testing methods that minimize or eliminate the use of animals or limit animal pain or distress; and

"(C) utilization of the information service at the National Agricultural Library, established under subsection (d).

"(2) Research facilities shall inform their employees of the provisions of this Act and shall inform such employees to report any violations of such provisions. Any such employee may not be discriminated against on grounds that such employee reported a violation of such provisions.

"(d) The Secretary shall establish an information service at the National Agricultural Library. Such service shall, in cooperation with the National Library of Medicine, provide information—

"(1) pertinent to employee training;

"(2) which could prevent unintended duplication of animal experimentation as determined by the needs of the research facility; and

"(3) on improved methods of animal experimentation, including methods which could—

"(A) reduce or replace animal use; and

"(B) minimize pain and distress to animals, such as anesthetic and analgesic procedures.

"(e) In any case in which the funding Federal agency determines that conditions of animal care, treatment, or practice in a particular project have not been in compliance with standards promulgated under this Act, despite notification by the Secretary or the funding Federal agency to the research facility and an opportunity for correction, such agency shall suspend or revoke Federal support for the project. Any research facility losing Federal support as a result of actions taken under the preceding sentence shall have the right of appeal as provided in sections 701 through 706 of title 5, United States Code.".

INSPECTIONS

SEC. . Section 16(a) of the Animal Welfare Act (7 U.S.C. 2146(a)) is amended by inserting after the first sentence the following:

"The Secretary shall inspect each research facility at least once each year and, in the case of deficiencies or deviations from the standards promulgated under this Act, shall conduct such follow-up inspections as may be necessary until all deficiencies or deviations from such standards are corrected.".

PENALTY FOR RELEASE OF TRADE SECRETS

SEC. . The Animal Welfare Act (7 U.S.C. 2131-2156) is amended by adding at the end thereof the following section:

"SEC. 27. (a) It shall be unlawful for any member of the Institutional Animal Committee to release any confidential information of the research facility, including any information that concerns or relates to—

"(1) the trade secrets, processes, operations, style of work, or apparatus, or

"(2) to the identity, confidential statistical data, amount or source of any income, profits, losses, or expenditures of the research facility.

"(b) It shall be unlawful for any member of such Committee—

"(1) to use or attempt to use to his advantage, or

"(2) to reveal to any other persons,

any information which is entitled to protection as confidential information under subsection (a).

"(c) A violation of subsection (a) or (b) is punishable by—

"(1) removal from such Committee, and

"(2)(A) a fine of not more than $1,000 and imprisonment of not more than one year, or

"(B) if such violation is willful, a fine of not more than $10,000 and imprisonment of not more than three years.

"(d) Any person, including any research facility, injured in its business or property by reason of a violation of this section may recover all actual and consequential damages sustained by such person and the cost of the suit including a reasonable attorney's fee.

"(e) Nothing in this section shall be construed to affect any other rights that any such person may have, nor shall subsection (d) be construed to limit the exercise of any such rights arising out of or relating to a violation of subsections (a) and (b).".

INCREASED PENALTIES FOR VIOLATION OF THE ACT

SEC. . Subsection (b) of section 19 of the Animal Welfare Act (7 U.S.C. 2149(b)) is amended—

(1) in the first sentence by striking out "$1,000 for each such violation" and inserting in lieu thereof "$2,500 for each such violation"; and

(2) in the sixth sentence by striking out "$500 for each offense" and inserting in lieu thereof "$1,000 for each offense".

DEFINITIONS

SEC. . (a) Section 2(e) of the Animal Welfare Act (7 U.S.C. 2132(e)) is amended by adding after "The term 'research facility' means" the following: "each department, agency, or instrumentality of the United States which uses live animals for research or experimentation,".

(b) Section 2 of such Act is further amended by redesignating subsections (f) through (j) as subsections (j) through (n), respectively and by inserting after subsection (e) the following new subsections:

"(f) The term 'Federal agency' means an Executive agency as such term is defined in section 105 of title 5, United States Code, and with respect to any research facility means the agency from which the research facility receives a Federal award for the conduct of research, experimentation, or testing, involving the use of animals;

"(g) The term 'Federal award for the conduct of research, experimentation, or testing, involving the use of animals' means any mechanism (grant, award, loan, contract, or cooperative agreement) under which Feder-

al funds are provided to support the conduct of such research;

"(h) The term 'quorum' means a majority of the Committee members;

"(i) The term "Committee" means the Institutional Animal Committee established under section 13(c);".

(c) For purposes of this Act, the term "animal" shall have the same meaning as defined in section 2(j) of the Animal Welfare Act (7 U.S.C. 2132(j)), as redesignated by subsection (b) of this section.

EFFECTIVE DATE

SEC. . This title shall take effect one year after the date of the enactment of this title.

Mr. DOLE. Mr. President, for the last several years we have been trying to figure out some way to improve the standards for laboratory animals so that in some way we can avoid the pain and suffering inflicted on animals and still carry out legitimate research. There is no question about it, in many areas research on animals over the years has been invaluable. We have had a number of discussions with the U.S. Department of Agriculture and with others in the Congress. There are about 35 cosponsors of this amendment. I know it is opposed by the distinguished chairman of the Labor Committee, Senator HATCH, who will be here later to explain his objections.

Mr. President, I would like to explain what the bill does. It is not very complicated.

The amendment amends the Animal Welfare Act. It is similar to legislation introduced during the 98th session. We had hearings in the Senate Agriculture Committee and the House Subcommittee on Departmental Operations, Research, and Foreign Agriculture.

It has been pointed out that experimentation and testing on animals has benefited our society by yielding medical breakthroughs that have aided the development of new knowledge, new drugs, and better surgical techniques which have saved countless lives. It is also true that we need to ensure the public that adequate safeguards are in place to prevent unnecessary abuses to animals, and that everything possible is being done to decrease the pain of animals during experimentation and testing. S. 1233 would establish principles already recognized by responsible scientists and administrators.

What we have done is try to gather the views of a lot of responsible people and to codify those views.

We require a number of things. Let me indicate some of them.

PROVISIONS

Facilities would report annually that they are in compliance with the AWA and provide in their justification of the research; in their description of painful procedures, an indication that standards to minimize pain are being adhered to and an explanation of any deviations from the standards. The Secretary of Agriculture would also promulgate standards for the exercise of dogs. All standards including exercise would defer to scientific protocol. The Secretary is not authorized to set any standards with respect to the design of experiments.

PAIN RELIEF

To minimize pain and distress, this bill requires use of anesthesia if paralyzing drugs are used. It calls for veterinary medicine and nursing care. It requires pain-relieving drugs or euthanasia for animals suffering at the conclusion of experiments.

RESEARCH REVIEW

This bill also would require each institution to form an animal committee, including a veterinarian and at least one member not associated with the institution. Such member would be primarily responsible for society's concerns for the welfare of animals although all members would be expected to represent such concerns.

The committee will conduct semiannual inspections; file reports with the research facility; and notify the institutions and appropriate Federal authorities of violations. If a facility, given the opportunity to correct violations, does not adhere to the Animal Welfare Act Federal agencies are directed to suspend or revoke funding. The USDA APHIS inspectors would be required to inspect facilities at least once a year, with followup visits until violations are corrected. APHIS would be required to inspect Federal facilities.

INFORMATION SERVICE

To assist in putting these humane principles into practice, S. 1233 would provide an information service at the National Agricultural Library, to work in consultation with the National Library of Medicine, in order to prevent unnecessary duplication of experiments or tests and to give information on alternatives to laboratory researches who request the information.

WHISTLEBLOWER

The bill also contains a whistleblower provision to prevent discrimination against personnel who report violations to the committee.

GROWING SUPPORT

Mr. President, laboratory animals deserve humane treatment. Their contribution to human health can only be repaid by ensuring that the pain and distress they suffer is minimized. S. 1233 has been carefully drafted to achieve this purpose without impeding research.

This is a bill which has brought an unusual degree of consensus in a field that has, in the past, been fraught with controversy. Not only do the animal welfare organizations support it, but the American Physiological Society, the largest users of experimental animals, approve it, too.

Mr. President, I ask unanimous consent to have printed in the RECORD a number of editorials. I know editorials sometimes are good and sometimes bad. But my point is they give some idea of the widespread support for what we are attempting to do. The following papers carried editorials on the dates indicated:

The Chicago Tribune, September 19, 1985.

The Buffalo (NY) News), September 21, 1985.

The Arlington (IL), September 30, 1985.

The Santa (CA) Barbara News Press, October 8, 1985.

The Asbury Park (NJ) Press, October 1985.

The Waterford (OK) Daily News, October 6, 1985.

The Hartford (CN) Courant, September 21, 1985.

The Anchorage (AK) Daily News, September 1985.

The New York Times, July 31, 1985.

The Oregonian, July 24, 1985.

The Marquette (MI) Mining Journal, August 19, 1985.

Las Cruces (NM) Sun-News, September 17, 1985.

Tallahassee (FL) Democrat, September 7, 1985.

Ashland (OH) Times-Gazette, August 21, 1985.

Dallas (TX) Times Herald, August 26, 1985.

Minneapolis (MN) Star and Tribune, August 15, 1985.

Greenville (TN) Sun, August 17, 1985.

The Press (Atlantic City, NJ), August 15, 1985.

The News Tribune (Tacoma, WA), August 18, 1985.

Times Tribune (Palo Alto, CA), August 25, 1985.

Honolulu (HI) Star-Bulletin, August 23, 1985.

Newsday (Long Island, NY), August 16, 1985.

Warren (OH) Tribune Chronicle, August 9, 1985.

Mansfield (OH) News Journal, August 24, 1985.

Mr. President, I shall select a representative group of these editorials so they will not extend the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 28, 1985]

TORTURING ANIMALS

Laboratory experimentation with animals has yielded and will continue to yield many important benefits to human health. Still, there is no case for continuing to tolerate inhumane treatment of the sort that columnist James J. Kilpatrick described on the opposite page last week.

The 13 years of baboon brain-bashing that Mr. Kilpatrick reported—now suspended by order of Health and Human Services Secretary Margaret Heckler—came to light because some angry people made off with more than 60 hours of videotapes from a University of Pennsylvania clinical research

center. It would be comforting to think that neither the gruesome experiments nor the ghoulish behavior of the researchers who performed it was characteristic of the treatment given many of the 100 million animals used in research every year. But reports of unnecessary research, avoidable suffering and callous researchers recur with disturbing frequency.

Responsible scientists admit that these reports cannot all be dismissed as propaganda by antivivisectionists. When you find well-documented examples of maltreatment at a center that the director of the National Institutes of Health has called "one of the best laboratories in the world," you are entitled to be suspicious about what goes on at satellite laboratories where supervision and standards are often lax.

Neither does the attitude of the medical researchers generally afford grounds for complacency. Scientists are understandably fearful that heavy-handed restrictions on the use of animals might impede highly beneficial research. New techniques, such as computer simulations and bacteria and animal-cell cultures have reduced the need, but for many purposes there is no substitute for using animals for tests. But many researchers have been slow to accept necessary safeguards and are contemptuous of those who argue for some degree of protection.

Many research institutions and animal handlers have already responded to public pressure and are paying more attention to federal guidelines governing the treatment of animals. In May nine federal agencies adopted tighter guidelines for care of animals. However, new NIH policies—requiring institutions receiving federal grants to set up review committees that must include at least one outside member—will not go into effect until the end of this year and will still depend heavily on good-faith efforts by institutions, handlers and satellite laboratories. We hope those efforts are made. There is every reason to pursue necessary medical research on animals—but no reason on Earth for the U.S. government to subsidize sadism.

[From the Dallas Times Herald, Aug. 26, 1985]

CONTROL ANIMAL RESEARCH

When Congress resumes work after its summer recess, it is expected to take up the thorny issue of balancing the important needs of medical research with the humane treatment of the animals used in such experiments. The debate is not likely to produce any easy solutions. Yet by exercising good judgment, the lawmakers should be able to reach a compromise fair to both scientists and animal rights advocates.

Each group offers convincing arguments. The scientists are correct in asserting that many medical breakthroughs would have been very difficult to achieve without some experimentation on animals. But the animal rights advocates also make an excellent point in arguing that laboratory animals sometimes are treated cruelly or used as subjects unnecessarily.

The task facing Congress, then, is to ensure that medical researchers can continue their work without too many restrictions but that they also pay closer attention to their use of laboratory animals. Ideally, experiments should be conducted on animals only when the desired information cannot be obtained by other research methods.

Indications are that current government rules and guidelines dealing with research animals are being ignored in some quarters. Two research institutions—the City of Hope Medical Center in Duarte, Calif., and the University of Pennsylvania—are being investigated for alleged violations of those guidelines, and their federal grants have been suspended pending the outcome.

Two bills before Congress, introduced by Rep. George Brown, D-Calif., and Senate Majority Leader Robert Dole, R-Kan., appear to strike a proper balance. The commendable measures would increase the number of laboratory inspections, provide stricter penalties for violations, require that alternatives to painful procedures be considered and improve the supervision of animal care.

Congress already has rejected attempts by the Reagan administration to cut or eliminate funding for laboratory inspection. It now needs to take that commitment a step further by passing legislation designed to ensure that research animals are not abused in the name of scientific achievement.

[From the New York Times, July 31, 1985]

CRUELTY TO RESEARCH ANIMALS

Medical research would be impossible without experiments on animals, and most researchers treat them well, not least because badly kept animals make poor subjects. But there are distressing exceptions. Recently, the National Institutes of Health cut off funds for a University of Pennsylvania laboratory after a preliminary finding that the lab failed to treat animals humanely.

Experimentation on animals rouses strong public feeling, particularly when cats or dogs are concerned. Extremist animal rights groups have recently taken to raiding laboratories and turning animals loose. In May 1984 a group stole videotapes of experiments from the Head Injury Research Laboratory at the University of Pennsylvania. Another group, People for Ethical Treatment of Animals, has distributed excerpts of the tapes that seem to show baboons suffering from insufficient anesthesia and nonsterile surgery.

Animal rights advocates not long ago staged a sit-in at the National Institutes of Health protesting the Pennsylvania experiments. The demonstration ended when Margaret Heckler, Secretary of Health and Human Services, ordered the N.I.H. to suspend its funding.

Does the standard of animal care by researchers need improvement? Scientists currently observe voluntary codes. Their institutions have inhouse committees that monitor animal research, and are subject to Department of Agriculture inspections. This light-handed control would be ideal if it worked. It doesn't. Painful experiments aside, Agriculture's veterinary inspectors regularly find violations of minimum standards of care. According to inspectors' reports analyzed by the Society for Animal Protective Legislation, 24 percent of one sample of research institutions were found to have major, repeated violations; 22 percent had some major violations, 29 percent had minor violations and only 24 percent were in compliance.

A bill to improve the system has been introduced by Bob Dole in the Senate and George Brown in the House. It would require researchers to minimize pain by all reasonable steps that do not frustrate the experiment. Institutions' animal care committees would have to include a veterinarian and a concerned public member. Researchers would have to consult a veterinarian in planning any painful experiment.

This moderate bill is supported by the American Physiological Society, the larest user of research animals. It believes the bill would impose no hardship on its members and would not impede research. Raising the standards of animal care, and catching offenders who have fallen into callousness, has instrinsic value. It is also necessary to preserve public support against those who oppose all use of animals in research.

Mr. DOLE. Mr. President, I hope we can have some agreement to accept this amendment. I noticed that Senator HATCH does not oppose the thrust of the amendment. I do not mean to suggest for one moment that he believes that animals should be treated any way other than humanely, but he has raised some questions. Hopefully, we can dispose of those questions. It may be that he will have a substitute. If that is the case, he can come to the floor and we can have whatever votes we are going to have by 3 o'clock and move on to something else.

Mr. HEINZ. Mr. President, I commend the distinguished majority leader, Senator DOLE, for offering this fine measure, originally introduced as S. 1233, the Improved Standards for Laboratory Animals Act, as an amendment to this legislation. I was pleased to join the Senator as an original cosponsor of the bill, and would like to ask that I be listed as a cosponsor of the amendment.

The amendment before us would amend the Animal Welfare Act to require improved standards of cleanliness, and better veterinary care for laboratory animals. The suffering of these creatures, under appalling conditions, is unconscionable. Under the current law, which dates back to 1966, researchers are only required to meet minimal standards of care in research. The amendment before us would make proper standards the norm.

Quality research, Mr. President, must be conducted according to the highest standards. When Federal funding is involved, we must expect private contractors and laboratories to conduct themselves accordingly. The research community itself realizes this, and I understand that many have only a few technical objections to this amendment, which perhaps can be worked out.

Over one-third of the Senate has cosponsored Senator DOLE's bill, and I commend my colleagues for their foresight, and concern for the welfare of the helpless. I urge the adoption of the amendment.

Mr. ZORINSKY. Mr. President, Senator MELCHER has asked that I protect his rights with respect to this amendment. He would like to make some comments also. We are trying to get hold of him right now to give him the floor. Until he arrives, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SYMMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SYMMS. Mr. President, I ask unanimous consent that the pending amendment be temporarily set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 905

(Purpose: To require U.S. representatives to international financial institutions to oppose assistance by such institutions for the production of agricultural commodities in competition with United States produced agricultural commodities, and for other purposes)

Mr. SYMMS. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Idaho [Mr. Symms], on behalf of himself and Mr. NICKLES, proposes an amendment numbered 905.

Mr. DOLE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 459, between lines 18 and 19, insert the following new section:

OPPOSITION TO MULTILATERAL ASSISTANCE FOR FOREIGN SURPLUS AGRICULTURAL COMMODITIES

SEC. 927. (a) The Secretary of the Treasury shall instruct the United States Executive Directors of the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, the Inter-American Development Bank, the International Monetary Fund, the Asian Development Bank, the Inter-American Investment Corporation, the African Development Bank, and the African Development Fund to use the voice and vote of the United States to oppose any assistance by these institutions, using funds appropriated or otherwise made available pursuant to any provision of law, for the production of any agricultural commodity for export, if—

(1) such commodity is in surplus on world markets; and

(2) the export of such commodity would cause substantial injury to the United States producers of the same, similar, or competing commodity.

(b)(1) The amount of payments which the United States may make to the paid-in capital of an international financial institution described in subsection (a) during any capital expansion or replenishment of such institution may not exceed the amount of funds which the United States agreed to pay for paid-in capital under such expansion or replenishment minus an amount which bears the same proportion to the aggregate amount of assistance described in paragraph (2) furnished by such institution as the United States share of the expansion or replenishment bears to the total amount of the expansion or replenishment.

(2)(A) The aggregate amount of assistance referred to in paragraph (1) is the amount of assistance furnished by an international financial institution to all countries during the period described in subparagraph (B)—

(i) to support the production of any agricultural commodity for export, if—

(I) such commodity is in surplus on world markets; and

(II) the export of such commodity would cause substantial injury to the United States producers of the same, similar, or competing commodity; and

(ii) to subsidize (other than under clause (i)) the exports of agricultural commodities from such countries.

(B) The period referred to in subparagraph (A) is the same number of years as the capital expansion or replenishment period, which immediately preceded the first year of the expansion or replenishment period.

(3) For purposes of paragraph (2)(A)(ii), the term "subsidize" is used within the meaning of the Agreement on Interpretation and Application of Articles V, XVI, and XXIII of the General Agreement on Tariffs and Trade and the annex relating thereto, done at Geneva on April 12, 1979.

(4) Any funds withheld from payment to an international financial institution pursuant to this section shall be used to reduce the public debt in the manner specified in section 3113 of title 31, United States Code.

Mr. SYMMS. Mr. President, I apologize to the distinguished leaders of the Agriculture Committee, Senator HELMS and Senator ZORINSKY. It was my intention to offer this amendment next Wednesday, but it seems that there is an available opportunity here, so I offered it.

The purpose of the amendment is to restrict agriculture lending to our foreign competitors so that the U.S. taxpayer and U.S. farmers are not financing foreign agricultural exports with which they directly compete.

A number of our colleagues, including the good chairman of the Senate Agriculture Committee seated here, advocate restoring American farms to the reality of world markets. The rest of the Senate argues that we simply cannot compete with foreign producers.

If we cannot compete, Mr. President, much of it may be our own fault. International financing with Federal Government dollars has encouraged foreign production directly competitive with the United States. For example, this year Hungary received a loan of $80 million for "expansion of exports of processed animal products." Uruguay received $60 million to increase export incentives in the agriculture/livestock sector. Egypt was lent $139 million to increase production of rice for export.

All of these loans were made at interest rates far less than those available to our own farmers. No nation is rich enough to subsidize its competition in this way.

Subsidizing foreign production in an already surplus market is an inexcusable waste of resources. Many of these investments are driven more by the opportunity to acquire dollars at bargain interest rates than by actual market demand. Using these same dollars to reduce our deficit would be vastly more productive.

In the past 4 years, international financing institutions in which the United States participates have loaned out more than $20 billion for agricultural development. If this money were solely to combat the tremendous hunger and underdevelopment of the Third World, there could be few better investments. Unfortunately, international financiers look first to their repayment in high valued U.S. dollars. That means the developing country must export—even if it's not in the country's best interests.

Investments of this kind hurt American farmers in two ways: First, creating competition with our own agricultural products by countries which have no comparative advantage other than the availability of cheap credit; and second, increasing the demand for U.S. dollars with which to repay the debt, thereby driving up the dollar's value.

This amendment, entitled "The Foreign Agricultural Investment Reform," "FAIR" for short, reduces such self-defeating investment. It requires the Secretary of the Treasury to instruct U.S. executive directors of international financing banks to oppose investment in production of any commodity for export which is already in surplus on the world markets, and which would directly harm the U.S. exporters of the same commodity.

This provision is very similar to an amendment sponsored by our colleague from Utah, Senator GARN, which addresses international investment in copper, a mineral commodity also in surplus on world markets. That amendment passed this body unanimously to the distinct benefit of our domestic copper industry. There is no reason why we should not extend that same benefit to America's struggling farmers.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Colorado [Mr. ARMSTRONG], the Senator from Mississippi [Mr. COCHRAN], the Senator from Arizona [Mr. GOLDWATER], the Senator from Oregon [Mr. HATFIELD], the Senator from Nevada [Mr. LAXALT], the Senator from Maryland [Mr. MA-

THIAS], the Senator from Oregon [Mr. PACKWOOD], the Senator from South Dakota [Mr. PRESSLER], the Senator from New Hampshire [Mr. RUDMAN], the Senator from Alaska [Mr. STEVENS], the Senator from Wyoming [Mr. WALLOP], and the Senator from Connecticut [Mr. WEICKER] are necessarily absent.

I also announce that the Senator from California [Mr. WILSON] is absent on official business.

Mr. BYRD. I announce that the Senator from Texas [Mr. BENTSEN], the Senator from Florida [Mr. CHILES], the Senator from California [Mr. CRANSTON], the Senator from New Jersey [Mr. LAUTENBERG], the Senator from Vermont [Mr. LEAHY], the Senator from Louisiana [Mr. LONG], the Senator from West Virginia [Mr. ROCKEFELLER], and the Senator from Mississippi [Mr. STENNIS] are necessarily absent.

I further announce that the Senator from Massachusetts [Mr. KENNEDY] is absent on official business.

The PRESIDING OFFICER (Mr. ANDREWS). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 65, nays 13, as follows:

[Rollcall Vote No. 258 Leg.]

YEAS—65

Abdnor	Glenn	McConnell
Andrews	Gorton	Melcher
Baucus	Gramm	Metzenbaum
Biden	Grassley	Mitchell
Bingaman	Harkin	Murkowski
Boren	Hatch	Nickles
Boschwitz	Hawkins	Nunn
Bumpers	Hecht	Proxmire
Burdick	Heflin	Pryor
Byrd	Heinz	Quayle
Cohen	Helms	Riegle
D'Amato	Hollings	Roth
DeConcini	Humphrey	Sasser
Denton	Inouye	Simpson
Dixon	Johnston	Specter
Dole	Kassebaum	Stafford
Domenici	Kasten	Symms
Durenberger	Kerry	Thurmond
East	Levin	Trible
Exon	Matsunaga	Warner
Ford	Mattingly	Zorinsky
Garn	McClure	

NAYS—13

Bradley	Evans	Pell
Chafee	Gore	Sarbanes
Danforth	Hart	Simon
Dodd	Lugar	
Eagleton	Moynihan	

NOT VOTING—22

Armstrong	Lautenberg	Rudman
Bentsen	Laxalt	Stennis
Chiles	Leahy	Stevens
Cochran	Long	Wallop
Cranston	Mathias	Weicker
Goldwater	Packwood	Wilson
Hatfield	Pressler	
Kennedy	Rockefeller	

So the amendment (No. 905) was agreed to.

Mr. SYMMS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, there will be no more votes today, but I hope, if there are those who have amendments that could be accepted, they would remain.

I was reminded by one of the distinguished managers of the bill, Senator ZORINSKY, that from the time they started on this bill this morning there was not a single interruption, not a single quorum call until 2:30. So there has been a steady application of effort on the bill. I thank my colleagues from both sides of the aisle.

There have been at least 10 amendments disposed of. There is an amendment pending, an animal welfare amendment, that I hope Senator HATCH will agree to. We are trying to negotiate some differences on that now and will not get that done today.

So there will not be any more votes today.

Mr. KERRY. Mr. President, I wonder, since today has been a good day, if it might be agreed to stack votes until Tuesday, so that on Monday we could be able to do some of the things we were not able to do today.

Mr. DOLE. I would say this again: This is a matter of great urgency to many of us in the rural areas. I think there will be enough of us here on Monday to offer amendments.

And if we can dispose of a number of those that do not require rollcalls—it is not my desire to punish anyone—I think it is probably fair to say that Monday may be a good day to send out your laundry.

Mr. KERRY. So we understand, there will be no rollcall votes on Monday.

Mr. DOLE. I will do my best. Somebody could jump up and ask. We are going to try to continue. There are a number of noncontroversial amendments that will take most of the day. Then, I think, we will have a major amendment offered. When you get into a major amendment in the farm bill, you have several hours of debate. We are not going to hold up anything, but we are going to go forward with amendments that we achieve without rollcalls.

Mr. KERRY. Thank you.

Mr. METZENBAUM. If there should be an amendment, can we be assured at least that the rollcall would be in the afternoon?

Mr. DOLE. Yes. We will even try to do better than that.

Mr. PROXMIRE. Mr. President, can the majority leader tell us the nomination of Mr. Grundfest to the FEC will come up, and will it come up this afternoon?

Mr. DOLE. As I understand, it could come up this afternoon. I might ask. Is the Senator from Wisconsin willing to have it come up this afternoon?

Mr. PROXMIRE. Yes, indeed. I want to speak on it as soon as I can.

Mr. DOLE. We will do it as quickly as we can, I say to my friend.

Does anyone else have amendments?

Mr. GRASSLEY. Mr. President, as I had indicated earlier, I was prepared about 1 o'clock to make some remarks on the farm bill. Because the Senator from Tennessee had an amendment that he found very necessary to offer because of time constraints on his part, I gave up the floor at that point. So I would like to discuss the farm bill as we proceed to its consideration. We have even acted upon some amendments.

I think it is very important that we fully understand not only the magnitude of the problems facing agriculture, but also the reasons for these problems. Obviously, if we do not recognize and understand the underlying reasons for the financial problems facing farmers as well as the reasons for the recently high cost—budgetwise of our farm programs—there seems little hope of developing a new farm bill and farm policies that will have a chance of success.

Mr. President, I would like to share a story that I think illustrates the real problems facing agriculture. This story is also aimed at exposing the flaws in much of the reasoning that at this point appeared to represent the driving forces that will shape the characteristics of a new farm bill.

The characters in our story includes the U.S. Olympic track team, America's best and, of course, its coaches and doctors. The rules and practices of these world games are quite different as you will soon see. So bear with me.

Our Olympic track team was the best in the world. We won every race, beating our competitors at the Olympics, and at other world games.

But then one day, the official starter began using real bullets in his starting gun, and it happens that he shot our top track stars right in the foot. Of course, that was a gruesome picture.

Needless to say, they did not perform as well with the bullet holes in their feet, but another major problem this created is that our track stars began losing a great deal of blood. Fortunately, the team doctors had a good supply at the blood bank. So whenever an official shot one of our athletes, the doctors were there ready with the transfusions.

The only thing that kept our track stars going was a commitment of a good supply of blood. The doctors administered transfusion after transfusion and tried to patch our track stars up the best that they could so they could continue to compete.

Then one day the coaches decided that too much blood was being given to our crippled track stars. The coach consulted with our Olympic Commit-

tee, and they also agreed. Our track team had been using more blood than they had a few years ago. Not only had the team been using more blood, it was no longer winning the track meets. The coach and the Olympic Committee decided that the solution to this problem was to cut off the blood supply.

It was obvious to them that all those transfusions had not helped, and in fact, were probably the reason that our track stars could no longer compete effectively with the rest of the world.

The outcome to this major decision came as no surprise. Our team lost a good number of its very best stars. Moreover, our team was never the same after that tragic decision.

It seems quite obvious to me, and I hope this point is not lost with my colleagues, but it is obvious that what our track coach and Olympic Committee should have done is keep up the blood transfusions.

The second thing, and probably most important, they should have done is put a stop to all that bloodshed and the cause of all that bloodshed. We needed to stop shooting our athletes in the foot. Once they stopped shooting them, the need for transfusion obviously would drop off to nil. Furthermore, our athletes would then be able to compete in the world arena as they had in the past and would have continued to beat all of the top competitors around the world.

Mr. President, this story is a precise analogy to what has happened and to what is about to happen to the American farmers competing in the world market.

American farmers have been shot in the feet by the hundreds of policy decisions, both actions and inactions, that our Government has taken, many of which were in no way intended to hurt the farmers, but, nevertheless, have had a very devastating effect.

We have shot them time and time again in the foot, and guess what? They have been bleeding ever since.

Fortunately, we have had in place a blood transfusion program, better known as our farm programs. This has given farmers basic, but very basic, price support protection, protection against the idiotic actions taken by our own Government and those taken by other governments which our Government has refused to counter.

But as we have continued to shoot our farmers in the feet, and in recent years it has increased in intensity and with great frequency, the demand on our farm programs has also increased. The need for blood, or should I say for Government funding, has increased tremendously.

The point for my colleagues to understand is this: The more we shoot the farmer in the foot with misdirected Government policies, the higher the outlays, the higher the cost in budget terms, for our farm programs.

I would like to give you a recent example that illustrates this.

During this past year, just within the last few months, the U.S. Customs Department made a grievous error in issuing letter rulings that allowed ethanol importers to avoid paying the legally required 60 cents per gallon duty for imported ethanol. Several million gallons entered the United States before this loophole was discovered by our domestic producers and by some of us in Congress.

Had we not caught this, as much as 600 million gallons of foreign-produced ethanol would have been imported duty-free into this country. The impact of this policy error would have been devastating to agriculture. Two hundred forty million bushels of corn would have been displaced, reducing the price of corn by at least 15 cents per bushel and by reducing farm income by at least $1 billion.

But this shot in the foot would have also triggered a transfusion. The Commodity Credit Corporation would have been forced then to purchase more corn, this displaced corn, and it would have cost nearly $1 billion. Add to that the 30 cents per bushel per year storage payments and the 25 cents per bushel per year in interest rates and over $1 billion would have been the cost to the taxpayers of this country in one misdirected action taken by just one agency.

Do you realize what farm critics would have then said? Of course, they would have said that we are spending $1 billion too much on farm programs. They don't bother with the reasons. They simplistically argue that the farm program is costing more than it should.

None of us can afford to start casting stones. The blame can be spread around quite well among past and present administrations, and Congresses of both political parties.

Farmers have had a history of resiliency. They can take on the bad weather, perhaps a few bad policies, but farmers have their limits.

But how can the farmer survive one attack after another that shoots them in the foot? Monetary policy, squeezing out inflation, and strengthening the dollar is great for some but it devastates the farmer.

Fiscal policies aimed at revitalizing America have helped much of the country, but controlling taxes has also contributed to a widening budget deficit because Congress has not had the nerve to cut spending as it should. This too, affects interest rates and the strong dollar, which hurts farmers.

Cheap food policies are great for consumers but it has put a lid on farm prices.

Our trade policy has turned into a one-way street that helps our trading partners but cuts off farm trade abilities.

Why do we not stand up to these unfair trade practices as a Government?

Cargo preference is great for the maritime industry but it hurts farmers and increases the cost of farm programs.

Embargoes are seductively attractive for our State Department, but they ruin our farmers. The last Soviet grain embargo by the previous administration, in 1 year alone, 1980, cost us over $11 billion in national output, $3 billion in personal income, and a staggering loss of 310,000 jobs.

The consumer activist running the Department of Agriculture in the last administration had a hey-day with the nitrite fiasco. Talk about Government policy with blinders! Scare the wits out of people about hot dogs because of the necessary preservative additives, but don't tell them the same chemicals occur naturally in vegetables. Does anyone have any idea what unnecessary cost there was to the American farmer? Well, it ran into the billions of dollars.

Some might argue that if responsible and fiscal monetary policies are the solution to the farm prices, the place to begin with is by slashing the spending levels in this bill. But deficit cutting must be done responsibly and fairly, not austerely.

Did we act "responsibly" by holding the defense increase to just $109 billion in outlays over the next 3 years above the 1985 level. Did we act responsibly by holding the entitlements increase to just $88 billion over the last year's level. If you add energy, education, and the interest account to all of that before mentioned, you have 91 percent of the Federal budget increasing responsibly.

I think we have to raise questions about how responsibly that really is.

Meanwhile, the 1.9 percent of the budget which is the agriculture budget, is being cut below the previous year's level.

So not only is there is a crisis going on in the farm sector, but our solution to it is austerity. What kind of policy is that? We don't even prescribe austerity, that type of austerity, in an economic recession. Why do we prescribe that sort of austerity for the farm sector?

It is not austerity we need but it is responsibility. Before you put a car in reverse, you obviously have to slow it down and then stop it. But we have been slowing down 91 percent of the Federal budget for 4 years and it is still rolling along. As if to compensate, we are asking 2 percent of the budget, the agriculture portion of the budget, to not only slow down and stop, but

also to reverse, all at the same time. Ever try to drive down the highway and slap it in reverse? It's not too good for your transmission, is it?

We are going to find that same effort if this administration were to get away with trimming the Senate Agriculture Committee bill the way they desire to trim it. So, Mr. President, we have to get responsible, before we reverse, we have to stop. Before we stop, we have to slow down. The farm programs have done their fair share of slowing down. Now we are willing to stop. We are asking for a freeze in target prices.

I do not know whether everybody realizes that, but this bill came out of the Agriculture Committee with a freeze in target prices. The bill affects the farmers. In a lot of ways other segments of the budget are not touched because they are not frozen, particularly the Defense Department. Let me remind my colleagues that 2 years ago, when target prices were supposed to go up to I think $3.15, farmers took a target price freeze they have already done their share. If we are willing to give the defense budget 3 percent real growth from now until eternity, we can certainly freeze target prices for only 4 years for only 1.9 percent of the budget.

People are finding fault with the fact target prices are frozen, calling it a budget buster. That is why I said previously today that I do not see where this administration is coming from when they say this budget is too expensive. On a relative basis, agriculture has already done more than its fair share of getting this deficit under control.

Also, a point I made previously: if they think this bill is expensive and Congress decides not to pass anything if this bill were to be vetoed, the President ought to be made cognizant of the fact that the 1949 legislation we would revert to would be three times more expensive than anything we are going to spend here. So he ought to think twice about even talking about that. It is not going to fool us any more.

Mr. President, the answer to our farm problems is not found in cutting off the blood supply to our farmers, unless we also take dramatic action to stop Government interference into the affairs of agriculture—all those embargoes, all those irresponsible fiscal policies that have brought high interest and high-valued dollar, all of those timid efforts on the part of our Government to enforce our trade laws, and all those other policies that we would consider nonagricultural that have hurt agriculture.

The best way to approach this problem is to freeze our budget, and then correct the problems that are causing the hemorhaging and creating the need for transfusions. I will not take a back seat to anyone when it comes to working for a balanced budget.

That is why for the last 4 years I have worked hard for an across-the-board budget freeze including farm programs. Had we followed this approach, Congress would not now be facing its deficit problems, and our farmers and farm programs would not be in such a mess.

We would not be waiting 6 years for a balanced budget under the Gramm-Rudman proposal. We would have had it by today. We would have had lower interest rates. We would have had a lower valued dollar.

Again, it has been suggested that the President may veto our farm bill if it is too expensive, but I want to remind my colleagues that Secretary Block admitted himself, on "Meet the Press" that permanent law would be far more expensive. I'm skeptical that when the reality of this is brought home to the President, he would veto it.

Mr. President, I hope my colleagues give very serious consideration to the points I have discussed this first day of what will be a long series of debates on the farm bill. It should help them better to understand what our problems really are, particularly all the governmental policies that adversely affect agriculture, drive down prices, and raise the budget costs of the farm programs, resulting in all the focus of attention being unfairly directed at the cost of the 1.5 percent of the budget representing farm programs. This unfair focus allows us to ignore the blame for that high cost of farm programs because of the other ill-conceived policies that have been for a long period of time hurting agriculture.

Mr. President, I hope this consideration of a broadened review of the farm problems, beyond this farm bill, gives people a little more moderate view of this very important piece of legislation.

Again, I urge my colleagues to approach this farm bill in a bipartisan manner.

Mr. President, when I am out in Iowa, and I think I have heard my other colleagues say it, there is not any partisanship brought up in our grassroots meetings in the sense of what sort of farm bill we ought to have. I never hear people say that we ought to have a Republican farm bill or a Democratic farm bill. People out there, because things are so economically bad in the heartland of America, are asking us to pull together to find a solution to this problem. Our farmers deserve better than to be exploited for political reasons. Nobody has done that so far and I do not expect that it will be done.

Moreover, the severity of this farm problem, more serious than it has ever been since the 1930's, absolutely requires that we work together to find a solution to this problem.

AMENDMENT NO. 906

(Purpose: To exclude liquidation proceeds from the income of farmers and other families if the proceeds result from foreclosure, forefeiture, or bankruptcy for the purpose of certain family contribution computations)

Mr. ABDNOR. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. An amendment by Senator DOLE is pending.

Mr. HELMS. Mr. President, I ask unanimous consent that the pending amendment be laid aside temporarily in order that the Senator from South Dakota may offer an amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will state the amendment.

The bill clerk read as follows:

The Senator from South Dakota [Mr. ABDNOR] proposes an amendment numbered 906.

On page 459, between lines 18 and 19, insert the following new section:

EXCLUSION OF LIQUIDATION PROCEEDS FROM FAMILY CONTRIBUTION COMPUTATIONS

SEC. . Section 482 of the Higher Education Act of 1965 is amended by adding at the end thereof the following new subsection:

"(f) The Secretary shall, within 30 days after the date of enactment of this subsection, promulgate special regulations to permit, in the computation of family contributions for the programs under subpart 1 of part A and part B of this title for any academic year beginning on or after July 1, 1985, the exclusion from family income of any proceeds of a sale of farm or business assets of that family if such sale results from a voluntary or involuntary foreclosure, forfeiture, or bankruptcy.".

Mr. ABDNOR. Mr. President, this is an amendment to ensure postsecondary students whose families face farm or business foreclosure or bankruptcy access to Federal financial assistance.

Mr. President, under current law and regulations, the proceeds from the sale of assets is included in the computation of the family contribution, even when those proceeds are used to retire outstanding debts.

Earlier this year, the son of a South Dakota rancher who has filed bankruptcy was denied student aid due to proceeds from the sale of land and livestock. Another young man, whose father sustained severe chest injuries in a farm-related accident, has had difficulty obtaining necessary financial aid as a direct result of the sale of the family farm. Prior to the accident which has left his father unable to operate the farm, this student qualified for financial assistance. Following the sale of the family's farm assets, he is no longer eligible even though the proceeds were used to pay outstanding debts.

Mr. President, these are tragic situations. I do not believe Congress intend-

ed to deny student aid to families facing foreclosure or bankruptcy. I ask my colleagues to join me in rectifying this serious inequity.

My amendment directs the Secretary of Education to promulgate regulations to permit in the computation of family contributions for the Pell grant and guaranteed student loan [GSL] programs, the exclusion from family income any proceeds from the sale of farm or business assets, in the event the sale resulted from a foreclosure, forfeiture, or bankruptcy. The amendment applies to academic years beginning on or after July 1, 1985, allowing students who are currently enrolled to file a correction to their existing applications.

Mr. President, many of our Nation's farm families are experiencing severe financial difficulties. My amendment simply corrects an inequity which precludes families in greatest financial need from obtaining student assistance. I know of no opposition to my amendment and I wish to point out to my colleagues that this same provision was adopted by the House Education and Labor Committee as a part of its reconciliation package. I believe it has been cleared on both sides of the aisle. It is imperative that this provision be adopted, and I urge my colleagues to support my amendment.

Mr. HELMS. Mr. President, there is no Member of this body more knowledgeable of the way the Senate operates than the distinguished Senator from South Dakota. He is a real pro. This is evident from the way he developed this amendment to the point of bringing it up for consideration by the Senate this afternoon. He has checked this amendment with the relevant committee, and it has been cleared by that committee, I have been assured. But more than anything else, I would emphasize that Senator ABDNOR is being very consistent today in terms of his interest in equity and fairness and his zeal to make sure that the small family farmer gets fair treatment. I commend the Senator and I commend him on his amendment. I assure him that on this side of the aisle it is acceptable.

Mr. ABDNOR. If the Senator will yield, I certainly thank him. I appreciate his kind words. Certainly this is an equitable amendment, one that rectifies a great injustice. We must not perpetuate a policy under which a student is eligible for financial aid a month before his family declares bankruptcy, but afterward is not because his family has been forced to sell its lifetime assets, and at that particular moment shows a great abundance of income until the proceeds are used to retire outstanding debts. My amendment will correct this inequity, thereby helping our Nation's farm families.

Mr. HELMS. It certainly will, and I commend the Senator again on his amendment.

Mr. HARKIN. Mr. President, I do not have any objections to the amendment. I believe it has been cleared on this side of the aisle. I say to my friend from South Dakota I had an amendment similar to this in the Agriculture Committee. While it did not speak to the exact purpose which the Senator from South Dakota speaks, that is, to the provision of support for the family through student loans and student aid for higher education, my amendment spoke to the fact that a lot of farmers go through involuntary foreclosure or bankruptcy and, because of the operation of the food stamp laws, they are not allowed to receive food stamps. We have farmers who have been growing food to feed the hungry for a long time, but because of involuntary foreclosure, because of the way they figure the food stamp provisions in that they take into account perhaps what their assets were, then they cannot get food stamps.

I do not have any problems with the amendment. I think it is a correct one. I think it speaks to an inequity. I hope the Senator will support an amendment which will come along later that would do similar kinds of things for those farmers who have been involuntarily foreclosed upon and are in bankruptcy proceedings so that they could be considered under the food stamp and other assistance provisions like many people in our society.

Mr. ABDNOR. Mr. President, I have no quarrel with the junior Senator from Iowa. As a matter of fact, I have run into situations where farmers must pay a big income tax on assets sold to pay their debts. It is tragic to see someone forced out of a business, forced to sell off all his assets to pay off his debts and then see him hit with a huge income tax because of that one sale.

Our Nation's farmers are facing real problems. I can well appreciate what the Senator is saying and that is why I am offering this amendment to assist our Nation's neediest farm and business families in obtaining necessary student aid.

Mr. HELMS. I suggest we vote, Mr. President.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Dakota.

The amendment (No. 906) was agreed to.

Mr. HELMS. I move to reconsider the vote by which the amendment was agreed to.

Mr. McCLURE. I move to lay that motion on the table.

Mr. HELMS. Mr. President, I do not see Senators anxious to offer amendments. I notice around this place that when the majority leader says there will be no more rollcall votes, it is almost a traffic jam leaving the parking facility downstairs. I suppose that is true right now, and I believe Senator HARKIN wants to join them. I wish him a nice weekend.

Mr. HARKIN. Mr. President, if the chairman might indulge me, I do not intend to keep everyone here for a long statement, but I wish to make some comments on the farm bill.

Mr. HELMS. Of course. Very well.

Mr. HARKIN. I have not yet had an opportunity to do that today.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. HARKIN. Mr. President, the debate has finally started on the farm bill—long overdue, but better late than never. I believe we have seen the first minor skirmishes today, although the votes have been overwhelming. Some minor amendments have been adopted. But the real intense debate and the real crucial votes will be coming up hopefully next week as we continue debate on the bill.

I wish at this point to indicate for the RECORD why I voted against the bill, S. 1714, when it came out of committee. As a new member of the Senate Agriculture Committee this year, I first want to pay my respects to the distinguished chairman, the Senator from North Carolina, for his conduct in operating the committee in an open and very fair manner throughout the entire debate from the beginning of this year. As I have said before, at no time was any member cut off from debate or was anyone ever precluded from offering any amendment that any member of the committee wanted. So the debate in the committee was full and open and very fair.

I voted against the bill when it came out of committee—I think I was probably the only person on my side of the aisle to do so—basically for three reasons, but one in particular.

Mr. President, even with the target price freeze in the bill, the fact remains that if this bill were adopted in its present form and signed by the President, it would indeed reduce farm income in the Midwest in each of the next 4 years. I have stated from the beginning of this year that in no way will I vote for any farm bill or any amendment to any farm bill that will reduce farm income. That is basically what we have here even with a freeze.

There was an amendment in committee offered by the distinguished Senator from Oklahoma [Mr. BOREN] that tiered the target price payments for wheat. It would increase somewhat the income for family-sized farmers in the wheat-producing areas. A similar amendment was not adopted for feed grains, and I will be offering that amendment next week. I am hopeful that it will be adopted to at least bring

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feed grains on a par with wheat and to target farm program benefits to family-sized farms. But because the bill in freezing target prices would in reality reduce income in each of the next 4 years, I have found that I could not vote for it.

Another reason I could not vote for it was because there were some amendments adopted in the committee that I believe went against what we have been trying to do as a nation, as a Government for many years in meeting the needs of poor people who require food stamps or require feeding assistance, either for those who are poor or for those who are elderly or perhaps those who belong in both of those categories. There were amendments offered and adopted in the committee which I felt were overly harsh on that segment of our population. Again, I am hopeful that we can rectify it on the floor next week.

Lastly, I voted against the bill because it continues the failed policies of the past. I hear from my people back home that they want two things done: they want the deficit reduced and farm income increased. Well, this farm bill does just the opposite; it increases the deficit and reduces farm income.

So, Mr. President, for those reasons I found I could not in good conscience vote for the bill when it came out of committee.

There are some good provisions in the bill that I am supportive of, and I am especially proud of the strong conservation measures adopted by the committee which are now in this bill. I hope those measures will stand the test of floor debate and will come to the floor as they come out of the committee.

In short, the bill does need to be strengthened and not weakened. So votes will be taken next week, and the votes will fall on whether or not Senators want to increase or decrease farm income.

I will pick up where my distinguished colleague from Iowa, Senator GRASSLEY, pointed out a few minutes ago, that there are a lot of forces affecting agriculture. Many outside of agriculture and outside the farmers' power to do anything about it—a strong dollar, about 30 percent overvalued against most other currencies of the countries to whom we sell our grain; about a 30-percent tax on everything we export; and a 30-percent subsidy on everything we import.

So we are pricing ourselves out of the world market in grain, not because our grain is overpriced or our support prices too high, but because the dollar is overvalued. So I see the administration saying to the farmers, "Take a lower price," but the problem is the value of the dollar.

I do not know why the farmers of Nebraska, Kansas, Iowa, Georgia, Florida, Alabama, or anywhere else in this country have to take it in the neck because of the misguided economic policies of this administration. If they want to sell more abroad, I suggest the answer is not to reduce farm income but to reduce the value of the dollar, and that is what the administration has within its power to do. The farmer cannot do it, but the administration can do it. That would do more for selling our products abroad than anything else.

By just reducing farm prices, I ask how low does the price of a bushel of corn or wheat have to go before we can be competitive on the world market? I suggest that it would go so low that it would bankrupt our wheat and grain farmers all over this country, if we continue to play that kind of game.

Farmers are also faced with high interest rates, high real interest rates. They have no control over that. That is caused by the misguided economic policies of this administration in squeezing down the money supply and increasing the real interest rates. Our farmers are still paying some of the highest real interest rates they have every paid.

There are two other reasons why our farmers face these difficulties beyond their control. One is that other countries subsidize their farmers. We hear a lot of talk about a free market, but there is no free market out there, not when all these other countries subsidize their agriculture, as they have always done and will continue to do.

I have pointed out in the debate on this matter that we are the only Government in the world that sells its grain abroad through private companies. Every other country uses a grain board which sets the price of their grain. They have done it for years and will continue to do so.

If we are going to continue this game, we will drive down our prices, they will drive down their prices, we will bankrupt our farmers, and our Government and they will bankrupt theirs. That is a formula for increased chaos and increased hardship in this country and abroad, particularly in the developing third world countries.

Last—and the reason why our farmers are having a problem overseas with selling products—is that there is a normal growth in agriculture production in other countries. I refer here to a recent editorial in the Des Moines Register by a distinguished former editor of that paper, Lauren Soth. Mr. Soth is perhaps one of the foremost agriculture experts and observers of agricultural policy in this country. He has been writing about and observing agricultural policy, I think, for the last 30 to 40 years. In a recent editorial, he pointed out all the different factors that are influencing agriculture which are beyond the farmers' individual or collective power to do anything about. I especially talk about this last point, that other countries are increasing their production. I read from his editorial:

So, add up the factors. In the long run, we're bound to lose our share of the world food market, because less-developed countries (and the developed ones, too) are adopting our advanced farm technology and growing more of their own food. Monetary and fiscal policies far overshadow farm-price policy in foreign trade.

So, in writing new farm legislation, let's not overemphasize the foreign market by subsidizing exports and subsidizing farmers for overproducing. It should be sounder economics to hold production more nearly in line with real market demand. That is true market orientation."

Mr. President, I ask unanimous consent that the editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Des Moines Register, Oct. 21, 1985]

CLUES TO CRISIS IN AGRICULTURE FOUND IN WORLD-TRADE SITUATION

(By Lauren Soth)

You might get the idea from debate on the new farm bill that high price supports have ruined the foreign market for U.S. farmers. Ag. Secretary John Block gives that impression; he harps on the subject every time he makes a speech. He argues that "market orientation" is the answer—plus, contradictorily, his Bonus Incentive Commodity Export Program, an export subsidy, although that has been almost a complete bust.

Reducing commodity-price supports might also prove to be a bust in boosting grain exports. There are a few other factors affecting U.S. farm exports. The level of farm-price supports seems far less significant when you examine the others. John Block's economists have done so and it would pay him to read their stuff.

Increasing world production. World grain production has been increasing faster than consumption. India and China no longer import grain and in some years are exporters. The U.S. share of world grain trade would be expected to decline because of greater production elsewhere, aside from other factors. However, the U.S. share of combined wheat and coarse-grain exports has fallen only moderately to about 50 percent from 55 percent in the 1980-81 marketing year.

The world recession. After the soaring inflation of the 1970's the leading industrial countries acted in concert, or almost in concert, to slow the rate of money growth and put a brake on inflation. The annual rate of growth of money supply in these countries was 10 percent from 1974 to 1980. In 1980-1984 it was 6 percent. The Reagan administration led the money restriction. This brought about a sharp and prolonged global recession.

That curtailed foreign trade in general and brought down agricultural prices. Countries with large debts couldn't meet payments and cut imports. Also, the value of the dollar rose in foreign exchange. A study by the USDA Economic Research Service indicates the United States lost about $10 billion in farm exports from 1981 to 1985 from this cause. That is nearly equal to the

total decline in farm-export value, leaving little to be explained by high price support.

The much-cursed Carter grain embargo against Russia in 1980-1981, was inconsequential. Grain exports increased in that period.

Poor quality grain in export shipments. The Farm Journal ran a review of complaints about the foreign material and mixture of low-quality grain in some wheat, corn and soybean exports. I don't know how much weight to place on these complaints. Buyers often complain about such things, as the Japanese and Soviets did about embargoes, as a weapon in bargaining for better deals.

However, the Farm Journal report is convincing that our export grain is often not up to the quality of the Australian and Canadian wheats and Argentine corn. In the late 1970s I served on an advisory panel for the Federal Grain Inspection Service, and I thought at that time F.G.I.S. was making progress toward tighter inspection. But, our grain standards apparently are looser than those of other exporting countries.

The world market is not a free market. A good deal of the international trade in grain takes place not on the basis of market pricing, quality and service but on the basis of subsidies, tariffs and other kinds of inventions. That includes the United States with its BICEP and other export subsidies. Most important, a substantial amount of the business is by state trading, direct or indirect, notably by Russia, the biggest importer.

France and other European countries subsidize exports to maintain high internal prices. They also assess countervailing tariffs to limit imports of many food and farm products. So do we: recent example, the duties on hogs and pork from Canada.

Of course, sugar is the extreme example of non-free trade. We maintain prices for our sugar growers at about four times the world price. We could pay off every sugar grower's investment in land and equipment and save money for taxpayer-consumers within a few years by importing from lower-cost foreign producers.

That policy would knock the tar out of the corn-sweetener business of Archer-Daniels-Midland and other processors. Corngrowers' lobbyists wouldn't like that, but it would be a move in the direction of free world trade, which they claim to want.

So, add up the factors. In the long run, we're bound to lose our share of the world food market, because less-developed countries (and he developed ones, too) are adopting our advanced farm technology and growing more of their own food. Monetary and fiscal policies far overshadow farm-price policy in foreign trade.

So, in writing new farm legislation, let's not overemphasize the foreign market by subsidizing exports and subsidizing farmers for overproducing. It should be sounder economics to hold production more nearly in line with real market demand. That is true "market orientation."

Mr. HARKIN. Mr. President, we have two courses we can follow.

One, we can reduce farm income and reduce it drastically as proposed by this administration and then suffer the consequences—devastation in our rural countryside, the loss of small towns, communities and small businesses, bankruptcies of farms, businesses, and banks all over the country, as well as the entire collapse of our Farm Credit System and perhaps of our rural commercial banks.

We have about $220 billion in farm debt in this country. Some are saying that perhaps 50 percent of that has to be written off. If that is so, what is going to happen when that $100 billion that has to be written off?

I suggest that if you think Continental Illinois Bank would have caused problems in this country had it failed, wait until the bad debt in agriculture, which may approach $100 billion, has to be discharged. Then I think you will see Wall Street down in Washington lobbying for a farm bill that will increase farm income. I do not think we have to wait that long, and I hope we do not.

I hope we will take the other course, that is to recognize that farmers simply are overproducing. They have the capacity to do that and have been encouraged to do so because of the policies of this administration. But the way to increase farm income is to get supply in line with demand, and that means getting our production in line with what the demand is. If we go down that road, we can increase farm income.

If we increase farm income, we will save the Farm Credit System and we will not have to come back here next month or next year to bail out, to the tune of perhaps $5 or $10 billion, a Farm Credit System that is already facing bankruptcy.

So those are the two distinct courses of action.

I hope that in the wisdom and judgment of the Senate all next week, as we continue with this farm bill, we will find it in our power to enact amendments to this bill that will not continue the failed policies of the past, but will strike out on a new course which will allow farmers themselves to be able to control their production, to get the supply in line with the demand, so that we can reduce the amount of Government payments going to farmers, and let the farmers make the profit they need and deserve from the marketplace and not as Government payments.

Mr. President, I commend to the Senate that we take a look at a new course of action and not continue the failed policy of the past.

I thank the distinguished chairman of the Agriculture Committee for permitting me this opportunity to deliver my remarks on the opening day of the debate on the farm bill.

The PRESIDING OFFICER. The assistant majority leader.

Mr. SIMPSON. Mr. President, while the Senator from Iowa is here, I do want to commend him on his extraordinary knowledge of the issue of agriculture. He has previously served in the House of Representatives from the State of Iowa.

Our House brethren have more opportunity, as has the occupant of the chair also—in serving in the House of Representatives, of having more opportunity to direct their attention and knowledge to a certain singular area, and certainly Senator HARKIN brings to this Chamber a great deal of information and knowledge about agriculture and the farm bill. That is something I have watched with great interest. He does a very fine job on that.

I just wanted to indicate that certainly the farm bill will be one of the most vexing things before us. We have all heard today how that will be.

I must just share with Senators and take one moment and not longer to indicate that I recently had a call from a very lovely friend of mine who has ranched for 40 years in Wyoming and raised cattle and wool and also purchased a farm in Iowa of 1,500 acres to raise corn there. Then he might take the corn to the cattle in Wyoming or take the cattle to Iowa to feed them the corn and it worked very well, except that he called the other day and he said: "I am gone, I am broke, I am bankrupt."

I said, "I can't believe that, not you, anybody but you."

He said: "Well, it is true." And you know what? I did it to myself. "There is no one to blame. I overextended myself. I overleveraged myself. I did it, and I am gone."

I had not heard anyone in the farm crisis say that before like he did because when we say that the farmer himself is powerless and it is beyond his power to do anything about the issue I must say that I do not believe that. I am not being hardhearted but I do not believe that. Because greed is controllable, and in many instances they overreached themselves; with the assistance of their land-grant colleges, telling them to build and plant fence to fence, and their newsletters out of the Midwest, telling them what to do and the commodity credit market making them wizards in "puts and calls" instead of water and grain; and so there it is.

We do not want to lose sight of the fact that we do have a problem and we will not solve it at all with money. That farm money goes to some of the biggest, heavy hitters in the United States, and I have said it before and I will not belabor the body again. It is late and we are here on Friday afternoon and we are going to close up and we are going to do that in 1 minute.

But when in 1984, 14.5 percent of the wheat money goes to 1.4 percent of the wheat growers, something is goofy. When 16 percent of the corn money goes to 2 percent of the corn growers, something is sick. And the whole rest of it is sick right down the line—62 percent of the dairy money goes to 25 percent of dairymen; 56 per-

cent of cotton money goes to 12 percent of cotton producers; and 65 percent of rice payments go to 22 percent of rice producers.

So we continue on and we will have a marvelous debate about the poor old guy in the Oshkosh B'Gosh overalls out there with hoe in his hand looking out into the sunset; and he does not get hardly a nickel.

Until we deal with target prices, which are putting us completely out of the international market, we will not get anywhere. Until we cut the deficiency payments, which are a marvelous advantage for those who know how to work the programs, then we are not going to get out of the box.

So if we are all just going to sit back and overproduce and overproduce and wait for the Feds to bail everybody out, I must say I am not too sympathetic about that.

OK, the mail will begin to flow on Monday after this statement, so I will now repair to some other issue!

So, now my friend the Democratic leader is present and we do have a bit of business here to do.

POSSIBLE AMENDMENT TO STRIKE AGRICULTURE COMMITTEE'S ENERGY ASSISTANCE PROVISION

Mr. HELMS. Mr. President, I am concerned by the possible offering of an amendment to strike the Agriculture Committee's provision reforming a complicated problem dealing with the deductibility of certain energy expenses in the Food Stamp Program. As I understand it, the amendment may be offered to the farm bill (S. 1714) or to the same provision in the reconciliation bill (S. 1730).

The amendment would have the effect of increasing food stamp benefits to reflect energy expenses which are already being paid by another Federal program. The adoption of such an amendment to the reconciliation bill would reduce the savings in the Agriculture Committee's portion of the bill to the point that the committee would be out of compliance with its reconciliation instructions. Since time constraints may preclude a thorough discussion of the subject on the budget reconciliation bill, I am taking this opportunity to outline some of the facts surrounding the committee's provision.

I regret that the situation involved is rather complicated, but I will attempt to outline in the most succinct manner possible both the committee provision and the consequences of striking it.

The committee adopted a provision which corrects an anomaly that presently exists, which the proposed amendment would reinstate, whereby food stamp recipients are eligible for deductible shelter expenses even when those costs were paid for by federally funded energy assistance payments.

The Agriculture Committee's provision establishes the straightforward principle that deductions for shelter expenses in the Food Stamp Program should not be allowed for expenses that are paid for by payments, direct or indirect, that are excluded as income. The provision was adopted by a unanimous 17-to-0 vote during Agriculture Committee consideration as a part of a bipartisan package offered by Senators BOSCHWITZ and LEAHY and sponsored by Senator HARKIN.

I want to stress that the committee in no way changes the longstanding policy that federally funded energy assistance payments are not counted as income for purposes of determining either food stamp eligibility or benefit levels. The only issue addressed by the Agriculture Committee was how to treat expenses paid for by payments—from the Low-Income Home Energy Assistance Program—that are excluded from being counted as income.

There are generally two types of low income energy assistance payments—direct payments made to individuals and indirect, so-called vendor, payments made to energy companies on behalf of individuals. Food stamp policy currently states that food stamp recipients who are also recipients of energy assistance vendor payments may not count energy costs paid to an energy company on behalf of the household as an expense for purposes of determining the household's deductible shelter expenses in the Food Stamp Program. This is a logical position because the household incurred no "out-of-pocket" expense of its own. Rather, the Low-Income Energy Assistance Program paid for those expenses. A recent court ruling in the eighth circuit court of appeals has overturned this interpretation and stated that such vendor payments must be counted as part of the household's expenses when determining the household's deductible shelter expenses. The ramifications of the court ruling are quite expensive if applied nationally. The committee's bill explicitly puts into law the present regulatory policy in order to reverse the court ruling.

The committee bill goes a step further. The present treatment of direct energy assistance payments is as illogical as the vendor payment policy is logical. While vendor payments do not count toward the household's deductible shelter expenses, direct payments made under the Low-Income Home Energy Assistance Program are permitted to count as deductible expenses. There is no reasonable rationale for this divergent treatment of such payments. The underlying principle should remain the same—that is, that expenses paid from excluded income should not be counted as deductible shelter expenses. To remedy this situation, the committee has taken the step of providing that both direct and indirect payments for energy assistance may not be included by the household in determining permissible shelter expenses.

I think I should emphasize that the committee bill does not restrict the States' ability to use standard utility allowances. The only provision in this regard is that standard utility allowances—which reflect average utility expenses instead of using each recipient's actual utility bills—must reflect only "out-of-pocket" expenses, not any Federal energy assistance payments received by the household. It is also important to note that under current law—unchanged by the committee—recipients may deduct actual expenses for energy costs rather than using the standard utility allowance.

The amendment would eliminate $65 million in annual savings resulting from the Agriculture Committee's provision and potentially add another $57 million annually—if the eighth circuit court ruling were to be applied nationally. Indeed, it should be stressed that the adoption of the amendment would throw the Agriculture Committee out of compliance with its budget reconciliation instructions.

I should also emphasize that some figures which have been circulated greatly exaggerate the impact of the committee's provision. One such listing purported to demonstrate the State-by-State impact of the committee's action. However, a careful analysis of the figures indicates that the cumulative impact adds up to almost five times the total impact estimated by the Congressional Budget Office.

Some of the overstatements seem to result from miscalculations or misunderstandings of the existing Food Stamp Program deduction procedures. Opponents of the committee's provision neglect the fact that an estimated one-half of all energy assistance is provided in vendor payments directly to the energy company; the committee's provision merely reinforces current regulatory requirements. These analyses also miss the fact that because some States have significantly high energy costs and standard utility allowances, the committee's provision would have less impact in those States. Indeed, one of the States cited as an example, Vermont, likely would have little or no impact from the provision. Among other shortcomings, opponents neglect to calculate that not all shelter costs are deductible now, a factor which is not changed by the committee provision.

The committee's provision addresses a complicated issue. However, the committee arrived at what was universally regarded as a fair and reasonable solution which I would urge the Senate to uphold.

POSSIBLE AMENDMENT ON FOOD STAMP OVERPAYMENTS

Mr. President, it is my understanding that an amendment may be of-

fered to the food stamp portion of either the farm bill, S. 1714, or the reconciliation bill, S. 1730, which would seriously undermine the effectiveness of the error rate sanction system in the Food Stamp Program.

Inasmuch at the amount of debate remaining on the reconciliation bill is greatly restricted, I thought it best that I take this opportunity to alert my colleagues to some of the shortcomings of the amendment. While I have been unable to see the precise language of the amendment, I understand that the amendment would:

First. Eliminate the committee's improved error rate sanction provision which was added to strengthen the program's administration and reduce overissuances.

Second. Establish a study of the error rate sanction system.

Third. Suspend for 2 years the collection of sanctions imposed on States that have an unacceptably high percentage of benefits misspent.

BACKGROUND

Error rates are determined periodically through a quality control system in which a valid sample of the program's participant caseload in each State is reviewed thoroughly by State and Federal officials to verify the accuracy of the participants' eligibility and the amount of food stamp benefits provided to them. Overpayments to eligible recipients and payments to totally ineligible individuals amount to about $900 million annually, and have been a serious problem in the Food Stamp Program for many years.

In 1982, the Congress adopted a tightened error rate system, sponsored by Senator DOLE, that included a sanction aspect whereby States are required to reimburse the Federal Government for a portion of overpayment errors above a specified target. That program now requires that States pay a portion of overissuances above 5 percent based on the amount of administrative costs being paid to the State by the Federal Government.

Under current law, States that fail to meet this error rate target of 5 percent will incur a penalty based on a reduction of the percentage of the Federal reimbursement for administrative costs for the program. The Federal Government pays for all benefit costs of the program and, generally, for 50 percent of administrative costs.

Under the present system, the Federal share of administrative costs is reduced by 5 percent for each 1 percentage point, or fraction thereof, by which the State's overpayment rate exceeds the 5-percent target. If the State's overpayment rate exceeds the target by more than 3 percentage points, it would lose an additional 5 percent—for a total of 10 percent—of its Federal administrative funding for each percentage point or fraction thereof exceeding the 3-percentage point difference.

To illustrate, overpayment rates above the target by 1, 2, and 3 percent now result in sanctions equal to a reduction of 5, 10, and 15 percent of administrative costs, respectively; overpayment rates above the target by 4, 5, and 6 percent result in sanctions of 25, 35, and 45 percent, respectively.

COMMITTEE PROVISION

While error rates have improved somewhat, apparently in response to the initial error rate system established in 1982, overissuances remain unacceptably high, and are projected to remain so. In response to this situation, the committee has adopted a provision to tighten further the error rate sanction system in the Food Stamp Program. Specifically, the bill provides that States will reimburse the Federal Government for the full benefit cost of all errors which exceed 7 percent. For error rates between 5 to 7 percent, the States would reimburse the Federal Government for 75 percent of the value of the benefits issued in error.

Thus, a State with an error rate of 6.5 percent would be liable for an amount equal to 75 percent of 1.5 percent of the benefits issued in the State. A State with an error rate of 8.0 percent would be sanctioned an amount equal to 75 percent of 2 percent of the benefits issued in the State and 100 percent of 1 percent of the benefits issued in the State.

The new sanction formula established by the committee is more equitable in that it bases liability strictly on losses to the Federal Government without regard to the level of administrative spending.

It should be emphasized that neither the system now in effect, nor that proposed in the committee bill, provides for full reimbursement of the benefit amounts erroneously issued. Rather, the error rate sanction system establishes thresholds for erroneous payments and imposes financial sanctions for a portion of the errors that exceed such thresholds. I should emphasize that the portion represented by the actual sanction is a mere fraction of the $900 million annually which is misspent through overissuances in the Food Stamp Program. Indeed, what we are talking about is that States have been held financially liable for under 10 percent of the cost of all overissuances, with the Federal Government absorbing 90 percent.

Frankly, it has long been my view that we should require greater State responsibility for overissuances. Indeed, that was the recommendation of the President's Task Force on Food Assistance as reported in January 1984.

I should emphasize, as the committee has emphasized, that the sanction system does not affect the benefits of legitimate recipients. Obviously, the sanction system does not affect recipient benefits at all.

It is the committee's expectation that States will respond to the new incentives of the committee's bill—just as they have responded to the initial Dole error rate sanction system. In all probability, not all States would be subjected to actual fiscal sanctions under the error rate sanction system recommended by the committee. Rather, it is hoped that States would respond to this new incentive by improving their administration of the Food Stamp Program. Federal taxpayers would be advantaged by the reduction in otherwise anticipated error rates and the consequent reduction in misspent Federal funds these error rates represent.

SUSPENSION OF SANCTIONS FOR OVERPAYMENTS

Frankly, the desire for a moratorium comes as something of a surprise to me. Prior to the amendment, there has been no legislation introduced in the Senate addressing any alleged shortcomings in the food stamp quality control system, nor recommending any sort of moratorium on collection for past overpayments made by the States that administer the program. Neither this provision, nor the alleged problems, have been the subject of hearings or other Agriculture Committee deliberations.

A suspension on the collection of sanctions would seriously undermine the efforts being undertaken to improve the administration of the Food Stamp Program at the very time we are finally beginning to see some results from the States in terms of lowering their overissuances.

If a moratorium were imposed, there is no longer any guarantee that the Federal Government would ever collect the sanctions owed. Indeed, the moratorium may be the first step toward that result.

Proponents of a moratorium point out that such a moratorium is already included in the reconciliation bill for the AFDC and Medicaid Programs. However, it should be noted that the Office of Management and Budget has already cited that moratorium as one cause for a possible Presidential veto and there may be attempts to make the bill more acceptable by striking that moratorium from the Senate bill. There are also significant differences between the AFDC/Medicaid Programs and the Food Stamp Program. A moratorium weakening the Food Stamp Program error rate sanction system would only weight down the reconciliation bill, further imperilling its ultimate enactment.

The majority leader, who also serves as the chairman of the Nutrition Subcommittee of the Committee on Agriculture, Nutrition, and Forestry, and Senator DOMENICI, the chairman of the Budget Committee, have outlined

in a recent "Dear Colleague" letter some of the rationale for maintaining the committee's error rate provision. Additionally, Secretary of Agriculture John Block has also outlined the administration's support for the committee provision in a recent letter to the majority leader.

I ask unanimous consent that these letters be printed at the conclusion of my remarks.

Mr. President, I hope this information will prove useful to my colleagues in understanding the importance of an effective error rate sanction system in the Food Stamp Program. The error rate sanction system is the only method the Federal Government has to ensure that the States will maintain an interest in good program administration and reduce the $900 million in annual losses caused by food stamp overpayments.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, DC, October 10, 1985.

DEAR COLLEAGUE: We are very concerned about the possibility that an amendment may be offered to the food stamp title of the Budget Reconciliation Bill (S. 1730), or the 1985 Farm Bill (S. 1714), which would effectively undermine the effectiveness of the error rate sanction system in the Food Stmp Program.

Since 1982, States have been required to reduce their overissuance errors or face sanctions reflecting the partial value of their overissuance errors. This system, originally proposed by Senator Dole, phased in a 5 percent error rate target over a period of three years. States are now responsible for a portion of the overissuances which exceed this 5 percent target, and must pay sanctions through an administrative funding mechanism.

When this system was originally developed, it was designed to meet the legitimate concerns of the Governors, state program administrators, U.S. Department of Agriculture, Congressional Budget Office, bipartisan members of the Senate Committee on Agriculture. Nutrition and Forestry, and certain advocacy groups—all of whom were represented and actively involved in the process. The final outcome (current law) represents a careful balancing of all of these interests. Therefore, we strongly oppose any effort to undermine this error rate sanction system now that it is having results.

Much progress has been made in reducing State overissuance error rates since the implementation of the Dole sanction system. This year's reconciliation bill contains a further strengthening of this system to provide slightly higher sanctions for States that continue to have unacceptably high error rates.

Although States are responsible for the administration of the Food Stamp Program, they have been reluctant to apply their own resources to improve program administration. Apparently, a contributing factor in the States' inaction is that food stamp benefits are totally federally funded. Therefore, for years prior to the sanction system, States had little incentive to strengthen their administrative procedures in the Food Stamp Program, because no loss of State funds was involved.

Suspension of the error rate sanction system in the Food Stamp Program would send a misleading signal to the States. Such a suspension would seem to indicate Congressional waivering with respect to the commitment to require greater accountability in the determination of food stamp eligibility and benefit levels.

Any proposal to weaken the error rate sanction system would be a serious blow against good program management, and we strongly feel that the Senate should reject this type of amendment. The error rate sanction issues as they relate to the Food Stamp Program differ from the AFDC and Medicaid programs and should be dealt with in their own context.

We are also concerned about the exaggeration that some States and their governors have engaged in to demonstrate support for a suspension. The contention has been made that States will have to pay significant sanctions; many Governors complain that their States cannot afford the sanctions. It is not the goal of the error rate sanction system to require heavy-handed payments to the Federal government. Rather, it was the intent that States invest in better management practices to achieve greater accountability in their administration of the Food Stamp Program. Only if certain States fail to take such corrective action will sanctions actually be levied by the Federal government. Based on the comparative financial conditions of the States (many of which have significant budget surpluses) and the Federal government (which has continuing massive deficits), it seems clear to us that the States can afford to invest in improved administrative techiques, or pay for part of the costs of overissuances. Currently, the Federal government absorbs the cost of over-issuances which consistently total about $900 million annually, only a portion of which is recovered through the error rate sanction system.

For these reasons, we hope that you will oppose any effort to weaken or suspend the effectiveness of the error rate sanction system in the Food Stamp Program.

Sincerely,

PETE DOMENICI,
Chairman, Budget Committee.
BOB DOLE,
Chairman, Subcommittee on Nutrition.

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, DC, October 18, 1985.

Hon. ROBERT DOLE,
Majority Leader, U.S. Senate, Washington, DC.

DEAR SENATOR BOB DOLE: An amendment may be offered to the Consolidated Omnibus Budget Reconciliation Act of 1985 that would seriously undermine progress in reducing Food Stamp Program error rates. The amendment would declare a two-year moratorium on the collection of sanctions levied against states with high food stamp error rates. In the interim, a study would be done. Also, the Senate Agriculture Committee's improvements in the accountability of that system would be stricken.

The food stamp quality control system is not perfect, but it does work. It reduces error in the program by establishing a modest fiscal incentive for states to tighten administration of the program. The system does this by holding states responsible for a small percentage of the costs of errors they make.

So far, over $200 million has been saved through food stamp error reduction because of the quality control system. It has proven that it works. This quality control system assists low-income persons in need of food assistance by preventing waste and abuse. By reducing misexpenditures, more funds are available to aid those most in need, and fewer needy people are denied benefits because of sloppy administration.

This amendment must be defeated. It would signal to the states a lack of federal commitment to program accountability. The quality control system, initially proposed by President Carter, is required due to the nature of the Food Stamp Program. Food stamp benefits are funded by the Federal government without state contribution. States pay less than 450 percent of the program administrative costs. In light of this funding structure, the food stamp quality control system stands as the sole fiscal incentive for responsible program management.

In our view, states should pay the entire cost of errors they make in excess of the 5 percent error rate that the federal government underwrites completely. The Senate Committee on Agriculture, Nutrition and Forestry moderated our suggestion by requiring states to pay only 75 percent of their errors in excess of 5 percent unless they have error rates above the 7 percent level. Though we would have preferred a more aggressive approach, the Senate Agriculture Committee has wisely moved to strengthen food stamp accountability. This is a reasonable intitiative. It would be a grave error to strike this initiative and undermine the progress we have already made, particularly in light of the House Bill.

We appreciate your support of sound management and your opposition to this amendment.

Sincerely,

JOHN R. BLOCK,
Secretary.

ORDERS FOR MONDAY, OCTOBER 28, 1985

Mr. SIMPSON. Mr. President, I inquire of the minority leader and ask him if he is in a position to adopt the following:

Mr. President, I ask unanimous consent that when the Senate convenes on Monday, October 28, 1985, the reading of the Journal be dispensed with, no resolutions come over under the rule, the call of the calendar be dispensed with, and, following the recognition of the two leaders under the standing order, there be special orders in favor of the Senator from Wisconsin, Mr. PROXMIRE and the Senator from Alabama Mr. HEFLIN, for not to exceed 15 minutes each to be followed by a period for the transaction of routine morning business not to extend beyond the hour of 11:45 a.m., with Senators permitted to speak therein for not more than 5 minutes each, and provided further that the morning hour be deemed to have expired.

The PRESIDING OFFICER (Mr. BOSCHWITZ). Is there objection? Without objection, it is so ordered.

EXECUTIVE SESSION

THE EXECUTIVE CALENDAR

Mr. SIMPSON. Mr. President, after inquiry with the Democratic leader, I ask unanimous consent that the Senate go into executive session to consider the following nominations on the Executive Calendar: Calendar Order No. 469, John S. Erthein; Calendar Order No. 470, Joseph A. Grundfest; Calendar Order No. 472, Natale H. Bellocchi; Calendar Order No. 473, Michael Sotirhos; Calendar Order No. 474, Clyde D. Taylor; Calendar Order No. 475, Robert G. Houdek; Calendar Order No. 476, Malcolm Richard Wilkey; Calendar Order No. 477, Richard Schifter; Calendar Order No. 478, Adele Langston Rogers; Calendar Order Nos. 479 through 482, Executive Office of the President; Calendar Order No. 483, Dwight A. Ink; Calendar Order No. 484, Dennis Eugene Whitfield; Calendar Order No. 485, Joyce A. Doyle; Calendar Order No. 486, Laurence H. Silberman; Calendar No. 487, John S. Rhoades, Sr.; Calendar Order No. 488, Lyle E. Strom; Calendar Order No. 489, Jose Antonio Fuste; Calendar Order No. 490, Richard H. Battey; Calendar Order No. 491, Roy C. Hayes, Jr.; Calendar Order No. 492, Donald R. Brookshier; and Calendar Order No. 493, Roger A. Yurchuck.

I believe the Senator from Wisconsin has a comment to make on one of the calendar nominations.

Mr. BYRD. Mr. President, may I just briefly respond to the distinguished majority whip. All of the nominees enumerated by the distinguished majority whip have been cleared on this side.

Mr. PROXMIRE. I have not cleared one nomination. I want to speak on that nomination.

Mr. BYRD. Mr. President, I correct the RECORD. All but one of the nominees enumerated by the distinguished majority whip have been cleared, the one to which name the distinguished Senator from Wisconsin will now address.

NOMINATION OF JOSEPH A. GRUNDFEST, TO BE A MEMBER OF THE SECURITIES AND EXCHANGE COMMISSION

Mr. PROXMIRE. Mr. President, I anticipate that the Senate will approve this nomination. I am not going to ask for a rollcall, but I do want to speak on it because I think it is a very important nomination and I think it is a tragic mistake that the President has made this nomination.

I say this because so often the Senate simply rolls over and goes to sleep on the nominations by the President. We have a constitutional responsibility to advise and consent. It is a solemn responsibility, and anybody who has read the Federalist Papers knows that the Founding Fathers intended for the Senate to take that very seriously. In fact, at one point, the Founding Fathers provided early in the deliberations that the Senate would make many of these appointments.

This is an appointment to the SEC, the Securities and Exchange Commission, an agency which I felt for a long time was the best agency in Government. It is independent, it is bipartisan, by law it is required to have both Democratic and Republican members, and it is one where I think the Senate should exercise particular concern.

Now, to say that this candidate is qualified, it seems to me, is like saying that a candidate for a basketball team would be qualified, in spite of the fact that he was slow, a lousy shot, has no defensive skills, is lazy, refuses to pass the ball to anyone else, is a dumb player, and, in addition to that, is 5 feet 2.

I think if such a candidate were offered to play on a professional team, they would say, "Are you kidding?" And the response would be, "Well, nobody is perfect." That would be applied to this candidate, unfortunately.

Recently, the Legal Times had this to report about Mr. Grundfest. The Legal Times is an objective, professional, careful publication. This is what it said about him in its September 30, 1985 edition.

> A sampling of securities lawyers around the country revealed that most had not even heard of Grundfest—currently a senior staff economist at the Council of Economic Advisers—until his name appeared in newspapers as a rumored frontrunner to get the nod.
>
> With hearings on his nomination set for October 2, the skepticism of the securities bar regarding Grundfest's nomination has been further fueled by learning that his securities law training apparently takes a back seat to his interest and training in economics.
>
> "It is interesting that very few people know much about him," observed Meyer Eisenberg, who is a professor of law at the University of California at Berkeley School of Law and a partner at Rosenman Colin Freund Lewis & Cohen. "You want someone who is experienced and you don't want the commissionership to be a training ground for someone to learn the ropes," continued Eisenberg.
>
> Eisenberg, whose comments were echoed by other securities lawyers who asked not to be identified, further observed, "You don't appoint someone to the commission just because he has the right ideology. That is one issue, but the position (also should be filled by) someone with a depth of experience as a lawyer or academic or in the (investment) industry."

I say this is tragic because the SEC has been a great agency.

I could not agree more with these sentiments. At the outset I want to point out that the article I am referring to about Mr. Grundfest is a balanced one and says many nice things about him. As the article points out, people who have worked with him in the past "attest to his intelligence, his penchant for hard work and even his charm, although they too acknowledge that he is not steeped in the practice of securities law."

But I believe that a brief stint as a staff counsel and economist on President Reagan's Council of Economic Advisers, and the authorship of one chapter in the 1985 Economic Report of the President on "The Market for Corporate Control" and corporate takeovers is not sufficient training to qualify Mr. Grundfest for one of the two vacant seats on the Securities and Exchange Commission.

Mr. President, this is why I made the analogy to a 5 foot 2 center in basketball. The qualifications are absent to begin with. The one qualification that made them select him was that he favors takeovers. I want to speak about that in just a minute.

It is clear that if Mr. Grundfest has any influence in the SEC it will be to push it toward easy approval of corporate takeovers. I can just see Carl Icahn, Boone Pickens, Saul Steinberg smiling. I am not smiling. I think one of the most serious economic problems that confronts this country is corporate debt. We talk around here about Federal debt. Federal debt is almost $2 trillion. Consumer debt is a problem. That is over $2 trillion. Corporate debt is $3 trillion and rising very rapidly.

Mr. President, one of the reasons it is rising rapidly and a major reason is because corporate takeovers push corporations into debt in two ways. Corporate takeover the way it is financed is by borrowing.

If the distinguished Presiding Officer who is a veteran businessman who is interested in taking over a corporation, even with his net worth, it would be necessary for him to borrow money. He would have to borrow a lot of it. Of course, when he borrowed that money what would he do when he got the corporation? What is done is the corporation itself bails out the people who take it over. It goes to debt. That is only part of the problem. The other part of the problem is that in order for a corporation to avoid being taken over, what do they do? They convert their equity into debt. They do it by borrowing money, enormous amounts of money, and buying stock from their stockholders and putting it in their treasury. This makes the corporation unattractive because it is already leveraged so heavily that it is very, very difficult for a corporation to take it over and expect to profit in any way, shape, or form.

Mr. President, I asked the nominee about this problem at the hearing. I ask unanimous consent that my question of Mr. Grundfest and his answer be printed in the RECORD at this point. They appear on pages 30 through 32 of the hearing record.

There being no objection, the information was ordered to be printed in the RECORD, as follows:

Senator PROXMIRE. On that debt situation, is that favorable? It seems to this Senator that there's no question that the takeovers have resulted in an enormous increase in debt by the targets, both whether they're successful or unsuccessful, and the result is that in many cases firms have transferred equity capital into debt capital. They're more fragile in the event of a recession. That doesn't seem to me to be an advantage for the economy or for the particular firm, the employees of the firm, or the community where the firm is located.

Mr. GRUNDFEST. Well, let me try to combine the response to both questions and look at the situation of what happened in the context of Phillips and also to consider the question about the consequences of increased leverage that result in certain situations as a consequence of takeover contests or of defensive strategies to takeover contests.

In the case of Phillips, in order to understand what's happening there, I believe it's important to understand what's happening in the petroleum industry in general, not just the United States but also worldwide. We have the situation where the price of the underlying commodity is declining. In the context where the price of the underlying commodity is declining, it makes less sense to invest more money in attempting to search out and produce more of the commodity whose value is on the decline.

To take a simple analogy from the case of the real estate market, if the price of condominiums is decreasing one doesn't want to go and build a new condominium in that kind of a situation.

Many oil companies are in situations where, despite the fact that the price of oil is declining, they continue to expend massive quantities of money in search of more oil. A question is raised often as to whether that would be a rational expenditure of the company's resources.

In a situation where a company enters into debt convenants and debt agreements where alternative use of those funds would be for expending them on exploration to find oil whose price is currently declining, we have a situation where the company is essentially dedicating its cash flow through to its stockholders, thereby increasing value to the stockholders, taking money that might otherwise have been spent in exploration for oil whose price is declining, and allowing the investors to turn elsewhere in the economy and invest that money in other projects—new computer companies, for example, or whatever else appears to have more attractive rate of return than might be available in the petroleum market at that time.

Mr. PROXMIRE. Mr. President, in that answer I think you can see why I am troubled with the Grundfest nomination. He said almost nothing about corporate debt. He said, something toward the end which did not seem very logical. In this great statement that he made in the President's economic report that was the basis for his being selected, he says nothing at all about what is the No. 1 economic problem of our country so severely affected by takeovers; that is, corporate debt, and the product of takeovers being a situation in our country where our corporations are far more vulnerable than they ever have been to recession. If people think we had trouble in the 1930's with a debt that we had at that time, the trouble we are going to have in the next recession is going to be much more serious because we have this combination of a huge Federal debt, a massive consumer debt, and a much bigger corporate debt.

Mr. Grundfest is 33 years old. During his working career he has held a variety of challenging jobs. He has worked summers at the Federal Communications Commission; U.S. Department of State; worked for a law firm; he worked at the Aspen Institute for Humanistic Studies, Rand Corp.; Peat, Marwich & Mitchell; and at Wilmer, Cutler & Pickering, in addition to his current position at the Council. those jobs are for impressive law firms. They do not show any particular sustained activity or pattern of interest in the securities industry or corporate finance.

As he pointed out in his confirmation statement before the Commission today "must address increasingly complex problems" and there is a danger that if the right individual is not selected as a Commissioner, "the Commission will become incapable of properly regulating a rapidly evolving and increasingly complex securities market."

Mr. President, I do not believe that Mr. Grundfest has the hands-on experience or background to be the kind of solid commissioner the SEC needs at a time like this. Even his former employer at Wilmer, Cutler & Pickering, has conceded that Mr. Grundfest doesn't have a great deal of business or securities law experience that is substantial. The job of an SEC Commissioner should not in fact be used as a training ground or academic exercise for someone to learn the ropes or test his or her theories. I will vote against Mr. Grundfest because, in my judgment, he does not have the depth of experience as a lawyer, an economist, an academic or a securities practitioner that I believe is currently required given the complexity and volume of important issues pending before the Commission.

Mr. President, let me finally say that the SEC is under the jurisdiction of the Banking Committee in the Senate. For 28 years I have served on that committee, including 6 years as chairman. We on the committee have acted on all of scores of nominations to the SEC during those 28 years. I have been deeply impressed with the quality of the SEC which has an outstanding reputation. In fact, until recently as I say, I did consider it literally the most efficient, the most competent, and the most aggressive in the public interest in Washington.

Mr. President, the SEC is only as good as its commissioners. In the judgment of this Senator, the SEC will take a sad step backward with the appointment of Joseph Grundfest. Failure of the Banking Committee and the Senate to challenge this appointment is unfortunately typical of the serious delinquency of the Senate in fulfilling its constitutional responsibilities under the advise and consent clause. The SEC is not and should not be part of the President's family. It is separate and distinct. It is independent. It is by law bipartisan. Mr. Grundfest has been appointed simply because he, like the Reagan administration, favors a permissive policy in corporate takeovers. He will be the SEC guru on takeovers. So here we go with a big boost from the administration to encouage a national takeover policy that has the most serious adverse implications for the American economy.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Without objection the Senate will proceed to executive session.

Mr. SIMPSON. Mr. President, I ask unanimous consent that the calendar items just identified be considered en bloc and confirmed en bloc.

The PRESIDING OFFICER. Is there objection? Without objection, the nominees are confirmed en bloc.

The nominees confirmed en bloc are as follows:

NATIONAL COUNCIL ON THE HANDICAPPED

John S. Erthein, of California, to be a member of the National Council on the Handicapped for a term expiring September 17, 1987, reappointment.

SECURITIES AND EXCHANGE COMMISSION

Joseph A. Grundfest, of the District of Columbia, to be a member of the Securities and Exchange Commission for the term expiring June 5, 1990.

DEPARTMENT OF STATE

Natale H. Bellocchi, of New York, a career member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Botswana.

Michael Sotirhos, of the District of Columbia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Jamaica.

Clyde D. Taylor, of Maryland, a career member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Paraguay.

Robert G. Houdek, of Illinois, a career member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Uganda.

Malcolm Richard Wilkey, of Texas, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Oriental Republic of Uruguay.

Richard Schifter, of Maryland, to be Assistant Secretary of State for Human Rights and Humanitarian Affairs, vice Elliot Abrams, resigned.

UNITED NATIONS

Adele Langston Rogers, of Maryland, to be an Alternate Representative of the United States of America to the 40th session

of the General Assembly of the United Nations.

EXECUTIVE OFFICE OF THE PRESIDENT

The following-named persons to be members of the Advisory Board of Radio Broadcasting to Cuba for the terms indicated:

For a term of 2 years:

Jose Luis Rodriquez, of Florida.

For terms of 3 years:

Joseph Francis Glennon, of Florida.

Danford L. Sawyer, Jr., of Florida.

Midge Decter, of New York, to be a member of the Advisory Board for Radio Broadcasting to Cuba for a term of 1 year.

John R. Silber, of Massachusetts, to be a member of the Advisory Board for Radio Broadcasting to Cuba for a term of 1 year.

Antonio Navarro, of New York, to be a member of the Advisory Board for Radio Broadcasting to Cuba for a term of 3 years.

U.S. INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

Dwight A. Ink, of Maryland, to be an Assistant Administrator of the Agency for International Development.

DEPARTMENT OF LABOR

Dennis Eugene Whitfield, of Virginia, to be Under Secretary of Labor.

FEDERAL MINE SAFETY AND HEALTH REVIEW COMMISSION

Joyce A. Doyle, of New York, to be a member of the Federal Mine Safety and Health Review Commission for the remainder of the term expiring August 30, 1986.

THE JUDICIARY

Laurence H. Silberman, of the District of Columbia, to be U.S. circuit judge for the District of Columbia circuit.

John S. Rhoades, Sr., of California, to be U.S. district judge for the southern district of California.

Lyle E. Strom, of Nebraska, to be U.S. district judge for the district of Nebraska.

Jose Antonio Fuste, of Puerto Rico, to be U.S. district judge for the district of Puerto Rico.

Richard H. Battey, of South Dakota, to be U.S. district judge for the district of South Dakota.

DEPARTMENT OF JUSTICE

Roy C. Hayes, Jr., of Michigan, to be U.S. attorney for the eastern district of Michigan for the term of 4 years.

Donald R. Brookshier, of Illinois, to be U.S. Marshal for the southern district of Illinois for the term of 4 years.

SECURITIES INVESTOR PROTECTION CORPORATION

Roger A. Yurchuck, of Ohio, to be a Director of the Securities Investor Protection Corporation for a term expiring December 31, 1987.

Mr. SIMPSON. Mr. President, I move to reconsider the vote by which the nominees were confirmed.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NOMINATION OF LYLE E. STROM, OF NEBRASKA TO BE U.S. DISTRICT JUDGE FOR THE DISTRICT OF NEBRASKA

Mr. ZORINSKY. Mr. President, I am pleased to support as nominee for the U.S. District Court Mr. Lyle Strom, a distinguished attorney from my home State of Nebraska.

Mr. Strom was born and raised in Omaha, NE. He received both his undergraduate and law degrees from Creighton University in Omaha, and has practiced law with distinction for over 30 years. Mr. Strom's election to the prestigious position of fellow to both the American College of Trial Lawyers and the International Academy of Trial Lawyers reflects the depth of respect he has earned from his peers in the legal community.

Lyle Strom has proven himself to be an outstanding attorney and clearly possesses the requisite professional qualifications to join the judiciary. In addition, I believe that Mr. Strom has the type of personal qualities that will enable him to become a truly outstanding district judge. Many of his colleagues have taken it upon themselves to praise Mr. Strom. They particularly cite his integrity, patience, compassion, and dedication to his family and community.

Mr. President, I am a small businessman by profession, not a lawyer. But from my vantage point, Lyle Strom appears to have the background, ability, and enthusiasm to uphold the commonsense, even-handed legal traditions of the State of Nebraska.

I urge the Senate to confirm Mr. Strom's nomination.

Mr. SIMPSON. Mr. President, I ask unanimous consent that the President be immediately notified that the Senate has given its consent to these nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. SIMPSON. Mr. President, I ask unanimous consent that the Senate now return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE CALENDAR

Mr. SIMPSON. Mr. President, I would inquire of the Democratic leader if he is in a position to adopt any of the following resolutions: Calendar No. 360 (S.J. Res. 227); Calendar No. 361 (S. Con. Res. 76); Calendar No. 362 (S. Res. 237); Calendar No. 363 (S.J. Res. 207); Calendar No. 364 (S. Res. 96); Calendar No. 365 (H.J. Res. 308); and Calendar No. 366 (H.J. Res. 322).

If so, I would then ask unanimous consent that the calendar items just identified be considered en bloc and agreed to en bloc, and all reported preambles be agreed to en bloc.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. Mr. President, there is no objection on this side.

Mr. SIMPSON. Mr. President, I renew my unanimous-consent request.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMENDING THE PEOPLE OF SWITZERLAND ON THE OCCASION OF HOSTING THE MEETING BETWEEN THE LEADERS OF THE UNITED STATES AND THE SOVIET UNION IN GENEVA, SWITZERLAND

The joint resolution (S.J. Res. 227) to commend the people and the sovereign conferation of the neutral nation of Switzerland for their contributions to freedom, international peace, and understanding on the occasion of the meeting between the leaders of the United States and the Soviet Union on November 19-20, 1985, in Geneva, Switzerland, was considered, ordered to be engrossed for a third reading, read the third time and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 227

Whereas Switzerland has long played a leading role among nations in the search for international peace and understanding, has generously provided its territory and assistance for international organizations and conferences, and its diplomatic services for arbitration and mediation of disputes among states; and

Whereas the government of Switzerland has for many years generously represented the diplomatic interests of other nations, including the United States, in lands where these nations have no relations; and

Whereas the United States and Switzerland share a common heritage, based on a commitment to political and religious freedom of expression, on our shared legacy of a constitutional and federal government, on our commitment to human rights and the dignity of the individual, and on our firm belief that a free-enterprise economy provides the greatest prosperity for the greatest number of people; and

Whereas Switzerland, and the beautiful and historic city of Geneva, ever mindful of their tradition and vocation in the search for international peace, have once again offered their territory and facilities for a major international meeting, on this occasion between the leaders of the United States and the Soviet Union, on November 19-20, 1985: Now, therefore, be it

Resolved by the Senate and the House of Representatives of the United States of America in Congress assembled, That it is the sense of the Congress that, in recognition of their many contributions and as an expression of the warm gratitude of the American people for the strong bonds of friendship which have long existed between our two great democracies, the people and nation of Switzerland are to be commended for all they have done throughout this century in the search for freedom, international peace, and understanding.

ASKING THE PRESIDENT TO BRING THE RIGHTS OF THE POLISH PEOPLE TO THE ATTENTION OF THE SOVIET GOVERNMENT

The Senate proceeded to consider concurrent resolution (S. Con. Res. 76) asking that the President bring the

rights of the Polish people to the attention of the Soviet Government.

Mr. HART. Mr. President, just a few days ago Poland's military regime held a one-party election that excluded all opposition. That symbol of continued agression makes this a most fitting time for the U.S. Senate to declare its solidarity with the Polish people in their struggle for human rights.

The Solidarity movement and the Polish free underground is today declaring, in the words of the national anthem, "As long as we are alive. Poland is not yet lost." Poland lives on despite a military machine that fulfills the will of Moscow. It lives on despite a secret police that murders priests in cold blood. Poland lives on in the men and women of the Polish working class, the intellectuals, and the clergy who are not afraid to confront dictatorship with the dignity of a free people.

We in the U.S. Senate are privileged to stand in support of these people as they struggle peacefully to change a regime which does not represent their national aspirations for freedom. In support of this democratic struggle which has inspired the whole world, I urge my colleagues to vote in favor of this resolution.

The concurrent resolution (S. Con. Res. 76) was agreed to.

The preamble was agreed to.

The concurrent resolution, and the preamble, are as follows:

S. CON. RES. 76

Whereas the successive governments of the Polish People's Republic have continued their repression of the natural rights of the people of that country, and have done so largely because the police and military powers of the Soviet Union require it;

Whereas the Polish regime, notwithstanding the pledges it made by signing the Helsinki accords of 1975, has done little for "the promotion of human rights", but has instead harassed and arrested citizens whose offense was to make attempts to monitor the Government's fulfillment of its international obligations under the accords;

Whereas few, if any, of the scores of formal agreements the Government signed with the Solidarity Free Trade Union have been honored; and this union which Government spokesmen in February 1981 called a permanent part of the Government structure has been declared illegal; and every kind of legal and illegal pressure is being applied to workers to join state unions organized by the Communist government;

Whereas some fifteen political and religious activists have died in police custody or under suspicious circumstances since the end of martial law, while many others have been beaten or tortured, and some who were freed in much publicized amnesties have since been reinterned; and

Whereas the Government of Poland has adapted new legal measures that make Polish civil law increasingly difficult to distinguish from martial law, including new police rights to search without a warrant, and the empowerment of courts to arrest, convict, sentence, and jail anyone for political or other crimes all within a forty-eight-hour period and without a trial; Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of this Congress that the President of the United States should raise with Soviet authorities at the highest level the matter of the continuing and thorough suppression of independent speech and peaceful political activity in Poland, and that by so doing the President raises and defends the principles of human rights as embodied in the Helsinki accords.

SUPPORTING THE INTENT OF THE PRESIDENT TO DISCUSS WITH LEADERS OF THE SOVIET UNION AMERICAN CONCERNS WITH THE SOVIET PRESENCE IN AFGHANISTAN

The Senate proceeded to consider the resolution (S. Res. 237) supporting the intent of the President to discuss with leaders of the Soviet Union American concerns with the Soviet presence in Afghanistan, and for other purposes.

Mr. HUMPHREY. Mr. President, in 2 months the Soviet Union will mark the sixth anniversary of the brutal invasion of Afghanistan. The Soviets have been engaged in the struggle for Afghanistan longer than they fought during the Second World War. The past 6 years have been calamitous for the innocent people of Afghanistan who have been subjected to Nazi-like atrocities perpetrated by 115,000 Soviet troops that are now occupying their country. Over 1 million Afghans have died as a direct result of the Soviet invasion, and almost one-third of the prewar population has fled Afghanistan. The most defenseless element of the Afghan society—children—have not been spared the Soviet barbarities. Thousands of children have been kidnaped from their parents and shipped to Soviet indoctrination camps where they are taught to fight on behalf of the Soviets. Children who escape such a fate, face being maimed or killed by toy butterfly bombs, murdered by Soviet incursions in villages, or a childhood in Pakistani refugee camps.

Despite international condemnations for their murderous policies in Afghanistan, the Soviets have pursued a business as usual approach. The frightening and disturbing reality however is that this has gone largely unnoticed by the vast majority of the world. This is no accident. The Soviet Union has succeeded in bringing down a dark curtain which masks their barbarities from the rest of the world. Consequently, they have escaped the various pressures, both diplomatic and political, which otherwise may have convinced them that a policy of genocide, perpetrated against a defenseless people, is not in their interest.

Last week, several hundred people, many of them Holocaust survivors, gathered here in Washington for the groundbreaking of the U.S. Holocaust Memorial Museum. Holocaust survivor Elie Wiesel addressed that gathering and urged that we all use the museum to learn what "human beings can do to other people" for if we forget, "despair is inevitable." This year, 40 years after the liberation of Auschwitz, we are confronted with a nation which is perpetrating policies similar to those of the Nazis. As a nation, we must decide if we will ignore the massive human rights violations, or if we will spread the Afghan story—so the world can make its own judgement on Soviet ambitions and tactics in Afghanistan. Mr. President, the Soviet Union has employed every tactic possible to conceal this story from the rest of the world. Soviet Ambassador to Pakistan Vitaly Smirnov has gone so far as to warn journalists: "Stop trying to penetrate Afghanistan with the so-called Mujahedin. From now on, the bandits and the so-called journalists—French, American, British and others—accompanying them will be killed." The barbarous murder of Arizona Republic Journalist Charles Thornton underscores how far the Soviets will go to keep the world from knowing the truth in Afghanistan.

Mr. President, American and Soviet leaders have met at many critical times in the past 40 years. However, an American President has never met with a Soviet leader while the Soviets were occupying and destroying the population of a foreign country on a scale similar to that in Afghanistan. We know too well the history of Soviet expansionism since the conclusion of the Second World War. However, in Afghanistan the Soviet Union is engaged in more than the subjugation of a foreign nation, they are engaged in the physical annihilation of a nation.

Mr. President, this country has always maintained that we favored and would only accept, a negotiated settlement to the conflict in Afghanistan that was agreeable to all interested parties and that fulfilled the four points as laid out in the annual United Nations resolutions on Afghanistan. These conditions are first, the complete withdrawal of all foreign troops, second, the restoration of the independent and nonaligned status of Afghanistan, third, the return of the refugees in safety and honor and, fourth, the right to self-determination for the Afghan people.

It is inconceivable that the United States would expect an agreement that did not take into consideration the needs and views of the resistance to effectively bring about true peace and self-determination for the Afghan people. Given repeated statements by the administration supporting democratic resistance movements around the world, and reemphasized by President Reagan's speech to the General

Assembly that "until such time as these negotiations result in definitive progress, America's support for struggling democratic resistance forces must not and shall not cease," how could the United States guarantee any agreement that was not the product of negotiations between all interested parties including the Afghan resistance. Only in this way will a negotiated settlement truly give that Afghans what they have demanded and what the United States has always maintained is their right, to determine their own destiny free from outside interference and coercion.

This resolution should send a clear message to the President and to the people of Afghanistan that the U.S. Senate unanimously supports a strict adherence to the four points endorsed by U.N. Resolutions 35/37, 36/34, 37/37, 38/29 and 39/13. Only by insuring that all the parties to the conflict, including the resistance, are included in any agreeable settlement, will this brutal conflict be brought to an end. No other agreement is workable. No other agreement serves the interests of the Afghans. And no other agreement is in the best interests of the American people.

The Senate resolution (S. Res. 237) was agreed to.

The preamble was agreed to.

The resolution, and the preamble, as as follows:

S. RES. 237

Whereas military forces of the Union of Soviet Socialist Republics invaded Afghanistan in December 1979;

Whereas there are at present more than 115,000 Soviet troops engaged in the systematic destruction of Afghanistan through a scorched earth policy which includes the destruction of crops, water and food supplies, the agricultural infrastructure, and villages, and includes the widespread killing of innocent civilians;

Whereas Soviet tactics in Afghanistan have directly caused the following: a refugee population in Iran and Pakistan of more than three million, the largest refugee population in the world; hundreds of thousands of war-related casualties; deprivation and suffering for most Afghan citizens; and the possibility of large-scale famine;

Whereas Soviet troops and their Afghan proxies have employed the use of chemical weapons against innocent Afghans;

Whereas the human rights abuses perpetrated by Soviet troops against the Afghan population, including women, children, and the elderly, have been thoroughly documented by the report from Helsinki Watch entitled "Tears, Blood and Cries" and by the report on the situation of human rights in Afghanistan prepared for the Economic and Social Council of the United Nations;

Whereas both the United States and the United Nations have repeatedly called for a peaceful, negotiated settlement of the conflict, including the immediate withdrawal of all foreign troops from Afghanistan; and

Whereas no President of the United States has met directly with the head of the Soviet Union since the invasion of Afghanistan in December 1979: Now, therefore, be it

Resolved, That the Senate, in an effort to bring about an end to the massive human rights abuses and murderous policies which the Soviet Union is perpetrating against the population of Afghanistan—

(1) strongly supports President Reagan's intent to discuss directly with Soviet leaders American concerns with the Soviet presence in Afghanistan; and

(2) calls upon the President to reiterate the desire of the United States to achieve a negotiated political settlement agreeable to all interested parties in Afghanistan, which settlement should include—

(A) the complete withdrawal of all foreign troops;

(B) the restoration of the independent and nonaligned status of Afghanistan;

(C) self-determination for the Afghan people; and

(D) the return of Afghan refugees with safety and honor.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to the President.

NATIONAL PHILANTHROPY DAY

The Senate proceeded to consider the joint resolution (S.J. Res. 207) to designate November 1, 1985, as "National Philanthropy Day."

Mr. WILSON. Mr. President, I rise today in support of Senate Joint Resolution 207, a resolution that I introduced on September 26, 1985, that would honor one of America's greatest resources—the American philanthropic community. This resolution would designate November 1, 1985 as National Philanthropy Day. It is endorsed by this Nation's philanthropic community and will serve as a way for America to rally behind and express its appreciation for its philanthropies.

America's philanthropic community consists of some 800,000 organizations and million employees and volunteers. These organizations are supported by private gifts that, since 1981, have exceeded $70 billion per year from more than 30 million Americans. This community includes our churches and synagogues, hospitals and research centers, colleges and universities, Boy Scouts and Brownies, little league and YMCA, and the myriad of associations that care and protect the elderly and the young, the poor and the hungry, and the abused and the neglected.

The private sector involvement in philanthropy represents the most positive approach to tackling social programs. Without such support, the Government would be compelled to increase direct aid to help feed, clothe, house, and care for the needy in America and throughout the world. Medicine, education, and the arts are also among the vital institutions which depend on philanthropic support.

Philanthropic organizations are devoted to not only improving the lives of all Americans, but also to enhancing the quality of life for people throughout the world. American philanthropic organizations are the backstop of our society. When an individual has nowhere left to turn, there is always a philanthropic organization there to lend assistance. Whether you recognize it or not, these organizations have touched all of us.

It has been said that "the resources of our civilization are never exhausted." I hope that all Americans will not only join in with Congress in this tribute, but also look into their hearts to see what they can do to improve the lives of others.

I am pleased that so many of my colleagues have chosen to cosponsor Senate Joint Resolution 207. These cosponsors are Senators BOSCHWITZ, BRADLEY, BUMPERS, BURDICK, CRANSTON, DECONCINI, DOLE, DOMENICI, EVANS, EXON, GOLDWATER, HATCH, HAWKINS, KASSEBAUM, LAUTENBERG, LAXALT, LEVIN, MATSUNAGA, NUNN, PELL, PRYOR, RIEGLE, ROCKEFELLER, SIMON, STENNIS, THURMOND, WEICKER, and ZORINSKY.

I hope all of my colleagues will join me in honoring this Nation's philanthropies, and those individuals that participate in, and contribute to, philanthropic endeavors, by supporting this legislation. Certainly, this honor is well deserved and long overdue.

The joint resolution (S.J. Res. 207) ordered to be engrossed for a third reading, read the third time and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 207

Whereas there are more than eight hundred thousand nonprofit philanthropic organizations in the United States, employing more than ten million individuals, including approximately four million five hundred thousand volunteers;

Whereas contributions by people of the United States to support such organizations amounted to approximately $70,000,000,000 in 1984;

Whereas philanthropic organizations are largely responsible for enhancing the quality of life for Americans and other people throughout the world;

Whereas our Nation owes a great debt to the schools, churches, museums, art and music centers, youth groups, hospitals, research institutions, and other institutions and organizations which aid and comfort the elderly, the disadvantaged, and the sick; and

Whereas the people of the United States should demonstrate their gratitude and support for philanthropic organizations and the efforts, skills, and resources of individuals who carry out their missions: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That November 1, 1985, is designated as "National Philanthropy Day", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such day with appropriate ceremonies and activities.

CENTENNIAL OBSERVANCE OF THE UNIVERSITY OF ARIZONA

The resolution (S. Res. 96) relating to the centennial observance of the University of Arizona, was considered, and agreed to.

The preamble was agreed to.

The resolution, and the preamble, are as follows:

S. RES. 96

Whereas the Arizona Territory's thirteenth legislature established the University of Arizona at Tucson in 1885;

Whereas the early accomplishments of the University of Arizona in mining and agriculture led the development of the Arizona Territory;

Whereas the University of Arizona has made valuable contributions to the national defense;

Whereas the University of Arizona has continued and improved its excellent service to the people of Arizona;

Whereas the University of Arizona has grown to be one of the major academic and research universities in the world, upholding the highest standards of academic excellence, and achieving leadership in every field of research; and

Whereas the University of Arizona is prepared to apply the pride and knowledge of its first century to challenges of the second: Now, therefore, be it

Resolved, That the United States Senate hereby recognizes the achievements of the University of Arizona in honor of its centennial observance.

BENIGN ESSENTIAL BLEPHAROSPASM AWARENESS WEEK

The joint resolution (H.J. Res. 308) designating the week beginning on October 20, 1985, as "Benign Essential Blepharospasm Awareness Week," was considered, ordered to a third reading, read the third time, and passed.

The preamble was agreed to.

NATIONAL SUDDEN INFANT DEATH SYNDROME AWARENESS MONTH

The Senate proceeded to consider the joint resolution (H.J. Res. 322) to provide for the designation of October 1985 as "National Sudden Infant Death Syndrome Awareness Month."

Mr. DURENBERGER. Mr. President, I would like to thank my distinguished colleagues, Senators ZORINSKY, BURDICK, HOLLINGS, KASSEBAUM, BOSCHWITZ, DOLE, PROXMIRE, ABDNOR, MATHIAS, WEICKER, FORD, MCCLURE, LEAHY, CHAFEE, CRANSTON, PACKWOOD, DANFORTH, HEINZ, BAUCUS, LEVIN, MURKOWSKI, METZENBAUM, BYRD, LUGAR, and SARBANES, for lending their support to this most important issue.

Mr. President, each year more than 7,000 American infants succumb to sudden infant death syndrome. Normal and healthy infants between the ages of 1 week and 1 year are stricken by SIDS without any regard to social class, ethnic group, economic stratum, or region of the country.

Most infants die unobserved during a normal sleep period without warning and without prior medical indicators. Mr. President, sudden infant death syndrome has become known as the leading cause of post-neo-natal death in the United States. A SIDS death or crib death often causes unique and particularly traumatic problems for the families of victims. Because SIDS is neither well known nor understood among the general public, families of SIDS victims often survive the initial shock of the death of their child, only to find themselves suspected of child abuse or neglect. Even when an autopsy results in a formal finding of SIDS as the cause of death, the veil of suspicion can result in an additional burden of guilt to the lives of these families.

The death of any child is a terrible tragedy which can totally disrupt the lives of parents and siblings. Greater public awareness and understanding would be invaluable in helping the parents of victims avoid the added mental anguish of guilt and despair.

Indeed, my own experience with SID has had a profound effect on my commitment to eliminating this pernicious killer. It was less than 3 years ago when I received a phone call about 5 o'clock in the morning from one of my legislative assistants who said only, "Something terrible has happened, our baby is dead." SIDS is an issue we struggle to understand and resolve, and certainly an issue which needs our support and resources.

Mr. President, I call attention to the fact that in 1974, Congress passed legislation to provide for counseling projects and medical protocols in SIDS cases. Our commitment to SIDS has strengthened during the 11 years since this legislation was passed. There continues to be however, a clear need for greater awareness of Sudden Infant Death Syndrome.

The National Institute of Child Health and Human Development [NICHD] has the primary Federal responsibility for SIDS research. Due to the suspected implication of the nervous system as well as the circulatory and respiratory systems as the cause of death, the National Institute of Neurological and Communicative Disorders and Stroke, and the National Heart, Lung and, Blood Institute have pooled their resources with NICHD in order to find the cause of SIDS.

Although there are no specific line-item appropriations or authorizations for SIDS—funding for 1984 was $18,603,000; is estimated $21,217,000 in 1985; and it is estimated that funding may exceed $20,116,000 for 1986. Although significant progress has been made over the last few years, still more research needs to be conducted in order to discover ways to prevent losses due to sudden infant death.

Mr. President, it is important to recognize the unselfish contributions made by thousands of individuals who have devoted their own personal resources to the discovery of infants at risk. Mr. President, I am proud to bring to the attention of my colleagues and the American public a SIDS conference which brought doctors, researchers and parents from around the country to Baylor University Medical Center, Dallas, TX, on October 9, 1985.

The conference was sponsored by the Dallas/Fort Worth area SIDS chapters and the north Texas SIDS Information and Counseling Project. The conference is made possible through a grant in aid from the Meed Johnson nutrition division.

Dr. Ralph Franciosi, medical director of Minnesota SIDS Center and chief of pediatric pathology at Children's Medical Center in Minneapolis, MN, was the main speaker at this conference. For the 10 years I have known Dr. Franciosi, he has dedicated his life to the study of SIDS and to generating greater public education and community resources.

A great deal has been accomplished by the willingness of volunteers who cared the most about this issue. It is imperative that we continue to broaden public knowledge and recommit national resources to the development of technology needed to eradicate SIDS in our lifetime.

The joint resolution (H.J. Res. 322) was ordered to a third reading, read the third time, and passed.

The preamble was agreed to.

Mr. SIMPSON. Mr. President, I move to reconsider the vote by which the resolutions and joint resolutions were agreed to or passed.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

FLEXIBLE AND COMPRESSIVE WORK SCHEDULES FOR FEDERAL EMPLOYEES

Mr. SIMPSON. Mr. President, after inquiring of the Democratic leader, I ask unanimous consent that the Senate now turn to calendar item No. 367, H.R. 3605, a bill to extend flexitime through December 31, 1985.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 3605) to provide that the authority to establish and administer flexible and compressive work schedules for Federal Government employees be extended through December 31, 1985.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the bill (H.R. 3605) was considered, ordered to

a third reading, read the third time, and passed.

ROUTINE MORNING BUSINESS

Mr. SIMPSON. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

TELEVISION AND RADIO COVERAGE OF SENATE PROCEEDINGS

Mr. BYRD. Mr. President, I submit a resolution to provide television and radio coverage of Senate debates. I ask unanimous consent that the resolution be printed in the RECORD and, of course, that it be referred to the appropriate committees.

The PRESIDING OFFICER. Without objection, it is so ordered.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

S. RES. 245

Resolved, That (a) the Senate hereby authorizes and directs that there be both television and radio broadcast coverage (together with videotape and audio recordings) of proceedings in the Senate Chamber.

(b) Such broadcast coverage shall be—

(1) provided in accordance with provisions of this resolution;

(2) provided continuously except for any time when a meeting with closed doors is ordered; and

(3) provided that during any television and/or radio broadcasts, time shall be divided and controlled in such way as to assure equal time to both the Majority and Minority Parties; and

(4) provided subject to the provisions pertaining to the Senate gallery contained in the following Standing Rules of the Senate: rule XIX, paragraphs 6 and 7; rule XXV, paragraph 1(n); and rule XXXIII, paragraph 2; and

(5) provided that the Senate shall be in session on Mondays, Tuesdays, and Thursdays, with committee meetings scheduled on days and/or times the Senate is not to be in session.

SEC. 2. The radio and television broadcast of Senate proceedings shall be—

(a) supervised and operated by the Senate, and

(b) made available on a "live" basis and free of charge to (1) any accredited member of the Senate Radio and Television Correspondents Gallery, (2) the coaxial cable system of the Architect of the Capitol, and (3) such other news gathering, educational, or information distributing entity as may be authorized by the Committee on Rules and Administration to receive such broadcasts.

SEC. 3. The television broadcast of Senate proceedings shall follow the Presiding Officer and Senators who are recognized to speak by the Presiding Officer (including Senators who are so recognized with the consent of another Senator to interrupt such other Senator).

SEC. 4. (a) The broadcast coverage by radio and television of the proceedings of the Senate shall be implemented as provided in this section.

(b) The Architect of the Capitol, in consultation with the Sergeant at Arms and Doorkeeper of the Senate, shall—

(1) construct necessary broadcasting facilities for both radio and television (including a control room and the modification of Senate sound and lighting fixtures);

(2) employ necessary expert consultants; and

(3) acquire and install all necessary equipment and facilities to (A) produce a broadcast-quality "live" audio and color video signal of such proceedings, and (B) provide an archive-quality audio and color video tape recording of such proceedings:

Provided, That the Architect of the Capitol, in carrying out the duties specified in clauses (1) through (3) of this subsection, shall not enter into any contract for the purchase or installation of equipment, for the employment of any consultant, or for the provision of training to any person, unless the same shall first have been approved by the Committee on Rules and Administration.

(c) The Sergeant at Arms and Doorkeeper of the Senate shall (1) employ such staff as may be necessary, working in conjunction with the Senate Recording and Photographic Studios, to operate and maintain all broadcast audio and color video equipment installed pursuant to this resolution, (2) make audio and video tape recordings of Senate proceedings, (3) make copies of such recordings available, upon payment to him of a fee fixed therefor by the Committee on Rules and Administration, to Members of the Senate and to each person described in subsection (b) (1) and (3) of section 2 of this resolution, and (4) retain for ninety days after the day any Senate proceedings took place, such recordings thereof, and as soon thereafter as possible, transmit to the Librarian of Congress and to the Archivist of the United States copies of such recordings: *Provided*, That the Sergeant at Arms and Doorkeeper of the Senate, in carrying out the duties specified in clauses (1) and (2) of this subsection, shall comply with appropriate Senate procurement and other regulations.

(d) The Librarian of Congress and the Archivist of the United States shall each receive, store, and make available to the public, at no cost for viewing or listening on the premises where stored and upon payment of a fee equal to the cost involved through distribution of taped copies, recordings of Senate proceedings transmitted to them by the Sergeant at Arms and Doorkeeper of the Senate.

SEC. 5. (a) As soon as practicable after the necessary equipment has been installed, there shall begin a test period during which tests of radio and television coverage of Senate proceedings shall be conducted by the staffs of the Committee on Rules and Administration and of the Office of the Sergeant at Arms and Doorkeeper of the Senate. Such test period shall end on such date as may be agreed upon by the majority leader, the minority leader, the chairman of the Committee on Rules and Administration, and the ranking minority member of such committee.

(b) During such test period—

(1) final procedures for camera direction control shall be established;

(2) coverage of Senate proceedings shall not be transmitted to any outside source, and

(3) recordings of Senate proceedings shall be made and retained by the Sergeant at Arms and Doorkeeper of the Senate.

SEC. 6. The use of tape duplications of broadcast coverage of the proceedings of the Senate for political or commercial purposes is strictly prohibited; and any such tape duplication furnished to any person shall be made on the condition that it not be used for political or commercial purposes.

SEC. 7. Any changes in the regulations made by this resolution shall be made only by Senate resolution. However, the Committee on Rules and Administration may adopt such procedures and such regulations, which do not contravene the regulations made by this resolution, as it deems necessary to assure the proper implementation of the purposes of this resolution.

SEC. 8. Such funds as may be ncecessary (but not in excess of $2,500,000) to carry out this resolution shall be expended from the contingent fund of the Senate.

SEC. 9. Rule XXVI, paragraph 7. (a)(1), is amended to read as follows:

"7. (a)(1) Except as provided in this paragraph, each committee, and each subcommittee thereof is authorized to fix the number of its members (but not less than one-third of its entire membership) who shall constitute a quorum thereof for the transaction of such business as may be considered by said committee, except that no measure or matter or recommendation shall be reported from any committee unless a majority of the committee are physically present, and no report or legislative or executive measure or matter from a committee shall be accepted at the desk except on the representation of the committee chairman that it was not reported by polling."

SEC. 10. Rule XXX, paragraph 1(b), is amended to read as follows:

"(b) When a treaty is reported from a committee with or without amendment, it shall, unless the Senate unanimously otherwise direct, lie over one day for consideration; after which it may be read a second time, after which amendments may be proposed. At any stage of such proceedings the Senate may remove the injunction of secrecy from the treaty."

SEC. 11. Rule XII, paragraph 1, is amended by striking the first clause thereof and inserting in lieu thereof the following:

"Except as provided in subparagraph 5 of this rule, when the yeas and nays are ordered,".

SEC. 12. Rule XII is amended by adding at the end thereof the following new paragraphs:

"5. Whenever the Majority Leader, with concurrence of the Minority Leader, shall determine, the names of Senators voting upon any roll call shall be recorded by electronic device. Senators shall have not more than fifteen minutes from the beginning of the roll call to have their vote recorded.

"6. The Majority Leader, with concurrence of the Minority Leader, may announce that any recorded vote that is scheduled to or does occur immediately after another recorded vote shall be no longer than five minutes in duration.".

SEC. 13. Paragraph 4 of rule XVI of the Standing Rules of the Senate is amended—

(1) by inserting "(a)" after "4"; and

(2) by adding at the end of such paragraph the following new subparagraph:

"(b) If a point of order is made by any Senator against an amendment to a general appropriations bill on the ground that such amendment proposes general legislation or proposes a limitation or restriction not authorized by law and is to take effect or cease to be effective upon the happening of a con-

tingency, it shall not be in order to raise the defense of germaneness unless there is House legislative language on that subject contained in the bill."

SEC. 14. Rule XVII, par. 5, of the Standing Rules of the Senate is amended to read as follows:

"5. Any measure or matter reported by any standing committee shall not be considered in the Senate unless the report of that committee upon that measure or matter has been available to Members for at least two calendar days (excluding Sundays and legal holidays) prior to the consideration of that measure or matter. If hearings have been held on any such measure or matter so reported, the committee reporting the measure or matter shall make every reasonable effort to have such hearings printed and available for distribution to the Members of the Senate prior to the consideration of such measure or matter in the Senate. This paragraph—

(1) may be waived by joint agreement of the Majority Leader and the Minority Leader of the Senate; and

(2) shall not apply to—

(A) any measure for the declaration of war, or the declaration of a national emergency, by the Congress, and

(B) any executive decision, determination, or action which would become, or continue to be, effective unless disapproved or otherwise invalidated by one or both Houses of Congress."

SEC. 15. Rule XV of the Standing Rules of the Senate is amended—

(1) by inserting after "Motions" in the caption a semicolon and the following: "GERMANENESS";

(2) by adding at the end thereof the following new paragraph:

"6. (a) At any time during the consideration of a bill or resolution, it shall twice be in order during a calendar day to move that no amendment, other than the reported committee amendments, which is not germane or relevant to the subject matter of the bill or resolution, or to the subject matter of an amendment proposed by the committee which reported the bill or resolution, shall thereafter be in order. The motion shall be privileged and shall be decided after one hour of debate, without intervening action to be equally divided and controlled by the Majority Leader and the Minority Leader or their designees.

"(b) If a motion made under subparagraph (a) is agreed to by an affirmative vote of three-fifths of the Senators present and voting, then any floor amendment not already agreed to (except amendments proposed by the Committee which reported the bill or resolution) which is not germane or relevant to the subject matter of the bill or resolution, or the subject matter of an amendment proposed by the committee which reported the bill or resolution, shall not be in order.

"(c) When a motion made under subparagraph (a) has been agreed to as provided in subparagraph (b) with respect to a bill or resolution, points of order with respect to questions of germaneness or relevancy of amendments shall be decided without debate, except that the Presiding Officer may entertain debate for his own guidance prior to ruling on the point of order. Appeals from the decision of the Presiding Officer on such points of order shall be decided without debate.

"(d) Whenever an appeal is taken from a decision of the Presiding Officer on the question of germaneness of an amendment, or whenever the Presiding Officer submits the question of germaneness or relevancy of an amendment to the Senate, the vote necessary to overturn the decision of the Presiding Officer or hold the amendment germane or relevant shall be two-thirds of the Senators present and voting. No amendment proposing sense of the Senate or sense of the Congress language that does not directly relate to the measure or matter before the Senate shall be considered germane."

SEC. 16. Paragraph 2 of Rule XXII of the Standing Rules of the Senate is amended to read as follows:

"2. Notwithstanding the provisions of Rule II or Rule IV or any other rule of the Senate, at any time a motion signed by sixteen Senators, to bring to a close the debate upon any measure, motion, other matter pending before the Senate, or the unfinished business, is presented to the Senate, the Presiding Officer, or clerk at the direction of the Presiding Officer, shall at once state the motion to the Senate, and one hour after the Senate meets on the following calendar day but two, he shall lay the motion before the Senate and direct that the clerk call the roll, and upon the ascertainment that a quorum is present, the Presiding Officer shall, without debate, submit to the Senate by a yea-and-nay vote the question:

"Is it the sense of the Senate that the debate shall be brought to a close?"

"And if that question shall be decided in the affirmative by two-thirds of the Senators present and voting—except on a measure or motion to amend the Senate rules, in which case the necessary affirmative vote shall be two-thirds of the Senators duly chosen and sworn—then said measure, motion, or other matter pending before the Senate, or the unfinished business, shall be the unfinished business to the exclusion of all other business until disposed of.

"Except by unanimous consent, no amendment shall be proposed after the vote to bring the debate to a close, unless it had been submitted in writing to the Journal Clerk by 1 o'clock p.m. on the day following the filing of the cloture motion if a complete substitute, and by 1 o'clock p.m. two days following the filing of the cloture motion if an amendment in the first degree, or beginning of the cloture vote if an amendment in the second degree. No dilatory motion, or dilatory amendment, or amendment not germane shall be in order. Points of order, including questions of relevancy, and appeals from the decision of the Presiding Officer, shall be decided without debate. Whenever an appeal is taken under this rule from a decision of the Presiding Officer on the question of germaneness of an amendment, the vote necessary to overturn the decision of the Presiding Officer shall be two-thirds of the Senators, present and voting.

"After no more than twenty hours of consideration of the measure, motion, or other matter on which cloture has been invoked, the time to be equally divided and controlled by the Majority and Minority Leaders or their designees, the Senate shall proceed, without any further debate on any question, to vote on the final disposition thereof to the exclusion of all amendments not then actually pending before the Senate at that time and to the exclusion of all motions, except a motion to table, or to reconsider and one quorum call on demand to establish the presence of a quorum (and motions required to establish a quorum) immediately before the final vote begins.

"If, for any reason, a measure or matter is reprinted after cloture has been invoked, amendments which were in order prior to the reprinting of the measure or matter will continue to be in order and may be conformed and reprinted at the request of the amendment's sponsor. The conforming changes must be limited to lineation and pagination.

"No Senator shall call up more than two amendments until every other Senator shall have had the opportunity to do likewise.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-1918. A communication from the chairman of the Federal Home Loan Bank Board transmitting, pursuant to law, a report on a 1982 violation of the Antideficiency Act; to the Committee on Appropriations.

EC-1919. A communication from the Administrator of the National Aeronautics and Space Administration transmitting, pursuant to law, a report on the determination to reprogram certain appropriated funds for certain project modifications; to the Committee on Commerce, Science, and Transportation.

EC-1920. A communication from the Director of the Office of Management and Budget transmitting, pursuant to law, a Soil Conservation Service Plan for the English Coulee Watershed, North Dakota; to the Committee on Environment and Public Works.

EC-1921. A communication from the President of the United States transmitting, pursuant to law, notice of his intention to remove Portugal from the list of beneficiary developing countries under the GSP Program; to the Committee on Finance.

EC-1922. A communication from the general counsel of the Department of the Treasury transmitting a draft of proposed legislation to establish an orderly system for payment of Treasury checks, issuance of replacements, and for other purposes; to the Committee on Finance.

EC-1923. A communication from the Assistant Secretary of State transmitting, pursuant to law, a report on the Emigration and Human Rights Policies of the Govern-

ment of Haiti; to the Committee on Foreign Relations.

EC-1924. A communication from the special counsel of the U.S. Merit Systems Protection Board transmitting, pursuant to law, a report on allegations of violations of law and abuse of authority in the misuse of a government-owned vehicle; to the Committee on Governmental Affairs.

EC-1925. A communication from the chairman of the D.C. Council transmitting, pursuant to law, a copy of DC Act 6-89; to the Committee on Governmental Affairs.

EC-1926. A communication from the special counsel of the U.S. Merit Systems Protection Board transmitting, pursuant to law, a report on allegations of an abuse of authority by the Police Chief, James A. Haley, Veterans' Hospital, Tampa, FL; to the Committee on Governmental Affairs.

EC-1927. A communication from the chairman of the D.C. Council, transmitting, pursuant to law, a copy of DC Act 6-97; to the Committee on Governmental Affairs.

EC-1928. A communication from the chairman of the D.C. Council transmitting, pursuant to law, a copy of DC Act 6-94; to the Committee on Governmental Affairs.

EC-1929. A communication from the chairman of the D.C. Council transmitting, pursuant to law, a copy of DC Act 6-96; to the Committee on Governmental Affairs.

EC-1930. A communication from the chairman of the D.C. Council transmitting, pursuant to law, a copy of DC Act 6-95; to the Committee on Governmental Affairs.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. ROTH, from the Committee on Governmental Affairs:

Julius W. Becton, Jr., of Virginia, to be Director of the Federal Emergency Management Agency;

James P. McNeill, of Maryland, to be an Associate Director of the Federal Emergency Management Agency; and

William R. Barton, of Virginia, to be inspector general, General Services Administration.

(The above nominations were reported from the Committee on Governmental Affairs with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. HATCH, from the Committee on Labor and Human Resources:

Francis S.M. Hodsoll, of Virginia, to be chairman of the National Endowment for the Arts for a term of 4 years.

(The above nominations were reported from the Committee on Labor and Human Resources with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. BAUCUS:

S. 1790. A bill to amend the Farm Credit Act of 1971 to improve the long-term stability and assure the private control of the banking entities of the Farm Credit System; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. GARN (by request):

S. 1791. A bill to authorize the Secretary of the Treasury to adopt distinctive counterfeit deterrents for exclusive use in the manufacture of U.S. securities and obligations and to clarify existing authority to combat counterfeiting; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. MELCHER:

S. 1792. A bill to amend the Animal Welfare Act to ensure the proper treatment of laboratory animals; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. KENNEDY (for himself and Mr. HATCH):

S. 1793. A bill to amend the Public Health Service Act to establish a grant program to develop improved systems of caring for medical technology dependent children in the home, and for other purposes.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. BYRD:

S. Res. 245. Resolution to improve Senate procedures; to the Committee on Rules and Administration.

By Mr. D'AMATO (for himself, Mr. DODD, and Mrs. HAWKINS):

S. Con. Res. 83. Concurrent resolution expressing the sense of the Congress that Federal tax reform legislation not take effect until its date of enactment, but in no case earlier than July 1, 1986; to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BAUCUS:

S. 1790. A bill to amend the Farm Credit Act of 1971 to improve the long-term stability and assure the private control of the banking entities of the Farm Credit System; to the Committee on Agriculture, Nutrition, and Forestry.

FARM CREDIT SOUNDNESS, STABILITY, AND PRIVATE OWNERSHIP RESTORATION ACT

Mr. BAUCUS. Mr. President, Wednesday we learned that the 37 banks of the Farm Credit System lost $522.5 million in the third quarter of this year—and that doesn't count the hundreds of PCA's.

The Farm Credit System holds one-third of total farm debt, making it the single largest lender to farmers. Its problems are in part a reflection of the problems facing farmers and ranchers in a time of falling farm income and falling land values.

Sometime soon we in the Congress will take steps to respond to the agricultural debt crisis in this country. The Farm Credit System will come to us seeking Federal financial assistance—perhaps as much as $10 billion in a line of credit.

I believe that Congress should provide the necessary emergency assistance. However, immediate short-term problems should not blind us to the need for long-term structural reform. We owe our farmers a sound, stable, and well-run Farm Credit System. Structural reforms will be necessary to assure the long-term viability of that system.

Steps must be taken to restore the confidence of the system's borrowers and the confidence of capital markets. The legislation I am introducing today is designed to improve the Farm Credit System's ability to keep the confidence of its borrowers and to marshal its own resources. The legislation would also bring greater discipline and accountability to the system's lending practices. I believe it is best to take a comprehensive approach to these goals. This bill seeks to do that. It may not be perfect, but it can serve as a basis for discussion and action.

This proposal originated with borrower groups. Often overlooked in the growing debate over the Farm Credit System are the system's borrowers—who are also the stockholders in these lending cooperatives—the essential backbone of the system. If those farmers and ranchers still able to serve their loans are driven from the system—either by high interest rates or by a belief the system lacks commitment to serve their needs—no amount of Federal aid will keep the system viable. In a growing number of farm credit regions, there is rebellion at the grassroots. Many farmers and ranchers fear that recent Farm Credit System actions may signal future attempts to consolidate and centralize operations and control at the expense of local associations and local control. I believe that actions to diminish significantly local control would be shortsighted and ultimately self-defeating since they would drive good borrowers out of the system. Local control and responsible regulation are both necessary.

This bill contains a number of needed reforms. First, to restore the accountability of system banks to their stockholder-borrowers, the bill provides that each system bank shall have a board of directors elected by its borrowers.

Second, to facilitate that efficient movement of the system's own resources to its lending institutions most in need, the bill creates a central insurance fund with an initial capitalization drawn from present reserves of the system's lending institutions. The amount the system has available to address its own problems is not yet clear; the bill provides initial capitalization of the insurance fund at ap-

proximately $2.3 billion, with provision for additional assessments if necessary.

Third, to impose some needed discipline upon loan practices in the system, the bill directs all of the system's lending institutions to publish financial statements, employing generally accepted accounting principles, at least once a year.

Fourth, the bill sunsets the Farm Credit Administration and substitutes for it a true bank regulatory agency with the full panoply of cease and desist powers and other authorities enjoyed by the FDIC and similar Federal agencies.

Finally, as an additional tool to help keep defaulting farmers on the land, the bill provides lease-back authority to system primary lenders that foreclose upon a bank. I want to emphasize that this authority can only be exercised with the consent of the defaulting farmer, who would also be given a right of first refusal to repurchase the land if it is leased back to him.

I encourage my colleagues to study this proposal, to join me in discussing any improvements, and in seeking action as swiftly as possible to bring about these much needed reforms.

I ask unanimous consent that a summary of the contents of the bill and a more detailed section-by-section analysis be printed immediately following my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SUMMARY

A. LOCAL LEVEL GOVERNANCE CHANGES

1. Give each of the 36 banks in the system its own five-member board of directors elected by the shareholders of that bank (leaving the Central Bank for Cooperatives unchanged).

2. Make the district farm credit boards advisory and reduce the number of directors to five: one from each of the three bank boards and two elected directly from the farmer-rancher borrowers.

3. Require use of generally accepted accounting principles (GAAP accounting) by the banks and associations in the system, require certified public accountant audits at least yearly, and require publication of the financial statements of each of the banks and associations.

4. Restore to the banks and associations management responsibility, by returning to them most of the "prior approval powers" now vested in the FCA.

B. REFORM AT THE NATIONAL REGULATORY LEVEL

5. Create a Federal Farm Credit Insurance Corporation ("FFCIC") with a three-member board appointed by the President with the advice and consent of the Senate, which would have

(a) cease and desist powers against unsafe and unsound agricultural banking practices,

(b) a fund created by an initial transfer of reserve assets from present system institutions to the FFCIC in exchange for non-voting shares (at an initial level of $2.25 billion, with further assessment rights if needed), and

(c) the responsibility to insure the 37 banks and the existing associations against illiquidity and against impairment of capital, through use of the fund, by means of loans, grants or guarantees to system banks and associations, but with ultimate responsibility to liquidate system institutions (as a Congressionally disfavored last resort) in order to avoid severe impairment of the FFCIC fund.

6. Eliminate non-banking activities from the Farm Credit System, leaving in place the 37 banks, the existing land bank associations and production credit associations and the Federal Farm Credit Banks Funding Corporation.

7. Statutorily prohibit forced merger of associations or banks (while retaining the right of associations voluntarily to propose mergers of like associations).

8. Make the Federal Farm Credit Board advisory, with its chairman to be appointed by the President.

9. Sunset the Farm Credit Administration (having (a) returned much of FCA's "prior approval" involvement in management to the banks and the associations, and (b) transferred to a new FDIC type regulatory/insurance agency FCA's residual regulatory power).

C. ADDED TOOLS TO HELP AGRICULTURE

10. *At the FFCIC level:* statutorily permit the FFCIC to lower the capital requirements for system institutions across the board to not less than ½ of 1 percent more than the capital requirements applicable to national banks.

11. *At the Local Bank and Association Level:* Grant authority to the primary lending institutions in the System, as an alternative to foreclosure, to take title to collateral and lease it back to the debtor, or other viable operator, with the value of the collateral to be includable in the statutory collateral requirement for the issuance of bonds, this function to be specially subject to regulation by the FFCIC which may charge differential premiums in connection with risks growing out of this function.

D. TRANSITION PROVISIONS

12. Provide appropriate transition provisions including (a) an effective date for sunset of FCA and creation of FFCIC ninety days after enactment, (b) continuation of FCA regulations for a temporary period of six months or until promulgation of interim or final FFCIC regulations, whichever is earlier, and (c) asset transfers to FFCIC from sunsetted entities.

SECTION-BY-SECTION ANALYSIS

The following is an explanation of each section of the Act.

TITLE I—ESTABLISHMENT OF THE FEDERAL FARM CREDIT INSURANCE CORPORATION AND SUNSET OF THE FARM CREDIT ADMINISTRATION

Section 101

This section amends section 1.2 of the present Farm Credit Act to redefine the Farm Credit System as consisting only of the Federal Land Banks, the Federal land bank associations, the Federal intermediate credit banks, the production credit associations, the banks for cooperatives, the Central Bank for Cooperatives, the Federal Farm Credit Insurance Corporation (created under this Act), and the Federal Farm Credit Banks Funding Corporation. This amended definition deletes the reference in current law to "other institutions . . . chartered by and subject to the supervision of the Farm Credit Administration." Together with other sections of this Act, this section eliminates the authority under which business non-essential, non-banking activities have been engaged in by the Farm Credit Administration.

Section 102

This section adds eight new sections to the present Farm Credit Act, creating a new regulatory agency for the Farm Credit System to be known as the Federal Farm Credit Insurance Corporation (FFCIC). This new agency is patterned after the present Federal Deposit Insurance Corporation (FDIC) with powers and responsibilities adapted to the special needs of the System and the agricultural community. This section also provides for the funding of the FFCIC, which will come exclusively from present Farm Credit System entities.

Subsection (a) adds new sections 5.40 through 5.42 to the present Act, which provide for the establishment of the FFCIC, its organization, and its general powers.

Section 5.40 creates the FFCIC.

Section 5.41 provides that the management of the FFCIC shall be vested in a Board of Directors consisting of three members, with staggered terms of six years, appointed by the President by and with the advice and consent of the Senate. The President shall also have the power to designate one of the three members as Chairman, who shall serve at the pleasure of the President. This new section of the Act also establishes certain qualifications for appointment to the Board and makes applicable to Board members the power of the President under current law to remove the Governor of the Farm Credit Administration at will during any period in which the revolving funds and government deposits subject to sections 4.0 and 4.1 of the current Act are in use. Except for this removal provision, which is derived from section 5.10 of the present Act, the provisions of this new section 5.41 are patterned after those made applicable to the FDIC by 12 U.S.C. § 1812.

Section 5.42 provides for the general powers of the FFCIC. The first nine of the listed powers, and the last one, reproduce the ten powers granted by 12 U.S.C. § 1819 to the FDIC. In addition, this new section 5.42 specifically empowers the FFCIC: to approve the issuance of obligations, both system-wide and by individual banks, and to prescribe collateral therefor; to review the voluntary merger of districts or like institutions and to approve such mergers unless the FFCIC can establish that such mergers would result in a non-viable institution within the System or would lessen the long-term financial stability of the System; to review the voluntary division of associations and to approve such divisions except as the FFCIC can establish the prohibitory conditions for mergers as listed above; to review the voluntary consolidation of the managements of unlike banks within a district, or of the managements of like or unlike associations within a district (subject to the conditions set out in new section 4.10A), and to approve such consolidations except as the FFCIC can establish the prohibitory conditions for mergers as listed above; to review the charter of new associations and to approve such charters as provided in other sections of the Farm Credit Act; to execute such charters or charter amendments as are made necessary by mergers or divisions; to prescribe rules and regulations for the exercise by primary lenders in the System of all new lease-back authority granted under this Act; to prescribe rules and regulations to re-

quire each System bank to establish a system of internal audit and examination and for System banks to adopt procedures to require the associations of the System to establish systems of internal credit review; to make reports to the President and to the Congress; and to make investments in stock of the institutions of the System under the terms of section 4.0 of the Farm credit Act with respect to the revolving funds.

Subsection (b) adds a new secton 5.43 to the present Act, which provides for regular System examinations and reports, for special examinations by the FFCIC, and for FFCIC powers to enforce its special examination provisions.

New subsection 5.43(b) provides that the FFCIC shall require each institution of the System to prepare, at least once each year and more frequently if determined by the FFCIC, financial statements in accordance with generally accepted accounting principles. The use of GAAP accounting is intended to ensure that the shareholder-borrowers of the System, as well as investors in System obligations will have a secure means of comparing the worth and stability of System institutions with the worth and stability of similar institutions outside of the System. This subsection also provides that the FFCIC shall prepare for public distribution financial reports on farm credit institutions, on single and consolidated bases, at least annually.

New subsections 5.43(a) and (c) create a two-tiered audit and examination regime for System institutions. Subsection 5.43(a) provides that the FFCIC shall require each institution to submit, at least once each year and more frequently if determined by the FFCIC, to examination and audit. These regular examinations and audits are to be performed by independent certified public accountants of the institution's choice, in accordance with generally accepted accounting standards, and each association in the System shall be regarded as a stand-alone entity for this purpose. The FFCIC shall have access to all such reports, as well as to all other examinations, audits, and financial reports of all System institutions, whether performed or prepared by or at the direction of a System institution or by or at the direction of any agency of the Government, including the General Accounting Office. Subsection 5.43(c) provides for the second tier of the regime, empowering the FFCIC whenever it is not satisfied that an independent audit performed pursuant to subsection (a) is accurate or sufficient, or whenever the FFCIC has reasonable cause to believe that the finances of an institution are not sound, to require such institution to submit to a special audit and examination. As drawn, these provisions place initial reliance for System scrutiny on independent examiners and auditors using generally accepted auditing standards applicable to the financial community at large. This is intended to promote the conformance of System institution lending practices with the lending practices of similar institutions outside of the System, as adapted to the special needs of agriculture. Special examination and audit powers are given to the FFCIC under subsection (c) as an ultimate check on the true financial condition of any given System institution. For such purpose the Board of Directors of the FFCIC shall have the power, to appoint and employ examiners who shall have the power, on behalf of the FFCIC, to make a thorough examination of all of the affairs of the subject institution. These powers are adapted from those given to the FDIC by 12 U.S.C. § 1820(b). In connection with such special examinations, the Board of Directors of the FFCIC, or its designated representatives, are granted the same powers to administer oaths and to take evidence as are given to the FDIC by 12 U.S.C. §§ 1820(c) and 1818(n). Moreover, the FFCIC may cause any and all evidence to be preserved in accordance with the powers given to the FDIC by 12 U.S.C. § 1820(e).

Subsection (c) adds a new section 5.44 to the present Act, which provides for a new insurance fund for the Farm Credit System, for the conditions on its use, for its maintenance at an optimum operating level, and for power in the FFCIC to adjust insurance premiums for institutions taking advantage of the new lease-back authority created by this Act.

These insurance provisions must be read in conjunction with the cease-and-desist authority, the removal/suspension authority, and the receivership authority granted to the FFCIC by section 102(d) of this Act. Together, they establish a regime of full authority in the FFCIC to mandate changes in the financial practices of an institution and to suspend and remove any or all of its directors or officers, if appropriate, while making mandatory on the FFCIC that the insurance fund be used to correct such difficulty. This is intended, in all but extreme circumstances, to allow the FFCIC to reform a troubled System institution completely while retaining it in corporate structure to serve its geographic territory. Thus, the strongest of the System's borrowers will have less reason to leave the System than they do now, under the present fear of increasingly widespread System institution liquidations. In extreme circumstances, however, the Act provides that the insurance fund shall not be used and that the FFCIC may place a System institution into receivership.

In particular, new subsection 5.44(a) provides that when the FFCIC has reasonable cause to believe, based on regular audits, special audits, or on other information available to it, that a System institution will experience a period of illiquidity or will experience impairment of capital, the FFCIC shall take such action as is necessary to maintain the liquidity or unimpaired capital structure of the institution. Such action shall take the form of loans to, guarantees of the obligations of, purchase of the non-voting securities of, or contributions to the capital of, such System institution. Loans, guarantees, purchases of non-voting securities, and contributions to capital may be on such terms and conditions as the FFCIC determines, pursuant to its rules and regulations. The FFCIC shall also have the power to prescribe such rules and regulations regarding the institution's use of disbursed funds as the FFCIC determines are appropriate to carry out the purposes of the present Farm Credit Act, as amended by this Act, and may provide in such rules and regulations that funds disbursed under a guarantee of such institution's obligations must be repaid by such institution under certain circumstances. The FFCIC shall not have the power to purchase the assets or directly assume the liabilities of any System institution. The FFCIC is not intended to become a warehouse for such assets or liabilities.

New subsection 5.44(b) provides that when the FFCIC has otherwise established that financial assistance to a System institution is reasonably necessary to protect the financial soundness of the System as a whole, and that the conditions for FFCIC action under subsection (a) are not likely to occur with respect to such institution until past the time when the soundness of the System may be compromised, the FFCIC shall also have the power to take such emergency action with respect to such institution as is appropriate. The forms of such action and the power of the FFCIC to prescribe rules and regulations in connection therewith are as set out under subsection (a).

New subsection 5.44 (c), (d), (e), and (f) provide for the initial funding of the insurance fund and for its maintenance at an optimum operational level. Initial funding is in subsection (e), which requires that each primary lender in the Farm Credit System (the Federal land banks, the production credit associations, and the banks for cooperatives), within thirty days after the date on which the FFCIC becomes a body corporate (as provided in the preamble of new section 5.42), shall pay to the FFCIC an amount equal to three percentum of the total volume of loans outstanding through such primary lender. The intent of tying the funding of the insurance fund to the volume of loans outstanding through the System's primary lenders is to create the closest possible correspondence between the cost of this insurance and the sources of those risks which the insurance fund spreads. Moreover, to the extent that the System's primary lenders normally share their loan risks with other System institutions as part of their regular loan servicing or discounting arrangements, nothing in this Act shall prevent the System's primary lenders from sharing their initial insurance fund assessment with such other institutions on the same basis. In return for the payment of this one-time assessment, the FFCIC shall issue non-voting stock to be held by System primary lenders, or by other institutions to the extent that this initial assessment is shared, as an asset. Such bookkeeping is in conformity with generally accepted accounting principles. Subsection (c) provides for a yearly insurance premium assessed by the FFCIC against System primary lenders on or before January 31 of each year in an amount equal to one-twelfth of one percentum of the volume of loans outstanding from that primary lender, as calculated at the close of the preceding year. Deficiencies are made up under subsection (d), which provides that if in any year the amount of the insurance fund becomes less than one-half of one percentum of the total loan volume of institutions in the Farm Credit System, the FFCIC may make a special assessment on each primary lender, in proportion to its share of the total loan volume, to increase the amount of the insurance fund to an amount equal to one percentum of the total loan volume of institutions in the Farm Credit System. Fund surpluses are distributed under subsection (f), which provides that the FFCIC may rebate to primary lenders amounts in proportion to the premiums paid by them during the period determined by the FFCIC as having generated the excess which will reduce the fund to a reasonable operating level, as determined by the FFCIC. Premiums, special assessments, and rebates may be shared on the same basis as the initial assessment. Premiums shall be accounted for as operating expenses of the payors; special assessments shall be made in return for non-voting stock to be held by the payors as an asset; and rebates shall be accounted for by the recipients as operating income unless

the FFCIC declares such rebate to be a retirement of a proportionate volume of the non-voting shares issued in return for the initial assessment or for a special assessment.

Subsection 5.44(g) allows the FFCIC, for any primary lender who has taken advantage of the lease-back authority created by this Act, to charge additional insurance premiums to such institutions with regard to the holding of such properties, on the basis of rules and regulations promulgated pursuant to new section 5.42(1), as applied by the FFCIC to such property holdings of the institution.

Subsection (d) adds new sections 5.45 and 5.46 to the present Act, which grant to the FFCIC full cease-and-desist powers, removal/suspension powers over System institution directors and officers, and receivership authority.

New section 5.45 is patterned directly after the cease-and-desist and removal/suspension provisions (including provisions for administrative and judicial review) of the FDIC, as set out in 12 U.S.C. § 1818, and it specifically grants to the FFCIC all such FDIC powers as are appropriate. The only significant modifications respond to the unique nature of agricultural lending and to the relative simplicity of the operations of farm credit institutions, as compared with commerical banks, due to the more focused scope of their activities and the fact that they have no depositors. Thus, the use of cease-and-desist powers under subsection 5.45(a)(1) is conditioned on a determination by the FFCIC that any System institution, or any director, officer, employee, agent, or other person participating in the conduct of the affairs of such institution is engaging or has engaged, or that the FFCIC has reasonable cause to believe that the institution or any director, officer, employee, agent, or other person participating in the conduct of the affairs of such institution is about to engage, in any unsafe or unsound "agricultural" banking practice. Moreover, such practice must be one that directly affects, or would directly affect, the institution's financial stability, incorporating the recent judicial interpretation of the FDIC's powers in *First National Bank of Bellaire v. Comptroller,* 697 F.2d 674 (5th Cir. 1983), or such practice must be one that could cause, or has caused, a disbursement of funds or other action by the FFCIC under new section 5.44(a). Otherwise, cease-and-desist authority is unnecessary as a corrective measure and unwarranted where there is full, System-wide financial reporting and scrutiny under GAAP accounting, and no depositors. Similarly, although the FDIC's removal/suspension powers are supplemented for the FFCIC by a provision that allows such action when a disbursement of funds or other action by the FFCIC under new section 5.44(a) could be or has been caused, this supplemental provision further states that removal or suspension would not be proper unless the institution's difficulty was not due primarily to general economic or agricultural conditions beyond the reasonable expectation of the director or officer to be removed or suspended. Otherwise, the director or officer was not at fault. Once the cease-and-desist powers and the removal/suspension powers mature, however, they operate in the same way as the FDIC's powers under 12 U.S.C. § 1818. Provisions for administrative and judicial review are also the same.

New section 5.46 provides that in order to avert a situation which could cause a disbursement of funds or other action by the FFCIC under new section 5.44(a), as a Congressionally disfavored option exercisable only to prevent severe impairment of the insurance fund, the FFCIC shall have the power to place a System bank or association in receivership, and to liquidate it. As noted in conjunction with section 102(c) of this Act, it is the intent of the new insurance and regulatory regime that the FFCIC generally make all necessary reforms to a troubled System institution short of liquidation, thus removing the present fear of increasingly wide-spread liquidations which is causing some of the System's strongest borrowers to leave it. Liquidation powers are thus restricted. When such authority does mature, however, the FFCIC may exercise powers that are patterned after those granted to the FDIC by 12 U.S.C. 1821(d).

Subsection (e) adds new section 5.47 to the present Act, which provides for the investment of money of the FFCIC, not otherwise employed, in obligations of the United States or in obligations guaranteed as to principal and interest by the United States, and for the manner in which the banking or checking accounts of the FFCIC shall be kept. This new section is patterned after 12 U.S.C. 1823 (a) and (b) for the FDIC and place on the FFCIC the same restrictions as are placed on the FDIC.

Subsection (f) is a supplementary provision to the initial assessment provision for the insurance fund (set out in Section 102(c)) and provides that the proceeds of the liquidation of all service corporations liquidated pursuant to section 402(b) of this Act shall be transferred to the FFCIC. In conjunction with section 402(b) and other sections of this Act, this subsection is intended to streamline the Farm Credit System to its efficient and essential parts.

Section 103

This section provides for the sunset of the present Farm Credit Administration and for the orderly assumption by the FFCIC of its duties and responsibilities under the present Farm Credit Act and the amendments made by this Act.

Subsection (a) adds a new section 5.31 to the present Act, which provides that all but two of the operative provisions of that Act that create and empower the Farm Credit Administration shall cease to be in effect on the ninetieth day after the effective date of this Act. The two exceptions are present section 5.8, pertaining to the Federal Farm Credit Board, which is amended separately by section 104 of this Act, and section 5.16, pertaining to the present assessments made by the Farm Credit Administration on System institutions to fund its operations, which is amended to apply to the FFCIC by section 501(111) of this Act.

Subsection (b) provides that until the ninetieth day after the effective date of this Act, no amendment to the Farm Credit Act of 1971, made by this Act, shall operate to deprive the Farm Credit Administration of its statutory or regulatory authority existing on the effective date of this Act, except that the Farm Credit Administration shall not have the power to take any action after the effective date of this Act which could not be taken by the FFCIC after it becomes a body corporate.

Subsection (c) provides that each Federal land bank, Federal land bank association, Federal intermediate credit bank, production credit association, bank for cooperatives, and the Central Bank for Cooperatives, federally chartered and operating on the ninetieth day after the effective date of this Act, shall continue as a federally chartered institution under this Act.

Subsection (d) provides that there shall be no transfer of functions or personnel from the Farm Credit Administration to the FFCIC except as the FFCIC may determine at its discretion will facilitate the transition of regulatory authority or continuity. The FFCIC shall succeed to all services, facilities, equipment, and funds of the Farm Credit Administration.

Subsection (e) provides that in the six months following the date on which it becomes a body corporate, the FFCIC, by its Board of Directors or by a duly authorized person or committee: (1) shall review all rules and regulations promulgated by the Farm Credit Administration and effective on the date that the Farm Credit Administration is sunsetted, which shall remain effective as the regulations of the FFCIC for a period not longer than six months after the date on which the FFCIC becomes a body corporate unless earlier superseded on an interim or permanent basis by new regulations of the FFCIC, except that the continuing effectiveness of such regulations shall not operate to permit the FFCIC to take any action inconsistent with its statutory authority as set out in this Act or otherwise; (2) review the authority granted to the FFCIC by this Act and otherwise; (3) amend, eliminate, or replace any Farm Credit Administration regulation on an interim basis; (4) promulgate any new regulations on an interim basis; and (5) by the end of such six-month period, promulgate a new set of regulations and report to the President and to the Congress on the status of transition at that time. The FFCIC shall continue to make such transition reports on a month-by-month basis until transition is complete.

Section 104

This section amends section 5.8 of the present Act, pertaining to the Federal Farm Credit Board, and transfers the Board from the Farm Credit Administration to the FFCIC. The Board's role is made advisory by the addition of a new subsection 5.8(j), which provides that the Federal Farm Credit Board shall act in an advisory capacity to the Board of Directors of the FFCIC on auditing, examining, and regulating the Farm Credit System, and to the board of directors of each System bank on coordinating plans and procedures to promote operational and administrative efficiencies.

TITLE II—REPRESENTATIVE BOARDS OF DIRECTORS

Section 201

This section amends section 5.3 of the present Act to provide for a separate board of directors for each system bank. This is intended to correct a fundamental structural defect in current law under which each present Farm Credit District Board is deemed as well to be the board of directors of each of the three district banks in its district, even though the shareholders of each district bank elect only two-sevenths of the district board members. Under the amendments made by this section, the shareholders of a district bank will elect all of their bank's board, in conformity with standard practice in the national banking system and corporate governance in general. The amendments made by this section to present section 5.3 are patterned after present sections 5.1, 5.2, and 5.4, pertaining to the eligibility, nomination, election, terms, membership, and selection of officers on the present

Farm Credit District Boards. Unlike the present district boards, however, each separate bank board shall have only five members, and there is no provision for any appointed members.

Section 202

This section amends sections 5.1, 5.2, 5.5, and 5.6 of the present Act pertaining to the Farm Credit District Boards, reducing those boards in size and making them advisory. Thus, this section complements section 201 by completing a regime under which the four present functions of each district board are separated among four distinct boards. Section 201 transfers their district bank board functions to the three newly constituted district bank boards in each district, and this section reconfirms the fourth district board role, as district coordinator, as its remaining advisory role.

Subsection (a) reduces each district board to five members.

Subsection (b) provides that three of the five members on each district board shall be selected, one each, from among the three separate boards of directors of the district banks in the district. The two remaining members shall be elected at large by all eligible voters in the district.

Subsection (c) amends section 5.6(a) of the present Act, pertaining to district board powers, by striking out the present powers and by inserting in lieu thereof that the district boards shall: (1) coordinate and administer such joint undertakings and joint properties of the banks of the System as may be authorized from time to time by each of the respective boards of directors of such banks; (2) advise the respective boards of directors of each of the banks of the district which are institutions of the System on coordination of policies designed to promote operational and administrative efficiencies; and (3) provide a forum and the means of communication for System bank boards in the district to monitor the collective financial soundness of all of the System institutions in the district, and to alert the FFCIC of any need for closer supervision.

Subsection (d) is a conforming amendment.

TITLE III—FARM CREDIT SYSTEM SELF-HELP POWERS

Section 301

This section adds three new sections to the present Act to give new authority to the primary lenders in the System to deal flexibly with viable farm operators who are undergoing short-term difficulty, and with good farmland, ranchland, or equipment that could be run profitably if operated by someone other than a non-viable operator. This new authority is a permissive alternative to foreclosure (and as such would prevent further depression of land and equipment values due to oversupply in the market) and is not intended to be used as an artificial prop for operators who are not viable or for farmland or ranchland that should not be in use.

Subsection (a) adds a new section 1.4A to the present Act, which provides that as an alternative to foreclosure on loan collateral, or to avoid displacement of viable agricultural operators, each Federal land bank shall have the power, with the agreement of the debtor, to take title to loan collateral and lease it back to the debtor if the debtor is still a viable operator, or to another person if the debtor is not still a viable operator. If the leasing agreement is with the debtor, it shall contain a buy-back provision exercisable by the debtor after a period not greater than three years, at a price determined at the time the repurchase agreement is exercised. The bank may re-execute lease agreements with lessors who remain viable operators, with the agreement of those lessors, but the bank may not retain title to given loan collateral for longer than ten years. The appraisal value of loan collateral to which a Federal land bank has taken title pursuant to this section may be certified by such bank for bond collateral.

Subsection (b) adds a new section 2.2A to the present Act, which grants the same powers to the production credit associations.

Subsection (c) adds a new section 3.1A to the present Act, which grants the same powers to the banks for cooperatives.

Section 302

This section amends section 4.3 of the present Act by adding a new subsection 4.3(c), which provides that the FFCIC may reduce the capital requirements of Farm Credit System institutions, collectively, to not less than one-half of one percentum more than the capital requirements (ratio of primary capital to total assets) applicable to national banks. This is intended to allow the FFCIC to adjust the capital requirements of the System, though not lower than a level that is still higher than that for national banks, as it determines will most accurately reflect the concentrated nature of farm credit institution loan portfolios, without keeping such requirements at a level that can create for certain institutions a problem of paper illiquidity.

TITLE IV—PRESERVATION OF THE INDEPENDENCE AND SEPARATE IDENTITIES OF FARM CREDIT SYSTEM INSTITUTIONS

Section 401.

This section adds a new section 4.10A to the present Act to ensure by statute that the original, decentralized plan of the Farm Credit System cannot be amended administratively through abuse or regulation. Thus, neither banks nor associations organized or operating under different titles of the present Act may be merged. Moreover, in order that Farm Credit System borrowers may preserve their intended ability to choose among the loans offered by associations organized and operating under different titles of the present Act, without being subjected to cross influences between such associations, any combination or cooperation among the managements of such associations may not result in a combination of their loan functions.

Section 402

This section eliminates the possibility of indirect System institution consolidation or merger through service corporations and streamlines the Farm Credit System to its essential elements.

Subsection (a) deletes sections 4.25 through 4.28 of the present Act, pertaining to service corporations, and adds a new section 4.25 to the present Act, which provides that the FFCIC shall not have the power to charter corporations except Federal land banks, Federal land bank associations, Federal intermediate credit banks, production credit associations, banks for cooperatives, or the Central Bank for Cooperatives, as provided in this Act or otherwise.

Subsection (b) provides that all corporations established pursuant to section 4.25 of the present Act, before the effective date of this Act, except the Federal Farm Credit Banks Funding Corporation, shall, within ninety days after the effective date of this Act, be liquidated. The Federal Farm Credit Banks Funding Corporation shall retain its function of assisting in the issuance of System-wide obligations, and continue as a body corporate. It shall make reports to the President and Congress not later than April 1 of each calendar year, and at such other times as the Congress may determine, summarizing its operations and setting forth such information as is necessary for the President and the Congress to review its financial condition. However, the Federal Farm Credit Banks Funding Corporation shall have no authority to extend credit, to set policy, to prescribe lending limits or standards, to make any lending decisions, to hold any primary System capital, to assume in any manner the primary responsibility of System institutions to service System borrowers, or to provide insurance services for borrowers from Farm Credit System institutions.

TITLE V—CONFORMING AMENDMENTS

Section 501

This section sets out each of the conforming amendments to the present Act that are necessary to amend the present references to the Farm Credit Administration.

By Mr. MELCHER:

S. 1792. A bill to amend the Animal Welfare Act to ensure the proper treatment of laboratory animals; to the Committee on Agriculture, Nutrition, and Forestry.

ANIMALS IN LABORATORIES PROTECTION ACT

Mr. MELCHER. Mr. President, I am today introducing the Animals in Laboratories Protection Act for appropriate referral. I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1792

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. Short title.

The Animals in Laboratories Protection Act.

" 'SEC. 2. The Congress finds that—

(1) the use of animals is instrumental in certain research and education for advancing knowledge of cures and treatment for diseases and injuries which afflict both humans and animals;

(2) methods of testing that do not use animals are being and continue to be developed which are faster, less expensive, and more accurate than traditional animal experiments for some purposes and further opportunities exist for the development of these methods of testing;

(3) measures which eliminate or minimize the unnecessary duplication of experiments on animals can result in more productive use of Federal funds; and

(4) measures which help meet the public concern for laboratory animal care and treatment are important in assuring that research will continue to progress.'

SEC. 3. (a) Section 13 of the Animal Welfare Act (7 U.S.C. 2143) is amended—

(1) by redesignating subsections (b) through (d) as subsections (f) through (h) respectively; and

(2) by striking out the first two sentences of subsection (a) and inserting in lieu thereof the following:

'(1) The Secretary shall promulgate standards to govern the humane handling, care,

treatment, and transportation of animals by dealers, research facilities, and exhibitors.

'(2) The standards described in paragraph '(1) shall include minimum requirements—

'(A) for handling, housing, feeding, watering, sanitation, ventilation, shelter from extremes of weather and temperatures, adequate veterinary care, and separation by species where the Secretary finds necessary for humane handling, care, or treatment of animals; and

'(B) for physical environment adequate to promote the psychological well-being of research animals, particularly primates, including whatever apparatus the Secretary deems appropriate.

'(3) In addition to the requirements under paragraph (2), the standards described in paragraph (1) shall, with respect to animals in research facilities, include requirements—

'(A) for animal care, treatment, and practices in experimental procedures to ensure that animal pain and distress are minimized, including adequate veterinary care with the appropriate use of anesthetic, analgesic, tranquilizing drugs, or euthanasia;

'(B) that the principal investigator considers alternatives to any procedures likely to produce pain to or distress in an experimental animal;

'(C) in any practice which could cause pain to animals (other than slight or momentary pain)—

'(i) that a doctor or veterinary medicine is consulted in the planning of such procedures;

'(ii) for the use of tranquilizers, analgesics, and anesthetics;

'(iii) for pre-surgical and post-surgical care by laboratory workers in accordance with established veterinary medical and nursing procedures;

'(iv) against the use of paralytics without anesthesia; and

'(v) that the withholding of tranquilizers, anesthesia, analgesia, or euthanasia when scientifically necessary shall continue for only the necessary period of time;

'(D) that no animal is used in more than one major operative experiment from which it is allowed to recover except in cases of—

'(i) scientific necessity; or

'(ii) other special circumstances as determined by the Secretary; and

'(E) that exceptions to such standards may be made only when specified by research protocol and that any such exception shall be detailed and justified in a report outlined under paragraph (7).'.

(b) Section 13(a) of such Act is further amended—

(1) by designating the third and fourth sentences as paragraph (4);

(2) by designating the fifth sentence as paragraph (5); and

(3) by striking out the last sentence and inserting in lieu thereof the following:

'(6) Nothing in this Act shall be construed as authorizing the Secretary to promulgate, rules regulations or orders with regard to the design, outlines, or guidelines of actual research or experimentation by a research facility or Federal research facility: *Provided*, That the Secretary shall require every research facility to show that professionally acceptable standards governing the care, treatment, and practices on animals are being followed by the research facility during research and experimentation. No rule, regulation, order, or part of this Act may require a research facility to disclose to the Institutional Animal Committee during its inspection trade secrets or commercial or financial information which is privileged or confidential.

'(7)(A) The Secretary shall require, at least annually, every research facility and Federal research facility to report that the provisions of this Act are being followed.

'(B) In complying with subparagraph (A), such research facilities shall provide—

'(i) the details of any procedure which was likely to produce pain or distress in any animal and assurances demonstrating that the principal investigator considered alternatives to those procedures;

'(ii) assurances satisfactory to the Secretary that such facility is adhering to the standards described in this section; and

'(iii) an explanation for any deviation from the standards promulgated under this section.

'(8) Paragraph (1) shall not prohibit any State (or a political subdivision of such State) from promulgating standards in addition to those standards promulgated by the Secretary under paragraph (1).'.

(c) Section 13 of such Act is further amended by inserting after subsection (a) the following new subsections:

"(b)(1) The Secretary shall require that each research facility establish at least one Institutional Animal Committee. Each Institutional Animal Committee shall be appointed by the chief executive officer of each such research facility and shall be composed of not fewer than three members. Such members shall possess sufficient ability to assess animal care, treatment, and practices in experimental research as determined by the needs of the research facility. Of the members of the Institutional Animal Committee—

'(A) at least one member shall be a doctor of veterinary medicine;

'(B) at least one member shall not affiliated in any way with such facility other than as a member of the Institutional Animal Committee, shall not be a member of the immediate family of a person who is affiliated with such facility, and shall represent society's concerns regarding the welfare of the animal subjects; and

'(C) in those cases where the Institutional Animal Committee consists of more than three members, not more than three members shall be from the same administrative unit of such facility.

'(2) A quorum shall be required for all formal actions of the Institutional Animal Committee, including inspections under paragraph (3).

'(3) The Institutional Animal Committee shall inspect at least semiannually all animal study areas and animal facilities of such research facility and review as part of the inspection—

'(A) practices involving pain to animals, and

'(B) the condition of animals,

to ensure compliance with the provisions of this Act and that pain and distress to animals is minimized. Exceptions to the requirement of inspection of such study areas may be made by the Secretary if animals are studied in their natural environment and the study area is prohibitive to easy access.

'(4)(A) The Institutional Animal Committee shall file an inspection certification report of each inspection at the research facility. Such report shall—

'(i) be signed by a majority of the Institutional Animal Committee members involved in the inspection;

'(ii) include reports of any violation of the standards promulgated, or assurances required, by the Secretary, including any deficient conditions of animal care or treatment, any deviations of research practices from originally approved proposals that adversely affect animal welfare, any notification to the facility regarding such conditions and any corrections made thereafter;

'(iii) include any minority views of the Institutional Animal Committee; and

'(iv) include any other information pertinent to the activities of the Institutional Animal Committee.

'(B) Such report shall remain on file for at least three years at the research facility and shall be available for inspection by the Animal and Plant Health Inspection Service of the Department of Agriculture and any funding Federal agency.

'(C) In order to give the research facility an opportunity to correct any deficiencies or deviations discovered by reason of paragraph (3), the Institutional Animal Committee shall notify the administrative representative of the research facility of any deficiencies or deviations from the provisions of this Act. If, after notification and an opportunity for correction, such deficiencies or deviations remain uncorrected, the Institutional Animal Committee shall notify (in writing) the Animal and Plant Health Inspection Service of the Department of Agriculture and the funding Federal agency of such deficiencies or deviations.

'(5) The inspection results shall be available to Department of Agriculture inspectors for review during inspections. Department of Agriculture inspectors shall forward any Institutional Animal Committee inspection records which include reports of uncorrected deficiencies or deviations to the Animal and Plant Health Inspection Service and any funding Federal agency of the project with respect to which such uncorrected deficiencies and deviations occured.

'(c)(1) In the case of Federal research facilities, a Federal Institutional Animal Committee shall be established and shall have the same composition and responsibilities outlined in subsection (b), except that the Federal Institutional Animal Committee shall report deficiencies or deviations to the head of the Federal agency conducting the research rather than to the Animal and Plant Health Inspection Service of the Department of Agriculture. The head of the Federal agency conducting the research shall be responsible for—

'(A) all corrective action to be taken at the facility; and

'(B) the granting of all exceptions to inspection protocol.

'(d)(1) Each research facility shall provide for annual training for scientists, animal technicians, and other personnel involved with animal technicians, and other personnel involved with animal care and treatment in such facility. Such training shall include instruction on—

'(A) the humane practice of animal maintenance and experimentation;

'(B) research or testing methods that minimize or eliminate the use of animals or limit animal pain or distress; and

'(C) utilization of the information service at the National Agricultural Library, established under subsection (e).

'(2) Every research facility shall inform their employees of the provisions of this Act and shall inform such employees to report any violations of such provisions. Any such employee may not be discriminated against on grounds that such employee reported a violation of such provisions.

'(e)(1) The Secretary shall establish an information service at the National Agricultural Library. Such service shall, in coopera-

tion with the National Library of Medicare, provide information—

'(A) pertinent to employee training;

'(B) which could prevent unintended duplication of animal experimentation as determined by the needs of the research facility; and

'(C) on improved methods of animal experimentation, including methods which could—

'(i) reduce or replace animal use; and

'(ii) minimize pain and distress to animals, such as anesthetic and analgesic procedures.

'(2) No funds other than those specifically appropriated for the purpose of carrying out this subsection may be obligated for such purposes.

'(f) In any case in which the funding Federal agency determines that conditions of animal care, treatment, or practice in a particular project have not been in compliance with standards promulgated under this Act, despite notification by the Secretary or the funding Federal agency to the research facility and an opportunity for correction, such agency shall suspend or revoke Federal support for the project. Any research facility losing Federal support as a result of actions taken under the preceding sentence shall have the right of appeal as provided in sections 701 through 706 of title 5, United States Code.

SEC. 4. The Animal Welfare Act (7 U.S.C. 2131-2156) is amended by adding at the end thereof the following section:

'SEC. 27. (a) It shall be unlawful for any member of the Institutional Animal Committee to release any confidential information of the research facility including any information that concerns or relates to—

'(1) the trade secrets, processes, operations, style of work, or apparatus, or

'(2) to the identity, confidential statistical data, amount or source of any income, profits, losses, or expenditures of the research facility.

'(b) It shall be unlawful for any member of such Committee—

'(1) to use or attempt to use to his advantages, or

'(2) to reveal to any other person,

any information which is entitled to protection as confidential information under subsection (a).

'(c) A violation of subsection (a) or (b) is punishable by—

'(1) removal from such Committee, and

'(2)(A) a fine of not more than $1,000 and imprisonment of not more than one year, or

'(B) if such violation is willful, a fine of not more than $10,000 and imprisonment of not more than three years.

'(d) Any person, including any research facility, injured in its business or property by reason of a violation of this section may recover all actual and consequential damages sustained by such person and the cost of the suit including a reasonable attorney's fee.

'(e) Nothing in this section shall be construed to affect any other rights that any such person may have, nor shall subsection (d) be construed to limit the exercise of any such rights arising out of or relating to a violation of subsections (a) and (b).'.

SEC. 5. (a) Subsection (b) of section 19 of the Animal Welfare Act (7 U.S.C. 2149(b)) is amended—

(1) in the first sentence by striking out '$1,000 for each such violation' and inserting in lieu thereof '$2,500 for each such violation'; and

(2) in the sixth sentence by striking out '$500 for each offense' and inserting in lieu thereof '$1,500 for each offense'.

(b) Subsection (d) of such section is amended by striking out '$1,000' and inserting in lieu thereof '$2,500'.

SEC. 6. (a) Section 2 of the Animal Welfare Act (7 U.S.C. 2132) is amended by adding after subsection (j) the following new subsections:

'(k) The term "Federal agency" means an Executive agency as such term is defined in section 105 of title 5, United States Code, and with respect to any research facility means the agency from which the research facility receives a Federal award for the conduct of research, experimentation, or testing, involving the use of animals;

'(l) The term "quorum" means a majority of the Committee members;

'(m) The term "Federal research facility" means each department, agency, or instrumentality of the United States which uses live animals for research or experimentation.'.

SEC. 7. Section 14 of the Animal Welfare Act (7 U.S.C. 2144) is amended by changing 'section 13' to 'section 13(a)' wherever it appears.

SEC. 8. This Act shall take effect one year after the date of the enactment of this Act."

By Mr. KENNEDY (for himself and Mr. HATCH):

S. 1793. A bill to amend the Public Health Service Act to establish a grant program to develop improved systems of caring for medical technology dependent children in the home, and for other purposes; to the Committee on Labor and Human Resources.

ALTERNATIVES TO HOSPITALIZATION FOR MEDICAL TECHNOLOGY DEPENDENT CHILDREN ACT

● Mr. KENNEDY. Mr. President, I rise to introduce the Alternatives to Hospitalization for Medical Technology Dependent Children Act of 1985.

There is a relatively small group of children in America who are dependent on advanced medical technology for an extended period if they are to avoid death or serious injury. Among the children in this group are those dependent on mechanical ventilators, those requiring long-term intravenous drug therapy, and those who need to receive nutrition intravenously for lengthy periods or for life. A variety of diseases or birth defects can lead to this state of technology dependency, including osteomyelitis, cancer, neurological trauma, progressive neurological disease, and cardiac and pulmonary disorders.

Until recently, dependence on these advanced medical technologies generally required long term or permanent hospitalization. Recent improvements in technology combined with better understanding of how to organize successful home care have meant that some technology dependent children can now be cared for at home.

Hearings held by the Labor Committee this past June revealed the heroic efforts of parents to care for their technology dependent children at home and the remarkable successes that can be achieved through the miracles of modern medicine. These hearings demonstrated that home care was not only often far better in human terms for children and their families, it was far less costly financially than immensely expensive extended hospitalizations. At the same time, however, these hearings revealed the tragic and unnecessary barriers that parents struggling to care for their children at home too often face.

The record is clear that it is often a human and financial disaster to institutionalize children when home care is safe, effective, and desired by children and their families. It was shocking to learn that public and private insurance reimbursement policies have too often dictated that home care will be denied even in cases where the same care would be provided in a hospital or other institution.

These backward and inhumane policies are sometimes justified on the grounds that health care dollars should be reserved only for those who truly need care. Services in the home, it is argued, are usually for less acutely ill persons, and the availability of public or private insurance coverage for needed home services would displace the contributions families make out of their own resources.

I am skeptical of the validity of that justification in any context, but, whatever its general validity, it is clearly not applicable to the population of children needing intensive medical services that we are discussing today. Indeed, these seriously ill children have far too often been victimized by that policy.

Without assistance there is no family in America that can afford the care or provide the supervision and case management necessary to sustain children at home with these complex conditions. Federal policy to assure the availability of the services our families and children need is imperative.

There are children in America who have individually saved hundreds of thousands of dollars of public and private money by returning to the loving home environments only their families can supply. But in order to provide that loving care, families have been forced by backward, antiquated public and private policies to make cruel sacrifices. And while some children have returned to their homes, there are many others who have been sentenced to months or years of unnecessary institutionalization.

The burdens of having a severely ill child are heavy enough without the obstacles posed by outdated, public and private health policies. No family should have to move or change jobs to get fair treatment by an insurance company or a Medicaid program. No family should have to undergo lengthy struggles with public and private bureaucracies to get the care their child needs. And no child should be forced

to stay in a hospital when it is in his best interest to be cared for at home with his family.

The basic problems that prevent technology dependent children from being cared for at home were clearly revealed in our committee's hearing record.

First, private health insurance policies and Medicaid often refuse to pay for necessary treatment and services in the home for conditions that they will cover fully, at much greater cost, if they are treated in a hospital. This occurs because much lower limits are sometimes set on total insurance liability for home care than for hospital care. These lower limits are designed to prevent long-term coverage of chronic conditions, but they do not make financial sense when applied to children who must be hospitalized in the absence of home care. In addition, successful home care often depends on services such as case management, respite care, and technical assistance to family members that are not traditionally included in medical insurance plans but are essential to successful home care.

In addition to the overriding problem of appropriate insurance coverage, effective home care for children with these severe dependencies requires training of health personnel, development of technically proficient home care organizations, and coordination of a diverse variety of services. These resources are not currently present in every community.

The bill that I am introducing today addresses the private insurance coverage problem and the resource availability problem. I will introduce additional legislation in the near future designed to correct inadequacies in Medicaid's coverage of these services.

The bill I am introducing today addresses the private insurance problem by directing a study by the Office of Technology Assessment which will develop a model insurance coverage provision for home care for technology dependent children. It is my expectation that there will be broad participation in this study by representatives of the insurance industry, by medical specialists conversant with the problems of home care for technology dependent children, and by parents of technology dependent children. The study is to be completed and the model insurance coverage plan is to be promulgated within 18 months after the enactment of the legislation.

It is my hope and expectation that the insurance industry and self-insured employers will respond to the needs of technology dependent children and to the clearly cost-effective nature of home care by voluntarily including coverage substantially equivalent to the model plan in all employment based health insurance policies. If 80 percent of employment based insurance does not include such coverage within 30 months of the enactment of this legislation, a Federal requirement for inclusion of such coverage will go into effect.

The second part of the bill will establish a small Federal grant program to improve the capability of the health providers to provide the services necessary to effective home care. Grants may be made to maternal and child health agencies, academic health centers, and children's hospitals for the purpose of developing systems of home care for technology dependent children, training of medical personnel, and technical assistance to organizations providing home care.

I would like to thank Senator ORRIN HATCH, the chairman of the Committee on Labor and Human Resources, for his assistance in developing this legislation and his cosponsorship of the bill. His leadership in organizing the hearing that provided information essential in the development of the bill and his continued interest in the issues of home and community based care has been invaluable.

I urge my colleagues to support speedy passage of this bill to bring humane care and support to technology dependent children and their families.●

Mr. HATCH. Mr. President, today I am introducing along with my colleague, Senator EDWARD M. KENNEDY, legislation to provide alternatives to hospitalization for medical technology dependent children. The Labor and Human Resources Committee held hearings in June of this year and heard testimony from witnesses describing the plight of youngsters who, because of congenital disorders or injury, find themselves dependent on costly, highly technical medical care in order to live. Current reimbursement policies tend to favor providing this kind of care in hospitals. However, due to recent advances in technology, medical equipment heretofore used only in hospitals is now considerably more portable and can be utilized in the home setting. Furthermore, systems to deliver such care have also matured. Parents in some instances have been fortunate enough to have the benefit of home care services made possible only because creative and energetic health professionals have parted with past ways of doing business, and developed multidisciplinary support teams enabling these youngsters to be cared for at home.

I have long been an advocate of home and community based care. In the long run it is bound to be less expensive and it is preferred in almost every instance. Most of our committee hearings have forcused on needs for improved home care for the elderly. Although this remains a critical public health problem, and I will continue to encourage legislative reform of our current long-term care policy for our senior citizens, it's time we devote some attention to the problem faced by a limited number of our seriously and chronically ill kids. The legislation we are introducing today is designed to do just that. Although this is a modest bill, it will help in the following ways:

It authorizes grants for State health agencies, academic health centers, or children's hospitals, to develop systems of care outside of the hospital setting for chronically seriously ill medical technology dependent children. It also allows these funds to be used for training of the kinds of health professionals needed in these settings, as well as to provide technical assistance to the various organizations which must participate in these systems if the care is going to be effective; $20 million has been authorized for these efforts for fiscal year 1987, 1988, and 1989. This will complement current demonstrations which have been federally funded to develop these home based systems of care for children, eventually providing for a series of regional centers to be developed throughout the country.

In addition this bill requires the Office of Technology Assessment to conduct a study on insurance coverage for children dependent on medical technology. Although several insurance companies have been progressive in recognizing the cost savings of treating such children at home, and expanding their benefits to cover such care, others have been recalcitrant and refused to accommodate requested changes to provide home services. I believe that with the benefit of advice from economists and insurance experts, a model home care policy could be devised which would protect the financial interest of the insurance industry as well as the patient and their family. The OTA study will provide this information, and hopefully lead to voluntary changes in insurance coverage for home care. If the majority of health insurance companies do not implement the model waiver within 30 months after this bill is signed into law, then penalties could be imposed similar to those authorized under employees health benefits plans of the Health Maintenance Organizations Act. Mr. President, I urge my colleagues to join with me in supporting this legislation. I want to compliment my colleagues on the Labor and Human Resources Committee who have helped in drafting this legislation. Senator KENNEDY has been particularly interested in this issue and willing to delay introduction much broader and more costly legislation and cosponsored this more modest effort to provide assistance for these chronic seriously ill children. I urge all of my colleagues to join with us in supporting this bill.

ADDITIONAL COSPONSORS

S. 12

At the request of Mr. MOYNIHAN, the names of the Senator from Maryland [Mr. SARBANES], the Senator from Arkansas [Mr. BUMPERS], and the Senator from West Virginia [Mr. ROCKEFELLER] were added as cosponsors of S. 12, a bill to protect communications among Americans from interception by foreign governments, and for other purposes.

S. 524

At the request of Mr. ARMSTRONG, the name of the Senator from Maine [Mr. COHEN] was added as a cosponsor of S. 524, a bill to recognize the organization known as the Retired Enlisted Association, Inc.

S. 1116

At the request of Mr. HOLLINGS, the names of the Senator from South Carolina [Mr. THURMOND], the Senator from Connecticut [Mr. DODD], the Senator from Ohio [Mr. METZENBAUM], and the Senator from Massachusetts [Mr. KENNEDY] were added as cosponsors of S. 1116, a bill to amend the act of October 15, 1982, entitled "An act to designate the Mary McLeod Bethune Council House in Washington, District of Columbia, as a national historic site, and for other purposes."

S. 1209

At the request of Mr. CHILES, the name of the Senator from New Jersey [Mr. BRADLEY] was added as a cosponsor of S. 1209, a bill to establish the National Commission to Prevent Infant Mortality.

S. 1223

At the request of Mr. ARMSTRONG, the name of the Senator from Washington [Mr. GORTON] was added as a cosponsor of S. 1223, a bill to authorize the erection of a memorial on Federal land in the District of Columbia or its environs to honor members of the Armed Forces of the United States who served in the Korean war.

S. 1364

At the request of Mrs. KASSEBAUM, the name of the Senator from Minnesota [Mr. DURENBERGER] was added as a cosponsor of S. 1364, a bill to authorize assistance for famine prevention in Africa.

S. 1456

At the request of Mr. LAUTENBERG, the name of the Senator from Massachusetts [Mr. KENNEDY] was added as a cosponsor of S. 1456, a bill to recognize the Army and Navy Union of the United States of America.

S. 1631

At the request of Mr. SIMON, the name of the Senator from New Mexico [Mr. BINGAMAN] was added as a cosponsor of S. 1631, a bill to further the national security and improve the economy of the United States by providing grants for the improvement of proficiency in critical languages, for the improvement of elementary and secondary foreign language instruction, and for per capita grants to reimburse institutions of higher education to promote the growth and improve the quality of postsecondary foreign language instruction.

S. 1640

At the request of Mr. GRASSLEY, the name of the Senator from Massachusetts [Mr. KERRY] was added as a cosponsor of S. 1640, a bill to amend title XVIII of the Social Security Act to provide for coverage under the Medicare Program of services performed by a physician assistant.

S. 1707

At the request of Mr. SIMON, the names of the Senator from Massachusetts [Mr. KERRY], and the Senator from Massachusetts [Mr. KENNEDY] were added as cosponsors of S. 1707, a bill to authorize the President to present a gold medal to the parents of Father Jerzy Popieluszko.

S. 1710

At the request of Mr. HOLLINGS, the name of the Senator from Arkansas [Mr. BUMPERS] was added as a cosponsor of S. 1710, a bill to establish a motor carrier administration in the Department of Transportation, and for other purposes.

S. 1742

At the request of Mr. TRIBLE, the name of the Senator from Pennsylvania [Mr. SPECTER] was added as a cosponsor of S. 1742, a bill to improve the enforcement of the restrictions against imported pornography.

S. 1773

At the request of Mr. LEAHY, the name of the Senator from South Carolina [Mr. HOLLINGS] was added as a cosponsor of S. 1773, a bill to express the policy of the Congress on the number of members of the Soviet mission at the United Nations headquarters.

SENATE JOINT RESOLUTION 74

At the request of Mr. THURMOND, the name of the Senator from Iowa [Mr. GRASSLEY] was added as a cosponsor of Senate Joint Resolution 74, a joint resolution to provide for the designation of the month of February 1986, as "National Black (Afro-American) History Month."

SENATE JOINT RESOLUTION 170

At the request of Mr. SIMON, the name of the Senator from Rhode Island [Mr. CHAFEE] was added as a cosponsor of Senate Joint Resolution 170, a joint resolution to designate the month of March 1986 as "Music In Our Schools Month."

SENATE JOINT RESOLUTION 190

At the request of Mr. ROTH, the name of the Senator from North Dakota [Mr. ANDREWS] was added as a cosponsor of Senate Joint Resolution 190, a joint resolution to establish greater productivity in Federal Government operations as a national goal of the United States.

SENATE JOINT RESOLUTION 208

At the request of Mr. COCHRAN, the names of the Senator from Massachusetts [Mr. KERRY], the Senator from Pennsylvania [Mr. SPECTER], the Senator from Hawaii [Mr. MATSUNAGA], and the Senator from West Virginia [Mr. ROCKEFELLER], were added as cosponsors of Senate Joint Resolution 208, a joint resolution to designate the week of October 27, 1985, through November 2, 1985, as "National Alopecia Awareness Week."

SENATE JOINT RESOLUTION 210

At the request of Mr. BENTSEN, the name of the Senator from Maine [Mr. MITCHELL], was added as a cosponsor of Senate Joint Resolution 210, a joint resolution designating the week beginning October 20, 1985, as "Benign Essential Blepharospasm Awareness Week."

SENATE CONCURRENT RESOLUTION 69

At the request of Mr. DANFORTH, the names of the Senator from New Jersey [Mr. LAUTENBERG], the Senator from Alabama [Mr. HEFLIN], and the Senator from Iowa [Mr. GRASSLEY] were added as cosponsors of Senate Concurrent Resolution 69, a concurrent resolution to recognize the National Camp Fire Organization for 75 years of service.

SENATE CONCURRENT RESOLUTION 72

At the request of Mr. SIMON, the names of the Senator from Wisconsin [Mr. PROXMIRE], the Senator from Minnesota [Mr. DURENBERGER], the Senator from Massachusetts [Mr. KERRY], the Senator from Massachusetts [Mr. KENNEDY], and the Senator from South Carolina [Mr. HOLLINGS] were added as cosponsors of Senate Concurrent Resolution 72, a concurrent resolution expressing the sense of Congress concerning human rights in Poland.

SENATE CONCURRENT RESOLUTION 76

At the request of Mr. HART, the name of the Senator from Massachusetts [Mr. KENNEDY] was added as a cosponsor of Senate Concurrent Resolution 76, a concurrent resolution asking that the President bring the rights of the Polish people to the attention of the Soviet Government.

SENATE CONCURRENT RESOLUTION 78

At the request of Mr. BRADLEY, the names of the Senator from Arizona [Mr. DECONCINI] and the Senator from Hawaii [Mr. INOUYE] were added as cosponsors of Senate Concurrent Resolution 78, a concurrent resolution in support of universal access to immunization by 1990 and accelerated efforts to eradicate childhood diseases.

SENATE CONCURRENT RESOLUTION 83—RELATING TO THE EFFECTIVE DATE OF ANY FEDERAL TAX REFORM LEGISLATION

Mr. D'AMATO (for himself, Mr. DODD, and Mrs. HAWKINS) submitted the following concurrent resolution; which was referred to the Committee on Finance:

S. RES. 83

Whereas major Federal tax reform is essential;

Whereas current proposals pending before Congress are generally effective on January 1, 1986;

Whereas final enactment of major tax reform is not likely to occur in 1985;

Whereas current Federal tax law will become uncertain between January 1, 1986 and enactment of tax reform, unless the effective date of pending tax reform proposals is extended; and

Whereas a myriad of individual and corporate economic decisions will be postponed or altered during the time between the end of the 1st session of the 99th Congress and enactment of tax reform in 1986, including, but not limited to, decision on whether to—

(1) make individual charitable contributions to philanthropic, research, and educational institutions;

(2) offer employer provided fringe benefits to employees that are tax-free under current law, but may become taxable to the employee and require FICA contributions by the employee and employer;

(3) sell stocks, bonds, or other investments qualifying for capital gains taxation;

(4) invest in plant and equipment which may or may not qualify for accelerated depreciation and the investment tax credit, or which may be subject to recapture of tax benefits;

(5) develop real estate reliant on tax-exempt bonds, depreciation, at-risk rules, and rehabilitation tax credits; and

(6) issue general obligation and industrial development bonds essential to the smooth functioning of State and local governments: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that no provision of, and no amendment made by, any Federal tax reform legislation based on the President's tax reform proposal submitted to the Congress on May 29, 1985, shall—

(1) take effect before its date of enactment, but in no case earlier than July 1, 1986, and

(2) apply to transactions occurring after its date of enactment, pursuant to a binding contract in effect prior to its date of enactment, and at all time thereafter.

● Mr. D'AMATO. Mr. President, I rise today to reiterate my support for Federal tax reform. I believe it is absolutely imperative that we both simplify the Federal Tax Code and increase its equity and fairness. I hope Congress can pass such legislation in the 99th Congress.

Nevertheless, it is increasingly apparent that Congress is unlikely to complete action on tax reform in 1985. This creates a series of problems, because most tax reform proposals pending in Congress would generally take effect on January 1, 1986.

For instance, nonprofit entities—confronted with uncertainty over the tax consequences of charitable contributions—will have serious difficulty raising money in 1986. Under current law, nonitemizers can fully deduct contributions made to nonprofit institutions. Under Treasury II, however, the charitable deduction for nonitemizers would be repealed effective January 1, 1986. If tax reform is not enacted or is eventually made effective in mid-1986, then institutions such as colleges and universities will have lost precious fundraising opportunties beginning on January 1, 1986.

Is this fair to colleges, universities, and other nonprofit entities? Absolutely not.

Another example of this distortion of economic activity, which will result from coupling a January 1, 1986, effective date with mid-1986 passage of the tax bill, is the effect retroactivity will have on the issuing of Government obligation bonds. Many State and local governments that want to issue general obligation bonds after January 1, 1986, will be forced to postpone these issues—or to rush to market this year. Even if a bond issue is completely appropriate under current law, the threat of tax reform being enacted during 1986 with a retroactive effective date would kill the deal.

Why? Because the Treasury's tax plan would make many general obligation bonds taxable effective January 1, 1986. No investor will dare buy a tax-exempt bond that may become taxable on a later date.

Is this fair to State and local governments? It is not.

After January 1, 1986, the current Federal Tax Code will, in a sense, become irrelevant. Individuals, nonprofit entities, and corporations will not know whether to abide by current law or by the proposed tax reform legislation. In the end, many economic transactions will be postponed until tax reform is enacted or is indefinitely laid aside.

From real estate development to employer-provided health benefits, the whole economy will be left in limbo unless action is taken to resolve this situation. Therefore, Congress must state clearly before adjournment in 1985 that the effective date of major tax reform will not be January 1, 1986.

Thus, Mr. President, I am submitting this concurrent resolution expressing the sense of the Congress that any major tax reform legislation should generally be effective on its date of enactment, but in no case earlier than July 1, 1986. My resolution, if passed, would allow the marketplace to continue to operate somewhat smoothly while Congress continues to debate tax reform in 1986.

Mr. President, support of my concurrent resolution is support for an effective marketplace. This concurrent resolution is not an expression of support or opposition for either tax reform, in general, or for any one specific tax reform plan.

My concurrent resolution is just plain common sense. Individuals and companies should be allowed to operate freely under current law until that time when tax reform is enacted. It is my hope, therefore, that Congress take action on this important concurrent resolution before we adjourn this year. To do otherwise would be grossly irresponsible.●

● Mrs. HAWKINS. Mr. President, the concurrent resolution that I am sponsoring today with my colleague from New York, Mr. D'AMATO and my colleague from Connecticut, Mr. DODD, is an important one.

It is quite obvious, I believe, that Congress will adjourn this year without enacting tax reform legislation. With current proposals having an effective date of January 1, 1986, investment is almost certain to dry up between January 1 and the date legislation is finally adopted (if it is adopted). Even now, with tax reform only pending, some investment has come to a screeching halt. This type of financial freeze is totally unacceptable to this Senator and I want to send a clear, definite message to Americans so that they will know where they stand.

I have received numerous phone calls from Floridians who are radically affected by the pending proposals and have requested a sign from Congress indicating our intentions. One man in particular has invested $800,000 in a project, but due to the uncertainty of tax reform, the financial arrangements for his project are pending the outcome of tax reform legislation.

This concurrent resolution is clearly warranted. The debate on tax reform is far from over and already people are losing money because deals are suddenly frozen. This is not only unfair, but it is unwise for the Congress to force investors to play a guessing game.

The real estate industry is an example of just one industry that is suffering from the mere proposal of tax reform. The proposed changes in depreciation for both real property and personal property and the extension of the at-risk rules to real estate could have a drastic effect on this industry. These are very controversial proposals that could take literally months to resolve, but until they are resolved, much of the real estate sector is in limbo, unable to close many of its deals.

The concurrent resolution we are submitting today is designed to keep America's investment moving. We are trying to indicate to those who have proceeded under the current set of rules that they can continue to do so,

and that any changes will not be effective on January 1, 1986, but rather July 1, 1986, when the bill is more likely to be finalized. Too many times we have changed the rules on people in the middle of the game. I think it is time that we started playing fair, and set a prospective rather than retroactive effective date to any tax reform legislation that is adopted.

I urge my colleagues to join us in this effort and hope the Senate will act on this measure without delay.●

SENATE RESOLUTION 245—TO IMPROVE SENATE PROCEDURES

Mr. BYRD submitted the following resolution; which was referred to the Committee on Rules and Administration:

S. RES. 245

Resolved, That (a) the Senate hereby authorizes and directs that there be both television and radio broadcast coverage (together with videotape and audio recordings) of proceedings in the Senate Chamber.

(b) Such broadcast coverage shall be—

(1) provided in accordance with provisions of this resolution;

(2) provided continuously except for any time when a meeting with closed doors is ordered; and

(3) provided that during any television and/or radio broadcasts, time shall be divided and controlled in such way as to assure equal time to both the Majority and Minority Parties; and

(4) provided subject to the provisions pertaining to the Senate gallery contained in the following Standing Rules of the Senate: rule XIX, paragraphs 6 and 7; rule XXV, paragraph 1(n); and rule XXXIII, paragraph 2; and

(5) provided that the Senate shall be in session on Mondays, Tuesdays, and Thursdays, with committee meetings scheduled on days and/or times the Senate is not to be in session.

SEC. 2. The radio and televison broadcast of Senate proceedings shall be—

(a) supervised and operated by the Senate, and

(b) made available on a "live" basis and free of charge to (1) any accredited member of the Senate Radio and Television Correspondents Gallery, (2) the coaxial cable system of the Architect of the Capitol, and (3) such other news gathering, educational, or information distributing entity as may be authorized by the Committee on Rules and Administration to receive such broadcasts.

SEC. 3. The television broadcast of Senate proceedings shall follow the Presiding Officer and Senators who are recognized to speak by the Presiding Officer (including Senators who are so recognized with the consent of another Senator to interrupt such other Senator).

SEC. 4. (a) The broadcast coverage by radio and television of the proceedings of the Senate shall be implemented as provided in this section.

(b) The Architect of the Capitol, in consultation with the Sergeant at Arms and Doorkeeper of the Senate, shall—

(1) construct necessary broadcasting facilities for both radio and television (including a control room and the modification of Senate sound and lighting fixtures);

(2) employ necessary expert consultants; and

(3) acquire and install all necessary equipment and facilities to (A) produce a broadcast-quality "live" audio and color video signal of such proceedings, and (B) provide an archive-quality audio and color video tape recording of such proceedings:

Provided, That the Architect of the Capitol, in carrying out the duties specified in clauses (1) through (3) of this subsection, shall not enter into any contract for the purchase or installation of equipment, for the employment of any consultant, or for the provision of training to any person, unless the same shall first have been approved by the Committee on Rules and Administration.

(c) The Sergeant at Arms and Doorkeeper of the Senate shall (1) employ such staff as may be necessary, working in conjunction with the Senate Recording and Photographic Studios, to operate and maintain all broadcast audio and color video equipment installed pursuant to this resolution, (2) make audio and video tape recordings of Senate proceedings, (3) make copies of such recordings available, upon payment to him of a fee fixed therefor by the Committee on Rules and Administration, to Members of the Senate and to each person described in subsection (b) (1) and (3) of section 2 of this resolution, and (4) retain for ninety days after the day any Senate proceedings took place, such recordings thereof, and as soon thereafter as possible, transmit to the Librarian of Congress and to the Archivist of the United States copies of such recordings: Provided, That the Sergeant at Arms and Doorkeeper of the Senate, in carrying out the duties specified in clauses (1) and (2) of this subsection, shall comply with appropriate Senate procurement and other regulations.

(d) The Librarian of Congress and the Archivist of the United States shall each receive, store, and make available to the public, at no cost for viewing or listening on the premises where stored and upon payment of a fee equal to the cost involved through distribution of taped copies, recordings of Senate proceedings transmitted to them by the Sergeant at Arms and Doorkeeper of the Senate.

SEC. 5. (a) As soon as practicable after the necessary equipment has been installed, there shall begin a test period during which tests of radio and television coverage of Senate proceedings shall be conducted by the staffs of the Committee on Rules and Administration and of the Office of the Sergeant at Arms and Doorkeeper of the Senate. Such test period shall end on such date as may be agreed upon by the majority leader, the minority leader, the chairman of the Committee on Rules and Administration, and the ranking minority member of such committee.

(b) During such test period—

(1) final procedures for camera direction control shall be established;

(2) coverage of Senate proceedings shall not be transmitted to any outside source; and

(3) recordings of Senate proceedings shall be made and retained by the Sergeant at Arms and Doorkeeper of the Senate.

SEC. 6. The use of tape duplications of broadcast coverage of the proceedings of the Senate for political or commercial purposes is strictly prohibited; and any such tape duplication furnished to any person shall be made on the condition that it not be used for political or commercial purposes.

SEC. 7. Any changes in the regulations made by this resolution shall be made only by Senate resolution. However, the Committee on Rules and Administration may adopt such procedures and such regulations, which do not contravene the regulations made by this resolution, as it deems necessary to assure the proper implementation of the purposes of this resolution.

SEC. 8. Such funds as may be necessary (but not in excess of $2,500,000) to carry out this resolution shall be expended from the contingent fund of the Senate.

SEC. 9. Rule XXVI, paragraph 7.(a)(1), is amended to read as follows:

"7. (a)(1) Except as provided in this paragraph, each committee, and each subcommittee thereof is authorized to fix the number of its members (but not less than one-third of its entire membership) who shall constitute a quorum thereof for the transaction of such business as may be considered by said committee, except that no measure or matter or recommendation shall be reported from any committee unless a majority of the committee are physically present, and no report or legislative or executive measure or matter from a committee shall be accepted at the desk except on the representation of the committee chairman that it was not reported by polling.".

SEC. 10. Rule XXX, paragraph 1(b), is amended to read as follows:

"(b) When a treaty is reported from a committee with or without amendment, it shall, unless the Senate unanimously otherwise direct, lie over one day for consideration; after which it may be read a second time, after which amendments may be proposed. At any stage of such proceedings the Senate may remove the injunction of secrecy from the treaty."

SEC. 11. Rule XII, paragraph 1, is amended by striking the first clause thereof and inserting in lieu thereof the following:

"Except as pr~vided in subparagraph 5 of this rule, when the yeas and nays are ordered,".

SEC. 12. Rule XII is amended by adding at the end thereof the following new paragraphs:

"5. Whenever the Majority Leader, with concurrence of the Minority Leader, shall determine, the names and Senators voting upon any roll call shall be recorded by electronic device. Senators shall have not more than fifteen minutes from the beginning of the roll call to have their vote recorded.

"6. The Majority Leader, with concurrence of the Minority Leader, may announced that any recorded vote that is scheduled to or does occur immediately after another recorded vote shall be no longer than five minutes in duration.".

SEC. 13. Paragraph 4 of rule XVI of the Standing Rules of the Senate is amended—

(1) by inserting "(a)" after "4"; and

(2) by adding at the end of such paragraph the following new subparagraph:

"(b) If a point of order is made by any Senator against an amendment to a general appropriations bill on the ground that such amendment proposes general legislation or proposes a limitation or restriction not authorized by law and is to take effect or cease to be effective upon the happening of a contingency, it shall not be in order to raise the defense of germaneness unless there is House legislative language on that subject contained in the bill.".

SEC. 14. Rule XVII, par. 5, of the Standing Rules of the Senate is amended to read as follows:

"5. Any measure or matter reported by any standing committee shall not be considered in the Senate unless the report of that committee upon that measure or matter has been available to Members for at least two calendar days (excluding Sundays and legal holidays) prior to the consideration of that measure or matter. If hearings have been held on any such measure or matter so reported, the committee reporting the measure or matter shall make every reasonable effort to have such hearings printed and available for distribution to the Members of the Senate prior to the consideration of such measure or matter in the Senate. This paragraph—

"(1) may be waived by joint agreement of the Majority Leader and the Minority Leader of the Senate, and

"(2) shall not apply to—

"(A) any measure for the declaration of war, or the declaration of a national emergency, by the Congress, and

"(B) any executive decision, determination, or action which would become, or continue to be, effective unless disapproved or otherwise invalidated by one or both Houses of Congress.".

SEC. 15. Rule XV of the Standing Rules of the Senate is amended—

(1) by inserting after "Motions" in the caption a semicolon and the following: "GERMANENESS";

(2) by adding at the end thereof the following new paragraph:

"6. (a) At any time during the consideration of a bill or resolution, it shall twice be in order during a calendar day to wave that no amendment, other than the reported committee amendments, which is not germane or relevant to the subject matter of the bill or resolution, or to the subject matter of an amendment proposed by the committee which reported the bill or resolution, shall thereafter be in order. The motion shall be privileged and shall be decided after one hour of debate, without intervening action, to be equally divided and controlled by the Majority Leader and the Minority Leader or their designees.

"(b) If a motion made under subparagraph (a) is agreed to by an affirmative vote of three-fifths of the Senators present and voting, then any floor amendment not already agreed to (except amendments proposed by the Committee which reported the bill or resolution) which is not germane or relevant to the bill or resolution, or the subject matter of an amendment proposed by the committee which reported the bill or resolution, shall not be in order.

"(c) When a motion made under subparagraph (a) has been agreed to as provided in subparagraph (b) with respect to a bill or resolution, points of order with respect to questions of germaneness or relevancy of amendments shall be decided without debate, except that the Presiding Officer may entertain debate for his own guidance prior to ruling on the point of order. Appeals from the decision of the Presiding Officer on such points of order shall be decided without debate.

"(d) Whenever an appeal is taken from a decision of the Presiding Officer on the question of germaneness of an amendment, or whenever the Presiding Officer submits the question of germaneness or relevancy of an amendment to the Senate, the vote necessary to overturn the decision of the Presiding Officer or hold the amendment germane or relevant shall be two-thirds of the Senators present and voting. No amendment proposing sense of the Senate or sense of the Congress language that does not directly relate to the measure or matter before the Senate shall be considered germane.".

SEC. 16. Paragraph 2 of Rule XXII of the Standing Rules of the Senate is amended to read as follows:

"2. Notwithstanding the provisions of Rule II or Rule IV or any other rule of the Senate, at any time a motion signed by sixteen Senators, to bring to a close the debate upon any measure, motion, other matter pending before the Senate, or the unfinished business, is presented to the Senate, the Presiding Officer, or clerk at the direction of the Presiding Officer, shall at once state the motion to the Senate, and one hour after the Senate meets on the following calendar day but two, he shall lay the motion before the Senate and direct that the clerk call the roll, and upon the ascertainment that a quorum is present, the Presiding Officer shall, without debate, submit to the Senate by a yea-and-nay vote the question.

"Is it the sense of the Senate that the debate shall be brought to a close?

"And if that question shall be decided in the affirmative by two-thirds of the Senators present and voting—except on a measure or motion to amend the Senate rules, in which case the necessary affirmative vote shall be two-thirds of the Senators duly chosen and sworn—then said measure, motion, or other matter pending before the Senate, or the unfinished business, shall be the unfinished business to the exclusion of all other business until disposed of.

"Except by unanimous consent, no amendment shall be proposed after the vote to bring the debate to a close, unless it had been submitted in writing to the Journal Clerk by 1 o'clock p.m. on the day following the filing of the cloture motion if a complete substitute, and by 1 o'clock p.m. two days following the filing of the cloture motion if an amendment in the first degree, or beginning of the cloture vote if an amendment in the second degree. No dilatory motion, or dilatory amendment, or amendment not germane shall be in order. Points of order, including questions of relevancy, and appeals from the decision of the Presiding Officer, shall be decided without debate. Whenever an appeal is taken under this rule from a decision of the Presiding Officer on the question of germaneness of an amendment, the vote necessary to overturn the decision of the Presiding Officer shall be two-thirds of the Senators, present and voting.

"After no more than twenty hours of consideration of the measure, motion, or other matter on which cloture has been invoked, the time to be equally divided and controlled by the Majority and Minority Leaders or their designees, the Senate shall proceed, without any further debate on any question, to vote on the final disposition thereof to the exclusion of all amendments not then actually pending before the Senate at that time and to the exclusion of all motions, except a motion to table, or to reconsider and one quorum call on demand to establish the presence of a quorum (and motions required to establish a quorum) immediately before the final vote begins.

"If, for any reason, a measure or matter is reprinted after cloture has been invoked, amendments which were in order prior to the reprinting of the measure or matter will continue to be in order and may be conformed and reprinted at the request of the amendment's sponsor. The conforming changes must be limited to lineation and pagination.

"No Senator shall call up more than two amendments until every other Senator shall have had the opportunity to do likewise.".

AMENDMENTS SUBMITTED

AGRICULTURE, FOOD, TRADE, AND CONSERVATION ACT

PRESSLER (AND ABDNOR) AMENDMENT NO. 886

Mr. PRESSLER (for himself and Mr. ABDNOR) proposed an amendment to the bill (S. 1714) to expand export markets for United States agricultural commodities, provide price and income protection for farmers, assure consumers an abundance of food and fiber at reasonable prices, continue food assistance to low-income households, and for other purposes; as follows:

On page 459, between lines 18 and 19, insert the following:

IMPORTATION OF LIVESTOCK AND MEAT

SEC. 1927. Section 20 of the Federal Meat Inspection Act (20 U.S.C. 620) is amended by adding at the end thereof the following new subsection:

"(g) The Secretary may prohibit the importation into the United States of—

"(1) any livestock, or

"(2) any carcass, meat, or meat products of any livestock,

if the Secretary determines that such livestock may have been administered any drug (including any antibiotic drug) which has been banned for use in livestock in the United States: *Provided*, That

"(A) the Secretary determines that residues of that particular drug (including any antibiotic drug) threaten the health and safety of U.S. consumers;

"(B) the use of that particular drug (including any antibiotic drug) gives foreign producers of livestock an unfair competitive advantage over U.S. producers.".

PRESSLER AMENDMENT NO. 887

Mr. PRESSLER proposed an amendment to the bill S. 1714, supra; as follows:

On page 130, after line 22, insert the following:

STUDY OF OAT IMPORTS

SEC. 503. (a) The Secretary of Agriculture shall conduct a study of the impact on domestic farm programs of the increased importation of oats into the United States.

(b) By no later than 1 year after the date of enactment of this Act, the Secretary of Agriculture shall submit to the Congress a report on the study conducted under subsection (a).

PRESSLER AMENDMENT NOS. 888 AND 889

(Ordered to lie on the table.)

Mr. PRESSLER submitted two amendments intended to be proposed by him to the bill S. 1714, supra; as follows:

AMENDMENT No. 888

On page 114, strike out lines 20 and 21 and insert in lieu thereof the following:

"(E) The established price for corn shall be not less than—

"(I) $3.13 per bushel for any quantity of corn not in excess of 10,000 bushels,

"(II) $2.98 per bushel for any quantity of corn in excess of 10,001 bushels, but not in excess of 20,000 bushels, and

"(III) $2.83 per bushel for any quantity of corn in excess of 20,001 bushels.".

On page 88, strike out lines 18 through 23 and insert in lieu thereof the following:

"(E) The established price for wheat shall not be less than—

"(I) $4.48 per bushel for any quantity of wheat not in excess of 7,500 bushels.

"(II) $4.33 per bushel for any quantity of wheat in excess of 7,501 bushels, but not in excess of 15,000 bushels, and

"(III) $4.18 per bushel for any quantity of wheat in excess of 15,001 bushels.".

AMENDMENT No. 889

At the end of section 206, after line 20, insert the following new section:

SEC. 207. For purposes of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321 et seq.), any food which is an imitation of cheese and which does not comply with any standard of identity in effect under section 401 of such Act for any cheese shall be deemed to be misbranded if its label contains the word "cheese".

DIXON AMENDMENT NO. 890

Mr. DIXON proposed an amendment to the bill S. 1714, supra; as follows:

On page 459, between lines 18 and 19, insert the following new section:

TRANSFER OF AGRICULTURAL PRODUCTS STORED IN WAREHOUSES

SEC. . Section 17 of the United States Warehouse Act (7 U.S.C. 259) is amended—

(1) by striking out "That" and inserting in lieu thereof "(a) Except as provided in subsection (b),"; and

(2) by adding at the end thereof the following new subsection:

"(b)(1) Notwithstanding any other provision of this Act, if a warehouseman lacks sufficient space to store the agricultural products of all depositors in a licensed warehouse, the warehouseman may, in accordance with regulations issued by the Secretary of Agriculture and subject to such terms and conditions as the Secretary may prescribe, transfer stored agricultural products for which receipts have or have not been issued out of such warehouse to another licensed warehouse for continued storage.

"(2) The warehouseman of a licensed warehouse to which agricultural products have been transferred under paragraph (1) shall deliver to the rightful owner of such products, on request, at the licensed warehouse where first deposited, such products in the amount, and of the kind, quality, and grade, called for by the receipts or other evidence of storage of such owner.".

MATTINGLY (AND NICKLES) AMENDMENT NO. 891

Mr. MATTINGLY (for himself and Mr. NICKLES) proposed an amendment to the bill S. 1714, supra; as follows:

On page 30 of the bill, strike lines 16 through line 24, and insert in lieu thereof the following: "Corporation shall, to the maximum extent practicable and with the approval of the Secretary of Agriculture, make available annually to the Secretary of Energy, upon the request of the Secretary of Energy a quantity of agricultural products owned by the Corporation with a market value at the time of such request of at least $300,000,000 for use by the Secretary of Energy in acquiring petroleum products (including crude oil) produced abroad for placement in the Strategic Petroleum Reserve through an exchange of such agricultural products. The terms and conditions of each such exchange shall be determined by the Secretary of Energy in consultation with the Secretary of Agriculture: *Provided* That if the volume of agricultural products to be exchanged has a value in excess of the then established market price of the petroleum products (including crude oil) acquired by such exchange, then the Secretary of Energy shall require as a part of the terms and conditions of the exchange that the party or entity providing such petroleum products shall agree to purchase, within six months following the exchange, current-crop commodities or value-added food products from United States producers or processors in an amount equal to at least one-half of the difference between the value of the commodities received in the exchange and the market price of the petroleum products acquired for the Strategic Petroleum Reserve in such transaction.".

GORE (AND OTHERS) AMENDMENT NO. 892

Mr. GORE (for himself, Mr. BINGAMAN, and Mr. GRASSLEY) proposed an amendment to the bill S. 1714, supra; as follows:

On page 459, between lines 18 and 19, insert the following new section:

TOBACCO PESTICIDE RESIDUES

SEC. . (a) Section 213 of the Dairy and Tobacco Adjustment Act of 1983 (7 U.S.C. 511r) is amended by adding at the end thereof the following new subsection:

"(e)(1) Notwithstanding any other provision of law, any tobacco offered for importation into the United States shall be accompanied by a certification by the importer, in such form as the Secretary of Agriculture shall prescribe, that the tobacco has not been produced or processed with the use of a pesticide that is not registered under the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 135 et seq.).

"(2) Any tobacco that is not accompanied by the certification required by paragraph (1) shall not be permitted entry into the United States.

"(3) The Secretary, to such extent and at such times as the Secretary determines appropriate, shall sample and test tobacco offered for importation on entry into the United States to determine whether that tobacco conforms with the certification required under this subsection.

"(4) The Secretary shall by regulation provide that domestically produced tobacco is subject to substantially the same requirements with respect to residues of any pesticide as apply to tobacco offered for importation.

"(5)(A) Subject to subparagraph (B), if the Secretary determines that Flue-cured or Burley tobacco does not meet the requirements of this section, such tobacco may not be moved in commerce among the States and shall be destroyed by the Secretary.

"(B) This paragraph shall apply only to tobacco produced after the date of enactment of this provision that receives price support under the Agricultural Adjustment Act of 1938 (7 U.S.C. 1281 et seq.) or the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.).".

(b)(1) The second sentence of section 213(c) of such Act is amended by striking out "such subsection" and inserting in lieu thereof "this section".

(2) The second sentence of section 213(d) of such Act is amended by inserting "and subsection (e)" after "subsection (a)(1)".

PROXMIRE AMENDMENT NO. 893

Mr. PROXMIRE proposed an amendment to the bill S. 1714, supra; as follows:

On page 445, beginning on line 10, strike out the comma after "57,067,300" and all that follows through "necessary" on line 12.

ANDREWS AMENDMENT NO. 894

Mr. ANDREWS proposed an amendment to the bill S. 1714, supra; as follows:

PROPOSED AMENDMENT TO EXEMPT REA FINANCED ELECTRIC AND TELEPHONE SYSTEMS FROM ELIGIBILITY RESTRICTIONS ON BORROWING FROM THE BANKS FOR COOPERATIVES

SEC. . Section 3.8 of the Farm Credit Act of 1971 (12 U.S.C. 2129) is amended by—

(1) inserting "(1)" immediately before "Any association"; and

(2) adding at the end thereof a new subsection (2) as follows:

"(2) Notwithstanding any other provision of this title, cooperatives and other entities which have received a loan, loan commitment, or loan guarantee from the Rural Electrification Administration, or a loan or loan commitment from the Rural Telephone Bank, or which have been certified by the Administrator of the Rural Electrification Administration to be eligible for such a loan, loan commitment, or loan guarantee, and subsidiaries of such cooperatives or other entities, shall also be eligible to borrow from a bank for cooperatives."

KASSEBAUM-DOLE AMENDMENT NO. 895

Mrs. KASSEBAUM (for herself and Mr. DOLE) proposed an amendment to the bill S. 1714, supra, as follows:

On page 459, between lines 18 and 19, insert the following new section:

NATIONAL AGRICULTURAL COST OF PRODUCTION STANDARDS REVIEW BOARD

SEC. . (a) Subsection (c) of section 1006 of the Agriculture and Food Act of 1981 (7 U.S.C. 4102(c)) is amended to read as follows:

"(c) A person may serve as a member of the Board for one or more terms.".

(b) Section 1014 of such Act (7 U.S.C. 4110) is amended by striking out "1985" and inserting in lieu thereof "1989".

KASSEBAUM (AND OTHERS) AMENDMENT NO. 896

Mrs. KASSEBAUM (for herself, Mr. DOLE, Mr. NICKLES, and Mr. BOREN) proposed an amendment to the bill S. 1714, supra, as follows:

On page 459, between lines 18 and 19, insert the following new section:

NEW GRAIN CLASSIFICATIONS

SEC. . (a) The Secretary of Agriculture shall direct the Federal Grain Inspection Service and the Agricultural Research Service to cooperate in developing new means of establishing grain classifications taking into account characteristics other than those visually evident.

(b) The Secretary shall report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, semiannually, with the first report due not later than December 31, 1985, on the status of cooperative efforts required under subsection (a), as such efforts relate to more accurately classifying types of wheat and other grains currently in use.

HATCH-KENNEDY AMENDMENT NO. 897

Mr. HELMS for Mr. HATCH (for himself and Mr. KENNEDY) proposed an amendment to the bill S. 1714, supra, as follows:

On page 311, line 21, insert "and the Secretary of Health and Human Services" after "Secretary".

On page 312, line 1, insert "and the Secretary of Health and Human Services" after "Secretary".

On page 312, line 4, insert "and the Secretary of Health and Human Services" after "Secretary".

On page 312, line 8, insert "and the Secretary of Health and Human Services" after "Secretary".

On page 312, line 9, insert "and the Secretary of Health and Human Services" after "Secretary".

On page 312, line 11, strike out "the Secretary considers" and insert "such Secretaries consider".

On page 312, line 13, strike out "Secretary shall submit to the Committee" and insert "Secretary and the Secretary of Health and Human Services shall submit to the Committees".

On page 312, line 14, insert "and Energy and Commerce" after "Agriculture".

On page 312, lines 14 and 15, strike out "Committee" and insert "Committees".

On page 312, line 15, insert "and Labor and Human Resources" after "Forestry".

On page 312, line 16, strike out "Secretary" and insert in lieu thereof "Secretaries".

HATCH-KENNEDY AMENDMENT NO. 898

Mr. HELMS for Mr. HATCH (for himself and Mr. KENNEDY) proposed an amendment to the bill S. 1714, supra, as follows:

On page 310, line 10, insert "and the Secretary of Health and Human Services" after "Secretary".

On page 310, line 16, insert "and the Secretary of Health and Human Services" after "Secretary".

On page 310, line 19, insert "and the Secretary of Health and Human Services" after "Secretary".

On page 311, line 2, insert "and the Secretary of Health and Human Services" before the period.

On page 311, line 3, insert "and the Secretay of Health and Human Services" after "Secretary".

On page 311, line 5, strike out "the Secretary considers" and insert "such Secretaries consider".

On page 311, line 8, strike out "Secretary shall submit to the Committee" and insert "Secretary and Secretary of Health and Human Services shall submit to the Committees".

On page 311, line 9, insert "and Energy and Commerce" after "Agriculture".

On page 311, lines 9 and 10, strike out "Committee" and insert "Committees".

On page 311, line 10, insert "and Labor and Human Resources" after "Forestry".

On page 311, line 11, insert "and the Secretary of Health and Human Services" after "Secretary".

ABDNOR AMENDMENT NOS. 899 THROUGH 903

(Ordered to lie on the table.)

Mr. ABDNOR submitted five amendments intended to be proposed by him to the bill S. 1714, supra; as follows:

AMENDMENT NO. 899

On page 459, between lines 18 and 19, insert the following new subtitle:

Subtitle D—Grain Inspection

GRAIN STANDARDS

SEC. 1930. Section 4 of the United States Grain Standards Act (7 U.S.C. 76) is amended by adding at the end thereof the following new subsections:

"(c) If the Government of any country requests that moisture content remain a criterion in the official grade designations of grain, such criterion shall be included in determining the official grade designation of grain shipped to such country.

"(d) The Administrator shall issue regulations establishing a new grade for each type of grain that exceeds the standards in effect on September 30, 1985, for United States No. 1 grade of such grain.".

IMPROVED QUALITY STANDARDS FOR EXPORTED GRAIN

SEC. 1931. Section 6 of the United States Grain Standards Act (7 U.S.C. 78) is amended by adding at the end thereof the following new subsection:

"(c)(1) Subject to paragraphs (2) and (3), to protect the quality of grain exported from the United States—

"(A) no dockage or foreign material (including but not limited to dust or particles of whatever origin) once removed from grain shall be recombined with any grain if there is a possibility that the recombined product may be exported from the United States; and

"(B) no dockage or foreign material of any origin may be added to any grain that may be exported if the result will reduce the ability of the grain to resist spoilage.

"(2) Nothing in paragraph (1) shall be construed to prohibit—

"(A) the treatment of grain to suppress, destroy, or prevent insects and fungi injurious to stored grain;

"(B) the export of dockage or foreign material removed from grain if such dockage or foreign material is pelletized or a part of a processed ration for livestock, poultry, or fish and is exported separately and uncombined with any whole grain;

"(C) the blending of grain with similar grain of a different grade to adjust the quality of the resulting mixture;

"(D) the addition to grain of confetti, or any other material that serves the same purpose, in an amount necessary to facilitate identification of ownership or origin of a particular lot of grain; and

"(E) the addition of any other foreign material that may be determined by the Secretary to be in the interest of grain producers and to be neutral or constructive in achieving the goal of protecting the quality of grain exported from the United States.

"(3)(A) Except as provided in subparagraph (B), adjustment of the moisture content of grain that may be exported is permitted by the blending of such grain with a similar grain of different moisture content if the difference between the moisture contents of the grains being blended does not exceed 4 percent.

"(B) The addition of water to grain that may be exported is prohibited except by aeration of such grain with natural air.".

NEW GRAIN CLASSIFICATIONS

SEC. 1932. (a) The Secretary of Agriculture shall direct the Federal Grain Inspection Service and the Agricultural Research Service to cooperate in developing new means of establishing grain classifications taking into account characteristics other than those visually evident.

(b) Not later than December 31, 1985, the Secretary shall report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate on the status of cooperative efforts required under subsection (a), as such efforts relate to more accurately classifying types of wheat and other grains currently in use.

AMENDMENT NO. 900

On page 459, between lines 18 and 19, add the following new section:

RESTRICTION ON PUBLICATION OF CROP AND LIVESTOCK REPORTS

SEC. 1927. Notwithstanding any other provision of law, the Secretary of Agriculture may not, more than once during any consecutive twelve-month period, publish or otherwise provide for the public dissemination of any information which projects or forecasts the supply, demand, or price for any particular agricultural commodity.

AMENDMENT NO. 901

On page 376, beginning with line 19, strike out all down through line 20 on page 377 and insert in lieu thereof the following:

SEC. 1718. (a) The Governor of the Federal Reserve System, in consultation with the Secretary of Agriculture and the Governor of the Farm Credit System shall conduct a study of methods to ensure the availability of adequate credit, on reasonable terms and conditions, for farmers of the United States.

(b) In conducting such study, the Governor of the Federal Reserve System shall—

(1) evaluate the financial circumstances relative to both lenders and borrowers of farm credit; and

(2) evaluate the structure, performance, and conduct of the Farm Credit System.

(c) Not later than 180 days after the date of enactment of this Act, the Governor of the Federal Reserve System shall submit to the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Agriculture of the House of Representatives a report containing the results of the study provided for in this section together with such comments and recommendations for providing a sound and reasona-

ble credit program for farmers as the Governor considers appropriate.

AMENDMENT No. 902

On page 71, line 22, strike out "one" and insert in lieu thereof "three".

On page 80, line 5, strike out "one" and insert in lieu thereof "three".

AMENDMENT No. 903

On page 13, line 10, insert "(1)" after "(b)".

On page 13, line 13, insert "(adjusted in accordance with paragraph (2))" after "$5,000,000,000".

On page 13, between lines 17 and 18, insert the following:

(2) The minimum amount that the Commodity Credit Corporation shall make available in credit guarantees under its export credit guarantee program for short-term credit under paragraph (1) shall be adjusted by the Secretary of Agriculture on October 1, 1986 by such amount as is necessary to reflect any increase during the preceding fiscal year in the exchange rate of the United States dollar against other major currencies (as determined under regulations prescribed by the Secretary of the Treasury). Such an adjustment shall also be made on October 1, 1987, October 1, 1988, and on October 1, 1989, to reflect any increase in the preceding fiscal year in such exchange rate and the adjustment on each such date shall be cumulative from the adjustment made the preceding year.

DOLE (AND OTHERS) AMENDMENT NO. 904

Mr. DOLE (for himself, Mr. HEINZ, Mr. ROTH, Mr. STEVENS, Mr. LEAHY, Mr. COHEN, Mr. STAFFORD, Mr. MATSUNAGA, Mr. BINGAMAN, Mr. ZORINSKY, Mr. GORTON, Mr. D'AMATO, Mr. BURDICK, Mr. KASTEN, Mr. PROXMIRE, Mr. SIMON, Mr. FORD, Mr. DURENBERGER, Mr. BAUCUS, Mr. DOMENICI, Mr. SPECTER, Mr. CHAFEE, Mr. PELL, Mr. GOLDWATER, Mr. BOSCHWITZ, Mr. MOYNIHAN, Mr. MURKOWSKI, Mr. MITCHELL, Mr. WILSON, Mr. STENNIS, Mr. HUMPHREY, Mr. HECHT, Mr. BUMPERS, Mr. CRANSTON, Mr. METZENBAUM, and Mr. MATTINGLY) proposed an amendment to the bill S. 1714, supra, as follows:

At the end of the bill insert the following:

TITLE .—AMENDMENTS TO ANIMAL WELFARE ACT

SEC. . This title may be cited as the "Improved Standards for Laboratory Animals Act".

FINDINGS

SEC. . The Congress finds that—

(1) the use of animals is instrumental in certain research and education for advancing knowledge of cures and treatments for diseases and injuries which afflict both humans and animals;

(2) methods of testing that do not use animals are being and continue to be developed which are faster, less expensive, and more accurate than traditional animal experiments for some purposes and further opportunities exist for the development of these methods of testing;

(3) measures which eliminate or minimize the unnecessary duplication of experiments on animals can result in more productive use of Federal funds; and

(4) measure which help meet the public concern for laboratory animal care and treatment are important in assuring that research will continue to progress.

STANDARDS AND CERTIFICATION PROCESS

SEC. . (a) Section 13 of the Animal Welfare Act (7 U.S.C. 2143) is amended—

(1) by redesignating subsections (b) through (d) as subsections (f) through (h), respectively; and

(2) by striking out the first two sentences of subsection (a) and inserting in lieu thereof the following:

"(1) The Secretary shall promulgate standards to govern the humane handling, care, treatment, and transportation of animals by dealers, research facilities, and exhibitors.

"(2) The standards described in paragraph (1) shall include requirements—

"(A) for handling, housing, feeding, watering, sanitation, ventilation, shelter from extremes of weather and temperatures, adequate veterinary care, and separation by species where the Secretary finds necessary for humane handling, care, or treatment of animals; and

"(B) for exercise of dogs and primates.

"(3) In addition to the requirements under paragraph (2), the standards described in paragraph (1) shall, with respect to animals in research facilities, include requirements—

"(A) for animal care, treatment, and practices in experimental procedures to ensure that animal pain and distress are minimized, including adequate veterinary care with the appropriate use of anesthetic, analgesic, tranquilizing drugs, or euthanasia:

"(B) that the principal investigator considers alternatives to any procedure likely to produce pain to or distress in an experimental animal;

"(C) in any practice which could cause pain to animals—

"(i) that a doctor of veterinary medicine is consulted in the planning of such procedures;

"(ii) for the use of tranquilizers, analgesics, and anesthetics;

"(iii) for pre-surgical and post-surgical care by laboratory workers in accordance with established veterinary medical and nursing procedures;

"(iv) against the use of paralytics without anesthesia; and

"(v) that the witholding of tranquilizers, anesthesia, analgesia, or euthanasia when scientifically necessary shall continue for only the necessary period of time;

"(D) that no animal is used in more than one major operative experiment from which it is allowed to recover except in cases of—

"(i) scientific necessity; or

"(ii) other special circumstances as determined by the Secretary; and

"(E) that exceptions to such standards may be made only when specified by research protocol and that any such exception shall be detailed and justified in a report outlined under paragraph (7) and filed with the Institutional Animal Committee.".

(b) Section 13(a) of such Act is further amended—

(1) by designating the third and fourth sentences as paragraph (4);

(2) by designating the fifth sentence as paragraph (5); and

(3) by striking out the last sentence and inserting in lieu thereof the following:

"(6) Nothing in this Act shall be construed as authorizing the Secretary to promulgate rules, regulations, or orders with regard to the design, outlines, or guidelines of actual research or experimentation by a research facility: *Provided*, that the Secretary shall require every research facility to show that professionally acceptable standards governing the care, treatment, and practices on animals are being followed by the research facility during research and experimentation.

"(7)(A) The Secretary shall require, at least annually, every research facility to report that the provisions of this Act are being followed.

"(B) In complying with subparagraph (A), the research facility shall provide—

"(i) the details of any procedure which was likely to produce pain or distress in any animal and assurances demonstrating that the principal investigator considered alternatives to those procedures;

"(ii) assurances satisfactory to the Secretary that such facility is adhering to the standards described in this section; and

"(iii) an explanation for any deviation from the standards promulgated under this section.

"(8) Paragraph (1) shall not prohibit any state (or a political subdivision of such State) from promulgating standards in addition to those standards promulgated by the Secretary under paragraph (1).".

(c) Section 13 of such act is further amended by inserting after subsection (a) the following new subsections:

"(b)(1) The Secretary shall require that each research facility establish at least one Institutional Animal Committee. Each Committee shall be appointed by the chief executive officer of each such research facility and shall be composed of not fewer than three members. Such members shall possess sufficient ability to assess animal care, treatment, and practices in experimental research as determined by the needs of the research facility and shall represent society's concerns regarding the welfare of animal subjects used in such facility. Of the members of the Committee—

"(A) at least one member shall be a doctor of veterinary medicine;

"(B) at least one member shall not be affiliated in any way with such facility other than as a member of the Committee, shall not be a member of the immediate family of a person who is affiliated with such facility, and shall be charged with primary responsibility for representing society's concerns regarding the welfare of the animal subjects; and

"(C) in those cases where the Committee consists of more than three members, not more than three members shall be from the same administrative unit of such facility.

"(2) A quorum shall be required for all formal actions of the Committee, including inspections under paragraph (3).

"(3) The Committee shall inspect at least semiannually all animal study areas and animal facilities of such research facility and review as part of the inspection—

"(A) practices involving pain to animals, and

"(B) the condition of animals,

to ensure compliance with the provisions of this Act and that pain and distress to animals is minimized. Exceptions to the requirement of inspection of such study areas may be made by the Secretary if animals are studied in their natural environment and the study area is prohibitive to easy access. Nothing in this Act shall be construed to require research facilities to grant access to Institutional Animal Committees during inspections to any area in which research is being conducted involving confidential or proprietary information, which

would be subject to compromise or inadvertent disclosure. Such exclusion shall not preclude access ot USDA inspectors. Instances of excluding Institutional Animal Committees from access to a facility's confidential or proprietary research shall be reported by the facility to the Secretary of Agriculture in the facility's annual report and included in the records of the Institutional Animal Committee.

"(4)(A) The Committee shall file an inspection certification report of each inspection at the research facility. Such report shall—

"(i) be signed by a majority of the Committee members involved in the inspection;

"(ii) include reports of any violation of the standards promulgated, or assurances required, by the Secretary, including any deficient conditions of animal care or treatment, any deviations of research practices from originally approved proposals that adversely affect animal welfare, any notification to the facility regarding such conditions, and any corrections made thereafter;

"(iii) include any minority views of the Committee; and

"(iv) include any other information pertinent to the activities of the Committee.

"(B) Such report shall remain on file for at least three years at the research facility and shall be available for inspection by the Animal and Plant Health Inspection Service of the Department of Agriculture and any funding Federal agency.

"(C) In order to give the research facility an opportunity to correct any deficiencies or deviations discovered by reason of paragraph (3), the Committee shall notify the administrative representative of the research facility of any deficiencies or deviations from the provisions of this Act. If, after notification and an opportunity for correction, such deficiencies or deviations remain uncorrected, the Committee shall notify (in writing) the Animal and Plant Health Inspection Service of the Department of Agriculture and the funding Federal agency of such deficiencies or deviations.

"(5) The inspection results shall be available to Department of Agriculture inspectors for review during inspections. Department of Agriculture inspectors shall forward any Committee inspection records which include reports of uncorrected deficiencies or deviations to the Animal and Plant Health Inspection Service of the Department of Agriculture and any funding Federal agency of the project with respect to which such uncorrected deficiencies and deviations occurred.

"(c)(1) The research facility shall provide for annual training for scientists, animal technicians, and other personnel involved with animal care and treatment in such facility. Such training shall include instruction on—

"(A) the humane practice of animal maintenance and experimentation;

"(B) research or testing methods that minimize or eliminate the use of animals or limit animal pain or distress; and

"(C) utilization of the information service at the National Agricultural Library, established under subsection (d).

"(2) Research facilities shall inform their employees of the provisions of this Act and shall inform such employees to report any violations of such provisions. Any such employee may not be discriminated against on grounds that such employee reported a violation of such provisions.

"(d) The Secretary shall establish an information service at the National Agricultural Library. Such service shall, in cooperation with the National Library of Medicine, provide information—

"(1) pertinent to employee training;

"(2) which could prevent unintended duplication of animal experimentation as determined by the needs of the research facility; and

"(3) on improved methods of animal experimentation, including methods which could—

"(A) reduce or replace animal use; and

"(B) minimize pain and distress to animals, such as anesthetic and analgesic procedures.

"(e) In any case in which the funding Federal agency determines that conditions of animal care, treatment, or practice in a particular project have not been in compliance with standards promulgated under this Act, despite notification by the Secretary or the funding Federal agency to the research facility and an opportunity for correction, such agency shall suspend or revoke Federal support for the project. Any research facility losing Federal support as a result of actions taken under the preceding sentence shall have the right of appeal as provided in sections 701 through 706 of title 5, United States Code.".

INSPECTIONS

SEC. . Section 16(a) of the Animal Welfare Act (7 U.S.C. 2146(a)) is amended by inserting after the first sentence the following:

"The Secretary shall inspect each research facility at least once each year and, in the case of deficiencies or deviations from the standards promulgated under this Act, shall conduct such follow-up inspections as may be necessary until all deficiencies or deviations from such standards are corrected.".

PENALTY FOR RELEASE OF TRADE SECRETS

SEC. . The Animal Welfare Act (7 U.S.C. 2131-2156) is amended by adding at the end thereof the following section:

"SEC. 27. (a) It shall be unlawful for any member of the Institutional Animal Committee to release any confidential information of the research facility, including any information that concerns or relates to—

"(1) the trade secrets, processes, operations, style of work, or apparatus, or

"(2) to the identity, confidential statistical data, amount or source of any income, profits, losses, or expenditures of the research facility.

"(b) It shall be unlawful for any member of such Committee—

"(1) to use or attempt to use to his advantage, or

"(2) to reveal to any other person, any information which is entitled to protection as confidential information under subsection (a).

"(c) A violation of subsection (a) or (b) is punishable by—

"(1) removal from such Committee, and

"(2)(A) a fine of not more than $1,000 and imprisonment of not more than one year, or

"(B) if such violation is willful, a fine of not more than $10,000 and imprisonment of not more than three years.

"(d) Any person, including any research facility, injured in its business or property by reason of a violation of this section may recover all actual and consequential damages sustained by such person and the cost of the suit including a reasonable attorney's fee.

"(e) Nothing in this section shall be construed to affect any other rights that any such person may have, nor shall subsection (d) be construed to limit the exercise of any such rights arising out of or relating to a violation of subsections (a) and (b).".

INCREASED PENALTIES FOR VIOLATION OF THE ACT

SEC. . Subsection (b) of section 19 of the Animal Welfare Act (7 U.S.C. 2149(b)) is amended—

(1) in the first sentence by striking out "$1,000 for each such violation" and inserting in lieu thereof "$2,500 for each such violation"; and

(2) in the sixth sentence by striking out "$500 for each offense" and inserting in lieu thereof "$1,000 for each offense".

DEFINITIONS

SEC. . (a) Section 2(e) of the Animal Welfare Act (7 U.S.C. 2132(e)) is amended by adding after "The term 'research facility' means" the following: "each department, agency, or instrumentality of the United States which uses live animals for research or experimentation,".

(b) Section 2 of such Act is further amended by redesignating subsections (f) through (j) as subsections (j) through (n), respectively and by inserting after subsection (e) the following new subsections:

"(f) The term 'Federal agency' means an Executive agency as such term is defined in section 105 of title 5, United States Code, and with respect to any research facility means the agency from which the research facility receives a Federal award for the conduct of research, experimentation, or testing, involving the use of animals;

"(g) The term 'Federal award for the conduct of research, experimentation, or testing, involving the use of animals' means any mechanism (grant, award, loan, contract, or cooperative agreement) under which Federal funds are provided to support the conduct of such research;

"(h) The term 'quorum' means a majority of the Committee members;

"(i) The term 'Committee' means the Institutional Animal Committee established under section 13(c);".

(c) For purposes of this Act, the term "animal" shall have the same meaning as defined in section 2(j) of the Animal Welfare Act (7 U.S.C. 2132(j)), as redesignated by subsection (b) of this section.

EFFECTIVE DATE

SEC. . This title shall take effect one year after the date of the enactment of this title.

SYMMS (AND NICKLES) AMENDMENT NO. 905

Mr. SYMMS (for himself and Mr. NICKLES) proposed an amendment to the bill S. 1714, supra; as follows:

On page 459, between lines 18 and 19, insert the following new section:

OPPOSITION TO MULTILATERAL ASSISTANCE FOR FOREIGN SURPLUS AGRICULTURAL COMMODITIES

SEC. 927. (a) The Secretary of the Treasury shall instruct the United States Executive Directors of the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, the Inter-American Development Bank, the International Monetary Fund, the Asian Development Bank, the Inter-American Investment Corporation, the African Development Bank, and the African Development Fund to use the voice and vote of the

United States to oppose any assistance by these institutions, using funds appropriated or otherwise made available pursuant to any provision of law, for the production of any agricultural commodity for export, if—

(1) such commodity is in surplus on world markets; and

(2) the export of such commodity would cause substantial injury to the United States producers of the same, similar, or competing commodity.

(b)(1) The amount of payments which the United States may make to the paid-in capital of an international financial institution described in subsection (a) during any capital expansion or replenishment of such institution may not exceed the amount of funds which the United States agreed to pay for paid-in capital under such expansion or replenishment minus an amount which bears the same proportion to the aggregate amount of assistance described in paragraph (2) furnished by such institution as the United States share of the expansion or replenishment bears to the total amount of the expansion or replenishment.

(2)(A) The aggregate amount of assistance referred to in paragraph (1) is the amount of assistance furnished by an international financial institution to all countries during the period described in subparagraph (B)—

(i) to support the production of any agricultural commodity for export, if—

(I) such commodity is in surplus on world markets; and

(II) the export of such commodity would cause substantial injury to the United States producers of the same, similar, or competing commodity; and

(ii) to subsidize (other than under clause (i)) the exports of agricultural commodities from such countries.

(B) The period referred to in subparagraph (A) is the same number of years as the capital expansion or replenishment period, which immediately preceded the first year of the expansion or replenishment period.

(3) For purposes of paragraph (2)(A)(ii), the term "subsidize" is used within the meaning of the Agreement on Interpretation and Application of Articles V, XVI, and XXIII of the General Agreement on Tariffs and Trade and the annex relating thereto, done at Geneva on April 12, 1979.

(4) Any funds withheld from payment to an international financial institution pursuant to this section shall be used to reduce the public debt in the manner specified in section 3113 of title 31, United States Code.

ABDNOR AMENDMENT NO. 906

Mr. ABDNOR proposed an amendment to the bill S. 1714, supra; as follows:

On page 459, between lines 18 and 19, insert the following new section:

EXCLUSION OF LIQUIDATION PROCEEDS FROM FAMILY CONTRIBUTION COMPUTATIONS

SEC. . Section 482 of the Higher Education Act of 1965 is amended by adding at the end thereof the following new subsection:

"(f) The Secretary shall, within 30 days after the date of enactment of this subsection, promulgate special regulations to permit, in the computation of family contributions for the programs under subpart 1 of part A and part B of this title for any academic year beginning on or after July 1, 1985, the exclusion from family income of any proceeds of a sale of farm or business assets of that family if such sale results from a voluntary or involuntary foreclosure, forfeiture, or bankruptcy.".

MELCHER AMENDMENT NO. 907

(Ordered to lie on the table.)

Mr. MELCHER proposed an amendment to the bill S. 1714, supra; as follows:

After the end of the bill insert the following:

" 'SEC. 2. The Congress finds that—

(1) the use of animals is instrumental in certain research and education for advancing knowledge of cures and treatment for diseases and injuries which afflict both humans and animals;

(2) methods of testing that do not use animals are being and continue to be developed which are faster, less expensive, and more accurate than traditional animal experiments for some purposes and further opportunities exist for the development of these methods of testing;

(3) measures which eliminate or minimize the unnecessary duplication of experiments on animals can result in more productive use of Federal funds; and

(4) measures which help meet the public concern for laboratory animal care and treatment are important in assuring that research will continue to progress.' "

SEC. 3. (a) Section 13 of the Animal Welfare Act (7 U.S.C. 2134 is amended—

(1) by redesignating subsections (b) through (d) as subsections (f) through (h) respectively; and

(2) by striking out the first two sentences of subsection (a) and inserting in lieu thereof the following:

'(1) The Secretary shall promulgate standards to govern the humane handling, care, treatment, and transportation of animals by dealers, research facilities, and exhibitors.

'(2) The standards described in paragraph (1) shall include minimum requirements—

'(A) for handling, housing, feeding, watering, sanitation, ventilation, shelter from extremes of weather and temperatures, adequate veterinary care, and separation by species where the Secretary finds necessary for humane handling, care, or treatment of animals; and

'(B) for physical environment adequate to promote the psychological well-being of research animals, particularly primates, including whatever apparatus the Secretary deems appropriate.

'(3) In addition to the requirements under paragraph (2), the standards described in paragraph (1) shall, with respect to animals in research facilities, include requirements—

'(A) for animal care, treatment, and practices in experimental procedures to ensure that animal pain and distress are minimized, including adequate veterinary care with the appropriate use of anesthetic, analgesic, tranquilizing drugs, or euthanasia;

'(B) that the principal investigator considers alternatives to any procedure likely to produce pain to or distress in an experimental animal;

'(C) in any practice which could cause pain to animals (other than slight or momentary pain)—

'(i) that a doctor of veterinary medicine is consulted in the planning of such procedures;

'(ii) for the use of tranquilizers, analgesics, and anesthetics;

'(iii) for pre-surgical and post-surgical care by laboratory workers in accordance with established veterinary medical and nursing procedures;

'(iv) against the use of paralytics without anesthesia; and

'(v) that the withholding of tranquilizers, anesthesia, analgesia, or euthanasia when scientifically necessary shall continue for only the necessary period of time;

'(D) that no animal is used in more than one major operative experiment from which it is allowed to recover except in cases of—

'(i) scientific necessity; or

'(ii) other special circumstances as determined by the Secretary; and

'(E) that exceptions to such standards may be made only when specified by research protocol and that any such exception shall be detailed and justified in a report outlined under paragraph (7).'.

(b) Section 13(a) of such Act is further amended—

(1) by designating the third and fourth sentences as paragraph (4);

(2) by designating the fifth sentence as paragraph (5); and

(3) by striking out the last sentence and inserting in lieu thereof the following:

'(6) Nothing in this Act shall be construed as authorizing the Secretary to promulgate, rules regulations or orders with regard to the design, outlines, or guidelines of actual research or experimentation by a research facility or Federal research facility: *Provided*, that the Secretary shall require every research facility to show that professionally acceptable standards governing the care, treatment, and practices on animals are being followed by the research facility during research and experimentation. No rule, regulation, order, or part of this Act may require a research facility to disclose to the Institutional Animal Committee during its inspection trade secrets or commercial or financial information which is privileged or confidential.

'(7)(A) The Secretary shall require, at least annually, every research facility and Federal research facility to report that the provisions of this Act are being followed.

'(B) In complying with subparagraph (A), such research facilities shall provide—

'(i) the details of any procedure which was likely to produce pain or distress in any animal and assurances demonstrating that the principal investigator considered alternatives to those procedures;

'(ii) assurances satisfactory to the Secretary that such facility is adhering to the standards described in this section; and

'(iii) an explanation for any deviation from the standards promulgated under this section.

'(8) Paragraph (1) shall not prohibit any State (or a political subdivision of such State) from promulgating standards in addition to those standards promulgated by the Secretary under paragraph (1).'.

'(c) Section 13 of such Act is further amended by inserting after subsection (a) the following new subsections:

'(b)(1) The Secretary shall require that each research facility establish at least one Institutional Animal Committee. Each Institutional Animal Committee shall be appointed by the chief executive officer of each such research facility and shall be composed of not fewer than three members. Such members shall possess sufficient ability to assess animal care, treatment, and practices in experimental research as determined by the needs of the research facility. Of the members of the Institutional Animal Committee—

'(A) at least one member shall be a doctor of veterinary medicine;

'(B) at least one member shall not be affiliated in any way with such facility other than as a member of the immediate family of a person who is affiliated with such facility, and shall represent society's concerns regarding the welfare of the animal subjects; and

'(C) in those cases where the Institutional Animal Committee consists of more than three members, not more than three members shall be from the same administrative unit of such facility.

'(2) A quorum shall be required for all formal actions of the Institutional Animal Committee, including inspections under paragraph (3).

'(3) The Institutional Animal Committee shall inspect at least semiannually all animal study areas and animal facilities of such research facility and review as part of the inspection—

'(A) practices involving pain to animals, and

'(B) the condition of animals,

to ensure compliance with the provisions of this Act and that pain and distress to animals is minimized. Exceptions to the requirement of inspection of such study areas may be made by the Secretary if animals are studied in their natural environment and the study area is prohibitive to easy access.

'(4)(A) The Institutional Animal Committee shall file an inspection certification report of each inspection at the research facility. Such report shall—

'(i) be signed by a majority of the Institutional Animal Committee members involved in the inspection;

'(ii) include reports of any violation of the standards promulgated, or assurances required, by the Secretary, including any deficient conditions of animal care or treatment, any deviations of research practices from originally approved proposals that adversely affect animal welfare, any notification to the facility regarding such conditions and any corrections made thereafter;

'(iii) include any minority views of the Institutional Animal Committee; and

'(iv) include any other information pertinent to the activities of the Institutional Animal Committee.

'(B) Such report shall remain on file for at least three years at the research facility and shall be available for inspection by the Animal and Plant Health Inspection Service of the Department of Agriculture and any funding Federal agency.

'(C) In order to give the research facility an opportunity to correct any deficiencies or deviations discovered by reason of paragraph (3), the Institutional Animal Committee shall notify the administrative representative of the research facility of any deficiencies or deviations from the provisions of this act. If, after notification and an opportunity for correction, such deficiencies or deviations remain uncorrected, the Institutional Animal Committee shall notify (in writing) the Animal and Plant Health Inspection Service of the Department of Agriculture and the funding Federal agency of such deficiencies or deviations.

'(5) The inspection results shall be available to Department of Agriculture inspectors for review during inspections. Department of Agriculture inspectors shall forward any Institutional Animal Committee inspection records which include reports of uncorrected deficiencies or deviations to the Animal and Plant Health Inspection Service and any funding Federal agency of the project with respect to which such uncorrected deficiencies and deviations occurred.

'(c)(1) In the case of Federal research facilities, a Federal Institutional Animal Committee shall be established and shall have the same composition and responsibilities outlined in subsection (b), except that the Federal Institutional Animal Committee shall report deficiencies or deviations to the head of the Federal agency conducting the research rather than to the Animal Plant Health Inspection Service of the Department of Agriculture. The head of the Federal agency conducting the research shall be responsible for—

'(A) all corrective action to be taken at the facility; and

'(B) the granting of all exceptions to inspection protocol.

'(d)(1) Each research facility shall provide for annual training for scientists, animal technicians, and other personnel involved with animal technicians, and other personnel involved with animal care and treatment in such facility. Such training shall include instruction on—

'(A) the humane practice of animal maintenance and experimentation;

'(B) research or testing methods that minimize or eliminate the use of animals or limit animal pain or distress; and

'(C) utilization of the information service at the National Agricultural Library, established under subsection (e).

'(2) Every research facilities shall inform their employees of the provisions of this Act and shall inform such employees to report any violations of such provisions. Any such employee may not be discriminated against on grounds that such employee reported a violation of such provisions.

'(e)(1) The Secretary shall establish an information service at the National Agricultural Library. Such service shall, in cooperation with the National Library of Medicine, provide information—

'(A) pertinent to employee training;

'(B) which could prevent unintended duplication of animal experimentation as determined by the needs of the research facility; and

'(C) on improved methods of animal experimentation, including methods which could—

'(i) reduce or replace animal use; and

'(ii) minimize pain and distress to animals, such as anesthetic and analgesic procedures.

'(2) No funds other than those specifically appropriated for the purpose of carrying out this subsection may be obligated for such purposes.

'(f) In any case in which the funding Federal agency determines that conditions of animal care, treatment, or practice in a particular project have not been in compliance with standards promulgated under this Act, despite notification by the Secretary or the funding Federal agency to the research facility and an opportunity for correction, such agency shall suspend or revoke Federal support for the project. Any research facility losing Federal support as a result of actions taken under the preceding sentence shall have the right of appeal as provided in sections 701 through 706 of title 5, United States Code.'.

SEC. 4. The Animal Welfare Act (7 U.S.C. 2131-2156) is amended by adding at the end thereof the following section:

'SEC. 27. (a) It shall be unlawful for any member of the Institutional Animal Committee to release any confidential information of the research facility including any information that concerns or relates to—

'(1) the trade secrets, processes, operations, style of work, or apparatus, or

'(2) to the identity, confidential statistical data, amount or source of any income, profits, losses, or expenditures of the research facility.

'(b) It shall be unlawful for any member of such Committee—

'(1) to use or attempt to use to his advantages, or

'(2) to reveal to any other person,

any information which is entitled to protection as confidential information under subsection (a).

'(c) A violation of subsection (a) or (b) is punishable by—

'(1) removal from such Committee, and

'(2)(A) a fine of not more than $1,000 and imprisonment of not more than one year, or

'(B) if such violation is willful, a fine of not more than $10,000 and imprisonment of not more than three years.

'(d) any person, including any research facility, injured in its business or property by reason of a violation of this section may recover all actual and consequential damages sustained by such person and the cost of the suit including a reasonable attorney's fee.

'(e) Nothing in this section shall be construed to affect any other rights that any such person may have, nor shall subsection (d) be construed to limit the exercise of any such rights arising out of or relating to a violating of subsections (a) and (b).'.

SEC. 5. (a) Subsection (b) of section 19 of the Animal Welfare Act (7 U.S.C. 2149(b)) is amended—

(1) in the first sentence by striking out '$1,000 for each such violation' and inserting in lieu thereof '$2,500 for each such violation'; and

(2) in the sixth sentence by striking out '$500 for each offense' and inserting in lieu thereof '$1,500 for each offense'.

(b) Subsection (d) of such section is amended by striking out '$1,000' and inserting in lieu thereof '$2,500'.

SEC. 6. (a) Section 2 of the Animal Welfare Act (7 U.S.C. 2132) is amended by adding after subsection (j) the following new subsections:

'(k) The term "Federal agency" means an Executive agency as such term is defined in section 105 of title 5, United States Code, and with respect to any research facility means the agency from which the research facility receives a Federal award for the conduct of research, experimentation, or testing, involving the use of animals;

'(l) The term "quorum" means a majority of the Committee members;

'(m) The term "Federal research facility" means each department, agency, or instrumentality of the United States which uses live animals for research or experimentation.'.

SEC. 7. Section 14 of the Animal Welfare Act (7 U.S.C. 2144) is amended by changing 'section 13' to 'section 13(a)' wherever it appears.

SEC. 8. This Act shall take effect one year after the date of the enactment of this Act."

NOTICES OF HEARINGS

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. ROTH. Mr. President, on Tuesday, November 5, at 10 a.m., in SD-342, the Committee on Governmental Affairs will hold a hearing on matters relating to the Deputy Director at OMB. For further information, please

contact the committee office at 224-4751.

ADDITIONAL STATEMENTS

GARCIA DECISION EXEMPTION

● Mr. ABDNOR. Mr. President, the legislation to exempt State and local governments from the implications of the Garcia decision has progressed quickly and effectively over the last few months. We have now passed this legislation and alleviated local governments, employees, and the general public from the ill-effects of this Supreme Court decision.

Over these past few months, I have heard from just about every small community and county in South Dakota urging that this legislation be passed. I worked with these communities and with my distinguished colleagues in the Senate to push this legislation to point of where it is today.

I heard of community problems and individual problems. Towns would have had to cut back services; individuals would have had to lose their comp time; and, in one instance, a person with cerebral palsy could have lost his job. The effects of the Garcia decision are far reaching and hard hitting.

I supported my Senate colleagues' efforts from the very beginning and encouraged communities in South Dakota to get involved immediately in writing their Congressman and Senators. I am pleased with the passage of this vital legislation. It is important to the stability and livelihood of every State and local government across the United States. I now urge the House to act in a similar manner.●

AUSTRIA'S NATIONAL DAY

● Mr. SIMON. Mr. President, today, on Austria's National Day, I would like to congratulate the Austrian people on 30 years of peace and neutrality. On October 26, 1955, the Austrian Parliament passed the Federal Constitutional Law on the Neutrality of Austria. Article 1 reads:

(1) For the purpose of the permanent maintenance of her external independence and for the purpose of the inviolability of her territory, Austria of her own free will declares herewith her permanent neutrality which she is resolved to maintain and defend with all the means at her disposal.

(2) In order to secure these purposes Austria will never in the future accede to any military alliances nor permit the establishment of military bases of foreign States on her territory.

I salute Austria's success in independently guaranteeing her neutral status, and using her unique position in the world to work toward peace for all nations.

This celebration of Austria's 30th national day is a heartening testament to the possibility of finding lasting solutions to difficult problems through peaceful discussion and negotiation.●

SOVIET HUMAN RIGHTS

● Mr. SIMON. Mr. President, I want to address the issue of Soviet human rights. With the summit between Mr. Reagan and Mr. Gorbachev less than 1 month away, this would seem to be the most opportune time for the Soviets to demonstrate that they are serious about improving relations.

Instead, I just received word that a Jewish man, Leonid Volvovsky of Gorky, has been sentenced to 3 years in a labor camp. Mr. Volvovsky's crime was practicing his religion. This case has even more far-reaching implications; the Soviets used illegally obtained letters from a woman in Chicago as evidence against Mr. Volvovsky. The letters were tailored to serve the designs of the Soviet prosecutor. Pam Cohen's letters were personal correspondence of a conversational nature. The letters contained nothing subversive or illicit.

When I was in the Soviet Union this past July, I had the opportunity to meet with a number of Jewish refuseniks. Some were activists who spoke freely about their desires to practice their religion without governmental interference. Others took the boldest step of their lives by applying to emigrate to Israel. When Soviet citizens apply to leave, they run the risk of losing their jobs, becoming subjected to harassment and having their mail or telephones cut off.

I sent the following list of refuseniks and dissidents to Secretary Gorbachev following my visit to his country. I ask that the list be printed in the RECORD.

The list follows:

Professor Naum Meiman; wife, Inna. This case is urgent. Professor Meiman is 74 years old, and his wife is dying of cancer. She probably has less than a year to live. Professor Meiman, himself, is not in good health. They wish to emigrate to Israel. There are several of us at high levels in the U.S. Government who have had the chance to visit with him, and compassion is needed for him and his wife at this point. The theory is that he is not permitted to leave because of the scientific work he did. That scientific work was concluded in 1955, and any graduate student in that field today has much more current knowledge than Professor Meiman has. Action should be taken immediately.

Abe Stolar, his wife, son and daughter-in-law want to emigrate to the United States. Abe Stolar is a U.S. citizen. Permission has been granted for him and his wife and his son to emigrate to the United States, but his daughter-in-law has been denied permission; and the family is understandably unwilling to be separated in that way. Granting permission to the daughter-in-law to leave will solve this case, which is causing adverse publicity in the United States.

Roman Kuperman. He is married to Fran Pergericht of Chicago, Illinois. This is a case of divided spouses. They simply want to live together in the United States.

Tamara Tretyakova. She is married to Simon Levin of Deerfield, Illinois. They have a six-year-old son and she is desperate to be with him and his father.

Mr. and Mrs. Arkady (Helen) Mai. These two people want to emigrate to Israel. He is retired, and her mother is in her eighties, living in Israel. They want to see their family. Almost all of their family lives in Israel. It is clearly a family repatriation case. The theoretical excuse is security, but if you'll examine the facts, you will find there is no substance to that at all.

Yakhov Gorodetsky of Leningrad. He wants to emigrate to Israel. He is deeply committed to that, and because of his religious commitment, he is not likely to change. Both he and the Soviet Union would be better off if he were permitted to go to Israel.

Mr. and Mrs. Boris Elkin of Leningrad. His father lives in Israel, as do other of his relatives, and he wants to join his family.

Mrs. Tat'yana Zunshayn of Riga, Latvia. Her husband, Zachar Zunshayn, is in prison, and the two of them want to emigrate to Israel. I do not recall the details, but their feeling is strong, and I would hope they could be accommodated.

SOVIET DISSIDENTS—PRISONERS

Dr. Yury Orlov—60-year-old physicist arrested in February, 1977 and sentenced to 7 years strict-regime in a Siberian labor camp and five years in internal exile. Founder of Moscow Helsinki Watch.

Mr. Leonid Borodin—47-year-old writer arrested in 1982 and sentenced to ten years in a Ural prison camp and 5 years banishment.

Mrs. Oksana Meshko—80-year-old prisoner of conscience serving out her exile term in Ayan, a remote village of the USSR's Far East region. She was sentenced, having risked her personal freedom, because she protested the brutal repressions against her family and friends.

Mr. SIMON. Mr. President, all of the refuseniks deserve to live their lives in freedom. The case of my friends, Naum and Inna Meiman, is particularly compelling. Naum is 74 years old. Inna has had four operations for cancer. Their only desire is to live out their remaining days in Israel.

Many of my colleagues have raised the issue of human rights on trips to the Soviet Union. Letters have been written, speeches have been made. Despite the increase in anti-Semitism and the continued abuses, we must never stop working for the release of people in bondage. We cannot ever give up hope.●

SALUTE TO WILLIAM O. WHITE

● Mr. DURENBERGER. Mr. President, on October 2, the people of St. Paul lost a valued community leader with the passing of William O. White.

Bill White began his professional career as an educator in the St. Paul school system and as a supervisor of student teachers at the University of Minnesota. He later served as director of the St. Paul Human Rights Commission and St. Paul Urban Coalition.

Bill White was, in words of the Rev. Earl F. Miller of Pilgrim Baptists

Church, "an excellent model in his attitudes and just in the way he carried himself. He was a good mediator, an excellent leader."

I had the privilege of working closely with Bill White both in his capacity as executive director of the St. Paul Urban Coalition and later when he served as an assistant vice president and public affairs officer at the Norwest Bank of St. Paul. During that time—and in political work and community projects we worked on together—Bill always had the interests of the people of his community at heart. He knew his community and was not afraid to sacrifice himself in its behalf.

Because of the outstanding contributions made by Bill White during his lifetime of public service, I ask that an article by Joe Soucheray which recently appeared in the St. Paul Dispatch and Pioneer Press be printed in the RECORD.

The article follows:

[From the St. Paul Pioneer Press and Dispatch, Oct. 13, 1985]

WINNING WAS THE BOTTOM LINE FOR BILL WHITE

(By Joe Soucheray)

It most likely wasn't driven home loudly enough when William O. White died Oct. 2 just who it was who died and what his death meant to St. Paul, a quieter place now by default. His obituary made only brief references to his astonishing variety of community involvements and civil rights work and scarcely touched at all the notion that Bill White was St. Paul's first professional militant black man.

The last is in no way meant to be derogatory or undiplomatic, or should it ever suggest that Bill White was stereotypically a 1960s media cliche of black militancy. It should suggest instead that if Bill White did not exist in his time and place, he would have to have been invented.

"He was exactly that, a professional black man in the trail-blazing sense of the phrase," council member Bill Wilson said the other day. "Bill White was a point man, a leader. He came along at a time when a guy like him was needed and he was the guy."

To reverse the slang, Bill White was the man. He was always on the run, his head literally held high in an example of excellent posture that often was mistaken for his being standoffish. Maybe he was. From reading library clippings about him and talking to people about him, one learns White was capable of the full range of emotions.

His death at 50, to make an obviously hard point, might even have been the result of White finally suffering exhaustion, or a broken heart, if there is a distinction.

After years of fighting—you name it, Bill White fought for it—White died suddenly, shocking his friends and family. A few months ago, White left his job at Norwest Bank in St. Paul. His friends said he felt that it was too late for him to start over, that somehow he felt defeated at a point in life when his energies were spent from that posture he had carried so well.

"I could never imagine how angry Bill might have been inside," White's wife, Pat, said the other day. "but I would use the term militant cautiously. Bill was militant, but he was convinced that violence was not the answer to anything. His anger was a feeling, though, an emotion. I'm sure that it took its toll over the years."

It took its toll over all the years that White led by example. Many blacks thought White wasn't verbal enough, or visible enough. But White was bringing discrimination complaints in housing and employment in this town when the ink on such matters was still wet in the lawbooks.

"He was tough and he was defiant if he had to be," Bill Sumner, the former editor of the St. Paul newspapers, said the other day. "I liked him a great deal. I don't know if that was returned, but I think I gained his respect. I wish I knew him better."

Sumner was referring most specifically to the controversy surrounding White's application to join the St. Paul Athletic Club in 1970. Sumner defended White in a couple of eloquent editorial page columns that called the Athletic Club about as exclusive as the telephone book and the Aqua Velva After Shave Club. At the time, White was the 34-year-old director of the St. Paul Urban Coalition, a man with degrees in education and law, and, not so incidentally, an athlete.

It diminishes White's larger accomplishments to dwell too long on the Athletic Club chapter in his life, but it was a famous and highly visible example of how White shook St. Paul loose from some of its most ridiculous and antiquated conventions.

White was the first black to apply for membership in the club. He was rejected at first, presumably because he was black, although the club's board of directors in the Pliocene Age of 1970 occasionally played political games to accept and reject applicants.

Pat O'Halloran, a member of the Athletic Club's board in 1970, said the other day that he remembers blackballing a particular business executive—all it took to get blackballed was one vote—to make a point on another fellow whom he favored for acceptance.

Mike Galvin, another member of the board of directors in 1970, recollected that maneuvering took place behind the scenes, that the club enjoyed a great deal of license with its constitution. It was possible White's initial rejection was the result of political chicanery and that his acceptance might have been inevitable.

O'Halloran and Galvin, for the record, were in White's corner. Many people were, including Ralph Biebighauser, the men's locker room attendant at the club who was so accustomed to years of bad shower singing that he found himself investigating one day when he heard the most delightful voice he ever heard coming from the shower. It was White.

"What a wonderful voice," Biebighauser said.

"Thank you," White said.

All that mattered to White was that he won. It was another barrier, important to break down. He accepted the membership when many blacks might have turned away after an initial rejection. But winning was White's bottom line in a life that flamed out too soon.

"Bill White earned the respect of everyone he met," Hubert W. White, the clothier, who also was on the Athletic Club board in 1970, said the other day. Hubert White, known as Bill, became friends with Bill White to the extent that the two Whites were distinguished around town as the black Mr. White and the white Mr. White.

The black Mr. White moved to the Twin Cities from Selma, Ala., in the 1950s. He attended the University of Minnesota. He attended William Mitchell College of Law. He was living in Minneapolis and teaching at Como Junior High School when he was asked in 1965 to become the assistant executive secretary of the St. Paul Human and Civil Rights Commission. Fine. But first he had to move to St. Paul. When he did, he brought complaints of discrimination against the proprietors of the building where he tried to rent an apartment. His complaint eventually was dismissed in court, but White had demonstrated what would become his trademark in public life. He worked within the system to protect his rights.

"He was never determined to break the system," Sumner said. "He just wanted to be part of it, to make it work."

Even before the housing discrimination complaint, White brought charges of discrimination against a security firm he insisted refused to hire him because he was black. He won that one.

White's appointment to become the first president of the St. Paul Urban Coalition was unanimously approved in 1969. He left that job in 1976 to take a position with Northwestern National Bank, to finally enter the world of private business.

"He remained visible," Pat White said, "but only when it was time to be visible. In his own way, he always remained a man of action."

Bill White will be missed in this town, most certainly because he never advertised that he would be. There are a lot of people who now wish they had known him better.●

LOAN ASSET SALES

● Mr. MOYNIHAN. Mr. President, yesterday, by a vote of 228 to 199, the House of Representatives passed H.R. 3500, the Omnibus Budget Reconciliation Act of 1985.

I rise today to speak about a provision of that bill based on a proposal I have offered the Senate on three separate occasions: On March 13 during the Senate Budget Committee's markup of the first concurrent budget resolution; on May 7 during the Senate's deliberations on that budget resolution; and, on July 16 during Senate consideration of the Small Business Reauthorization (S. 408).

The Federal Government currently holds about $245 billion in loan assets—obligations for Federal loans to private businesses and individuals. Our loan asset portfolio is greater than the combined loan assets of Chase Manhattan and Bank of America. In March, and May, and July, I urged that the Government sell a portion of its loan portfolio, as a way to reduce the deficit. The Federal Government holds loans backed by the assets of electric utilities, by newly constructed homes, by aircraft, ships, even by the assets of some of the best known Fortune 500 firms. I suggested we begin by selling loans in the Rural Housing Program of the Farmers Home Administration. The General Accounting Office has already analyzed these loans and found them to be of suffi-

ciently high quality for efficient and prompt sale.

While the Senate rejected my proposal three times, the House of Representatives has thought better of it. Language in H.R. 3500 specifies that all new rural housing loans by the Farmers Home Administration available for sale shall be sold to the public, rather than the Federal Financing Bank. The Congressional Budget Office estimates that $2.5 billion of loans would be sold in fiscal year 1986–88 under this provision, and that these sales would raise some $1.8 billion to reduce deficits over the 3 fiscal years.

I should like to commend the House of Representatives for this initiative, especially Representative LUNDINE for his efforts on its behalf.

Recent actions by the Senate—passage of the Gramm-Rudman amendment, in particular—have shown a certain not so quiet desparation to solve the crisis caused by the massive, sustained deficits of the last 4 years. CBO has estimated that the sale of part of the Government's loan portfolio, as I have proposed, could reduce deficits by some $150 billion over 3 years. The Senate ought to consider, once again, loan sales as part of the solution to the deficit dilemma.●

SEVENTY-FIFTH ANNIVERSARY OF THE BUREAU OF MINES

● Mr. McCLURE. Mr. President, I would like to remind my colleagues of the Department of the Interior Bureau of Mines 75th anniversary celebration to be held October 30, from 11 a.m. to 6 p.m. in room 106 of the Dirksen Senate Office Building. The Bureau of Mines has principal responsibility for conducting research and for collecting, interpreting, and analyzing information involving mineral reserves and the production, consumption, and recycling of mineral materials. It does so to help assure the Nation, at low human, social, and environmental cost, the mineral supplies necessary to maintain national security, employment, and continued economic growth; and to help stimuate the private sector in the production of minerals so that an appropriate and substantial share of national needs can be supplied from domestic sources. The Bureau of Mines will have exhibits on display to illustrate many facets of its program. I plan to be there, and urge my colleagues to attend also. Thank you.●

SALUTE TO MARK TOOGOOD AND RESULTS

● Mr. DURENBERGER. Mr. President, no single source of human misery has generated more international concern and generosity in recent months than has the news of drought and starvation in Africa.

I am proud to say that countless Minnesotans have made substantial contributions of human and material resources that address both the short- and long-term nutritional needs of Africans.

One of those Minnesotans is Mark Toogood who was one of only nine Americans honored recently for his work by the Congressional Select Committee on Hunger. Mark is involved in several hunger-related organizations in Minnesota including Twin Cities "Results," a national hunger lobby.

One of the things that has impressed me most about Mark's work, and the work of the "Results" organization, is their focus on longer-term solutions to world hunger and world health problems through nutritional and preventative health programs.

Because of the outstanding contributions made by Mark Toogood and others involved in the "Results" organization in Minnesota, I ask that the following editorial from the Minneapolis Star and Tribune and article from the St. Paul Dispatch and Pioneer Press be printed at this point in the RECORD:

The articles follow:

[From the St. Paul Dispatch and Pioneer Press]

FRONTLINE HUNGER FIGHTER

Mark Toogood realized what it was like to be without food in a land of plenty when he paid a visit to a Minneapolis soup kitchen. The visit wasn't a goodwill stop: Toogood needed to eat.

He was educated, with a degree in philosophy. But he was unemployed when he decided to take that step a year ago into the safety net provided by governments and charities for the homeless and hungry.

Toogood discovered the safety net for the vulnerable wasn't very safe. He also discovered he wasn't alone.

"If it weren't for a lot of support from family and friends, I'd have been on the street," Toogood said. "I just began to realize how extremely fragile and non-existent the so-called government safety net is."

But instead of retreating into his background of support—his family in Roseville, the friends who offered to help—Toogood took steps in another direction. He became an activist for the hungry.

On Tuesday—World Food Day—Toogood will be honored at a ceremony sponsored by the U.S. House Select Committee on Hunger in Washington, D.C. He is one of nine recipients selected for recognition at the ceremony which coincides with the issuance of a new U.S. Postal Service stamp bearing the legend "Help End Hunger."

Toogood, 28, was selected for his leadership on hunger issues in the Twin Cities, especially for his coordination of the "African Relief Hotline," a referral service that directed people concerned about the famine in Africa to 33 different agencies.

Timed to coincide with a WCCO-TV broadcast of its series on hunger in Africa, the hotline is credited with helping to raise more than $300,000. Toogood ran the hotline for a month through the end of March from a Bloomington office, after that he moved the hotline to his home.

He received calls—at least one or two a day—into June.

"I had been pretty seriously disillusioned for a long time about the prospect of people caring enough about what was going on in the world," he said.

But for Toogood, the hotline "was a break-through of this sort of wall of cynicism around me."

During the first week or so, when the phone bank was always lit and he often had a phone at each ear, he found himself sometimes so overwhelmed that he couldn't speak.

"I was barely able to talk," he said. "I was just crying. I was overwhelmed by the compassion of people. I think people just need an opportunity to express their compassion. They need an opportunity to feel as though they can make a difference."

And that, essentially, is what Toogood has made his job. He lives in a Minneapolis boarding house room provided by friends; he exists on the salary he makes working with the homeless at the Elim Transitional Housing project in northeast Minneapolis.

But he is occupied—physically, intellectually and, in many ways, spiritually—with the war on hunger.

He is a member of the board of directors of the Hunger Action Coalition, a resource and education center on hunger in south Minneapolis.

He first went to the center about a year ago, often stopping by to study in his free time, recalled Dee Elwood, administrative officer for the coalition.

"You see a lot of flexibility in his work," Elwood said, "instead of one blanket solution applied to everything."

Toogood also is the co-leader of the local chapter of RESULTS, a nationwide grassroots lobbying group. RESULTS operates on the philosophy that worldwide hunger is not the result of a lack of food on the earth, but a lack of political will.

It's through RESULTS work that Toogood uses his continuing education on hunger—whether it's telling an editorial writer about the need to immunize Third World children against disease or convincing politicians of the need for prompt U.S. backing on the refunding of the United Nations' International fund for Agricultural Development.

"Mark is a spokesperson for awakening people," said Paul Thompson, who founded the Twin Cities RESULTS chapter and leads it with Toogood.

Toogood's own awakening to social issues started long before he decided to walk into a soup kitchen rather than go to friends for food. He credits his parents as the most instructive models for his life.

He is the eldest child of Roger and Maryls Toogood; his mother is a nurse and his father, long a social worker, has headed the Children's Home Society for 16 years.

As a consquence, his father said, Toogood grew up in an environment where the needs of others were often discussed.

Not that Toogood was pushed into social work. After his graduation from high school in 1974, he roamed for eight years through a variety of college courses and other pursuits—such as a year in the U.S. Army, a stint at an archeological dig in London, a try at homesteading a farm in Wisconsin.

But after his graduation in 1984 from the University of Minnesota and after his personal experience of what it was like to be

hungry, he worked for a short time at a Minneapolis food shelf.

Then he started listening to the stories of people without food and without homes.

"When you begin to really listen to people's stories, you realize their position is not that extreme," he said. "The loss of a job, of your heath, of a loved one—any one of us could be dependent on the charity of strangers."

[From the Minneapolis Star and Tribune]

THE HEROES OF WORLD FOOD DAY

One year ago, news of drought and starvation in Africa mobilized a worldwide relief effort. In the ensuing year, an estimated one million people died, but millions more were saved by the outpouring of food and money from across the world. Many people were honored on World Food Day last Wednesday for their heroic contributions to that life-saving effort.

Although every donor, private and government is a hero, a few individuals had the leadership, ingenuity and persistence to get people to dig deeper, to prompt government action above and beyond the obvious solutions. One such individual is Mark Toogood of Minneapolis.

One of nine Americans honored by the Congressional Select Committee on Hunger, Toogood works with Twin Cities RESULTS, a national citizen's lobby against hunger. We know from direct experience that he is a dedicated lobbyist: Toogood has argued well for U.S. support of relief efforts that not only relieve immediate hunger, but that nurture future health and development.

Toogood has been effective because his zeal for good causes has not blinded him to other needs. He understands that not every worthwhile program can be funded because Congress must reduce the federal budget deficit—which hurts Third World purchasing power by driving up interest rates and the value of the dollar. Instead Toogood lobbies for better priorities. He argued against the Reagan administration tactic of holding up money for the highly effective U.N. International Fund for Agricultural Development because of a funding dispute with OPEC. He argued against increasing U.S. foreign aid for military and political purposes while child-immunization programs were being cut.

Now the rains have returned to most of Africa. Instead of 27 countries suffering from drought and starvation, only five have severe problems. But a hero's work is never done. Even with rain, Africa will need $1.5 billion over the next seven months to keep people alive while agricultural capacity is restored. Improving the continent's resilience to famine will require much more. We know Mark Toogood is in for the long run.●

REGARDING STAFFING OF THE AIR TRAFFIC CONTROL SYSTEM

● Mr. LAUTENBERG. Mr. President, I rise to bring to the attention of my colleagues an alarming article which appeared in this morning's Washington Post. Carl Rowan reports on the recent near tragedy at National Airport in which an Eastern Airlines jetliner nearly collided with a helicopter.

Mr. Rowan reports that the tower at National, at the time of the near collision, was undermanned due to a golf outing. In addition, the experienced air traffic controller on duty was distracted from her duties by the need to instruct a new recruit.

Mr. President, I do not know if Mr. Rowan is absolutely correct in his reporting on the situation. But I have seen and heard enough about the problems of our air traffic control system, to find his story entirely plausible.

In August, the House Committee on Public Works and Transportation released a lengthy report on the air traffic control system. The chief investigator for the House Committee confirmed Mr. Rowan's account of the National near disaster. The House report paints a very troubling picture of the FAA and the effort to revitalize the agency and the air traffic control system.

Mr. President, no one action by the FAA or Congress is going to fully solve the FAA's problems. One action, however, could go far to restoring the confidence of the traveling public that the skies are as safe as they can be. That action is the immediate rehiring of air traffic controllers, fired in 1981, who can meet a reasonable screening test.

Our Nation is spending billions of dollars to modernize the air traffic control system. We are bringing in new recruits to the air traffic control system. According to the FAA, those recruits are being "checked out" of basic controller training in 2 years, as compared to the past practice of training new recruits for 4 years. Air traffic control towers are being manned by controllers receiving on-the-job training. These controllers, under the strain imposed by higher and higher levels of air traffic, often prove to be as much a burden as a help to towers under great pressure to safely route traffic.

In short, Mr. President, we do not have enough air traffic controllers to handle the air traffic we see today. We must have more and we must have them soon. We need fully experienced controllers who can handle the full range of controller duties. The only way we are going to get them is to find and employ those who were fired in 1981. Both the cost and time to train these controllers will be far less than that required to train new recruits. When these controllers get back in the towers, they will be ready to take on this difficult job without additional on-the-job training.

As a legal matter, the President may have been within his rights to fire those who struck in 1981. The President obviously had the power to take that action. But sometimes, wisdom and leadership dictate that we do not use all the power we have. Leadership requires a refined use of power and a wise use of discretion. The President would exhibit wisdom by bringing back vitally needed air traffic controllers as soon as possible.

Mr. President, I ask that a copy of Carl Rowan's article on the near miss at National Airport appear at this point in the RECORD.

The article follows:

[From the Washinton Post, Oct. 25, 1985]

THAT NEAR MISS AT NATIONAL

(By Carl T. Rowan)

This is the behind-the-cover-up story of why an Eastern Airlines jetliner carrying 175 people almost collided with a helicopter at Washington's National Airport on Sept. 24. The Eastern pilot had to abort his takeoff because the airport control tower was undermanned in favor of a golf outing.

Air control officials at National had permitted 20 air controllers to leave their jobs at 11 a.m. to play golf at the Enterprise Golf Course in Largo. Controllers who had worked the evening before were outraged when asked to come in early that Tuesday to "cover" for the golfers. Five controllers called in sick. A sixth controller was browbeaten into coming to work, but later left with a toothache.

So Fred Bolster, the supervisor in the control tower, was handling air traffic while trying to train a new controller at the time the Eastern jet requested clearance to take off. In his frenetic triple role, Bolster apparently never heard veteran air controller Pat Dew tell him that she had cleared the helicopter to take off. So Bolster sent the Eastern jet into what might have been the same tragic bit of air space.

The golfing controllers came off the Enterprise course about 5:30 p.m. to be told that TV was full of stories of a near disaster at National. Some controllers decided to rush back to the airport to make the tower numbers look good. Others said they didn't want to be within miles of that embarrassment and went home.

In the ensuing furor, some Federal Aviation Administration bureaucrats decided to make Dew the scapegoat, without ever revealing her name. The press simply was told that a woman controller had been transferred to other duties.

But other controllers at National say that Dew, whom I've never met or talked to, is one of the very best. The bureaucrats knew they couldn't get away with blaming her. So hours after the public was told that "a woman controller" had been taken out of the tower, Dew was recertified and back at work. She is probably in the National Airport tower as you read this.

Rep. James L. Oberstar (D-Minn.) tells me that the chief investigator of his investigations and oversight subcommittee of the House Public Works and Transportation Committee has confirmed every detail of what I have written above. Oberstar says he will hold hearings on this and other incidents.

Why do I come back to this story of apparent FAA lying, of bureaucratic arrogance, of playing games with the lives of Americans who must fly? Because the danger doesn't end with that near disaster of Sept. 24. The close scrapes recur, day after day, airport after airport, because our air control system is not staffed or organized to do a proper job.

On Wednesday afternoon, USAir Flight 312, bound from National to Louisville, was rolling toward takeoff when the pilot aborted, concerned about helicopter traffic in front of him. Harry Hubbard, chief of the control facility at National, says that the only helicopter traffic was "way up the

river" and no danger to the USAir flight and that he has no idea why the pilot aborted that takeoff.

On Oct. 17 a Northwest Airline jet, taking off for Detroit, was at 1,300 feet when a Cessna that had made a wrong turn flew under it. A Northwest official tells me that when the pilot got to Detroit he telephoned Hubbard and "blew his top." Hubbard confirms that the pilot called him, but says everything was okay once he assured the pilot that there was adequate "separation" between the Cessna and the Northwest aircraft.

Pilots, controllers and others in the industry tell me that these potentially tragic boners at National can be multiplied by the hundreds for the nation as a whole. They say that the skies will be unsafe until someone can get the FAA to admit it is not doing an adequate job, one reason being that it does not have enough skilled controllers—on or off the golf course.●

CLARENCE JACKSON: COMMITTED CITIZEN OF DETROIT

● Mr. RIEGLE. Mr. President, recently the Virginia Park community of Detroit honored one of its premier citizens, Clarence Jackson. For more than 30 years, Mr. Jackson has devoted countless hours of his life and energies to the improvement of his community and the assistance of his neighbors.

Clarence Jackson has been involved in many activities all community service oriented. These activities, which range from the Virginia Park Citizens Council, which he founded in 1945, to 50 years of membership in the Second Baptist Church in Detroit all have been marked with his dedication and giving spirit. It is difficult to determine which of his many associations were most important to his neighbors, but I would suspect that his role in the establishment and growth of the Virginia Park Citizens Council would rank high on any list. That organization has been so very important in providing the people of Virginia Park with a focus to build and improve their community.

It is fitting that the Virginia Park Citizens Council has honored and thanked Clarence Jackson for his achievements but more so for his dedication, and I would like to join them in this tribute.●

SALUTE TO GOV. HAROLD E. STASSEN

● Mr. DURENBERGER. Mr. President, this week marks the 40th anniversary of the founding of the United Nations in San Francisco.

As world leaders gather in New York, it is important to reflect on the contributions to the founding of this important world institution by a fellow Minnesotan—former Gov. Harold E. Stassen.

In honor of this outstanding American, and in honor of his contributions to the founding of the United Nations, I ask that the following article on Governor Stassen which appeared recently in the St. Paul Dispatch and Pioneer Press be printed at this point in the RECORD:

The article follows:

AS TIME PASSES, MANY MAY FORGET STASSEN'S REMARKABLE FEATS

(By Robert E. Matteson)

Former Gov. Harold E. Stassen has just celebrated another birthday. As he marks another year, the United Nations Charter marks its 40th anniversary year. Many Minnesotans who are much younger undoubtedly do not realize that he is the sole surviving U.S. signer of the historic U.N. Charter.

In 1945, at the age of 38, he was called from active duty in the Pacific by President Franklin Roosevelt to be a U.S. representative at the United Nations Charter Conference in San Francisco. Luminaries on the world foreign policy scene—such as Foreign Minister Molotov from the Soviet Union, Secretary of State Edward Stettinius and Foreign Secretary Anthony Eden from Great Britain—attended that conference. Despite their presence, Stassen was singled out by correspondents from around the world as one of the two delegates who made the greatest contribution to formulating the charter.

Harold Stassen, 78 on April 13, still is making an important contribution in many public and private areas of service to the country. However, for 20 years, from 1938 to 1958, he was one of the great forces in American and world politics and one of the great public servants of our time. Most Minnesotans are too young to remember his precedent shattering election to the governship of Minnesota in 1938. At age 31, he was the youngest governor in the history of the United States.

During three terms, he initiated far reaching reforms in labor relations, civil service, budget and government organization. He was twice elected chairman of the National Governor's Conference. At 33, in 1940, he was the keynoter of the Republican National Convention in Philadelphia. Then, in an unprecedented move, he stepped down from the rostrum and led the Wendell Willkie forces on the convention floor to Willkie's nomination for president.

In 1946, he was invited by Harvard University to give the renowned Godkind Lecture on Human Rights. My old mentor, Professor William Y. Elliott of the Harvard School of Public Administration (now the Kennedy School of Government), told me later that the Harvard faculty felt Stassen's was the greatest Godkind lecture that had yet been given.

It was in March of that year, 1946, that I, at age 31, joined Stassen as his research associate. I had just finished my service in Europe with the 80th Infantry Division of Patton's 3rd Army and assignment to the Nuremberg Trial. Stassen, 39, was beginning his first and strongest bid for the Republican nomination for president. As part of his campaign, I went with him on a tour of the capitals of Europe, which included a dramatic midnight interview with Joseph Stalin in the Kremlin. Stassen more than held his own in taking the offensive against Soviet censorship, the Soviet doctrine of the inevitability of war and Soviet attacks on what Stassen called our "people's capitalism."

In the spring of 1948, Stassen reeled off a succession of upset victories in the Wisconsin, Nebraska and Pennsylvania primaries against Sen. Robert Taft of Ohio; Gov. Thomas Dewey of New York; his old boss in the Pacific, Gen. Douglas MacArthur; and even more interesting in the Pennsylvania primary, his later boss Gen. Dwight Eisenhower, who finished seventh. As Stassen moved through the final primary in Oregon, he was leading all candidates in the Gallup Poll. But, then, bone-weary from a long one-man campaign, he lost the key, nationally broadcast debate with Dewey on outlawing the Communist Party.

After this, the polls flipped. He lost the Oregon primary and then the GOP nomination. Dewey lost the November election to Harry Truman by a narrow margin. He deserved to lose, for he was overconfident and had not campaigned strongly. I believe that if Stassen had won the Oregon debate and then the primary, he would have won the nomination and beaten Truman. He would have staged a much stronger campaign than Gov. Dewey.

Later in 1948, Gov. Stassen, again at the young age of 41, was chosen president of the University of Pennsylvania. It was the first time in the history of that great university founded by Benjamin Franklin that it had gone outside of Pennslyvania for a president or had chosen one from political life. There has been some criticism of Stassen's four-year tenure there, on the grounds that he was out around the world and the country too much and that he was too heavily involved in politics. But the fact was that he had accepted the job on the condition that he would participate in "public affairs" in the tradition of its founder Franklin.

As a matter of fact, Stassen did everything he was asked to do and more. He balanced the budget, reduced the deficit, reorganized the administration, raised the money for several new buildings, lowered racial barriers and brought many world and national leaders to the campus.

Finally, Harold Stassen for five years was a leading member of President Eisenhower's Cabinet and National Security Council. From 1953 until 1955, he was director of the Mutual Security Agency and the Foreign Operations Administration. The last three years of his tenure, from 1955 to 1958, he held a key position never before created in any government—Special Assistant to the President for Disarmament, with Cabinet and NSC status. He performed admirably in both assignments, bringing in fresh ideas and exhibiting a boldness of execution that was seldom if ever matched by any of his many successors.

As I found in a long conversation with President Eisenhower at his farm in Gettysburg in 1964, Eisenhower had great admiration for Stassen's ability. He welcomed Stassen's often different views in the Cabinet and National Security Council sessions.

But Secretary of State John Foster Dulles did not. One of the later final strains in their relationship was when the New York Times, in a lead editorial acclaiming Stassen's appointment as Special Assistant for Disarmament, called him "Secretary for Peace." As I was told later by Livingston Merchant, one of Dulles' assistant secretaries, Dulles on reading this exploded and said, "If he is Secretary for Peace what am I? Secretary for War?!"

The fact was, as I pointed out in a speech at the University of Minnesota in February 1958, just as Stassen was being frozen out of the Eisenhower administration by Dulles, the two men believed in two very different emphases in foreign policy. A shorthand way of expressing the difference was that Dulles believed in a policy of "increased

pressure" on the Soviet Union, hoping for its collapse, while Stassen—and I think also Eisenhower—stressed a "bolder exploration of the relaxation of tension" concept. Following this policy, Stassen came very close in 1957 to masterminding the first significant arms control agreement in U.S.-Soviet history. His pioneer work set the standard and the stage for much that has since followed—the agreements on the Limited Test Ban, The Peaceful Use of Outer Space, Nuclear-Free Zones, Non-Proliferation of Nuclear Weapons, and Salt I and II agreements.

Minnesota can feel proud of its native son and know that he has served well his state, the nation and the interests of world peace. It is fitting that at his own University of Minnesota there is being established under the able leadership of Harlan Cleveland, director of the Hubert Humphrey Institute of Public Affairs, a bi-partisan Harold Stassen Center for World Peace.

Likewise it is fitting that on June 26, the 40th anniversary of the signing of the United Nations Charter, Harold Stassen, the last remaining U.S. signer, should present for public scrutiny his own redraft and update of that Charter, which he played such a key role in drafting.●

IRV KUPCINET

● Mr. DIXON. Mr. President, I rise to call to the attention of my colleagues a most happy anniversary being observed in the city of Chicago today, October 25, 1985.

Fifty years ago today, Mr. Irv Kupcinet began his journalistic career with the predecessor newspaper of the one he is today so closely associated with, the Chicago Sun-Times.

In Chicago, in Hollywood, in Washington, everyone knows him as Kup, and Kup knows everyone.

As a resolution passed in his honor by the Cook County Board of Commisioners says:

He has met and interviewed world leaders, presidents, scientists, authors, artists, celebrities and political leaders for both his Sun-Times column and for his long-running and popular television show.

In his home town, Kup is also known as a man with a big heart. His "Purple Heart Cruise" on Lake Michigan each summer for disabled veterans is one of the largest and best-known charitable efforts in the city.

His philanthropic efforts in conjunction with the Variety Club of Chicago and Weizmann Institute of Science are untiring.

In short, Mr. President, Irv Kupcinet has made a lasting impression on the city of Chicago throughout his distinguished career. He has made it a better place to be, and the best part is that he is still doing it every day.

I hope my colleagues will join me in saying congratulations to Kup and his lovely wife and associate, Essee, and in wishing them many more years of happiness and productivity.

ORDER OF PROCEDURE

Mr. SIMPSON. Mr. President, I also ask unanimous consent that the minority leader be recognized for a history of the Senate speech, which speeches are indeed very important to all of us. I, personally, have been an occupant of the chair or have been in the Chamber at the time when many of those speeches have been presented. They will be a most meaningful compilation to all of us, to historians and citizens, for decades to come. Literally so.

The minority leader will also be recognized for the presentation of a resolution for referral.

ORDER FOR ADJOURNMENT UNTIL 11 A.M., MONDAY, OCTOBER 28, 1985

Immediately following the conclusion of the minority leader's speech, the Senate will automatically stand in adjournment until 11 a.m., Monday, October 28, 1985.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BYRD. Mr. President, I thank the distinguished assistant Republican leader for his courtesy in arranging for these remarks to be made at this time, and for my introduction of a Senate resolution to provide for TV and radio coverage of Senate debate. That resolution will be introduced only for referral.

THE UNITED STATES SENATE

TWO WEST VIRGINIA SENATORS

Mr. BYRD. Mr. President, nearly 1,800 men and women have served in the United States Senate since its creation in 1789. In my continuing series of addresses on the Senate's history, I have spoken of the most illustrious among these individuals. Most of us today would immediately recognize such names as Clay, Calhoun, Webster, Benton, Aldrich, Robinson, Barkley, and Taft—among several dozen others. These members, by virtue of their talent, their longevity, their opportunities, and their accomplishments will be remembered as long as there is a Senate of the United States.

But, Mr. President, there are others from among the ranks of former senators whose names are not so familiar to a national audience. Obviously, not all senators have the opportunity to chair major committees, or to serve for a quarter century or more. A large percentage of the Senate's 1,667 former members served for a decade or less. It is to this group that I shall turn, from time to time, for a view of these often insufficiently heralded, but nonetheless significant careers.[1]

[1] Footnote at end of history.

Today, I shall discuss two senators—one a Democrat from the late nineteenth century and the other a Republican from the early twentieth century. Although neither of these men has an enduring national reputation, both are well remembered within their home state of West Virginia.

At noon on January 12, 1893, members assembled as usual in the Senate chamber. For those who braved that day's bleak winter weather, however, there was nothing commonplace about the session that was about to begin. Indeed, these men had come for reasons that had nothing to do with the usual end-of-session legislative rush. The object of their special attention, on this occasion, reposed in the adjacent Marble Room. There, attended by an honor guard of Capitol policemen, lay the body of Senator John Edward Kenna. At eight minutes before one o'clock, Speaker of the House Charles Crisp led a delegation of ten House members through the south door and down the center aisle to their reserved seats. Closely on the heels of the House delegation followed Chief Justice Melville Fuller and the associate justices of the Supreme Court, the diplomatic corps, and finally President Benjamin Harrison and his cabinet.

As these distinguished visitors took their places, the Senate Sergeant at Arms entered from the northeast door. Behind him followed senators and representatives, a delegation from the West Virginia legislature, the casket bearing the remains of Senator Kenna, and an escort of twenty-three Catholic clergymen. Following a dignified thirty-minute service, the body of Senator Kenna was removed to his quarters on the present-day site of the Dirksen Building and then to the Pennsylvania Railroad Station for the final trip back to his beloved West Virginia.[2]

Mr. President, all of this attention would suggest that the deceased was a man of great prominence and advanced years. Although Senator Kenna had achieved a commendable record during his ten years as a member of the Senate's minority party, he had only reached the age of 44.

John Edward Kenna was born in Kanawha County, Virginia on April 10, 1848. He was a descendant on his mother's side of General Andrew Lewis, the pioneer Indian fighter and land speculator of the Virginia frontier era. His father, a native of Ireland, had come to the United States at the age of 14. The elder Kenna developed a successful law practice and earned a reputation as a spell-binding public speaker. His life, too, ended prematurely. He died in his 39th year, leaving to his wife's care eight-year-old John and three daughters. When he was 11, John moved to Missouri with

his family. There, despite his youth, he mastered the art of sod-busting with a simple plow and four yoke of oxen. In 1864, when Kenna turned 16, he joined General Shelby's brigade in the Confederate Army. Despite a shoulder wound, he fought bravely until serious illness forced him to a hospital for six months. Shortly after he returned to duty, his unit surrenderd to Union forces at Shreveport, Louisiana. At the close of the war, young Kenna returned to Charleston in the recently established state of West Virginia. Thanks to the generosity of friends, he enrolled in St. Vincent's College at Wheeling, where he studied for three years. In 1870, following a two-year apprenticeship in a law office, he was admitted to the West Virginia bar.

Tall, handsome, and a captivating public speaker, Kenna rose rapidly through the ranks of his state's Democratic party. In 1872 he was elected prosecuting attorney for Kanawha County. Finding this position insufficiently challenging, Kenna, two years later, unsuccessfully sought his party's nomination for a seat in the House of Representatives. Again, in 1876, he made a bid for a House seat. On that occasion, a number of leading Democrats in his home county issued a circular letter in support of a more senior candidate. Undaunted, Kenna confronted his adversaries and boldly set forth his own credentials at a campaign rally. The young candidate's remarkable statement illuminates his extraordinary persistence. Referring to the signers of the circular letter he said:

I have no word of unkindness for those distinguished men. But you will pardon me when I say that if I could exchange places with any one of them; if I could stand a matured, successful, established man, in all that the terms imply, and look upon a boy left in orphanage at eight years; if I could watch the pathway of his childhood, with the obstructions confronting it, and witness his struggles, his hardships, his labors, and his prayers; if I could see him marching on through adversity until kinder stars seem to shine upon him, and he was about to attain through trial and vicissitude a position of honor to himself and of usefulness to his fellow man—before I would sign a paper whose only effect would be to break down and ruin that young man, I would be carried to one of your lonely hillsides and there laid to rest forever.[3]

That speech and others had their effect, for Kenna won a seat in the House of Representatives by a large margin. At the time he arrived in Washington, at the age of 28, he was that body's youngest member.

In the months before the start of his term in the House, Kenna was actively involved in a campaign to promote Charleston as the permanent capital of West Virginia. Four years earlier, much to the frustration of those in the State's southern region, the legislature had returned the seat of government from its temporary site in Charleston to its original location in Wheeling. Kenna insured a large turnout for the determining vote on August 7, 1877, by calling on young Booker T. Washington who spent the summer on a speaking tour of the State, appealing to the area's black population.

The story also goes that Kenna was in a tavern one evening in West Virginia after a long day in which he had been traveling and speaking on behalf of the capital being located in Charleston. As his fortunes seemed to go lower and lower and lower, Kenna was a dejected and discouraged man. He made a new acquaintance on this particular evening, however. He began talking with a man who happened to stop by at the tavern, and Kenna stated to the gentleman that he had been traveling around the State attempting to exhort audiences to vote for Charleston as the site of the capital of West Virginia. His audiences, he said, however, had been small, and he had, therefore, not been able to reach as many West Virginians as he needed if his campaign was to be an effective and successful one.

His new acquaintance invited Mr. Kenna to travel with a circus, Robinson's Circus, which at that point was in West Virginia, and the new acquaintance, stating that he was affiliated with the circus as Lowlow the Clown, told Mr. Kenna that if he would but accompany the circus on its travels throughout the State, he, Mr. Lowlow the Clown, would, for a few minutes during his act, introduce Mr. Kenna so that Mr. Kenna could then speak to the audience and persuade the voters to support Charleston as the location of the capital. Kenna took Lowlow the Clown's challenge to heart and decided that he would, indeed, travel with the circus. He did and he spoke to audience after audience throughout the State.

The effort was successful, and years later, when Kenna was serving in the United States Congress he was speaking before an audience in Washington one evening. During his speech, he related the story as to how he had traveled with the circus and had appeared during the acts of Lowlow the Clown to speak on behalf of Charleston, which was, indeed, the choice of the voters of West Virginia for State Capitol.

When Kenna sat down, a gentleman in the audience stood up, about midway from the front to the back, and stated that, indeed, Kenna's was a true story. He could vouch for it because it was he, Lowlow the Clown, who had met with Kenna on that evening in the tavern years before and had offered to help Mr. Kenna by providing a few minutes during his, Lowlow the Clown's, act daily at the circus.

So, as one prominent historian of West Virginia has concluded, "More than any other one person, Kenna was responsible for making Charleston the permanent seat of the State Government."[4]

While in the House, Kenna served with distinction on the Commerce Committee. He was instrumental in fashioning legislation to prohibit abuses in rail transportation such as railroad pools, rebates, drawbacks, and discriminatory rates. Closer to the interests of his southeastern West Virginia constituency, Kenna worked for federal aid to improve navigation on the Great Kanawha River to open up the area's rich coal, timber, and salt resources.

While serving his second term he received a letter of instruction from the West Virginia state legislature. By unanimous vote, that body requested the states's congressional delegation to support a measure that would provide a subsidy to the Texas and Pacific Railroad. Forthrightly, Kenna responded to the legislature, "To support this measure on my part would be to violate the solemn pledges which I have made a hundred times over to the people of my district. I have not denounced subsidies /only/ to come here and support them. I have not raised my voice in opposition to class legislation against the interests and rights of the masses to come here and lend my voice to the consummation of that very work."[5] In response to Kenna's courageous stand, the legislature reversed its earlier position and vindicated its determined representative. His success in these efforts earned him a secure place in the House. In 1883, as his fourth term was about to begin, the state legislature elected Kenna to a seat in the United States Senate.

In the Senate, also as that body's youngest member, Kenna continued his work for railroad reform and for navigation improvement. Highly regarded for his legislative skills, as well as for his smooth diction and sharp, penetrating intellect, Kenna quickly moved to a position of leadership within the chamber's Democratic minority. Perhaps his most notable accomplishment came as a result of a controversy between the Republican controlled Senate and the Democratic administration of President Grover Cleveland. Of the 125,000 non-military federal positions, 96,000 were postmasterships. These were generally part-time posts in small towns and they paid less than $1,000 a year. But they brought great political influence to the president who filled them. After a 25-year absence from the White House, Democrats expected to obtain as large a share of these patronage jobs as possible. And, where possible, the new president obliged them.

Senate Republicans viewed this turn of events with dismay and demanded that Cleveland give adequate explanation for each removal. Always conscious of preserving the prerogatives of his office, the president refused.[6] Kenna's brilliant and effective argument for executive independence in this matter won him a great deal of attention. In a speech that lasted three hours and twenty minutes, before a packed Senate chamber, Kenna reviewed the complex and politically explosive history of presidential appointment-making. As one observer recalled, "The constitutional feature was argued and presented with precision, clearness, and simplicity, and, withal, the speech was strongest for its dignity and fairness."[7] Following that address, Kenna enjoyed excellent relations with the Cleveland administration! Throughout his Senate service, Kenna provided intellectual fire to fellow Democrats in his defense of the president's controversial 1887 tariff message and in the subsequent indictment of the Republicans for their failure to achieve tariff reform. The state legislature reelected Kenna to the Senate in February 1889 by a vote of 46-45, attesting to his strong popularity despite bitter factional disputes within the State's political parties.[8]

Mr. President, this brief review of John Kenna's congressional service suggests a number of explanations for the universal expression of sorrow that followed his death as a result of heart disease. This one senator, who left behind a wife and six young children, combined a gentleness of spirit with a hardened courage that led him to follow his own lights, regardless of the political consequences. As one of his associates observed, "It was in the simplicity and generosity of his character that Mr. Kenna was preeminent. He was most rich in his capacity for friendship. All who came to know the man became his friends. His frank nature, his ready sympathy, his unpretentious manners, combined to make a personality so winning upon the affections that no man was more loved in life or has been more mourned in death.[9] The *Washington Star* summarized his career in words that would be gratifying to any person in public life. Its correspondent wrote, "The career of Mr. Kenna has been an unsullied success. Never has the suspicion of anything but devotion to the interests of his state and the country at large crossed his public life. He was a politician of unusual resources and ability, but he was also a politician in the highest sense of the word."[10]

Today, hundreds of thousands of visitors to the United States Capitol Building pass by a dignified marble statue of Senator John Kenna, placed here in 1901. They are, no doubt, unaware of the noble spirit and the distinguished contributions of this man whom West Virginia chose to honor in one of her two donations to the Statuary Hall collections. Perhaps my remarks today will help to reawaken that memory, as well as that of other notable men and women of whom Kenna is but one shining example.

Now, Mr. President, I turn to the second of these two former U.S. Senators from West Virginia whom I have chosen for attention in this speech in my continuing series on the United States Senate—Henry Drury Hatfield. First, however, I shall reconstruct the story of a mountain feud about which we all have heard at one time or another and which bears Henry's family name—the Hatfield-McCoy feud.

On August 7, 1882, a knife fight broke out in an apple orchard on the banks of a tributary of the Tug Fork River—that wooly, maverick stream slicing through the Cumberland Plateau and delineating West Virginia from Eastern Kentucky. Again and again, knives were plunged into one man's body. When the struggle was over, Ellison Hatfield lay dying, and the Hatfield-McCoy Feud entered American legend.

The Hatfield-McCoy Feud is one of the most famous incidents in West Virginia history.

Few themes in American folk history have received as much attention as has the Hatfield-McCoy Feud. In stage dramas, comedies, movies, television shows, songs, and romantic literature, various aspects of the feud have been emphasized, often to the detriment of the total significance of that tragic conflict. Some interpreters have dwelt on the love affair between Roseanna McCoy and Johnson Hatfield to twist the feud into a "Romeo and Juliet" yarn. As recently as 1975, a television adaptation inaccurately distorted the confrontation between large numbers of men in both families into a test of wits between just the two clan leaders, "Devil Anse" Hatfield and "Ran'l" McCoy, and concluded the account with the two patriarchs shaking hands on a gentlemen's agreement to guard the environment! Other interpretations have trivialized the mutual vendetta of the two families into a quarrel over a pig!

In fact, the Hatfield-McCoy Feud is an example of frontier culture out of place in a dawning new age. In an earlier era, a protracted, armed clash by two extended families might have gone largely unremarked. The Grangerford-Shepherdson feud in *The Adventures of Huckleberry Finn* demonstrates the relative commonplaceness of such interfamily guerrilla warfare. In an age and place in which law enforcement was meager at best and, in some places, nil at most, feuds were sometimes seen by wronged or insulted parties as the most practical, albeit inefficient, means to exact justice—speedy and sure.

And in a feuding area, even the feudists' nearest neighbors might be wholly uninvolved, careful not to take sides but certain to take cover when the shooting began. Such neighbors continued to farm, hunt, go to church, trade, and have noncommittal social contacts with both sides in the feud. When feuds broke out on the frontier, whether in the Appalachian highlands, on the Illinois plains, or along Mark Twain's Mississippi, most people went about their business and exercised a meticulously circumspect noninvolvement.

But played out mostly in the 1880's, the Hatfield-McCoy Feud caught the fancy of the Late Victorian press at a time when reporters, editors, and publishers were learning that sensation, violence, sex, and melodrama sold papers and increased circulation and advertising dollars. As the struggle wore on, the Hatfield-McCoy Feud made gripping reading for newspaper customers in far-distant New York, Chicago, or Baltimore. In a fashion familiar to modern readers and television viewers, the issues of the feud were oversimplified, the principal personalities caricatured, and the story perhaps overplayed. And then, the drama ceased. After all of the uproar, no exciting climax followed; the feud ended, as T.S. Eliot might have had it, "not with a bang, but a whimper." Only the stories remained, lingering on in the memories of the people of West Virginia, Eastern Kentucky, and other areas of the Southern Highlands, to this day.

But to understand the Hatfield-McCoy Feud—indeed, to understand Appalachia itself—one has first to understand the concept of the frontier. Often, even historians portray the advance of the American frontier as a steady, inexorable movement of European civilization right across the continent, from east to west and shore to shore, unbroken. As sometimes scripted by Hollywood, the frontier started marching on the beaches of the Atlantic westward and swept all before it; when the line of civilization passed a geographic region, everything behind was supposed to have blossomed with the expected accoutrements of settled culture—neat cottages, picket fences, Colonial-style churches, uniformed policemen on the corner, and well-behaved citizens.

That, too, is an oversimplification.

West Virginia was part of the original eighteenth-century frontier. Before the Revolutionary War, George Washington penetrated deeply into the West Virginia wilderness, saw and proclaimed its potential, and set about establishing a large plantation settlement on the river banks of the lower Kanawha Valley.

But following independence from Britain, the westward movement of

American settlers advanced across the Appalachian barrier—not in a massive frontal assault, but in probing columns searching out the least formidable routes. To outflank the mountains of West Virginia, the National Road found a path from Cumberland, Maryland, to Wheeling, on the Upper Ohio. Farther south, the main pioneer route was down the Great Valley of Virginia and either northwest through the Cumberland Gap in Kentucky, or southwest down the Holston River into the Tennessee Valley. In any case, the vast West Virginia wilderness—as well as immeasurable stretches of Eastern Kentucky, Tennessee, and the mountains of Georgia and the Carolinas—lay largely undisturbed by the influx of settlers sprawling out across the Midwest and into the Old Southwest.

Particularly for that reason, the great watershed of the Tug Fork and Big Sandy Rivers remained virgin territory long after the Daniel Boones and Davy Crocketts had moved on—a frozen frontier of hunters and trappers living in log houses and far away from the legal sophistications of Richmond, Frankfort, or Cincinnati. Even in the 1830's, finished goods or refined foods such as sugar or coffee transported into a town like Logan, West Virginia, were commonly bartered for beaver pelts, beeswax, honey, ginseng, sassafras, ramps, or venison. Most homesteads were still built of handhewn logs cut from the primeval forests surrounding and chinked with mud to keep out bitter winter winds. Folk crafts, now again prized especially by young Americans searching for the pristine heritage—cloth-weaving, quilting, applebutter-making, meat curing, herb science, country fiddling and dancing, and a host of other examples of Americana—were daily resources on which sturdy men and women depended, not only for their amusement, but also sometimes for their very survival. In such a world as that, even common political and geographic nomenclatures like West Virginia, Kentucky, and Virginia had little meaning for people who had for generations had to be a law unto themselves. Judges, preachers, and school teachers were rare figures in the Tug Fork Valley, and even the ceremony of marriage might be a relatively informal arrangement between the families involved.

The War Between the States *did* reach into the narrow hollows of the Tug Fork and its tributaries, however, and men on both shores of that river chose their sides. In those decisions lay the initial roots of the Hatfield-McCoy clash.

One complication in West Virginia history is the pro-Confederate sentiment of many of that state's people that West Virginia's separation from the Old Dominion often glosses over. At that time, more than one-third of the voters in what is present-day West Virginia approved Virginia's secession from the Union in the 1861 referendum ordered by the Richmond secession convention that same year. And Confederate sentiments were particularly strong in some rustic areas of southern and southwestern, as well as in northeastern sections of what is now West Virginia.

Swept along in that sentiment, William Anderson Hatfield and his brother Ellison enlisted in the Confederate army, eventually becoming members of a unit called the "Logan Wildcats," named for their home county.

That county, incidentally, was one of the four counties in the old 6th Congressional District, which I represented in the United States House of Representatives from January 3, 1953 to January 3, 1959.

Traditionally, the Hatfields are interpreted as being Confederate sympathizers, as oppose to the McCoys, most of whom at the time lived across the Tug Fork River in Eastern Kentucky and are usually portrayed as Unionists, though, in fact, more McCoys were Confederate sympathizers than Union supporters.

One of the Unionist McCoys, Asa Harmon McCoy, was at his Eastern Kentucky home on furlough from the Federal army in 1863 when he was sought out and murdered by local Confederates. Though not directly implicated in Harmon McCoy's death, Anderson—or "Devil Anse" Hatfield, as he was known—suffered, because of his Confederate connections and friendship with local Confederate sympathizers, from the McCoys' indignation at the death of one of their own. Consequently, relations between the two families cooled into an uneasy truce at best.

Roughly thirteen years after Harmon McCoy's death, another event added to the McCoys' grievences. As late as the 1880's in the Tug Fork watershed, privately owned hogs were allowed to range freely in the woods to forage for themselves, much as they had done in the Middle Ages in Europe. As with cattle in the West, the hogs were supposed to bear the brand of their owners, and at "roundup" time in the fall, any little pigs in a sow's litter were branded with the same mark.

In Pike County, Kentucky, one autumn in the late 1870's, however, Randolph McCoy—popularly called "Ran'l"—failed to locate one of his sows and her offspring, and after a lengthy search with the aid of his sons, concluded that his property had been stolen.

Several days later, Ran'l's son Bill spotted a sow and piglets answering the description of his father's lost livestock, on the land of Floyd Hatfield, and Ran'l obtained a warrant charging Floyd Hatfield with hog theft. In a short time, kinsmen of both men throughout the area lined up behind their relatives.

A jury of six Hatfields and six McCoys, with a Hatfield judge, decided 7-5 in favor of Floyd Hatfield, even though the disputed sow bore a McCoy brand. Aside from rankled pride and understandable muttering, that might have ended the disagreement. But harsh words between "Squirrel-huntin' Sam" McCoy and one of the Hatfield witnesses, Bill Staton, led to Staton's death on the West Virginia side of the Tug Fork some weeks later, and another rivet was in place in the feud's prelude.

In 1880, the direct collision between Devil Anse Hatfield and Ran'l McCoy began, though some experts contend that the two patriarchs never met face to face. At an election site in Pike County, Kentucky, Johnson Hatfield—"Johnse," Devil Anse's son—spied Ran'l's daughter Roseanna, escorted her for a walk in the woods, fell in love with her, and took her back with him to his father's home in West Virginia, all without Ran'l's knowledge or permission.

The following morning, "Johnse" told his father "Devil Anse" that he intended to marry Roseanna McCoy, but the Hatfield chieftain refused to bless the union of his son with Randolph McCoy's daughter. Nevertheless, Roseanna stayed on with "Johnse" at "Devil Anse's" home, and left only after the inevitable occurred, going to live at a relative's home, three months pregnant. There, during a rendezvous with Roseanna, "Johnse" was captured and kidnapped by Ran'l and three of his sons, who started off with him back across the Tug Fork toward Pikeville, Kentucky.

Fearing that "Johnse" was going to be killed by her father and brothers, Roseanna rode ten miles on horseback across mountainous country to warn "Devil Anse" of his son's predicament. With forty Hatfields traveling in his cohort, "Devil Anse" galloped off to "Johnse's" rescue, a feat accomplished without bloodshed, but not without added rancor in the growing confrontation between the Hatfields and McCoys.

"Johnse" Hatfield is said to have attempted one more time to gain Roseanna's hand in marriage, but fearing more conflict between their families, Roseanna refused. With that, the "Johnse"-Roseanna romance angle ceased to be a contributing factor to events. The sad Roseanna faded from the drama, never to be wed by her beloved "Johnse" and dying before her time—some claim from a broken heart.

For his part, "Johnse" went on to marry four times, the first time to Nancy McCoy, Roseanna's sister. Thus ended the "Romeo-Juliet" scenario.

But not the enmity between the two extended families.

On August 7, 1882, at another election day gathering, this time in Toler, Kentucky, a fight broke out between Ellison Hatfield—"Devil Anse's" brother—and three of Ran'l McCoy's sons—Tolbert, Pharmer, and Bud. During the fight, Ellison, as I said at the beginning of my remarks was severely knifed and was carried by attending Hatfields back to Matewan on the West Virginia side of the Tug Fork.

Two local Pike County peace officers took three McCoys into custody for the wounding, but on the way to Pikeville, a group of Hatfields ambushed the party and took the three McCoys away from the lawmen. Once back in West Virginia, the Hatfields incarcerated their hostages in a schoolhouse near Matewan. The Hatfields then announced that if Ellison survived his wounds, the captured McCoys would be turned over to the authorities in Kentucky for trial; but if Ellison died, the Hatfields would exact their own justice.

On August 9, 1882, Ellison Hatfield did die, whereupon the three McCoys in Hatfield custody were taken back across the Tug Fork into Kentucky, tied to a paw paw bush, and shot to death.

From that date, the Hatfield-McCoy Feud continued for the next nearly half-dozen years. From time to time, authorities in both West Virginia and Kentucky tried to quell the violence, largely to no avail and sometimes at the price of interstate relations. At one point, a grand jury in Pike County returned some twenty indictments against "Devil Anse" and his kinsmen for the death of the McCoy brothers. Since the Hatfields were securely off in West Virginia, however, nothing was done to implement the indictments. Likewise, indictments were handed down in Logan County, West Virginia, against various McCoys, but again no practical results followed. Eventually, the governors of West Virginia and Kentucky were drawn into a widening legal morass, with little success on either side.

Not to be thwarted, however, the swashbuckling Pike County deputy Frank Phillips—now married, incidentally, to "Johnse" Hatfield's former wife, Nancy McCoy—began slipping across into West Virginia with posse bands to spirit back suspected Hatfields without benefit of legal process. On January 19, 1888, a West Virginia Posse staged a shoot-out with the Phillips posse, bringing another direct clash between West Virginia and Kentucky, as well as intense national interest. Some expected to see the militias of the two states exchanging fire at any moment.

One of the saddest incidents of the feud occurred on New Year's Eve, December 31, 1887. A band of Hatfields crossed the Tug Fork into Kentucky, besieging and setting fire to Ran'l McCoy's home. In the fracas, Ran'l's daughter Alifair and Son Calvin were shot to death, and their mother Sarah was beaten within an inch of her life.

Likewise, if to a lesser degree, "Devil Anse's" tranquility was permanently destroyed by the feud, with raids and the turmoil of the conflict forcing him away from the familiar Tug Fork area deeper into the West Virginia hills near Logan Courthouse.

In 1888, Pikeville was finally the scene of the trials of several Hatfields for the murders at the burning of Ran'l McCoy's home. Though several men were tried, but one—Ellison "Cotton Top" Mounts—was convicted and hanged for the deaths of Alifair and Calvin McCoy. Another man—Valentine "Wall" Hatfield—was convicted and sentenced to prison, where he died after two years. Others, though convicted, were pardoned and never served time in prison, among them "Johnse" Hatfield himself.

National press coverage of the feud at that point bordered on the hysterical. Unremarked, however, was the fact that the feud killings ended in 1888.

Socio-economic changes had been going on in the Tug Fork Valley throughout the 1880's—changes that brought the Industrial Revolution to the Cumberland Plateau with a fury. The United States was undergoing an industrial boom—shipbuilding, bridge-building, steel-frame skyscraper building, railroad construction, and new homes being put up everywhere. Dry docks in Baltimore, Brooklyn, and Boston needed steel plates; Chicago and St. Louis wanted steel girders; Pittsburgh demanded more and more coal and coke; lumber yards hungered for sturdy trees to turn into housing joists and floor boards. Into Southern West Virginia and up and down the Tug Fork Valley, coal prospectors, timber hunters, land agents, and railroad surveyors scrambled, clambering over the rugged terrain in search of wealth and rail routes, and bringing with them an influx of construction teams, lumberjacks, miners, engineers, and a new way of life.

That new way of life spelled the real end of the Hatfield-McCoy Feud. The new residents of the Tug Fork Valley wanted peace, order, and safety from flying bullets and nighttime raids. Also, many of those born into and reared in the old frontier ways that had tolerated feuding lost patience with bushwhacking and clannish vengeance.

Change extended to the Hatfields and McCoys as well. "Johnse" Hatfield, for example, lay down his rifle to become a white-collar-wearing land agent for the Island Creek Coal Company. "Devil Anse's" nephew Greenway Hatfield became first a deputy U.S. marshal and then the three-time elected sheriff of the newly formed Mingo County, West Virginia. McCoys on both banks of the Tug Fork were also elected to public offices, became merchants or professional men, or themselves gained wealth as local coal operators.

Perhaps the most obvious example of the changing status of people along the Tug Fork is the case of Henry Drury Hatfield.

Henry Hatfield was born in Mate Creek in southern West Virginia's Logan County on September 15, 1875. He was the eldest son of Elias Hatfield whose brother, William Anderson ("Devil Anse") Hatfield, was considered the patriarch of this family of Hatfield-McCoy legend. Henry's father was the most serious and peaceable of the Hatfield brothers. Early in his young sons' life, he stressed the supreme importance of obtaining a good education. Consequently, Henry decided at an early age to become a physician. He realized that, as a doctor, he could make a significant contribution to his community, where the unbridled growth of the mining and railroad industries brought the unwelcome side effects of serious and debilitating accidents. The closest hospitals were many miles away in Richmond, Virginia and Columbus, Ohio.[11]

In common with John Kenna, Henry Hatfield possessed an almost unlimited capacity for long hours of concentrated labor. He graduated from Franklin College in 1887 at the age of 12! Seven years later, when only 19, Hatfield earned his medical degree from the University of Louisville medical school. Hatfield then returned to the Pocahontas coal fields in southern West Virginia. As there were no hospitals in that part of the State, Dr. Hatfield frequently performed his operations on kitchen tables in the homes of the coal miners by oil-lamp light and sterilized his medical instruments in bubbling kettles over log fires.

Early in life, Hatfield had developed a strong sense of social responsibility. He recognized that the best remedy for the deplorable health care situation lay within the power of State legislature. As a result of his determined and skillful lobbying, the legislature in 1899 appropriated $20,000 to establish three miners' hospitals—the only three in the State. For the next thirteen years, Hatfield served as the chief surgeon at the hospital in Welch, West Virginia. During that period he treated more than 18,000 miners without compensation from either the miners or the State. He even drew on his own financial resources to furnish the operating room and to purchase an x-ray machine.[12]

At the end of his life, he would look back at the establishment of these

hospitals as the most satisfying accomplishment of a long career.[13] His pioneering work in bone surgery brought him State-wide and national recognition. As Hatfield expanded his contacts throughout the State, he realized, as biographer Carolyn Karr has observed, that "politics could be an instrument, much like the ones he used in surgery. As a physician he could treat only isolated cases, and, while the satisfaction was immense, it could not solve the health problems of the entire State. Politics has been the instrument which established the hospitals; it could also be the instrument with which he could operate on the other ills which infected the State." [14]

Once Hatfield came to this realization, he climbed rapidly up the political ladder. As a member of the Hatfield clan, he had many kinsmen in West Virginia. As a medical doctor, he automatically enjoyed the respect accorded at the time to a man of such learning. As the company doctor for the Norfolk and Western Railway, which ran from one end of his county to another, his fame was assured. In 1904, Hatfield earned a second medical degree, this time from New York University. Two years later he won a three-way race, as a Republican in heavily Democratic McDowell County, for a position on the County Court.

During all of the 39 years I have been in politics in West Virginia, McDowell County has been an overwhelmingly Democratic county, as it was in Dr. Hatfield's day.

As president of the court, he launched a series of reforms that grew out of his medical experience. These included an improved road system and an end to the overcrowing and poor sanitation of the county's jail. In 1908, the voters of his district sent him to the State senate with an impressive electoral margin.[15]

In 1911, as Hatfield began his second term in the West Virginia State senate, he became embroiled in one of West Virginia's greatest political confrontations. Ending more than fifteen years of Republican domination in State political life, the voters had sent a greater number of Democrats to the legislature. In the house of delegates, they took over the majority. In the senate, however, there were fifteen Republicans and fifteen Democrats—a deadlock! Consequently, the party that could capture the post of senate president would thereby gain control of that chamber's significant legislative and patronage powers.

A particularly significant agenda awaited the senators of that session. The senate would oversee a redistricting of the State's political units based on the 1910 Census and it would fill two seats in the United States Senate—one for a full term and one for 2-years of an unexpired term. Because the Democrats held a numerical majority of the total number of State legislators, they had the votes to elect both United States Senators in the customary joint legislative session to be called for that purpose.

Hatfield emerged as one of the leading Republican candidates for the president's post. Given the great stakes, neither party was willing to yield to the other's demand to elect their candidate. The situation deteriorated quickly. The Republicans informed the Democrats that unless they received the presidency, they would not return to the senate chamber. When other pleas failed, the Democrats voted to issue warrants for the Republicans' arrest. The governor, Republican William Glasscock, dismissed the legitimacy of the Democrats' action, observing that they lacked authority as the legislature had not yet been formally organized to conduct business. The fifteen Republican senators, not easily reassured by the governor's decision, hastily boarded a train for Cincinnati at 3:00 o'clock in the morning.[16] They remained there for several days until the Democrats struck a deal. Two Democrats had emerged, in their party's caucus, as the leading contenders for the United States Senate vacancies. Before they could travel to Washington, they needed to be formally elected and certified by the State legislature. This would not be possible as long as the stalemate continued. Consequently, the Democrats agreed to support a Republican for the senate presidency as long as they could choose which Republican would be the candidate. They jointly selected Hatfield.[17]

From this position, Hatfield enhanced his reputation as a progressive reformer and as a vigorously partisan Republican. He fought efforts to limit the voting rights of blacks and to place property restrictions on voting. Despite his best efforts, the 1911 senate session ended in frustration. He believed that only the governorship offered him the power with which to address his State's many problems. In November 1912, following a grueling campaign, that reinforced his progressive stance, Hatfield won the governorship by a comfortable margin.

Henry Hatfield took the oath of office as West Virginia's fourteenth Governor on March 4, 1913, the same day that Woodrow Wilson became President of the United States. Each man immediately, in his own sphere, set out to deal with pressing social and economic ills. Within seven weeks, Governor Hatfield brought to an end an extended and bitter strike in the Paint Creek and Cabin Creek coal fields. On balance the settlement benefited the workers, for their union won recognition as the bargaining agent for the miners of Kanawha County.[17]

During his 4 years as Governor, Hatfield championed mine safety and health legislation, worker's compensation reform, woman suffrage and a host of other progressive reforms that associated him with similar activities within the administration of Woodrow Wilson. His strong, dominating, and sometimes vindictive personality led him into endless confrontations with the State legislature and the major business interests. He seldom hesitated to apply his influence, regardless of whose prerogative it usurped.[18] Despite some reverses, Governor Hatfield guided an impressive reform program into being. One historian summarized his term in office as follows. "In less than three years, he turned West Virginia from one of the most reactionary States dominated by machine and corporation politics into a leader in the forefront of the progressive movement."[19] Another scholar described Hatifield's attitude as follows. "The lack of personal political ambitions combined with a highly successful non-political profession allowed Hatield to fight his political battles on the principles and concepts that he chose himself and not those dictated by others. He could not and would not be controlled by anyone."[20]

Shortly after stepping down as Governor, Hatifield entered the Army Medical Corps and served as a military surgeon in France. At the end of World War I, he returned to the practice of medicine in Huntington, West Virginia. After a decade out of the political arena, however, he yielded to the urgings of state Republican party leaders and launched a campaign to unseat Democratic United States Senator Matthew Mansfield Neely. In the 1928 elections, the voters treated the Republicans well. They put Herbert Hoover in the White House and added seven Republicans to the Senate, including Henry Hatfield, who defeated Neely by a margin of nearly ten thousand votes.

In the Senate he drew good committee assignments, serving with prominent progressives such as George Norris on Agriculture, Hiram Johnson on Immigration, and Robert La Follette, Jr. on Manufactures. There he assiduously looked after the interests of his home State with amendments to the Hawley-Smoot tariff to protect the coal, glass, woolen, chemical, and lumber industries.[21] As always, he took a particular interest in health care issues.

In West Virginia, during that year, 2,000 war veterans waited with little hope of being admitted to the State's overcrowded hospitals. When the veterans' lobby approached Hatfield for assistance in obtaining a $2-million appropriation to build a veterans' hospital, Hatfield sought out Finance Committee chairman Reed Smoot. The

senior Senator from Utah paid little attention to the pleadings of West Virginia's freshman Senator. Not about to be put off, Hatfield reminded him that West Virginia had provided a greater percentage of soldiers to the war effort than any other State in the Union. The chairman curtly informed the Senator that it was too late in the session to be adding amendments to appropriations bills. To this, Hatfield responded by threatening an extended floor debate. He promised that he would "deliver an address that would take the Senate back to the birth of the State of West Virginia." [22]

When Senator James Watson, the second-ranking majority member of the Finance Committee brought the Veterans' Appropriation bill up for floor debate, he asked Hatfield not to offer his amendment. Hatfield later recalled, "He was most cordial, but did not make the least impression on me. I informed him that I was not only going to introduce the amendment, but discuss it over a long period of days." Watson conferred with Smoot. Several hours later, he returned to Hatfield and asked for the amendment. Shortly thereafter the bill passed the Senate with Hatfield's amendment intact. Soon, Huntington, West Virginia had a new veterans' hospital.

The autumn of 1929 brought the great stock market crash. Overnight, this economic cataclysm, which profoundly affected the lives of millions of Americans, dramatically transformed the Senate's agenda. Supporting President Hoover, Hatfield blamed the depression on faulty economic policies of European nations and, although he supported indirect relief measures, he resisted legislative remedies that would provide assistance directly to individuals.

Senator Hatfield found himself at odds with the administration of Franklin Roosevelt, and its congressional supporters, during the so-called "One Hundred Days" at the beginning of the 1933 session. He observed that "the 'must' bills went through like magic. I saw bills passed," he noted, "when a majority at times scarcely took the pains to read them. It was a hysterical, pliant, and submissive /climate/." The West Virginia Senator discovered the futility of his determined opposition to the Roosevelt program. "My voice," he said, "was a voice crying in the wilderness. Our scant minority was ruthlessly overridden on a wave of public hysteria." [23]

Hatfield particularly took aim at the proposed National Industrial Recovery Act. This measure was designed to revive industrial and business activity and to reduce unemployment. It would establish a system of industrial self-regulation relying on fair competition codes. Hatfield believed the bill would provide unwelcome national regulation of labor, despite the insertion of Section 7a guaranteeing labor's right to organize and "bargain collectively through representatives of their own choosing." Even United Mine Workers' Union chief John L. Lewis, who threatened, begged and cajoled the Senator, was unsuccessful in changing Hatfield's position. When Lewis exhausted all direct powers of persuasion, he told Hatfield that he would turn the full force of his union against the Senator in his 1934 bid for reelection. The Senator reacted with his customary toughness in telling a constitutent, "I consider /the NIRA/ an issue that far transcends mere political expediency." [24]

Hatfield demonstrated the same assertive stance in matters of foreign policy. Throughout many of his public speeches ran the theme of the "Red Menace." As he had considered the NIRA to be Russian-inspired, so too did he see dangerous consequences in President Roosevelt's plan to extend formal diplomatic recognition to the Soviet Union. After several meetings with the president, Hatfield went public with his opposition.

> It becomes apparent . . . from negotiations of President Roosevelt and Commissioner Litvinoff, who have been speaking the same economic language for some time—as evidenced by the similarity between America's NIRA and Russia's NEP—that the establishment of a Soviet Embassy in Washington is imminent. That is to be deplored. It is stated that recognition involves no approval of the Russian way of life. That is arrant sophistry. The issue as between democracy and communism can no more be compromised than Henry Clay could compromise the issues that found their solution at Gettysburg and Appomattox. There is no halfway house.[25]

Mr. President, Henry Hatfield's strident opposition to New Deal programs has struck some observers as inconsistent with his record of progressivism as state senator and governor. We must remember, however, that this opposition did not occur independently of the political climate in which he worked. As a devoted party loyalist, operating in a time of great political upheaval, Hatfield realistically could be expected to define policy issues to strengthen the severely weakened Republican party. His party colleagues acknowledge his aptitude for effective partisan combat by electing him chairman of the National Republican Senatorial Campaign Committee.

Henry Hatfield may have harbored aspirations for his party's 1936 presidential nomination. Unlike his earlier political career, however, he was no longer the right man at the right place at the right time. He recognized that reelection in 1934, at a time when Democrats controlled the rest of the state's congressional delegation and the governorship, would require a political miracle. As he feared, the midterm congressional elections did not provide the customary gains for the minority party. In fact, Senate Democrats picked up nine seats, giving them an impressive margin against the Republicans of 69 to 25 with two Independents. In a hopeless race, he lost his seat to 29-year-old Rush D. Holt, with whom, incidentally, I served in the West Virginia House of Delegates in the late 1940's. In explaining his defeat, Hatfield said, "Mr. /John L./ Lewis lined up labor agaisnt me for reelection for the reason that I had opposed the New Deal all the way through." [26]

Mr. President, timing is just about everything in political life. Henry Hatfield's rapid rise from county health commissioner to governor of West Virginia to U.S. Senator amply demonstrates the truth behind that statement. His biographer has written that "Hatfield came into the Governor's office at a time when the mood of the public was committed to reform. By the adroit use of proper techniques at the appropriate times he was able to keep the progressive tide from being diverted. He succeeded not only because he was a competent party leader, but above all because public opinion had been agitated to the point where it accepted innovation." [27]

Midway through Hatfield's single term in the Senate the tides shifted against him. He sought to tie his progressive legislative agenda to a party that, fairly or not, suffered the political consequences for allowing the Nation to drift into a calamitous economic despression. Thus, in 1935, Henry Hatfield set aside his political career and resumed the practice of medicine. He continued that practice for another two decades, well past the age of 80. On October 23, 1962, at the age of 87, Henry Hatfield died at his home in Huntington, West Virginia.[28]

In those eighty-seven years, Henry Drury Hatfield had witnessed unimaginable changes in the Tug Fork Valley, in West Virginia, and in the United States. As a child and as Devil Anse Hatfield's nephew, he had endured the direct, undiluted passions and violence of a frontier civilization; as an aged and respected public figure, he marveled with the rest of us at the space orbit of our distinguished colleague from Ohio, Senator JOHN GLENN, and at the exploits of other early American space pioneers. Certainly, Henry Drury Hatfield—physician, Governor, U.S. Senator, and nephew of a former Confederate Army sharpshooter—must have reflected on the revolutions that had taken place in his lifetime.

Henry Hatfield had adjusted phenomenally to the new conditions that spelled an end to the famous Hatfield-McCoy feud. Others, however, were neither so flexible nor so sanguine in

the face of the new world that burst in upon them.

In 1891, "Devil Anse" Hatfield was quoted as saying, "The war spirit in me has abated, and I sincerely rejoice at the prospect of peace." But the memories and the hurts were there, nonetheless. Having been forced by mounting violence out of his Tug Fork Valley home at the height of the feud, by the turn of the century, "Devil Anse" Hatfield had forever abandoned his old homesite and moved to Island Creek near Logan, West Virginia. There he spent the rest of his days in relative peace, being baptized a few years before his death in 1921 at age 82. In 1932, the Hatfield family erected a life-sized statue of him at his grave—perhaps significantly—turned facing away from the direction of the Tug Fork and all of those bitter remembrances that must have been his of death and outrage. "Devil Anse's" last living son, Willis Wilson Hatfield, passed away in 1978 at age 90.

Randolph McCoy's last years were more poignant. the feud left him a broken man. His home had been burned down. Two of his children had been murdered on the spot. His wife has been severely injured. In all, the conflict cost Ran'l McCoy six of his offspring, including the heart-crushed and beautiful Roseanna. For years, people say, Ran'l McCoy haunted the streets of Pikeville, Kentucky, mourning the world and the precious human treasures that had been snatched from him. Randolph McCoy died, 88 years of age, in 1914.

In 1976, perhaps the last chapter in the Hatfield-McCoy Feud was etched. In a cemetery in hilly Eastern Kentucky, a McCoy monument was dedicated to the members of that honored family lost in the feud. On that day, Willis Hatfield—"Devil Anse's" sole living son—shook hands with Jim McCoy—nephew of Ran'l McCoy. Willis Hatfield was age 88, and Jim McCoy was 91. In the warmth—and maybe the regret—of that human gesture, a colorful, tragic saga in American history came to an end. And in that moment of sincere unity, the last vestiges of a way of life vanished forever.

Mr. President, in recounting the lives of these two U.S. Senators, one cut off in his prime and the other who lived to a ripe old age, I recall the lines from Longfellow's "Psalm of Life:"

Art is long, and Time is fleeting,
And our hearts, though stout and brave,
Still, like muffled drums, are beating
Funeral marches to the grave.

I hope these two vignettes that I have presented today have illuminated the contributions of two diligent and colorful members of the Senate who have otherwise faded into the mists of history. They are perhaps more representative of the great majority of former senators, prominent in their generations but not so well remembered today. They do not stand in the ranks of the Webster's, Clay's, and Calhoun's, but in their time and in their way they served their State and Nation, and made this institution run. These are honorable accomplishments to which every senator, no matter what his status in history, should aspire.

Mr. BYRD. Mr. President, I ask unanimous consent to include at this point in the RECORD the footnotes to Two West Virginia Senators.

There being no objection, the footnotes were ordered to be printed in the RECORD, as follows:

FOOTNOTES TO "TWO WEST VIRGINIA SENATORS"

[1] For brief, but often colorful, accounts of former Senators, see the *Biographical Directory of the American Congress, 1774–1971* (Washington, 1972). The Senate Historical Office and the Office for the Bicentennial of the House of Representatives are preparing a revised and expanded bicentennial edition of this essential reference source. The Senate Historical Office also maintains an extensive bibliography of books and articles written by and about former Senators.

[2] *Memorial Addresses on the Life and Character of John Edward Kenna Delivered in the Senate and House of Representatives, February 27 and March 2, 1893* (Washington, 1893); *Dictionary of American Biography*, Vol. IX, pp. 330–1.

[3] John Alexander Williams, "The New Dominion and the Old: Ante-Bellum and Statehood Politics as the Background of West Virginia's 'Bourbon Democracy'," *West Virginia History* 33 (July 1972): 388–92; *Memorial Addresses*, pp. 45–6.

[4] Louis R. Harlan, "Booker T. Washington and the Kanawha Valley, 1875–1879" *West Virginia History* 33 (January 1972): 135–7; Charles H. Ambler and Festus P. Summers, *West Virginia: The Mountain State* (Englewood Cliffs, New Jersey, 1958), pp. 208, 505.

[5] *Memorial Addresses*, pp. 102–3.

[6] H. Wayne Morgan, *From Hayes to McKinley: National Party Politics, 1877–1896* (Syracuse, New York, 1969), pp. 251–4.

[7] *Memorial Addresses*, p. 105; *Congressional Record*, 49th Congress, 1st sess., pp. 2328–37.

[8] Gerald Wayne Smith, "West Virginia Congressional Opinion on the Tariff, 1865–1895" *West Virginia History* 23 (October 1961): 32–4 and (January 1962): 118; *Congressional Record*, 50th Congress, 1st sess., pp. 900–5; West Virginia House of Delegates, *Journal* (1889); 58; John Alexander Williams, "New York's First Senator From West Virginia: How Stephen B. Elkins Found a New Political Home," *West Virginia History* 31 (October 1969): 83.

[9] *Memorial Addresses*, p. 9.

[10] *Washington Star*, January 11, 1893.

[11] Neil Shaw Penn, "Henry D. Hatfield and Reform Politics: A Study of West Virginia's Politics From 1908 to 1917," Ph.D. dissertation, Emory University, 1973, pp. 1–4.

[12] Carolyn Karr, "A Political Biography of Henry Hatfield," *West Virginia History* 28 (October 1966): 37.

[13] *Charleston Gazette*, October 24, 1962.

[14] Karr, "A Political Biography," p. 37.

[15] Ibid., pp. 35–42; Penn, "Henry D. Hatfield," chapters 1 and 2.

[16] Karr, "A Political Biography," p. 45–6; Penn, "Henry D. Hatfield," pp. 183–6; David A. Corgin, *Life, Work and Rebellion in the Coal Fields: The Southern West Virginia Miners, 1880–1922* (Urbana, Illinois, 1981), pp. 97–9.

[17] Carolyn Karr, "A Political Biography of Henry D. Hatfield /Part II/," *West Virginia History* 28 (January 1977): 146.

[18] Ibid., pp. 151–8; Penn, "Henry D. Hatfield," chapters 6 and 7.

[19] Karr, "A Political Biography /Part II/," p. 158.

[20] Penn, "Henry D. Hatfield," p. 489.

[21] Karr, "A Political Biography /Part II/," p. 159.

[22] Ibid., p. 160.

[23] Ibid., p. 163.

[24] Ibid., p. 164.

[25] Ibid., p. 165.

[26] Ibid., p. 166; Penn, "Henry D. Hatfield," p. 488.

[27] Karr, "A Political Biography /Part II/," p. 167.

[28] *New York Times*, October 24, 1962; *Charleston Gazette*, October 24, 1962.

Mr. BYRD. Mr. President, I yield the floor.

PROGRAM

Mr. SIMPSON. Mr. President, just to recap the matters for Monday, the Senate will convene at 11 a.m. Under the standing order, the two leaders will be recognized for not to exceed 10 minutes each.

There is a special order in favor of the Senatcr from Wisconsin [Mr. PROXMIRE] for not to exceed 15 minutes to be followed by a special order for the Senator from Alabama [Mr. HEFLIN] for not to exceed 15 minutes.

Following the execution of these special orders, there will be a period for the transaction of routine morning business not to extend beyond the hour of 11:45 a.m., with Senators permitted to speak therein for not to exceed 5 minutes each.

Following routine morning business, the Senate will resume consideration of S. 1714, the 1985 farm bill. Votes can be expected during Monday's session.

ADJOURNMENT UNTIL MONDAY, OCTOBER 28, 1985, AT 11 A.M.

The PRESIDING OFFICER. Under the previous order, the Senate stands in adjournment until 11 a.m., Monday, October 28, 1985.

Thereupon, at 5:43 p.m., the Senate adjourned until Monday, October 28, 1985, at 11 a.m.

NOMINATIONS

Executive nominations received by the Senate October 25, 1985:

DEPARTMENT OF JUSTICE

John R. Bolton, of Virginia, to be an Assistant Attorney General, vice Robert A. McConnell, resigned.

IN THE NAVY

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370:

To be admiral

Adm. Wesley L. McDonald, [redacted] /1310, U.S. Navy.

The following-named officer, under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be vice admiral

Vice Adm. Kendall E. Moranville, [redacted] /1310, U.S. Navy.

CONFIRMATIONS

Executive nominations confirmed by the Senate October 25, 1985:

NATIONAL COUNCIL ON THE HANDICAPPED

John S. Erthein, of California, to be a member of the National Council on the Handicapped for a term expiring September 17, 1987.

SECURITIES AND EXCHANGE COMMISSION

Joseph A. Grundfest, of the District of Columbia, to be a member of the Securities and Exchange Commission for the term expiring June 5, 1990.

DEPARTMENT OF STATE

Natale H. Bellocchi, of New York, a career member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Botswana.

Michael Sotirhos, of the District of Columbia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Jamaica.

Clyde D. Taylor, a Maryland, a career member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Paraguay.

Robert G. Houdek, of Illinois, a career member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Uganda.

Malcolm Richard Wilkey, of Texas, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Oriental Republic of Uruguay.

Richard Schifter, of Maryland, to be Assistant Secretary of State for Human Rights and Humanitarian Affairs.

UNITED NATIONS

Adele Langston Rogers, of Maryland, to be an Alternate Representative of the United States of America to the 40th session of the General Assembly of the United Nations.

EXECUTIVE OFFICE OF THE PRESIDENT

The following-named persons to be members of the Advisory Board for Radio Broadcasting to Cuba for the terms indicated:

For a term of 2 years:

Jose Luis Rodriquez, of Florida.

For terms of 3 years:

Joseph Francis Glennon, of Florida.

Danford L. Sawyer, Jr., of Florida.

Midge Decter, of New York, to be a member of the Advisory Board for Radio Broadcasting to Cuba for a term of 1 year.

John R. Silber, of Massachusetts, to be a member of the Advisory Board for Radio Broadcasting to Cuba for a term of 1 year.

Antonio Navarro, of New York, to be a member of the Advisory Board for Radio Broadcasting to Cuba for a term of 3 years.

U.S. INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

Dwight A. Ink, of Maryland, to be an Assistant Administrator of the Agency for International Development.

DEPARTMENT OF LABOR

Dennis Eugene Whitfield, of Virginia, to be Under Secretary of Labor.

FEDERAL MINE SAFETY AND HEALTH REVIEW COMMISSION

Joyce A. Doyle, of New York, to be a member of the Federal Mine Safety and Health Review Commission for the remainder of the term expiring August 30, 1986.

SECURITIES INVESTOR PROTECTION CORPORATION

Roger A. Yurchuck, of Ohio, to be a Director of Securities Investor Protection Corporation for a term expiring December 31, 1987.

The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

THE JUDICIARY

Laurence H. Silberman, of the District of Columbia, to be U.S. district judge for the District of Columbia circuit.

John S. Rhoades, Sr., of California, to be U.S. district judge for the southern district of California.

Lyle E. Strom, of Nebraska, to be U.S. circuit judge for the district of Nebraska.

Jose Antonio Fuste, of Puerto Rico, to be U.S. circuit judge for the district of Puerto Rico.

Richard H. Battey, of South Dakota, to be U.S. circuit judge for the district of South Dakota.

DEPARTMENT OF JUSTICE

Roy C. Hayes, Jr., of Michigan, to be U.S. attorney for the eastern district of Michigan for the term of 4 years.

Donald R. Brookshier, of Illinois, to be U.S. Marshal for the southern district of Illinois for the term of 4 years.

HOUSE OF REPRESENTATIVES—*Monday, October 28, 1985*

The House met at 12 o'clock noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Let the favor of the Lord our God be upon us, and establish Thou the work of our hands upon us; yea, the work of our hands establish Thou it.—Psalm 90:17.

Gracious God, bless the work of our hands that it may be pleasing in Your sight. May what we do contribute to justice between peoples and peace between the nations. May our hands and hearts, our strength and our witness, be used to Your glory and as an expression of good will to all the people of Your creation. In Your holy name, we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a bill and joint resolutions of the House of the followng titles:

H.R. 3605. An act to provide that the authority to establish and administer flexible and compressed work schedules for Federal Government employees be extended through December 31, 1985;

H.J. Res. 308. Joint resolution designating the week beginning on October 20, 1985, as "Benign Essential Blepharospasm Awareness Week"; and

H.J. Res. 322. Joint resolution to provide for the designation of October 1985, as "National Sudden Infant Death Syndrome Awareness Month".

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 3244. An act making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1986, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 3244) "An act making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1986, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. ANDREWS, Mr. COCHRAN, Mr. ABDNOR, Mr. KASTEN, Mr. D'AMATO, Mr. HATFIELD, Mr. CHILES, Mr. STENNIS, Mr. BYRD, and Mr. LAUTENBERG to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a bill, joint resolutions, and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 1570. An act to amend the Fair Labor Standards Act of 1938 to provide rules for overtime compensatory time off for certain public agency employees, to clarify the application of that act to volunteers, and for other purposes;

S.J. Res. 207. Joint resolution to designate November 1, 1985, as "National Philanthropy Day";

S.J. Res. 227. Joint resolution to commend the people and the sovereign confederation of the neutral nation of Switzerland for their contributions to freedom, international peace, and understanding on the occasion of the meeting between the leaders of the United States and the Soviet Union on November 19-20, 1985, in Geneva, Switzerland;

S.J. Res. 228. Joint resolution relating to the proposed sales of arms to Jordan; and

S. Con. Res. 76. Concurrent resolution asking that the President bring the rights of the Polish people to the attention of the Soviet Government.

UNITED STATES NEEDS NEW POLICY TOWARD PHILIPPINES

(Mr. RICHARDSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RICHARDSON. Mr. Speaker, the deteriorating situation in the Philippines and the subsequent press reports this weekend that President Marcos has an incurable disease, with perhaps only 1 year to live, suggests that the United States needs a new policy towards the Philippines in order to avoid another Iran.

The Reagan administration has acted properly in dispatching Senator LAXALT to convey our concerns. But a stronger policy is needed to avoid a Communist takeover and preserve American security interests, specifically, Subic and Clark bases. Specifically, we need to attach strong conditions to our assistance to that country. First of all, we need to press for fair and immediate Presidential elections so that an orderly democratic transition can take place. Second, we must press the Philippine Government to make urgently needed military and economic reforms and wage a war on the endemic corruption in that economy. Third, we should stress to President Marcos that Chief of Staff Fabian Ver should not be reappointed, given his involvement in the Aquino assassination and his inability to lead the Philippine military insurgency.

Mr. Speaker, like the Shah, President Marcos has lost touch with his people and with reality. Let us act now before we are forced to pull the rug from under him. Let us act now so that our security interests are preserved and the Philippine people, our friends and allies, do not fall under Communist hands.

FEDERAL TRUST FUNDS

(Ms. OAKAR asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. OAKAR. Mr. Speaker, today I am introducing legislation that would mandate the Treasury pay back the interest lost because of the loss of investment of trust fund moneys from civil service retirement, military retirement, Social Security retirement, and the highway trust funds.

Mr. Speaker, we have not passed the debt ceiling with the Gramm-Latta Senate amendment and are thus holding these trust funds hostage. We are losing millions of dollars of interest that these trust funds normally invest, and it is very, very, very wrong to do this, grossly unfair to the senior citizens, and some estimate that we will be losing up to $300 million in interest money that belongs to those trust funds because of our failure to act.

I hope Members will take a look at this legislation which would restore that money.

GRAMM-RUDMAN

(Mr. ALEXANDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ALEXANDER. Mr. Speaker, supporters of the so-called Gramm-Rudman proposal are like a man jumping off the Empire State Building and, on passing the fifth floor, announces, "So far so good."

The House is on record in support of strengthening the budgetmaking process, as of last week; and in passing Gramm-Rudman, the other body has made the same commitment. Unfortunately, when one takes a closer look at Gramm-Rudman, it becomes clear that, rather than cutting the deficit, the proposal would bring havoc to

Federal spending and plunge the Government into chaos.

The fears are expressed by those such as the Nobel Prize winners, the Secretary of Defense, the President's own economic advisers, and the chairman of the Armed Services Committee. The chairman of the Judiciary Committee even advises that the matter is probably unconstitutional.

Mr. Speaker, one must wonder how it would happen that such a prescription for chaos and disaster so poorly designed could ever pass either body of this Congress. Perhaps the answer lies in the small print in that it does not take effect until after the 1986 elections.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Pursuant to the provisions of clause 5 of rule I, the Chair announces that he will postpone further proceedings today on each question on passing bills or on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken on Tuesday, October 29, 1985.

DISTRICT OF COLUMBIA BUSINESS

The SPEAKER. The Chair recognizes the gentleman from California [Mr. DELLUMS], chairman of the Committee on the District of Columbia.

TRANSFER OF PAROLE AUTHORITY TO THE DISTRICT OF COLUMBIA PAROLE BOARD

Mr. DELLUMS. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (H.R. 2050) to give to the Board of Parole for the District of Columbia exclusive power and authority to make parole determinations concerning prisoners convicted of violating any law of the District of Columbia, or any law of the United States applicable exclusively to the District, and ask unanimous consent that the bill be considered in the House as in the Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. GRAY of Illinois). Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the bill, as follows:

H.R. 2050

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. The first sentence of the first section of the Act entitled "An Act to reorganize the system of parole of prisoners convicted in the District of Columbia", approved July 17, 1947 (D.C. Code, sec. 24-201a; 61 Stat. 378), is amended by striking out "for the penal and correctional institutions of the District of Columbia" and inserting in lieu thereof "for prisoners convicted of violating any law of the District of Columbia or any law of the United States applicable exclusively to the District of Columbia".

SEC. 2. The Act entitled "An Act to establish a Board of Indeterminate Sentence and Parole for the District of Columbia and to determine its functions, and for other purposes", approved July 15, 1932 (D.C. Code, sec. 24-203 through sec. 24-209; 47 Stat. 696-699), is amended—

(1) in section 6 (D.C. Code, sec. 24-206)—

(A) by striking out "(a)" in subsection (a); and

(B) by striking out subsection (b); and

(2) by striking out section 10 (D.C. Code, sec. 24-209) and inserting in lieu thereof the following new section:

"SEC. 10. The Board of Parole for prisoners convicted of violating any law of the District of Columbia or any law of the United States applicable exclusively to the District of Columbia (created pursuant to the first section of the Act entitled 'An Act to reorganize the system of parole of prisoners convicted in the District of Columbia', approved July 17, 1947 (D.C. Code, sec. 24-201a; 61 Stat. 378) has exclusive power and authority, subject to the provisions of this Act, to release on parole, to terminate the parole of, and to modify the terms and conditions of the parole of, any prisoner convicted of violating a law of the District of Columbia, or a law of the United States applicable exclusively to the District of Columbia, regardless of the institution in which the prisoner is confined.".

SEC. 3. Section 304(a) of the District of Columbia Law Enforcement Act of 1953 (D.C. Code, sec. 4-134(a); 67 Stat. 100) is amended by striking out ", or the United States Board of Parole has authorized the release of a prisoner under section 6 of that Act, as amended (D.C. Code, sec. 24-206),".

SEC. 4. (a) After the date of enactment of this Act, individual convicted of violating both a law of the District of Columbia (including any law of the United States applicable exclusively to the District) and a law of the United States shall be given separate and distinct sentences for such convictions.

(b) The United States Parole Commission shall retain parole authority over individuals who, prior to the date of enactment of this Act, received unified sentences for violations of both a law of the District of Columbia (including any law of the United States applicable exclusively to the District of Columbia) and a law of the United States.

SEC. 5. Within one year after the date of the enactment of this Act, the Board of Parole for the District of Columbia, under applicable guidelines, shall make parole eligibility determinations and shall set a date certain for full parole hearings for all individuals brought within the parole authority of such Board under this Act. Each such individual shall be notified in writing of any determinations made under this section.

SEC. 6. (a) Except as provided in subsection (b), the provisions of this Act shall take effect on the date of the enactment of this Act.

(b) The amendments made by sections 1, 2, and 3 of this Act shall take effect one year after the date of the enactment of this Act.

Mr. DELLUMS. Mr. Speaker, I move to strike the last word.

Mr. Speaker, this is the third Congress in which this question has been before the body. Two years ago, the House on a voice vote adopted the change in the law, but no action was taken by the other body. Under present law in effect for 50 years or more, the vast majority of offenders convicted of violating either a local District of Columbia law or Federal law that applies only in the District served their sentences in facilities operated by the District of Columbia, and if they are granted parole, it is by the local D.C. Parole Board. One thousand seven-hundred offenders, however, serve in Federal facilities and are reviewed by the U.S. Board of Parole.

H.R. 2050, Mr. Speaker, merely establishes that since they are local offenders, parole jurisdiction will be with the local parole board. That is the arrangement, as you very well know, Mr. Speaker, in the 50 States and should apply here in the District of Columbia.

The chairman of our Subcommittee on Judiciary and Education that conducted the hearings on H.R. 2050 is the gentleman from California [Mr. DYMALLY], who will give a further explanation when he has the floor.

Mr. Speaker, I yield back the balance of my time.

Mr. DYMALLY. Mr. Speaker, I move to strike the last word.

Mr. Speaker, H.R. 2050, is the same bill introduced and passed by the House of Representatives in the 98th Congress. It would transfer parole over District of Columbia Code offenders in Federal prisons from the U.S. Parole Commission to the District of Columbia Parole Board.

There are over 1,700 District of Columbia Code offenders housed in Federal Bureau of Prison facilities. Male District of Columbia Code offenders are placed in Federal facilities for selective custody and various other reasons. Female District of Columbia offenders sentenced to greater than 1 year terms are routinely placed in Federal facilities as a matter of course. This is due to the absence of a local penal facility for female offenders. Most of these female offenders are confined at Alderson, WV, over 300 miles from the District of Columbia. Others are confined as far away as Texas.

Under present law, at section 24-209 of the District of Columbia Code, the place of an offender's confinement determines parole authority. This law is contrary to current Federal-State parole practices. According to the U.S. Parole Commission, the District of Columbia is the only local jurisdiction housing inmates in Federal correction institutions which does not retain its own parole authority. As a result of this practice, several Federal lawsuits by both male and female District of

Columbia Code offenders in Federal prisons have been filed.

Several points are worth noting. First, since the House passed this bill in the last Congress, the District of Columbia has revised its parole guidelines, consistent with certain recommendations made by Senator ARLEN SPECTER and U.S. attorney for the District of Columbia, Joseph diGenova. Most important, these revised guidelines are modeled closely after current Federal guidelines. Second, the overcrowding problem in the District has resulted in an increased number of District of Columbia inmates being transferred to Federal prisons. Third, Congress recently passed the Comprehensive Crime Control Act of 1983, which would abolish Federal parole and the U.S. Parole Commission in 1991. Fourth, section 24-209 became law almost 50 years ago and 40 years prior to the Home Rule Act.

Lawsuits filed in response to this provision remain unsolved and continue to consume unnecessary time and expense. This legislation provides a practical and logically sound remedy to this longstanding problem and I believe that now is the time for this body to pass this legislation and to save the local government and the local and Federal courts further time and money.

Mr. Speaker, I would add that this bill is indeed a step toward home rule. But also, it is a cost efficient step. If passed, this legislation is estimated to save the Federal Government over $1.3 million on the average for the first 5 years after its passage. Thereafter, the District government will underwrite any expenses attached to the execution of its parole authority.

Thus, for the reasons which I've outlined, I strongly urge my colleagues to adopt this measure.

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Mr. FAUNTROY. Mr. Speaker, I move to strike the last word.

Mr. Speaker, I rise in support of all three bills that have been reported by the Committee on the District of Columbia. I want to focus now, first of all, of course, upon H.R. 2050 which transfers parole authority over the District of Columbia offenders housed in Federal prisons from the U.S. Parole Commission to the District of Columbia Parole Board.

Mr. Speaker, currently there are over 1,400 D.C. Code offenders housed in Federal Bureau of Prisons facilities. Male D.C. Code offenders are placed in Federal facilities for selective custody, and various other reasons. Female D.C. Code offenders sentenced to greater than 1-year terms are placed in Federal facilities due to the absence of a facility specifically for female offenders here in Washington. Most of these female offenders are confined at Alderson, WV, whence the chairman of the subcommittee, Mr. DYMALLY, has just come. As he has pointed out to you, it is over 300 miles away from the District of Columbia.

Mr. DYMALLY. Mr. Speaker, will the gentleman yield?

Mr. FAUNTROY. I yield to the gentleman.

Mr. DYMALLY. I thank the gentleman for yielding.

Mr. Speaker, I am pleased to inform the gentleman that some of the inmates were most appreciative of your interest in this inconvenience which their families suffer, and have asked me to convey to you the hope that you would continue this fight to have a facility constructed in the District of Columbia.

Mr. FAUNTROY. I thank the gentleman for his leadership in moving H.R. 2050 through the committee process and now to the floor. I am sure that their hopes will be realized as a result of the vote of the House today.

Mr. Speaker, at present, under the District Code, the determination of parole jurisdiction is controlled by the place of incarceration rather than the jurisdiction of conviction. The result is that the District Board of Parole makes parole decisions for District offenders when they are housed in District institutions, and the U.S. Parole Commission makes parole decisions for District Code offenders when they are housed in Federal institutions.

Mr. Speaker, H.R. 2050 expands the authority of the District of Columbia government by providing it with the right to determine paroles for District Code offenders whether held in District or Federal facilities.

Mr. Speaker, H.R. 2946 establishes an independent jury system for the District of Columbia, our local court. This legislation requested by the Superior Court of the District of Columbia and concerned groups will provide for an efficient jury system for the superior court. This change will help make jury duty for the District of Columbia citizens a more worthwhile civic duty.

The third measure, H.R. 3578, as amended, Mr. Speaker, will require criminal prosecutions concerning violations of the laws of the District of Columbia to be conducted in the name of the District. The bill further provides permanent authority for Hearing Commissioners in the District and modifies certain procedures of the District of Columbia Judicial Nomination Commission, and the District Commission on Judicial Disabilities and Tenure. Mr. Speaker, all three bills further the independence of the District of Columbia judicial and criminal justice system and thereby enhance self-government.

I wish to commend the chairman of the District Committee, Congressman RONALD DELLUMS, and the ranking minority member, Mr. MCKINNEY. I would also like to thank Mr. DYMALLY, chairman of the Subcommittee on Judiciary and Education, and Mr. BLILEY, the ranking minority member.

Mr. Speaker, as you know, I represent more people, taxpayers, than any single voting Member of the House. Indeed, I represent more people who pay taxes in this country than elect seven Senators, because there are, as you know, more citizens in the District of Columbia than reside in seven States in the Union. So I would prefer to have been here not simply to expand the parole authority of the District government with respect to those convicted of code violations in this city, but to turn the entire system over to the local citizenry inasmuch as we, alone among Americans, are continued denial of the right to representation in the U.S. House and Senate.

I would prefer to have passed a measure that would turn the entire court system over to the superior court and therefore allow us to fashion our own jury system procedures. Of course, I would certainly have preferred to have passed H.R. 3578, as amended, as a function of a locally elected mayor and city council, thus providing us the kind of permanent authority that we request here in terms of control of our criminal prosecutions.

Mr. Speaker, I yield back the balance of that time that those two Senators who would have been speaking, rather those Representatives who would have been speaking, had they been freed from the tyranny of taxation without representation here in the District of Columbia, as I am not.

Mr. BLILEY. Mr. Speaker, as the ranking minority member of the Judiciary and Education Subcommittee of the Committee on the District of Columbia, I rise in support of H.R. 2050.

As explained by the distinguished chairman of the subcommittee, Mr. DYMALLY, this bill is a question of equity. The fact is that some convicted District of Columbia criminals are sent to the District's prison at Lorton and some are sent to various Federal institutions around the country. For those people at Lorton, the District Parole Board has jurisdiction, for those men and women in Federal prisons, the Federal Parole Board and its rules and regulations apply.

Since the two parole authorities with responsibility for District prisoners have different criteria and regulations as well as the fact that different conditions may lead to different attitudes and therefore different behavior patterns affecting parole possibilities, I believe that it is a simple question of equity that the District of Columbia have sole parole authority over its own citizens.

I speak for the minority members of the committee when I say that this legislation is fair and equitable for the people and the

government of the District of Columbia and we endorse its passage.

Mr. DELLUMS. Mr. Speaker, I move the previous question on the bill.

The previous question was ordered.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. DELLUMS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

DISTRICT OF COLUMBIA JURY SYSTEM ACT

Mr. DELLUMS. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (H.R. 2946) to establish an independent jury system for the Superior Court of the District of Columbia, and ask unanimous consent that the bill be considered in the House as in the Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the bill, as follows:

H.R. 2946

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "District of Columbia Jury System Act".

SEC. 2. ESTABLISHMENT OF DISTRICT OF COLUMBIA JURY SYSTEM.

Chapter 19 of title 11 of the District of Columbia Code is amended to read as follows:

"CHAPTER 19. JURIES AND JURORS

Sec.
"11-1901. Declaration of policy.
"11-1902. Definitions.
"11-1903. Prohibition of discrimination.
"11-1904. Jury system plan.
"11-1905. Master juror list.
"11-1906. Qualification of jurors.
"11-1907. Summoning of prospective jurors.
"11-1908. Exclusion from jury service.
"11-1909. Deferral from jury service.
"11-1910. Challenging compliance with selection procedures.
"11-1911. Length of service.
"11-1912. Juror fees.
"11-1913. Protection of employment of jurors.
"11-1914. Preservation of records.
"11-1915. Fraud in the selection process.
"11-1916. Grand jury; additional grand jury.
"11-1917. Coordination and cooperation of courts.
"11-1918. Effect of invalidity.

"CHAPTER 19. JURIES AND JURORS

"§ 11-1901. Declaration of policy.

"A jury selection system is hereby established for the Superior Court of the District of Columbia. All litigants entitled to trial by jury shall have the right to grand and petit juries selected at random from a fair cross section of the residents of the District of Columbia. In accordance with the provisions of this chapter, all qualified individuals shall have the opportunity to be considered for service on grand and petit juries in the District of Columbia and shall be obligated to serve as jurors when summoned for that purpose.

"§ 11-1902. Definitions.

"For purposes of this chapter, the following terms have the following meanings:

"(1) The term 'Board of Judges' means the chief judge and the associate judges of the Superior Court of the District of Columbia.

"(2) The term 'chief judge' means the chief judge of the Superior Court of the District of Columbia.

"(3) The term 'clerk' means the clerk of the Superior Court of the District of Columbia or any deputy clerk.

"(4) The term 'Court' means the Superior Court of the District of Columbia and may include any judge of the Court acting in an official capacity.

"(5) The term 'juror' means (A) any individual summoned to Superior Court for the purpose of serving on a jury; (B) any individual who is on call and available to report to Court to serve on a jury upon request; and (C) any individual whose service on a jury is temporarily deferred.

"(6) The term 'jury' includes a grand or petit jury.

"(7) The term 'jury system plan' means the plan adopted by the Board of Judges of the Court, consistent with the provisions of this chapter, to govern the administration of the jury system.

"(8) The term 'master juror list' means the consolidated list or lists compiled and maintained by the Board of Judges of the District of Columbia Courts which contains the names of prospective jurors for service in the Superior Court of the District of Columbia.

"(9) The term 'random selection' means the selection of names of prospective jurors in a manner immune from the purposeful or inadvertent introduction of subjective bias, so that no recognizable class of the individuals on the list or lists from which the names are being selected can be purposefully or inadvertently included or excluded.

"(10) The term 'resident of the District of Columbia' means an individual who has resided or has been domiciled in the District of Columbia for not less than six months.

"§ 11-1903. Prohibition of discrimination.

"A citizen of the District of Columbia may not be excluded or disqualified from jury service as a grand or petit juror in the District of Columbia on account of race, color, religion, sex, national origin, ancestry, economic status, marital status, age, or (except as provided in this chapter) physical handicap.

"§ 11-1904. Jury System Plan.

"(a) The Board of Judges shall adopt, implement, and as necessary modify, a written jury system plan for the random selection and service of grand and petit jurors in the Superior Court consistent with the provisions of this chapter. The adopted plan and any modifications shall be subject to a 30-day period of review by Congress in the manner provided for an act of the Council under section 602(c)((1) of the District of Columbia Self-Government and Government Reorganization Act. The plan shall include—

"(1) detailed procedures to be followed by the clerk of the Court in the random selection of names from the master juror list;

"(2) provisions for a master jury wheel (or other device of like purpose and function) which shall be emptied and refilled at specified intervals, not to exceed 24 months;

"(3) provisions for the disclosure to the parties and the public of the names of individuals selected for jury service, except in cases in which the chief judge determines that confidentiality is required in the interest of justice; and

"(4) procedure to be followed by the clerk of the Court in assigning individuals to grand and petit juries.

"(b) The jury system plan shall be administered by the clerk of the Court under the supervision of the Board of Judges.

"§ 11-1905. Master juror list.

"(a) The jury system plan shall provide for the compilation and maintenance by the Board of Judges of a master juror list from which names of prospective jurors shall be drawn. Such master juror list shall consist of the list of District of Columbia voters, individuals who submit their names to the Court for inclusion on the master juror list, and names from such other appropriate sources and lists as may be provided in the jury system plan.

"(b) Notwithstanding any other provision of law, upon request of the Board of Judges any person having custody, possession, or control of any list required under subsection (a) shall provide such list to the Court, at cost, at all reasonable times. Each list shall contain the names and addresses of individuals on the list. Any list obtained by the Court under the provisions of this chapter may be used by the Court only for the selection of jurors pursuant to this chapter.

"(c) Not less than once each year, the Board of Judges shall give public notice to the citizens of the District of Columbia that individuals may be included on the master juror list by submission of their names and addresses to the clerk of the Court. Such public notice shall be given through such means as will reasonably assure as broad a dissemination as possible.

"§ 11-1906. Qualification of Jurors.

"(a) The jury system plan shall provide for procedures for the random selection and qualification of grand and petit jurors from the master juror list. Such plan may provide for separate or joint qualification and summoning processes.

"(b)(1) An individual shall be qualified to serve as a juror if that individual—

"(A) is a resident of the District of Columbia;

"(B) is a citizen of the United States;

"(C) has attained the age of 18 years; and

(D) is able to read, speak, and understand the English language.

"(2) An individual shall not be qualified to serve as a juror—

"(A) if determined to be incapable by reason of physical or mental infirmity of rendering satisfactory jury service; or

"(B) if that individual has been convicted of a felony or has a pending felony or misdemeanor charge, except that an individual disqualifed for jury service by reason of a felony conviction may qualify for jury service not less than one year after the completion of the term of incarceration, probation, or parole following appropriate certification under procedures set out in the jury system plan.

"(3) Any determination regarding qualification for jury service shall be made on the

basis of information provided in the juror qualification form and any other competent evidence.

"(c)(1) The jury system plan shall provide that a juror qualification form be mailed to each prospective juror. The form and content of such juror qualification form shall be determined under the plan. Notarization of the juror qualification form shall not be required.

"(2) An individual who fails to return a completed juror qualification form as instructed may be ordered by the Court to appear before the clerk to fill out such form, to appear before the Court and show cause why he or she should not be held in contempt for failure to submit the qualification form, or both. An individual who fails to show good cause for such failure, or who without good cause fails to appear pursuant to a Court order, may be punished by a fine of not more than $300, by imprisonment for not more than seven days, or both.

"(d) An individual who intentionally misrepresents a material fact on a juror qualification form for the purpose of avoiding or securing service as a juror may be punished by a fine of not more than $300, by imprisonment for not more than 90 days, or both.

"§ 11-1907. Summoning of Prospective Jurors.

"(a) At such times as are determined under the jury system plan, the Court shall summon or cause to be summoned from among qualified individuals under section 11-1906 sufficient prospective jurors to fulfill requirements for petit and grand jurors for the Court. A summons shall require a propsective juror to report for possible jury service at a specified time and place unless advised otherwise by the Court. Service of prospective jurors may be made personally or by first-class, registered, or certified mail as determined under the plan.

"(b) A prospective juror who fails to appear for jury duty may be ordered by the Court to appear and show cause why he or she should not be held in contempt for such failure to appear. A prospective juror who fails to show good cause for such failure, or who without good cause fails to appear pursuant to a Court order, may be punished by a fine of not more than $300, by imprisonment for not more than seven days, or both.

"§ 11-1908. Exclusion from jury service.

"(a) Subject to the provisions of this section and of sections 11-1903, 11-1906, and 11-1909, no individual or class of individuals may be disqualified, excluded, excused, or exempt from service as a juror.

"(b) An individual summoned for jury service may be: (1) excluded by the Court on the ground that that individual may be unable to render impartial jury service or that his or her service as a juror would be likely to disrupt the proceedings; (2) excluded upon peremptory challenge as porvided by law; (3) excluded pursuant to the procedure specified by law upon a challenge by any party for good cause shown; or (4) excluded upon determination by the Court that his or her service as a juror would be likely to threaten the secrecy of the proceedings, or otherwise adversely affect the integrity of jury deliberations. No person shall be excluded under clause (4) of this subsection unless the judge, in open Court, determines that such exclusion is warranted and that exclusion of that individual will not be inconsistent with sections 11-1901 and 11-1903 of this chapter.

"(c) An individual excluded from a jury shall be eligible to sit on another jury if the basis for the initial exclusion would not be relevant to his or her ability to serve on such other jury. The procedures for challenges to and review of exclusions from jury service shall be set forth in the jury system plan.

"§ 11-1909. Deferral from jury service.

"A qualified prospective juror may be deferred from jury service only upon a showing of undue hardship, extreme inconvenience, public necessity, or temporary physical or mental disability which would affect service as a juror. The procedure for requesting a deferral from jury service and the procedure and basis for granting a deferral shall be set forth in the master plan.

"§ 11-1910. Challenging compliance with selection procedures.

"(a) A party may challenge the composition of a jury by a motion for appropriate relief. A challenge shall be brought and decided before any individual juror is examined, unless the Court orders otherwise. The motion shall be in writing, supported by affidavit, and shall specify the facts constituting the grounds for the challenge. If the Court so determines, the motion may be decided on the basis of the affidavits filed with the challenge. If the Court orders trial of the challenge, witnesses may be examined on oath by the Court and may be so examined by either party.

"(b) If the Court determines that in selecting a grand or petit jury there has been a substantial failure to comply with this chapter, the Court shall stay the proceedings pending the selection of a jury in confirmity with this chapter, quash the indictment, or grant other appropriate relief.

"(c) The procedures prescribed by this section are the exclusive means by which a person accused of a crime, the District of Columbia, the United States, or a party in a civil case may challenge a jury on the ground that the jury was not selected in conformity with this chapter. Nothing in this section shall preclude any person from pursuing any other remedy, civil or criminal, which may be available for the vindication or enforcement of any law prohibiting discrimination on account of race, color, religion, sex, national origin, economic status, marital status, age, or physical handicap in the selection of individuals for service on grand or petit juries.

"§ 11-1911. Length of service.

"The length of service for grand and petit jurors shall be determined by the master jury plan. In any twenty-four month period an individual shall not be required to serve more than once as a grand or petit juror except as may be necessary by reason of the insufficiency of the master juror list or as ordered by the Court.

"§ 11-1912. Juror fees.

"(a) Notwithstanding section 602(a) of the District of Columbia Self-Government and Governmental Reorganization Act, grand and petit jurors serving in the Superior Court shall receive fees and expenses at rates established by the Council of the District of Columbia, except that such fees and expenses may not exceed the respective rates paid to such jurors in the federal system.

"(b) A petit or grand juror receiving benefits under the laws of employment security of the District of Columbia shall not lose such benefits on account of performance of juror service.

"(c) Employees of the United States or of any State or local government who serve as grand or petit jurors and who continue to receive regular compensation during the period of jury service shall not be compensated for jury service. Amounts representing reimbursement of expenses incurred in connection with jury service may be paid to such employees to the extent provided in the jury system plan.

"§ 11-1913. Protection of employment of jurors.

"(a) An employer shall not deprive an employee of employment, threaten, or otherwise coerce an employee with respect to employment because the employee receives a summons, responds to a summons, serves as a juror, or attends Court for prospective jury service.

"(b) An employer who violates subsection (a) is guilty of criminal contempt. Upon a finding of criminal contempt an employer may be fined not more than $300, imprisoned for not more than 30 days, or both, for a first offense, and may be fined not more than $5,000, imprisoned for not more than 180 days, or both, for any subsequent offense."

"(c) If an employer discharges an employee in violation of subsection (a), the employee within 9 months of such discharge may bring a civil action for recovery of wages lost as a result of the violation, for an order of reinstatement of employment, and for damages. If an employee prevails in an action under this subsection, that employee shall be entitled to reasonable attorney fees fixed by the court.

"§ 11-1914. Preservation of records.

"(a) All records and lists compiled and maintained in connection with the selection and service of jurors shall be preserved for the length of time specified in the jury system plan.

"(b) The contents of any records or lists used in connection with the selection process shall not be disclosed, except in connection with the preparation or presentation of a motion under § 11-1910, or until all individuals selected to serve as grand or petit jurors from such lists have been discharged.

"§ 11-1915. Fraud in the selection process.

"An individual who commits fraud in the processing or selection of jurors or prospective jurors, either by causing any name to be inserted into any list maliciously or by causing any name to be deleted from any list maliciously (including malicious data entry or the altering of any data processing machine or any set of instructions or programs which control data processing equipment for such malicious purpose), is guilty of the crime of jury tampering, and, upon conviction, may be punished by a fine of not more than $10,000, imprisonment for not more than two years, or both. This section shall not limit any other provisions of law concerning the crime of jury tampering.

"§ 11-1916. Grand jury; additional grand jury.

"(a) A grand jury serving in the District of Columbia may take cognizance of all matters brought before it regardless of whether an indictment is returnable in the Federal or District of Columbia courts.

"(b) If the United States Attorney for the District of Columbia certifies in writing to the chief judge that an additional grand jury is required, the judge may in his or her discretion order an additional grand jury summoned which shall be drawn at such time as he or she designates. Unless discharged by order of the judge, the additional grand jury shall serve until the end of the term for which it is drawn.

"§ 11-1917. Coordination and Cooperation of Courts.

"To the extent feasible, the Superior Court and the United States District Court shall consider the respective needs of each court in the qualification, selection, and service of jurors. Nothing in this chapter shall be construed to prevent such courts from entering into any agreement for sharing resources and facilities (including automated data processing hardware and software, forms, postage, and other resources).

"§ 11-1018. Effect of Invalidity.

"If any provision of this Act or the application of that provision is held invalid, such invalidity shall not affect any other provision or application of this Act which can be given effect without the invalid provision or application.".

SEC. 3 TECHNICAL AND CONFORMING AMENDMENTS.

Section 1869(f) of title 28, United States Code, is amended by striking out "except that for purposes of sections 1861, 1862, 1866(c), 1866(d), and 1867 of this chapter such terms shall include the Superior Court of the District of Columbia".

SEC. 4. EFFECTIVE DATE.

(a) Except as provided in subsection (b), the provisions of this Act shall take effect 180 days after the date of enactment of this Act.

(b) Upon enactment of this Act, the Board of Judges shall have authority to promulgate and adopt a jury system plan in accordance with this Act and the Court and the clerk of the Court shall have authority to take all necessary actions preliminary to the assumption of the administration of an independent jury system under this Act.

Mr. DELLUMS. Mr. Speaker, I move to strike the last word. Mr. Speaker, this bill relieves the U.S. courts of the task of calling jurors to serve at trials in local District of Columbia courts. The present practice is a holdover from 1970, when the U.S. court handled felony trials and appeals for local offenses. In 1970, the Congress created a trial court and appeals court especially to handle such local cases. If H.R. 2946 becomes law, the local court will handle just the local cases, and the U.S. district court would just call jurors for Federal cases.

A full explanation of the bill will be given by my distinguished colleague, the gentleman from California [Mr. DYMALLY], who chairs the Subcommittee on Judiciary and Education, when he is recognized.

Mr. Speaker, with that brief explanation, I yield back the balance of my time.

Mr. DYMALLY. Mr. Speaker, I move to strike the last word.

Mr. Speaker, this bill is quite simple. H.R. 2946 is a bill to establish an independent jury system for the Superior Court of the District of Columbia.

In 1970, this body and Congress passed the District of Columbia Court Reform Act, which became effective in 1971. We established a D.C. court system expressly analogous to State court systems. After nearly 15 years of self-management and competitive efficiency, the court is prepared to administer its own jury system, independent of the U.S. District Court for the District of Columbia.

Most important, it is quite capable of doing so and at the same time continuing to work closely and cooperate with the U.S. District Court for the District of Columbia. Hence, the local district court is "strongly supportive" of this transition. As do State courts, the local courts here have local needs which, like State courts, they should have the authority to address.

Against this backdrop, I urge my fellow Members of this august body to adopt H.R. 2946.

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Mr. BLILEY. Mr. Speaker, I move to strike the last word.

Mr. Speaker, I rise as a cosponsor and as the ranking member of the Subcommittee on Judiciary and Education in strong support of H.R. 2946.

This legislation is needed for the District of Columbia court system to effectively and efficiently deal with the large caseload of court proceedings that it is faced with. Last year this body authorized seven new superior court judges for the District of Columbia. The addition of these positions has overstrained the limited capacity of the present jury selection system employed by the District courts.

The courts have also instituted the "one day, one trial" method of jury duty which places larger demands on the panels of jury selection than the traditional method of jury service. I support one day, one trial and I am proud of the work that the chairman of the subcommittee and I did in achieving this carefully written bipartisan bill. The gentleman from California and myself worked hard on this legislation and I feel confident that I speak for the minority on the committee when I say that we enthusiastically support this bill.

Mr. DYMALLY. Mr. Speaker, will the gentleman yield?

Mr. BLILEY. I am happy to yield to the gentleman from California.

Mr. DYMALLY. Mr. Speaker, I want to take this opportunity to express my deep gratitude to the gentleman from Virginia [Mr. BLILEY] for his support of this legislation and other legislation affecting the judiciary in the District of Columbia. The gentleman from Virginia has been most cooperative in the committee's deliberations, and I wish to express my thanks to him.

Mr. BLILEY. Mr. Speaker, I thank the gentleman from California [Mr. DYMALLY], and I yield back the balance of my time.

Mr. DELLUMS. Mr. Speaker, I move to strike the last word.

Mr. Speaker, I rise simply to compliment the gentleman from California [Mr. DYMALLY] and the gentleman from Virginia [Mr. BLILEY] for their diligent activity and their conscientious efforts as the chairperson of the Subcommittee on Judiciary and Education and the ranking minority member of that subcommittee. Both of these gentlemen are very delightful members to work with. They are conscientious, hard-working members who are very diligent about the business of trying to rectify many of the inadequacies that exist between the Federal Government and the residents of the District of Columbia.

My purpose in rising was only to make that statement, Mr. Speaker, and I yield back the balance of my time.

Mr. BLAZ. Mr. Speaker, I move to strike the last word.

Mr. Speaker, I present for inclusion in the RECORD various items of correspondence from the Department of Justice objecting to the legislation presently being considered. Those items are as follows:

U.S. DEPARTMENT OF JUSTICE,
OFFICE OF LEGISLATIVE AND INTERGOVERNMENTAL AFFAIRS,
Washington, DC, October 28, 1985.

Hon. ROBERT H. MICHEL,
Minority Leader,
U.S. House of Representatives,
Washington, DC.

DEAR CONGRESSMAN MICHEL: The following bills are scheduled for floor action on Monday, October 28, 1985 on the District Calendar:

H.R. 2050.—a bill to transfer parole authority over District of Columbia offenders housed in federal prison from the United States Parole Commission to the District of Columbia Parole Board.

H.R. 2946.—a bill to establish an independent jury system for the Superior Court of the District of Columbia.

H.R. 3578.—(We are not sure which bill H.R. 3578 or H.R. 3592 will be scheduled for floor action. Originally, H.R. 3370 was introduced on September 19, 1985. A staff markup resulted in H.R. 3578 being introduced on October 17, which the Committee reported out. Subsequent to the Committee markup, H.R. 3592, which is a clean version of H.R. 3578 with additional amendments, was introduced.)—a bill to provide permanent authority for hearing commissioners in the District of Columbia courts, to modify certain procedures of the District of Columbia courts, to modify certain procedures of the District of Columbia Judicial Nomination Commission and the District of Columbia Commission on Judicial Disabilities and Tenure, and for other purposes.

The Department of Justice has sent letters of opposition on H.R. 2050 and H.R. 2946 to the Committee on the District of Columbia (copies attached).

H.R. 2050

The Department opposes H.R. 2050 for several reasons:

(1) Place of incarceration rather than jurisdiction of correction determines parole jurisdiction under the D.C. Code.

(2) The policies and procedures of the D.C. Board of Parole were called into serious question during a hearing on similar legislation (H.R. 3369) during the 98th Congress.

(3) New guidelines established by D.C. Board of Parole in the Spring of 1985 have

not yet been analyzed for efficiency and effectiveness.

(4) The U.S. Sentencing Commission established under P.L. 98-473 (Comprehensive Crime Control Act of 1984) and recently confirmed by the Senate will have to address this issue as it determines how to phase out the U.S. Parole Commission (abolished under P.L. 98-473).

(5) A piecemeal approach to the D.C. sentencing and correctional practices is a real and direct threat to law enforcement interests in the District, especially since August of 1985 when the Federal Bureau of Prisons started to assume custody of all D.C. Code violators sentenced in D.C. Superior Court to assist the District government in responding to a court order to reduce overcrowding at its correctional facilities.

H.R. 2946

While H.R. 2946 contains significant improvements over the jury selection system now in effect in the federal courts, e.g. broadening the base of persons who can be summoned for jury duty, narrowing the number of automatic exclusions from jury service, and increasing the penalties for certain fraudulent conduct in the jury selection process, we do not believe that a bifurcated approach to the D.C. jury selection system—one for the local trial court and one for the federal trial court—is a prudent or efficient one. Such a bifurcated approach would entail administrative difficulties, duplication of effort and additional cost to the federal government. For these reasons, we oppose H.R. 2946 in its present form, but we would consider changes to the Jury Selection and Service Act to incorporate the improvements contained in H.R. 2946.

H.R. 3578

Although this Department has not been asked to comment on H.R. 3370, H.R. 3578 or H.R. 3592, we do have concerns about several provisions contained in these related bills. H.R. 3592 (introduced as a clean version of H.R. 3578 but with several technical amendments) appears to be the bill scheduled for floor action. We do object to Section 2 of this bill which requires the U.S. Attorney for District of Columbia to compile an annual report by category of offense and conviction of D.C. Code violators, and violators of U.S. law exclusive to the District of Columbia. The material is now available and a matter of public record. To have the local U.S. Attorney's office utilize the manpower and resources necessary to compile and publish this report would create serious budgetary problems for that office—an issue the Committee failed to address.

Sections 10-11 of H.R. 3592 would govern public access to materials of the Judicial Nomination Commission. It is our belief that confidentiality promotes candor in such proceedings but we recognize that there may be instances where total secrecy is unfair. Section 13 requires in part that the record and materials filed in connection with the Judicial Disability and Tenure Commission be kept confidential unless the judge whose conduct or health is at issue authorizes disclosure. It is not clear whether the judge can authorize disclosure of some of the information while suppressing the rest. If so, this could result in presenting a very one-sided picture to the public. We suggest that either of the following approaches would be preferable:

(1) requiring a judge who wants part of the record to be made public to consent to all of it being made public, or

(2) following the rule which applies in grand jury proceedings, i.e., the record is kept secret and the decision makers are sworn to secrecy, but witnesses may tell the public about their testimony and submissions if they wish.

We would appreciate any assistance you could give in making our views known on these issues.

The Office of Management and Budget has advised this Department and that there is no objection to the submission of this report from the standpoint of the Administration's program.

Sincerely,

PHILLIP D. BRADY,
Acting Assistant Attorney General.

U.S. DEPARTMENT OF JUSTICE,
OFFICE OF LEGISLATIVE AND INTERGOVERNMENTAL AFFAIRS,
Washington, DC, September 27, 1985.

Hon. RONALD DELLUMS,
Chairman, Committee on the District of Columbia, Washington, DC.

DEAR MR. CHAIRMAN: This is in response to your request for the views of the Department of Justice on H.R. 2050, a bill "to give to the Board of Parole of the District of Columbia exclusive power and authority to make parole determination concerning prisoners convicted of violating any law of the District of Columbia, or any law of the United States applicable exclusively to the District." As set forth in more detail below, the Department of Justice believes that the change sought by this bill would not improve the law enforcement and corrections programs in the District of Columbia and we therefore oppose this bill. Furthermore, we believe that Congress should not undertake piecemeal revisions of the D.C. corrections programs until completion of a thorough and comprehensive review of all sentencing and correctional practices.

At present under the D.C. Code, the determination of parole jurisdiction is controlled by the place of incarceration rather than the jurisdiction of conviction. The result is that the D.C. Board of Parole makes parole decisions for D.C. Code offenders when they are housed in D.C. institutions and the United States Parole Commission makes parole decisions for D.C. Code offenders when they are housed in federal institutions. At the present time over 1,400 D.C. Code offenders are held in Federal Bureau of Prisons facilities. This represents the designed capacity of three modern correctional institutions. Although some of these are in federal custody because of their extremely violent criminal histories or to separate them from other District of Columbia inmates, the bulk of them are in federal custody primarily because of shortages of space to house inmates in the District of Columbia system. Thus, two factors not addressed in H.R. 2050 are the real burden to the Federal Bureau of Prisons of confining this large group of local offenders and the serious problems involved in adding these geographically dispersed inmates to the D.C. Parole Board's caseload.

In the 1930's when the D.C. Board of Parole was established, this divided jurisdictional scheme may have met correctional needs. The Comprehensive Crime Control Act of 1983 abolishes the United States Parole Commission in 1991, however, and legislative attention must clearly be given to the questions of future parole responsibility for D.C. Code offenders designated to Federal institutions. At the same time every effort must be made to insure that the District of Columbia will provide adequate prison space to house its sentenced criminals.

A larger question is what role should parole serve as a correctional tool in the District of Columbia? The legislative history of the Comprehensive Crime Control Act of 1984, P.L. 98-473, clearly reflects the Congressional determination that the "rehabilitation model" upon which the Federal sentencing and parole system was based is no longer valid. S. Rep. No. 225, 98th Congress, 1st Sess. 38 (1983). Based upon a study spanning a decade conducted by the National Commission on Reform of Federal Criminal Law, it was concluded that the Federal sentencing and parole system resulted in significant disparities in criminal sentences. As stated in the Senate Report:

"The shameful disparity in criminal sentences is a major flaw in the existing criminal justice system, and makes it clear that the system is ripe for reform. Correcting our arbitrary and capricious method of sentencing will not be a panacea for all of the problems which confront the administration of criminal justice, but it will constitute a significant step forward.

"The [Comprehensive Crime Control Act of 1984 (CCCA)] meets the critical challenges of sentencing reform. The [CCCA's] sweeping provisions are designed to structure judicial sentencing discretion, eliminate indeterminate sentencing, phase out parole release, and make criminal sentencing fairer and more certain. The current effort constitutes an important attempt to reform the manner in which we sentence convicted offenders. The Committee believes that the [CCCA] represents a major breakthrough in this area." *Id.* at 65.

The current D.C. sentencing and parole system does not reflect this new understanding of the limitations of the "rehabilitation model" as described above.

In addition, the District of Columbia parole system has other demonstrated problems. When we reviewed similar legislation two years ago [H.R. 3369], this matter was discussed in detail in our letter dated July 25, 1983 from Assistant Attorney General Robert A. McConnell to you. The Department noted at that time that the D.C. Board of Parole, according to its 1982 annual report, granted parole at initial hearings to 61 percent of the adult offenders and that 73 percent of the remainder were granted parole upon a rehearing. The Board also reported however, that based upon a study of a selected sample of 322 parolees released on parole between 1977 and 1979, 52 percent were re-arrested during the first two years of parole supervision. Of the parolees who were re-arrested, 77 percent were convicted for crimes committed while on parole. Given the very high percentage of parolees released at the time of initial parole consideration and the very high rate of recidivist criminal activity among those released, the policies and procedures of the D.C. Board of Parole were called into serious question.

We also pointed out that despite the large number of D.C. parolees who commit crimes following parole release, parole apparently was revoked in a relatively small percentage of the cases. In that regard, the D.C. Board of Parole reported that of those parolees in its 1977-1979 sample who were convicted of crimes while on parole, parole was revoked because of the new offense in less than one half of the cases. Although the reason for this statistic was not explained, it appears that it may be attributed to the D.C. Parole Board policy of not issuing parole violator warrants for certain offenses. In this regard, the Board listed in its 1982 Annual Report

the types of offenses it terms "Eligible Offenses" for purposes of issuance of parole violator warrants. It appears that as a matter of policy, the Board will not issue parole violator warrants for burglary of commercial establishments, possession of firearms (unless the defendant is arrested with the weapon in his hand or on his person), grand larceny, embezzlement, fraud, forgery and uttering and for a host of other violations of the District of Columbia Code or the United States Code.

This apparent policy which allows substantial numbers of parolees to continue on parole even after arrest and conviction of serious crimes was of significant concern to us in the past. If these matters have not yet been completely remedied, and it may be too early to conclude that they have, then similar concern is presently warranted. Under H.R. 2050, the jurisdiction of the D.C. Board of Parole would be substantially expanded to include those D.C. Code offenders presently under the jurisdiction of the U.S. Parole Commission. These offenders, however, include some of the most dangerous and violent criminals convicted in the District of Columbia. Premature release of such individuals pursuant to existing parole policies would pose a real and direct threat to law enforcement interests in the District of Columbia.

We believe it is time for a thorough legislative review of District of Columbia sentencing and correctional practices. A major expansion of the capacity of D.C. correctional facilities is essential. The Federal Bureau of Prisons is seriously overcrowded and can no longer accept the overload of the District of Columbia system. This is especially true in light of the increased D.C. prison population that would result, at least temporarily, from a more responsibly run parole system. Replacement of the parole system in the District of Columbia by a sentencing guideline system similar to that adopted by Congress in the Comprehensive Crime Control Act of 1984 should be considered. While expansion of the D.C. inmate capacity must begin at once, other changes can be more thoroughly considered than is done in H.R. 2050.

The Office of Management and Budget has advised this Department that there is no objection to the submission of this report from the standpoint of the Administration's program.

Sincerely,

PHILLIP D. BRADY,
Acting Assistant Attorney General.

U.S. DEPARTMENT OF JUSTICE,
OFFICE OF LEGISLATIVE AND INTERGOVERNMENTAL AFFAIRS,
Washington, DC, July 31, 1985.

Hon. RONALD V. DELLUMS,
Chairman, Committee on District of Columbia, U.S. House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: This is to proffer the views of the Department of Justice on H.R. 2946, a bill that would establish an independent jury selection system for the Superior Court of the District of Columbia. While we believe that some of the changes from current law contained in H.R. 2946 would constitute significant improvements over the jury selection system now in effect in the federal courts, we oppose the bill for the reasons set forth below.

Jury selection for both the Superior Court of the District of Columbia and the United States District Court for the District of Columbia is now governed by a single process established by the Jury Selection and Service Act (28 U.S.C. 1861, *et seq.*) and administered by the United States District Court for the District of Columbia. If H.R. 2946 were enacted, there would exist within the District of Columbia two separate jury selection systems—one for the local trial court and one for the federal trial court. Inevitably, such a bifurcated approach would entail administrative difficulties, duplication of effort, and additional cost to the federal government, notwithstanding the provision of the bill that encourages the federal and local courts to share resources and facilities to the extent feasible.

H.R. 2946 would improve the current jury selection system by broadening the base of persons who can be summoned for jury duty, by narrowing the number of automatic exclusions from jury service, and by increasing the penalties for certain fraudulent conduct in the jury selection process. However, we are not persuaded that the prospect of such advances warrants the establishment of another jury selection system in the District of Columbia, with all of the drawbacks that such a course would entail. Rather, we think the better course would be to consider amending the Jury Selection and Service Act to incorporate the improvements contained in H.R. 2946. Such an approach would improve the jury selection process not only in the Superior Court but in all federal courts. Equally important, it would preserve the unified selection system currently in effect in the District of Columbia, thereby avoiding the administrative and financial costs of a bifurcated system.

The Office of Management and Budget has advised that there is no objection to the submission of this report from the standpoint of the Administration's program.

Sincerely,

PHILLIP D. BRADY,
Acting Assistant Attorney General.

Mr. DELLUMS. Mr. Speaker, I move the previous question on the bill.

The previous question was ordered.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. DELLUMS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

DISTRICT OF COLUMBIA JUDICIAL EFFICIENCY AND IMPROVEMENT ACT OF 1985

Mr. DELLUMS. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (H.R. 3578) to provide permanent authority for hearing commissioners in the District of Columbia courts, to modify certain procedures of the District of Columbia Judicial Nomination Commission and the District of Columbia Commission on Judicial Disabilities and Tenure, and for other purposes, and ask unanimous consent that the bill be considered in the House as in the Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the bill, as follows:

H.R. 3578

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "District of Columbia Prosecutorial and Judicial Efficiency Act of 1985".

SEC. 2. ANNUAL REPORT ON PROSECUTIONS.

Not later than March 1 of each year, the United States attorney for the District of Columbia shall compile and make available an annual report concerning prosecutions, under the laws of the District of Columbia and the laws of the United States applicable exclusively to the District of Columbia, conducted by the Office of the United States attorney for the District of Columbia in the previous calendar year. Such report shall include the number of prosecutions and convictions by category and nature of offense, and shall include any recommendations concerning the criminal justice system in the District of Columbia.

SEC. 3. HEARING COMMISSIONERS.

Section 11-1732 of title 11 of the District of Columbia Code is amended to read as follows:

"§ 11-1732. Hearing commissioners.

"(a) The chief judge of the Superior Court may appoint and remove hearing commissioners who shall serve in the Superior Court and perform the duties enumerated in subsection (c) of this section and such other duties as are consistent with the Constitution and laws of the United States and of the District of Columbia and are assigned by rule of the Superior Court.

"(b) No individual may be appointed or serve as a hearing commissioner under this section unless such individual has been a member of the bar of the District of Columbia for at least three years.

"(c) A hearing commissioner, when specifically designated by the chief judge of the Superior Court, may perform the following functions:

"(1) Administer oaths and affirmations and take acknowledgments.

"(2) Determine conditions of release and pretrial detention pursuant to the provisions of title 23 of the District of Columbia Code (relating to criminal procedures).

"(3) Conduct preliminary examinations in all criminal cases to determine if there is probable cause to believe that an offense has been committed and that the accused committed it.

"(4) Subject to the provisions of subsection (d), with the consent of the parties involved, make findings in uncontested proceedings, and in contested hearings in the civil, criminal, and family divisions of the Superior Court.

"(d)(1) With respect to proceedings and hearings under subsection (c)(4), a rehearing of the case, or a review of the hearing commissioner's findings, may be made by a judge of the appropriate division sua sponte and shall be made upon a motion of one of the parties, which motion shall be filed

within ten days after the judgment. An appeal to the District of Columbia Court of Appeals may be made only after a review hearing is held in the Superior Court.

"(2)(A) In any case brought under sections 11-1101 (1), (3), (10), or (11) involving the establishment or enforcement of child support, or in any case seeking to modify an existing child support order, where a hearing commissioner in the Family Division of the Superior Court finds that there is an existing duty of support, the hearing commissioner shall conduct a hearing on support, make findings, and enter judgment.

"(B) If in a case under subparagraph (A), the hearing commissioner finds that a duty of support exists and makes a finding that the case involves complex issues requiring judicial resolution, the hearing commissioner shall establish a temporary support obligation and refer unresolved issues to a judge.

"(C) In the cases under subparagraphs (A) and (B) in which the hearing commissioner finds that there is a duty of support and the individual owing that duty has been served or given notice of the proceedings under any application statute or court rule, if that individual fails to appear or otherwise respond, the hearing commissioner shall enter a default order.

"(D) A rehearing or review of the hearing commissioner's findings in a case under subparagraphs (A) and (B) may be made by a judge of the Family Division sua sponte. The findings of the hearing commissioner shall constitute a final order of the Superior Court.".

SEC. 4. APPOINTMENT OF EXECUTIVE OFFICER OF THE DISTRICT OF COLUMBIA COURTS.

Section 11-1703 of title 11 of the District of Columbia Code is amended—

(1) by striking out subsection (b);

(2) by redesignating subsection (c) as subsection (d); and

(3) by inserting after subsection (a) the following new subsection:

"(b) The Executive Officer shall be appointed, and subject to removal, by the Joint Committee on Judicial Administration with the approval of the chief judges of the District of Columbia courts. In making such appointment the Joint Committee shall consider experience and special training in administrative and executive positions and familiarity with court procedures.

"(c) The Executive Officer shall be a bona fide resident of the District of Columbia or become a resident not more than 180 days after the date of appointment.".

SEC. 5. MANDATORY RETIREMENT AGE OF JUDGES.

Section 431(c) of the District of Columbia Self-Government and Governmental Reorganization Act is amended by striking out "Seventy" and inserting in lieu thereof "seventy-four".

SEC. 6. APPOINTMENT PANEL FOR THE BOARD OF TRUSTEES OF THE PUBLIC DEFENDER SERVICE.

(a) COMPOSITION OF APPOINTMENT PANEL.—Section 303 of the District of Columbia Court Reform and Criminal Procedure Act of 1970 (D.C. Code, 1-2703) is amended in subsection (b)(1)—

(1) by striking out subparagraph (A); and

(2) by redesignating subparagraphs (B), (C), (D), and (E) as subparagraphs (A), (B), (C), and (D), respectively.

(b) PRESIDING OFFICER.—Section 303 of such Act (D.C. Code, 1-2703) is further amended in subsection (b)(2) by striking out "Chief Judge of the United States Court of Appeals for the District of Columbia Circuit" and inserting in lieu thereof "Chief Judge of the District of Columbia Court of Appeals".

SEC. 7. REORGANIZATION OF AUDIT RESPONSIBILITY.

(a) AUDITOR-MASTER.—Section 11-1724 of title 11 of the District of Columbia Code is amended—

(1) by striking out "(1) audit and state fiduciary accounts,"; and

(2) by respectively designating clauses (2) and (3) as clauses "(1)" and "(2)".

(b) REGISTER OF WILLS.—Section 11-2104(a) of title 11 of the District of Columbia Code is amended—

(1) in paragraph (2) by striking out "and" after the semicolon;

(2) in paragraph (3) by striking out the period and inserting in lieu thereof "; and"; and

(3) by inserting at the end thereof the following new paragraph:

"(4) audit and state fiduciary accounts.".

SEC. 8. ELIMINATION OF DUPLICATE JUDICIAL FINANCIAL REPORTING REQUIREMENT.

(a) TERMINATION OF FEDERAL DISCLOSURE REQUIREMENTS.—Section 303 of the Ethics in Government Act of 1978 (28 U.S.C. App. 301) is amended by inserting at the end thereof the following new subsection:

"(h) The provisions of this Act shall not apply to any judicial officer or employee of the Superior Court of the District of Columbia or the District of Columbia Court of Appeals.".

(b) TECHNICAL AND CONFORMING AMENDMENT.—Section 308(9) of such Act (28 U.S.C. App. 308(9)) is amended by striking out "courts of the District of Columbia".

SEC. 9. CERTIFICATION OF QUESTIONS OF LAW.

Subchapter II of Chapter 7, title 11, District of Columbia Code, is amended by inserting after section 11-722 the following new section:

"§ Sec. 11-723. Certification of Questions of Law.

"(a) The District of Columbia Court of Appeals may answer questions of law certified to it by the Supreme Court of the United States, a Court of Appeals of the United States, or the highest appellate court of any State, if there are involved in any proceeding before any such certifying court questions of law of the District of Columbia which may be determinative of the cause pending in such certifying court and as to which it appears to the certifying court there is no controlling precedent in the decisions of the District of Columbia Court of Appeals.

"(b) This section may be invoked by an order of any of the courts referred to in subsection (a) upon the court's motion or upon motion of any party to the cause.

"(c) A certification order shall set forth (1) the question of law to be answered; and (2) a statement of all facts relevant to the questions certified and the nature of the controversy in which the questions arose.

"(d) A certification order shall be prepared by the certifying court and forwarded to the District of Columbia Court of Appeals. The District of Columbia Court of Appeals may require the original or copies of all or such portion of the record before the certifying court as are considered necessary to a determination of the questions certified to it.

"(e) Fees and costs shall be the same as in appeals docketed before the District of Columbia Court of Appeals and shall be equally divided between the parties unless precluded by statute or by order of the certifying court.

"(f) The District of Columbia Court of Appeals may prescribe the rules of procedure concerning the answering and certification of questions of law under this section.

"(g) The written opinion of the District of Columbia Court of Appeals stating the law governing any questions certified under subsection (a) shall be sent by the clerk to the certifying court and to the parties.

"(h)(1) The District of Columbia Court of Appeals, on its own motion or the motion of any party, may order certification of questions of law to the highest court of any State under the conditions described in subsection (a).

"(2) The procedures for certification from the District of Columbia to a State shall be those provided in the laws of that State.".

SEC. 10. PUBLIC ACCESS TO MATERIALS OF JUDICIAL NOMINATION COMMISSION.

Section 434(c)(3) of the District of Columbia Self-Government and Governmental Reorganization Act is amended by striking out the last sentence and inserting in lieu thereof: "Information, records, and other materials furnished to or developed by the Commission in the performance of its duties under this section shall be privileged and confidential. Section 552 of title 5, United States Code, (known as the Freedom of Information Act) shall not apply to any such materials.".

SEC. 11. MEETINGS OF THE JUDICIAL NOMINATION COMMISSION.

Section 434(c)(1) of the District of Columbia Self-Government and Governmental Reorganization Act is amended by inserting at the end thereof "Meetings of the Commission may be closed to the public. Section 742 of this Act shall not apply to meetings of the Commission.".

SEC. 12. PUBLIC ANNOUNCEMENT OF JUDICIAL RECOMMENDATIONS.

Section 434(d) of the District of Columbia Self-Government and Governmental Reorganization Act is amended by inserting at the end thereof the following new paragraph:

"(4) Upon submission to the President, the name of any individual recommended under this subsection shall be made public by the Judicial Nomination Commission.".

SEC. 13. DISCLOSURE OF CERTAIN INFORMATION TO THE JUDICIAL NOMINATION COMMISSION.

Section 11-1528 of title 11, District of Columbia Code, is amended by striking out all of subsection (a) and inserting in lieu thereof the following:

"(a)(1) Subject to paragraph (2), the filing of papers with, and the giving of testimony before, the Commission shall be privileged. Subject to paragraph (2), hearings before the Commission, the record thereof, and materials and papers filed in connection with such hearings shall be confidential.

"(2)(A) The judge whose conduct or health is the subject of any proceedings under this subchapter may disclose or authorize the disclosure of any information under paragraph (1).

"(B) With respect to a prosecution of a witness for perjury or on review of a decision of the Commission, the record of hearings before the Commission and all papers filed in connection with such hearing shall be disclosed to the extent required for such prosecution or review.

"(C) Upon request, the Commission shall disclose, on a privileged and confidential basis, to the District of Columbia Judicial Nomination Commission any information under paragraph (1) concerning any judge being considered by such nomination commission for elevation to the District of Co-

lumbia Court of Appeals or for chief judge of a District of Columbia court.".

SEC. 14. REAPPOINTMENT TO JUDICIAL OFFICE.

Section 433(c) of the District of Columbia Self-Government and Governmental Reorganization Act is amended—

(1) in the first sentence by striking out "three months" and inserting in lieu thereof "six months"; and

(2) in the second sentence, by striking out "thirty" and inserting in lieu thereof "sixty".

SEC. 15. MODIFICATION OF JUDICIAL REAPPOINTMENT EVALUATION CATEGORIES.

Section 433(c) of the District of Columbia Self-Government and Governmental Reorganization Act is amended in the third sentence by striking out "exceptionally well-qualified or".

SEC. 16. SERVICES OF RETIRED JUDGES.

Section 11-1504(a) of title 11, District of Columbia Code, is amended by striking out paragraphs (2) and (3) and inserting after paragraph (1) the following new paragraph:

"(2) At any time prior to or after retirement, a judge may request recommendation from the District of Columbia Commission on Judicial Disabilities and Tenure (hereinafter in this section referred to as the "Commission") to be appointed as a senior judge in accordance with this section.".

SEC. 17. EXTENSION OF PERIOD FOR SUBMITTING JUDICIAL NOMINATIONS.

Section 434(d)(1) of the District of Columbia Self-Government and Governmental Reorganization Act is amended by striking out "thirty days" each place it appears and inserting in lieu thereof "sixty days".

SEC. 18. EFFECTIVE DATE.

This Act shall take effect on the date of the enactment of this Act.

COMMITTEE AMENDMENTS

The SPEAKER pro tempore. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment: Page 2, strike out line 3 and insert in lieu thereof "Judicial Efficiency and Improvement Act of 1985'."

Mr. DELLUMS. Mr. Speaker, I ask unanimous consent that the committee amendments be considered en bloc, considered as read, and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The remaining committee amendments are as follows:

Committee amendments: Page 7, line 6, strike out "subsection (b)(2)" and insert in lieu thereof "subsection (b)(1)".

Page 7, line 7, strike out "Chief Judge" and insert in lieu thereof "chief judge".

Page 8, line 5, strike out "Section 303" and insert in lieu thereof "Section 301".

Page 8, line 16, insert "(a) IN GENERAL.—" before "Subchapter II".

Page 10, after line 11, insert the following new subsection:

(b) TECHNICAL AMENDMENT.—The table of sections for such subchapter is amended by adding at the end thereof the following new item:

"11-723. Certification of questions of law."

Page 12, line 22, strike out "second" and insert in lieu thereof "third".

Page 13, line 5, strike out "third" and insert in lieu thereof "fourth".

Page 13, line 14, strike out "'Commission'" and insert in lieu thereof "'Commission'".

Page 5, strike out line 4 and all that follows through line 8 on page 5 and insert in lieu thereof the following:

"(D)(1) Subject to paragraph (2), the findings of the hearing commissioner shall constitute a final order of the Superior Court.

"(2) A rehearing or review of the hearing commissioner's findings in a case under subparagraphs (A) and (B) may be made by a judge of the Family Division sua sponte and shall be made upon a motion of one of the parties, which motion shall be filed within ten days after the judgment. An appeal to the District of Columbia Court of Appeals may be made only after a hearing is held in the Superior Court."

Mr. DELLUMS. Mr. Speaker, I simply wish to explain briefly that the committee amendments presented to the body are perfecting amendments, and I ask that they be approved.

The SPEAKER pro tempore. The question is on the committee amendments.

The committee amendments were agreed to.

Mr. DELLUMS. Mr. Speaker, I move to strike the last word.

Mr. Speaker, this bill makes certain changes in the local courts in Washington, DC, suggested by local practitioners, officials, and the courts, and makes permanent authority for hearing commissioners, authority which Congress has granted from year to year in appropriation bills.

Hearings were held before our Subcommittee on the Judiciary and Education chaired by the gentleman from California [Mr. DYMALLY], with the ranking minority member being the distinguished gentleman from Virginia [Mr. BLILEY], each of whom will give a further explanation of the bill at the appropriate time.

With the brief introductory set of remarks, Mr. Speaker, I yield back the balance of my time.

Mr. DYMALLY. Mr. Speaker, I move to strike the last word.

Mr. Speaker, since the 98th Congress, the Subcommittee on Judiciary and Education has focused its attention on improving the administration of Justice in the District of Columbia, and at the same time transferring to the District authority over its agencies, consistent with the legislative intent underlying the District of Columbia Court Reform and Criminal Procedure Act of 1970 and the District of Columbia Self-Government Act and Government Reorganization Act of 1973, as amended.

This legislation emanates from these significant legislative developments. It reflects both self-government considerations and the improvement and efficiency of the local judicial system. The bill itself evolves from recommendations of the District of Columbia Court Study Committee and the District of Columbia courts.

A brief history of its development are in order. In 1978, the District of Columbia Bar Association formed the District of Columbia Court Study Committee. This committee (commonly known as the Horsky Committee) was charged with evaluating the District of Columbia Court Reform and Criminal Procedure Act of 1970 and making appropriate recommendations for improving the judicial system. Over a 4-year period, the court study committee conducted its mission. Certain provisions in this bill represent the committee's work product.

In sum, H.R. 3578 would create permanent authority for District of Columbia hearing commissioners, eliminate duplicate judicial financial reporting, provide authority for the District of Columbia Court of Appeals to answer certain undecided questions of District of Columbia law pending in other courts and amend a panoply of provisions involving judicial nomination, reappointment, and tenure processes.

It would also require the U.S. attorney to publish an annual report regarding its District of Columbia criminal justice activity. Further, it would modify the appointment panel for the Board of Trustees of the Public Defender Service.

These noncontroversial provisions would further improve local judicial nomination and tenure processes and at the same time move the local government one step further toward self-government. Most important, it is estimated that the bill would save the local government over $600,000 a year at no cost to the Federal Government.

Mr. BLILEY. Mr. Speaker, I move to strike the last word.

Mr. Speaker, I rise to support the passage of H.R. 3578. This bill makes a number of minor, but important and needed corrections in the procedures and efficiency of the District of Columbia courts.

Mr. DYMALLY, the chairman of the Judiciary and Education Subcommittee, was diligent in his efforts to craft a piece of valuable legislation that all parties could agree to. I am pleased to be able to lend my support to his efforts and to thank him for his bipartisan spirit.

Mr. Speaker, the minority members of the District of Columbia committee support passage of H.R. 3578.

□ 1235

Mr. DELLUMS. Mr. Speaker, I move the previous question on the bill.

The previous question was ordered.

The bill was ordered to be engrossed and read a third time, and was read the third time, and passed and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. DELLUMS. Mr. Speaker, I ask unanimous consent that all members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objecton to the request of the gentleman from California?

There was no objection.

H.R. 2965

(Mr. SMITH of Iowa asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of Iowa. Mr. Speaker, I would like to make the Members of the House aware of an unfortunate set of circumstances in the other body concerning H.R. 2965, the fiscal year 1986 appropriations bill for the Departments of Commerce, Justice and State, the Judiciary and Related Agencies. The House passed this bill July 17, leaving the other body ample time to act and for the two Houses to go to conference and send the bill to the President prior to the beginning of the fiscal year. The bill was reported out of the Senate committee on October 4, 4 days into the new fiscal year. The bill is now bogged down on an extraneous issue that has nothing to do with the provision of funds for law enforcement, drug enforcement, dealing with terrorist activities, and numerous important programs in the Commerce and State Departments and other agencies. I understand that the bill may not come up again in the other body unless this matter can be resolved.

The bill the Senate committee reported not only provides for programs in the House bill, but also other items and projects added that Members of the Senate are interested in. In addition, I also understand that the bill is undergoing a number of floor amendments, as many as 37, that should be resolved in a conference on this bill.

If this bill does not go to conference because of this totally extraneous item, these matters will have to be worked out with all the others in the context of the continuing resolution.

If this bill is conferenced in the continuing resolution, I can assure the Members of the other body that it will be very difficult for the individual projects put into such legislation by amendment or referenced in the Senate-reported bill to receive a favorable consideration that they might otherwise receive if we had an opportunity to go to conference on the individual bill. That is not a threat. It is just a plain fact that Members of the House and Members of the other body, the departments and agencies involved and the American taxpayers are all much better served if this bill is passed separately in conference, instead of being incorporated into a continuing resolution.

GREAT FINISH OF 1985 WORLD SERIES

(Mrs. MEYERS of Kansas asked and was given permission to address the House for 1 minute.)

Mrs. MEYERS of Kansas. Mr. Speaker on behalf of the Kansas City Royals, and the people of the Third District of Kansas, I am here to gloat—respectfully, of course.

The headline in this morning's Kansas City Times says it all—You Gotta Love It!

Now, you are looking at George Brett's Congresswoman. And also I have some other Royal constituents who are now household names. Buddy Biancalana, Bret Saberhagen, Dane Iorg, Danny Jackson, Bud Black, Charlie Liebrandt, Darrell Motley, Jim Sundberg, and Dan Quisenberry.

After losing the first two games at home, and down 3 to 1 in the series, the Royals became the first team in history to bounce back from such a deficit and win the World Series. Obviously, the Kansas City Royals can teach us a thing or two about overcoming deficits.

It's a great day for Kansas City, for the State of Missouri, and for many of us in Kansas and for the entire Nation as the curtain finally comes down on what has been a truly great finish of the 1985 World Series.

FAIR LABOR STANDARDS AMENDMENTS OF 1985

Mr. MURPHY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3530) to amend the Fair Labor Standards Act of 1938 to authorize the provision of compensatory time in lieu of overtime compensation for employees of States, political subdivisions of States, and interstate governmental agencies, to clarify the application of the act to volunteers, and for other purposes, as amended.

The Clerk read as follows:

H.R. 3530

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE; REFERENCE TO ACT

SECTION 1. (a) SHORT TITLE.—This Act may be cited as the "Fair Labor Standards Amendments of 1985".

(b) REFERENCE TO ACT.—Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be a reference to a section or other provision of the Fair Labor Standards Act of 1938.

COMPENSATORY TIME

SEC. 2. (a) COMPENSATORY TIME.—Section 7 (29 U.S.C. 207) is amended by adding at the end the following:

"(o)(1) Employees of a public agency which is a State, a political subdivision of a State, or an interstate governmental agency may receive, in accordance with this subsection and in lieu of overtime compensation, compensatory time off at a rate not less than one and one-half hours for each hour of employment for which overtime compensation is required by this section.

"(2) A public agency may provide compensatory time under paragraph (1) only—

"(A) pursuant to—

"(i) applicable provisions of a collective bargaining agreement between the public agency and representatives of such employees; or

"(ii) in the case of employees not covered by subclause (i), an agreement or understanding arrived at between the employer and employee before the performance of the work; and

"(B) if the employee has not accrued compensatory time in excess of the limit applicable to the employee prescribed by paragraph (3).

In the case of employees described in clause (A)(ii) hired prior to April 15, 1986 the regular practice in effect on April 15, 1986, with respect to compensatory time off for such employees in lieu of the receipt of overtime compensation, shall constitute an agreement or understanding under such clause (A)(ii). Except as provided in the previous sentence, the provision of compensatory time off to such employees for hours worked after April 14, 1986, shall be in accordance with this subsection.

"(3)(A) If the work of an employee for which compensatory time may be provided included work in a public safety activity, an emergency response activity, or a seasonal activity, the employee engaged in such work may accrue not more than 480 hours of compensatory time for hours worked after April 15, 1986. If such work was any other work, the employee engaged in such work may accrue not more than 180 hours of compensatory time for hours worked after April 15, 1986. Any such employee who, after April 15, 1986, has accrued 480 or 180 hours, as the case may be, of compensatory time off shall, for additional overtime hours of work, be paid overtime compensation.

"(B) If compensation is paid to an employee for accrued compensatory time off, such compensation shall be paid at the regular rate earned by the employee at the time the employee receives such payment.

"(4) An employee who has accrued compensatory time off authorized to be provided under paragraph (1) shall, upon termination of employment, be paid for the unused compensatory time at a rate not less than the average regular rate received by such employee during the last 3 years of the employee's employment.

"(5) An employee of a public agency which is a State, political subdivision of a State, or an interstate governmental agency—

"(A) who has accrued compensatory time off authorized to be provided under paragraph (1), and

"(B) who has requested the use of such compensatory time, shall be permitted by the employee's employer to use such time within a reasonable period after making the request if the use of the compensatory time does not unduly disrupt the operations of the public agency.

"(6) For purposes of this subsection—

"(A) the term 'overtime compensation' means the compensation required by subsection (a), and

"(B) the terms 'compensatory time' and 'compensatory time off' means hours during which an employee is not working, which are not counted as hours worked during the applicable workweek or other work period for purposes of overtime compensation, and for which the employee is compensated at the employee's regular rate.".

(b) EXISTING COLLECTIVE BARGAINING AGREEMENTS.—A collective bargaining agreement which is in effect on April 15, 1986, and which permits compensatory time off in lieu of overtime compensation shall remain in effect until its expiration date unless otherwise modified, except that compensatory time shall be provided after April 14, 1986, in accordance with section 7(o) of the Fair Labor Standards Act of 1938 (as added by subsection (a)).

(c) LIABILITY AND DEFERRED PAYMENT.—(1) No State, political subdivision of a State, or interstate governmental agency shall be liable under section 16 of the Fair Labor Standards Act of 1938 for a violation of section 7 or 11(c) (as it relates to section 7) of such Act occurring before April 15, 1986, with respect to any employee of the State, political subdivision, or agency who would not have been covered by such Act under the Secretary of Labor's special enforcement policy on January 1, 1985, and published in sections 775.2 and 775.4 of title 29 of the Code of Federal Regulations.

(2) A State, political subdivision of a State, or interstate governmental agency may defer until August 1, 1986, the payment of monetary overtime compensation under section 7 of the Fair Labor Standards Act of 1938 for hours worked after April 14, 1986.

SPECIAL DETAILS, OCCASIONAL OR SPORADIC EMPLOYMENT, AND SUBSTITUTION

SEC. 3. (a) SPECIAL DETAIL WORK FOR FIRE PROTECTION AND LAW ENFORCEMENT EMPLOYEES.—Section 7 (29 U.S.C. 207) is amended by adding after subsection (o) (added by section 2) the following:

"(p)(1) If an individual who is employed by a State, political subdivision of a State, or an interstate governmental agency in fire protection or law enforcement activities (including activities of security personnel in correctional institutions) and who, solely at such individual's option, agrees to be employed on a special detail by a separate or independent employer in fire protection, law enforcement, or related activities, the hours such individual was employed by such separate and independent employer shall be excluded by the public agency employing such individual in the calculation of the hours for which the employee is entitled to overtime compensation under this section if the public agency—

"(A) requires that its employees engaged in fire protection, law enforcement, or security activities be hired by a separate and independent employer to perform the special detail,

"(B) facilitates the employment of such employees by a separate and independent employer, or

"(C) otherwise affects the condition of employment of such employees by a separate and independent employer.".

(b) OCCASIONAL OR SPORADIC EMPLOYMENT.—Section 7(p) (20 U.S.C. 207), as added by subsection (a), is amended by adding at the end the following:

"(2) If an employee of a public agency which is a State, political subdivision of a State, or an interstate governmental agency undertakes, on an occasional or sporadic basis and solely at the employee's option, part-time employment for the public agency which is in a different capacity from any capacity in which the employee is regularly employed with the public agency, the hours such employee was employed in performing the different employment shall be excluded by the public agency in the calculation of the hours for which the employee is entitled to overtime compensation under this section.".

(c) SUBSTITUTION.—(1) Section 7(p) (29 U.S.C. 207), as amended by subsection (b), is amended by adding at the end of following:

"(3) If an individual who—

"(A) is employed by a public agency which is a State, political subdivision of a State, or an interstate governmental agency, and

"(B) is employed in fire protection or law enforcement activities (including activities of security personnel in correctional institutions), agrees, with the approval of the public agency and solely at the option of such individual, to substitute during scheduled work hours for another individual who is employed by such agency in such activities, the hours such employee worked as a substitute shall be excluded by the public agency in the calculation of the hours for which the employee is entitled to overtime compensation under this section.".

(2) Section 11(c) (29 U.S.C. 211(c)) is amended by adding at the end the following: "The employer of an employee who performs substitute work described in section 7(p)(3) may not be required under this subsection to keep a record of the hours of the substitute work.".

VOLUNTEERS

SEC. 4. (a) DEFINITION.—Section 3(e) (29 U.S.C. 203(e)) is amended—

(1) by striking out "paragraphs (2) and (3)" in paragraph (1) and inserting in lieu thereof "paragraphs (2), (3), and (4)", and

(2) by adding at the end the following:

"(4)(A) The term 'employee' does not include any individual who volunteers to perform services for a public agency which is a State, a political subdivision of a State, or an interstate governmental agency, if—

"(i) the individual receives no compensation or is paid expenses, reasonable benefits, or a nominal fee to perform the services for which the individual volunteered; and

"(ii) such services are not the same type of services which the individual is employed to perform for such public agency.

"(B) An employee of a public agency which is a State, political subdivision of a State, or an interstate governmental agency may volunteer to perform services for any other State, political subdivision, or interstate governmental agency, including a State, political subdivision or agency with which the employing State, political subdivision, or agency has a mutual aid agreement.".

(b) REGULATIONS.—Not later than March 15, 1986, the Secretary of Labor shall issue regulations to carry out paragraph (4) of section 3(e) (as amended by subsection (a) of this section).

(c) CURRENT PRACTICE.—If, before April 15, 1986, the practice of a public agency was to treat certain individuals as volunteers, such individuals shall until April 15, 1986, be considered, for purposes of the Fair Labor Standards Act of 1938, as volunteers and not as employees. No public agency which is a State, or political subdivision of a State, or an interstate governmental agency shall be liable for a violation of section 6 occurring before April 15, 1986, with respect to services deemed by that agency to have been performed for it by an individual on a voluntary basis.

STATE AND LOCAL LEGISLATIVE EMPLOYEES

SEC. 5. Clause (ii) of section 3(e)(2)(C) (29 U.S.C. 203(e)(2)(C)) is amended—

(1) by striking out "or" at the end of subclause (III),

(2) by striking out "who" in subclause (IV),

(3) by striking out the period at the end of subclause (IV) and inserting in lieu thereof ", or", and

(4) by adding after subclause (IV) the following:

"(V) is an employee in the legislative branch or legislative body of that State, political subdivision, or agency and is not employed by the legislative library of such State, political subdivision, or agency.".

EFFECTIVE DATE

SEC. 6. The amendment made by this Act shall take effect April 15, 1986. The Secretary of labor shall before such date promulgate such regulations as may be required to implement such amendments.

EFFECT OF AMENDMENTS

SEC. 7. The amendments made by this Act shall not affect whether a public agency which is a State, political subdivision of a State, or an interstate governmental agency is liable under section 16 of the Fair Labor Standards Act of 1938 for a violation of section 6, 7, or 11 of such Act occurring before April 15, 1986, with respect to any employee of such public agency who would have been covered by such Act under the Secretary of Labor's special enforcement policy on January 1, 1985, and published in section 775.3 of title 29 of the Code of Federal Regulations.

DISCRIMINATION

SEC. 8. A public agency which is a State, political subdivision of a State, or an interstate governmental agency and which discriminates or has discriminated against an employee with respect to the employee's wages or other terms or conditions of employment because on or after February 19, 1985, the employee asserted coverage under section 7 of the Fair Labor Standards Act of 1938 shall be held to have violated section 15(a)(3) of such Act.

The SPEAKER pro tempore. Is a second demanded?

Mr. JEFFORDS. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Pennsylvania [Mr. MURPHY] will be recognized for 20 minutes and the gentleman from Vermont [Mr. JEFFORDS] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Pennsylvania [Mr. MURPHY].

Mr. MURPHY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, since the Supreme Court's decision earlier this year in Garcia versus San Antonio Metropolitan Transit Authority, which held that the Congress had the authority in a 1974 act to extend the Fair Labor Standards Act to State and local government employees, there has been a great deal of concern, uncertainty, and confusion on this part of State and local government officials and their

employees as to how this act would affect their ability to provide essential services to the public.

Initial concerns focused mainly on the possible budgetary impact of compliance with the act and the potential loss of flexibility necessary to effectively deal with the various needs of the public. The Committee on Education and Labor, as well as many Members of the House, shared this concern, and our subcommittee sought to establish a clear understanding of the magnitude of the costs involved. We sought to ensure that those State and local officials understood the substance of the act and how much flexibility it allows in administering local government activities.

I would like to thank all of the members of the Committee on Education and Labor, and of the Subcommittee on Labor Standards, which I chair, for their involvement in reaching this compromise.

I want to thank the members of organized labor representing the municipal employees. I would like to thank the representatives of all the local government associations and the State legislative bodies for working and toiling so many hours among themselves, together with Members of Congress, to frame this compromise. I would also like to thank the many Members of this House who took such an active interest in this issue and greatly assisted the committee through the legislative suggestions that they made. This legislation is the result of all of the bills introduced in the wake of the Garcia decision, and I believe is the consensus of what those bills sought to achieve.

The members of the Subcommittee on Labor Standards became convinced that although the costs of compliance were unlikely to be as high as some of the early estimates, some increased costs were sure to occur. More importantly, the unique responsibilities of public agencies required special consideration. The measure before this House reflects that belief, and correctly addresses the concerns of the local officials while also ensuring that their public employees continue to enjoy the basic protections of the act.

In considering this issue, it was essential that the particular needs and circumstances of the States and their political subdivisions be carefully weighed and fairly accommodated. As the Supreme Court stated in Garcia, "the States occupy a special position in our constitutional system." The committee recognized that State and local governments, unlike other employers, have special responsibilities in promoting the public good. In reporting this bill, the committee has sought to discharge that responsibility and to further the principles of cooperative federalism.

This measure will permit State and local governments to continue to use what we refer to as comp-time as payment for overtime hours worked, but provides that comp-time must be awarded at time and one-half, in keeping with the act's requirements for cash overtime. This measure recognizes the joint employment and occasional employment situations which currently exist in many municipalities to the satisfaction of both the public agency and the employees, and permits them to continue within the framework of the act. Also, this measure clarifies the definition of volunteers under the act, and I believe greatly eliminates the concerns of many parties.

In addition, this measure will eliminate the liability which many municipalities have incurred since the Court's decision. The subcommittee recognized that the sudden change in employment requirements placed the municipalities in a difficult economic situation. The phase-in provision is consistent with previous congressional action that has expanded the act's coverage since 1938. Therefore, this measure would eliminate liability for violations of sections 7 and 11 of the act prior to April 15, 1986, next April.

I believe that this measure correctly responds to the concerns of the Members of the House, and the thousands of State and local government officials nationwide and their employees. I urge the Members of this House to support this measure ensuring that the protections of the act can be extended to municipal workers without unduly threatening municipal services.

Mr. JEFFORDS. Mr. Speaker, I yield myself such time as I may consume.

□ 1250

Mr. JEFFORDS. Mr. Speaker, the bill before us is the product of cooperation and compromise; compromise on the part of the public employer and employee interests, and cooperation on the part of many Members who hold strong and sincere beliefs on how, and even whether, we should respond to the Supreme Court's Garcia decision. I hope this spirit of cooperation and compromise continues.

The provisions of this bill bring much needed flexibility to the application of the Fair Labor Standards Act to State and local employees and employers. In my State, as in many others, employers and employees have found many practices, notably the use of compensatory time, to be mutually beneficial. In fact, the Vermont State Employees Association elicited tremendous support for a petition seeking the continued availability of compensatory time in lieu of overtime wages.

At the same time, towns and taxpayers alike have been concerned that the Garcia decision will imposed substantial, unexpected labor costs on them. The provisions of this bill ensure that governments will be able both to gauge their overtime costs and budget for them. Fortunately, the April 1986 effective date of the bill will give Vermont's towns and communities across the State the opportunity to debate and decide these issues during their town meetings in March.

While large cities or States with extensive personnel departments may find it easy to administer the act—and I'm not sure even they will—the towns and cities in my State have had and continue to have difficulty in complying with its provisions. I hope this bill will make that task somewhat easier.

Under the legislation before us, employers and employees would be able to agree to use compensatory time, either in lieu of or in conjunction with the overtime pay now required by the Fair Labor Standards. Act. This agreement could be as formal as a collective bargaining agreement, or as informal as a past, unwritten practice of providing compensatory time. Where no mutual agreement exists, an employer could decide to offer compensatory time and would be required to notify employees prior to their performance of overtime work.

Accrued compensatory time would be limited, largely as a protection for employees. Unlike many current arrangements, compensatory time would not have to be cashed out on an annual or biannual basis, but would be in an ongoing bank. This bank would be subject to caps, of 480 and 180 hours, depending on the type of employee. Unlike H.R. 3530, the bill passed by the other body contains a single 480-hour cap. Overtime in excess of the caps would be permitted, but would have to be paid in cash rather than compensatory time. Within the limits set by the bill, employers and employees would be free to design or maintain their own compensatory time systems.

In this bill we have tried to accommodate the needs of local government, its citizens and its employees. We recognize and sanction voluntarism, which is obviously much more prevalent and vital to the public sector than the private. And we recognize special detail, occasional, and substitute employment—all common practices in the public sector.

At the same time, we have been careful to maintain the employee protections that are a fundamental part of the Fair Labor Standards Act. Compensatory time must be paid at a premium rate. Liability for violations affecting nontraditional employees, who have been covered by the Fair Labor Standards Act since the Supreme Court's National League of Cities against Usery decision, continues. And the status of some workers under that

decision, which is being litigated in our courts, remains unaffected.

The bill prohibits an employer from discriminating against an individual simply because an individual asserted coverage under the Fair Labor Standards Act in the wake of the Garcia decision. For example, if an employee or several employees stepped forward and asked for overtime pay, and their employer responded by demoting, discharging, or otherwise discriminating against them, and not their colleagues, the aggrieved individuals could seek relief. Although initially troubled by the language of section 8, it was with this understanding that the public employer representatives who were party to the negotiations leading to this legislation agreed to support the language. It was not intended, and must not be construed, as some sort of elliptical hold harmless formula for employees' wage rates.

It is my understanding that several public employers have chosen to reduce their employees' wages across the board in response to the Garcia decision. The reasons for such a choice may be several, but clearly one of them is economic. If a city or State is operating with limited resources and is suddenly faced with new, unexpected overtime costs and requirements, it may reasonably come to the conclusion that it must reduce its regular rate of pay so as to maintain the level of its payroll when overtime costs are added into that payroll. Obviously this is a drastic step. It is one that I would hope no employer would have to undertake. However, I do not believe that anything within this bill precludes this response to the Garcia decision. I would be happy to yield to any Member who has a different view.

Mr. Speaker, let me conclude by saying that this legislation represents Congress at just about its best. The basic rationale for overruling the National League of Cities against Usery decision was the fact that the distinction between traditional and nontraditional is unworkable and that limitations on the Congress' commerce power with respect to State and local governments lay not in the 10th amendment but in the workings of the Federal Government, and particularly the Congress. This latter aspect of the decision was not very comforting to those people who take a dim view of Congress. However, in this instance, at least, we may prove the doubters wrong. We have met a real problem with a real solution, and will do so in a timely fashion. We have listened to a broad range of interests, and have adopted the best suggestions of each.

On a personal note, I am very grateful to the dozens and dozens of State and local employees and officials from Vermont who have taken the time to give me their views on this issue. The same, of course, holds for their representatives, particularly the Vermont League of Cities and Towns, the Vermont State Employees Association, the State Officer of Personnel, and the American Federation of State, County and Municipal Employees.

I also want to thank Secretary of Labor Bill Brock who, with his staff, has greatly assisted us. Finally, I want to thank my colleagues. Although this bill differs from the dozen or so bills that were introduced in the House on ths subject, it owes its inception in large part to the efforts of those Members who have been actively working to solve this issue for the past 8 months. My colleagues on the Labor Standards Subcommittee, Mr. PETRI and Mr. BARTLETT, have likewise been vital to this process. Subcommittee Chairman MURPHY has shown solid leadership. And Chairman HAWKINS has shown solid leadership. And Chairman HAWKINS has been typically fair and thoughtful.

Mr. Speaker, I urge my colleagues to give this bill their resounding support.

Mr. MURPHY. Mr. Speaker, I yield 2 minutes to the chairman of the full Committee on Education and Labor, the gentleman from California [Mr. HAWKINS], who was extremely helpful in guiding the first major bill through my subcommittee since I became one of his subcommittee chairmen.

Mr. HAWKINS. I thank the gentleman for yielding this time to me.

Mr. Speaker, today we bring to the House a bill which will remove a potential financial burden from States and localities, yet preserve labor standards protections for the employees of those entities. The bill, H.R. 3530, has the bipartisan support of the members of the Committee on Education and Labor, having been ordered reported by a unanimous voice vote. The legislation amends the Fair Labor Standards Act [FLSA] by modifying the overtime provisions of the act to give public employers, in agreement with their employees, a choice of either granting compensatory time or paying monetary compensation for overtime worked. The bill provides flexibility in other areas such as joint employment and the use of volunteer services. In addition, the bill removes potential retroactive liability for the payment of overtime compensation as required under existing provisions of the FLSA. This is most important to the fiscal concerns of States and localities.

H.R. 3530 is nearly identical to a measure approved in the other body by voice vote on Thursday, October 24. The close similarity of the bills is due to the bipartisan cooperation of Members in both Houses of the Congress. The Members who were involved in the legislative process, particularly those in leadership roles, deserve the thanks and appreciation of all the parties who will be affected by these amendments. I want to congratulate and commend the chairman of our Subcommittee on Labor Standards, Mr. MURPHY, for his leadership in proceeding expeditiously with this legislation. I want to express special appreciation to the ranking subcommittee member, Mr. PETRI, and the ranking member of the full committee, Mr. JEFFORDS, who, throughout consideration of this legislation, have been most helpful and supportive. Also, mention should be made of the assistance Mr. BARTLETT rendered in the negotiations which produced this excellent compromise.

The bill also has been endorsed by the National Association of Counties, the National Conference of State Legislators, the National League of Cities, and the U.S. Conference of Mayors. These associations have said that the bill "maintains the principles of the Fair Labor Standards Act and at the same time recognizes the special circumstances faced by public employers and public employees." The AFL-CIO supports the bill, saying that "it preserves the integrity of the Fair Labor Standards Act which is so vital to the interests of employees while addressing the concerns of public employers."

H.R. 3530 is a direct legislative response to the issues raised in the Supreme Court decision in Garcia versus San Antonio Metropolitan Transit Authority. Had the decision been implemented, State and local governments would have had to make drastic changes in employment policies and practices, as well as the utilization of volunteer services. In addition, many States and localities would have had to assume a retroactive financial liability, because they engaged in an employment practice—generally preferred by employees in certain highly stressful jobs—of granting compensatory time in lieu of monetary compensation for overtime hours worked. This certainly would have been the case in the Los Angeles area where, as my colleagues know, we have a somewhat unique situation of recurring seasonal disasters, such as fires, which take their toll on our emergency response personnel, not to mention the pocketbooks of our taxpayers.

Shortly after the Garcia decision, I received numerous calls and communications from civic leaders in Los Angeles seeking relief from the potential burden of FLSA overtime coverage, and asking for a legislative remedy which would recognize their special problems and customary employment practices.

I am pleased that today I can recommend to the House a measure which accommodates not only the particular circumstances in my home area, but the operations of States and localities throughout the Nation.

The bill accommodates States and localities by allowing the continuation of a widespread practice of granting compensatory time off for overtime hours worked, yet protects the preferences of employees regarding the utilization of the compensatory time. After the effective date of the amendments, employees may receive, in lieu of overtime compensation, compensatory time at the rate of not less than 1.5 hours of compensatory time for each hour of overtime worked. The offering of compensatory time must be governed by a collective bargaining agreement or some other agreement or understanding between the employer and the employees, or the employees' selected representative, before the performance of the overtime work, or with prior notice to the employees. No more than 480 hours of compensatory time may be accrued by employees engaged in public safety, emergency response, or seasonal work. For all other employees, the limit is 180 hours. An employee must be permitted to use requested compensatory time within a reasonable time after making a request unless use of the compensatory time would unduly disrupt the operations of the employer.

The bill also accommodates several customary employment practices which have proved beneficial to both employers and employees, and relieves employers from the overtime penalty that would otherwise be applicable. Among these are special detail work and other occasional or sporadic work by public employees.

Another matter which governmental entities wanted clarified and which the bill accommodates, is the widespread use of volunteers. The bill expands and codifies existing regulations by providing that even if an individual receives reasonable benefits or a nominal fee, or a combination of both, for services performed, the individual will still be considered a volunteer. Also, a public employee may provide volunteer services for a different public employer, or for the employee's own employing agency but in a different job capacity.

Finally, the bill removes a liability that could have been imposed pursuant to the Garcia decision because employers relied on a previous Supreme Court ruling—National League of Cities versus Usery—which exempted them from FLSA coverage. States and localities engaged in traditional governmental functions such as schools, hospitals, fire prevention, police protection, sanitation, public health, parks and recreation, libraries, museums, and so forth, are relieved of overtime liability until April 15, 1986. This gives those entities 5½ months to adjust to the requirements of the FLSA, as modified by this legislation, and to make any necessary management decisions as to future personnel allocations, particularly as they relate to police and fire personnel. Furthermore, actual payment of monetary overtime may be delayed until August 1, 1986, in recognition of the fact that the fiscal years of State and local governments are not uniform. Also, in recognition of pending litigation, the bill does not affect whether employees of State and local governments who are engaged in nontraditional functions, as defined by the Secretary of Labor, are covered prior to April 15, 1986.

Mr. Speaker, overall, this legislation represents a reasonable resolution to some difficult and complex employment problems that were raised by the Garcia decision. It will give States and localities the flexibility they need to operate, and provide public employees with meaningful FLSA protection. It also provides flexibility in other areas such as volunteer services and the ancillary activities and work of public employees. More importantly, it will prevent any undue hardships being placed upon State and local governments. Yet it will maintain wage and hour standards for the employees who perform the necessary, and often life-threatening, services for those jurisdictions. I wholeheartedly recommend this legislation to the House, and urge its unanimous adoption.

Mr. JEFFORDS. Mr. Speaker, I yield 8 minutes to the gentleman from Texas [Mr. BARTLETT].

Mr. ROTH. Mr. Speaker, will the gentleman yield?

Mr. BARTLETT. I yield to the gentleman from Wisconsin.

Mr. ROTH. Mr. Speaker, I want to compliment all the Members who have worked so hard on this particular piece of legislation on both sides of the aisle.

Ever since February 19 when the Supreme Court ruled in Garcia versus San Antonio Metropolitan Transit Authority, we have known action must be taken by Congress. It is our duty to act responsibly and quickly to ensure continued flexibility in State and local employment practices. I strongly support H.R. 3530, which would rectify the current situation.

This legislation is a fair compromise that recognizes the unique role of State and local governments in providing services and the need for flexibility in compensating employees. Congress has the opportunity today to take a meaningful stance, not just a symbolic gesture, to stop the encroachment of Federal regulations where they serve no useful purpose.

Without this legislation, the Department of Labor will shortly start enforcing compliance to the Supreme Court ruling. I have heard from a number of towns and cities throughout my district in Northeast Wisconsin. I strongly sympathize with their plight. As they try to balance their own budgets, the Federal Government, which can't even balance its budget, steps in and orders them to abrogate standing contracts in favor of more costly alternatives.

If I might quote from a recent letter I received from the village president of Black Creek, WI:

> It would greatly increase costs for Wisconsin's already tax-burdened urban communities. In Black Creek alone, population 1,097, this provision could amount to well over a $5,000-a-year increase in costs or a severe cutback in services.

This has become a pressing fiscal issue for subunits of government. State and local entities across the United States, big and small alike, will face an exorbitant increase in costs. Services will have to be cut. Taxpayers will suffer unnecessarily.

I represent a rural district and I am particularly concerned that the "redefinition" of volunteers will make them too costly to use. We would be forced to neglect a vital resource at a time when we need it most.

It comes down to Federal Government interference in a State and local matter. State and local governments long ago came up with a unique method to suit their peculiar needs and to fill the services required of them. We should allow them to continue this role unhindered. This legislation represents a commitment to federalism because it returns to State and local governments responsibilities which are rightfully theirs.

Congress must stand tall on this matter. I commend the members of the Education and Labor Committee for putting this bill on a fast track. I urge my colleagues to follow the bipartisan lead of the committee and support H.R. 3530.

Mr. BARTLETT. I thank the gentleman for his kind words, and perhaps we will start a new trend with this legislation in Congress for the rest of the session.

Mr. Speaker, I rise in strong support of H.R. 3530. Let me begin by commending the extraordinary efforts that have been made in a bipartisan way on this bill by members of the Committee on Education and Labor and, indeed, by a large number of Members of Congress on both sides of the aisle. In particular, the chairman of the Committee on Education and Labor, the gentleman from California [Mr. HAWKINS] has been extraordinary in his fairness and his evenhandedness in his efforts to bring this bill to the floor, and the subcommittee chairman, the gentleman from Pennsylvania [Mr. MURPHY], for whom I have a great deal of respect, who was instrumental in the success of the passage of this legislation, together with the ranking Republican on the Committee on Education and Labor, the gentleman from Vermont [Mr. JEFFORDS], and the ranking Republican on

the subcommittee, the gentleman from Wisconsin [Mr. PETRI].

It has been through that good will we have arrived at a reasonable and equitable solution today that is equitable for all persons involved. There was potential on this issue all along for resulting in a great deal of disruption and a lack of agreement, and there was the potential always that Congress would choose to do nothing, and choosing to do nothing would have been very disruptive to the lives of public employees and taxpayers around this country.

It is to the credit of the gentleman on both sides of the aisle that Congress has chosen to take reasonable steps forward.

I also would take a minute to commend the various people who have been involved in this legislation from around the country and from Texas: The Texas Municipal League, the National League of Cities, various employee groups, both union and nonunion, around this country who have contributed to the action we take today.

It seems to me that today's bill in H.R. 3530 provides for the rights of two groups of people. No. 1, it provides for a restoration of the rights of public employees who have been accustomed to traditional rights as public employees that would have been denied to them by Garcia, and it also is combined with the rights of taxpayers to municipal services and to being able to set their own priorities.

Public employees have had the traditional rights of compensatory time, volunteer time, and trading shifts. I have heard, as every Member has, I think, from public employees from around this country, from police officers and firefighters, who would say, "We very much want to retain that right to be compensated with compensatory time off later in exchange for overtime work that we do today." I heard from State workers in a mental health hospital who have gotten accustomed to and who want to continue to provide volunteer work on the weekends for the benefit of their clients and the patients at that State hospital, and this bill provides for those rights to continue.

We also, I think, are all familiar with the rights of taxpayers. Had this bill not been passed, the taxpayers for State and municipal governments around this country would have been socked with bigger bills, with lowered services, and no one would have won. It is estimated that some $2 to $3 billion in budget adjustments would have been made total around this country. In the city of Dallas, alone, the tab would have been $1.6 million in additional costs, with no additional services; in fact, with reduced services. Some cities were required to institute layoffs and others are considering similar action.

Mr. Speaker, the city of Fort Worth estimated that their cost would be $980,000, and in Garland, TX, $200,000 to $400,000, in Irving, $746,000, in Amarillo, $790,000, and that is after a reduction of personnel hours.

So this bill provides for the rights both of public employees and of taxpayers who pay the tab.

Mr. Speaker, it might be helpful just to detail a few of the major provisions of this bill. First, it provides that compensatory in lieu of overtime wages for State and local employees would be permitted under the FLSA. That would be authorized either by collective bargaining agreement or by any sort of memorandum of understanding, including simply an employee notification at the time of hiring. It is provided at the rate of 1½ hours for each hour worked.

□ 1300

It provides for an effective date which would allow employers time to develop adequate procedures and realistic budgets so the liability would not begin until April 15, 1986.

The bill would specify that a public employer may not discriminate against an employee who has asserted the right to coverage under the Fair Labor Standards Act, but the bill does not address at all those actions taken to comply with Garcia which do not relate to discrimination, and I think that is an important point.

The bill provides for exemptions from overtime provisions under certain precise details for volunteers, whether it is within the same agency or in a different agency so long as the service is not the same as the regular work performed in their regular job.

It provides that law enforcement personnel and firefighters who voluntarily agree to special detail assignments, or who wish to trade shifts would be permitted to do that.

It provides that public employees who voluntarily agree to work in a different capacity from their regular jobs be permitted to do that.

This in so many ways adds to the rights of public employees.

Mr. Speaker, in conclusion, I would relate a story. There was a tragic airline accident in the city of Dallas at DFW Airport this summer right in the middle of the Garcia controversy in Dallas County. There were over 100 fatalities involved. The sheriff of Dallas County tells me he went out to the airline tragedy and found his deputies, who had at that point voluntarily arrived on the scene to help take care of some 34 seriously injured personnel, and to help with that tragedy. And he had the unfortunate job of telling his deputies, face to face, one to one, that they could not continue to help the people that needed help in this airline tragedy.

His deputies looked at the sheriff and said: "Sheriff, if the Garcia decision, whatever that is, if the Federal Government says that as a deputy sheriff, and as a human being, I cannot come to this airport and help people who need my help, then you can take my badge and my resignation right now." As one deputy put it, "People need help, and I am here to help them."

I took that mandate to heart, as I think many Members of Congress did. Public employees are in public service because they want to help people.

Congress, by the enactment of H.R. 3530, will allow that service to continue to happen.

I thank the gentleman for yielding.

Mr. MURPHY. Mr. Speaker, during the days of pressure in September and October when so many Congressmen from around the country were being pressured on this issue, we reached out to many Members of Congress, and the Appropriations Committee and its chairman were so helpful, we reached out to many other Members of Congress to ask us to preserve the jurisdiction of the Education and Labor Committee. This was our problem, we were wrestling with it.

We did come up with a solution, and I want to say that one of the gentlemen we reached out to, and he assisted us in his efforts with other members of the committee so that our committee could complete its work, was the gentleman from Oklahoma [Mr. JONES].

Mr. Speaker, I yield 3 minutes to the gentleman from Oklahoma [Mr. JONES].

Mr. JONES of Oklahoma. Mr. Speaker, action today on H.R. 3530 marks an historic achievement by State and local governments, labor organizations, other non-Federal public agencies, and Congress.

The very fact that we have a bill before us today defies the wisdom of pundits who just a month ago saw insurmountable rifts between public agencies and their employees, between ideologues on the two extremes of the political spectrum, between the rights of the American taxpayer and the rights of the public employee.

Through the determined leadership of employee organizations and the State and local government associations, and through the laudable flexibility exhibited by Labor Secretary Bill Brock, who worked very closely with the States to reach today's result, the apparently insurmountable obstacles were overcome.

Finally, I want to thank the chairman of the subcommittee, the gentleman from Pennsylvania [Mr. MURPHY] for all the assistance he afforded me

after I drafted the Oklahoma delegation's Garcia bill.

We introduced the bill on October 2, and within a week the chairman's staff had worked with the principal participants to come up with this approach. Because of his leadership, the anticipated congressional fight was resolved through patient negotiation. This is particularly important to my State of Oklahoma. Our State's economy is depressed and that has had a depressing effect on commerce all over Oklahoma. The Garcia decision would have been devastating to local government in Oklahoma.

Passage of this legislation provides security for State and local governments and American taxpayers, and fairness for their employees. I urge its adoption.

Mr. JEFFORDS. Mr. Speaker, I yield 2 minutes to the gentlewoman from Nebraska [Mrs. SMITH].

Mrs. SMITH of Nebraska. Mr. Speaker, I am glad that this body has so quickly and effectively addressed the problems caused by the Supreme Court's February 19 Garcia decision by bringing forth H.R. 3530, the Fair Labor Standards Amendments of 1985.

The Court's ruling, which rendered compensatory time off for State and local public employees nearly useless, has been nothing but a disaster in my home State of Nebraska.

Workers have been layed off, county and city budgets have been strained, and my constitutents have been staring at the prospects of higher local taxes or reduced public services.

I introduced legislation, H.R. 3237, to mitigate these harmful effects of Garcia, and many of my colleagues helped to force action in this Chamber by cosponsoring H.R. 3237.

The bill before us now reflects a good, workable, compromise solution to this problem. H.R. 3530 would give employers the option of granting employees time-and-a-half overtime pay or compensatory time off at this same rate. Seasonal, emergency, and public safety employees could bank up to 480 hours of "comp time" before cash overtime pay would be required, all other employees could bank up to 180 hours.

I don't like H.R. 3530 quite as much as a bill passed by the other Chamber last week which lets all workers bank up to 480 hours of "comp time," but all in all H.R. 3530 is a good bill and I urge its support.

Mr. MURPHY. Mr. Speaker, at this time I submit for the RECORD two letters in support of this compromise, one from the American Federation of Labor, which speaks for the labor delegates who met with the municipal bodies, and the other addressed from the various representatives of the League of Cities National Legislative Association.

OCTOBER 17, 1985.

Mr. AUSTIN J. MURPHY,
Chairman, Subcommittee on Labor Standards, Rayburn House Office Building, Washington, DC.

DEAR MR. MURPHY: The National Association of Counties, National Conference of State Legislators, National League of Cities and U.S. Conference of Mayors commend you for the leadership you have shown in resolving the difficulties faced by state and local governments across the nation as a result of the Supreme Court's decision in the Garcia v. the San Antonio Mass Transit Authority case.

The legislation you have introduced, H.R. 3530 provides a solution to the problems created by Garcia which is balanced and equitable for all parties. It maintains the principles of the Fair Labor Standards Act and at the same time recognizes the special circumstances faced by public employers and public employees.

Be assured that you have the strong support of all of our organizations for your bill and that we will provide whatever assistance is needed to achieve its passage in its current form.

Sincerely,

John J. Gunther, executive director, U.S. Conference of Mayors; Matt Coffey, executive director, National Association of Counties; Alan Beals, executive director, National League of Cities; Earl Mackey, executive director, National Conference of State Legislators.

AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS,
Washington, DC, October 18, 1985.

DEAR REPRESENTATIVE: On behalf of the AFL-CIO, I urge your support for H.R. 3530, the Fair Labor Standards Amendments of 1985. The bill has received the bipartisan and unanimous support of the Labor Standards Subcommittee of the Committee on Education and Labor, and it is scheduled for markup in the full Committee next Wednesday, October 23. It is our hope that this legislation will now obtain the approval of the full committee, without substantive change. Floor action is anticipated before the end of the month.

In the AFL-CIO's judgment, H.R. 3530 reflects a carefully balanced approach that resolves the questions raised by the U.S. Supreme Court's decision in Garcia v. San Antonio Metropolitan Transit Authority. The bill preserves the integrity of the Fair Labor Standards Act which is so vital to the interests of employees while addressing the concerns of public employers.

The AFL-CIO, therefore, encourages you to cosponsor the bill and to suppport passage of the bill in its present form.

Sincerely,

RAY DENISON,
Director, Department of Legislation.

Mr. Speaker, with regard to the concern stated by the ranking member of the Education and Labor Committee to section 8, I agree that it does pose some bit of a problem. However, we felt that that section was rather necessary in that since the Garcia decision, until now, that we are relieving the municipalities of total responsibility for liability, financial responsibility up until next April, and we felt that if any employee happened to mention to his supervisor or someone else in the course of his daily employment inquiring about his rights, that no retaliatory action should be taken. And we think now with the delay in the effective date there would be plenty of time for municipalities to fully adjust.

I also in closing would like to mention that we appreciate the real efforts on behalf of the gentleman from Vermont [Mr. JEFFORDS], the gentleman from Wisconsin [Mr. PETRI], and the gentleman from Texas [Mr. BARTLETT], and the constant attention they showed to this problem over the past 3 months. And I thank Secretary Brock for meeting with us. The Members will recall that he relieved us of the pressure of the Department of Labor in forcing the particular aspects of the Garcia case until November 1 of this year.

I might say that today we officially asked the Secretary to give us a few more days. We may not be able to get the President to sign this bill by November 1, and if Secretary Brock will grant us another week or so, I am sure that we can send down to his Department a measure that he has certainly been helpful in passing.

With that, Mr. Speaker, I yield back the balance of my time.

Mr. JEFFORDS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, first I would agree with the statements made by the gentleman from Pennsylvania. But I would like to amplify to ensure that we understand each other with respect not to individuals, but as to a general application.

Mr. Speaker, as I mentioned in my statement, some jurisdictions have responded to the Garcia decision by reducing wage rates across the board. I inquired of the Solicitor of Labor as to whether this would constitute discrimination under section 8 of the bill before us.

The Solicitor responded, in pertinent part, and I will include the whole letter in the RECORD:

At some time after the effective date of the amendments effected by H.R. 3530, the employer decides to reduce its total cost of compensation for labor to an amount approximately equal to the amount which would have been expended had the employer never commenced making cash overtime payments. Under the circumstances of this employer's wage structure, it could achieve this objective by reducing the base wage rate of employees, while continuing to comply with the provisions of section 6 (relating to the minimum wage) and the provision of section 7 as that section existed prior to the currently contemplated amendments. The contemplated rate reduction would be made systematically in the wages of all employees, and would constitute a reduction for all purposes of the wage rate previously in effect. You question whether such a reduction would, under the provisions of section 8, be held to constitute a violation of section 15(a)(3) of the act.

Based on the facts set forth above, and in the absence of other significant facts, it is my opinion that the wage reduction described would not, in and of itself, involve the application of Section 8, and would thus not be held to constitute a violation of Section 15(a)(3) of the Act.

U.S. DEPARTMENT OF LABOR,
SOLICITOR OF LABOR,
Washington, DC, October 28, 1985.

Hon. JAMES M. JEFFORDS,
U.S. House of Representatives, Washington, DC.

DEAR CONGRESSMAN JEFFORDS: I am writing in reply to your request for an opinion concerning the possible application of Section 8 of H.R. 3530, by which it is proposed to amend the Fair Labor Standards Act, to a particular factual situation more fully described below.

Section 8, relating to discrimination, provides:

"A public agency which is a State, political subdivision of a State, or an interstate governmental agency and which discriminates or has discriminated against an employee with respect to the employee's wages or other terms or conditions of employment because on or after February 19, 1985, the employee asserted coverage under section 7 of the Fair Labor Standards Act of 1938 shall be held to have violated section 15(a)(3) of such Act."

As I understand the situation which is of concern to you in this connection, the question arises with respect to a public employer to which, prior to February 19, 1985, the provisions of the Fair Labor Standards Act were inapplicable by virtue of the doctrine of *National League of Cities*, and which has, during some portion or all of the period since February 19, 1985, been paying overtime compensation, in cash, to employees, in compliance with the requirements of Section 7 of the Fair Labor Standards Act of 1938. The employer has done so without being bound by the terms of a collective bargaining agreement to do so, and without other legal compulsion beyond the requirements of the Act. At some time after the effective date of the amendments effected by H.R. 3530, the employer decides to reduce its total cost of compensation for labor to an amount approximately equal to the amount which would have been expended had the employer never commenced making cash overtime payments. Under the circumstances of this employer's wage structure, it could achieve this objective by reducing the base wage rate of employees, while continuing to comply with the provisions of Section 6 (relating to the minimum wage) and the provisions of Section 7 as that section existed prior to the currently contemplated amendments. The contemplated rate reduction would be made systematically in the wages of all employees, and would constitute a reduction for all purposes of the wage rate previously in effect. You question whether such a reduction would, under the provisions of Section 8, be held to constitute a violation of Section 15(a)(3) of the Act.

Based on the facts set forth above, and in the absence of other significant facts, it is my opinion that the wage reduction described would not, in and of itself, involve the application of Section 8, and would thus not be held to constitute a violation of Section 15(a)(3) of the Act.

I trust this is responsive to your inquiry. If I can be of further assistance, please feel free to call upon me.

Sincerely,

FRANCIS X. LILLY.

Again, I want to commend all of the people involved with this for bringing forth a speedy and equitable reconciliation of these very difficult problems.

Mr. DAUB. Mr. Speaker, I rise in support of H.R. 3530, a bill that will ease the effects of the Supreme Court's decision in Garcia versus San Antonio Metropolitan Transit Authority that requires State and local governments to comply with the overtime provisions of the Fair Labor Standards Act. I am a cosponsor of this important legislation and, in fact, introduced a similar measure on September 4, 1985.

The National League of Cities and the International Cities Managers Association have estimated that compliance with Garcia would cost $1 billion for the coming year. For fire protection service alone, the city of Omaha, NE, predicts the additional cost of overtime would be $370,000 for the coming year.

Without this legislation, flexible and innovative employment practices—many of which are negotiated between local governments and municipal workers' unions—will no longer be possible. Additionally, H.R. 3530 will resolve the problems that the Garcia decision created for individuals who volunteer their time to State and local governments.

I urge expedited action on H.R. 3530 and companion legislation in the other body (S. 1570) to resolve confusion that the Supreme Court's decision has created for State and local governments.

Mr. FRENZEL. Mr. Speaker, H.R. 3530 is a bill which must be promptly passed to negate some of the worst effects of the Garcia case.

The bill is not the best solution. The committee could have done a better job by adopting any one of several proposals to reverse the Garcia decision. H.R. 3530 gives only partial refief.

Nevertheless, the Garcia problem is so severe for our local governments that we must pass this partial solution. H.R. 3530 is the only relief the committee will give us. We have no choice but to accept it.

Perhaps the Senate will do better. I hope so. Our local governments deserve the maximum flexibility so that they can give maximum service for a minimum tax cost.

For now, we must pass H.R. 3530.

Mr. FUQUA. Mr. Speaker, I rise in support of H.R. 3530, the Fair Labor Standards Amendments, of which I am a cosponsor. This measure is of critical importance to the communities in the Second Congressional District of Florida, which I am privileged to represent.

The Garcia ruling may place a burden on New York and Los Angeles. For the cities and towns in my district, it is catastrophic in its implications. These communities simply cannot afford to pay time-and-a-half for overtime work, particularly for the police and fire personnel. It could lead to serious financial burdens and inadequate protection for the people.

H.R. 3530 gives communities a choice of either cash or compensatory time off. This is fair and equitable to all. Police officers and firefighters deserve recognition for the extra hours their particular jobs require. They should receive some form of compensation. It will now be up to each community to decide whether or not they can afford a cash outlay or permit these people additional time off.

I believe H.R. 3530 is good legislation and I commend the Education and Labor Committee for bringing the bill to the House floor in a timely manner. This legislation deserves our support and our vote today to end the confusion and disarray caused by Garcia. I urge my colleagues to join me in support of H.R. 3530.

Mr. MARTINEZ. Mr. Speaker, I rise in strong support of H.R. 3530, the Fair Labor Standards Amendments of 1985.

I would like to offer a perspective I am sure is shared by those of us who have served our communities on a local level, regarding the Garcia decision. Local governments have always been limited in their abilities to provide services to their communities. They are dependent upon both their tax base and their share of funds that come from State and local taxes, and these moneys collected directly determine the level of services provided to their communities. Local governments have to be very frugal in both their outlays for salaries and administrative costs and in the services they provide such as police and fire protection, street and sewer maintenance, recreation and parks, library services, and the many other services that make a community liveable. Often forgotten is the difference between companies engaged in private enterprise and local governments. Businesses can always add on the extra administrative costs incurred into the price of product and still maintain a profit margin, but cities don't have this luxury. They are always limited by the revenues collected, and are hard pressed to maintain adequate levels of service to their community in the best of times. When extra expenses are added on to their budgets, services are often cut, and, in the end, the community which the local government serves loses.

This necessity for local governments to be good money managers has restricted the amount of overtime that cities could pay its workers. Most employee groups, to their credit, have recognized the special circumstances which local governments face, and have agreed to take comp time in lieu of pay for extra hours worked in order to keep community services at an adequate level. In fact, many employees such as police and firefighters in my home State of California have actually come to prefer having comp time instead of overtime pay for those extra hours worked. To them, the extra time to spend on projects that benefit themselves, their homes, their future and their families, are more important than the cash they could earn.

These employee groups and local governments have negotiated comp time provisions into their contracts to the benefit of the employee, the local government, and ultimately, the community in general. These agreements for comp time have worked

well, and I am pleased to see that H.R. 3530 will allow this practice to continue.

Another related aspect which I am pleased to see included in H.R. 3530 is the allowed deferment until August 1, 1986 for local governments to pay employees for the overtime pay earned as a result of the Garcia decision after April 15, 1986. Again, local governments are limited in the amounts of revenue it can raise, and the overtime pay owed after April 15, the effective date of H.R. 3530, would saddle local governments with an extra burden in the middle of fiscal year. This delay will allow local governments to adequately figure in the extra costs of the Garcia decision into its 1987 budgets without unfairly having the extra cost placed on its 1986 budgets which have already been allocated and have little flexibility for new costs. This delay until August 1 will not allow local governments to back away from their obligations to employees, but rather ensure the local governments will continue to maintain those necessary city services, budgeted on July 1, 1985, throughout the 1986 fiscal year. Local governments make a commitment every year on July 1 to provide services at certain levels for 12 months, and I am glad to see, with this deferment, that local governments will be able to honor this commitment without an extra burden in the middle of the year.

In conclusion, I am pleased that the compromise between local governments and organized labor has been worked out, and I urge my colleagues to vote for H.R. 3530.

Mr. GILMAN. Mr. Speaker, I rise in strong support of H.R. 3530, legislation that would change overtime benefits for State and local government employees. I commend the gentleman from Pennsylvania [Mr. MURPHY], for introducing this bill which will provide an equitable and reasonable solution to the problem of how best to comply with the recent Supreme Court decision, Garcia versus San Antonio Metropolitan Transit Authority (February 1985).

In the Garcia case, the Supreme Court ruled that overtime pay requirements of the Fair Labor Standards Act apply to State and local employees. Interpretations of previous decisions affirming State authority over functions not specifically reserved for Congress had exempted State and local public employers from the act's purview. State and local government officials estimate the compliance cost of the Garcia decision at over $1 billion.

H.R. 3530 would ease the impact of the Court ruling by deferring public employer liability for overtime and related paperwork violations of the Fair Labor Standards Act until April 15, 1986, for those public employees affected by the Garcia decision, and by permitting employees to substitute compensatory time for overtime payment at a rate of 1½ hours per hour worked. Certain limits shall be placed on accrued compensatory hours, with cash compensation for overtime after those limits are reached.

This bill is the result of negotiations conducted in September between labor unions representing public employees, and public employer organizations, including the U.S. Conference of Mayors, the National League of Cities, and the National Association of Counties. The Congressional Budget Office estimates that no costs would be associated with enactment of H.R. 3530. This bill enjoys wide bipartisan support, as well as the support of the administration. Indeed, the Labor Department had intended to start implementing the decision on October 15, but Labor Secretary William E. Brock III has postponed the enforcement date to November 1 to give us in Congress time to enact legislation which will comply with the Garcia decision.

I am confident that this bill will be mutually beneficial to the employees and employers affected, for it allows workers the freedom to receive deserved compensation in the manner they prefer while reducing the compliance cost of the Supreme Court ruling for public employers. Many of the hard-working people employed by our State and local governments value their private time more than the overtime pay they could earn. For example, I was recently contacted by a policewoman in my district who urged me to support H.R. 3530. She told me that she would much rather give back to her twin babies the time she spent away from them than to receive any extra pay. I believe that the countless other public workers who feel as this employee does should have the option of taking compensatory time, in lieu of overtime pay. Accordingly, I urge my colleagues to join me in supporting H.R. 3530, to allow public employees to substitute compensatory time for overtime pay and to defer public employer liability for overtime until April 15, 1986.

Mr. BONKER. Mr. Speaker, last February's Supreme Court decision in Garcia against San Antonio, while addressing a serious labor concern, created a potentially devastating financial situation for State and local governments around the country. The decision that employees of State and local governments were not only entitled to overtime wages, but were entitled to these wages effective the date of the court's decision, February 16, 1985, would have created a situation of serious economic distress for municipalities nationwide.

Congress has acted swiftly to develop a compromise solution to this problem that balances the economic concerns of the governments with the need for fairness and adequate compensation for our public employees. Congressman MURPHY's bill, H.R. 3530, which I strongly support, provides State and local governments with an alternative to strict cash compensation for overtime work. Up to a certain point, they may offer compensatory time at the rate of time-and-a-half for overtime hours worked. This will become effective April 15, 1986, to allow local government units to make necessary adjustments.

I believe all sides can be pleased by this compromise solution, which provides local public employees with the financial flexibility necessary to adequately provide the services unique to local governments. It also responds to the compensation needs of public employees like police and firemen whose jobs require demanding, unpredictable hours.

It is not often in Congress that we are able to reach a compromise that truly represents a good solution for all sides. This is one of those rare instances, and I commend all the members of the committee, affected labor groups, and local government units who worked so hard to make this compromise a reality.

Finally, I would like to commend the Department of Labor their willingness to postpone enforcement of the Supreme Court Garcia decision until Congress had an opportunity to develop a solution, and I urge the President to sign this legislation into law without delay.

Mr. ECKART of Ohio. Mr. Speaker, I support H.R. 3530, the Fair Labor Standards Amendments of 1985, and commend my colleagues on the Education and Labor Committee for their excellent work on this matter.

Following the Supreme Court's February decision in the Garcia versus Samta case, I received many calls and letters from municipal governments throughout the State of Ohio that this ruling would have an extremely adverse impact on their budgets. The Court's decision overruled its 1976 opinion that congressional inclusion of State and local employees under the requirements of the Fair Labor Standards Act was unconstitutional. In its February decision in Garcia, the Court found that the 1974 FSLA amendments passed by the Congress were indeed not unconstitutional and ruled that all State and local governments must pay their workers overtime for the extra hours of overtime they worked.

The Department of Labor, shortly following this decision, announced that it would begin enforcing the Court's decision by October 15th of this year and would determine these governments liable for overtime pay as far back as April 15th of this year. Given that the Court's decision was only handed down in February, this action by the administration was unduly harsh. Even in 1974, when Congress first brought State and local employees under the FSLA, it granted the governments 2½ years to come under compliance with the new law. This swift action by the Reagan administration, following the Garcia decision, only served to increase alarm among the municipal governments that their budgets would be severely damaged by this ruling.

But, thanks to the members of the Education and Labor Committee, who worked closely with our colleagues across the Hill, this impending crisis has been averted. H.R. 3530 properly addresses the concerns of these State and local governments while ensuring that their employees are properly compensated for the extra hours they put into their work. In addition, the legislation gives these governments sufficient time to reallocate their resources to comply with this new requirement.

I urge my colleagues to swiftly approve this legislation, which both protects the rights of our State and local workers while

addressing the concern of these governments.

Mr. AUCOIN. Mr. Speaker, I rise in strong support of H.R. 3530, amending the Fair Labor Standards Act. I want to commend the members and staff of the House Labor Standards Subcommittee, and in particular my friends Congressman MURPHY, the subcommittee chairman, Congressman HAWKINS, chairman of the Education and Labor Committee, and Congressmen BARTLETT and JEFFORDS for their hard work and their willingness to listen to all sides in this complex issue.

I believe Congress has tackled a complex and controversial issue and come up with a workable compromise. That doesn't seem to happen often enough in Washington.

Mr. Speaker, last spring when the Supreme Court made its now famous Garcia ruling, the local government employees must be covered by the Fair Labor Standards Act, it was hailed by those who felt local government employees deserved the same rights and protections that both Federal workers and those in the private sector enjoy. However, local governments began assessing the costs of these new statutes, which denied the use of compensatory time for payment of overtime hours worked, and realized that they would either have to cut services or raise taxes in order to meet these new labor costs for which no money had been budgeted.

In Oregon this decision was met with almost universal opposition. Although most Oregonians agreed that local government employees throughout the country deserved the protections of the Fair Labor Standards Act, these protections were redundant and unnecessary in Oregon, which has very strict State labor laws. Local government employees in Oregon felt that this decision denied them the benefits which they had agreed to in collective bargaining negotiations, including the right to be "paid" in comp-time, rather than in cash, for overtime hours worked. This is an arrangement which can be very beneficial to some employees, and they wanted to continue to have this option available. Local governments agreed that because the pay and overtime contracts with employees had been agreed to under collective bargaining arrangements, there was no need for the Federal Government to intercede in these mutually agree upon contracts.

With the tremendous Federal deficit now crippling our economy, the Federal Government is being forced to cut back on programs that assist State and local governments. This is hard enough on local governments without the added expense which the Garcia decision created. It is no wonder that many of the cities and counties in my congressional district felt frustration over this situation. I heard from the mayors of Tigard, Newberg, Astoria, North Plains, Portland, Sherwood, Columbia City, and Hillsboro. I also heard from county commissioners in Yamhill, Clatsop, and Tillamook Counties. The Garcia decision also offended fire fighters, both paid and volunteers. I was informed of the adverse effects of this decision on fire departments by the Tualatin Rural Fire Protection District and the Washington County Fire District No. 1.

The Garcia decision denied workers in Oregon some of their collective bargaining rights, and substantially increased the cost to local governments.

Although this legislation before us does not rescind the Garcia decision, it does address the major concerns raised by these local government officials and their employees. The issue of "comp time" has been resolved, as has the controversial aspect of retroactive liability. The confusion over what constitutes a "volunteer" has also been cleared up. These were the major stumbling blocks which Chairmen MURPHY and HAWKINS had to contend with, and 6 months ago it looked as though a consensus would never be reached. However, it is a tribute to their hard work, and to the hard work of the representatives of both the local governments and the employee unions that we have before us a bill which both sides have unanimously endorsed. Although neither side is completely satisfied with this legislation, the fact that it is endorsed by the National League of Cities, the National Association of Counties, and the American Federation of State, County, and Municipal Employees of the AFL–CIO shows that it is a genuine compromise in the truest sense of the word.

It is now up to the Department of Labor to assist the local governments with the technical questions which will invariably arise once this legislation becomes law. It is essential that we avoid the confusion, delay, and uncertainty which arose over the Supreme Court's original decision last February. With the implementation of this legislation on April 15, 1986, the Department of Labor has a responsibility to see that local governments have all the necessary information available to them in order to carry out these new statutes. I know the local offices of Federal Wage and Hour are willing to assist local governments with their questions regarding the Fair Labor Standards Act, and am pleased that the Department of Labor has initiated a toll-free number to assist in this process. That number is 1–800–233–3572.

Mr. DASCHLE. Mr. Speaker, I rise today in strong support of H.R. 3530, legislation which would amend the Fair Labor Standards Act and applaud my colleagues on the committee for offering this compromise solution addressing the problems of the Supreme Court decision in the recent Garcia case.

The House of Representatives took an early initiative by approving an amendment on the 1986 Labor Department appropriations bill calling on the Department to suspend enforcement of the Garcia decision pending further congressional action. The Labor Department followed suit by voluntarily agreeing to delay implementation of these standards until we had the opportunity to consider a comprehensive legislative solution. The legislation before us today represents that solution.

H.R. 3530, of which I am pleased to cosponsor, allows for either monetary compensation or compensatory time off for public employees working overtime. It also gives State and local governments until April 15, 1986, to revise personnel practices and exempts volunteers from coverage.

Let me emphasize that this represents a major compromise effort. The bill is the culmination of the efforts of local governmental associations and representatives of public employee unions, among them the National League of Cities, the National Association of Governmental Employees, National Governors' Association, AFSCME, and the Amalgamated Transit Workers, and their willingness to reach an acceptable solution. Because all parties were able to resolve this issue through compromise, it clearly demonstrates the willingness of all sides to avoid what could have resulted in an unnecessary stalemate.

I would ask that a summary of the bill be printed in the RECORD.

I. COMPENSATORY TIME

Public safety, emergency service or seasonal workers may not accumulate more than 480 hours of compensatory time, while other state and local workers may not accumulate more than 180 hours. After these hours have been reached, employees must be paid overtime pay equivalent at least to time-and-a-half. Also, the bill provides for employees to be paid for accrued compensatory time at the time of termination, based on average pay over the past three year time period.

II. SPECIAL DETAIL, OCCASIONAL WORK AND SUBSTITUTION

Special detail, occasional and mutual aid employment for a second employer or in a second capacity will not be considered in calculating overtime pay.

In addition, public employees may substitute for one another without the substitution affecting overtime pay.

III. VOLUNTEER WORK

The bill exempts volunteers from coverage of the Fair Labor Standards Act. Also, it exempts public agencies from violations of minimum wage laws for services performed by volunteers before April 15, 1986.

IV. LEGISLATIVE EMPLOYEES EXEMPTIONS

State and local legislative employees, except library employees, are exempt from coverage.

OTHER PROVISIONS

The bill allows public employers to defer monetary overtime compensation for hours worked after April 15, 1986, until August 1, 1986.

It also bars discrimination against any employees who may have asserted coverage under the FLSA overtime provisions.

I would urge this body to approve this vitally important legislation and end the uncertainty which has resulted from the Garcia decision.

Mr. JEFFORDS. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Pennsylvania [Mr. Murphy] that the House suspend the rules and pass the bill, H.R. 3530, as amended.

The question was taken; and (two-thirds having voted in favor thereof)

the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

Mr. MURPHY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 1570) to amend the Fair Labor Standards Act of 1938 to provide rules for overtime compensatory time off for certain public agency employees, to clarify the application of that act to volunteers and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 1570

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE; REFERENCE TO ACT

SECTION 1. (a) SHORT TITLE.—This Act may be cited as the "Fair Labor Standards Amendments of 1985".

(b) REFERENCE TO ACT.—Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be a reference to a section or other provision of the Fair Labor Standards Act of 1938.

COMPENSATORY TIME

SEC. 2. (a) COMPENSATORY TIME.—Section 7 (29 U.S.C. 207) is amended by adding at the end the following:

"(o)(1) Employees of a public agency which is a State, a political subdivision of a State, or an interstate governmental agency may receive, in accordance with this subsection and in lieu of overtime compensation, compensatory time off at a rate not less than one and one-half hours for each hour of employment for which overtime compensation is required by this section.

"(2) A public agency may provide compensatory time under paragraph (1) only—

"(A) pursuant to—

"(i) applicable provisions of a collective bargaining agreement, memorandum of understanding, or any other agreement between the public agency and representative of such employees; or

"(ii) in the case of employees not covered by subclause (i), an agreement or understanding arrived at between the employer and employee before the performance of the work; and

"(B) if the employee has not accrued compensatory time in excess of the limit applicable to the employee prescribed by paragraph (3).

In the case of employees described in clause (A)(ii) hired prior to April 15, 1986, the regular practice in effect on April 15, 1986, with respect to compensatory time off for such employees in lieu of the receipt of overtime compensation, shall constitute an agreement or understanding under such clause (A)(ii). Except as provided in the previous sentence, the provision of compensatory time off to such employees for hours worked after April 14, 1986, shall be in accordance with this subsection.

"(3)(A) No overtime compensation in the form of compensatory time off may be accrued by any employee of a public agency which is a State, a political subdivision of a State, or an interstate governmental agency, in excess of 480 hours for hours worked after April 15, 1986. Any such employee who, after April 15, 1986, has accrued 480 hours of compensatory time off shall, for additional overtime hours of work, be paid overtime compensation.

"(B) If compensation is paid to an employee for accrued compensatory time off, such compensation shall be paid at the regular rate of compensation earned by the employee at the time the employee receives such payment.

"(4) An employee who has accrued compensatory time off authorized to be provided under paragraph (1) shall, upon termination of employment, be paid for the unused compensatory time at the regular rate of compensation earned by the employee at the time the employee receives compensation for overtime.

"(5) An employee of a public agency which is a State, political subdivision of a State, or an interstate governmental agency—

"(A) who has accrued compensatory time off authorized to be provided under paragraph (1), and

"(B) who has requested the use of such compensatory time,

shall be permitted by the employee's employer to use such time within a reasonable period after making the request if the use of the compensatory time does not unduly disrupt the operations of the public agency.

"(6) For purposes of this subsection—

"(A) the term 'overtime compensation' means the compensation required by subsection (a), and

"(B) the term 'compensatory time' or 'compensatory time off' means hours during which an employee is not working and which are not counted as hours worked during the applicable workweek or other work period for purposes of overtime compensation, and for which the employee is compensated at the employee's regular rate.".

(b) EXISTING COLLECTIVE BARGAINING AGREEMENTS.—A collective bargaining agreement which is in effect on April 15, 1986, and which permits compensatory time off in lieu of overtime compensation shall remain in effect until its expiration date unless otherwise modified, except that compensatory time shall be provided after April 14, 1986, in accordance with section 7(o) of the Fair Labor Standards Act of 1938 (as added by subsection (a)).

(c) LIABILITY AND DEFERRED PAYMENT.—(1) No State, political subdivision of a State, or interstate governmental agency shall be liable under section 16 of the Fair Labor Standards Act of 1938 for a violation of section 7 or 11(c) (as it relates to section 7) of such Act occurring before April 15, 1986, with respect to any employee of the State, political subdivision, or agency who would not have been covered by such Act under the Secretary of Labor's special enforcement policy on January 1, 1985, and published in sections 775.2 and 775.4 of title 29 of the Code of Federal Regulations.

(2) A State, political subdivision of State, or interstate governmental agency may defer unti August 1, 1986, the payment of overtime compensation under section 7 of the Fair Labor Standards Act of 1938 for hours worked after April 14, 1986.

SPECIAL DETAILS, OCCASIONAL OR SPORADIC EMPLOYMENT, AND SUBSTITUTION

SEC. 3. (a) SPECIAL DETAIL WORK FOR FIRE PROTECTION AND LAW ENFORCEMENT EMPLOYEES.—Section 7 (29 U.S.C. 207) is amended by adding after subsection (o) (added by section 2) the following:

"(p)(1) If an individual who is employed by a State, political subdivision of a State, or an interstate governmental agency in fire protection or law enforcement activities (including activities of security personnel in correctional institutions) and who, solely at such individual's option, agrees to be employed on a special detail by a separate or independent employer in fire protection, law enforcement, or related activities, the hours such individual was employed by such separate and independent employer may be excluded by the public agency employing such individual in the calculation of the hours for which the employee is entitled to overtime compensation under this section if the public agency—

"(A) requires that its employees engaged in fire protection, law enforcement, or security activities be hired by a separate and independent employer to perform the special detail,

"(B) facilitates the employment of such employees by a separate and independent employer, or

"(C) otherwise affects the condition of employment of such employees by a separate and independent employer.".

(b) OCCASIONAL OR SPORADIC EMPLOYMENT.—Section 7(p) (29 U.S.C. 207), as added by subsection (a), is amended by adding at the end the following:

"(2) If an employee of a public agency which is a State, political subdivision of a State, or an interstate governmental agency undertakes, on an occasional or sporadic basis and solely at the employee's option, part-time employment for the public agency which is in a different capacity from any capacity in which the employee is regularly employed, the hours such employee was employed in performing the different employment may be excluded by the public agency in the calculation of the hours for which the employee is entitled to overtime compensation under this section.".

(c) SUBSTITUTION.—(1) Section 7(p) (29 U.S.C. 207), as amended by subsection (b), is amended by adding at the end the following:

"(3) If an individual who—

is employed by a public agency which is a State, political subdivision of a State, or an interstate governmental agency,

agrees, with the approval of the public agency and solely at the option of such individual, to substitute during scheduled work hours for another individual who is employed by such agency in the same activities, the hours such employee worked as a substitute may be excluded by the public agency in the calculation of the hours for which the employee is entitled to overtime compensation under this section.".

(2) Section 11(c) (29 U.S.C. 211(c)) is amended by adding at the end the following: "The employer of an employee who performs substitute work described in section 7(p)(4) may not be required under this subsection to keep a record of the hours of the substitute work.".

VOLUNTEERS

SEC. 4. (a) DEFINITION.—Section 3(e) (29 U.S.C. 203(e)) is amended—

(1) by striking out "paragraphs (2) and (3)" in paragraph (1) and inserting in lieu thereof "paragraphs (2), (3), and (4)", and

(2) by adding at the end the following:

"(4)(A) The term 'employee' does not include any individual who is a volunteer for a public agency which is a State, a political subdivision of a State, or an interstate governmental agency, if (i) the individual receives no compensation or is paid expenses, reasonable benefits, or a nominal fee to perform the services for which the individual volunteered and (ii) such services are not the same type of services which the individual is employed to perform for such public agency.

"(B) An employee of a public agency which is a State, political subdivision of a State, or an interstate governmental agency may volunteer to perform services for any other State, political subdivision, or interstate governmental agency, including a State, political subdivision or agency with which the employing State, political subdivision, or agency has a mutual aid agreement.".

(b) REGULATIONS.—Not later than March 15, 1986, the Secretary of Labor shall issue regulations to carry out paragraph (4) of section 3(e) (as added by subsection (a) of this section).

(c) CURRENT PRACTICE.—If before April 15, 1986, the practice of a public agency was to treat certain individuals as volunteers, such individuals shall until April 15, 1986, be considered, for purposes of the Fair Labor Standards Act of 1938, as volunteers and not as employees. No public agency which is a State, a political subdivision of a State, or an interstate governmental agency shall be liable for a violation of section 6 occurring before April 15, 1986, with respect to services deemed by that agency to have been performed for it by an individual on a voluntary basis.

STATE AND LOCAL LEGISLATIVE EMPLOYEES

SEC. 5. Clause (ii) of section 3(e)(2)(C) (29 U.S.C. 203(e)(2)(C)) is amended—

(1) by striking out "or" at the end of subclause (III),

(2) by striking out "who" in subclause (IV),

(3) by striking out the period at the end of subclause (IV) and inserting in lieu thereof ", or", and

(4) by adding after subclause (IV) the following:

(V) is an employee in the legislative branch or legislative body of that State, political subdivision, or agency and is not employed by the legislative library of such State, political subdivision, or agency.".

EFFECTIVE DATE

SEC. 6. The amendments made by this Act shall take effect April 15, 1986. The Secretary of Labor shall before such date promulgate such regulations as may be required to implement such amendments.

EFFECT OF AMENDMENTS

SEC. 7. The amendments made by this Act shall not affect whether a public agency which is a State, political subdivision of a State, or an interstate governmental agency is liable under section 16 of the Fair Labor Standards Act of 1938 for a violation of section 6, 7, or 11 of such Act occurring before April 15, 1986, with respect to any employee of such public agency who would have been covered by such Act under the Secretary of Labor's special enforcement policy on January 1, 1985, and published in section 775.3 of title 29 of the Code of Federal Regulations.

DISCRIMINATION

SEC. 8. An employee of a public agency who asserts coverage under the Fair Labor Standards Act of 1938 between February 19, 1985, and April 14, 1986, shall be accorded the same protection against discharge or discrimination as is available under section 15(a)(3) of the Fair Labor Standards Act of 1938.

MOTION OFFERED BY MR. MURPHY

Mr. MURPHY. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MURPHY moves to strike all after the enacting clause of the Senate bill, S. 1570, and to insert in lieu thereof the text of the bill, H.R. 3530, as passed by the House.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title was amended so as to read: "a bill to amend the Fair Labor Standards Act of 1938 to authorize the provision of compensatory time in lieu of overtime compensation for employees of States, political subdivisions of States, and interstate governmental agencies, to clarify the application of the Act to volunteers, and for other purposes."

A motion to reconsider was laid on the table.

A similar House bill (H.R. 3530) was laid on the table.

GENERAL LEAVE

Mr. MURPHY. Mr. Speaker, I ask unanimous consent that all members may have 5 legislative days in which to revise and extend their remarks on H.R. 3530, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

CLARIFYING APPLICATION OF SECTION 2406 OF TITLE 10, UNITED STATES CODE

Mr. ASPIN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3606) to clarify the application of section 2406 of title 10, United States Code, relating to cost and price management, and to delay the effective date of such provision.

The Clerk read as follows:

H.R. 3606

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. AMENDMENT TO SECTION 2406 OF TITLE 10, UNITED STATES CODE, RELATING TO COST AND PRICE MANAGEMENT

Section 2506(c) of title 10, United States Code, as added by section 917 of the Department of Defense Authorization Act of 1986, is amended by adding at the end thereof the following new paragraph:

"(3) Nothing in this section shall require a defense agency to record, in connection with any covered contract, any information referred to in this section if the contractor under such contract does not maintain such information on the effective date of this section.".

SEC. 2. EFFECTIVE DATE.

(a) IN GENERAL.—Section 2406 of title 10, United States Code (as added by section 917 of the Department of Defense Authorization Act, 1986) and the amendment made by section 1 of this Act shall become effective 180 days after the date of enactment of the Department of Defense Authorization Act, 1986.

(b) CONTRACTS TO WHICH APPLICABLE.—Section 2406 of title 10, United States Code, shall be effective with respect to covered contracts (as defined in subsection (a)(1) of such section) entered into by a defense agency (as defined in subsection (a)(2) of such section) on or after the date of the enactment of such section and shall be effective with respect to covered contracts entered into by a defense agency before such date if such contracts have not been completed or otherwise terminated before such date.

The SPEAKER pro tempore. Is a second demanded?

Mr. DICKINSON. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Wisconsin [Mr. ASPIN] will be recognized for 20 minutes and the gentleman from Alabama [Mr. DICKINSON] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Wisconsin [Mr. ASPIN].

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Mr. ASPIN. Mr. Speaker, I would like to explain a little bit about this bill to my colleagues. The bill here before you is the bill to clarify something that will be in the authorization bill before the House tomorrow afternoon. This is a bill that is a freestanding piece of legislation, but what it does is deals with some ambiguities in the legislation which will be before the House tomorrow afternoon, the authorization bill.

That authorization bill contains a section having to do with labor costs. It is a way, to put it in the best language I can, it is getting information from companies to determine whether in fact defense contractors are as efficient as they should be.

The provision in the bill tomorrow afternoon is a provision which was dictated by action on the House and on the Senate floor. The exact same piece of language legislation passed both Houses. It was therefore not subject to any amendment in conference.

We, because of the constraints of the legislation, had to accept exactly the same language in the House; the same language passed the House that passed the Senate; we had to put that language into the conference.

It does contain a number of ambiguities as drawn. It does have a few things that are not exactly clear as to

what was intended. In the report of the managers on the bill, an interpretation was put in that said that this provision shall apply only to future contractors; that was not in the language of the bill; it was in the statement of managers.

The statement of managers' language was, from the point of view of a number of us on this side of the aisle, incorrect. That was not the intent, we thought, of the language as it passed the House; we don't know what happened in the Senate, but it was not the intent of the language.

So there was a statement in the language of the statement of managers which in fact does not correspond to what we thought the bill meant when it passed the House.

To clear up that particular misunderstanding and to clarify two or three other misunderstandings or ambiguities in the bill because we couldn't deal with it in conference in any substantive way, the bill before you is a bill that has come from the House Armed Services Committee, sponsored by me and the gentlewoman from California [Mrs. BOXER] to try and clarify the language in the authorization bill.

It does three things: First, it says that the information required in the authorization bill shall be required 6 months after the date of enactment of the authorization bill. So it establishes the exact date upon which this provision of the bill will take place.

Second, it says that as of that date, all information; existing contracts as well as prospective contracts, that that information is required under the language of the bill.

Third, it clarifies a point by saying, unambiguously, that this information is not required of any corporation doing business with Defense which does not already keep that information now in its records. That was the intention of the authors; it was not quite clear in the language that passed the House and the Senate in the authorization bill.

So it does clarify the language in the authorization bill on three very, very important matters. I, therefore, think it is an important piece of legislation; I think it clarifies the language in the House bill, the authorization bill; it is, I think, going to be beneficial to the people who want this information to have this information clarified.

Yet importantly, I think it is also important to the defense contractors to have this issue clarified. It clearly delineates now who is and who is not required to do what under this provision of the law. Without that, the authorization bill, which comes before the House tomorrow will not be clear on these issues.

Mr. Speaker, I reserve the balance of my time.

Mr. DICKINSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. DICKINSON. Mr. Speaker, as has been pointed out today, we are considering H.R. 3606, a bill to clarify an ambiguity in section 917 of the conference report, S. 1160, the Department of Defense authorization bill for fiscal year 1986.

This provision which relates to the imposition of standard labor hour reporting for defense contractors was one of the amendments offered to the authorization bill which had never been subject to hearings or committee review. I opposed it at the time for that reason, because we did not know what the effect was; we did not know who it would affect; we did not know when the effective date would be; and we were writing new legislation on the floor without really having a feel for the import.

Now, I think it is bad legislation, as I have referred to it before. Since the chairman is still here, let me see if I can clear up something else that is still an ambiguity even in the proposed legislation, and I would like to propound a question to him.

We wrote in the authorization language, after it passed, what I thought was common sense. That is, we are not going to pass legislation that is retroactive in effect, going back to say that over 100,000 contracts now in existence would automatically be subjected to this provision, and which, in effect, would say that each of the contracts would have to be renegotiated with the Defense Department.

This bill that we are considering today says that we are trying to clear this up. So, we are going to wait 6 months, 180 days, and that will be the effective date. Now, we have agreed that that is the impact and the purpose.

My question is, when that 6 months runs, and the effective date is triggered, what does that cover? Does that cover the contracts 6 months back of that time that were in effect when the authorization bill was passed, or does it take effect that date? I would like to establish this for legislative history.

Mr. ASPIN. If the gentleman will yield, my interpretation is that it would cover the contracts in effect as of the date that the provision passes.

Mr. DICKINSON. Six months hence.

Mr. ASPIN. Correct.

Mr. DICKINSON. And not go back 6 months and capture all of those contracts that might have since expired.

Well, I would hope that would be the case, because to do otherwise would certainly be unfair, to make it retroactive in nature; and that is the reason I oppose this.

I would also like to point out, Mr. Speaker, and register a complaint as to how this particular armed services bill, the defense authorization bill, is being handled; which as far as I know is unique. We are told that we have got to come in now and correct an oversight of an amendment that was offered during the floor debate of the authorization bill before we can bring the conference report back and even consider it; we have got to correct what should have been done, and if this does not pass, I gather that we cannot even get the conference report on the authorization bill up tomorrow.

Would the chairman clarify that point? If this should not pass, we will still have the conference report brought up tomorrow, anyway?

Mr. ASPIN. If the gentleman will yield, I believe the answer is "yes," we would have the authorization brought up before. It is important, though, that this matter be clarified before we vote on the authorization bill, because clearly the issues in the authorization bill need to be clarified before they are on the floor; and I think it would not be fair to the Congress to say, "Well, you pass the authorization bill and then we will clarify it in subsequent language." We ought to have the subsequent language and the clarification point out there so that everybody understands what they will be voting on tomorrow.

Mr. DICKINSON. I will say I think it is a very unusual procedure, and I think that the Committee on Armed Services has been the recipient in the last few years of several unique procedures that the other committees have not been subjected to.

I can recall one occasion when we had an authorization bill complete, asking for a rule; they put it on a sidetrack and brought out the appropriations bill to the floor and passed it while we were still waiting to bring our authorization to the floor. That was before the present chairman of the Rules Committee was the chairman.

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But we have been in a number of unusual situations here. For instance, I cannot think of any other committee of the Congress that has had more special conferees upon it to a conference than there were members of the Committee on Armed Services in that conference. We pass a bill, we go to conference with the Senate, and for the past 2 years we have had more, a total of more special conferees than there were members of our committee there. So I really think that we on the Committee on Armed Services have not been in recent times treated fairly in some instances. We certainly have been treated differently from other committees of the Congress.

I would like to see this come to a halt. I do not know how we are going to bring it about in the near future,

but I certainly will work toward that end.

I think the legislation before us should not have been here in the first place. I understand the need to clarify it. Because I opposed it on the floor initially, I do not think we should have fashioned it in the way that we did. This is playing catchup ball, trying to correct it.

Mr. Speaker, I am going to vote against it, but I recognize the fact that it is needed just to clarify what should have been done in the initial instance.

Mr. Speaker, I yield back the balance of my time.

Mr. ASPIN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Wisconsin [Mr. ASPIN] that the House suspend the rules and pass the bill, H.R. 3606.

The question was taken.

Mr. ASPIN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to the provisions of clause 5, rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. ASPIN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill, H.R. 3606.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

THE MISSISSIPPI TECHNOLOGY TRANSFER CENTER ACT OF 1985

Mr. FUQUA. Mr. Speaker, I move to suspend the rules and pass the bill, H.R. 3235, to authorize the Administrator of the National Aeronautics and Space Administration to accept title to the Mississippi Technology Transfer Center to be constructed by the State of Mississippi at the National Space Technologies Laboratories in Hancock County, MS; as amended.

The Clerk read as follows:

H.R. 3235

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. AUTHORIZATION FOR ADMINISTRATOR OF NATIONAL AERONAUTICS AND SPACE ADMINISTRATION TO ACCEPT TITLE TO MISSISSIPPI TECHNOLOGY TRANSFER CENTER.

The Administrator of the National Aeronautics and Space Administration—

(1) may accept title to the Mississippi Technology Transfer Center on behalf of the United States; and

(2) may, subject to the availability of appropriations therefor, enter into an agreement with the Governor of Mississippi with respect to the Center in accordance with the provisions of section 9 of Chapter 170 of the Mississippi General Laws of 1985 (as enacted on April 19, 1985).

SEC. 2 LIMITATION ON APPROPRIATIONS.

This Act does not authorize the enactment of new budget authority for a fiscal year before fiscal year 1987.

SEC. 3. DEFINITION OF MISSISSIPPI TECHNOLOGY TRANSFER CENTER.

For purposes of this Act, the term "Mississippi Technology Transfer Center" means any building and related facilities constructed by the State of Mississippi at the National Space Technologies Laboratories in Hancock County, Mississippi, under section 9 of chapter 170 of the Mississippi General Laws of 1985 (as enacted on April 19, 1985) and designated in accordance with such section as the Mississippi Technology Transfer Center.

The SPEAKER pro tempore. Is a second demanded?

Mr. LUJAN. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Florida [Mr. FUQUA] will be recognized for 20 minutes and the gentleman from New Mexico [Mr. LUJAN] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Florida [Mr. FUQUA].

GENERAL LEAVE

Mr. FUQUA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 3235, the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. FUQUA. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I rise in support of the bill H.R. 3235, to authorize the Administrator of the National Aeronautics and Space Administration to accept title to the Mississippi Technology Transfer Center to be constructed by the State of Mississippi at the National Space Technologies Laboratories in Hancock County, MS.

The bill, H.R. 3235, would authorize the Administrator of NASA to accept title to the Mississippi Technology Transfer Center which will be constructed by the State of Mississippi at the National Space Technology Laboratories in Mississippi.

The State of Mississippi has appropriated $4 million for the building at NSTL with the goal of enhancing economic development, improving the transfer of technology, and generating high technology jobs in the area.

There are no costs to NASA involved in either the construction or operation of the building, because the State has appropriated the funds for the construction and because rents from tenants will cover the expenses of operating and maintaining the building.

The bill was drafted in consultation with the NASA Office of General Counsel and NASA does not oppose it. They have suggested a minor amendment which the committee adopted and which I will discuss in a moment.

We need to pass this bill because there are conditions in the Mississippi appropriations bill, and under existing authority, NASA can only accept unconditional gifts. There is a need to move expeditiously in passing this legislation in order to start construction before the appropriated Mississippi funds expire.

The conditions in the Mississippi legislation pose no problem. They are:

First, NASA will be responsible for the building throughout its life.

Second, there will be space in the building for new agencies and contractors including the new Center for Commercialization of Space which will work in remote sensing, and for research projects conducted by institutions of higher learning.

Third, the facility will be named the "Mississippi Technology Transfer Center."

There is no negative impact on NASA programs and some positive impact because NASA researchers and State users of remote sensing data will be located together. In addition, NASA will benefit from the development of more high technology activities in the area, because this will provide a better base of suppliers and employees on which NASA can draw.

NASA has given us assurance that there are no agreements which would force NASA programs to support tenants of the building. That is, there are no hidden rent subsidies.

The committee adopted one small amendment which would protect the Federal Government from various contingencies by making it clear that in agreeing with the Governor of Mississippi to accept and to operate this building, NASA cannot do anything that would obligate us to spend additional money. I believe that this amendment will further improve the bill and protect the Federal Government's interest.

I believe that the bill is worthwhile and I urge all Members to support it.

Mr. LUJAN. Mr. Speaker, I yield 3 minutes to the sponsor of the legislation, the gentleman from Mississippi [Mr. LOTT].

Mr. LOTT. First, Mr. Speaker, I would like to thank the distinguished chairman of the Committee on Science and Technology, the gentleman from Florida [Mr. FUQUA], and the distinguished ranking member of the committee, the gentleman from New Mexico [Mr. LUJAN].

As a matter of fact, there was cooperation of all the members of the committee.

There was a need for this legislation to be handled expeditiously because the State of Mississippi had appropriated and authorized the $4 million in funds to make the Mississippi Technology Transfer Center possible. And of course, at the end of the fiscal year or the beginning of the new legislative session, there could be some questions about whether or not those funds would still be available.

So the committee did cooperate, and we really appreciate that cooperation.

This is an innovative and unique opportunity we have. I am very proud of my State of Mississippi, that our State legislature and the Governor took this action to provide this facility so that the State of Mississippi could cooperate with and transfer information and technology with the various Federal agencies we have there at the National Space Technology Laboratory in Hancock County.

This is not just a facility for NASA, even though NASA is the parent organization that maintains the NSTL. But we have a number of other Federal agencies and programs there that are really very forward looking in what they do and that make use of the information and the technology that we get from NASA. The State of Mississippi wanted to be a part of that effort and be on the center.

There are no hidden rents, there is no obligation on the part of the Federal Government. The State just wanted to have a presence and make sure that they can communicate what is being received from NASA and the other Federal agencies so that the State can make suggestions and work with them.

So it is innovative, it is forward looking, and I think it provides a great opportunity for our State of Mississippi and for the Federal agencies that are there at the NSTL. So I thank the gentleman again at the committee level for making this possible. I am convinced it will be a very good program for the State and also for the Federal agencies we have there at NSTL.

Mr. Speaker, I yield back the balance of my time.

Mr. LUJAN. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, I rise in support of H.R. 3235, "the Mississippi Techonology Transfer Act of 1985."

Passage of this legislation is necessary to permit the Administrator of NASA to accept this gift of a $4 million building from the State of Mississippi. Passage of this bill is also a good deal for the taxpayers of our Nation.

This bill does not authorize a single Federal dollar for construction of the center. The entire $4 million has already been appropriated by the State of Mississippi. What the taxpayers get, then, is a $4 million facility for NASA at no cost. In return, NASA will manage and operate the center, allocating a relatively small amount of space to the State of Mississippi for its space-related activities. The rents and fees NASA will collect from the tenants in the building will offset the costs of operating and maintaining the building.

Mr. Speaker, when our Nation is facing one of the worst deficit crises in recorded history, this is exactly the way we should be doing business—at no additional cost to the Federal Government. In fact, in the months and years ahead, we should try to come up with more ways of using unusual and mutually beneficial mechanisms like this one to reduce our Federal deficit.

I urge my colleagues to suport passage of this simple, yet important legislation.

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. LUJAN. I am happy to yield to the gentleman from Pennsylvania.

Mr. WALKER. I thank the gentleman for yielding.

Mr. Speaker, I want to join with the gentleman in congratulating the gentleman from Mississippi who first offered the bill. I was pleased to cosponsor the bill when it arrived at our committee. It is innovative; it is a cooperative approach that can serve as a model for other movements into the high-technology area in the future. I am pleased that we got it to the floor.

Mr. Speaker, I urge the House to pass the bill.

Mr. LUJAN. I thank the gentleman for his comments.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. FUQUA. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. MONTGOMERY. Mr. Speaker, I rise in support of H.R. 3235, legislation introduced by my colleague, Congressman LOTT, which authorizes the National Aeronautics and Space Administration to accept title to a building to be constructed at NASA laboratories in Hancock County, MS, with funds appropriated by the State. The Mississippi Technology Transfer Center will provide space for the expansion of the operations of the National Space Technologies Laboratories, State university research projects, and a center of excellence for remote sensing operated by Mississippi Institute for Technology Development.

This legislation is simple and noncontroversial. It would permit NASA to accept the gift of a facility constructed and furnished entirely by the State of Mississippi. In return, NASA would oversee the maintenance of the building and set aside 20 percent of office space for free occupancy by the State. Since the costs of operating the center would be largely offset by lease payments from the tenants, there is no cost whatsoever to the Federal Government.

The enactment of this agreement between NASA and the State of Mississippi would have long-term, widespread benefits. Construction of the center would boost economic development and generate jobs, while promoting high-technology industry in Mississippi. The building would allow the location of more onsite support contractors and add to the local specialized services and personnel resources available to the NASA laboratories in Hancock County. Additionally, the facility will house newly funded NASA operations in remote sensing from space, which will be conveniently brought together with an ongoing research and development program at the Hancock County laboratories.

The Mississippi Technology Transfer Center represents a significant contribution to NASA's technology transfer program—which is doing work that impacts the entire country. I hope my colleagues will join me in supporting the donation of this property—the proposal holds enormous potential for the State of Mississippi and has been enthusiastically welcomed by NASA.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida [Mr. FUQUA] that the House suspend the rules and pass the bill, H.R. 3235, as amended.

The question was taken; and (two-thirds having voted in favor thereof), the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

CONGRESSIONAL AWARD AMENDMENTS OF 1985

Mr. WILLIAMS. Mr. Speaker, I move to suspend the rules and pass the bill, H.R. 3447, to amend and contend the Congressional Award Act, as amended.

The Clerk read as follows:

H.R. 3447

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Congressional Award Amendments of 1985".

SEC. 2. MEMBERSHIP OF THE BOARD.

Section 4 of the Congressional Award Act (2 U.S.C. 803), hereafter in this Act referred to as "the Act", is amended—

(1) in subsection (a)(2), by adding at the end thereof the following: "One of the members appointed under each of subparagraphs (A) through (d) of paragraph (1) shall be a member of the Congress.";

(2) by striking out subsection (b) and inserting in lieu thereof the following:

"(b) Appointed members of the Board shall continue to serve at the pleasure of the officer by whom they are appointed, but (unless reappointed) shall not serve for more than four years."; and

(3) by striking out paragraph (2) of subsection (c) and redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively.

SEC. 3. EXTENSION OF AUTHORITY.

Section 9 of the Act (2 U.S.C. 808) is amended by striking out "six years after the date of the enactment of this Act" and inserting in lieu thereof "on November 16, 1988".

SEC. 4. ADMINISTRATIVE PROVISIONS.

(a) SALARY LIMITATION.—Section 3(b) of the Act (2 U.S.C. 802(b)) is amended by adding at the end thereof the following new sentence:

"No salary established by the Board under paragraph (3) shall exceed $75,000 per annum, exept that for calendar years after 1986, such limit shall be increased in proportion to increases in the Consumer Price Index.".

(b) SCHOLARSHIPS.—Section 3(d) is amended by striking out "Gold Medal" and inserting in lieu thereof "Gold, Silver, and Bronze Medals".

(c) REPORT OF ADMINISTRATIVE EXPENDITURES.—Section 3(e)(4) of the Act is amended by inserting before the period at the end thereof the following: "for each member, officer, employee, and consutant of the Board (or of the Corporation established pursuant to section 7(g)(1))".

(d) ANNUAL MEETINGS.—Section 4(f) of the Act is amended by striking out "meet annually at the call of the Chairman" and inserting in lieu thereof "meet at least twice a year at the call of the Chairman (with at least one meeting in the District of Columbia)".

(e) BYLAWS.—Section 4(i) of the Act is amended by adding at the end thereof the following: "Such bylaws and other regulations shall include provisions to prevent any conflict of interest, or the appearance of any conflict of interest, in the procurement and employment actions taken by the Board or by any officer or employee of the Board. Such bylaws shall include appropriate fiscal control, funds accountability, and operating principles to ensure compliance with the provisions of section 7 of this Act. A copy of such bylaws shall be transmitted to each House of Congress not later than 90 days after the date of enactment of the Congressional Award Amendments of 1985 and not later than 10 days after any subsequent amendment or revision of such bylaws.".

(f) RESTRICTION OF SPONSORSHIP ADVERTISING.—Section 7(c) of the Act (2 U.S.C. 806(c)) is amended by adding at the end thereof the following:

"The Board may permit donors to use the name of the Board or the name 'Congressional Award Program' in advertising.".

(g) POWERS AND RESTRICTIONS.—Section 7(a)(1) of the Act (2 U.S.C. 806(a)(1)) is amended by striking out "from sources other than the Federal Government".

(h) EVALUATION BY GAO.—Section 8 of the Act (2 U.S.C. 807) is amended—

(1) by inserting "AND EVALUATION" after "AUDITS" in the heading of such section;

(2) by inserting "(a)" after "SEC. 8"; and

(3) by striking "may be audited" and inserting in lieu thereof "shall be audited at least biennially";

(4) by striking out "at such times as the Comptroller General may determine to be appropriate";

(5) by adding at the end thereof the following:

"(b) The audit performed pursuant to subsection (a) shall at a minimum—

"(1) assess the adequacy of fiscal control and funds accountability procedures of the Board and such corporation; and

"(2) assess the reasonableness of expenses allowed to the Director and other employees of the Board and such corporation.

"(c) In the report of the first audit performed under subsection (a) after the date of enactment of this subsection, the Comptroller General shall include an evaluation of the programs and activities under this Act. Such evaluation shall include an examination of—

"(1) the extent to which the Congressional Award Program and activities under this Act are achieving the purposes stated in section 3(a);

"(2) the adequacy and appropriateness of the standards of achievement and procedures for verifying that individuals satisfy such standards established by the Board;

"(3) the efficacy and adequacy of the Board's fundraising efforts under this Act;

"(4) the organizational structure of the Board, particularly the use of Regional Directors; and

"(5) such additional areas as the Comptroller General determines deserve or require evaluation.

"(d) The report on the second audit performed under subsection (a) after the date of enactment of this subsection shall be submitted on or before May 15, 1988.".

SEC. 5. CONFORMING AMENDMENT.

Section 2 of Public Law 98-33 (2 U.S.C. 803, note) is repealed.

The SPEAKER pro tempore. Is a second demanded?

Mr. BARTLETT. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Montana [Mr. WILLIAMS] will be recognized for 20 minutes and the gentleman from Texas [Mr. BARTLETT] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Montana [Mr. WILLIAMS].

Mr. WILLIAMS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today I bring before the House H.R. 3447, the Congressional Award Amendments of 1985.

This bill was considered by the House Committee on Education and Labor and approved, as amended, on October 23.

On November 16, 1979, the Congressional Awards Act was signed into law. The act establishes the Congressional Award Program under which young people, those between the ages of 14 and 23, become eligible for a bronze, silver, or gold congressional medal after successfully completing requirements in such areas as public service, physical development, personal development, or demonstrated fitness at expeditions.

The program is established and administered by a Congressional Award Board. The board is not an agency or instrumentality of the Federal Government. No Federal funds are appropriated to the board under the act for administering the program.

The goal of the program is to encourage in young people a sense of voluntarism, citizenship, and leadership by giving of themselves to help their community and to reinforce development of their personal and work skills.

The positive qualities that stem from physical fitness or expedition activity are fully recognized.

This legislation before us extends the Congressional Award Program for 3 additional years. The act is due to expire on November 16, 1985.

The act before us improves the management and administration of the program and increases congressional oversight over the program.

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Mr. Speaker, I reserve the balance of my time.

Mr. BARTLETT. Mr. Speaker, I yield myself such time as I may consume.

Mr. BARTLETT. Mr. Speaker, I rise in support of H.R. 3447, the Congressional Award Amendments of 1985.

The Congressional Award Amendments of 1985 represents a solid piece of legislation for a well-intended program that has experienced what most observers consider to be serious management problems in recent years. The Congressional Award Program seeks to encourage young people who provide services to their community and exhibit a dedication to the merits of personal development and physical fitness. The program is financed solely through funds raised in the private sector with Congress allowing its two nationally recognized symbols of government—the American eagle and the Capitol dome to be used on the award and in select publications and advertisements.

The young people who have received bronze, silver, or gold Congressional Awards have exhibited personal qualities that we can all be proud of. Allowing the limited use of the congressional imprimatur toward their recognition is worthwhile.

The bill we are considering, H.R. 3447, improves the Congressional Award Program in a number of key areas. In the course of the Select Education Subcommittee's hearings on the program, it became evident that the program's management practices were seriously wanting. H.R. 3447 addresses these deficiencies directly: It requires that the bylaws and other regulations of the Board contain language to prevent a conflict of interest or the appearance of such conflict by employees or board members and requires that the bylaws include appropriate fiscal control, fund accountability, and operating principles to ensure that the prohibitions against deficit spending in the act are satisfied. The need for this latter provision stems from the fact that at the end of the calendar

years 1983 and 1984, the program, in violation of the act, was operating at budget deficits of approximately $236,000 and $114,000 respectively.

A program that serves the useful purpose of the Congressional Award Program should be protected from the risk associated with deficit spending.

I am confident that the amendments made to the Congressional Award Program will improve its management practices significantly and contribute to its very worthwhile purpose. Those in the private sector who contribute to the program deserve a commitment to proper fiscal accountability by those who administer it.

Mr. Speaker, I reserve the balance of my time.

Mr. WILLIAMS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I appreciate the assistance in this legislation from the gentleman from Texas, the ranking minority member of our Select Education Subcommittee. I want to recognize his statement that the Congressional Award Program has had some management difficulties in the past, and I want to tell my colleagues that this legislation increases congressional oversight of the Congressional Award Program. It does it in three primary ways. It adds four Members of Congress to the executive board of the program; it requires at least one meeting annually here in the District of Columbia; and it requires two General Accounting Office studies during this authorization period of the activities of the Congressional Award Program.

We do not expect that there will be any illegal activities, nor have we found any in the past; but inasmuch as this program bears the name of the public's body, the House of Representatives, we simply want to be sure that the management of the program is conducted in the highest capacity.

I also want to remind my colleague, the gentleman from Texas, that the act authorizes the board to permit donors to use only the name of the board or the name "Congressional Award Program" in advertising. It does not permit the Congressional Award Program to use the congressional symbol or seal in advertising by the donors.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. BARTLETT. Mr. Speaker, I yield such time as he may consume to the ranking minority member of the Committee on Education and Labor, the gentleman from Vermont [Mr. JEFFORDS].

Mr. JEFFORDS. Mr. Speaker, the Congressional Award Program represents a partnership between the private sector and Congress toward the goal of recognizing young Americans who exhibit qualities of leadership, community service, and a dedication to physical fitness. Funded solely by privately raised funds, the program awards medals to young people between the ages of 14 and 23 in those congressional districts which have operating awards councils. Currently these councils exist in select districts in California, Florida, Illinois, Minnesota, Missouri, New Jersey, Ohio, Texas, Virginia, West Virginia, and Wyoming.

First authorized in 1979, the program presented a total of 255 awards in 1984 and 261 medals have been approved for 1985. The young people who have received these awards have demonstrated a commitment to their community which exemplifies qualities that we all can be proud of. I am certain that many of these award winners will go on to become tomorrow's local, State, and National leaders.

H.R. 3447 supports and improves the Congressional Award Program. It has the bipartisan support of the Education and Labor Committee and deservedly so. I congratulate the chairman and ranking member of the Subcommittee on Select Education for this fine piece of legislation.

Mr. BARTLETT. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Florida [Mr. LEWIS].

Mr. LEWIS of Florida. Mr. Speaker, I rise in support of H.R. 3447, which extends the Congressional Awards Program through 1988.

The Congressional Awards Council, which my 12th Congressional District initiated in February, held final ceremonies earlier this month.

I was pleased that my district had the most award winners of any first-time congressional award district in the Nation.

Of the 44 medal winners of my area, two were gold medal winners. In addition, each of the nine counties in my district had representatives on the Congressional Awards Council.

Each of these business and community leaders worked diligently to ensure both the success and vitality of this program, which is essential in reinforcing young people for positive deeds.

I thank the gentleman from Montana for bringing this legislation to the floor, I urge its adoption, and I thank the gentleman for yielding to me to express my viewpoint on this great program.

I think it is time that we started showing the positive aspects of our youth rather than the negative. There are more positive aspects out there than there are negative. I certainly hope that we can continue this program throughout and that it broadens throughout this great country, because these young people should be recognized for their services to the community.

Mr. BARTLETT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise to further commend the leadership of the chairman of the subcommittee, the gentleman from Montana [Mr. WILLIAMS], in ensuring that this legislation and these Congressional Award Act amendments would provide for adequate oversight by the Congress in strict accountability of the funds that are used in this program entitled the "Congressional Award Amendments of 1985." It is true that neither the eagle nor the dome can be used in advertising, but nevertheless the eagle and the dome are included in the logo of the Congressional Award Act, and therefore there is at least the imprimatur.

Mr. Speaker, I would note that what the subcommittee has done under the very able leadership of the subcommittee chairman is to focus on correcting the accountability and the management deficiencies of the congressional award management, while at the same time continuing the real purpose of the act, which is to encourage and increase voluntarism among our young people by rewarding and recognizing that voluntarism. This is what makes this generation of Americans I think one of the most exciting generations of Americans ever.

It seems to me that those words were summed up for me in a letter I received, which I have quoted on the House floor before, from two young people who recently became Americans. They are Vietnamese-Americans. They came to my office and we had a little ceremony when they received their citizenship. These two young Americans live in Dallas, in my district, and they received their citizenship almost 5 years to the day after they arrived. They had been in Vietnam long enough to see the Communist takeover and see the other side, and upon arriving here they immediately began working for their citizenship.

One of the young men, a 14-year-old Vietnamese American, and proud of being both, sat down and wrote a letter on what his citizenship meant to him, and in doing so he talked a good bit about volunteerism and service to his country. Maybe he reminded some of us older people, some of us who are older and who have lived in America all our lives, of what we too often take for granted.

This young man wrote the words:

United States citizens are fortunate to be allowed to express their opinions freely. This is a privilege few nations have. Americans also have the freedom of movement. They can go wherever they want, inside or outside the country. Fair treatment is something that not many nations enforce. America's legal system ensures justice. This country has a democratic government which allows—

I stop on that word "allows," and I will come back to it, because he did—which allows every citizen to take part in controlling the government. America is truly a government of the people, by the people and for the people.

Mr. Speaker, I would come back to the word "allows" us to participate in the Government because this young Vietnamese American captured the essence of youthful volunteerism of this generation when he modified his word "allows" in his postscript. He said:

P.S. Congressman, I will do everything I can for my country.

The Congressional Award Act is one of those organizations through which we have the ability to recognize young people who will do and are doing everything they can for their country.

Mr. KINDNESS. I urge my colleagues' support for H.R. 3447, the Congressional Award Amendments, to reauthorize a program which has been important in recognizing the hard work, dedication, and achievement of young Americans.

Perhaps I could best summarize that importance by quoting the letter I received from a parent of one of the first awardees in my home State of Ohio. He wrote, following the ceremony, that those "who stood to be honored were not just your ordinary teenagers. These young men and women are the doers in their communities, the ones who put others before themselves, the leaders in their schools and the ones who exemplify all the things that are good about our youth."

These young people are not "ordinary" because by their action they have become something more. One of the greatest values of the problem is that it recognizes not just those youth who always are out front and who always will "shine" because of their talents and circumstances. The Congressional Award Program offers opportunities for those quiet, behind the scenes, hard-working young people to be acknowledged and commended for their contributions.

As an example of this latter group, we experienced in our Ohio awards program this year the presentation of a silver award to a young lady who was the first person in her family ever to complete high school. This probably was the only visible outside recognition this young lady ever received. The looks of pride on the faces of her family were incredible.

Our awards council has done an outstanding job. The members represent a variety of backgrounds, interests, and activities, but when they sit down to consider the direction of the program or the application of a young person their differences vanish as they pull together for one purpose—recognition of the accomplishments of an individual.

Our State officials in Ohio have been very supportive of the program, as well. Our awards ceremony was held in the State senate chamber in Columbus, at which each awardee was presented an additional certificate of commendation from each house of the State legislature.

Each of us involved in this program has experienced a tremendous sense of accomplishment and pride in what these fine young people have done. They have made themselves, their peers, their adult leaders and their communities proud of the individual's capacity to face and meet with success the challenges before us. And they inspire each of us to follow their example. That is why this program is such a success.

Mr. MOLLOHAN. Mr. Speaker, it is with great pleasure that I lend my support to H.R. 3447, the Congressional Award Act, which would reauthorize the Congressional Award Program which I sponsor in the First Congressional District of West Virginia.

I commend Mr. WILLIAMS, the distinguished chairman of the House Education and Labor Subcommittee on Select Education, for his guidance in extending this positive program for 3 additional years and for his timely action in bringing this measure to the House floor for consideration today.

Since my involvement with the Congressional Award Program, I have had the extreme pleasure to recognize 44 young people in West Virginia for their voluntary public service, personal development and physical fitness/expeditions achievements. In all, I have presented 20 bronze, 16 silver and 8 gold medals to deserving youth. There are many other young people now working toward their medal requirements and, with the enactment of H.R. 3447, I will have the opportunity to work with these and other young people on their goals and reward them for their accomplishments.

There are few programs that bring together a Congressman and his constituents in a bipartisan atmosphere for such a worthy cause. Through the Congressional Award Program in my district, I have had the opportunity to establish relationships with the members of the First District, West Virginia, Congressional Award Council, county coodinators in each of my 13 counties, county committee members, as well as young people and their parents who choose to participate in the Congressional Award Program. This program brings together young and old from all walks of life for a common positive theme: volunteering.

I encourage my colleagues to support H.R. 3447 and to become familiar with the Congressional Award Program so that you may sponsor it in your district, if you are not already a sponsor.

Mr. HOWARD. Mr. Speaker, I rise in support of the Congressional Awards Act amendments which reauthorize and make some changes in the Congressional Award Act which I sponsored in 1979.

Many of us with Congressional Award Programs operating in our districts have had the opportunity over the last few years to observe the program in action. There is no doubt in my mind that the Congressional Award has had great success in meeting the goals Congress set for it. Thousands of young people around the country have gained immeasurably from their association with the program. And we as a nation will be better off for having recognized and encouraged achievement and voluntary service among our younger generation.

The idea for the Congressional Award was first brought to me in the late 1960's by a constituent, Dr. Frank Arlinghaus of Rumson, NJ. As a Columbia University student at that time, Dr. Arlinghaus was very concerned that young people were becoming increasingly alienated from their government. He felt that this was due in part to the failure of Government and adult society to pay attention to the concerns of young Americans and to properly recognize their unique contributions.

It took a number of years for us to generate the kind of national support for the program necessary to secure its enactment, but in 1979, our bill was signed into law by President Carter.

The first Congressional Award Program on a congressional district level was established in my district in 1983. Since then, I am proud to say, we have held four award ceremonies honoring some 116 young people who have earned bronze, silver, and gold medals.

To truly appreciate the program, it is necessary to attend one of these award ceremonies. It is an inspiring and oftentimes emotional experience to see these outstanding young people honored for their personal achievements and for their volunteer work with the poor, elderly, or handicapped. Occasionally, the medal recipients are handicapped themselves and the program has provided them with the kind of incentive necessary to accomplish extraordinary tasks. Always, recognition is bestowed during these ceremonies that would have been overlooked if the Congressional Award Program were not in existence.

The Congressional Award has been an outstanding success in my district even though we have had to operate on a very small budget. Our success is due in large part to the enthusiasm of a core group of adult volunteers who give generously of their time to operate the program, raise money and reach out to young people in our local schools and in youth organizations. The community and the news media have also greeted the Congressional Award with great enthusiasm and, most important, young people are participating in the program in large numbers and spreading the word to their peers.

Still, we have recognized in the implementation of this new program the need for some changes in the original authorizing legislation. I support the changes recommended by the Subcommittee on Select Education of the Education and Labor Committee. I believe the amendments will result in an even closer relationship between the Congressional Award and the Congress and will encourage further expansion of the program.

I also want to congratulate the subcommittee chairman, the gentleman from Montana [Mr. WILLIAMS] for the fine job he has done with this legislation. Under his leadership, the Congressional Award promises to reach its fullest potential as a bridge between young people and their government.

Mr. BARTLETT. Mr. Speaker, I yield back the balance of my time.

GENERAL LEAVE

Mr. WILLIAMS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include extraneous material, on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Montana?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Montana [Mr. WILLIAMS] that the House suspend the rules and pass the bill, H.R. 3447, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

TENTH ANNIVERSARY COMMEMORATION OF EDUCATION FOR ALL HANDICAPPED CHILDREN ACT

Mr. WILLIAMS. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 201) to commemorate the accomplishments of Public Law 94-142, the Education for All Handicapped Children Act, on the 10th anniversary of its enactment, as amended.

The Clerk read as follows:

H. CON. RES. 201

Whereas part B of the Education of the Handicapped Act, commonly known as Public Law 94-142 (the Education for All Handicapped Children Act), was signed into law 10 years ago on November 29, 1975;

Whereas Public Law 94-142 established as policy for the United States of America the principle that all children, regardless of disabling condition, have the right to a free, appropriate public education in the least restrictive setting;

Whereas Public Law 94-142 currently serves over 4,000,000 handicapped children;

Whereas Public Law 94-142 ensures the full partnership between parents of children with disabilities and education professionals in design and implementation of the educational services to be provided handicapped children;

Whereas Public Law 94-142 has greatly enriched the classrooms of the Nation by allowing the potential of children with disabilities to be developed, together with the potential of nondisabled youngsters;

Whereas Public Law 94-142 has greatly enriched America's society as a whole by providing the means for disabled youngsters to contribute to the social and economic progress of the United States; and

Whereas Public Law 94-142 has succeeded even beyond the expectations of congressional supporters in marshaling the resources of the Nation to fulfill the promise of participation in society of disabled youngsters: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress—

(1) recognizes the 10th anniversary of enactment of Public Law 94-142 and the successful implementation of that law;

(2) acknowledges the many and varied contributions by disabled youngsters, parents, teachers, and administrators; and

(3) reaffirms its support for Public Law 94-142 and the primary goal of Public Law 94-142 that all children, regardless of disabling condition, have the right to a free, appropriate public education in the least restrictive setting.

The SPEAKER pro tempore. Is a second demanded?

Mr. BARTLETT. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Montana [Mr. WILLIAMS] will be recognized for 20 minutes, and the gentleman from Texas [Mr. BARTLETT] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Montana [Mr. WILLIAMS].

Mr. WILLIAMS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this House Concurrent Resolution 201 commemorates the accomplishments of Public Law 94-142, the Education for All Handicapped Children Act, on this, the 10th anniversary of the enactment of that vital piece of legislation.

On November 29, 1975, with the signing into law of Public Law 94-142, the guarantee of a free appropriate education for all handicapped children in the least restrictive setting became the law of the land.

Public Law 94-142 is a landmark piece of legislation. It ensures that all handicapped children, regardless of the nature of severity of their handicapping condition, must be appropriately educated.

The determination of what a child's special education needs are and what services will be provided must be based on the individual needs of that child and not on the services then available in the school district.

Furthermore, it ensures the full partnership between parents of children with disabilities and education professionals in the design and implementation of the education services to be provided for the child. That partnership idea now firmly established is working well.

□ 1355

The impact of this legislation is impressive. Since the 1976-77 school year, there has been an increase of 18 percent in the number of children served. During the 1983-84 school year, more than 4.3 million handicapped children were served under the program. There has also been a 19 percent increase in the number of preschool programs for handicapped children.

We are currently doing a better job of identifying and serving students. Eleven percent of all school-aged students in the 1983-84 school year were diagnosed as being handicapped compared to only 8 percent in 1977-78, the first year Public Law 94-142 became effective. There has also been an increased emphasis on serving the more severely disabled students in the school system.

Growth in serving handicapped children has been accompanied by an even greater increase in the total number of teachers and staff providing that education. There has been a 34-percent increase in the number of teachers and a 48-percent increase in the number of other school staff.

Equally impressive is the impact of this legislation on attitudes. Handicapped children are learning self-respect and working to the maximum of their potential. Parent's expectations have expanded. Administrators and teachers are treating handicapped children as individuals with unique strengths, weaknesses, and needs. Handicapped children are befriending nonhandicapped peers.

We can all be proud of what has been accomplished over the past 10 years. It is now time to reaffirm our commitment to this program and to its goals.

At the same time, we must continue our efforts to meet the challenges that lie ahead. One of these challenges is the implementation of the mandate in the legislation that handicapped children be educated in the least restrictive environment. Last week, a witness testifying before the Subcommittee on Select Education, which I chair, expressed the challenge this way:

Ten years after the passage of Public Law 94-142, school systems still construct numerous segregated special education facilities—fine new buildings where only students with severe disabilities may be found. A decade after Public Law 94-142, school systems continue to locate teenagers with disabilities in separate wings of elementary schools. Ten years after the law was passed excellent vocational/technical schools exclude students with disabilities from participating in the vocational programs. Today, the least restrictive environment is still far from being a reality for many disabled students.

I urge my colleagues to support House Concurrent Resolution 201 commemorating the 10th anniversary of the enactment of Public Law 94-142, the Education for All Handicapped Children Act.

Mr. GIBBONS. Mr. Speaker, will the gentleman yield?

Mr. WILLIAMS. I yield to the gentleman from Florida.

PERMISSION FOR COMMITTEE ON WAYS AND MEANS TO FILE REPORT ON H.R. 2817, SUPERFUND AMENDMENTS OF 1985

Mr. GIBBONS. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means have until midnight tonight to file the report on H.R. 2817, the Superfund Amendments of 1985.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida.

There was no objection.

Mr. WILLIAMS. Mr. Speaker, I reserve the balance of my time.

Mr. BARTLETT. Mr. Speaker, I yield myself such time as I may consume.

Mr. BARTLETT. Mr. Speaker, I am particularly pleased to voice my support of House Concurrent Resolution 201 commemorating the 10th anniversary of Public Law 94-142, the Education for All Handicapped Children Act. For the past 3 years I have served as the ranking Republican member of the Subcommittee on Select Education with jurisdiction over the act. In that time I have reviewed first hand the workings of the program that has turned night into day for millions of American handicapped students and their families. Prior to 1975, handicapped students could never make the primary assumption that nonhandicapped students have made, namely, that the public school system would provide them with free and appropriate education. Today, due to the existence of Public Law 94-142, handicapped students are entitled to a free and appropriate education. To the maximum extent possible, these handicapped students are schooled alongside their nonhandicapped peers.

Fortunately, it seems like another era when handicapped children were routinely denied educational services or segregated into substantial facilities. It also seems long ago that our education curriculums for persons with handicaps focused on nonfunctional, repetitive tasks intended to fill time and occupy the handicapped student rather than provide them with skills leading to independence and dignity. Today, handicapped and nonhandicapped students are educated together and not only learn from classroom instruction, but also from each other. In many ways, the most profound impact of Public Law 94-142 may well be the education that nonhandicapped students and staff learn about handicapped individuals and the challenges that they face. These nonhandicapped individuals are learning about the range of human conditions and the attitudes they manifest.

Public Law 94-142 is essentially a process for determining what constitutes an appropriate education for a handicapped student. The innovation that Public Law 94-142 brings to our educational system rests on two characteristics of that process: First, educational services are delivered to a handicapped student on an individualized basis so that every educational program provided to a student with handicaps is tailored specifically to that student's unique educational needs; and second, parents of handicapped students participate in the education decisionmaking process as full partners along with other members of a multidisciplinary educational team. The benefits of this increased decisionmaking authority on the part of parents has meant that skills taught at school are more likely to relate directly to a handicapped student's total environment.

Public Law 94-142's 10 years have been years of partnership between parents, educators, and administrators. As in all innovative endeavors, the program has not been without controversy, but that should not surprise anyone who is even the least bit familiar with the complexities of providing an appropriate education to a student with handicaps.

Public Law 94-142 has meant greater independence and opportunity for students whose handicaps range from severe to mild. It has, in the process, broadened our definition of education. We have been taught to appreciate the fact that all persons, regardless of their physical condition or mental capacities, are educable, that is capable of experiencing the change in behavior that we commonly call learning. Because of Public Law 94-142 we understand that learning to feed oneself, learning a complex vocational assembly, or learning to master a word processing system are essentially similar tasks. Each of these skills require instruction and the opportunity to learn in order to be mastered. Public Law 94-142 has given handicapped students that opportunity and thousands of dedicated special educators have provided the appropriate instruction.

I think it is only fitting at this time to recognize the Members of Congress who were instrumental in the development passage of Public Law 94-142. Public Law 94-142 has continuously generated bipartisan support which is reflected in its legislative origins. In 1975 when this act was passed, key members of the Subcommittee on Select Education as well as members of the Education and Labor Committee who played critical roles included: John Brademus and Albert Quie, the chairman and ranking member of the subcommittee, Representatives JAMES JEFFORDS, GEORGE MILLER, LARRY PRESSLER, Frank Thompson, BILL FORD, Phil Burton, PAUL SIMON, Edward Beard, and the late chairman of the Education and Labor Committee, Carl Perkins. On a day when the House is commemorating Public Law 94-142, these Members deserve special mention.

Mr. Speaker, Public Law 94-142 is truly a landmark for millions of persons with handicaps and their families. We should all be proud of its accomplishments and its promise.

Mr. Speaker, I reserve the balance of my time.

Mr. WILLIAMS. Mr. Speaker, I have no additional requests for time, and I yield back the balance of my time.

Mr. BARTLETT. Mr. Speaker, I yield such time as he may consume to the gentleman from Vermont [Mr. JEFFORDS].

□ 1405

Mr. JEFFORDS. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I am particularly pleased to note my support for House Concurrent Resolution 201 commemorating Public Law 94-142, the Education of All Handicapped Children Act. I was fortunate enough, as a member of the Education and Labor Committee, to have participated in the consideration of the original legislation which was to become Public Law 94-142. Our efforts were to assure that handicapped children would receive a free, appropriate education in our public school systems.

Today over 4 million handicapped students receive a special education designed to meet their unique educational needs. In Vermont, State funding for special education increased by 100 percent following the enactment of Public Law 94-142. Vermont now receives $1,928,334 in Federal support for its 7,400 special education students. The unique service delivery system which has been developed in Vermont has been replicated in other small rural States to the benefit of handicapped students and their families.

Public Law 94-142 has led to increased preschool services and a recognition that handicapped adults, given the proper training in the public school system, are capable of being competitively employed. We have developed a pool of special educators whose dedication and technical expertise is unmatched.

Public Law 94-142 has transformed the educational services that we provide to students with handicaps. It has accomplished what this body hopes all of its initiatives can accomplish—it has significantly improved the lives of millions of American children and their families. There is no greater testimony to a statute than this.

In my 10 years in this body I have not been involved in any legislation which has given more self-satisfaction nor, in my mind, benefited more people than this.

Mr. DYMALLY. Mr. Speaker, on November 29, 1985, a landmark piece of social legislation was signed into law. Public Law 94-142, known as the Education for All Handicapped Children Act, has had a significant, beneficial impact on the way our Nation's schools educate the handicapped. Public Law 94-142 laid out fundamental principles that have since guided educational programs for the handicapped.

The law now requires that children with handicaps be assessed as to the nature of their handicaps and that special educational services be provided that would allow each such child to be educated in a nonsegregated, free, and appropriate manner. A key feature of the law is that determination of the handicapped child's needs must be based on the actual needs of the child and not on the availability of services in the school at the time the evaluation is made.

There is no doubt that the legislation caused a sometimes difficult reorientation in focus within schools across our Nation. That is, the law caused school officials to focus on the child's needs rather than on current institutional services availability. Difficult as that refocusing may have been in certain instances, it was a necessary refocusing. It was the right refocusing.

The most tangible indication of the good this law has worked is the fact that during the 1983-84 school year, 4.3 million handicapped children were able to receive a free and appropriate public education. The children were obvious winners here. But the whole of our society is a winner as well. The revolution in educational philosophy engendered by Public Law 94-142 has meant that millions of students have been afforded the opportunity to become productive members of our society. These are people who without this act would have been shunted to the back roads of education.

Moreover, I believe Public Law 94-142 has helped to bring about a fundamental change in public attitudes toward the handicapped. The positive public attitude that has occurred in part because of the act has shown us how debilitating had been the old isolationist attitudes toward the handicapped. We know in retrospect that in some cases public attitude was more of an obstacle to full participation of the handicapped in our society than was the physical handicap itself. The gradual removal of that obstacle has been a boon to the handicapped, certainly, but it has been an even greater blessing to the country.

Today, we are considering House Concurrent Resolution 201 to commemorate the 10th anniversary of Public Law 94-142. I wholeheartedly support the law and the resolution commemorating its passage. Public Law 94-142 is one of the most enlightened laws, the Congress has ever brought to enactment. It is richly deserving of our commemoration.

Mr. MARTINEZ. Mr. Speaker, I rise today in support of House Concurrent Resolution 201, and I would like to take this opportunity to commend my colleagues on the Education and Labor Committee, especially the gentleman from Montana, not only for their desire to commemorate the 10th anniversary of Public Law 94-142, but also for their hard work and complete dedication to the education of all handicapped children.

It is indeed an honor to be a part of the proceeding before this body today. Ten years ago, on November 29, 1975, this law was signed by President Ford. It established policy calling for a free and appropriate education for all children regardless of their disability. Today, this law serves 4 million children across this Nation and provides $1 billion in Federal aid to assist States in their efforts to comply.

Over these many years our society has come a long way in our efforts to make all levels of education available to the handicapped in the most integrated and least restrictive way possible. Studies show that the number of handicapped students on college campuses has grown from 2.7 percent in 1978 to 7.3 percent in 1984. Presently, 23 States have mandated legislation for the provision of educational services to handicapped children under the age of 5. These are but a few statistics that are indicative of our Nations continued and growing commitment to handicapped education.

Mr. Speaker, thank you for this time and again I applaud my colleagues for their efforts and interest on behalf of handicapped students.

Mr. ECKART of Ohio. Mr. Speaker, this week we are commemorating the 10th anniversary of the Education of the Handicapped Act, more commonly known as Public Law 94-142. The enactment of this important legislation has afforded millions of handicapped children in this country the chance to receive an education appropriate to their needs and abilities. Today this law, which serves 4 million disabled children, has proven extremely successful as many of them can contribute to our society rather than rely on the Government for their well-being.

The foundation of this Nation, and its laws, has been built on the belief that each man and woman should be allowed freedom and independence. Public Law 94-142 provides these to a significant segment of our population who, prior to the law's enactment a mere decade ago, found it difficult to receive a proper education. It is this education which allows these citizens to gain the confidence and knowledge to become active participants in our society.

This law, by requiring that the local education agencies, schools, parents, and children all work together to develop an individualized education program, ensures that the unique needs of each particular student will be met. In addition, the law, through mainstreaming, allows each handicapped child to receive an education in the least restrictive environment. This measure provides the child with a far greater chance to become part of our society than if they were educated in the confines of an institution.

Public Law 94-142 confirmed Congress' recognition that children who have special needs can become active members of our society if their needs are properly addressed during their school years. In a study released by the Select Committee on Children, Youth, and Families, the chairman and ranking minority member singled out Public Law 94-142 as one of the eight most effective children's programs passed by the Congress. As part of its findings, the study evaluated a survey, conducted by the Colorado Department of Education, which indicated that of the high school graduates who participated in special education programs, nearly 70 percent were working at least part time and making a significant contribution to their own support. It is findings like these which should spur both Congress and the administration into greater action to support and fund these programs.

The education of our children has been of tremendous importance to the Congress. In light of the deficit crisis, when we are all looking to programs which must be cut, I sincerely hope that programs such as providing education for the handicapped will be preserved. I firmly believe that each child, no matter what the individual needs may be, deserves the chance to participate in our society. It is laws such as Public Law 94-142 which provide them with such an opportunity and for that reason, I am pleased to lend my wholehearted support to this law.

Mr. MILLER of California. Mr. Speaker, I rise in strong support of this resolution honoring the 10th anniversary of Public Law 94-142, the Education for All Handicapped Children's Act.

I am proud to be an original cosponsor of this commemorative resolution, as I was proud to coauthor the original bill in 1975. In fact, this was one of the very first bills which I helped write when I entered Congress a decade ago.

The district which I am honored to represent has been in the vanguard of providing educational and other services to handicapped youngsters. For me, there is a very personal association, because my father, George Miller, Jr., was a vigorous proponent for the disabled during his years in the California State Legislature. In fact, there are two schools for the disabled in my district which are named after my father because of his years of commitment.

The parents of disabled youngsters in my district have long been extremely committed to the education of their children. While I cannot name them all, I want to give special recognition to several who have been most active, including: Pam Steneberg, Diane Lipton, and Jeanne King of Parents Advocates for Special Education; Madelyn Sitrin and Sunny Grammont of the Developmental Disabilities Council; Beverly Casebeer, Jean Styris of Crunch; Karen Baker of the Mount Diablo schools; Joanna Cooper of Pase and George Miller, West; La Verne Bell; Betty Hodge of Mount Diablo schools; and Judy Miller of the Harmon Parent Group.

I also want to acknowledge the outstanding contributions of some of our local school administrators, including: Pete

Gonos, the director of the special education local plan committee; Joe Ovick, the director of special education for the county office of education; Ken Butler, the director of special education for the Mount Diablo Unified School District; and Steve Cedarborg, the director of special education for the Richmond USD. These individuals, together with parents and teachers of the handicapped, have made enormous contributions to these programs, and educated me about the need for even better programs for the disabled.

It is also a special honor, on this 10th anniversary of Public Law 94-142, that a devoted educator from Contra Costa County, Michael Grimes, currently serves as president of the Council for Exceptional Children.

When we wrote this landmark law 10 years ago, we believed that all children deserve to be educated in an appropriate setting, according to their special needs, regardless of their handicap or disability.

We believed then, as we now know, that this approach is more cost-effective and more conducive to family stability than excluding children from school, consigning them to institutions, or misclassifying them as retarded.

We believed then, as we now know that parental participation in the education of disabled children is absolutely essential and that every child has a right to have their particular needs evaluated and addressed by their school.

The Select Committee on Children, Youth and Families, which I am honored to Chair, has heard testimony on the enormous impact of this outstanding program. Families have repeatedly testified that "but for this law," they would have no way to bring the fruits of education, and the possibility of participation in mainstream American life, to their children.

So today, we can say the Education for All Handicapped Act is a success. It is now a right. But we have still failed to meet one of the key mandates of the law. The title promises education to all handicapped children.

And yet, we in Congress have failed repeatedly to provide adequate support so that more disabled youngsters can enjoy an appropriate education. Today, 10 years after the commitment was made, we are still shutting the schoolhouse doors to millions of handicapped youngsters throughout this Nation who are not seeking charity or pity, but the basic right to an education.

Instead of just commemorative speeches on this anniversary of the passage of Public Law 94-142, I hope Members of this House will commit themselves to more than making a commemorative speech. I hope they will commit themselves to the law which we are honoring.

I would hope that parents and handicapped youngsters, administrators and teachers, throughout this country, will ask Members of Congress not whether they voted for the commemorative resolution honoring Public Law 94-142, but whether they voted for the legislation providing adequate support for this law so that the barriers are broken and all handicapped children have the rights this law guaranteed them a decade ago.

Mr. BARTLETT. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

GENERAL LEAVE

Mr. WILLIAMS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous material, on the concurrent resolution presently under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Montana?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Montana [Mr. WILLIAMS] that the House suspend the rules and agree to the concurrent resolution, House Concurrent Resolution 201, as amended.

The question was taken.

Mr. JEFFORDS. Mr. Speaker, on that, I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to the provisions of clause 5, rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed.

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. NELSON] is recognized for 5 minutes.

Mr. NELSON of Florida. Mr. Speaker, due to official business, I was unable to be present and voting for rollcall vote No. 371 on October 24. Had I been present, I would have voted "nay" on the Fazio amendment to the Omnibus Budget Reconciliation Act.

SUPPORT LEGISLATION TO ALLOW YOUTH EMPLOYMENT OPPORTUNITY WAGE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Mississippi [Mr. MONTGOMERY] is recognized for 5 minutes.

Mr. MONTGOMERY. Mr. Speaker, I am cosponsoring legislation introduced by my fellow colleague from Mississippi, Representative TRENT LOTT, which would allow an employer to pay a youth employment opportunity wages during the summer months. The time has come for action on this type of legislation. Although we have experienced sustained economic growth in the last few years, the unemployment rate among the youth of this Nation remains high. This legislation would allow employers to provide employment opportunities for youth during the summer, give the youth of this Nation a chance to earn some money, and allow our young people a chance to gain experience and skills for future work.

The legislation has broad-based support among a large number of organizations and interest groups—the U.S. Chamber of Commerce, the American G.I. Forum, the Business Roundtable, the National Conference of Black Mayors, the National Federation of Independent Businesses, and the list goes on and on.

Provisions in the legislation address the main concerns raised over allowing a subminimum wage for youths. The bill provides safeguards disallowing the displacement of adult workers by youth. First, the proposal is limited to the summertime; and second, the proposal contains an explicit prohibition against discharging, demoting, or transferring current employees.

Studies have shown that enactment of this proposal would create about 400,000 new summer jobs at the Federal level for youth, and this figure could increase to 640,000 jobs if those States with minimum wage laws adopt the proposal.

The time has come to see some action on this legislation which can help improve the futures of our Nation's young people. I hope all my colleagues will consider the merits of this proposal and join me in supporting this much-needed legislation.

MY ADVICE TO THE PRIVILEGED ORDERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. GONZALEZ] is recognized for 60 minutes.

Mr. GONZALEZ. Mr. Speaker, there is a pattern of activity throughout the country that has aroused my outrage and anger. It seems that in more than one instance during the last year, groups of junior high school and high school girls in Texas and other places were strip-searched because a sum of money or some article—in this case, $1.85—was reported missing somewhere.

Now, this action is in reaction to the Reagan administration's victory at the Supreme Court level where it was decided that students are second-class citizens when it comes to fourth amendment rights regarding search and seizure. Last January, the administration argued before the Supreme Court that in order to fight crime and drug abuse in the schools, teachers and administrators should be allowed to search students and their lockers. The Supreme Court agreed and ruled that the schools were proper places for search, although in other circumstances and conditions, it has not so ruled up until now. The Court ruled that the schools' needs were enough to justify search of students, more than anyone else.

The dissenting Justices in this case warned that this lessened the standard of justice for students, and that it

would make it just as easy for school officials to search for violations of a school dress code as to search for contraband such as drugs and guns. How right the dissenting Justices have turned out to be.

What is particularly horrifying to me is that the misapplication of this newly established Supreme Court-approved procedure in Texas is not the first such misapplication. Last March a similar event occurred in Ohio, where 20 seventh-grade girls were strip-searched while a schoolmate's watch was reported as having been lost or stolen. In neither case were the missing funds or items recovered.

School officials have been given a right to search if there are reasonable grounds for believing a wrong has been committed. But what about the reasonableness of the search itself? It might make sense to search lockers and purses for missing items, but is it reasonable to make junior high school girls strip to their bare skin? Surely this is not what the Supreme Court and the Reagan administration intended by their efforts to lessen the constitutional rights of students. But for as long as the Supreme Court has been deciding cases on search and seizure, they were very careful to make sure that no matter how noble the intent, such a thing would not happen as a direct result of their interpretation or misinterpretation in a given case.

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Certainly these are foreseeable events. Any dictator, and we have in America reached a point where with the acquiescence of the American people ostensibly, we have eroded the basic things that we take for granted in the way of personal freedom, freedom from unreasonable search and seizure.

We have at the present moment three so-called intelligence agencies of our country spying through electronic surveillance and other means on American citizens domestically in the United States, contrary to the very purposes for which these intended jurisdictional aspects that these agencies were given at the time that Congress set them up.

The National Security Agency, NSA, we hear a lot about the CIA, we hear a lot about the FBI, but very little of the NSA, and yet it is the most vastly complicated—beyond any kind of oversight by President or Congress—agency of any government on Earth or the globe, including the Communist regimes of Russia and others.

We cry about authoritarian governments, but we have done it to ourselves in this case and we continue to do so, all with the best of intentions.

Of course, we want to catch those dastardly spies, but when they turn out to be actually long-time politically conservative American citizens who pay their taxes, who go to work every day, who do not have any foreign-sounding ethnic names or surnames, and all of a sudden the headlines blaze that they are spies.

Of course, we want to avoid that kind of activity, but in doing so is it necessary that an open society, the only reasonable last remaining bulwark of freedom in the world, should imitate those that it is the last bulwark from? I do not think so, but I think the matter has gone so far that Congress has for so many years looked the other way, it has created out of its legislative laboratory these legal Frankensteins and refuses to look them over.

I can assure you that today, right now, while I am speaking, the National Security Agency is monitoring every single international phone call that comes in to American citizens.

Is this legal? Is this supposed to be done?

Well, it depends on who you ask and who is answering. If you ask the members of the Intelligence Committee of either the House or the Senate, they will tell you they are not supposed to be doing that, but that is not the issue.

The issue is that they are, and they have and they have been doing so illicitly and in fundamental violaton of those things we have taken for granted for so long.

True, we live in an era that has forgotten the more halcyon epoch, when if we went to the airport we did not have to go through a checking point, but we take that for granted, or if you come to the Halls of Congress and you are a visitor and you want to go up to the visitors gallery, you go through the same proceeding.

Our public buildings are teeming with guards, concrete pillars, bunkers, and everything else.

Everybody has forgotten when we were not enured to that kind of existence. It is just that imperceptibly we are getting used to giving away our basic freedoms of a great heritage never before enjoyed in any land, in any clime, or under the sky on this globe, but we are almost imperceptibly taking for granted that we should condone such procedures that I am reporting, perpetrated against our young girls.

What are we to say? Are we to say that we have reached the point where without a murmur, without even a whimper, we lose these precious constitutional rights?

We live in that day and time, though, in which national leaders themselves are foisting a near hysteria and advocating remedies of this moment, but which collapse.

We have seen this happen among the issues that as legislators we have confronted through the years of a more sanguine nature, such as taxation, such as interest rates, and we have reached the point where I think, with sadness, we might ask, have we not for a mess of pottage given up our birthright?

Mr. Speaker, at this point I would like to place into the RECORD a copy of an Associated Press dispatch, dated October 28, concerning the search of junior high school girls at the Cedar Hill, TX, school, and an article by Nat Hentoff in the Washington Post of May 9, 1985.

The material is as follows:

PARENTS OF STRIP-SEARCHED GIRLS WANT TEACHERS FIRED

CEDAR HILL, TX.—The father of a junior high girl who was among 15 students strip searched for a missing $1.85 says the faculty members responsible for the search stole the children's dignity and should be fired.

"What they really did was told our children their pride and dignity wasn't worth $2. It's only worth $1.85," said Bobby Hufstetler.

Some of the parents of the Cedar Hill Middle School girls who were strip searched are enraged by the action and say they plan to ask the school board at its Monday night meeting to fire the physical education teacher and assistant principal involved.

The students were ordered to remove their clothing Thursday when a girl in a seventh-grade physical education class reported $1.85 missing.

"This is a violation of basic human rights," said Hufstetler "I feel like the school owes the girls something besides 'I'm sorry.' She (his daughter) was completely devastated," he said.

But other parents say they still support physical education teacher Janice Ellis and Jeanne Cothran, the assistant principal who authorized the search.

Mrs. Ellis acted out of frustration after several thefts occurred during the year, the parents said, and added that they plan to show support for the teacher at Monday's meeting.

On Friday, Ms. Cothran said the decision to search the students was made in haste and frustration.

"She (Mrs. Ellis) was very frustrated. It was the third day in a row that money was stolen," Ms. Cothran said. "In the back of my mind, I thought it might not be the right thing to do."

At least one girl was asked to strip completely while others were asked to strip down to their undergarments, parents said. Still others were asked to remove their bras. The missing money was not found.

Karen Kershaw, a friend of Mrs. Ellis, said the parents have overracted.

"Naturally to them the girls have been embarrassed, but someone is guilty of theft," Ms. Kershaw said. "She was doing what she though was right. In my feelings, she (Mrs. Ellis) has been treated unfairly and tried and convicted," Kershaw said.

The search was conducted in Mrs. Ellis' office, which has a window looking out into the locker room.

Last week Mrs. Ellis said the parents were "blowing it out of proportion."

"Not one of the parents asked for my story," she said. "They came up here ready for blood."

UP AGAINST THE WALL, SEVENTH GRADERS
(By Nat Hentoff)

Scholastic Action is a magazine that tries to awaken the interest of half a million junior high school students around the country in current events. Teachers have reported that its March 22 issue was particularly successful. One section began:

"Up against the wall."

"Joey stretched his arms and put both hands on the cold, gray lockers. The man felt along Joey's sleeves. Then he felt down his chest and inside the pockets of his jacket.

"Joey is not a criminal. The man frisking him is not a cop. Joey is a high school student. The man who searched him is his history teacher."

It was then explained to the students that they were reading a hypothetical, as they say in the law schools. But, they were told, this kind of classroom search could not happen as a result of a new Supreme Court decision. Said Scholastic Action: "If any school official has good reason to believe you are breaking a school rule, he or she can search your locker, your desk or you."

The section went on with a series of conflicting reactions to the court decision from various parts of the country. The kids reading the magazine were then asked what they thought.

The historic case, New Jersey v. T.L.O., had come down on Jan. 15. A majority of the court decided that students can be searched by school personnel according to a lower standard than adults. Instead of the searchers needing "probable cause" to believe that a search will reveal evidence of wrongdoing, all that is required to search a student in school is "reasonable grounds" to go through his locker or him.

At the time, a former U.S. commissioner of education, Dr. Harold Howe, did not share the general jubilation of teachers and administrators at this cut-rate constitutional standard for school kids. The justices, he said, "have asked school authorities to be reasonable in making searches and have given them a hunting license to decide what is reasonable."

Ten days after the T.L.O. decision, 20 girls, all seventh graders, all under the age of 14, felt the palpable impact of the new Supreme Court ruling. Their lesson in the Constitution as a living document took place after a first-period gym class at Westwood Junior High School, Elyria, Ohio. When the seventh graders came back to their locker room, the physcial education teacher told them a watch and ring belonging to a student were missing. First, the girls' lockers and purses were searched. The missing property was not found.

The assistant principal joined the gathering and informed the seventh graders that their persons were now going to be searched. He warned that if they did not allow female school officials to do the job, the sheriff and his men would be called in.

In the course of the strip-search of the seventh graders, they were commanded to drop their jeans to the floor and turn around as the physical education teacher, the guidance counselor and a clerk-typist visually inspected their entire bodies. A 12-year-old described this lesson in civics: "We had to take off our shirt and then we had to take off our shoes. And then they looked down our bra to see if we had it or not."

No one did have the watch or the ring—anywhere.

On Feb. 8, after due deliberation, Calvin Leader, the Elyria superintendent of schools, issued a formal statement: "The search was conducted in an orderly manner . . . it is my belief that the staff involved made the decision to conduct search activities after reasonable deliberation of the critical issues."

That's what the Supreme Court said was needed in these situations—reasonableness.

With the help of the American Civil Liberties Union of Ohio, 13 of the students are suing Leader, five members of the board of education, the principal, the assistant principal and the three women who conducted the strip search. They want an end to strip-searching of students. Also, each seventh grader is asking for $38,000 in compensatory damages and another $38,000 in punitive damages.

It is the ACLU's contention that whatever the Supreme Court meant by reasonableness in school searches, no reasonable adult would interpret that word to mean a dragnet strip search of seventh graders. After all, the majority of the justices did say that the form of the search cannot be "excessively intrusive in light of the age and sex of the student and the nature of the infraction."

However, the words "excessively" and "intrusive" may mean quite different things to eminently reasonable school officials and judges. During his dissent in *T.L.O.*, Justice William Brennan predicted that these "amorphous" new standards for searching school kids would create increased litigation as well as uncertainty among teachers and administrators. The latter, Brennan said, are going to be "hopelessly adrift" in knowing when to search and how far to go.

The kids will be adrift too. There they are, the future guarantors of freedom in the world—but standing now, legs spread, up against the wall.

ABM TREATY

(Mr. BERMAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BERMAN. Mr. Speaker, I would like to take this opportunity to call to the attention of my colleagues the administration's dangerous reinterpretation of the ABM Treaty. The Foreign Affairs Subcommittee on Arms Control, International Security, and Science held hearings on this subject last week on October 24. From among a number of witnesses that day, the most interesting testimony came from two gentleman who were participants in the original negotiations that culminated in the Anti-Ballistic Missile Treaty: Ambassador Gerard Smith and Mr. John Rhinelander.

Their testimony makes clear the danger of this foolhardy reinterpretation. If the United States continues to treat this broader interpretation as the legally binding version, we will have invited the Soviets to start up a program of development and testing of advanced or "exotic" ABM technologies.

The President maintains that the administration will conduct its SDI program within the bounds of the stricter interpretation of the ABM Treaty. But if the administration continues to support the broader interpretation as the only legally binding one, what incentive is there for the Soviets to refrain from conducting their version of SDI under the broader interpretation?

There is no justification for a reinterpretation after 13 years of mutual understanding and adherence to the ABM Treaty. In those 13 years, we have had four separate American and Soviet administrations and neither side has ever suggested that advanced technologies were not clearly banned by the treaty.

All of the original ABM Treaty negotiators, including Ambassador Paul Nitze, have consistently made clear that their understanding of the treaty was that it banned the development and testing of future ABM technologies. Of course, as a loyal member of this administration, Ambassador Nitze has toed the line on accepting the new interpretation. But only a few months ago, Ambassador Nitze said, in a speech before the National Press Club, that the ABM Treaty "prohibits the deployment of ABM systems in space or on the Earth, except for precisely limited, fixed, land-based systems." In addition, he went on to say that "all systems—whether nuclear or otherwise—which have a capability to counter strategic ballistic missiles or their warheads at any point in their trajectory, are subject to the ABM Treaty."

I think my colleagues will find the testimony of two of the original participants of the ABM Treaty especially illuminating on this issue. I commend to my colleagues the statements, before the Arms Control Subcommittee, of Mr. John Rhinelander, former legal adviser to the ABM Treaty Negotiations, responsible for the drafting of the treaty language, and Ambassador Gerard Smith, former Chief of the U.S. Delegation to the ABM Treaty negotiations. Both of these gentleman gave statements before the Arms Control Subcommittee which make clear how very detrimental this new interpretation will be to our national security. In addition, their statements show how the administration's new treaty interpretation resoundingly fails to base its findings on the text and history of the treaty and the understandings of its negotiators.

I especially recommend sections III, IV, and V of Mr. Rhinelander's testimony for a clear explanation of the circumstances surrounding the drafting and signing of the treaty. These sections in particular reveal how misguided the administration's new interpretation is. I have also included a copy of the ABM Treaty and pertinent articles from the Washington Post and the New York Times.

If the Congress has anything to say about this—and it does—then we cannot let this haphazard reinterpretation of the treaty concocted in a matter of weeks overturn a treaty that has made a vital contribution to our national security for over 13 years.

STATEMENT OF GERARD C. SMITH

Mr. Chairman and Members of the Subcommittee: The Administration has adopted a new version of the ABM Treaty—a version which will permit the United States and the Soviet Union to engage in much more extensive work on space based defenses than

would have been permitted under the earlier version which pertained from 1972 to 1985. In fact, the new version would permit any development and testing activities short of final deployment of a full space-defense system.

I would like to consider the impact that this new version may have on Soviet-American relations, on America's relations with its allies, and on the SDI itself, I will leave to my colleague, John Rhinelander, the analysis of the thrust of the ABM Treaty on this score as it was negotiated.

The Administration now claims that for time being the new Treaty version is not intended to alter SDI programs. But it is also clear that the Administration feels free under the new version to alter the SDI program any time that would appear advantageous. So we have two possible criteria to guide the SDI. The so-called restricted policy and the new version. Although treaties are intended to produce some degree of predictibility in international relations, we have introduced a new element of uncertainty in future relations.

Although this issue is of special concern to the Senate, which consented to ratification of the ABM Treaty by a vote of 88 to 2 in its earlier version, I think the House would also have a special interest in the legal basis for programs which it is being asked to fund. The revised version of the Treaty alters it radically, and the threat of the revised version being applied at any time must have a bearing on Congress' responsibility for the defense of the United States—a responsibility which now involved large elements of arms control.

I should think the Congress would want to have firm assurances that funds appropriated for SDI work will not be spent for any new purposes permitted under the new version of the ABM Treaty as well as a clearer understanding of exactly what the so called restrictive policy encompasses. The confused and shifting status of the SDI reinforces the recent call by the Congressional Office of Technology Assessment for unusually strict congressional oversight of these programs.

The question may fairly be asked: Is this new Treaty version intended as a warning to the Soviet Union that if it does not improve its behavior, the United States will switch from a restrictive to a permissive treaty-authorized SDI program. I take it that the Administration's answer to this would be that it wouldn't mind if that was the effect.

Why did the Administration decide to float this new Treaty version just six weeks before a summit at which the ABM Treaty was expected to be an important part? Was it an exercise in playing hard ball? A gesture of machismo? Such an explanation would be consistent with the views of some officials who openly express contempt for this part of the supreme law of the land. Or was it a bargaining ploy looking to a summit accommodation somewhere between the Soviet pre-summit position of no research at all and the Reagan new version of no limits on strategic defense development?

What should be done? I trust that the Administration will take this opportunity at the summit to try to find out whether the Soviet Union accepts the previous interpretation of the Treaty—a proposition that the negotiators of the agreement believe and the Administration seems to doubt. I would think that Mr. Gorbachev would reassure the President on this point, since the Soviet Union has been pressing for a substantially more restricted position on space-based systems, rather than the less restricted position that the Administration previously advocated. I hope this committee will urge the President to do just that.

The surprising results of the recent legal research of a new generation of SALT experts may in the end prove significant if they trigger a summit clarification of the allowable limits of research looking to space-based ballistic missile defenses. But these actions could backfire. The arms control relation between the superpowers is in a fragile state. The United States has refused to ratify the last three arms control treaties, which it has negotiated with the Soviet Union. On top of this, the United States has now unilaterally revised the last arms control treaty which it has ratified—and done so in a radical fashion which goes to the heart of the bargain.

No reason has been given for the Presidential decision to hold for the time being to the traditional version of the Treaty in spite of the new legal license to operate in fundamental violation of its provisions. If our Secretary of Defense's emotional claim that SDI is our only hope for the future is true, why this self-restraint? If the President's claim is valid that SDI leads us to arms controls and total elimination of nuclear weapons, why would we want to put off that happy day by proceeding at a more leisurely pace than permitted by the new version of the Treaty?

It seems most unusual for a nation which holds itself to be a decade behind in its strategic defense preparations to favor a new version of the ABM Treaty that will free the Soviet Union to make much greater efforts to hold or even increase its alleged lead. But this outcome, according to one U.S. official, is a "realistic" view of our new Treaty revision.

The Administration bases its case on alleged ambiguities in the negotiating record. Unfortunately, under the time honored rules of diplomatic privacy, the evidence is not available. It would be a unique episode in international negotiations to have a completely unambiguous record—especially in a bargaining process requiring 2½ years. But be that as it may, the 13-year record for the parties holding to the original version should carry far greater weight than some statements reportedly inconsistent with the final language of the Treaty.

The ABM Treaty was a great policy accomplishment of President Nixon's first term. It would be of interest to ascertain if he believed that the Soviet Union has not accepted his understanding of the Treaty's ban on the development and testing of space-based systems.

Only two weeks before the White House announcement of the new Treaty version, six former Secretaries of Defense (Harold Brown, Clark Clifford, Melvin Laird, Robert McNamara, Elliot Richardson, and James Schlesinger) urged the President not to take any steps to further erode the ABM Treaty. Unfortunately, the experienced advice was quickly rejected.

The Geneva communique of last January called for negotiations to stop the erosion of the ABM Treaty. The U.S. adoption of new and radically permissive verison of the Treaty hardly reflects a deep commitment to preventing its further erosion. This development comes at a time when the Soviet Union is calling for a less permissive Treaty interpretation—one that would permit research, but no development work outside a laboratory. The Administration's justification for its complete reversal of its position appears to be that the Soviet Union did not agree to the tighter legal standard that we had accepted. This seems a very strange rationale coming at a time when the Soviet Union is pressing for a much more restrictive interpretation of the Treaty than ours.

The SDI has also become a source of considerable difficulty for important allies. They seem to be less clear than the Administration that SDI is the key to arms control which for them is perhaps more important than the United States in terms of domestic politics. It is reported that allies concerns generated by the revised version of the Treaty were a major factor in Secretary of State Shultz's efforts to blunt the impact of National Security Advisor MacFarlane's formulation of the new legal revision of the ABM Treaty. I wonder if the NATO members will be satisfied with the confusing partial withdrawal of last week's MacFarlane doctrine. The NATO allies are now on notice that the restrictive policy for the SDI program can be reversed at any time by the stroke of the pen of the Chief Executive.

For my own part I think the SDI at present is, if anything, too ambitious a program which raises serious questions under the previous restrictive version of the ABM Treaty. I do however favor a robust program of research as an insurance policy against a future Soviet breakout from the Treaty and as an aid to permit us better to understand what the Soviet Union may be up to.

In conclusion, I commend this Committee for its interests in this important issue and will urge them to seek a clarification on the true impact of the revised verison of the ABM Treaty on the SDI program.

STATEMENT OF JOHN B. RHINELANDER

Mr. Chairman and Members of the Subcommittee: My name is John B. Rhinelander. I am currently a partner in the law firm of Shaw, Pittman, Potts & Trowbridge in Washington, D.C. I am also a member of the Board of Directors of the Arms Control Association, a member of the National Advisory Board of the Lawyers Alliance for Nuclear Arms Control, and a member of the ABA's Standing Committee on Law and National Security. Previously, I have served as a law clerk to Justice John Marshall Harlan and in five departments in the Executive.

I appear today in my individual capacity. My views do not necessarily represent those of any of the organizations with which I am presently affiliated. My statement represents my best recollection, after discussions with former colleagues on the SALT I delegation who are now out of government and a review of some of the available literature, on the evolution of the ABM Treaty in 1971-72 and its meaning. The SALT I negotiating record is massive and classified. I have not had access to it since 1972 and have never seen the official ACDA history of SALT I which is also classified. I served as the legal adviser to the US SALT I delegation from 1971-72.

The primary issue before the Subcommittee today is whether Article V(1) of the ABM Treaty prohibits the development and testing of space-based and other mobile-type "exotic systems" (e.g., space-based lasers). The secondary issue is whether any of the Treaty's substantive constraints on "ABM systems or components" in Articles I(2), IV, V and IX apply to space-based "exotic systems". The answers are four-fold: (1) the prohibitions are clear from the text of the Treaty, particularly Article V(1) which

states, "Each Party undertakes not to develop, test or deploy ABM systems or components which are sea-based, air-based, space-based or mobile land-based"; (2) the negotiating history, as interpreted in 1972 by the SALT I delegation and the backstopping representatives in Washington, supports the broad ban on space-based "exotic systems" as the only permissible interpretation; (3) this has been the interpretation of the Executive, accepted and relied upon by Congress, since 1972; and (4) any other result is patently absurd and would frustrate the stated premise of this Treaty of indefinite duration—to prohibit the deployment of nationwide ABM systems or a "base" for such a system.

The Soviets accepted this interpretation during the negotiations, reflected it in their ratification proceedings, and have taken no actions and have not made any official statements inconsistent with this interpretation. This is the only conclusion one can draw from their public statements which sometimes deal with the issue implicitly and elliptically rather than explicitly. The Gorbachev interview with Time editors includes a specific statement, but without mentioning Article V, before the U.S. "reinterpretation" became known. The TASS statement of October 9, responding to the U.S. "reinterpretation", removes any ambiguity from the Soviet public position. Marshall Akhromeyev's lengthy comments on October 19, 1985, should lay to rest the Soviet public position.

The U.S. delegation in Geneva, and Members of Congress who are advisors, should know whether the Soviets have made their position explicit, and specifically tied to Article V(1), in the Geneva negotiations since 1972, since the President's Star Wars speech in March 1983, and since October 6, 1985.

I.

Based on National Security Advisor McFarlane's comments October 6 on NBC's Meet the Press, subsequent commentary on CBS, the article in the Washington Post on October 9 (attached as Exhibit A) and my telephone conversation that day with Deputy Secretary Taft at the Pentagon, the Administration had concluded that the Soviets never agreed to the U.S. position at SALT I, the Soviets cannot be held to abide to it today and, therefore, the U.S. is not legally bound. Deputy Secretary Taft told me that the General Counsel of DOD, the Legal Adviser at State, and the Department of Justice had, therefore, concluded that because the U.S. cannot legally hold the Soviets to the historic U.S. interpretation, the U.S. may take the position that the development and testing of sea-based, air-based, space-based and mobile land-based "exotic systems and components" may be developed and tested, but not deployed, consistent with the ABM Treaty.

On October 13, the President decided that he agreed "in principle, but not in practice" with this "reinterpretation". Based on a Presidential directive, Secretary Shultz announced on October 14 in a speech before the thirty-first annual meeting of the North Atlantic Assembly that "a broader interpretation of our authority is fully justified", but SDI "will be conducted in accordance with a restrictive interpretation of the treaty's obligations."

This leaves the U.S. legally free to return to the "reinterpretation" whenever the President's advisors deem advantageous and the President agrees. The story on October 17 in the Washington Post (see Exhibit B) makes this clear. DOD officials do not admit that they have yet lost the argument and stress Secretary Shultz did not state how long the Administration would continue to abide by the new "restrictive interpretation," which represents presidential policy rather than a matter of law.

The legal rationale for the "reinterpretation" revolves around Agreed Statement D. The argument is (1) that Article V(1) constrains only "traditional" ABM technology (ABM missiles, ABM launchers and ABM radars), and (2) therefore permits development, testing and deployment of "exotic systems and components", but (3) Agreed Statement D implicitly amends Article V(1) to prohibit deployment only of "exotic" systems and components.

This rationals is absurd as a matter of policy, intent and interpretation. If the Administration sticks with it as the best legal interpretation of the Treaty, then the Administration has effectively repudiated the ABM Treaty as a legal instrument. If the truncated Treaty remains in effect, then both the U.S. and Soviets can develop and test, without quantitative or geographic limits, any sea-based, air-based, space-based or mobile land-based ABM system or component provided they are based on "exotic systems and components".

But the result could be even more far reaching. Because the Administration's new interpretation is that Article V(1) and other Articles of the Treaty do not apply to "exotic systems" and Agreed Statement D blocks only their deployment, then the necessary consequences are that the limits on "ABM systems or components" throughout the Treaty do not include "exotic systems". This results in:

(1) the deployment bans on a nation-wide ABM defense, a base for such a defense, and a regional ABM defense (except as permitted by Article III) in Article I(2), which were fundamental statements of the Treaty's scope, are all limited to "traditional" ABM technology, (i.e., ABM launchers, ABM missiles and ABM radars) and do not apply to "exotic systems";

(2) the words "currently consisting of" in Article II(1), intended to make clear that the Treaty applied to all ABM technologies and not just "traditional" ones, are rendered devoid of meaning;

(3) because Article IV dealing with ABM test ranges explictly refers back to Article III (which authorizes limited deployments of fixed, land-based ABM launchers, ABM missiles and ABM radars), the geographic, quantitative and implicit qualitative limits in Article IV on ABM tests do not apply to tests of any type of mobile or space-based "exotic systems";

(4) Article V does not apply to all or almost all SDI programs, and the Homing Overlay Experiment (HOE) which was a kinetic energy test with a single intercept mechanism) could have been tested in a MIRVed configuration; and

(5) the prohibitions in Article IX against transfers of ABM systems or their components to other States, and deployment outside national territories, apply only to "traditional" technology and not to "exotic systems".

The consequences of this "reinterpretation" are dramatic when one considers that the principal U.S. concern has historically been with Soviet "breakout" capability based on "traditional" or "low tech" systems. These remain tightly constrained notwithstanding the "reinterpretation". On the other hand, most of SDI is now "legally" unconstrained by the Treaty.

With particular respect to the Soviets and their emphasis on "traditional" systems: (a) ABM deployment is limited to the one area surrounding Moscow; (b) ABM tests must be limited to their two ABM test ranges; (c) the development, testing and deployment of land-mobile "traditional" ABM systems and components is prohibited; and (d) the ban on the "upgrade" of surface-to-air (SAM) systems remains in full force. However, under the "reinterpretation" the Soviets now legally could place in the field an unlimited number of mobile land-based lasers (the Soviets have an active laser program) across the Soviet Union provided they were labeled for "test" purposes.

With particular respect to the U.S., it is now free to exploit its own, and Western technology, in the full pursuit of Star Wars. A full-scale, operational orbiting systems, with accompanying ground stations and including as many as 100 to 400 killer satellites and related sensors, could now be "legally" put in place as an extensive "test program" to prove out the new technology in a BMD system configuration. U.S. allies would be free of any Treaty restraints to participate in two-way transfers of most SDI technology, with the only "legal" constraints on "west-west" SDI technology those under the Munitions Control and Export Administration Acts.

This result is absurd. Unbeknownst to the U.S. SALT I delegation, the SALT I backstopping apparatus in Washington, the Nixon Administration and each of its successors, and Congress, the U.S. would now be in the most one-sided Treaty relationship imaginable. Ambassador Smith should be given a retrospective decoration by the Reagan Administration for one of the great feats in American diplomatic history!

Of course, it could not last for a minute. Arms control agreements are viable only as long as they are in the net interests of each party. Secretary Shultz has spoken of the need to "prevent the erosion of the ABM Treaty," but Defense Secretary Weinberger, Under Secretary Ikle, and Assistant Secretary Perle have repeatedly stated that they have no use for the ABM Treaty and the sooner the U.S. is without it the better. They momentarily prevailed in a brazen exercise well described in a New York Times editorial by Anthony Lewis (see Exhibit C). Unless the President or Congress repudiate this self-defeating legal "reinterpretation", or the U.S. and Soviets agree on specific Agreed Statements to put it to rest, DOD officials could move the issue again when the moment seems right to them.

The timing of the announcement of the initial "reinterpretation" remains obscure. DOD has known, of course, that under the historic interpretation the evolution of SDI research into development and testing would have to be stopped somewhere between 1988 (as I believe) and 1990 (as even DOD officials had privately conceded) unless either the Soviets agree to amand the Treaty or the U.S. formally withdraws. From a policy and political point of view, six weeks before the Summit, the "reinterpretation" by the U.S. with respect to a legally binding treaty could have been a disaster. The first concrete U.S. response to the Soviet proposal (admittedly lopsided) to cut offensive forces by 50% was to repudiate the ABM Treaty which, both had agreed last January, is interrelated to any offensive limitations.

One of the political reasons for the Administration's initial "reinterpretation" at this time may have been DOD's attempt to

encourage more Allies to support SDI by participating in cooperative SDI "research". (The negotiations with the U.K. on a government-to-government agreement may be completed before the Summit and an agreement with the FRG shortly thereafter). Foreign corporations, particularly in the United Kingdom and West Germany, might be encouraged by the "reinterpretation" because cooperation might be extended from ABM "research", which is all that is permitted under the historic U.S. interpretation, to include now "development and testing" with full sharing and two-way transfers.

The actual effect on U.S. Allies was the reverse because the political fallout of this full sharing in SDI technology directly associated with ABM systems or components would have been the implicit or explicit ratification by Allied governments of the repudiation of the ABM Treaty. That is a role that none is prepared to accept or condone, including the United Kingdom. Margaret Thatcher earlier had achieved at Camp David the President's agreement to four basic principles relating to SDI. Compliance with the ABM Treaty was one of them. The political cost in West Germany and the Netherlands (particularly since the latter must make its decision on cruise missile deployments by November 1) might be much higher for their governments and NATO as a whole.

The remainder of my statement sets forth my views on the negotiation and meaning of the ABM Treaty.

II

In April 1971, while I was serving in Washington as a Deputy Legal Adviser at the Department of State, Ambassador Gerard Smith asked me to come to the fourth negotiating session of SALT I in Vienna and prepare drafts of an ABM Treaty and an Interim Offensive Agreement. In March, the Soviet delegation had tabled a draft ABM Treaty. The U.S. delegation believed it was appropriate to begin to prepare formal texts of agreements on defensive and offensive strategic weapons limitations. I spent most of that session reviewing the record of the negotiations (plenary statements, memoranda of conversations, reporting cables, etc.), familiarizing myself with U.S. position papers and the technical characteristics of the weapons, and in discussions with members of the U.S. delegation. I also prepared rough first drafts of texts. The negotiating session ended in May 1971, shortly after the "May 20 understanding" between the US and Soviets was announced.

During the remainder of May and in June in Washington, I prepared successive drafts of an ABM Treaty and an Interim Agreement after input from others. I recollect that the Soviet draft of Article III was permissive—it stated both sides may deploy a single, fixed land-based ABM system with 100 ABM launchers and no limits on ABM radars within the deployment areas. This text was vague, imprecise and, among other things, an invitation to pursue and deploy both stand-alone components, such as long lead-time ABM radars, and ABM systems based on "exotic" technologies. In my drafts, I turned Article III around into the form eventually agreed upon and also tightened it.

Article III, as drafted, prohibited deployment of any ABM system or components except those in the deployment areas and as limited quantitatively, qualitatively and geographically. The text of Article III, standing alone, prohibited the deployment of fixed land-based "exotic" ABM systems and components because only systems utilizing ABM launchers, ABM missile and ABM radars could be deployed. This raised the "exotic system" question directly for inter-agency consideration.

The other substantive Articles always referred to "ABM systems" and to "components" to make clear the U.S. position that components were limited and not just entire systems.

The Soviet draft of March 1971 contained prohibitions on testing and deployment of "space-based" in what is now Article V(1), as did my drafts of May-June 1971 which, I believe, added "develop." The gist of this article was derived from the August 4, 1970 proposal by the U.S. for bans on production, testing and deployment of all mobile-type ABM systems.

The drafts of May-June 1971 were reviewed by members of the SALT delegation while in Washington. Some of them had sharply differing views on "exotic systems" and other questions.

III

The fifth negotiating session began in Helsinki in early July 1971. After taking into account the President's written instructions, the delegation revised my drafts, cabled texts of an ABM Treaty and an in trim Agreement to Washington, and sought authorization to table them in a plenary session. On the "exotic systems" questions, the delegation was split. Gerard Smith wrote in Doubletalk: The Story of SALT I (Doubleday, 1980), that he and Harold Brown supported a broad ban; Paul Nitze concurred except for sensors; but General Allison and Ambassador Parsons favored no restraints at all on "exotic systems" (pp. 263-65).

The delegation was subsequently authorized to table the text of both agreements, which it did on July 27, but with the article in the ABM Treaty covering space-based systems omitted. The Verification Panel in Washington was still analyzing the "exotic systems" question. Eventually, the President rejected an ABM ban which Ambassador Smith had urged, but about the same time he approved a White House staff compromise to the basic Smith-Brown position on "exotic systems" which would prohibit (1) the deployment of fixed land-based and (2) the development, testing and deployment of all other basing modes. The Joint Chiefs of Staffs were particularly interested in preserving the option to develop and test fixed-land-based lasers. The President's decision preserved this option, as does the ABM Treaty itself. See John Newhouse, Cold Dawn: The Story of SALT (Holt, Reinhart, 1973), pp. 230-31, 237; Raymond L. Garthoff, Detente and Confrontation: American-Soviet Relations from Nixon to Reagan (Brookings Institution, 1985) ch. 5.

The U.S. delegation filled in the blank Article in its ABM Treaty in mid-August 1971. The Soviets initially balked at discussing, let alone agreeing to any limitations on, "exotic systems". They were probably without any instructions on this issue and may have felt the U.S. was on an intelligence-fishing expedition. Progress was soon made nevertheless. Various working groups and a drafting group were set up to seek agreement issue by issue. Joint Draft Texts of the Soviet and U.S. drafts of the Treaty were prepared with disagreed language, which at first was extensive, in brackets.

The Graybeal-Karpov Working Group focused on Article V. (Sid Graybeal was later the US Commissioner to the Standing Consultative Commission. Victor Karpov is currently the head of the Soviet delegation in Geneva.) Before the conclusion of the fifth negotiating session in September 1971, the Graybeal-Karpov working group agreed, ad referendum to the two delegations, that current Article V(1) covered "current" as well as "exotic" technologies. The U.S. delegates agreed that the Americans on this working group (which included Albert Carnesale, now at the Kennedy School at Harvard) had carried out the President's instructions. The brackets around "develop" in that paragraph in Article V in the Joint Draft Text were subsequently removed in the drafting group during the sixth negotiating session after both delegations had noted their approval. The Administration now contends that either the Soviets never agreed with the U.S. interpretation or that the Soviets later modified their agreement or changed their interpretation during negotiations over Agreed Statement D. The U.S. members on this Working Group would sharply differ with this view.

The major sticking point then, and through late into the sixth negotiating session, was on fixed land-based systems. U.S. instructions were to preserve the right to develop and test, but not to deploy, fixed land-based lasers. Accordingly, the U.S. delegation insisted that Article II should authorize deployment of only ABM systems and components which are based on "current" technology. Further, development and testing, whatever the technology, of fixed land-based systems and components could be carried out only at ABM test ranges. The Soviets resisted any limitations on fixed land-based "exotic systems". As John Newhouse, who many believe was given at least some access to NSC files, wrote (Cold Dawn, p. 237):

"Back in the summer, Moscow's attitude, as reflected by its delegation, had been sympathetic. Then, in the autumn, it hardened, probably under pressure from the military bureaucracy. Washington was accused of injecting an entirely new issue. Moscow would not agree to a ban on future defensive systems, except for those that might be space-based, sea-based, air-based, or mobile land-based. The U.S. delegation persisted and was rewarded. Land-based exotics would also be banned. The front channel had produced an achievement of incalculable value."

IV

The Article III issue was not resolved until late in the sixth (Vienna in November 1971-February 1972) negotiating session. It was handled principally in the Garthoff and Kishilov or Grinevsky working group and also in the Garthoff-Parsons-Kishilov/Grinevsky group (Ray Garthoff and Nicolai Kishilov were the executive secretaries of the respective delegations.) The U.S. proposed the "currently consisting of" phrase which was agreed upon for Article II to make clear that the Treaty was not limited to "traditional" technology. The U.S. proposal for the "except that" formulation for Article III was accepted which made clear that fixed land-based "exotic" systems could not be deployed. The ban against a nationwide defense or "base" for such a defense in Article I(2), which was a Soviet initiative intended in part to deal with "exotic systems", was agreed. In each case, agreement was ad referendum to the delegations. Together, these textual provisions completed all the key words in the Treaty relating to "exotic systems".

An agreed interpretation tied to Articles I and III was first proposed by Garthoff in

mid-December 1971. I distinctly recollect advising that no supplementary interpretation was technically necessary. The U.S. effort, therefore, was to reinforce the clear meaning of the specific Article III and the more general Article I(2).

The U.S. had originally proposed a paragraph for the Treaty in August 1971. It stated: "Each party undertakes not to deploy ABM systems using devices other than ABM interceptor missiles, ABM launchers or ABM radars to perform the functions of these components". Doubletalk, pp. 265, 343-44. The Soviets balked at any Treaty language and, subsequently, the initial U.S. proposal for an agreed interpretation. Eventually the Soviets proposed a counter draft. This was modified several times at U.S. insistence (including the insertion of the opening phrase "In order to insure fulfillment of the obligation not to deploy ABM systems and their components except as provided in Article III of the Treaty * * *"). The reference to Article XIV in Agreed Statement D indicated that the Treaty would have to be amended before a fixed land-based "exotic," such as a laser, could be deployed. The final compromise language was proposed by Garthoff to the Soviets in late January 1972 and early in February Kishilov informed Garthoff of Soviet agreement. This was eventually noted in an US plenary statement. Agreed Statement D and the other Agreed Statements were initialed on May 26, 1972 by Ambassadors Smith and Semenov.

Agreed Statement D refers to, and interprets, Article III only, although the reference to "other physical principles" and "components capable of substituting for" are equally applicable to Article V(1). While the language is admittedly opaque, the U.S. has always understood that Agreed Statement D reinforced Articles I(2) and III and reinforced the prohibition on deployment of fixed land-based "exotic systems" unless and until the Treaty is amended. Finally, and most importantly, Agreed Statement D certainly does not diminish or amend Article V(1) and the other substantive Articles such as I(2), IV, V(2) and IX.

V

During the seventh negotiating session, I prepared detailed memoranda on both the ABM Treaty and the Interim Agreement intended to serve four distinct purposes: (1) inform the delegation on what was agreed with the Soviets and what was not; (2) suggest whether the U.S. should consider seeking one or more Agreed Statements to provide more specific interpretations; (3) indicate what types of weapons programs, current and future, were prohibited and permitted; and (4) serve as the basis for the eventual transmittal documents to Congress and background for the Congressional hearings.

Successive drafts of my memoranda were shared within the delegation. Where there was any doubt that a matter was agreed, the proposition was enclosed in brackets. The brackets were removed only after I, and others on the U.S. delegation, were satisfied. I constantly revised the drafts as issues were reviewed. The draft memoranda were never made "final."

In certain cases the U.S. delegation sought and achieved Agreed Statements. In others it did not seek them. Some matters were judged agreed, while others were not. To the best of my recollection, the U.S. delegation never sought an Agreed Statement confirming that Article V(1) covered "exotic systems." We probably felt that seeking further specific agreement was unnecessary and would not be productive. In any event, I am absolutely certain that my contemporaneous advice to the U.S. delegation on the scope of Articles III and V(1) with respect to "exotic" systems was clear and that none of the delegates nor their advisors (State, ACDA, JCS and OSD) disagreed with that advice. I recall no indication that the Soviets thought otherwise.

During SALT I the US delegation, and particularly Washington, did not insist on the kind of precision reached in the SALT II Treaty with its 98 Agreed Statements and Common Understandings. The Soviets stubbornly resisted the level of textual detail the US had initially sought at SALT I. Neither the President nor Henry Kissinger cared much for detail. During the final three negotiating sessions, the US delegation made ad hoc decisions on how the Presidential instructions should be sought and recorded on many issues, how hard to push for additional clarity, and what sufficed, but constantly reported to Washington.

In one instance relating to the ABM Treaty ("current" Soviet ABM test ranges), the U.S. delegation identified the two US ABM test ranges and the Soviet test range at Sary Shagan. The Soviet response noted national technical means permitted the identification of test ranges. (The U.S. and Soviet statements are set forth in Common Understanding B.) The U.S. delegation noted immediately that the Soviets did not respond to the U.S. identification of Sary Shagan as their ABM test range, but the delegation believed the Soviet response reflected extreme Soviet sensitivity to any discussion of their test range. However, in the mid-1970s the Soviets claimed a second "current" ABM test range at Kamchatka based on the presence of an old rader. Paul Nitze has referred to this negotiating technique as unworthy of bazaar traders. I agree. The U.S. eventually accepted the Soviet claim in 1978 because there was a factual basis for it, but learned from this example, and particularly from the Moscow Summit negotiations on the Interim Agreement, that explicit agreement and written precision is important. The SALT II documentation reflects this learning.

SALT I, however, did not have this benefit of later-day hindsight indicating the need for precision and detailed Agreed Statements and Common Understandings reflected in the SALT II Treaty. Some of the SALT I underlying understandings are reflected in formal plenary statements, others in the less formal mini-plenary statements and some in working documents, memoranda of conversations ("memcons") and reporting cables. Agreement was reached ad referendum in one or more working groups, approved by the two delegations, referred to the drafting group, to the interpreters, etc. On many points there will not be simple, clear documentation. In addition, the U.S. government (but not the Soviets) has lost most of its SALT I historical memory.

Some interpretation matters were in 1972, and remain today, ambiguous and need clarification. The dividing line between permitted "research" and prohibited "develop" and "test" is not clear, nor is the related meaning of "component," in the broad prohibitory context of banning "exotic systems" under Article V(1). There is no Agreed Statement on either issue. The former was discussed in a formal statement delivered by Harold Brown and a general understanding, although not a fully documented record, was reached. I do not recall any discussion of the latter with the Soviets.

VII

The SALT delegation remained in Helsinki until agreement on open points, primarily the Interim Agreement, was reached at the Moscow Summit. When the delegation returned to Washington, and the transmittal documents and Congressional statements were being prepared under White House control, Henry Kissinger directed that all "understandings" be culled from the negotiating record and made public to refute criticism of secret agreements. This was the derivation of the SALT I Common Understandings. The search of the files for Common Understandings limited. It did not cover all the myriad of agreed understandings reached in less formal ways during the negotiations.

The hearings before the Senate Foreign Relations Committee, and particularly the Senate Armed Services Committee, led to a much fuller public record on many of the nuances. Some of the initial testimony of officials was not clear, but the record was frequently supplemented. This includes the statement for the record of the Senate Armed Services Committee, prepared after inter-agency review of reporting cables, on the difference between research and development for purposes of Article V. It includes explicit confirmations submitted by Secretary of Defense Melvin Laird, Under Secretary for DDR&E John Foster, and Acting Chief of Staff of the Army General Palmer, all to Senator Jackson, that development and testing, as well as deployment, of space-based "exotic systems" were prohibited. Senator Jackson (D, Wash.), who was a sharp critic of SALT I but voted in favor of the ABM Treaty, understood this point clearly. He was probably the most knowledgeable Senator on the impact of SALT I on weapons programs. Finally, Senator James Buckley (R, NY) stated on the Senate floor on August 3, 1972 that he opposed the ABM Treaty and would vote *against* it largely because of this prohibition. He said:

"Thus the agreement goes so far as to prohibit the development, test or deployment of sea, air or space based ballistic missile defense systems. This clause, in article V of the ABM treaty, would have the effect, for example, of prohibiting the development and testing of a laser type system based in space which could at least in principle provide an extremely reliable and effective system of defense against ballistic missiles. The technological possibility has been formally excluded by this agreement."

The vote in favor of advice and consent to ratification was 88-2.

VIII

I resigned from government in June 1972 after the transmittal documents had been sent to Congress and before the hearings. While I later served at HEW as General Counsel and at HUD as Under Secretary between 1973 and 1977, I have had no official role in the SALT process since June 1972. I left behind at ACDA two complete file cabinets of all my working papers which I have not seen since 1972. I understand they were later sent to a warehouse by ACDA and the files cannot now be located although copies of some documents, including at least the last two drafts of my memoranda analyzing the ABM Treaty, were preserved by the JCS and perhaps in some other files.

In 1972-73 while in private practice, I coedited a book on SALT and wrote chapter 5 on "The SALT I Agreements." I have attached to this statement the pages from

that chapter (Willrich and Rhinelander (editors), SALT: The Moscow Agreements and Beyond (Free Press, 1974)) on the ABM Treaty (Exhibit D). Pages 128-29 and 134 are directly on point with respect to "exotic systems." They summarize my immediate recollection of the advice I gave to the U.S. delegation which was the basis for the Executive position before, during and after the ratification process. Prior to publication of the book, I informally cleared my chapter with government officials to ensure both accuracy and non-disclosure of sensitive information.

Over the past eight years, I have been informally queried on various issues by officials at the JCS, OSD, State, ACDA and the CIA. One question in the late 1970s was whether there were any deployment limits on fixed land-based "exotic systems." This question had been reopened in OSD, sharply debated with JCS supporting the traditional U.S. position, and then correctly resolved. This question also involved Agreed Statement D, but in this case the OSD argument was that there were no deployment limits under Article III on fixed land-based "exotic systems" and only an obligation to discuss. This is almost the exact reverse of the Reagan Administration's "reinterpretation" which now claims the deployment limits in Agreed Statement D prohibits only deployment of systems referred to in Articles III and V(1).

To the best of my knowledge, the challenge to Article V(1) within the Executive arose only recently although the Heritage Foundation circulated a Backgrounder dated April 4, 1985 rejecting the traditional interpretation. A footnote stated it was authored by an unnamed government official.

This past spring I co-authored with Tom Longstreth and John Pike a booklet on The Impact of U.S. and Soviet Ballistic Missile Defense Programs on the ABM Treaty, National Campaign to Save the ABM Treaty (March 1985). In April, I testified before this Subcommittee and excerpts from my formal statement were reprinted in Arms Control Today (May 1985). In July I presented a paper at a SIPRI conference which sets forth my most recent analyses and recommendations. A copy of the latter, as revised in August, is attached as Exhibit E. These documents reflect my views on the correct interpretations of the ABM Treaty and basic issues raised by current U.S. and Soviet BMD programs.

In my judgment, the FY85 Arms Control Impact Statement prepared by the Reagan Administration correctly states the agreement reached with the Soviets in 1971-72 on the meaning of Article V(1). It provides (pp. 251-52):

"The ABM Treaty bans the development, teasting and deployment of *all* ABM systems and components that are sea-based, air-based, space-based or mobile land-based. . . . The ABM Treaty prohibition on development, testing and deployment of space-based ABM systems, or components for such systems, *applies to directed energy technology (or any other technology used for this purpose.)* Thus, when such directed energy programs enter the field testing phase they become constrained by these ABM Treaty obligations." [Emphasis added.]

The SDI Report to Congress (April 1985), especially Appendix B, is consistent with this statement.

IX

In the Soviet parliamentary ratification deliberations, the First Deputy Minister of Foreign Affairs, Vasily V. Kuznetsov, "on behalf of the Soviet Government," gave the Presidium of the Supreme Soviet the official Soviet position on the ABM Treaty. He said that, "The sides pledge themselves not to create or develop ABM systems or components emplaced in the sea, the air or space or of a mobile ground type. * * *" He presented this as a clear obligation of the Treaty as a whole. (See Pravda, September 30, 1972, as translated in FBIS, Oct. 3, 1972).

Based on my review of available documents, the Soviets had not explicitly tied this interpretation to "exotic systems" in public until recently although their statements implicitly supported this as the only interpretation of the entire Treaty, including Article V(1). However, general Secretary Gorbachev's written response to *TIME* states, "In our view, it [SDI] is the first stage of the project to *develop a new ABM system prohibited under the Treaty of 1972.* See *TIME* (Sept. 9, 1985), p. 24. [Emphasis added.] (See also Soviet documents printed in *Ballistic Missile Defense Technologies* (OTA, 1985) pp. 312-15.)

Specific Soviet responses to the US "reinterpretation" which was made first on television and then repeated in the press are contained in FBIS on October 9 and 10. They include the translation of a TASS commentary and an English-language TASS article. The former, as translated by FBIS, includes:

"According to the CBS television company, one of the latest administration reports contains the 'conclusion' that the antimissile defense treaty, which strictly restricts the development [sozdaniye] of antimissiles, allegedly does not restrict the development [razrabotka] and testing of "exotic" types of weapons—Laser and beam weapons—at all. It is quite clear which way such "interpreters" are taking the matter. Having just the other day tested land-based laser installations, the United States is now planning to site a laser weapon on board a space-craft and test it directly in space.

"It would evidentally not be inappropriate to remind some people in Washington yet again that the antimissile defense treaty (Article 5) prohibits both the development [sozadaniey] and testing of space-based antimissile defense systems or components. The treaty provisions relate to any systems designed, as defined by Article 2, for fighting against strategic ballistic missiles or their elements on flight trajectories. Since the antimissile defense components being created within the "star wars" program are designed for precisely this purpose, that is are intended to replace the antimissiles mentioned in the treaty (or to act together with antimissiles), all provisions of the treaty relate to these, regardless of the degree of 'exoticness' of their principles of operation. It is high time the irresponsible "interpreters" [tolkovaterli] from Washington gave up their useless and dangerous occupation, listened to the voice of the world public, which they are trying to delude, and directed their efforts to positive goals. And they do have something to think over: The set of Soviet initiatives offers broad scope for constructivism."

Finally, Marshal Sergei Akhormeyev, the Chief of the Soviet General Staff, made lengthy comments in an article in Pravda. He said the ABM Treaty "unambiguously bans" the development, testing and deployment of space-based ABM systems. See New York Times, October 19, 1985 (Exhibit F). Marshall Akhromeyev explictly confirms the historic U.S. position of the ban on space-based "exotic systems." The Subcommittee should obtain the full FBIS translation of these comments as soon as they are available and include them in the record of these hearings.

The Administration's justification for its "reinterpretation" is that the Soviets cannot be held to comply with the historic U.S. position. Instead of reinterpretating the clear text of the 1972 Treaty based on a selective review of the classified U.S. negotiating records, the better approach would have been to ask the Soviet negotiators in private in Geneva (and specifically Ambassador Karpov who had a crucial role on this issue at SALT I) whether or not the Soviet Union agrees that Article V(1) bans the developments, testing and deployment of "exotic systems." If the private Soviet response had been "no," then the Administration's "reinterpretation" would have been justified.

If the private Soviet response in Geneva were "yes," as one would expect from their public statements since 1972, then the October 6 "reinterpretation" and the October 13 recanting by the Administration would have been unnecessary. Agreed Statements on the basic points could have been quickly negotiated if deemed necessary for clarity.

If a private but positive Soviet response in Geneva were now rejected by the U.S. as "too late" because the U.S. wanted to keep open the option of reasserting its "reinterpretation," then the OSD motive behind the initial change in U.S. position—to erode immediately and eventually destroy the ABM Treaty—would be clear.

X

As I have testified, written and spoken in various forums in the past two years, the challenge now is to strengthen the ABM Treaty through specific, mutual and verifiable Agreed Statements and Common Understandings. Six former Secretaries of Defense endorsed the importance of the Treaty and the need to strengthen it before this controversy broke (see Exhibit G).

Of course the Soviets must become responsive on the Krasnoyarsk radar which appears to be a clear violation. The booklet I co-authored this spring contains a series of specific recommendations (see Exhibit H) which were intended to start a constructive process consistent with Secretary Shultz's stated goal of reversing the erosion of the ABM Treaty.

In conclusion, let me suggest approaches for three Agreed Statements based upon, and entirely consistent with, my recollection of the SALT I negotiating record which would clarify the overall scope of the ABM Treaty, particularly Article V(1):

(1) First Agreed Statement to Article II(1). As used in this Treaty, "AMB systems." "ABM systems or components," "ABM systems and components" and "ABM systems or their components" include ABM interceptor missiles, ABM launchers, and ABM radars as defined in Article II(1) and any devices based on other physical principles which are capable of substituting for or performing the functions of ABM interceptor missiles, ABM launchers, or ABM radars.

(2) First Agreed Statement to Article V(1). Article V(1) applies to ABM components and any devices based on other physical principles which are capable of substituting for or performing the functions of ABM components, any of which are sea-based, air-based, space-based or mobile land-based.

(3) Second Agreed Statement to Article V(1). As used in Article V(1), "develop"

refers to that stage of the research and development cycle at which field testing, observable by national technical means, is initiated on ABM components or on any devices which are capable of substituting for or performing the functions of ABM components.

The third suggestion is obviously incomplete. It points out the compelling need to begin the difficult process of resolving some of the ambiguities inherent in the ABM Treaty. The Standing Consultative Commission (SCC) was established with this as one of its assigned tasks. The SCC has been underutilized. The SCC could easily, and quickly, also review and revise Agreed Statement D to make its intended meaning clearer. A starter in replacing Agreed Statement D could be:

First Agreed Statement to Article III. Article III prohibits the deployment of fixed land-based devices based on other physical principles which are capable of substituting for or performing the functions of fixed land-based ABM systems or components as defined in Article II(1).

First Agreed Statement to Article IV. Fixed land-based devices based on other physical principles which are capable of substituting for or performing the functions of ABM components as defined in Article II(1) may be developed and tested at ABM test ranges described in Article IV.

First Agreed Statement to Article XIV(1). Any obligation in this Treaty may be discussed in accordance with Article XIII and an amendment adopted in accordance with Article XIV.

The six suggested Agreed Statements do not even touch on the question of distinguishing a "component," or device capable of substituting for or performing the function of a component, from a "subcomponent," assembly, adjunct, etc., or the equally difficult question of distinguishing ABM-related space-based sensors from space-based sensors for early warning or for other purposes. Counting rules, presumptions, and ad hoc approaches will all be necessary. These challenges will be truly difficult even with the best of intents.

Before constructive steps can start, however, and assuming the Soviets are prepared to negotiate and not just posture, the President should publicly repudiate the legal advice he has recently received from his advisors on a narrow scope of Article V(1) and other critical Articles of the ABM Treaty. Congress could contribute to this result by approving an amendment to the pending DOD appropriations bill which limits fund expenditures to the legal standard in the FY85 Arms Control Impact Statement. This would be a positive step as negotiations continue with the Soviets prior to the Summit.

This whole sorry business could lead to a constructive ending if the U.S. and Soviets were to agree privately in Geneva, before, at or after the Summit, on Agreed Statements along the lines that I have suggested. These should be only the first of many steps needed to avoid further erosion of the ABM Treaty of 1972.

TREATY BETWEEN THE UNITED STATES OF AMERICA AND THE UNION OF SOVIET SOCIALIST REPUBLICS ON THE LIMITATION OF ANTI-BALLISTIC MISSILE SYSTEMS

Signed at Moscow May 26, 1972
Ratification advised by U.S. Senate August 3, 1972
Ratified by U.S. President September 30, 1972
Proclaimed by U.S. President October 3, 1972
Instruments of ratification exchanged October 3, 1972
Entered into force October 3, 1972

The United States of America and the Union of Soviet Socialist Republics, hereinafter referred to as the Parties,

Proceeding from the premise that nuclear war would have devastating consequences for all mankind,

Considering that effective measures to limit anti-ballistic missile systems would be a substantial factor in curbing the race in strategic offensive arms and would lead to a decrease in the risk of outbreak of war involving nuclear weapons,

Proceeding from the premise that the limitation of anti-ballistic missiles systems, as well as certain agreed measures with respect to the limitation of strategic offensive arms, would contribute to the creation of more favorable conditions for further negotiations on limiting strategic arms,

Mindful of their obligations under Article VI of the Treaty on the Non-Proliferation of Nuclear Weapons,

Declaring their intention to achieve at the earliest possible date the cessation of the nuclear arms race and to take effective measures toward reductions in strategic arms, nuclear disarmament, and general and complete disarmament,

Desiring to contribute to the relaxation of international tension and the strengthening of trust between States,

Have agreed as follows:

ARTICLE I

1. Each party undertakes to limit anti-ballistic missile (ABM) systems and to adopt other measures in accordance with the provisions of this Treaty.

2. Each Party undertakes not to deploy ABM systems for a defense of the territory of its country and not to provide a base for such a defense, and not to deploy ABM systems for defense of an individual region except as provided for in Article III of this Treaty.

ARTICLE II

1. For the purpose of this Treaty an ABM system is a system to counter strategic ballistic missiles or their elements in flight trajectory, currently consisting of:

(a) ABM interceptor missiles, which are interceptor missiles constructed and deployed for an ABM role, or of a type tested in an ABM mode;

(b) ABM launchers, which are launchers constructed and deployed for launching ABM interceptor missiles; and

(c) ABM radars, which are radars constructed and deployed for an ABM role, or of a type tested in an ABM mode.

2. The ABM system components listed in paragraph 1 of this Article include those which are:

(a) operational;

(b) under construction;

(c) undergoing testing;

(d) undergoing overhaul, repair or conversion; or

(e) mothballed.

ARTICLE III

Each Party undertakes not to deploy ABM systems or their components except that:

(a) within one ABM system deployment area having a radius of one hundred and fifty kilometers and centered on the Party's national capital, a party may deploy: (1) no more than one hundred ABM launchers and no more than one hundred ABM interceptor missiles at launch sites, and (2) ABM radars within no more than six ABM radar complexes, the area of each complex being circular and having a diameter of no more than three kilometers; and

(b) within one ABM system deployment area having a radius of one hundred and fifty kilometers and containing ICBM silo launchers, a Party may deploy: (1) no more than one hundred ABM launchers and no more than one hundred ABM interceptor missiles at launch sites, (2) two large phased-array ABM radars comparable in potential to corresponding ABM radars operational or under construction on the date of signature of the Treaty in an ABM system deployment area containing ICBM silo launchers, and (3) no more than eighteen ABM radars each having a potential less than the potential of the smaller of the above-mentioned two large phased-array ABM radars.

ARTICLE IV

The limitations provided for in Article III shall not apply to ABM systems or their components used for development or testing, and located within current or additionally agreed test ranges. Each Party may have no more than a total of fifteen ABM launchers at test ranges.

ARTICLE V

1. Each Party undertakes not to develop, test, or deploy ABM systems or components which are sea-based, air-based, space-based, or mobile land-based.

2. Each Party undertakes not to develop, test, or deploy ABM launchers for launching more than one ABM interceptor missile at a time from each launcher, not to modify deployed launchers to provide them with such a capability, not to develop, test, or deploy automatic or semi-automatic or other similar systems for rapid reload of ABM launchers.

ARTICLE VI

To enhance assurance of the effectiveness of the limitations on ABM systems and their components provided by the Treaty, each Party undertakes:

(a) not to give missiles, launchers, or radars, other than ABM interceptor missiles, ABM launchers, or ABM radars, capabilities to counter strategic ballistic missiles or their elements in flight trajectory, and not to test them in an ABM mode, and

(b) not to deploy in the future radars for early warning of strategic ballistic missile attack except at locations along the periphery of its national territory and oriented outward.

ARTICLE VII

Subject to the provisions of this Treaty, modernization and replacement of ABM systems or their components may be carried out.

ARTICLE VIII

ABM systems or their components in excess of the numbers or outside the areas specified in this Treaty, as well as ABM systems or their components prohibited by this Treaty, shall be destroyed or dismantled under agreed procedures within the shortest possible agreed period of time.

ARTICLE IX

To assure the viability and effectiveness of this Treaty, each Party undertakes not to transfer to other States, and not to deploy outside its national territory, ABM systems or their components limited by this Treaty.

ARTICLE X

Each Party undertakes not to assume any international obligations which would conflict with this Treaty.

ARTICLE XI

The Parties undertake to continue active negotiations for limitations on strategic offensive arms.

ARTICLE XII

1. For the purpose of providing assurance of compliance with the provisions of this Treaty, each Party shall use national technical means of vertification at its disposal in a manner consistent with generally recognized principles of international law.

2. Each Party undertakes not to interfere with the national technical means of verification of the other Party operating in accordance with paragraph 1 of this Article.

3. Each Party undertakes not to use deliberate concealment measures which impede verification by national technical means of compliance with the provisions of this Treaty. This obligation shall not require changes in current construction, assembly, conversion, or overhaul practices.

ARTICLE XIII

1. To promote the objectives and implementation of the provisions of this Treaty, the Parties shall establish promptly a Standing Consultative Commission, within the framework of which they will:

(a) consider questions concerning compliance with the obligations assumed and related situations which may be considered ambiguous;

(b) provide on a voluntary basis such information as either Party considers necessary to assure confidence in compliance with the obligations assumed;

(c) consider questions involving unintended interference with national technical means of verification;

(d) consider possible changes in the strategic situation which have a bearing on the provisions of this Treaty;

(e) agree upon procedures and dates for destruction or dismantling of ABM systems or their components in cases provided for by the provisions of this Treaty;

(f) consider, as appropriate, possible proposals for further increasing the viability of this Treaty; including proposals for amendments in accordance with the provisions of this Treaty;

(g) consider, as appropriate, proposals for further measures aimed at limiting strategic arms.

2. The Parties through consultation shall establish, and may amend as appropriate, Regulations for the Standing Consultative Commission governing procedures, composition and other relevant matters.

ARTICLE XIV

1. Each Party may propose amendments to this Treaty. Agreed amendments shall enter into force in accordance with the procedures governing the entry into force of this Treaty.

2. Five years after entry into force of this Treaty, and at five-year intervals thereafter, the Parties shall together conduct a review of this Treaty.

ARTICLE XV

1. This Treaty shall be of unlimited duration.

2. Each Party shall, in exercising its national sovereignty, have the right to withdraw from this Treaty if it decides that extraordinary events related to the subject matter of this Treaty have jeopardized its supreme interests. It shall give notice of its decision to the other Party six months prior to withdrawal from the Treaty. Such notice shall include a statement of the extraordinary events the notifying Party regards as having jeopardized its supreme interests.

ARTICLE XVI

1. This Treaty shall be subject to ratification in accordance with the constitutional procedures of each Party. The Treaty shall enter into force on the day of the exchange of instruments of ratification.

2. This Treaty shall be registered pursuant to Article 102 of the Charter of the United Nations.

Done at Moscow on May 26, 1972, in two copies, each in the English and Russian languages, both texts being equally authentic.

For the United States of America: RICHARD NIXON, *President of the United States of America.*

For the Union of Soviet Socialist Republics: L.I. BREZHNEV, *General Secretary of the Central Committee of the CPSU.*

AGREED STATEMENTS, COMMON UNDERSTANDINGS, AND UNILATERAL STATEMENTS REGARDING THE TREATY BETWEEN THE UNITED STATES OF AMERICA AND THE UNION OF SOVIET SOCIALIST REPUBLICS ON THE LIMITATION OF ANTI-BALLISTIC MISSILES

1. AGREED STATEMENTS

The document set forth below was agreed upon and initiated by the Heads of the Delegations on May 26, 1972 (letter designations added):

AGREED STATEMENTS REGARDING THE TREATY BETWEEN THE UNITED STATES OF AMERICA AND THE UNION OF SOVIET SOCIALIST REPUBLICS ON THE LIMITATION OF ANTI-BALLISTIC MISSILE SYSTEMS

[A]

The Parties understand that, in addition to the ABM radars which may be deployed in accordance with subparagraph (a) of Article III of the Treaty, those non-phased-array ABM radars operational on the date of signature of the Treaty within the ABM system deployment area for defense of the national capital may be retained.

[B]

The Parties understand that the potential (the product of mean emitted power in watts and antenna area in square meters) of the smaller of the two large phased-array ABM radars referred to in subparagraph (b) of Article III of the Treaty is considered for purposes of the Treaty to three million.

[C]

The Parties understand that the center of the ABM system deployment area centered on the national capital and the center of the ABM system deployment area containing ICBM silo launchers for each Party shall be separated by no less than thirteen hundred kilometers.

[D]

In order to insure fulfillment of the obligation not to deploy ABM systems and their components except as provided in Article III of the Treaty, the Parties agree that in the event ABM systems based on other physical principles and including components capable of substituting for ABM interceptor missiles. ABM launchers, or ABM radars are created in the future, specific limitations on such systems and their components would be subject to discussion in accordance with Article XIII and agreement in accordance with Article XIV of the Treaty.

[E]

The Parties understand that Article V of the Treaty includes obligations not to develop, test or deploy ABM interceptor missiles for the delivery by each ABM interceptor missile of more than one independently guided warhead.

[F]

The Parties agree not to deploy phased-array radars having potential (the product of mean emitted power in watts and antenna area in square meters) exceeding three million, except as provided for in Articles III, IV and VI of the Treaty, or except for the purposes of tracking objects in outer space or for use as national technical means of verification.

[G]

The Parties understand that Article IX of the Treaty includes the obligation of the US and the USSR not to provide to other States technical descriptions or blue prints specially worked out for the construction of ABM systems and their components limited by the Treaty.

2. COMMON UNDERSTANDINGS

Common understanding of the Parties on the following matters was reached during the negotiations:

A. Location of ICBM defenses

The U.S. Delegation made the following statement on May 26, 1972:

Article III of the ABM Treaty provides for each side one ABM system deployment area centered on its national capital and one ABM system deployment area containing ICBM silo launchers. The two sides have registered agreement on the following statement: "The Parties understand that the center of the ABM system deployment area centered on the national capital and the center of the ABM system deployment area containing ICBM silo launchers for each Party shall be separated by no less than thirteen hundred kilometers." In this connection, the U.S. side notes that its ABM system deployment area for defense of ICBM silo launchers, located west of the Mississippi River, will be centered in the Grand Forks ICBM silo launcher deployment area. (See Agreed Statement [C].)

B. ABM test ranges

The U.S. Delegation made the following statement on April 26, 1972:

Article IV of the ABM Treaty provides that "the limitations provided for in Article III shall not apply to ABM systems or their components used for development or testing, and located within current or additionally agreed test ranges." We believe it would be useful to assure that there is no misunderstanding as to current ABM test ranges. It is our understanding that ABM test ranges encompass the area within which ABM components are located for test purposes. The current U.S. ABM test ranges are at White Sands, New Mexico, and at Kwajalein Atoll, and the current Soviet ABM test range is near Sary Shagan in Kazakhstan. We consider that non-phased array radars of types used for range safety or instrumentation purposes may be located outside of ABM test ranges. We interpret the reference in Article IV to "additionally agreed test ranges" to mean that ABM components will not be located at any other test ranges without prior agreement between our Governments that there will be such additional ABM test ranges.

On May 5, 1972, the Soviet Delegation stated that there was a common under-

standing on what ABM test ranges were, that the use of the types of non-ABM radars for range safety or instrumentation was not limited under the Treaty, that the reference in Article IV to "additionally agreed" test ranges was sufficiently clear, and that national means permitted identifying current test ranges.

C. Mobile ABM systems

On January 29, 1972, the U.S. Delegation made the following statement:

Article V(1) of the Joint Draft Text of the ABM Treaty includes an undertaking not to develop, test, or deploy mobile land-based ABM systems and their components. On May 5, 1971, the U.S. side indicated that, in its view, a prohibition on deployment of mobile ABM systems and components would rule out the deployment of ABM launchers and radars which were not permanent fixed types. At that time, we asked for the Soviet view of this interpretation. Does the Soviet side agree with the U.S. side's interpretation put forward on May 5, 1971?

On April 13, 1972, The Soviet Delegation said there is a general common understanding on this matter.

D. Standing consultative commission

Ambassador Smith made the following statement on May 22, 1972:

The United States proposes that the sides agree that, with regard to initial implementation of the ABM Treaty's Article XIII on the Standing Consultative Commission (SCC) and of the consultation Articles to the Interim Agreement on offensive arms and the Accidents Agreement,[1] agreement establishing the SCC will be worked out early in the follow-on SALT negotiations; until that is completed, the following arrangements will prevail; when SALT is in session, any consultation desired by either side under these Articles can be carried out by the two SALT Delegations; when SALT is not in session, *ad hoc* arrangements for any desired consultations under these Articles may be made through diplomatic channels.

Minister Semenov replied that, on an *ad referendum* basis, he could agree that the U.S. statement corresponded to the Soviet understanding.

E. Standstill

On May 6, 1972, Minister Semenov made the following statement:

In an effort to accommodate the wishes of the U.S. side, the Soviet Delegation is prepared to proceed on the basis that the two sides will in fact observe the obligations of both the Interim Agreement and the ABM Treaty beginning from the date of signature of these two documents.

In reply, the U.S. Delegation made the following statement on May 20, 1972:

The U.S. agrees in principle with the Soviet statement made on May 6 concerning observance of obligations beginning from date of signature but we would like to make clear our understanding that this means that, pending ratification and acceptance, neither side would take any action prohibited by the agreements after they had entered into force. This understanding would continue to apply in the absence of notification by either signatory of its intention not to proceed with ratification or approval.

The Soviet Delegation indicated agreement with the U.S. statement.

[1] See Article 7 of Agreement to Reduce the Risk of Outbreak of Nuclear War Between the United States of America and the Union of Soviet Socialist Republics, signed Sept. 30, 1971.

3. UNILATERAL STATEMENTS

The following noteworthy unilateral statements were made during the negotiations by the United States Delegation:

A. Withdrawal from the ABM Treaty

On May 9, 1972, Ambassador Smith made the following statement:

The U.S. Delegation has stressed the importance U.S. Government attaches to achieving agreement on more complete limitations on Strategic offensive arms, following agreement on an ABM Treaty and on an Interim Agreement on certain measures with respect to the limitation of strategic offensive arms. The U.S. Delegation believes that an objective of the follow-on negotiations should be to constrain and reduce on a long-term basis threats to the survivability of our respective strategic retaliatory forces. The USSR Delegation has also indicated that the objectives of SALT would remain unfulfilled without the achievement of an agreement providing for more complete limitations on strategic offensive arms. Both sides recognize that the initial agreement would be steps toward the achievement of more complete limitations on strategic arms. If an agreement providing for more complete strategic offensive arms limitations were not achieved within five years, U.S. supreme interests could be jeopardized. Should that occur, it would constitute a basis for withdrawal for the ABM Treaty. The U.S. does not wish to see such a situation occur, nor do we believe that the USSR does. It is because we wish to prevent such a situation that we emphasize the importance the U.S. Government attaches to achievement of more complete limitations on strategic offensive arms. The U.S. Executive will inform the Congress, in connection with Congressional consideration of the ABM Treaty and the Interim Agreement, of this statement of the U.S. position.

B. Tested in ABM mode

On April 7, 1972, the U.S. Delegation made the following statement:

Article II of the Joint Text Draft uses the term "tested in an ABM mode," in defining ABM components, and Article VI includes certain obligations concerning such testing. We believe that the sides should have a common understanding of this phase. First, we would note that the testing provisions of the ABM Treaty are intended to apply to testing which occurs after the date of signature of the Treaty, and not to any testing which may have occurred in the past. Next, we would amplify the remarks we have made on this subject during the previous Helsinki phase by setting forth the objectives which govern the U.S. view on the subject, namely, while prohibiting testing of non-ABM components for ABM purposes: not to prevent testing of ABM components, and not to prevent testing of non-ABM components for non-ABM purposes. To clarify our interpretation of "tested in an ABM mode," we note that we would consider a launcher, missile or radar to be "tested in an ABM mode" if, for example, any of the following events occur: (1) a launcher is used to launch an ABM interceptor missile, (2) an interceptor missile is flight tested against a target vehicle which has a flight trajectory with characteristics of a strategic ballistic missile flight trajectory, or is flight tested in conjunction with the test of an ABM interceptor missile or an ABM radar at the same test range, or is flight tested to an altitude inconsistent with interception of targets against which air defenses are deployed, (3) a radar makes measurements on a cooperative target vehicle of the kind referred to in item (2) above during the reentry portion of its trajectory or makes measurements in conjunction with the test of an ABM interceptor missile or an ABM radar at the same test range. Radars used for purposes such as range safety or instrumentation would be exempt from application of these criteria.

C. No-transfer article of ABM Treaty

On April 18, 1972, the U.S. Delegation made the following statement:

In regard to this Article [IX], I have a brief and I believe self-explanatory statement to make. The U.S. side wishes to make clear that the provisions of this Article do not set a precedent for whatever provision may be considered for a Treaty on Limiting Strategic Offensive Arms. The question of transfer of strategic offensive arms is a far more complex issue, which may require a different solution.

D. No increase in defense of early warning radars

On July 28, 1970, the U.S. Delegation made the following statement:

Since Hen House radars [Soviet Ballistic missile early warning radars] can detect and track ballistic missile warheads at great distances, they have a significant ABM potential. Accordingly, the U.S. would regard any increase in the defenses of such radars by surface-to-air missiles as inconsistent with an agreement.

WHITE HOUSE REVISES INTERPRETATION OF ABM TREATY

(By Don Oberdorfer)

The Reagan administration, reversing the legal interpretation of previous administrations and some of its own past statements, has denied that testing and development except antiballistic missile systems such as these in the "Star Wars" program are permitted under the 1972 ABM treaty.

The administration's new interpretation of the treaty was confirmed yesterday by a senior White House official who briefed reporters on U.S. objections to the recent Soviet offer of a 50 percent cut in certain offensive missiles in return for a ban on Reagan's Strategic Defense Initiative, or Star Wars. The Soviet offer was described in the briefing as "a place to start" but in its present form one-sided and threatening to U.S. security.

White House national security affairs adviser Robert C. McFarlane volunteered a new interpretation of the 13-year-old Antiballistic Missile treaty in a television program Sunday. Yesterday the senior White House official, who cannot be identified under the ground rules of the news briefing, confirmed that McFarlane's televised remarks reflected what is now the fixed policy of the administration.

Retired ambassador Gerard Smith, chief U.S. negotiator of the ABM treaty, said the administration's interpretation "makes a dead letter" of the treaty. Smith said he believes it would make possible almost unlimited testing and development under Star Wars, and probably also actual "building" of the space-based antimissile system "as long as you did not deploy."

Administration sources said a new interpretation of the treaty had been under discussion and, at times, intense debate since last summer within the administration's Senior Arms Control Group, or SAC-G.

The administration was moving in the direction indicated by McFarlane in recent

weeks—though not to the point of claiming the treaty "authorized and approved" the testing, which were the words McFarlane used Sunday. In administration discussions, sources said, the issue was whether the treaty could be interpreted as permitting such activities. A final decision was "not completely clear" even after McFarlane made his remarks on "Meet the Press," an official said.

One official said the still-secret negotiating record of the ABM treaty is "ambiguous" on the point in question and subject to "a well justified disagreement" within the government. However, this view is disputed by Smith and John Rhinelander, legal counsel to the U.S. delegation that negotiated the ABM treaty.

The nub of the issue is whether an "agreed statement D" between the U.S. and Soviet delegations at the time of the treaty signing on May 26, 1972, gives a broad exemption from the restrictions of the treaty for future types of ABM systems "based on other physical principles" such as lasers and directed-energy weapons. Many elements of the administration's Star Wars research program are based on such exotic technology.

The purpose of agreed statement D, it said, was "to insure fulfillment of the obligation not to deploy ABM systems and their components except as provided in Article III of the treaty," which originally allowed both countries to maintain two conventional ABM systems, based on antimissile missiles.

The agreed statement said that if new ABM systems "based on other physical principles" are created in the future, "specific limitations on such systems and their components would be subject to discussion . . . and agreement in accordance with Article XIV of the treaty"—the article explaining how the treaty could be formally amended.

Until the administration's recent change of mind, that had been interpreted to mean that testing and development of exotic technologies were not legal, except possibly for new versions of fixed, land-based systems that the treaty allowed. Article V of the treaty formally precluded any testing or deployment of "ABM systems or components which are sea-based, air-based, space-based or mobile land-based."

Previously the administration's plans for tests of elements of Star Wars have been justified as complying with the ABM treaty on completely different grounds: that these projects were of such low quality, power or reliability that they did not qualify as "components" of an ABM system, or that they could be modified so as not to appear to be part of an illegal system.

Smith and Rhinelander said it was wrong to interpret the "agreed statement" as sanctioning testing of ABM systems or components that are flatly ruled out elsewhere in the treaty. "It is just impossible that an agreed statement supersedes a provision of the treaty," Smith said.

The administration's 1983, 1984 and 1985 Arms Control Impact Statements submitted to Congress by the Arms Control and Disarmament Agency took the position that the ABM treaty does put restrictions on ABM programs based on "directed energy technology" or other exotic technology "when such DE programs enter the field testing stage." The 1986 Arms Control Impact Statement, submitted this April, omitted that statement. The senior official who confirmed the administration's current position said the Soviet Union had never accepted an interpretation of the treaty that banned "research, testing, development of systems based on other physical principles."

The official said there had been "unilateral statements" made that the treaty ought to limit such exotic systems but he added that "never have the Soviets bought that."

The proposed cutbacks in the new Soviet arms control offer are "inappropriately linked" to the demand that the United States stop its Star Wars program, the senior official told reporters yesterday. "It's a precondition that must be dropped," he said.

That the Soviets have made an offer of deep cuts is "a very good development," and a sign that Reagan's policies have paid off, the official said. U.S. negotiators will pursue the details in Geneva, he added.

Most of the White House presentation, though, was centered on objections to the Soviet proposal, especially inclusion of U.S. Euromissiles and "forward based systems" among the strategic weapons to be cut by half. This would produce "highly unequal" forces with great advantages to Moscow, the official said.

Those two categories described as support for U.S. allies, were said to consume 1,149 of the U.S. entitlement of 1,680 strategic nuclear delivery systems under the Soviet plan. The United States would thus have only 531 missiles or bombers left for deterrence against Soviet nuclear attack, and these would be threatened by a much larger number of Soviet weapons.

The White House also said the Soviet proposal might unfairly hamper U.S. military modernization and could have serious verification problems. These aspects of the Soviet proposal have yet to be fully presented in Geneva, it said.

[From the New York Times, Oct. 14, 1985]

SHADOW ON THE SUMMIT

(By Anthony Lewis)

BOSTON.—It is only a matter of words—a Washington word game, you might say. But the players are after very large stakes. If their gambit works, it will sabotage next month's Reagan-Gorbachev summit meeting. And they have an even more ambitious goal: to remove all constraints on the nuclear arms race.

The game, little noticed outside of Washington, is being played with the words of the 1972 Anti-Ballistic Missile Treaty between the United States and the Soviet Union. For 13 years the treaty has been universally understood to mean what it says: that any ABM system based in space is outlawed. Now the claim is that it means the opposite. Out is in. Down is up.

This amazing proposition was first publicly advanced on television last week by President Reagan's national security adviser. Robert McFarlane. He said the 1972 treaty "approved and authorized" development and testing of space-based ABM systems "involving new physical concepts" such as lasers or directed energy.

In other words, President Reagan's Star Wars program can push ahead without any concern about the ABM treaty. But just last year the Reagan Administration said in a formal statement:

"The ABM treaty prohibition on development, testing and deployment of space-based ABM systems or components for such systems applies to directed-energy technology or any other technology used for this purpose. Thus, when such directed-energy programs enter the field-testing phase, they become constrained by these ABM treaty obligations."

How can that plain meaning have been transformed? By an "interpretation" that ought to embarrass the most brazen lawyer in town.

Article 3 of the 1972 treaty allowed a limited number of fixed, land-based ABM's. Article 5 banned the development, testing and deployment of "sea-based, air-based, space-based or mobile land-based" systems. Then, in "Agreed Statement D," the parties said they would discuss "specific limitations" on exotic new ABM systems if they were "created in the future."

The claim is that statement D permits new kinds of ABM systems unless the parties now agree to limit them. But the American diplomats who negotiated it say the purpose was the opposite. And statement D itself begins by saying that its purpose is "to insure fulfillment of the obligations not to deploy ABM systems and their components except as provided in Article 3."

An old national security hand, asked about the new "interpretation" of the treaty, said: "You've got to admire their brass. They have interpreted it 180 degrees from its intent. The idea is so preposterous that it would be amusing if it were not so serious."

The serious part is the consequences. The new reading would make the ABM treaty "a dead letter," as its chief negotiator, Gerard Smith, said last week. And it will have been killed in a way that casts doubt on the point of making any arms control agreements with the United States.

Treaties are meant to be serious undertakings. This one was negotiated for a purpose that all the world understood, to limit defensive systems. The United States Senate consented to the treaty by a vote of 88 to 2. Thirteen years later America would be telling the world: "The terms are inconvenient to us now, so on second thought they mean nothing."

The summit meeting would almost certainly be doomed to failure if President Reagan now adopts the new reading of the ABM treaty. This meeting is to focus on arms control, and what would be left to say if the United States had just in effect renounced the main existing arms agreement? Mr. Gorbachev would have a propaganda field day.

For all practical purposes, the whole idea of arms control would be dead. With the restraints on defensive systems gone, the Soviet Union would hardly proceed with its recent proposal to cut back on offensive weapons. The impulse would be to an all-out arms race, offensive and defensive.

With consequences so serious, for President Reagan personally and for international security, why would anyone in the Reagan Administration be pushing to read the ABM treaty out of existence? The answer is that the man who surely started this game of words wants the summit to fail and wants all arms control to end.

Richard Perle, Assistant Secretary of Defense, is the Administration's principal thinker on these issues—and is utterly opposed to arms control. The rereading of the ABM treaty has the stamp on it of his clever mind, and his ability to get ideas through the bureaucracy. But Secretary of State Shultz has not yet approved this idea, and there is still a chance that he will try to protect the President from this self-inflicted wound.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mrs. COLLINS (at the request of Mr. WRIGHT), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. BLAZ) to revise and extend their remarks and include extraneous material:)

Mr. PARRIS, for 60 minutes, October 30, 1985.

Mr. PARRIS, for 60 minutes, October 31, 1985.

Mr. PARRIS, for 60 minutes, November 1, 1985.

(The following Members (at the request of Mr. WILLIAMS) to revise and extend their remarks and include extraneous material:)

Mr. BARNES, for 5 minutes, today.

Mr. NELSON of Florida, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. MONTGOMERY, for 5 minutes, today.

Mr. GONZALEZ, for 60 minutes, today.

Mr. GAYDOS, for 30 minutes, October 29, 1985.

Mr. GAYDOS, for 30 minutes, October 30, 1985.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. JACOBS, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $2,962.

Mr. BERMAN, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $4,506.

(The following Members (at the request of Mr. BLAZ) and to include extraneous matter:)

Mr. MILLER of Washington.

Ms. SNOWE in two instances.

Mr. KINDNESS.

Mr. MOORHEAD.

Mr. GILMAN.

Mr. VANDER JAGT.

(The following Members (at the request of Mr. WILLIAMS) and to include extraneous matter:)

Mr. MONTGOMERY.

Mr. MAVROULES.

Mr. ANDERSON in 10 instances.

Mr. GONZALEZ in 10 instances.

Mr. HAMILTON.

Mr. BROWN of California in 10 instances.

Mr. ANNUNZIO in six instances.

Mr. JONES of Tennessee in 10 instances.

Mr. BONER of Tennessee in five instances.

Mr. MORRISON of Connecticut.

Mr. SAVAGE.

Mr. LANTOS.

Mr. FASCELL in two instances.

Mr. MRAZEK.

Mr. LEHMAN of California.

Mr. HOWARD.

Mr. ROYBAL.

Ms. OAKAR.

Mr. MARKEY.

Mr. KASTENMEIER.

Mr. CONYERS.

Mr. BENNETT.

Mr. DYMALLY.

Mr. KANJORSKI in four instances.

SENATE JOINT RESOLUTIONS AND CONCURRENT RESOLUTION REFERRED

Joint resolutions and a concurrent resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S.J. Res. 207. Joint resolution to designate November 1, 1985, as "National Philanthropy Day"; to the Committee on Post Office and Civil Service.

S.J. Res. 228. Joint resolution relating to the proposed sales of arms to Jordan; to the Committee on Foreign Affairs.

S. Con. Res. 76. Concurrent resolution asking that the President bring the rights of the Polish people to the attention of the Soviet Government; to the Committee on Foreign Affairs.

ENROLLED BILL SIGNED

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 2409. An act to amend the Public Health Service Act to revise and extend to the authorities under that act relating to the National Institutes of Health and National Research Institutes, and for other purposes.

ADJOURNMENT

Mr. GONZALEZ. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 22 minutes p.m.), the House adjourned until tomorrow, Tuesday, October 29, 1985, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2186. A letter from the Acting Assistant Attorney General for Legislative and Intergovernmental Affairs, transmitting a draft of proposed legislation to amend title 28, and title 11 of the United States Code to provide for the appointment of United States trustees to supervise the administration of bankruptcy cases in judicial districts throughout the United States and for other purposes; to the Committee on the Judiciary.

2187. A letter from the Administrator, National Aeronautics and Space Administration, transmitting notice of proposed construction of NASA research and development facilities exceeding $500,000, pursuant to Public Law 98-361, section 101(e); to the Committee on Science and Technology.

2188. A letter from the Principal Deputy Assistant Secretary of Defense (Comptroller), transmitting notification of the transfers of authorizations and appropriations of DOD funds, pursuant to Public Law 97-252, section 1101, Public Law 97-377, section 732, Public Law 98-94, section 1201(c), Public Law 98-212, secton 729, Public Law 98-473, section 8025, and Public Law 98-525, section 1501; jointly, to the Committees on Armed Services and Appropriations.

2189. A letter from the Comptroller General, General Accounting Office, transmitting the examination of the Commodity Credit Corporation's Financial Statements for the year ended September 30, 1984, pursuant to 31 U.S.C. 9106(a). jointly, to the Committees on Government Operations, Foreign Affairs and Agriculture.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ROSTENKOWSKI. Committee on Ways and Means. H.R. 2817. A bill to amend the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, and for other purposes; with an amendment (Rept. 99-253, Pt. 2. Ordered to be printed.

Mr. WHITTEN. Committee on Appropriations. Report pursuant to section 302 of the Congressional Budget Act of 1974 (Rept. 99-333). Referred to the Committee of the Whole House on the State of the Union.

Mr. CONYERS. Committee on the Judiciary. H.R. 2713. A bill to amend title 18, United States Code, to modify certain provisions pertaining to restitution, and for other purposes; with an amendment (Rept. 99-334). Referred to the Committee of the Whole House on the State of the Union.

Mr. CONYERS. Committee on the Judiciary. H.R. 3511. A bill to amend title 18, United States Code, with respect to certain bribery and related offenses (Rept. 99-335). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ROYBAL (for himself, Mr. BIAGGI, Mr. MICA, Mr. FRANK, Mr. TAUKE, Mr. JACOBS, Mr. BONER of Tennessee, Mr. SKELTON, Mr. HERTEL of Michigan, Mr. SMITH of Florida,

Mr. HOWARD, Mr. DICKS, Mr. WHITEHURST, Mr. MITCHELL, Mr. MARTINEZ, and Mr. OWENS):

H.R. 3630. A bill to amend part A of title XVIII of the Social Security Act to limit the rate of increase in the inpatient hospital deductible and to charge the extended care coinsurance amount and to amend the Internal Revenue Code of 1954 to increase by 8 cents per pack the excise taxes on cigarettes and to earmark revenues from the tax increase to the Federal Hospital Insurance Trust Fund; to the Committee on Ways and Means.

By Mr. BIAGGI:

H.R. 3631. A bill to amend part A of title XVIII of the Social Security Act to limit the increase in the inpatient hospital deductible and extended services coinsurance amount for 1986; to the Committee on Ways and Means.

By Mr. BROWN of Colorado:

H.R. 3632. A bill to amend the Internal Revenue Code of 1954 to simplify the issuing of tax-exempt bonds by institutions of higher education to finance scientific facilities and equipment; to the Committee on Ways and Means.

By Mr. DIOGUARDI:

H.R. 3633. A bill to require that funds which are deposited in an account at a depository institution by a check drawn on the Treasury of the United States shall be available for withrawal on the next business day after the business day on which such check is deposited, under certain circumstances; to the Committee on Banking, Finance and Urban Affairs.

By Ms. OAKAR:

H.R. 3634. A bill to require the Secretary of the Treasury to deposit in trust funds amounts equal to interest lost to such trust funds through disinvestment by the Secretary during the current fiscal year; to the Committee on Ways and Means.

By Mr. PEPPER:

H.R. 3635. A bill to amend part A of title XVIII of the Social Security Act to reduce the rate of increase of the inpatient hospital deductible and the rate of the extended care coinsurance amount; to the Committee on Ways and Means.

By Mr. SUNDQUIST (for himself, Mr. FRANKLIN and Mr. ROBERT F. SMITH):

H.R. 3636. A bill to establish a Department of Trade and for other purposes; to the Committee on Government Operations.

By Ms. SNOWE:

H. Con. Res. 221. Concurrent resolution to express the sense of the Congress that Medicare patients are entitled to accurate and timely information regarding their Medicare benefits; jointly, to the Committees on Ways and Means and Energy and Commerce.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 580: Mr. GLICKMAN.

H.R. 871: Mr. COLEMAN of Texas.

H.R. 1047: Ms. SNOWE and Mr. TRAFICANT.

H.R. 1145: Mr. AKAKA, Mr. PEASE, and Mr. CONYERS.

H.R. 1430: Mr. FORD of Tennessee, Mr. ACKERMAN, and Mr. KASTENMEIER.

H.R. 1616: Mr. WRIGHT, Mr. ALEXANDER, Mr. FOLEY, Mr. WIRTH, Mr. OBEY, Mr. RITTER, Mr. WILSON, Mr. FROST, Mr. BONKER, Mr. DORGAN of North Dakota, Mr. KASTENMEIER, and Mr. YATES.

H.R. 1715: Mr. FUQUA.

H.R. 1769: Mr. EVANS of Illinois and Mr. MITCHELL.

H.R. 2440: Mr. TORRES and Mr. DENNY SMITH.

H.R. 2684: Mr. SABO, Mr. LIVINGSTON, Mr. DIOGUARDI, Mr. TORRICELLI, MR. GUARINI, Mr. SKEEN, Mr. GUNDERSON, Mr. SMITH of New Jersey, Mr. KINDNESS, and Mr. RIDGE.

H.R. 2761: Mr. MOODY and Mr. WILLIAMS.

H.R. 2823: Mr. ANDREWS, Mr. BARTON of Texas, Mr. BOEHLERT, Mrs. BOGGS, Mr. BOUCHER, Mr. BROWN of California, Mr. BRUCE, Mr. CLINGER, Mr. CROCKETT, Mr. DARDEN, Mr. DASCHLE, Mr. DWYER of New Jersey, Mr. EDGAR, Mr. FAZIO, Mr. FLORIO, Mr. GINGRICH, Mr. GLICKMAN, Mr. HENRY, Mr. LEHMAN of California, Mr. LEVINE of California, Mr. MCGRATH, Ms. KAPTUR, Mr. CONYERS, Mr. ATKINS, Mr. BARNES, Mr. RANGEL, Mr. FOGLIETTA, Mr. LUJAN, Mr. LUNDINE, Mr. MCDADE, Mr. MARTINEZ, Mr. RALPH M. HALL, Mr. MINETA, Mr. MITCHELL, Mr. MORRISON of Washington, Mr. MRAZEK, Mr. MURPHY, Mr. MURTHA, Mr. NELSON of Florida, Mr. PANETTA, Mr. PEPPER, Mr. REID, Mr. RITTER, Mr. ROE, Mr. SLAUGHTER, Mr. TORRICELLI, Mr. TRAFICANT, Mr. VOLKMER, Mr. YOUNG of Missouri, Mrs. BURTON of California, Mr. WEISS, Mr. BEVILL, Mr. TOWNS, and Mr. KOLTER.

H.R. 2854: Mr. ROE, Mr. MORRISON of Connecticut, Mr. GEJDENSON, Mr. TORRICELLI, Mr. MOLLOHAN, and Mrs. JOHNSON.

H.R. 3018: Mr. DASCHLE, Mr. EVANS of Illinois, Mrs. BOXER, Mr. MARTINEZ, Mr. STUDDS, Mr. BEDELL, Mr. GEJDENSON, Mr. DWYER of New Jersey, Mr. SCHEUER, Mr. SEIBERLING, Mr. FRANK, Mr. HAYES, Mrs. SCHNEIDER, Mr. WEAVER, Mr. ST GERMAIN, Mrs. COLLINS, Mr. EDWARDS of California, Mr. GLICKMAN, Mr. DURBIN, and Mr. EDGAR.

H.R. 3149: Mr. THOMAS of California, Mr. WHITLEY, and Mr. RANGEL.

H.R. 3180: Mrs. BENTLEY, Mr. DYSON, Mr. HENRY, Mr. LAGOMARSINO, Mr. WORTLEY, Mrs. MARTIN of Illinois, Mr. FROST, Mr. WILLIAMS, Mr. DARDEN, Mrs. BOXER, Mr. BERMAN, Mr. NIELSON of Utah, and Mrs. JOHNSON.

H.R. 3295: Mr. ATKINS, Mr. BARNES, Mr. BENNETT, Mrs. BOXER, Mrs. BURTON of California, Mrs. COLLINS, Mr. EVANS of Illinois, Mr. FAUNTROY, Mr. FAZIO, Mr. HOWARD, Mr. KLECZKA, Mr. LEHMAN of Florida, Mr. LEVIN of Michigan, Mr. MATSUI, Mr. MRAZEK, Mr. NEAL, Mr. OBERSTAR, Mr. RODINO, Mr. ROE, Mr. SABO, Mr. SAVAGE, Mr. SCHUMER, Mr. SMITH of Florida, Mr. TORRICELLI, Mr. TOWNS, Mr. UDALL, Mr. VENTO, Mr. WALGREN, Mr. WEAVER, and Mr. KASTENMEIER.

H.R. 3404: Mr. HYDE, Mrs. COLLINS, Mrs. MARTIN of Illinois, Mr. SMITH of New Hampshire, Mr. DIOGUARDI, Mr. MINETA, and Mr. MCCOLLUM.

H.R. 3436: Mr. EVANS of Illinois, Mr. DORNAN of California, Mr. DYSON, Mr. BURTON of Indiana, Mr. BRYANT, Mr. MCGRATH, Mr. SISISKY, Mr. RANGEL, Mr. BEVILL, Mrs. COLLINS, Mr. SCHAEFER, Mr. APPLEGATE, and Mr. MARTINEZ.

H.R. 3522: Mr. ROBERT F. SMITH, Mr. HAMMERSCHMIDT, Mr. MILLER of Washington, and Mr. COATS.

H.J. Res. 122: Mr. WATKINS, Mr. GREEN, Mr. SMITH of New Jersey, Mr. TAYLOR, Mr. COELHO, Mr. HALL of Ohio, Mr. ATKINS, Mr. SMITH of New Hampshire, Mr. WHEAT, Mr. WYLIE, Mr. FOLEY, Mr. FRANK, Mr. GEJDENSON, Mr. MONTGOMERY, Mr. WEBER, Mr. SKELTON, Mr. ROBERTS, Mr. SPRATT, Mr. MURTHA, Mr. SUNDQUIST, Mrs. LLOYD, Mr. PEPPER, Mr. GEPHARDT, Mr. KEMP, Mr. MARKEY, Mr. BUSTAMANTE, and Mr. SCHEUER.

H.J. Res. 126: Mr. JACOBS, Mr. ROBERT F. SMITH, Mr. WYDEN, Mr. HAMMERSCHMIDT, Mr. ANDERSON, Mr. ANNUNZIO, Mr. BONIOR of Michigan, Ms. MIKULSKI, Mr. BLILEY, and Mr. COATS.

H.J. Res. 127: Mr. MOODY, Mr. LEVIN of Michigan, Mr. GUARINI, Mr. KOSTMAYER, Mr. FLORIO, Mr. LUNGREN, Mr. EDGAR, Mr. FOGLIETTA, Mr. RINALDO, Mr. EMERSON, Mr. CARR, Mr. BUSTAMANTE, Mr. HAMMERSCHMIDT, Mr. HANSEN, Mr. HATCHER, Mr. HUNTER, Mr. HUTTO, Mr. IRELAND, and Mr. JONES of Tennessee.

H.J. Res. 314: Mr. RANGEL, Mr. SOLARZ, Mr. HOWARD, Mrs. LLOYD, Mr. SCHEUER, Mr. ROYBAL, Mr. TAUZIN, Mr. MILLER of California, Mr. CRAIG, and Mr. SIKORSKI.

H.J. Res. 375: Mr. BERMAN, Mr. BLILEY, Mrs. BOXER, Mr. BEREUTER, Mr. WEISS, Mr. CONYERS, Mr. DWYER of New Jersey, Mr. CHANDLER, Mr. SHUMWAY, Mr. LUNDINE, Mr. HUGHES, Mr. BARNES, Mr. JONES of Tennessee, Mr. FLIPPO, Mr. SISISKY, Mr. MCKINNEY, Mr. MARTINEZ, Mr. DEWINE, Mr. HORTON, Mr. DANNEMEYER, Mr. SWINDALL, Mr. WAXMAN, Mr. JACOBS, Mr. LELAND, Mr. SYNAR, Mr. HOYER, Mr. SEIBERLING, Mr. GILMAN, Mr. LUNGREN, Mr. LAFALCE, Mr. DYMALLY, and Mr. REGULA.

H.J. Res. 397: Mr. ENGLISH, Mr. FIELDS, Mr. FOLEY, Mr. FRANK, Mr. FRANKLIN, Mr. FRENZEL, Mr. GEJDENSON, Mr. GOODLING, Mr. GRADISON, Mr. GUNDERSON, Mr. HATCHER, Mr. HAWKINS, Mr. HENRY, Mrs. HOLT, Mr. HOPKINS, Mr. HUBBARD, Mr. HUGHES, Mr. HYDE, Mr. JEFFORDS, Mr. JONES of Tennessee, Mr. KEMP, Mr. LANTOS, Mr. LEHMAN of California, Mr. LENT, Mr. LEWIS of Florida, Mr. LIGHTFOOT, Mr. LIPINSKI, Mr. LUKEN, Mr. MCCOLLUM, Mr. MCEWEN, Mr. MCGRATH, Mr. MCMILLAN, Mr. MADIGAN, Mr. MARTIN of New York, Mr. MATSUI, Mr. MILLER of Washington, Mr. MOLINARI, Mr. MORRISON of Washington, Mr. NATCHER, Nr. NEAL, Mr. MINETA, Mr. MONSON, Mr. PACKARD, Mr. QUILLEN, Mr. ROBERTS, Mr. ROBINSON, Mr. RODINO, Mr. SAXTON, Mr. SCHUETTE, Mr. SHAW, Mr. SMITH of New Jersey, Mr. STANGELAND, Mr. STRANG, Mr. TAUKE, Mr. THOMAS of California, Mr. VANDER JAGT, Mr. WALKER, Mr. ZSCHAU, Mr. LOWERY of California, Mr. NICHOLS, Mr. ANNUNZIO, Mr. BATEMAN, Mr. BATES, Mr. BEDELL, Mr. BIAGGI, Mr. BLILEY, Mr. BOEHLERT, Mrs. BOGGS, Mr. BOSCO, Mr. BREAUX, Mr. BROOMFIELD, Mr. BROWN of Colorado, Mr. BROYHILL, Mr. BURTON of Indiana, Mr. CLINGER, Mr. COBLE, Mr. CRAIG, Mr. CRANE, Mr. DICKINSON, Mr. DYMALLY, Mr. DENNY SMITH, Mr. LUNGREN, Mr. REID, Mr. DEWINE, Mr. BARTLETT, Mrs. BENTLEY, Mr. BILIRAKIS, Mr. BROOKS, Mr. CONTE, Mr. COURTER, Mr. DANNEMEYER, Mr. DE LA GARZA, Mr. DIXON, Mr. DUNCAN, Mr. EVANS of Iowa, Mr. FASCELL, Mr. FAZIO, Ms. FIEDLER, Mr. GALLO, Mr. GILMAN, Mr. GROTBERG, Mr. HAMMERSCHMIDT, Mr. KINDNESS, Mr. LATTA, Mr. LEWIS of California, Mr. LOEFFLER, Mr. LOTT, Mr. LUJAN, Mr. MCCANDLESS, Mr. MCDADE, Mr. MACK, Mrs. MARTIN of Illinois, Mr. MARTINEZ, Mr. MICHEL, Ms. OAKAR, Mr. PANETTA, Mr. PARRIS, Mr. PETRI, Mr. RANGEL, Mr. REGULA, Mr. ROSE, Mr. ROSTENKOWSKI, Mr. ROTH, Mr. RUSSO, Mr. SMITH of New Hampshire, Ms. SNOWE, Mr. SOLOMON, Mr. STARK, Mr. STENHOLM, Mr. STUMP, Mr. SWIFT, Mr. TORRES, Mr. VOLKMER, Mrs. VUCANOVICH, Mr. WEBER, Mr. WHITLEY, Mr. WHITTAKER, Mr. WHITTEN, Mr. WOLF, Mr. WYDEN, Mr. YOUNG of Florida, and Mr. YOUNG of Alaska.

H. Con. Res. 207: Mr. TOWNS, Mr. VOLKMER, Mr. HEFTEL of Hawaii, Mr. KOSTMAYER, Mr. YATRON, Mr. HUGHES, and Mr. TRAFICANT.

H. Res. 256: Mr. PANETTA.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

240. By the SPEAKER: Petition of the city council of Anoka, MN, relative to the Baha'i community in Iran; to the Committee on Foreign Affairs.

241. Also, petition of Francisco San Marte, Philippines, relative to citizenship; to the Committee on the Judiciary.

242. Also, petition of the city council of Eureka, CA, relative to tax reform; to the Committee on Ways and Means.

SENATE—*Monday, October 28, 1985*

The Senate met at 11 a.m. and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

ANNIVERSARY OF DEDICATION OF THE STATUE OF LIBERTY

God of our fathers, on this 99th birthday of the Statue of Liberty, we remember the history of this uncommon land and the measure of its greatness as a servant to the dispossessed of the world. As the Statue of Liberty is restored, grant Mighty God, that we may be renewed in our commitment to the unprecedented invitation of the great lady in New York Harbor:

"* * * Give me your tired, your poor, your huddled masses yearning to breathe free. The wretched refuse of your teeming shore. Send these, the homeless, tempest-tost to me, I lift my lamp beside the golden door!"—Emma Lazarus.

In these crucial days, Lord of history, may the Senate as a whole and the Senators individually be true to their destiny, not forsaking their sacred trust in the interest of political advatage. Renew us, God of the nations, to the greatness to which Thou hast called this Nation. For Thy namesake and the benefit of all mankind. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The distinguished majority leader is recognized.

SCHEDULE

Mr. DOLE. Mr. President, under the standing order, the leaders have 10 minutes each, to be followed by special orders not to exceed 15 minutes each for Senator PROXMIRE and Senator HEFLIN, followed by routine morning business not to extend beyond the hour of 12 noon, with Sentors permitted to speak therein for not more than 5 minutes each.

Then we shall resume consideration of the farm bill, S. 1714, I do not believe there will be rollcall votes during the day, but there will be amendments. I understand there are a number of amendments that can be disposed of without record votes.

Also, we are attempting to resolve the controversy around the State-Justice-Commerce appropriations bill. If we could do that, we might ask permission to move to that bill today. If any votes are ordered, they would be set aside until tomorrow at 2 o'clock.

Let me indicate that we are nearing November 1, on Friday. In view of a request from a number of Members that we do all we can to move the legislation we have before us, we shall be coming in—we will not be in too late this evening, but starting tomorrow, we will probably be in at 8 or 8:30 in the morning and probably into the evening, and follow that procedure through Friday and, hopefully, complete action on the farm bill. I am not going to predict that.

Also, we have indicated to both Senators DOMENICI and CHILES that if we can work out the problems on reconciliation, we would interrupt consideration of the farm bill to complete action on reconciliation. That could take several hours because of the number of votes that could occur, even though time on the resolution, I think, is down to about 1 hour.

KANSAS CITY ROYALS, 1985 BASEBALL CHAMPIONS

Mr. DOLE. Mr. President, I send a resolution to the desk and ask for its immediate consideration. It is sponsored by myself, Senator KASSEBAUM, Senator EAGLETON, and Senator DANFORTH.

The PRESIDING OFFICER (Mr. GORTON). The clerk will state the resolution by title.

Mr. DOLE. Mr. President, I ask unanimous consent that the clerk may read the resolution, then that we delay further action until Senators EAGLETON, DANFORTH, and KASSEBAUM have an opportunity to speak on it.

The PRESIDING OFFICER. The clerk will read the resolution.

The legislative clerk read as follows:

A Senate resolution (S. Res. 246).

S. RES. 246

Whereas, on the night of October 27, 1985, the Kansas City Royals climaxed one of the great chapters in major league baseball annals with a world championship;

Whereas, the Kansas City Royals captured the hearts of baseball fans all across the country with its tenacious comebacks in both the American League playoffs and the World Series;

Whereas, the Royals made history by becoming the only team to lose the first two games of a World Series in its home park but then to fight back and win it all;

Whereas, the so-called experts gave the Royals almost no chance of winning anything in postseason play;

Whereas, the Kansas City Royals defeated an outstanding Saint. Louis Cardinals team in the World Series and a great Toronto Blue Jays squad in the playoffs;

Whereas, after 16 years of loyalty, Kansas City Royals fans in Kansas, Iowa, Arkansas, South Dakota, Missouri, and all over this great Nation have been rewarded with a much-deserved world title;

Whereas, Manager Dick Howser and his team have demonstrated they are indeed the right stuff;

Whereas, after an 11 to 0 seventh game victory last night the Royals—and Kansas City, Kansas, and Kansas City, Missouri—are on top of the baseball world: Now, therefore, be it

Resolved, That the Senate recognizes and applauds the accomplishments of the Kansas City Royals, 1985 baseball champions.

(Later the following occurred:)

Mr. DANFORTH. Mr. President, I rise to support the resolution of the distinguished majority leader congratulating and commending the Kansas City Royals on their first world championship. The accomplishments of the Royals have made this team a part of baseball legend. Down 3 to 1 in both the playoffs and the series, the Royals fought back with the kind of courage and character that earned them new fans across this country.

Having lost the first two games at home, with the second defeat coming as the result of a devastating ninth-inning rally by the Cardinals, the Royals' comeback was remarkable.

The series victory is especially heartwarming because the Royals are not a team made up of established stars. Until this series, few Americans had heard of Dane Iorg, Buddy Biancalana, and Darryl Motley—yet those players are now among the chosen few who can claim a game-winning World Series hit.

The young Kansas City pitching staff is truly the best in baseball and it certainly showed in postseason play. The country was charmed by 21-year-old Bret Saberhagen, who in the span of 2 days became a father and the most valuable player in the World Series, but appeared calm and relaxed throughout. Special praise must also go to Danny Jackson, Bud Black, Dan Quisenberry, and Charlie Leibrandt. These pitchers baffled one of the best hitting teams in baseball throughout the full seven-game series—an extraordinary accomplishment.

The Kansas City fans were justly rewarded yesterday evening with a World Series victory they had waited on for some time. Although the Royals have been a frequent fixture in postseason play, the series victory eluded them until last evening. The Royals fans are a loyal group and they deserve to be congratulated as well.

Mr. President, I would only add the sentiment that I am a person who is very proud of both teams which played for my State in the World Series. As a lifelong Cardinal fan, one who spent his youth at the Old Sportsman's Park watching the likes of Stan Musial, Enos Slaughter, and Marty Marion, I can only say on behalf of the Cardinals that spring training is only 4 months away and we shall rise to fight again.

THE ROYAL TREATMENT—HOW SWEET IT IS

(By request of Mr. DOLE, the following statement was ordered to be printed in the RECORD:)

● Mrs. KASSEBAUM. Mr. President, I proudly join my colleague from Kansas in congratulating the Kansas City Royals on their world championship. After 16 years of hard work and dedication, Royals players, fans, and owners can celebrate the greatest World Series comeback of all time. After years of challenging the best in baseball and coming oh so close, how sweet it is.

The Royals are fitting examples of Kansas City and our country's heartland. Not particularly flashy yet tantalizingly successful. They have proven the value of learning through adversity and the benefits of meshing experience with enthusiasm. Like the people of the Midwest, the Royals persevered, worked, learned, and succeeded.

Kansas City exhibited throughout the season the poise and maturity which made their victories less surprising to those fans who understood the Royals and had followed their history. Kansas City was not expected to win their division—they did. They were not expected to win their playoff series against a talented Toronto team—they did. They were not expected to win the World Series against the winningest team in baseball—they did.

How many times did sportswriters around the country—perhaps especially on the "knowledgeable" east and west coasts—write off the Kansas City Royals? How often was this team of "anemic" hitters and "too young" pitchers and a "choke-in-the-clutch" manager dismissed as a fluke? Did anyone else find it hard to confirm that the American League West did indeed exist? Oh, yes indeed, how sweet it is.

This was a special World Series. It involved two teams with special personalities. Both hailed from the Midwest and both had a claim to a season of destiny. The St. Louis Cardinals are a great team and deserve our applause. Together, the Royals and Cardinals made this a series to remember.

Kansas City fans will remember. They will remember falling behind two games to none in the playoffs and the series. They will remember rallying from a 3-to-1 deficit twice. They will remember gutty pitching performances, superb defense, and clutch hitting. These are dedicated and committed fans who drive from hundreds of miles around Kansas City to see their team. This morning, and probably for all time, their dedication and commitment seems well worth the effort.

Mr. President, it is not often a team and a city have as much cause to celebrate as the Royals and Kansas City. Against all odds, they have reached the pinnacle of success. I salute them, and I hope this becomes an annual event.●

Mr. EAGLETON. Mr. President, almost 2 weeks ago Senator DANFORTH and I introduced a resolution saluting the Kansas City Royals and the St. Louis Cardinals. At that time we called Kansas City "the Heart of the American League." Yesterday, the Royals won the hearts of America by winning that little-known, intra-Missouri contest, the World Series.

The 1985 Kansas City Royals are the stuff legends are made of, and indeed they have provided the grist for a new generation of half-time speeches, morale-boosting pep talks, and inspirational lectures. Instead of telling their players to "win one for the Gipper," when the going gets tough, tomorrow's coaches can ask their players, "Did the Royals give up in 1985?" The "Miracle Mets" of 1969 have been supplanted by the "Resurrection Royals" of 1985 as the modern-day patron saints of all underdogs.

Just as important as what the Royals have done, however, is how they did it. Rarely does one find a group with so many members possessed of talent, grace, style, and humor. The Royals didn't just win the World Series, the Royals won and won well.

Mr. President, I am most pleased and proud to join with my colleagues in saluting the 1985 Kansas City Royals for a wonderful season that gave the fans everything they could hope for. I can think of no group of individuals more worthy of the honor.

Mr. DOLE. Mr. President, earlier today, I submitted a resolution and asked that it be held until we had an opportunity to discuss its contents with Senators KASSEBAUM, DANFORTH, and EAGLETON. It is a very important resolution relating to the World Series victory by the Kansas City Royals. I am now advised by Senators that they have studied the resolution carefully, they agree with its terms, and we are prepared to pass it.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 246) was agreed to.

The preamble was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. GRASSLEY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

(Conclusion of later proceedings.)

Mr. DOLE. Mr. President, I reserve the remainder of my time.

RECOGNITION OF THE MINORITY LEADER

The PRESIDING OFFICER. Under the previous order, the minority leader is recognized.

Mr. BYRD. Mr. President, I ask unanimous consent that I may reserve the remainder of my time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I yield the floor.

RECOGNITION OF SENATOR PROXMIRE

The PRESIDING OFFICER. Under the previous order, the Senator from Wisconsin [Mr. PROXMIRE] is recognized for 15 minutes.

ARMS CONTROL: THE ESSENTIAL ELEMENT IN CONTROLLING FEDERAL SPENDING

Mr. PROXMIRE. Mr. President, I suppose what happened last night should convince us that anything can happen. You can be a terrific underdog and still make it. As was pointed out in the resolution, the Kansas City Royals were not expected to win their division; they were not expected to win the American League pennant. They were not expected to win the World Series but they did. I suppose we have about the same prospect of balancing the budget, but I think the odds against that achievement set forth so well in the Gramm-Rudman-Hollings amendment is much dimmer. If we could achieve it, it would be a miracle. I want to speak on that in two sections, Mr. President.

What are the two biggest issues that confront the country today? The two biggest issues of our time. Issue No. 1 is how to stop the arms race and prevent the disaster of nuclear war. Issue No. 2 is how to bring our runaway Federal budget under control. Now, this Senator is astonished that almost no one seems to perceive the connection between stopping the nuclear arms race on the one hand and bringing this Nation's fiscal policy under control on the other. We have had a very considerable debate in the last few days on the nuclear arms race. A number of Senators have come to the floor to speak on that, and we have discussed the budget deficit persistently day after day for the last several years. But in all that debate and in all the comment in the media—and, of course, the editorials and columns, and so forth are full of both these issues—no

one has really seemed to stress the connection, and there it is. It is this:

A mutual, comprehensive, verifiable end to nuclear testing, production or deployment would not only provide a far safer and more secure world. It would also save hundreds of billions of dollars in Federal spending and constitute the single greatest prospect for reducing the Federal deficit. If any Senator considers that claim for the fiscal efficacy of arms control exaggerated, just consider the extraordinarily favorable effect on the budget of an arms control program that stopped SDI or star wars. That single program—and it is one program, the Department of Defense—according to former Undersecretary of Defense for Research De Lauer will deliver this country a cost that will stagger us. Now, Mr. President, when the Defense Department itself warns us that their anticipated spending for a program they approve will stagger this Congress, prepare to be staggered. In the last 4 years the stepped up arms race has cost this country more than a trillion dollars. Unfortunately, we are just beginning to get into the big bucks now. So far it has been penny-ante stuff. But no more.

The Star Wars Program will climb more than 100 percent this year and it is expected to double again next year. Research alone on SDI will skyrocket to more than $25 billion in the next few years. Ah, but Mr. President as Ronald Reagan likes to say "you ain't seen nothin yet." Then the big spending begins. And this is the truly explosive kind of spending. Here is why: the mammoth amount the Congress will be required to appropriate for star wars will certainly provoke a corresponding explosion in spending by the Soviet Union on offensive missiles and the penetration aids designed to overcome this antimissile defense. Meanwhile, the Soviets will certainly also build their own antimissile defense to match ours. What will be our response? The United States will have to pour hundreds of billions of dollars into our offensive missile system. We will research, test, produce and deploy a brand new, and immensely expensive arsenal in space. We will build a brand new immensely expensive offensive system designed to penetrate the Soviet SDI in addition.

This kind of spending, Mr. President, knows no end. The more we spend, the more our adversary, the Soviets' will spend. The more they spend, the more we spend. And then something else drives this explosive spending ever higher. It is this. As our laboratories accomplish exciting breakthroughs with lasers and antimatter bombs and other exotic defensive and offensive developments, the cost of production and then the cost of deployment grows ever greater.

Meanwhile the Senate has adopted at long last an amendment that seems to put some effective teeth in our efforts to hold down spending. No realistic Member of the Congress can expect the Gramm-Rudman-Hollings amendment to endure if we find it necessary to continue to explode military spending. We know that military spending constitutes far and away the biggest controllable element in the budget. We know that Social Security spending is off limits. We are not going to cut that. Interest on the debt cannot be cut. And in the outlay area, military personnel, readiness, maintenance—the very heart of our national defense will suffer devastating reductions unless the Congress and the President agree to either a big increase in taxes or we find a way to stop the explosion of spending called for by the full-fledged, all-out arms race.

Mr. President, in the judgment of this Senator, arms control and an end to the arms race constitutes an absolutely quintessential element in bringing our fiscal policy under control. Unless this country can agree with the Soviet Union to sharply reduce military spending, we can kiss budgetary restraint good bye. What will that take? An arms control agreement with the Soviet Union. Without arms control we can say goodbye to the work the Senate had done so recently in building the basis for bringing the Federal budget under control. Or, of course we can say hello to sharp and punishing increases in taxes.

HOW THE SENATE KICKED AWAY ITS CHANCE FOR FISCAL RESPONSIBILITY

Mr. PROXMIRE. Mr. President, the Senate needs to go back to grade school to learn a little simple arithmetic. Three-quarters of us in the Senate, including this Senator, went on record a few days ago for the Gramm-Rudman-Hollings amendment. What does that amendment do? It commits the Congress to cut the budget deficit $36 billion a year every year for 5 years beginning in fiscal 1987. The Government would, if Congress kept the schedule, end up with a balanced budget in 1991. All of us knew the achievement of that goal would be very difficult. After the Senate's performance in the past 10 days, we now know it will be impossible. The Senate blew it. Those who voted for that noble goal had a duty to take the painful steps necessary to achieve it. Many didn't. What happened? For the past week a substantial majority of Senators have voted over and over and over again against reducing spending.

What an astonishing reversal! A few days ago this body went on record in favor of a principled program of reducing the deficit by more than $200 billion by 1991. There is no way the Congress could do that without beginning to cut billions of dollars in obligational authority right now. Could Congress sharply reduce the budget deficit by simply increasing taxes? Some of us in the Senate are willing to increase taxes substantially if necessary. But every Senator knows that we cannot reduce the deficit to a reasonable level by a tax increase alone. We must achieve massive and painful reductions in spending. In the past week Senators had a full opportunity to begin to make those reductions in spending.

So what did Senators do when confronted with opportunity after opportunity to make the spending cuts that are crucial to give the Senate any chance of significantly reducing the deficit? Senators did cast one lonely significant budget reduction vote on one of the four appropriations bills before the Senate. That lone vote cut about $400 million in obligational authority. But given seven other opportunities to make substantial reductions, the Senate failed every time. It refused to adopt an amendment to the Transportation appropriation bill that would have reduced authorized spending by $616 million. It killed an amendment to the Labor, Health and Human Services appropriation that would have saved $267 million, and a second one that would have slashed $1.65 billion.

The Senate turned down an amendment that would have reduced spending appropriations in the Housing and Urban Development appropriation by $352 million, and a second amendment to that bill that would have slashed $7.2 billion. The Senate also voted against two reductions in the Agriculture appropriation. One would have cut obligational authority by $1.1 billion. The other would have slashed $1.8 billion. Every one of these amendments was in accordance with the original recommendation of the administration and the Office of Management and Budget. These were all responsible amendments which, as I say, were recommended by the experts in the administration. Those amendments totaled $13 billion and the Senate cut only $400 million. There were two other amendments this Senator was prepared to offer to the Transportation bill that would in aggregate have saved a little less than $1 billion.

These amendments would have considerably advanced the prospects for meeting the targets set in the Gramm-Rudman-Hollings road-to-fiscal-responsibility amendment. The Senate voted 3 to 1 for that fiscal responsibility amendment only about a week or so before the Senate so conspicuously turned its back on giving the amendment some genuine reality. Mr. President, simple arithmetic should con-

vince any Member of this body that there is no possible way we can have the remotest chance of meeting the requirements of our action on Gramm-Rudman-Hollings when we refuse to make spending cuts.

Some will say, now wait a minute, PROXMIRE. We can make cuts in military spending. Others say we can increase taxes. Of course we can do both those things. But there is absolutely no way this Senate will achieve the king-size budget deficit reductions required by following either of those routes. The first obvious obstacle is President Ronald Reagan. We know the President will not agree to large increases in taxes. And there is no way he would concur in any significant reductions in military spending. But we cannot blame this situation on President Reagan alone. No matter who was President of the United States, we know this Congress—House and Senate—will not actually reduce military spending. We can hold it down, as I said in my speech previously on star wars. We are not going to cut it.

But big reductions in military spending? No possible way.

The only people I know of, the only leading public figures who advocate the kind of cut we need, and I would not share their view—I oppose it—are George McGovern and Jesse Jackson.

I do not believe there is any Member of the Senate who would go along with their proposal for a 25-percent cut in military spending. We cannot do it and be responsible under present circumstances.

One more point, Mr. President, the cuts proposed in the amendments I discussed would reduce obligational authority. That means they would have cut spending over the years, and this is precisely what this Congress must do if we are to bring Federal spending under control.

I started this speech by saying that the Senate needs to go back to grade school. We need to learn our elementary addition and subtraction. The Senate voted for a framework on the debt limit bill that would mandate that Congress make sharp cuts in obligational authority in appropriations this year, so that spending can be reduced in 1987, 1988, 1989, 1990, and 1991 and thereafter. By refusing to make these reductions the Senate greatly diminished the prospect that Congress can achieve any significant improvement in the deficit over the next 5 years.

MYTH OF THE DAY—SPENDING FOR HEALTH CARE IMPROVES HEALTH

Mr. PROXMIRE. Mr. President, over the past two decades, spending for health care has skyrocketed. We spent $355 billion—11 percent of gross national product—on health care in 1983. A little less than 20 years ago—in 1965—we spent $42 billion or 6 percent of GNP. By any measure we are spending far more on what is commonly called health care.

We speak of this money as improving health care, and that is a myth. Only a small proportion of this money really goes to improve health. By far, the greater amount is spent to alleviate sickness.

Let me demonstrate what I mean, Mr. President. Heart disease is one of our leading killers. All of us know men and women who have been tragically struck down in the prime of life by this dread disease.

What are its causes? These, too, are becoming known—a genetic predisposition, obesity, lack of exercise, smoking, and high blood pressure. We can do little about genetics, but the other contributing causes can be controlled. Money spent to encourage proper eating, exercise, to detect and control high blood pressure, and to discourage smoking—this is health care.

Is that how we spend the bulk of the money? No, it goes instead for emergency care, for repairing already damaged hearts, for alleviating sickness in other words. This money must be spent for those who are afflicted. But wouldn't it be better to maintain health where we can.

Mr. President, this distinction is seldom made. What are its implications for public health policy? In a time of limits, and we certainly face limits, we can best improve public health by spending more money to encourage exercise, proper eating, and the other determinants of good health. We will never be as successful at alleviating sickness as we can be by encouraging good health in the first place. But good health is so often taken for granted, that we don't realize how valuable it is until it's gone.

As our population ages, as alleviating sickness continues to cost evermore, this distincton will become vital. As a society, we will be far better off by encouraging good health than by alleviating sickness.

BOTH THE RIGHT TO DETERMINE AND THE RIGHT TO ASK

Mr. PROXMIRE. Mr. President, the cover story in the October 4 edition of the National Review considers "The Awful Logic of Genocide." Jean-Francois Revel recounts the horrible conditions faced by the Afghan people since the barbaric Soviet invasion of their country. Reading his article, I am hard pressed to decide which are more troubling: The stories of a particular individual's hardship, or the statistics revealing the breadth of the tragedy.

There is a photograph that shows the weariness in an Afghan father's eyes as he carries his daughter the remaining distance into neighboring Pakistan. His daughter is the only other member of his family to have survived a Soviet massacre and he has already traveled for 3 weeks in search of safety and freedom.

The statistics, while colder, evoke the same horror. About 1 million Afghans have died—they were resistance fighters killed while battling the Soviets, or women and children massacred in their villages, or political opposition members executed. About 5 million Afghans have fled their country in despair.

Do these acts by the Soviets constitute genocide? We do not have enough information to know for certain. The acts certainly fall within the provisions of the Genocide Convention: "Killing members of the group, (or) causing serious bodily or mental harm to members of the group." To be considered genocide, the convention would require that the acts be committed with "intent to destroy, in whole or in part, a national, ethnical, racial, or religious group as such."

But while we do not know if the acts committed by the Soviets in Afghanistan constitute genocide, it seems particularly cruel that it is difficult for us to ask. For while the Soviet Union is a signatory of the Genocide Convention, the United States has yet to ratify the convention. Mr. President, I urge the Senate to ratify the Genocide Convention, not only so we could determine if some acts were genocide, but so that we could join 96 other countries in having the right to ask.

I yield the floor.

RECOGNITION OF SENATOR HEFLIN

The PRESIDING OFFICER. Under the previous order, the Senator from Alabama [Mr. HEFLIN] is recognized for not to exceed 15 minutes.

A FAREWELL TO ARTHUR BRISKMAN

Mr. HEFLIN. Mr. President. I rise today filled with both a sense of sorrow and a feeling of gratitude as I offer my personal thanks and sincere appreciation to my chief judiciary counsel, Arthur Briskman, who is leaving my staff to become U.S. bankruptcy judge for the southern district of Alabama. Arthur, or Judge Briskman as I guess I should begin calling him, is certainly to be congratulated upon his well-deserved selection, and I am positive that he will distinguish himself in his new post. At the same time, however, I am sorry to see him go.

Arthur Briskman and I have been together for a long time. He first came to work for me when he graduated from the Cumberland School of Law in 1972 and was hired as assistant court administrator for the State of

Alabama. At that time, as chief justice of the Alabama Supreme Court, I was interested in completely renovating the State court system. I was immediately impressed with Arthur's analytical mind, his instincts for problem solving, his overall ability.

In 1973, Arthur left the court system and became affiliated with the Mobile, AL, law firm of Perloff, Reid & Briskman. It was that law firm which I had to convince him to leave to join me here in Washington when I first came to the Senate in 1979.

Mr. President, during our many years together, I have grown to depend on Arthur Briskman in a wide variety of ways. He has been my primary judiciary counsel, and has assisted me with the full range of issues which come before the Judiciary Committee—from legislation dealing with the role of Federal courts and the impact of legislation on the judiciary, to patents and copyrights, immigration and naturalization, antitrust, criminal law, and more. In each of these areas, Arthur Briskman has become an expert, and his advice and counsel has been indispensable. It has, however, been in the area of bankruptcy reform where Arthur Briskman's greatest interest and expertise has been. In our review of the bankruptcy court system during the last several years, his familiarity with and knowledge of the issues were vital.

He has been an adviser on many other policy areas, whether it concerns budgetary matters, foreign aid, or the national defense. He has been a political adviser, and his calm, rational outlook has been more than valuable.

One of Arthur's many fine traits has been his loyalty. He has indeed been loyal to me, and has always kept my best interests in mind. His loyalty has evidenced itself in too many ways to enumerate. I hope it is sufficient to say that he has been my loyal and staunch friend.

In our office, we will miss Arthur's seemingly innate gift for analysis, his ability to cut through an apparently complex problem and quickly find a workable solution. We will miss his legislative instincts and his wide range of contacts, all of which enabled us to always have a good idea of what lay around the corner of the next legislative curve. We will miss his sense of humor, whether it was expressing itself with a funny joke or a horrible pun. We will miss his beard and his fondness for bow ties, both of which, at times, have made him subject to comments and puns from others in our office.

Still, Mr. President, more than all of this, and I am sure I speak here for the rest of my staff as well as myself, we will just miss Arthur. I will miss him as more than a staff member, but as a friend on a daily basis.

To Arthur and his wonderful wife, Jane, I am sorry to see you go, but am happy for your future. Good luck. I hope you will come back often to visit us.

SOUTHERN RESEARCH INSTITUTE

Mr. HELFIN. Mr. President, as we move closer and closer to the 21st century, one of the most critical aspects of our society is the maintenance and further development of our research base. I am both pleased and proud that one of the leading contributors to this aspect of our national well-being is Southern Research Institute, located in Birmingham, AL.

This year, Mr. President, marks the 40th year of operation of Southern Research Institute, and those four decades have been spent providing innovations, expanding opportunities, and solving problems.

Forty years ago, Thomas W. Martin, then president of Alabama Power Co., foresaw the importance the South would gain during the last half of this century, and saw the corresponding need for the South to develop a strong research base. Toward this end, he helped gather together businessmen, industrialists, and educators, all dedicated to establishing a research institute with the primary charge of promoting the development and general welfare of the southern region of the United States.

From these efforts grew Southern Research Institute. In its early years, the institute's projects reflected the area it served—research into the growing of cotton and peanuts, coal and metallurgical studies for the iron producers, studies of wood utilization for the forestry industry.

In those days, Mr. President, the entire institute—administrative offices, laboratories, and everything else—was located in an old mansion and carriage house on the southside of Birmingham. Today, four decades later, the institute occupies 19 modern buildings, totaling more than 350,000 square feet, spread over a 20-acre complex. It has grown into one of the Birmingham area's largest employers, with almost 700 employees and an annual payroll of more than $12 million.

In more recent years, the institute's emphasis has shifted a bit. No longer is there a geographically regional scope for their projects. Today, researchers at Southern Research Institute are making important progress in cancer research, antiviral and antiparasitic research, electronics, genetics, and engineering.

Mr. President, my colleagues are familiar with my repeated stand in favor of continuing our Government's emphasis on finding a cure to cancer. Southern Research Institute has developed one of our Nation's leading cancer research programs, and, in 1985, funding for these efforts will make up almost one-quarter of the institute's overall multimillion-dollar research efforts.

Today, Southern Research has gained a worldwide reputation for their efforts in the fight against cancer. A number of the drugs now in use against this dreaded disease were developed in their laboratories.

In addition to their health-related research, the staff at Southern Research Institute has been active in conducting research involving our national defense. One particular area in this regard concerns the need for further improvements in high temperature-resistant materials which are used in aircraft engines, missile, and space vehicles. Also in the defense field, Southern Research has done work on the tracking systems used in guided missiles.

Among the many other research projects on which Southern Research has worked are: Controlled release technology, resulting in the creation of items ranging from a sustained-release fluoride treatement to pesticides and antibiotics; desulfurization research, helping to answer the continued concern with air pollution; biomaterials technology, for use in absorbable surgical sutures and artificial bone joints; and many others.

Mr. President, as I said earlier in my remarks, our Nation cannot afford to neglect our research base. I am proud of the efforts which Southern Research Institute is making to provide our future with technical research of the highest quality possible.

The efforts of their highly trained and intensely dedicated staff are enabling us to prepare for the challenges of a changing world, and are helping us to find honest, workable answers to the problems of today and tomorrow.

Mr. President, I want to congratulate every person affiliated with Southern Research Institute, today or in the past, for, with their efforts, they are truly giving us all a better world to live in.

Thank you, Mr. President.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business not to extend beyond 11:45 a.m. with statements therein limited to 5 minutes each.

RED CHINA HELPS KHOMEINI WITH MISSILES

Mr. HELMS. Mr. President, I am deeply concerned about the proposed nuclear cooperation agreement with Red China which, failing congression-

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al action, will go into effect during the month of December.

Press reports during the past several weeks have indicated that Red China is facilitating the proliferation of nuclear weapons. Several of our distinguished colleagues have expressed grave reservations about the agreement and grave concerns about Red China's activities in the nuclear field.

Now, Mr. President, I wish to call attention to reports of Western news agencies in Peking that China is assisting Iran in developing surface-to-surface missiles of a design that is nuclear-capable.

Apart from the terms of the nuclear agreement, which I believe are seriously defective particularly in the area of verification and reprocessing, the question arises as to whether we can trust Red China to keep any agreement—no matter how is is drafted.

Mr. President, I happen to be chairman of the Senate Committee on Agriculture, and in that capacity I have gained a personal awareness of the manner in which the major United States agreement with Red China—the 1981-84 bilateral long-term grain agreement—has been implemented to date. Not only did Red China fail to fulfill its purchase obligations under the LTA before its expired in December 1984, but it has made no effort to fulfill these obligations since.

Under the terms of this agreement, Red China was to have purchased from 6 to 8 million metric tons of wheat and corn each year of the term of the agreement. Red China did not and has not fulfilled its end of the agreement even though it has bought wheat and corn from France and Argentina. The shortfall in the last 2 years of the agreement was 4.2 million tons.

Mr. President, to make matters worse, Red China used the threat of nonfulfillment of the agreement to blackmail the United States into an excessive textile import agreement. Red China then, of course, reneged on the grain agreement.

Red China's unreliability in the field of international agreements offers scant hope that Red China will be restrained by mere declarations of intent with regard to the issue of nuclear proliferation.

The fact is, Mr. President, that Red China's international activities today are already facilitating the military capabilities of several countries. It is a fact that Red China has a military relationship with the terrorist Khomeini regime in Iran. It has been reported that Iran has purchased over $1 billion of military equipment from Peking. There are reports that Red Chinese military advisers are in Iran.

Revealing reports from London, Paris, and the Middle East has reached my office in recent months. If true—and the evidence appears reliable—these reports cast a dark shadow on any type of sensitive relationship with Red China, particularly in the nuclear area.

Mr. President, it is no secret that Iran has a missile industry. The official Iranian news agency has publicly released information about this activity. For example, on April 9, 1985, Iranian news services announced that the Minister of the Revolutionary Guards, Mohsen Rafiqdust, met with the speaker of the Iranian Parliament, Ali Akbar Hashemi Rafsanjani, in order to brief him on the latest developments in the Iranian missile industry. This report was carried by our Federal Broadcast Information Service in its Daily Report for April 10, 1985.

Mr. President, I ask unanimous consent that that report be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

RAFIQDUST BRIEFS RAFSANJANI ON MISSILE INDUSTRY

[Text] TEHRAN, April 9, IRNA.—Islamic Revolution's Guards (IRGC) Minister Mohsca Rafiqdust, met with the Supreme Defence Council Spokesman, "Ali Akbar Hashemi-Rafsanjani today. In this meeting, Rafiqdust presented a report on the latest progress in the IRGC's missile industry.

Mr. HELMS. Mr. President, 3 days later, Rafsanjani was quoted by Iranian news services as stating that "the country's missile industry workers have invented a new missile." The Federal Broadcast Information Service for April 12, 1985, carried the item in its Daily Report for April 12:

Mr. President, I ask unanimous consent that the report be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

HASHEMI-RAFSANJANI ON NEW MISSILE DEVELOPMENT

[Text] TEHRAN, April 12, IRNA.—Iran's Majlis Speaker Hojjat of-Eslam Akbar Hashemi-Rafsanjani said here Thursday that the country's missile industry workers have invented a new missile which he said "we might use in the next few days."

Hashemi-Rafsanjani who is also the imam's representative to the Supreme Defence Council (SDC) further stated that the new missile was very different from those Iran had previously used (against the Iraqi capital). He described the new invention as very interesting and said it was very precise and could be launched only by pushing a button.

The Majlis speaker's remarks came in a meeting with Minister of Mines and Metals Hoscya Nili-Ahmadabadi and senior officials from the ministry.

Following the recent escalation of Iraqi atrocities against Iran's civilian areas and its attacks on neutral ships in the Persian Gulf, the Islamic Republic launched nine missiles against Baghdad causing extensive damage and casualties.

Mr. HELMS. It is interesting that it was the Minister of the Revolutionary Guards who briefed Rafsanjani. According to some reports, Khomeini has placed Rafiqdust in charge of weapons procurement rather than allowing the regular military to continue to handle this process. It is also reported that Rafiqdust is married to Rafsanjani's sister.

According to reports reaching my office, much of the Iranian missile development program is carried out at a location near the new Isfahan airport. It is said that a number of technical specialists, including North Koreans, are working at this location.

Mr. President, the Khomeini regime has been developing surface to air missiles based upon the Chinese versions of the Soviet Sam-2 and Sam-6 systems. The Iranian missile based upon the Sam-2 design is designated the Sahand I. The Iranian missile based upon the Sam-6 design is designated the Sahand II. It is said that the Red Chinese have been having problems developing certain components for these missiles and that the Iranians have been able to cooperate with Red China to obtain these components from various sources including Syria.

Reportedly, Syrian technicans are operating these systems in two locations in Iran: at the Mehrab International Airport, and at the residence of Ayatollah Khomeini at Jamaran which is near Tehran.

The Red Chinese are also cooperating with Iran in the development of a surface to surface missile. It is reported that this is based on a Red Chinese version of the Soviet SCUD-B missile. Apparently, the Red Chinese have been seeking certain components for this system and Iran has been able to obtain them from Swedish sources. This Iranian surface to surface missile is said to come in three versions which are designated the Yekan I, Yekan II, and Yekan III. The Soviet SCUD-B is nuclear capable at the fractional kiloton level.

The Swedish connection should come as no surprise. Indeed, a number of West European countries such as England, West Germany, and Switzerland, are engaged in a brisk weapons trade with Iran. It has been reported that the Swedish Bofors Co., for example, sold some 200 antiaircraft missiles to Iran in April of this year via Singapore. A central arms purchasing operation of the Iranian regime is said to be located in London and operating under the cover of the Iranian National Oil Co.

Mr. President, on October 23, the French news agency Agence France Presse carried a report by its correspondent in Peking. The report details negotiations between Khomeini's regime and the Red Chinese for the sale of Chinese-produced surface to surface missiles based on the Soviet SCUD-1A and SCUD-1B to Iran. It de-

scribes negotiations in June and July of this year in Peking and notes the discussion of the missile sale issue by Rafsanjani during his July visit to Red China. The report was carried by the Federal Broadcast Information Service in its Daily Summary for October 23 and is as follows:

IRAN, PRC NEGOTIATING MISSILE SALES IN BEIJING

(By Pierre-Antoine Donnet)

BEIJING, Oct. 23.—China has had at least two rounds of talks with Iran on the sale of Chinese surface-to-surface missiles and the negotiations are "progressing rapidly," a highly reliable source here said today.

The source said that officials from the two countries met in June and July at Tehran's embassy and the Defense Ministry here to discuss Beijing's terms for the sale of older-generation Scud 1A and 1B missiles.

The Chinese and the Iranians both expressed satisfaction after the last talks and negotiations since have been "progressing rapidly," the source said.

A spokesman for the Foreign Ministry here declined immediate comment.

Beijing says that it has maintained a strict neutrality in Iran's more than 5-year-war with neighboring Iraq and has denied reports that it had sold arms to Tehran.

The Scud 1A and 1B missiles, with a range of 130 to 270 kilometers (81 to 169 miles), are liquid-propulsion tactical missiles of Soviet design dating back to the 1960's. But China still produces them.

Western diplomats here said that although technologically outmoded they have a large destructive capacity and can carry a chemical warhead.

The source said that the first series of talks between China and Iran on the missiles began a few days before the arrival here on June 27 of Iranian Parliament Speaker Hashemi-Rafsanjani.

Mr. Rafsanjani spent 4 days in China on the first visit here by a senior leader from Tehran since the Iranian revolution in 1979.

At that time, he did not explicitly deny Iran was receiving arms from the Chinese, telling a news conference only that he was in no position to say since he was not involved in defense matters.

Before Mr. Rafsanjani's arrival, however, an Iranian source had said that the question of Chinese arms sales could be raised during the parliamentary leader's talks here.

A Western correspondent in Beijing saw an unmarked transport plane take off from the capital's old airport on July 1. Airport personnel said the aircraft was headed for Iran.

Western diplomats here also said that a former Iranian defense minister made a quick and unpublicised visit to Beijing in August.

The Iraqi military attache in Beijing left a year ago and was not replaced, while his Iranian counterpart still works at Tehran's embassy.

Mr. HELMS. Mr. President, I emphasize that the information which I have just described has not come from any U.S. sources, classified or unclassified. This information has come to my office from sources, in West Europe and in the Middle East, which have proven reliable in the past. Should these reports be accurate, the specter of Red Chinese military cooperation with the terrorist Khomeini regime is reason alone not to enter into any sensitive nuclear agreements with the dictators in Peking.

Indeed, Mr. President, there have been recent reports that Red China has admitted entering into nuclear cooperation with Pakistan and other countries, claiming, of course, that only peaceful nulcear materials are involved. Red China denies that there is a nuclear relationship with Iran. But reliable Western journalists in Peking are reporting otherwise. The potential that Red China might divert nuclear technology to the Khomeini regime is a terrifying one. The United States should not become an accomplice in this process.

ORDER FOR STAR PRINT—SENATE RESOLUTION 28

Mr. BYRD. Mr. President, earlier this year I submitted Senate Resolution 28, and other resolutions, the objective of which was to do two things: to provide for television and radio coverage of Senate proceedings, and also to provide for certain rules changes which I believe to be useful and necessary in the event debate should be televised. The Rules Committee held a hearing at my request, for which I thank the distinguished chairman, Mr. MATHIAS, and the ranking member, Mr. FORD.

I attended much of the hearing and as a result of the hearing, as result of the testimony that was given by various witnesses, I feel it incumbent upon me to submit, in some ways, a different version of Senate Resolution 28.

For one thing, I concluded from that hearing that if we are to have television and radio coverage, it should be gavel-to-gavel, coverage. Heretofore, I have not supported gavel-to-gavel coverage, but as a result of that hearing, I have changed my mind, and I now believe the Senate should have such coverage. Moreover, there are certain rules changes that I think, whether or not television and radio coverage of Senate debate becomes a reality, it nevertheless, would be well to have.

Mr. President, the able chairman of the committee has scheduled a markup for tomorrow. The markup will be on Senate Resolution 28. That will be the proposed legislation from which the committee can work as we proceed to mark up.

The legislation provides a trial period for television and radio coverage, the trial period to be for the purpose of finding the bugs, ironing out the wrinkles, and trying to resolve problems before the actual live coverage of Senate debate would begin.

In order to accommodate the committee in the markup, I shall ask for a star print of Senate Resolution 28 so to reflect changes I have made in the original Senate Resolution 28.

On Friday of last week, I introduced Senate Resolution 245, which reflected those changes, and I meant on Friday to ask for a star print of Senate Resolution 28 so that the same number would be on the resolution upon which the committee would do its work tomorrow. I inadvertently let the Senate close down before asking consent. So I am prepared to ask unanimous consent now that Senate Resolution 28 be star-printed to reflect the changes which I have referred to.

Mr. President, this request has been cleared with the distinguished majority leader and he has authorized me to make the request to the Senate. I, therefore, Mr. President, ask unanimous consent that Senate Resolution 28 be star-printed to reflect the following changes in Senate Resolution 28, which I send to the desk.

The PRESIDING OFFICER. Is there objection? Hearing no objection, it is so ordered.

Mr. BYRD. Mr. President, I thank the distinguished Presiding Officer.

Mr. President, I have been asked by Mr. GORE to add his name as a cosponsor to Senate Resolution 28, as star-printed. So I make that request.

The PRESIDING OFFICER. Without objection, it is so ordered.

THEODORE ROOSEVELT'S BIRTHDAY

Mr. ANDREWS. Mr. President, I rise today to honor a great man who served this Nation well and whose policies remain a source of guidance today.

Yesterday, October 27, 1985, marked the 127th anniversary of the birth of President Theodore Roosevelt. A man whose vision and actions represent those of the first American President of the modern age who forthrightly confronted the dilemmas of the industrial age. Remembered as a man of unwavering determination, he was also an individual of keen intelligence and sensitivity. As Robert Frost one said, "He was our kind * * * he quoted poetry to me. He knew poetry." Frost's comments are indicative of this unique American who would publish historical writings in his early twenties, master a nation in his early forties, and win lasting acclaim as the first American to win the Nobel Peace Prize.

Born in New York City, Roosevelt was an asthmatic child of slight build and poor sight. Due to this childhood condition, he was tutored privately until entering Harvard. He began writing a scholarly work as an undergraduate, "The Naval War of 1812," which would be published 2 years after receiving his B.A. degree in 1880. Incidentally, Theodore Roosevelt's birthdate also marks his marriage to Alice Hathaway Lee in 1880. Unfortunately,

on February 14, 1884, following the birth of their child, Alice, his wife died—his mother died the same day.

This tragedy led Theodore Roosevelt to withdraw from New York State's political scene and move to the Dakota territory. From 1884 to 1886, he ranched and wrote, but most importantly, he gained a unique perspective on life that would serve him and the Nation well during his Presidency. As one North Dakotan observed about Roosevelt during that Dakota winter of 1883, "clearly I recall Roosevelt's wild enthusiasm over the badlands * * * It had taken root in the congenial soil of his consciousness, like and irradicable * * * plant to thrive and permeate it thereafter, causing him more and more to think in the broad guage terms of nature—of the real Earth."

Roosevelt returned East in 1886 to run for mayor of New York City. Rising from defeat in that election, he remarried and moved to Oyster Bay, Long Island. He continued his writing there until 1889 when he received an appointment to the New York State Civil Service Commission. During his 6 years on the commission, Roosevelt championed his firmly held belief that the political spoils system was "a faithful source of corruption." He implemented his philosophy by pursuing fraud, revising entrance exams, doubling the number of positions available for competition, and opening the fields of competition to women. This straightforward approach to efficient and fair governing would become the cornerstone of the progressive movement.

Roosevelt's tenure in the civil service commission was followed by his role as chief of police of New York City and then as Assistant Secretary of the Navy. None of these offices were to catapult him into the national view as would his role in the Spanish-American War. Upon leaving the Navy in 1898, at the eruption of American and Spanish hostilities in Cuba, Teddy went to be a lieutenant colonel of the 1st U.S. Volunteer Cavalry. This division had actually been orchestrated with the help of Roosevelt and was known as the "Rough Riders."

In his service in Cuba, Teddy Roosevelt would lead the Riders up Kettle Hill and into history. This heroic charge would establish his mark in American history and begin his rise to national prominence. With strong public support, he was elected Governor of New York in 1898 and continued to carve out the principles and direction that would give national scope to the progressive movement.

As Governor, Roosevelt championed higher wages for teachers, legislation to end racial discrimination in public schools, and to tax corporate franchises. He attacked urban poverty and the slums where it was bred, and he instituted his policies to preserve the State's natural resources. Yet these were only hints of the wide-ranging, forward-looking legislative and administrative reforms that he would pursue during his Presidency.

In 1900, Theodore Roosevelt was elected Vice President of the United States. On September 14, 1901, Roosevelt, the youngest man to do so at 42, took the oath of office following the tragic assassination of President McKinley. Roosevelt moved quickly to put his own stamp on the Presidency. Theodore Roosevelt's accomplishments as President are well known. Progressive, trust buster, internationalist, conservationist, and the Nation's first modern, activist President. What is less well known about Roosevelt and why I take special pride in acknowledging the anniversary of his birth is because of the lessons he learned during his time in North Dakota and what those experiences later meant to the Nation as a result of those experiences.

His foremost biographer Edmund Morris has written of his Dakota days:

Roosevelt "had gone west sickly, foppish, and racked with personal despair; during his time there he had built a massive body, repaired his soul, and learned to live on equal terms with men poorer and rougher than himself. He had broken bones with Hashknife Simpson, joined in discordant choruses to the accompaniment of fiddlin' Joe's violin, discussed homicidal techniques with Bat Masterson, shared greasy blankets with Modest Carter, shown Bronco Charlies Miller how to "gentle" a horse, and told hell-roaring Bill Jones to shut his foul mouth. These men, in turn, had found him to be the leader they craved in that lawless land, a superior being, who paradoxically, did not make them feel inferior. They loved him so much they would follow him anywhere, to death if necessary—as some eventually did. They and their kind, multiplied seven millionfold across the country and became his natural constituency."

But to me and to all North Dakotans, Teddy Roosevelt said it best.

"If it had not been for my years in North Dakota," he said long afterward, "I never would have become President of the United States."

Therefore, Mr. President, while we cannot claim Teddy Roosevelt as our own by birthright, we feel uniquely privileged to claim his stalwart, progressive leadership of our Nation as a direct result of his experiences in our State of North Dakota.

BIRTHDAY OF THE STATUE OF LIBERTY

Mr. DOLE. Mr. President, on October 28, 1886, France presented the United States with a gift to commemorate our 100th year of independence. This gift, the Statue of Liberty, has since become one of the most distinctive symbols of what our Nation stands for. Situated in New York Harbor, the Statue of Liberty welcomes travelers to our land of freedom, democracy, and opportunity. During the surge of immigration at the turn of the century, the Statue of Liberty became the most visible image of the promise of a new world.

THE NEW COLOSSUS

In 1903, Emma Lazarus wrote a sonnet to the Statue of Liberty called "The New Colossus." Now inscribed on a plaque beside the statue, the poem beautifully depicts the grace and vision of Miss Liberty. At this time, I ask that the sonnet be inserted into the RECORD:

Not like the brazen giant of Greek fame, with conquering limbs astride from land to land; here at our sea-washed, sunset gates shall stand a mighty woman with a torch, whose flame is the imprisoned lightening, and her name mother of exiles. From her beacon-hand glows world-wide welcome; her mild eyes command the air-bridged harbor that twin cities frame, "keep ancient lands, your storied pomp!" cries she with silent lips. "Give me your tired, your poor, your huddled masses yearning to breathe free, the wretched refuse of your teeming shore. Send these, the homeless, tempest-tos to me, I lift my lamp beside the golden door!"

RESTORATION PROJECT

Although Miss Liberty's character will never weaken, her physical structure is in severe disrepair. In view of this, President Reagan created the Statue of Liberty/Ellis Island Centennial Commission, and appointed Lee Iacocca as its chairman. Along with his dedicated staff, Mr. Iacocca has managed to raise millions of dollars to restore the Statue of Liberty in time for us to celebrate her 100th birthday next year.

Mr. President, on this birthday of the Statue of Liberty, I wish to pay tribute to those who had the vision to create her, to those who had the tenacity and courage to realize her dream, and to those who have dedicated themselves to keeping her torch lit for the future.

CONGRESSIONAL CALL TO CONSCIENCE

Mr. DANFORTH. Mr. President, Americans have always been responsive to the plight of the oppressed. Nowhere is there greater need for that response to be heard than in the case of Soviet Jewry.

The emigration of Soviet Jews has slowed to a trickle. From a peak of over 50,000 in 1979, the number of Jews allowed to emigrate dropped to less than 1,000 last year, and this year's figures are little better. It is indeed a frightening turn of events when the official Soviet view refuses to acknowledge even that the issue persists—that there are Jews who wish to emigrate and join their families outside of the Soviet Union.

In addition to the reductions in emigration, the Soviet Government has

stepped up its campaign of persecution, isolation, imprisonment, and harassment of those who agitate for their rights.

It is clear that the Government of the Soviet Union has sought to crack down aggressively on the cultural life of its Jewish population. The situation has progressively worsened, and teachers of Jewish language and culture such as Yevgeni Aizenberg and Yuli Edelstein have been arrested and imprisoned for their teachings.

It is thus critical that the United States continue to focus on this problem and remain committed to its resolution. Our country is a symbol of freedom and hope for oppressed men and women everywhere. We must live up to this image. Emigration and human rights must remain a top priority among U.S. foreign policy objectives.

Our expression of concern for the Jews and other oppressed groups in the Soviet Union does have an impact in that country. Many of my colleagues have joined in efforts on behalf of individuals pressing their right to emigrate. We have encouraged President Reagan and other U.S. officials to confront Soviet leaders with this issue. And we have made public our own concerns about the denial of these rights. The victims of this repression must know that we have not forgotten them, that we will not abandon them.

Americans must be concerned about the Soviet Union's treatment of its Jewish population for another reason. Soviet adherence to existing international commitments involving human rights and freedom of emigration is a key measure of their interest in improving relations with the United States. It is not a coincidence that the recent cooling in United States-Soviet relations was paralleled by dramatically decreased emigration and increased hostility toward Jewish activities.

The plight of Jews in the Soviet Union is acute, but there is some cause for hope. President Reagan's summit meeting with Soviet Premier Gorbachev next month represents his first opportunity to press this issue with the Soviet leader face to face. It is essential that we work to eliminate the persecution of Soviet Jews and that we do it now, while there is potential for change and before their situation deteriorates further.

OPPOSITION TO ARMS SALES TO JORDAN

The PRESIDING OFFICER. The clerk will read Senate Joint Resolution 223 by title.

The bill clerk read as follows:

A joint resolution (S.J. Res. 223) to prohibit the sales of certain advanced weapons to Jordan.

Mr. HELMS. Mr. President, I object to further consideration of the joint resolution.

The PRESIDING OFFICER. Objection is heard. The joint resolution will be placed on the Calendar.

AGRICULTURE, FOOD, TRADE AND CONSERVATION ACT OF 1985

The PRESIDING OFFICER. The Senate will now resume consideration of the unfinished business which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 1714) to expand export markets for United States agricultural commodities, provide price and income protection for farmers, assure consumers an abundance of food and fiber at reasonable prices, continue food assistance to low-income households, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Dole Amendment No. 904, to amend the Animal Welfare Act, to ensure the proper treatment of laboratory animals.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. GOLDWATER). Without objection, it is so ordered.

Mr. HELMS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HELMS. What is the pending business?

The PRESIDING OFFICER. Amendment 904.

Mr. HELMS. I thank the Chair.

Mr. President, I ask unanimous consent that amendment 904 be laid aside temporarily so that the Senator from Texas [Mr. BENTSEN] may call up an amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BENTSEN. I thank the distinguished chairman of the committee.

AMENDMENT NO. 908

(Purpose: To improve the working of U.S. agricultural trade programs and to expand export markets for U.S. agricultural products)

Mr. BENTSEN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Texas [Mr. BENTSEN], for himself, Mr. COCHRAN, Mr. PRYOR, Mr. BURDICK, Mr. FORD, and Mr. SYMMS, proposes an amendment numbered 908.

Mr. BENTSEN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 26, between lines 15 and 16, insert a new subsection (c) as follows:

"(c) The United States Trade Representative shall—

(1) review the reports prepared under subsection (a) and any other information available to identify export subsidies or other export enhancing techniques (within the meaning of the agreement on Interpretation and Application of Article VI, XVI, and XXIII of the General Agreement on Tariffs and Trade);

(2) identify markets (in order of priority) in which United States export subsidies can be used most efficiently and will have the greatest impact in offsetting the benefits of foreign export subsidies that—

(A) harm United States exports,

(B) are inconsistent with the Agreement on Interpretation and Application of Article VI, XVI, and XXIII of the General Agreement on Tariffs and Trade,

(C) nullify or impair benefits accruing to the United States under international agreements, or

(D) cause serious prejudice to the interests of the United States and

(3) submit to the Congress and to the Secretary of Agriculture an annual report on—

(A) the existence and status of export subsidies and other export enhancing techniques that are the subject of the investigation conducted under paragraph (1), and

(B) the identification and assignment of priority to markets under paragraph (2)."

On page 26, line 16, strike out "(c)" and insert in lieu thereof "(d)".

On page 26, line 24, strike "subsection (a)" and insert in lieu thereof "subsections (a) and (c)".

On page 27, line 3, strike out "(c)" and insert in lieu thereof "(d)".

On page 27, line 9, strike "subsection (a)" and insert in lieu thereof "subsections (a) and (c)".

Mr. BENTSEN. Mr. President, this amendment will strengthen the export section of this bill by helping us to better target our responses to foreign export subsidies. I am joined in offering this amendment by the Senator from Mississippi [Mr. COCHRAN], the Senator from Arkansas [Mr. PRYOR], the Senator from North Dakota [Mr. BURDICK], the Senator from Kentucky [Mr. FORD], and the Senator from Idaho [Mr. SYMMS].

This amendment will require the U.S. Special Trade Representative to submit an annual report on the existence of export subsidies or other export enhancing techniques, as defined in the GATT Subsidies Code. This report must also identify and rank order markets in which U.S. export subsidies can be used most efficiently and will have the greatest impact in offsetting subsidies that are harming U.S. interests.

This report will give us a list, certified by STR, of export subsidies that are damaging U.S. agriculture. Anyone who doubts the existence or the status

under international trade law of these practices can remove those doubts simply by checking this report.

In addition, the recommendations of the Nation's top trade official will be available for use in guiding any U.S. export subsidy programs. We need to make the most efficient use of our resources in these export subsidy programs, just as we do in every other Government program. Having this report from the Special Trade Representative will help us to do that.

Although the executive branch of Government has awesome discretionary powers for use in dealing with trade problems, the powers have not been used wisely or well in the past. We have not had a real trade policy under Democratic or Republican administrations. Responses to trade problems have been ad hoc and uncoordinated.

Unfortunately, Mr. President, the executive branch's track record on dealing with foreign agricultural export subsidies and other trade barriers is not good. In many cases they have done nothing about barriers to U.S. agricultural exports. In other cases they have tried to do something but have accomplished nothing.

In 1983 Secretary Block announced, with great fanfare, the sale of $1.5 billion worth of wheat flour to Egypt to counter the European Community's subsidies. It really shook up the EC. They had taken that market away from us by using export subsidies, and we clearly had the clout to take it and other markets back. They were seriously considering negotiating with us about trade barriers and export subsidies on agricultural products.

But all of a sudden, what happened? The EC found that we had the clout, but not the will to use it. The State Department did not want to upset our friends. The Defense Department wanted European countries to live up to their agreements to put cruise missiles and Pershing II's in place so that we could defend them. The USDA was told to back off and the EC was told, "We're sorry we upset you, and we won't let this terrible thing happen again." A good initiative announced with great fanfare was very quietly cosigned to the trash heap after having wasted a bunch of the taxpayers' money.

What has happened since then? Nothing. The EC has cruised merrily along subsidizing their exports. They can do it a lot more cheaply now because of the high value of the dollar. They drove U.S. farmers out of our wheat markets with cash subsidies of up to $80 per ton, or $2.18 per bushel. Then the U.S. dollar got so high that the EC even tried a sale or two with no subsidies. They are back subsidizing again, but at what are to them very affordable levels.

USDA announced, again with great fanfare, a new export subsidy program last May. The results so far can charitably be described as minimal. We blew our credibility when backed down before, and now it will be twice as hard to get the EC, or anyone else, to take us seriously.

The recent announcement of the filing of a GATT complaint against EC wheat export subsidies is just more shrubbery for the administration to hide behind instead of getting into the fight. The failure to use any of the really serious options available to the President under current law clearly tells the EC that this administration is only looking for a way out of the political mess they are in on the trade issue. It says they are not serious about getting results.

But results are what the United States desperately needs, and it is not just U.S. farmers. EC sugar export subsidies are absolutely destroying the world sugar market. A French farmer is paid 27 cents per pound for his beet sugar. It is then sold, through subsidies, at the current world market price of 4.9 cents. The French farmer has seen the value of land for growing sugar beets go from $1,000 to $7,000 per acre. But the depression of the world sugar market through that dumping has cost the Caribbean basin countries billions of dollars. It has probably done just as much to destabilize Central America as the Communist guerrillas have done.

This bill contains some good export provisions that are designed to produce results, not just rhetoric. I commend the Senate Agriculture Committee for recognizing the problems and taking needed steps to deal with them.

This amendment will complement the committee's efforts. It will help see that we use our resources wisely and well, where they will get the most return on our investment. It will help make our export subsidies more effective, and it will add more and better information to the debate on our agricultural trade policy. I urge its adoption by the Senate.

Mr. President, I commend the Senate Agriculture Committee for recognizing this problem and taking the needed steps to try to deal with it. I am appreciative of that. I think this amendment is going to complement the committee's effort. It will help see that we use our resources wisely, that we do not blow them, and that we put them in those areas where we are really having to confront subsidies that are taking crop markets away from the U.S. farmers. It will make those subsidies that we finally are using for exports more effective. And, in all candor, I wish we would both do away with them. But you will never get the other side to do away with it until you take them head on and they understand that we are serious about it. This will help us be more effective in doing it.

I urge the adoption of this by the Senate. I understand that the majority has surveyed it and the minority and feel kindly toward it.

Mr. HELMS. Mr. President, this is a good amendment. If anything it is long overdue. I thank the Senator for his comments about the efforts of the Agriculture Committee. We have a good export title in this bill and this will improve it.

The problem that the Senator has discussed is not some illusory thing or speculative matter. It is real. We are losing jobs; we are losing exports; and we are increasing our deficit day after day.

A couple years ago, I went over to Geneva for the GATT ministerial conference. I was sent by the President. The message that I was to take, and I took as best I could, was that the EC's right to swing its subsidy fist ended at Uncle Sam's nose. I am afraid I overspoke a little bit because it has taken us a couple of years to wake up and smell the coffee with respect to what has gone on.

But I think that throughout this Congress, and certainly among the American people, there is an understanding that free trade is fine, so long as it is fair. But if it is not fair, it is not free.

The Senator's amendment is a good one and I commend him for it. I am delighted to commend it to the Senate and I accept the amendment.

Mr. BENTSEN. I thank the distinguished Senator, the distinguished chairman of the Agriculture Committee. I share with him the view that I am all for free trade, but you cannot be the only country in the world really trying to exercise it.

Mr. HELMS. The Senator is right.

Mr. BENTSEN. And it is time, frankly, that we have a heavy dose of pragmatism and we should quit apologizing for seeking some self-interest for the United States.

Mr. HELMS. The Senator is absolutely right.

Mr. MELCHER. Mr. President, I commend the senior Senator from Texas [Mr. BENTSEN] for presenting a solid amendment, one that we want to accept to provide specific instructions to the U.S. Trade Representative to study and identify those markets where concentrated efforts by the United States need to be taken to offset export subsidies used by foreign countries and to see that it is effective.

The amendment will attempt to expand our markets, and we certainly need to do that. Our foreign agriculture exports have dropped off terrifically, and much to our detriment, causing further surplus in the United States of these commodities, and,

therefore, further depressing the price. Like the Senator from Texas, I do not think we can sit idle and watch this export market slip away from us while we have the commodities to sell and need to sell them and have other countries subsidizing their exports.

So the study provided for in the Senator's amendment is an excellent one. On behalf of our side of the aisle, we not only accept the amendment, we are extremely pleased to support the amendment.

Mr. HELMS. Mr. President, I think at this point it might be well to say a few words about the export title in the farm bill which is now before the Senate.

In the first place, the export title expands the Intermediate Export Credit Program to authorize the guarantee of loans and to require the financing or guarantee of such loans in the amount of $1 billion annually for the next 3 years. The title also requires the Commodity Credit Corporation to make available short-term export credit guarantees in the amount of at least $5 billion annually for the next 4 years.

Specifically, to combat predatory practices of foreign competitors, such as the Senator from Texas has discussed, the bill requires the Secretary of Agriculture to use at least $325 million annually for 3 years to directly assist in the export of U.S. commodities adversely affected by the price or credit subsidies or unfair marketing arrangements used by other countries. To add to the effort, the Secretary of Agriculture is required to sell for export at least 150,000 tons of CCC-owned dairy products annually for 3 years.

Then the bill requires the Secretary to use at least $2 billion of CCC-owned commodities to enhance and encourage export sales of U.S. agriculture commodities during fiscal years 1986 through 1988.

I mention that simply to say that the Senator's amendment fits in well with what the Agriculture Committee is attempting to do, if we can ever get this bill passed and enacted into law.

Mr. President, I suggest we vote on the amendment.

Mr. PRYOR. Mr. President, I am pleased to support the amendment of the Senator from Texas [Mr. BENTSEN] and I hope it is adopted by the Senate. This amendment will set up a mechanism for identifying and targeting foreign export subsidies and other unfair trade practices. It will result in the creation of the first central listing of unfair trade practices that harm our agricultural exports. This listing will make a major contribution to the debate over agricultural policy. If we are to have an effective program to combat unfair foreign trade practices, then we must know what those practices are and how we can best use our own limited resources to combat them.

I think the time is overdue for our Government to "go to bat" for our farmers and to level the playing field of international competition. We have, for too long, allowed our farmers to have the unfair task of having to compete against foreign governments and treasuries, and not against foreign farmers.

This amendment will require the U.S. Trade Representative to report annually on the existence and status of trade barriers. This report will further identify markets in which U.S. export assistance can be used most efficiently and would have the greatest benefit in offsetting unfair foreign subsidies.

Mr. President, this is a "pro-farmer pro-American" amendment that says "enough is enough." Our farmers are the most efficient and productive producers of food and fiber in the world. It's time we allowed them to get on "equal footing" with competitors worldwide.

Mr. ABDNOR. Mr. President, before we do, I seek the floor to support the amendment of the Senator from Texas and to compliment him for his excellent amendment. I just walked into the Chamber. I would like to be listed as a cosponsor, if the Senator does not mind.

Mr. BENTSEN. Mr. President, I am flattered by the statement of the distinguished Senator from South Dakota. I would be delighted to do that. I ask unanimous consent that the Senator from South Dakota be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment of the Senator from Texas [Mr. BENTSEN].

The amendment (No. 908) was agreed to.

Mr. BENTSEN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HELMS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ABDNOR. Mr. President, I have amendment No. 901 at the desk and I would like to offer it at this time.

Mr. HELMS. Mr. President, I ask unanimous consent that the amendment of the Senator from Kansas be temporarily laid aside so that we may consider the amendment of the Senator from South Dakota.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 901

(Purpose: To revise the study of the Farm Credit System and provide for recommendation for improving such system)

Mr. ABDNOR. Mr. President, I have an amendment at the desk and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from South Dakota [Mr. ABDNOR] proposes an amendment numbered 901.

Mr. ABDNOR. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment reads as follows:

On page 376, beginning with line 19, strike out all down through line 20 on page 377 and insert in lieu thereof the following:

SEC. 1718. (a) The Governor of the Federal Reserve System, in consultation with the Secretary of Agriculture and the Governor of the Farm Credit System shall conduct a study of methods to ensure the availability of adequate credit, on reasonable terms and conditions, for farmers of the United States.

(b) In conducting such study, the Governor of the Federal Reserve System shall—

(1) evaluate the financial circumstances relative to both lenders and borrowers of farm credit; and

(2) evaluate the structure, performance, and conduct of the Farm Credit System.

(c) Not later than 180 days after the date of enactment of this Act, the Governor of the Federal Reserve System shall submit to the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Agriculture of the House of Representatives a report containing the results of the study provided for in this section together with such comments and recommendations for providing a sound and reasonable credit program for farmers as the Governor considers appropriate.

Mr. ABDNOR. Mr. President, the current bill calls for a study of the farm credit system by the Governor of the Farm Credit Administration. With all due respect to the Governor, I do not believe the Agency which has the problem should investigate itself. My amendment would have the Chairman of the Board of Governors of the Federal Reserve System perform that study in consultation with the Governor of the Farm Credit Administration and the Secretary of Agriculture.

My amendment would require the Federal Reserve System to evaluate the financial condition of, and the prospects for, both lenders and borrowers of farm credit and evaluate the structure, performance and conduct of the Farm Credit System.

In addition, the Federal Reserve System would provide recommendations to the House and Senate Agriculture Committees, including recommendations of any assistance needed to stabilize the financial condition of the Farm Credit System and to protect the capital that borrowers have invested in the system.

I expect the Federal Reserve System to address the need for the establishment of a fund to be used to insure institutions of the Farm Credit System against loan losses.

The study is to be completed in 180 days.

I must admit, Mr. President, that my nomination of Paul Volcker to do this study was done with mixed feelings. I am very concerned about the degree of sensitivity that Chairman Volcker has with respect to the current economic depression in agriculture. But then I am not comfortable with the attitudes of many Washington officials regarding rural and agricultural problems. However, there is little question that the Federal Reserve System has the resources to do the job within the legislated time frame and, with proper monitoring, can do the job. The agricultural community will be watching.

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HELMS. Mr. President, we have examined this amendment on this side. Not only do we find it acceptable, but we find it a piece of legislation for which we commend the distinguished Senator from South Dakota. We accept the amendment.

Mr. ZORINSKY. Mr. President, we have no objection to the Chairman of the Board of Governors working with the Secretary of Agriculture and the Farm Credit Administration in ensuring that there is adequate credit available for the Nation's farmers. I do think that the study provisions in the committee-reported bill are not inconsistent with the thrust of the Senator's amendment, and would want to see them retained in the legislation.

Mr. ABDNOR. I thank both the chairman and the ranking minority member for their support. Thank you very much.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from South Dakota.

The amendment (No. 901) was agreed to.

(Later the following occurred:)

AMENDMENT NO. 901 AS (MODIFIED)

The PRESIDING OFFICER (Mr. COHEN). The Senator from North Carolina.

Mr. HELMS. I thank the Chair.

Mr. President, on behalf of Senator ABDNOR, I ask unanimous consent that the amendment offered by the distinguished Senator from South Dakota earlier today, amendment No. 901, be modified, which modification I send to the desk. I might add that this has been cleared, as I understand it, on the other side.

The PRESIDING OFFICER. Without objection, the amendment is so modified.

The modified amendment is as follows:

On page 376, beginning with line 19, strike out all down through line 20 on page 377 and insert in lieu thereof the following:

SEC. 1718. (a) The Chairman of the Board of Governors of the Federal Reserve System, in consultation with the Secretary of Agriculture and the Governor of the Farm Credit System, shall conduct a study of methods to ensure the availability of adequate credit, on reasonable terms and conditions, for farmers of the United States.

(b) In conducting such study, the Chairman of the Board of Governors of the Federal Reserve System shall—

(1) evaluate the financial circumstances relative to both lenders and borrowers of farm credit; and

(2) evaluate the structure, performance, and conduct of the Farm Credit System.

(c) Not later than 180 days after the date of enactment of this Act, the Chairman of the Board of Governors of the Federal Reserve System shall submit to the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Agriculture of the House of Representatives a report containing the results of the study provided for in subsection (a), together with such comments and recommendations for providing a sound and reasonable credit program for farmers as the Chairman considers appropriate.

(d) The Governor of the Farm Credit Administration shall conduct a study of the need for the establishment of a fund to be used—

(1) to insure institutions of the Farm Credit System against losses on loans made by such institutions; or

(2) for any other purpose that would—

(A) assist in stabilizing the financial condition of such System; and

(B) provide for the protection of the capital that borrowers of such loans have invested in such System.

(e) In conducting such study, the Governor shall—

(1) consider the advisability of using the revolving funds provided for under section 4.1 of the Farm Credit Act of 1971 (12 U.S.C. 2152) to provide initial capital for the fund referred to in subsection (d); and

(2) estimate the amount and level of future assessments levied on institutions of the Farm Credit System that would be necessary to ensure the long-term liquidity of such fund.

(f) Not later than 180 days after the date of enactment of this Act, the Farm Credit Administration shall submit a report containing the results of the study required under subsection (d) to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

(Conclusion of later proceedings.)

Mr. DIXON. Mr. President, what is the order of business?

The PRESIDING OFFICER (Mr. SYMMS). The pending question is amendment 904 offered by the majority leader to S. 1714.

Mr. DIXON. Mr. President, I ask unanimous consent that that amendment be temporarily set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 910 AND AMENDMENT NO. 911

Mr. DIXON. Mr. President, I will state for my colleagues that my purpose in making the request is to send two amendments to the desk that I contemplate offering at an appropriate time later this afternoon after the distinguished chairman of the Agriculture Committee, Senator HELMS, and the ranking minority member on our side, Senator ZORINSKY, have had an opportunity to examine the amendments.

The PRESIDING OFFICER. The amendments will be stated.

The bill clerk read as follows:

The Senator from Illinois [Mr. DIXON] proposes an amendment numbered 910 and an amendment numbered 911.

Mr. DIXON. Mr. President, I send these two amendments to the desk. I do not ask for their immediate consideration.

I ask unanimous consent that the reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DIXON. Mr. President, at such appropriate time as the distinguished chairman of the Agriculture Committee and the ranking minority member have had an opportunity to examine these amendments, I wish to bring them up again.

The PRESIDING OFFICER. The amendments will be received and will lie on the table.

Mr. DIXON. I thank the Chair.

Mr. GRASSLEY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DIXON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. DANFORTH). Without objection, it is so ordered.

Mr. HELMS. Mr. President, will the Senator yield?

Mr. DIXON. Yes. Of course.

Mr. HELMS. Mr. President, I ask unanimous consent that the pending amendment by the Senator from Kansas be temporarily laid aside so that this amendment may be considered.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DIXON. I thank the distinguished chairman of the committee.

AMENDMENT NO. 911

(Purpose: to express the sense of Congress that new Federal initiatives are needed in the area of research on new or improved food processing or value-added food technologies)

Mr. DIXON. Mr. President, I understand that No. 911 is at the desk. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. DIXON. I believe I previously asked that we dispense with the reading of the amendment. I believe that was allowed.

The PRESIDING OFFICER. The clerk still needs to report the amendment.

Mr. DIXON. I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Illinois [Mr. DIXON] proposes an amendment numbered 911.

Mr. DIXON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 285, between lines 14 and 15, insert the following:

(1) in paragraph (8)—

(A) by striking out "and" at the end of subparagraph (N);

(B) by inserting "and" at the end of subparagraph (O); and

(C) by adding at the end thereof the following:

"(P) research on new or improved food processing or value-added food technologies;";

On page 285, line 15, strike out "(1)" and insert in lieu thereof "(2)".

On page 285, line 17, strike out "(2)" and insert in lieu thereof "(3)".

On page 285, line 19, strike out "(3)" and insert in lieu thereof "(4)".

Mr. DIXON. Mr. President, during this time of great crisis in the agricultural sector of our Nation, we need to focus our efforts on research and technology. Research and the development of new technologies will help us realize our greatest hopes for agriculture. We desperately need to strengthen the scientific base of America's food industry.

Mr. President, the Federal Interagency Research Subcommittee observed in its publication, "Research: Background for 1985 Farm Legislation," that there has been an increasing decline in productivity for food processing over the last 25 years. The report goes on to state that one major cause of poor productivity is the low investment in research and development in the food processing and distribution sector. The report concludes that "improved technologies are badly needed in processing."

For this reason, I am introducing amendments which would include high priority status for food processing or value-added research, and would require the Department of Agriculture to appoint food technologists from accredited or certified departments of food technology to the Joint Council on Food and Agricultural Sciences and to the National Agricultural Research and Extension Users Advisory Board.

The Department of Agriculture has not previously included food science or food processing in its list of 1986 priorities for research, extension, and higher education.

It is vital to recognize that any expansion in research will help our farmers sell their products. I urge support of these important amendments dealing with research and technology.

Mr. President, I ask unanimous consent that a paper prepared by the Institute of Food Technologists entitled, "The Needs of Food Science and Technology Research and Development," be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE NEEDS OF FOOD SCIENCE AND TECHNOLOGY R&D—FOR A HEALTHIER AMERICA

INTRODUCTION

Alarmed by inroads made by foreign food producers and manufacturers, IFT has determined the critical need for a concerted effort to improve the scientific base for America's food industry. A workshop held in November, 1984 delineated R&D requirements (summarized below). Now IFT is presenting this need to Congress and federal agencies, focusing on the 1985 Farm Bill. The major points follow.

Key points: Direct increased federal research support now to:

Broaden the basic science of food properties through fundamental research. This will enable the use of automation in food processing, and enhance food safety and the environmental compatibility of food and agricultural processes.

Develop new and better foods to further improve nutrition and increase the use of farmers' output. Value-added R&D can lead to new uses for raw ingredients—corn, wheat, soybeans, etc.

BENEFITS AND PAYOFFS

A. Greater scientific depth and sharpened technology can help U.S. food producers compete more successfully with foreign manufacturers.

B. By developing innovative food products, the output of the American farmer can be more fully utilzed.

C. Greater value-added of food products will return more tax dollars to federal and state governments.

D. More jobs can be created for American workers.

E. Increased competition and more efficient processes will tend to lower prices to consumers.

F. Enhanced nutrition, developed through research, new food items, and consumer education will tend to improve the wellness of Americans. Over the long term, this can substantially reduce the nation's health care costs.

WORKSHOP THEMES

Two hundred outstanding scientists met last fall with IFT to discern and specify the most critical food science and technology research needs into the next Century.

Their mandate: Define R&D priorities which will restore this country's competitive edge vis-a-vis foreign manufacturers. Determine the research to be done which is essential to maximize nutrition and, thereby, health, and tap the economic potential of enhanced value-added food processing. ("Value-added" is an economists' term to indicate the extent to which a product increases in economic value as it moves through the processing chain. In each step of the process, from raw material to sale to the consumer, the product attains more value. The value is reflected in its initial costs, plus the science, machinery, energy labor, etc. put into it. It is accepted that 80 percent of the value added of food products results from processing.)

MAJOR WORKSHOP FINDINGS

Forty-two program proposals from the IFT Workshop are encompassed in seven major research thrusts. They are directed as follows:

1. Develop innovative technologies to improve processing, and especially integrate value-added research with promising biotechnologies. Develop available science for badly-needed productivity gains in processing. Foster the use of robotics in food industries. (Each one percent improvement in yield—or increase in productivity—would return $1 billion to the economy).

2. Develop scientific techniques which will improve agricultural, food, dairy and meat products. Such research, including genetic engineering, promises quality improvements in both the palatability and nutritive value of foods.

3. Increase scientific understanding of food constituents—the physical, chemical and biological properties and structures of foods and related materials. Accompany this research with parallel efforts to employ the findings to improve processing, nutrition, food safety, and environmental compatibility.

4. Develop innovative analytical procedures. These must be rapid, nondestructive, simple, continuous, on-line, automated and inexpensive. These can help link advances in biotechnology to improvements in food safety, by providing quick and reliable monitoring of processes and properties of foods.

5. Develop better knowledge of mechanisms which control biological activity. To do so will help both the safety of foods and their relationship to the environment.

6. Obtain and evaluate critical data related to health and nutrition, and to chemical and mircobial safety.

7. Determine long-term needs for scientifically-trained personnel, and fund programs—including laboratory facilities—to meet these needs.

THE PRESENT SETTING

Despite deepening inroads by foreign manufacturers into U.S. markets, research programs within the U.S. Department of Agriculture remain substantially oriented to increased farm production, even in the face of growing surpluses. Currently contemplated programs largely retain this emphasis. What scant post-harvest research exists in these USDA programs (only 15 percent of all budgets) is focused largely on marketing economics, packaging and transportation—not on food characteristics useful in the marketplace. Further, this proportion has declined steadily over the past 20 years.

The USDA's "Joint Council" and "Users Advisory Board" consist mainly of agricultural production-oriented persons, and their reviews of USDA programs minimally reflect the potential contributions of post-harvest or value-added research. The same is true of the USDA Experiment Station Committee on Organization and Planning.

The 1981 National Agricultural and Food Act (the Farm and Food Act) in its R&D sections contains no mention of food processing or post-harvest technology. Value-added considerations are totally absent. In both proposed legislation (1985 Farm and Food Bill) and recommendations from established groups, emphasis largely remains on trends of the past. Some new emphasis does fall on biotechnology research, but this

lacks sufficient consideration of how this science's possible developments can be translated into useful products in the marketplace, domestic or foreign.

Food regulations created to meet old exigencies have the effect of forcing private sector R&D resources into "defensive research," to meet various labelling or safety mandates. This drains R&D resources from the creation both of new and better foods and more internationally competitive technologies.

In both the Agriculture and Health and Human Services departments' nutrition research programs, food scientists and technologists are sparsely represented. Beyond this, there is a need to broaden support for nutrition research, both on nutritives values of foods and nutrient requirements of both the general population and special subgroups for which capability beckons. Better coordination and reduced diviseness between the two agencies' programs is essential.

IFT RECOMMENDATIONS TO CONGRESS

Based on Workshop findings, IFT testimony before both the House and Senate Agriculture committees made the following recommendations:

Authorize increased R&D funding (by redirecting planned appropriations) earmarked for food science and technology—through value-added research—by $50 million for FY 1986 (and eventually $275 million per year).

Include more food technologists on the Joint Council on Food and Agricultural Sciences and the Users Advisory Board.

Encourage the USDA (ARS and CSRS) to strongly incorporate food science and technology research in their external programs.

Separate food science and technology institutionally within ARS and CSRS from marketing economics research.

Bring food regulations up to date, so research funding can be freed to advance science and technology, instead of defending against outmoded and outdated regulatory constraints.

Incorporate active roles for food scientists in DHHS and USDA nutrition programs.

Integrate value-added research into the USDA competitive grants systems.

Recognize the need for scientifically trained food scientists by providing sufficient educational funding and training grants.

NATIONAL SECURITY IMPLICATION

The benefits above speak for themselves; beyond these lies a more fundamental consideration:

The economic health of this nation already has been threatened by foreign assaults at U.S. and overseas markets in steel, autos, electronics. A similar threat now portends in agriculture and foods. If the scientific base for this country's food system is not strengthened soon, fundamental policy decisions will be abrogated to others. Foreign producers will decide what we will eat, and who will produce it. These decisions will profoundly impact our national agricultural policy, our food producers, consumer choices, and ultimately the economic and physiological health of this nation.

IFT feels such matters are too important to be decided in foreign capitals.

Mr. DIXON. Mr. President, I believe amendment No. 911 has been cleared on both sides, both by the distinguished manager of the bill, the chairman of the Agriculture Committee, Senator HELMS, and by the distinguished ranking member, the manager on our side, Senator ZORINSKY. There were some minor changes made in the amendment. I believe it is now acceptable to both sides.

This amendment expresses the sense of the Congress that new Federal initiatives are needed in the area of research on newer, improved food processing or value-added food technologies.

I believe it has been adequately discussed by the appropriate managers on both sides.

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER (Mr. COCHRAN). The Senator from North Carolina is recognized.

Mr. HELMS. Mr. President, it has indeed been discussed and considered. We find it not only acceptable but an excellent amendment. This side approves of it.

I might say, Mr. President, that research to promote value-added products will help create jobs at home and improve the problem of our agricultural surpluses. I believe our agricultural research program should give high priority to this type of reseach, and I certainly commend the Senator from Illinois for submitting this amendment.

Mr. ZORINSKY addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. ZORINSKY. Mr. President, we have examined the amendment, and believe it has merit. I congratulate the distinguished Senator from Illinois for introducing the amendment, and for his excellent work in drafting the Agriculture Committee farm bill.

I urge adoption of the amendment.

Mr. HELMS. Mr. President, I ask the distinguished Senator from Illinois whether he struck the words "(such as food irradiation)" on page 1, line 10.

Mr. DIXON. The distinguished manager of the bill is correct. At the request of the distinguished Senator from North Carolina, and others, we struck the words on page 1 "(such as food irradication)."

On the second page, we corrected the page number in lines 3 and 5 from 295 to 285, so that will be accurate.

Mr. HELMS. I thank the Senator.

Mr. DIXON. I thank the manager.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Illinois.

The amendment (No. 911) was agreed to.

Mr. HELMS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DIXON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DIXON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 910

(Purpose: To require the Secretary of Agriculture to appoint two food technologists to the Joint Council on Food and Agricultural Sciences and two food technologists to the National Agricultural Research and Extension Users' Advisory Board)

Mr. DIXON. Mr. President, I have at the desk an amendment numbered 910, I believe. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. DIXON. I ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, the pending amendment is set aside for that purpose.

The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Illinois [Mr. DIXON] proposes an amendment numbered 910.

Mr. DIXON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 287, line 5, insert "(a)" after the section designation.

On page 287, between lines 8 and 9, insert the following new subsection:

(b) Section 1407(b) of such Act is amended by inserting before the last sentence the following new sentence: "To ensure that the views of food technologists are considered by the Joint Council, two of the members of the Joint Council shall, as determined to be appropriate by the Secretary, be appointed by the Secretary from among distinguished persons who are food technologists from accredited or certified departments of food technology, as determined by the Secretary.".

On page 287, between lines 14 and 15, insert the following new subsection:

(b) Section 1408(b) of such Act is amended—

(1) by striking out "twenty-five" in the matter preceding clause (1) and inserting in lieu thereof "27";

(2) by striking out "and" at the end of clause (10);

(3) by striking out the period at the end of clause (11) and inserting in lieu thereof ", and"; and

(4) by adding at the end thereof the following new clause:

"(12) two members who are food technologists from accredited or certified departments of food technology, as determined by the Secretary.".

On page 287, line 15, by striking out "(b)" and inserting in lieu thereof "(c)".

Mr. DIXON. Mr. President, may I say to my distinguished friends, the managers of the bill, that this amendment has now been cleared on both

sides—with the Department of Agriculture, and my colleagues, the distinguished chairman of the committee, and the ranking member. They should know that on the first page of this bill, in line 9, after the word "shall" and before the word "be" we have inserted, at the request of both sides and the Department of Agriculture, these words:

* * *, as determined to be appropriate by the Secretary, * * *.

May I say, Mr. President, to my distinguished colleagues, the manager and the ranking member, that this is now cleared, as I understand, on both sides.

The purpose of this amendment is to require the Secretary of Agriculture to appoint food technologists to both the Joint council on Food and Agricultural Sciences and the National Agricultural Research and Extension Users' Advisory Board.

Mr. HELMS. Mr. President, has the Senator completed his remarks?

Mr. DIXON. Yes.

Mr. HELMS. Mr. President, since this amendment has been modified, it is satisfactory to both sides. Therefore, we accept the amendment.

Mr. ZORINSKY. Mr. President, we have examined the amendment on this side. It will improve the committee reported bill. We urge its adoption.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment.

The amendment (No. 910) was agreed to.

Mr. HELMS. Mr. President, I move to reconsider the vote by which the amendment, as modified, was agreed to.

Mr. DIXON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DIXON. Mr. President, I thank the chairman of the Agriculture Committee and the ranking member for their cooperation.

Mr. HELMS. Mr. President, we are awaiting the arrival of the distinguished majority leader [Mr. DOLE]. I believe at that time we will be in a position to continue consideration of the animal welfare amendment. Pending that, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. MATTINGLY). Without objection, it is so ordered.

Mr. DOLE. Mr. President, I understand we may be near a resolution of the animal welfare amendment on the farm bill. Senator MELCHER has been very helpful. We hope we can dispose of that amendment within the next 15 or 20 minutes.

I know the distinguished chairman, Senator HELMS, has been here all day, along with Senator ZORINSKY, and others, and they are prepared to take up a series of amendments. There are still, as I view it, 30 or 40 possible amendments to the farm bill.

So if Members have amendments that we can dispose of today without votes, the chairman would be pleased to have those amendments brought to the floor.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. EXON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EXON. Mr. President, I wish to take the time this afternoon to give the Senate my view of the tremendously important matter before us, known as the farm bill. I anticipate that my colleagues would suspect that the Senator from Nebraska, who has been an advocate of sound farm programs for a long, long time, would have something to say about the importance of the matter, but I cannot overemphasize the crisis situation that affects large segments of agriculture today.

I wish to take a few minutes of the Senate's time to try to put this into perspective and to place in the RECORD some information that I think will be very helpful to our colleagues who, I think, are seeking more detailed and understandable information on the seriousness of the matter before us before we proceed, later on this week or next week, on tremendously important amendments that I understand will be offered to this bill.

Mr. President, I simply cannot impress on my colleagues enough the importance of the measure that we are working on today. I only hope that we would recognize in America that the posture that we are in on the bill now is not one to my liking. I would prefer that it had not been brought up as a sort of interim thing. We got hung up on the reconciliation bill so we rushed in and brought up the farm bill to kind of fill in time when we "don't have anything else to do."

I was on the floor when this measure was brought up last week and I heard the discussion then that we may go off this bill if we can get some kind of agreement on reconciliation and this had to be pulled down. I therefore say that the critical matter of agriculture and what is going on and not going on in rural America today is something that is deserving of more and higher priority consideration by the Senate.

I do object to the fact that we are kind of filling in time between agreements being worked out on other measures that are before the Senate at this time.

This bill that we are working on may well decide the fate of a large number of our family farmers across this Nation. This is a heavy responsibility and one which I hope this body will recognize and meet as we proceed in the days ahead with debate and passage of this bill.

I hope we have all heard about how tough things are "down on the farm." I want my colleagues to know those Americans who produce our food are not "crying wolf." Farmers are not asking for a "get rich scheme," they are crying out for survival. They want to be able to pay their bankers. They want to be able to pay their suppliers. They want to be able to provide their families with necessities. The situation is that bad, and it is time we did something constructive.

Agriculture is facing depression such as it has not seen since the 1930's. That is not an overstatement; if anything, it is an understatement.

At least in the thirties, the farmers could see and understand most of their problems. They felt the scorching drought, they saw the dusty winds, and the dust piled high above the fence rows like snow, and they fought the grasshoppers that devoured anything green that dared push through the parched remaining soil. Those farming or ranching in 1985 find themselves fighting to overcome a different kind of plague. Instead of dust, we see a flood of grain weighing heavily on our markets. Instead of grasshoppers, we have excessive interest rates eating away at what little profit there is to be made. Instead of the drought of the 1930's, our farmers today are experiencing a drought in the international marketplace where the export markets of the 1970's have dried to a trickle in the 1980's. Even though the causes are different, the effects are the same. We are truly revising the depression on the farm comparable to that time some 50 years ago.

If the financial collapse facing farmers is not enough to move us to action, look at some other hard, cold facts. Reliable studies show that over the next 5 years the economywide impact of loan losses from agriculture alone could have the following impacts:

Business investment down $24 to $38 billion;

Housing starts down 115,000 to 189,000 units;

Real GNP down $31 to $49 billion;

Job losses 178,000 to 275,000.

Mr. President, the chairman of the Senate Agriculture Committee has said this farm bill has serious flaws. I agree. The flaw with this bill is that it

will not do enough. I think it is our responsibility to do more, certainly not less.

Mr. President, I also noted this morning that the Secretary of Agriculture is at it again. It seems to this Senator that virtually every time the Senate is about to take up a matter affecting the farmers of this country, the Secretary goes to the public and indicates that the matter in question is veto bait because it is too costly. Of course, he then pulls out his new cost analysis, conveniently revised by his own subordinates, to prove his already dubious argument.

Well, I can say flatly that this Senator is growing increasingly weary with this negative approach. Furthermore, I do not think the Secretary's credibility is enhanced by the continued jockeying of numbers to support his basic premise. As a member of the Senate Budget Committee, I can say that USDA cost analyses for programs have been wrong more times than right. Given this fact, how can the Secretary keep coming back asking us to believe his prediction about the cost of the Senate farm bill.

I also remember, Mr. President, that the Secretary of Agriculture has been wrong, wrong, wrong several times when he testified before the Senate Budget Committee about the projected farm income for the year to come.

Mr. President, we have heard time and time again that this administration has spent billions on agriculture in an effort to improve the overall farm economy only to see it continue to decline. This admission of failure has caused the administration to once again change their philosophy on farm policy. Now they tell us that the real solution to the current depression in rural America is eliminating commodity price supports and turning the family farmers loose on the free market in order that they can export their way out of their financial problems.

I suggest, Mr. President, that instead of turning the farmers loose on the "free market," as Secretary Block recommends, such a policy at this time would be more like turning Faye Ray loose on King Kong. Our farmers would be swept up by the highly controlled international marketplace and would almost assuredly meet certain demise.

Not only has the Secretary of Agriculture trotted out on his veto horse in full gladiator armor over the cost issue, he has also unsheathed his gold-plated veto sword on the subject of farmer referendums.

Last week the President of the United States gave a ringing defense of democracy at the United Nations. I applaud that speech. But what about American farmers right here at home? Why can they not vote on their economic future?

To listen to the administration's claims and threat about cost, you would think a referendum would also be a budget buster. No way, Mr. President. A successful referendum on production controls would save money, and all of the estimators of what it would do to the budget agree on that. And it would raise farm income, which is supposedly what we are trying to do with the farm bill.

That is what this farm bill should be all about, raising farm income. And that is what we must do, or rural America will never see a recovery from the depths of the agricultural depression we are now seeing.

This is the task before us. In the next few days, the Senate will be debating the issue and dealing with amendments. As we work our way through this farm bill, let us remember the goal of raising farm income and keep our eyes on the ball. We must remember that this legislation will set Federal farm policy for 4 years. We had better do the job right.

Mr. President, a tremendously informative booklet has been printed by experts on the subject that we are discussing. Mr. President, it is entitled "A Prelude to the 'Crash of '87'." A key statement in this report, which is well documented by experts in the area, says how cutting AG supports will likely increase rather than decrease the Federal budget deficit.

Mr. President, I recommend the information to my colleagues because in a rather short space of time it indicates, as best any short document can, the serious situation that we are facing.

Mr. President, I ask unanimous consent that a full copy of "A Prelude to the 'Crash of '87'" be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

A PRELUDE TO THE "CRASH OF '87"

The current "Farm Crisis" is the result of many factors, including surpluses, loss of much of our foreign trade, low prices, substantial farm debt, over production (due primarily to improved farming methods), less political "clout", an uninformed press, and a public interest in reducing the Budget Deficit.

Since 1982 bank regulators and near panic stricken bankers caused by regulators demands have been destroying farm values, farm equities, small town banks, and farm credit agencies, which will soon also decimate the reserves of the F.D.I.C. and add to the growing burdens of the Treasury and the Federal Reserve.

The "Dominoe Effect" of these conditions is spreading like wildfire throughout the "farm states" and in the agriculture dependent areas of other states and is predicted to soon have substantial impact on business, insurance, and banking throughout America.

Cutting Agriculture supports can increase (not decrease) the Federal Deficit.

Every $1.00 of Farm Foreclosures, Write-downs and Bankruptcies, can likely, eventually, cost the U.S. Treasury $2.00!!!

THE DOMINOES—FOR USE IN THE ILLUSTRATION

1. Bank regulators (adverse classifications, write downs, charge offs).
2. Lenders (foreclosures, land and equipment auctions, write downs, charge offs, et al).
3. Farm values plummet.
4. Virtually no buyers for farms and ranches: No cash—no credit.
5. Small town business in trouble.
6. Small town banks in trouble.
7. Distributors of seeds, pesticides, fertilizers, and farm equipment in trouble.
8. Property tax sources dry up.
9. Farm credit agencies in trouble.
10. FDIC pays losses on small town banks.
11. FDIC staff and travel costs accelerate.
12. Municipalities default on bonded debt and obligations.
13. Electric Power Company bonds default.
14. Land grant colleges and public school system—income drops, tax base erodes, school bonds and loans default.
15. State income and sales tax revenues decrease.
16. Trust funds in Commercial Banks lose value.
17. Investment in farm credit agency paper is lost.
18. Regional banks lose on bank stock loans, farm and commercial loans.
19. Life insurance company investments in farm land and other Ag sector investments go sour and policies lapse.
20. Manufacturers of farm equipment and producers of seeds, pesticides and fertilizers lay off workers or go out of business.
21. FDIC pays losses on regional banks.
22. Investors in bank securities lose.
23. Farmers Home Administration Loan Portfolio decimated.
24. Money center banks in trouble as Ag chemical and farm machinery manufacturers, correspondent banks, et al fail and municipal bonds default.
25. Full scale loss of confidence in U.S. banking system.
26. Full scale loss of confidence in U.S. insurance system.

"Please send money, Mr. Baker, we're running out of it here."

The U.S.A. food and agricultural system is the single most important component of the American economy.

This system—which includes the production, preparation, delivery and sale of edible crops. livestock, textiles, leather and tobacco—is responsible for about one-fifth of the United States' gross national product (GNP):

Contributors:	*In billions of dollars*
Farm producers	74
Farm input suppliers (tractors, harvesters, equipment, fertilizers, pesticides, pharmaceuticals and services)	178
Manufacturers and processors of food and fibre	135
Distribution (transportation, sales, servicing, etc.) of food and Ag products	240

It provides 21-22 percent of the employment in America:

	Number of workers
Owner-operators and farm workers	3,770,000

	Number of workers
Producers of supplies and services purchased by farmers	4,000,000
Food processing, transportation and marketing	16,000,000

It is interesting to note that in the states that have been the largest beneficiaries of "Defense Job Welfare Programs" that land values have increased or have remained resonably firm.

State	Percent change in farmland values 1981–85	Prime contract awards 1983 (defense jobs welfare) per capital
Texas	+45	$578
Washington	+3	968
New England	+29	[1] 1,102
New York	+1	548
Virginia	+14	1,322
California	0	1,114
Nebraska	−46	103
Montana	−15	148
Iowa	−49	139
Illinois	−42	134
North Dakota	−20	209
South Dakota	−33	61

[1] Mass.

It's not just the $216 billion of Farm Debt but also the other billions of dollars of municipal government, business, and industry debt related to the Ag sector that is of major concern to bankers and insurance companies.

Government programs and policies directly or indirectly affecting agriculture have a dramatic impact upon the other parts of the food and agricultural industry.

For example, when the net income of farmers drops substantially, as it did from 1979 ($32.3 billion) to 1983 ($15.7 billion), the business of input suppliers is drastically affected.

A. Sales of all types of farm machinery fell anywhere in a range of 40 percent (mower conditioners) to 77 percent (four-wheel-drive tractors) from 1979 through mid-1983.

B. Nearly 1,200 farm equipment dealerships closed their doors from 1981 through 1983, a closure rate more than twice the historical average.

C. More than 20,000 machinery manufacturing workers were laid off.

D. The real value of pesticide sales declined by one-third, from $1.5 billion in 1979 to $1 billion in 1983, with plants operating at 54 percent capacity.

E. Fertilizer use dropped 18 percent during the same period.

SOME HISTORY NOT TO FORGET

1. Domestic agriculture has always been the primary source of our food, clothing and shelter, three essentials to our continued existence.

2. Since the Continental Congress first recommended it 208 years ago, "aid to agriculture" has been a major concern of the nation's public policy.

3. This historic concern and support of the nation's food and agricultural system has been a major contributor to the fact that Americans are the best fed and best housed humans on earth—and at a more reasonable cost than anywhere else in the world. (For example, less than 13% of U.S. personal spending goes for food consumed at home. In Japan it's 21%. In Russia it's 31%).

3. In the 1970's a main concern was that world food needs would outpace production. Many believed—inside and outside of government—that the agricultural issue of the future was going to be how to produce enough for a starving world rather than surpluses.

A. Many also believed that the United States was the only country that possessed the potential to expand food production enough to meet world needs.

B. Land was (and was to be) of great value. ("They just weren't making it anymore".

C. During the decade of the 1970's the volume of U.S. exports increased by over 150 percent in response to the growing world demand. This growth in world demand is evidenced by an increase of nearly a third in world grain consumption and a rise in oilseed consumption of over 50 percent. The situation is similar for other major commodities produced in the U.S.

D. During this period colleges and the USDA and others were teaching farmers how to become more efficient; what new equipment to use; how to buy land; and how to borrow the dollars to do so.

E. Federal Agriculture Officials went up and down the land and preached "fence row to fence row farming."

F. Bankers were there to help finance this "growing world wide need". Prior to the Carter grain embargo on Russia, the U.S.A. provided 70% of Russia's needs. Now we're lucky to supply 20%–30% of their needs.

5. The current high value of the U.S. dollar in international trade (which tends to make U.S. Ag products less competitive world wide) has been influenced only very slightly by Federal Agriculture supports (because it contributes so little—1–2% to the Federal Budget Deficit.) On the other hand, the quality and quantity of our food products contribute $20 Billion to the U.S. net Balance of Trade.

6. Bankrupt farmers who are currently being forced to move off the land and into the city add to the unemployment rolls and increase social welfare costs. In past years when farmers "sold out" to their neighbors or others and moved to the city, they had money to live on, to invest in small businesses or securities, or to tide themselves over until productive employment skills could be learned and put to work. Such is no longer the case.

Families who remain on the farm are able to take care of themselves by providing much of their own food, heat and housing costs and to lead a healthy and productive life.

FARM OPERATORS HAVE SPECIFIC UNIQUE NEEDS THAT ARE NOT OFTEN FULLY UNDERSTOOD

1. *Investment Capital Requirements.*—Agriculture assets, as a whole, rival those in the manufacturing sector.

The average capital asset needs per farmer are much higher than that of the average employee in the rest of the economy.

2. Today's commercial farmer is comparable, not to the wage-earner/consumer of the city or suburbs, but to the owner of a small manufacturing operation.

3. The average farmers income is vastly more variable and insecure from year to year than the average wage earner.

4. *Working Capital Requirements.*—Extensive purchasing of supplies and services by farm operators, long before they receive the income from the sale of commodities produced, requires vast sums of operating and investment credit. Our farmers and ranchers have become, as noted, business managers and operators who are, in terms of physical capital, two-and-one-half-times as capitalized as U.S. manufacturers (on a per-worker basis) (without considering the land they own and/or rent for farming.)

BANK REGULATOR ACTIONS—A BASIC PROBLEM FACING AMERICA

1. Plummeting farm land values today are not due to the "Free Market" at work. The substantial recent drops (40–50–60%) in farm and ranch land values in the farm sector are caused primarily by the "self-destruct" actions of bank regulators and affected lenders.

These actions quickly:

Destroy many lifetimes of building up of farm assets and equity;

Destroy some of the nation's most efficient food producers;

Destroy extensive values of loan collateral;

Destroy (eventually) the actual funds of the depositors in banks that the regulators are trying to protect.

2. When bankers foreclose on commercial business organizations such foreclosures often strengthen other competitive businesses in the area and makes them more profitable.

3. However, when bankers foreclose on farms and ranches, other land and equipment values in the area nearby are rapidly driven downward; farm equities evaporate; bankers foreclose on loans, and the general business and financial structure of the entire area are threatened.

4. The current, near panic foreclosures and write downs occurring in the nation's farm sector are seriously damaging not only the approximate 3,987 farm sector banks, but are also threatening the larger banking and financial structure of the U.S.A.

THE IMPENDING BANKING DISASTER IN NEBRASKA

1. Commerical Banks in Nebraska have a combined net worth of $1,240,000,000.

2. Nebraska has 62,000 farms and ranches.

3. Their average value is $500,000.

4. Approximately ½ of them owe more than 50% of their value to banks, farm credit agencies, insurance companies and other creditors. Approximately half of this debt is held by commercial banks.

5. Bankers and economists in Nebraska are forecasting that 15–20% of these farms will be forced out of business in 1986. 62,000 farms × 15% failures = 9,300 farm failures.

6. These 9,300 farms at $500,000 average value totals $4,650,000,000 in total asset values. The debt of these failed farms is estimated at $2,500,000,000.

7. If commercial banking's share of this debt is 50%, they are facing $1,250,000,000 in charge offs, writedowns, et al. All of which, under the best conditions, will threaten much of the capital accounts of Nebraska banking, which have already been weakened.

Continued strong support of the Ag Sector by Congress and the Administration is an essential investment for America. It is a relatively small price to pay to help avoid the "Crash of '87".

A popular feeling is that the U.S.A. now has too much Agriculture production. Some believe also that the U.S. "Welfare State" has "too many" and "too much" of alot of things, i.e.—defense workers—lobbyists—hospitals—medicare and medicaid rich doctors—nurses—non profit groups and associations—space program workers—single parents—unproductive social security and other welfare recipients—all propped up by huge

Federal Government outlays. These outlays represent more than 80% of the Federal Budget—as compared with the mere 1-2% that is traditionally spent in keeping our "agriculture house" together.

HOW TO HELP AVOID THE "CRASH OF '87"

1. Bank Regulators must take a more long term and historic view of changing farm values and equities and to recognize that their current policies and practices can well trigger the "Crash of '87".

2. Congress should maintain price and other supports through a transition period as a budget saving investment for the future.

3. Remove, for the time being, some farm and ranch land currently in production. Set it aside under government control until this country needs it or until it can be determined how it can be best used to preserve world peace and to feed the 40% of the world that goes to bed hungry every night.

4. Allow banks to hold land as an asset without adverse classification if certain conditions exist (i.e. annual returns exceed cost of funds).

5. Implement aggressive, competitive, skillful foreign trade actions by the Federal Government.

The "Free Market" philosophy is a good one, but there is no such thing in International Agriculture trade. Our foreign competitors don't practice free trade. Their governments are able to meet whatever low prices our agriculture products may sell at.

6. Set up a Bi-Partisan Committee to re-examine and re-establish a "National Food Policy". Also determine what effect Russian and Cuban activities in grain futures is having on U.S. Agriculture. Develop a better way to deliver "Food for Peace" and to provide foreign aid.

7. Have regular meetings at the White House level with the FDIC, Comptroller, Treasurer, Agriculture Dept. and selected Ag Sector Senators and Congressmen. Among other things, determine the actual economic impact on U.S. Banking, Business and Finance and the Treasury of present "Free Market" and Ag Budget cutting philosophies of the Administration.

Mr. EXON. Mr. President, I simply say to the Senate that no bill is more important to not just rural America but also to all America and the continuation of the economic recovery we are seeing taking place today. Some sectors of our economy are at risk unless we can write an acceptable farm bill here in the next few days.

Mr. HELMS. Mr. President, I have listened, as always, with interest to the able Senator from Nebraska. He is my friend, and he is a valuable Member of this body.

I can assure him that the consideration of the farm bill is by no means a fill-in proposition.

I have here, if the Senator would like to see it, the schedule. It indicates that the farm bill was supposed to come up for consideration this past Thursday. We missed that by 1 day, and we are now on it; and the schedule calls for us to be on the farm bill through Wednesday, November 6. That may be a little optimistic or it may not be. We will see.

However, the point is that the distinguished colleague of the Senator from Nebraska [Mr. ZORINSKY] and I have been on this floor both Friday and today, pleading with Senators to come and offer amendments to the farm bill. As of this hour, 9 minutes to 4, we have been able to handle 4 amendments out of the 31 I have on my list, on which we had hoped Senators might come and begin earnest debate.

I will not have any comment about whether or not the Senate is a Tuesday through Thursday club. But I agree with the Senator: I think it is time we got down to brass tacks and gave full consideration to the production of a sensible farm bill.

The Senator, in a very gracious way, mentioned my interest in some aspects of the farm bill, and he is right. I believe that I see some serious flaws that simply must be remedied if we are to have legislation that will be meaningful to the farmers of America.

For example, I say to the Senator that in the bill as reported by the Agriculture Committee, the bulk of the target prices are paid to the largest and the wealthiest farmers. The largest 5 percent of the farmers of America get more than 35 percent of the total dollars paid out. That is one of the things I objected to in the consideration of the farm bill in committee. If we are really concerned about the family farmers, the small farmers, then this flaw, as I perceive it to be, must be corrected.

I say to the Senator that less than 20 percent of the $70 billion this bill will cost the taxpayers will go to farmers in financial distress, meaning that 80 percent of that $70 billion will go to those farmers that are not in trouble. The subsidies are paid on the basis of how much a farmer grows, not on how much debt or financial stress that farmer is experiencing.

All this, in my judgment, makes the bill too costly.

According to the latest estimate of CBO—and you may argue with those figures, but they are the figures we ordinarily operate on around this place—this farm bill will cost $25 billion more than the budget resolution passed by Congress a month or so ago. That resolution allocated $34.8 billion for farm commodity and related programs for 3 years, and this bill will cost more than $60 billion for those programs over the 3-year period and more than $71 billion over the 4-year period, according to the CBO.

So, these are the questions, I say to my friend from Nebraska—and he is my friend—that we must consider; and I hope we can get about it and have some debate. But ED ZORINSKY and I have sat here this morning, since the opening of the Senate, waiting for Senators to come and participate in the debate. As I say, we have handled four relatively minor amendments, and that is all. I doubt that we will do much more than call up one of the substantive amendments before we recess for the evening.

Again, I pay my respects to the distinguished Senator from Nebraska. I will close as I began, by saying that he is an able Member of the Senate, he is my friend, and he has made a valuable contribution.

Mr. EXON. Mr. President, I thank my good friend and colleague from North Carolina for those kind remarks. He is the chairman of the Agriculture Committee, and we depend on him for his understanding of the serious problems we have in agriculture today.

I say to the chairman that I share—as I know my colleague from Nebraska does—the fact that this measure is somewhat over budget. I am not sure that I can agree fully with the figures that the chairman of the Agriculture Committee cited just now, but I think any reasonable person would have to agree that this is over budget now.

We might go back, as we have from time to time, and argue whether or not that is the right amount, but suffice it to say that it is over budget. What is over budget? There are several ways that can be corrected. We do not necessarily have to correct that in the agriculture budget.

Let us assume, for the sake of discussion, that we would approve the agriculture bill as it came out of the Senate Agriculture Committee by a majority vote. If we were to do that and if CBO or any other forecasting agency said it is over budget, that, in and of itself, is not busting the budget. We would have to make reductions in other parts of the budget to make that up.

I do not mean to say that that is an easy way to dismiss it. I do not mean to say that, therefore, we should not pay any attention to the budget, because I am a member of the Budget Committee. I simply say that I tried to emphasize in my earlier remarks that what we are about here is to write a farm bill that will not cause the Federal Government and the Federal taxpayers to spend even more money because of our penny-wise and pound-foolish actions here on the floor.

My colleague from North Carolina and I have worked together on many things. I would certainly like the opportunity to try to work with him, perhaps to come up with some cost-cutting measures, to direct more of this money to what most of us consider the family-sized farmers. Maybe we can make some sort of savings there.

I believe that the Senator from North Carolina knows—and I think it was implied in his remarks—that this Senator was here on Friday all day. I have been here today. I just do not have any amendments at this time. I simply say that the quicker we can start voting on this matter, the better.

I suggest that probably the reason why there is not much more action on the floor of the Senate in this regard right now than there obviously is, to the disappointment of all of us, is the way this measure has been handled.

Certainly the Senate knows that when we went to the farm bill on Thursday night of last week, I believe it was—I stand corrected on that if that is not the right time, but I believe it was Thursday—it was clearly indicated that we hoped to get unanimous agreement that we would debate and bring up for the most part noncontroversial amendments on both Friday and again on Monday, that we would not have any votes, that if necessary we would stack these votes on Tuesday. I simply say, and I suspect that the chairman of the Agriculture Committee would agree with me, that when any time you tell the Senate that you are not going to have any votes on Friday and you are not going to have any votes on Monday next, that if we have to require any votes if we should get into anything controversial, then we will put those over and stack them on Tuesday, I suspect that that took a chance of any bite of anyone being here and getting anything done.

It is true that agreement was not entered into but that agreement was proposed.

If there is any lament about the inability to get things done on Friday last and this day, Monday, I would suggest that it was primarily because this matter I think again—in my opinion, once again I could be wrong—was one of those filler motives that I do not suspect that we are going to have very much happen on serious voting until Tuesday of next week, if not later.

I, too, wish to say that those who have amendments that are ready now have also been encouraged by this Senator to come over and offer them. At least, we can begin debate to move things forward.

What I am saying is that if we begin debate now, then we are going to save some time that we might wish that we had later on.

It is old story, as the chairman of the Agriculture Committee fully knows, and we went through it on the reconciliation bill. We get down to the last few minutes and we have 10 or 15 or 20 Senators who want to come over and offer a major amendment of some kind and there is no time left to debate it. It is not the way we should do business in the Senate and I think that probably my friend from North Carolina would agree with me at least on that statement.

Mr. President, I yield the floor.

AMENDMENT NO. 904 (AS MODIFIED)

Mr. DOLE. Mr. President, on Friday I offered an amendment dealing with animal welfare on the farm bill. I am now advised that, thanks to hard work by the staff on Friday, over the weekend, and today, and with the assistance of the able Senator from Montana [Senator MELCHER], and the concurrence by the distinguished Senator from Utah [Senator HATCH], that we now have reached an agreement which I would send to the desk on behalf of myself and the distinguished Senator from Montana [Mr. MELCHER], and Senators HEINZ, ROTH, STEVENS, LEAHY, COHEN, STAFFORD, MATSUNAGA, SIMON, BAUCUS, FORD, SPECTER, DURENBERGER, BOSCHWITZ, GOLDWATER, BINGAMAN, ZORINSKY, GORTON, BURDICK, D'AMATO, KASTEN, PROXMIRE, PELL, DOMENICI, CHAFEE, MOYNIHAN, MITCHELL, MURKOWSKI, EVANS, WILSON, STENNIS, HUMPHREY, HECHT, BUMPERS, CRANSTON, METZENBAUM, MATTINGLY, ROCKEFELLER, THURMOND, and EXON.

The PRESIDING OFFICER. The amendment is so modified.

The modified amendment is as follows:

Strike everything after the title and insert in lieu thereof the following:

SEC. . This Act may be cited as the "Improved Standards for Laboratory Animals Act".

SEC. . The Congress finds that—

(1) the use of animals is instrumental in certain research and education for advancing knowledge of cures and treatment for diseases and injuries which afflict both humans and animals;

(2) methods of testing that do not use animals are being and continue to be developed which are faster, less expensive, and more accurate than traditional animal experiments for some purposes and further opportunities exist for the development of these methods of testing;

(3) measures which eliminate or minimize the unnecessary duplication of experiments on animals can result in more productive use of Federal funds; and

(4) measures which help meet the public concern for laboratory animal care and treatment are important in assuring that research will continue t progress.

SEC. . (a) Section 13 of the Animal Welfare Act (7 U.S.C. 2143) is amended—

(1) by redesignating subsections (b) through (d) as subsections (f) through (h) respectively; and

(2) by striking out the first two sentences of subsection (a) and inserting in lieu thereof the following:

(1) The Secretary shall promulgate standards to govern the humane handling, care, treatment, and transportation of animals by dealers, research facilities, and exhibitors.

(2) The standards described in paragraph (1) shall include minimum requirements—

(A) for handling, housing, feeding, watering, sanitation, ventilation, shelter from extremes of weather and temperatures, adequate veterinary care, and separation by species where the Secretary finds necessary for human handling, care, or treatment of animals; and

(B) for exercise of dogs and for a physical environment adequate to promote the psychological well-being of primates.

(3) In addition to the requirements under paragraph (2), the standards described in paragraph (1) shall, with respect to animals in research facilities, include requirements—

(A) for animal care, treatment, and practices in experimental procedures to ensure that animal pain and distress are minimized, including adequate veterinary care with the appropriate use of anesthetic, analgesic, tranquilizing drugs, or euthanasia;

(B) that the principal investigator considers alternatives to any procedure likely to produce pain to or distress in an experimental animal;

(C) in any practice which could cause pain to animals—

(i) that a doctor of veterinary medicine is consulted in the planning of such procedures;

(ii) for the use of tranquilizers, analgesics, and anesthetics;

(iii) for pre-surgical and post-surgical care by laboratory workers in accordance with established veterinary medical and nursing procedures;

(iv) against the use of paralytics without anesthesia; and

(v) that the withholding of tranquilizers, anesthesia, analgesia, or euthanasia when scientifically necessary shall continue for only the necessary period of time;

(D) that no animal is used in more than one major operative experiment from which it is allowed to recover except in case of—

(i) scientific necessity; or

(ii) other special circumstances as determined by the Secretary; and

(E) that exceptions to such standards may be made only when specified by research protocol and that any such exception shall be detailed and justified in a report outlined under paragraph 7 and filed with the Institutional Animal Committee.

(b) Section 13(a) of such Act is further amended—

(1) by designating the third and fourth sentences as paragraph (4);

(2) by designating the fifth sentence as paragraph (5); and

(3) by striking out the last sentence and inserting in lieu thereof the following:

(6) Nothing in this Act shall be construed as authorizing the Secretary to promulgate, rules, regulations, or orders with regard to the design, outlines, or guidelines of actual research or experimentation by a research facility or Federal research facility: *Provided*, That the Secretary shall require every research facility to show that professionally acceptable standards governing the care, treatment, and practices on animals are being followed by the research facility during research and experimentation. No rule, regulation, order, or part of this Act may require a research facility to disclose publicly, or to the Institutional Animal Committee during its inspection, trade secrets or commercial or financial information which is privileged or confidential.

(7)(A) The Secretary shall require, at least annually, every research facility and Federal research facility to report that the provisions of this Act are being followed.

(B) In complying with subparagraph (A), such research facilities shall provide—

(i) information on procedures likely to produce pain or distress in animals and assurances demonstrating that the principal investigator considered alternatives to those procedures;

(ii) assurances satisfactory to the Secretary that such facility is adhering to the standards described in this section; and

(iii) an explanation for any deviation from the standards promulgated under this section.

(8) Paragraph (1) shall not prohibit any State (or a political subdivision of such

State) from promulgating standards in addition to those standards promulgated by the Secretary under paragraph (1).

(c) Section 13 of such Act is further amended by inserting after subsection (a) the following new subsections:

(b)(1) The Secretary shall require that each research facility establish at least one Institutional Animal Committee. Each Institutional Animal Committee shall be appointed by the chief executive officer of each such research facility and shall be composed of not fewer than three members. Such members shall possess sufficient ability to assess animal care, treatment, and practices in experimental research as determined by the needs of the research facility and shall represent society's concerns regarding the welfare of animal subjects used at such facility. Of the members of the Institutional Animal Committee—

(A) at least one member shall be a doctor of veterinary medicine;

(B) at least one member shall not be affiliated in any way with such facility other than as a member of the Institutional Animal Committee, shall not be a member of the immediate family of a person who is affiliated with such facility, and is intended to provide representation for general community interests in the proper care and treatment of animals; and

(C) in those cases where the Institutional Animal Committee consists of more than three members, not more than three members shall be from the same administrative unit of such facility.

(2) A quorum shall be required for all formal actions of the Institutional Animal Committee, including inspections under paragraph (3).

(3) The Institutional Animal Committee shall inspect at least semiannually all animal study areas and animal facilities of such research facility and review as part of the inspection—

(A) practices involving pain to animals, and

(B) the condition of animals, to ensure compliance with the provisions of this Act and that pain and distress to animals is minimized. Exceptions to the requirement of inspection of such study areas may be made by the Secretary if animals are studied in their natural environment and the study area is prohibitive to easy access.

(4)(A) The Institutional Animal Committee shall file an inspection certification report of each inspection at the research facility. Such report shall—

(i) be signed by a majority of the Institutional Animal Committee members involved in the inspection;

(ii) include reports of any violation of the standards promulgated, or assurances required, by the Secretary, including any deficient conditions of animal care or treatment, any deviations of research practices from originally approved proposals that adversely affect animal welfare, any notification to the facility regarding such conditions and any corrections made thereafter;

(iii) include any minority views of the Institutional Animal Committee; and

(iv) include any other information pertinent to the activities of the Institutional Animal Committee.

(B) Such report shall remain on file for at least three years at the research facility and shall be available for inspection by the Animal and Plant Health Inspection Service of the Department of Agriculture and any funding Federal agency.

(C) In order to give the research facility an opportunity to correct any deficiencies or deviation discovered by reason of paragraph (3), the Institutional Animal Committee shall notify the administrative representative of the research facility of any deficiencies or deviations from the provisions of this Act. If, after notification and an opportunity for correction, such deficiencies or deviations remain uncorrected, the Institutional Animal Committee shall notify (in writing) the Animal and Plant Health Inspection Service of the Department of Agriculture and the funding Federal agency of such deficiencies or deviations.

(5) The inspection results shall be available to Department of Agriculture inspectors for review during inspections. Department of Agriculture inspectors shall forward any Institutional Animal Committee inspection records which include reports of uncorrected deficiencies or deviations to the Animal and Plant Health Inspection Service and any funding Federal agency of the project with respect to which such uncorrected deficiencies and deviations occurred.

(c)(1) In the case of Federal research facilities, a Federal Institutional Animal Committee shall be established and shall have the same composition and responsibilities oultined in subsection (b), except that the Federal Institutional Animal Committee shall report deficiencies or deviations to the head of the Federal agency conducting the research rather than to the Animal and Plant Health Inspection Service of the Department of Agriculture. The head of the Federal agency conducting the research shall be responsible for—

(A) all corrective action to be taken at the facility; and

(B) the granting of all exceptions to inspection protocol.

(d)(1) Each research facility shall provide for annual training for scientists, animal technicians, and other personnel involved with animal care and treatment in such facility. Such training shall include instruction on—

(A) the humane practice of animal maintenance and experimentation;

(B) research or testing methods that minimize or eliminate the use of animals or limit animal pain or distress; and

(C) utilization of the information service at the National Agricultural Library, established under subsection (e).

(D) include methods whereby deficiencies in animal care and treatment should be reported.

(e)(1) The Secretary shall establish an information service at the National Agricultural Library. Such service shall, in cooperation with the National Library of Medicine, provide information—

(A) pertinent to employee training;

(B) which could prevent unintended duplication of animal experimentation as determined by the needs of the research facility; and

(C) on improved methods of animal experimentation, including methods which could—

(i) reduce or replace animal use; and

(ii) minimize pain and distress to animals, such as anesthetic and analgesic procedures.

(f) In any case in which a Federal agency funding a research project determines that conditions of animal care, treatment, or practice in a particular project have not been in compliance with standards promulgated under this Act, despite notification by the Secretary or such Federal agency to the research facility and an opportunity for correction, such agency suspend or revoke Federal support for the project. Any research facility losing Federal support as a result of actions taken under the preceding sentence shall have the right of appeal as provided in sections 701 through 706 of title 5, United States Code.

SEC. . Section 16(a) of the Animal Welfare Act (7 U.S.C. 2146(a)) is amended by inserting after the first sentence the following:

"The Secretary shall inspect each research facility at least once each year and, in the case of deficiencies or deviations from the standards promulgated under this Act, shall conduct such follow-up inspections as may be necessary until all deficiencies or deviations from such standards are corrected.".

SEC. . The Animal Welfare Act (7 U.S.C. 2131-2156) is amended by adding at the end thereof the following section:

SEC. 27. (a) It shall be unlawful for any member of the Institutional Animal Committee to release any confidential information of the research facility including any information that concerns or relates to—

(1) the trade secrets, processes, operations, style of work, or apparatus, or

(2) to the identity, confidential statistical data, amount or source of any income, profits, losses, or expenditures of the research facility.

(b) It shall be unlawful for any member of such Committee—

(1) to use or attempt to use to his advantages, or

(2) to reveal to any other person, any information which is entitled to protection as confidential information under subsection (a).

(c) A violation of subsection (a) or (b) is punishable by—

(1) removal from such Committee, and

(2)(A) a fine of not more than $1,000 and imprisonment of not more than one year, or

(B) if such violation is willful, a fine of not more than $10,000 and imprisonment of not more than three years.

(d) any person, including any research facility, injured in its business or property by reason of a violation of this section may recover all actual and consequential damages sustained by such person and the cost of the suit including a reasonable attorney's fee.

(e) Nothing in this section shall be construed to affect any other rights that any such person may have, nor shall subsection (d) be construed to limit the exercise of any such rights arising out of or relating to a violation of subsections (a) and (b).

SEC. . (a) Subsection (b) of section 19 of the Animal Welfare Act (7 U.S.C. 2149(b)) is amended—

(1) in the first sentence by striking out "$1,000 for each such violation" and inserting in lieu thereof "$2,500 for each such violation"; and

(2) in the sixth sentence by striking out "$500 for each offense" and inserting in lieu thereof "$1,500 for each offense".

(b) Subsection (d) of such section is amended by striking out "$1,000" and inserting in lieu thereof "$2,500".

SEC. . (a) Section 2 of the Animal Welfare Act (7 U.S.C. 2132) is amended by adding after subsection (j) the following new subsections:

(k) The term "Federal agency" means an Executive agency as such term is defined in section 105 of title 5, United States Code, and with respect to any research facility means the agency from which the research facility receives a Federal award for the conduct of research, experimentation, or testing, involving the use of animals;

(l) The term "quorum" means a majority of the Committee members;

(m) The term "Federal research facility" means each department, agency, or instrumentality of the United States which uses live animals for research or experimentation;

(n) For purpose of this Act, the term "animal" shall have the same meaning as defined in section 2(j) of the Animal Welfare Act (7 U.S.C. 2132(j)), as redesignated by subsection (b) of this section.

SEC. . Section 14 of the Animal Welfare Act (7 U.S.C. 2144) is amended by changing "section 13" to "section 13 (a), (f), (g), and (h)" wherever it appears.

SEC. . This Act shall take effect one year after the date of the enactment of this Act.

Mr. DOLE. Mr. President, I also have a statement in support of the modification, and I do particularly want to thank the distinguished Senator from Montana who is an expert in this area, a veterinarian himself who understands many of the practical problems involved on both sides, and he has been most helpful along with, as I have indicated, his staff, my staff, the staff of Senator HATCH, and other outside groups who have a direct interest in the legislation, some on each side. I want to also thank Christine Stevens for her tireless efforts on behalf of this legislation.

I think we have a good resolution. I would certainly hope that we could pass this amendment without extensive debate on a voice vote or rollcall vote, whichever. But if there is a rollcall, I would hope that that might be delayed until tomorrow.

ANIMAL WELFARE LEGISLATION

Mr. President, last Friday I brought up as an amendment to the farm bill, S. 1233, a bill I introduced earlier in the session which would modify the Animal Welfare Act.

Similar legislation on animal welfare was introduced during the last session of Congress and hearings were held in both the House and Senate Agriculture Committees. In addition, a great deal of time and effort has gone into drafting legislation which would represent a responsible approach toward ensuring the humane treatment of animals, while taking into consideration the needs of medical research.

FRIDAY MEETING

It was apparent last Friday that there were still a few concerns on the part of the Senator from Utah, and in an effort to accommodate his concerns I instructed staff members to try to work out an agreement on the bill. The Senator from Montana also had language he was interested in incorporating into the amendment. as a result of Friday's meetings, I believe we reached agreement on any differences which might have existed.

BASIC AGREEMENT

Mr. President, I believe we have taken care of most, if not all, of the questions raised earlier in connection with this legislation, including those that USDA and NIH may have had as well as any questions raised by the medical research community while maintaining the intent of the legislation.

We would maintain exercise for dogs and clarify in report language the intention of this provision as applying on a case-by-case basis. We would include language important to the Senator from Montana dealing with the physical environment for primates. We would clarify that all members of the institutional animal committees are responsible for representing the general community's interest in animal care and treatment; we would also indicate the outside person on the committee is intended to provide representation for the general community's interest in the care and treatment of animals.

The new language would promote uniformity by providing that Federal research facilities establish institutional animal committees with similar responsibilities as outlined previously in the amendment and would leave enforcement up to the head of the Federal facility conducting the research.

We would modify the whistleblower clause by providing for methods whereby deficiencies should be reported.

We would also add language for strengthened trade secret protections as well as other more minor changes.

BROAD SUPPORT

Mr. President, 39 of my colleagues on both sides of the aisle have joined me as cosponsors of this legislation, and I urge its adoption by the full Senate.

Mr. MELCHER. Mr. President, will the distinguished majority leader yield?

Mr. DOLE. I am happy to yield to the Senator from Montana.

Mr. MELCHER. Mr. President, I commend the Senator from Kansas, the majority leader of the Senate, for over the past 1½ or 2 years more correctly, working on the necessary amendments for the Animal Welfare Act. It is a basic act that protects laboratory animals and assures humane treatment for them while research is going on. The step that is being taken today in these amendments is indeed a very forward step in the direction of assuring that the continuation of that type of humane treatment for research animals.

I am pleased to join in with the distinguished majority leader in working out the language and I feel confident that the research community will be well-served and certainly the humaneness of the animals has taken a stride forward.

During the last Congress we held hearings on this subject in the Agriculture Committee and heard from representatives of the scientific and animal welfare communities. What we have here is, I think, a fair and reasoned approach which addresses the twin concerns of medical advancement and ensures the humane treatment of animal subjects.

The proposal which is before the Senate today accomplishes two important points. The first is the establishment of Institutional Animal Committees at Federal and private research facilities. These committees will be made up of three or more members, with one member being a doctor of veterinary medicine and one member, not affiliated with the facility in any way, and is intended to represent the general community interests. It is the responsibility of the committee to represent society's concerns regarding animal research subjects.

The second important provision of this proposal, for the first time, requires a physical environment adequate to promote the psychological well-being of primates. I have seen the types of cages used in many facilities to house primates. These cages are not much wider than the average shower stall and there is hardly enough room to allow the animal to stand erect. Under the new provisions, I think we are not only providing humane treatment of these animals, but assures more confidence in the results in the experiments they are used in. It is certainly true that the results of our research is directly affected by the physical and psychological health of the subject.

I certainly hope that my colleagues will accept this proposal and that we will be able to hold on to it intact during conference deliberations.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, the distinguished majority leader has described the process by which this compromise agreement has been reached.

This legislation amends the Animal Welfare Act over which the Agriculture Committee has jurisdiction. But most of its implications are directed toward laboratory animal testing procedures under the jurisdiction of the National Institutes of Health and the Labor and Human Resources Committee. Given this overlapping jurisdiction, I believe it was important to accommodate the concerns of Senator HATCH and others who serve on the Labor and Human Resources Committee.

The National Institutes of Health recently adopted policies and published guidelines for recommended care of laboratory animals. There was some concern at the NIH that this legislation might force them to reconsider or amend these guidelines even though they have been applauded by the animal welfare groups. This new agreement would enable the NIH to retain these newly revised and updat-

ed policies without having to make any major modifications to reflect the provisions of this amendment.

Senator MELCHER also had some justifiable concerns with the fact that this legislation would require the Animal and Plant Health Inspection Service to regulate other Federal agencies. It is my understanding that these concerns have also been resolved in a way that would not greatly affect this agencies resources.

I commend those who have put many long hours toward working out this mutual agreement. I am prepared to accept the amendment on this side of the aisle.

Mr. ZORINSKY. Mr. President, I am a cosponsor of the underlying legislation and I congratulate the distinguished Senators from Kansas and Montana on working out the accommodation, and I urge my colleagues on this side of the aisle to support the amendment and move for its approval.

Mr. HATCH. Mr. President, Senator DOLE and I and our staffs, have had many discussions, over the last several years, concerning the need for legislative action relative to the appropriate and humane use of animals in research. I am pleased to have worked with Senator DOLE in these efforts, to define new Federal protections for animals.

Research utilizing laboratory animals remains absolutely essential if we are to achieve advancements in the treatment and cure of diseases and injuries suffered by people and animals today. Nonetheless, I support the development of uniform standards in order that we might have a consistent national policy to assure the appropriate care and use of laboratory animals, while not jeopardizing research needs.

We have already made outstanding progress toward goals as well as increasing understanding and use of viable alternatives to live animal research models. The Office of Technology Assessment report of alternatives to animal use in testing and experimentation which I requested during the last Congress, will be available to us shortly. In addition, the National Academy of Sciences and the Institute of Medicine have jointly undertaken a review of the use of animals in biomedical and behavioral research. This initiative was prompted by legislation I introduced, and which the Senate endorsed and is now being supported by Federal agencies and the private sector. Both the OTA and Academy studies have brought together a wide range of opinions and further encouraged constructive dialog on animal welfare concerns.

Beyond promoting public awareness, this congressional interest has produced positive action. Concurrent with the Senate Labor and Human Resources Committee's consideration of NIH reauthorization and following a lengthy public review process, the U.S. Public Health Service strengthened its policy on the humane care and use of laboratory animals and revised the NIH guide for awardee institutions. Now, with the recent passage of the NIH reauthorization bill, H.R. 2409, Congress has given the new Public Health Service policy and procedures a statutory foundation and mandate.

To be certain that the legislation we are now considering did not operate at cross-purposes with H.R. 2409 my staff has worked with Senator DOLE's staff to develop the amendment being offered today. It represents a fair consideration of the interests of our respective committees, and I believe the amendment as revised is consistent with policy established in H.R. 2409. This will not require duplicative regulations be developed by the USDA and HHS. In fact, it requires interagency cooperating in developing new guidelines for animal welfare. Further, I believe we have produced a proposal which provides a consistent national policy in the care and treatment of laboratory animals, one which will not unduly restrict research facilities to conflicting standards and regulations.

To ensure that this is the case, the report accompanying this legislation must clarify any areas of potential confusion. Specifically, the report should reinforce:

First, the Secretaries of the Departments of Agriculture and Health and Human Services will consult with each other to promulgate conforming regulations.

Second, no resulting regulations shall be construed to prescribe methods of research.

Third, research facilities' privileged information or confidential trade secrets, commercial and financial information will be protected.

Fourth, the important role of research facilities' attending veterinarians will be retained in determining the choice and use of anesthetics, analgesics, and tranquilizing drugs and in overseeing exercise of research animals.

Fifth, that the compositions and operation of the Institutional Animal Care Committees established by the two authorities be consistent so that duplicate effort is avoided.

Mr. President, I recommend my colleagues join with Senator DOLE and myself and approve this amendment.

IMPROVED STANDARDS FOR LABORATORY ANIMALS

Mr. MOYNIHAN. Mr. President, I rise today to say a few words in support of this proposal, to improve the standards of treatment of laboratory animals, now an amendment to the farm bill. I am a cosponsor of the legislation on which this amendment is based, in this Congress as in the last.

It is time—perhaps long past time—to take steps to protect laboratory animals and to encourage the use of alternative research methods whenever possible. We know abuse exists in the laboratory, and that it can be stopped.

No one questions the need for animal research. In some cases, no alternative methods exist; without continued research, we would have little hope of conquering Parkinson's disease, or heart disease, or cancer. But I ask, When there are no substitutes for experiments on live animals, can we not be certain that the animals be treated with care and humanity? I believe we can, and at least 34 of my colleagues agree. I contend that we must.

This amendment would ensure that animals necessary for research receive fair and humane treatment, and that their discomfort is kept to an absolute minimum. It also would establish a central information center in the National Agricultural Library, where results of past animal experimentation will be available to the research community. The ready availability of this information would encourage researchers to pause before beginning new experiments, perhaps to discover that someone else has already learned what they seek to know.

Mr. President, as continued animal research is essential to the progress of efforts to protect human health, so the improved standards for laboratory animals amendment is the least we can do to ensure the animals receive humane care and treatment. I urge my colleagues to join me in support of this proposal.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 904), as modified, was agreed to.

Mr. HELMS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOLE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, again I thank my colleagues and chairman of the committee and the ranking Democratic Member, Senator ZORINSKY, who has been a cosponsor, an original cosponsor. There may be additional Senators who would like to be cosponsors.

Mr. President, I share the frustration I have heard by both the chairman and by both Senators from Nebraska. I think the only way we are going to complete this bill is to stay in late starting tomorrow evening.

Once Senators start to offer amendments, then I think we will have some action, and hopefully disposition of this bill very quickly. Very quickly could mean several days. It is a very important bill. There are a number of titles.

As the Senator from Nebraska pointed out, we are talking about a 4-year program, something we have to focus on.

I would be happy to discuss at some later time a little variation I have been working on. I used to call it flexible parity. It passed the Senate in 1977. We are now calling it the TOP program, target option program [TOP].

We will be discussing that with colleagues on both sides of the aisle in the next few days. It will save some money. It will protect primarily the middle-income farmers, and we would hope we might be able to stimulate some interest.

I thank the Chair.

Mr. DANFORTH. Mr. President, no one who has traveled recently through rural America, and particularly the farm communities of the Midwest, can doubt the importance of the legislation we are considering today.

Here in Washington, we see only the numbers that quantify the crisis in American agriculture. They tell us that farmers today receive 12 percent less for their products than they did 4 years ago, when Congress last debated omnibus agricultural legislation. During the same period, farm exports fell by almost one-fifth. With falling prices and declining sales, net farm income dropped by $3 billion over these years, despite unprecedented Federal outlays.

When agricultural income falls, the impact extends beyond farmers themselves. More and more rural banks are being pushed toward insolvency by debtor repayment problems and low land values. With less money for capital investments, farmers defer major purchases, spreading the agricultural recession. Farm machinery manufacturers alone have laid off 80,000 workers in the past 5 years. Across the board, statistics show that things are bad and getting worse.

But numbers cannot communicate the personal toll of this crisis. Talk with a farmer who is losing not just his business, but his family home and way of life. Walk down the main street of a town like Trenton, MO, where empty storefronts bear silent witness to economic distress. Listen to men and women who have seen the growth of stress-related family violence in their community.

The legislation we are considering today cannot solve these problems overnight, but it can be a first step toward revitalization of the agricultural economy.

The 1985 farm bill will send a message to farmers, providing a framework for their business decisions. We must be sure that the message is one of long-term recovery and not of political expediency. Again and again, farmers have told us that they do not want Federal bailout; they want a consistent, fair, and predictable agricultural policy. That is precisely what this legislation should give them.

Three elements of the committee's bill are particularly important.

First, a major step has been taken in the area of commodity loans. Under the Agricultural Act of 1949, the USDA received permanent authorization to issue nonrecourse loans, using commodities as collateral. Since then, these loans have provided a source of interim farm financing, have reduced supply and price fluctuations, and have supported commodity prices.

But the loan rates near or above market prices, forfeitures have increased dramatically, leading to high Federal expenditures and threatening to reduce the United States to a residual supplier in international markets. When the world price is below the loan rate, farmers default on their loans, abandoning the marketplace and allowing foreign suppliers to meet demand at the prevailing price. Current policies provide foreign governments and producers with precisely the certainty they need to undercut American producers and capture an increasing share of international trade.

I believe there are better ways of protecting farmers against low prices than by maintaining unreasonably high loan rates. By gradually aligning loan rates to market conditions while retaining deficiency payments and other efficiently targeted income-support programs, export competitiveness can be increased without devastating American farmers or necessitating unreasonable Federal expenditures. S. 1714 begins this process; it recognizes what commodity loans do well and what they do poorly, and takes a step forward for agricultural producers.

Second, S. 1714 announces a new determination to compete dollar for dollar, bushel for bushel, with other exporting nations. We cannot afford to allow foreign trade practices to drive our farmers out of international markets, particularly at a time of depressed global demand. One out of every three farm acres in this country is now planted for export, and this may rise to one of two by the end of this century. American farmers can compete in the world marketplace, and Government should do everything in its power to be sure that they have a fair chance.

This bill encourages agricultural exports by expanding such existing programs as intermediate credit and direct export assistance. Recognizing that inequitable trade practices have injured American farmers, it requires that the U.S. trade representative develop specific recommendations for reducing foreign trade barriers and expanding American exports. The committee's bill maintains the effectiveness of export and food assistance programs by strictly limiting the application of cargo preference requirements, which will cost the Department of Agriculture more than $100 million this year.

Third, S. 1714 includes important new conservation provisions. The welfare of American farmers is inseparable from the condition of their land. Representing a State that is particularly vulnerable to soil erosion, I am acutely aware of the need for strong conservation measures. In every State, mismanagement of fragile lands endangers agricultural productivity and environmental stability. By supporting strong "sodbuster" and "swampbuster" language, the Senate can make a lasting contribution to what must be a continuing effort.

Some lands are so prone to erosion that they need even more stringent protection. In 1982, 26 million acres, or just 6 percent of total cropland, accounted for 41 percent of all sheet and rill erosion, the most serious forms of soil loss. With the conservation reserve provisions of S. 1714, Congress has an opportunity to remove such highly erodible lands from intensive production for up to 15 years, and to encourage responsible management of these lands thereafter.

Of course, this program would entail new Federal expenditures. But the proposed conservation reserve would initiate a new era in conservation policy, one in which the risks of abusing fragile lands are given full weight in farm legislation. In addition, the costs of establishing a conservation reserve would be significantly offset by the elimination of CCC payments which would otherwise be made on reserve acreage. According to the Soil Conservation Service, a 25 million acre reserve would, given current conditions, actually save $4.6 billion over its lifetime when alternative CCC payments are considered.

The major flaw in S. 1714 is budgetary. The bill is at least $9 billion over budget for the first 3 years, and perhaps as much as $25 billion over. Those of us who have been promising farmers that we would help them by reducing the Federal deficit simply cannot vote for agricultural programs that make a mockery of those promises. Most farmers do not want a budget-busting bill, and we should not pass one.

Reducing farm outlays will not be easy, particularly at this time, but we would be doing farmers a grave disservice if we fail to exercise reasonable restraint. One thing is certain about farm programs—how we spend is just as important as how much.

Finally, Mr. President, it is important to note that no matter what form this legislation takes, it will not end our responsibility to rural America. I have already mentioned the importance of reducing the Federal deficit, which hurts farmers at every state of

production, from loans to international sales. Agricultural credit is another problem which will remain after we enact this legislation. Export issues, tax reform, rural development, and other matters will continue to affect the welfare of this Nation's farmers. It is our responsibility to give them prompt and judicious consideration. To do less would be to betray the promise offered by this bill.

Mr. DURENBERGER. Mr. President, this is the second in a series of speeches this Senator will give each day the Senate debates the 1985 farm bill. As the Senate continues the debate, I think it is important that it not lose sight of what a farm bill represents—an economic master plan for a $1 trillion industry and the rural way of life it sustains. And our primary responsibility in this debate is to keep that way of life alive.

During the course of the next 10 days, the Senate will complete action on over 100 amendments, most of which will increase or decrease loan rates, target prices, acreage reduction programs and the $50,000 payment limitation. I hope my colleagues will take the time to sift through the rhetoric which traditionally accompanies such amendments and take a look at the bottom line against which everything which we do here should be judged—will it help rural America?

It is not often, Mr. President, that I pledge my unyielding support for an industry. After all, one never likes being called a tool of industry. But agriculture is more than an industry—it is an essential part of the fabric of American life. It has produced more than just food and fiber, Mr. President; it has been the source of long enduring American values. The American farmer is the most productive, hardworking, unselfish, and compassionate worker in the world; he has made us the envy of all nations. But the American farmer is in trouble. And, if we fail to take immediate, corrective action, we will also find ourselves in trouble as well. In today's comments, I would like to focus the Senate's attention on the financial condition of the American farmer.

In a March 1985 study entitled "The Current Financial Condition of Farmer and Farm Lenders," the Department of Agriculture acknowledged the obvious—that:

The financial conditions of many farmers and farm lenders have deteriorated significantly;

Large supplies and weak demand have squeezed farm income and reduced the net worth of farmers;

Many farmers face insufficient cashflow, declining asset values, problems of access to credit, forced liquidation, foreclosure and bankruptcy;

Farm financial stress is transmitted to farm lenders through loan delinquenices and losses, inadequate security for loans, and in some cases, insolvency and failure of lending institutions.

How and why did this come about? The report went on to note that the current distress among farmers and farm lenders is rooted in the inflationary period of the 1970's and adjustments from the excesses of that period to sharply different economic circumstances in the 1980's. Throughout the 1970's farmers faced rapidly expanding exports, accelerating inflation and low to negative real interest rates. Farmers responded by borrowing heavily to invest in new capital equipment, to adopt new production technologies, and to purchase increasingly expensive farmland. Farm debt rose more than 10 percent a year. Yet, farmland values rose even faster, providing the economic rationale as well as the security for farmers and lenders to expend and roll over debt. Debt/asset ratios of farms declined over the 1970's.

By the eary 1980's, the report went on to note, the factors which had given rise to the expansion had reversed direction. A worldwide recession weakened international markets; the value of the dollar rose rapidly against major currencies, further dampening export demand; and inflation was slowed by stringent control of monetary growth. Real interest rates, which had been low or negative through the 1970's, jumped to unprecedented levels of 8 to 10 percent. Farm commodities in foreign and domestic markets were to plentiful to sustain the prices that had prevailed during the 1970's, causing commodity prices and farmers incomes to drop significantly. Land values, which depend on both current farm income and prospects for future income growth, also began to decline. The 1970's debt levels became unsustainable. Expansion minded farmers were pushed steadily and speedily toward insolvency. Cautious farmers, whose only fault was bad weather, were also subjected to financial stress.

Mr. President, after making those reflections, the report went on to make some statements of fact which are frightening in their own right, but even more so when one considers that they are based on information which dates to January 1984. The report noted that farmers' equity and lenders' security are reflected by the debt/asset ratio and net worth of farm businesses. Cash-flow indicates the amount of short run net cash income from all sources that a farm can use to service debts after meeting family living needs; that is, it indicates repayment capacity of the farm business.

Available data, now 18 months old, on the severity of farm financial problems summarized in summary table 1, suggest the following:

At current interest rates and levels of net returns in farming, farms with debt/asset ratios of over 40 percent are likely experiencing cash shortfalls. Farms with debt/asset ratios of over 70 percent are almost certain to have serious cash shortfalls.

Some 243,000 farms—11.1 percent—have debt/asset ratios from 40 to 70 percent and owe one-third of all farm debt.

As many as 143,000 farms have debt/asset ratios above 70 percent. These farms make up only 6.6 percent of all farms but owe almost one-fourth of all farm debt.

In short, Mr. President, 17 percent of farmers having debt-to-asset ratios which would result in their being classified highly leveraged or very highly leveraged, hold 56 percent of all farm debt. That adds up to $300,000 of debt for 386,000 farmers, a debt load that might not be serviceable with price supports at twice the current level.

The report further broke the debt level down to classes of farmers, placing special emphasis on farms with sales of $50,000 to $500,000 annually. These farms, totaling about 679,000, are recognized by the Department as the mainstream of fairly sized commercial agriculture. In a sobering commentary, the Department noted that:

Over one-quarter of these farms, owing 36 percent of all farm debt, face some degree of financial stress.

That 30,000 farms, owing 6.5 percent of all farm debt, had debt/asset ratios in excess of 100 percent and were insolvent.

Another 34,000 farms, holding 7.5 percent of all farm debt, had debt-to-asset ratios in excess of 70 percent and were rapidly moving toward insolvency.

An additional 114,000 farms, holding 22 percent of all farm debt, were classified as highly leveraged and faced serious financial problems.

In what must rate as the most underrated comment of the year, the authors of the report further went on to explain that if the situation in early 1984 is extended to early 1985, the available data suggest that one-third of all family size commercial farms, owing almost one-half of all farm debt will have some degree of financial difficulty.

For example: 43,000 farms owing more than their assets are worth, will be technically insolvent; 50,000 farms, owing 11 percent of all debt, will be moving rapidly toward insolvency; 136,000 farms, owing 26 percent of all debt, will have serious financial problems, but will be able to survive a few more unfavorable years.

Mr. President, what troubles this Senator is that, if anything, the situation which existed in early 1984 has deteriorated substantially. If I recall correctly, in early 1984 market prices

for wheat, corn, and soybeans were rising in the aftermath of the PIK Program and the 1984 drought. Since that time, however, prices have fallen sharply, with corn dropping from $3.40 bushel in March 1984 to $2 in October 1985, beans dropping from $8 bushel in March 1984 to $5 October 1985, feeder cattle dropping from $61 hundredweight in March 1984 to $49 hundredweight in October 1985, and hogs have gone from $49 hundredweight in March 1984 to $40 hundredweight in October 1985.

Mr. President. In conclusion, I will end my comments today with the simple statement that 240,000 struggling farmers need not go out of business. If members of the Senate are willing to do so, I am confident we can find a way to restructure the farm debt which is strangling the life out of rural America. If we give farmers a chance, they will vindicate our faith in them as they have time after time. But the key is to take steps to protect farm income and give farmers a chance to make it through this difficult period.

Mr. HELMS. Mr. President, I inquire of the distinguished majority leader as to his wishes with respect to the farm bill. I see no Senator on the floor and know of no Senators on their way to offer amendments. I wonder what his wishes would be about continuing the consideration of the farm bill today.

Mr. DOLE. As I indicated earlier, I know both managers, Senator HELMS and Senator ZORINSKY, have been urging Members to come to the floor. Apparently they are not coming.

We will be in early tomorrow morning. We will be in late tomorrow night, until 9 or 10 o'clock. I think once it starts, once Members understand that the push is on and the rollcall bells are ringing, we will have amendments, so I do not see any reason to stay on this legislation.

ROUTINE MORNING BUSINESS

Mr. DOLE. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business not to exceed beyond the hour of 5 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

ENROLLED BILL SIGNED

At 12:11 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the Speaker has signed the following enrolled bill:

H.R. 2409. An act to amend the Public Health Service Act to revise and extend the authorities under that act relating to the National Institutes of Health and National Research Institutes, and for other purposes.

MEASURE PLACED ON THE CALENDAR

The following joint resolution was read the second time and placed on the calendar:

S.J. Res. 223. Joint resolution to prohibit the sales of certain advanced weapons to Jordan.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-1931. A communication from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to ensure the supply of childhood vaccines, and for other purposes; to the Committee on Labor and Human Resources.

EC-1932. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Strong Leadership Needed to Improve Management at the Department of Labor"; to the Committee on Labor and Human Resources.

EC-1933. A communication from the Executive Secretary, Office of the Secretary of Defense, transmitting, pursuant to law, a report on Department of Defense procurement from small and other business firms for the period October 1984 through June 1985; to the Committee on Small Business.

EC-1934. A communication from the Assistant Attorney General (Antitrust Division), transmitting, pursuant to law, a report on the Voluntary Agreement and Plan of Action to Implement the International Energy Program; to the Committee on Energy and Natural Resources.

EC-1935. A communication from the Special Counsel to the Merit Systems Protection Board, transmitting, pursuant to law, a report on an investigation of the Secretary of the Air Force relating to allegations of violations of law and regulation at Selfridge Air National Guard Base, Michigan; to the Committee on Government Affairs.

EC-1936. A communication from the Secretary of Education, transmitting, pursuant to law, a report on the program reviews of 416 projects funded under the Indian Education Act; to the Committee on Labor and Human Resources.

EC-1937. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Examination of the Federal Crop Insurance Corporation's Financial Statement for the Year Ended September 30, 1984"; to the Committee on Agriculture, Nutrition, and Forestry.

EC-1938. A communication from the Principal Deputy Assistant Secretary of Defense (Comptroller), transmitting, pursuant to law, a report on the transfer of certain funds authorized and appropriated to the Department of Defense; to the Committee on Appropriations.

EC-1939. A communication from the Acting Assistant Attorney General (Office of Legislative and Intergovernmental Affairs), transmitting a draft of proposed legislation to amend title 28, and title 11 of the United States Code to provide for the appointment of United States trustees to supervise the administration of bankruptcy cases in judicial districts throughout the United States and for other purposes; to the Committee on the Judiciary.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. THURMOND (for himself and Mr. HATCH) (by request):

S. 1794. A bill to amend Revised Statutes section 722 (42 U.S.C., sec. 1988) to exempt State judges and judicial officers from assessment of attorneys' fees in cases in which such judge or judicial officer would be immune from actions for damages arising out of the same act or omission about which complaint is made; to the Committee on the Judiciary.

By Mr. HATCH (for himself and Mr. THURMOND):

S. 1795. A bill to provide that in judicial actions against State judges, such judges shall not be held liable for attorney fees; to the Committee on the Judiciary.

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 1796. A bill to authorize an extension of Interstate Route H-3; to the Committee on Environment and Public Works.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. DOLE (for himself, Mrs. KASSEBAUM, Mr. EAGLETON, and Mr. DANFORTH):

S. Res. 246. Resolution recognizing baseball's new world champions, the Kansas City Royals; considered and agreed to.

STATEMENTS OF INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. THURMOND (for himself and Mr. HATCH) (by request):

S. 1794. A bill to amend Revised Statutes section 722 (42 U.S.C. 1988) to exempt State judges and judicial officers from assessment of attorneys'

fees in cases in which such judge or judicial officer would be immune from actions for damages arising out of the same act or omission about which complaint is made; to the Committee on the Judiciary.

ELIMINATION OF CERTAIN ATTORNEY FEE AWARDS AGAINST JUDGES

Mr. THURMOND. Mr. President, today, along with Senator HATCH, I am introducing legislation at the request of the Judicial Conference of the United States which would eliminate certain attorney fee awards against judges.

In 1984, in the case of *Pulliam* v. *Allen*, the Supreme Court ruled that the doctrine of judicial immunity does not prevent injunctive relief in Federal courts under 42 U.S.C. section 1983. Prospective State action may be enjoined—judges may be enjoined—under that statute, the Court ruled, and attorneys' fees may be awarded to prevailing parties under 42 U.S.C. section 1988.

Mr. President, the ruling by the Supreme Court in *Pulliam* has, understandably, caused serious concern among our Nation's judges and judicial officers. They are concerned that the threat of heavy financial burdens, which might result from awards of attorneys' fees, will have a chilling effect on judicial independence and judicial detachment. Especially disconcerting is the likelihood that such attorney fee awards would arise from a judicial decision required of a judge in the ordinary course of litigation. Additionally, judges are concerned that *Pulliam* will lead to the creation of a new class of Federal litigation against State judicial decisions.

The legislation I am introducing today would amend 42 U.S.C. section 1988 to prohibit the award of attorney fees against a judge or judicial officer who would be immune from actions for damages arising out of the same act or omission about which complaint is made.

Mr. President, earlier this year, I introduced S. 1580, the "Legal Fees Equity Act," an administration proposal which would provide a revamping of the federally mandated attorney compensation schemes. It is my belief that the legislation I am introducing today is appropriate for consideration along with S. 1580, which provides a broader, more comprehensive approach to reform in the attorney fee area.

I ask unanimous consent that the bill be printed in the RECORD along with the letter of transmittal from the Judicial Conference of the United States.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1794

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the last sentence of section 722 of the Revised Statutes, as amended (423 U.S.C. § 1988) is amended to read as follows:

"In any action or proceeding to enforce a provision of Sections 1977, 1978, 1979, 1980, and 1981 of the Revised Statutes, title IX of Public Law 92-318, or title VI of the Civil Rights Act of 1964, the court, in its discretion, may allow the prevailing party, other than the United States, a reasonable attorney's fee as part of the costs; provided that no such fees shall be awarded against a judge or judicial officer who would be immune from actions for damages arising out of the same act or omission about which complaint is made."

ADMINISTRATIVE OFFICE
OF THE U.S. COURTS,
Washington, DC, October 4, 1985.

Hon. GEORGE BUSH,
President, U.S. Senate,
Dirksen Senate Office Building,
Washington, DC.

DEAR MR. PRESIDENT: The Judicial Conference of the United States recommends the enclosed draft bill to eliminate awards of attorney fees in a suit against a judge or judicial officer who would be immune from actions for damages arising out of the same act or omission about which complaint is made.

The general outline for judicial immunity has developed over many years. Absolute judicial immunity applies to tort actions for damages, including 42 U.S.C. § 1982 civil rights actions, for a judicial decision within the court's jurisdiction, even if alleged to have been made corruptly or maliciously (*Bradley* v. *Fisher*, 80 U.S. (13 Wall.) 335 (1872); *Pierson* v. *Ray*, 386 U.S. 547 (1967)). "Jurisdiction," for these purposes, is satisfied if the decision involves a function normally performed by a judge and the parties were dealing with the judge in his judicial capacity (*Stump* v. *Sparkman*, 435 U.S. 349 (1978)). Immunity from civil actions for non-judicial official conduct by a judge is determined by reference to the rules normally applicable to that type of activity (*Virginia* v. *Consumers Union*, 446 U.S. 719 (1980)).

In May 1984, the Supreme Court held by a 5 to 4 vote that, while damages may not be awarded, judicial immunity does not bar injunctive relief in Federal courts under 42 U.S.C. § 1983 to enjoin prospective State judicial action or the award of attorneys' fees to prevailing parties under 42 U.S.C. § 1988 (*Pulliam* v. *Allen*, 104 S. Ct. 1970, —— U.S. —— (1984)). In so ruling, the Court relied upon statutory construction and the legislative history of the provisions.

In the months since the *Pulliam* decision, the State Chief Justices and other State judges and judicial officers have expressed serious concern with respect to the impact of the case on State judiciaries. These concerns include: (1) a chilling effect on judicial independence and judicial detachment; (2) the creation of a new class of Federal litigation against State judicial decisions; (3) encroachment upon the doctrines of federalism, exhaustion of State remedies, judicial restraint, and comity; and (4) the threat of heavy financial burdens, in the form of attorneys' fees, arising from a judicial decision required of the judge in the ordinary course of litigation.

In August 1984, the Conference of State Chief Justices adopted a resolution calling upon the Judicial Conference of the United States to study the issue of assessment of attorneys' fees against State judges and judicial officers under 42 U.S.C. § 1988 and to support efforts to amend the statute to exempt such individuals in suits for injunctive relief pursuant to 42 U.S.C. § 1983.

Based on review and recommendations of its Subcommittee on Federal-State Relations, as approved by the Committee on Court Administration, the Conference concluded that the concerns pressed by the State Chief Justices and others were well-founded. Accordingly, the Conference voted to recommend to the Congress that 42 U.S.C. § 1988 be amended so as not to allow attorneys' fees in cases covered by the *Pulliam* decision. The enclosed amendment would accomplish that result.

We urge the Congress to act favorably on this proposal.

Sincerely,

L. RALPH MECHAM,
Director.

By Mr. HATCH (for himself and Mr. THURMOND):

S. 1795. A bill to provide that in judicial actions against State judges, such judges shall not be held liable for attorney fees; to the Committee on the Judiciary.

STATE JUDGES' LIABILITY FOR ATTORNEY FEES

Mr. HATCH. Mr. President, in the recent case of *Pulliam* v. *Allen*, 104 S. Ct. 1970 (1984), the Supreme Court held, by the narrow margin of 5 to 4, that judicial immunity is not a bar to injunctive relief against a judge acting in his judicial capacity, nor is it a bar to the award of attorney fees against a judge against whom an injunction to request the introduction of a bill addressing the implications of Pulliam with relation to judicial independence. Accordingly, I would like to introduce at the request of the Conference of Chief Justices this legislation. It should serve as a vehicle to illuminate the critical questions posed by the Pulliam case. For the benefit of those unfamiliar with the Pulliam decision, I will recount some of the background giving rise to this opinion.

In January 1980, the respondent, Allen, was arrested for using abusive and insulting language, a class 3 misdemeanor. The petitioner, Judge Pulliam, set a bond of $250. Respondent Allen was unable to post the bond and was thus jailed until his trial day, a period of 14 days. Allen was subsequently tried, found guilty, fined, and released. The trial judge reopened the case and reversed the conviction. Allen then filed a claim in accordance to section 1983 of title 42 of the United States Code, seeking relief against the petitioner's practice of incarcerating persons waiting trial for nonincarcerable offenses. The district court found Judge Pulliam to have acted improperly and enjoined her actions. The court also found that the respondent was entitled to costs, including attorney's fees, in accordance with section 1988 of title 42 of the United States Code.

Pulliam petitioned the court to reduce the attorney's fees on the grounds of judicial immunity. The

court upheld its original decision. Pulliam then brought her case before the court of appeals arguing that as a judicial officer, she was immune from injunctive relief and attorney's fees. The court upheld the district court's decision against Pulliam. Certiorari was granted by the Supreme Court in November 1983. It marked the first time the Supreme Court ever decided a case on whether or not a judge could be held personally liable for attorney fees. In May 1984, the Court reached a 5-to-4 decision. Judicial immunity is no bar to the award of attorney's fees.

This precedent-setting decision placed limitations on the doctrine of the judiciary's common-law immunity, limitations that were for centuries unnecessary, due to the nature of common law. In 1868, one of the judges of the court of exchequer explained judicial immunity in language close to our contemporary understanding of the doctrine:

It is essential in all courts that the judges who are appointed to adminster the law should be permitted to administer it under the protection of the law, independently and freely, without favor and without fear. This provision of the law is not for the protection or benefit of a malicious or corrupt judge, but for the benefit of the public, whose interest it is that the judges should be at liberty to exercise their functions with independence, and without fear of consequences.

Hence, to protect the independence of a judge neither a suit nor damages can be brought against him.

In the Pulliam case, the Supreme Court reasoned that "for the most part, injunctive relief against a judge raises concerns different from those addressed by the protection of judges from damages awards." Yet, four of the nine Supreme Court Justices, dissenting, argued otherwise. They noted that the court, in effect, awarded a $7,691 money judgment against a State magistrate on the determination that she made erroneous judicial decisions with respect to bail and pretrial detentions. Such a judgment poses the same threat to independent judicial decisionmaking whether it be labeled "damages" of $7,691 or "attorney fees" in that amount. Moreover, as the court had stated a century and a half ago, an "action before one judge for what is done by another * * * is a case * * * against the independence of the judges." The burdens of having to defend such a suit are identical in character and degree, whether the suit be for damages or prospective relief. The dissenters maintained that the holding of the court subordinates realities to labels, that this new precedent eviscerates the doctrine of judicial immunity.

In 1895, the Supreme Court concluded:

The public are deeply interested in the rule of judicial immunity, which * * * was established in order to secure the independence of the judges, and prevent them being harassed by vexatious action; * * *

This simple statement of 90 years ago accepts as self-evident the relationship between judicial immunity and judicial independence. In that context, it is imperative that Congress examine the implications of Pulliam.

I am pleased, therefore, to introduce this bill by request of the Conference of State Chief Justices to facilitate a public discussion of the important issues at stake as judicial immunity begins to erode. I commend to my colleagues the following letter by Chief Justice Edwin J. Peterson of the State of Oregon requesting the introduction of this legislation.

Mr. President, I ask unanimous consent that a letter from the chief justice, Supreme Court of Oregon and Chairman, Committee on Judicial Immunity be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CONFERENCE OF CHIEF JUSTICES,
October 11, 1985.

Hon. ORRIN G. HATCH,
Chairman, Subcommittee on the Constitution, Dirksen Senate Office Building, Washington, DC.

DEAR MR. CHAIRMAN: I am writing on behalf of the Conference of Chief Justices to ask your assistance in dealing with a problem that threatens the integrity of the judicial process. Our concern is directed to erosion of the common law doctrine of judicial immunity through a series of Supreme Court decisions involving 42 U.S.C. 1983 and 1988.

This erosion has been underway for some time as it involves a judge's administrative, rulemaking, and other non-judicial functions necessary to operation of an independent judicial system. But it reached a truly critical stage with the decision in *Pulliam* v. *Allen*, 104 S. Ct. 1970 (1984), which held that the doctrine of judicial immunity is not a bar to injunctive relief in federal civil rights (42 U.S.C. 1983) actions against a member of the state judiciary acting in a judicial capacity, or to the award of attorney fees against the judge under the Civil Rights Attorney's Fees Act, 42 U.S.C. 1988. This strikes at the very heart of the judicial function.

The *Pulliam* court continued to uphold the doctrine of judicial immunity as it involves direct damages against a judge. But it is our view, and that of four dissenting justices in *Pulliam*, that fee awards are as destructive to the integrity of the judicial process as direct damages would be.

Accordingly, the Conference of Chief Justices, the American Bar Association, the Judicial Conference of the United States, and many other bar and judicial organizations have passed resolutions urging Congress to remedy the problems posed for state judges by the Court's interpretation of 42 U.S.C. 1983 and 1988.

The issues are set forth in detail in the enclosed manuscript by Justice Joseph R. Weisberger of the Supreme Court of Rhode Island, prepared for publication in the Suffolk University Law Review and appropriately titled, "The Twilight of Judicial Independence".

Because you have long shown your concern for the burdens placed on state and local officials by attorney fee awards under various federal fee shifting statutes, and because you are currently addressing this problem through hearings on S. 1580, the Legal Fees Equity Act, we would appreciate it if you would sponsor legislation directed to the special problems posed for the judicial process by fee awards against judges. We enclose a draft bill for that purpose.

The suggested legislation reflects the normal policy position of the Conference of Chief Justices which proposes amendment of 42 U.S.C. 1988 to exempt judges from fee awards in actions challenging their official actions. This language offers the subcommittee and Congress the opportunity to examine the full range of decisions affecting judicial immunity and to decide on the appropriate legislative response. State judges are virtually unanimous on the view that such a response is urgently needed.

The Conference of Chief Justices would, of course, wish to testify in support of this legislation if it is introduced and hearings are scheduled.

Very truly yours,

EDWIN J. PETERSON,
Chief Justice, Supreme Court of Oregon, and Chairman, Committee on Judicial Immunity.

ADDITIONAL COSPONSORS

S. 89

At the request of Mr. INOUYE, the name of the Senator from Massachusetts [Mr. KERRY] was added as a cosponsor of S. 89, a bill to recognize the organization known as the National Academies of Practice.

S. 887

At the request of Mr. DOLE, the name of the Senator from Massachusetts [Mr. KERRY] was added as a cosponsor of S. 887, a bill to amend the Internal Revenue Code of 1954 to extend the deduction for expenses incurred in connection with the elimination of architectural and transportation barriers for the handicapped and elderly.

S. 945

At the request of Mr. THURMOND, the name of the Senator from Texas [Mr. BENTSEN] was added as a cosponsor of S. 945, a bill to recognize the organization known as the National Association of State Directors of Veterans' Affairs, Inc.

S. 1233

At the request of Mr. DOLE, the names of the Senator from Georgia [Mr. MATTINGLY], the Senator from Ohio [Mr. METZENBAUM], and the Senator from South Carolina [Mr. THURMOND] were added as cosponsors of S. 1233, a bill to amend the Animal Welfare Act to ensure the proper treatment of laboratory animals.

S. 1250

At the request of Mr. HEINZ, the name of the Senator from Hawaii [Mr. INOUYE] was added as a cosponsor of S. 1250, a bill to amend the Internal Revenue Code of 1954 to extend the targeted jobs tax credit for 5 years, and for other purposes.

S. 1647

At the request of Mr. ROTH, the name of the Senator from Rhode Island [Mr. CHAFEE] was added as a cosponsor of S. 1647, a bill to amend the Tariff Act of 1930 to enhance the protection of intellectual property rights.

S. 1741

At the request of Mr. DURENBERGER, the name of the Senator from California [Mr. WILSON] was added as a cosponsor of S. 1741, a bill to amend the Internal Revenue Code of 1954 to provide capital gain treatment for sales of certain condominiums.

S. 1774

At the request of Mr. GRASSLEY, the name of the Senator from Colorado [Mr. ARMSTRONG] was added as a cosponsor of S. 1774, a bill to amend section 1951 of title 18 of the United States Code, and for other purposes.

SENATE JOINT RESOLUTION 74

At the request of Mr. THURMOND, the name of the Senator from Michigan [Mr. RIEGLE] was added as a cosponsor of Senate Joint Resolution 74, a joint resolution to provide for the designation of the month of February, 1986, as "National Black (Afro-American) History Month."

SENATE JOINT RESOLUTION 217

At the request of Mr. HEINZ, the names of the Senator from Kansas [Mr. DOLE] and the Senator from Nebraska [Mr. ZORINSKY] were added as cosponsors of Senate Joint Resolution 217, a joint resolution to designate the week of December 2, 1985, to December 8, 1985, as "National Emergency Medical Air Transport Week."

SENATE JOINT RESOLUTION 222

At the request of Mr. D'AMATO, the names of the Senator from Nevada [Mr. LAXALT], the Senator from Indiana [Mr. QUAYLE], the Senator from Iowa [Mr. GRASSLEY], and the Senator from Tennessee [Mr. GORE] were added as cosponsors of Senate Joint Resolution 222, a jont resolution concerning the cruel and inhuman killing of Leon Klinghoffer by international terrorists aboard the cruise ship *Achille Lauro*, because he did not submit to the demands of these terrorists.

SENATE CONCURRENT RESOLUTION 69

At the request of Mr. DANFORTH, the name of the Senator from Nebraska [Mr. EXON] was added as a cosponsor of Senate Concurrent Resolution 69, a concurrent resolution to recognize the National Camp Fire Organization for 75 years of service.

AMENDMENT NO. 904

At the request of Mr. DOLE, the names of the Senator from Montana [Mr. MELCHER], the Senator from Nebraska [Mr. EXON], the Senator from Washington [Mr. EVANS], the Senator from South Carolina [Mr. THURMOND], and the Senator from West Virginia [Mr. ROCKEFELLER] were added as cosponsors of Amendment No. 904 proposed to S. 1714, an original bill to expand export markets for U.S. agricultural commodities, provide price and income protection for farmers, assure consumers an abundance of food and fiber at reasonable prices, continue food assistance to low-income households, and for other purposes.

AMENDMENT NO. 906

At the request of Mr. ABDNOR, the name of the Senator from South Dakota [Mr. PRESSLER] was added as a cosponsor of Amendment No. 906 proposed to S. 1714, an original bill to expand export markets for U.S. agricultural commodities, provide price and income protection for farmers, assure consumers an abundance of food and fiber at reasonable prices, continue food assistance to low-income households, and for other purposes.

SENATE RESOLUTION 246—RECOGNIZING BASEBALL'S NEW WORLD CHAMPIONS, THE KANSAS CITY ROYALS

Mr. DOLE (for himself, Mrs. KASSEBAUM, Mr. EAGLETON, and Mr. DANFORTH) submitted the following resolution; which was considered and agreed to:

S. RES. 246

Whereas, on the night of October 27, 1985, the Kansas City Royals climaxed one of the great chapters in major league baseball annals with a world championship;

Whereas, the Kansas City Royals captured the hearts of baseball fans all across the country with its tenacious comebacks in both the American League playoffs and the World Series;

Whereas, the Royals made history by becoming the only team to lose the first two games of a World Series in its home park but then to fight back and win it all;

Whereas, the so-called experts gave the Royals almost no chance of winning anything in postseason play;

Whereas, the Kansas City Royals defeated an outstanding Saint Louis Cardinal team in the World Series and a great Toronto Blue Jays squad in the playoffs;

Whereas, after 16 years of loyalty, Kansas City Royals fans in Kansas, Iowa, Arkansas, South Dakota, Missouri, and all over this great Nation have been rewarded with a much-deserved world title;

Whereas, Manager Dick Howser and his team have demonstrated they are indeed the right stuff;

Whereas, after an 11-0 seventh game victory last night the Royals—and Kansas City, Kansas, and Kansas City, Missouri—are on top of the baseball world: Now, therefore, be it

Resolved, That the Senate recognizes and applauds the accomplishments of the Kansas City Royals, 1985 baseball champions.

AMENDMENTS SUBMITTED

AGRICULTURAL, FOOD, CONSERVATION, AND TRADE ACT

BENTSEN (AND OTHERS) AMENDMENT NO. 908

Mr. BENTSEN (for himself, Mr. COCHRAN, Mr. PRYOR, Mr. BURDICK, Mr. FORD, Mr. SYMMS, and Mr. ABDNOR) proposed an amendment to the bill (S. 1714) to expand markets for U.S. agricultural commodities, provide price and income protection for farmers, assure consumers of an abundance of food and fiber at reasonable prices, continue food assistance to low-income households, and for other purposes; as follows:

On page 26, between lines 15 and 16, insert a new subsection (c) as follows:

"(c) The United States Trade Representative shall—

(1) review the reports prepared under subsection (a) and any other information available to identify export subsidies or other export enhancing techniques (within the meaning of the agreement on Interpretation and Application of Articles VI, XVI, and XXIII of the General Agreement on Tariffs and Trade);

(2) identify markets (in order of priority) in which United States export subsidies can be used most efficiently and will have the greatest impact in offsetting the benefits of foreign export subsidies that—

(A) harm United States exports,

(B) are inconsistent with the Agreement on Interpretation and Application of Articles VI, XVI, and XXIII of the General Agreement on Tariffs and Trade,

(C) nullify or impair benefits accruing to the United States under international agreements, or

(D) cause serious prejudice to the interests of the United States and

(3) submit to the Congress and to the Secretary of Agriculture an annual report on—

(A) the existence and status of export subsidies and other export enhancing techniques that are the subject of the investigation conducted under paragraph (1), and

(B) the identification and assignment of priority to markets under paragraph (2)."

On page 26, line 16, strike out "(c)" and insert in lieu thereof "(d)".

On page 26, line 24, strike "subsection (a)" and insert in lieu thereof "subsections (a) and (c)".

On page 27, line 3, strike out "(c)" and insert in lieu thereof "(d)".

On page 27, line 9, strike "subsection (a)" and insert in lieu thereof "subsections (a) and (c)".

ABDNOR AMENDMENT NO. 909

(Order to lie on the table.)

Mr. ABDNOR submitted an amendment intended to be proposed by him to the bill S. 1714, supra; as follows:

On page 459, between lines 18 and 19, insert the following new section:

IMPORTED BEEF, PORK AND LAMB

SEC. 1927. (a)(1) Notwithstanding any other provision of law—

(A) all beef, pork and lamb, and parts or products thereof, capable of use as human food, offered for importation into the United States shall be subject to the same inspection, sanitary, quality, species verification, and residue requirements and standards applicable to beef, pork and lamb, respectively, and to the products thereof, produced in the United States; and

(B) no beef pork, or lamb, or any product thereof, may be imported into the United States unless the Secretary of Agriculture determines that it has been processed in facilities and under conditions that are at least equal to those under which beef, pork and lamb, or the products thereof, as the case may be, are processed in the United States.

(2) Any imported beef, pork or lamb, or product thereof, that fails to meet the standards referred to in paragraph (1)(A) may not be permitted entry into the United States.

(3) The Secretary of Agriculture shall enforce this section through—

(A) random inspections for species verification and for residues; and

(B) random sampling and testing of internal organs and fat of carcasses for residues at the point of slaughter by the exporting country, in accordance with methods approved by the Secretary.

(b) This section shall becomes effective 180 days after the date of enactment of this Act.

DIXON AMENDMENT NOS. 910 AND 911

Mr. DIXON proposed two amendments to the bill S. 1714, supra, as follows:

AMENDMENT No. 910

On page 287, line 5, insert "(a)" after the section designation.

On page 287, between lines 8 and 9, insert the following new subsection:

(b) Section 1407(b) of such Act is amended by inserting before the last sentence the following new sentence: "To ensure that views of food technologists are considered by the Joint Council, two of the members of the Joint Council shall as determined to be appropriate by the Secretary, be appointed by the Secretary from among distinguished persons who are food technologists from accredited or certified departments of food technology, as determined by the Secretary.".

On page 287, between lines 14 and 15, insert the following new subsection:

(b) Section 1408(b) of such Act is amended—

(1) by striking out "twenty-five" in the matter preceding clause (1) and inserting in lieu thereof "27";

(2) by striking out "and" at the end of clause (10);

(3) by striking out the period at the end of clause (11) and inserting in lieu thereof ", and"; and

(4) by adding at the end thereof the following new clause:

"(12) two members who are food technologists from accredited or certified departments of food technology, as determined by the Secretary.".

On page 287, line 15, by striking out "(b)" and inserting in lieu thereof "(c)".

AMENDMENT No. 911

On page 287, between lines 14 and 15, insert the following:

(1) in paragraph (8)—

(A) by striking out "and" at the end of subparagraph (N);

(B) by inserting "and" at the end of subparagraph (O); and

(C) by adding at the end thereof the following:

"(P) research on new or improved food processing or value-added food technologies;";

On page 285, line 15, strike out "(1)" and insert in lieu thereof "(2)".

On page 285, line 17, strike out "(2)" and insert in lieu thereof "(3)".

On page 285, line 19, strike out "(3)" and insert in lieu thereof "(4)".

GORTON AMENDMENT NO. 912

Mr. GORTON proposed an amendment to amendment No. 565 proposed by Mr. PRESSLER to the bill S. 1714, supra, as follows:

Senate Amendment No. 565 is amended striking all after "Section 1." and inserting in lieu thereof:

"(a) This section may be cited as the "Taxpayer Antitrust Enforcement Act of 1985".

(b) Section 4 of the Clayton Act (15 U.S.C. 15) is amended by adding at the end thereof the following:

"SEC. 4I. (a)(1) An action brought by the attorney general of a State on behalf of the State or a political subdivision thereof, pursuant to section 4 of this Act to secure monetary relief as provided for injury sustained by such State or political subdivision by reason of any violation of section 1 of the Sherman Act, by the United States pursuant to section 4A of this Act for injury sustained by the United States by reason of any violation of section 1 of the Sherman Act, or by an attorney general pursuant to section 4(C) of this Act, may be maintained when such State, political subdivision, the United States, or such natural persons on whose behalf the action is brought has or have purchased indirectly from the defendant: *Provided,* That nothing in this section shall preclude any existing right of any State, political subdivision, the United States, or an attorney general on behalf of natural persons, to sue under section 4, 4A, or 4C.

"(2) In any action arising out of indirect purchases by the United States, any State or political subdivision thereof, or by any natural person, permitted by subsection (a)(1), the court shall award to the United States, State, or political subdivision, threefold that amount which constitutes the damage which would have been sustained by any direct purchaser with respect to purchases, directly or indirectly, by the United States, State or political subdivision, or natural persons, had the damage not been passed on by the direct purchaser to any other person: *Provided, however,* That there shall be excluded from the amount of monetary relief awarded in such action any amount of monetary relief which (A) duplicates amounts which have been awarded for the same injury to another person who has proven, in fact, such injury in a previous action in which the defendant has asserted a defense under subsection (b) against such other person and in which notice has been properly given pursuant to such section, or (B) is properly allocable to any person who purchased directly from the defendant, upon proof, in fact, in such action that the damage was not passed on by such person. The court shall also award to the attorney general the cost of suit, including a reasonable attorney's fee.

"(b)(1) In any action brought under section 4 of this Act, the defendant shall be entitled to allege, as a partial or complete defense, that some or all of what would otherwise constitute plaintiff's damages were passed on by plaintiff to any other person and that with respect to such damages an action may be brought by the United States or an attorney general of a State pursuant to subsection (a)(1). The defendant shall set forth, in asserting such defense, with as much particularity as is reasonable, the identity of those to whom the defendant asserts the plaintiff has passed on, directly or indirectly, some or all of plaintiffs damages.

"(2) In the event that a defendant has pleaded the defense permitted by paragraph (1), the plaintiff shall have the burden of proving that all or part of the damages, as the case may be, have not been passed on by the plaintiff.

"(3) In the event that the defendant asserts the defense permitted by paragraph (1), the defendant shall provide written notice, by certified or registered mail, return receipt requested, to any attorney general who may be entitled to maintain an action against the defendant under subsection (a)(1).

"(4) Upon receipt of such notice, the Attorney General of the United States, or of any State, in addition to any other remedy, may, upon motion made within one hundred and twenty days, intervene in such action and shall be joined pursuant to rule 24 of the Federal Rules of Civil Procedures with respect to any issue arising under paragraph (1) of this subsection.

"(5) In any case in which the defendant has asserted a defense pursuant to this subsection and in which the court awards monetary relief, there shall be excluded from the amount of monetary relief awarded any amount which (1) duplicates amounts which have been awarded for the same injury to another person who has proven, in fact, such injury in a previous action, or (2) is properly allocable to the United States, any State or political subdivision, or any natural person based on the application of this subsection to any action.

"SEC. 4J. (a) An action brought by the attorney general of a State on behalf of a seller for damages resulting from any underpayment received on the sale of cattle, hogs, sheep, grains, or soybeans shall not be barred solely because such person on whose behalf the action is brought did not sell such products directly to the defendant, if such person possessed the livestock or grain plant for feeding or growing purposes for a period of at least 21 days prior to the date of any such sale.

"(b)(1) In any action brought under section 4 of this Act by a seller, for damages resulting form any underpayment on the sale of cattle, hogs, sheep, grains, or soybeans, the defendant shall be entitled to allege, as a partial or completed defense, that some or all of what would otherwise constitute plaintiff's damages were passed on by the plantiff to any other person and that with respect to such damages an action may be brought by the United States or an attorney general of a State pursuant to this section. The defendant shall set forth, in asserting such defense, with as much particularity as is reasonable, the identity of those to whom the defendant asserts the plantiff has passed on, directly or indirectly, some or all of plaintiffs damages.

"(2) If a defendant pleads the defense permitted by paragraph (1), the plaintiff shall have the burden of proving that all or part of the damages, as the case may be, have not been passed on by the plaintiff.

"(3) If the defendant asserts the defense permitted by paragraph (1), the defendant shall provide written notice, by certified or registered mail, return receipt requested, to any attorney general who may be entitled to maintain an action against the defendant under subsection (a)(1).

"(4) Upon receipt of such notice, the Attorney General of the United States, or of any State, in addition to any other remedy, may, upon motion made within one hundred and twenty days, intervene in such action and shall be joined pursuant to rule 24 of the Federal Rules of Civil Procedures with respect to any issue arising under paragraph (1) of this subsection.

"(5) In any case in which the defendant has asserted a defense pursuant to this subsection and in which the court awards monetary relief, there shall be excluded from the amount of monetary relief awarded any amount which (A) duplicates amounts which have been awarded for the same injury to another person who has proven, in fact, such injury in a previous action, or (B) is properly allocable to the United States, any State or political subdivision, or any person based on the application of this subsection to any action.

"(d) Notwithstanding the provisions of section 4C of this Act providing that an attorney general of a State may bring an action as parens patriae only on behalf of natural persons, such attorney general may bring an action on behalf of any person, residing in such State.".

(c) The amendments made by this Act shall become effective upon the date of the enactment of this Act.".

OMNIBUS BUDGET RECONCILIATION ACT

RIEGLE AMENDMENT NO. 913

Mr. RIEGLE proposed an amendment to the bill (S. 1730) to provide for reconciliation pursuant to section 2 of the first concurrent resolution on the budget for fiscal year 1986, and for other purposes; as follows:

At the end of the bill add the following new section:

SEC. . (a) The Secretary of the Treasury shall pay, from funds in the general fund of the Treasury, into each of the Social Security Trust Funds, amounts equal to any amount of interest which would have accrued to such Trust Fund but for actions which were taken by the United States with respect to investments of such Trust Fund which would not otherwise have been taken (as determined by the Secretary of the Treasury) if the increase in the statutory debt ceiling had been enacted into law on September 30, 1985, as provided in H.J. Res. 372 (99th Congress, 1st Session) as it was passed by the House of Representatives and reported by the Senate Committee on Finance.

(b) For purposes of subsection (a), the term "Social Security Trust Funds" means the Federal Old-Age and Survivors Insurance Trust Fund, the Federal Disability Insurance Trust Fund, the Federal Hospital Insurance Trust Fund, and the Federal Supplementary Medical Insurance Trust Fund.

ADDITIONAL STATEMENTS

WEEKLY BUDGET SCOREKEEPING REPORT

● Mr. DOMENICI. Mr. President, I hereby submit to the Senate the budget scorekeeping report for the week of October 21, 1985, prepared by the Congressional Budget Office in response to section 5 of the first budget resolution for fiscal year 1986. This report also serves as the scorekeeping report for the purposes of section 311 of the Congressional Budget Act.

The report follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, October 28, 1985.

Hon. PETE V. DOMENICI,
Chairman, Committee on the Budget,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The attached report shows the effects of Congressional action on the budget for fiscal year 1986. The estimated totals of budget authority, outlays, and revenues are compared to the appropriate or recommended levels contained in the most recent budget resolution, S. Con. Res. 32. This report meets the requirements for Senate scorekeeping of Section 5 of S. Con. Res. 32 and is current through October 25, 1985. The report is submitted under Section 308(b) and in aid of Section 311(b) of the Congressional Budget Act.

No changes have occurred since my last report.

With best wishes,
Sincerely,

RUDOLPH G. PENNER.

CBO WEEKLY SCOREKEEPING REPORT FOR THE U.S. SENATE, 99TH CONGRESS, 1ST SESSION, AS OF OCTOBER 25, 1985

[Fiscal year 1986—In billions of dollars]

	Budget authority	Outlays	Revenues	Debt subject to limit
Current level [1]	1,067.4	980.3	793.0	1,823.8
Budget resolution Senate Concurrent Resolution 32	1,069.7	967.6	795.7	[2] 2,078.7
Current level is:				
Over Resolution by		12.7		
Under Resolution by	2.3		2.7	255.0

[1] The current level represents the estimated revenue and direct spending effects (budget authority and outlays) of all legislation that Congress has enacted in this or previous sessions or sent to the President for his approval. In addition, estimates are included of the direct spending effects for all entitlement or other programs requiring annual appropriations under current law even though the appropriations have not been made. The current level exclused the revenue and direct spending effects of legislation that is in earlier stages of completion, such as reported from a Senate Committee or passed by the Senate. Thus, savings from reconciliation action assumed in S. Con. Res. 32 will not be included until Congress sends the legislation to the President for his approval. The current level of debt subject to limit reflects the latest U.S. Treasury information on public debt transactions.

[2] The current statutory debt limit is $1,823.8 billion.

FISCAL YEAR 1986, SUPPORTING DETAILS FOR CBO WEEKLY SCOREKEEPING REPORT, U.S. SENATE, 99TH CONGRESS, 1ST SESSION, AS OF OCT. 25, 1985

[In millions of dollars]

	Budget authority	Outlays	Revenues
I. Enacted in previous sessions:			
Revenues			792,800
Permanent appropriations and trust funds.	717,652	631,009	
Other appropriations		185,348	
Offsetting receipts	−162,006	−162,006	
Total enacted in previous sessions.	555,645	654,351	792,800
II. Enacted this session:			
Famine relief and recovery in Africa (Public Law 99–10).		421	
Federal supplemental compensation phaseout (Public Law 99–15).			10
Appropriations for the MX missile (Public Law 99–18).		368	
Contemporaneous recordkeeping repeal bill (Public Law 99–44).			13
United States-Israel Free Trade Act (Public Law 99–47).			−8
Statue of Liberty—Ellis Island Coin Act (Public Law 99–61).	−15	31	
International Security and Development Cooperation Act (Public Law 99–83).	−25	−25	
Supplemental appropriations bill (Public Law 99–88).	36	3,138	
State Department authorization (Public Law 99–93).			2
Emergency Extension Act of 1985 (Public Law 99–107).	−49	−230	210
Simplification of imputed interest rules (Public Law 99–121).			−31
Health professions educational assistance (Public Law 99–129).		−8	
Total enacted this session	−53	3,694	195
III. Continuing resolution authority:			
Continuing appropriations, 1986 (Public Law 99–103).	521,043	338,964	
Offsetting receipts	−27,233	−27,233	
Total continuing resolution authority.	493,810	311,731	
IV. Conference agreements ratified by both Houses:			
Energy and water appropriations, 1986 (H.R. 2959).	15,252	8,245	
Amendments-special defense acquisition fund (S. 1726).	100		
Total conference agreements.	15,352	8,245	
V. Entitlement authority and other mandatory items requiring further appropriation action:			
Payment to the CIA retirement fund.	10	10	
Claims, defense	7	3	
Payment to the Foreign Service retirement trust fund [1].	(7)	(7)	
Range improvements	1		
BLM: Miscellaneous trust fund.	([2])		
Payment to air carriers, DOT	18	17	
Retired pay—Coast Guard	21	19	
Maritime, operating-differential subsidies.		3	
BIA: Miscellaneous trust funds.	([2])	([2])	
Higher education facilities loans and insurance.	4		
Retirement pay for PHS officers.	12	6	
Medicaid	1,617	1,285	
Payment to health care trust funds [1].	(1,011)	(1,011)	
Child nutrition programs	254	234	
Advances to unemployment trust fund [1].	(516)	(516)	
Special benefits (general retirement and Federal employee retirement).	48	48	
Black lung disability trust fund.	85	85	
Assistance payments	573	573	
Veterans pensions	10		
Salaries of judges	3	1	
Payment to civil service retirement [1].	(214)	(214)	

FISCAL YEAR 1986, SUPPORTING DETAILS FOR CBO WEEKLY SCOREKEEPING REPORT, U.S. SENATE, 99TH CONGRESS, 1ST SESSION, AS OF OCT. 25, 1985—Continued

[In millions of dollars]

	Budget authority	Outlays	Revenues
National wildlife refuge fund	(2)	(2)	
General revenue sharing [1]	(1,142)	(1,142)	
Total entitlements	2,663	2,284	
Total current level as of October 25, 1985.	1,067,417	980,306	792,995
1986 budget resolution (S. Con. Res. 32).	1,069,700	967,600	795,700
Amount remaining:			
Over budget resolution		12,706	
Under budget resolution	2,283		2,705

[1] Interfund transactions do not add to budget totals.
[2] Less than $500 thousand.

Note: Numbers may not add due to rounding.●

LEGAL SERVICES CORPORATION'S BOARD OF DIRECTORS

● Mr. EAST. Mr. President, this past spring the Senate confirmed the Legal Services Corporation's Board of Directors, the first confirmed Board in 5 years. This was the first step in shifting the direct control of the Corporation away from Congress and over to the Board where such control rightfully belongs. H.R. 2965 is the second step. It does not diminish, as previous appropriation bills have, the authority that is established in the original Legal Services Act of 1974. Passage of H.R. 2965 should bring to an end the micromanagement of the Corporation by Congress.

To be specific, the language in this bill does not include restrictions on the Corporation's basic grantmaking power. In last year's appropriation bill, Public Law 98-411, there was a requirement to maintain funding levels to grantees at the same levels as the fiscal year 1984 appropriation. Public Law 98-411 also contained the requirement that the Corporation follow a funding formula directing it to make available funds at specific amounts to every grantee. The absence of this language clearly demonstrates the confidence that this body has in the newly confirmed Board of Directors.

The importance of H.R. 2965 is that it restores the self-management to Legal Services, while retaining some good provisions that were contained in previous appropriations bills. The provisions that have been retained are restrictions on lobbying, class action lawsuits, representation of certain aliens, procedures for refunding, and local control of the LSC grantees.

I am concerned, however, by the language in the report which accompanies this bill. This language restores funding reductions proposed by the Corporation in their annual budget submission. It appears that there are still Members of this body who wish to act not only as Senators but also as directors of the Legal Services Corporation. When we confirmed this Board last spring, we expressed our trust in those nominees to act in a manner which is in the best interest of poor persons. Let's not abdictate that trust just because the Board has made some tough decisions.●

THE STATUE OF LIBERTY'S BIRTHDAY

● Mr. D'AMATO. Mr. President, it is with great pleasure that I rise today to call attention to a measure which will be signed by the President today. This measure, H.R. 407, designates the 12-month period beginning today as the "Centennial Year of Liberty in the United States." The signing ceremony is especially significant, for today also marks the 100th birthday of the Statue of Liberty.

The French gave the Statue of Liberty to the United States in 1884, and its erection on Liberty Island was completed the following year in 1885. Since that time, the Statue of Liberty has stood as a symbol of friendship and of the liberty citizens enjoy under a free form of goverment. A model of this statue, on a bridge above the Seine River in Paris, France, also stands as a symbol of every individual's right to liberty and freedom. While many nations have striven to uphold these individual rights, it is the United States which has had a longer period of constitutional, democratic government and uninterrupted freedom and liberty for its people than any other nation in history.

In 1776, the United States gained independence from Britain. For more than 200 years, Americans have enjoyed their fundamental rights to the pursuit of happiness through personal liberty and freedom. These rights are the foundation of America. These are God-given rights, which, unfortunately, many peoples of this world may never have.

As our beloved statue undergoes her final stages of renovation, well into the "Centennial Year of Liberty," let us all use this year to recommit ourselves to enjoying what we have here at home, and pray that some day all nations of this world will be free.●

PAUL W. REED III RECEIVES MELVIN T. DIXON AWARD

● Mr. BOREN. Mr. President, I rise to bring to the attention of my colleagues the fact that an outstanding young Oklahoman, Mr. Paul W. "Pete" Reed III, has been named the top Veterans' Affairs Director in the Nation. Reed, director of the Oklahoma Department of Veterans Affairs, was presented the Melvin T. Dixon Award by the National Association of State Directors of Veterans Affairs during their recent meeting in Mobile, AL.

The Melvin T. Dixon Award is the highest award given by the association and recognizes excellence in leadership and management. In presenting the award, Hoyt B. Hill, president of the association, described Reed as "one of the most dynamic young leaders in America today."

Under Reed's direction, the Department of Veterans Affairs in Oklahoma has reduced the cost per patient day by just under 17 percent while increasing services and maintaining a high quality care at Oklahoma's five veterans' centers. The department converted an underutilized hospital unit to provide additional nursing care beds for Oklahoma's war veterans and has consolidated consulting contracts. Both actions resulted in an annual cost savings of just under $500,000.●

EXECUTIVE SESSION

Mr. SIMPSON. Mr. President, I ask unanimous consent that the Senate now go into executive session to consider certain nominations on the Executive Calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE CALENDAR

Mr. SIMPSON. Mr. President, after conferring with the Democratic leader, I ask unanimous consent that the Senate proceed to consider the following nominations on the Executive Calendar: Calendar No. 494, Julius W. Becton, Jr., of Virginia, to be Director of the Federal Emergency Management Agency; Calendar No. 495, James P. McNeill, of Maryland, to be an Associate Director of the Federal Emergency Management Agency; Calendar No. 496, William R. Barton, of Virginia, to be Inspector General, General Services Administration; and Calendar No. 497, Francis S.M. Hodsoll, of Virginia, to be Chairman of the National Endowment for the Arts.

Mr. President, I ask unanimous consent that the calendar items just identified be considered en bloc and confirmed en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations confirmed en bloc are as follows:

FEDERAL EMERGENCY MANAGEMENT AGENCY

Julius W. Becton, Jr., of Virginia, to be director of the Federal Emergency Management Agency, vice Louis O. Giuffrida, resigned.

James P. McNeill, of Maryland, to be an associate director of the Federal Emergency Management Agency, vice Fred Joseph Villella.

GENERAL SERVICES ADMINISTRATION

William R. Barton, of Virginia, to be Inspector General, General Services Administration, vice Joseph A. Sickon, resigned.

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

Francis S.M. Hodsoll, of Virginia, to be Chairman of the National Endowment for the Arts for a term of four years. (Reappointment.)

Mr. SIMPSON. Mr. President, I move to reconsider the vote by which the nominations were confirmed.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SIMPSON. Mr. President, I ask unanimous consent that the President be immediately notified that the Senate has given its consent to these nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

JOINT REFERRAL OF NOMINATION OF ALEXANDER HANSEN GOOD

Mr. SIMPSON. Mr. President, after conferring with the minority leader, I ask unanimous consent that the nomination of Alexander Hansen Good, to be Director General of the United States and Foreign Commercial Services, be jointly referred to the Committee on Commerce, Science, and Transportation and the Committee on Banking, Housing, and Urban Affairs.

The PRESIDING OFFICER. Without objection it is so ordered.

LEGISLATIVE SESSION

Mr. SIMPSON. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR TUESDAY

RECESS UNTIL TOMORROW AT 9 A.M.

Mr. SIMPSON. Mr. President, I ask unanimous consent that once the Senate completes its business today, it stand in recess until the hour of 9 a.m. on Tuesday, October 29, 1985.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF SENATOR PROXMIRE

Mr. SIMPSON. Mr. President, I ask unanimous consent that following the recognition of the two leaders under the standing order, there be a special order in favor of the Senator from Wisconsin [Mr. PROXMIRE] for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. SIMPSON. Mr. President, following the Proxmire special order, I ask unanimous consent that there be a period for the transaction of routine morning business, not to extend beyond the hour of 9:30 a.m., with Senators permitted to speak therein for not more than 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

RESUME CONSIDERATION OF S. 1714

Mr. SIMPSON. Mr. President, following routine morning business, the Senate will resume consideration of S. 1714, the farm bill. Votes can be expected throughout the day on Tuesday, and a late session is expected Tuesday night in order to address the business before us.

RECESS FROM 12 NOON UNTIL 2 P.M. TOMORROW

Mr. SIMPSON. Mr. President, I ask unanimous consent that at the hour of 12 noon on tomorrow, the Senate stand in recess until the hour of 2 p.m. for the weekly party caucuses.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SIMPSON. Mr. President, when the Senate does reconvene at 2 p.m., the pending business shall be the farm bill.

ORDER OF BUSINESS

Mr. SIMPSON. Mr. President, I yield to the Senator from Minnesota. When he has concluded his remarks, in accordance with the previous order, he will conclude the Senate's activities for today.

The PRESIDING OFFICER. The Chair thanks the assistant majority leader.

THE FARM BILL

Mr. BOSCHWITZ. Mr. President, I should like to speak at some length about the farm bill, a subject that the Senate is now turning its attention to and certainly a subject that is going to be very meaningful, not only to the Middle West but to the entire country.

All of us here in the Senate have been made most aware of the farmers' problems—low prices, high interest rates, an expensive dollar; perhaps most of all, large debts. Those problems are not only the farmers', however. They are shared by the entire rural economy and the many businesses that depend on agriculture—farm equipment dealers and manufacturers, rural elevators, truckers, barges, suppliers of seed and fertilizer, and Main Street as well.

Twenty percent of the jobs, even more—25 percent of the jobs—are in the food and fiber industries. So our solution to the farm problem has to go beyond the farmer himself and include the infrastructure as well—all the people who service the farmer and who are served by him; all of rural America has to be put back to work and profitably.

My solution involves a greater reliance on the free market than what has come out of the Senate or the House Agriculture Committees. I would return halfway to the free market over a 6-year period. Certainly, that is gradually enough. The administration's plan, which was rejected by the committee, would have withdrawn supports entirely in 5 years. Clearly, that was too fast, considering the present condition of agriculture.

Both the Senate committee bill and the House bill continue existing programs despite overwhelming evidence, in my mind, that those programs have not served agriculture well. To me, existing programs are part of the problem. In combination with deficit-driven interest rates and the high dollar, which is also deficit-driven, the current programs have led to the worst times in agriculture in over 50 years. Many agree, and so do I, that balancing the budget is perhaps the primary cure for many things including agriculture.

Before we embark on what we all know will be a long farm bill debate, I would like my colleagues to look at some of the factors that caused this agricultural recession—indeed, in many areas, depression. Certainly, the high cost of land, combined with easy credit and an inflationary psychology, ignited the farm crisis we face today. The good agricultural years of the 1970's were translated into higher land costs at a rate never before experienced in agriculture. Consider the average cost of an acre of land in Minnesota from 1910-84. That includes everything from some pretty swampy stuff to rich black earth in south and central Minnesota. In 1910, the average cost of land was not quite $100 an acre. It rose to just above $200 an acre between 1910 and 1973, just 63 years. Then, fueled by inflation, land values exploded to more than $1,300 an acre. Over the past 75 years, lots of things have gone up in cost as much—but few things with such rapidity. Any farmer who could sign his name could get a loan—indeed, was encouraged to do so by the banker, the Government, and virtually all his advisers. Meanwhile, back in the city, lenders were making far larger but less creditworthy loans to foreign governments. It was considered good business to be highly leveraged. Was not inflation higher than interest rates, and on top of that, interest was deductible, and the Farm Credit System had access to some pretty cheap money?

Over coffee in the local cafe, lots of farmers with 500 acres found themselves to be millionares—at least on paper. Pretty heady stuff. Amazingly, most farmers did not bite. Or they paid cash! Remember that even today, the largest group of farmers, perhaps half have no debt at all.

Back in the 1970's, cash flow—even profit—was considered unimportant by many. You were making big bucks on the escalating value of your land and lots of institutions were anxious to loan money secured by those rising values.

And then, rather suddenly, the tune changed. It was cash flow that was required again and by the very same institutions that loaned on rising land values the year before. Suddenly, with expensive land and high interest rates, the squeeze was really on.

It is important in these discussions to understand farm cash flow. Take an acre of corn land bought at $2,000—which is high now but was low 5 years ago—yielding the national average of 110 bushels of corn per acre. Our farmer joins the Federal program so is guaranteed $3.03 a bushel but is allowed to plant only 90 percent of his land. He has a real estate loan from the Federal Land Bank. The fluctuating rate—out our way—is presently 12¾ percent. That 1 acre yields $333 in cash flow—that is how much comes in—less $33 toward the land that has to be set aside. So the farmer takes in $300 per acre. That is gross revenues.

What is his interest costs?

Well, if he financed all $2,000 with the land bank, he is paying $255 just for the interest. If he financed only three-fourths of his land, the cost drops to $191.

If he owed on only 50 percent of the land, which might be closer to the average, still $127.50 of the $300 of gross income goes to interest.

So interest—without considering all the costs of planting, seeds, fertilizer and harvesting—is taking a huge chunk of the farmer's gross income. This heavy investment in capital makes agriculture particularly vulnerable when interest rates shoot up as they did.

We should also keep in mind that there are many types of farmers. The Department of Agriculture tells us there are about 2.4 million farms in the United States. To be counted as a farm it must have $1,000 in gross sales per year. That is not very much. A whopping 35 percent of people classified as "farmers" produce less than $5,000 worth of commodities a year. Virtually half of all people counted as farmers produce less than $10,000 a year. Those are what we call hobby farmers, who get most of their income off the farm. Nearly three-quarters of all farmers produce less than $40,000 annually in gross income. All of them, certainly those below $20,000 get most of their income off farms. Yet they are all eligible for farm programs. That is just plain silly. Farm programs should concern themselves with family farms—those in the $30,000 to $500,000 category. There are about 800,000 of these family farmers and we should concern ourselves with them.

One benefit of this is that we could significantly reduce the work of the USDA. If we were to say that a farmer must be entitled to $1,000 in payments under farm programs to be considered a full-time family farmer whom we want to help, we'd eliminate slightly over half of the checks sent to farmers, though only 4 percent of the dollars paid. The work of the USDA bureaucracy would be enormously reduced.

I believe strongly that the farmer not only needs but deserves our help. Our embargoes plus pricing policies all affected his business negatively. But be should move back to free markets, half way in 6 years and then make a reappraisal.

The farmer has always done best when his income comes from the free market. That is what happened in the 1970s. One other thing. We have to adopt a program and we have to stick with it. Continuity and the ability to plan are terribly important to farmers and their lenders and by fiddling with farm programs every year—and sometimes we even do it more often—we are denying the central ingredient of success to rural America.

If prosperity is to return to agriculture, I believe we have to regain in addition our share of world markets.

In discussing world trade, I talk about grains—wheat, coarse grains, which include corn, sorghum, barley and oats, and rice. Oil seeds are also a part of the group that I will discuss. Oil seeds, of course, are soybeans and sunflowers. While the U.S. exports have been as high as 60 percent of the wheat we grow, 30 percent of the corn and 50 percent of the soybeans, only 13 percent of the world production of these grains, including ours, comes onto the world market; 87 percent of the grains that are produced in the world are consumed in the countries where they are grown.

Agricultural exports affect our Nation much more so than the ordinary nation. At their height, agriculture exports were nearly triple agriculture imports. We had a positive balance of trade in agriculture of $28 billion in 1981, and even today with agricultural suffering and exports lower than they have been, our agriculture exports exceed imports by $14 billion.

The world's markets have certainly begun to elude us. The high dollar, plus the American crop loan rate—that sets our minimum price—have priced the United States out of the world market. These prices have also brought about substantial new production worldwide, so despite starvation in many parts of Africa, the world is awash in grain.

Consider our corn exports. In 1980-81 we exported 2.3 billion bushels of corn. In 1984-85 that has dropped to 1.9 billion bushels of corn. The European Community alone has gone from 711 million bushels of grain from us in 1979 to a mere 60 million bushels in this past year. Exports of wheat show the same kind of trend. Despite a growing world market for grains, our share is shrinking.

During some years we exported 60 percent of our wheat, and those were good years for agriculture. As a matter of fact, if you draw a graph and look at land values in Minnesota, you see that they rise with extreme rapidity starting in 1973. That is when the agricultural exports took off, and you see that the lines of agricultural success follow very much the lines of agricultural exports.

Since so much of what we produce goes to the world market, we are indeed a dominating force in that market, though much less so than we have been in the past. We set the world prices, many farmers and others have told me, so why not set it high. Everybody will follow. Everybody will simply price his corn or wheat 5 cents under ours. I would agree if only markets and production would remain static.

The Brazilians used to have well over two-thirds of the world's coffee market, nearly 90 percent of the world's coffee market. Surely this was a situation they could take advantage of, or so they reasoned, and they jacked up the prices. But production and markets simply do not remain static. If they had, Brazil's debts today sure would look a lot better. At higher prices lots of people, of course, began what you would expect them to do, they started to grow coffee. Today, Brazil has one-third of the coffee market, not 90 percent, and that one-third at lower prices.

The Saudis and their friends in OPEC thought that they could control oil so they raised the price out of sight, catalyzed a deep world recession and developed a huge amount of cash. By controlling production, they would continue to raise prices and prosper, at least that is the way they reasoned. As we waited in gas lines, the predictions of experts of $100 per barrel oil seemed a possibility, if only markets had remained static, but they never do, whether it is conservation, smaller cars or new production stimulated by higher prices. Well, said the Saudis, we have such a large share of world production—and the Saudis really do—that if we curtail our production we will be able to hold world prices up.

Many in agriculture reason the same way. The Saudis used to produce 10½ million barrels a day. They are now down to slightly over 2. And that is oil—a finite resource produced by relatively few countries—not grain, a renewable resource produced by virtually all 180 countries of the world.

We simply cannot control world agricultural markets. You cannot fool economic realities. We will break rural America if we try, not to speak of the U.S. Treasury.

Also, given a chance, larger and larger world competitors worldwide will develop. Earlier this year, Pro

Farmer, a weekly newsletter, reported on a trip to South America by members of the House Agriculture Committee. They found that Brazil had 620 million acres of arable ground; 120 million is currently cropped. Argentina has 400 million acres. About 50 million are plowed. We farm 420 million acres in the United States. If, through high loan rates or continuing deficits and an expensive dollar, we keep giving them an incentive to plow up more land, American farmers and their sons will face a bleak future.

Clearly, all is not bright in Argentina and Brazil, which are unstable economies and Governments. One would think hard before investing there.

Nor is there much infrastructure in those countries. In our midwest heartland, every town has a grain elevator, modern loading and unloading equipment, good roads, rails nearby, and we are blessed with a river system that bisects and cuts across our farm belt in all directions, with locks and dams to provide cheap access to markets.

Clearly, much of the Brazilian/Argentinian land does not have these advantages. It costs those farmers many times as much to get their goods to the port as it does ours. At the farm gate, those farmers get far less for their crop than our farmers do. Our infrastructure not only creates millions of jobs. It gives us our biggest advantage.

If our policies and our dollar continue to give them incentives to produce and develop their infrastructure—well, watch out. Generations of our farmers will suffer.

While I agree that the Europeans have export subsidies that hurt us—most other subsidies are exaggerated or smaller than our own—and Japan does not give us full market access, Europe and Japan remain our two largest markets. Those subsidies and barriers have to be dealt, with, and aggressive, market-oriented, long-term farm legislation is probably the best way, because you can not fool economic realities for long. But those realities certainly include propping us a faltering farm economy while the transition to more market-oriented policies is made.

I plan to offer many new ideas about how we can maintain farm income, regain those world markets that have brought prosperity in the past, and put the entire rural economy to work. That rural economy is on its knees now. We must give it the change for prosperity. We can do it with a progressive, market-oriented farm bill.

CARGO PREFERENCE

Mr. BOSCHWITZ. Mr. President, the current cargo preference law requires that 50 percent of the cargo generated by the Federal Government must be shipped on U.S.-flag vessels. This means that the U.S. Government must pay the price difference between the more expensive U.S. vessel and its foreign flag competitor. Over the past year USDA data shows that for the Public Law 480—or Food For Peace Program—this difference has averaged about $40 per ton—over a dollar per bushel of wheat—meaning the U.S. rate has been double that of the going market rate. This differential cost $150 million in fiscal year 1985.

So, when this differential is applied to commercial export programs such as blended credit, the cost either wipes out any price advantage the program may offer, or makes the program so expensive to that it is no longer cost-effective. This is the situation we now find ourselves in.

The farm bill now includes language to exempt commercial export programs from the preference laws, but the merchant marine has strongly opposed any efforts to keep them from expanding into the commercial credit programs of the Department of Agriculture.

So in response it appears that some Senators may come forward with a proposal which they argue will resolve this problem by giving the merchant marine an increase from the current 50 percent cargo preference requirement to 75 percent on the following programs: Public Law 480; section 416 donations; the African Food Aid Program; and USAID.

And then exempting the Blended Credit Program, and export PIK from the having cargo preference apply to them.

Unfortunately, this is not a real compromise. Instead it is inequitable, costly, and extremely detrimental to the Great Lakes ports.

So, Mr. President, I simply wanted to put the Senate on notice that the so-called Cochran compromise is not noncontroversial, and will be opposed by this Senator for several reasons. And I hope that those Senators and staffs listening on the box will take note that I am not alone in my opposition.

Mr. President, I ask unanimous consent to have printed in the RECORD a letter from Secretary Block in opposition to the Cochran amendment.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, DC, October 28, 1985.

Hon. RUDY BOSCHWITZ,
U.S. Senate,
Washington, DC.

DEAR RUDY: In accordance with your request, I am enclosing a memorandum covering our interpretation of the Cargo Preference Compromise. The Department is opposed to such a scheme because, in our judgment, it will be expensive, contrary to the Administration's policy not to expand cargo preference requirements and could result in less food aid to needy nations than would otherwise be sent without this type of legislation.

Sincerely,

JOHN R. BLOCK, *Secretary.*

PROPOSED CARGO PREFERENCE COMPROMISE

Our basic assessment is that the compromise, however well intended, would result in an immediate increase in U.S. Government subsidy payments to the U.S. maritime industry. In addition, the proposed amendment provides no assurance that the application of cargo preference to agriculture exports would be satisfactorily resolved.

For FY 1985, USDA subsidized the U.S. Merchant Marine with ocean freight payments of between $150 and $160 million (ocean freight differential) in the PL 480 program (both Title I and Title II).

Under the compromise, an additional 1.6 million tons of U.S. food aid would ultimately have to be shipped on U.S. vessels every year (i.e., beginning in the third year a 25 percentage point increase over FY 1985 Title I and II U.S. flag shipments of approximately 4.1 million tons). (Current depressed freight rates and the need to reactivate old U.S. vessels, including tankers to handle this additional tonnage would contribute significantly to USDA estimates as average U.S. freight rates would rise by 20-30 percent for all preference cargo.)

Thus, the compromise could increase total subsidy costs (paid by USDA and MARAD under the proposal) to well over $200 million a year in the PL 480 program alone.

Since the funding of these large subsidies would be divided between USDA and MARAD under the proposal, there appears to be substantial risk of controversy over relative contributions. Moreover, there is a risk that MADRAD funding might at some point become unavailable. The proposal recognizes this and provides that the entire compromise will dissolve in this event.

There is no assurance that the proposal will resolve the cargo preference questions. It could terminate at any time, with an immediate risk that court actions by the maritime industry could again disrupt USDA commercial export programs.

It makes no sense to increase cargo preference for what would be primarily bulk grain tonnage in the PL 480 program, with the result that old U.S. vessels would be reactivated to earn high freight rates. This would only inflate U.S. budgetary costs.

The Administration opposes an expansion of our cargo preference laws and thus opposes this cargo preference compromise because it is a costly expansion of cargo prefernce and would create a substantial administrative burden for both USDA and DOT.

RECESS UNTIL 9 A.M. TOMORROW

Mr. BOSCHWITZ. Mr. President, I ask unanimous consent that the Senate stand in recess in accordance with the previous order.

There being no objection, the Senate, at 4:55 p.m., recessed until tomorrow, Tuesday, October 29, 1985, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate October 28, 1985:

DEPARTMENT OF STATE

Laurence William Lane, Jr., of California, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Australia and to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Nauru.

John Edwin Upston, of Virginia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Rwanda.

DEPARTMENT OF DEFENSE

Sam A. Nixon, of Texas, to be a member of the Board of Regents of the Uniformed Services University of the Health Sciences for a term expiring June 20, 1991, vice Caro Elise Luhrs, term expired.

DEPARTMENT OF COMMERCE

Alexander Hansen Good, of the District of Columbia, to be Director General of the United States and Foreign Commercial Services, vice Kenneth S. George.

NATIONAL MEDIATION BOARD

Helen M. Witt, of Pennsylvania, to be a member of the National Mediation Board for the term expiring July 1, 1988, reappointment.

U.S. INFORMATION AGENCY

Charles Edward Horner, of the District of Columbia, to be an associate director of the U.S. Information Agency, vice Charles E. Courtney.

DEPARTMENT OF STATE

The following-named career member of the Senior Foreign Service, class of career Minister, for the personal rank of career Ambassador in recognition of especially distinguished service over a sustained period:

Richard W. Murphy, of Maryland.

FOREIGN SERVICE

The following-named career members of the Senior Foreign Service of the Department of State for promotion in the Senior Foreign Service to the classes indicated:

Career members of the Senior Foreign Service of the United States of America, class of career Minister:

L. Paul Bremer III, of Connecticut.
Edwin G. Corr, of Oklahoma.
Maynard W. Glitman, of Vermont.
John Dimitri Negroponte, of New York.
Nicholas Platt, of the District of Columbia.
Anthony Cecil Eden Quainton, of Washington.
Frank George Wisner II, of the District of Columbia.

Career members of the Senior Foreign Service of the United States of America, class of Minister-Counselor:

Laurence Desaix Anderson, Jr., of Mississippi.
Richard Clark Barkley, of Michigan.
Nicholas S. Baskey, Jr., of Ohio.
Felix S. Bloch, of North Carolina.
Richard Wayne Bogosian, of Maryland.
Warren Clark, Jr., of New York.
Richard E. Combs, Jr., of California.
Frances D. Cook, of Florida.
Timothy E. Deal, of California.
Carl Edward Dillery, of Washington.
Emil P. Ericksen, of South Dakota.
Vincent J. Farley, of New York.
Alan H. Flanigan, of Tennessee.
Robert A. Flaten, of Virginia.
Myles R. René Frechette, of Washington.
Charles A. Gillespie, Jr., of California.
Richard C. Howland, of New York.
David George Newton, of Virginia.
Leo J. Reddy, of South Carolina.
Robert C. Ribera, of Virginia.
William Frederick Rope, of New York.
Charles Evan Rushing, of Illinois.
Mary A. Ryan, of Texas.
M. James Wilkinson, of California.
Richard L. Wilson, of Iowa.

The following-named career members of the Foreign Service for promotion into the Senior Foreign Service, and Consular officer and secretary in the Diplomatic Service appointments, as indicated:

Career members of the Senior Foreign Service of the United States of America, class of Counselor:

John H. Adams, of California.
Eric J. Boswell, of California.
Charles H. Brayshaw, of Colorado.
William T. Breer, of California.
Albert Peter Burleigh, of California.
Jose J. Cao-Garcia, of Maryland.
Marshall L. Casse III, of Georgia.
Jeffrey Davidow, of Minnesota.
John S. Davison, of Maine.
Jon G. Edensword, of Washington.
Wesley William Egan, Jr., of North Carolina.
Adolph H. Eisner, of Florida.
Thomas Austin Forbord, of California.
Harold W. Geisel, of Illinois.
Edward W. Gnehm, Jr., of Georgia.
Dennis C. Goodman, of Ohio.
William Bruce Harbin, of California.
H. Kenneth Hill, of California.
Genta Hawkins Holmes, of California.
Robert Onan Homme, of Minnesota.
Mark Johnson, of Montana.
Ralph T. Jones, of Maryland.
Patricia A. Langford, of Mississippi.
Edward Gibson Lanpher, of Virginia.
Alan P. Larson, of Iowa.
Warren E. Littrel, Jr., of Illinois.
Robert A. MacCallum, of Oregon.
John F. Maisto, of Pennsylvania.
Philip R. Mayhew, of the District of Columbia.
Joseph H. Melrose, Jr., of Pennsylvania.
Joseph P. O'Neill, of New York.
Donald K. Parsons, of California.
Robert Stephen Pastorino, of California.
Samuel R. Peale, of the District of Columbia.
Lauralee M. Peters, of Virginia.
H. Clarke Rodgers, Jr., of Georgia.
William E. Ryerson, of Maryland.
David H. Shinn, of Washington.
Leonard G. Shurtleff, of Massachusetts.
Keith C. Smith, of Virginia.
Elizabeth A. Swift, of the District of Columbia.
James Tarrant, of California.
David S. Wilson, of California.
John Melvin Yates, of Washington.

Career members of the Senior Foreign Service, class of Counselor, and Consular officers and secretaries in the Diplomatic Service of the United States of America:

Joseph F. Acquavella, of Virginia.
Laurence G. Brown, M.D., of Oregon.
Marvin T. Doig, of Virginia.
Thomas M. Farley, of Florida.
Ralph F. Laurello, Jr., of Florida.
Jerome F. Tolson, Jr., of Pennsylvania.

FOREIGN SERVICE

The following-named persons of the Agency for International Development for appointment as career members of the Senior Foreign Service of the classes states, and also for the other appointments indicated herewith:

For reappointment in the Foreign Service as a career member of the Senior Foreign Service, class of Counselor, and a Consular officer and a secretary in the Diplomatic Service of the United States of America:

Hugh L. Dwelley, of Maine.

For appointment as a career member of the Senior Foreign Service, Class of Counselor, and a Consular officer and a secretary in the Diplomatic Service of the United States of America:

Robert Schmeding, of Maryland.

The following-named persons of the agencies indicated for appointment as Foreign Service officers of the classes stated, and also for the other appointments indicated herewith:

For reappointment in the Foreign Service as a Foreign Service officer of class 1, a Consular officer and a secretary in the Diplomatic Service of the United States of America:

U.S. INFORMATION AGENCY

Frederick E.V. LaSor, of Ohio.

For appointment as Foreign Service officers of class 1, Consular officers, and secretaries in the Diplomatic Service of the United States of America:

AGENCY FOR INTERNATIONAL DEVELOPMENT

Richard Albores, of Maryland.
Peter Benedict, of Virginia.
Douglas J. Clark, of Colorado.
Willie F. Cook, of Texas.
Michael C. DeMetre, Of California.
Richard E. Derrick, of Texas.
Leticia Diaz, of Texas.
Ernest Stanley Hardy, of the District of Columbia.
Stanley Dale Mitchell, of Florida.
Robert W. Resseguie, of Texas.
Roger J. Simmons, of Virginia.
Stephen J. Spielman, of New Hampshire.
Robert Merritt Traister, of Florida.
Julio A. Villafane, of Florida.
Adolph Yarbrough Wilburn, of the District of Columbia.
Eric N. Witt, of Hawaii.

For reappointment in the Foreign Service as a Foreign Service officer of class 2, a Consular officer and a secretary in the Diplomatic Service of the United States of America:

DEPARTMENT OF STATE

Leo Cecchini, of California.

For reappointment as Foreign Service officers of class 2 Consular officers, and secretaries in the Diplomatic Service of the United States of America:

DEPARTMENT OF STATE

Guido, A. Del Prado, of California.
Constance J. Freeman, of New York.

AGENCY FOR INTERNATIONAL DEVELOPMENT

D. Annette Adams, of Ohio.
David Lee Alverson, of Florida.
Mark E. Anderson, of New Jersey.
Gordon Bertolin, of Washington.
George Phillip Cavanagh, of New York
Lisa Chiles, of the District of Columbia.
Joel Quentin Cotten, of Virginia.
Arthur H. Danart, of the District of Columbia.
Leopoldo Garza, of Texas.
Richard J. Greene, of New York.
Julian C. Heriot, Jr., of Florida.
Blaine W. Jensen, of Idaho.
Howard B. Keller, of Virginia.
Barbara L. Kennedy, of California.
Jon Powers Kindice, of Tennessee.
David Southworth Kitson, of Virginia.
Robert J. Kramer, of Florida.

John Van Dusen Lewis, of District of Columbia.
Robert Edward Mitchell, of Florida.
Amy Upton Nolan, of Maine.
Louis Anthony O'Connor, of Iowa.
Allen Paul Rossi, of Florida.
Marian J. Salay, of Virginia.
Alexander W. Shapleigh, of the District of Columbia.
Jonathan Arthur Sleeper, of New Hampshire.
Danny Frank Veno, of Virginia.
Hyatt Abdul Wahab, of Washington.

For appointment as Foreign Service officers of class 3, Consular officers, and secretaries in the Diplomatic Service of the United States of America:

DEPARTMENT OF STATE

Joyce Ellen Leader, of Maryland.
Elaine S. Papazian, of the District of Columbia.
Adolfo Afredo Ramirez III, of California.
Laurel M. Shea, of Wyoming.
Henry Frazier Webb, Jr., of Wisconsin.

AGENCY FOR INTERNATIONAL DEVELOPMENT

Jeffrey H. Allen, of Arkansas.
Douglas A. Chiriboga, of Virginia.
Gary R. Cohen, of Connecticut.
James Edward Corley, of Massachusetts.
George Deikun, of California.
Michael C. Foster, of Wyoming.
David Steven Gardella, of California.
Rudolfo Ricardo Griego, of New Mexico.
Michael Gordon Huffman, of Virginia.
John Stephen Johns, of Virginia.
David Leong, of California.
Michael H. Lofstrom, of Illinois.
Timothy M. Mahoney, of Wisconsin.
Dorothy M. McClellan, of Florida.
John Patrick McEnaney, of New Hampshire.
Kevin J. Mullally, of Texas.
Walter Elliott North, Jr., of Washington.
James B. Pagano, of Virginia.
Viviann G. Pettersson, of Washington.
Christopher Eaton Phelps, of Montana.
Donald R. Soules, Jr., of Oklahoma.
Linda D. Tarpeh-Doe, of Colorado.
Paul Christian Tuebner, of Florida.
Louise Berry Wise, of Maryland.
Francisco Javier Zamora, of Arizona.

For appointment as Foreign Service officers of class 4, Consular officers, and secretaries in the Diplomatic Service of the United States of America:

DEPARTMENT OF STATE

Clarissa Jean Aldridge II, of California.
Kathleen Hatch Allegrone, of Virginia.
Rosalyn H. Anderson, of Texas.
Dianne McIntyre Andruch, of Arizona.
Abelardo A. Arias, of the District of Columbia.
David Avery, of New Hampshire.
Christopher J. Beede, of New York.
Gale Ellen Berghoefer, of Virginia.
Elizabeth Rhea Beyene, of New York.
Marcia S. Bloom, of New Jersey.
Peter William Bodde, of Maryland.
Hazel Robinson Boone, of Pennsylvania.
Paul Lawrence Boyd, of New Mexico.
R. Wayne Boyls, of Texas.
Ruth E. Bright, of Florida.
William E. Brooks, of Virginia.
Kevin Brown, of New York.
R. Nicholas Burns, of New Hampshire.
Wayne Jeffrey Bush, of Oregon.
Steven Allen Candy, of Michigan.
Joel Franklin Cassman, of California.
Francis Sargent Cheever, Jr., of Illinois.
Paul G. Churchill, of Illinois.
Frank Collins III, of Virginia.
Thomas More Countryman, of Washington.
Ann Vaughn Covington, of Nevada.
Cheryl Jane Cox, of Wisconsin.
Gene Allan Cretz, of New York.
Barbara Cecelia Cummings, of Virginia.
Terrence J. Daru, of Florida.
Christopher William Dell, of New Jersey.
Stephen J. Del Rosso, Jr., of New Hampshire.
Marc Langley Desjardins, of New York.
Keith A. Eddins, of Mississippi.
Stephen Anthony Edson, of Kansas.
Deborah Leslie Elliott, of Florida.
Thomas F. Farr, of Virginia.
Paul Michael Fitzgerald, of Massachusetts.
John M. Gieseke, of California.
Grace Carolyn Gilinger, of Pennsylvania.
Jeffrey L. Goldstein, of California.
Wilson Fletcher Grabill III, of Ohio.
Deborah E. Graze, of Virginia.
Bradford E. Hanson, of California.
Brent R. Hartley, of Oregon.
Llewellyn H. Hedgbeth, of California.
John Ashwood Heffern, of Missouri.
Leonard Allen Hill, of Washington.
Stanley R. Hunter, of Washington.
Kenneth H. Jarrett, of New York.
Peter Jensen, of New Hampshire.
Deborah K. Jones, of California.
Thomas E. Joseph, of New York.
James Chris Kaddaras, Jr., of Massachusetts.
Alexander Karagiannis, of Missouri.
Stephen R. Kelly, of New Hampshire.
Brian Russell Kelsey, of Maryland.
Edward William Kloth, Jr., of Virginia.
George Albert Krol, of New Jersey.
Rose Marie Likins, of Virginia.
Susan Pierce Lively, of Kentucky.
Frank Stephen Malott, of Alaska.
Dundas C. McCullough, of California.
Lawrence Mire, of California.
Daniel K. Moore, of Virginia.
Héctor Emilio Morales Colón, of Puerto Rico.
David W. Mulenex, of Washington.
Patricia A. Murphy, of Virginia.
Marc Emanuel Northern, of Kansas.
Atim Eneida George Ogunba, of California.
Gordon R. Olson, of California.
Richard Gustave Olson, Jr., of Minnesota.
Michael Philip Oreste, of Georgia.
Deborah P. Park, of the District of Columbia.
Ernest J. Parkin, Jr., of Maine.
Patricia Blanche Payne, of Illinois.
Charles Evans Peacock, of California.
Sheila Jane Peters, of Pennsylvania.
Bruce Donald Peterson, of Virginia.
Mary Lynn Porto, of Texas.
Maureen Quinn, of New Jersey.
David J. Rabadan, of New Jersey.
Thomas Bolling Robertson, of Virginia.
Richard Patrick Rodgers, of Virginia.
Dorothea-Maria Rosen, of California.
David Henry Rundell, of Texas.
Marlene J. Sakaue, of California.
Edward J. Salazar, of California.
Barbara M. Sand, of California.
William P. Schofield, of Georgia.
Margaret Scobey, of Tennessee.
Robert Hayes Seibold, of Pennsylvania.
David Bruce Shear, of New York.
Mary Ann Singlaub, of Colorado.
Michele J. Sison, of Maryland.
Jay Thomas Smith, of Indiana.
Renny Travers Smith, of New Jersey.
Madelyn Elizabeth Spirnak, of the District of Columbia.
John C. Stepanchuk, of California.
Jean Rene Surena, of New York.
Theodore Tanoue, of California.
Lawrence A. Urli, of Michigan.
Robert Weisberg, of New Hampshire.
Peter Whaley, of Massachusetts.

U.S. INFORMATION AGENCY

James H. Williams, of Puerto Rico.

The following-named members of the Foreign Service of the Departments of State and Commerce, and the U.S. Information Agency, to be Consular officers and/or secretaries in the Diplomatic Service of the United States of America, as indicated:

Consular officers and secretaries in the Diplomatic Service of the United States of America:

Paul Vincent Aceto, of New York.
Perry Mason Adair, of California.
Karl Philip Albrecht, of Colorado.
Jess L. Baily, of Ohio.
Michael Lee Bajek, of Texas.
John L. Balliff, IV, of Utah.
George F. Beasley, of Maryland.
Jeffrey Adam Beller, of Illinois.
Bonnie S. Bennett, of California.
Shelia Beth Bindman, of Virginia.
Robert H. Blair, of Hawaii.
James E. Borup, of Washington.
Thomas Mann Bovaird, of New Hampshire.
Upton Beall Bowden III, of Tennessee.
Douglas Martin Boyle, of Florida.
Gene Winston Brownfield, of California.
Michael Gawen Brownrigg, of California.
George Buchanan, of New Jersey.
John David Burnim, of Virginia.
Catherine Camp, of New York.
Elroy J. Carlson, of Washington.
Gerald D. Carr, of Kansas.
Thomas P. Carroll, of California.
Lois Ann Cecsarini, of Massachusetts.
Daniel French Christiansen, of Wyoming.
Patricia Clayton, of California.
Maura Connelly, of New Jersey.
J. Thomas Converse, of Kentucky.
Ellen Mary Conway, of New York.
Edward Cook, of Virginia.
Robert M. Dannenberg, of Missouri.
Caryn Danz, of the District of Columbia.
Kenneth A. Davis, of West Virginia.
John Walter Davison, of Pennsylvania.
David Anthony Denny, of Texas.
Liane Renée Dorsey, of New York.
Michael E. Dougherty, of the District of Columbia.
John Driscol, of Indiana.
Dennis A. Droney, of Florida.
James Lawrence Dudley, of Georgia.
Maria Elizabeth Elmore, of Florida.
Terence Elton, of the District of Columbia.
Mark A. Fowler, of Florida.
John Gilmore Fox, of California.
Stuart E. Friedman, of California.
Candy Green, of California.
Marshall Freeman Harris, of Virginia.
Todd Philip Haskell, of New York.
Charles Martin Heffernan, of Washington.
Christopher Paul Henzel, of New York.
Catherine M. Hill, of the Distrtict of Columbia.
Daniel Menlo Hirsch, of the District of Columbia.
Richard Eugene Hoagland, of Indiana.
Greta Christine Holtz, of Michigan.
Elizabeth A. Hopkins, of the District of Columbia.
Lydia M. Hubac, of Virginia.
Lauren McClanahan Hueber, of Georgia.
Franklin E. Huffman, of New York.
Gregory Paul Hulka, of California.
Michael J. Hurley, of Virginia.
John J. Hussa, of the District of Columbia.
Amy J. Hyatt, of California.

Carole Ann Jackson, of Florida.
Jeanine Jackson, of Wyoming.
Justin J. Jackson, of New York.
Merrilee Bolinger Jacobson, of Ohio.
Mary V. Jeffers, of the District of Columbia.
F. Faye Johnson, of the District of Columbia.
Lauren Spivak Johnson, of New York.
Matthew Eric Johnson, of Maryland.
Lena Joseph, of Florida.
Robert A. Kandra, of Connecticut.
Randall E. Kappesser, of Maryland.
Kathleen Ann Kavalec, of California.
John H. Kavanaugh, of New York.
Thomas Patrick Kelly III, of California.
Holly Anne Kenworthy, of Connecticut.
Stewart R. King, of Oregon.
Susan Gae Kirstein, of North Carolina.
Michael S. Klecheski, of New York.
Virginia Idelle Kurapka, of Maryland.
Todd Andrew Kushner, of California.
Christopher Jon Lamb, of Virginia.
Lynne A. Larkin, of Wisconsin.
Lynn A. Levenson, of California.
Imre Lipping, of New York.
Meridy S. Lippoldt, of Florida.
Carol Lynn MacCurdy, of the District of Columbia.
Robert A. Mackay, of Virginia.
Karen Lee Malzahn, of Maryland.
Andrew Cooper Mann, of Washington.
Joseph Manso, of New York.
John Mathers McCaslin III, of Virginia.
Daniel J. McLaughlin, of Maryland.
Gerald McLoughlin, of Connecticut.
James Desmond Melville, Jr., of New York.
Dennis Wayne Merz, of Washington.
Patrick Meyering, of Illinois.
John G. Moran, of North Carolina.
Thomas Frederick Morrow, of Virginia.
Kenneth Moskow, of Massachusetts.
Ken Moskowitz, of the District of Columbia.
Julie Ann Nauman, of the District of Columbia.
George Noroian II, of California.
Hugh Scott Novins, of New Jersey.
Mary Monica O'Keefe, of Virginia.
John A. Olson, of Virginia.
Richard J. Patard, of New Jersey.
Robert Patterson, of New York.
Kathryn Lynn Payne, of Missouri.
Randal Lee Phillips, of Virginia.
Anthony DeSales Pinson, of Florida.
Janet R. Potash, of Massachusetts.
David Queen, of Illinois.
Thomas Charles Raezer, of California.
Juan F. Ramirez, of Virginia.
Robert A. Rastetter, of New Mexico.
George Douglas Reasonover, Jr., of Texas.
Charles M. Reese, of California.
Rebecca Sue Replogle, of Indiana.
Nancy L. Rider, of Missouri.
Michael J. Rishling, of Virginia.
David Malcolm Robinson, Jr., of New Hampshire.
David Alexander Rollman, of Colorado.
Matthew Morrow Rooney, of Texas.
Ilma Rosskopf, of Maryland.
Eric Seth Rubin, of New York.
Sue Saarnio, of Montana.
Daniel T. Saint-Rossy, Jr., of the District of Columbia.
Eric Clark Sandberg, of Ohio.
Eugene Charles Santoro, of Florida.
Robert C. Schmidt, of Hawaii.
Jack Schnur, of Ohio.
Michael J. Scown, of California.
Edmond Eggleston Seay III, of California.
John Woodley Shearburn, of Tennessee.
David Lawrence Shuler, of Idaho.
Anne Winifred Simon, of Colorado.
Sally Virginia Slocum, of Nevada.
Alfred E. Smith, of Florida.
John W. Smith, of Illinois.
Celia M. Solh, of California.
Michael Speck, of New York.
Phyllis Danhof Speck, of Texas.
Dennis E. Stallings, of Virginia.
Barbara Stephenson, of Florida.
Robert K. Stevens, of California.
Monty Jay Tilles, of Florida.
Roger G. Titus, of Virginia.
Heather Anne Troutman, of Ohio.
Matthew Heywood Tueller, of Utah.
Mary F. Van Natta, of Califronia.
Michael J. Varga, of Pennsylvania.
Stephen W. Walker, of Massachusetts.
Patrick William Walsh, of Virginia.
Philena B. Werden, of Illinois.
Michele Renée Williams, of Florida.
Paul Edward Wilson, of Maryland.
Bradly R. Wride, of California.
Phillip E. Wright, Jr., of North Carolina.
John Anthony Wysham, of Oregon.
Michael James Zak, of Illinois.
Philip D. Zelikow, of Texas.
Karen Zens, of Michigan.
Kevin A. Zerrusen, of Illinois.
Jerry N. Zimmerman, of Rhode Island.

Consular officers of the United States of America:
Raymond Eveland, of Louisiana.
Donald Lachman, of Maryland.

Secretaries in the Diplomatic Service of the United States of America:
William H. Brown, of the District of Columbia.
Bernard Engel, of Maryland.
Peter S. Flynn, of Massachusetts.
Jane T. Glidden, of the District of Columbia.
Paul Huygelen, of Colorado.
Carlton R. Stoiber, of the District of Columbia.
M. Patricia Wazer, of Connecticut.
John C. Zimmerman, of Virginia.

IN THE AIR FORCE

The following-named officers for promotion to the grade indicated in the Reserve of the Air Force, under the provisions of section 307, title 32, United States Code, and sections 8363 and 593, title 10, United States Code:

LINE OF THE AIR FORCE

To be colonel

Aldridge, Alfred G., Jr., xxx-xx-xxxx
Asbury, William D., xxx-xx-xxxx
Athas, William J., xxx-xx-xxxx
Belfiore, Rocco A., xxx-xx-xxxx
Bowers, Michael J., xxx-xx-xxxx
Butler, John R., xxx-xx-xx...
Carter, Patrick L., xxx-xx-xxxx
Curran, John C., Jr., xxx-xx-xxxx
Deschane, Rollin J., xxx-xx-xxxx
Drahn, Peter L., xxx-xx-xxxx
Durso, Francis X., xxx-xx-xxxx
Easley, Donald W., xxx-xx-xxxx
Frye, Buddy D., xxx-xx-xxxx
Fuelling, Lynwood N., xxx-xx-xxxx
Gillman, Wallace M., xxx-xx-xxxx
Greene, John V., xxx-xx-xxxx
Hall, Gene W., xxx-xx-xxxx
Haslam, David J., Jr., xxx-xx-xxxx
Hearon, Adolph P., xxx-xx-xxxx
Howell, Roger B., xxx-xx-xxxx
Jett, Richard H., xxx-xx-xxxx
Johnson, Jan P., xxx-xx-xxxx
Jones, Richard A., xxx-xx-xxxx
Kenney, Richard S., xxx-xx-xxxx
Knight, Kenneth D., xxx-xx-xxxx
Leach, Charles A., xxx-xx-xxxx
Markley, Richard A., xxx-xx-xxxx
McAuliffe, Donald E., xxx-xx-xxxx
Mounts, Timothy L., xxx-xx-xxxx
Murrie, David E., xxx-xx-xxxx
Porter, Charles E., xxx-xx-xxxx
Pounds, Dwight R., xxx-xx-xxxx
Rist, David J., xxx-xx-xxxx
Sharp, Richard E., xxx-xx-xxxx
Simmons, Elmer L., Jr., xxx-xx-xxxx
Smith, Michael B., xxx-xx-xxxx
Snead, William H., xxx-xx-xxxx
Strang, Billy J., xxx-xx-xxxx
Thomas, Thomas S., xxx-xx-xxxx
Wells, Sidney I., xxx-xx-xxxx
Williams, Raymond W., xxx-xx-xxxx

MEDICAL CORPS

Curry, Leon E., xxx-xx-xxxx
Dickinson, Grady L., xxx-xx-xxxx
Fortson, Luther G., xxx-xx-xxxx
Grande, Donald J., xxx-xx-xxxx
Harpster, Gene O., xxx-xx-xxxx
Hughes, Eugene F., xxx-xx-xxxx
Loos, Gerald D., xxx-xx-xxxx
Majercik, Donald A., xxx-xx-xxxx
Reider, Daner R., xxx-xx-xxxx
Reiland, Bernard F., xxx-xx-xxxx
Stewart, Calvin R., xxx-xx-xxxx
Whiteford, Edwin W., xxx-xx-xxxx

JUDGE ADVOCATE

Johnson, Allan B., xxx-xx-xxxx
Woods, Terrence P., xxx-xx-xxxx

NURSE CORPS

Ausen, Ardyce M., xxx-xx-xxxx

IN THE AIR FORCE

The following-named officers for permanent promotion in the U.S. Air Force, under the provisions of section 628, title 10, United States Code, as amended, with dates of rank to be determined by the Secretary of the Air Force:

LINE OF THE AIR FORCE

To be major

Bethards, Daniel E., xxx-xx-xxxx
Bloomer, Daniel L., xxx-xx-xxxx
Filzen, Ted W., xxx-xx-xxxx
Harper, Michael C., xxx-xx-xxxx
Kiser, Thomas W., xxx-xx-xxxx
Ligocki, Matthew K., xxx-xx-xxxx
Paulsen, Stephen J., xxx-xx-xxxx
Smith, Randall N., xxx-xx-xxxx
Snapp, Frank H., xxx-xx-xxxx
Whitt, Earl E., Jr., xxx-xx-xxxx

IN THE ARMY

The following-named Army National Guard of the United States officers for promotion in the reserve of the Army of the United States, under the provisions of title 10 United States Code, section 3385:

ARMY PROMOTION LIST

To be colonel

Bean, Wyont B., Jr., xxx-xx-xxxx
Byrne, Robert J., xxx-xx-xxxx
Daane, Robert D., xxx-xx-xxxx
Eskijian, Gregory, xxx-xx-xxxx
Janssen, Wayne G., xxx-xx-xxxx
Kearney, Frederick A., xxx-xx-xxxx
Kersey, Donald H., xxx-xx-xxxx
McDonald, John H., xxx-xx-xxxx
Ocasio-Belen, Felix E., xxx-xx-xxxx
Otero, Julio C., xxx-xx-xxxx
Permenter, Larry M., xxx-xx-xxxx
Porter, Gerald W., xxx-xx-xxxx
Pouliot, Joseph N., xxx-xx-xxxx
Schmidt, Richard K., xxx-xx-xxxx
Sloan, Glenn N., xxx-xx-xxxx
Tellier, Gary J., xxx-xx-xxxx
Uttley, Harold A., Jr., xxx-xx-xxxx
Vowell, Leonard G., xxx-xx-xxxx
Whitehead, James E., xxx-xx-xxxx
Worthington, Henry W., xxx-xx-xxxx

To be lieutenant colonel

Averitt, Richard W., xxx-xx-xxxx

Biscomb, David A., xxx-xx-xxxx
Boddy, George W., xxx-xx-xxxx
Carter, Christiane K., xxx-xx-xxxx
Chapulis, Ronald A., xxx-xx-xxxx
Cox, Lawrence R., xxx-xx-xxxx
Dalton, Robert A., xxx-xx-xxxx
Delaney, John F., xxx-xx-xxxx
Deliz-Barreda, Hector A., xxx-xx-xxxx
Flatley, Joseph T., xxx-xx-xxxx
Flynn, Cornelius J., III, xxx-xx-xxxx
Fraiser, John A., xxx-xx-xxxx
Gage, Fred W., II, xxx-xx-xxxx
Gordon, Stanley J., xxx-xx-xxxx
Hale, Garry P., xxx-xx-xxxx
Hammer, Armand M., xxx-xx-xxxx
Hawkins, David S., xxx-xx-xxxx
Hawkins, Donald F., xxx-xx-xxxx
Hoenke, Jerry F., xxx-xx-xxxx
Howard, Lloyd L., Jr., xxx-xx-xxxx
Jacobs, William L., III, xxx-xx-xxxx
Johnson, Roger I., xxx-xx-xxxx
Jones, Robert L., xxx-xx-xxxx
Kozacek, Donald E., xxx-xx-xxxx
Looney, Victor N., Jr., xxx-xx-xxxx
Maxwell, Larry H., xxx-xx-xxxx
McLendon, Michael D., xxx-xx-xx...
Messer, John D., Jr., xxx-xx-xxxx
Millner, Jon M., xxx-xx-xxxx
Nix, Virgil W., xxx-xx-xxxx
Norris, Warren E., xxx-xx-xxxx
O'Mell, Ronald M., xxx-xx-xxxx
Ortiz, Ezequiel L., xxx-xx-xxxx
Perkins, James I., xxx-xx-xxxx
Ruiz, Ricardo, xxx-xx-xxxx
Sermon, Fredrick H., xxx-xx-xxxx
Sexton, Hugh D., Jr., xxx-xx-xxxx
Shriner, John L., xxx-xx-xxxx
Simmons, Raymond H., Jr., xxx-xx-xxxx
Sisco, Bertus L., xxx-xx-xxxx
Spafford, Dealvia J., xxx-xx-xxxx
Thomas, Thomas P., Jr., xxx-xx-xxxx
Thomasson, Bobby D., xxx-xx-xxxx
Vassar, Clarence, xxx-xx-xxxx
Vollintine, James R., xxx-xx-xxxx
Watkins, Otis W., xxx-xx-xxxx
Williams, Jesse R., xxx-xx-xxxx

CHAPLAIN

To be lieutenant colonel

Welton, Arthur T., xxx-xx-xxxx

ARMY NURSE CORPS

To be lieutenant colonel

Parrish, Helen D., xxx-xx-xxxx

MEDICAL CORPS

To be lieutenant colonel

Christopher, Charles A., xxx-xx-xxxx
Pike, Benjamin F., xxx-xx-xxxx

MEDICAL SERVICE CORPS

To be lieutenant colonel

Beckenhauer, Jon R., xxx-xx-xxxx
Howard, Dale W., xxx-xx-xxxx
Meaney, Thomas P., xxx-xx-xxxx

The following-named Army National Guard of the United States officers for appointment in the Reserve of the Army of the United States, under the provisions of title 10, United States Code, sections 593 and 3353:

MEDICAL CORPS

To be colonel

Moak, Wilson E., xxx-xx-xxxx

To be lieutenant colonel

Ferrari, Victor J., Jr., xxx-xx-xxxx
Fischer, Thomas J., xxx-xx-xxxx
Hayes, Matthew Jr., xxx-xx-xxxx
O'Neal, David M., xxx-xx-xxxx

The following-named officers for appointment in the Reserve of the Army of the United States, under the provisions of title 10, United States Code, sections 3353:

MEDICAL CORPS

To be colonel

Costea, Nicolas V., xxx-xx-xxxx
Deiss, Elmer A., Jr., xxx-xx-xxxx
Gerkin, David G., xxx-xx-xxxx
McDonald, Larry W., xxx-xx-xxxx
Morelli, Robert J., xxx-xx-xxxx
Winslow, Robert, xxx-xx-xxxx

To be lieutenant colonel

Aliseda, Jose L., xxx-xx-xxxx
Ansari, Azizullah N., xxx-xx-xxxx
Baily, Stephen M., xxx-xx-xxxx
Dagi, Teodoro F., xxx-xx-xxxx
Deleon, Francisco S., xxx-xx-xxxx
Figlock, Thaddeus, A., xxx-xx-xxxx
Gruber, Louis N., xxx-xx-xxxx
Johnson, Robert L., xxx-xx-xx...
Kurlan, Marvin Z., xxx-xx-xxxx
Larson, Dean W. xxx-xx-xxxx
Meyer, William J., xxx-xx-xxxx
Moore, Conner M., xxx-xx-xxxx
Morgan, Jerome G., xxx-xx-xxxx
Roeder, Max B., xxx-xx-xxxx
Rubino, Frank A., xxx-xx-xxxx
Spiegler, Enrique, xxx-xx-xxxx
Zeichner, Ben, xxx-xx-xxxx

CONFIRMATIONS

Executive nominations confirmed by the Senate October 28, 1985:

FEDERAL EMERGENCY MANAGEMENT AGENCY

Julius W. Becton, Jr., of Virginia, to be Director of the Federal Emergency Management Agency.

FEDERAL EMERGENCY MANAGEMENT AGENCY

James P. McNeill, of Maryland, to be an Associate Director of the Federal Emergency Management Agency.

GENERAL SERVICES ADMINISTRATION

William R. Barton, of Virginia, to be Inspector General, General Services Administration.

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

Francis S.M. Hodsoll, of Virginia, to be chairman of the National Endowment for the Arts for a term of 4 years.

The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

EXTENSIONS OF REMARKS

HON. ALLARD K. LOWENSTEIN

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 28, 1985

Mr. JACOBS. Mr. Speaker, the following article from the New York Times speaks eloquently for itself about some false, absurd, and ridiculous efforts at character assassination made by one person against our former colleague, the late and honorable Allard K. Lowenstein.

"Truth crushed to earth shall rise again . . ."

THE SECOND ASSASSINATION OF AL LOWENSTEIN

(By Hendrik Hertzberg)

People who get written about in newspapers know that a correction never catches up with a mistake. The correction, if it is made at all, straggles in days or weeks later, and is printed in an obscure part of the paper, under an unexciting heading like "Editor's Note." It is an imperfect procedure at best.

The victims of mistakes made in books are less lucky. Publishers occasionally promise a corrected second edition but they usually don't regard themselves as responsible for the accuracy of what they publish; accuracy is something for authors to worry about. Nor do careless publishing houses pay much of a price in reputation. Most of us know what newspaper Janet Cooke wrote for, but how many people outside the book industry know who Clifford Irving's publisher was? Apart from a lawsuit, there is little a person about whom an inaccurate book has been written can do; and if that person is no longer living, even the courts are closed.

Still, there are times when one must try to set the record straight; and seldom has the effort been made with such cause as in the present case. More is involved here than mere error. For Richard Cummings has committed, with the collaboration of his publisher, Grove Press, what is more than a series of mistakes, something closer to the attempted murder of a dead man's honor.

Allard L. Lowenstein, born in Newark, New Jersey, on January 16, 1929, and assassinated in New York City on March 14, 1980, was a remarkable politician. He was the son of Jewish immigrants from Lithuania. His father, who gave up a professorship of biochemistry at Columbia to join the family restaurant business, was an active socialist and a prominent supporter of Jewish educational charities. Allard Lowenstein went to the Ethical Culture School and to Horace Mann; to the University of North Carolina at Chapel Hill, whose liberal president, Frank Graham, became his mentor, and where he got involved in civil rights and student politics; and to the Yale Law School. In 1950, at the age of twenty-one, Lowenstein became president of the National Student Association. For the next thirty years he was a restless samurai of American liberalism, moving from cause to job to campaign.

He agitated against fascism in Spain and racism in South Africa; wrote a fine book, *Brutal Mandate*, about a trip he took to South-West Africa; worked in reform Democratic politics in Manhattan. He was at one time or another a foreign-policy assistant to Senator Hubert Humphrey; a teacher at Stanford and at North Carolina State College; the national chairman of Americans for Democratic Action; a campaign organizer for many liberal politicians, including Adlai Stevenson, Eugene McCarthy, Jerry Brown, and Edward Kennedy; a lawyer in New York and Mississippi; a member of Congress; the only white board member of Martin Luther King, Jr.'s Southern Christian Leadership Conference; and an ambassador to the Human Rights Commission of the UN under Andrew Young.

Lowenstein played a singular role in the civil rights and antiwar movements, the upheavals that shaped so much of the politics of the 1960s. He was as responsible as anyone else for two efforts that hastened the end of black disfranchisement in the Deep South: the Mississippi Freedom Vote of 1963, which led to the formation of the Mississippi Freedom Democratic Party and the destruction of Jim Crow in the national party; and the Freedom Summer of 1964, which brought one thousand student volunteers (including Andrew Goodman and Mickey Schwerner) to Mississippi, and helped guarantee the passage of the Voting Rights Act. In 1965 Lowenstein began organizing students against the Vietnam War. He deliberately recruited young people whose participation would get sympathetic public attention: student-body presidents against the war, Peace Corps returnees against the war, seminarians against the war, Rhodes scholars against the war.

He is perhaps best known for leading, with Curtis Gans, the movement that brought Eugene McCarthy and then Robert Kennedy into the 1968 Democratic presidential race and forced Lyndon Johnson to withdraw as a candidate for reelection. Lowenstein pleaded repeatedly with Kennedy to run, and after Kennedy gave his final refusal Lowenstein told him, "You understand, of course, that there are those of us who think the honor and direction of the country are at stake. . . . We're going to do it without you, and that's too bad because you could have been president of the United States." By the time Kennedy got around to announcing his candidacy, Lowenstein was firmly committed to McCarthy. Kennedy never stopped trying to persuade Lowenstein to join with him. Before Kennedy made his victory speech the night of the California primary he asked an aide to get Lowenstein on the telephone; Lowenstein was in his bedroom on Long Island, holding the line, when Kennedy was shot.

Lowenstein ran for office himself—twice for the Senate and ten times for Congress, from six different districts in and around New York. He won only once—in 1968, in a Long Island congressional district to which he had gone partly to escape the conflict he felt between his public commitment to McCarthy and his private preference for and friendship with Kennedy. The Republicans in the state legislature (with the acquiescence of the machine Democrats) promptly gerrymandered him. In 1970 he ran more strongly than before in the parts of his old district left to him, but he lost that election and never won another.

This summary suggests the extent of Lowenstein's activities. It also suggests the fragmented quality some people saw in him. Actually, Lowenstein's many passions were all of a piece; the wildly varied things he did were all in the service of a coherent political vision. He was always being told that he was too old to be running around stirring up students, that he had better settle on some sort of conventional career or he would lose his "credibility." Yet if he had not been something of a vagabond, he probably could never have performed the special political role he devised for himself—the role of an intermediary. He tried to link Mississippi blacks with Notre Dame fraternity boys, Spanish exiles with West Side reformers, Afrikaners with third world revolutionaries, "the kids" with "the system." He was that rarity, a political figure at home in both electoral and protest politics. The mixture opened him to the risk of being thought a dreamer by practical politicians and a manipulator by radical idealists. But at his best he was able to fuse the two, bringing the energy and moral witness of protest into electoral politics and introducing protesting groups to the disciplines and practical possibilities of elections.

Lowenstein was always late, he lived on junk food and milkshakes, and his clothes were a mess. But he had immense energy, and he was able to concentrate it on the person or the task at hand with exceptional clarity of mind. He was a powerful extemporaneous speaker. Sam Brown, the antiwar organizer who became a Colorado politician, once called him the "white Martin Luther King"; and with an audience of students or liberals he could establish an emotional rapport as strong as King's with black churchgoers. Lowenstein spoke constantly—David Halberstam calculated that in the eighteen months leading up to the 1968 Democratic national convention he made 2,367 speeches in 1,392 cities [1]—and he could be as persuasive with one person as with an audience of a thousand.

He was himself a protege—of Frank Graham, Eleanor Roosevelt, and Norman Thomas, the three people he most admired—and in his campus travels he in his turn acquired proteges, by the dozen. I never became one of them, but I was part of a larger network of thousands who were drawn to him. I met him in 1963, when he came to Harvard to give a talk about South Africa and Mississippi. Afterward a half-dozen of us went with him to the Hong Kong restaurant, on Massachusetts Avenue, and ate terrible Chinese food and talked until the place closed for the night.

[1] Halberstam's article may be found in Lowenstein: Acts of Courage and Belief, edited by Gregory Stone and Douglas Lowenstein (Harcourt Brace Jovanovich, 1983). The book also contains transcripts of about a dozen of Lowenstein's speeches.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member of the Senate on the floor.

Boldface type indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

Lowenstein had a thick, weightlifter's neck and torso which made his head seem a little too small for his body, and he had thinning hair, Coke-bottle glasses, a big nose, and a delicate mouth. Yet he had "presence," which came, I suppose, from his limitless self-confidence and from the infectious urgency of his mind and voice. At the Hong Kong we all talked mostly about the excitement of changing the world (as well as about old Humphrey Bogart movies, and we gossiped about famous liberals). Lowenstein dominated the table, as we wanted him to, but he let the talk take its own course, and somehow he made each of us feel almost as brilliant, as funny, and, potentially, as dedicated to light and truth as he so obviously was himself.

There were other such evenings over the years. I was active in the National Student Association, and Lowenstein, NSA's most illustrious old boy, could be relied on to turn up each August at the association's annual congress. (Lowenstein is said to have inspired George S. Kaufmann's remark, "The student leader of today is the student leader of tomorrow.") At the 1967 NSA congress, at the University of Maryland, I saw Lowenstein launch the "Dump Johnson" campaign with an exhilarating extemporaneous speech. (I've never heard a better one, before or since.) During the 1970s Lowenstein maintained a semipermanent lunchtime symposium at the Hyde Park Delicatessen on Madison Avenue, one of several Manhattan restaurants owned by his family, and I occasionally joined it. I wrote two "Talk of the Town" stories about him for the *The New Yorker*.

I also worked as a volunteer in two or three of his congressional campaigns. Whenever I did, I made sure I had some specific task to do—usually it was editing a campaign tabloid—and then left as soon as the task was done, a few days later. Lowenstein could be immensely demanding. He consumed other people's energy, physical and emotional, almost as extravagantly as he expended his own. I knew people who had broken with him over this—people who had "burned out"—and I didn't want to join them. As it was, at the end of a sixteen-hour day of campaigning Al would come to the print shop where I was working on a campaign flyer and argue with me about the wording of headlines until three in the morning. He liked to do everything himself, which was both a strength and a weakness.

The last time I saw Al Lowenstein was toward the end of 1979, when I was living in Washington. He called one afternoon to ask if I could put him up for the night. His custom all his life was to cadge a bed from friends when he traveled. It held down expenses and helped him to maintain his vast circle. He was good company, and people were usually happy to oblige. This time he arrived at around midnight, and we stayed up talking until one-thirty or so. He was gone very early the next morning, the guest bed neatly made. A few months later he was murdered, shot in his law office by a former protégé, a civil rights worker whom he had brought into the movement. The man had gone insane, and Al was trying to help him. I went to the memorial service for Lowenstein at the Central Synagogue, on East Fifty-fifth Street, an emotional event attended by 2,500 people whose political, racial, and national heterogeneity was a reflection of the dead man's skill at building unlikely coalitions.

I mention these personal details by way of full disclosure. I liked and respected Al Lowenstein. Even so, I made a conscientious effort to approach Richard Cummings's book with an open mind.

Much of The Pied Piper is a querulous, spottily inaccurate, unperceptive biography. Had Cummings stopped there he would have been guilty of nothing worse than having written a bad book. But he did not stop there. He went on to interlard his narrative with a series of grave and ugly accusations.

Cummings's central accusation is that Allard Lowenstein was an agent of the Central Intelligence Agency between 1962 and 1967. More vaguely but hardly less confidently, he also asserts that much of Lowenstein's work before and after those dates was performed with the connivance or cooperation or encouragement—or something—of the CIA. He further asserts that Lowenstein was an informer who reported to government police agencies on people in the civil rights movement whom he regarded as Communists or subversives.

When Lowenstein's friends and family learned that these accusations were about to be made—some of them had been advanced earlier in an article by Cummings in Evergreen Review, also published by Grove Press—they decided to answer them, even at the risk of giving them greater currency. Gary Bellow, a professor at Harvard Law School, and two other lawyers, Jeffrey S. Robbins and Ronald J. Tabak, collected a great deal of material, including affidavits from more than two dozen people who had been interviewed by Cummings and whose statements to him had been used to provide incidental support to the CIA-agent thesis. The result is a curious volume the size and shape of the Manhattan telephone directory, in which many of the characters, as it were, from Cummings's book rise up, rebel, and speak for themselves. Documents Concerning Serious Factual Errors, etc., is a sort of Lowenstein reunion—a gathering of his friends and ex-friends brought together for one last cause.

A close reading of *The Pied Piper*, together with the response it generated, yields a conclusion at odds with the one Cummings intended. Notwithstanding the notorious difficulty of proving a negative, it can be said with fair certainty that Allard Lowenstein was not an agent of the Central Intelligence Agency between 1962 and 1967, or at any other time. Cumming's assertions and the proof he adduces for them are worth examining in some detail, however, for what they tell us about the standards of evidence considered acceptable by at least one more or less respectable publishing house.

Cummings sidles into his spy story in the fifteenth of his sixty-six chapters. He has been describing the trip Lowenstein took in 1959 and wrote about in *Brutal Mandate*. Taking leave from his job with Senator Humphrey, Lowenstein, with two friends, went to South Africa. Their plan was to buy a car and drive it to South-West Africa, where they would travel around collecting testimony about the situation in that territory, which was (and is) ruled by the Pretoria government under a League of Nations mandate. Then, back in New York, they would present the testimony to a committee of the United Nations General Assembly. All of this they did in due course, but first there was a detour.

While his friends shopped for a cheap used car, Lowenstein went to Johannesburg to speak to the annual congress of the National Union of South African Students, the multiracial, fervently antiapartheid federation of English-speaking university students. There he heard an eloquent speech by Hans Beukes, a "Coloured," or mixed-race, student from South-West Africa who had won a scholarship to Norway and then been denied a passport—partly because he had been caught with a book written by Adlai Stevenson. Beukes asked Lowenstein to help him get out of the country, and Lowenstein agreed to try, thinking Beukes would make an excellent witness before the UN committee. (A few days later, Lowenstein and his friends managed to sneak Beukes across the border into Botswana by stuffing him behind the back seat of their used Volkswagen and covering him with boxes and suitcases. Beukes testified at the UN and made a strong impression.)

In the middle of telling this story, Cummings writes:

"Sources report that while Lowenstein was in Johannesburg he was contacted by the CIA and asked to perform a mission which must have been highly appealing to his romantic side, while at the same time allowing him to strike what he felt was a telling blow against the apartheid government of South Africa. This mission was to smuggle Hans Beukes out of the country.

"Just who it was who recruited Lowenstein for this assignment remains a matter of conjecture. . . ."

And who are these sources? In the back of the book, where Cummings has put together twenty-six impressively dense-looking pages of reference notes keyed to quotes and facts or purported facts, we find this:

"*Sources report that* . . . July 13, 1982. One of these sources served with US Army Intelligence. The others, also with backgrounds in intelligence work, are close to the CIA."

Five chapters and two or three Lowenstein jobs later, just when Lowenstein has resigned his Stanford deanship, Cummings sets forth the assertion on which his book stands or falls:

"This was Lowenstein's situation in 1962 when, according to sources with background in intelligence work, he was formally recruited by the Central Intelligence Agency."

He immediately adds:

"Although the author's attempts to obtain Lowenstein's CIA file under the Freedom of Information-Privacy Act from the CIA and from his lawyer Gary Bellow proved unavailing, other evidence overwhelmingly supports these sources."

Turning once more to the reference notes in the back of the book, we find: "*according to sources* . . . These are the same sources referred to in Chapter 15."

Later we are told that "Lowenstein was separated from the CIA sometime in 1967," again on the authority of "sources"—"the same sources referred to in Chapters 15 and 20."

This is all Cummings provides by way of anything remotely resembling hard evidence for his central accusation—an accusation that if true would make a mockery of Lowenstein's passionately professed belief in democratic openness.

Cummings's one-line descriptions of his "sources" do not inspire confidence. A person who "served with US Army Intelligence" could be anyone from a three-star general to an ex-reservist who put in six months clipping newspapers at Fort Dix. Neither general nor clerk, however, would be in any better position to know the identity of a particular CIA agent than would tens of thousands of other federal employees, and Cummings makes no effort to ex-

plain why he thinks his "source" is exceptional. And Cummings's "others" could be anyone at all—though if they were "close to the CIA," whatever that means, then clearly they were never *in* the CIA.

Cumming's remarks about Lowenstein's * * * leaves the impression that Gary Bellow somehow prevented him from seeing it. This does not appear to be true. In 1975, with Bellow's help, Lowenstein himself filed a Freedom of Information Act request for any and all CIA materials concerning his background and activities. (A curious thing for an agent to do, though no doubt Cummings would dismiss it as part of a cover.) After some prodding, the agency replied that its search of its files had turned up seventy-six items. Nine of them were provided in full, twenty-eight were provided in expurgated form, and thirty-nine were withheld entirely. The material yielded by the CIA, a total of forty-eight pages, was available in the Lowenstein archive at Chapel Hill when Cummings was there doing his research. That material is reprinted in *Documents Concerning.* It consists almost entirely of clippings and tiny excerpts from what appear to be routine embassy cables (sample: "Advised that Congressman Allard K. Lowenstein (D-NY) planning trip to Tunisia, arriving 5 Jan. . . .").

The only item that is at all suggestive from the point of view of Cumming's thesis is a 1962 memorandum from "Chief, Contract Division" to "Chief, Personnel Security Division," asking for "approval to contact Subject [Lowenstein] on an ad hoc basis" to question him about "the Soviet educational system; teaching methods; caliber of faculty; subjects emphasized; etc." (It was then standard procedure for the CIA to try to interview Americans who visited the Soviet Union, as Lowenstein, accompanying Eleanor Roosevelt, had done in 1957.) The memo continues:

"Subject, reportedly, has stated that he has done some work for CIA. If he were used in a [six-letter word obliterated] capacity, then this is an indiscretion regarding which our field representative should like to know something about the background before any contact is made. We shall appreciate your checking this out as far as possible. Thanks."

This memo, provided by Lowenstein's friends, and more provocative by far than anything Cummings came up with in four years of research, is ambiguous. Even the significance of the subjunctive ("were used") is obscure; it is unclear whether the memo writer is talking about the past or the future.

A free-lance do-gooder of left-wing anti-Communist leanings, working with opposition groups in the third world in the late 1950s and early 1960s—as Lowenstein was—would almost certainly have encountered CIA people along the way. In some countries the CIA station chief would be the best-informed person in the US embassy, and the most sympathetic to the notion that the long-term interests of the United States lay with members of the democratic opposition rather than with the local autocracy. As was revealed in 1967, the CIA had an extensive program of channeling support to such dissidents. It is entirely possible that Lowenstein met CIA people during his travels, even that he traded information with them. There would be nothing scandalous about that. It's also possible that Lowenstein—given what another CIA document calls his "propensity for name-dropping" [2]—bragged about such contacts. A garbled version of some such boasting was probably at the root of this memo.

Or the memo could simply be wrong. It doesn't pretend to be anything more than hearsay. In any event it doesn't prove that Lowenstein was a CIA agent. And while the omissions in Lowenstein's CIA file make any definitive judgment impossible, the overall effect of what has been made available is rather to undermine than to support the accusation.

As for the "other evidence" that "overwhelmingly supports" Cummings's "sources," none of it is convincing, and much of it is self-refuting. It is of three kinds: defective tautology, outrageous misreading, and financial perplexity. To give an example or two of each:

Defective tautology.—Cummings writes that the CIA divides its work into two categories, intelligence collection and covert action. "Lowenstein," he writes, "was involved in both of these activities." The proof that he was involved in intelligence collection is the following:

"He clipped and analyzed newspaper reports on African affairs extensively. He saved thousands of newspaper and magazine articles, which he outlined carefully. He subscribed to numerous magazines on Africa, and to others likely to carry information of relevance."

The proof that he was involved in covert action is the following:

"Lowenstein, became involved in the politics of Spain and in Africa in ways that constituted 'covert action.' As Richard Bissell explained [to Victor Marchetti and John D. Marks, authors of *The CIA and the Cult of Intelligence],* the 'operational types' would be risk-takers, which Lowenstein was. Bissell, who was chief of Clandestine Services of the CIA under President Kennedy until he was forced to resign after the Bay of Pigs, classified the various forms of covert action: "(1) political advice and counsel; (2) subsidies to an individual; (3) financial support and "technical assistance" to political organizations, including labor unions, business firms, cooperatives, etc. . . .'."

And so on for four more items, culminating in Bay of Pigs-style military efforts to overthrow governments. Then comes Cumming's conclusion:

"Lowenstein's actions can be seen to fall into most, if not all, of these categories."

Cummings makes no effort whatever to show that Lowenstein's newspaper clipping or advice giving or support providing had any connection of any kind to the CIA. His reasoning is as follows: CIA employees clip newspapers, give advice, and provide support. Allard Lowenstein clipped newspapers, gave advice, and provided support. Therefore Allard Lowenstein was a CIA employee.

Outrageous misreadings—.Lowenstein, a journalist *manqué* (at the Horace Mann School, he edged out Roy Cohn in a competition for editor of the school paper), turns out to have kept an oddly touching diary in which he recorded his public and private doings in the style of the headlines in *The New York Times.* A single word on one entry in this diary is the sole source for Cummings' accusation that Lowenstein was an informer against his fellow civil rights workers. Cummings' text is a diary entry for mid-April 1964, when Lowenstein was touring the country recruiting student volunteers for the Freedon Summer project but was thinking of withdrawing from the project altogether because of the increasing involvement of the National Lawyers Guild, which began as a Communist front and retained its fellow-traveling politics into the 1960s. Here is the diary entry in full:

"Mississippi Mire: Frenzied Recruiting + Firm Withdrawal = Schizophrenia.

"A summary of the situation.

"In Mississippi—

"At Campus 'Centers'—

"In National Orgs—

"Amongst Ind. Groups—

"'Wrong' Decisions and 'Wrong' Group Making Them Combine to End 'Deep' Commitment; Problem Rises of Who to Tell How Much.

"Campus 'center' leaders in mixed roles.

"Obligation to Keep Them Informed Called 'Great' But Particularly on Question of 'Infiltration' Dilemma Is Acute and Has Not Been Solved.

"Project Still 'Right,' Desire to Help—Strong, But Policy Disagreements Make Presence During the Summer Seem 'Unwise'.

"So speech schedule will be fulfilled.

"Participation as Lawyer 'In Ranks' Still Possible but 'Priorites' Make It Unlikely If LG [3] Stays; 'Success' of Drive for Students Is a Surprise."

The single word, of course, is "informed." That word, especially in such close conjunction with the word "infiltration," is for Cummings sufficient proof that Lowenstein was an "informer." Cummings still has the problem that the people whom Lowenstein felt obliged to keep informed were "campus 'center' leaders," not government police agencies. He solves that problem with the following assertion: "It is known that the CIA had established centers on the campuses of many American universities." No evidence is adduced for the existence of these purported CIA "centers"—it is simply "known."

Cummings then suggests that these "centers" were being staffed by people Lowenstein was working within the civil rights recruitment effort, "people who had been affiliated with the CIA or had participated in CIA-sponsored projects." He names two such people: William Sloane Coffin, the Yale chaplain, who had worked for the CIA before becoming a clergyman, and Barney Frank, now a Congressman from Massachusetts, who as a college student in 1962 had attended a summer youth festival in Europe under the auspices of a program that later turned out to be funded by the CIA.

It is hard to know which is more contemptible, Cummings' sophistry or his smearing of Coffin, Frank, and, of course, Lowenstein.

The "campus centers" in Lowenstein's diary entry were of course the recruiting centers he himself had helped to set up. In an affidavit reprinted in *Documents Concerning,* Coffin remarks, "Mr. Lowenstein was not my friend *because* I had worked for the CIA from 1950–53 but, rather, *in spite* of it." Coffin writes that he thinks Lowenstein was "a bit paranoid about the possibility that radicals would take over the Mississippi Freedom Democratic Party," but adds,

"It was Mr. Lowenstein's concern about the possible unjustified damage to students'

[2] The document, apparently a cable from the CIA station at the US embassy in Madrid, calls Lowenstein "among other things a troublemaker out to establish himself as American through whom Spanish opposition leaders should deal," and adds, "To our knowledge he represents no one but himself in spite of propensity," etc.

[3] Lawyers Guild.

reputations through guilt by association that undoubtedly was the cause of the dilemma which his notes describe. Thus, the following is likely the meaning of Mr. Lowenstein's notes: With the McCarthy era fresh in mind, Allard Lowenstein was concerned about the possibility that if radicals took over the Mississippi effort, non-radical students whom he recruited to go there would later be falsely accused of being subversives. Thus, he felt some obligation to them to warn them about what he—somewhat paranoiacally, in my view—perceived to be a danger. Yet, he also worried that by providing the students with these warnings he might harm the important civil rights effort in Mississippi by discouraging many students from coming."

Calling Lowenstein an informer enables Cummings to find low irony in the fact that Lowenstein ended up on Nixon's enemies list. ("Lowenstein. . . . Now he was on Nixon's list.") There was no irony. Lowenstein earned his place on Nixon's list—No. 7—by honest work.

Another of Cummings' fantasies was occasioned by his discovery in the Lowenstein papers at Chapel Hill of some photocopies of letters home written by young Americans—all of them friends or the offspring of friends of Lowenstein's—who were teaching and living abroad. Some of the letters opened with the salutation "Dear Family"—a common enough salutation, one I often used myself when writing home from abroad to my parents and sister. But for Cummings these letters are deeply sinister:

"They were not letters home to mom and dad. There was nothing personal in them. They were intelligence reports to the "family" of trusted Americans within or at the periphery of that amorphous mass "known as the 'intelligence community.' "

But they were precisely letters home to mom and dad. In one instance, as we learn from an affidavit in *Documents Concerning* by the former Kennedy administration official Harris Wofford, mom and dad were Mr. and Mrs. Chester Bowles. The Bowleses proudly circulated copies of letters from their son Sam to their friends, including Wofford and Lowenstein. None of it had anything to do with the "intelligence community."

Financial perplexity.—Cummings writes that Lowenstein's "ability to travel abroad extensively and stay at excellent hotels when he was, for example, on leave of absence from his job as a professor and received no salary, reinforces the conclusion that the sources"—the purported sources who say Lowenstein was a CIA agent—"are correct."

Lowenstein's finances were unconventional, but there is no need to invoke the CIA in order to balance his books. When he traveled in the US, he stayed with friends and called collect from airport booths. He seldom bought clothes and was indifferent to luxury. There was always a campus group, liberal organization, or rich patron ready to pay his plane fare. In New York, he and his often numerous guests ate free at the Hyde Park and the other restaurants his family owned. He lived rent-free in his stepmother's large apartment. His wife, who was from a well-to-do family, had her own income. He never had a steady job, but he did have a more or less steady subsidy from his father and from the family restaurant business. In 1967, for example, a year in which Cummings asserts that Lowenstein's income from the restaurants was "insignificant" it was in fact $15,519, according to Lawrence Lowenstein, Allard's older brother. The equivalent in 1985 dollars is $49,600.

Cummings's CIA theorizing reaches a zany climax at the beginning of his account of Lowenstein's leadership of the Dump Johnson movement. "It has been suggested," he writes, "that Lowenstein's opposition to the war in Vietnam is proof that he could not possibly have been involved with the CIA: in actuality, his opposition to the war confirms his CIA involvement as much as anything." Cummings's reasoning—and I am not caricaturing his view—is that because (a) liberals opposed the war and (b) the CIA "was partly a liberal institution," then (c) Lowenstein's antiwar views are proof of his CIA connection. Cummings even asserts that the CIA, or rather its "good wing," had decided that Johnson had to go and was using Lowenstein as its instrument to get rid of him. Again, no evidence is provided for any of this—only circular deductive reasoning.

Although Cummings never admits of any doubt that Lowenstein worked for the CIA, he asks none of the questions that this would raise. Who made the decision to hire Lowenstein? Were there internal battles over that decision? Why did Lowenstein never call on the CIA when he and other civil rights workers were in mortal danger in Mississippi? How did he manage to fool so many people about his true identity—his wife, his friends, his associates? How did the conspiracy to keep his CIA affiliation a secret come to include enemies of his as well as friends? Why wasn't the story of Lowenstein's secret CIA job leaked to the press by LBJ, who Cummings says knew about it, in order to destroy the effectiveness and credibility of the leader of the Dump Johnson movement?

The accusation that Lowenstein worked for the CIA is not original with Cummings, of course. It was a staple of leftwing suspicions for years, though in a different and more plausible form: it always revolved around Lowenstein's ties to the National Student Association. The matter has been raked over thoroughly, beginning with *Ramparts* magazine's disclosure in 1967 that the CIA had been funding and manipulating the NSA since 1952, the year after Lowenstein was its president. Although many have tried, no one has ever succeeded in coming up with a shred of evidence that Lowenstein was witting or "witty," as those privy to the arrangement called themselves.

Moreover, there is good evidence to the contrary. The clique of ex-NSA officers later revealed as CIA agents was always cool, even hostile, to Lowenstein. Lowenstein was never invited to sit on any of the NSA's many advisory boards. When the NSA's president and vice-president finally told Lowenstein the truth, a few months before the *Ramparts* article appeared, he advised them to break the link quickly, completely, and publicly, although at that point the CIA was still hoping to keep the connection quite. After the revelation Lowenstein had a number of awkward confrontations with "witty" ex-NSAers.

Still, many people, friends as well as opponents of Lowenstein among them, * * * to believe that a man of Lowenstein's political sophistication could have been kept in dark for fifteen years about the finances of an organization with which he had such extensive dealings. I find it all too easy to believe. As it happens, I worked full time during 1965 and 1966 on the NSA staff, editing a magazine. A few months after I left, I learned, along with the rest of the world, that the organization had been financed by the CIA. I also learned that the foundation that had paid my salary and my magazine's costs was a CIA front; that a summer training program I had attended was wholly run by the CIA; that during the year I spent at NSA its top officers, all of whom I worked with nearly every day, had been engaged in a frantic debate over whether and how to break the link; and that people I had regarded as intimate friends had known all of this and more. Yet I had no inkling of any of it.

A few years later, at one of those lunches at the Hyde Park, I asked Lowenstein what he thought about the morality of the NSA-CIA connection, and I agreed with his assessment. He said that although he wouldn't agree with it or excuse it, he could make a case for the CIA's having subsidized the NSA's international activities during the early 1950s—as long as the subsidy was kept secret from its recipients. But he added he was glad he hadn't known about it, because he didn't know what he would have done with the knowledge.

He said he could see no excuse whatever for what the CIA actually did, which was to compromise and corrupt young NSA officers, most of them just out of college, by telling them about the arrangement, threatening them with jail or other harm if they exposed it, and then using them as spies in gathering intelligence on student leaders in other countries. It still seemed almost too monstrous to believe; it certainly had been too monstrous to be guessed.

The CIA-NSA revelation had a far greater effect than is generally appreciated upon the views of a generation of politically active young people. The most moderate student leaders at once understood that the government was capable of lying to its citizens to a shocking degree. The news helped to "radicalize" untold numbers of students. I'm convinced it had a similar impact upon Lowestein, who set out almost immediately to overthrow the government—or at least to overthrow a president still regarded by most of the leaders of the liberal establishment as an indispensable ally.

In a letter reprinted in *Documents Concerning*, William F. Buckley, Jr., himself a former CIA agent, writes, in his customary confident style:

"You ask whether I ever had any reason to suppose that Al Lowenstein was engaged in undercover work for the CIA. My answer: no. To be sure, if Al had been a trained undercover operative, he'd have given me no suspicion to guess this. On the other hand, with my background I might have suspected something there if something had been there. But at this point I draw on transcendent knowledge of Lowenstein: this is not the sort of thing he'd have done. And those of us who knew his character, and I was one of them, would feel safe in saying that the very idea is preposterous."

Buckley's comment suggests the most telling refutation of Cummings's thesis. As the calmer portions of his own book show, Lowenstein was too independent, too uncontrollable, too inclinded to try to run whatever show he was part of, and too talkative to be amenable to the kind of discipline under which CIA agents necessarily labor.

There was a secret in Lowenstein's life, but it has nothing to do with the CIA. Rather it had to do with his personal life and his relations with some few of the hundreds of young men he inspired and befriended. In various books and articles there are accounts of perhaps a half-dozen almost

identical incidents—incidents in which Lowenstein evinced a desire to hold and be held by a young man. David Harris provided his own account of such an encounter in his interesting memoir of the 1960's *Dreams Die Hard.*[4] In each instance, Lowenstein and a young man share a room with one bed, purportedly because no other is available; after the light is out, the protégé finds himself being hugged wordlessly by Lowenstein; he indicates somehow that the hugging is unwelcome, and Lowenstein immediately stops; afterward, the matter is never mentioned. The protégé is left with a complicated mixture of feelings: his hero worship weakens if it does not vanish altogether, and he feels manipulated; yet he feels sympathy and compassion for what seems a private torment.

Lowenstein was married between 1966 and 1977, and had three children. His separation from his wife was by all accounts caused by the demands of Lowenstein's frenetic schedule, not by any lack of affection. She and the children were with him at the hospital when he was dying. It seems unlikely that Lowenstein was an active homosexual. Approaches like the one Harris experienced were apparently as rare as they were confused and uncertain.

Yet the mostly repressed feelings those approaches reflected were obviously important. Those feelings, one can speculate, were somehow related to the potency of Lowenstein's leadership. He evoked feelings that had an intensity reminiscent of adolescent friendship. There is a sense in which charismatic leadership always draws upon a kind of libidinal force—the generalized erotic energy Whitman called "adhesiveness." That mysterious energy helped Lowenstein turn his appeals to reason and idealism into powerful bonds between himself and his thousands of young followers.

Toward the end of his life, Lowenstein was apparently trying to deal with the feelings that had led him into furtive encounters like the one with David Harris. In 1980 he campaigned successfully for Edward Kennedy in the homosexual community in Florida and had a number of earnest, private conversations with leaders of the gay movement there. According to Harris, Lowenstein spoke of wanting intimacy and affection, not sex, in his relations with men, and wondered aloud what that made him. He seemed eager to understand himself and to do away with whatever deceit his emotional life had entailed. He was worried about the effect on his children. Had he lived, he might well have become a political intermediary between homesexuals and other constituencies in the Democratic party, much as he had been an intermediary for students.

Cummings's discussion of this aspect of Lowenstein's life is relatively restrained. The conclusion he draws from that discussion does not come as a surprise. It is this: "In his personal life, as in his political life, Lowenstein was not able to reveal his relationships fully." The CIA again.

Why, finally, does Cummings find the fantasy of Lowenstein-as-CIA-agent so congenial? Why was that fantasy judged appealing enough to justify publication? I suspect it has something to do with a fundamental incomprehension of Lowenstein's politics. Lowenstein was a serious democrat and a serious liberal. He was, therefore, opposed to racism in North Carolina and Mississippi, colonialism in Angola and Mozambique, apartheid in South Africa and Namibia, dictatorship in Franco's Spain and Somoza's Nicargua, military dictatorship in Greece—and Communism in Russia and Cuba. That is, he was opposed to injustice without distinction, except the distinction of degree. Cummings understands that Lowenstein was a passionate person—in the best line in his book, he calls Lowenstein "a kind of Trotsky of the middle class"—but he does not understand what Lowenstein was passionate about. Again and again, he tests Lowenstein's—anti-communism as somehow undermining or contradicting his other professed value:

"Lowenstein was, before anything else, an anti-Communist, to whom liberalism was the most effective strategy for defeating Communism.

"And while Lowenstein spoke frequently of the need for change and for justice, it was also his burning anti-Communism that motivated him to act.

"Lowenstein became a leading liberal spokesman against the HUAC,[5] stressing the need for a more subtle brand of anti-Communism that did not overtly (!) challenge the civil liberties guaranteed by the Constitution.

"Liberals, including Humphrey and Lowenstein, feared that Communists would exploit the unrest, and this led to American support of the anti-apartheid struggle."

These formulas miss the point. Certainly there are anticommunists who are not antifascist, and antifascists who are not anticommunist, and antiracists who are neither—and Lowenstein thought there were times and purposes that required alliances with all of them. But like his hero Norman Thomas, Lowenstein was indiscriminate in his commitment to a liberal, democratic, and humane social order. Lowenstein had learned from the Spanish civil war, which he passionately followed as a child (when Madrid fell, Cummings was told, the ten-year-old Allard stayed in his room for two days, weeping), that antifascism and anticommunism alike are inseparable from the defense of democracy.

He was sometimes impatient with those whose experience had not taught them this lesson. In the civil rights and antiwar movements, he was often at odds with those who regarded his emphatic anti-communism as anachronistic or irrelevant—to say nothing of those who saw it as evidence of hypocrisy or even hostility to the cause at hand. His argument in 1964 with some of his civil rights comrades about the National Lawyers Guild caused a bitter split with them, foreshadowing the larger break between integrationists and nationalists that finally broke up the movement. The sort of radicals who used the epithet "liberal" as an insult naturally hated him, but it must be said that he also quarreled with people who were his natural allies. For example, when Sam Brown, David Hawk, and David Mixner were organizing the Vietnam moratorium in 1969, Lowenstein, then in Congress, advised them to exclude Communists and others who might carry pro-Viet Cong banners. When Brown and the others demurred, Lowenstein tried to persuade some of his House colleagues to withhold their endorsements.

Yet the moratorium organizers' rejection of Lowenstein's advice had more to do with their generation's do-your-own-thing spirit than with any sympathy for communism. They thought that excluding people would undermine the relaxed, decentralized quality of the demonstration, and that besides, the Communists weren't numerous or powerful enough to be worth the fuss it would cause to ban them. Lowenstein thought the pro-Viet Cong activists should be excluded both as a matter of principle, because they were not so much against the war as wanting the other side to win, and as a matter of tactics, because their presence would alienate vast numbers of patriotic, potentially antiwar citizens.

In the end, Lowenstein endorsed the moratorium and spoke on eight campuses under its sponsorship. However legitimate his disagreement with the organizers was, the venom it provoked was unnecessary. Lowenstein was better at handling differences with people whose views were to the right of his own. He lavished his charm on conservatives (and on the politically unawakened); he saw them as potential converts, to be persuaded or beguiled into enlightenment. But with those to his left he could be abrupt and self-righteous. It was as if he thought they were willfully turning away from truth and reason, as if he suspected them of rejecting *his* moral bona fides.

Lowenstein, however, was far from being an incipient neoconservative. He saw anticommunism as a requirement of democratic ideology, but at the same time he rejected the cold war obsession with communism as a unique evil that justifies any means—even liberalism!—to oppose it. For Lowenstein, liberalism, understood as a belief in a liberal society, was not a means or a strategy, or a way to make anticommunism palatable, or a watered-down substitute for a more "authentic" radicalism. It was the central value. Anticommunism, antiracism, and antifacism were logical, emotionally inescapable corollaries; but in isolation none of them could be relied upon to lead to a humane politics.

Cummings is puzzled by what he sees as the contradictions between Lowenstein's passionate—radical, one might say—commitment and his "moderate" politics; between his straightforward patriotism and his opposition to the Vietnam War; between his anticommunism and his support for civil rights. The CIA accusation resolves the puzzle for him, but there is no puzzle, because there were no contradictions. And if there had never been any such thing as communism, Lowenstein's lifelong political engagement would have been just as intense.

That engagement had its disappointments and defeats for him, which went well beyond the loss of elections. The civil rights movement enfranchised southern blacks but then collapsed in acrimony, leaving the hope of integration unfulfilled. Johnson was "dumped," but Nixon came to power. Democracy returned in Spain, but in southern Africa there seemed less and less chance for justice to be achieved peacefully, if at all. The large American student movement Lowenstein did so much to create produced a few Leninist sects and then crumbled. The liberal coalitions he helped build lost their verve and self-confidence.

Lowenstein, who felt these disappointments, blamed them mostly on the assassinations. The violent deaths of John Kennedy, Martin Luther King, Jr., and Robert Kennedy had changed everything—they

[4] David Harris, *Dreams Die Hard: Three Men's Journey Through the Sixties* (St. Martin's/Marek, 1982). Harris, now a journalist, was a protégé of Lowenstein's in 1965. He eventually went to jail for draft resistance, and for a time was married to Joan Baez. The three men of the title are Harris himself, Lowenstein, and Lowenstein's assassin, Dennis Sweeney, who had been a friend of Harris's at Stanford and in the civil rights and antiwar movements.

[5] The House Un-American Activities Committee.

"left us haunted," he wrote in a 1978 newspaper article,[6] "by great absence through years made difficult in part by those absences." He dwelt especially on the death of Robert Kennedy. During the middle 1970s, to the dismay of many of his friends and rather to the annoyance of the Kennedy family, he spent a great deal of time upon an inconclusive effort to point out what he regarded as discrepancies in the claim that Sirhan Sirhan alone was responsible. Lowenstein had intense feeling for Robert Kennedy, and Kennedy's murder seemed to summarize for him all the forces of unreason and malevolence that had robbed the movements he served of their fruits. In that same 1978 article he wrote:

"I was never close to Robert Kennedy. Our relationship was political, and started out in rather adversary circumstances at that. Of the only year I knew him at all well, it would be accurate to say that I spent one half arguing that he should run for president when he wouldn't, and the other half supporting an opponent when he did. Yet he meant more to me, as to so many others, than any other public figure of the time, and the awful fact of his unnatural death will shadow events as long as we are a part of them.

"And in that shadow we still struggle with the problem connected to so many others—the problem of how to revive enthusiasm and excite energies, of how a spirit once aborted can be born again. . . . America is neither as innocent nor as easily changed as we once thought."

Two years later, Lowenstein was assassinated himself. His death was another blow to the politics he shared with the Kennedys and King—an inspirational, democratic politics whose weakness is precisely that it requires such heavy and risky investments in the fortunes of particular leaders. Lowenstein would be fifty-six now. I don't know what he would be doing but it is hard to imagine him sharing the present liberal mood of lassitude and self-pity. Things were palpably different in 1964 and 1968 because of him, and it's possible things would be different in 1985 if he were still alive.

The man who murdered Allard Lowenstein, Dennis Sweeny, had broken with him over the question of whether or not the "system" was redeemable, Sweeney had been a civil rights worker, by all accounts a heroic one; he became a revolutionary, then a dropout, and then he went mad. In Mississippi, Sweeney had had his teeth capped by a volunteer "movement" dentist. He apparently came to believe that an electronic device had been planted in his teeth, that the CIA had done it, and that somehow the CIA and Lowenstein were using it to control his mind. Sweeney's delusions obviously tell us nothing about Lowenstein's relationship with the CIA—only about the pervasiveness of the fantasy of the CIA as mysterious and all-powerful.

Richard Cummings has clung to his beliefs about Lowenstein and the CIA as tenaciously as Dennis Sweeney did to his. The affidavits in *Documents Concerning* are full of descriptions of meetings with Cummings in which he tries to press his Beukes theory or his-informer theory or his "Dear Family" theory on people he interviews, and then, having been shown wrong, leaves in disappointment or * * * but undissuaded. His fantasy of Lowenstein's CIA connection has far more in common with Sweeney's than either has with what is commonly understood as reality. Such people may be convinced their delusions are true, but what is Grove Press's excuse?

Fortunately, Lowenstein's reputation survives, thanks partly to the diligence of his friends. But a scar will remain as long as *The Pied Piper* is the only biography available. It would be a shame if a bad book about Lowenstein were to discourage the writing of a good one. Lowenstein was a man whose large flaws and immense strengths went together. He was a kind of hero, and his picaresque life has much to reveal about the mysteries of politics and about the susceptibility of events to one man's will. The next biographer of Allard Lowenstein need not agree with his political views, but he or she must be able to understand them. Only then can the story of Lowenstein's life be taken beyond polemic to explore his complex character and its impact on his times.

[6] "Anniversary of an Assassination," *The Washington Star* (June 5, 1978). Reprinted in *Lowenstein: Acts of Courage and Belief*, pp. 275-277.

THE 60TH ANNIVERSARY OF ST. NICHOLAS RUSSIAN ORTHODOX CHURCH

HON. PAUL E. KANJORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 28, 1985

Mr. KANJORSKI. Mr. Speaker, it is my pleasure to draw your attention to the 60th anniversary of the St. Nicholas Russian Orthodox Church in Wilkes-Barre, PA. I am happy to extend my personal congratulations and share with my colleagues in the House of Representatives the history of this fine church. The United States was founded on the principles of religious freedom for all, and this church in particular exemplifies this great American tradition.

The St. Nicholas Russian Orthodox Church was organized in 1932 by 19 dedicated men and their families, most of whom were immigrants from various parts of Russia. The first Hierarchal was Bishop Platon, and the first parish priest was Reverend Nicholian, who held services in nearby St. Mary's Syrian Orthodox Church. In the fall of 1925 Reverend Nicholian held Liturgy in the newly constructed church, a basement type building.

A number of priests were assigned to the church, and in the early 1950's the energetic Rev. Timothy Korblinoff began a new building fund. Before he was able to witness the completion of his dream for a newly constructed church, Reverend Korblinoff unfortunately suffered a fatal heart attack. His successor Rev. Gregory Szeyko was able to continue his plans, and the new church was dedicated in 1954. After only 5 years, the mortgage was completely paid off.

With the help of many dedicated individuals who donated a tremendous amount of their time and money, the interior church painting was completed and dedicated by a Pontifical Blessing on May 20, 1962. The golden anniversary of the church was celebrated on Sunday, October 26, 1985. Currently under the guidance of Rev. Stephen Janos, St. Nicholas Russian Orthodox Church has grown from an original congregation of 30 families to more than 100 families.

Mr. Speaker, it is indeed a privilege to commemorate the founders and the current members of the Russian Orthodox Greek Catholic Church as they celebrate the 60 years of history, and I would like to take this opportunity to wish them all the best for their future.

TISH SOMMERS, A SPECIAL PERSON REMEMBERED

HON. OLYMPIA J. SNOWE

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Monday, October 28, 1985

Ms. SNOWE. Mr. Speaker, almost everyone who knew her has a special story to tell about this remarkable woman who touched the lives of so many. Thus, when she died on Friday, October 18, those who mourned for Tish Sommers spanned the continent. Not only was she the founder of the Older Women's League, she was the founder of something much more fundamental—she "discovered" older women. Until Tish, older women were invisible. Tish helped to elevate older women from a position of obsolescence to a place of honor where they could again develop the network, the confidence, and the personal vision to think, speak, and advocate for their rights.

For all of us, Tish Sommers was a model—of aging, of womanhood, of the very best that each of us can be.

Mr. Speaker, I would like to include in the RECORD the following tribute to Tish Sommers that appeared in the Washington Post.

TISH SOMMERS, A SPECIAL PERSON REMEMBERED

(By Cynthia Gorney)

OAKLAND.—I am gazing at a pile of typewritten speeches and snapshots and political notes and trying to think how to explain the life and death of Tish Sommers, who died of cancer here yesterday and left women across the country working to believe they would finally have to let her go.

She was 71, as graceful a woman as I have ever known, tall and slender and given to the controlled movements of a dancer. She had danced in her youth, as part of modern troupes that performed internationally, but that was not how Tish emerged in the lives of all these women, women who were old enough and young enough to be one another's grandchildren and great-aunts. She was an organizer, an agitator, a woman of such passionate purpose and drive that in her last two weeks, as she lay in her upstairs bedroom and felt her systems failing one by one, she talked seriously about the need for improved national organization within the hospice movement.

The term "displaced homemakers," an initially unsettling concept that swiftly became popular currency among politicians discovering new constituencies, was invented by Tish Sommers; it was her imagination, her political instincts and her precisely channeled outrage that gave national voice to a vast assortment of American women

who found themselves aging in a society that appeared to have almost wholly lost interest in them.

When corps of older women besieged Capitol Hill last Mother's Day, bearing cards invoking the congressmen's own mothers along with reminders about legislative matters like Social Security cost-of-living adjustments and low-cost senior housing, that was Tish. When Displaced Homemaker bills were approved in 23 states, each vote following an onslaught of publicity about the emotional and financial distress of the homemaker set aflounder by widowhood or divorce, that was Tish.

It was Tish who would appear on television programs, smiling pleasantly at the host and holding always to her thoughtful low voice, and lay out the kind of plain information that made women sit down at their kitchen tables and write long angry letters about what had happened to them. She would talk about pensions, and job discrimination, and the statistics she had culled that week. Four million women between age 45 and 65 have no insurance at all. Tish would say. White women are twice as likely as white men to be living in old-age poverty, she would say; the figure doubles for black women. Less than 20 percent of women are eligible for non-Social Security pensions, and there is no Social Security for a homemaker's work, making most mid-life widowhood or divorce a sudden thrust into a job market that will not be bothered with 52-year-old women who lack "experience."

A Displaced Homemaker Network grew from the groundwork Tish laid, so that 500 programs around the country now offer counseling and job training to the women she wanted to reach. She had founded a group called OWL, Older Women's League—Tish always liked the venerable image of owls—and by the time she died, OWL had grown in five years to a 13,000-member organization with 90 chapters across the country. There are OWL chapters in places like Jeffersonville, Ind., and Eatontown, N.J., and there is a national headquarters in Washington, and there are senators and congressmen and Social Security critics who keep hearing from OWL members, and there are women who write still to Oakland or to Washington to lay out afresh the stories Tish had heard so many times before.

Economy, Ind.: "I need to get out in the world again. After 33 years we're getting a divorce. I need to know how to get a job and meet people." Saratoga, Calif.: "I found myself, at age 53, working for an employment agency. At the end of three months, I left feeling old, inadequate and worthless."

Those letters were sustenance for Tish; she worked them into speeches, invoked them in public hearings, sat friends down at her kitchen table to argue out the next plans for setting those women into motion. Helplessness drove her wild. There is a transcription here of a conversation at Tish's bedside a month before she died; she is explaining, probably by way of slightly sheepish apology to the friends asking her to please slow down and pay attention to herself for a minute, why even her own cancer was driving her to organize among the dying and those who cared for them.

I can't help it," Tish is saying. "It's part of my nature, that since I'm going through this experience to turn it into energy for positive change. Of course that energizes me. I have the feeling in terms of pain control. I go on daytime on adrenalin and at night on sleeping pills. Now I find it's hard to meditate—when I relax and go blank, I'm so aware of physical discomfort. It doesn't work for me. Action does."

I met Tish 12 years ago, when I was a Berkeley undergraduate and she was stirring up trouble in a local advocacy group she had named Jobs for Older Women. I was dazzled from the beginning; she was so lovely, so driven, so removed from the sickly passiveness I had once thought America forces on its elderly, that she gave me a new vision of what it might be like to celebrate my 70th birthday. We flew to Washington together before I graduated, each of us at work on questions of Social Security for homemakers.

Tish told me a little about her early days: the years in Germany as a visiting American dancer, the gathering rage about what Hitler was doing to the Jewish family that had taken her in, the middle years as a professor's wife and civil righs organizer in Alabama, the early feminist work. When she divorced, she was a 57-year-old woman with no pension and no Social Security entitlement of her own. She was denied credit, turned down as a PhD candidate, rejected for health insurance because of her earlier cancer.

"I wrote a book," Tish said last spring, when some oral historians asked her to talk about her life, "called 'The Not So Helpless Female.'" (I can see her smiling as she says this; she was usually charmed by her own pithy titles, and particularly liked the business cards she designed, in which a jovial witch rides across the logo. "Free-lance agitator," the cards read.)

"Kind of how to make things happen," Tish said, remembering her book. "To shake things up. Sort of a wave-making manual. After all, I had quite a bit of experience at making waves."

She had cancer for six years. It was massive, pervasive cancer, spread through her bones, and she carried it the way she had carried her divorce and her earlier mastectomy and everything else that another kind of person might have imagined the most private of personal hurdles. She wrote position papers on health care, flew East for hearings and board meetings, made outlines for a book about women as caregivers. Once a year, with friends from around the country in tow, she and her organizing partner Laurie Shields arranged rafting trips, and then Tish would lie back in places like Idaho or Jackson Hole, Wyo., and dangle her ankles in the water, and talk about how the cancer was changing her tactics. When she got back, she worked white-water rafting images into her speeches.

It was almost as though Tish had no private self, as though introspection and fear seemed to her the most self-indulgent of luxuries. You never talked to Tish about restaurants or couch upholstery or whatever it is friends talk about when they're feeling evasive and silly. She wanted the central questions raised immediately, and then she wanted to figure out how to make things better.

We were all afraid of her cancer, especially the younger women around her. It was awful to imagine illness destroying Tish, and she would look us in the eye and talk about that, just as she had grinned at us 10 years ago and said that when America began thinking right, the cosmetics industry would begin marketing pour-on wrinkles and age spots for women eager to display their own maturity.

And she never did let the cancer destroy her, at least not so we could see it. She slowed for it, and eased her traveling and spent more time in the upstairs room with the sun pouring in, gritting her way through the worst parts and refusing until the last week the painkillers that kept her from thinking clearly and making plans.

When she knew she would die before the year ended, she told us, one by one.

She was lying in bed when I saw her two weeks ago, her thin arms folded up behind her head, and she let me know almost immediately that she was saying goodbye. I asked her if she was frightened, and she said she was not, that an awful lot of people had begun trying to convert her to their particular God, but that she didn't feel the need. Her work was going to survive her, and that would do.

Then Tish smiled at me, and God bless her, she gave me my assignment for her memorial. She had typed it out. The OWL convention was being planned; she thought a memorial might help fire people up. There would be some singing, and some reminiscences, and a brief summary of her life, with slides. I was to write the narration. Maybe Ronnie Gilbert, the big-voiced folk singer from the Weavers, could read it, "Not Maudlin," the paper said, right near the top.

UNFAIR TAX REFORM PLAN INHIBITS CAPITAL INVESTMENT

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, October 28, 1985

Mr. HUBBARD. Mr. Speaker, I received an excellent letter from one of my constituents, Lowell P. Haywood, wood procurement manager of Westvaco Corp. at Wickliffe, KY, which I believe will be of interest to my colleagues.

Mr. Haywood has contacted me because of the potential impact of changing tax policy upon Westvaco's current capital investment program. Although the President's tax reform proposal has many desirable features, he believes that it is important to alert Members of Congress to the provisions that will adversely affect Westvaco Corp. and other businesses across the Nation.

I urge my colleagues to carefully consider his comments. The letter from Mr. Haywood follows:

AUGUST 26, 1985.

Hon. CARROLL HUBBARD, Jr.,
Rayburn House Office Building,
Washington, DC.

DEAR MR. HUBBARD: Sound economic growth is important to the future of our nation as well as to the future of the paper industry and the company I work for, Westvaco. Because of the potential impact of changing tax policy on our current capital investment program, we are monitoring with great interest the tax reform proposals now being considered by Congress.

The President's tax reform proposal has many desirable features which are beneficial to individuals as well as business and industry. The fundamental concept of fairness and simplicity as well as the stated objective of creating a future of greater growth and opportunity for all is sound. We realize that the proposals now being considered by the Congressional tax writing com-

mittees may undergo considerable change. However, we feel that it is very important to alert our representatives in Congress, as well as the citizens of the communities where we have been investing our capital, regarding the possible impact that several of the tax proposals presently being considered, may have on Westvaco and the paper industry.

The major concerns we have are the following:

(1) Recapture of the tax benefits obtained from the use of accelerated recovery systems from 1980 through June 1986.

(2) Replacement of the current investment tax credit and accelerated cost recovery system with a less favorable capital cost recovery system.

(3) Removal of the investment tax credit on January 1, 1986.

(4) Changes in foreign tax credits.

(5) Timber related provisions—capital gains treatment and capitalization of management expenses.

The enactment of these provisions will take $90 million right off the bottom line of our cash flow. This shortfall may cause Westvaco to defer some of the things we need to do to enhance further our competitive strength and affect our ability to maintain the same level of employment stability in the future that we have been able to provide in the past. It is estimated that the implementation of these proposals will result in a loss of 180,000 jobs in the paper industry over a five year period, (36,000 jobs lost each year).

Since I live and work in Western Kentucky, I am deeply concerned about future industrial development in our area. Westvaco contributes considerably to the local economy and we all hope that in the future Westvaco will expand their operations. Slowing any expansion plans will not only affect the people who work at the present mill but reach into the surrounding counties where we purchase our wood fiber. The many landowners who we purchase timber from and the logging crews who make their living by selling their wood production to us would be adversely affected by any negative moves forced on Westvaco.

In recent years, the climate for capital investment has been relatively good and has allowed our industry to remain healthy and highly competitive. In 1984, Westvaco embarked on its latest growth program. The new $1.6 billion capital improvement program was made on the basis that the tax credits would be available. The removal of the ITC at this point would be unfair because in prior periods of tax changes, transition rules were always available for committed projects.

The recapture concept is unprecedented, retroactive and discriminatory. The recapture proposal will have more than a $1.2 billion negative impact on the paper industry, money that will not be available for capital expenditure. Additionally, our international competitors have accelerated recovery and without it the U.S. paper industry will fall far behind our major competitors, Canada and Sweden.

Our industry is a major contributor to the nation's tax base, and Westvaco has paid its fair share of taxes. Over the past four years we have paid over $197 million in Federal taxes.

What is needed? We urge you to consider the following:

(1) Elimination of recapture.

(2) Provide for a capital recovery system that approximates the current combination of ACRS/ITC or expensing—if a new capital recovery system is adopted, provisions for transition should be made for those who have made investments under ITC.

(3) Preserve the current method of computing the foreign tax credit.

(4) Retain the current deductibility of timber management, maintenance, and carrying costs as under the present law.

(5) Retention of capital gains for timber.

Your attention to everything I have mentioned in this letter will be greatly appreciated. Understanding our concerns and conveying this information to your colleagues on the Ways and Means Committee will be appreciated. Your help is needed by all of us in Kentucky. I look forward to hearing your views on these issues.

Sincerely,

LOWELL P. HAYWOOD,
Wood Procurement Manager.

AN OUTSTANDING CHOICE, RUSSELL A. ROURKE, AIR FORCE SECRETARY-DESIGNATE

HON. GUY VANDER JAGT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, October 28, 1985

Mr. VANDER JAGT. Mr. Speaker, it is with a great deal of personal pride and pleasure to bring to the attention of my colleagues an outstanding feature story on a man that we all know, Russell A. Rourke, who has been selected by President Reagan to be our Nation's new Secretary of the Air Force within the next few weeks. We know Russ in his present role as Assistant Secretary of Defense for Legislative Affairs. But many of us recall with great pleasure his earlier service on the Hill dating back to 1961 when he served with great distinction as administrative assistant for our former colleagues John Pillion, Henry Smith, and Harold Sawyer. I am certain that we would all agree that the President has made an exceptional, excellent choice in Russ Rourke.

One of the most respected and popular Washington writers, Jeremiah O'Leary, recently wrote an excellent feature story on Russ which appeared in the October 14 edition of the Washington Times. I am delighted to include it at the conclusion of my remarks.

I know that Russ views this appointment as Secretary of the Air Force as one of tremendous challenge in what we know as an already illustrious career. But, there's no question he'll meet this challenge as well. Congratulations Russ.

The news article follow:

[From the Washington Times, Oct. 14, 1985]

YOUTH WHO LIED TO JOIN UP AT 15 IS AF SECRETARY-DESIGNATE AT 53

(By Jeremiah O'Leary)

Thirty-two years ago, a kid named "Rusty" Rourke was a Marine private first class who cleared latrines at the Henderson Hall Barracks in Arlington when he was not pulling sentry duty. Next month he will be confirmed as secretary of the Air Force in charge of 600,000 uniformed personnel, 266,000 civilian employees, 7,299 operational aircraft and 136 air bases.

Russell A. Rourke, 53, a red-haired half-Irish, half-Swedish New Yorker from the Bronx, has come a long way from the day in 1947 when he lied about his age (he was 15) to join the Navy as a seaman recruit. Today he is assistant secretary of defense for legislative affairs at the Pentagon, awaiting only the standard FBI background check and Senate confirmation before becoming one of the three service secretaries.

A lifelong conservative and Republican, Mr. Rourke has had a roller-coaster career since he got his true age straightened out with Uncle Sam; he switched to the Marine Corps in November 1953 and became an officer candidate after graduating from the University of Maryland. The war in Korea was over by the time he got there as a lieutenant and radar air controller stationed at Pohang for a year.

He left active duty in 1956 to attend Georgetown University Law School, and joined a reserve unit, Marine Air Control Squadron 24, which had the interesting distinction of training on the grounds of St. Elizabeths Hospital.

"It was never dull up there on the hill," said Mr. Rourke. "We used to drill on a parking lot next to one of the locked wards to the vast enjoyment of the inmates. There must have been some ex-Marines in there as patients because they were always yelling at us to get in step."

On one occasion in the early '60s, he recalled, the "St. Elizabeth Marines" had to deploy guards and call in the police when their radar dome was subjected to a bow-and-arrow attack by unseen neighborhood youths who may have thought the radar was playing hob with their television sets.

As a young Washington lawyer in a large firm, Mr. Rourke found himself mired in routine paperwork and rarely in a courtroom and in 1961 began a new career that lasted for 20 years as an administrative assistant to several Republican members of Congress from the Buffalo, N.Y., area. The first of these was the late Rep. John R. Pillion, an old-school politico who ran his office like a first sergeant and took a dim view of anyone who thought Sunday was a day of rest.

"That wasn't the best move I ever made," said Mr. Rourke. "Mr. Pillion was the floor manager for Congressman William Miller on the 1964 Republican presidential ticket of Goldwater-Miller when they were swamped by Lyndon Johnson and Hubert Humphrey. Mr. Pillion was defeated in the Democratic landslide."

Bill Miller, the vice presidential candidate hardly anybody can name, helped Mr. Rourke switch over to a new post as administrative assistant to moderately conservative Rep. Henry P. Smith III of North Tonawanda, N.Y. When Mr. Smith retired in 1974, Mr. Rourke ran for his seat, endorsed by both the Republican and Conservative parties. He lost the election in the solidly Republican 36th district in the backlash of President Nixon's resignation and the Watergate scandal.

But Mr. Rourke rose Phoenix-like from the ashes and became deputy to President Gerald R. Ford's counselor John O. Marsh Jr., now secretary of the Army. When Mr. Ford lost the presidential election to Jimmy Carter in 1976, Mr. Rourke returned to Capitol Hill as administrative assistant to Rep. Harold Sawyer, a Republican from Dearborn, Mich. After President Ronald Reagan's victory in 1980, Mr. Rourke was

chosen by Secretary of Defense Caspar W. Weinberger as assistant secretary of defense for legislative affairs.

Mr. Rourke said he sees nothing remarkable about the meteoric series of ups and downs in his life. Having been a Marine Corps private, he was not surprised to reach the reserve rank of colonel from which he has now retired. He said his long service at the House of Representatives, with its ever-changing membership, taught him about the impermanence of power in a political democracy.

He also learned, in the process of being made an honorary citizen of Texas, that life is not dull at the Capitol. This was arranged by former Sen. John H. Tower after Mr. Rourke overpowered a man who tried to assault a Defense Department nominee during a confirmation hearing in 1982.

At the end of the first Reagan term, Mr. Rourke was ready to leave the Defense Department to enter private enterprise but Mr. Weinberger asked him to stay on for possible promotion. It came when Air Force Secretary Verne Orr notified Mr. Weinberger that he intended to retire for personal reasons. Mr. Rourke got the nomination next month.

Because he knows by name and face every member of the Senate and House from his legislative liaison duties, Mr. Rourke anticipates no problem in being confirmed. He has no known enemies or opposition in either House of Congress and has an easy relationship with nearly everyone at the Capitol based on his knowledge of how Congress works and his own reputation for candor and wit.

He could probably make a lot more money on the outside. Mr. Rourke says the new job amounts to a $2,000 raise to $75,000 a year, but an invitingly new set of challenges.

"Verne Orr knows every square foot of the 104 American air bases in the U.S., the 32 foreign air bases and the more than 2,000 minor installations," he said. "I have a lot of ground to cover to catch up."

CENTENNIAL OF THE NEWPORT UNITED METHODIST CHURCH

HON. PAUL E. KANJORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 28, 1985

Mr. KANJORSKI. Mr. Speaker, it is my pleasure to draw your attention to the centennial of the Newport United Methodist Church. It is an honor to share with my colleagues the history of this fine church.

The origins of the Newport United Methodist Church date back to a Sunday in October 1885, when a group of worshippers met in a school in Alden as Methodists. It was not until the following year that the congregation had the services of a pastor, Rev. George Greenfield. The original charter lists William Reese, Thomas Turner, William Netherton, M.H. Fine, and Thomas Byran as the first trustees.

The First Methodist Episcopal Church of Alden was incorporated on September 26, 1889, and in 1890 three members of the congregation were able to obtain a land grant on which to erect a church. The church was dedicated on June 29, 1890, and contributions from the 1 day of dedication services paid for more than half of the cost of the church.

With the national merger of the Methodist Episcopal Church and the Evangelical United Brethren Church in 1970, Rev. LeRoy Flohr was appointed pastor of the Calvary Charge which included the Alden congregation. The Alden and Wanamie congregations merged in 1978 to form the present Newport United Methodist Church, which is currently served by Rev. Roger C. Yoder.

Mr. Speaker, religious faith has played an important role in the development of our Nation, and the 100-year history of the Newport United Methodist Church is testament to the continuing importance religion has in the lives of Americans.

NATURAL GAS DECONTROL

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, October 28, 1985

Mr. MARKEY. Mr. Speaker, the issue of natural gas decontrol has been debated regularly by this body and its committees. One feature of that debate has been a regular discussion about the Powerplant and Industrial Fuel Use Act of 1978 which puts limits on the use of natural gas.

Now that significant portions of new gas is decontrolled, we are seeing how the marketplace responds. However, it is important to note that controls on old gas remain, and I strongly believe that these controls should not be lifted or else the consumer will pay dearly. But another portion of the controls which have not been lifted yet are the restrictions put in place by the Fuel Use Act.

There should be some discussion on this proposal. My mind is not made up on how the consumer would benefit if these restrictions are lifted. But, in order to advance the discussion on this subject, I offer to my colleagues a summary of a recent study, "Regulatory Restraints on Natural Gas Use: The Logic is Lacking" by Ted R. Miller and Charles F. Stone. This research paper, published by the Urban Institute, reviews the effect of this act on consumers, international trade and the environment. I invite my colleagues to make use of its analysis in our continuing discussions on this subject.

EXECUTIVE SUMMARY

The Powerplant and Industrial Fuel Use Act (FUA) of 1978 prohibits electric powerplants and major industrial fuel-burning installations from using natural gas and oil as fuels in newly-built facilities. This paper provides an assessment of the logical foundation of FUA in a number of areas and finds it lacking in every respect. Thus, FUA appears to be an unnecessary and burdensome regulation. Its repeal would further the regulatory relief objectives of the Reagan economic recovery program.

FUA was passed to deal with an energy "crisis" and fears that the U.S. was rapidly exhausting domestic supplies of natural gas. However, events since 1978 have shown that decontrol of wellhead natural gas prices alone would have been sufficient to provide an adequate supply of natural gas for the next several decades. FUA prohibitions, together with "incremental pricing" provisions of the Natural Gas Policy Act that impose higher natural gas prices on certain industrial users, have impacts in several areas.

IMPACT ON ECONOMIC EFFICIENCY

Natural gas appears to be competitive with coal in many situations where its use is prohibited by FUA. Besides electric powerplants, the main industries affected are food processing, paper, chemicals, and primary metals. Although firms may be able to get an exemption from FUA prohibitions, the process is costly and time-consuming, the outcome is uncertain, and many may be unaware of the exemption process. Thus, FUA prohibitions discourage the use of gas-fired facilities even when they are economically justified.

Where firms install coal-fired capacity as a second-best choice, production costs and prices faced by consumers are higher than they would be if FUA and incremental pricing were repealed. The very long lead times required to bring coal-fired capacity on line compared to gas expose firms to uncertainty about future demand that raises costs and risks. Also, coal-fired capacity requires a larger capital investment in an economy where large federal budget deficits drain a large supply of available savings. While firms forego investment in new capacity that they would otherwise make, consumers must either forego consumption or the country must increase its imports of electricity and energy-intensive industrial goods. This is hardly a desirable outcome in an economy already facing severe balance of payments problems.

Estimates of the costs of FUA prohibitions developed by The Urban Institute using the American Gas Association's Total Energy Resource Analysis (TERA) system of computer simulation models show that repealing FUA would increase annual natural gas consumption by 2.6 quadrillion BTUs by the year 2000 and reduce the annual cost of producing electricity and energy-intensive industrial goods by $1.65 billion (measured in constant 1985 dollars). The present value of the savings between 1986 and 2000 would be about $5 billion. The exact magnitudes of these estimates are less important than the fact that FUA is now adding to economic inefficiency rather than reducing it as was originally intended.

IMPACT ON CONSUMERS

Repeal of FUA almost certainly will increase the demand for natural gas and put upward pressure on wellhead gas prices, but it may not result in higher prices at the burner tip. This is because greater industrial demand would allow pipelines to make greater use of their existing capacity and lower average transmission and distribution costs. Estimates based on the TERA simulations suggest that these savings will be large enough to offset any increase in pipeline acquisition costs. Repeal of incremental pricing would further encourage industrial demand and lower average pipeline costs.

Even if delivered gas prices rise as the result of repealing FUA and incremental pricing, the overall impact on consumers need not be adverse. Higher prices to residential customers will be offset by lower prices for electricity and industrial products where lower production costs and reduced investment risks are achieved by substituting gas for coal. In the aggregate, consum-

ers will gain from repeal since the whole market basket of goods they consume will be produced more efficiently. Furthermore, since households that heat with natural gas also generally have substantial electric bills, they will share in the gains.

IMPACT ON URBAN AREAS

Coal-fired facilities require about three times as much land as equivalent gas-fired facilities and urban land is scarce and expensive; natural gas prices are lower in urban areas served by well-developed pipeline facilities than in rural areas; and it is much easier to meet strict environmental standards in urban areas with gas rather than coal. Thus, FUA prohibitions on using gas encourage firms to locate in rural rather than urban areas.

REGIONAL IMPACTS

The relative costs of gas and coal differ considerably between regions of the United States. Consequently, FUA and incremental pricing create artificial economic advantages that cause the Mountain and West South Central regions, which already are the nation's fastest-growing regions, to grow at the expense of other regions.

ENVIRONMENTAL IMPACTS

Natural gas burns much more cleanly than coal, even when the coal is burned using sophisticated emission controls. The TERA simulations, when combined with emissions data, indicate that by the year 2000, FUA annually will result in a 5-percent increase in sulphur dioxide emissions, or over 2 billion pounds; add 600 million pounds of nitrogen oxides (NOX) emissions, a 1.5-percent increase; and generate over 100 billion pounds of extra sludge and ash that require disposal. Based on the best available estimates of the economic costs of air pollution, FUA is likely to result in over $7 billion dollars in environmental damages between 1986 and 2000. Additional TERA runs show that a stricter interpretation of FUA would roughly double these impacts. By discouraging natural gas use, incremental pricing would have a similar effect of unknown size.

Technological breakthroughs may well permit the construction of clean coal-burning capacity within 30 or 40 years. From an environmental viewpoint, the most sensible approach would be to build gas-burning capacity almost exclusively until affordable technology becomes available for burning coal cleanly. The great irony of FUA is that it imposes exactly the opposite restriction.

THE LOGIC OF FUA AND INCREMENTAL PRICING

The logic of FUA and incremental pricing have been assessed from any directions and found wanting. These legislatively-mandated restrictions on natural gas demand and pricing create economic inefficiency and harm international competitiveness. They offer negligible price savings for consumers. They create incentives against urban industrial location at a time when public policy supports fighting urban decline. They artificially subsidize the nation's fastest growing regions at the expense of its declining regions. Finally, they create unnecessary and costly environmental pollution.

ALIEN FARM WORKERS FEAR IMMIGRATION LAW CHANGE

HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 28, 1985

Mr. BERMAN. Mr. Speaker, time and again during our consideration of immigration reform, we have heard one constant refrain from the lobbyists representing agricultural employers. They insist that immigration reform legislation must include special provisions designed to give growers access to over one-quarter of a million foreign guestworkers. These claims persist in the face of compelling evidence of rampant unemployment among American farmworkers, and leave me convinced that it is a particularly vulnerable worker that growers seek, one that does not enjoy the rights of American workers.

I urge my colleagues to read the following article which appeared on page 1 of the Los Angeles Times on October 22. In no uncertain terms, prominent growers in California take issue with the position asserted by the grower lobbyists we hear from here in Washington. The California growers told these Los Angeles Times reporters that there is an adequate labor supply in California—more than an adequate supply. For those of us who hate to see immigration reform stymied by the grower lobbyists' special pleading, the evidence of a plentiful agricultural labor supply is of great interest.

I would also point out the poignant statement from the undocumented farmworker whom the legalization component of immigration reform is designed to help. He would be eligible for legalization under H.R. 3080, and yet he says, "There isn't enough work now. And there would be much less work for us * * * with the coming of the bracero, I cannot see much future for my children." What are we doing in the name of immigration reform?

The article follows:

ALIEN FARM WORKERS FEAR IMMIGRATION LAW CHANGE

(By Bob Secter and Ronald B. Taylor)

GILROY, CA.—Salvador, Maria and their children have picked chilies, tomatoes and other vegetables here and in the Salinas Valley for 10 years, stooping in the fertile fields and keeping a nervous lookout for immigration agents who could swoop down at any time and ship them back to Mexico.

On a typical day recently, Salvador and Maria brought home $40—barely more than $2 an hour and far below the $3.35 minimum wage—for eight hours of harvesting chilies. When not in school, their children—including an 8-year-old son who is four years from the legal working age—work beside them in the fields despite laws against child labor.

But Salvador and Maria, both in the country illegally, are in no position to invoke the niceties of American labor laws.

Under a set of sweeping changes in immigration laws that passed the Senate last month and are under consideration in the House, people like Salvador and Maria might gain a chance to emerge from the underworld of the undocumented and demand better working conditions.

Instead of applauding, however, they fear the changes could usher in a new wave of cheap and legal foreign labor to snatch jobs from farm workers already here—both lawfully and otherwise.

"There is hardly enough work for us in the fields now because there are too many workers," said Salvador, who did not want to give his last name because of his illegal status. Maria agreed: "If the braceros come, there will be even less work for us."

Agricultural interests are pressing Congress to vastly expand their power to legally import "guest workers," primarily from Mexico, for temporary periods to harvest perishable fruits and vegetables. That demand has elevated the guest-worker issue to a pivotal role this year in Congress' long-running effort to overhaul the nation's immigration laws.

So heated has the battle over the guest-worker provision become that it threatens to affect the outcome on the entire bill.

The Senate-passed legislation, while granting amnesty to many illegal aliens like Salvador and Maria who have been in the country for several years, would also make it illegal for the first time for employers to hire undocumented workers.

FEAR LABOR SHORTAGE

Growers and their congressional allies, chief among them Republican Sen. Pete Wilson of California, contend that such sanctions would quickly dry up today's labor glut and create a shortage that—in the absence of guest workers—would leave weather-sensitive crops rotting on the ground and cripple the $23-billion perishable produce industry.

Critics of the guest-worker program, on the other hand, contend that the clamor for it is rooted more in greed than need. Latino groups and labor unions say unemployment in most of the nation's produce-growing regions is double the national average and that the jobless rate in California's agricultural heartland is even worse. Importing new workers, they argue, would merely keep those already here from demanding better wages and working conditions.

Dolores Huerta, a top official of the United Farm Workers' Union, envisions a "slave system for labor," supported by a "giant police system to enforce it that will affect only one group (Latinos)."

"Nonsense," counters Rep. Dan Lungren (R-Long Beach), a leading House advocate of a guestworker program. "They talk as if we don't already have a large-scale presence of foreign farm labor."

FOUR IN FIVE COULD STAY

Neither side has conclusive facts at its disposal, but the only study available, done in 1983 by the State Employment Development Department and the University of California at Davis, indicates that four seasonal farm workers in five could prove legal immigration status and remain in the work force.

And in a further blow to the growers' argument that immigration reform could dry up their supply of labor, the study added: "Seasonality and oversupply of workers . . . leaves most farm worker families below the poverty level." Both sides' bleak visions of the future grow largely from the bitter experience of Western agriculture's traditional reliance on foreign workers to do the back-breaking work of harvesting produce.

California farmers have employed foreign workers ever since the golden spike was

driven in 1869, inaugurating transcontinental rail traffic and opening Eastern markets to fruits and vegetables grown in the San Joaquin Valley. The first wave of foreign hands was mostly Chinese, but when they struck for higher wages, growers brought in Japanese, Filipinos and even Arabs. And always, there were the Mexicans.

"OKIES" JOIN MILITARY

During the Depression years of the 1930s, Western growers turned to impoverished domestic workers driven off their lands in Oklahoma, Arkansas and other Southern states. But when the "Okies" left the fields to join the military in World War II, Washington arranged with the Mexican government to send replacements.

It was the start of the controversial program nicknamed bracero, which grew from a few thousand participants in the early years to about 400,000 annually by the time it was terminated by the United States in 1964 amid widespread complaints that employers were exploiting their foreign farmhands and forcing them to live in squalor.

The bracero experience casts a long shadow over today's guest worker debate. Labor Department studies showed that even though program rules set the prevailing wage for braceros, their large-scale presence depressed wages for all seasonal farm workers, both domestic and foreign. And many of those brought in legally on a temporary basis stayed on illegally when the work was done, or slipped back across the border after they were sent home. Fewer than 5 million braceros entered the United States during the life of the program, but 5.6 million illegal aliens were detained by immigration agents over the same time span.

SHORTAGE PREDICTED

When the bracero program ended, Western farmers predicted a shortage of domestic farm labor and said their efforts to lure local residents into the fields at harvest time had fallen flat. Merced County tomato growers claimed they would be forced to halve the acreage they planted. A spokesman for fruit growers said the industry would move to Mexico because of lower labor costs there.

Despite the ominous predictions, the industry thrived, though it never kicked its dependence on foreign labor. Large numbers of undocumented workers continued to supplement the migrant work force.

Today, as in the 1960s, many growers insist that anything that would disrupt their access to foreign workers—such as sanctions imposing hefty fines on the growers for hiring them—would have serious repercussions for agriculture in the West, where perishable crops ripen with the whims of the weather and spoil if not picked quickly.

"There is a functioning network in place that provides employees where and when they are needed—which is the bottom line in perishable agriculture," Michael V. Durando, president of the California Grape & Tree Fruit League, recently told a House Judiciary subcommittee. ". . . Our members' worst fear is that, with an inflexible system, we could end up with an emergency and no way to respond. In that case, a farmer would have one of two choices: break the law (and hire illegal aliens) or lose his crop."

Growers are not unanimous in that view. Milas Russell, president of the Imperial Valley Vegetable Growers Assn., said that there is "an abundance of labor" in the valley, whose proximity to Mexico enables growers to reach across the border for thousands of aliens who hold "green cards" entitling them to work in the United States. Similarly, Richard Thornton, former executive director of the Growers & Shippers Assn. in the Salinas Valley, said high wages paid in California guarantee an adequate labor supply.

But this view is a minority. The dominant growers succeeded in attaching to the Senate-passed immigration reform bill an amendment sponsored by Sen. Wilson to let them import up to 350,000 guest workers nationally at a time for at least the next three years if Atty. Gen. Edwin Meese III certifies that domestic labor supplies were inadequate to harvest perishable crops.

The Reagan Administration for the first time has endorsed the guest-worker concept, sketching out a program that would open the borders to foreign workers for years or even decades. A key figure in reaching that decision was John R. Norton, a former president of the Western Growers Assn. who became deputy secretary of agriculture earlier this year.

CITES UNCERTAINTIES

Norton, whose firm, J.R. Norton Co., has been charged by the California Agricultural Labor Relations Board with more than 100 farm labor law violations since 1975, insists that farmers need a standby guest-worker program because of the uncertainties raised by immigration reform.

"It is an insurance policy," he said in an interview. "We can't say to what extent the (program) would have to be used because . . . you don't know exactly the consequences of the law. We're not asking for labor it it's not needed."

Farm labor advocates think that farmers would make plenty of use of the program, especially with a sympathetic attorney general likely to let the program go ahead.

"One of the goals of immigration reform is to stop displacement of American workers from their jobs, and here in the immigration bill we're totally undercutting the intent of that reform with proposals to bring in more foreigners," argued Rep. Howard L. Berman (D-Panorama City), a one-time farm union lawyer.

"Guest workers are less contentious and more malleable because they know they want to come back next year," Berman said. "Foreign workers are less likely to unionize and less likely to file grievances or lawsuits."

The prospect of competition from guest workers for scarce jobs has raised alarms throughout the migrant community in California. Interviews with two dozen workers in five key agricultural counties found that virtually all of them, those in the country both legally and illegally, complained that wages were already depressed, labor contractors were exploiting them and laws governing housing, sanitation and other working conditions were rarely enforced.

"For the first time in 20 years, lettuce cutters are begging for work," said Mario Bustamente, 37, a green-card holder and former United Farm Workers official.

'WHAT WOULD WE DO?'

An illegal alien who declined to give his name acknowledged that a new guest-worker program "may be of help to those people from Mexico. But what would we do?"

The man, a father of five who looks like a short, stout version of Anthony Quinn, settled in the Salinas Valley in 1981 after shuttling back and forth to Tijuana for a dozen years. That means he has lived in the United States continuously long enough to qualify for legal status under the immigration reform bill before the House Judiciary Committee—although not long enough under the Senate-passed bill.

The family is living in a ramshackle house without water or toilet in a labor camp provided by the grower. On one recent day, the man and his wife earned $30 for eight hours of chili picking—less than $2 an hour.

"There isn't enough work now," he complained. "And there would be much less work for us. . . . With the coming of the bracero, I cannot see much future for my children."

MEDICARE AND THE PATIENTS' RIGHT TO KNOW

HON. OLYMPIA J. SNOWE

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Monday, October 28, 1985

Ms. SNOWE. Mr. Speaker, today I am introducing a bill which will express the sense of Congress that Medicare patients are entitled to accurate and timely information about their Medicare hospital benefits. House Concurrent Resolution 221 assures that all hospitals participating in the Medicare Program will voluntarily reproduce and distribute a statement of Medicare patients' benefits and rights to all Medicare beneficiaries upon admission and to their families or guardians, upon request. This statement, to be written by senior citizen groups, the hospital industry, physicians, and nurses, within a 90-day period, would be a concise, understandable statement of Medicare patients' rights, including the names and numbers of local agencies that aid senior citizens.

In an effort to contain spending, Medicare has changed its method of paying for medical care. Instead of paying for each test, each day in the hospital, and each drug, Medicare pays a preset price based on the patient's diagnosis. Ailments are classified into 468 diagnosis-related groups, or DRG's. The system, called prospective payment, is a revolution in the Medicare payment system.

We are all aware of the rising cost of health care in this country. In 1982, the Federal Government spent $41.8 billion on the Medicare Program. With the introduction of DRG's, the number of days of hospitalization has decreased from 9.5 to 7.3 days and the increase in the cost of Medicare has slowed. This has been achieved, however, without adequate safeguards for the care that patients may be receiving.

Under the prospective payment system [PPS], hospitals that spend less than the fixed fee can keep the profits, and those that spend more must absorb the losses. The result has been that under PPS, hospitals are discharging patients earlier, performing fewer inpatient tests, and shifting some surgery to outpatient centers. More patients are using home health care and home-delivered meals.

While these changes are not intrinsically risky for the patient, there is a critical issue of concern. The risk is that Medicare patients who are not familiar with DRG's may face premature release from hospitals and encounter problems in securing community based care. The president of the American Association of Retired Persons [AARP] Vita Ostrander testified recently that, "The DRG system creates the economic incentive to skimp on quality care. The result is that patients are being released 'quicker and sicker' and often without proper followup care."

This concern has been echoed in my own State of Maine. There, Legal Services for the Elderly handles numerous appeals for Medicare patients. One striking example is that of a man in his eighties who fell and fractured his hip. His admission diagnosis included respiratory infection, dehydration, incontinence, and history of stroke. He was admitted to the hospital on April 24 and given notice that his Medicare coverage would end May 10. Feeling quite ill, however, this patient stayed on in the hospital, at his own expense, until he died on May 27. His daughter received notification, from the PRO, of the date on which her father's coverage would end, and of the right to appeal. However, this confirmation letter arrived July 19, over 7 weeks after the death of her father.

This is only one of many cases demonstrating that with the DRG's, which limit the length of hospital stay and the cost of treatment on the basis of a particular illness, the Medicare patient is faced with a system of health care which is new and entirely alien. Moreover, Medicare beneficiaries have not always had their questions regarding their rights and responsibilities clearly and accurately answered during their period of hospitalization.

In recognition of those who have been denied adequate Medicare coverage, Maine's Committee on Aging and the Maine Hospital Association have formed a task force called LAMP, Legal Assistance for Medicare Patients. This task force includes representatives from the Professional Review Organization [PRO], hospitals, area agencies on aging, legal services, and other interested groups. Initially LAMP was formed in order to develop an improved communication of rights under the new system for Medicare beneficiaries. They have now written a brochure which outlines in clear language the Medicare Prospective Payment System, the appeal system and where local assistance can be sought.

I am proud of such efforts in Maine; however, this is a national problem. All Medicare patients are entitled to accurate information about the DRG system and their rights as patients. For example, each patient admitted to a hospital or similar facility has several rights, as assured by Social Security, including: First, the right to be fully informed prior to or at the time of admission and during the hospital stay, of the rights and responsibilities of patients; two, the right to be fully informed, by a physician, of one's medical condition, and afforded the opportunity to participate in planning for medical treatment and to refuse to participate in experimental research; third, the right to be transferred or discharged only for medical reasons, or for the individual's welfare or that of other patients; and fourth, the right to be encouraged and assisted, throughout the period of stay, to exercise the rights of a patient and citizen, and to this end to voice grievances.

Such education is essential if older persons are to be spared the shock of unanticipated early discharges. Information is also critical to the patients' ability to assert the right to a longer hospital stay or to an appeal when it is felt that a poor judgment has been made.

House Concurrent Resolution 221 addresses these needs. My colleague Senator PROXMIRE, introduced a similar bill, Senate Concurrent Resolution 58, on July 31, 1985. I am introducing this legislation today in recognition of the fact that we can no longer deny the right of the Medicare patient to be an active participant in his or her health care.

Following is the complete text of House Concurrent Resolution 221:

H. CON. RES. 221

Concurrent resolution to express the sense of the Congress that Medicare patients are entitled to accurate and timely information regarding their Medicare benefits

Whereas thirty million elderly and disabled Americans rely upon the Medicare Program for essential health care;

Whereas the new prospective payment system for hospitals has resulted in unintended confusion among Medicare beneficiaries regarding their entitlement to hospitalization;

Whereas Medicare beneficiaries have not always had their questions regarding their rights and responsibilities clearly and accurately answered during their period of hospitalization;

Whereas the Congress believes that the Medicare Program, senior citizen groups, the hospital industry, physicians, and nurses should work together to resolve this problem cooperatively: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that—

(1) on this, the twentieth anniversary of the Medicare Program, the Congress reaffirms its strong support for that program and for the right of all Medicare beneficiaries to receive accurate and timely information regarding their Medicare benefits during a period of hospitalization;

(2) the Secretary of Health and Human Services should immediately endeavor to convene a working group of representatives from senior citizen groups, the hospital industry, physicians, and nurses to draft, within 90 days of the date of enactment of this concurrent resolution, a simple statement of the rights and responsibilities of Medicare patients;

(3) the Secretary of Health and Human Services should transmit copies of such statement to all Members of Congress and all hospitals and physicians participating in the Medicare Program and shall provide additional copies upon request; and

(4) all hospitals participating in the Medicare Program should voluntarily reproduce and distribute such statement to all Medicare beneficiaries upon their admission to such hospitals and to their families upon request.

SEC. 2. The Clerk of the House shall transmit a copy of this concurrent resolution to the Secretary of Health and Human Services.

ST. MARY'S OF CZESTOCHOWA

HON. PAUL E. KANJORKSI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 28, 1985

Mr. KANJORSKI. Mr. Speaker, it is my pleasure to bring to the attention of my colleagues in the House of Representatives the 75th anniversary of Saint Mary's of Czestochowa Parish in Swoyersville, PA. I am honored to share with you today the history of this fine church.

Father B. Baranowski organized the first meeting for the establishment of St. Mary's of Czestochowa Parish in 1909. The first church was completed in July 1910, and Rev. Alexander Kowalczyk served as the first pastor.

Several parishioners and organizations contributed funds to purchase the church hall in 1916, and the present church was completed in 1925 under the guidance of Rev. Clement Drapiewski. Reverend Drapiewski was succeeded by Rev. Joseph Buda, and Rev. Anthony G. Levankowski. The current pastor, Rev. Edward V. Sokolowski, has served the parish since 1967.

St. Mary's has undergone many improvements over the years, including the installation of an elevator to provide access to the elderly and handicapped, a new nursing room, a new rectory, and a new kitchen. The congregation has grown to approximately 600 families.

Religious faith has played an important role in the development of our Nation, and the 75-year history of St. Mary's of Czestochowa is testament to the continuing importance religion has in the lives of Americans. Mr. Speaker, I am honored to commend this fine church on the floor of the House of Representatives.

TRASH IN SPACE AND THE ARMS RACE

HON. ROBERT W. KASTENMEIER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, October 28, 1985

Mr. KASTENMEIER. Mr. Speaker, I urge my colleagues to take the time to read an interesting article by Eliot Marshall in the October 25, 1985, issue of Science.

Mr. Marshall discusses the problem of trash in space and the danger it presents, particularly as the efforts to move the arms race into space intensify.

[From Science magazine, Oct. 25, 1985]

SPACE JUNK GROWS WITH WEAPONS TESTS

(By Eliot Marshall)

By destroying a live satellite in a weapons test this September, the U.S. Air Force

became a willful polluter of space, adding 100 bits of debris to the junk in orbit above Earth (Science, 4 October, p. 44). It also added slightly to the chances of a collision between orbiting trash and a working satellite, a growing hazard for all users of space, including the military.

America has often dumped trash in space by accident and indifference, but until recently it did not compound this record with intention. Unlike Russia, it did not smash its own spacecraft in anti-satellite (ASAT) tests. Now that has changed. The growing burden of trash will accelerate a phenomenon that may begin forming a man-made meteoroid belt in 10 years, according to researchers at the National Aeronautics and Space Administration (NASA).

At present, more than 5600 man-made objects are tracked in orbit around Earth. Of these, about 72 percent are classed as debris (a category that does not include dead satellites), and of this debris, about 57 percent belongs to the United States. It includes spent rocket stages, ejected satellite shrouds, clamps, exploded fuel tanks, insulation, and odds and ends left by astronauts. The Soviets' share of the debris is about 40 percent. It includes the same kind of junk, but also the finely shattered (and less visible) remains of nine antisatellite explosions from a series of ASAT tests begun in 1968. The last 3 percent of debris was contributed by Britain, the European Space Agency, France, West Germany, India, Japan, and the People's Republic of China.

In addition to these relatively large objects, there are reckoned to be tens of thousands of pieces of untracked debris the size of marbles, and literally billions of paint flakes orbiting Earth. There are also transient bits of frozen sewage from the shuttle.

The ill effects of this junkpile will take time to be noticed. The people who will be affected directly are those who travel in or send equipment to outer space. For them, the debris will add to a growing possibility of a high-speed collision. Even a tiny 0.5-mm metal chip, ecountered at the average collision speed in space of 10 kilometers a second, can puncture a space suit, if it hits at the right point, and kill an astronaut. Objects 1 to 10 millimeters across can damage a spacecraft.

This presents obvious risks for the shuttle, especially for the crew members when they are on extra-vehicular tasks. It poses greater risks for the space station and its planned industrial lab to be built in the 1990's. They will be larger than anything launched before, making them more likely to be hit. Trash also creates some unusual hazards for the President's Strategic Defense Initiative, which aims to fill near-Earth space with weapons in the 1990's. Some of the weapons will be "salvage-fused," meaning they will be set to explode if tampered with. The Defense Initiative will add to the problem most significantly just by increasing the number of machines in low orbit.

Any increase in the number of large space objects will raise the risk of collison, NASA astrophysicist Donald Kessler has written. There is already a great deal of trash in space; putting up large targets for it to collide with will produce more. Trash will engender trash. Once a critical density is reached, the pollution will grow at an exponential rate. Natural asteriod belts may have been formed by the same kind of grinding in space, Kessler says. By his calculation, exponential growth of debris could begin dramatically within a century. Some satellites may have been hit by trash already. In 10 years, an artificial asteroid belt may begin to encircle Earth.

Space trash has been growing in the last two decades at varying rates, influenced by the level of solar activity. (During the cyclical period of storms and sunspots from 1979 to 1981, solar pressure drove many objects down to destruction in the atmosphere, including Skylab.) The best way to describe the situation, according to Kessler, is to say the net balance of junk in space is growing by 300 to 500 objects per year, at a time when new launches are running at 100 per year.

Most users of space see this as a minor problem because "there's a lot of room out there," as one insurance broker put it. Furthermore, junk is concentrated at low altitudes (600 to 1100 km high), not out in the precious geosynchronous orbit (35,800 km) were communications satellites operate. The closer the trash is to Earth, the sooner it will fall back and burn in the atmosphere. So the hazard seems "negligible," in term used by Geral Frick of Marsh and McLennan, a satellite insurance broker. It appears to be a mess that will clean itself up.

The notion of space as self-cleaning is misleading, according to Kessler. It understates the time it takes gravity to pull debris out of orbit. A small, marble-like object released in a circular orbit at 500 kilometers would stay aloft for about a year. But if it were released at 800 kilometers, it would stay up for 30 years. And at 1200 kilometers it would remain in space 300 years. Man-made junk has been dumped in this densely polluted area in such quantities, Kessler says, that it is becoming more abundant than natural meteoroids.

No wilderness tract on Earth is as wild as the void where satellites travel, and none shows human intrusions so readily. Space is not protected by environmental laws. Thus, a single event such as the U.S. ASAT test on 13 September can have a great impact. At 4:42 p.m. EDT, a U.S. missile hit an old Air Force satellite called P78-1, on a low polar orbit about 530 kilometers high.

The large pieces are tracked by the radars and cameras of the North American Aerospace Defense Command (NORAD), which can see objects the size of a baseball (10 centimeters across) at distances beyond 500 kilometers. Shattering a satellite generates many more unseen than visible pieces. Those from P78-1 have now joined the estimated 40,000 bits of untracked, marble-size debris already aloft.

What are the chances that some of this litter could damage a live satellite? Kessler, who directs a 10-year study of debris for NASA in preparation for the space station, says the risk is small but real. His summary of a 1982 workshop at NASA states: "All modelers concluded that the probability that a large structure (approximately 100 meters in diameter) would collide with a currently tracked object in low-Earth orbit is already significant—approximately 0.1 in a 10-year period." If small, untracked objects are considered, the risk grows three to five times larger. The shuttle faces only one chance in a million, per mission, of being hit by a major object because it has smaller dimensions, stays aloft for short periods, and hugs low altitudes where debris quickly falls to Earth.

Many experts, including Kessler, think there is evidence of damage being done right now. They cite examples such as the following:

In April 1984, the shuttle crew brought back to Earth some malfunctioning electronics boxes on the Solar Max satellite. NASA found the outer surfaces peppered with around 160 small holes created by flying paint chips.

On its seventh mission in July 1983, the shuttle orbiter Challenger was hit by something that chipped a window. NASA concluded that the damage was done by a tiny (0.2 mm) flake of white paint, possibly the kind used on U.S. Delta rockets. (It was not clearly of Russian origin, as NASA administrator James Beggs once suggested.)

In July 1981, the Soviet navigation satellite Kosmos 1275 broke up over Alaska in a pattern suggesting it had been hit by debris.

The Soviet surveillance satellite Kosmos 954, with a nuclear reactor aboard, suddenly depressurized and fell to Earth over northern Canada in January 1978, also in a way that suggested a collision had occurred.

The European Earth observation satellite, GEOS-2, suffered injury to its solar panels in 1978, apparently when hit by debris.

PAGEOS, a U.S. balloon satellite, probably was struck by untracked debris and damaged in high orbit in July 1975.

The visible bits of debris are few enough at present that they can be tracked and avoided. Some communications satellites have to make dodging maneuvers on occasion, coming within kilometers of other satellites. And when the shuttle in traveling in space, NORAD uses much of its computer power to scan the shuttle's route for hours in advance, preparing for evasive action if necessary. Kessler says that, according to statistical probabilities, the shuttle should pass within 25 kilometers of a visible object at least once a day.

While big and dangerous objects can be dodged, there is no way to avoid the less-threatening small forms of trash such as paint. Kessler estimates that there are now 10 to 100 billion paint flakes in orbit. It's not clear how they came to be there, but NASA scientists think they may have broken loose from orbiting rocket hulls when the bonding agent in the paint was corroded by atomic oxygen or ultraviolet light.

In addition, NASA has found that second-stage rockets, when fired in deep space to put satellites in exact orbit, emit a particulate exhaust of aluminum oxide (Al_2O_3). When the windows of the Skylab command module were examined, half the pit marks were found to contain this compound. Kessler reports that firing one solid rocket motor in high orbit produces for 2 weeks afterward a cloud of tiny particles that outnumber natural objects of the same size. In fact, this pollution has frustrated several studies of tiny meteoroids, for the data were drowned out by the artificial "noise." This form of debris, although it may be short-lived, can damage optical instruments.

Some remedial suggestions, such as sending up a flying garbage truck, seem impractical. Others make sense intuitively, but may be more risky than doing nothing. For example, at the recent meeting in Geneva of the World Administrative Radio Conference for geostationary orbit matters, Britain urged members to create a standard method for disposal of used satellites. The plan was to have everyone boost old units out of geosynchronous orbit into a higher "junkpile orbit." But the U.S. delgate, Dean Olmstead, insisted that it was too early to adopt such a position, for the risk associated with restarting old spacecraft motors may be greater than leaving the satellites where they are. He persuaded the group to study

the issue rather than make recommendations.

The cheapest and simpliest way to deal with trash is to take some preventive steps. One successful example of this is the U.S. program of burning to depletion all the fuel that remains in Delta second-stage rockets. A study made by John Gabbard, a former NORAD employee, showed that 15 percent of all the debris in space had been caused by the breakup of these used and abandoned Delta second stages. Fuel tanks appeared to be corroding, leading to the mixing of fuel and spontaneous explosion. At Kessler's urging, NASA investigated and confirmed the problem, and then asked the controlling company to bleed the fuel out of Deltas still in orbit. Since that program began in 1981, there have been no more explosions.

Scientists at various institutions have tried to interest the space-using nations in adopting a formal policy on debris. The American Institute of Aeronautics and Astronautics issued a position paper in July 1981 calling for international action to curb space trashing. In discussing ASAT tests, it said, "Even if such actions are essential to national security, they should be carried out with a clear understanding of the consequences." The AIAA recommended that ASAT test fallout be studied intensively. "In the long term," the paper noted. "the issue must be faced cooperatively by all space users, and international agreements should be drawn up to ban or restrict to low orbit the explosion of satellites."

In the past, NASA officials have tried to interest Soviet space authorities in ideas such as this, with absolutely no success. Now that U.S. ASAT tests have begun, it will be more difficult. And while American military authorities may be sympathetic to NASA's case, they have other, higher priorities at the moment. Responding to questions about the Strategic Defense Initiative, Col. George Hess made only one comment: "The problem created by natural and man made debris. . . is not trivial." He added that it would be dealt with by contractors who are designing military spacecraft.

Thus it seems possible that the space pollution will grow steadily. It may even accelerate in the 1990's, if the plans for arming outer space are carried to fruition. And the predicated man-made asteroid belt may start to appear within a generation.

GRAYCE BATEMAN COMPLETES 40 YEARS OF SERVICE

HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 28, 1985

Mr. BENNETT. Mr. Speaker, Grayce Bateman, director of the Clara White Mission in Jacksonville, FL, is retiring after 40 years of service with that mission. It is a well-deserved retirement because all her years have been ones of tremendous assistance to people of all ages, with a multitude of needs. And she has always done this with joy, enthusiasm and effectiveness.

She was a trusted employee and associate of the late Eartha M.M. White. Miss White was once chosen as the outstanding volunteer in America because of her mission and numerous other philanthropies. Mrs. Bateman played a large part in the achievement of these good works and deserves tremendous praise in her own right.

Mr. Speaker, I include at this point an article from the Jacksonville Journal concerning the retirement of Mrs. Bateman:

[From the Jacksonville (FL) Journal, Oct. 3, 1985]

GRAYCE BATEMAN WILL RETIRE AFTER A LIFE OF SERVICE

Grayce Bateman, director of the Clara White Mission since 1974, will retire this month after 40 years of service with three Jacksonville institutions founded by the late Eartha M.M. White.

"I have always liked working with people and helping people, especially the unfortunate, and so it seemed a natural thing for me to work with Miss White in her activities and projects," Mrs. Bateman said.

"I like what I have done here at the missions better than anything else I have done; so many thousands of people have been served," she said. "We have helped so many. I could not have planned a better career for myself."

Mrs. Bateman began working for Miss White and the mission, 613 W. Ashley St., in May 1945, as a secretary. Later she was named office manager, but it was only a part of her work. She was also Miss White's personal secretary and companion until she died in January 1974.

"The work was challenging from the first day of employment because of the many activities of Miss White, and while she lived, I never had regular working hours. With Miss White you just worked until the job was completed," she said.

"I always worked on Christmas Day when she was living because she had a party at 10 a.m. for the adults and one at 2 p.m. for the children. On Christmas Eve, we visited all the nursing homes and the jails, singing Christmas carols," she said.

Mrs. Bateman said she sometimes worked from 8 a.m. to 11 p.m.

In addition to her work at the mission, Mrs. Bateman assisted Miss White with two other projects, the establishment of the Eartha M.M. White Museum and the building of the Eartha M.M. White Nursing Home on Moncrief Road.

She said it was Miss White's dream to rebuild the Old Folks Home, which she operated on Jacksonville's Eastside, into a modern well-equipped nursing home. That dream materialized in 1967 after Miss White donated land she owned for the new structure. The nursing home currently is planning a new addition to the building.

"My job was to take care of all the paperwork and recordkeeping required by the Hill-Burton state grant that Miss White got to build the nursing home, while I continued to serve as office manager for the mission and her personal secretary and companion," Mrs. Bateman said.

The Eartha M.M. White Museum was established across the street from the nursing home. It contained a collection of Miss White's papers, personal belongings and other artifacts and memorabilia she had acquired.

Mrs. Bateman assisted in setting up the museum and later moved its contents to the second floor of the mission. It has been renamed the Eartha M.M. White Art and Historical Resource Center. The former site on Moncrief Road has been converted into the Eartha M.M. White Memorial Boys Club by the Boys Club of Greater Jacksonville Inc.

The nursing home and the mission are now two separately incorporated institutions, Mrs. Bateman said.

Renovation of the three-story mission building began in 1979, under the supervision of the mission's 25-member volunteer board. She said all that remains to be done is carpeting the third floor, which will house a clothing distribution center and an addition to the art center.

She said the area that most needed remodeling was the first floor, which now has a new kitchen and better equipped dining room, dedicated last year.

"These new areas have made it possible to faster serve the thousands of clients who enter the doors of the mission," she said. "We can now provide the care and share the atmosphere that encourages positive thinking and a new lease on life to many of those who have lost hope," she said.

She said the approximate $100,000 cost of the renovation was funded through a $20,000 grant from City Housing and Urban Development Block Grant funds matched by donations to the mission from individuals, organizations and companies in the city. Construction classes at Florida Junior College's Downtown Campus provided free labor.

The operation of the mission is financed by the United Way, the city of Jacksonville and private and public donations.

"I am truly grateful to all of those individuals, churches, businesses, social groups and volunteers who have assisted me in my work here at the mission through their contributions," Mrs. Bateman said.

Mrs. Bateman said through Miss White and her work with the three institutions she has met many influential people.

"I met President and Mrs. Nixon, and I was most impressed by the Lane Bryant Co. officials who one year presented Miss White a $5,000 cash award," she said.

Mrs. Bateman is a Jacksonville native and attended the local public schools until her high school years. She said because of the illness of her father and mother she completed high school by correspondence. She later completed a three-year course in business management from LaSalle University in Chicago, also by correspondence.

Before going to the mission she had worked as an agent for the Afro-American Life Insurance Co. and as a secretary for the American Red Cross and the United Negro College Fund.

A widow since 1947 and member of Ephesus Seventh-day Adventist Church on Edgewood Avenue, Mrs. Bateman said she is retiring to take better care of her invalid sister who is 89.

"I think 40 years is long enough," she said.

Mrs. Bateman has received awards for her humanitarianism and community service from the Jacksonville Opportunities Industrial Center Inc., Ladies Auxiliary of Florida Morticians, Volunteer Jacksonville Inc., United Way of Jacksonville, Jacksonville Links Inc., Operation Respect and her church.

VIOLENCE IN OUR PRISONS

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, October 28, 1985

Mr. CONYERS. Mr. Speaker, the level of violence in our prisons is an issue of concern to all of us involved with the criminal justice system. The adjustment of prison inmates to the outside world when they are released is, undoubtedly, heavily influenced by what occurs during their incarceration. For many prisoners, extreme violence is, unfortunately, a large part of their prison experience.

The level of violence experienced by prisoners can only serve to further dehumanize them and complicate efforts at rehabilitation. Research has indicated that prison violence escalates as prison overpopulation increases. Overpopulation is a fact of life in our prisons. Justice Department statistics on the Federal prison system, for example, indicate that as of October 21, 1985, the Federal prison population is 41 percent overrated prison capacity and 12 percent over operational capacity.

Overpopulation affects another problem—the paucity of meaningful work or activities available to prisoners. Although it has long been accepted that prison jobs are necessary to retrain those with low skill levels, it is now being argued that this inactivity also breeds the frustration, anomie, and apathy that can lead to violence.

Charles Colson, special counsel to former President Richard M. Nixon, knows what prisons are like, not only from first hand, having served time but also from his work as head of the Prison Fellowship Ministry. He is actively involved with prisoners and prison matters and recently wrote an article in the New York Times on the present state of prisons in the United States.

I commend his article to my colleagues and ask that it be inserted at this point in the RECORD.

The article follows:

[From the New York Times, Oct. 13, 1985]

DESPAIR: A TRIGGER OF JAIL RIOTING

(By Charles W. Colson)

WASHINGTON.—This has been a bad year for prison disturbances. Every month headlines report violence in yet another state. And each time a governor appoints an investigative panel, which blames everything on overcrowding, poor facilities or mismanagment. The corrections commissioner is then fired and the cycle begins again. But during a visit to a Western penitentiary, site of two recent riots, I discovered what I think could be a root cause.

The prison is a cluster of handsome brick buildings surrounded by gentle hills. But for the fences it might be mistaken for a college campus. Inside the steel gates, however, things were tense. The corrections comissioner and the warden both looked harried, even as they assured me everything was under control.

Most prisoners wouldn't talk much, but they spoke volumes with their darting glances. Where the riots had broken out, a thick cement wall was but a pile of rubble—frenzied inmates had punched it out with their bare fists! One wing was charred ruins, with toilets ripped out of the walls and debris everywhere.

There were no obvious reasons. Atypically, the prison was not overcrowed; the facilities were excellent, the staff well-trained. Yet inmates had beaten out a cement wall with their bare fists. Why? The warden had no explanation.

"But," he said, "of course we have no work here—only 100 jobs for 800 men. We make work."

"Make work." In his offhand remark, the warden may very well have provided the key to the unrest.

The nation is indebted to Chief Justice Warren E. Burger, who has crusaded for more inmate jobs. But those who argue for prison jobs usually do so on the grounds that they are important for rehabilitation: Offenders need vocational skills when they get out.

That's true enough. But I think there's a more crucial theological reason as well, one that explains why our prisons drive men to despair. Like the universe, man is created by God—in His very image. Thus man is imbued with the same sense of purpose evident in his Creator. This affects not only our overall perception of life, but practical, everyday relationships. That man cannot live without purpose was captured by Dostoevsky, imprisoned during Czarist repression. He wrote: "If one wanted to crush, to annihilate a man utterly, to inflict on him the most terrible punishments, one need only give him work of an absolutely, completely useless and irrational character."

Some of Hitler's henchmen must have read Dostoevsky. Eugene Heimler, a Holocaust survivor, wrote of an experiment in which Jews who had been working in a prison factory were suddenly ordered to move sand from one end of their camp to another—back and forth, over a period of weeks. Many prisoners, who have been able to cling to life even while working for their captors, went berserk and were shot by guards. Others threw themselves into the electrified wire fence.

This is why it is so crucial to expose the widespread illusion about punishment and prisons. Some on the liberal side believe we can create humane facilities that will "cure" criminals of their errant behavior; many on the conservative side confuse prison and punishment by arguing that we should simply lock everyone up and "teach them a lesson."

The result is a national policy that stuffs our facilities with humans, half of them nonviolent, gives them nothing meaningful to do, then stands back in amazement when prisoners riot.

Punishment? Yes. Biblical justice demands it. And prisons are necessary to separate dangerous offenders from society. But confining nondangerous men and women with nothing to do, driving them to the brink of their sanity? No. In doing so, we can only expect more violence.

TRIBUTE TO J. WENDELL RAMEY

HON. AUSTIN J. MURPHY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 28, 1985

Mr. MURPHY. Mr. Speaker, one of my constituents, a good friend and a community leader in the Monongahela Valley, recently announced his retirement, and I wanted to take this opportunity to pay tribute for his many outstanding accomplishments.

As founder of the Mon Valley Community Health Center, J. Wendell Ramey created a comprehensive health and human service system that has helped tens of thousands of persons as well as served as a model for other areas in the United States. Upon his retirement, Wendell was chief executive officer of Southwestern Pennsylvania Human Services, Inc. During his professional career, he has also served as the chief executive of the Mon Valley United Health Services, the Mon Valley United Fund, and the Mon Valley Health and Welfare Authority. But his résumé cannot begin to recount the tangible results of his many efforts.

In the early 1960's, using a small grant from the local United Fund, Wendell developed the first comprehensive human services plan for the Mon Valley. Then, over the next two decades, he successfully sought out the available local, State, and Federal dollars needed to bring his ideas into reality.

Because of his work, the first visiting nurse service in the Mon Valley was created almost 20 years ago; virtually every community in the area has a senior citizen center; and unemployed persons can obtain affordable health care. In addition, every person in the Mon Valley has access to a whole array of services and programs made available through the Mon Valley Community Health Center.

What started out as one man with a concept and vision, grew and evolved into a health care system employing over 400 persons and serving over 2,100 persons each day. Over the years, literally millions of dollars were brought in the area's economy.

Countless lives have been touched through Wendell Ramey's efforts. When unemployment hit Mon Valley's steel workers and coal miners, the system Wendell created was there and no one was denied any service because of an inability to pay.

Wendell never sought the limelight of any personal honor or recognition. He preferred to work his "magic" behind the scenes while giving the credit to others. His ultimate goal was always the health and well-being of the residents of his Mon Valley, especially those who needed services the most.

For all those who have walked through the doors of the Mon Valley Community Health Center, for every handicapped person, for the children on their way to day care, for every senior citizen, for every unemployed person seeking a doctor, we thank you Wendell.

CLARA WILLIAMS—A MODEL FOR ALL

HON. GUS SAVAGE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, October 28, 1985

Mr. SAVAGE. Mr. Speaker, I am proud to take this occasion to pay tribute to an outstanding black woman—a mother, grandmother, and great grandmother, a teacher, a builder, and an honorary doctor and lawyer—Clara Williams.

Clara Williams is 100 years old today. In the past 100 years she has made her mark on her family, her community, and her people.

Born to sharecropper parents in 1885, Clara was taught the value of education and excellence at an early age. At 15 years of age, she won a 4-year scholarship to Prairie View State Normal and Industrial College where she did laundry to contribute to her board. She graduated with a teaching certificate, valedictorian of her class, and began teaching for $30 per month. In 1930, Clara Williams became the first black graduate of New Mexico State University where the entire class boycotted graduation services because of her presence.

Clara married Jaspar Williams in 1917, bore three sons, and instilled in all the commitment to family, community, and educational excellence. All three sons, Jaspar, James, and Charles, became physicians.

In 1946, Clara lost her husband, mother, and father. She joined her sons in Chicago upon her retirement in 1951 where they had interned at Providence Hospital, one of the few hospitals in the country to then accept blacks. In 1961, characteristically determined, Clara invested her entire life savings in a new medical center, the Jaspar Williams Clinic, now one of the busiest in Chicago's black community, serving over 100,000 patients a year with care and counseling. Not only do Clara's three sons serve the community at the clinic, but several of their sons, as well, have come aboard as physicians, and Clara worked in the clinic for 18 years, helping it to achieve its notable success.

Clara raised her sons "to never doubt that they could forge a better world." Her message has been instilled in her children, her grandchildren and the many others she has taught and touched, It is a message she has made a reality.

Clara Williams is a model for all to emulate—a brilliant, effective black woman. I proudly pay tribute and wish her an enormously happy and healthy 100th birthday.

A LIFE ALTRUISM

HON. PAUL E. KANJORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 28, 1985

Mr. KANJORSKI. Mr. Speaker, it is my great pleasure to inform you and my fellow Members of the House of Representatives of the altruistic deeds of Mr. Jack S. Goodsir, of Wilkes-Barre, PA.

Mr. Goodsir is an extraordinary individual. He has time and again jeopardized his own safety in efforts to help others. On no less than eight occasions, Mr. Goodsir has felt compelled to risk his life for others.

Mr. Goodsir's rescue has occured in a variety of places. He rescued swimmers and a wind surfer at Myrtle Beach, SC, as well as two men from the cab of a Salvation Army truck that had crashed into a pole outside of his home. At home or a vacation, Mr. Goodsir's unselfish spirit shines through.

Mr. Goodsir is a man to be admired for his wholehearted concern for life. In the summer of 1965, he rescued two black children caught in a strong undertow at Alantic City. This rescue occurred at a time when a firm line still existed between black and white. However, Mr. Goodsir's concern forcused on the children and not their race. It is this type of caring for which Mr. Goodsir is to be commended.

Recognized as a local legend in the Wilkes-Bare area, Mr. Goodsir continues to exhibit concern for those who need his help. In times when it is often difficult to discern who genuinely cares for others, one can be assured that Mr. Goodsir cares. We have all benefited from the actions of men and women like Mr. Goodsir. It is reassuring to know that men like Mr. Goodsir continue to positively influence our lives.

Mr. Speaker, it is a pleasure and a privilege to be able to honor Mr. Goodsir's extraordinarily unselfish accomplishments.

RUNNING TO CALL ATTENTION TO ANIMAL ABUSE

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 28, 1985

Mr. LANTOS. Mr. Speaker, in the aftermath of the much-heralded New York Marathon last weekend, it is obvious that people run for many reasons—for their health, a desire to compete, to associate with other runners. One young man, however, is running for a very different, and a very worthy reason—to draw attention to the inhumane treatment of animals through live experimentation, through animal shows, through hunting and trapping.

In July, Ron Sadowsky, a 38-year-old animal rights activist from Minnesota, left Boston to run 5,000 miles across the United States. Earlier this fall, he was here in Washington, DC, where he participated in a rally on the steps of the U.S. Capitol Building. Many national humane groups participated in that event.

In January, Mr. Sadowsky will arrive in Los Angeles. He has been running an average of 20 miles a day, 6 days a week. But he is also participating in a number of events and projects along his route to raise the public awareness of cruelty done to laboratory animals, of mistreatment of animals in shows and performances, of unnecessary pain inflicted through cruel trapping and hunting practices.

Mr. Speaker, Mr. Sadowsky's devotion is being expressed through positive action. His conviction is leading to greater awareness of animal abuse, and ultimately to greater protection of all creatures from pain and suffering. I commend him for this most praiseworthy effort.

RAINBOW NAVIGATION

HON. JAMES J. HOWARD

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, October 28, 1985

Mr. HOWARD. Mr. Speaker, I rise to call to the attention of the House a situation wherein a small shipping company headquartered in a town in my district, Red Bank, NJ, has been the victim of unfair and perhaps illegal action on the part of three Government agencies. The facts will show that the Department of State, the Department of Defense, and the Maritime Administration have ignored provisions of the Cargo Preference Act of 1904 with respect to shipping military cargo to and from Iceland.

Rainbow Navigation is an American-flag shipping company which operates one general cargo vessel between Norfolk, VA and Keflavik, Iceland. Rainbow is the only American-flag carrier transporting military cargo between the United States and Iceland.

The Cargo Preference Act of 1904 directs the U.S. Government to use U.S.-flag carriers, if available, to transport Department of Defense cargo. Thus, in May 1984, Rainbow Navigation began operations. Subsequently, the Icelandic Government suggested that the United State military base at Keflavik, Iceland, might be closed if Icelandic carriers were not given some of the cargo carry business.

As previously noted in a letter that 18 of my colleagues and I signed and sent to the Secretary of State, the Secretary of Defense, and the Administrator of the Maritime Administration, I appreciate the security importance of cordial relations with the Government of Iceland. However, I want to be assured that the cargo preference laws enacted by Congress are enforced.

Rainbow, though eligible for 100 percent of the shipping trade, complied with a Department of Defense request that it accept only 60 percent of the cargo business, thereby leaving Icelandic carriers 40 percent of the trade; accordingly, Rainbow declined to exercise its option to charter a second ship from the Maritime Administration for the Icelandic trade. The U.S. Government offered to pay the Icelandic carriers the money which they would have received given 100 percent of the trade.

In spite of the good faith shown by Rainbow, the U.S. military—while Congress was in recess—began to divert westbound military cargo to military aircraft, thus squeez-

ing Rainbow Navigation out of business. Rainbow's first voyage carried 1,749 tons of military cargo and earned $237,452 in revenue. Twenty-one months later, on October 11, 1985, Rainbow carried only 24 tons of military cargo and received a mere $5,000 in revenue. Obviously, Government interference is successfully destroying an American business that has every right to engage in trade.

On August 8, Secretary of the Navy John Lehman determined that the freight charged by Rainbow Navigation is excessive and unreasonable. On that same afternoon, Rainbow received an unsigned and undated request for proposals from the Military Sealift Command for the carriage of military cargo to and from Iceland for a 6-month period beginning October 1. This RFP specifically states it will be open to foreign-flag vessels. The Cargo Preference Act, it should be noted, gives only the President the power to make such a determination. Rainbow charges the same rates as the Icelandic carriers. Also, the Rainbow carrier provides better service at an overall lower cost to the United States Government by shipping to a port closer to the military base than the Icelandic carriers.

Subsequently, Rainbow filed suit in the U.S. District Court for the District of Columbia for declaratory and injunctive relief, alleging that the actions of Secretary Lehman, the Military Sealift Command, and others were contrary to the 1904 act and the procurement statute and regulations, and to the Constitution and Civil Rights Act.

On October 15, the district court ordered the defendants to withdraw the requests for proposals on or after September 6, I am pleased that Rainbow's rights have been upheld by the court. But it is my hope that the U.S. Government will allow Rainbow to continue business as permitted under existing law. Our Government has no place in directing private business to foreign vendors for any reason, and certainly not at the expense of an American firm ready, able, and willing to continue serving American shipping.

ROD CHANDLER'S PHOTOGRAPHIC DISPLAY

HON. JOHN MILLER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, October 28, 1985

Mr. MILLER of Washington. Mr. Speaker, opportunities to catch a glimpse of the nonpolitical talents of our colleagues are all too rare. So chances are, you didn't know that one of our colleagues, ROD CHANDLER, is an accomplished photographer.

I was delighted to kick off the opening in the Cannon rotunda of Mr. CHANDLER's beautiful photographic exhibit.

We all know what hectic and frequently chaotic lives Congressmen lead. We are spread between floor activities, committee meetings, and trips to our home States.

In spite of his schedule, Representative CHANDLER still takes time to appreciate nature—the mountains, streams, trees, and creatures God has created are captured so well in his photographs.

Most of the pictures were taken in Washington State, but there is also a collection from Oregon and from faraway places like Thailand and Sweden.

Mr. CHANDLER became an avid shutterbug in his early career as a Seattle television reporter. He took a few classes in photography, but really developed his skill by practicing. He also received lots of advice from his coworkers at the television station who lugged around heavy 16-mm cameras to cover stories.

His tools are a single-lens, reflex 35-mm camera and an eye for the world's peaceful and harmonious offerings.

We enjoyed this rare glimpse of our colleague and his world.

RETURN TRUST FUND MONEYS

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, October 28, 1985

Ms. OAKAR. Mr. Speaker, today I am introducing legislation that is of timely importance. My bill would require the U.S. Department of the Treasury to immediately begin paying interest on all amounts borrowed from the civil service retirement fund, the military retirement fund, the Federal supplemental insurance fund, and the Social Security trust fund.

Since October 1 of this year, Mr. Speaker, the Treasury Department has been borrowing from these trust funds to keep the Government running. Because the Treasury Department has not been investing in the trust funds, $8 million per day in interest has been lost. This disinvestment of the trust funds has consequently affected Federal and military retirees who will not receive benefit of the interest were it being paid.

Mr. Speaker, the Treasury Department is blaming their disinvestment action on the Congress for not acquiescing to their wish to raise the debt ceiling. Such an accusation is unconscionable and hides the real fact that the Treasury Department is holding the American people hostage to pay the national debt. This situation exists solely because the administration has run up a $212 billion deficit.

If the Federal Government is permitted to borrow money from the trust funds, Mr. Speaker, it should be required to pay interest to those funds. Federal military retirees and Social Security recipients are entitled to interest on the trust funds on which they rely for their retirement.

Mr. Speaker, my bill would correct this unfair practice by requiring the Treasury Department to pay interest on all amounts borrowed from the civil service retirement fund, the military retirement fund, the Federal supplemental insurance fund, or Social Security trust funds.

I look forward to its swift consideration and passage.

THE 20TH ANNIVERSARY OF FRESNO COUNTY'S ECONOMIC OPPORTUNITES COMMISSION

HON. RICHARD H. LEHMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 28, 1985

Mr. LEHMAN of California. Mr. Speaker, it is with great pleasure that I share with this House the recognition of a community action program in my district that has been providing the residents of Fresno County with invaluable community, economic, and development services for the past 20 years. The Fresno County Economic Opportunities Commission [FCEOC] is celebrating its 20th anniversary and I am honored to present this proclamation in recognition of its efforts. I hope to see the FCEOC continue its work long into the future.

The FCEOC is credited with providing invaluable community service in the areas of job training for low-income and rural residents, health and family planning services for those who cannot afford private health care, and many recreational and advisory activities for senior citizens in Fresno County. In this time of fiscal constraints, the efforts of the FCEOC become even more valuable and the people at the FCEOC respond by giving their constant attention to the needs of the community.

In 1973, the FCEOC initiated the development of Orange Cove Community Center which has served for the past 12 years as a facility where community groups can meet and discuss community development plans, where senior citizens can learn how to conserve energy, and where young people can go to learn how they can be trained for productive jobs. Without the energy and motivation of the staff at FCEOC, a facility like Orange Cove would not exist to provide the valuable social services for all residents. Projects like Orange Cove also offer residents the chance to lend a hand to those who need it.

I wish the Fresno County Economic Opportunities Commission the best of luck and I commend Joe Williams, executive director, and Luisa Medina, board chairperson, for their excellent work and contribution to the community of Fresno County. I applaud their 20 years of service and look forward to many more.

EULOGY TO KEITH M. GAFFANEY

HON. CARLOS J. MOORHEAD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 28, 1985

Mr. MOORHEAD. Mr. Speaker, I have the sad task of notifying my colleagues in the U.S. House of Representatives of the death of a dear friend, a fine citizen, and a

beloved father and grandfather, Mr. Keith M. Gaffaney.

Keith Gaffaney died suddenly on October 19 in Sacramento, CA, doing those things he spent a lifetime doing so well. In the end, he was representing those causes which formed the core of his public life.

Last April, Mr. Gaffaney was unanimously elected as an honorary life member of the National Rifle Association, thus becoming only the 15th individual to be accorded the association's highest honor. This special tribute was in recognition of 35 years of dedicated service to the NRA. First elected to the NRA board in 1960, Keith Gaffaney served as vice president from 1979 to 1981 and as president from 1981 to 1983. He had been an executive councilman since 1983 and was serving on the legislative policy, membership and women's policies committees at the time of his death.

Mr. Gaffaney was active in many youth service organizations, sportsmen's groups, and State and local politics. He was a leader in the California Rifle & Pistol Association, serving as CRPA president and executive council member. He was a member of the California Wildlife Federation Board of Directors; he was president and founder of the United Sportsmen of California, and permanent chairman of the California Sportsmen's Round Table.

Before becoming a full-time representative for the NRA, Keith Gaffaney spent 30 years as a member of the Los Angeles Police Department. He retired from the LAPD in 1966 as assistant operations officer for the police academy. Since his departure from the police force, he has been a respected and effective lobbyist representing sportsmen and gun owners.

Mr. Speaker, I had known Keith Gaffaney for many years. He was a fine and treasured friend. I respected him as a fair and honest advocate for a cause not always void of polemics. I will miss his friendship, his humor, his sense of political balance, and his fundamental decency. Mr. Gaffaney is survived by his wife, Ruth, his son, Dennis, and two grandchildren.

IN MEMORY OF ALEX ODEH

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, October 28, 1985

Mr. CONYERS. Mr. Speaker, last week a memorial service was held in Washington, DC, for Alexander M. Odeh, the west coast regional director for the American-Arab Anti Discrimination Committee [ADC]. He was killed by a terrorist's bomb rigged to explode when he opened the door of his Santa Ana, CA, office the morning of October 11. Mr. Odeh, a man of peace, still largely unknown to many Americans, was the second tragic victim of the *Achille Lauro* hijacking.

Alex Odeh, who had been associated with ADC since it was founded in 1980, was a tireless organizer within the Arab-American community and a promoter, as well as a source of Arab-American pride. He strongly believed that a nonviolent solution could be found to the Israeli/Palestinian conflict in the Middle East through negotiation. He spent his last night speaking out on the hijacking, pointing out that violence only breeds violence. While he has been the target of many threats in the past. Alex Odeh's death still comes as a shock to those of us familiar with his efforts to combat terror and racism.

The hatred which caused the deaths of both Alex Odeh and Leon Klinghoffer has its roots in the unresolved problem of Palestinian homelessness. The failure of the United States and Israel to recognize the national rights of the Palestinian people remains an obstacle to peace in the Holy Land. The result has been years of bloodshed which has touched all of the countries in the region. Now, America finds itself a battleground.

Arab-Americans are the targets of increasing violence and public hostility. To some extent, the media is responsible for creating the misperception that all Arabs are the enemy of Israel, something which marks them as fair game for abuse. Alex Odeh was, in life, an example of how incorrect that perception can be. In death, he is another example of how innocent people in both communities fall prey to those who falsely believe that their actions will produce peace.

There is no reason to doubt that Leon Klinghoffer was murdered because he was Jewish, just as there is no doubt that Alex Odeh was murdered because he was an Arab. What is most important, however, is both men were noncombatants and both were Americans. Alex Odeh was killed for exercising his constitutional right of free speech in a country that values free political expression above all else. I, therefore, find his loss particularly disturbing because if we cannot openly discuss the Middle East problem here, there will remain little chance that Americans can help the Israelis and Palestinians make peace.

TRIBUTE TO EDNA SHERMER GROSSMAN, R.N.: VA NURSE

HON. ROBERT J. MRAZEK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, October 28, 1985

Mr. MRAZEK. Mr. Speaker, I ask my colleagues to join me in paying tribute to Edna Shermer Grossman, of Northport, NY, who was born on this day in 1905. At a time when there are deep concerns about the military medical system, it is especially fitting to recognize Edna's three decades of service as a registered nurse in the U.S. Navy and the Northport Veterans' Administration Hospital. Her professionalism and tender loving care demonstrate the very best that can be expected from the Nation's 63,000 VA nurses.

The 10.2 million active and retired soldiers and their dependents who rely by necessity on the military health-care system deserve high-quality medical services. During the past year, unprecedented reports of tragic cases of malpractice have prompted committees in both the U.S. House of Representatives and the Senate to examine whether armed services personnel are receiving substandard health care. A recent Department of Defense survey of 20,000 military households documented the widespread belief that civilians receive substantially better health care than the men and women who serve this country in the military. Apparently, inefficiency and lack of staff continuity contribute largely to this perception.

Recently, the Veterans' Administration itself recognized the urgent need to improve the Nation's largest health-care system in which more than 25 percent of the physicians in this country work full or part time. In 1984 alone, the Federal agency recorded over 20 million patient visits in 500 hospitals, outpatient clinics, and nursing homes. Over the same period, veterans hospitals reported almost 81,000 complaints from patients and other sources about quality of care and related issues. Clearly, we are facing a problem of national scope that demands immediate attention.

The point that I want to make today is that along with the problems there are many dedicated individuals in the military medical corps whose skill and compassion deserve recognition. And the quality of care not only hinges on the ability of the 46,000 VA doctors but also on the efforts of registered nurses, licensed practical nurses, nursing assistants, aides, and clerical staff.

This I know first hand from my experience in the Navy as a patient in the veterans' Administration Hospital in Norfolk, VA. And this I know from the humanity and special qualities of one of my constitutents, Edna Shermer Grossman, whose career as a registered nurse proves that one person, even in the midst of an enormous bureaucracy, can make a difference.

To mark this special day for Edna, and to encourage others to follow her example, it is appropriate that we recall a few of the highlights of a rich and varied life that her family and friends in Northport have shared with me.

In honor of the milestone that Edna passes today, I will ignore the evidence that she is the daughter of the first registered Republican in Davie County, NC—Tandy Meroney Shermer. Perhaps Tandy Shermer was forgiven for suffering that once rare affliction, having been incurably bitten by the bug in Cuba while fighting alongside Lt. Col. Theodore Roosevelt, the most famous Republican of the day. As a member of the volunteer cavalry known as the "Rough Riders" he served with distinction at the engagement of Las Gausimas and the battle of San Juan Hill. And it is still said—at least in the hollows of Davie County—that during the successful 1904 campaign to become 25th President of the United States, Teddy Roosevelt declared that he could have put a few more men like

Trooper Shermer to good use and ended the Spanish-American War even sooner.

Edna's mother, Minnie Lee Caton Shermer, must have been a Democrat at heart, at least judging from the names she chose for her nine sons and daughters: Willie Jo—the oldest daughter, "X"—that's right, just the letter X, Edna Viola "Tippy", Alpha "Alfy', Eulius "Sherm", Atlee "Sis", Lucy, Jerome "Buck", and Julia "Julie."

Forty-six years living in the North Shore, Long Island community of Northport have done little to erase either Edna's soft accent or mischievious sense of fun, which both trace to her childhood home in the small rural town of Advance, NC. Her arm still bears the scar from playing too near the big saw in the mill. And at times she will now admit that it was she who got the rest of the Shermer brood to sample rabbit tobacco.

Following her older sister into nursing was immediately appealing to Edna. She always had respect for Willie Jo, who has never seen either 5 feet in height or 100 pounds in weight, but would tell anyone who made fun of her boyish name "to go to hell." So Edna worked hard and became the youngest nurse in the State. In fact, a waiver of the state license requirement was needed to allow the new teen nurse to practice.

But there must have been times when Willie Jo—who became Edna's first nursing supervisor at City Memorial Hospital in Winston-Salem—wished Edna had instead chosen a career in farming, or even helping out at the local still, known formally as "Bailey's Liquor Manufacturer." One of these times most certainly was when the hospital administrator Dr. Whittington looked out his office window to see Tippy showing the other student nurses how to ride a horse around the hospital grounds. By the time she completed her training in 1925 and arrived in Greensboro to work at the Clinic Hospital as an RN, Tippy was sporting the first "Boots Bob" haircut in town and tearing up the countryside in a Ford roadster with a rumble seat.

In 1929, Edna left North Carolina to join the Navy and see the world. Instead, she spent the depression seeing whistle-stop tours of duty in hospitals up and down the eastern seaboard: Brooklyn, Miller's Falls, Waterbury, Manhatten, Lincolnton, Salisburg, and back to New York.

Finally in 1939 Edna was able to settle down, moving to Northport where she has lived ever since. There she began the challenging work of attending psychiatric patients in the VA hospital. In those days tranquilizers and restraints were rarely, if ever, used. Edna's children, Lillian Lee and Bill, remember times when Edna would return from work not only exhausted, but bruised. But they also remember the respect and dignity she always accorded all of her charges, including those patients with grounds privileges who she would introduce to the children with full name and rank each day when they met her after work at the hospital.

Over the years Edna cared for thousands of patients, including men from Admiral Byrd's polar exploration, the gangster "Baby Face" Nelson, Gene Tunney, and other well known people who for a variety of different reasons passed through her ward. The stories she tells about these experiences convey the secret of her success as a nurse: she enjoyed her work and tried to treat every patient as an individual human being.

There are many examples of Edna's basic kindness and how creative she could be within a bureaucracy to satisfy a patient's needs. During the time she was put in charge of a "colored ward" in a Southern hospital, she built an incubator and saved a premature baby's life when the necessary equipment was removed from her ward to treat a white child. And once during the Second World War, a French deserter being treated in Northport had to be moved to another more secure facility. For some unfathomable reason, the Frenchman steadfastly refused to leave the psychiatric ward until he had a new "chappeau." It was obvious that the usual channels for Government procurement did not offer a fast solution, but Edna was unwilling to simply ignore the seriously disturbed man's request. We will never know if he appreciated the collection Edna took up among the staff to buy a beret, or whether the gesture had any therapeutic benefit, but once he had his hat the Frenchman did leave the ward voluntarily, without the assistance of the burly orderly waiting in the wings.

After Edna retired in 1966 it took a long time for her seven grandchildren to get accustomed to her out of her white nurse's uniform. Until then she would go off duty at the same time they returned home from school and wouldn't bother to change before joining them in a game of baseball. Once she had to sheepishly admit to her own doctor that she had broken her hand bare-handing a line drive. "I should have gloved the damn thing," she disgustedly explained.

The tykes, as she called the grandchildren, were never quite sure what all the fuss was about Gram's nursing ability. At night when you were ill, didn't she always switch on the light, wake you up and ask if you were OK? And didn't she catch and recycle every drop of the medicine you tried to squirt out of the corner of your mouth? As far as they could see the only benefits of her nursing were the stray alley cats she brought home from the hospital grounds, and the annual VA Christmas party where they got to see grown ups in pajamas during the middle of the day.

Well, maybe some day they will remember more than the trips to New York City, swimming lessons at Crabmeadow Beach, on the Cow Harbor dock, painting landscapes at the Old Northport Golf Course, and the wild rides in her Carmen Ghia along Fort Salonga Road. some day they will understand, and her four great-grandchildren will learn, what an outstanding contribution she made in her profession and what an inspiration she is to us all.

After hearing from so many of Edna's friends and neighbors in the Third Congressional District, it is reassuring for me to know that she does not have aspirations to represent the district in Congress. So on behalf of all who wish Edna and her husband Alexander well, I thank my colleagues for joining me in a tribute richly deserved.

MIAMI HERALD COLUMN ON SDI RAISES VALID ARMS CONTROL CONCERNS

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 28, 1985

Mr. FASCELL. Mr. Speaker, as the debate over the President's strategic defense initiative [SDI] rages on, proponents and opponents continue to refine the debate over its desirability and practicality. However, the basic arguments remain the same.

In the House Foreign Affairs Committee's May 1984 Interim Report on U.S. Policy concerning the SDI and antisatellite weapons, many of the concerns raised by these programs were outlined. Namely, these included the SDI's adverse impact on arms control, its potential for undermining the ABM Treaty, and the potential alienation of our allies.

An important column on this subject appeared in the Miami Herald of October 13. In that column, Associate Editor Joanna Wragg, raises several points that Congress should consider in its deliberations on the SDI:

First, if the SDI is pursued as a development program "it can only ignite another round of inflationary arms spending by both nations."

Second, an imperfect shield defense "would require years to develop [and] provides an incentive for the Soviets simply to build more weapons to compensate" for our improved defenses.

Third, "No rational government would stand by while the retaliatory impact on which it depends is effectively cut by half or more. Rather, it will compensate probably in cruise and submarine-launched missiles; because of their low trajectories, the SDI could not stop them."

Fourth, "A truly missile-proof net would be wonderful—assuming that the Soviets would stand peaceably by while it was assembled. But to believe in a foolproof defense is to be a fool, as the French discovered when Minister of War Andre Maginot's defense line crumbled in World War II."

Fifth, our European allies are very wary of the SDI. The SDI "is a plan for an umbrella that they can't squeeze under. They would be left vulnerable to Soviet aggression as never before. To them, Star Wars represents a multibillion-dollar proof of U.S. isolationism."

These and other valid points raised in Ms. Wragg's column will be the subject of ongoing hearings conducted by the Foreign Affairs Subcommittee on Arms Control, International Security and Science, which I

chair. We will continue to monitor and evaluate the SDI Program emphasizing the need for SDI-related research as allowed under the ABM Treaty as a way to keep apprised of technological developments in the area and as a hedge against possible Soviet breakout from the ABM Treaty.

The Miami Herald column by Joanna Wragg follows:

[From the Miami Herald, Oct. 13, 1985]

'STAR WARS' IS PIE IN THE SKY

(By Joanne Wragg)

Ideas, are dangerous and unreliable allies, as any revolutionary or would-be censor can attest. They can fall into the "wrong" hands and be twisted to serve ends that embarrass their early proponents. That is precisely how the quasi-pacifist nuclear-freeze movement came to produce the idea on which the Reagan Administration's "Star Wars" initiative rests.

That freeze movement promoted the notion that the two superpowers' nuclear-arms buildup is "immoral." The President snatched that idea and bent it to serve a very different strategy. He justified "Star Wars" as a way to "end nuclear weapons," a goal that the peace movement popularized.

"Star Wars"—the strategic defense initiative (SDI)—is the President's proposal for a defensive system that could destroy incoming Soviet intercontinental ballistic missiles (ICBMs) well before they reached the United States. No such system now exists. The NORAD complex headquartered in Cheyenne Mountain, Colo., is designed merely to *warn* the U.S. and Canadian governments when they are under Soviet nuclear attack, so that a decision on retaliation can be made. The system can't stop that attack. Neither can the Soviets stop U.S. missiles.

Each superpower now possesses enough nuclear warheads, along with the missiles, airplanes, and submarines to deliver them, to obliterate the other several times over. The theory is that a rational enemy will not launch a "first strike" if he believes that the retaliatory "second strike" will destroy his nation. Strategists on both sides thought the world safer with each thus armed with an awesome second-strike capacity. In the two generations of the nuclear age, the northern hemisphere has enjoyed a remarkable absence of war under the superpowers' nuclear umbrella.

This theory of mutual assured destruction bears the unsettling acronym of MAD. It hinges on the enemy's good sense. It leaves the American people's safety uncomfortably dependent upon the Kremlin's sanity. So when the peace movement persuaded the public that the threat implict in the deterrence strategy was "immoral," the stage was set for the Administration to seek to reduce that threat.

The result is the SDI. If used as a bargaining chip, it might yet serve the interests of peace. If pursued as a development program, however, it can only ignite another round of inflationary arms spending by both nations.

At a recent editors' seminar at the Air Force Academy in Colorado Springs, home of NORAD and the Unified Space Command, I heard expositions and debates that included representatives of every military, civilian, and scientific point of view on the subject. Speakers ranged from Reagan Administration arms-agency chief Kenneth Adelman to arch-critic and astronomer Carl Sagan. Their conflicting arguments made the issue unexpectedly clear.

First, it's evident that basic strategic-defense research should continue. Research on related computers and sensors already was funded at about $900 million per year before the President announced his megabucks initiative. That research eventually might make possible a targeted defense program that could guard against a single ICBM shot by a Khadafy-type renegade. That would be worth having even if the Soviets suddenly converted to our side.

The multibillion-dollar SDI, however, would move quickly toward development and testing of space-based weapons that would shoot down incoming missiles—some day. For now, it is not possible to produce an SDI network that is 100 percent, or even 50 percent, effective. Not even Mr. Adelman contends that it is. A 90-percent screen still would allow about 1,000 Soviet nuclear missiles to hit the United States.

Such a permeable line, which would require years to develop, provides an incentive for the Soviets simply to build more weapons to compensate for the net. Thus Stars Wars can only accelerate the arms race and render an arms-reduction treaty impossible. No rational government would stand by while the retaliatory impact on which it depends is effectively cut by half or more. Rather, it will compensate, probably in cruise and submarine-launched missiles; because of their low trajectories, the SDI couldn't stop them.

A truly missile-proof net would be wonderful—assuming that the Soviets would stand peaceably by while it was assembled. But to believe in a foolproof defense is to be a fool, as the French discovered when Minister of War Andre Maginot's defense line crumbled in World War II. Star Wars advocates like to invoke the successful campaign to go to the moon as an example of America's can-do technology. They neglect to point out, as Dr. Sagan gleefully does, that the moon was not shooting back. A contest between clever, highly motivated adversaries never ends.

Moreover, it is unreasonable to expect an adversary to trust us. Most Americans suspect that the Soviets would bury the United States if they thought they could get away with it. That prudent assumption should continue to guide U.S. policy. But Americans cannot afford the naivete of believing that the Soviets share our view that we are the good guys. They don't. They know that, no matter what our President says, a defensive shield that takes the "M" out of MAD would set us up for a first strike against them.

The nations of Western Europe don't like Star Wars either, and with good reason. It is a plan for an umbrella that they can't squeeze under. They would be left vulnerable to Soviet aggression as never before. To them, Star Wars represents a multibillion-dollar proof of U.S. isolationism. No wonder Soviet Premier Mikhail Gorbachev is seizing this opportunity to play peace maker in Western Europe.

For all these reasons, and because the program would soak up engineers, metallurgists, and mathematicians who are desperately needed in private industry, the President ought to reconsider. He has said that the SDI was not conceived as a bargaining chip for Geneva. He probably meant it at the time, but he can afford to change his mind. The nation and the world, however, cannot afford for him not to.

NO PRODUCTION FUNDS FOR THE BIGEYE BOMB

HON. NICHOLAS MAVROULES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, October 28, 1985

Mr. MAVROULES. Mr. Speaker, I want to join my colleague, DANTE B. FASCELL, chairman of the Foreign Affairs Committee, in praising the action taken by the Appropriations Committee on October 24 striking out funds for new nerve gas weapons. I am including here Chairman FASCELL's statement. He points out how this new chemical weapons program is proclaimed to be a modern and safe replacement for our current stockpile of chemical weapons when, in fact, it is a request to fund weapons which are judged not ready for production by our own GAO and which may prove to be unsafe. His conclusion clearly summarizes the persuasive foreign policy, defense, arms control, and budgetary reasons why Congress should not fund this program.

Our colleagues, Chairman FASCELL and Representative JOHN PORTER, have provided excellent leadership on the chemical weapons issue in the House of Representatives. They have tried to present to all their colleagues the facts on the binary nerve gas weapons program. When they have sensed problems in the program they have investigated themselves and they have asked the GAO to investigate. As Chairman FASCELL so aptly puts it in his statement, "Every time I've asked GAO to take another look at the Bigeye they turn up new technical problems and persistent test failures." It is their judgment and the recommendation to Congress by the GAO that Congress should not appropriate funds for this binary nerve gas weapons production.

I am also including here an editorial which appeared on October 23 in the Boston Globe. That editorial entitled, "Another Flawed-Weapon Plan That Needs Scrapping", also underscores the severe and persistent testing problems of the Bigeye bomb. The editorial has an important instructional message for Congress, Congress should not make decisions to fund production of weapons systems until those weapons have successfully completed their testing programs.

Chairman FASCELL's statement and the editorial follow:

STATEMENT BY HON. DANTE B. FASCELL

FASCELL LAUDS APPROPRIATIONS COMMITTEE ACTION STRIKING OUT FUNDS FOR NERVE GAS WEAPONS

Commenting on the Appropriations Committee decision to delete funds for binary production, Rep. Dante B. Fascell (D-FL), Chairman of the House Foreign Affairs Committee said: "Today's vote by the Appropriations Committee to delete funding for new binary nerve gas weapons is the right vote at the right time. Thanks to the leadership of Rep. John Porter (R-IL), the Appropriations Committee decided the issue of new nerve gas weapons on its merits and

voted not to appropriate funds for their production."

The Chairman said he sent a letter to Members of the Appropriations Committee detailing new information about the Bigeye bomb and its testing failures. In that letter Fascell pointed out: "The GAO has recommended for three consecutive years that the Congress should not appropriate the $163 million requested for the binary production program." Fascell added: "Every time I've asked GAO to take another look at the Bigeye they turn up new technical problems and persistent test failures. The news on the Bigeye bomb and on the 155-mm artillery projectile is bad and may get worse if we begin production. Leaks, nitrogen bulges, and hot spots burning holes in artillery canisters and bombs which can still explode from pressure buildup on runways or before hitting their targets don't reassure me that we will be providing our troops the safe, reliable weaponry that they deserve."

Chairman Fascell concluded: "This vote by the Appropriations Committee states clearly that we do not need a weapons system which is not needed, does not work, has not been proven safe for our troops, will cost the U.S. taxpayer billions of dollars, will harm the NATO alliance, will risk proliferation, and will jeopardize chances for a negotiated solution with the Soviet Union."

[From the Boston Globe, Oct. 23, 1985]

ANOTHER FLAWED-WEAPON PLAN THAT NEEDS SCRAPPING

(By Elisa D. Harris and Jeanne Guillemin)

Defense Secretary Caspar Weinberger's recent decision to cancel the fatally flawed Sgt. York Division Air Defense gun (DIVAD) should serve as a lesson for government officials in charge of weapons programs. The $1.8 billion mistake was the result of a 1977 Pentagon decision to start production of the gun before the system had successfully completed its tests.

Now Congress is once again considering funding the production of a costly weapon still in the testing stage. This time it is "Bigeye," an aircraft-delivered nerve gas bomb with a price tag of more than two billion dollars.

Since 1982 the Pentagon has sought congressional approval for Bigeye bomb production before confirming the reliability of the system by adequate tests. In reports issued in April 1983 and October 1984, the General Accounting Office identified a range of serious, unresolved problems: physical damage to the bomb casing due to high temperature and increased pressure during delivery, questions about the purity and toxicity of the enclosed chemical agent, and the vulnerability of Bigeye delivery aircraft to enemy air defenses.

These findings, together with reluctance to break a long-standing moratorium on nerve gas production, led Congress in 1982, 1983, and again in 1984 to reject the Pentagon's request.

This year Congress appears on the verge of approving chemical weapons production for the first time in 16 years. Its members thus risk supporting production of a system that looks good on the Pentagon drawing board but which later turns out to have major defects.

The Bigeye bomb's test history is filled with instances of crucial test data being withheld from the Pentagon and congressional committees, as well as questionable interpretations of test results. In October 1982 a chemical-mixing test resulted in a surprise explosion of the bomb. This setback was not reported to the Office of the Secretary of Defense until December 1982, and not to Congress until January 1983.

In an August 1985 letter report to House Foreign Affairs Committee Chairman Dante Fascell, the GAO suggested that, using the Pentagon's own test criteria, the number of successful Bigeye tests claimed by the Department of Defense could not possibly be correct.

The same report took issue with the Pentagon's assertion that tests had confirmed the solution of Bigeye's pressure problem. The GAO wrote, "[T]he pressure buildup problem has been sidestepped by DoD and has not been resolved—the bomb could still blow up."

In the case of Sgt. York—and now with Bigeye—the Army has repeatedly maintained that performance specifications were being met and that the system was fit for production. Until the end, the Army insisted that Sgt. York was essential to the defense of Europe and that its various technical and operational problems could be resolved. Likewise, in Senate testimony on Feb. 28, 1985, Thomas Welch, deputy assistant secretary of defense for chemical matters, claimed, "All the problems have been fixed. The Bigeye today is a success story."

Yet only last month, in still another report to Congress, the GAO concluded that Bigeye bomb production is premature because "numerous, critical technical issues" remain unresolved.

The GAO is right about the Bigeye bomb. Both Congress and the Pentagon should have learned from their multibillion dollar mistake that weapons systems should not be produced until successfully tested and that such tests must be conducted openly and honestly.

Congress will soon have another opportunity to reject Bigeye bomb production when it considers the 1986 defense appropriations bill. The lesson from the Sgt. York is: weapons systems that don't work should not be funded.

GRAMM/RUDMAN

HON. BRUCE A. MORRISON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, October 28, 1985

Mr. MORRISON of Connecticut. Mr. Speaker, I would like to bring to the attention of my colleagues letters from three low-income advocacy groups which raise serious questions about the Gramm-Rudman proposal and its likely effect on low-income people.

COALITION ON BLOCK GRANTS AND HUMAN NEEDS,
Washington, DC, October 11, 1985.

DEAR REPRESENTATIVE: The Coalition of Block Grants and Human Needs believes that the Gramm-Rudman approach to deficit reduction will be greatly detrimental to those with the greatest need in our society, those who suffered the brunt of past budget cuts.

If any such legislation is to be adopted, we believe it must exempt means tested entitlements and low income discretionary programs.

The Gramm-Rudman amendment, H.J. Res. 372, exempts Social Security and as much as 40 percent of the defense budget, then automatically allocates, by formula, the reductions necessary to meet specified deficit targets. This procedure unavoidably focuses deficit reduction on vital means tested entitlements and programs for health, education and other supports on which the poor depend. Since 1981, $56 billion has been cut from human resource programs, including $34 billion from those targeted specifically to poor people. It would be grossly unjust to protect defense contractors and middle and upper income Social Security recipients from cuts while letting them fall on the poor and others with special needs.

During this year's budget debate, bipartisan majorities in both houses accepted the principle that low income programs should bear no further reductions. We believe the same commitment should extend to consideration of any deficit reduction measure.

The Coalition on Block Grants and Human Needs consists of over 100 religious, civil rights and labor organizations and others concerned about the needs of the poor, minorities, women, children, the disabled and elderly.

While we share your concern about the seemingly uncontrollable deficit, we believe that a measure which automatically puts the burden on low income programs is both unwise and unfair.

Sincerely,

SUSAN REES,
Executive Director.

NATIONAL LOW INCOME HOUSING COALITION,
Washington, DC, October 15, 1985.

DEAR REPRESENTATIVE: On behalf of the members of the National Low Income Housing Coalition, I urge you to reject the Gramm-Rudman budget proposal as an unbalanced, unfair and desperate attempt to reduce the national deficit through draconian cuts in discretionary domestic spending programs which benefit low income people. While the Gramm-Rudman proposal purports to mandate "across the board" reductions in the federal budget deficit through automatic cuts, major program areas—including Social Security, large portions of defense, and all tax expenditures—are off limits. The result is that programs which serve the poor must bear a share of automatic spending reductions equal to as much as twice their share of the federal budget.

We are particularly concerned about the impact of Gramm-Rudman on low income housing programs. Because the proposal requires reductions in budget authority to be matched by outlay reductions, housing appropriations would have to be eliminated entirely to meet the targets. This is due to housing's unique use of long-term budget authority.

Since 1981, budget authority for low income housing subsidies has been slashed by over 60 percent. The Section 8 new construction and substantial rehabilitation programs have been repealed. The bulk of the inadequate subsidies in today's HUD budget is in existing housing subsidies.

I ask that you vote to maintain the authority of Congress to set budget and spending priorities and not to rely on automatic spending reductions or Presidential discretion. Reject the Gramm-Rudman proposal. At the very least, any eventual proposal should exclude all means-tested low income programs such as low income housing.

Sincerely,

BARRY ZIGAS,
President.

CENTER FOR LAW
AND SOCIAL POLICY,
Washington, DC, October 18, 1985.

DEAR REPRESENTATIVE: The Center for Law and Social Policy urges you to fully and carefully consider the effect of the Gramm-Rudman approach to deficit reduction on the poor and vulnerable before voting upon it. If Gramm-Rudman or similar legislation is to be adopted, we believe means-tested entitlements as well as discretionary programs serving primarily low-income populations and people with disabilities must be exempted from its provisions.

As you know, programs for the poor have been subject to enormous budget cuts since 1981. More than thirty-four (34) billion dollars has been eliminated from programs serving poor families and children, including decreases in AFDC, food stamps, child nutrition, health, housing, legal services and job training. As a result poverty among single-parent families with children has increased dramatically. In consideration of this, during this year's budget debate, bipartisan majorities of both House of Congress accepted the principle that low-income programs should bear no further reductions. We believe the same commitment should extend to consideration of any deficit reduction measure.

Yet, under Gramm-Rudman, programs assisting the poor will bear a share of automatic spending reductions equal to as much as twice their share of the federal budget. This is morally unjustifiable.

Moreover, because of the ambiguous language of the bill, it is possible that both entitlement and non-means tested programs, such as education of children with disabilities, immunizaiton, foster care, and adoption assistance programs will lose so much funding as to be incapable of delivering the services that Congress intended them to deliver when they were enacted and reauthorized. At the very least, the kinds of funding reductions encompassed within Gramm-Rudman will result in cuts in personnel that will cause disruptions in such other essential functions as law enforcement, the courts, air traffic control, management of public lands, tax collection, processing of Social Security and other benefit checks, and operation of VA and other publicly-funded health facilities.

Clearly something must be done to control the deficit. To do so fairly and equitably, all defense spending and Social Security should be included in the base amount available for reduction. In addition, tax reform which contains a minimum corporate tax and closes loopholes available to upper-income taxpayers must be a priority.

We appreciate your attention to altering the Gramm-Rudman bill, and would be happy to assist you in your work on achieving deficit reductions that are both effective and fair.

Sincerely,

ALAN W. HOUSEMAN,
Director.

THE MEDICARE FAIR HOSPITAL DEDUCTIBLE ACT OF 1985

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 28, 1985

Mr. ROYBAL. Mr. Speaker, today I rise to introduce the Medicare Fair Hospital Deductible Act. This bill will limit increases in the hospital deductible and nursing home coinsurance to no more than the lesser of increases in Medicare's DRG payments or Social Security's COLA—an indicator of the elderly's ability to pay for health care. Nursing home coinsurance will be reduced from one-eighth of the hospital deductible to one-twelfth. Finally, full nursing home coverage will be extended by 5 days to give seniors some relief from the "sicker and sooner" problem of early hospital discharges.

Why is this legislation so critical? Just a few weeks ago, we were all shocked by the upcoming increase in Medicare's hospital deductible and nursing home coinsurance for 1986. While the increase for 1985 was already an unacceptable 12 percent, no one was prepared for the unreasonable increase of 23 percent which the elderly face for 1986. This 23-percent increase is even more excessive when you consider that the Social Security COLA for 1986 is only 3.1 percent. This situation is intolerable and requires some remedy.

While most of my colleagues probably agree with the need to hold down the hospital deductible and nursing home coinsurance, they are also concerned about the fiscal impact. For this reason, we have attached a revenue enhancing provision whereby the cigarette excise tax will be increased by 8 cents, indexed to the Consumer Price Index, and earmarked for the Medicare hospital trust fund. The estimated $4.8 billion in added revenues over the next 3 years will not only cover the cost of the above hospital deductible and nursing home coinsurance provisions—about $3.7 billion—but will give the trust fund and the Federal budget a much needed "revenue tranfusion" of over $1 billion.

Already many congressional offices are receiving mail from senior citizens who are angry about the massive increase. This is only the beginning. Soon, the elderly will receive insurance company notifications of what impact this increase will have on Medigap policies. If this Congress does not act soon, senior citizens entering the hospitals after January 1 will face the $492 deductible—$92 higher than last year. As we all know, the mail will begin to flow and with good reason.

In a July study conducted by the Committee on Aging, we documented that the elderly are already spending more of their income today for health care than when Medicare and Medicaid began nearly 20 years ago. Even without this massive increase in the hospital deductible, the situation was going to get much worse. Even with a hospital deductible less than the $492, the elderly are projected to spend $2,583 for health care in 1990—nearly 19 percent of their income. This is substantially higher than the already excessive 15 percent they are paying today.

I believe that the vast majority of my colleagues agree that the elderly are already paying too much out of pocket for health care and that these increases in the hospital deductible and nursing home coinsurance are too much for the elderly to absorb. For this reason, I urge my colleagues to throw their support behind the Medicare Fair Hospital Deductible Act. Only if this legislation is passed quickly can the Congress protect America's elderly and disabled from being hit with the $92 increase starting in January.

I ask that the Medicare Fair Hospital Deductible Act text be printed in the RECORD.

H.R.3630

A bill to amend part A of title XVIII of the Social Security Act to limit the rate of increase in the inpatient hospital deductible and to change the extended care coinsurance amount and to amend the Internal Revenue Code of 1954 to increase by 8 cents per pack the excise taxes on cigarettes and to earmark revenues from the tax increase to the Federal Hospital Insurance Trust Fund

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This act may be cited as the "Medicare Fair Hospital Deductible Act".

SEC. 2. LIMITING RATE OF INCREASE OF PART A INPATIENT HOSPITAL DEDUCTIBLE AND NURSING HOME COINSURANCE.

(a) INPATIENT HOSPITAL DEDUCTIBLE.—Section 1813(b)(2) of the Social Security Act (42 U.S.C. 1395e(b)(2)) is amended—

(1) in the first sentence, by strking out "between July 1 and October 1 of 1968, and of each year thereafter" and inserting in lieu thereof "not later than November 15 of each year", and

(2) by amending the second sentence to read as follows: "Such inpatient hospital deductible shall be equal to the lesser of the following:

"(A) $45 multiplied by the ratio of (i) the current average per diem rate for inpatient hospital services for the calendar year preceding the promulgation, to (ii) the current average per diem rate for such services for 1966.

"(B) The inpatient hospital deductible for services furnished in the preceding year increased by the lesser of the following percentages:

"(i) The percentage increase (if any) as applies for purposes of DRG prospective payment rates under section 1886(b)(3) or 1886(e)(4) (whichever is applicable) to discharges in the fiscal year which begins on October 1 in the year of promulgation.

"(ii) The applicable increase percentage (relating to the annual cost-of-living increase in OASDI benefit payments) determined under section 215(i) in the year of promulgation.".

(b) EXTENDED CARE COINSURANCE AMOUNT.—

(1) APPLICATION BEGINNING ON 25TH DAY OF EXTENDED CARE SERVICES.—Section 1813(a)(3) of the Social Security Act (42 U.S.C. 1395e(a)(3)) is amended by striking out "20" and inserting in lieu thereof "25".

(2) REDUCTION TO ONE-TWELFTH OF HOSPITAL INSURANCE DEDUCTIBLE.—Such section is further amended—

(A) by striking out "one-eighth" and inserting in lieu thereof "one-twelfth", and

(B) by adding at the end the following new sentence: "Any amount determined under the preceding sentence which is not a multiple of $1 shall be rounded to the nearest multiple of $1 (or, if it is midway between two multiples of $1, to the next higher multiple of $1).".

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by subsections (a) and (b) shall apply to—

(A) inpatient hospital services furnished during a spell of illness beginning on or after January 1, 1986,

(B) extended care services furnished on or after January 1, 1986, and

(C) monthly premiums under section 1818 of the Social Security Act for months beginning with January 1986.

(2) New determination of inpatient hospital deductible and extended care coinsurance amounts.—Within 15 days after the date of the enactment of this Act and taking into account the amendments made by this section, the Secretary of Health and Human Services shall redetermine and repromulgate the inpatient hospital deductible, and the extended care coinsurance amount, which will apply for purposes of section 1813(a) of the Social Security Act for inpatient hospital services and extended care services furnished during 1986 and the monthly premium that will apply for purposes of section 1818 of the Social Security Act for months in 1986.

SEC. 3. INCREASE IN FEDERAL EXCISE TAX ON CIGARETTES AND APPLICATION OF INCREASE TO FEDERAL HOSPITAL INSURANCE TRUST FUND.

(a) INCREASE IN CIGARETTE TAXES.—Section 5701 of the Internal Revenue Code of 1954 (relating to the imposition of tax on cigarettes) is amended—

(1) by adding at the end of subsection (b) the following new paragraph:

"(3) ADDITIONAL TAXES.—In addition to the rates under paragraphs (1) and (2) and subject to subsection (f)—

"(A) SMALL CIGARETTES.—On cigarettes, weighing not more than 3 pounds per thousand, $4 per thousand.

"(B) LARGE CIGARETTES.—On cigarettes, weighing more than 3 pounds per thousand, $8.40; except that, if more than 6½ inches in length, they shall be taxable at the rate prescribed for cigarettes weighing not more than 3 pounds per thousand, counting each 2¾ inches, or fraction thereof, of the length of each as one cigarette."; and

(2) by adding at the end thereof the following new subsection:

"(f) COST-OF-LIVING ADJUSTMENTS IN RATE OF ADDITIONAL TAX ON CIGARETTES.—

"(1) IN GENERAL.—In the case of cigarettes removed during a fiscal year after fiscal year 1986, subsection (b)(3) shall be applied by increasing each dollar amount contained therein by the cost-of-living adjustment for such fiscal year.

"(2) COST-OF-LIVING ADJUSTMENT.—For purposes of paragraph (1), the cost-of-living adjustment for any fiscal year is the percentage (if any) by which—

"(A) the CPI for the preceding fiscal year, exceeds

"(B) the CPI for fiscal year 1985.

"(3) CPI FOR FISCAL YEAR.—For purposes of paragraph (2), the CPI for any fiscal year is the average of the Consumer Price Index as of the close of the 12-month period ending on July 31 of such fiscal year.

"(4) DEFINITIONS.—For purposes of this subsection—

"(A) CONSUMER PRICE INDEX.—The term 'Consumer Price Index' means the last Consumer Price Index for all urban consumers published by the Department of Labor.

"(B) FISCAL YEAR.—The term 'fiscal year' means the 1-year period ending on September 30 of the calendar year to which such term relates.

"(5) ROUNDING.—Any increase under paragraph (1) shall be rounded to the nearest cent (or if such increase is a multiple of ½ cent, such increase shall be increased to the next highest multiple of 1 cent)."

(b) FLOOR STOCKS.—

(1) IMPOSITION OF TAX.—On cigarettes manufactured in or imported into the United States which are removed before November 15, 1985, and held on such date for sale by any person, there shall be imposed the following taxes:

(A) SMALL CIGARETTES.—On cigarettes, weighing not more than 3 pounds per thousand, $4 per thousand; and

(B) LARGE CIGARETTES.—On cigarettes, weighing more than 3 pounds per thousand, $8.40 per thousand; except that, if more than 6½ inches in length, they shall be taxable at the rate prescribed for cigarettes weighing not more than 3 pounds per thousand, counting each 2¾ inches, or fraction thereof, of the length of each as one cigarette.

(2) LIABILITY FOR TAX AND METHOD OF PAYMENT.—

(A) LIABILITY FOR TAX.—A person holding cigarettes on Novermber 15, 1985, to which any tax imposed by paragraph (1) applies shall be liable for such tax.

(B) METHOD OF PAYMENT.—The tax imposed by paragraph (1) shall be treated as a tax imposed under section 5701 of the Internal Revenue Code of 1954 and shall be due and payable on January 1, 1986, in the same manner as the tax imposed under such section is payable with respect to cigarettes removed on November 15, 1985.

(3) CIGARETTE.—For purposes of this subsection, the term "cigarette" shall have the meaning given to such term by subsection (b) of section 5702 of the Internal Revenue Code of 1954.

(4) EXCEPTION FOR RETAILERS.—The taxes imposed by paragraph (1) shall not apply to the cigarettes in retail stocks held on November 15, 1985, at the place where intended to be sold at retail.

(c) APPLICATION OF ADDITIONAL TAXES TO FEDERAL HOSPITAL INSURANCE TRUST FUND.—Section 1817(a) of the Social Security Act (42 U.S.C. 1395i(a)) is amended—

(1) by striking out "and" at the end of paragraph (1),

(2) by striking out the period at the end of paragraph (2) and inserting in lieu thereof "; and", and

(3) by inserting after paragraph (2) the following new paragraph:

"(3) the taxes imposed by section 5701(b)(3) of the Internal Revenue Code of 1954.".

(d) EFFECTIVE DATES.—

(1) TAX INCREASE.—The amendments made by subsection (a) shall apply to cigarettes removed after November 14, 1985.

(2) DEPOSIT OF INCREASE INTO TRUST FUND.—The amendments made by subsection (c) shall apply to taxes imposed on cigarettes removed after December 31, 1985.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, October 29, 1985, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

OCTOBER 30

9:00 a.m.

Armed Services

Strategic and Theater Nuclear Forces Subcommittee

To hold hearings on policy and technology objectives of the Strategic Defense Initiative (SDI) program.

SR-232A

9:30 a.m.

Banking, Housing, and Urban Affairs

International Finance and Monetary Policy Subcommittee

To hold hearings on S. 1763, to clarify U.S. negotiating goals in seeking to eliminate predatory concessional financing in the form of tied aid and partially untied aid credits.

SD-538

Environment and Public Works

To hold oversight hearings on the Department of Energy's high-level radioactive waste disposal program.

SD-406

Foreign Relations

To hold hearings to review United States policy toward the Philippines.

SD-419

Judiciary

Patents, Copyrights and Trademarks Subcommittee

To hold hearings on S. 1739, Home Audio Recording Act.

SD-562

Labor and Human Resources

Business meeting, to consider pending calendar business.

SD-430

Select on Intelligence

To hold closed hearings on intelligence matters.

SH-219

10:00 a.m.

Appropriations

Defense Subcommittee

Business meeting, to mark up proposed legislation appropriating funds for fiscal year 1986 for the Department of Defense.

SD-192

Judiciary

Criminal Law Subcommittee

To hold hearings on S. 440, Computer Systems Protection Act of 1985, and other computer fraud related measures.

SD-226

Select on Indian Affairs

Business meeting, to mark up S. 1684, to declare that the U.S. holds certain Chilocco Indian School lands in trust

for the Kaw, Otoe-Missouri, Ponca, and Tonkawa Indian Tribes of Oklahoma, S. 1728, to authorize the Cherokee Nation of Oklahoma to lease certain lands held in trust for up to ninety-nine years, S. 1298, to coordinate and expand services for the prevention, identification, and treatment of alcohol and drug abuse among Indian youth, S. 1621, to revise the Indian Education Act Amendments of 1978, by defining the eligibility of children who attend the Bureau of Indian Affairs funded schools, and S. 1396, to settle unresolved claims relating to certain a lotted Indian lands on the White Earth Indian Reservation in Minnesota.
SD-138

Conferees
On H.R. 3036, appropriating funds for fiscal year 1986 for the Department of the Treasury, U.S. Postal Service, Executive Office of the President, and certain independent agencies.
H-164, Capitol

11:00 a.m.
Labor and Human Resources
Children, Family, Drugs, and Alcoholism Subcommittee
To hold hearings on the effects of domestic violence.
SD-628

1:00 p.m.
Judiciary
Courts Subcommittee
Business meeting, to mark up S. 704, to establish an Intercircuit Panel of the United States Courts of Appeals to decide cases referred by the U.S. Supreme Court.
SD-226

2:00 p.m.
Judiciary
To hold hearings on pending nominations.
SD-226

3:30 p.m.
Select on Ethics
To meet in closed session to consider pending business.
SH-220

OCTOBER 31

9:30 a.m.
Agriculture, Nutrition, and Forestry
To hold hearings on the financial condition of the farm credit system, and to discuss possible legislative remedies.
SR-328A

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on S. 240, to start daylight savings time on the first Sunday of March, and S. 1433, to start daylight savings time on the first Sunday of April and to end it on the first Sunday of November.
SR-253

*Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Foreign Relations
To hold hearings to review certain defense issues, focusing on nuclear strategy, ballistic missile defense, and arms control.
SD-419

Veterans' Affairs
Business meeting, to mark up S. 1788, to increase the rates of disability compensation for disabled veterans and the rates of dependency and indemnity compensation for surviving spouses and children of veterans.
SR-418

10:00 a.m.
Judiciary
Business meeting, on pending calendar business.
SD-226

Labor and Human Resources
Employment and Productivity Subcommittee
To resume hearings on the impact of trade on employment and productivity.
SD-430

2:00 p.m.
Appropriations
Business meeting, to mark up H.R. 3327, appropriating funds for fiscal year 1986 for military construction programs of the Department of Defense, and provisions of H.R. 3228, appropriating funds for fiscal year 1986 for foreign assistance and related programs.
SD-192

Joint Library
To hold a general business meeting.
H-328, Capitol

3:00 p.m.
Armed Services
Preparedness Subcommittee
To hold open and closed hearings on Department of Defense ammunition requirements, production base, and future directions.
SR-232A

4:00 p.m.
Select on Intelligence
Closed briefing on U.S. intelligence monitoring capabilities.
SH-219

NOVEMBER 1

9:15 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold oversight hearings on the implementation of the Staggers Rail Act (P.L. 96-448).
SR-253

9:30 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on the financial condition of the farm credit system, and to discuss possible legislative remedies.
SR-328A

Finance
Health Subcommittee
To hold hearings on S. 1551, to provide for administrative appeals and judicial review under Part B of Medicare, and to review the beneficiary and provider appeals provisions under Part A and B of the Medicare program.
SD-342

Joint Economic
To hold hearings on the employment/unemployment situation for October.
SD-342

NOVEMBER 4

9:30 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To resume oversight hearings on the implementation of the Staggers Rail Act (P.L. 96-448).
SR-253

Labor and Human Resources
To hold hearings on the impact of space technology on human resources.
SD-430

NOVEMBER 5

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To hold oversight hearings on regional airlines.
SR-253

Rules and Administration
To hold hearings on proposed legislation to provide for public financing of Senate general election campaigns.
SR-301

10:00 a.m.
Appropriations
Business meeting, to mark up proposed legislation appropriating funds for fiscal year 1986 for the Department of Defense.
SD-192

NOVEMBER 6

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Environment and Public Works
Transportation Subcommittee
To hold hearings to examine problems associated with construction of Hawaii Interstate H-3, including parkland protection issues.
SD-406

Judiciary
Administrative Practice and Procedure Subcommittee
Courts Subcommittee
To hold joint hearings on farm bankruptcy.
SD-628

2:00 p.m.
Commerce, Science, and Transportation
Communications Subcommittee
Science, Technology, and Space Subcommittee
To hold joint hearings on the space world administrative radio (WARC).
SR-253

NOVEMBER 7

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on insurance and space commercialization.
SR-253

NOVEMBER 8

9:15 a.m.
Finance
Health Subcommittee
To hold hearings on a Department of Health and Human Services report on proposed reform of the Federal hospital insurance program (Medicare Part A) method of paying for capital costs.
SD-215

9:30 a.m.
Energy and Natural Resources
Natural Resources Development and Production Subcommittee
To hold hearings on S. 570, S. 372, S. 946, and S. 913, bills to improve the administration of the Federal coal leasing program, and other coal related issues.
SD-366

NOVEMBER 12

9:30 a.m.
Governmental Affairs
Permanent Subcommittee on Investigations
To resume hearings on espionage activities in the United States.
SD-342

10:00 a.m.
Labor and Human Resources
Employment and Productivity Subcommittee
To resume hearings on the impact of trade on employment and productivity.
SD-562

NOVEMBER 13

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold oversight hearings on LANDSAT commercialization.
SR-253
Labor and Human Resources
To hold hearings on nutrition and fitness in public health.
SD-430

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

NOVEMBER 14

9:30 a.m.
Commerce, Science, and Transportation
Business meeting, to consider pending calendar business.
SR-253
Governmental Affairs
Permanent Subcommittee on Investigations
To resume hearings on espionage activities in the United States.
SD-342
*Governmental Affairs
Intergovernmental Relations Subcommittee
To hold oversight hearings on regulatory activities of the Office of Management and Budget.
SD-562

10:00 a.m.
Energy and Natural Resources
To hold oversight hearings on the President's July 8, 1985 National Defense Stockpile "modernization" proposal and its potential impact on the domestic mining industry.
SD-366
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
Business meeting, to mark up proposed legislation authorizing funds for programs of the Higher Education Act.
SD-430

NOVEMBER 15

10:00 a.m.
Environment and Public Works
Toxic Substances and Environmental Oversight Subcommittee
To resume oversight hearings on ground-water level and use and on ground-water quality and flow in the United States.
SD-406

NOVEMBER 18

9:15 a.m.
Finance
Health Subcommittee
To hold hearings on the Federal supplementary medical insurance program (Medicare Part B) payments for physician services, focusing on efforts by the Department of Health and Human Services and others to assess the current payment mechanism and develop reform options.
SD-215

NOVEMBER 19

9:30 a.m.
Energy and Natural Resources
To hold hearings on S.J. Res. 192, to authorize financial assistance for the Northern Mariana Islands.
SD-366

10:00 a.m.
Commerce, Science, and Transportation
Business, Trade, and Tourism Subcommittee
To hold hearings on the promotion of domestic tourism.
SD-253
Office of Technology Assessment
The Board, to meet to discuss pending business.
EF-100, Capitol

NOVEMBER 20

9:30 a.m.
Labor and Human Resources
To resume hearings to examine certain barriers to health care.
SD-430

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business
SD-366
Governmental Affairs
Energy, Nuclear Proliferation and Government Processes Subcommittee
To hold hearings on the 1985 Conferences on the Treaty on the Non-Proliferation of Nuclear Weapons and on the International Atomic Energy Agency.
SD-342

NOVEMBER 21

9:30 a.m.
Energy and Natural Resources
Energy Regulation and Conservation Subcommittee
To hold oversight hearings to review Federal Energy Regulatory Commission's Order 436, final rule and notice requesting supplemental comments on regulation of natural gas pipelines after partial wellhead decontrol (Docket No. RM 85-1-000).
SD-366

DECEMBER 3

10:00 a.m.
Labor and Human Resources
Children, Family, Drugs, and Alcoholism Subcommittee
To hold hearings on the issues of childcare, focusing on education, job training and the labor market.
SD-430

DECEMBER 10

10:00 a.m.
Environment and Public Works
Toxic Substances and Environmental Oversight Subcommittee
To hold oversight hearings on environmental effects of global atmospheric warmings.
SD-406

CANCELLATIONS

OCTOBER 31

10:00 a.m.
Small Business
To hold oversight hearings on activities of the Small Business Administration's Office of Veterans Affairs.
SR-428A

HOUSE OF REPRESENTATIVES—*Tuesday, October 29, 1985*

The House met at 12 o'clock noon.

Rev. Dr. H. Eugene Cotey, First Baptist Church, Murfreesboro, TN, offered the following prayer:

Eternal Father, strong to save
Hear us when we cry to Thee:
Hear us when our Nation sails through unchartered waters.
Hear us as we voice diverse and contradictory concerns about complex options and,
Hear us in the midst of indecision.
We pray for these representatives of the people as they come together in one body.
Give them common ground on which to stand.
Give them wisdom to find solutions to complicated problems,
Give them courage to act when fear might lead to inaction.
Give them a sense of mission when it is easier to be self-serving.
Dear God, hold our Nation and these men and women in the hollow of Thy hand,
In the name of Jesus Christ our Lord, I pray.
Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

DR. EUGENE COTEY

(Mr. GORDON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GORDON. Mr. Speaker, we had the privilege today of having Dr. Eugene Cotey provide the opening prayer.

Dr. Cotey has had a distinguished pastoral career, for almost 25 years, he has provided a wealth of practical and spiritual guidance to not only his congregation, but the entire community.

In addition to his duties as pastor of First Baptist Church of Murfreesboro, he has served as president of the Tennessee Baptist Convention and as a director of the Home Mission Board of the Southern Baptist Convention.

As a trustee of the Baptist Hospital of Nashville and Belmont College, he has used his administrative talents to minister to the sick, and to the young people of our area.

Dr. Cotey's greatest contribution has been his capacity to foster concern for our neighbors and the community as a whole.

I know that my colleagues join me in welcoming this fine American and his family to our Nation's Capital.

THE MORAL BANKRUPTCY OF THE NICARAGUAN REVOLUTION

(Mr. BROOMFIELD asked and was given permission to address the House for 1 minute.)

Mr. BROOMFIELD. Mr. Speaker, isn't America wonderful?

Where else could a poor, struggling revolutionary like Comandante Ortega, his country under siege by the United States, enjoy a millionaire's vacation in New York with his family.

Diner's Club and the American way made it all possible.

The picture of the little dictator from Managua emerging from a designer boutique with $3,500 worth of eyeglasses for himself and his family said it all.

After suspending the basic freedoms of his people and commanding the poor to tighten their belts another notch, he took his credit cards and left home without them.

In Nicaragua today, the rug has been pulled from under the free trade unions and opposition political parties; the popular Catholic Church is under siege; and the country has taken on the trappings of a police state.

Meanwhile, its tinpot dictator has taken off his military fatigues, donned designer clothes, and is gallivanting around New York enjoying all of the capitalistic pleasures he says he despises.

Better than words, his performance describes the moral bankruptcy of the Nicaraguan revolution.

HURRICANE JUAN

(Mr. TAUZIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TAUZIN. Mr. Speaker, today much of my district is below water as a result of Hurricane Juan. Unfortunately, the rains continue to fall and the waters continue to rise.

Since Sunday 1,400 people have been stranded in Grand Isle, LA. I've gotten reports of water as high as 14 feet in many areas.

The situation offshore is just as bad. This storm surprised and stranded thousands of offshore workers who risk their lives every day to help this country meet its energy needs. Vessels already offshore brought many of those to land, but waters were too rough to allow those vessels to go back to sea to evacuate others. High winds and waves toppled at least three rigs off of the Louisiana coast, forcing hundreds of workers into 15- to 20-foot seas. Some of them were holding to driftwood for as many as 16 hours before they could be rescued.

Mr. Speaker, our prayers and thoughts should be with the victims of Hurricane Juan as they try to rebuild their lives. But we should learn a valuable lesson too. We could have been better prepared.

We should stop referring to greatly needed public works projects as "pork" and realize that levees and flood control works could have saved lives and millions of dollars in damage to homes and businesses.

Second, we should pass legislation requiring standby vessels to provide more protection for our offshore workers in time of disaster.

One of my constituents summed it up quite well when she was interviewed by CNN this morning. She said, "I'm mad. I thought we had protection here." Well, I'm not sure how I will explain that that protection is caught up in petty fighting here, while she is underwater there.

UNITED STATES SHOULD HAVE TRADE RECIPROCITY WITH JAPAN

(Mr. McKINNEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McKINNEY. Well, Mr. Speaker, here we go, just as I have often said. Mr. Nakasone came to Washington last week. Mr. Nakasone went to Juneau and Mr. Nakasone is taking 6,000 barrels of Cook Inlet oil back to Japan, in violation of the intent if not the direct law of Congress. And, guess what. Just as I said 10 years ago, 8 years ago, and 6 years ago, it is going on Japanese ship bottoms, not American ship bottoms, therefore endangering more American jobs and endangering the Jones Shipbuilding Program.

Now, we are told this oil will be replaced by Mexican oil. Mexican oil is nowhere near as good as Cook Inlet oil. Cook Inlet oil is very pure. And I would suggest that everyone look at the Oil Daily of Thursday, October 24, which states that Mexico expects to raise the price of its Isthmus oil 50 cents to 75 cents.

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.
Boldface type indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

Mr. Speaker, when are we going to demand some sort of reciprocity from the Japanese before they take our oil, our ship jobs, and in fact we receive nothing in return?

INTERNATIONAL PHYSICIANS FOR THE PREVENTION OF NUCLEAR WAR

(Mrs. BOXER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. BOXER. Mr. Speaker, amidst all the news of hijackings and terrorism and fear and hatred, we have a chance to celebrate a deserving organization dedicated to life and peace on this planet.

International Physicians for the Prevention of Nuclear War has won the Nobel Peace Prize and we should be uplifted by that achievement.

I work with this group in my community to bring an awareness to all our citizens—an awareness none of us had until groups like International Physicians began to flower.

The nuclear arms buildup was never voted on by the people of America or the Soviet Union. It happened because of a mutual mistrust, and faith that all new technology was an improvement—even new technologies that destroy. Weapons that kill the people but keep the building standing; weapons that have "hard-target" capability, thus presenting a first-strike threat. Such weapons escalate the chances of a nuclear war.

We don't want to think about it but these physicians made us think about it. And the first step to getting the arms race under control is to understand it. Thank you physicians for teaching us that as healers, even you, with all the medical advances at your disposal, cannot bring us back from a nuclear holocaust. And with that knowledge, we can begin to change the world.

YOUTH EMPLOYMENT OPPORTUNITY WAGE ACT OF 1985

(Mr. LIVINGSTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LIVINGSTON. Mr. Speaker, the problem of unemployment among our Nation's youth has reached tragic proportions. Last year, the jobless rate for our 16- to 19-year-olds was almost 19 percent, more than twice the national average. In my own State of Louisiana, which has the second highest unemployment in the country, the problem is even worse. Projected teenage unemployment for 1986 is 23.5 percent, and for minority youth, almost 40 percent.

The answer to this problem is H.R. 1811, the Youth Employment Opportunity Wage Act of 1985. By creating a subminimum wage for youth during the summer months, this legislation will significantly reduce minority unemployment and generate up to a half a million new jobs for teenagers in the private sector.

Unfortunately, this bill has been stalled in committee for months and has never received a hearing.

It is time for the Democratic leadership to get serious about this problem and to allow the bill out of committee and onto the floor for debate. It is time to quit stifling a proposal that will give thousands of citizens their first valuable work experience.

The Federal minimum wage discriminates against teenagers and minorities. These people lack jobs because they lack basic job skills. Employers simply cannot afford to train them at $3.35 per hour, and every time the minimum wage rises, their opportunities for employment are reduced.

If opponents of this bill have a better solution, I'm ready to listen. So far, I haven't heard one, and I believe it is time to give H.R. 1811 a chance.

THIS AUTUMN OF DISCONTENT

(Mr. JACOBS asked and was given permission to address the House for 1 minute.)

Mr. JACOBS. Mr. Speaker, in this autumn of discontent it seems reasonable to remember that perfect self-government of imperfect people is not likely. Or as my father puts it, "You can't dip clear water from a muddy stream."

Yet for those thoughtful Members of Congress who feel the frustration of the follies of this time and place, there is this encouraging thought from the late statesman, Henry Stimson:

> Let them not turn aside from what they must do, or think that criticism excuses inaction. For there is good as well as evil. And for the person who works for a goal, believing in its eventual attainment, while there may be setback and even disaster, there will never be defeat. The only deadly sin I know is cynicism.

DON'T GET DUPED AGAIN: VOTE "NO" ON CHEMICAL WEAPONS FUNDING

(Mr. PORTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PORTER. Mr. Speaker, last week, in a closed, top secret markup, the Appropriations Committee voted to eliminate all funding for new chemical weapons.

In a session that included a full discussion of the Soviet threat, the status of our own stockpile and the miserable performance of the new Bigeye bomb, the committee voted to delete the money the Pentagon requested for these weapons.

Many Appropriations Committee members who originally supported the tentative authorization in June felt sold out when the authorizing committee gutted the strict conditions on funding for new chemical weapons. They realized that there is only one reason to include money for chemical weapons in the fiscal year 1986 appropriations bill and that is to gut the conditions on funding just like they were in the authorizing conference and spend the money this year.

The Appropriations Committee did the right thing in rejecting new chemical weapons funding, but some say: "Never mind the deficit, never mind the GAO recommendations not to fund the Bigeye bomb, never mind our NATO allies who will not accept them, just spend the money."

Mr. Speaker, that is the same kind of thinking that got us into this deficit mess in the first place. Let's not make it worse.

SOCIAL SECURITY TRUST FUND

(Mr. CHAPMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CHAPMAN. Mr. Speaker, the administration, in order to force action on the debt ceiling, is once again using Social Security as a pawn in their game.

First, earlier this month when Social Security taxes were received by the Government, the Department of the Treasury was unable to purchase Government securities for the Social Security trust fund, because their purchase would have punctured the debt ceiling.

Second, for the first time in U.S. history, the administration has not placed Social Security taxes into the Social Security trust fund. On Friday, again for the first time, the administration threatens to accelerate disinvestment of the trust fund.

Third, other options exist and should be explored by the administration, whether it be the Federal financing bank or any other method available. Instead, this administration again attacks Social Security first.

Fourth, having taken the money that should have gone to Social Security, this administration is obligated to find a method to repay the principal and interest lost to Social Security, a program with a surplus that is paying its own way.

This theft from Social Security cannot be condoned. Yes; we need a balanced budget. No; we need not terrify Social Security recipients in order to achieve it.

□ 1215

CHILD SAFETY DAY

(Mr. MONSON asked and was given permission to address the House for 1 minute.)

Mr. MONSON. Mr. Speaker, child safety continues to be an important concern for people in the United States. When 1½ million children disappear as they did last year, it is something that we all need to pay more attention to.

Last Saturday, in the district that I represent, a child safety day was held. This provided parents an opportunity to do something that would bring about more peace of mind regarding this issue by giving them an educational opportunity to teach their children and find ways they can better protect their children. It also provided identification materials to the parents that will help identify their children if an emergency situation arises.

I want to thank the law enforcement officials that provided the materials and technical assistance for this child safety day which we sponsored. I want to commend those parents who waited in line up to 2 hours to take advantage of this educational opportunity and to obtain these materials for their children in the event that an unfortunate situation requires it. All responses indicated that the time involved was not nearly as important as the protection of their children.

We obviously hope that no event will occur that will require the use of these materials and training, but in the event that it does, these almost 2,500 children are now better prepared to handle such a situation and their parents will rest a little easier. Many people deserve thanks for the work that was done last Saturday in the Second Congressional District of Utah and I sincerely and wholeheartedly say thank you to them.

NO EXPORT OF COOK INLET OIL

(Mr. MANTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MANTON. Mr. Speaker, yesterday's Wall Street Journal contained an article stating that President Reagan has told Japanese officials he is considering allowing the export of domestic oil produced in Alaska's Cook Inlet.

Congress recently renewed the Export Administration Act by a wide margin. In that bill, both Houses strongly agreed that it is in our national interest to prohibit the export of crude oil from Alaska's North Slope. That oil is critical to our Nation's energy independence and to our domestic maritime industry, which transports the oil to refineries in California and the gulf coast.

Even though less oil is produced in Cook Inlet than at Prudhoe Bay, the same national interests apply. The United States needs the 6,000 barrels produced there daily. But more importantly our maritime industry, which already is struggling to survive against unfair foreign competition, cannot afford to have the door opened for the export of Alaskan oil.

If the export of Cook Inlet oil is approved today, Alaskan North Slope crude will be under siege tomorrow. If we are serious about keeping our domestic maritime industry alive, we must not let that happen.

THE PRESIDENT'S VETO OF RUNAWAY SPENDING BILLS HAS HOUSE BACKING

(Mr. DORNAN of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORNAN of California. Mr. Speaker, yesterday those of us who belong to one of the informal caucuses around this legislative body called the Grace caucus, named after Mr. Peter Grace who made the most extensive analysis of Government waste in the history of this country, yesterday we met in the Rose Garden of the White House with the President, and the President's remarks were stirring about the time is now at hand when the American people are disgusted with the amount of spending in this country and the refusal of this Congress to match the promise it made to the President in his first term that if he raised taxes over $90 billion, we could cut $3 for every $1 that the President took or added to our budget.

Mr. Speaker, I am looking at the status of our appropriations bills that is given to us daily in our calendars of the U.S. House of Representatives, and we are way behind schedule, Mr. President. We have gotten 1 of our 13 appropriations bills through conference: energy and water. Only 2 more have been reported to conference with the help of the other body, and that leaves 10 bills, particularly our defense and military construction bills on which there is barely any action at all.

Eight of these bills will be over the request of the administration. I gave to Peter Grace to put into the President's hands yesterday a letter I circulated here in July with one-third of the Members of this body signing it, and a buffer of two more, in case one of us gets ill. That is 147 signatures which make our President a 9,000-pound gorilla, Mr. Speaker. Our President is now veto proof.

Whatever the President vetos on these appropriation bills to hold down spending, a third of the Members of this House plus two have promised to back him up in these vetos.

Mr. President, get busy with your pen and cut the cost of runaway Federal spending.

GRAMM-RUDMAN: TRICK OR TREAT?

(Mr. ALEXANDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ALEXANDER. With all of his talk about cutting spending, the President now wants Congress to approve his $2 trillion national debt. Mr. Reagan disguises his debt increase by supporting the Gramm-Rudman proposal—clearly a trick, not a treat. In fact, Gramm-Rudman might win the prize for the best Halloween hoax of 1985.

Even the Secretary of Defense is horrified by the irresponsible manner in which Gramm-Rudman would attack Federal spending and threaten national security. Members of Congress are likewise outraged because the Gramm-Rudman proposal would postpone the pain of deficit reduction until after next year's elections.

Mr. Speaker, the American people should not be misled by the President's Halloween disguise. Gramm-Rudman is no treat; it is poisoned candy by which the President and his party hope to deceive the voters of America just long enough to let them off the hook for one more election.

Mr. Speaker, what the American people want is not another Reagan trick. What they want is a Presidential treat; a serious consideration of the budget problem.

THE PENN STATE HEART

(Mr. GEKAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GEKAS. Mr. Speaker, the Penn State Heart has done its job. I am not talking about the exploits of the Penn State football team; I am talking about the extraordinary success that the Hershey Medical Center in Pennsylvania has fashioned with the temporary implant, the plastic implant, imbedded into the chest of a Philadelphia man who was dying of heart disease.

The temporary implant was placed in the chest and then the search for a human heart began; for a permanent transplant. For 11 days nothing occurred because a proper transplant could not be obtained. Throughout that time, that temporary, plastic Penn State Heart pounded away and did its job, and then when a human heart was finally brought onto the scene and the temporary implant re-

moved, a chance for life has now been given to this man from Philadelphia.

The miracle of it is not only has this man now emerged into the world of the living, as it were, but this temporary implant has shown no evidence at all of any damage done or any imperfection. No blood clotting. It has worked. Good luck to a future recipient of the Penn State Heart.

VIVA ITALY! VIVA PIZZOLATO!

(Mr. BIAGGI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BIAGGI. Mr. Speaker, I proudly rise today to pay tribute to an extraordinary athlete for a magnificent athletic achievement. Orlando Pizzolato, a gifted, disciplined, and determined runner from Italy captured the grueling 26.2-mile New York City Marathon this past Sunday, his second consecutive New York City Marathon victory.

One had to be as fortunate as I to watch the marathon to fully appreciate the Pizzolato victory. Consider at the 13-mile mark, Pizzolato was trailing the leaders by almost 2 minutes. At the 14-mile mark he was still in 20th place. At the 17-mile mark he was in 10th place. Yet never doubting his strategy or ability, Pizzolato began to make up the final places methodically until he moved into second place at the 20-mile mark. From this point on, he ran his best. As he entered the hills in beautiful Central Park with some 2 miles to go he made his final move. He moved left then right but kept narrowing the gap on leader Ahmed Saleh. As he hit the longest hill he passed Saleh. As he said later, "I could see he was in big trouble. I tried to go by him several times and he followed me. So I put all my energy into the last hill. I thought that might be my last chance."

From that point on there was no stopping him. He finished the race in 2 hours 11 minutes and 34 seconds, a full 54 seconds ahead of Saleh. What a marvelous race he ran! What a thrill he provided to the viewing audience! What pride he brought to Italy and the Italian-American community! All one can say is what a wonderful inspiration to all Americans.

Viva Italy! Viva Pizzolato!

THE WORLD CHAMPION KANSAS CITY ROYALS—THE TEAM THAT NEVER QUIT

(Mr. COLEMAN of Missouri asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COLEMAN of Missouri. Mr. Speaker, I rise today to congratulate the world champion Kansas City Royals on their World Series victory over the St. Louis Cardinals this last weekend.

The Kansas City Royals of 1985 is a team that would not quit. They would never give up. Even though they were the underdogs in the Western Division of the American League, they won the division. Upon entering the playoffs, again they were the underdogs and were down three games to one to the Toronto Blue Jays. They had to win the playoffs in Toronto, a feat that no one said could be done.

Then, going into the World Series against the St. Louis Cardinals, they lost the first two games at home. They went to St. Louis and won two games but were down three games to one at one point. They came back to Kansas City and then, in the very important sixth game, with one more inning left to play, the Royals became the miracle workers of 1985. Down 1–0 in the ninth inning, pinchhitter Dane Iorg got a hit with the bases loaded to drive in the winning two runs. The frosting on the cake, was an 11–0 victory over the Cardinals Sunday night clinching the series. In doing so, the Royals made baseball history, the only team ever to win the World Series after losing the first two games at home.

I want to congratulate the owners of the Kansas City Royals, Mr. and Mrs. Ewing Kauffman and Mr. Avron Fogelman, as well as all the players and manager, Dick Howser. I would extend special congratulations to George Brett, our outstanding third baseman, to Bret Saberhagen, who was named the most valuable player of the World Series, to Frank White, our golden glove second baseman, and to Hal McRae, who, while not seeing much action in this series, was the spirit and the glue that held the team together over this year.

Mr. Speaker, it has been 30 years since Kansas City has had major league baseball. While the Athletics played in Kansas City suffered a great many indignities, including Charlie Finley, through those years. It took us 30 years to win the World Series. We were very happy to have a parade and a celebration in which 250,000 Kansas Citians—and there are only 1 million people in the entire metropolitan area—came to pay tribute to a team that endeared itself to all America.

We will never forget the 1985 Royals. As ABC said last night on its conclusion to the coverage of the World Series, "It could not happen to a nicer team and it could not happen to a nicer town."

SEMICONDUCTER INDUSTRY THREATENED: SILICON VALLEY MAY BECOME A "DEATH VALLEY"

(Mr. LEVIN of Michigan asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEVIN of Michigan. Mr. Speaker, I was reading the New York Times this morning, and it carried a really disconcerting report on another piece of American industry. It described how the United States is about to lose an important chunk of the semiconductor industry, the standard memory chip that stores data in everything from computers to video cassette recorders. It pointed out the fact that with the loss of that production, there is a threat to the entire electronics industry of the United States. In other words, is there a danger that Silicon Valley can become an economic "Death Valley"?

The administration's response to the eroding manufacturing base in the United States has so far been essentially zero. Whenever there has been action, it has not been to take constructive action or to take the offensive, but it really has been a defensive measure to try to hem in action by the Congress.

I think we are learning that it is not inevitable that America will always land on its feet economically. This is shown in the report in the Times this morning about the semiconductor industry.

Mr. Speaker, it is time for us to wake up. It is time for us to put our heads together. It is time for us to act or otherwise one industry after another is going to leave the shores of America.

BALANCED BUDGET AND EMERGENCY DEFICIT CONTROL ACT OF 1985

(Mr. LAGOMARSINO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LAGOMARSINO. Mr. Speaker, there are many, too many, in this House who are simply all talk and no action when it come to dealing with the deficit. Even though 59 percent of Americans rate reducing the deficit as the No. 1 job facing this body and 67 percent of the Nation believe that the fault lies with the Congress, many of my liberal colleagues have simply not acted in a meaningful way to reduce the deficit. They have opposed the balanced budget amendment, the line-item veto, cost cutting reommendations of the Grace Commission, amendments to appropriation bills to cut spending and other measures intended to reduce deficits.

In 1974 Congress enacted the Congressional Budget Act. Now no one can really say this has resulted in any better control of the budget than we had before. Although Congress has the power and authority to balance the budget, it presently does not have the obligation or discipline to do it.

Recently, a majority of both Republicans and Democrats in the other body voted in favor of the Gramm-Rudman amendment. With more than 150 cosponsors in the House I urge my colleagues to begin showing some fiscal responsibility and support this reasonable and responsible measure.

PROPOSED LEGISLATION TO DEPOLITICIZE SOCIAL SECURITY

(Mr. BONER of Tennessee asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BONER of Tennessee. Mr. Speaker, for quite a while now, there has been talk that we should take Social Security out of the political arena and insure its safety as a continuing source of income for retirees and disabled. There is evidence to support this.

There have been nine Commissioners in the past 12 years. There have been several branch office closings and the attrition of 17,000 employees. Under new legislation that I support, H.R. 3470, the agency would be headed by a three member, bipartisan Board, appointed by the President with the consent of the Senate.

The other half of this proposal would be to separate Social Security from the unified budget and give a clearer picture of the continuing deficit problem. Since 1967, the Social Security trust funds have been in the unified budget—in the displays of overall levels of Federal spending and taxing. The deception starts taking place when the surpluses accumulated each year in Social Security revenues lead to a reduction of the Federal deficit.

This self-sufficient fund takes no appropriated money from the budget, but is being used as a smoke screen to artificially hold down the deficit problem. By taking Social Security out of the unified budget, we will get a much clearer, truer picture of the deficit problem.

The time is now to remove Social Security once and for all from those who use it for political gain.

INTEGRAL VISTAS

(Mr. HANSEN asked and was given permission to address the House for 1 minute.)

Mr. HANSEN. Mr. Speaker, when Barbra Streisand sings "On a Clear Day You Can See Forever," she must be singing about the beautiful scenery in Utah and the mountain West. Because of the clean, dry air in the West you can literally see for hundreds of miles from many mountaintop lookout points.

But several of these lookout points are in national parks, and many people are concerned that economic development and the accompanying pollution in areas that can be seen from the parks should be severely restricted and that these "integral vistas" should be precisely defined.

Last week, Interior Department Secretary Don Hodel made a courageous decision not to formally identify these "integral vistas." The EPA had given him that power in the last month of the Carter administration.

I believe we should protect the beautiful scenery in and around our national parks, but the Federal and State governments already have the authority and programs to address visibility concerns in the parks.

The final identification of integral vistas would have added unnecessary regulations that would have only harmed local economies without benefiting the environment.

In light of the intense emotions surrounding this issue, I appreciate and congratulate Secretary Hodel for his wise and prudent decision.

□ 1235

CONGRATULATIONS TO KANSAS CITY ROYALS

(Mr. SLATTERY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SLATTERY. Mr. Speaker, on behalf of all the loyal Royals fans in Kansas, I rise to join my colleague from Missouri in congratulating the Kansas City Royals.

The Kansas City Royals did what all the experts said they could not do, they came from behind to win the western division in the American League, they came from behind to win the American League pennant, and they came from behind to win the World Series.

Mr. Speaker, the Kansas City Royals are world champions, and all the loyal fans in Kansas and in Missouri could not be prouder. I congratulate the Royals players, manager Dick Howser, their coaches and their owners.

And as a prominent sports writer observed, whether the Kansas City Royals are the best team in baseball is a matter of definition, that they represent what is best in baseball is beyond doubt. That, in my judgment, is far more important.

LET US GET FEDERAL SPENDING UNDER CONTROL

(Mr. PACKARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PACKARD. Mr. Speaker, I rise to respond to the gentleman from Arkansas who claimed that the President is just using Gramm-Rudman as another trick in an effort to reduce the deficit.

Every effort that this body has made to reduce deficits and every effort the President has made to reduce deficits have been repudiated by the liberal majority of this body by the use of their numbers and, short of raising taxes, they have given no alternatives.

Mr. Speaker, I am proud to stand here in support of the Gramm-Rudman-Mack-Cheney prosposal to eliminate the Federal deficit. The people of the United States have made their voice heard—they are demanding that Congress get Federal spending under control. Gramm-Rudman-Mack-Cheney does the job.

The plan is simple. In the next 6 fiscal years, the deficit will be reduced from $180 billion to zero—in $36 billion annual increments.

The plan is flexible. The President and Congress may devise alternative plans to eliminate spending in excess of the straightline schedule.

The plan is fair. It provides a backup sequestering process that makes uniform, across-the-board spending cuts.

The plan is necessary. It is a realistic approach to eliminating our run-away Federal deficit.

Mr. Speaker, this Congress has no choice but to reduce excessive Government spending. The Gramm-Rudman-Mack-Cheney proposal does the job with simplicity, flexibility, and fairness. I hope it passes and that Congress has the commitment to abide by its provisions.

REMEMBER THE SIX HOSTAGES IN LEBANON

(Mr. MINETA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MINETA. Mr. Speaker, I rise once again to remind my colleagues that six Americans are languishing in captivity in Lebanon.

This hostage drama has gone on for more than a year, and it is time for this administration to use its energy and its wisdom to bring this tragedy to an end.

I am pleased and heartened by reports that President Reagan met with the hostages' families yesterday; and that those families were heartened by being able to meet with Mr. Reagan.

These families have suffered for months. During that time, they have endured not only the fear and concern that naturally comes with having a loved one held hostage, but they have also been forced to bear that burden in isolation.

Mr. Speaker, the hostage families have asked me and other Members if we believe the Government is doing everything it can to bring their loved ones home.

Until now, I have answered that I did not believe everything that could

be done was being done. Perhaps now that President Reagan has become personally involved we will soon see all of the hostages reunited with their families.

DECREASING EXCISE TAX ON CIGARETTES MAKES NO SENSE

(Mr. BOEHLERT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BOEHLERT. Mr. Speaker, I keep reading and hearing reports that "White House sources" and "those close to the Oval Office" are urging a Presidential veto of the proposal to maintain the excise tax on cigarettes at the present level of 16 cents a pack.

I hope what I am reading and hearing is wrong. If a veto comes, the excise tax on cigarettes will drop from 16 to 8 cents a pack.

Does it make sense to permit a 50-percent reduction in excise tax on cigarettes at a time when we are in the process of increasing the national debt to $2 trillion? We are spending $360 million a day—$15 million an hour—just on interest on the national debt.

Now, you might say that 8 cents a pack excise tax on cigarettes is no big deal. If you say that, you are wrong. Every one penny in excise tax brings in $212 million. Multiply that by eight and you come up with $1.7 billion. That is more than the entire budget of the National Science Foundation. That is money the Treasury needs.

Do not follow the advice of nameless advisors, Mr. President. A veto of the excise tax on cigarettes would not be good for America.

MARITIME ADMINISTRATION PROPOSES TO ALTER ITS "BUY AMERICA" POLICY

(Mrs. BENTLEY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. BENTLEY. Mr. Speaker, I have just learned of a proposed regulation by the Maritime Administration to alter its "Buy America" policy by adopting a less restrictive policy with regard to title XI's financing requirements.

The original purpose of title XI, mortgage guarantee, was to beef up construction in American shipyards and thus provide more American jobs. By protecting American business and domestic economy, we ensured our industrial base for defense mobilization purposes and enabled our industries to be self-sustaining.

MarAd's reasoning for relaxing the "Buy America" requirements is the shrinking domestic and marine supplier industry. According to MarAd, the reduced number of U.S. built commercial vessels has not provided a sufficient market to make it profitable for certain domestic companies to engage in the development and manufacture of various types of marine equipment, that is, slow-speed marine diesel engines, lifeboat engines.

This less restrictive material purchasing regulation could have an annual effect on the economy of hundreds of millions of dollars and have significant adverse effects on the ability of the remaining domestic suppliers to compete with foreigners in the U.S. marine equipment market.

Therefore, I think it imperative that we voice our opposition to MarAd's proposed rulemaking and encourage MarAd to look into the possibility of more research and development in the marine equipment manufacturing area in order to enhance the competitive posture of our domestic shipbuilding industry.

SIGN DISCHARGE PETITION NO. 1

(Mr. COBEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COBEY. Mr. Speaker, on March 5, 1984, the Supreme Court ruled that a Nativity scene in Pawtucket, RI, could be displayed on State property if there was a "legitimate secular purpose" for this display.

In other words, displaying anything nonsecular on State property would be a violation of the first amendment.

Perhaps this line of reasoning could have some validity were it not for the fact that "secularism" is today a vast and growing religion—a nontheistic religion, but a religion, nonetheless.

In the Court's attempt to take a neutral position toward theistic beliefs in cases such as Wallace versus Jaffree, it has swung the pendulum wholly to the side of the secular humanists.

And it has done this, I might add, in the face of the fact that 97 percent of the people in this country claim to have some belief in God. The Court has turned its back on the God who has blessed our country and our Nation so richly and it has done this under the false pretense of neutrality.

The prayer issue is only one manifestation of this, but it is an issue that we must take out of the Court's hands. We can do this by passing a constitutional amendment providing for voluntary prayer in schools.

Mr. Speaker, I urge my colleagues to sign discharge petition No. 1 and get this matter to the floor and let us put it behind us and have voluntary prayer back in the schools.

IMAGES FROM HALLOWEEN

(Mr. LUNGREN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LUNGREN. Mr. Speaker, a few minutes ago I was sitting in my office watching the 1-minute speeches when I had an opportunity to watch the distinguished, I guess, chief deputy whip of the Democratic side, the gentleman from Arkansas [Mr. ALEXANDER] come forward and criticize the President for the Reagan deficit. He used some nice language, talking about images from Halloween.

Well, I have here the—one, two, three, four, five, six latest ratings from the National Taxpayers Union where they rate all Members of Congress on spending. I thought just to see who was playing trick and who was playing treat, we might take a look at that and see how the gentleman from Arkansas [Mr. ALEXANDER] stacks up.

And was I disappointed to find out that he is listed in the big spender category in every single year. As a matter of fact, in the last 2 years he was in the zero percentile and the No. 1 percentile in terms of those who were attempting to reduce spending.

In other words, he could not find any opportunities to do so.

I think it is just strange that we just sit here and talk about the Reagan deficit, then nothing gets to the President unless we pass it.

The gentleman from Arkansas has shown the way for the big spenders.

Perhaps the old saying that "consistency is the hobgoblin of small minds" is what the gentleman from Arkansas has in mind, but maybe in the Halloween spirit he might try to be a hobgoblin, at least a couple times and find some consistency about his enunciations on spending and the votes that he casts on the floor of the House.

COMMENDING INTERIOR SECRETARY HODEL FOR KILLING PLAN TO LIMIT STATE CONTROL OF DEVELOPMENT AROUND NATIONAL PARKS

(Mr. NIELSON of Utah asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. NIELSON of Utah. Mr. Speaker, I commend Secretary of the Interior Don Hodel for killing a plan that would have limited State control of development on picturesque scenery surrounding national parks. Utah has five national parks with over 1 million acres and had the Secretary not made the decision he made, the entire eastern and southern part of our State would have been effectively precluded from any further development of its coal, synthetic fuels and uranium resources, not to mention its other economic activities.

Governor Bangerter said he was very pleased, and may I quote:

51-059 O-87-27 (Pt. 21)

Gov. Norm Bangerter said he was pleased the state will be given responsibility for protecting areas around the park and that he thinks the state can better meet the protective goals. He opposed the plan partly on a state's rights platform. I think we have enough guidelines from the federal government. I believe in the West controlling its own destiny, he said.

The Governor goes on:

One outcome of the failed federal plan is that the 17 targeted areas in Utah will receive "special attention," the governor said. They include views around Arches, Bryce Canyon, Canyonlands, Capitol Reef and Zion national parks.

As Congressman HANSEN said earlier, you can see a long way from those parks. In fact, the entire Kaiparowits Plateau was precluded from development a number of years ago because from 80 miles north in Bryce Canyon you can see where the coal mines might be developed.

So I commend Secretary Hodel for a very courageous decision, one that is absolutely necessary for the development of the West.

TIME FOR DEMOCRATIC LEADERSHIP TO ALLOW A VOTE ON GRAMM-MACK PROPOSAL TO REDUCE DEFICITS

(Mr. WALKER asked and was given permission to address the House for 1 minute.)

Mr. WALKER. Mr. Speaker, it is time for the Democratic leadership of this House to allow us to vote on the Gramm-Mack proposal to reduce deficits.

It is time for that vote to take place in this body. It is time for the American people to find out where their Member of Congress stands on the issue of reducing the deficit.

If the Democrats have an alternative, they ought to bring forth that alternative. If they do not have an alternative, they ought to give us a chance to vote. It is a chance the American people have been waiting for, a chance to reduce the deficit. Let us have that chance in the House of Representatives. Let us have it soon.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The PRESIDENT pro tempore (Mr. MONTGOMERY). Pursuant to the provisions of clause 5 of rule I, the Chair announces that he will postpone further proceedings today on both motions to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will take place after all other legislative business today.

RESTITUTION AMENDMENTS ACT OF 1985

Mr. CONYERS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2713) to amend title 18, United States Code, to modify certain provisions pertaining to restitution, and for other purposes, as amended.

The Clerk read as follows:

H.R. 2713

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Restitution Amendments Act of 1985".

SEC. 2. POWER TO ORDER RESTITUTION IN LIEU OF OTHER SENTENCES.

(a) SECTION 3579 AMENDMENT.—Section 3579(a)(1) of title 18, United States Code, is amended by inserting ", in the case of any misdemeanor or a class E felony," after "in addition to or".

(b) SECTION 3556 AMENDMENT.—Section 3556 of title 18, United States Code, as amended by the Sentencing Reform Act of 1984, is amended by striking out "under this title" and all that follows through the end of such section and inserting in lieu thereof "may order restitution in accordance with sections 3663 and 3664.".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the taking effect of section 212(a)(2) of the Sentencing Reform Act of 1984.

SEC. 3. STANDARDS FOR IMPOSITION OF RESTITUTION.

(a) IN GENERAL.—Subsection (d) of section 3579 of title 18, United States Code, is amended to read as follows:

"(d) To the extent that the court determines that the complication and prolongation of the sentencing process resulting from the fashioning of an order of restitution under this section outweighs the need to provide restitution to any victims, the court may decline to make such an order.".

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on the 30th day after the date of the enactment of this Act.

SEC. 4. STATEMENT OF REASONS RELATING TO RESTITUTION.

(a) IN GENERAL.—Section 3553(c) of title 18, United States Code, is amended by inserting "or the court orders only partial restitution," after "restitution,".

(b) CONFORMING AMENDMENT.—Section 3579(a) of title 18, United States Code, is amended—

(1) by striking out "(1)" where it appears after "(a)"; and

(2) by striking out paragraph (2).

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the taking effect of section 212(a)(2) of the Sentencing Reform Act of 1984.

SEC. 5. ENFORCEMENT OF RESTITUTION ORDER.

(a) IN GENERAL.—Subsection (h) of section 3579 of title 18, United States Code, is amended by striking out "or" and inserting in lieu thereof "in the manner provided for the collection of fines and penalties by section 3565 or by".

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on the 30th day after the date of the enactment of this Act.

SEC. 6. CLARIFYING AMENDMENT.

(a) IN GENERAL.—Section 3579(a)(1) of title 18, United States Code, is amended by striking out "the offense" and inserting in lieu thereof "such offense".

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on the date of the enactment of this Act.

SEC. 7. PRESENTENCE PROCEDURE RELATING TO RESTITUTION.

(a) IN GENERAL.—Section 3553(d) of title 18, United States Code, is amended—

(1) by striking out "OR RESTITUTION" in the subsection heading; and

(2) by striking out "or an order of restitution pursuant to section 3556,".

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the taking effect of section 212(a)(2) of the Sentencing Reform Act of 1984.

SEC. 8. NEED FOR RESTITUTION TO BE CONSIDERED AS FACTOR IN SENTENCING.

(a) IN GENERAL.—Section 3553(a) of title 18, United States Code, is amended—

(1) by striking out "and" at the end of paragraph (5);

(2) by striking out the period at the end of paragraph (6) and inserting "; and" in lieu thereof; and

(3) by adding at the end the following new paragraph:

"(7) the need to provide restitution to any victims of the offense.".

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the taking effect of section 212(a)(2) of the Sentencing Reform Act of 1984.

The SPEAKER pro tempore. Is a second demanded?

Mr. GEKAS. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Michigan [Mr. CONYERS] will be recognized for 20 minutes and the gentleman from Pennsylvania [Mr. GEKAS] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Michigan [Mr. CONYERS].

□ 1250

Mr. CONYERS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 2713 was reported from committee without dissent. It has two purposes—to make technical amendments to the restitution provisions of current law and the recently enacted Sentencing Reform Act, and to state explicitly that restitution to victims is a purpose of sentencing.

Under current Federal law restitution to crime victims is in fact a purpose of sentencing. There is a presumption in favor of ordering restitution. The Sentencing Reform Act, however, does not mention restitution when setting forth several purposes sought in the sentencing of Federal criminal offenders. Section 8 of H.R. 2713 would simply amend the Sentencing Reform Act to state explicitly that restitution to the victim is one of the purposes of sentencing. This will bring the Sentencing Reform Act into line with current Federal law.

H.R. 2713 also resolves an inconsistency in the Sentencing Reform Act concerning when restitution can be ordered. One provision of the Sentencing Reform Act, which carries forward a section enacted by the Victim and Witness Protection Act of 1982, authorizes the court to order restitution in addition to or in lieu of any other penalty. A second provision of the Sentencing Reform Act refers to ordering restitution in addition to any other penalty but is silent about "in lieu of."

The legislative history of the Sentencing Reform Act sheds little or no light about why the two provisions are not identically worded.

However, because they are not worded the same, there is doubt or may be doubt about which language controls. H.R. 2713 clarifies the ambiguity. Section 2 of the bill provides that for misdemeanors and felonies carrying a maximum prison term of 2 years or less, the sentencing court can impose restitution in lieu of any other punishment. For other offenses, restitution can be imposed in addition to other punishment. The other punishment could be probation, for example.

Mr. Speaker, the changes made by H.R. 2713 are spelled out in detail in the committee report. They are all desirable changes. The bill has bipartisan support, and was drafted in close cooperation with the subcommittee's ranking minority member, the gentleman from Pennsylvania [Mr. GEKAS]. I urge my colleagues to support the bill.

Mr. Speaker, I now yield such time as he may consume to my colleague, the gentleman from Virginia [Mr. BOUCHER].

Mr. BOUCHER. I thank the gentleman for yielding time to me.

Mr. Speaker, it is my pleasure to rise in support of the bill. H.R. 2713 will help ensure that the new sentencing system established by the Sentencing Reform Act will completely carry forward the victim-orientation features of the Federal criminal justice system.

Congress in 1982 unanimously enacted the Victim and Witness Protection Act to insure that victims of crime receive fairer treatment. Briefly, the act creates a presumption in favor of restitution and defines the losses for which a convicted defendant can be ordered to make restitution. It sets forth procedures to be followed by the sentencing court when determining whether—and to what extent—to order restitution. If the judge orders less than full restitution, the act requires the judge to state, on the record, the reason for his decision.

The Sentencing Reform Act, enacted last year, carries forward these provisions in their entirety. In addition, the Sentencing Reform Act adds a new provision that states that a sentencing court can order the defendant to make restitution "in addition to the sentence" that is otherwise imposed. This new provision, as well as the renumbering of the current law provisions, is scheduled to take effect on November 1, 1986.

Earlier this year, I introduced a bill to resolve some technical problems in the restitution provisions and to make what I believe to be a noncontroversial addition to the Sentencing Reform Act. Both the Justice Department and a representative of the Judicial Conference of the United States concurred that my bill raises no problems, and the Criminal Justice Subcommittee and the Committee on the Judiciary then reported it favorably.

The technical amendments in H.R. 2713 simply clarify meaning and remove ambiguity in provisions of current law and in provisions of the Sentencing Reform Act scheduled to take effect on November 1, 1986.

H.R. 2713 also amends the Sentencing Reform Act's statement of the purposes to be served by criminal punishment. These purposes, which include deterrence, protection of the public, promotion of respect for the law, and providing just punishment, must be considered by a judge when determining sentence. The Sentencing Reform Act, however, does not include making restitution to the victim as a purpose of sentencing.

The restitution provisions enacted by the Victim and Witness Protection Act clearly manifest that restitution to victims is a purpose of sentencing, and I am sure that this omission was just an oversight. H.R. 2713, therefore, adds restitution to the list of sentencing purposes.

Finally, H.R. 2713 resolves a difference between two provisions of the Sentencing Reform Act over whether restitution alone can be ordered as punishment for a Federal crime. The bill provides that a court can order just restitution if the offense is a misdemeanor or a felony whose maximum authorized prison term does not exceed 2 years. For all other offenses, restitution can be ordered only in addition to other punishment.

Mr. Speaker, I know of no opposition to the bill. It was crafted with the support and the assistance of the minority, and I urge the House to approve its provisions.

Mr. GEKAS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from Michigan [Mr. CONYERS] and then the gentleman from Virginia [Mr. BOUCHER] have adequately set forth the provisions of the legislation that is before us.

Right from the outset, when we saw that there was an issue with regard to the interpretation of the two competing statutes as described, the only concern I had, I believe, has now been resolved. I never wanted anyone to get the impression that restitution could be used universally and abjectly as a substitute or as a single remedy for crimes which carried with it mandatory sometimes, and sometimes not mandatory, prison sentences for some of the serious felonies.

My concern has been fully remedied by this legislation. As we proceed with this legislation, and when it goes into effect, we will see that restitution can only be used as a single and unique remedy for certain crimes that we enumerate, the lesser misdemeanors and lesser felonies. So we leave intact the original thought and purpose of the comprehensive crime package of 1984 wherein restitution is used, along with other penalties, for a true remedy for an offense visited against our society.

Therefore, Mr. Speaker, I concur with the impetus as presented by the gentleman from Michigan and the gentleman from Virginia and ask that the bill be passed unanimously.

Mr. Speaker, I yield back the balance of my time.

Mr. CONYERS. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Michigan [Mr. CONYERS] that the House suspend the rules and pass the bill, H.R. 2713, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

BANK BRIBERY AMENDMENTS ACT OF 1985

Mr. CONYERS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3511) to amend title 18, United States Code, with respect to certain bribery and related offenses, as amended.

The Clerk read as follows:

H.R. 3511

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Bank Bribery Amendments Act of 1985".

SEC. 2. CHAPTER 11 AMENDMENT.

Section 215 of title 18, United States Code, is amended to read as follows:

"§ 215. Receipt of commission or gifts for procuring loans

"(a) Whoever—

"(1) corruptly gives, offers, or promises anything of value to any person, with intent to influence or reward an officer, director, employee, agent, or attorney of a financial institution in connection with any business or transaction of such institution; or

"(2) as an officer, director, employee, agent, or attorney of a financial institution, corruptly solicits or demands for the benefit of any person, or corruptly accepts or agrees

to accept, anything of value from any person, if the giving, offering, or promising of that thing of value would be or is in violation of paragraph (1);

shall be fined not more than $5,000 or three times the value of the thing given, offered, promised, solicited, demanded, accepted, or agreed to be accepted, whichever is greater, or imprisoned not more than five years, or both, but if the value of the thing given, offered, promised, solicited, demanded, accepted, or agreed to be accepted does not exceed $100, shall be fined not more than $1,000 or imprisoned not more than one year, or both.

"(b) As used in this section, the term "financial institution" means—

"(1) a bank with deposits insured by the Federal Deposit Insurance Corporation;

"(2) an institution with accounts insured by the Federal Savings and Loan Insurance Corporation;

"(3) a credit union with accounts insured by the National Credit Union Share Insurance Fund;

"(4) a Federal home loan bank or a member, as defined in section 2 of the Federal Home Loan Bank Act (12 U.S.C. 1422), of the Federal home loan bank system;

"(5) a Federal land bank, Federal intermediate credit bank, bank for cooperatives, production credit association, and Federal land bank association;

"(6) a small business investment company, as defined in section 103 of the Small Business Investment Act of 1958 (15 U.S.C. 662);

"(7) a bank holding company as defined in section 2 of the Bank Holding Company Act of 1956 (12 U.S.C. 1841); or

"(8) a savings and loan holding company as defined in section 408 of the National Housing Act (12 U.S.C. 1730a).

"(c) This section shall not apply to bona fide salary, wages, fees, or other compensation paid, or expenses paid or reimbursed, in the usual course of business.".

SEC. 3. EFFECTIVE DATE.

This Act and the amendments made by this Act shall take effect 30 days after the date of the enactment of this Act.

The SPEAKER pro tempore. Is a second demanded?

Mr. GEKAS. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Michigan [Mr. CONYERS] will be recognized for 20 minutes and the gentleman from Pennsylvania [Mr. GEKAS] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Michigan [Mr. CONYERS].

Mr. CONYERS. Mr. Speaker, I yield myself such time as I may consume.

□ 1300

Mr. CONYERS. Mr. Speaker, H.R. 3511 corrects a problem with the present bank bribery offense, title 18, United States Code section 215. Present section 215 is so broadly drafted that it penalizes conduct that is not culpable or wrongful.

Subsection (a) of section 215, for example, punishes a bank official for seeking anything of value for another in connection with bank business, whether or not the bank official had a bad purpose or intended to undermine a fiduciary duty owed the bank. Thus, a bank official who simply refers a customer to a correspondent bank or to an attorney, a stock broker, a CPA, or other professional has committed a Federal crime.

Subsection (b) is also too sweeping. It punishes someone who gives anything of value to a bank official in connection with bank business, whether or not the giver had a bad purpose or an intention to corrupt the bank official. Thus, subsection (b) could make it a Federal crime for a company to donate free space to a credit union that serves its employees, or to permit its employees to work on company time as volunteers in the credit union.

The Justice Department's response to concerns with the sweeping language of section 215 has been to argue that its prosecutorial guidelines will take care of these kind of problems. Those affected by section 215, however, are not satisfied with that approach, and neither is the Committee on the Judiciary. Witnesses at the hearing of the Subcommittee on Criminal Justice pointed out, correctly, that Department of Justice guidelines are ambiguous. The guidelines tell prosecutors not to bring "inconsequential" cases and to use a rule of "reasonableness" in deciding what is consequential. Obviously the guidelines are not binding and confer no legally enforceable rights.

Finally, the prosecutorial guidelines offer no protection from vexatious civil actions. A civil litigant is not constrained by the Justice Department's guidelines and can use an inconsequential violation of section 215 as a basis for a RICO treble damage action.

In short, Mr. Speaker, the Justice Department approach does nothing to prevent vindictive or selective prosecution and results in innocent people engaged in legitimate activity being stigmatized as Federal criminals.

The Committee on the Judiciary, therefore, concluded that section 215 should be narrowed. In narrowing section 215, the committee sought to effectuate the purpose of section 215 as identified by the Justice Department. That purpose is to proscribe breaches of fiduciary duty and dishonest efforts to undermine bank transactions. H.R. 3511 redrafts section 215 so that it—rather than the Justice Department's guidelines—expressed this purpose. As redrafted by H.R. 3511, section 215 requires that the giving or receiving of something of value be done corruptly, which means that the giver or recipient must act with the specific intent to accomplish an unlawful end or to bring about a lawful end by unlawful means. Ordinarily, this will require proof that the defendant acted with a hope or expectation of personal gain or of profit to another.

H.R. 3511 also makes other minor changes in the current law. These changes are set out in the committee's report—No. 99-335.

Mr. Speaker, H.R. 3511 is the product of a bipartisan effort to correct a defect of current law. It was drafted in close consultation with the ranking minority member of the Subcommittee on Criminal Justice, the gentleman from Pennsylvania [Mr. GEKAS]. I want to express my appreciation to him and to the other members of the subcommittee for their assistant in helping to perfect the bill. The bill was reported from subcommittee and the full committee without opposition, and I urge my colleagues to vote for it.

Mr. Speaker, I yield such time as he may consume to the gentleman from Virginia [Mr. BOUCHER] for any observations he may have.

Mr. BOUCHER. Mr. Speaker, I rise in support of the bill.

The present bank bribery offense is in need of revision because it makes Federal criminals out of people whose conduct does not violate a fiduciary duty or endanger the soundness or security of financial institutions.

For example, the present law makes it a Federal crime for a credit union to pay interest on the account of one of its employees, and for that employee to accept the interest. It makes it a Federal crime for someone to pay for a business lunch with a savings and loan association official, even if the person paying for the lunch did not intend to corrupt the official and the official was not, in fact, corrupted. It makes it a Federal crime for a bank holding company or a savings and loan holding company to pay an employee for work in connection with a subsidiary bank or savings and loan. It makes it a Federal crime for that employee to accept that salary.

In short, in the words of one of the witnesses before the Subcommittee on Criminal Justice, the current provision, "read literally, would prevent financial institutions for conduting day-to-day business."

Because the present bank bribery provision is so broad, it puts tremendous power into the hands of Federal prosecutors and exposes people to selective and vindictive prosecution. Moreover, by labeling people as "criminals" for doing things that are not morally blameworthy or culpable things that do not pose any kind of threat to the public well-being—the provision breeds disrespect for the law in general.

The Subcommittee on Criminal Justice looked at the provisions carefully and drafted the bill now before the House to address these problems. The bill redrafts the bank bribery provision so that it reaches conduct that is intended to corrupt officials of financial institutions. As redrafted by H.R.

3511, the bank bribery offense will punish only that conduct which deserves punishment—namely, conduct that breaches a fiduciary duty or that dishonestly undermines a transaction. Mr. Speaker, the bill before us will cure the defects of the present law. It is the product of a bipartisan effort and has been endorsed by the financial services community, including the Independent Bankers Association of America, the American Bankers Association, the U.S. League of Savings Institutions, the Credit Union National Association, the National Association of Federal Credit Unions, and the National Council of Savings Institutions. I urge my colleagues to support this well considered measure.

Mr. GEKAS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the legislation that is before us.

Mr. Speaker, the Congress of the United States, in passing the comprehensive crime package or 1984, intended to target white-collar crimes just as vociferously as it did the street and violent crimes on which the American public insisted we take action, and we did, and on which we intend to continue that effort. But while we intended to make bank bribery and corrupt practices within the banking community one of the features of our new fight against crime, we were not careful enough to point out that what we were after was corrupt action on the part of the bank officials, or corrupt action on the part of the bank customers dealing with bank officials or employees, and that is what brought forth the effort culminating in the legislation which we have before us today.

The gentleman from Virginia [Mr. BOUCHER] quite adequately pointed out some of the horror stories that could occur and have occurred really since the genesis of the action we took in 1984, where simply having lunch between a customer and bank official could be deemed to be a corrupt transaction.

Now we are making that clear. Where, in fact, that kind of luncheon leads from the beginning with corrupt intent and leads to a corrupt result, then that should be punished and prosecuted. But where an innocent transaction such as that occurs with no corrupt intent on anyone's part, we should not be throwing out the baby with the bathwater, as an example that has been used many times in legislative actions on this floor.

Moreover, we were struck by much of the testimony as we recall it before the subcommittee where the innocent act of banking or saving institution lending space to a credit union of its employee could be construed in its ultimate as being an act prohibited by the legislation that is now the law of the land. We believe that it is not enough, Mr. Speaker, to leave it to prosecutorial guidelines and discretion, who could ultimately determine that this was allowable. Rather, we want to make sure that such an innocent act be outside the prohibitions of this legislation.

So, Mr. Speaker, I am in support of the legislation before us. I ask that we support it unanimously.

Mr. Speaker, I yield 4 minutes to the gentleman from New York [Mr. FISH], the distinguished ranking member of the full Committee on the Judiciary.

Mr. FISH. Mr. Speaker, I rise in strong support of H.R. 3511.

In May of this year, I joined as a cosponsor of H.R. 2617, which was introduced by my distinguished colleague from Pennsylvania, Mr. GEKAS. That measure reflected our view that the intent and scope of the Federal Bank Bribery statute, 18 U.S.C. 215, ought to be clarified. That statute, because of amendments added through last year's Comprehensive Crime Control Act, is so broad that legitimate business activity has become covered by a cloud of criminal liability.

Unfortunately, as amended section 215 does not require a corrupt or bad purpose, and so it reaches all kinds of legitimate, acceptable conduct. For example, subsection 215(a) punishes a bank official for simply seeking anything of value from another in connection with any business of the bank, without regard to the intent of the official. Thus, a bank official who has routinely referred a bank customer to a correspondent bank or a stockbroker, may be guilty of a Federal crime. Similarly, subsection 215(b) merely requires the giving of anything of value to a bank official in connection with any business of the bank, without regard to the intention of the giver. Thus, a person potentially commits a Federal crime if he or she merely pays for a lunch with a bank official at which business with the bank is discussed.

Other examples of legitimate and acceptable practices that section 215 could make criminal include—payment by a bank of interest on an employee's account—and acceptance of the interest by the employee; sale of securities for a customer's account by a trust officer of a bank; requiring a borrower who is contractually responsible for paying the bank's legal fees to pay them directly to the attorneys; giving away promotional items at a business or trade show; and authorization of any payment to a customer—for example, interest on an account—by a bank official.

The current breadth of section 215 has other serious consequences as well. A violation of section 215 can become a predicate offense under the Federal racketeering law RICO. For example, if a telephone is used, there is a possible violation of 18 U.S.C. 1952, which is a RICO predicate offense. A RICO violation not only raises the possibility of additional criminal prosecution, it also exposes the person to a civil damage action that could result in an award of treble damages and attorney fees to the plaintiff. A bank or bank officer or director who violates section 215 also faces civil liability under 12 U.S.C 503, and may be ordered to pay punitive damages.

Hearings before the Criminal Justice Subcommittee on H.R. 2617 demonstrated near unanimous support for a revision of the bribery statute to narrow its scope. H.R. 3511 would insert a state of mind, or mens rea requirement, into the law so as to restrict its application to genuinely "corrupt" conduct.

Mr. Speaker, the revisions proposed by this legislation have been carefully considered through both in the hearing and committee markup process. Representatives of the banking industry have expressed their understandable concern and assisted in drafting these amendments. The administration, now, has no objection to enactment of this bill. The result is a reasonable and balanced proposal that reconciles the interests of law enforcement and the realities of the banking business. It clarifies a statute that has been a source of confusion and concern since its enactment. It deserves the support of this House.

The goal which I sought originally to achieve in cosponsoring H.R. 2617 has been admirably achieved by the successor legislation (H.R. 3511) before us today. I urge my colleagues to support its passage under the suspension of the rules.

□ 1315

Mr. GEKAS. Mr. Speaker, I yield 4 minutes to the gentleman from California [Mr. LUNGREN].

Mr. LUNGREN. First of all, Mr. Speaker, I would like to take this opportunity to thank both the chairman of the subcommittee, the gentleman from Michigan [Mr. CONYERS] and the ranking minority member, the gentleman from Pennsylvania [Mr. GEKAS] for bringing this bill forward on the suspension calendar.

This does what I think has been already said; it clarifies what this body intended last year, I believe, when we adopted the section of the comprehensive crime control bill.

There was an effort made by this subcommittee last year on this legislation individually, but because of the parliamentary situation we were in in which it required us to deal totally with the comprehensive crime control bill without an opportunity for amendment, I believe that this clarifying language is necessary.

Many in the banking community have come to me and others, as has already been said, on the committee and expressed their concern that the language in the bank bribery section of the bill was too expensive, and that it would criminalize some activity that was not intended to be reached and in fact is quite innocent.

The primary area of concern involves the fact that the statute does not articulate a suitable mens rea, or mental culpability requirement. It was feared that under the statute a bank official who receives anything of value might violate its provisions. Examples have already been stated here; the simplest example are those involving taking someone to lunch where business is discussed; a small charm given at Christmastime; any number of things which would fall under the prohibitions of the law.

It was never our intent, and clarification is therefore in order. While there has been some suggestion by some, in fact some from the administration, the Justice Department, that the problem could be corrected by regulation and that even their guidelines, which have already been sent out to all the U.S. attorneys in the United States would take care of the problem.

In my estimation, as well as the estimation of the full committee and subcommittee, this is not sufficient. It seems only appropriate that the statute should explicitly require a corrupt purpose before bribery can be found.

I might add, as others have said, this is the approach that we find in the Criminal Code with respect to public officials. If this is the standard of proof; if this is the mens rea that is necessary for conviction of public officials in such a situation, it seems to me that we ought not to ask anything less where we are talking about bank officials.

Accordingly, the Committee on the Judiciary adopted this language, adding the requirement of specific intent of the law, and therefore under this bill that we are to vote on today for bribery to exist, a gift will have to be given or received with a corrupt motive to influence a transaction in connection with the business of banking.

I would hope that all Members would support this bill, because in fact it does what we had intended to do all along.

Therefore, Mr. Speaker, I rise in strong support of H.R. 3511.

Mr. GEKAS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to ask the gentleman from Michigan, the distinguished chairman of our subcommittee, Mr. CONYERS, to engage with me in a colloquy.

As I understand it, the motion before the House is to suspend the rules and pass the bill before us with amendments. What I would like to do for the record, so that it would be absolutely clear, is for the gentleman from Michigan to articulate the sense and letter of the amendments which now form a part of the bill to be subsequently adopted by the House.

Mr. CONYERS. Will the gentleman yield?

Mr. GEKAS. I certainly will.

Mr. CONYERS. I thank the gentleman for yielding to me.

Mr. Speaker, this is popularly called the free lunch amendment to the banking bill, and the changes that we have made in it are two.

One, we change at subsection (b)(7) an "and" to an "or" and another, we strike two "ands". They are almost technical changes.

And then in another amendment, we strike the phrase "in an official action" since there could not be any crime unless it was in the course of official conduct.

So those, then, are the several changes that constitute the amendment part of our bill.

Mr. GEKAS. I thank the gentleman.

By way of repetition for the record, the amendments occur on page 2 of the bill, as constituted under section 215(a) where the phrase in line 7 of "in an official action" is deleted.

On page 3, under subsection (6) in line 16, the word "and" is deleted. On the same page, page 3, on line 19, the word "and" is changed to "or".

These are technical amendments, as the chairman has indicated. We now feel that the record is complete.

Mr. Speaker, I yield back the balance of my time.

Mr. CONYERS. Mr. Speaker, I have no further requests for time and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Michigan [Mr. CONYERS] that the House suspend the rules and pass the bill, H.R. 3511, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. CONYERS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter on H.R. 2713 and H.R. 3511, the bills just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 5, rule I, the Chair will now put the question on each motion on which further proceedings were postponed on Monday, October 28, 1985, in the order in which that motion was entertained.

Votes will be taken in the following order:

H.R. 3606, by the yeas and nays, and House Concurrent Resolution 201, by the yeas and nays.

The Chair will reduce to 5 minutes the time for the second vote by electronic device.

CLARIFYING APPLICATION OF SECTION 2406 OF TITLE 10, UNITED STATES CODE

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill, H.R. 3606.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Wisconsin [Mr. ASPIN] that the House suspend the rules and pass the bill, H.R. 3606, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 397, nays 18, not voting 19 as follows:

[Roll No. 373]

YEAS—397

Ackerman	Burton (IN)	Dreier
Akaka	Bustamante	Duncan
Alexander	Byron	Durbin
Anderson	Callahan	Dwyer
Andrews	Campbell	Dymally
Annunzio	Carney	Dyson
Anthony	Carper	Early
Applegate	Carr	Eckart (OH)
Archer	Chandler	Edgar
Aspin	Chapman	Edwards (CA)
Atkins	Chappell	Edwards (OK)
AuCoin	Cheney	Emerson
Barnard	Clay	English
Barton	Coats	Erdreich
Bateman	Coelho	Evans (IL)
Bates	Coleman (MO)	Fascell
Bedell	Coleman (TX)	Fawell
Bellenson	Combest	Fazio
Bennett	Conte	Feighan
Bentley	Conyers	Fiedler
Bereuter	Cooper	Fields
Berman	Coughlin	Fish
Bevill	Courter	Flippo
Biaggi	Coyne	Florio
Bilirakis	Craig	Foglietta
Billey	Crane	Foley
Boehlert	Crockett	Ford (MI)
Boggs	Daniel	Ford (TN)
Boland	Dannemeyer	Fowler
Boner (TN)	Darden	Frank
Bonior (MI)	Daschle	Franklin
Bonker	Daub	Frenzel
Borski	Davis	Frost
Bosco	de la Garza	Fuqua
Boucher	DeLay	Gallo
Boulter	Dellums	Garcia
Boxer	Derrick	Gaydos
Breaux	DeWine	Gejdenson
Brooks	Dicks	Gekas
Broomfield	Dingell	Gephardt
Brown (CA)	DioGuardi	Gibbons
Brown (CO)	Dixon	Gilman
Broyhill	Donnelly	Gingrich
Bruce	Dorgan (ND)	Glickman
Bryant	Dornan (CA)	Gonzalez
Burton (CA)	Downey	Goodling

Gordon
Gradison
Gray (IL)
Green
Gregg
Guarini
Gunderson
Hall (OH)
Hamilton
Hammerschmidt
Hansen
Hatcher
Hawkins
Hayes
Hefner
Heftel
Hendon
Henry
Hertel
Hiler
Hillis
Holt
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Ireland
Jacobs
Jeffords
Jenkins
Johnson
Jones (NC)
Jones (OK)
Jones (TN)
Kanjorski
Kasich
Kastenmeier
Kemp
Kennelly
Kildee
Kindness
Kleczka
Kolter
Kostmayer
Kramer
LaFalce
Lagomarsino
Lantos
Latta
Leach (IA)
Leath (TX)
Lehman (CA)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lightfoot
Lipinski
Livingston
Lloyd
Loeffler
Long
Lott
Lowery (CA)
Lowry (WA)
Lujan
Luken
Lundine
Lungren
Mack
MacKay
Madigan
Manton
Markey
Martin (IL)
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCain
McCloskey
McCollum
McCurdy
McDade
McEwen
McGrath
McHugh
McKernan
McKinney
McMillan
Meyers
Mica
Michel
Mikulski
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Moakley
Molinari
Mollohan
Monson
Montgomery
Moody
Moore
Moorhead
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Natcher
Neal
Nichols
Nielson
Nowak
O'Brien
Oakar
Obey
Olin
Ortiz
Owens
Oxley
Packard
Panetta
Parris
Pashayan
Pease
Penny
Pepper
Perkins
Petri
Pickle
Porter
Price
Pursell
Quillen
Rahall
Rangel
Ray
Regula
Reid
Richardson
Ridge
Ritter
Roberts
Robinson
Rodino
Roe
Roemer
Rogers
Rose
Rostenkowski
Roth
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Rudd
Russo
Sabo
Savage
Saxton
Schaefer
Scheuer
Schneider
Schroeder
Schuette
Schulze
Schumer
Seiberling
Sensenbrenner
Sharp
Shaw
Shelby
Shumway
Shuster
Sikorski
Siljander
Sisisky
Skeen
Skelton
Slattery
Slaughter
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Snyder
Solarz
Spence
Spratt
St Germain
Staggers
Stallings
Stangeland
Stark
Stenholm
Stokes
Strang
Studds
Sweeney
Swift
Swindall
Synar
Tallon
Tauke
Tauzin
Taylor
Thomas (CA)
Thomas (GA)
Torricelli
Towns
Traficant
Traxler
Udall
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walgren
Watkins
Waxman
Weaver
Weiss
Wheat
Whitehurst
Whitley
Whittaker
Whitten
Williams
Wilson
Wirth
Wise
Wolf
Wolpe
Wortley
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)
Young (MO)

NAYS—18

Armey
Badham
Bartlett
Chappie
Cobey
Coble
Dickinson
Evans (IA)
Grotberg
Hall, Ralph
Hartnett
McCandless
Solomon
Stratton
Stump
Sundquist
Walker
Zschau

NOT VOTING—19

Addabbo
Barnes
Clinger
Collins
Dowdy
Eckert (NY)
Gray (PA)
Hoyer
Kaptur
Kolbe
Lehman (FL)
Marlenee
Mitchell
Morrison (CT)
Nelson
Rinaldo
Torres
Weber
Wright

□ 1340

Mr. BARTLETT and Mr. GROTBERG changed their votes from "yea" to "nay".

Messrs. MOODY, GARCIA, ROBERTS, and LEATH of Texas changed their votes from "nay" to "yea."

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

TENTH ANNIVERSARY COMMEMORATION OF EDUCATION FOR ALL HANDICAPPED CHILDREN ACT

The SPEAKER pro tempore (Mr. MONTGOMERY). The unfinished business is the question of suspending the rules and agreeing to the concurrent resolution, House Concurrent Resolution 201, as amended.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Montana [Mr. WILLIAMS] that the House suspend the rules and agree to the concurrent resolution, House Concurrent Resolution 201, as amended, on which the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 404, nays 1, not voting 29, as follows:

[Roll No. 374]

YEAS—404

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Archer
Armey
Aspin
Atkins
AuCoin
Badham
Barnard
Bartlett
Barton
Bateman
Bates
Bedell
Beilenson
Bennett
Bentley
Bereuter
Berman
Bevill
Biaggi
Billirakis
Bliley
Boehlert
Boggs
Boland
Boner (TN)
Bonior (MI)
Bonker
Borski
Bosco
Boucher
Boulter
Boxer
Breaux
Brooks
Broomfield
Brown (CA)
Brown (CO)
Broyhill
Bruce
Bryant
Burton (CA)
Burton (IN)
Bustamante
Callahan
Campbell
Carney
Carper
Carr
Chandler
Chapman
Chappell
Chappie
Cheney
Clay
Coats
Cobey
Coble
Coelho
Coleman (MO)
Coleman (TX)
Combest
Conte
Cooper
Coughlin
Courter
Coyne
Craig
Crockett
Daniel
Dannemeyer
Darden
Daschle
Daub
Davis
de la Garza
DeLay
Dellums
Derrick
DeWine
Dickinson
Dicks
Dingell
DioGuardi
Dixon
Donnelly
Dorgan (ND)
Dornan (CA)
Downey
Dreier
Duncan
Durbin
Dwyer
Dymally
Dyson
Early
Eckart (OH)
Eckert (NY)
Edgar
Edwards (CA)
Edwards (OK)
Emerson
English
Erdreich
Evans (IA)
Evans (IL)
Fascell
Fawell
Fazio
Feighan
Fiedler
Fields
Fish
Flippo
Florio
Foglietta
Ford (MI)
Ford (TN)
Fowler
Frank
Franklin
Frenzel
Frost
Fuqua
Gallo
Garcia
Gaydos
Gejdenson
Gekas
Gephardt
Gibbons
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gordon
Gradison
Gray (IL)
Green
Gregg
Grotberg
Guarini
Gunderson
Hall (OH)
Hall, Ralph
Hamilton
Hammerschmidt
Hansen
Hartnett
Hatcher
Hawkins
Hayes
Hefner
Heftel
Hendon
Henry
Hertel
Hiler
Hillis
Holt
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Ireland
Jacobs
Jeffords
Jenkins
Johnson
Jones (NC)
Jones (OK)
Jones (TN)
Kanjorski
Kastenmeier
Kemp
Kennelly
Kildee
Kindness
Kleczka
Kolter
Kostmayer
Kramer
LaFalce
Lagomarsino
Lantos
Latta
Leach (IA)
Leath (TX)
Lehman (CA)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (FL)
Lightfoot
Lipinski
Livingston
Lloyd
Loeffler
Long
Lott
Lowery (CA)
Lowry (WA)
Lujan
Luken
Lundine
Lungren
Mack
MacKay
Madigan
Manton
Markey
Martin (IL)
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCain
McCandless
McCloskey
McCollum
McCurdy
McDade
McEwen
McGrath
McHugh
McKernan
McMillan
Meyers
Mica
Michel
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Moakley
Molinari
Mollohan
Monson
Montgomery
Moody
Moore
Moorhead
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Natcher
Neal
Nichols
Nielson
Nowak
O'Brien
Oakar
Oberstar
Obey
Olin
Ortiz
Oxley
Packard
Panetta
Parris
Pashayan
Pease
Penny
Perkins
Petri
Pickle
Porter
Price
Pursell
Quillen
Rahall
Rangel
Ray
Regula
Reid
Richardson
Ridge
Ritter
Roberts
Robinson
Rodino
Roe
Roemer
Rogers
Rose
Rostenkowski
Roth
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Rudd
Russo
Sabo
Savage
Saxton
Schaefer
Scheuer
Schneider
Schroeder
Schuette
Schulze
Schumer
Seiberling
Sensenbrenner
Sharp
Shaw
Shelby
Shumway
Shuster
Sikorski
Siljander
Sisisky
Skeen
Skelton
Slattery
Slaughter
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith, Denny (OR)
Smith, Robert (NH)
Snowe
Snyder
Solarz
Solomon
Spence
Spratt
St Germain
Staggers
Stallings
Stangeland
Stark
Stenholm
Stokes
Strang
Stratton
Studds
Stump
Sundquist
Sweeney
Swift
Swindall
Synar
Tallon
Tauke
Tauzin
Taylor
Thomas (CA)
Torricelli
Towns
Traficant
Traxler
Udall
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walgren

Walker	Whitten	Wylie
Watkins	Williams	Yates
Waxman	Wilson	Yatron
Weaver	Wirth	Young (AK)
Weiss	Wise	Young (FL)
Wheat	Wolf	Young (MO)
Whitehurst	Wolpe	Zschau
Whitley	Wortley	
Whittaker	Wyden	

NAYS—1

Crane

NOT VOTING—29

Addabbo	Kaptur	Nelson
Barnes	Kasich	Owens
Byron	Kolbe	Pepper
Clinger	Lehman (FL)	Rinaldo
Collins	Lewis (CA)	Smith, Robert (OR)
Conyers	Marlenee	Thomas (GA)
Dowdy	McKinney	Torres
Foley	Mikulski	Weber
Gray (PA)	Mitchell	Wright
Hoyer	Morrison (CT)	

So (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. WILLIAMS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table a similar Senate concurrent resolution (S. Con. Res. 71) to commemorate the accomplishments of Public Law 94-142, the Education for All Handicapped Children Act on the 10th anniversary of its enactment, and ask for its immediate consideration.

The Clerk read the title of the Senate concurrent resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Montana?

There was no objection.

The Clerk read the Senate concurrent resolution, as follows:

S. CON. RES. 71

Whereas part B of the Education of the Handicapped Act, commonly known as Public Law 94-142 (The Education for All Handicapped Children Act), was signed into law ten years ago on November 29, 1975;

Whereas Public Law 94-142 established as policy for the United States of America the principle that all children, regardless of disabling condition, have the right to a free, appropriate public education in the least restrictive setting;

Whereas Public Law 94-142 currently serves over 4,000,000 handicapped children;

Whereas Public Law 94-142 ensures the full partnership between parents of children with disabilities and education professionals in design and implementation of the educational services to be provided handicapped children;

Whereas Public Law 94-142 has greatly enriched the classrooms of the Nation by allowing the potential of children with disabilities to be developed, together with the potential of nondisabled youngsters;

Whereas Public Law 94-142 has greatly enriched America's society as a whole by providing the means for disabled youngsters to contribute to the social and economic progress of the United States; and

Whereas Public Law 94-142 has succeeded even beyond the expectations of congressional supporters in marshalling the resources of the nation to fulfill the promise of full participation in society of disabled youngsters: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress—

(1) recognizes the 10th anniversary of the enactment of Public Law 94-142 and the successful implementation of that law;

(2) acknowledges the many and varied contributions by disabled youngsters, parents, teachers, and administrators; and

(3) reaffirms its support for Public Law 94-142 and the primary goal of Public Law 94-142 that all children, regardless of disabling condition, have the right to a free, appropriate public education in the least restrictive setting.

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

A similar House concurrent resolution (H. Con. Res. 201) was laid on the table.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 2601

Ms. FIEDLER. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of H.R. 2601. I wholeheartedly support the intent of this bill to provide for the recognition of Haym Salomon in a significant way. However, I cannot support this bill with the inclusion of a specifically named organization. When I originally cosponsored this bill, I was not aware that it included this organization as the recipient of the funds.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from California?

There was no objection.

CONFERENCE REPORT ON S. 1160, DEPARTMENT OF DEFENSE AUTHORIZATION ACT, 1986

Mr. BONIOR of Michigan. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 299 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 299

Resolved, That all points of order against the conference report on the bill (S. 1160) to authorize appropriations for the military functions of the Department of Defense and to prescribe personnel levels for the Department of Defense for fiscal year 1986, to authorize certain construction at military installations for such fiscal year, to authorize appropriations for the Department of Energy for national security programs for such fiscal year, and for other purposes, and against the consideration of such conference report, are hereby waived.

The SPEAKER pro tempore. The gentleman from Michigan [Mr. BONIOR] is recognized for 1 hour.

Mr. BONIOR of Michigan. Mr. Speaker, I yield the customary 30 minutes to the gentleman from Tennessee [Mr. QUILLEN], pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 299 waives all points of order against the conference report on the bill S. 1160, the Department of Defense Authorization Act for fiscal year 1986. The rule also waives all points of order against consideration of the conference report.

Mr. Speaker, this is a simple rule that will allow us to proceed to the immediate consideration of the Department of Defense authorization conference report. There had been speculation about the possibility of separate votes being taken on several of the controversial items contained in this conference report.

This rules does not provide for separate votes on any item. Instead, these issues will be addressed on other legislations, most notably the Department of Defense appropriations bill which is scheduled for floor consideration later this week.

In other words, this conference report will be considered under the normal procedures for conference reports. Under the rules of the House, conference reports are privileged, and are considered for 1 hour. No amendments are in order.

Mr. Speaker, I urge the adoption of this rule so that the House may proceed to an up or down vote on this conference report.

□ 1355

Mr. Speaker, I yield 5 minutes to the gentleman from California [Mr. LEVINE].

Mr. LEVINE of California. I thank the gentleman for yielding me this time.

Mr. Speaker, I do not oppose the rule, in fact, I support the rule, but I would like to take this opportunity to explain the reasons that I feel that I must rise, albeit with great reluctance, to oppose the conference report itself.

I am deeply concerned, as we all are, about the security of our country. As a result of that concern, I have generally supported past defense authorization bills. My decision to oppose this conference report was made even more difficult because of the enthusiasm that I had for this bill when it passed the House last June.

I viewed the defense authorization bill when we passed it as landmark legislation. In that bill we froze defense spending; we capped the number of MX missiles to be deployed in Minuteman silos at 40; we placed a prohibition on testing of new antisatellite weapons; we placed strict conditions on the deployment and production of new chemical weapons; we killed 22 wasteful and unnecessary weapons; and we passed a series of amendments which would make fundamental

changes in the way in which the Pentagon does business.

Mr. Speaker, a great deal of credit for this legislation must go to the chairman and members of the House Armed Services Committee. I know they spent hundreds of hours fashioning the bill as it passed the House. I know that they spent many hours fashioning a conference report, and I personally am deeply grateful to the members and to the staff for their assistance to me in preparing amendments which I offered to this bill. That is why I regret so deeply that I must rise in opposition to the conference report itself.

However, Mr. Speaker, this conference report bears little resemblance to the authorization bill that we on this floor supported a few months ago. Gone is the freeze in spending; gone is the crucial House language on the MX, on antisatellite weapons and on chemical weapons. Funding has been restored for every weapons system killed by the House or by the other body. Every one of the procurement reforms are mere shadows of their former selves.

I am most disturbed about the gutting of the procurement reforms which were passed by this House on overwhelming bipartisan votes. Immediate action is needed to restore the public's confidence in our Defense Establishment and assure that American taxpayers get the most bang for their tax buck.

The House demonstrated its commitment to procurement reform when it passed, as I said before, by overwhelming bipartisan majorities, legislation fundamentally to change the way the Pentagon does business. These amendments mandated competition in the development and production of new weapons; limited the types of costs which defense contractors could pass along to the Government; slam shut the revolving door between the Defense Department and defense contractors and required contractors to make information available on the efficiency of their operations.

Every major procurement reform has been watered down during conference. This bill does not reform the defense procurement process. The reforms it contains are all show and little substance. We would be misleading the American public if we told him anything else as to the contents of this conference report.

This bill, on the other hand, does allow the production of new MX missiles, new chemical weapons and new space weapons. Once again, critics can legitimately point to Congress and say, "We never met a weapon we did not like."

I am pleased that the Appropriations Committee has included these procurement reforms in their original form in the 1986 defense appropriations bill. The reform language contained in this bill unfortunately remains unsatisfactory. We cannot continue down the path of business as usual. We are building a new generation of weapons which have not been adequately tested, which cost more than our economy can bear, which may be unable to perform their missions on the battlefield, and which threaten nuclear stability.

Mr. Speaker, defeat of this conference report will send a clear message that the House is serious about clamping a lid on defense spending; will no longer serve as a rubberstamp for wasteful and unnecessary weapons; and will not settle for anything less than fundamental reform of the procurement process.

Mr. Speaker, I urge my colleagues, when the conference report is before them, to reject it.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the Senate passed this conference report some 3 months ago, and there has been some squabbling over it. But I understood when it was presented to the Rules Committee that everything had been worked out. Certainly, it is time that we pass this authorization bill so that we can consider the appropriation bill tomorrow and possibly the next day.

Our defense posture is so important. We must be second to none militarily. With that concept in mind, let us get down to business on the conference report and pass it. Mr. Speaker, I urge approval of the rule. I have no requests for time, and I reserve the balance of my time.

Mr. BONIOR of Michigan. Mr. Speaker, I yield such time as he may consume to the gentleman from Oklahoma [Mr. ENGLISH].

Mr. ENGLISH. I thank the gentleman for yielding to me.

Mr. Speaker, the Government Operations Subcommittee which I chair has now held 31 hearings on the drug interdiction problem. We have been working closely with many members of the House Armed Services Committee to develop ways that the military could play an increasing role in support of the civilian drug interdiction agencies.

This conference report reflects two such congressional initiatives that, I am confident, will truly demonstrate to the American people that a real war against the drug smuggler is at hand.

The first initiative creates a new Air Force wing designed to detect the smuggler as he transits by sea or air to our country. This wing will meet an Air Force combat requirement which has not previously been funded, while at the same time meeting a critical law enforcement need. The second proposal calls for the placement of Coast Guard personnel on every Navy ship that might be in a position to intercept a drug laden vessel destined for the United States. This provision, in effect, ensures that all Navy ships operating in the known drug trafficking routes will be lawfully authorized to interdict smugglers, and it increases our interceptor fleet to a level which becomes credible.

I want to commend my good friend from Florida, Mr. BENNETT, who has been a stalwart during the long hearing process, for recognizing the potential value of authorizing the use of U.S. naval surface forces in this vital struggle. He knows, as we are all coming to know, that the only way we can prevail in our drug interdiction effort is to enlist all available resources, ensure they are well coordinated, and significantly improve the intelligence necessary to properly deploy our forces.

I would like to clarify for us all the intent of the conferees on these most important initiatives.

Mr. Speaker, I would like to enter into a colloquy with the chairman of the Armed Services Subcommittee on Readiness and the chairman of the Special Operations Panel of the Armed Services Committee. I am particularly concerned that the intent of the conferees concerning the creation and purpose of the Special Operations Drug Interdiction Wing be clearly understood by all parties involved.

Will the gentleman from Virginia please assure the House that the intent of the conferees in establishing the Special Operations Drug Interdiction Wing, to support the U.S. Customs Service, was for the command and control of that wing to be under the Air Force's Special Operations Forces?

I yield to the gentleman for his response.

Mr. DANIEL. That is correct.

Mr. ENGLISH. Further, was it the intent of the conferees that this Air Force support would include two of the interdiction aircraft to be assigned on a daily basis in support of the Southern Command?

Mr. DANIEL. Yes; that is a very important military benefit that will accrue to the Department of Defense, and it answers a critical need for detection in that vital part of the world. We have discussed before the high correlation between drug traffickers and arms smugglers in that region. We agreed that this wing will eventually provide eight operational aricraft per day to the U.S. Customs Service, and two to Southcom.

Mr. ENGLISH. If the gentleman will comment further, was it also the intent of the conferees that his new detection and interdiction capability would greatly enhance the mission potential of the Air Force Special Operations Forces?

□ 1405

Mr. DANIEL. That is the agreement that the conferees reached. We were advised by the Navy that there are no available P-3's for this mission, and the Navy has suggested that there is no comparable military mission in the Navy for such an aircraft. This is a most important point.

Mr. ENGLISH. Mr. Speaker, what would have been the effect of having the surveillance and detection mission performed by the Naval Reserve in P-3's rather than the Air Force's Special Operations C-130's?

Mr. DANIEL. Mr. Speaker, may I ask the gentleman from Oklahoma if he would repeat his question?

Mr. ENGLISH. In recognition of the fact, of course, that the Naval Reserve would have P-3's rather than the Air Force Special Operations C-130's, what would have been the effect of having the surveillance and detection mission performed by the Naval Reserve in the P-3's?

Mr. DANIEL. The Joint Chiefs would not validate a wartime mission for a Navy P-3 counterinfiltration squadron. It also would have degraded readiness rather than enhanced readiness.

Mr. ENGLISH. Does the same hold true for the non-Special Operations C-130 units?

Mr. Speaker, I yield to the subcommittee chairman of the Special Operations Panel of the Committee on Armed Services to respond to that question.

Mr. HUTTO. Mr. Speaker, I appreciate the gentleman's yielding.

The answer to the question is, yes. To put portable sensors on Reserve or Guard tactical airlift C-130's would have adversely impacted their readiness in two ways. By using Special Operations aircraft, we avoid both readiness problems. We practice in peacetime for the wartime role.

The best potential aircraft for this mission which the Special Operations Force currently operates is the AC-130.

Mr. ENGLISH. Mr. Speaker, is it further the understanding of the conferees that other assets of the Department of Defense, especially the National Guard and Reserve assets, could be mobilized, when needed, to assist the Air Force in conducting the drug interdiction missions?

Mr. DANIEL. Absolutely. This provides good training for these units. We want to be sure that we bring every possible military unit to bear on this terrible drug problem, without degrading combat readiness.

Mr. ENGLISH. Mr. Speaker, I want to thank the chairman of the two subcommittees and certainly the Committee on Armed Services for their cooperation and support in this vital effort.

Mr. Speaker, I yield back the balance of my time.

Mr. QUILLEN. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Mr. Speaker, I thank the gentleman for yielding this time to me.

Often when we have talked spending on the House floor and we have talked budget-busting and we have talked about all the horrors of big deficits, we have heard many Members come to the floor and say, "Take it out of defense spending. That is where we ought to find the cuts we need in order to do things."

Well, what do we have coming before us now? We have a rule coming before us that busts the budget on the issue of defense. The budget that we passed the other week is being busted. Section 311(a) of the Budget Act is being busted with regard to pay. We are providing new spending authority in the bill for pay, and as a result we have another budget-buster.

Now, the Rules Committee is not really telling us that in the rule. They have just given a blanket waiver on everything. Instead of being able to specify in this rule that we have a budget-buster, we cannot do that. Instead, what we have is just that all points of order against the conference report are waived, and that includes the Budget Act.

So what we have before us is another attempt to break the budget, another attempt to bust the budget and to do it in this case in defense. I really seriously question whether or not anybody in this body who is concerned with these rules is really concerned about the Budget Act, because nearly every rule that we have brought out here since the Budget Act was passed in August has had some waiver of the Budget Act in it. There has been a wholesale abandonment of the budget process. There has been a wholesale attempt to simply say that the budget process around here does not matter anymore.

If ever there is an argument for moving toward the Gramm-Mack approach in attempting to come up with some kind of a system for the President to sequester funds, it has been our performance on the Budget Act. We have one more example before us right now. We are attempting here once again to pass a rule that permits the Budget Act to be waived.

Mr. Speaker, I would urge a vote against that kind of rule.

Mr. BONIOR of Michigan. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. MAVROULES].

Mr. MAVROULES. Mr. Speaker, more than 2 months ago, conferees of both houses concluded work on the fiscal year 1986 Department of Defense authorization bill.

Since completing the conference, this bill has been the subject of some controversy and much criticism.

Like many, I would have preferred a lower budget authorization number. However, this conference report reduced the administration's budget request by $15.4 billion. Basically, this is a budget freeze at last year's level with an adjustment for inflation.

And, it is important to recognize, that this conference report does not establish the final budget number for Defense. That decision will be made when work is completed on the next piece of legislation we will consider, the Defense appropriations bill.

Another matter of concern is that this legislation did not maintain the requirements of the House-approved amendment on binary or chemical munitions.

For sound foreign policy and national security reasons, I believe we should maintain the current moratorium on the production of chemical weapons.

While this conference report provides for a 2-year moratorium, until October 1987, on the final assembly of these munitions, the Appropriations Committee has already voted to eliminate funding for these chemical weapons. I strongly support that action.

However, recognizing the reservations that many have with this authorization conference report, and also, realizing that we have a chance to revisit many of these basic issues when we debate the appropriations bill tomorrow. I would like to offer a few reasons why I hope my colleagues will join in supporting this conference report.

For 3 years, I have fought production and deployment of the MX missile. The arguments are well known. With budget deficits as far as the eye can see, we must restructure our priorities.

Prior to the consideration of this fiscal year's budget, 42 MX missiles had been approved. In May, the House approved an amendment I coauthored with the gentleman from Oklahoma, limiting MX deployment to those missiles already approved.

The conference agreed to a limitation in law—a permanent statutory limitation—of no more than 50 MX missiles deployed in existing Minuteman silos.

I would point out to my colleagues that this is the first major strategic weapons program ever to be limited in this manner.

While many shared my belief that no MX missiles should be deployed, this statutory limitation is certainly preferable to the original 200 MX missiles requested by the Air Force, and the 100 requested by the Scowcroft Commission.

If for no other reason, I would urge my colleagues in this House to support

the conference report and make the MX limitation, permanent public law.

In a final area, there is the question of procurement reforms. With this conference report, we have made a start in directing the Department of Defense to put its procurement house in order.

On allowable costs, the conference restricted the charges that contractors can pass on to the Government. The thrust of the agreement is to define more carefully, what costs cannot be passed on to the Government.

The multiple-sourcing measure will be applicable to both full-scale development contracts, and production contracts.

Revolving door provisions, must be refined further, I agree.

But in raising all of these issues, Congress has made a significant step in correcting the procurement problems which have greatly eroded public support and confidence in the Defense Department.

□ 1415

Mr. QUILLEN. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan [Mr. DAVIS].

Mr. DAVIS. Mr. Speaker, I would like to engage in a short colloquy with the gentleman from Alabama [Mr. NICHOLS].

May I say to the gentleman from Alabama, [Mr. NICHOLS], the subject of this colloquy is section 1534 of the conference report on Senate bill 1160, the Department of Defense Authorization Act. Section 1534 of that act directs the Secretary of Energy to write regulations that establish definitions, exclusions, limitations, and qualifications to the list of items for which costs may not be submitted on DOE contracts for defense-related programs.

As you know, in the House Armed Services Committee report on H.R. 1872 (H. Rept. No. 99-81) we commented on this matter in some detail. The related House section—section 934—points out that it is not our intent to isolate the Congress from the technical and scientific advice of experts employed by contactors carrying out these DOE programs. In fact, the report states, "The committee has found such advice and counsel to be invaluable over the years." Am I correct, then, Mr. Speaker, in my assumption that the intent of this section was not to restrict the flow of this technical and scientific advice from DOE contractors to the Congress?

Mr. NICHOLS. Mr. Speaker, if the gentleman will yield, that is a correct assumption. Clearly it was not our intent to inhibit the flow of this important information. What it is intended to do is prevent DOE contractors from attempting to influence legislation to a contractor's own advantage while using Department of Energy funds to support such efforts.

Mr. DAVIS. Mr. Speaker, I thank the gentleman for this clarification and for his fine work.

Mr. QUILLEN. Mr. Speaker, I yield 3 minutes to the gentleman from Oregon [Mr. DENNY SMITH].

Mr. DENNY SMITH. Mr. Speaker, what kind of signal does the conference action send to the Pentagon and the American people—a signal that says, "Please continue buying overpriced weapons," a signal that says, "Please continue throwing our tax dollars down a sink hole," a signal that says, "Please continue with business as usual."

Mr. Speaker, I rise in opposition to the conference report and I urge my colleagues to defeat this bill.

Earlier this year the House passed several procurement reform amendments to the DOD authorization bill. These amendments were some of the most far-reaching reforms ever passed by this body, and they were passed by an overwhelming majority.

By a vote of 342 to 52 we mandated increased competition in defense procurement.

By a vote of 397 to 19 we closed the revolving door.

By a vote of 411 to 4 we defined allowable costs for defense contractors.

We had a right to be proud of these reforms that this package of amendments put in place. The bill and the reforms were then sent off to conference.

What happened in conference to these reforms? They were gutted. Sure, there is some high-minded rhetoric in the report, but let us not kid ourselves. Where we offered medicine to a sick system, the conference chose to only shake its finger, while asking the system to please get well.

Since that conference we have had the Goldwater-Nunn report, which in fact shows that the system is broke.

What kind of signal does the conference action send to the Pentagon and the American people? I say it again, a signal that says, "Please continue buying overpriced weapons," a signal that says, "Please continue throwing our tax dollars down the sink hole," a signal that says, "Please continue with a business as usual approach."

Mr. Speaker, this is not a signal that this body should be sending. Even if this body is not fed up with procurement scandals, I can assure you that the American taxpayers are.

Tomorrow we have a chance to send a different signal, a signal that it will no longer be business as usual, a signal that it is high time for a change.

The defense appropriations bill will be coming to the floor. It will contain the Pentagon reform measures as we originally passed them here in the House. That will have my support, and it should have yours.

Even if we do prevail tomorrow, our victory and the taxpayers' victory will not be assured. Once again the bill will be shephered off to conference and once again we run the risk of the conference turning it into a sacrificial lamb. This is no way to legislate.

In closing, let me keep it short and simple. If you want to continue the procurement scandals, if you want to weaken America's defense posture and if you want someone to hang a $600 toilet seat around your neck in November 1986, then I suggest you vote for the conference report. If you do not want these results, then I suggest that a vote against the conference report would be in order.

Mr. BONIOR of Michigan. Mr. Speaker, I yield 5 minutes to the gentleman from Georgia [Mr. ROWLAND].

Mr. ROWLAND of Georgia. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, earlier this month we considered and passed H.R. 3174 which would amend the Federal Tort Claims Act to permit members of the Armed Forces to sue the Federal Government for medical malpractice. When I spoke against passage of that legislation, I pointed out that there was nothing in that bill that would assure that the quality of military medical care would be improved. Mr. Speaker, I still would maintain that position regarding H.R. 3174. Today, however, my purpose in rising is to discuss the conference report on S. 1160, the Defense Department Authorization Act of 1986.

In reviewing this report, I was pleased to find a number of provisions which, I believe, will ultimately result in the improvement of the quality of medical care being provided to our military personnel, retirees, and dependents. These changes will go much further, Mr. Speaker, than any malpractice actions would to provide the best medical care available in our military facilities. There are two provisions that I want to highlight at this time.

The first is section 1203 dealing with a demonstration project to test the use of a computer system in military hospitals. The reason I point out this provision is because it is an example of cooperation between the DOD and the VA in testing a decentralized hospital computer system which should result in a product which could serve both. Additionally, I would hope that this effort in cooperation would provide additional impetus for joint consideration of other information systems used by one which could be utilized by the other.

This would include DOD's Tri-Service Medical Information System and the Defense Enrollment Eligibility Reporting System. It is only through such potential sharing of systems that

we can avoid costly duplication and reinventing of the wheel by one department after another. I would close this comment by expressing the hope that the responsible officials in both organizations have also taken time to obtain the input of DHHS personnel in the development of the information systems for military and VA medical programs.

The second and perhaps most important provision which I would address here is section 1207 which requires a report to the Congress by the Secretary of DOD on the organizational structure of the military health care delivery system. This report, prepared by the Assistant Secretary of Defense for Health Affairs, has set goals which should set the stage for a fundamental change in the delivery of medical care within the Department. These revisions should assure the quality of medical care and its cost-effective delivery during peacetime and enhance medical readiness for any contingencies.

I am particularly impressed by the committee's goals to integrate and coordinate the planning, programming, and budgeting of military facilities, equipment, and staffing and, additionally, to improve the quality of medical care by a number of measures, including the adoption of rigorous quality assurance standards and procedures to monitor their implementation. As the plans are drawn to achieve these goals, I am certain that we will be able to look forward to a stronger, more effective, less costly military medical care system that will serve our Nation in peace and in time of conflict.

My final comment regarding this bill is to congratulate the committee for including section 563, the licensure requirement for health care professionals. Although this measure in and of itself will not guarantee the competence of the health personnel serving in military medical facilites, it goes a long way toward reassuring the public and the Members of this Congress. Licensure cannot be equated with competence but it does provide a preliminary check on the individuals' credentials and offers the opportunity to avoid some of the tragic results of inappropriate recruitment that have occurred in the recent past.

Mr. Speaker, this bill contains a number of other important provisions related to health care, which cannot be covered now. I recognize that health care is not the primary focus of S. 1160, but it is as vital to the well being of our military preparedness as any weapon system. Without a reliable system of health care delivery, our military men and women would be deprived of access to what they should rightfully expect—quality medical care. Can we expect the best from our Armed Forces if we are not prepared to provide them with the best of medical care?

Mr. BONIOR of Michigan. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. SCHUMER].

Mr. SCHUMER. Mr. Speaker, I rise in support of the rule.

This rule marks a long and to some I guess tortured history of what has happened with the Defense authorization bill over the last few months.

Let me say that when the authorization bill reached the floor I voted for it and voted for it proudly. I thought it was the best authorization bill to reach the floor of the House in a long time. It provided for a strong defense. Certainly the amount of money, $292 billion, was nothing to sneeze at, but at the same time it implemented some procurement reforms and said enough to certain weapons systems that no matter how much money we threw into them would not really work.

Something funny happened on the way to the conference and on the way back. Most of the things that I thought were good in the bill and many Members on this side of the aisle, at least, thought were very good in the bill, and on the other side, got lost and, of course, many people said they would not vote for the defense authorization conference report on that basis.

Well, a number of changes have occurred that make certainly the rule in order to vote for and I am sure some of us will vote for the conference report, others against. It does not meet all our needs, but certainly, first, the amount of money that is going to be spent as the Appropriations Committee has indicated by their reporting out their appropriations bill, which will be on the floor, is way below the $292 billion ceiling that we had sought. It is $276 billion.

Just as important, the procurement reforms, the four of them, will be attached and have been attached by the Appropriations Committee to the bill.

As I understand it, and as we all understand it, there is certainly a guarantee from the Appropriations Committee that if those procurement reforms are knocked out in conference, we will at least have a chance to vote them back in the amendments in disagreement when they reach the floor of the House, giving this House a chance to work its will on some amendments that have passed in the authorization bill on this floor overwhelmingly.

Given all that, I think the rule is worthy of support. It does not do everything that those of us who sought some changes in the conference report wanted. It does not do everything that those of us who were upset with the conference report wanted, but it certainly does some, and politics being the art of compromise, I can happily vote for this rule.

Mr. BONIOR of Michigan. Mr. Speaker, I have no further requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. WALKER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 320, nays 91, answered "present" 1, not voting 22, as follows:

[Roll No. 375]

YEAS—320

Ackerman	Dellums	Horton
Akaka	Derrick	Howard
Alexander	Dickinson	Huckaby
Anderson	Dicks	Hughes
Andrews	Dingell	Hunter
Annunzio	Donnelly	Hutto
Anthony	Dorgan (ND)	Hyde
Applegate	Downey	Jenkins
Archer	Duncan	Johnson
Aspin	Durbin	Jones (NC)
Atkins	Dwyer	Jones (TN)
Badham	Dymally	Kanjorski
Barnard	Dyson	Kaptur
Bateman	Eckart (OH)	Kastenmeier
Bates	Edwards (CA)	Kemp
Beilenson	Emerson	Kennelly
Bennett	Erdreich	Kildee
Berman	Evans (IL)	Kleczka
Bevill	Fascell	Kolter
Biaggi	Fazio	Kostmayer
Boehlert	Feighan	Kramer
Boggs	Fiedler	LaFalce
Boland	Fish	Lagomarsino
Boner (TN)	Flippo	Lantos
Bonior (MI)	Florio	Latta
Bonker	Foglietta	Leath (TX)
Borski	Ford (MI)	Lehman (CA)
Bosco	Ford (TN)	Leland
Boucher	Fowler	Lent
Boulter	Frank	Levin (MI)
Boxer	Franklin	Levine (CA)
Brooks	Frost	Lewis (CA)
Brown (CA)	Fuqua	Lewis (FL)
Broyhill	Gallo	Lipinski
Bruce	Garcia	Livingston
Bryant	Gaydos	Lloyd
Burton (CA)	Gejdenson	Loeffler
Burton (IN)	Gephardt	Long
Bustamante	Gibbons	Lott
Callahan	Gilman	Lowery (CA)
Campbell	Glickman	Lowry (WA)
Carney	Gonzalez	Lujan
Carper	Gordon	Lundine
Carr	Gradison	Lungren
Chandler	Gray (IL)	MacKay
Chapman	Green	Madigan
Chappell	Grotberg	Manton
Cheney	Guarini	Markey
Coats	Hall (OH)	Martin (IL)
Coelho	Hall, Ralph	Martin (NY)
Coleman (TX)	Hamilton	Martinez
Combest	Hammerschmidt	Matsui
Conte	Hartnett	Mavroules
Conyers	Hatcher	McCain
Cooper	Hawkins	McCloskey
Coughlin	Hayes	McCollum
Courter	Hefner	McCurdy
Coyne	Heftel	McDade
Daniel	Hendon	McGrath
Darden	Hertel	McHugh
Daschle	Hiler	McKernan
Davis	Hillis	McKinney
de la Garza	Holt	McMillan

Mica	Regula	Staggers
Michel	Reid	Stallings
Miller (OH)	Richardson	Stratton
Miller (WA)	Rinaldo	Studds
Mineta	Ritter	Stump
Mitchell	Robinson	Sweeney
Moakley	Rodino	Swindall
Molinari	Roe	Synar
Mollohan	Rose	Tallon
Montgomery	Rostenkowski	Tauzin
Moody	Roukema	Taylor
Moore	Rowland (GA)	Thomas (CA)
Moorhead	Roybal	Thomas (GA)
Morrison (WA)	Rudd	Torricelli
Mrazek	Russo	Towns
Murphy	Sabo	Traficant
Murtha	Savage	Traxler
Myers	Saxton	Udall
Natcher	Scheuer	Valentine
Neal	Schneider	Vander Jagt
Nichols	Schroeder	Vento
Nowak	Schuette	Visclosky
O'Brien	Schulze	Waxman
Oakar	Schumer	Weiss
Oberstar	Sharp	Wheat
Obey	Shelby	Whitehurst
Olin	Shuster	Whitley
Ortiz	Sikorski	Whittaker
Owens	Sisisky	Whitten
Oxley	Skeen	Williams
Panetta	Skelton	Wilson
Parris	Slattery	Wirth
Pashayan	Slaughter	Wise
Pease	Smith (FL)	Wolf
Pepper	Smith (NJ)	Wolpe
Perkins	Smith, Robert (OR)	Wortley
Petri	Snowe	Wyden
Pickle	Snyder	Wylie
Porter	Solarz	Yates
Price	Solomon	Yatron
Quillen	Spence	Young (AK)
Rahall	Spratt	Young (FL)
Rangel	St Germain	Young (MO)
Ray	Zschau	

NAYS—91

Armey	Fawell	Ridge
Bartlett	Fields	Roberts
Barton	Frenzel	Roemer
Bedell	Gekas	Rogers
Bentley	Gingrich	Roth
Bereuter	Goodling	Rowland (CT)
Bilirakis	Gregg	Schaefer
Bliley	Gunderson	Seiberling
Breaux	Hansen	Sensenbrenner
Broomfield	Henry	Shaw
Brown (CO)	Hopkins	Shumway
Chappie	Hubbard	Siljander
Cobey	Ireland	Smith (IA)
Coble	Jacobs	Smith (NE)
Coleman (MO)	Jeffords	Smith, Denny (OR)
Craig	Jones (OK)	Smith, Robert (NH)
Crane	Kasich	Stangeland
Crockett	Kindness	Stark
Dannemeyer	Leach (IA)	Stenholm
Daub	Lightfoot	Strang
DeLay	Luken	Sundquist
DeWine	Mack	Swift
DioGuardi	McCandless	Tauke
Dornan (CA)	McEwen	Volkmer
Dreier	Meyers	Vucanovich
Early	Miller (CA)	Walgren
Eckert (NY)	Monson	Walker
Edgar	Nielson	Watkins
Edwards (OK)	Packard	Weaver
English	Penny	
Evans (IA)	Pursell	

ANSWERED "PRESENT"—1

Foley

NOT VOTING—22

Addabbo	Dowdy	Morrison (CT)
AuCoin	Gray (PA)	Nelson
Barnes	Hoyer	Stokes
Byron	Kolbe	Torres
Clay	Lehman (FL)	Weber
Clinger	Marlenee	Wright
Collins	Mazzoli	
Dixon	Mikulski	

□ 1440

Messrs. KASICH, SUNDQUIST, PACKARD, SMITH of Iowa, JONES of Oklahoma, MILLER of California, DANNEMEYER, ENGLISH, BREAUX, and GINGRICH changed their votes from "yea" to "nay."

Mr. GALLO changed his vote from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. ASPIN. Mr. Speaker, I call up the conference report on the Senate bill (S. 1160), to authorize appropriations for the military functions of the Department of Defense and to prescribe personnel levels for the Department of Defense for fiscal year 1986, to authorize certain construction at military installations for such fiscal year, to authorize appropriations for the Department of Energy for national security programs for such fiscal year, and for other purposes.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore (Mr. BROWN of California). Pursuant to the rule, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of July 29, 1985.)

The SPEAKER pro tempore. The gentleman from Wisconsin [Mr. ASPIN] will be recognized for 30 minutes and the gentleman from Alabama [Mr. DICKINSON] will be recognized for 30 minutes.

Mr. FRANK. Mr. Speaker, on the assumption that the gentleman from Alabama [Mr. DICKINSON] and the gentleman from Wisconsin [Mr. ASPIN] both support the bill, I seek recognition for 20 minutes as a Member opposed to the conference report.

The SPEAKER pro tempore. Does the gentleman from Alabama [Mr. DICKINSON] support the conference report?

Mr. DICKINSON. I do, Mr. Speaker.

The SPEAKER pro tempore. The gentleman from Massachusetts [Mr. FRANK] will be recognized for 20 minutes, the gentleman from Wisconsin [Mr. ASPIN] will be recognized for 20 minutes, and the gentleman from Alabama [Mr. DICKINSON] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Wisconsin [Mr. ASPIN].

Mr. ASPIN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I urge the adoption of the conference report on Senate 1160, the conference report on the defense authorization bill.

I would like to make one correction in the authorization bill report that came back from the conference. The conference report contained language in it which was the Boxer amendment in the House and the Grassley amendment in the Senate on labor costs. The two amendments offered on the floor of the House and the Senate were the same. They were agreed to in conference. There was no chance to change them in conference, so the language as it was exactly in both the House and the Senate, which passed, was put into the House bill and into the conference report.

That conference report, when the statement of managers came to be written, the statement of managers said that it was the understanding of the managers that this provision should go into effect on new contracts that were to be signed after the date of the enactment of the act. The language itself was not clear on that point, but I want to say, as one of the conferees, that that was not my intention.

So, creating a little legislative history here, the statement of managers on that issue is incorrect and, in fact, we passed under suspension of the rules a few minutes ago a bill which sets that matter straight and tells us when the bill is to go into effect, when this provision is to go into effect and under what circumstances.

But I want to make clear here that the statement of managers on that provision is incorrect.

Mr. Speaker, through some confusion as to what the agreed on position of the conferees was on section 917 of S. 1160, the statement of managers accompanying the conference report inaccurately reflects my view concerning the effective date of section 917.

Athough the statement of managers suggests that there is an understanding that the effective date is prospective, I and several other House conferees considered it to be effective on all contracts—including those currently in existence on the date of enactment.

For this reason, Mr. Speaker, the statement of managers language accompanying section 917 in the conference report on S. 1160 is inaccurate and should be disregarded.

Mr. Speaker, I yield 4 minutes to the gentleman from California [Mr. DELLUMS].

Mr. DELLUMS. Mr. Speaker, I find myself in an interesting position, because in a little while, I will be standing up in opposition to the conference report. But at this particular moment, I wear the hat of the chairman of the Subcommittee on Military Facilities and Installations.

In that regard, it was my responsibility to negotiate with our counterparts in the other body on the issue of base closures, and it is to that question that I would speak briefly.

Mr. Speaker, I would like to take a few minutes to explain one provision of this conference report on which I spent considerable time—the issue of base closures.

My colleagues will recall that I fought to have the base closures legislation considered as a provision of the military construction authorization bill where it properly belongs. This would have enabled the subcommittee on military installations to hold hearings and develop legislation in an orderly fashion. However, we were unsuccessful in convincing the Senate to agree and we, therefore, had to address this issue in the conference on the Defense authorization bill. Nevertheless, I believe that we have produced a workable compromise that will be acceptable to the House.

We were able to preserve the proper legislative oversight while providing the Secretary of Defense with adequate flexibility to initiate a closure or realignment if such a decision can be supported by the facts. The new law removes the requirement that the Secretary notify Congress when a base is a mere candidate for closure or realignment. The conferees believe this action will eliminate some of the anxieties that have routinely followed the public announcement of a study to realign or close an individual base. The law further requires that any closure list be submitted along with justification at the time of the annual budget submission. Any construction associated with a closure or realignment would have to be authorized and appropriated through the normal legislative process.

The issue that caused more concern than any other was the conferees' decision to delete any specific reference to the National Environmental Policy Act [NEPA] in section 2687 of title 10, United States Code.

The Senate bill waived the applicability of NEPA entirely for base closures when there is a Federal deficit. However, the House conferees rejected any language waiving NEPA (or parts of NEPA) in the case of base closures. The conference agreed to delete the specific reference to NEPA in section 2687 of title 10, United States Code, in the belief that this would not affect the requirement for the Defense Department to comply with the National Environmental Policy Act.

Mr. Speaker, it is not the intent of the conferees that this action be construed to override the applicability of NEPA in relationship to base closures or realignments. It is not our intention to exempt the Department of Defense from compliance with NEPA. Instead, the Secretary of Defense must make his own independent decision as to the applicability of NEPA and face the legal consequences if the decision is not in accordance with the requirements of the National Environmental Policy Act of 1969 (42 U.S.C. 4332).

□ 1455

The SPEAKER pro tempore. The Chair recognizes the gentleman from Alabama [Mr. DICKINSON].

Mr. DICKINSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, after more than 3 months of delay, I am very pleased that we are today considering the fiscal year 1986 Defense authorization conference report.

The report would authorize a national defense program of $302.5 billion for fiscal year 1986. At this level, we are freezing the defense budget in real terms to the level of 1985; and I might add, Mr. Speaker, that this was the authorization bill that was passed some months past, and then intervening events have occurred that would lower this substantially, even more.

For that reason, this bill represents a watershed in the Nation's reports and efforts to modernize our Armed Forces. Our Nation, buffeted by the large deficits and to a lesser extent caused by a crisis of confidence in the ability of the Department of Defense and perhaps the Congress to manage its affairs, has decided that the rate of spending for defense should level at this time.

Unfortunately, and I might add parenthetically that there is no evidence that any potential major adversary to the East has done the same.

With respect to the MX missile, the conference capped the program at 50 deployable missiles and authorizes the production of 12.

On the ASAT missile program, the conference report limits the Department of Defense to no more than three tests before October 1986.

Again, it is interesting to note that as of this date, our Government has used one of the tests; we have had one ASAT test, and it is estimated that the Soviets have had somewhere between 15 and 20, probably closer to 20.

I think that we have a lot of catching up to do and I for one am pleased that we have started with our ASAT Program.

The conferees recommended $2.75 billion for the Space Defense Initiative [SDI] Program and expresses the sense of Congress encouraging compliance with applicable treaties.

Now, the Members well might remember that the administration came in and asked for $3.7 billion for SDI. Our committee came out initially and cut this figure, to $2.5 billion; the Senate had $3 billion in theirs; this $2.75 billion was a compromise halfway between the House and Senate figure—and I think it is a reasonable figure.

With respect to chemical weapons, the conferees recommend authorization of $155 million for the production, but would delay assembly of any such weapons for 2 years. Additionally, the President is directed to consult with NATO before production can begin.

Concerned over recent spy activities, the conferees directed the Secretary of Defense to implement a polygraph testing program for military and civilian employees who have access to highly classified and secret information, top secret and above.

The program would be limited to 3,500 polygraph exams the first year, to not exceed 7,000 in subsequent years. This, I think, would have a good, salutory effect on any potential spies or saboteurs within the employment of the Department of Defense. I think it was a good idea, and I supported it in conference, and I am sure that the majority of the House Members will feel the same way.

These are just a few of the brief highlights of the bill, but let me say, Mr. Speaker, in speaking to all Members, the Members of this House went into conference in good faith with the bill that was approved by a very large majority in the House.

We went in with the intention of supporting the House position; and this is what we did. I think the conferees did a great job, and I think our chairman, the gentleman from Wisconsin [Mr. ASPIN] did an outstanding job in mediating and and moderating and working between the various factions that had to be dealt with.

Overall, we came out with about 80 percent of the House bill. We did a good job; we acted in good faith with the House numbers, to sustain the House position on the question of the binary chemicals. We even agreed in conference, even though subsequently it was not insisted on, because we modified the House position, we agreed that we would come back and if demanded, give an additional vote on that one issue to the House numbers, because we did do different from what the House had voted on.

So, we did a good job; I think this is a good product, I think it has been reported in the press and as we have been told that these amounts and some of the items have been reduced even further by the Appropriations Committee bill which came out, which will be voted on tomorrow, but as far as this membership and this Member is concerned, I think that this is a good conference report and I urge support from all Members.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Massachusetts [Mr. FRANK].

Mr. FRANK. Mr. Speaker, I yield myself such time as I may consume.

There is probably some question among some of the Members as to why an issue as important as the armed services authorization conference report appears to be attracting so little attention, and it has to do with the

fact that tomorrow we will be dealing with the appropriation, and many of the issues that are dealt here will be open again; things like the ASAT and star wars, the procurement issues, and I am hoping that we will get a rule that will put them in order; so that is why there is a certain lack of fervor, but I do not think the opportunity ought to be let pass without talking about some of these issues.

First of all, I think we ought to talk about Gramm-Rudman. We undergo a curiously disassociative process around here sometimes. Some of the people in this Chamber who are the world's most rabid deficit-reducers most of the time get lapses on occasion.

□ 1505

We are dealing here with a very large authorization, the single largest, I believe, that we have any control over since Social Security is not very much controllable.

The amount of money in this authorization is more than almost anybody except Caspar Weinberger thinks makes sense. Yet we have people who talk about how urgent it is to balance the budget, how we should have passed Gramm-Rudman 3 weeks ago without reading it because it does not read well. They are going to vote for this. We cannot have budget balancing in general with budget busting in particular.

Now we have parliamentary norms here which are fortunate and keep us relatively civil, and words like "hypocrisy" have no place among us. But I must say that there seems to me as wide a disparity between the professions of concern for the deficit we get from supporters of Gramm-Rudman and reality in terms of people supporting this authorization as I can imagine.

We have in here, let us take a look at the MX missile, and I congratulate Members on this side, my colleague, the gentleman from Massachusetts, who serves on this committee; they did a pretty good job trying to negotiate, given the intransigence they met in another place, which we are not suppose to mention under the rules.

But we voted for 40 MX missiles. Another group of people voted for 50. So we average 40 and 50, and we come out with a compromise. You know what happened in that conference, when you add 40 and 50 and divide by 2? You get 50. But that is small potatoes. What happens when you take $292 billion and $302 billion and you divide by 2, do you know what the answer is? Under Gramm-Rudman math—$302 billion. The House voted for $292 billion authorization, the Senate voted for $302 billion—oops, I am sorry I said that word, I did not mean that; we had another vote for $302 billion. So our conferees went in there, and they did it in good faith, I do not doubt that they went in in good faith and came out in good faith. The bill was in good shape, but they were in good faith. They added 302 and 292 together, and they got 302 after they divided by 2.

Now I could see 296, 297, I could hope for 294, but 302? Where is the concern about budget balancing? You talk about quick conversions.

A couple of months ago, a group of conferees, choosing between 292 and 302, went for the highest possible figure they were legally allowed under the rules of the House to accept, and now many of those same people are coming back preaching to us budget reduction. We are told that some of the poorest people in this country, ill children, elderly people who are suffering, they are going to have to be tough. You know, this is an aside: It strikes me as unfortunate that one of the ways in which politicians show how tough they are is by bearing up manfully under the suffering of other people which they themselves will not have to deal with.

So we are going to inflict some harm on some very poor people because when we added 292 and 302 and divided by 2, we came up with 302. We also had some procurement reforms in here, and they were also negotiated in good faith. And they are unrecognizable, substantially.

I want to congratulate and thank the members of the Committee on Armed Services because we passed a bill earlier today, and it was a genuine showing of good faith on their part to try and resolve the "should-cost" thing.

But as I said last week, we cannot just do it by ourselves, we have to have the cooperation of something, which we cannot mention.

Our problem so far has been with regard to procurement reforms, as somebody pointed out to me afterward, you know, we can do it in the House, but then we have to get some action from something over the rotunda. And it is true that you cannot get something out of nothing, but we cannot continue to get nothing out of something and still legislate.

So that is why we are in the situation we are in now.

Now we are going to have an unusual rule tomorrow, which I hope will be adopted, which will give us another shot and renegotiate this thing. But I hope that will not be necessary. We should have been dealing with this in conference some time ago. I do not think it is good government that we are so late in dealing with this conference report. We are here because the position of the House was not, in my judgment, well represented.

I do not doubt the good faith of people, and part of it is the problem with the committee system. And I understand that there are people here, we have Agriculture Committee full of farmers, Banking Committee full of people who are prohousing, we have an unrepresentative committee system. Maybe we have to look at the way we set up conferees and pick some nonhousing people for the Banking Committee conference and some nonarmed services types for this conference. That is a generic problem. But we cannot have what we had before. We sent a bill to conference, and I voted for the armed services bill this year, I thought it was a good bill, but it came out of conference unrecognizable in area after area: ASAT's, SDI, et cetera.

Now this is a warm-up for tomorrow's appropriation.

We are going to be asked to vote more money for MX missiles, which is a necessary compromise that no one thinks makes sense.

You know, there are people who do not want any MX missiles, and there are people who want 100 MX missiles. I have not met the strategist who thinks that 50 MX missiles makes any sense at all, unless you are a cement mason and you get to put all the cement on top of this stuff and the poor guys that have been put out of business by high interest rates; maybe that is not a bad job creation program. But we are going to vote for another 10 MX missiles that nobody thinks we need.

The people who are pushing us to do this, they are going to turn around and take money away from the Women's, Infants', and Children's Program, and we get letters from United Cerebral Palsy and Autism Foundation saying, "Please don't do what you are threatening to do to us under Gramm-Rudman." That does not make any sense.

We have a conference report today that I am going to vote against. When you take 292 and 302 and add them up and divide by 2 and get 302, please do not come in your Gramm-Rudman guise and play "Trick or Treat" with me because I think your disguise is not persuasive.

Mr. LOWRY of Washington. Mr. Speaker, will the gentleman yield?

Mr. FRANK. I yield to the gentleman from Washington.

Mr. LOWRY of Washington. I thank the gentleman for yielding.

Mr. Speaker, I congratulate the gentleman for his shrewd observation on actually what I think is the most important defense bill this week, which is Gramm-Rudman, because what Gramm-Rudman is going to do, of course, is tell us, "Cut those maintenance and operation accounts, those pay accounts," those things that all of us are for in our military security but do not sit here and vote to do it. You see, when we vote to pass this authorization bill today and at the end of this

week we vote to pass Gramm-Rudman, what we are doing is saying, "Take that part of the defense budget, that 60 percent of the defense budget that is O&M, readiness, things that we all support, take that and make a percentage cut on that, but the 39 to 40 percent of the defense budget which are the prior year contracts, that cannot be cut, and so on, those we cannot cut." So, really, the most important defense vote this week is going to be Gramm-Rudman at the end of this week, which takes away from our conferees, from our Armed Services Committee, from our military experts, the way to really choose the right way to spend money, the basic way to spend money for defense in this country, but instead of exempting out those things that should be cut, and we as a consequence cut readiness.

Mr. FRANK. That is a very good point, because Gramm-Rudman, as it comes over to us, exempts from its cutting things where we have contracts. I guess that is supposed to mean where we have contracts we get more of our money's worth. My impression from reading about the Defense Department contracting, if I had to go into a tough negotiation over contracts, I would want the Defense Department to be on the other side. I think that would be a nice situation to be in. The area where it seems to me the spending abuse pattern has been the greatest is the one that is going to be exempted.

Paying the young men and young women who serve us a decent wage, providing them good living conditions and all those other things, those are apparently not going to happen. I agree with the gentleman, but again I want to stress, it seems to me, this great disparity. Where are all the deficit reducers, where are all the budget balancers? $302 billion, more than everybody thinks, and nobody is here. So it is going to be now you see them, and now you don't.

When you talk about the authorization, they are going to be quiet. But then Gramm-Rudman is going to come up, and we are going to be cutting all these programs. I do not understand it.

Mr. LOWRY of Washington. Mr. Speaker, will the gentleman continue to yield?

Mr. FRANK. I yield to the gentleman from Washington.

Mr. LOWRY of Washington. I thank the gentleman for yielding.

The distinguished ranking minority member and the distinguished chairman of the committee—and this committee have done a good job this year on a good bill that came out of this House. I voted for the defense authorization bill that came out of this House because I thought it was a good bill. But what Gramm-Rudman will do for those who are going to vote for that at the end of this week is take away from them the ability by which to spend the money for the defense of this country so we can duck having to vote on the right way to do it.

One thing I would like to ask the chairman of the committee, what his opinion is that Gramm-Rudman would do.

Mr. FRANK. I will yield to the gentleman in one second. I just want to anticipate one thing that we will be told, which is that under Gramm-Rudman those are automatic cuts, and no one says they are for the automatic cuts, but the automatic cuts do not have to go into effect if we do a good job of deficit reduction program by program. I agree with that. But I do not have a lot of confidence that people who tell me I should buy 10 MX missiles for nothing, 10 MX missiles again. Nobody thinks that between 40 and 50 MX missiles you have done anything, nobody is for that. But you are telling us to do that.

That is why we may get into this problem, you are going to waste that money on that, you are going to waste money in these other areas, and then you are going to tell us that we are confronted with this, an unwillingness to deal seriously with the excesses in the military. And we did it in the House. I congratulate the gentleman from Wisconsin for doing a superb job in the bill that came forward in the House.

But then we have to go to conference. This is a bicameral legislature.

What came back bears no more resemblance to serious deficit reduction than it does to the man in the Moon.

That is the problem we have.

Mr. ASPIN. Mr. Speaker, will the gentleman yield?

Mr. FRANK. I yield to the chairman.

Mr. ASPIN. I thank the gentleman for yielding.

Let me say that I agree, certainly, with the gentleman from Washington about his appraisal of Gramm-Rudman.

Mr. FRANK. I take it that the gentleman does not agree with me, but I am not too upset, that is OK. We will take it as an agreement with the gentleman from Washington.

Mr. ASPIN. The gentleman from Massachusetts comments about Gramm-Rudman, too.

The gentleman from Massachusetts and the gentleman from Washington do not always agree on other things, but we agree on the effect of Gramm-Rudman. I think the gentleman from Washington is right that the defense vote this week, when you have got an authorization conference report, you have got an appropriation bill, and you have got Gramm-Rudman on the floor all in 1 week, the question before the committee, a small but not worthless prize will be given to the person who can tell us which one of those three things is the most important for defense, because the answer is Gramm-Rudman. There is no question about the effect that Gramm-Rudman will have, that it will be much more than we vote on here today in this bill or tomorrow and Thursday on the appropriation bill. And for the exact reason that the gentleman from Washington stated.

Basically, the question is, the Congress and the authors of Gramm-Rudman recognize that if we totally abdicated our total area of responsibility to the President to make the cuts where he wanted, that would be (a) unconstitutional and (b) Congress would be out of business. So what we have put in is a ministerial function. What the President is going to do is cut in a ministerial way, cut all of the programs by 5 percent, or whatever it is, that we are over the target. But what that does is create these absurdities where we are going to be creating in places that neither doves nor hawks would want to cut, if we were in fact to come back and say on the defense budget, "You have got to take x billion dollars out of the bill."

Mr. FRANK. I thank the chairman. Maybe we can trade back and forth here.

Mr. WEAVER. Mr. Speaker, will the gentleman yield?

Mr. FRANK. I yield to the gentleman from Oregon.

Mr. WEAVER. I thank the gentleman for yielding.

Mr. SPEAKER, I want to ask the chairman a question that has been puzzling me. Under Gramm-Rudman you are not allowed to lower salaries of employees, as I understand it, so you have to have layoffs. Well, also under Gramm-Rudman, you cannot touch existing contracts.

The question I have, and I am sure it probably has a simple answer, is: Is a military enlistment a contract?

Mr. ASPIN. According to the definitions that we have been told, or the conferees have been told, under Gramm-Rudman, that is not considered a contract.

Mr. WEAVER. That is not a contract. So you would have to lay off members of the armed services to meet the cuts.

Mr. FRANK. I thank the gentleman from Oregon. That is a good point.

Mr. DELLUMS. Mr. Speaker, will the gentleman yield?

Mr. FRANK. I yield to the gentleman from California.

Mr. DELLUMS. I thank the gentleman for yielding.

Mr. Speaker, I rise in opposition to the conference report, and for just a few moments I would like to change the thrust of the discussion away from Gramm-Rudman and explain why I voted against the bill when it came out

of full committee and why I voted against the bill when it went to conference, why I choose to oppose the bill as it comes out of conference.

One, this bill continues to move away from the reality that war, in my estimation, is not a viable option in a nuclear age. I do not believe that the majority of my colleagues have confronted that harsh reality. War is not an option in the nuclear age.

In this conference report, it contains strategies that move us beyond the concept of nuclear deterrence to the development of nuclear war-fighting capability. There are highly accurate, time-urgent, first-strike nuclear weapons in this bill. We have funded the strategic defense initiative, star wars, and when you put first strike weapons together with star wars, you have developed the capacity to fight nuclear war.

I think that is insanity of the highest order. I think in this bill there are very sophisticated levels of nuclear weaponry that create enormous problems for arms controllers on a geometric basis.

□ 1520

Finally, in this bill there are funds to deploy nuclear weapons, particularly those in Europe, that, in my estimation make nuclear war by accident, by mistake and by miscalculation that much more possible.

In this bill we embrace policies of intervention; in this bill we continue to cling tenaciously to the notions of the cold war as if there were only two nations in the world, the United States and the Soviet Union, and everybody else is terrain against which we act out this struggle.

In this bill we continue to assume that we can achieve peace by taking ourselves to the brink of thermonuclear disaster.

It is for these reasons that I oppose the bill.

We will deal with Gramm-Rudman. That has its own level of insanity. But this bill speaks to how we perceive our role in the world, how we choose to conduct our business in the world.

I will finally conclude with this: As we look at the nature of the world, Mr. Speaker and Members of this House, the problems of the world do not lend themselves to a military solution. You cannot solve the problems of poverty and hunger and disease and ignorance in the world that desperately need resolving by building a new weapons system, by building a new nuclear bomb, by deploying new nuclear weapons, by stationing troops all over the world. We have to address the misery that is all too real.

Finally, the other day I got up and talked about the fact that the children are the largest single group of poverty stricken people in this country. We are not addressing that problem. But in this budget we are providing great fear symbols to the children of America. The overwhelming majority of them believe that they will not achieve adulthood because some tired old people will destroy the world in the absurdity and in the insanity and in the cruelty, the harshness, of nuclear war. I say again that a nation that threatens its children is a nation on its way to dying. This conference report threatens the children, threatens the adults and threatens the world.

Anyone who believes that we must seek peace, that we must seek disarmament, that we must move away from the cold war that masquerades as our foreign policy, that we must move away from militarism and intervention and redirect our human priorities to address the miseries of people in the Third World and address the misery of poverty, hunger and disease that is real in this country, join with me in voting against this conference report.

The notion of its budgetary considerations is only one notion. But contained in this conference report are items much more dangerous to us than a few billion dollars. We desperately need to redirect them. But there is much more important reason why we ought to be opposing this conference report, not just on budgetary considerations but on the dangers it inflicts upon ourselves, upon our children and upon our children's children.

Mr. FRANK. Mr. Speaker, I reserve the balance of my time.

Mr. ASPIN. Mr. Speaker, I yield 2 minutes to the gentleman from Alabama [Mr. NICHOLS].

Mr. NICHOLS. Mr. Speaker, as we consider this conference report, I would like to address several misconceptions about the procurement reform measures agreed to in conference. It is obvious that some Members believe the conference agreement weakens or "guts" the significant provisions of the House bill. It has also been said that the House conferees were not committed or did not understand the provisions adopted by the House.

Nothing could be further from the truth. The House conferees were stalwart in their attempts to maintain the House position, and even went so far as persuading the Senate conferees to allow the House sponsors of various measures to address the conferees.

After many hours of discussion and deliberation, it was apparent that both Houses would have to concede on some issues in order to reach an agreement. We believe the conference agreement represents a compromise between the two bills in which the House won, not 50 percent of the battles, but at least 80 percent. As in any other conference agreement, we were not able to retain 100 percent of the House measure. One cannot just compare the conference report to the House bill; one must also look at how many provisions in the House bill were not included in the Senate bill and, in fact, were adamantly opposed by the Senate. Each time we were able to retain a House provision which had no Senate counterpart, we achieved a victory. In addition, the conferees retained the most stringent of the Senate provisions, thus strengthening the House bill.

Although everyone hopes to see "a provision they believe in" adopted as written, the nature of the democratic system dictates a process of compromise—and for this we cannot be faulted.

The conferees spent literally hours upon end debating these provisions. The conference followed countless hearings on the issue of procurement reform by the Armed Services Committee of both Houses of Congress. We believe that the conference agreement reflects that attention to detail which is necessary to craft provisions which will strike at the heart of the problems within the Defense procurement process.

I invite you to review a brief summary of the 17 procurement provisions in the bill which I will make a part of the RECORD today.

PROCUREMENT PROVISIONS ENACTED IN THE FISCAL YEAR 1986 DOD AUTHORIZATION ACT

Allowable Cost Reform Act—limits the costs which contractors may charge to DOD contracts.

Multiple Sources—requires the DOD to maintain at least two sources for a major system throughout the development and production of the system.

Revolving Door—limits the employment of Presidential appointees for two years after they leave the government and imposes new reporting and job-seeking restrictions on all DOD employees.

Cost and Price Management—requires DOD to ensure that contractors provide to the government data which they collect regarding manufacturing efficiency.

Progress Payments—limits progress payments to amounts commensurate with the amount of work performed, and not more than 80 percent of the value of that work with respect to undefinitized contracts.

Competition (Creeping Capitalism)—requires the DOD to develop and submit to Congress a plan for increasing competition, and report at the end of the year on its success or failure.

Subpoena Power—grants the Defense Contract Audit Agency the authority to subpoena defense contractor records.

Qualifications of Government Procurement Personnel—requires a minimum of eight years' experience in procurement before that person may be appointed as a program manager or may be assigned in a general officer position with responsibility for procurement matters.

Burden of Proof—shifts the burden of proof in reasonableness of contractor costs from the government to the contractor.

Mandatory Debarment of Employees Convicted of Fraud or Other Felonies—imposes a mandatory bar on the employment of any such person by DOD or a contractor.

Procurement Technical Assistance Programs—authorizes $5 million in fiscal year

1986 and $6 million in fiscal year 1987 as matching funds for any state or local nonprofit organization to assist businesses on bidding on defense contracts.

Increased Penalties for False Claims—increases the penalties for defense contractors who file a false claim from $2,000 to $1 million.

Reimbursement of Overpayments—establishes a penalty for knowing submission of inaccurate or incomplete cost and pricing data and authorizes the government to recover interest on amounts overpaid a contractor.

Should-Cost Analysis—requires DOD to report annually for Congressional review on why and which programs it intends to perform should-cost analyses on.

Control of Consultants (Contract Advisory and Assistance Services)—requires DOD to establish an accounting procedure to track and reconcile expended amounts with those budgeted and to establish new and precise definitions of consulting and other services.

Technical Corrections to the Competition in Contracting Act—makes technical corrections to the Competition in Contracting Act which was passed last year.

Rotation of Principal and Corporate Administrative Contracting Officers—requires the Department of Defense to establish a rotation policy for administrative contracting officers to ensure they do not establish a relationship with a particular contractor.

Mr. DICKINSON. Mr. Speaker, I yield 2 minutes to the gentleman from New Mexico [Mr. LUJAN].

Mr. LUJAN. Mr. Speaker, I requested these 2 minutes so that I might have a colloquy with the gentleman from New York [Mr. STRATTON].

As the gentleman is aware, the gentleman from Illinois [Mr. MICHEL], our minority leader, is the sponsor of some legislation to improve the transfer of technology from Government laboratories to the public and private sectors (H.R. 695).

I am concerned that the language of section 1534 not be interpreted to place further limitations on DOE defense research facilities ability to respond to the mandate of the Stevenson-Wydler Act as to the intent of H.R. 695.

DOE defense-related research facilities, like other facilities involved in tax-supported research, and mandated by the Stevenson-Wydler Act to facilitate the transfer of technology to the public and private sectors. H.R. 695 would extend those responsibilities. However, before technology can be transferred, those who may have interest must know it exists and understand its potential benefits. This requires the publication of information, that by its content must "promote" the "product", if it is to be successful. Such publications would appear to be advertising under the language of 1534 and, therefore, prohibited.

Currently, DOE has very restrictive regulations that curtail efforts in technology transfer. I am concerned that the language of section 1534 will hamper those efforts further, if not make them impossible.

Mr. Chairman, am I correct in assuming that the language which prohibits costs associated with "advertising designed to promote the contractor or its products" is not intended to further restrict DOE defense program research facilities from efforts to transfer technology to the public and private sectors?

Mr. STRATTON. Mr. Speaker, in response to the gentleman's question, I would say that the gentleman is absolutely correct. It was not directed toward the laboratories or toward the Stevenson-Wydler Act. The gentleman's assumption is absolutely correct.

Mr. LUJAN. I thank the gentleman for his explanation.

Mr. DICKINSON. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio [Mr. KASICH].

Mr. KASICH. I appreciate the gentleman yielding.

Mr. Speaker, I would just like to make a couple points. We are holding hearings in the Armed Services Committee right now on whether we got our trillion dollars' worth of budget authority over the last 4 years. We had a dramatic change in the way we approached defense in this country when Ronald Reagan entered the White House, and we just spent 3 weeks having hearings on whether we got our trillion dollars' worth of spending.

Now we are going to pass a bill today or an authorization bill today that limits us simply to an inflation increase.

People are saying: Well, where is the deficit reduction being reflected in this House?

When you go from an increase of $1 trillion in authority for 4 years to no more than an inflation increase today, that is a dramatic change in the manner and in the attitude of this House, and certainly is a contributor to deficit reduction.

Additionally, when we get this appropriations bill on the floor, we are going to pass an appropriations bill that keeps us at last year's level, which is in fact a true freeze.

So we are, in an Armed Services Committee process, contributing to deficit reduction dramatically over what we have done in the last 4 years.

Additionally, we have tried to meet some of our duties as Members of Congress.

No. 1, we have tried to improve our strategic programs with the B-1, the Trident, and with the MX missile, which is in this bill, still keeping us at no more than inflation increase. We have tried to improve ourselves conventionally with the M-1 tank. As the Members all know, the Soviets have us outmanned 4 tanks to 1 in Europe alone. So we tried to bring some more tanks on line. We tried to bring on some F-15's and F-16's, the finest aircraft in the world, to keep up with the massive increase in the numbers on the Soviet side. So we have tried to do some things strategically and conventionally and at the same time we have been mindful toward reform. We are now saying we ought to buy the F-20. Everybody is hearing from their constituents. It is on "60 Minutes"; you read it in Reader's Digest. We are not going to complete the F-20, which is bringing down the prices on some of these other aircraft.

Additionally, we passed the Nichols bill, which has some "should" costs in there, so that these contractors do not get away with the abuses that they have over the last couple of years. We have got some reform language in there on the "should" costs on revolving door. It may not satisfy everybody on the Democrat side, in terms of some of that legislation, or on the Republican side, but it is a giant step forward in the procurement process.

The final part of it will probably be completed when we get the appropriation bill. So we are giving the American public a great deal, no more than an inflation increase, yet we are also modernizing our strategic forces, we are bringing on line our conventional forces, and we have been mindful to the need of reform in this House with both the Nichols amendment and a variety of other amendments, and we are doing it at no more than inflation increase and we are contributing to deficit reduction. At the same time, we are meeting our charge as Members of Congress to provide for the common defense.

I think it is a good authorization bill. I think it ought to be recognized for the change that we have had in this House, and we do want to be contributors to deficit reduction.

Mr. FRANK. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I guess when arithmetic fails, you have got to resort to logic. My friend from Ohio has just said, well, of course this is deficit reduction, never mind that it is $302 billion when the House voted for $292 billion and it is an inflation increase.

He says: Look at it this way. We have spent so much on defense in the last 4 years, you ought to be grateful we are only grabbing this much this year.

That is an extraordinary way to go about deficit reduction.

Someone else might suggest that the areas where you had grotesquely underspent in some previous years, like for some of the programs that I think help the poor or where we have taken away medical benefits from older people, that some of those might be entitled to more.

The gentleman from Ohio has a new measurement standard. Having been greatly favored in the past, if you are

only partially favored in the future, you have, therefore, sacrificed. That is the kind of sacrifice all of us can get into.

Mr. Speaker, I yield the remainder of my time to the gentleman from California [Mr. LEVINE].

Mr. LEVINE of California. I thank the gentleman for yielding, and I commend the gentleman for the points that he has been making in the course of this debate.

I think the gentleman from Massachusetts very eloquently and appropriately illustrates the type of new math that is going on in the course of the development of this conference report. He points out appropriately that when we compromise between 292 and 302, on the one hand, we get 302. When we compromise between 40 and 50, on the other hand, we get 50.

Another point of compromise that I am not sure was mentioned thus far in the course of this debate is that we compromise between killing or modifying some 22 new weapons systems in the House version of the bill versus zero in the Senate version of the bill, and we end up with zero again.

In each of the instances that we are talking about, some form of compromise between the House version and the Senate version, we either get very close to the Senate version or the Senate version itself.

More than anything else, whether any of these particular points on its own merits is determinative with regard to this piece of legislation, I think it raises very key questions about process, and I would hope that in the course of the coming session that as much good effort as the chairman has put into this bill, as the Members have put into this bill and as the staff have put into this bill, I hope that we will analyze as effectively and as analytically as possible the process which brings us, on the one hand, from a very good bill as it left the House to a bill which is not nearly as good and, in fact, which I believe is very significantly flawed as it comes back to us in conference.

Mr. ASPIN. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, let me talk for just a second about this conference bill, because it was a compromise on the merits. I do not want the remarks of the gentleman from California to go unresponded to. The point is that on all of these issues there was some compromise involved. On the 50 MX, we did agree to 50, which is the Senate number, but we agreed on the freeze, a permanent cap, of 50, which is in the House language.

On the procurement issues, there were a number of issues that were terminated in the House, three in the Senate. We compromised on the issue in about half. It was a total of 31 in the House, 3 in the Senate, a total of 34. We ended up with 16 of them cut in the final version. So there was an agreement on the merits.

□ 1535

The issue is that the conference is a compromise. I do not want people to go away thinking that we did not have compromise on these issues.

Mr. Speaker, I yield 3 minutes to the gentlewoman from Colorado [Mrs. SCHROEDER].

Mrs. SCHROEDER. I thank the gentleman for yielding me this time.

Mr. Speaker, military life imposes grueling burdens on family life. Virtually all members of the military are transferred from place to place every 2 or 3 years. This means that the spouse and children have to abandon old friends and make new ones, leave old jobs and find new ones, leave the old house and find a new one. They become resentful and ask the member of the military why he or she doesn't quit and take a job which does not require this continual dislocation.

To make matters worse, each move costs the family money. The amount of reimbursement the Government provides is just plain inadequate.

Further, military service sometimes involves long periods of separation. Spouses are understandably upset when they learn that their sailor spouses are off on a 6-month cruise. And, military service sometimes involves danger.

We cannot maintain a peacetime military of 2.2 million individuals by shutting our eyes to the very real conflicts and difficulties of military family life.

The conference report before us today confronts the problem and contains some meaningful solutions. Title VIII of the legislation is the Military Family Act of 1985. Section 802 creates an Office of Family Policy which is established to coordinate and study military family programs and policies. I expect that this office will tell us what further legislation is needed to reduce the pressure on military families.

Section 806 is a very strong provision to help spouses of members of the military find jobs when they are transferred from place to place. The section tells the President to order measures to increase the employment opportunities for spouses. The provision suggests exempting from the competitive service positions abroad and providing preference in nonappropriated fund jobs. Further, the section mandates that spouses be given preference for any position above GS-7. This means that, where a spouse makes the certificate of the top three applicants qualified for a position, the spouse must be selected unless a preference eligible is also on the list. The suggested steps for the President are not exhaustive. He has considerable authority under title 5, United States Code, to provide for noncompetitive appointment of spouses in Federal jobs. The President should use this authority. No issue is of greater concern to military spouses than the ability to get a job. And members of the military have better morale when their spouses are able to get jobs.

Other sections in title VIII make more reasonable the cost of housing, authorize the use of relocation services, reduce food costs at messes for junior enlisted families, and provide for reporting of child abuse cases.

Title VI of the bill contains a number of important new allowances which will ease the burden of military life on families. Most important, section 612 raises the level of travel and per diem reimbursement to the level that civil service employees receive. This is crucial if service members are not to lose money each time they move. Yet, I was distressed to note that the Appropriations Committee decided not to fund these higher levels. I, therefore, intend to offer an amendment to the Defense appropriations bill to provide the additional $193 million needed to pay the higher amounts and to reduce procurement accounts across the board to pay for it.

Title VI also has provisions allowing for the advance payment of housing allowances to cover rent deposits, doubles the family separation payment from $30 to $60 a month, doubles the dislocation allowance from 1 month's basic pay to 2, makes temporary lodging expenses an entitlement, and expands the allowances for baggage and transportation of household effects.

Of particular note, section 651 established a program to pay for dental benefits for spouses and children under CHAMPUS. This program would allow for sharing of premium costs between the Department and the beneficiaries. This benefit is strongly desired and can be provided at low cost. The bill allows the program to be set up during fiscal year 1986 and to be implemented in the next year.

Title VII of the bill revises and strengthens the survivor benefit plan under military retirement. The percentage cost of providing a survivor benefit will not increase with inflation because section 714 indexes the base amount for reduction. Section 716 permits the coverage of both a former spouse and a child. Section 721 requires the concurrence of a spouse or former spouse before survivors benefits can be waived. And, section 722 clarifies that spousal agreements dividing property and survivor benefits are enforceable. All of these changes will help protect both spouses and former spouses from being left destitute after divorce or the death of the military member.

We still have a long way to go to making family life and military life compatible. Yet, this bill makes giant strides in that direction.

Mr. DICKINSON. Mr. Speaker, I yield 3 minutes to the very distinguished, able, articulate, and persuasive gentleman from California [Mr. HUNTER].

Mr. HUNTER. I thank the gentleman for yielding to me.

Mr. Speaker, I just want to say a few words about the binary chemical munitions program that is going to be coming up in the appropriations bill. It was a matter of some concern to Members of this House.

We passed a House provision that had a number of limitations on expenditure. It said that funds could not be used for final assembly until before October 1, 1987, and then only if a verifiable international agreement had not been entered into, and only if the President certified to Congress a number of conditions. Namely, that it was in the U.S. security interest to go forward; that performance specifications had been met; that Federal safety requirements were met in the handling, storage and use; that a plan for destruction of current stockpiles is ready to be implemented; and also that final assembly is then carried out only after a 60-day period when Congress has been notified. I think very importantly that the peacetime storage of the binary elements are in separate States.

On that point, I think it is going to be brought out in the ensuring discussion during the appropriations bill that in fact we have a number of present unitary nerve gas containers that are leaking. We have an opportunity here to replace those leaky, very deadly nerve gas containers, and the nerve gas that is in them presently can kill on contact; it is very deadly. We will have an opportunity to replace that with a binary system where you have two elements that are relatively harmless until you combine those elements.

Under the program that was passed by the House, those two elements are going to be kept in separate States. That means that the mayor of Pine Bluff, AR, instead of having nerve gas in his particular community, is now going to have an element akin to sulfur or perhaps an element akin to pesticide, to a species of pesticide, but he is not going to have the two elements together which together form nerve gas.

It is a very important safety measure, and I would urge all the Members of the House to act in the interest of common sense and safety and to vote for this program when it comes up on the appropriations bill. I commend the conferees for the work that they did. I think that the provisions that they have allowed in the conference still provide for some NATO consultation, which was one of the interests of the House when we passed our bill.

Mr. DICKINSON. Mr. Speaker, I yield 1 minute to the gentleman from Ohio [Mr. KASICH].

Mr. KASICH. I thank the gentleman for yielding me this time.

Mr. Speaker, let me just make a point as we consider this bill. I think that sometimes there is a tendency to look at things in complete isolation. I think we have got to make some comparative examples here.

The question is why have we given ourselves a trillion dollars in additional budget authority over the last 4 years? Frankly because former Presidents all think we need it. Anybody who has spent time studying defense issues feel that we need it. Not only do we need it because defense in real terms declined, but also because of the Soviet threat and the increased Soviet threat.

Even after a trillion dollars increase in authority, and even after only an inflation increase in this bill, we still are at historically low levels in defense spending, with defense only making up somewhere around 25 to 26 percent of the total budget when it was about 50 percent of the budget under JFK, and as a percentage of GNP we are still significantly lower than where we have been historically.

I think that it all falls together; that we need to do some things to improve the common defense, and I think we are doing it intelligently, and I think we are doing it mindful of reform.

Mr. ASPIN. Mr. Speaker, may I inquire how much time is remaining on each side?

The SPEAKER pro tempore. The Chair will state that the gentleman from Wisconsin [Mr. ASPIN] has 8 minutes remaining and that the gentleman from Alabama [Mr. DICKINSON] has 5 minutes remaining.

Mr. ASPIN. I thank the Chair.

Mr. Speaker, I yield 2 minutes to the gentleman from Florida [Mr. BENNETT].

Mr. BENNETT. I thank the gentleman for yielding me this time.

Mr. Speaker, there has been some confusion concerning the coverage of section 921 of the conference report. This is the section dealing with post-employment restrictions on Department of Defense personnel. Allow me to clarify who is covered.

It was our intent during the conference to include both civilians and military employees of the Department of Defense in this section. After the conference some people suggested that the language applied to only a handful of civilian personnel. This is not correct. The Department of Justice and the Congressional Research Service agree that the phrase "Presidential appointees in Federal employment" covers all persons who hold an office, position, et cetera, from the President and that this includes military officers.

So any military officer who is a program manager, a test officer, or in any other position where he is a negotiator with a defense contractor, can no longer retire and immediately go to work for that defense contractor. This provision also covers civilians who are Presidential appointees, for example, assistant secretaries of the services.

This is what we intended in conference and I am glad that the Department of Justice agrees. I would like to enter for the RECORD the opinion of the Department of Justice and the opinion of the Congressional Research Service.

This provision is not adequate to deal adequately with the problem of the "revolving door," however. For that reason the original amendment which the House attached to Defense Authorization Act by a vote of 398 to 19, is now part of the Appropriations Act. I expect our conferees on Appropriations will learn from the problems we had in the defense conference and will help us pass a truly meaningful provision.

U.S. DEPARTMENT OF JUSTICE,
OFFICE OF LEGISLATIVE AND INTERGOVERNMENTAL AFFAIRS,
Washington, DC, September 1, 1985.

Hon. CHARLES E. BENNETT,
House of Representatives, Washington, DC.

DEAR CONGRESSMAN BENNETT: This is in response to your letter of August 2, 1985, requesting a legal interpretation regarding the coverage of Section 921 of the Defense Authorization Act. Your letter requests our opinion about what level of positions are considered "Presidential appointees" for purposes of Section 921, what activities would be covered by the clause in Section 921 which reads, "as a primary government representative in the negotiation of a government contract or the settlement thereof," and whether members of the Armed Forces of the United States are covered by Section 921.

In our opinion, Section 921 would cover all persons who hold an office, position, etc., from the President, pursuant to the President's authority under the Constitution of the United States or statutes enacted by the Congress. Thus, its coverage would include members of the Armed Forces who are appointed by the President, such as, for example, newly commissioned graduates of the Service Academies. It would not cover, however, all GS-11 and above employees who hold their appointment not from the President, but from the head of their employing agency or some other appointing authority instead. Our interpretation of the term "Presidential appointee" is based on the application of a well-known principle of statutory construction which, in the absence of definitions in a statute of its terms, requires us to assume that Congress intends that its world be interpreted as taking their "ordinary, contemporary, common meaning." *Perrin* v. *United States*, 444 U.S. 37, 42 (1979). See also, *United States* v. *Rodgers*, U.S. , 104 S. Ct. 1942, 1946 (1984); *Richards* v. *United States*, 369 U.S. 1, 9 (1962); see generally, 2A Sutherland Stat. Const.

§§ 47.28-47.31 (4th Ed.). Thus, Article II, Section 2 of the Constitution of the United States provides:

"[H]e [the President] shall nominate, and by and with the advice and consent of the senate, shall appoint ambassadors, other public ministers and consuls, judges of the supreme court, and all other officers of the United States, whose appointments are not herein otherwise provided for, and which shall be established by law. But Congress may by law vest the appointment of such inferior officers, as they think proper, in the president alone, in the courts of law, or in the heads of departments.

"The president shall have power to fill up all vacancies that may happen during the recess of the senate, by granting commissions which shall expire at the end of their next session."

Webster's New World Dictionary of the American Language, Second College Edition, p. 67 (1980) defines "appoint" to mean, among other things, "to name or select officially for an office, position, etc." See also, Black's Law Dictionary 128 (4th ed. 1968). Webster's furthermore defines "appointee" as, "a person appointed to some position," and "appointment" as, "1. an appointing or being appointed; specif., a naming or selecting for an office, position, etc.; 2. a person so selected; 3. a position held in this way. . . ." See also, Black's Law Dictionary 128 (4th ed. 1968). a "Presidential appointee" is, therefore, a person who holds an office, position, etc. from the President pursuant to the President's authority under the Constitution or statute. Viewed in this light, commissioned officers of the Armed Forces of the United States would be covered by Section 921 but enlisted members of the Armed Forces, including noncommissioned officers, and other members of the Armed Forces who are not appointed by the President would not be covered. Likewise, civilians in federal employment who hold their employment through an appointment made by the President pursuant to Constitutional or statutory authority would be covered, but other federal employees, the majority, would not be covered.

Section 921 also does not define "a primary government representative in the negotiation of a government contract or the settlement thereof with a defense contractor." Thus, the meaning of this clause should be determined by giving the words their usual meaning. *Perrin* v. *United States*, 444 U.S. at 42. See also, *United States* v. *Rodgers*, 104 S. Ct. at 1946; *Richards* v. *United States*, 369 U.S. at 9; *United States* v. *Conlon*, 202 U.S. App. D.C. 150, 628 F.2d 150, 154 (1980). Thus, Webster's New World Dictionary of the American Language, Second College Edition, p. 952 (1980) defines "negotiation" as, "a negotiating; specif., [. . .] a conferring, discussing, or bargaining to reach agreement," and defines negotiate to mean, "to carry on business . . . to confer, bargain, or discuss with a view to reaching agreement . . ., to make arrangements for, settle, or conclude (a business transaction, treaty, etc.). . . ." Webster's, p. 1129, defines "primary" to mean, among other things, "chief" and "main." Webster's, p. 1304, defines "settlement" as, in part, "a settling," and at page 1303 defines settle as, "to fix definitely; determine or decide (something in doubt) . . . , to decide (a legal dispute) by agreement without court action . . . , to reach an agreement or decision . . . , to accept something in place of what is hope for, demanded, etc. . . . , to pay a bill or debt. . . ." In view of these definitions, we believe that a rather broad range of activities would be covered by Section 921. But we are unable to determine, in the abstract, precisely what activities would be covered.

We think that Section 921 is unnecessarily vague. Should Congress determine that a statute like section 921 is warranted, the statute should be drafted to clearly define the persons who are covered. In this regard, see 18 U.S.C. §§ 201(a), 202(a) for examples of the use of definitions which have proved to be helpful in resolving issues of statutory interpretation. Even with these definitions, however, difficult questions regarding coverage of the federal bribery and conflicts of interest statutes have arisen. See, e.g., *United States* v. *Hollingshead*, 672 F.2d 751 (9th Cir. 1982); *United States* v. *Del Toro*, 531 F.2d 655 (2d Cir. 1975). Since Section 921 does not include definitions for any of its terms, it would, if enacted, invite litigation regarding their meaning and would be difficult to enforce. Indeed, your inquiry to us illustrates that problems of interpretation are likely to arise in the future should Section 921 be enacted.

If we may be of any further assistance, please tell me.

Sincerely,

PHILLIP D. BRADY,
Acting Assistant Attorney General.

CONGRESSIONAL RESEARCH SERVICE,
THE LIBRARY OF CONGRESS,
Washington, DC, September 27, 1985.

To: Hon. Charles Bennett.
From: American Law Division.
Subject: Coverage of "Revolving Door" Provision in the Defense Authorization Act of 1986.

This memorandum responds to your request concerning the scope and coverage of the "revolving door" restrictions which have been added to the Department of Defense Authorization Act, 1986 (S. 1110, 99th Congress). This section extends to a "Presidential appointee in Federal employment" who acts as a primary government representative in negotiations with a defense contractor. Sec. 921, S. 1110, see Conf. Rpt. No. 99-235. You have specifically inquired as to whether the term, "in Federal employment," is broad enough to encompass military as well as civilian appointees.

The term "in Federal employment" is not defined within the Act. Furthermore, the context of the language of the provision within the Act does not provide a definitive interpretation of the precise meaning of the term. The phrase "in Federal employment", depending on its context and the intent of the legislative drafters, is, of course, broad enough to include both military and civilian employment, but in certain other contexts could, at least arguably, apply only to civilian employees. Narrowing terms or phrases, such as "civilian" employment or "civil" service or employment, or "competitive service", or the like, were not used in this particular provision, and it is therefore not unreasonable, illogical, nor inconsistent with other provisions of federal law, to aver that this provision of the Act, and specifically the term "in Federal employment" applies to both military and civilian personnel, if this were in fact the intent of Congress. The difficulty appears to lie in determining the intent of Congress in this provision.

General principles of statutory construction hold that the starting point for interpretation of a statute is the language of the law itself. *Consumer Product Safety Commission* v. *GTE Sylvania, Inc.*, 447 U.S.C. 102 (1980); *Dickerson* v. *New Banner Institute, Inc.*, 460 U.S. 103 (1983). The plain and ordinary meaning of the words used in a law will control its interpretation (*Malat* v. *Riddell*, 383 U.S. 569 (1966); *Perrin* v. *United States*, 444 U.S. 37 (1979)), "absent a clearly expressed legislative intention to the contrary." *CPSC* v. GTE, Sylvania, Inc., supra at 108; *North Dakota* v. *United States*, 460 U.S. 300, 312 (1983); *Aaron* v. *Securities Exchange Commission*, 446 U.S. 680 (1980). The intent of the legislature is of course of principal importance in determining the meaning of a law, and the Supreme Court has ruled that it should be generally assumed "that Congress expresses its purpose through the ordinary meaning of the words it uses." *Escondido Mutual Water Co.* v. *La-Jolla*, 104 S. Ct. 2105, 2110 (1984); *American Tobacco Co.* v. *Patterson*, 456 U.S. 63 (1982).

Furthermore, the courts will generally not attempt to construe language in a law in isolation, but will look to the context of the language in the operation of the statute in its entirety, and will look to the object and policy of the law to give the act the most "harmonious, comprehensive meaning possible in light of legislative policy and purpose." *Weinberger* v. *Hynson, Wescott & Dunning*, 412 U.S. 609, 631-632 (1973); *Philbrook* v. *Glodgett*, 421 U.S. 707 (1975).

Turning to the language of the law itself, the phrase "in Federal employment," as noted above, is not defined within the Act. The context of the language and the provision within the Act may give some indications, or at least support for arguments, concerning the meaning of the phrase and the intent of Congress, but it does not appear definitive.

The provision in question is in a military authorization bill and deals with defense contracting and the potential conflicts of interest and influences upon Federal representatives which may arise in defense and military contracting. It thus might logically be argued that military personnel would have been intended to have been included in a provision dealing with conflicts in military authorizations and defense contract matters, and that nothing in the status of presidentially appointed military personnel, as opposed to appointed civilian personnel, would insulate them or make them immune from the influences and potential conflicts to which this measure is addressed.

It may be noted that in the immediate subsequent sections of the Act, dealing again with the "revolving door" issue, "former employees of the Defense Department", specifically includes "active duty or civilian employment with the Department" (Section 922); and that requirements concerning reporting contacts with defense contractors by "Defense Department officials", also cover certain civilian and "active duty" personnel (Section 923). Now it may be argued on the one hand that since military personnel were specifically included in the latter two sections (922 and 923), but not mentioned in Section 921, that Congress did not intend to cover military personnel in the provision in question. On the other hand, however, it may be argued that when Congress wanted to specifically distinguish between "civilian" and "military" personnel, that they would draft language such as "civilian" employees and "active duty" members of the armed forces as in Sections 922 and 923. No such limiting language was employed in Section 921. In Sections 922 and 923 Congress was addressing specific positions and grades of personnel in the Department of Defense and thus needed to articulate which "civilian" positions (GS-11 and

above) and which "military" positions (0-4 and above) in the Department of Defense were covered. In Section 921 no such delineation or articulation was needed since that section covers only those persons who were "Presidential appointees." It may be argued that there was thus no need to specifically articulate both "civilian" and "military" persons covered in Section 921, and that the language used in that section was generically similar language, and provided for a similar purpose and policy as that used in the latter two sections which obviously applied to military personnel. Arguments based on the context of the provision in the Act may thus be forwarded for "internal consistency" of the three consecutive "revolving door" conflict of interest provisions in the Act.

The language of the Act and the context of the provision within the law may thus give indications of the meaning of the terms employed but are not definitive on the issue of its application. In examining next the legislative history to determine congressional intent, it appears that the scant legislative history provided tends to support the argument for internal consistency of the three conflict of interest and "revolving door" provisions of the Act as to their applicability to military personnel as well as civilian. The manager's report on the legislation [Joint Explanatory Statement of the Committee of Conference] does in fact group the three sections together, discussing the provisions of the new "revolving door" regulations and restrictions upon employees as a whole, and in relation to one another as agreed to by the conferees. There is no other language in the conference report of assistance in this matter. The manager's report states as follows:

PART B—PROCUREMENT PERSONNEL MATTERS

LEGISLATIVE PROVISIONS ADOPTED

Conflict of interest (sec. 921-923)

Both the House and Senate bills contain provisions (sec. 607 and sec. 810, respectively) limiting the activities of Department of Defense employees with respect to post-government employment. The Senate bill would provide that employees (O-4 or GS-11 and above) report contacts with a contractor regarding future employment possibilities and disqualify themselves from any actions relating to that contractor. It would also strengthen the reporting requirement for Department of Defense personnel who leave the government and go to work for a defense contractor.

The House bill would place an absolute two-year prohibition on employment by a defense contractor of any employee who had significant responsibilities for a procurement function with respect to that contractor or any of its subsidiaries or affiliates. It would also require a contractor to submit annually a report on those persons in its employ who held positions in the Department of Defense in the previous two years. Violation of the prohibition would result in a $10,000 fine and up to one year's imprisonment for the person accepting such compensation; a fine in an amount of $100,000 or three times the compensation paid if a contractor knowingly violates the prohibition; and a fine of $10,000 for failure of a company to file the required reports.

The House receded with an amendment which would add a new provision to the Senate bill prohibiting Presidential appointees who act as a primary government representative in the negotiation or settlement of a government contract from accepting employment from that contractor within two years after the termination of such activities. If that person knowingly violates this ban, the person would be subjected to a $5,000 fine and up to one year's imprisonment and the contractor employing the individual would be subject to liquidated damages of $50,000. (131 CONGRESSIONAL RECORD H6647, July 29, 1985 [Daily ed.].)

As to external assistance in interpreting the provision in question, it should be noted that the term "in Federal employment" does not appear to be a legal term of art with a specific meaning in all cases. Case law and judicial interpretation have not been of assistance in ascertaining the general meaning of the phrase for all purposes.

The term "in Federal employment" is not one which appears with regularity in substantive provisions of the United States Code. When provisions of law apply to those in Federal employment, or those employed by the government, and no specific delineation is made, then reliance must be made on the legislative history to ascertain the intention of Congress as to whether uniformed personnel were meant to be within the provision. *Johnson* v. *Alexander*, 572 F. 2d 1219 (8th Cir. 1978), Congress did not intend for uniformed personnel to be considered in federal employment for purposes of Title VII of the Civil Rights Act, the equal employment opportunity provisions, 42 U.S.C. § 2000e-16. But note for purposes of Federal Tort Claims Act that a uniformed military person is considered an "employee of the Government" such that the United States is liable for his tortious conduct committed in the course of his employment, 28 U.S.C. § 1346(b). See Jayson, *Handling Federal Tort Claims: Administrative and Judicial Remedies*, Vol. I, at 1-8 (1985): ". . . the United States employs more than 5 million people, military and civilian, for whose tortious conduct it is answerable in damages under the Tort Claims Act."

In certain circumstances the term "officer or employee" of the government, or similar terms of that nature, will not cover military personnel when such terms are defined or expressed with restrictive language to mean one appointed in the "civil" serivce (such as, for example, for purposes of title 5, United States Code, see specifically 5 U.S.C. § 2105). The term "civil service" is used to specifically exclude military personnel from its scope. 5 U.S.C. § 2101. However, when used without such limiting language as in title 5 of the U.S. Code, terms such as "officers and employees" of the government may be inclusive of military personnel, depending on the legislative intent.

In the context of federal statutes relating to conflicts of interest generally, or "revolving door" restrictions specifically, the phrase that is employed is usually "officer or employee of the United States" rather than a person "in Federal employment." However, in such conflict of interest provisions an "officer or employee of the United States" generally includes active military officers. See, generally, 18 U.S.C. § 201-209, specifically 18 U.S.C. § 207 re post-employment ("revolving door" restrictions) and Memorandum of Attorney General Regarding Conflict of Interest Provisions of Public Law 87-849, 28 F.R. 985 (1963), 18 U.S.C. § 201, note.

In sum, the phrase "in Federal employment" appears broad enough in legal parlance, as well as in general usage,[1] to include uniformed military personnel within the operation of a law, if intended by Congress. The provision in question, on its face and in the context of the Act as a whole, is not definitive as to whether military personnel are intended to be included, although coverage of such persons may arguably appear more logical and internally consistent with other provisions of the Act, given the nature of the restrictions and the subjects to which it applies, than an intentional exclusion of such persons. The legislative history of the provision, in the form of the "manager's report," appears to provide again, on balance, for an argument to support a contention of internal consistency of the three "revolving door" provisions of the Act to cover both civilian and military personnel, rather than an exclusion of uniformed personnel in the provision in question.

JACK H. MASKELL,
LEGISLATIVE ATTORNEY,
American Law Division.
SEPTEMBER 27, 1985.

[1] Note "Special Analysis, Budget of the United States Government," Office of Management and Budget, at I-6, Table 1-2 "Total Federal Employment End-of-Year" which specifically includes "military personnel on active duty" in figures for executive branch and "Total Federal Employment."

□ 1545

Mr. ASPIN. Mr. Speaker, I yield 2 minutes to the gentleman from Oregon [Mr. WEAVER].

Mr. WEAVER. Mr. Speaker, I thank the gentleman for yielding this time to me.

Mr. Speaker, I rise in opposition to the conference report. I agree with the remarks of the gentleman from California [Mr. DELLUMS] that this bill continues us into the vicious cycle of the arms race toward nuclear holocaust.

I have long felt that the only hope we have in this world of eliminating nuclear weapons is when the hawks, the militaristic hawks, decide that they cannot fight a war—which they in nature want to fight—so long as there are nuclear weapons. It is impossible to fight a war, and the hawks realize this, and so they say we will do away with the nuclear weapons so we can fight a regular war that we used to enjoy so much in the past.

That sounds like it is a strange situation, but I have just recently read in a book called "War" by Gwynne Dyer—a remarkable book that I urge all Members to read—that the samurai class in Japan, once the rifle had been developed by Japan, found that they were subjugated by all the other people of Japan and were no longer the top dogs. So by the time that Admiral Perry landed in 1850 in Japan there were no more guns in Japan, the reason being that the samurai class, in order to stay top dogs in Japan, had in effect legislated guns out of existence in Japan.

Now perhaps our hawks will realize that you cannot fight the war that you perhaps would like to fight until finally you eliminate nuclear weapons

and save humanity from the impending nuclear holocaust.

The SPEAKER pro tempore. The time of the gentleman from Oregon [Mr. WEAVER] has expired.

Mr. DICKINSON. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, some of our previous speakers have mentioned the fact that we came in with the budget figure of 302, which was the original figure going in, and that was the Senate's figure, so that we did not compromise because we went to the Senate figure.

I would just like to point out to the Members that the figure that we arrived at in conference is exactly the same figure that was approved by the Joint Committee on the Budget, 302.5. That is what we approved, that is what the Joint Committee on the Budget approved. We hit it right on the head. So we are not budget-busters, we came in right on the money. And again I reiterate the fact that we were operating in good faith, we did exercise our judgment as best we could, and I think we did a darned good job. I am proud of the conferees. And again, I would urge support of this bill.

The SPEAKER pro tempore. The time of the gentleman from Alabama [Mr. DICKINSON] has expired.

The gentleman from Wisconsin [Mr. ASPIN] has 4 minutes remaining and the gentleman from Alabama [Mr. DICKINSON] has 4 minutes remaining.

Mr. ASPIN. Mr. Speaker, I yield my remaining 4 minutes to the gentleman from Mississippi [Mr. MONTGOMERY].

Mrs. LLOYD. Mr Speaker, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentlewoman from Tennessee.

Mrs. LLOYD. Mr. Speaker, I thank the gentleman for yielding this time to me, and I rise in support of the conference report.

Mr. Speaker, I believe that this conference report represents a very responsible position adopted by the conferees which the House should support. There has been a great deal of concern about the fact that the House receded to the Senate budget level which was $10 billion above the House-passed level. Yet, I think this is misleading since, as I look at the major issues in the bill, there clearly has been significant "give and take" between the two bodies.

This bill contains funding for the most controversial strategic program to be begun in several decades, the Strategic Defense Initiative [SDI]. The bill authorizes a genuine middle-ground level on SDI funding at $2.75 billion and thankfully it replaces House restrictions on the SDI spending with a "sense of the Congress" statement. I am concerned about the deployment issues which the SDI might ultimately raise in the context of the 1972 ABM Treaty, but I was quite uncomfortable with what was viewed as "micromanagement" of the program through allocations of the reduction.

When all the arms control rhetoric is stripped away, the real reason that the Russians fear SDI emerges, and that is because this program will serve as a tremendous driver to accelerate United States high technology. The U.S.S.R. is already playing "catchup" in the high-technology arena and it realizes that the technology focus of SDI can only put them further behind in such fields as microelectronics, computer software, lasers, sensing systems, and communications. I recently chaired a series of hearings in my Energy Research and Production Subcommittee in the Science and Technology Committee on "Space Nuclear Power for the Nineties and Beyond." These hearings revealed tremendous enthusiasm and a great diversity of innovative approaches in the technical community which will serve to attract our best young people to meet the challenge of defense and civilian needs for space power.

This program is an example of the direct potential benefits of SDI in the defense sector as well as in civilian programs through effective technology transfer. I hope my colleagues will recognize the real "Gut technology issue" involved in this controversial R&D program; SDI will allow the United States to put on a real burst of speed in the high-technology race.

An important element in this defense programs bill is title XV which authorizes the Department of Energy's national security programs undertaken in support of the Department of Defense. These activities include the operations of weapons-related facilities such as the Y-12 plant in my district at Oak Ridge, TN. I am pleased to note that the conference report authorizes funding for all the critical projects to enhance security and safeguards for handling of uranium and to conduct environmental cleanup and control. These areas have caused us great concern at Oak Ridge over the past several years and I commend my subcommittee chairman, Mr. STRATTON, for seeing that they are addressed in this bill with adequate funding. I am also pleased that the conference report on energy, water, and development appropriations reflected these recommendations by the authorizing committee. This conference report also contains $41 million for final payment of obligations for community assistance to the city of Oak Ridge, and Roane and Anderson Counties, which are the result of commitments made under the Atomic Energy Act. The retention of the House position on this funding issue in S. 1160 was most important to me in that it gave great encouragement to the appropriations conferees in deciding this difficult budget item.

My strong support of this conference report is somewhat muted by my awareness of the funding levels which may be provided pursuant to the House Appropriations bill. In the case of SDI, the House will be just $250 million below this conference report level of $2.75 billion, but the overall DOD level of appropriations will be $18.5 billion below today's authorization level. Let me underline this fact for my colleagues; we will soon be asked to vote an a measure which is $8.5 billion below the House-passed authorization level for DOD.

There is a danger of a damaging pendulum swing in the present congressional deliberations on the defense budget. Initially, Mr. Weinberger made the mistake of refusing to tell us where cuts would be most acceptable even though such reductions were inevitable. Now the Appropriations Committee bill and the conference on the Gramm-Rudman deficit reduction amendment are going forward with serious implications for even a modest continued buildup in our national defense. I would hope that the President and both houses of Congress would recognize that there has been an overreaction. Now we are going to cut significant amounts of "muscle" as well as the well-known "fat" which accompanies any strategically "padded" budget request. I urge my colleagues to support this conference report in the spirit of proper balance between fiscal responsibility and the real needs of national security. I would hope that subsequent legislative and money bills on this floor will present as well-balanced an approach to fiscal and defense matters as this conference report.

Mr. MONTGOMERY. Mr. Speaker, I certainly rise in support of this defense authorization conference report.

I would like to point out, too, that there has been much discussion today pro and con about the MX missile, about the revolving doors that are a part of this conference report, about military contracts, and also about binary gas. But what I would like to point out in particular is that there are other matters of importance in this conference report, and if we do not act today, we are going to cause a lot of problems for our personnel serving in the Armed Forces.

There is a pay raise of 3 percent in the bill. We have told the members of the armed services and the Reserves that they would get this pay raise. It is tied up in the conference report.

Some of you have heard from your National Guard Adjutants General pertaining to bonuses and incentives for the National Guard and for Reservists. These incentives, which expired on September 30 of this year, are critical to attracting young men and women into the National Guard and the Reserves. We have put an extension of the authority to pay bonuses for the Reserves in this conference report, but it has been held up. We are losing fine young men and women today because we have not extended the bonuses and incentives for the Reserve forces.

So this has got to be done. We must move this bill forward.

In this legislation we also have provisions for improving the Individual Ready Reserve. The Individual Ready Reserve is almost a disaster. We are making some of those corrections in this authorization bill.

Members say to me: "Why do you talk about the Reserves?" Let me say this to my colleagues: that the Army National Guard, in relation to the total Army, has 46 percent of all the combat missions of the Army. The Army Reserve has 70 percent of all the combat support forces of the Army. The Army cannot move without the National Guard and without the Reserve.

With regard to the Air Force, the top Air Force unit in the Nation today is an Air Force Reserve unit in Utah. It won the "Gunsmoke" contest, and it was the top unit over the active-duty Air Force units, as well as those from Mexico and from Canada. So the Air Force is totally dependent on the Reserve forces, and a lot in this bill today pertains to the Reserves.

With regard to the Navy, the Navy is turning over ships every day to our Naval Reserves; 25 percent of the Marine Corps is in the Reserves.

So, Mr. Speaker, I would certainly like to stress that we have already met a small problem that we can solve, but we are not enlisting and reenlisting people in the National Guard and the Reserves because the bonuses have expired. It is absolutely necessary that we implement these bonuses or we are going to endanger the total strength of the National Guard and the Reserves.

I ask unanimous consent to include my full statement as a part of the RECORD.

Mr. Speaker, I rise in support of S. 1160, the fiscal year 1986 Defense authorization conference report. Although the House did not prevail on every issue it would have liked, the conference report represents a fair compromise between the House and Senate Defense authorization bills.

Let me summarize some of the major facts about S. 1160. Together with the military construction bill that is moving through Congress, the conference report will authorize $302.5 billion for national defense in fiscal year 1986. This total is $19.7 billion below the President's request and represents no real growth for national defense over the fiscal year 1985 appropriated level.

Mr. Speaker, this bill contains many strong points—many elements that will continue the ongoing process of rebuilding America's defenses, improve the quality of life of our uniformed personnel, and expand the use of economics and efficiencies in Department of Defense management. In the interest of time, I will limit my remarks to four areas that I consider especially important.

First is National Guard and Reserve forces readiness and effectiveness. I am pleased to report that the men and women of the National Guard and the Reserves are continuing to get the modern equipment and training they need to do their job. Although the task of revitalizing the Reserve forces is not yet complete, the Reserves have realized significant gains in the last several years. There is no doubt that today's National Guardsmen and reservists are better equipped, better trained, and better led than every before. The conference report contains more than $600 million for Guard and Reserve equipment, including UH helicopters, tanker aircraft, C-130H aircraft, Chaparral missiles, and improved TOW vehicles.

The current high quality of our Reserve forces is due partially to recruiting and retention incentives provided by the Congress. As the services continue to turn over more and more missions to the Guard and Reserve, we felt it especially important to keep the quality of our personnel high by extending and, in some areas, enhancing recruiting and retention incentives. The conference report, therefore, contains a number of authorities concerning Reserve enlistement and reenlistment bonuses, and establishes two programs to attract medical personnel in an Educational Loan Repayment Program and a Health Professions Scholarship Program. I believe that the latter two incentives, in particular, will go a long way toward reducing the critical shortfalls of required medical personnel in the Reserve forces.

I should note that we corrected an inequity suffered by the survivors of reservists who die of an illness or disease during inactive duty training. At my suggestion, the conferees agreed to extend health care benefits to such individuals so that they will enjoy the same protection as survivors of reservists who die as a result of illness or injury incurred or aggravated during active duty for training.

Finally, I am excited about the requirement in the conference report for the Army to conduct a muster of its Individual Ready Reserve. A number of us have been concerned for some time about the readiness of the IRR. I believe this muster will be an important first step for the army in ironing out some of the wrinkles of the mobilization process and in improving the potential effectiveness of the IRR.

The second area I would like to touch upon is the new GI bill. Although Congress only enacted this important educational program last year with a startup date of July 1, 1985, the Senate wanted to substantially alter the program before it began. It is too early in the process to know what changes may be needed, and I am pleased that the conferees agreed to deter revisions to the new program until next year when we have more experience on which to make a judgment.

We did accept one amendment, however, that will benefit some Vietnam-era veterans. This provision will permit service members with Vietnam-era GI bill eligibility to earn benefits under the new program even though they have had a break in service after December 1976. I might note that I and three of my colleagues recently visited a nearby military entrance processing station [MEPS] to review the services' implementation of the new GI bill. We were pleased to discover that prospective recruits receive briefings on this program not only from their recruiters, but also from their military counselors at the MEPS. In addition, the parents of new recruits receive information on the new GI bill through the mail so that the family as a whole can consider the merits of this important educational benefit. We were privileged to chat with a number of fine young men and women as they were making their commitments to serve in the military and each one named the new GI bill among their primary reasons for enlisting.

Third, I would like to mention my amendment to test the use of the Veterans' Administration's Decentralized Computer Program [DHCP] system in military hospitals. The purpose of this test and evaluation of all available DHCP system software components is to determine if it is a cost effective and feasible system for use in military hospitals in lieu of DOD's plan to acquire its own composite health-care system [CHCS].

Let me briefly outline the reasons for this amendment, Mr. Speaker. I became concerned about DOD's efforts in this area because of the time and money the Department has already expended on developing its own computerized medical information system. Moreover, charges have been leveled against the Department during the process, including the charge of "gold plating."

In the meantime, the Veterans' Administration has installed its own medical information software system—and it is working extremely well. It makes sense to test the VA system in DOD facilities to see if it could meet DOD needs at less cost. Hence—my amendment.

The original amendment called for testing the VA system in two hospitals in each of the three services, as I strongly believe all three Surgeons General should be active participants in this important evaluation to ensure that their individual service requirements are considered. However, in order to reach a compromise with the Senate conferees, I reluctantly agreed to the test being conducted at only two sites, one being the hospital at March Air Force Base in California, and the other site to be located at an Army or Navy hospital.

Inasmuch as the test will be conducted at two of the services' medical facilities, I suggest that Secretary Weinberger assign health care professional representatives from the offices of each of the three service Surgeons General to participate in all aspects of the test so that they can provide valid and useful service-unique contributions to the report of the Secretary of Defense required by the amendment.

I would also like the Secretary to provide the House and Senate Armed Services Committees with a detailed plan of action to meet the requirements of the amendment by December 1, 1985. I would expect this plan to be developed in cooperation with the Comptroller General and the three Surgeons General in order that all parties concerned will have the benefit of a single document which provides mutually agreed-upon responsibilities and expected time schedules for all phases of the test, evalua-

tions, and the subsequent reports. The timeframe for the sequence of test, evaluations, and reports is critical to the system procurement process, and I hope that all parties make a special effort to stay within the timetable so that we will not have to address this issue during next year's authorization process.

Finally, Mr. Speaker, I am pleased to report that the conferees reached agreement on a provision to prohibit employment in the executive branch of individuals who failed to register with the Selective Service System. As the sponsor of similar legislation in this Congress, I was proud to assist in the drafting of this measure.

Peacetime registration is a straightforward and vital element in the maintenance of our Nation's defense. This program contributes significantly to our national readiness posture in the event America must mobilize for war or national emergency.

I would like to clarify, however, that it was never our intent that an honorably discharged veteran or a physically disabled person who may have failed to register be denied the opportunity for employment in the Federal Government. Implementing regulations for this legislation should make this point clear.

I would also like to clarify the conferees' intent with regard to variable housing allowance in Alaska and Hawaii. The transition provisions of section 603 are extremely important and were very difficult to develop. The provisions agreed to by the conference committee are intended to ensure that the transition to the variable housing allowance in Alaska and Hawaii will not unfairly affect service members currently assigned to those States. Lest there be any doubt about that intent, let me emphasize that all members assigned to Alaska and Hawaii who are entitled to station housing allowances or who are receiving temporary lodging allowances on the date of enactment of this bill will continue to be eligible to receive rent plus. Further, members serving unaccompanied tours of Alaska and Hawaii who have dependents residing in other States and who are receiving variable housing allowances on behalf of those dependents should continue to receive those allowances. This last provision applies whether a member is assigned Government quarters in Alaska or Hawaii or is authorized to reside on the local economy and receive rent plus for the member's housing expenses. We trust that the uniformed services, in developing the necessary regulations, will ensure that this intent is implemented and will be guided by the principle that the fundamental purpose of the grandfather provision is to avoid penalizing those who made commitments in reasonable reliance on the predecessor provision.

Mr. Speaker, let me conclude my remarks by saying that, although S. 1160 is not a perfect bill, it will continue to take us in the direction we want to go for our national defense. The country cannot afford to have this legislation voted down. I urge the adoption of the conference report.

Mr. FRENZEL. Mr. Speaker, I rise in opposition to the conference report on S. 1160, which authorizes fiscal year 1986 appropriations for the Department of Defense.

For the first time in several years I voted for the defense authorizations bill brought before the House earlier this year. I did so because the House version of this bill froze funding at the fiscal year 1985 level of $292 billion, thus exercising the kind of fiscal restraint which I believe needs to apply to all Federal action.

Unfortunately, the high hopes generated by our original bill have been dashed in conference. Today we are presented with a bill that fails to hold the line on spending, and instead authorizes the princely sum of $302 billion. That kind of increase is suspect at any time; it is unconscionable in a time of runaway budget deficits.

The deficit crisis is real and it is immediate. We cannot put it aside in our consideration of any legislation, regardless of merit. This conference report fails in that obligation. I therefore urge my colleagues to join me in opposition to the conference report.

Mr. HILLIS. Mr. Speaker, will the gentleman yield?

Mr. MONTGOMERY. I am glad to yield to the gentleman from Indiana.

Mr. HILLIS. Mr. Speaker, I was listening to the gentleman's comments here with great interest because he is exactly right in his statement about the missions of the Reserves and the National Guard and how important they are to the concept of the total force which we rely on in the defense of our country and our freedom.

I just want to say also to the gentleman that there is one man in the Congress of the United States who stands out as being responsible for the great strides we have made in readiness, as evidenced by the fact that an Air Force Reserve unit won the unit citation in the contest—and that is the gentleman in the well.

I want to commend him on the tremendous job he has done. He always comes forward, and stands forth, and speaks on behalf of the Reserves and Reserve affairs.

The SPEAKER pro tempore. The time of the gentleman from Mississippi [Mr. MONTGOMERY] has expired.

Mr. DICKINSON. Mr. Speaker, I yield 1 additional minute to the gentleman from Mississippi [Mr. MONTGOMERY].

Mr. MONTGOMERY. Mr. Speaker, I thank the gentleman from Indiana [Mr. HILLIS], and I appreciate what he said, but it has been really the entire House Armed Services Committee that has pushed for improvements in the Reserves; it has not been one individual.

Perhaps we have not done a very good job by letting this conference report sit around for 3 months when we have some of these programs in important areas that are expiring. I am certainly not happy that I could not help more in getting this conference report to the floor and in getting a good vote on it before this.

Mr. HILLIS. Mr. Speaker, if the gentleman will yield further, I would say to the gentleman in response that it is true that there are others on the Committee on Armed Services who have followed the course of the Reserves and the National Guard, but we are always in your tracks and following your leadership when we do so.

Mr. ASPIN. Mr. Speaker, if the gentleman will yield, I would like to second the words of the gentleman from Indiana [Mr. HILLIS] and those of the gentleman from Alabama. If there is one Member who leads the Armed Services Committee, the House of Representatives, and the whole Congress of the United States on the issue of the National Guard and the Reserves, that is the gentleman in the well.

Mr. MONTGOMERY. Mr. Speaker, I thank the gentleman.

Mr. FAUNTROY. Mr. Speaker, I rise in opposition to the conference report on the Defense Department authorization for fiscal year 1986.

This conference report takes us further down the road to excessive and dangerous military spending. It does this by:

Adding $155.5 million for the procurement and assembly of binary chemical weapons;

Permitting up to three antisatellite tests during fiscal year 1986;

Rejecting the spending guidelines for the strategic defense initiative; and

Raising the cap on the procurement of MX missiles to 50 and authorizing 12 MX missiles in fiscal year 1986.

This conference report also contains funding for 22 different weapons systems that were not contained in the House authorization. They are as follows: $200 million for Amraam missile; $412 million for P3C Orion antisubmarine partol aircraft; $400 million for the E6A communications aircraft; and $240 million for the JStars airborne radar system.

It should be noted that the House Armed Service Committee had recommended against funding for these programs on the basis of either excessive cost increases, duplication, or because these weapons were not functional.

This is not a conference report that pulls us back from the edge of the abyss of nuclear war and its level of spending is at $10 billion more than H.R. 1872. When combined with military construction and spending resulting from authorized personnel total defense for fiscal year 1986 would be $302.5 billion. If you are worried by our budget deficit and the neglect of human needs here at home, then vote against this report.

Mr. RANGEL. Mr. Speaker, I rise to express my support for a number of provisions relating to drug interdiction in the conference agreement on S. 1160, the Department of Defense Authorization Act, 1986. As chairman of the Select Committee

on Narcotics, I want to comment briefly on these provisions which will increase military support for the fight against drug smugglers.

Section 1421 of the conference bill authorizes an additional 500 active duty military positions for the Coast Guard for 1986. These new personnel would be trained in drug law enforcement and would be assigned to Navy ships operating in waters where drug smuggling is ongoing. If a smuggling vessel is encountered, the Navy ship can interdict it and the Coast Guard personnel can board, search for and seize drugs, and make arrests.

Coast Guard boarding teams frequently sail now on Navy vessels operating in areas of drug smuggling activity. The 500 additional Coast Guard law enforcement positions authorized by section 1421 will permit the existing program to be greatly expanded. It will assure a Coast Guard presence on board each Navy ship at sea in a drug-interdiction area and let smugglers know that any time they run across a Navy vessel they will be subject to arrest, search and seizure.

Earlier this year, I joined the gentleman from Florida [Mr. BENNETT] in introducing H.R. 2553, the Military Drug Interdiction Assistance Act. This bill authorized members of the Armed Forces to assist Federal drug enforcement officials in drug searches, seizures and arrests outside the land area of the United States, provided such assistance would not impair military readiness. The primary purpose of the bill was to bring the resources of the Navy to bear against maritime drug trafficking because the Coast Guard and our other drug enforcement agencies simply do not have the personnel and equipment to curtail significantly the flood of illicit drugs smuggled into the United States by sophisticated, well-equipped, and well-financed drug traffickers.

During House debate on the Defense authorization bill, Mr. BENNETT offered the text of H.R. 2553 as an amendment. By the overwhelming margin of 364–51, the House signaled its strong desire to have the military more actively involved in supporting our drug interdiction efforts.

In conference with the Senate, however, concerns were raised about granting civil law enforcement powers to the Armed Forces. In addition, it was thought that direct military involvement in drug enforcement would require military members to receive special law enforcement training and testify in criminal court, diverting them from their normal military duties.

Section 1421 represents the compromise reached on the Bennett amendment. It removes the military from direct involvement in drug searches, seizures, and arrests, but in authorizing 500 additional Coast Guard law enforcement personnel to sail on Navy ships it recognizes that we cannot hope to stop drug smugglers without providing additional manpower. It also recognizes that the Navy can play a greater role in assisting drug enforcement efforts. I believe section 1421 substantially accomplishes the purpose of H.R. 2553 and the Bennett amendment, and I am pleased to support it.

S. 1160 also authorizes funds for the establishment, operation, and maintenance of airborne surveillance, detection, and interdiction units in the Defense Department to support civilian law enforcement drug interdiction efforts. In addition, the bill establishes as a permanent office the Directorate of the Department of Defense Task Force on Drug Law Enforcement, the unit responsible for coordinating Defense assistance to civilian law enforcement agencies. These provisions are modifications of legislation introduced by the gentleman from Oklahoma [Mr. ENGLISH] which I cosponsored.

The bill also requires the Attorney General, in consultation with the Secretary of Defense, to conduct annual briefings for State and local law enforcement officials about assistance available through the Department of Defense. Finally, it requires the Navy to conduct a test along the southwest border with Mexico to determine the effectiveness of E–2 aircraft in drug interdiction.

All of these provisions will enhance the role of the military in support of drug interdiction. In view of the fact that drug abuse and drug smuggling pose growing threats to the national security of our country, these measures are amply justified.

Mr. WEISS. Mr. Speaker, I am opposed to this conference report. By equating security with excess weaponry, by aggravating the deficit, and by ignoring the absolutely urgent need to restore lagging investment in our Nation's human resources, the conference report before us today will weaken our Nation. It will weaken our Nation even more than the original House version of the Defense authorization, which was itself unworthy of our support.

I voted against the original House bill because of the continued commitment it expressed for weaponry we don't need and can't afford. But at least the House bill proposed the first serious restraints in the administration's mindless policy of nuclear stockpiling. The House vote for a freeze on defense appropriations, along with important restrictions on the strategic defense initiative, antisatellite weapons, and the MX, indicated a promising shift in defense policy.

This shift was not a fluke. It was born of public discontent with an array of revealed Pentagon abuses and a growing public realization that what is given indiscriminately to the military is taken from the mouths of youngsters and the pocketbooks of the elderly. Americans everywhere are drawing the connection between wasteful military spending, astronomical deficits, and the reduced availability of Government programs that serve the needs of all Americans.

But this shift in attitudes, which was embodied to an extent in the House bill, did not find any expression in the conference report. It is true that we will later have an opportunity to limit defense appropriations to last year's level. It is true that the conference report contains certain minor improvements over previous defense policy. But none of this can make up for the fact that the overall conference report moves us distinctly in the wrong direction at a time when every lost moment and every lost opportunity tragically increases the danger of nuclear annihilation. At a time when we desperately need a fundamental reordering of defense policy, we're simply ordering more weapons.

The fate of humanity may be at stake, but we authorize an additional $10 billion in unneeded military spending, including funding for about 18 different weapons systems that were found to be entirely unnecessary by the House Armed Services Committee.

The fate of humanity may be at stake, but we commit ourselves to an unbridled arms race in the heavens that will violate existing arms agreements and increase the danger of nuclear war.

The fate of humanity may be at stake, but we permit the assembly of heinous nerve gas weapons.

The fate of humanity may be at stake, but we continue to endorse the deployment of highly destabilizing first-strike weapons like the MX and Trident II or D–5.

The administration has argued again and again that it must have any and all weapons, especially in advance of the summit in Geneva, in order to negotiate from a position of strength. Some of them, it is claimed, might be bargained away as part of an overall arms control agreement. But this misguided policy of "build now and negotiate later" overlooks what we know from experience: The best time to stop an arms race is before it begins.

The continued acquisition of weapons that threaten the Soviet Union's land-based forces, as do the MX and the D–5, encourages the Soviets to launch on warning, or even to launch a preemptive strike of their own. The pursuit of the strategic defense initiative only encourages the Soviet Union to increase its nuclear forces. These systems have never and will never contribute to greater security for our people or enhance the prospects for achieving arms agreements. Instead, they raise the risk of annihilation and derail the arms control process.

We all hope and pray that the President will approach the summit in Geneva with the high level of commitment that this endeavor deserves and that he will eventually succeed in negotiating an equitable and verifiable arms control agreement. But continued congressional support for destabilizing weapons systems backed by the administration will not contribute to this process. It squanders our precious human and material resources. It limits our ability to negotiate. And it brings the ultimate day of nuclear holocaust closer and closer.

There is a way to protect the United States, but that way is not to leave our citizens hungry, sick, homeless, or ill-educated. There is a message to send before the Geneva summit, but that message is not support for more and more weapons of destruction. I strongly urge that we reject the

conference report and instead begin the process of producing a sane military budget.

Mr. HAWKINS. Mr. Speaker, I want to discuss, for the record, the provisions in the DOD authorization conference report which amend labor and education statutes under the jurisdiction of the Committee on Education and Labor. During consideration of S. 1160, the other body adopted amendments to three labor statutes: The Contract Work Hours and Safety Standards Act, the Walsh-Healey Act, and the Davis-Bacon Act. To protect the jurisdictional integrity of the Committee on Education and Labor, a request was made to have members of the committee appointed conferees solely to resolve the controversy over the nongermane amendments. During the conference our members raised objections to the incluson of the labor provisions on grounds that the provisions are not germane to the legislation and represent a preemption of the jurisdiction of another House Committee.

In final resolution of the labor matters in controversy, the conference committee agreed to delete the provisions that would have amended the Davis-Bacon Act, and to accept amendments to the Walsh-Healey Act and the Contract Work Hours and Safety Standards Act as embodied in S. 1105 as reported by the Senate Committee on Labor and Human Resources, with an amendment making the legislation effective January 1, 1986.

I want to make it absolutely clear that this agreement entered into by members of the Committee on Education and Labor does not, in any respect, indicate the committee's abdication of jurisdiction over these specific labor statutes or any other legislation under the committee's jurisdiction. However, the committee had been required by the budget resolution to achieve savings through changes in the overtime provisions of the labor statutes. Indeed, I would emphasize that the agreement, as formulated and presented by the conferees from the other body specifically recognizes that the compromise is not a circumvention of the jurisdiction of the Committee on Education and Labor, and shall not be a precedent for the introduction and consideration of other such nongermane amendments in future Department of Defense authorization measures.

I am providing this explanation not only to clarify the committee's role in the conference, but in the hope that it will help to discourage future attempts to circumvent committee jurisdiction and undermine the House rules.

I would also like to call attention to several education items in this conference report that are under the jurisdiction of the Committee on Education and Labor.

First, the conference report contains two provisions affecting the Department of Defense Dependents' Schools [DODDS], which fall under the jurisdiction of the Committee on Education and Labor. These schools educate children of military personnel overseas.

One such provision repeals the transfer of these schools to the Department of Education which was to occur in 1986 and allows these schools to remain under the Department of Defense. This arrangement will be less disruptive. In addition, the amendment in the conference report will achieve our objective in that the Secretary of Education will be consulted on educational practices for DODDS, and teachers and professional employees will be represented on the advisory councils for the schools.

The other provision relating to DODDS clarifies which categories of students are permitted to attend these schools on a tuition-paying basis. Currently, in addition to providing free education to dependents of DOD personnel, the DODDS schools educate other students who must pay tuition, including dependents of other U.S. Government employees, U.S. Government contractors, and certain other citizens. A DOD general counsel ruling would seem to prohibit many of these children from attending. The amendment in the conference report would allow the same groups of children who are currently attending to continue to attend.

Second, the Senate version of the DOD authorization bill contained a provision to authorize a national commission to study illiteracy, authored by Senator ZORINSKY. The conferees did not accept this provision because it was not appropriate to deal with a major and serious educational problem in a DOD authorization bill. However, I commend our colleague Senator ZORINSKY for his concern about this problem and for his testimony before a joint hearing of the House Subcommittee on Elementary, Secondary, and Vocational Education and the Senate Subcommittee on Education, Arts, and Humanities. We are conducting these hearings and hope to arrive at an understanding of and some solutions to the problem. Senator ZORINSKY'S knowledge and recommendations have been helpful in this process.

Mr. ROWLAND of Georgia. Mr. Speaker, the Department of Defense authorization conference report which we are considering today contains a provision which will repeal the Monroney amendment. This unfortunate action will have adverse economic consequences in many parts of our country, including my own Eighth District of Georgia.

The Monroney amendment allows labor surveys over broad geographic areas for the purpose of determining the wages paid to Defense Department blue-collar employees.

I certainly share the concerns of my colleagues in holding down costs in this country. However, I think that the amount of savings generated is minimal in comparison with the serious economic consequences that some rural areas will experience as a result of this provision.

As a result of the repeal of the Monroney amendment, we will have employees working side by side at the same jobs under different wage rates. This will obviously create morale problems. Many areas will experience difficulties in attracting and keeping workers with special skills. Certain military installations will lose qualified workers to other installations where the prevailing wage rate is higher. In some instances we will have differing wage scales in installations less than 100 miles apart.

I urge my colleagues to continue to look at this issue and reconsider it at a future date.

The SPEAKER pro tempore. The gentleman from Alabama [Mr. DICKINSON] has 3 minutes remaining.

Mr. DICKINSON. Mr. Speaker, I yield back the balance of my time.

The SPEAKER. All time has expired.

Without objection, the previous question is ordered on the conference report.

There was no objection.

The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

□ 1555

GENERAL LEAVE

Mr. ASPIN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report on the Senate bill, S. 1160, just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

PERMISSION FOR COMMITTEE ON ARMED SERVICES TO HAVE UNTIL 5 P.M., SATURDAY, NOVEMBER 2, 1985, TO FILE REPORT ON H.R. 3622, JOINT CHIEFS OF STAFF REORGANIZATION ACT OF 1985

Mr. NICHOLS. Mr. Speaker, I ask unanimous consent that the Committee on Armed Services may have until 5 p.m., Saturday, November 2, 1985, to file a report on H.R. 3622, as amended, the Joint Chiefs of Staff Reorganization Act of 1985.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 3128, DEFICIT REDUCTION AMENDMENTS OF 1985

Mrs. BURTON of California, from the Committee on Rules, submitted a privileged report (Rept. No. 99-338) on the resolution (H. Res. 301) providing for the consideration of the bill (H.R. 3128) to make changes in spending and revenue provisions for purposes of deficit reduction and program improve-

ment, consistent with the budget process, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION WAIVING CERTAIN POINTS OF ORDER AGAINST CONSIDERATION OF H.R. 3629, DEPARTMENT OF DEFENSE APPROPRIATIONS, 1986

Mrs. BURTON of California, from the Committee on Rules, submitted a privileged report (Rept. No. 99-339) on the resolution (H. Res. 302) waiving certain points of order against consideration of the bill (H.R. 3629) making appropriations for the Department of Defense for the fiscal year ending September 30, 1986, and for other purposes, which was referred to the House Calendar and ordered to be printed.

GENERAL LEAVE

Mr. MURTHA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the consideration of the conference report on the bill (H.R. 2942) making appropriations for the legislative branch for the fiscal year ending September 30, 1986, and for other purposes, and to include extraneous and tabular material.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

CONFERENCE REPORT ON H.R. 2942, LEGISLATIVE BRANCH APPROPRIATIONS, 1986

Mr. MURTHA. Mr. Speaker, I call up the conference report on the bill (H.R. 2942) making appropriations for the legislative branch for the fiscal year ending September 30, 1986, and for other purposes.

Mr. Speaker, I do this on behalf of the subcommittee chairman, the gentleman from California [Mr. FAZIO] and the other members of the Legislative Subcommittee of the Committee on Appropriations. The gentleman from California is on his way and will be here shortly.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to the rule, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of October 23, 1985.)

The SPEAKER pro tempore. The gentleman from Pennsylvania [Mr. MURTHA] will be recognized for 30 minutes and the gentleman from Indiana [Mr. MYERS] will be recognized for 30 minutes.

The Chair now recognizes the gentleman from Pennsylvania [Mr. MURTHA].

Mr. MURTHA. Mr. Speaker, I yield myself such time as I may consume. Mr. Speaker, I just want to say that the chairman, the gentleman from California [Mr. FAZIO] who has been tied up in the conference report on a very important decision, the Gramm-Rudman amendment on reducing the deficit, is on his way over; he and the ranking member of the subcommittee, the gentleman from California [Mr. LEWIS], have worked diligently trying to reduce the legislative branch appropriations substantially. I have never seen anybody work harder in conjunction with other members of the subcommittee, including the gentleman from Indiana [Mr. MYERS], the ranking Republican.

I think it is a bipartisan consensus and we all agree to the conference report.

Mr. MYERS of Indiana. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, at this time I see that the ranking minority member just came on the floor, the late gentleman from California [Mr. LEWIS].

While I still have the time, though, Mr. Speaker, I want to commend both Chairman FAZIO, as well as the ranking member, the gentleman from California [Mr. LEWIS], both of whom are Californians. The California show did well this year. I do not know what it is going to do on the road, but it did very well here in mowing this down, as well as the other members of the subcommittee from the Legislative Committee.

Talk about them and they both show up. If you just have patience, everything turns out all right.

So I will now turn over the time to the gentleman from California [Mr. LEWIS].

The SPEAKER pro tempore. The Chairman recognizes the gentleman from California [Mr. FAZIO].

Mr. FAZIO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the conferees on H.R. 2942 the Legislative Branch Appropriation Act, 1986, have reached an agreement which provides appropriations totaling $1,598,293,800—just under $1.6 billion—for fiscal year 1986. This amount is $1,683,338—$1.7 million—under the level enacted to date for fiscal year 1985 and $184,961,200—almost $185 million—below the budget estimates.

When the bill went to the Senate, the other body added $309.6 million for their own operations. If the Senate items are excluded, the conference agreement is $5.8 million below the amount in the bill as it passed the House.

Mr. Speaker, under leave I have already obtained, I will include a comparative tabulation of the conference action at this point in the RECORD.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY—LEGISLATIVE BILL (H.R. 2942)

	Fiscal year—		House	Senate	Conference	Conference compared with—			
	1985 enacted	1986 estimates				Enacted	Estimates	House	Senate
TITLE I—CONGRESSIONAL OPERATIONS									
SENATE									
Mileage of the Vice President and Senators and Expense Allowances of the Vice President, the President Pro Tempore, Majority and Minority Leaders, Majority and Minority Whips, and Chairmen of the Majority and Minority Conference Committees									
Mileage of the Vice President and Senators	60,000	60,000		60,000	60,000			+60,000	
Expense allowances of the Vice President, the President pro tempore, majority and minority leaders, majority and minority whips, and chairmen of the majority and minority conference committees:									
Vice President	10,000	10,000		10,000	10,000			+10,000	
President pro tempore of the Senate	10,000	10,000		10,000	10,000			+10,000	
Majority leader of the Senate	10,000	10,000		10,000	10,000			+10,000	
Minority leader of the Senate	10,000	10,000		10,000	10,000			+10,000	
Majority whip of the Senate	5,000	5,000		5,000	5,000			+5,000	
Minority whip of the Senate	5,000	5,000		5,000	5,000			+5,000	
Chairmen of the majority and minority conference committees	6,000	6,000		6,000	6,000			+6,000	
Representation allowances for the majority and minority leaders	20,000	20,000		20,000	20,000			+20,000	
Total, expense allowances	76,000	76,000		76,000	76,000			+76,000	

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY—LEGISLATIVE BILL (H.R. 2942)—Continued

	Fiscal year—		House	Senate	Conference	Conference compared with—			
	1985 enacted	1986 estimates				Enacted	Estimates	House	Senate
Total, Vice President and Senators	136,000	136,000		136,000	136,000			+136,000	
Salaries, Officers and Employees									
Office of the Vice President	1,112,000	1,121,000		1,112,000	1,112,000		−9,000	+1,112,000	
Office of the President pro tempore	149,000	151,000		149,000	149,000		−2,000	+149,000	
Offices of the majority and minority leaders	1,090,000	1,100,000		1,090,000	1,090,000		−10,000	+1,090,000	
Offices of the majority and minority whips	418,000	422,000		418,000	418,000		−4,000	+418,000	
Conference committees	1,081,000	1,090,000		1,081,000	1,081,000		−9,000	+1,081,000	
Offices of the secretaries of the conference of the majority and the conference of the minority	182,000	183,000		182,000	182,000		−1,000	+182,000	
Office of the Chaplain	90,000	90,000		90,000	90,000			+90,000	
Office of the Secretary	7,253,000	7,546,000		6,953,000	6,953,000	−300,000	−593,000	+6,953,000	
Administrative, clerical, and legislative assistance to Senators	102,549,000	103,787,000		102,549,000	102,549,000		−1,238,000	+102,549,000	
Office of Sergeant at Arms and Doorkeeper	36,358,000	39,145,000		36,358,000	36,358,000		−2,787,000	+36,358,000	
Offices of the secretaries for the majority and minority	879,000	886,000		879,000	879,000		−7,000	+879,000	
Agency contributions	20,085,000	20,218,000		19,612,000	19,612,000	−473,000	−606,000	+19,612,000	
Total, salaries, officers and employees	171,246,000	175,739,000		170,473,000	170,473,000	−773,000	−5,266,000	+170,473,000	
Office of the Legislative Counsel of the Senate									
Salaries and expenses	1,437,000	1,590,000		1,437,000	1,437,000		−153,000	+1,437,000	
Office of the Senate Legal Counsel									
Salaries and expenses	565,000	575,000		565,000	565,000		−10,000	+565,000	
Expense allowances for the Secretary of the Senate, Sergeant at Arms and Doorkeeper of the Senate, and secretaries of the majority and for the minority of the Senate	12,000	12,000		12,000	12,000			+12,000	
Contingent Expenses of the Senate									
Senate policy committees	1,948,000	1,981,000		1,948,000	1,948,000		−33,000	+1,948,000	
Inquiries and investigations	51,050,000	53,916,000		51,050,000	51,050,000		−2,866,000	+51,050,000	
Secretary of the Senate	711,000	760,000		683,800	683,800	−27,200	−76,200	+683,800	
Sergeant at Arms and Bookkeeper of the Senate	48,472,000	64,453,000		54,153,000	54,153,000	+5,681,000	−10,300,000	+54,153,000	
Miscellaneous items	10,341,000	9,659,000		9,659,000	9,659,000	−682,000		+9,659,000	
Stationery (revolving fund)	12,000	13,000		12,000	12,000		−1,000	+12,000	
International Narcotics Control Commission				325,000	325,000	+325,000	+325,000	+325,000	
Total, contingent expenses of the Senate	112,534,000	130,782,000		117,830,800	117,830,800	+5,296,800	−12,951,200	+117,830,800	
Total, Senate	285,930,000	308,834,000		290,453,800	290,453,800	+4,523,800	−18,380,200	+290,453,800	
HOUSE OF REPRESENTATIVES									
Payments to Widows and Heirs of Deceased Members of Congress									
Gratuities, deceased Members	75,100					−75,100			
Mileage of Members									
Mileage of Members	210,000	210,000	150,000	150,000	150,000	−60,000	−60,000		
House Leadership Offices									
Office of Speaker	771,000	775,000	775,000	775,000	775,000	+4,000			
Office of Majority Floor Leader	682,000	688,000	688,000	688,000	688,000	+6,000			
Office of Minority Floor Leader	760,000	767,000	767,000	767,000	767,000	+7,000			
Office of Majority Whip	598,000	603,000	603,000	603,000	603,000	+5,000			
Office of Minority Whip	520,000	524,000	524,000	524,000	524,000	+4,000			
Total, House leadership offices	3,331,000	3,357,000	3,357,000	3,357,000	3,357,000	+26,000			
Salaries, Officers and Employees									
Office of the Clerk	13,599,000	13,856,000	13,656,000	13,656,000	13,656,000	+57,000	−200,000		
Office of the Sergeant at Arms	18,430,000	18,669,000	18,269,000	18,269,000	18,269,000	−161,000	−400,000		
Office of the Doorkeeper	6,820,000	6,878,000	6,678,000	6,678,000	6,678,000	−142,000	−200,000		
Office of the Postmaster	2,165,000	2,145,000	2,075,000	2,075,000	2,075,000	−90,000	−70,000		
Office of the Chaplain	72,000	73,000	73,000	73,000	73,000	+1,000			
Office of the Parliamentarian	623,000	623,000	623,000	623,000	623,000				
Office of the Parliamentarian	(414,000)	(414,000)	(414,000)	(414,000)	(414,000)				
Compilation of precedents of the House of Representatives	(209,000)	(209,000)	(209,000)	(209,000)	(209,000)				
Office for the Bicentennial	193,000	267,000	219,000	219,000	219,000	+26,000	−48,000		
Office of the Law Revision Counsel	839,000	889,000	859,000	859,000	859,000	+20,000	−30,000		
Office of the Legislative Counsel	2,933,000	2,989,000	2,800,000	2,800,000	2,800,000	−133,000	−189,000		
House Democratic steering committee and caucus	578,000	617,000	617,000	617,000	617,000	+39,000			
House Democratic steering committee	(440,300)	(479,100)	(479,100)	(479,100)	(479,100)	(+38,800)			
House Democratic caucus	(137,700)	(137,900)	(137,900)	(137,900)	(137,900)	(+200)			
House Republican conference	578,000	617,000	617,000	617,000	617,000	+39,000			
6 minority employees	431,000	434,000	434,000	434,000	434,000	+3,000			
Other authorized employees	992,000	994,000	994,000	994,000	994,000	+2,000			
Technical assistant, Office of the Attending Physician	(45,000)	(47,000)	(47,000)	(47,000)	(47,000)	(+2,000)			
L.B.J. interns and former Speakers' staff	(850,000)	(850,000)	(850,000)	(850,000)	(850,000)				
Miscellaneous items	(97,000)	(97,000)	(97,000)	(97,000)	(97,000)				
Total, salaries, officers and employees	48,253,000	49,051,000	47,914,000	47,914,000	47,914,000	−339,000	−1,137,000		
Committee Employees									
Professional and clerical employees (standing committees)	41,619,000	44,325,000	44,325,000	44,325,000	44,325,000	+2,706,000			
Committee on Appropriations (Studies and Investigations)									
Salaries and expenses	4,315,000	4,500,000	4,275,000	4,275,000	4,275,000	−40,000	−225,000		
Committee on the Budget (Studies)									
Salaries and expenses	329,000	329,000	296,000	296,000	296,000	−33,000	−33,000		
Members' Clerk Hire									
Clerk hire	166,762,000	169,641,000	166,762,000	166,762,000	166,762,000		−2,879,000		
Contingent Expenses of the House									
Allowances and Expenses									
Official expenses of Members	73,803,000	83,261,000	81,000,000	81,000,000	81,000,000	+7,197,000	−2,261,000		
Supplies, materials, administrative costs and Federal tort claims	18,160,000	16,946,000	16,946,000	16,946,000	16,946,000	−1,214,000			
Furniture and furnishings	1,270,000	1,150,000	1,000,000	1,000,000	1,000,000	−270,000	−150,000		
Stenographic reporting of committee hearings	500,000	600,000	500,000	500,000	500,000		−100,000		

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY—LEGISLATIVE BILL (H.R. 2942)—Continued

	Fiscal year—		House	Senate	Conference	Conference compared with—			
	1985 enacted	1986 estimates				Enacted	Estimates	House	Senate
Reemployed annuitants reimbursement	1,782,000	1,200,000	1,200,000	1,200,000	1,200,000	−582,000			
Government contributions	32,822,000	33,279,000	32,158,000	32,158,000	32,158,000	−664,000	−1,121,000		
Miscellaneous items	500,000	622,000	622,000	622,000	622,000	+122,000			
Total, allowances and expenses	128,837,000	137,058,000	133,426,000	133,426,000	133,426,000	+4,589,000	−3,632,000		
Standing Committees, Special and Select									
Salaries and expenses	45,667,000	46,960,000	46,960,000	46,960,000	46,960,000	+1,293,000			
Total, contingent expenses of the House	174,504,000	184,018,000	180,386,000	180,386,000	180,386,000	+5,882,000	−3,632,000		
Total, House Representatives	439,398,100	455,431,000	447,465,000	447,465,000	447,465,000	+8,066,900	−7,966,000		
JOINT ITEMS									
Contingent Expenses of the Senate									
Joint Economic Committee	2,644,000	2,680,000	2,670,000	2,644,000	2,644,000		−36,000	−26,000	
Joint Committee on Printing	917,000	945,000	910,000	935,000	919,000	+2,000	−26,000	+9,000	−16,000
Total, contingent expenses of the Senate	3,561,000	3,625,000	3,580,000	3,579,000	3,563,000	+2,000	−62,000	−17,000	−16,000
Contingent Expenses of the House									
Joint Committee on Taxation	3,605,000	3,897,000	3,705,000	3,705,000	3,705,000	+100,000	−192,000		
Office of the Attending Physician									
Medical supplies, equipment, expenses, and allowances	1,007,000	1,078,000	1,056,000	1,036,000	1,056,000	+49,000	−22,000		+20,000
Capitol Police									
General expenses	1,471,000	1,670,000	1,361,000	1,336,000	1,336,000	−135,000	−334,000	−25,000	
Capitol Police Board	141,188	109,000	109,000	109,000	109,000	−32,188			
Total, Capitol Police	1,612,188	1,779,000	1,470,000	1,445,000	1,445,000	−167,188	−334,000	−25,000	
Official Mail Costs									
Expenses	85,797,000	144,458,000	104,211,000	100,000,000	100,000,000	+14,203,000	−44,458,000	−4,211,000	
Capitol Guide Service									
Salaries and expenses	820,000	954,000	867,000	867,000	867,000	+47,000	−87,000		
Statements of Appropriations									
Preparation	13,000	13,000	11,000	13,000	13,000			+2,000	
Total, joint items	96,415,188	155,804,000	114,900,000	110,645,000	110,649,000	+14,233,812	−45,155,000	−4,251,000	+4,000
OFFICE OF TECHNOLOGY ASSESSMENT									
Salaries and expenses	15,692,000	17,000,000	15,300,000	15,300,000	15,300,000	−392,000	−1,700,000		
CONGRESSIONAL BUDGET OFFICE									
Salaries and expenses	17,541,000	18,455,000	16,609,000	17,541,000	16,886,000	−655,000	−1,569,000	+277,000	−655,000
ARCHITECT OF THE CAPITOL									
Office of the Architect of the Capitol									
Salaries	5,212,000	5,675,000	5,417,000	5,417,000	5,417,000	+205,000	−258,000		
Contingent expenses	235,000	235,000	235,000		100,000	−135,000	−135,000	−135,000	+100,000
Total: Office of the Architect of the Capitol	5,447,000	5,910,000	5,652,000	5,417,000	5,517,000	+70,000	−393,000	−135,000	+100,000
Capitol Buildings and Grounds									
Capitol buildings	11,643,850	12,621,000	11,405,000	10,590,000	10,880,000	−763,850	−1,741,000	−525,000	+290,000
Capitol grounds	2,896,000	3,364,000	3,041,000	3,362,000	3,510,000	+614,000	+146,000	+469,000	+148,000
Senate office buildings	19,241,000	23,598,000		19,163,000	19,163,000	−78,000	−4,435,000	+19,163,000	
House office buildings	22,873,000	41,323,000	22,088,000	22,088,000	22,088,000	−785,000	−19,235,000		
Capitol power plant	22,990,000	25,375,000	23,495,000	23,495,000	23,495,000	+505,000	−1,880,000		
Library buildings and groups: Structural and mechanical care	90,000					−90,000			
Total: Capitol buildings and grounds	79,733,850	106,281,000	60,029,000	78,698,000	79,136,000	−597,850	−27,145,000	+19,107,000	+438,000
Total: Architect of the Capitol (except items in title II)	85,180,850	112,191,000	65,681,000	84,115,000	84,653,000	−527,850	−27,538,000	+18,972,000	+538,000
LIBRARY OF CONGRESS									
Congressional Research Service									
Salaries and expenses	40,333,000	43,292,000	38,963,000	40,333,000	38,963,000	−1,370,000	−4,329,000		−1,370,000
GOVERNMENT PRINTING OFFICE									
Congressional printing and binding	80,800,000	78,900,000	69,405,000	69,405,000	69,405,000	−11,395,000	−9,495,000		
Total: title I—congressional operations	1,061,290,138	1,189,907,000	768,323,000	1,075,257,800	1,073,774,800	+12,484,662	−116,132,200	+305,451,800	−1,483,000
TITLE II—OTHER AGENCIES									
BOTANIC GARDEN									
Salaries and expenses	2,080,000	2,197,000	2,197,000	2,113,000	2,188,000	+108,000	−9,000	−9,000	+75,000
LIBRARY OF CONGRESS									
Salaries and expenses	139,325,000	146,607,000	136,569,000	139,325,000	138,047,000	−1,278,000	−8,560,000	+1,478,000	−1,278,000
Authority to spend receipts	−4,300,000	−4,300,000	−4,300,000	−4,300,000	−4,300,000				
Net, salaries and expenses	135,025,000	142,307,000	132,269,000	135,025,000	133,747,000	−1,278,000	−8,560,000	+1,478,000	−1,278,000
Copyright Office, salaries and expenses	17,301,000	18,081,000	17,631,000	18,081,000	17,631,000	+330,000	−450,000		−450,000
Authority to spend receipts	−6,000,000	−6,000,000	−6,750,000	−7,250,000	−6,750,000	−750,000	−750,000		+500,000
Net, Copyright Office, salaries and expenses	11,301,000	12,081,000	10,881,000	10,831,000	10,881,000	−420,000	−1,200,000		+50,000
Books for the blind and physically handicapped, salaries and expenses	36,592,000	38,402,000	33,761,000	33,761,000	33,761,000	−2,831,000	−4,641,000		

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY—LEGISLATIVE BILL (H.R. 2942)—Continued

	Fiscal year—		House	Senate	Conference	Conference compared with—			
	1985 enacted	1986 estimates				Enacted	Estimates	House	Senate
Collection and distribution of library materials (special foreign currency program):									
Payments in Treasury-owned foreign currencies	2,811,000	711,000	711,000	711,000	711,000	−2,100,000			
(Release of sec. 311 funds)	(300,000)					(−300,000)			
U.S. dollars	507,000	121,000	121,000	121,000	121,000	−386,000			
Total, collection and distribution of library materials	3,318,000	832,000	832,000	832,000	832,000	−2,486,000			
Total funds available (including sec. 311 funds)	(3,618,000)	(832,000)	(832,000)	(832,000)	(832,000)	(−2,786,000)			
Furniture and furnishings	1,673,000	5,915,000	891,000	891,000	891,000	−782,000	−5,024,000		
Total, Library of Congress (except Congressional Research Service)	187,909,000	199,537,000	178,634,000	181,340,000	180,112,000	−7,797,000	−19,425,000	+1,478,000	−1,228,000
ARCHITECT OF THE CAPITOL									
Library Buildings and Grounds									
Structural and mechanical care	5,709,000	7,380,000	5,785,000	5,785,000	5,785,000	+76,000	−1,595,000		
COPYRIGHT ROYALTY TRIBUNAL									
Salaries and expenses	722,000	758,000	519,000	519,000	519,000	−203,000	−239,000		
Authority to spend receipts	−505,000	−531,000	−363,000	−363,000	−363,000	+142,000	+168,000		
Net, salaries and expenses	217,000	227,000	156,000	156,000	156,000	−61,000	−71,000		
GOVERNMENT PRINTING OFFICE									
Printing and binding	13,200,000	14,500,000	11,655,000	11,555,000	11,555,000	−1,645,000	−2,945,000	−100,000	
Office of Superintendent of Documents, salaries and expenses	28,868,000	28,868,000	25,981,000	22,981,000	22,981,000	−5,887,000	−5,887,000	−3,000,000	
Total, Government Printing Office (except congressional printing and binding)	42,068,000	43,368,000	37,636,000	34,536,000	34,536,000	−7,532,000	−8,832,000	−3,100,000	
GENERAL ACCOUNTING OFFICE									
Salaries and expenses	299,704,000	339,639,000	300,992,000	299,726,000	300,992,000	+1,288,000	−38,647,000		+1,266,000
RAILROAD ACCOUNTING PRINCIPLES BOARD									
Salaries and expenses	1,000,000	1,000,000	750,000	750,000	750,000	−250,000	−250,000		
Total, title II—other agencies	538,687,000	593,348,000	526,150,000	524,406,000	524,519,000	−14,168,000	−68,829,000	−1,631,000	+113,000
Grand total, new budget (obligational) authority	1,599,977,138	1,783,255,000	1,294,473,000	1,599,663,800	1,598,293,800	−1,683,338	−184,961,200	+303,820,800	−1,370,000
RECAPITULATION									
Title I—congressional operations	1,061,290,138	1,189,907,000	768,323,000	1,075,257,800	1,073,774,800	+12,484,662	−116,132,200	+305,451,800	−1,483,000
Title II—other agencies	538,687,000	593,348,000	526,150,000	524,406,000	524,519,000	−14,168,000	−68,829,000	−1,631,000	+113,000
TITLE I—CONGRESSIONAL OPERATIONS									
Senate	285,930,000	308,834,000		290,453,800	290,453,800	+4,523,800	−18,380,200	+290,453,800	
House of Representatives	439,398,100	455,431,000	447,465,000	447,465,000	447,465,000	+8,066,900	−7,966,000		
Joint items	96,415,188	155,804,000	114,900,000	110,645,000	110,649,000	+14,233,812	−45,155,000	−4,251,000	+4,000
Office of Technology Assessment	15,692,000	17,000,000	15,300,000	15,300,000	15,300,000	−392,000	−1,700,000		
Congressional Budget Office	17,541,000	18,455,000	16,609,000	17,541,000	16,886,000	−655,000	−1,569,000	+277,000	−655,000
Architect of the Capitol (except Library buildings and grounds)	85,180,850	112,191,000	65,681,000	84,115,000	84,653,000	−527,850	−27,538,000	+18,972,000	+538,000
Congressional Research Service, Library of Congress	40,333,000	43,292,000	38,963,000	40,333,000	38,963,000	−1,370,000	−4,329,000		−1,370,000
Congressional printing and binding, Government Printing Office	80,800,000	78,900,000	69,405,000	69,405,000	69,405,000	−11,395,000	−9,495,000		
Total, title I—congressional operations	1,061,290,138	1,189,907,000	768,323,000	1,075,257,800	1,073,774,800	+12,484,662	−116,132,200	+305,451,800	−1,483,000
TITLE II—OTHER AGENCIES									
Botanic Garden	2,080,000	2,197,000	2,197,000	2,113,000	2,188,000	+108,000	−9,000	−9,000	+75,000
Library of Congress (except Congressional Research Service)	187,909,000	199,537,000	178,634,000	181,340,000	180,112,000	−7,797,000	−19,425,000	+1,478,000	−1,228,000
Architect of the Capitol (Library buildings and grounds)	5,709,000	7,380,000	5,785,000	5,785,000	5,785,000	+76,000	−1,595,000		
Copyright Royalty Tribunal	217,000	227,000	156,000	156,000	156,000	−61,000	−71,000		
Government Printing Office (except congressional printing and binding)	42,068,000	43,368,000	37,636,000	34,536,000	34,536,000	−7,532,000	−8,832,000	−3,100,000	
General Accounting Office	299,704,000	339,639,000	300,992,000	299,726,000	300,992,000	+1,288,000	−38,647,000		+1,266,000
Railroad Accounting Principles Board	1,000,000	1,000,000	750,000	750,000	750,000	−250,000	−250,000		
Total, title II—other agencies	538,687,000	593,348,000	526,150,000	524,406,000	524,519,000	−14,168,000	−68,829,000	−1,631,000	+113,000
Grand total, new budget (obligational) authority	1,599,977,138	1,783,255,000	1,294,473,000	1,599,663,800	1,598,293,800	−1,683,338	−184,961,200	+303,820,800	−1,370,000

I will not attempt to speak to each of the items we considered in conference. There were a total of 26 amendments, of which two related solely to Senate housekeeping items. The remainder are explained fully in the statement accompanying the conference report.

There is one add on made by the Senate in the Capitol grounds account that I would like to mention. We have agreed to provide $725,000—$495,000 in appropriations and a $230,000 reprogramming—for security improvements in the east plaza. With these funds, the Architect of the Capitol will install hydraulic barriers to aid in the control of traffic through the plaza. He will also install new guardhouses, and several steel and concrete bollards that will help with security and traffic control. When this project is finished, we have been told that it will no longer be necessary to park the garbage trucks, vans, and other unsightly obstacles for night and weekend traffic barriers.

I want to make clear that this funding is not for the overall enhancement of the east plaza. That project is the subject of another bill which has been reported by the Public Works and Transportation Committee. We have only dealt with the security aspects, and we have been urged to do that by members of the Capitol Police Board.

With respect to the conference agreement on all legislative branch activities, I do wish to point out that this is another example of the willingness on the part of the legislative branch to control its own spending. We are approving a budget that is actually less than the current year. The legislative branch has frozen its own budget—and believe me it is a tight budget. We have already heard many cries of anguish on the frugality of this bill.

We have checked and found that since fiscal year 1979, the legislative branch budget has grown at only 4.9 percent annually, while the entire Federal budget has grown at 11.8 percent—more than double the rate of increase of the legislative branch. During that same period of time, the Consumer Price Index has increased by 8.1 percent annually. So we have not even kept pace with inflation.

The legislative branch has clearly applied a rigorous amount of restraint to its own activities. We can be proud of these efforts, Mr. Speaker, and proud of the example in fiscal responsibility being set by the Congress and its support agencies.

Mr. Speaker, this is a good conference report. I urge its adoption.

Mr. Speaker, before yielding time to my good friend and colleague, the ranking member, the gentleman from California [Mr. LEWIS], I would like at this point to express my appreciation to all my colleagues in both parties who sit on this subcommittee. It is not necessarily the most popular subcommittee a Member can serve on, but the members who have taken the responsibility performed well.

I would also like to express my appreciation to the staff of the committee, particularly Mr. Lombard, who particularly distinguishes himself and thereby us with the service he renders to the Congress, particularly the House of Representatives.

Mr. LEWIS of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I thank the gentleman for recognizing me at this moment. I thought for a while that my chairman, the gentleman from California [Mr. FAZIO] was not going to show up today. Indeed, I clearly would have understood if he had not come to the floor for a presentation of this conference committee report, for I am here to testify to the membership that in this chairman I am dealing with a real "skinflint." I mean, you talk about tight, I would appreciate if the present Speaker pro tempore [Mr. MATSUI] from Sacramento, CA, would take this message back home to the north, that this fellow is here really cutting, squeezing, and trimming, to the point that it was so embarrassing to me that if he had not shown up, I was not going to come from the back of the Chamber myself.

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But after having said that, Mr. Speaker, this is the bill whereby the legislative branch seriously exposes itself to its willingness to cut or not to cut, to pay lipservice or do something about spending. If there is a demonstration program around, this bill is probably it.

The conference committee has reported out a bill that totals $1,598,293,800. That amount is over $1 million under the Senate-passed bill, but more specifically, it is important to know the figure is $1,683,338 below the 1985 bill, including supplementals. It is $101,706,200 below the 320(b) allocation. It is $184,961,200, almost $185 million, below the budget request.

I think it is important to point out to the Members that within the cuts that are made here, there are a number that are very significant to the operation of the House. Among them, there is a cut in official mail costs of $44,458,000, almost $5 million below the House-passed bill.

In the General Accounting Office, there is a cut of over $38 million in this conference report.

Among House items, there is an additional $27 million cut, and the Senate made an additional $22 million cut from their portion of the budget.

The significance here, Members and colleagues, is that the House by this bill is demonstrating its willingness to be tough on itself. I guess the real point is that the proof of the pudding is in the eating. That which is presented in this bill will become a reality in terms of expenditure if the House responds to itself. If, indeed, we are willing to be tight on our budgets, and particularly our mail, then we will be serving as a demonstration for the rest of the Government, and not just the activities of the Congress. Indeed, if the House should decide instead to follow a pattern of business as usual, we will be back in later with probably the largest supplemental request that this portion of the appropriations process has ever experienced.

The reason that is significant is that I would submit if the House follows the pattern they have set forth here that indeed we will send a message to the rest of the Government, as well as to our appropriations process. On the other hand, if we just go forward blithely following the paths of former years, along with that supplemental which will be huge, it will be a message to all the other committees around to just go forward as usual and supplementals will follow and the deficit will continue to expand.

On a serious note for a moment, this subcommittee is not an easy subcommittee to deal with. I want to express my appreciation for the hard work done by our staff, their willingness to deal with the chairman and myself in our difficult moments. Particularly, I would like to express my appreciation for the patience of our colleagues on our subcommittee on both sides of the aisle, for they have had to deal with the gentleman from California [Mr. FAZIO] and myself over these several years now, and I think they have dealt with us in an admirable way.

Having said that, Mr. Speaker, I want to congratulate my chairman, the gentleman from California [Mr. FAZIO].

Mr. Speaker, I yield back the balance of my time.

Mr. FAZIO. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. WALKER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 251, nays 164, not voting 19, as follows:

[Roll No. 376]

YEAS—251

Ackerman	Flippo	McGrath
Akaka	Florio	McHugh
Alexander	Foglietta	McKinney
Anderson	Foley	Mica
Andrews	Ford (MI)	Michel
Annunzio	Ford (TN)	Miller (CA)
Anthony	Fowler	Mineta
Aspin	Frank	Mitchell
Atkins	Franklin	Moakley
Badham	Frost	Molinari
Barnes	Fuqua	Mollohan
Bates	Garcia	Montgomery
Bedell	Gaydos	Moody
Beilenson	Gejdenson	Mrazek
Bentley	Gephardt	Murphy
Berman	Gibbons	Murtha
Bevill	Gilman	Myers
Biaggi	Gonzalez	Natcher
Bliley	Gordon	Neal
Boehlert	Gray (IL)	Nichols
Boggs	Green	O'Brien
Boland	Grotberg	Oakar
Boner (TN)	Guarini	Oberstar
Bonior (MI)	Hall (OH)	Obey
Bonker	Hamilton	Ortiz
Borski	Hawkins	Owens
Bosco	Hayes	Panetta
Boucher	Hefner	Parris
Boxer	Heftel	Pease
Brooks	Henry	Pepper
Brown (CA)	Hillis	Perkins
Bruce	Holt	Pickle
Bryant	Horton	Porter
Burton (CA)	Howard	Price
Bustamante	Hoyer	Rahall
Byron	Huckaby	Rangel
Campbell	Hutto	Ray
Carney	Hyde	Regula
Carper	Jeffords	Reid
Chappell	Jenkins	Richardson
Clay	Johnson	Rinaldo
Coelho	Jones (NC)	Rodino
Coleman (MO)	Jones (TN)	Roe
Coleman (TX)	Kastenmeier	Rogers
Conte	Kennelly	Rose
Conyers	Kildee	Rostenkowski
Cooper	Kleczka	Roybal
Coughlin	Kostmayer	Rudd
Courter	LaFalce	Russo
Coyne	Lantos	Sabo
Crockett	Lehman (CA)	Savage
Darden	Lehman (FL)	Scheuer
Daschle	Leland	Schneider
Davis	Lent	Schulze
de la Garza	Levin (MI)	Schumer
Dellums	Levine (CA)	Seiberling
Dicks	Lewis (CA)	Sisisky
Dingell	Lipinski	Skeen
Dixon	Livingston	Skelton
Donnelly	Long	Slaughter
Downey	Lowery (CA)	Smith (FL)
Durbin	Lowry (WA)	Smith (IA)
Dwyer	Luken	Smith (NE)
Dymally	Lundine	Smith (NJ)
Dyson	MacKay	Snowe
Early	Madigan	Snyder
Edgar	Manton	Solarz
Edwards (CA)	Markey	Spratt
Evans (IL)	Martinez	St Germain
Fascell	Matsui	Staggers
Fawell	Mavroules	Stark
Fazio	McCloskey	Stokes
Fish	McDade	Stratton

Studds	Valentine	Whitten
Sweeney	Vento	Williams
Swift	Visclosky	Wilson
Synar	Walgren	Wolf
Taylor	Watkins	Wolpe
Thomas (GA)	Waxman	Wortley
Torricelli	Weaver	Wright
Towns	Weiss	Yates
Traficant	Wheat	Young (FL)
Traxler	Whitehurst	Young (MO)
Udall	Whitley	

NAYS—164

Applegate	Goodling	Pashayan
Archer	Gradison	Penny
Armey	Gregg	Petri
AuCoin	Gunderson	Pursell
Barnard	Hall, Ralph	Quillen
Bartlett	Hammerschmidt	Ridge
Barton	Hansen	Ritter
Bateman	Hartnett	Roberts
Bennett	Hendon	Robinson
Bereuter	Hertel	Roemer
Bilirakis	Hiler	Roth
Boulter	Hopkins	Roukema
Breaux	Hubbard	Rowland (CT)
Broomfield	Hughes	Saxton
Brown (CO)	Hunter	Schaefer
Broyhill	Ireland	Schroeder
Burton (IN)	Jacobs	Schuette
Callahan	Jones (OK)	Sensenbrenner
Carr	Kanjorski	Sharp
Chandler	Kaptur	Shaw
Chapman	Kasich	Shelby
Chappie	Kemp	Shumway
Cheney	Kindness	Shuster
Coats	Kolter	Sikorski
Cobey	Kramer	Siljander
Coble	Lagomarsino	Slattery
Combest	Latta	Smith, Denny (OR)
Craig	Leach (IA)	Smith, Robert (NH)
Crane	Leath (TX)	Smith, Robert (OR)
Daniel	Lewis (FL)	Solomon
Dannemeyer	Lightfoot	Spence
Daub	Lloyd	Stallings
DeLay	Loeffler	Stangeland
Derrick	Lott	Stenholm
DeWine	Lujan	Strang
Dickinson	Lungren	Stump
DioGuardi	Mack	Sundquist
Dorgan (ND)	Martin (IL)	Swindall
Dornan (CA)	Martin (NY)	Tallon
Dreier	McCain	Tauke
Duncan	McCandless	Tauzin
Eckart (OH)	McCollum	Thomas (CA)
Eckert (NY)	McCurdy	Vander Jagt
Edwards (OK)	McEwen	Volkmer
Emerson	McKernan	Vucanovich
English	Meyers	Walker
Erdreich	Mikulski	Whittaker
Evans (IA)	Miller (OH)	Wise
Feighan	Miller (WA)	Wyden
Fiedler	Monson	Wylie
Fields	Moore	Yatron
Frenzel	Moorhead	Zschau
Gallo	Morrison (WA)	
Gekas	Nielson	
Gingrich	Olin	
Glickman	Packard	

NOT VOTING—19

Addabbo	Marlenee	Rowland (GA)
Clinger	Mazzoli	Torres
Collins	McMillan	Weber
Dowdy	Morrison (CT)	Wirth
Gray (PA)	Nelson	Young (AK)
Hatcher	Nowak	
Kolbe	Oxley	

□ 1620

The Clerk announced the following pairs:

On this vote:

Mr. Nelson of Florida for, with Mr. McMillan against.

Mrs. Collins for, with Mr. Weber against.

Mr. Young of Alaska for, with Mr. Kolbe against.

Messrs. CARR, KOLTER, DORGAN of North Dakota, BATEMAN, APPLEGATE, HAMMERSCHMIDT, YATRON, and McKERNAN, Ms. KAPTUR, Mr. SHAW, and Mr. CHAPMAN changed their votes from "yea" to "nay."

Mr. LUNDINE and Mr. COUGHLIN changed their votes from "nay" to "yea."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

□ 1635

AMENDMENTS IN DISAGREEMENT

The SPEAKER pro tempore. The Clerk will designate the first amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 1: Page 1, after line 7, insert:

SENATE

MILEAGE OF THE VICE PRESIDENT AND SENATORS AND EXPENSE ALLOWANCES OF THE VICE PRESIDENT, THE PRESIDENT PRO TEMPORE, MAJORITY AND MINORITY LEADERS, MAJORITY AND MINORITY WHIPS, AND CHAIRMEN OF THE MAJORITY AND MINORITY CONFERENCE COMMITTEES

MILEAGE OF THE VICE PRESIDENT AND SENATORS

For mileage of the Vice President and Senators of the United States, $60,000.

EXPENSE ALLOWANCES OF THE VICE PRESIDENT, THE PRESIDENT PRO TEMPORE, MAJORITY AND MINORITY LEADERS, MAJORITY AND MINORITY WHIPS, AND CHAIRMEN OF THE MAJORITY AND MINORITY CONFERENCE COMMITTEES

For expense allowances of the Vice President, $10,000; the President Pro Tempore of the Senate, $10,000; Majority Leader of the Senate, $10,000; Minority Leader of the Senate, $10,000; Majority Whip of the Senate, $5,000; Minority Whip of the Senate, $5,000; and Chairmen of the Majority and Minority Conference Committees, $6,000; in all, $56,000.

REPRESENTATION ALLOWANCES FOR THE MAJORITY AND MINORITY LEADERS

For representation allowances of the Majority and Minority Leaders of the Senate, $10,000 for each such Leader, in all $20,000.

SALARIES, OFFICERS AND EMPLOYEES

For compensation of officers, employees, clerks to Senators, and others as authorized by law, including agency contributions, which shall be paid from this appropriation without regard to the below limitations, as follows:

OFFICE OF THE VICE PRESIDENT

For the Office of the Vice President, $1,112,000.

OFFICE OF THE PRESIDENT PRO TEMPORE

For Office of the President Pro Tempore, $149,000.

OFFICES OF THE MAJORITY AND MINORITY LEADERS

For Offices of the Majority and Minority Leaders, $1,090,000.

OFFICES OF THE MAJORITY AND MINORITY WHIPS

For Offices of the Majority and Minority Whips, $418,000.

CONFERENCE COMMITTEES

For the Conference of the Majority and the Conference of the Minority, at rates of compensation to be fixed by the Chairman of each such committee, $540,500 for each such committee; in all, $1,081,000.

OFFICES OF THE SECRETARIES OF THE CONFERENCE OF THE MAJORITY AND THE CONFERENCE OF THE MINORITY

For Offices of the Secretaries of the Conference of the Majority and the Conference of the Minority, $182,000.

OFFICE OF THE CHAPLAIN

For Office of the Chaplain, $90,000.

OFFICE OF THE SECRETARY

For Office of the Secretary, $6,953,000.

ADMINISTRATIVE, CLERICAL, AND LEGISLATIVE ASSISTANCE TO SENATORS

For administrative, clerical, and legislative assistance to Senators, $102,549,000.

OFFICE OF THE SERGEANT AT ARMS AND DOORKEEPER

For Office of the Sergeant at Arms and Doorkeeper, $36,358,000.

OFFICES OF THE SECRETARIES FOR THE MAJORITY AND MINORITY

For Offices of the Secretary for the Majority and the Secretary for the Minority, $879,000.

AGENCY CONTRIBUTIONS

For agency contributions for employee benefits, as authorized by law, $19,612,000.

OFFICE OF THE LEGISLATIVE COUNSEL OF THE SENATE

For salaries and expenses of the Office of the Legislative Counsel of the Senate, $1,437,000.

OFFICE OF SENATE LEGAL COUNSEL

For salaries and expenses of the Office of Senate Legal Counsel, $565,000.

EXPENSE ALLOWANCES OF THE SECRETARY OF THE SENATE, SERGEANT AT ARMS AND DOORKEEPER OF THE SENATE, AND SECRETARIES FOR THE MAJORITY AND MINORITY OF THE SENATE

For expenses allowances of the Secretary of the Senate, $3,000; Sergeant at Arms and Doorkeeper of the Senate, $3,000; Secretary for the Majority of the Senate, $3,000; Secretary for the Minority of the Senate, $3,000; in all, $12,000.

CONTINGENT EXPENSES OF THE SENATE

SENATE POLICY COMMITTEES

For salaries and expenses of the Majority Policy Committee and the Minority Policy Committee, $974,000 for each such committee; in all $1,948,000.

INQUIRIES AND INVESTIGATIONS

For expenses of inquiries and investigations ordered by the Senate, or conducted pursuant to section 134(a) of Public Law 601, Seventy-nineth Congress, as amended, section 112 of Public Law 96-304 and Senate Resolution 281, agreed to March 11, 1980, $51,050,000.

EXPENSES OF UNITED STATES INTERNATIONAL NARCOTICS CONTROL COMMISSION

For expenses of the United States International Narcotics Control Commisison, as authorized by section 814 of the Foreign Relations Authorized Act, passed by the Senate on July 31, 1985, $325,000.

SECRETARY OF THE SENATE

For expenses of the Office of the Secretary of the Senate, $683,800.

SERGEANT AT ARMS AND DOORKEEPER OF THE SENATE

For expenses of the Office at Arms and Doorkeeper of the Senate, $54,153,000.

MISCELLANEOUS ITEMS

For miscellaneous items, $9,659,000.

STATIONARY (REVOLVING FUND)

For stationary for the President of the Senate, $4,500, for officers of the Senate and the Conference of the Majority and Conference of the Minority of the Senate, $7,500; in all, $12,000.

ADMINISTRATIVE PROVISION

Section 1. The second sentence of section 120 of Public Law 978-51 (2 U.S.C. 61g-6) is amended by inserting immediately before the period at the end thereof the following: ", except that vouchers shall not be required for payment of long-distance telephone calls".

MOTION OFFERED BY MR. FAZIO

Mr. FAZIO. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. FAZIO moves that the House recede from its disagreement to the amendment of the Senate numbered 1, and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 11: Page 14, after line 8, insert:

Of the funds appropriated under this head in Public Law 98-367, not to exceed $109,000 shall remain available until September 30, 1986.

MOTION OFFERED BY MR. FAZIO

Mr. FAZIO. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. FAZIO moves that the House recede from its disagreement to the amendment of the Senate numbered 11, and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 12: Page 14, line 12, strike out "$3,041,000" and insert "$3,362,000".

MOTION OFFERED BY MR. FAZIO

Mr. FAZIO. Mr. Speaker, I offer a motion.

The Clerk read as follow:

Mr. FAZIO moves that the House recede from its disagreement to the amendment of the Senate numbered 12 and concur therein with an amendment, as follows: In lieu of the sum stricken and inserted by said amendment, insert the following: "$3,510,000, of which $495,000 shall be available until expended for the procurement and installation of hydraulic security barriers at vehicular entrances to the Capitol grounds, subject to the approval of the design development drawings by the House and Senate Committees on Appropriations".

Mr. LEWIS of California (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. FAZIO].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 13: Page 14, after line 22, insert:

SENATE OFFICE BUILDINGS

For all necessary expenses for maintenance, care and operation of the Senate Office Buildings; and furniture and furnishings, to be expended under the control and supervision of the Architect of the Capitol, $19,163,000, of which $649,000 shall remain available until expended.

MOTION OFFERED BY MR. FAZIO

Mr. FAZIO. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. FAZIO moves that the House recede from its disagreement to the amendment of the Senate numbered 13, and concur therein.

Mr. LEWIS of California (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. FAZIO].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 14: Page 14, after line 22, insert:

Of the funds appropriated under this head in Public Law 98-367 for demolition and paving of Square 724, $561,000 shall remain available until September 30, 1986.

MOTION OFFERED BY MR. FAZIO

Mr. FAZIO. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. FAZIO moves that the House recede from its disagreement to the amendment of the Senate numbered 14, and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 22: Page 22, line 14, after "$25,981,000" insert ", of which $3,000,000 shall be derived from the Government Printing Office revolving fund, representing excess receipts from the sale of publications".

MOTION OFFERED BY MR. FAZIO

Mr. FAZIO. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. FAZIO moves that the House recede from its disagreement to the amendment of the Senate numbered 22, and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the last amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 26: Page 29, after the 2 lines which appear after line 9, insert:

SEC. 306. (a) Section 309 of title 44, United States Code, is amended:

(1) striking out "except the Office of Superintendent of Documents," contained in the first subparagraph of subsection (a); and

(2) by striking out subsection (b)(3).

(b) Section 1708 of title 44, United States Code, is amended by striking out the last sentence of the first full paragraph.

(c) The amendments made by subsections (a) and (b) above shall take effect on October 1, 1985.

MOTION OFFERED BY MR. FAZIO

Mr. FAZIO. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. FAZIO moves that the House recede from its disagreement to the amendment of the Senate numbered 26 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert the following:

SEC. 306. (a) Notwithstanding the provisions of this or any other Act, the United States International Narcotics Control Commission, established by section 814 of the Foreign Relations Authorization Act, Fiscal Years 1986 and 1987, is hereby redesignated and shall hereafter be known as the United States Senate Caucus on International Narcotics Control.

(b) Any reference to the United States International Narcotics Control Commission in any law, regulation, document, record, or other official paper of the United States shall be deemed to be a reference to the United States Senate Caucus on International Narcotics Control.

Mr. LEWIS of California (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. FAZIO].

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the conference report and the several motions was laid on the table.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 3630

Mr. BONER of Tennessee. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of H.R. 3630.

Mr. SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

COMMENDING SWITZERLAND ON CONTRIBUTIONS TO FREEDOM, INTERNATIONAL PEACE, AND UNDERSTANDING ON OCCASION OF MEETING BETWEEN LEADERS OF THE UNITED STATES AND THE SOVIET UNION

Mr. WEISS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate joint resolution (S.J. Res. 227) to commend the people and the sovereign confederation of the neutral nation of Switzerland for their contributions to freedom, international peace, and understanding on the occasion of the meeting between the leaders of the United States and the Soviet Union on November 19-20, 1985, in Geneva, Switzerland, and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. BROOMFIELD. Mr. Speaker, reserving the right to object, I do so to afford my good friend, the gentleman from New York [Mr. WEISS], an opportunity to give an explanation of this resolution.

I yield to the gentleman from New York.

Mr. WEISS. I thank my distinguished colleague, the ranking minority member on the Committee on Foreign Affairs for yielding to me.

Mr. Speaker, I rise in support of Senate Joint Resolution 227, to commend the people and the sovereign confederation of the neutral nation of Switzerland for their contributions to freedom, international peace, and understanding on the occasion of the meeting between the leaders of the United States and the Soviet Union on November 19-20, 1985, in Geneva, Switzerland.

The resolution now before the House was passed by the Senate on October 25. It is very similar to a measure introduced in the House by Chairman FASCELL, along with other members of the Committee on Foreign Affairs, including the distinguished Member from Michigan [Mr. BROOMFIELD], the Honorable LEE H. HAMILTON, the Honorable BENJAMIN A. GILMAN.

Quite simply, the resolution expresses appreciation to the Swiss for hosting the upcoming Reagan-Gorbachev summit next month, and for their historic neutrality and contributions to international peace.

Mr. BROOMFIELD. Mr. Speaker, today the House considers Senate Joint Resolution 227 which expresses the warm gratitude of the American people for the strong bonds of friendship which have long existed between the United States and Switzerland. The resolution also commends the people and nation of Switzerland for all they have done throughout this century in the search for freedom, international peace, and understanding. Our consideration of this matter is timely in that it occurs on the eve of a major international meeting in Geneva, Switzerland, between the leaders of the United States and the Soviet Union. Once again, Switzerland has offered its territory and facilities to host an important international event.

It comes as no surprise that this small nation—whose neutrality in political and military struggles is well-known—would again offer its services to mankind in the search for international understanding and world peace. When one thinks of the beautiful and historic city of Geneva one cannot fail to recall the important contribution made by an earlier meeting in this city. I refer, of course, to the Geneva Convention, a code of conduct intended to adhere a semblance of humanity to the otherwise ugly business of armed conflict.

In addition, a close variation of Switzerland's flag is the familiar symbol of one of the most admired organizations in the world: the International Red Cross which was founded in Switzerland in 1863 and has chapters in some 120 countries.

Switzerland has never interpreted its neutrality as a license for standing aloof from the world's problems. Instead, this remarkable country has a solid and longstanding record of energetically contributing more than its fair share in efforts to end suffering, and to achieve and sustain peace.

The resolution we consider today is an important recognition of the accomplishments and continuing efforts of the people and nation of Switzerland in the pursuit of a better world for us all.

Mr. FASCELL. Mr. Speaker, I rise in support of Senate Joint Resolution 227, to commend the people and the sovereign confederation of the neutral nation of Switzerland for their contributions to freedom, international peace, and understanding on the occasion of the meeting between the leaders of the United States and the Soviet Union on November 19-20, 1985, in Geneva, Switzerland.

As pointed out earlier, the resolution expresses appreciation to the Swiss for hosting the upcoming Reagan-Gorbachev summit next month, and for their historic neutrality and contributions to international peace.

Over the years, Switzerland has so graciously played host to numerous international meetings, conferences, and organizations. This bastion of neutrality has provided its territory so that nations may resolve disputes, conflicts, and encourage peace among members of the international community.

Switzerland's neutrality is in a class by itself—that country is universally revered as the quintessentially neutral nation. Thus, there is no more appropriate site for parties to meet to work out their differences. It has been the locale of many mediative efforts and discussions on a panoply of geopolitical issues—Cyprus, Afghanistan, chemical weapons, and the disarmament conference, to cite a few.

Around the world, wars have been fought and conflicts have escalated. Switzerland's soil, however, has been the site for bridging the schisms, and resolving disputes. It provides fertile ground on which to elucidate priorities and forge international consensus.

We appreciate the continuing receptivity of the Swiss in affording their territory so that other nations may work toward increased understanding and harmony. Switzerland has encouraged the flourishing of diplomacy, the mitigating of tensions, and the nurturing of peace.

We underscore our bonds of friendship with the Swiss, and our appreciation for their adherence to principles of neutrality in a democratic climate which fosters precepts of political freedom, peace, and cooperation. We look forward to the upcoming United States/Soviet summit with appreciation to the Swiss, and with optimism for the prospective negotiations.

Mr. Speaker, I urge the adoption of Senate Joint Resolution 227.

Mr. GILMAN. Mr. Speaker, I rise in support of the resolution.

Mr. Speaker, the resolution makes clear the deep gratitude of the American people to the Swiss people for hosting the upcoming meeting between President Reagan and General Secretary Gorbachev.

In addition to their hospitality in this respect, the Swiss people and their Government have been of help to our Nation and to the world at large, on numerous occasions over many years.

The Swiss people and Government have offered their good offices in pursuit of peace, have provided the permanent home of the International Red Cross, and have hosted interest sections in foreign countries which have represented American interests when we have been unable to operate our embassies.

Accordingly, Mr. Speaker, I urge the adoption of this resolution.

Mr. BROOMFIELD. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 227

Whereas Switzerland has long played a leading role among nations in the search for international peace and understanding, has generously provided its territory and assistance for international organizations and conferences, and its diplomatic services for arbitration and mediation of disputes among states; and

Whereas the government of Switzerland has for many years generously represented the diplomatic interests of other nations, in-

cluding the United States, in lands where these nations have no relations; and

Whereas the United States and Switzerland share a common heritage, based on a commitment to political and religious freedom of expression, on our shared legacy of a constitutional and Federal Government, on our commitment to human rights and dignity of the individual, and on our firm belief that a free enterprise economy provides the greatest prosperity for the greatest number of people; and

Whereas Switzerland, and the beautiful and historic city of Geneva, ever mindful of their tradition and vocation in the search for international peace, have once again offered their territory and facilities for a major international meeting, on this occasion between the leaders of the United States and the Soviet Union, on November 19–20, 1985: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That it is the sense of the Congress that, in recognition of their many contributions and as an expression of the warm gratitude of the American people for the strong bonds of friendship which have long existed between our two great democracies, the people and nation of Switzerland are to be commended for all they have done throughout this century in the search for freedom, international peace, and understanding.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. WEISS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter on Senate Joint Resolution 227, the Senate joint resolution just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

COMPUTER HACKERS STRIKE AGAIN

The SPEAKER pro tempore (Mr. LIPINSKI). Under a previous order of the House, the gentleman from Florida [Mr. NELSON] is recognized for 5 minutes.

Mr. NELSON of Florida. Mr. Speaker, another newspaper headline tells the tale of continuing computer crime. According to the USA today, just recently 23 computer hackers caused "significant damage" to Chase Manhattan Bank's records.

Last year this body passed the first Federal law addressing computer crime, and this particular incident is likely prosecuted with that statute. However, the fact remains that our Nation's computer systems remain vulnerable to attack by malicious criminals who would use the tremendous capabilities of these machines for illegal gain.

This year I have introduced legislation, H.R. 930, to expand the current law to cover abuses and breakins of computer systems which operate in interstate or foreign commerce. I believe it is important to safeguard the business records of the systems our economy relies on daily—not just the Federal Government computers and certain banking records—and to protect the interests of the country's citizens. Earlier this year we heard testimony on this subject before the Judiciary Subcommittee on Crime, chaired by my distinguished colleague [BILL HUGHES]. I am hopeful we will move forward with legislation to broaden the coverage of the present law later this fall.

As computers become ubiquitous to our society, this type of crime will proliferate. Often unbeknownst to its victims, it is reaching into the pocketbooks of the Nation's consumers. I believe we must provide adequate deterrents to this type of activity and responsibly address the issue of computer crime in the Congress.

I respectfully request insertion of the October 18, 1985, USA Today article at this point in the RECORD:

[From USA Today, Oct. 18, 1985]

COMPUTER HACKERS VEX NO. 3 BANK

(By Jack Kelley)

A gang of 23 teen-age computer hackers has done "significant damage" to Chase Manhattan Bank's records.

The teens changed secret passwords to bar rightful users from getting access to financial records, altered accounts and tampered with the money transfer system, FBI's Gary Laturno said Thursday.

They made 40 attempts to break into the system, says an affidavit filed in federal court in San Diego.

FBI agents seized computers, keyboards, modems and software from homes in seven Southern California counties in what experts are calling the USA's largest hacker round-up.

But no arrests have been made in the continuing probe.

Officials of Chase Manhattan—the USA's third largest bank—said the unauthorized entries date back to June at Interactive Data Corp., in Waltham, Mass., where the computer records are stored. They are still assessing the damage.

If prosecuted the teens could face up to $100,000 in fines, a year in prison, or both.

There are about 30,000 computer hackers, but only a few hundred reportedly "break" into other computers. Hacking is against the law in 46 states, said Jay BloomBecker, director for the National Center for Computer Crime Data.

BloomBecker predicts an increase in hacking in the next decade: "Many businesses are somewhat slow" in tightening up computer security.

CONSULTATION ON THE REFUGEE ADMISSIONS PROGRAM FOR FISCAL YEAR 1986

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey [Mr. RODINO] is recognized for 5 minutes.

Mr. RODINO. Mr. Speaker, the Refugee Act of 1980 (Public Law 96–212) requires the President to consult with Congress prior to the beginning of each fiscal year on his proposals for refugee admissions for the coming year.

The consultation was initiated with the following communication:

U.S. COORDINATOR FOR
REFUGEE AFFAIRS,
Washington, DC, September 10, 1985.

Hon. PETER W. RODINO, Jr.,
Chairman, Committee on the Judiciary, House of Representatives.

DEAR MR. CHAIRMAN: In accordance with the Refugee Act of 1980, I am pleased to transmit the President's recommendation for the Fiscal Year 1986 refugee admission ceiling in preparation for our annual consultations with the Congress.

The Administration's final determination on admission levels and regional allocations will be made only after we have carefully considered Congressional and other views expressed during the consultation process.

Sincerely,

H. EUGENE DOUGLAS,
Ambassador at Large.

THE WHITE HOUSE,
Washington, September 10, 1985.

Memorandum for the Honorable H. Eugene Douglas, United States Coordinator for Refugee Affairs.

Subject: FY 1986 Refugee Consultations.

In accordance with the Refugee Act of 1980, I have approved the following ceilings for consultations with the appropriate committees of the Congress concerning FY 1986 refugee admissions.

The admission of up to 70,000 refugees to the United States during FY 1986 to be allocated among the regions of the world as follows: 48,500 for East Asia; 9,500 for the Soviet Union/Eastern Europe; 6,000 for the Near East/South Asia; 3,000 for Africa; and 3,000 for Latin America/Caribbean; and

An additional 5,000 refugee admissions numbers which shall be made available for the adjustment to permanent residence status of aliens who have been granted asylum in the United States, as this is justified by humanitarian concerns or is otherwise in the national interest.

Further in accordance with provisions of the Immigration and Nationality Act, I propose to specify that special circumstances exist that for the purposes of admission, the following persons, if they otherwise qualify for admission, may be considered refugees of special humanitarian concern to the United States even though they are still within their countries of nationality or habitual residence:

Persons in Vietnam with past or present ties to the United States, including Amerasian children; and

Present and former political prisoners, and persons in imminent danger of loss of life, and their family members, in countries of Latin America and the Caribbean.

RONALD REAGAN.

Adhering to the two-tier consultation format used in prior years, I, as chairman of the Committee on the Judiciary, convened on September 19, 1985, first, a closed meeting between Secretary of State George Shultz and the committee's consultative members, ranking minority member, Congressman HAMILTON FISH, JR., the chairman and ranking minority member of the Subcommittee on Immigration, Refugees, and International Law, Congressman ROMANO L. MAZZOLI, and DANIEL LUNGREN, respectively, and myself.

This closed meeting was followed immediately by an open public hearing by the full committee.

The following tables were supplied as background information for members of the committtee:

REFUGEE ADMISSIONS LEVELS SINCE ENACTMENT OF REFUGEE ACT OF 1980

	President's proposal	President's determination	Actual admissions
Fiscal year:			
1981	217,000	217,000	159,252
1982	173,000	140,000	97,355
1983	98,000	90,000	61,681
1984	72,000	72,000	71,113
1985	70,000	70,000	68,100

Proposed U.S. refugee admissions in fiscal year 1986

Area of origin	
Africa	3,000
East Asia [1]:	
First asylum countries	40,000
ODP from Vietnam	8,500
Eastern Europe and the Soviet Union	9,500
Latin America and the Caribbean	3,000
Near East and South Asia	6,000
Total	70,000

[1] In order to differentiate between those Indochinese refugee admissions from East Asia coming from first asylum countries and those coming directly from Vietnam, a separate admissions ceiling is again being proposed for the Orderly Departure Program.

ESTIMATED COSTS OF REFUGEE MOVEMENT TO AND RESETTLEMENT IN THE UNITED STATES—FISCAL YEAR 1985 AND FISCAL YEAR 1986

[Dollars in millions]

Agency	Fiscal year 1985 program total cost	Fiscal year 1986 Arrivals 1986	Prior	Total
Department of State				
Bureau for Refugee Programs:				
Volags' Services Overseas	$16.0	$15.0	.....	$15.0
Language/Orientation Programs Overseas	18.2	18.3	.....	18.3
Transportation loans	29.0	36.3	.....	36.3
Reception and placement agreements	40.8	60.5	.....	60.5
Subtotal	103.2	130.1	.....	130.1
Department of Health and Human Services				
Office of Refugee Resettlement: [1] [2]				
State administered programs	425.5	91.4	$208.3	299.7
Voluntary agency programs	4.0	2.0	.....	2.0
Preventive health	8.4	9.0	.....	9.0
Federal administration	6.5	5.9	.....	5.9
Subtotal	444.4	108.3	208.3	316.6
Other HHS [3]				
Aid to Families with Dependent Children	70.6	9.7	49.5	59.2
Medicaid	45.2	6.3	37.6	43.9
Supplemental Security Income	8.2	1.3	5.7	7.0
Subtotal	124.0	17.3	92.8	110.1
Department of Agriculture [3]				
Food Stamps, subtotal	126.7	25.9	99.8	125.7
Grant total	798.3	281.6	400.9	682.5

[1] Includes funds for refugee assistance only. Cuban/Haitian entrant funds that are appropriated for use by ORR are not included.
[2] Includes carry over fiscal year 1984 T.A. funds (part of the State administered program of $39.0 million).
[3] Includes cost estimates only for refugees' first 36 months in the United States.

U.S. CONTRIBUTIONS TO INTERNATIONAL REFUGEE SITUATIONS, FISCAL YEAR 1985 AND FISCAL YEAR 1986

	Fiscal year 1985 estimate as of August 1985	Fiscal year 1986 appropriation request
U.N. High Commissioner for Refugees (UNHCR):		
Africa	[1] 52,500,000	42,000,000
East Asia: Indochinese	17,450,000	12,700,000
East Asia: Anti-Piracy Program	5,000,000	1,000,000
East Asia: Orderly Departure Program	800,000	800,000
Latin America	12,000,000	12,500,000
Near East and South Asia: Pakistan	[2] 19,500,000	17,000,000
UNHCR subtotal	107,250,000	86,000,000
U.N. Relief and Works Agency for Palestine Refugees in the Near East (UNRWA)	[3] 75,000,000	67,000,000
Refugees resettling in Israel	15,000,000	12,500,000
International Committee of the Red Cross:		
Ordinary budget	2,000,000	2,000,000
Africa	[4] 18,500,000	6,500,000
East Asia: Khmer relief	[5] 2,000,000	2,000,000
Latin America	3,000,000	3,200,000
Near East and South Asia: Pakistan	726,000	1,200,000
ICRC subtotal	26,226,000	14,900,000
Other:		
Africa: Special Projects	4,000,000	2,500,000
Africa: Local Settlement	9,000,000	0
Africa: Emergency	3,500,000	0
East Asia:		
Khmer relief		
UNBRO	[6] 11,500,000	9,500,000
Other	500,000	500,000
Near East and South Asia: Pakistan	[2] 2,174,000	1,800,000
Intergovernmental Committee for Migration [ICM]	5,000,000	5,000,000
Other subtotal	35,674,000	19,300,000
Administration [7]	8,150,000	7,880,000
Subtotal: Refugee Program	267,300,000	207,580,000
Other assistance: Food for Peace (Public Law 480, title II) [8]	150,000,000	150,000,000
Grand total	418,300,000	357,580,000

[1] Includes $10.5 million from the Emergency Refugee and Migration Assistance Fund [ERMA].
[2] Does not include rupee contributions equivalent to $3 million for UNHCR and $750,000 for the ICRC for fiscal year 1985 and similar amounts in fiscal year 1986.
[3] Includes $8 million from ERMA.
[4] Includes $12 million from ERMA.
[5] Includes $500,000 from ERMA.
[6] Includes $1.5 million from ERMA.
[7] Portions of these funds are associated with the costs of the U.S.S Refugee Admissions Program.
[8] Estimate as of August 25, 1985.

In the closed meeting with the consultative members, Secretary of State Shultz presented the President's proposal for the admission of 70,000 refugees in fiscal year 1986. He explained that the President wished to maintain a separate ceiling for the Orderly Departure Program to assure the ASEAN countries that an expanding ODP will not decrease resettlement from first asylum lamps and secondly, to reiterate that the United States is prepared to make good on its offer made last year to accept a large number of Amerasians and "reeducation camp" prisoners. The Secretary stated that "once again in 1985, the United States played a major part in responding to urgent refugee needs—both through life-saving assistance overseas and through resettlement in the United States where necessary."

Immediately following the closed meeting, the full committee held an open hearing on the President's refugee admissions proposal for fiscal year 1986. The following witnesses were heard by the committee:

Ambassador H. Eugene Douglas, U.S. Coordinator for Refugee Affairs;

Edward J. Derwinski, Counselor, Department of State;

James N. Purcell, Jr., Director, Bureau of Refugee Programs, Department of State;

Alan C. Nelson, Commissioner, Immigration and Naturalization Service, Department of Justice; and

Dr. Phil'ip Hawkes, Director, Office of Refugee Resettlement, Department of Health and Human Services.

Following the completion of the consultation process, the consultative members addressed the following letters to the President:

COMMITTEE ON THE JUDICIARY,
Washington, DC, September 23, 1985.

The PRESIDENT,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: We have completed the consultative process mandated by P.L. 96-212, the Refugee Act of 1980, with regard to refugee admissions and allocations for FY 1986 as recommended by you in your memorandum dated September 10, 1985 to Ambassador H. Eugene Douglas, U.S. Coordinator for Refugee Affairs.

The proposal, as transmitted to us on the same date, provides for a ceiling of 70,000 refugees allocated as follows: 48,500 for East Asia; 9,500 for the Soviet Union/Eastern Europe; 6,000 for the Near East/South Asia; 3,000 for Africa and 3,000 for Latin America/Caribbean; and an additional 5,000 refugee admission numbers which shall be made available for the adjustment to permanent residence of certain qualified aliens.

We are pleased to advise you that we interpose no objections to the number and allocations as recommended.

We believe, however, that no reallocation of refugee numbers between regions should take place during the fiscal year without notifying the Committee on the Judiciary sufficiently in advance to permit an expression of an opinion should it be deemed advisable.

We are concerned about two financial aspects of the FY 1986 refugee admissions program: one, the proposed action to be taken (contrary to the position of the House of Representatives) regarding the Matching Grant Program administered by the Office of Refugee Resettlement of the Department of Health and Human Services; and two, the effect of the Appropriations Committee's action in cutting $45 million from the refugee resettlement program.

We urge that the reductions (per capita and total funding) in the Matching Grant Program as proposed by the Administration be suspended until completion of Congressional consideration of the refugee reauthorization legislation. The Judiciary Committee and the full House of Representatives have recognized the importance of this program and, as a result, recently recommended against any funding reductions (Sec. 7 of H.R. 1452, as passed by the House of Representatives on June 13, 1985).

With regard to the overall budget, we believe it is incumbent upon the Administration to take all necessary action to provide adequate funds to finance the refugee admissions program ultimately decided upon by you in consultation with the Congress. If adequate funding is not available through the regular appropriations process and if the reprogramming of funds is not a viable alternative, we would expect the Administration to submit to the Congress a supplemental budget request for any additional appropriations which may be necessary to

fund the refugee admissions program which you determine for FY 1986.

As in the past, the Committee would appreciate being kept informed on a monthly basis with regard to the progress of the FY 1986 refugee admissions program.

We wish to convey our thanks to Secretary of State Shultz, the U.S. Coordinator for Refugees and the representatives of the Department of State, Justice and Health and Human Services for their cooperation and assistance in this consultative process.

Sincerely,

HAMILTON FISH, Jr.,
Ranking Minority Member,
PETER W. RODINO, Jr.,
Chairman, Committee on the Judiciary.

COMMITTEE ON THE JUDICIARY, SUBCOMMITTEE ON IMMIGRATION, REFUGEES AND INTERNATIONAL LAW,
Washington, DC, September 27, 1985.

The PRESIDENT,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: This is to advise you of several of my deep concerns relating to the Administration's refugee admissions' proposal which was presented to the consultative members of the Committee on the Judiciary by the Secretary of State on September 19, 1985.

First of all, I do not believe the proposed 70,000 refugee numbers is consistent with the Administration's previously stated objective of "managing down" the Indochinese refugee program. Since the refugee situation in Indochina has not worsened over the past year and in view of the fact that the countries in the region are following a humane first asylum policy, I see no valid reason why admissions cannot be reduced for Fiscal Year 1986.

Second, there is a likelihood that the House will follow the lead of its Appropriations Committee and reduce the funding level for the refugee program. We were told that such an action could have the effect of reducing the refugee admissions' level to 53,000. I am not wedded to an admissions number, but 53,000 may be an appropriate admissions level in light of possible funding cuts and in light of the fact that may domestic programs for poor and underprivileged Americans have recently suffered drastic budget cuts.

As you know, I fought hard to maintain the Judiciary Committee's recommended funding for the domestic resettlement program during House floor consideration of the Refugee Reauthorization legislation. My efforts were unsuccessful. The recommendations of my Subcommittee which had been accepted by the full Judiciary Committee were flatly rejected by our colleagues. This underscores the need to deal realistically in setting admissions levels with likely funding reductions.

The United States should not admit any more refugees for resettlement than it is willing to properly finance. Accordingly, and in further light of the Administration's decision to terminate targeted assistance to communities heavily impacted by refugee admissions, I think the admissions numbers should be reduced.

Thirdly, Mr. President, the State Department has failed to commit the necessary personnel and resources to monitoring the use of the millions of dollars it grants to the voluntary agencies to resettle refugees. I have brought this often to the attention of the Secretary of State, but I do not sense he shares my concerns in this regard. I continue to believe strongly that a greater commitment must be made to ensuring that the taxpayer is getting the most "bounce for the buck" in the cooperative agreements.

Fourthly, the Department of State and Health and Human Services should make every effort to expand the role of Mutual Assistance Associations (MAA's) in the resettlement process. A refugee's own countrymen and women, who have made the tough journey from refugee to productive U.S. citizen are often in the very best position to help that individual enter the mainstream promptly and with as little trauma as possible.

The House Refugee Reauthorization bill recognizes that MAA's are underutilized, and I would urge the Administration to take concrete steps to achieve a greater use of this resource administratively without awaiting Congressional passage of the Refugee bill.

Fifthly, I am concerned that the State Department has not sufficiently pursued in Southeast Asia the preferred response to refugee problems, that is, voluntary repatriation. I do not feel the U.S. has actively pressed the U.N. High Commissioner for Refugees (UNHCR) to intensify its efforts to voluntarily repatriate refugees back to Vietnam, particularly unaccompanied minors in closed camps in Hong Kong. Nor, have we adequately pressed the Thai Government, the Laotian Government, and the UNHCR on the question of returning Laotians to Laos who are determined not to be refugees after requisite screening. Unless these matters are addressed in an urgent fashion, I am convinced that a broad use of voluntary repatriation in suitable cases will never get off the ground.

Sixth, the second preferred approach to refugee problems—local settlement, i.e. allowing refugees to remain permanently in the country in which they sought asylum—has not been vigorously pursued by the State Department in Thailand. For many years the Committee has been told that "now is not the time to raise the issue" of local settlement of Laotian highlanders in Thailand. I think, instead, Mr. President, that the time has come to raise the issue with the Thai Government contemporaneously with announcing the refugee admission numbers for 1986. In addition to local settlement, U.S. officials should continue to press with Thai officials the sea piracy issue prior to commiting our Government to resettling a specific number of refugees from Thailand.

Seventh, the fact that some 23,000 persons are already in the refugee pipelines makes the Executive-Legislative consultation process less a consultation than a cut-and-dried notice. To the extent that the U.S. has placed refugees in a Refugee Processing Center (like Bataan) the U.S. has agreed to admit the refugees. So in future years, I hope the Administration could note clearly and in a separate category the refugees in the "pipeline". Presented this way in the Administration's consultation documents, the Committee will be able to more accurately reach its decisions on refugee admission recommendations.

Finally, but certainly not the least important, is my serious concern that our admissions program is tilted too heavily toward Indochinese refugees. I believe we must have a better regional and nationality balance in our program. The Refugee Act of 1980 was intended to eliminate ideology and geography as the controlling factors in our refugee admission program. We seem not to have accomplished this most important objective and a more balanced program would certainly be a step in the right direction.

I appreciate this opportunity to share with you my views and concerns on your admissions proposal and on the refugee program in general. I believe we have made great strides since the enactment of the Refugee Act and I look forward to discussing these matters further with your representatives in the Department of State, Justice and Health and Human Services.

Sincerely,

ROMANO L. MAZZOLI,
Chairman.

COMMITTEE ON THE JUDICIARY,
Washington, DC, September 30, 1985.

The PRESIDENT,
The White House, Washington, DC.

DEAR MR. PRESIDENT: I am pleased to have been able to participate in the consultative process mandated by P.L. 96-212, the Refugee Act of 1980, with respect to refugee admissions and allocations for fiscal year 1986. While I am in general agreement with the Chairman of the Committee, Mr. Rodino, and the Ranking Minority Member, Mr. Fish, I do wish to make a couple of personal observations, some of which I brought up during the course of our meeting with Secretary of State George Shultz on September 19.

As the Ranking Republican on the Subcommittee on Immigration, Refugees, and International Law, I am sensitive to the need for the United States to assume a leadership role in the resettlement of refugees. But, as the consultative report correctly noted, we already carry the bulk of the responsibility for the support and resettlement of refugees worldwide. In recent years, we have been particularly generous.

Funds, though, are finite, and while I support and endorse the Administration's recommended ceiling of 70,000, I would hope that the necessary funding level could be achieved in ways other than enhanced Federal expenditures. For example, I mentioned to Secretary Shultz the possibility of reprogramming funds in such a way as to make up the difference between the Administration's request and the amount likely to be appropriated by the Congress. I think, too, that we should consider approaching allies, such as Japan, who, for internal political reasons, decline to resettle significant numbers of refugees. If such nations prefer not to accept their fair share of refugees, they should be willing to contribute to the expenses of those who do.

Lastly, I also want to emphasize, as I have in the past, the urgent need for effective and accelerated English training. Perhaps if there were more of an emphasis on such training in camps outside the United States, time there could be reduced and funds could be saved. If we are to reduce refugee welfare dependency, which is unacceptably high in our home State of California, then we must stress English training.

I join with my colleagues in expressing the hope that the Committee will be kept informed with regard to the progress of the FY 1986 refugee admissions program, and I wish to express my appreciation to you and to your Administration for your help and cooperation throughout the consultative process.

Sincerely,

DANIEL E. LUNGREN,

Ranking Minority Member, Subcommittee on Immigration, Refugees and International Law.

The following Presidential determination, No. 85-21, dated October 16, 1985, was transmitted to the Congress by Ambassador H. Eugene Douglas on October 18, 1985:

U.S. COORDINATOR
FOR REFUGEE AFFAIRS,
Washington, DC, October 18, 1985.

Hon. PETER W. RODINO, Jr.,
Chairman, Committee on the Judiciary, House of Representatives.

DEAR MR. CHAIRMAN: In accordance with the provisions of the Refugee Act of 1980 and after consulting with the Congress, the President has established the refugee ceiling for Fiscal Year 1986.

I have the honor of transmitting a copy of the Presidential Determination dated October 16, 1985.

Sincerely,

H. EUGENE DOUGLAS,
Ambassador at Large.

Attachment.

THE WHITE HOUSE,
Washington, October 16, 1985.

PRESIDENTIAL DETERMINATION No. 85-21

Memorandum for the Honorable H. Eugene Douglas, United States Coordinator for Refugee Affairs.

Subject: FY 1986 Refugee Ceilings

In accordance with the relevant statutes and after appropriate consultations with the Congress, I have determined that:

The admission of up to 67,000 refugees to the United States during FY 1986 is justified by humanitarian concerns or is otherwise in the national interest;

The 67,000 worldwide refugee admission ceiling shall be allocated among the regions of the world as follows: 37,000 for first asylum from East Asia and 8,500 for the East Asian Orderly Departure Program; 9,500 for Eastern Europe and the Soviet Union; 6,000 for the Near East and South Asia; 3,000 for Africa; and 3,000 for Latin America and the Caribbean.

An additional 5,000 refugee admissions numbers shall be made available for the adjustment to permanent resident status of aliens who have been granted asylum in the United States, as this is justified by humanitarian concerns or is otherwise in the national interest.

In accordance with provisions of the Immigration and Nationality Act and after appropriate consultations with the Congress, I specify that special circumstances exist such that, for the purposes of admission under the limits established above, the following persons, if they otherwise qualify for admission, may be considered refugees of special humanitarian concern to the United States even though they are still within their countries of nationality or habitual residence:

Persons in Vietnam with past or present ties to the United States, including Amerasian children; and

Present and former political prisoners, and persons in imminent danger of loss of life, and their family members, in countries of Latin America and the Caribbean.

This determination shall be transmitted to Congress immediately and shall be published in the Federal Register.

RONALD REAGAN.

ORDER OF BUSINESS

Mr. PARRIS. Mr. Speaker, I ask unanimous consent that my special order precede the special order of the gentleman from Texas [Mr. BARTON].

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

REAFFIRMING DEPOSITS AT ALL FEDERALLY INSURED INSTITUTIONS ARE BACKED BY THE U.S. TREASURY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia [Mr. PARRIS] is recognized for 60 minutes.

Mr. PARRIS. Mr. Speaker, I appreciate the approval of the gentleman from Texas [Mr. BARTON] for this agenda change.

Mr. Speaker, I have today introduced legislation which reaffirms that deposits at all federally insured institutions are backed by the full faith and credit of the U.S. Treasury. A similar resolution, House Concurrent Resolution 290, passed the House of Representatives on March 18, 1982, by an overwhelming margin of 382 to 7. The Senate passed this guarantee to depositors unanimously. I commend that resolution to my colleagues and am confident it will receive substantial support.

I take the well of the House today, Mr. Speaker, in an attempt to increase what I have called less than complete public understanding of the problems facing the Nation's thrift industry. Regulators at the Federal Savings and Loan Insurance Corporation [FSLIC], which protects depositors' accounts up to $100,000 per depositor per institution, have become increasingly concerned about a portion of the savings institutions it insures. The problem is twofold: in our older, industrial States, thrifts are still crippled by interest rate problems left over from the collapse of 1981-82.

□ 1645

In some of our Sunbelt States a new, potentially more costly problem has emerged related to exposure to credit risk. Eighty percent of the thrift industry's problems are in four States: California, Texas, Florida, and Louisiana, but in those States particularly, those problems are severe.

I want to assure my fellow Virginians that, according to Federal regulators, Virginia savings institutions are generally very safe and sound.

Scores of our Nation's thrifts see little prospect of an early return to profitability; therefore, these institutions have little to lose by making highly speculative loans and direct equity investments with money obtained from the Federal credit window; they know the FSLIC will cover all their losses. The situation therefore, amounts to an industry that is steadily deteriorating—a condition that can no longer be tolerated.

The Chairman of the Federal Home Loan Bank Board has testified that the insurance fund could be at zero balance within a year. An independent study by the General Accounting Office [GAO] reveals that 42 percent of all savings institutions are insolvent or have a dangerously low net worth. This group of 1,343 institutions, at the end of 1984, had roughly one-half of the industry's assets, $483.7 billion. Most are not earning a profit and are, in fact, accumulating losses. Over time, the potential cost of liquidating all these troubled institutions is estimated at between $15 and $20 billion. The cost could even amount to between $30 and $50 billion, according to FSLIC officials.

This far outstrips the insurance fund's current reported $3.2 billion unobligated balance. The GAO study is important because it focuses on the low net worth of the entire thrift industry and provides an independent assessment of the number of insolvent institutions that may need assistance from the FSLIC. The numbers also demonstrate that Congress was correct in adopting the principle of expanded powers for thrifts in 1980 and 1982 in order to allow the market value of the thrift industry's sagging loan portfolio to recover from the ravages of inflation and to enjoy the benefits of a declining interest rate. In addition, it is clear that any attempt to require the industry to set aside a portion of its own resources would move an additional 159 thrifts into insolvency and categorize 247 more in a low net worth position, depleting funds available to protect the industry from future losses which would make the future even more bleak. But equally important, these powerful facts confront the Congress, thrift regulators, and the industry with a crucial window of opportunity to address the insolvency crisis at FSLIC before the cost escalates dramatically and the Nation's healthy and profitable thrifts are adversely affected by the unfortunate condition of low negative net worth, which is the condition of a portion of thrift institutions now.

Mr. Speaker, these are the unfortunate facts we have gathered from conversations with top officials at the insurance fund and experts who have investigated the thrift industry at the General Accounting Office, Congress' independent auditor.

Let me hasten to add, the thrift industry is in the midst of a serious situation, but there is no reason for the average depositor to be concerned. Congress will never allow deposits at federally insured savings institutions to be lost. That precedent has been

firmly established and will not be repudiated. In 1982, when a portion of the thrift industry was collapsing, Congress pledged the full faith and credit of the U.S. Treasury in support. I don't believe there is one Member of Congress who does not feel obligated to stand behind his promise, even though the thrift industry may face much more costly problems today. No account holder should feel compelled to withdraw their deposits from their neighborhood savings and loan. Yet all of us as taxpayers must urge the thrift industry, its regulators, and we in the Congress to calmly and decisively begin improving the situation which exists at institutions that threaten this $1 trillion industry, the bulwark of our housing finance efforts. We simply cannot afford to ignore the situation any longer. It would be unthinkable to permit the excesses of a few to jeopardize the future of the many in this important industry.

The real issues surrounding this crisis, Mr. Speaker, only indirectly relate to the current balance of the Federal Savings and Loan Insurance Fund. We must begin to consider the questions: How many thrifts will or should be allowed to fail? Who will pay to correct this increasingly serious situation? How much will it cost the Nation's taxpayers? And how many profitable thrifts will be adversely affected by the mistakes in judgment by a number of thrifts that are already insolvent or floundering in low net worth?

I wholeheartedly agree with the principals advocated by the Federal Deposit Insurance Corporation, the insurer of commercial banks' deposits.

Public confidence in the banking system is enhanced when the public receives fair and meaningful disclosure, and confidence is eroded when the public believes it is being decieved or is not receiving all the facts it needs to evaluate a situation.

As one Member of Congress and one member of the House Banking Committee, I believe it is long since past time to be candid with America about the extent of the problems at the Federal Savings and Loan Insurance Corporation. Therefore these remarks are the beginning of what I hope will be increased candor by all concerned with this situation.

FSLIC is a wholly owned Government Corporation that is governed by the Federal Home Loan Bank Board. FSLIC is responsible for insuring the safety of deposits in thrift and home financing institutions.

At my request, a team of economists at the General Accounting Office [GAO] has compiled the most up-to-date public analysis of the problems facing the thrift industry and the solvency of the insurance fund available. "Thrift Industry Problems: Potential Demands on the FSLIC Insurance Fund," dated October 23, 1985, was prepared by and through the auspices of the GAO.

This independent analysis of the perilous financial condition of a significant portion of thrift institutions insured by the Federal Savings and Loan Insurance Corporation dramatically illustrates the problems faced by the fund. What's more, GAO's timely study exposes the strains a significant number of financially distressed thrifts have placed on the large majority of savings and loans who have labored to retain a margin of profitability.

These glaring numbers illustrated in tables and charts, to which I will refer throughout these remarks, are based on data supplied to the GAO by the Federal Home Loan Bank Board. The GAO analyzed the Bank Board's data in a sophisticated computer study, using one of the best data bases on the thrift industry currently available. The figures presented in the study are based on data from 1977 to December 31, 1984, and are consistent with historical data which is comparable over time. The numbers clearly show the developing trends.

By way of background, in the 1960's and 1970's, thrift industry profits were healthy. Commercial banks and savings institutions operated under interest rate ceilings. The financing of housing was a priority for this country, and savings and loans were given a slight advantage over commercial banks on what they could pay for deposits in order to compete with banks.

Savings and loans would take in deposits on a fixed rate basis and lend out those funds as home mortgages. Thrift failures were rare, but economic and financial upheavel in the 1970's began to unravel this scenario.

Inflation and a volatile interest rate environment left thrifts with an asset base of primarily long-term, fixed rate mortgages yielding lower rates of return than the institutions had to pay to attract deposits to support their loans. The easy days of thrift profits from fixed rate deposits loaned out as home mortgages were long gone.

Pressure built for Congress to address these structural problems. In 1980 Congress passed legislation to phase out consumer interest rate ceilings by 1986, with the passage of the Depository Institutions Deregulation and Monetary Control Act. Nevertheless, banks and thrifts remained hampered by interest rate ceilings and were losing deposits. Consumers had a choice about where they would deposit their money. Money market mutual funds, free to offer market rates, attracted over $200 billion by 1982. Consequently, the thrift industry was thrown into the throes of a real crisis between 1981 and 1982.

As interest rates soared to unprecedented heights, thrifts failed in record numbers. According to figures compiled by Washington Financial Reports a full 20 percent of the federally insured savings industry vanished between 1980 and 1984. FSLIC-insured thrifts either failed or were merged out of existence. The number of federally insured savings institutions fell from 4,002 in 1980 to 3,167 in 1984, with a record 252 thrifts failing in 1982. In contrast, only 117 savings institutions failed between 1934, when the FSLIC was set up, and 1980, a failure rate of 2.5 institutions per year, one one-hundredth of last years rate.

Congress soon realized that the process of lifting consumer interest rate ceilings had to be accelerated. Legislation passed in 1982, the Garn-St Germain Depository Institutions Act, thrust depository institutions onto the same level playing field as uninsured money market mutual funds. It gave federally insured institutions a money market deposit account, a ceiling-free, ready-access account and expanded operations opportunities. Once again, depository institutions could offer the small saver market rates of interest on savings.

Today, the thrift industry has approximately $1 trillion in total assets. Deposits amount to 80 percent of this $1 trillion figure. Net income, the after-tax profits for the industry, has improved for many thrifts, especially the larger, better managed thrifts. A great majority of federally insured thrifts—80 percent of all thrifts according to the Bank Board Chairman—are returning to profitability. Many analysts project that the savings and loan industry will earn between $4 and $5 billion in 1985. This year could well bring record profits for the industry, but earnings are still a modest return on assets when compared with other commercial ventures. However, the thrift industry's earnings are historically declining.

Let us look at the net income under table 1. From 1977 to 1984, and this is net income in billions of dollars, this rate of return on assets. It starts at roughly 0.8 and comes down in 1984 to 0.25, $5 billion on a $1 trillion investment.

The 1985 after tax earnings should be an improvement over the $2 billion in profits earned in 1983 and the $1.7 billion the industry earned in 1984. But let's put the $4 to $5 billion projected earnings for 1985 in proper perspective. They are a modest return when contrasted with the $1 trillion size of the industry. In fact, these earnings are probably overstated because the Bank Board and Congress have permitted creative accounting techniques to artificially increase net worth and earnings; the undesirability of these accounting methods will become clear when we examine the

net worth of FSLIC-insured institutions.

The rate of return on assets in the thrift industry has been steadily deteriorating—reduced from 0.80 to 0.25 percent return on assets—and casts doubt on whether the thrift industry can attract much needed new capital for private mergers of insolvent thrifts, at a time when regional and national banking are developing.

Let us now look at table 2, net worth as a percentage of total assets.

The net worth of federally insured savings institutions, that is assets minus liabilities, fell below 3 percent of assets at the end of 1984 for the thrift industry as a whole, according to the GAO study. This is measured according to generally accepted accounting principles. Industry analysts project that net worth will improve marginally in 1985, hovering around the 3 percent mark for the year; but that is still the level at which, under the Bank Board's own rules, an individual institution should be closed.

Net worth is one measure of how well protected against losses the thrift industry is. It presents a much truer snapshot of the industry than regulatory net worth, which was 3.8 percent for the last quarter of 1984. Regulatory net worth is measured according to the Bank Board's more liberal regulatory accounting principles [RAP].

Let me give you a short lesson on thrift accounting history.

In 1980, net worth for all FSLIC-insured institutions was roughly 5.5 percent, as measured by the Bank Board's regulatory accounting standards and generally accepted standards. But net worth plunged between the middle of 1980 and the end of 1984. Remember, the industry was caught between the one-two punch of long-term, fixed rate mortgages yielding lower rates of return than the thrifts had to pay to attract deposits to support their loans.

Confronted with a collapsing thrift industry, the Bank Board, with Congress' blessing, devised new definitions of net worth for regulatory purposes.

□ 1700

Prior to the adoption of these creative accounting reforms, FSLIC could close or bail out a savings institution when its net worth fell below 5 percent. This was eased to 4 percent in 1980 and dropped to 3 percent in 1982.

Regulatory net worth is calculated according to regulatory approved principles. It is a Washington devise that many disdainfully call creative accounting. RAP amounts to a two-front assault on a sinking balance sheet.

Let me define RAP for you very quickly. RAP is regulatory net worth, which is the sum of preferred stock, the permanent reserve or guaranty stock, paid-in surplus, qualifying mutual capital certificates, qualifying subordinated debentures, appraised equity capital, net worth certificates, accrued net worth certificates, income capital certificates, reserve, undivided profits, retained earnings and net undistributed income.

GAAP is net worth, as defined under generally accepted accounting principles. It excludes the components of regulatory net worth. Deferred net losses on loans and other assets sold are also excluded from the assets. TAP is tangible net worth, which is GAAP net worth, less good will and other intangible assets.

Now, on table 5, net worth certificates, the capital, as shown on the net worth certificates figure here, capital is bolstered through the use of a device called net worth certificates, a paper for paper exchange between the insurance fund and an ailing thrift, which can list them as assets. It is kind of a fancy IOU. If net worth certificates are not enough to prop up a savings and loan, then when FSLIC takes over an insolvent thrift, it can make another capital infusion called income capital certificates.

These are the figures again from 1977 through 1984 in those categories.

According to the Bank Board Chairman, FSLIC has had to reduce its inobligated insurance balance by $580 million in 1985, this year alone, in order to bail out just 17 thrifts with these capital infusions, and the meter is still running. The Chairman has said that more than a billion and a half dollars may be needed to sustain these and other thrifts before the end of this year.

Now, let us look at deferred losses in this chart, right here.

At the end of 1984, regulatory net worth appears to be a somewhat stronger percentage of assets, right here. The thrift industry does not earn profits on these assets, and good will, which is the next column, is 63 percent of the total net worth. It is pumped into net worth, but you must remember that all of these are nonperforming assets and do not generate profits. Deferred losses work this way: You sell your bad assets, but you only acknowledge 10 percent of the loss. Over the next 10 years, you carry the balance as a remaining asset, which it clearly is not. Deferred losses equal full 17 percent of the RAP net worth of insured institutions in this Nation.

Let us go to table 3, GAAP insolvent thrifts.

The General Accounting Office reports that at the end of 1984, a total of 434 savings and loans and mutual savings institutions insured by the FSLIC, with total assets of $101.6 billion, are insolvent under generally accepted accounting principles. Ten percent of the industry's total assets are held in insolvent institutions. I am told by generally reliable sources close to the crisis that this number has recently increased by an additional 25, bringing the total to roughly 460 insolvent institutions.

Table 4, low net worth thrifts, is the next chart.

Unfortunately, more troubles loom on the horizon—909 Depository institutions insured by FSLIC, with total assets of $382.1 billion, have a low net worth of between 0 and 3 percent of assets. Again, the source of this information is the independent General Accounting Office relying on FSLIC's own numbers and reports. Keep in mind that savings and loans with a net worth below 3 percent were often closed by FSLIC before 1982.

If you combine the 909 thrifts with low net worth with the 434 insolvent thrifts being kept in business because FSLIC lacks the resources to reorganize them, you find a staggering 1,343 problem institutions. Viewed on a percentage basis, almost one-half of all thrifts still in business today, 42 percent, to be exact, should be technically closed if the regulatory standards were impartially applied.

On table 6 we have the estimates of FSLIC losses.

The cost to close just the 434 insolvent thrifts with negative net worth at the end of 1984 may have exceeded $15 billion. This figure does not include the potential cost of having to liquidate or assist the 909 thrifts with net worth between 0 and 3 percent at the end of 1984.

The $15-billion price tag is based on a 15-percent average cost to the insurance fund of dealing with failed institutions in 1984. Obviously, this potential cost is far in excess of the oftencited $3.2 billion FSLIC balance which FSLIC currently has on hand to insure over $800 billion of deposits.

The GAO cost is, again, probably conservative. The Bank Board Chairman recently told our committee that the loss ratio FSLIC is experiencing on bailout this year is between 15 and 20 percent. In Texas, the FSLIC estimates losses at some thrifts could go as high as 70 percent of their assets.

A high-ranking Bank Board official has told Members of Congress that the cost of ridding the savings and loan industry of all the threatened thrifts could cost between $30 billion and $50 billion over the next several years.

Early this fall, the head of the FSLIC told the House Banking Committee that the reserves of the insurance fund were $6.6 billion. On October 17, just several weeks ago, the Bank Board Chairman told the same panel that the unobligated reserves are currently $3.2 billion.

But he also conceded that $2.6 billion "represents the effective usable reserves of the fund available at this time to deal with the problem cases." And there is some confusion about whether that figure includes all of the

banks' obligations for income certificates and net worth certificates or not.

We know all too well that there is no shortage of problem thrifts. Right now, FSLIC is operating a holding operation for 18 insolvent thrifts it was forced to liquidate but for which it lacks a buyer. A team of recognized experts from solvent institutions, who are on loan to FSLIC under short-term management consignment contracts, operate these federally chartered institutions. FSLIC injects capital through income capital certificates.

When FSLIC reopens these managed thrifts, they begin with a negative net worth. FSLIC has put together a fine group of thrifts executives who are laboring mightily to straighten out these troubled institutions.

However, these 18 thrifts have cost the insurance fund $580 million in this year alone, over $32 million apiece per institution. Liquidity is provided through the reserve window at the Federal Home Loan district banks. To date, just these 17 thrifts received $1.2 billion in cash advances guaranteed by the Federal Savings and Loan Insurance Corporation.

The Chairman has admitted at the October 17 hearing that within the next 6 or 7 months the fund would be depleted by another $1 billion to $1.5 billion, just to keep alive the 17 thrifts it is operating under management contact, plus prop up another 30 to 70 thrifts located mainly in California and Texas.

FSLIC will receive up to $1 billion over the next year from a special premium assessed against the industry. Also, the fund will receive another billion dollars from investment revenue and from the regular industry premium, which is one-twelfth of the deposits of insured institutions.

But the Chairman has publicly stated that FSLIC "could run out of money much sooner than (a year) if we chose to resolve all these cases and not just keep them."

The magnitude of the problem, therefore, far outstrips FSLIC's current and future resources unless other funds are provided.

There are those in the thrift industry who indicate that the mounting problems among the 20 percent or so of the industry that are the most serious are not really significant because, with time, many of these institutions will recover. Meanwhile, FSLIC can quietly close the thrifts that are unable to make it.

Let us look now, briefly, at table 7, profit experience.

The GAO analysis contradicts this hope. The vast majority of insolvent thrifts for 1984 did not earn a profit for the year, when thrift performance is measured on an average annualized basis.

The economists at GAO found that of the 19 thrifts whose liabilities exceeded assets by 9 to 12 percent, only 1 turned a profit for the year. What is more, this group's rate of return on assets can only be considered a disaster, ranging from negative 3.2 percent to negative 8.12 percent. That means their net worth is falling every day and their problems are worsening, not improving.

The table shows that of the 334 thrifts whose liabilities exceeded assets by 0 to 6 percent, only 138 earned a profit for the year.

Of the 179 thrifts with a positive net worth, whose assets exceeded liabilities by 1 percent, only half, 89, managed to generate a profit. The average rate of return for this group was a negative 0.16 percent. The picture is not much better for many of the 302 thrifts with a net worth as a percentage of assets between 1 and 2 percent.

Therefore, the profit experience for these institutions with a negative net worth is generally one of declining net worth for every day they remained in business in 1984. These institutions are piling up losses, which clearly indicates we cannot reasonably expect that they could work themselves out of their unprofitable condition.

Figure 1 shows why.

This chart shows that the institutions with the greatest negative net worth are losing money at the fastest rate. That does not give you cause for great optimism that they can work themselves out of their own problems.

By comparison, there were 455 thrifts with a positive net worth, whose assets exceeded liabilities by 3 to 4 percent. This group's rate of return on assets is a positive 0.39 percent. Only 21 percent of this group failed to earn a profit in 1984. This is a positive sign and is cause for optimism in the future. But as shown in figure 1, the poor thrifts are getting poorer, and they are deteriorating rapidly. The ones whose net worth are the lowest are generally performing the worst. Congress, the regulators, and the healthy thrifts must act quickly to correct this imbalance.

Presently the guardians of our Federal Insurance Fund are powerless to act, except to move against the thrifts in the most dire straits. Unfortunate, yes, but reality. FSLIC officials are understandably apprehensive that if they enforce the law and close insolvent thrifts, the fund will be exhausted soon after they begin the job of reducing the number of threatened thrifts. Depositor confidence could be shaken, even though the full faith and credit of the U.S. Treasury stands behind insured thrift deposits. As you can see, there are so many problems and so little money.

This study clearly demonstrates that the longer FSLIC is immobilized, the higher the cost to the taxpayer will be and the greater the damage to the majority of all thrifts whose fortunes are, in fact, improving.

The complexion of thrifts' problems has changed from the earnings spread problems encountered we referred to in 1981 and 1982. The cost of correcting that situation is proving to be very minor, in comparison to the asset quality problems with which FSLIC is now confronted.

We were told on October 17 of this year that the cost of solving today's asset deterioration crisis is between 3 and 5 times as great as the earnings spread costs experienced in 1981 and 1982. At that time FSLIC spent 4 to 5 percent on bailouts. Today the cost is running between 15 and 20 percent of insolvent thrifts' assets.

Most of the thrift failures this year were largely due to bad judgment on real estate and credit extensions.

□ 1715

Recall that Congress passed legislation in 1980 and 1982 to assist thrifts to meet the changing competition. The 1980 law also granted federally chartered thrifts new authority to make commercial real estate and consumer loans and to invest in commercial paper and corporate securities.

The Garn-St Germain Depository Institutions Act, passed in 1982, greatly expanded savings institutions' power to make commercial real estate and consumer loans. The 1982 law also gave thrifts the power to make commercial loans. Many States also expanded the loans and investment powers of their State chartered, federally insured thrifts.

But clearly, real estate activities are the leading cause of today's thrift problems. Under current Federal regulation, federally chartered thrifts can invest, in effect, no more than 3 percent of their assets in direct real estate investments. These activities include the ownership of land held for development, commercial projects, and equity and service corporations.

But State chartered thrifts have been able to utilize a greater share of their assets in direct investments. In California, for example, State-chartered thrifts can invest up to 100 percent of their assets in real-estate development and other investment held on the thrift's behalf.

If the risky ventures pay off, then owners and lenders benefit. If they do not, then losses due to excessive risk taking by some thrifts may be borne by other, more conservatively managed instutitions, or ultimately, if the insurance funds were depleted, by the U.S. Treasury.

As I previously indicated, California, Texas, Florida, and Louisiana have lead the way in liberalizing direct investment and loan powers for their State-chartered thrifts. They are also

the States where the FSLIC is uncovering the most troubled institutions.

The worst failures have occurred in these four States, where the legislatures freely grant lending and investment powers in excess of Federal authority, but have no obligation to pay the cost when failures occur.

To his credit, the Bank Board Chairman recognized the risk to the fund taken by these State chartered thrifts and rushed through regulations that now require State-chartered thrifts to obtain Bank Board permission for direct investments greater than 10 percent of their assets.

It would be simplistic to say a problem of this magnitude has been caused by real estate activities alone. The problem is more widespread, and includes federally chartered institutions. While FSLIC stands by, unable to deliver the treatment of liquidation or assisted merger, desparate thrift executives who find themselves trapped in an unprofitable position are taking other types of big risks in a last ditch effort to grow out of their problems. Failures are inevitable.

"Common threads are woven through the fabric of such failure," the Chairman told us, "Exceedingly fast growth, very high levels of brokered funds, very poor underwriting of loans and investments, shoddy management systems and practices, atrocious recordkeeping, and questionable documentation, misleading and sometimes fraudulent behavior by those vested with a public trust as insured depository institution executives."

The Chairman lays much of the blame on "high flyers and daredevils," who have tried to grow out of their problems. For the last 2 years the industry has enjoyed an annual growth rate in deposits of 20 percent. Bank Board officials have told me they have found 25 thrifts in Texas that have been growing at a rate 70 to 90 percent above what the Board thinks is prudent.

The Bank Board recently provided congressional investigators a glimpse of the problems FSLIC has uncovered at a number of California thrifts now operated by the fund. The deposed executives of one large thrift invested in a mushroom farm and a tire retreading company, which FSLIC must now dispose of.

FSLIC is also trying to figure out what to do with Olympic Village, a Squaw Valley time-share resort, in which one federally chartered thrift invested. This investment, made without a feasibility study is a $750,000 a month drain on this FSLIC operated thrift. This thrift's problems are compounded by the drain created in its being the sole lender for another time-share developer with poorly planned locations throughout the country. All told, the thrift is losing $2 million a month on its holdings.

This same thrift's interest in vacation projects extended to its own facilities. It built a $25 million headquarters complete with executive bedrooms, wine cellar, racquetball courts, a two-story theater and a 30-foot waterfall. Shortly after this palatial headquarters was completed, the thrift collapsed. By now the excesses in some of the thrift industry are legend.

But even lending to those in the housing business has brought on problems for some savings institutions. In Texas, where FSLIC is bracing for more asset problems, a glut in apartment construction is forcing some thrifts that loaned money for construction projects to foreclose and sell the properties at a loss.

The Wall Street Journal reported on October 16 that Texas has accounted for fully half the Nation's apartments constructed since 1983. The article cited the problem landlords face in Fort Worth. In that city alone, experts predict that it would take an estimated 6 years to rent all the apartments now available and more are being built. The city's vacancy rate has hit 16 percent, up from 12 percent in 1984. Meanwhile, rents have remained stagnant.

Well-managed thrifts are being hurt by those with extended positions. A number of the FSLIC operated thrifts in California are unable to attract deposits without paying interest rates up to 1½ percentage points above the market rate. This is pushing up the cost of funds for the most healthy thrifts, and forcing them to redouble their loan and investment returns to cover the high rates of return they must meet to hold their position in the market.

Let us look at figure 2, consolidated bond financings.

Of even greater concern, Home Loan bank note rates are up since July of this year, possibly caused by a proposal to buttress FSLIC with an asset management division financed by Federal Home Loan Banks bond issues, a so-called section 406 bank.

Clearly, sophisticated investors are beginning to attach risk to the bank's offerings, and investors are demanding higher rates of interest for these securities. This is January 1984, and this is October of 1985. You can see a general trend here until just about the middle of this summer, when in fact the consolidated bond financing rates for regional Federal Home Loan Bank Boards jumped about 15 basis points.

The Maryland and Ohio thrift crises precipitated by State insurance failures reveals how precious depositor confidence is to the stability of a thrift system, while at the same time demonstrating how fragile this important resource is.

If the danger of unacceptable low net worth ratios are not soon addressed, it could quickly spread and unfairly threaten some of our Nation's large number of stable, profitably managed, secure savings and loans which are the institutions that are taking prudent steps to build on increased earnings.

If depositors are not comfortable with and do not have confidence in their thrifts, what is there to prevent a huge drain of thrift deposits into commercial banks, which are protected by a much stronger Federal Deposit Insurance Corporation—FDIC?

Healthy thrifts, therefore, have much to gain in the long run from the correction of the problems of the important portion of their industry that is troubled.

Let us now go to table 8, the market value of assets.

This table clearly indicates that the losses have been reduced by adoption of the banking legislation of 1982. Table 8 also shows that even the troubled thrifts, with low-yielding loans in the early 1980's, have gained from adjustable rate mortgages and lower interest rates. The market value of the loan portfolio of these 66 thrifts who received net worth certificates and that was their definition, those 66, has gained by about one-third between the end of 1982 and 1984. Thus, the market value of the entire industry is dramatically higher today than it was 2 years ago.

□ 1725

Should we wait much longer? No, interest rates will probably not trend much lower, if at all. Can we afford to rely on the uncertainty of the continuation of relatively low interest rates into 1986, which would permit healthy thrifts to maintain favorable earnings spreads and profits?

Even if rates did continue to decline, it is not clear that additional delay would prove beneficial to the thrift industry. Consumers will begin to refinance their mortgages in greater numbers if rates continue to drop and this could erode the market value of many thrifts' assets even further.

What's more, with regional banking a reality and nationwide banking being advocated by many, the value of a thrift charter to those interested in its advantages will not last for long and voluntary mergers with profitable institutions in the future will become more difficult to arrange.

We now, therefore, have a window of opportunity in which the cost to the taxpayers of liquidating or merging thrifts can be minimized. The benefits of waiting have already been maximized.

So, what do we do about the situation?

There are no easy answers to the severe problems facing the thrift industry and its insurance fund. We

have only painful, costly options. Frankly, there is no ready cure. I can only begin to identify for my colleagues in Congress a menu of possible alternatives available. Many of these entrees are so costly that perhaps none of us could support any or all of them.

The alternatives available must also be considered against our current backdrop of money problems:

We have a $180 billion national deficit; Congress is being asked to consider a multibillion-dollar bailout of the farm credit system; we may have to provide billions of dollars of funds to our neighbors in the less developed countries who are running out of cash and cannot obtain loans from the international banking system because these countries are no longer good credit risks.

Nevertheless, we must address the immediate and long-term funding problems that face the Federal Savings and Loan Insurance Fund. Through a combination of some of the following alternatives, and those that are developed through the ingenuity of the many responsible parties at work to save the thrift industry, I hope that we can reduce the number of troubled institutions and renew confidence in the majority of thrift institutions returning to a profitable position.

The first alternative is, obviously, to do absolutely nothing. We could turn our backs on depositors and the industry, allowing them to bear the cost. This is indefensible. Depositors must be fully protected. We cannot return to the uncertainty of the 1920's, when depositors had to sort out the good financial institutions from the bad without any guidance or backing if their guesses proved wrong. Besides, this option is morally and politically unjustifiable.

The second alternative, is equally as undesirable. Congress could write a blank U.S. Treasurer's check for FSLIC to draw upon whenever the need would arise. This option is equally unacceptable. At a time of record deficits and other pressing problems, the taxpayers would not support an increase in the deficit or individual and corporate taxes to bailout the thrift industry.

Let us look at table 9, 1 percent recapitalization costs.

A third option involves collecting more money from the savings and loan industry itself. The thrift industry itself has always provided the capital necessary to enable FSLIC to meet its obligations to insured depositors. This would take several forms.

We could recapitalize the insurance fund with industry profits. It has been suggested that the industry pay 1 percent of its deposits into the FSLIC fund, to be held as an asset on the thrifts' balance sheet until they are used by FSLIC and then they would be expended. The credit union industry recently completed a similar proposal, but credit union problems are simply not comparable to those facing FSLIC. This option would provide the fund with an additional $8.5 billion. In effect, the total tangible net worth of the industry at the end of 1984 would be transferred to FSLIC.

The main problem is that GAO figures show that if this set-aside plan had been adopted at the end of 1984, an additional 159 institutions would have plunged from low net worth to insolvency. An additional 247 thrifts would have tumbled from a position of adequate net worth to low net worth below 3 percent. While this $8.5 billion infusion appears to help the industry bridge the funding crisis at FSLIC, the industry is opposed. Many healthy thrifts would simply convert to a bank charter, in order to preserve their stockholders' profits and escape the levy of this set-aside proposal. It is not an attractive prospect and appears to provide no benefit either long or short term.

Another potential solution to the problem of FSLIC would be for it to turn to the Federal Home Loan Bank System for funding. Currently, the 12 district banks have approximately $9 billion in capital, some portion of which could be used to bailout FSLIC. How much of this money would be actually available is in question because much of the total capital, which is held by the member thrifts, is tied up in capital stock. But invading the district bank's capital could send tremors through the money markets, were the bank's must borrow money on a constant basis.

The district banks are also authorized to raise money in the financial markets and lend what they borrow to FSLIC. The district bank's could issue bonds in the financial markets as a possible option to bailing out FSLIC. Rather than having the district banks go to the credit market, Congress could increase the FSLIC credit line at the Treasury from the current line of $750 million to somewhere approaching the $3 billion line of credit the FDIC enjoys.

Another industry solution to FSLIC's problems would be to set up a federally chartered S&L to help the insurance fund to dispose of problem assests, the so-called section 406 bank. This institution would acquire and liquidate assets now held by FSLIC. The corporation would be funded initially through the purchase of stock by FSLIC and the Federal Home Loan Banks. The immediate goal of the corporation would be to inject capital back into the insurance fund through the purchase of low-quality assets.

This semiprivate company, operating free of budget and personnel constraints that pertain to the fund, could perhaps manage and dispose of the more than $2.3 billion in assets that the insurance fund has aquired from failed thrifts. Advocates of this proposal say it would be a vehicle for FSLIC's liquidators to operate more efficiently at a lower cost to the insurance fund. But unless carefully structured, this company could simply be another level of regulatory management under the Government. In addition, there is some question whether the 12 district banks, who would provide some of the startup capital, can legally take an equity position in this section 406 proposed semiprivate banking corporation. So, many difficult questions remain.

Another potential solution to the problem of FSLIC undercapitalization is to merge the FSLIC and the FDIC, the commercial banks' insurance fund. According to the former FDIC Chairman, the FDIC is so strong financially it may be able to handle thrift institutions solely from the earnings of the combined fund. However, a merger would force the banking industry to pay for the excesses of its competitors and could possibly require a supplemental tariff on member banks. It would most certainly take sometime to phase in and would surely bring an end to the thrift industry as we know it. In fairness, substantial changes in the Federal laws and regulations would be required to bring about greater parity in capital requirements, the ability to offer various financial products and services, and many other areas. Both bankers and thrift executives oppose this option. Merger would still leave the taxpayers with a huge number of ailing thrifts.

Another option would be to attract additional capital to the thrift industry from whatever source; these nonthrift firms could be enticed to acquire weak but still salvageable thrifts. Financial service firms engaged in securities activities, such as insurance firms and bank holding companies, could serve as potential acquirers. These entities may be willing to inject capital into the thrift industry in order to gain access to the Federal payments window. But how realistic is it to think that nonfinancial institutions would be willing to invest in thrift charters when nationwide banking may be just around the corner and FSLIC is having to provide cash to induce healthy thrifts to take over its backlog of ailing thrifts?

There are still other, long-term remedies that Congress may choose to consider. These options include:

Risk-related deposit insurance premiums or risk-related capital requirements, which would allow FSLIC to charge a higher premium or increased capital based on the risk an institution poses to the insurance fund. But this

would require some subjective rating process by the regulators.

□ 1735

Thrifts could also be required to sell short-term subordinated debt to the market. This would subject thrifts to market discipline, since a thrift engaging in risky activities would either have to offer a much higher interest rate to sell its subordinated debt, or would not be able to market its debt instruments at all. Of course, this option would have to be coupled with increased disclosure to the public of problems thrift examiners have uncovered and dramatically intensified supervision would be called for. Examiners would also have to be better compensated for the insurance fund to attract and retain high-quality people who can analyze sophisticated loans and investments.

A change to market value accounting may also be beneficial. At present, institutions value both their assets and liabilities for regulatory purposes at the initial cost or value of the asset or liability.

Since the initial value of an asset or liability does not represent its current value, this method does not give the regulators a true picture of the institution. One proposal to correct this problem is to switch to market value accounting, under which the asset is valued at its value in the market at the time of the report.

And there are other possible alternatives, all of which must be considered, and in my view, at an early timeframe.

After listening to this description of the magnitude of the problems facing our thrift industry and its insurance fund, you may join me in the realization that no easy answers exist. I have been studying the problems for weeks; I have discovered no ready cure. Perhaps my colleagues will summarily dismiss of all the options I have set forth today for dealing with this situation, but I do hope I have begun to identify the problem and alternatives. Congress cannot begin to act alone. We need the assistance and the suggestions of all responsible parties associated with the thrift industry, including, obviously, the industry itself.

In closing, I hope I have begun to increase the public's understanding of the problems facing the important thrift industry. The public is after all the final arbiter of what actions we here in this body take.

I am confident that Congress will act calmly and decisively. Depositors should remain assured that the full faith and credit of the U.S. Treasury stands behind their money. In 1982, when similar problems confronted the thrift industry, Congress overwhelmingly moved to restore confidence to our historic system of Federal deposit insurance. I have little doubt that Congress will renew this important pledge so that we can act decisively to revitalize the thrift industry, an important aspect of the financial planning of many of our citizens.

Mr. WYLIE. Will the gentleman yield?

Mr. PARRIS. I am delighted to yield to my friend, the gentleman from Ohio.

Mr. WYLIE. Mr. Speaker, I want to commend the gentleman from Virginia for his very significant contribution to some most important deliberations which are going on in the Banking Committee at the present time. The gentleman from Virginia is a good and valuable member of our Banking Committee.

May I say that the gentleman's talk here this evening demonstrates a tremendous amount of thorough and excellent work and indicates to this Member that the gentleman from Virginia certainly has put a lot of time into what is a very important problem for us.

As I mentioned, hearings have been held and many of the problems which the gentleman has identified in his own paper here have been outlined and also many of the suggestions which the gentleman made here in his paper were mentioned by various witnesses before our committee.

I do think it is important that we get on with it. I would not want the impression left, and I am sure that the gentleman did not mean to leave the impression, that there is need for alarm. I do not think there is need for alarm, but we do need to express our apprehension about the way in which the deliberations on this most important question are progressing.

Attention was called to the thrift industry of Ohio. I was pretty close to that, of course, at the time and the fact that 71 State-chartered S&L's did have to close for a while, but as severe as the case was in Ohio, and I might add that none of those institutions were insured by FSLIC or the FDIC, they were insured by a private fund which was not guaranteed by the State of Ohio or guaranteed by the Federal Government, and that did cause some of the apprehension and concern, of course; all of those institutions except one have now been reopened and are insured by FSLIC or FDIC or have been acquired by banks.

So as severe as the problem was in Ohio, and this is the point I wanted to make, no depositor lost any money in any of those institutions.

I know that this Congress will be responsive to the problems which the gentleman has outlined. He is not alone in outlining those problems.

As I said a little earlier, we took testimony before our Banking Committee. One of the gentlemen who came before us was the Chairman of the Federal Deposit Insurance Corporation at the time, Mr. Bill Isaac. He stated:

It is not hyperbole to characterize the changes now taking place in the financial system as revolutionary. A structure put into place a half century ago, at the nadir of the Great Depression, is crumbling. In part this is occurring by design, but in larger part it is caused by the forces of economics and technology. The central question facing government today is not whether change will or should continue but, rather, how to insure that the financial structure that eventually results will best serve the public interest.

And in a very important statement made by the Chairman of the Federal Home Loan Bank Board, Mr. Ed Gray, he said:

Frankly, I can think of no single issue which needs to be dealt with more carefully, and yet more expeditiously, than this one [deposit insurance reform] in today's depository institutions environment. As you know, the Bank Board has studied this entire matter over the past several years and, both last year, and again this year, we proposed legislation to the Congress which, in our view, could effectively deal with excessive risks in the thrift system—particualarly the risk of loss to the FSLIC.

Just one other quote. Then Federal Reserve Board Chairman Paul Volcker came before our committee and warned Congress:

We are at a crucial point. We can turn the system toward creative innovation consistent with certain broad and continuing concerns of public policy. Or, left unattended, we can continue to see the financial system evolve in haphazard and potentially dangerous ways—ways dictated not just by natural responses to market needs but by the often capricious effects of existing and now outmoded provisions of law * * *.

* * * The pervading atmosphere of unfairness, of constant stretching and testing of the limits of law and regulation and of circumvention of their intent, and of regulatory disarray is inherently troublesome and basically unhealth * * *

Well, the point I want to make is that the gentleman has, as I say, made a very significant contribution to a difficult problem, and the gentleman has said that it is a difficult problem that we need to resolve.

As I indicated earlier, the gentleman has outlined in a very significant statement many of the various proposals that have been brought before us; but I think that together the gentleman and I and others on the Banking Committee and, as a matter of fact, every Member of Congress does need to take action to assure that our system of deposit insurance is safe and sound, especially as it refers to FSLIC.

The GAO report which the gentleman referred to here should lead us I think with some of their suggestions in the direction of a stronger and even more stable financial system that is responsive to the needs of the American public; but the Federal Home Loan Bank Board and the thrift industry have been exploring ways to improve the assets of the insurance fund to

figure out ways by which the insurance fund might be bolstered.

I think central to the long-term reform are both the question of how the risks might be realigned and how they might be minimized and that again is a point which the gentleman from Virginia made.

I do want to compliment the gentleman for the very significant statement he has made.

The SPEAKER pro tempore. The time of the gentleman from Virginia [Mr. PARRIS] has expired.

Mr. PARRIS. Mr. Speaker, I ask unanimous consent to proceed for 2 additional minutes.

The SPEAKER pro tempore. Under the rules of the House, the gentleman may not extend under special orders.

REVENUE SHARING WILL PROP UP "RUST BELT" CITIES FOR A WHILE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. GAYDOS] is recognized for 30 minutes.

Mr. MURTHA. Mr. Speaker, will the gentleman yield?

Mr. GAYDOS. I yield to my good friend and associate on the Steel Caucus and my colleague from the adjoining congressional district, the gentleman from Pennsylvania [Mr. MURTHA], who is chairman of the steel caucus and has been alternating in the executive post for the last 8 years since its inception; so I yield to my colleague.

Mr. MURTHA. Mr. Speaker, I appreciate my colleague yielding. I just want to extend my appreciation to the gentleman for the tremendous job he has done as chairman of the executive board of the steel caucus and the work that the gentleman has done behind the scenes in keeping the steel caucus as a bipartisan group which has tried to fashion legislation in order to help keep people working in the steel industry.

I know western Pennsylvania has been hit as hard as any area in this entire country. Nobody has done more to try to save those jobs than has the gentleman from Pennsylvania. Nobody has worked harder. Nobody has articulated the issues more forcefully and more carefully than has the gentleman. All of us in this country that are interested in trying to save steel and reduce unfair subsidized imports into this country, all of us owe a debt of gratitude to the gentleman for the work he has done; so I want to commend the gentleman for having this special order, as well as the other special orders the gentleman has held so often. I know this takes a lot of preparation and no one knows the subject better than the gentleman from Pennsylvania. All of us applaud the gentleman for his efforts and the accomplishments of the steel caucus under the gentleman's leadership. I know everything that has been done has been because of the gentleman's diligence and hard work, so I appreciate the work the gentleman has done and express my appreciation with the other 120 members of the steel caucus for the gentleman taking this special order and the work that the gentleman has done in trying to keep Americans working in the steel business.

Mr. GAYDOS. Mr. Speaker, I certainly appreciate the remarks of my colleague. I want him to know that the work that he has done over the years, it has been a pleasure working with him and I think the work he has done over the years, along with the executive committee, is now reaching full fruition and all the things we hoped for I think now are going to be accomplished, so I thank the gentleman for his very nice remarks.

Mr. Speaker, when some 12,000 citizens fear for their health, safety, and welfare because the community in which they live is forced to eliminate police, fire, and other basic services because it has run out of money, I am concerned.

When the city is in my own congressional district, and is representative of other cities, townships, and boroughs in my district and others in what is commonly called the Rust Belt, I feel the need to act.

And, when national newspapers focus on the problem, as the New York Times did 3 weeks ago and U.S.A. Today did last Thursday, I find I can no longer sit by and watch the tragedy that will befall thousands of Americans who, through little fault of their own, are threatened.

Clairton, PA, once a city of nearly 25,000 that has seen its population shrink to some 12,000 and its tax base shrivel up as steel mills, forced to shut down because of unfair competition from imported steel, has become a focus of national attention.

What many of us who live in and around the Monogahela Valley of Pennsylvania expected to happen to Clairton—and other such steel mill towns and cities, has happened.

Last month, Clairton laid off its entire 14-member police force because it couldn't pay the salaries. Today, the Pennslyvania State Police are covering the area, but, as good as they are and as much as they care, they just cannot devote the attention to the city's residents that the local police did.

Last month, Clairton laid off its 10-member fire department because it couldn't meet the salaries. Today, those same firemen are staying on the job as volunteers, doing what they can and counting on fire assistance from neighboring communities should a real emergency arise.

Other city workers have not been laid off because their collective bargaining agreement prohibits it, but they may not get paid and, without money for city projects, they have little to do.

All of this is being done by city officials in an attempt to balance the city's books and to persuade the banks to renew the city's line of credit. There is no longer any fat in the city budget; today's cuts are into flesh and bone.

How could things get this bad? It's not that hard to see. Dependent on steel mills for its taxes and employment of its citizens, Clairton found that the plant closings cut so deeply into the tax base that even with sharp tax increases, municipal income plunged at the same time that a record unemployment created extraordinary demands for services.

In the last 5 years, Clairton's total revenue dropped by almost $1 million, from $3.1 million to $2.4 million. The reason: The loss of revenue from the United States Steel Corp. whose total payments to the city in the past 2 years have declined by nearly 50 percent.

And, as the mill shut down operations, people were left out of work with little prospect of a new job anywhere, at almost any salary unless they moved away. So "For Sale" signs dot every neighborhood and homes that 10 years ago sold for $50,000 are now being offered at $25,000—and there are few takers.

Five years ago, each 10th of 1 cent of real estate tax rates brought in $48,000. Today, the same 10th of 1 cent real estate taxes brings in just over $28,000.

The numbers tell the story. There is just no way that Clairton can bring in enough dollars to provide the increasing services that its citizens need.

But Clairton isn't the only city to feel the pinch. McKeesport, my home city, has a projected operating deficit of $700,000 and has laid off police officers and clerical workers, and West Homestead, also in my district, has laid off 9 of 14 employees in its public works department, and that may be just the beginning.

The pressure of Clairton's officials and its citizens is being repeated in varying degrees in any number of other communities across the country. I am sure there are cities and towns in North and South Carolina that are in the same kinds of financial trouble that Clairton, McKeesport, and West Homestead, PA, are because of the impact of textile imports on the manufacturing mills in the South.

We have a limited range of choices available to us to help these cities, towns, and boroughs. We are trying to get a handle on the import problem, but, even if we do, it is unlikely that the closed mills will be reopened.

We all know that once a plant closes, the cost of reopening it is so great that it rarely, if ever, happens.

We are trying to attract new industries to those areas, to retrain the unemployed for new kinds of jobs, but, even at best, there is likely to be a 3-to-5-year lag before any real benefits can be shown from a new business.

We know that it is highly unlikely that this Congress and this administration would support or approve a $1 billion bailout program such as the kind we OK'd for New York City in 1975 when it threatened to default on its loans, or for Chrysler Corp. in 1979 when it was reporting financial losses of more than $1 billion.

Let's face it, Clairton, McKeesport, West Homestead, and all the other small cities and towns facing bankruptcy because of plant closings, together don't have the same national impact that New York City and Chrysler do.

But we must consider the people living in those communities. How would any of us feel if the city or town in which we were living was forced to cut back or eliminate the most basic of services?

There is an answer, though. We could extend general revenue sharing which could provide an ample supply of dollars to those cities and towns that are resting on that thin line between life and death, so they could provide those basic services until such time as new plants opened, providing jobs for the people and taxes for the communities.

One of the reasons I voted against the budget resolution that was so carefully crafted by the House and Senate conferees was that it funded revenue sharing for 1986, but eliminated it as of 1987.

I oppose this concept even more today.

To that end, Mr. Speaker, I have introduced H.R. 3466, which would extend the General Revenue Sharing Program for 7 years, a period of time I believe will be adequate to help some of those stricken communities get back on their feet.

It is true than when the Revenue Sharing Program was first created, we warned our cities and towns and counties not to use the funds for operating expenses because the program could be discontinued at any time.

But I can understand that as more traditional sources of operating funds for our cities and counties have dried up, the only available dollars came from revenue sharing.

Congress passed the authorizing legislation for revenue sharing in 1972 and the program got underway the following year. For a while, everything looked rosy, but since 1976, funding has not been stable. In fact, considering the levels of inflation since 1976, while the dollars remained fairly steady at $4.6 billion a year, they just didn't go as far.

And, even if we were to keep the appropriation level at $4.6 billion a year for the next 7 years, at least those cities and towns and boroughs and counties could count on a fairly stable financial resource for that period of time.

But, even as I speak, the Senate is threatening to go back on its commitment to full funding for revenue sharing for fiscal year 1986. Even though the final budget resolution adopted by both the House and Senate called for full funding of revenue sharing—$4.6 billion—for 1986, the Senate has already suggested a cut of better than 12 percent for the program in the budget for the Department of Housing and Urban Development.

I am concerned that this body, too, will accept that cut even though we have made a commitment to our communities that they could depend on our help.

The dollar amounts for individual cities and counties, including those in my district, are not large, but those funds are vital to the existence of those cities.

The 72 communities and 2 counties I represent receive under $10 million in general revenue sharing funds. Clairton, the city cited in these national news reports, receives about $190,000.

McKeesport, with a population under 30,000 gets less than $500,000 a year. In fact, revenue sharing provides only about $15 to $20 per citizen.

We are not talking about a lot of money. What we are talking about is providing a safety net so those cities, towns, and boroughs that are feeling the pinch can at the very least keep offering essential services.

After all, the Defense Department probably overspends the same amount for hammers, wrenches, and toilet seats.

At least if we provide the money to the communities, our people will get more direct benefit.

I urge all of my colleagues to join me by cosponsoring H.R. 3466 and by seeing to its passage.

□ 1750

RECIPROCITY BEGINS AT HOME—OPEN FOREIGN MARKETS TO OUR GOODS OR WE WILL CLOSE OURS TO YOU

Mr. Speaker, speaking on that subject, I would have to say that reciprocity begins at home, and I want to at this time take the opportunity to talk a little more about the technicalities of the problem, an outgrowth of which is the problem I have just very hurriedly mentioned, that is, the squeezing of the lifeblood out of various municipalities because of circumstances beyond their control.

After all, a nation owes to its residents, its citizens, and taxpayers the obligation to at least maintain and to provide a reasonable climate in which to manufacture, and to compete, and to practice the so-called laissez faire type of business in this country. We have not done it. We have allowed ourselves to be open, and openly taken advantage of internationally, and to that I want to address these few technical remarks because there are many people in this country who still do not fundamentally understand the implications of international trade, balance of payments, why we must sell a certain amount of goods in order to earn money to buy certain things, and to maintain a good standard of living. All of these things are fundamental, economic principles, but surprisingly, many if not most Americans do not understand them, do not take the time to understand them, to read about it, because basically and fundamentally it is not an interesting subject, it is a rather difficult subject, but it is one so essential to the well-being of this country that I would even go so far as to say that it should be a mandatory subject, yes, in as low as the seventh and eighth grade, to that our young people going through matriculation in our public school system would eventually at least fundamentally understand the economic international problems so that they would be prepared in going out into the world, and in seeking their end, and their fulfillment that they would understand the economic significance of trade, so let me very hurriedly refer to the technicalities of trade.

Mr. Speaker, just the other day, four respected economists jointly issued a statement condemning efforts by the Congress to limit the flow of foreign goods into this country.

These economists concluded that the protectionist measures being considered by this body "might trigger retaliatory restrictions abroad and increase international tensions."

I am more than just a little concerned about this kind of statement because it makes me wonder where these individuals and all of the others who criticize this Congress for trying to keep American jobs have been for the past several years.

I wonder if they have heard any number of administration officials, from the President on down, complain to our foreign allies about their closed door practices.

Why is it that the United States is depicted as the bad guy, even by our own citizens? Don't we have any national pride?

Japan, Korea, Brazil, Mexico, the European Common Market, and a host of other nations with whom we trade have all sorts of restrictions—quota and tariff laws as well as hidden barriers—on what they will accept from foreign manufacturers, American as well as other nations. Some nations,

such as Japan, have special testing requirements, others have domestic-content laws that preclude any foreign goods.

Just last week, Argentina complained that Europe's trade subsidies prevent it and other nations from shipping agricultural products there so as to raise enough funds to meet the interest payments on their international loans.

Last week, a United States negotiator expressed his frustration in trying to get the Japanese to open their market for American-made telcommunications equipment. He complained that the Japanese were stalling—even though they had said repeatedly during the past 8 months that with the end of the monopoly of the telecommunications industry, their market would be more open.

South Korea has agreed to immediately open 102 industries to foreign investments and to set a timetable for lifting import controls in 603 products over the next 3 years.

Brazil, which insists that access to the American market for its steel, shoes, and other goods is vital so it can earn enough capital to pay the interest on its loans, prohibits any import goods that compete directly with any product manufactured in Brazil.

The list is virtually endless. Let us face it, the United States is the most open market in the world. And, even if we set limits on imports, we would continue to be the largest and the most open.

Why are these economists and this administration so concerned about retaliation from countries that already restrict the flow of American goods abroad?

Perhaps we should change our words. Perhaps we should say that we are retaliating against the practices of those nations who have closed their doors to American goods.

If those nations want to close their doors to American goods so their industries can grow and prosper, that's all well and good. There is no reason on Earth that we shouldn't say that we are closing our doors to their goods so American industries can grow and prosper.

Why is it wrong for the United States to consider setting some limits on imports of steel, automobiles, machine tools, lumber, electronics, shoes, textiles, and so many other goods—which are crippling our industrial growth—when it is apparent that some in the United States continue to accept that kind of response from many other nations?

None of the proposed bills that deal with import limitation would close our market completely to foreign goods. All we are saying is that we, the people of the United States, are determined to set the limits, we have a right to decide how much of our market we will permit imports to take.

Recently, I was talking with a friend in my congressional district who wanted to know why I was so opposed to the flow of imported products into this country—why I was opposed to free international trade.

I explained about the illegal practices that foreign exporters have used, such as dumping, subsidization, patent infringements to gain an ever-growing foothold here that would lead to eventual control and domination of a segment of the market. I also explained about the restrictions on American goods abroad.

I was astonished that this friend was not aware of those problems.

I have difficulty believing that Americans aren't aware of the practices used by so many nations to protect their industries by denying competitive goods in their home markets.

As I mentioned last week, a United States negotiator complained that the Japanese are stalling on an agreement to open their market for telecommunications equipment.

So, what else is new? The Japanese—and other countries as well—have been promising for years that they are knocking down their barriers to American goods.

Every time we complain about tariff and nontariff barriers to American goods, Japan says it has a new plan. But the plan never goes into effect. It's just a lot of talk with no action.

Well, it's time we took action. Let us retaliate against the world's closed markets to American goods.

If countries won't allow our goods in their markets, let's do the same to them—shut our markets to their goods.

But we don't say that. No one in this body has ever proposed that we close our markets to any foreign country's goods. All we have ever said was: "We are going to set some reasonable limits on the share of the American market."

No one seems to care that our merchandise trade deficit for 1984 was $123 billion and appears headed for the $150 billion mark plus, for 1985.

At the same time, the current account, a broader estimate of the American trade picture because it includes goods and services, is showing an increasing deficit. In 1984, the current account deficit was just under $90 billion. For 1984, for the first time ever, it is expected to show a deficit above the $100 billion mark.

Also, for the first time since 1984, the United States has become a debtor nation and, according to many economic estimates, the United States will become the world's largest debtor within the next 6 to 8 months.

I am sure you can understand my concern when I find many citizens who are either unaware of the precarious nature of our trade picture or insensitive to the needs of the American people.

Articles in last week's newspapers support my position. In one article, it was noted that President Reagan had lodged unfair trade complaints against the European Economic Community for providing subsidies for exporting wheat which cost American farmers some $2 billion in foreign sales over the past 4 years and against Korea for failing to provide patent and copyright protection which cost American businesses at least $170 million a year.

While I applaud the President for his action, it falls far short of the goal. The President wants the European wheat problem handled by the Geneva-based General Agreement on Tariffs and Trade [GATT], but we all know it could take years before a settlement is reached.

The U.S. complaint says that subsidies to Western European farmers have allowed them to double, from 8 to 16 percent, their share of the world wheat market. Existing international trade laws prohibit the use of subsidies to gain more than an equitable share of a nation's market.

In the Korean case, the President told United States Trade Representtive Clayton Yeutter to investigate Korea's laws on copyright and patent protection of American property. What we don't know is what, if anything, will be done, once the investigation is complete.

On another front, Yeutter was encouraged to include Japan's aluminum industry in the next batch of unfair trade complaints filed by the President. It is charged that Japan uses high tariffs to keep American aluminum out of Japan and subsidizes its domestic market so it can sell in the United States.

These activities only prove what I have been saying for many years. The trade laws we have give us the tools to deal with unfair trading practices—but we have to use those tools and use them vigorously to insure American manufacturers can fairly compete.

Thus far, this administration is falling down on the job, as administrations before it have done.

That is why we in the Congress are forced to push for bills that would limit imports. If an administration repeatedly complains that it is making every effort to open foreign markets, which are closed to American goods because of quotas, tariffs and less visible barriers, then it must be prepared to use to the fullest the remedies that exist under the law.

If any administration fails to use those remedies, then it is incumbent upon the Congress to step into the vacuum by passing new laws that will more specifically direct an administration's actions.

I recently received a copy of some statements made by the European steel producers with regard to the current negotiations for extension of the steel agreement between the United States and the European Economic Community.

Among the comments, one of the most outrageous is the one that concludes that since European sales in the U.S. market accounted for one-third of all steel imports prior to the 1982 agreement, the current share of 25 percent is just barely acceptable.

Where any group of foreign steel exporters would ever get the idea that they are entitled to a specific share of the American market is beyond me. There is no question that there must have been times when imported steel has filled a gap between American production and consumption, but by no stretch of anyone's imagination does this guarantee an exporter a specific share of our American market.

In fact, one of my major objections to the voluntary agreements that we have concluded with various steel exporters is that it does appear to entitle them to a share of the market.

We should be doing it differently. We should determine how much imported steel we need to make up any difference between our production capacity and our needs and then let any steel exporter sell up to that amount in this country—provided that exporter plays by existing international rules.

But, that is beside the point in this case. Mr. Speaker, I am including for all of the Members of this body to read the comments by the Eurofer steel producers and the responses to them by the American Iron and Steel Institute. The package also includes a copy of a letter from Donald Trautlein, chairman of AISI, to the U.S. Trade Representative, expressing the concern we all have.

I hope my friend will understand our concerns. I hope he will keep an open mind and, perhaps, do a little more research on the way our so-called trading partners close their doors to American goods while at the same time flooding our market with their goods, often at below manufacturers' costs as a means to eventually driving the American competition out of business so it can have the market here to itself.

We in the Congress have an obligation to those men and women who have invested their lives and their savings in businesses to insure that they have an even chance to operate successfully against unfair competition, whether from American competitors or foreign competitors.

But we cannot allow unfair trading practices to persist. This administration must enforce existing laws. And, if it or any future administration won't do that, then it is up to the Congress to pass new laws that offer fewer choices to the administration in its dealings with unfair and illegal trade activities.

The comments and letter follow:

AMERICAN IRON AND STEEL INSTITUTE,
Washington, DC, October 3, 1985.

Hon. CLAYTON YEUTTER,
United States Trade Representative, Office of the United States Trade Representative, Washington, DC.

DEAR MR. AMBASSADOR: My industry colleagues and I have read with astonishment and outrage the assertions made public by Eurofer steel producers in regard to the current negotiations for extension of the U.S.-E.C. steel Arrangements. We think that each and every point made by Eurofer should be countered by a strong dose of the truth and have accordingly developed the attached list of the facts on each matter raised.

Of course we and our staffs are at your disposal to go into more detail on any or all of the points.

Sincerely,
DONALD H. TRAUTLEIN.

RESPONSES TO E.C./EUROFER POINTS ON U.S.-E.C. ARRANGEMENTS EXTENSION

1. "Prior to the signing of the [1982] Arrangement, [EC] sales on the U.S. market accounted for one-third of all U.S. steel imports. Today they account for barely 25%."

USA Response: Market shares are not an entitlement or a "right" of the E.C. or any other producer. In normal times they should reflect the ability of a producer to compete on a fair trade basis. Today, after a decade during which the U.S. industry has been brought to near ruin by largely unfair trading, the President's program is designed to correct the damage thus done. And the U.S.-E.C. Arrangements are an integral part of that program.

2. "The disappointment felt by the Community over the past three years . . . if [E.C.] exports had seen the same development as those from the other third countries, their share of the U.S. market would have risen by 50%."

USA Response: As just stated, E.C. has no *right* to any particular U.S. market share. The share the E.C. has enjoyed since the 1982 Arrangements was agreed to between the U.S. and E.C. authorities as a substitute for anti-dumping and countervailing duty penalties which otherwise would have been levied. That's why the E.C. came to the U.S. on bended knee in the summer of 1982 to seek a settlement in lieu of further processing of the U.S. industry's massive unfair trade cases.

3. "The restructuring of the U.S. steel industry . . . has yet to take place."

USA Response: Nonsense! Capacity has been cut from 160 million (net) tons in 1977 to 134 million today—and with more cuts in prospect. According to figures published by IISI, steel industry employment in the U.S. has been cut 46% between 1981 and 1984, and it continues to be reduced. This far exceeds the 19% reduction made within the EC during that same period. And we have continued modernization investments: another 12 million tons of continuous casting capacity comes on stream next year. All of this without a penny of government subsidization!

4. "Heavy additional sacrifices imposed in 1985 on [E.C.] exporters for 'consultation products'. These concessions cannot be renewed after 12/31/85."

USA Response: The so-called "heavy sacrifices" imposed in 1985 were no sacrifice at all! The 1982 Arrangement contemplated a U.S. market penetration for finished consultation products of roughly 2.5%. By 1984 the E.C. had violated this agreement and raised its penetration to 4.6%—and in the first half of this year further massive violations raised this to 6.8%! The settlement that took effect on August 1 merely prevented E.C. violations from rising further. The U.S. industry's view is that the August 1 levels agreed to are far too high in light of the history of EC. violations and must be sharply reduced.

The original consultation products Arrangement called for an E.C. semifinished import penetration level of 4.01%. The actual figure in 1982 was 13.6%, in 1983 12.2%, and in 1984 it was 29.9%. In 1984 alone, the E.C. shipped over 700 thousand net tons more than it was entitled to under the Arrangement.

5. "As regards stainless and tool steels . . . no further restrictive measures can be contemplated."

USA Response: This E.C. position disregards the fact that the E.C. is part and parcel of the President's program of International Steel Arrangements—as the E.C. itself recognized by the terms of the revised pipe and tube Arrangement which was negotiated earlier this year. But stainless and tool steels are also part of the Arrangements system and are covered in agreements with other countries. The E.C. must be covered also.

6. "For semi-products . . . the only customer is the U.S. steel industry, the quantity of imports is, by definition, fixed by the requirements of the domestic industry: the Community steel industry cannot allow itself to be the victim of certain internal conflicts within the U.S. steel industry."

USA Response: Semifinished steel is the core of the steel industry. As the U.S. industry continues its modernization and restructuring program each incremental ton ceded to foreign producers reduces the operating base within which the domestic industry can cover its costs and earn a profit. On an incremental tonnage basis, the lost operating income potential for every ton of semifinished lost to foreign producers is in the range of $75.

The success of the President's program depends on a strict limitation on semifinished imports at no more than 1.7 million tons annually. The E.C. is entitled to whatever portion of that total it can negotiate with the U.S. government.

7. "Eurofer producers reject . . . allegations of the U.S. steel industry . . . that the share of Community imports on the U.S. market has risen."

USA Response: First as stated earlier, the E.C. has no right to any U.S. market share as such. Secondly, a look at the data confirms that the E.C. market share has, in fact, risen.

During 1979-81, the base period during which serious violations of U.S. trade laws and resultant injury to the U.S. industry were found (in the 1982 trade cases), the E.C. market share averaged 5.1%. After holding at 4.9% in 1983, the first full year of the arrangement, it jumped sharply to 6.4% in 1984, and has risen again to 7.1% in the first six months of 1985. These increases represent millions of tons sorely needed by steel producers in the United States and they cannot be tolerated.

8. "Accusations that the Community has not respected the 1982 agreement cannot be accepted . . . monitoring system, developed by the European Community and the member states, has functioned perfectly. The 1982 agreement has also been respected regarding the 'consultation products'."

USA Response: Certainly the "E.C. monitoring system has functioned perfectly" for licensed products. That's because they were subject to a system of export licensing and certification—and that's why the U.S. wants all products to be so covered. But the E.C. totally violated the consultation products limitations, which were specified in the 1982 Arrangement by reference to the 1981 import penetration level. The E.C. also violated the pipe and tube Arrangement, raising import penetration from 5.9% to over 14% by November 1984, with key product i/ps also grossly violated—OCTG for example exceeding 20% in 1984 vs. the 8.76% which the 1982 Arrangement contemplated.

9. "Indeed, in the original agreement there was no restriction on these [consultation] products. The U.S. steel industry is, in fact, doing its utmost to ensure that the European Community has to pay twice by making the same sacrifices as it has made for the last three years."

USA Response: Wrong! The E.C. 1982 Arrangement wasn't a "payment" or a "sacrifice": it was a substitute penalty for unfair trading duties which would surely have been imposed on many products of E.C. producers if their pleas to the U.S. to substitute an Arrangement had not been met. Extension of the Arrangements—which was contemplated in the Arrangement itself—is simply to include the E.C. in President Reagan's program for the domestic industry. Given the E.C. violations in pipe and tube and consultation products, the E.C. hasn't even "paid" once for the injury done to the U.S. industry by foreign unfair trading.

10. ". . . [U.S.] trying to strengthen its protectionist barriers, which are already highly developed and which has already existed for over 20 years."

USA Response: What "protectionist barriers"? Look at the numbers. The E.C. has a foreign steel import penetration of 12-13% according to OECD. Japan has 3-4%. The U.S. has 25%.

11. " . . . the progress of the E.C. steel restructuring program. . . . No state aids to the E.C. steel industry have been available for some time for any purposes other than the further cut-back of production capacity."

USA Response: We understand that some E.C. steel operating subsidies may be phased out. However, Eurofer itself concedes that, even beyond 1985, state money will be spent on R&D, environmental protection, and possibly further steel plant closings. Subsidies for these items are functionally not different from operating subsidies. A staggering $25 million has been poured into the E.C. steel industry since 1980 for operating and investment subsidies alone. State subsidies create an artificial "advantage" which will be felt in the market place long after the money has been spent.

12. "The E.C. . . . now appears to be in the position of being asked to make still further concessions to support more than a dozen bilateral steel export restraint agreements which the U.S. has negotiated. . . ."

USA Response: In announcing the President's steel decision, USTR Brock said that the "President's decision assumes the continuation of the U.S./European Community's arrangement on steel as well as voluntary agreements. . . [with] Mexico and South Africa." Both Mexico and South Africa has negotiated new Arrangements which will continue through September, 1989; the E.C. is therefore not being asked to do anything which has not already been asked of—and acceded to—other countries.

□ 1815

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. CHAPMAN] is recognized for 5 minutes.

Mr. CHAPMAN. Mr. Speaker, due to official business back in my district, I was not able to be present for two votes last Thursday, October 17, 1985. On the first vote, passage of H.R. 3227, military construction appropriations, I would have voted "yea." On the second vote, approval of House Resolution 228, the rule providing for consideration of H.R. 2095, the Daylight Saving Extension Act, I would have also voted "yea."

JEWISH HISTORICAL SOCIETY OF NEW YORK SPONSORS CEREMONY FOR UNVEILING PLAQUE DENOTING SITE AS BIRTHPLACE OF HERBERT LEHMAN

(Mr. WEISS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. WEISS. Mr. Speaker, earlier this year New York City's Fifth Avenue Synagogue was the scene of a ceremony sponsored by the Jewish Historical Society of New York, for unveiling a plaque denoting the site as the birthplace of Herbert Lehman. Mr. Lehman, as we well remember, was two-term Lieutenant Governor, four-term Governor, and two-term U.S. Senator from New York. I wish to share with you the eloquent tribute to this great man delivered by Julius C.C. Edelstein, senior vice chancellor emeritus of Hunter College of the City University of New York.

REMARKS BY JULIUS C.C. EDELSTEIN—INSTALLATION OF PLAQUE—HERBERT H. LEHMAN BIRTHPLACE

One hundred and seven years ago, plus 31 days, Herbert Hilary Lehman was born in the five-story brownstone house which once stood on the exact site of this synagogue. The house faced 62nd Street, as this synagogue does, a relatively quiet and modest street in those days. Here lived Meyer Lehman, the Commodity Broker and Investment Banker, his wife Babette and his seven children, with Herbert being the youngest. In this house the family remained until all the sons and daughters had married and moved. Herbert was the last son to do so.

This synagogue was built in 1958. Not long after it was completed, Governor Lehman was invited to pay a visit. He came and toured the building, I am told, pointing out exactly where his bedroom had been, and the living room, and the playroom, and the kitchen. He never forgot this place where he spent his childhood, and grew into manhood. He often spoke of it nostalgically and lovingly.

So it is especially appropriate that a bronze plaque dedicated to Herbert Lehman's memory should be installed on the outside of this place of worship, and that this should take place today, exactly one month after the 107th anniversary of his birth.

Today incidentally, is precisely the 75th anniversary of Herbert Lehman's idyllic marriage to Edith Altschul, in her 20th birthday and his 32nd—a union as close and happy and as interdependent as any union of two people in marriage I have ever seen in my entire life.

Both the Jewish Historical Society of New York and the Fifth Avenue Synagogue are to be gratefully saluted for today's event. The Jewish Historical Society is to be especially congratulated for its creative enterprise and historical perspective in conceiving and arranging for this occasion.

It is good that we should be reminded—and that we should remind the world—of the life of this very great man, in this particular month which has been nationally proclaimed as Jewish Heritage Month. If ever there was a man who should be remembered as a Great Jew and a Great American—a pillar of his people and of all people—the Mr. New York of his time—it is Herbert H. Lehman, two-term Lieutenant Governor, four-term Governor, two-term United States Senator from New York—nine times a candidate for statewide office, eight times elected, Mr. Honesty and Mr. Incorruptible.

Traditionally, Jews pay their greatest tribute to teachers, sages, and prophets—and also to law-givers. Herbert Lehman was not precisely any one of these. But he was a little of each. He was certainly very close to being a saint, in my judgment. He was not only a great man, but a good man, a sweet man, a virtuous man, a dedicated man, a fighting man with a fighting faith—who deserves to be remembered as a model and hero until the end of recorded time. But he is not, and that is a question we should ask ourselves today. Why not?

He was not charismatic. He was not electric. He was no Demosthenes. He could be dull. He was not an intellectual. He was not a creator of new social or political concepts. But he could and did advance great concepts. He could and did successfully implement them. He was an advocate, not an orginator. He was not a thinker; he was a doer, in the words of Allan Nevins, the historian.

He was a great organizer, a great administrator, a great judge of people, a man of constant conscience, and of almost painful conscientiousness. He was serious about his work and unbelievably sensitive about his responsibilities.

He was sincere. Oh, he was sincere. He communicated sincerity. It was once said about him that he could hold the attention of an audience by reading them the names in a telephone book. His audience would listen, impressed with sincerity. Of course he wouldn't read from a telephone book unless he believed in it.

He was beloved. He was respected. At election time, on the Sunday before Election Tuesday, he would always take a walk down Coney Island Boardwalk and on Brighton Beach. Venerable men and women would reach out to touch his sleeve, his collar, the hem of his coat, just to say they had done so, that they had made contact with honesty and integrity. He was courageous. Indeed he was the personification of courage for the sake of conscience.

In 1937 he publicly attacked President Roosevelt, his close friend and patron, for trying to pack the U.S. Supreme Court. In 1949, on the eve of his own candidacy for the U.S. Senate, he publicly criticized the powerful Francis Cardinal Spellman for attacking Eleanor Roosevelt for something she had written in her newspaper column. That was thought to spell his political doom, but it didn't.

As a Senator, he confronted and faced down the savage and fearsome Senator Joe McCarthy, the Communist hunter, on the floor of the Senate, in defense of freedom of association. He locked horns with the acid-tongued Senator Pat McCarran, the red-baiter from Nevada. Because of his penchant for debate and controversy, he was often a thorn in the side of the Senate majority leader, Lyndon B. Johnson. But when Lyndon Johnson was struck down by a heart attack, Senator Lehman was the first on his feet with an eloquent motion, praying for Lyndon Johnson's recovery. Lyndon Johnson never forgot that act of spontaneous human feeling.

Nor did Senator Lehman fail, when his conscience directed him, to oppose and criticize his closest friends in the Senate, Senator Paul Douglas, Senator Hubert Humphrey, and Senator Wayne Morse.

He took up every losing cause. He was a friend of the losers. He defended Alger Hiss. He fought for civil rights long before that became a popular cause. He fought for liberalized immigration laws against encroachments on civil liberties in the name of anti-communism.

He used to say: I don't like to fight. I am a peace-loving man. But I keep finding myself in fighting situations. So I have to fight.

In his time in the United States Senate, the media, and many of his colleagues, called him the Conscience of the United States Senate.

He was a believing and practicing Jew, a deeply involved communicant of nearby Temple Emmanu-El. Not originally a Zionist, he came to be a staunch and generous supporter of Israel. In 1957 he served as National Chairman of the American Committee for the Tenth Anniversary of Israel, an epic of the annual anniversary celebrations. In 1913 he was a co-founder of the renowned Jewish Joint Distribution Committee, the famous "Joint", which brought thousands of Jews away from the Pogroms of Russia and Poland, to the United States, to Canada and Palestine. He was also a founding member of ORT, Organization for Rehabilitation Through Training For European Jews.

In the waiting room of the Joint Distribution Committee there hangs a large painting of the original Board of the Joint. In the forefront are Felix Warburg, Chairman, and Louis Marshall, Vice Chairman; immediately to the left and right of them are Herbert Lehman and Jacob Schiff.

He was a major supporter of the United Jewish Appeal. He served as an active member of the Mount Sinai Hospital Board. These are only a few of his Jewish-related activities. Many others were known. Some are not known.

To his beloved City, New York, he gave the Children's Zoo in Central Park, just a long stone's throw from here. That was his birthday gift to the City for his 75th birthday.

He was a major benefactor of Williams College, where Lehman Hall is named for him. He was a Board Member and generous supporter of the National Association For The Advancement of Colored People, and of the Urban League, from the earliest days of those organizations. He was an active supporter, and participant in the work of the Henry Street Settlement on the lower East Side. Pete's House is named for his son, Peter, killed in World War II. Herbert Lehman's mark remains in many other places. There is a Herbert H. Lehman College, a unit of the City University, and a Herbert H. Lehman Junior High School, a unit of the public school system, both in the Bronx. There is an outstanding scholarly Research Library, the Herbert H. Lehman Library, at Columbia University in Manhattan.

But most of all, the permanent marks and imprints of Herbert H. Lehman were left on the statute books of New York State, and of the United States—the Little New Deal in New York—the Niagara Water Power Redevelopment Act and the St. Lawrence Waterway Development Act, in the nation—and beyond these, in the banks and businesses which were saved from extinction and disaster during the Great Depression—and even more, the millions of lives that were saved—and the needs of the hungry, homeless, and destitute which were met, the light of hope was lit, in New York State, and later throughout the world.

Now at this point, before I proceed further with this celebration of the life and deeds of Herbert H. Lehman—let me tell my own story—the story of how I came to know and work for Governor Lehman, how I spoke and met with him for the first time, and subsequently became intimately associated with him for the last 14 years of his life—which were among the most memorable years of my own life.

The year was 1949; World War II had ended only four years before. I had worked in the White House under Presidents Roosevelt and Truman. I was in the process of writing a book on German-Japanese reparations on occupation policy.

In New York State, the nation's attention had been focussed in a special election for the U.S. Senate. The incumbent was the renowned John Foster Dulles, Advisor to Presidents, a world figure, a polished orator, a moderate Republican. His Democratic opponent, running for the Senate for the second time, was Herbert H. Lehman, four times Governor of his state, a six-time winner in state-wide elections.

The chief issue in that election was the welfare state. In that faraway time, still overshadowed by the New Deal, John Foster Dulles charged Governor Lehman with being an advocate of a welfare state. Governor Lehman admitted the charge and embraced it. He accused Dulles of wanting to repeal the New Deal—unemployment insurance, public housing, old age insurance, union recognition and legalized bargaining.

Herbert Lehman won that election by almost 200,000 votes. It was a hard-fought contest. In the course of the campaign, I had been asked by New York friends—I was located in Washington at the time—to draft some speech material on reparations and post-war occupation policy, for Governor Lehman's campaign use. I was glad to oblige. I did so, and thought no more about it.

Several days after that election, I was preparing to leave for St. Louis, to visit an old friend. I needed a rest from my book-writing. I was rushing and packing. My telephone rang.

An unfamiliar voice spoke up, saying that he had been referred to me by mutual friends: Could I please call on him at the Mayflower Hotel, that very day?

"Well, I don't think I can," I said, "But who is this anyway?" I had failed to catch the name.

"Herbert Lehman," he answered.

"Well, who are you?" I ask somewhat petulantly, for I was in a hurry.

"Oh, I'm the new Senator from New York," he answered.

"Oh, Governor Lehman," I said.

"Yes," he replied, "Only I pronounce it Lehman. Could you come to see me, today? I am considering hiring you as my Chief Assistant. You are one of three or four whom I am considering.

That was my introduction to him. I went to see him, was charmed by him, then went to St. Louis, stayed for a fortnight, and almost forgot about him. On my return from St. Louis, I found that he had been calling me daily, to offer me the job. I demurred at first on account of my unfinished book, but he pressed, saying that I could have as much time as I needed to finish the book. I took the job and never had a spare hour thereafter to work on that book which remains unwritten to this day.

He was a charmer. He was also a driver. He gave no quarter. He spared no effort himself. He was a 24-hour man. He expected the same from his staff. And he got it.

He was a leader by both inspiration and perspiration. He was never beyond reach—7 days a week—except when he went on vacation with his Edith.

The South France, Switzerland, England—those were their favorite vacation lands—and occasionally California, where Mrs. Lehman had been born and brought up. I received daily telephone calls from all these places, and addressed countless memoranda and cablegrams and telegrams to him, wherever they happened to be. Yes, he was a hard-worker—intense, earnest, high-minded, noble, conscientious to a fault.

His father had wanted him to study engineering. A family friend talked him out of that. So he received a Liberal Arts education and became a businessman. He loved sports, loved playing tennis, but was never good at it. He taught his wife how to play tennis. Soon she was able to beat him at it, but he kept playing and trying.

He was a good businessman, worked in textiles. That prepared him for his service in procurement for the Navy Department, in World War I, where he met and worked with Assistant Secretary of the Navy, Franklin D. Roosevelt, and later with the U.S. Army.

After his service in the First World War, Lehman went to work as a partner in Lehman Brothers, the family banking firm. All the partners in Lehman Brothers were family at that time, brothers, cousins, uncles and nephews, no outsiders. Herbert Lehman successfully urged bringing in non-family partners. The first such outside non-family non-Jewish partner was named John Hancock. The firm grew like Topsy and achieved like Hercules. It became one of the most respected firms in Wall Street, conservative and yet venturesome, with an almost unbroken record of sensational successes . . . Herbert Lehman resigned from the firm in 1928 when he ran for Lieutenant Governor. Yet how saddened he would be, were he alive, to witness how, only some weeks ago, in 1985, that great and venerable banking firm was swallowed up, like a fish in the mouth of a whale, by the mammoth American Express Company.

Herbert Lehman had a great respect for institutions—for private business institutions like Lehman Brothers, for such politi-

cal institutions as the Democratic Party, and for the basic institutions of government such as the U.S. Senate—and for non-profit institutions, like the Mount Sinai Hospital and the Henry Street Settlement.

He especially loved politics, as his father had, before him and he respected party politicians, especially Democrats. But above politics, he placed principle. It was one of his favorite words. It was one of his most respected values. One of his first judicial appointments when he was elected Governor was a Republican as Chief Judge of the Court of Appeals. Professional Democrats were appalled.

Herbert Lehman was above all, a gentleman, a courtly gentleman who was always guided by the rules of honor and principle.

When he was elected Governor, he continued Al Smith's friend, Robert Moses, as State Parks Commissioner. When the same Robert Moses sought and secured the Republican nomination for Governor to run against Lehman in Lehman's first race for reelection in 1934, and when he, Robert Moses, used his renowned powers of invective to attack Lehman, calling him a liar and on one occasion, a "cowardly, snivelling, lying weakling." Lehman refrained from responding in kind. After the extremely bitter election campaign, in which Moses was defeated by 800,000 votes, Governor Lehman announced that he would retain Moses as his State Parks Commissioner. Moses was a great State Parks Commissioner, Lehman said.

Some years later, when there was concern over crime and racketeering in New York City, Governor Lehman appointed an Assistant U.S. Attorney by the name of Thomas E. Dewey to be Special Prosecutor to investigate and prosecute crime and criminals in Manhattan. Eight months later, the same Dewey became the Republican candidate for Governor. That was 1938. Lehman won by the narrowest of margins.

After that election, Governor Lehman reconfirmed his appointment of Dewey as Special Prosecutor. Dewey's subsequent achievements as a racket-buster enabled him to run successfully for Governor in 1942, and then unsuccessfully, as the Republican candidate for President against Franklin D. Roosevelt, in Roosevelt's fourth and last successful run for that office.

It could be said that Herbert Lehman was somewhat weak in his sense of humor. He was a most pleasant and gracious man, but not a generally fun-loving man. He smiled and laughed at other people's jokes, but seldom told any of his own. He and his wife were serious people.

There is a true story that illustrates this feature. The year was 1939. There was a New York State boxer, a pugilist of some reputation, not quite a world champion, but close to it, by the name of Lou Ambers, born in Herkimer, New York.

His publicity man called him the Herkimer Hurricane. In 1939 Ambers was going downhill. He could no longer command the big purses. He took on clubhouse engagements in tank towns. Albany was such a tank town. Ambers was scheduled for a clubhouse fight in Albany, and then for an overnight train ride to Buffalo for another match. He had to be on the eight p.m. train out of Albany. It was arranged, shall we say, that his opponent would be knocked out by 7:30. Ambers' schedule gave him a free afternoon in Albany. His manager thought it might be a good idea to get a picture with Governor Lehman. And on a dull day in Albany, the Governor ought to be glad to be photographed with a New York State boxer, a native son.

Governor Lehman was glad to oblige. The photo opportunity was set up. The Governor shook hands with the Herkimer Hurricane. The Governor had a tic in his left eye. As the picture taking ended, Governor Lehman, ever gracious, said: "Mr. Ambers, I wish you the best of luck. I hope you win tonight." At that moment the Governor's tic took over. He winked hard.

Ambers turned to his manager, "Is this guy in on the fix, too?" he asked, very annoyed.

Lehman didn't get the point. He never did. The manager hustled his fighter out of the executive office in a hurry, and on his way to the clubhouse arena where the Herkimer Hurricane would be out of harm's way.

On December 6, 1963, two weeks after the assassination of John Kennedy, Herbert Lehman, at the age of 85, still active and engaged, passed away without pain or suffering, quietly, full of honor and respect, with his beloved wife at his side. She did not outlive him long. They were a pair, and I am personally proud that my daughter, who sits among you this morning, was named for her.

I might say that he died in good and hopeful times. He would not like to see what has happened to this world, to his political party, to his ideals.

After all is said and done, looking back on this great and good life, what do Herbert Lehman's achievements mean, in 1985, for those of us still alive, and for those whose lives remain still to unfold and develop?

To pursue the answers to this central question, let us for a moment dip into Allen Nevins' biography of Lehman, and recall the list of legislative enactments which are credited to Lehman's leadership in his first term as Governor, from 1932 to 1934.

Although Lehman was not a personal powerhouse, and no wheeler and dealer—he was able to secure from the Republican-controlled State Legislature in his first term, from 1932 to 1934, the following:

An unemployment insurance law;

A law raising the compulsory school age from fourteen to sixteen;

A law abolishing certain abuses by physicians in Workmen's Compensation cases;

A law providing jury trial in all labor injunction cases;

A law providing free milk for needy children;

A law placing occupational diseases under the Compensation Statues;

A law ending suits for Breach of Promise and Alienation of Affections;

A law permitting Sunday performances of legitimate stage productions;

A law giving the State Transit Commission full control over all transit lines in New York City;

A law requiring utility companies to file semi-annual statements; and

A proposed constitutional amendment increasing the Governor's term from two to four years and Assemblymen's terms to two years.

That was just a sampler of the legislation Lehman was able to get enacted in one term in office, through a predominantly Republican legislature; he succeeded in this by appeals based on merit and on principle, not on the basis of his skills in the tide of change and reform—and of hope—that was sweeping over the land at that time. Where is that tide today?

One month ago today, former Mayor John V. Lindsay, originally a Republican, speaking on Herbert Lehman's birthday at Herbert H. Lehman College, said of him:

"In these, and scores of other struggles Herbert Lehman represented the best of the bipartisan tradition in American politics. His victories were fought and won by alliances of Democrats and Republicans whose allegiance to the nation's best interests transcended party loyalties and ideological dogma."

It is not easy for us today to appreciate, nor even to recall, the public temper of the Lehman-Roosevelt times, and to compare them with the entirely different moral and social temper of our present day.

The values which Herbert Lehman stood for were social values, the values of generosity and compassion, of sharing and sacrifice, of brotherhood and struggle, of opposition to the special interests . . . the utility magnates, the robber barons, the sweatshop owners, the stock market speculators, the slumlords.

The prevailing spirit of the present era is far different, far more inner-directed, far less certain, far less hopeful. The prevailing spirit today is no longer one of public compassion; it is one of private possession. The driving force is no longer to help others but to have and to enjoy.

Today the social instinct—the concern of the strong for the weak, and of the comfortable for the disadvantaged—is disowned and discredited. Individualism, privatism and selfism are given the highest value and reward. Being "cool" it is called.

These are no times for serious speeches—such as this one. Today's focus is on glitz and sparkle: This is the rhinestone era. This is the heyday of the TV commercial—of one-liners—of quick quips, dark humor and the sexy flash of flesh.

The 20th Century Spanish philosopher, Jose Ortega y Gasset, wrote not too long ago:

"Civilization is, above all, the will to live in common. A man is uncivilized and barbarian in the degree to which he does not take others into account. Barbarianism is the tendency to dissociation. Accordingly, all barbarous epochs have been times of human scattering, of the pullulation of tiny groups, separate from and hostile to one another."

Is this an accurate projection of the spirit and temper of our present times? If it is, it is no wonder that the recollection of the life and values of Herbert H. Lehman sounds somewhat strange and foreign, like a Beethoven sonata at a punk rock festival.

If there was one lamp of hope that was held up and cherished by Herbert H. Lehman and his times, it was for the young—the children, the youth. They were to be protected, assisted and advanced—at all costs.

What is happening to our youth today—in this day of drug culture, the hype culture, and the speed culture?

A terrible statistic jumps out at us—that suicide has overtaken homicide as the second largest killer of youth between 15 and 24 in our nation. The rate of youth suicide in the 80's has grown at triple the rate of the 1950's. It now claims the lives of more young men and women than cancer. Suicide is the enemy of hope.

Today morals seem to be outmoded. Liasons and divorces are without consequences. Distinctions between male and female fade away. Chivalry is out of style. Idealism is out of style. Public service is for those who have rather than those who can, and for what can be gotten out of it rather than what can be put into it.

What is this chamber of horrors in which we wander—and wonder—today? Are we lost in some magical hall of mirrors in which we see enlarged and distorted images of ourselves, Or are they true images? Are such TV serials as Dallas and Dynasty the true images of society today? Are Boy George and Michael Jackson the true reflections of the model values which are taught and held up before the growing children and youth of today?

We know, from population surveys, that the overwhelming majority of people are dissatisfied with what they are—and with what they have today. Larger and larger majorities distrust the established institutions and organs of our society—the government, the press, TV, the law, the courts, the police, doctors, the schools? How can this data fail to concern and frighten us? How can this fail to galvanize our thoughts and our actions?

There is a light of hope. Maybe we see the faint shine. There are some few indications that we are reaching a watermark in the present tendencies toward materialism and hedonism. Perhaps the barbarization of our culture—and of our hero figures—and of our politics —is also approaching its limits.

It could be that the social values of Herbert H. Lehman, and the Roosevelts, and the Trumans, and the Adlai Stevensons, and the Albert Einsteins and the Robert LaFollettes and the George Norrises and the Al Smiths and the Norman Thomases and the Hillquits and the Walter Reuthers and the Sidney Hillmans and the David Dubinskys, and the Lillian Walds and the Jane Addamses and the Jacob Riises . . . are at the dawn of their reemergence. It is sometimes darkest just before dawn. It may be that these great and indeed timeless values—and the people who upheld them—will again be remembered and embraced and celebrated and honored. The pendulum does swing.

If so, if this should come to pass, then the recollection of a life-story like that of Herbert H. Lehman and his ever-loving wife Edith, the story of a man of courage, and honor and high principle, who was an achiever and a businessman and became a leader of his people and all people—a vote-getter, a bleeding-heart, a freedom fighter: such a story can and will again be told and retold to the children of succeeding generations, like the story of the Exodus, like the story of Don Quixote, of El Cid, of Richard the Lion-hearted, like the story of Roland like the story of King Arthur . . . but in this case a true story, a great story—the story of a noble, honest, sincere and incorruptible man.

Speed the day. That will be the day. That would fill my cup.

That would make my day.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. CLINGER (at the request of Mr. MICHEL), for today, on account of official business.

Ms. MIKULSKI (at the request of Mr. WRIGHT), for today from 1:30 p.m. to 3:30 p.m., on account of official business.

Mrs. BYRON (at the request of Mr. WRIGHT), for today from 1:30 p.m. to 3:00 p.m., on account of official business.

Mr. MARLENEE (at the request of Mr. MICHEL), for today and the balance of the week, on account of a death in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. RIDGE) to revise and extend their remarks and include extraneous material:)

Mr. IRELAND, for 5 minutes, on October 30.

Mr. CRAIG, for 60 minutes, on October 30.

Mr. FISH, for 10 minutes, on October 30.

Mr. BARTLETT, for 5 minutes, on October 30.

(The following Members (at the request of Mr. DONNELLY) to revise and extend their remarks and include extraneous material:)

Mr. NELSON of Florida, for 5 minutes.

Mr. ANNUNZIO, for 5 minutes.

Mr. RODINO, for 5 minutes.

Mr. GONZALEZ, for 5 minutes.

Mr. EDGAR, for 60 minutes, on November 5.

Mr. EDGAR, for 60 minutes, on November 6.

(The following Members (at the request of Mr. GAYDOS) to revise and extend their remarks and include extraneous material:)

Mr. OBEY, for 60 minutes, on October 30.

Mr. OBEY, for 60 minutes, on October 31.

Mr. OBEY, for 60 minutes, on November 1.

Mr. CHAPMAN, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. WEISS, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $1,545.

Mr. WEISS, prior to the vote on the conference report on the Department of Defense authorization, in the House today.

(The following Members (at the request of Mr. RIDGE) and to include extraneous matter:)

Mr. WOLF in two instances.
Mr. LEWIS of Florida.
Mr. RITTER.
Mr. DUNCAN.
Mr. GREEN.
Mr. GALLO.
Mr. MCEWEN.
Mr. BROOMFIELD in two instances.
Mr. WHITEHURST.
Mr. GALLO in two instances.
Mr. CONTE.
Mr. GOODLING.
Mr. O'BRIEN.
Mr. JEFFORDS.
Mr. GINGRICH.
Mr. SENSENBRENNER.

(The following Members (at the request of Mr. DONNELLY) and to include extraneous matter:)

Mr. ST GERMAIN.
Mr. LANTOS.
Mr. MARTINEZ.
Mr. STOKES.
Mr. BEILENSON.
Mr. GRAY of Pennsylvania.
Mr. GAYDOS.
Mr. SCHUMER.
Mr. HUBBARD.
Mr. OBEY.
Mr. BRYANT.
Mr. SHELBY.
Mr. LELAND.
Mrs. COLLINS.
Mr. EDGAR.
Mr. MORRISON of Connecticut.
Mr. BERMAN.
Mr. FOWLER.
Mr. YOUNG of Missouri.
Mr. HOYER.
Mr. PEPPER.
Mr. HAYES.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill and joint resolutions of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 3605. An act to provide that the authority to establish and administer flexible and compressed work schedules for Federal Government employees be extended through December 31, 1985;

H.J. Res. 308. Joint resolution designating the week beginning on October 20, 1985, as "Benign Essential Blepharospacm Awareness Week"; and

H.J. Res. 322. Joint resolution to provide for the designation of October 1985, as "National Sudden Infant Death Syndrome Awareness Month."

ADJOURNMENT

Mr. GAYDOS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 17 minutes p.m.), the House adjourned until tomorrow, Wednesday, October 30, 1985, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2190. A letter from the Auditor, District of Columbia, transmitting a copy of the report

entitled, "University of the District of Columbia President's Representation Fund for fiscal year 1985", pursuant to Public Law 93-198, section 455(d); to the Committee on the District of Columbia.

2191. A letter from the Chairman, Board of Directors, Future Farmers of America, transmitting the report and financial audit, pursuant to Public Law 88-504, section 3 (36 U.S.C. 1103); to the Committee on the Judiciary.

2192. A letter from the Military Order of the Purple Heart of the United States of America, transmitting the report and financial audit, pursuant to Public Law 88-504, section 3 (36 U.S.C. 1103); to the Committee on the Judiciary.

2193. A letter from the Administrator, General Services Administration, transmitting a lease prospectus, pursuant to Public Law 86-249, section 7(a) (86 Stat. 217); to the Committee on Public Works and Transportation.

2194. A letter from the Director, National Bureau of Standards, transmitting the Director's review of the recommendations of the President's Private Sector Survey on Cost Control and of such other advisements contained in the OMB report entitled, "Management of the United States Government—1986," pursuant to Public Law 99-73; to the Committee on Science and Technology.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HAWKINS. Committee on Education and Labor H.R. 1616. A bill to require employers to notify and consult with employees before ordering a plant closing or permanent layoff. With an amendment (Rept. 99-336). Referred to the Committee of the Whole House on the State of the Union.

Mr. DERRICK. Committee on Rules. H.Res. 301. A resolution providing for the consideration of H.R. 3128, a bill to make changes in spending and revenue provisions for purposes of deficit reduction and program improvement, consistent with the budget process. (Rept. 99-338). Referred to the House Calendar.

Mr. WHEAT. Committee on Rules. H. Res. 302. A resolution waiving certain points of order against consideration of H.R. 3629 a bill making appropriations fo: the Department of Defense for the fiscal year ending September 30, 1986, and for other purposes. (Rept. 99-339). Referred to the House Calendar.

Mrs. OAKAR. Committee on House Administration. H.J. Res. 142. A bill to authorize the Black Revolutionary War Patriots Foundation to establish a memorial in the District of Columbia at an appropriate site in Constitution Gardens, with amendments (Rept. 99-340). Referred to the Committee of the Whole House on the State of the Union.

Ms. OAKAR. Committee on House Administration. H.R. 2205. A bill to erect a memorial on Federal land in the District of Columbia or its environs to honor members of the Armed Forces of the United States who served in the Korean war, with amendments (Rept. 99-341). Referred to the Committee of the Whole House on the State of the Union.

Ms. OAKAR. Committee on House Administration. H.J. Res. 36. A bill authorizing establishment of a memorial in the District of Columbia or its environs, with amendments (Rept. 99-342). Referred to the Committee of the Whole House on the State of the Union.

Mr. HAWKINS. Committee on Education and Labor. H. Con. Res. 207. A bill to recognize the twentieth anniversary of the Higher Education Act of 1965 and reaffirm its purpose. (Rept. 99-343). Referred to the House Calendar.

REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

Mr. MONTGOMERY. Committee on Veterans' Affairs. H.R. 1538. A bill to amend title 38, United States Code, to provide a 4.1 percent increase in the rates of compensation and of dependency and indemnity compensation (DIC) paid by the Veterans' Administration with an amendment (Rept. 99-337, Pt 1). Referred to the Committee on Ways and Means for a period ending not later than November 15, 1985, for consideration of such provisions of section 204 of the amendment recommended by the Committee on Veterans' Affairs as fall within the jurisdiction of the Committee on Ways and Means under clause 1(v), rule X. Order to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. FAZIO (for himself and Mr. CHAPPIE):

H.R. 3637. A bill to provide for the payment of losses incurred by domestic growers, manufacturers, packers, and distributors as a result of the Food and Drug Administration's erroneous publicity and misrepresentations during 1969 and 1970 regarding the carcinogenic effects of cyclamates after extensive inventories of foods containing cyclamates had been prepared or packed or packaging, labeling, and other materials had been prepared; to the Committee on the Judiciary.

By Mr. LELAND:

H.R. 3638. A bill to amend Chapter 83 of Title 5, United States Code, to provide Civil Service Retirement Credit for service performed under the Railroad Retirement Act, and for other purposes; jointly, to the Committees on Post Office and Civil Service, and Energy and Commerce.

By Mr. RODINO (for himself, Mr. FISH, Mr. KASTENMEIER, Mr. SEIBERLING, Mr. HUGHES, Mr. CROCKETT, Mr. FEIGHAN, and Mr. SMITH of Florida):

H.R. 3639. A bill to amend the Clayton Act by modifying the notification requirements applicable to mergers and tenders offers; to the Committee on the Judiciary.

By Mr. WAXMAN (for himself and Mr. MADIGAN):

H.R. 3640. A bill to amend the Federal Food, Drug, and Cosmetic Act to prescribe warnings respecting Reye's Syndrome for drugs containing aspirin; to the Committee on Energy and Commerce.

By Mr. WOLF:

H.R. 3641. A bill to amend title 5, United States Code, to increase the opportunity to provide a survivor annuity under subchapter III of chapter 83 of such title; and to improve retirement counseling for Federal Government employees; to the Committee on Post Office and Civil Service.

By Mr. BROYHILL (for himself, Mr. HENDON, Mr. COBLE, Mr. HEFNER, Mr. JONES of North Carolina, Mr. MCMILLAN, Mr. NEAL, Mr. ROSE, Mr. VALENTINE, Mr. SPENCE, Mr. SPRATT, Mr. CAMPBELL, Mr. TALLON, Mr. DERRICK, Mr. RAY, Mr. DARDEN, Mr. JENKINS, Mr. CALLAHAN, Mr. ERDREICH, Mr. MOORE, Mr. TAUZIN, Mr. DOWDY of Mississippi, Mr. LEWIS of Florida, Mr. DANIEL, Mr. WORTLEY, Mr. QUILLEN, Mr. RICHARDSON, Mrs. BENTLEY, Mr. DENNY SMITH, Mr. PRICE, Mr. WATKINS, Mr. REGULA, Mr. ROGERS, Mr. ADDABBO, Mr. KINDNESS, Mr. NICHOLS, Mr. REID, Mr. EMERSON, Mr. SCHULZE, Mr. KOLTER, Ms. KAPTUR, Mr. COBEY, Mr. HUNTER, Mr. SKELTON, Mr. DWYER of New Jersey, Mr. HUGHES, Mr. RINALDO, Mr. SAXTON, Mr. TORRICELLI, Mr. ROE, Mrs. BOXER, Mr. BROWN of California, Mr. DYMALLY, Mr. DYSON, Mr. HORTON, Mr. WHITLEY, Mr. ACKERMAN, Mr. HARTNETT, and Mr. HILLIS):

H.J. Res. 430. Joint resolution to authorize and request the President to designate December 1985 as "Made in America Month;" to the Committee on Post Office and Civil Service.

By Mr. FASCELL (for himself, Mr. BROOMFIELD, Mr. HAMILTON, and Mr. GILMAN):

H.J. Res. 431. Joint resolution to commend the people and the sovereign confederation of the neutral nation of Switzerland for their contributions to freedom, international peace, and understanding on the occasion of the meeting between the leaders of the United States and the Soviet Union in Geneva, Switzerland, on November 19 and 20, 1985; to the Committee on Foreign Affairs.

By Mr. WHITTEN:

H.J. Res. 432. Joint resolution making further continuing appropriations for the fiscal year 1986; to the Committee on Appropriations.

By Mr. JONES of North Carolina:

H.J. Res. 433. Joint resolution to authorize and request the President to issue a proclamation designating June 2 through June 8, 1986, as "National Fishing Week;" to the Committee on Post Office and Civil Service.

By Mr. BROOMFIELD (for himself, Mr. YATRON, Mr. LAGOMARSINO, and Mr. MURTHA):

H. Con. Res. 222. Concurrent resolution condemning the state of emergency imposed by the Sandinista regime suspending fundamental civil liberties of the Nicaraguan people; to the Committee on Foreign Affairs.

By Mr. PARRIS:

H. Con. Res. 223. Concurrent resolution reaffirming that deposits, up to the statutorily prescribed amount, in federally insured depository institutions are backed by the full faith and credit of the United States; to the Committee on Banking, Finance and Urban Affairs.

By Mr. FISH (for himself, Mr. RODINO, Mr. HYDE, Mr. BROOKS, Mr. DANNEMEYER, Mr. EDWARDS of California, Mr. SEIBERLING, Mr. HUGHES,

Mr. SYNAR, Mr. GLICKMAN, Mr. FEIGHAN, Mr. SMITH of Florida, Mr. CONYERS, Mrs. SCHROEDER, Mr. FRANK, Mr. SCHUMER, Mr. BERMAN, Mr. BOUCHER, Mr. BRYANT, Mr. GALLO, Mr. NIELSON of Utah, Mr. EVANS of Illinois, Mr. SMITH of New Jersey, Mr. STOKES, and Mr. TOWNS):

H. Res. 303. Resolution expressing the sense of the House of Representatives that the antitrust enforcement guidelines entitled "Vertical Restraints Guidelines," published by the Department of Justice on January 23, 1985, do not have the force of law, do not accurately state current antitrust law, and shall not be considered by the courts of the United States as binding or persuasive; to the Committee on Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. ANDERSON introduced a bill (H.R. 3642) to clear certain impediments to the documentation of the vessel "Gypsy Rose" as a vessel of the United States; to the Committee on Merchant Marine and Fisheries.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 44: Mr. LANTOS, and Mr. ROWLAND of Georgia.

H.R. 383: Mr. COUGHLIN.

H.R. 442: Mr. PASHAYAN, Mr. EVANS of Illinois, and Mr. BOUCHER.

H.R. 479: Mr. HYDE and Mr. PRICE.

H.R. 605: Mr. MADIGAN.

H.R. 776: Mr. BARTON of Texas.

H.R. 1197: Mr. HORTON, Mrs. COLLINS, and Mr. STRANG.

H.R. 1294: Ms. MIKULSKI.

H.R. 1338: Mr. REID.

H.R. 1356: Mr. YATRON, Mr. BLILEY, Mr. DE LA GARZA, Mr. KASTENMEIER, Mr. BARNES, Mr. ORTIZ, Mr. YOUNG of Alaska, Mr. MOLLOHAN, Mr. EDWARDS of Oklahoma, Mr. DUNCAN, Mr. BOUCHER, and Mr. MRAZEK.

H.R. 1458: Mr. BIAGGI.

H.R. 1607: Mr. MARKEY.

H.R. 1754: Mr. BURTON of Indiana.

H.R. 1770: Mr. ATKINS and Mrs. BURTON of California.

H.R. 1918: Mr. EMERSON and Mr. LEVIN of Michigan.

H.R. 2295: Mr. KINDNESS, Mr. MURPHY, and Mr. SOLARZ.

H.R. 2539: Mr. MADIGAN, Mr. WALGREN, Mr. EDWARDS of Oklahoma, Ms. KAPTUR, and Mr. MITCHELL.

H.R. 2709: Mr. ROBINSON.

H.R. 2736: Mr. LIGHTFOOT.

H.R. 2741: Mrs. KENNELLY.

H.R. 2768: Mr. MATSUI.

H.R. 2909: Mr. OWENS, Mr. FRANK, Mr. MORRISON of Connecticut, Mr. WHITEHURST, Mr. MURPHY, Mr. ACKERMAN, Mr. DYSON, Mr. SABO, Mr. RODINO, Mr. BEREUTER, Mr. BILIRAKIS, Mr. SMITH of Florida, Mr. GLICKMAN, Mr. ENGLISH, Mr. KINDNESS, Mr. BARNES, Mr. DIXON, Mr. FROST, Mr. SMITH of New Hampshire, Mr. BOEHLERT, Mr. FUSTER, Mr. FAUNTROY, Mr. BEDELL, Mr. RANGEL, Mr. CROCKETT, Mr. DORNAN of California, Mr. CHAPMAN, Ms. KAPTUR, Mr. WHEAT, Mr. COLEMAN of Texas, Mr. HUGHES, Mr. MITCHELL, Mr. MCGRATH, Mr. GARCIA, Mr. FAZIO, Mr. ROYBAL, Mr. DIOGUARDI, Mr. MARTIN of New York, Mr. WORTLEY, Mr. BIAGGI, Mr. PASHAYAN, Mr. MYERS of Indiana, Mr. CONYERS, Mr. DE LUGO, Mr. MATSUI, Mrs. SCHROEDER, Mr. CLINGER, Mr. UDALL, Mr. COELHO, and Mr. EDWARDS of Oklahoma.

H.R. 2943: Mr. TORRICELLI, Mr. LENT, Mr. FAUNTROY, Mr. FAZIO, Mr. BLILEY, Mr. KINDNESS, Mr. SENSENBRENNER, Mr. DERRICK, Mr. WILSON, and Mr. MONSON.

H.R. 2957: Mr. RANGEL, Mr. GREEN, Mrs. COLLINS, Mr. MCCOLLUM, Ms. MIKULSKI, and Ms. KAPTUR.

H.R. 2958: Mr. MOODY, Mr. RANGEL, Mr. GREEN, Mrs. COLLINS, Mr. MCCOLLUM, Ms. MIKULSKI, and Ms. KAPTUR.

H.R. 2985: Mr. OBERSTAR, Mr. MOODY, Mr. MINETA, Mr. PERKINS, Mr. FUSTER, Mr. MITCHELL, Mr. RAHALL, and Mr. ROE.

H.R. 3035: Mr. MURPHY.

H.R. 3041: Mr. YOUNG of Missouri, Mr. GREEN, Mr. BONER of Tennessee, Mr. ADDABBO, Mr. YATES, Mr. PORTER, Mr. CONTE, Mr. DANIEL, and Mr. LAFALCE.

H.R. 3045: Mr. MITCHELL.

H.R. 3099: Mr. KOLTER, Mr. MARKEY, Mr. DYSON, Mr. VENTO, Mr. RICHARDSON, Mr. MITCHELL, Mr. RINALDO, Mr. MORRISON of Connecticut, and Mr. TORRICELLI.

H.R. 3102: Mr. BIAGGI, Mr. CROCKETT, Mr. TRAFICANT, Mr. WEISS, Mr. MURPHY, Ms. KAPTUR, Mr. ECKART of Ohio, Mrs. COLLINS, Mr. TOWNS, Mr. FUSTER, and Mr. MATSUI.

H.R. 3132: Mr. MOODY and Mr. JEFFORDS.

H.R. 3180: Mr. RANGEL and Mr. CROCKETT.

H.R. 3263: Mr. DIOGUARDI, Mr. TOWNS, and Mr. MCEWEN.

H.R. 3328: Mr. ROBERT F. SMITH and Mr. HENRY.

H.R. 3346: Mr. ARCHER and Mr. BADHAM.

H.R. 3459: Mr. WALGREN, Mr. WRIGHT, Mr. ALEXANDER, Mr. BROOKS, Mr. LOEFFLER, and Mr. RALPH M. HALL.

H.R. 3472: Mr. KEMP, Mr. COURTER, Mrs. BYRON, Mr. HUTTO, Mr. SILJANDER, Mr. GINGRICH, Mr. STRATTON, and Mr. DANIEL.

H.R. 3474: Mr. ROE, Mr. SYNAR, Mr. HUGHES, and Mr. NEAL.

H.R. 3477: Mr. GINGRICH, Mr. WEBER, Mr. KINDNESS, Mr. CAMPBELL, Mr. SWINDALL, Mr. BATEMAN, and Mr. CRANE.

H.R. 3488: Mrs. BURTON of California, Mr. PEASE, Mr. BATES, Mr. DE LUGO, Mr. GUARINI, Mr. MORRISON of Connecticut, Mr. MARTINEZ, and Ms. KAPTUR.

H.R. 3510: Mr. MONSON, Mr. VISCLOSKY, Mr. OBERSTAR, Mr. VENTO, Mr. SEIBERLING, Mrs. BOXER, Mr. WEISS, Mr. MARTINEZ, Mr. LEVINE of California, Mr. CHANDLER, Mrs. BURTON of California, Mr. AKAKA, and Mr. BERMAN.

H.R. 3512: Mr. MITCHELL and Mr. WHITEHURST.

H.R. 3521: Mr. WORTLEY, Mr. BEDELL, Mr. ST GERMAIN, Mr. BARTON of Texas, Mr. NIELSON of Utah, and Mr. MOORE.

H.R. 3522: Mr. QUILLEN.

H.R. 3531: Mrs. KENNELLY and Mr. MANTON.

H.R. 3542: Mr. OBERSTAR.

H.R. 3557: Mr. TOWNS, Mr. LIGHTFOOT, Mr. BEDELL, Mr. TAUKE, and Mr. ROE.

H.R. 3562: Mr. DEWINE, Mr. WHITEHURST, Mr. LIPINSKI, Mr. BARTON of Texas, Mr. FROST, Mr. WILSON, Mr. DIOGUARDI, and Mr. MONSON.

H.R. 3583: Mr. WORTLEY, Mr. LAGOMARSINO, Mr. RUDD, Mr. MCGRATH, Mr. MILLER of Ohio, Mr. EMERSON, and Mrs. BENTLEY.

H.R. 3585: Mr. BADHAM, Mr. BUSTAMANTE, Mr. FAZIO, Mr. HORTON, Mr. HUTTO, Mr. JONES of North Carolina, and Mr. NICHOLS.

H.R. 3602: Mrs. BURTON of California and Mrs. BOXER.

H.J. Res. 101: Mr. HENDON, Mr. STANGELAND, and Mr. HOWARD.

H.J. Res. 122: Mr. HILER and Mr. BROWN of California.

H.J. Res. 126: Mr. GRAY of Pennsylvania, Mr. MOODY, Mr. MAZZOLI, Mr. SOLARZ, Mr. WAXMAN, Mr. SHELBY, Mr. TRAXLER, Mr. STOKES, Mr. ANTHONY, Mr. BARNARD, Mr. MICA, Mr. MCHUGH, and Mr. MAVROULES.

H.J. Res. 127: Mr. NEAL, Mr. COUGHLIN, Mr. DASCHLE, Mr. MCDADE, Mr. MCKINNEY, Mr. MARTIN of New York, Mr. MOORHEAD, Mr. O'BRIEN, and Mr. SAXTON.

H.J. Res. 154: Mr. KASTENMEIER, Mr. NEAL, Mr. BLAZ, and Mr. JONES of Tennessee.

H.J. Res. 241: Mrs. BYRON, Mr. DORNAN of California, Mr. HILER, Mr. TORRICELLI, Mr. SENSENBRENNER, Mr. HUNTER, Mr. SKELTON, Mr. LAGOMARSINO, Mr. WHITEHURST, Mr. BARNARD, Mr. KINDNESS, Mr. VALENTINE, Mr. ROBINSON, Mr. SAXTON, Mr. HYDE, Mr. GROTBERG, Mr. BURTON of Indiana, Mrs. BENTLEY, Mr. DARDEN, Mr. SHUMWAY, Mr. BLILEY, Mr. SPENCE, Mr. BATEMAN, Mr. JEFFORDS, Mr. SOLOMON, Mr. MILLER of Ohio, and Mr. CLINGER.

H.J. Res. 314: Mr. CHAPPELL, Mr. WHITLEY, Mr. MANTON, Mr. WATKINS, and Mr. ROBINSON.

H.J. Res. 421: Mr. WILSON, Mr. GUARINI, Mrs. BURTON of California, Mrs. BENTLEY, Mr. HORTON, Mr. DIOGUARDI, Mr. GORDON, and Mr. MACKAY.

H. Con. Res. 117: Mr. EDWARDS of Oklahoma.

H. Con. Res. 190: Mr. MARTIN of New York, Mr. BARTON of Texas, Mr. CLINGER, Mr. DENNY SMITH, Mr. TAUKE, and Mr. KASICH.

H. Con. Res. 197: Mr. WOLF, Mr. NEAL, Mr. DOWDY of Mississippi, and Mr. ROWLAND of Connecticut.

H. Con. Res. 200: Mr. BARTON of Texas, Mr. BLILEY, Mr. CHAPPELL, Mr. CHENEY, Mr. COBLE, Mr. COLEMAN of Missouri, Mr. COURTER, Mr. CRANE, Mr. DARDEN, Mr. DELAY, Mr. EVANS of Iowa, Mr. GINGRICH, Mr. HANSEN, Mr. HUCKABY, Mr. IRELAND, Mr. MCCAIN, Mr. MCHUGH, Mr. MOORE, Mr. REGULA, Mr. RUDD, Mr. DENNY SMITH, Mr. SOLARZ, Mr. SOLOMON, Mr. SPENCE, Mr. STENHOLM, Mr. WORTLEY, and Mr. YOUNG of Florida.

H. Con. Res. 212: Mr. KINDNESS, Mr. WILSON, Mr. THOMAS of Georgia, Mr. MCGRATH, Mr. LEVINE of California, Mr. WEBER, Mr. BARTON of Texas, Mr. FROST, Mr. SAXTON, Mr. SOLOMON, Mrs. BENTLEY, Mr. BEREUTER, Mr. DIOGUARDI, Mr. BONER of Tennessee, Mr. DEWINE, Mr. MONSON, and Mr. LEWIS of California and Mr. WOLF.

H. Res. 76: Mr. PURSELL, Mr. BONIOR of Michigan, and Mr. FASCELL.

H. Res. 188: Mr. BUSTAMANTE.

H. Res. 208: Mr. HILER.

H. Res. 219: Mrs. BOXER, Mr. FUQUA, Mr. BARNES, Mr. MARTINEZ, Mr. ROWLAND of Connecticut, and Mr. ALEXANDER.

H. Res. 260: Mr. BARTON of Texas.

H. Res. 271: Mr. MORRISON of Connecticut, Mr. TRAFICANT, and Mr. LOWRY of Washington.

H. Res. 298: Ms. KAPTUR.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 2601: Ms. FIEDLER.

H.R. 3630: Mr. BONER of Tennessee.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 2817

By Mr. DOWNEY of New York:

—Strike out title IV of the bill and insert in lieu thereof the following:

TITLE IV—AMENDMENTS OF THE INTERNAL REVENUE CODE OF 1954

SEC. 401. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This title may be cited as the "Superfund Revenue Act of 1985".

(b) TABLE OF CONTENTS.—

Sec. 401. Short title; table of contents.

PART I—SUPERFUND AND ITS REVENUE SOURCES

Sec. 411. Extension of environmental taxes.
Sec. 412. Increase in tax on petroleum.
Sec. 413. Increase in tax on certain chemicals.
Sec. 414. Repeal of post-closure tax and trust fund.
Sec. 415. Waste management tax.
Sec. 416. Tax on certain imported substances derived from taxable chemicals.
Sec. 417. Hazardous Substance Superfund.

PART II—LEAKING UNDERGROUND STORAGE TANK TRUST FUND AND ITS REVENUE SOURCES

Sec. 421. Additional tax on gasoline, diesel fuel, and special motor fuels.
Sec. 422. Leaking Underground Storage Tank Trust Fund.

PART III—OIL SPILL LIABILITY TRUST FUND AND ITS REVENUE SOURCES

Sec. 431. Increase in environmental tax on petroleum.
Sec. 432. Oil Spill Liability Trust Fund.

PART IV—STUDIES

Sec. 441. Study of impact of waste management tax on domestic manufacturers.
Sec. 442. Study of lead poisoning.

PART V—COORDINATION WITH OTHER PROVISIONS OF THIS ACT

Sec. 451. Coordination.

PART I—SUPERFUND AND ITS REVENUE SOURCES

SEC. 411. EXTENSION OF ENVIRONMENTAL TAXES.

(a) IN GENERAL.—Subsection (d) of section 4611 of the International Revenue Code of 1954 (relating to termination) is amended to read as follows:

"(d) APPLICATION OF TAXES.—The taxes imposed by this section shall apply after October 31, 1985, and before October 1, 1990."

(b) TECHNICAL AMENDMENT.—Section 303 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 is hereby repealed.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on November 1, 1985.

SEC. 412. INCREASE IN TAX ON PETROLEUM.

(a) INCREASE IN TAX.—Subsections (a) and (b) of section 4611 of the Internal Revenue Code of 1954 (relating to environmental tax on petroleum) are each amended by striking out "0.79 cent" and inserting in lieu thereof "11.9 cents".

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on November 1, 1985.

SEC. 413. INCREASE IN TAX ON CERTAIN CHEMICALS.

(a) INCREASE IN RATE OF TAX; LEAD ADDED AS TAXABLE CHEMICAL.—Subsection (b) of section 4661 of the Internal Revenue Code of 1954 (relating to amount of tax imposed on certain chemicals) is amended by striking out the table contained in such subsection and inserting in lieu thereof the following:

"In the case of:	The tax (before any inflation adjustment) is the following amount per ton:
Organic substances:	
Acetylene	$6.25
Benzene	6.25
Butadiene	6.25
Butane	5.54
Butylene	6.25
Ethylene	6.25
Methane	3.44
Napthalene	6.25
Propylene	6.25
Toluene	6.25
Xylene	11.19
Inorganic substances:	
Ammonia	4.20
Antimony	6.25
Antimony trioxide	6.25
Arsenic	6.25
Arsenic trioxide	6.25
Barium sulfide	6.25
Bromine	6.25
Cadmium	6.25
Chlorine	4.03
Chromite	1.52
Chromium	6.25
Cobalt	6.25
Cupric oxide	6.25
Cupric sulfate	6.25
Cuprous oxide	6.25
Hydrochloric acid	1.24
Hydrogen fluoride	6.25
Lead	6.25
Lead oxide	6.25
Mercury	6.25
Nickel	6.25
Nitric acid	3.90
Phosphorous	6.25
Potassium dichromate	6.25
Potassium hydroxide	6.25
Sodium dichromate	6.25
Sodium hydroxide	3.72
Stannic choloride	6.25
Stannous chloride	6.25
Sulfuric acid	1.03
Zinc chloride	6.25
Zinc sulfate	6.25."

(b) INFLATION ADJUSTMENTS IN AMOUNT OF TAX.—Section 4661 of such Code is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

"(c) INFLATION ADJUSTMENTS IN AMOUNT OF TAX.—

"(1) IN GENERAL.—In the case of any taxable chemical sold in a calendar year after 1986, the amount of the tax imposed by subsection (a) shall be the amount determined under subsection (b) increased by the applicable inflation adjustment for such calendar year.

"(2) APPLICABLE INFLATION ADJUSTMENT.—

"(A) IN GENERAL.—In the case of a taxable chemical, the applicable inflation adjustment for the calendar year is the percentage (if any) by which—

"(i) the applicable price index for the preceding calendar year, exceeds

"(ii) the applicable price index for 1985.

"(B) APPLICABLE PRICE INDEX.—For purposes of subparagraph (A), the applicable price index for any calendar year is the average for the months in the 12-month period ending on September 30 of such calendar year of—

"(i) in the case of organic substances, the producer price index for basic organic chemicals as published by the Secretary of Labor, or

"(ii) in the case of inorganic substances, the producer price index for basic inorganic chemicals as published by the Secretary of Labor.

"(3) ROUNDING.—If any increase determined under paragraph (1) is not a multiple of 1 cent, such increase shall be rounded to the nearest multiple of 1 cent (or, if the increase determined under paragraph (1) is a multiple of ½ of 1 cent, such increase shall be increased to the next higher multiple of 1 cent)."

(c) EXEMPTION FOR EXPORTS OF TAXABLE CHEMICALS.—

(1) Section 4662 of such Code (relating to definitions and special rules) is amended by redesignating subsection (e) as subsection (f) and by inserting after subsection (d) the following new subsection:

"(e) EXEMPTION FOR EXPORTS OF TAXABLE CHEMICALS.—

"(1) TAX-FREE SALES.—

"(A) IN GENERAL.—No tax shall be imposed under section 4661 on the sale by the manufacturer or producer of any taxable chemical for export, or for resale by the purchaser to a second purchaser for export.

"(B) PROOF OF EXPORT REQUIRED.—Rules similar to the rules of section 4221(b) shall apply for purposes of subparagraph (A).

"(2) CREDIT OR REFUND WHERE TAX PAID.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), if—

"(i) tax under section 4661 was paid with respect to any taxable chemical, and

"(ii) such chemical was exported by any person,

credit or refund (without interest) of such tax shall be allowed or made to the person who paid such tax.

"(B) CONDITION TO ALLOWANCE.—No credit or refund shall be allowed or made under subparagraph (A) unless the person who paid the tax establishes that he—

"(i) has repaid or agreed to repay the amount of the tax to the person who exported the taxable chemical, or

"(ii) has obtained the written consent of such exporter to the allowance of the credit or the making of the refund.

"(3) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this subsection."

(2) Paragraph (1) of section 4662(d) of such Code (relating to refund or credit for certain uses) is amended—

(A) by striking out "the sale of which by such person would be taxable under such section" and inserting in lieu thereof "which is a taxable chemical", and

(B) by striking out "imposed by such section on the other substance manufactured or produced" and inserting in lieu thereof "imposed by such section on the other substance manufactured or produced (or which would have been imposed by such section on such other substance but for subsection (b) or (e) of this section)".

(d) SPECIAL RULES FOR CERTAIN CHEMICALS.—

(1) REPEAL OF EXEMPTION FOR CHEMICALS DERIVED FROM COAL.—

(A) Section 4662(b) of such Code (relating to exemptions; other special rules) is amended by striking out paragraph (4) and by redesignating paragraphs (5) and (6) as paragraphs (4) and (5), respectively.

(B) Paragraph (3) of section 4662(d) of such Code is amended by striking out "subsection (b)(5)" each place it appears and inserting in lieu thereof "subsection (b)(4)".

(2) EXEMPTION FOR LEAD HAVING TRANSITORY PRESENCE DURING EXTRACTING PROCESS.—Clause (i) of section 4662(b)(5)(B) of such Code (relating to substance having transitory presence during extracting process), as redesignated by paragraph (1), is amended by inserting "lead," before "lead oxide".

(3) SPECIAL RULE FOR XYLENE.—Subsection (b) of section 4662 of such Code (relating to exceptions; other special rules) is amended by adding after paragraph (5) the following new paragraph:

"(6) SPECIAL RULE FOR XYLENE.—Except in the case of any substance imported into the United States or exported from the United States, the term 'xylene' does not include any separated isomer of xylene."

(4) SPECIAL RULE FOR NITRIC ACID USED IN PRODUCTION OF NITROCELLULOSE.—Subsection (b) of section 4662 of such Code (relating to exceptions; other special rules) is amended by adding after paragraph (6) the following new paragraph:

"(7) SPECIAL RULE FOR NITRIC ACID USED IN PRODUCTION OF NITROCELLULOSE.—The tax imposed under section 4661 on nitric acid used by the producer of such acid in the production of nitrocellulose shall not exceed $0.24 per ton."

(e) EXEMPTION FOR CERTAIN RECYCLED CHEMICALS.—Subsection (b) of section 4662 of such Code (relating to exceptions; other special rules) is amended by adding after paragraph (7) the following new paragraph:

"(8) RECYCLED CHROMIUM, COBALT, NICKEL, AND LEAD.—

"(A) IN GENERAL.—No tax shall be imposed under section 4661(a) on any chromium, cobalt, nickel, or lead which is diverted or recoverd in the United States from any solid waste as part of a recycling process (and not as part of the original manufacturing or production process).

"(B) EXEMPTION NOT TO APPLY WHILE CORRECTIVE ACTION UNCOMPLETED.—Subparagraph (A) shall not apply during any period that required corrective action by the taxpayer is uncompleted.

"(C) REQUIRED CORRECTIVE ACTION.—For purposes of subparagraph (B), required corrective action shall be treated as uncompleted during the period—

"(i) beginning on the date that the corrective action is required by the Administrator or an authorized State pursuant to—

"(I) a final permit under section 3005 of the Solid Waste Disposal Act or final order under section 3004 or 3008 of such Act, or

"(II) a final order under section 106 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, and

"(ii) ending on the date the Administrator or such State (as the case may be) certifies to the Secretary that such corrective action has been completed.

"(D) SOLID WASTE.—For purposes of this paragraph, the term 'solid waste' has the meaning given such term by section 1004 of the Solid Waste Disposal Act, except that such term shall not include any byproduct, coproduct, or other waste from any process of smelting, refining, or otherwise extracting any metal."

(f) EXEMPTION FOR ANIMAL FEED SUBSTANCES.—

(1) IN GENERAL.—Subsection (b) of section 4662 of such Code (relating to exceptions; other special rules) is amended by adding after paragraph (8) the following new paragraph:

"(9) SUBSTANCES USED IN THE PRODUCTION OF ANIMAL FEED.—

"(A) IN GENERAL.—In the case of—

"(i) nitric acid,

"(ii) sulfuric acid,

"(iii) ammonia, or

"(iv) methane used to produce ammonia,

which is a qualified animal feed substance, no tax shall be imposed under section 4661(a).

"(B) QUALIFIED ANIMAL FEED SUBSTANCE.—For purposes of this section, the term 'qualified animal feed substance' means any substance—

"(i) used in a qualified animal feed use by the manufacturer, producer, or importer,

"(ii) sold for use by any purchaser in a qualified animal feed use, or

"(iii) sold for resale by any purchaser for use, or resale for ultimate use, in a qualified animal feed use.

"(C) QUALIFIED ANIMAL FEED USE.—The term 'qualified animal feed use' means any use in the manufacture or production of animal feed or animal feed supplements, or of ingredients used in animal feed or animal feed supplements.

"(D) TAXATION OF NONQUALIFIED SALE OR USE.—For purposes of section 4661(a), if no tax was imposed by such section on the sale or use of any chemical by reason of subparagraph (A), the first person who sells or uses such chemical other than in a sale or use described in subparagraph (A) shall be treated as the manufacturer of such chemical."

(2) REFUND OR CREDIT FOR SUBSTANCES USED IN THE PRODUCTION OF ANIMAL FEED.—Subsection (d) of section 4662 of such Code (relating to refunds and credits with respect to the tax on certain chemicals) is amended by adding at the end thereof the following new paragraph:

"(4) USE IN THE PRODUCTION OF ANIMAL FEED.—Under regulations prescribed by the Secretary, if—

"(A) a tax under section 4661 was paid with respect to nitric acid, sulfuric acid, ammonia, or methane used to produce ammonia, without regard to subsection (b)(9), and

"(B) any peson uses such substance as a qualified animal feed substance,

then an amount equal to the excess of the tax so paid over the tax determined with regard to subsection (b)(9) shall be allowed as a credit or refund (without interest) to such person in the same manner as if it were an overpayment of tax imposed by this section."

(g) CERTAIN EXCHANGES BY TAXPAYERS NOT TREATED AS SALES.—Subsection (c) of section 4662 of such Code (relating to use by manufacturers) is amended to read as follows:

"(c) USE AND CERTAIN EXCHANGES BY MANUFACTURER, ETC.—

"(1) USE TREATED AS SALE.—Except as provided in subsections (b) and (e), if any person manufacturers, produces, or imports any taxable chemical and uses such chemical, than such person shall be liable for tax under section 4661 in the same manner as if such chemical were sold by such person.

"(2) SPECIAL RULES FOR INVENTORY EXCHANGES.—

"(A) IN GENERAL.—Except as provided in this paragraph, in any case in which a manufacturer, producer, or importer of a taxable chemical exchanges such chemical as part of an inventory exchange with another person—

"(i) such exchange shall not be treated as a sale, and

"(ii) such other person shall, for purposes of section 4661, be treated as the manufacturer, producer, or importer of such chemical.

"(B) REGISTRATION REQUIREMENT.—Subparagraph (A) shall not apply to any inventory exchange unless—

"(i) both parties are registered with the Secretary as manufacturers, producers, or importers of taxable chemicals, and

"(ii) the person receiving the taxable chemical has, at such time as the Secretary may prescribe, notified the manufacturer, producer, or importer of such person's registration number and the internal revenue district in which such person is registered.

"(C) INVENTORY EXCHANGE.—For purposes of this paragraph, the term 'inventory exchange' means any exchange in which 2 persons exchange property which is, in the hands of each person, property described in section 1221(1)."

(h) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall take effect on November 1, 1985.

(2) REPEAL OF TAX ON XYLENE FOR PERIODS BEFORE OCTOBER 1, 1985.—

(A) REFUND OF TAX PREVIOUSLY IMPOSED.—In the case of any tax imposed by section 4661 of the Internal Revenue Code of 1954 on the sale or use of xylene before October 1, 1985, such tax (including interest, additions to tax, and additional amounts) shall not be assessed, and if assessed, the assessment shall be abated, and if collected shall be credited or refunded (with interest) as an overpayment.

(B) WAIVER OF STATUTE OF LIMITATIONS.—If on the date of the enactment of this Act (or at any time within 1 year after such date of enactment) refund or credit of any overpayment of tax resulting from the application of subparagraph (A) is barred by any law or rule of law, refund or credit of such overpayment shall, nevertheless, be made or allowed if claim therefor is filed before the date 1 year after the date of the enactment of this Act.

(C) XYLENE TO INCLUDE ISOMERS.—For purposes of this paragraph, the term "xylene" shall include any isomer of xylene whether or not separated.

(3) INVENTORY EXCHANGES.—

(A) IN GENERAL.—Except as otherwise provided in this paragraph, the amendment made by subsection (g) shall apply as if included in the amendments made by section 211 of the Hazardous Substance Response Revenue Act of 1980.

(B) RECIPIENT MUST AGREE TO TREATMENT AS MANUFACTURER.—In the case of any inventory exchange before January 1, 1986, the amendment made by subsection (g) shall apply only if the person receiving the chemical from the manufacturer, producer, or importer in the exchange agrees to be treated as the manufacturer, producer, or importer of such chemical for purposes of subchapter B of chapter 38 of the Internal Revenue Code of 1954.

(C) EXCEPTION WHERE MANUFACTURER PAID TAX.—In the case of any inventory exchange before January 1, 1986, the amendment made by subsection (g) shall not apply if the manufacturer, producer, or importer treated such exchange as a sale for purposes of section 4661 of such Code and paid the tax imposed by such section.

(D) REGISTRATION REQUIREMENTS.—Section 4662(c)(2)(B) of such Code (as added by subsection (g)) shall apply to exchanges made after December 31, 1985.

SEC. 414. REPEAL OF POST-CLOSURE TAX AND TRUST FUND.

(a) REPEAL OF TAX.—

(1) Subchapter C of chapter 38 of the Internal Revenue Code of 1954 (relating to tax on hazardous wastes) is hereby repealed.

(2) The table of subchapters for such chapter 38 is amended by striking out the item relating to subchapter C.

(b) REPEAL OF TRUST FUND.—Section 232 of the Hazardous Substance Response Revenue Act of 1980 is hereby repealed.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1983.

SEC. 415. WASTE MANAGEMENT TAX.

(a) GENERAL RULE.—Chapter 38 of the Internal Revenue Code of 1954 (as amended by section 414 of this Act) is amended by adding after subchapter B the following new subchapter:

"Subchapter C—Hazardous Waste Management Tax

"Sec. 4671. Waste management tax.
"Sec. 4672. Exemptions; reduction of tax where prior taxable event.
"Sec. 4673. Special rules for waste water treatment, incineration, etc.
"Sec. 4674. Backup tax on generator.
"Sec. 4675. Definitions and special rules.

SEC. 4671. WASTE MANAGEMENT TAX.

"(a) IMPOSITION OF TAX.—There is hereby imposed a tax on—

"(1) the receipt of hazardous waste at a qualified hazardous waste management unit,

"(2) the receipt of hazardous waste for transport from the United States for the purpose of ocean disposal, and

"(3) the exportation of hazardous waste from the United States.

"(b) AMOUNT OF TAX.—

"(1) IN GENERAL.—The amount of the tax imposed by subsection (a) with respect to each ton of hazardous waste shall be determined in accordance with the following table:

	If the taxable event is:	
	Land Disposal	Any Other Taxable Event
"For calendar year:	The tax per ton is:	
1986	$37.00	$4.15
1987	39.00	4.15
1988	42.00	4.15
1989	44.00	4.15
1990	47.00	4.15

"(2) DEFINITIONS RELATING TO AMOUNT OF TAX.—For definition of—

"(A) hazardous waste, see section 4675(a)(1), and

"(B) land disposal and any other taxable event, see section 4675(a)(5).

"(c) LIABILITY FOR TAX.—

"(1) WASTE RECEIVED AT MANAGEMENT UNITS.—The tax imposed by subsection (a)(1) shall be paid by the owner or operator of the qualified hazardous waste management unit.

"(2) WASTE RECEIVED FOR TRANSPORT FROM THE UNITED STATES.—The tax imposed by subsection (a)(2) shall be paid by the person holding the permit issued for transport for ocean disposal under section 102 of the Marine Protection, Research, and Sanctuaries Act of 1972.

"(3) WASTE EXPORTED.—The tax imposed by subsection (a)(3) shall be paid by the exporter.

"(d) TERMINATION.—The taxes imposed by this section shall not apply after September 30, 1990.

"SEC. 4672. EXEMPTIONS; REDUCTION OF TAX WHERE PRIOR TAXABLE EVENT.

"(a) EXEMPTION FOR CERTAIN REMOVAL AND REMEDIAL ACTIONS, ETC.—The tax imposed by section 4671 shall not apply to the receipt or export of hazardous waste pursuant to—

"(1) a corrective action specified in—

"(A) an initial or final order, or

"(B) a proposed or final permit.

issued by the Administrator under the Solid Waste Disposal Act or a State under a hazardous waste program authorized under section 3006 of such Act,

"(2) a proposed or final closure plan approved by the Administrator or such a State,

"(3) a removal or remedial action under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 which has been selected or approved by the Administrator, or

"(4) an action to correct an emergency situation arising from a product spill which is certified by the Administrator to the Secretary as carrying out the purposes of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980.

"(b) EXEMPTION FOR WASTE RECEIVED AT ANY FEDERAL FACILITY.—The tax imposed by section 4671 shall not apply to any hazardous waste received at any facility owned by the United States.

"(3) REDUCTION IN TAX WHERE PRIOR TAXABLE EVENT—.

"(1) IN GENERAL.—If—

"(A) tax under section 4671 or 4674 was paid with respect to any hazardous waste, and

"(B) tax under section 4671 is subsequently imposed on such waste (hereinafters in this subsection referred to as the 'later taxable event'),

then the tax under section 4671 on the later taxable event shall be reduced by the amount determined under paragraph (2).

"(2) AMOUNT OF REDUCTION.—The amount of the reduction determined under this paragraph is the product of—

"(A) the weight of hazardous waste involved in the later taxable event, multiplied by

"(B) the lesser of—

"(i) the highest rate of tax paid under section 4671 or 4674 with respect to any prior taxable event involving such waste (determined without regard to this subsection), or

"(ii) the rate of tax imposed by section 4671 with respect to the later taxable event (as so determined).

"SEC. 4673. SPECIAL RULES FOR WASTE WATER TREATMENT, INCINERATION, ETC.

"(a) EXEMPTION FOR WASTE RECEIVED AT CERTAIN WASTE WATER TREATMENT UNITS.—The tax imposed by section 4671 shall not apply to hazardous waste received at any waste water treatment unit.

"(b) INCINERATION, ETC. WITHIN 90 DAYS OF RECEIPT.—

"(1) In GENERAL.—Under regulations prescribed by the Secretary, if—

"(A) tax under section 4671 was paid with respect to the receipt of any hazardous waste at any qualified hazardous waste management unit or for transport described in section 4671(a)(2), and

"(B) such waste is incinerated on land (or the equivalent of incineration on land) by any person within 90 days after the date of the first receipt referred to in subparagraph (A),

then the tax so paid shall be allowed as a credit or refund (without interest) to such person in the same manner as if it were an overpayment of tax imposed by section 4671.

"(2) EQUIVALENT OF INCINERATION.—For purposes of subparagraph (A), a method, technique, or process shall be treated as the equivalent of incineration on land if—

"(A) such method, technique, or process meets detailed performance standards established by the Environmental Protection Agency, and

"(B) such standards require a destruction and removal efficiency for the hazardous waste involved at least equivalent to the destruction and removal efficiency applicable to incineration on land.

"(c) QUALIFIED CHEMICAL FUELS OR SOLVENTS.—

"(1) In GENERAL.—Under regulations prescribed by the Secretary, if—

"(A) tax under section 4671 was paid with respect to any hazardous waste,

"(B) such waste is used by any person in the production of any qualified chemical fuel or solvent, and

"(C) such fuel or solvent is by such person sold for use or used in any industrial or commercial use,

then the tax so paid shall be allowed as a credit or refund (without interest) to such person in the same manner as if it were an overpayment of tax imposed by section 4671.

"(2) QUALIFIED CHEMICAL FUEL OR SOLVENT.—For purposes of subparagraph (A), the term 'qualified chemical fuel or solvent' means any chemical or solvent which is determined by the Administrator as not being a hazardous waste.

"(d) RECYCLING OF BATTERIES.—Under regulations prescribed by the Secretary, if—

"(1) tax under section 4671 was paid with respect to the receipt of any battery at a qualified hazardous waste management unit, and

"(2) the recycling of such battery begins at such a unit by any person within 90 days after the date of the first receipt of such battery at any qualified hazardous waste management unit,

then the tax so paid shall be allowed as a credit or refund (without interest) to such person in the same manner as if it were an overpayment of tax imposed by section 4671.

"(e) TAX TO APPLY WHILE CORRECTIVE ACTION NOT COMPLETED.—

"(1) IN GENERAL.—The exemption provided by subsection (a) shall not apply (and no credit or refund shall be allowed under this section) with respect to any activity conducted at a facility (or part thereof) during the period that required corrective action remains uncompleted with respect to such facility (or part).

"(2) REQUIRED CORRECTIVE ACTION.—For purposes of paragraph (1), required corrective action shall be treated as uncompleted during the period—

"(A) beginning on the date that the corrective action is required by the Administrator or an authorized State pursuant to a final permit under section 3005 of the Solid Waste Disposal Act or a final order under section 3004 or 3008 of such Act, and

"(B) ending on the date the Administrator or such State (as the case may be) certifies to the Secretary that such corrective action has been completed.

"(3) RATE OF TAX WITH RESPECT TO WASTE WATER TREATMENT.—The rate of tax imposed by section 4671 by reason of this subsection with respect to hazardous waste received at

any waste water treatment unit shall be 15 cents per ton.

"SEC. 4674. BACKUP TAX ON GENERATOR.

"(a) IMPOSITON OF TAX.—There is hereby imposed a tax on each ton of hazardous waste which, as of the close of the 270-day period beginning on the day after the day on which such waste was generated, has not been—

"(1) received at a qualified hazardous waste management unit,

"(2) received for transport from the United States for the purpose of ocean disposal, or

"(3) exported from the United States.

"(b) RATE OF TAX.—The rate of the tax imposed by subsection (a) shall be the rate of tax applicable to land disposal under section 4671 at the end of the 270-day period described in subsection (a).

"(c) LIABILITY FOR TAX.—The tax imposed by subsection (a) shall be paid by the generator of the hazardous waste.

"(d) EXEMPTIONS.—

"(1) SMALL GENERATORS.—The tax imposed by subsection (a) shall not apply to hazardous waste generated during any month if the generator of such waste does not generate more than 100 kilograms of hazardous waste during such month.

"(2) WASTE LEGALLY DISPOSED OF IN PUBLICLY OWNED TREATMENT WORKS.—The tax imposed by subsection (a) shall not apply to hazardous waste disposed of in any publicly owned treatment works if the disposal of such waste is not in violation of Federal, State, or local law.

"(3) OTHER EXEMPTIONS TO APPLY.—The exemptions provided by subsections (a) and (b) of section 4672 shall apply to the tax imposed by subsection (a).

"(4) EXEMPTIONS UNDER REGULATIONS; APPLICATION OF LOWER RATE.—The Secretary may prescribe regulations which provide exemptions from the tax imposed by subsection (a) (or the application of a lower rate) which are not inconsistent with the purposes of this section.

"(e) GENERATOR.—For purposes of this section, the term 'generator' means the person whose act or process produces the hazardous waste.

"(f) TERMINATION.—No tax shall be imposed by this section on waste generated after September 30, 1990.

"SEC. 4675. DEFINITIONS AND SPECIAL RULES.

"(a) DEFINITIONS.—For purposes of this subchapter—

"(1) HAZARDOUS WASTE.—The term 'hazardous waste' means any waste which is listed or identified as of the date of the enactment of the Superfund Revenue Act of 1985 under section 3001 of the Solid Waste Disposal Act. Rainwater shall not be treated as hazardous waste unless mixed with hazardous waste (as defined in the preceding sentence).

"(2) QUALIFIED HAZARDOUS WASTE MANAGEMENT UNIT.—The term 'qualified hazardous waste management unit' means the specified area of land or structure—

"(A) which isolates the hazardous wastes within a qualified hazardous waste facility, and

"(B) which is subject to the requirements for obtaining interim status or a final permit under subtitle C of the Solid Waste Disposal Act.

"(3) QUALIFIED HAZARDOUS WASTE MANAGEMENT FACILITY.—The term 'qualified hazardous waste management facility' means any facility, as defined under substitle C of the Solid Waste Disposal Act, which has received a permit or is accorded interim status under—

"(A) section 3005 of the Solid Waste Disposal Act, or

"(B) a State program authorized under section 3006 of such Act.

"(4) OCEAN DISPOSAL.—The term 'ocean disposal' means the incineration or dumping of hazardous waste over or into ocean waters or the waters described in section 101(b) of the Marine Protection, Research, and Sanctuaries Act of 1972, pursuant to section 102 of such Act.

"(5) DEFINITIONS RELATING TO AMOUNT OF TAX.—

"(A) LAND DISPOSAL.—The term 'land disposal' means a taxable event described in section 4671(a)(1) with respect to a qualified hazardous waste management unit which is a landfill, surface impoundment, waste pile, or land treatment unit.

"(B) LANDFILL, ETC.—For purposes of subparagraph (A), the terms 'landfill', 'surface impoundment', 'waste pile' and 'land treatment unit' have the respective meanings given such terms in regulations prescribed by the Administrator pursuant to sections 3004 and 3005 of the Solid Waste Disposal Act.

"(C) OTHER TAXABLE EVENT.—The term 'and other taxable event' means—

"(i) a taxable event described in section 4671(a)(1) which is not land disposal, and

"(ii) a taxable event described in paragraph (2) or (3) of section 4671(a).

"(6) WASTE WATER TREATMENT UNIT.—The term 'waste water treatment unit' means any qualified hazardous waste management unit which is an integral and necessary part of a treatment system—

"(A) for which a permit is required under section 402 of the Clean Water Act,

"(B) which is subject to pretreatment standards under subsection (b) or (c) of section 307 of the Clean Water Act, or

"(C) which is a zero discharge treatment system—

"(i) which, if the system discharged into navigable waters, would comply with effluent limitation guidelines prescribed under paragraph (2) or (4) of section 304(b) of the Clean Water Act,

"(ii) which, if the system discharged into a publicly owned treatment works, would comply with the pretreatment standards described in subparagraph (B), or

"(iii) if no such guidelines or standards have been prescribed, which employs biological treatment.

The term 'waste water treatment unit' shall not include any qualified hazardous waste management unit which receives for storage or final disposition concentrated treatment residues resulting from wastewater treatment.

"(7) ADMINISTRATOR.—The term 'Administrator' means the Administrator of the Environmental Protection Agency.

"(8) UNITED STATES.—The term 'United States' has the meaning given such term by section 4612(a)(4).

"(9) TON.—The term 'ton' means 2,000 pounds.

"(10) FRACTIONAL PART OF TON.—In the case of a fraction of a ton, the tax imposed by this subchapter shall be the same fraction of the amount of such tax imposed on a whole ton.

"(b) TREATMENT OF CONTAINERS, ETC. WHICH ARE RELATED TO INJECTION UNITS.—For purposes of this subchapter—

"(1) any container, tank, or surface impoundment which, with respect to any hazardous waste, is used to treat or store such waste before underground injection of such waste (whether or not the waste when injected is hazardous waste) into an injection well, and

"(2) the injection well into which such waste is injected.

shall be treated as a single hazardous waste management unit.

"(c) DISPOSITION OF REVENUES FROM PUERTO RICO AND THE VIRGIN ISLANDS.—The provisions of subsection (a)(3) and (b)(3) of section 7652 shall not apply to any tax imposed by this subchapter."

(b) INFORMATION REPORTING REQUIREMENT.—

(1) IN GENERAL.—Subpart A of part III of subchapter A of chapter 61 of such Code is amended by inserting after section 6039D the following new section:

"SEC. 6039E. INFORMATION WITH RESPECT TO MANAGEMENT TAX ON HAZARDOUS WASTE.

"Each person on whom a tax is imposed under subchapter C of chapter 38 shall (at such time and in such manner as the Secretary may require) submit to the Secretary such information as the Secretary may require, including information which such person is required to provide the Administrator of the Environmental Protection Agency under the Solid Waste Disposal Act. To the extent provided in regulations prescribed by the Secretary, the preceding sentence shall also apply to persons not described therein with respect to information which the Secretary determines is necessary or appropriate to the administration of such subchapter."

(2) PENALTY.—Subchapter B of chapter 68 of such Code (relating to assessable penalties) is amended by redesignating section 6708 (relating to mortgage credit certificates) as section 6709 and by adding to the end thereof the following new section:

"SEC. 6710. FAILURE TO PROVIDE INFORMATION WITH RESPECT TO MANAGEMENT TAX ON HAZARDOUS WASTE.

"(a) IN GENERAL.—Any person who fails to meet any requirement imposed by section 6039E shall pay a penalty of $100 for each day during which such failure continues, unless it is shown that such failure is due to reasonable cause and not due to willful neglect. The maximum penalty imposed under this subsection with respect to any failure shall not exceed $50,000.

"(b) PENALTY IN ADDITION TO OTHER PENALTIES.—The penalty imposed by this section shall be in addition to any other penalty provided by law."

(3) CONFORMING AMENDMENTS.—

(A) The table of sections for subpart A of part III of subchapter A of chapter 61 of such Code is amended by inserting after the item relating to section 6039D the following new item:

"Sec. 6039E. Information with respect to management tax on hazardous waste."

(B) The table of sections for subchapter B of chapter 68 of such Code is amended by redesignating the item relating to mortgage credit certificates as section 6709 and by adding at the end thereof the following new item:

"Sec. 6710. Failure to provide information with respect to management tax on hazardous waste."

(c) PENALTY FOR NEGLIGENCE TO APPLY TO ENVIRONMENTAL TAXES.—Section 6653 of such Code (relating to failure to pay tax) is

amended by adding at the end thereof the following new subsection:

"(i) NEGLIGENCE PENALTY TO APPLY TO ENVIRONMENTAL TAXES.—For purposes of applying paragraphs (1) and (2) of subsection (a), paragraph (1) of subsection (a) shall be treated as including a reference to underpayments (as defined in subsection (c)) of tax imposed by chapter 38 (relating to environmental taxes)."

(d) CLERICAL AMENDMENT.—The table of subchapters for chapter 38 of such Code is amended by adding after the item relating to subchapter B the following new item:

"Subchapter C. Hazardous waste management tax."

(e) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall take effect on January 1, 1986.

(2) BACKUP TAX ON GENERATOR.—Section 4674 of the Internal Revenue Code of 1954 (relating to backup tax on generator), as added by this section, shall apply to waste generated after December 31, 1986.

SEC. 416. TAX ON CERTAIN IMPORTED SUBSTANCES DERIVED FROM TAXABLE CHEMICALS.

(a) GENERAL RULE.—Chapter 38 of the Internal Revenue Code of 1954 is amended by adding after subchapter C the following new subchapter:

"Subchapter D—Tax on Certain Imported Substances

"Sec. 4677. Imposition of tax.

"Sec. 4678. Definitions and special rules.

"SEC. 4677. IMPOSITION OF TAX.

"(a) GENERAL RULE.—There is hereby imposed a tax on any taxable substance sold or used by the importer thereof.

"(b) AMOUNT OF TAX.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the amount of the tax imposed by subsection (a) with respect to any taxable substance shall be the amount of the tax which would have been imposed by section 4661 on the taxable chemicals or petroleum used as materials or process fuel in the manufacture or production of such substance if such taxable chemicals or petroleum had been sold in the United States for use in the manufacture or production of such taxable substance.

"(2) RATE WHERE IMPORTER DOES NOT FURNISH INFORMATION TO SECRETARY.—If the importer does not furnish to the Secretary (at such time and in such manner as the Secretary shall prescribe) sufficient information to determine under paragraph (1) the amount of the tax imposed by subsection (a) on any taxable substance, the amount of the tax imposed on such taxable substance shall be 5 percent of the appraised value of such substance as of the time such substance was entered into the United States for consumption, use, or warehousing.

"(c) EXEMPTIONS FOR SUBSTANCES TAXES UNDER SECTIONS 4611 AND 4661.—No tax shall be imposed by this section on the sale or use of any substance if tax is imposed on such sale or use under section 4611 or 4661.

"(d) TERMINATION.—The taxes imposed by this section shall not apply after September 30, 1990.

"SEC. 4678. DEFINITIONS AND SPECIAL RULES.

"(a) TAXABLE SUBSTANCE.—For purposes of this subchapter—

"(1) IN GENERAL.—The term 'taxable substance' means any substance which, at the time of sale or use by the importer, is listed as a taxable substance by the Secretary for purposes of this subchapter.

"(2) DETERMINATION OF SUBSTANCES ON LIST.—A substance shall be listed under paragraph (1) if—

"(A) The substance is contained in the list under paragraph (3), or

"(B) the Secretary determines, in consultation with the Administrator of the Environmental Protection Agency and the Commissioner of Customs, that such substance generally has more than 50 percent of its value derived (as materials or as process fuel) from taxable chemicals or petroleum (determined on the basis of the predominant method of production).

"(3) INITIAL LIST OF TAXABLE SUBSTANCES.—

Cumene
Styrene
Ammonium nitrate
Nickel oxide
Isopropyl alcohol
Ethylene glycol
Vinyl chloride
Polyethylene resins, total
Polybutadiene
Styrene-butadiene, latex
Styrene-butadiene, snpf
Synthetic rubber, not containing fillers
Urea,
Ferronickel
Ferrochromium nov 3 pct
Ferrochrome ov 3 pct carbon
Unwrought nickel
Nickel waste and scrap
Wrought nickel rods and wire
Nickel powders
Phenolic resins
Polyvinylchloride resins
Polystyrene resins and copolymers
Ethyl alcohol for nonbeverage use
Methylene chloride
Polypropylene
Propylene glycol
Formaldehyde
Acetone
Propylene oxide
Polypropylene resins
Ethylene oxide
Ethylene dichloride
Cyclohexane
Isophthalic acid
Maleic anhydride
Phthalic anhydride
Ethyl methyl ketone
Chloroform
Carbon tetrachloride
Chromic acid
Hydrogen peroxide
Polystyrene homopolymer resins
Melamine
Acrylic and methacrylic acid resins
Vinyl resins
Vinyl resins, NSPF.

"(4) MODIFICATIONS TO LIST.—The Secretary may add or remove substances from the list under paragraph (2) (including items listed by reason of paragraph (3)) as necessary to carry cut the purposes of this subchapter.

"(b) OTHER DEFINITIONS.—For purposes of this subchapter—

"(1) IMPORTER.—The term "importer" means the person entering the taxable substance for consumption, use, or warehousing.

"(2) TAXABLE CHEMICALS; UNITED STATES.—The terms 'taxable chemical' and 'United States' have the respective meanings given such terms by section 4662(a).

"(c) DISPOSITION OF REVENUES FROM PUERTO RICO AND THE VIRGIN ISLANDS.—The provisions of subsections (a)(3) and (b)(3) of section 7652 shall not apply to any tax imposed by section 4677."

(b) CLERICAL AMENDMENT.—The table of subchapters for chapter 38 of such Code is amended by adding after the item relating to subchapter C the following new item:

"Subchapter D. Tax on certain imported substances."

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 1987.

SEC. 417. HAZARDOUS SUBSTANCE SUPERFUND.

(a) IN GENERAL.—Subchapter A of chapter 98 of the Internal Revenue Code of 1954 (relating to establishment of trust funds) is amended by adding after section 9504 the following new section:

"SEC. 9505. HAZARDOUS SUBSTANCE SUPERFUND.

"(a) CREATION OF TRUST FUND.—There is established in the Treasury of the United States a trust fund to be known as the 'Hazardous Substance Superfund' (hereinafter in this section referred to as the 'Superfund'), consisting of such amounts as may be—

"(1) appropriated to the Superfund as provided in this section,

"(2) appropriated to the Superfund pursuant to section 418(b) of the Superfund Revenue Act of 1985, or

"(3) credited to the Superfund as provided in section 9602(b).

"(b) TRANSFERS TO SUPERFUND.—There are hereby appropriated to the Superfund amounts equivalent to—

"(1) the taxes received in the Treasury under section 4611, 4661, 4671, 4674, or 4677 (relating to environmental taxes),

"(2) amounts recovered on behalf of the Superfund under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (hereinafter in this section referred to as 'CERCLA'),

"(3) all moneys recovered or collected under section 311(b)(6)(B) of the Clean Water Act,

"(4) penalties assessed under title I of CERCLA, and

"(5) punitive damages under section 107(c)(3) of CERCLA.

"(c) EXPENDITURES FROM SUPERFUND.—

"(1) IN GENERAL.—Amounts in the Superfund shall be available, as provided in appropriation Acts, only for purposes of making expenditures—

"(A) to carry out the purposes of paragraphs (1), (2), (4), and (5) of section 111(a) of CERCLA as in effect on the date of the enactment of the Superfund Amendments of 1985, or

"(B) hereafter authorized by a law which authorizes the expenditure out of the Superfund for a general purpose covered by paragraphs (1), (2), (4), and (5) of such section 111(a) (as so in effect).

"(2) EXCEPTION FOR CERTAIN TRANSFERS, ETC., OF HAZARDOUS SUBSTANCES.—Amounts in the Superfund shall not be available for any transfer or disposal which could not be made but for section 121(i) of CERCLA as in effect on the date of the enactment of the Superfund Amendments of 1985.

"(d) AUTHORITY TO BORROW.—

"(1) IN GENERAL.—There are authorized to be appropriated to the Superfund, as repayable advances, such sums as may be necessary to carry out the purposes of the Superfund.

"(2) REPAYMENT OF ADVANCES.—

"(A) IN GENERAL.—Advances made pursuant to this subsection shall be repaid, and interest on such advances shall be paid, to the general fund of the Treasury when the Secretary determines that moneys are available for such purposes in the Superfund.

"(B) FINAL REPAYMENT.—No advance shall be made to the Superfund after September

30, 1990, and all advances to such Fund shall be repaid on or before such date.

"(C) RATE OF INTEREST.—Interest on advances made pursuant to this subsection shall be at a rate determined by the Secretary of the Treasury (as of the close of the calendar month preceding the month in which the advance is made) to be equal to the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the anticipated period during which the advance will be outstanding and shall be compounded annually.

"(e) LIABILITY OF UNITED STATES LIMITED TO AMOUNT IN TRUST FUND.—

"(1) GENERAL RULE.—Any claim filed against the Superfund may be paid only out of the Superfund.

"(2) COORDINATION WITH OTHER PROVISIONS.—Nothing in CERCLA or the Superfund Amendments of 1985 (or in any amendment made by either of such Acts) shall authorize the payment by the United States Government of any amount with respect to any such claim out of any source other than the Superfund.

"(3) ORDER IN WHICH UNPAID CLAIMS ARE TO BE PAID.—If at any time the Superfund has insufficient funds to pay all of the claims payable out of the Superfund at such time, such claims shall, to the extent permitted under paragraph (1), be paid in full in the order in which they were finally determined."

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, to the Hazardous Substance Superfund for fiscal year—

(1) 1986, $316,600,000,
(2) 1987, $316,600,000,
(3) 1988, $316,600,000,
(4) 1989, $316,600,000, and
(5) 1990, $316,600,000,

plus for each fiscal year an amount equal to so much of the aggregate amount authorized to be appropriated under this subsection (and paragraph (2) of section 221(b) of the Hazardous Substance Response Act of 1980, as in effect before its repeal) as has not been appropriated before the beginning of the fiscal year involved.

(c) CONFORMING AMENDMENTS. —

(1) Subtitle B of the Hazardous Substance Response Revenue Act of 1980 (relating to establishment of Hazardous Substance Response Trust Fund) is hereby repealed.

(2) Paragraph (11) of section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 is amended to read as follows:

"(11) 'Fund' or 'Trust Fund' means the Hazardous Substance Superfund established by section 9505 of the Internal Revenue Code of 1954;".

(d) CLERICAL AMENDMENT.—The table of sections for subchapter A of chapter 98 of such Code is amended by adding after the item relating to section 9504 the following new item:

"Sec. 9505. Hazardous Substance Superfund."

(e) EFFECTIVE DATE. —

(1) IN GENERAL. —The amendments made by this section shall take effect on November 1, 1985.

(2) SUPERFUND TREATED AS CONTINUATION OF OLD TRUST FUND. —The Hazardous Substance Superfund established by the amendments made by this section shall be treated for all purposes of law as a continuation of the Hazardous Substance Response Trust Fund established by section 221 of the Hazardous Substance Response Revenue Act of 1980. Any reference in any law to the Hazardous Substance Response Trust Fund established by such section 221 shall be deemed to include (wherever appropriate) a reference to the Hazardous Substance Superfund established by the amendments made by this section.

PART II—LEAKING UNDERGROUND STORAGE TANK TRUST FUND AND ITS REVENUE SOURCES

SEC. 421. ADDITIONAL TAX ON GASOLINE, DIESEL FUEL, AND SPECIAL MOTOR FUELS.

(a) GENERAL RULE. —

(1) GASOLINE. —Section 4081 of the Internal Revenue Code of 1954 (relating to the imposition of tax on gasoline) is amended by striking out subsections (a) and (b) and inserting in lieu thereof the following:

"(a) TAX TO FUND HIGHWAY PROGRAM.—

"(1) IN GENERAL.—There is hereby imposed on gasoline sold by the producer or importer thereof, or by any producer of gasoline, a tax of 9 cents a gallon.

"(2) TERMINATION.—On and after October 1, 1988, the tax imposed by paragraph (1) shall not apply.

"(b) ADDITIONAL TAX TO FUND LEAKING UNDERGROUND STORAGE TANK TRUST FUND.—

"(1) IN GENERAL.—In addition to the tax imposed by subsection (a), there is hereby imposed on gasoline sold by the producer or importer thereof, or by any producer of gasoline, a tax of 0.2 cents a gallon.

"(2) TERMINATION.—

"(A) IN GENERAL.—The tax imposed by paragraph (1) shall not apply after the earlier of—

"(i) September 30, 1990, or

"(ii) the last day of the termination month.

"(B) TERMINATION MONTH.—For purposes of subparagraph (A), the termination month is the 1st month as of the close of which the Secretary estimates that the net revenues from the taxes imposed by paragraph (1) and section 4041(d) are at least $850,000,000.

"(C) NET REVENUES.—For purposes of subparagraph (B), the term net 'revenue' means the excess of gross revenues over amounts payable by reason of section 9506(c)(2) (relating to transfer from Leaking Underground Storage Tank Trust Fund for certain repayments and credits)."

(2) DIESEL AND SPECIAL MOTOR FUELS.—Section 4041 of such Code (relating to tax on special fuels) is amended by redesignating subsection (d) as subsection (e) and by inserting after subsection (c) the following new subsection:

"(d) ADDITIONAL TAX ON DIESEL FUEL AND SPECIAL MOTOR FUELS TO FUND LEAKING UNDERGROUND STORAGE TANK TRUST FUND.—

"(1) DIESEL FUEL.—In addition to the taxes imposed by subsection (a), there is hereby imposed a tax of 0.2 cents a gallon on any liquid (other than a product taxable under section 4081)—

"(A) sold by any person to an owner, lessee, or other operator of a diesel-powered highway vehicle for use as a fuel in such vehicle, or

"(B) used by any person as a fuel in a diesel-powered highway vehicle unless there was a taxable sale of such liquid under subparagraph (A).

"(2) SPECIAL MOTOR FUELS.—In addition to the taxes imposed by subsection (a), there is hereby imposed a tax of 0.2 cents a gallon on benzol, benzene, naphtha, liquefied petroleum gas, casing head and natural gasoline, or any other liquid (other than kerosene, gas oil, or fuel oil, or any product taxable under section 4081 or paragraph (1) of this subsection)—

"(A) sold by any person to an owner, lessee, or other operator of a motor vehicle or motorboat for use as a fuel in such motor vehicle or motorboat, or

"(B) used by any person as a fuel in a motor vehicle or motorboat unless there was a taxable sale of such liquid under subparagraph (A).

"(3) TERMINATION.—The taxes imposed by this subsection shall not apply during any period during which no tax is imposed by section 4081(b)."

(b) ADDITIONAL TAXES NOT TRANSFERRED TO HIGHWAY TRUST FUND OR AIRPORT AND AIRWAY TRUST FUND.—

(1) HIGHWAY TRUST FUND.—

(A) IN GENERAL.—Subsection (b) of section 9503 of such Code (relating to transfer to Highway Trust Fund of amounts equivalent to certain taxes) is amended by adding at the end thereof the following new paragraph:

"(4) CERTAIN ADDITIONAL TAXES NOT TRANSFERRED TO HIGHWAY TRUST FUND.—For purposes of paragraphs (1) and (2), the taxes imposed by sections 4041(d) and 4081(b) shall not be taken into account."

(B) CONFORMING AMENDMENT.—Subparagraph (D) of section 9503(c)(4) of such Code (defining motorboat fuel taxes) is amended by striking out "section 4081" and inserting in lieu thereof "section 4081(a)".

(2) AIRPORT AND AIRWAY TRUST FUND.—Subsection (b) of section 9502 of such Code (relating to transfer to Airport and Airway Trust Fund of amounts equivalent to certain taxes) is amended—

(A) by striking out "subsections (c) and (d) of section 4041" in paragraph (1) and inserting in lieu thereof "subsections (c) and (e) of section 4041", and

(B) by striking out "section 4081" in paragraph (2) and inserting in lieu thereof "section 4081(a)".

(c) REPAYMENTS FOR GASOLINE USED ON FARMS, ETC.—

(1) GASOLINE USED ON FARMS.—Subsection (h) of section 6420 of such Code (relating to termination) is amended by striking out "This section" and inserting in lieu thereof "Except with respect to taxes imposed by section 4081(b), this section".

(2) GASOLINE USED FOR CERTAIN NONHIGHWAY PURPOSES OR BY LOCAL TRANSIT SYSTEMS.—Subsection (h) of section 6421 of such Code (relating to effective date) is amended by striking out "This section" and inserting in lieu thereof "Except with respect to taxes imposed by section 4081(b), this section".

(3) FUELS USED FOR NONTAXABLE PURPOSES.—

(A) Subsection (m) of section 6427 of such Code (relating to termination) is amended by striking out "Subsections" and inserting in lieu thereof "Except with respect to taxes imposed by sections 4041(d) and 4081(b), subsections".

(B) Section 6427 of such Code is amended by redesignating subsection (n) as subsection (o) and by inserting after subsection (m) the following new subsection:

"(n) PAYMENTS FOR TAXES IMPOSED BY SECTION 4041(d).—For purposes of subsections (a), (b), and (c), the taxes imposed by section 4041(d) shall be treated as imposed by section 4041(a)."

(C) Paragraph (1) of section 6427(f) of such Code (relating to gasoline used to produce certain alcohol fuels) is amended by striking out "section 4081" and inserting in lieu thereof "section 4081(a)".

(d) CONTINUATION OF CERTAIN EXEMPTIONS FROM ADDITIONAL TAXES.—

(1) Subsection (b) of section 4041 of such Code (relating to exemption for off-highway business use; exemption for qualified methanol and ethanol fuel) is amended by adding at the end thereof the following new paragraph:

"(3) COORDINATION WITH TAXES IMPOSED BY SUBSECTION (d).—

"(A) IN GENERAL.—Except as provided in subparagraph (B), rules similar to the rules of paragraphs (1) and (2) shall apply with respect to the taxes imposed by subsection (d).

"(B) TERMINATION NOT TO APPLY.—Subparagraph (C) of paragraph (2) shall not apply with respect to the taxes imposed by subsection (d)."

(2) Paragraph (3) of section 4041(f) of such Code (relating to exemption for farm use) is amended by striking out "On and after" and inserting in lieu thereof "Except with respect to the taxes imposed by subsection (d), on and after".

(3) The last sentence of section 4041(g) of such Code (relating to other exemptions) is amended by striking out "Paragraphs" and inserting in lieu thereof "Except with respect to the taxes imposed by subsection (d), paragraphs".

(4) The last sentence of section 4221(a) of such Code (relating to certain tax-free sales) is amended by striking out "4081" and inserting in lieu thereof "4081(a)".

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect on November 1, 1985.

SEC. 422. LEAKING UNDERGROUND STORAGE TANK TRUST FUND.

(a) IN GENERAL.—Subchapter A of chapter 98 of the Internal Revenue Code 1954 (relating to establishment of trust funds) is amended by adding after section 9505 the following new section:

"SEC. 9506. LEAKING UNDERGROUND STORAGE TANK TRUST FUND.

"(a) CREATION OF TRUST FUND.—There is established in the Treasury of the United States a trust fund to be known as the 'Leaking Underground Storage Tank Trust Fund', consisting of such amounts as may be appropriated or credited to such Trust Fund as provided in this section or section 9602(b).

"(b) TRANSFERS TO TRUST FUND.—There are hereby appropriated to the Leaking Underground Storage Tank Trust Fund amounts equivalent to—

"(1) taxes received in the Treasury under sections 4041(d) and 4081(b) (relating to additional taxes on motor fuels and gasoline), and

"(2) amounts collected under section 9003(h)(3) of the Solid Waste Disposal Act.

"(c) EXPENDITURES.—

"(1) IN GENERAL.—Except as provided in paragraph (2), amounts in the Leaking Underground Storage Tank Trust Fund shall be available, as provided in appropriation Acts, only for purposes of making expenditures to carry out section 9003(h) of the Solid Waste Disposal Act as in effect on the date of the enactment of the Superfund Amendments of 1985.

"(2) TRANSFERS FROM TRUST FUND FOR CERTAIN REPAYMENT AND CREDITS.—

"(A) IN GENERAL.—The Secretary shall pay from time to time from the Leaking Underground Storage Tank Trust Fund into the general fund of the Treasury amounts equivalent to—

"(i) amounts paid under—

"(I) section 6420 (relating to amounts paid in respect of gasoline used on farms),

"(II) section 6421 (relating to amounts paid in respect of gasoline used for certain nonhighway purposes or by local transit systems), and

"(III) section 6427 (relating to fuels not used for taxable purposes), and

"(ii) credits allowed under section 34,

with respect to the taxes imposed by sections 4041(d) and 4081(b).

"(B) TRANSFERS BASED ON ESTIMATES.—Transfers under subparagraph (A) shall be made on the basis of estimates by the Secretary, and proper adjustments shall be made in amounts subsequently transferred to the extent prior estimates were in excess of or less than the amounts required to be transferred.

"(d) LIABILITY OF THE UNITED STATES LIMITED TO AMOUNT IN TRUST FUND.—

"(1) GENERAL RULE.—Any claim filed against the Leaking Underground Storage Tank Trust Fund may be paid only out of such Trust Fund.

"(2) COORDINATION WITH OTHER PROVISIONS.—Nothing in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 or the Superfund Amendments of 1985 (or in any amendment made by either of such Acts) shall authorize the payment by the United States Government of any amount with respect to any such claim out of any source other than the Leaking Underground Storage Tank Trust Fund.

"(3) ORDER IN WHICH UNPAID CLAIMS ARE TO BE PAID.—If at any time the Leaking Underground Storage Tank Trust Fund has insufficient funds to pay all of the claims out of such Trust Fund at such time, such claims shall, to the extent permitted under paragraph (1), be paid in full in the order in which they were finally determined."

(b) CLERICAL AMENDMENT.—The table of sections for subchapter A of chapter 98 of such Code is amended by adding after the item relating to section 9505 the following new item:

"Sec. 9506. Leaking Underground Storage Tank Trust Fund."

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on November 1, 1985.

PART III—OIL SPILL LIABILITY TRUST FUND AND ITS REVENUE SOURCES

SEC. 431. INCREASE IN ENVIRONMENTAL TAX ON PETROLEUM.

(a) IN GENERAL.—Subsections (a) and (b) of section 4611 of the Internal Revenue Code of 1954 (relating to environmental tax on petroleum), as amended by section 411 of this Act, are each amended by striking out "of 11.9 cents a barrel" and inserting in lieu thereof "at the rate specified in subsection (c)".

(b) INCREASE IN TAX.—Section 4611 of such Code is amended by redesignating subsections (c) and (d) as subsections (d) and (e), respectively, and by inserting after subsection (b) the following new subsection:

"(c) RATE OF TAX.—

"(1) IN GENERAL.—The rate of the taxes imposed by this section is the sum of—

"(A) the Hazardous Substance Superfund financing rate, and

"(B) the Oil Spill Liability Trust Fund financing rate.

"(2) RATES.—For purposes of paragraph (1)—

"(A) the Hazardous Substance Superfund financing rate is 11.9 cents a barrel, and

"(B) the Oil Spill Liability Trust Fund financing rate is 1.3 cents a barrel."

(c) CONFORMING AMENDMENTS.—

(1) Subsection (e) of section 4611 of such Code (relating to application of taxes), as redesignated by subsection (b), is amended to read as follows:

"(e) APPLICATION OF TAXES.—

"(1) SUPERFUND RATE.—The Hazardous Substance Superfund financing rate under subsection (c) shall apply after October 31, 1985, and before October 1, 1990.

"(2) OIL SPILL RATE.—The Oil Spill Liability Trust Fund financing rate under subsection (c) shall apply after December 31, 1985, and before October 1, 1990."

(2) Subsection (d) of section 4661 of such Code (relating to termination of tax on certain chemicals) is amended to read as follows:

"(d) APPLICATION OF TAXES.—The tax imposed by this section shall apply after October 31, 1985, and before October 1, 1990."

(3) Subsection (b) of section 9505 of such Code (relating to transfers to Superfund) is amended by adding at the end thereof the following: "In the case of the tax imposed by section 4611, paragraph (1) shall apply only to so much of such tax as is attributable to the Superfund financing rate under section 4611(c)."

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 1986.

SEC. 432. OIL SPILL LIABILITY TRUST FUND.

(a) IN GENERAL.—Subchapter A of chapter 98 of the Internal Revenue Code of 1954 (relating to establishment of trust funds) is amended by adding after section 9506 the following new section:

"SEC. 9507. OIL SPILL LIABILITY TRUST FUND.

"(a) CREATION OF TRUST FUND.—There is established in the Treasury of the United States a trust fund to be known as the 'Oil Spill Liability Trust Fund', consisting of such amounts as may be appropriated or credited to such Trust Fund as provided in this section or section 9602(b).

"(b) TRANSFERS TO TRUST FUND.—There are hereby appropriated to the Oil Spill Liability Trust Fund amounts equivalent to—

"(1) taxes received in the Treasury under section 4611 (relating to environmental tax on petroleum) to the extent attributable to the Oil Spill Liability Trust Fund financing rate under section 4611(c),

"(2) amounts recovered, collected, or received under title I of the Comprehensive Oil Pollution Liability and Compensation Act,

"(3) amounts remaining on the date of the enactment of this section in the Deep Water Port Liability Fund established by section 18(f) of the Deep Water Port Act of 1974, and

"(4) amounts remaining on the date of the enactment of this section in the Offshore Oil Pollution Compensation Fund established under section 302 of the Outer Continental Shelf Lands Act Amendments of 1978.

"(c) EXPENDITURES.—

"(1) IN GENERAL.—Amounts in the Oil Spill Liability Trust Fund shall be available, as provided in appropriation Acts, only for purposes of making expenditures for—

"(A) the payment of removal costs described in section 101(24)(A) of the Comprehensive Oil Pollution Liability and Compensation Act, as in effect on the date of the enactment of this section,

"(B) the payment of contributions to the International Fund under section 404 of such Act,

"(C) the payment of removal costs for which the Deep Water Port Liability Fund is liable under the Deep Water Port Act of 1974,

"(D) the payment of removal costs for which the Offshore Oil Pollution Compensation Fund is liable under title III of the Outer Continental Shelf Lands Act Amendments of 1978, and

"(E) the payment of all expenses of administration incurred by the Federal Government under the Comprehensive Oil Pollution Liability and Compensation Act.

Under regulations prescribed by the Secretary, amounts shall be available under subparagraph (B) with respect to any contribution to the International Fund only in proportion to the portion of the International Fund used for the payment of response costs.

"(2) LIMITATIONS ON EXPENDITURES.—

"(A) $200,000,000 PER INCIDENT.—The maximum amount which may be paid from the Oil Spill Liability Trust Fund with respect to any single incident shall not exceed $200,000,000.

"(B) $30,000,000 MINIMUM BALANCE.—Except in the case of payments described in paragraph (1)(A), a payment may be made from such Trust Fund only if the amount in such Trust Fund after such payment will not be less than $30,000,000.

"(d) AUTHORITY TO BORROW.—

"(1) IN GENERAL.—There are authorized to be appropriated to the Oil Spill Liability Trust Fund, as repayable advances, such sums as may be necessary to carry out the purposes of such Trust Fund.

"(2) LIMITATION ON AMOUNT OUTSTANDING.—The maximum aggregate amount of repayable advances to the Oil Spill Liability Trust Fund which is outstanding at any one time shall not exceed $300,000,000.

"(3) REPAYMENT OF ADVANCES.—Rules similar to the rules of paragraph (2) of section 9505(d) shall apply for purposes of this subsection.

"(e) LIABILITY OF THE UNITED STATES LIMITED TO AMOUNT IN TRUST FUND.—

"(1) GENERAL RULE.—Any claim filed against the Oil Spill Liability Trust Fund may be paid only out of such Trust Fund.

"(2) COORDINATION WITH OTHER PROVISIONS.—Nothing in the Comprehensive Oil Pollution Liability and Compensation Act or the Superfund Amendments for 1985 (or in any amendment made by either of such Acts) shall authorize the payment by the United States Government of any amount with respect to any such claim out of any source other than the Oil Spill Liability Trust Fund.

"(f) ORDER IN WHICH UNPAID CLAIMS ARE TO BE PAID.—If at any time the Oil Spill Liability Trust Fund has insufficient funds (or is unable by reason of subsection (c)(2)) to pay all of the claims out of such Trust Fund at such time, such claims shall, to the extent permitted under such subsections, be paid in full in the order in which they were finally determined."

(b) CLERICAL AMENDMENT.—The table of sections for subchapter A of chapter 98 of such Code is amended by adding after the item relating to section 9506 the following new item:

"Sec. 9507. Oil Spill Liability Trust Fund."

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 1986.

PART IV—STUDIES

SEC. 441. STUDY OF IMPACT OF WASTE MANAGEMENT TAX ON DOMESTIC MANUFACTURERS.

(a) GENERAL RULE.—The Secretary of the Treasury or his delegate shall conduct a study on the effects of the tax imposed by section 4671 of the Internal Revenue Code of 1954 on the ability of domestic manufacturers to compete in international trade.

(b) REPORT.—Not later than July 1, 1986, the Secretary of the Treasury shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report on the study conducted under subsection (a). Such report shall include recommendations to minimize the trade impact of such tax and there shall be considered, in making such recommendations, a waste management tax export credit, an import equalization fee, and a maximum amount of tax with respect to hazardous waste generated by economically distressed industries.

SEC. 442. STUDY OF LEAD POISONING.

(a) IN GENERAL.—The Administrator of the Agency for Toxic Substances and Disease Registry shall, in consultation with the Administrator of the Environmental Protection Agency and other officials as appropriate, not later than March 1, 1986, submit to the Committee on Environment and Public Works, and the Committee on Finance, of the Senate and the Committee on Energy and Commerce, and the Committee on Ways and Means, of the House of Representatives, a report on the nature and extent of lead poisoning in children from environmental sources. Such report shall include, at a minimum, the following information:

(1) an estimate of the total number of children, arrayed according to Standard Metropolitan Statistical Area or other appropriate geographic unit, exposed to environmental sources of lead at concentrations sufficient to cause adverse health effects;

(2) an estimate of the total number of children exposed to environmental sources of lead arrayed according to source or source types;

(3) a statement of the long term consequences for public health of unabated exposures to environmental sources of lead, including (but not limited to) diminution in intelligence and increases in morbidity and mortality; and

(4) methods and alternatives available for reducing exposures of children to environmental sources of lead.

(b) EVALUATION OF SPECIFIC SITES.—Such report shall also score and evaluate specific sites at which children are known to be exposed to environmental sources of lead due to releases, utilizing the Hazard Ranking system of the National Priorities List.

(c) AUTHORIZATION FROM SUPERFUND.—There are authorized to be appropriated from the Hazardous Substance Superfund such sums as may be necessary to prepare and submit the report required by this section.

PART V—COORDINATION WITH OTHER PROVISIONS OF THIS ACT

SEC. 451. COORDINATION.

Notwithstanding any provision of this Act not contained in this title, any provision of this Act (not contained in this title) which—

(1) imposes any tax, premium, or fee,

(2) establishes any trust fund, or

(3) authorizes amounts to be expended from any trust fund which are not also authorized by this title,

shall have no force or effect.

By Mr. DOWNEY:

H.R. 2817

(Amendment to the amendment reported by the Committee on Ways and Means)

—Strike out part II of the proposed amendment and insert in lieu thereof the following:

PART II—LEAKING UNDERGROUND STORAGE TANK TRUST FUND AND ITS REVENUE SOURCES

SEC. 421. ADDITIONAL TAXES ON GASOLINE, DIESEL FUEL, SPECIAL MOTOR FUELS, FUELS USED IN AVIATION, AND FUELS USED IN COMMERCIAL TRANSPORTATION ON INLAND WATERWAYS.

(a) GENERAL RULE.—

(1) GASOLINE.—Section 4081 of the Internal Revenue Code of 1954 (relating to imposition of tax on gasoline) is amended by striking out subsections (a) and (b) and inserting in lieu thereof the following:

"(a) TAX TO FUND HIGHWAY PROGRAMS.—

"(1) IN GENERAL.—There is hereby imposed on gasoline sold by the producer or importer thereof, or by any producer of gasoline, a tax of 9 cents a gallon.

"(2) TERMINATION.—On and after October 1, 1988, the tax imposed by paragraph (1) shall not apply.

"(b) ADDITIONAL TAX TO FUND LEAKING UNDERGROUND STORAGE TANK TRUST FUND.—

"(1) IN GENERAL.—In addition to the tax imposed by subsection (a), there is hereby imposed on gasoline sold by the producer or importer thereof, or by any producer of gasoline, a tax of 0.2 cents a gallon.

"(2) TERMINATION.—

"(A) IN GENERAL.—The tax imposed by paragraph (1) shall not apply after the earlier of—

"(i) September 30, 1990, or

"(ii) the last day of the termination month.

"(B) TERMINATION MONTH.—For purposes of subparagraph (A), the termination month is the 1st month as of the close of which the Secretary estimates that the net revenues from the taxes imposed by paragraph (1) and section 4041(d) are at least $850,000,000.

"(C) NET REVENUES.—For purposes of subparagraph (B), the term 'net revenues' means the excess of gross revenues over amount payable by reason of section 9506(c)(2) (relating to transfer from Leaking Underground Storage Tank Trust Fund for certain repayments and credits)."

(2) DIESEL AND SPECIAL MOTOR FUELS; FUELS USED IN AVIATION.—Section 4041 of such Code (relating to tax on special fuels) is amended by redesignating subsection (d) as subsection (e) and by inserting after subsection (c) the following new subsection:

"(d) ADDITIONAL TAXES TO FUND LEAKING UNDERGROUND STORAGE TANK TRUST FUND.—

"(1) Liquids other than gasoline used in motor vehicles, motorboats, or trains.—In addition to the taxes imposed by subsection (a), there is hereby imposed a tax of 0.2 cents a gallon on benzol, benzene, naphtha, liquefied petroluem gas, casing head and natural gasoline, or any other liquid (other than kerosene, gas oil, or fuel oil, or any product taxable under section 4081)—

"(A) sold by any person to an owner, lessee, or other operator of a motor vehicle, motorboat, or train for use as a fuel in such motor vehicle, motorboat, or train, or

"(B) used by any person as a fuel in a motor vehicle, motorboat, or train unless there was a taxable sale of such liquid under subparagraph (A).

"(2) LIQUIDS USED IN AVIATION.—In addition to the taxes imposed by subsection (c) and section 4081, there is hereby imposed a tax of 0.2 cents a gallon on any liquid—

"(A) sold by any person to an owner, lessee, or other operator of an aircraft for use as a fuel in such aircraft, or

"(B) used by any person as a fuel in an aircraft unless there was a taxable sale of such liquid under subparagraph (A).

The tax imposed by this paragraph shall not apply to any product taxable under section 4081 which is used as a fuel in an aircraft other than in noncommercial aviation.

"(3) Termination.—The taxes imposed by this subsection shall not apply during any period during which no tax is imposed by section 4081(b)."

(3) FUEL USED IN COMMERCIAL TRANSPORTATION ON INLAND WATERWAYS.—Subsection (b) of section 4042 of such Code (relating to amount of tax on fuel used in commercial transportation on inland waterways) is amended to read as follows:

"(b) AMOUNT OF TAX.—

"(1) IN GENERAL.—The rate of the tax imposed by subsection (a) is the sum of—

"(A) the Inland Waterways Trust Fund financing rate, and

"(B) the Leaking Underground Storage Tank Trust Fund financing rate.

"(2) RATES.—For purposes of paragraph (1)—

"(A) the Inland Waterways Trust Fund financing rate is 10 cents a gallon, and

"(B) the Leaking Underground Storage Tank Trust Fund financing rate is 0.2 cents a gallon.

"(3) EXCEPTION FOR FUEL TAXED UNDER SECTION 4041(d).—The Leaking Underground Storage Tank financing rate under paragraph (2)(B) shall not apply to the use of any fuel if tax under section 4041(d) was imposed on the sale of such fuel or is imposed on such use.

"(4) TERMINATION OF LEAKING UNDERGROUND STORAGE TANK TRUST FUND FINANCING RATE.—The Leaking Underground Storage Tank Trust Fund financing rate under paragraph (2)(B) shall not apply during any period during which no tax is imposed by section 4081(b)."

(b) ADDITIONAL TAXES NOT TRANSFERRED TO HIGHWAY TRUST FUND, AIRPORT AND AIRWAY TRUST FUND, AND INLAND WATERWAYS TRUST FUND.—

(1) HIGHWAY TRUST FUND.—

(A) IN GENERAL.—Subsection (b) of section 9503 of such Code (relating to transfer to Highway Trust Fund of amounts equivalent to certain taxes) is amended by adding at the end thereof the following new paragraph:

"(4) CERTAIN ADDITIONAL TAXES NOT TRANSFERRED TO HIGHWAY TRUST FUND.—For purposes of paragraphs (1) and (2), the taxes imposed by sections 4041(d) and 4081(b) shall not be taken into account."

(B) CONFORMING AMENDMENT.—Subparagraph (D) of section 9503(c)(4) of such Code (defining motorboat fuel taxes) is amended by striking out "section 4081" and inserting in lieu thereof "section 4081(a)".

(2) AIRPORT AND AIRWAY TRUST FUND.—Subsection (b) of section 9502 of such Code (relating to transfer to Airport and Airway Trust Fund of amounts equivalent to certain taxes) is amended—

(A) by striking out "subsections (c) and (d) of section 4041" in paragraph (1) and inserting in lieu thereof "subsections (c) and (e) of section 4041", and

(B) by stiking out "section 4081" in paragraph (2) and inserting in lieu thereof "section 4081(a)".

(3) INLAND WATERWAYS TRUST FUND.—Paragraph (1) of section 203(b) of the Inland Waterways Revenue Act of 1978 is amended by adding at the end thereof the following new sentence: "The preceding sentence shall apply only to so much of such taxes as are attributable to the Inland Waterways Trust Fund financing rate under section 4042(b)."

(c) REPAYMENTS FOR GASOLINE USED ON FARMS, ETC.—

(1) GASOLINE USED ON FARMS.—Subsection (h) of section 6420 of such Code (relating to termination) is amended by striking out "This section" and inserting in lieu thereof "Except with respect to taxes imposed by section 4081(b), this section".

(2) GASOLINE USED FOR CERTAIN NONHIGHWAY PURPOSES OR BY LOCAL TRANSIT SYSTEMS.—

(A) TERMINATION NOT TO APPLY TO ADDITIONAL 0.2 CENT TAX.—Subsection (h) of section 6421 of such Code (relating to effective date) is amended by striking out "This section" and inserting in lieu thereof "Except with respect to taxes imposed by section 4081(b), this section".

(B) REPAYMENT OF ADDITIONAL TAX FOR OFF-HIGHWAY BUSINESS USE TO APPLY ONLY TO CERTAIN VESSELS.—Subsection (e) of section 6421 of such Code is amended by adding at the end thereof the following new paragraph:

"(4) SECTION NOT TO APPLY TO CERTAIN OFF-HIGHWAY BUSINESS USES WITH RESPECT TO THE TAX IMPOSED BY SECTION 4081(b).—This section shall not apply with respect to the tax imposed by section 4081(b) on gasoline used in any off-highway business use other than use in a vessel employed in the fisheries or in the whaling business."

(3) FUELS USED FOR NONTAXABLE PURPOSES.—

(A) Subsection (m) of section 6427 of such Code (relating to termination) is amended by striking out "Subsections" and inserting in lieu thereof "Except with respect to taxes imposed by sections 4041(d) and 4081(b), subsections".

(B) Section 6427 of such Code is amended by redesignating subsection (n) as subsection (o) and by inserting after subsection (m) the following new subsection:

"(n) PAYMENTS FOR TAXES IMPOSED BY SECTION 4041(d).—For purposes of subsections (a), (b), and (c), the taxes imposed by section 4041(d) shall be treated as imposed by section 4041(a)."

(C) Paragraph (1) of section 6427(f) of such Code (relating to gasoline used to produce certain alcohol fuels) is amended by striking out "section 4081" and inserting in lieu thereof "section 4081(a)".

(d) CONTINUATION OF CERTAIN EXEMPTIONS FROM ADDITIONAL TAXES.—

(1) Subsection (b) of section 4041 of such Code (relating to exemption for off-highway business use; exemption for qualified methanol and ethanol fuel) is amended by adding at the end thereof the following new paragraph:

"(3) COORDINATION WITH TAXES IMPOSED BY SUBSECTION (d).—

"(A) IN GENERAL.—Except as otherwise provided in this paragraph, rules similar to the rules of paragraphs (1) and (2) shall apply with respect to the taxes imposed by subsection (d).

"(B) LIMITATION ON EXEMPTION FOR OFF-HIGHWAY BUSINESS USE.—For purposes of subparagraph (A), paragraph (1) shall apply only with respect to off-highway business use in a vessel employed in the fisheries or in the whaling business.

"(C) TERMINATION NOT TO APPLY.—Subparagraph (C) of paragraph (2) shall not apply with respect to the taxes imposed by subsection (d)."

(2) Paragraph (3) of section 4041(f) of such Code (relating to exemption for farm use) is amended by striking out "On and after" and inserting in lieu thereof "Except with respect to the taxes imposed by subsection (d), on and after".

(3) The last sentence of section 4041(g) of such Code (relating to other exemptions) is amended by striking out "Paragraphs" and inserting in lieu thereof "Except with respect to the taxes imposed by subsection (d), paragraphs".

(4) The last sentence of section 4221(a) of such Code (relating to certain tax-free sales) is amended by striking out "4081" and inserting in lieu thereof "4081(a)".

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect on November 1, 1985.

SEC. 422. LEAKING UNDERGROUND STORAGE TANK TRUST FUND.

(a) IN GENERAL.—Subchapter A of chapter 98 of the Internal Revenue Code of 1954 (relating to establishment of trust funds) is amended by adding after section 9505 the following new section:

"SEC. 9506. LEAKING UNDERGROUND STORAGE TANK TRUST FUND.

"(a) CREATION OF TRUST FUND.—There is established in the Treasury of the United States a trust fund to be known as the 'Leaking Underground Storage Tank Trust Fund', consisting of such amounts as may be appropriated or credited to such Trust Fund as provided in this section or section 9602(b).

"(b) TRANSFERS TO TRUST FUND.—There are hereby appropriated to the Leaking Underground Storage Tank Trust Fund amounts equivalent to—

"(1) taxes received in the Treasury under sections 4041(d) and 4081(b) (relating to additional taxes on motor fuels and gasoline),

"(2) taxes received in the Treasury under section 4042 to the extent attributable to the Leaking Underground Storage Tank Trust Fund financing rate under section 4042(b), and

"(3) amounts collected under section 9003(h)(3) of the Solid Waste Disposal Act.

(c) EXPENDITURES.—

"(1) IN GENERAL.—Except as provided in paragraph (2), amounts in the Leaking Underground Storage Tank Trust Fund shall be available, as provided in appropriation Acts, only for purposes of making expenditures to carry out section 9003(h) of the Solid Waste Disposal Act as in effect on the date of the enactment of the Superfund Amendments of 1985.

"(2) TRANSFERS FROM TRUST FUND FOR CERTAIN REPAYMENTS AND CREDITS.—

"(A) IN GENERAL.—The Secretary shall pay from time to time from the Leaking Underground Storage Tank Trust Fund into the general fund of the Treasury amounts equivalent to—

"(i) amounts paid under—

"(I) section 6420 (relating to amounts paid in respect of gasoline used on farms),

"(II) section 6421 (relating to amounts paid in respect of gasoline used for certain non-highway purposes or by local transit systems), and

"(III) section 6427 (relating to fuels not used for taxable purposes), and

"(ii) credits allowed under section 34.

with respect to the taxes imposed by sections 4041(d) and 4081(b).

"(B) TRANSFERS BASED ON ESTIMATES.—Transfers under subparagraph (A) shall be made on the basis of estimates by the Secretary, and proper adjustment shall be made in amounts subsequently transferred to the extent prior estimates were in excess of or less than the amounts required to be transferred.

"(d) LIABILITY OF THE UNITED STATES LIMITED TO AMOUNT IN TRUST FUND.—

"(1) GENERAL RULE.—Any claim filed against the Leaking Underground Storage Tank Trust Fund may be paid only out of such Trust Fund.

"(2) COORDINATION WITH OTHER PROVISIONS.—Nothing in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 or the Superfund Amendments of 1985 (or in any amendment made by either of such Acts) shall authorize the payment by the United States Government of any amount with respect to any such claim out of any source other than the Leaking Underground Storage Tank Trust Fund.

"(3) ORDER IN WHICH UNPAID CLAIMS ARE TO BE PAID.—If at any time the Leaking Underground Storage Tank Trust Fund has insufficient funds to pay all of the claims out of such Trust Fund at such time, such claims shall, to the extent permitted under paragraph (1), be paid in full in the order which they were finally determined."

(b) CLERICAL AMENDMENT.—The table of sections for subchapter A of Chapter 98 of such Code is amended by adding after the item relating to section 9505 the following new item:

"Sec. 9506. Leaking Underground Storage Tank Trust Fund.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on November 1, 1985.

By Mr. DUNCAN:

—Strike out title IV of the bill and insert in lieu thereof the following:

TITLE IV—AMENDMENTS OF THE INTERAL REVENUE CODE OF 1954

SEC. 401. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This title may be cited as the "Superfund Revenue Act of 1985".

(b) Table of Contents.—

Sec. 401. Short title; table of contents.

PART I—SUPERFUND AND ITS REVENUE SOURCES

Sec. 411. Extension of environmental taxes.
Sec. 412. Increase in tax on petroleum.
Sec. 413. Increase in tax on certain chemcials.
Sec. 414. Repeal of post-closure tax and trust fund.
Sec. 415. Waste management tax.
Sec. 416. Tax on certain imported substances derived from taxable chemicals.
Sec. 417. Imposition of superfund excise tax.
Sec. 418. Hazardous Substance Superfund.

PART II—LEAKING UNDERGROUND STORAGE TANK TRUST FUND AND ITS REVENUE SOURCES

Sec. 421. Additional tax on gasoline, diesel fuel, and special motor fuels.
Sec. 422. Leaking Underground Storage Tank Trust Fund.

PART III—OIL SPILL LIABILITY TRUST FUND AND ITS REVENUE SOURCES

Sec. 431. Increase in environmental tax on petroleum.
Sec. 432. Oil Spill Liability Trust Fund.

PART IV—STUDIES

Sec. 441. Study of impact of waste management tax on domestic manufacturers.
Sec. 442. Study of lead poisoning.

PART V—COORDINATION WITH OTHER PROVISIONS OF THIS ACT

Sec. 451. Coordination.

PART I—SUPERFUND AND ITS REVENUE SOURCES

SEC. 411. EXTENSION OF ENVIRONMENTAL TAXES.

(a) IN GENERAL.—Subsection (d) of section 4611 of the Internal Revenue Code of 1954 (relating to termination) is amended to read as follows:

"(d) APPLICATION OF TAXES.—The taxes imposed by this section shall apply after October 31, 1985, and before October 1, 1990."

(b) TECHNICAL AMENDMENT.—Section 303 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 is hereby repealed.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on November 1, 1985.

SEC. 412. INCREASE IN TAX ON PETROLEUM.

(a) INCREASE IN TAX.—Subsections (a) and (b) of section 4611 of the Internal Revenue Code of 1954 (relating to environmental tax on petroleum) are each amended by striking out "0.79 cent" and inserting in lieu thereof "4 cents (4.6 cents for 1989 and 1990)".

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on November 1, 1985.

SEC. 413. INCREASE IN TAX ON CERTAIN CHEMICALS.

(a) INCREASE IN RATE OF TAX; LEAD ADDED AS TAXABLE CHEMICAL.—Subsection (b) of section 4661 of the Internal Revenue Code of 1954 (relating to amount of tax imposed on certain chemicals) is amended by striking out the table contained in such subsection and inserting in lieu thereof the following:

"In the case of:	The tax (before any inflation adjustment) is the following amount per ton:	
	For calendar year 1985, 1986, 1987, or 1988:	For calendar year 1989 or 1990:
Organic substances:		
Acetylene	$4.31	$4.56
Benzene	4.31	4.56
Butadine	4.31	4.56
Butane	4.31	4.56
Butylene	4.31	4.56
Ethylene	4.31	4.56
Methane	3.04	3.22
Naphthalene	4.31	4.56
Propylene	4.31	4.56
Toluene	4.31	4.56
Xylene	9.25	14.73
Inorganic substances:		
Ammonia	3.72	3.94
Antimony	3.94	4.17
Antimony trioxide	3.94	4.17
Arsenic	3.94	4.17
Arsenic trioxide	3.94	4.17
Barium sulfide	3.94	4.17
Bromine	3.94	4.17
Cadmium	3.94	4.17
Chlorine	3.57	3.78
Chromite	1.35	1.42
Chromium	3.94	4.17
Cobalt	3.94	4.17
Cupric oxide	3.94	4.17
Cupric sulfate	3.94	4.17
Cuprous oxide	3.94	4.17
Hydrochloric acid	1.10	1.16
Hydrogen fluoride	3.94	4.17
Lead	3.94	4.17
Lead Oxide	3.94	4.17
Mercury	3.94	4.17
Nickel	3.94	4.17
Nitric acid	3.54	3.65
Phosphorous	3.94	4.17
Potassium dichromate	3.94	4.17
Potassium hydroxide	3.94	4.17
Sodium dichromate	3.94	4.17
Sodium hydroxide	3.29	3.49
Stannic chloride	3.94	4.17
Stannous chloride	3.94	4.17
Sulfuric acid	0.91	0.97
Zinc chloride	3.94	4.17
Zinc sulfate	3.94	4.17."

(b) INFLATION ADJUSTMENTS IN AMOUNT OF TAX.—Section 4661 of such Code is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

"(c) INFLATION ADJUSTMENTS IN AMOUNT OF TAX.—

"(1) IN GENERAL.—In the case of any taxable chemical sold in a calendar year after 1986, the amount of the tax imposed by subsection (a) shall be the amount determined under subsection (b) increased by the applicable inflation adjustment for such calendar year.

"(2) APPLICABLE INFLATION ADJUSTMENT.—

"(A) IN GENERAL.—In the case of a taxable chemical, the applicable inflation adjustment for the calendar year is the percentage (if any) by which—

"(i) the applicable price index for the preceding calendar year, exceeds

"(ii) the applicable price index for the applicable base year.

"(B) APPLICABLE PRICE INDEX.—For purposes of subparagraph (A), the applicable price index for any calendar year is the average for the months in the 12-month period ending on September 30 of such calendar year of—

"(i) in the case of organic substances, the producer price index for basic organic chemicals as published by the Secretary of Labor, or

"(ii) in the case of inorganic substances, the producer price index for basic inorganic chemicals as published by the Secretary of Labor.

"(C) APPLICABLE BASE YEAR.—For purposes of subparagraph (A), the applicable base year is—

"(i) 1985 in the case of the adjustments for 1986 and 1988, and

"(ii) 1988 in the case of the adjustment for 1990.

"(3) NO ADJUSTMENT FOR 1989.—No adjustment shall be made under paragraph (1) for taxable chemicals sold in calendar year 1989.

"(4) ROUNDING.—If any increase determined under paragraph (1) is not a multiple of 1 cent, such increase shall be rounded to the nearest multiple of 1 cent (or, if the increase determined under paragraph (1) is a multiple of ½ of 1 cent, such increase shall be increased to the next higher multiple of 1 cent)."

(c) EXEMPTION FOR EXPORTS OF TAXABLE CHEMICALS.—

(1) Section 4662 of such Code (relating to definitions and special rules) is amended by redesignating subsection (e) as subsection (f) and by inserting after subsection (d) the following new subsection:

"(e) EXEMPTION FOR EXPORTS OF TAXABLE CHEMICALS.—

"(1) TAX-FREE SALES.—

"(A) IN GENERAL.—No tax shall be imposed under section 4661 on the sale by the manufacturer or producer of any taxable chemical for export, or for resale by the purchaser to a second purchaser for export.

"(B) PROOF OF EXPORT REQUIRED.—Rules similar to the rules of section 4221(b) shall apply for purposes of subparagraph (A).

"(2) CREDIT OR REFUND WHERE TAX PAID.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), if—

"(i) tax under section 4661 was paid with respect to any taxable chemical, and

"(ii) such chemical was exported by any person,

credit or refund (without interest) of such tax shall be allowed or made to the person who paid such tax.

"(B) CONDITION TO ALLOWANCE.—No credit or refund shall be allowed or made under subparagraph (A) unless the person who paid the tax establishes that he—

"(i) has repaid or agreed to repay the amount of the tax to the person who exported the taxable chemical, or

"(ii) has obtained the written consent of such exporter to the allowance of the credit or the making of the refund.

"(3) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this subsection."

(2) Paragraph (1) of section 4662(d) of such Code (relating to refund or credit for certain uses) is amended—

(A) by striking out "the sale of which by such person would be taxable under such section" and inserting in lieu thereof "which is a taxable chemical", and

(B) by striking out "imposed by such section on the other substance manufactured or produced" and inserting in lieu thereof "imposed by such section on the other substance manufactured or produced (or which would have been imposed by such section on such other substance but for subsection (b) or (e) of this section)".

(d) SPECIAL RULES FOR CERTAIN CHEMICALS.—

(1) REPEAL OF EXEMPTION FOR CHEMICALS DERIVED FROM COAL.—

(A) Section 4662(b) of such Code (relating to exemptions; other special rules) is amended by striking out paragraph (4) and by redesignating paragraphs (5) and (6) as paragraphs (4) and (5), respectively.

(B) Paragraph (3) of section 4662(d) of such Code is amended by striking out "subsection (b)(5)" each place it appears and inserting in lieu thereof "subsection (b)(4)".

(2) EXEMPTION FOR LEAD HAVING TRANSITORY PRESENCE DURING EXTRACTING PROCESS.—Clause (i) of section 4662(b)(5)(B) of such Code (relating to substance having transitory presence during extracting process), as redesignated by paragraph (1), is amended by inserting "lead," before "lead oxide".

(3) SPECIAL RULE FOR XYLENE.—Subsection (b) of section 4662 of such Code (relating to exceptions; other special rules) is amended by adding after paragraph (5) the following new paragraph:

"(6) SPECIAL RULE FOR XYLENE.—Except in the case of any substance imported into the United States or exported from the United States, the term 'xylene' does not include any separated isomer of xylene."

(4) SPECIAL RULE FOR NITRIC ACID USED IN PRODUCTION OF NITROCELLULOSE.—Subsection (b) of section 4662 of such Code (relating to exceptions; other special rules) is amended by adding after paragraph (6) the following new paragraph:

"(7) SPECIAL RULE FOR NITRIC ACID USED IN PRODUCTION OF NITROCELLULOSE.—The tax imposed under section 4661 on nitric acid used by the producer of such acid in the production of nitrocellulose shall not exceed $0.24 per ton."

(e) EXEMPTION FOR CERTAIN RECYCLED CHEMICALS.—Subsection (b) of section 4662 of such Code (relating to exceptions; other special rules) is amended by adding after paragraph (7) the following new paragraph:

"(8) RECYCLED CHROMIUM, COBALT, NICKEL, AND LEAD.—

"(A) IN GENERAL.—No tax shall be imposed under section 4661(a) on any chromium, cobalt, nickel, or lead which is diverted or recovered in the United States from any solid waste as part of a recycling process (and not as part of the original manufacturing or production process).

"(B) EXEMPTION NOT TO APPLY WHILE CORRECTIVE ACTION UNCOMPLETED.—Subparagraph (A) shall not apply during any period that required corrective action by the taxpayer is uncompleted.

"(C) REQUIRED CORRECTIVE ACTION.—For purposes of subparagraph (B), required corrective action shall be treated as uncompleted during the period—

"(i) beginning on the date that the corrective action is required by the Administrator or an authorized State pursuant to—

"(I) a final permit under section 3005 of the Solid Waste Disposal Act or a final order under section 3004 or 3008 of such Act, or

"(II) a final order under section 106 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, and "(ii) ending on the date the Administrator or such State (as the case may be) certifies to the Secretary that such corrective action has been completed.

"(D) SOLID WASTE.—For purposes of this paragraph, the term 'solid waste' has the meaning given such term by section 1004 of the Solid Waste Disposal Act, except that such term shall not include any byproduct, coproduct, or other waste from any process of smelting, refining, or otherwise extracting any metal."

(f) EXEMPTION FOR ANIMAL FEED SUBSTANCES.—

(1) IN GENERAL.—Subsection (b) of section 4662 of such Code (relating to exceptions; other special rules) is amended by adding after paragraph (8) the following new paragraph:

"(9) SUBSTANCES USED IN THE PRODUCTION OF ANIMAL FEED.—

"(A) IN GENERAL.—In the case of—

"(i) nitric acid,

"(ii) sulfuric acid,

"(iii) ammonia, or

"(iv) methane used to produce ammonia.

which is a qualified animal feed substance, no tax shall be imposed under section 4661(a).

"(B) QUALIFIED ANIMAL FEED SUBSTANCE.—For purposes of this section, the term 'qualified animal feed substance' means any substance—

"(i) used in a qualified animal feed use by the manufacturer, producer, or importer,

"(ii) sold for use by any purchaser in a qualified animal feed use, or

"(iii) sold for resale by any purchaser for use, or resale for ultimate use, in a qualified animal feed use.

"(C) QUALIFIED ANIMAL FEED USE.—The term 'qualified animal feed use' means any use in the manufacture or production of animal feed or animal feed supplements, or of ingredients used in animal feed or animal feed supplements.

"(D) TAXATION OF NONQUALIFIED SALE OR USE.—For purposes of section 4661(a), if no tax was imposed by such section on the sale or use of any chemical by reason of subparagraph (A), the first person who sells or uses such chemical other than in a sale or use described in subparagraph (A) shall be treated as the manufacturer of such chemical."

(2) REFUND OR CREDIT FOR SUBSTANCES USED IN THE PRODUCTION OF ANIMAL FEED.—Subsection (d) of section 4662 of such Code (relating to refunds and credits with respect to the tax on certain chemicals) is amended by adding at the end thereof the following new paragraph:

"(4) USE IN THE PRODUCTION OF ANIMAL FEED.—Under regulations prescribed by the Secretary, if—

"(A) a tax under section 4661 was paid with respect to nitric acid, sulfuric acid, ammonia, or methane used to produce ammonia, without regard to subsection (b)(9), and

"(B) any person uses such substance as a qualified animal feed substance,

then an amount equal to the excess of the tax so paid over the tax determined with regard to subsection (b)(9) shall be allowed as a credit or refund (without interest) to such person in the same manner as if it were an overpayment of tax imposed by this section."

(g) CERTAIN EXCHANGES BY TAXPAYERS NOT TREATED AS SALES.—Subsection (c) of section 4662 of such Code (relating to use by manufacturers) is amended to read as follows:

"(c) USE AND CERTAIN EXCHANGES BY MANUFACTURER, ETC.—

"(1) USE TREATED AS SALE.—Except as provided in subsections (b) and (e), if any person manufactures, produces, or imports any taxable chemical and uses such chemical, then such person shall be liable for tax under section 4661 in the same manner as if such chemical were sold by such person.

"(2) SPECIAL RULES FOR INVENTORY EXCHANGES.—

"(A) IN GENERAL.—Except as provided in this paragraph, in any case in which a manufacturer, producer, or importer of a taxable chemical exchanges such chemical as pat of an inventory exchange with another person—

"(i) such exchange shall not be treated as a sale, and

"(ii) such other person shall, for purposes of section 4661, be treated as the manufacturer, producer, or importer of such chemical.

"(B) REGISTRATION REQUIREMENT.—Subparagraph (A) shall not apply to any inventory exchange unless—

"(i) both parties are registered with the Secretary as manufacturers, producers, or importers of taxable chemicals, and

"(ii) the person receiving the taxable chemical has, at such time as the Secretary may prescribe, notified the manufacturer, producer, or importer of such person's registration number and the internal revenue district in which such person is registered.

"(C) INVENTORY EXCHANGE.—For purposes of this paragraph, the term 'inventory exchange' means any exchange in which 2 persons exchange property which is, in the hands of each person, property described in section 1221(1)."

(h) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall take effect on November 1, 1985.

(2) REPEAL OF TAX ON XYLENE FOR PERIODS BEFORE OCTOBER 1, 1985.—

(A) REFUND OF TAX PREVIOUSLY IMPOSED.—In the case of any tax imposed by section 4661 of the Internal Revenue Code of 1954 on the sale or use of xylene before October 1, 1985, such tax (including interest, additions to tax, and additional amounts) shall not be assessed, and if assessed, the assessment shall be abated, and if collected shall be credited or refunded (with interest) as an overpayment.

(B) WAIVER OF STATUTE OF LIMITATIONS.—If on the date of the enactment of this Act (or at any time within 1 year after such date of enactment) refund or credit of any overpayment of tax resulting from the application of subparagraph (A) is barred by any law or rule of law, refund or credit of such overpayment shall, nevertheless, be made or allowed if claim therefor is filed before the date 1 year after the date of the enactment of this Act.

(C) XYLENE TO INCLUDE ISOMERS.—For purposes of this paragraph, the term "xylene" shall include any isomer of xylene whether or not separated.

(3) INVENTORY EXCHANGES.—

(A) IN GENERAL.—Except as otherwise provided in this paragraph, the amendment made by subsection (g) shall apply as if included in the amendments made by section 211 of the Hazardous Substance Response Revenue Act of 1980.

(B) RECIPIENT MUST AGREE TO TREATMENT AS MANUFACTURER.—In the case of any inventory exchange before January 1, 1986, the amendment made by subsection (g) shall apply only if the person receiving the chemical from the manufacturer, producer, or importer in the exchange agrees to be treated as the manufacturer, producer, or importer of such chemical for purposes of subchapter B of chapter 38 of the Internal Revenue Code of 1954.

(C) EXCEPTION WHERE MANUFACTURER PAID TAX.—In the case of any inventory exchange before January 1, 1986, the amendment made by subsection (g) shall not apply if the manufacturer, producer, or importer treated such exchange as a sale for purposes of section 4661 of such Code and paid the tax imposed by such section.

(D) REGISTRATION REQUIREMENTS.—Section 4662(c)(2)(B) of such Code (as added by subsection (g)) shall apply to exchanges made after December 31, 1985.

SEC. 414. REPEAL OF POST-CLOSURE TAX AND TRUST FUND.

(a) REPEAL OF TAX.—

(1) Subchapter C of chapter 38 of the Internal Revenue Code of 1954 (relating to tax on hazardous wastes) is hereby repealed.

(2) The table of subchapters for such chapter 38 is amended by striking out the item relating to subchapter C.

(b) REPEAL OF TRUST FUND.—Section 232 of the Hazardous Substance Response Revenue Act of 1980 is hereby repealed.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1983.

SEC. 415. WASTE MANAGEMENT TAX.

(a) GENERAL RULE.—Chapter 38 of the Internal Revenue Code of 1954 (as amended by section 414 of this Act) is amended by adding after subchapter B the following new subchapter:

"Subchapter C—Hazardous Waste Management Tax

"Sec. 4671. Waste management tax.
"Sec. 4672. Exemptions; reduction of tax where prior taxable event.
"Sec. 4673. Special rules for waste water treatment, incineration, etc.
"Sec. 4674. Backup tax on generator.
"Sec. 4675. Definitions and special rules.

"SEC. 4671. WASTE MANAGEMENT TAX.

"(a) IMPOSITION OF TAX.—There is hereby imposed a tax on—

"(1) the receipt of hazardous waste at a qualified hazardous waste management unit,

"(2) the receipt of hazardous waste for transport from the United States for the purpose of ocean disposal, and

"(3) the exportation of hazardous waste from the United States.

"(b) AMOUNT OF TAX.—

"(1) IN GENERAL.—The amount of the tax imposed by subsection (a) with respect to each ton of hazardous waste shall be determined in accordance with the following table:

	If the taxable event is:	
	Land Disposal	Any other Taxable Event
"For calendar year:	The tax per tone is:	
1986	$36.00	$3.00
1987	40.00	4.00
1988	42.00	4.00
1989	20.00	2.00
1990	24.00	2.00.

"(2) DEFINITIONS RELATING TO AMOUNT OF TAX.—For definition of—

"(A) hazardous waste, see section 4675(a)(1), and

"(B) land disposal and any other taxable event, see section 4675(a)(5).

"(c) LIABILITY FOR TAX.—

"(1) WASTE RECEIVED AT MANAGEMENT UNITS.—The tax imposed by subsection (a)(1) shall be paid by the owner or operator of the qualified hazardous waste management unit.

"(2) WASTE RECEIVED FOR TRANSPORT FROM THE UNITED STATES.—The tax imposed by subsection (a)(2) shall be paid by the person holding the permit issued for transport for ocean disposal under section 102 of the Marine Protection, Research, and Sanctuaries Act of 1972.

"(3) WASTE EXPORTED.—The tax imposed by subsection (a)(3) shall be paid by the exporter.

"(d) TERMINATION.—The taxes imposed by this section shall not apply after September 30, 1990.

"SEC. 4672. EXEMPTIONS; REDUCTION OF TAX WHERE PRIOR TAXABLE EVENT.

"(a) EXEMPTION FOR CERTAIN REMOVAL AND REMEDIAL ACTIONS, ETC.—The tax imposed by section 4671 shall not apply to the receipt or export of hazardous waste pursuant to—

"(1) a corrective action specified in—

"(A) an initial or final order, or

"(B) a proposed or final permit,

issued by the Administrator under the Solid Waste Disposal Act or a State under a hazardous waste program authorized under section 3006 of such Act,

"(2) a proposed or final closure plan approved by the Administrator or such a State,

"(3) a removal or remedial action under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 which has been selected or approved by the Administrator, or

"(4) an action to correct an emergency situation arising from a product spill which is certified by the Administrator to the Secretary as carrying out the purposes of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980.

"(b) EXEMPTION FOR WASTE RECEIVED AT ANY FEDERAL FACILITY.—The tax imposed by section 4671 shall not apply to any hazardous waste received at any facility owned by the United States.

"(c) REDUCTION IN TAX WHERE PRIOR TAXABLE EVENT.—

"(1) IN GENERAL.—If—

"(A) tax under section 4671 or 4674 was paid with respect to any hazardous waste, and

"(B) tax under section 4671 is subsequently imposed on such waste (hereinafter in this subsection referred to as the 'later taxable event'),

then the tax under section 4671 on the later taxable event shall be reduced by the amount determined under paragraph (2).

"(2) AMOUNT OF REDUCTION.—The amount of the reduction determined under this paragraph is the product of—

"(A) the weight of hazardous waste involved in the later taxable event, multiplied by

"(B) the lesser of—

"(i) the highest rate of tax paid under section 4671 or 4674 with respect to any prior taxable event involving such waste (determined without regard to this subsection), or

"(ii) the rate of tax imposed by section 4671 with respect to the later taxable event (as so determined).

"SEC. 4673. SPECIAL RULES FOR WASTE WATER TREATMENT, INCINERATION, ETC.

"(a) EXEMPTION FOR WASTE RECEIVED AT CERTAIN WASTE WATER TREATMENT UNITS.—The tax imposed by section 4671 shall not apply to hazardous waste received at any waste water treatment unit.

"(b) INCINERATION, ETC. WITHIN 90 DAYS OF RECEIPT.—

"(1) IN GENERAL.—Under regulations prescribed by the Secretary, if—

"(A) tax under section 4671 was paid with respect to the receipt of any hazardous waste at any qualified hazardous waste management unit or for transport described in section 4671(a)(2), and

"(B) such waste is incinerated on land (or the equivalent of incineration on land) by any person within 90 days after the date of the first receipt referred to in subparagraph (A),

then the tax so paid shall be allowed as a credit or refund (without interest) to such person in the same manner as if it were an overpayment of tax imposed by section 4671.

"(2) EQUIVALENT OF INCINERATION.—For purposes of subparagraph (A), a method, technique, or process shall be treated as the equivalent of incineration on land if—

"(A) such method, technique, or process meets detailed performance standards established by the Environmental Protection Agency, and

"(B) such standards require a destruction and removal efficiency for the hazardous waste involved at least equivalent to the destruction and removal efficiency applicable to incineration on land.

"(c) QUALIFIED CHEMICAL FUELS OR SOLVENTS.—

"(1) IN GENERAL.—Under regulations prescribed by the Secretary, if—

"(A) tax under section 4671 was paid with respect to any hazardous waste,

"(B) such waste is used by any person in the production of any qualified chemical fuel or solvent, and

"(C) such fuel or solvent is by such person sold for use or used in any industrial or commercial use,

then the tax so paid shall be allowed as a credit or refund (without interest) to such person in the same manner as if it were an overpayment of tax imposed by section 4671.

"(2) QUALIFIED CHEMICAL FUEL OR SOLVENT.—For purposes of subparagraph (A), the term 'qualified chemical fuel or solvent' means any chemical or solvent which is determined by the Administrator as not being a hazardous waste.

"(d) RECYCLING OF BATTERIES.—Under regulations prescribed by the Secretary, if—

"(1) tax under section 4671 was paid with respect to the receipt of any battery at a qualified hazardous waste management unit, and

"(2) the recycling of such battery begins at such a unit by any person within 90 days after the date of the first receipt of such battery at any qualified hazardous waste management unit,

then the tax so paid shall be allowed as a credit or refund (without interest) to such person in the same manner as if it were an overpayment of tax imposed by section 4671.

"(e) TAX TO APPLY WHILE CORRECTIVE ACTION NOT COMPLETED.—

"(1) IN GENERAL.—The exemption provided by subsection (a) shall not apply (and no credit or refund shall be allowed under this section) with respect to any activity conducted at a facility (or part thereof) during the period that required corrective action remains uncompleted with respect to such facility (or part).

"(2) REQUIRED CORRECTIVE ACTION.—For purposes of paragraph (1), required corrective action shall be treated as uncompleted during the period—

"(A) beginning on the date that the corrective action is required by the Administrator or an authorized State pursuant to a final permit under section 3005 of the Solid Waste Disposal Act or a final order under section 3004 or 3008 of such Act, and

"(B) ending on the date the Administrator or such State (as the case may be) certifies to the Secretary that such corrective action has been completed.

"(3) RATE OF TAX WITH RESPECT TO WASTE WATER TREATMENT.—The rate of tax imposed by section 4671 by reason of this subsection with respect to hazardous waste received at any waste water treatment unit shall be the amount determined in accordance with the following table:

For calendar years:	The tax per ton is:
1986, 1987, or 1988	19 cents
1989 or 1990	13 cents.

"SEC. 4674. BACKUP TAX ON GENERATOR.

"(a) IMPOSITION OF TAX.—There is hereby imposed a tax on each ton of hazardous waste which, as of the close of the 270-day period beginning on the day after the day on which such waste was generated, has not been—

"(1) received at a qualified hazardous waste management unit,

"(2) received for transport from the United States for the purpose of ocean disposal, or

"(3) exported from the United States.

"(b) RATE OF TAX.—The rate of the tax imposed by subsection (a) shall be the rate of tax applicable to land disposal under section 4671 at the end of the 270-day period described in subsection (a).

"(c) LIABILITY FOR TAX.—The tax imposed by subsection (a) shall be paid by the generator of the hazardous waste.

"(d) EXEMPTIONS.—

"(1) SMALL GENERATORS.—The tax imposed by subsection (a) shall not apply to hazardous waste generated during any month if the generator of such waste does not generte more than 100 kilograms of hazardous waste during such month.

"(2) WASTE LEGALLY DISPOSED OF IN PUBLICLY OWNED TREATMENT WORKS.—The tax imposed by subsection (a) shall not apply to hazardous waste disposed of in any publicly owned treatment works if the disposal of such waste is not in violation of Federal, State, or local law.

"(3) OTHER EXEMPTIONS TO APPLY.—The exemptions provided by subsections (a) and (b) of section 4672 shall apply to the tax imposed by subsection (a).

"(4) EXEMPTIONS UNDER REGULATIONS; APPLICTION OF LOWER RATE.—The Secretary may prescribe regulations which provide exemptions from the tax imposed by subsection (a) (or the application of a lower rate) which are not inconsistent with the purposes of this section.

"(e) GENERATOR.—For purposes of this section, the term 'generator' means the person whose act or process produces the hazardous waste.

"(f) TERMINATION.—No tax shall be imposed by this section on waste generated after September 30, 1990.

"SEC. 4675. DEFINITIONS AND SPECIAL RULES.

"(a) DEFINITIONS.—For purposes of this subchapter—

"(1) HAZARDOUS WASTE.—The term 'hazardous waste' means any waste which is listed or identified as of the date of the enactment of the Superfund Revenue Act of 1985 under section 3001 of the Solid Waste Disposal Act. Rainwater shall not be treated as hazardous waste unless mixed with hazardous waste (as defined in the preceding sentence).

"(2) QUALIFIED HAZARDOUS WASTE MANAGEMENT UNIT.—The term 'qualified hazardous waste management unit' means the specified area of land or structure—

"(A) which isolates the hazardous wastes within a qualified hazardous waste facility, and

"(B) which is subject to the requirements for obtaining interim status or a final permit under subtitle C of the Solid Waste Disposal Act.

"(3) QUALIFIED HAZARDOUS WASTE MANAGEMENT FACILITY.—The term 'qualified hazardous waste management facility' means any facility, as defined under subtitle C of the Solid Waste Disposal Act, which has received a permit or is accorded interim status under—

"(A) section 3005 of the Solid Waste Disposal Act, or

"(B) a State program authorized under section 3006 of such Act.

"(4) OCEAN DISPOSAL.—The term 'ocean disposal' means the incineration or dumping of hazardous waste over or into ocean waters or the waters described in section 101(b) of the Marine Protection, Research, and Sanctuaries Act of 1972, pursuant to section 102 of such Act.

"(5) DEFINITIONS RELATING TO AMOUNT OF TAX. —

"(A) LAND DISPOSAL.—The term 'land disposal' means a taxable event described in section 4671(a)(1) with respect to a qualified hazardous waste management unit which is a landfill, surface impoundment, waste pile, or land treatment unit.

"(B) LANDFILL, ETC.—For purposes of subparagraph (A), the terms 'landfill', 'surface impoundment', 'waste pile' and 'land treatment unit' have the respective meanings given such terms in regulations prescribed by the Administrator pursuant to sections 3004 and 3005 of the Solid Waste Disposal Act.

"(C) OTHER TAXABLE EVENT.—The term 'any other taxable event' means—

"(i) a taxable event described in section 4671(a)(1) which is not land disposal, and

"(ii) a taxable event described in paragraph (2) or (3) of section 4671(a).

"(6) WASTE WATER TREATMENT UNIT.—The term 'waste water treatment unit' means any qualified hazardous waste management unit which is an integral and necessary part of a treatment system—

"(A) for which a permit is required under section 402 of the Clean Water Act,

"(B) which is subject to pretreatment standards under subsection (b) or (c) of section 307 of the Clean Water Act, or

"(C) which is zero discharge treatment system—

"(i) which, if the system discharged into navigable waters, would comply with effluent limitation guidelines prescribed under paragraph (2) or (4) of section 304(b) of the Clean Water Act,

"(ii) which, if the system discharged into a publicly owned treatment works, would comply with the pretreatment standards described in subparagraph (B), or

"(iii) if no such guidelines or standards have been prescribed, which employs biological treatment.

The term 'waste water treatment unit' shall not include any qualified hazardous waste management unit which receives for storage or final disposition concenatrated treatment residues resulting from wastewater treatment.

"(7) ADMINISTRATOR.—The term 'Administrator' means the Administrator of the Environmental Protection Agency.

"(8) UNITED STATES.—The term 'United States' has the meaning given such term by section 4612(a)(4).

"(9) TON.—The term 'ton' means 2,000 pounds.

"(10) FRACTIONAL PART OF TON.—In the case of a fraction of a ton, the tax imposed by this subchapter shall be the same fraction of the amount of such tax imposed on a whole ton.

"(b) TREATMENT OF CONTAINERS, ETC. WHICH ARE RELATED TO INJECTION UNITS.—For purposes of this subchapter—

"(1) any container, tank, or surface impoundment which, with respect to any hazardous waste, is used to treat or store such waste before underground injection of such waste (whether or not the waste when injected is hazardous waste) into an injection well, and

"(2) the injection well into which such waste is injected,

shall be treated as a single hazardous waste management unit.

"(C) DISPOSITION OF REVENUES FROM PUERTO RICO AND THE VIRGIN ISLANDS.—The provisions of subsection (a)(3) and (b)(3) of section 7652 shall not apply to any tax imposed by this subchapter."

(b) INFORMATION REPORTING REQUIREMENT.—

(1) IN GENERAL.—Subpart A of part III of subchapter A of chapter 61 of such Code is amended by inserting after section 6039D the following new section:

"SEC. 6039E. INFORMATION WITH RESPECT TO MANAGEMENT TAX ON HAZARDOUS WASTE.

"Each person on whom a tax is imposed under subchapter C of chapter 38 shall (at such time and in such manner as the Secretary may require) submit to the Secretary such information as the Secretary may require, including information which such person is required to provide the Administrator of the Environmental Protection Agency under the Solid Waste Disposal Act. To the extent provided in regulations prescribed by the Secretary, the preceding sentence shall also apply to persons not described therein with respect to information which the Secretary determines is necessary or appropriate to the administration of such subchapter."

(2) PENALTY.—Subchapter B of chapter 68 of such Code (relating to assessable penalties) is amended by redesignating section 6708 (relating to mortgage credit certificates) as section 6709 and by adding at the end thereof the following new section:

"SEC. 6710. FAILURE TO PROVIDE INFORMATION WITH RESPECT TO MANAGEMENT TAX ON HAZARDOUS WASTE.

"(a) IN GENERAL.—Any person who fails to meet any requirement imposed by section 6039E shall pay a penalty of $100 for each day during which such failure continues, unless it is shown that such failure is due to reasonable cause and not due to willful neglect. The maximum penalty imposed under this subsection with respect to any failure shall not exceed $50,000.

"(b) PENALTY IN ADDITION TO OTHER PENALTIES.—The penalty imposed by this section shall be in addition to any other penalty provided by law."

(3) CONFORMING AMENDMENTS.—

(A) The table of section for subpart A of part III of subchapter A of chapter 61 of such Code is amended by inserting after the item relating to section 6039D the following new item:

"Sec. 6039E. Information with respect to management tax on hazardous waste."

(B) The table of sections for subchapter B of chapter 68 of such Code is amended by redesignating the item relating to mortgage credit certificates as section 6709 and by adding at the end thereof the following new item:

"Sec. 6710. Failure to provide information with respect to management tax on hazardous waste."

(c) PENALTY FOR NEGLIGENCE TO APPLY TO ENVIRONMENTAL TAXES.—Section 6653 of such Code (relating to failure to pay tax) is amended by adding at the end thereof the following new subsection:

"(i) NEGLIGENCE PENALTY TO APPLY TO ENVIRONMENTAL TAXES.—For purposes of applying paragraphs (1) and (2) of subsection (a), paragraph (1) of subsection (a) shall be treated as including a reference to underpayments (as defined in subsection (c)) of tax imposed by chapter 38 (relating to environmental taxes)."

(d) CLERICAL AMENDMENT.—The table of subchapters for chapter 38 of such Code is amended by adding after the item relating to subchapter B the following new item:

"Subchapter C. Hazardous waste management tax."

(e) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall take effect on January 1, 1986.

(2) BACKUP TAX ON GENERATOR.—Section 4674 of the Internal Revenue Code of 1954 (relating to backup tax on generator), as added by this section, shall apply to waste generated after December 31, 1986.

SEC. 416. TAX ON CERTAIN IMPORTED SUBSTANCES DERIVED FROM TAXABLE CHEMICALS.

(a) GENERAL RULE.—Chapter 38 of the Internal Revenue Code of 1954 is amended by adding after subchapter C the following new subchapter:

"Subchapter D—Tax on Certain Imported Substances

"Sec. 4677. Imposition of Tax.
"Sec. 4678. Definitions and special rules.

"SEC. 4677. IMPOSITION OF TAX.

"(a) GENERAL RULE.—There is hereby imposed a tax on any taxable substance sold or used by the importer thereof.

"(b) AMOUNT OF TAX.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the amount of the tax imposed by subsection (a) with respect to any taxable substance shall be the amount of the tax which would have been imposed by section 4661 on the taxable chemicals or petroleum used as materials or process fuel in the manufacture or production of such substance if such taxable chemicals or petroleum had been sold in the United States for use in the manufacture or production of such taxable substance.

"(2) RATE WHERE IMPORTER DOES NOT FURNISH INFORMATION TO THE SECRETARY.—If the importer does not furnish to the Secretary (at such time and in such manner as the Secretary shall prescribe) sufficient information to determine under paragraph (1) the amount of the tax imposed by subsection (a) on any taxable substance, the amount of the tax imposed on such taxable substance shall be 5 percent of the appraised value of such substance as of the time such substance was entered into the United States for consumption, use, or warehousing.

"(C) EXEMPTIONS FOR SUBSTANCES TAXED UNDER SECTIONS 4611 AND 4661.—No tax shall be imposed by this section on the sale or use of any substance if tax is imposed on such sale or use under section 4611 or 4661.

"(d) TERMINATION.—The taxes imposed by this section shall not apply after September 30, 1990.

"SEC. 4678. DEFINITIONS AND SPECIAL RULES.

"(a) TAXABLE SUBSTANCE.—For purposes of this subchapter—

"(1) IN GENERAL.—The term 'taxable substance' means any substance which, at the time of sale or use by the importer, is listed as a taxable substance by the Secretary for purposes of this subchapter.

"(2) DETERMINATION OF SUBSTANCES ON LIST.—A substance shall be listed under paragraph (1) if the Secretary determines, in consultation with the Administrator of the Environmental Protection Agency and the Commissioner of Customs, that such substance generally has more than 50 percent of its value derived (as materials or as process fuel) from taxable chemicals or petroleum (determined on the basis of the predominant method of production).

"(3) MODIFICATIONS TO LIST.—The Secretary may add or remove substances from the list under paragraph (2) as necessary to carry out the purposes of this subchapter.

"(b) OTHER DEFINITIONS.—For purposes of this subchapter—

"(1) IMPORTER.—The term 'importer' means the person entering the taxable substance for consumption, use, or warehousing.

"(2) TAXABLE CHEMICALS; UNITED STATES.—The terms 'taxable chemical' and 'United States' have the respective meanings given such terms by section 4662(a).

"(c) DISPOSITION OF REVENUES FROM PUERTO RICO AND THE VIRGIN ISLANDS.—The provisions of subsections (a)(3) and (b)(3) of section 7652 shall not apply to any tax imposed by section 4677."

(b) CLERICAL AMENDMENT.—The table of subchapters for chapter 38 of such Code is amended by adding after the item relating to subchapter C the following new item:

"Subchapter D. Tax on certain imported substances."

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 1987.

SEC. 417. IMPOSITION OF SUPERFUND EXCISE TAX.

(a) IN GENERAL.—Chapter 38 of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following new subchapter:

"Subchapter E—Superfund Surcharge Tax

"Sec. 4685. Imposition of tax.
"Sec. 4686. Definitions and special rules.
"Sec. 4687. Return requirement; taxable period; payment of tax.
"Sec. 4688. Exemptions.
"Sec. 4689. Import-Export neutrality.
"Sec. 4690. Tax to apply only if shortfall in Superfund.

"SEC. 4685. IMPOSITION OF TAX.

"(a) IMPOSITION AND RATE OF TAX.—There is hereby imposed on each taxable person (as defined in section 4686(a)) carrying on one or more trades or businesses (as defined in section 4686(b)) in the United States a tax in respect of such trade or business activities in an amount determined in accordance with the following tables:

"(1) With respect to those trade or business activities conducted by or on behalf of the taxable person that constitute category A activities:

"If the number of employees properly allocable to such trade or business in accordance with subsection (c) is:	The tax is:
Not more than 5	$0.
At least 6 but less than 10.	$16.
At least 10 but less than 25.	$35.
At least 25 but less than 250.	$50 plus $50 for each additional increment of 25 employees in excess of 25.
250 or more	$500 plus 200 for each additional increment of 100 employees in excess of 250.

"(2) With respect to those trade or business activities conducted by or on behalf of the taxable person that constitute category B activities:

"If the number of employees properly allocable to such trade or business in accordance with subsection (c) is:	The tax is:
Not more than 5	$0.
At least 6 but less than 10.	$3.75.
At least 10 but less than 25.	$8.50.
At least 25 but less than 250.	$12.50 plus $12.50 for each additional increment of 25 employees in excess of 100.
250 or more	$12.50 plus $50 for each additional increment of 100 employees in excess of 250.

"(3) With respect to those trade or business activities conducted by the taxable person that constitute category C activities:

"If the number of employees properly allocable to such trade or business in accordance with subsection (c) is:	The tax is:
Not more than 5	$0.
At least 51 but less than 100.	$9.
At least 100 but less than 250.	$13 plus $6.50 for each additional increment of 50 employees in excess of 100.
250 or more	$32.50 plus $13 for each additional increment of 100 employees in excess of 250.

"(4) With respect to those trade or business activities conducted by the taxable person that constitute category D activities:

"If the number of employees properly allocable to such trade or business in accordance with subsection (c) is:	The tax is:
Not more than 50	$0.
At least 51 but less than 100.	$2.50.
At least 100 but less than 250.	$3.50 plus $1.75 for each additional increment of 50 employees in excess of 100.
250 or more	$8.75 plus $3.50 for each additional increment of 100 employees in excess of 250.

Provided, however, That in the case of trade or business activities of a taxable person that otherwise would be exempt from tax under this subsection during the taxable period by reason of the number of employees properly attributable to such trade or business activities under subsection (c), such trade or business activities nevertheless shall be subject to tax under the next succeeding bracket under which tax is imposed under paragraph (1), (2), (3), or (4) (whichever is applicable), if such trade or business activities result in the generation of more than 1000 kilograms per month of hazardous waste (as defined in section 1004 of the Resource Conservation and Recovery Act and the regulations thereunder).

"(b) CATEGORIES OF TAXABLE ACTIVITIES.—For purposes of this chapter—

"(1) CATEGORY A ACTIVITIES.—The term 'category A activities' means those trade or business activities that are subject to classification within Standard Industrial Classification Codes 28 (relating to chemicals and allied products) or 29 (relating to petroleum refining and relating industries).

"(2) CATEGORY B ACTIVITIES.—The term 'category B activites' means those trade or business activities that are subject to classification within Standard Industrial Classification Codes 30 (relating to rubber and miscellaneous plastics products), 33 (relating to primary metals industries), or 34 (relating to fabricated metal products, except machinery and transportation equipment).

"(3) CATEGORY C ACTIVITIES.—The term 'category C activities' means those trade or business activities that consist of manufacturing (as defined in section 4001(c)) activities other than those activities described in paragraphs (1) and (2).

"(4) CATEGORY D ACTIVITIES.—The term 'category D activities' means those trade or business activities that consist of the provision of services (as defined in section 4001(d)) to customers, except that services for this purpose shall not include services provided by the taxable person in respect of the sale, repair, or maintenance of products manufactured by the taxpayer in carrying on category A, B, or C activities. Such sales, repair, or maintenance services shall be treated as category A, B, or C activities on the basis of the products to which such services relate.

"(c) DETERMINATION OF NUMBER OF EMPLOYEES AND ALLOCATION AMONG TAXABLE CATEGORIES OF ACTIVITIES.—For purposes of this chapter—

"(1) DETERMINATION OF TAXABLE PERSON'S TOTAL WORK FORCE.—The total number of employees (as defined in section 3306(i)) of the taxable person in respect of all of its trade or business activities shall be determined by dividing the total amounts of wages paid or incurred by the taxable person (as determined under section 3306(b)) by $7,000 (or by such other ceiling on taxable wages for Federal Unemployment Tax purposes as thereafter may be adopted in section 3306(b) or its successor).

"(2) ALLOCATION OF TOTAL WORK FORCE AMONG TAXABLE PERSON'S BUSINESS ACTIVITIES.—

"(A) DIRECT LABOR.—All direct labor (as defined in section 4686(e)) in respect of trade or business activities of the taxable person is to be allocated among the four categories of taxable activities described in subsection (b) on the basis of the products or services to which such labor is properly attributable under principles similar to those applicable under section 471 (relating to inventoriable costs);

"(B) INDIRECT LABOR.—Indirect labor (as defined in section 4686(f)) in respect of trade or business activities of the taxable person is to be allocated among the four categories of taxable activities described in subsection (b) as follows:

"(i) indirect labor substantially all of which is directly related to, necessary for, and dedicated to particular manufacturing activities, or the provision of particular services, shall be allocated to such manufacturing activities or services,

"(ii) indirect labor other than that described in (i) shall be allocated among the categories of activities described in subsection (b) on the same proportionate basis at the labor described in subparagraph (A) is allocated among such categories.

"(C) GENERAL AND ADMINISTRATIVE LABOR.—All general and administrative labor (as defined in section 4686(f), in respect of trade or business activities of the taxable person is to be allocated among the four categories of taxable activities described in subsection (b) on the same proportionate basis as the labor described in subparagraph (A) is allocated among such categories.

"SEC. 4686. DEFINITIONS AND SPECIAL RULES.

"For purposes of this subchapter—

"(a) TAXABLE PERSON.—The term 'taxable person' means any corporation (as defined in section 7701(a)(3)) or partnership (as defined in section 7701(a)(2)). For this purpose, all corporations that are members of the same group of controlled corporations (within the meaning of section 1563(a), except that "more than 50 percent' shall be substituted for 'at least 80 percent' each place it appears in section 1563(a)(1)) shall be treated as a single taxable person.

"(b) TRADE OR BUSINESS.—The term 'trade or business' has the same meaning as under section 162 (relating to the deduction of trade or business expenses). In the case of a taxpayer that is a partnership, the determination of the trade or business activities of the partnership shall be made at the partnership level.

"(c) MANUFACTURING.—The term 'manufacturing' means trade or business activities that are subject to classification within Standard Industrial Classification Codes 1, 2, 7 through 14, 20 through 27, 31, 32,or 35 through 39, and such other activities as the Secretary may designate by regulation.

"(d) SERVICES.—The term 'services' means trade or business activities that are subject to classification within Standard Industrial Classification Codes 15 through 17, 40 through 67, 70, 72, 73, 75, 76, 78, 79, 80, 81, 82, 83, 84, 86, 88, or 89, and such other activities as the secretary may designate by regulation.

"(e) DIRECT LABOR.—The term 'direct labor' means labor that is incident to and necessary for manufacturing activities, or the provision of services, and the amount of which can be identified or associated with specific products or services.

"(f) INDIRECT LABOR.—The term 'indirect Labor' means labor that is associated with and necessary for manufacturing activities, or the provision of services, but which is not directly identifiable in amount with respect to specific products or services.

"(g) GENERAL AND ADMINISTRATIVE LABOR.—The term 'general and administrative labor' means labor that is undertaken in respect of administrative and other similar functions that are incident to and necessary for the taxable person's trade or business activities as a whole, rather than to particular manufacturing or service provision activities.

"(h) UNITED STATES.—The term 'United States', when used in a geographical sense, refers to the fifty States, the District of Columbia, a Commonwealth, and any possessions of the United States.

"(i) SPECIAL RULE.—The classification of particular trade or business activities within the Standard Industrial Classification Codes for purposes of this chapter shall be the classification of such activities that exists as of January 1, 1986. Any subsequent changes in such classifications of trade or business activities shall be effective for purposes of this chapter only upon the approval of the Secretary. The determination of the proper classification of particular trade or business activities within the Standard Industrial Classification Codes for purposes of this chapter shall be made by the Secretary.

"SEC. 4687. RETURN REQUIREMENT; TAXABLE PERIOD; PAYMENT OF TAX.

"(a) RETURN REQUIREMENT.—

"(1) IN GENERAL.—Except as provided in this subsection, each taxable person shall file a return of the tax imposed by section 4685 for any taxable period not later than the due date (including extensions) under chapter 1 for a taxable year that is the calendar year.

"(2) EXCEPTIONS.—The Secretary may exempt by regulation any taxable person from the requirement in paragraph (1).

"(b) TAXABLE PERIOD.—For purposes of this chapter, the term 'taxable period' means the calendar year.

"(c) PAYMENT OF TAX.—In the case of any taxable person with respect to whom a tax is imposed under section 4685 for any taxable period, such person shall make quarterly deposits of the estimated amount of such tax for the next succeeding taxable period.

"(d) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this chapter.

"SEC. 4688. EXEMPTIONS.

"(a) GOVERNMENT ENTITIES.—No tax shall be imposed under section 4685 on the United States, any State or political subdivision thereof, the District of Columbia, a Commonwealth or possession of the United States, or any agency or instrumentality of the foregoing: *Provided, however,* That if any such government entity shall engage in one or more activities during the taxable period that generate more than 1000 kilograms per month of hazardous waste (as defined in section 1004 of the Resource Conservation and Recovery Act and the regulations thereunder), such government entity shall be subject to a fee in an amount equal to the tax that would be imposed under section 4685 if such entity were a taxable person engaging in taxable activities described in section 4001(a)(4).

"(b) CHARITABLE ORGANIZATION.—No tax shall be imposed under section 4685 on any organization that is exempt from tax under chapter 1: *Provided, however,* That if any such organization carries on an unrelated trade or business (within the meaning of section 513) during the taxable period, such organization shall be treated as if it were a taxable person and shall be subject to the tax imposed under section 4685 to the extent of such unrelated trade or business activities.

"SEC. 4689. IMPORT-EXPORT NEUTRALITY.

"(a) EXEMPTION FOR EXPORTS.—

"(1) IN GENERAL.—No tax shall be imposed under section 4685 in respect of trade or business activities of the taxable person that are directly related to the manufacturing of products, or the provision of services, which are to be exported from the United States to locations outside of the United States.

"(2) DETERMINATION OF EXEMPT AMOUNT.—In determining the amount of tax due under section 4001 for the taxable period in respect of category A, B, C, or D activities, the taxable person shall reduce the amount of tax otherwise due in respect of each such category of taxable activities by the amount that is determined as the product of:

"(A) the total amount of tax otherwise due under section 4685 in respect of such category of taxable activities from the taxable person for the taxable period (without regard to this paragraph), multiplied by

"(B) a fraction, the numerator of which is the amount of gross receipts derived by the taxable person during the taxable period from the exportation from the United States of products or services attributable to such category of taxable activities, and the denominator of which is the total amount of gross receipts derived by the taxable person during the taxable period from such category of taxable activities.

"(b) IMPORT EQUALIZATION FEE.—

"(1) IN GENERAL.—There is hereby imposed on the importer with respect to the importation into the United States of products and services an import equalization fee in an amount determined under paragraph (2), which shall be imposed in addition to any duty or tariff otherwise imposed on such importation.

"(2) DETERMINATION OF AMOUNT.—In the case of imports of products or services attributable to category A, B, C, or D activities (within the meaning of section 4685(b)) conducted outside of the United States, the amount of the fee described in paragraph (1) shall be equal to the product of—

"(A) the customs value (or if there is no such customs value, the fair value of the imported product or service (determined as of the time of importation)), multiplied by

"(B) a fraction (as determined by the Secretary), the numerator of which is the total amount of tax imposed under section 4685 in respect of category A, B, C, or D activities (whichever is applicable) during the preceding calendar year (or such earlier year as the Secretary may designate) and the denominator of which is the total gross value of the products manufactured or the services provided in the United States during such year attributable to category A, B, C, or D activities (whichever is applicable).

"(c) REGULATIONS, ETC.—The Secretary shall publish not less than annually in an appropriate form the information described in subsection (b)(2)(B). The Secretary may promulgate such regulations as he deems necessary to carry out the provisions of this section.

"SEC. 4690. TAX TO APPLY ONLY IF SHORTFALL IN SUPERFUND.

"(a) GENERAL RULE.—

"(1) IN GENERAL.—The tax imposed by this subchapter shall apply only if the Secretary determines under subsection (b) that there will be shortfall in the Superfund.

"(2) PERIOD DURING WHICH TAX APPLIES; TERMINATION OF WASTE-END TAX.—If the Secretary determines under subsection (b) that there will be a shortfall in the Superfund—

"(A) the tax imposed by this subchapter shall apply to taxable periods beginning on or after the applicable commencement date and ending before January 1, 1991, and

"(B) the taxes imposed by subchapter C (relating to hazardous waste management tax) shall not apply during any period during which the tax imposed by this subchapter applies.

"(b) DETERMINATION OF SHORTFALL.—

"(1) IN GENERAL.—Not later than July 1 of 1988 and 1989, the Secretary (in consultation with the Administrator of the Environmental Protection Agency) shall determine whether there will be a shortfall in the Superfund as of the applicable commencement date.

"(2) APPLICABLE COMMENCEMENT DATE.—For purposes of this section, the term 'applicable commencement date' means—

"(A) January 1, 1989, in the case of the determination made not later than July 1, 1988, and

"(B) January 1, 1990, in the case of the determination made not later than July 1, 1989.

"(3) SHORT FALL.—For purposes of paragraph (1), a shortfall in the Superfund is the excess (if any) of—

"(A) the amount the Secretary estimates will be expended from the Hazardous Substance Superfund during the period beginning on November 1, 1985, and ending on September 30, 1990, over

"(B) the sum of—

"(i) the aggregate amount the Secretary estimates will be credited to such Fund during such period (determined without regard to the tax imposed by this subchapter and without regard to any repayable advances), and

"(ii) $100,000,000.

"(c) DETERMINATION OF RATE.—

"(1) IN GENERAL.—Each rate of tax set forth in section 4685 shall be adjusted by a uniform percentage established by the Secretary under paragraph (2).

"(2) DETERMINATION OF PERCENTAGE.—The percentage determined under this paragraph is a percentage which the Secretary estimates will eliminate the shortfall in the Superfund determined under subsection (b). The percentage determined under the preceding paragraph shall not exceed the percentage which the Secretary estimates will result in $10,000,000 being credited to the Hazardous Substance Superfund."

(b) CLERICAL AMENDMENT.—The table of subchapters for chapter 38 of such Code is amended by adding at the end thereof the following new item: "Subchapter E. Superfund surcharge tax."

SEC. 418. HAZARDOUS SUBSTANCE SUPERFUND.

(A) IN GENERAL.—Subchapter A of chapter 98 of the Internal Revenue Code of 1954 (relating to establishment of trust funds) is amended by adding after section 9504 the following new section:

"SEC. 9505. HAZARDOUS SUBSTANCE SUPERFUND.

"(a) CREATION OF TRUST FUND.—There is established in the Treasury of the United States a trust fund to be known as the 'Hazardous Substance Superfund' (hereinafter in this section referred to as the 'Superfund'), consisting of such amounts as may be—

"(1) appropriated to the Superfund as provided in this section,

"(2) appropriated to the Superfund pursuant to section 418(b) of the Superfund Revenue Act of 1985, or

"(3) credited to the Superfund as provided in section 9602(b).

"(b) TRANSFERS TO SUPERFUND.—There are hereby appropriated to the Superfund amounts equivalent to—

"(1) the taxes received in the Treasury under section 4611, 4661, 4671, 4674, 4677, 4685, or 4689 (relating to environmental taxes),

"(2) amounts recovered on behalf of the Superfund under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (hereinafter in this section referred to as 'CERCLA'),

"(3) all moneys recovered or collected under section 311(b)(6)(B) of the Clean Water Act,

"(4) penalties assessed under title I of CERCLA, and

"(5) punitive damages under section 107(c)(3) of CERCLA.

"(C) EXPENDITURES FROM SUPERFUND.—

"(1) IN GENERAL.—Amounts in the Superfund shall be available, as provided in appropriation Acts, only for purposes of making expenditures—

"(A) to carry out the purposes of paragraphs (1), (2), (4), and (5) of section 111(a) of CERCIA as in effect on the date of the enactment of the Superfund Amendments of 1985, or

"(B) hereafter authorized by a law which authorizes the expenditure out of the Superfund for a general purpose covered by paragraphs (1), (2), (4), and (5) of such section 111(a) (as so in effect).

"(2) EXCEPTION FOR CERTAIN TRANSFERS, ETC. OF HAZARDOUS SUBSTANCES.—Amounts in the Superfund shall not be available for any transfer or disposal which could not be made but for section 121(i) of CERCLA as in effect on the date of the enactment of the Superfund Amendments of 1985.

"(d) Authority to Borrow.—

"(1) IN GENERAL.—There are authorized to be appropriated to the Superfund, as repayable advances, such as may be necessary to carry out the purposes of the Superfund.

"(2) REPAYMENT OF ADVANCES.—

"(A) IN GENERAL.—Advances made pursuant to this subsection shall be repaid, and interest on such advances shall be paid, to the general fund of the Treasury when the

Secretary determines that moneys are available for such purposes in the Superfund.

"(B) Final repayment.—No advance shall be made to the Superfund after September 30, 1990, and all advances to such Fund shall be repaid on or before such date.

"(C) RATE OF INTEREST.—Interest on advances made pursuant to this subsection shall be at a rate determined by the Secretary of the Treasury (as of the close of the calendar month preceding the month in which the advance is made) to be equal to the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the anticipated period during which the advance will be outstanding and shall be compounded annually.

"(e) LIABILITY OF UNITED STATES LIMITED TO AMOUNT IN TRUST FUND.—

"(1) GENERAL RULE.—Any claim filed against the Superfund may be paid only out of the Superfund.

"(2) COORDINATION WITH OTHER PROVISIONS.—Nothing in CERCLA or the Superfund Amendments of 1985 (or in any amendment made by either of such Acts) shall authorize the payment by the United States Government of any amount with respect to any such claim out of any source other than the Superfund.

"(3) ORDER IN WHICH UNPAID CLAIMS ARE TO BE PAID.—If at any time the Superfund has insufficient funds to pay all of the claims payable out of the Superfund at such time, such claims shall, to the extent permitted under paragraph (1), be paid in full in the order in which they were finally determined."

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, to the Hazardous Substance Superfund for fiscal year—

(1) 1986, $460,000,000,
(2) 1987, $460,000,000,
(3) 1988, $460,000,000,
(4) 1989, $460,000,000, and
(5) 1990, $460,000,000,

plus for each fiscal year an amount equal to so much of the aggregate amount authorized to be appropriated under this subsection (and paragragh (2) of section 221(b) of the Hazardous Substance Response Act of 1980, as in effect before its repeal) as has not been approriated before the beginning of the fiscal year involved.

(c) CONFORMING AMENDMENTS.—

(1) Subtitle B of the Hazardous Substance Response Revenue Act of 1980 (relating to establishment of Hazardous Substance Response Trust Fund) is hereby repealed.

(2) Paragraph (11) of section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 is amended to read as follows:

"(11) 'Fund' or 'Trust Fund' means the Hazardous Substance Superfund established by section 9505 of the Internal Revenue Code of 1954;".

(d) CLERICAL AMENDMENT.—The table of sections for subchapter A of chapter 98 of such Code is amended by adding after the item relating to section 9504 the following new item:

"Sec. 9505. Hazardous Substance Superfund."

(a) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall take effect on November 1, 1985.

(2) SUPERFUND TREATED AS CONTINUATION OF OLD TRUST FUND.—The Hazardous Substance Superfund established by the amendments made by this section shall be treated for all purposes of law as a continuation of the Hazardous Substance Response Trust Fund established by section 221 of the Hazardous Substance Response Revenue Act of 1980. Any reference in any law to the Hazardous Substance Response Trust Fund established by such section 221 shall be deemed to include (wherever appropriate) a reference to the Hazardous Substance Superfund established by the amendments made by this section.

PART II—LEAKING UNDERGROUND STORAGE TANK TRUST FUND AND ITS REVENUE SOURCES

SEC. 421. ADDITIONAL TAX ON GASOLINE, DIESEL FUEL, AND SPECIAL MOTOR FUELS.

(a) GENERAL RULE.—

(1) GASOLINE.—Section 4081 of the Internal Revenue Code of 1954 (relating to imposition of tax on gasoline) is amended by striking out subsections (a) and (b) and inserting in lieu thereof the following:

"(a) TAX TO FUND HIGHWAY PROGRAM.—

"(1) IN GENERAL.—There is hereby imposed on gasoline sold by the producer or importer thereof, or by any producer of gasoline, a tax of 9 cents a gallon.

"(2) TERMINATION.—On and after October 1, 1988, the tax imposed by paragraph (1) shall not apply.

"(b) ADDITIONAL TAX TO FUND LEAKING UNDERGROUND STORAGE TANK TRUST FUND.—

"(1) IN GENERAL.—In addition to the tax imposed by subsection (a), there is hereby imposed on gasoline sold by the producer or importer thereof, or by any producer of gasoline, a tax of 0.2 cents a gallon.

"(2) TERMINATION.—

"(A) IN GENERAL.—The tax imposed by paragraph (1) shall not apply after the earlier of—

"(i) September 30, 1990, or

"(ii) the last day of the termination month.

"(B) TERMINATION MONTH.—For purposes of subparagraph (A), the termination month is the 1st month as of the close of which the Secretary estimates that the net revenues from the taxes imposed by paragraph (1) and section 4041(d) are at least $850,000,000.

"(C) NET REVENUES.—For purposes of subparagraph (B), the term 'net revenues' means the excess of gross revenues over amounts payable by reason of section 9506(c)(2) (relating to transfer from Leaking Underground Storage Tank Trust Fund for certain repayments and credits)."

(2) DIESEL AND SPECIAL MOTOR FUELS.—Section 4041 of such Code (relating to tax on special fuels) is amended by redesignating subsection (d) as subsection (e) and by inserting after subsection (c) the following new subsection:

"(d) ADDITIONAL TAX ON DIESEL FUEL AND SPECIAL MOTOR FUELS TO FUND LEAKING UNDERGROUND STORAGE TANK TRUST FUND.—

"(1) DIESEL FUEL.—In addition to the taxes imposed by subsection (a), there is hereby imposed a tax of 0.2 cents a gallon on any liquid (other than a product taxable under section 4081)—

"(A) sold by any person to an owner, lessee, or other operator of a diesel-powered highway vehicle for use as a fuel in such vehicle, or

"(B) used by any person as a fuel in a diesel-powered highway vehicle unless there was a taxable sale of such liquid under subparagraph (A).

"(2) SPECIAL MOTOR FUELS.—In addition to the taxes imposed by subsection (a), there is hereby imposed a tax of 0.2 cents a gallon on benzol, benzene, naphtha, liquefied petroleum gas, casing head and natural gasoline, or any other liquid (other than kerosene, gas oil, or fuel oil, or any product taxable under section 4081 or paragraph (1) of this subsection—

"(A) sold by any person to an owner, lessee, or other operator of a motor vehicle or motorboat for use as a fuel in such motor vehicle or motorboat, or

"(B) used by any person as a fuel in a motor vehicle or motorboat unless there was a taxable sale of such liquid under subparagraph (A).

"(3) TERMINATION.—The taxes imposed by this subsection shall not apply during any period during which no tax is imposed by section 4081(b)."

(b) ADDITIONAL TAXES NOT TRANSFERRED TO HIGHWAY TRUST FUND OR AIRPORT AND AIRWAY TRUST FUND.—

(1) HIGHWAY TRUST FUND.—

(A) IN GENERAL.—Subsection (b) of section 9503 of such Code (relating to transfer to Highway Trust Fund of amounts equivalent to certain taxes) is amended by adding at the end thereof the following new paragraph:

"(4) CERTAIN ADDITIONAL TAXES NOT TRANSFERRED TO HIGHWAY TRUST FUND.—For purposes of paragraphs (1) and (2), the taxes imposed by sections 4041(d) and 4081(b) shall not be taken into account."

(B) CONFORMING AMENDMENT.—Subparagraph (D) of section 9503(c)(4) of such Code (defining motorboat fuel taxes) is amended by striking out "section 4081" and inserting in lieu thereof "section 4081(a)".

(2) AIRPORT AND AIRWAY TRUST FUND.—Subsection (b) of section 9502 of such Code (relating to transfer to Airport and Airway Trust Fund of amounts equivalent to certain taxes) is amended—

(A) by striking out "subsections (c) and (d) of section 4041" in paragraph (1) and inserting in lieu thereof "subsections (c) and (e) of section 4041", and

(B) by striking out "section 4081" in paragraph (2) and inserting in lieu thereof "section 4081(a)".

(c) REPAYMENTS FOR GASOLINE USED ON FARMS, ETC.—

(1) GASOLINE USED ON FARMS.—Subsection (h) of section 6420 of such Code (relating to termination) is amended by striking out "This section" and inserting in lieu thereof "Except with respect to taxes imposed by section 4081(b), this section".

(2) GASOLINE USED FOR CERTAIN NONHIGHWAY PURPOSES OR BY LOCAL TRANSIT SYSTEMS.—Subsection (h) of section 6421 of such Code (relating to effective date) is amended by striking out "This section" and inserting in lieu thereof "Except with respect to taxes imposed by section 4081(b), this section".

(3) FUELS USED FOR NONTAXABLE PURPOSES.—

(A) Subsection (m) of section 6427 of such Code (relating to termination) is amended by striking out "Subsections" and inserting in lieu thereof "Except with respect to taxes imposed by sections 4041(d) and 4081(b), subsections".

(B) Section 6427 of such Code is amended by redesignating subsection (n) as subsection (o) and by inserting after subsection (m) the following new subsection:

"(n) PAYMENTS FOR TAXES IMPOSED BY SECTION 4041(d).—For purposes of subsections (a), (b), and (c), the taxes imposed by section 4041(d) shall be treated as imposed by section 4041(a)."

(C) Paragraph (1) of section 6427(f) of such Code (relating to gasoline used to

produce certain alcohol fuels) is amended by striking out "section 4081" and inserting in lieu thereof "section 4081(a)".

(d) CONTINUATION OF CERTAIN EXEMPTIONS FROM ADDITIONAL TAXES.—

(1) Subsection (b) of section 4041 of such Code (relating to exemption for off-highway business use; exemption for qualified methanol and ethanol fuel) is amended by adding at the end thereof the following new paragraph:

"(3) COORDINATION WITH TAXES IMPOSED BY SUBSECTION (d).—

"(A) IN GENERAL.—Except as provided in subparagraph (B), rules similar to the rules of paragraphs (1) and (2) shall apply with respect to the taxes imposed by subsection (d).

"(B) TERMINATION NOT TO APPLY.—Subparagraph (C) of paragraph (2) shall not apply with respect to the taxes imposed by subsection (d)."

(2) Paragraph (3) of section 4041(f) of such Code (relating to exemption for farm use) is amended by striking out "On and after" and inserting in lieu thereof "Except with respect to the taxes imposed by subsection (d), on and after".

(3) The last sentence of section 4041(g) of such Code (relating to other exemptions) is amended by striking out "Paragraphs" and inserting in lieu thereof "Except with respect to the taxes imposed by subsection (d), paragraphs".

(4) The last sentence of section 4221(a) of such Code (relating to certain tax-free sales) is amended by striking out "4081" and inserting in lieu thereof "4081(a)".

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect on November 1, 1985.

SEC. 422. LEAKING UNDERGROUND STORAGE TANK TRUST FUND.

(a) IN GENERAL.—Subchapter A of chapter 98 of the Internal Revenue Code of 1954 (relating to establishment of trust funds) is amended by adding after section 9505 the following new section:

"SEC. 9506. LEAKING UNDERGROUND STORAGE TANK TRUST FUND.

"(a) CREATION OF TRUST FUND.—There is established in the Treasury of the United States a trust fund to be known as the 'Leaking Underground Storage Tank Trust Fund', consisting of such amounts as may be appropriated or credited to such Trust Fund as provided in this section or section 9602(b).

"(b) TRANSFERS TO TRUST FUND.—There are hereby appropriated to the Leaking Underground Storage Tank Trust Fund amounts equivalent to—

"(1) taxes received in the Treasury under sections 4041(d) and 4081(b) (relating to additional taxes on motor fuels and gasoline), and

"(2) amounts collected under section 9003(h)(3) of the Solid Waste Disposal Act.

"(c) EXPENDITURES.—

"(1) IN GENERAL.—Except as provided in paragraph (2), amounts in the Leaking Underground Storage Tank Trust Fund shall be available, as provided in appropriation Acts, only for purposes of making expenditures to carry out section 9003(h) of the Solid Waste Disposal Act as in effect on the date of the enactment of the Superfund Amendments of 1985.

"(2) TRANSFERS FROM TRUST FUND FOR CERTAIN REPAYMENTS AND CREDITS.—

"(A) IN GENERAL.—The Secretary shall pay from time to time from the Leaking Underground Storage Tank Trust Fund into the general fund of the Treasury amounts equivalent to—

"(i) amounts under—

"(I) section 6420 (relating to amounts paid in respect of gasoline used on farms),

"(II) section 6421 (relating to amounts paid in respect of gasoline used for certain nonhighway purposes or by local transit systems), and

"(III) section 6427 (relating to fuels not used for taxable purposes), and

"(ii) credits allowed under section 34, with respect to the taxes imposed by sections 4041(d) and 4081(b).

"(B) TRANSFERS BASED ON ESTIMATES.—Transfers under subparagraph (A) shall be made on the basis of estimates by the Secretary, and proper adjustments shall be made in amounts subsequently transferred to the extent prior estimates were in excess of or less than the amounts required to be transferred.

"(d) LIABILITY OF THE UNITED STATES LIMITED TO AMOUNT IN TRUST FUND.—

"(1) GENERAL RULE.—Any claim filed against the Leaking Underground Storage Tank Trust Fund may be paid only out of such Trust Fund.

"(2) COORDINATION WITH OTHER PROVISIONS.—Nothing in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 or the Superfund Amendments of 1985 (or in any amendment made by either of such Acts) shall authorize the payment by the United States Government of any amount with respect to any such claim out of any source other than the Leaking Underground Storage Tank Trust Fund.

"(3) ORDER IN WHICH UNPAID CLAIMS ARE TO BE PAID.—If at any time the Leaking Underground Storage Tank Trust Fund has insufficient funds to pay all of the claims out of such Trust Fund at such time, such claims shall, to the extent permitted under paragraph (1), be paid in full in the order in which they were finally determined."

"(b) CLERICAL AMENDMENT.—The table of sections for subchapter A of chapter 98 of such Code is amended by adding after the item relating to section 9505 the following new item:

"SEC. 9506. Leaking Underground Storage Tank Trust Fund."

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on November 1, 1985.

PART III—OIL SPILL LIABILITY TRUST FUND AND ITS REVENUE SOURCES

SEC. 431. INCREASE IN ENVIRONMENTAL TAX ON PETROLEUM.

(a) IN GENERAL.—Subsections (a) and (b) of section 4611 of the Internal Revenue Code of 1954 (relating to environmental tax on petroleum), as amended by section 411 of this Act, are each amended by striking out "of 3.85 cents a barrel" and inserting in lieu thereof "at the rate specified in subsection (c)".

(b) INCREASE IN TAX.—Section 4611 of such Code is amended by redesignating subsections (c) and (d) as subsections (d) and (e), respectively, and by inserting after subsection (b) the following new subsection:

"(c) RATE OF TAX.—

"(1) IN GENERAL.—The rate of the taxes imposed by this section is the sum of—

"(A) the Hazardous Substance Superfund financing rate, and

"(B) the Oil Spill Liability Trust Fund financing rate.

"(2) RATES.—For purposes of paragraph (1)—

"(A) the Hazardous Substance Superfund financing rate is 4 cents (4.6 cents for 1989 and 1990) a barrel, and

"(B) the Oil Spill Liability Trust Fund financing rate is 1.3 cents a barrel."

(c) CONFORMING AMENDMENTS.—

(1) Subsection (e) of section 4611 of such Code (relating to application of taxes), as redesignated by subsection (b), is amended to read as follows:

"(e) APPLICATION OF TAXES.—

"(1) SUPERFUND RATE.—The Hazardous Substance Superfund financing rate under subsection (c) shall apply after October 31, 1985, and before October 1, 1990.

"(2) OIL SPILL RATE.—The Oil Spill Liability Trust Fund financing rate under subsection (c) shall apply after December 31, 1985, and before October 1, 1990."

(2) Subsection (d) of section 4661 of such Code (relating to termination of tax on certain chemicals) is amended to read as follows:

"(d) APPLICATION OF TAXES.—The tax imposed by this section shall apply after October 31, 1985, and before October 1, 1990."

(3) Subsection (b) of section 9505 of such Code (relating to transfers to Superfund) is amended by adding at the end thereof the following:

"In the case of the tax imposed by section 4611, paragraph (1) shall apply only to so much of such tax as is attributable to the Superfund financing rate under section 4611(c)."

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 1986.

SEC. 432. OIL SPILL LIABILITY TRUST FUND.

(a) IN GENERAL.—Subchapter A of chapter 98 of the Internal Revenue Code of 1954 (relating to establishment of trust funds) is amended by adding after section 9506 the following new section:

"SEC. 9507. OIL SPILL LIABILITY TRUST FUND.

"(a) CREATION OF TRUST FUND.—There is established in the Treasury of the United States a trust fund to be known as the 'Oil Spill Liability Trust Fund', consisting of such amounts as may be appropriated or credited to such Trust Fund as provided in this section or section 9602(b).

"(b) TRANSFERS TO TRUST FUND.—There are hereby appropriated to the Oil Spill Liability Trust Fund amounts equivalent to—

"(1) taxes received in the Treasury under section 4611 (relating to environmental tax on petroleum) to the extent attributable to the Oil Spill Liability Trust Fund financing rate under section 4611(c),

"(2) amounts recovered, collected, or received under title I of the Comprehensive Oil Pollution Liability and Compensation Act,

"(3) amounts remaining on the date of the enactment of this section in the Deep Water Port Liability Fund established by section 18(f) of the Deep Water Port Act of 1974, and

"(4) amounts remaining on the date of the enactment of this section in the Offshore Oil Pollution Compensation Fund established under section 302 of the Outer Continental Shelf Lands Act Amendments of 1978.

"(c) EXPENDITURES.—

"(1) IN GENERAL.—Amounts in the Oil Spill Liability Trust Fund shall be available, as provided in appropriation Acts, only for purposes of making expenditures for—

"(A) the payment of removal costs described in section 101(24)(A) of the Comprehensive Oil Pollution Liability and Compen-

sation Act, as in effect on the date of the enactment of this section,

"(B) the payment of contributions to the International Fund under section 404 of such Act,

"(C) the payment of removal costs for which the Deep Water Port Liability Fund is liable under the Deep Water Port Act of 1974,

"(D) the payment of removal costs for which the Offshore Oil Pollution Compensation Fund is liable under title III of the Outer Continental Shelf Lands Act Amendments of 1978, and

"(E) the payment of all expenses of administration incurred by the Federal Government under the Comprehensive Oil Pollution Liability and Compensation Act. Under regulations prescribed by the Secretary, amounts shall be available under subparagraph (B) with respect to any contribution to the International Fund only in proportion to the portion of the International Fund used for the payment of response costs.

"(2) LIMITATIONS ON EXPENDITURES.—

"(A) $200,000,000 PER INCIDENT.—The maximum amount which may be paid from the Oil Spill Liability Trust Fund with respect to any single incident shall not exceed $200,000,000.

"(B) $30,000,000 MINIMUM BALANCE.—Except in the case of payments described in paragraph (1)(A), a payment may be made from such Trust Fund only if the amount in such Trust Fund after such payment will not be less than $30,000,000.

"(d) AUTHORITY TO BORROW.—

"(1) IN GENERAL.—There are authorized to be appropriated to the Oil Spill Liability Trust Fund, as repayable advances, such sums as may be necessary to carry out the purposes of such Trust Fund.

"(2) LIMITATION ON AMOUNT OUTSTANDING.—The maximum aggregate amount of repayable advances to the Oil Spill Liability Trust Fund which is outstanding at any one time shall not exceed $300,000,000.

"(3) REPAYMENT OF ADVANCES.—Rules similar to the rules of paragraph (2) of section 9505(d) shall apply for purposes of this subsection.

"(e) LIABILITY OF THE UNITED STATES LIMITED TO AMOUNT IN TRUST FUND.—

"(1) GENERAL RULE.—Any claim filed against the Oil Spill Liability Trust Fund may be paid only out of such Trust Fund.

"(2) COORDINATION WITH OTHER PROVISIONS.—Nothing in the Comprehensive Oil Pollution Liability and Compensation Act or the Superfund Amendments of 1985 (or in any amendment made by either of such Acts) shall authorize the payment by the United States Government of any amount with respect to any such claim out of any source other than the Oil Spill Liability Trust Fund.

"(f) ORDER IN WHICH UNPAID CLAIMS ARE TO BE PAID.—If at any time the Oil Spill Liability Trust Fund has insufficient funds (or is unable by reason of subsection (c)(2)) to pay all of the claims out of such Trust Fund at such time, such claims shall, to the extent permitted under such subsections, be paid in full in the order in which they were finally determined."

(b) CLERICAL AMENDMENT.—The table of sections for subchapter A of chapter 98 of such Code is amended by adding after the item relating to section 9506 the following new item:

"Sec. 9507. Oil Spill Liability Trust Fund."

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 1986.

PART IV—STUDIES

SEC. 441. STUDY OF IMPACT OF WASTE MANAGEMENT TAX ON DOMESTIC MANUFACTURERS.

(a) GENERAL RULE.—The Secretary of the Treasury or his delegate shall conduct a study on the effects of the tax imposed by section 4671 of the Internal Revenue Code of 1954 on the ability of domestic manufacturers to compete in international trade.

(b) REPORT.—Not later than July 1, 1986, the Secretary of the Treasury shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report on the study conducted under subsection (a). Such report shall include recommendations to minimize the trade impact of such tax and there shall be considered, in making such recommendations, a waste management tax export credit, an import equalization fee, and a maximum amount of tax with respect to hazardous waste generated by economically distressed industries.

SEC. 442. STUDY OF LEAD POISONING.

(a) IN GENERAL.—The Administrator of the Agency for Toxic Substances and Disease Registry shall, in consultation with the Administrator of the Environmental Protection Agency and other officials as appropriate, not later than March 1, 1986, submit to the Committee on Environment and Public Works, and the Committee on Finance, of the Senate and the Committee on Energy and Commerce, and the Committee on Ways and Means, of the House of Representatives, a report on the nature and extent of lead poisoning in children from environmental sources. Such report shall include, at a minimum, the following information:

(1) an estimate of the total number of children, arrayed according to Standard Metropolitan Statistical Area or other appropriate geographic unit, exposed to environmental sources of lead at concentrations sufficient to cause adverse health effects;

(2) an estimate of the total number of children exposed to environmental sources of lead arrayed according to source or source types;

(3) a statement of the long term consequences for public health of unabated exposures to environmental sources of lead, including (but not limited to) diminution in intelligence and increases in morbidity and mortality; and

(4) methods and alternatives available for reducing exposures of children to environmental sources of lead.

(D) EVALUATION OF SPECIFIC SITES.—Such report shall also score and evaluate specific sites at which children are known to be exposed to environmental sources of lead due to releases, utilizing the Hazard Ranking system of the National Priorities List.

(c) AUTHORIZATION FROM SUPERFUND.—There are authorized to be appropriated from the Hazardous Sustenance Superfund such sums as may be necessary to prepare and submit the report required by this section.

PART V—COORDINATION WITH OTHER PROVISIONS OF THIS ACT

SEC. 451. COORDINATION.

Notwithstanding any provision of this Act not contained in this title, any provision of this Act (not contained in this title) which—

(1) imposes any tax, premium, or fee,

(2) establishes any trust fund, or

(3) authorizes amounts to be expended from any trust fund which are not also authorized by this title,

shall have no force of effect.

H.R. 3128

By Mr. BUSTAMANTE:

—On page 114, amend line 22, Sec. 214 (a) (2) to read as follows: "For the arrival of a commercial truck, $5, but no fee shall be charged for the arrival of a commercial truck during any calendar year after a total of $100 in fees has been paid to the Secretary of the Treasury for the provision of customs services for all arrivals of such commercial trucks during such calendar year."

By Mr. ROSTENKOWSKI:

—Page 162, after line 14 add the following new title:

TITLE VI—AMENDMENTS RELATING TO SINGLE EMPLOYER PLANS

SEC. 601. EXCISE TAX ON UNPAID LIABILITY TO PENSION PLAN AT PLAN TERMINATION.

(a) IN GENERAL.—Chapter 43 of the Internal Revenue Code of 1954 (relating to qualified pension, etc., plans) is amended by adding at the end thereof the following new section:

"SEC. 4979. TAX ON UNPAID EMPLOYER LIABILITY TO PENSION PLAN AT PLAN TERMINATION.

"(a) INITIAL TAX.—

"(1) IN GENERAL.—In the case of an employer who maintains a plan to which section 4062 of the Employee Retirement Income Security Act of 1974 applies, there is hereby imposed a tax equal to 5 percent of the portion of any required payment which is not paid on the date such payment is required.

"(2) REQUIRED PAYMENT.—For purposes of this section, the term 'required payment' means, with respect to any date, the portion of the termination liability of the employer which is required to be paid on such date pursuant to section 4062 of the Employee Retirement Income Security Act of 1974 plus interest on such portion at the adjusted rate applicable under section 6621(b).

"(b) ADDITIONAL TAX WHERE LIABILITY REMAINS UNPAID.—

"(1) IN GENERAL.—If any required payment remains unpaid as of the close of the 90-day period beginning on the date such payment is required, the tax imposed by subsection (a) shall be increased by—

"(A) 5 percent of the portion of such payment which is unpaid as of the close of such 90-day period, and

"(B) an additional 5 percent of the portion of such payment which is unpaid as of the close of each 30-day period thereafter.

"(2) LIMITATION ON ADDITIONAL TAX.—The amount of the additional tax imposed by reason of this subsection with respect to any required payment shall not exceed the portion of such payment which is not paid before the close of the 90-day period beginning on the date such payment is required.

"(c) TERMINATION LIABILITY.—For purposes of this section—

"(1) IN GENERAL.—The term 'termination liability' means the excess of—

"(A) the current value of the plan's benefits guaranteed under title IV of the Employee Retirement Income Security Act of 1974 on the date of termination, over

"(B) the current value of the plan's assets allocable to such benefits on the date of termination.

For purposes of subparagraph (B), the current value of the plan's assets shall be determined without regard to any receivable which is attributable to any accumulated funding deficiency.

"(2) LIMITATION ON LIABILITY WHERE EMPLOYER CEASES TO EXIST.—

"(A) IN GENERAL.—In the case of an employer which ceases to exist (and with respect to which no other person is liable under section 4062 of the Employee Retirement Income Security Act of 1974 for the liability under such section of such employer), the excess of—

"(i) the amount of the termination liability under paragraph (1) (determined without regard to this paragraph), over

"(ii) the accumulated funding deficiency (if any) as of the date of termination,

shall not exceed 30 percent of the net worth of the employer.

"(B) DETERMINATION OF NET WORTH.—For purposes of subparagraph (A), the determination of the net worth of the employer shall be made—

"(i) as of a day, chosen by the Pension Benefit Guaranty Corporation but not more than 120 days before the date of termination, and

"(ii) without regard to any liability under section 4062 of the Employee Retirement Income Security Act of 1974.

"(3) RULES RELATING TO ACCUMULATED FUNDING DEFICIENCY.—For purposes of this subsection—

"(A) WAIVED FUNDING DEFICIENCY INCLUDED IN ACCUMULATED FUNDING DEFICIENCY.—The accumulated funding deficiency of an employer shall include the amount of any waived funding deficiency (as defined in section 412(d)(3)) of such employer.

"(B) ACCUMULATED FUNDING DEFICIENCY.—The term 'accumulated funding deficiency' has the meaning given such term by the last 2 sentences of section 412(a).

"(4) COORDINATION WITH DETERMINATION OF LIABILITY UNDER SECTION 4062 OF ERISA.—Subtitle D of title IV of the Employee Retirement Income Security Act of 1974 shall apply for purposes of determining termination liability under this subsection.

"(d) CREDIT AGAINST ADDITIONAL TAX.—There shall be allowed as a credit against the tax imposed by this section with respect to any termination liability an amount equal to the lesser of—

"(1) the amount paid, not later than 2 years after the date of final determination, to the Pension Benefit Guaranty Corporation with respect to such liability, or

"(2) the amount of the tax imposed by reason of subsection (b).

"(e) SPECIAL RULES.—For purposes of this section—

"(1) LIABILITY ONLY AFTER FINAL DETERMINATION.—The tax imposed by this section shall apply to any termination liability only after a final determination of the amount of such liability.

"(2) LIABILITY OF CONTROLLED GROUP.—

"(A) IN GENERAL.—Any liability under this section of any member of a controlled group shall be a joint and several liability of all members of such group.

"(B) CONTROLLED GROUP.—For purposes of subparagraph (A), the term 'controlled group' means all persons who are treated as a single employer under subsection (b), (c), (m), or (o) of section 414.

"(3) TITLE 11 AND SIMILAR CASES.—In the case of an employer which is in a title 11 or similar case (as defined in section 368(a)(3)(A))—

"(A) the date such case begins shall be treated as the date of the final determination, and

"(B) the period of the pendency of such case shall be substituted for the 2-year period described in subsection (d)(1).

"(4) REFERENCES TO ERISA.—For purposes of this section—

"(A) except as provided in subparagraph (B), any reference to a provision of the Employee Retirement Income Security Act of 1974 shall be treated as a reference to such provision as in effect on the date of the enactment of this section, and

"(B) for purposes of subsection (a), section 4062 of such Act shall be treated as applying to a plan if such section would have applied to such plan as such section was in effect on such date of enactment."

(b) LIABILITY UNDER SECTION 4062 OF ERISA TO BE JOINT AND SEVERAL AMONG MEMBERS OF CONTROLLED GROUP.—

(1) IN GENERAL.—Section 4062 of the Employee Retirement Income Security Act of 1974 (relating to liability of employer) is amended by adding at the end thereof the following new subsection:

"(f)(1) Any liability under subsection (a) of any member of a controlled group shall be a joint and several liability of all members of such group.

"(2) For purposes of paragraph (1), the term 'controlled group' means all persons who are treated as a single employer under subsection (b), (c), (m), or (o) of section 414 of the Internal Revenue Code of 1954."

(2) TECHNICAL AMENDMENT.—Paragraph (2) of section 404(g) of the Internal Revenue Code of 1954 (relating to certain employer liability payments considered as contributions) is amended by striking out "subsection (b) or (c)" and inserting in lieu thereof "subsection (b), (c), (m), or (o)".

(c) NET WORTH LIMITATION ON LIABILITY OF EMPLOYER TO APPLY ONLY WHERE EMPLOYER GOES OUT OF BUSINESS.—Subsection (b) of section 4062 of the Employee Retirement Income Security Act of 1974 is amended to read as follows:

"(b)(1) Any employer to which this section applies shall be liable to the corporation in an amount equal to the excess of—

"(A) the current value of the plan's benefits guaranteed under this title on the date of termination, over

"(B) the current value of the plan's assets allocable to such benefits on the date of termination.

For purposes of subparagraph (B), the current value of the plan's assets shall be determined without regard to any receivable which is attributable to any accumulated funding deficiency.

"(2)(A) In the case of an employer which ceases to exist (and with respect to whose liability under this section no other person is liable) the excess of—

"(i) the amount of the liability under paragraph (1) (determined without regard to this paragraph), over

"(ii) the accumulated funding deficiency (if any) as of the date of termination,

shall not exceed 30 percent of the net worth of the employer.

"(B) For purposes of subparagraph (A), the determination of the net worth of the employer shall be made—

"(i) as of a day, chosen by the corporation but not more than 120 days before the date of termination, and

"(ii) without regard to any liability under this section.

"(3) For purposes of this subsection—

"(A) the accumulated funding deficiency of an employer shall include the amount of any waived funding deficiency (as defined in section 412(d)(3) of the Internal Revenue Code of 1954) of such employer, and

"(B) the term 'accumulated funding deficiency' has the meaning given such term by the last 2 sentences of section 412(a) of such Code."

(d) PBGC MUST OFFER OPTIONS TO PAY LIABILITY OVER 5 AND 15 YEARS.—Section 4067 of the Employee Retirement Income Security Act of 1974 is amended—

(1) by inserting "(a)" before "The corporation", and

(2) by adding at the end thereof the following:

"(b) Among the options offered by the corporation shall be—

"(1) a 5-year amortization of the liability, and

"(2) a 15-year amortization of the liability.

If the employer has not ceased business and if the corporation deems that to do so will not jeopardize the collection of the liability, no security shall be required in the case of the 5-year amortization of the liability.

"(c) In any deferred payment arrangement under this section, interest from the date of termination shall be charged at the adjusted rate applicable under section 6621(b) of the Internal Revenue Code of 1954."

(e) DEDUCTION FOR EMPLOYER LIABILITY PAYMENTS TO PBGC.—Subsection (g) of section 404 of the Internal Revenue Code of 1954 (relating to certain employer liability payments considered as contributions) is amended by inserting "(as such sections and part were in effect on the date of the enactment of this parenthetical material)" after "1974".

(f) CLERICAL AMENDMENT.—The table of sections for chapter 43 of such Code is amended by adding at the end thereof the following new item:

"SEC. 4979. TAX ON UNPAID EMPLOYER LIABILITY TO PENSION PLAN AT PLAN TERMINATION.

(g) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to terminations with respect to which notification is filed with the Pension Benefit Guaranty Corporation after the date of the enactment of this Act.

(2) DEDUCTION FOR EMPLOYER PAYMENTS.—The amendment made by subsection (e) shall apply to taxable years ending after the date of the enactment of this Act.

SEC. 602. SECURITY FOR WAIVERS OF MINIMUM FUNDING STANDARD AND EXTENSIONS OF AMORTIZATION PERIOD.

(a) AMENDMENTS TO THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974.—

(1) IN GENERAL.—Part 3 of subtitle B of title I of the Employee Retirement Income Security Act of 1974 is amended—

(A) by redesignating section 306 (29 U.S.C. 1086) as section 307; and

(B) by inserting after section 305 (29 U.S.C. 1085) the following new section:

"SECURITY FOR WAIVERS OF MINIMUM FUNDING STANDARD AND EXTENSIONS OF AMORTIZATION PERIOD

"SEC. 306. (a) IN GENERAL.—Except as provided in subsection (c), the Secretary of the Treasury may require security to a single-employer plan as a condition for granting or modifying a waiver of the minimum funding standard with respect to such plan under section 303 of this Act or section 412(d) of

the Internal Revenue Code of 1954 or an extension of an amortization period with respect to such plan under section 304 of this Act or section 412(e) of such Code. The providing of such security to the plan in accordance with this section shall not be considered an extension of credit for purposes of part 4 of this subtitle or section 4975 of such Code. Such security may be perfected and enforced only by the Pension Benefit Guaranty Corporation or by the employer acting at the direction of the Corporation.

"(b) CONSULTATION WITH THE PENSION BENEFIT GUARANTY CORPORATION.—Except as provided in subsection (c), before granting or modifying a waiver of the minimum funding standard with respect to a single-employer plan under section 303 of this Act or section 412(d) of the Internal Revenue Code of 1954 or an extension of the amortization period with respect to such plan under section 304 of this Act or section 412(e) of such Code, the Secretary of the Treasury shall provide the Pension Benefit Guaranty Corporation notice of the proposed waiver, modification, or extension and 15 days to comment with respect to such waiver, modification, or extension and shall consider any comments of such Corporation relating to such waiver, modification, or extension which are provided to such Secretary during such period.

"(c) EXCEPTION.—The requirements of subsections (a) and (b) shall not apply in the case of any waiver, modification, or extension referred to in such subsections with respect to a plan if the sum of—

"(1) the outstanding balance of the accumulated funding deficiencies (within the meaning of section 302(a)(2) of this Act and section 412(a) of the Internal Revenue Code of 1954) of the plan (which, for purposes of this paragraph, shall include the amount of any increase in such accumulated funding deficiencies of the plan which would result if all applications for waivers and modifications of the minimum funding standard under section 303 of this Act or 412(d) of such Code and for extensions of the amortization period under such section 304 of this Act or 412(e) of such Code which are pending with respect to such plan were denied),

"(2) the outstanding balance of the amount of waived funding deficiencies of the plan waived under section 303 of this Act or section 412(d) of such Code, and

"(3) the outstanding balance of the amount of decreases in the minimum funding standard allowed under section 304 of this Act or section 412(e) of such Code,

is less than $1,000,000."

(2) CLERICAL AMENDMENT.—The table of sections in section 1 of such act is amended by striking out the item relating to section 306 and inserting in lieu thereof the following new items:

"Sec. 306. Security for waivers of minimum funding standard and extensions of amortization period.
"Sec. 307. Effective dates."

(b) AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1954.—Subsection (f) of section 412 of the Internal Revenue Code of 1954 (relating to requirement that benefits may not be increased during waiver or extension period) is amended—

(1) by striking out "BENEFITS MAY NOT BE INCREASED DURING WAIVER OR EXTENSION PERIOD.—" and inserting in lieu thereof "REQUIREMENTS RELATING TO WAIVERS AND EXTENSIONS.—";

(2) in paragraph (1), by striking out "IN GENERAL.—" and inserting in lieu thereof "BENEFITS MAY NOT BE INCREASED DURING WAIVER OR EXTENSION PERIOD.—"; and

(3) by adding at the end thereof the following new paragraph:

"(3) SECURITY FOR WAIVERS AND EXTENSIONS.—

"(A) IN GENERAL.—Except as provided in subparagraph (C), the Secretary may require security to a single-employer plan as a condition for granting or modifying a waiver of the minimum funding standard with respect to such plan under subsection (d) or an extension of an amortization period with respect to such plan under subsection (e). The providing of such security to the plan in accordance with this paragraph shall not be considered an extension of credit for purposes of section 4975 or part 4 of subtitle B of title I of the Employee Retirement Income Security Act of 1974. Such security may be perfected and enforced only by the Pension Benefit Guaranty Corporation or by the employer acting at the direction of the Corporation.

"(B) CONSULTATION WITH THE PENSION BENEFIT GUARANTY CORPORATION.—Except as provided in subparagraph (C), before granting or modifying a waiver of the minimum funding standard with respect to a single-employer plan under subsection (d) or an extension of the amortization period with respect to such plan under subsection (e), the Secretary shall provide the Pension Benefit Guaranty Corporation notice of the proposed waiver, modification, or extension and 15 days to comment with respect to such waiver, modification, or extension and shall consider any comments of such Corporation relating to such waiver, modification, or extension which are provided to the Secretary during such period.

"(C) EXCEPTION. —The requirements of subparagraphs (A) and (B) shall not apply in the case of any waiver, modification, or extension referred to in such subparagraphs with respect to a plan if the sum of—

"(i) the outstanding balance of the accumulated funding deficiencies (within the meaning of subsection (a)) of the plan (which, for purposes of this clause, shall include the amount of any increase in such accumulated funding deficiencies of the plan which would result if all applications for waivers and modifications of the minimum funding standard under subsection (d) and for extensions of the amortization period under subsection (e) which are pending with respect to such plan were denied),

"(ii) the outstanding balance of the amount of waived funding deficiencies of the plan waived under subsection (d), and

"(iii) the outstanding balance of the amount of decreases in the minimum funding standard allowed under subsection (e), is less than $1,000,000.

(c) EFFECTIVE DATES.—The amendments made by this section shall apply with respect to applications filed after the date of the enactment of this Act.

SEC. 603. TREATMENT OF TRANSACTIONS TO EVADE LIABILITY.

(a) IN GENERAL.—Subtitle D of title IV of the Employee Retirement Income Security Act of 1974 is amended by adding at the end thereof the following new section:

"TREATMENT OF TRANSACTIONS TO EVADE LIABILITY

"SEC. 4069. If, within 10 years before the date of termination, a person undertakes a transaction a principal purpose of which is to fraudulently evade any liability to the corporation, such transaction shall not be treated as transferring such liability (or any portion thereof) away from such person or any member of a controlled group which included such person."

(b) CLERICAL AMENDMENT.—The table of sections in section 1 of such Act is amended by adding after the item relating to section 4068 the following new item:

"Sec. 4069. Treatment of transactions to evade liability."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to transactions after the date of the enactment of this Act.

SEC. 604. STUDY OF RISK RELATED PREMIUM.

The Secretary of the Treasury shall conduct a study on the feasibility of imposing a risk related premium under title IV of the Employee Retirement Income Security Act of 1974 which is based on the different risk exposures imposed on the Pension Benefit Guaranty Corporation by employers with different histories and in different circumstances. The results of such study shall be submitted, not later than 2 years after the date of the enactment of this Act, to the Committee on Ways and Means and the Committee on Education and Labor of the House of Representatives and the Committees on Finance and Labor and Human Resources of the Senate.

H.R. 3629

By Mr. BENNETT:

—Strike out section 8084 (page 79, lines 12 through 16).

By Mr. BROWN of California:

—Page 34, line 15, strike out "$20,722,700,000" and insert in lieu thereof "$20,684,600,000".

By Mr. DICKINSON:

—Page 85, line 19, strike out the period and insert in lieu thereof ", but such funds may not be obligated or expended for such purpose until authorized by law in accordance with section 138(a) of title 10, United States Code, or authorized in accordance with procedures provided in section 1401 of the Department of Defense Authorization Act, 1986.".

—Page 85, line 19, strike out the period and insert in lieu thereof ", but such funds may not be obligated or expended for such purpose until authorized by law in accordance with section 138(a) of title 10, United States Code.".

—Strike out section 8097 (page 85, lines 16 through 19).

—Page 117, after line 2, add the following new section:

SEC. 8103. None of the funds appropriated or otherwise made available by this Act may be obligated or expended for research, development, test, evaluation, or procurement of a replacement aircraft for the Presidential Air Force One aircraft.

By Mr. LIVINGSTON:

—Page 20, line 6, strike out "$1,858,200,000" and insert in lieu thereof "$1,978,200,000".

Page 32, line 7, strike out "$1,040,711,000" and insert in lieu thereof "$1,062,242,000".

Page 33, line 1, strike out "$5,682,694.000" and insert in lieu thereof "$5,704,225,000".

Page 38, line 2, strike out "$1,078,515,000" and insert in lieu thereof "$1,100,630,000".

Page 38, line 18, strike out "$7,890,918,000" and insert in lieu thereof "$7,913,033,000".

Strike out section 8093 (page 82, line 10 through page 84, line 22) and insert in lieu thereof the following:

SEC. 8093. (a) CONDITIONS ON SPENDING FY86 FUNDS FOR BINARY CHEMICAL MUNITIONS.—Funds appropriated in this Act may not be used—

(1) for procurement or assembly of binary chemical munitions (or components of such munitions); or

(2) for establishment of production facilities necessary for procurement or assembly of binary chemical munitions (or components of such munitions),

except in accordance with subsections (b) and (c).

(b) NATO CONSULTATION.—Subject to subsection (c), funds referred to in subsection (a) may be used for procurement or assembly of binary chemical munitions or for the establishment of production facilities necessary for the procurement or assembly of binary chemical munitions (or components of such munitions) if the President certifies to Congress that the United States—

(1) has developed a plan under which United States binary chemical munitions can be deployed under appropriate contingency plans to deter chemical weapons attacks against the United States and its allies; and

(2) has consulted with other member nations of the North Atlantic Treaty Organization (NATO) on that plan.

A plan under clause (1) shall be developed in cooperation with the Supreme Allied Commander, Europe.

(c) CONDITIONS FOR FINAL ASSEMBLY.—Funds referred to in subsection (a) may not be used for the final assembly of complete binary chemical munitions before October 1, 1987, and may only be used for such purpose on or after that date if—

(1) a mutually verifiable international agreement concerning binary and other similar chemical munitions has not been entered into by the United States by that date;

(2) the President, after that date, transmits to Congress a certification that—

(A) final assembly of such complete munitions is necessitated by national security interests of the United States and the interests of other NATO member nations;

(B) performance specifications and handling and storage safety specifications established by the Department of Defense with respect to such munitions will be met or exceeded;

(C) applicable Federal safety requirements will be met or exceeded in the handling, storage, and other use of such munitions; and

(D) the plan of the Secretary of Defense for destruction of existing United States chemical warfare stocks developed pursuant to section 1412 of the Department of Defense Authorization Act, 1986 (which shall, if not sooner transmitted to Congress, accompany such certification), is ready to be implemented;

(3) final assembly is carried out only after the end of the 60-day period beginning on the date such certification is received by the Congress;

(4) the plan of the Secretary of Defense for landbased storage of such munitions within the United States during peacetime provides that the two components that constitute a binary chemical munition are to be stored in separate States; and

(5) the plan of the Secretary of Defense for the transportation of such munitions within the United States during peacetime provides that the two components that constitute a binary munition are transported separately.

(d) SENSE OF CONGRESS.—It is the sense of Congress that existing unitary chemical munitions currently stored in the United States and in European member nations of NATO should be replaced by modern, safer binary chemical munitions.

(e) REPORT.—Not later than October 1, 1986, the President shall submit to Congress a report describing the results of consultations among NATO member nations concerning the organization's chemical deterrent posture. The report shall include descriptions of any consultations concerning—

(1) efforts to provide key civilian workers at military support facilities in Europe—

(A) with personal and collective equipment to protect against the use of chemical munitions; and

(B) with the training required for the use of such equipment;

(2) efforts to upgrade the chemical reconnaissance, decontamination, and protective capabilities of the military forces of each NATO member nation to a level adequate to meet the chemical threat identified in NATO intelligence estimates;

(3) efforts to initiate a NATO-wide study of measures required to protect ports, airfields, logistics centers, and command and control facilities in European member nations of NATO against chemical attack; and

(4) efforts to initiate a NATO-wide study of equitable and efficient sharing among NATO member nations of responsibilities with regard to deterring the use of chemical munitions in Europe.

By Mr. LOWERY of California:

—Strike out section 8084 (page 79, lines 12 through 16).

By Mr. McKERNAN:

—Page 27, line 15, strike out the following: "for the CG-47 cruiser program and the DDG-51 destroyer program are to be obligated or expended until the contract awards for the SPY-1 radar, AEGIS combat system integration, solid state frequency converters, propellers, and vertical package/stores conveyors" and insert in lieu thereof the following: "for the SPY-1 radar, AEGIS combat system integration, solid state frequency converter, propellors, and vertical package/stores conveyor, may be obligated or expended until contracts for these programs".

By Mr. MONTGOMERY:

—Page 4, line 11, strike out "$2,152,904,000" and insert in lieu thereof "$2,159,254,000"

Page 4, line 24, strike out "$1,296,023,000" and insert in lieu thereof "$1,297,123,000"

Page 5, line 13, strike out "$278,792,000" and insert in lieu thereof "$278,842,000"

Page 6, line 2, strike out "$596,053,000" and insert in lieu thereof "$597,153,000"

Page 6, line 15, strike out "$3,238,017,000" and insert in lieu thereof "$3,438,017,000"

Page 7, line 3, strike out "$953,004,000" and insert in lieu thereof "$953,204,000"

Page 40, line 19, strike out "$4,431,475,000" and insert in lieu thereof "$4,436,475,000".

By Mr. MURTHA:

—On page 20 of the bill, line 6:

Delete "$1,858,200,000" and insert "$1,956,500,000".

On page 82 of the bill:

Delete line 10 through page 84, line 22. (Deletes section 8093).

By Mrs. SCHROEDER:

—Page 2, line 13, strike out "$21,178,923,000" and insert in lieu thereof "$21,773,623,000".

Page 2, line 24, strike out "$16,446,673,000" and insert in lieu thereof $16,479,373,000".

Page 3, line 11, strike out "$5,025,377,000" and insert in lieu thereof $5,045,977,000".

Page 3, line 22, strike out "$18,275,085,000" and insert in lieu thereof $18,360,085,000".

Page 40, after line 9, insert the following new paragraph:

ACROSS-THE-BOARD REDUCTION IN NEW OBLIGATIONAL AUTHORITY

Each amount of new obligational authority provided in this title is hereby reduced by 0.22 percent.

—Strike out section 8064 (page 73, lines 3 through 14).

By Mr. SKELTON:

—Page 20, line 6, strike out "$1,858,200,000" and insert in lieu thereof "$1,978,200,000".

Page 32, line 7, strike out "$1,040,711,000" and insert in lieu thereof "$1,062,242,000".

Page 33, line 1, strike out "$5,682,694,000" and insert in lieu thereof "$5,704,225,000".

Page 38, line 2, strike out "$1,078,515,000" and insert in lieu thereof "$1,100,630,000".

Page 38, line 18, strike out "$7,890,918,000" and insert in lieu thereof "$7,913,033,000".

Strike out section 8093 (page 82, line 10 through page 84, line 22).

SENATE—*Tuesday, October 29, 1985*

(Legislative day of Monday, October 28, 1985)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

God of perfect knowledge, understanding, and wisdom, may the light of Thy truth permeate this place and this people. Like the quest for an elusive treasure through the centuries, the question, "What is truth?" has haunted the finest minds and the sincerest souls. In the words of President Lyndon Johnson, "Doing what is right is one thing; the problem is knowing what is right to do." May Senators never relax this pursuit as they wrestle with complex issues; and may they never knowingly trade truth for expediency. Grant to them the wisdom and the will to do what is obvious—knowing and doing right cannot be wrong—what is right for the Nation cannot be wrong for politicians or political parties. Lead them to the right and give them the courage to do it, whatever personal risk may be involved. Gracious God, give them grace to follow truth wherever it leads. In the name of Him Who is truth. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The distinguished, able majority leader is recognized.

Mr. DOLE. I thank the Presiding Officer, the President pro tempore.

SCHEDULE

Mr. DOLE. Mr. President, under the standing order the leaders have 10 minutes each, followed by a special order in favor of the Senator from Wisconsin [Mr. PROXMIRE] for not to exceed 15 minutes, and routine morning business not to extend beyond the hour of 9:30 a.m. Then we will return to consideration of the farm bill, S. 1714. I can assure Members that votes will occur throughout the day and possibly one before noon, depending on what amendment may be offered.

I am advised by the managers that they have disposed of a dozen or more so-called minor amendments. We are getting into the major amendments and hopefully they will move rather quickly so we can complete action on the farm bill this week. I urge my colleagues with major amendments to be ready to present their amendments.

We also still have the reconciliation problem. We have a little conflict there because the key players in that effort, Senators DOMENICI and CHILES, are also conferees on the debt ceiling. So their efforts to figure out what we might do on reconciliation may have to be delayed, through no fault of theirs.

We also hope that we can resolve the issue on the State, Justice, and Commerce Departments appropriations bill. I am advised by Senator RUDMAN, the manager on this side, that he hopes to have something resolved, so we could complete action on that bill tomorrow. But, again, that may be doubtful.

We will be in this evening, I am not certain, probably not too late this evening, but after 7 p.m., I would assume, and come back tomorrow morning again at this same hour.

We will, of course, have the usual recess from 12 to 2 p.m. today for the Tuesday policy luncheons of both parties.

Mr. President, I reserve the balance of my time.

RECOGNITION OF THE MINORITY LEADER

The PRESIDENT pro tempore. The distinguished, able Democratic leader is recognized.

Mr. BYRD. Mr. President, I thank the Chair.

Mr. President, I ask unanimous consent that I may reserve my time for use throughout the day.

The PRESIDING OFFICER (Mr. MCCONNELL). Without objection, it is so ordered.

Mr. BYRD. Mr. President, I yield the floor.

RECOGNITION OF SENATOR PROXMIRE

The PRESIDING OFFICER. Under the previous order, the Senator from Wisconsin [Mr. PROXMIRE], is recognized for not to exceed 15 minutes.

The distinguished Senator from Wisconsin.

WEINBERGER SHOULD MAKE ARMS CONTROL WORK OR QUIT

Mr. PROXMIRE. Mr. President, when the Secretary of Defense in any administration seriously questions the value of arms control in this nuclear age, we are in trouble. Secretary Weinberger has questioned the value of arms control and, believe me, we are in trouble. After all, the Secretary of Defense is the President's top leader on national security. In every American administration since the dawn of the nuclear age, the Secretary of Defense has been, as he should be, the Nation's prime expert and No. 1 supporter of arms control.

Oh, sure, the Secretary of State also has a great interest and an importance with respect to arms control. Arms control is vital to our foreign policy.

But peace is the objective of the Secretary of Defense every bit as much as it is the prime objective of the Secretary of State. And the Secretary of Defense brings to arms control the practical understanding, as well as the prime responsibility, for defending our country and mustering the military strength to maintain the peace.

This country cannot wisely negotiate an arms control treaty without the most detailed advice and direction by our outstanding military experts. A successful arms control treaty requires a knowledge of how the reduction of specific weapons or a limitation on the further production of specific weapons will affect the U.S. ability to deter war. The Secretary of Defense can provide the most expert advice to the President and the Congress on the verifiability of arms control agreements.

Successful arms control unfortunately is not a matter of good will. It is not the automatic product of an intense yearning for peace. Arms control only succeeds when it is, first, the product of the most painstaking, careful and thorough assessment of military weapons. Second, it only succeeds when it develops a verification process that detects violations. Third, successful arms control requires the ability to act swiftly on such violations. When the President makes the crucial decisions in negotiating an arms control agreement, he should have his Secretary of Defense right at his elbow.

What does all this mean, Mr. President? It means that when an administration has a Secretary of Defense who does not believe in arms control, the country will not have a successful arms control policy. Of course, the President may reject or ignore the advice of the Secretary of Defense. The President may proceed to negotiate a treaty that the Secretary of Defense opposes. In that event, the President would indeed be achieving a suc-

cess in getting an arms control treaty, but that treaty would be almost certainly seriously flawed because, as I say, the President needs the kind of expert military understanding that could both protect the country and advance the cause of peace.

Now, with all this in mind, Mr. President, let us consider precisely what Secretary Weinberger has said on arms control. On Tuesday, October 22, in a speech that the Secretary delivered here in Washington before the Ethics and Public Policy Center, here is part of what he said, according to a report in the Washington Post, and I quote verbatim:

Weinberger in yesterday's speech offered a generally dark view of Soviet arms-control intentions, citing alleged violations by Moscow of the SALT I and Anti-Ballistic Missile (ABM) treaties.

"Recent history shows that arms control has hardly been a raving success," he said.

"Given the failure of previous arms-control agreements to reduce nuclear weapons," he said, "it is difficult to argue that the only moral course of action open to the United States is more of the same."

"There is nothing moral about a situation in which the strength of the democratic nations is slowly eroded," he added.

Now, Mr. President, the Secretary of Defense is much too intelligent a man to make a frontal attack on arms control. The Secretary would appear to be saying that arms control just does not work with the Soviet Union because we cannot trust them. They will cheat. What is wrong with that observation? Answer: An arms control treaty is not necessary between the United States and Canada, or the United States and Israel, or the United States and the United Kingdom. Similarly we have no need for an arms control treaty with Costa Rica or Iceland. Those democracies share our values. We can trust them. They represent no threat to our country. With what country do we need an arms control treaty? Not with Grenada. We need an arms control treaty, and we need it urgently only with a country that could be our adversary. The bigger and more militarily powerful the country the more we need arms control with it. And we need arms control with a country that has a high hostile potential. That means an arms control treaty is not based on mutual affection. It is not based on respect, and it is not based on a mutual, moral value system. So with whom do we need an arms control treaty? With Russia—with Russia—that is who. We need a treaty with a Russian Government whose system most Americans despise, and whose moral values we distrust and reject. Why? Here is why. We should make treaties with the Soviet Union for the plain simple reason that if we do not find a way to live in peace with the U.S.S.R., both countries will cease to live at all. We need an arms control treaty with the Soviet Union because we now live in the nuclear age. We now live in a world that has two nuclear weapons superpowers. We are one. The Soviet Union is the other. Morality has nothing to do with it. Trust has nothing to do with it. The iron necessity of survival has everything to do with it.

Secretary Weinberger should not be wasting his time and ours telling us what villany and treachery the Soviet leaders perpetrate. We know that. He should be working to convince the President that we need an arms control treaty with the Soviet Union that will give us and the Soviet Union the best possible chance to stop the nuclear arms race. Both countries know that in a superpower nuclear war both would perish. Both countries would literally cease to exist. So both have the same motivation. We want to survive. So what do we need? We need a treaty that will stop the nuclear arms race with the toughest kind of verification our great American technology can devise. We need to make sure that the treaty achieves the fullest possible compliance. We need strong enforcement machinery to challenge any Soviet violations. We need the capacity to renounce the treaty and resume the arms race if the Soviet Union significantly—I repeat significantly; that is, with military significance—violates the treaty. What should the Secretary of Defense do if he cannot provide advice to the President on how to achieve these objectives? What should the Secretary do if he cannot design a way to make arms control with the Soviet Union work? Simple. He should resign. Then the President should appoint an arms control Secretary who can help him develop an arms control treaty that will work. After all that is the Secretary's job. No one in Government has a more important job.

THE GENOCIDE CONVENTION BOTH ALLOWS FREE SPEECH AND WOULD ALLOW US TO SPEAK OUT

Mr. PROXMIRE. Mr. President, some critics of the Genocide Convention have warned that the convention defines as punishable too many shadowy acts. While these critics declare their readiness to punish genocide, they charge that the American right of free speech would be threatened by the convention's provision to punish "direct and public incitement to commit genocide." Because of this concern, these critics say that while they support stopping genocide, they cannot support the convention.

Well, these critics should not worry. This provision of the Genocide Convention is wholly consistent with U.S. law. Several Federal statutes define "incitement" as a crime, and the Supreme Court also has determined that incitement is not protected by the first amendment. Perhaps the most conservative member of the Supreme Court is William Rehnquist. William Rehnquist strongly supported the argument I am making here when he was serving as Assistant Attorney General in the Nixon administration. He testified that free speech "could not be * * * and would not be affected in any way by the Genocide Convention."

Some early drafts of the convention in the 1940's might have posed problems for U.S. citizens. The early drafts failed to distinguish between public and private incitement. The American delegation got the definition narrowed to exclude private or indirect incitement as both of these types were too vague and would have raised conflicts with the U.S. Constitution. But these problems were removed from the convention long ago and the provision as it now stands completely protects American free speech.

Therefore, Mr. President, these critics can rest easy. They have argued that they support efforts to halt genocide but simply cannot support the convention because of the threat it would pose to the American right of free speech. But the Genocide Convention poses no threat to that American right. All Senators should support ratification of the Genocide Convention because it both contains adequate protection for the American right of free speech and would allow all Americans to speak out against the crime of genocide.

HOW CONGRESS WILL WIMP OUT ON THE OUTRAGEOUS FEDERAL DEFICITS

Mr. PROXMIRE. Mr. President, I have a statement in which I call attention to the fact that it might not be nearly as easy as many Members of the House and Senate have argued that it will be to meet the 1986 target of the Gramm-Rudman-Hollings amendment; that is, to get the deficit down to $191 billion for fiscal 1986. People say, "Oh, that is easy. This is an incumbents' protection bill." Well, Mr. President, the fact is, it might be very difficult. It might not be. We cannot predict what will happen with the economy. If the economy slows down, and there are many indications that it will, then it is going to be difficult for the Senate and the House to get the deficit below $191 billion.

After all, the predictions were in 1984 that the fiscal year that ended September 30 would have a budget below the deficit that we had in 1984. Was it below it? No. It was far above. It was about $28 billion above it. We now know that we have to cut the deficit by $10 billion—that sounds easy—for 1986. But, Mr. President, that is likely to be very, very difficult if the

economy slips back, particularly in view of the votes cast by Members of this body last week on four appropriation bills when they again and again and again—seven times—turned down proposals that were made to cut the spending by literally billions of dollars.

Mr. President, the final, fatal figures on the fiscal 1985 budget deficit are now in. In the fiscal year that ended last September 30, the deficit again broke all records with a disgraceful $202.8 billion deficit. That record $202.8 billion deficit would swell to about $211.8 billion if we included the more than $9 billion in spending and lending by the Federal Government that are excluded from the budget. Also, this Congress has expressed its determination to exclude Social Security from the budget in the future. Why? Because the Social Security System constitutes a self-financed, self-contained operation. That is correct. So we will take Social Security out of the budget in the near future. What effect will that have? Well, suppose we had excluded Social Security this past year. What would that have done to the deficit? The Social Security Program now shows a surplus of more than $17 billion. It is already segregated and insulated by law from the rest of Government operations. The Federal Government can borrow from the Social Security fund. That borrowing, however, carries the same obligation as borrowing from a private bank. It must be repaid. So it is logical to subtract the Social Security surplus revenue from other Government revenue. If we do that, the final complete deficit would swell to a fat $230 billion in fiscal 1985.

Now what does the $202.8 billion official fiscal 1985 deficit mean for the prospect of achieving what almost everyone calls the fat and easy first year requirement of the Gramm-Rudman-Hollings? This requires the budget for fiscal 1986 to come in at $191 billion. That means the 1986 deficit must be about $12 billion below the 1985 deficit.

Mr. President, this will surprise a lot of Members of Congress but it means that what seemed to be a cinch—a pushover fiscal target for this fiscal year—may be much tougher than most Members of Congress appreciated. Some critics of Gramm-Rudman-Hollings have dubbed it an "incumbent's special," on the grounds that Members running for reelection in 1986 can vote to comply with its easy 1986 target while avoiding cuts in popular spending measures and any tax increase.

But will it be that easy to reduce the deficit by the $12 billion necessary to reach the 1986 target of $191 billion? Those Senators who scoffed at the $191 billion proposed limit on the deficit in 1986 as a nothing-to-it cinch argued that the OMB and CBO had estimated that the fiscal 1986 deficit would be $170 billion. So a deficit of $191 billion looked like an incumbent's happy dream. How sweet it is. The Members of the Congress should vote for the balanced budget promised by Gramm-Rudman-Hollings in 1991 and at the same time keep all the easy spending and no tax increase policy moving right up until the election.

Of course, those who count on easily meeting the $191 billion deficit ceiling in 1986 may luck out. The deficit in the 1986 fiscal year that ends next September 30 just may come in under $191 billion without any sequestering of funds by President Reagan and without any tax increase or further spending cuts. That could happen if the economy continues to bounce merrily along at a better than 3 percent growth rate as it did in the quarter that ended September 30. No one can predict the course of this massive and complex economy of ours. But there is a strong prospect that economic activity may slow down. After all, business in America has breezed along for the past 3 years primarily driven by consumer borrowing and spending.

Why should not that continue? For a very solid reason. American consumers have now pushed themselves more deeply in debt in relation to their income than they have ever been in hock before. Consumer installment debt alone now exceeds 20 percent of personal income, an all-time record. At the same time, the savings of our people has dropped to a pathetic 2 percent of income. Meanwhile, personal income is not rising significantly and is not expected to rise. Also, corporate debt has shot up to a record $3 trillion. That's $3 trillion—not $3 billion. So American business is not in a position to borrow and spend. And the other great source of economic stimulation—the Federal Government—is fumbling around, very unlikely to provide additional stimulus, and, in fact, trying to hold down spending. So it would not be a big surprise if the economy slowed from its present brisk walk to a pokey, ambling saunter. If that happens, the "easy," incumbents' "pushover," the $191 billion budget deficit ceiling, could easily slip out of reach. And, Mr. President, what a fiasco that would be.

Imagine the humiliation for the Congress if the very first year after we had adopted restrictions on the budget with a cinch of a first-year target, we were not even able to make that lead-pipe cinch. It could happen. We would have to go the Presidential sequester route then right off the bat. Unfortunately, this is a real possibility. Last week, the Senate had eight opportunities to cut spending significantly on the four appropriations bills that came before it. Seven times it failed. In the one time it voted for a reduction, it reduced spending by 3 percent—about one-thirtieth of what it could have cut if it had voted for all the proposed reductions. On this record, no one should count on Congress to make the tough decisions on spending.

As I have said, the Senate may luck out in the current fiscal year. Thanks to continued good economic conditions, the Congress may meet the $191 billion ceiling for 1986. But does any cockeyed optimist really believe that Congress will then cut the deficit the necessary $36 billion in the 1987 fiscal year to meet the $145 billion deficit ceiling target the Senate has set by a 75-to-24 vote? Oh, yes, the Congress can do it if it has the will. That will take some very sharp and painful cuts and a substantial tax increase, plus continued onward and upward growth for the American economy. Will all this happen? Maybe. After all, you can invest $1 dollar and win $1 million in a lottery, too.

MYTH OF THE DAY

Mr. PROXMIRE. Mr. President, the myth is that going cold turkey to reduce the debt is unrealistic. As the Senate has debated the merits and liabilities of the Gramm-Hollings-Rudman budget reform package several Senators, including the senior Senator from Wisconsin, have argued that the best way to solve our national debt crisis is to go cold turkey—that is, put our Federal budget on a pay-as-you-go approach. Why wait until 1991 to balance the budget? Why postpone the inevitable? Why not take strong action now?

The answer to these questions has always been—the cold turkey approach is impractical, unfeasible, and unworkable. Well, Mr. President, I am here today to say that this conclusion is a myth. We have evidence that the cold turkey approach will work and work dramatically.

Where is the evidence? We need only look as far as the example of the economic reforms in Argentina.

A year ago Argentina suffered from one of the highest inflation rates in the world—as high as 1,000 percent annually according to some estimates. The local economy was in shambles. Labor unrest was extremely high. Strikes were common—often paralyzing the nation.

Then President Raul Alfonsin was elected and immediately imposed a strict package of economic reforms, the heart of which was a pay-as-you-go approach to budgeting.

What has happened since then? The economic reform has succeeded beyond anyone's expectations. Inflation has been cut to a rate of 3.2 percent in August. The price inspection organizations responsible for holding down increases in retail costs have

been extremely effective. The Government is keeping its pledge to not print money beyond its reserves.

Argentina still has a long way to go. Unemployment is up slightly to about 6.2 percent or 1.5 percent higher than before the reforms. Real wages are down by about 25 percent in the first 7 months of 1985.

But even given these costs, the Argentine population has continued to support the cold turkey approach to solving their economic problems and President Alfonsin retains a high degree of public support.

So, Mr. President, it can be done. It would hurt. There would be costs. There would be dislocations in the economy. But the long-term effects would be positive.

We should not be afraid to dispel this myth and take the necessary action to cut the deficit and place our Government on a pay-as-you-go basis.

Mr. President, I yield the floor.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business for not to extend beyond the hour of 9:30 a.m. with statements therein limited to 5 minutes each.

AMERICAN AID TO MEXICO FOLLOWING EARTHQUAKE

Mr. THURMOND. Mr. President, I rise today to bring to the attention of my colleagues a letter received from His Excellency Jorge Espinosa de los Reyes, Ambassador to the United States from Mexico. In his letter, the Ambassador expresses the appreciation of the Mexican people to Congress for the passage of House Joint Resolution 394, which reaffirmed our historic solidarity with the people of Mexico following the devastating earthquake of September 19, 1985.

Mr. President, I, therefore, ask unanimous consent that the text of the Ambassador's letter be included in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WASHINGTON, DC,
September 30, 1985.

Hon. STROM THURMOND,
President Pro Tempore of the Senate, Senate Russell Office Building, Washington, DC.

DEAR SENATOR THURMOND: I want to refer to the Joint Resolution adopted by the United States Senate and the House of Representatives on September 20th, regarding the earthquake that recently struck Mexico.

This important document is an indication of the historic solidarity which must guide our bilateral relations as neighbors and is also a proof of our peoples' friendship. However, this is primarily a generous and timely decision by way of which both Houses of the United States Congress have enriched the bonds betweeen the two countries at a time when tragedy puts Mexico into mourning.

The people and the Government of Mexico sincerely appreciate this warm expression of brotherhood and human solidarity that strengthens the friendship between our two nations.

Sincerly yours,
JORGE ESPINOSA DE LOS REYES,
Ambassador.

INTEGRAL VISTAS

Mr. HATCH. Mr. President, one of the most important programs in government is the effort to contain and decrease the pollution of our atmosphere. Note that I didn't say "Federal" Government, because our national air quality effort is being carried out at all levels of government.

In the late 1960's, the case for Federal involvement in air pollution control became apparent. The problem was so pervasive and so needful of regional and national cooperation that the Clean Air Act was designed as a two-step effort with the States carrying out the regulatory program with advice and funding from Washington.

As the program "fleshed-out," an important off-shoot grew out of the need to protect certain special areas of the country. These so-called "class I" areas comprised national parks, wilderness, and similarly sensitive areas. The law required that the States protect these areas, even to the point of preventing pollutants caused elsewhere from drifting over the protected areas.

The Clean Air Act generally focuses on specific pollutants like carbon dioxide, sulfuric acid and photochemical oxidants, but it also must contend with dust and haze. In the case of "integral vistas," the problem is pollutants that obscure the views of some of America's visual treasures.

When Americans visit national parks, they avail themselves of certain potential experiences. They may experience a kinship with nature, greater knowledge about a former President or an appreciation of the courage and sacrifice shown on a battlefield. They also might avail themselves of one or more of the stunning panoramas that can be found in our national parks.

One of the most intriguing things about some of our splendid natural vistas is that so many of them—Grand Canyon, Yosemite, Yellowstone—are recognized by Americans and others who may never have stepped foot in a national park.

Several years ago, the Environmental Protection Agency issued a regulation authorizing the Department of the Interior's National Park Service to identify "integral vistas" that the States might want to consider protecting because of their cultural, historical and environmental values. The procedure was ostensibly advisory. The States didn't have to take the advice and the Secretary of the Interior didn't have to give it.

Earlier this week, Secretary of the Interior Don Hodel decided against issuing a listing of "integral vistas" for consideration by the States. It was a difficult decision, but it was a wise one. States already have the authority to regulate industrial and agricultural activities that pose any threat to the air quality of a nearby class I area. They are not bashful about enforcing it.

The proposal to have the Federal Government formally give advice to various States about the areas they should be especially keen to protect looked an awful lot like the proverbial Federal camel's nose in the tent. No one intended such an outcome, but the Code of Federal Regulations is replete with examples of little initiatives that grew uncontrollably. The States love our scenic treasures just as much as we do. They can be trusted to protect the parks, and to work with the Federal land managers who are charged with doing just that.

It is entirely reasonable to worry that this venture onto uncharted regulatory water might have triggered unanticipated confrontations and litigation.

It isn't every day that a Cabinet officer gets to solve a problem by deciding not to do something. Last Friday belongs to Don Hodel.

DEDICATION OF VIETNAM VETERANS MEMORIAL IN AUGUSTA, ME

Mr. COHEN, Mr. President, I recently had the honor of participating in a very moving ceremony in Augusta, ME—the dedication of a memorial to Vietnam veterans from my State.

The ceremony was filled with the same mix of celebration and elegy which characterized ceremonies at the Vietnam Memorial here in Washington, but it had a very special meaning to the hundreds of friends and families of Vietnam veterans from Maine who gathered in Augusta to pay tribute to the Maine soldiers who served their country.

Of all the speeches given that day, two stood out. Both were given by Vietnam veterans from Maine who knew all too well of the pain and needless waste of Vietnam. Because of the power and crisp articulation of these two speeches, I ask that they be included in the RECORD for the benefit of my colleagues.

The speeches, by Phil Vampatella and John Fitzsimmons, follow:

There being no objection, the speeches were ordered to be printed in the RECORD, as follows:

JOHN FITZSIMMONS, CHAIRMAN, BOARD OF DIRECTORS, VIETNAM VETERANS LEADERSHIP PROGRAM

Governor Brennan, Senator Cohen, Senator Mitchell, Congresswoman Snowe, Distinguished Guests, Family and Friends of Maine's Vietnam Veterans; Thank you for coming.

To the honored guests of this day, Maine's Vietnam Veterans, this Memorial and this day are for you.

Let me talk for a moment to the people who were too young to participate in the era of Vietnam. The anger and confusion that still exists about the Vietnam War must be perplexing. In your history books there are clear reasons on why America entered into other wars and why the public rallied around those causes:

Why would Vietnam Veterans not be treated like other war veterans?

Why was the Nation so bitter over its involvement in the War?

How could a nation with the greatest fire power on earth, lose a war to a country that transported its war material on bicycles down the Ho Chi Minh trail.

Why has it taken 10 years after the war before Vietnam Veterans would receive their homecoming?

Who were these people who served in Vietnam,

The answers to these questions are really multiple choice. For the choice depends upon your experiences and time frame. Even within the Vietnam Veterans Community we see the war very differently. There are several reasons contributing to why Vietnam Veterans have such different perspectives on the war. Unlike soldiers of other wars in which men trained in units and went to war in units. The Vietnam Veterans joined the services alone, went to Vietnam alone and came home alone. The length of the war contributed to the different perspectives. The Marines, who landed in Danang in 1963, may have had the same training at Parris Island as the Marines who withdrew from Danang in 1973, but their perspectives on Vietnam would be completely different. The average age of the Vietnam Veteran was 19 as compared to 26 for WWII. Because we were so young, we weren't prepared to handle the negative reception many of us found at home, so we disappeared and faded into the crowd. In the absence of a collective voice, others have been speaking for us.

In America's need to understand the Vietnam Veteran, it has developed labels to fit the fashionable notion of who those Vietnam Veterans really are. As you know, movies of the times are mere extensions or mirrors of how people perceive life. The movies of the sixties and seventies portrayed the Vietnam Veterans as druggies and losers and now in the 80's we have Chuck and Sylvester reaking havoc across Vietnam as super human fighting machines. Neither portrait reality, for the truth lies somewhere in between.

I'll tell you who we were: we were citizen soldiers. Nurtured by tradition and belief in our country. As people look back at the Vietnam War it is easy, in hindsight, to articulate the reasons why we shouldn't have gotten involved. The Vietnam Veterans generation, like the present generation, are not clairvoyant. We could not foresee the future, we cannot predict what course will always be the right course. We do feel it is important as you look back at Vietnam that you also look at what experiences and influences brought that generation of citizen soldiers to that point in history that led us to serve in Vietnam.

I can remember in the late 50s when I was in elementary school—that we had air raid drills and hid under our desks and my parents' friends built bomb shelters because they feared Russia would attack.

On a cold January in 1961 a young man gave a speech that I can still hear today. In part of his speech, he said these words:

"Let every nation know, whether it wishes us well or ill, that we shall pay any price, bear any burden, meet any hardship, support any friend, oppose any foe to assure the survival and success of liberty."

and he went on to say—

"And so my fellow Americans, "Ask not what your Country can do for You—But what You can do for your Country."

Then the Berlin Wall went up. I remember thinking how bad communism must be if it must lock its people behind walls.

Then the Cuban Missile Crisis. They were going to put nuclear missiles ninety (90) miles off our coast. The whole nation was frozen in time until Russia agreed to dismantle and withdraw its missiles.

It was against this backdrop that President Kennedy announced that he was increasing our troops strength in Vietnam. To help that little country defend itself against the communist aggressors.

Now the torch was passed—

For my Grandfather fought in World War I—

My Father in World War II—

My Uncle in Korea.

Now It was my turn . . . for if it wasn't for the men and women, who served their Country before us, we would not have the land of freedom we have.

It was this base of experiences and beliefs that we entered a new chapter in the history of this Country, called the War in Southeast Asia and before it was over, it showed the best and worst of America.

How, in the only War America ever lost, that lasted fourteen (14) years and cost 189 billion dollars and killed over 58,000 Americans could we ever expect that there could only be one viewpoint from the soldiers who fought.

—Some of us have put Vietnam behind us and wish the whole experience would just fade away.

—Some of us feel we did what our Country asked and are completely dismayed by our government's lack of support and recognition of the effects of Post Traumatic Stress Disorders and Agent Orange.

—Some of us feel that Vietnam was an important lesson for this Country. That it is not our Country Right or Wrong, but rather our Country Right or Change.

—Some of us were frustrated at the politicians for not allowing us to fight the war. We never lost a single major battle in Vietnam, yet the war was lost.

—Some of us believe that our cause was right and would sign up tomorrow to go back and finish the job.

—For we see the fall of Laos and Cambodia and Thailand being threatened and we see the domino theory in action.

—Some of us saw the horrors and hypocrisy of Vietnam and came back and joined groups to try to end the war.

—Some of us still are not sure about the whole Vietnam experience . . . for we don't see Vietnam in black and white . . . but rather gray.

Although we see the war differently, we do have a common bond that ties all together. We remember the faces of the people we left behind—for friends may touch each other's hearts, but men in combat touch each other's souls.

I also want to answer the question of why would 18 Vietnam Veterans come together to give a year and a half of their time and energies in order to build a Memorial here in Maine.

We want the Memorial to remember:

That Vietnam has never ended for some of its soldiers and it is still taking its toll long after the war. Right here in Maine we have soldiers who are suffering from physical problems and Post Traumatic Stress disorders. Because we ask them to pay such a high price for their Country, then it is the Country's moral and financial obligation to make the best psychological and physiological services available for them.

We want the Memorial to remember:

The family members who waited at home and watched the nightly news and tried to live normal lives while their loved ones served in Vietnam.

I want to give an example of the Courage and Fear that some of the people at home had to live through.

Put yourself in this person's place. Your husband is a Navy Pilot and you hear over the news that two planes from his ship have been shot down. And as is the custom, all the Pilot's wives of that ship gather in one place and wait for official confirmation. Can you imagine the tension in the room all day . . . and finally joy when its not your husband, but sorrow when its your friends. Killed, POW or MIA.

That scene was played out over and over again throughout the war. We want the Memorial to remember:

That in the wave of anti-military sentiment that we failed to recognize that our soldiers served gallantly and distinguished themselves.

I am proud to say I'm a friend of:

John Cashwell of Calais, winner of two silver stars and two purple hearts; Bob Norris of Bangor, winner of a silver star; Jon Guay of Lewiston, winner of a Bronze Star; Steve Bentley of Portland winner of the Army Commendation Medal; Our own Executive Director Phil Vampatella of Gray-New Glouster, winner of the Navy Cross, the second highest medal you can win in combat.

And to tell the men and women of Maine who sat on the plane heading to Vietnam, not sure if they would ever return.

I am proud to be a member of that fraternity.

We want the Memorial to remember our POWs and MIAs.

We want the publicity surrounding our Memorial to spark additional interest and bring pressure on the governments of Laos, Cambodia and Vietnam to provide conclusive information of their status

We want the Memorial to remember:

Richard Goggins of Famingdale.

Let me tell you about Rick. Rick was a graduate of Hall-Dale High School in 1965. At Hall Dale, he played football, basketball and football. In fact, he was the captain of the football team. He was the President of the Key Club at Hall Dale. After high school, Rick enrolled at the University of Maine at Augusta and completed its 2-year program. In September 1969, he enlisted in the Army and the following September, he was sent to Vietnam.

Here are some excerpts from a letter Rick sent home while in Vietnam:

MARCH 19, 1971.

MOM: Received your letter containing the application for admittance to the University of Maine. As yet I haven't made up my mind just what I'm going to do. Please be informed I'm receiving the K.J. (Kennebec Journal) keep them coming.

The picture you thought was a snake is probably one of an earthworm. As you see they get quite big here. Some are over three feet long. Thank god its not a leech I would have been gone long ago. The salt does them a job.

However, I don't have to worry about them anymore because I have seen my last days in the field. I now have a rear job as NCOIC. A branch of the Army that works with civilian affairs. It's one of the better jobs available. The officer in charge just happens to be my old hearts playing platoon leader, who left the field 1½ ago. Guess he missed getting beat at "hearts" either that, or he's going to try and win back the money I cleaned him out of while he was in the field. Say hello to all residents of the household for me.

RICK.

P.S. 175 days.

Here are some excerpts from a letter Rick's mother sent to him:

APRIL 17, 1971.

DEAR RICK: Well I think it's about time I wrote you again. Tomorrow is your birthday and I can't remember if I sent you a card or not. I did send a small package and I'll send another on soon. Remember how you used to go swimming on your birthday? If you were here this year, I don't think you would make it. We had another snowstorm last night and the trees and ground are covered with snow. There is still two feet of snow on the brook out back. We have had a lots of that white stuff this year. Weather report just said more snow today.

Thanks for the stamps you sent in Dad's letter. Can you get to a post office to buy some now?

Have you been able to pick up another camera. I kind of miss the pictures you were sending. I show them to the women at work too.

Chet seems to like it where he is. He is doing pretty good in his training. He is getting good in his grades on tests. He is thinking of signing up for another 2 years to get some extra but I forget what it is.

Don't remember if I told you that Ken is sick with mono. He has missed six weeks of school already. This is vacation week and we won't know until Friday if he can go the following week. He'll have a hard time to make up all that work.

Joey is walking all over the place now. He sure keeps us busy chasing him to keep him out of things.

Well, I guess I will have close now, I can't think of anything else of interest.

See you in 146 days.

Love,

MOM, DONNA, KEN and JOEY.

Rick never read that letter. On April 26, 1971, he died in Vietnam.

Rick was awarded the Bronze star.

I could read Rick's citation, but the best citation of Rick's life was captured in a poem written by his brother, Ken, who was still in high school when Rick died.

Here is the second half of the poem Ken wrote, entitled "Rick":

Your things came back,
Your boots, your hat,
I love you, Rick,
I can do that.
Now you're gone,
Only memories remain,
It's lonely now,
I'm going insane.
I wake up at night,
I know you're in the room.
I'm alone now,
And in my gloom.
You were my power of strength,
You were my every being.
When they took that,
They took everything.

We want this Memorial to remember Rick and Allen Hutchinson of Auburn and Charles Sullivan of Bangor, whose names, along with 340 other Mainers, are etched on that long black wall in Washington. For they may have been Sergeants, Captains and Privates for that short time, they were and will always be sons and brothers, whose lives can never be replaced.

We want the Memorial to remember:

Our children and to be remembered by our children's children. That there is honor in serving your Country. But that war should not be glamorized. Don't make War bigger than Life for it is not bigger than Death. For at the end of a bullet there is someone's son dying.

And finally we want the Memorial to remember:

The 16,000 men and women from Maine who served in Vietman, that we respect their service to their Country and have compassion for those who are still feeling the effects of the war.

On behalf of Maine's Vietnam Veterans, I want to thank you from the bottom of my heart for this beautiful Memorial and this day of "Homecoming."

God bless you.

DEDICATION DAY SPEECH BY PHIL VAMPATELLA, EXECUTIVE DIRECTOR, VIETNAM VETERANS LEADERSHIP PROGRAM OF MAINE, INC.

To Governor Brennan, to Senators Cohen and Mitchell, to Representative Snowe, to Roger Richmond and Teresa Getchell, to all the extraordinary people of Maine who have helped to build this magnificent memorial, I welcome you to its dedication. I hope you all forgive me, but I want to take this unique opportunity to speak to my fellow Vietnam veterans.

To all of you . . . to the sailors who served in the South China Sea or on the Mekong River . . . to the marines who fought so gallantly at Khe San . . . to the soldiers who served under the most hellish of conditions . . . to the engineers, the clerks, the cooks . . . to the medics to whom many people in this audience owe their very lives . . . to my fellow airmen . . . to PUFF, the helicopter and B-52 crews . . . to the Red River Rats . . . to all those others in countless jobs too numerous to mention . . . I salute you all and stand proudly before you to tell you that we have done it! This is the day we've been waiting for!

When the Vietnam Veterans Leadership Program was formed, nearly 2 years ago, our prime objective was to do something positive about the image of Vietnam veterans, both in regard to the way we are viewed by others and, more importantly, in the way we view ourselves. We found that, while our organization was making small steps in the right direction, the limited time and resources available to us made it unlikely that we would be able to make a substantial impact on solving the problems we faced.

And we found other things. We found that when we talked about the failures of the war, whether they be military failures, political, economic or social failures, that these failures centered around the fact that the one thing that was missing in all cases was a cause around which the people could rally. There was no battle cry . . . no "Remember the Alamo" . . . no "Remember Pearl Harbor." We did not march off to victory and come home to glory. We went off in ones and twos to fight an enemy we could not even identify and returned alone. We left the nightmare of war for an even greater nightmare that awaited us at home. We were scorned . . . scorned by liberals because we fought the war . . . scorned by conservatives because we lost the war. We were, in fact, a lost generation of servicemen.

Roger Richmond's magnificent memorial, which you will see unveiled today, represents Maine's battle cry. It was conceived by 18 Vietnam veterans. The funds for its construction were raised by Vietnam veterans. Its selection and construction were overseen by Vietnam veterans. Its dedication is being presented to you by Vietnam veterans. Yet it was built in the most cooperative effort I have ever seen.

It represents all those things that were missing during the war. For example, it has been said that we had no clearcut mission in Vietnam . . . the mission here was crystal clear . . . build a memorial and establish a scholarship fund. It has been said that we had no support at home during the war . . . the support that we received during this project not only allowed us to build the memorial . . . it allowed us to establish a scholarship fund for our children and grandchildren and to start that fund with over $35,000. It has been said that the news coverage at home was a negative factor that actually helped to lose the war . . . I'd like to tell you that without the solid support of Maine's news media, we might have lost this memorial. And it has been said that our Government and the people of America let us down during the war . . . while that may be true, it is also true that the Government and the people of Maine were solidly behind us on this project . . . from start to finish.

Now, this memorial is not a panacea. It will never cure post traumatic stress disorder. It will never take away the frustrations of the war or the feelings of betrayal. It will not make the nightmares go away. It cannot lift us from our wheelchairs or replace lost limbs. Most regrettably, it cannot enable us to once again touch the faces of brave young men who never returned.

But is has brought us together and given us a good feeling about ourselves . . . let us enjoy that feeling. Let us revel in the renewed camaraderie that only men in battle can ever know. It is a recognition of our service under the most trying conditions . . . let us accept that recognition with gratitude, and with joy and with dignity. It is a legacy to leave behind so that our children will remember that we served our country well . . . let us be proud of that service. It is a reminder that we must not rest until all of our missing in action are accounted for. It is a reminder to our leaders, current and future, that, while for over 200 years, Americans have been asked to fight and die for great causes, and while they no doubt will be asked to do so again in the future, that never, ever again, must they be asked to make that sacrifice lightly. It is a reminder to the families of the 340 Mainers who were

killed or are still unaccounted-for that their pain is our pain and that the memory of those men will remain, forever, indelibly etched in our minds. And finally, it is reminder for you and me and everyone else who ever views this great memorial to never, ever forget all 58,000 Americans we left behind.

This is our day . . . enjoy it . . . be proud . . . but by all that's holy, never, never forget.

Thank you.

FOREIGN SHOES ARE BAD FOR FEET

Mr. COHEN. Mr. President, as chairman of the Senate Footwear Caucus I have cataloged at length the problems facing the domestic footwear industry and why we need restrictions on the flood of imported shoes. Last week, the Senate sent an encouraging signal on an amendment to provide relief for the shoe and textile industries, and I am hopeful that more conclusive action will soon be taken.

But there is apparently yet another reason why our brows should be furrowed about foreign shoes—they are bad for our feet. According to an article in today's Wall Street Journal, a variety of podiatrists have concluded that shoemakers from foreign countries pay less attention to important points of comfort and good foot health than do shoemakers here at home.

It is bad enough that we are permitting high levels of imported shoes, levels which are closing our factories and throwing our shoeworkers out of jobs. But if it also turns out that we are importing junk food for the feet, then even the dullest eye can discern that these practices must stop.

I ask unanimous consent that the article be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Oct. 28, 1985]

CHEAP IMPORTS PUT THE SQUEEZE ON U.S. FEET

(By Teri Agins)

NEW YORK.—For Jakki Gill, a medical-record clerk, shopping for footwear has become an exasperating and ultimately painful experience.

Most of the modestly priced shoes she tries on are imported, she says, and "fit strangely." They're too tight across the toes or too wide at the heels, she explains, and make her feet and legs ache after a few hours.

Foot specialists across the country are seeing an increase in patients with similar complaints. As more Americans, especially women, buy imported shoes, they're finding it tough to get a good fit. But because of imports—which will account for 77% of all footwear sales in the U.S. this year according to Commerce Department estimates—offer a wide range of fashionable styles at low prices, consumers wear them anyway.

PAYING WITH PROBLEMS

"People are compromising more on shoe fit these days," says Jerome J. Erman, a Union, N.J., podiatrist. "And we're paying for it with more foot problems." Paul Taylor, a podiatrist in Silver Spring, Md., adds, "I see patients wearing cheap imported shoes made of hard plastics who complain they get blisters and a burning sensation on the soles of their feet."

Eugene Milosh, president of the New York-based American Association of Exporters and Importers, feels that imports aren't alone to blame. "The quality is quite high for the medium range and high-quality range from places like Italy," he says. As for cheaper models, he adds, "shoe for shoe and price range for price range," imports stack up well against domestic shoes.

Too tight or too loose, shoes can cause leg pains, backaches and the thick heel calluses that doctors call "pump bumps." Ill-fitting shoes also aggravate hereditary foot problems, such as flat feet, bunions and hammertoes. Podiatrists have even traced an outbreak of one kind of dermatitis to the dyes and glues used in some imported athletic shoes. (The 121.6 million pairs of imported athletic shoes sold in the U.S. last year represented 91.5% of the market.)

BLAME IT ON CHEAP SHOES

Shoes that cost less than $30 a pair are responsible for most of the problems, doctors say. And this end of the market is dominated by imported shoes. In the early 1970's says Buddy Katz, president of Encore Shoe Inc. in Rochester, N.H., "when women started regarding shoes as throwaway fashion items, they wanted more style at all price levels." Foreign shoemakers, who were able to meet the demand more cheaply than American companies, flooded the market with their products.

But the sizing system used for most imported shoes, foot specialists say, isn't as refined as the U.S. system. American shoes, for instance, are ordinarily available in two or three widths. Imports are typically made in one standard width, which is often too wide for the average American foot. In the countries of manufacture, where people are apt to be less ethnically diverse than in the U.S., says Nathaniel Gould, a Manchester, Vt., orthopedist, "most feet tend to fall within a limited range of sizes."

To cater to the U.S. trade, some foreign shoemakers have bought American lasts, the forms on which shoes are built. But many of the 100 to 150 hand operations required to produce a shoe can affect the fit, and some makers "don't make the shoe with accuracy," says David Sterling, president of Sterling Lasts in New York. "They make it for price. We get calls from people who have worn a model made with our lasts for years, which is now made abroad with our lasts but doesn't fit the same."

Rockport Co. in Marlboro, Mass., which imports 70% of the shoes it sells, has found European makers that will supply shoes in half sizes and three widths. Rockport is one of only two brands to have won the American Podiatric Medical Association's seal of acceptance.

But Rockport's shoes aren't considered stylish and usually retail for around $70 a pair. "We just can't make a good shoe for any less," says Jens Bang, Rockport's vice president of marketing.

Some consumers and podiatrists think retailers share the blame for misfits. Part of the reason it's harder to get a good fit from all shoes nowadays, says Donald Skorr, a Memphis podiatrist, is that "salespeople who used to fit shoes aren't around anymore."

Wayne Muller, a longtime shoe retailer in Grand Rapids, Mich., believes children are growing up with no notion of proper fit. "There's a younger generation who're being raised in sneakers, which are fairly easy to fit, and they don't understand it," he says. "They'll just cram their foot in a shoe and wear it."

DEMOCRACY IN PANAMA?

Mr. DURENBERGER. Mr. President, recent events in Panama can only cause extreme concern among Panama's friends throughout the hemisphere. Two pivotal events in the past 6 weeks, the forced resignation of President Nicolas Ardito Barletta and the brutal murder of a vocal critic of Gen. Manuel Antonio Noriega, leave one wondering whether Panama is truly on the road toward democratization.

For many years, the United States and Panama have been closely linked as a result of our mutual interest in the development and operation of the Panama Canal. At times, the bilateral relationship has been somewhat rocky due to differing national perspectives on the management and control of the Canal Zone. Many in the Senate recall the intensity of feeling that the Panama Canal Treaty and its implementing legislation, the Panama Canal Act of 1979, generated in the Congress. With the approval of the Panama Canal Act, I believe that many in Congress felt that the Panamanian-American relationship would stabilize. Moreover, there was at least the appearance of movement toward democratization in Panama over the past 6 years. During this period, the forced resignations of Presidents Aristides Royo and Ricardo de la Espriella were setbacks to this democratization process.

Following a hotly disputed election campaign, Nicolas Ardito Barletta assumed the presidency of Panama in October of 1984. President Ardito Barletta took office amidst charges of voter fraud from the Democratic Opposition Alliance [ADO] and pledged to reduce Panama's expansive public sector and to improve its international credit rating through the imposition of a wide range of austerity measures. Like nearly all countries in our hemisphere, Panama's Government has been following our sorry example in spending far more than it takes in. Ardito Barletta was pursuing the difficult and politically unpopular course of attacking his nation's $3.7 billion foreign debt, which is the world's highest on a per capita basis.

The latest chapter in Panama's crisis began with the murder of Dr. Hugo Spadafora along the Panamanian-Costa Rican border on September 14. Spadafora was clearly a controversial

figure in Panama and had attracted the enmity of General Noriega. Spadafora apparently intended to raise the issue of the defense force's involvement in corruption and drug trafficing. There have been widespread allegations of the involvement of G-2, Panama's military intelligence service, in Spadafora's murder. Costa Rica has initiated a comprehensive investigation as Spadafora was found on the Costa Rican side of the border. General Noriega, unfortunately, has been unwilling to yield to widespread demands in Panama for an independent investigatory commission. President Ardito Barletta also recognized the need for such an independent commission which was outside the control of the Panamanian Attorney General's office. President Ardito Barletta's authorship of a September 27 letter to the Attorney General for this purpose was the last significant act of his presidency. On September 28, it appears that the Panamanian Defense Forces demanded, and received, his resignation.

Perhaps President Ardito Barletta's undoing was the unpalatability of his austerity program to the majority of Panamanians; his greatest misfortune was to challenge the authority of the would-be caudillo who controls Panama's Defense Forces. Gen. Manuel Antonio Noriega and his associates in the defense forces have proven less than supportive of Panama's move toward democracy. In Panama, it appears that the state serves the military—not the reverse, as in an authentic democracy. Friends of Panama in the United States are concerned that the Spadafora murder will set an ugly precedent for Panama that is all-too-common in the rest of the Central American isthmus. Equally worrying to this Senator is the prospect that a democratic future in Panama is being sacrificed by one man's greed for money and power. I would therefore urge General Noriega to seriously consider the consequences of increasing the pressures upon such elements of the democratic opposition as La Prensa and the ADO coalition. The friendship of Panama is important to the United States; a truly democratic Panama is a much more valued ally, however.

Mr. President, I ask unanimous consent that articles on Panama by Georgie Anne Geyer and Michelle Labrut be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Times, Sept. 30, 1985]

(By Georgie Anne Geyer)

DEATH IN PANAMA

The strange destiny of Dr. Hugo Spadafora, 45-year-old Panamanian soldier of fortune and lover of revolutions, now stalks the steamy Central American isthmus he traversed like a driven man.

It is the kind of case that will haunt and very well may change Panamanian history. Yet it has barely been covered by an American press that sees the complex Central-American story only in terms of El Salvador and Nicaragua.

"Who was Hugo Spadafora?" And further, "Who killed him?" are questions that show how clearly Central America, once composed of simple banana republics, more and more resembles the Balkans.

WHAT WE KNOW

Hugo Spadafora, a medical doctor from a good Panamanian family, probably was killed Sept. 14. He was returning the day before from Costa Rica to Panama, secretly by bus—as he often did to avoid detection by the National Guard or anybody else—when his bus was stopped near the border. Men in Panamanian National Guard uniforms boarded the bus and roughly hustled him off.

All the time, Dr. Spadafora was waving his ID card to the passengers, telling them who he was and that these were "G-2," or Defense Forces Intelligence, who were taking him. When his body was found on the Costa Rican side of the border, it was discovered that he had been castrated while alive, his fingernails had been pulled out, and he had been beheaded. The head was never found.

Panama City was and is shocked and enraged. Panama can be a violent place, but this savagery was so far beyond historical norms of behavior that political analysts began wondering worriedly if Panama had not, underneath, changed in ominous ways.

WHAT WENT BEFORE

Dr. Spadafora was, by all accounts, a romantic revolutionary. He had studied in Italy; then, because he had met an African student he liked, he started his career in revolution by fighting in the early anti-colonial war in Guinea-Bissau.

From there he went with the Sandinstas; left the Sandinistas; joined former Sandinista Eden (Commandante Zero) Pastora when he formed an anti-Sandinista guerrilla group; left Mr. Pastora's group; became deputy minister of health in Panama; joined a Miskito Indian anti-Sandinista group; and then left Panama recently, reportedly to start a new "international" guerrilla brigade.

WHAT PEOPLE ARE SAYING

Dr. Spadafora, in his recent forays in and out of Panama by bus, had been regularly attacking the Defense Forces (or National Guard) chief, Gen. Manuel Noriega, for drug trafficking. In particular, he did it through the extraordinary independent paper, *La Prensa.*

Everyone seemed to know that Gen. Noriega—one of the smartest, most cunning political brokers in the hemisphere and a man who deals as well one day with Fidel Castro as the next with the democratic leaders—was not enraged with him. (The truth or untruth of the charges, at this point, is impossible to prove or disprove.)

WHAT ELSE IS GOING ON

One man's horrible death is quite enough, but a disturbing pattern has begun to develop in Panama, a country that always was just enough outside the other Central-American horrors to set it apart.

For instance, another prominent doctor, Mauro Zuniga, was also kidnapped recently, beaten, and left for dead, apparently by men also dressed in guard uniforms. He recovered; but he, like the headless corpse of the once-romantic revolutionary, had had cut on his back "F-8 terrorists."

No one knows exactly what this means, but in recent months, there was the discovery of a mysterious "seventh section" in the National Guard that was a kind of intelligence vigilante section. A few of those men left the guard and revealed some of the secrets. As well, Dr. Zuniga had been part of a professional medical group that had come out against the guard and its chosen political candidates.

The guard's initial statement on the Spadafora killing was a Borgiaesque mix of threats and suggestions warning against any "major tolerance for guerrillas," rejecting "anarchistic methods of certain political and pressure groups," and speaking darkly of "plans from outside."

WHAT IT ALL COULD MEAN

The bigger danger is that the whole agreement so meticulously hammered out between the Carter administration and Panama over the Panama Canal could be foundering on suddenly awakening local Panamanian passions that are taking as-yet-unrevealed but ominous turns.

His enemies charge that the superagent of the Americas, Gen. Noriega, wants to expand the defense forces to four times what they are now in order to take over the defense of the canal; that he wanted to get rid of Panamanian President Nicolas Ardito Barletta [who resigned Saturday, saying he did not have the military or political support to run the government]; and that there lies within Noriega an ambition that burns far beyond the walls of the military headquarters here. He denies such charges.

Whatever the horrible truth of the Spadafora murder, as one knowing Panamanian said to me by telephone just after it occurred, "Somebody wanted to see what would happen."

[From the Miami Herald, Oct. 14, 1985]

NEW PRESIDENT, OLD PROBLEMS FACE PANAMA

(By Michelle Labrut)

PANAMA.—President Eric Arturo Delvalle, installed by the military in the presidential Palace of the Herons last month, must now grapple with the same economic crisis that contributed to his predecessor's downfall.

Delvalle, 48, a sugar planter-turned politician, can probably count on more support from Panama's often cantankerous official party politicians than former President Nicolas Ardito-Barletta ever had.

But he is certain to face increased distrust from the political opposition, international lending agencies and Washington as he comes to grips with an economy wallowing in a $3.7 billion foreign debt, the world's highest on a per capita basis.

Economic Planning Minister Ricaurte Vasquez in fact sent a telegram to Panama's foreign creditors early this week vowing the DelValle government will follow the same economic austerity measures laid out by Ardito-Barletta.

HIGH HOPES

Ardito-Barletta, Panama's first elected president after 16 years of military rule, was inaugurated last Oct. 15 amid hopes he would pull the economy out of a tailspin brought on by the world recession and his country's position as the crossroads of world trade.

Last May, he and the World Bank agreed on a set of belt-tightening measures that included deep cutbacks in the government budget; dismissing 20,000 public employees; increasing corporate and other taxes by $25 million; selling off dozens of money-losing

government enterprises worth $70 million; lowering import tariffs; and relaxing labor laws to increase productivity.

The agreement led the International Monetary fund in July to approve a stand-by credit package through March 1987, which in turn allowed Panama to begin negotiations with 180 foreign banks for the rescheduling of $603 million in debt payments in 1985 and 1986.

But the austerity package angered virtually every sector—government workers, businessmen, labor unions and the ruling Revolutionary Democratic Party, heir to the high-spending populist policies of Gen. Omar Torrijos from 1968 until his death in a 1981 plane crash.

MEASURES DENOUNCED

Conservative opposition politicians vociferously denounced the measures, while privately acknowledging they were needed to jump-start the stalled economy.

Armed Forces chief Gen. Manuel A. Noriega moved on Sept. 27 against Ardito-Barletta, a former World Bank vice president and crackerjack economist whose mistake was not so much in agreeing to the austerity package but in lacking the political savvy to sell it to Panamanians.

Today, Delvalle faces the same need for slashing public spending and increasing government revenues.

"New loans and fresh money are conditioned to the austerity measures, included in the program to be approved by the IMF and World Bank" said Ruben Carles, a former banker and now a leading opposition politician.

Delvalle's lone initial advantage may be that he enjoys some support among the Revolutionary Democrats, who hope he will pay more attention than his predecessor to the negative effects the austerity measures may have on Panama.

"Delvalle will receive support. As a businessman, he understands our situation and will follow a more nationalistic line," said an executive close to the party, still considered the political arm of the powerful National Defense Forces.

LABOR IS FAVORABLE

The same give-him-a-chance mood prevails in the labor movement. Rolando Ordonez, head of the Workers' National Union, said he believes any effort to reform the labor laws, which now virtually forbid the firing of employees, "will be consulted with our organizations."

The opposition remains hardfaced, however, especially in view of Delvalle's ascension to the presidency through a coup rather than elections that would have given him a broad political base.

"Delvalle is a weak president who cannot impose the IMF and World Bank recommendations," said Carles.

Ardito-Barletta's abrupt resignation set off no perceptible panic in the country's offshore banking industry, a key source of foreign revenues. "Outflow of deposits was insignificant," said one prominent Panamanian banker.

But the same financier added that the coup against Ardito-Barletta could have other, perhaps more serious, repercussions.

Ardito-Barletta was the third civilian president ousted by the military in the past three years, the banker noted, and the coup triggered "a negative change in the U.S. banking community, and the U.S. government's attitude."

UNITED STATES DISPLEASED

The U.S. Agency for International Development underlined that displeasure immediately after the coup by cancelling a $5 million grant.

U.S. assistance to Panama burgeoned to an impressive $60 million during Ardito-Barletta's 11-month administration—a powerful factor in Panama's economic life—as Washington sought to help his country's fling with civilian rule.

Official estimates said real growth plunged in 1984 by 1.2 percent, with most sectors declining. A draft U.S. Commerce Department report dated August 1985 says 1985 performance is little better, with growth estimates ranging from "negative 2 percent to positive 1 percent."

SENATOR ROCKEFELLER ANALYZES THE CONRAIL SALE

Mr. DIXON. Mr. President, my distinguished colleague and warm friend from the State of West Virginia, JAY ROCKEFELLER, has authored an article which appears in the most recent edition of LandMarc magazine. The article, entitled "Conrail—Which Direction and How Much?" clearly and convincingly analyzes the proposed Conrail sale. It is an excellent summary of the disadvantages of selling Conrail to Norfolk Southern and of the advantages of a public offering as proposed by Morgan Stanley. I commend Senator ROCKEFELLER's article to all my colleagues. I urge all Senators to put it on their must reading list. Mr. President, I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From LandMarc Magazine, September/October 1985]

CONRAIL—WHICH DIRECTION AND HOW MUCH?

(By Senator John D. Rockefeller IV)

In Appalachia, railroads are more than just a basic means of transportation. To our coal and heavy industry, rail transportation is an indispensable lifeline—an all-important conduit for economic survival and growth.

During my brief tenure as West Virginia's junior Senator, consideration of Secretary of Transportation Elizabeth Dole's recommendation to sell Conrail to the Norfolk Southern Corporation—and what's commonly referred to as the Morgan Stanley "alternative"—has consumed much of my time and legislative energy. From the outset of the debate over "what to do" with the government-owned railroad, it has been my conviction that any proposed sale of Conrail must demonstrate that it would maintain or improve the level of service, efficiency, and competition that existed before the sale. It is also my belief that Congress has the responsibility to ensure that a sale of Conrail will neither disrupt the nation's rail service nor inflict unnecessary hardships upon rail shippers and workers.

What the Wall Street Journal has dubbed "The Great Conrail War" will decide rail transportation options in the East and Midwest for years to come. A Norfolk Southern purchase of Conrail would establish an unparalleled transportation conglomerate, disruptive to the rail system of the East and Midwest, significantly damaging to other railroads' ability to compete and, ultimately not in the best interest of shippers and consumers.

The Morgan Stanley plan provides an immediate and compelling alternative to fulfill the mandate of returning Conrail to the ranks of private enterprise. It maintains a third strong eastern railroad and prevents major disruptions to the nation's rail system.

Suppose that when Chrysler Corporation sought government assistance several years ago to avoid impending bankruptcy, that rather than a package of loans and loan guarantees, the government had assumed liability for its debts and ownership of the company until it could return to a profitable position. Would anybody have entertained the thought of returning a healthy and modernized Chrysler to Ford or General Motors?

Conrail's return to profitability, its upgraded physical plant and its innovative operating style cause this same basic question to be asked when considering the proposed sale of Conrail to the Norfolk Southern rail system.

The debate is not frivolous. It is of major concern to all shippers and especially to bulk shippers of coal, steel, grain and the like. It will affect the cost of electricity charged to customers of coal burning utilities. It will have an impact on whether and how frequently those utilities look to imported coal. It will have an impact on the price and level of coal exports.

The Consolidated Rail Corporation (Conrail) was born in the midst of crisis; a patchwork of the Penn Central and five eastern railroads which were bankrupt. A dilapidated physical plant and a rapidly changing environment for rail transportation combined to do-in once proud and legendary rail lines. The turn-around, even with the estimated $7 billion in federal assistance, has been equally momentous.

From the early going, when Conrail lost $1 million per day, to 1984's profit of $500 million ($408 million when accounting for a return to industry-wide wage rates), the changed balance-sheet since 1981 has established Conrail as a healthy and vigorous competitor, with bright prospects for continued success.

Norfolk Southern (NS) has offered $1.2 billion for the government's 85 percent share of Conrail. They would also purchase the entire 15 percent employee (ESOP) portion of Conrail. NS has further agreed to: 1) return to the government cash considered in "excess" of that needed to meet present and future obligations; 2) give up the tax benefits of prior year net operating losses and investment tax credits; 3) promise to keep $500 million cash on hand at all times during the next five years; and 4) continue an aggressive capital reinvestment plan in the railroad.

Their prize would be to consolidate some 15,000 miles of Conrail track, equipment and facilities, and assets with a book value of about $4 billion, into their existing 18,000 miles of track on the Norfolk and Western and Southern railways. Tax experts continue to debate the precise amount of tax benefit to Norfolk Southern (i.e., sheltering of income) of an acquisition of Conrail, but the Congressional Budget Office has estimated this cost to the Treasury at $400 million. Based on Conrail's estimated depreciable basis in excess of $3 billion, Morgan Stanley estimated Norfolk Southern would reap

nearly a $600 million (present value) windfall.

It should be noted that Norfolk Southern has thus far refused to make public financial projections that would allow a precise analysis of the tax benefits to their company. Suffice it to say that none of the estimates are insubstantial, and the Morgan Stanley estimate is entirely plausible.

The investment group led by Morgan Stanley bests the Norfolk Southern proposal in a number of respects. By their very nature, they propose to keep Conrail independent, with an independent Board of Directors, and to return Conrail to private ownership by way of a public stock offering in the next few years. In the meantime, this group of over 30 sophisticated, blue chip investors—none of whom will control more than 10 percent of the total—have agreed to put their own cash on the line to purchase the government's 85 percent share of Conrail.

The direct cash value of the Morgan Stanley package is $1.2 billion in cash, plus the value of one million stock purchase warrants redeemable at the government's option, plus any excess cash accumulated in the company. In addition, since an independent Conrail avoids the tax implications of a sale to Norfolk Southern, the government nets nearly $600 million additional. An independent Conrail further avoids the employment impacts predicted from a combination with Norfolk Southern, thus preserving an estimated $200 million in payments to the federal railroad retirement fund.

The one railroad investor, CSX Corporation, which has pledged approximately seven percent toward the total, will put their shares in permanent trusteeship, will not participate in management, will not be represented on the Conrail Board of Directors and will not participate in the Executive or Finance committees of the investor group. The Morgan Stanley plan also gives employees an opportunity to keep their share of the employee stock plan or to sell them all for the same $48 per share purchase price paid to the government. In addition, two representatives of employees and two from management would sit on the 15-member Board of Directors.

The Morgan Stanley investors have virtually identical commitments to the government with regard to the return of "excess" cash, maintenance of cash reserves and capital spending. In sum, the Morgan Stanley group has nailed down commitments and accomplished what many Administrations and financial community skeptics said could not be done. In addition to gaining a greater net return to the government, it has the primary benefit of preserving an independent company, and avoiding the disruptive effects of job loss, reduced competition, service uncertainties and rail traffic diversions.

Thousands of pages of documents, claims and counter-claims have sought to debate the future of Conrail and the competing Norfolk Southern and Morgan Stanley plans. Essentially the opposing sides have locked horns on two central issues: first, whether Norfolk Southern's purchase of Conrail would undermine the competitive forces that exist in the railroad business today and second, whether Morgan Stanley's plan would leave Conrail vulnerable to economic decline.

There are hundeds of miles of track where Conrail and Norfolk Southern compete head-to-head. In some cases the combination would reduce service options to one rail carrier; in others three would be reduced to two or the benefit of indirect competition from Conrail would be lost.

The practical, common-sense conclusion emerging from all the studies is that an independent Conrail provides a third strong railroad competitor for eastern and midwestern markets. A somewhat reluctant editorial in Barron's may have best summarized this pragmatic view: ". . . [W]e can't help concluding that the deal struck by DOT and Norfolk Southern is apt to lead to less competition on the nation's railroads rather than more. It would eliminate the rivalry—indirect as well as head-to-head—that currently exists between Norfolk Southern and Conrail."

Recent analyses by the staff of the Interstate Commerce Commission (ICC) have given credence to claims that Norfolk Southern's purchase of Conrail would reduce competition and cause substantial traffic diversion and job loss. One study focused on the specific issue of whether the combination of Conrail and Norfolk Southern would result in traffic diversions that would weaken and disrupt the operations of other railroads.

The other study looked at the viability of the lines that the Justice Department has said must be spun-off from a combined Norfolk Southern/Conrail system in order for head-to-head competition to be preserved.

To satisfy the terms of the sale agreement set down by the Department of Transportation, Norfolk Southern is required to cure the anticompetitive aspects of the combination of railroads that have been noted by the Department of Justice. Although many have argued that the Justice Department's requirement that Norfolk Southern divest itself of certain trackage is inadequate to preserve competition, it can be seen as the minimum necessary to protect shippers and consumers.

To satisfy this requirement, not only must the trackage be sold, but it also must be shown that the purchasers can adequately maintain and operate the lines as viable head-to-head competitors with Norfolk Southern.

Importantly, the August 30 ICC staff study presents the most complete statement to date challenging the wisdom and viability of the divestiture of rail lines to the Guilford and Pittsburgh and Lake Erie rail systems, the divestitures proposed to satisfy the Justice Department's concerns. With regard to the required divestiture to the Guilford system, the ICC staff concluded that "it does not appear that Guilford will be a financially viable carrier" with a revenue base that will inadequately cover its debt service requirements.

The ICC staff is even more pessimistic on the Pittsburgh and Lake Erie saying that it "is not now a financially viable carrier" and the addition of the divested lines "will not enable it to reverse its already precarious financial position."

In the coal business, as well as in many other businesses, competition between railroads—both direct and indirect—translates into all-important rate competition. In West Virginia, even though Conrail is not currently a major rail carrier in the state, it has had an impact. It has acted aggressively to establish more efficient rates on coal haulage and to develop new markets. A comment by Mr. Glenn Schleede, President, New England Energy Inc. demonstrates Conrail's impact:

"We now use three different rail systems to move coal from Appalachia to East Coast ports. Norfolk Southern has the highest rates. If Norfolk Southern were to apply its current rate policies to Conrail, we believe the rates we now pay on Conrail would be increased by 20–25 percent."

Conrail also serves as a major connecting carrier for a significant portion of coal traffic originated on CSX and destined for important Northeast markets. Surely, a combined Norfolk Southern/Conrail system would not turn away all of this traffic, but the long-term health and continuation of the current connection has to be questioned, when Norfolk Southern can readily turn to its Virginia originated coal to fulfill customer orders.

Indeed, the diversion of traffic from CSX to a combined Norfolk Southern/Conrail and from smaller midwestern carriers bears significantly on the debate and on the profitability of several rail lines. The August 2, 1985, ICC staff study, while noting the extreme difference of opinion by CSX and NS on the quantity of coal diversions, finds that "CSX will suffer substantial diversions of its coal and grain traffic." The ICC staff study concluded that it is "reasonable" to assure total diversions away from CSX to a combined Norfolk Southern/Conrail system would total in the range of $143 million to $174 million.

For the smaller regional carriers in the Midwest, the ICC staff adds another $145 million to the sum of potentially diverted traffic. For these smaller carriers, this represents a significant percentage of their traffic base, and could well represent the difference between profit and loss. Thus the total estimate of diverted traffic ranges between $290 million and $320 million.

In sum, the sale of Conrail to Norfolk Southern would cause precisely the type of disruption and weakening of the rail system that it should be in the public interest for Congress to protect against.

To a large degree, the benefit of the Morgan Stanley plan again becomes the fact that it avoids the problems inherent in the Norfolk Southern plan. But skeptics ask, will an independent Conrail fail to be viable and come back to the federal government for an additional handout?

Indeed, Secretary Dole has highlighted Norfolk Southern's so-called "deep pockets"—in her words, "(their) ability to leave Conrail in the strongest financial position after the sale . . . ,"—as a principal rationale for her selection. The concern expressed is that an independent Conrail could slip back into decline either from an economic recession or an erosion of traffic base. In such an instance, it is argued, only a parent company like Norfolk Southern could preserve rail service.

A growing and more convincing body of evidence shows that the exact opposite will occur. The upgrading of the physical plant in recent years, the aggressive trimming of unprofitable lines and unneeded personnel and the implementation of innovative management techniques that allow Conrail to quickly adapt to changing economic climates, positions it to stay among the top rail carriers in the country.

The first six months of 1985 are indicative of the flexibility and resourcefulness of Cornrail. Although Conrail has experienced a decline in revenue ton-miles (i.e., less traffic) and a more sluggish than expected first quarter, it was one of only two major railroads to record pretax earnings ahead of the comparable period in 1984, a record earnings year. Conrail also showed continued improvement of its operating ratio, an important measure of railroad performance.

With the improving picture of Conrail, it is no wonder that railroad valuation expert Isabel H. Benham, referred to in a recent *Forbes* interview as the "dean of U.S. railroad analysts," said that "Conrail is definitely able to be self-supporting." In the same *Forbes* interview, Ms. Benham went on to critique what appears to be Secretary Dole's guiding rationale. "The government's main argument for selling Conrail to Norfolk Southern is that NS has deep pockets, that it will be protective and protect Conrail in times of adversity. But when you're hard-pressed you don't necessarily help the weaker sister. In any case, Conrail has already demonstrated it has the ability to survive recession."

The opinion of railroad financial analysts and the assertions of Morgan Stanley have been confirmed by the United States Railway Association (USRA) in successive studies. In April, 1985, USRA reported on 1984 data and concluded that "Conrail has become a financially viable railroad efficiently serving its customers and the region."

USRA's July 29 report has further bolstered the projection for Conrail. It found as reasonable Conrail's latest five-year forecast which shows increased profitability through 1989 and said that "all available evidence supports a finding that Conrail can generate positive cash for the foreseeable future."

Perhaps most important to the Congressional action on Conrail, USRA found as reasonable Morgan Stanley's financial projections for a healthy and profitable Conrail, while continuing to maintain an aggressive capital spending plan, sustaining year-end cash balances in excess of the $500 million promised and paying projected dividends to shareholders. It is clear from these findings why ever so many money managers were encouraged to invest in Conrail's future.

As a West Virginian, I view the competition fostered by an independent Conrail as an absolute necessity to my state and the entire Appalachian and eastern region of the country. No shipper of goods, especially the hard-pressed coal producer, should doubt whether a return of Conrail to the private sector will negatively affect the rate at which a product moves. From all of the evidence, the sale of Conrail to the Norfolk Southern Corporation would jeopardize and disrupt substantial amounts of rail traffic in West Virginia and elsewhere.

I think the Congress must try to move forward to fulfill our own mandate of returning Conrail to the private sector, once it has regained its financial health. But the special circumstances that led to the formation of Conrail—and the government's trusteeship role and substantial financial participation—require extraordinary care in its return to private control.

Above all we should seek to avoid any further disruption of the rail system, service to shippers and rail employment. Conrail is not a public-works plum, to be plucked by the party with the best team of lobbyists. Rather, it is a public trust and a critical link in our nation's rail transportation network. An orderly return to private ownership should be accomplished with an eye toward preserving the success of the rebuilt Conrail and without measurably weakening any link in the existing transportation chain.

PERIODIC PRINTING OF THE CHAPLAIN'S PRAYERS

Mr. MATHIAS. Mr. President, pursuant to Senate Resolution 468 of the 98th Congress, the Senate Legal Counsel is appearing as amicus curiae in the name of the Senate in the case of Kurtz against Kennickell. The plaintiff in this litigation, which is pending in the U.S. District Court for the District of Columbia, is asserting that the printing of compilations of the Chaplain's prayers violates the establishment clause of the first amendment to the U.S. Constitution. The Senate is supporting the Department of Justice's constitutional defense of the periodic printing by the Government Printing Office of collections of the prayers of the Senate Chaplain.

As chairman of the Committee on Rules and Administration and of the Joint Committee on Printing, and also as a member of the Joint Leadership Group with responsibilities concerning the Office of Senate Legal Counsel, I have a particular interest in this lawsuit. Both by statute and by Senate rule, the Committee on Rules and Administration is responsible for reporting to the Senate resolutions to order the printing of Senate documents. Under this authority, the committee reported and the Senate approved Senate Resolutions 375 and 376 in May 1984 to order the printing of the Senate Chaplain's prayers for the 97th and 98th Congresses. These resolutions provide that copy for these documents shall be prepared under the direction of the Joint Committee on Printing.

In Marsh against Chambers, decided in 1983, the Supreme Court sustained the constitutionality of the election and compensation of legislative chaplains. The Court carefully traced the history of the legislative chaplaincies, emphasizing that the First Congress, the same Congress which proposed the Bill of Rights to the States, also provided for the election by each House of a Chaplain who would be compensated together with the other officers of the Senate and House.

The printing of the prayers of the Senate and House Chaplains is of more recent origin. Although prayers were occasionally printed in the CONGRESSIONAL RECORD prior to 1911, the RECORD generally continued the practice, with some exceptions, of noting the delivery of prayers but not printing their texts. In 1911, the House directed that all the invocations of its Chaplain be printed in the daily RECORD, and the Senate followed suit in 1914. The first reprinting of the prayers of a congressional Chaplain occurred in 1913 when the House agreed to a resolution to print a volume of its Chaplain's prayers for the 62d Congress. The Senate defeated a proposal that year to print its own Chaplain's prayers. In 1927, the House again ordered the printing of a volume of its Chaplain's prayers, and the Senate, 2 years later in 1929, for the first time ordered the printing of a volume of the Senate Chaplain's prayers. The House has not reprinted its Chaplain's prayers since 1978.

The question has arisen, in the case now pending in the district court, whether the Senate rather then the courts is the better forum for considering whether the Senate's recent practice of printing compilations of the Chaplain's prayers should be ended or modified. The plaintiff, as any other individual, has a right under the first amendment to petition the Government for a redress of grievances. The Senate in Standing Rule VII makes specific provisions for the receipt of petitions and for their referral to committees.

As chairman of the Committee on Rules and Administration, I would consider any petition on the subject of the printing of the Chaplain's prayers. There is historical precedent for plenary consideration by committees of the Congress of constitutional questions relating to the congressional chaplaincies. Between 1850 and 1854, committees in the Senate and House issued three reports in response to petitions from citizens to abolish the congressional chaplaincies. These reports concluded that the election and compensation of chaplains was a permissible practice under the Constitution, and the Supreme Court in the Marsh decision took specific note of the Congress' consideration of that issue.

Having already given the matter serious consideration, I have also concluded that I should not wait for a formal petition before expressing my personal conclusion that we should not provide for the printing of future volumes of the Chaplain's prayers. There is no standing provision for the reprinting of the Chaplain's prayers and a new resolution of the Senate is required for each order to the Public Printer for a new volume of prayers. If the Senate simply were to take no action, the recent printing practice would end. At the least, the issue should be explored fully prior to action on a subsequent printing resolution. As chairman of the committee with jurisdiction, I would act to assure that consideration if the printing question were to arise during the present Congress.

My reason for reaching this conclusion is, briefly, as follows. The foundation of the congressional chaplaincies is their historical continuity, beginning in the colonial legislative assemblies, through the Continental Congress, and from the First Congress to the present. The contemporary strength of the chaplaincies lies in their original purpose of providing a

solemn moment in which our collective thoughts are focused on the Chaplain's prayer for Divine guidance and blessing. I believe that we will best serve the historical institution of the congressional chaplaincies if we conclude that the printing of compilations of these prayers at public expense, a 20th century addition, risks detracting from the central purpose of the chaplaincies. In saying this I am not unmindful of the costs of printing. The Government Printing Office printed 2,045 copies of the compilation of prayers for the 98th Congress and estimates that the cost of that printing alone was $24,530. Of course, the daily prayers should continue to be printed in the CONGRESSIONAL RECORD where they are part of a full account of our daily proceedings.

I should emphasize that I am not questioning the constitutional right of the Senate to reprint portions of its daily proceedings. If the courts were to decide the merits of the plaintiff's challenge to the printing of Senate documents, the courts would be required to consider the delicate issue presented when a coordinate branch is asked to enjoin the printing of congressional proceedings. In response to such a lawsuit, the courts must weigh the separation of powers restraints on judicial oversight of congressional printing. Within the Senate, however, we enjoy wide latitude to examine our own practices. We are the appropriate forum for resolving these problems. It is for this reason that I have decided I should advise the Senate about the issue and about my conclusion that we should terminate this recent and costly addition to an important historical tradition which is of great significance to us.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. The time for morning business has expired.

AGRICULTURE, FOOD, TRADE, AND CONSERVATION ACT OF 1985

The PRESIDING OFFICER. The Senate will resume consideration of the pending business, which the clerk will state.

The legislative clerk read as follows:

A bill (S. 1714) to expand export markets for United States agricultural commodities, provide price and income protection for farmers, assure consumers an abundance of food and fiber at reasonable prices, continue food assistance to low-income households, and for other purposes.

The Senate resumed consideration of the bill.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, the farm bill has been up on this the third day of consideration in the Senate for about 30 minutes.

Unless my eyesight is worse than I think it is, I do not see Senators knocking the door down to come in and offer amendments, which is another way of saying that we are not going to get anywhere fast if we do not get some action on this floor. So I implore Senators who have interest in the farm bill and who do contemplate offering amendments to consider the advantage of our working in the daytime instead of late at night, but, of course, this is uniquely a judgment to be made by Senators and not by the chairman of the Agriculture Committee.

Let me mention just for the record, Mr. President, that the Agriculture Committee has scheduled hearings on the farm credit system on Thursday of this week, which happens to be Halloween, which may be appropriate considering the enormity of the credit problem out across farmlands in America.

That will present something of a problem if the Agriculture Committee is meeting and we are considering the farm bill simultaneously. I have learned a little bit in my time on this planet, but I have not learned how to be two places at one time. But we will work that out.

Mr. President, it occurs to me that this might be an appropriate time to review once more what I perceive to be a correct assessment of the farm bill as reported out by the Senate Agriculture Committee. This bill, of course, is now pending. I have said many times that I regretted that I find myself in the position that I had become the first chairman of the Senate Agriculture Committee in history to vote against reporting of a farm bill, but I could not put such an imprimatur on the bill that was reported. I say that with full respect and admiration for members of the committee who differ with me.

The farmers of America are having a rough time of it and sometimes around this place when severe problems occur we take the course of doing something even if it is wrong and that usually ends up being throwing money at the problems, which is precisely what has brought the Federal Government to a $2 trillion national debt and an annual deficit of more than $200 billion.

This Senator felt it was just time to call a halt to that, and I did insofar as my vote and my views were concerned.

Let me just capsule for the record the modifications that I believe are needed in this farm bill to make it a good bill. Let me go back just a bit. There are some 2,500 to 2,600 provisions of this farm bill. There are 20 titles in this farm bill. I have not counted the pages of this farm bill, but it ranks in length roughly the equivalent of the "Tale of Two Cities" or "War and Peace," or whatever other book you want to compare it to.

Sixteen titles of this bill range from being excellent to pretty good, and I would have no hesitancy in sending those 16 titles down to the White House for the President to sign. I believe he would. It is the four major commodity titles that are causing the trouble because it is these titles that involved the overload on spending of Federal funds, in my judgment.

So let me capsule so that Senators, if they wish, may look at it and evaluate my judgment versus theirs. I have said many times that the Lord never made me impossible of error, so I may be wrong, but I am convinced that we will do great harm to the farmers, not to mention the taxpayers, if we proceed with a spending level as encompassed in this legislation.

Point 1. The budget resolution adopted by this Senate provides for $38.8 billion over a 3-year period, $38.8 billion for programs in the Commodity Credit Corporation and the agricultural credit insurance fund.

The Congressional Budget Office estimates the cost of the committee bill, which is now before the Senate, to be $64.2 billion which, of course, is $25.4 billion over the budget.

(Mr. HATFIELD assumed the chair.)

Mr. HELMS. Now that is the CBO estimate. The USDA, the U.S. Department of Agriculture, estimates the cost of the pending legislation between $60 billion and $70 billion for Commodity Credit Corporation programs for the 3 years, $25 to $35 billion over the budget mark.

Some have said to me, "Senator, the farmers are in distress. Why not go ahead and give them this money?"

Well I think it would be bad for the farmers, because what is contemplated, in terms of spending the enormous amount of money proposed in this bill will not help the farmers, it will harm them in terms of their viability now and in the future.

The subsidies, the large subsidies, have the inevitable result of encouraging farmers to grow more surpluses, and that always, without exception, causes prices to fall for everyone and, in the process, the cost to the taxpayers soars into the stratosphere.

I have already alluded to the Federal deficit. We know what that does. That causes the dollar to be overvalued. And that makes, in turn, the United States less and less competitive

in the world market by adding to surpluses and to costs. The enormous deficits drive interest rates up, and that adds to the financial difficulties of everybody, especially the farmers who are most heavily in debt.

At this point, Mr. President, let me reiterate what has become almost a cliche, but it is nevertheless true, in my judgment. The best farm bill we could write and pass in the Senate need not have the word "farmer" or "farm" or "agriculture" in it. If we were to adopt legislation to move us toward a balanced Federal budget, that would cause interest rates to drop, that would promote our competitiveness, and that would inure to the benefit of the farmers more than anything we are going to do in a farm bill that talks about target prices and loan rates and that sort of thing.

For a long time, I have been convinced that farm programs enacted by this Congress have been targeted backward, so to speak, meaning that a substantial percentage of the Federal funds paid out in subsidies do not go to the small farmer, the family farmer, or to the farmer who is in distress. The big boys get an enormous amount of the money. By paying subsidies for each bushel or pound, this Government induces the most efficient farmers to create more surpluses, and that of course exacerbates all of the problems that are current in agriculture today.

I know it is nice to anticipate a Federal check in the form of a subsidy, but I believe it is time that we look the reality in the eye and did what was right instead of what may be politically sound.

So you say, "OK, Senator HELMS, what would you have the Senate do with these four titles, the ones containing the subsidies and the loan rates and the target price, and so forth?"

I think the smartest thing we could do for the farmers and for the taxpayers in this country would be a 1-year freeze in the target price level with reductions phased-in in subsequent years. Certainly, this Senate is going to do something about the payment limitation in this bill. There is now a payment limitation of $50,000 a year. I have proposed that the payment limitation be reduced to $25,000 a year, if we are genuine, if we are sincere in our constant declarations that we love the family farmer, that we are interested in the small farmer, and if we are interested in fairness to the taxpayers. So I think we ought to reduce the payment limitation to $25,000 per farmer instead of the $50,000 extant in the bill.

Mr. President, I think there ought to be a cap on the amount of crop loans that farmers can indiscriminately forfeit to the Government, say a $200,000 nonrecourse loan cap. We can debate the precise level, and I am sure we will. But that needs attention if, again, we are genuinely interested in the small farmer—and I am—if we are genuinely interested in the family farm and the preservation thereof—and I am—and we absolutely, Mr. President, must tighten payment limit loopholes. I think we ought to phase out payments on perpetual surplus production; that is to say, reduce the base bushels and pounds on which direct subsidies are paid. Then we ought to give serious consideration to phasing out all of these acreage reduction schemes. They are called ARP's, in the lingo of legislative consideration—A-R-P.

Here, again, I know these things sound good and they look good, but I am convinced that they do harm to the farmers in at least three ways. They do not work. That is demonstrable. You put in the ARP, the Acreage Reduction Program, and what happens? The farmers are not dumb. They know how to play that fiddle. They just intensify their cultivation with their remaining acres and production stays the same, surpluses stay the same, and all of the attendant difficulties that result therefrom.

And what happens to our competitors in the world market? The foreign farmers, they just love ARP's, because that gives them an opportunity to increase their acreage, increase their production, and dump more and more commodities on the world market. And, in the process, the American farmer is losing income and something happens along the way to the efficient operation of farms in this country.

Mr. President, I know what I have said and what I am saying is not popular. It is subject to debate. It will meet disagreement among Senators, and certainly among some farm groups and farm organizations. But I say with all the sincerity I possess that what we are dealing with in these four titles of this farm bill pending before the Senate is failed policies, policies that have not worked, are not working, and in my judgment will not work.

So I do not know whom we are kidding. Maybe ourselves, certainly a lot of the farmers. I wonder sometimes what would be the result and the reaction if somehow we could all sit down together with the farmers and say now, look, we want to help but here is the problem. I do not know where we are going on the farm bill. But we are not going very fast. Maybe that will change a little later. We have been on it for about 40 minutes on this day, the third day of consideration.

Mr. President, I thank the Chair.

Mr. MELCHER. Will the chairman yield?

Mr. HELMS. I yield the floor.

Mr. MELCHER. Mr. President, will the chairman yield for a couple of questions?

Mr. HELMS. I am glad to yield.

Mr. MELCHER. I do not think the chairman in his assessment would want to draw a false conclusion, and I feel certain that the chairman does not mean to infer that farmers want deficiency payments; that is, a check from the Federal Treasury in lieu of getting their price to cover the cost in the marketplace. Surely the chairman is not indicating that.

Mr. HELMS. I did not say any such thing. I did not imply any such thing. The Senator and I thoroughly agree on that. The higher return would be the alternative; and bringing the product to the marketplace.

Mr. MELCHER. I have a piece that I received from the chairman dated October 24. It was in my box. It is a piece written by the chairman. It says that with gross sales over $250,000 those farms have a net equity of $904,000, and with gross sales between $100,000 and $250,000 from those farmers—with gross sales that high—there was a net equity of $429,000.

Might I ask the chairman where these figures came from?

Mr. HELMS. Would the Senator repeat the question? He turned his back to the mike.

Mr. MELCHER. The piece I have from the chairman dated October 24 says that with gross sales on farms of $250,000—that is over that amount—the net equity was $904,000, and the farms with gross sales between $100,000 and $250,000 have a net equity of $429,000. I am just inquiring where the figures came from.

Mr. HELMS. We had a hearing on March 12 of this year, as I recall, which the Senator from Montana attended, and these figures were by such people as J.B. Penn, president of Economic Propectives, Inc., former economist with USDA during the Carter administration; Dr. Don Paarlberg, professor emeritus at Purdue University. I think the Senator will admit that he is recognized as the "dean" of agricultural economists. Then there was Dr. Ken Ferrell, director of the National Center for Food and Agricultural Policy of the Resources for the Future, nationally acclaimed food policy think tank.

There were many other hearings in the farm bill series covering this subject including one on March 20 of this year covering the topic of capital investment, debt, credit, and taxes in agriculture, and there were references and substantiation of the data on the distribution of wealth in the agriculture industry at other hearings. So I assure the Senator that the figures I have given are legitimate in terms of people I respect. Moreover, I would remind the Senator that we had four or five former Secretaries of Agriculture. We had Democrats and Republicans. They meet making recommenda-

tions along the lines that I have just stated in my remarks. These are people who have gone down the road with subsidies in the past. You can call them liberals, conservatives, Democrats, and Republicans, but I did not detect one iota of disagreement with the general outline of the flaws in this farm bill as I just described them.

Maybe the Senator heard them saying something that I did not hear them say. But I think there is a unanimity of opinion. Certainly the figures come from our own hearing records, at which the Senator himself was present.

Mr. MELCHER. The figures are generally based on those Department of Agriculture former employees and present employees.

Mr. HELMS. They are the figures of people who are highly regarded even by the Senator from Montana himself. Dr. Paarlberg of course was with the Agriculture Department, and others.

Mr. MELCHER. I am not even questioning the figures. I am just starting on "where" because they are unusual figures.

Mr. HELMS. I understand.

Mr. MELCHER. I do not know whether many cattle feeders have a net equity of $904,000. But it is easy to understand how you can have 1,000 head of steers in the pen and lose $250 per head, which would wipe out any $250,000 they might make some other time. You know, cattle feeding, as is agriculture in general, is such that when you lose you lose a bundle, and when you make something, when you turn a profit, it is a minimal amount.

Cattle feeders would be delighted to be ensured a $10 a head net gain after owning those cattle for a year—a profit of $10 a head on 1,000 head. That would give them $10,000. But cattle feeders this past year, on 1,000 head, have been able to lose $250 a head. Where did the chairman in this same article, October 24, get these figures? Where did these figures come from? The average net income for farmers with gross sales over $250,000 in 1984 was $96,000.

That is an absolutely startling figure. I wish that were the circumstances for 1985 or, for that matter, for 1984. Were they tobacco farmers, cattle feeders, or pig farmers? What were they?

Mr. HELMS. The Senator's question is not clear to me. If he will repeat the precise question he wants me to answer, I will be glad to answer. I thought he was talking about how bad off farmers were.

Mr. MELCHER. This says for 1984.

Mr. HELMS. As the Senator knows, the USDA is trying to relate farm characteristics by sales class for years and years. There is nothing new about that. You can dispute the figures if you wish. That is your privilege. You may be right.

If the Senator will allow me to proceed, I will continue to answer the question.

Mr. MELCHER. I am inferring from your statement that the figures are from USDA.

Mr. HELMS. You do not have to infer. Of course that is where we got the figures. This compilation of information has been made in the committee report on the farm bill and to which I have referred repeatedly. It has come also from a range of alternative data sources. In a minute I will ask that a table be put into the RECORD to make that precise.

The information, I will say to my friend, collected from these different sources have tracked one another very closely down through the years.

For instance, the data that I have used comes variously from three reports of this sort, in addition to the testimony received from the witnesses, highly respected witnesses, I will repeat, to whom I referred earlier.

The first is, as the Senator knows, a USDA farm finance survey conducted in 1979. The second source is a consensus of agriculture conducted in 1982. The third is the farm cost current survey conducted in 1984.

So they are not going back and getting figures from some year in the past. They have done this each year over a period of time and brought them up to date.

Mr. MELCHER. I can say that 1984 is an accepted figure. But I would point out that if somebody had sales of $250,000, what about all those people who sold $250,000 worth of commodities and more in the cattle field, in the hog field? A $250,000 sale out of a feedlot, even on an Iowa feedlot farm, is not a big amount. If they had $96,000 in profit, their corn from that same farm that they put through those cattle or hogs must have been worth about $88 a bushel. We would not have to monkey around with target prices and deficiency payments. Target prices, after all, are based on the cost of production. They are not meant to show a profit. The deficiency payment, by law, does not guarantee a profit to any producer, no matter how much they produce.

The chairman was just speaking about no matter how much you have, how many bushels of corn, bushels of wheat or hundredweight of rice, the deficiency payment applies to every bushel.

The deficiency payment, when it is paid, indicates that the market conditions are such that the cost of production was not even met in the marketplace.

Mr. HELMS. I have no dispute about that, nor do I have any argument with the fact that a restaurant operator, a garage operator, or whoever might not have a financial difficulty. I still say to anyone who is interested that the best farm bill we could bring would be to get the interest rates down, get the deficit under control, and stop the spiraling national debt. I am prepared to stand here all day and cite sources of information, and I stand by these sources until the Senator provides some information on the same basis that these figures are compiled.

Mr. MELCHER. But the chairman——

Mr. HELMS. If the Senator will forbear, I will say to him that the best way to prove a stick is crooked is to lay a straight one beside it. I assume that is what he is trying to do. If he is trying to tell me that people in all segments of agriculture are having difficulty, I agree with that. I prefaced my remarks with that. What we are about in the consideration of this farm bill, I will say to my dear friend from Montana, is how best to work ourselves out of this problem that the Government in large measure created.

The Senator from Montana and I agree on many things. We work together and I admire and respect him. But I cannot let him suggest that I am using illusory figures, because I am not.

The data to which I have been referring today is voluminous and is impossible to lay out in any comprehensive way under the circumstances of floor debate, but I can say that I have reviewed the sources, and stand by the data. For instance, under the "Average Equity" category, but the 1979 Farm Finance Survey and the 1984 Farm Costs and Returns Survey show that there were some 90 to 100 thousand farms that had gross sales greater than $250,000. These studies indicated that these farms had an average net worth of just over $1 million in 1979 and just under $1 million in 1984.

The data for other sized farms that I have mentioned in my remarks is similar in correlation between the studies. For instance, those farms with gross sales between $100,000 and $250,000 had $476,000 in net worth in the 1979 study, and $430,000 in the 1984 study.

Of course, both examples I have cited show that there has been backsliding in the net equity positions of both categories of farms during the last 6 years. This is because farmland values have fallen and the massive surpluses generated by our farm and fiscal policies have made the per-unit value of the bushels, bales and pounds that farmers produce fall.

But the fact remains that there is enormous wealth in the agricultural industry. And, it is indisputable that farm programs work in a way to pay the largest subsidies to the largest farmers. Further, it is indisputable that the largest farmers have the least financial difficulty as a class. It follows indisputably that the farm program payments operate in a bizarre

and perverse manner that ought to be corrected.

Dr. Emanuel Melichar, a senior economist at the Federal Reserve Board, and a witness at our farm bill hearings, has estimated that, after adjusting for inflation, the aggregate cash profits of farmers before interest expenses were slightly higher in 1984 than they were in the pre-boom years of the early 1970's. Interest rates are now higher and farmers carry more debt, but inflation-adjust cash profits after interest payments were exactly the same in 1984 as they were in 1970 and 1971. Dr. Melichar estimates that the largest of U.S. farms—the 1 percent with annual sales above $500,000—reaped an average return on assets of 18 percent in 1983 and had returns on the farmers' equity that averaged a bounteous 24 percent, according to a recent article in Fortune magazine.

Most farmers in deep trouble have sales between $40,000 and $500,000 per year. USDA estimates that about 200,000 of them are financially stressed, with about 5 percent of all U.S. farms in imminent danger of failing. Almost without statistically significant exception these are farmers who simply paid too much for land after Soviet crop failures helped send wheat and corn prices soaring in the early 1970's, and after hyper-inflation fueled a speculative boom in the late 1970's. The average price of land shot up 170 percent in Iowa from 1974 to 1980. Land prices in Nebraska rose 133 percent and nearly 100 percent in South Dakota during the same period.

In the collapse of inflation during the early 1980's, and the massive inducement to surplus production brought about by high crop subsidies, the value of farmland in Iowa is down 55 percent from its 1980 peak. But most farmers who have little debt or who rent land are able to turn profits on their crops. The real problem is with the farmers—mostly in the Midwest—who are saddled with interest on the money they borrowed to buy land at or near the peak value, while the land is generating only enough cash to support much lower values.

My point is that these financially distressed farmers are not helped by crop subsidies that induce all farmers—whether they are financially stressed or not—to produce price depressing surpluses. Indeed, the struggling farmers are the victims of such policies.

It doesn't help these struggling farmers to dispute the wealth of the general farm sector. The data is accurate for what it is represented to be. I stand by it. USDA stands by it. Private economists, university economists, and Government economists for numerous agencies stand by it.

Mr. President, I ask unanimous consent that a paper explaining the methodology of the USDA studies. A chart summarizing the data from the USDA studies, and a copy of an article by Mr. Aloysius Ehrbar, entitled, "Facts vs. the Furor Over Farm Policy," for the November 11, 1985 edition of Fortune magazine, be printed immediately following my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

FARM COSTS AND RETURNS SURVEY

Results of USDA's 1984 Farm Costs and Returns Survey (FCRS) are consistent with the 1982 Census of Agriculture and the 1979 Farm Finance Survey. (See comparisons in table below.)

The 1984 FCRS suggests there are more farms in the larger sales classes but the average sales per farm in each of the higher classes has decreased. The equity position of farmers in all but the smallest sales classes appears to have eroded since 1979.

Of the 23,386 rural residents contacted for the survey between February 15 and March 8, 1985, 72.8 percent participated. For this survey, all land operated expanded to total 1.1 billion acres with average farm size at 523.

As reported in the survey, harvested acreage of principal crops differed by only 3.2 percent from estimates developed by USDA's Crop Reporting Board.

For the survey, a farm was defined as an operation that produced or sold at least $1,000 worth of agricultural products or spent at least $1,000 for feed, supplies, equipment or other supplies to produce agricultural products on the operation.

TABLE 1.—PER FARM FINANCIAL CHARACTERISTICS OF U.S. FARMS BY SALES CLASS AS ESTIMATED FROM ALTERNATIVE DATA SOURCES

Item	Sales class			
	Greater than $250,000	$100,000 to $250,000	$20,000 to $100,000	Less than $20,000
Number of farms				
Farm finance survey (1979)[1]	89,475	186,854	631,595	1,446,301
Census of agriculture (1982)	86,468	215,912	581,576	1,355,344
Farm costs and returns survey (1984)	96,038	224,116	496,974	761,226
Average cash sales				
Census of agriculture (1982)	724,143	152,517	49,492	5,357
Farm costs and returns survey (1984)	525,513	139,639	45,974	6,029
Average equity				
Farm Finance survey (1979)[1]	1,049,080	476,322	256,152	110,947
Farm costs and returns survey (1984)	904,446	429,891	246,220	136,775

[1] The farm finance survey (1979) defined the largest sales classes to be: (1) greater than $500,000, (2) $200,000 to $500,000, and (3) $100,000 to $200,000. Data presented here were obtained by interpolation, to allow comparison with previously presented sales class categories.

FCRS is a multiframe probability-based survey. This means that the sample of farm operators consists of farmers chosen from a list of known operators and areas of rural land in which all residents are interviewed to determine if they qualify as farm operators. A sample of 23,386 rural residents was contacted by enumerators between February 15 and March 8, 1985. Of those contacted, 72.8 percent participated in the survey. For the survey, a farm was defined as an establishment producing agricultural commodities which either had actual annual sales or purchases of $1,000 or more in 1984. Since only a probablity sample of farms is taken in the survey, each respondent represents a number of other farms of a similar size and type.

The results of the 1984 Farm Costs and Returns Survey (FCRS) are consistent with both the 1982 Census of Agriculture and the 1979 Farm Finance Survey. A comparison of characteristics of farms categorized by sales class (table 1) illustrates the degree of consistency among these divergent sources.

Compared with the previous surveys, the 1984 FCRS suggests that there are more farms in the larger sales classes, but the average sales per farm in each of the higher classes has decreased. The comparison also suggests that the equity position of farmers in all but the smallest sales classes has eroded since 1979.

All land operated by survey respondents was estimated to total 1.1 billion acres. The average farm size was 523 acres. Harvested cropland per farm averaged 191 acres; the average reported by the Census of Agriculture for 1982 was 180 acres, an amount similar to that obtained in this survey.

The 1984 FCRS indication of the harvested acreage of principal crops was relatively close to the estimates developed by the Crop Reporting Board of USDA. Acreages of principal crops reported by the survey totaled 321 million acres compared with 335.6 million reported by the Department. But the departmental estimate of principal crops also includes 3.8 million acres of rye, flaxseed, dry edible beans, sweet potatoes, and sugarcane not separately listed in the survey. Excluding this acreage, the estimate of total principal crops acreage differs by only 3.2 percent.

To qualify as a farm for the FCRS survey, an operation must have produced or sold at least $1,000 worth of agricultural products or spent at least $1,000 for feed, supplies, equipment, or other supplies for the purpose of producing agricultural products on the operation. In contrast, Census of Agriculture defined a farm as any place from which $1,000 or more of agricultural products were sold or normally would have been sold during the Census year. The expanded number of U.S. farms covered by the FCRS totaled 1.7 million for 1984, compared with 2.2 million farms from the 1982 Census of Agriculture (see table 2). The Census of Agriculture included 253,147 farms with sales of less than $1,000 in its total. These farms were excluded from the FCRS estimate. Most FCRS under-counting of farm numbers is for the small sales classes, especially for farms that have less than $5,000 in sales. The survey gives a fairly close count of farms with sales over $40,000, those generally considered to be commercial-size farm units.

These comparisons suggest that the FCRS is a viable source of annual data for U.S. agriculture. This conclusion is supported by evaluation of FCRS sampling procedures and comparison of FCRS results with data obtained elsewhere by USDA.

FACTS VS. THE FUROR OVER FARM POLICY

(By Aloysius Ehrbar)

Nearly 100,000 U.S. farmers, many of them among the most efficient in the world, are about to go broke. Many are in their 30s and 40s, men who just a few years ago saw rich, prosperous lives ahead. Now confidence and pride have been replaced by defeat and soul-destroying self-doubt. The lucky ones will be left with a few of their acres or will rent their farms back from lenders who foreclosed. The rest will try to build new lives off the farm.

The devastation in agriculture—and its spillover to farm suppliers, grain elevator operators, and retailers across the Midwest—has become one of the most visible economic tragedies of the decade, so visible that it has obscured the fact that many of America's farmers are doing all right. Common sense calls for fashioning government agricultural policies in a way that minimizes the losses that farmers, their creditors, and their communities are suffering. The policies should also minimize the subsidies paid directly by taxpayers and indirectly by shoppers in the supermarket. Most important, they must restore U.S. competitiveness in the world market for food. American farmers can never truly prosper unless they sell their output profitably overseas.

Two potent forces are working against sensible solutions. One is Congress, which is bent on applying the conventional fix to farm problems. Sometime before Thanksgiving, Congress probably will enact a farm bill little changed in its essentials from the misguided policies of the past half-century. Those policies—using price supports and acreage set-asides to boost farm incomes—will only prolong the troubles and delay the adjustment to world market conditions. The other force, the fear that farm defaults might unsettle the banking system, makes an early end to the agriculture crisis doubly unlikely. Even if farmers overcome Washington's attempts to help, the mishandling of farm credit by lenders and politicans could keep them mired in a furrow of despair. Indeed, intelligent handling of the farm credit situation is likely to be the greatest challenge in agriculture over the next few years.

The discussion of farm policy has been clouded by widespread misconceptions of how badly farmers and their creditors are hurting and why. Advocates of massive government aid describe farming today as a tragedy of plenty that leaves even the best farmers operating at breakeven or worse. Recent movies like *Country* and media events like the Farm Aid concert depicted a world in which the family farm will be plowed under unless something happens quickly to boost prices and farm incomes. As for farm creditors, the economic forecasting firm of Wharton Econometrics predicts that lenders will have to absorb up to $25 billion of losses over the next few years. Some press accounts have cited estimates of up to $100 billion in losses—nearly one-half the total debts of all U.S. farmers. Farm economists warn of widespread failures by small country banks. The Federal Farm Credit System, an unusual national cooperative that accounts for one-third of all farm debt, says it may need a multibillion-dollar bailout from Congress.

The overall condition of U.S. agriculture isn't nearly so bleak as the footage of foreclosure auctions on the Nebraska plains. Lower crop prices do mean that farmers are earning considerably less than they did at the height of the ag boom in the late 1970s. But two-thirds of the 650,000 or so full-time farmers are coping. (About 60% of the nation's 2.3 million farmers till part-time, often to qualify for tax deductions, and get the bulk of their income from nonfarm employment.)

Emanuel Melichar, a senior economist at the Federal Reserve Board, estimates that, after adjusting for inflation, the aggregate cash profits of farmers before interest expenses were slightly higher in 1984 than they were in the pre-boom years of the early 1970s. Interest rates are higher and farmers carry more debt now, but inflation-adjusted cash profits after interest payments were exactly the same in 1984 as they were in 1970 and 1971. Surprising as it may seem, the 25,000 largest U.S. farms—the 1% or so with annual sales of over $500,000—look like dandy businesses. Melichar estimates that they reaped an average return on assets of 18% in 1983 and had returns on the farmers' equity that average a bounteous 24%.

Most farmers in deep trouble have sales of $40,000 to $500,000 a year. The U.S. Department of Agriculture estimates that roughly one-third, or about 200,000, are in imminent danger of failing or are "financially stressed." They are overwhelmingly concentrated among Midwest grain growers. California wine-grape growers are ailing too. The prospects for wine grapes seemed limitless in the 1970s as Americans shifted from hard liquor to so-called light alcholic beverages. Sales of California wine soared, and so did the number of farmers planting vineyards. But domestic wine sales leveled off just as many of the new vineyards matured. Imports also became much more popular as the dollar took off. Now hardly any Americans can make money in wine grapes.

In the grainbelt, many farmers simply paid too much for their land after Soviet crop failures helped to send wheat and corn prices soaring in the early 1970s. When the lean harvests continued, farmers, bankers, and even the U.S. Department of Agriculture began to behave as though bad weather had suddenly become the norm in the Soviet Union. Farmers bid Midwest land prices to heights that were justified only if crop prices continued to rise. The average price per acre of Iowa land shot up 170% from 1974 to 1980. Land prices rose 133% in Nebraska and nearly 100% in South Dakota.

By the late 1970s farmers were convinced that inflation and continued growth in exports would keep prices rising even if Soviet crop yields recovered. Lenders encouraged farmers to borrow against their appreciating land. Some borrowed to buy better tractors than their farms could justify before crop prices rose. Some put up new buildings. Some who paid dearly for land in anticipation of future increases in crop prices borrowed to cover operating losses, confident that inflation or more bad weather abroad would soon make them whole. But mostly what the farmers borrowed to buy was land.

In the early 1980s inflation collapsed, harvests came in record levels worldwide, and crop prices and land values fell. The value of Iowa farmland is down 55% from its peak in 1980 and land in Nebraska is down 53%. Farmers reawakened to the long-term reality of agriculture: world wide production is growing faster than population, and crop prices are likely to continue falling as long as technological advances keep boosting yields.

Grain prices have now dropped so low that any grain farmer with high leverage is operating near the edge or has tumbled over it. But the devil impoverishing these farmers isn't high interest rates or high leverage per se. The very large farms that generate such lush profits are, on average, the most heavily leveraged of all. Nor is the problem that crop prices are "too low." Most farmers who have little debt or who rent their land still make adequate profits on corn and wheat. The real problem is that Midwest farmers are saddled with interest on the money they borrowed to buy land at or near the peak, while the land is generating only enough cash to support much lower values.

The central role of land prices in the Midwest has resulted in a singularly capricious pattern of losses. Some of the most industrious and capable farmers have been socked hard, just because they happened to buy acreage at the wrong time (see box). Unfortunately, there isn't any practical way to help the farmers who bought at the top. They already have suffered huge capital losses, much like the hapless investors who bought Avon and Xerox just before the glamour stocks crashed in the early 1970s. What remains is to determine how those losses are recognized and distributed. The only form of farm aid that could give farmers substantial relief without enormously expensive side effects would be direct cash payments. But is that fair or desirable? Could farm-state Congressmen justify handing out moola to a businessman whose untimely investment had cut his net worth from $600,000 to $250,000? And if it is right to make farmers whole, why not the independent gas producer who sunk wells in the Anadarko basin when energy prices were hitting the heavens?

Schemes to boost crop prices are more politically palatable, but they carry the cost of insulating farmers from lower world prices. Adjustment to world prices is what farm policy should hasten, not delay, since U.S. farmers increasingly are producing more crops for export and less for sale at home. The U.S. now consumes only 75% of the output of domestic farms. More than half of certain crops—including wheat—already go to the export market in some years. With total foreign production also rising faster than population, U.S. farmers will have to hammer costs down to keep sales and profits up.

The quickest way to get costs down is to accept that the losses of the past few years are permanent and that the value of farmland has fallen. Land typically represents 75% of the assets in a farm; as the price of land goes down, a farmer can charge lower prices for his crops and still get an acceptable return on assets. Any action that artificially supports crop or land prices raises farm costs and erodes the ability of U.S. farmers to compete in world markets.

The farmers losing their land and the creditors suffering big loan losses are unmoved by the salutary effects of letting the market run its course. Lately they have raised the specter of a credit crisis as a new reason to put off accepting the reality that many farmers will have to go bankrupt if America is to compete.

The statistics on bank loans to farmers can look scary on first inspection. The number of agricultural banks with nonperforming loans—loans that no longer are accruing interest, have been renegotiated, or are more than 90 days overdue—that exceed total capital jumped from 102 last December to 167 at midyear. (The Federal Deposit Insurance Corporation defines a commercial bank as agricultural if its farm loans make up 25% or more of total loans.) Forty-six agricultural banks have failed this year, up from 29 for all of 1984, and the number on the FDIC's "watch list" of troubled institutions has risen from 340 last December to 390 recently.

Even so, the professionals who worry full-time about bank safety don't seem terribly alarmed. The Kansas City Federal Reserve district has more troubled agricultural banks than any other. But Roger Guffey, president of the Kansas City Fed, says he sees nothing looming on the horizon that could spark a regional or statewide crisis in

commercial lending. One reason regulators are sanguine is that the percentage of agricultural banks in jeopardy is quite small—the 167 with nonperforming assets in excess of capital comes to just over 3% of the 5,000 U.S. agricultural banks. Another is that agricultural banks have comparatively high capital—an average of 9.6% of assets vs. 8.6% for nonagricultural banks—and the vast majority could survive worsening conditions on the farm. Robert Craig West, an economist in the bank supervision division at the Kansas City Fed, calculates that 665 of the 1,163 agricultural banks in his district would make money this year even if they had to write off all their nonperforming loans immediately—an extremely pessimistic assumption.

Altogether, commercial banks, including agricultural banks, have $50 billion of farm loans, or nearly 25% of the total farm debt. In 1984 commercial bank losses on farm loans totaled $900 million; this year they could double. That's a huge loss rate. But the total for the two years—some $3 billion—isn't the stuff to rattle the banking system.

The biggest worries about debt concern the Farm Credit System, a string of quasi-banks set up by Congress from 1916 to 1933. The System's lending practices and bookkeeping would make a Latin American loan officer shudder. The System includes 12 regional Federal Land Banks, 12 Federal Intermediate Credit Banks, and 12 Banks for Cooperatives. A 37th bank, the Central Bank for Cooperatives, operates nationwide from Denver.

Land Banks make mortgage loans to farmers through 431 local Land Bank Associations. Intermediate Credit Banks advance funds to about 370 local Production Credit Associations, which in turn make short-term loans for seed, fertilizer, and other operating expenses. The Credit Associations also make home loans for up to ten years, and 15-year loans for the purchase of boats and other commercial fishing gear. Banks for Cooperatives lend to agricultural, aquatic, and public utility cooperatives. The Farm Credit System is the biggest farm lender, with $74 billion of loans outstanding as of June 30.

The banks aren't really banks in the sense that they don't take deposits. Most of their funds come from $70 billion of bonds and notes sold through the Federal Farm Credit Banks Funding Corporation, the fund-raising arm of the System. Investors treat the securities as government agency debt, which means the Funding Corporation can borrow at interest rates only slighly higher than the rates on Treasury securities. But the debt is backed only by the Farm Credit System's 37 banks.

The System operates autonomously, indeed, one might say anarchically. The local associations have set their own lending policies, and regional banks have devised their own accounting rules, practices that are only now beginning to change. The boss of record is Donald Wilkson, 63, the governor of the Farm Credit Administration, the federal agency that regulates the banks and associations. Wilkinson's staff routinely examines the books and lending practices of the banks and associations, but it has no authority to move against unsound banking practices by issuing a cease and desist order; all it can do is recommend a change.

Wilkinson precipitated much of the furor over farm credit when he announced in September that the Farm Credit System probably will need federal assistance in 18 to 24 months. Of its $74 billion in loans, $9.8 billion are listed as nonperforming; of the nonperformers, $2 billion are not accruing interest. Although that sounds like serious trouble, it's difficult to tell whether there's less or more to the crisis than meets the eye. The confusion arises partly because the Farm Credit System doesn't classify loans in the same way commercial banks do; some of its nonperforming loans would be performers at Citibank. Furthermore, the potential losses on the nonperformers are far less than $9.8 billion. More than half are mortgage-backed land loans. If the borrowers default, the System could sell the land and get back some of its money. And the Farm Credit System is much better capitalized than most commercial banks. It has $4.2 billion of retained earnings, $675 million in loss reserves, and $5 billion on capital paid in by borrowers—more than enough to sustain larger losses than now seem likely.

However, that assessment must be qualified because it's impossible to tell what may lie hidden in the System's convoluted books. The Price Waterhouse accounting firm performed the first outside audit of the System this year. Among other things, it discovered $6 billion of Land Bank loans that are current on interest payments, but are undercollateralized by $930 million. The $6 billion will be added to the nonperforming loans.

Two regional Intermediate Credit Banks—in Omaha and Spokane—had to be bailed out by other System banks this year. (Spokane went broke on fishing-boat loans.) Peter Carney, president of the System's Funding Corporation, estimates the System will lose $350 million to $400 million this year, its first loss ever. The General Accounting Office losses could reach $2.6 billion in the 12 months ending next June.

While it is far from certain that the Farm Credit System needs federal help, the first reaction of Congress to farm problems seems to be to do something—anything. In this case, the politicians should repress that instinct until they know help is essential. Any aid for the Farm Credit System could be exceedingly costly. Agricultural bankers, always a lobbying force to be reckoned with, view the Farm Credit System as their competition, and will insist on getting the same breaks as Wilkinson's agency.* * *.

PER FARM INCOME BY SALES CLASS, 1984 [1]

	Sales class			
	Greater than $250,000	$100,000 to $250,000	$20,000 to $100,000	Less than $20,000
Average:				
Net cash farm income	$84,595	$25,679	$3,884	−$3,742
Off-farm income	12,294	10,594	13,718	19,297
Total income	96,889	36,273	17,602	15,555
Government payments	10,947	5,675	1,781	146
Equity	904,446	429,891	246,220	136,775
Cash sales	525,513	139,639	45,974	6,029
Government payments as a percent of average:				
Net cash farm income	13.0	22.1	45.9	NA
Total income	11.3	15.7	10.1	0.9
Cash sales	2.1	4.1	3.9	2.4
Percent of total:				
Cash sales	46.2	28.7	20.9	4.2
Government payments	31.7	38.3	26.7	3.3

[1] All data are preliminary.

Mr. MELCHER. Mr. President, I thank the chairman.

Might I say that the chairman has taken the very words out of my mouth. He is more familiar with many matters than I am. He said that the figures were not illusory, there is no illusion.

Mr. President, there would not be any farm problems if the figures that are cited in this article by the chairman came anywhere near the actual situation is for the average farm and ranch producer today.

We have spoken about cattle. I can tell you that the losses after 1984 will be a no win situation. The 1984 situation for cattle producers was no profit. But the 1985 situation has been an utter disaster. It is going to wipe out cattle feeder after cattle feeder.

Mr. President, I repeat that cattle feeders cannot lock in $10 per head. If they could they would be willing to feed these cattle for an entire year, to produce desirable cattle, desired by the market. They are willing to feed 500, 600, 800 even on relatively small family-owned farm operations in Iowa. Theirs is a corn-cattle production, the same as for hog production. If the same farmers could be sure that for hog production they could get some sort of profit short of $3 a head, they are going to feed them. They are going to go from A to Z with them. They will take the baby pigs from the brood sow and bring them up to where they can start feeding them, fatten them and take them to market. If they can be sure that they will get $2 or $3 a head profit on that operation they are very satisfied and happy. They woud like to make those few more bucks a head, but if they know they have $2 or $3 per head per hog profit or $10 per head on the cattle feeding venture, that is a big difference to them.

They did not get that good a deal in 1984 and 1985. They had tremendous losses. These losses on a steer, as I mentioned before, could be such that you could own the steer all the year and still owe $250 on it when it is sold. That unfortunately has been the case in 1985. So worse than an illusion, it is misleading.

I might say that is a serious proposition when we are trying to present as factually as we can to the entire Senate and therefore the public of the United States what the situation is in this farm problem. We will be addressing the various aspects of this bill. But it makes it extremely difficult when figures are thrown out that seem to say there is no real problem out there. The problem does exist. There is no farmer or rancher who looks to the U.S. Government to finance his operation through the payment of checks by the deficiency payments out of the U.S. Treasury. They do not look for that.

Mr. HELMS. Will the Senator yield?

Mr. MELCHER. They prefer to get their price out of the marketplace. That is what we have attempted to do and have failed. The worst mess we

have ever had of Government programs in farming and ranching has occurred during the past 4 years. And this is a huge mess. Even in the 1930's, when there was world depression and the entire agricultural community of the United States was on its knees, you could not lay the blame directly for all of the mess on Government. As to the mess we are in now, if farmers and ranchers across the country have correctly surmised that the mess has been aggravated, compounded, and structured by the Government program we have had and the lack of Government participation with a sound program for good prices in the marketplace, if they have surmised that, they are exactly correct.

Mr. HELMS. Will the Senator yield for just a moment?

Mr. MELCHER. Yes, Mr. President, I yield.

Mr. HELMS. Mr. President, would the Senator like to modify his statement, which was, as I understand it, that I stated there is no distress out there. I would be glad to go back in the RECORD and see if I said that. But I did not say it, I did not imply it, and the Senator should not have inferred it.

Mr. MELCHER. Mr. President, if that is what the Senator thinks I said, I modify it. What I said was that statements such as these by the chairman are misleading. They are misleading statements. For instance, on those farms with gross sales between $150,000 and $250,000, there was a $36,000 net income—that is a misleading statement. How many farmers and ranchers across this country producing this food and fiber for us consumers in America and a lot of consumers around the world are selling at least $100,000 worth of gross profit? In wheat, with depressed prices, it would be about 35,000 bushels. Yet wheat farmers throughout the United States are finding that they are producing at a loss. Forget about income, it is how much the loss is.

In cattle feeding operations, if you had a thousand head of steers this past year and sold another couple of thousand dollars worth of hogs or anything else off the farm, a farm that engages in a feed lot, you would have a pretty small deal. But if they are going to have gross sales of $100,000, they will probably have a loss of something like $30,000 or $40,000 rather than an income of $36,000.

Hog farmers are the same way. They sell their hogs and sell them at a loss. The more you have, the more you have lost. So this inference that somehow these figures sort of speak to the situation is entirely misleading. I am saddened by that because we have to talk about the real world. We have to talk about the situation where the farmers are losing despite the fact that we have tried to keep a safety net under them at the same level it has been for these basic commodities—wheat, feed grains, rice, and cotton—because we think that is the only thing we can do. So we are going to face some pretty staggering losses out of the Treasury too, for deficiency payments.

Why do we have to do that? Because we have to keep this basic economy, this basic industry of the United States alive to survive for better days. The better days should come because we are dealing from the strength of having cost-effective production from these farmers and ranchers of America. When you have that and have the food supplies that are needed by others around the world—not just our own consumers but by others around the world who need these food supplies—we are dealing from strength. So I think better days will come. But it is for us to recognize that the safety net must be there in order for those producers to survive. Until the better days come, it is for us here, in the Senate and in the House, to reverse the policy of this present administration which allows the Department of State to interfere with unworkable conditions for sales of American commodities abroad. We have willing buyers, but we find our State Department is not a willing seller. We have to reverse that policy. That is part of our duty.

There will be no simple answer. The facts that are based on this type of information that has been presented in this article by the chairman are entirely misleading.

Mr. President, the situation is simply this: If we do not contrive to permit our agricultural production to become available to those who would purchase it in foreign countries, purchase the surplus from us, then we are indeed failing in our responsibilities. There are recent examples of State Department meddling that have come to light and which perhaps identify the true situation with setting conditions on sales of American agricultural commodities.

Earlier on this floor, I mentioned that the Department of State in the last 2 years or more has set a number of conditions which countries must meet if they are going to purchase American wheat—Kenya, Mozambique, Guinea, Nigeria, and several other countries in Africa. The conditions were set by the Department of State that sales of American wheat, rice, or cotton could not be approved and could not be permitted until certain conditions were met. Those conditions, while perhaps desirable from the standpoint of the Department of State and desirable from the standpoint of anybody who likes to see private enterprise be utilized to gain efficiency in any developing country, certainly in the abstract, would have to be found to be admirable. But we have to be practical. That the Department of State has not been able to be. They were told by Kenya,

> There is the condition you are setting on the requirement that the wheat be purchased by private enterprise. We have to point out that there is no private enterprise in our country to make such a purchase and warehouse it and furthermore, since none exists, we think the opportunity for making the purchase should be honored, accepted, and remove the condition so we can get on with the sale.

The same was true in the situation with several of the other countries I mentioned. Mozambique, luckily, got the State Department to back off, but the situation was this: The State Department conditions of having the purchases made by private enterprise and handled and distributed by private enterprise were rejected by the Government of Mozambique, and they were practical enough to ask for intervention from Mel Laird, the former Secretary of Defense, to come and review the situation in Mozambique and see if they were not correct in pointing out there was no private enterprise with capital to purchase the grain, there was no private enterprise with warehouses to store the grain. There simply was not the private enterprise structure to meet the conditions the State Department required.

Mel Laird went to Mozambique, found that to be the case, returned to Washington, had a meeting with Secretary Shultz, and convinced Secretary Shultz that that was the situation. So Secretary Shultz told his underlings at the State Department,

> Back off: you're wrong. Those people need this food. There is starvation in Mozambique. Before it gets worse, ship the food. Remove the condition. Allow the sale to be made.

And it was made.

However, this was not the prompt decisionmaking process that was followed in Kenya, Guinea, and Liberia. That was not the case at all. Their sales were delayed. In Sierra Leone, the same was the case, and in Senegal also. The results were that the State Department finally removed their conditions, reduced the amounts that could be purchased, and delayed the sale.

Two sides lose when that occurs. American producers, of course, lose because they lose part of the sale, and the delay itself causes a loss in consumption of the products that are desired by these foreign countries.

The other side that loses is the people in the foreign countries who have been waiting for the food, desire the food, and need the food. When two sides lose, what is in it for us? Not a thing. That is the situation we are facing.

The most recent set of conditions had a different outcome in the Philip-

pines. The State Department insisted that private enterprise purchase and control the wheat. They insisted that those conditions be met before they would approve the sale of wheat to the government. The government objected to it, but they backed down and the conditions were met. The situation developed after that. Mr. Cojuangco, a wealthy Filipino conglomerate operator with capital in the Philippines created a purchasing entity with the Filipino Bakers Association, went into the world market and purchased wheat. He met the conditions that were set down. Cojuangco has immense capital and his operations are private and enterprising. So perhaps the stigma of Cojuangco's private coconut-palm oil monopoly and the charges that have been leveled at Mr. Cojuangco for cronyism with the Marcos government have worn off now and he fills the bill for the State Department objectives. If that is all right with the State Department, there are conceivably only two groups that will be at a disadvantage under this State Department contrived scheme of privatizing the sales of American wheat or wheat products to the Philippines. That will be the American wheat producers, because for 8 to 9 years prior to this time all wheat that was imported into the Philippines was from the United States. They looked to only one source, a sole source, the United States. American wheat producers appreciated that. The results of the forcing the National Food Authority out of the picture are these: People like Cojuangco are on the world market purchasing wheat. His last purchase was from a private company in Hamburg, Germany. So we lost part of the sale to the Philippines to an enterprising group in Hamburg, Germany.

Mr. President, when you have a country that likes so well to buy from the United States and they do not buy anywhere else, we appreciate that. There is a worldwide system for purchasing wheat where any country can buy from wherever they want. But one group that has lost out on this arrangement by the State Department in the Philippines has been the American wheat producer.

What we are so concerned about is that this is only the tip of the iceberg, and that slowly viewed we will find many other countries other than the ones I have named where the State Department has interfered, set conditions, and lost sales for the United States. It is a very serious problem.

But the other group that is apparently going to lose out from this arrangement made by the State Department is the consumers, the Filipino people, because their consumption of wheat for 1985 is going to drop to 50 percent of what it was in 1981.

So both sides lose. This policy must be reversed. Part of our duty in passing this bill is to make certain that it is reversed.

Mr. President, I yield the floor.

AMENDMENT NO. 914

(Purpose: To establish shipment requirements for exports sponsored by the Department of Agriculture)

Mr. STEVENS. Mr. President, I have an amendment which I send to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Alaska [Mr. STEVENS] proposes an amendment numbered 914.

Mr. STEVENS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 31, beginning with line 16, strike out all through and including line 10 on page 66 and insert in lieu thereof the following:

GRANTS FOR INTERNATIONAL TRADE DEVELOPMENT CENTERS

SEC. 113. (a)(1) The Secretary of Agriculture (hereafter in this section referred to as the "Secretary") may establish and carry out a program to make grants to States for the purpose of paying the costs of construction, employing personnel, acquiring equipment, and taking other action relating to the establishment and operation of international trade development centers, or the expansion of existing international trade development centers, in the United States to enhance the exportation of United States agricultural products and related products.

(2) Such grants shall be based on a matching formula of 50 percent Federal and 50 percent non-Federal funding.

(b) In making grants under subsection (a), the Secretary shall give preference to States that intend to utilize as sites for international trade development centers land-grant colleges and universities (as defined in section 1404(10) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103(10)) that—

(1) operate agricultural programs;

(2) have existing international trade programs that use an interdisciplinary approach and are operated jointly with State and Federal agencies to address international trade problems; and

(3) have a communications system that can be used on an international basis to conduct conferences or trade negotiations.

(c) Such centers may—

(1) through research, establish a permanent data base to address the problems faced by potential exporters, including language barriers, interaction with representatives of foreign governments, transportation of goods and products, insurance and financing within foreign countries, and collecting international marketing data;

(2) be used to locate permanent or temporary exhibits that will stimulate and educate trade delegations from foreign countries with respect to United States agricultural products and related products;

(3) be made available for use by State and regional entities for exhibits, trade seminars, and negotiations involving such products; and

(4) carry out such other activities relating to the exportation of such products, as the Secretary may approve.

(d) There are authorized to be appropriated such sums as are necessary to carry out this section.

Subtitle B—Public Law 480 and Related Programs

AGRICULTURAL TRADE POLICY

SEC. 120. (a) The first sentence of section 2 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691) is amended by inserting "to use foreign currencies accruing under this Act to foster and encourage the development of private enterprise in developing countries; to enhance food security in developing countries through local food production;" after "agricultural production;"

(b) Congress finds that additional steps should be taken to use the agricultural abundance produced by American farmers—

(1) to relieve hunger and promote long-term food security and economic development in developing countries in accordance with the development assistance policy established under section 102 of the Foreign Assistance Act of 1961 (22 U.S.C. 2151-1); and

(2) to promote United States agricultural trade interests.

SALES FOR FOREIGN CURRENCIES

SEC. 121. (a) Section 101 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1701) is amended to read as follows:

"SEC. 101. (a) In order to carry out the policies and accomplish the objectives set forth in section 2, the President is authorized to negotiate and carry out agreements with friendly countries to provide for the sale of agricultural commodities—

"(1) for dollars on credit terms;

"(2) to the extent that sales for dollars under the terms applicable to such sales are not possible, for foreign currencies on credit terms and on terms the permit conversion to dollars at the exchange rate applicable to the sales agreement; or

"(3) for foreign currencies for use under section 108 on terms that permit conversion to dollars.

"(b)(1) Except as provided in paragraph (2), for the fiscal year ending September 30, 1986, and each fiscal year thereafter, sales for foreign currencies for use under section 108 under agreements entered into under this title shall be made at an annual level of—

"(A) not less than the higher of—

"(i) 25 percent of the aggregate value of all sales of agricultural commodities made under this title; or

"(ii) 500,000 metric tons; and

"(B) not more than 50 percent of the aggregate value of all such sales.

"(2)(A) For each of the fiscal years ending September 30, 1986, September 30, 1987, and September 30, 1988, except as provided in subparagraph (B), the President may reduce the minimum level of sales for foreign currencies prescribed under paragraph (1)(A) if—

"(i) there is an insufficient number of approved financial intermediaries that have entered into agreements with the Secretary of Agriculture to carry out the program provided for in section 108;

"(ii) there are insufficient requests made by such intermediaries for loan funds to uti-

lize the foreign currencies generated by such sales; or

"(iii) the Secretary requires additional time to implement such program.

"(B) The President may not reduce the minimum level of sales for foreign currencies under subparagraph (A) below an annual level of less than—

"(i) for the fiscal year ending September 30, 1986, 5 percent of the aggregate value of all sales of agricultural commodities made under this title during such fiscal year;

"(ii) for the fiscal year ending September 30, 1987, 10 percent of the aggregate value of all sales of agricultural commodities made under this title during such fiscal year; and

"(iii) for the fiscal year ending September 30, 1988, 15 percent of the aggregate value of all sales of agricultural commodities made under this title during such fiscal year.

"(c) Agreements for sales for foreign currency in a developing country for use under section 108 may not be entered into to the extent that such agreements would generate currency in amounts that cannot be productively used and absorbed in the private sector of such country.

"(d) Sales for foreign currencies for use under section 108 under agreements entered into under this title shall be made on such terms and conditions as are specified in such agreements.".

(b) Section 103 of such Act (7 U.S.C. 1703) is amended—

(1) by inserting ", in section 108," after "section 104" in subsection (b);

(2) by striking out "dollar on credit terms" in the last sentence of subsection (d);

(3) in subsection (m)—

(A) by inserting "except as provided in section 108," after the subsection designation;

(B) by striking out the semicolon and inserting in lieu thereof a period; and

(C) by adding at the end thereof the following: "In carrying out this subsection, the President shall require that foreign currencies to be used under section 108 that are acquired under an agreement for the sale of commodities be converted to dollars during the period beginning 10 years after the date of the last delivery of such commodities and ending 30 years after the date of such delivery. Such agreement for sale shall establish a schedule for such conversion but need not specify the exchange for such conversion;";

(4) by striking out "for dollars on credit terms" and "for cash dollars" in subsection (n);

(5) by striking out "Take" in subsection (o) inserting in lieu thereof "take";

(6) by striking out "Assure convertibility" in subsection (p) and inserting in lieu thereof "except as provided in section 108, assure convertibility"; and

(7) by striking out "Assure convertibility" in subsection (q) and inserting in lieu thereof "except as provided in section 108, assure convertibility".

(c) The first sentence of section 105 of such Act (7 U.S.C. 1705) is amended by striking out "section 104" and inserting in lieu thereof "sections 104 and 108".

(d) Section 106(a) of such Act (7 U.S.C. 1706(a)) is amended by adding at the end thereof the following new paragraph:

"(3) Payment for sales made for foreign currencies that are to be used under section 108 under an agreement entered into under this title shall be made on such terms as are specified in such agreement.".

(e) Such Act is amended by inserting after section 107 (7 U.S.C. 1707) the following new section:

"SEC. 108. Notwithstanding any other provision of law:

"(a) As used in this section:

"(1) The term 'developing country' means a country that is eligible to participate in a sales agreement entered into under this title.

"(2) The term 'financial intermediary' means a bank, financial institution, cooperative, nonprofit voluntary agency, or other organization or entity, as determined by the Secretary, that has the capability of making and servicing a loan in accordance with this section.

"(3) The Term 'Secretary' means the Secretary of Agriculture.

"(b) In order to foster and encourage the development of private enterprise institutions and infrastructure as the base for the expansion, promotion, and improvement of the production of food and other related goods and services within a developing country and pursuant to an agreement for the sale of agricultural commodities entered into under this title, the Secretary may enter into an agreement with a financial intermediary located or operating in such country under which the Secretary shall lend to such financial intermediary foreign currency that accrues as a result of commodity sales to such country under a sales agreement entered into under this title after the date of enactment of the Agriculture, Food, Trade, and Conservation Act of 1985.

"(c) To be eligible to obtain foreign currency under this section, a financial intermediary must enter into an agreement with the Secretary under which the intermediary agrees to use such currency to make loans to private individuals, cooperatives, corporations, or other entities within a developing country, at reasonable rates of interest, for the purpose of financing—

"(1) productive, private enterprise investment within such country, including such investment in projects carried out by cooperatives, nonprofit voluntary organizations, and other entities found to be qualified by the Secretary;

"(2) private enterprise facilities for aiding the utilization and distribution, and increasing the consumption of and markets for, United States agricultural commodities and the products thereof; or

"(3) private enterprise support of self-help measures and projects.

"(d) An agreement entered into under this section shall specify the terms and conditions under which the foreign currency shall be used and subsequently repaid to the Secretary, including the following terms and conditions:

"(1) A financial intermediary shall, to the maximum extent feasible, give preference to the financing of agricultural related private enterprise with the funds provided under this section.

"(2)(A) A financial intermediary shall repay a loan made by the Secretary under this section, plus accrued interest, at such times and in such manner as will permit the Secretary to convert such foreign currency to dollars in accordance with the schedule for such conversion.

"(B) A financial intermediary may repay a loan made under this section prior to the repayment date specified in such agreement.

"(3) To be eligible to receive financing from a financial intermediary under this section, an entity or venture must—

"(A) be owned, directly or indirectly, by citizens of the developing country, except that up to 25 percent of such ownership interest may be held by citizens of the United States; and

"(B) not be owned or controlled, in whole or in part, by the government or any governmental subdivision of the developing country.

"(4)(A) The rate of interest charged on funds loaned by the Secretary to a financial intermediary under this section shall be such rate as is determined by the Secretary and the intermediary.

"(B) In the case of a cooperative or nonprofit voluntary agency that is acting as a financial intermediary, the Secretary may charge a lower rate of interest on funds loaned to such intermediary under this section than is charged to other types of intermediaries to defray the startup costs of becoming a financial intermediary.

"(5) No currency made available under this section may be used to promote the production of agricultural commodities or the products thereof that will compete, as determined by the Secretary, in world markets with similar agricultural commodities or the products thereof produced in the United States.

"(6) The Secretary may not require a developing country to guarantee the repayment of a loan made to a financial intermediary under this section as a condition of receipt of such loan.

"(e)(1) All currencies repaid by financial intermediaries under agreements entered into under this section shall be deposited and accounted for in accordance with section 105.

"(2) Currencies repaid by financial intermediaries shall, as determined by the Secretary—

"(A) be used to finance additional productive, private enterprise investment under agreements with financial intermediaries entered into under this section;

"(B) be used for the development of new markets for United States agricultural commodities;

"(C) be used for the payment of United States obligations (including obligations entered into pursuant to other laws of the United States); or

"(D) be converted to dollars.

"(3) Section 1306 of title 31, United States Code, shall apply to currencies used for the purpose specified in paragraph (2)(C).

"(f)(1) Any agreement entered into under this section shall be subject to periodic audit by the Secretary to determine whether the terms and conditions of the agreement are being fulfilled.

"(2) Not later than 180 days after the close of each fiscal year, the Secretary shall report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate on the activities carried out under this section during the preceding fiscal year, including an evaluation of the impact of investment under this section on the development of agricultural related private enterprise in each participating country.

"(g) The Secretary may provide agricultural technical assistance to further the purposes of this section, including the funding of market development activities. To the maximum extent practicable, the Secretary shall use at least 5 percent of the foreign currencies obtained for use under this section from sales of agricultural commodities made under agreements entered into under

this title after the date of enactment of the Agriculture, Food, Trade, and Conservation Act of 1985 to carry out such assistance.".

MINIMUM QUANTITY OF AGRICULTURAL COMMODITIES DISTRIBUTED UNDER TITLE II

SEC. 122. Section 201(b) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1721(b)) is amended by striking out clauses (1) through (3) and inserting in lieu thereof the following new clauses:

"(1) for each of the fiscal years ending September 30, 1986, and September 30, 1987, shall be 1,900,000 metric tons, of which not less than 1,425,000 metric tons for nonemergency programs shall be distributed through nonprofit voluntary agencies, cooperatives, and the World Food Program; and

"(2) for the fiscal year ending September 30, 1988, and each fiscal year thereafter, shall be 1,700,000 metric tons, of which not less than 1,275,000 metric tons for nonemergency programs shall be distributed through nonprofit voluntary agencies, cooperatives, and the World Food Program;".

VALUE-ADDED, PROCESSED, AND PROTEIN-FORTIFIED PRODUCTS

SEC. 123. Section 201 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1721) is amended by adding at the end thereof the following new subsection:

"(c) In distributing agricultural commodities under this title, the President shall—

"(1) consider—

"(A) the nutritional assistance to recipients and benefits to the United States that would result from distributing such commodities in the form of processed and protein-fortified products, including processed milk, plant protein products, and fruit, nut, and vegetable products;

"(B) the nutritional needs of the proposed recipients of the commodities;

"(C) the cost effectiveness of providing such commodities, for purposes of selecting commodities for distribution under nonemergency programs; and

"(D) the purposes of this title; and

"(2) ensure that at least 75 percent of the quantity of agricultural commodities required to be distributed each fiscal year under subsection (b) for nonemergency programs be in the form of processed or fortified products or bagged commodities.".

FOOD ASSISTANCE PROGRAMS OF VOLUNTARY AGENCIES

SEC. 124. (a) Title II of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1721 et seq.) is amended by adding at the end thereof the following new sections:

"SEC. 207. (a)(1) If requested by a nonprofit voluntary agency or cooperative, an agreement with the agency or cooperative for nonemergency assistance under this title may provide for the use by the agency or cooperative of foreign currency proceeds, generated from the sale of commodities made available under the agreement, for purposes specified in subsection (b).

"(2) Such agreements shall provide, in the aggregate for each fiscal year, for the use of foreign currency proceeds under this subsection in an amount that is not less than 5 percent of the aggregate value of the commodities distributed under nonemergency programs under this title for such fiscal year.

"(3) Section 103(c) shall apply to sales of agricultural commodities to generate foreign currencies under this subsection, unless the Secretary of Agriculture, in consultation with the Administrator of the Agency for International Development, waives the application of this paragraph.

"(b)(1)(A) Foreign currency proceeds generated under subsection (a) shall be used by a nonprofit voluntary agency or cooperative for activities carried out by the agency or cooperative that will enhance the effectiveness of the food assistance program carried out pursuant to the agreement.

"(B) Such activities may include food for work programs, local program management, local agricultural and cooperative development projects, and outreach projects to provide food to people with the greatest nutritional need, if such activities are directly related to the food assistance program of the agency or cooperative.

"(2) Foreign currency proceeds under subsection (a) may not be used—

"(A) to defray personnel or administrative costs incurred by a United States cooperating sponsor, distributing agency, or recipient agency, other than a local cooperative;

"(B) to defray the costs of construction or maintenance of an edifice owned or operated by a church or any other edifice used for sectarian purposes; or

"(C) to replace resources otherwise available to a nonprofit voluntary agency or cooperative, as determined by the President.

"SEC. 208. (a) In the case of an agreement with a nonprofit voluntary agency for nonemergency assistance under this title, subject to subsection (b), the President is encouraged to approve multiyear agreements to make agricultural commodities available for distribution by the agency, if the agency requests a multiyear agreement.

"(b)(1) Such agreements shall be subject to the availability each fiscal year of the necessary appropriations and agricultural commodities.

"(2) Subsection (a) shall not apply to an agreement that the President determines should be limited to a single year because of the past performance of the nonprofit voluntary agency or because the agreement involves a new program of assistance.

"(c) In carrying out a multiyear agreement pursuant to this section, a nonprofit voluntary agency may not be required to obtain annual approval from the United States Government in order to continue its assistance program pursuant to this agreement, unless the President determines that exceptional and unforeseen circumstances have occurred that require such approval.

"SEC. 209. (a) Agreements with nonprofit voluntary agencies under this title may authorize such agencies to establish local food reserves.

"(b) If authorized to establish a local food reserve pursuant to subsection (a), a nonprofit voluntary agency may deposit in such reserve agricultural commodities made available under this title—

"(1) for later use in providing immediate food assistance in case of a famine or other food shortage emergency; or

"(2) if the nonprofit voluntary agency determines that the immediate use of the agricultural commodities for food assistance purposes would be a disincentive to local agricultural production and that the commodities should be held for use at a later time.

"SEC. 210. (a) A nonprofit voluntary agency requesting a nonemergency food assistance agreement under this title shall include in such request a description of the intended uses of any foreign currency proceeds that would be generated with the commodities provided under the agreement.".

"(b)(1) It is the sense of Congress that the President is encouraged to invite representatives of nonprofit voluntary agencies participating in programs under the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.) and other concerned nonprofit voluntary agencies, and to designate appropriate executive branch officials to participate in a task force to study the means of providing food assistance under such Act to people with the greatest nutritional need in the recipient countries.

"(2) If a task force is established under paragraph (1), the task force should report to Congress by February 15, 1986, on further steps that could be taken to provide food under such Act to such people.

"(c)(1) Sections 207, 208, and 209 of the Agricultural Trade Development and Assistance Act of 1954 (as added by subsection (a)) shall apply with respect to agreements entered into after September 30, 1985.

"(2) Section 210 of the Agricultural Trade Development and Assistance Act of 1954 (as added by subsection (a)) shall apply with respect to agreements entered into after December 31, 1985.

FOOD FOR DEVELOPMENT PROGRAM

SEC. 125. Section 302(c)(1)(C) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1727a(c)(1)(C)) is amended by striking out "15" and inserting in lieu thereof "10".

EXTENSION OF PROGRAM

SEC. 126. Section 409 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736c) is amended—

(1) by striking out "1985" in the first sentence and inserting in lieu thereof "1989"; and

(2) by striking out "Agriculture and Food Act of 1981" in the second sentence and inserting in lieu thereof "Agriculture, Food, Trade, and Conservation Act of 1985".

COMMODITY DONATIONS ABROAD

SEC. 127. (a) Subsection (b) of section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431(b)) is amended to read as follows:

"(b)(1) As used in this subsection, the term 'eligible commodities' means agricultural commodities and the products thereof acquired by the Commodity Credit Corporation through price support operations that the Secretary determines meet the criteria specified in subsection (a).

"(2) The Secretary may furnish eligible commodities for carrying out title II of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1721 et seq.), as approved by the Secretary and for such purposes as are approved by the Secretary.

"(3)(A) Commodities may not be made available for disposition under this subsection in quantities that will reduce the quantities of commodities that traditionally are made available through donations to domestic feeding programs or agencies.

"(B) Subject to paragraph (9)(B)(v), sections 103(c) and 401(b) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1703(c) and 1731(b)) shall apply with respect to commodities furnished under this subsection.

"(C) The requirement for safeguarding usual marketings of the United States shall not be used to prevent the furnishing under this subsection of any eligible commodity for use in countries that—

"(i) have not traditionally purchased the commodity from the United States; or

"(ii) do not have adequate financial resources to acquire the commodity from the United States through commercial sources or through concessional sales arrangements.

"(4) Section 203 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1723) shall apply to commodities furnished under this subsection.

"(5) Agreements may be entered into under this subsection to provide eligible commodities in installments over an extended period of time.

"(6) As soon as possible after the beginning of each fiscal year, the Secretary shall estimate and announce the types of eligible commodities, and the amounts thereof, that the Secretary anticipates will become available for distribution under this subsection during such fiscal year.

"(7) To the maximum extent practicable, expedited procedures shall be used in implementing this subsection.

"(8) The cost of commodities furnished under this subsection, and expenses incurred under section 203 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1723) in connection with such commodities, shall be in addition to the level of assistance programmed under such Act and may not be considered expenditures for international affairs and finance.

"(9)(A) Eligible commodities furnished under this subsection may be sold or bartered with the approval of the Secretary solely as follows:

"(i) Sales and barter that are incidental to the donation of the commodities.

"(ii) Sales and barter, the proceeds of which are used to finance the distribution, handling, and processing costs of the donated commodities in the importing country or other activities in the importing country that are consistent with providing food assistance to needy people.

"(iii) Sales and barter of commodities donated to intergovernmental organizations, insofar as they are consistent with normal programming procedures in the distribution of commodities by such organizations.

"(iv) Sales and barter of commodities used for payments pursuant to paragraph (4).

"(B)(i) If requested by a nonprofit voluntary agency or cooperative, an agreement with the agency or cooperative for commodities made available under this subsection may provide for the use by the agency or cooperative of foreign currency proceeds, generated from the sale of commodities made available under the agreement, for the purposes specified in clause (iii).

"(ii) The Secretary shall ensure, to the extent practicable, that such agreements provide, in the aggregate for each fiscal year, for the use of foreign currency proceeds under this subsection an amount that is not less than 5 percent of the aggregate value of the eligible commodities furnished to such agencies and cooperatives under this subsection for such fiscal year.

"(iii)(I) Foreign currency generated under this subparagraph shall be used by a nonprofit voluntary agency or cooperative for activities carried out by the agency or cooperative that will enhance the effectiveness of the food assistance program being carried out pursuant to the agreement.

"(II) Such activities may include food for work programs, local program management, local agricultural and cooperative development projects, and outreach projects designed to provide food to people with the greatest nutritional need, if such activities are directly related to the food assistance program of the nonprofit voluntary agency or cooperative.

"(iv) All foreign currency proceeds generated pursuant to an agreement under this subparagraph shall be expended within 1 year after the end of the period of the agreement.

"(v) Section 103(c) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1703(c)) shall apply to sales of agricultural commodities made to generate foreign currencies under this subparagraph, unless the Secretary of Agriculture, in consultation with the Administrator of the Agency for International Development, waives the application of this subparagraph.

"(vi) Foreign currency proceeds generated under this subsection may not be used—

"(I) to defray personnel or administrative costs incurred by a United States cooperating sponsor, distributing agency, or recipient agency, other than a local cooperative;

"(II) to defray the costs of construction or maintenance of an edifice owned or operated by a church or any other edifice used for sectarian purposes; or

"(III) to replace resources otherwise available to a nonprofit voluntary agency or cooperative, as determined by the President.

"(10)(A) In carrying out this subsection, during each fiscal year, the Secretary shall furnish to nonprofit voluntary agencies, cooperatives, and the World Food Program for distribution in developing countries not less than 400,000 metric tons of eligible commodities that are available for distribution under this subsection.

"(B) Subparagraph (A) shall not apply in any fiscal year to the extent that the Secretary determines and reports to Congress (together with the reasons therefor) that—

"(i) there have not been sufficient requests made by nonprofit voluntary agencies, cooperatives, and the World Food Program for commodities under this subsection for uses that would effectively carry out the purposes of title II of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1721 et seq.); or

"(ii) a limitation in paragraph (3) prevents the use of commodities pursuant to this paragraph.

"(C) If the quantity of eligible commodities available for distribution under subparagraph (A) for a fiscal year is less than 400,000 metric tons, such subparagraph shall not require the Secretary to purchase additional commodities to satisfy such subparagraph.".

"(b) Section 416(b)(9)(A) of the Agricultural Act of 1949 (as added by subsection (a)) shall become effective on October 1, 1985.

FOOD FOR PROGRESS

SEC. 128. (a) Section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431) is amended by adding at the end thereof the following new subsection:

"(d) Notwithstanding any other provision of law:

"(1)(A) In order to use the food resource of the United States more effectively in support of countries that have made commitments to introduce or expand free enterprise elements in their agricultural economics through changes in commodity pricing, marketing, input availability, distribution, and private sector involvement, commodities and the products thereof acquired by the Commodity Credit Corporation that the Secretary determines meet the criteria specified in subsection (a), may be furnished by the Secretary to carry out agreements entered into by the President under paragraph (2).

"(B) Not more than 500,000 metric tons of commodities may be furnished under this subsection in each of the fiscal years ending September 30, 1986, September 30, 1987, September 30, 1988, and September 30, 1989.

"(C) The Commodity Credit Corporation may purchase agricultural commodities and the products thereof for use under this subsection if—

"(i) the Commodity Credit Corporation does not hold stocks of such commodities and the products thereof; or

"(ii) the Commodity Credit Corporation stocks are insufficient to satisfy commitments made in agreements entered into under this subsection and such commodities and the products thereof are needed to fulfill such commitments.

"(D) No funds of the Commodity Credit Corporation in excess of $30,000,000 (exclusive of the cost of commodities) may be used to carry out this subsection unless authorized in advance in appropriation Acts.

"(2)(A)(i) The President may enter into agreements with developing countries to furnish commodities and the products thereof made available under paragraph (1) to such countries to promote the implementation of private, free enterprise agricultural policies for long-term agricultural development.

"(ii)(I) Such commodities shall be furnished under this subsection on such terms and conditions as the President considers are in the public interest and will promote the objectives of this subsection.

"(II) Agreements may provide for commodities to be furnished on a multiyear basis.

"(B) In determining whether to enter into agreements with countries for the furnishing of commodities under this subsection, the President shall consider whether a potential recipient country—

"(i) is carrying out, or is committed to carry out, policies that promote economic freedom, private, domestic production of food commodities for domestic consumption, and the creation and expansion of efficient domestic markets for the purchase and sale of such commodities, including policies that may provide for—

"(I) access, on the part of farmers in such country, to private, competitive markets for their products;

"(II) market pricing of commodities to foster adequate private sector incentives to individual farmers to produce food on a regular basis for the domestic needs of the country;

"(III) establishment of market-determined foreign exchange rates;

"(IV) timely availability of production inputs, such as seed, fertilizer, or pesticides, to farmers;

"(V) access to technologies appropriate to the level of agricultural development in the country; and

"(VI) construction of facilities and distribution systems necessary to handle perishable products; and

"(ii) is able to use the quantity of commodities being considered for donation without disruption of the internal market of the country for domestically produced agricultural commodities and the products thereof.

"(3) An agreement entered into under this subsection shall prohibit the resale or transshipment of the donated agricultural commodities to other countries.

"(4) In entering into agreements with countries for the donation of agricultural commodities and the products thereof under this subsection, the President shall take reasonable precautions to avoid displacement of any sales of United States agricultural commodities and the products

thereof that would otherwise be made to such countries.

"(5)(A) Section 203 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1723) shall apply to agricultural commodities furnished under this subsection.

"(B) The cost of the commodities furnished under this subsection, and the expenses incurred in connection with furnishing such commodities, shall be in addition to the level of assistance programmed under the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.) and may not be considered expenditures for international affairs and finance.

"(6)(A) The President shall carry out the duties imposed on the President under this subsection through the National Security Advisor in the Executive Office of the President.

"(B) The National Security Advisor, with the approval of the Secretary, may use personnel of the Department of Agriculture in carrying out this subsection.

"(8) Within 120 days after the close of each fiscal year in which an agreement entered into with a country under this subsection is in effect, the President shall report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate on the status of such agreement and the progress being made to implement private, free enterprise agricultural policies for long-term agricultural development in such country.".

(b) The amendment made by this section shall be effective during the period beginning October 1, 1985, and ending September 30, 1989.

SPECIAL ASSISTANT FOR AGRICULTURAL TRADE AND FOOD AID

SEC. 129. (a)(1) The President shall appoint, by and with the advice and consent of the Senate, a Special Assistant to the President for Agricultural Trade and Food Aid (hereinafter in this section referred to as the "Special Assistant").

(2) The Special Assistant shall serve in the Executive Office of the President.

(3) As an exercise of the rulemaking power of the Senate, any nomination to the position of Special Assistant shall be—

(A) submitted to the Senate for confirmation; and

(B) referred to the Committee on Agriculture, Nutrition, and Forestry.

(4) The Special Assistant shall—

(A) serve at the pleasure of the President;

(B) be entitled to receive the same allowances as a chief of mission; and

(C) have the rank of Ambassador Extraordinary and Plenipotentiary.

(b) The Special Assistant shall—

(1) assist and advise the President in order to improve and enhance food assistance programs carried out in the United States and foreign countries;

(2) coordinate and streamline the manner in which food assistance programs are carried out by the Department of Agriculture and the Agency for International Development, in order to improve their overall effectiveness;

(3) make recommendations to the President on measures to be taken to increase use of United States agricultural commodities and the products thereof through food assistance programs;

(4) advise the President on agricultural trade;

(5) serve as a member of the Development Coordination Committee;

(6) serve as Chairman of the Food Aid Subcommittee of such Committee; and

(7) issue to departments and agencies of the Federal Government policy guidelines on basic issues of food assistance policy, to the extent necessary to assure the coordination of food assistance programs, consistent with law, and with the advice of such Subcommittee.

(c) The Special Assistant may—

(1) solicit information and advice from private and governmental sources and recommend a plan to the President and Congress on measures that should be taken—

(A) to promote the export of United States agricultural commodities and the products thereof; and

(B) to expand export markets for United States agricultural commodities and the products thereof;

(2) develop and recommend to the President national agricultural policies to foster and promote the United States agricultural industry and to maintain and increase the strength of this vitally important sector of the United States economy; and

(3)(A) appraise the various programs and activities of the Federal Government, as they affect the United States agricultural industry, for the purpose of determining the extent to which such programs and activities are contributing or not contributing to such industry; and

(B) make recommendations to the President and Congress with respect to the effectiveness of such programs and activities in contributing to such industry.

(d) Section 5312 of title 5, United States Code, is amended by adding at the end thereof the following new item:

"Special Assistant for Agricultural Trade and Food Aid.".

Subtitle C—Export Transportation of Agricultural Commodities

FINDINGS AND DECLARATIONS

SEC. 131. (a) The Congress finds and declares—

(1) that a productive and healthy agricultural industry and a strong and active United States maritime industry are vitally important to the economic well-being and national security objectives of our Nation;

(2) that both industries must compete in international markets increasingly dominated by foreign trade barriers and the subsidization practices of foreign governments;

(3) that increased agricultural exports and the utilization of the United States merchant vessels contribute positively to the United States balance of trade and generate employment opportunities in the United States.

(b) It is therefore declared to be the purpose and policy of the Congress in this subtitle—

(1) to enable the Department of Agriculture to plan its export programs effectively, by clarifying the ocean transportation requirements applicable to such programs;

(2) to take immediate and positive steps to promote the growth of the cargo carrying capacity of the United States merchant marine;

(3) to expand international trade in United States agricultural commodities and products and to develop, maintain, and expand markets for United States agricultural exports;

(4) to improve the efficiency of administration of both the commodity purchasing and selling and the ocean transportation activities associated with export programs sponsored by the Department of Agriculture; and

(5) to stimulate and promote both the agricultural and maritime industries of the United States and encourage cooperative efforts by both industries to address their common problems.

EXEMPTION OF CERTAIN AGRICULTURAL EXPORTS FROM THE REQUIREMENTS OF THE CARGO PREFERENCE LAWS

SEC. 132. The requirements of section 901(b)(1) of the Merchant Marine Act, 1936 (46 U.S.C. 1241(b)(1)), and the Joint Resolution of March 26, 1934 (46 U.S.C. 1241-1) shall not apply to any export activities of the Secretary of Agriculture or the Commodity Credit Corporation—

(1) under which agricultural commodities or the products thereof acquired by the Commodity Credit Corporation are made available to United States exporters, users, processors, or foreign purchasers for the purpose of developing, maintaining, or expanding export markets for United States agricultural commodities or the products thereof at prevailing world market prices;

(2) under which payments are made available to United States exporters, users, or processors or, except as provided in section 133(b)(6), cash grants are made available to foreign purchasers, for the purpose described in clause (1);

(3) under which commercial credit guarantees are blended with direct credits from the Commodity Credit Corporation to reduce the effective rate of interest on export sales of United States agricultural commodities or the products thereof;

(4) under which credit or credit guarantees for not to exceed 3 years are extended by the Commodity Credit Corporation to finance or guarantee export sales of United States agricultural commodities or the products thereof; or

(5) under which agricultural commodities or the products thereof owned or controlled by or under loan from the Commodity Credit Corporation are exchanged or bartered for materials, goods, equipment, or services, but only if such materials, goods, equipment, or services are of a value at least equivalent to the value of the agricultural commodities or products exchanged or bartered therefor (determined on the basis of prevailing world market prices at the time of the exchange or barter), but nothing in this subsection shall be construed to exempt from the cargo preference provisions referred to in section 132 any requirement otherwise applicable to the materials, goods, equipment, or services imported under any such transaction.

SHIPMENT REQUIREMENTS FOR CERTAIN EXPORTS SPONSORED BY THE DEPARTMENT OF AGRICULTURE

SEC. 133. (a)(1) In addition to the requirement for United States-flag carriage of a percentage of gross tonnage imposed by section 901(b)(1) of the Merchant Marine Act, 1936, was amended (46 U.S.C. 1241(b)(1)), 25 per centum of the gross tonnage of agricultural commodities or the products thereof shipped under the agricultural export programs subject to such section and specified in subsection (b) shall be transported on United States-flag commercial vessels.

(2) In order to achieve an orderly and efficient implementation of the requirement of paragraph (1)—

(A) an additional quantity equal to 10 percent of the gross tonnage referred to in paragraph (1) shall be transported in United States-flag vessels in calendar year 1986;

(B) an additional quantity equal to 20 percent of the gross tonnage shall be transported in such vessels in calendar year 1987; and

(C) an additional quantity equal to 25 percent of the gross tonnage shall be transported in such vessels in calendar year 1988 and in each calendar year thereafter.

(3) In implementing the requirements of paragraph (1), the Secretary of Transportation shall give due consideration to the availability of United States-flag vessels to transport the commodities referred to in such paragraph.

(b) This section shall apply to any export activity of the Commodity Credit Corporation or the Secretary of Agriculture—

(1) carried out under the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.);

(2) carried out under section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431);

(3) carried out under the Food Security Wheat Reserve Act of 1980 (7 U.S.C. 1736f-1);

(4) under which agricultural commodities or the products thereof are—

(A) donated through foreign governments or agencies, private or public, including intergovernmental organizations; or

(B) sold for foreign currencies or for dollars on credit terms of more than ten years;

(5) under which agricultural commodities or the products thereof are made available for emergency food relief at less than prevailing world market prices;

(6) under which cash grants are made available to foreign purchasers for the purpose of enabling such purchasers to acquire United States agricultural commodities or the products thereof if the cash grants are in amounts that result in the purchaser (after receipt of such grants) paying less than the prevailing world market price for such commodities; or

(7) under which agricultural commodities owned or controlled by or under loan from the Commodity Credit Corporation are exchanged or bartered for materials, goods, equipment, or services produced in foreign countries, other than export activities described in section 132(5).

(c)(1) The requirement for United States-flag transportation imposed by subsection (a) shall be subject to the same terms and conditions as provided in section 901(b) of the Merchant Marine Act, 1936 (46 U.S.C. 1241(b)).

(2)(A) In order to carry out effectively the requirements of this subtitle, the Secretary of Transportation shall, to the maximum extent practicable within the requirements of this section and section 901(b) of the Merchant Marine Act, 1936, administer this subtitle and section 901(b) of the Merchant Marine Act, 1936, in a flexible manner, giving due consideration to historical trading patterns and to divisions in United States international shipping trades between bulk and liner service to particular geographic areas.

(B) The Secretary of Transportation shall also administer this subtitle and section 901(b) of the Merchant Marine Act, 1936, in a manner which preserves to the greatest extent practicable the mean historical port range share of cargoes subject to United States-flag transportation requirements under this section exported from the Atlantic, Gulf, Pacific, and Great Lakes port ranges.

(d) As used in subsection (b), the term "export activity", shall not include inspection or weighing activities, other activities carried out for health or safety purposes, or technical assistance provided in the handling of commercial transactions.

(e)(1) The prevailing world market price as to agricultural commodities or the products thereof shall be determined under this subtitle in accordance with procedures established by the Secretary of Agriculture. The Secretary shall prescribe such procedures by regulation, with notice and opportunity for public comment, pursuant to section 553 of title 5, United States Code.

(2) In the event that a determination of the prevailing world market price of any other type of materials, goods, equipment, or service is required in order to determine whether a barter or exchange transaction is subject to subsection (b)(6) or (b)(7), such determination shall be made by the Secretary of Agriculture in consultation with the heads of other appropriate Federal agencies.

MINIMUM TONNAGE

SEC. 134. (a)(1) For fiscal year 1986 and each fiscal year thereafter, the minimum quantity of agricultural commodities that may be exported under programs subject to section 133 shall be the average of the tonnage exported under such programs during the base period defined in subsection (b), discarding the high and low years.

(2) The President may waive the minimum quantity for any fiscal year required under paragraph (1) if he determines and reports to the Congress, together with his reasons, that such quantity cannot be effectively used for the purposes of such programs or, based on a certification by the Secretary of Agriculture, that the commodities are not available for reasons which include the unavailability of funds.

(b) The base period utilized for computing the minimum tonnage quantity referred to in subsection (a) for any fiscal year shall be the five fiscal years beginning with the sixth fiscal year preceding such fiscal year and ending with the second fiscal year preceding such fiscal year.

FINANCING OF SHIPMENT OF AGRICULTURAL COMMODITIES IN UNITED STATES-FLAG VESSELS

SEC. 135. (a) The Secretary of Transportation shall finance any increased ocean freight charges incurred in any fiscal year which result from the application of section 133(a). The amount to be financed by the Secretary shall be an amount of the total freight charges incurred from the application of such section in such fiscal year equal to a fraction of the total ocean freight differential incurred in connection with the export activities specified in such section in such fiscal year, the numerator of such fraction to be equal to the percentage in excess of 50 of the tonnage of agricultural commodities or the products thereof that are shipped on United States-flag vessels, and the denominator of such fraction to be equal to the total percentage of such tonnage so shipped.

(b)(1) If in any fiscal year the total cost of ocean freight and ocean freight differential for which obligations are incurred by the Department of Agriculture and the Commodity Credit Corporation on exports of agricultural commodities and products thereof under the agricultural export programs specified in section 133(b) exceeds 20 percent of the value of such commodities and products and the cost of such ocean freight and ocean freight differential on which obligations are incurred by such Department and Corporation during such year, the Secretary of Transportation shall reimburse the Department of Agriculture and the Commodity Credit Corporation for the amount of such excess. For the purpose of this subsection, commodities shipped from the inventory of the Commodity Credit Corporation shall be valued as provided in section 403(b) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1733(b)).

(2)(A) The National Advisory Commission on Agricultural Export Transportation Policy established under section 136 shall include in its final report to the President and the Congress recommendations for any changes in the provisions of paragraph (1) that would help assure that the cost of ocean freight and ocean freight differential incurred by the Department of Agriculture and the Commodity Credit Corporation on the agricultural export programs specified in section 133(b), is not increased above historical levels as a result of the extra demand for United States-flag vessels caused by this subtitle.

(B) After taking into consideration the recommendations of the Commission referred to in subparagraph (A), the President may, by proclamation, provide requirements for the assumption by the Department of Transportation of a portion of the cost of ocean freight and ocean freight differential that would otherwise be incurred by the Department of Agriculture and the Commodity Credit Corporation on a different basis than that set forth in paragraph (1) in order to accomplish the objectives of subparagraph (A). The provisions of paragraph (1) shall be inapplicable on and after the effective date of the proclamation.

(c) For the purpose of meeting those expenses required to be assumed under subsections (a) and (b), the Secretary of Transportation shall issue to the Secretary of the Treasury such obligations in such forms and denominations, bearing such maturities and subject to such terms and conditions, as may be prescribed by the Secretary of Transportation with the approval of the Secretary of the Treasury. Such obligations shall be at a rate of interest as determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding marketable obligations of the United States with remaining periods of maturity comparable to the average maturities of such obligations during the month preceding the issuance of such obligations of the Secretary of Transportation. The Secretary of Treasury shall purchase any obligations of the Secretary of Transportation issued under this subsection and, for the purpose of purchasing such obligations, the Secretary of the Treasury may use as a public debt transaction the proceeds from the sale of any securities issued under chapter 31 of title 31, United States Code, after the date of the enactment of this Act and the purposes for which securities may be issued under such chapter are extended to include any purchases of the obligations of the Secretary of Transportation under this subsection. All redemptions and purchases by the Secretary of the Treasury of the obligations of the Secretary of Transportation shall be treated as public-debt transactions of the United States.

(d) There is authorized to be appropriated annually for each fiscal year, commencing with the fiscal year beginning October 1, 1986, an amount sufficient to reimburse the Secretary of Transportation for the costs, including administrative expenses and the principal and interest due on the obligations to the Secretary of the Treasury incurred under this section. Reimbursement of any

such costs shall be made with appropriated funds, as provided in this section, rather than through cancellation of notes.

(e) Notwithstanding the provisions of this section, in the event that the Secretary of Transportation is unable to obtain the funds necessary to finance the increased ocean freight charges resulting from the requirements of subsections (a) and (b) and section 133(a), the Secretary of Transportation shall so notify the Congress within 10 working days of the discovery of such insufficiency.

NATIONAL ADVISORY COMMISSION ON AGRICULTURAL EXPORT TRANSPORTATION POLICY

SEC. 136. (a) There is hereby established an advisory commission to be known as the National Advisory Commission on Agricultural Export Transportation Policy (hereafter in this subtitle referred to as the "Commission").

(b)(1) The Commission shall be composed of 24 members.

(2) Sixteen members of the Commission shall be appointed by the President.

(3) The chairman and ranking minority members of the Senate Committee on Agriculture, Nutrition, and Forestry, of the Subcommittee on Merchant Marine of the Senate Committee on Commerce, Science, and Transportation, of the House Committee on Agriculture, and of the House Committee on Merchant Marine and Fisheries shall serve as members of the Commission.

(4)(A) Eight of the members appointed by the President shall be representatives of agricultural producers, cooperatives, merchandisers, and processors of agricultural commodities.

(B) The remaining eight members appointed by the President shall be representatives of the United States-flag maritime industry, four of whom shall represent labor and four of whom shall represent management.

(c)(1) The members of the Commission shall elect a Chairman from among its members.

(2) Any vacancy in the Commission shall not affect its powers but shall be filled in the same manner in which the original appointment was made.

DUTIES OF THE COMMISSION

SEC. 137. (a) It shall be the duty of the Commission to conduct a comprehensive study and review of the ocean transportation of agricultural exports subject to the cargo preference laws referred to in section 132 and to make recommendations to the President and the Congress for improving the efficiency of such transportation on United States-flag vessels in order to reduce the costs incurred by the United States in connection with such transportation. In carrying out such study and review, the Commission shall consider the extent to which any unfair or discriminatory practices of foreign governments increase the cost to the United States of transporting agricultural commodities subject to such cargo preference laws.

(b)(1) The Commission shall submit an interim report to the President and the Congress not later than one year after the date of the enactment of this subtitle and such other interim reports as the Commission considers advisable.

(2) The Commission shall submit a final report containing its findings and recommendations to the President and the Congress not later than two years after the date of the enactment of this subtitle.

(3) Sixty days after the submission of the final report, the Commission shall cease to exist.

(c) The Commission shall include in its reports submitted pursuant to subsection (b) recommendations concerning the feasibility and desirability of achieving the following goals with respect to the ocean transportation of agricultural commodities subject to the cargo preference laws referred to in section 132:

(1) Ensuring that the timing of commodity purchase agreements entered into by the United States in connection with the export of such commodities, and the methods of implementing such agreements, are such as to minimize cost to the United States.

(2) Ensuring that shipments of such commodities are made on the most modern and efficient United States-flag vessels available.

(3) Ensuring that shipments of such commodities are made under the most advantageous terms available, including—

(A) charters for full shipload;

(B) charters for intermediate or long term;

(C) charters for consecutive voyages and contracts of affreightment; and

(D) adjustment of rates in the event that vessels used for shipments of such commodities also carry cargoes on return voyages.

(4) Reduction and elimination of impediments, including delays in port, to the efficient loading and operation of the vessels employed for shipment of such commodities.

(5) Utilization of open and competitive bidding for the ocean transportation of such commodities.

INFORMATION AND ASSISTANCE TO BE FURNISHED TO THE COMMISSION

SEC. 138. (a) Each department, agency, and instrumentality of the United States, including independent agencies, shall furnish to the Commission, upon request made by the Chairman, such statistical data, reports, and other information as the Commission considers necessary to carry out its functions under this subtitle.

(b) The Secretary of Agriculture and the Secretary of Transportation shall make available to the Commission such staff, personnel, and administrative services as may reasonably be required to carry out the Commission's duties.

COMPENSATION AND TRAVEL AND SUBSISTENCE EXPENSES OF COMMISSION MEMBERS

SEC. 139. Members of the Commission shall serve without compensation in addition to compensation they may otherwise be entitled to receive as employees of the United States or as Members of Congress, but shall be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of duties vested in the Commission.

AUTHORIZATION OF APPROPRIATIONS

SEC. 140. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this subtitle.

TERMINATION OF SUBTITLE

SEC. 141. The operation of this subtitle shall terminate 90 days after the date on which a notification is made pursuant to section 135(e), except with respect to shipments of agricultural commodities and products subject to contracts entered into before the expiration of such 90-day period, unless within such 90-day period the Secretary of Transportation proclaims that funds are available to finance increased freight charges resulting from the requirements of sections 133(a) and 135 (a) and (b).

EFFECT ON OTHER LAWS

SEC. 142. This Act shall not be construed as modifying in any manner the provisions of section 4(b) (8) of the Food for Peace Act of 1966 (7 U.S.C. 1707a(b)(8)) or chapter 5 of title 5, United States Code.

AMENDMENT NO. 915

(Purpose: To establish shipment requirements for exports sponsored by the Department of Agriculture)

Mr. COCHRAN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Mississippi [Mr. COCHRAN] proposes an amendment numbered 915 to amendment 914.

Mr. COCHRAN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Beginning on page 35 of the amendment strike line 9 through the end of the amendment and insert the following in lieu thereof:

SEC. 131. (a) The Congress finds and declares—

(1) that a productive and healthy agricultural industry and a strong and active United States maritime industry are vitally important to the economic well-being and national security objectives of our Nation;

(2) that both industries must compete in international markets increasingly dominated by foreign trade barriers and the subsidization practices of foreign governments;

(3) that increased agricultural exports and the utilization of United States merchant vessels contribute positively to the United States balance of trade and generate employment opportunities in the United States.

(b) It is therefore declared to be the purpose and policy of the Congress in this subtitle—

(1) to enable the Department of Agriculture to plan its export programs effectively, by clarifying the ocean transportation requirements applicable to such programs;

(2) to take immediate and positive steps to promote the growth of the cargo carrying capacity of the United States merchant marine;

(3) to expand international trade in United States agricultural commodities and products and to develop, maintain, and expand markets for United States agricultural exports;

(4) to improve the efficiency of administration of both the commodity purchasing and selling and the ocean transportation activities associated with export programs sponsored by the Department of Agriculture; and

(5) to stimulate and promote both the agricultural and maritime industries of the United States and encourage cooperative efforts by both industries to address their common problems.

EXEMPTION OF CERTAIN AGRICULTURAL EXPORTS FROM THE REQUIREMENTS OF THE CARGO PREFERENCE LAWS

SEC. 132. The requirements of section 901(b)(1) of the Merchant Marine Act, 1936

(46 U.S.C. 1241(b)(1)), and the Joint Resolution of March 26, 1934 (46 U.S.C. 1241-1), shall not apply to any export activities of the Secretary of Agriculture or the Commodity Credit Corporation—

(1) under which agricultural commodities or the products thereof acquired by the Commodity Credit Corporation are made available to United States exporters, users, processors, or foreign purchasers for the purpose of developing, maintaining, or expanding export markets for United States agricultural commodities or the products thereof at prevailing world market prices;

(2) under which payments are made available to United States exporters, users, or processors or, except as provided in section 133(b)(6), cash grants are made available to foreign purchasers, for the purpose described in clause (1);

(3) under which commercial credit guarantees are blended with direct credits from the Commodity Credit Corporation to reduce the effective rate of interest on export sales of United States agricultural commodities or the products thereof;

(4) under which credit or credit guarantees for not to exceed 3 years are extended by the Commodity Credit Corporation to finance or guarantee export sales of United States agricultural commodities or the products thereof; or

(5) under which agricultural commodities or the products thereof owned or controlled by or under loan from the Commodity Credit Corporation are exchanged or bartered for materials, goods, equipment, or services, but only if such materials, goods, equipment, or services are of a value at least equivalent to the value of the agricultural commodities or products exchanged or bartered therefor (determined on the basis of prevailing world market prices at the time of the exchange or barter), but nothing in this subsection shall be construed to exempt from the cargo preference provisions referred to in section 132 any requirement otherwise applicable to the materials, goods, equipment, or services imported under any such transaction.

SHIPMENT REQUIREMENTS FOR CERTAIN EXPORTS SPONSORED BY THE DEPARTMENT OF AGRICULTURE

SEC. 133. (a)(1) In addition to the requirement for United States-flag carriage of a percentage of gross tonnage imposed by section 901(b)(1) of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1241(b)(1)), 25 per centum of the gross tonnage of agricultural commodities or the products thereof shipped under the agricultural export programs subject to such section and specified in subsection (b) shall be transported on United States-flag commercial vessels.

(2) In order to achieve an orderly and efficient implementation of the requirement of paragraph (1)—

(A) an additional quantity equal to 10 percent of the gross tonnage referred to in paragraph (1) shall be transported in United States-flag vessels in calendar year 1986;

(B) an additional quantity equal to 20 percent of the gross tonnage shall be transported in such vessels in calendar year 1987; and

(C) an additional quantity equal to 25 percent of the gross tonnage shall be transported in such vessels in calendar year 1988 and in each calendar year thereafter.

(3) In implementing the requirements of paragraph (1), the Secretary of Transportation shall give due consideration to the availability of United States-flag vessels to transport the commodities referred to in such paragraph.

(b) This section shall apply to any export activity of the Commodity Credit Corporation or the Secretary of Agriculture—

(1) carried out under the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.);

(2) carried out under section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431);

(3) carried out under the Food Security Wheat Reserve Act of 1980 (7 U.S.C. 1736f-1);

(4) under which agricultural commodities or the products thereof are—

(A) donated through foreign governments or agencies, private or public, including intergovernmental organizations; or

(B) sold for foreign currencies or for dollars on credit terms of more than ten years;

(5) under which agricultural commodities or the products thereof are made available for emergency food relief at less than prevailing world market prices;

(6) under which cash grants are made available to foreign purchasers for the purpose of enabling such purchasers to acquire United States agricultural commodities or the products thereof if the cash grants are in amounts that result in the purchaser (after receipt of such grants) paying less than the prevailing world market price for such commodities; or

(7) under which agricultural commodities owned or controlled by or under loan from the Commodity Credit Corporation are exchanged or bartered for materials, goods, equipment, or services produced in foreign countries, other than export activities described in section 132(5).

(c)(1) The requirement for United States-flag transportation imposed by subsection (a) shall be subject to the same terms and conditions as provided in section 901(b) of the Merchant Marine Act, 1936 (46 U.S.C. 1241(b)).

(2)(A) In order to carry out effectively the requirements of this subtitle, the Secretary of Transportation shall, to the maximum extent practicable within the requirements of this section and section 901(b) of the Merchant Marine Act, 1936, administer this subtitle and section 901(b) of the Merchant Marine Act, 1936, in a flexible manner, giving due consideration to historical trading patterns and to divisions in United States international shipping trades between bulk and liner service to particular geographic areas.

(B) The Secretary of Transportation shall also administer this subtitle and section 901(b) of the Merchant Marine Act, 1936, in a manner which preserves to the greatest extent practicable the mean historical port range share of cargoes subject to United States-flag transportation requirements under this section exported from the Atlantic, Gulf, Pacific, and Great Lakes port ranges.

(d) As used in subsection (b), the term "export activity", shall not include inspection or weighing activities, other activities carried out for health or safety purposes, or technical assistance provided in the handling of commercial transactions.

(e)(1) The prevailing world market price as to agricultural commodities or the products thereof shall be determined under this subtitle in accordance with procedures established by the Secretary of Agriculture. The Secretary shall prescribe such procedures by regulation, with notice and opportunity for public comment, pursuant to section 553 of title 5, United States Code.

(2) In the event that a determination of the prevailing world market price of any other type of materials, goods, equipment, or service is required in order to determine whether a barter or exchange transaction is subject to subsection (b)(6) or (b)(7), such determination shall be made by the Secretary of Agriculture in consultation with the heads of other appropriate Federal agencies.

MINIMUM TONNAGE

SEC. 134. (a)(1) For fiscal year 1986 and each fiscal year thereafter, the minimum quantity of agricultural commodities that may be exported under programs subject to section 133 shall be the average of the tonnage exported under such programs during the base period defined in subsection (b), discarding the high and low years.

(2) The President may waive the minimum quantity for any fiscal year required under paragraph (1) if he determines and reports to the Congress, together with his reasons, that such quantity cannot be effectively used for the purposes of such programs or, based on a certification by the Secretary of Agriculture, that the commodities are not available for reasons which include the unavailability of funds.

(b) The base period utilized for computing the minimum tonnage quantity referred to in subsection (a) for any fiscal year shall be the five fiscal years beginning with the sixth fiscal year preceding such fiscal year and ending with the second fiscal year preceding such fiscal year.

FINANCING OF SHIPMENT OF AGRICULTURAL COMMODITIES IN UNITED STATES-FLAG VESSELS

SEC. 135. (a) The Secretary of Transportation shall finance any increased ocean freight charges incurred in any fiscal year which result from the application of section 133(a). The amount to be financed by the Secretary shall be an amount of the total freight charges incurred from the application of such section in such fiscal year equal to a fraction of the total ocean freight differential incurred in connection with the export activities specified in such section in such fiscal year, the numerator of such fraction to be equal to the percentage in excess of 50 of the tonnage of agricultural commodities or the products thereof that are shipped on United States-flag vessels, and the denominator of such fraction to be equal to the total percentage of such tonnage so shipped.

(b)(1) If in any fiscal year the total cost of ocean freight and ocean freight differential for which obligations are incurred by the Department of Agriculture and the Commodity Credit Corporation on exports of agricultural commodities and products thereof under the agricultural export programs specified in section 133(b) exceeds 20 percent of the value of such commodities and products and the cost of such ocean freight and ocean freight differential on which obligations are incurred by such Department and Corporation during such year, the Secretary of Transportation shall reimburse the Department of Agriculture and the Commodity Credit Corporation for the amount of such excess. For the purpose of this subsection, commodities shipped from the inventory of the Commodity Credit Corporation shall be valued as provided in section 403(b) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1733(b)).

(2)(A) The National Advisory Commission on Agricultural Export Transportation Policy established under section 136 shall include in its final report to the President and the Congress recommendations for any

changes in the provisions of paragraph (1) that would help assure that the cost of ocean freight and ocean freight differential incurred by the Department of Agriculture and the Commodity Credit Corporation on the agricultural export programs specified in section 133(b), is not increased above historical levels as a result of the extra demand for United States-flag vessels caused by this subtitle.

(B) After taking into consideration the recommendations of the Commission referred to in subparagraph (A), the President may, by proclamation, provide requirements for the assumption by the Department of Transportation of a portion of the cost of ocean freight and ocean freight differential that would otherwise be incurred by the Department of Agriculture and the Commodity Credit Corporation on a different basis than that set forth in paragraph (1) in order to accomplish the objectives of subparagraph (A). The provisions of paragraph (1) shall be inapplicable on and after the effective date of the proclamation.

(c) For the purpose of meeting those expenses required to be assumed under subsections (a) and (b), the Secretary of Transportation shall issue to the Secretary of the Treasury such obligations in such forms and denominations, bearing such maturities and subject to such terms and conditions, as may be prescribed by the Secretary of Transportation with the approval of the Secretary of the Treasury. Such obligations shall be at a rate of interest as determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding marketable obligations of the United States with remaining periods of maturity comparable to the average maturities of such obligations during the month preceding the issuance of such obligations of the Secretary of Transportation. The Secretary of Treasury shall purchase any obligations of the Secretary of Transportation issued under this subsection and, for the purpose of purchasing such obligations, the Secretary of the Treasury may use as a public debt transaction the proceeds from the sale of any securities issued under chapter 31 of title 31, United States Code, after the date of the enactment of this Act and the purposes for which securities may be issued under such chapter are extended to include any purchases of the obligations of the Secretary of Transportation under this subsection. All redemptions and purchases by the Secretary of the Treasury of the obligations of the Secretary of Transportation shall be treated as public-debt transactions of the United States.

(d) There is authorized to be appropriated annually for each fiscal year, commencing with the fiscal year beginning October 1, 1986, an amount sufficient to reimburse the Secretary of Transportation for the costs, including administrative expenses and the principal and interest due on the obligations to the Secretary of the Treasury incurred under this section. Reimbursement of any such costs shall be made with appropriated funds, as provided in this section, rather than through cancellation of notes.

(e) Notwithstanding the provisions of this section, in the event that the Secretary of Transportation is unable to obtain the funds necessary to finance the increased ocean freight charges resulting from the requirements of subsections (a) and (b) and section 133(a), the Secretary of Transportation shall so notify the Congress within 10 working days of the discovery of such insufficiency.

NATIONAL ADVISORY COMMISSION ON AGRICULTURAL EXPORT TRANSPORTATION POLICY

SEC. 136. (a) There is hereby established an advisory commission to be known as the National Advisory Commission on Agricultural Export Transportation Policy (hereafter in this subtitle referred to as the "Commission").

(b)(1) The Commission shall be composed of 16 members.

(2) Eight members of the Commission shall be appointed by the President.

(3) The chairman and ranking minority members of the Senate Committee on Agriculture, Nutrition, and Forestry, of the Subcommittee on Merchant Marine of the Senate Committee on Commerce, Science, and Transportation, of the House Committee on Agriculture, and of the House Committee on Merchant Marine and Fisheries shall serve as members of the Commission.

(4)(A) Four of the members appointed by the President shall be representatives of agricultural producers, cooperatives, merchandisers, and processors of agricultural commodities.

(B) The remaining four members appointed by the President shall be representatives of the United States-flag maritime industry, two of whom shall represent labor and two of whom shall represent management.

(c)(1) The members of the Commission shall elect a Chairman from among its members.

(2) Any vacancy in the Commission shall not affect its powers but shall be filled in the same manner in which the original appointment was made.

DUTIES OF THE COMMISSION

SEC. 137. (a) It shall be the duty of the Commission to conduct a comprehensive study and review of the ocean transportation of agricultural exports subject to the cargo preference laws referred to in section 132 and to make recommendations to the President and the Congress for improving the efficiency of such transportation on United States-flag vessels in order to reduce the costs incurred by the United States in connection with such transportation. In carrying out such study and review, the Commission shall consider the extent to which any unfair or discriminatory practices of foreign governments increase the cost to the United States of transporting agricultural commodities subject to such cargo preference laws.

(b)(1) The Commission shall submit an interim report to the President and the Congress not later than one year after the date of the enactment of this subtitle and such other interim reports as the Commission considers advisable.

(2) The Commission shall submit a final report containing its findings and recommendations to the President and the Congress not later than two years after the date of the enactment of this subtitle.

(3) Sixty days after the submission of the final report, the Commission shall cease to exist.

(c) The Commission shall include in its reports submitted pursuant to subsection (b) recommendations concerning the feasibility and desirability of achieving the following goals with respect to the ocean transportation of agricultural commodities subject to the cargo preference laws referred to in section 132:

(1) Ensuring that the timing of commodity purchase agreements entered into by the United States in connection with the export of such commodities, and the methods of implementing such agreements, are such as to minimize cost to the United States.

(2) Ensuring that shipments of such commodities are made on the most modern and efficient United States-flag vessels available.

(3) Ensuring that shipments of such commodities are made under the most advantageous terms available, including—

(A) charters for full shiploads;

(B) charters for intermediate or long term;

(C) charters for consecutive voyages and contracts of affreightment; and

(D) adjustment of rates in the event that vessels used for shipments of such commodities also carry cargoes on return voyages.

(4) Reduction and elimination of impediments, including delays in port, to the efficient loading and operation of the vessels employed for shipment of such commodities.

(5) Utilization of open and competitive bidding for the ocean transportation of such commodities.

INFORMATION AND ASSISTANCE TO BE FURNISHED TO THE COMMISSION

SEC. 138. (a) Each department, agency, and instrumentality of the United States, including independent agencies, shall furnish to the Commission, upon request made by the Chairman, such statistical data, reports, and other information as the Commission considers necessary to carry out its functions under this subtitle.

(b) The Secretary of Agriculture and the Secretary of Transportation shall make available to the Commission such staff, personnel, and administrative services as may reasonably be required to carry out the Commission's duties.

COMPENSATION AND TRAVEL AND SUBSISTENCE EXPENSES OF COMMISSION MEMBERS

SEC. 139. Members of the Commission shall serve without compensation in addition to compensation they may otherwise be entitled to receive as employees of the United States or as Members of Congress, but shall be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of duties vested in the Commission.

AUTHORIZATION OF APPROPRIATIONS

SEC. 140. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this subtitle.

TERMINATION OF SUBTITLE

SEC. 141. The operation of this subtitle shall terminate 90 days after the date on which a notification is made pursuant to section 135(e), except with respect to shipments of agricultural commodities and products subject to contracts entered into before the expiration of such 90-day period, unless within such 90-day period the Secretary of Transportation proclaims that funds are available to finance increased freight charges resulting from the requirements of sections 133(a) and 135 (a) and (b).

EFFECT ON OTHER LAWS

SEC. 142. This Act shall not be construed as modifying in any manner the provisions of section 4(b)(8) of the Food for Peace Act of 1966 (7 U.S.C. 1707a(b)(8)) or chapter 5 of title 5, United States Code.

AMENDMENT NO. 916

(Purpose: To establish shipment requirements for exports sponsored by the Department of Agriculture)

Mr. INOUYE. Mr. President, I send to the desk a perfecting amendment to

the part to be stricken and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Hawaii [Mr. INOUYE] proposes an amendment to the language proposed to be stricken from the bill

Mr. INOUYE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

On page 31, beginning with line 15, strike all through and including line 11 on page 33 and insert in lieu thereof the following:

"SEC. 131. (a) The Congress finds and declares—

(1) that a productive and healthy agricultural industry and a strong and active United States maritime industry are vitally important to the economic well-being and national security objectives of our Nation;

(2) that both industries must compete in international markets increasingly dominated by foreign trade barriers and the subsidization practices of foreign governments;

(3) that increased agricultural exports and the utilization of United States merchant vessels contribute positively to the United States balance of trade and generate employment opportunities in the United States.

(b) It is therefore declared to be the purpose and policy of the Congress in this subtitle—

(1) to enable the Department of Agriculture to plan its export programs effectively, by clarifying the ocean transportation requirements applicable to such programs;

(2) to take immediate and positive steps to promote the growth of the cargo carrying capacity of the United States merchant marine;

(3) to expand international trade in United States agricultural commodities and products and to develop, maintain, and expand markets for United States agricultural exports;

(4) to improve the efficiency of administration of both the commodity purchasing and selling and the ocean transportation activities associated with export programs sponsored by the Department of Agriculture; and

(5) to stimulate and promote both the agricultural and maritime industries of the United States and encourage cooperative efforts by both industries to address their common problems.

EXEMPTION OF CERTAIN AGRICULTURAL EXPORTS FROM THE REQUIREMENTS OF THE CARGO PREFERENCE LAWS

SEC. 132. The requirements of section 901(b)(1) of the Merchant Marine Act, 1936 (46 U.S.C. 1241(b)(1)), and the Joint Resolution of March 26, 1934 (46 U.S.C. 1241-1), shall not apply to any export activities of the Secretary of Agriculture or the Commodity Credit Corporation—

(1) under which agricultural commodities or the products thereof acquired by the Commodity Credit Corporation are made available to United States exporters, users, processors, or foreign purchasers for the purpose of developing, maintaining, or expanding export markets for United States agricultural commodities or the products thereof at prevailing world market prices;

(2) under which payments are made available to United States exporters, users, or processors or, except as provided in section 133(b)(6), cash grants are made available to foreign purchasers, for the purpose described in clause (1);

(3) under which commercial credit guarantees are blended with direct credits from the Commodity Credit Corporation to reduce the effective rate of interest on export sales of United States agricultural commodities or the products thereof;

(4) under which credit or credit guarantees for not to exceed 3 years are extended by the Commodity Credit Corporation to finance or guarantee export sales of United States agricultural commodities or the products thereof; or

(5) under which agricultural commodities or the products thereof owned or controlled by or under loan from the Commodity Credit Corporation are exchanged or bartered for materials, goods, equipment, or services, but only if such materials, goods, equipment, or services are of a value at least equivalent to the value of the agricultural commodities or products exchanged or bartered therefor (determined on the basis of prevailing world market prices at the time of the exchange or barter), but nothing in this subsection shall be construed to exempt from the cargo preference provisions referred to in section 132 any requirement otherwise applicable to the materials, goods, equipment, or services imported under any such transaction.

SHIPMENT REQUIREMENTS FOR CERTAIN EXPORTS SPONSORED BY THE DEPARTMENT OF AGRICULTURE

SEC. 133. (a)(1) In addition to the requirement for United States-flag carriage of a percentage of gross tonnage imposed by section 901(b)(1) of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1241(b)(1)), 25 per centum of the gross tonnage of agricultural commodities or the products thereof shipped under the agricultural export programs subject to such section and specified in subsection (b) shall be transported on United States-flag commercial vessels.

(2) In order to achieve an orderly and efficient implementation of the requirement of paragraph (1)—

(A) an additional quantity equal to 10 percent of the gross tonnage referred to in paragraph (1) shall be transported in United States-flag vessels in calendar year 1986;

(B) an additional quantity equal to 20 percent of the gross tonnage shall be transported in such vessels in calendar year 1987; and

(C) an additional quantity equal to 25 percent of the gross tonnage shall be transported in such vessels in calendar year 1988 and in each calendar year thereafter.

(3) In implementing the requirements of paragraph (1), the Secretary of Transportation shall give due consideration to the availability of United States-flag vessels to transport the commodities referred to in such paragraph.

(b) This section shall apply to any export activity of the Commodity Credit Corporation or the Secretary of Agriculture—

(1) carried out under the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.);

(2) carried out under section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431);

(3) carried out under the Food Security Wheat Reserve Act of 1980 (7 U.S.C. 1736f-1);

(4) under which agricultural commodities or the products thereof are—

(A) donated through foreign governments or agencies, private or public, including intergovernmental organizations; or

(B) sold for foreign currencies or for dollars on credit terms of more than ten years;

(5) under which agricultural commodities or the products thereof are made available for emergency food relief at less than prevailing world market prices;

(6) under which cash grants are made available to foreign purchasers for the purpose of enabling such purchasers to acquire United States agricultural commodities or the products thereof if the cash grants are in amounts that result in the purchaser (after receipt of such grants) paying less than the prevailing world market price for such commodities; or

(7) under which agricultural commodities owned or controlled by or under loan from the Commodity Credit Corporation are exchanged or bartered for materials, goods, equipment, or services produced in foreign countries, other than export activities described in section 132(5).

(c)(1) The requirement for United States-flag transportation imposed by subsection (a) shall be subject to the same terms and conditions as provided in section 901(b) of the Merchant Marine Act, 1936 (46 U.S.C. 1241(b)).

(2)(A) In order to carry out effectively the requirements of this subtitle, the Secretary of Transportation shall, to the maximum extent practicable within the requirements of this section and section 901(b) of the Merchant Marine Act, 1936, administer this subtitle and section 901(b) of the Merchant Marine Act, 1936, in a flexible manner, giving due consideration to historical trading patterns and to divisions in United States international shipping trades between bulk and liner service to particular geographic areas.

(B) The Secretary of Transportation shall also administer this subtitle and section 901(b) of the Merchant Marine Act, 1936, in a manner which preserves to the greatest extent practicable the mean historical port range share of cargoes subject to United States-flag transportation requirements under this section exported from the Atlantic, Gulf, Pacific, and Great Lakes port ranges.

(d) As used in subsection (b), the term "export activity", shall not include inspection or weighing activities, other activities carried out for health or safety purposes, or technical assistance provided in the handling of commercial transactions.

(e)(1) The prevailing world market price as to agricultural commodities or the products thereof shall be determined under this subtitle in accordance with procedures established by the Secretary of Agriculture. The Secretary shall prescribe such procedures by regulation, with notice and opportunity for public comment, pursuant to section 553 of title 5, United States Code.

(2) In the event that a determination of the prevailing world market price of any other type of materials, goods, equipment, or service is required in order to determine whether a barter or exchange transaction is subject to subsection (b)(6) or (b)(7), such determination shall be made by the Secretary of Agriculture in consultation with the heads of other appropriate Federal agencies.

MINIMUM TONNAGE

SEC. 134. (a)(1) For fiscal year 1986 and each fiscal year thereafter, the minimum quantity of agricultural commodities that

may be exported under programs subject to section 133 shall be the average of the tonnage exported under such programs during the base period defined in subsection (b), discarding the high and low years.

(2) The President may waive the minimum quantity for any fiscal year required under paragraph (1) if he determines and reports to the Congress, together with his reasons, that such quantity cannot be effectively used for the purposes of such programs or, based on a certification by the Secretary of Agriculture, that the commodities are not available for reasons which include the unavailability of funds.

(b) The base period utilized for computing the minimum tonnage quantity referred to in subsection (a) for any fiscal year shall be the five fiscal years beginning with the sixth fiscal year preceding such fiscal year and ending with the second fiscal year preceding such fiscal year.

FINANCING OF SHIPMENT OF AGRICULTURAL COMMODITIES IN UNITED STATES-FLAG VESSELS

SEC. 135. (a) The Secretary of Transportation shall finance any increased ocean freight charges incurred in any fiscal year which result from the application of section 133(a). The amount to be financed by the Secretary shall be an amount of the total freight charges incurred from the application of such section in such fiscal year equal to a fraction of the total ocean freight differential incurred in connection with the export activities specified in such section in such fiscal year, the numerator of such fraction to be equal to the percentage in excess of 50 of the tonnage of agricultural commodities or the products thereof that are shipped on United States-flag vessels, and the denominator of such fraction to be equal to the total percentage of such tonnage so shipped.

(b)(1) If in any fiscal year the total cost of ocean freight and ocean freight differential for which obligations are incurred by the Department of Agriculture and the Commodity Credit Corporation on exports of agricultural commodities and products thereof under the agricultural export programs specified in section 133(b) exceeds 20 percent of the value of such commodities and products and the cost of such ocean freight and ocean freight differential on which obligations are incurred by such Department and Corporation during such year, the Secretary of Transportation shall reimburse the Department of Agriculture and the Commodity Credit Corporation for the amount of such excess. For the purpose of this subsection, commodities shipped from the inventory of the Commodity Credit Corporation shall be valued as provided in section 403(b) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1733(b)).

(2)(A) The National Advisory Commission on Agricultural Export Transportation Policy established under section 136 shall include in its final report to the President and the Congress recommendations for any changes in the provisions of paragraph (1) that would help assure that the cost of ocean freight and ocean freight differential incurred by the Department of Agriculture and the Commodity Credit Corporation on the agricultural export programs specified in section 133(b), is not increased above historical levels as a result of the extra demand for United States-flag vessels caused by this subtitle.

(B) After taking into consideration the recommendations of the Commission referred to in subparagraph (A), the President may, by proclamation, provide requirements for the assumption by the Department of Transportation of a portion of the cost of ocean freight and ocean freight differential that would otherwise be incurred by the Department of Agriculture and the Commodity Credit Corporation on a different basis than that set forth in paragraph (1) in order to accomplish the objectives of subparagraph (A). The provisions of paragraph (1) shall be inapplicable on and after the effective date of the proclamation.

(c) For the purpose of meeting those expenses required to be assumed under subsections (a) and (b), the Secretary of Transportation shall issue to the Secretary of the Treasury such obligations in such forms and denominations, bearing such maturities and subject to such terms and conditions, as may be prescribed by the Secretary of Transportation with the approval of the Secretary of the Treasury. Such obligations shall be at a rate of interest as determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding marketable obligations of the United States with remaining periods of maturity comparable to the average maturities of such obligations during the month preceding the issuance of such obligations of the Secretary of Transportation. The Secretary of Treasury shall purchase any obligations of the Secretary of Transportation issued under this subsection and, for the purpose of purchasing such obligations, the Secretary of the Treasury may use as a public debt transaction the proceeds from the sale of any securities issued under chapter 31 of title 31, United States Code, after the date of the enactment of this Act and the purposes for which securities may be issued under such chapter are extended to include any purchases of the obligations of the Secretary of Transportation under this subsection. All redemptions and purchases by the Secretary of the Treasury of the obligations of the Secretary of Transportation shall be treated as public-debt transactions of the United States.

(d) There is authorized to be appropriated annually for each fiscal year, commencing with the fiscal year beginning October 1, 1986, an amount sufficient to reimburse the Secretary of Transportation for the costs, including administrative expenses and the principal and interest due on the obligations to the Secretary of the Treasury incurred under this section. Reimbursement of any such costs shall be made with appropriated funds, as provided in this section, rather than through cancellation of notes.

(e) Notwithstanding the provisions of this section, in the event that the Secretary of Transportation is unable to obtain the funds necessary to finance the increased ocean freight charges resulting from the requirements of subsections (a) and (b) and section 133(a), the Secretary of Transportation shall so notify the Congress within 10 working days of the discovery of such insufficiency.

NATIONAL ADVISORY COMMISSION ON AGRICULTURAL EXPORT TRANSPORTATION POLICY

SEC. 136. (a) There is hereby established an advisory commission to be known as the National Advisory Commission on Agricultural Export Transportation Policy (hereafter in this subtitle referred to as the "Commission").

(b)(1) The Commission shall be composed of 24 members.

(2) Sixteen members of the Commission shall be appointed by the President.

(3) The chairman and ranking minority members of the Senate Committee on Agriculture, Nutrition, and Forestry, of the Subcommittee on Merchant Marine of the Senate Committee on Commerce, Science, and Transportation, of the House Committee on Agriculture, and of the House Committee on Merchant Marine and Fisheries shall serve as members of the Commission.

(4)(A) Eight of the members appointed by the President shall be representatives of agricultural producers, cooperatives, merchandisers, and processors of agricultural commodities.

(B) The remaining eight members appointed by the President shall be representatives of the United States-flag maritime industry, four of whom shall represent labor and four of whom shall represent management.

(c)(1) The members of the Commission shall elect a Chairman from among its members.

(2) Any vacancy in the Commission shall not affect its powers but shall be filled in the same manner in which the original appointment was made.

DUTIES OF THE COMMISSION

SEC. 137. (a) It shall be the duty of the Commission to conduct a comprehensive study and review of the ocean transportation of agricultural exports subject to the cargo preference laws referred to in section 132 and to make recommendations to the President and the Congress for improving the efficiency of such transportation on United States-flag vessels in order to reduce the costs incurred by the United States in connection with such transportation. In carrying out such study and review, the Commission shall consider the extent to which any unfair or discriminatory practices of foreign governments increase the cost to the United States of transporting agricultural commodities subject to such cargo preference laws.

(b)(1) The Commission shall submit an interim report to the President and the Congress not later than one year after the date of the enactment of this subtitle and such other interim reports as the Commission considers advisable.

(2) The Commission shall submit a final report containing its findings and recommendations to the President and the Congress not later than two years after the date of the enactment of this subtitle.

(3) Sixty days after the submission of the final report, the Commission shall cease to exist.

(c) The Commission shall include in its reports submitted pursuant to subsection (b) recommendations concerning the feasibility and desirability of achieving the following goals with respect to the ocean transportation of agricultural commodities subject to the cargo preference laws referred to in section 132:

(1) Ensuring that the timing of commodity purchase agreements entered into by the United States in connection with the export of such commodities, and the methods of implementing such agreements, are such as to minimize cost to the United States.

(2) Ensuring that shipments of such commodities are made on the most modern and efficient United States-flag vessels available.

(3) Ensuring that shipments of such commodities are made under the most advantageous terms available, including—

(A) charters for full shiploads;

(B) charters for intermediate or long term;

(C) charters for consecutive voyages and contracts of affreightment; and

(D) adjustment of rates in the event that vessels used for shipments of such commodities also carry cargoes on return voyages.

(4) Reduction and elimination of impediments, including delays in port, to the efficient loading and operation of the vessels employed for shipment of such commodities.

(5) Utilization of open and competitive bidding for the ocean transportation of such commodities.

INFORMATION AND ASSISTANCE TO BE FURNISHED TO THE COMMISSION

SEC. 138. (a) Each department, agency, and instrumentality of the United States, including independent agencies, shall furnish to the Commission, upon request made by the Chairman, such statistical data, reports, and other information as the Commission considers necessary to carry out its functions under this subtitle.

(b) The Secretary of Agriculture and the Secretary of Transportation shall make available to the Commission such staff, personnel, and administrative services as may reasonably be required to carry out the Commission's duties.

COMPENSATION AND TRAVEL AND SUBSISTENCE EXPENSES OF COMMISSION MEMBERS

SEC. 139. Members of the Commission shall serve without compensation in addition to compensation they may otherwise be entitled to receive as employees of the United States or as Members of Congress, but shall be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of duties vested in the Commission.

AUTHORIZATION OF APPROPRIATIONS

SEC. 140. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this subtitle.

TERMINATION OF SUBTITLE

SEC. 141. The operation of this subtitle shall terminate 90 days after the date on which a notification is made pursuant to section 135(e), except with respect to shipments of agricultural commodities and products subject to contracts entered into before the expiration of such 90-day period, unless within such 90-day period the Secretary of Transportation proclaims that funds are available to finance increased freight charges resulting from the requirements of sections 133(a) and 135 (a) and (b).

EFFECT ON OTHER LAWS

SEC. 142. This Act shall not be construed as modifying in any manner the provisions of section 4(b)(8) of the Food for Peace Act of 1966 (7 U.S.C. 1707a(b)(8)) or chapter 5 of title 5, United States Code."

AMENDMENT NO. 917

(Purpose: To establish shipment requirements for exports sponsored by the Department of Agriculture)

Mr. STEVENS. Mr. President, I send to the desk an amendment to the Inouye amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Alaska [Mr. STEVENS] proposes an amendment numbered 917 to amendment 916.

Mr. STEVENS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 1, of the amendment, beginning with line 10, strike all through the end and insert in lieu thereof the following:

"SEC. 131. (a) The Congress finds and declares—

(1) that a productive and healthy agricultural industry and a strong and active United States maritime industry are vitally important to the economic well-being and national security objectives of our Nation;

(2) that both industries must compete in international markets increasingly dominated by foreign trade barriers and the subsidization practices of foreign governments;

(3) that increased agricultural exports and the utilization of United States merchant vessels contribute positively to the United States balance of trade and generate employment opportunities in the United States.

(b) It is therefore declared to be the purpose and policy of the Congress in this subtitle—

(1) to enable the Department of Agriculture to plan its export programs effectively, by clarifying the ocean transportation requirements applicable to such programs;

(2) to take immediate and positive steps to promote the growth of the cargo carrying capacity of the United States merchant marine;

(3) to expand international trade in United States agricultural commodities and products and to develop, maintain, and expand markets for United States agricultural exports;

(4) to improve the efficiency of administration of both the commodity purchasing and selling and the ocean transportation activities associated with export programs sponsored by the Department of Agriculture; and

(5) to stimulate and promote both the agricultural and maritime industries of the United States and encourage cooperative efforts by both industries to address their common problems.

EXEMPTION OF CERTAIN AGRICULTURAL EXPORTS FROM THE REQUIREMENTS OF THE CARGO PREFERENCE LAWS

SEC. 132. The requirements of section 901(b)(1) of the Merchant Marine Act, 1936 (46 U.S.C. 1241(b)(1)), and the Joint Resolution of March 26, 1934 (46 U.S.C. 1241-1), shall not apply to any export activities of the Secretary of Agriculture or the Commodity Credit Corporation—

(1) under which agricultural commodities or the products thereof acquired by the Commodity Credit Corporation are made available to United States exporters, users, processors, or foreign purchasers for the purpose of developing, maintaining, or expanding export markets for United States agricultural commodities or the products thereof at prevailing world market prices;

(2) under which payments are made available to United States exporters, users, or processors or, except as provided in section 133(b)(6), cash grants are made available to foreign purchasers, for the purpose described in clause (1);

(3) under which commercial credit guarantees are blended with direct credits from the Commodity Credit Corporation to reduce the effective rate of interest on export sales of United States agricultural commodities or the products thereof;

(4) under which credit or credit guarantees for not to exceed 3 years are extended by the Commodity Credit Corporation to finance or guarantee export sales of United States agricultural commodities or the products thereof; or

(5) under which agricultural commodities or the products thereof owned or controlled by or under loan from the Commodity Credit Corporation are exchanged or bartered for materials, goods, equipment, or services, but only if such materials, goods, equipment, or services are of a value at least equivalent to the value of the agricultural commodities or products exchanged or bartered therefor (determined on the basis of prevailing world market prices at the time of the exchange or barter), but nothing in this subsection shall be construed to exempt from the cargo preference provisions referred to in section 132 any requirement otherwise applicable to the materials, goods, equipment, or services imported under any such transaction.

SHIPMENT REQUIREMENTS FOR CERTAIN EXPORTS SPONSORED BY THE DEPARTMENT OF AGRICULTURE

SEC. 133. (a)(1) In addition to the requirement for United States-flag carriage of a percentage of gross tonnage imposed by section 901(b)(1) of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1241(b)(1)), 25 per centum of the gross tonnage of agricultural commodities or the products thereof shipped under the agricultural export programs subject to such section and specified in subsection (b) shall be transported on United States-flag commercial vessels.

(2) In order to achieve an orderly and efficient implementation of the requirement of paragraph (1)—

(A) an additional quantity equal to 10 percent of the gross tonnage referred to in paragraph (1) shall be transported in United States-flag vessels in calendar year 1986;

(B) an additional quantity equal to 20 percent of the gross tonnage shall be transported in such vessels in calendar year 1987; and

(C) an additional quantity equal to 25 percent of the gross tonnage shall be transported in such vessels in calendar year 1988 and in each calendar year thereafter.

(3) In implementing the requirements of paragraph (1), the Secretary of Transportation shall give due consideration to the availability of United States-flag vessels to transport the commodities referred to in such paragraph.

(b) This section shall apply to any export activity of the Commodity Credit Corporation or the Secretary of Agriculture—

(1) carried out under the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.);

(2) carried out under section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431);

(3) carried out under the Food Security Wheat Reserve Act of 1980 (7 U.S.C. 1736f-1);

(4) under which agricultural commodities or the products thereof are—

(A) donated through foreign governments or agencies, private or public, including intergovernmental organizations; or

(B) sold for foreign currencies or for dollars on credit terms of more than ten years;

(5) under which agricultural commodities or the products thereof are made available for emergency food relief at less than prevailing world market prices;

(6) under which cash grants are made available to foreign purchasers for the purpose of enabling such purchasers to acquire

United States agricultural commodities or the products thereof if the cash grants are in amounts that result in the purchaser (after receipt of such grants) paying less than the prevailing world market price for such commodities; or

(7) under which agricultural commodities owned or controlled by or under loan from the Commodity Credit Corporation are exchanged or bartered for materials, goods, equipment, or services produced in foreign countries, other than export activities described in section 132(5).

(c)(1) The requirement for United States-flag transportation imposed by subsection (a) shall be subject to the same terms and conditions as provided in section 901(b) of the Merchant Marine Act, 1936 (46 U.S.C. 1241(b)).

(2)(A) In order to carry out effectively the requirements of this subtitle, the Secretary of Transportation shall, to the maximum extent practicable within the requirements of this section and section 901(b) of the Merchant Marine Act, 1936, administer this subtitle and section 901(b) of the Merchant Marine Act, 1936, in a flexible manner, giving due consideration to historical trading patterns and to divisions in United States international shipping trades between bulk and liner service to particular geographic areas.

(B) The Secretary of Transportation shall also administer this subtitle and section 901(b) of the Merchant Marine Act, 1936, in a manner which preserves to the greatest extent practicable the mean historical port range share of cargoes subject to United States-flag transportation requirements under this section exported from the Atlantic, Gulf, Pacific, and Great Lakes port ranges.

(d) As used in subsection (b), the term "export activity", shall not include inspection or weighing activities, other activities carried out for health or safety purposes, or technical assistance provided in the handling of commercial transactions.

(e)(1) The prevailing world market price as to agricultural commodities or the products thereof shall be determined under this subtitle in accordance with procedures established by the Secretary of Agriculture. The Secretary shall prescribe such procedures by regulation, with notice and opportunity for public comment, pursuant to section 553 of title 5, United States Code.

(2) In the event that a determination of the prevailing world market price of any other type of materials, goods, equipment, or service is required in order to determine whether a barter or exchange transaction is subject to subsection (b)(6) or (b)(7), such determination shall be made by the Secretary of Agriculture in consultation with the heads of other appropriate Federal agencies.

MINIMUM TONNAGE

SEC. 134. (a)(1) For fiscal year 1986 and each fiscal year thereafter, the minimum quantity of agricultural commodities that may be exported under programs subject to section 133 shall be the average of the tonnage exported under such programs during the base period defined in subsection (b), discarding the high and low years.

(2) The President may waive the minimum quantity for any fiscal year required under paragraph (1) if he determines and reports to the Congress, together with his reasons, that such quantity cannot be effectively used for the purposes of such programs or, based on a certification by the Secretary of Agriculture, that the commodities are not available for reasons which include the unavailability of funds.

(b) The base period utilized for computing the minimum tonnage quantity referred to in subsection (a) for any fiscal year shall be the five fiscal years beginning with the sixth fiscal year preceding such fiscal year and ending with the second fiscal year preceding such fiscal year.

FINANCING OF SHIPMENT OF AGRICULTURAL COMMODITIES IN UNITED STATES-FLAG VESSELS

SEC. 135. (a) The Secretary of Transportation shall finance any increased ocean freight charges incurred in any fiscal year which result from the application of section 133(a). The amount to be financed by the Secretary shall be an amount of the total freight charges incurred from the application of such section in such fiscal year equal to a fraction of the total ocean freight differential incurred in connection with the export activities specified in such section in such fiscal year, the numerator of such fraction to be equal to the percentage in excess of 50 of the tonnage of agricultural commodities or the products thereof that are shipped on United States-flag vessels, and the denominator of such fraction to be equal to the total percentage of such tonnage so shipped.

(b)(1) If in any fiscal year the total cost of ocean freight and ocean freight differential for which obligations are incurred by the Department of Agriculture and the Commodity Credit Corporation on exports of agricultural commodities and products thereof under the agricultural export programs specified in section 133(b) exceeds 20 percent of the value of such commodities and products and the cost of such ocean freight and ocean freight differential on which obligations are incurred by such Department and Corporation during such year, the Secretary of Transportation shall reimburse the Department of Agriculture and the Commodity Credit Corporation for the amount of such excess. For the purpose of this subsection, commodities shipped from the inventory of the Commodity Credit Corporation shall be valued as provided in section 403(b) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1733(b)).

(2)(A) The National Advisory Commission on Agricultural Export Transportation Policy established under section 136 shall include in its final report to the President and the Congress recommendations for any changes in the provisions of paragraph (1) that would help assure that the cost of ocean freight and ocean freight differential incurred by the Department of Agriculture and the Commodity Credit Corporation on the agricultural export programs specified in section 133(b), is not increased above historical levels as a result of the extra demand for United States-flag vessels caused by this subtitle.

(B) After taking into consideration the recommendations of the Commission referred to in subparagraph (A), the President may, by proclamation, provide requirements for the assumption by the Department of Transportation of a portion of the cost of ocean freight and ocean freight differential that would otherwise be incurred by the Department of Agriculture and the Commodity Credit Corporation on a different basis than that set forth in paragraph (1) in order to accomplish the objectives of subparagraph (A). The provisions of paragraph (1) shall be inapplicable on and after the effective date of the proclamation.

(c) For the purpose of meeting those expenses required to be assumed under subsections (a) and (b), the Secretary of Transportation shall issue to the Secretary of the Treasury such obligations in such forms and denominations, bearing such maturities and subject to such terms and conditions, as may be prescribed by the Secretary of Transportation with the approval of the Secretary of the Treasury. Such obligations shall be at a rate of interest as determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding marketable obligations of the United States with remaining periods of maturity comparable to the average maturities of such obligations during the month preceding the issuance of such obligations of the Secretary of Transportation. The Secretary of Treasury shall purchase any obligations of the Secretary of Transportation issued under this subsection and, for the purpose of purchasing such obligations, the Secretary of the Treasury may use as a public debt transaction the proceeds from the sale of any securities issued under chapter 31 of title 31, United States Code, after the date of the enactment of this Act and the purposes for which securities may be issued under such chapter are extended to include any purchases of the obligations of the Secretary of Transportation under this subsection. All redemptions and purchases by the Secretary of the Treasury of the obligations of the Secretary of Transportation shall be treated as public-debt transactions of the United States.

(d) There is authorized to be appropriated annually for each fiscal year, commencing with the fiscal year beginning October 1, 1986, an amount sufficient to reimburse the Secretary of Transportation for the costs, including administrative expenses and the principal and interest due on the obligations to the Secretary of the Treasury incurred under this section. Reimbursement of any such costs shall be made with appropriated funds, as provided in this section, rather than through cancellation of notes.

(e) Notwithstanding the provisions of this section, in the event that the Secretary of Transportation is unable to obtain the funds necessary to finance the increased ocean freight charges resulting from the requirements of subsections (a) and (b) and section 133(a), the Secretary of Transportation shall so notify the Congress within 10 working days of the discovery of such insufficiency.

NATIONAL ADVISORY COMMISSION ON AGRICULTURAL EXPORT TRANSPORTATION POLICY

SEC. 136. (a) There is hereby established an advisory commission to be known as the National Advisory Commission on Agricultural Export Transportation Policy (hereafter in this subtitle referred to as the "Commission").

(b)(1) The Commission shall be composed of 16 members.

(2) Eight members of the Commission shall be appointed by the President.

(3) The chairman and ranking minority members of the Senate Committee on Agriculture, Nutrition, and Forestry, of the Subcommittee on Merchant Marine of the Senate Committee on Commerce, Science, and Transportation, of the House Committee on Agriculture, and of the House Committee on Merchant Marine and Fisheries shall serve as members of the Commission.

(4)(A) Four of the members appointed by the President shall be representatives of agricultural producers, cooperatives, merchan-

disers, and processors of agricultural commodities.

(B) The remaining four members appointed by the President shall be representatives of the United States-flag maritime industry, two of whom shall represent labor and two of whom shall represent management.

(c)(1) The members of the Commission shall elect a Chairman from among its members.

(2) Any vacancy in the Commission shall not affect its powers but shall be filled in the same manner in which the original appointment was made.

DUTIES OF THE COMMISSION

SEC. 137. (a) It shall be the duty of the Commission to conduct a comprehensive study and review of the ocean transportation of agricultural exports subject to the cargo preference laws referred to in section 132 and to make recommendations to the President and the Congress for improving the efficiency of such transportation on United States-flag vessels in order to reduce the costs incurred by the United States in connection with such transportation. In carrying out such study and review, the Commission shall consider the extent to which any unfair or discriminatory practices of foreign governments increase the cost to the United States of transporting agricultural commodities subject to such cargo preference laws.

(b)(1) The Commission shall submit an interim report to the President and the Congress not later than one year after the date of the enactment of this subtitle and such other interim reports as the Commission considers advisable.

(2) The Commission shall submit a final report containing its findings and recommendations to the President and the Congress not later than two years after the date of the enactment of this subtitle.

(3) Sixty days after the submission of the final report, the Commission shall cease to exist.

(c) The Commission shall include in its reports submitted pursuant to subsection (b) recommendations concerning the feasibility and desirability of achieving the following goals with respect to the ocean transportation of agricultural commodities subject to the cargo preference laws referred to in section 132:

(1) Ensuring that the timing of commodity purchase agreements entered into by the United States in connection with the export of such commodities, and the methods of implementing such agreements, are such as to minimize cost to the United States.

(2) Ensuring that shipments of such commodities are made on the most modern and efficient United States-flag vessels available.

(3) Ensuring that shipments of such commodities are made under the most advantageous terms available, including—

(A) charters for full shiploads;

(B) charters for intermediate or long term;

(C) charters for consecutive voyages and contracts of affreightment; and

(D) adjustment of rates in the event that vessels used for shipments of such commodities also carry cargoes on return voyages.

(4) Reduction and elimination of impediments, including delays in port, to the efficient loading and operation of the vessels employed for shipment of such commodities.

(5) Utilization of open and competitive bidding for the ocean transportation of such commodities.

INFORMATION AND ASSISTANCE TO BE FURNISHED TO THE COMMISSION

SEC. 138. (a) Each department, agency, and instrumentality of the United States, including independent agencies, shall furnish to the Commission, upon request made by the Chairman, such statistical data, reports, and other information as the Commission considers necessary to carry out its functions under this subtitle.

(b) The Secretary of Agriculture and the Secretary of Transportation shall make available to the Commission such staff, personnel, and administrative services as may reasonably be required to carry out the Commission's duties.

COMPENSATION AND TRAVEL AND SUBSISTENCE EXPENSES OF COMMISSION MEMBERS

SEC. 139. Members of the Commission shall serve without compensation in addition to compensation they may otherwise be entitled to receive as employees of the United States or as Members of Congress, but shall be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of duties vested in the Commission.

AUTHORIZATION OF APPROPRIATIONS

SEC. 140. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this subtitle.

TERMINATION OF SUBTITLE

SEC. 141. The operation of this subtitle shall terminate 90 days after the date on which a notification is made pursuant to section 135(e), except with respect to shipments of agricultural commodities and products subject to contracts entered into before the expiration of such 90-day period, unless within such 90-day period the Secretary of Transportation proclaims that funds are available to finance increased freight charges resulting from the requirements of sections 133(a) and 135 (a) and (b).

EFFECT ON OTHER LAWS

SEC. 142. This Act shall not be construed as modifying in any manner the provisions of section 4(b)(8) of the Food for Peace Act of 1966 (7 U.S.C. 1707a(b)(8)) or chapter 5 of title 5, United States Code."

CARGO PREFERENCE

Mr. COCHRAN. Mr. President, for a number of years, America's agriculture and maritime industries have disagreed sharply over the application of U.S.-flag shipping cargo preference requirements to Government-generated agricultural export programs. The Cargo Preference Act of 1954 mandates that 50 percent of the cargoes owned, financed or donated by the U.S. Government must be transported on U.S.-flag vessels to the extent such vessels are available at fair and reasonable rates.

This act reflects recognition by Congress that a strong U.S. merchant marine and a privately owned maritime industry are vital components of our national security.

As important as the maritime industry is to our economic and national security interests, so also is America's agricultural industry. Our Nation's farmers are the backbone of our economy and our standard of living, and literally serve as the leading supplier of agricultural commodities to the world's hungry. They also are a vital component of our international export capability.

It has become all too apparent that these two vitally important industries suffer many of the same problems. Both try to compete against heavily subsidized foreign competition, restrictive foreign trade policies, and nontariff barriers—while handicapped by an overvalued dollar.

As one Member who believes that both industries are essential and worthy of support, I believe it is time to resolve the highly charged, controversial issue of cargo preference in a manner that benefits both industries and in a manner that is fair to both sides. It is time to clarify the scope of cargo preference and to make its application more efficient.

To that end, I have offered this amendment to the farm bill, which embodies the long-term compromise worked out by representatives of the maritime and agriculture industries. These two groups worked for more than 2 months to reach an agreement which I believe will help promote American agricultural exports and strengthen the capability of the U.S. merchant marine.

Mr. President, I have a list of cosponsors of this amendment, and I ask unanimous consent that the list be printed in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

LIST OF COSPONSORS

Senators Thad Cochran, Lloyd Bentsen, Ted Stevens, Daniel Inouye, David Pryor, Howell Heflin, Mack Mattingly, Gary Hart, Russell Long, Bob Packwood, Slade Gorton, Ernest Hollings, Alan Cranston, Paul Trible, Tom Eagleton, Edward Kennedy, and Quentin Burdick.

Senators Claiborne Pell, Paul Sarbanes, Frank Murkowski, Alfonse D'Amato, Bennett Johnston, William Cohen, John Kerry, Frank Lautenberg, Paul Laxalt, Jeff Bingaman, Christopher Dodd, John Rockefeller, Daniel Moynihan, Mark Hatfield, John Heinz, Joseph Biden, Charles McC. Mathias, Spark Matsunaga, Chic Hecht, and Daniel Evans.

Mr. COCHRAN. Mr. President, among those who are cosponsoring this compromise are Senators who represent agriculture areas as well as States with major seaports. This indicates clearly to everyone that this is a compromise that has support in both the agriculture sector and from those who have traditionally supported those who are interested in maintaining a strong merchant marine in this country. There are 37 Senators who have asked that their names be included as cosponsors of the bill.

The key elements of this compromise are as follows:

The requirements of the Cargo Preference Act of 1954 will not apply to commercial-type export programs of

the Secretary of Agriculture, such as "Blended Credit," "Export PIK," "BICEP," or future similar programs.

Cargo preference requirements over concessional-type programs—such as Public Law 480—of the Department of Agriculture will be increased by 25 percent. This increase will be phased in over a 3-year period beginning in 1986, with a 10-percentage point increase in 1986, a further 10-percentage point increase in 1987, and a final 5-percentage point increase in 1988.

The Secretary of Transportation shall administer the cargo preference requirements in such a manner as to preserve to the fullest extent possible the historical port range share of cargoes exported from each of the four seacoasts.

Funding for the increased share in cargo preference requirements will be through the establishment of a borrowing authority within the Department of Transportation.

The total cost to the Commodity Credit Corporation of ocean freight and the ocean freight differential will not exceed 20 percent of the total cost of the export programs covered by cargo preference. Any cost in excess of 20 percent in any fiscal year will also be funded by the Department of Transportation.

A 16-member Commission on Agricultural Export Transportation Policy will be created to recommend ways to improve the efficiency of transporting agricultural exports subject to U.S.-flag cargo preference.

This compromise will not just benefit two industries. It will benefit the Nation as a whole by focusing the full attention of these industries and our Government on the real challenge—foreign competition—not on a divisive and unproductive battle between these two industries.

It will provide flexibility for the Secretary of Agriculture to design new agricultural export promotion programs and respond to changing international conditions. It will remove these export promotion programs from the restrictions of the recent U.S. district court decision while avoiding future lengthy legal challenges that could hamstring these programs.

It will provide certainty, so that agriculture and maritime as well will know when cargo preference applies and when it does not.

It will increase efficiency in planning and implementation of agricultural export promotion programs as well as those subject to cargo preference. It will provide for clear and timely recommendations to the President and Congress to reduce the cost of transportation of U.S. agricultural preference cargoes.

It will provide cargoes for the American merchant fleet while making certain that existing longstanding agricultural cargo preference allocations are maintained, thus creating a new potential demand for vessels constructed in American shipyards.

This amendment—and the compromise it embodies—has the full support of the maritime industry and major elements of our Nation's farming community.

Mr. President, I ask unanimous consent to have printed in the RECORD a list of the agriculture and maritime industry groups which support this compromise.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

ORGANIZATIONS SPONSORING CARGO PREFERENCE COMPROMISE

AGRICULTURAL GROUPS

Five State Rice Producers Legislative Group.
National Association of Wheat Growers.
National Corn Growers Association.
National Cotton Council of America.
National Council of Farmer Cooperatives.
National Farmers Organization.
National Farmers Union.
National Grange.
Rice Millers' Association.

MARITIME INDUSTRY

Joint Maritime Congress.
MIRAID.
Transportation Institute.

Mr. COCHRAN. Mr. President, after the district court ruling relating to the scope of cargo preference was handed down, Congress considered whether or not it was appropriate to amend the cargo preference law or speak out to clarify congressional intent on this subject.

The House, as Members may know, considered this issue, and after a vote of 245 to 179, supported, through an amendment to the farm bill, the extension of cargo preference to commercial export programs such blended credit.

I think in view of that House vote and the fact that the Agriculture Committee here in the Senate approved an amendment to the farm bill and the legislation was in committee, a compromise is in order. This compromise, although I know not totally acceptable to everyone, does contain two of the most important objectives of any of the farm groups who are interested in a resolution of this issue.

If there are other critical issues, of course, we will try to discuss those and hopefully resolve them. But I think, Mr. President, that this is a compromise that can be supported by agriculture as well as the maritime industries.

I thank at this time the distinguished Senators from Alaska and Hawaii, Mr. STEVENS and Mr. INOUYE, along with the distinguished Senator from Texas, Mr. BENTSEN, for serving as the principal and original cosponsors of this compromise.

I also point out, Mr. President, that it was at the urging of the majority leader, Senator DOLE, that these industries came together through representatives to begin talking about a way to resolve the continuing controversy surrounding cargo preference, and it was because of the urging and pressures that resulted from that initial request by the majority leader that a compromise was finally worked out.

I hope that Senators will support this compromise and that we can put this issue to rest and resolve it through the adoption to this amendment.

Mr. President, I yield the floor.

Mr. NICKLES. Mr. President, will the Senator from Mississippi answer a question, please?

Mr. COCHRAN. I am happy to try to answer a question.

Mr. NICKLES. I see several of his colleagues also on the same side of the issue, and possibly they may have answers.

Does the Senator have an estimate on what the cost of subsidies under cargo preference would be in 1985, 1986, 1987, and 1988?

Mr. COCHRAN, Mr. President, the estimates that we have heard are this will result in an increase from $40 to $60 million per year.

Mr. NICKLES. Am I correct in stating the cost of the program in 1984 was $109 million and is estimated to be $150 million or more in 1985? Is that close to being right?

Mr. COCHRAN. That is approximately a $50 million increase, if I am adding and subtracting correctly. That is consistent with the estimate that we have had.

Mr. NICKLES. I want to make sure that we get these figures down. I appreciate the Senator's remarks. I did not hear him make that statement in his opening comments. Maybe he did say it. But I think we need to be talking about how much this is costing. We have had some difficult votes and I will make my remarks later.

Does the Senator yield for one other question?

Mr. COCHRAN. I yield the floor.

So I and others will be happy to respond to questions that the Senator may have.

Mr. NICKLES. Am I correct that the estimated cost of the program would be about $150 million for 1985?

Mr. COCHRAN. The estimate that we have is that the increased cost would be from $40 to $60 million per year.

Mr. NICKLES. That would be beginning in 1986?

Mr. COCHRAN. Beginning in 1986.

Mr. NICKLES. I thank the Senator.

Mr. COCHRAN. The percentage increase is phased in over a 3-year period for Public Law 480 programs.

What the Senator needs to do, though, in stating the cost of this program is to compare that with the cost of applying cargo preference to all commercial programs, commercial-

type sales programs administered by the Secretary of Agriculture or participated in by the Commodity Credit Corporation. Those costs could go into the hundreds of millions of dollars per year, depending upon the kind of lending credit or export PIK or BICEP or other kinds of promotional or concessional sales programs that could be administered through CCC or the Department of Agriculture.

The fact of the matter is there are going to be increases in cost whether this amendment is adopted or not. There will be less increase in cost if this amendment is adopted than if it is not.

So the Senator should not confuse the issue by saying this amendment is going to cost $40 to $50 million a year and suggest that if you vote for it you are voting for increased cost. There are going to be substantial increased costs under the Court decisions, under the amendment adopted in the other body, and that could run into the hundreds of millions of dollars.

Mr. NICKLES. One final question on the cost. Would the cost of the amendment of the Senator from Mississippi be $40 or $60 million more than the language that is currently in the Senate committee bill?

Mr. COCHRAN. That would be fair. That is correct.

Mr. NICKLES. I thank the Senator.

The PRESIDING OFFICER. The Senator from Hawaii.

Mr. INOUYE. Mr. President, I rise in support of the amendment just submitted by my distinguished friend from Mississippi.

Mr. President, today many are asking if the U.S. Merchant Marine—our fourth arm of defense—is on its death bed. Those who suggest as much cite the following statistics:

In December 1951, there were almost 2,000 active ships in the U.S.-flag fleet, and they offered about 100,000 billets.

As of June 1, 1985, there were only 409 active ships in the fleet, and they provided less than 16,000 billets for U.S. seafarers.

I would just like to repeat that number. In 1951 there were over 2,000 ships with 100,000 jobs; in 1985 there are 409 ships with less than 16,000 jobs.

In 1984, only 4.4 percent of our international waterborne trade moved on U.S. bottoms.

At this juncture, I think it is important to note that at the end of World War II, we controlled the seven seas and if anyone wanted to ship anything across the oceans, those were only American ships; and yet today only 4.4 percent of our international waterborne trade is moved on American ships.

Today there are only 23 commercial shipyards in our active shipbuilding base. This is four less than in 1980. Today no U.S. shipyard is building a deepwater vessel for our foreign trades.

Clearly, the health of the U.S. merchant marine has been declining steadily in the post-World War II era. So, even if it is not on its death bed, anyone would be hard pressed to deny that it is gravely ill.

For several years many of us have been saying that if our merchant marine is to be revitalized, a change of attitude by our Government is essential. Our Government must do whatever is necessary to ensure what every other government does—make certain that its flag-vessels have that extra edge in competing for cargo in its own trades.

Mr. President, events since then have only reinforced my conviction.

Last month, a report of the Congressional Office of Technology Assessment found that:

> There is still no generally accepted U.S. cargo policy, but foreign governments have adopted such policies, which increased the disadvantages of U.S. shipping interests.

The report went on to say that:

> Historically, all maritime nations have protected their trade and shipping interests through some form of cargo policy. Generally, this has been done by reserving some or all of the transport of certain commodities for a nation's own national carriers.
>
> The United States is no exception, although it appears to have done the little it has done without much enthusiasm.

What are some of the reasons underlying the report's conclusion that our Government has no enthusiasm for cargo reservation, even though it is the law of the land.

Just a few years ago, the Urban Mass Transportation Authority was responsible for the purchase of 400 buses constructed in Germany. Many of these buses were being delivered to the United States aboard Soviet-flag vessels until Congress raised the issue of our cargo preference laws.

Then there was the case of the sale of surplus butter to New Zealand through the Commodity Credit Corporation. The Department of Agriculture disagreed with MarAd, and refused to acknowledge that our cargo preference laws applied.

After that, GSA arranged for the purchase of 1.6 million tons of bauxite from Jamaica. Although our cargo preference laws applied, and two U.S.-flag vessels tendered offers to carry the cargo, both were summarily rejected by GSA because of the unique and questionable delivery requirements imposed by that agency. All of that cargo was carried on foreign bottoms.

Then the Department of Agriculture entered into an agreement with Egypt whereby flour was purchased by Egypt from U.S. millers at $155 a ton. The U.S. Government in turn provided the millers with grain in sufficient volume for them to make the sale at that price, including a profit.

The Department of Agriculture said our cargo preference laws did not apply; the Department of Transportation said they did. And there the matter stood. The administration finally ruled that 50 percent of the wheat must go on U.S. ships, but it stopped short of saying the cargo preference laws applied. We saw the Department of Transportation take the position that because the Jones Act applied to the shipment of oil from Alaska to the strategic petroleum reserve [SPR], such shipments may not be counted toward the 50-percent U.S.-flag cargo preference share required of the importaton of foreign oil for the SPR Program. The Department of Justice resolved that dispute in favor of the Department of Energy, and against cargo preference.

In 1983, every one of the title I and title II Public Law 480 programs, and section 416 Dairy Donation Program failed to comply with our cargo preference laws, even though it was beyond dispute that those laws applied.

The administration has not only failed to insist that various Federal agencies comply with the cargo preference laws, it is attempting to overturn a recent Federal court ruling which declared that the 50 percent U.S.-flag carriage requirement in the Cargo Preference Act of 1954 was applicable to cargoes generated by the U.S. Department of Agriculture's Blended Credit Program.

The administration has consistently opposed legislation which would require that the U.S. Postal Service ship overseas mail on American-flag vessels, when they are available. In 1983, for example, the Postal Service granted 37 out of 45 contracts to foreign shipping lines, including one from a Soviet bloc country—Polish Ocean Lines—for the carriage of U.S. mail to overseas destinations. As of last January, the score was 33 out of 44 contracts.

The Military Transport Act of 1904 requires that 100 percent of the supplies shipped for the use of the U.S. Armed Forces must move on U.S. flags. That requirement is clear enough, but let's take a look at how it was applied recently where the carriage of military cargoes between the United States and Iceland was involved.

In 1984, a new U.S.-flag company, Rainbow Navigation Co., chartered a small vessel from the Maritime Administration to enter this trade. Iceland's Government objected to our State Department, because service on this route was being provided exclusively by Icelandic shipping lines. The Government of Iceland went on to point out that Iceland's economy and security depended upon the welfare of its shipping lines.

Would Members be surprised to know that late last summer the Department of Navy found a loophole in the 1904 law, and opened up the carriage of military cargo in that trade to foreign-flag vessels? That essentially means Iceland.

The U.S.-flag company appealed the Department of Navy's decision to the U.S. district court; and, as in the case of the Blended Credit Program, the court ordered the Government to comply with the 1904 military cargo preference law. But once again, the Government is trying to overturn the court's ruling.

It wasn't too many years ago, of course, that the Departments of State and Justice filed amicus curiae briefs in support of a Soviet-flag, and in opposition to the Federal Maritime Commission, in an effort by that agency to enforce our laws against predatory rate practices by State controlled shipping lines.

Mr. President, in case any Member should think I am belaboring the point, a few statistics will, I believe, illustrate just what cargo reservation means to the U.S. merchant marine.

In 1980, U.S.-flag vessels only carried 4.7 percent of the cargo that moved in our international trades; 30 to 40 percent of that meager amount was carried because of our cargo preference laws.

In 1983, U.S.-flag vessels carried 5.8 percent of the cargo that moved in our international trades.

Over 50 percent of that meager amount was carried because of our cargo preference laws.

Clearly, cargo reservation is a necessary element of any successful maritime policy. Seemingly every trading nation but the United States recognizes this fact of life.

Recently, in response to my inquiry, the Department of Agriculture said that none of the 2 million tons of cargo shipped under its Blended Credit Program moved on U.S.-flags, but it was quite possible some moved on Soviet-bloc vessels.

Can Members imagine any Soviet commodities bound for Africa moving on U.S. flags? My question becomes even more absurd if I were to ask if Members could imagine the Soviets using U.S. flags and excluding their own. And yet, the U.S. Department of Agriculture appears to be quite willing to discriminate against U.S.-flag vessels to this extent.

Mr. President, as the statistics I have cited indicate, cargo reservation is essential for the survival of our fourth arm of defense; and its cost is a miniscule amount of what we will spend on our farm income stabilization this year, because cargo preference will cost less than eight-tenths of 1 percent of the $18.4 billion the Government expects to spend on farm income stabilization.

Despite the clear necessity for cargo preference if our fourth arm of defense is to survive, and despite the relatively small amount of Federal funds involved, this absolutely essential program is once again threatened.

The measure the Senate is considering today, S. 1714, the farm bill, contains provisions which would substantially narrow the application of Public Law 664—cargo preference—without any off-setting benefit to the U.S. merchant marine. Moreover, it would do so despite the adverse report of the committee which has jurisdiction over maritime matters under the rules of the Senate. The Commerce Committee obtained sequential referral of the farm bill, and reported an amendment to delete those provisions limiting application of the cargo preference laws.

Mr. President, in my view, for the Senate to pass the farm bill with these antimaritime measures intact, would be ill-advised for the procedural and substantive reasons I have discussed.

I believe the existing cargo preference laws properly and adequately take into account the national interest in strong agricultural and maritime industries. The only difficulty is that the agencies of Government don't want to comply with them. This is really a case of the tail wagging the dog. I have often expressed my own preference for a solution to this problem. Simply centralize the authority for determining when the cargo preference laws apply in the Department with responsibility for maritime affairs—DOT—and make the Secretary's decision in each case final. Under existing law, DOT now has responsibility for administering Public Law 664.

I am enough of a realist, however, to know that the remedy I have proposed is not in the political cards at this time.

Politics, we are told, is the art of compromise, and the art of the possible. In this spirit therefore I urge the Senate to accept the amendment being offered by the junior Senator from Mississippi, which is in the nature of a substitute for the Commerce Committee's amendment to delete the provisions limiting cargo preference. The amendment of the Senator from Mississippi has been agreed to by all of the maritime interests, several agricultural interests, and has the support of several Senators.

Mr. President, I will not take the Senate's time to discuss the technicalities of the Senator's compromise amendment, but I believe it will be helpful to summarize how the architects of the compromise it embodies believe it will help promote American agricultural exports and strengthen the capability of the U.S. merchant marine:

It will provide flexibility for the Secretary of Agriculture to design new agricultural export promotion programs and respond to changing international conditions. It will remove these export promotion programs from the restrictions of the recent U.S. district court decision while avoiding future lengthy legal challenges that could hamstring these programs.

It will provide certainty, so that agriculture and maritime will know when cargo preference applies and when it does not.

It will increase efficiency in planning and implementation of agricultural export promotion programs as well as those subject to cargo preference. It will provide for clear and timely recommendations to the President and the Congress to reduce the cost of transportation of U.S. agricultural preference cargoes.

It will provide cargoes for the American merchant fleet while making certain that existing longstanding agricultural cargo preference allocations are maintained, thus creating a new potential demand for vessels constructed in American shipyards.

I believe exiting law, if enforced, adequately and fairly reflects the national interest in promoting our agricultural export programs, and strengthening the capability of the U.S. merchant marine. Nevertheless, I recognize that my view is not realistic in the present circumstances. I therefore urge the Senate to adopt the amendment of the Senator from Mississippi.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, I am pleased to join the Senator from Hawaii in commending our good friend, Senator COCHRAN, from Mississippi, on his successful effort to bring about this compromise on the application of the cargo preference requirements to Government sponsored exports of agricultural products.

The cargo preference issue has divided the farming and maritime industries for some time, to their mutual disadvantage, I might add.

I am happy to support this compromise which should end this destructive conflict and allow both industries to focus their energies on common problems, namely foreign competition and the high dollar.

I hasten to add, Mr. President, that none of the farmers in my State receive any support from this farm bill, not one. None of the people who will receive any of the assistance from the maritime portion of this bill are from my State or serve my State.

My interest in this matter is one that comes from having served on the Commerce Committee and being chairman of the Merchant Marine Subcommittee, and I have voted for the farm bills time after time.

I find now that it is time for us to look very carefully at the future rela-

tionship of the subsidy programs of this Government.

The farm bill is a subsidy program and this maritime assistance program is a subsidy program. Both, in my judgment, warrant taxpayers' support. I commend the Senator from Mississippi for having brought about this compromise.

I want to remind the Senate that in February of this year a U.S. district court held that the cargo preference requirements applied to the Department of Agriculture's Blended Credit Program. Dicta in the case implied that the cargo preference laws may apply to other U.S. Department of Agriculture export programs, such as the program called GSM-102.

And I emphasize this: Under existing law, the programs that are covered by this agriculture program will require the application of cargo preference. This compromise is a modification of those existing laws.

In this compromise legislation, the maritime interests have effectively relinquished their right to pursue further legal action in the courts on the cargo preference issue, in return for an increase in the amount of the cargo subject to cargo preference under the so-called concessional programs. The farm interests received export program exemptions from cargo preference which are substantially the same as those contained in S. 721, or the farm bill, as reported by the Agriculture Committee. The result is the establishment of a "bright line" with respect to which agricultural export programs are covered and which are not.

This legislation contains several safeguards against excessive cost increases attributable to the increase in cargo preference requirements. The Department of Agriculture is completely insulated from any increases in cargo preference costs under this compromise. Any increase must be funded through the Department of Transportation. The borrowing authority established under this legislation for the Department of Transportation is similar to the authority presently used in the Commodity Credit Corporation.

In addition to shifting the funding mechanism for any increase in costs to the Department of Transportation, this legislation contains another safeguard. If Congress fails to appropriate funds for cargo preference costs funded through the Department of Transportation within 90 days of the Secretary's notification that funds are unavailable, the provisions of this legislation would expire.

Any cost increases under this legislation for cargo preference would be minor, compared to the costs that would have been incurred by the Government if the cargo preference laws were applied to a greater number of agriculture export programs. It is estimated this compromise could save up to $250 million a year in ocean freight differential costs.

I support this compromise because it presents a reasonable solution to a most controversial problem. Both sides in this issue are gaining something; both sides are losing something. Both sides have been criticized at different times for "giving up" too much. And, in my judgment, the result of this amendment will save the taxpayers money.

I urge my colleagues to vote in favor of the amendment. I believe a vote in favor of the Cochran amendment is a vote in favor of the farmer and of the sailor. Anyone who opposes this amendment, in my judgment, will be supporting neither.

In answer to the Senator from Oklahoma, I might say I am informed that the U.S. flag revenues from cargo preference are approximately $461 million. The 1984 cost differential related to agriculture shipments was $96.3 million. The 1985 cargo preference costs for Public Law 480 equals approximately $109 million for titles I and III and about $20 million for title II. It is our judgment that the enactment of this amendment will require an increase from $40 to $60 million, assuming the expansion of agricultural exports in substantial quantities beyond the existing levels.

Mr. NICKLES. Will the Senator yield for a question?

Mr. STEVENS. Yes, I am happy to do that.

Mr. NICKLES. What are the total subsidies all together? I heard the $109 million figure and the Senator added another $20 million. Those are 1984 figures, is that correct?

Mr. STEVENS. We are talking about Public Law 480. Those are Public Law 480 payments for titles I and III, $109 million, and title II, approximately $20 million. So it is $129 million under Public Law 480.

Mr. NICKLES. Is that all the subsidies that they received or are there other titles?

Mr. STEVENS. There are others. As I said, the total U.S.-flag revenues, from my information, from cargo preference is $461 million.

Mr. NICKLES. That is for the year 1984?

Mr. STEVENS. Yes.

Mr. NICKLES. I thank the Senator.

Mr. STEVENS. I hope that the Senator and others who might disagree with this will realize that the alternative to this amendment, the Cochran amendment, is a period of delay and confusion in the agriculture area. The courts have ruled in favor of cargo preference. This cargo preference amendment represents a substantial concession on the part of those who support cargo preference. It represents very little concession on the part of those who oppose it because, as I stated, if the moneys are not available to the Secretary of Transportation in a manner similar to that made available to the Commodity Credit Corporation, made available by the Congress, then this compromise falls and the exports are not subject to the cargo preference requirement.

That does not mean that those of us who support cargo preference would be quiet at that time, I might add. I would expect that future Department of Agriculture authorization and appropriations bills would have substantial problems. But I would hope that all concerned will recognize that this is a compromise and a substantial compromise in terms of the maritime interests—maritime interests which, as I say, do not originate in my State but which I feel a responsibility for because of the committee on which I serve with the distinguished Senator from Hawaii, Mr. INOUYE.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, some things are absurd on their face. Cargo preference fits in this category.

The idea that an industry can be helped by guaranteeing customers flies in the face of the free enterprise system that has served our country so well.

The fact is that cargo preference has not fostered a modern, efficient U.S.-flag fleet as was promised by enactment of the Merchant Marine Act of 1954. The exact opposite has been the case—especially with the bulk fleet.

American farm products now forced to move on rusty old U.S.-flag bulkers sometimes never reach their destination. Lives are lost and cargoes wasted. Many times even if the cargo reaches the destination, the old ship makes one last stop at a port to be junked—and we pay for the trip.

This is not to mention the price taxpayers must pay to make sure these U.S. companies and crews have business. Rates this past year have soared to two and three times normal commercial rates because of demand created by our shipment of food to Africa.

This absurdity may only be paralleled by some of our farm subsidy schemes. The critical difference is that most of our farm subsidies are aimed at reigning in the farmers capacity to produce. Maritime subsidies, on the other hand, are aimed at proping up an inefficient industry.

Shipping subsidies for agricultural products moving under Public Law 480

and other food aid programs have always been subject to cargo preference. A few other commodity sales such as a recent flour sale to Egypt have been administratively subjected to cargo preference.

The debate over what programs are and are not covered by cargo preference has been long standing. A recent Federal district court decision making the USDA blended credit program subject to cargo preference resulted in costs that outweighed the benefit of using the program.

The blended credit program was made available through use of the Helms funds provided in the Omnibus Reconciliation Act of 1981. Its suspension has heightened the level of debate over cargo preference applicability.

The first action of the Senate Committee on Agriculture, Nutrition and Forestry in this Congress was to unanimously adopted legislation clarifying the application of cargo preference laws. That language was reported as S. 721 and is included in S. 1714—the farm bill.

Today an amendment—substitute—has been offered by my good friend and fellow committee member, Senator COCHRAN, from Mississippi to—for—committee language.

I know that many weeks of hard negotiation have transpired in order to construct this so-called compromise and I commend those who helped search for an answer to this tough problem.

However, I am afraid that the provision is simply an expansion of cargo preference at the expense of taxpayers, farmers, and those in need of food aid.

Farmers win in the respect that the blended credit program is no longer hostage to cargo preference. They lose in that less dollars will be available for Public Law 480 exports.

U.S. shipping companies and labor unions win because they get a bigger share of Public Law 480 shipments.

Taxpayers lose because they have to pay an estimated $200 million more for shipping subsidies.

Hungry people lose because there is less money available for food—it will all be going for transportation costs.

All in all Mr. President, I count more losers than winners.

Mr. President, I ask unanimous consent to have printed in the RECORD a letter signed by a substantial number of organizations with reference to this amendment.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OCTOBER 15, 1985.

DEAR SENATOR: The application of cargo preference to agriculture shipments is an issue which has prompted a large amount of discussion and controversy in this year of disastrous declines in U.S. agriculture exports.

Notwithstanding the views of various agriculture organizations over the last several months on the overall cargo preference issue, the agricultural organizations listed below are totally united in their feeling that the application of cargo preference to competitive, commercial USDA export programs is an unprecedented and unacceptable expansion of the Cargo Preference Act.

The undersigned associations and corporations therefore encourage your support for the cargo preference language contained in S. 1714 as reported out by the Senate Agriculture Committee.

The exemption of commercial agriculture programs from 50 percent U.S. flag requirements does not cost a single pound of cargo to the U.S. merchant marine since these programs have never been subject to cargo preference in the past. On the other hand, application of cargo preference has already destroyed one commercial program, blended credit, and currently threatens others. The very application of cargo preference to these relatively cost effective programs renders them too expensive to continue.

Simply put, agriculture's desperate state is far too fragile to saddle the USDA budget and farm exports with the costs and burdens of cargo preference expansion. If increased maritime support is warranted, we encourage Congress to devise a different type of support mechanism. Commercial agriculture exports are the backbone of American agriculture. They must be allowed to increase without the hindrance of cargo preference if agriculture is once again to become competitive in world markets.

Sincerely,

American Soybean Association; ConAgra, Inc.; Millers' National Federation; Cargill, Inc.; Port of Toledo; Toledo Board of Trade; Mid-States Terminals; National Grain Trade Council; The Fertilizer Institute; Bunge Corporation.

Omaha Grain Exchange; Lincoln Grain Exchange; National Grain and Feed Assoc.; Garnac Grain Co., Inc.; Tidewater Grain Company; Lincoln Grain, Inc.; Enid Board of Trade; Denver Grain Exchange; The Early and Daniel Company; American Farm Bureau Federation.

National Association of Wheat Growers; U.S. Chamber of Commerce; Seaway Port Authority of Duluth; Union Equity Co-Operative Exchange; Oklahoma Grain and Feed Assoc.; Continental Grain Company; National Soybean Processors Association; North American Export Grain Assoc.; Western Great Lakes Maritime Assoc.; The Andersons.

AgProcessing, Inc.; The Grange; Sioux City Grain Exchange; Minneapolis Grain Exchange; Terminal Grain Corporation; Commercial Exchange of Philadelphia; Merchants Exchange of St. Louis; Terminal Elevator Grain Merchants Assoc.

Mr. HELMS. I thank the Chair.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. NICKLES. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NICKLES. Mr. President, I rise in opposition to the amendment of my good friend from Mississippi, and others—the so-called compromise on cargo preference. I appreciate their initiative, and they have been very forthright, I guess, in fighting for the groups that are in support of this amendment. I rise in opposition to it basically because I am a taxpayer. I see this as being a major ripoff for taxpayers. Subsidies that have been going out to this industry have been increasing dramatically. Just talking about titles I and III of Public Law 480, in 1980, the cost of the subsidy was $63 million; in 1981, it was $65 million; in 1982, it was $97 million; in 1983, it was $100 million; in 1984, it was $109 million.

If you add title II to that, it makes the 1984 figure $129 million. If you add up all the subsidies that the Senator from Alaska just mentioned, last year it was $461 million. My good friend, the Senator from Hawaii, says now there are only 409 active ships left. That is over $1 million per ship. If that is not enough, we are talking about increasing it—increasing the load from 50 percent of the Public Law 480 up to 75 percent of Public Law 480, at an additional cost to the taxpayers of $40 million to $60 million per year.

Look how rapidly those payments have increased to a relatively very few numbers of people, and a very few numbers of ships. We are talking about enormous increases. I thought we were talking about getting serious about cutting Federal spending. I thought we were going to make some difficult decisions. We have already had one budget resolution up here. We said, yes, we are going to make some cuts. We passed a reconciliation package. We are working on one that says we are going to make some reductions. Gramm-Rudman, I do not know how many speeches were made on the floor of the Senate saying, "yes, we are going to get serious about cutting Federal spending." If we cannot do it, we are going to set up an automatic mechanism that will do it for us. Here we are a week later saying increase this subsidy. The merchant marine only gets subsidies on 50 percent of Public Law 480. Let us make it 75 percent. That is not very cost efficient. That is not a very good deal for the taxpayers. Right now the subsidies are over $100 million per ship. Then we are going to increase the requirements to go from 50 percent of Public Law 480 to 75 percent of Public Law 480. You would just be adding millions of dollars again on those ships for those companies.

I was kind of shocked when I started looking and found out that according to USDA we had companies in 1984 which received $9.3 million due to cargo preference on Public Law 480—

one company. In subsidies from titles I and III of Public Law 480 one company received almost $10 million; another company almost $9 million; another one, $7.5 million; another one, $7.4 million another one, $5.3 million. Yet we are just talking about shoveling out another $40 million, or $60 million to these few companies.

I do not find it very responsible. It kind of bothers me. This year alone we are going to have an estimated increase of shipments under Public Law 480 of about 30-some-odd percent. The merchant fleet is automatically going to get half of that anyway. So that means their subsidy is increasing just because we are increasing the volume. You do not have to increase the percentage. They are going to get half of an increase anyway. So if the shipments under Public Law 480 are going up 34 percent, that is that many more millions of dollars going to those few companies.

So as I stated before, we do not have to increase the percentage. Their subsidies have increased from $63 million to last year $129 million; this year it is estimated that the volumes will go up 30-some-odd percent. So it would be up probably at around $150 million in 1985 alone. Now we are talking about increasing and saying, well, 50 percent is not enough. So let us go to 75 percent. So we will make that well over $200 million a year. I do not find that to be a very good deal for the taxpayers. I think it hinders our credibility as far as being serious about getting our Federal budget under control.

Mr. STEVENS. Will the Senator yield on that point?

Mr. NICKLES. I am happy to yield.

Mr. STEVENS. I am sure the Senator supports, as I do, defense preparedness for our country. I wonder if the Senator is aware of the fact that the vessels that we have in ready storage, ready reserve for the merchant marine, costs us $100 million just to keep them tied at the dock—$100 million a year.

Each one of those vessels the Senator is talking about costs us $1 million approximately a year to subsidize them, to keep them operating. In other words, the cost to the taxpayers is less if we support operating commercial interests that have crew and management ready, and we have really a merchant marine that is still flying the U.S. flag available to us in time of emergency. If they are not subsidized in their operations, they are tied up at the docks. There is no crew on them. There is no management for them, and the ones that are in that category, as I said, cost us $100 million a year.

I am chairman of the Defense Appropriations Subcommittee also.

Mr. President, I want you to know that in my judgment, this program of supporting cargo preference is the most cost-effective means of maintaining a sealift for this country that we can possibly have. That is my main reason for being involved. I urge the Senator to look at the costs if we do not do this. We learned in Grenada, we learned at the time of the oil embargo that we cannot rely upon vessels that serve this country that are flying foreign flags. We either take some reasonable actions to maintain a merchant marine or we submit ourselves to real peril in time of emergency.

I have been one who has never voted against a farm bill in my life, although my farmers, as I said, do not get one penny out of it. Not one penny goes to the farmers in Alaska.

I want my colleagues to know, and I hope we do not get into the position that the Members of the other body did in terms of getting into rhetoric, which I think was most unfriendly and unfair, I say that I know of no better expenditure of taxpayers' money in the interest of the United States, both from the point of view of preserving a merchant marine for peacetime and wartime, than cargo preference. I urge my colleague to think of the cost if somehow or other cargo preference were removed, the cost to us in terms of being unable to be prepared except for acquiring more vessels, tying them up to docks, hiring someone to keep them clean and run up their motors. Think of it in terms of who is going to man them, who is going to manage them, and who is going to be there in event of emergency.

Mr. NICKLES. Mr. President, I appreciate the Senator's comments. He is involved with military operations. Possibly, we should consider, if the Senator is saying having cargo preference is a valuable asset to our national defense in order to keep these 409 ships afloat. Is that the Senator's point?

Mr. STEVENS. I cannot make that point too strongly.

Mr. NICKLES. Could I ask the Senator then would he agree with me—is that the reason we pay this $400 million now and now it is going to be $500 million-plus a year of maritime subsidy? Is that to help our national defense?

Mr. STEVENS. It is one of the reasons. I think there is also a reason totally apart from national defense, for maintaining an ability to withstand economic blackmail, to maintain the ability to move our cargoes abroad in the event that there is some disruption as far as our foreign policy compared to the foreign policy of the countries whose flags the ships carrying our cargo fly.

The impact of what I am saying, Mr. President, is this: We saw that during the oil embargo. We lost control over tankers that were carrying oil destined for our shores. We have lost control over vessels that otherwise would have been calling on our ports to pick up our exports. And they could well include agricultural exports in the future because of disagreements in foreign policy. So it is not totally a defense policy it is a total policy of the United States, I think, that ought to be in favor of maintaining a viable merchant marine.

We maintain the farm economy at considerable cost, I say to my friend from Oklahoma. I remember the PIK days. I just asked over here and was told that in the time of the PIK Program, the cost of the farm program went up to $83 billion one year. This program, I am told, is estimated to be somewhere around——

Mr. BOSCHWITZ. Mr. President, how much?

Mr. STEVENS. Do not ask me. I got that figure right over here.

Mr. COCHRAN. Mr. President, will the Senator yield?

Mr. STEVENS. Yes.

Mr. COCHRAN. I think our staff may have misspoken or been misunderstood. It was $18 billion, not 80.

Mr. STEVENS. Even then, $18 billion for one program is not bad.

I had a visit from the Secretary of Agriculture. He wants me to oppose this bill. I understand there is a letter running around here asking some to oppose the Cochran amendment. Fair is fair, but I want my colleague to know, in terms of cost and preserving a vital part of the American industrial base, the merchant marine, this cost is not great compared to other subsidy programs which we impose on the taxpayers.

Mr. NICKLES. Will the Senator yield?

Mr. STEVENS. Yes.

Mr. NICKLES. I appreciate his comments in response to my question, but let me make a statement. I see others on the floor who wish to speak.

I think this charade of saying the proposed increase is for national defense is hogwash. If it is not—if that is a credible argument, if that is the reason we are going to go out and spend $461 million last year and increase it another $61 million—if that is the case, I think we ought to have the Secretary of Defense certify they need XYZ ships and say this is an integral part of our national defense instead of being just a big subsidy.

One final point that I think is important to make. The Senator mentioned the PIK Program and that the cost of the PIK Program ballooned up to $18 billion. One problem in the PIK Program is that we did not have a limitation. I regret that we were not able to put language in that would put a limitation on what anybody could receive under PIK. We should have had a limitation of $50,000. We had some who receive millions of dollars. That is the same thing we have with cargo preference. We have a handful of the companies that makes $7, $8, $9, $10

million a year in cargo preference subsidies today and if this amendment goes through, you can increase those numbers substantially. Perhaps we ought to have a perfecting amendment and if this amendment passes, perhaps we should look at some limitations on individual companies, possibly limitations on what they might be able to receive from Uncle Sam.

Mr. President, I yield the floor.

Mr. INOUYE addressed the Chair.

The PRESIDING OFFICER. The Senator from Hawaii.

Mr. INOUYE. Mr. President, with regard to the remarks by my distinguished colleague from Alaska, I would like to point out that the cost of this program is less than 1 percent of the $18.4 billion the Government expects to spend on farm income stabilization in 1985.

Second, at the present time, 50 percent of the Public Law 480 Food for Peace is being carried on American ships, and attempts have been made to either reduce it 50 percent or cut it out completely.

I might point out, Mr. President, that all other nations with merchant fleets have had cargo preference laws long before we even thought about it.

I wish to point out, Mr. President, in case my colleagues are not aware of this, that the United States has a policy to put our overseas mail out on bid. What are the consequences of this policy? In 1983, for example, the Postal Service granted 37 out of 45 contracts to foreign shipping lines, including one from a Soviet bloc country—Polish Ocean Lines—for the carriage of U.S. mail to overseas destinations. As of last January, the score was 33 out of 44 contracts.

Mr. President, imagine the situation in some African country, Ethiopia, for example, where we are now shipping tons of grain. But because of the present laws, only half must be carried on American ships. The rest is carried on foreign bottoms that have been accepted by the bid system. So, you see the stevedores in Ethiopia looking at the ships and saying, "Thank you, Soviet Union." Our grain is being carried on Soviet ships, on Polish ships, grain that we have been paying for.

Mr. President, Hawaii is an agricultural State. I am part of the farm bloc. I have voted for every farm program—peanuts, tobacco, wheat, corn. It is about time these farmers support shipping programs.

I remind my colleagues that less than 4.4 percent of international cargo that goes in and out of the United States is now being carried on American ships. We should recall the end of World War II we carried all the cargo.

It might also be of some interest to my colleagues that in the Falkland war the British, for that little war on that little island, had to employ 75 percent of their merchant fleet. It may also interest my colleagues to know that today we have less ships sailing than we had sunk in World War II. As my colleague from Alaska has indicated time and time again, how can we provide the fleet that may become necessary in the event of some emergency if we continue to destroy our merchant fleet? It is about time we stood up and changed the course that we have been taking for all these many years. I hope my colleagues will support the Cochran amendment.

Mr. NICKLES. Will the Senator from Hawaii yield to a question?

Mr. INOUYE. I will be very happy to yield.

Mr. NICKLES. I appreciate my good friend yielding and I appreciate his expertise in shipping and certainly understand with his State's location how important the shipping industry is to his State. He is fighting for that industry. I am looking at some rates that were given to me by the American Soybean Association. They mention that the rate from the United States Gulf to Sudan under a Korean-flag vessel was $20.35 per metric ton, on a United States vessel it was $63, about three times as high, and different differentials for different places, but in many cases the United States rates are two or three times as high as foreign competition regardless. The Senator mentioned Polish competition. Could he explain this and why he thinks United States freight rates are so noncompetitive?

Mr. INOUYE. Title II cargo moves primarily on regularly scheduled liner vessels. Traditionally, liner rates are set by the steamship conferences to which these vessels belong, and there is no difference between U.S.- and foreign-flag rates. As long as this is the case, shipping on U.S.-flags costs the Government no more.

When circumstances change, however, shipping on U.S.-flags can cost more.

If, as has been the case for some time, the shipping market is depressed, there is a downward pressure on the rates historically charged by conference members for cargoes moving out of the United States. This, in turn, attracts a number of foreign-flag independent—of conference—carriers. These carriers are able to undercut significantly the standard rates offered by U.S.- and foreign-flag lines which belong to steamship conferences.

Unless we are willing to insist that one segment of our economy work at rates below what would be necessary to give Americans a reasonble, comfortable lifestyle, I think it would be unfair and unrealistic to insist that our sailors work at Korean rates or at Turkish rates or at Japanese rates.

Mr. President, even the Koreans subsidize their shipping industry. All of the other countries subsidize their shipping industries. The United States, I think, has the least subsidized merchant fleet.

What we are trying to do is to give our merchant fleet not an edge but just an even playing field. I do not think that is asking for too much.

An important point was made by my colleague from Alaska, and this must be kept in mind whenever we discuss the merchant fleet of the United States, the possibility of economic blackmail. At the present time we carry 4.4 percent of our international trade. While it is going down each year, other nations increase their share of the American trade. The time may come—and I am not trying to be a demagog in this case—when the Russians and other socialist countries will indicate to the United States that they will direct their ships not to stop at American ports, and then we will have problems.

Mr. NICKLES. Will the Senator yield for one final comment? Was he finished with his point?

Mr. INOUYE. I would be happy to yield.

Mr. NICKLES. This is a different question. The Senator mentioned one of the reasons for the difference in rates was a living wage or the wage scale is considerably higher in the United States. What does an average seaman make, say, on a U.S. crew? Does the Senator happen to have that figure available?

Mr. INOUYE. I do not have it here but obviously it is going to be much more than the Korean sailor.

Mr. NICKLES. Just for the Senator's information, from these figures that we have been able to acquire, in 1983 for a 26-man crew that would work 7 or 8 months, having 1 master, 5 engineers, and 20 seamen, the average annual salary would be $36,000.

Mr. INOUYE. The trend in the U.S. merchant is downward. Newer vessels are manned with 21 members. Second, these shipping companies and these unions have to abide by the laws and administrative rules we have adopted, safety rules where we require certain types of ships to be manned by a certain number of men. These are the laws that we have made.

Mr. ABDNOR. Mr. President, I have been following this debate with a great deal of interest, and I might say concern, concern for the farmers of this country, for agriculture in general. In these days of deficit reduction talk, expanding budgets going on at the same time, it is imperative that those who are receiving the funds justify them. What disturbs me more than any other point in this debate is that farmers are expected to justify $109 million in their budget for something they have no concern about. We all know that if American vessels were not available there would still be other

vessels and they would be better off because of it.

Now, if the point is that we need our own ships in this country, that we have to protect them for strategic purposes, whatever purposes they might be, I will not argue that point. But I will say why do they have to come to the agricultural budget to get it? Why do they not go to OMB? Why do they not go to the proper committee and say, "Look, we need these vessels for this country. It is vital to America. We need your help."

Mr. STEVENS. Will the Senator yield?

Mr. ABDNOR. Yes.

Mr. STEVENS. I call the Senator's attention to the fact that under the amendment of the Senator from Mississippi, that will happen. There will be a new mechanism in the Department of Transportation very similar to the Commodity Credit Corporation. These funds will not come from the agriculture sector. They will come from the Department of Transportation. If the funds are not available under that mechanism, not provided by Congress and not borrowed, the provisions will not apply. In other words, it will not be payments coming out of the agriculture bill anymore. They will come out of the provision that has wisely been put together by the Senator from Mississippi and, I think, those of us working on the merchant marine. We have listened to the Senator's objections in the past about taking this money out of the agriculture bill. The Senator from South Dakota knows my great love and fondness for him but let me tell him, he lost a program, the new program for cargo exports because of the court decision. The court decision was based upon President Eisenhower's decision in the early 1950's that such a promotional program was in fact subject to cargo preference. But the farmers lost some $500 million in exports because there was not any willingness to put up the $50 million for cargo preference. I tell the Senator that we are looking at a program, the overall cost of which is 1 percent of the farm program. I would hope my friend recognizes we have heard his complaints in the past and now the cargo preference moneys will not come out of the agricultural sector.

Mr. ABDNOR. How will this be handled? That means that we take the dollars out of the budget the same as most people think.

Mr. STEVENS. Wait a minute. Those dollars were in the budget because they were in fact for cargo preference payments to the merchant marine.

Mr. ABDNOR. There was certainly a movement afoot to try to eliminate cargo preference from the budget.

Mr. STEVENS. There is a move afoot to eliminate a lot of farm subsidies, too.

Mr. ABDNOR. I cannot believe the image being projected by writers and columnists in this Nation of the farmers of this country. Last Friday I picked up the Washington Times and read an article by Robert Walter. What a brilliant article this gentleman wrote. He was complaining about what subsidies do to the cost of government and particularly to the poor consumers of this Nation, making them pay more for their food. In the same paper was an article on the CPI, the Consumer Price Index, pointing out the 3.1 factor that would be used; that the computation of entitlements was going to be 3.1 percent, the lowest in many, many years. If you read through the article, the biggest contributing factor to this lower index figure was the price of food. People think it is the farmers who are reaping the benefits. I would say if anybody is reaping the great benefits it is in cargo preference. I do not care were it appears. It makes it more competitive and more difficult in the trading business.

I hope we can get this story told. It would be more than $9 billion.

I ask the Senator from Mississippi how much more——

Mr. COCHRAN. Mr. President, I would like to answer the question and discuss the bill, but I think we are out of time. Under the previous order, we are to recess at 12 noon. We will come back to this after the recess, and I will be glad to discuss the bill at that time with the distinguished Senator.

RECESS UNTIL 2 P.M.

The PRESIDING OFFICER. Under the previous order, the Senate will stand in recess until 2 p.m.

Thereupon at 12:01 p.m., the Senate recessed until 2 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. COHEN).

The PRESIDING OFFICER. The Senator from Washington is recognized.

Mr. GORTON. Mr. President, I am pleased to support the amendment of my distinguished friend and colleague from Mississippi and his cosponsors. As we all know, cargo preference has been a deeply divisive issue, pitting the agricultural community against the maritime community at a time at which both are literally fighting for their lives. As a Senator who represents both interests, this has been a particularly troubling issue for me. It is gratifying to find that the two industries have been able to come together from very divergent positions to reach an agreement with which both can live. The agreement embodied in this amendment represents a true exercise in compromise and conciliation.

The controversy over cargo preference stems from two great national priorities: Developing foreign markets for American agricultural products and maintaining an American merchant marine. Because of the dramatic decline of farm income in the United States, spurred by the rising value of the dollar and high interest rates, government programs are needed to assist our farmers in developing overseas markets for agricultural exports. If the American farmer is to be able to compete in the world market with the heavily subsidized farmers of the European Community and other nations, commodity programs such as blended credit and the export PIK Program are essential.

The case of the U.S. maritime industry is just as clear: The substantially lower and subsidized costs of foreign shipping make it difficult for the American maritime industry to compete in the world market. The Government has, therefore, attempted to develop policies to assist the U.S. merchant marine. Cargo preference is one of those policies.

Conflicts have arisen between the maritime industry and agriculture because cargo preference expenses are tied to the Government's agricultural export programs, and, as a result, the costs of cargo preference appear to consume part of the budget appropriated for agriculture market development. Farmers insist that the Department of Agriculture should not be in the business of subsidizing the merchant marine; maritime interests argue that cargo preference costs are justified because they constitute a minuscule portion of the Federal subsidy provided to agriculture. The result has been stalemate.

The Blended Credit Program has been a casualty of this stalemate. This program provides an interest rate for exports at approximately 2 percent below prevailing U.S. market rates. In February, the Department of Agriculture suspended the program on the heels of a U.S. district court ruling that directed the Department of Agriculture to comply with Federal cargo preference requirements when administering the program. The Secretary of Agriculture, John Block, argued that the application of cargo preference would raise the costs of the Blended Credit Program and negate the 2 percent interest rate reduction that the program produces.

In fact, the Secretary was incorrect in his assessment of the impact that cargo preference would have on the program. The differential cost between foreign ships and U.S. ships is borne by the Federal Treasury; neither the American farmer, exporters, nor the importing nation pay this cost. Consequently, the favorable interest rate produced by the Blended Credit

Program would remain unchanged if cargo preference were applied. In spite of this fact, the Secretary went ahead with his decision and suspended $536 million of wheat sales to Egypt, Morocco, Tunisia, and Iraq.

I believe that the Secretary's decision was unfortunate and unnecessary. It hurt American agriculture at a time when farmers could least afford the loss of an important export program. It also gave credibility to the notion that the interests of the American farmer and the merchant seaman are at odds. I am convinced that this is not the case.

Since last summer, representatives of the agriculture and maritime industries have met in Washington, DC, to negotiate a long-term solution to the cargo preference dilemma. The result of the discussions is a proposal which would free all Government sponsored commercial sales from cargo preference requirements while increasing the U.S. shipping requirements on concessional sales. This proposal, which is embodied in the Cochran amendment, would increase the cargo preference requirements on the Public Law 480 Program to 75 percent from the current 50 percent requirement and exempt the blended credit, export PIK, and BICEP programs from any cargo preference requirements whatsoever.

I believe that this approach will lend some predictability and coherence to the Government's application of the cargo preference laws. It makes economic sense to consider a compromise which applies cargo preference in greater percentages to Government give-away programs and in smaller percentages to export promotion programs.

By its nature a Federal give-away program is a direct subsidy, providing a government-to-government transfer of commodities. On the other hand, an export promotion program, like blended credit, creates interest advantages by providing Government guarantees to exporters, but direct outlays of Federal funds are relatively small. It is reasonable to expect that direct subsidy programs should pick up a larger portion of the cargo preference subsidy, while allowing less expensive, less direct, subsidy programs the freedom to operate unencumbered by cargo preference.

I am pleased that a final agreement has been reached that has the support of the agriculture and maritime communities in the United States. Having said that, I must add that the most important and most obvious course of action that can be taken to reduce the costs of cargo preference is to improve the competitiveness and efficiency of our merchant marine. Progress has been made in recent years toward achieving this goal and I am convinced that greater improvements can and must be made.

It makes sense for agriculture and maritime interests to work together to find a long-term solution to their differences, rather than to rely on Congress to dictate one-sided solutions which would certainly be subject to constant challenge and acrimony. The problems faced by America's farmers and America's merchant marine are only compounded when Government policies put the two industries at odds. I hope that we can now lay this issue to rest and that these two industries that contribute so greatly to the American economy can begin to work together.

Mr. President, I congratulate the distinguished Senator from Mississippi and his cosponsors for their imagination and diligence in reaching this answer.

Mr. LEVIN. Mr. President, I will vote against the "compromise" amendment on cargo preference offered by Senator COCHRAN, even though I have supported the Public Law 480 Cargo Preference Program in the past. I generally favor the program because I recognize the importance of maintaining a healthy U.S. merchant marine. However, as a Senator who represents one of the Great Lakes States, I simply cannot support a compromise which will harm the Great Lakes ports.

As the Senator from Illinois has so forcefully stated, the Great Lakes ports already operate at a disadvantage because of the way the U.S. Department of Agriculture has applied the cargo preference requirements under the Food for Peace Program. Currently, the law requires that at least 50 percent of the food for peace cargo move on American ships. Unfortunately, the Great Lakes ports are rarely served by U.S.-flag ships. Additionally, our shipping season is short because the St. Lawrence Seaway is closed during the winter months. As a result, in order to get our equitable share of Public Law 480 shipped out of Great Lakes ports, we need to have a higher percentage of the 50 percent which is permitted to be shipped on foreign flags move from Great Lakes port.

Under the current law, the Great Lakes ports have already suffered as a result of USDA diversion of Public Law 480 cargo. Millions of pounds of grain grown in the Midwest which is distributed under the Food for Peace Program and which logically should be shipped from Great Lakes ports, has been diverted to ports in other regions of the country at a higher cost to the U.S. taxpayer. A Wall Street Journal article dated May 15, 1984, further explains the inequity in the administration of the cargo preference requirements and the importance of Food for Peace shipments to the Great Lakes ports. According to the article:

Last year, for the first time in the 29-year history of the Food for Peace Program, the total shipments fell short of the 50 percent bench mark. When the cargo tonnage was tallied at year end, only 48.5 percent had moved in U.S.-flag freighters. This modest violation of the cargo-preference law set off bells at the Agriculture Department. To ensure that it doesn't happen again, officials decided to enforce the 50-percent rule each month, rather than waiting until late in the year to adjust any imbalance.

So in late March, when the department made its first 1984 monthly food shipment assignments affecting Great Lakes ports (because of ice, the St. Lawrence Seaway, which connects the Great Lakes and the Atlantic Ocean, is closed to shipping from roughly mid-December to April 1) the Government modified its "cheapest possible transportation" rule.

Lacking enough U.S. registered vessels in the Great Lakes in April, the department looked elsewhere for ships. The result: 20,000 tons of processed grain for India and Peru were sent to Mississippi River ports and 12,000 tons of corn for Somalia were directed to docks on the gulf coast. An Agriculture Department official admits costs were higher than if Great Lakes ports had been used.

The article goes on to state,

. . . the port of Duluth, MN, says about two-thirds of the 62,000 hours worked by port personnel last year were devoted to humanitarian food cargo. Admiral Hoffman says Food for Peace cargo was the "basic inducement" for 56 of the 62 freighter that called at Milwaukee in 1983.

Mr. President, between 1980 and 1983, approximately 25 percent of the Public Law 480 cargo was shipped from Great Lakes ports. In 1984, Great Lakes shipments dropped to approximately 16 percent. If the compromise increasing the U.S.-flag requirement to 75 percent is approved, the Great Lakes ports will see their fair share of the cargo eroded even further.

Mr. President, I had hoped that the compromise could be amended to protect the interests of the Great Lakes ports by ensuring equitable distribution of Public Law 480 cargoes. Unfortunately, the sponsors of the compromise decided to preclude the opportunity to offer such an amendment by parliamentary maneuvering. As a result, I must reluctantly vote against it.

Mr. KASTEN. Mr. President, I rise in strong opposition to the Cochran amendment.

There are several things at issue here, but the most important is jobs—jobs at ports in Wisconsin, in other Great Lakes States, and at other ports not served by U.S.-flag vessels.

Mr. President, the debate we are having today is the culmination of a long and discouraging sequence of events that began last February with the court ruling that exports made possible by the Blended Credit Program were subject to cargo preference.

After that decision, Secretary Block suspended the Blended Credit Pro-

gram. Other USDA-assisted export programs were brought under a cloud, at a time when America's farmers could least afford it.

And, finally, the well-publicized controversy over cargo diversions from the Great Lakes made it painfully clear that the American-flag merchant marine is barely able to carry 50 percent of Public Law 480 shipments, and then only at exorbitant cost to the Government and to ports on the Great Lakes.

To make a long story short, the maritime industry and certain agricultural groups worked out what they call a compromise. This arrangement would exempt all non-concessional sales from cargo preference, but would raise the preference requirement on Public Law 480 shipments to 75 percent over 3 years.

This is, to say the least, a major change in our maritime policy, one that should not be made without hearings in the Commerce Committee. The chairman of that committee has made this point, and it is one we should not take lightly.

But my paramount concern is the Great Lakes, and the thousands of jobs at stake in Wisconsin ports.

The Wisconsin Department of Transportation estimates that almost 4,000 people work at the ports of Milwaukee, Green Bay, Kenosha, and Superior. A full 90 percent of the cargo shipped out of the port of Milwaukee is made up of Public Law 480 shipments.

There is very little U.S.-flag service into the Great Lakes. That means that this so-called compromise would be a death warrant for the port of Milwaukee, and could throw many people at other Wisconsin ports out of work.

I am not prepared to accept this.

Mr. President, I make these arguments with great reluctance. I think I have been as strong a supporter of the maritime industry, and even of cargo preference, as any Member of this body. I believe in the need for a strong merchant marine. We need it; it is in our national interest.

But I also believe it is in our interest to have strong, vigorous ports in the Great Lakes. It is in our interest to have jobs in Wisconsin.

The time has come to call a halt to the effort to attach increases in maritime subsidies to the farm bill. Let us stick with the Agriculture Committee's language, which would return us to the status quo before the Green decision. Let us bring the whole maritime problem to the Commerce Committee for hearings next year; as a member of that committee, I pledge to do all I can to see that the congressional commitment to a strong merchant marine is maintained.

Mr. President, I urge all my colleagues to join me in rejecting the Cochran amendment.

Mr. THURMOND. Mr. President, today I rise in opposition to the pending amendment. The amendment would change language in the 1985 farm bill—S. 1714—clarifying the cargo preference laws. The farm bill, as reported by the Senate Agriculture Committee, would exempt all agricultural goods exported under programs such as the Blended Credit Program from the cargo preference laws. Particularly in light of the currently depressed farm prices, these laws constitute an unreasonable, costly burden on our agricultural economy. Weighing the various competing interests, I believe that a sounder public policy would be to allow shippers and purchasers of our agricultural products to choose the most efficient provider of ocean transportation.

At present, cargo preference laws require that one-half of all goods exported under a Government-generated program be shipped on U.S. flagships. As determined by the Attorney General in 1963, these cargo preference laws apply to sales of surplus agricultural commodities by the Commodity Credit Corporation [CCC], if such sales involve some substantial element of U.S. Government subsidy, such as concessional sales and humanitarian food donations. In February of this year, however, the U.S. District Court for the District of Columbia broadened the scope of the Cargo Preference Act when it ruled the statute applicable to the Blended Credit Program. This USDA program loans money to foreign countries so that they may purchase American agricultural commodities. In response to the court decision, the USDA suspended the Blended Credit Program.

Clearly, Mr. President, this recent court decision indicates ambiguity in the law which Congress should clarify. Detailed hearings have been held on this issue in order to determine whether the cargo preference laws should be continued and, if so, their desired scope.

Mr. President, I am not insensitive to the concerns of the U.S. merchant marine industry. However, we must recognize that a statutory requirement for the use of U.S. flagships interferes with the competitive bid system normally used for shipping contracts. This means higher shipping costs and, therefore, less money available for the pruchase of agricultural products under USDA generated purchases.

Mr. President, considering our enormous trade deficit and the declining U.S. share of the world agricultural market, it certainly is not wise for the cargo preference laws to be broadened in scope by the courts or by Congress, as such action would further burden our farmers. Agricultural producers are suffering enough already without the additional restriction of cargo preference laws.

Mr. President, I believe it would be more beneficial to the agricultural economy to repeal the cargo preference law entirely. However, if that cannot be achieved at this time, I certainly hope that the language relating to cargo preference laws in the farm bill can be preserved to limit their application to shipments involving direct subsidies from the U.S. Government. I urge my colleagues to vote against the pending amendment.

Mr. GRASSLEY. Mr. President, I am happy that the Senate is considering the cargo preference issue today. This issue underscores my feeling that the problem with exports, with agriculture, and low farm income is not only the result of farm programs, but many other policies as well. Not until Congress and the executive branch decide to bite the bullet and change some of these other barriers to agricultural prosperity, will we truly have a progressive comprehensive agricultural policy.

Cargo preference is one of those very important issues that have limited the farmers access to international markets. Without our competitors raising one finger, we have given them a significant advantage. If I were a member of the EC or from Canada, Argentina, Brazil, or any of the other countries that are the true beneficiaries of this policy, I would be down here today lobbying Congress to vote for cargo preference. All cargo preference does is give other exporters a competitive edge over U.S. farmers.

Just look at what cargo preference does to our exports. By applying cargo preference to our Blended Credit Program, we increased our landed costs of U.S. grain by 15 to 30 percent. This more than offsets the 2-percent interest buy-down provided under the Blended Credit Program. Shortly after the Judge Green court decision applying cargo preference, we lost over a half a billion dollars in sales, affecting 3.6 million metric tons in grain exports. This 15- to 30-percent increase in costs as a result of cargo preference is in addition to the overvalued dollar which increases the price of our agricultural products by over 35 percent. How can we expect our farmers to compete against these kinds of odds?

Cargo preference is a free trade issue, an economic issue, and most of all, a fairness issue. If we are going to have policies that "stack the deck" against our farmers and for our competitors, we should ask these foreign countries to pay for part of these programs and not the American farmers through the U.S. Department of Agriculture. I recognize that this is not possible, but we can shift the burden of payment from the USDA to the Maritime Administration or the Department of Defense, where it truly belongs. As it stands now, over $100

million in funding appears to be supporting the export of agricultural products when in reality it is going to the merchant marine industry. This policy pours salt in the wound of the American farmer. At a time when agriculture is in crisis, we not only tell the farmer he is receiving too much help from the Government and implement policies that adversely affect him, but we ask him to pay for these misguided policies. This just adds insult to injury as far as the American farmer is concerned.

I am not in favor of cargo preference applying to anything. According to the Agency for International Development, the costs of shipping on U.S.-flag vessels under Public Law 480 alone, was $77.6 million in 1983; $97.5 million in 1984; and are estimated to run more than $118 million this year. This is money that could be going towards food aid for the needy and helping our exports. The ocean freight differential for shipping on U.S.-flag vessels this year will run anywhere from $30 to $80 per ton. Under a best case scenario this adds 80 cents per bushel of wheat, 76 cents per bushel of feed grains, and 80 cents per bushel of soybeans. In reality, the costs will probably be even higher. How can we keep blaming the farmers and farm programs for the drop in exports when we allow these kind of policies to continue?

I understand the concerns of those who feel cargo preference is necessary, but I am not willing to vote for this compromise.

If Members of this body are serious about cutting the deficit, increasing our exports, fighting for free trade and increasing farm income, they should vote against cargo preference. We need to show the American farmer that we have the courage to stand up for him. If we do not vote against cargo preference, how can we justify cuts in the agriculture budget and in farm programs. We preach to the farmers day in and day out, "You need to sacrifice, you need to tighten your belt a little tighter, and you have been receiving too much help." How can we tell the American Farmer he is receiving too much help when an industry that only supports 1,668 seamen—which is the total number of seamen involved in the shipment of agricultural exports—receives close to $100 million in just USDA/FAS subsidies. If you take into consideration the total amount subsidies given to the maritime industry from all agencies, it would have amounted to over $174 million in 1982. When broken down, this amounts to more than $100,000 per seaman.

I am tired of the American farmer being the whipping boy for all our other failures in international, domestic, monetary, and fiscal policy. I suggest that this is our chance to turn the tide. We must start down the road to a real agricultural recovery and not just policies that benefit others, domestic and foreign, at the expense of our farmers. Therefore, I encourage my colleagues to vote against cargo preference and start us on the right road to recovery.

OPPOSING COCHRAN'S CARGO PREFERENCE AMENDMENT

Mr. McCONNELL. Mr. President, there are very few clear issues in this year's farm bill. However, we have certainly got one here in the form of an amendment to strip the farm bill of one of its most important provisions—exemption from cargo preference provisions for USDA export-enhancing programs. Mr. President, I strongly oppose this amendment.

During a time when the volume of farm exports has declined by over 25 percent in the last 4 years, the last thing we need to do is severely restrict our own ability to compete in the overseas grain market. That is exactly what a U.S. district court ruling with respect to cargo preference has done to agricultural exports and since this misguided February court ruling, U.S. grain exports are running 10 percent below projected levels. The backbone of the USDA export credit initiatives is a blended credit program which has been shelved until this issue is resolved. Now is the time to resolve it.

The blended credit program gives the American farmer the tools to fight subsidized foreign exports and, since its enactment in 1982, has become an integral part of the USDA efforts to make U.S. farm exports competitive. At the time of enactment, Congress intended for money appropriated for blended credit programs to help farmers. Instead, the U.S. court ruling I mentioned earlier mandated that a certain percentage of all exports shipped under blended credit programs must be shipped by American-bottomed ships, whose costs are sometimes 3 or 4 times higher than some foreign shippers. Hence, USDA blended credit money is used to subsidize the American merchant marine, the costs of the commodities being shipped are higher and we're no longer able to compete with foreign countries. The American farmer loses a market, and the real paradox of this mess is that the merchant marine loses volume simply because we can't sell our overpriced commodities. So the American farmer again comes up a loser through no fault of his own.

We can address this inequity, Mr. President, by returning to the status quo. Until this unnecessary court ruling, cargo preference requirements applied to 50 percent of all food aid shipments through programs such as section 416 and Public Law 480. Title I of the 1985 farm bill contains provisions which will expand these and other food donation programs and will provide greater shipping opportunities for our merchant marine without destroying the competitiveness of American agriculture. Until U.S. farmers are lifted from the curse from unfair trading practices, they need all the marketing tools they can get.

Cargo preference limitations on all U.S. farm exports is seriously crippling our ability to compete with our highly subsidized competitors. I urge my colleagues to reject this attempt to hand another defeat to the American farmer.

Mr. McCLURE. Mr. President, I rise in support of the Senator from North Carolina to exempt blended credit and other programs legislated by Congress from cargo preference.

To apply cargo preference to commercial agricultural export programs, such as the blended credit and intermediate credit programs, may have very significant repercussions in this Nation's ability to maintain its world trade in agricultural products.

I would like to cite several examples which show how cargo preference, applied to the agriculture community, has significantly affected the agricultural industry in a negative way.

On recent, 1985, shipments of wheat, grown in the United States and shipped to Sudan, the freight differential for United States flag vessels was $42.65—that's more than twice what the cost was on a Korean-flag vessel, shipped at approximately the same time.

Another example of the freight differential in shipments of corn from the United States to Egypt this fall, documents a $34.90 difference in the rate of the United States vessel compared to a Liberian ship. In this case, U.S. taxpayers paid an additional $1,849,700 to send corn on the American-flag ship. In the former example of the wheat shipments, the U.S. taxpayer paid on additional $2,798,906 to send the wheat on the American-flag ship.

U.S.-flag ships charged an average of $69.50 more per ton, in 1984, than did foreign flag vessels to carry exported commodities. As an example, a ship carrying 30,000 metric tons of commodities received a subsidy from the U.S. Treasury averaging $2.08 million for a one time, one way, crossing.

A Congressional Research Service report documents that for the period 1954–84, over $24.5 billion in surplus agricultural commodities was exported through the Food-for-Peace Program. As a result of cargo preference requirements, these exports provided approximately $1.6 billion to the profits of a U.S.-flag shippers over that period.

The USDA estimates that in fiscal year 1985, the Commodity Credit Corporation will have to pay $109 million in freight for the differential charges

on $997 million worth of commodities which will be shipped under the Food-for-Peace Program. This comes to approximately 11 percent—the premium the taxpayer must pay.

The cargo preference program is placing increasing and unreasonable burdens upon the American taxpayer for shipment of agricultural products. A GAO report, which came out in 1984, calculated that between $71 and $79 million, in the form of additional freight, was paid by USDA and the Agency for International Development in 1980 due to cargo preference requirements.

The cargo preference program has not only a negative effect but an unreasonable effect on the Food-for-Feace Program. If cargo preference was not applied to food aid, $155 million would be available to provide food for hungry people throughout the world. This is the purpose for which the program and the appropriation was intended.

Cargo preference requirements on commercial agricultural export programs also has major effects on Idaho. Idaho is among the largest grain suppliers in the Nation. Three of our counties, Bingham, Cassia and Power, have each produced over 6.9 million bushels of wheat in 1983 and 1984. These and 40 other counties, which provided over 32 million bushels in 1983 and 1984, need a market situation which is expanding and aggressive, not restrictive.

A September 30, 1985, report from the Committee on Agriculture, Nutrition, and Forestry-U.S. Senate, concluded that the recent judicial expansion of the applicability of cargo preference places an undue burden on agricultural producers to support the U.S. merchant marine and is contrary to the intent of Congress regarding the reach of cargo preference laws.

Mr. President, if the cargo preference is applied to the blended credit program, the intermediate credit program, or any other of these programs, they most likely will be terminated since their cost would increase so greatly that it would make these programs cost-ineffective. The USDA estimates that cargo preference costs would add $45 million in Government outlays. The total cost of blended credit shipments would rise from a net cost of $23 million to $68 million. That's an increase of three times without the cargo preference costs. Idaho and its great agricultural industry would suffer. The Nation's agricultural industry would suffer.

The Nation cannot stand to lose these valuable programs. Idaho farmers, all American farmers, cannot stand this loss. We cannot allow a sharp rise in USDA outlays and a further increase in the Federal deficit which is caused by increased costs due to cargo preference requirements. It is time for Congress to recognize the need to stand firm for agriculture. It is time to stand for the farmers.

I ask my colleagues, and I lend my support, to pass the committee-approved exemptions from cargo preference for commercial export programs.

Mr. BENTSEN. Mr. President, I am pleased to join with my distinguished colleague the Senator from Mississippi [Mr. COCHRAN] and a number of others in offering this amendment. This amendment is a compromise on the thorny issue of cargo preference. It was painstakingly worked out over a period of several months between two coalitions representing major agricultural and maritime groups. Passage of this amendment will allow us to unsnarl the current mess in key USDA export programs and get those programs to working once again.

The Cargo Preference Act of 1954 was enacted with the objective of assuring that the United States would have a U.S.-flag merchant fleet available in times of war. This law requires that 50 percent of all concessional sales of U.S. agricultural products be shipped in U.S. vessels. Programs under various other Government agencies, such as Defense, Treasury, and the Agency for International Development, are also subject to cargo preference requirements.

Historically cargo preference requirements have been applied only to Public Law 480 and section 416 food aid shipments. However, in February of 1985 a U.S. district court ruled that cargo preference applied to USDA's Blended Credit Program. This program uses a combination of GSM-102 loan guarantees and GSM-5 direct loans at below-market interest to provide an interest-rate subsidy for U.S. agricultural exports. It is a major tool for responding to foreign interest rate subsidies which are displacing U.S. exports.

The court further stated that, if asked, it would rule that cargo preference would also apply to the GSM-102 export credit guarantee program, which is the mainstay of our export credit programs. In 1984 about 10 percent of all U.S. farm exports were sold under blended credit or GSM-102.

In response, the USDA shut down the Blended Credit Program. In May Secretary Block ignored a request from 53 Senators, including myself, to go ahead and complete the blended credit sales that had been announced for this year. We lost those markets to foreign competition.

There were several months of intense negotiations between agricultural and maritime groups this summer, culminating in this compromise proposal. It has been agreed to by all of the major maritime groups. It has been agreed to by most of the major farm groups, including the National Cotton Council, the National Association of Wheat Growers, the National Council of Farmer Cooperatives, the Five State Rice Producers Legislative Group, the National Corn Growers Association, the Farmers Union, the Grange, and the Rice Millers Association.

The bill reported from the Senate Agriculture Committee contains a cargo preference provision which would overturn the court decision and apply blended credit only to the traditional food aid programs. Similar language was approved by the House Agriculture Committee but was rejected on the House floor by a vote of 245 to 179. The House vote is a clear signal to all who care to look. It shows that such language cannot be enacted into law.

However, failure to enact a change in the cargo preference law will keep the Blended Credit Program shut down. Not only that, but it will probably also lead to the shutting down of the other USDA export programs as well.

We cannot afford such a stalemate. Neither U.S. merchant seamen nor U.S. farmers want it. Neither of them can afford it. As a letter from the agricultural coalition in support of this compromise says:

> Without such legislation, we believe the result will be to maintain the February U.S. district court decision and the potential loss of billions of dollars in U.S. agriculture export sales.

This compromise amendment will break that stalemate. It will exempt all USDA export credit programs, including blended credit, from cargo preference requirements. It will exempt all current and future USDA export subsidy programs, such as using surplus commodities to subsidize export sales as would be required by other sections of this farm bill. It would restrict cargo preference to the traditional food aid programs. It would increase the cargo preference requirements under the food aid programs from 50 percent to 75 percent, phased in over 3 years. Any additional cost under these provisions would be paid by the Department of Transportation instead of by the Department of Agriculture.

This is a workable compromise. No one got everything they wanted. Everyone gave up something. But everyone got something they needed.

I urge my colleagues to pass this amendment and join together in the real fight—the fight against foreign competition, the fight for American jobs and American agricultural exports.

Mr. PROXMIRE. Mr. President, I want to put the Senate on notice that the so-called Public Law 480 cargo preference compromise offered by Senator COCHRAN devastates Great Lakes shipping.

Unlike other U.S. coastal ranges, few U.S. carriers serve our fourth coast. While our ports provide efficient, very low cost services for Public Law 480 title II bagged and processed cargoes, we can't even bid for 50 percent of them under existing law.

Why make this situation worse. A boost to 75 percent for Public Law 480 preference cargo adds to the deficit, deprives starving people of food and denies low cost, efficient ports like Milwaukee the business they deserve and would get under any other rational system of cargo allocation.

Even worse, under the existing already flawed system, cargoes bid on and won by our ports and foreign-flag carriers are often diverted at the last minute onto much, much more expensive U.S.-flag vessels located in other coastal ranges greatly increasing costs to the U.S. taxpayer.

Just this week the city of Milwaukee, joined by Superior, Duluth, Kenosha, Green Bay, Burns Harbor, six International Longshoremen's Association locals and numerous Great Lakes shipping interests filed suit against the Secretary of Agriculture charging violations of Federal law and regulations in applying an overly rigid, mistaken interpretation of cargo preference rules.

According to Milwaukee's brief:

These illegal diversions have caused significant damage to our Great Lakes economy, employment opportunities, and economic development potential.

The suit charges that the Department of Agriculture and other Federal agencies have illegally diverted millions of pounds of cargo to the east, west and gulf coasts that could have been shipped out, more cheaply, from the Great Lakes. The brief states further that diversions deprive our ports of the "base cargo" they need to stay in business and violate the principle of lowest landed costs in selecting carriers.

Mr. President, the Great Lakes ports suffer from many natural disadvantages such as an ice-shortened season, high St. Lawrence Seaway tolls, and system bottlenecks and breakdowns. But the effect of this amendment is worse than anything nature dishes out—it kicks us right in the teeth.

Under current 50-50 preference requirements, last year the Great Lakes got 18 percent of all the Public Law 480 cargo. But if only 25 percent of Public Law 480 can go on foreign flag ships, as in the Cochran amendment, Great Lakes ports like Milwaukee, Green Bay, or Superior would lose business and perhaps even have to shut down. Fully 90 percent of all Milwaukee cargo business comes from Public Law 480, title II.

Mr. President, unlike other ports in the United States, the Great Lakes ports have paid their own way in the form of seaway tolls. Every time tolls go up, we lose business. We lose business, too, because of our shortened season which requires shippers to substitute alternative forms of transportation in the winter months. In fact, total Great Lakes cargo shipments are down 20 percent from last year alone. We can't take much more bad news.

Mr. President, while this amendment devastates Great Lakes ports, we are not alone in our opposition. Groups as diverse as CARE, Bread for the World, U.S. Chamber of Commerce, the Grange, American Farm Bureau Federation, National Soybean Processors Association all oppose this change in cargo preference.

Secretary Block also opposes the change and CBO has estimated that it will add $100 million more a year to the program.

Mr. President, I ask my colleagues to oppose this compromise which costs too much and savages an entire region of the United States.

Mr. DURENBERGER. Mr. President, it is with some reluctance that I rise in opposition to the proposal offered by the Senator from Mississippi. I do so reluctantly not because of the merits of the amendment but because it is a rare occasion when the Senator and I find each other on different sides of the fence on any issue. But I must oppose this amendment, and believe it is so fatally flawed that it must be regarded as a great fraud on the American public and the millions of starving people who depend on Public Law 480 shipments for their life.

This amendment has been called a compromise by its proponents and, judging by its list of supporters, that statement might have some validity. But not much, because anyone who has taken the time to analyze this amendment can see that this compromise is a cop out. The bottom line on this amendment is that in return for the maritime industry's support for the exemption of nonfood aid commercial export expansion programs from the cargo preference requirement, the Washington based representatives of the Wheat Growers, Corn Growers, Farmers Union, NFO and a few other farm groups gave the maritime industry a blank check on the amount of humanitarian assistance subject to the cargo preference requirements. And, while the Washington lobbyists for the farm groups I just mentioned may think this is a good compromise, my corn growers, my wheat growers, and my farmers think this is a horrible way to resolve the impasse which exists on this issue. My farmers believe that the exemption for nonfood aid commercial export expansion programs from the cargo preference requirements contained in the bill reported out of committee is the best policy which can be reached on this issue. And, they think their Washington representatives sold them out.

To outline some of my concerns, let me first indicate what this amendment will do to the port of Duluth, MN. For those colleagues who have not studied geography since grade school, you might be surprised to find that Duluth, MN, lies west of St. Louis, MO, but relies on a 2,342-mile channel through the Great Lakes-St. Lawrence Seaway system, to gain access to the Atlantic Ocean and the international marketplace. Unfortunately, very few U.S.-flag vessels call at the Port of Duluth, or the Great Lakes for that matter. In fact, over the last 6 years, only seven U.S.-flag ships called at the port, handling only 38,000 metric tons of cargo, or 0.39 percent of all cargo handled by the port. Mr. President, I ask unanimous consent that a chart illustrating these shipments be inserted into the RECORD at this point.

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

U.S. FLAG VESSEL CALLS TO PORT OF DULUTH-SUPERIOR 1980 TO 1985

Year and name of vessel	Ship type	Commodity	Tonnage (metric ton)	Percent of total tons	Percent of ocean ships
1980: M/V Marjorie Lykes	Conventional	Public Law 480 bags	5,453	0.05 percent (9,203,619 metric tons)	0.3 percent (272 ships).
		Granite	34		
Total	do		5,487		
1981 M/V Marjorie Lykes	do	Bulk durum wheat—Public Law 480	5,252	0.06 percent (8,351,732 metric tons)	0.3 percent (258 ships).
1982: M/V Ashley Lykes	do	Public Law 480 bags	2,235	0.03 percent (6,438,832 metric tons)	0.4 percent (233 ships).
1983					
1984:					
M/V Ashley Lykes	Conventional	Public Law 480 bags	4,412		
Do	do	Public Law 480 bags	989		
M/V Thoroughbred Topper	Tug/barge	Bulk spring wheat—Public Law 480	19,600		
Total			25,001	0.39 percent (6,770,677 metric tons)	1.2 percent (250 ships).

U.S. FLAG VESSEL CALLS TO PORT OF DULUTH-SUPERIOR 1980 TO 1985—Continued

Year and name of vessel	Ship type	Commodity	Tonnage (metric ton)	Percent of total tons	Percent of ocean ships
Through June 1, 1985: R.W. Sessler USL 501	Tug/barge	Bulk spring wheat—Public Law 480	13,000	NA	NA (38 ships to June 1)

Mr. President, expansion of cargo preference requirements for Public Law 480 shipments would further diminish the all ready limited amount of traffic moving through the lakes, and represent another attack on the economic viability of Great Lakes ports. As a letter from the Western Great Lake Maritime Association makes perfectly clear, this amendment will inflict losses on the Great Lakes region in excess of any benefits which might accrue to the U.S. maritime industry.

Mr. President, I ask unanimous consent that a copy of that letter be inserted in the RECORD.

Mr. President, the cargo preference requirements are not the only impediment to restoring the economic health of the lakes, but they are a major one. And in the final analysis, this Senator can't help but come to the conclusion that this amendment will only make matters worse for the lakes. There have been no hearings held on the amendment, there has been no economic impact analysis performed on the amendment, and there is no information available which would support the thrust of the amendment. As I said earlier, the bottom line on this compromise is that a group of farm lobbyists sat down with some maritime lobbyists and cut a deal which took care of their own concerns at the expense of Great Lakes ports, recipients of humanitarian assistance and the integrity of our Government. It demeans this Senate and the legislative process for this body to get itself involved in such horsetrading. This Senator will have no part of it.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WESTERN GREAT LAKES
MARITIME ASSOCIATION, INC.,
Arlington, VA, June 17, 1985.

Hon. JOHN C. DANFORTH,
Chairman, Committee on Commerce, Science, and Transportation, U.S. Senate, Dirksen Senate Office Building, Washington, DC.

DEAR MR. CHAIRMAN: We are writing to you concerning the application of Cargo Preference legislation to Public Law 480 programs.

It is our understanding that during your Committee's markup of S. 721 on June 19th, a proposal may be introduced which would impose increased U.S. flag requirements on P.L. 480 shipments. Our Association and many other Great Lakes interests are unalterably opposed to any such provision.

At this time, Great Lakes ports, stevedoring, commodity, and shipping interests participate in P.L. 480 under the current 50 percent Cargo Preference requirement. We do this with difficulty and under the constant threat of cargo being taken away from our coastal range in order to find U.S. flag service. We have only one regularly scheduled U.S. flag shipping line in the Great Lakes. Any effort to increase the requirement for cargo movement on U.S. flag vessels would almost certainly result in massive transfers of cargo from the Great Lakes coastal range to other areas.

Mr. Chairman, the current cargo preference legislation does not help the economic interests of the Great Lakes region. Nevertheless, it is the law and we do our best to operate within its 50/50 provisions. If the 50 percent U.S. flag requirement were increased, the law would impose a severe negative impact in terms of lost jobs, decreased personal income, less business and a general weakening of the economy of the Great Lakes/St. Lawrence Seaway area.

If there is a need to provide further funds and support for U.S. flag maritime interests, then please do not do it in a way that causes more harm than good. The gains that might accrue to U.S. flag interests under this proposal would be more than offset by the losses in our region.

Sincerely,

DANIEL E. SHAUGHNESSY,
President.

Mr. RIEGLE. Mr. President, I am voting the compromise cargo preference amendment because I am troubled by the provisions as they relate to the Great Lakes. I have long supported the concept of cargo preference, and have indicated my support both on this floor and in the Senate Commerce Committee. I am deeply concerned about the current state of our maritime industry, where our entire dry bulk fleet consists of less than 25 ships. This is cause for alarm, given our heritage as a maritime nation, and the dependence of all our industries on a sealift capacity. As we have heard, World War II was won because we had a superior ability to transport enormous quantities of materiel to distant fronts. Today, Mr. President, there is a real doubt that we could muster the same capability, and with less than 25 ships, I don't think there really is much doubt.

Beyond that, Mr. President, the concept of cargo preference is sound. No other nation in the world gives so much of its own cargoes to ships of other nations. The cost of cargo preference is small in relation to the overall agriculture budget, and I do feel that it serves a national purpose.

I am voting against this amendment for the reason that it is unfair to the Great Lakes. The Great Lakes are the fourth seacoast of the United States. The Great Lakes ports are closer to European destinations. There is very little justification for the decline of cargoes in the Great Lakes, and much of this decline can be traced directly to the administration of the cargo preference program.

For several years, I have been working with other Great Lakes Senators to fashion a compromise that would address the problem of cargo diversions. We have attempted to obtain administrative relief, Presidential assistance and legislative compromise to no avail. In fact, just last summer, a government agricultural cargo was literally on the dock in Milwaukee when, due to cargo preference requirements as interpreted by USDA or some other agency, the cargo was diverted to the west coast. Mr. President, it happens all too often, and it seems that the Great Lakes suffer a disproportionate share of diversions from our ports to the gulf coast, or in some cases the west coast.

Clearly, this is not a desirable situation, and the efforts of Senator DIXON have been to ensure that the Great Lakes receive their reasonable share of all Government-generated cargoes. We attempted to negotiate alternative language concerning the Great Lakes, language that would have solidified the share of cargoes for the Great Lakes at their historical range of 20 to 25 percent. We were unsuccessful in that effort, so I face no other choice than to oppose the Cochran compromise and urge all of the parties at interest to continue the efforts to reach a compromise which is fair to all of the port ranges of this Nation, including the Great Lakes.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri is recognized.

Mr. DANFORTH. Mr. President, it is ironic and discouraging that at a time of crisis for American agriculture, at a time when we are trying to revitalize farm exports, supporters of the U.S. merchant marine should return to the issue of cargo preference. They do so promoting what they call "compromise" but it is not compromise at all.

It is hard to imagine a more repugnant Federal program than one that siphons off funds for the starving children of Africa in order to serve the inefficient and noncompetitive domestic maritime industry.

Cargo preference is special interest legislation at its worst. It requires that 50 percent of all food aid shipments under the Food for Peace Program travel on U.S.-flag vessels. The result of that policy in 1985 was a subsidy of $150 million for the U.S. merchant marine—$150 million that otherwise would have been spent on American farm products, for shipment to the

hungry and malnourished people of the world. This is a policy that takes from the truly needy and gives to the merchant marine industry.

The compromise that has been proposed seeks to expand cargo preference requirements even beyond their historic scope, entailing additional giveaways to maritime interests. It is of no consequence that some of these payments are to be channeled through the Maritime Administration. If Congress wants to maintain shipments under the Food for Peace Program at this year's levels, it will have to increase its subsidy to the maritime industry by 50 percent. At a time of famine in Africa, at a time of financial crisis in American farming, at a time of $200 billion deficits, what kind of compromise is that?

As reported, S. 1714 already raises minimum authorization levels for concessionary and humanitarian programs. These increases, like the increases of the past year, mean that the merchant marine will increase its take from cargo preference under existing law. This, to me, is a sufficient compromise.

Mr. President, national defense and military preparedness are not at stake today. If at a time of fiscal austerity it is thought desirable to subsidize a domestic merchant fleet, then we should do so directly. I doubt that we would choose the vessels that currently benefit from cargo preference. But the worst of all possible approaches is to increase these benefits and spray them around indiscriminately, with the costs shouldered not only by the taxpayers but also by our farmers and the hungry of the world. We should defeat the proposed amendment.

Mr. ABDNOR. Mr. President, I was on the floor at the time the 12 o'clock hour approached and did not complete my comments or some questions I would like to ask.

When I left the floor, I had the understanding that the entire dollar figure for the cargo preference would be transferred to the Transportation Department. I ask the manager of the bill if that is correct, or is it only that portion of the additional dollars that would come about through this amendment?

Mr. COCHRAN. I am not sure I heard the entire question.

Mr. ABDNOR. I thought the Senator from Alaska was saying that the entire dollar figure for carrying out the Cargo Preference Program would not be directed by and under the transportation budget, no longer under the agriculture budget. Yet, I have been told by others that the only proportion that would go under transportation is the additional 25 percent by which the Senator wants to increase cargo preference percentages.

Mr. COCHRAN. The funding for cargo preference is going to be made available to pay for this additional percentage through an appropriation under the Department of Transportation's budget.

Mr. ABDNOR. Then, the $106 million that has been in the budget heretofore and will be in the 1986 budget for that portion of the cargo preference will still remain in the agricultural budget. Is that correct?

Mr. COCHRAN. My understanding is that we will not shift the entire program funding to the Department but simply the increased costs of these additional percentages which are phased in over a 3-year period will go to the Department of Transportation under a new funding mechanism.

Mr. ABDNOR. I guess that is the way it is.

I think there was a misunderstanding. I think the point we want to make here is that the agricultural budget is still being charged $109 million to carry on this Cargo Preference Program through 1986.

I point out that 5 years ago, in 1980, the cargo preference share of the Public Law 480 budget was less than 7 percent. Since 1980, funds spent on Public Law 480 commodities have increased less than 18 percent, while the funds spent on Public Law 480 cargo preference subsidies have skyrocketed 73 percent. I think it is one more example where the farmer is taking a back seat to other interests.

There is another question I would like to ask.

We are talking about shipping rates, and I admit this letter was sent to me by an interested group of people, but they say that a U.S. shipment from the U.S. gulf to the Sudan on Korean ships would cost $20.35 a ton, and on an American flagship it would cost $63 per metric ton.

I ask the sponsor of this amendment another question: Do many of the American vessels that carry this grain to other countries under Public Law 480 come back empty because they are unable to pick up cargo at that rate? How are they able to compete on the other end? We have to conclude that most of those ships must come back empty. Is that correct?

Mr. STEVENS. Mr. President, if the Senator will yield, I say to the Senator that I think Senator COCHRAN has done yeoman service by putting his name on this as a principal sponsor of this compromise. It is a compromise, and those of us ready to defend the maritime interests will be ready to answer those questions.

The difference in cargo rate is the difference between a government subsidy and a limited government subsidy. Korea totally subsidizes those shipping lines and it does not require the things we do in terms of Coast Guard standards, safety standards, health standards, the maintenance of crew limits in terms of having a doctor, as has been mentioned. When you put them together, it costs more money to run a U.S.-flag ship. That is all there is to it.

If you are trying to compare costs, you can compare them in other places—for example, the packing of a can of tuna in Korea and in California. You will find the same differential exists. I do not think this is something relative only to the shipping industry. It is relative to the fact that we are maintaining our national defense, the payment of taxes, the support of a system of environmental controls, health controls, health services, and they are not.

You cannot compare apples and oranges so far as this is concerned. Those ships compete on the same basis as any other part of our economy with the Korean economy. You will find the same with agricultural products.

Mr. ABDNOR. The Senator is right. All I am asking now is this: Does that high a rate force our American vessels to return to this country empty? Are they able to pick up any kind of shipments overseas? We are getting plenty of imports into this country. I think we call it a backload in the trucking industry. Maybe it is an unfair question.

Mr. STEVENS. When they come back with cargo, it reduces preference costs. The cost of shipping at the rate the Senator is mentioning is going over and coming back empty. If they bring back a load of cargo, it reduces the cost to the Government. It depends on whether there is cargo available, whether it can be arranged. We do everything we can through the Maritime Administration to arrange those cargoes on the return trip, because they do reduce the cost of cargo preference.

Mr. ABDNOR. But some must have to come back empty.

Mr. STEVENS. And if they do, that is what you pay for in terms of the $60. I hope the Senator realizes that.

Mr. ABDNOR. I do. This 25 percent increase we are allowing for Public Law 480 to come under cargo preference is a 50-percent increase. That is probably the biggest single jump we will have in the budget this year. I wonder what is going to happen when you go to conference on this basis. The House has an even larger one. We will probably have to put the whole thing under Public Law 480 to have an agreement with the House.

I am concerned about dollars. Public Law 480 is for a great purpose. It reduces the amount of money under Public Law 480 for feeding people.

Mr. STEVENS. This is the third time I have heard on the floor that, somehow or other, cargo preference reduces the amount available for exporting food products.

When the Congress of the United States prepares the budget for Public Law 480, if that budget is submitted by the administration the cost of the cargo preference. It does not come out of the amount that is there to purchase the surplus products to be shipped overseas.

If you assume total repeal of the program, then you take out that increment that is currently paying for cargo preference, unless you assume Congress would then increase the amount to be paid for agriculture products if the cargo preference were eliminated.

Mr. BOSCHWITZ. Mr. President, will the Senator yield?

Mr. ABDNOR. I yield.

Mr. BOSCHWITZ. Is the Senator from Alaska saying that the amount of cargo preference is a demarcation of some type in the appropriations bill?

Mr. STEVENS. There is a clear understanding at the time these are submitted as to what the cost will be at any level of exports.

Mr. BOSCHWITZ. Clearly, there is no demarcation in the appropriations bill that says so much is to go for cargo preference. There is certainly a good deal of despair on the Agriculture Committee with respect to the amount that goes into Public Law 480, the recognition that less food is going to go because of the cargo rule.

Mr. STEVENS. I say to my friend from Minnesota, there are no deliberations as to how much it would cost to ship it by railroad to the port, either. Does the Senator suggest we take out the money it costs to send the farmers' food to the port? The current situation is involved in the same bill. The railroad costs come out of that.

Mr. BOSCHWITZ. I was just responding to the Senator's statement that you seem to be making that there is a certain demarcation in the appropriations that says it will be in it, when we decide how much money is going to go into Public Law 480, that we take into account the fact that we have to give so much for freight because of the cargo preference rules. That is not the case.

Mr. STEVENS. I beg the Senator's pardon. We do——

Mr. BOSCHWITZ. I do not yield to the Senator.

Mr. STEVENS. The Senator asked me to yield for a question.

Mr. BOSCHWITZ. Regular order.

The PRESIDING OFFICER. The Senator from South Dakota has the floor.

Mr. BOSCHWITZ. The Senator from South Dakota has the floor.

Mr. STEVENS. That is correct. I was responding to him and you asked me to yield to you for a question or for a comment.

Mr. BOSCHWITZ. I asked the Senator from South Dakota to yield.

Mr. ABDNOR. Mr. President, I yield to the Senator from Alaska.

Mr. STEVENS. I am just trying to make the point that, as we reveiw this in the Appropriations Committee, as the Senator knows, the requests for agricultural exports and the coverage of the program, there is, in fact, in that amount, an estimated figure for a cost of exports at any particular level. It is easy to determine. It is not a line item. If that is what the Senator from Minnesota is saying, Mr. President, I agree. There is no line item for cargo preference cost. But it is included in the overall cost of the agricultural bill and the amount of it is available to any Member of the Senate if he or she wants to ask for it.

Mr. ABDNOR. Mr. President, I wish to continue for a second here. I was doing a little figuring over the noon hour trying to see what this really means, and to put it in the right perspective.

I think if you look at the efforts that have been yielded from the life-aid concerts, $75 million worth of food will go to the starving in Ethiopia. I would just like to ask how many Ethiopians can we feed for 1 month with $75 million? I think you find out that it amounts to 25 million people if you use cargo preference on the U.S.-flag ships, and there are 34 million if you do not. I think that is something to think about. I think with all of the hunger that is going on in this world and the plentiful amount of grain that we have, we could be doing more of this. Budget restraints keep us from doing that.

So here we come along and talk about adding a 50-percent increase to what we are already asking in the way of a cargo preference to help out our merchant marine.

Let me give you a few other figures here. We are talking about subsidies all the time. I was able to ascertain that in 1985, the average payment to the average dairy farmer was $22,800. That was average. Rice, it was $14,300; cotton, it was $8,900; corn, it was $4,700; and wheat, it was $4,400.

Now, for comparison, let us look at the maritime subsidy for hauling agricultural commodities. There were about 25 ships, averaging about 25 crewmen per ship, or about 650 seamen altogether. The figure that was given was that the total cost for Public Law 480 cargo in 1984 was $129 million. If you divide $129 million by 650 seamen, you get a cost of $198,000 per crew member.

Maybe I am way off. Lord, I could be off by half. But when we talk about a subsidy to a farmer, let us look where the subsidies are really going. There has to be a better way. I have not come up with the answer. But I do not think by increasing, at this time, our cargo preference by a 50-percent increase, that we could hardly justify doing so in the light of the fact that our No. 1 purpose for Public Law 480 was to get food in the hands of starving people and try to dispose of some of the surplus we have in this country.

Mr. DIXON. Mr. President, I rise in opposition to this so-called compromise. I hope that those on the floor from the Great Lakes States and near it and those in their offices who are concerned about the Great Lakes will pay close attention to what I say. Because while this may be a compromise that satisfies some of the disparate groups that are concerned about this issue, this compromise, believe it or not, in my view, makes the cargo preference law even worse, may I say to my friend from Minnesota, even worse for the Great Lakes States than the law now is.

Let me just say this to you. First of all, some of us from the Great Lakes area—and that is the breadbasket of America—would have liked to have offered an amendment to this so-called compromise in the course of the major discussion between the major players—the distinguished Senator from Alaska, the distinguished Senator from Mississippi, and others. However, I want the people on the floor and in their offices to know that by the use of parliamentary devices and other methods, the distinguished sponsors of this so-called compromise have filled the tree so that further consideration of amendments is blocked out on this so-called compromise. And once the compromise becomes a fait accompli by this amendment passing, those of us from the Great Lakes States, the great breadbasket of America, who are concerned about the fact that commercial traffic on the Great Lakes is being destroyed by cargo preference policies, we are not going to be able to prevail on the later amendment. We are going to be stuck with this compromise that, in effect, changes the figure from 50 percent to 75 percent, thus, absolutely, positively, completely destroying transportation on the Great Lakes of America.

The Cargo Preference Act directs that it shall be implemented "in such a manner that will insure a fair and reasonable participation of the United States flag commercial vessels in such cargoes by geographic areas."

I am forced to conclude, however, that this has never been the case. In an effort to meet its 50-percent U.S.-flag mandate, the Department of Agriculture allocated only 18 percent of all national title II Public Law 480 cargoes to the Great Lakes in 1984.

Now, may I say to my friends from the Great Lakes States, like my friend from Minnesota, that are under a 50-percent rule. Under a 50-percent rule, the Great Lakes got 18 percent. But we are going to go to a 75-percent rule, I say to my friend from Minnesota. I

say to my friends from the Great Lakes States and the breadbasket of America—if we can only get 18 percent under a 50-percent rule, what are we going to get under a 75-percent rule?

Indeed, this year's shipping on the Great Lakes is running even lower than this slim percentage, approximately 16 percent through September.

Now, I want my friends from the Great Lakes States and the breadbasket of America to listen to this. In the last several months, the U.S. Department of Agriculture has actually diverted two relief shipments, originally allocated to the Great Lakes, to the Port of Seattle. The cost of just one of these diversions to the U.S. taxpayers amounted to $200,000.

In fact, the U.S. Department of Agriculture recently diverted a shipment which had already reached the Port of Milwaukee, WI. This grain was put on a train and it was shipped on a train from Milwaukee, WI, to Seattle. I repeat, Mr. President, the title II Public Law 480 cargo had already reached the Port of Milwaukee when it was suddenly diverted to the Port of Seattle at the expense of the Milwaukee port, the entire Great Lakes system, and the taxpayers of the United States of America.

These diversions of cargo fly in the face of the agreement made last year between the Department of Agriculture and the Agency for International Development on the question of cargo allocation.

We understood the agreement to be that cargo would not be diverted from the Great Lakes port to another coast in order to satisfy the 50-percent requirement. Let me say that was only a 50-percent requirement. This one is going to be 75 percent. However, I have learned from the Department of Agriculture's Agricultural Stabilization and Conservation Service that the Department does not take cargo preference requirements into account when accepting bids for the shipments of grain. One must then assume that due to the administrative burdens this type of diversion will continue unless steps are taken now.

This diversion of cargoes out of the lakes has been absolutely disastrous for the economies of the Northeast and Midwest. This amendment, this so-called compromise—I guess the votes are here for it—makes matters worse and comes at a time when shipping on the lakes is at the lowest ebb in modern times, when it is dying. Figures recently released by the Lake Carriers Association indicate that the shipments of grain, iron ore, and coal are down 23 percent to 13,265,558 net tons—down—from last August. For the entire shipping season, bulk movements on the lakes are down 20 percent from last year, from last year only—to 67,896,478 net tons.

Listen to this, may I say to my friend from Minnesota. In August, grain shipments—and my friend from Iowa is not on the lake but is closer to the lake than to either coast—fell 56 percent at a time when we face the most tremendous surplus in the history of our country.

I want to say this: If this is a compromise, I hope we do not make many more such compromises on this bill, because this compromise is absolutely and 100 percent utterly destructive to the interests of the Farm Belt of America, to the Great Lakes States, and to shipping on the fourth sea coast of this country. I would like to suggest in conclusion that there are many policy arguments that have been made on this floor by other distinguished Members, my friend from Missouri and others. There are over 30 organizations in the United States of America that do not think much of this compromise, including the American Farm Bureau, the Chamber of Commerce, every major port in the Great Lakes, and some of the major economic interests in the country. If this is being represented on this floor as a compromise to seek a solution to the problems inherent in what has happened in a recent court case and the problems caused by cargo preference laws in this country, then I think it is a poor compromise and one not in the interest of the taxpayers of the country, the farmers of the country, or the economy of the Midwest for sure.

Mr. BOSCHWITZ. Will the Senator yield, Mr. President?

Mr. DIXON. I yield.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. BOSCHWITZ. I want to rise and agree with my colleague from Illinois. This is not our compromise. None of us, as the Senator pointed out, were involved in this so-called compromise. One of the reasons that we were not is it really causes difficulty on the Great Lakes ports. As the Senator from Illinois pointed out, our share of the shipments will certainly decrease. Our share of the shipments is not now the cargo preference portion. Fifty percent of the Public Law 480 shipments have to go to cargo preference and American bottoms, and 50 percent can go on foreign bottoms. As the Senator from South Dakota pointed out, indeed, there is a difference of freight rates of three and four times. On the Great Lakes we get the 50 percent that goes on foreign bottoms. They come into our ports. There is no really American flagship that comes into the Great Lakes or certainly not in large enough numbers to carry much of that freight. So by reducing the amount that could be carried by foreign flag from 50 percent to 25 percent, we on the Great Lakes will suffer. The Port of Green Bay says it will have to close. The Port of Duluth—and perhaps they are exaggerating a little bit, I do not know—says it will also be very seriously injured.

They talked about closing at least that portion of the port that would deal with these matters. We get mostly the liner vessels. We get mostly the freight that is bad, and not the freight that goes into the bulk cargo. The liners come. That, of course, is in the way of better freight to handle because it has to be loaded with considerably more labor involved. But we point out, and I join my friend from Illinois, in saying that we were getting 18 percent of the whole before. Now we simply cannot continue getting 18 percent when only 25 percent is available. That means that the Great Lakes, the breadbasket of the Nation, as the Senator from Illinois points out, is going to be very, very seriously injured.

I point out, too, to my colleagues that while this is called a compromise, not all of us were allowed to participate in the process to compromise. I tried to join the compromise on a couple of occasions and was denied access to negotiations. Indeed, I would have liked to because of the interests of the Great Lakes needed to be protected. Mr. President, does the Senator from Illinois wish to comment?

Mr. DIXON. Mr. President, I wonder if my friend from Minnesota—who I think has interests common to Illinois—will yield for a question on this?

Mr. BOSCHWITZ. Yes.

Mr. DIXON. I am at the mercy of the Parliamentarian about the correctness of this question. But I am advised, may I say to my friend from Minnesota, that we might still be able to divide this issue by asking for the yeas and nays on the Stevens amendment which has not been discussed and, thus forcing a question before this Senate on the pure Stevens amendment?

I think we separate the men from the boys by that process more readily. I wonder whether my colleague who now has the floor might want to ask for the yeas and nays on the Stevens amendment dividing that issue from the rest of this. We would then shear some of the foliage off of the trees, and we might set to a Great Lakes amendment that has been blocked by the process presently under consideration. If I am not correct about that, I would join with my colleague from Minnesota in asking for the yeas and nays on the Stevens amendment.

Mr. COCHRAN. Mr. President, point of order.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Parliamentary inquiry. Before the yeas and nays can be ordered on the Stevens amendment,

would it not be in order only to order the yeas and nays on the pending amendment? The pending amendment, incidentially, is a Stevens amendment but it is not the Stevens amendment referred to by the distinguished Senator from Illinois.

The PRESIDING OFFICER. The Chair is advised there are two Stevens amendments pending. It is unclear from the nonparliamentary inquiry of the Senator from Illinois as to which Stevens amendment he is addressing.

Mr. DIXON. Is the last Stevens amendment amendment No. 917, may I ask the Chair?

The PRESIDING OFFICER. The Senator is correct.

Mr. BUMPERS. Mr. President, the pending parliamentary inquiry still exists, I think. If the Chair answered it, I did not understand it. The answer to the parliamentary inquiry of the Senator from Mississippi was, is it in order to ask for the yeas and nays now while the present Stevens amendment is pending, and the yeas and nays have not been ordered on it? Is that a correct statement?

The PRESIDING OFFICER. The yeas and nays are only in order on Amendment 917.

Mr. BUMPERS. Is that the pending amendment?

The PRESIDING OFFICER. That is correct.

Mr. BOSCHWITZ. Mr. President, may I ask the Chair in that case. The yeas and nays are therefore ordered on the Stevens amendment, as the Senator from Illinois is seeking?

The PRESIDING OFFICER. As of this point, they have not been ordered on any amendment. They are in order. They have not been ordered.

Mr. DIXON. I might say that I think what my colleague from Minnesota and others here like myself might be concerned about is whether my requesting the yeas and nays on the last Stevens amendment—which I understand the clerk is saying is 917 and the one that would first be considered on a request for the yeas and nays—might open this whole process once again for consideration of a further amendment by the distinguished Senator from Minnesota, and others of us like-minded who might want to put an amendment on here to protect the interests of the Great Lake States that are otherwise blocked by filling the tree, as they say here, under the process employed at this point in time.

The PRESIDING OFFICER. The ordering of the yeas and nays would not permit additional amendments. It would only ensure that a recorded vote be taken on the yeas and nays on the stated amendment.

Mr. BOSCHWITZ. Mr. President, while my colleague from Illinois determines what the procedural aspects of this should be, some of us may indeed have some other amendments that we will offer in any event to the agriculture bill with respect to cargo preference dealing with fair and reasonable rates that are perhaps making ships that are built abroad qualify for the American plan. We might hope that the distinguished Senator from Mississippi and others would allow that to happen, because cargo preference rates indeed have come down a little bit because, for a short period of time, it was permitted to put the American flag on ships that were built abroad. They did not have to be built in this country. As a result, American-flag ships have been more competitive and their rates have indeed come back. It is interesting to note that this is not a compromise that we were involved in, that it was a compromise among like-minded persons.

As my friend from Mississippi has pointed out, there are indeed some farm organizations that support his position; there are some that do not, on the other hand. They are many and include the Farm Bureau Federation, the Grange, and the American Soybean Association, and other members of the agricultural community that are interested in this endeavor.

I might also point out that because of the abuses that the Senator from Illinois has pointed out with respect to the Port of Milwaukee, a large Great Lakes group has brought a lawsuit. I believe it was brought yesterday against the Federal Government on the basis that it is violating the cargo preference laws by failing to account for the unavailability of U.S.-flag vessels in the Great Lakes. The cargo preference laws generally require that 50 percent of Government cargo be placed on U.S.-flag vessels where those vessels are available.

Unfortunately, they are not available in the Great Lakes. That is why we would be so heavily penalized in the event that 75 percent—not 50 percent but 75 percent—of the shipments would have to be made by cargo preference.

It is interesting that the CBO has estimated that the cost of the cargo preference provisions would double, even though the cargo preference would only go in 50 percent of Public Law 480 cargo to 75 percent, an increase of 50 percent. Yet the cost of cargo preference would double because of the unavailability of American ships. The result would be that American ships would feel they would be able to charge more and they probably could charge more and they will charge more, for all of the additional 50 percent; the rates would go up and the cost of foodstuffs that we would ship would of necessity go down because the cargo preference rules would be so confiscatory.

Over the years, cargo preference has cost over $100 million. Under this new provision, it would be $200 million, perhap even more.

Mr. President, it is perhaps important that my colleagues note that this is not a compromise, that many of us are not involved in the process of compromising despite our best efforts to be so involved, that the cargo preference rules which now penalize many ports, particularly in the Middle West, would become even more confiscatory, and ports in our neck of the woods are even talking about closing.

Mr. ZORINSKY. Mr. President, I would like to ask the sponsor of the amendment (Mr. COCHRAN) a question concerning the intent of this so-called compromise.

Are any additional moneys required as a result of this compromise if they are advanced from the Department of Agriculture? Is there any discretionary ability for the Department of Transportation not to repay the Department of Agriculture?

Mr. COCHRAN. Mr. President, it is the intention of the sponsors of the amendment, according to my understanding, that the additional costs attendant on this program would be paid for by funds appropriated to the Department of Transportation. It is stated in a description which has been included in a letter sent to all Senators that if funding for cargo preference is not available within the Department of Transportation and is not obtained within 90 days of certifying unavailable, the compromise will terminate. What that means, as I understand it, is that the maritime industry would feel free then to pursue its effort to enlarge the scope of cargo preference to not only the concessionary sales programs such as Public Law 480 but also blended credit, PIK, BICEP and these other programs that are either financed or arranged by the Department of Transportation or the Commodity Credit Corporation.

Mr. ZORINSKY. Is the Senator indicating that will leave the Government free to do what it can do right now, even if this compromise were not to pass? Is that correct?

Mr. COCHRAN. That is my understanding. The compromise would not be effective because the Government would not have kept its part of the bargain. The administration would not have fulfilled its responsbility to provide the funding for these additional percentages. We want to be sure that this additional cost does not come out of funds appropriated to buy food and grain that would be shipped under Public Law 480.

Mr. ZORINSKY. But any additional costs incurred as a result of this compromise will in no way be borne by the Department of Agriculture budgetary allotment?

Mr. COCHRAN. That is the intent of the sponsors and that is my understanding.

Mr. ZORINSKY. I thank the Senator from Mississippi.

Mr. President, I am concerned about increased cost borne by the taxpayers of this country. I am concerned about the cost of subsidies to the maritime unions and maritime industry. Yet, by the same token, I am cognizant of what happens during an emergency when we might not have the ability to transport U.S. goods via vessels of our own Nation.

Yes, we are paying a subsidy to the maritime industry, but, in order to retain the capability for this Nation to transmit via oceans and waterways, without requiring foreign-flag ships at a time of emergency or war to dictate to this country—in some instances tantamount to blackmail—the terms of our own survival or continuance, of our own existence.

I know many of my colleagues have said, "Fine, we will agree to that. Put martime subsidies in the defense budget if that is where you believe they belong." But let me point out to my colleagues that we do subsidize agriculture, to a degree. We do subsidize Amtrak to a degree. We do subsidize the Interstate Highway System of this Nation to a degree. We do subsidize, to a degree, the airline transportation system of this country. We subsidize many other aspects of our economy that we look at as a system to serve the citizens of our country. I view maritime subsidies in that way. If these subsidies do not adversely affect the farmers of our country and our ability to sell food to the rest of the world, I support them.

Now, the Public Law 480 program is a meritorious program, a good program, and we will undoubtedly have some amendments offered to increase the scope of that program. But our priorities sometimes get lost in this Chamber. Let me ask this question of the Senator from Mississippi. The additional cost of this program will be an additional $50 to $60 million; is that correct?

Mr. COCHRAN. If the Senator will yield, once the program is phased in over a 3-year period, it is estimated that the cost will be from $40 to $60 million a year.

Mr. ZORINSKY. I thank the Senator. Now, let me put this in perspective, Mr. President. This year the U.S. taxpayers, in all their wisdom, get to build a $10 million pavillion in Brisbane, Australia for the Australian world's fair. Now, that is really neat. While we are arguing about a subsidy of $50 million to maintain the capability to deliver goods to our own troops in time of war or in an emergency, we are spending $10 million on a world's fair in Australia. I think our perspectives are out of order.

I have a letter here that is being disseminated by the Department of Agriculture. John Block signed the letter. He indicates that this provision is costly, it is going to increase the cost of programs. Somebody brought up in the debate a few minutes ago the fact that we had a PIK Program that cost $18 billion. John Block was not forced by the Senate or the Congress to spend $18 billion on a PIK Program. But now he is telling us that $50 million may be a tad too much to spend. My mother tought me a long time ago that $18 billion is a lot more money than $50 million. I would submit to you, Mr. President, if this administration without congressional mandate can spend $18 billion of the taxpayers' money, how can Secretary Block tell us that $50 million is too much to spend for a program of this type? We spent over $90 billion in NATO last year. Now, to get to NATO I understand you have to cross an ocean. There is something called the Atlantic between our country and 380,000 American troops stationed over there.

I think it would be incumbent upon each and every one of us to want to be able to provide those troops some backup if, in effect, we needed to use the sealanes to deliver some of that support.

The current provisions of S. 1714 would exempt from cargo preference laws the export activities that the Commodity Credit Corporation carries out under its charter act and the export promotion activities that the Secretary of Agriculture and the CCC may carry out under other laws. The exemption in the bill, however, would not extend to exports under the Agricultural Trade Development and Assistance Act of 1954—which is commonly referred to as Public Law 480—and section 416 of the Agricultural Act of 1949.

The cargo preference provisions in the bill are the same as those in S. 721, which was reported by the Agriculture Committee and sequentially referred to the Commerce Committee. The Commerce Committee issued an unfavorable report on the bill in which it cited, among other things, the need to provide assistance to both U.S. agriculture and its merchant marine.

The amendment offered by Senator COCHRAN is intended to meet the concerns of the Commerce Committe and is supported by numerous agricultural and maritime organizations.

As a result of some of the hysterics displayed on the floor of this Senate as recently as 2 or 3 hours ago, I checked with the corn growers in Nebraska and the wheat growers and they support this compromise, so when somebody says the agricultural organizations are unanimous in opposition to this, I think that is an erroneous statement. At best, I think they are probably divided on the support of this compromise.

I commend Senator COCHRAN, Senator STEVENS, and Senator INOUYE for their efforts in working to develop an amendment to resolve this controversial issue.

The cargo preference laws of the United States are intended to help maintain a strong merchant marine and are in the best interest of the country. However, a recent Federal district court decision has created a serious problem in the area of the shipment of agricultural commodities under certain government programs.

The court held that the cargo preference laws of the United States apply to the Commodity Credit Corporation's blended credit program. Because of this decision, the Department of Agriculture suspended approval of financing under the program of export sales of grain to Egypt, Iraq, Morocco, and Tunisia, totaling 3.6 million metric tons, and has not reinstituted the program to date.

Prior to the court decision, the Department of Agriculture had been abiding by an Attorney General's opinion that held that ocean shipments of commodities financed by the Commodity Credit Corporation under its direct credit, blended credit, or loan guarantee programs were not subject to the 50 percent U.S.-flag vessel rule of the cargo preference laws.

The blended credit program was developed to promote the expansion of agricultural exports. The Commodity Credit Corporation created the blended credit program by combining the export loan guarantee program—for loans made by private lenders at commercial interest rates—and the program for direct interest free loans.

By combining these programs, the interest rate was effectively lowered by about one-fifth. This resulted in an effective price discount of about 3.4 percent to foreign countries that purchased our agricultural commodities. Such a price discount clearly provides incentives for other nations to buy U.S. agricultural commodities.

The provisions of S. 1714 would set out clear criteria under which the cargo preference requirements would be applicable to agricultural exports and would remove any question as to their inapplicability to the Department's Blended Credit Program.

The amendment offered by Senator COCHRAN will essentially maintain the provisions in S. 1714 that exempt shipments under the Blended Credit Program and other programs carried out by the CCC and the Secretary that enhance commercial export sales of U.S. agricultural commodities.

The amendment also would continue the application of the cargo preference requirements to shipments under Public Law 480 and section 416 of the

Agricultural Act of 1949, as well as other foreign donation or concessional sales programs carried out by the CCC and the Secretary. In addition, the amendment would require that an additional 25 percent of the gross tonnage of commodities shipped under such programs be shipped on U.S.-flag vessels and would require that a minimum tonnage of commodities be shipped under such programs each year. The expansion of cargo preference would be phased in over the next 3 calendar years.

Under the amendment, the increased ocean freight charges resulting from the expansion of the cargo preference requirements would be financed by the Secretary of Transportation. The Secretary of Transportation would also reimburse USDA and the CCC for any amount of the cost of ocean freight and freight differential charges on exports under these programs that exceed 20 percent of the total cost of the programs in any fiscal year. The funding by the Secretary of Transportation of such cost would be through new borrowing authority from the Treasury.

Quite frankly, Mr. President, I would have preferred that the Senate agree to the language on cargo preference in the committee reported bill.

I am greatly concerned that the increased expenditures required under the amendment may complicate the administration of the export programs carried out by the Secretary of Agriculture and the Commodity Credit Corporation. Too, I find it disturbing that the amendment contains a provision under which cargo preference would revert to the status quo if the additional funds are not available.

However, in the spirit of compromise and with the hope that the Senate can enact a farm bill that will be meaningful to our Nation's agricultural producers, I support the Cochran amendment and urge my colleagues to join me in voting for it. The amendment is intended to help promote the export of U.S. agricultural commodities and strengthen this Nation's merchant marine.

Mr. President, I do not think it is excellent policy to subsidize any industries, but I believe we should have ships with American flags flying over them.

Just the other day I read that we are seriously considering, because of the jam we are in in the Philippines, spending $1.2 billion to beef up the defenses around Subic Bay and Clark Air Force Base. We should. But let me point out that the expenditure is for defensive reasons. It is in the best interests of this country to spend those funds. Likewise, it is in the best interests of this country to be able to retain a merchant marine fleet that is capable of doing things for themselves.

The problem with this country and the attitude of a lot of people is getting somebody else to do it for you. Once we get other ships to do it for us, we will find out that the only capability we have left is to beg other countries for the use of their equipment, regardless of what it costs, $50 million then will look like a tremendous bargain to us.

Mr. HARKIN. Mr. President, will the Senator yield for a question?

Mr. ZORINSKY. I yield for a question to the Senator from Iowa.

Mr. HARKIN. I thank the Senator from Nebraska for yielding on that point.

I see from the proposed amendment that the wording is that the increased share in cargo preference requirements will be through the establishment of a borrowing authority within the Department of Transportation. If I understand correctly, right now there is over $100 million a year that goes out of the Department of Agriculture's budget for cargo preference.

I understand that my friend from Nebraska spoke about the need for a domestic maritime industry, for a strong merchant fleet. I support that, too. I have been swayed by the arguments that this country needs a strong merchant marine fleet.

For the life of me, I do not understand why this money comes from the Department of Agriculture. Why should not this money come from the Department of Defense? We are talking about the defense of this country.

Is my friend from Nebraska contemplating an amendment? I am. I guess the amendment tree is closed for now, but assuming that this amendment is adopted, I have an amendment ready that would shift all cargo preference funding from the Department of Agriculture to the Department of Defense.

Mr. ZORINSKY. In reply to the Senator from Iowa, I say that my support of this compromise is based on my original support of the amendment that we initially had in committee. As the Senator knows, S. 1714 is a bill drafted by a fragile coalition. I supported the retention of cargo preference but not the expansion of the cost to agriculture. This compromise does not expand cargo preference at the expense of agriculture.

I agree with the Senator, however, that cargo preference should be a responsibility and an expense of the Defense Department. Cargo preference is very germane to the defense and the security of this Nation. Maybe this compromise will set a format and announce that enough is enough to agriculture. Let us put the costs where they belong, and that is in a different department of Government. I agree with my friend; and if he offers an amendment of that nature, I would be happy to cosponsor it.

Mr. HARKIN. I thank the Senator.

Mr. ZORINSKY. I yield the floor.

Mr. DIXON addressed the Chair.

The PRESIDING OFFICER (Mr. CHAFEE). The Senator from Illinois.

Mr. DIXON. Mr. President, I am perfectly aware of the fact that the votes apparently are here for this so-called compromise.

I have been in the Senate long enough to know that, unlike other deliberative bodies, speeches do not make much difference here with respect to the result. So I do not know what I hope to accomplish by saying more things.

However, although I have been in the Senate only about 5 years, I have been in the legislative process about a quarter of a century and in public life for 35 years. In that time, I have been involved in a lot of accommodations. I have been a party to a lot of compromises. I recognize that compromise is the lifeblood of the legislative process, and not much gets done without compromise. But I want to say that this is the most peculiar compromise I have ever looked at. Let us talk about the compromise from the standpoint of what a compromise is.

If you are the taxpayers of America, how do you like this compromise? Before, as taxpayers, you paid at least $100 million through the Department of Agriculture for cargo preference. I may be off by a few million dollars, but $100 million is still not chicken-feed. That is what you paid for cargo preference before we had the compromise. With the compromise, you get to pay more. You get to pay 50 percent more.

I appreciate the view of my friend from Nebraska, who says it is not out of the Department of Agriculture. No, this time it is out of the Department of Transportation. I suspect that the American taxpayer, who has to pay for it, will be hurt just as badly.

So from the standpoint of cost, how is this a compromise? The compromise is a honey. It costs you 50 percent more than it cost you before. What a delightful compromise.

Mr. BOSCHWITZ. Mr. President, will the Senator yield for a moment?

Mr. DIXON. I yield.

Mr. BOSCHWITZ. Let me say that it may be paid by the Department of Transportation——

Mr. DIXON. I am going to get to that.

Mr. BOSCHWITZ. In a rather convoluted way, by the issuance of bonds and appropriations to pay the bonds, and whether or not all that takes place is a different matter. So the Department of Transportation may not end up paying for anything.

Mr. DIXON. May I say to my colleague from Minnesota that another part of this compromise is that if none of that takes place or all of it does not take place and the Department of

Transportation does not carry the load, then the bottom line on this dynamite compromise is that the law as it now exists, plus the court decision that makes it worse, goes into effect.

If you do not have to pay 50 percent more as taxpayers, you are still going to be worse off because the decision of the court impacted upon the law before will spring into effect and it is still going to cost you more. That is a second part of the compromise.

Mr. BOSCHWITZ. Mr. President, will the Senator yield for a comment?

Mr. DIXON. I am glad to yield.

Mr. BOSCHWITZ. In other words, it is not a total expectation that the Department of Transportation will ultimately pay its portion.

Mr. DIXON. No. That is correct.

May I say to my friend from Minnesota, the amendment further provides that if funding for cargo preference is not available within the Department of Transportation or they cannot create some steam to raise it and it is not obtained within 90 days, then these provisions all go out the window and the law goes into effect as it is on the books, plus the court decision that we vitiated in the Agriculture Committee.

I hope everyone here is following this compromise because this is the only compromise where the taxpayer, American agriculture, Great Lakes shipping, all the ports on the Great Lakes and every Midwest breadbasket State gets hurt every time in the steps of the proceeding. It is a peculiar compromise and I am trying to figure out where we got a piece of the action here.

Mr. BOSCHWITZ. If the Senator will yield once again, it is indicative that none of us from our part of the country were allowed to participate in this so-called compromise.

Mr. COCHRAN. Mr. President, will the Senator yield for a response to that suggestion?

Mr. DIXON. Yes.

Mr. COCHRAN. Let me point out, Mr. President, in response that Senators did not negotiate this compromise. This compromise was negotiated by representatives of the two industries at the request of the Senate majority leader who felt that it was important that the cargo preference controversy be resolved, if it could be, by the industries involved. Representatives of those industries came together and for months met and went over the options to try to work out a compromise that could be supported by those representatives. So neither the Senator from Minnesota nor this Senator, nor any other Senator that I know anything about, was directly involved with industry groups in developing the compromise.

A proposal was suggested and then Senators began to review it to decide whether or not it should be offered as an amendment.

Mr. DIXON. Mr. President, will my friend, who I yielded to for that statement, mind very much?

May I say that I hope that my friend from Mississippi understands that nothing in this discussion diminishes in any way my high regard for him, my affection for him or my sense of complete confidence in everything that the Senator does. It is only a disagreement over an issue on this floor. I hope my colleague and friend understands that.

But who are the two industries that crafted this compromise?

Mr. COCHRAN. If the Senator will yield, I appreciate his comments and I thank him for his generous statements.

Let me say that the maritime industry as represented by many individual entities was represented—I do not know the names of all the representatives who were there. The agriculture industry which, as my good friend knows, includes many groups and organizations throughout the country, all regions, were represented. I can say that the entire maritime industry has signed off in support of this proposal as represented by the Joint Maritime Congress, MIRAID, Transportation Institute. This represents shipbuilders, maritime unions, those who are employed aboard ships, as merchant mariners. They all support it.

Among the agriculture groups who support the provision——

Mr. BOSCHWITZ. Mr. President, will the Senator from Mississippi yield for a question?

Mr. COCHRAN. I am trying to respond to the Senator from Illinois and I am sure he will yield to the Senator for a question.

Mr. BOSCHWITZ. The Senator said all the maritime interests. Did the Great Lakes maritime interests agree?

Mr. COCHRAN. I am listing those who have agreed and I am told that this represents the maritime industry of the United States. I am sure the Senator may know of some who do not support it.

Mr. BOSCHWITZ. Yes, there are Great Lakes maritime interests who do not support this.

Mr. COCHRAN. Among the agricultural groups who do support the compromise are the Five State Rice Producers Legislative Group, National Association of Wheat Growers, National Corn Growers Association, National Cotton Council of America, National Council of Farmer Cooperatives, National Farmers Union, National Grange, and Rice Millers' Association.

Mr. DIXON. I say to my distinguished colleague from Mississippi——

Mr. BOSCHWITZ. Will the Senator yield for a question?

Mr. COCHRAN. I yield.

Mr. BOSCHWITZ. I also want to read the list of those who do not agree with the compromise. It is interesting to note that our good friend from Mississippi for whom I have the same high regard, as the Sentor from Illinois does, noted that this is not a compromise forged here by Senators but this is a compromise that has been forged by the disparate parts of the industry.

Here is a list of organizations that are agricultural related organizations, or interested in sending food throughout the world who are against this: American Farm Bureau Federation, American Soybean Association, Bread for the World, CARE, Interfaith Action for Economic Justice, Millers' National Federation, National Grain Trade Council, National Grain and Feed Association, National Soybean Processors Association, North American Export Grain Association, Port of Duluth, Port of Milwaukee, Port of Toledo, the Fertilizer Institute.

I have the Grange on my list as well. They are perhaps on both sides of this issue. That sometimes happens in these matters. In addition, the Toledo Board of Trade, the U.S. Chamber of Commerce, and the Western Great Lakes Maritime Association, which is the one that I referred to a little bit earlier, as well as the administration, also oppose the Cochran proposal. Let me repeat, the Reagan administration does not favor this so-called compromise.

Mr. DIXON. I thank my friend from Minnesota and my friend from Mississippi, both of whom contribute so much here on the floor and in the Agriculture Committee to everything we do.

I will just pursue my course a moment further by saying I do not have any problem with compromises. But this is the strangest compromise I ever saw. It may very well be that agriculture and the maritime industry talked but nobody in agriculture or the maritime industry from the great Midwest, which is the breadbasket of America, apparently was allowed in the room or participated in the conversations.

I want to repeat again you have a compromise here that is going to cost the American taxpayers—I see my good friend from Oklahoma over there who shares my concern about those sorts of things—going to cost the American taxpayers 50 percent more than it used to cost. Thus, in a time of budget deficits, in a time when this year we are cutting back the farm bill dramatically, at a time when American agriculture is devastated, at a time when the farmers are crying out in pain, we have a deal here that is going to increase cost to the taxpayers and to the economic community of our country at least 50 percent. It is not

going to reduce charges to agriculture. It is going to be just as much. Everything over is going to go to the Department of Transportation.

Probably that might not work. That will put us back in the state of law that exists on the books today with the opinion of the district court impacted upon it.

I am told—may I say—that when they close the Great Lakes in the winter-time the cost of shipments go up about $40 a ton. This bill is just as good as icing over the Great Lakes. When you pass this bill, you have a 12-month winter in the Midwest. You have iced the lakes. You have iced the seaway. That is what this bill does. I want to predict this on the floor today because it is going to happen. This bill is going to drive up the costs all over America and all over the world of the cost of shipping American goods dramatically.

And so in this compromise we have apparently achieved a piece of legislation that will hurt the taxpayers, will hurt the price of all our products, will destroy the Great Lakes shipping industry, will kill all the ports on the Great Lakes, strike a body blow against the Midwest and against the breadbasket of America, and otherwise does unbelievable mischief, and it is the most remarkable compromise from that standpoint that I have ever seen.

In most compromises everybody walks away and says "I do not like it all but I got part of what I wanted." I meant where were we, may I say to my friend from Minnesota, when this compromise was made? We got killed.

Mr. BOSCHWITZ. If the Senator will yield, I think the majority leader is very shortly going to address that question of where we were during this compromise process, but the Senator has brought out a most interesting point, that, when the Great Lakes close for the winter, all shipping rates on all the coasts go up.

Mr. DIXON. That is right.

Mr. BOSCHWITZ. So if you increase cargo preference to 75 percent and effectively take out the competition of the Great Lakes, all the rates on all the cargo preference cargo are going to go up. That is why the CBO estimates that the cost of this amendment is equal to the cost of the first 50 percent. This is because the rates on 75 percent of the shipments will go up.

Mr. President, I know that my friend from Nebraska said that he wants to have a good maritime service, and so do I. But if you look at a list of the ships—and I must say that that list is becoming somewhat more modern—that American-flag vessels are certainly not in as bad condition as they were a few years ago—but by and large it is a list of elderly ships, 15, 20, 30, even 40 years old. These are not ships that could be realistically used in the event of hostilities.

It is also important to note, as the Senator from Illinois pointed out, that whether or not this cost is ever assessed to the Department of Transportation is indeed questionable. First, the USDA has to make payments for the additional freight during the course of the year. Then there is kind of an accounting with the Department of Transportation at the end of each fiscal year. At that point, the Department of Transportation would issue bonds in order to pay back the Department of Agriculture and hopefully at some later date there is an appropriation to pay back the bonds that are used to pay back the Department of Agriculture. It may well be that for the first 2 years the moneys simply come out of the agricultural fund.

I might also say that if in this bill we are successful in making our loan rates competitive on world markets, we may indeed achieve things that some of the USDA Credit Programs have been unable to achieve and thus they may become less important.

So saying that Judge Green's decision does not apply to those programs, hopefully, will become academic because we will be able to again be competitive on world markets.

I also agree with my friend from Illinois that this is the doggonedest compromise that I have ever allegedly been involved in, although in fact I was not involved in it. I yield the floor.

Mr. BUMPERS. Mr. President, I rise in support of this compromise amendment to relieve agriculture of a substantial share of the burdens imposed by cargo preference requirements. It is not all that I would have hoped for, but given the political realities, I think it is the most that agriculture can hope to achieve, and thus it has my support. Certainly, half a loaf is better than nothing, and without compromise I am convinced that we will get nothing.

I want to set out some of the recent history of the development of this issue for the edification of my colleagues. On February 21 of this year, the U.S. district court in Washington, DC, ruled that cargo preference requirements applied to the Blended Credit Program. On February 26 of this year, the Secretary of Agriculture pursuant to the court's decision declared that he was suspending approval of all registrations for Blended Credit Programs for countries of Egypt, Iraq, Morocco, and Tunisia, and that he was effectively negating some of the half a billion dollars' worth of grain exports. The USDA made this decision because it believed that it was abiding by a 1963 Justice Department opinion, which exempted direct credit, blended credit and other credit guarantee programs from the requirements of cargo preference. The recent court ruling not only refutes this, but states that cargo preference probably extends beyond just applying to blended credit and is also applicable to the GSM102 Program, which is a Credit Guarantee Program and one of the components of blended credit.

The extension of cargo preference was a disaster for our farmers and agricultural export interests in the United States. For this reason, I cosponsored S. 721 offered by Senator BOREN which would limit the expansion of cargo preference. Under S. 721, the applicability of cargo preference to such historical programs as Public Law 480 was not affected. The applicability of cargo preference even under the Public Law 480 titles has been a burden on agricultural exports. Payments for cargo preference have been borne by the Department of Agriculture and the additional costs of shipping on U.S.-flag vessels under Public Law 480 were $77.6 million in 1983, $97.5 million in 1984, and are estimated to run nearly $120 million in 1985. The extension of cargo preference to the Blended Credit Program will probably cost another $70 million out of the USDA budget. If the GSM102 Program is later found to be subject to cargo preference, $125 million will be needed for additional shipping costs.

For the survivability of the Blended Credit Program, it is necessary that cargo preference requirements be excluded. If cargo preference was applied to blended credit, the landed cost of U.S. grain would increase 15 to 30 percent and this would far exceed the benefits derived by a 2-percent interest buy-down provided to buyers through the Blended Credit Program. Since the rendering of this decision and the halting of the Blended Credit Program by the USDA, U.S. grain interests have already lost half a billion dollars' worth of sales in 1985. Without question, the costs associated with cargo preference subsidies are also reflected in lower farmer income, high farmer program costs, and lost income to export associated industries. It has been estimated that the additional cost of shipping on U.S.-flag vessels as required under the cargo preference requirements translates into $0.80 per bushel for wheat, $0.76 per bushel for feed grains, and $0.80 per bushel for soybeans.

Mr. President, those of us who have great concerns about cargo preference requirements must be realists. Clearly, the farmers in my State would like to see us go further in relieving the cargo preference burden, but I think they also understand that none of the cargo preference burden will be lifted without compromise. Therefore, in the interest of reaching an effective compromise that will be a benefit to the American farmer, I am supporting the compromise position on cargo preference. It is imperative that we get the Export Program, most particularly the

Blended Credit Program, off the ground again. And this cargo preference compromise will allow the Blended Credit Program to proceed without the requirements of cargo preference. Also, the threat to the GSM102 Program will be eliminated. Although I do not believe that this compromise is the best solution, I believe it is the best possible compromise that Agriculture could receive. Under the compromise, increases in concessional type program costs will be borne by the Department of Transportation, and in an important provision for Agriculture, the total cost to the Commodity Credit Corporation of ocean freight and the ocean freight differential will not exceed 20 percent of the total cost of the export programs covered by cargo preference. Any costs in excess of this 20 percent in any fiscal year will have to be funded by the Department of Transportation. Most importantly, under the terms of the compromise, the requirements of the Cargo Preference Act of 1954 will not apply to the USDA's commercial type export programs, in particular the Blended Credit Program, the export PIK or BICEP Program, or future similar programs.

Mr. President, I hope that the Senate will adopt this compromise. I think it is the best that Agriculture can hope to achieve, and for this reason it deserves our full support.

Mr. President, as a former trial lawyer—and the Senator from Illinois is a former trial lawyer and we used to settle a lot of lawsuits—you settle lawsuits on two bases. One, you do not get as much as you think you are entitled to and, second, you get more than you are afraid you are going to get if you go to trial.

Now, if we are going to get into a contest here on who loves farmers more by saying this is not perfect for farmers, or if you happen to be on the other side of the issue and for the maritime people, then, of course, you can just say no. You can vote no for a whole host of reasons.

But it seems to me that a no vote in this case is contrary to one's intent to show that you either love the maritime unions or the maritime forces of this country or you love the farmers. It seems to me you are contradicting yourself because if this is defeated, certainly grain export programs are going to be threatened. We have already lost a half billion dollars in sales because the Secretary has suspended all blended credit sales.

The cost of shipping U.S. grain will increase under the Blended Credit Program, if we do nothing, by 15 to 30 percent. And that far exceeds the benefits derived by a 2 to 4 percent interest buydown provided buyers through the Blended Credit Program.

Now, I do not like it all, either. I have never favored cargo preference because it places an unfair burden on our farmers. Extending cargo preference to commercial credit sales only increases the burden.

But here is a program that has been carefully crafted and it ought to be accepted. It is not perfect. It is not what everybody wants. But if you are interested in the farmers it is the best game in town because it has been estimated that the additional cost of shipping on U.S.-flag vessels, as required under the cargo preference requirements, translates into 80 cents per bushel for wheat, 70 cents per bushel for feed grains, and 80 cents a bushel for soybeans. So do not vote no on this and then go home and tell your farmers how much you love them.

It seems to me that it is not perfect from anybody's viewpoint, but it is the best that can be accomplished. So Mr. President, with some of the same reluctance that has already been expressed here on both sides and with certain reservations, I intend to support the compromise because I think it is a very legitimate effort that serves the interests of all parties.

If we do nothing, the district court decision is going to dictate to us. How many of you have made speeches back home attacking Federal court decisions? I daresay there are not many Senators here who have not made those speeches. And to vote no on this is to say that the district court decision, which most of us disagree with, is going to stand and the farmers are going to suffer as a result.

Mr. NICKLES. Will the Senator yield?

Mr. BUMPERS. Yes.

Mr. NICKLES. I wholeheartedly agree with the Senator's statement that we need to overturn the court's decision. But is the Senator aware of the fact that in the committee bill we have language that does exactly that, that we overturn that judge's decision? Basically, what we do in the committee bill I believe is very much a compromise position, very much a middle-of-the-road position. It lets us keep half of Public Law 480 under cargo preference and not have all the Blended Credit Programs and everything else thrown under cargo preference. So that is already provided for in the committee report language.

Most of us that are arguing on this side in opposition to the amendment of the Senator from Mississippi basically are trying to keep exactly to the language that is in the committee bill, which does overturn the court's decision.

Mr. BUMPERS. I support that position. But the Senator from Oklahoma knows that position is not going to prevail.

Mr. DIXON. Will my friend from Oklahoma yield?

Mr. NICKLES. I believe the Senator from Arkansas has the floor.

Mr. BUMPERS. That is all I will say. The Senator asked if I would yield for a statement and I am appreciative. The Senator from Oklahoma and I have both voted the same way on cargo preference many times in the last few years.

But the realities are that the Agriculture Committee's position is not going to be upheld here. I believe the Senator from Mississippi recognizes that, along with some of his colleagues who have crafted this compromise.

However, if this compromise goes down and the bill is left in its present state as to cargo preference, I will be very pleased. But as an old trial lawyer who used to settle lawsuits, this is the best compromise you are going to get. It is a half loaf, but it is better than no loaf at all.

Mr. DIXON. Will my friend from Oklahoma yield?

Mr. NICKLES. I am happy to yield.

Mr. BUMPERS. I have the floor.

I yield the floor.

Mr. DIXON. I apologize to my friend from Arkansas.

Mr. DIXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois has the floor.

Mr. DIXON. Does my friend from Oklahoma know what happened in the Agriculture Committee concerning this important issue? I recognize he is not a member of that committee.

Mr. NICKLES. I am not. I compliment my friends, the Senator from Illinois, the Senator from Mississippi, and the Senator from North Carolina, because I think you came up with an outstanding resolution to this complicated issue in the Agriculture Committee.

Mr. DIXON. May I say to my friend from Oklahoma—and I wish to be corrected by my distinguished chairman of the committee, the manager of this bill—my recollection is—it was unanimously done in committee. Am I correct; may I ask the chairman of the Agriculture Committee if that is not a fact?

Mr. HELMS. For once we were unanimous.

Mr. DIXON. May I say to the chairman of the Agriculture Committee, there was not more than one or two issues that I can recall in 6 long, arduous months of hard work and hundreds of hours of discussion that we agreed upon. But I wish to say to my friend from Arkansas, the one thing that was done unanimously in the committee was, we settled this problem in the committee. So I wish to say again to my trial lawyer associate, this again is an example of what kind of a compromise this is.

We settled the issue by 17 to zip in the committee, and now we have a compromise. I wonder why. It was not 9 to 8. It was 17 to zip.

Now, I agree with my friend from Arkansas, I have tried a lot of lawsuits in my time. But when you have the law and the facts and everything else going for you, I do not know why you settle later. This issue was resolved. It was resolved satisfactorily. There was nothing the matter with the resolution of the problem in the committee.

It is in the bill now, I say to my friend, the manager of the bill, in the proper form.

Mr. ZORINSKY addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. ZORINSKY. Mr. President, I agree with my colleague from Illinois. It is in the bill. S. 1714 is a very large bill. It has a lot of pages in it, and I hope everybody has read it from cover to cover. [Laughter.] It took us 4 months to arrive at this bill. The Senator is absolutely right. The cargo preference provision is in this bill. Many other good things are in this bill. But the only way this bill was able to be reported, making it possible for us to debate this particular amendment, is because there was a coalition of many interests formed. I think this is a good bill.

I think we ought to go to third reading, final passage and pass it. I think we can go to conference, where this is ultimately going to be resolved anyhow. It will save the taxpayers time and money. But that being as it may, the Senator from Illinois and I and many others in this Chamber know that this bill will not remain unmodified. A fragile condition brought the bill to the floor.

I am aware the Senator from Illinois voted for this bill. There are many items in here that he is opposed to. Likewise, I am opposed to some of the provisions. Some are good. But as the Senator from Arkansas so ably pointed out, sometimes you have to vote 60 percent, yes; 40 percent, no. You cannot do that on this floor. Therefore, you have to be realistic and do what can be done. I think right now there is a big debate going on concering provisions of the Gramm-Rudman-Hollings budget amendment. But you know, you have to do what is doable and not what is wishable.

Mr. DIXON. May I say, Mr. President, to my friend from Nebraska——

The PRESIDING OFFICER. The Senator from Illinois has the floor.

Mr. DIXON. I am holding the same bill. This amendment is trying to change this bill that the Senator and I have both embraced with so much emotion. So the Senator is trying to damage this bill. The Senator is trying to increase the costs on this bill when the one thing that we are still vulnerable on is that the cost is too high, and we have to bring it down. So I want to know how this compromise is helping in that regard. It looks to me as if it is another nail in the coffin.

Mr. ZORINSKY. Mr. President, let me ask the Senator from Illinois. Did the Senator or did the Senator not tell me he would oppose the referendum for wheat in the bill?

Mr. DIXON. I told the Senator I would vote against the referendum with wheat.

Mr. ZORINSKY. It is in the bill. If it is such a good bill, let's vote for each other's bill. But all I am saying is as a U.S. Senator, the Senator has to do what is doable, not what the Senator wants me to do for him or the Senator to do for me.

Mr. DIXON. I say to my friend, I will vote for the bill if wheat is still in there. Do not worry. The Senator is not helping this bill. The Senator is hurting this bill. The Senator is doing this bill damage. The Senator is putting more costs in this bill.

The Senator is crafting a compromise that is not a compromise. The Senator is taking the same bill that we considered this issue in committee for a long, long time. Every one of us, including those of us on this side who took some heat for it, voted to change the thing, put the cargo preference law back in the old position that it was in, as my friend, the chairman knows. We took some heat for that. It is in here. Now the Senator is putting a compromise on this that is worse than the law used to be. That is not a compromise.

That is a destructive act that does immeasurable damage to this piece of legislation. If I were the President of the United States looking at this legislation with some concern, and I found out that the Senator did this, that it is going to cost the taxpayers more money, going to close ports in the Great Lakes, going to increase the price of the crops, and otherwise do immeasurable harm to the bill, I would not be too hopeful with what we are doing to this bill. If we are doing the same things on the votes, we are doing a pretty poor job of helping this bill along. I do not want help like this.

Mr. ZORINSKY. Let me point out to the distinguished Senator from Illinois that this amendment is the least of the President's concerns. The Senator knows what they are. A bill cost that may be a few billion dollars over budget is one of the President's concerns. The wheat referendum is a separate concern. The Senator and I know what the administration's concerns are about this bill. All the rhetoric on this floor as to what is weakening this bill or not weakening the bill may be good for headlines for the news media, but those that really know the issues at stake realize that this is one of the lesser concerns that the President has concerning the 1985 farm bill.

Mr. HELMS addressed the Chair.

Mr. ZORINSKY. I yield the floor.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. I am tempted to inquire of my two friends if they had any words before they fell out. But I will not do that.

[Laughter.]

Much as I admire the eloquence, certainly the enlightenment, I wonder if it is possible to consider a time to vote on this amendment. I doubt that any votes are going to be changed by prolonged debate. We need to move along. Therefore, with the understanding of the distinguished majority leader, how about 4:15 for a vote? I ask unanimous consent that a vote on the amendment occur——

Mr. ZORINSKY. I object, Mr. President, to the unanimous-consent request.

The PRESIDING OFFICER. Objection is heard.

Mr. DIXON. There are four amendments here, not one. I object.

Mr. HELMS. Look. I am on the side of the Senator.

Mr. DIXON. I know my friend is.

Mr. HELMS. How about 4:30.

Mr. DIXON. Mr. President, may I say to my friend, the distinguished chairman of the committee, there are four amendments here. I object to the unanimous consent that is required to vote on all four of them in one package.

Mr. HELMS. Very well.

I yield the floor.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Mr. President, I thank the distinguished chairman and others. We are now on the third day of the farm bill. I hope we can start voting this afternoon. Once we start that, I think other Members with amendments will be prepared to come to the floor. Let us not get hung up on this first amendment that is going to require a rollcall vote.

I do not support the compromise even though I helped to get the groups together to talk about the compromise. The compromise may finally become the law. I think that would be too bad. But those who put together the compromise were certainly in good faith and they had a problem of trying to get exports moving again.

It seemed to many of the farm organizations as well as those in the maritime industry that maybe they could work out something. They finally did. But the element missing was the administration never agreed to anything. Maybe that is the administration's fault. But it did not happen. Therefore, I have concluded that I will have to vote against the good efforts of the distinguished Senator from Mississippi, Senator COCHRAN, and others, who believe that if we are going to do anything we will have to move very quick-

ly, and resolve this issue. Whatever happens we ought to vote quickly. I think everybody understands the positions of the leading advocates on this issue. Then we can go on to other issues.

The last time I inquired I was informed there were only about 60 amendments left. These are major amendments. Many are going to take a couple of days. I have also been asked by a number of Members about plans for the holidays. It could be that we will still be on the farm bill for another couple weeks. So I commend the distinguished managers for trying to move it along.

Mr. HELMS. Mr. President, I am a little confused by a statement made by the Senator from Illinois about voting on all four amendments at one time. I think the Senator mentioned a unanimous consent. I would inquire of the Chair if there is any such unanimous consent.

The PRESIDING OFFICER. No request was made for four votes to become as one.

Mr. HELMS. With that, we are talking just about the first vote, I say to my friend from Illinois, and if the Senator will permit, to ask unanimous consent that the first vote occur no later than 4:15.

The PRESIDING OFFICER. Is there objection?

Mr. DIXON. Reserving the right to object, and I do not expect to object, Mr. President, do I then understand that the distinguished chairman is prepared to have four separate votes on the four separate amendments that are part of this tree, and his unanimous-consent request is that we proceed to the vote on the first amendment at 4:15?

Mr. HELMS. That would be the normal parliamentary sequence, I say to the Senator.

The PRESIDING OFFICER. Is there objection?

Mr. MURKOWSKI. Reserving the right to object.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. MURKOWSKI. Mr. President, there are at least two Members of this body who are going to be at the White House at 4 o'clock for about 7 minutes. Not knowing just what the traffic time is, I wonder if there is any possibility of making that vote at, say, 4:25?

Mr. HELMS. I shall vote by any time that anybody can agree to.

Mr. MURKOWSKI. I do not want to delay the Senate's deliberation, but 4:15 really hits us right in the middle of trying to get back. It is a very short signing ceremony that is taking place down there at 4 o'clock. I shall defer to the leader.

Mr. HELMS. I shall inquire of the distinguished majority leader. I was not elected majority leader and I am so glad about that.

Mr. DOLE. Mr. President, if you vote right now, you can make it. I do not see any reason to wait until 4:15. It seems to me we have been on this all day. This is only one of several amendments.

Mr. HELMS. That is right. I said no later than 4:15. But I will take it 4:25 or 4:30, just to get the train moving.

Mr. MURKOWSKI. I would vote right now.

Mr. DOLE. Mr. President, I do not know if anybody would object to voting right now. I would vote right now. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

The PRESIDING OFFICER [Mr. PRESSLER.] Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 70, nays 30, as follows:

[Rollcall Vote No. 259 Leg.]

YEAS—70

Andrews	Goldwater	Metzenbaum
Baucus	Gore	Mitchell
Bentsen	Gorton	Moynihan
Biden	Harkin	Murkowski
Bingaman	Hart	Nunn
Bradley	Hatch	Packwood
Bumpers	Hatfield	Pell
Burdick	Hawkins	Pryor
Byrd	Hecht	Rockefeller
Chiles	Heflin	Rudman
Cochran	Heinz	Sarbanes
Cohen	Hollings	Sasser
Cranston	Inouye	Simon
D'Amato	Johnston	Specter
DeConcini	Kennedy	Stafford
Denton	Kerry	Stennis
Dodd	Lautenberg	Stevens
Domenici	Laxalt	Trible
Eagleton	Leahy	Warner
Evans	Long	Weicker
Exon	Mathias	Wilson
Ford	Matsunaga	Zorinsky
Garn	Mattingly	
Glenn	Melcher	

NAYS—30

Abdnor	Gramm	Nickles
Armstrong	Grassley	Pressler
Boren	Helms	Proxmire
Boschwitz	Humphrey	Quayle
Chafee	Kassebaum	Riegle
Danforth	Kasten	Roth
Dixon	Levin	Simpson
Dole	Lugar	Symms
Durenberger	McClure	Thurmond
East	McConnell	Wallop

So the amendment (No. 917) was agreed to.

Mr. COCHRAN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HELMS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

Mr. HELMS. Mr. President, I cannot hear anything. May we have order?

The PRESIDING OFFICER. The Senate will be in order.

The Senator from North Carolina.

Mr. HELMS. Mr. President, in the first place, just for the edification of the Senate, will the Chair repeat the vote?

The PRESIDING OFFICER. Seventy yeas and thirty nays.

Mr. HELMS. Seventy to thirty?

The PRESIDING OFFICER. That is correct.

Mr. HELMS. Mr. President, I inquire, does the question now recur on amendment No. 916?

The PRESIDING OFFICER. That is correct.

Mr. HELMS. I thank the Chair.

Mr. STENNIS. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

The Senator from North Carolina.

Mr. HELMS. I yield the floor.

AMENDMENT NO. 921

(Purpose: To specify criteria for the determination of fair and reasonable rates to be charged by United States flag commercial vessels for purposes of the cargo preference laws.)

Mr. BOSCHWITZ. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Minnesota [Mr. BOSCHWITZ], for himself, Mr. NICKLES, Mr. DANFORTH, and Mr. DURENBERGER, proposes an amendment numbered 921 to amendment numbered 916.

Mr. BOSCHWITZ. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of amendment No. 916, insert the following:

"FAIR AND REASONABLE RATE

"SEC. . Section 901 of the Merchant Marine Act, 1936 (46 U.S.C. 1241) is amended by inserting the following after the first sentence in subsection (b):

"The rate charged by a United States flag-commercial vessel for transporting cargoes subject to this section and the Joint Resolution of March 26, 1934 (48 Stat. 500, 46 U.S.C. 1241-1) shall be deemed to be fair and reasonable only if such rate—

"(A) for the fiscal year ending September 30, 1986, is no greater than 175 per centum of the rate charged for transporting the same cargo on a foreign-flag commercial vessel;

"(B) for the fiscal year ending September 30, 1987, is no greater than 160 per centum of the rate charged for transporting the same cargo on a foreign-flag commercial vessel, and

"(C) for the fiscal year ending September 30, 1988, and each fiscal year thereafter, is no greater than 140 per centum of the rate charged for transporting the same cargo on a foreign-flag commercial vessel.

Mr. BOSCHWITZ. Mr. President, under the cargo preference rules, 50 percent of all shipments generated by

the U.S. Government must be shipped on American-flag vessels, and the rates that the American-flag vessels can charge must be "fair and reasonable."

"Fair and reasonable" has often been defined by the Maritime Administration to be 300 percent or 400 percent of the international rate. This amendment would change that and say that "fair and reasonable" would be defined as 175 percent of the rate charged for transporting the same cargo on foreign-flag vessels in the fiscal year ended September 30, 1986.

In the next fiscal year, "fair and reasonable" will be defined as 160 percent of the rate charged for transporting the same cargo on foreign-flag commercial vessels.

In the following fiscal year, it would be 140 percent.

Therefore, Mr. President, in the event that the going rate on a ton of commodities—be it wheat, corn, or fuel—is $1 during the fiscal year ended September 30, 1986, the American-flag vessels could charge up to $1.75—in other words, 75 percent more than the lowest foreign-flag commercial rate. In the following fiscal year, it would be 60 percent more. This is so that our commercial fleet could begin to be at least somewhat competitive with the international transportation of similar cargo.

We understand that the American-flag vessel has some expenses. The Senator from Alaska pointed out that some of those additional expenses have to do with environmental considerations, health considerations, and so forth.

Nevertheless, "fair and reasonable" should have some form of definition. Certainly, a rate three times or four times as high as the international rate should not be considered, under any stretch of reasonable imagination, to be fair and reasonable. We would define "fair and reasonable" to be 175 percent of the international rate.

Mr. President, I am joined in this amendment by the Senator from Oklahoma [Mr. NICKLES] and the Senator from Missouri [Mr. DANFORTH].

Mr. DIXON. Mr. President, will the Senator from Minnesota yield?

Mr. BOSCHWITZ. I yield.

Mr. DIXON. First, I ask whether my colleague from Minnesota would honor me by permitting me to cosponsor this amendment.

Mr. BOSCHWITZ. With pleasure.

Mr. President, I ask unanimous consent that the name of the Senator from Illinois [Mr. DIXON] be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DIXON. Let me see whether, by asking the Senator questions about his amendment, he might clarify for the Senate, for the American public, for shippers in this country, for farmers, and for taxpayers what is occurring.

The Senator from Minnesota is saying that in the first year of this proposal, it would be recognized that the cost on American vessels is a lot more than on foreign vessels, but the Senator is saying that it cannot be more than 75 percent more.

So if it costs you $1 on a foreign vessel, it cannot cost you more than $1.75 on an American vessel?

Mr. BOSCHWITZ. That is correct.

Mr. DIXON. The Senator is saying in the year after that he recognizes it is going to cost a lot more to ship on the American vessel but he is saying it ought not to cost more than 60 percent more?

Mr. BOSCHWITZ. That is correct.

Mr. DIXON. And in the third year what was the Senator's figure then?

Mr. BOSCHWITZ. Forty percent.

Mr. DIXON. So he is not doing anything more than putting some kind of fiscal constraints on what the Senate has just done in its adoption of the first amendment to this bill.

Mr. BOSCHWITZ. That is correct.

I am glad that the Senator from Illinois recognizes that I am a reasonable man.

Mr. DIXON. I thank my colleague from Minnesota and I support the amendment.

The PRESIDING OFFICER. Who yields time?

Mr. DIXON. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. COCHRAN. Mr. President, I hope that Senators will recognize that we have voted by a very substantial majority in support of the compromise that has been worked out after hours and hours of effort by representatives of the maritime agricultural industries as a way to settle the cargo preference controversy.

It is my hope that Senators will reject all efforts to modify that compromise. I am afraid if we do make modification we are going to cause the compromise to fail.

The parliamentary situation is awkward and it is unfortunate that we have the situation as we do where we do not have a straight up-or-down vote on the compromise. We have had to construct a situation here to try to keep the compromise from being modified so it will not fail so we will permit the Senate to work its will in the adoption of the compromise as it has been drafted and presented to the Senate.

If the Senate now votes for the amendment suggested by the Senator from Minnesota we are going to torpedo the compromise.

I am hoping that Senators will realize what is happening here and what is being attempted.

There are some who are very sincere in their opposition and very effective in their arguments against the compromise. I understand their position. It is unfortunate that this compromise could not have been crafted to satisfy the concerns of the Great Lakes ports. That is what we are considering here. The Senator is urging that this compromise be rejected.

We cannot today legislate a greater depth to the St. Lawrence Seaway on the floor of the Senate. That is the real problem. Because the St. Lawrence Seaway has a limited depth, the large, modern U.S.-constructed vessels cannot make calls at all of these Great Lakes ports, and that is the problem.

We cannot cure that with this amendment. We cannot cure that with an eloquent argument from the Senator from Illinois, although he has made one and I congratulate him.

I wish we could change the facts so that we could have everyone supporting the compromise today. I would like nothing better, but we just cannot somehow overcome the realities that we confront, and that is one of them, and it is a serious problem.

I am hoping, in spite of that, we can continue to work to ensure that there is fairness and equity in the shipment of U.S. agricultural commodities from the United States.

Senators will know that there is created in this compromise a 16-person commission, a group to study ways to improve competitiveness of our U.S. export program. One objective of the Commission is to help assure fairness among the four regions, the east coast, the west coast, the gulf coast, and the Great Lakes, in the shipment of goods overseas.

Senators should know that an effort is being made to solve this problem. But I admit it is not solved in this compromise and I wish it could have been. Efforts were made to work it out, but they were not successful.

I am saying Senators should reject this amendment. It does not help the compromise. It would torpedo it. It would cause it to fail. I am hoping that the amendment of the Senator from Minnesota could be rejected.

Mr. NICKLES. Mr. President, will the Senator from Mississippi yield for a quick question?

Mr. COCHRAN. Mr. President, the Senator from Mississippi yields the floor. I will be happy to try to respond to any questions Senators make.

Mr. NICKLES. Will the Senator yield for a question?

Mr. COCHRAN. I am happy to try to respond to any questions Senators have.

Mr. NICKLES. I would like to ask the Senator from Mississippi a question.

Mr. COCHRAN. The Senator could just address the Chair, seek recognition, and I will be happy to try to respond to his questions.

Mr. NICKLES. Mr. President, I ask the Senator from Mississippi if he could respond to this question. As I understand, the amendment of the Senator from Minnesota basically says it has to be within the first year 175 percent of the world market rates. Are most of the contracts now that we are having with U.S. shippers more than 175 percent of the world market rates?

Mr. COCHRAN. Could the Senator repeat his question? Others were asking questions, and I did not hear all the Senator's question.

Mr. NICKLES. I believe, as I understand the Senator from Minnesota, the first year end of fiscal year 1986 it says that contracts will have to be within 175 percent of world market rates. Are most of the domestic contracts in excess of 175 percent of world market rates or less than that?

Mr. COCHRAN. I do not know the answer to the Senator's question, I might say to the President.

Mr. NICKLES. I thank the Senator.

Mr. DIXON. Mr. President, I think that we are all indebted to the Senator from Minnesota who has made it pretty clear now what we are doing here, because for every Member of the majority who came to this floor and voted to adopt the first amendment to the so-called compromise, they are now making a real simple vote. I want them to understand how simple this is. When a Senator goes back home to his State they are going to say, "Senator, does that cargo preference cost anything extra?" So he is going to say that is arguable. At this point, the Senator was OK. He was OK on amendment 1. He could say that is arguable, could he not, I say to my friend from North Carolina, the chairman of the Agriculture Committee? He could say that is arguable; we do not know.

Maybe the American bottom can ship just as cheaply as the foreign bottom. The Senator can get by with that.

Now on this amendment the Senator has to say that 175 percent of what it had cost on an American bottom is OK with him. When he casts this vote do not the Senator dare forget that. He is voting on something that everyone can understand. When the Senator goes to that Grange back home or that local meeting of the Farm Bureau in Mizpah do not forget some farmer in the back of the room with patches on his breeches is going to get up and say "How come you voted that they can charge way more than 175 percent more? I want you to explain that vote to me."

I know the Senator is not going to have any trouble. It will not be any problem at all to explain that.

I am not going to have to explain it because I am voting for the amendment. This amendment puts in black and white that everyone of you who steps up to the well knows that the cost on this thing is off the table. This amendment says that the U.S. taxpayers and the shippers are forced to pay more than 175 percent of what it had cost, and you said yes. Now you are not voting for smoke now.

You are not voting for something you can explain now. You are bellying up to the bar and buying a double shot of more added to the budget deficits. You are stepping up to the bar and you are buying a double shot of more cost to the American shipper.

The amendment by my friend from Minnesota is aptly put. I would accept an amendment up to 200 percent and I think you would still vote against it.

But this puts, in simplistic terms that every American can understand, the price of this bill. OK, you bought amendment one, step up to the bar now on amendment two and pay for it.

Mr. LONG addressed the Chair.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. LONG. Mr. President, these figures keep changing as to how much we are going to pay to subsidize American farmers to keep them in business. For my purpose, I do not need to know the exact amount to state my brief point here.

One of the figures mentioned which I am willing to accept for the purposes of argument is that this farm bill is subsidizing farmers to the tune of $18 billion in a year. Now, I am willing to vote, Mr. President, for whatever it takes to help the farmers, enough so that they can stay out there and work on the farm and make a profit and survive. I want to see them do well, just as I would like to see everybody do well in this great country of ours. I hope I can vote for a bill that the Senate puts together.

Mr. President, I just cannot understand the pontificial outrage that somebody else is going to get a little help other than the farmer. The amount that has been mentioned for the subsidy for the maritime industry, I am told, is about $60 million. So the help for those who sail the high seas and those who build ships and the maritime industry in general would work out to be about $1 for every $300 that we are doing for the farmer.

Now, if I were out here leading the case to help the farmer and I could get the maritime people aboard, and all I had to do for them was just to give them a share in the program to the extent of one-third of 1 percent, I think I would have made a very good deal, indeed.

But, no, sir; all this is about is that it is great to subsidize the farmer and just an outrage to do anything for anybody else, I find difficult to understand. Frankly, I am not worried about defending my position. I would be in very great difficulty if I were running for office and trying to defend the position to say that we cut down and take away from the people who sail the high seas—a vital part of our defense, in my judgment—just to help to get a little more, a teeny bit more, one-third of 1 percent more for the farmers.

I am willing to vote for the $18 billion or more if need be for the farmer.

The attitude taken by those who just seem to be against the maritime industry, but for the farmer, is like the prayer that the farmers used to say and say that same prayer every day: "God bless me and my wife, my son John and his wife; Just four, and no more. No more." [Laughter.]

And in this amendment that is being offered here, for example, no one tells us how that world rate is arrived at, but they say that anyone with more than a certain percentage of the international world rate is too high. I do not know how they arrive at that. I assume the rate that they are talking about has to do with what you can build a ship for with Korean labor—and, by the way, they build very good, high quality ships. But their wage rate is about $1.65, only half of our minimum wage, and our workers hope to make a little more than the minimum wage here. Then you talk about what you pay the seamen. Our seamen are well paid insofar as there are jobs for them.

What is the international rate? I do not know, but I assume you could hire them for $1.65 if they are Korean. I think you could hire them for 50 cents if you are hiring from some other points in the world, which is a very small fraction of what we have here.

I hope people are not mislead by what this amendment would do. All it would do is totally kill what those of us who would like to see the maritime industry survive would provide for the maritime industry.

Here is a compromise that 70 Senators have voted for. I hope the Senators will be consistent and stay with what they elected to do when they voted on the previous vote, to simply stay with the compromise and vote down this amendment.

Mr. BOSCHWITZ addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. BOSCHWITZ. Mr. President, I appreciate the comments of the senior Senator from Louisiana and I respect him. In fact, I hold him in considerable awe.

I might point out that the rates that are allowed by the Maritime Administration allow not only for the cost of doing business and for the cost of building ships and so forth, but they also allow for a reasonable profit. Now, if we could get that same treatment for our farmers in this farm bill, if we would allow them a reasonable

profit, too, in all their transactions, we would certainly not be hearing the hue and cry from the farm community that we have been hearing.

In the event that we gave the farmers business, went out and sought business for them, rather than embargoing their principal customers on frequent occasions, then perhaps the Senator from Louisiana would be correct and the analogy could be made.

This is not much to give if you relate it only to the cost of the farm bill. But, of course, the maritime industry receives much in other parts of the budget as well.

I would tell my colleague from Louisiana that recently there was a shipment made in September to the Sudan on a Korean—and that is the example that the distinguished Senator gave—on a Korean-flag vessel. The rate was $20.35 per metric ton. On a U.S.-flag ship it was $63, just a little over three times the rate.

Mr. LONG. Will the Senator yield for a question at that point?

Mr. BOSCHWITZ. Yes.

Mr. LONG. What was the Korean wage rate? What were they paying their labor?

Mr. BOSCHWITZ. The Senator knows that I do not know what they were paying their labor. I am ready to concede that they were paying their labor a good deal less than we pay.

Mr. LONG. I went through an automobile factory in Korea, where they are doing fine work and doing a good job. May I say to the Senator, the best labor rate there was about $1.65 an hour. Does he recommend that for American automobile workers?

Mr. BOSCHWITZ. Well, certainly the distinguished senior Senator from Louisiana is not saying that we should embargo or in some way raise a barrier against all shipments of any type from Korea because their wage rates are not at the same level as ours. Perhaps the Senator is saying that. Is that what the Senator is implying?

Mr. LONG. Well, I suggest that I do not see the reasonableness of tying what an American seaman should make to the wage of a Korean seaman or a Hong Kong seaman.

Mr. BOSCHWITZ. No Senator is more understanding and has a greater perception of the free enterprise system than my friend from Louisiana and no Senator has a greater feeling for the scope of the world economy. I certainly will admit that wage rates differ here than in Korea.

I might give another example in that case. A shipment of wheat to Egypt in September under a Liberian flag vessel was $17.60 per metric ton. Under the U.S. flag vessel, it was $52.50. I am prepared to admit that the Liberians undoubtedly pay a lower wage rate and, as my friend from Alaska pointed out, we put a doctor on the ship, we have certain standards with respect to the environment, and so forth, that they may not. I recognize that.

However, I would say to my good friend from Mississippi that on this so-called compromise, as he called it, I remind him that there has not been a minute of hearings on this so-called compromise. It was never presented to the Agriculture Committee. It was not even introduced here in the Senate in bill form. It has just been introduced on this agriculture bill and it is introduced as an amendment, skillfully so, and within the rules and within the rights of the Senator from Mississippi.

I point out that my amendment says, fine, we will give 75 percent of the cargo to American bottoms but in return we should do so at reasonable rates, and I have set these rates at 75 percent over the world price for fiscal year 1986 and 60 percent in fiscal year 1987 and 40 percent in fiscal year 1988.

I yield the floor.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I wonder if the distinguished Senator, the sponsor of the amendment, will yield for a question. Before I do that, however, I wonder if I might ask the sponsors of the underlying amendment if they would consider—I will give this to them for their observation—an amendment which will make the borrowing provisions of this amendment comply with the Budget Act in that the borrowing authority is not made subject to appropriations.

When I am through, I would like to ask the Senator if he will consider that as an amendment. It is—with a few exceptions—a Budget Act requirement for all new budget authority. It was probably left out as an oversight. In any event, if the Senator is not interested in accepting it, I will offer it after we finish this.

Did I understand that the distinguished Senator from Louisiana was saying—to see if I understood the Senator's reasoning—since we are subsidizing farmers, we ought to subsidize under this shipping act those who man the ships, and let them charge whatever rate a commission in this country determines is fair for the owners? Is that what I understood the Senator to say?

Mr. BOSCHWITZ. I really probably should have let the distinguished Senator from Louisiana speak for himself. But the Senator seemed to say that, yes.

Mr. DOMENICI. The Senator gave the example that he went to Korea and saw people working in an automobile factory making Korean cars, and they are earning less than our automobile workers. The Senator asked if you would like to see our automobile workers paid the same? You said, of course not. But I have not seen anybody offer an amendment here saying we should raise the price of Korean cars because their workers are making less money than ours.

It seems to me the only rationalization for the argument that the maritime owners and workers get a piece of this particular shipping, even though they are not competitive is because we are subsidizing the farmers, and but for the subsidy we would not be shipping the goods; so we should spread the subsidy around, and give it to the maritime workers. If I did not hear the Senator right, I stand corrected. But it seems to me that this is what my friend, whom I agree is a staunch advocate of the free enterprise system, is saying.

Is the argument that because we are subsidizing farming which is having a tough time, we should say to them, "We have to give you money in the loan program and the target price program. You are producing more than we can use. We want you to ship it overseas but since we are doing that, we ought to spread a little bit of that subsidy to the maritime workers." Did I hear it right?

Mr. LONG. Mr. President, will the Senator yield at that point?

Mr. DOMENICI. I yield.

Mr. LONG. I do not see the Senator proposing we should say the American farmer gets a certain price based on what it costs to produce something in China, or India, or what some working man is making over there.

Mr. DOMENICI. That is correct. We are saying good luck to you. Even if it costs you more, you may not be able to sell it, but we are not saying we should subsidize to compensate for the 49-cent an hour wage rate in China. I have never heard it mentioned.

Mr. LONG. Compared to the agriculture, as far as this Senator can recall, agriculture and the merchant marine have been subsidized as far as I can recall since I have been a Member of this body. We subsidize them in different ways. But I have yet to hear one say, well, the amount of subsidy that it requires for the American industry to be on the high seas is determined by a certain percentage of foreign costs. I do not know how the Senator would go about arriving at the foreign costs.

To me it is rather irrelevant because I would think if you are saying how much subsidy do you have to have in order to have the merchant marine on the high seas, you could probably expect to use the existing wage contracts that exist between labor and management in that area. If the Senator has some other way he would like to arrive at it, more power to him. I would like to hear what it might be. But to simply say for foreign shipping it can be higher at a certain percent,

so the fairest thing would be to say 175 percent of what the foreigner would charge is the right amount. I do not think you would want to say that for the wage. The foreigner might be getting 30 or 50 cents an hour. Even if it is a dollar, I would not say $1.75 would be ample because foreigners are working for $1. The idea of what is a fair and equitable amount arrived at depending on what the American wage scale is I do not see anything wrong with.

Mr. DOMENICI. I say to my friend from Louisiana, I am on the floor for the purpose of suggesting the amendment making the borrowing authority subject to appropriations, but I heard the Senator's argument. If we are not going to let the marketplace establish what people charge, then one way to do it is to subsidize first. Then we have a justification for subsidizing anybody that is ancillary to the subsidized industry. We can say, well, since we are giving a subsidy to an industry, then all those ancillary to it ought to share in that.

But for those American industries which are free and competitive, we are not saying that. We are not saying let us subsidizes because foreign wage costs are too low. I do not know the remedies. But we are not saying we are going to set a price based on completion with cheap foreign labor. That is the only thing that struck me in the argument. That is why I raised the issue. I think that is really what some are saying.

Mr. COCHRAN. Mr. President, if the Senator will yield, I am prepared to now say we are reviewing the amendment which the Senator has handed to the managers of the bill. I am not able to say at this point whether we can accept it as part of the underlying amendment or not. We are working on that. It looks to me as though it is something we would want to include in the amendment. I am not able to give a final answer at this point.

Mr. DOMENICI. I thank my friend. With that, I will leave.

Mr. BOSCHWITZ and Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, it would be my intention after Senators who desire to speak on this amendment have had an opportunity to do so to move to table the amendment of the Senator from Minnesota, and to ask for the yeas and nays.

It is my understanding that the yeas and nays have been ordered on the amendment of the Senator from Minnesota. But in spite of that, it would be my intention to move to table that amendment at such time as other Senators have had an opportunity to speak who really want to speak.

Mr. ANDREWS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. ANDREWS. Mr. President, maybe somebody has missed what we are really talking about here today. Certainly, there are no seaports in North Dakota. But my State produces a lot of grain that has to be exported. My State, as the other 49 States are, is intentionally interested in the defense of this Nation. I always thought that the reason we shipped our Public Law 480 shipments in American bottoms is so those ships and those seamen would be there in time of emergency. That is the only reason.

We found when we went into World War II we did not have any vessels or any crews in enough numbers to support the movement of our defense forces overseas. I am getting a little tired of listening to subsidy this and subsidy that. Anytime somebody does not know how to address an issue, he points his finger and says somebody is subsidizing somebody. We maintain, or we are moving toward a target of 600 vessels in our Navy to protect our freedom. Those vessels are important. But equally important are the ancillary vessels that carry the cargo to take care of that Navy or our Army or whatever other forces are over there.

What do we do in peacetime? Mr. President, in peacetime, we have our naval vessels cruise—it is called cruising time, and it is training. They are moving back and forth to keep those crews alert and to keep those vessels ready so that when we need them in an emergency, we have them. I have also looked on the concept of shipped in American bottoms as a way of getting 15 or 20 or 25 or 30 ships flying the American flags, manned with American crews, ready to go when they are needed for the defense of this country, but in the meantime, moving American cargoes so they are not just steaming empty.

I think if we would take a look, Mr. President, at the need for this issue, not from the standpoint of somebody's subsidy, what we have had in the past has not worked, because what we have tried to do is take it off the back of the American farmers and that has overpriced our merchandise in foreign ports.

As a result, there are no sales for our farmers and there are no cargoes for our merchant marine and our merchant marine has been decimated.

Let us be frank about what we need: we need a number of American vessels crewed by American sailors ready to go in time of war or emergency. In the meantime, instead of keeping them cruising around empty as naval vessels do, let us use them for something. That is why we need this kind of activity. That is why it ought to be funded out of the Department of Transportation, which now handles merchant marine. I think probably more fitting would be to fund it out of the Department of Defense, but I hope down the line, we can move to that. But let us not talk about subsidy. Let us treat it for what it is, maintenance in the best way possible of a sizable fleet to be ready for emergency, and in the meantime, carry the cargoes we have to carry and let us make sure that we do not overprice our cargoes because nothing times something is still nothing.

That is what has been happening. We have had no cargoes because our grains have been overpriced and our farmers have been disadvantaged and we have not gotten the merchant marine we need. This is a step in the right direction.

I hope we can go on with what the Senator from Mississippi is suggesting and fund this out of the Department of Transportation or the Department of Defense and maintain a group of American vessels and American seamen.

Let me add one thing before I close, Mr. President. I am a little proud of what we can do in agriculture. I think we ought to be debating on this floor not the farm problem but the agricultural advantage. The Soviet Union could blow the world up 10 times over, and so could we. We can put a man on the Moon and so can they. But they cannot feed the world and we can. That is something no single nation has been able to do before in the history of the world. When we move our peacetime shipments into those undeveloped nations, somehow or other, maybe I am getting a little overpatriotic, and maybe we need to be a little more patriotic, but I think it makes sense to see those ships steaming into those foreign ports and emptying American grains and say, "This came from the United States."

Some of us listened to a lecture from the French equivalent of the CIA. He talked about how we have been taken advantage of and how, when he was a youth growing up in a port city of France, he saw a ship coming with American wheat. When it steamed into the harbor, in the dark, some of the Communists came out and put a huge banner across it which said, "A gift from the Communist people." But it was not. It was from the United States.

Let us counter that. Let us move our food, the abundance that is uniquely America's, the strength that is uniquely our country's, in our own vessels, flying our own flag proudly. At the same time, let us get these vessels that our Navy uses and treat them as a Department of Transportation or Department of Defense fund. That is what we ought to be doing.

Mr. BOSCHWITZ. Mr. President, will the Senator yield?

Mr. ANDREWS. I am glad to yield to my neighbor and friend.

Mr. BOSCHWITZ. From what he says, I think he feels as I do that the American fleet should be a strong one. Would he mind in that case if the elements of that fleet were manufactured abroad? Because it was part of the window given maritime that allowed them to include in its total number of American flag ships those that were built abroad. That, I may say, did a good turn for the American maritime fleet because it gave them some new and more modern vessels. It used to be they were a bunch of tubs.

My question of the Senator is, would he be agreeable to having ships that were built abroad flying the American flag that could serve our Nation in time of difficulty?

Mr. ANDREWS. As long as they are controlled by Americans and flying an American flag, that is not so bad. But I do not think they have to be built abroad. Let me point out to my friend and neighbor that a couple of years ago, I was interested in this whole shipping thing. I went up to Maine, the Bath Iron Works. I found they could produce ships in competition with the best shipyards in Japan now and make a credible passenger vessel and have it so we know it is dependable. It has built into it the American safety features that we require. I do not think you need to build them overseas to be dependable anymore.

Mr. BOSCHWITZ. I agree with my friend from North Dakota. If what he says is the fact, I do not think this debate would be held today on the floor of the Senate and I do not think the American maritime fleet would have any problem coming within the boundaries we have established in this particular amendment.

Mr. ANDREWS. Might I point out to my friend that the reason this debate is being held on the floor of the Senate is that we are not talking about building new ships that come up to safety standards that would be able to ship American needs in time of emergency or wartime. We are talking about shipping American grain in a bunch of overaged tubs that are not safe and could not be used under combat situations and you could not get an American crew to sail them. That is what our grain has been moving in.

We need an upgraded merchant marine with high quality ships, good safety features and high speed, really.

Mr. BOSCHWITZ. We got some upgrade of our fleet when we allowed ships to be put under the American flag that were built abroad. That window has now been closed. I wish those ships could be built in the Bath Iron Works. I remember as he does that in the Second World War, we could turn those ships out in a few days. Unfortunately, that is no longer the case.

Mr. LEVIN of Michigan. Mr. President, I intend to vote to table the amendment offered by Senator BOSCHWITZ because it would undermine the entire Cargo Preference Program. I have supported the requirement that at least 50 percent of our Public Law 480 cargoes move on U.S. bottoms. I agree that the Cargo Preference Program is necessary to maintain a U.S. fleet which can meet our economic and defense needs. The Boschwitz amendment would place arbitrary constraints on the existing law.

Even though I support the concept of cargo preference, I voted against the compromise amendment on cargo preference offered by Senator COCHRAN because it expanded the Cargo Preference Program beyond existing law without ensuring equitable distributing of Public Law 480 cargoes to the Great Lakes ports. The amendment offered by Senator BOSCHWITZ attacks the concept of subsidizing the U.S. merchant marine through the Cargo Preference Program and thereby undermines the current law. As I have just stated, I do not object to the existing requirement that 50 percent of our Public Law 480 cargoes move on U.S. bottoms. What I object to is increasing the cargo preference requirements by 25 percent without guaranteeing fair distribution of Public Law 480 cargo shipments to Great Lakes ports. As a Senator who represents one of the Great Lakes States, I simply cannot support a compromise which will harm the Great Lakes ports.

As the Senator from Illinois so forcefully stated during the debate on Senator COCHRAN'S compromise amendment, the Great Lakes ports already operate at a disadvantage because of the way the U.S. Department of Agriculture has applied the cargo preference requirements under the Food for Peace Program. Currently, the law requires that at 50 percent of the food for peace cargo move on American ships. Unfortunately, the Great Lakes ports are rarely served by U.S.-flag ships. Additionally, our shipping season is short because the St. Lawrence Seaway is closed during the winter months. As a result, in order to get our equitable share of Public Law 480 shipped out of Great Lakes ports, we need to have a higher percentage of the 50 percent which is permitted to be shipped on foreign flags move from Great Lakes ports.

Under the current law, the Great Lakes ports have already suffered as a result of USDA diversion of Public Law 480 cargo. Millions of pounds of grain grown in the Midwest which is distributed under the Food for Peace Program and which logically should be shipped from Great Lakes ports, has been diverted to ports in other regions of the country at a higher cost to the U.S. taxpayer. A Wall Street Journal article dated May 15, 1984, further explains the inequity in the administration of the cargo preference requirements and the importance of food for peace shipments to the Great Lakes ports. According to the article:

> Last year, for the first time in the 29-year history of the Food for Peace Program, the total shipments fell short of the 50 percent benchmark. When the cargo tonnage was tallied at year end, only 48.5 percent had moved in U.S.-flag freighters. This modest violation of the cargo-preference law set off bells at the Agriculture Department. To ensure that it doesn't happen again, officials decided to enforce the 50-percent rule each month, rather than waiting until late in the year to adjust any imbalance.
>
> So in late March, when the department made its first 1984 monthly food shipment assignments affecting Great Lakes ports (because of ice, the St. Lawrence Seaway, which connects the Great Lakes and the Atlantic Ocean, is closed to shipping from roughly mid-December to April 1), the government modified its "cheapest possible transportation" rule.
>
> Lacking enough U.S.-registered vessels in the Great Lakes in April, the department looked elsewhere for ships. The result: 20,000 tons of processed grain for India and Peru were sent to Mississippi River ports and 12,000 tons of corn for Somalia were directed to docks on the Gulf Coast. An Agriculture Department official admits costs were higher than if Great Lakes ports had been used.

The article goes on to state:

> The port of Duluth, Minn., says about two-thirds of the 62,000 hours worked by port personnel last year were devoted to humanitarian food cargo. Admiral Hoffman says food for peace cargo was the "basic inducement" for 56 of the 62 freighters that called at Milwaukee in 1983.

Mr. President, between 1980 and 1983, approximately 25 percent of the Public Law 480 cargo was shipped from Great Lakes ports. In 1984, Great Lakes shipments dropped to approximately 16 percent. Under the compromise amendment which was approved by the Senate which increases the U.S.-flag requirement from 50 percent to 75 percent, the Great Lakes ports will see their fair share of the cargo eroded even further.

Mr. President, I had hoped that the compromise could be amended to protect the interests of the Great Lakes ports by ensuring equitable distribution of Public Law 480 cargoes. Unfortunately, the sponsors of the compromise decided to preclude the opportunity to offer such an amendment by parliamentary maneuvering. As a result, I reluctantly voted against it.

Mr. ANDREWS. Mr. President, I think all of us have made our point. I yield back my time.

Mr. COCHRAN. Mr. President, I move to lay on the table the amendment of the Senator from Minnesota and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficent second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Mississippi. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

The PRESIDING OFFICER (Mr. DURENBERGER). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 66, nays 34—as follows:

[Rollcall Vote No. 260 Leg.]

YEAS—66

Andrews	Gore	Metzenbaum
Baucus	Gorton	Mitchell
Bentsen	Harkin	Moynihan
Biden	Hart	Murkowski
Bingaman	Hatfield	Nunn
Bradley	Hecht	Packwood
Burdick	Heflin	Pell
Byrd	Heinz	Pryor
Chiles	Hollings	Riegle
Cochran	Inouye	Rockefeller
Cohen	Johnston	Sarbanes
Cranston	Kennedy	Sasser
D'Amato	Kerry	Simon
DeConcini	Lautenberg	Specter
Denton	Laxalt	Stafford
Dodd	Leahy	Stennis
Eagleton	Levin	Stevens
Evans	Long	Trible
Exon	Mathias	Warner
Ford	Matsunaga	Weicker
Glenn	Mattingly	Wilson
Goldwater	Melcher	Zorinsky

NAYS—34

Abdnor	Garn	Nickles
Armstrong	Gramm	Pressler
Boren	Grassley	Proxmire
Boschwitz	Hatch	Quayle
Bumpers	Hawkins	Roth
Chafee	Helms	Rudman
Danforth	Humphrey	Simpson
Dixon	Kassebaum	Symms
Dole	Kasten	Thurmond
Domenici	Lugar	Wallop
Durenberger	McClure	
East	McConnell	

So the motion to lay on the table was agreed to.

Mr. COCHRAN. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

SCHEDULE

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. Mr. President, I seek recognition at this time in order to ask the distinguished majority leader to give us a rundown on the rest of the day's schedule, perhaps for tomorrow, and as far down through the week as he may be able to.

Mr. DOLE. Mr. President, I hope we can still have one vote by 5:30 or thereabouts. I think there are at least two additional amendments pending.

I ask the distinguished Senator from Mississippi if there are further amendments to his amendment.

Mr. COCHRAN. Mr. President, there are actually three amendments pending, but they all represent a compromise of the cargo preference issue, and they could be disposed of on a voice vote, as far as I am concerned.

There may be other amendments to those amendments that could be offered. I know that the distinguished Senator from Ohio has mentioned that he may have an amendment. The distinguished Senator from Illinois has two amendments. So apparently we are growing in number as we stand here and talk. I will sit down.

Mr. DOLE. These are all amendments that require rollcall votes?

Mr. DIXON. Mr. President, I say to the distinguished majority leader that I have two amendments that are important in the view of those of us on the other side of this issue. The Senator from Iowa has an excellent amendment that might be adopted. So there are some other amendments of great import around here.

Mr. DOLE. I am certain there are other amendments of great import. I just want to get some estimation so that I can give the distinguished minority leader at least a guess.

I do not want to stay too late this evening. I want to get everybody to stay late tomorrow night and Thursday night. So I guess there will be at least two or three more votes this evening, and we would like to do it rather quickly. This issue has been around all afternoon. I should think we ought to be able to dispose of those amendments fairly quickly.

Mr. BYRD. I thank the majority leader.

Mr. DOLE. Tomorrow we will be back on the farm bill, starting at 9.

Mr. BYRD. Is the distinguished majority leader able at this point—it may be early in the week—to inform the Senate as to a Friday session and whether there will be a Saturday session?

Mr. DOLE. There will be no Saturday session. I do not see how we can avoid a Friday session.

I have discussed this with the chairman and both managers of the bill. I understand there are 69 amendments. There were 70. There should be 69—probably more. Some of those may not be offered.

I think we are making progress. We are voting now, and it is my hope once the pattern is established it might eliminate some of the amendments. I think a pattern has pretty well been established in this area but maybe after a couple more votes we can move on to some other title.

So, Friday we will be in. Hopefully we could be able to leave by 4 p.m. in the afternoon.

I hope Members will be here on Friday.

I have advised my colleagues at the luncheon today that we are going to have votes on Monday and Friday.

I cannot help it if Senators do not like it. But others are pushing to get out of here this year. So we will do what we have to do.

Mr. BYRD. Mr. President, I thank the Senator.

Several Senators addressed the Chair.

Mr. METZENBAUM. Mr. President, will the Senator yield for another question?

Mr. DOLE. I yield.

Mr. METZENBAUM. Mr. President, does the majority leader have any intention of setting the farm bill aside at any point in order to go back to any other legislation and if so what are his plans?

Mr. DOLE. Mr. President, let me indicate there will be a very important agriculture hearing on Thursday and Friday of this week on farm credit. The managers of the bill and every other member of the Agriculture Committee will want to be there.

So I am hoping that on those two mornings we can take up and complete appropriations bills, State Department, Justice, Interior, if we can work it out, and, yes, plus we have said earlier if reconciliation can be resolved we would interrupt the farm bill for that purpose.

Mr. METZENBAUM. I certainly respect the majority leader's response and appreciate it. I do hope he will give us all adequate notice so we can anticipate whatever floor action may be.

Mr. DOLE. That is a good suggestion.

Let me indicate that on Thursday and Friday morning we will not be on the farm bill and we will attempt to notify Members as soon as we can what will be up at that time.

Mr. METZENBAUM. I thank the Senator.

AMENDMENT NO. 923

(Purpose: To transfer from the Department of Agriculture to the Department of Defense certain costs incurred in the shipment of certain agriculture commodities in United States flag vessels)

Mr. HARKIN. Mr. President, I have an amendment along with Mr. GRASSLEY, Mr. BOSCHWITZ, Mr. BOREN, Mr. ZORINSKY, Mr. DIXON, Mr. SIMON, Mr. MELCHER, Mr. EXON, and Mr. NICKLES that I send to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Iowa [Mr. HARKIN] for himself, Mr. GRASSLEY, Mr. BOSCHWITZ, Mr. BOREN, Mr. ZORINSKY, Mr. DIXON, Mr. SIMON, Mr. MELCHER, Mr. EXON, and Mr. NICKLES proposes an amendment numbered 923.

Mr. HARKIN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

Mr. STENNIS. Mr. President, may we have the amendment read?

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk resumed and concluded the reading of the amendment.

The amendment is as follows:

At the end of the pending amendment, add the following:

TRANSFER OF RESPONSIBILITY FOR THE PAYMENT OF CERTAIN TRANSPORTATION COSTS

SEC. . (a) Section 5(f) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714c(f)) is amended to read as follows:

"(f) Export or cause to be exported, or aid in the development of foreign markets for, agricultural commodities, except that no funds or assets of the Corporation may be used to pay for, or otherwise finance, the ocean freight charges for any such export to the extent that such charges are higher than would otherwise be the case by reason of a requirement that the commodities be transported in United States-flag vessels.".

(b)(1) Notwithstanding any other provision of law, the Secretary of Defense shall pay the ocean freight charges for the export of agricultural commodities arranged by or through the Commodity Credit Corporation under section 5(f) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714c(f)), or under any other law, to the extent that such charges are in excess of what they would otherwise be because of a requirement that the commodities be transported in United States-flag vessels.

(2) There are authorized to be appropriated to the Secretary of Defense, for each fiscal year after fiscal year 1985, such sums as may be necessary to pay the ocean freight charges the Secretary is required to pay under paragraph (1) in such year.

(c) The amendment made by subsection (a) shall apply to shipments of agricultural commodities made after enactment of the Agriculture, Food, Trade, and Conservation Act of 1985."

Mr. HARKIN. Mr. President, this amendment is a very simple amendment. All day long I have been listening to the debate on cargo preference and Senator after Senator has risen to talk about the need for the maritime industry as part of our national defense network.

Mr. President, I have only been in this body for 10 months, but I served in the other body for 10 years, and it seems like every time an agriculture bill was considered, we always had this long, involved debate on cargo preference, and for the life of me I never could understand why the funding for it was coming out of Commodity Credit Corporation funds, why it was coming out of the Department of Agriculture.

I have listened to the arguments made on the need for a strong maritime industry for the defense of this country, and I am persuaded by those arguments. I think they are right and so in the past I basically have been one of those who has supported the concept of cargo preference only as a way to enhance our national defense posture. But I never could really understand why it had to come out of Department of Agriculture funds.

So after listening to the debate today in this Chamber, it occurred to me that perhaps now is the time for the Senate to take decisive action and to shift the funding for cargo preference from the Department of Agriculture to the Department of Defense, and that is simply what my amendment does.

It does not reduce cargo preference. It does not say anything about the rates or how much above the world cargo rates. I leave that up to the judgment of other Senators and the specific votes that are coming up.

But what my amendment does is it simply says that any commodities that are shipped under the concessional sales programs of the USDA such as Public Law 480, title I, or title II, or section 416, any difference in the rates that are charged has to be paid for by the Secretary of Defense and not the Secretary of Agriculture.

Again, I listened to the arguments today. I heard the arguments about how when we went to Grenada we were going to rely on great Britain to supply us with some ships to transport our men.

Again we have to ask ourselves whether or not we really do want to have a strong maritime industry.

I think the consensus is clearly by the last few votes that we do want a strong maritime industry. But it should be paid for out of the legitimate defense funds of this Nation.

That is really what my amendment does. It just says that from now on after the enactment of this bill any funds used would come from the Secretary of Defense and not from the Secretary of Agriculture.

As I said, Mr. President, many Senators today have risen to talk about how we need the maritime industry, how this is a legitimate defense function. Well I agree. I do not agree, however, that it should come out of CCC funds. I am just hopeful that we can have a vote on this, and I think that the merits of the situation demand that, if we are going to have cargo preference—and it seems like most of the Senators here want a cargo preference bill which that is fine—as a matter of fact, I do, too—I want a strong maritime industry, but I do believe that the funds should come from the Department of Defense.

That is all that my amendment does.

Mr. NICKLES. Mr. President, will the Senator from Iowa yield?

Mr. HARKIN. I am delighted to yield to the Senator from Oklahoma.

Mr. NICKLES. Mr. President, so as I understand his amendment, he wants the cost of the Cargo Preference Program to be coming out of the Department of Defense instead of the CCC or the Department of Transportation as is provided in the Cochran amendment?

Mr. HARKIN. That is right.

Mr. NICKLES. I commend the Senator for his amendment.

Mr. HARKIN. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. DIXON. Mr. President, I wish to congratulate my distinguished friend from Iowa for offering this amendment. This amendment makes perfect sense. Under the existing cargo preference law and under this so-called compromise, if it is adopted, the first 50-percent cargo preference is borne by the Department of Agriculture. This year, that will cost over $100 million.

But the Department of Agriculture does not want cargo preference. They are not in favor of cargo preference. The agricultural people in the country do not want cargo preference. They are not in favor of cargo preference. The farmers in America do not want cargo preference. They are against cargo preference.

So I ask my friends: Why should the Department of Agriculture pay over $100 million for a law it does not want? In the compromise that was made, my friends who were involved in the compromise recognized that, so they did not charge the Department of Agriculture more. They said, "Look, you do not have to pay any more. Just keep on paying the same amount you always paid, $100 million-plus. We will make the Department of Transportation pay the extra $50 million."

That is about what it will involve. But the Department of Transportation does not want this.

My people in my State want roads and bridges and viaducts and the things that money in the Department of Transportation pays for, not a cargo preference law.

So both the Department of Agriculture and the Department of Transportation have imposed upon them by this compromise the need to pay some money to support a law they do not want. But, as my friend from Iowa says, those who advocate this law say, "It is good for the national defense. We need a maritime industry."

All right. Assuming that to be the case, why should not the Department of Defense pay for it? While $150-some million is not chicken feed, if there is one place in the world where they regard it as chicken feed, it is in the Department of Defense. If there is anyplace in the American system where $150 million is spilled on the floor like chicken feed, it is the Department of Defense.

Mr. CHAFEE. May I ask a question of the Senator from Illinois?

Mr. DIXON. Yes.

Mr. CHAFEE. Was the Defense Department for that cargo preference measure?

Mr. DIXON. I have no idea, may I say to the Senator, one way or the other.

Mr. CHAFEE. They were not.

Mr. DIXON. Well, that makes it unanimous, then. Nobody is for it. Why are we passing a law nobody is for?

Mr. CHAFEE. Well, I voted against it.

Mr. DIXON. Well, the Senator is to be congratulated. His judgment is excellent.

Mr. CHAFEE. Ask those who are for it. All the agriculture people voted for it, now they do not want to pay for it. Kind of an unusual situation.

Mr. DIXON. Let me say to my friend from Rhode Island that his point has some validity. I cannot find anybody for it. The people that crafted the compromise must be for it.

Mr. STEVENS. Will the Senator yield?

Mr. DIXON. Yes.

Mr. STEVENS. Anytime the Senator wants an answer, he can address the question to this Senator and he will be glad to respond.

Mr. DIXON. Well, my distinguished friend from Alaska will respond in a moment and I admire him greatly and I know his words will be of great value to us.

But let me make this point. I understand the House is now prepared to pass the Defense authorization bill. That is $302 billion. Now that does not count the money appropriated in the Department of Energy for nuclear weaponry. I understand that is a great many billions more. The farm bill that we are debating, even if you pass the bill in its present form, is down for the American farmer this year, down this year if you do not change a word in it, down $4.5 billion for the next year under this year. It is not even a freeze, it is cut now.

So you are cutting agriculture at least $4.5 billion in the next year—not a freeze, a cut—and we are going to cut it more because we are going to do some things on the floor on this bill that cut it.

We got rid of one gun this year, the Divad gun, that could pay for cargo preference for the rest of this century and well into the next one. One gun.

We could cut the price of toilet seats 10 percent and pay for cargo preference under this bill. You could do away with the ashtrays and pay for cargo preference for 10 years. You could quit buying the coffee urns and buy all the ships and own them.

So I am going to tell you something. Why do we not put it where it belongs? Everybody that made a speech here saluted the flag and ran it up real high and said it is a great country. I love this country. It is a great country. No country like it. They want to have a great merchant marine. I am for having the finest merchant marine in the world.

Let us pay for it where it belongs—in the Department of Defense. Why do you want to make agriculture—you are cutting us already—pay for cargo preference? Why do you want to pay for it out of transportation when you need a road in Kansas or a road in Louisiana or a road in Oregon or a poor little bridge in southern Illinois? Why do we not pay for it where they got the money? You are freezing everything. You are cutting agriculture. But you are increasing Defense every year even under this austerity program. So let us pay for it where they will not even miss it.

Mr. STEVENS. Will the Senator yield?

Mr. DIXON. I am ready to conclude. I would like to hear from the Senator from Alaska. I think it is a wonderful amendment and it ought to receive 100 votes here.

Mr. STEVENS. Will the Senator yield for a question?

Mr. STEVENS addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. I am sorry the Senator did not want to have an exchange. I would be happy to have an exchange with the Senator.

The first charge imposed on the farmer for hauling grain is the railroad charge. Do you know where the railroad charges come from? The same fund. Most of the grain is hauled via the railroads through Chicago. As a matter of fact, the railroad charges are not much less than the charges on the cargo preference. So why do we not put that under the Department of Defense?

My question to the Senator would be: Shall we get down to an accounting based upon commodities? I think the Department of Defense is the largest purchaser of agriculture products in the United States. Why do we not shift that over to the Agriculture budget?

I handle the defense budget. Senator COCHRAN handles the Agriculture budget. Why does he not pay for the food that we buy from farmers in order to feed the people in the Department of Defense?

That is what the Senator is saying. It makes no sense to me to now change a policy that has worked. The only international shipping done by American flag ships which makes sense today involves this program.

All of you state that you support a U.S.-flag fleet. We were appalled to hear the remarks of the Senator from Hawaii that all American mail going across the Atlantic is in Polish vessels. If we have anything to say about that, we will change that.

Mr. BOSCHWITZ. Will the Senator from Alaska yield?

Mr. STEVENS. I am happy to yield.

Mr. BOSCHWITZ. We were really just talking about the overage. We are not talking about the rail freight. The rail freight is shipped on a competitive basis and there is not a larger rate for rail on Public Law 480 shipments than there is on normal commercial shipments. The differences do not exist there.

Mr. STEVENS. None of them are shipped on Conrail? None of them are shipped on subsidized trains?

Mr. BOSCHWITZ. They are not shipped at rates that exceed other shipments. We are just talking about the excess. If the Senator would agree to put the excess—I am not quite sure how this amendment is worded—but if the Senator would put the excess over the world rate into the Defense Department, I think that the Senator from Iowa and the Senator from Illinois and I certainly would be agreeable to that.

I kind of lost the Senator from Alaska.

Mr. STEVENS. You will find him easily, I will tell you.

Mr. BOSCHWITZ. If he is around, everybody can find the Senator from Alaska. There is no question about that.

But, we just are talking about the excess costs. If the Senator from Alaska would say to us that the excess costs would go into the Defense Department and that normal world shipping costs would be assessed against the agricultural departments, that would be a different matter. We really are not complaining about the freight costs that are at the world rate. We are not complaining about the freight costs such as the rail costs that are shipped at rates similar to all other commodities. However, we are indeed upset about the surplus, or the differential we pay.

If the Senator would agree that those excess costs should go to the Department of Transportation, rather than the Department of Agriculture, or even better, into the Department of Defense, because the main motivation for these cargo preference rules is to see that we have a strong merchant marine in the event of hostilities, then we could all support him.

I have heard many times stated on the floor the problems that we had in Vietnam. But if those surplus costs could flow to the Department of Defense, I would venture to say my friends from Iowa, Illinois, and Oklahoma would be satisfied. Would the Senator be willing to do that?

Mr. STEVENS. Mr. President, that is an interesting question. Let me again remind the Senator where I come from. I come from Alaska. All shipments of Alaskan farm products

are shipping on American-built, American-manned, American flagships. I have never had any Alaska farmer argue with me about that requirement. The costs are staggering compared to the costs of the international subsidized shipping.

Again, the Senator is comparing apples and oranges. The Senator compares the average charges under the cargo preference law with the charges of the subsidized foreign vessels going one way. When they take our grain over to a foreign port, they pick up the foreign cargo and go somewhere else. When our ships go into those ports, we do not get a backload because those countries are not going to pay to subsidize the United States shipment. We are lucky to pick up any cargo when we come back with American flag vessels. As a consequence, the charges are higher. There is no question about that.

If the Senator is serious about this subsidy, I will give the Senator a chance later on this year to talk about the restoration of an Eisenhower program known as the Mariner Program. This is a program to build American vessels under the Department of Defense, which would then lease the vessels to domestic operators so that they would in fact be operated during the period of their useful lives. That kept a whole series of American industries going. The net result to the farmers, would be a lower cost. But this is not the same problem we are talking about now. We are talking about an arrangement made back at the time we agreed to use taxpayers' money to export surplus crops abroad.

Again, I am not going to get into the rhetoric that was repeated in another body here in Washington. But we have to remember that this is not farmers' money we are talking about. The farmers are not paying this bill. It is the taxpayers that are paying the bill. I do not hear any taxpayers arguing about the fact that we need a merchant marine as well as we need a farming industry. The next thing we will hear after this amendment is we should shift the whole cost of surplus food donation to the Department of Defense because it is being done for foreign policy reasons. We are certainly not doing it, I hope, for the purpose of just keeping up overproduction in the United States.

I think people are losing sight of the issue. We are hearing a lot of amendments which attack the basic soundness of Senator COCHRAN's compromise approach. The compromise has been worked out. It is acceptable to reasonable people on both sides of this issue. That approach says, "Look, 50 percent of the cargo preference cost will come out of the budget where it was in the past. The additional amount required for cargo preference will be taken care of, by a new fund in the Department of Transportation" in order to meet the problems caused by the recent district court opinion dealing with cargo preference.

The beauty of Senator COCHRAN's approach is it is going to increase the exports of farm products. It is going to decrease the total percentage cost to the taxpayer of that increased amount of exports. Senator COCHRAN's compromise was a smart arrangement. Instead of being congratulated, there are some people from the farm community that asset that this compromise is going to increase the costs to the farmer.

In the first place I do not agree that there is any cost to the farmer under the existing arrangements, let alone under Senator COCHRAN's approach. I would urge my friends to settle down and recognize a good compromise. This deal was only reluctantly agreed to by the merchant marine interests for good reason. Even if the money is not in the Department of Transportation funds to pay the cost of the cargo preference for the additional exports, exports will not be held up pending an appropriation to pay for the cargo preference.

That puts a great burden on those of us who support the cargo preference to assure the funding requirements of the Department of Transportation are met, and it leaves the compromise vulnerable to the kind of attacks I am hearing today. These types of attacks on Senator COCHRAN's amendment are really not warranted.

Mr. BOSCHWITZ. Mr. President, if the Senator will yield for another question, that was a long answer——

Mr. STEVENS. Mr. President, I had the floor. I have yielded the floor.

Mr. BOSCHWITZ. Mr. President, let me ask the Senator from Alaska. I know the Senator takes a great interest in Alaskan farming. As a matter of fact, I know the Senator from Alaska has done many good things for his farmers in Alaska. I have an awareness of that. In fact, you could argue that the Senator has almost singlehandedly created agriculture in Alaska. But would the Senator from Alaska, as a reasonable approach, take the world rate going and the world rate coming back empty, and we will assess that to the agricultural budget, and the balance can go somewhere else—the Department of Transportation? We are as interested in the merchant marine as the next guy. We think it should be a good one. I was going to introduce an amendment here that would allow ships built in foreign countries to wave the Amercian flag, and be included in our merchant marine. But, I do not want to continue this debate incessantly. That is not our purpose.

Mr. STEVENS. Mr. President, can I answer that question?

Mr. BOSCHWITZ. Sure.

Mr. STEVENS. I will answer it with a question. I spent last Saturday visiting with Swiss parliamentarians who were telling me they were worried about the increased surpluses of cheese and milk products in their country. They pointed out to me the cost of those products compared to the cost of the same products here at home. Will the Senator agree that, if we are to accept his approach, the Department of Defense bill should permit purchases of cheese in the world wherever it is cheapest, or any other commodity for that matter? Would he agree with that? Or even permit the Defense Department to purchase these products at the average world price, as whether they be automobiles, tanks, or anything else?

Mr. BOSCHWITZ. The Senator is not going to now make an analogy between tanks, milk, and other things.

Mr. STEVENS. I make an analogy between American shipping, and other American industies. We buy American first in terms of the Department of Defense. Everybody knows that. What is wrong with that for the merchant marine? We could buy tanks a lot cheaper abroad. We could buy cheese a lot cheaper abroad, I can tell you that. There are a lot of agricultural products we could buy abroad that would be a lot cheaper. If you want to push this thing to the extent of saying that the taxpayers somehow or other are harmed by maintaining the merchant marine, you had better look in your backyard because the constitutents of every one of the Members of this Senate sell things to the Department of Defense which could be purchased a lot cheaper. There are some people arguing we should begin to do that now. I say, let us maintain the domestic merchant marine; let us maintain your domestic cheese industry and the agriculture industry. Let us remember that the concept or defense purchasing ought to be totally directed toward American products.

Mr. HARKIN. Will the Senator yield?

Mr. STEVENS. I yield the floor.

Mr. BOSCHWITZ. I have the floor. We, of course, are not talking about acquiring the Defense produce. I am very aware that the Senator from Alaska has been quite insistent and quite successful in seeing that various items for the Defense Department are bought from America including, in his State, agricultural products. I am just not sure that there is an analogy between sending agricultural products to the hungry of the world and tanks.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. COCHRAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, I ask unanimous consent that the pending amendment be laid aside temporarily so that the distinguished Senator from Oklahoma [Mr. NICKLES] can offer his amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 924 TO AMENDMENT NO. 916, AS AMENDED

(Purpose: To limit the applicability of the cargo preference laws to vessels certified as necessary to carry out the defense of the United States and its allies)

Mr. NICKLES. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Oklahoma [Mr. NICKLES], for himself, Mr. HARKIN, and Mr. BOSCHWITZ, proposes an amendment numbered 924 to Amendment No. 916.

Mr. NICKLES. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of amendment No. 916, insert the following:

"AVAILABILITY OF VESSELS

"SEC. . Section 901 of the Merchant Marine Act, 1936 (46 U.S.C. 1241) is amended by inserting the following after the first sentence in subsection (b):

No United States-flag commercial vessel shall be deemed to be available for the transportation of cargoes subject to Section 901 of the Merchant Marine Act, 1936 (46 U.S.C. 1241) and the Joint Resolution of March 26, 1934 (48 Stat. 500, 46 U.S.C. 1241-1) unless such vessel has been certified by the Secretary of the Navy, upon the recommendation of the Chief of Naval Operations, as being necessary to carry out the defense of the United States and its allies.".

Mr. NICKELS. Mr. President, the amendment that I offer today, on behalf of myself, Senator HARKIN, and Senator BOSCHWITZ, is to clarify the purpose of enacting the cargo preference statutes by providing that the Secretary of the Navy, upon the recommendation of the Chief of Naval Operations, shall be required to certify that any vessel eligible to receive cargo preference subsidies is necessary to carry out the defense of the United States and its allies.

When the Cargo Preference Act was signed into law, the United States maintained the world's largest merchant fleet. The cargo preference statues were intended to keep our fleet a mighty economic force in times of peace and a strong and modern part of our defense capability in times of war or national emergency by reserving half of all Government-generated cargo to U.S. owned and operated ships.

Currently over 50 percent of all Public Law 480 Food-for-Peace Program shipments are transported on U.S.-flag vessels under cargo preference. This is significant tonnage and is over and above all the shipments that are generated by the Department of Defense and all the nonfood tonnage of the Agency for International Development.

This amendment is not an effort to alter the fundamental application of the cargo preference provisions to the export of commodities under Public Law 480. It simply limits the applicability of cargo preference to those U.S.-owned and operated vessels certified by the Secretary of the Navy as necessary to carry out the defense of the United States and its allies.

It was certainly not the intention of drafters of the cargo preference laws to preserve a fleet of ships that would be of little use in the event of hostilities. Cargo preference requirements were designed to provide the United States with a modern merchant marine capable of meeting commercial needs and supporting a war effort, should the need arise. My amendment assures that will continue.

In spite of high costs, the cargo preference laws do not assure a strong U.S. merchant fleet. Maintaining vessels which do not operate at a competitive level is an unreasonable and unnecessary burden on the American taxpayers. Yet, the cargo preference fleet continues to operate under the supposition that the United States must maintain such a fleet for national defense purposes.

If these ships are indeed necessary, and sufficiently operational for service to the U.S. Navy, there should be no problem in having each of these vessels certified by the Secretary of the Navy as being necessary to carry out the defense of the United States and its allies.

Should a particular vessel be unfit for transporting our military or military supplies, surely that vessel should not receive a subsidy aimed at promoting the national defense. We simply must have a system of separating the wheat from the chaff and Congress ought to assign that responsibility to the officials who would ultimately make use of merchant vessels for national security reasons.

In addition should it be necessary to secure a merchant fleet during wartime, the President can requisition the foreign-registered U.S. effective control fleet under section 902 of the Merchant Marine Act of 1936. These ships, which are owned by U.S. citizens or U.S. corporations, are registered under foreign flags for convenience. These available ships have an average age of 12 years.

This amendment would merely clarify that cargo preference ocean freight differential subsidies would be extended only to those vessels that are certified as necessary for our national defense.

According to the Department of Transportation, steps are being taken to update the American merchant marine so that we are not throwing money into a hole in the water, but indeed, are preserving something that would be useful in a defense effort. Since defense utilization is the original purpose for the cargo preference laws, it should be the responsibility of the Navy to establish which vessels would qualify for service under those conditions.

Under this amendment any vessel that is certified by the Secretary of the Navy as being necessary for defense purposes would automatically quality for transporting cargos that are subject to the cargo preference laws.

A number of bulk merchant marine ships now receiving cargo preference subsidies are risky liabilities. The loss of the SS *Poet* and the SS *Marine Electric* are cases in point that some vintage ships are simply unable to fulfill a defense mission. Indeed it seems unwise to utilize any vessel that is unsafe, simply because it has been guaranteed business under cargo preference laws. For this reason, I believe this amendment will encourage the modernization of the U.S. merchant fleet and strengthen the U.S. maritime and ship building industries.

Passage of this amendment would provide orderly management in designating those U.S. vessels which could be utilized for defense purposes and national emergencies. I ask its adoption.

Again to clarify for all of my colleagues, this amendment is very simple. I would hope that it would be adopted. A voice vote is certainly fine with this Senator.

I have heard repeatedly today many people justifying the fact that cargo preference is necessary to maintain a viable merchant marine for defense purposes. Basically, all this amendment says is that the Secretary of the Navy, upon a recommendation of the Chief of Naval Operations, would certify that, yes, these vessels are for the defense of the United States or our allies.

I would hope that the amendment would be agreed to.

Mr. STEVENS. Mr. President, I am compelled to oppose this amendment also.

Let me point out we are talking about the cost of sending grain abroad. I think my friend from Oklahoma would agree to that.

I would suggest that, if my friend wants to pursue this course of action, the Secretary of Agriculture should be required to certify that grain was produced on a farm totally in compliance with the limitations set by the Secretary of Agriculture before any grain is purchased. This is an issue of foreign policy. We are using farm surpluses the production in excess of U.S. requirements, to assist unfortunate people abroad.

I am told, for instance, that we could buy wheat in Argentina for $115 a ton, $31 a ton less than the cost to the Federal Government in purchasing U.S. wheat surpluses.

If we are really talking about saving the taxpayers money, then maybe we should start buying Argentina wheat and ship it to India or Ethiopia.

The direction of this discussion suggests that supporters of the merchant marine community should accept a requirement that my friend would never accept if imposed on the agricultural community. Would my friend from Oklahoma suggest a limitation that no agricultural product could be purchased from any farmer if it exceeded the limitations set by the Secretary of Agriculture in the previous year? I ask that without being facetious. Would he accept the concept that if we could purchase the same product abroad for less money, we should do so in order to save the taxpayers money while carrying out a foreign policy? As I mentioned, the Swiss say they are anxious to sell us some cheese. We can buy the cheese there, I am sure. The European Community also has a great many surpluses too.

Is the Senator trying to set a precedent with this amendment?

Is he willing for this new principle to apply across the board to the Federal Government? That is the question. I am not trying to be facetious and I am not trying to be argumentative to my friend.

The policies that the Senator from Oklahoma seeks to impose upon those who support the merchant marine would not be acceptable to him if imposed on agriculture. I do not believe we should have to go to the Secretary of the Navy and say that he should certify that every vessel is necessary for the national defense. It is a national defense requirement to maintain our merchant marine for our national security. We need to make an additional statement indicating the total requirements of the Department of Defense.

Incidentally, we do have the certification about the total sealift required. He will tell you that we do not have it right now. I can assure him that we don't have that capability. This amendment would require certification of every existing vessel.

Shall we do the same thing for the Department of Agriculture?

Mr. NICKLES. Does the Senator want me to respond to the question? I will.

My argument basically is as the Senator from Hawaii mentioned, that we have 409 ships. We have had Senators mention that a lot of these ships are probably obsolete. A lot probably have a questionable value. I do not know.

Again, if we are going to use the argument or the justification for cargo preference that it is in our national interest, that we need it for national defense, possibly it would make sense for those in charge of national defense to say, "Yes, we do need these vessels. These individual vessels would be an asset to us in time of emergency. Therefore, we should be giving them some subsidy for operation."

On the question, "Do we want the same thing to apply to agriculture?" I will be happy to answer that.

I am troubled by the deficits that we are looking at. We talk about cost. I have lost that argument so I did not bring it up this time. But this program that we have right now, Public Law 480, as it applies to agriculture, cost, in 1984, $129 million. This year it is estimated to cost $155 million. Under this amendment, the so-called compromise, it will cost over $200 million.

Mr. STEVENS. Is that cargo preference?

Mr. NICKLES. I am talking about cargo preference.

Mr. STEVENS. How much does it cost for the agricultural portion of the program? Do you have these figures?

Mr. NICKLES. Yes, I do.

Mr. STEVENS. I will be happy to hear them.

Mr. NICKLES. In agriculture, we are talking about wheat farmers, we are talking about a flat wheat price for the next 4 years. We are talking about wheat farmers who are going broke. We are talking about in the House-passed bill a $4.38 wheat price for the next 4 years. In the Senate, we have a two-tier price but it is basically the same price for the next 4 years.

Under the cargo provisions that we are talking about, the Senator from North Carolina knows that we are looking at this going from $129 million last year, to $155 million in 1985, and over $200 million in the upcoming year.

So we are talking about a tremendous increase. I am not seeking tremendous increases. I do not know if anybody has any amendment that says we are going to be increasing target prices substantially. We are talking about the same target prices that they have had for the last couple of years.

Yes, the total amount of CCC payments, the record was $18 billion. This year, I think it is $15 billion. Under the committee proposal, I am not sure. I would guess it is an average of $15 billion per year. That is the same thing they received last year. That is the same amount they received last year.

This time, we are talking about a few companies, just a few companies. I am not sure whether these companies fall in the Senator's State or wherever. I do not have these companies in my State.

Mr. STEVENS. Let me assure the Senator, none of those shipping companies do business in my State.

Mr. NICKLES. I appreciate that, Mr. President.

Mr. HARKIN. Will the Senator yield?

Mr. NICKLES. In just a moment, I shall be happy to yield.

The point I am trying to make is yes, we have seen a tremendous outflow of revenues and increase in the subsidies under the guise of Public Law 480. I have heard some say estimates of $60 million a year, others are saying up to $100 million a year. The people who were not represented at this so-called compromise were the taxpayers.

If you look at the dramatic increase in the growth of this program, it is enormous. And the justification for it that we have heard over and over again is that we need a strong, viable merchant marine to assist us in some type of emergency. I have heard that. The majority of the Senate has voted for it. I am not going to debate it any longer, but I say if we are going to fall back on that justification, we ought to have the Secretary of the Navy certify that, yes indeed, these vessels are necessary for the defense of the United States and our allies.

Yes, I yield.

Mr. HARKIN. Mr. President, I wanted to be sure in this debate that is going on, what the thrust is of the Senator's amendment. As I understand it, all he is saying in his amendment is that to qualify for this subsidy, the Secretary of the Navy would have to certify that that vessel could be used in our national defense effort. Is that correct?

Mr. NICKLES. The Senator is exactly correct.

Mr. HARKIN. Actually, Mr. President, I think it is a great amendment.

As I understand it, the amendment is not speaking to what level of subsidy or anything like that. It is simply saying again that if indeed this is a national defense necessity, we ought to make sure that the ships could be used, can indeed be used if we need them for national defense purposes. Again, I say to the Senator from Oklahoma, it is a great amendment. I support it. I hope that the Senate adopts it.

Just thinking out loud, Mr. President, it seems to me that in terms of this whole idea of cargo preference and subsidies for American vessels, those who are in charge of the De-

fense authorizing committees and the Defense appropriations committees would take due are and concern that such moneys are available to meet the legitimate defense needs of this country in terms of keeping a strong maritime fleet. I think if there is one way to dispose of this as an issue that keeps coming up year after year, they ought to adopt the amendment of the Senator from Oklahoma and my amendment, and I doubt that it woud ever come up again.

I thank the Senator for yielding.

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. BOREN. Mr. President, I wonder if the Senator would yield to me briefly to make a statement on the pending amendment.

Mr. HELMS. Certainly, Mr. President.

Mr. BOREN. Mr. President, I commend my colleague for offering this amendment. It is an amendment that I intend to support. As the Senator from Iowa has just said, I think all of us are concerned about national defense. We want to have sufficient capability to move cargo on American ships in time of national emergency.

That does not mean that it follows that the farmers of this country should bear the full burden of paying for this contribution to our national defense.

In addition, there is the point that if the farmers are going to be saddled with this burden, they should not be required to subsidize more ships than are necessary to meet the military and national strategic need. I think this amendment is a step in the right direction. It is an amendment which I intend to support enthusiastically, as I also intend to support the proposal that will be offered by the Senator from Iowa [Mr. HARKIN] a little later on. I commend my colleague for offering the amendment.

Mr. HELMS. Mr. President, aside from all the discussion about equity and fairness and that sort of thing, I think it might be relevant and certainly important to look at the history of the Cargo Preference Act. I am going to pose a question to my friend from Oklahoma [Mr. NICKLES].

I know the Senator has done great research on the history of cargo preference because he and I have discussed it. But at the time that the law first was enacted and signed into law, the United States maintained the world's largest merchant fleet. Is that the Senator's understanding?

Mr. NICKLES. The Senator is correct.

Mr. HELMS. The cargo preference standards were intended to do what? As I understand it, to keep our fleet a mighty economic force in time of peace and a strong and effective defense capability in time of war. Is that the Senator's understanding?

Mr. NICKLES. That is correct, Mr. President.

Mr. HELMS. Mr. President, the point is this: I guess I am in a position of the fellow back home with some of my friends on one side and some of my friends on the other and I always like to stand with my friends. But facts are facts and we should not lose sight of the history of what we are talking about.

Currently, I say to the Senator from Oklahoma—both Senators from Oklahoma—that over 50 percent of all Public Law 480 food for peace shipments are transported on U.S.-flag vessels under cargo preference. Is that the Senator's understanding?

Mr. NICKLES. The Senator is correct.

Mr. HELMS. This to me is significant tonnage and over and above all of the shipments that are generated by the Department of Defense and all of the nonfood tonnage of the Agency for International Development. So I do not believe that the maritime union needs to have any fear about economic disaster hitting them under the present, existing situation.

Let me ask the Senator this: Am I correct that his amendment is not an effort to alter the fundamental application of the cargo preference provisions to the export of commodities under Public Law 480?

Mr. NICKLES. The Senator is correct. That amendment has already been offered. It did not pass. The Senator from Minnesota had an amendment. I supported the amendment but it did not pass. The basic thrust of this amendment is to have the Secretary of the Navy say that he needs those ships for defense purposes.

Mr. HELMS. It simply limits the applicability to those vessels owned and operated by commercial companies that are certified by the Secretary of the Navy as necessary to carry out the defense of the United States and our allies. Is that correct?

Mr. NICKLES. The Senator is correct.

Mr. HELMS. Mr. President, I say further that it was not the intention of the drafters of the original cargo preference laws to preserve a fleet of ships that would be of little use in the event of hostilities. I think that is what the Senator is focusing on with his amendment. Cargo preference requirements were designed to provide the United States with a modern merchant marine capable of meeting commercial needs and supporting a war effort should the need arise. The amendment of the Senator from Oklahoma assures that that will continue.

Mr. President, before we walk in and vote blindly on what I consider to be a perfectly reasonable amendment, I think that the Senators would be well advised to think a little about the original intent of the cargo preference statute and to consider what is best for the American farmers, best for national defense, and certainly best for the taxpayers.

Mr. President, if these ships are indeed necessary, and sufficiently operational for service to the U.S. Navy, there should be no problem in having each of these vessels certified by the Secretary of the Navy as being necessary to carry out the defense of the United States and its allies.

Should a particular vessel be unfit for transporting our military or military supplies, surely that vessel should not receive a subsidy aimed at promoting the national defense. We simply must have a system of separating the wheat from the chaff and Congress ought to assign that responsibility to the officials who would ultimately make use of merchant vessels for national security reasons.

In addition should it be necessary to secure a merchant fleet during wartime, the President can requisition the foreign-registered U.S. Effective Control Fleet under section 902 of the Merchant Marine Act of 1936. These ships, which are owned by U.S. citizens or U.S. corporations, are registered under foreign flags for convenience. These available ships have an average age of 12 years.

This amendment would merely clarify that cargo preference ocean freight differential subsidies would be extended only to those vessels that are certified as necessary for our national defense.

According to the Department of Transportation, steps are being taken to update the American merchant marine so that we are not throwing money into a hole in the water, but indeed, are preserving something that would be useful in a defense effort. Since defense utilization is the original purpose for the cargo preference laws, it should be the responsibility of the Navy to establish which vessels would qualify for service under those conditions.

Under this amendment any vessel that is certified by the Secretary of the Navy as being necessary for defense purposes would automatically qualify for transporting cargos that are subject to the cargo preference laws.

A number of bulk merchant marine ships now receiving cargo preference subsidies are risky liabilities. The loss of the S.S. *Poet* and the S.S. *Marine Electric* are cases in point that some vintage ships are simply unable to fulfill a defense mission. Indeed it seems unwise to utilize any vessel that is unsafe, simply because it has been guaranteed business under cargo preference laws. For this reason, I believe this amendment will encourage the

modernization of the U.S. merchant fleet and strengthen the U.S. maritime and ship building industries.

Passage of this amendment would provide orderly management in designating those U.S. vessels which could be utilized for defense purposes and national emergencies, as I ask its adoption.

Mr. DIXON. Mr. President, will my friend from Oklahoma yield for a question?

Mr. NICKLES. I will be happy to yield.

Mr. DIXON. First of all, I wonder if he would honor me by letting me join him in cosponsoring the amendment?

Mr. NICKLES. I am most appreciative of the Senator's request.

Mr. DIXON. Has my colleague asked for the yeas and nays?

Mr. NICKLES. I have not. I will withhold because I am hoping that the Senator from Alaska would agree to the amendment. I think that is still a possibility.

Mr. DIXON. At the appropriate time, if he does not, I presume he will ask for the yeas and nays?

Mr. NICKLES. That is correct.

Mr. STEVENS. Mr. President, while I might argue with the Senator from Oklahoma about the way it is written, we can make adjustments to the language when we get to conference so that the Secretary of the Navy is not put in the position of having to go out and inspect every vessel that is going to carry Public Law 480 cargo. I have been conferring with people, in regard to the certification concept. I think that we are not that far apart with the Senator from Oklahoma.

Does my friend from Mississippi have any problem if we agree to take that amendment with the understanding that I may want to rarefy it a little bit when we get into conference?

Mr. COCHRAN. Mr. President, if the Senator will yield, I certainly agree that we should include in the compromise language such as that recommended by the Senator from Oklahoma. I have no problem with accepting the amendment and would recommend to the Senate that it be included in the package. I thank the Senator for bringing this up and suggesting it as a part of the language, and I thank the Senator from Alaska for his contribution.

The PRESIDING OFFICER (Mr. TRIBLE). Is there further debate?

Mr. NICKLES. Mr. President, I wish to thank my good friends, both the Senator from Alaska and the Senator from Mississippi, for their cooperation. As I stated at the outset, I had hoped that this would be an amendment the Senate would find acceptable. I think it would help alleviate some of the concerns that many have been raised concerning cargo preference. I am hopeful the Senate will adopt it. It is not necessary on this Senator's behalf to have a rollcall vote.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment of the Senator from Oklahoma.

The amendment (No. 924) was agreed to.

Mr. HELMS. I move to reconsider the vote by which the amendment was agreed to.

Mr. NICKLES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. NICKLES. Mr. President, I ask unanimous consent that my colleague, Senator Boren, be added as a cosponsor.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. HELMS. Mr. President, as one of the managers of this bill, I want to thank my friend from Mississippi and my friend from Alaska. I think the process has been improved, and I think the Senator's amendment is certainly more palatable insofar as this Senator is concerned, but I thank him for his reasonableness.

I suggest the absence of a quorum, Mr. President.

The PRESIDING OFFICER. The clerk will call the roll to ascertain the presence of a quorum.

The bill clerk proceeded to call the roll.

Mr. DIXON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The pending business before the Senate is the amendment of the Senator from Iowa [Mr. HARKIN].

Mr. DIXON. Mr. President, I ask unanimous consent that the consideration of that amendment be temporarily set aside in view of the circumstances here; that we are waiting for Senators.

Mr. HELMS. Mr. President, reserving the right to object, and I shall not object, I believe the Senator from Mississippi may want to reserve the right to object.

Mr. COCHRAN. Mr. President, I reserve the right to object. It was my understanding that there were Senators who wanted to be heard on the subject of the Harkin amendment. I am hoping that at about 6:30 we will be able to make a motion to table the amendment of the Senator from Iowa, and the yeas and nays can be obtained and we will have a vote on a motion to table that amendment. Since that is the situation, those who want to speak on that amendment could use this opportunity to express themselves on the Harkin amendment. I know the distinguished Senator from Arizona, the chairman of the Armed Service Committee, has come to the floor because of his concern about the impact of that amendment. So I would suggest that it may be inappropriate to lay this amendment aside now. We could complete debate on the Harkin amendment and then go to a motion to table at about 6:30.

Mr. DIXON. May I say to my friend from Mississippi I thought we had no other business and we were consuming some time. I was going to accommodate the Senate by going to my amendment which would be the next amendment in order, but I have no objection to withdrawing my request and yielding to my distinguished friend, the chairman of the Armed Services Committee.

Mr. COCHRAN. I thank the Senator.

Mr. HELMS. The Senator from Illinois is considerate, as always, and we will proceed in that direction.

Mr. GOLDWATER. Mr. President, unfortunately, I have been detained with Senator NUNN for the last hour discussing with our friends from England some of our joint problems. I did not learn of the Harkin amendment until just a few moments ago. I would like to have it explained to me so I could speak against it.

Mr. COCHRAN. Mr. President, if the Senator will yield, although I am not the author of the amendment, I do recall the Senator's explanation of it as basically a requirement that the expense of cargo preference be paid by the Department of Defense, since it was an important element of our Nation's security that we maintain a merchant marine, and have the capability of shipping goods overseas in emergencies, and we have an active merchant marine fleet. I think that is the import of the Senator's amendment, although he is, I am sure, capable of explaining it better than I.

Mr. GOLDWATER. I thank the Senator. I am sorry that I had to ask for that explanation, but we did not have the amendment available.

Mr. President, I think it is rather unusual to ask that this amount of money be spent by a committee that has had no opportunity to have hearings on the subject. We have never even heard of it before. It is rather unusual for that to happen. I want to call attention to my colleagues that the House is voting today and tomorrow on the subject of money for defense and they want to knock our defense down a little further. They might wind up with $10 billion less than we had cut. We cut $20 billion out of our defense bill.

Mr. President, we cannot continue to attack defense in this country and expect to have a defense that is worthy of its name. I would oppose an amendment like this very vehemently because it should come before the

Armed Services Committee for any decisions, yes or no. We might decide it is a good idea. On the other hand, from what I have heard of it in the few seconds I have been on the floor, I think it is a very bad idea. It is procedurally bad to try to go around the committee. It is legislatively bad to attempt it the way it is being attempted.

This whole matter of whose bottoms are going to carry our grain, and so forth, comes up every year, and I know that the measures usually have the full support of the labor unions. Coming from a State that is not too worried about shipping anything on bottoms, I am far more interested in the defense of my country than who carries what.

The committee would be very happy to have hearings on this matter as soon as we possibly can, so that we can come to some decision relative to whether or not it is wise to do this.

I am just opposed to spending any more of our money that we have for defense purposes for nondefense matters.

I rest my case, Mr. President. I think the amendment is very badly conceived. I do not think it has any place to be considered on this floor at this time, and at the proper time I hope we can move to table it.

Mr. HARKIN. Mr. President, in response to the distinguished Senator from Arizona, I find the argument used by the Senator very interesting, in that he said that he did not want any more money spent for nondefense purposes. Yet, every argument I have heard today—in fact, every argument I have heard for 10 years on behalf of cargo preference—has been that we need this subsidy for the defense of this country, to keep a merchant fleet, a maritime fleet, that is up to date, modern, and can be called upon in the defense of this country if the need should ever arise.

It seems that the distinguished Senator from Arizona is saying that this is not a defense issue. It seems that everybody else who has debated it today and for years has said that it really is part of our national defense.

So what I have sought to do in this amendment is simply to put the burden where it should be—not on agriculture, but on the Defense Department. I think they are better able to decide how much is needed for a merchant fleet.

I notice that the amendment offered by the Senator from Oklahoma was accepted. I thought that was a good amendment. But the amendment I have offered simply seeks to transfer the funding for the subsidy. I have not said what the subsidy should be. I have not attacked the subsidy. In fact, in the past I have supported cargo preference on the basis that it was needed for a merchant fleet.

I think the time has come to take it out of the realm of agricultural politics, and agricultural economics, and put it in the Department of Defense, where I think it should have been a long time ago, and probably where the maritime industry and the merchant fleet would have fared a lot better than they have heretofore, being under the Department of Agriculture.

So I take exception to the remarks of the distinguished Senator from Arizona that this is nondefense. I believe it is very much defense oriented.

I repeat that I think that those Senators and Members of the other body who are on the defense appropriations or authorizing committees should take due care and concern to see that the merchant fleet is kept modernized through the use of this kind of subsidy.

So it is really a defense-related matter, and that is where these funds would go. They would go for the defense of this country, and they really should come from the Department of Defense and not from the Department of Agriculture.

Mr. GOLDWATER. Mr. President, in answer to the Senator from Iowa, I will be very glad to hold hearings on this matter before the Armed Services Committee. But I absolutely am opposed to the usurpation of my committee's prerogative by anybody on the floor of the Senate or in another committee until we have had a chance to hear it.

The Senator is asking that my Committee on Armed Services give up $150 million. We do not know where we are going to find $150 million. We do not know where we are going to find $150 million even if this body votes it.

So I will be very happy to call a meeting as soon as I can, but I will oppose anybody trying to operate around my committee with the committee's money.

Mr. INOUYE. Mr. President, earlier this day, I had the opportunity to discuss this amendment with the author, my distinguished friend from Iowa. I am certain that the Senator from Iowa will be the first to suggest that this is quite a departure from what has been the practice.

The Cochran compromise calls for the creation of a 16-member study commission to study transportation problems relating to cargo preference.

I would think that when this Cochran amendment is adopted and the Commission is appointed, one of the first things the Commission would do would be to study the proposal submitted by my dear friend. So I hope that, instead of bringing this matter to a vote, it be, first, referred to the Armed Services Committee for its consideration. Second, I can assure the Senator that when the Cochran amendment is adopted and becomes law and the Commission is formed, I will join the Senator from Iowa in asking the Commission to study this proposal.

I am afraid that if this matter is brough to a vote, the Senator's proposal will be defeated and I do not think he wants that to happen.

The PRESIDING OFFICER. Is there further debate?

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HARKIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARKIN. Mr. President, it has come to my attention, with respect to this compromise that is being debated now regarding cargo preference, which is going to cost money from the Department of Transportation and from the Department of Agriculture, that no hearings were held in the Commerce Committee on it, either. They did not have any hearings as to whether or not any of this money should come from the Department of Transportation, and we did not have any hearings in the Agriculture Committee, either, as to whether or not we should have this increase in the amount of the subsidy for cargo preference.

So, we never had any hearings on this compromise at all, in response to the distinguished Senator from Arizona.

Maybe they would just like to hold up the whole thing until we have adequate hearings on it in Agriculture, Transportation, and the defense authorization committee.

We could just hold up the whole thing until such time as that takes place.

Again, I do not think that is really necessary. We are just asking again that the proper allocation of funds be made from the Department of Defense for that.

I just wanted to take this time to point out again that no hearings were held, either in the Commerce Committee or the Agriculture Committee, on this so-called compromise.

Mr. President, I ask unanimous consent that Senator PRYOR be added as a cosponsor to the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. INOUYE. Mr. President, just to clarify the record, the Commerce Committee did hold hearings on cargo preference on several occasions.

I quite agree with my friend from Iowa that the Cochran compromise was not the subject of the hearing, but we have discussed cargo preference, the role of the Department of Trans-

portation and the role of the Department of Agriculture.

So this matter has been amply considered and covered by the members of the Commerce Committee.

Mr. HARKIN.

Mr. President, will the Senator yield?

Mr. INOUYE. I am happy to yield.

Mr. HARKIN. Mr. President, I thank the Senator for clarifying that.

I hope my remarks were not misunderstood. I meant to say the compromise did not have hearings. Actually the Commerce Committee has had hearings on cargo preference, but not on this compromise.

Mr. INOUYE. Not on the Cochran compromise.

Mr. GOLDWATER. Mr. President, in answer to the Senator from Iowa, I might point out that many amendments are offered on this floor that have never had a hearing. It is one of the chief problems of the budget process that we so wholeheartedly adopted a number of years ago. I will daresay—I will not go over 75 percent—but 75 percent of the amendments that have been offered on this floor today, tomorrow, the next day, and the day after have never had any hearings.

I do not like the idea that they have not had hearings on this before Agriculture. We have had hearings on this subject not once but several times before the Commerce Committee.

I am not speaking only from the Armed Services Committee. But I think it is wrong to go legislatively around any committee, and when you get into a hurry-up situation like we have here on a farm bill with some 70 amendments still pending, many of them having no bearing at all upon agriculture or the plight of the American farmer, I think this is all wrong, and I think the Senator from Iowa has made a very good point that there have not been hearings held on this and because $150 million, while it does not sound like a lot of money when we are talking about a $300 billion defense budget, it is a lot of money when we are worrying about whether we can buy this kind of equipment or that kind of equipment or enough equipment to satisfy the needs of our troops in the field.

So, I sincerely hope that possibly the Senator from Iowa would reconsider and offer this amendment in the form of a bill, and I can assure him that the Armed Services Committee will have hearings. Whether Agriculture has it or not is up to them.

The PRESIDING OFFICER. The question is on the amendment.

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, have the yeas and nays been ordered?

The PRESIDING OFFICER. The pending amendment is that of the Senator from Iowa [Mr. HARKIN], and the yeas and nays have been ordered.

Mr. HELMS. Let us vote.

Mr. COCHRAN. Mr. President, it is my intention to move to table the amendment of the Senator from Iowa and ask for the yeas and nays. It was my intention to make that motion at 6:30 p.m. because of a request of the majority leader and because of the absence of some Senators for a meeting that includes the President of the United States and others.

So unless there be any——

Mr. JOHNSTON. Let us hold the vote.

Mr. COCHRAN. I hope that we would refrain from going into a vote before 6:30 p.m.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. COCHRAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COCHRAN. Mr. President, I move to table the amendment of the Senator from Iowa [Mr. HARKIN] and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Mississippi [Mr. COCHRAN] to table the amendment of the Senator from Iowa [Mr. HARKIN]. The yeas and nays have been ordered and the clerk will call the roll.

The bill clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Wyoming, [Mr. WALLOP], is necessarily absent.

Mr. CRANSTON. I announce that the Senator from Mississippi, [Mr. STENNIS], is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 62, nays 36, as follows:

[Rollcall Vote No. 261 Leg.]

YEAS—62

Armstrong	Cohen	Eagleton
Bentsen	Cranston	East
Bingaman	D'Amato	Evans
Byrd	Denton	Garn
Chafee	Dodd	Glenn
Chiles	Dole	Goldwater
Cochran	Domenici	Gorton
Gramm	Laxalt	Rockefeller
Hatch	Levin	Roth
Hatfield	Long	Rudman
Hecht	Mathias	Sarbanes
Heflin	Matsunaga	Specter
Heinz	Mattingly	Stafford
Helms	McConnell	Stevens
Hollings	Mitchell	Symms
Humphrey	Moynihan	Thurmond
Inouye	Murkowski	Trible
Johnston	Nunn	Warner
Kassebaum	Packwood	Weicker
Kennedy	Pell	Wilson
Lautenberg	Quayle	

NAYS—36

Abdnor	Durenberger	McClure
Andrews	Exon	Melcher
Baucus	Ford	Metzenbaum
Biden	Gore	Nickles
Boren	Grassley	Pressler
Boschwitz	Harkin	Proxmire
Bradley	Hart	Pryor
Bumpers	Hawkins	Riegle
Burdick	Kasten	Sasser
Danforth	Kerry	Simon
DeConcini	Leahy	Simpson
Dixon	Lugar	Zorinsky

NOT VOTING—2

Stennis	Wallop

So the motion to lay on the table amendment No. 923 was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. BOSCHWITZ. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, could I have the attention of my colleagues?

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Mr. President, I understand the Senator from Illinois has an amendment. I would like to ask unanimous consent that there be 20 minutes on the amendment, equally divided, and that we vote on it at 7:15. I ask that it be an up-or-down vote.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. DOLE. That will be the last vote.

Mr. ZORINSKY. No later than 7:15.

Mr. DOLE. No later than 7:15. If we can do it earlier, fine.

AMENDMENT NO. 925 TO AMENDMENT NO. 916

Mr. DIXON. Mr. President, I have an amendment at the desk. I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Illinois [Mr. DIXON] proposes an amendment numbered 925.

Mr. DIXON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In the pending amendment, strike all after "Sec. 131." and insert in lieu thereof the following:

"(a) The Congress finds and declares—

(1) that a productive and healthy agricultural industry and a strong and active United States maritime industry are vitally important to the economic well-being and national security objectives of our Nation;

(2) that both industries must compete in international markets increasingly dominated by foreign trade barriers and the subsidization practices of foreign governments;

(3) that increased agricultural exports and the utilization of United States merchant vessels contribute positively to the United States balance of trade and generate employment opportunities in the United States.

(b) It is therefore declared to be the purpose and policy of the Congress in this subtitle—

(1) to enable the Department of Agriculture to plan its export programs effectively, by clarifying the ocean transportation requirements applicable to such programs;

(2) to take immediate and positive steps to promote the growth of the cargo carrying capacity of the United States merchant marine;

(3) to expand international trade in United States agricultural commodities and products and to develop, maintain, and expand markets for United States agricultural exports;

(4) to improve the efficiency of administration of both the commodity purchasing and selling and the ocean transportation activities associated with export programs sponsored by the Department of Agriculture; and

(5) to stimulate and promote both the agricultural and maritime cooperative efforts by both industries to address their common problems.

EXEMPTION OF CERTAIN AGRICULTURAL COMMODITIES FROM THE REQUIREMENTS OF THE CARGO PREFERENCE LAWS

SEC. 132. The requirements of section 901(b)(1) of the Merchant Marine Act, 1936 (46 U.S.C. 1241(b)(1)), and the Joint Resolution of March 26, 1934 (46 U.S.C. 1241-1), shall not apply to any export activities of the Secretary of Agriculture or the Commodity Credit Corporation—

(1) under which agricultrual commodities or the products thereof acquired by the Commodity Credit Corporation are made available to United States exporters, users, processors, or foreign purchasers for the purpose of developing, maintaining, or expanding export markets for United States agricultural commodities or the products thereof at prevailing world market prices;

(2) under which payments are made available to United States exporters, users, or processors or, except as provided in section 133(b)(6), cash grants are made available to foreign purchasers, for the purpose described in clause (1);

(3) under which commercial credit guarantees are blended with direct credits from the Commodity Credit Corporation to reduce the effective rate of interest on export sales of United States agricultural commodities or the products thereof;

(4) under which credit or credit guarantees for not to exceed 3 years are extended by the Commodity Credit Corporation to finance or guarantee export sales of United States agricultural commodities or the products thereof; or

(5) under which agricultural commodities or the products thereof owned, controlled, or held as loan security by the Commodity Credit Corporation are exchanged or bartered for materials, goods, equipment, or services, but only if such materials, goods, equipment, or services are of a value at least equivalent to the value of the agricultural commodities or products exchanged or bartered therefor (determined on the basis of prevailing world market prices at the time of the exchange or barter), but nothing in this subsection shall be construed to exempt from the cargo preference provisions refered to in section 132 any requirement otherwise applicable to the materials, goods, equipment, or services imported under any such transaction.

EXPANSION OF CARGO PREFERENCE APPLICATION

SEC. 133. (a)(1) In addition to any quantity of agricultural commodities and the products thereof required under section 901(b) of the Merchant Marine Act, 1936 (46 U.S.C. 1241(b)(1)), to be transported in United States-flag vessels, a volume equal to 25 percent of the gross tonnage of agricultural commodities or the products thereof shipped under the agricultural export programs specified in subsection (b) of this section shall be transported on United States-flag vessels.

(2) In order to achieve an orderly and efficient implementation of the requirement of paragraph (1)—

(A) a quantity equal to 10 percent of the gross tonnage referred to in paragraph (1) shall be transported in United States-flag vessels in calendar year 1986;

(B) a quantity equal to 20 percent of such gross tonnage shall be transported in such vessels in calendar year 1987; and

(C) a quantity equal to 25 percent of such gross tonnage shall be transported in such vessels in calendar year 1988 and in each calendar year thereafter.

(3) In implementing the requirements of paragraph (1), the Secretary of transportation shall give due consideration to the availability of United States-flag vessels to transport the commodities referred to in such paragraph.

(b) This section shall apply to any export activity of the Commodity Credit Corporation or the Secretary of Agriculture—

(1) carried out under the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.);

(2) carried out under section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431);

(3) carried out under the Food Security Wheat Reserve Act of 1980 (7 U.S.C. 1736f-1);

(4) under which agricultural commodities or the products thereof are—

(A) donated through foreign governments or agencies, private or public, including intergovernmental organizations; or

(P) sold for foreign currencies or for dollars on credit terms of more than ten years;

(5) under which agricultural commodities or the products thereof are made available for emergency food relief at less than prevailing world market prices;

(6) under which cash grants are made available to foreign purchasers for the purpose of enabling such purchasers to acquire United States agricultural commodities or the products thereof if the cash grants are in amounts that result in the purchaser (after receipt of such grants) paying less than the prevailing world market price for such commodities; or

(7) under which agricultural commodities owned, controlled, or held as loan security by the Commodity Credit Corporation are exchanged or bartered for materials, goods, equipment, or services produced in foreign countries, other than export activities described in subsection (d).

(c)(1) The requirement for United States-flag transportation imposed by subsection (a) shall be subject to the same terms and conditions as provided in section 901(b) of the Merchant Marine Act, 1936 (46 U.S.C. 1241(b)).

(2)(A) In order to carry out effectively the requirements of this subtitle, the Secretary of Transportation shall, to the maximum extent practicable within the requirements of this section and section 901(b) of the Merchant Marine Act, 1936, administer this subtitle and section 901(b) of the Merchant Marine Act, 1936, in a flexible manner, giving due consideration to historical trading patterns and to divisions in United States international shipping trades between bulk and liner service to particular geographic areas.

(B) The Secretaries of Agriculture and Transportation shall administer the cargo preference laws in such a way that they preserve the mean historic port range share of cargoes subject to the cargo preference requirements for those processed, fortified or bagged agricultural commodities which are exported as assistance or a donation pursuant to Title II of the Agricultural Trade Development Act of 1954 from all four port ranges. For the purposes of this paragraph, the term, "mean historic port range share," is defined as the average of the annual per centum of any such processed, fortified or bagged agricultural commodities, which are exported as assistance or as a donation pursuant to Title II of the Agricultural Trade Development and Assistance Act of 1954, shipped over the four-year period from calendar year 1980 through calendar year 1983.

(d) As used in subsection (b), the term "export activity", shall not include inspection or weighing activities, other activities carried out for health or safety purposes, or technical assistance provided in the handling of commercial transactions.

(e)(1) The prevailing world market price shall be determined under this subtitle in accordance with procedures established by the Secretary of Agriculture. The Secretary shall prescribe such procedures by regulation, with notice and opportunity for public comment, pursuant to section 553 of title 5, United States Code.

(2) In the event that a determination of the prevailing world market price of any type of materials, goods, equipment, or service is required in order to determine whether a barter or exchange transaction is subject to subsection (b)(6) or (b)(7), such determination shall be made by the Secretary of Agriculture in consultation with the heads of other appropriate Federal agencies.

MINIMUM TONNAGE

SEC. 134. (a)(1) For fiscal year 1986 and each fiscal year thereafter, the minimum quantity of agricultural commodities that may be exported under programs subject to section 133 shall be the average of the tonnage exported under such programs during the base period defined in subsection (b), discarding the high and low years.

(2) The President may waive the minimum quantity for any fiscal year required under paragraph (1) if he determines and reports to the Congress, together with his reasons, that such quantity cannot be effectively used for the purposes of such programs or, based on a certification by the Secretary of Agriculture, that the commodities are not available for reasons which include the unavailability of funds.

(b) The base period utilized for computing the minimum tonnage quantity referred to in subsection (a) for any fiscal year shall be the five fiscal years beginning with the sixth fiscal year preceding such fiscal year and ending with the second fiscal year preceding such fiscal year.

FINANCING OF SHIPMENT OF AGRICULTURAL COMMODITIES IN UNITED STATES-FLAG VESSELS

SEC. 135. (a) The Secretary of Transportation shall finance any increased ocean freight charges incurred in any fiscal year which result from the application of section 133(a). The amount to be financed by the Secretary shall be an amount of the total freight charges incurred from the application of such section in such fiscal year equal to a fraction of the total ocean freight differential incurred in connection with the export activities specified in such section in such fiscal year, the numerator of such fraction to be equal to the percentage in excess of 50 of the tonnage of agricultural commodities or the products thereof that are shipped on United States-flag vessels, and the denominator of such fraction to be equal to the total percentage of such tonnage so shipped.

(b)(1) If in any fiscal year the total cost of ocean freight and ocean freight differential for which obligations are incurred by the Department of Agriculture and the Commodity Credit Corporation on exports of agricultural commodities and products thereof under the agricultural export programs specified in section 133(b) exceeds 20 percent of the value of such commodities and products and the cost of such ocean freight and ocean freight differential on which obligations are incurred by such Department and Corporation during such year, the Secretary of Transportation shall reimburse the Department of Agriculture and the Commodity Credit Corporation for the amount of such excess. For the purpose of this subsection, commodities shipped from the inventory of the Commodity Credit Corporation shall be valued as provided in section 403(b) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1733(b)).

(2)(A) the National Advisory Commission on Agricultural Export Transportation Policy established under section 136 shall include in its final report to the President and the Congress recommendations for any changes in the provisions of paragraph (1) that would help assure that the cost of ocean freight and ocean freight differential incurred by the Department of Agriculture and the Commodity Credit Corporation on the agricultural export programs specified in section 133(b), is not increased above historical levels as a result of the extra demand for United States-flag vessels caused by this subtitle.

(B) After taking into consideration the recommendations of the Commission referred to in subparagraph (A), the President may, by proclamation, provide requirements for the assumption by the Department of Transportation of a portion of the cost of ocean freight and ocean freight differential that would otherwise be incurred by the Department of Agriculture and the Commodity Credit Corporation on a different basis than that set forth in paragraph (1) in order to accomplish the objectives of subparagraph (A). The provisions of paragraph (1) shall be inapplicable on and after the effective date of the proclamation.

(c) For the purpose of meeting those expenses required to be assumed under subsections (a) and (b), the Secretary of Transportation shall issue to the Secretary of the Treasury such obligations in such forms and denominations, bearing such maturities and subject to such terms and conditions, as may be prescribed by the Secretary of Transportation with the approval of the Secretary of the Treasury. Such obligations shall be at a rate of interest as determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding marketable obligations of the United States with remaining periods of maturity comparable to the average maturities of such obligations during the month preceding the issuance of such obligations of the Secretary of Transportation. The Secretary of the Treasury shall purchase any obligations of the Secretary of Transportation issued under this subsection and, for the purpose of purchasing such obligations, the Secretary of the Treasury may use as a public debt transaction the proceeds from the sale of any securities issued under chapter 31 of title 31, United States Code, after the date of the enactment of this Act and the purposes for which securities may be issued under such chapter are extended to include any purchases of the obligations of the Secretary of Transportation under this subsection. All redemptions and purchases by the Secretary of the Treasury of the obligations of the Secretary of Transportation shall be treated as public-debt transactions of the United States.

(d) There is authorized to be appropriated annually for each fiscal year, commencing with the fiscal year beginning October 1, 1986, an amount sufficient to reimburse the Secretary of Transportation for the costs, including administrative expenses and the principal and interest due on the obligations to the Secretary of the Treasury incurred under this section. Reimbursement of any such shall be made with appropriated funds, as provided in this section, rather than through cancellation of notes.

(e) Notwithstanding the provisions of this section, in the event that the Secretary of Transportation is unable to obtain the funds necessary to finance the increased ocean freight changes resulting from the requirements of subsections (a) and (b) and section 133(a), the Secretary of Transportation shall so notify the Congress within 10 working days of the discovery of such insufficiency.

NATIONAL ADVISORY COMMISSION ON AGRICULTURAL EXPORT TRANSPORTATION POLICY

SEC. 136. (a) There is hereby established an advisory commission to be known as the National Advisory Commission on Agricultural Export Transportatation Policy (hereafter in this subtitle referred to as the "Commission").

(b)(1) The Commission shall be composed of 16 members.

(2) Eight members of the commission shall be appointed by the President.

(3) The chairman and ranking minority members of the Senate Committee on Agriculture, Nutrition, and Forestry, of the Subcommittee on Merchant Marine of the Senate Committee on Commerce, Science, and Transportation, of the House Committee on Agriculture, and of the House Committee on Merchant Marine and Fisheries shall serve as members of the Commission.

(4) (A) Four of the members appointed by the President shall be representatives of agricultural producers, cooperatives, merchandisers, and processors of agricultural commodities.

(B) The remaining four members appointed by the President shall be representatives of the United States-flag maritime industry, two of whom shall represent labor and two of whom shall represent management.

(c)(1) The members of the Commission shall elect a Chairman from among its members.

(2) Any vacancy in the Commission shall not affect its powers but shall be filled in the same manner in which the original appointment was made.

DUTIES OF THE COMMISSION

SEC. 137. (a) It shall be the duty of the Commission to conduct a comprehensive study and review of the ocean transportation of agricultural exports subject to the cargo preference laws referred to in section 132 and to make recommendations to the President and the Congress for improving the efficiency of such transportation on United States-flag vessels in order to reduce the costs incurred by the United States in connection with such transportation. In carrying out such study and review, the Commission shall consider the extent to which any unfair or discriminatory practices of foreign governments increase the cost to the United States of transporting agricultural commodities subject to such cargo preference laws.

(b)(1) The Commission shall submit an interim report to the President and the Congress not later than one year after the date of the enactment of this subtitle and such other interim reports as the Commission considers advisable.

(2) The Commission shall submit a final report containing its findings and recommendation to the President and the Congress not later than two years after the date of the enactment of this subtitle.

(3) Sixty days after the submission of the final report, the Commission shall cease to exist.

(c) The Commission shall include in its reports submitted pursuant to subsection (b) recommendations concerning the feasibility and desirability of achieving the following goals with respect to the ocean transportation of agricultural commodities subject to the cargo preference laws referred to in section 132:

(1) Ensuring that the timing of commodity purchase agreements entered into by the United States in connection with the export of such commodities, and the methods of implementing such agreements, are such as to minimize cost to the United States.

(2) Ensuring that shipments of such commodities are made on the most modern and efficient United States-flag vessels available.

(3) Ensuring that shipments of such commodities are made under the most advantageous terms available, including—

(A) charters for full shiploads;

(B) charters for intermediate or long term;

(C) charters for consecutive voyages and contracts of affreightment; and

(D) adjustment of rates in the event that vessels used for shipments of such commodities also carry cargoes on return voyages.

(4) Reduction and elimination of impediments, including delays in port, to the efficient loading and operation of the vessels employed for shipment of such commodities.

(5) Utilization of open and competitive bidding for the ocean transportation of such commodities.

INFORMATION AND ASSISTANCE TO BE FURNISHED TO THE COMMISSION

SEC. 138. (a) Each department, agency, and instrumentality of the United States,

including independent agencies, shall furnish to the Commission, upon request made by the Chairman, such statistical data, reports, and other information as the Commission considers necessary to carry out its functions under this subtitle.

(b) The Secretary of Agriculture and the Secretary of Transportation shall make available to the Commission such staff, personnel, and administrative services as may reasonably be required to carry out the Commission's duties.

COMPENSATION AND TRAVEL AND SUBSISTENCE EXPENSES OF COMMISSION MEMBERS

SEC. 139. Members of the Commission shall serve without compensation in addition to compensation they may otherwise be entitled to receive as employees of the United States or as Members of Congress, but shall be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of duties vested in the Commission.

AUTHORIZATION OF APPROPRIATIONS

SEC. 140. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this subtitle.

TERMINATION OF SUBTITLE

SEC. 141. The operation of this subtitle shall terminate 90 days after the date on which a notification is made pursuant to section 135(e), except with respect to shipments of agricultural commodities and products subject to contracts entered into before the expiration of such 90-day period, unless within such 90-day period the Secretary of Transportation proclaims that funds are available to finance increased freight charges resulting from the requirements of sections 133(a) and 135 (a) and (b).

EFFECT ON OTHER LAWS

SEC. 142. This Act shall not be construed as modifying in any manner the provisions of section 4(b)(8) of the Food for Peace Act of 1966 (7 U.S.C. 1707a(b)(8)) or chapter 5 of title 5, United States Code.

Mr. DIXON. Mr. President, I rise to offer an amendment which would require the Secretary of Agriculture and the Secretary of Transportation to act together to preserve the "mean historic port range share" of allocated title 11, Public Law 480 cargoes to be shipped out of the four coastal ranges. This figure is based on the annual percentage of title 11, Public Law 480 cargoes shipped from the four coastal ranges averaged over the 4-year period from calendar year 1980 through calendar year 1983.

The Cargo Preference Act directs that it shall be implemented "in such a manner as will insure a fair and reasonable participation of the U.S.-flag commercial vessels in such cargoes by geographic areas." I am forced to conclude, however, that this has never been the case. In an effort to meet its 50 percent U.S.-flag mandate, the Department of Agriculture [USDA] allocated only 18 percent of all national title 11. Public Law 480 cargoes to the Great Lakes in 1984. Indeed, this year's shipping on the Great Lakes is running even lower than this slim percentage, approximately 16 percent through September.

In the last several months, USDA has diverted two relief shipments—originally allocated to the Great Lakes—to the Port of Seattle. The cost of just one of these diversions to the U.S. taxpayer amounts to $220,000. In fact, the U.S. Department of Agriculture recently diverted a shipment which had already reached the port of Milwaukee. This grain was put on a train and shipped from Milwaukee to Seattle. I repeat, Mr. President, the title 11, Public Law 480 cargo had already reached the Port of Milwaukee when it was suddenly diverted to the Port of Seattle at the expense of the Milwaukee port, the entire Great Lakes system, and the American taxpayer.

These diversions of cargo fly in the face of the agreement made last year between USDA and the Agency for International Development [AID] on the question of cargo allocation. We understood the agreement to be that no cargoes would be diverted from Great Lakes ports to another coast in order to satisfy the 50-percent requirement. However, I have learned from the Department of Agriculture's Agricultural Stabilization and Conservation Service, however, that the Department does not take cargo preference requirements into account when accepting bids for the shipments of grain. One must assume, then, that due to the administrative burdens, that this type of diversion will continue unless steps are taken now. My amendment is needed to fulfill the clear intent of the original cargo preference legislation, which requires that Government-generated cargoes should be equitably allocated to all four coasts. It is now time for Congress to act on this situation.

This amendment is desperately needed to offset the recent diversions. This diversion of cargoes out of the lakes has been disastrous for the economics of the Northeast and Midwest. This amendment comes at a time when shipping on the lakes is at a low ebb. Figures recently released by the Lake Carriers Association indicate that the shipments of grain, iron ore and coal are down 23 percent—to 13,265,558 net tons from last August. For the entire shipping season, bulk movements on the lakes are down 20 percent from last year—to 67,896,478 net tons. In August, grain shipments fell 56 percent from the same month last year. Yet, at the same time, we face a tremendous surplus in our agricultural sector. In the past year, shipments under title II of Public Law 480 have more than doubled. And so it goes.

This amendment is simply one step toward reforming the management of the Food for Peace Program. The General Accounting Office [GAO] has already conducted one study which suggests that USDA can take steps to reduce transportation costs. For example, GAO found that USDA needs to revise its regulations to ensure that when U.S.-flag vessels are involved, the United States pays for commodities and transportation on the basis of lowest landed cost. This would ensure lower costs overall and eliminate confusion over the purchases of commodities and ocean transportation.

In this day of escalating Federal deficits, it makes no sense not to reorder a program which requires that 50 percent of Government cargoes be shipped on U.S.-flag vessels, which can cost up to two to four times as much as foreign-flag vessels. Let me state here that I am a supporter of the concept of cargo preference. I happen to believe it serves a good and worthy purpose in strengthening our defense posture overseas. But I do believe that certain, specific steps must be taken to trim the transportation costs. To redress the wrongs that have been committed against the Great Lakes and to guarantee some consistent Federal policy in the allocation of Government cargo.

Presently, GAO is conducting a study on USDA's management of the program through the lakes. We would hope that many more of the problems arising out of the methods used to handle cargo through the lakes will be addressed through that investigation. Clearly, there is room for reform. This amendment simply places a floor of protection under all the four seacoasts.

In closing, I think it important for my colleagues to understand that the matter I raise here today does more than grant a little equity to the fourth seacoast. This amendment takes a large step toward reinstating the true transportation savings realized by shippers using the all-water Great Lakes alternative. We on the lakes have long realized the fact that lower rates on the Great Lakes act to keep all shipping rates lower. Sadly enough, even though a large percentage of this cargo is grown or manufactured in the Great Lakes region, it is often diverted, at greater Government expense, to other coastal ranges for overseas transportation. Traditionally, freight rates from other ports increase by $40 to $50 per ton when the Great Lakes shipping season ends. Farmers, shippers and taxpayers—we can all benefit from these reductions in rates. The point is, the Great Lakes ports and the seaway system serve as a source of competitive balance during the length of its shipping season. Today we are asking to retain that balance and to take a first step in reforming a system sorely in need of reform.

Mr. President, I ask unanimous consent that my distinguished colleague from Illinois, Senator SIMON, be added as a cosponsor of this amend-

ment, and the distinguished Senator from Minnesota [Mr. BOSCHWITZ]. Others may care to join.

This is the Great Lakes amendment.

The PRESIDING OFFICER. Without objection, the Senators' names will be added as cosponsors.

Mr. DIXON. To oversimplify what the amendment does in the cargo preference language, it provides that in the respective four port areas of the country, the East, the West, the South and the Great Lakes port areas, each port area is allowed to receive its mean historic port range share."

This is a very significant piece of language that has permitted the Great Lakes to receive a fair share of the shipments under the title of this bill, notwithstanding the provisions of the cargo preference law.

In the compromise that took place, our interest in those States was not taken into consideration.

What we do in this amendment is simply to say that, so far as the words "mean historic port range share" are concerned, the Act means the shipment of goods under this act over the 4-year period beginning with calendar year 1980 through calendar year 1983.

So all we are attempting to do in this amendment, under the provisions of this act and everything that has ensued as a consequence of the act, and in view of the compromise that has taken place, is to say that we will continue to enjoy our historic share, no more and no less, in consideration of what is allowed to the respective ports in the country.

I consider it to be an eminently fair amendment in every particular. It is an amendment that I believe will enhance the probabilities of fair consideration of this amendment in due time in the conference.

I think my distinguished friend from Minnesota will want to share with us some remarks concerning his support for this particular amendment.

Mr. BOSCHWITZ. Mr. President, this is the compromise that we have been trying to amend and improve. We have gone to great lengths concerning this amendment. Some may call this a compromise, Mr. President, but we are actually still losers. We were not involved in the negotiations. Indeed, there is no way that we can gain one iota from this compromise. As a matter of fact, we can only lose.

If this is a compromise, Mr. President, I would point out that not a single bill has been introduced in this body. This is the first time that this compromise has been brought to the attention of the Senate. It has not had 1 minute of hearing in any of the committees. It is a compromise worked out by the maritime interests together with some others, to be sure. It is a compromise that means that all are in some way to be served. The Great Lakes have no part of it, no part of it and no gain. Everything is taken.

The present law, Mr. President, says that 50 percent of the cargoes generated by the Federal Government shall be shipped in American bottoms and the other 50 percent is available to foreign bottoms, where the rates are indeed cheaper.

This compromise says that 75 percent of the shipments shall be in American bottoms.

The Great Lakes, Mr. President, has been served not from American vessels but from foreign vessels. As a result, we have not received shipments from that half but we have gotten it from the half where the foreign shippers come into the Great Lakes.

Now, if only 25 percent of the shippers are going to be allowed to be in foreign vessels, we expect to get little or nothing. The Port of Green Bay may indeed close. They are talking about closing a portion of the Port of Duluth. The Great Lakes will be hit very, very hard.

This amendment asks for simple equity. That is that we will continue to enjoy our historic share.

We were not part of these negotiations, Mr. President. We are total losers in this matter. We want to continue to enjoy our historic share. The ports on the Great Lakes are suffering. We ask the consideration of our colleagues on this amendment. We really deserve their support.

The PRESIDING OFFICER. Is there further debate?

Mr. DIXON. Mr. President, I ask unanimous consent that my distinguished colleague from Michigan [Mr. LEVIN], at his request, be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DIXON. Let me say in conclusion, as my distinguished friend from Minnesota said, this is a compromise that adversely in a dramatic way affects major ports in the country, the ports on the Great Lakes. They were not a party to it.

The passage of the compromise without this language would be to very, very sharply reduce the amount of shipping on the Great Lakes to the disadvantage of all of the ports on the lakes and all of the Great Lakes States.

We are only asking not for an increase but that we be entitled to continue our historic port range share.

The language has not been changed in the bill. But as my friend from Mississippi and others know, when you shrink the pie and take 75 percent and leave only 25 percent, you are dramatically reducing the amount of the share that can be pro rata shared in the country so you do adversely affect the Great Lakes.

As a matter of fairness, since we did not participate in the accommodations or the compromise, I ask my colleagues to give us the same kind of fair consideration we would give them and permit us to continue to enjoy our share of the shipping that has occurred in the past.

Mr. WILSON. Will the Senator yield?

Mr. DIXON. Yes.

The PRESIDING OFFICER. Who yields time?

Mr. WILSON. Mr. President, will the Senator yield for a question?

Mr. DIXON. Yes, I will yield.

Mr. WILSON. I thank the Senator from Illinois.

Do I understand that the amendment the Senator from Illinois is offering will require that 25 percent of Public Law 480 donations shipments be shipped from Great Lakes ports?

Mr. DIXON. May I say to my friend from California that we do not provide any percentage. All we are saying is that the terminology "mean historic port range share," which has always existed in the bill and been honored, will continue to be honored on the basis of the method with which it was treated in the last 4 years of the life of this particular law. That is all we are saying. We are not saying any percentage, we are saying give us the same as we have always received historically.

Mr. WILSON. Mr. President, perhaps the Senator from Illinois can clarify what, then, is the effect of that amendment. How would he translate that into a percentage of total share?

Mr. DIXON. It can be done by simple mathematics on the basis of the shares that have been received by the various ports of the country over the last 4-year life of the law. All we are saying is that it is quite apparent that when you enter into this accommodation, you do shrink the amount of the pie that has been ordinarily distributed. We are only saying that we want our means historic share as has been true in the last 4 years of the life of this law. We do not say percentage.

Mr. BOSCHWITZ. If the Senator will yield, this only applies to title II of Public Law 480, which is the grant portion of Public Law 480. It applies to the aggregate of the 4 years. It is about 21 percent. It has been as high as 26.1 percent and as low as 14.8 percent. So about 21.8 percent of this would be Public Law 480.

Mr. CHAFEE. Mr. President, I would like to ask a question, if I may, of the Senator from Illinois.

Mr. COCHRAN. May I inquire how much time remains under the agreement?

The PRESIDING OFFICER. The Senator from Illinois has 1 minute remaining. The Senator from North Carolina has 12 minutes remaining.

Who yields time?

Mr. HELMS. Mr. President, I yield to the distinguished Senator from Rhode Island 2 minutes.

Mr. CHAFEE. If the Senator from Illinois could give me a brief answer, I understood one of the problems with the Great Lakes participating in the Public Law 480 program was that American bottoms do not come into the Great Lakes. So how is he going to get a portion of the increased percentage, namely, the 75 percent, when American ships do not go into the Great Lakes, which was his original argument?

Mr. DIXON. There are less than two. One of the problems with the Great Lakes is that there are fewer American bottoms. We also ship cheaper there but we have been given a historic percentage over the years. When we change this law, we reduce our historic percentage unless we say we should maintain the historic percentage we have had for the last 4 years.

Mr. BOSCHWITZ. Mr. President, I might say to the Senator that we do not get the shipments under the——

Mr. DIXON. I thought that was understood.

Mr. CHAFEE. Is the Senator then saying that if this amendment goes through, if they maintain their historic percentage, the provision that has been voted—though I did not vote for it—to go to 75 percent thus would be reduced what, back to 50?

Mr. DIXON. No, but I would concede that we would probably have a modification of the amendment to give us our historic share, because we do not have that many American bottoms.

Mr. CHAFEE. But if we reduce it, we would thus reduce their 75 percent. Is that correct?

Mr. DIXON. Yes.

Mr. BOSCHWITZ. No.

Mr. CHAFEE. Mr. President, one Senator says yes, one Senator says no. Who is answering for the team? I would say there is confusion about this amendment.

Mr. BOSCHWITZ. Will the Senator yield to me?

Mr. HELMS. I yield to the Senator from Minnesota as much time as he desires.

Mr. BOSCHWITZ. It is my understanding that our historic share for the Great Lakes, which has been about 20 percent of the 100 percent, would be retained; not that there would be any reduction or diminution of the share that goes in American bottoms or that goes on foreign bottoms, simply that the historic share of the Great Lakes would be maintained.

Mr. DIXON. My colleague is correct.

Mr. BOSCHWITZ. The Senator from Illinois also made a very interesting statement earlier. That is when the Great Lakes are not available to ship, all freight rates around the country rise. All freight rates, not on rails but ocean freight rates, rise when Great Lakes shipments are cut off due to the weather.

Mr. CHAFEE. So as I understand the explanation, since you get 20 percent of the total and no American ships come into the Great Lakes, you therefore are getting all but 5 percent of the nonsubsidized portion.

Mr. BOSCHWITZ. Not quite.

Mr. CHAFEE. Well, all but 5 percent.

Mr. BOSCHWITZ. Some American ships do come into the Great Lakes. One shipping line does serves the Great Lakes so that some, but not very much would be the nonsubsidized portion.

Mr. STEVENS. Mr. President, will the Senator yield me 1 minute?

Mr. HELMS. Certainly.

Mr. STEVENS. Mr. President, in the amendment of the Senator from Mississippi [Mr. COCHRAN], there is a provision for a study of this very problem because we have had the issue raised before. Under this amendment, we will now get some facts to deal with this issue rather than deal with it on the basis of regional preference or assumption. I suggest that it is premature to have this amendment considered until we get the result of the study which would be mandated by the basic amendment before the Senate.

Mr. WILSON addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. HELMS. Mr. President, I yield such time as the Senator from California may desire.

Mr. WILSON. I thank the distinguished manager.

Mr. President, I shall await with eagerness the results of the study just described by my friend, the Senator from Alaska, but until such time as that or some other bit of evidence not now available makes a persuasive case, it seems to me the effect of this amendment is inevitably to distort the market. In fact, as the Senator from Rhode Island has pointed out, if there is but a single shipment on an American-flag carrier operating within the Great Lakes, it seems to me the great beneficiary of this amendment will not be American carriers but, in fact, foreign-flag carriers.

I also wonder if, during those months the Great Lakes are frozen, we will not suffer needlessly a reduction to those other remaining American carriers operating out of other ports. It seems to me that is true. So reluctantly and with sympathy for the concerns that have prompted my friend from Illinois to offer this amendment, I urge that it be opposed because it seems to me that inevitably, it is going to prejudice the interests of American employees of American carriers. It will not benefit American-flag carriers. To the contrary, it seems obvious on the face of it that this is going to reduce their share and only be to the benefit of the foreign-flag carrier. With regret, if this is to be tabled, I urge a vote in support of that motion.

Mr. HELMS. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from North Carolina has 6 minutes remaining.

Mr. HELMS. I yield 2½ minutes to the Senator from Mississippi.

Mr. COCHRAN. Mr. President, this compromise that is before the Senate tonight reflects a great deal of hard work to arrive at an agreement to end the cargo preference controversy that has existed and continues to come up, from time to time, as we take up legislation that affects the Public Law 490 program and other efforts to export our U.S. grown commodities. It is difficult to satisfy all of the interests involved and there are many interests involved—different commodity groups, different maritime industry groups and organizations. But this compromise that has been crafted reflects the agreement of most of them. I hope we can continue to work within the framework of the compromise that provides for this advisory commission to work on unsolved problems such as the Great Lakes diversion problem so that we can have a fair and equitable arrangement that satisfies all interests.

But for the moment, this is the best that we can do. I hope Senators will reject the amendment and continue to support the compromise.

Mr. DIXON. Mr. President, I have 1 minute remaining, and I yield it to my distinguished friend and colleague from Illinois [Mr. SIMON].

The PRESIDING OFFICER. The Senator is recognized.

Mr. SIMON. Mr. President, I thank my colleague from Illinois. I join in behalf of this amendment. Frankly, I was tied up on other matters when the major amendment was being debated. I was not aware that this adversely impacts on the Great Lakes States. I think there are others who may want to take a good, hard look at this whole amendment and the full implications of it, but particularly those of us from the Midwest States ought to be voting in support of the Dixon amendment. I am pleased to support it. I hope it can receive a majority of this body.

The PRESIDING OFFICER. The Senator from North Carolina has 4 minutes remaining.

Mr. HELMS. Mr. President, in a moment, I am going to yield back what time I have remaining.

Let me call the Chair's attention to the fact that a technical error was made by the Senator from Oklahoma [Mr. NICKLES]. I ask unanimous consent that the language of amendment No. 924, adopted by the Senate unani-

mously as an amendment to amendment No. 916, be added to the end of amendment No. 915.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. HELMS. I thank the Chair. I yield back the remainder of my time.

Mr. COCHRAN. Mr. President, I move to table the amendment of the Senator from Illinois and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the amendment (No. 925). The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from South Dakota [Mr. ABDNOR], the Senator from North Carolina [Mr. EAST], the Senator from Arizona [Mr. GOLDWATER], the Senator from Pennsylvania [Mr. SPECTER], and the Senator from Wyoming [Mr. WALLOP] are absent on official business.

I further announce that, if present and voting the Senator from Wyoming [Mr. WALLOP] would vote "nay."

Mr. CRANSTON. I announce that the Senator from New York [Mr. MOYNIHAN] and the Senator from Mississippi [Mr. STENNIS] are necessarily absent.

I further announce that if present and voting, the Senator from New York [Mr. MOYNIHAN] would vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 71, nays 22, as follows:

[Rollcall Vote No. 262 Leg.]

YEAS—71

Andrews	Garn	Mattingly
Armstrong	Gore	McClure
Baucus	Gorton	McConnell
Bentsen	Gramm	Melcher
Biden	Hart	Mitchell
Bingaman	Hatch	Murkowski
Boren	Hatfield	Nunn
Bradley	Hawkins	Packwood
Bumpers	Hecht	Pell
Burdick	Heflin	Pryor
Byrd	Heinz	Rockefeller
Chafee	Hollings	Rudman
Chiles	Humphrey	Sarbanes
Cochran	Inouye	Sasser
Cohen	Johnston	Stafford
Cranston	Kassebaum	Stevens
D'Amato	Kennedy	Symms
DeConcini	Kerry	Thurmond
Denton	Lautenberg	Trible
Dodd	Laxalt	Warner
Domenici	Leahy	Weicker
Evans	Long	Wilson
Exon	Mathias	Zorinsky
Ford	Matsunaga	

NAYS—22

Boschwitz	Durenberger	Harkin
Danforth	Eagleton	Helms
Dixon	Glenn	Kasten
Dole	Grassley	Levin
Lugar	Proxmire	Simon
Metzenbaum	Quayle	Simpson
Nickles	Riegle	
Pressler	Roth	

NOT VOTING—7

Abdnor	Moynihan	Wallop
East	Specter	
Goldwater	Stennis	

So the motion to lay on the table the amendment (No. 925) was agreed to.

Mr. COCHRAN. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. HELMS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, as I have indicated, this will be the last vote. I assume there will be a few more exciting amendments, and then there are things coming up.

But there are two or three amendments, I guess, on cargo preference. Is that correct?

Mr. COCHRAN. Mr. President, if the distinguished majority leader will yield, I am advised that the Senator from Illinois [Mr. DIXON] has two or three amendments and Senator BOSCHWITZ, from Minnesota, may have one. I know of no other amendments to the cargo preference compromise.

I hope we can dispose of those amendments quickly, maybe with voice votes.

I do not know what the intention of the Senators would be, but I hope we can wind up this part of the bill very quickly in the morning.

Mr. HELMS. Mr. President, if the majority leader will yield, I might inquire of the Senator from Mississippi can he be here by 9:45 a.m. in the morning so we can get into the business?

Mr. COCHRAN. Mr. President, if the Senator will yeild, I will be happy to be here at that time and be willing to work with the chairman to move this along as quickly as we can.

Mr. HELMS. I appreciate it. I thank the Senator very much.

ANIMAL WELFARE AMENDMENT OFFERED BY SENATOR DOLE

Mr. WILSON. Mr. President, I rise in support of the animal welfare amendment offered by Senator DOLE, of which I am pleased to be a cosponsor.

I wish to commend the distinguished Senator from Kansas, as well as my two colleagues from Utah and Montana, for succeeding in working out a compromise on this sensitive issue of animal welfare. I believe my colleagues have found a solution which achieves the delicate balance between public concern over the care of laboratory animals and the need to continue to achieve medical advances.

We all know that the ability of the scientific community to enhance the quality of lives for both humans and animals rests upon the advancement of knowledge.

This is made possible by conducting research, much of which involves the use of laboratory animals. While this use of animals may need to continue until alternative methodologies which do not use animals or which reduce the number of animals used can be developed, I believe that Congress must ensure that the entire scientific community exercise its responsibility to provide humane care for experimental animals.

I would hope for the most part, Mr. President, that the research community is indeed exercising this ethical responsibility. However, as we have seen in recent instances, such as the University of Pennsylvania Head Injury Clinic, this is not the case. As a consequence, Congress must act to help alleviate the unnecessary suffering and pain of laboratory animals to the extent possible without jeopardizing much-needed research.

I believe that the Dole animal welfare amendment represents an effective and reasonable approach to the problems of experimental animal abuse. It will ensure proper animal care through strengthening existing law, the Animal Welfare Act, and will increase penalties for violations of this act. I commend my colleagues for finding a good compromise which I feel both the public and the scientific community can support, and I applaud its adoption on Monday.

ROUTINE MORNING BUSINESS

Mr. DOLE. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business not to exceed beyond 7:45 p.m. with statements limited therein to 3 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

"U.S.-EEC TRADE: AN UPDATE ON THE CITRUS-PASTA WAR"

Mr. WILSON. Mr. President, I rise today to alert my colleagues to a rapidly approaching deadline which cannot be allowed to pass unnoticed. This Thursday, October 31, our Government's truce with the European Community in the so-called citrus-pasta war will expire. If the European Community fails to live up to the conditions of the truce which require it to take satisfactory action in the pending citrus section 301 case, the United States must exercise its right, under the terms of the truce, to retaliate against the EC's discriminatory tariff treatment on U.S. citrus exports.

My colleagues may recall the regrettable escalation of events which triggered the citrus-pasta war this past summer. The causes of this dispute, however, go back 15 years. Since 1969, the EEC has granted preferential tariff treatment and market access to citrus and citrus products from Mediterranean countries, costing U.S. exporters of oranges and lemons in excess of $48 million in lost sales annually.

Throughout the past decade, the EEC has rebuffed extensive U.S. efforts to resolve the matter: First in 1972 under section 252 of the Trade Expansion Act of 1962; again in 1976 under section 301 of the Trade Act of 1974; in the Tokyo round of multilateral trade negotiations which concluded in 1979; and finally in November 1982, when after 6 years of frustrated discussions, the United States had no choice but to invoke the dispute settlement procedures of the GATT as the only remaining means of seeking redress for American citrus growers.

After 2 years of study, the GATT panel found unanimously that the EEC tariff preferences on fresh oranges and lemons from Mediterranean countries nullify and impair the most favored nation [MFN] rights of the United States. The GATT recommended that the EEC reduce its MFN tariff rate on U.S. oranges and lemons.

Despite the favorable panel findings, the GATT has been unable to adopt the report and implement the recommendations because the EEC has effectively prevented a vote from occurring during several GATT meetings held earlier this year. A unanimous vote to adopt the GATT panel report must occur before any compensation by the guilty party is required.

Therefore, on May 1 of this year, our Government disappointedly, but in my opinion, realistically, had to conclude that the GATT dispute settlement process was terminated, and pursuant to section 301, had to consider a subsequent course of action to redress the injury to U.S. citrus exporters.

On June 20, 1985, President Reagan announced that a reasonable and appropriate course of action in response to the unwillingness of the EEC to implement the unanimous finding of the GATT panel or to negotiate a mutually acceptable resolution of this issue was to withdraw an amount of concessions from imported EEC pasta products equivalent to the U.S. citrus trade which had been adversely affected. The EEC promptly announced counterretaliation against U.S. exports of lemons and walnuts by imposing a prohibitively high tariff increase.

This unjustifiable response by the EEC prompted me to introduce the "Fair Access to Foreign Markets Act" which requires the President to take all steps necessary and appropriate to end unfair EEC trade practices, including resolution of section 301 complaints filed by U.S. agricultural exporters which are currently pending before the GATT.

EEC officials obviously realized the implications which a provision in my bill, which would require the President to rebalance the level of concessions in U.S.-EEC trade, could have on European wine exports because the Community quickly rescinded the retaliatory walnut and lemon tariffs and, in a further action, decided to reduce subsidies on EC pasta exports by 45 percent, thereby resolving the longstanding pasta 301 case. In exchange, the United States agreed to suspend our increase in pasta duties.

Central to this agreement, however, was the commitment which EEC officials gave to the U.S. Trade Representative to take steps to increase access to the EC market for U.S. citrus exports. As Ambassador Yeutter said in his July 19, statement announcing this agreement, "If the EC fails to take satisfactory action on citrus by October 31, 1985, both sides acknowledge that the United States reserves the right to retaliate against the EC's discriminatory tariff treatment on U.S. citrus exports."

October 31 is only days away and it has become apparent to me that the EC does not intend to live up to either the letter or the spirit of its commitment. European trade officials have had nearly 4 months to generate proposals to improve American access to the EC citrus market.

Rather than using this opportunity to their advantage, they whiled away the summer and waited until the middle of October to obtain even the bureaucratic mandate needed to begin negotiations on the preferential citrus agreements with Mediterranean countries. Any agreement with the United States, according to the EC, must be approved by individual members of the Community and made within the large context of these Mediterranean accords, and those negotiations themselves are stalled.

As a member of the Senate Agriculture Committee, I have experienced firsthand the range of conflicting agricultural interests inherent among 50 individual States. So I do not deny that achieving consensus among 10, and soon to be 12, different European countries on a tariff reduction and improved market access for imported products may be difficult, both economically and politically. However, internal EC politics are Europe's problem. My concern is directed at the economic harm these preferential agreements cause U.S. exporters, a fact which the EC refuses to admit. The United States intends to rectify this economic imbalance. This is why we no longer have time to give freely.

So what do I expect from the EEC on October 31? Unfortunately, nothing except another plea for more time—more time to renegotiate the Mediterranean tariff agreements, more time to renegotiate improved market access for U.S. citrus exports, and more time to continue 15 years of discriminatory trade practices against U.S. citrus exports.

Time, however, is no longer available free of charge. Unlimited patience has cost our citrus industry millions of dollars in lost sales every year since the U.S. citrus industry filed its first unfair trade case in 1970. If the European Community nevertheless insists that it needs more time to live up to its commitment to resolve the citrus dispute, we can give it more time—but only at a price.

In conversations with the U.S. Trade Representative and with the U.S. Ambassador to the EC, I have become aware of the EC's feeble proposals to buy time that should embarrass EC negotiators as much as such proposals infuriate me. Specifically, the EC should realize that a slight reduction in grapefruit tariffs or a definitional change limiting equal market access opportunities to only lemons and grapefruit, to the continued discriminatory exclusion of oranges, do not constitute satisfactory action as agreed to in our truce.

For these reasons, I urge the U.S. Trade Representative to stand by his words of July 19: "If the EC fails to take satisfactory action on citrus by October 31, 1985, both sides acknowledge that the United States reserves the right to retaliate against the EC's discriminatory tariff treatment on U.S. citrus exports."

First, we must reinstitute the pasta tariff which was suspended by our summertime truce. But if necessary, we must be prepared to retaliate further. As I said earlier, if the EC needs more time to resolve the citrus case, time can be made available—but not for free. The time we have already given away has cost U.S. exporters $48 million annually, a price we are no longer willing to pay. Until the EC becomes serious about resolving the citrus case, we must rebalance trade concessions granted to the European Community by an equivalent amount and consider for retaliation any appropriate agricultural commodity, including the EC's largest agricultural export to our country—wine.

If the EC does not wish to repeat the regrettable events in the pasta war, it must not counterretaliate against our pasta tariff increase. Both the United States and Europe acknowledged in the pasta war truce that the United States reserves the right to retaliate absent satisfactory action by the EC on citrus by October 31. Should the EC, in spite of this

agreement, decide to counterretaliate, we will have no choice but to take prompt and vigorous counteractions.

Unless we stand firm until this case is resolved in an equitable manner, the ultimate loser will be every American farmer who is attempting to compete in worldwide markets, every U.S. business that depends upon a fair opportunity to deal across the globe, and in the end, the U.S. Government's trade policy—struggling to reinvigorate itself in the face of a growing balance of trade deficit.

In the interests of fair international trade, I hope that the European Community will make every effort in the short time remaining to offer constructive market access proposals to U.S. citrus negotiators. It is to the advantage of both sides finally to resolve this case, not to ignite another battle in the pasta war.

Mr. President, I yield the floor.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

PRESIDENTIAL APPROVALS

A message from the President of the United States announced that he had approved and signed the following bill and joint resolutions:

October 22, 1985:

S.J. Res. 158. Joint resolution designating February 1986 as "National Community College Month."

October 28, 1985:

S. 1349. An act to provide for the use and distribution of funds awarded in docket 363 to the Mdewakanton and Wahpekute Eastern or Mississippi Sioux before the U.S. Court of Claims and Claims Court.

S.J. Res. 92. Joint resolution to designate October 1985 as "National Foster Grandparent Month."

S.J. Res. 104. Joint resolution to proclaim October 23, 1985, as "A Time of Remembrance" for all victims of terrorism throughout the world.

MESSAGES FROM THE HOUSE

AT 11:13 a.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House agrees to the amendment of the Senate to the bill (H.R. 1210) to authorize appropriations to the National Science Foundation for the fiscal year 1986, and for other purposes, with an amendment, in which it requests the concurrence of the Senate.

The message also announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 3500. An act to provide for reconciliation pursuant to section 2 of the First Concurrent Resolution on the Budget for the fiscal year 1986.

ENROLLED BILL AND JOINT RESOLUTIONS SIGNED

At 2:09 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the Speaker has signed the following enrolled bill and joint resolutions:

H.R. 3605. An act to provide that the authority to establish and administer flexible and compressed work schedules for Federal Government employees be extended through December 31, 1985;

H.J. Res. 308. Joint resolution designating the week beginning on October 20, 1985, as "Benign Essential Blepharospasm Awareness Week"; and

H.J. Res. 322. Joint resolution to provide for the designation of October 1985, as "National Sudden Infant Death Syndrome Awareness Month."

The enrolled bill and joint resolutions were subsequently signed by the President pro tempore [Mr. THURMOND].

At 5:24 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2942) making appropriations for the legislative branch for the fiscal year ending September 30, 1986, and for other purposes; it recedes from its disagreement to the amendments of the Senate numbered 1, 11, 13, 14, and 22 to the bill, and agrees thereto; and it recedes from its disagreement to the amendments of the Senate numbered 12 and 26 to the bill, and agrees thereto, each with an amendment, in which it requests the concurrence of the Senate.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1160) to authorize appropriations for the military functions of the Department of Defense and to prescribe personnel levels for the Department of Defense for fiscal year 1986, to authorize certain construction at military installations for such fiscal year, to authorize appropriations for the Department of Energy for national security programs for such fiscal year, and for other purposes.

The message further announced that the House has passed the following bill, with amendments, in which it requests the concurrence of the Senate:

S. 1570. An act to amend the Fair Labor Standards Act of 1938 to provide rules for overtime compensatory time off for certain public agency employees, to clarify the application of that act to volunteers, and for other purposes.

The message also announced that the House has passed the following joint resolution without amendment:

S.J. Res. 227. Joint resolution to commend the people and the sovereign confederation of the neutral nation of Switzerland for their contributions to freedom, international peace, and understanding on the occasion of the meeting between the leaders of the United States and the Soviet Union on November 19–20, 1985, in Geneva, Switzerland.

The message further announced that the House has agreed to the following concurrent resolution, without amendment:

S. Con. Res. 71. Concurrent resolution to commemorate the accomplishments of Public Law 94-142, the Education for All Handicapped Children Act, on the 10th anniversary of its enactment.

The message also announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 2050. An act to give to the Board of Parole for the District of Columbia exclusive power and authority to make parole determinations concerning prisoners convicted of violating any law of the District of Columbia, or any law of the United States applicable exclusively to the District.

H.R. 2946. An act to establish an independent jury system for the Superior Court of the District of Columbia.

H.R. 3235. An act to authorize the Administrator of the National Aeronautics and Space Administration to accept title to the Mississippi Technology Transfer Center to be constructed by the State of Mississippi at the National Space Technologies Laboratories in Hancock County, MS.

H.R. 3447. An act to amend and extend the Congressional Award Act.

H.R. 3578. An act to provide permanent authority for hearing commissioners in the D.C. courts, to modify certain procedures of the D.C. Judicial Nomination Commission and the D.C. Commission on Judicial Disabilities and Tenure, and for other purposes.

MEASURES REFERRED

The following bills were read the first and second times by unanimous consent, and referred as indicated:

H.R. 2050. An act to give to the Board of Parole for the District of Columbia exclusive power and authority to make parole determinations concerning prisoners convicted of violating any law of the District of Columbia, or any law of the United States applicable exclusively to the District; to the Committee on Governmental Affairs.

H.R. 2946. An act to establish an independent jury system for the Superior Court of the District of Columbia; to the Committee on Governmental Affairs.

H.R. 3235. An act to authorize the Administrator of the National Aeronautics and Space Administration to accept title to the Mississippi Technology Transfer Center to be constructed by the State of Mississippi at the National Space Technologies Laboratories in Hancock County, MS; to the Committee on Commerce, Science, and Transportation.

H.R. 3447. An act to amend and extend the Congressional Award Act; to the Committee on Governmental Affairs.

H.R. 3578. An act to provide permanent authority for hearing commissioners in the District of Columbia courts, to modify certain procedures of the District of Columbia Judicial Nomination Commission and the District of Columbia Commission on Judicial Disabilities and Tenure, and for other purposes; to the Committee on Governmental Affairs.

MEASURE PLACED ON THE CALENDAR

The following bill was read the first and second times by unanimous consent, placed on the calendar:

H.R. 3500. An act to provide for reconciliation pursuant to section 2 of the first concurrent resolution on the budget for the fiscal year 1986.

ENROLLED BILL SIGNED

The Vice President reported that on today, October 29, 1985, he had signed the following enrolled bill, which had previously been signed by the Speaker of the House of Representatives.

H.R. 2409. An act to amend the Public Health Service Act to revise and extend the authorities under that act relating to the National Institutes of Health and National Research Institutes, and for other purposes.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred to lie on the table as indicated:

POM-482. A joint resolution adopted by the Legislature of the State of California; to the Committee on Agriculture, Nutrition, and Forestry.

"ASSEMBLY JOINT RESOLUTION No. 75

"Whereas, The California bee industry provides vital pollenization to a wide variety of agricultural crops which annually contribute four billion dollars towards the overall 14 billion dollars worth of California agriculture; and

"Whereas, California is home to one of the leading honey producing industries in the nation, having a cash value exceeding 21 million dollars; and

"Whereas, The bee industry, which is vital to the State of California and the nation, is being jeopardized by the anticipated invasion of Africanized bees from Central America; and

"Whereas, The Africanized bees have already destroyed the honey industry of Venezuela by reducing its production of honey from 13 million pounds of honey per year in 1975 to 200,000 pounds of honey produced per year by 1981; and

"Whereas, The Africanized bees are an extreme financial hazard to California's bee industry due to their inefficient pollenization, and, because they carry the varroa mite, a parasite that kills 90 to 95 percent of the honey bees, they are a health risk to European honey bee colonies; and

"Whereas, Due to their aggressive behavioral traits, they are an imminent threat to the well-being of the human and animal populations; and

"Whereas, It has been documented that over 100 people and 1,000 animals have already been killed by these bees in South America; and

"Whereas, The California Legislature believes that a genetic dilution program may be successful in breeding out much of the Africanized bees' nonproductive, hostile traits; and

"Whereas, The Animal Plant Health and Quarantine Service of the United States Department of Agriculture has an ongoing program to curb the Mediterranean fly with a sterile rearing and release program in Mexico which has reduced the threat of the devastating Medfly to this country; and

"Whereas, Building on the successes of the sterile Medfly program, there is an opportunity within the next five to seven years, before the Africanized bees are permanently in the United States, to minimize their detrimental impact on California's healthy bee industry, prosperous agriculture, and overall economy; and

"Whereas, The damage caused by the Africanized bees cannot be minimized without adequate funding and technical support from the United States Department of Agriculture; now, therefore, be it

"Resolved by the Assembly and the Senate of the State of California, jointly, That the Legislature of the State of California respectfully memorializes the Secretary of Agriculture and the United States Department of Agriculture, to establish a research and pest control program in Mexico for the minimization and neutralization of the Africanized bees; and be it further

"Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Secretary of Agriculture, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

POM-483. A joint resolution adopted by the Legislature of the State of California; to the Committee on Armed Services.

"ASSEMBLY JOINT RESOLUTION No. 76

"Whereas, General Dynamics has been virtually the sole supplier of fighter aircraft to the Pentagon under the "sole source" noncompetitive contract of the Defense Department; and

"Whereas, General Dynamics has, as a result, been able to offer its F-16C Falcon to the Pentagon at an inflated noncompetitive price of approximately $19.5 million; and

"Whereas, In response to Northrop Corporation's offer to sell to the Pentagon its comparable F-20 Tigershark, which was developed at no cost to the taxpayers, at a cost savings of approximately $4.5 million per plane, General Dynamics then countered with an offer of $2 million per plane less than Northrop Corporation's offer for a scaled-down version of the F-16 and contingent on the purchase of a specified number of F-16s at the regular price; and

"Whereas, The advantages of competition in military procurement become immediately evident in the competitive bidding process between General Dynamics and Northrop Corporation, such as:

"(1) Improved quality products;

"(2) The incentive to continually improve the product for efficiency and cost-effectiveness;

"(3) Resultant benefits to the provider in improved management of its operations and manufacture of its product at economically efficient levels;

"(4) The benefit to the government in having a choice of alternative comparable products, to select that which best suits particular military needs at the lowest price; and

"Whereas, The benefits of competition will flow to the nation in the form of reduced spending in the defense budget; and

"Whereas, Taxpayers benefit from the knowledge that their tax dollars earmarked for defense are spent in the most efficient manner; now, therefore, be it

"Resolved, by the Assembly and the Senate of the State of California, jointly, That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States to direct the Secretary of Defense and the Pentagon to consider the advantages of competition and to utilize competitive bidding procedures, before awarding defense contracts to defense contractors for the procurement of military hardware, software, and related services, as, for example, in deciding whether to select General Dynamics' F-16 Falcon or Northrop Corporation's F-20 Tigershark, or both, as the tactical fighter; and be it further

"Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Secretary of Defense, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress."

POM-484. A joint resolution adopted by the Legislature of the State of California; to the Committee on Commerce, Science, and Transportation.

"ASSEMBLY JOINT RESOLUTION No. 66

"Whereas, The federal Surface Transportation Assistance Act of 1982 (P.L. 97-424) provides a four-year authorization for federal programs of assistance to states for transportation projects; and

"Whereas, The present act is due to expire at the end of the 1986 federal fiscal year, and it is anticipated that a new multiyear authorization will be considered in Congress over the next several months; and

"Whereas, Several elements of the new assistance bill are anticipated to be of critical interest to California; now, therefore, be it

Resolved by the Assembly and Senate of the State of California, jointly, That the Legislature of the State of California respectfully memorializes the President and Congress of the United States to be guided by the following considerations in formulating a new multiyear transportation assistance authorization:

"(1) The federal funding commitment to the interstate highway system as presently defined should be extended beyond the current 1990 interstate completion deadline. This federal funding should be assured together with additional funding made available for other high priority noninterstate completion projects.

"(2) The new multiyear transportation assistance act should provide for the continuation of the 85 percent minimum funding to each state based on its contributions to the federal highway trust fund;

"(3) The number of transportation assistance program categories should be reduced or consolidated in order to provide the states with a maximum of flexibility in the use of federal funds and an increased ability to transfer funds between programs with fewer categorical restraints so that the states may address their own unique transportation requirements;

"(4) Any changes or adjustments in apportionment formulas should show a close correlation to highway usage criteria rather than other, less relevant factors;

"(5) Federal obligation ceilings for the highway program should be increased or adjusted in order to allow states to spend apportionments that have been made available to them; and

"(6) Key interstate highway system completion projects should have access to interstate highway discretionary funding without regard to the status of a state's unobligated balance of federal funds and without impairing the state's existing level of obligational authority; and be it further

Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

POM-485. A resolution adopted by the General Court of the Commonwealth of Massachusetts; to the Committee on Environment and Public Works.

"RESOLUTIONS MEMORIALIZING THE CONGRESS OF THE UNITED STATES TO ENACT LEGISLATION REDUCING THE EFFECTS OF ACID RAIN ON THE ENVIRONMENT

"Whereas, acid rain is a serious danger to the environment, health and economy of Massachusetts; and

"Whereas, acidity levels in Massachusetts ponds and lakes are fifteen to twenty times what they should be; and

"Whereas, the acidity of the rainfall in Massachusetts is abnormally high; and

"Whereas, a national resolution of the acid rain problem is necessary; Therefore be it

"Resolved, That the Massachusetts General Court respectfully urges the Congress of the United States to take such action as may be necessary to solve the acid rain problem, recognizing that individual States also have the responsibility to act to alleviate the causes and effects of acidic deposition, this shall include, but not be limited to, tax incentives to businesses which reduce emissions of sulfur dioxide and nitrogen oxide waste products; and be it further

"Resolved, That copies of these resolutions be forwarded by the Clerk of the House of Representatives to the President of the United States, the Presiding Officer of each branch of Congress and to the Members thereof from this Commonwealth."

POM-486. A resolution adopted by the Association of State Dam Safety Officials relating to the removal of economic barriers to safe dams; to the Committee on Environment and Public Works.

POM-487. Joint resolution adopted by the Legislature of the State of California; to the Committee on Environment and Public Works.

"ASSEMBLY JOINT RESOLUTION No. 70

"Whereas, The greatest flooding threat in the State of California, and possibly in the United States, is the Santa Ana River in San Bernardino, Riverside, and Orange Counties; and

"Whereas, The United States Army Corps of Engineers has been studying plans for reducing Santa Ana River potential flood damages since 1964; and

"Whereas, The United States Army Corps of Engineers has estimated that, with existing flood control facilities, a flood like that which occurred in 1862 could harm two million people and cause damages and economic losses estimated at over $12,000,000,000 (in 1983 dollars); and

"Whereas, There is agreement among the three involved counties and the State of California that the All-River Protection Plan is the preferred plan for reduction of flood damages due to overflowing of the Santa Ana River; and

"Whereas, The remaining major question regarding that plan is the configuration of the certain upper basin flood storage facilities; and

"Whereas, Most of the hazard to people and property exists in Orange County below Prado Dam; and

"Whereas, The configuration of facilities needed at and below Prado Dam are agreed to by all parties concerned; and

"Whereas, The logical start of construction should occur at and below Prado Dam; and

"Whereas, Further delay in authorization and funding of initial construction increases the jeopardy of up to two million people; and

"Whereas, Since the minimum period of time required to construct the entire project is 10 years and more likely will extend beyond the year 2000, it is essential that the Legislative express to the federal government the Legislature's policy for flood control in the Santa Ana River Basin; now, therefore, be it

"Resolved by the Assembly and Senate of the State of California, jointly, That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States to authorize construction of the All-River Protection Plan alternative of the Santa Ana River Main Stem Flood Control Project during the 99th Session of Congress and to appropriate the funds needed to start construction during fiscal year 1987; and be it further

"Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Chief of the United States Army Corps of Engineers, to the Speaker of the House of Representatives, and to each Senator and Representatives, and to each Senator and Representative from California in the Congress of the United States."

POM-488. A resolution adopted by the General Court of the Commonwealth of Massachusetts; to the Committee on Finance.

"RESOLUTIONS MEMORIALIZING THE CONGRESS OF THE UNITED STATES TO ENACT LEGISLATION TO CORRECT THE SOCIAL SECURITY BENEFITS DISPARITY KNOWN AS THE NOTCH ACT

"Whereas, the changes effected by Congress in 1977 in the Social Security retirement benefit formula affected all those born in the Notch years: 1917, 1918, 1919, 1920, and 1921, whose work records are otherwise identical to work records of those born in 1916 or after 1921, but are penalized by receiving lower Social Security benefits; and

"Whereas, this disparity in benefit amounts is unjust and unfair and has caused great hardship; therefore be it

"Resolved, That the General Court of Massachusetts urges the Congress of the United States to enact legislation to correct this unfair disparity in Social Security benefits; and be it further

"Resolved, that copies of these resolutions be transmitted by the Clerk of the House of Representatives to the President of the United States, the Presiding Officer of each branch of Congress and to the Members thereof from this Commonwealth."

POM-489. A resolution adopted by the General Court of the Commonwealth of Massachusetts; to the Committee on Finance.

"RESOLUTIONS MEMORIALIZING THE PRESIDENT AND CONGRESS OF THE UNITED STATES TO CREATE A NATIONAL HEALTH CARE SERVICE

"Whereas, the United States is one of the few nations in the industrialized world that does not have a National Health Care Program; and

"Whereas, the health care system at present is characterized by unequal access to care, uncontrollable costs, and uneven distribution of resources; now therefore be it

"Resolved, That the Massachusetts General Court calls upon the President and the Congress of the United States to enact a National Health Care Service to provide on a sliding scale a full range of medical, dental and mental health services to be funded by a progressively-structured health service tax on individual and corporate income; and be it further

"Resolved, That copies of these resolutions be transmitted forthwith by the Clerk of the House of Represenatives to the President of the United States, the Presiding Officer of each branch of Congress and to the Members thereof from this Commonwealth."

POM-490. A resolution adopted by the Mono County California Board of Supervisors urging Congress to retain the deductability of State and local taxes in any revision federal income tax law which is enacted; to the Committee on Finance.

POM-491. A resolution adopted by the Council of the City of Seal Beach, California relating to federal income taxation; to the Committee on Finance.

POM-492. A resolution adopted by the Council of the City of Tulare, California relating to federal income taxation and deductibility of state and local taxes; to the Committee on Finance.

POM-493. A joint resolution adopted by the Legislature of the State of California; to the Committee on Finance.

"ASSEMBLY JOINT RESOLUTION No. 64

"Whereas, Over the last few years, the California timber industry, long one of the most productive segments of the state's economy, has experienced a substantial decline leading to the closing of many mills and the loss of 7,000 timber jobs, further depressing the economy of rural California and creating much hardship for timber and wood workers; and

"Whereas, The decline of the timber industry has been caused by a number of problems beyond the control of the industry, including high interest rates, a decline

in the housing market, and urban encroachment into forest lands; and

"Whereas, A major impediment to the revitalization of the timber industry is the encroachment of subsidized Canadian softwood into the American timber market, now at 32 percent, caused by the Canadian government's practice of pricing stumpage at substantially lower amounts than fair market price in the United States, creating an unfair price subsidy for Canadian timber; and

"Whereas, This subsidy is not only disruptive to the California timber industry, but may cause Canada to suffer long-term environmental and economic damage through its practices of rapidly mowing down its forests for United States dollars; now, therefore, be it

"Resolved by the Assembly and Senate of the State of California, jointly, That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States to enact legislation aimed at ending Canada's unfair advantage over the domestic timber industry, preferably through a negotiated and amicable settlement between our two nations, or, failing that, through the imposition of a tariff as is the practice with government subsidized products of many other nations, or through a quota system to limit the size of Canada's American timber market; and be it further

"Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

POM-494. A joint resolution adopted by the Legislature of the State of California; to the Committee on Finance.

"ASSEMBLY JOINT RESOLUTION NO. 44

"Whereas, The American tuna industry contributes significantly to the economy of California by the employment of over 1,200 persons and an annual payroll of over 14 million dollars; and

"Whereas, The tuna industry in California and its employees contribute over two million dollars annually in tax revenues to the federal, state, and local governments; and

"Whereas, The existence of the American tuna industry reduces expenditures from the Unemployment Insurance Fund by an estimated two million four hundred thousand dollars annually, because persons employed in the tuna industry do not draw unemployment compensation benefits; and

"Whereas, The loss or destruction of the domestic tuna industry would increase welfare costs by an estimated three million four hundred thousand dollars annually and Medi-Cal costs by an estimated two million two hundred thousand dollars annually, since a significant number of employees, if displaced, would require public assistance and medical care the costs of which would be borne by the federal, state, and local governments; and

"Whereas, The tuna industry also benefits the tourist business in San Diego, which designates one week each year as "Tuna Week," and many visitors come to view the fishing fleet; and

"Whereas, In addition to food for human consumption, many products are derived from tuna, including pet food, fish meal, and commercial agricultural fertilizes; and

"Whereas, In recent years, the American tuna industry has been experiencing severe setbacks and reductions in operations, and in the continental United States only one major tuna cannery remains in operation; and

"Whereas, The loss or destruction of the American tuna industry, in addition to causing great personal and community hardships, would worsen the international trade imbalance currently being experienced by the United States and make this nation even more dependent upon imports; now, therefore, be it

Resolved by the Assembly and Senate of the State of California, jointly, That the Legislature of California respectfully memorializes the President and Congress of the United States and the International Trade Commission to review those trade practices which adversely affect the American tuna industry and do everything in their power to strengthen and support this vital segment of the economy; and be it further

"Resolved, That the Legislature encourages Californians and all Americans to buy tuna in support of this essential American industry; and be it further

"Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, to each Senator and Representative from California in the Congress of the United States, and to the International Trade Commission."

POM-495. A joint resolution adopted by the Legislature of the State of California; to the Committee on Finance.

"ASSEMBLY JOINT RESOLUTION NO. 48

"Whereas, The structural steel fabrication industry in California employs thousands of persons in the fabrication and erection of structural steel for seismically safe high rise buildings; and

"Whereas, During the years 1983 and 1984, imports of foreign fabricated structural steel to the West Coast of the United States increased from 3,000 tons per year to nearly 100,000 tons per year; and

"Whereas, The majority of those imports coming into California were from the Republic of Korea (60,000 tons in 1984) and were the result of unfair trade practices including price discrimination on raw steel products; and

"Whereas, During 1984, the Office of the United States Trade Representative recognized the unfair nature of this import surge, and the United States International Trade Commission recommended a quota on steel imports to remedy this situation; and

"Whereas, The United States Trade Representative has recently concluded negotiations which resulted in an agreement limiting imports of fabricated structural steel from the Republic of Korea to no more than 60,000 tons per year for the entire United States; now, therefore, be it

"Resolved by the Assembly and the Senate of the State of California, jointly, That the Legislature of the State of California commends the Office of the United States Trade Representative for its efforts in assuring free, fair trade in steel products by negotiating the voluntary import agreement with the Republic of Korea; and be it further

"Resolved, That the Legislature respectfully urges the United States Trade Representative and other United States Government officials to closely monitor the agreement to achieve compliance with provisions limiting imports of fabricated structural steel to the West Coast to approximately 20,000 tons per year for the next five years; and be it further

"Resolved, That the Legislature respectfully urges the United States Trade Representative to make all necessary efforts to include fabricated structural steel in those steel products covered in the European Community Steel Arrangement as it is renewed; and be it further

"Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, to each Senator and Representative from California in the Congress of the United States, and to the United States Trade Representative."

POM-496. A joint resolution adopted by the Legislature of the State of California; to the Committee on Finance.

"ASSEMBLY JOINT RESOLUTION NO. 41

"Whereas, There is a general concern about the size and continued growth of the national debt; and

"Whereas, There is some thought that scaling back the annual cost-of-living increase due under social security would help relieve that debt; and

"Whereas, There was proposed in the Congress of the United States a debt relief package that would make provision for such a scale back in the annual cost-of-living adjustment for social security recipients as well as an increase in Medicare patient costs; and

"Whereas, More than three million Californians who are aged or disabled, or who are survivors or dependents of persons eligible for social security benefits, depend for their economic security on social security keeping up with cost-of-living increases;

"Whereas, Over the past several years prior to the proposed Medicare cost increase, older Americans have borne the burden of reduction in benefits; in the last five years the Medicare hospital deduction has doubled, the physician deductible almost doubled, coinsurance for physicians' care doubled and excess charges from physicians tripled; and

"Whereas, Past changes in social security in 1981 and 1983 have already resulted in reductions of $100 billion in social security expenditures through delays in cost-of-living adjustments, elimination of the minimum benefits, the lump-sum death benefit, and the initiation of taxation of benefits; and

"Whereas, A freeze was imposed on social security recipients for six months in 1983 and it had no effect on the deficit then and would have little effect now; and

"Whereas, It is now recognized that older Americans will by 1989 have lost as much as 40 billion dollars in social security benefits as a result of the previous 1983 six-month cost-of-living freeze; and

"Whereas, It is known that any savings resulting from a scaling back of cost-of-living adjustments would have no effect on the deficit since social security benefits are paid out of separate trust funds with money received from payroll contributions, and not from general revenues; and

"Whereas, A new scaling back of social security cost-of-living adjustments would cause the average beneficiary in 1986 alone to suffer a benefit loss of five hundred ninety-three dollars ($593) per individual over the next three years and force another one-half million more senior persons,

mainly elderly women 72 years of age and older, below the poverty line; and

"Whereas, A scale back in benefits at the 1985 level would cause a multibillion dollar income loss to recipients for the next three years and a decrease in all future benefit levels; and

"Whereas, Any further cuts in social security, coupled as proposed with a simultaneous one hundred twenty-five dollars ($125) per year Medicare cost increase in the next three years, would be most difficult for many elderly to cope with; now, therefore, be it

"Resolved by the Assembly and the Senate of the State of California, jointly, That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States to not attempt to scale back the cost-of-living increases due under social security; and be it further

"Resolved, That, as the President has suggested, the Congress be urged to immediately split Social Security from the federal budget, so as to remove, the temptation to use the Social Security Pension Fund as an offset to the federal deficit; and be it further

"Resolved, That the President and the Congress of the United States be urged to assure the senior citizens of this state and the country that no efforts will be made to lower the social security cost-of-living increases; and be it further

"Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

POM-497. A joint resolution adopted by the Legislature of the Commonwealth of Pennsylvania; to the

"RESOLUTION COMMITTEE ON FINANCE

"Whereas, The deduction for State and local property, income and sales taxes has been an essential part of the Federal income tax system since 1913; and

"Whereas, The repeal of this deduction would result in reversing the historical separation of Federal, State and local taxing authority and in forcing double taxation on individual citizens; and

"Whereas, The repeal of this deduction could make it difficult for State and local governments to keep revenues at a level necessary to provide services and solve problems which the Federal Government is transferring to State and local govenments; and

"Whereas, The repeal of this deduction could jeopardize the financial health of State and local government, causing possible curtailment of essential services; and

"Whereas, Since most of the revenues used for the support of elementary and secondary schools are derived from deductible taxes, education could suffer adversely from repeal of this deduction; and

"Whereas, The repeal of this deduction could place great financial strain on State and local governments, resulting in lower credit ratings and higher interest rates for State and local governments raising money for capital projects; and

"Whereas, The repeal of this deduction could mean a shift away from the taxes that are now deductible, resulting in a heavier tax burden on businesses which may cause many businesses to leave high tax areas, further shrinking the tax base in those areas; and

"Whereas, The deduction for State and local taxes is taken by more Americans than any other deduction, by individuals across a wide range of income levels, including a majority of taxpayers in the middle income brackets; and

"Whereas, State and local tax payments are not voluntary, making their deduction a legitimate deduction provided to avoid a tax on a tax; and

"Whereas, The repeal of this deduction would result in individuals paying Federal tax on money they were forced to spend paying State and local property, income and sales taxes; and

"Whereas, The repeal of this deduction could be especially harmful to homeowners, many of whom might have difficulty affording a home without the Federal deduction for property taxes; therefore be it

"Resolved, That the Senate of the Commonwealth of Pennsylvania memorialize the Congress of the United States not to repeal the Federal income tax deduction for State and local taxes; and be it further

"Resolved, That copies of this resolution be transmitted to the President of the United States, to the presiding officers of each house of Congress and to each member of Congress from Pennsylvania."

POM-498. A resolution adopted by the General Court of the Commonwealth of Massachusetts; to the Committee on Foreign Relations.

RESOLUTIONS URGING THE PRESIDENT OF THE UNITED STATES AND THE UNITED STATES STATE DEPARTMENT TO USE THE FULL WEIGHT AND POWER OF THEIR OFFICES IN IMPLORING GREAT BRITAIN TO REMOVE ITS TROOPS FROM OCCUPIED IRELAND AND TO ONCE AGAIN GRANT POLITICAL STATUS TO IRISH REPUBLICAN PRISONERS OF WAR

"Whereas, It is the natural right of every Nation to govern itself; and

"Whereas, The artificial division of Ireland by England has resulted in injustice and oppression; and

"Whereas, The struggle for a United Ireland is a legitimate struggle for political self-determination; and

"Whereas, The British propaganda machine has succeeded in depicting the age-old Irish struggle for freedom as an eruption of bigotry based on ancient and petty grudges; and

"Whereas, Certain persons in the United States Government have fallen prey to such propaganda and have involved themselves on the side of the British oppressors: Now therefore be it

"Resolved, That the Massachusetts General Court hereby urges the President of the United States, the Congress of the United States, and the United States State Department to use the full weight and power of their offices in imploring Great Britain to once again grant political status to Irish Republican prisoners of war in Ireland and to implore Britain to withdraw all British troops from the streets of northeast Ireland and further to request the British Government to declare an intent to withdraw all military personnel from occupied Ireland; and be it further

"Resolved, That a copy of these resolutions be transmitted forthwith by the clerk of the House of Representatives to the President of the United States, the United States State Department, the Presiding Officer of each Branch of the Congress and to each Member thereof from the commonwealth."

POM-499. A resolution adopted by the National Council of Knights of Peter Claver relating to South Africa; to the Committee on Foreign Relations.

POM-500. A resolution adopted by the General Court of the Commonwealth of Massachusetts; to the Committee on Foreign Relations.

"RESOLUTIONS BESEECHING THE GOVERNMENT OF THE SOVIET UNION TO REFRAIN FROM FURTHER HINDERING THE ATTEMPTS OF IDA NUDEL AND OTHER JEWISH "REFUSENIKS" FROM EMIGRATING TO ISRAEL

"Whereas, Ida Nudel, a Jewish citizen of the Soviet Union has attempted to emigrate to Israel for the past 15 years and has been repeatedly suppressed; and

"Whereas, Ms. Nudel has been singled out by Soviet authorities and she has consistently received more severe and hostile punishments from the Soviet Union than others who have taken part in the same activities that she has engaged in; and

"Whereas, she has suffered through 4 harsh years in Siberia and upon her release was displaced 3,000 kilometers from the home she purchased in Moscow; and

"Whereas, she has, recently become seriously ill, suffering from stomach and heart ailments, and has repeatedly been denied medical treatment by the Soviet Union; and

"Whereas, she has only 1 living relative, a sister who emigrated to Israel in 1972, and she would like to spend the remainder of her life with her sister: Therefore be it

"Resolved, That the Massachusetts House of Representatives urges the Government of the Union of Soviet Socialist Republics to allow Ida Nudel and other Jewish refuseniks to emigrate to Israel; and be it further

"Resolved, That copies of these resolutions be forwarded by the clerk of the House of Representatives to the President, Vice President, Secretary of State, the Speaker of the House of Representatives, to each Senator and Representative from the Commonwealth of Massachusetts in the Congress of the United States, to the Ambassador to the United States from the Union of Soviet Socialist Republics, and to the General Counsel of the Union of Soviet Socialist Republics headquartered in San Francisco, CA."

POM-501. A joint resolution adopted by the Legislature of the State of California; to the Committee on Foreign Relations.

"ASSEMBLY JOINT RESOLUTION No. 46

"Whereas, It has come to the attention of the Legislature of the State of California that the Union of Soviet Socialist Republics has denied permission to emigrate to Leonid Bialy and Judit Ratner, Benjamin Bogomolny, Dr. Victor Brailovsky, Ilya Essas, Grigory and Isai Goldshtein, Dr. Aleksandr and Rosa Ioffe, Gennady and Natalia Khassin, Yuli Kosharovsky, Prof. Alexander Lerner, Arkady and Helena Mai, Gregory and Natalia Rozenshtein, Elizaveta and Lev Shapiro, and Alexsandr Yampolsky, who are all Jewish citizens of the Soviet Union; and

"Whereas, Leonid Bialy and Judit Ratner and their two sons applied for an exit visa in 1977, but they were denied permission to emigrate because they allegedly possessed "secrets"; Judit has never had access to classified information, and Leonid, an electronics engineer, has had no such access for more than seven years; and

"Whereas, Benjamin Bogomolny originally applied for permission to emigrate to Israel in 1966, and he has been waiting for that permission ever since; and

"Whereas, Dr. Victor Brailovsky applied for permission to emigrate in 1973 and has been under constant KGB surveillance since then; in 1980, he was arrested, charged with 'anti-Soviet agitation', and subsequently served seven months in prison and over three years in internal exile; and

"Whereas, Ilya Essas is the son of a couple who waited 20 years to receive permission to emigrate, and he has waited 11 years for permission to join his parents in Israel; when he attempted to organize an event commemorating the Holocaust, he was threatened with arrest and the irrevocable rejection of his emigration application, and the event was canceled; and

"Whereas, Although little is known about Semyon Frumkin, recent documents from the Soviet Union indicate that he is one of the leaders of the Jewish emigration movement; and

"Whereas, Grigory and Isia Goldshtein, who are brothers, applied for permission to emigrate in 1971; their request was denied because of their alleged knowledge of 'technical secrets' owing to their employment as physicists at a meteorological institute, but they subsequently lost their jobs and were declared 'parasites'; and

"Whereas, Dr. Aleksandr Ioffe is a prominent mathematician who decided to apply for permission to emigrate in 1967 and voluntarily resigned his job at that time to avoid exposure to classified information; nevertheless, the application of Dr. Ioffe and his family was denied on the grounds of 'secrecy', he was further demoted, and the family was told that their case would not be reconsidered until their son reached draft age; and

"Whereas, The applications of Gennady and Natalia Khassin for exit visas have been denied on the pretext that Gennady, a methematician and physicist, and Natalia, a computer programmer, have been privy to 'secrets'—despite the fact that, for several years, neither of them has held a position which would expose them to sensitive material; and

"Whereas, The Khassins have been harassed and threatened by agents of the Soviet government because of their desire to study and teach Hebrew, their applications for permission to leave the Soviet Union, and their attempts to bring their plight to the attention of the responsible authorities and other Soviet citizens; and

"Whereas, Yuli Kosharovsky applied for permission to emigrate in 1971, subsequently lost his job as an electrical engineer, and he has been forced to turn to odd jobs to support his family; his phone has been disconnected, his apartment repeatedly searched, and he has been imprisoned for 15-day periods on trumped-up charges; and

"Whereas, Since 1971, Professor Alexander Lerner and his son have been waiting to emigrate to Israel to join his daughter; Professor Lerner's wife died in 1981 after 10 years of waiting for an exit visa; and

"Whereas, Arkady Mai is an invalid World War II veteran who is in failing health, and he and his family have been repeatedly refused permission to emigrate since 1974; until recently, the Mais had conducted seminars on Jewish culture and history, but Soviet authorities ordered an end to the seminars and even stationed a police officer outside the Mais' home in order to turn away any visitors; and

"Whereas, Ida Nudel is known as the 'Guardian Angel' for her role in supplying political prisoners with warm clothing and other essential goods, and she was recently released after serving a three-year sentence for 'malicious hooliganism'; and

"Whereas, Colonel Lev Ovsicher, a decorated World War II veteran and hero of the battle of Stalingrad, was deprived of his colonel's pension after applying for emigration to Israel and now receives a private's pension; and

"Whereas, Gregory and Natalia Rozenshtein first applied for permission to leave the Soviet Union in 1973; the Rozenshteins, who attempt to maintain an Orthodox household, have been harassed, interrogated, and arrested; and

"Whereas, Lev and Elizaveta Shapiro applied for an exit visa in 1977 and were turned down on grounds of 'secrecy' even though Lev, an electronic engineer, has never worked with any classified material; and

"Whereas, Vladimir Slepak, one of the most prominent leaders in the Jewish emigration movement, was recently released from a labor camp; and

"Whereas, Aleksandr Yampolsky applied for permission to emigrate in 1973; and although he is trained as an electronics engineer, he now works as a janitor to avoid a "parasite" charge; and

"Whereas, The right to travel freely is a fundamental human right, and these Soviet citizens are entitled to fair consideration of their visa applications and freedom from harassment and threats for seeking to exercise that right; now, therefore, be it

"Resolved by the Assembly and Senate of the State of California, jointly, That the Legislature of the State of California urges the government of the Union of Soviet Socialist Republics to allow Leonid Bialy and Judit Ratner, Benjamin Bogomolny, Dr. Victor Brailovsky, Ilya Essas, Semyon Frumkin, Grigory and Isai Goldshtein, Dr. Aleksandr and Rosa Ioffe, Gennady and Natalia Khassin, Yuli Kosharovsky, Prof. Alexander Lerner, Arkady and Helena Mai, Ida Nudel, Lev Ovsicher, Gregory and Natalia Rozenshtein, Elizaveta and Lev Shapiro, Vladimir Slepak, and Aleksandr Yampolsky to emigrate to Israel; and be it further

"Resolved, That the Legislature urges the President of the United States and other federal officials to use all appropriate diplomatic channels to attempt to persuade Soviet authorities to allow the emigration of the Soviet citizens named herein; and be it further

"Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President, Vice President, and Secretary of State of the United States, the Speaker of the House of Representatives, to each Senator and Representative from California in the Congress of the United States, to the Ambassador to the United States from the Union of Soviet Socialist Republics, and to the Consul General of the Union of Soviet Socialist Republics headquartered in San Francisco."

POM-502. A joint resolution adopted by the Legislature of the State of California; to the Committee on Foreign Relations.

"ASSEMBLY JOINT RESOLUTION No. 32

"Whereas, The right to free speech and the right to organize are cherished principles of democracy; and

"Whereas, Under the system of apartheid, the basic rights to every human being that democracy proclaims are suppressed with brute force and racist conviction; and

"Whereas, Political leaders demanding justice and freedom from apartheid have been banned, imprisoned, or in the case of Steven Biko, killed; and

"Whereas, Since 1962, Nelson Mandela has been imprisoned, spending over 20 years in the notorious Robben Island Prison, allowed only a half an hour visit each month, through a Perspex screen with his wife Winnie Mandela; and

"Whereas, Over half a million signatures from 35 countries were presented to the United Nations Secretary-General calling for the immediate and unconditional release of Nelson Mandela; and

"Whereas, Despite the brutal hostility of his imprisonment, Nelson Mandela has maintained a spirit of dignity and humanity, issuing a statement of purpose which reads 'During my lifetime I have dedicated myself to the struggle of the African people. I have fought against white domination, and I have fought against Black domination. I have cherished the ideal of a democratic and free society in which all persons live together in harmony and with equal opportunities. It is an ideal which I hope to live for and achieve. But if need be, it is an ideal for which I am prepared to die.'; and

"Whereas, No real and meaningful political solution can occur without the participation of black political leadership as embodied by Nelson Mandela; now, therefore, be it

"Resolved by the Assembly and Senate of the State of California jointly, That the Legislature of the State of California respectfully memorializes the President and Congress of the United States to call for the immediate and unconditional release of Nelson Mandela and all other political prisoners in the Republic of South Africa and full amnesty for all South African political exiles; and be it further

"Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

POM-503. A joint resolution adopted by the Legislature of the State of California; to the Committee on Governmental Affairs.

"Whereas, Large numbers of registered Californians are highly mobile and are changing residence frequently; and

"Whereas, These changes in residency require some affirmative act by the voter or election official to continue the voter registration of registered voters at the new address; and

"Whereas, Voters, who have recently moved attach a low priority to reregistering to vote; now, therefore, be it

"Resolved by the Assembly and Senate of the State of California, jointly, That the Legislature of the State of California respectfully memoralizes the Congress of the United States to enact legislation requiring the United States Postal Service to transmit a copy of a change of address order to elections officials in order to continue a voter's registration at his or her new residence; and be it further

"Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the

United States, and to the Postmaster General."

POM-504. A resolution adopted by the General Court of the Commonwealth of Massachusetts; to the Committee on Labor and Human Resources.

"RESOLUTIONS MEMORIALIZING THE CONGRESS TO ENACT LEGISLATION TO PERMIT THE RESPECTIVE STATES TO REGULATE EMPLOYEE BENEFIT PLANS

"Whereas, The Commonwealth of Massachusetts has acted to promote the health and welfare of the people of the State by providing strong insurance equality laws; and

"Whereas, The State has passed into law freedom-of-choice statutes enabling our citizens to have the opportunity to select the health care provider of their choice; and

"Whereas, The health and welfare of our citizens are being jeopardized by the Federal Employee Retirement Income Security Act [ERISA] by preempting these aforementioned State statutes thus allowing no protection to our citizens: Now therefore be it

"*Resolved*, That the Massachusetts General Court hereby request the Congress to enact legislation amending the Employees Retirement Income Security Act [ERISA] to permit the respective States to regulate employee health benefit plans in order to assure that beneficiaries of such plans have the right to receive health care from the providers of their choice pursuant to State law, to prevent plans from discriminating against legally qualified health care providers and to assure the solvency of such plans; and be it further

"*Resolved*, That copies of these resolutions be transmitted forthwith sent by the clerk of the house of representatives to the President of the United States, the Presiding Officer of each branch of Congress and to the Members thereof from this Commonwealth."

POM-505. A resolution adopted by the Montague County Commissioner's Court of Montague Texas relating to the Federal wage and hour law; to the Committee on Labor and Human Resources.

POM-506. A resolution adopted by the Council of the City of Eureka, California urging Congress to retain the deductibility of State and local taxes in any revision of Federal income tax law which is enacted; to the Committee on Finance.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. THURMOND, from the committee on the Judiciary, with an amendment:

S.J. Res. 2: Joint resolution proposing an amendment to the Constitution of the United States relating to voluntary silent prayer or reflection (with additional and minority views) (Rept. No. 99-165).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. HATCH, from the Committee on Labor and Human Resources:

C. Everett Koop, of Pennsylvania, to be Surgeon General of the Public Health Service for a term of 4 years.

(The above nomination was reported from the Committee on Labor and Human Resources with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. HART (for himself, Mr. NUNN, and Mr. INOUYE):

S. 1797. A bill to call for a multilateral conference, under the auspices of the International Monetary Fund, to seek a new international monetary regime within a flexible exchange rate structure; to assist the development of the private sectors of Less Developed Countries and increase demand for United States exports; to strengthen the General Agreement on Tariffs and Trade and reform United States trade laws; to assist American industries in improving their competitive posture in international markets; and to provide transition assistance to workers and firms in response to changing global economic conditions; to the Committee on Finance.

By Mr. BRADLEY (for himself, Mr. ROTH, Mr. DODD, and Mr. WEICKER):

S. 1798. A bill to grant the consent of the Senate to the Northeast Interstate Low-Level Radioactive Waste Management Compact; to the Committee on the Judiciary.

By Mr. DANFORTH (for himself and Mr. BENTSEN):

S. 1799. A bill to amend the Internal Revenue Code of 1954 to exclude from inclusion in personal holding company income computer software royalties received by businesses actively engaged in developing, manufacturing, and producing computer software, and for other purposes; to the Committee on Finance.

By Mr. MATHIAS:

S. 1800. A bill to amend title 5, United States Code, to provide Civil Service retirement credit for certain employees and former employees of nonappropriated fund instrumentalities under the jurisdiction of the Armed Forces, and for other purposes; to the Committee on Governmental Affairs.

By Mr. EAST (for himself, Mr. HELMS, Mr. THURMOND, Mr. HOLLINGS, Mr. HEFLIN, Mr. TRIBLE, Mr. COCHRAN, Mr. PRYOR, Mr. BUMPERS, Mr. WARNER, Mr. SASSER, and Mr. DENTON):

S. 1801. A bill to amend the Trade Act of 1974 to promote expansion of international trade in furniture with Canada, and for other purposes; to the Committee on Finance.

By Mr. BENTSEN:

S. 1802. A bill to establish an acreage base and program yield system for wheat, feed grain, upland cotton, and rice programs; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. PACKWOOD:

S. 1803. A bill to designate certain lands in and near the Hells Canyon National Recreation Area as additions to the Hells Canyon Wilderness, Oregon, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. HATCH (for himself, Mr. ABDNOR, and Mr. INOUYE):

S. 1804. A bill to provide for Federal incentive grants to encourage State health care professional liability reform; to the Committee on Labor and Human Resources.

By Mr. TRIBLE:

S. 1805. A bill to amend title 5, United States Code, to increase the opportunity to provide a survivor annuity under subchapter III of chapter 83 of such title; and to improve retirement counseling for Federal Government employees; to the Committee on Governmental Affairs.

By Mr. BOREN (for himself, Mr. GOLDWATER, Mr. HART, Mr. LEVIN, Mrs. KASSEBAUM, and Mr. RUDMAN):

S. 1806. A bill to amend the Federal Election Campaign Act of 1971 to change certain contribution limits for congressional elections and to amend the Communications Act of 1934 regarding the broadcasting of certain material regarding candidates for Federal elective office, and for other purposes; to the Committee on Rules and Administration.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HART (for himself, Mr. NUNN, and Mr. INOUYE):

S. 1797. A bill to call for a multilateral conference, under the auspices of the International Monetary Fund, to seek a new international monetary regime within a flexible exchange rate structure; to assist the development of the private sectors of less developed countries and increase demand for U.S. exports; to strengthen the General Agreement on Tariffs and Trade and reform U.S. trade laws; to assist American industries in improving their competitive posture in international markets; and to provide transition assistance to workers and firms in response to changing global economic conditions; to the Committee on Finance.

COMPETITIVE AMERICA TRADE REFORM ACT

● Mr. HART. Mr. President, a few weeks ago, I described the outlines of a bill to attack the causes of America's trade crisis and build America's competitiveness in world markets. Today I am introducing that legislation: The Competitive America Trade Reform Act of 1985.

When I first described the outlines of this legislation in September, the debate over trade was polarized between two old and discredited positions.

On one side was the laissez-faire dogmatism of the administration and its consistent refusal to remedy our record trade deficits or assist America's millions of trade-displaced workers.

On the other side were well-meaning legislators from both parties who recognized the need for action, but recommended protectionist quotas, tariffs, and import barriers that would renew inflation, reduce our prosperity, and invite foreign retaliation, while

doing nothing about the root causes of the trade crisis.

Both of these old approaches to trade were irrelevant to the current crisis back in September, and they remain irrelevant now. Any successful attack against the trade deficit must include reduction of our overvalued dollar, modernization of American industries, broader and stronger international trade rules, a strategy to boost demand for American products in developing nations, and programs to help American workers adjust to changes in the global economy.

A month later, much has happened but little has changed.

The administration has finally adopted a trade policy—but it is a policy of minimalism. It has decided to take the least action possible to deflect substantive criticism and regain political support.

Their minimalist policy has three pieces. The administration launched a 1-day effort at intervention in world currency markets. The President announced he would invoke his existing authority in four trade cases. And the Treasury Secretary proposed $20 billion in new private lending to nations whose foreign debt burden has prevented them from consuming American goods.

All these are welcome steps. But taken together they constitute an insufficient response to a crisis of historic proportion. The administration has failed to unveil any comprehensive strategy that would offer real hope of lasting trade competitiveness for our Nation.

Many protectionists have also tried to alter their tone without changing their tune. Some have privately admitted that massive import tariffs might send good signals at the cost of bad policy. Others have acknowledged that unfair foreign practices are only one trade obstacle among many—they have recognized that protectionism will not reduce the value of our dollar, regain our lost markets, or modernize our aging factories.

In short, the need for a comprehensive, constructive, future-oriented trade bill remains as acute as when I first outlined this legislation several weeks ago. I am now introducing my legislation with the hope that it will offer a third alternative to those who would do nothing or those who would settle for anything.

What is most important is that we directly address the true causes of our trade crisis in a constructive manner. What is less important is that we adopt the language of any one bill. I offer this legislation hoping that my colleagues will contribute suggestions, improvements, and, yes, even amendments to make the approach I've recommended more effective and more viable.

Mr. President, it has never been in the American character to hide from the challenges of our future. That is why neither the administration's economic indifference nor the protectionists' economic isolationism will suffice. I invite my colleagues to join in designing a better approach—a trade policy that will reduce our trade deficit and boost American competitiveness for decades to come.●

By Mr. BRADLEY (for himself, Mr. ROTH, Mr. BIDEN, Mr. DODD, and Mr. WEICKER):

S. 1798. A bill to grant the consent of the Senate of the Northeast Interstate Low-Level Radioactive Waste Management Compact; to the Committee on the Judiciary.

CONSENT OF THE SENATE TO THE NORTHEAST INTERSTATE LOW-LEVEL RADIOACTIVE WASTE MANAGEMENT COMPACT

Mr. BRADLEY. Mr. President, it is with great pleasure that I send the following bill to the desk on behalf of myself and the distinguished Senators from Delaware and Connecticut. The purpose of the legislation is to allow the formation of a Northeast Interstate Low-Level Radioactive Waste Management Compact.

Mr. President, South Carolina, Washington, and Nevada contain the only active disposal sites for civilian low-level radioactive wastes. The wastes include rags, paper, protective clothing, and other trash from industry; radiopharmaceuticals and lab equipment from hospitals; and used filters and reactor parts with relatively low levels of radioactivity. These operations mostly escaped public attention until 1979, when the Governors of Washington and Nevada temporarily shut down the sites in their States. About the same time, the Barnwell, SC, disposal area began to limit the amount and type of waste it would accept. Hospitals, medical research facilities, universities, and industries were severely affected by the shutdowns. These institutions have the physical ability and legal authority to store only small amounts of radioactive waste and would have to halt all work in nuclear medicine and nuclear related research and industry. The crisis eased when the Western States were persuaded to reopen their disposal sites. But those States have served notice that they will not continue to be the country's dumping grounds indefinitely.

In response Congress passed the Low-Level Radioactive Waste Policy Act of 1980. This legislation made each State responsible for providing for the disposal of low-level waste generated within its borders. The act was designed to encourage States to form regional compacts that would cooperatively plan and operate low-level waste disposal sites, thereby more equitably allocating the economic and political costs now borne alone by the States of Nevada, Washington, and South Carolina.

Mr. President, the Northeast compact legislation I am introducing today establishes an organization and describes procedures under which New Jersey, Connecticut, Maryland, and Delaware can develop new disposal capacity for low-level radioactive waste generated within the region. The compact has been ratified in identical form by the four State legislatures. It is crucial that we begin to work together to solve our low-level radioactive waste problem. Passage of the Northeast compact is an important first step in establishing a cooperative regional low-level waste disposal site. It is imperative that we act quickly so that the low-level waste can be safely disposed of in the future thereby assuming the health and safety of the citizens of our States.

Mr. WEICKER. Mr. President, I am pleased to cosponsor the Northeast Interstate Low-Level Radioactive Waste Management Compact bill. The need to adequately dispose of low-level radioactive wastes is apparent and the compact being introduced today is a significant step toward addressing this issue.

The legislatures of Connecticut, New Jersey, Maryland, and Delaware have ratified the compact and now congressional action is needed to allow these States to meet the goals set out in the Low-Level Radioactive Waste Policy Act of 1980. Presently, only three States, South Carolina, Nevada, and Washington host active waste sites. These States have put the Nation on notice that the costs of dealing with these wastes must be shared throughout the country. The member States of this compact have demonstrated their willingness to face the issue and I am committed along with Senators BRADLEY, DODD, BIDEN, ROTH, and MOYNIHAN to aid these States and the entire Nation in resolving the waste disposal problem.

By Mr. DANFORTH (for himself and Mr. BENTSEN):

S. 1799. A bill to amend the Internal Revenue Code of 1954 to exclude from inclusion in personal holding company income computer software royalties received by businesses actively engaged in developing, manufacturing, and producing computer software, and for other purposes; to the Committee on Finance.

COMPUTER SOFTWARE ROYALTIES

● Mr. DANFORTH. Mr. President, I am pleased to join with Senator BENTSEN in introducing a bill to modify the personal holding company provisions of the Internal Revenue Code. The bill would rectify the unintended application of the personal holding company tax to corporations actively engaged in

the production, manufacture, or development of computer software.

The Internal Revenue Code imposes a 50-percent excise tax on the personal holding company income of every personal holding company. For these purposes, a corporation is a personal holding company if 50 percent of its stock is owned by five or fewer persons and at least 60 percent of its income is personal holding company income. Generally speaking, personal holding company income is passive income such as dividends, interest, royalties, annuities, and rents.

The personal holding company provisions of the code were enacted during a time when the maximum tax rate on individuals was substantially greater than the maximum tax rate on corporations. These provisions were designed to discourage taxpayers from transferring passive investments to controlled corporations in order to reduce their Federal taxes on the income generated by such investments. The personal holding company rules are specifically not intended to apply to corporations which earn a substantial portion of their gross income from the conduct of a trade or b· iness.

Under certain circumstances, however, the personal holding company tax might be imposed on corporations actively carrying on the trade or business of developing, manufacturing, or producing computer software. The reason for this is quite simple. The computer software industry does not sell its products; instead, it transfers computer software by means of licenses which allow purchasers to use, but not own, the software. The Internal Revenue Service has taken the position that the income generated from licensing computer software constitutes royalty income. As a result, if 50 percent of the stock of a computer software company is owned by five or fewer individuals, the computer software company may be considered a personal holding company and subject to a 50-percent excise tax in addition to the regular corporate income tax it must pay.

Computer software companies actively developing, producing, and manufacturing computer software should not be subject to the personal holding company tax merely because the income earned from transferring use of computer software is characterized as royalty income. Our bill solves this problem by providing that royalty income earned by a company from licensing computer software that is developed, manufactured, produced or, in limited circumstances, distributed by the corporation shall not be treated as personal holding company income.

I believe the proposed legislation is appropriate relief to a pressing problem currently faced by many closely held computer software companies. Our bill creates an exception to the definition of personal holding company income which follows the pattern and approach of several other exceptions already in the Internal Revenue Code. This approach is fair and reasonable, and I hope that the bill will prove to be noncontroversial.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1799

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. COMPUTER SOFTWARE ROYALTIES DERIVED BY ACTIVE BUSINESSES EXCLUDED FROM PERSONAL HOLDING COMPANY INCOME.

(a) IN GENERAL.—Paragraph (1) of section 543(a) of the Internal Revenue Code of 1954 (defining personal holding company income) is amended—

(1) by striking out "and" at the end of subparagraph (A),

(2) by striking out the period at the end of subparagraph (B) and inserting in lieu thereof ", and", and

(3) by adding at the end thereof the following new subparagraph:

"(C) active business computer software royalties (within the meaning of subsection (d)).".

(b) ACTIVE BUSINESS COMPUTER SOFTWARE ROYALTIES DEFINED.—Section 543 of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following new subsection:

"(d) ACTIVE BUSINESS COMPUTER SOFTWARE ROYALTIES.—

"(1) IN GENERAL.—For purposes of this section, the term 'active business computer software royalties' means any royalties—

"(A) received by any corporation during the taxable year in connection with the licensing of computer software, and

"(B) with respect to which the requirements of paragraphs (2), (3), and (4) are met.

"(2) ROYALTIES MUST BE RECEIVED BY CORPORATION ACTIVELY ENGAGED IN COMPUTER SOFTWARE BUSINESS.—The requirements of this paragraph are met if the royalties described in paragraph (1)—

"(A) are received by a corporation engaged in the active conduct of the trade or business of developing, manufacturing, or producing computer software, and

"(B) are attributable to computer software which—

"(i) is developed, manufactured, or produced by such corporation (or its predecessor) in connection with the trade or business described in subparagraph (A), or

"(ii) is directly related to such trade or business.

"(3) DEDUCTIONS UNDER SECTIONS 162 AND 174 RELATING TO ROYALTIES MUST EQUAL OR EXCEED 25 PERCENT OF ORDINARY GROSS INCOME.—

"(A) IN GENERAL.—The requirements of this paragraph are met if—

"(i) the sum of the deductions allowable to the corporation under sections 162 and 174 for the taxable year which are properly allocable to the trade or business described in paragraph (2) equals or exceeds 25 percent of the ordinary gross income of such corporation for such taxable year, or

"(ii) the average of such deductions for the 5-taxable year period ending with such taxable year equals or exceeds 25 percent of the average ordinary gross income of such corporation for such period.

If a corporation has not been in existence during the 5-taxable year period described in clause (ii), then the period of existence of such corporation shall be substituted for such 5-taxable year period.

"(B) DEDUCTION ALLOWABLE UNDER SECTION 162.—For purposes of subparagraph (A)—

"(i) IN GENERAL.—Except as provided in clause (ii), a deduction shall not be treated as allowable under section 162 if it is specifically allowable under another section.

"(ii) SPECIAL RULE FOR START-UP EXPENDITURES.—Clause (i) shall not apply to any deduction which would be allowable under section 162 if section 195 were not applicable, and such deduction shall be treated as allowable under section 162.

"(C) LIMITATION ON ALLOWABLE DEDUCTIONS.—For purposes of subparagraph (A), no deduction shall be taken into account with respect to compensation for personal services rendered by the fewest number of individual shareholders among those described in section 542(a)(2) whose combined ownership interest exceeds 50 percent in value of the outstanding stock of the corporation. For purposes of the preceding sentence, stock deemed to be owned by a shareholder solely by attribution from a partner under section 544(a)(2) shall be disregarded.

"(4) DIVIDENDS MUST EQUAL OR EXCEED EXCESS OF PERSONAL HOLDING COMPANY INCOME OVER 10 PERCENT OF ORDINARY GROSS INCOME.—

"(A) IN GENERAL.—The requirements of this paragraph are met if the sum of—

"(i) the dividends paid during the taxable year (determined under section 562),

"(ii) the dividends considered as paid on the last day of the taxable year under section 563(c) (as limited by the second sentence of section 563(b)), and

"(iii) the consent dividends for the taxable year (determined under section 565),

equals or exceeds the amount, if any, by which the personal holding company income for the taxable year exceeds 10 percent of the ordinary gross income of such corporation for such taxable year.

"(B) COMPUTATION OF PERSONAL HOLDING COMPANY INCOME.—For purposes of this paragraph, personal holding company income shall be computed—

"(i) without regard to amounts described in subsection (a)(1)(C),

"(ii) without regard to interest income during any taxable year in which such corporation is subject to the provisions of section 195 and otherwise meets the requirements of paragraphs (2) and (3),

"(iii) without regard to dividends from any corporation in which the taxpayer owns at least 50 percent of all classes of stock entitled to vote and at least 50 percent of the total value of all classes of stock and which meets the requirements of paragraphs (2) and (3), and

"(iv) by including adjusted income from rents and adjusted income from mineral, oil, and gas royalties (within the meaning of paragraphs (2) and (3) of subsection (a)).

"(5) SPECIAL RULES FOR AFFILIATED GROUP MEMBERS.—

"(A) IN GENERAL.—In any case in which—

"(i) the taxpayer receives royalties in connection with the licensing of computer software, and

"(ii) another corporation which is a member of the same affiliated group as the taxpayer meets the requirements of paragraphs (2) and (3) with respect to such computer software, the taxpayer shall be treated as having met such requirements.

"(B) AFFILIATED GROUP.—For purposes of this paragraph, the term 'affiliated group' has the meaning given such term by section 1504(a) without regard to section 1504(b)(3).".

(c) FOREIGN PERSONAL HOLDING COMPANY INCOME.—Paragraph (1) of section 553(a) of the Internal Revenue Code of 1954 (defining foreign personal holding company income) is amended by inserting "(other than active business computer software royalties as defined in section 543(d))," after "royalties".

(d) CONFORMING AMENDMENTS.—

(1) Section 543(a)(4) of the Internal Revenue Code of 1954 (relating to copyright royalties) is amended by adding at the end thereof the following new sentence: "This paragraph shall not apply to active business computer software royalties.".

(2) Section 543(b)(3) of such Code (relating to adjusted income from rents) is amended—

(A) by striking out "or" at the end of subparagraph (C),

(B) by striking out the period at the end of subparagraph (D) and inserting in lieu thereof ", or", and

(C) by adding at the end thereof the following new subparagraph:

(E) active business computer software royalties (as defined in subsection (d)).".

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to royalties received in taxable years ending after the date of enactment of this Act.●

● Mr. BENTSEN. Mr. President, I am pleased to join with my distinguished Finance Committee colleague from Missouri in introducing this bill. A similar bill has been introduced in the House by Representatives STARK and GREGG. Our bill seeks to correct an unintended problem caused by the personal holding company provisions of the Internal Revenue Code.

The personal holding company provisions were enacted to prevent individuals from forming "incorporated pocketbooks." An incorporated pocketbook refers to a corporation organized by an individual to hold passive investments and to earn passive investment income. Such an arrangement is attractive to investors because the corporate income tax rates are lower than the individual tax rates (and, prior to 1981, were substantially lower). The personal holding company provisions are designed to preclude these arrangements. The provisions impose a penalty tax on passive investment income earned by a closely held corporation, unless the income is distributed to the shareholders.

Although the personal holding company provisions serve a worthwhile purpose, Mr. President, it has come to our attention that they can have unintended adverse effects on certain businesses—specifically, computer software companies. The problem arises when a software company develops software and sells it to a customer. Although such a transaction resembles an ordinary sale in most respects, The Internal Revenue Service takes the position that, technically, the transaction is a license and the price paid is a royalty. This means that the revenues received by a software company may be considered passive investment income and may be subject to the personal holding company tax. That is clearly a result nobody intended.

The purpose of the bill we introduce today is merely to correct this result. The bill provides that if a company is actively engaged in the business of developing software, the personal holding company tax will not apply to the income derived from the software. This merely puts software businesses on the same footing as all other businesses. The bill is narrowly drawn; it would not apply to a company that merely was in the business of buying software produced by other companies and licensing that software to customers; such a company could be a true incorporated pocketbook.

Mr. President, I believe this bill is a fair solution to the problem, and I think the bill should be noncontroversial. I join with Senator DANFORTH in urging the Senate to enact the bill promptly.●

By Mr. MATHIAS:

S. 1800. A bill to amend title 5, United States Code, to provide Civil Service retirement credit for certain employees and former employees of nonappropriated fund instrumentalities under the jurisdiction of the Armed Forces, and for other purposes; to the Committee on Government Affairs.

NONAPPROPRIATED FUND INSTRUMENTALITIES CIVIL SERVICE RETIREMENT CREDIT ACT OF 1985

● Mr. MATHIAS. Mr. President, 2 years ago I introduced a bill designed to help a hardworking group of men and women who have, in effect, been deceived by their Government. Today, I reintroduce this legislation to push for a solution to the problem these men and women are facing.

In the decade following World War II, a dedicated group of young Americans made a commitment to helping their nation by joining the special services branch of the Armed Forces. They were a team of Government employees working to "enhance the morale, welfare and recreation of active and retired military and Coast Guard personnel and their dependents." These people, primarily women, took advantage of a rewarding, long-term career opportunity, maintaining libraries, recreation centers and sports programs which improved the quality of life of U.S. forces at home and overseas.

The literature which encouraged these workers to consider special services positions advised them to submit Federal employment forms to the U.S. Civil Service Commission, and led them to believe that they were joining the civil service. And, as members of the civil service, they had no reason to think that they would not be entitled to the benefits enjoyed by other Federal workers.

However, in 1952, the Congress enacted a law which exempted special services employees from civil service laws, including retirement, disability and death compensation provisions. This change came in response to a Department of defense request to exempt from the civil service short-term employees involved in commercial work and paid by nonappropriated funds. The exemption that was enacted included all positions "conducted for the comfort, pleasure, contentment, and mental and physical improvement of personnel of the Armed Forces."

It is clear from the legislative history of the 1952 statute that it was designed to cover short-term employees who were involved in commercial work. Presumably, these commercial operations would have been hindered by the employees' inclusion under civil service laws, counteracting the inherently short term and uncomplicated nature of the work.

One side effect of the statute, however, was the exclusion from civil service of the long-term career employees of the special services. In retrospect, it is easy to see how this inadvertent exclusion was made. First, there was little job distinction between the long- and short-term workers. In addition, special services employees were paid either with appropriated funds or, like their short-term counterparts, with nonappropriated funds. The source of their pay depended entirely on the source of money available at any particular time.

As a consequence, special services employees who are now close to retiring from the Federal Government have found that they are unable to credit those years with special services toward their civil service retirement. The bill I introduce today will allow them to try to qualify for this credit. Briefly, Federal employees or retirees who believe themselves eligible for the retirement credit will be able to apply to the Secretary of their military department (or his designee). The Secretary/designee is authorized to establish guidelines for the submission of information to prove eligibility, and once the Secretary/designee determines that an applicant is eligible, the Office of Personnel Management will accept this certification as valid. All eligible applicants will be required to make a redeposit plus interest to the civil service retirement and disability fund for their uncredited time. In addition, the nonappropriated fund instrumentality [NAFI] by which the

applicant was employed will be required to make a matching deposit.

I have tried to balance the natural concerns of OPM about the integrity of the civil service retirement fund by requiring redeposits not only from eligible applicants, but also from their employing agency. As for NAFI's, the bill gives them considerable control over the application process so that they will be able to weed out unwarranted or fraudulent claims. My bill represents a fair solution to the problem, and I urge my colleagues to join me in my efforts to correct it.

Mr. President, I ask unanimous consent that the text of my bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1800

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Nonappropriated Fund Instrumentalities Employees' Civil Service Retirement Credit Act of 1985".

SEC. 2. (a) Section 2105(c)(1) of title 5, United States Code, is amended by inserting ", subchapter III of chapter 83 to the extent provided in section 8332(b)(15)," after "chapter 53".

(b) Section 8332(b) of such title is amended—

(1) by striking out "and" at the end of paragraph (12);

(2) by striking out the period at the end of the first paragraph (13) and inserting in lieu thereof a semicolon;

(3) by redesignating the second paragraph (13) as paragraph (14) and striking out the period at the end of that paragraph and inserting in lieu thereof "; and";

(4) by adding after paragraph (14), as so redesignated, the following new paragraph:

"(15) service performed after June 18, 1952, as an employee described in section 2105(c) of this title if such service involved conducting an arts and crafts, drama, music, library, service club, youth activities, sports, or recreation program (including any outdoor recreation program) for personnel of the armed forces; but credit shall be allowed for such service only to the extent that such service is not taken into account in computing benefits under a retirement system for employees of the nonappropriated fund instrumentality.";

(5) by striking out "(13)" in the third sentence and inserting in lieu thereof "(14)"; and

(6) by adding at the end thereof the following: The Office of Personnel Management shall accept, for the purposes of this subchapter, the certification of the Secretary of a military department named in section 102 of this title or his designee concerning service of the type described in paragraph (15) of this subsection which was performed for a nonappropriated fund instrumentality under the jurisdiction of such Secretary. This certification may be based on evidence which is furnished by the person claiming credit for such service for the pruposes of this subchapter and is considered sufficient by such Secretary or designee.".

(c) Section 8334 of such title is amended by adding at the end thereof the following new subsection:

"(k) Each nonappropriated fund instrumentality of the United States referred to or described in section 2105(c) of this title that employed an individual who receives credit under this subchapter for service described in section 8332(b)(15) of this title shall pay to the Fund an amount equal to the amount that would have been deducted from the pay of the individual if such service had been covered under this subchapter when such service was performed, plus interest computed in the same manner as is prescribed in subsection (e) of this section. The nonappropriated fund instrumentality shall furnish the Office such information as the Office determines is necessary to administer this subsection and section 8332(b)(15) of this title, and shall make the payment required by the first sentence of this subsection upon receiving from the Office a notificator of the amount due. Such payment may not be considered a deposit by the individual under subsection (c) of this section for any purpose, including for the purpose of section 8339(i) of this title as in effect before, on, or after September 8, 1982.".

SEC. 3. (a) The amendments made by section 2 of this Act shall apply to—

(1) any individual who retires under subchapter III of chapter 83 of title 5, United States Code, on or after the date of enactment of this Act or who is entitled to a deferred annuity under such subchapter commencing on or after such date; and

(2) any individual who, on the date of enactment of this Act, is entitled to an annuity under subchapter III of chapter 83 of title 5, United States Code, and who, in accordance with regulations prescribed by the Office, applies with regulations prescribed by the Office, applies to the Office within two years after such date for a redetermination of the amount of his or her annuity on the basis of such amendments.

(b) A redetermination of the amount of an annuity under subsection (a)(2) upon receipt of an application as provided in such subsection shall take effect with respect to payments of such annuity made on or after the first day of the second month commencing after such application is received by the office.●

By Mr. EAST (for himself, Mr. HELMS, Mr. THURMOND, Mr. HOLLINGS, Mr. HEFLIN, Mr. TRIBLE, Mr. COCHRAN, Mr. PRYOR, Mr. BUMPERS, Mr. WARNER, Mr. SASSER, and Mr. DENTON):

S. 1801. A bill to amend the Trade Act of 1974 to promote expansion of international trade in furniture with Canada, and for other purposes; to the Committee on Finance.

FAIR FURNITURE ACT

● Mr. EAST. Mr. President, I am pleased to introduce today S. 1801, the Fair Furniture Trade Act of 1985. I am convinced that it will place furniture trade between the United States and Canada on a more equitable basis. Joining with me as cosponsors are my distinguished colleagues Senators HELMS, BUMPERS, PRYOR, THURMOND, HOLLINGS, TRIBLE, WARNER, COCHRAN, HEFLIN, SASSER, and DENTON.

The American furniture industry has faced unusually severe foreign competition in recent years. Imports of wood and upholstered furniture increased by 284 percent between 1979 and 1984, from a total of $312 million to $1.198 billion. Exports of the same items by the United States declined during that period from $312 to $210 million.

Perhaps the most significant factor contributing to our Nation's overall furniture trade deficit is a major tariff disparity between the United States and Canada involving similar furniture products. Nonmetal residential furniture exported by the United States to Canada, for example, faces a 16.3-percent Canadian duty. The same kind of furniture entering the United States from Canada, by comparison, is levied an American duty as low as 3.1 percent.

This large tariff disparity is a major trade barrier that operates effectively to keep American furniture products out of the Canadian market. It gives Canadian furniture manufacturers a decisive and unfair advantage over their American counterparts. This is clearly reflected in U.S. Department of Commerce statistics demonstrating a growth rate of 38 percent for Canadian manufacturers in the American furniture market from 1983 to 1984. In the same period, the level of American exports of furniture to Canada remained almost unchanged.

It should be noted at this point, Mr. President, that the Canadian furniture industry is substantially similar to our own. A comprehensive study issued by the U.S. International Trade Commission in 1984 documents strong similarities between the American and Canadian industries in overall structures and in the areas of capital investment, technological development, and worker compensation.

Let me emphasize that S. 1801 is not an anticompetitive measure. On the contrary, the Fair Furniture Trade Act promotes equitable competition between the Canadian and American furniture industries by moving to end the crippling tariff disparity that I have cited.

If enacted, S. 1801 would foster trade negotiations between Canada and the United States to end the furniture tariff disparity. In the event that an agreement ending the disparity were not reached within 2 years, S. 1801 would set American tariffs on Canadian furniture imports at a level equal to Canadian tariffs on American furniture exports.

Mr. President, as one who is concerned seriously about our Nation's trade deficit, I believe that it is time to act. S. 1801 would do that by allowing American furniture manufacturers to compete on a fair and equitable basis with their Canadian counterparts. I urge expeditious consideration and enactment of this measure by the Senate.●

● Mr. HELMS. Mr. President, I join my distinguished colleague from North Carolina in sponsoring the Fair Furniture Trade Act. The purpose of this legislation is to address a serious inequity that exists in furniture trade between the United States and Canada.

The problem is simple, Mr. President. Wood and upholstered furniture manufactured in the United States and shipped to Canada faces a 16.3-percent duty. In contrast, most Canadian furniture entering the United States faces duties of only 3.1 percent.

This unfair tariff differential contributed to a $250 million furniture trade deficit with Canada in 1984. Canadian furniture imports to the United States have increased 125 percent since 1980.

The overall furniture trade picture is not encouraging. According to the U.S. Department of Commerce, wood and upholstered furniture imports increased 284 percent between 1979 and 1984—from $312 million to $1.198 billion. This trend continues this year, as furniture imports are up 35 percent in the first half of 1985 over the same period in 1984. The rate of growth of wood furniture imports alone is approaching 42 percent.

The influx of imports is the result of many factors. To be sure, the strength of the dollar in international exchanges helps exacerbate the problem all U.S. products face in international competition. Furniture has special problems, however. For example, the United States grants duty-free or low-duty treatment to furniture imports from countries previously in a developing stage, but now with furniture manufacturing technology as advanced as any used in the United States.

United States furniture manufacturers also face inequitable tariff treatment. While this is acceptable from developing countries with infant industries to protect, it is not acceptable from major world economic powers.

The purpose of the legislation we are introducing today is to put furniture trade between the United States and Canada on a reciprocal basis in terms of tariffs. It authorizes negotiations between the United States and Canada seeking a fair trade agreement on furniture with reciprocal tariff rates. If such an agreement is not reached within 2 years of the date of enactment of this legislation, United States tariffs on Canadian furniture imports would be gradually increased until they become equal to the Canadian tariffs on United States furniture imported by Canada.

We do not seek necessarily to raise United States tariffs on Canadian furniture. I would hope that this legislation would produce lower Canadian tariffs on United States furniture. In any event, at no time would United States tariffs ever exceed Canadian tariffs. Anytime Canadian tariffs are reduced, ours would be reduced accordingly.

The purpose of this legislation is clear and simple, Mr. President: fair furniture trade between the United States and Canada. The negotiators will be given a chance to work out the differences, but failing that reciprocal tariffs would be implemented as a matter of law.●

● Mr. PRYOR. Mr. President, I am pleased to join my colleagues from North Carolina and other States in cosponsoring the Fair Furniture Trade Act.

This legislation seeks to remedy a tariff inequity that exists between the United States and Canada on furniture products. Currently, most United States furniture products shipped into Canada pay a 16.3 percent tariff, compared with United States tariffs on similar Canadian products at 3.1 percent. In fact, Canada's tariffs on furniture products are much higher than those of the European Economic Community, which typically fall in the 5.6 to 6.3 percent range. These high-tariff barriers have significantly inhibited United States trade to Canada in furniture products with Canada.

The Fair Furniture Trade Act would require the United States and Canadian Governments to negotiate a free trade agreement on furniture products, a step that the United States manufacturers have been urging for some time now. In previous years, however, the Canadians have refused to entertain such an agreement.

This legislation contains some incentives for the Canadians to come to the table for negotiations. If, over a 2-year period, no free trade agreement on furniture products were negotiated, United States tariffs on Canadian furniture would gradually—in a series of specific steps—increase until they were at the Canadian level.

At no time would they ever exceed the Canadian level, and if Canadian tariffs ever come down, ours would as well. The goal of this bill is free trade on furniture products with Canada, a step that would benefit manufacturers, retailers, and consumers across the country.

The U.S. furniture industry employs over 10,000 individuals in Arkansas directly in furniture manufacturing, not to mention others engaged in furniture supply, furniture retailing, and other related activities.

The Canadian Government has shown an encouraging willingness to negotiate away some of the existing trade barriers between our two countries. I hope that this legislation will convince the Canadians that we are serious about solving this problem, which is so critical for United States jobs.●

● Mr. BUMPERS. Mr. President, I am pleased to join a number of my colleagues in cosponsoring the Fair Furniture Trade Act of 1985. The furniture industry has historically been an important one in Arkansas, in several ways. First, furniture manufacturing plants in the State directly employ over 10,000 persons in the production of wood, metal, and upholstered furniture. Second, both in- and out-of-State furniture manufacturers utilize locally grown hardwood and softwood as raw materials for furniture products. Finally, the people of Arkansas (myself included) support a thriving wholesale and retail community through their purchases of furniture.

This legislation would remedy an increasingly significant problem the furniture industry has with Canada. As of January 1, 1985, nonmetal residential furniture shipped from the United States into Canada is levied a 16.3-percent duty. The bulk of Canadian furniture shipped into the United States is levied duties of 3.1 percent. Therefore, furniture imports are given a clear advantage over exports in the United States. In fact, according to Department of Commerce statistics, imports of furniture from Canada rose 125 percent between 1979 and 1984, while exports from the United States into Canada remained relatively static, rising only slightly in 1984.

In 1984, Canadian wood and upholstered household furniture exports into the United States totaled $343.8 million. This represents a growth of 38 percent from the previous year's total of $249 million. United States furniture exports into Canada totaled $93.4 million for 1984 as compared to $91.1 million in 1983.

These numbers reflect the extent to which the tariff inequity puts competition on a most unfair and uneven basis. Competition is an essential element of the furniture business. This industry is not, nor has it ever been, dominated by a few large companies. Instead it is an extraordinarily competitive industry comprised of 4,500 plants, the vast majority of which employ fewer than 100 workers. No individual company holds more than 4 percent of total sales, and profit margins are slim (since 1978, after-tax profits have averaged below 3 percent).

Last year the International Trade Commission completed a study, entitled, Competitive Assessment of the U.S. Wood and Upholstered Household Furniture Industry. This study offered a most comprehensive and well-documented overview of the industry's current domestic and international trade position.

The competitive assessment pointed out that the United States and Canada are major furniture trading partners. Unlike many other furniture exporting countries, Canada does offer a viable export market for United States

furniture. In fact, Canada is the leading exporter of furniture into the United States and the second highest importer of United States furniture.

Furthermore, the Canadian furniture industry is very similar to the United States industry in structure, wages, level of technology and access to capital. Much like the United States, worker health and safety and pollution control are deemed essential in Canada, and thus regulated by government. The ITC study of the furniture industry documented the similarities between the United States and Canadian industries in the description of "Major Foreign Competitors," (Competitive Assessment of the Wood and Upholstered Household Furniture Industry, U.S. International Trade Commission, publication 1543, pp. 21-11).

In view of these similarities between our countries and the extent of furniture trade between the United States and Canada I view the current duty differential as unnecessary and disruptive. Canadian furniture in many cases offers serious competition to United States manufactures. The same is true of United States furniture in Canada. But, given a sound basis for that competition, neither country's furniture industry should be threatened by a removal of all duties. Further, it is obvious that consumers in both countries would be well served by a reduction in duties and resulting reduction in furniture prices. This free trade initiative has the support of the furniture retailing community.

U.S. furniture manufactureres have enjoyed no special protection under current conditions. Canadian manufacturers, on the other hand, have been shielded from United States exports by a high duty rate as well as favorable exchange rates eliminating any price advantage of United States produced furniture. (Competitive Assessment, U.S. ITC, page 8.) Further, many Canadian manufacturers have the advantage of actually being closer to the major United States population centers than many major United States manufacturers. (Competitive Assessment, U.S. ITC, page 21.)

I believe the time has come to allow United States furniture manufacturers to compete with Canadian manufacturer on the same or similar basis as our domestic manufacturers compete with each other. This legislation would require the United States and Canada to negotiate a free-trade agreement on furniture products. Previous efforts at negotiation, however, have proven useless. This legislation contains a mechanism whose sole purpose is to force the Canadians to step forward and negotiate for free trade. If, over a 2-year period the United States and Canada were unable to achieve free trade on furniture products, United States tariffs on Canadian furniture products would be gradually increased until they were even with the Canadians.

Let me emphasize that point: This is not protectionist legislation. At no time would our tariffs ever exceed the Canadian tariff levels, and if they were to be reduced, so would ours. In short, we want free trade.●

● Mr. TRIBLE. Mr. President, on behalf of the 22,300 Virginians employed in furniture manufacturing, I am pleased to join Senator EAST as an original cosponsor of The Fair Furniture Trade Act of 1985.

Our domestic furniture industry considers Canada as a major, natural market for its products. But our furniture trade with Canada is seriously imbalanced, and the problem is getting worse. Last year we imported nearly one quarter of a billion dollars more furniture from Canada than we sold to Canada. Imports from Canada are rising rapidly; they have increased over 125 percent since 1980. As a result, jobs in the furniture industry are at risk.

A decisive factor contributing to this imbalance is the tariff inequity existing between the two countries. United States furniture shipped to Canada faces duties of 16.3 percent whereas imports from Canada face United States tariffs which are much lower—as low as 3.1 percent. This tariff disparity makes our furniture relatively more expensive in Canada, and hinders our exports.

The Fair Furniture Trade Act, will help spur U.S. exports of furniture and preserve U.S. jobs. Under the bill, the United States and Canada would have a period of time to negotiate the mutual elimination of furniture tariffs, that is, free trade in furniture. If negotiations fail, United States tariffs on Canadian furniture imports would be gradually raised to Canadian levels.

Mr. President, this bill goes in the right direction. It recognizes that the best way to reduce trade deficits is by the reduction of foreign import barriers. Lower foreign tariffs will permit an expansion of U.S. exports. The bill also creates a strong and credible incentive for the Canadian Government to reduce its import tariff on our furniture, because failure to do so would result in certain retaliation against their exports. Since they sell far more furniture to us than we currently sell to them, this is a credible threat and a strong negotiating incentive.

I urge my colleagues to support this important initiative.●

By Mr. BENTSEN:

S. 1802. A bill to establish an acreage base and program yield system for wheat, feed grain, upland cotton, and rice programs; to the Committee on Agriculture, Nutrition, and Forestry.

AGRICULTURE EFFICIENCY AND EQUITY ACT

● Mr. BENTSEN. Mr. President, I am today again introducing legislation to provide farmers with a dependable, rational system of determining their base acreages for participation in our farm programs. This legislation is identical to the language which was passed by the House as part of H.R. 2100, the 1985 farm bill. The House language was authored by my distinguished friend and fellow Texan, Congressman, CHARLES STENHOLM.

Congressman STENHOLM comes from a farm background also, and his firsthand knowledge of the day-to-day problems of farmers has made him a very effective spokesman for the farmers of Texas and the Nation. This legislation is the result of an extensive survey of problems that farmers have with our farm programs. In this survey, problems with bases and yields were common to almost all farmers. This legislation is the response to those complaints.

This bill will write into permanent law a standard method of determining base acreages and yields for wheat, feed grains, upland cotton, and rice. This would supplant the outdated provisions of the permanent law, but would not affect the price support programs of permanent law. If ever used, the price supports of permanent law then be applied to the current cropping patterns instead of to the cropping patterns that existed a decade or more ago.

Under our current system, farmers are continually but needlessly subjected to erratic changes in the method of determining bases and yields. This makes it impossible to plan with any certainty even 1 year ahead for a crop rotation, even though farmers need to be able to plan ahead for several years in many cases to develop the most efficient farm plan.

It will introduce badly needed equity, flexibility, and predictability into our farm programs. It will create a system of bases and yields that will be consistent for all program crops and will meet the needs of all production regions. It will allow farmers to change cropping patterns to meet conservation needs or follow market signals. And writing this system into permanent law will permit long-range planning and remove the uncertainties caused by the current system of making major changes every 4 years.

Under this bill, a crop acreage base would be established for each crop grown on the farm. This would be set by the county ASCS committee based on the farm's production history. The guidelines would be the same as the ones contained in S. 1714, the farm bill reported from the Senate Agriculture Committee, and in H.R. 2100, the farm bill passed by the House of Representatives.

This bill would also establish a farm acreage base for each farm. This farm acreage base would be the total of all

the crop acreage bases. However, the farm acreage base could not be larger than the total amount of arable land in the farm.

Flexibility is allowed by permitting the farmer to switch up to 10 percent of his total farm acreage base from one crop to another each year, and in 1986 up to 20 percent can be switched. The farmer can make this switch in his bases simply by notifying the county ASCS office no later than 60 days before the announcement deadline of the farm program for that commodity.

Farm program yields would be set by a 5-year moving average of actual yields. Needed protection against catastrophic failures, such as drought or floods, would be provided by limiting cuts in the farm program yield to no more than 10-percent per year.

All programs to reduce production must start from an established base of some kind. Almost all farmers have had problems at one time or another with the Government in determining their crop base. A major part of the problem is that the method of computation of this base can and does change with each farm bill and even with individual years' farm programs during the 4 years of a farm bill. Some individuals are invariably trapped and caused hardship whenever a change is made.

They and their neighbors have learned from those bitter experiences, and now they are very careful to build as much base as possible and to avoid losing old bases. As a result of these efforts, which are aided by the policies established by the Secretary of Agriculture under the 1981 farm bill, many farms have acreage bases for commodities which exceed the amount of land they normally plant to that crop. For example, the 1985 wheat acreage base is about 94 million acres while the largest wheat acreage actually planted in recent years was only 88 million acres. In addition, many of these bases, when added together, exceed the actual amount of land in the farm. These inflated bases and phantom acres undercut efforts to reduce production and add to farm program costs.

This legislation will provide farmers with the certainty that they can plan ahead for changes in their cropping patterns without risking the loss of their eligibility to participate in Federal farm programs. Farmers do not have to participate in these farm programs, and if they do not they can still plant anything they want to. However, this bill will, for the first time, guarantee farmers that they can change crops and still retain farm program eligibility by following a simple and unchanging set of guidelines.

This bill needs to be enacted into law so that our farmers can plan ahead. The vagaries of the weather and marketplace are more than enough for farmers to contend with already. I urge my colleagues to join me in support of this legislation to bring needed equity, flexibility, and predictability to our farm programs.●

By Mr. PACKWOOD:

S. 1803. A bill to designate certain lands in and near the Hells Canyon National Recreation Area as additions to the Hells Canyon Wilderness, Oregon, and for other purposes; to the Committee on Energy and Natural Resources.

ADDITIONS TO HELLS CANYON WILDERNESS

Mr. PACKWOOD. Mr. President, I am introducing legislation today to further the ideals of the Hells Canyon National Recreation Area Act. Through this legislation I hope to strengthen and clarify the management principles we fought for with creation of the area almost a decade ago.

Hells Canyon, the deepest river gorge on earth, straddles the Snake River in both Oregon and Idaho. Hells Canyon is truly a wild place. It is a majestic and serene natural environment, offering fabulous vistas, steep canyon walls, forested slopes and grassy plateaus.

Yet, more than a decade ago, when the first conservation-minded folks started pushing to save Hells Canyon, this serene setting was a battleground between public and private interests, over who would have the right to construct dams on the Snake River. The turning point in the battle was a Supreme Court decision. It set into motion a preservation movement aimed at what had been considered a lost cause—the preservation of the remaining free flowing section of the Snake River.

The historic Supreme Court decision reads:

> The test is whether the project will be in the public interest. And that determination can be made only after an exploration of all issues relevant to the "public interest" including future power demand and supply, altered sources of power, the public interest in preserving reaches of wild rivers and wilderness areas, the preservation of anadromous fish for commerical and recreational purposes, and the protection of wildlife.
>
> Justice William O. Douglas,
> June 5, 1967,
> U.S. Supreme Court,
> Washington Public Power,
> *System* v. *Northwest Power.*

In August of 1967, less than 2 months after the court decision, the Hells Canyon Preservation Council was incorporated. What started as a local grassroots initiative grew into a nationwide movement. The effort to save the river also grew to include preservation of the spectacular canyon surrounding the river. The preservation effort culminated in 1975 with the passage of the Hells Canyon National Recreation Area Act.

I now want to finish the job we began in 1975. To do this job thoroughly, as it should be done, I am introducing a bill proposing the following:

First, designation of almost 300,000 acres of lands in and adjacent to the Hells Canyon NRA as Wilderness;

Second, designation of the lower 33 miles of the Snake River from the national forest boundary downstream to just above the town of Asotin as part of the Snake Wild and Scenic River; and

Third, establishment of a limitation on the amount of timber that may be logged within the Oregon portion of the NRA, and a clear definition of the harvest methods that may be used.

The timber from the Hells Canyon NRA represents a relatively small percentage of wood for the area mills. Management prescriptions in the Hells Canyon comprehensive management plan have reduced the cut which can be taken from these sensitive lands. Based on current management guidelines, it has been estimated that proposed Wilderness designation would result in a reduction of approximately 5.36 million board feet of the total timber available for harvest.

The proposal to extend the Wild and Scenic designation on the Snake River is designed to ensure protection of the Snake River. Dams and other objectionable development projects would not be permitted. Water quality and the natural riparian habitat would be protected to stop further degradation.

It is important to resolve these remaining issues.

This year marks the tenth anniversary of the creation of the Hells Canyon National Recreation Area. It is gratifying to look back and know a wise decision was made. Time has given us a better perspective on the protection we provided through the national recreation area. We can now assess more accurately the pressures that result from the uses of the area and determine if the protections are sufficient. It is time to clarify and reassess how we would like to see the lands in Hells Canyon preserved.

I feel as strongly today as I did 10 years ago about this priceless treasure. But we know more today than we did then about how fragile this unique canyon is. More people have had the opportunity to experience first hand the wildness of this place called Hells Canyon. There is no more suitable protection for areas which we want to be kept in a natural state.

I was recently reminded of a statement I made many years ago that is as true today as it was then. My comment was:

> I became convinced that beyond anything I have seen in this country, let alone in the State of Oregon, this was the place to save. All of them don't hold a candle to the jewel that is Hells Canyon.

By Mr. HATCH (for himself, Mr. ABDNOR, and Mr. INOUYE):

S. 1804. A bill to provide for Federal incentive grants to encourage State health care professional liability reform; to the Committee on Labor and Human Resources.

FEDERAL INCENTIVES FOR STATE HEALTH CARE PROFESSIONAL LIABILITY REFORM ACT

Mr. HATCH. Mr. President, I send to the desk the "Federal Incentives for State Health Care Professional Liability Reform Act of 1985." This bill addresses a growing problem in maintaining a wide range of affordable health care services for the American people. I am talking about the problem of soaring medical malpractice costs and the resulting increased expense, and sometime unavailability, of medical professional liability insurance.

Last year, the Labor and Human Resources Committee held hearings which revealed the extent of this problem and the threat it poses to our health care system. In many areas, premiums for professional liability insurance for physicians continue to rise 20, 30, 40 percent a year and more.

The crisis is particularly acute for those rendering obstetrical care. In Florida, 20 percent of obstetricians have reportedly stopped delivering babies and now limit their practice to surgery. In North Carolina, family physicians' malpractice coverage for obstetrics just increased 400 percent, and the majority are reported to be stopping delivering babies.

Nor is the problem confined to physicians. Nurse-midwives, though traditionally at considerable lower risk of suit than physicians, are sometimes categorized with them by insurance companies for premium purposes. In many States, nurse-midwives have recently been unable to obtain insurance, or can obtain it only at exorbitant rates which put it beyond the reach of their incomes. The consequences of such trends among health professionals are obvious—access to health care may be seriously jeopardized unless a prescription is written to treat this malpractice fever.

State governments shoulder the responsibility of defining the judicial or administrative system governing recovery for malpractice injuries, and they are not blind to the medical professional liability insurance crisis. All but one have at least begun reform of their negligence or tort law systems, and many of them are considering further steps. Among these are submission of claims to arbitration panels, limitations on attorney's contingency fees, modification of the collateral source rule, limits on recoverable damages, the establishment of a patient compensation fund, the requirement of periodic payment of large awards, the establishment of pretrial screening panels, and shortening the statute of limitations.

Many of these represent worthwhile improvements. By and large, they respond to perceived failings in the current tort law system, such as the ability of skillful attorneys to obtain exaggerated judgments for pain and suffering, the inducement to unwarranted litigiousness afforded by an escalating contingency fee schedule for attorneys, and the slowness of the legal system in delivering compensation to the injured. Studies have shown that different reforms have different abilities to achieve the overall goals of reducing the total costs of medical malpractice litigation, and thus of liability insurance, and more efficiently delivering compensation.

The legislation I am introducing today sets up monetary incentives to encourage States to adopt further administrative improvements and four tort law reforms, three of which have been found to be among the most effective in holding down litigation costs. This represents a refined version of a proposal drafted by the American Medical Association, and will serve to move the debate on malpractice insurance forward into the consideration of specific legislative solutions.

Briefly, this proposal would fund development grants by which States would design and implement a strategy leading to adoption of these reforms. Additionally, it would grant $2 million the first year and $1 million per year for the next 2 years to any State which adopts all the recommended measures. This money could be used for a broad variety of public health programs, or to conduct studies of the professional liability problem specific to that State.

The reforms named in the bill are: First, periodic payment of damage awards over $100,000; second, elimination of the collateral source rule, thus providing for the reduction of awards by amounts received from other sources for the same injury; third, limitation of non-economic damages (pain and suffering) to $250,000; fourth, limitation of attorney's contingency fees; fifth, allocation of an amount equivalent to that collected from physician licensing fees to the State agency responsible for disciplinary actions; sixth, requirement that hospitals develop risk management programs and require physician participation as a condition to receipt of insurance; seventh, requirement that insurance companies make certain data available to State agencies; and eighth, provision for increased peer review by State medical societies of questionable practice patterns.

I note that some of these proposals strengthen the ability and resources of State boards entrusted with the duty of weeding out incompetent health practitioners. I am encouraged that this is part of the AMA's program. The AMA forthrightly admits that malpractice does exist. And I am firmly convinced that much can be done to alleviate the current explosion of liability costs if physicians and other health professionals will police their own ranks conscientiously. Healing the sick is a high calling. It is generally very well paid. And the public has a right to expect that State medical boards will force out of the profession alcoholics, drug abusers, the incompetent, and the unprincipled. To the extent the profession has not done so, it has itself to blame for the current situation.

However, claims are also skyrocketing among health professionals who are skilled and conscientious. Part of this may result from the increase in the variety and complexity of medical technology and services; from higher, sometimes unrealistic, public expectations of what medicine can do; from a new readiness of the ordinary citizen to sue; and from a greater number of patients and attorneys willing to file suits that may be marginal or unfounded, hopeful of huge awards or settlements. It is to address some of these factors that the bill I am introducing was drafted. If adopted by States, the bill's reforms would bring down the cost of medical litigation and would result in a higher level of competence among health professionals.

However, I am well aware of the many problems raised by the bill itself. First, I long have doubted in other contexts the wisdom of using Federal dollars to persuade State governments to alter their laws to reflect some grand Federal design. Those doubts persist here. Further, I note again that many of these reforms have already been considered and some adopted by a number of States. The benefit from these reforms is yet to be realized, but when they have gone into effect, the current "crisis" may be less evident.

This leads to another issue: The most recent information available to me indicates that one or another of the listed provisions has been invalidated under State consitutions in five States. Since it would certainly not be our intention to try to preempt State consitutions, there would be at least five States which, from the start, may have no possibility of participating under this proposal. There are pending constitutional challenges in many other States where reforms have been adopted, as well, and the number of invalidations and ineligible States will likely rise. Finally, the individuals tort law reforms raise not only constitutional issues but issues of equity and policy, which we will want to examine as the debate proceeds.

Regardless, the insurance problem is a serious one. The relentless increase

in liability costs and insurance premiums not only threatens access to care in many fields, it leads directly to the practice of defensive medicine, in which health professionals opt for greater frequency of health care testing and services. According to a recent study, costs resulting from professional liability, including premiums and defensive medicine expenses, total an estimated $11 to $13 billion of the $75 billion spent on physician's services in 1984. Expected savings if this bill were fully implemented would, by one estimate, exceed $500 million annually, while the total cost of the bill for 3 years would be $224.9 million.

Through the introduction of this bill, I intend to highlight these problems and begin in earnest the search for the appropriate Federal and State roles in malpractice reform. The American Medical Association has provided us with a thoughtful, useful discussion piece. I challenge the best minds in law, medicine, and public policy to concur or to respond with concrete alternatives.

Mr. President, I ask that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1804

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Incentives for State Health Care Professional Liability Reform Act of 1985".

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds that—

(1) there are serious problems with current systems for compensating individuals injured by the malpractice of health care professionals and health care providers;

(2) the increasing costs and unavailability of professional liability insurance are causing competent health care professionals to cease or limit practice in high risk specialties or to totally cease the practice of their profession;

(3) current health care malpractice compensation systems cause substantial numbers of health care professionals and health care providers to engage in defensive health care practices, such as the conduct of tests and procedures primarily to provide protection against legal actions, and such practices result in unnecessary health care costs;

(4) the number of professional liability claims against health care professionals and health care providers is increasing at disproportionate rates, beyond any relationship to the quality of the health care provided;

(5) the increase in the number of liability claims and the size of awards and settlements, and the excessive time and expense devoted to the resolution of such claims, pose threats to State systems for compensating individuals injured through negligence and to continued access by all individuals to health care;

(6) the Federal Government has an interest in State health care malpractice compensation systems because the Federal Government pays health care costs through Medicare, Medicaid, and other Federal health care programs;

(7) experience in States which have enacted reforms in their tort and judicial systems indicates that certain reforms can reduce unnecessary expenditures related to health care liability claims while providing more rapid and more efficient compensation for individuals injured by malpractice; and

(8) Federal incentives to encourage States to adopt reforms to improve State health care malpractice compensation and professional disciplinary systems will result in—

(A) the maintenance of access to quality health care;

(B) a more rational health care malpractice compensation system; and

(C) substantial savings by the Federal Government and State governments.

(b) It is the purpose of this Act to establish a system of Federal incentive grants to States to encourage the adoption of reforms in State health care malpractice compensation systems.

DEFINITIONS

SEC. 3. For purposes of this Act—

(1) the term "injury" shall have the meaning given to such term by each State in its State liability reforms, except that in defining such term, each State shall include in such term injuries arising from the negligent delivery of health care services by a health care professional or health care provider;

(2) the term "health care professional" means any individual who provides health care services in a State and who is required by State law to be licensed or certified by the State to provide such services in the State;

(3) the term "health care provider" means any organization or institution which is engaged in the delivery of health care services in a State and which is required by State law to be licensed or certified by the State to engage in the delivery of such services in the State;

(4) the term "malpractice" shall have the meaning given to such term by each State in its State liability reforms, except that in defining such term, each State shall include in such term malpractice or professional negligence by a health care professional or health care provider in the delivery of health care services;

(5) the term "professional liability" shall have the meaning given to such term by each State in its State liability reforms, except that in defining such term, each State shall include in such term liability arising from the negligent delivery of health care services by a health care professional or health care provider;

(6) the term "Secretary" means the Secretary of Health and Human Services;

(7) the term "State" means each of the several States, the District of Columbia, Puerto Rico, Guam, and the Virgin Islands; and

(8) the term "State liability reforms" means the reforms described in section 6.

DEVELOPMENT GRANTS

SEC. 4. (a) A State may submit an application to the Secretary for a grant to develop programs to undertake State liability reforms. Any such application shall—

(1) be submitted to the Secretary within 180 days after the date of enactment of this Act;

(2) contain assurances that the State intends to obtain enactment or adoption of the State liability reforms described in section 6 in order to qualify for incentive grants under section 5; and

(3) contain such other information, and be in such form, as the Secretary may prescribe.

(b)(1) If a State submits an acceptable application under subsection (a), the Secretary shall make a grant to such State.

(2) The amount of a grant under paragraph (1) to a State (other than Puerto Rico, Guam, and the Virgin Islands) shall be $250,000, except that if the amount appropriated under section 8(a)(1) is less than $12,000,000, the amount of a grant under paragraph (1) to such a State shall be an amount equal to the quotient obtained by dividing the total amount appropriated under section 8(a)(1) by the number of States (other than Puerto Rico, Guam, and the Virgin Islands) submitting acceptable applications under this section, except that no grant to such a State under this section shall exceed $250,000.

(3) The amount of a grant under paragraph (1) to Puerto Rico, Guam, or the Virgin Islands shall be $125,000, except that if the amount appropriated under section 8(a)(2) is less than $375,000, the amount of a grant under paragraph (1) to Puerto Rico, Guam, or the Virgin Islands shall be an amount equal to the quotient obtained by dividing the total amount appropriated under section 8(a)(2) by 3.

(c) The Secretary may provide technical assistance to States in planning and carrying out activities with grants under this section.

INCENTIVE GRANTS

SEC. 5. (a) A State may submit an application to the Secretary for a grant under subsection (b)(3). Any such application shall—

(1) be submitted to the Secretary within three years after the date of enactment of this Act;

(2) contain a certification by the chief executive officer of the State that, on the date the application is submitted, the State has enacted, adopted, or otherwise has in effect, the State liability reforms described in section 6;

(3) be accompanied by documentation to support the certification required by paragraph (2), including copies of relevant State statutes, rules, procedures, regulations, judicial decisions, and opinions of the State attorney general; and

(4) contain such other information, and be in such form, as the Secretary may prescribe.

(b)(1)(A) Within 60 days after receiving an application under subsection (a), the Secretary shall review the application and determine whether the application demonstrates that the State has enacted, adopted, or otherwise has in effect, the State liability reforms described in section 6. If the Secretary determines that the application makes such a demonstration, the Secretary shall approve the application.

(B) If an application submitted under subsection (a) cites a State statute or other evidence of compliance with the standards for a State liability reform described in section 6, the Secretary shall consider such State to be in conformance with the requirements of such section with respect to such reform if the statute or other evidence of compliance cited in such application is equal to or more stringent than the reform described in such section.

(2) If, after reviewing an application under paragraph (1), the Secretary determines that the application does not make the demonstration required under such paragraph, the Secretary shall, within 15

days after making such determination, provide the State which submitted such application with a written notice which specifies such determination and which contains recommendations for revisions which would bring the State into compliance with this Act.

(3)(A) Within 30 days after approving an application of a State under paragraph (1), the Secretary shall pay to the State a grant in the amount required under subparagraph (B) or (C), as the case may be.

(B) The amount of a grant under subparagraph (A) to a State (other than Puerto Rico, Guam, or the Virgin Islands) shall be $2,000,000, except that if the amount appropriated under section 8(b)(1) is less than $102,000,000, the amount of a grant under subparagraph (A) to such a State shall be an amount equal to the quotient obtained by dividing the total amount appropriated under section 8(b)(1) by 51.

(C) The amount of a grant under subparagraph (A) to Puerto Rico, Guam, or the Virgin Islands shall be $1,000,000, except that if the amount appropriated under section 8(b)(2) is less than $3,000,000, the amount of a grant under subparagraph (A) to Puerto Rico, Guam, or the Virgin Islands shall be an amount equal to the quotient obtained by dividing the total amount appropriated under section 8(b)(2) by 3.

(c)(1)(A) One year after the date on which the Secretary makes payment of a grant to a State (other than Puerto Rico, Guam, or the Virgin Islands) under subsection (b)(3), the Secretary shall pay to such State a grant in an amount equal to $1,000,000, except as provided in paragraph (3)(A) and subsection (d).

(B) One year after the date on which the Secretary makes payment of a grant to Puerto Rico, Guam, or the Virgin Islands under subsection (b)(3), the Secretary shall pay to Puerto Rico, Guam, or the Virgin Islands, as the case may be, a grant in an amount equal to $500,000, except as provided in paragraph (3)(B) and subsection (d).

(2)(A) Two years after the date on which the Secretary makes payment of a grant to a State (other than Puerto Rico, Guam, or the Virgin Islands) under subsection (b)(3), the Secretary shall pay to such State a grant in an amount equal to $1,000,000, except as provided in paragraph (3)(A) and subsection (d).

(B) Two years after the date on which the Secretary makes payment of a grant to Puerto Rico, Guam, or the Virgin Islands under subsection (b)(3), the Secretary shall pay to Puerto Rico, Guam, or the Virgin Islands, as the case may be, a grant in an amount equal to $500,000, except as provided in paragraph (3)(B) and subsection (d).

(3)(A) If the amount appropriated under section 8(c)(1) for grants under paragraph (1)(A) is less than $51,000,000, or if the amount appropriated under section 8(d)(1) for grants under paragraph (2)(A) is less than $51,000,000, the amount of a grant to a State (other than Puerto Rico, Guam, or the Virgin Islands) under paragraph (1)(A) or paragraph (2)(A), as the case may be, shall be an amount equal to the quotient obtained by dividing the amount appropriated under section 8(c)(1) or section 8(d)(1), respectively, by 51.

(B) If the amount appropriated under section 8(c)(2) for grants under paragraph (1)(B) is less than $1,500,000, or if the amount appropriated under section 8(d)(2) for grants under paragraph (2)(B) is less than $1,500,000, the amount of a grant to Puerto Rico, Guam, or the Virgin Islands under paragraph (1)(B) or paragraph (2)(B), as the case may be, shall be an amount equal to the quotient obtained by dividing the amount appropriated under section 8(c)(2) or section 8(d)(2), respectively, by 3.

(d)(1) If, at any time after a State receives a grant under this section, the Secretary determines that the State does not have in effect all of the State liability reforms described in section 6, the Secretary shall provide the State with written notice of such determination. Such notice shall specify—

(A) the reasons for the determination of the Secretary;

(B) that after the date of such determination, the State will not be eligible to receive a grant under paragraph (1) or (2) of subsection (c) unless the State takes such corrective action as may be necessary to ensure that the State liability reforms are in effect in the State, except as provided in paragraph (2) of this subsection; and

(C) that the State may request a hearing before an administrative law judge to appeal the determination of the Secretary.

(2) After making a determination under paragraph (1) of this subsection, the Secretary shall not pay any grant to a State under paragraph (1) or (2) of subsection (c) unless the determination of the Secretary under paragraph (1) of this subsection has been reversed by an administrative or judicial decision.

(e)(1) Any grant received by a State under this section shall be used by the State to—

(A) supplement, and not supplant, funds expended by the State on programs for the provision of health care services, including programs supported with any type of Federal assistance, except as provided in paragraph (2);

(B) support programs of peer review and risk management for health care professionals and health care providers in the State; or

(C) conduct studies of professional liability problems in the State, including studies to determine the impact of the State's malpractice compensation system on health care availability and health care costs in the State.

(2) A grant received by a State under this section may not be used by such State to satisfy any provision of Federal law which requires that, in order to qualify for Federal assistance under such law, the State pay a portion of the costs of the project, program, or activity to be conducted with such Federal assistance.

STATE LIABILITY REFORMS

SEC. 6. (a) The State liability reforms which shall be developed with a grant under section 4, which shall be enacted, adopted, or be in effect in a State in order for the State to receive a grant under section 5(b)(3), and which shall be in effect in a State in order for the State to receive grants under section 5(c), are the reforms specified in subsections (b) through (f) of this section.

(b) A State shall require that, in any legal action for damages for malpractice in which a court of the State awards an individual future damages in excess of $100,000—

(1) the payment of such future damages shall be made on an annual or other periodic basis, in such amounts and at such intervals as may be determined by the court;

(2) the court shall determine a schedule for such payments to ensure that damages are paid over the estimated lifetime of such individual or until the total amount of such award is paid to such individual, whichever occurs first, except that—

(A) in any case in which such individual dies prior to the date on which the final payment is to be made under such schedule to such individual, the party obligated to make payments to such individual shall not be required to make any additional payments to the heirs or assigns of such individual unless, after application by the spouse or child of such individual, the court orders such party to make payments to such spouse or child for the support of such spouse or child; and

(B) in any case in which such individual lives beyond the date on which final payment is to be made to such individual under such schedule, such individual may apply to the court for additional payments for economic damages resulting from such malpractice, which shall be calculated at the annual rate at which such damages were calculated under such schedule; and

(3) the court shall require that such periodic payments be made through the establishment of a trust fund or the purchase of an annuity for the life of such individual or during the continuance of the compensable injury or disability incurred by such individual.

(c)(1) A State shall require that, in any legal action for damages for malpractice in which a court of the State awards damages to an individual, the total amount of such damages shall be reduced by any other payment which has been made or which will be made to such individual to compensate such individual for the injury sustained as a result of such malpractice, including payments under—

(A) Federal or State disability or sickness programs;

(B) Federal, State, or private health insurance programs;

(C) employer wage continuation programs; and

(D) any other source of payment intended to compensate such individual for such injury.

(2) The amount by which an award of damages to an individual for an injury shall be reduced under paragraph (1) shall be an amount equal to the difference between—

(A) the total amount of any payments (other than such award) which have been made or which will be made to such individual to compensate such individual for such injury, minus

(B) the amount paid by such individual (or by the spouse or parent of such individual) to secure the payments described in subparagraph (A).

(d) A State shall require that, in a legal action for damages for malpractice, the amount of any award of damages for noneconomic losses resulting from such malpractice shall not exceed $250,000. For purposes of this subsection, the term "noneconomic losses" means losses for pain, suffering, inconvenience, physical impairment, disfigurement, and other nonpecuniary losses.

(e)(1) Except as provided in paragraph (2), a State shall require that in any legal action for damages for malpractice in which an individual receives a settlement or an award of damages, the amount of payments to such individual's attorney shall be in accordance with the following:

If the total settlement or award is:	The attorney's fee shall not exceed:
Not more than $50,000....	40% of such amount
More than $50,000 but less than $100,000.	$20,000 plus 33⅓% of the excess over $50,000
More than $100,000 but less than $200,000.	$36,667 plus 25% of the excess over $100,000

If the total settlement or award is:	The attorney's fee shall not exceed:
$200,000 or more	$61,667 plus 10% of the excess over $200,000.

(2) A State shall require that in any legal action to which paragraph (1) applies, the court may, after receiving a petition from the attorney representing the individual who receives a settlement or an award of damages, permit such attorney to be paid an amount of fees in excess of the amount specified by paragraph (1) if such court determines the petition has adduced evidence justifying such additional fees.

(f)(1) Each State shall provide for the allocation of the total amount of fees paid to the State in each year for the licensing or certification of each type of health care professional, or an amount of State funds equal to such total amount, to the State agency or agencies responsible for the conduct of disciplinary actions with respect to such type of health care professional.

(2) The State shall require each health care provider to have in effect a risk management program which complies with the laws of the State and which is acceptable to the agency responsible for licensing or certifying such health care provider.

(3) The State shall require each company which provides health care professional liability insurance in the State to—

(A) make available, upon the request of any State board or agency responsible for licensing, certifying, or disciplining health care professionals, information concerning any settlement, judgment, or arbitration award for damages for malpractice against any health care professional over which such board or agency has jurisdiction; and

(B) establish, from the data available to such company, programs of risk management for health care professionals, and require each such professional, as a condition of maintaining insurance, to participate in such programs at least once in each three-year period.

(4)(A) The State shall authorize each State agency responsible for the conduct of disciplinary actions for a type of health care professional to enter into agreements with State or county professional societies of such type of health care professional to permit the review by such societies of any malpractice action, complaint, or other information concerning the practice patterns of any such health care professional. Any such agreement shall comply with subparagraph (B).

(B) Any agreement entered into under subparagraph (A) for the review of any malpractice action, complaint, or other information concerning the practice patterns of a health care professional shall—

(i) provide that the health care professional society conduct such review as expeditiously as possible;

(ii) provide that after the completion of such review, such society shall report its findings to the State agency with which it entered into such agreement and shall take such other action as such society considers appropriate; and

(iii) provide that the conduct of such review and the reporting of such findings be conducted in a manner which assures the preservation of confidentiality of medical information and of the review process.

(C) The State shall provide that any activity conducted pursuant to an agreement under this paragraph shall not be grounds for any civil or criminal action under the antitrust laws of the State or for any other civil action under the laws of the State.

(D) Notwithstanding any other provision of Federal law, any activity conducted pursuant to an agreement under this paragraph shall not be grounds for any civil or criminal action under Federal antitrust laws, as defined in the first section of the Clayton Act and in section 4 of the Federal Trade Commission Act.

REPORTS

SEC. 7. (a) Within two years after the date of enactment of this Act, and every two years thereafter, each State which receives a grant under section 5 during any such two-year period shall prepare and transmit to the Secretary a report which describes—

(1) the State liability reforms enacted, adopted, or in effect in the State;

(2) the activities conducted by the State with any grants received under section 4 or 5 during the preceding two-year period; and

(3) any current problems in the State with respect to health care professional liability or health care professional liability insurance.

(b) Within 30 months after the date of enactment of this Act, and every two years thereafter, the Secretary shall prepare and transmit to the Congress a report which summarizes the information submitted to the Secretary in the most recent reports of the States under subsection (a).

AUTHORIZATION OF APPROPRIATIONS

SEC. 8. (a)(1) For grants under section 4(b)(2), there are authorized to be appropriated $12,500,000 for fiscal year 1987.

(2) For grants under section 4(b)(3), there are authorized to be appropriated $375,000 for fiscal year 1987.

(b)(1) For grants under section 5(b)(3)(B), there are authorized to be appropriated $102,000,000 for fiscal year 1987.

(2) For grants under section 5(b)(3)(C), there are authorized to be appropriated $3,000,000 for fiscal year 1987.

(3) Amounts appropriated under this subsection shall remain available from October 1, 1986, to September 30, 1989.

(c)(1) For grants under section 5(c)(1)(A), there are authorized to be appropriated $51,000,000 for fiscal year 1988.

(2) For grants under section 5(c)(1)(B), there are authorized to be appropriated $1,500,000 for fiscal year 1988.

(3) Amounts appropriated under this subsection shall remain available from October 1, 1987, to September 30, 1990.

(d)(1) For grants under section 5(c)(2)(A), there are authorized to be appropriated $51,000,000 for fiscal year 1989.

(2) For grants under section 5(c)(2)(B), there are authorized to be appropriated $1,500,000 for fiscal year 1989.

(3) Amounts appropriated under this subsection shall remain available from October 1, 1988, to September 30, 1991.

By Mr. TRIBLE:

S. 1805. A bill to amend title 5, United States Code, to increase the opportunity to provide a survivor annuity under subchapter III of chapter 83 of such title; and to improve retirement counseling for Federal Government employees; to the Committee on Governmental Affairs.

ELECTION OF SURVIVOR ANNUITY

Mr. TRIBLE. Mr. President, today I am introducing legislation of critical importance to Federal retirees and their spouses. This legislation would ensure that retired Federal employees are provided with a sufficient opportunity to elect a survivor annuity under civil service retirement. My colleague from Virginia, Representative FRANK WOLF, is introducing similar legislation in the House.

Under current law, Federal employees must make a decision regarding the selection of survivor benefits prior to retirement. Once that decision is made it is irrevocable. If a retiree does not elect to provide a survivor annuity, then there is no opportunity to change that decision.

Far too often, this decision is based upon incorrect or incomplete information and advice provided by the Federal employee's personnel retirement counselor. As a result, and in spite of the retiree's wishes, some survivors of Federal retirees are left unprotected and without any source of income upon the death of their spouse.

Mr. President, my legislation will eliminate this unfortunate situation. It would provide Federal retirees with a second opportunity to elect survivor benefits if they have not already done so, and ensure that agency retirement counselors give Federal employees accurate information and advice about decisions regarding a survivor annuity.

Federal retirees will be provided 18 months during which they may elect a survivor annuity if they have not already made such designation prior to retirement. Should an annuitant elect survivor benefits during this time, they will be required to make the necessary deposits to the retirement fund in order to cover this selection. In addition, agency retirement counselors will be required to complete a training program focusing on changes in civil service retirement law at least once a year. This training program will ensure that retirement counselors understand modifications in retirement law and are able to apply this understanding in counseling future Federal retirees.

Mr. President, I believe that we must ensure that Federal employees are provided with accurate information upon which to make critical decisions affecting the financial security of their spouses. And, I believe that retirees who have not already selected survivor benefits should have the opportunity to make such a designation if they desire after retirement.

I urge my colleagues to support this legislation.

By Mr. BOREN (for himself, Mr. GOLDWATER, Mr. HART, Mr. LEVIN, Mrs. KASSEBAUM, and Mr. RUDMAN):

S. 1806. A bill to amend the Federal Election Campaign Act of 1971 to change certain contribution limits for congressional elections and to amend the Communications Act of 1934 regarding the broadcasting of certain

material regarding candidates for Federal elective office, and for other purposes; to the Committee on Rules and Administration.

CAMPAIGN FINANCE REFORM ACT

● Mr. BOREN. Mr. President, the experiences of this past election cycle dictate that I once again bring up this bill limiting the contributions individual candidates for the U.S. Senate and House of Representatives can receive from political action committees [PAC's].

The implications of a growing tide of PAC influence is phenomenal. The statistics on the growth of PAC's are well known. In 1974, there were just 600 political action committees in existence. The Federal Election Commission has reported that at the end of 1984 the number had grown to 4,009—an increase of 668 percent.

Contributions of these organizations to Senate and House candidates have grown from $8 million in the 1971-72 election to $104.9 million in the 1983-84 election. It is frightening to consider the impact on the political system and the costs of campaigns if PAC contributions continue to more than double every 4 years. By 1992, the contributions would exceed $250 million.

The Senate alone, in 1984, received 23 percent of its campaigns funds from PAC's, compared to 14 percent in 1978.

Mr. President, the most startling statistic in this issue is that in the last election cycle, 163 Members of Congress received over half of their campaign contributions from political action committees. Thirty-six percent of the House Members had over half their campaign funded with money from single-issue PAC's.

This massive influx of funds has helped fuel a mind-boggling trend. In the last 8 years, from 1976 to 1984, the average campaign expenditure in a winning House election has increased by 230 percent. Regrettably, in our own House, Mr. President, the average cost has gone from $609,100 to over $2.9 million—an increase of 385 percent.

The danger to the political process lies in this trend which hastens the day when Members of Congress will no longer depend upon individual contributions from their home States for their election efforts. Instead, they will be primarily dependent upon political action committees, often directed and led by people outside of their home States. This raises questions as to whether the people back home can any longer be said to have representation which gives first priority to their needs and views.

Back in 1978, only 17 percent of all firms with more than $100 million in assets had registered PAC's. In other words, we are just beginning to see the growth of PAC's and the amount of money which they can pump into campaigns. With more money available to spend, there is little doubt that the cost of campaigns will go up even more. Now is the time to place limits on this growth. We should not wait until the problem overwhelms us. We have already reached an alarming point.

The bill which we have introduced will not solve all of the problems. It is a modest step in the right direction, and is not an extreme measure. It does not outlaw all PAC contributions. It does place reasonable limits on total contributions. These limits will help to stop the rapid escalation of campaign costs. They should also help to assure that while PAC's may play a role, they will not provide grossly imbalanced support than individuals from a Member's home State.

This bill does the following:

Limits to $100,000 the amount a House candidate can accept from all political action committees in each election cycle. Raises the PAC limit by $25,000 if two or more candidates qualify for the ballot in the primary and general election.

Limits Senate candidates to an amount varying with the population of their State—with the low of $175,000 ($200,000 if two or more candidates qualify for the ballot in the primary and general election); and an overall cap of $750,000. [Formula: $35,000 times number of congressional districts.]

Allows for an additional $25,000 in PAC money in the event of a House runoff election. Allows for an additional amount in a Senate runoff, the greater of $25,000 or $12,500 times that State's number of congressional districts.

Lowers the current PAC contribution limit from $5,000 to $3,000—raises the individual limit from $1,000 to $1,500.

Closes the current loophole for conduit contributions through PAC's by requiring the candidate to count such contributions toward the limits for PAC's.

Requires a disclaimer for PAC's that make media or material advertisement, not authorized by a candidate in a Federal election, to disclose that such advertisement is "authorized and paid for by" the committee, and that "its presentation is not subject to any campaign law contribution limits."

Allows for a candidate to be provided "equal time" from broadcasting stations when such candidate is subject to negative advertisement through an independent expenditure by a political action committee, and strengthens the definition of "independent expenditure."

Effective date—December 31, 1986—affecting the 1988 election cycle.

I believe, as did James Madison over 200 years ago, that there exists with our democratic process a very grave danger when any faction is permitted to exercise disproportionate influence in pursuit of its own narrow goals. It seems to me that PAC's are exerting just such a disproportionate influence. I urge my colleagues' serious consideration of this trend and this legislation to slow that trend.

Mr. President, I further wish to thank the cosponsors of this bill—Senators GOLDWATER, HART, KASSEBAUM, LEVIN, and RUDMAN. This shows the kind of bipartisan support needed to make the meaningful reforms that are so needed. I ask unanimous consent that the full text of the bill be printed after my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1806

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Campaign Finance Reform Act of 1985."

(a) Section 315(a)(1)(A) of the Federal Election Campaign Act of 1971 is amended by striking out "$1,000" and inserting in lieu thereof "$1,500".

(b) Section 315(a)(2) of the Federal Election Campaign Act of 1971 is amended—

(1) by striking out "or" at the end of subparagraph (B);

(2) striking out "$5,000." in subparagraph (C) and inserting in lieu thereof "$3,000;"; and

(3) by adding at the end the following new subparagraphs:

"(D) to any candidate and his authorized political committees with respect to—

"(i) a general or special election for the office of Representative in, or Delegate or Resident Commissioner to, the Congress (including any primary election, convention, or caucus relating to such general or special election) which exceed $100,000 ($125,000 if at least two candidates qualify for the ballot in the general or special election involved and at least two candidates qualify for the ballot in a primary election relating to such general or special election) when added to the total of contributions previously made by multicandidate political committees to such candidate and his authorized political committees with respect to such general or special election (including any primary election, convention, or caucus relating to such general or special election); or

"(ii) a runoff election for the office of Representative in, or Delegate or Resident Commissioner to, the Congress which exceed $25,000 when added to the total of contributions previously made by multicandidate political committees to such candidate and his authorized political committees with respect to such runoff election; or

"(E) to any candidate and his authorized political committees with respect to—

"(i) a general or special election for the office of Senator (including any primary election, convention, or caucus relating to such general or special election) which exceed the greater of $175,000 ($200,000 if at least two candidates qualify for the ballot in the general or special election involved and at least two candidates qualify for the ballot in a primary election relating to such general or special election) or the amount equal to $35,000 times involved is entitled, when added to the total of contributions previously made by multicandidate political

committees to such candidate and his authorized political committees with respect to such general or special election (including any primary election, convention, or caucus relating to such general or special election);

"(ii) a runoff election for the office of Senator which exceed the greater of $25,000 or the amount equal to $12,500 times the number of Representatives to which the State involved is entitled, when added to the total of contributions previously made by multicandidate political committees to such candidate and his authorized political committees with respect to such runoff election; or

"(iii) a general or special election for the office of Senator (including any primary election, runoff election, convention, or caucus relating to such general or special election) which exceed $750,000 when added to the total of contributions previously made by multicandidate political committees to such candidate and his authorized political committees with respect to such general or special election (including any primary election, convention, or caucus relating to such general or special election).".

(c) Section 315(a)(8) of the Federal Election Campaign Act of 1971 is amended—

(1) by striking out "person" the second place it appears and inserting in lieu thereof "person and also the intermediary or conduit".

(d) Section 315(a)(8) of the Federal Election Campaign Act of 1971 is amended—

"(1) by adding at the end of the paragraph the following subparagraph:

"(A) Notwithstanding any other provision of this Act, each multicandidate political committee which makes an independent expenditure in a federal election in connection with such candidate's campaign, shall not do so in any newspaper, magazine, broadcast or other media advertisement without the following notice placed on, or within such advertisement:

"This message has been authorized and paid for by (name of committee/or any affiliated organization of the committee), (name/title of treasurer and/or president). Its cost of presentation is not subject to any campaign contribution limits."

(e) Section 315 of the Communications Act of 1934 (47 U.S.C. 315) is amended—

(1) by redesignating subsections (b), (c), and (d) as subsections (c), (d), and (e), respectively; and

(2) by inserting immediately after subsection (a) the following:

"(b)(1) If any licensee permits a person to utilize a broadcasting station to broadcast material which either endorses a legally qualified candidate for any Federal elective office or opposes a legally qualified candidate for that office, such licensee shall, within a reasonable period of time, provide to any legally qualified candidate opposing the candidate endorsed (or to an authorized committee of such legally qualified candidate), or to any legally qualified candidate who was so opposed (or to an authorized committee of such legally qualified candidate), the opportunity to utilize, without charge, the same amount of time on such broadcasting station, during the same period of the day, as was utilized by such person.

"(2) For purposes of this subsection, the term 'person' includes an individual, partnership, committee, association, corporation, or any other organization or group of persons, but such term does not include a legally qualified candidate for any Federal elective office or an authorized committee of any such candidate.".

(f) Section 315(a) of the Communications Act of 1934 (47 U.S.C. 315(a)) is amended by striking "section" and inserting in lieu thereof "subsection".

(g) Section 315(e) of the Communications Act of 1934, as so redesignated by subsection (a) of this section, is amended to read as follows:

"(e) For purpose of this section—

"(1) the term 'authorized committee' means, with respect to any candidate for nomination for election, or election, to any Federal elective office, any committee, club, association, or other group of persons which receives contributions or makes expenditures during a calendar year in an aggregate amount exceeding $1,000 and which is authorized by such candidate to accept contributions or make expenditures on behalf of such candidate to further the nomination or election of such candidate;

"(2) the term 'broadcasting station' includes a community antenna television system; and

"(3) the term 'licensee' and 'station licensee' when used with respect to a community antenna system means the operator of such system.".

(h) Section 301(17) of the Federal Election Campaign Act of 1971 is amended to read as follows:

"(17) The term 'independent expenditure' means an expenditure by a person expressly advocating the election or defeat of a clearly identified candidate which is made without cooperation or consultation with any candidate, or any authorized committee or agent of such candidate, and which is not made in concert with, or at the request or suggestion of, any candidate, or any authorized committee or agent of such candidate.

"(A) For the purposes of this subsection, 'cooperation or consultation with any candidate' with respect to an election cycle means, but is not limited to the following—

"(i) the person making the independent expenditure communicates with, advises, or counsels the candidate at any time on the candidate's plans, projects, or needs relating to the candidate's pursuit of nomination for election, or election, to Federal office, in the same election cycle, including any advice relating to the candidate's decision to seek Federal office;

"(ii) the person making the independent expenditure includes as one of its officers, directors, or other employees an individual who communicated with, advised or counseled the candidate at any time on the candidate's plans, projects, or needs relating to the candidate's pursuit of nomination for election, or election, to Federal office, in the same election cycle, including any advice relating to the candidate's decision to seek Federal office; and

"(iii) the person making the independent expenditure retains the professional services of any individual or other person also providing those services to the candidate in connection with the candidate's pursuit of nomination for election, or election, to Federal office, in the same election cycle, including any services relating to the candidate's decision to seek Federal office."

(i) If any provision of this Act or the application of it to any person or circumstance is held invalid, the remainder of the Act and the application of the provision to any other person or circumstance shall not be affected by such invalidation.

(j) The amendments made by such sections (a) through (i) of this section shall apply with respect to general, special, and runoff election occurring after December 31, 1986.●

ADDITIONAL COSPONSORS

S. 9

At the request of Mr. CRANSTON, the name of the Senator from West Virginia [Mr. ROCKEFELLER] was added as a cosponsor of S. 9, a bill to amend title 38, United States Code, to authorize the guaranty of qualified adjustable rate mortgages and to increase the maximum amounts of Veterans' Administration loan guaranties.

S. 177

At the request of Mr. HART, the name of the Senator from New Mexico [Mr. BINGAMAN] was added as a cosponsor of S. 177, a bill to authorize a national program of improving the quality of education.

S. 252

At the request of Mr. ABDNOR, the name of the Senator from South Dakota [Mr. PRESSLER] was added as a cosponsor of S. 252, a bill to authorize the Secretary of the Interior to construct, operate, and maintain the Lake Andes-Wagner Unit, South Dakota Pumping Division, Pick-Sloan Missouri Basin Program, South Dakota.

S. 637

At the request of Mr. ZORINSKY, the name of the Senator from Alabama [Mr. HEFLIN] was added as a cosponsor of S. 637, a bill to amend the Railroad Retirement Act of 1974 to allow a worker to be employed in any nonrailroad employment and still qualify for an annuity, subject to current deductions in the tier 1 benefit on account of work and new deductions in the tier 2 benefit if the employment is for his last nonrailroad employer.

S. 670

At the request of Mr. PELL, the name of the Senator from Hawaii [Mr. INOUYE] was added as a cosponsor of S. 670, a bill to amend the National Labor Relations Act to give employers and performers in the performing arts rights given by section 8(e) of such act to employers and employees in similarly situated industries, and to give to employers and performers in the performing arts the same rights given by section 8(f) of such act to employers and employees in the construction industry, and for other purposes.

S. 925

At the request of Mr. HUMPHREY, the names of the Senator from Pennsylvania [Mr. SPECTER], the Senator from West Virginia [Mr. ROCKEFELLER], and the Senator from Kansas [Mr. DOLE] were added as cosponsors of S. 925, a bill to deny most-favored-nation trading status to Afghanistan.

S. 1053

At the request of Mr. MATSUNAGA, the name of the Senator from Minnesota [Mr. BOSCHWITZ] was added as a cosponsor of S. 1053, a bill to accept the findings and to implement the recommendations of the Commission on

Wartime Relocation and Internment of Civilians.

S. 1093

At the request of Mr. MATHIAS, the name of the Senator from Nevada [Mr. LAXALT] was added as a cosponsor of S. 1093, a bill to amend the patent law to restore the term of the patent grant in the case of certain products for the time of the regulatory review period preventing the marketing of the product claimed in a patent.

S. 1186

At the request of Mr. SPECTER, the name of the Senator from Ohio [Mr. METZENBAUM] was added as a cosponsor of S. 1186, a bill to promote the public welfare by removing juveniles from adult jails.

S. 1437

At the request of Mr. THURMOND, the name of the Senator from California [Mr. WILSON] was added as a cosponsor of S. 1437, a bill to amend the Controlled Substances Act to create new penalties for the manufacturing with intent to distribute, the possession with intent to distribute, or the distribution of designer drugs, and for other purposes.

S. 1440

At the request of Mr. STEVENS, the name of the Senator from Vermont [Mr. STAFFORD] was added as a cosponsor of S. 1440, a bill to restrict smoking to designated areas in all U.S. Government buildings.

S. 1446

At the request of Mr. ANDREWS, the name of the Senator from Massachusetts [Mr. KERRY] was added as a cosponsor of S. 1446, a bill to amend title 38, United States Code, to improve veterans' benefits for former prisoners of wars.

S. 1574

At the request of Mr. LUGAR, the name of the Senator from New Jersey [Mr. BRADLEY] was added as a cosponsor of S. 1574, a bill to provide for public education concerning the health consequences of using smokeless tobacco products.

S. 1680

At the request of Mr. QUAYLE, the name of the Senator from Pennsylvania [Mr. HEINZ] was added as a cosponsor of S. 1680, a bill to phase out the honey price support program.

S. 1685

At the request of Mr. MATSUNAGA, the name of the Senator from Hawaii [Mr. INOUYE] was added as a cosponsor of S. 1685, a bill to establish a hydrogen research and development program.

S. 1686

At the request of Mr. MATSUNAGA, the name of the Senator from Hawaii [Mr. INOUYE] was added as a cosponsor of S. 1686, a bill entitled the "Renewable Energy/Fuel Cell Systems Integration Act of 1985."

S. 1687

At the request of Mr. MATSUNAGA, the name of the Senator from Hawaii [Mr. INOUYE] was added as a cosponsor of S. 1687, a bill to develop a national policy for the utilization of fuel cell technology.

S. 1778

At the request of Mr. BENTSEN, the names of the Senator from Montana [Mr. BAUCUS] and the Senator from Nevada [Mr. LAXALT] were added as cosponsors of S. 1778, a bill to deny most-favored-nation trade treatment to any country that provides support for acts of terrorism.

S. 1795

At the request of Mr. HATCH, the name of the Senator from Iowa [Mr. GRASSLEY] was added as a cosponsor of S. 1795, a bill to provide that in judicial actions against State judges, such judges shall not be held liable for attorney fees.

SENATE JOINT RESOLUTION 74

At the request of Mr. THURMOND, the names of the Senator from Alabama [Mr. DENTON], the Senator from Idaho [Mr. MCCLURE], and the Senator from Arizona [Mr. GOLDWATER] were added as cosponsors of Senate Joint Resolution 74, a joint resolution to provide for the designation of the month of February 1986 as "National Black (Afro-American) History Month."

SENATE JOINT RESOLUTION 213

At the request of Mr. FORD, the name of the Senator from Virginia [Mr. WARNER], was added as a cosponsor of Senate Joint Resolution 213, a joint resolution to designate January 19-25, 1986, "National Jaycee Week."

SENATE JOINT RESOLUTION 224

At the request of Mr. EAGLETON, the names of the Senator from North Dakota [Mr. BURDICK], the Senator from California [Mr. CRANSTON], the Senator from Louisiana [Mr. JOHNSTON], the Senator from New Jersey [Mr. LAUTENBERG], the Senator from Georgia [Mr. NUNN], the Senator from Rhode Island [Mr. PELL], the Senator from Arkansas [Mr. PRYOR], the Senator from Mississippi [Mr. STENNIS], the Senator from Connecticut [Mr. DODD], the Senator from Hawaii [Mr. INOUYE], the Senator from Tennessee [Mr. SASSER], the Senator from Nebraska [Mr. EXON], the Senator from Alabama [Mr. HEFLIN], and the Senator from Hawaii [Mr. MATSUNAGA] were added as cosponsors of Senate Joint Resolution 224, a joint resolution to designate November 30, 1985 as "National Mark Twain Day."

SENATE CONCURRENT RESOLUTION 59

At the request of Mr. TRIBLE, the names of the Senator from Maine [Mr. COHEN] and the Senator from Oregon [Mr. HATFIELD] were added as cosponsors of Senate Concurrent Resolution 59, a concurrent resolution expressing the sense of the Congress that food producers who permit gleaning of their fields and nonprofit organizations which glean fields and distribute the resulting harvest to help alleviate hunger should be commended for their efforts, and for other purposes.

SENATE CONCURRENT RESOLUTION 69

At the request of Mr. DANFORTH, the name of the Senator from Louisiana [Mr. JOHNSTON] was added as a cosponsor of Senate Concurrent Resolution 69, a concurrent resolution to recognize the National Camp Fire Organization for 75 years of service.

SENATE RESOLUTION 28

At the request of Mr. BYRD, the name of the Senator from Arkansas [Mr. BUMPERS] was added as a cosponsor of Senate Resolution 28, a resolution to improve Senate procedures.

AMENDMENTS SUBMITTED

AGRICULTURE, FOOD, TRADE, AND CONSERVATION ACT

STEVENS AMENDMENT NO. 914

Mr. STEVENS proposed an amendment to the bill (S. 1714) to expand export markets for U.S. agricultural commodities, provide price and income protection for farmers, assure consumers an abundance of food and fiber at reasonable prices, continue food assistance to low-income households, and for other purposes; as follows:

On page 31, beginning with line 16, strike out all through and including line 10 on page 66 and insert in lieu thereof the following:

"GRANTS FOR INTERNATIONAL-TRADE DEVELOPMENT CENTERS

SEC. 113. (a)(1) The Secretary of Agriculture (hereafter in this section referred to as the "Secretary") may establish and carry out a program to make grants to States for the purpose of paying the costs of construction, employing personnel, acquiring equipment, and taking other action relating to the establishment and operation of international trade development centers, or the expansion of existing international trade development centers, in the United States to enhance the exportation of United States agricultural products and related products.

(2) Such grants shall be based on a matching formula of 50 percent Federal and 50 percent non-Federal funding.

(b) In making grants under subsection (a), the Secretary shall give preference to States that intend to utilize as sites for international trade development centers land-grant colleges and universities (as defined in section 1404(10) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103(10)) that—

(1) operate agricultural programs;

(2) have existing international trade programs that use an interdisciplinary approach and are operated jointly with State and Federal agencies to address international trade problems; and

(3) have a communications system that can be used on an international basis to conduct conferences or trade negotiations.

(c) Such centers may—

(1) through research, establish a permanent data base to address the problems faced by potential exporters, including language barriers, interaction with representatives of foreign governments, transportation of goods and products, insurance and financing within foreign countries, and collecting international marketing data;

(2) be used to locate permanent or temporary exhibits that will stimulate and educate trade delegations from foreign countries with respect to United States agricultural products and related products;

(3) be made available for use by State and regional entities for exhibits, trade seminars, and negotiations involving such products; and

(4) carry out such other activities relating to the exportation of such products, as the Secretary may approve.

(d) There are authorized to be appropriated such sums as are necessary to carry out this section.

Subtitle B—Public Law 480 and Related Programs

AGRICULTURAL TRADE POLICY

SEC. 120. (a) The first sentence of section 2 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691) is amended by inserting "to use foreign currencies accruing under this Act to foster and encourage the development of private enterprise in developing countries; to enhance food security in developing countries through local food production;" after "agricultural production;"

(b) Congress finds that additional steps should be taken to use the agricultural abundance produced by American farmers—

(1) to relieve hunger and promote long-term food security and economic development in developing countries in accordance with the development assistance policy established under section 102 of the Foreign Assistance Act of 1961 (22 U.S.C. 2151-1); and

(2) to promote United States agricultural trade interests.

SALES FOR FOREIGN CURRENCIES

SEC. 121. (a) Section 101 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1701) is amended to read as follows:

"SEC. 101. (a) In order to carry out the policies and accomplish the objectives set forth in section 2, the President is authorized to negotiate and carry out agreements with friendly countries to provide for the sale of agricultural commodities—

"(1) for dollars on credit terms;

"(2) to the extent that sales for dollars under the terms applicable to such sales are not possible, for foreign currencies on credit terms and on terms to permit conversion to dollars at the exchange rate applicable to the sales agreement; or

"(3) for foreign currencies for use under section 108 on terms that permit conversion to dollars.

"(b)(1) Except as provided in paragraph (2), for the fiscal year ending September 30, 1986, and each fiscal year thereafter, sales for foreign currencies for use under section 108 under agreements entered into under this title shall be made at an annual level of—

"(A) not less than the higher of—

"(i) 25 percent of the aggregate value of all sales of agricultural commodities made under this title; or

"(ii) 500,000 metric tons; and

"(B) not more than 50 percent of the aggregate value of all such sales.

"(2)(A) For each of the fiscal years ending September 30, 1986, September 30, 1987, and September 30, 1988, except as provided in subparagraph (B), the President may reduce the minimum level of sales for foreign currencies prescribed under paragraph (1)(A) if—

"(i) there is an insufficient number of approved financial intermediaries that have entered into agreements with the Secretary of Agriculture to carry out the program provided for in section 108;

"(ii) there are insufficient requests made by such intermediaries for loan funds to utilize the foreign currencies generated by such sales; or

"(iii) the Secretary requires additional time to implement such program.

"(B) The President may not reduce the minimum level of sales for foreign currencies under subparagraph (A) below an annual level of less than—

"(i) for the fiscal year ending September 30, 1986, 5 percent of the aggregate value of all sales of agricultural commodities made under this title during such fiscal year;

"(ii) for the fiscal year ending September 30, 1987, 10 percent of the aggregate value of all sales of agricultural commodities made under this title during such fiscal year; and

"(iii) for the fiscal year ending September 30, 1988, 15 percent of the aggregate value of all sales of agricultural commodities made under this title during such fiscal year.

"(c) Agreements for sales for foreign currency in a developing country for use under section 108 may not be entered into to the extent that such agreements would generate currency in amounts that cannot be productively used and absorbed in the private sector of such country.

"(d) Sales for foreign currencies for use under section 108 under agreements entered into under this title shall be made on such terms and conditions as are specified in such agreements.".

(b) Section 103 of such Act (7 U.S.C. 1703) is amended—

(1) by inserting ", in section 108," after "section 104" in subsection (b);

(2) by striking out "dollar on credit terms" in the last sentence of subsection (d);

(3) in subsection (m)—

(A) by inserting "except as provided in section 108," after the subsection designation;

(B) by striking out the semicolon and inserting in lieu thereof a period; and

(C) by adding at the end thereof the following: "In carrying out this subsection, the President shall require that foreign currencies to be used under section 108 that are acquired under an agreement for the sale of commodities be converted to dollars during the period beginning 10 years after the date of the last delivery of such commodities and ending 30 years after the date of such delivery. Such agreement for sale shall establish a schedule for such conversion but need not specify the exchange for such conversion;";

(4) by striking out "for dollars on credit terms" and "for cash dollars" in subsection (n);

(5) by striking out "Take" in subsection (o) inserting in lieu thereof "take";

(6) by striking out "Assure convertibility" in subsection (p) and inserting in lieu thereof "except as provided in section 108, assure convertibility"; and

(7) by striking out "Assure convertibility" in subsection (q) and inserting in lieu thereof "except as provided in section 108, assure convertibility".

(c) The first sentence of section 105 of such Act (7 U.S.C. 1705) is amended by striking out "section 104" and inserting in lieu thereof "sections 104 and 108".

(d) Section 106(a) of such Act (7 U.S.C. 1706(a)) is amended by adding at the end thereof the following new paragraph:

"(3) Payment for sales made for foreign currencies that are to be used under section 108 under an agreement entered into under this title shall be made on such terms as are specified in such agreement.".

(e) Such Act is amended by inserting after section 107 (7 U.S.C. 1707) the following new section:

"SEC. 108. Notwithstanding any other provision of law:

"(a) As used in this section:

"(1) The term 'developing country' means a country that is eligible to participate in a sales agreement entered into under this title.

"(2) The term 'financial intermediary' means a bank, financial institution, cooperative, nonprofit voluntary agency, or other organization or entity, as determined by the Secretary, that has the capability of making and servicing a loan in accordance with this section.

"(3) The Term 'Secretary' means the Secretary of Agriculture.

"(b) In order to foster and encourage the development of private enterprise institutions and infrastructure as the base for the expansion, promotion, and improvement of the production of food and other related goods and services within a developing country and pursuant to an agreement for the sale of agricultural commodities entered into under this title, the Secretary may enter into an agreement with a financial intermediary located or operating in such country under which the Secretary shall lend to such financial intermediary foreign currency that accrues as a result of commodity sales to such country under a sales agreement entered into under this title after the date of enactment of the Agriculture, Food, Trade, and Conservation Act of 1985.

"(c) To be eligible to obtain foreign currency under this section, a financial intermediary must enter into an agreement with the Secretary under which the intermediary agrees to use such currency to make loans to private individuals, cooperatives, corporations, or other entities within a developing country, at reasonable rates of interest, for the purpose of financing—

"(1) productive, private enterprise investment within such country, including such investment in projects carried out by cooperatives, nonprofit voluntary organizations, and other entities found to be qualified by the Secretary;

"(2) private enterprise facilities for aiding the utilization and distribution, and increasing the consumption of and markets for, United States agricultural commodities and the products thereof; or

"(3) private enterprise support of self-help measures and projects.

"(d) An agreement entered into under this section shall specify the terms and conditions under which the foreign currency shall be used and subsequently repaid to the Secretary, including the following terms and conditions:

"(1) A financial intermediary shall, to the maximum extent feasible, give preference to the financing of agricultural related private enterprise with the funds provided under this section.

"(2)(A) A financial intermediary shall repay a loan made by the Secretary under this section, plus accrued interest, at such times and in such manner as will permit the Secretary to convert such foreign currency to dollars in accordance with the schedule for such conversion.

"(B) A financial intermediary may repay a loan made under this section prior to the repayment date specified in such agreement.

"(3) To be eligible to receive financing from a financial intermediary under this section, an entity or venture must—

"(A) be owned, directly or indirectly, by citizens of the developing country, except that up to 25 percent of such ownership interest may be held by citizens of the United States; and

"(B) not be owned or controlled, in whole or in part, by the government or any governmental subdivision of the developing country.

"(4)(A) The rate of interest charged on funds loaned by the Secretary to a financial intermediary under this section shall be such rate as is determined by the Secretary and the intermediary.

"(B) In the case of a cooperative or nonprofit voluntary agency that is acting as a financial intermediary, the Secretary may charge a lower rate of interest on funds loaned to such intermediary under this section than is charged to other types of intermediaries to defray the startup costs of becoming a financial intermediary.

"(5) No currency made available under this section may be used to promote the production of agricultural commodities or the products thereof that will compete, as determined by the Secretary, in world markets with similar agricultural commodities or the products thereof produced in the United States.

"(6) The Secretary may not require a developing country to guarantee the repayment of a loan made to a financial intermediary under this section as a condition of receipt of such loan.

"(e)(1) All currencies repaid by financial intermediaries under agreements entered into under this section shall be deposited and accounted for in accordance with section 105.

"(2) Currencies repaid by financial intermediaries shall, as determined by the Secretary—

"(A) be used to finance additional productive, private enterprise investment under agreements with financial intermediaries entered into under this section;

"(B) be used for the development of new markets for United States agricultural commodities;

"(C) be used for the payment of United States obligations (including obligations entered into pursuant to other laws of the United States); or

"(D) be converted to dollars.

"(3) Section 1306 of title 31, United States Code, shall apply to currencies used for the purpose specified in paragraph (2)(C).

"(f)(1) Any agreement entered into under this section shall be subject to periodic audit by the Secretary to determine whether the terms and conditions of the agreement are being fulfilled.

"(2) Not later than 180 days after the close of each fiscal year, the Secretary shall report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate on the activities carried out under this section during the preceding fiscal year, including an evaluation of the impact of investment under this section on the development of agricultural related private enterprise in each participating country.

"(g) The Secretary may provide agricultural technical assistance to further the purposes of this section, including the funding of market development activities. To the maximum extent practicable, the Secretary shall use at least 5 percent of the foreign currencies obtained for use under this section from sales of agricultural commodities made under agreements entered into under this title after the date of enactment of the Agriculture, Food, Trade, and Conservation Act of 1985 to carry out such assistance.".

MINIMUM QUANTITY OF AGRICULTURAL COMMODITIES DISTRIBUTED UNDER TITLE II

SEC. 122. Section 201(b) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1721(b)) is amended by striking out clauses (1) through (3) and inserting in lieu thereof the following new clauses:

"(1) for each of the fiscal years ending September 30, 1986, and September 30, 1987, shall be 1,900,000 metric tons, of which not less than 1,425,000 metric tons for nonemergency programs shall be distributed through nonprofit voluntary agencies, cooperatives, and the World Food Program; and

"(2) for the fiscal year ending September 30, 1988, and each fiscal year thereafter, shall be 1,700,000 metric tons, of which not less than 1,275,000 metric tons for nonemergency programs shall be distributed through nonprofit voluntary agencies, cooperatives, and the World Food Program;".

VALUE-ADDED, PROCESSED, AND PROTEIN-FORTIFIED PRODUCTS

SEC. 123. Section 201 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1721) is amended by adding at the end thereof the following new subsection:

"(c) In distributing agricultural commodities under this title, the President shall—

"(1) consider—

"(A) the nutritional assistance to recipients and benefits to the United States that would result from distributing such commodities in the form of processed and protein-fortified products, including processed milk, plant protein products, and fruit, nut, and vegetable products;

"(B) the nutritional needs of the proposed recipients of the commodities;

"(C) the cost effectiveness of providing such commodities, for purposes of selecting commodities for distribution under nonemergency programs; and

"(D) the purposes of this title; and

"(2) ensure that at least 75 percent of the quantity of agricultural commodities required to be distributed each fiscal year under subsection (b) for nonemergency programs be in the form of processed or fortified products or bagged commodities.".

FOOD ASSISTANCE PROGRAMS OF VOLUNTARY AGENCIES

SEC. 124. (a) Title II of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1721 et seq.) is amended by adding at the end thereof the following new sections:

"SEC. 207. (a)(1) If requested by a nonprofit voluntary agency or cooperative, an agreement with the agency or cooperative for nonemergency assistance under this title may provide for the use by the agency or cooperative of foreign currency proceeds, generated from the sale of commodities made available under the agreement, for purposes specified in subsection (b).

"(2) Such agreements shall provide, in the aggregate for each fiscal year, for the use of foreign currency proceeds under this subsection in an amount that is not less than 5 percent of the aggregate value of the commodities distributed under nonemergency programs under this title for such fiscal year.

"(3) Section 103(c) shall apply to sales of agricultural commodities to generate foreign currencies under this subsection, unless the Secretary of Agriculture, in consultation with the Administrator of the Agency for International Development, waives the application of this paragraph.

"(b)(1)(A) Foreign currency proceeds generated under subsection (a) shall be used by a nonprofit voluntary agency or cooperative for activities carried out by the agency or cooperative that will enhance the effectiveness of the food assistance program carried out pursuant to the agreement.

"(B) Such activities may include food for work programs, local program management, local agricultural and cooperative development projects, and outreach projects to provide food to people with the greatest nutritional need, if such activities are directly related to the food assistance program of the agency or cooperative.

"(2) Foreign currency proceeds under subsection (a) may not be used—

"(A) to defray personnel or administrative costs incurred by a United States cooperating sponsor, distributing agency, or recipient agency, other than a local cooperative;

"(B) to defray the costs of construction or maintenance of an edifice owned or operated by a church or any other edifice used for sectarian purposes; or

"(C) to replace resources otherwise available to a nonprofit voluntary agency or cooperative, as determined by the President.

"SEC. 208. (a) In the case of an agreement with a nonprofit voluntary agency for nonemergency assistance under this title, subject to subsection (b), the President is encouraged to approve multiyear agreements to make agricultural commodities available for distribution by the agency, if the agency requests a multiyear agreement.

"(b)(1) Such agreements shall be subject to the availability each fiscal year of the necessary appropriations and agricultural commodities.

"(2) Subsection (a) shall not apply to an agreement that the President determines should be limited to a single year because of the past performance of the nonprofit voluntary agency or because the agreement involves a new program of assistance.

"(c) In carrying out a multiyear agreement pursuant to this section, a nonprofit voluntary agency may not be required to obtain annual approval from the United States Government in order to continue its assistance program pursuant to this agreement, unless the President determines that exceptional and unforeseen circumstances have occurred that require such approval.

"SEC. 209. (a) Agreements with nonprofit voluntary agencies under this title may authorize such agencies to establish local food reserves.

"(b) If authorized to establish a local food reserve pursuant to subsection (a), a nonprofit voluntary agency may deposit in such reserve agricultural commodities made available under this title—

"(1) for later use in providing immediate food assistance in case of a famine or other food shortage emergency; or

"(2) if the nonprofit voluntary agency determines that the immediate use of the agri-

cultural commodities for food assistance purposes would be a disincentive to local agricultural production and that the commodities should be held for use at a later time.

"SEC. 210. (a) A nonprofit voluntary agency requesting a nonemergency food assistance agreement under this title shall include in such request a description of the intended uses of any foreign currency proceeds that would be generated with the commodities provided under the agreement.".

"(b)(1) It is the sense of Congress that the President is encouraged to invite representatives of nonprofit voluntary agencies participating in programs under the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.) and other concerned nonprofit voluntary agencies, and to designate appropriate executive branch officials to participate in a task force to study the means of providing food assistance under such Act to people with the greatest nutritional need in the recipient countries.

"(2) If a task force is established under paragraph (1), the task force should report to Congress by February 15, 1986, on further steps that could be taken to provide food under such Act to such people.

"(c)(1) Sections 207, 208, and 209 of the Agricultural Trade Development and Assistance Act of 1954 (as added by subsection (a)) shall apply with respect to agreements entered into after September 30, 1985.

"(2) Section 210 of the Agricultural Trade Development and Assistance Act of 1954 (as added by subsection (a)) shall apply with respect to agreements entered into after December 31, 1985.

FOOD FOR DEVELOPMENT PROGRAM

SEC. 125. Section 302(c)(1)(C) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1727a(c)(1)(C)) is amended by striking out "15" and inserting in lieu thereof "10".

EXTENSION OF PROGRAM

SEC. 126. Section 409 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736c) is amended—

(1) by striking out "1985" in the first sentence and inserting in lieu thereof "1989"; and

(2) by striking out "Agriculture and Food Act of 1981" in the second sentence and inserting in lieu thereof "Agriculture, Food, Trade, and Conservation Act of 1985".

COMMODITY DONATIONS ABROAD

SEC. 127. (a) Subsection (b) of section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431(b)) is amended to read as follows:

"(b)(1) As used in this subsection, the term 'elgible commodities' means agricultural commodities and the products thereof acquired by the Commodity Credit Corporation through price support operations that the Secretary determines meet the criteria specified in subsection (a).

"(2) The Secretary may furnish eligible commodities for carrying out title II of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1721 et seq.), as approved by the Secretary and for such purposes as are approved by the Secretary.

"(3)(A) Commodities may not be made available for disposition under this subsection in quantities that will reduce the quantities of commodities that traditionally are made available through donations to domestic feeding programs or agencies.

"(B) Subject to paragraph (9)(B)(v), sections 103(c) and 401(b) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1703(c) and 1731(b)) shall apply with respect to commodities furnished under this subsection.

"(C) The requirement for safeguarding usual marketings of the United States shall not be used to prevent the furnishing under this subsection of any eligible commodity for use in countries that—

"(i) have not traditionally purchased the commodity from the United States; or

"(ii) do not have adequate financial resources to acquire the commodity from the United States through commercial sources or through concessional sales arrangements.

"(4) Section 203 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1723) shall apply to commodities furnished under this subsection.

"(5) Agreements may be entered into under this subsection to provide eligible commodities in installments over an extended period of time.

"(6) As soon as possible after the beginning of each fiscal year, the Secretary shall estimate and announce the types of eligible commodities, and the amounts thereof, that the Secretary anticipates will become available for distribution under this subsection during such fiscal year.

"(7) To the maximum extent practicable, expedited procedures shall be used in implementing this subsection.

"(8) The cost of commodities furnished under this subsection, and expenses incurred under section 203 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1723) in connection with such commodities, shall be in addition to the level of assistance programmed under such Act and may not be considered expenditures for international affairs and finance.

"(9)(A) Eligible commodities furnished under this subsection may be sold or bartered with the approval of the Secretary solely as follows:

"(i) Sales and barter that are incidental to the donation of the commodities.

"(ii) Sales and barter, the proceeds of which are used to finance the distribution, handling, and processing costs of the donated commodities in the importing country or other activities in the importing country that are consistent with providing food assistance to needy people.

"(iii) Sales and barter of commodities donated to intergovernmental organizations, insofar as they are consistent with normal programming procedures in the distribution of commodities by such organizations.

"(iv) Sales and barter of commodities used for payments pursuant to paragraph (4).

"(B)(i) If requested by a nonprofit voluntary agency or cooperative, an agreement with the agency or cooperative for commodities made available under this subsection may provide for the use by the agency or cooperative of foreign currency proceeds, generated from the sale of commodities made available under the agreement, for the purposes specified in clause (ii).

"(ii) The Secretary shall ensure, to the extent practicable, that such agreements provide, in the aggregate for each fiscal year, for the use of foreign currency proceeds under this subsection an amount that is not less than 5 percent of the aggregate value of the eligible commodities furnished to such agencies and cooperatives under this subsection for such fiscal year.

"(iii)(I) Foreign currency generated under this subparagraph shall be used by a nonprofit voluntary agency or cooperative for activities carried out by the agency or cooperative that will enhance the effectiveness of the food assistance program being carried out pursuant to the agreement.

"(II) Such activities may include food for work programs, local program management, local agricultural and cooperative development projects, and outreach projects designed to provide food to people with the greatest nutritional need, if such activities are directly related to the food assistance program of the nonprofit voluntary agency or cooperative.

"(iv) All foreign currency proceeds generated pursuant to an agreement under this subparagraph shall be expended within 1 year after the end of the period of the agreement.

"(v) Section 103(c) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1703(c)) shall apply to sales of agricultural commodities made to generate foreign currencies under this subparagraph, unless the Secretary of Agriculture, in consultation with the Administrator of the Agency for International Development, waives the application of this subparagraph.

"(vi) Foreign currency proceeds gerneratd under this subsection may not be used—

"(I) to defray personnel or administrative costs incurred by a United States cooperating sponsor, distributing agency, or recipient agency, other than a local cooperative;

"(II) to defray the costs of construction or maintenance of an edifice owned or operated by a church or any other edifice used for sectarian purposes; or

"(III) to replace resources otherwise available to a nonprofit voluntary agency or cooperative, as determined by the President.

"(10)(A) In carrying out this subsection, during each fiscal year, the Secretary shall furnish to nonprofit voluntary agencies, cooperatives, and the World Food Program for distribution in developing countries not less than 400,000 metric tons of eligible commodities that are available for distribution under this subsection.

"(B) Subparagraph (A) shall not apply in any fiscal year to the extent that the Secretary determines and reports to Congress (together with the reasons therefor) that—

"(i) there have not been sufficient requests made by nonprofit voluntary agencies, cooperatives, and the World Food Program for commodities under this subsection for uses that would effectively carry out the purposes of title II of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1721 et seq.); or

"(ii) a limitation in paragraph (3) prevents the use of commodities pursuant to this paragraph.

"(C) If the quantity of eligible commodities available for distribution under subparagraph (A) for a fiscal year is less than 400,000 metric tons, such subparagraph shall not require the Secretary to purchase additional commodities to satisfy such subparagraph.".

"(b) Section 416(b)(9)(A) of the Agricultural Act of 1949 (as added by subsection (a)) shall become effective on October 1, 1985.

FOOD FOR PROGRESS

SEC. 128. (a) Section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431) is amended by adding at the end thereof the following new subsection:

"(d) Notwithstanding any other provision of law:

"(1)(A) In order to use the food resource of the United States more effectively in support of countries that have made commitments to introduce or expand free enterprise elements in their agricultural economics through changes in commodity pricing,

marketing, input availability, distribution, and private sector involvement, commodities and the products thereof acquired by the Commodity Credit Corporation that the Secretary determines meet the criteria specified in subsection (a), may be furnished by the Secretary to carry out agreements entered into by the President under paragraph (2).

"(B) Not more than 500,000 metric tons of commodities may be furnished under this subsection in each of the fiscal years ending September 30, 1986, September 30, 1987, September 30, 1988, and September 30, 1989.

"(C) The Commodity Credit Corporation may purchase agricultural commodities and the products thereof for use under this subsection if—

"(i) the Commodity Credit Corporation does not hold stocks of such commodities and the products thereof; or

"(ii) the Commodity Credit Corporation stocks are insufficient to satisfy commitments made in agreements entered into under this subsection and such commodities and the products thereof are needed to fulfill such commitments.

"(D) No funds of the Commodity Credit Corporation in excess of $30,000,000 (exclusive of the cost of commodities) may be used to carry out this subsection unless authorized in advance in appropriation Acts.

"(2)(A)(i) The President may enter into agreements with developing countries to furnish commodities and the products thereof made available under paragraph (1) to such countries to promote the implementation of private, free enterprise agricultural policies for long-term agricultural development.

"(ii)(I) Such commodities shall be furnished under this subsection on such terms and conditions as the President considers are in the public interest and will promote the objectives of this subsection.

"(II) Agreements may provide for commodities to be furnished on a multiyear basis.

"(B) In determining whether to enter into agreements with countries for the furnishing of commodities under this subsection, the President shall consider whether a potential recipient country—

"(i) is carrying out, or is committed to carry out, policies that promote economic freedom, private, domestic production of food commodities for domestic consumption, and the creation and expansion of efficient domestic markets for the purchase and sale of such commodities, including policies that may provide for—

"(I) access, on the part of farmers in such country, to private, competitive markets for their products;

"(II) market pricing of commodities to foster adequate private sector incentives to individual farmers to produce food on a regular basis for the domestic needs of the country;

"(III) establishment of market-determined foreign exchange rates;

"(IV) timely availability of production inputs, such as seed, fertilizer, or pesticides, to farmers;

"(V) access to technologies appropriate to the level of agricultural development in the country; and

"(VI) construction of facilities and distribution systems necessary to handle perishable products; and

"(ii) is able to use the quantity of commodities being considered for donation without disruption of the internal market of the country for domestically produced agricultural commodities and the products thereof.

"(3) An agreement entered into under this subsection shall prohibit the resale or transshipment of the donated agricultural commodities to other countries.

"(4) In entering into agreements with countries for the donation of agricultural commodities and the products thereof under this subsection, the President shall take reasonable precautions to avoid displacement of any sales of United States agricultural commodities and the products thereof that would otherwise be made to such countries.

"(5)(A) Section 203 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1723) shall apply to agricultural commodities furnished under this subsection.

"(B) The cost of the commodities furnished under this subsection, and the expenses incurred in connection with furnishing such commodities, shall be in addition to the level of assistance programmed under the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.) and may not be considered expenditures for international affairs and finance.

"(6)(A) The President shall carry out the duties imposed on the President under this subsection through the National Security Advisor in the Executive Office of the President.

"(B) The National Security Advisor, with the approval of the Secretary, may use personnel of the Department of Agriculture in carrying out this subsection.

"(8) Within 120 days after the close of each fiscal year in which an agreement entered into with a country under this subsection is in effect, the President shall report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate on the status of such agreement and the progress being made to implement private, free enterprise agricultural policies for long-term agricultural development in such country.".

(b) The amendment made by this section shall be effective during the period beginning October 1, 1985, and ending September 30, 1989.

SPECIAL ASSISTANT FOR AGRICULTURAL TRADE AND FOOD AID

SEC. 129. (a)(1) The President shall appoint, by and with the advice and consent of the Senate, a Special Assistant to the President for Agricultural Trade and Food Aid (hereinafter in this section referred to as the "Special Assistant").

(2) The Special Assistant shall serve in the Executive Office of the President.

(3) As an exercise of the rulemaking power of the Senate, any nomination to the position of Special Assistant shall be—

(A) submitted to the Senate for confirmation; and

(B) referred to the Committee on Agriculture, Nutrition, and Forestry.

(4) The Special Assistant shall—

(A) serve at the pleasure of the President;

(B) be entitled to receive the same allowances as a chief of mission; and

(C) have the rank of Ambassador Extraordinary and Plenipotentiary.

(b) The Special Assistant shall—

(1) assist and advise the President in order to improve and enhance food assistance programs carried out in the United States and foreign countries;

(2) coordinate and streamline the manner in which food assistance programs are carried out by the Department of Agriculture and the Agency for International Development, in order to improve their overall effectiveness;

(3) make recommendations to the President on measures to be taken to increase use of United States agricultural commodities and the products thereof through food assistance programs;

(4) advise the President on agricultural trade;

(5) serve as a member of the Development Coordination Committee;

(6) serve as Chairman of the Food Aid Subcommittee of such Committee; and

(7) issue to departments and agencies of the Federal Government policy guidelines on basic issues of food assistance policy, to the extent necessary to assure the coordination of food assistance programs, consistent with law, and with the advice of such Subcommittee.

(c) The Special Assistant may—

(1) solicit information and advice from private and governmental sources and recommend a plan to the President and Congress on measures that should be taken—

(A) to promote the export of United States agricultural commodities and the products thereof; and

(B) to expand export markets for United States agricultural commodities and the products thereof;

(2) develop and recommend to the President national agricultural pclicies to foster and promote the United States agricultural industry and to maintain and increase the strength of this vitally important sector of the United States economy; and

(3)(A) appraise the various programs and activities of the Federal Government, as they affect the United States agricultural industry, for the purpose of determining the extent to which such programs and activities are contributing or not contributing to such industry; and

(B) make recommendations to the President and Congress with respect to the effectiveness of such programs and activities in contributing to such industry.

(d) Section 5312 of title 5, United States Code, is amended by adding at the end thereof the following new item:

"Special Assistant for Agricultural Trade and Food Aid.".

Subtitle C—Export Transportation of Agricultural Commodities

FINDINGS AND DECLARATIONS

SEC. 131. (a) The Congress finds and declares—

(1) that a productive and healthy agricultural industry and a strong and active United States maritime industry are vitally important to the economic well-being and national security objectives of our Nation;

(2) that both industries must compete in international markets increasingly dominated by foreign trade barriers and the subsidization practices of foreign governments;

(3) that increased agricultural exports and the utilization of the United States merchant vessels contribute positively to the United States balance of trade and generate employment opportunities in the United States.

(b) It is therefore declared to be the purpose and policy of the Congress in this subtitle—

(1) to enable the Department of Agriculture to plan its export programs effectively, by clarifying the ocean transportation requirements applicable to such programs;

(2) to take immediate and positive steps to promote the growth of the cargo carrying

capacity of the United States merchant marine;

(3) to expand international trade in United States agricultural commodities and products and to develop, maintain, and expand markets for United States agricultural exports;

(4) to improve the efficiency of administration of both the commodity purchasing and selling and the ocean transportation activities associated with export programs sponsored by the Department of Agriculture; and

(5) to stimulate and promote both the agricultural and maritime industries of the United States and encourage cooperative efforts by both industries to address their common problems.

EXEMPTION OF CERTAIN AGRICULTURAL EXPORTS FROM THE REQUIREMENTS OF THE CARGO PREFERENCE LAWS

SEC. 132. The requirements of section 901(b)(1) of the Merchant Marine Act, 1936 (46 U.S.C. 1241(b)(1)), and the Joint Resolution of March 26, 1934 (46 U.S.C. 1241-1) shall not apply to any export activities of the Secretary of Agriculture or the Commodity Credit Corporation—

(1) under which agricultural commodities or the products thereof acquired by the Commodity Credit Corporation are made available to United States exporters, users, processors, or foreign purchasers for the purpose of developing, maintaining, or expanding export markets for United States agricultural commodities or the products thereof at prevailing would market prices;

(2) under which payments are made available to United States exporters, users, or processors or, except as provided in section 133(b)(6), cash grants are made availale to foreign purchasers, for the purpose described in clause (1);

(3) under which commercial credit guarantees are blended with direct credits from the Commodity Credit Corporation to reduce the effective rate of interest on export sales of United States agricultural commodities or the products thereof;

(4) under which credit or credit guarantees for not to exceed 3 years are extended by the Commodity Credit Corporation to finance or guarantee export sales of United States agricultural commodities or the products thereof; or

(5) under which agricultural commodities or the products thereof owned or controlled by or under loan from the Commodity Credit Corporation are exchanged or bartered for materials, goods, equipment, or services, but only if such materials, goods, equipment, or services are of a value at least equivalent to the value of the agricultural commodities or products exchanged or bartered therefor (determined on the basis of prevailing world market prices at the time of the exchange or barter), but nothing in this subsection shall be construed to exempt from the cargo preference provisions referred to in section 132 any requirement otherwise applicable to the materials, goods, equipment, or services imported under any such transaction.

SHIPMENT REQUIREMENTS FOR CERTAIN EXPORTS SPONSORED BY THE DEPARTMENT OF AGRICULTURE

SEC. 133. (a)(1) In addition to the requirement for United States-flag carriage of a percentage of gross tonnage imposed by section 901(b)(1) of the Merchant Marine Act, 1936, was amended (46 U.S.C. 1241(b)(1)), 25 per centum of the gross tonnage of agricultural commodities or the products thereof shipped under the agricultural export programs subject to such section and specified in subsection (b) shall be transported on United States-flag commercial vessels.

(2) In order to achieve an orderly and efficient implementation of the requirement of paragraph (1)—

(A) an additional quantity equal to 10 percent of the gross tonnage referred to in paragraph (1) shall be transported in United States-flag vessels in calendar year 1986;

(B) an additional quantity equal to 20 percent of the gross tonnage shall be transported in such vessels in calendar year 1987; and

(C) an additional quantity equal to 25 percent of the gross tonnage shall be transported in such vessels in calendar year 1988 and in each calendar year thereafter.

(3) In implementing the requirements of paragraph (1), the Secretary of Transportation shall give due consideration to the availability of United States-flag vessels to transport the commodities referred to in such paragraph.

(b) This section shall apply to any export activity of the Commodity Credit Corporation or the Secretary of Agriculture—

(1) carried out under the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.);

(2) carried out under section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431);

(3) carried out under the Food Security Wheat Reserve Act of 1980 (7 U.S.C. 1736f-1);

(4) under which agricultural commodities or the products thereof are—

(A) donated through foreign governments or agencies, private or public, including intergovernmental organizations; or

(B) sold for foreign currencies or for dollars on credit terms of more than ten years;

(5) under which agricultural commodities or the products thereof are made available for emergency food relief at less than prevailing world market prices;

(6) under which cash grants are made available to foreign purchasers for the purpose of enabling such purchasers to acquire United States agricultural commodities or the products thereof if the cash grants are in amounts that result in the purchaser (after receipt of such grants) paying less than the prevailing world market price for such commodities; or

(7) under which agricultural commodities owned or controlled by or under loan from the Commodity Credit Corporation are exchanged or bartered for materials, goods, equipment, or services produced in foreign countries, other than export activities described in section 132(5).

(c)(1) The requirement for United States-flag transportation imposed by subsection (a) shall be subject to the same terms and conditions as provided in section 901(b) of the Merchant Marine Act, 1936 (46 U.S.C. 1241(b)).

(2)(A) In order to carry out effectively the requirements of this subtitle, the Secretary of Transportation shall, to the maximum extent practicable within the requirements of this section and section 901(b) of the Merchant Marine Act, 1936, administer this subtitle and section 901(b) of the Merchant Marine Act, 1936, in a flexible manner, giving due consideration to historical trading patterns and to divisions in United States international shipping trades between bulk and liner service to particular geographic areas.

(B) The Secretary of Transportation shall also administer this subtitle and section 901(b) of the Merchant Marine Act, 1936, in a manner which preserves to the greatest extent practicable the mean historical port range share of cargoes subject to United States-flag transportation requirements under this section exported from the Atlantic, Gulf, Pacific, and Great Lakes port ranges.

(d) As used in subsection (b), the term "export activity", shall not include inspection or weighing activities, other activities carried out for health or safety purposes, or technical assistance provided in the handling of commercial transactions.

(e)(1) The prevailing world market price as to agricultural commodities or the products thereof shall be determined under this subtitle in accordance with procedures established by the Secretary of Agriculture. The Secretary shall prescribe such procedures by regulation, with notice and opportunity for public comment, pursuant to section 553 of title 5, United States Code.

(2) In the event that a determination of the prevailing world market price of any other type of materials, goods, equipment, or service is required in order to determine whether a barter or exchange transaction is subject to subsection (b)(6) or (b)(7), such determination shall be made by the Secretary of Agriculture in consultation with the heads of other appropriate Federal agencies.

MINIMUM TONNAGE

SEC. 134. (a)(1) For fiscal year 1986 and each fiscal year thereafter, the minimum quantity of agricultural commodities that may be exported under programs subject to section 133 shall be the average of the tonnage exported under such programs during the base period defined in subsection (b), discarding the high and low years.

(2) The President may waive the minimum quantity for any fiscal year required under paragraph (1) if he determines and reports to the Congress, together with his reasons, that such quantity cannot be effectively used for the purposes of such programs or, based on a certification by the Secretary of Agriculture, that the commodities are not available for reasons which include the unavailability of funds.

(b) The base period utilized for computing the minimum tonnage quantity referred to in subsection (a) for any fiscal year shall be the five fiscal years beginning with the sixth fiscal year preceding such fiscal year and ending with the second fiscal year preceding such fiscal year.

FINANCING OF SHIPMENT OF AGRICULTURAL COMMODITIES IN UNITED STATES-FLAG VESSELS

SEC. 135. (a) The Secretary of Transportation shall finance any increased ocean freight charges incurred in any fiscal year which result from the application of section 133(a). The amount to be financed by the Secretary shall be an amount of the total freight charges incurred from the application of such section in such fiscal year equal to a fraction of the total ocean freight differential incurred in connection with the export activities specified in such section in such fiscal year, the numerator of such fraction to be equal to the percentage in excess of 50 of the tonnage of agricultural commodities or the products thereof that are shipped on United States-flag vessels, and the denominator of such fraction to be equal to the total percentage of such tonnage so shipped.

(b)(1) If in any fiscal year the total cost of ocean freight and ocean freight differential for which obligations are incurred by the Department of Agriculture and the Com-

modity Credit Corporation on exports of agricultural commodities and products thereof under the agricultural export programs specified in section 133(b) exceeds 20 percent of the value of such commodities and products and the cost of such ocean freight and ocean freight differential on which obligations are incurred by such Department and Corporation during such year, the Secretary of Transportation shall reimburse the Department of Agriculture and the Commodity Credit Corporation for the amount of such excess. For the purpose of this subsection, commodities shipped from the inventory of the Commodity Credit Corporation shall be valued as provided in section 403(b) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1733(b)).

(2)(A) The National Advisory Commission on Agricultural Export Transportation Policy established under section 136 shall include in its final report to the President and the Congress recommendations for any changes in the provisions of paragraph (1) that would help assure that the cost of ocean freight and ocean freight differential incurred by the Department of Agriculture and the Commodity Credit Corporation on the agricultural export programs specified in section 133(b), is not increased above historical levels as a result of the extra demand for United States-flag vessels caused by this subtitle.

(B) After taking into consideration the recommendations of the Commission referred to in subparagraph (A), the President may, by proclamation, provide requirements for the assumption by the Department of Transportation of a portion of the cost of ocean freight and ocean freight differential that would otherwise be incurred by the Department of Agriculture and the Commodity Credit Corporation on a different basis than that set forth in paragraph (1) in order to accomplish the objectives of subparagraph (A). The provisions of paragraph (1) shall be inapplicable on and after the effective date of the proclamation.

(c) For the purpose of meeting those expenses required to be assumed under subsections (a) and (b), the Secretary of Transportation shall issue to the Secretary of the Treasury such obligations in such forms and denominations, bearing such maturities and subject to such terms and conditions, as may be prescribed by the Secretary of Transportation with the approval of the Secretary of the Treasury. Such obligations shall be at a rate of interest as determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding marketable obligations of the United States with remaining periods of maturity comparable to the average maturities of such obligations during the month preceding the issuance of such obligations of the Secretary of Transportation. The Secretary of Treasury shall purchase any obligations of the Secretary of Transportation issued under this subsection and, for the purpose of purchasing such obligations, the Secretary of the Treasury may use as a public debt transaction the proceeds from the sale of any securities issued under chapter 31 of title 31, United States Code, after the date of the enactment of this Act and the purposes for which securities may be issued under such chapter are extended to include any purchases of the obligations of the Secretary of Transportation under this subsection. All redemptions and purchases by the Secretary of the Treasury of the obligations of the Secretary of Transportation shall be treated as public-debt transactions of the United States.

(d) There is authorized to be appropriated annually for each fiscal year, commencing with the fiscal year beginning October 1, 1986, an amount sufficient to reimburse the Secretary of Transportation for the costs, including administrative expenses and the principal and interest due on the obligations to the Secretary of the Treasury incurred under this section. Reimbursement of any such costs shall be made with appropriated funds, as provided in this section, rather than through cancellation of notes.

(e) Notwithstanding the provisions of this section, in the event that the Secretary of Transportation is unable to obtain the funds necessary to finance the increased ocean freight charges resulting from the requirements of subsections (a) and (b) and section 133(a), the Secretary of Transportation shall so notify the Congress within 10 working days of the discovery of such insufficiency.

NATIONAL ADVISORY COMMISSION ON AGRICULTURAL EXPORT TRANSPORTATION POLICY

SEC. 136. (a) There is hereby established an advisory commission to be known as the National Advisory Commission on Agricultural Export Transportation Policy (hereafter in this subtitle referred to as the "Commission").

(b)(1) The Commission shall be composed of 24 members.

(2) Sixteen members of the Commission shall be appointed by the President.

(3) The chairman and ranking minority members of the Senate Committee on Agriculture, Nutrition, and Forestry, of the Subcommittee on Merchant Marine of the Senate Committee on Commerce, Science, and Transportation, of the House Committee on Agriculture, and of the House Committee on Merchant Marine and Fisheries shall serve as members of the Commission.

(4)(A) Eight of the members appointed by the President shall be representatives of agricultural producers, cooperatives, merchandisers, and processors of agricultural commodities.

(B) The remaining eight members appointed by the President shall be representatives of the United States-flag maritime industry, four of whom shall represent labor and four of whom shall represent management.

(c)(1) The members of the Commission shall elect a Chairman from among its members.

(2) Any vacancy in the Commission shall not affect its powers but shall be filled in the same manner in which the original appointment was made.

DUTIES OF THE COMMISSION

SEC. 137. (a) It shall be the duty of the Commission to conduct a comprehensive study and review of the ocean transportation of agricultural exports subject to the cargo preference laws referred to in section 132 and to make recommendations to the President and the Congress for improving the efficiency of such transportation on United States-flag vessels in order to reduce the costs incurred by the United States in connection with such transportation. In carrying out such study and review, the Commission shall consider the extent to which any unfair or discriminatory practices of foreign governments increase the cost to the United States of transporting agricultural commodities subject to such cargo preference laws.

(b)(1) The Commission shall submit an interim report to the President and the Congress not later than one year after the date of the enactment of this subtitle and such other interim reports as the Commission considers advisable.

(2) The Commission shall submit a final report containing its findings and recommendations to the President and the Congress not later than two years after the date of the enactment of this subtitle.

(3) Sixty days after the submission of the final report, the Commission shall cease to exist.

(c) The Commission shall include in its reports submitted pursuant to subsection (b) recommendations concerning the feasibility and desirability of achieving the following goals with respect to the ocean transportation of agricultural commodities subject to the cargo preference laws referred to in section 132:

(1) Ensuring that the timing of commodity purchase agreements entered into by the United States in connection with the export of such commodities, and the methods of implementing such agreements, are such as to minimize cost to the United States.

(2) Ensuring that shipments of such commodities are made on the most modern and efficient United States-flag vessels available.

(3) Ensuring that shipments of such commodities are made under the most advantageous terms available, including—

(A) charters for full shipload;

(B) charters for intermediate or long term;

(C) charters for consecutive voyages and contracts of affreightment; and

(D) adjustment of rates in the event that vessels used for shipments so such commodities also carry cargoes on return voyages.

(4) Reduction and elimination of impediments, including delays in port, to the efficient loading and operation of the vessels employed for shipment of such commodities.

(5) Utilization of open and competitive bidding for the ocean transportation of such commodities.

INFORMATION AND ASSISTANCE TO BE FURNISHED TO THE COMMISSION

SEC. 138. (a) Each department, agency, and instrumentality of the United States, including independent agencies, shall furnish to the Commission, upon request made by the Chairman, such statistical data, reports, and other information as the Commission considers necessary to carry out its functions under this subtitle.

(b) The Secretary of Agriculture and the Secretary of Transportation shall make available to the Commission such staff, personnel, and administrative services as may reasonably be required to carry out the Commission's duties.

COMPENSATION AND TRAVEL AND SUBSISTENCE EXPENSES OF COMMISSION MEMBERS

SEC. 139. Members of the Commission shall serve without compensation in addition to compensation they may otherwise be entitled to receive as employees of the United States or as Members of Congress, but shall be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of duties vested in the Commission.

AUTHORIZATION OF APPROPRIATIONS

SEC. 140. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this subtitle.

TERMINATION OF SUBTITLE

SEC. 141. The operation of this subtitle shall terminate 90 days after the date on

which a notification is made pursuant to section 135(e), except with respect to shipments of agricultural commodities and products subject to contracts entered into before the expiration of such 90-day period, unless within such 90-day period the Secretary of Transportation proclaims that funds are available to finance increased freight charges resulting from the requirements of sections 133(a) and 135 (a) and (b).

EFFECT ON OTHER LAWS

SEC. 142. This Act shall not be construed as modifying in any manner the provisions of section 4(b) (8) of the Food for Peace Act of 1966 (7 U.S.C. 1707a(b)(8)) or chapter 5 of title 5, United States Code."

COCHRAN (AND OTHERS) AMENDMENT NO. 915

Mr. COCHRAN (for himself, Mr. BENTSEN, Mr. STEVENS, Mr. INOUYE, Mr. PRYOR, Mr. HEFLIN, Mr. MATTINGLY, Mr. HART, Mr. LONG, Mr. PACKWOOD, Mr. GORTON, Mr. HOLLINGS, Mr. CRANSTON, Mr. TRIBLE, Mr. EAGLETON, Mr. KENNEDY, Mr. BURDICK, Mr. PELL, Mr. SARBANES, Mr. MURKOWSKI, Mr. D'AMATO, Mr. JOHNSTON, Mr. COHEN, Mr. KERRY, Mr. LAUTENBERG, Mr. LAXALT, Mr. BINGAMAN, Mr. DODD, Mr. ROCKEFELLER, Mr. MOYNIHAN, Mr. HATFIELD, Mr. HEINZ, Mr. BIDEN, Mr. MATHIAS, Mr. MATSUNAGA, Mr. HECHT, and Mr. EVANS) proposed an amendment to amendment No. 914 proposed by Mr. STEVENS to the bill S. 1714, supra; as follows:

Beginning on page, 35 of the amendment, strike line 9 through the end of the amendment and insert the following in lieu thereof:

"SEC. 131. (a) The Congress finds and declares—

(1) that a productive and healthy agricultural industry and a strong and active United States maritime industry are vitally important to the economic well-being and national security objectives of our Nation;

(2) that both industries must compete in international markets increasingly dominated by foreign trade barriers and the subsidization practices of foreign governments;

(3) that increased agricultural exports and the utilization of United States merchant vessels contribute positively to the United States balance of trade and generate employment opportunities in the United States.

(b) It is therefore declared to be the purpose and policy of the Congress in this subtitle—

(1) to enable the Department of Agriculture to plan its export programs effectively, by clarifying the ocean transportation requirements applicable to such programs;

(2) to take immediate and positive steps to promote the growth of the cargo carrying capacity of the United States merchant marine;

(3) to expand international trade in United States agricultural commodities and products and to develop, maintain, and expand markets for United States agricultural exports;

(4) to improve the efficiency of administration of both the commodity purchasing and selling and the ocean transportation activities associated with export programs sponsored by the Department of Agriculture; and

(5) to stimulate and promote both the agricultural and maritime industries of the United States and encourage cooperative efforts by both industries to address their common problems.

EXEMPTION OF CERTAIN AGRICULTURAL EXPORTS FROM THE REQUIREMENTS OF THE CARGO PREFERENCE LAWS

SEC. 132. The requirements of section 901(b)(1) of the Merchant Marine Act, 1936 (46 U.S.C. 1241(b)(1)), and the Joint Resolution of March 26, 1934 (46 U.S.C. 1241-1), shall not apply to any export activities of the Secretary of Agriculture or the Commodity Credit Corporation—

(1) under which agricultural commodities or the products thereof acquired by the Commodity Credit Corporation are made available to United States exporters, users, processors, or foreign purchasers for the purpose of developing, maintaining, or expanding export markets for United States agricultural commodities or the products thereof at prevailing world market prices;

(2) under which payments are made available to United States exporters, users, or processors or, except as provided in section 133(b)(6), cash grants are made available to foreign purchasers, for the purpose described in clause (1);

(3) under which commercial credit guarantees are blended with direct credits from the Commodity Credit Corporation to reduce the effective rate of interest on export sales of United States agricultural commodities or the products thereof;

(4) under which credit or credit guarantees for not to exceed 3 years are extended by the Commodity Credit Corporation to finance or guarantee export sales of United States agricultural commodities or the products thereof; or

(5) under which agricultural commodities or the products thereof owned or controlled by or under loan from the Commodity Credit Corporation are exchanged or bartered for materials, goods, equipment, or services, but only if such materials, goods, equipment, or services are of a value at least equivalent to the value of the agricultural commodities or products exchanged or bartered therefor (determined on the basis of prevailing world market prices at the time of the exchange or barter), but nothing in this subsection shall be construed to exempt from the cargo preference provisions referred to in section 132 any requirement otherwise applicable to the materials, goods, equipment, or services imported under any such transaction.

SHIPMENT REQUIREMENTS FOR CERTAIN EXPORTS SPONSORED BY THE DEPARTMENT OF AGRICULTURE

SEC. 133. (a)(1) In addition to the requirement for United States-flag carriage of a percentage of gross tonnage imposed by section 901(b)(1) of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1241(b)(1)), 25 per centum of the gross tonnage of agricultural commodities or the products thereof shipped under the agricultural export programs subject to such section and specified in subsection (b) shall be transported on United States-flag commercial vessels.

(2) In order to achieve an orderly and efficient implementation of the requirement of paragraph (1)—

(A) an additional quantity equal to 10 percent of the gross tonnage referred to in paragraph (1) shall be transported in United States-flag vessels in calendar year 1986;

(B) an additional quantity equal to 20 percent of the gross tonnage shall be transported in such vessels in calendar year 1987; and

(C) an additional quantity equal to 25 percent of the gross tonnage shall be transported in such vessels in calendar year 1988 and in each calendar year thereafter.

(3) In implementing the requirements of paragraph (1), the Secretary of Transportation shall give due consideration to the availability of United States-flag vessels to transport the commodities referred to in such paragraph.

(b) This section shall apply to any export activity of the Commodity Credit Corporation or the Secretary of Agriculture—

(1) carried out under the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.);

(2) carried out under section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431);

(3) carried out under the Food Security Wheat Reserve Act of 1980 (7 U.S.C. 1736f-1);

(4) under which agricultural commodities or the products thereof are—

(A) donated through foreign governments or agencies, private or public, including intergovernmental organizations; or

(B) sold for foreign currencies or for dollars on credit terms of more than ten years;

(5) under which agricultural commodities or the products thereof are made available for emergency food relief at less than prevailing world market prices;

(6) under which cash grants are made available to foreign purchasers for the purpose of enabling such purchasers to acquire United States agricultural commodities or the products thereof if the cash grants are in amounts that result in the purchaser (after receipt of such grants) paying less than the prevailing world market price for such commodities; or

(7) under which agricultural commodities owned or controlled by or under loan from the Commodity Credit Corporation are exchanged or bartered for materials, goods, equipment, or services produced in foreign countries, other than export activities described in section 132(5).

(c)(1) The requirement for United States-flag transportation imposed by subsection (a) shall be subject to the same terms and conditions as provided in section 901(b) of the Merchant Marine Act, 1936 (46 U.S.C. 1241(b)).

(2)(A) In order to carry out effectively the requirements of this subtitle, the Secretary of Transportation shall, to the maximum extent practicable within the requirements of this section and section 901(b) of the Merchant Marine Act, 1936, administer this subtitle and section 901(b) of the Merchant Marine Act, 1936, in a flexible manner, giving due consideration to historical trading patterns and to divisions in United States international shipping trades between bulk and liner service to particular geographic areas.

(B) The Secretary of Transportation shall also administer this subtitle and section 901(b) of the Merchant Marine Act, 1936, in a manner which preserves to the greatest extent practicable the mean historical port range share of cargoes subject to United States-flag transportation requirements under this section exported from the Atlantic, Gulf, Pacific, and Great Lakes port ranges.

(d) As used in subsection (b), the term "export activity", shall not include inspection or weighing activities, other activities carried out for health or safety purposes, or technical assistance provided in the handling of commercial transactions.

(e)(1) The prevailing world market price as to agricultural commodities or the products thereof shall be determined under this subtitle in accordance with procedures established by the Secretary of Agriculture. The Secretary shall prescribe such procedures by regulation, with notice and opportunity for public comment, pursuant to section 553 of title 5, United States Code.

(2) In the event that a determination of the prevailing world market price of any other type of materials, goods, equipment, or service is required in order to determine whether a barter or exchange transaction is subject to subsection (b)(6) or (b)(7), such determination shall be made by the Secretary of Agriculture in consultation with the heads of other appropriate Federal agencies.

MINIMUM TONNAGE

SEC. 134. (a)(1) For fiscal year 1986 and each fiscal year thereafter, the minimum quantity of agricultural commodities that may be exported under programs subject to section 133 shall be the average of the tonnage exported under such programs during the base period defined in subsection (b), discarding the high and low years.

(2) The President may waive the minimum quantity for any fiscal year required under paragraph (1) if he determines and reports to the Congress, together with his reasons, that such quantity cannot be effectively used for the purposes of such programs or, based on a certification by the Secretary of Agriculture, that the commodities are not available for reasons which include the unavailability of funds.

(b) The base period utilized for computing the minimum tonnage quantity referred to in subsection (a) for any fiscal year shall be the five fiscal years beginning with the sixth fiscal year preceding such fiscal year and ending with the second fiscal year preceding such fiscal year.

FINANCING OF SHIPMENT OF AGRICULTURAL COMMODITIES IN UNITED STATES-FLAG VESSELS

SEC. 135. (a) The Secretary of Transportation shall finance any increased ocean freight charges incurred in any fiscal year which result from the application of section 133(a). The amount to be financed by the Secretary shall be an amount of the total freight charges incurred from the application of such section in such fiscal year equal to a fraction of the total ocean freight differential incurred in connection with the export activities specified in such section in such fiscal year, the numerator of such fraction to be equal to the percentage in excess of 50 of the tonnage of agricultural commodities or the products thereof that are shipped on United States-flag vessels, and the denominator of such fraction to be equal to the total percentage of such tonnage so shipped.

(b)(1) If in any fiscal year the total cost of ocean freight and ocean freight differential for which obligations are incurred by the Department of Agriculture and the Commodity Credit Corporation on exports of agricultural commodities and products thereof under the agricultural export programs specified in section 133(b) exceeds 20 percent of the value of such commodities and products and the cost of such ocean freight and ocean freight differential on which obligations are incurred by such Department and Corporation during such year, the Secretary of Transportation shall reimburse the Department of Agriculture and the Commodity Credit Corporation for the amount of such excess. For the purpose of this subsection, commodities shipped from the inventory of the Commodity Credit Corporation shall be valued as provided in section 403(b) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1733(b)).

(2)(A) The National Advisory Commission on Agricultural Export Transportation Policy established under section 136 shall include in its final report to the President and the Congress recommendations for any changes in the provisions of paragraph (1) that would help assure that the cost of ocean freight and ocean freight differential incurred by the Department of Agriculture and the Commodity Credit Corporation on the agricultural export programs specified in section 133(b), is not increased above historical levels as a result of the extra demand for United States-flag vessels caused by this subtitle.

(B) After taking into consideration the recommendations of the Commission referred to in subparagraph (A), the President may, by proclamation, provide requirements for the assumption by the Department of Transportation of a portion of the cost of ocean freight and ocean freight differential that would otherwise be incurred by the Department of Agriculture and the Commodity Credit Corporation on a different basis than that set forth in paragraph (1) in order to accomplish the objectives of subparagraph (A). The provisions of paragraph (1) shall be inapplicable on and after the effective date of the proclamation.

(c) For the purpose of meeting those expenses required to be assumed under subsections (a) and (b), the Secretary of Transportation shall issue to the Secretary of the Treasury such obligations in such forms and denominations, bearing such maturities and subject to such terms and conditions, as may be prescribed by the Secretary of Transportation with the approval of the Secretary of the Treasury. Such obligations shall be at a rate of interest as determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding marketable obligations of the United States with remaining periods of maturity comparable to the average maturities of such obligations during the month preceding the issuance of such obligations of the Secretary of Transportation. The Secretary of Treasury shall purchase any obligations of the Secretary of Transportation issued under this subsection and, for the purpose of purchasing such obligations, the Secretary of the Treasury may use as a public debt transaction the proceeds from the sale of any securities issued under chapter 31 of title 31, United States Code, after the date of the enactment of this Act and the purposes for which securities may be issued under such chapter are extended to include any purchases of the obligations of the Secretary of Transportation under this subsection. All redemptions and purchases by the Secretary of the Treasury of the obligations of the Secretary of Transportation shall be treated as public-debt transactions of the United States.

(d) There is authorized to be appropriated annually for each fiscal year, commencing with the fiscal year beginning October 1, 1986, an amount sufficient to reimburse the Secretary of Transportation for the costs, including administrative expenses and the principal and interest due on the obligations to the Secretary of the Treasury incurred under this section. Reimbursement of any such costs shall be made with appropriated funds, as provided in this section, rather than through cancellation of notes.

(e) Notwithstanding the provisions of this section, in the event that the Secretary of Transportation is unable to obtain the funds necessary to finance the increased ocean freight charges resulting from the requirements of subsections (a) and (b) and section 133(a), the Secretary of Transportation shall so notify the Congress within 10 working days of the discovery of such insufficiency.

NATIONAL ADVISORY COMMISSION ON AGRICULTURAL EXPORT TRANSPORTATION POLICY

SEC. 136. (a) There is hereby established an advisory commission to be known as the National Advisory Commission on Agricultural Export Transportation Policy (hereafter in this subtitle referred to as the "Commission").

(b)(1) The Commission shall be composed of 24 members.

(2) Sixteen members of the Commission shall be appointed by the President.

(3) The chairman and ranking minority members of the Senate Committee on Agriculture, Nutrition, and Forestry, of the Subcommittee on Merchant Marine of the Senate Committee on Commerce, Science, and Transportation, of the House Committee on Agriculture, and of the House Committee on Merchant Marine and Fisheries shall serve as members of the Commission.

(4)(A) Eight of the members appointed by the President shall be representatives of agricultural producers, cooperatives, merchandisers, and processors of agricultural commodities.

(B) The remaining eight members appointed by the President shall be representatives of the United States-flag maritime industry, four of whom shall represent labor and four of whom shall represent management.

(c)(1) The members of the Commission shall elect a Chairman from among its members.

(2) Any vacancy in the Commission shall not affect its powers but shall be filled in the same manner in which the original appointment was made.

DUTIES OF THE COMMISSION

SEC. 137. (a) It shall be the duty of the Commission to conduct a comprehensive study and review of the ocean transportation of agricultural exports subject to the cargo preference laws referred to in section 132 and to make recommendations to the President and the Congress for improving the efficiency of such transportation on United States-flag vessels in order to reduce the costs incurred by the United States in connection with such transportation. In carrying out such study and review, the Commission shall consider the extent to which any unfair or discriminatory practices of foreign governments increase the cost to the United States of transporting agricultural commodities subject to such cargo preference laws.

(b)(1) The Commission shall submit an interim report to the President and the Congress not later than one year after the date of the enactment of this subtitle and such other interim reports as the Commission considers advisable.

(2) The Commission shall submit a final report containing its findings and recommendations to the President and the Congress not later than two years after the date of the enactment of this subtitle.

(3) Sixty days after the submission of the final report, the Commission shall cease to exist.

(c) The Commission shall include in its reports submitted pursuant to subsection (b) recommendations concerning the feasibility and desirability of achieving the following goals with respect to the ocean transportation of agricultural commodities subject to the cargo preference laws referred to in section 132:

(1) Ensuring that the timing of commodity purchase agreements entered into by the United States in connection with the export of such commodities, and the methods of implementing such agreements, are such as to minimize cost to the United States.

(2) Ensuring that shipments of such commodities are made on the most modern and efficient United States-flag vessels available.

(3) Ensuring that shipments of such commodities are made under the most advantageous terms available, including—

(A) charters for full shiploads;

(B) charters for intermediate or long term;

(C) charters for consecutive voyages and contracts of affreightment; and

(D) adjustment of rates in the event that vessels used for shipments of such commodities also carry cargoes on return voyages.

(4) Reduction and elimination of impediments, including delays in port, to the efficient loading and operation of the vessels employed for shipment of such commodities.

(5) Utilization of open and competitive bidding for the ocean transportation of such commodities.

INFORMATION AND ASSISTANCE TO BE FURNISHED TO THE COMMISSION

SEC. 138. (a) Each department, agency, and instrumentality of the United States, including independent agencies, shall furnish to the Commission, upon request made by the Chairman, such statistical data, reports, and other information as the Commission considers necessary to carry out its functions under this subtitle.

(b) The Secretary of Agriculture and the Secretary of Transportation shall make available to the Commission such staff, personnel, and administrative services as may reasonably be required to carry out the Commission's duties.

COMPENSATION AND TRAVEL AND SUBSISTENCE EXPENSES OF COMMISSION MEMBERS

SEC. 139. Members of the Commission shall serve without compensation in addition to compensation they may otherwise be entitled to receive as employees of the United States or as Members of Congress, but shall be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of duties vested in the Commission.

AUTHORIZATION OF APPROPRIATIONS

SEC. 140. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this subtitle.

TERMINATION OF SUBTITLE

SEC. 141. The operation of this subtitle shall terminate 90 days after the date on which a notification is made pursuant to section 135(e), except with respect to shipments of agricultural commodities and products subject to contracts entered into before the expiration of such 90-day period, unless within such 90-day period the Secretary of Transportation proclaims that funds are available to finance increased freight charges resulting from the requirements of sections 133(a) and 135 (a) and (b).

EFFECT ON OTHER LAWS

SEC. 142. This Act shall not be construed as modifying in any manner the provisions of section 4(b)(8) of the Food for Peace Act of 1966 (7 U.S.C. 1707a(b)(8)) or chapter 5 of title 5, United States Code."

INOUYE AMENDMENT NO. 916

Mr. INOUYE proposed an amendment to the bill S. 1714, supra; as follows:

On page 31, beginning with line 15, strike all through and including line 11 on page 33 and insert in lieu thereof the following:

"SEC. 131. (a) The Congress finds and declares—

(1) that a productive and healthy agricultural industry and a strong and active United States maritime industry are vitally important to the economic well-being and national security objectives of our Nation;

(2) that both industries must compete in international markets increasingly dominated by foreign trade barriers and the subsidization practices of foreign governments;

(3) that increased agricultural exports and the utilization of United States merchant vessels contribute positively to the United States balance of trade and generate employment opportunities in the United States.

(b) It is therefore declared to be the purpose and policy of the Congress in this subtitle—

(1) to enable the Department of Agriculture to plan its export programs effectively, by clarifying the ocean transportation requirements applicable to such programs;

(2) to take immediate and positive steps to promote the growth of the cargo carrying capacity of the United States merchant marine;

(3) to expand international trade in United States agricultural commodities and products and to develop, maintain, and expand markets for United States agricultural exports;

(4) to improve the efficiency of administration of both the commodity purchasing and selling and the ocean transportation activities associated with export programs sponsored by the Department of Agriculture; and

(5) to stimulate and promote both the agricultural and maritime industries of the United States and encourage cooperative efforts by both industries to address their common problems.

EXEMPTION OF CERTAIN AGRICULTURAL EXPORTS FROM THE REQUIREMENTS OF THE CARGO PREFERENCE LAWS

SEC. 132. The requirements of section 901(b)(1) of the Merchant Marine Act, 1936 (46 U.S.C. 1241(b)(1)), and the Joint Resolution of March 26, 1934 (46 U.S.C. 1241-1), shall not apply to any export activities of the Secretary of Agriculture or the Commodity Credit Corporation—

(1) under which agricultural commodities or the products thereof acquired by the Commodity Credit Corporation are made available to United States exporters, users, processors, or foreign purchasers for the purpose of developing, maintaining, or expanding export markets for United States agricultural commodities or the products thereof at prevailing world market prices;

(2) under which payments are made available to United States exporters, users, or processors or, except as provided in section 133(b)(6), cash grants are made available to foreign purchasers, for the purpose described in clause (1);

(3) under which commercial credit guarantees are blended with direct credits from the Commodity Credit Corporation to reduce the effective rate of interest on export sales of United States agricultural commodities or the products thereof;

(4) under which credit or credit guarantees for not to exceed 3 years are extended by the Commodity Credit Corporation to finance or guarantee export sales of United States agricultural commodities or the products thereof; or

(5) under which agricultural commodities or the products thereof owned or controlled by or under loan from the Commodity Credit Corporation are exchanged or bartered for materials, goods, equipment, or services, but only if such materials, goods, equipment, or services are of a value at least equivalent to the value of the agricultural commodities or products exchanged or bartered therefor (determined on the basis of prevailing world market prices at the time of the exchange or barter), but nothing in this subsection shall be construed to exempt from the cargo preference provisions referred to in section 132 any requirement otherwise applicable to the materials, goods, equipment, or services imported under any such transaction.

SHIPMENT REQUIREMENTS FOR CERTAIN EXPORTS SPONSORED BY THE DEPARTMENT OF AGRICULTURE

SEC. 133. (a)(1) In addition to the requirement for United States-flag carriage of a percentage of gross tonnage imposed by section 901(b)(1) of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1241(b)(1)), 25 per centum of the gross tonnage of agricultural commodities or the products thereof shipped under the agricultural export programs subject to such section and specified in subsection (b) shall be transported on United States-flag commercial vessels.

(2) In order to achieve an orderly and efficient implementation of the requirement of paragraph (1)—

(A) an additional quantity equal to 10 percent of the gross tonnage referred to in paragraph (1) shall be transported in United States-flag vessels in calendar year 1986;

(B) an additional quantity equal to 20 percent of the gross tonnage shall be transported in such vessels in calendar year 1987; and

(C) an additional quantity equal to 25 percent of the gross tonnage shall be transported in such vessels in calendar year 1988 and in each calendar year thereafter.

(3) In implementing the requirements of paragraph (1), the Secretary of Transportation shall give due consideration to the availability of United States-flag vessels to transport the commodities referred to in such paragraph.

(b) This section shall apply to any export activity of the Commodity Credit Corporation or the Secretary of Agriculture—

(1) carried out under the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.);

(2) carried out under section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431);

(3) carried out under the Food Security Wheat Reserve Act of 1980 (7 U.S.C. 1736f-1);

(4) under which agricultural commodities or the products thereof are—

(A) donated through foreign governments or agencies, private or public, including intergovernmental organizations; or

(B) sold for foreign currencies or for dollars on credit terms of more than ten years;

(5) under which agricultural commodities or the products thereof are made available for emergency food relief at less than prevailing world market prices;

(6) under which cash grants are made available to foreign purchasers for the purpose of enabling such purchasers to acquire United States agricultural commodities or the products thereof if the cash grants are in amounts that result in the purchaser (after receipt of such grants) paying less than the prevailing world market price for such commodities; or

(7) under which agricultural commodities owned or controlled by or under loan from the Commodity Credit Corporation are exchanged or bartered for materials, goods, equipment, or services produced in foreign countries, other than export activities described in section 132(5).

(c)(1) The requirement for United States-flag transportation imposed by subsection (a) shall be subject to the same terms and conditions as provided in section 901(b) of the Merchant Marine Act, 1936 (46 U.S.C. 1241(b)).

(2)(A) In order to carry out effectively the requirements of this subtitle, the Secretary of Transportation shall, to the maximum extent practicable within the requirements of this section and section 901(b) of the Merchant Marine Act, 1936, administer this subtitle and section 901(b) of the Merchant Marine Act, 1936, in a flexible manner, giving due consideration to historical trading patterns and to divisions in United States international shipping trades between bulk and liner service to particular geographic areas.

(B) The Secretary of Transportation shall also administer this subtitle and section 901(b) of the Merchant Marine Act, 1936, in a manner which preserves to the greatest extent practicable the mean historical port range share of cargoes subject to United States-flag transportation requirements under this section exported from the Atlantic, Gulf, Pacific, and Great Lakes port ranges.

(d) As used in subsection (b), the term "export activity", shall not include inspection or weighing activities, other activities carried out for health or safety purposes, or technical assistance provided in the handling of commercial transactions.

(e)(1) The prevailing world market price as to agricultural commodities or the products thereof shall be determined under this subtitle in accordance with procedures established by the Secretary of Agriculture. The Secretary shall prescribe such procedures by regulation, with notice and opportunity for public comment, pursuant to section 553 of title 5, United States Code.

(2) In the event that a determination of the prevailing world market price of any other type of materials, goods, equipment, or service is required in order to determine whether a barter or exchange transaction is subject to subsection (b)(6) or (b)(7), such determination shall be made by the Secretary of Agriculture in consultation with the heads of other appropriate Federal agencies.

MINIMUM TONNAGE

SEC. 134. (a)(1) For fiscal year 1986 and each fiscal year thereafter, the minimum quantity of agricultural commodities that may be exported under programs subject to section 133 shall be the average of the tonnage exported under such programs during the base period defined in subsection (b), discarding the high and low years.

(2) The President may waive the minimum quantity for any fiscal year required under paragraph (1) if he determines and reports to the Congress, together with his reasons, that such quantity cannot be effectively used for the purposes of such programs or, based on a certification by the Secretary of Agriculture, that the commodities are not available for reasons which include the unavailability of funds.

(b) The base period utilized for computing the minimum tonnage quantity referred to in subsection (a) for any fiscal year shall be the five fiscal years beginning with the sixth fiscal year preceding such fiscal year and ending with the second fiscal year preceding such fiscal year.

FINANCING OF SHIPMENT OF AGRICULTURAL COMMODITIES IN UNITED STATES-FLAG VESSELS

SEC. 135. (a) The Secretary of Transportation shall finance any increased ocean freight charges incurred in any fiscal year which result from the application of section 133(a). The amount to be financed by the Secretary shall be an amount of the total freight charges incurred from the application of such section in such fiscal year equal to a fraction of the total ocean freight differential incurred in connection with the export activities specified in such section in such fiscal year, the numerator of such fraction to be equal to the percentage in excess of 50 of the tonnage of agricultural commodities or the products thereof that are shipped on United States-flag vessels, and the denominator of such fraction to be equal to the total percentage of such tonnage so shipped.

(b)(1) If in any fiscal year the total cost of ocean freight and ocean freight differential for which obligations are incurred by the Department of Agriculture and the Commodity Credit Corporation on exports of agricultural commodities and products thereof under the agricultural export programs specified in section 133(b) exceeds 20 percent of the value of such commodities and products and the cost of such ocean freight and ocean freight differential on which obligations are incurred by such Department and Corporation during such year, the Secretary of Transportation shall reimburse the Department of Agriculture and the Commodity Credit Corporation for the amount of such excess. For the purpose of this subsection, commodities shipped from the inventory of the Commodity Credit Corporation shall be valued as provided in section 403(b) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1733(b)).

(2)(A) The National Advisory Commission on Agricultural Export Transportation Policy established under section 136 shall include in its final report to the President and the Congress recommendations for any changes in the provisions of paragraph (1) that would help assure that the cost of ocean freight and ocean freight differential incurred by the Department of Agriculture and the Commodity Credit Corporation on the agricultural export programs specified in section 133(b), is not increased above historical levels as a result of the extra demand for United States-flag vessels caused by this subtitle.

(B) After taking into consideration the recommendations of the Commission referred to in subparagraph (A), the President may, by proclamation, provide requirements for the assumption by the Department of Transportation of a portion of the cost of ocean freight and ocean freight differential that would otherwise be incurred by the Department of Agriculture and the Commodity Credit Corporation on a different basis than that set forth in paragraph (1) in order to accomplish the objectives of subparagraph (A). The provisions of paragraph (1) shall be inapplicable on and after the effective date of the proclamation.

(c) For the purpose of meeting those expenses required to be assumed under subsections (a) and (b), the Secretary of Transportation shall issue to the Secretary of the Treasury such obligations in such forms and denominations, bearing such maturities and subject to such terms and conditions, as may be prescribed by the Secretary of Transportation with the approval of the Secretary of the Treasury. Such obligations shall be at a rate of interest as determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding marketable obligations of the United States with remaining periods of maturity comparable to the average maturities of such obligations during the month preceding the issuance of such obligations of the Secretary of Transportation. The Secretary of Treasury shall purchase any obligations of the Secretary of Transportation issued under this subsection and, for the purpose of purchasing such obligations, the Secretary of the Treasury may use as a public debt transaction the proceeds from the sale of any securities issued under chapter 31 of title 31, United States Code, after the date of the enactment of this Act and the purposes for which securities may be issued under such chapter are extended to include any purchases of the obligations of the Secretary of Transportation under this subsection. All redemptions and purchases by the Secretary of the Treasury of the obligations of the Secretary of Transportation shall be treated as public-debt transactions of the United States.

(d) There is authorized to be appropriated annually for each fiscal year, commencing with the fiscal year beginning October 1, 1986, an amount sufficient to reimburse the Secretary of Transportation for the costs, including administrative expenses and the principal and interest due on the obligations to the Secretary of the Treasury incurred under this section. Reimbursement of any such costs shall be made with appropriated funds, as provided in this section, rather than through cancellation of notes.

(e) Notwithstanding the provisions of this section, in the event that the Secretary of Transportation is unable to obtain the funds necessary to finance the increased ocean freight charges resulting from the requirements of subsections (a) and (b) and section 133(a), the Secretary of Transportation shall so notify the Congress within 10 working days of the discovery of such insufficiency.

NATIONAL ADVISORY COMMISSION ON AGRICULTURAL EXPORT TRANSPORTATION POLICY

SEC. 136. (a) There is hereby established an advisory commission to be known as the National Advisory Commission on Agricultural Export Transportation Policy (hereafter in this subtitle referred to as the "Commission").

(b)(1) The Commission shall be composed of 24 members.

(2) Sixteen members of the Commission shall be appointed by the President.

(3) The chairman and ranking minority members of the Senate Committee on Agriculture, Nutrition, and Forestry, of the Sub-

committee on Merchant Marine of the Senate Committee on Commerce, Science, and Transportation, of the House Committee on Agriculture, and of the House Committee on Merchant Marine and Fisheries shall serve as members of the Commission.

(4)(A) Eight of the members appointed by the President shall be representatives of agricultural producers, cooperatives, merchandisers, and processors of agricultural commodities.

(B) The remaining eight members appointed by the President shall be representatives of the United States-flag maritime industry, four of whom shall represent labor and four of whom shall represent management.

(c)(1) The members of the Commission shall elect a Chairman from among its members.

(2) Any vacancy in the Commission shall not affect its powers but shall be filled in the same manner in which the original appointment was made.

DUTIES OF THE COMMISSION

SEC. 137. (a) It shall be the duty of the Commission to conduct a comprehensive study and review of the ocean transportation of agricultural exports subject to the cargo preference laws referred to in section 132 and to make recommendations to the President and the Congress for improving the efficiency of such transportation on United States-flag vessels in order to reduce the costs incurred by the United States in connection with such transportation. In carrying out such study and review, the Commission shall consider the extent to which any unfair or discriminatory practices of foreign governments increase the cost to the United States of transporting agricultural commodities subject to such cargo preference laws.

(b)(1) The Commission shall submit an interim report to the President and the Congress not later than one year after the date of the enactment of this subtitle and such other interim reports as the Commission considers advisable.

(2) The Commission shall submit a final report containing its findings and recommendations to the President and the Congress not later than two years after the date of the enactment of this subtitle.

(3) Sixty days after the submission of the final report, the Commission shall cease to exist.

(c) The Commission shall include in its reports submitted pursuant to subsection (b) recommendations concerning the feasibility and desirability of achieving the following goals with respect to the ocean transportation of agricultural commodities subject to the cargo preference laws referred to in section 132:

(1) Ensuring that the timing of commodity purchase agreements entered into by the United States in connection with the export of such commodities, and the methods of implementing such agreements, are such as to minimize cost to the United States.

(2) Ensuring that shipments of such commodities are made on the most modern and efficient United States-flag vessels available.

(3) Ensuring that shipments of such commodities are made under the most advantageous terms available, including—

(A) charters for full shiploads;

(B) charters for intermediate or long term;

(C) charters for consecutive voyages and contracts of affreightment; and

(D) adjustment of rates in the event that vessels used for shipments of such commodities also carry cargoes on return voyages.

(4) Reduction and elimination of impediments, including delays in port, to the efficient loading and operation of the vessels employed for shipment of such commodities.

(5) Utilization of open and competitive bidding for the ocean transportation of such commodities.

INFORMATION AND ASSISTANCE TO BE FURNISHED TO THE COMMISSION

SEC. 138. (a) Each department, agency, and instrumentality of the United States, including independent agencies, shall furnish to the Commission, upon request made by the Chairman, such statistical data, reports, and other information as the Commission considers necessary to carry out its functions under this subtitle.

(b) The Secretary of Agriculture and the Secretary of Transportation shall make available to the Commission such staff, personnel, and administrative services as may reasonably be required to carry out the Commission's duties.

COMPENSATION AND TRAVEL AND SUBSISTENCE EXPENSES OF COMMISSION MEMBERS

SEC. 139. Members of the Commission shall serve without compensation in addition to compensation they may otherwise be entitled to receive as employees of the United States or as Members of Congress, but shall be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of duties vested in the Commission.

AUTHORIZATION OF APPROPRIATIONS

SEC. 140. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this subtitle.

TERMINATION OF SUBTITLE

SEC. 141. The operation of this subtitle shall terminate 90 days after the date on which a notification is made pursuant to section 135(e), except with respect to shipments of agricultural commodities and products subject to contracts entered into before the expiration of such 90-day period, unless within such 90-day period the Secretary of Transportation proclaims that funds are available to finance increased freight charges resulting from the requirements of sections 133(a) and 135 (a) and (b).

EFFECT ON OTHER LAWS

SEC. 142. This Act shall not be construed as modifying in any manner the provisions of section 4(b)(8) of the Food for Peace Act of 1966 (7 U.S.C. 1707a(b)(8)) or chapter 5 of title 5, United States Code."

STEVENS AMENDMENT NO. 917

Mr. STEVENS proposed an amendment to amendment No. 916 proposed by Mr. INOUYE to the bill S. 1714, supra; as follows:

On page 1 of the amendment, beginning with line 10, strike all through the end and insert in lieu thereof the following:

"SEC. 131. (a) The Congress finds and declares—

(1) that a productive and healthy agricultural industry and a strong and active United States maritime industry are vitally important to the economic well-being and national security objectives of our Nation;

(2) that both industries must compete in international markets increasingly dominated by foreign trade barriers and the subsidization practices of foreign governments;

(3) that increased agricultural exports and the utilization of United States merchant vessels contribute positively to the United States balance of trade and generate employment opportunities in the United States.

(b) It is therefore declared to be the purpose and policy of the Congress in this subtitle—

(1) to enable the Department of Agriculture to plan its export programs effectively, by clarifying the ocean transportation requirements applicable to such programs;

(2) to take immediate and positive steps to promote the growth of the cargo carrying capacity of the United States merchant marine;

(3) to expand international trade in United States agricultural commodities and products and to develop, maintain, and expand markets for United States agricultural exports;

(4) to improve the efficiency of administration of both the commodity purchasing and selling and the ocean transportation activities associated with export programs sponsored by the Department of Agriculture; and

(5) to stimulate and promote both the agricultural and maritime industries of the United States and encourage cooperative efforts by both industries to address their common problems.

EXEMPTION OF CERTAIN AGRICULTURAL EXPORTS FROM THE REQUIREMENTS OF THE CARGO PREFERENCE LAWS

SEC. 132. The requirements of section 901(b)(1) of the Merchant Marine Act, 1936 (46 U.S.C. 1241(b)(1)), and the Joint Resolution of March 26, 1934 (46 U.S.C. 1241-1), shall not apply to any export activities of the Secretary of Agriculture or the Commodity Credit Corporation—

(1) under which agricultural commodities or the products thereof acquired by the Commodity Credit Corporation are made available to United States exporters, users, processors, or foreign purchasers for the purpose of developing, maintaining, or expanding export markets for United States agricultural commodities or the products thereof at prevailing world market prices;

(2) under which payments are made available to United States exporters, users, or processors or, except as provided in section 133(b)(6), cash grants are made available to foreign purchasers, for the purpose described in clause (1);

(3) under which commercial credit guarantees are blended with direct credits from the Commodity Credit Corporation to reduce the effective rate of interest on export sales of United States agricultural commodities or the products thereof;

(4) under which credit or credit guarantees for not to exceed 3 years are extended by the Commodity Credit Corporation to finance or guarantee export sales of United States agricultural commodities or the products thereof; or

(5) under which agricultural commodities or the products thereof owned or controlled by or under loan from the Commodity Credit Corporation are exchanged or bartered for materials, goods, equipment, or services, but only if such materials, goods, equipment, or services are of a value at least equivalent to the value of the agricultural commodities or products exchanged or bartered therefor (determined on the basis of prevailing world market prices at the time

of the exchange or barter), but nothing in this subsection shall be construed to exempt from the cargo preference provisions referred to in section 132 any requirement otherwise applicable to the materials, goods, equipment, or services imported under any such transaction.

SHIPMENT REQUIREMENTS FOR CERTAIN EXPORTS SPONSORED BY THE DEPARTMENT OF AGRICULTURE

SEC. 133. (a)(1) In addition to the requirement for United States-flag carriage of a percentage of gross tonnage imposed by section 901(b)(1) of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1241(b)(1)), 25 per centum of the gross tonnage of agricultural commodities or the products thereof shipped under the agricultural export programs subject to such section and specified in subsection (b) shall be transported on United States-flag commercial vessels.

(2) In order to achieve an orderly and efficient implementation of the requirement of paragraph (1)—

(A) an additional quantity equal to 10 percent of the gross tonnage referred to in paragraph (1) shall be transported in United States-flag vessels in calendar year 1986;

(B) an additional quantity equal to 20 percent of the gross tonnage shall be transported in such vessels in calendar year 1987; and

(C) an additional quantity equal to 25 percent of the gross tonnage shall be transported in such vessels in calendar year 1988 and in each calendar year thereafter.

(3) In implementing the requirements of paragraph (1), the Secretary of Transportation shall give due consideration to the availability of United States-flag vessels to transport the commodities referred to in such paragraph.

(b) This section shall apply to any export activity of the Commodity Credit Corporation or the Secretary of Agriculture—

(1) carried out under the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.);

(2) carried out under section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431);

(3) carried out under the Food Security Wheat Reserve Act of 1980 (7 U.S.C. 1736f-1);

(4) under which agricultural commodities or the products thereof are—

(A) donated through foreign governments or agencies, private or public, including intergovernmental organizations; or

(B) sold for foreign currencies or for dollars on credit terms of more than ten years;

(5) under which agricultural commodities or the products thereof are made available for emergency food relief at less than prevailing world market prices;

(6) under which cash grants are made available to foreign purchasers for the purpose of enabling such purchasers to acquire United States agricultural commodities or the products thereof if the cash grants are in amounts that result in the purchaser (after receipt of such grants) paying less than the prevailing world market price for such commodities; or

(7) under which agricultural commodities owned or controlled by or under loan from the Commodity Credit Corporation are exchanged or bartered for materials, goods, equipment, or services produced in foreign countries, other than export activities described in section 132(5).

(c)(1) The requirement for United States-flag transportation imposed by subsection (a) shall be subject to the same terms and conditions as provided in section 901(b) of the Merchant Marine Act, 1936 (46 U.S.C. 1241(b)).

(2)(A) In order to carry out effectively the requirements of this subtitle, the Secretary of Transportation shall, to the maximum extent practicable within the requirements of this section and section 901(b) of the Merchant Marine Act, 1936, administer this subtitle and section 901(b) of the Merchant Marine Act, 1936, in a flexible manner, giving due consideration to historical trading patterns and to divisions in United States international shipping trades between bulk and liner service to particular geographic areas.

(B) The Secretary of Transportation shall also administer this subtitle and section 901(b) of the Merchant Marine Act, 1936, in a manner which preserves to the greatest extent practicable the mean historical port range share of cargoes subject to United States-flag transportation requirements under this section exported from the Atlantic, Gulf, Pacific, and Great Lakes port ranges.

(d) As used in subsection (b), the term "export activity", shall not include inspection or weighing activities, other activities carried out for health or safety purposes, or technical assistance provided in the handling of commercial transactions.

(e)(1) The prevailing world market price as to agricultural commodities or the products thereof shall be determined under this subtitle in accordance with procedures established by the Secretary of Agriculture. The Secretary shall prescribe such procedures by regulation, with notice and opportunity for public comment, pursuant to section 553 of title 5, United States Code.

(2) In the event that a determination of the prevailing world market price of any other type of materials, goods, equipment, or service is required in order to determine whether a barter or exchange transaction is subject to subsection (b)(6) or (b)(7), such determination shall be made by the Secretary of Agriculture in consultation with the heads of other appropriate Federal agencies.

MINIMUM TONNAGE

SEC. 134. (a)(1) For fiscal year 1986 and each fiscal year thereafter, the minimum quantity of agricultural commodities that may be exported under programs subject to section 133 shall be the average of the tonnage exported under such programs during the base period defined in subsection (b), discarding the high and low years.

(2) The President may waive the minimum quantity for any fiscal year required under paragraph (1) if he determines and reports to the Congress, together with his reasons, that such quantity cannot be effectively used for the purposes of such programs or, based on a certification by the Secretary of Agriculture, that the commodities are not available for reasons which include the unavailability of funds.

(b) The base period utilized for computing the minimum tonnage quantity referred to in subsection (a) for any fiscal year shall be the five fiscal years beginning with the sixth fiscal year preceding such fiscal year and ending with the second fiscal year preceding such fiscal year.

FINANCING OF SHIPMENT OF AGRICULTURAL COMMODITIES IN UNITED STATES-FLAG VESSELS

SEC. 135. (a) The Secretary of Transportation shall finance any increased ocean freight charges incurred in any fiscal year which result from the application of section 133(a). The amount to be financed by the Secretary shall be an amount of the total freight charges incurred from the application of such section in such fiscal year equal to a fraction of the total ocean freight differential incurred in connection with the export activities specified in such section in such fiscal year, the numerator of such fraction to be equal to the percentage in excess of 50 of the tonnage of agricultural commodities or the products thereof that are shipped on United States-flag vessels, and the denominator of such fraction to be equal to the total percentage of such tonnage so shipped.

(b)(1) If in any fiscal year the total cost of ocean freight and ocean freight differential for which obligations are incurred by the Department of Agriculture and the Commodity Credit Corporation on exports of agricultural commodities and products thereof under the agricultural export programs specified in section 133(b) exceeds 20 percent of the value of such commodities and products and the cost of such ocean freight and ocean freight differential on which obligations are incurred by such Department and Corporation during such year, the Secretary of Transportation shall reimburse the Department of Agriculture and the Commodity Credit Corporation for the amount of such excess. For the purpose of this subsection, commodities shipped from the inventory of the Commodity Credit Corporation shall be valued as provided in section 403(b) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1733(b)).

(2)(A) The National Advisory Commission on Agricultural Export Transportation Policy established under section 136 shall include in its final report to the President and the Congress recommendations for any changes in the provisions of paragraph (1) that would help assure that the cost of ocean freight and ocean freight differential incurred by the Department of Agriculture and the Commodity Credit Corporation on the agricultural export programs specified in section 133(b), is not increased above historical levels as a result of the extra demand for United States-flag vessels caused by this subtitle.

(B) After taking into consideration the recommendations of the Commission referred to in subparagraph (A), the President may, by proclamation, provide requirements for the assumption by the Department of Transportation of a portion of the cost of ocean freight and ocean freight differential that would otherwise be incurred by the Department of Agriculture and the Commodity Credit Corporation on a different basis than that set forth in paragraph (1) in order to accomplish the objectives of subparagraph (A). The provisions of paragraph (1) shall be inapplicable on and after the effective date of the proclamation.

(c) For the purpose of meeting those expenses required to be assumed under subsections (a) and (b), the Secretary of Transportation shall issue to the Secretary of the Treasury such obligations in such forms and denominations, bearing such maturities and subject to such terms and conditions, as may be prescribed by the Secretary of Transportation with the approval of the Secretary of the Treasury. Such obligations shall be at a rate of interest as determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding marketable obligations of the United States with remaining periods of maturity comparable to the average maturities of such obligations during the month

preceding the issuance of such obligations of the Secretary of Transportation. The Secretary of Treasury shall purchase any obligations of the Secretary of Transportation issued under this subsection and, for the purpose of purchasing such obligations, the Secretary of the Treasury may use as a public debt transaction the proceeds from the sale of any securities issued under chapter 31 of title 31, United States Code, after the date of the enactment of this Act and the purposes for which securities may be issued under such chapter are extended to include any purchases of the obligations of the Secretary of Transportation under this subsection. All redemptions and purchases by the Secretary of the Treasury of the obligations of the Secretary of Transportation shall be treated as public-debt transactions of the United States.

(d) There is authorized to be appropriated annually for each fiscal year, commencing with the fiscal year beginning October 1, 1986, an amount sufficient to reimburse the Secretary of Transportation for the costs, including administrative expenses and the principal and interest due on the obligations to the Secretary of the Treasury incurred under this section. Reimbursement of any such costs shall be made with appropriated funds, as provided in this section, rather than through cancellation of notes.

(e) Notwithstanding the provisions of this section, in the event that the Secretary of Transportation is unable to obtain the funds necessary to finance the increased ocean freight charges resulting from the requirements of subsections (a) and (b) and section 133(a), the Secretary of Transportation shall so notify the Congress within 10 working days of the discovery of such insufficiency.

NATIONAL ADVISORY COMMISSION ON AGRICULTURAL EXPORT TRANSPORTATION POLICY

SEC. 136. (a) There is hereby established an advisory commission to be known as the National Advisory Commission on Agricultural Export Transportation Policy (hereafter in this subtitle referred to as the "Commission").

(b)(1) The Commission shall be composed of 24 members.

(2) Sixteen members of the Commission shall be appointed by the President.

(3) The chairman and ranking minority members of the Senate Committee on Agriculture, Nutrition, and Forestry, of the Subcommittee on Merchant Marine of the Senate Committee on Commerce, Science, and Transportation, of the House Committee on Agriculture, and of the House Committee on Merchant Marine and Fisheries shall serve as members of the Commission.

(4)(A) Eight of the members appointed by the President shall be representatives of agricultural producers, cooperatives, merchandisers, and processors of agricultural commodities.

(B) The remaining eight members appointed by the President shall be representatives of the United States-flag maritime industry, four of whom shall represent labor and four of whom shall represent management.

(c)(1) The members of the Commission shall elect a Chairman from among its members.

(2) Any vacancy in the Commission shall not affect its powers but shall be filled in the same manner in which the original appointment was made.

DUTIES OF THE COMMISSION

SEC. 137. (a) It shall be the duty of the Commission to conduct a comprehensive study and review of the ocean transportation of agricultural exports subject to the cargo preference laws referred to in section 132 and to make recommendations to the President and the Congress for improving the efficiency of such transportation on United States-flag vessels in order to reduce the costs incurred by the United States in connection with such transportation. In carrying out such study and review, the Commission shall consider the extent to which any unfair or discriminatory practices of foreign governments increase the cost to the United States of transporting agricultural commodities subject to such cargo preference laws.

(b)(1) The Commission shall submit an interim report to the President and the Congress not later than one year after the date of the enactment of this subtitle and such other interim reports as the Commission considers advisable.

(2) The Commission shall submit a final report containing its findings and recommendations to the President and the Congress not later than two years after the date of the enactment of this subtitle.

(3) Sixty days after the submission of the final report, the Commission shall cease to exist.

(c) The Commission shall include in its reports submitted pursuant to subsection (b) recommendations concerning the feasibility and desirability of achieving the following goals with respect to the ocean transportation of agricultural commodities subject to the cargo preference laws referred to in section 132:

(1) Ensuring that the timing of commodity purchase agreements entered into by the United States in connection with the export of such commodities, and the methods of implementing such agreements, are such as to minimize cost to the United States.

(2) Ensuring that shipments of such commodities are made on the most modern and efficient United States-flag vessels available.

(3) Ensuring that shipments of such commodities are made under the most advantageous terms available, including—

(A) charters for full shiploads;

(B) charters for intermediate or long term;

(C) charters for consecutive voyages and contracts of affreightment; and

(D) adjustment of rates in the event that vessels used for shipments of such commodities also carry cargoes on return voyages.

(4) Reduction and elimination of impediments, including delays in port, to the efficient loading and operation of the vessels employed for shipment of such commodities.

(5) Utilization of open and competitive bidding for the ocean transportation of such commodities.

INFORMATION AND ASSISTANCE TO BE FURNISHED TO THE COMMISSION

SEC. 138. (a) Each department, agency, and instrumentality of the United States, including independent agencies, shall furnish to the Commission, upon request made by the Chairman, such statistical data, reports, and other information as the Commission considers necessary to carry out its functions under this subtitle.

(b) The Secretary of Agriculture and the Secretary of Transportation shall make available to the Commission such staff, personnel, and administrative services as may reasonably be required to carry out the Commission's duties.

COMPENSATION AND TRAVEL AND SUBSISTENCE EXPENSES OF COMMISSION MEMBERS

SEC. 139. Members of the Commission shall serve without compensation in addition to compensation they may otherwise be entitled to receive as employees of the United States or as Members of Congress, but shall be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of duties vested in the Commission.

AUTHORIZATION OF APPROPRIATIONS

SEC. 140. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this subtitle.

TERMINATION OF SUBTITLE

SEC. 141. The operation of this subtitle shall terminate 90 days after the date on which a notification is made pursuant to section 135(e), except with respect to shipments of agricultural commodities and products subject to contracts entered into before the expiration of such 90-day period, unless within such 90-day period the Secretary of Transportation proclaims that funds are available to finance increased freight charges resulting from the requirements of sections 133(a) and 135 (a) and (b).

EFFECT ON OTHER LAWS

SEC. 142. This Act shall not be construed as modifying in any manner the provisions of section 4(b)(8) of the Food for Peace Act of 1966 (7 U.S.C. 1707a(b)(8)) or chapter 5 of title 5, United States Code."

ABDNOR AMENDMENT NO. 918

(Ordered to lie on the table.)

Mr. ABDNOR submitted an amendment intended to be proposed by him to the bill S. 1714, supra; as follows:

On page 33, between lines 11 and 12, insert the following new section:

IMPORT TRANSPORTATION OF AGRICULTURAL COMMODITIES

SEC. 113. (a) Not less than 50 percent of the gross tonnage of agricultural commodities produced in a foreign country and imported into the United States must be transported in privately owned United States-flag vessels if the country in which the commodities were produced subsidized the export of such commodities. The foregoing requirement shall be enforced only to the extent that such vessels are available at fair and reasonable rates relative to rates generally charged by privately owned United States-flag vessels for the transportation of the commodities concerned.

(b) In computing the gross tonnage of agricultural commodities exported to the United States by any foreign country, such tonnage shall be computed separately for dry bulk carriers, dry cargo liners, and tankers.

(c) The requirement of subsection (a) shall be administered in such a manner as will, to the maximum extent practicable, ensure the fair and reasonable participation of privately owned United States-flag vessels on a geographic basis.

(d) The term "privately owned United States-flag vessel" shall have the same meaning for purposes of this section as the term "privately owned United States-flag commercial vessel" has for purposes of section 901(b) of the Merchant Marine Act of 1936 (46 U.S.C. 1241(b)).

(e) The President or the Secretary of Defense may temporarily suspend the operation of this section by the issuance of a

proclamation declaring that an emergency exists which necessitates such action.

(f) This section shall not apply to cargo transported in vessels of the Panama Canal Company.

(g) The Secretary of Commerce shall submit a report each year to the Congress reviewing the operation of this section during the preceding year and shall include in such report such recommendations for legislation for improving such operations as he considers appropriate.

(h) The Secretary of Commerce shall prescribe regulations for the implementation of this section.

(i) Nothing in this section shall be construed as modifying or superseding the Act of March 26, 1934 (chapter 90) (46 U.S.C. 1241-1).

Renumber the following sections accordingly.

BUMPERS AMENDMENT NO. 919

(Ordered to lie on the table.)

Mr. BUMPERS submitted an amendment intended to be proposed by him to the bill S. 1714, supra; as follows:

At the appropriate place in the bill, add the following new section:

SEC. . Section 11 of the Act of May 29, 1884 (23 Stat. 31, chapter 60; 21 U.S.C. 114a), is amended—

(1) by designating the first and second sentences as subsections (a) and (c) respectively; and

(2) by inserting after subsection (a) (as designated by clause (1)) the following new subsection:

"(b) If the Secretary, in cooperation with a State or political subdivision thereof, conducts a program to control and eradicate brucellosis of domestic animals and provides money to such State or political subdivision under such program for the payment of claims growing out of the destruction of animals, and of materials, affected by or exposed to brucellosis, upon notification of the Secretary, such State or political subdivision may use such money for any of the following purposes or combination of purposes:

"(1) to test and vaccinate animals for brucellosis; and

"(2) to pay claims growing out of the destruction of female animals affected by or exposed to brucellosis; and

"(3) to pay claims growing out of the destruction of nursing female animal offspring of female animals affected by or exposed to brucellosis, in lieu of claims growing out of the destruction of female animals; and

"(4) to pay claims growing out of the destruction of entire herds of animals.".

BUMPERS (AND PRYOR) AMENDMENT NO. 920

(Ordered to lie on the table.)

Mr. BUMPERS (for himself and Mr. PRYOR) submitted an amendment intended to be proposed by them to the bill S. 1714, supra; as follows:

At the appropriate place in the bill, add the following:

SEC. . Section 1503 of title 7, United States Code, is amended by striking the period at the end of the section and inserting in lieu thereof the following: "; *Provided,* That the Corporation shall establish and maintain in the State of Arkansas a field operations branch office which shall have Arkansas as its sole area of service.".

BOSCHWITZ (AND OTHERS) AMENDMENT NO. 921

Mr. BOSCHWITZ (for himself, Mr. NICKLES, Mr. DANFORTH, Mr. DIXON, and Mr. DURENBERGER) proposed an amendment to amendment No. 916 proposed by Mr. INOUYE to the bill S. 1714, supra; as follows:

At the end of amendment No. 916, insert the following:

"FAIR AND REASONABALE RATE

"SEC. . Section 901 of the Merchant Marine Act, 1936 (46 U.S.C. 1241) is amended by inserting the following after the first sentence in subsection (b):

"The rate charged by a United States flag-commercial vessel for transporting cargoes subject to this section and the Joint Resolution of March 26, 1934 (48 Stat. 500, 46 U.S.C. 1241-1) shall be deemed to be fair and reasonable only if such rate—

"(A) for the fiscal year ending September 30, 1986, is no greater than 175 per centum of the rate charged for transporting the same cargo on a foreign-flag commercial vessel;

"(B) for the fiscal year ending September 30, 1987, is no greater than 160 per centum of the rate charged for transporting the same cargo on a foreign-flag commercial vessel, and

"(C) for the fiscal year ending September 30, 1988, and each fiscal year thereafter, is no greater than 140 per centum of the rate charged for transporting the same cargo on a foreign-flag commercial vessel."

MATHIAS AMENDMENT NO. 922

(Ordered to lie on the table.)

Mr. MATHIAS submitted an amendment intended to be proposed by him to the bill S. 1714, supra; as follows:

Beginning on page 295, strike out line 24 and all that follows through line 3 on page 296 and insert in lieu thereof the following:

SEC. 1517. (a) Section 1463(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3311(a)) is amended by striking out "$890,000,000 for the fiscal year ending September 30, 1985" and inserting in lieu thereof "$890,000,000 for each of the fiscal years ending September 30, 1985, through September 30, 1989, of which not less than $500,000 shall be made available each such fiscal year for research to control or eradicate Africanized honey bees".

HARKIN (AND OTHERS) AMENDMENT NO. 923

Mr. HARKIN (for himself, Mr. GRASSLEY, Mr. BOSCHWITZ, Mr. BOREN, Mr. ZORINSKY, Mr. DIXON, Mr. SIMON, Mr. MELCHER, Mr. EXON, Mr. NICKLES, and Mr. PRYOR) proposed an amendment to amendment No. 916 proposed by Mr. INOUYE, as amended, to the bill S. 1714, supra; as follows:

At the end of the pending amendment, add the following.

TRANSFER OF RESPONSIBILITY FOR THE PAYMENT OF CERTAIN TRANSPORTATION COSTS

SEC. . (a) Section 5(f) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714c(f)) is amended to read as follows:

"(f) Export or cause to be exported, or aid in the development of foreign markets for, agricultural commodities, except that no funds or assets of the Corporation may be used to pay for, or otherwise finance, the ocean freight charges for any such export to the extent that such charges are higher than would otherwise be the case by reason of a requirement that the commodities be transported in United States-flag vessels.".

(b)(1) Notwithstanding any other provision of law, the Secretary of Defense shall pay the ocean freight charges for the export of agricultural commodities arranged by or through the Commodity Credit Corporation under section 5(f) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714c(f)), or under any other law, to the extent that such charges are in excess of what they would otherwise be because of a requirement that the commodities be transported in United States-flag vessels.

(2) There are authorized to be appropriated to the Secretary of Defense, for each fiscal year after fiscal year 1985, such sums as may be necessary to pay the ocean freight charges the Secretary is required to pay under paragraph (1) in such year.

(c) The amendment made by subsection (a) shall apply to shipments of agricultural commodities made after enactment of the Agriculture, Food, Trade, and Conservation Act of 1985."

NICKLES AMENDMENT NO. 924

Mr. NICKLES (for himself and Mr. BOREN) proposed an amendment to amendment No. 916 proposed by Mr. INOUYE, as amended, to the bill S. 1714, supra; as follows:

At the end of amendment No. 916, insert the following:

"AVAILABILITY OF VESSELS

"SEC. . Section 901 of the Merchant Marine Act, 1936 (46 U.S.C. 1241) is amended by inserting the following after the first sentence in subsection (b):

"No United States-flag commercial vessel shall be deemed to be available for the transportation of cargoes subject to Section 901 of the Merchant Marine Act, 1936 (46 U.S.C. 1241) and the Joint Resolution of March 26, 1934 (48 Stat. 500, 46 U.S.C. 1241-1) unless such vessel has been certified by the Secretary of the Navy, upon the recommendation of the Chief of Naval Operations, as being necessary to carry out the defense of the United States and its allies.".

DIXON (AND OTHERS) AMENDMENT NO. 925

Mr. DIXON (for himself, Mr. SIMON, Mr. BOSCHWITZ, and Mr. LEVIN) proposed an amendment to the amendment No. 916 proposed by Mr. INOUYE, as amended, to the bill S. 1714, supra; as follows:

In the pending amendment, strike all after "Sec. 131." and insert in lieu thereof the following:

"(a) The Congress finds and declares—

(1) that a productive and healthy agricultural industry and a strong and active United States maritime industry are vitally important to the economic well-being and national security objectives of our Nation;

(2) that both industries must compete in international markets increasingly dominat-

ed by foreign trade barriers and the subsidization practices of foreign governments;

(3) that increased agricultural exports and the utilization of United States merchant vessels contribute positively to the United States balance of trade and generate employment opportunities in the United States.

(b) It is therefore declared to be the purpose and policy of the Congress in this subtitle—

(1) to enable the Department of Agriculture to plan its export programs effectively, by clarifying the ocean transportation requirements applicable to such programs;

(2) to take immediate and positive steps to promote the growth of the cargo carrying capacity of the United States merchant marine;

(3) to expand international trade in United States agricultural commodities and products and to develop, maintain, and expand markets for United States agricultural exports;

(4) to improve the efficiency of administration of both the commodity purchasing and selling and the ocean transportation activities associated with export programs sponsored by the Department of Agriculture; and

(5) to stimulate and promote both the agricultural and maritime cooperative efforts by both industries to address their common problems.

EXEMPTION OF CERTAIN AGRICULTURAL COMMODITIES FROM THE REQUIREMENTS OF THE CARGO PREFERENCE LAWS

SEC. 132. The requirements of section 901(b)(1) of the Merchant Marine Act, 1936 (46 U.S.C. 1241(b)(1)), and the Joint Resolution of March 26, 1934 (46 U.S.C. 1241-1), shall not apply to any export activities of the Secretary of Agriculture or the Commodity Credit Corporation—

(1) under which agricultrual commodities or the products thereof acquired by the Commodity Credit Corporation are made available to United States exporters, users, processors, or foreign purchasers for the purpose of developing, maintaining, or expanding export markets for United States agricultural commodities or the products thereof at prevailing world market prices;

(2) under which payments are made available to United States exporters, users, or processors or, except as provided in section 133(b)(6), cash grants are made available to foreign purchasers, for the purpose described in clause (1);

(3) under which commercial credit guarantees are blended with direct credits from the Commodity Credit Corporation to reduce the effective rate of interest on export sales of United States agricultural commodities or the products thereof;

(4) under which credit or credit guarantees for not to exceed 3 years are extended by the Commodity Credit Corporation to finance or guarantee export sales of United States agricultural commodities or the products thereof; or

(5) under which agricultural commodities or the products thereof owned, controlled, or held as loan security by the Commodity Credit Corporation are exchanged or bartered for materials, goods, equipment, or services, but only if such materials, goods, equipment, or services are of a value at least equivalent to the value of the agricultural commodities or products exchanged or bartered therefor (determined on the basis of prevailing world market prices at the time of the exchange or barter), but nothing in this subsection shall be construed to exempt from the cargo preference previsions refered to in section 132 any requirement otherwise applicable to the materials, goods, equipment, or services imported under any such transaction.

EXPANSION OF CARGO PREFERENCE APPLICATION

SEC. 133. (a)(1) In addition to any quantity of agricultural commodities and the products thereof required under section 901(b) of the Merchant Marine Act, 1936 (46 U.S.C. 1241(b)(1)), to be transported in United States-flag vessels, a volume equal to 25 percent of the gross tonnage of agricultural commodities or the products thereof shipped under the agricultural export programs specified in subsection (b) of this section shall be transported on United States-flag vessels.

(2) In order to achieve an orderly and efficient implementation of the requirement of paragraph (1)—

(A) a quantity equal to 10 percent of the gross tonnage referred to in paragraph (1) shall be transported in United States-flag vessels in calendar year 1986;

(B) a quantity equal to 20 percent of such gross tonnage shall be transported in such vessels in calendar year 1987; and

(C) a quantity equal to 25 percent of such gross tonnage shall be transported in such vessels in calendar year 1988 and in each calendar year thereafter.

(3) In implementing the requirements of paragraph (1), the Secretary of transportation shall give due consideration to the availability of United States-flag vessels to transport the commodities referred to in such paragraph.

(b) This section shall apply to any export activity of the Commodity Credit Corporation or the Secretary of Agriculture—

(1) carried out under the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.);

(2) carried out under section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431);

(3) carried out under the Food Security Wheat Reserve Act of 1980 (7 U.S.C. 1736f-1);

(4) under which agricultural commodities or the products thereof are—

(A) donated through foreign governments or agencies, private or public, including intergovernmental organizations; or

(B) sold for foreign currencies or for dollars on credit terms of more than ten years;

(5) under which agricultural commodities or the products thereof are made available for emergency food relief at less than prevailing world market prices;

(6) under which cash grants are made available to foreign purchasers for the purpose of enabling such purchasers to acquire United States agricultural commodities or the products thereof if the cash grants are in amounts that result in the purchaser (after receipt of such grants) paying less than the prevailing world market price for such commodities; or

(7) under which agricultural commodities owned, controlled, or held as loan security by the Commodity Credit Corporation are exchanged or bartered for materials, goods, equipment, or services produced in foreign countries, other than export activities described in subsection (d).

(c)(1) The requirement for United States-flag transportation imposed by subsection (a) shall be subject to the same terms and conditions as provided in section 901(b) of the Merchant Marine Act, 1936 (46 U.S.C. 1241(b)).

(2)(A) In order to carry out effectively the requirements of this subtitle, the Secretary of Transportation shall, to the maximum extent practicable within the requirements of this section and section 901(b) of the Merchant Marine Act, 1936, administer this subtitle and section 901(b) of the Merchant Marine Act, 1936, in a flexible manner, giving due consideration to historical trading patterns and to divisions in United States international shipping trades between bulk and liner service to particular geographic areas.

(B) The Secretaries of Agriculture and Transportation shall administer the cargo preference laws in such a way that they preserve the mean historic port range share of cargoes subject to the cargo preference requirements for those processed, fortified or bagged agricultural commodities which are exported as assistance or a donation pursuant to Title II of the Agricultural Trade Development Act of 1954 from all four port ranges. For the purposes of this paragraph, the term, "mean historic port range share," is defined as the average of the annual per centum of any such processed, fortified or bagged agricultural commodities, which are exported as assistance or as a donation pursuant to Title II of the Agricultural Trade Development and Assistance Act of 1954, shipped over the four-year period from calendar year 1980 through calendar year 1983.

(d) As used in subsection (b), the term "export activity", shall not include inspection or weighing activities, other activities carried out for health or safety purposes, or technical assistance provided in the handling of commercial transactions.

(e)(1) The prevailing world market price shall be determined under this subtitle in accordance with procedures established by the Secretary of Agriculture. The Secretary shall prescribe such procedures by regulation, with notice and opportunity for public comment, pursuant to section 553 of title 5, United States Code.

(2) In the event that a determination of the prevailing world market price of any type of materials, goods, equipment, or service is required in order to determine whether a barter or exchange transaction is subject to subsection (b)(6) or (b)(7), such determination shall be made by the Secretary of Agriculture in consultation with the heads of other appropriate Federal agencies.

MINIMUM TONNAGE

SEC. 134. (a)(1) For fiscal year 1986 and each fiscal year thereafter, the minimum quantity of agricultural commodities that may be exported under programs subject to section 133 shall be the average of the tonnage exported under such programs during the base period defined in subsection (b), discarding the high and low years.

(2) The President may waive the minimum quantity for any fiscal year required under paragraph (1) if he determines and reports to the Congress, together with his reasons, that such quantity cannot be effectively used for the purposes of such programs or, based on a certification by the Secretary of Agriculture, that the commodities are not available for reasons which include the unavailability of funds.

(b) The base period utilized for computing the minimum tonnage quantity referred to in subsection (a) for any fiscal year shall be the five fiscal years beginning with the sixth fiscal year preceding such fiscal year and ending with the second fiscal year preceding such fiscal year.

FINANCING OF SHIPMENT OF AGRICULTURAL COMMODITIES IN UNITED STATES-FLAG VESSELS

SEC. 135. (a) The Secretary of Transportation shall finance any increased ocean freight charges incurred in any fiscal year which result from the application of section 133(a). The amount to be financed by the Secretary shall be an amount of the total freight charges incurred from the application of such section in such fiscal year equal to a fraction of the total ocean freight differential incurred in connection with the export activities specified in such section in such fiscal year, the numerator of such fraction to be equal to the percentage in excess of 50 of the tonnage of agricultural commodities or the products thereof that are shipped on United States-flag vessels, and the denominator of such fraction to be equal to the total percentage of such tonnage so shipped.

(b)(1) If in any fiscal year the total cost of ocean freight and ocean freight differential for which obligations are incurred by the Department of Agriculture and the Commodity Credit Corporation on exports of agricultural commodities and products thereof under the agricultural export programs specified in section 133(b) exceeds 20 percent of the value of such commodities and products and the cost of such ocean freight and ocean freight differential on which obligations are incurred by such Department and Corporation during such year, the Secretary of Transportation shall reimburse the Department of Agriculture and the Commodity Credit Corporation for the amount of such excess. For the purpose of this subsection, commodities shipped from the inventory of the Commodity Credit Corporation shall be valued as provided in section 403(b) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1733(b)).

(2)(A) the National Advisory Commission on Agricultural Export Transportation Policy established under section 136 shall include in its final report to the President and the Congress recommendations for any changes in the provisions of paragraph (1) that would help assure that the cost of ocean frieght and ocean frieght differential incurred by the Department of Agriculture and the Commodity Credit Corporation on the agricultural export programs specified in section 133(b), is not increased above historical levels as a result of the extra demand for United States-flag vessels caused by this subtitle.

(B) After taking into consideration the recommendations of the Commission referred to in subparagraph (A), the President may, by proclamation, provide requirements for the assumption by the Department of Transportation of a portion of the cost of ocean freight and ocean freight differential that would otherwise be incurred by the Department of Agriculture and the Commodity Credit Corporation on a different basis than that set forth in paragraph (1) in order to accomplish the objectives of subparagraph (A). The provisions of paragraph (1) shall be inapplicable on and after the effective date of the proclamation.

(c) For the purpose of meeting those expenses required to be assumed under subsections (a) and (b), the Secretary of Transportation shall issue to the Secretary of the Treasury such obligations in such forms and denominations, bearing such maturities and subject to such terms and conditions, as may be prescribed by the Secretary of Transportation with the approval of the Secretary of the Treasury. Such obligations shall be at a rate of interest as determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding marketable obligations of the United States with remaining periods of maturity comparable to the average maturities of such obligations during the month preceding the issuance of such obligations of the Secretary of Transportation. The Secretary of Treasury shall purchase any obligations of the Secretary of Transportation issued under this subsection and, for the purpose of purchasing such obligations, the Secretary of the Treasury may use as a public debt transaction the proceeds from the sale of any securities issued under chapter 31 of title 31, United States Code, after the date of the enactment of this Act and the purposes for which securities may be issued under such chapter are extended to include any purchases of the obligations of the Secretary of Transportation under this subsection. All redemptions and purchases by the Secretary of the Treasury of the obligations of the Secretary of Transportation shall be treated as public-debt transactions of the United States.

(d) There is authorized to be appropriated annually for each fiscal year, commencing with the fiscal year beginning October 1, 1986, an amount sufficient to reimburse the Secretary of Transportation for the costs, including administrative expenses and the principal and interest due on the obligations to the Secretary of the Treasury incurred under this section. Reimbursement of any such shall be made with appropriated funds, as provided in this section, rather than through cancellation of notes.

(e) Notwithstanding the provisions of this section, in the event that the Secretary of Transportation is unable to obtain the funds necessary to finance the increased ocean freight changes resulting from the requirements of subsections (a) and (b) and section 133(a), the Secretary of Transportation shall so notify the Congress within 10 working days of the discovery of such insufficiency.

NATIONAL ADVISORY COMMISSION ON AGRICULTURAL EXPORT TRANSPORTATION POLICY

SEC. 136. (a) There is hereby established an advisory commission to be known as the National Advisory Commission on Agricultural Export Transporatation Policy (hereafter in this subtitle referred to as the "Commission").

(b)(1) The Commission shall be composed of 16 members.

(2) Eight members of the commission shall be appointed by the President.

(3) The chairman and ranking minority members of the Senate Committee on Agriculture, Nutrition, and Forestry, of the Subcommittee on Merchant Marine of the Senate Committee on Commerce, Science, and Transportation, of the House Committee on Agriculture, and of the House Committee on Merchant Marine and Fisheries shall serve as members of the Commission.

(4) (A) Four of the members appointed by the President shall be representatives of agricultural producers, cooperatives, merchandisers, and processors of agricultural commodities.

(B) The remaining four members appointed by the President shall be representatives of the United States-flag maritime industry, two of whom shall represent labor and two of whom shall represent management.

(c)(1) The members of the Commission shall elect a Chairman from among its members.

(2) Any vacancy in the Commission shall not affect its powers but shall be filled in the same manner in which the original appointment was made.

DUTIES OF THE COMMISSION

SEC. 137. (a) It shall be the duty of the Commission to conduct a comprehensive study and review of the ocean transportation of agricultural exports subject to the cargo preference laws referred to in section 132 and to make recommendations to the President and the Congress for improving the efficiency of such transportation on United States-flag vessels in order to reduce the costs incurred by the United States in connection with such transportation. In carrying out such study and review, the Commission shall consider the extent to which any unfair or discriminatory practices of foreign governments increase the cost to the United States of transporting agricultural commodities subject to such cargo preference laws.

(b)(1) The Commission shall submit an interim report to the President and the Congress not later than one year after the date of the enactment of this subtitle and such other interim reports as the Commission considers advisable.

(2) The Commission shall submit a final report containing its findings and recommendation to the President and the Congress not later than two years after the date of the enactment of this subtitle.

(3) Sixty days after the submission of the final report, the Commission shall cease to exist.

(c) The Commission shall include in its reports submitted pursuant to subsection (b) recommendations concerning the feasibility and desirability of achieving the following goals with respect to the ocean transportation of agricultural commodities subject to the cargo preference laws referred to in section 132:

(1) Ensuring that the timing of commodity purchase agreements entered into by the United States in connection with the export of such commodities, and the methods of implementing such agreements, are such as to minimize cost to the United States.

(2) Ensuring that shipments of such commodities are made on the most modern and efficient United States-flag vessels available.

(3) Ensuring that shipments of such commodities are made under the most advantageous terms available, including—

(A) charters for full shiploads;

(B) charters for intermediate or long term;

(C) charters for consecutive voyages and contracts of affreightment; and

(D) adjustment of rates in the event that vessels used for shipments of such commodities also carry cargoes on return voyages.

(4) Reduction and elimination of impediments, including delays in port, to the efficient loading and operation of the vessels employed for shipment of such commodities.

(5) Utilization of open and competitive bidding for the ocean transportation of such commodities.

INFORMATION AND ASSISTANCE TO BE FURNISHED TO THE COMMISSION

SEC.138. (a) Each department, agency, and instrumentality of the United States, including independent agencies, shall furnish to the Commission, upon request made by the Chairman, such statistical data, reports, and other information as the Commission considers necessary to carry out its functions under this subtitle.

(b) The Secretary of Agriculture and the Secretary of Transportation shall make available to the Commission such staff, personnel, and administrative services as may reasonably be required to carry out the Commission's duties.

COMPENSATION AND TRAVEL AND SUBSISTENCE EXPENSES OF COMMISSION MEMBERS

SEC. 139. Members of the Commission shall serve without compensation in addition to compensation they may otherwise be entitled to receive as employees of the United States or as Members of Congress, but shall be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of duties vested in the Commission.

AUTHORIZATION OF APPROPRIATIONS

SEC. 140. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this subtitle.

TERMINATION OF SUBTITLE

SEC. 141. The operation of this subtitle shall terminate 90 days after the date on which a notification is made pursuant to section 135(e), except with respect to shipments of agricultural commodities and products subject to contracts entered into before the expiration of such 90-day period, unless within such 90-day period the Secretary of Transportation proclaims that funds are available to finance increased freight charges resulting from the requirements of sections 133(a) and 135 (a) and (b).

EFFECT ON OTHER LAWS

SEC. 142. This Act shall not be construed as modifying in any manner the provisions of section 4(b)(8) of the Food for Peace Act of 1966 (7 U.S.C. 1707a(b)(8)) or chapter 5 of title 5, United States Code.

NOTICES OF HEARINGS

COMMITTEE ON RULES AND ADMINISTRATION

Mr. MATHIAS. Mr. President, I wish to announce that the Committee on Rules and Administration will meet at 9:30 a.m., on Tuesday, November 5, 1985, in SR-301, Russell Senate Office Building, to receive testimony on S. 1787, a bill to provide for public financing of Senate general election campaigns. Senators and other interested organizations and individuals who wish to testify or to submit a statement for the hearing record are requested to contact Elaine Milliken at (202) 224-3449.

For further information regarding this hearing, please call Rules Committee staff at (202) 224-3448.

COMMITTEE ON SMALL BUSINESS

Mr. WEICKER. Mr. President, I would like to announce that the Senate Small Business Committee's oversight hearing on the Small Business Administration's Veterans Assistance Programs has been postponed until further notice. For further information, please contact Lisa Linden, of the committee staff at 224-5175.

SUBCOMMITTEE ON WATER AND POWER

Mr. MURKOWSKI. Mr. President, I would like to announce for the information of the Senate and the public that the Subcommittee on Water and Power of the Committee on Energy and Natural Resources has scheduled a public hearing on Tuesday, December 10, 1985, at 10 a.m., in room SD-366 of the Dirksen Senate Office Building, Washington, DC. The subcommittee will receive testimony on S. 1785, a bill to amend the Garrison Diversion project.

Those wishing to testify or who wish to submit written statements for the hearing record should write to the Committee on Energy and Natural Resources, Subcommittee on Water and Power, United States Senate, Washington, DC 20510.

For further information regarding this hearing, please contact Mr. Russell Brown of the subcommittee staff at 202-224-2366.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON RULES AND ADMINISTRATION

Mr. HELMS. Mr. President, I ask unanimous consent that the Committee on Rules and Administration be authorized to meet during the session of the Senate on Tuesday, October 29, to hold a business meeting, to consider pending legislative and administrative items.

The PRESIDING OFFICER. Without objection, it is so ordered.

PERMANENT SUBCOMMITTEE ON INVESTIGATIONS

Mr. HELMS. Mr. President, I ask unanimous consent that the permanent Subcommittee on Investigations, of the Committee on Governmental Affairs be authorized to meet during the session of the Senate on Tuesday, October 29, 1985, in order to conduct a hearing on the Federal Enforcement of the Bank Security Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON PUBLIC LANDS, RESERVED WATER, AND RESOURCE CONSERVATION

Mr. HELMS. Mr. President, I ask unanimous consent that the Subcommittee on Public Lands, Reserved Water and Resource Conservation of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Tuesday, October 29, to hold a hearing on the following pieces of legislation:

S. 1107—To authorize the Society of the Third Infantry Division to erect a memorial in the District of Columbia or its environs;

S. 1223—To authorize the erection of a memorial on Federal land in the District of Columbia or its environs to honor members of the Armed Forces of the U.S. who served in the Korean War;

S. 1379—To authorize the erection of a monument given to the American people as a gift of the Kingdom of Morocco, on public grounds in the District of Columbia;

S.J. Res. 143—To authorize the Black Revolutionary War Patriots Foundation to establish a memorial in the District of Columbia at an appropriate site in Constitution Gardens;

S.J. Res. 184—To authorize the Korean War Memorial, Inc. to erect a memorial in the District of Columbia or its environs.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. HELMS. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Tuesday, October 29, in order to receive testimony on S. 1335, Money Laundering and Related Crimes Act of 1985.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Tuesday, October 29, in order to receive testimony during a closed hearing on the nomination of Stanley Sporkin, of Maryland, to be U.S. district judge for the District of Columbia.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON DEFENSE ACQUISITION POLICY

Mr. HELMS. Mr. President, I ask unanimous consent that the Subcommittee on Defense Acquisition Policy of the Committee on Armed Services be authorized to meet during the session of the Senate on Tuesday, October 29, to receive testimony on the implication of the 1984 defense procurement legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. HELMS. Mr. President, I ask unanimous consent that the Committee on Commerce, Science and Transportation be authorized to meet during the session of the Senate on Tuesday, October 29, to conduct a meeting on the Oversight of Motor Carrier Safety Act of 1984.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

NICARAGUAN ABRIDGMENT OF CIVIL LIBERTIES

● Mr. BENTSEN. Mr. President, over these past months as we have debated the question of what our national policy toward Nicaragua ought to be, many of us have expressed our concern about the direction that the Sandinistas seemed to be taking the government of that country. We expressed the view that as self-avowed Marxist-Leninists, the Sandinistas did not come out of a political tradition that encouraged pluralism and dissent. Indeed, it appeared to many of us that the few signs of political tolerance and respect—even minimal respect—for opposition views in Nicaragua were designed more as a public relation ploy

than as any kind of indication of what would happen if the Sandinistas succeeded in consolidating their power.

Troubling episodes like the continuing intermittent censorship of La Prensa, the one opposition newspaper in Nicaragua, and a refusal to allow the homilies of Cardinal Migual Obando y Bravo to be broadcast without prior submission to the government censor were dismissed by the Sandinistas leadership as merely "excesses of the bureaucracy" or "military necessity." The cynicism of the nine comandantes became quite evident when patterns of censorship were examined: Lesser censorship as congressional votes on aid to the Contras was imminent, followed by a greater imposition of censorship when the votes were done.

Nevertheless, critics of U.S. policy toward Nicaragua could somehow comfort themselves with the belief that things were not as bad there as they might have been, and that overall there was reason to hope that the situation might improve with time. Such hopes recently received a cruel blow when Nicaraguan President Daniel Ortega announced a new and far-ranging state of emergency. An indication of the extent of his actions is evident in the titles to editorials in two of our Nation's leading newspapers: "Nicaragua Bares the Nightstick," was the way the New York Times, October 18, analyzed it, while the Washington Post, October 21, addressed its editorial to "Regression in Nicaragua."

Neither of these newspapers has a history of strong support for the administration's policies toward Nicaragua; the opposite would be closer to the truth. But Ortega's actions were so outrageous that reasonable people all across the political and ideological spectrum have cause to be troubled by what is happening in Nicaragua.

The state of emergency declared by Ortega on October 15 was but the culmination of a month of repressive actions by the Sandinistas, primarily directed against the Roman Catholic Church and its dynamic leader, Cardinal Obando y Bravo. This period began on September 12 when armed Sandinista officials raided the studios of Radio Catolica and stopped the broadcast of the Cardinal's prerecorded homily. A La Prena article reporting the raid was censored. On September 25 armed Sandinista officials again raided the studios of Radio Catolica and again interrupted the broadcast of the Cardinal's homily. On September 26, the Ministry of the Interior informed the church that the mass could not be broadcast without prior censorship.

On October 10 the church was informed that its new newspaper La Iglesia was required to register with the Ministry of the Interior. The church protested that this would result in prior censorship. On October 12 the first issue of La Iglesia was published. Trucks carrying copies of the newspaper to churches were stopped by police and the copies were confiscated. The driver was forced to retrace his route, and previously delivered copies were also confiscated. Armed guards then went to the church offices and took the remaining copies of the newspaper, together with printing equipment, printing plates, and negatives. In response, the church then submitted the application for registering La Iglesia to the Ministry of the Interior. The application was rejected, and authority to publish was denied.

Finally, on October 15, came Ortega's sweeping announcement of new or reinstated measures that could end virtually all of the remaining civil liberties in Nicaragua. Under these new measures, Nicaraguans can no longer form labor unions or go on strike; can no longer hold rallies or demonstrations; and can no longer move freely throughout the country or live where they wish. Ortega's decree also suspended for 1 year the right to a speedy trial; the right to appeal convictions; the right against imprisonment except for cases specified in law; presumption of innocence until proven guilty; right to privacy of mail; and the right to refuse to incriminate oneself.

Apologists for the Sandinistas may well echo the official Nicaraguan line in suggesting that the Government of Nicaragua was driven into these actions by the military activities of the contras. This is ironical in light of the offical Sandinista pronouncement that the contras are on the verge of defeat.

I would suggest instead that they were driven to these actions by the growing expressions of discontent in Nicaragua and the Sandinista realization that the contras are a force which is accumulating the strength needed to mount major military operations against the Soviet-supplied Sandinista army. Resistance to the reimposition of the draft and the growing outspokenness of the token political opposition are strong indications that the Sandinistas are losing their hold on the populace in Nicaragua. Ortega's actions are the traditional response of a totalitarian state confronted with internal opposition, and given the models set for him by his Cuban, East German, Bulgarian, and Soviet advisers, it is unrealistic to have expected him to react in any other way.

Virgilio Godoy, the respected head of the Independent Liberal Party in Nicaragua, announced that Ortega's actions were a "near-fatal blow to the political process in Nicaragua," and I do not see how they can be read any differently. Anyone who had the slightest doubts about the direction the Sandinistas are taking Nicaragua should have had them removed by these latest actions; and anyone who has wondered about what would happen in Nicaragua if the pressure exerted by the Contras were removed should have had their eyes opened. If there is one lesson to come out of this for those of us who will have to make decisions next year on further support for the Contras, it is that we have seen what the future would be, Sandinista style.●

IMPOSITION OF ECONOMIC SANCTIONS AGAINST REPUBLIC OF SOUTH AFRICA

● Mr. GORE. Mr. President, it is an honor for me to include in the CONGRESSIONAL RECORD a resolution by the City Council of Memphis, TN. This resolution urges the U.S. Congress to enact legislation which will impose economic sanctions against the Republic of South Africa, and it urges the President of the United States to act more forcefully to aid in this process. Finally, the Memphis City Council requests companies in Memphis to withdraw their investments from South Africa. On behalf of the city council of Memphis, TN, I am pleased to introduce this statement calling for racial justice and expressing our Nation's aversion to South Africa's apartheid system.

The resolution follows:

RESOLUTION

Whereas, the Republic of South Africa has systematically excluded more than 16 million black people of that country from full and equal citizenship as well as other basic human rights; and

Whereas, this procedure has taken the form of denying black people the ballot, keeping black people in servitude through starvation wages and enforcing blacks to keep "their place" through the use of the club, the whip, and the gun; and

Whereas, such systematic exclusion from full citizenship and denial of basic human liberties have resulted in the unjustified death and displacement of thousands of innocent blacks in South Africa; and

Whereas, this system of apartheid is the epitome of racial bigotry enthroned with power which torments, tortures, and terrifies the black people of that Country; and

Whereas, such atrocities are blatantly offensive to the basic American principles of "life, liberty and the pursuit of happiness"; and

Whereas, it is incumbent on all Americans to join in a united voice of moral indignation at this outrage against humanity.

Now, therefore, be it resolved by the Memphis City Council, that the United States Congress be encouraged to enact legislation which will impose economic sanctions on the Republic of South Africa, that the President of the United States be encouraged to act more forcefully to aid this process, and that companies in Memphis be encouraged to withdraw their investments from South Africa.

Be it further resolved that a copy of this resolution be forwarded to President Ronald Reagan and to the Congress of the United States.●

THREE-YEAR-OLD BURN VICTIM BRINGS HOPE TO FAMILY, FRIENDS

● Mr. DURENBERGER. Mr. President, I would like to share with you and my distinguished colleagues a story about the courage of a young Minnesotan, and the hope he gives those he touches.

Three-year-old Charlie Willette was burned in a tragic fire in his house in Lake Park, MN. Over 95 percent of his body was covered with third-degree burns. His skin was burned off and he had no sweat glands or hair left. Statistically, in a case like Charlie's he should not be alive today.

But Charlie has determination. Behind a clear plastic mask and an elasticized body suit, Charlie braved the physical pain and emotional trauma of his recovery with the courage one would scarcely expect from a 3-year-old.

And as Charlie is struggling along, fighting for a chance to be like "normal" kids, he gives strength and hope to his family—who have struggled right along with him—and those around him.

I ask that a recent article on Charlie Willette from the Minneapolis Star & Tribune of October 6, 1985, be inserted in the RECORD.

The article follows:

He Gives Strength in Family Tragedy

(By Paul Levy, staff writer)

FARGO, ND.—It was months after the fire before Charlie could look at his reflection without frightening himself or breaking into tears.

No longer did he see a fair-skinned, blond-haired boy with a turned-up nose. No longer did he see the spitting image of his older brother, Jimmy.

Now when 3-year-old Charlie Willette gazed into a mirror, he saw a clear plastic mask that hardly hid massive burns and facial scars—or the physical and emotional pain they brought. He saw only a few strands of hair atop a head that was a dark pink. He was a little boy in an elasticized body suit whose right arm, attached to a splint, extended at a 90-degree angle, making him look almost like a living scarecrow.

Others saw something else in Charlie, who was burned along with his mother and brother in a fire in their home near Lake Park, Minn.

Karen Sevigny, the occupational therapist who works with Charlie, called him "one of the most courageous human beings to set foot in St. Luke's Hospital in a long time."

Then there was that day last July when, after five months of hospitalization, Charlie walked into the hospital's day-care center to meet the "normal" children of the medical staff.

Some of the children wanted to touch Charlie—as if to see if he were real. Some were afraid of him. Two children cried.

Charlie told them simply, "You may not like me now, but wait until you get to know me."

A week later, the children were hugging and kissing him.

For Debbi Willette, her son's ordeal was one more chapter in "a lousy life."

At 22, she was the mother of four young children. Her husband, a sheetrock worker, was unemployed. They lived in what was once a granary on her in-laws' farm.

They had few material possessions, and with the exception of some tools, nothing was insured. Insurance? There were more immediate concerns. They'd just spent their last $15 on groceries and laundry, Debbi Willette recalled. That was Feb. 20—Ash Wednesday—the day a wood-stove fire robbed Deb Willette of her home, her possessions and, she said, her faith.

Her husband and two oldest children watched outside in horror as Deb Willette, who had been on crutches since falling down a flight of stairs three days earlier, somehow stumbled out of the blazes with a child in each arm, their bodies afire as they collapsed.

"I remember bouncing on my butt down the stairs, holding my kids and crawling outside," she said recently. "I knew I was on fire, but I couldn't let anything get between me and my kids."

Her son Jeff, then 14 months old, suffered third-degree burns over 65 percent of his body—nearly everywhere but his face. Willette herself had third-degree burns on 35 percent of her body—mostly her back, arms, nose and the back of her head. They were released from the hospital on Good Friday, six weeks after the fire.

"Every time I've turned to God, I've gotten nothing out of it," she said as she sat in a corridor of St. Luke's Hospital in Fargo, about 45 miles west of Lake Park. "I'd like to believe there is a God, but . . . I guess what I could use right now is a miracle or two."

No sooner had she uttered those words than a walking "miracle" turned the corridor corner and approached her. It was Charlie.

"It really is a miracle that Charlie's alive," said Dr. David Todd, the burn specialist who treated Charlie. "He had third-degree burns on 95 percent of his body. That means all the skin was burned off with no sweat glands or hair left. . . . For a case like Charlie's, statistics would indicate 100 percent mortality.

"I feel he lived because a lot of people were praying for him. It was God's will that he lived. There's no other way to explain it."

Added Wayne Allard, the St. Luke's pediatrics social worker who has assisted the entire Willette family: "I think this boy is an incredible testimony to the will-to-live concept. This is a tough kid. How do you measure a heart that big in a body so small?"

Charlie remained in the hospital until August 29, more than six months after the fire; he and Jeff still return to St. Luke's for daily therapy treatments.

Only an area at the rear of Charlie's head and beneath his left arm were not burned. Skin has been taken from these areas and stretched to six times its previous size, Todd said. The skin will grow back there and can be "harvested" again for future grafts.

Charlie's mask applies pressure to scars, preventing tissue buildup that could eventually force his eyes shut or change the shape of his mouth. New masks are made as tissues grow.

The Jobst body suit, worn by all three Willettes, is very tight to prevent scarring. The splint prevents potential webbing under Charlie's arm, Sevigny explained.

Tight gloves prevent cracking and cuts between Charlie's fingers, which no longer bend as they once did. Ointment must be applied to Charlie's skin to keep it moist; itching is a constant problem.

A recent conversation between Charlie and Sevigny exemplified Charlie's resiliency. Sevigny tried to adjust Charlie's arm splint; Charlie, in his loud, raspy whisper, objected.

Charlie: "Ouch! To tight!"

Sevigny: "Where does it hurt, honey?"

Charlie: "Take it off!"

Sevigny: "Do you want to play a game?"

Charlie: "No. Help me. My pinky hurts. I'm trying to bend (it). I can't."

Sevigny: "Is your pinky on vacation today?"

Charlie: "Yes. . . . We watched Popeye the other night."

Sevigny: "Was it fun? (Pause.) Honey, I'm going to have to adjust your new mask."

Charlie: "It itches my neck."

Sevigny: "This is your he-man's mask. And who's a he-man?"

Charlie: "Me!"

"We have to work on self-image," Sevigny explained. "He doesn't mind looking in the mirror, but the way he looks still bothers him. He's coming along. He'll probably be coming for this kind of therapy for another year or two. Any plastic surgery will have to come later."

While the Willettes' physical problems are the family's primary concerns, there are also financial and emotional headaches.

Medical Assistance and Social Security disability have paid the medical expenses. A fund-raiser at Audubon, Minn., last March produced about $50,000 for a new house, food and incidentals, Deb Willette said. Most of that has been spent on the house.

(Contributions are still being accepted, care of State Bank of Lake Park/Willette Fund, Box 449, Lake Park, Minn. 56554.)

Chuck Willette, 22, has not worked since the fire. He said that until he finishes the house he will not have time to look for a job. Meanwhile, the Willettes live in a 10-by-50-foot trailer. The cramped quarters have occasionally frayed the parents' nerves.

"People say it pulls a family closer," said Deb Willette, now 23. "I don't know. It tore our family apart quite a bit.

"I thought about suicide for a while. Everything made me irritable. Taking care of four kids, running back and forth to Fargo every day for treatment, not having Charlie home for so long, my own condition . . . I get on Chuck's nerves and then he asks, 'What am I supposed to do?' So we feud a lot, but it's not his fault or my fault. It's this whole situation."

Even before the fire, the Willettes' situation was difficult, social worker Allard noted: two young adults with four children and little money.

"These people have been together since they were youngsters, through many crises," he said of the parents. "This is not a tender couple. Yet, there is love there. You see the way they interact with the children, how they've taken care of each other.

"By no means is this a typical family. Yet, the way they've handled things is very typical of a strong family meeting a crisis. I wonder often how they do it."

Everyone seems to pitch in. Angela, 6, fetches Jeff's diapers or helps Charlie in and out of the car. Jimmy, 5, does his part by playing with his brothers—as he always did.

But the real key to the Willettes' survival could very well be the little boy behind the plastic mask.

"Every day, I ask myself, 'Why me?' More often, I ask, 'Why Charlie?' " Deb Willette said. "But Charlie will get through this. He's a tough little German, just like his father, and he's gotten this far."

Charlie walked over to his mother, poked at her legs and told her, "My face mask is in my eyes, my back itches, I need a drink of water."

His mother adjusted his mask, placed him on her knee and began to scratch his back. She shook her head and smiled.

"Hey, Charlie," she said. "Want to tell me about Popeye?"●

NATIONAL SCHOOL AGE CHILD CARE AWARENESS WEEK

● Mr. D'AMATO. Mr. President, I rise in support of National School-Age Child Care Awareness Week, Senate Joint Resolution 181. I am pleased to be a cosponsor of this legislation that focuses on safe, quality child care.

Children are our most precious resource, they are the innocent future of this great country. Both children and parents must know that America is a safe place for them. They deserve nothing less. We must increase awareness of the needs of our schoolaged children and their families. Earlier this year, I introduced the National Child Protection Act (S. 142), to prevent the sexual abuse, exploitation, and molestation of our children. This legislation can provide us with the needed information to detect and deter the abuse of our children. Every opportunity that I get, I will make certain that child molesters know that we will not tolerate their abnormal behavior. Our children will be protected.

National School-Age Child Care Awareness Week increases public awareness of the needs of our youth, especially the millions of school-age children between the ages of 6 and 13. Many of these children are often referred to as latchkey children; they may return home to an empty house or in the supervision of a slightly older sibling.

The Congress has begun to focus attention on the issue of child care; in many instances we have been joined by the collaborative effort between families and the private sector. But, as this resolution states, it is crucial that more parents, communities, employers, and agencies serving our youth begin to address the problems facing our children. Therefore, I am pleased that the Congress has taken an active part on behalf of our children by including funding in the Labor-HHS appropriation bill to address the issue concerning latchkey children. We will continue our commitment to the young.

We must maximize our efforts on behalf of the young, innocent, and vulnerable. Mr. President, I firmly believe that this resolution will help toward this effort. It heightens awareness of this critical issue facing our young.

Mr. President, I will continue my fight to save our children. I urge my colleagues to join me in supporting this resolution. It heightens awareness of the need for a national response to the growing demand for child care for school-age children. Children must be our concern during National School-Age Child Care Awareness Week and every other week of the year.●

SALUTE TO ST. THOMAS COLLEGE

● Mr. DURENBERGER. Mr. President, this year marks the 100th anniversary of the founding of one of Minnesota's outstanding postsecondary education institutions—the College of St. Thomas in St. Paul.

Founded as a seminary by Archbishop John Ireland, St. Thomas is now home to more than 6,000 students in subjects ranging from the classics to business administration.

Particularly under the leadership of the college's current president, Monsignor Terrence Murphy, St. Thomas has adopted to the challenges now facing all postsecondary education institutions with a host of new programs and educational opportunities for traditional as well as nontraditional students.

Because of the substantial contributions which the College of St. Thomas has made, to its students and to the community at large, I ask that articles on the college's centennial, its history, and its current leadership be printed at this point in the RECORD.

The articles follow:

ST. THOMAS CELEBRATING ITS CENTENNIAL

(By Lucy Dalglish)

By all accounts, Archbishop John Ireland was a very determined man, a man with big plans for the St. Paul diocese.

On Sept. 8, 1885, less than a year after Ireland became archbishop, he founded the St. Thomas Aquinas Seminary to train priests and teach other young men interested in a classical education.

The aristocratic-looking Ireland probably would be the least surprised at the success of the seminary he founded along the east bank of the Mississippi River at the end of what later became Summit Avenue.

From its rustic beginnings on the old 60-acre Finn family farm to its present position as the largest private liberal arts college in Minnesota, St. Thomas has changed and grown with the community.

In its first decade, St. Thomas Aquinas Seminary was a Roman Catholic high school, college and seminary, and students were enrolled in either classical or theological departments.

When the St. Paul Seminary opened in 1894 on its present campus donated by James J. Hill just southwest of the college, the classical department was incorporated as the College of St. Thomas.

The first four years of the classical program (high school level) were called the academic department and eventually became the St. Thomas Military Academy, which moved to Mendota Heights in 1965.

The enrollment of the three institutions has grown more than a hundredfold in the past 100 years—from 62 students and a faculty of five priests in 1885 to more than 6,200 students and a faculty of about 400 at the college last year.

The enrollment makes St. Thomas the largest private liberal arts college in Minnesota, more than twice as large as its nearest competitor, St. Olaf College in Northfield, which has slightly more than 3,000 students.

The St. Paul Seminary currently enrolls 85 ordination candidates, five non-ordination candidates and about 100 students in evening courses and programs. St. Thomas Academy has 750 students in grades 7 through 12.

The joint centennial celebration for the college, seminary and academy will focus on the college and is being coordinated by college officials.

Archbishop Thomas Grace, Ireland's predecessor, purchased Finn's Farm, the homesite which is now occupied by the college chapel. He built an industrial school for boys there, and a three-story frame structure was in place when the deed to the land was put in Ireland's name in 1880.

Ireland added a wing to that building and opened the seminary, according to a history St. Thomas in "Private Liberal Arts Colleges in Minnesota," a book published by Carleton College scholar Merrill Jarchow. The first class included 24 seminarians and 38 students in the classicals department.

After two years, the enrollment stood at about 90 young men and remained at that level for the next decade. In 1894, the seminary's 65 seminarians moved across Summit Avenue to the seminary's present campus.

About the same time, the old classical department was incorporated into the "College of St. Thomas," with most of the control of the college in Ireland's hands.

Ireland also conveyed five acres of land in his name to the corporation and stipulated that the diocesan college should not be turned over to a religious order, such as the Jesuits, according to information in the St. Thomas archives. That document indicated the structures on the campus had cost $71,700 of which $45,800 had been paid from Ireland's own funds.

At Ireland's insistence in 1903, students were required to participate in uniformed military drill.

By 1906, St. Thomas was one of 18 out of 100 schools inspected by the U.S. Army to be declared a Class A military school. By 1911, the War Department proclaimed the St. Paul school the largest private military academy in the country.

In 1911, the college also began awarding bachelor's of arts degrees, according to Jarchow's history. By the time the United States entered World War I, there were five new buildings on campus.

By the early 1920s, however, St. Thomas was facing a crisis over accreditation and resources. New programs in journalism, law, education and a night school of commerce had been started.

But diocesan officials were pressed into action when they were informed by the University of Minnesota that St. Thomas was likely to lose its accreditation (acceptance of transfer credits) by the university.

WARNINGS UNHEEDED

According to Jarchow's history, among the university's criticisms were the "tangled situation" regarding accreditation of Naza-

reth Hall, a preparatory seminary mostly attended by high school aged boys, the commercial school, inadequate library and laboratory facilities, easy gradings and weaknesses in faculty.

Although warnings had been issued before, they apparently had gone unheeded, Jarchow said. In May 1928, the university's senate dropped St. Thomas' accreditation.

Despite Ireland's stipulation, his successor, Austin Dowling, decided to give the college to a religious order capable of turning it around quickly. In April 1928, he approached the Congregation of the Holy Cross of Notre Dame, Ind.

The college board transferred control of the college to the Holy Cross fathers for five years. When classes convened in the fall of 1928, there were 296 students in the academy and 343 in the college. The faculty was composed of 40 people, only two of whom held doctorates.

Despite the Depression, the Indiana order was successful at St. Thomas, Jarchow wrote. Collegiate enrollment rose from 482 in the fall of 1929 to 695 three years later.

The Holy Cross fathers had innovative ideas. In addition to new programs in physical education and fine arts, they presented drawings for a doomed football stadium.

Despite their success, the new archbishop, John Murray, ruled in 1933 that St. Thomas would remain a diocesan college and the Holy Cross Congregation left, somewhat in a huff.

POST WORLD WAR II

At the start of World War II, enrollment at the college dropped from 841 in 1942 to 351 in 1943. When the war ended, St. Thomas, like most colleges and universities, made up for lost war-time enrollments.

"When the war was over, everybody was happy. Things looked rosy," said Gerald Rauenhorst, a 1948 graduate and a college trustee since 1966. "I started at St. Thomas in July 1945. The war wasn't over yet, but my mother wouldn't let me enlist because I was only 17."

His first semester there were only 90 civilians and 800 Navy personnel enrolled in a special program. Three years later, there were 2,200 students on a campus built for 1,200.

The college built six barracks-style buildings for classroom, dormitory and dining hall space on the site now occupied by the library and O'Shaughnessy Education Center. Enrollment dropped back to 1,228 by 1954.

POST VIETNAM YEARS

Under Bishop James Shannon, president of the college from 1956 to 1966, St. Thomas built new facilities and steadily grew to an enrollment of 2,167 in 1966, when Monsignor Terrence Murphy took over.

Murphy is still at the helm, the senior president among Minnesota's colleges and universities.

"Students have changed a lot from the Vietnam days," Murphy said. "From 1966 to 1968, things were quiet. Then the Vietnam era set in. Our students were concerned, but I think we did a good job of keeping things under control. We had no real demonstrations.

"Now, students are more serious about their educations. They're more interested in business than I'd like them to be. I'd like to see them more in liberal arts, but we're handling that well. We're limiting the number of courses they can take in their major and making them take liberal arts."

Perhaps the most dramatic changes in the college's history have been made in the past 10 years when New College, a community program for non-traditional students, was founded in 1975 and women were admitted as full-fledged students in 1977. Rauenhorst credits much of the success of those changes to Murphy.

"New College . . . is there to serve the public," he said. "Monsignor Murphy is very good at identifying the needs of the community, then he fills the need."

By the time the first class of women was admitted in 1977, women had become a familiar sight around the St. Thomas campus. Women from nearby St. Catherine's had been taking courses at the college for years. Nevertheless, it was time to make the formal change, Murphy said.

"There were a lot of women who wanted a coeducational, Catholic liberal arts education and there was nowhere else for them in the Twin Cities," Murphy said.

"I started out being very opposed to it," Rauenhorst said. "My primary concern was that it would hurt St. Kate's."

But Rauenhorst said he changed his mind after reviewing a similar situation at Notre Dame. When Notre Dame admitted women, its neighboring women's college, St. Mary's, became stronger.

Murphy said the same thing has happened at St. Catherine's "We have just about doubled in our undergraduate size and St. Kate's has grown as well."

THE CLASS OF 1981

Women are enrolled in courses that are traditionally "male" in about the same proportion as men students except in journalism, which has about two women enrolled for every man, mostly in the public relations specialty.

Rachel Wobshall was a member of the Class of 1981, the first to include women. Now a member of Gov. Rudy Perpich's staff, she was the first woman chosen as "Tommy," an honor formerly called "Mr. Tommy" awarded to the college's outstanding graduate.

I remember reading in the newspaper that St. Thomas was opening to women and I thought to myself, "What girl would ever want to go to St. Thomas?' " Wobschall said. But after visiting other liberal arts colleges, Wobschall, a Waseca native, decided on St. Thomas.

"It was interesting," Wobschall said of her first year. "There were 100 women and we were kind of our own island on two floors in the dorm. We all went to the cafeteria together and we got very close. I think the quality of the education I got was excellent. The longer I'm out, the more I appreciate the education I got."

THE NEXT DECADE

Murphy said he plans to stay as president for a few more years until mandatory retirement at age 70. But in the meantime, he said "We'll continue on course. Our primary emphasis will continue to be on liberal arts, then we'll add masters degrees in programs we feel we can serve."

As for meeting the needs of the community, Murphy believes the market will demand programs in areas such as computers, engineering and the hard sciences. "Anything related to productivity," he said. "This country is looking more and more at how to keep up in the world."

ST. THOMAS COLLEGE STARTS A NEW CENTURY OF COMMUNITY SERVICE

(By Leonard Inskip)

College presidents sometimes say that after 10 years it's time to move on. At the College of St. Thomas, President Terrence Murphy is in his 20th year, and it's the college that's moving on—to useful new programs for students of varied ages and to valuable new service to the community.

This weekend, for the 101st year, new students are gathering for orientation. Classes start Wednesday. Next Saturday and Sunday. St. Thomas and two related schools will celebrate a shared centennial.

The campus's late-summer serenity, freshly mown lawns and blooming flowers speak of tradition: a Catholic framework for a liberal-arts focus with practical applications.

But tradition is no barrier to change: new graduate programs planned or begun in manufacturing engineering, software design, business communications, interntional management. Lest those suggest a departure from traditional liberal arts, there will be a new chair in business ethics.

St. Thomas will create new graduate programs to serve St. Paul Seminary students—the result of a partial merger planned by the two institutions. But St. Thomas also will get a Jewish-Christian center this fall headed by a prominent Minneapolis rabbi, Max Shapiro. The college already has several special centers, including business management and religious, economic, community and senior-citizen education.

The college has begun working with Normandale Community College on a program to serve students who complete that school's two-year program. It also has long served nontraditional students—people with fulltime careers, for example—by providing graduate business and education programs.

In recent years, St. Thomas has added an Owatonna conference center and a Chaska classroom building; both were gifts. This summer, it opened a Chaska business incubator that has access to St. Thomas programs and faculty. Last year, it discussed with William Mitchell College of Law the possibility of that school joining St. Thomas, but nothing developed. Some St. Thomas trustees have talked of classes in downtown Minneapolis—not likely soon, but a possibility someday.

With about 6,300 students, St. Thomas is Minnesota's largest private college—big enough to start programs like graduate studies in manufacturing engineering, small enough to experiment and move quickly, as it did in setting up international-management studies after a governor's commission recommended such a program. The college has good rapport with business because it learns business's needs and acts on them.

An example: When Gov. Rudy Perpich began promoting engineering, Murphy met with such chief executives as Lewis Lehr of 3M, Edson Spencer of Honeywell and William Norris of Control Data. Eventually, Perpich recommended the unusual step of state help for a new manufacturing engineering program at St. Thomas. The Senate said yes; the House said no. Murphy expects St. Thomas to decide this month to proceed on its own.

Last year, Murphy described engineering as a "window of opportunity" for St. Thomas. He anticipated that society's future emphasis "will be not so much on social welfare programs, but rather on programs that will increase the productivity of the country and thereby provide employ-

ment, increase the standard of living, combat inflation, and put us in a strong competitive position in the international markets."

St. Thomas looks for programs that others—mainly the University of Minnesota—aren't providing, Murphy says manufacturing engineering is such a niche. But St. Thomas went beyond a niche when it pioneered evening-class management studies in the 1970s. Then the university had a few hundred traditional daytime students working for masters degrees, Murphy recalls. Now St. Thomas has nearly 1,300 nontraditional students in evening and week-end management classes and the university has about 1,200 such students. "They really took our program," Murphy says, but the result is that "the whole community is better off."

The centennial year will see a new relationship between St. Thomas and the Saint Paul Seminary. Both schools and St. Thomas Academy trace roots to a common beginning on Sept. 8, 1885. The seminary became independent in 1894 and the academy, a junior-senior high school, moved away in 1965.

The college and seminary are working out final details. St. Thomas will educate the seminarians, but the seminary will foster religious-character development. St. Thomas will acquire most of the seminary's nearby 35 acres, opening up long-range possibilities for an expanded St. Thomas campus. New religious education can strengthen St. Thomas's ability to train lay people to work as church counselors and administrators as priests become fewer.

St. Thomas is one of the nation's 225 Catholic colleges and universities. Most were started by religious orders. St. Thomas is one of a few started by a diocese. The relationship continues, with Archbishop John Roach chairman of the college's trustees. Seventeen priests from the diocese are among 380 fulltime and parttime faculty members. Murphy has said that St. Thomas wants to "impart a Christian vision and Christian values" to community life "by educating people for various walks of life. If we truly want the Gospel message to be relevant to our society and not something that is relegated to Sunday morning, then we must make it alive in the lives of people who are leaders . . . of our community and our society."

But that does not mean proselytizing students, Murphy says. Rather it means requiring a few religion courses along with more traditional liberal-arts requirements. It means, he says, teachers' appreciation of Judeo-Christian traditions and "scholarly discussion of religious values." At the graduate level, such concern is reflected in a course that emphasizes values and the impact of policy decisions on a community. The new chair in business ethics established by Barbara and David Koch (Graco head and a leader in Twin Cities corporate-responsibility thinking) will strengthen that emphasis.

Catholics constitute about 85 percent of St. Thomas undergraduates, but only 30 percent of the graduate students. That reflects, Murphy says, the abundance and variety of schools serving undergraduates, but the limited graduate-level opportunities to have both classes and careers.

The college is planning what probably will be a $35 million capital drive for endowment, buildings and scholarships. Among scholarship goals: Seek top-flight students who don't qualify for needs-based help but who potentially are society's leaders and who, while in college, can offer leadership in academic achievement.

A campus visitor leaves with two strong impressions: (1) Through its constant search for new ways to serve the community, St. Thomas is a remarkable community asset, (2) Thank goodness that Terrence Murphy, unlike those college presidents who say 10 years in one place is enough, stayed around. The Twin Cities are better for having the school and the man.

ST. THOMAS LEADER BLENDS RELIGION WITH BUSINESS

(By Paul Klauda)

Some of the Twin Cities mightiest business bosses describe him as the chief executive officer of the College of St. Thomas, but Monsignor Terrence Murphy begs to differ.

"I feel like a priest," he said with a laugh, then added, "I don't think there's any conflict."

As St. Thomas president for 19 years, Murphy has racked up the kind of numbers that even unforgiving Wall Street could appreciate.

Enrollment has tripled to more than 6,400 students. Endowments and investments have jumped tenfold to $55 million. Continuing construction has lifted the value of the college's physical plant to $95 million. Through it all, the annual budget, now $39 million, has never run a deficit.

The growth underscores how Murphy has thrust the state's largest private college beyond its 50-acre campus along Summit Av. in St. Paul. In several instances he's led it headlong into the local business community, creating graduate programs, economic and management centers and small-business programs specifically for managers, executives and merchants.

"I've rarely run into an educator so concerned with the relevance of the program to the needs of the business community," said James Renier, vice chairman of Honeywell Inc. and a St. Thomas trustee.

Renier and other business acquaintances also say the 64-year-old priest has worked to solidify the college's liberal arts roots and develop nonbusiness community programs, all without losing sight of the college's religious character.

"His institution has prospered through difficult times," said the Rev. Theodore Hesburgh, president of the University of Notre Dame and a friend of Murphy's. "There are relatively few that have prospered as St. Thomas has and that's a tribute to the leadership."

Murphy, who will preside over the college's 100th anniversary celebration next weekend, said the growth has surprised him.

"I remember when I was first named president and the business manager, Lloyd Rogge, came in and he gave me this awful list of things that had to be done," Murphy recalled. Included were requests for a new faculty office building, new classrooms, dormitories, athletic facilities, endowments "and on and on," he said. "I thought we're never going to get all this stuff.

"Well, it's been done," he added. "Now we're ready to start another go-around."

Based on the first go-around, Murphy seems well prepared.

Without formal business training, the political science professor who never wanted to be president took over a college that was posting budget deficits every other year. Under his guidance, the college went through the Vietnam protest years without serious violence. He implemented long-range planning and steered the college toward seeking out and filling community needs. He reigned over the decision in 1976 to drop the college's all-male status and admit women.

Murphy, the college's 13th president, has held the job longer than any of his predecessors. His term has been "the most eventful in terms of the programs that have been developed," said Joseph Connors, a St. Thomas English professor who is writing a history of the college.

Murphy's peers describe him as a quiet, unassuming administrator with a sense of humor and a relaxed but deliberate style. He's quick to assimilate facts and draws sharp, rarely inaccurate conclusions. He meets monthly with students, but travels frequently. He admitted that he's on campus less than he was during his early days as president. To some on campus, he appears aloof.

He also has a humble side. A colleague recalled, a night last winter when Murphy tried to get into his office building but didn't have the right key. A new security guard, seeing Murphy in street clothes, suspected he was somebody other than the college president. Murphy allowed himself to be escorted to the guard's office, where he explained the situation and got a key.

In decison-making processes, Murphy "likes to make sure that all the ramifications are thought out before taking the plunge," said Provost Charles Keffer. For example, Murphy began discussing the possibility of St. Thomas becoming co-educational three or four years before the decision was made.

Although not inclined to high-profile public appearances, Murphy still is well-known and highly regarded in the Twin Cities' top business circles. That helps make him an effective college fund-raiser, his peers say.

Business people are "kind of curious about him," said the Rev. Jerry O'Leary, his assistant. "They watch how he works."

Thomas Holloran, former chairman of Inter-Regional Financial Group, Inc., who will begin teaching at St. Thomas this fall, called Murphy "one of those leaders who is so understated that the people around him always believed that they did it themselves."

James Thawaits, president of international operations at 3M, described Murphy as "a good bridge between academia and business in many respects. . . . He's very strong in blending in what he regards as responsible moral conduct with the business programs. He's just darned well balanced."

Gerald Rauenhorst, a St. Thomas trustee who's known Murphy 25 years, said "I'm glad he's a CEO of a college and not a competing developer or contractor."

Rauenhorst, chairman and chief executive officer of Opus Corp., recalled informally discussing with Murphy the possibility of starting a law school at the college in the late 1960s. After a year or two, Rauenhorst recalled, Murphy told him that "a bigger need" existed for a master's program in business administration.

"You'd think I should have thought of that—I'm in the business world," Rauenhorst said.

The master's program reflects the eager reception that local businesses have given Murphy and St. Thomas. Started in 1973, its peak enrollment projections ranged from 300 to 900 students, Murphy recalled. Today it has 1,300 students, many of whom are middle managers and executives for major

corporations and small or medium-sized businesses.

Buoyed by its success, St. Thomas recently added master's programs in business communications, international management and software design and development. Another master's program in manufacturing engineering is in the works.

For small businesses, the college offers a development center to provide assistance and a new program to help fledgling businesses get started. St. Thomas also started a center for economic education, which sponsors conferences, seminars and internship teaching programs.

But the college's nucleus is its undergraduate program, which includes one of the state's broadest cores of mandatory liberal arts courses. The leading major field, chosen by about half the students in any given year, is business administration.

That sits well with Murphy, who denied suggestions that the college's heavy ties to business are seemingly at odds with recent papal and bishops' pronouncements examining the role of business and the U.S. economy. His defense is rooted in the belief that business people, like doctors and teachers, perform services.

"I think a young person could easily aspire to a life of service and at the same time want to be in business and be successful," Murphy said. "Obviously, profits are what make the businesses go round." But he added that businesses concerned only with profits—and not service—"are not going to last very long."

Murphy's presidency began after he spent much of his life preparing for a career in the priesthood and teaching.

He was born in Watkins, a small town southwest of St. Cloud, and was raised in a family of seven children. He graduated from Nazareth High School in St. Paul in 1939, attended St. Paul Seminary and was ordained in 1946, serving the next few years in St. Paul parishes.

Three years later, he became a chaplain in the Air Force, which stationed him in England. Murphy said the experience helped him learn about organization, procedures, delegation of authority, and administration.

When he left the Air Force in 1954, Murphy joined St. Thomas as a political science professor. In the next five years he obtained a master's degree in political science from the University of Minnesota and a doctorate from Georgetown University in Washington, D.C.

In 1961, to his surprise, he was named dean of students.

"I had no interest in becoming college president—that was the last thing on my mind—or even getting into college administration," Murphy said.

But a year later he was named executive vice president, assisting then-president Bishop James Shannon. That job gave Murphy a chance to negotiate the purchase of the Catholic Digest for the college. With the help of a group of advisory business people, he improved the magazine. "I learned a lot from those folks," he said.

When Shannon stepped down in 1966, Murphy was named to replace him. Murphy was touted as being the college's first "tailor-made" president by virtue of his administrative experience.

Murphy said he'll probably remain in office for at least five years. At the end of that time, the college will be wrapping up another capital campaign drive. "I would feel an obligation to see that through," he said.

Unlike his business CEO counterparts, Murphy has no responsibility to find his successor. Most college presidents nowadays come from the outside, he said, although he can see reasons why an internal choice still makes sense.

Meanwhile, Murphy plans to work on St. Thomas' public identity, a balancing act his peers say already has etched the quiet leader firmly into the college's history book.●

WHITE HOUSE ROSE GARDEN CEREMONY FOR THE CONGRESSIONAL GRACE CAUCUS

● Mr. HUMPHREY. Mr. President, the President's Private Sector Survey of Cost Control raised over 2,400 specific cost-saving recommendations that contribute realistic solutions to the pressing issue of the day; Federal budget deficit reduction. In so doing, the Grace Commission Report, as it has come to be known, presents a high profile with constituents throughout the country and commands the attention of the Congress as a whole.

In this regard, the congressional Grace caucus has been formed to identify, evaluate, and direct enactment of these meaningful proposals. We recognize that to assure a fair and equitable implementation of these potential Federal budget saving opportunities requires a bipartisan coalition and we are pleased to acknowledge wide support from both sides of the aisle. Today we have some 13 Senate Members and 83 House Members actively promoting the development and implementation of these cost-saving initiatives.

On Monday, the 28th of October, a White House Rose Garden ceremony was held to focus greater attention on these congressional efforts. We were indeed fortunate, being in the company of President Reagan, to have an opportunity to meet and share our common interest in an intelligent and efficient Federal fiscal policy.

Among the groups in attendance were: the Associations United to Cut Federal Spending [AUCFS] and their chairman, Mr. Wayne Smith; Citizens' Against Government Waste [CAGW] and their president, Mr. J.P. Bolduc; and many distinguished dignitaries including Mr. James Miller III, Director of the Office of Management and Budget; Representatives BEAU BOULTER and BUDDY ROEMER, chairman and cochairman of the House Grace caucus; and Mr. J. Peter Grace, chairman of the PPSSCC and cochairman of CAGW. I was pleased as cochairman of the Senate Grace caucus to be in attendance as well.

It was noted with pride that while we have only just begun the efforts of the caucus we are already off to a good start. This is typified by the amendment approved by the Senate last week to reduce Federal vehicle fleet expenditures by $225 million by fiscal year 1988, and the Office of Management and Budget reporting that 1,194 of the PPSSCC recommendations have been agreed for implementation, and that of these 335 have already been fully implemented.

We are encouraged by the support experienced and the progress made to date. We fully intend that the work of this caucus, in conjunction with the administration and the private sector, will substantially contribute toward the efforts to enhance Government efficiency, reduce waste, improve productivity, and make the Federal Government all the more effective in meeting its responsibilities to the American people.●

ERISA AMENDMENTS IN OMNIBUS BUDGET RECONCILIATION ACT OF 1985

● Mr. GARN. Mr. President, I have been advised that the ERISA amendments contained in H.R. 3500 and S. 1730—the Omnibus Budget Reconciliation Act of 1985—may have much more serious implications than had been heretofore recognized. According to the National Bankruptcy Conference, no hearings have been held on the far-ranging effects of these proposed amendments as they relate to bankruptcy procedures.

Therefore, I request that the complete texts of the National Bankruptcy Conference's analysis of these provisions be printed in the RECORD.

The material follows:

NATIONAL BANKRUPTCY CONFERENCE,
October 26, 1985.

Re: ERISA Amendment Provisions of S. 1730 and H.R. 3500—The Budget Reconciliation Act of 1985.

DEAR SENATOR: The National Bankruptcy Conference, a private not for profit organization composed of lawyers, law professors and judges devoted to the improvement of bankruptcy law and practice has just recently obtained copies of H.R. 3500 and S. 1730, the Omnibus Budget Reconciliation Act of 1985.

These bills contain extensive provisions substantively amending ERISA. These amendments, which have no relationship to current-year federal spending have a direct and harmful effect on cases commenced under the Bankruptcy Code by financially distressed business debtors. No hearings have been held and very little opportunity for public discussion of these far-ranging proposals has been available.

The National Bankruptcy Conference has considered the enclosed analysis of these provisions and has adopted the enclosed resolutions in relation to them. It would, of course, have been helpful if these bills had been referred to the Committee on the Judiciary. If hearings had been held on these provisions, these considerations involving the Bankruptcy Code, Title 11, United States Code, could have been aired and the final product could have reflected the needed balancing of interests.

We urge that enactment of the ERISA provisison be deferred until hearings and

public debate on these matters can be conducted.

Very truly yours,

LAWRENCE P. KING,
Charles Seligson Professor of Law,
Chairman, Committee on Legislation,
New York University School of Law.

NATIONAL BANKRUPTCY CONFERENCE DISAPPROVES OF ERISA AMENDMENTS CONTAINED IN BUDGET RECONCILIATION ACT OF 1985

WASHINGTON.—The National Bankruptcy Conference, a non-profit organization of lawyers, professors and judges dedicated to better bankruptcy laws, unanimously adopted resolutions at its annual meeting held in Washington on Saturday, October 26 strongly disapproving of unpublicized amendments to ERISA, the federal pension guaranty statute. The amendments, contained in the budget reconciliation statute, are pending before the Senate and passed the House on Thursday, October 24.

No hearings have been held on the proposed amendments and few interested parties were aware of them until after the House action last week.

In its resolution the Conference formally disapproved of Congress' failure to have the amendments considered by the Committees which normally consider bankruptcy matters. The Conference expressed fear that the amendments could jeopardize the ability of many companies with insufficiently funded pension liabilities to reorganize and continue in business in accordance with the Bankruptcy Code.

The Conference resolution also expressed concern that the proposed changes could "create creditor incentives for liquidation of otherwise salvageable businesses."

The proposed legislation would greatly restrict the right of employers in distress to terminate pension plans which would otherwise be subject to termination with the approval of the Bankruptcy Court and purports to give the Pension Benefit Guaranty Corporation's claims priority over pre-bankruptcy amounts due suppliers, banks and other lenders.

The PBGC is a federal agency which guarantees payment of vested benefits to retirees if an employer terminates a pension plan and assets in the plan are insufficient to pay vested benefits due.

RESOLUTIONS OF THE NATIONAL BANKRUPTCY CONFERENCE WITH RESPECT TO H.R. 3500 AND S. 1730

At a meeting of the full membership held in Washington on October 26, 1985, it was by the full membership of the Conference unanimously RESOLVED:

1. Claims arising from the termination of a plan should be treated as prepetition, unsecured nontax claims. The priority provisions in S. 1730 (p. 578, lines 18-23), should be deleted.

2. The debtor's liability to PBGC should be subject to a Chapter 11 plan and §§ 363, 365 and 1141's fresh start provisions, rather than requiring it to be paid over 10 years post confirmation.

3. The lien given PBGC should be treated the same as a tax lien. The provisions in S. 1730 giving the lien greater protection (p. 578, lines 10-17) should be deleted.

4. The provisions of both bills (H.R. 3500, p. 294; S. 1730, p. 547), permitting distress termination in cases under the Bankruptcy Code are too restrictive in that all members of the control group must be debtors in the same chapter. (A member may be a bank, insurance company or foreign subsidiary that is ineligible for relief.) Only those substantial members who are eligible to file under § 109 of the Bankruptcy Code should be required to file.

5. H.R. 3500 is deficient in that it does not permit a Chapter 11 debtor to seek a distress termination by reason of the Chapter 11 case. See S. 1730, p. 547, line 22.

6. Allowance of a claim based on future pretax profits (H.R. 3500, pp. 310-311, S. 1730, p. 558), is unduly speculative and administratively unworkable. In a Chapter 11 case, it may have to be paid over 6 years or immediately if PBGC is entitled to priority. Liability in bankruptcy cases should be limited to the traditional 30%.

7. Direct liability to participants in a Chapter 11 case under § 997 of S. 1730 (p. 563-4) could result in double allowance of pension-related claims and substantially increase administrative costs and delays in the plan confirmation and claims allowance processes. It should be inapplicable in bankruptcy cases.

8. Can the provision concerning the evasion of liability in H.R. 3500, p. 323 at line 17 apply to workout situations in which lenders obtain collateral to secure their claims in attempts to rehabilitate financially distressed debtors? If so, the provision should be clarified so as not to apply to such lenders and such types of ordinary commercial practices.

9. The above provisions are inimical to reorganization, may inhibit the extension of unsecured credit by lending institutions, and create creditor incentives for liquidation of otherwise salvageable businesses.

10. The National Bankruptcy Conference in concerned that there is an obvious attempt to circumvent the bankruptcy jurisdiction of the respective Judiciary Committees by the failure to refer these bills for review and comment by those Committees and by those familiar with bankruptcy laws and processes.

[October 25, 1985]

NATIONAL BANKRUPTCY CONFERENCE AD HOC SELECT COMMITTEE'S ANALYSIS OF BANKRUPTCY ASPECTS OF PROPOSED OMNIBUS BUDGET RECONCILIATION ACT OF 1985

H.R. 3500

Section 4041(a)(1) of H.R. 3500 (p. 297) states that termination of a single-employer defined benefit plan may be accomplished only in accordance with subsection (c). The House Report at p. 289 states the intention to be that ERISA is the exclusive means for termination and that a plan may not be rejected pursuant to § 365 of the Bankruptcy Code.

H.R. 3500 provides a dual termination procedure: standard termination (pp. 284-290) and distress termination (pp. 290-305).

For a standard termination, all benefits must be fully funded and it must be shown that full payment of benefits can be made (page 284, lines 13-15). Application must be made to the PBGC and an elaborate procedure must be followed.

Distress termination requires further and different procedures but is limited to the few situations set out on pages 293-297. The causes are recent funding waivers, liquidation in bankruptcy or insolvency proceedings, termination required to enable payment of debts while staying in business, and unreasonably burdensome pension costs caused by declining work force.

The cause involving a bankruptcy case is limited to the commencement of a Chapter 7 liquidation case for all members of the control group. Conversion to Chapter 11 revives the terminated plan unless it is impossible to do so (see also p. 305).

In the event of a distress termination the liability is set forth on pages 308-320 and consists of the amount of the plan's funding shortage and total amount of unfunded guaranteed benefits plus interest from the termination date. (Funding shortage is defined at pp. 315-317.) If the unfunded guaranteed benefits exceed 30 percent of the sum of the positive net worths of each member of the control group (see p. 317), the excess is payable out of pretax profits (excluding extraordinary losses) over ten years (page 310). Thus net worth is not considered on a consolidated basis, which represents a major change from current law. Also, the addition of the 10 percent payment from pretax profits is new. Net worth is determined by PBGC and is increased by including transfers of assets determined by the PBGC hypothetically to be inappropriate under the Bankruptcy Code (pp. 317-18). Liability of all members of the control group is joint and several (p. 308). Liability is determined as of the termination date, which attempts to make it a postpetition claim (p. 309).

It may be that the successor liability contained on pp. 324-325 would apply in reorganization cases and override the basic discharge and sale free and clear rules. The consequences of these provisions are not clear.

S. 1730

S. 1730 sets up a system of dual termination similar to H.R. 3500.

In distress terminations, however, a clause is added to include all members of the control group in a Chapter 11 case if the court approves plan termination (pp. 547-48). A possible inconsistency appears on p. 551, line 13, providing for revival of a plan terminated in a Chapter 7 case on conversion to Chapter 11.

As in H.R. 3500 (p. 309), the liability is due and payable as of the termination date, which is a direct attempt to make it a postpetition claim (p. 556, line 8).

The amount of liability appears to be the same as in H.R. 3500.

Major differences in S. 1730 from H.R. 3500 are:

1. A perfected lien of PBGC is treated as an allowed secured claim, similar to a tax lien, subject only to I.R.C. § 6323 and is deemed valid under § 545 of the Bankruptcy Code (p. 578, lines 10-17).

2. If PBGC does not have a lien, a claim under §§ 4062, 4063 and 4064 of ERISA is deemed a Bankruptcy Code § 503(b)(1)(B) claim entitled to administration expense priority under § 507(a)(1), or a § 507(a)(7) tax priority (p. 578, lines 18-23). These provisions appear to require payment in cash in full on confirmation (§ 507(a)(1)) or over six years (§ 507(a)(7)) pursuant to § 1129(a) of the Bankruptcy Code.

3. PBGC may be a member of a creditors' committee and is defined as a "person" by amendment to § 101 of the Bankruptcy Code (p. 553). May PBGC file a Chapter 7 case on its own behalf? May an involuntary petition be filed against it?●

LEGISLATIVE APPROPRIATIONS—CONFERENCE REPORT

Mr. DOLE. Mr. President, I submit a report of the committee of conference on H.R. 2942 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2942) making appropriations for the legislative branch for the fiscal year ended September 30, 1986, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of today, October 29, 1985.)

Mr. D'AMATO. Mr. President, the conference agreement on H.R. 2942, the legislative branch appropriations bill for fiscal year 1986, provides a grand total of $1,598,293,800. This is a reduction of $184,961,200, or more than 10 percent, from the President's request of $1,783,255,000, and is consistent with the conference agreement on the budget resolution. The bill's total is also $1,370,000 below the level passed by the Senate, and is $1,683,338 below amounts enacted for fiscal year 1985. Excluding items pertaining solely to the Senate, the conference agreement is $5,796,000 below the bill as passed by the House. By any measure, I believe this bill exemplifies the fiscal restraint necessary to reduce the Federal budget deficit.

The conference report has been printed as a House document (H. Rept. 99-321) and is printed in the CONGRESSIONAL RECORD of October 23, 1985. So that Senators and other readers of the RECORD may have additional information on the amount provided by the conference agreement on this bill, I ask unanimous consent that a computer table listing those amounts be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See Exhibit 1.)

Mr. D'AMATO. The bill includes a total of $309,616,800 for the Senate, including $19,163,000 for Senate office buildings. This is an increase of $4,445,800 over fiscal year 1985 levels, and a reducton of $22,815,200 from the President's request. All Senate salary accounts have been held at fiscal year 1985 levels or below. The only increases in Senate items are for computer and telecommunications expenses of the Sergeant at Arms and for the newly created international narcorics control caucus.

The bill provides a total of $469,553,000 for the House of Representatives, including $22,088,000 for House office buildings. As a matter of comity, the Senate makes no independent judgment on matters relating strictly to the other body, and agrees with the amounts enacted by the House.

For joint items, including the Joint Economic Committee, the Joint Committee on Printing, the Joint Committee on Taxation, the attending physician, the Capitol Police, the Capitol Guide Service, official mail costs, and statements of appropriations, the bill provides a total of $110,649,000, of which $100,000,000 is for official mail. The cost of that particular activity continues to escalate at a very rapid rate, and the two Committees on Appropriations have again expressed their strong concern that all necessary steps be taken to restrain these increases.

The conferees agreed on levels for the congressional support agencies that will require great restraint and prudent management, but are necessary for the legislative branch to meet its share of overall Federal spending reductions. For the Office of Technology Assessment, the conferees agreed on a fiscal year 1986 appropriation of $15,300,000, a 10-percent reduction from the request and $392,000 below fiscal year 1985 levels. For the Congressional Budget Office, the agreement provides $16,886,000, a reduction of $1,569,000 below the request and $655,000 below fiscal year 1985 levels. The total of $38,963,000 provided for the Congressional Research Service is a 10-percent reduction from the request and is $1,370,000 below fiscal year 1985 levels. For the congressional printing and binding activities of the Government Printing Office, the agreement provides $69,405,000 for fiscal year 1986, a reduction of $9,495,000 from the request and $11,395,000 from amounts enacted to date for fiscal year 1985. And finally, the conferees agreed on an appropriation of $90,170,000 for the activities of the Architect of the Capitol under title I of the bill, which represents a reduction of $27,468,000 from the request and $457,850 from fiscal year 1985 levels.

For agencies funded under title II of the bill, including the Botanic Gardens, the Library of Congress, except CRS, Library building and grounds, the Copyright Royalty Tribunal, the Government Printing Office, except congressional printing and binding, the General Accounting Office, and the Railroad Accounting Principles Board, a total of $524,519,000 is recommended. This represents a reduction of $68,829,000 from the President's request and $14,168,000 from fiscal year 1985 levels.

Compensation of Senators and Members of the House of Representatives in the amount of $46,609,000 is provided by a permanent indefinite appropriation and is not included in this bill.

I restate my belief, Mr. President, that this bill is tightly drawn and is, by any measure, an example of the fiscal restraint necessary to achieve deficit reduction. I ask for the adoption of the conference agreement and Senate concurrence in the amendments remaining in disagreement.

EXHIBIT

Comparative Statement of New Budget (Obligational) Authority

	FY 1985 Enacted	FY 1986 Estimates	House	Senate	Conference	Conference compared with Enacted	Conference compared with Estimates	Conference compared with House	Conference compared with Senate
TITLE I - CONGRESSIONAL OPERATIONS									
SENATE									
Mileage of the Vice President and Senators and Expense Allowances of the Vice President, the President Pro Tempore, Majority and Minority Leaders, Majority and Minority Whips, and Chairmen of the Majority and Minority Conference Committees									
Mileage of the Vice President and Senators	60,000	60,000	---	60,000	60,000	---	---	+60,000	---
Expense allowances of the Vice President, the President Pro Tempore, Majority and Minority Leaders Majority and Minority Whips, and Chairmen of the Majority and Minority Conference Committees:									
Vice President	10,000	10,000	---	10,000	10,000	---	---	+10,000	---
President Pro Tempore of the Senate	10,000	10,000	---	10,000	10,000	---	---	+10,000	---
Majority Leader of the Senate	10,000	10,000	---	10,000	10,000	---	---	+10,000	---
Minority Leader of the Senate	10,000	10,000	---	10,000	10,000	---	---	+10,000	---
Majority Whip of the Senate	5,000	5,000	---	5,000	5,000	---	---	+5,000	---
Minority Whip of the Senate	5,000	5,000	---	5,000	5,000	---	---	+5,000	---
Chairmen of the Majority and Minority Conference Committees	6,000	6,000	---	6,000	6,000	---	---	+6,000	---
Representation allowances for the Majority and Minority Leaders	20,000	20,000	---	20,000	20,000	---	---	+20,000	---
Total, expense allowances	76,000	76,000	---	76,000	76,000	---	---	+76,000	---
Total, Vice President and Senators	136,000	136,000	---	136,000	136,000	---	---	+136,000	---
Salaries, Officers and Employees									
Office of the Vice President	1,112,000	1,121,000	---	1,112,000	1,112,000	---	-9,000	+1,112,000	---
Office of the President pro tempore	149,000	151,000	---	149,000	149,000	---	-2,000	+149,000	---
Offices of the Majority and Minority Leaders	1,090,000	1,100,000	---	1,090,000	1,090,000	---	-10,000	+1,090,000	---
Offices of the Majority and Minority Whips	418,000	422,000	---	418,000	418,000	---	-4,000	+418,000	---
Conference committees	1,081,000	1,090,000	---	1,081,000	1,081,000	---	-9,000	+1,081,000	---
Offices of the secretaries of the conference of the Majority and the conference of the Minority	182,000	183,000	---	182,000	182,000	---	-1,000	+182,000	---
Office of the Chaplain	90,000	90,000	---	90,000	90,000	---	---	+90,000	---
Office of the Secretary	7,253,000	7,546,000	---	6,953,000	6,953,000	-300,000	-593,000	+6,953,000	---
Administrative, clerical, and legislative assistance to Senators	102,549,000	103,787,000	---	102,549,000	102,549,000	---	-1,238,000	+102,549,000	---
Office of Sergeant at Arms and Doorkeeper	36,358,000	39,145,000	---	36,358,000	36,358,000	---	-2,787,000	+36,358,000	---

Comparative Statement of New Budget (Obligational) Authority

	FY 1985 Enacted	FY 1986 Estimates	House	Senate	Conference	Conference compared with Enacted	Conference compared with Estimates	Conference compared with House	Conference compared with Senate
Offices of the secretaries for the Majority and Minority	879,000	886,000	---	879,000	879,000	---	-7,000	+879,000	---
Agency contributions	20,085,000	20,218,000	---	19,612,000	19,612,000	-473,000	-606,000	+19,612,000	---
Total, salaries, officers and employees	171,246,000	175,739,000	---	170,473,000	170,473,000	-773,000	-5,266,000	+170,473,000	---
Office of the Legislative Counsel of the Senate									
Salaries and expenses	1,437,000	1,590,000	---	1,437,000	1,437,000	---	-153,000	+1,437,000	---
Office of Senate Legal Counsel									
Salaries and expenses	565,000	575,000	---	565,000	565,000	---	-10,000	+565,000	---
Expense allowances for the Secretary of the Senate, Sergeant at Arms and Doorkeeper of the Senate, and Secretaries for the Majority and for the Minority of the Senate	12,000	12,000	---	12,000	12,000	---	---	+12,000	---
Contingent Expenses of the Senate									
Senate policy committees	1,948,000	1,981,000	---	1,948,000	1,948,000	---	-33,000	+1,948,000	---
Inquiries and investigations	51,050,000	53,916,000	---	51,050,000	51,050,000	---	-2,866,000	+51,050,000	---
Secretary of the Senate	711,000	760,000	---	683,800	683,800	-27,200	-76,200	+683,800	---
Sergeant at Arms and Doorkeeper of the Senate	48,472,000	64,453,000	---	54,153,000	54,153,000	+5,681,000	-10,300,000	+54,153,000	---
Miscellaneous items	10,341,000	9,659,000	---	9,659,000	9,659,000	-682,000	---	+9,659,000	---
Stationery (revolving fund)	12,000	13,000	---	12,000	12,000	---	-1,000	+12,000	---
International Narcotics Control Commission	---	---	---	325,000	325,000	+325,000	+325,000	+325,000	---
Total, contingent expenses of the Senate	112,534,000	130,782,000	---	117,830,800	117,830,800	+5,296,800	-12,951,200	+117,830,800	---
Total, Senate	285,930,000	308,834,000	---	290,453,800	290,453,800	+4,523,800	-18,380,200	+290,453,800	---
HOUSE OF REPRESENTATIVES									
Payments to Widows and Heirs of Deceased Members of Congress									
Gratuities, deceased Members	75,100	---	---	---	---	-75,100	---	---	---
Mileage of Members									
Mileage of Members	210,000	210,000	150,000	150,000	150,000	-60,000	-60,000	---	---

Comparative Statement of New Budget (Obligational) Authority

	FY 1985 Enacted	FY 1986 Estimates	House	Senate	Conference	Conference compared with Enacted	Conference compared with Estimates	Conference compared with House	Conference compared with Senate
House Leadership Offices									
Office of the Speaker	771,000	775,000	775,000	775,000	775,000	+4,000	---	---	---
Office of the Majority Floor Leader	682,000	688,000	688,000	688,000	688,000	+6,000	---	---	---
Office of the Minority Floor Leader	760,000	767,000	767,000	767,000	767,000	+7,000	---	---	---
Office of the Majority Whip	598,000	603,000	603,000	603,000	603,000	+5,000	---	---	---
Office of the Minority Whip	520,000	524,000	524,000	524,000	524,000	+4,000	---	---	---
Total, House leadership offices	3,331,000	3,357,000	3,357,000	3,357,000	3,357,000	+26,000	---	---	---
Salaries, Officers and Employees									
Office of the Clerk	13,599,000	13,856,000	13,656,000	13,656,000	13,656,000	+57,000	-200,000	---	---
Office of the Sergeant at Arms	18,430,000	18,669,000	18,269,000	18,269,000	18,269,000	-161,000	-400,000	---	---
Office of the Doorkeeper	6,820,000	6,878,000	6,678,000	6,678,000	6,678,000	-142,000	-200,000	---	---
Office of the Postmaster	2,165,000	2,145,000	2,075,000	2,075,000	2,075,000	-90,000	-70,000	---	---
Office of the Chaplain	72,000	73,000	73,000	73,000	73,000	+1,000	---	---	---
Office of the Parliamentarian	623,000	623,000	623,000	623,000	623,000	---	---	---	---
Office of the Parliamentarian	(414,000)	(414,000)	(414,000)	(414,000)	(414,000)	---	---	---	---
Compilation of precedents of the House of Representatives	(209,000)	(209,000)	(209,000)	(209,000)	(209,000)	---	---	---	---
Office for the Bicentennial	193,000	267,000	219,000	219,000	219,000	+26,000	-48,000	---	---
Office of the Law Revision Counsel	839,000	889,000	859,000	859,000	859,000	+20,000	-30,000	---	---
Office of the Legislative Counsel	2,933,000	2,989,000	2,800,000	2,800,000	2,800,000	-133,000	-189,000	---	---
House Democratic Steering Committee and Caucus	578,000	617,000	617,000	617,000	617,000	+39,000	---	---	---
House Democratic Steering Committee	(440,300)	(479,100)	(479,100)	(479,100)	(479,100)	(+38,800)	---	---	---
House Democratic Caucus	(137,700)	(137,900)	(137,900)	(137,900)	(137,900)	(+200)	---	---	---
House Republican Conference	578,000	617,000	617,000	617,000	617,000	+39,000	---	---	---
Six minority employees	431,000	434,000	434,000	434,000	434,000	+3,000	---	---	---
Other Authorized Employees	992,000	994,000	994,000	994,000	994,000	+2,000	---	---	---
Technical assistant, Office of the Attending Physician	(45,000)	(47,000)	(47,000)	(47,000)	(47,000)	(+2,000)	---	---	---
L.B.J. Interns and Former Speakers' staff	(850,000)	(850,000)	(850,000)	(850,000)	(850,000)	---	---	---	---
Miscellaneous items	(97,000)	(97,000)	(97,000)	(97,000)	(97,000)	---	---	---	---
Total, salaries, officers and employees	48,253,000	49,051,000	47,914,000	47,914,000	47,914,000	-339,000	-1,137,000	---	---
Committee Employees									
Professional and clerical employees (standing committees)	41,619,000	44,325,000	44,325,000	44,325,000	44,325,000	+2,706,000	---	---	---
Committee on Appropriations (Studies and Investigations)									
Salaries and expenses	4,315,000	4,500,000	4,275,000	4,275,000	4,275,000	-40,000	-225,000	---	---

Comparative Statement of New Budget (Obligational) Authority

	FY 1985 Enacted	FY 1986 Estimates	House	Senate	Conference	Conference compared with Enacted	Conference compared with Estimates	Conference compared with House	Conference compared with Senate
Committee on the Budget (Studies)									
laries and expenses	329,000	329,000	296,000	296,000	296,000	-33,000	-33,000	---	---
Members' Clerk Hire									
erk hire	166,762,000	169,641,000	166,762,000	166,762,000	166,762,000	---	-2,879,000	---	---
Contingent Expenses of the House									
Allowances and Expenses									
fficial Expenses of Members	73,803,000	83,261,000	81,000,000	81,000,000	81,000,000	+7,197,000	-2,261,000	---	---
pplies, materials, administrative costs and Federal tort claims	18,160,000	16,946,000	16,946,000	16,946,000	16,946,000	-1,214,000	---	---	---
urniture and furnishings	1,270,000	1,150,000	1,000,000	1,000,000	1,000,000	-270,000	-150,000	---	---
tenographic reporting of committee hearings	500,000	600,000	500,000	500,000	500,000	---	-100,000	---	---
eemployed annuitants reimbursement	1,782,000	1,200,000	1,200,000	1,200,000	1,200,000	-582,000	---	---	---
overnment contributions	32,822,000	33,279,000	32,158,000	32,158,000	32,158,000	-664,000	-1,121,000	---	---
iscellaneous items	500,000	622,000	622,000	622,000	622,000	+122,000	---	---	---
Total, allowances and expenses	128,837,000	137,058,000	133,426,000	133,426,000	133,426,000	+4,589,000	-3,632,000	---	---
Standing Committees, Special and Select									
Salaries and expenses	45,667,000	46,960,000	46,960,000	46,960,000	46,960,000	+1,293,000	---	---	---
Total, contingent expenses of the House	174,504,000	184,018,000	180,386,000	180,386,000	180,386,000	+5,882,000	-3,632,000	---	---
Total, House of Representatives	439,398,100	455,431,000	447,465,000	447,465,000	447,465,000	+8,066,900	-7,966,000	---	---
JOINT ITEMS									
Contingent Expenses of the Senate									
Joint Economic Committee	2,644,000	2,680,000	2,670,000	2,644,000	2,644,000	---	-36,000	-26,000	---
Joint Committee on Printing	917,000	945,000	910,000	935,000	919,000	+2,000	-26,000	+9,000	-16,000
Total, contingent expenses of the Senate	3,561,000	3,625,000	3,580,000	3,579,000	3,563,000	+2,000	-62,000	-17,000	-16,000
Contingent Expenses of the House									
Joint Committee on Taxation	3,605,000	3,897,000	3,705,000	3,705,000	3,705,000	+100,000	-192,000	---	---
Office of the Attending Physician									
Medical supplies, equipment, expenses, and allowances	1,007,000	1,078,000	1,056,000	1,036,000	1,056,000	+49,000	-22,000	---	+20,000

Comparative Statement of New Budget (Obligational) Authority

	FY 1985 Enacted	FY 1986 Estimates	House	Senate	Conference	Conference compared with Enacted	Conference compared with Estimates	Conference compared with House	Conference compared with Senate
Capitol Police									
ıral expenses	1,471,000	1,670,000	1,361,000	1,336,000	1,336,000	-135,000	-334,000	-25,000	---
itol Police Board	141,188	109,000	109,000	109,000	109,000	-32,188	---	---	---
Total, Capitol Police	1,612,188	1,779,000	1,470,000	1,445,000	1,445,000	-167,188	-334,000	-25,000	---
Official Mail Costs									
enses	85,797,000	144,458,000	104,211,000	100,000,000	100,000,000	+14,203,000	-44,458,000	-4,211,000	---
Capitol Guide Service									
aries and expenses	820,000	954,000	867,000	867,000	867,000	+47,000	-87,000	---	---
Statements of Appropriations									
paration	13,000	13,000	11,000	13,000	13,000	---	---	+2,000	---
Total, Joint items	96,415,188	155,804,000	114,900,000	110,645,000	110,649,000	+14,233,812	-45,155,000	-4,251,000	+4,000
OFFICE OF TECHNOLOGY ASSESSMENT									
aries and expenses	15,692,000	17,000,000	15,300,000	15,300,000	15,300,000	-392,000	-1,700,000	---	---
CONGRESSIONAL BUDGET OFFICE									
laries and expenses	17,541,000	18,455,000	16,609,000	17,541,000	16,886,000	-655,000	-1,569,000	+277,000	-655,000
ARCHITECT OF THE CAPITOL									
Office of the Architect of the Capitol									
alaries	5,212,000	5,675,000	5,417,000	5,417,000	5,417,000	+205,000	-258,000	---	---
ontingent expenses	235,000	235,000	235,000	---	100,000	-135,000	-135,000	-135,000	+100,000
Total, Office of the Architect of the Capitol	5,447,000	5,910,000	5,652,000	5,417,000	5,517,000	+70,000	-393,000	-135,000	+100,000
Capitol Buildings and Grounds									
apitol buildings	11,643,850	12,621,000	11,405,000	10,590,000	10,880,000	-763,850	-1,741,000	-525,000	+290,000
apitol grounds	2,896,000	3,364,000	3,041,000	3,362,000	3,510,000	+614,000	+146,000	+469,000	+148,000
enate Office Buildings	19,241,000	23,598,000	---	19,163,000	19,163,000	-78,000	-4,435,000	+19,163,000	---
ouse Office Buildings	22,873,000	41,323,000	22,088,000	22,088,000	22,088,000	-785,000	-19,235,000	---	---
apitol Power Plant	22,990,000	25,375,000	23,495,000	23,495,000	23,495,000	+505,000	-1,880,000	---	---
ibrary buildings and grounds: Structural and mechanical care	90,000	---	---	---	---	-90,000	---	---	---
Total, Capitol buildings and grounds	79,733,850	106,281,000	60,029,000	78,698,000	79,136,000	-597,850	-27,145,000	+19,107,000	+438,000
Total, Architect of the Capitol (except items in Title II)	85,180,850	112,191,000	65,681,000	84,115,000	84,653,000	-527,850	-27,538,000	+18,972,000	+538,000

Comparative Statement of New Budget (Obligational) Authority

	FY 1985 Enacted	FY 1986 Estimates	House	Senate	Conference	Conference compared with Enacted	Conference compared with Estimates	Conference compared with House	Conference compared with Senate
LIBRARY OF CONGRESS									
Congressional Research Service									
laries and expenses	40,333,000	43,292,000	38,963,000	40,333,000	38,963,000	-1,370,000	-4,329,000	---	-1,370,000
GOVERNMENT PRINTING OFFICE									
ngressional printing and binding	80,800,000	78,900,000	69,405,000	69,405,000	69,405,000	-11,395,000	-9,495,000	---	---
Total, title I - Congressional Operations	1,061,290,138	1,189,907,000	768,323,000	1,075,257,800	1,073,774,800	+12,484,662	-116,132,200	+305,451,800	-1,483,000
TITLE II - OTHER AGENCIES									
BOTANIC GARDEN									
laries and expenses	2,080,000	2,197,000	2,197,000	2,113,000	2,188,000	+108,000	-9,000	-9,000	+75,000
LIBRARY OF CONGRESS									
laries and expenses	139,325,000	146,607,000	136,569,000	139,325,000	138,047,000	-1,278,000	-8,560,000	+1,478,000	-1,278,000
Authority to spend receipts	-4,300,000	-4,300,000	-4,300,000	-4,300,000	-4,300,000	---	---	---	---
Net, Salaries and expenses	135,025,000	142,307,000	132,269,000	135,025,000	133,747,000	-1,278,000	-8,560,000	+1,478,000	-1,278,000
opyright Office, salaries and expenses	17,301,000	18,081,000	17,631,000	18,081,000	17,631,000	+330,000	-450,000	---	-450,000
Authority to spend receipts	-6,000,000	-6,000,000	-6,750,000	-7,250,000	-6,750,000	-750,000	-750,000	---	+500,000
Net, Copyright Office, salaries and expenses	11,301,000	12,081,000	10,881,000	10,831,000	10,881,000	-420,000	-1,200,000	---	+50,000
ooks for the blind and physically handicapped, salaries and expenses	36,592,000	38,402,000	33,761,000	33,761,000	33,761,000	-2,831,000	-4,641,000	---	---
ollection and distribution of library materials (special foreign currency program):									
Payments in Treasury-owned foreign currencies	2,811,000	711,000	711,000	711,000	711,000	-2,100,000	---	---	---
(Release of Sec. 311 funds)	(300,000)	---	---	---	---	(-300,000)	---	---	---
U.S. dollars	507,000	121,000	121,000	121,000	121,000	-386,000	---	---	---
Total, collection and distribution of library materials	3,318,000	832,000	832,000	832,000	832,000	-2,486,000	---	---	---
Total funds available (including Sec. 311 funds)	(3,618,000)	(832,000)	(832,000)	(832,000)	(832,000)	(-2,786,000)	---	---	---
urniture and furnishings	1,673,000	5,915,000	891,000	891,000	891,000	-782,000	-5,024,000	---	---
Total, Library of Congress (except Congressional Research Service)	187,909,000	199,537,000	178,634,000	181,340,000	180,112,000	-7,797,000	-19,425,000	+1,478,000	-1,228,000

Comparative Statement of New Budget (Obligational) Authority

	FY 1985 Enacted	FY 1986 Estimates	House	Senate	Conference	Conference compared with Enacted	Conference compared with Estimates	Conference compared with House	Conference compared with Senate
ARCHITECT OF THE CAPITOL									
Library Buildings and Grounds									
tructural and mechanical care	5,709,000	7,380,000	5,785,000	5,785,000	5,785,000	+76,000	-1,595,000	---	---
COPYRIGHT ROYALTY TRIBUNAL									
alaries and expenses	722,000	758,000	519,000	519,000	519,000	-203,000	-239,000	---	---
Authority to spend receipts	-505,000	-531,000	-363,000	-363,000	-363,000	+142,000	+168,000	---	---
Net, Salaries and expenses	217,000	227,000	156,000	156,000	156,000	-61,000	-71,000	---	---
GOVERNMENT PRINTING OFFICE									
'rintins and bindins	13,200,000	14,500,000	11,655,000	11,555,000	11,555,000	-1,645,000	-2,945,000	-100,000	---
Office of Superintendent of Documents, salaries and expenses	28,868,000	28,868,000	25,981,000	22,981,000	22,981,000	-5,887,000	-5,887,000	-3,000,000	---
Total, Government Printing Office (except Congressional printing and binding)	42,068,000	43,368,000	37,636,000	34,536,000	34,536,000	-7,532,000	-8,832,000	-3,100,000	---
GENERAL ACCOUNTING OFFICE									
Salaries and expenses	299,704,000	339,639,000	300,992,000	299,726,000	300,992,000	+1,288,000	-38,647,000	---	+1,266,000
RAILROAD ACCOUNTING PRINCIPLES BOARD									
Salaries and expenses	1,000,000	1,000,000	750,000	750,000	750,000	-250,000	-250,000	---	---
Total, title II - other agencies	538,687,000	593,348,000	526,150,000	524,406,000	524,519,000	-14,168,000	-68,829,000	-1,631,000	+113,000
Grand total, New budget (obligational) authority	1,599,977,138	1,783,255,000	1,294,473,000	1,599,663,800	1,598,293,800	-1,683,338	-184,961,200	+303,820,800	-1,370,000
RECAPITULATION									
TITLE I - CONGRESSIONAL OPERATIONS	1,061,290,138	1,189,907,000	768,323,000	1,075,257,800	1,073,774,800	+12,484,662	-116,132,200	+305,451,800	-1,483,000
TITLE II - OTHER AGENCIES	538,687,000	593,348,000	526,150,000	524,406,000	524,519,000	-14,168,000	-68,829,000	-1,631,000	+113,000
TITLE I - CONGRESSIONAL OPERATIONS									
Senate	285,930,000	308,834,000	---	290,453,800	290,453,800	+4,523,800	-18,380,200	+290,453,800	---
House of Representatives	439,398,100	455,431,000	447,465,000	447,465,000	447,465,000	+8,066,900	-7,966,000	---	---
Joint Items	96,415,188	155,804,000	114,900,000	110,645,000	110,649,000	+14,233,812	-45,155,000	-4,251,000	+4,000
Office of Technology Assessment	15,692,000	17,000,000	15,300,000	15,300,000	15,300,000	-392,000	-1,700,000	---	---

Comparative Statement of New Budget (Oblisational) Authority

	FY 1985 Enacted	FY 1986 Estimates	House	Senate	Conference	Conference compared with Enacted	Conference compared with Estimates	Conference compared with House	Conference compared with Senate
essional Budget Office	17,541,000	18,455,000	16,609,000	17,541,000	16,886,000	-655,000	-1,569,000	+277,000	-655,000
tect of the Capitol (except Library buildings									
grounds)	85,180,850	112,191,000	65,681,000	84,115,000	84,653,000	-527,850	-27,538,000	+18,972,000	+538,000
ressional Research Service, Library of Congress	40,333,000	43,292,000	38,963,000	40,333,000	38,963,000	-1,370,000	-4,329,000	---	-1,370,000
ressional printing and binding, Government									
inting Office	80,800,000	78,900,000	69,405,000	69,405,000	69,405,000	-11,395,000	-9,495,000	---	---
Total, title I - congressional operations	1,061,290,138	1,189,907,000	768,323,000	1,075,257,800	1,073,774,800	+12,484,662	-116,132,200	+305,451,800	-1,483,000
TITLE II - OTHER AGENCIES									
nic Garden	2,080,000	2,197,000	2,197,000	2,113,000	2,188,000	+108,000	-9,000	-9,000	+75,000
rary of Congress (except Congressional Research									
rvice)	187,909,000	199,537,000	178,634,000	181,340,000	180,112,000	-7,797,000	-19,425,000	+1,478,000	-1,228,000
hitect of the Capitol (Library buildings and									
rounds)	5,709,000	7,380,000	5,785,000	5,785,000	5,785,000	+76,000	-1,595,000	---	---
yright Royalty Tribunal	217,000	227,000	156,000	156,000	156,000	-61,000	-71,000	---	---
ernment Printing Office (except congressional									
rinting and binding)	42,068,000	43,368,000	37,636,000	34,536,000	34,536,000	-7,532,000	-8,832,000	-3,100,000	---
eral Accounting Office	299,704,000	339,639,000	300,992,000	299,726,000	300,992,000	+1,288,000	-38,647,000	---	+1,266,000
lroad Accounting Principles Board	1,000,000	1,000,000	750,000	750,000	750,000	-250,000	-250,000	---	---
Total, title II - other agencies	538,687,000	593,348,000	526,150,000	524,406,000	524,519,000	-14,168,000	-68,829,000	-1,631,000	+113,000
Grand total, new budget (oblisational) authority	1,599,977,138	1,783,255,000	1,294,473,000	1,599,663,800	1,598,293,800	-1,683,338	-184,961,200	+303,820,800	-1,370,000
CONGRESSIONAL BUDGET RECAP									
tal (including Compensation of Members)	1,644,755,138	1,829,864,000	1,332,106,000	1,646,272,800	1,644,902,800	+147,662	-184,961,200	+312,796,800	-1,370,000
Compensation of Members	(44,778,000)	(46,609,000)	(37,633,000)	(46,609,000)	(46,609,000)	(+1,831,000)	---	(+8,976,000)	---
Amounts in this bill	(1,599,977,138)	(1,783,255,000)	(1,294,473,000)	(1,599,663,800)	(1,598,293,800)	(-1,683,338)	(-184,961,200)	(+303,820,800)	(-1,370,000)
Prior year outlays associated with this bill	---	---	---	---	---	---	---	---	---
tal Congressional mandatory and discretionary	1,644,755,138	1,829,864,000	1,332,106,000	1,646,272,800	1,644,902,800	+147,662	-184,961,200	+312,796,800	-1,370,000
Mandatory (total)	(978,771,100)	(1,077,600,000)	(696,350,000)	(988,143,800)	(988,143,800)	(+9,372,700)	(-89,456,200)	(+291,793,800)	---
(Mandatory new)	(978,771,100)	(1,077,600,000)	(696,350,000)	(988,143,800)	(988,143,800)	(+9,372,700)	(-89,456,200)	(+291,793,800)	---
(Prior year)	---	---	---	---	---	---	---	---	---
Discretionary (new)	(665,984,038)	(752,264,000)	(635,756,000)	(658,129,000)	(656,759,000)	(-9,225,038)	(-95,505,000)	(+21,003,000)	(-1,370,000

Mr. BUMPERS. Mr. President, as the chairman has indicated, the conference agreement is: $185 million below the amounts in the President's budget for the legislative branch; and approximately $1.7 million below the level of appropriations enacted for fiscal year 1985.

In effect, the conference agreement on the fiscal year 1986 legislative branch appropriation bill freezes the appropriations for the legislative branch at an aggregate level of about $1.7 million below the current fiscal year 1985 level.

The conference agreement provides for a reduction from the amounts in the President's budget request for the legislative branch of 10.3 percent. For Senate operations, the conference agreement includes a reduction of almost $19 million below the President's budget.

Mr. President, I want to congratulate the distinguished subcommittee chairman, Mr. D'AMATO for his very fine efforts to constrain the total amount in the bill.

The House conferees, under the able leadership of Chairman VIC FAZIO, are also to be commended and were, as usual, cordial and cooperative in our joint effort to restrain the expenditures for the legislative branch.

Again, I congratulate the chairman of the subcommittee, Mr. D'AMATO and thank the staff: Keith Kennedy on the majority side and Terry Sauvain on the minority staff.

I urge the adoption of the conference report.

Mr. DOLE. Mr. President, I ask for the adoption of the conference report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. DOLE. Mr. President, I ask unanimous consent that the two amendments remaining in disagreement, amendments 12 and 26, be considered en bloc.

The PRESIDING OFFICER. The clerk will state the amendments.

The legislative clerk read as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 12 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum inserted by said amendment, insert: $3,510,000, of which $495,000 shall be available until expended for the procurement and installation of hydraulic security barriers at vehicular entrances to the Capitol grounds, subject to the approval of the design development drawings by the House and Senate Committees on Appropriations.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 26 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum inserted by said amendment, insert:

SEC. 306. (a) Notwithstanding the provisions of this or any other Act, the United States International Narcotics Control Commission, established by section 814 of the Foreign Relations Authorization Act, Fiscal Years 1986 and 1987, is hereby redesignated and shall hereafter be known as the United States Senate Caucus on International Narcotics Control.

(b) Any reference to the United States International Narcotics Control Commission in any law, regulation, document, record, or other official paper of the United States shall be deemed to be a reference to the United States Senate Caucus on International Narcotics Control.

Mr. DOLE. Mr. President, I move that the Senate concur in the amendments of the House with the amendments of the Senate.

The motion was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

JUDGMENTS AWARDED TO THE CHIPPEWAS OF LAKE SUPERIOR

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate now turn to consideration of H.R. 1903 being held at the desk, relating to the Chippewa Indians.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (H.R. 1903) to provide for the use and distribution of funds appropriated in satisfaction of judgments awarded to the Chippewas of Lake Superior in Dockets Numbered 18-S, 18-U, 18-C, and 18-T before the Indian Claims Commission, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kansas?

There being no objection, the Senate proceeded to consider the bill.

The PRESIDING OFFICER. The bill before the Senate is open to further amendment. If there be no amendment to be offered, the question is on the third reading and the passage of the bill.

The bill (H.R. 1903) was ordered to a third reading, was read the third time, and passed.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

BUDGET ACT WAIVER

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate now turn to Calendar Order No. 356, Senate Resolution 238, the budget waiver for S. 1706.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 238) waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration S. 1706.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kansas?

There being no objection, the Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (Senate Resolution 238) was agreed to, as follows:

S. RES. 238

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of S. 1706, a bill to authorize the Architect of the Capitol, in cooperation with the Union Station Redevelopment Corporation, to design a building or buildings adjacent to Union Station in Washington, DC.

The waiver of section 402(a) is necessary to permit consideration of provisions authorizing new budget authority of $2,000,000 in fiscal year 1986 to make a report on the design of a new building or buildings to be used by the administrative agencies of the Federal judiciary.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UNION STATION DEVELOPMENT

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate now turn to Calendar Order No. 347, S. 1706.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (S. 1706) to authorize the Architect of the Capitol, in cooperation with the Union Station Redevelopment Corporation, to design a building or buildings adjacent to Union Station in Washington, DC.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kansas?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Environment and Public Works, with amendments, as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets, and the parts of the bill intended to be inserted are shown in italics.)

S. 1706

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) notwithstanding the provisions of section 116, subtitle B, of the National Visitors Center Facilities Act of 1968, as amended by Public Law 97-125, the Architect of the Cap-

itol shall, by August 15, 1986, file a report, with recommendations, to the Committees on [Appropriation] *Appropriations* and Environment and Public Works of the Senate and the Committees on Appropriations and Public Works and Transportation of the House of Representatives for the construction on squares 721 and 722 in the District of Columbia of a building or buildings for the use of the administrative office of the United States Courts, the Federal Judicial Center, and other judicial functions (hereinafter referred to as the "administrative agencies of the Federal judiciary").

(b) In the report authorized by this section, the Architect of the Capitol, in cooperation with the Union Station Redevelopment Corporation (hereinafter referred to as the "Corporation"), shall:

(1) study alternatives for the size, design, and estimated cost of constructing a building or buildings on squares 721 and 722 to meet the current and future needs of the administrative agencies of the Federal judiciary, together with such other commercial, governmental, cultural, educational, and recreational activities as may appropriately occupy such building or buildings in a manner that benefits the United States;

(2) seek to utilize squares 721 and 722 in a manner that complements the surrounding area, fulfills the goals of mixed use contained in the Public Building Cooperative Use Act (Public Law 94-541), and is not inconsistent with either the master plan for the United States Capitol or the intent of section 116 of Public Law 97-125; and

(3) make specific recommendations on the most feasible and most economical methods for financing and constructing such building or buildings in the shortest possible time.

(c) As studies warrant, the Architect of the Capitol shall file interim reports under this Act with the committees of the Congress specified in subsection (a) of this section.

SEC. 2. (a) In preparing the report required by section 1 of this Act, the Architect of the Capitol shall, as soon as possible, contract with the Corporation to:

(1) develop a program of space utilization that will accommodate the current and future needs of the administrative agencies of the Federal judiciary and provide for the renting, leasing, or use of any space not needed immediately by the administrative agencies of the Federal judiciary: *Provided,* That no space in the buildings shall be rented or leased to anyone having business before, or whose business would be incompatible with the mission of, the administrative agencies of the Federal judiciary; *and*

(2) develop a plan that will be compatible with the authorized redevelopment of Union Station and with other developments in the vicinity, including residential neighborhoods[; and

[(3) recommend ways that will minimize or eliminate the intial capital investment in such project by the United States through the use, when appropriate, of a public private partnership to finance and construct such project: *Provided, however,* That such property remains in the ownership of the United States.]

(b) In cooperation with the Corporation, the Architect of the Capitol shall devise and undertake a limited and selected competition to choose an architect for such building or buildings, based on the excellence of design.

(c) In cooperation with the Architect of the Capitol, the Corporation shall—

(1) recommend ways that will minimize or eliminate the initial capital investment in such project by the United States through the use, when appropriate, of a public-private partnership to finance and construct such project, and

(2) solicit proposals from nongovernmental sources to finance and construct such a project in accord with paragraph (1) of this subsection: Provided, however, That such property remains in the ownership of the United States.

SEC. 3. For the purposes of this Act, the sum of $2,000,000 is authorized to be appropriated to the Architect of the Capitol in the fiscal year ending September 30, 1986, which sum to remain available until expended.

Mr. DOLE. Mr. President, I move the adoption of the committee amendments.

The PRESIDING OFFICER. The question is on agreeing to the committee amendments.

The committee amendments were agreed to.

Mr. STAFFORD. Mr. President, I urge that the Senate pass S. 1706, as it was reported from the Committee on Environment and Public Works.

This is sound legislation. It is a bill that will meet the needs of the Federal judiciary, as well as sound development on the northern edge of the U.S. Capitol Grounds.

My colleagues know that I rarely urge the construction of a new Federal building. In most cases, I believe we can utilize effectively the buildings we already use, or convert older structures to new uses.

This case is different. This building deserves early action.

It is needed by the judiciary.

And it is needed for the proper and effective development adjacent to Union Station.

For a number of years, the Senate has worked to preserve and renew Union Station. Prior to the creation of Amtrak, Congress passed legislation to convert Union Station into a National Visitors Center. Following cost overruns and other serious problems, the visitors center idea was abandoned and the structure closed.

Congress in 1981 passed the Union Station Redevelopment Act as Public Law 97-125, the purpose of which was to revive Union Station as a station for Amtrak, while attracting new commercial development into this wonderful old structure.

As a part of Public Law 97-125, Congress included a provision that permitted the Department of Transportation, which is responsible for the renewal of Union Station, to obtain from the Architect of the Capitol the use of two squares—721 and 722—located north of Massachusetts Avenue. These two squares are a part of the U.S. Capitol Grounds, and for the past decade have been used as open, ground-level parking for Senate staff.

In considering that 1981 law, Congress took the position, which remains valid, that development on these squares would enhance the revival of Union Station, and must occur in a manner complementary to the station's redevelopment.

But because the Department of Transportation has not requested use of those squares, control over this land remains uncertain. While the land remains a part of the Capitol Grounds, it also remains subject to what is in effect, a DOT option that has not been exercised.

When it became clear that both the Union Station Redevelopment Act and the master plan for the U.S. Capitol recommended construction of a Federal structure on squares 721 and 722, discussion began on use of the site to consolidate the Administrative Office of the U.S. courts, and related activities.

The Administrative Office has serious housing problems. This fiscal year, its 635 employees, plus another 122 persons assigned to the Federal Judicial Center, will be scattered among eight buildings in Washington. Many of these offices are several miles from the Supreme Court, to which these agencies are responsible ultimately.

At a hearing this past July, every witness endorsed in some fashion the use of squares 721 and 722 as a location for the Administrative Office. The key issue was how to finance such development. They suggested alternatives:

Authorize the Architect of the Capitol to spend about $70 million directly to build the project.

Direct the Department of Transportation, through its Union Station Redevelopment Corporation, to exercise its existing authority to develop the site.

Permit a private developer to take over the property, then lease a portion of it back to the Administrative Office.

S. 1706 represents an effort to resolve these alternatives, to move forward in a manner that retains a proper and effective degree of public control.

Specifically, the bill authorizes an appropriation of $2 million to the Architect of the Capitol. The Architect will use that money to conduct a three-stage design process, in concert with the Union Station Redevelopment Corporation, then file a report with Congress by next August 15.

In the initial stage, the Architect and the Redevelopment Corporation will study alternatives for the size, design, and estimated cost of a building or buildings on the site. Such a building will need to meet the current and future needs of the Administrative Office and related judicial agencies, provide offices for retired Justices of the Supreme Court, and include such other commercial, governmental, cultural, and educational activities as might appropriately occupy such a building or buildings.

It is important to point out that this building is expected to contain a variety of uses, in line with the goals of the Public Buildings Cooperative Use Act—Public Law 94-541. This might include offices to be rented or leased to other agencies or non-Federal groups, if that provdes wise economically.

Next, the Architect, in cooperation with DOT's Redevelopment Corporation, will devise and undertake a limited competition to select an architect for the structure. The winner is to be selected on the basis of the excellence of design. Such a competition would probably involve the selection of half a dozen or so leading architects, each of whom would be paid a modest sum—probably $10,000 to $25,000—to develop a basic, preliminary design for the site. If an architectural design contract can be worked out, work would then begin on a detailed building design, using money from the $2 million this bill authorizes.

Finally, and this is most important, the report is expected to include specific recommendations on the most feasible and most economical methods that might be utilized to finance the building. This is expected to include solicitation of proposals for a public-private partnership to develop the building, with nonpublic sources financing all or a portion of the structure.

I should point out that the entire program is set up to assure, as best we can, that whatever plan is developed by the Architect and the Corporation, it will be complementary to the authorized redevelopment of Union Station.

Mr. President, I am convinced that this is sound legislation. I urge its passage by the Senate.

The PRESIDING OFFICER. The bill is open for further amendment. If there be no further amendment to be proposed, the question is on the engrossment and the third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXECUTIVE SESSION

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate now go into executive session to consider the following nomination on the Executive Calendar: Calendar Order No. 395, Charles O. Sethness.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. There is no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report the nomination.

DEPARTMENT OF THE TREASURY

The legislative clerk read the nomination of Charles O. Sethness, of Massachusetts, to be Assistant Secretary.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, I ask unanimous consent that the President be immediately notified that the Senate has given its consent to this nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate resume legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR WEDNESDAY

RECESS UNTIL 9 A.M.

Mr. DOLE. Mr. President, I ask unanimous consent that once the Senate completes its business today it stand in recess until the hour of 9 a.m. on Wednesday, October 30, 1985.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF SENATOR PROXMIRE

Mr. DOLE. Mr. President, I ask unanimous consent that following the recognition of the two leaders under the standing order there be a special order in favor of the Senator from Wisconsin [Mr. PROXMIRE] for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. DOLE. Mr. President, I ask unanimous consent that, following that there be a period for the transaction of routine morning business not to extend beyond 9:30 a.m. with statements limited therein to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. DOLE. Mr. President, then we will resume consideration of S. 1714 following morning business and rollcall votes will be expected throughout the day and evening.

RECESS UNTIL 9 A.M. TOMORROW

Mr. DOLE. Mr. President, there being no further business to come before the Senate, I move that the Senate stand in recess until 9 a.m. on Wednesday, October 30, 1985.

The motion was agreed to; and, at 7:43 p.m., the Senate recessed until Wednesday, October 30, 1985, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate October 29, 1985:

THE JUDICIARY

Thomas J. McAvoy, of New York, to be U.S. district judge for the northern district of New York vice a new position created by Public Law 98-353, approved July 10, 1984.

Sidney A. Fitzwater, of Texas, to be U.S. district judge for the northern district of Texas vice Robert M. Hill, elevated.

IN THE NAVY

The following-named officer, under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be Vice Admiral

Rear Adm. Daniel L. Cooper, [redacted] 1120, U.S. Navy.

CONFIRMATION

Executive nomination confirmed by the Senate October 29, 1985:

DEPARTMENT OF THE TREASURY

Charles O. Sethness, of Massachusetts, to be an Assistant Secretary of the Treasury.

The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

EXTENSIONS OF REMARKS

SENATOR CHAFEE'S ADVICE ON NATIONAL SECURITY

HON. CHARLES McC. MATHIAS, JR.
OF MARYLAND
IN THE SENATE OF THE UNITED STATES

Tuesday, October 29, 1985

● Mr. MATHIAS. Mr. President, the Senator from Rhode Island [Mr. CHAFEE], has had unusual opportunities to make judgments on national security questions. He came to the Senate after a distinguished career that included service as Secretary of the Navy, an experience that gave him rare insight into defense matters. When he speaks on that subject, we should listen.

On October 16, 1985, Senator CHAFEE spoke in London to a meeting organized by the Council for a Livable World where he offered "A Perspective on the Strategic Defense Initiative."

In his speech Senator CHAFEE warned "Once ASAT systems are developed and deployed, stability is threatened. The time to curb them is now."

I agree with Senator CHAFEE and the reasoning that led him to that conclusion. His speech is thoughtful and rational and will be of special interest and value to Senators at this particular moment in history. I ask that it be printed in the RECORD.

The speech follows:

A PERSPECTIVE ON THE STRATEGIC DEFENSE INITIATIVE

(Speech by Senator John H. Chafee to the Council for a Livable World Education Fund, U.S.A.)

In the final writing of his life—a speech prepared but never delivered—Franklin Roosevelt spoke of the hopes of the Western Allies as World War II forged toward its conclusion in Europe:

"More than an end to war," he wrote, "we want an end to the beginnings of all wars."

Forty years later, we are still struggling with this challenge, still searching for the formula that will give this planet not just the absence of war, but the promise of peace.

With each passing month and year, the search has become more difficult. The arsenals of East and West have grown in such size and complexity that the human mind shrinks from comprehension of the holocaust that would surely engulf this planet should Soviet and American stockpiles of nuclear weapons be fired in some final act of madness, either by calculation or through terrible accident.

There are prophets of doom on both sides whose vision encompasses only a continuing and never-ending confrontation. Fed by mistrust, they have become a nuclear priesthood, embracing the arms race as essential to national survival—be it Soviet or American.

For the rest of us—including those who have gathered here today—the search goes on for "an end to the beginnings of all wars."

That is why I have accepted your invitation today.

As we analyze the situation as it exists a month before the Reagan-Gorbachev summit, we must acknowledge some of the perceptions that exist on both sides.

Some on the left lay all the blame for lack of progress at the doorstep of the Reagan administration and accuse the President of being inflexible. Others, the hard-liners on the right, play just as mischievous a game, insisting that the Soviets will enter into arms control agreements only to mask their determination to achieve nuclear superiority.

It is erroneous and unfair to doubt the sincerity of President Reagan's desire for peace, and especially his conviction that a strategic defense is preferable to the dangerous uncertainty posed by the policy of mutual assured destruction. As the American people have learned over the past five years, Ronald Reagan is an unabashed optimist; he believes that by building an impregnable defense, the world will be spared the danger of nuclear war.

It is also important that we recognize President Reagan has often proved to be far more flexible and pragmatic than he is given credit by his critics. For an example, one need look no farther than his decision this past June to abide by the limits on nuclear launchers mandated by the unratified SALT II Treaty—a decision which has required the United States to dismantle the launch tubes of a Poseidon submarine. Only days before making that decision, all the signals coming from the Reagan administration pointed in the opposite direction, to the President taking actions that could have consigned SALT II to the ashcan of history.

In making his decision, the President both confounded his hard-line supporters and surprised his critics. But his decision should not have come as such a great surprise. This President, throughout his public career, has often changed his mind or compromised in order to achieve a beneficial result.

Thus, I do not doubt President Reagan's ultimate willingness to compromise in seeking a long-lasting agreement with the Soviet Union if he believes it would produce deep and stabilizing reductions in the level of nuclear arms.

With regard to the Soviets, I believe we should respect as genuine their stated desire for an end to the arms race.

Despite Moscow's xenophobia, despite its history of intransigence on certain aspects of arms control, the Soviet Union must recognize that it has more to gain by international stability, including limits on nuclear arms, than it has to lose.

The Soviet Union is saddled with a stagnating economy which drains huge amounts to pay for arms. It is beset by nascent unrest among its many minorities. Its rulers in Moscow are confronted by a population with rising expectations for a higher standard of living. The Soviets cannot begin to solve their many economic and social problems so long as the arms race commands the bulk of the material and financial resources available for national development.

General Secretary Gorbachev epitomizes the rise to leadership and power of a younger generation unencumbered by the past. We have yet to determine whether we can do business with the new Soviet leader. I hope the answer will prove to be "yes."

As a member of the United States Senate charged with giving advice and consent to certain actions of the President, it strikes me that any discussion of the strategic defense initiative must make reference to other related questions affecting arms control, and must be based upon certain accepted facts. There are six that I would like to briefly discuss.

First, there is no question that the Soviets are deeply engaged in their own version of SDI. Work on defense against strategic missiles has been seriously pursued in the Soviet Union since the early 1960's. The Soviets are well advanced in research and development in each of the four major components of an "exotic" strategic missile defense—high energy lasers, particle beam weapons, radio frequency weapons and kinetic energy weapons.

The Soviets have turned a large portion of the Sary Shagan Missile Center into a laboratory for high energy laser research. It is estimated by Western intelligence that over 10,000 scientists and engineers are associated with the development of lasers for weapons. Expenditures have steadily grown in this field in the Soviet Union.

The Soviet program has progressed to the point where ground-based lasers could be used to interfere with low-level satellites, and such lasers could form the basis of a next-generation anti-satellite weapon.

Research into a ground-based laser ballistic missile defense system, probably leading to testing sometime in the next decade, is likewise under progress at the Sary Shagan Center.

The Soviets are also deeply involved in radio frequency weapons research. By the 1990's, they may be prepared to test a ground-based RFW system capable of damaging satellites. Space-based particle beam weapons capable of disrupting satellite electronic equipment may be ready for testing by the year 2000.

In the area of kinetic energy weapons, Soviet research is advanced. This type of program has the potential, in the relatively near term, of being useful for satellite or space station defense, or for attack by a maneuvering satellite.

Second, the radar that the Soviets are currently constructing at Krasnoyarsk is in violation of the Anti-Ballistic Missile (ABM) Treaty.

The Soviets maintain that the radar is a space-tracking facility, yet it appears much better suited as an early-warning radar in violation of the terms of the ABM Treaty. I agree with Gerard Smith, the former American arms control negotiator, that the Krasnoyarsk radar is an "expressed violation" of the treaty.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member of the Senate on the floor.
Boldface type indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

Furthermore, by continually increasing the amount of telemetry information that is encrypted while testing ICBM's, the Soviets are in violation of SALT II. Although unratified, both sides have agreed not to undercut the agreement. It is estimated that the Soviets currently encrypt at least 90 percent of telemetry on such tests.

The significance of Soviet actions undercutting or violating existing arms control agreements is not just that they pose military problems for the United States. In addition, by damaging Soviet credibility, they undermine the basis of support for future agreements in America, and especially in the U.S. Senate. There, a certain percentage of Senators will seize upon any alleged Soviet violation of existing agreements, utilizing such transgressions to oppose ratification of new treaties.

Third, in overall strategic balance, a condition of rough parity exists between the United States and the Soviet Union.

The Soviet Union leads the United States in certain categories of arms, most prominently in intercontinental ballistic missiles and ICBM warheads. But by the same token, the United States leads in several other significant categories, including total numbers of strategic warheads, cruise missiles, multiple-targeted (MIRV'd) submarine-launched ballistic missiles and heavy bombers.

Likewise, both sides possess anti-satellite (ASAT) capabilities which are of emerging importance in the overall strategic balance. There are arguments as to which side "leads" this race. The Soviet system is cumbersome and features unsophisticated technology, but is operational. The U.S. system is not yet operational, but features far more sophisticated technology, and is likely to prove more effective. In sum, neither side can be said to have a commanding ASAT lead over the other.

Fourth, the concept of SDI as a total population defense is unattainable, despite the persistent impression left by many of its proponents that there exists the feasibility of a comprehensive defensive system; a shield that can prevent nuclear weapons from reaching their target.

No strategic ballistic defense system now envisioned using exotic components could conceivably forstall the possibility that future generations of Soviet offensive weapons would break through an American shield.

What of an SDI of more limited scope which does not promise total population defense—toward which is the Defense Department really seems to be moving?

Here, too, the problems are overwhelming, both from the standpoint of cost and technology.

What is clear is that one nation which has deployed, or which is viewed as moving toward deployment, of a strategic ballistic missile defense using exotic components would force the other side to increase its offensive capability. Thus, if the Soviets become convinced that the United States were proceeding toward deployment of such defensive weapons, they will proceed to build enough launchers and warheads to overpower it, and thus maintain what they conceive to be parity.

In this regard, it is worth noting that the 27th Soviet Communist Party Congress will take place next February. It is at this Congress that decisions affecting the next Soviet five-year plan will be made, including decisions on new offensive weapons. Time is of the essence if the Soviet Union is not to be placed in a position where it feels compelled to commit resources to new offensive arms.

Fifth, in assessing systems of strategic ballistic missile defensive using exotic components, we must separate the question of research from that of development, testing and deployment in the context of the ABM Treaty. This distinction is inherently imprecise, but it is crucial for the key reason that research cannot be verified by either side by national technical means.

Until very recently, American interpretation of the ABM Treaty was governed by the understanding that there were certain limits placed upon both sides regarding development, as well as testing and, of course, deployment of ABM systems "based on other physical principles" such as lasers, particle beams and other exotic components.

Ambassador Smith, at Senate hearings on ratification of the treaty, summarized the restrictions on development this way:

"The prohibitions on development contained in the ABM Treaty would start at that part of the development process where field testing is initiated on either a prototype or model. It is understood by both sides that the prohibition on development applies to activities involved after a component moves from the laboratory development and testing stage to the field testing stage, whenever performed."

However, since 1983, when the President delivered his original speech on SDI, there has been a growing divergence between Soviet and American interpretations. The Soviets have taken the position that all research, development and testing of exotic strategic missile defense components—as well as deployment—are prohibited, although General Secretary Gorbachev has conceded within the past month that research is not a violation.

Meanwhile, as the White House confirmed only last week, the United States has adopted as official policy a much more permissive reading of the treaty.

The United States now insists that development and testing of exotic antiballistic missile systems such as those planned for SDI are permitted under the ABM Treaty. Such an interpretation, to say the least, flies in the face of the legal interpretations of past administrations. It raises very troubling questions that go to the heart of whether or not the ABM Treaty can survive as an effective accord governing the control of ballistic defense systems.

The importance of the ABM Treaty cannot be underestimated. It is the only accord between the United States and the Soviet Union which, until now, has limited in any true sense the arsenals of either side. Abandoning the treaty would elevate, by several orders of magnitude, the dangers we face.

Sixth, an agreement in Geneva between the Soviets and the Americans that makes significant and stabilizing reductions in offensive nuclear weapons would be a major step forward in arms control. For the first time the superpowers would have agreed to cut back on numbers instead of agreeing not to breach a figure yet unreached. A step toward eventual elimination of nuclear weapons would have been taken.

Among the strong pluses from such an agreement would be a feeling of relief and approval by our Allies. Caught between the nuclear giants with the potential that they might be the first to be an area of nuclear impact, our European Allies have on occasion been skeptical of U.S. seriousness in arms reductions. The NATO Alliance has suffered as a result. Allied confidence in the United States would soar if an agreement embodying stable reductions were reached.

Lack of an agreement at Geneva does not mean maintenance of the status quo. It means an escalating arms race with all the expense and instability that goes therewith. But worst of all, it means that extraordinary new dimensions and difficulties will hobble future attempts to curtail nuclear arms. As we bitterly learned from MIRV's, any new development compounds the problems of tomorrow's arms negotiators and reduces their chances of success.

Therefore, extraordinary opportunities await President Reagan and General Secretary Gorbachev in Geneva. Neither side need be put off by the initial adamant position, or intractable agruments, adopted by the other. Clearly Mr. Gorbachev can not expect us to accept his deep reduction proposal that would leave virtually all the Soviet intermediate range missiles in place while severely cutting every category of U.S. capability. Likewise, how can the Soviets agree to deep offensive cuts by both sides if the U.S. persists in giving the clear impression that, assuming the technology proves feasible, it will proceed with deployment of an SDI system, the ABM Treaty notwithstanding?

Not in at least a decade has each side been so eager for an agreement that would achieve mutual goals—for the Soviets, the curtailment of SDI; for the U.S., a reduction in warheads and missiles, especially the large SS-18's. The time is propitious, the watching world eager that there be success. For the two principal players, a unique combination of circumstances are present that require each be prepared to give in order to get.

What can and should the President be prepared to offer for significant reductions—and what should he not offer?

Let's take the last first. What should he not offer? There should be no cessation of research on SDI by the United States. As noted earlier, this is a field in which the Soviets are vigorously engaged. While the unknowns are enormous, there nonetheless is potential in this area that could make significant differences to future nuclear stability, and neither side can afford to curb its research when there exists no method of verification of the other's activities.

A research level of about two billion dollars per year for the present certainly ought to be adequate, with future funding levels dependent on what is being discovered, what we believe the Soviets are achieving, and possible future negotiations.

In addition, the President cannot overlook the Soviet's continued violation of the ABM Treaty by dint of the ongoing construction of the Krasnoyarsk radar. Such a disregard of an existing agreement undermines confidence that future agreements would be honored and presents a substantial roadblock to ratification by a Senate which has many Members extremely skeptical of all Soviet arms control agreements. Unless the Soviets agree to halt construction of the radar, it would be seen as inadequate compliance.

Should the Soviets raise complaints about U.S. adherence to the ABM Treaty, we likewise must be prepared to go the full distance to resolve differences. The objective must be to start off without rancorous problems from the past dimming prospects for the future.

There is no doubt that the ABM Treaty needs review, given the diverging interpretations in what it covers and what it does not cover. Either on its own or as part of a new arms control agreement with the Soviets, clarification and strengthening of the Treaty must become a priority for both sides.

Here, then, is the heart of the matter: In return for deep and stabilizing cuts in offensive weapons, I believe the President should agree to no testing or deployment of exotic strategic defenses by either side.

What is testing? One try? Two tries? I would ban any testing that can be verified by national technical means.

Some would object, saying that the Soviets have already done some testing and thus are ahead of U.S. efforts. Maybe so, but whatever they have achieved by testing to date is not of such significance that it outweighs the rewards resulting from major reductions.

Soviet tested defensive efforts to date do not present a risk to U.S. capabilities. Even if the Soviets were to "break out" of a limitation on defensive ballistic missile systems, our retaliatory forces are strong enough to overcome whatever they deploy. Should we have legitimate concerns that the Soviets were not adhering to the Treaty, then of course we would be free to abrogate it.

I further believe the President should be prepared to agree to no further testing and deployment of anti-satellite weapons as a first step toward a verifiable agreement calling for the destruction of existing ASAT systems.

The United States stands to gain by such an agreement. As a recent study by the Congressional Office of Technology Assessment (OTA) noted:

"It is apparent that the United States is more dependent on [satellites] to perform important military functions than is the Soviet Union. The United States has global security commitments and force deployments, while the Soviet Union has few forces committed or deployed outside the borders and littoral waters of members of the Warsaw Treaty Organization and Cuba. The United States has corresponding requirements for global and oceanic command and control communications capabilities and relies largely on space systems to provide these requirements. The Soviet Union, on the other hand, can rely on landline communications systems and over-the-horizon radio links for many of its [command and control communications] needs.

Now, it seems, is the time to put a cork in the ASAT bottle. The upside from stopping further ASAT testing and deployment far outweighs any risks. Again we have an analogy in the deployment of MIRV'd weapons. Once ASAT systems are developed and deployed, stability is threatened. The time to curb them is now.

As both leaders proceed to Geneva, each should feel a deep sense of confidence. Despite dire statements about the strength of each of the superpowers vis-a-vis the other, the truth is that rough parity now exists. Neither has to bargain from weakness. Each stands to gain from an accord in which each gives and each gets.

A truly unique opportunity is at hand. If Geneva fails, it will not result in the end of the world. But it will mean—as each nation proceeds with its defensive research, development, testing and deployment and does the same with ASAT's—that there will be far less opportunity for future leaders to achieve that which President Reagan seeks: A genuine lessening of the likelihood of nuclear war.

Truly there is a tide in the affairs of men which, taken at the flood, leads on to fortune.

May that tide be seized in Geneva.

Thank you.●

EXECUTIVE WANTS FAIR TAX PLAN

HON. STEPHEN L. NEAL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 29, 1985

Mr. NEAL. Mr. Speaker, for many years I have thought that our Tax Code is a disgrace and largely because of the national Republican economic plan instituted in 1981, it has become much worse, allowing many large corporations and wealthy individuals to escape taxation and placing almost the entire burden on middle income working people. We now have a great opportunity to correct these inequities, and I hope that we will do that.

As we go about that task, however, we are certain to find that the corporations and individuals that are now benefiting from tax loopholes and special tax breaks are going to be against any changes in the code. It is refreshing to observe, however, that not all large corporations take that position. I would cite as an example R.J. Reynolds Industries, Inc., which has annual sales of around $20 billion and is the Nation's largest consumer products company.

In a recent address to the Atlanta Rotary Club, J. Tylee Wilson, chairman and chief executive officer of RJR, discussed the urgent need for tax reform. I would like at this point to share his comments with my colleagues:

TAX REFORM AND COMMON SENSE

(By J. Tylee Wilson)

As always, it's a pleasure to be in Atlanta. Over the years I have spent a lot of time in this great city. And, it often seemed, even more time at your airport. There's an old saying: Whether you go to heaven or hell, you have to change planes in Atlanta. But now, with all the traffic out there, people say you still change planes for heaven . . . But if you're going to the other place, they just leave you at the airport.

The reason the transportation facilities are so busy around here, of course, is that thousands and thousands of people have occasion to do business in Atlanta, the capital of the New South. Most of them are selling something. And I might as well admit it . . . so am I.

Today I am here to sell this influential group of people on doing something about a federal tax code that President Reagan recently described as "a daily mugging that we've learned to live with." I am firmly convinced that tax reform is critical for the prosperity and well-being of this country. Before getting into that, however, I would like to spend a few minutes giving you a little background so that you'll know—as our younger executives might put it—where I'm coming from.

I'm sure you have heard about the recent merger of R.J. Reynolds Industries and Nabisco Brands. With the merger, our corporation has become the nation's largest consumer products company, with annual sales nearing $20 billion. In worldwide ranking, we are No. 2, just behind European-based Unilever and—we believe—gaining ground.

Our acquisition of Nabisco came about because we had prepared ourselves to make such a move, should exactly the right opportunity arise. The chance did come, unexpectedly. As has been reported in the press, the possibility of a merger with Nabisco was first mentioned casually in New York one day, when Ross Johnson and I were meeting at lunch to discuss entirely different matters.

Ross is now the president and chief operating officer of R.J. Reynolds. At the time, he was vice chairman and chief executive of Nabisco. He is an executive of skill and subtlety but as far as I know, he didn't have any previous plan to merge his company with RJR. I forget who mentioned it first that day. We didn't really discuss it. We just thought, "Wouldn't it be interesting?"

Of course, word of the meeting and our follow-up discussions eventually got out, and Wall Street reacted exactly as you might expect. What we thought was an interesting idea became, in the minds of many, practically a sure thing. The price of Nabisco stock was rising sharply. Ross and I scheduled another meeting. Our purpose was to decide whether to go ahead and accelerate our discussions, or just drop them.

There being no possibility of going out to a restaurant without doing more violence to the orderly trading of securities, we had lunch in Ross's office. After considerable deliberation, our decision was to assemble our people and seek a quick resolution. That was a fair-sized project all by itself. When we counted up all the lawyers, accountants, planners and others who would be involved, we realized we would have to rent nearly an entire floor in one of New York's large hotels.

The talks went favorably. But just as we neared agreement, disaster threatened. Believe me, it was just about the worst thing that can happen to a business conference in New York . . . The hotel workers were going on strike. We realized that if we didn't get agreement by midnight, May 31, we would have to carry on without room service.

Whether that made either side more amenable I honestly don't know. But we did sign documents and on Sunday, June 2, we announced a $4.9 billion merger agreement. The union of RJR and Nabisco became official on September 10, with the favorable vote of Nabisco shareholders at a special meeting.

Without a doubt R.J. Reynolds is now poised for perhaps the greatest period of growth in its history. We have countless opportunities and challenges. But in some ways we are still essentially the same company we were . . . a company dedicated to providing quality consumer goods and services on a worldwide scale.

And there's at least one other thing that hasn't changed: In addition to being one of the largest companies in the United States, we are also one of the largest collectors of taxes. Every day we collect and pass on to Uncle Sam over $6 million in federal excise taxes on tobacco and alcoholic beverages.

Being your friendly neighborhood tax collector isn't a role we enjoy, but there's not a lot we can do about it.

I didn't come here to bemoan excise taxes on tobacco and alcoholic beverages. However, I'm not going to lose the opportunity to

say that those excise taxes are unreasonable and punitive.

My real purpose today is to discuss the critical problem of the nation's income tax code for individuals and for corporations in general. Since President Reagan presented his tax reform proposal on May 28, we at R.J. Reynolds have thoughtfully studied it—all 461 pages. Many of you, I'm sure, have done the same.

As I have indicated, we at RJR have concluded that the President's proposal deserves our vigorous support. That doesn't mean we consider it a guide to perfection in a tax code. There will probably never be such a thing. But this set of reforms, if enacted, will be a giant step toward what President Reagan called "fairness, simplicity and growth" in the American economy.

One reason for our support is self-interest. It is true that the plan would save our company a great deal of money by more fairly distributing the tax burden among American industries and corporations.

At present, consumer product companies generally operate at a tax disadvantage. A recent study by a group called Citizens for Tax Justice revealed that over the tax years 1981 through 1984, 50 of the nation's largest and richest corporations paid no federal income tax at all—even though they had combined profits of $56 billion. In fact, 48 of those companies got refunds totaling almost $2.4 billion.

Without pointing the finger at any other group of companies, I must point out that those favored 50 companies were, for the most part, not producers of consumer goods. Naturally, R.J. Reynolds is concerned about this obvious inequity, all the more so now that the addition of Nabisco has greatly increased our presence in the field of consumer products.

Last year we paid an effective world-wide tax rate of 42.9 percent—not far below the maximum U.S. rate of 46 percent. Under President Reagan's proposal, RJR and all corporations would pay no more than a maximum effective U.S. rate of 33 percent. This difference of 10 percent would save our company millions of dollars.

We would also benefit, as would other companies, from the provision that would allow corporations to deduct 10 percent of the amount they pay each year in dividends to shareholders. This would reduce what is, in effect, double taxation. As you know, corporations pay taxes on their earnings, and individual shareholders then pay taxes again on those same earnings, when distributed as dividends. The President's proposal is a step in the right direction toward eliminating this double taxation—and it would save RJR more than $15 million a year.

But not all the provisions of the President's plan will benefit RJR. One of the unfavorable provisions is the elimination of investment tax credits. Another is slower depreciation rates. Still another is a change in the foreign tax credit limitation that would adversely affect all multinational companies. These would cancel out a significant portion of the savings I've mentioned.

We are also particularly concerned about the Treasury Department's last-minute proposal to eliminate the 401(k) section of the Internal Revenue Code. This is the section that allows employees to defer income tax liability on a certain percentage of their pre-tax compensation that they invest in a savings plan—thus lowering their gross income and reducing their taxes.

Elimination of 401(k) would destroy the incentive of millions of Americans to plan sensibly for retirement. We strongly oppose that proposal.

Those reservations aside, on balance, the President's plan would be favorable to R.J. Reynolds. However—and this is important—we would support the overall plan even if the impact on the company were not so positive.

By working toward what the President has called a "level playing field" among both companies and individuals, the plan is good for the economy, good for the people, and good for the country. To me, it's only common sense to support it.

To put this matter in perspective, it is necessary to go back into history for a moment. People have always protested taxes. You may not realize it, but when Lady Godiva took her famous ride through an English marketplace in the eleventh century, she was protesting taxes. In fact, she was demonstrating—if I may use that word in connection with a naked lady on horseback—against taxes imposed by her own husband Leofric.

She won her case, too. Leofric took one look and rescinded all his taxes—except the one on horses. Make of that what you will.

Governments, to do them justice, have long searched for ways to more fairly collect the revenues they think they need. The concept of a tax on income, based on ability to pay, certainly sounds fair, and it was first introduced centuries ago. One of its flaws was pointed out in the fourth century by Plato, who said "When there is an income tax, the just man will pay more and the unjust less on the same amount of income." That does sound familiar.

The idea was first introduced in what was to become Massachusetts as early as 1646. Something called a "faculty tax" was imposed on the income of "every laborer, artificer and handicraftsman."

Taxes played a large role in the American Revolution, of course. We've all heard of "No taxation without representation." But those were British excise taxes on molasses and tea. The new government of the United States raised revenues with excise and various other taxes, but didn't get around to the notion of an income tax until July 1, 1862. On that day—a year into the Civil War with the Union forces largely in retreat—President Lincoln signed a bill creating the first real income tax in the U.S., and also creating the first Internal Revenue Service. You won't be surprised when I tell you that within six months of its creation, the IRS had nearly 3,900 employees. Some of them were paid according to how much they could collect . . . on commission, in other words.

The income tax and that IRS were abolished after the Civil War. Much later, in 1909, Congress passed the first permanent income tax on corporations. And in 1913, the 16th Amendment was passed, stating, "Congress shall have the power to lay and collect taxes on incomes." Losing no time, Congress then passed the first modern income tax, a levy of one percent on income of more than $3,000. Of course not many people made $3,000 in those days, so relatively few had to pay anything—only about 20 percent of the lawyers and bankers, for instance.

I will not burden you with the tedious details of how the American income tax system has grown since 1913 and how it has been encrusted with shelters, preferences and incentives that benefit the few. I will only point out what we all know—that it has become an unwieldy and unworkable hodgepodge. The government didn't plan it that way. The road to that hodgepodge, like the road to hell, was paved with good intentions. But the result is, again to quote President Reagan, a tax system that "in both spirit and substance has come to be un-American."

Today individual taxpayers pay nearly four times more taxes than corporations. In fact, the average American family, according to a recent study, pays taxes at a higher rate than 129 corporations with combined profits of $45 billion. That is not fair.

At the same time, some companies pay 20 times more taxes than other corporations that are equally profitable. And that is not fair.

Many companies are all but forced to run their businesses on the basis of tax considerations, rather than what's best for the growth and development of the company . . . and that is ridiculous!

Only in America is it tax-wise for a profitable company to buy another company's losses to deduct from its tax bill, or to sell the company headquarters building and then lease it back the same day. Only in America does it often make more tax sense to figure out ways to avoid taxes than to develop new products and services.

In recent years, there has been a great deal of debate as to whether the United States should have a National Industrial Policy. In my view, we already have one—and it's called the Internal Revenue Code.

According to an opinion poll, nearly 70 percent of our citizens believe the present tax system is unfair. I'm not sure what the other 30 percent are thinking. But they're probably busy investing in windmills and signing up for educational seminars on a cruise ship.

What are the chances of a tax reform bill coming out of Congress this year or early next year? If you have followed the situation, you know that there are many cross-currents, and that the outlook for passage by both Houses changes almost daily. However, responsible lawmakers realize that reform is desperately needed.

There are many sensitive and controversial issues to be settled, such as elimination of the personal deduction for state and local taxes, employee benefits issues, the difference in the percentage of tax cuts received by people in different income groups, and the effective dates for various provisions of the bill. There is little doubt that some provisions of the President's proposal will change. If I had to guess, I would say that the provision for depreciation recapture is particularly in trouble. Each of these controversial areas will need to be balanced within the context of revenue neutrality—that is, no revenue gain or loss to the Treasury.

But our company's government relations people in Washington say that the prospects now appear reasonably good that the Houses of Representatives will consider a tax reform bill before adjournment.

The outlook in the Senate is more troublesome, partly because the Finance Committee is precluded from conducting deliberations behind closed doors. There are also potential problems involving reelection considerations and the possibility of filibustering. Our government relations people are less optimistic that the Senate will act this year, but still hopeful that final action will occur. Senators will be under strong pressure to act, particularly if President Reagan likes the House bill and is successful in re-igniting grass roots support.

If the bill emerging from the legislative process contains the key administration proposals, I strong believe that it will unlock some of the inherent power of the American economic system. Instead of investing its capital on the basis of potential tax breaks, as invited in many cases by the current law, companies will have incentive to make their investments on the basis of good business . . . and common sense.

And individuals will tote up and pay their income taxes with some confidence that everyone else is also paying their fair share.

As you know, the President has been out on the road speaking in support of tax reform. We are happy to join his grass-roots Tax Reform Campaign, and I hope many of you will do the same.

IN MEMORIUM OF CANTOR DAVID KUSEVITSKY

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 29, 1985

Mr. SCHUMER. Mr. Speaker, Mr. Alan Jay Gerber, an active community leader in my district, wrote a stirring memorial, portions of which are excerpted below, on behalf of his good friend and one of the leading figures in New York—the late David Kusevitsky:

IN MEMORIUM OF CANTOR DAVID KUSEVITSKY

(By Alan Jay Gerber)

We here in our community of Boro Park, Brooklyn, were blessed with the presence for over 37 years of the HAZZAN HADOR, the Cantor of our generation, David Kusevitsky, "The Sweet Singer of Israel." His untimely passing at the age of 74 on July 31, 1985, has come as a shock to all lovers of Jewish music.

Cantor Kusevitsky was first and foremost a SHELIACH TZIBUR, who with deep piety, prayed for our cause. To most of us, this was the picture of our world renowned Cantor that will always be in our minds; garbed in his robe, talis and cap, singing in majestic tones the great liturgical works of the synagogue service.

When World War I broke out, it brought hard times and many difficulties to the Kusevitsky family in Smorgon, a suburb of Vilna. Father, Avigdor Kusevitsky, and mother, Alte, had four sons, the youngest of whom was David. The grandfather and great-grandfather had been B'aale T'fila. Father, Avigdor, was a music lover who played the violin. Mother, Alte, also had a beautiful singing voice. To escape the invaders, the Kusevitsky family fled from Vilna to Minsk, from there to the borders of Siberia, then to Kharkov and finally to Rostov on the Don.

David, at age 6, already a talented violinist, attended the music conservatory. In 1921, after the revolution, David attended the Tarbuth, the Hebrew Gymnasium and the Conservatoire. An accomplished musician at age 14, David dreamed of becoming a conductor of a symphonic orchestra. He wrote many compositions for Hazzanim.

At age 18, at brother Simcha's first Shabbos as Hazzan, it was David who conducted the choir.

Brother Yankel was already established in Kremenitz as a Hazzan and asked for David to conduct his choir. The following year, both Yankel as Hazzan and David as choir leader, jointly signed a contract in the town of Lemberg. David finished his music studies at the Lemberg Conservatoire. Within a year, brother Simcha, who was Hazzan in Rovno, requested Yankel to release David, and Simcha engaged him as choir leader. It was during Simcha's absence from Rovno that David started to officiate as a Cantor.

But, all of this was interrupted in 1931—when David was drafted into the Polish Army. Even in the Army his talents were soon discovered and here David organized a Soldiers' Chorus—a choral group of Polish soldiers whom he trained and conducted.

The story of the choir of 40 non-Jewish Polish soldiers and of the little Jewish choir leader reached the ears of the Polish General who praised him for his fine work before the entire regiment.

After his army experience, David joined his parents in Warsaw. In Warsaw, at this time, brother Moishe was officiating at the Tlomackie Shul. It was in Warsaw that Moishe began to recognize David's vocal talents. Moishe encouraged him to become a Cantor instead of a Conductor.

With the help of Moishe (Dansinger) Ron, David began to appear at various Warsaw functions, singing solo cantorial and popular Jewish songs.

The exposure gained through this experience led to his being engaged for the High Holy Days in Lodz at services conducted in the Philharmonic Hall. Soon thereafter he was offered a position in Bialystock, but the Rovner Shul engaged his services.

David became the Cantor of the Rovner Shul, officiating for the first time on Shabbot Hagadol, 1935.

David left for London in 1937 to accept the post as Cantor of the Hendon Synagogue in a suburb of London.

Over the next decade, David was the much loved Hazzan at Hendon. It was at this post he lived through World War II, when the German Luftwaffe stormed London with fire bombs and weapons of destruction in an effort to force Great Britain to its knees. Members of the Clergy were invited to leave the danger zone, but David chose to remain at this post throughout the *Blitz*—visiting hospitals, singing for the soldiers and even conducting services in the subway air raid shelters during bombing raids.

During these years, David was also instructor at the Jews' College where he taught rabbinical students cantorial skills.

In 1948, an American clothing manufacturer, on a visit to London was thrilled when he heard the glorious voice of David Kusevitsky and he dreamt of bringing Cantor Kusevitsky to his own Temple in the United States of America. This manufacturer was none other than Simon Ackerman, a trustee and a staunch pillar of Temple Emanu-El of Boro Park.

David hesitated to leave Hendon where he made so many friends, but there was no resisting the eloquent salesmanship of Simon Ackerman. Besides, most of his family were already settled in the United States. And so, with many tears and expressions of regret, the Hendon Synagogue bade farewell to its cantor and the Kusevitsky family embarked on the Queen Elizabeth for the new world.

In addition to becoming the Cantor of Temple Emanu-El, David traveled to every part of our nation. He sang throughout most of North America, South America, Europe and Israel. A notable accomplishment was his series of broadcasts from Cleveland where he joined Rabbi Abba Hillel Silver, in monthly radio services. A typical weekend for David during these years was to pray in Temple Emanu-El on Shabbat, fly to Cleveland Saturday night for the early morning broadcast on Sunday—fly back to New York for a Sunday night concert and off to the airport for a trip to Dallas, Texas, for a Monday night concert.

In 1950, he returned to a triumphal tour of England. In 1953—to Paris, Brussels, Antwerp and Lieges. In 1956, the first of a series of tours of South America, where ecstatic Jewish audiences greeted him in Buenos Aires, Montevideo, Rio de Janeiro and many other cities. In the summer of 1956, he was privileged to sing 18 concerts and to preside at six Shabbat services in Israel.

A great moment in the Kusevitsky family occurred in 1953 at Carnegie Hall, when mother Kusevitsky proudly surveyed a packed concert hall attending a joint recital of four world renowned Hazzanim—her boys—the "4 Kusevitsky Brothers."

Every worthy cause found a supporter in David Kusevitsky. His mangificent voice was heard in support of U.J.A., Israel Bonds, Hadassah, Keren Kayemeth, at the Night of Stars at Madison Square Garden, at the Chanukah festivals and pageants where he performed with Leonard Bernstein, Jan Peerce and Richard Tucker. At Ebbets Field, he sang to a capacity house. Abba Eban, Ambassador from Israel, was an attentive listener. He recorded for the Columbia, Folkways and Tikvah labels.

Always the teacher and leader, David accepted and continued to teach for many years the masters' class at the Cantor's Institute at the Jewish Theological Seminary and at the Jewish Teachers Seminary.

His experiences as a lecturer in sacred music at the Jews' College in London had served him in good stead and prepared him for his long and fruitful teaching career in the United States.

The last years saw David travel with greater frequency to the Arbah Kanfot Hagalut—to the four corners of the Diaspora—to Australia, Brazil, Peru, Argentina and Canada. Israel, he visited thirteen times, with Tel-Aviv concerts, sponsored by Mayor Shlomo Lahat, becoming an annual event.

The annual concerts at Temple Emanu-El became a fixture on the Brooklyn cultural scene. Founded by the late Earl Krameisen, these concerts expanded the scope of Jewish musical taste to include Israeli pop, choral variations and especially Klezmer. This widened the musical horizon in an area of New York where live Jewish music, in a concert hall setting, is now almost non-existent.

This last point was recently given recognition by the State of New York through a grant obtained by our own State Senator Martin Solomon. A golden tribute to David Kusevitsky was held in December, 1982. Attended by well over one thousand people, David Kusevitsky was hailed for this half century of service as Cantor to world Jewry. This was to be his last concert in Boro Park.

As always, the services at Temple Emanu-El served as model for dignity and excellence. The repertoire used by Cantor and choir was a vast "Who's Who" in Jewish liturgical music, including Sultzer, Rovner, Lewadowski, Lowe, Dunayevski, Rubin, Bernstein, Surkis, Kaninsky and Novakovski.

It was the added dignity and stature that David Kusevitsky gave to the Cantorate that will forever be his major contribution to Jewish musical and liturgical history.

SOUR MEDICINE, BUT GOOD FOR US

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 29, 1985

Mr. HUBBARD. Mr. Speaker, I have read editorials about the Gramm-Rudman-Hollings bill in the Washington Post, the New York Times, Newsweek, Business Week and other major publications.

However, the best editorial comment about the Gramm-Rudman-Hollings legislation I have read yet comes from the Paducah Sun, a newspaper in my district. The Paducah, KY, newspaper's President is Fred Paxton and its editorial writer is Don Pepper.

The following editorial appeared in the October 25, 1985, edition of the Paducah Sun.

SOUR MEDICINE, BUT GOOD FOR US

Even the people who wrote the deficit-cutting bill now tying Congress in knots don't like it much.

We don't either. It would be much better if Congress would simply do what the Constitution tells it to do and adopt responsible budgets. It should simply stop piling up debt for our children and grandchildren to pay.

But since Congress has amply proved that it is unable or unwilling to do this, some version of this bill looks like the best answer available.

Objectors to the bill—called Gramm-Rudman-Hollings after the two Republicans and one Democrat who introduced it in the Senate—are right when they call it a draconian measure.

It sets a schedule for balancing the federal budget, six equal reductions of $35 billion each through fiscal 1991. If Congress and the President fail to produce a budget that meets the schedule, then the president must impose automatic across-the-board cuts. Every program would be slashed except Social Security.

This was passed overwhelmingly by the Senate as an amendment to the bill extending the public debt to the terrifying level of $2 trillion. It is now in conference with the House of Representatives.

The responsible opposition to this is expressed well by Stephen H. Wildstrom, a columnist for Business Week magazine.

"The result," he writes, "could well be a law that not only avoids the real problem but also undercuts one of the basic roles of government: choosing wisely among a host of competing demands for federal spending.

But that's precisely what the Congress has steadfastly refused, or failed, to do. It can't make choices among competing demands. It simply caves in to all of them, like an over-indulgent parent with a brood of spoiled children.

The other main thrust of the opposition is that the bill delivers too much power—possibly even unconstitutional power—to the President.

As we see it neither objection is necessarily valid. In the first place, if we understand the bill's provisions correctly, it doesn't undercut at all the basic duty of government to choose wisely among competing demands. Instead it forces it.

If the Congress wants to avoid the meat-cleaver approach to budget-cutting, as columnist George Will expressed it, it can easily do so. Well, maybe not easily, but simply. All it has to do is what it's supposed to do, choose wisely among competing demands within the restraints of the law. The meat-cleaver only falls if Congress and the President fail to do their duty.

Same thing with the too-much-power-for-the-President argument. If Congress wants to curb the President's power to set spending limits, all it has to do is to do the job itself in a responsible manner. If it does, the President won't come into the process at all.

If the opponents don't like this approach—and really, scarcely anybody does—let them offer something better. What is essential is that this Congress, right now, make a commitment to bring those deficits down.

Gramm-Rudman-Hollings may not be the kind of law we like to pass, but we face a genuine emergency. Anything that is backed by both Sens. Edward Kennedy and Jesse Helms is worth serious consideration. The medicine may not taste good, but it's good for us."

THE DECLINE AND FALL OF THE AMERICAN REPUBLIC

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 29, 1985

Mr. WHITEHURST. Mr. Speaker, I am pleased to share with my colleagues a sobering column written by Charles Horton, editor of Supply House Times, from the August 1985 issue. It is as clear a piece of prose as I have seen in a long time outlining what ails us.

Mr. Horton has a sense of history. His words are timely, and we would do well to heed them.

Thank you, Mr. Speaker.

THE DECLINE AND FALL OF THE AMERICAN REPUBLIC

Last month's editorial dealt with the devastating effect on American agriculture and industry of the strong dollar, overpriced against other major currencies by as much as 50%. I contended that the "service" segment of the economy creates no which, but is actually a parasite of the productive labor of farmers and factory workers, and concluded by saying that "we can't make a national living selling insurance to one another of cutting each other's hair."

At that point I ran out of space. Since I view the decline of American industry and agriculture as by far the biggest problem facing this country today, I ask your indulgence to now continue on that subject. It is more than a problem, it is a crisis, the potential consequences of which will be devastating and permanent. The overvalued dollar is not the whole of it, either.

FRIVOLOUS UNCONCERN

Tragically, our government and media show a frivolous unconcern about this looming catastrophe. We face a trade deficit of $130 billion this year, and nobody cares. We are being buried under an avalanche of imports—sucked in and actually subsidized by the grossly overvalued dollar—and our people are delighted because it makes foreign goods cheap.

Meanwhile, just the week this Editorial is written, AT&T announced that its sole remaining plant that produces residential telephones in the United States (at Shreveport, La.) will be phased out and the production moved to Singapore, where most of it is already. Nine hundred Americans will lose their jobs. How ironic. The country where the telephone was invented, which for a century lead the world in telecommunications technology, can no longer produce them competitively. It will soon be literally impossible to buy a residential telephone made in the United States.

The situation is not much better in commercial telephones. Late last year we installed a new telephone system in our office. Since it was supplied by Lanier, I naturally assumed it was American-made. Recently, I saw a Toshiba ad, and it was instantly apparent that their system is what we have. Lanier is not the manufacturer, only the marketing and service agency. Their entire "value added" consisted of pasting a label on a foreign-made product.

Right now, I am undergoing the frustration of trying to find an American-made office copier with the capacity and features that fit our needs. There aren't any. The only American content of those I have seen so far is the label. The copier was invented here, developed and improved here, and for 25 years we were the leaders in that field, but no more. We didn't keep up in quality, features or productivity. All we can make competitively now is the label.

DEADHEAD MANAGEMENT

The American farmer can justly blame the government for his ruin, because he is efficient, and he did keep up. It was the strong dollar and Carter's idiot grain embargo that did him in. But the American manufacturer must blame himself primarily; not the workers either, but the management. It wasn't the Joe Sixpacks out in the shop who let the products go stale and the quality decline. It was the management. If you have a long head start, the largest domestic market in the world with all the economies of scale, and still let foreign competition pass you; then there is something wrong with you.

Every time I go into our employee parking lot I get mad anew. About 30% of the cars there are foreign-made. I ask myself: How much plumbing, heating and piping is the United States selling in Germany and Japan? Why don't our people have more loyalty to the source of their bread and butter?

But then I have to ask myself: Is it really their fault? The automobile was invented here and for 60 years our auto industry lead the world—in technology, production efficiency, marketing, consumer appeal—everything. A huge head start, an unrivaled know-how. But not enough, as it turned out, to design fuel-efficient small cars of good quality with the features that appeal to younger people.

They knew about the postwar baby boom; they knew that 60 million young buyers were on the way. They knew that this market could not afford and did not want the traditional gas-guzzlers. But they would not, or could not, respond. they never managed to design and build the right products for that market. Many tries, all failures, and they deserved to fail because they were all pieces of tin. For all their celebrated management and marketing smarts, they just couldn't give that market what it wanted. Now, with Japanese partners, they are going to try again, and this time they might make it.

DRONES, PARASITES

"Value added by manufacturing"—that's where real wealth is created. Our decline in major industries is a national tragedy, and the way we have been virtually driven out of some is a national disgrace. What happened?

A failure of management is what happened, and it long predates the special problems caused by the strong dollar. It started with the conglomerate craze of the 1960s. Then came the MBA plague with their strategic plans, their assets redeployment, synergism, interfacing and all that baloney. Now the "takeover" cannibalism that preoccupies corporate management and financial markets. It creates nothing but crushing debt that will hobble the victim company forever after and accomplishes nothing but the destruction of morale and vitality.

The big money today doesn't go to the producers of quality products at competitive prices, but to those who produce nothing. To the investment bankers and takeover artists; to the tax lawyers and tax-shelter promoters; to the lobbyists and political insiders; to the speculators and syndicators. Where the big money is, there also will be the best brains and talent, employed in purely negative activities.

Why do we reward the parasites of society so much better than the producers? How many million drones can what's left of our productive economy continue to support? All those think tanks, consultants and conductors of seminars; all those foundations, researchers, special-interest organizations, marriage counselors, head-shrinkers and innumerable others of the same useless ilk.

Among federal, state and local governments—with all the bureaucrats, social workers, administrators, computer technicians and inspectors—at least a million people are employed full-time at giving money away to 50 million recipients of income they did not earn. They didn't produce any of what they give away. It came as taxes from the productive segments of society. The productive base on which it all feeds is shrinking. What will happen when it can no longer feed 50 million freeloaders? It already can't. That's why we have a $200 billion deficit.

"DECLINE AND FALL"

Currently, I am reading Gibbon's *Decline and Fall of the Roman Empire*—actually rereading it for the fourth time over the past 30 years. I feel right at home in that book, though it was written 200 years ago and what it depicts took place 1,700 years ago. It's all there; the parallels with what is happening in this country today fairly leap off the page.

The debasement of the coinage in Ancient Rome lead to a decline of industry and commerce. Our parallel is inflation and the overpriced dollar. The Roman government consistently ran huge deficits, but they were pantywaists compared with us.

A frivolous Senate was too preoccupied with its own vanity and procedures to be concerned about the economy and barbarian hordes nipping away at the frontiers. A large and ever-growing indolent class demanded "bread and circuses" as the price of social order.

There was a decline of creativity, replaced by a plague of critics and annotators (read consultants). Society was caught up in trivia—gourmet cooking, women's clothes, hair styles, the theater and such. The citizens were no longer willing to serve in the army, so hired barbarian mercenaries to defend them. (We hire the underprivileged.) Farmers were ruined and lost their land because of onerous taxation and imports of cheap grain from Egypt. Landlords were confiscated on the installment plan by rent controls. They didn't maintain their buildings and eventually abandoned them. Sounds familiar, doesn't it? Artisans could not compete with slave labor so lost first their shops and then their skills.

It's all so familiar, and it scares the hell out of me. The Roman Empire in its final century had a death wish. Maybe the American Republic has one also. It sure seems that way. But why? I wish I knew, but it's beyond knowing.

GRENADA: LESSONS FOR TODAY

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 29, 1985

Mr. RITTER. Mr. Speaker, Phyllis Schlafly recently wrote a column for Eagle Forum entitled, "Let's Keep the Lessons of Grenada Fresh in Thought." This past week as we observed the lessons of Grenada, I think it's important for my colleagues to take the time to review this material:

LET'S KEEP THE LESSONS OF GRENADA FRESH IN THOUGHT

(By Phyllis Schlafly)

Ronald Reagan's rescue of the island of Grenada two years ago this month was the most anti-communist act our government has taken since the Eisenhower administration rescued Guatemala from the communists in 1954. It was also one of the most popular acts of the Reagan administration despite immediate, universal condemnation by the liberal media.

As the President prepares to go to Geneva, it's good for him and for us to be reminded of the lessons we learned from Grenada. That act was so sudden, so surprising and so dramatic that we are still in awe of its success.

Historians probably will look back on the Grenada invasion of October 1983 as a turning point in official U.S. policy toward communism. Using a minimum of force, the United States was able to prevent the establishment of another communist state in the Western Hemisphere.

The U.S. State Department recently published a selection from the 35,000 pounds of documents captured when our Marines landed in Grenada. They provide important insight into Soviet actions and plans in the Caribbean. ("Grenada Documents," Government Printing Office, $19.)

It's evident from these documents that the Soviet Union was arming Grenada to function as a Soviet base supplied by weapons going through Cuba. The documents clearly show the deceitful behavior that is part and parcel of communist strategy and tactics.

The captured documents prove again (as if anybody needed any proof) that the Soviets consistently mislead us about treaties. In the captured military treaty documents, the Grenadian communists promised the Soviets that they would lie about the existence of secret agreements to ship arms from the U.S.S.R. to Grenada via Cuba.

The captured documents show that Grenada was becoming a major Soviet-aligned military fortress complete with Soviet military personnel. Grenada was being prepared to be an airbase for Soviet military jets, a port for Soviet ships and an "invisible aircraft carrier" for the Soviets in the Caribbean if war ever broke out. The documents show that the Soviet master plan includes exporting revolution by guerrilla movements from every base they can acquire and maintain.

Grenada was a key player in Soviet plans to get other beachheads in the Western Hemisphere. One captured message quotes Soviet military chief Marshal Ogarkov as saying, "Nineteen years ago we had only Cuba. Today we have Cuba, Nicaragua and Grenada, and the battlefield is El Salvador—we are making progress."

The captured documents prove that (to paraphrase Gertrude Stein) a communists is a communist is a communist. The Grenada documents, which include thousands of internal memoranda of a Communist regime in power, detail a police state just like Cuba, Nicaragua, Afghanistan, Angola, Vietnam and every other satellite country. The documents describe how to repress political opponents, the press, the clergy and the private sector.

The captured documents confirm that the communists have not changed their ways; they are still a major threat to the Free World, and that what is at stake in this confrontation is freedom itself. Grenada gives hope to anticommunist freedom fighters all over the world that they, too, may someday defeat communism.

The Grenada invasion broke the mystique of the Brezhnev Doctrine, that once a country goes communist, it must always remain communist. Grenada exposed this for what it really is: just the impudent boast of a bloody dictator.

The Grenada invasion not only proved that communism is reversible, it also legitimized the use of force to liberate the captive peoples. Grenada demolished the notion that it isn't appropriate for a Western democracy to use any but "political" or "negotiated" means to resolve conflicts.

One final lesson of Grenada was to expose the anti-Reagan and pro-appeasement bias of the national media elite. They thought the invasion would enable them to use Ronald Reagan as a whipping boy, but the media got their comeuppance when public opinion overwhelmingly backed President Reagan.

Congressmen Newt Gingrich, R-Ga., and Ike Skelton, D-Mo., have introduced a joint resolution in Congress to authorize the President to proclaim the week of Oct. 20 as "The Lessons of Grenada Week." Such a week would be a good current history lesson for the American people and a good reminder to the President, as he prepares for Geneva, that the communist bloc is indeed, as he has said, "an evil empire." If he trusts his own instincts, he will do what is right successful and popular.

HOLOCAUST SURVIVORS ENCOURAGE TEACHING ABOUT THE HOLOCAUST

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 29, 1985

Mr. LANTOS. Mr. Speaker, this year we commemorated the 40th anniversary of the end of World War II, and with it the 40th

anniversary of the liberation of the Nazi death camps. Also, just 2 weeks ago, a number of us here in this House participated in the official groundbreaking for the U.S. Holocaust Memorial Museum. These are important events, these are events that must be commemorated.

As Benjamin Meed, the president of the American Gathering of Jewish Holocaust Survivors, recently said so well: "We are not obsessed with the Holocaust. Rather. we are greatly concerned and afraid that the Holocaust will be denied and possibly repeated. Therefore, we have an obligation to remember."

One of the most important elements in assuring that this blackest hour in the history of mankind is never repeated is knowledge and education—education not only of Jewish children, but of all American children. In the past, Holocaust survivors themselves visited schools and lectured students, they spoke to community groups, they led the effort. But the time that survivors themselves can continue this effort firsthand will soon pass.

The American Gathering of Jewish Holocaust Survivors, in cooperation with the United Federation of Teachers in New York and the Jewish Labor Committee's Educators Chapter, have established an innovative program to perpetuate the knowledge of the Holocaust.

Earlier this summer, 30 teachers—Jews and non-Jews—received scholarships for travel to Israel for an intensive 3-week seminar on the Holocaust. They visited the monument to the victims and survivors of the Holocaust in Jerusalem, Yad Vashem. They talked firsthand with survivors of the Holocaust and with resistance fighters. They have witnessed the incredible phenomenon of survivors who have rebuilt their lives in the United States, Israel, and elsewhere from the ashes of the flames that consumed their families, their health, their homelands, and their dignity as human beings.

These 30 teachers have returned home to the United States and have resumed their teaching responsibilities. Now, however, they are better prepared and equipped to teach about the Holocaust to our country's new generation of Jewish and non-Jewish children. This year, those 30 teachers will instruct some 3,000 students.

Next year, this program will be expanded to include 100 teachers, with the potential to teach 10,000 students throughout our Nation. As this program continues, it will provide an unlimited power for good, the power to educate our young people to assure that the Holocaust can never be repeated.

Mr. Speaker, last week, a reunion was held of the 30 teachers who participated in this innovative program last summer. On that occasion, Vladka Meed, the wife of Benjamin Meed and an outstanding resistance fighter and survivor of the Warsaw Ghetto, spoke with the teachers. I place her thoughtful and sobering remarks in the RECORD. They deserve our attention.

REMARKS MADE BY VLADKA MEED

Normally, a reunion takes place among people who shared something important together and have gone their separate ways. But we are different. We continue to share a collective agenda. And the commitments you made to return to teach—and those we made to come back to plan for another group, for another summer, bind us together in the future.

As you know, those who planned—those who organized and implemented our project—are dedicated people from different groups and all of them deserve the fullest credit: The American Gathering of Jewish Holocaust Survivors; the Educators Chapter of the J.L.C.; the United Federation of Teachers; Ghetto Fighters House, and Haifa University. All of us are now equal partners of a historic, successful project.

I spent only 1 week with you in Israel. I remember the lectures, the sessions led so expertly by Professor Feingold, our seminar leader—the trips under the burning sun to Gamlah, to Beth-Hatfutzoh, to Jerusalem, to the Knesset; the visits to the Kibbutz families to Lochamei Hagheteot; the conversations with their youth; the flavor of the pulsating life in Israel which we tasted together; and the wonderfully dedicated people of the Kibbutz movement, Yehiel, Symeha, Avi, Miriam, Zeev, and others.

Yes, we have experienced history in the lecture rooms and in the streets. We learned of despair, resistance, and redemption. We have been touched by Israel, by the accomplishments of survivors and by each others.

We got to know each other a little bit. We were linked together as partners in a meaningful, intellectual adventure. I think that the experiences we shared forged deep bonds among us, as well as a feeling of mutual understanding and closeness. All this I recall today with deep affection and pride.

Your experience is now being transmitted to the young who must learn about good and evil. They live in a world bombarded by terrorism and murder, by violence and hatred. Who knows what they might face? And what we know, I believe can indeed transform, sensitize, and maybe also improve a little our world.

As a survivor, I am always torn about how the holocaust should be taught. You can only study what we experienced—facts, dates, historical meanings, places, events—what happened before and what happened after. But how can we reveal to you, so that you should be able to transmit to your students, the daily struggle to remain a "mensch" in the ghetto—to reveal the atmosphere, the spirit, the exaltation of the life which was cut down.

And yet, deep inside of me, I know that only you teachers—you who constantly deal with and mold the minds of the young—must be the ones to carry on, to tell the story, to share it with your students so that long after the last survivor is gone, the memory and its lessons will still live.

Now you are carrying it out, and we are seeking to broaden the group that will share your historical burden and privilege. We need each other—and let the partnership continue.

Today, when you are in school again, we would be very much interested to hear how you are putting the experience of an interesting summer in Israel to work in your classrooms.

Yes, after all it is a reunion. But we will have to meet again and again in connection with our work of remembrance, and we shall continue to learn from each other.

THE LEGEND OF THE VALLEY CHURCH

HON. DEAN A. GALLO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 29, 1985

Mr. GALLO. Mr. Speaker, this year marks the 200th anniversary of the founding of the Rockaway Valley Methodist Church. This anniversary is a profound moment for the members of the congregation and for the entire region, as well.

The event that this anniversary recognizes is important for our own understanding of the very foundation upon which our Nation is built. Just as our Founding Fathers formed a great nation in an answer to a need, so did the fathers of the Rockaway Valley Church found this great church.

I am fortunate to have a firsthand understanding of the church, which is in the heart of my district. Mine is a district that is steeped in American history. My State was the most fought over among the colonies, and much of the action of our Revolution took place in and around the birthplace of the Rockaway Valley Methodist Church.

Mr. Speaker, we can all learn from individual histories. I was recently presented with a history of the founding of the Rockaway Valley Church which I would like to share with my fellow Members. It is important history from which we can all learn just a little more about the human spirit and the American spirit.

THE LEGEND OF THE VALLEY CHURCH

(By Rev. Eugene Foote)

The history of the beginning of the Valley Church is the history of a legend. In legend the important is remembered, the details forgotten. As we consider the many generations that have passed in these two hundred years, we are obliged to consider the significance of the important things remembered, and tease from the scanty records the meaning of the event.

In 1785 the Methodist Society of Rockaway Valley met at the home of Jacob Demondt. Shortly thereafter an attempt was made to build a meeting house, but it was not completed or ever used for worship. The first appearance in a record of the New Jersey Conference is 1801. Jacob Denmouth represented the Society through 1814. Thus legend passes into fact.

Let us consider, then, what this legend, becoming historical fact, tells us about the origins of the Rockaway Valley United Methodist Church.

The year is 1785. New Jersey is one of the sovereign nations of the world, as are the other colonies, recognized by the Treaty of Paris of 1783. Our State was the most fought over in the Revolution: often its inhabitants were forced to support armies, whose presence was the cause of anxiety and loss of property and life. The valley, home of farmers, was a source of supply to Washington's troops, 13,000 of whom descended on Morristown in 1779. Additional-

ly, it was the source of iron and more importantly, of charcoal derived from local forests and used in the smelting of iron necessary for the continuance of war. Although we may think of the Valley as a place of peace, in 1785 it was recovering from a war.

As we consider that the war had ended, we are reminded that such times are also times of economic readjustment and, often, of hardship. Throughout the States there was depression, with a scarcity of money and glutted markets. The Congress established under the Articles of Confederation was unable to deal with the numerous problems, and was itself bankrupt. As farmers, the people of the Valley could support themselves, but they were part of a larger world, and they knew that they had a place in it.

In troubled times people turn to religion for assurance. Our founders were members, or felt themselves to be, of the churches in near-by communities. Some of these churches, the Dutch Reformed and the Presbyterian, were already of considerable age. They had been a part of the establishment of government before the Revolution, and now, for the most part, their clergy sided with other conservative groups in society. Well-to-do property owners, merchants, and lawyers were not disposed to change, and preferred to keep things as they had been, except, of course, for the presence of the British. In the period we are considering, every local Reformed and Presbyterian church was divided over some controversy. Churches of ten are, and for natural reasons, too.

At Christmas, 1784, in Baltimore, the preachers of the Methodist connection gathered, and organized themselves into a church having episcopal government, and two "General Superintendents" one of whom was consecrated by the English clergyman (and Tory) John Wesley, and the other, Francis Asbury, who alone of Methodist preachers from England stayed during the Revolution, was elected by his fellow preachers. This event sent the Methodists into every community, carrying with them a new vision of Church and a new way to express the Christian faith.

Important to our understanding of why 1785 saw the beginning of our church is the peculiar feature of the new Methodist Episcopal Church: Lay people helping each other. The Circuit Rider, the new form of clergy, was seldon present. It was his task to organize people into "societies" or "Bands." With his guidance a course of religious study was undertaken, and a promising lay person put in charge. Such a promising lay person was Jacob Demondt. Once a quarter the Circuit Rider would return. One of the first circuits in New Jersey took the minister on a journey from Perth Amboy to Newburgh in New York State, so you can see that he was not a presence.

And in this, one can see the appeal of the new Methodist Episcopal Church in the wake of the Revolutionary War. Society had been shaken, and its old forms and the religion that went along with it were unsettled. Now persons were encouraged to direct their own religious growth.

But the direction of this growth was regulated by the Circuit Rider, whose Quarterly Conferences were an inquisition into the personal affairs of the local society's leaders and members. Although this inquisition soon proved bothersome, and ceased to be carried through early in the 19th Century, it was a source of unity and uniformity throughout the Methodist Episcopal Church. The society itself was close to being what we now call a "support group." Its members were encouraged to share their deepest personal fears, anxieties, and cares. They also shared in the study of important and uplifting goals. For people in a rural society it was a local source of strength, and it was directly tied to the life experience of the people.

Our Society, now meeting in various homes, started to build a church. It was never completed. I believe that this is significant in two ways. Firstly, it points to the lack of resources available to the people. It is a measure of the hardness of the economic times. Church buildings are expensive to build and to maintain. For the time being, worship and other gatherings could continue in the homes.

Secondly, it suggests that satisfaction with the arrangement of the Society was at a high level. If the spiritual life of a group is well served by present practice there is no felt need to change. Without knowing in detail the social makeup of the Valley community, we may also surmise that the society had grown content and possibly exclusive.

Seen in the perspective of the times, we can see that the end of the Revolutionary War produced economic hardship in the Valley, and the ideas released into common currency by the Revolution created a social upheaval which fostered a spirit of independence in individuals. At the same time, the newly organized Methodist Episcopal Church developed a form of religion which provided individuals with group support, and yet provided a connection with a larger community of faith. In a parallel way, the political world was working to the Federalism of the Constitution adopted in 1787. Our Valley and its people were working with ideas of fundamental importance. In their way, our founders were participants in the most profound movement of historic import and world-wide significance.

But what of today? We are not simply looking to the past for the sake of nostalgia. We are not dealing with an antique found in an attic. The Valley Church was begun in a time of economic and social uncertainty. Those days were hard ones for the individuals and for their church. There was no certainty and no abundant resource, they did not build. Rather, they continued to share their personal hopes, dreams and fears. They remained faithful for years, until, in 1842 they could build. They started our church in what historians call "the critical period." They moved in parallel with the growth of our country, which did not even exist in 1785. They were people of hope.

Our present day also sees society set in the midst of great perplexity and change. Like the founders of the Valley Church we need to turn to sources of spiritual nourishment and growth. This was and is the challenge of our Bicentennial.

Our founders lived in a time in which a vision materialized. The Constitution puts it this way: "in order to form a more perfect union. . . ." They were not isolated in the Valley, those who founded our church; they were touched by the world currents of their day. They rose to the occasion. They found a way to develop and strengthen themselves as individuals. They found a way to join to meet the challenges that life brings. We also, we of today, have joined to do as they did. We help one another to be free, we help one another to be joined in high purpose. Let us so do that at our tercentenary our successors may look back, and be inspired.

ENOUGH IS ENOUGH

HON. BOB McEWEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 29, 1985

Mr. McEWEN. Mr. Speaker, I rise today to call the attention of my colleagues to an editorial presented by Mr. Dave Walker, general manager of Southwest Ohio Broadcast Service. This editorial, entitled "Enough is Enough," relates Mr. Walker's most recent experiences with his local post office.

I urge my colleague's careful attention to Mr. Walker's profound comments. Enough is, indeed, enough.

ENOUGH IS ENOUGH

(By David Walker)

I don't know about your Post Office, but I know about mine. I have had enough.

My boss calls me on the phone and wants to know where last week's report is. "But sir, we mailed that Tuesday of last week." My boss, "but Dave, that's seven days ago. The Post Office says it only takes 3 or 4 days. So I call the Post Office—their response, "put a tracer on it, by the way, we have been watching your mail and we noticed your posting date is one day off." "OK Mr. Postal employee, I post Tuesday, you read on Wednesday, that's one day. What about the other 9 days?"

That it happened to me is not important, we are not the only ones with problems. Have you ever had to stand in line behind 9 people, one employee waiting on customers while 2 others ignore you, get the impression they are doing nothing?

More on the Post Office. . . .

A birthday card mailed September 24th in front of the Post Office. It's October 9th, it still has yet to arrive, 8 blocks down the street. A call to inquire, the response, "sorry sir, you will have to come down to the Post Office and put a tracer on it." "But Mr. postal employee, why should I have to put a tracer on it, somebody that works with you lost it."

Another problem I am aware of, a yellow slip came in the mailbox, "postage due," the next day, another yellow slip, "postage due." The card was picked up with 22 cents stamped on it, 17 cents additional was paid. Maybe it was slightly over. The individual that mailed the card had no way of knowing that it was slightly over when it was weighted on an office scale, the scale showed it was very close to the limit. Postal service, I can assure you that you spent a lot more then 17 cents to collect 17 cents. I know you have rules—maybe there is a better way.

I know not every employee at my Post Office is bad. There are many good postal employees and I know not all Post Offices are like mine, but a business run like this cannot prosper. Perhaps we should review this Government-sanctioned monopoly! I have shared with you a few examples, some happened to me, some to others. There are many more, most about late or lost mail and of concerned postal employees. "Postmaster, there is no need to call me to try to smooth things over, spend the time getting the mail to where it's supposed to go, when it is supposed to get there. If service and consideration improves, I'll get back on my soapbox." And so I said we have had enough.

A copy of this editorial has been mailed to the United States postal service, to Congressman Bob McEwen, and Senators Glenn and Hobson, it can be improved. Call my paper boy, he is 14 years old and I have only missed one paper in 3 months, rain or shine.

ENVIRONMENTAL AND ENERGY STUDY INSTITUTE REPORT ON INTERNATIONAL DEVELOPMENT

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 29, 1985

Mr. GREEN. Mr. Speaker, the recent famine in Africa underscores the importance of addressing one of the causes of that tragedy: the deterioration of a fragile resource base. The destruction of forests, creeping desertification, loss of topsoils, and other environmental problems restrict the ability of many African nations to feed themselves.

Though less dramatic than the African situation, natural resource degradation plagues many other developing countries, undermining their aspirations to grow and prosper.

The U.S. Congress can ill afford to let this cycle continue. Emergency food aid, while essential, does nothing to address long-range development needs. Without a long-range policy, we put at risk the hundreds of billions of dollars owed to the U.S. Government and commercial banks by developing countries.

To help us address these challenges, a blue ribbon task force was established by the study conference's sister groups, the Environmental and Energy Study Institute.

This distinguished bipartisan panel has developed a series of recommendations for congressional action to help the developing world promote long-term, environmentally sustainable growth.

The panel's recommendations emphasize redirected aid policies and better harnessing of existing resources. They also propose modest new investments to help developing countries build their own capacities.

The foreword and introduction to the task force's report follow:

CONGRESSIONAL AGENDA FOR IMPROVED RESOURCE AND ENVIRONMENTAL MANAGEMENT IN THE THIRD WORLD: HELPING DEVELOPING COUNTRIES HELP THEMSELVES

(Prepared by a Task Force of the Environmental and Energy Study Institute, October 1985)

FOREWORD

The Environmental and Energy Study Institute (EESI) convened this task force to address natural resource and development issues in developing countries just as the U.S. Congress was debating two critical items: the need for supplemental appropriations to feed the victims of the African famine and the tragic chemical accident in Bhopal, India. Although the EESI task force was conceived well before these events became front page news, they gave new urgency to our effort to help the developing world meet its long-term resource and development needs.

The EESI task force is non-partisan and includes leaders from U.S. corporations, environmental and development organizations and the Congress. The goal of the task force has been to develop an agenda, on which we could all broadly agree, for congressional action to help developing countries better manage their resources for sustainable development.

Our effort is distinctive for a number of reasons: we sought to develop politically realistic and fiscally restrained recommendations for congressional action; we represent diverse interests and perspectives; and we have concentrated on initiatives to help developing countries "help themselves." The focus on congressional action was particularly appropriate because EESI's sister organization, the Congressional Environmental and Energy Study Conference, represents the legislators who can put our recommendations into effect.

We began our work from the premise that the developing world's long-term growth depends upon sound environmental and natural resource management. We all believe that the United States has a special responsibility and also the capability to provide help in promoting environmentally sustainable development in developing countries that desire such assistance. Furthermore, we believe that there are actions the U.S. Congress could take to help.

We also began with the premise that the long-term environmental, economic and political interests and national security of the United States depend far more than has been generally acknowledged on the success with which developing countries can wisely manage their resources for sustainable development. We believe that the only lasting way to achieve sound environmental and resource management in developing countries is to strengthen the capability of these countries to do so.

The action agenda which follows synthesizes much of the best thinking available on what Congress can do to help developing countries help themselves. It is only a beginning. But our effort itself represents an important step toward the creation of the new ideas, new leadership and new coalitions necessary to help the developing world achieve sustainable development.

We now call on the U.S. Congress to take the next step, to make this proposed agenda for action a reality.

Finally, we would like to express our thanks to Ken Murphy, EESI executive director, and Jon Clark, director of the development country project, for their outstanding work on this report.

THE TASK FORCE

Gus Speth, Task Force Chair; President, World Resources Institute

Robert O. Blake, Senior Fellow, International Institute for Environment and Development

Barbara Blum, Chair, Environmental Policy Institute; President, Women's National Bank

The Honorable Don Bonker, Chair, House Subcommittee on International Economic Policy and Trade

Nan Borten, Executive Director, International Volunteer Services

The Honorable John H. Chafee, Chair, Senate Subcommittee on Environmental Pollution

Harold Corbett, Senior Vice President, Monsanto

The Honorable Benjamin A. Gilman, House Committee on Foreign Affairs

Robert D. Havener, President, Winrock International

Philip Johnston, Executive Director, CARE

Bruce Karrh, Vice President, E.I. du Pont de Nemours & Co.

The Honorable Mickey Leland, Chair, House Select Committee on Hunger; Chair, Congressional Black Caucus

The Honorable Charles McC. Mathias, Jr., Chair, Senate Subcommittee on International Economic Policy

Joan Nicholson, Washington Representative, United Nations Environment Program

Richard L. Ottinger, Chair, Environmental and Energy Study Institute

The Honorable Claiborne Pell, Ranking Minority Member, Senate Committee on Foreign Relations

William D. Ruckelshaus, Member, United Nations World Commission on Environment and Development; former administrator, U.S. Environmental Protection Agency

The Honorable Claudine Schneider, Ranking Minority Member, House Subcommittee on Natural Resources, Agriculture Research and Environment

The Honorable John Seiberling, Chair, House Subcommittee on Public Lands

John Sheehan, Legislative Director, United Steelworkers of America

Ralph Smuckler, Dean, International Studies and Programs, Michigan State University; Chair, Board of Science and Technology for International Development, National Academy of Sciences

Tom Stoel, President, Global Tomorrow Coalition; Director, International Program, Natural Resources Defense Council

Lee Talbot, Fellow, East-West Center, World Resources Institute

The Honorable Howard Wolpe, Chair, House Subcommittee on Africa

The honorable Gus Yatron, Chair, House Subcommittee on Human Rights and International Organizations

INTRODUCTION

Much of the developing world is in the midst of an environmental and natural resources crisis which is undermining its drive for sustained economic growth. Whether one examines the management of dangerous chemicals, dependence on expensive energy imports, pollution levels, the loss of forests and biological diversity, or land deterioration resulting from deforestation and desertification, a similar conclusion emerges: the problems of the poor countries generally make those of the United States and other rich countries pale by comparison. Moreover, because the struggling economies of the developing world generally are closely tied to the use of natural resources, the widespread deterioration of the renewable resources base has serious implications for the future, particularly when viewed together with rapidly expanding populations and the increasingly intricate economic and security interconnections among all nations.

Task Force Chair Gus Speth stated at the outset of our effort that a new environmental agenda is emerging for the United States. He said that issues on this agenda "represent new policy and political challenges for the United States, challenges that are more international and global in scope and implication . . . Today, issues arise from the spread of deserts, the loss of forests, the erosion of soils, the growth of human populations, the exhaustion of ecological communities, the accumulation of wastes, and the alteration of the biogeochemical cycles of the planet. These

newer environmental concerns transcend borders, national laws and local customs. As a result, the politics needed to meet present and future challenges require a new vision and a new diplomacy, new leaders and new coalitions."

The United States has a direct and, as the situation worsens a growing interest in the environmental and natural resource problems of the developing world. The tragic accident in Bhopal, India, and the famine that continues to afflict many of the countries in Africa underscore the fact that the United States must be concerned about resource issues in the Third World. Humanitarian and environmental values are at stake, but so are U.S. economic and security interests. Events like Bhopal can fuel anti-American sentiment and provide support for efforts to unduly restrict the operations of U.S. companies, thus diminishing the prospects for mutually beneficial direct foreign investment.

Less dramatic than the Bhopal accident but inestimably more serious globally is the continuing environmental degradation which reduces the capability of nations to support their people. The starvation throughout Africa illustrates this point all too well, but the problem involves most developing countries to a greater or lesser extent. U.S. political, economic and national security interests are affected when resource challenges are not met. This failure leads first to economic and social stresses and then to political instability or authoritarian measures—developments that undermine free institutions and trigger armed conflict.

Environmental degradation in developing countries affects the United States in many ways. In addition to development assistance from the U.S. government, for example, the U.S. banking community has lent many billions of dollars to developing countries. Continued environmental and resource degradation, coupled with heavy reliance on energy imports, reduces these nations' ability to pay back their outstanding debts.

These issues demand attention by the United States because they are inextricably linked to other pressing international goals: expanding international trade and markets, improving North-South relations, promoting sustainable economic development and ensuring long-term political stability in the Third World.

Increasingly, Third World leaders are showing concern about environmental and resource deterioration. And rightly so. Conservation of the productive resource base—soils, fisheries, forests—is particularly critical in developing countries, which on average are six times more dependent than industrial countries on these natural resources.

Yet, while legislation to protect the environment in developing countries is now virtually universal, implementation, enforcement and monitoring are often grossly deficient. Even where the political commitment is present, lack of information, staffing shortages, poor training, inadequate technical resources and lack of financial resources all create special vulnerability.

Fundamentally, a country's capability for managing its resources and environmental affairs must be its own. Unfortunately, with all too few exceptions, developing countries do not have the needed capability. In light of the seriousness of the global resource situation, and its importance to U.S. interests, a concerted U.S. effort led by the Congress is now urgently needed to help developing countries help themselves manage their resources and environment for sustainable development. The key questions are: What can the United States do to strengthen the capability of officials and other leaders in developing countries to better cope with their environmental and resources challenges? How can we help them achieve agricultural, energy and industrial development that is sustainable?

To begin to answer these questions, the Environmental and Energy Study Institute (EESI) initiated this project, entitled "Helping Developing Countries Help Themselves: Toward a Congressional Agenda for Improved Resource Management in the Third World."

EESI convened a task force made up of U.S. corporate, environmental, development and Congressional leaders to identify actions, outlined in the body of this report, that the U.S. Congress can take to help developing countries better manage their resources for sustainable development. Paralleling this effort, EESI has launched a series of initiatives to increase awareness among Members of Congress, Congressional staff and other decision-makers of the environmental and natural resource needs in the developing world.

A guiding principle behind the task force's work was that the United States should not impose its environmental systems on the developing countries. Instead, the task force started from the premise that the Congress should act to bolster and support institution-building efforts designed to strengthen the ability of developing countries themselves to make informed decisions and carry out effective policies.

To ensure that this principle was addressed, EESI established an advisory group of environmental leaders from throughout the developing world. The group also helped the task force ensure that their recommendations met real needs in the developing world. The comments received from the group of foreign advisors were generally strongly supportive, and many of their suggestions have been incorporated into the recommendations.

SUMMARY OF RECOMMENDATIONS

The recommendations for Congressional action identified by the task force should be viewed as a package of interrelated and mutually supportive actions. The major recommendations are:

Provide Long-term Resource Restoration Assistance to Africa.

Establish New AID Natural Resources Policy and Bureau.

Strengthen Developing Country Environmental Authorities.

Build Indigenous Non-Governmental Organizations.

Improve Environmental and Related Development R&D.

Enhance Environmental and Related Development Training.

Strengthen Peace Corps' Environmental Focus.

Focus Multilateral Development Bank Attention on Resource Issues.

Expand P.L. 480 Program to Include Conservation of Biological Diversity.

Review Options for Using Foreign Debt to Encourage Sustainable Development.

Review International Natural Resource Programs in U.S. Agencies.

Incorporate Natural Resource Assessments Into Project Cost/Benefit Analysis.

Support the United Nations Environment Program.

Many of the recommendations stress the need to take environmental and natural resources factors into account in development activities to ensure their long-term success. Comprehensive assessments of environmental conditions, when carried out, have proven invaluable to officials of developing countries in the planning, execution and management of development efforts.

However, such assessments are seldom used. One reason is that they are mistakenly confused with the U.S. environmental impact statement process, which has a reputation for blocking economic development.

The new approach to environmental assessment and management points out the opportunities for sustainable use of natural resource systems for development, as well as adverse impacts which can undermine the development effort itself. It is this positive approach which the recommendations envision.

To a large extent, these recommendations represent an integration and synthesis of existing analysis, not original research per se. The studies called for in various areas reflect the fact that this is a relatively new field for policy analysis and action.

Since the task force concentrated its effort on Congressional actions to help developing countries help themselves, the recommendations do not address other entities or policy issues. Of course, the private sector, particularly the non-governmental organizations, industry and academia, have much to contribute, and should be involved in carrying out many of the recommendations.

Taken together, the recommendations recognize that there is no one easy way to promote environmentally sustainable development in the developing world. Rather, the recommendations encompass a range of process-oriented actions designed to increase the attention paid to these issues within the U.S. government and to enhance the ability of developing country leaders to better manage their resources for sustainable development.

This package of recommendations comes at a time when massive federal deficits require economies in federal spending. However, most of the recommendations for Congressional action represent very low-cost or no-cost items. Indeed, many are intended to lead to economies in the programs they address. For example, adequate environmental assessments of development assistance projects can avoid expensive and wasteful mistakes in project design and implementation. Therefore, they can lead both to less costly and more effective assistance. Furthermore, programs that build developing country capabilities through training and institution-building generally involve quite low costs.

SIX-MONTH SUSPENSION OF TRADE WITH ROMANIA

HON. FRANK R. WOLF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 29, 1985

Mr. WOLF. Mr. Speaker, I am pleased to join my colleagues, Representatives CHRIS SMITH of New Jersey and TONY HALL of Ohio, in introducing legislation to place Romania on a 6-month suspension of the coveted most-favored-nation trade status. It

is time we take a hard look at our foreign trade policies and how those policies can influence human rights guarantees.

Earlier this year, I joined Congressmen SMITH and HALL in a factfinding trip to the Socialist Republic of Romania and was deeply disturbed by that experience. Illustrative of the extent to which these people are repressed was the degree to which they were so thrilled to see us—total strangers—but we were Americans and that, to them, promised some hope for their plight. As I walked through the crowds at the churches I visited, many of the townsfolk would press up to me, and as they shook our hands, they would press prices of paper into our palms which were pleas for help to get them out of the country.

The tragedy in those messages was underscored as we met with individuals who had been persecuted and tortured by the Romanian Government because of their religious beliefs and their desire to emigrate. We rejoiced earlier this fall with the release and emigration of Father Gheorghe Calciu who had been imprisoned in Romania for a period totaling more than 21 years because of his Christian belief. But his suffering illustrates the human rights abuses in Romania. During his imprisonment he had been beaten repeatedly and was forced to beat more inmates. This was part of a "reeducation" prison and he was subsequently the only inmate spared death by firing squad.

For refusing to take a factory job and deny his priesthood, he was subjected to periods of 10 days each during which he was given no food, no water, no heat, and no clothes. At the end of those periods when convulsing violently, he would be given 2 days' worth of food and then put back on the 10 days of deprivation. This went on for 100 days. The Romanians wanted to keep him alive to break him. At the end of the 100 days, Calciu countered the Government's efforts by going on a hunger strike of his own. When his death appeared likely, the security forces admitted Calciu to a hospital—again, they needed to keep him alive.

Father Calciu's situation is just one well-publicized example. I have also learned that in the cold of last winter, the Romanian Government turned off the heat in hospitals to save money and infants in incubators died as a result. The Government also refuses to acknowledge newborn children until they are 2 weeks old because the infant mortality rate is so high. In winter, they do not document births for 4 weeks after actual delivery.

While I was in Romania, I visited a church which had been destroyed by Government bulldozers. Since then I have learned that the engineer in charge of construction of the church not only lived through seeing the church demolished, but was arrested and interrogated. During the interrogation, he was put in a body press and squeezed until unconscious. When he came to, he was interrogated further and put in a rubber suit which was then filled with water. In it, he was beaten with a stick. The rubber suit filled with water kept any marks from appearing on his body although he again was beaten until unconscious. He was subsequently dumped by the police in an underground area of Bucharest. He later revived and managed to get home.

An elder at the same church was beaten on the soles of his feet with a rubber stick. Then, with his hands tied together, he was hung from rafters and the Government security forces continued to beat him. He was put into a "torture machine," an electrical black box of sorts where only his head was out. While questioning the elder, this black box would continuously punch different parts of the body.

I point out these examples to graphically and tragically illustrate what type of government we are supporting in allowing most-favored-nation trade status and renewing it year after year without question.

It's time we started to ask questions. I believe the legislation we are introducing today underscores America's commitment to preserving human dignity and the rights of every person in this global family.

In 1979, just before his arrest, Father Calciu told a visitor from the West, "knowing people care makes what I've suffered worthwhile." We should heed the pleas of the Romanian people and demand that the Government of Romania lose MFN status unless the violation of human rights in that country is brought to an end.

I strongly urge support of our bill, H.R. 3599, and urge all Americans interested in human rights and religious freedom to contact their Congressmen and Senators to outline support for a 6-month suspension of MFN trade status for Romania.

DALLAS MAVERICKS—THE HOTTEST TICKET IN TOWN

HON. JOHN BRYANT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 29, 1985

Mr. BRYANT. Mr. Speaker, I would like to bring to the attention of my colleagues a real American success story. It is a story about hard work and true dedication paying off. I am talking about the most successful expansion franchise in National Basketball Association [NBA] history, the Dallas Mavericks.

Just 5 years ago, principal owner Don Carter and vice president and general manager Norm Sonju had the foresight to bring an NBA franchise to Dallas County, TX. That first season there were more doubters than ticket holders. Today, as the Mavericks begin their sixth Dallas season, people are camping out for tickets and the Mavericks have put a ceiling on season ticket purchases in order to make sure that as many Dallasites as possible have an opportunity to see their team play.

Another man who certainly deserves as much credit for our hometown team's success as Mr. Carter and Mr. Sonju is the head coach of the Dallas Mavericks, Dick Motta. Coach Motta has done on the court what Sonju and Carter have done off the court, and that is, fashion a very young team into an outstanding sports organization with widespread community support in a very short period of time.

I would like to call to the attention of my colleagues an article that appeared recently in the Dallas Times Herald entitled "The Hottest Ticket in Town." The article tells the story of this fine NBA franchise, one of which all the people of Dallas County can be proud.

[From the Dallas Times-Herald, Oct. 24, 1985]

THE HOTTEST TICKET IN TOWN

FIVE-YEAR TRIP HAS TAKEN MAVS FROM RAGS TO RAGE

(By Ish Haley)

The first time the Mavericks rookies met for practice last month, a worried woman showed up and recounted the tragic loss of her season tickets in a divorce settlement. The club, she said, was trying to accommodate her, but it was obvious her apprehension would remain until the replacement seats were in hand. "That's why I'm out here tonight," she explained. "I was so afraid I wouldn't get to see the Mavericks."

"So far, we've had two cases like that," Mavericks ticket manager Steve Letson said. "We hear one story and then the other and end up right in the middle. We try to appease the individual parties involved, but if the tickets are in the husband's name, he owns the tickets."

At the Mavericks office at Reunion Arena, a young man told the receptionist he was there to take delivery on season tickets for his company. The Mavericks staffer refused to produce the ticket envelope until the visitor underwent a security check rigid enough for Pentagon admission.

"Everyone picking up tickets at our office is asked for identification," Letson said. "If someone can't prove who he is or who he represents, I call the company. We've had a few problems with company-owned tickets. There have been cases of people trying to get tickets put in their names, after they've left companies or companies have been dissolved."

On Sept. 17, Jimmy Fuller, a Dallas Jeweler, paid $23,000 at a charity auction for two baseline, courtside tickets donated by Mavericks owner Don Carter. The tickets, which normally sell for $31.50, went for $267.44. "A friend of mine has tickets in the same section," Carter said. "As soon as he heard about what happened at the auction, he told his secretary to put his tickets in the company safe."

Twenty-four hours before the Mavericks placed their remaining single-game tickets on sale, a ticket broker alerted arena officials of his plan to put 100 representatives on vigil at the ticket windows. "This was for basketball tickets, not a major concert," a Mavericks staffer said. "People in other cities can't believe what's going on here."

In the franchise's sixth year, Dallas has sold 14,000 season tickets. The club also has a priority waiting list containing another 100 names. Reunion Arena seats 17,007 in the configuration used by the Mavericks. Asked if he thought his team could sell 20,000 season tickets, Carter said, "I wouldn't bet against it. If we had an arena of 20,000 seats, with the sight lines we have at Reunion, I'd love that. Right now, I worry about our fans in the far corners of our building. I'm looking forward to when we can have 20-by-20 laser screens over all

four corners. That way our fans in those seats can reach out and touch Mark Aguirre and Rolando Blackman. I'll feel a lot better then."

On Oct. 7, the Mavericks drew more than 4,000 season-ticket holders to a special practice at Reunion. "This would have looked like a sellout our first year," Dallas coach Dick Motta told the audience. On Oct. 17, the Mavericks drew 16,487 for an exhibition with Philadelphia.

"When Linda (Mrs. Carter) and I pulled into the parking lot and saw all those people there for an exhibition, especially in that misty weather, she told me that the sight of all the people still gave her chill-bumps," Carter said. "To be a part of something that has grown to this magnitude and had become so enjoyable means so much. We're still in awe."

Dallas last year ranked first in the NBA in paid attendance and second in total attendance. The Mavericks sold 12,500 season tickets and averaged 16,594 customers. The club announced 24 sellouts. Fewer than 1,000 tickets remain for the season opener against Seattle Saturday night. The first visit by the world champion Lakers next Tuesday is sold out. Only isolated tickets (no two seats together) remain for 17 other games at Reunion Arena.

"Anyone who says he isn't stunned by all this has got to be a liar," Reunion Arena manager Jack Beckman said. "It's a phenomenon."

"If anyone tells you they could see something like this coming, they are kidding themselves," said Angelo Drossos, president of the San Antonio Spurs, whose ticket sales have decreased substantially.

Prior to the 1973-74 season, the Spurs were the Dallas Chaparrals of the old American Basketball Association. The franchise was known as the Texas Chaparrals in 1970-71, when it appeared in Dallas, Fort Worth and Lubbock. "I rarely had trouble counting the crowd when we played at Moody Coliseum, and I flunked math," said former Chaparrals coach Bill Blakeley. "If I got thrown out of a game, which happened a few times, I never had trouble finding a seat."

"I don't believe the Chaparrals, even if they had won the ABA title, would ever have been accepted here," said former Dallas mayor Bob Folsom, who was among the Chaparral investors. "The people always looked at the team as minor league. As far as I'm concerned, and I think it's a good trait, this city demands the best. If you don't have the best, you're not going to make it."

Mavericks general manager Norm Sonju, then representing Buffalo owners John Y. Brown and Harry Mangurian, recommended Dallas as a new home for that franchise in 1978. Instead, the owners chose San Diego, which since has lost its franchise to the Los Angeles Sports Arena.

"There was no arena then, and basketball was really a low-profile sport," said Sonju, who returned in 1980. "SMU and TCU weren't enjoying the successes in basketball that they're having now. Back then, who would have ever thought that the NBA All-Star Game and the NCAA Final Four would be played in Dallas in the same year."

Pursuing investors for the Mavericks, Sonju was refused by 143 candidates. Most of the refusals, he said, came from people "who thought basketball would never make it here." One was former Chaparrals general manager Max Williams. "I had no desire to own an interest in another sports franchise," Williams said. "Now I wish I'd have gotten involved strictly for the investment. It's the same with the bonds they sold on the arena. When it happened, it looked like the worst investment in the world, which is what everyone first said about those suites at Texas Stadium."

In their first season, Dallas sold 3,900 season tickets and averaged 7,789 customers. By the fourth year, season-ticket sales had climbed to 7,600, with attendance running at 14,223. The 3,780 arena bondholders have first priority on the tickets. Between 50 and 60 percent of the season tickets are corporately owned.

Beckman and Sonju supervised traffic, parking and concession systems that made visits to the arena more attractive. According to Beckman, Reunion's concession menu is the "widest and broadest in the country." Starting with opening night, Sonju made sure enough ushers were present to guarantee ticket security. Most games end in time for patrons to get home in time for the 10 o'clock news.

"It's become a big social thing," Beckman said. "I had a guy tell me that Reunion Arena has become the best singles bar in town. No one goes to a concert just to see the artists involved. They go to have fun. The fans have fun at Mavericks games."

Dallas, qualifying for its first playoff appearance two seasons ago, was 31-10 at home. The Mavericks were 24-17 last season in Reunion. This year Dallas is at home for 13 of its first 16 games.

"I thought last year was the critical year in terms of retaining our acceptance," Motta said. "I worry about that and I think it affects the way we play, too. I think that's one reason why we lost more at home than usual last year. Our fans have supported us so strongly that our players were trying too hard to pay them back."

Aguirre, the Mavericks' first All-Star, said, "I think our fans want us to know what is going on. Their attitude toward us is amazing, but they also know what they are going to get for their money. Dick never is going to let anyone lag. Win or lose, we're going to get better as a team, which we are."

"What's happened here is a helluva phenomenon," Motta said. "I never expected it. I never dreamed Dallas could lead the league in paid attendance, without a world championship being involved. The Mavericks probably are the envy of every general manager and owner in the league."

"Not a day goes by without me warning our staff about never taking any of these for granted," Sonju said. "You've always got to appreciate what you've got. There's never been a law passed that says people have to purchase tickets to sporting events. There are a lot of things people can do with their money. I closed down a franchise in Buffalo. I know what a painful thing that was. I want our fans to know how much we appreciate them."

REGION 2-A OBSERVES AUTO WORKERS ANNIVERSARY

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 29, 1985

Mr. GAYDOS. Mr. Speaker, this year marks the 50th anniversary of one of the Nation's most outstanding labor organizations—the United Auto Workers.

This milestone will be observed by rank and file UAW members across the land and I consider it a privilege to have been invited to the commemoration dinner scheduled by region 2-A for Friday, November 22, at the Howard Johnson Motor Lodge in Monroeville, PA. Region 2-A includes western Pennsylvania and West Virginia and is under the leadership of Director Charles Bowling.

It is appropriate at this time to point out that the UAW has been a pioneer in the struggle to set new standards and attain benefits for its members that have helped shape the lives of all working men and women in the United States.

Through its bargaining efforts, millions of workers now enjoy decent wages and salaries, pensions that allow them a modicum of comfort in retirement, paid life and hospitalization insurance, and protection against periods of inflation.

Certainly, the UAW is no stranger to the Halls of Congress. Time after time, its representatives have appeared before congressional committees to battle on behalf of all workers.

I, personally, have seen them in action. They come well prepared to fight for the rights of workers to enjoy a safe and healthy workplace, a respectable minimum age, protection against unemployment and social injustice, and against a crippling illness or injury that suddenly deprives an individual of the ability to earn a living for himself and his family.

The campaign to upgrade the standard of living for working people has been a trademark of the UAW since its founding on August 26, 1935, by the Reuther brothers—Walter, Victor, and Roy—to the present day under the leadership of Mr. Owen Bieber.

Mr. Speaker, on behalf of my colleagues in the Congress of the United States, I take this opportunity to extend formal congratulations to the UAW on the occasion of its 50th anniversary. I congratulate also the officers and members of region 2-A for they have earned the right to be proud of what their union has contributed to American society.

TELECOMMUNICATIONS POLICY

HON. FERNAND J. ST GERMAIN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 29, 1985

Mr. ST GERMAIN. Mr. Speaker, every month, by means of our telephone billings, we are reminded of the effects of the breakup of AT&T. Long ago, Chester Barnard, one-time president of the New Jersey Bell Co., told us that when a phone company representative entered your home, he/she did so as an employee of what he maintained was a public utility providing service in the public interest. That was then—nearly 50 years ago. Today, some would appear to believe the telephone system is governed by a totally different set of guidelines. No better evidence would seem to

exist than the rumored forthcoming announcement of AT&T—Ma Bell—that it intends to bypass the local telephone networks by connecting the largest business customers directly to its network. This will give local companies no other choice but to hike their local rates. The net effect to the average consumer would be higher costs for less service.

Mr. Speaker—there is an old proverb about what is obviously best for all that suggests that the "little one is too small—the big one is too big—the medium one is just right, but you can't get it." In essence, it summarizes AT&T's strategy: save your large customers their money by eliminating the fees they pay to local companies—measured, incidentally, in the billions of dollars—thus leaving the smaller companies no other choice than to raise local rates.

Our fellow Member, and the distinguished chairman of the House Energy and Commerce Subcommittee on Telecommunications, Consumer Protection and Finance, TIM WIRTH, is quoted as saying that what is really at stake here is "affordable local telephone service, long-distance competition, and the financial viability of the local Bell operating companies." What that really boils down to is the prospect that despite the court-ordered breakup of Ma Bell, the corporation remains more than able to dominate much of the interstate telephone network and can do so in a manner which could cause great hardship to local users.

Indeed, one specialist in the field of telecommunications policy has gone so far as to state that this could lead to a doubling of local telephone rates for the rest of us within the next 2 years.

AT&T's plans to circumvent local and regional telephone companies implies more than a seeming ability to provide a long-distance link directly with big business across the country—it also implies creation of a communications system able to skim the cream from the telephone business, thus depriving regional companies of important revenue sources, but more specifically, forcing small local customers to make up the losses. In a word, it is not only unbecoming of what we once believed to be the high point of meaning of "public utility operation in the public interest," but also uncalled for by current standards of adjustment being made by the industry to the many legal, political, economic, and technological factors at work in the telecommunications industry.

Probably the damning statement of note is that it could lead to a doubling of local telephone rates within the next 2 years, and while we all recognize the right of Ma Bell to generate new long-distance revenue, it should be noted that the majority also believes such steps, if carried out, must be undertaken fairly and with proper safeguards against local customers ending up being forced to bear the major burden of costs.

Mr. Speaker, we all recognize that the telephone industry presents today's regulatory authorities with problems of greater technological complexity than do most other utilities. For that reason alone, it is understandable that proponents of regulation might conclude that demand for national regulation a la the Communications Act of 1934 is in need of resurrection. Also, the Federal Communications Commission, as the agent most responsible for the administration of that law, should be reminded of the fact that its regulation of the telephone industry must, at all times, be aimed toward protection of the public and the local customer of telephone service, and not, as sometimes seems the case, toward maximizing profits for Ma Bell.

AT&T has a history of being intimately interwoven with the structure of the community in which it has worked, and of being able to draw upon powerful reservoirs of support whenever it has come under attack. On the basis of more recent history, it should be clear to those now most responsible for AT&T's management decisions that public awareness of AT&T's ability to worry the system and to present cost studies in support of its fees and service change proposals was, but is no longer, endless and unchallengeable. That is reason enough for them to ponder the implications of yet another proverb—that it is sometimes better to turn back than to lose one's way.

Mr. Speaker, it is now almost 30 years since the first consent decree was offered whereby Western Electric retained its unity and its allegiance to the Bell System, and by which AT&T had to make most of its patents available to other manufacturers without royalties and Western Electric was directed to disclose its manufacturing costs. The decision made it possible for new competition to develop in the manufacturing of telephone equipment. We all know what has followed that memorable choice.

That decision came about because AT&T chose to disregard the value of competition as a major ingredient in defining the public interest. By publicity—by persuasion—and by prosecution, its public nature was revived, and its need to retain orientation toward local customer needs preserved.

SANDINISTA ATTACK ON CIVIL LIBERTIES AND THE CHURCH

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 29, 1985

Mr. BROOMFIELD. Mr. Speaker, few of us are surprised anymore by the Sandinistas' callous disregard of the human rights and civil liberties of the Nicaraguan people in that regime's energetic efforts to impose every vestige of a classic totalitarian Marxist-Leninist state on Nicaraguans. But, just how serious the Sandinistas' commitment is to the complete suppression of all peaceful, domestic democratic opposition to their dictatorship was recently given a bold and cynical emphasis by the Sandinista regime's announcement on October 15, 1985, of a state of emergency.

Under that state of emergency, essentially all of the fundamental rights of the people are suspended. As of that date, the Sandinistas extended the suspension of some civil rights, the restrictions on which were about to expire, and suspended other basic rights at least ostensibly still enjoyed by Nicaraguans. Imposition of this state of emergency is a flagrant act of repression without a shred of justification, about which we cannot, in good conscience, remain silent. It is a blatant attempt to dress the Sandinistas regime's growing use of gestapo tactics in more formal attire.

Therefore, I have introduced, in conjunction with my colleagues, Mr. YATRON, Mr. LAGOMARSINO, and Mr. MURTHA, the following concurrent resolution condemning the Sandinistas' frontal assault on the last tattered remnants of freedom in Nicaragua. This legislation also specifically expresses the concern of the Congress over the special official harassment and repression directed against the Catholic Church in Nicaragua. As many of you may be aware, the Sandinistas are insisting on pretransmission censorship of the holy Mass. They have stopped publication of the Church newspaper "La Iglesia" and confiscated printed copies, and they have raided the Church's radio station, Radio Catolica. Apparently in order to further disrupt Church activities, the Sandinistas have occupied Church offices and are carrying out a campaign of drafting seminarians into the swollen Sandinista military forces.

The resolution is self-explanatory. Its preamble and text detail the suspended rights and repressive activities involved.

DON'T DERAIL THE RAILROAD ANTIMONOPOLY ACT OF 1985

HON. MIKE SYNAR

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 29, 1985

Mr. SYNAR. Mr. Speaker, on October 9, 1985, my colleague from Pennsylvania [Mr. SHUSTER] proposed certain extraneous amendments to H.R. 1140, the Railroad Antimonopoly Act of 1985. These amendments, intended to apply to electric utilities, risk distracting us from the very real problems in rail transport. I'd like to take a moment to clarify the intent and purpose of H.R. 1140, which I introduced on February 19, 1985 with my colleagues Mr. SEIBERLING and Mr. GLICKMAN.

Historically, the rates railroads could charge for moving coal and other bulk commodities were regulated by the Interstate Commerce Commission. With enactment of the Staggers Rail Act in 1980, Congress removed many of the historical regulatory restraints on railroad ratemaking.

By enacting the Staggers Act, Congress made a conscious choice to move the railroad industry away from regulations and toward a free market. As a result, in the last 5 years the railroad industry has increased its net investment and its net working capital. This industry is now ranked

500th in Forbes magazine's top 1,000 public utilities.

In many parts of the country, shippers of coal and other bulk commodities have only one railroad available to transport goods. These shippers are commonly called captive shippers. Where railroads have monopoly power and have bulk shippers captive, the Staggers Rail Act requires the ICC to maintain regulatory authority and set rates by measuring the revenue needs of the railroad against the captive shipper's need for fair and reasonable rates.

In implementing the Staggers Rail Act, the ICC has failed to ensure fair and reasonable rates for shippers. Where no competition or alternative mode of transportation exists, railroads have charged unreasonably high rates because they know that the captive shipper must transport goods on their tracks. And the ICC has established a regulatory framework which makes it essentially impossible for a shipper to demonstrate that the rates it pays to a railroad are too high. In fact, in testimony before the Judiciary Committee, the Commission did not know if it had ever found a rate to be unreasonable. The ICC has left captive shippers without competition or recourse.

It is clear that neither current antitrust laws nor the ICC is protecting the consumers who ultimately pay for the goods shipped. H.R. 1140 is designed to make sure they do.

This legislation will help solve the captive shipper problem by allowing railroad shippers who are charged unreasonable rates to seek relief in Federal district court under the antitrust laws. Under H.R. 1140, the railroad that serves a captive shipper must either allow the shipper trackage rights or charge a reasonable rate. This set of alternatives will allow the railroad to choose the plan that suits it best. More importantly, this bill preserves railroad competition and ensures fair rates for consumers.

My colleague from Pennsylvania has proposed amending H.R. 1140 to have it apply to the electric utility industry. He argues that if the granting of trackage rights is a remedy to the problems faced by captive shippers then the "wheeling" of electric power should be included in the Railroad Antimonopoly Act of 1985 as a remedy to reduce electric utility rates. By comparing two industries that are not totally analogous, this proposal merely confuses the issues which H.R. 1140 addresses.

Congress made a clear decision in 1980 that railroads are to be deregulated. No such decision has been made either by Congress or by State legislatures regarding electric utilities. While it is true that electric utilities possess a monopoly within their individual service territories, it is a carefully regulated monopoly mandated by Congress under the Federal Power Act and numerous other State and Federal public laws.

In fact, electric utilities face a complicated regulatory matrix. They are regulated on the Federal level by the Department of Energy, the Environmental Protection Agency, the Nuclear Regulatory Commission, the Federal Energy Regulatory Commission, the Department of the Interior, and the Securities and Exchange Commission. On the State level they are regulated by State utility commissions and, in some parts of the country, local authorities also exercise regulatory control. This heavy dose of regulation is not the case with the deregulated railroads which under the Staggers Rail Act have enjoyed growth, increasing revenues, and overall improved economic health.

"Wheeling" is the transmission services provided by a utility on a prearranged basis, to deliver power generated outside its own system, to the system of another utility. It is also referred to as use of essential facilities. This is a complex question that involves conservation, energy supply, and the efficient use of regulated monopolies. The Judiciary Subcommittee on Monopolies and Commercial Law didn't presume to address this question in the context of H.R. 1140. If Congress wishes to debate the deregulation and competition in the electric utility industry, it should do so carefully and on its own merits, not within the context of railroad transportation costs.

In the 3 days of hearing on H.R. 1140, we have focused exclusively on the railroad industry. There is a serious lack of competition.

It is extremely unclear if similar competitive problems exist in the electric utility industry. Cogeneration and increased power from unregulated State and Federal power authorities along with other innovative power sources such as solar, wind, and geothermal power have tremendously increased competition in the electric utility industry. This is probably a healthy occurrence in an industry that has been traditionally and structurally slow in responding to the changing energy needs of the Nation.

The antitrust laws already apply to the electric utilities as a result of the Supreme Court's 1973 decision in *Otter Tail Power* v. *United States,* 40 U.S. 366 (1973), which established the "essential facilities" precedent for that industry. And as a direct result of the Otter Tail Power case, section 211 and 212 of the Federal Power Act were enacted in 1978 to give FERC the authority to order "wheeling rights" for the utility industry. These same essential facilities rights must be applied to the captive shipper situation.

Mr. SHUSTER argues that wheeling will provide rate relief to the electric consumer, and supports this argument by citing statistics indicating that in the 4-year period from 1981 through 1984 the price of fuel—coal, gas, and oil—for electric generation has increased only 5 percent while during the same period the average price of electricity to the consumer has increased 38 percent. Unfortunately, he overlooked one important cost included in the electric utility ratebase: the cost of transporting this fuel, a cost that in most States is passed directly to the consumer.

In the 4-year period from 1981 to 1984, fuel transportation costs have greatly increased. Currently the Oklahoma Corporation Commission allows 100 percent of the transportation costs of fuel to be passed on to the consumer—most States do the same. Since 1976, Oklahoma Gas and Electric customers have paid for a 265-percent increase in rail rates. In fact, consumers in Oklahoma City pay twice as much to transport coal from Wyoming to Oklahoma as they pay for the coal itself.

In another example, each customer of the Western Farmers Electric Cooperative in western Oklahoma has been paying in excess of up to $300 annually because of the captive shipper situation.

States other than Oklahoma have experienced the same frustrations. In Corpus Christi, TX, one captive shipper found that the cost of shipping coal—from Africa to Corpus Christi by boat, train, and truck—a distance of over 7,500 miles—is the same as shipping coal domestically from Wyoming to Corpus Christi by train alone. In Wisconsin, the Wisconsin Power & Light Co. has three coal-fired plants which are fully captive to railroads and three plants that can choose the most economical transportation of coal from barge, barge/truck, and railroad alternatives. The average rate increase from 1979 to 1984 for the railroad-captive plants was 84.3 percent, compared to 15.6 percent for the noncaptive plants. The recently completed hearings in the Monopolies and Commercial Law Subcommittee have documented similar stories throughout the Nation.

The Railroad Antimonopoly Act of 1985 addresses the high cost of transporting bulk commodities such as coal, grain, produce, and ore—costs which are ultimately passed on to the consumer. Electric utility wheeling rights is a very different issue that if addressed by Congress needs careful and thoughtful consideration in its own right.

THE FISCAL YEAR 1985 DEFICIT AND THE GRAMM-RUDMAN "EMERGENCY" DEFICIT CONTROL ACT

HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 29, 1985

Mr. OBEY. Mr. Speaker, last Friday, the Treasury closed the books on the worst Federal deficit in history. They announced that the deficit for fiscal year 1985 came to $211.9 billion. This record easily surpassed the old mark of $207 billion set in fiscal year 1983. Adding the fiscal year 1985 record to the other huge deficits chalked up during the Reagan Presidency produces a national debt which has doubled in 5 years to a grand total of over $2 trillion.

These numbers testify to an enormous fiscal problem for the Federal Government and an enormous economic burden on our economy.

In response to this serious problem, the Senate has passed what appears to be an equally serious proposal for deficit reduction.

But in politics, appearances are often deceiving. The Gramm-Rudman amendment bears the serious sounding title of Emergency Deficit Control Act, but in fact contains neither a sense of emergency nor any serious commitment to get control over today's huge deficits.

WHERE'S THE EMERGENCY?

The Gramm-Rudman amendment essentially overturns the existing congressional budget process and shifts power significantly into the hands of the President, on the grounds that the existing budget process has failed to control the deficit.

But the bill contains deficit targets which essentially require no additional deficit reduction for fiscal year 1986, and very minimal cutting for fiscal year 1987. All of the real work on deficit reduction is put off by the Gramm-Rudman bill until after the 1986 election.

Even though its supporters claim the current budget process is a failure, the Gramm-Rudman bill essentially accepts the outcomes of the existing budget process for the current fiscal year. The same budget process which must be overthrown next year is allowed to rack up another $192 billion of deficits this year.

By saying that we cannot tamper with this year's budget in pursuit of deficit reduction, supporters of this proposal are making a sacred cow out of a process they have already consigned to the slaughterhouse.

Supporting this bill lets you have it both ways. You can vote to cut the deficit in the future, while at the same time voting to do no deficit reduction at all for the current fiscal year.

How can we in conscience demand that some future Congress do the work which we lack the courage to do ourselves?

You can't have it both ways. Either the budget process is broke, and we ought to fix it with a process which will force deficit reduction. Or it ain't broke, and we should continue to accept the budgets and the deficits which the current process produces.

If the country truly faces an emergency, as the Gramm-Rudman bill suggests, then we should react with an urgent response. We should vote to cut the deficit now, not wait until some point in the future.

And there are some strong economic arguments for cutting the deficit now. At present, the economy is in a period of modest but sustained growth. The latest Commerce Department figures show GNP growing at 3.1 percent and the Congressional Budget Office continues to forecast a 3.4-percent rate of real GNP growth for the remainder of this fiscal year.

Most economists agree that the time to make real progress on deficit reduction is when the economy is strong. A weak economy could be devastated by drastic deficit reduction.

Prof. Franco Modigliani, the 1985 winner of the Nobel Prize in economics, told the Joint Economic Committee last week that the time to cut the deficit was now, while the economy was reasonably strong, not later, when it could well be weakening. He concluded:

My strong recommendation to you is to cut the deficit now, and cut it deeply.

But time is running out for this strategy. The average postwar peacetime recovery has lasted 34 months. Our current recovery is already 35 months old. This increases the probability of at least a mild recession by 1987.

What happens if you try to undertake serious deficit reduction in the midst of even a mild recession?

The House Budget Committee has used the Data Resources, Inc., model to estimate the consequences of such a scenario by projecting the outcome of Gramm-Rudman if it were to be applied to a weak economy in the 1987–89 period. The results are dramatic: GNP would fall below its 1985 level until after 1991; unemployment would rise precipitously to depression levels of 15 percent, and then decline only slowly; corporate profits would fall to less than half of their 1985 level by 1990.

Postponing deficit reduction until the economy weakens is a recipe for disaster. Faced with an economic crisis of the proportions outlined by the House Budget Committee, it is probable that the Gramm-Rudman deficit reduction process would be abandoned before anything of substance had been done.

If we are going to cut the deficit, let us cut the deficit, not pass some pious pronouncement that other people and future Congresses will have to cut the deficit. It will be better for the economy to start deficit reduction now, and better for the Congress and the administration to accept responsibility for today's deficits, rather than putting that responsibility off onto future Congresses and future Presidents.

THE MORISON MESSAGE—PROTECT THE NATION'S SECRETS

HON. BOB STUMP
OF ARIZONA
IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 29, 1985

Mr. STUMP. Mr. Speaker, Samuel Loring Morison, formerly a Federal employee assigned to the Naval Intelligence Support Center, took from a colleague's desk classified satellite photographs of a Soviet nuclear powered aircraft carrier and transmitted them to a British military publication, Jane's Defence Weekly, which published them. Testimony at Morison's trial showed that the photographs revealed sensitive aspects of U.S. satellite reconnaissance capabilities. After a full and fair trial, a jury of 12 unanimously convicted Morison on two counts of violating the Espionage Act and two counts of theft.

Morison's despicable acts of disloyalty deserve universal condemnation, yet some portray him as a constitutional martyr rather than the common criminal a jury has found him to be.

A New York Times editorial of October 19, 1985 decries Morison's conviction because it makes clear that Government employees with access to national security secrets who breach the trust inherent in their positions and disclose those secrets commit crimes. The Times wails that "exchanges of information that have been routine in this society will make criminals of both the officials who provide it and publishers who receive it." If leaks by Government employees of national security secrets are as routine as the Times says they are, then the warning provided by the Morison conviction comes none too soon.

The American Civil Liberties Union also views Morison as a champion of the first amendment. The October 18 New York Times quotes the head of the ACLU Washington office as stating that "the ACLU views this conviction as a threat to the First Amendment * * *." The ACLU has now elevated unauthorized disclosure of national security secrets by faithless Government employees to the status of constitutionally protected and honored activity. The ACLU seems to forget that the foremost civil liberty enjoyed by the American people is liberty from domination by any foreign power, which we owe to a strong and vigilant national defense. Leaks of national security secrets can weaken that defense and imperil our liberty.

The Times and the ACLU appear to believe that a faithless Government employee who provides intelligence secrets to the Soviet Union commits a dastardly criminal deed, but the same Government employee who provides the same secrets to the New York Times for publication commits a constitutionally sacred and honorable act. The judge in the Morison case pointed out quite clearly the illogic of that position in his March 12, 1985 order denying Morison's motion to dismiss his indictment. The judge said:

". . . The danger to the United States is just as great when this information is released to the press as when it is released to an agent of a foreign government. The fear in releasing this type of information is that it gives other nations information concerning the intelligence gathering capabilities of the United States. That fear is realized whether the information is released to the world at large or whether it is released only to specific spies.

I join in the statement of Assistant Attorney General Trott of the Justice Department's Criminal Division who told the New York Times on October 20, in reference to the Morison conviction, that "it is our sincere hope that this reminds people that classified information cannot be leaked." Americans who voluntarily accept positions of high trust in Federal agencies engaged in diplomatic, military, and intelligence activities must protect the national security secrets to which their positions give them access. If they break faith with the American people and reveal those secrets, they will answer at the bar of justice for their crimes.

SOVIET PRISONER OF CONSCIENCE VALERY SENDEROV

HON. ANTHONY C. BEILENSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 29, 1985

Mr. BEILENSON. Mr. Speaker, as the November summit meeting between President Reagan and Chairman Gorbachev approaches, I would like to draw attention to the plight of Valery Senderov, a Soviet Jewish prisoner of conscience who has been "adopted" by my wife, Dolores, as part of an effort by the Congressional Spouses' Committee of 21.

Valery is a mathematician who was arrested on June 17, 1982, on charges of "anti-Soviet agitation and propaganda." He has been sentenced to 7 years in a labor camp and 5 years of internal exile—merely for expressing his beliefs and trying to emigrate to Israel.

Valery and his wife, Elena, have been struggling valiantly to obtain visas so that they might be reunited with their family in Israel. By releasing Valery from prison and granting the Senderovs permission to emigrate, the Soviet Union would not only demonstrate its respect for the principles of the Helsinki accords, but would also pave the way for improved relations between the United States and the U.S.S.R.

I urge President Reagan and Chairman Gorbachev to include human rights, and particularly the welfare of Soviet Jews, as a major agenda item at their upcoming summit meeting.

FAIR LABOR STANDARDS AMENDMENTS OF 1985

HON. TOM LEWIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 29, 1985

Mr. LEWIS of Florida. Mr. Speaker, I am pleased to be a cosponsor of H.R. 3530, the Fair Labor Standards Amendments of 1985, legislation which passed yesterday. Due to the magnitude of the Federal deficit, State and local governments throughout the Nation are beginning to bear an increased amount of the costs required to provide necessary community services. Complying with the Supreme Court Garcia versus San Antonio Metropolitan Transit Authority decision of February 19, 1985, would have caused the reduction of several essential services throughout my 12th Congressional District.

I received calls and letters from every county and many cities in my district explaining the widespread negative financial implications of the Garcia decision. Nationwide response against this decision was so great that members from both political parties were able to work out a sound compromise in order to have it ready for floor action before enforcement of the decision was scheduled to begin.

Enactment of H.R. 3530 will means that State and local governments can at last get down to the business of serving the public and removes financially strapped cities and counties from the looming burden of making unwanted cuts in critical programs.

THE DUNCAN-GREGG SUBSTITUTE FINANCING PACKAGE FOR THE REAUTHORIZATION OF SUPERFUND

HON. JOHN J. DUNCAN

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 29, 1985

Mr. DUNCAN. Mr. Speaker, the Committee on Rules is expected to meet soon, possibly as early as tomorrow, to formulate a rule for consideration of legislation to finance the reauthorization of the Superfund Program which expired on September 30, 1985. The Committee on Ways and Means, which has jurisdiction over the financing of Superfund, last week reported a financing package totaling approximately $10 billion for 1986–90, containing a highly controversial new tax, similar to a value-added tax, or VAT. The President would, in all likelihood, veto this package because of the VAT component.

The presence of a VAT-like tax in the committee bill by no means indicates that a consensus developed within the committee in support of it. During the course of the markup, the VAT concept was rejected on two close votes before being adopted finally by a vote of 18 to 17. The first attempt to order reported the committee bill with the VAT actually failed on a 16 to 20 vote. The bill subsequently was ordered reported as a result of voice vote both on reconsideration and on ordering it reported. In recognition of the absence of a committee consensus on the VAT, the committee authorized the chairman, Mr. ROSTENKOWSKI, to request that the Rules Committee make in order two amendments providing complete substitutes for the financing package; one to be offered by the gentleman from New York, Mr. DOWNEY, and one to be offered by me.

If the Rules Committee honors the request of the gentleman from Illinois, the House will have the opportunity to choose from three very different alternatives for financing Superfund. The amendment which I would offer on behalf of myself and Mr. GREGG, my committee colleague, is presented following this statement. At this point, I would like to describe in some detail the clear differences I see between the Duncan-Gregg substitute and the other alternatives.

First, the committee bill contains a VAT, which operates much like a sales tax but is hidden from the ultimate consumer, and would be vetoed by the President;

Second, my amendment, the Duncan-Gregg amendment, does not include a VAT but does provide a balanced funding package consistent with programmatic needs as approved by the committees of jurisdiction in those areas;

Third, the Downey amendment, by relying on large increases in taxes on chemical and petroleum feedstock and waste-end taxes, would cripple certain U.S. industries, particularly the chemical industry already handicapped in world competition.

Further with respect to the committee bill's VAT, the fact that it starts out at a low rate and with a limited purpose is no guarantee it will stay that way. Our entire income tax structure began with similar limitations, but nothing stopped its expansion. I fear that coupling this broad new tax with a popular program not only removes considerations of fiscal constraint from our deliberations but guarantees that this tax vehicle will expand by leaps and bounds in the not-too-distant future. The VAT is, by its nature, a hidden tax, invisible to the ultimate consumers who pay the bill.

Also, the cost of administration and supervision of a VAT would be disproportionate to the revenues raised. If properly administered, it may actually cost the Government more to audit than could possibly be collected by the rates included in the committee bill. It is a virtual certainty, therefore, that this levy will not be audited, but honest businesses will expend large sums of money in order to carefully and voluntarily pay the amount statutorily mandated. Conversely, other businesses will either simply not pay or pay only a small portion of the required amount. Such a system is unfair, and our Nation's taxpayers honest taxpayers deserve much better.

My amendment, therefore, does not include a VAT and will not result in adverse economic impact on U.S. industry. The resources that would be provided directly to the Superfund Program in Duncan-Gregg, up to about $10.3 billion, including the catastrophic oil spill provisions, include:

First, a feedstock tax on crude oil and feedstock chemicals. The $1.5 billion feedstock tax on crude oil and chemicals shifts the major financing burden for Superfund to other sources, such as the waste-end tax, as recently released EPA studies say should be done. This shift must occur. We now understand the current feedstock tax for what it is—the most arbitrary impost in the Internal Revenue Code. The burden it imposes has little correlation to Superfund expenditures, either on a retroactive basis, spending required for past environmental practices, or on a prospective basis, expected spending required to clean up for future environmental practices. The Duncan-Gregg amendment includes all of the technical improvements to the current feedstock tax approved by the Committee on Ways and Means.

Second, an import tax on derivative products. The import tax on derivative products included in Duncan-Gregg is the same as that approved by the Committee on Ways and Means. It is a much-needed mechanism to back up the current feedstock tax system. Currently, feedstock taxes are being avoided by foreign producers who, rather than importing the feedstock, import a derivative product. Such tax avoidance gives imports an unfair com-

petitive advantage. This import will correct that problem and provide additional revenue for the Superfund.

Third, a waste-management tax to discourage the most environmentally risky waste management practices. Duncan-Gregg contains a waste-management tax identical to the one in the committee bill, except that instead of raising $2 billion, the Duncan-Gregg version would raise only $1.6 billion. The rates would be adjusted in 1989 and 1990 to effect the reduced revenue level. A properly designed waste-management tax is desirable because large volumes of waste at many toxic sites were contributed by industries which make no contribution to the Superfund. Spreading the burden to many of those industries, through a waste-management tax, is a significant improvement. The tax is desirable also for environmental reasons. Disposal of toxic waste in landfills should be discouraged because of the virtual certainty that the waste, in years to come, will leach into drinking water beneath. The waste-management tax will discourage the use of landfills and will favor treatment processes, such as incineration and waste-water treatment, that greatly reduce risks to the environment and public health. EPA's study of the potential for each type of hazardous waste to leach through a landfill is a long-term project that is not expected to be completed for 5 or 6 years. In the interim, it is sound environmental policy to use a tax to provide an economic incentive for companies to seek alternatives to disposal of toxic waste in the land. However, because of the potential adverse economic impact on certain businesses and because there are serious questions regarding a waste-end tax's reliability as a funding source for Superfund, there are clearly limitations on the extent to which this tax should be used for Superfund. My amendment reflects that limitation by keeping the total revenue below both that of the committee bill and the Downey amendment.

Fourth, recoveries of amounts from responsible parties. Those who are responsible for toxic waste sites, and can be identified, should pay for cleanups. The companies, which have benefitted by past dumping and which can be identified, are forced by EPA to clean up, or EPA does the cleanup and collects up to three times the cost from those responsible parties. My amendment extends the provision to make those recoveries available to Superfund.

Fifth, general revenue contributions. Duncan-Gregg includes $2.3 billion of general revenue contributions over the 5-year reauthorization period, the same amount authorized by the House in last year's Superfund bill. It recognizes that, as our Nation places a greater priority on hazardous waste cleanup, our Federal commitment also must increase.

The components of the Duncan-Gregg amendment described above will provide more than $8.2 billion of resources for the reauthorization of the Superfund Program over the period 1986 through 1990, a fourfold increase in the amount which would be generated from a simple extension of current law. This amount also exceeds what the EPA has indicated will be necessary to fund the programmatic aspects approved by the committees with jurisdiction over those areas.

Nevertheless, the Committee bill provides an additional $2 billion of resources over the same period. It is anticipated that the Downey amendment will provide a similar amount. Those who suggest that these additional amounts are necessary are indicating that EPA's projection of its programmatic needs may be incorrect. While I believe that the agency with closest responsibility for implementing these programs is probably the best judge of the resources necessary to fund the programs, I nevertheless recognize the concerns that some of my colleagues have about the adequacy of funding levels. Therefore, Duncan-Gregg provides a mechanism to produce additional revenues for the programmatic aspects of Superfund, but only if those amounts are needed. These amounts would be available by providing for the triggering of an additional tax at the beginning of the fourth year of the reauthorization period, January 1, 1989.

The triggering mechanism will work as follows. On July 1, 1988, the Secretary of the Treasury, in conjunction with the Administrator of the Environmental Protection Agency, will jointly determine whether the funding mechanisms described above will be sufficient to cover the programmatic needs of the Superfund reauthorization through the end of fiscal year 1990. If the determination is made that these amounts will be sufficient, nothing further occurs. If the Secretary and the EPA Administrator jointly determine that the needs of the program will exceed the resources described above by more than a de minimus amount, greater than $100 million, as of January 1, 1989, an additional broad-based environmental surcharge described below will be activated. The 6-month period between July 1, 1988, and the triggering date, January 1, 1989, will allow Congress time to determine whether it wishes for the broad-based environmental surcharge to take effect or whether it wants some other way to deal with a funding shortfall. The Secretary of the Treasury will determine the rates necessary to cover the funding shortfall determined.

There is no question that we will increase the economic resources committed to the cleanup of hazardous waste. The reauthorization of Superfund is the single most important environmental issue of this Congress. For us to fail to assure that the next generation is protected from the dangers posed by hazardous wastes sites would be unthinkable. We should, and I believe this bill would, fund cleanup of past problems on a fair and efficient basis and encourage prevention of future waste problems.

There is one principle above all others that Congress must respect in the reauthorization process. Business and economic expansion and protection of our environment are not mutually exclusive goals. This bill respects both goals.

I urge Members to support it when it comes before the House.

A TRIBUTE TO SGT. ANTHONY LASALANDRA

HON. DEAN A. GALLO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 29, 1985

Mr. GALLO. Mr. Speaker, today I rise to pay tribute to a dedicated and unselfish civil servant, Sgt. Anthony Lasalandra, of the Boonton Police Department. Sergeant Lasalandra will be retiring soon, and it is right and proper that this body recognizes his service.

I have known Tony for most of my 49 years.

Almost 20 years ago Tony began his career in law enforcement. Like others in that field, Tony distinguished himself as someone who cares about the quality of life and the future of his community.

Whether it was his service in a patrol car, on a motorcycle, as the lead patrolman, or working in the office, Tony was always committed to his community and to his profession.

The life of a policeman is not an easy one. It involves long, often thankless hours. Often a policeman puts his life on the line for the protection of our citizenry. Police officers are all too often the target of ridicule and all too infrequently the recipients of praise.

Today, Mr. Speaker, I rise in praise. Praise for Tony Lasalandra and the thousands of other police officers who are so critical to our way of life. And, I rise, as a spokesman for this body, to say thanks.

TRIBUTE TO KEN TUCKER

HON. RICHARD C. SHELBY

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 29, 1985

Mr. SHELBY. Mr. Speaker, I would like to share with my colleagues in the House of Representatives a story that appeared in the Birmingham News, written by James H. Kennedy.

It is a wonderful account about Ken Tucker of Brewton, AL, and his highly successful company. Following is the enjoyable story as it appeared in the paper:

WITH SOUTHERN INGENUITY, DRAWL AND ALL, BREWTON MAN WINS YANKEE CUSTOMERS

(By James H. Kennedy)

BREWTON.—Ken Tucker knew when starting his "fat lightard" business that to be really successful he'd need to concentrate on people unfamiliar with the product—folks well north of the Mason-Dixon Line, namely, "Yankees."

He did just that, and 10 years later Brewton Enterprises—located in this Escambia County town of just under 7,000—is packaging and shipping 1.5 million pounds annually of fat lightard valued at $500,000.

Tucker hopes to increase that to 3 million pounds and $1 million gross in the near future.

Fat lightard—sometimes called "fat pine," "fat wood," or, simply, pine kindling—has been used for many years by Southerners to start fires in fireplaces, wood-burning stoves and so forth because of its concentration of highly flammable chemicals.

Tucker gets his supply mainly from Virginia pine stumps left in Alabama and Southern forests years ago by timber crews using two-men cross-cut saws, and from abandoned fence posts made of fat lightard wood.

His 15 full-time employees saw the lightard at specified lengths, chop it with hand axes into kindling-size pieces, and package it.

Fat lightard apparently was virtually unknown in the North and Northeast, until Tucker—a 44-year-old Auburn University business graduate—used "Southern ingenuity" to put it across.

He traveled throughout the North and Southeast for several years—Southern drawl and all—pushing his product at gift shops, arts and crafts shows and anywhere else he could get a foot in the door. His stops included New York, Chicago, Atlantic City, Boston, Atlanta and Birmingham.

As part of his sales pitch, Tucker ran his first advertisement ever in *Yankee* magazine, published in Dublin, N.H., and comparable to *Southern Living*.

He got his big break about six years ago when he landed a lucrative contract with L.L. Bean of Freeport, Maine, one of the largest mail-order outfits in the world. Bean carries his product in several of its catalog issues and buys almost two-thirds of his total output.

Much of his remaining sales are made through his own trade name, "Old South Country Kindling."

Perhaps the key to Tucker's success was packaging fat lightard so it appealed to those seeking something different.

Tucker's packages range in size from five to 50 pounds and come in everything from plain cardboard boxes to burlap sacks with draw strings and fancy, handmade pine chests.

One of his big sellers is a round package neatly bound by metal bands and equipped with a handle made of rope and lightard that also can be burned. It comes in five- and eight-pound sizes.

Like most success stories, Tucker's was littered with obstacles. The first year, for example, two floods wiped out his two-employee operation in a small garage in downtown Brewton.

He started over when friend Tom McMillan agreed to come in with him.

Ironically, though, the highest hurdle he had to jump probably was landing the Bean contract.

"People in the South had heard about fat lightard all their lives, so I envisioned selling it up North," said Tucker, an insurance salesman at the time. "But people up North didn't know what it was. I started going to trade shows up North, selling mainly to gift shops—and I began to bug L.L. Bean about handling it. I just bugged them to death, writing them letters and sending them samples for about a year.

"Finally Nancy Wright—a buyer for Bean—wrote and said to send some up, that they would test market it at their gift shop in Freeport."

Tucker sent Bean a 35-pound order in 1976, and waited with nail-biting anticipation . . . and waited . . . and waited. . . .

It was 1979 before Bean ordered any more and, again, it probably was due to Tucker's never-say-die persistence. He'd continued the whole time bombarding the firm with letters and samples and telephone calls.

"They first put me in half of their fall catalogs," recalled Tucker, who recently added baled pine straw and turkey callers to his line of products. "Now they put me in five of their catalogs—fall, Christmas, pre-Christmas, winter and their company catalog.

"The first year I sent them 2,000 units of eight-pound bundles and 11-pound burlap sacks, or about $12,000 worth. This year we'll average sending them 72,000 pounds a month for a total of about 865,000 pounds."

As for his baled "Southern Pine Straw" that he put on the market for the first time in July, Tucker says he's getting more orders than he can fill.

The straw—baled like hay—is sold largely to landscape firms in Birmingham and other larger Alabama cities.

"We're selling three trailer truck loads a week, and would like to get up to maybe five loads a week," he said. "We get $3.25 a bale for it."

He figures his turkey callers can't miss either, since one of this partners is Eddie Salter of Evergreen, the 1985 world champion turkey caller and state champion the past two years.

The callers—designed by Salter—will also be marketed nationwide by retail mail order businesses, he said.

"He (Salter) developed a cedar box caller and a black walnut box caller and five different style diaphragm mouth callers," he added.

"We're trying to make a high-quality, good-sounding caller for a fair price and sell to individual hunters rather than go through large retail stores," Tucker said. "We'd like to get up to 3 million (dollars) in gross sales a year."

Ken's success is the story of the American dream of hard work and dedication. He is a shining example of the backbone of this country's business community which has made America such a great land of opportunity.

I am honored to be able to share this delightful story with my colleagues in the House, and I wish Ken the very best in all of his future endeavors.

WHAT VE-DAY MEANS

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 29, 1985

Mr. GINGRICH. Mr. Speaker, the following editorial in the Economist states clearly why we in the West must recognize that Leninism, like nazism, is the great enemy of freedom. While nazism has disappeared, however, Leninism is still a threat to every one of us.

For those who wonder what is happening in Communist Nicaragua, Angola, Cambodia, Ethiopia, or in Afghanistan and for those who wonder who Gorbachev really is, the attached editorial describes precisely why Leninism is a threat to all of us.

[From the Economist, May 4, 1985]

WHAT VE-DAY MEANS—THE UNFINISHED BUSINESS OF 1945

To avoid any misunderstanding, let it be clear that Britain and America should be thanking heaven this weekend that they had Russia as their ally in the war against Hitler. The war might not have been won without the British and American efforts; it would certainly not have been won, short of using nuclear weapons, without the sacrifices of the Soviet people. Gratitude to Russia, as well as mutual congratulations on beating an abomination, is very much in order next Wednesday, the 40th anniversary of the end of the war in Europe. To avoid a different sort of misunderstanding, however, the west owes Russia an explanation of why, in celebrating what happened in 1945, the victorious ex-allies are only in part celebrating the same thing: which is why they are ex-allies.

The cards which invite non-communist westerners to next week's Soviet celebrations of VE-Day are addressed to fellow-members of the anti-fascist alliance, calling on them to commemorate the victory over fascism 40 years ago. The implication is that, even in 1985, the differences between Russia and the west are less important than the fact that both of them were against Hitler. Soviet politicians do not, of course, really believe this—read their speeches about bourgeois democracy, neo-imperialism and the putative victory of socialism—but their message to the west regularly appeals to the spirit of anti-fascist solidarity. The west can afford to be more honest. There was indeed an anti-fascist alliance and, praise be, it prevailed in 1945. But the victory of 1945 settled only one of the two main political problems of the twentieth century.

To westerners, meaning people who believe in the pluralist idea of politics, the twentieth century has been guilty of two great aberrations. One was nazism, the aberration that divided humanity into "us" and "them". To belong to "us Germans"—or, at the widest stretch, "us Aryans"—was the ground for behaviour that would have shocked a nineteenth-century peasant. What happened in Germany between 1933 and 1945 was a throwback to a primeval sense of belonging-to-one's-tribe, made vastly more dangerous by the Nazis' command of modern technology and the apparatus of the modern nation-state. Nazism may have been created by the economic and political conditions of post-1918 Germany, or by the demonic nature of Hitler himself, or both. Whatever its causes, the destruction it brought down on itself in 1945 was so complete that the world may never again see this sort of throwback in its pure form.

But the other aberration, Leninism, is still going strong. It is in some ways the opposite of Naziism. It says, admirably, that the whole of humanity can eventually be gathered into the category of "us". The sort of world it wants to create would be accepted as desirable by many non-Leninists. It has the merit of good intentions. It is an aberration because its chosen method of putting its good intentions into practice—the one-party system—assumes that those who reckon they know what needs to be done can safely be entrusted with a monopoly of power.

Leninism too is a throwback, to the cheerful insouciance of eighteenth-century rationalists who believed that scientific certainty could be applied to everything, even politics. It cannot. In the event, the one-

party system's concentration of power has multiplied the blunders rather than the achievements. Certainty was not available, after all. The good intentions keep on paving the road to the familiar destination. Where Naziism was the arrogance of the blood, Leninism is the arrogance of the intellect.

A CENTURY FOR HUMILITY?

If the twenty-first century is to do better than its deplorable predecessor, it needs to be spared both those arrogances, the we're-better-than-you kind and the we-know-better-than-you sort alike. But only one of them vanished in 1945. The other has grown much stronger since then, partly because of the self-confident assumption of certainty that is in fact its fatal flaw. The Leninist aberration, unlike the Hitlerite one, is not going to be removed by war. The invention of nuclear weapons makes it too dangerous for either side ever to think of putting the issue to the test of battle. Provided the nuclear balance is preserved, the issue will be settled by the processes of economic and political competition, which the west has a much better chance of winning than it used to think.

This is the unfinished business left over from 1945; and this, rather than whether President Reagan should have gone to Bitburg, is what people need to be arguing about on the 40th anniversary of Hitler's end. The Bitburg cemetery visit was, at worst, a mistake of timing. Sooner or later it should be possible to visit the graves of men who did terrible things—and it is by no means clear that the Bitburg dead fall into that category—in order to recognise, without forgetting what they did, that they too shared in the common experience of suffering and death. That is known as compassion. For some people, 1985 is too early for compassion for the Waffen-SS. It will be a pity if, by the year 2025, compassion has not won the day.

It will be even more of a pity if, by 2025, the politics of certainty are still on the march. If Lenin and Hitler have left a monument behind them, it is a monument to the proposition that politics cannot be conducted on the basis that one lot of people is better, or knows better, than another. The business of arranging men's relations with each other requires humility, hesitation, cautious experiment. "I beseech you, in the bowels of Christ, think it possible you may be mistaken", said Cromwell to the Scottish church in 1650. That is the motto of pluralism, and it should be the motto of the twenty-first cnetury's politics. No room there for the master-race or the master-party.

ATTACK ON LIBERTY

HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 29, 1985

Mr. EDGAR. Mr. Speaker, freedom of speech and association are the cornerstone of American democracy. Yet by continuing to prosecute the presidents of three Federal employee unions for supposed violations of the Hatch Act, the administration is chopping away at this cornerstone. While we all realize the value and importance of a nonpartisan career civil service, attempts to rob these men and their unions of a political voice does not serve this purpose. In fact, the Hatch Act as it is presently being used might better be named the "Hatchet Act."

I am proud to place in the RECORD an editorial from a local paper in my district, the Delaware County Daily Times, which supports this opinion. I commend it to my colleagues in considering the implications of the present case against Kenneth Blaylock, Moe Biller, and Vincent R. Sombrotto and future reform of the Hatch Act.

The editorial, "Attack on Liberty," follows:

ATTACK ON LIBERTY

It is our proud boast as Americans that we have a government of laws and not of men—that justice is determined by general principle, not individual whim.

But that boast ignores the fact that men must administer the laws. If the laws are in the hands of miscreants and fools, then our liberty is uncertain.

That danger was underscored yesterday by Edward J. Reidy, a federal administrative law judge, who ruled that the presidents of three federal employee unions should be convicted of violating the Hatch Act.

The union presidents had urged their members to vote for Walter Mondale in 1984. Their prosecution was sought by the Reagan Administration.

The Reidy ruling is a spectacularly maladroit application of the law. It ignores the facts of the case, violates the U.S. Constitution and gives future presidents a tool to suppress and punish any comment which does not advance the incumbent's interests.

It would have been difficult to walk 40 feet in the White House or Capitol last fall without encountering a federal employee who was busy violating the Hatch Act, a 1939 law which prohibits federal workers from taking an active part in political campaigns.

Unlike these hordes of aides and seretaries, the three union presidents singled out for punishment—Kenneth Blaylock of the American Federation of Government Employees, Moe Biller of the American Postal Workers Union and Vincent R. Sombrotto of the National Association of Letter Carriers—were not collecting federal salaries while playing politics.

The union presidents weren't on the federal payroll. They'd been on unpaid leaves of absence for years, working full-time for their unions. As part of their duties—while paid by the unions, not the government—they urged their members to vote for labor's candidate, Mondale.

The facts are clear. These men were not federal employees last fall and not subject to the Hatch Act.

This prosecution is a naked attempt to strip federal employee unions and their leaders of the opportunity to comment on political candidates and support them. That's a flagrant violation of their First Amendment rights. If confirmed and extended, the Reidy ruling could be used to silence or punish millions of Americans who dare oppose the men in power.

PHILADELPHIA INQUIRER AND THE SALE OF CONRAIL

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 29, 1985

Mr. FLORIO. Mr. Speaker, the Philadelphia Inquirer recently resumed publication after the the settlement of a strike. The Inquirer, through both its news and its editorial pages, has carefully followed the issues relating to the sale of Conrail.

Indeed, the importance of this issue was vividly illustrated when the Inquirer chose to write its first editorial upon resumption of publication on the sale of Conrail.

This editorial follows:

[From the Philadelphia Inquirer, Oct. 23, 1985]

CONRAIL SHOULDN'T BE SOLD TO NORFOLK SOUTHERN

It has become increasingly uncertain in recent weeks whether Congress will act this year on proposals for the sale of Conrail but it now is abundantly clear that, one way or another, Transportation Secretary Elizabeth Hanford Dole's recommendation that it be sold to the Norfolk Southern Corp. should be rejected. That could be done by congressional action if necessary but more appropriately by Mrs. Dole's withdrawing her recommendation or Norfolk Southern's rescinding its purchase offer.

The Norfolk Southern proposal, embraced by Mrs. Dole in February, appeared shaky from the start. It has become a growing embarrassment with each passing month. Testimony at public hearings and authoritative analyses have demonstrated that selling Conrail to Norfolk Southern would be detrimental to the national interest and jeopardize competitive railroad-freight service in the Northeast and Midwest, where Conrail operates.

A particularly devasting blow was dealt last month by the Interstate Commerce Commission in a report to the House public works and transportation subcommittee chaired by Rep. James J. Florio (D. N.J.). The ICC concluded that acquisition of Conrail by Norfolk Southern would place in doubt the long-term viability of smaller railroads serving portions of the same territory.

The ICC's report gives added validity to earlier findings of the U.S. Railway Association (USRA), which monitors Conrail operations for Congress. It reported in July that regional railroads operating in Conrail's territory would lose substantial volumes of traffic if it were acquired by Norfolk Southern, raising questions about their ability to remain in business.

At the outset, the Justice Department ruled that a Norfolk Southern takeover would violate antitrust laws unless significant trackage was divested to smaller railroads. The subsequent ICC and USRA findings suggest that, even with divestiture, the outlook for small lines would be bleak and rail-freight customers in some areas could find themselves at the mercy of a Norfolk Southern monopoly.

Moreover, the basic rationale for selling Conrail to Norfolk Southern—namely, that Conrail could not stand alone—is no longer valid. Conrail, with net income of $500 million in 1984, is now well on its way to a fifth consecutive year of profitability. USRA has

informed Congress that Conrail should remain profitable at least through the remainder of the 1980s.

There also are questions about the adequacy of Norfolk Southern's bid. It could become a government giveaway considering tax benefits that would accrue. But with a sale to Norfolk Southern demonstrated to be unwise because of other factors there is no point in haggling over price.

The proper course for Congress now is to devote its attention to options that would preserve Conrail as an independent railroad. One way to do that would be through a public offering of stock. A consortium headed by Morgan Stanley & Co., a New York investment firm, has proposed to buy Conrail and offer most or all of the stock for sale to the public.

Congress has not yet fully explored Morgan Stanley's proposal and there are many questions to be answered. That should be the focus of congressional attention in weighing Conrail's future.

Norfolk Southern has become a distraction. It received a fair hearing on an offer that was scrutinized and found wanting. It should step aside and let Congress move on to other options.

FAREWELL TO A FRIEND

HON. BEN GARRIDO BLAZ

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 29, 1985

Mr. BLAZ. Mr. Speaker, I join the people of Guam and the Northern Marianas as well as Catholics throughout the Western Pacific in mourning the passing of an extraordinary religious leader. The tragic death of Archbishop Felixberto C. Flores has saddened all of us who knew and admired him. Although he suffered from kidney and heart problems, Archbishop Flores had exhibited tremendous energy and productivity over the past few years.

Archbishop Flores was 64 and one of the most admired and respected leaders in the Western Pacific. He was a true son of Guam, born and raised in the territory and became the first Guamanian to be appointed bishop (1970) and archbishop (1984) to head the church in our region. He had been ordained a priest April 30, 1949, after studying at San Jose Seminary in the Philippines (1940 to 1944) and St. John's Seminary in Boston, MA (1945 to 1949).

Archbishop Flores had a great vision for our territory and our people and through his perseverance and tenacity, brought it to fruition. He was a man who seemed to know exactly what he wanted out of life.

I first met Archbishop Flores in 1949 while he was visiting the University of Notre Dame where I was studying. Even as a young priest he was very energetic and tenacious, characteristics which were to serve him well throughout his life. To some of us it seemed as though he was trying to accomplish the work of two people in one lifetime. And many of us who knew him well believed that he was motivated and propelled through life by the belief that he had an obligation to shoulder the dedication of his brother who died as a young man shortly after graduating from medical school.

Throughout his 36 years as a priest it was clearly evident he was destined to be one of the great leaders not only of the region but also of the church. His tremendous achievements are best exemplified through his relationship with the Holy Father who, at the then Bishop Flores' personal request, visited Guam in 1981, appointed two additional bishops to Guam and the Commonwealth of the Northern Marianas and designated the Agana Cathedral a Basilica.

Archbishop Flores' crowning achievement took place only a few weeks ago when, with 300 of the faithful of the Marianas, he assisted our Holy Father in celebrating the beatification of the martyred Jesuit Father Luis Diego de San Vitores, who first brought the Catholic faith to Guam 300 years ago. The archbishop had championed San Vitores' cause for sainthood and the beatification was an achievement reflecting his diligence and commitment.

During our visit to Rome for the beatification, the Archbishop was clearly at peace and seemed unusually tranquil. He had the look of a person who had finally accomplished the goal he had set for himself and for which he had fought so hard. Yet, I could not help but get the feeling he knew something he was not telling those of us who were honored to share the memorable occasion of the beatification with him. Having seen him just a few days earlier, last Friday's news of his unexpected passing reminded me of my mother on her deathbed, when she smiled serenely and told us she was ready to join the Lord. "I wish the Lord would take me now for I am ready to meet Him," she had said.

Mr. Speaker, if I could have one prayer answered, it would be that I also be as fortunate and would leave this world so peacefully, confident that I had done the Lord's work. Our church has lost a great leader; our people have lost their spiritual father; and I have lost a close personal friend. Those of us who have shared his life are better for having known him.

END VIOLENCE AND APARTHEID IN SOUTH AFRICA

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 29, 1985

Mr. BIAGGI. Mr. Speaker, we are all too familiar with the fact that South Africa is a country torn by racial tension and growing violence. The Botha regime is persisting in its policy of legally sanctioned racism and brutal repression of the black majority. The policy of apartheid is an affront to human dignity. Blacks are required to carry hated passbooks wherever they go. They are forced to live in cramped areas such as Soweto and their movement into the much wealthier white areas is strictly regulated. They are treated in an inhuman manner and this treatment continues and, in fact, has intensified in spite of major uprisings by the black majority. More than 730 blacks have been killed in the past 20 months in rioting throughout the country and, recently, the first white solider was killed.

In order to commemorate the victims of violence in South Africa, on October 5, 1985, a National Day of Mourning was held. I attended a memorial prayer service at St. Patrick's Catherdral in New York, coordinated by Mayor Edward Koch's office and the NAACP in conjunction with memorial services throughout the country. Among the 3,000 people in attendance were His Eminence John Cardinal O'Connor, Rev. Benjamin L. Hooks, executive director of the NAACP, and Mayor Koch. We can only hope the violence in South Africa will come to an end. However, the white majority government does not appear to be seeking negotiation.

The Government's method of dealing with these uprisings has been through severe repression. Black citizens have been subjected to a variety of cruel torture tactics, including being forced to assume a sitting position without the benefit of a chair for long periods of time, being forced to walk with small pebbles in one's shoes, and numerous beatings. All forms of verbal protest have been taken away from the black majority, including the banning of trade unions, the jailing of the community's most prominent leaders, such as Nelson Mandela, and the outlawing of the African National Congress which is considered the genuine representative of the black people. Prime Minister Botha has made certain token reforms, but to a large extent he has given in to the conservative elements in South Africa. Not only is the Government engaged in the internal repression of the population, it is conducting a border war with Namibia in an effort to topple its black majority government. South Africa has also refused to sign the Nuclear Non-Proliferation Treaty and is reportedly attempting to build a nuclear arsenal.

The Reagan administration has recently enacted some economic sanctions against South Africa. This represents a positive step forward on the part of our Government. However, these sanctions are not enough. Constructive engagement between the United States and South Africa is a policy failure. The Botha regime has proven that the policy of compromising with it and quietly persuading it to alter its policies will leave the edifice of apartheid intact. What is needed are strong economic sanctions until the white minority government gives the black majority an equal voice in the political process.

It is because of this that I once again call for the enactment of the economic sanction package contained in H.R. 1460—a bill that I cosponsored and which passed the House earlier this year. The measure bans loans to the Government, investment in the country by American firms, ban the sale of Krugerrands, and other gold coins in the United States, and ban all computer sales

to South Africa. These sanctions can only be waived with congressional approval provided certain steps are taken by the South African Government to dismantle apartheid. I believe these sanctions would force the South African Government to reconsider its racist and militaristic policies. Concentrated world pressure could break the ruling minority's stubborn stance. The United States has a moral obligation to take action now in an effort to end legally sanctioned racism in South Africa.

DEBT LIMIT CEILING

HON. THOMAS M. FOGLIETTA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 29, 1985

Mr. FOGLIETTA. Mr. Speaker, yesterday the President warned "the Congress that their unwillingness to deal with the debt ceiling and to take responsible action on the deficit is creating a large and unnecessary problem."

The President went on to accuse the Congress of "inexcusable dithering and delay."

Every Member of the Congress, and the American people, should take strong exception to the President's remarks and in particular, to his suggestion that Congress should take quick action on the Gramm-Rudman balanced budget proposal.

The fact is the issues being raised by the Gramm-Rudman proposal are serious and deserve serious deliberation. I would remind the President that he endorsed the Gramm-Rudman proposal even as his director of the Office of Mangement and Budget conceded that there was no written analysis of the legal and constitutional questions.

I would remind the President, too, of his professed concern for the social safety net. Yet, Gramm-Rudman's budget ax would hack away most deeply at programs like Aid to Families With Dependent Children, Medicaid, Medicare, Social Services Block Grants to the States, and Women, Infant and Children Programs. I would add that since 1981, human resource programs have been cut $56 billion—$34 billion of which came from those programs targeted specifically to the poor.

Finally, I would point out that Gramm-Rudman, assuming neither the Congress nor the President will cut defense readiness funds or the pay of our military men and women, would cut the $172 billion Federal deficit from programs whose total spending is only $176 billion. Simply put, Gramm-Rudman is unworkable.

Mr. Speaker, Gramm-Rudman, as endorsed by the President, is unfair. It is unfair both to the Nation's poor who already have borne the brunt of budget cutting and to those who are serious about balancing the Federal budget. To cast aspersions on those who raise these points does not give us an answer to the problem.

HONORING MAURY ROSAS

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 29, 1985

Mr. TORRES. Mr. Speaker, I rise today before my colleagues in the House to congratulate Mr. Maury Rosas of Pacific Bell Corp. for being named as a recipient of the RAYS Community and Corporate Partners for Progress Award.

RAYS stands for Reaching Adults and Youth by Success. The organization is a nonprofit corporation founded with the idea that education improves communities and business. RAYS emphasizes providing disadvantaged youth with academic and vocational training leading to successful employment opportunities. They have helped thousands of children grow into productive members of the community.

Mr. Maury Rosas has been instrumental in helping RAYS maintain and grow as an organization helping youth. Mr. Rosas is the primary liaison for Pacific Bell in the communities in and around my district. Among his numerous community involvements, he is vice chairman of the United Way Region I board of directors and served as public services campaign chairperson.

A native of Clarkdale, AZ, Mr. Rosas began his education at Pierce and San Fernando Valley State Colleges and received his degree from the University of San Francisco. He has lived in southern California since 1949 and began working for the phone company in 1966.

Mr. Rosas and his wife, Margie, share a number of interests including water skiing, desert motorcycle riding, and travel. they have one son, Maury.

Mr. Speaker, on behalf of my colleagues in the House I commend Mr. Maury Rosas for his outstanding contributions to the well-being of the youth in our community.

AMERICANS HELD HOSTAGE 603 DAYS

HON. GEORGE M. O'BRIEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 29, 1985

Mr. O'BRIEN. Mr. Speaker, today marks the 603d day Americans have been held hostage in Lebanon.

William Buckley, a U.S. Foreign Service officer, was kidnapped in Beirut on March 16, 1984, 603 days ago today.

Today marks the 295th day Father Lawrence Jenco, the head of Catholic Relief Services in Beirut, has been held hostage in Lebanon.

Terry Anderson, the Associated Press Beirut bureau chief, was taken hostage 227 days ago.

The director of the American University Hospital in Beirut, David Jacobsen, was kidnapped 155 days ago, 5 months yesterday.

Thomas Sutherland, the dean of the American University Agriculture School, was taken hostage 142 days ago.

Today also marks the 330th day since the disappearance of Peter Kilburn, the American University librarian.

Mr. Speaker, President Reagan met yesterday with the families of four of the hostages. But the hostage crisis won't be over until all the Americans are returned home safe and sound.

SALUTING THE NEW ENGLAND COUNCIL

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 29, 1985

Mr. CONTE. Mr. Speaker, during this fall's heated debate on what U.S. trade policy should be, we should listen for the voice of reason, and when we hear it, we should heed it.

One such voice comes from the New England Council, a regional business association that for 60 years has made it a point to work with its elected public officials in the public policy arena.

Working with the former Senator from Massachusetts Paul E. Tsongas, the council is pushing a proposal that would block the penetration of U.S. domestic markets of illegal foreign goods, and would open up overseas markets to U.S. goods.

Introduced in the House by Congressman BRIAN J. DONNELLY, H.R. 2697, the Fair Foreign Trade Practices Act of 1985, would invest more authority in the Office of the U.S. Trade Representative to respond to unfair trading practices, in accordance with international trading agreements. Problems arising from injurious industrial targeting, intellectual property rights violations, and counterfeiting are specifically addressed by the council-Tsongas proposal.

While the council itself acknowledges that the Fair Foreign Trade Practices Act is not the panacea for all our trade problems, the proposal represents a step that must be taken. It is for these reasons that I am pleased to be a cosponsor of this important legislation.

In closing, Mr. Speaker, I want to commend to the attention of my colleagues a recent editorial endorsement of the council-Tsongas proposal by the Boston Globe, entitled "A Trade Deficit Scalpel."

[From the Boston Sunday Globe, Sept. 1, 1985]

A TRADE-DEFICIT SCALPEL

A towering trade deficit, likely to top $150 billion this year, has prompted a torrent of proposals in Congress that approach the problem with all the finesse of a meat ax. A regional effort, assembled by former Sen. Paul Tsongas and the New England Council, avoids the danger of rampant protectionism by sharpening a more discriminating tool, which would deal with trade grievances on a case-by-case method. It deserves the support of Congress.

The largest single source of the trade deficit is, of course, the overvalued dollar,

which makes American goods less competitive with their counterparts from other countries in both foreign and domestic markets. The problem is compounded by unfair practices by other countries. These practices may make it more difficult for American companies to sell in foreign markets or may give imports an unfair advantage in the open U.S. markets.

The Tsongas-New England Council proposal, filed by Rep. Brian Donnelly (D-Mass.), gives the US trade representative the power to initiate a wide range of actions whenever unfair practices are found in foreign or domestic markets. Under existing law, such an initiative lies only with the president.

Mechanisms of this sort are appropriate to the current trade situation because they avoid across-the-board restrictions that are bound to provoke countermeasures from other countries, running the risk of widespread protectionism among the industrial nations. Their existence should prompt other countries to reevaluate their trade policies; they can be invoked if the countries fail to do so.

The timeliness of the proposal and its moderate approach was emphasized on Friday with the release of the latest U.S. trade figures, showing the best comparative performance so far this year. The reduction of the gap to $10.5 billion during July may have reflected the first effects of a weaker dollar.

If so, it indicates that American goods are regaining their competitiveness even without excessively protectionist measures—and that any heavy-handed efforts by Congress would provoke countermeasures just when Americans are ready to expand their international markets.

The proposal is additionally important because it reaffirms American support of the broad concept of free trade by conforming to the General Agreement on Tariffs and Trade, which continues to form the framework for all world trade.

Many American businesses need no more help to compete than an assurance of fairness. The Tsongas-New England Council proposal would help provide it.

PENNSYLVANIA FEDERATION OF WOMEN'S CLUBS

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 29, 1985

Mr. GOODLING. Mr. Speaker, today I would like to draw the attention of my colleagues to the 90th anniversary of the GFWC Pennsylvania Federation of Women's Clubs. The federation was founded 90 years ago today at the New Century Club in Philadelphia and comprises nearly 700 clubs, with a total membership close to 50,000 making the GFWC the largest service organization of volunteer women in Pennsylvania. With membership in the Pennsylvania Federation of Women's Clubs also comes membership in the General Federation of Women's Clubs, which is the largest organization of volunteer women in the world.

I would like to take this opportunity to share with you some of the projects the GFWC has successfully completed over the years. The following contributions have been made to various institutions and projects: $50,000 for the restoration of Independence Hall; $100,000 to the Woman's Medical College; $55,000 to childhood cancer research and education; $35,000 to diabetes research; and donations of over $5,000 annually for student art scholarships.

In addition, other contributions include establishing a home for women at Laurelton; furnishing two period rooms in the William Penn Memorial Museum valued at over $200,000; founding three-quarters of the libraries in Pennsylvania; cosponsoring television spot announcements on drug abuse; and the commitment of perpetual care of the Pennsylvania acre in the Medal of Honor Grove at Freedom Foundation in Valley Forge. The GFWC also purchased 160 acres of prime forestland and turned it over to the U.S. Forest Service and raised over $85,000 for the learning disabled. These are just a few of the many accomplishments of the Pennsylvania Federation of Women's Clubs.

I congratulate the GFWC Pennsylvania Federation of Women's Clubs on the occasion of its 90th anniversary and wish its members continued success. I am pleased to have the GFWC Pennsylvania Federation of Women's Clubs State headquarters within my congressional district and am proud of the work and services which they provide to the citizens and communities of the Commonwealth of Pennsylvania.

LET'S BE TOUGH, GEORGE, ON THE SOVIET SEAMAN ISSUE!

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 29, 1985

Mr. BROOMFIELD. Mr. Speaker, I urge the Secretary of State to hang tough on the Soviet seaman issue. While the summit is near, we must not allow the Soviet bear to intimidate us this time.

While all of the facts are not yet available, Mr. Miroslav Medvid twice tried to escape from a Soviet freighter near New Orleans. He was returned to his ship on both occasions by U.S. officials. Although he was interviewed and asked if he was seeking political asylum, he may not have understood. U.S. officials considered him as being in the United States illegally. He was then returned to the Soviet vessel.

U.S. immigration policy is to provide protection for anyone who asks for political asylum. Let us hope that U.S. immigration authorities did not misunderstand Mr. Medvid's request and return him against his will.

Fortunately, U.S. officials have again interviewed him and he is now in a U.S. hospital under observation.

We all know of the famous case of a Lithuanian sailor who tried to stow away on a U.S. Coast Guard vessel. Soviet officials were allowed to come aboard that boat and take Mr. Simas Kudirka back to the Soviet vessel after beating him senseless. He then spent 4 years in a Soviet prison for his actions.

If political asylum is what Mr. Medvid wants, we must give it to him. While the forthcoming summit is important, U.S. national principles come first. Don't sacrifice Mr. Medvid at the altar of summitry. The life of this young man may be at stake. Hang tough, Mr. Secretary.

NEW HAVEN HONORS ARTHUR BARBIERI AND HY KATZ

HON. BRUCE A. MORRISON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 29, 1985

Mr. MORRISON of Connecticut. Mr. Speaker, on October 30, 1985, the New Haven Knights of Saint Patrick will hold their 10th annual Friendship Night. Honored that night will be two outstanding citizens of Connecticut's Third District, Arthur T. Barbieri and Hy Katz.

Richard C. Lee, former mayor of the city of New Haven, will present the Distinguished Service Award to Mr. Barbieri for his many years of dedicated service to the community.

Fresh to politics when he entered his first political primary in 1949, Arthur went on to become the chairman of the New Haven Democratic Town Committee and one of Connecticut's premier politicians. Adviser and friend to Senators, Governors, and Congressmen, a leading player in city policymaking, his political achievements are numerous. In 1974, he played a leading role in helping Ella Grasso become Connecticut's first woman Governor.

As a community leader, Arthur Barbieri has always made time for people from all walks of life. From working with government representatives, businessmen, and labor promoting economic expansion in the New Haven area, to helping countless individuals who did not know where else to turn, Arthur has earned the gratitude and respect of many thousands in Greater New Haven.

I am also proud to announce that the Knights of Saint Patrick's Humanitarian Award will be presented to Herman "Hy" Katz, another outstanding New Haven area resident, in recognition of his many contributions to the community.

Mr. Katz is the owner of Hy's Village Restaurant in the Westville section of New Haven, and is well known for his generosity and support of a wide range of civic and humanitarian activities for over 25 years. His restaurant is famous in the New Haven area as the site of many fundraising breakfasts given by Mr. Katz to benefit such causes as muscular dystrophy, the Masonic Home, and pediatric cancer research.

Hy Katz has played an active leadership role in many community charitable organizations. He has been vice president of the New Haven Jaycees, president of the Hamden Probus Club, a group which provides assistance for the mentally retarded,

and president of the Pyramid Temple Klowns, a branch of the International Shriners, which visits children in Crippled Children's Hospitals and Pediatric Burn Units.

Mr. Speaker, I join many other admirers in congratulating Arthur Barbieri and Hy Katz on their outstanding accomplishments, and I sincerely thank them for the years of tireless dedication they have shown to the people of Greater New Haven.

HONORING TRW'S COMMUNITY INVOLVEMENT

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 29, 1985

Mr. TORRES. Mr. Speaker, I ask my colleagues in the House to join with me in recognizing TRW's commitment to improving the well-being of our communities. TRW will be named as a recipient of the RAYS Community and Corporate Partners for Progress Award.

RAYS stands for reaching adults and youth by success. The organization is a nonprofit corporation founded with the idea that education improves communities and business. RAYS emphasizes providing disadvantaged youth with academic and vocational training leading to successful employment opportunities. They have helped thousands of children grow into productive members of the community.

Mr. Speaker, TRW is to be commended for its corporate commitment to conducting business in a manner benefiting customers, employees, and local communities. TRW's stated goals include adherence to the highest professional conduct, achievement of superior economic performance, and participation in a variety of community activities and education programs.

I am pleased to congratulate TRW for their award and want to thank them for their assistance to RAYS and the youth of our communities.

MEDICAL CENTER CELEBRATES SILVER ANNIVERSARY

HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 29, 1985

Mr. BERMAN. Mr. Speaker, I rise today to pay tribute to a fine organization in my community. Lake View Medical Center has been providing excellent medical care to the San Fernando Valley since its inception in 1960. Lake View Medical Center is a truly unique and vital organization with an outstanding record of accomplishments. On November 17, the medical center will hold a reception to celebrate its silver anniversary. As the Representative of California's 26th District I am proud to share some of Lake View Medical Center's accomplishments with my colleagues.

In 1957 a mid-air collision of two planes over a Pacoima Junior High School, resulted in the death of 3 students and 85 more were transported many miles away for medical attention. The local community aroused by the lack of hospital facilities launched a fund drive with a door-to-door "Mother's March" and produced the necessary funding to build the new hospital.

In 1971 the hospital was hit by a 6.8 earthquake and as a result had to be rebuilt. Through community support and determination on the part of the staff the hospital again was providing top-notch, accessible medical care to the area within a short time.

Today, Lake View Medical Center is still providing excellent medical service to the San Fernando Valley and has been responsible for instituting some excellent projects. This hospital pioneered the concept of emergency room contracts for all hospitals with the city and county of Los Angeles. This program makes it possible for an injured person to be taken to the nearest emergency hospital.

It is my distinct pleasure and honor to join with my colleagues to pay tribute to Lake View Medical Center, an invaluable resource to the community.

HAPPY 100TH BIRTHDAY

HON. CARDISS COLLINS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 29, 1985

Mrs. COLLINS. Mr. Speaker, I would like to recognize a significant milestone achieved by a resident of Chicago, which I am privileged to represent. Today, Mrs. Clara Belle Williams is celebrating her 100th birthday.

The daughter of sharecroppers and granddaughter of black slaves, Mrs. Williams was born October 29, 1885, in LaGrange, TX. Her own parents never attended school, but encouraged their five children to do so. Self-respect and doing one's best was instilled in everyone and is still flowing down through the generations.

In 1905, Mrs. Williams was awarded her teaching certificate and moved on to her first job in Cameron, TX, receiving $30 a month for her services.

After a 10-year courtship, Clara married Jasper Williams, also a teacher, and raised three sons. While they were attending medical school, Mrs. Williams returned to school herself to earn her college degree at the age of 51. The first black graduate of New Mexico State University, Mrs. Williams returned there in 1980 to receive an honorary degree in law. She retired from teaching at the age of 65.

In 1961, Mrs. Williams invested her life savings in a medical clinic for her three sons, Drs. James, Sr., Charles, Sr., and the late Jasper, Sr. The Williams Medical Clinic on the South Side of Chicago is also home for Drs. Jasper, Jr., and Charles, Jr. The clinic may be expanding its physician supply soon—James' son, James II, is in his last year of medical school; and Frank Allen, the youngest son of Charles, Sr., is in his residency.

After moving to Chicago in the early 1950's, Mrs. Williams worked in the clinic until she retired in 1978. Mrs. Williams is now enjoying her retirement keeping busy with daily walks, horticultural projects, and her family which includes besides those already mentioned two granddaughters and a new great-grandson.

I am pleased to acknowledge Mrs. Clara Williams on this great occasion and wish her a very happy birthday.

SUPERFUND MANUFACTURERS EXCISE TAX

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 29, 1985

Mr. DOWNEY of New York. Mr. Speaker, in its narrow approval of the Superfund Manufacturers Excise Tax, the Ways and Means Committee has actually pushed the Congress dangerously close to the edge of an insidious and hidden trap for American taxpayers—the value added tax. Not only does this tax undermine the principles of this country's tax policy, it also violates the rationale of the Superfund hazardous waste program by transferring the costs of the program to taxpayers who have played little or no role in the creation of the toxic waste crisis facing us today. I will be offering an amendment to replace the Superfund VAT approved by the committee when we debate this issue on the floor in the coming weeks. I will be joined by my friend and colleague, Representative BILL FRENZEL, who also recognizes the need for fair and appropriate Superfund taxes.

This country has made a decision to raise the revenue needed to promote the general welfare through a progressive tax system. Different tax rates reflect individuals' abilities to pay taxes. This is the fairest and most equitable means of raising the money we need to run our country.

The supporters of this new Superfund tax have called it a manufacturers excise tax. However, this regressive tax should be examined for what it really is—a value added tax. The tax approved by our committee is imposed on manufactured goods. Each manufacturer is taxed on an amount of value added to goods they produce. An excise tax is normally a tax on the full sales price of the goods produced and is traditionally viewed as a tax on narrow categories. The distinction is important because if Americans are going to be railroaded into paying a regressive tax, they ought to know they're not riding a phantom train surreptitiously dubbed an "excise tax."

The Superfund VAT contained in H.R. 2817 will be levied on the sale of manufactured goods at each stage of the production process. The cost of the tax will be transferred to the buyer of those goods. If the buyer happens to be a manufacturer, a

credit will be provided against the amount of tax that has previously been paid by other manufacturers. For example, in the manufacture of an automobile, a credit would be given to the auto manufacturer for the taxes that were paid on the parts of the car—the tires, the glass for the windows or the steel and aluminum—that the auto manufacturer brought from another manufacturer. Each tax is therefore factored into the selling price of a product. But the cost of the tax is hidden in the final sales price which is paid by the consumer.

An invisible tax reflected in higher prices for consumers ignores the principles of tax fairness and equity. Unlike the Tax Code, consumer prices do not reflect taxpayers' economic situations or their ability to pay a certain tax rate. Obviously, lower and middle income people will have a tougher time swallowing higher prices than the wealthy. A VAT is a regressive tax and is patently unfair to the average American.

Proponents of this new Superfund tax claim that the tax is dedicated only to Superfund and that enough safeguards exist in the legislative and political processes to ensure that this tax is not expanded to raise general revenue. However, the history of Federal taxes clearly shows that once a tax is enacted, it inevitably expands. The Investment Tax Credit is one example of a tax allowance with a narrowly defined goal that has grown to a proportion that was never intended when it was designed.

Serious practical concerns have been voiced over the Superfund VAT. The Treasury Department and the Environmental Protection Agency have written about the VAT contained in S. 51, which closely resembles the VAT contained in H.R. 2817, and noted that it:

Is an entirely new method of taxation that would present numerous administrative difficulties for both the Internal Revenue Service and taxpayers. For example, the manufacturers VAT would create valuation problems for tax administrators and taxpayers. This is because manufacturers do not sell exclusively to wholesalers. Some manufacturers engage in wholesale and retail activities, perhaps even selling directly to consumers. In such a case, adjustments must be made to reduce the manufacturer's price to reflect the fact that it is engaged in wholesale and/or retail activity. This involves the need to determine an "arms-length price" for intercompany pricing purposes. Canada, which has a manufacturers VAT, has found it necessary to rely on an extensive set of rules and regulations involving discounts, notional values, and phantom sales to "paper" branches to solve this problem. The Internal Revenue Service has estimated that the cost of implementing the manufacturers VAT would be approximately $5.1 million per year.

If the VAT were passed into law, the EPA would be corralled in the starting blocks as the Treasury Department struggled to deal with a new and complicated Superfund tax at a time when the Agency should be accelerating its efforts to clean up hazardous waste dumps. Who bears the cost of this delay? The people living near toxic waste sites. They will have to endure contaminated groundwater, noxious fumes, and general anxiety about their prolonged exposure to dangerous chemicals for that much longer. And under the VAT, it is important to remember that these same people affected by the toxic waste problem will be paying for the cleanup effort through higher prices. It's bad enough that they must live near toxic waste—they should not be forced to pay for that risk.

Congress designed the Superfund Trust Fund in 1980 to clean up thousands of abandoned and out-of-control hazardous waste dumps through revenue raised from the sale of crude oil and 42 chemical feedstocks. In theory, EPA is supposed to use the CERCLA trust fund to clean up sites and then recover the costs of the cleanup from those parties responsible for the problem. At the time the law was written, we believed that these chemicals and the companies producing the feedstocks were most directly responsible for the toxic waste problem.

Today, the feedstock tax has been widely viewed as meeting the test of tax equity because of the relationship between the companies on which the tax burden falls and the predominance of the kinds of waste found at hazardous waste sites. EPA reports that 93 percent of all hazardous waste generated in the United States is generated by the chemical, petroleum, and metal-related industries, which are the companies that pay the feedstock taxes. In its final report dated Demember 1984 on Feasibility and Desirability of Alternative Tax Systems for Superfund, EPA concluded that:

Because (the chemical, petroleum and metal-processing) industries both produce and use the feedstocks taxed by the current CERCLA tax, it appears that the tax burden is primarily borne by these industries and their customers. This is consistent with the view that equity requires a rough correlation between the industries paying the CERCLA tax and the industries responsible for Fund spendings.

Not only does a connection exist between taxpayers and the problem, but the existing feedstock taxes have proven to be highly reliable and easily administered. If EPA would only spend the money raised by these taxes, we would be facing less pressure to expand the fund to the level which the public now demands.

My amendment will essentially retain the existing tax structure of Superfund but make increases in the tax rates for feedstock chemicals and crude oil. In addition, it will include a waste-end tax, revenue to finance the cleanup of leaking underground storage tanks and general revenues.

The Superfund VAT is unfair and inappropriate. Adopting a complicated regressive tax at a time when we are struggling to reform our Tax Code to made it simpler and fairer is hypocritical. The burden of the VAT will fall on 28,000 companies required to pay the tax and millions of American consumers who have little or no connection to the hazardous waste problem. Superfund's tax base should be expanded to include those who generate waste and this can be done through the waste-end tax. The problem of hazardous waste is serious. But let's not throw away the basic pinnings of our tax system because we are unable to take the time to make tough decisions on how to pay for the problem of hazardous waste. The polluter must pay for the legacy of decades of negligent waste disposal and the program must be supported by stable, reliable and carefully targeted tax revenues. I urge my colleagues to support my amendment when it comes to the floor for a vote.

TRIBUTE TO DR. HYTOLIA R. JAMES

HON. WILLIAM H. GRAY III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 29, 1985

Mr. GRAY of Pennsylvania. Mr. Speaker, today I rise to salute an outstanding American and educator, Dr. Hytolia R. James. Dr. James is retiring after more than two decades in the Philadelphia school system and she is leaving behind a legacy of excellence, caring, and love.

Her achievements in the field of education are numerous. She is well-known for the "I Am Somebody" Project, a program of excellence designed to develop a positive self-image and self-pride in schoolchildren. This program continues to receive wide media coverage because of the excitement that it generates and for the benefits it provides students.

In addition, Dr. James has received countless citations for her sincere and dedicated efforts toward improving the quality of education. She has been cited by the Philadelphia Daily News as one of the top 12 black educators in the city schools, and she has been recognized over the last 20 some years by almost every major radio station in the city for her performance as a master teacher, a principal, and administrator.

She has been named citizen of the month and citizen of the year by various organizations for her outstanding contributions to the community. She is an active participant in Operation PUSH in Philadelphia and serves as a board member. She is also on the board of Timberlake charities and is affiliated with Offender Aid and Restoration.

Dr. James, who currently serves as the executive director of personnel and labor relations for the school district of Philadelphia, will be saluted tomorrow night by her friends, her colleagues and loved ones at a gala retirement celebration.

Mr. Speaker, I know our colleagues will join me now in saluting this fine human being and distinguished public servant.

THE SITUATION OF CYPRUS

HON. ROBERT A. YOUNG

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 29, 1985

Mr. YOUNG of Missouri. Mr. Speaker, I rise today to express my concern over the current situation on the Island of Cyprus.

This past weekend, I met with the members of the Justice for Cyprus Committee of Greater St. Louis, MO, on this topic.

First of all, I would like to take this opportunity to applaud the work of the Justice for Cyprus Committee of Greater St. Louis, particularly their efforts on behalf of Cypriot refugee children.

Since the year 6000 B.C., many have invaded the Island of Cyprus. However, no one had ever attempted to change the territorial integrity or cultural heritage of Cyprus until 1974.

July 20, 1974, marked the beginning of the Turkish invasion of Cyprus that resulted in the occupation and colonization of 40 percent of the Republic's territory.

Today, 11 years after the invasion, approximately 30,000 Turkish troops, as well as 50,000 Turkish settlers remain on Cypriot soil, and the island remains partitioned. No government other than Turkey, has formally recognized this Turkish Republic on Cyprus. Consequently, the United Nations has condemned this violation of international law.

The Secretary General of the United Nations has been relentless in his personal attempts to resolve this situation. He has continually called for a summit between the Greek and Turkish leaders. I am sure that both the administration and the Congress would welcome and encourage such a meeting.

In addition, U.N. General Assembly Resolution 7212 and Security Council Resolution 365 have provided a framework for a just and viable solution to the problems in Cyprus. The U.N. proposals include a withdrawal of all foreign troops on the Island and a requirement that there be no change in the demographic composition of Cyprus. This demilitarization would mean that standing armies would be replaced with an enlarged U.N. peacekeeping force. At this point, I am pleased to say that the Greek-Cypriots have agreed to these conditions. We must now apply pressure to the Turks to address these proposals.

With regard to American economic assistance, the administration requested $3 million for Cyprus. However, Congress felt that this was not adequate and increased that amount to $15 million for each of fiscal years 1986 and 1987.

Cyprus has been a valuable ally to the United States. I am sure that all my colleagues recall most vividly that the Government of Cyprus provided the United States with critical assistance throughout the crisis in Lebanon.

In closing, let me add that Congress must continue to work toward an early resolution to the problems in Cyprus that will protect all Cypriots and promote peace and stability in that vital region of the world.

A TRIBUTE TO A FINE AMERICAN, "FOOTS" PARKER

HON. JOHN BRYANT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 29, 1985

Mr. BRYANT. Mr. Speaker, America has lost a fine American—a gentleman in every sense of the word. Emory Z. "Foots" Parker, who died last Friday at the age of 69, was an athlete, an educator, a loving husband and father, a man who gave to his community and his fellow citizens far more than he received.

Foots Parker was born in Mineola, TX, where he attended public shools, and graduated from Jarvis Christian College in Hawkins with a bachelor's degree in education. After teaching physical education for several years in the Mineola and Alvarado, TX, public schools, he served as principal of Alvarado High School.

But Foots served the young people he cared so much about in other ways. One of those was to entertain and inspire them as an athlete—a member of the old Negro Baseball League, where he played with some of the great names in baseball.

He didn't talk much about himself or his accomplishment, but he played for several teams in the league and traveled throughout the world with the Kansas City Monarchs. He played with Satchel Paige, the trailblazing Jackie Robinson, and baseball's all-time home run king, Hank Aaron.

I think Foots Parker—having experienced the society so segregated that an all black baseball league was the only outlet for talented young athletes like him—must have been pleased to see that division in our Nation end. And I think he would have taken pleasure in seeing another Kansas City team—made up of blacks and whites and Hispanics working together and playing together for the enjoyment of us all—win the World Series.

Yes, I think Foots Parker relished seeing and participating in the progress our Nation has made in securing and guaranteeing human rights for all our people, as he believed we should take a strong stand as a nation for equality and justice throughout the world.

Foots was involved in his community, serving it unselfishly in many ways—among them as one of the most outstanding Democratic precinct chairmen in the Fifth Congressional District, which I am privileged to represent. One could always count on Foots to do what he said and more.

Foots Parker was a dear friend, who will be sorely missed by all of us who were lucky enough to have known him and worked with him for a better world.

COMPENSATING VICTIMS OF THE CYCLAMATE DECISION

HON. VIC FAZIO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 29, 1985

Mr. FAZIO. Mr. Speaker, there are times when our Federal Government makes mistakes which cause injury to citizens. Where it is in our power, we should right those wrongs. We are introducing a bill today to right a wrong to a large class of citizens who were injured severely when, 16 years ago, at hurriedly called Saturday press conference, Health Education and Welfare Secretary Robert Finch announced that he was banning the use of the artificial sweetener called cyclamate.

Acting on a congressional reference case initiated by California's senior Senator ALAN CRANSTON in 1977, a hearing officer for the U.S. Claims Court found last December that one injured party, the 1,098 members of California Canners and Growers, had suffered $8.2 million in losses as a result of the HEW's improper handling of this case in October of 1969. The finding came after 6 months of trial in 1980, which generated 5,000 pages of hearing record, and after 4 full years of deliberation by the court.

The California Canners and Growers case now lies before the review panel of the U.S. Claims Court, its last step under the congressional review process prior to coming back to the Congress as the court's final recommendation. The hearing officer's finding is being formally contested by the Government, on the rather narrow grounds that regardless of fairness and equity the Government is under no legal obligation to right this wrong. We are confident, however, that the panorama of facts laid out in the CalCan hearings will overwhelm this ethically barren argument.

Consequently, we are introducing a bill today which we hope will enable other parties damaged in the same way as CalCan to seek restitution from the Claims Court. We are frankly not sure how many claimants may come to the court; we might get a better idea of their numbers and the amounts of their requests now that the bill is pending in Congress. We anticipate that other agricultural canning organizations will be able to establish that they were harmed. We are confident that Congress will agree that the Government acted wrongly when it reviews the record of the CalCan case. We anticipate that Congress will also conclude that relief is due to any who can legitmately establish damages. We believe Congress will also want to devise a mechanism to extend that relief as expeditiously as possible.

Our bill provides that mechanism. It would first stipulate that the Government acted wrongly, and would then allow any entity with a case one year to go directly to the Claims Court and establish its injury. Provided the claimant has the evidence, it

would qualify directly for relief from the Treasury.

This procedure is a special one, slightly different than the conventional avenues for damages. Normally, claimants against the Government file in the Claims Court on grounds laid out in the Federal Torts Claims Act. Where the torts law does not establish formal legal grounds applicable to a particular case, parties may approach Congress as CalCan did for relief based on plain equity. Normally, in those cases Congress, provides private relief through special legislation. Our bill would have Congress make the determination of Government wrong-doing, but then allow the Claims Court to award damages following its own assessment of the claims with no further action by Congress necessary.

We expect the Congress will understand why the facts of the case warrant our approach. We think Congress will recognize the pointlessness of asking all the claimants to seek separate congressional reference legislation, of requiring each of them to reestablish over again the Government's failure, and of only then allowing them to get to the relevant new issue: How much damage can they document? And after all that, individual claimants would still have to seek private appropriations. Our bill is a means of avoiding the wasted time and effort of prosecuting parallel claims from the beginning.

We introduce the bill now though we do not anticipate its moving until the Claims Court has officially reported back to the Congress its findings in the CalCan case. The sooner the bill is introduced the sooner we will be able to draw Congress' attention to the issue, and the sooner we will be able to move the bill once the court does report. Among other purposes for early introduction, we hope that the field of potential claimants will begin to identify itself, since we anticipate that even though relief is clearly justified Congress will want to know roughly the amount of liability involved.

The facts of the CalCan are simple, but the damage to a thriving industry was devastating. Cyclamates are a nonnutritive sweetener widely used in this country prior to the Government's action in 1969. They are still widely used throughout the world. In 1959 the U.S. Food and Drug Administration had placed cyclamates on the GRAS [generally recognized as safe] list. Many businesses consequently developed product lines heavily dependent on the use of cyclamates, and many consumers relied upon those products, including for medical reasons, because of Government endorsements of its safety. CalCan had developed a thriving low calorie line of canned fruit products known as Diet Delite, sales of which had been rising steadily in the years prior to the cyclamate ban.

In December of 1968, Herbert Ley, Commissioner of the FDA, prepared a brief paper summarizing the research on cyclamate to that point: "From the work that has been reported, there is no evidence that cyclamate proposes a carcinogenic hazard."

Why then did HEW Secretary Finch suddenly call an extraordinary Saturday press conference only 10 months later, at which he announced that new experiments clearly linked cyclamates to cancer, that cyclamates were in fact carcinogenic, that a National Academy of Sciences panel had confirmed this finding, and that he was therefore legally bound to ban cyclamates? He promptly removed them from the GRAS list, which meant that they needed specific approval in order to be used, and he said he would not grant that specific approval.

This press conference received wide newspaper and television coverage across the Nation. The public was told by the Federal Government that it was no longer safe to use cyclamates in any form.

All product containing cyclamate was to be off the shelf in 3 months. This inflicted considerable hardship on businesses which had to prepare product far in advance and to keep the product for marketing over the course of a year. Soon after the original stern announcement, however the Secretary relented a bit. He extended the deadline until September 1, 1970, acknowledging his ruling had precipitated "economic chaos." He allowed canned products to be marketed thereafter with appropriate labels as drugs, to be used by properly informed consumers with medical concerns. Businesses repackaged their products, and submitted the labels to the FDA for approval. All was proceeding routinely within the bureaucracy.

Suddenly, in August of 1970, the FDA announced that products containing cyclamates could not be marketed as drugs either. The reasons for that action have never been clear. However, the FDA and HEW were under intense pressure to ban cyclamates altogether, the pressure having been significantly intensified by the Secretary's own initial exaggerations about its carcinogenicity.

The Secretary of Health, Education, and Welfare does not call a national press conference about as publically volatile an issue as this and anoint a new carcinogen without significant consequences.

The effects of the Government's action on CalCan were absolutely unmistakable. From 3.8 million cases of its Diet Delite brand sold in 1968–69, sales dropped to 1.9 million cases in 1969–70. In November, 1968, 1 year before the ban, CalCan sold 291,000 cases of low calorie fruit; the November immediately after the ban sales plummeted to 27,000 cases.

Further, after going through all the expense of relabeling the 1970 harvests as saleable in the category of drugs, CalCan was caught by the sudden August cutoff with 3 million cases of a once-promising product.

Prior to the ban CalCan had 1,100 members. By the time it went bankrupt 12 years later membership had dwindled to 500. The cyclamate ban contributed heavily to the accumulated difficulties which eventually drove the cooperative under.

Others were damaged as CalCan was, including CalCan's sister cooperative, the Tri-Valley Growers. This bill is for them.

The Claims Court found that the FDA could have conceivably sustained an argument that cyclamate might be associated with cancer and on that basis could have been justifiably subject to a ban. Therefore, the court carefully disallowed CalCan damages for actually having banned cyclamate. Our bill would not allow damages from the Claims Court on that ground either. The court found, however, that the procedures through which the Department should have gone to make such a finding and ruling were simply not followed in this case.

There had been no reliable study linking cyclamate with cancer. The Secretary's press conference rested on preliminary findings of a study showing bladder tumors in rats that had been fed excessive quantities of a combination of cyclamates and saccharin, and in circumstances which themselves were confusing and which confused the results. The FDA itself had not completed its review of this incomplete study.

No National Academy of Sciences panel had confirmed a legitimate link between cyclamate and cancer either, despite the Secretary's flat assertion. Documents uncovered at the trial, in fact, established that HEW officials were well aware of what the NAS had and had not said, which was only that the study which the Secretary used was incomplete and inadequate on a basis for action.

This whole drastic error would have no doubt been avoided had political officials been in touch with career professionals within the FDA. They were not. It was stipulated at the trial that the FDA scientists had not been made aware of the study on which the Secretary based his action. Nor were any FDA officials aware that the Secretary was going to hold a press conference and ban cycylamate October 18. They read it in the news. Only the Commissioner of the Food and Drug Administration Herbert Ley knew what was going to take place that day.

A couple of days previous to the press conference, however, HEW General Counsel Bob Mardian and Assistant HEW Secretary for Health Jesse Steinfeld journied to the White House. There private meetings were held, first with Deputy Counsel to the President Egil Krogh and then with his immediate superior, Domestic Affairs Adviser John Erlichman.

We do not know what was said at those meetings. We do know that a Michael Kahl, Assistant to Secretary Finch for Public Affairs at that time, later testified that the announcement made at the press conference by Secretary Finch, Dr. Steinfeld, and Commissioner Ley came as a complete surprise to him, though his position was such that he routinely reviewed matters of this sort before they got to the Secretary. Instead, Mr. Kahl said at trial, the decision to ban the additive was done in private meetings, very closed door and very hush hush.

One irony of the case is that the FDA later tried to ban saccharin, the companion constituent in the inadequate test of the rats. Congress intervened to stop that

action, which had been proceeding normally.

Another irony is that the NAS concluded this June that cyclamate has no direct link to cancer by itself. The FDA is now considering whether to reinstate it to the GRAS list. This time the FDA is proceeding cautiously, as it should. The National Academy has been commissioned to determine whether cyclamate encourages carcinogenic characteristics of other substances.

We do not ask Congress to determine the carcinogenicity of any substance. We trust that this time the regulatory process will work as it should, and we hope that it can thereby regain some of its bruised credibility. Our bill would simply ask that Congress stipulate to the errors made by the Federal Government, and allow those who were damaged so long ago to seek relief for which they should have had no need at all, much less wait 16 years for it.

H.R. 3583 PUT TEETH INTO OUR EXTRADITION TREATIES

HON. F. JAMES SENSENBRENNER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 29, 1985

Mr. SENSENBRENNER. Mr. Speaker, the *Achille Lauro* incident will have the same impact on our foreign policy as when America remembered Pearl Harbor, the Beirut bombing, the shooting down of the KAL airliner, and other acts of aggression against the United States.

President Reagan dealt the bandits of the *Achille Lauro* a surprise card of justice. Even with the arrest, our international agreements failed us. The release of the terrorist Mohammed Abbas and failure of countries to comply with the United States' requests for extradition has made it painfully clear that our treaties with other nations lack the enforcement teeth necessary to protect our citizens.

That is why I introduced H.R. 3583 to assist the President with enforcement of these obligations. The bill gives the President authority either to immediately withhold economic and military aid or to restrict imports if a country has in its custody a person who has committed a terrorist act against the United States.

I insert in the CONGRESSIONAL RECORD, at this point, two appendixes. Appendix I is a text of the bill. Appendix II is a listing of countries that currently have extradition treaties with the United States.

[Appendix I]

H.R. 3583

A bill to amend chapter 209 of title 18, United States Code, to provide for sanctions against foreign countries that do not extradite terrorists to the United States as required by treaty

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. PRESIDENTIAL AUTHORITY TO IMPOSE TRADE AND AID SANCTIONS AGAINST FOREIGN GOVERNMENTS FOR FAILURE TO EXTRADITE TERRORISTS AS REQUIRED BY TREATY.

Chapter 209 of title 18, United States Code, is amended by adding at the end the following new section:

"§ 3196. Sanctions against foreign governments for failure to extradite terrorists as required by treaty

"(a) If the government of a foreign country with which the United States has entered into a treaty of extradition does not (in compliance with a request properly made under that treaty) extradite to the United States a person who commits an act of terrorism against a United States person or United States property, the President shall have authority, notwithstanding any other provision of law, to take any of the following actions: restriction of imports from that country, reduction of military assistance to that country, and reduction of economic assistance to that country.

"(b) Before taking any action authorized under subsection (a) of this section, the President shall provide notice of the intended action to the chairman and the ranking minority party member of each of the following committees of Congress: the Committee on the Judiciary of the House of Representatives, the Committee on Foreign Affairs of the House of Representatives, the Committee on the Judiciary of the Senate, and the Committee on Foreign Relations of the Senate.

"(c) As used in this section—

"(1) the term 'treaty of extradition' means a bilateral or multilateral treaty or other international agreement providing for extradition; and

"(2) the term 'act of terrorism', 'United States person', and 'United States property' have the meanings given those terms in section 3077 of this title.".

SEC. 2. TECHNICAL AMENDMENT.

The table of sections for chapter 209 of title 18, United States Code, is amended by adding at the end the following new item:

"3196. Sanctions against foreign governments for failure to extradite terrorists as required by treaty.".

[Appendix II]

EXTRADITION

The following is a listing of countries that currently have extradition treaties with the United States:

Albania, Argentina, Australia, Austria, Bahamas, Barbados, Belgium, Bolivia, Brazil, Bulgaria, Burma, and Canada.

Chile, Colombia, Congo (Brazzaville), Costa Rica, Cuba, Cyprus, Czechoslovakia, Denmark, Dominican Republic, Ecuador, Egypt, El Salvador, Estonia, Fiji, Finland, and France.

Gambia, Federal Republic of Germany, Ghana, Greece, Grenada, Guatemala, Guyana, Haiti, Honduras, Hungary, Iceland, India, Iraq, Ireland, Israel, and Italy.

Jamaica, Japan, Kenya, Latvia, Lesotho, Liberia, Liechtenstein, Lithuania, Luxembourg, Malawi, Malaysia, Malta, Mauritius, Mexico, Monaco, Nauru, Netherlands, and New Zealand.

Nicaragua, Nigeria, Norway, Pakistan, Panama, Papua New Guinea, Paraguay, Peru, Poland, Portugal, Romania, San Marino, Seychelles, Sierra Leone, Singapore, Solomon Islands, South Africa, Spain, Sri Lanka, Surinam, Swaziland, Sweden, Switzerland, Tanzania, Thailand, Tonga, Trinidad and Tobago, Turkey, United Arab Republic, United Kingdom, Uruguay, Venezuela, Yugoslavia, and Zambia.

CONVENTION ON EXTRADITION

The United States is a party to the Multilateral Convention on Extradition signed at Montevideo on Dec. 26, 1933, entered into force for the United States on Jan. 25, 1935. 49 Stat. 3111.

Other states which have become parties: Argentina, Chile, Colombia, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, and Panama.

INCREASED COUNSELING FOR FEDERAL EMPLOYEES RETIREES

HON. FRANK R. WOLF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 29, 1985

Mr. WOLF. Mr. Speaker, today I am introducing legislation to allow Federal retirees a second chance to opt for a survivor annuity under the civil service retirement system.

During my 5 years in Congress, I have been contacted by numerous retired Federal employees who would like an opportunity to select a survivor annuity for their spouses. Under current law, such a decision must be made at retirement and a second chance to choose is not permissible. I learned through many of those contacts, however, that the retiree had a lack of information when the annuity designation was made. Many people have said that they were given incorrect or incomplete advice by the personnel retirement counselor in their employing agency.

To address these concerns, I have introduced a retiree bill with my Virginia colleague Senator PAUL TRIBLE which will give all annuitants 18 months to choose a survivor annuity if they did not do so before retirement. Retirees would be required to make appropriate deposits to the retirement system to cover such a selection.

The bill also mandates that agency retirement counselors be trained in retirement law changes at least once a year to ensure proficiency on the latest law revisions and competency in counseling prospective retirees. The Office of Personnel Management is also required to establish and publicize a telephone number which annuitants may call to obtain answers to questions relating to retirement benefits and survivor annuity selections provided under the bill.

I have worked with the National Association of Federal Employees' National legislative office in developing this legislation and it is my hope that we can move toward quick passage of this measure. I urge my colleagues to join me in cosponsoring this legislation to assist those who have retired from Federal service.

BILL ANALYSIS

SECTION 1—18 MONTH PERIOD TO ELECT A SURVIVOR ANNUITY

Provides that if an annuitant were married at the time of his or her retirement from the government and elected not to

provide a survivor annuity for his or her spouse, the annuitant will have 18 months to elect for a survivor annuity.

A deposit must be made into the Civil Service Retirement System for the survivor annuity which equals the difference between the amount the retiree has received and the amount which would have been paid if such election had been made at the time of retirement plus interest on that amount as earned at a rate by the fund during the period since retirement.

SECTION 2—RETIREMENT COUNSELING

Mandates that OPM will establish a training program designed to promote fully informed retirement decisions by employees. Retirement counselors in all federal agencies will be required to successfully complete a training session annually. OPM will offer the training program quarterly.

OPM will also establish and publicize a telephone number which annuitants may call to obtain answers to questions relating to retirement benefits and survivor annuity selections provided under the bill.

H.R. 3641

A bill to amend title 5, United States Code, to increase the opportunity to provide a survivor annuity under subchapter III of chapter 83 of such title; and to improve retirement counseling for Federal Government employees

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

18-MONTH PERIOD TO ELECT A SURVIVOR ANNUITY

Section 1. (a) Section 8339 of title 5, United States Code, is amended by adding at the end thereof the following:

"(o)(1)(A) An employee or Member—

"(i) who, at the time of retirement, is married, and

"(ii) who notifies the Office at such time (in accordance with subsection (j)) that a survivor annuity under section 8341(b) of this title is not desired, may, during the 18-month period beginning on the date of the retirement of such employee or Member, elect to have a reduction under subsection (j) made in the annuity of the employee or Member (or in such portion thereof as the employee or Member may designate) in order to provide a survivor annuity for the spouse of such employee or Member.

"(B) An employee or Member—

"(i) who, at the time of retirement, is married, and

"(ii) who at such time designates (in accordance with subsection (j)) that is limited portion of the annuity of such employee or Member is to be used as the base for a survivor annuity under section 8341(b) of this title.

may, during the 18-month period beginning on the date of the retirement of such employee or Member, elect to have a greater portion of the annuity of such employee of Member so used.

"(2)(A) An election under paragraph (A) or (B) of paragraph (1) shall not be considered effective unless—

"(i) the spouse of the employee or Member is provided advance notice of the election in accordance with such regulations as the Office shall prescribe; and

"(ii) the amount specified in subparagraph (B) of this paragraph is deposited into the Fund before the expiration of the application 18-month under paragraph (1).

"(B) The amount to be deposited with respect to an election under this subsection is an amount equal to the sum of—

"(i) the difference (for the period between the date of retirement of the employee or Member and the date of the election) between the amount paid to such employee or Member under this subchapter and the amount which would have been paid if such election had been made at the time of retirement; and

"(ii) interest on the amount of the difference under clause (i) at the average annual interest rate earned during such period by securities held by the Fund.

"(3) An election by an employee or Member under this subsection voids prospectively any election previously made in the case of such employee or Member under subsection (j).

"(4) An annuity which is reduced in connection with an election under this subsection shall be reduced by the same percentage reductions as were in effect at the time of the retirement of the employee or Member whose annuity is so reduced.

"(5) Rights and obligations resulting from the election of a reduced annuity under this subsection shall be the same as the rights and obligations which would have resulted had the employee or Member involved elected such annuity at the time of retiring.

"(6) The Office shall, on an annual basis, inform each employee or Member of the right or election under this subsection, including the procedures and deadlines applicable in making any such election.".

(b)(1) The amendment made by subsection (a) shall take effect 3 months after the date of the enactment of this Act.

(2)(A) Subject to subparagraph (B), the amendment made by subsection (a) shall apply with respect to employees and Members retiring before, on, or after such amendment first takes effect.

(B) For purposes of applying the provisions of paragraph (1) of section 8339(c) of title 5, United States Code (as added by this Act) to employees or Members retiring before the date on which the amendment made by subsection (a) first takes effect—

(i) the period referred to in subparagraph (A) or (B) of such paragraph (as the case may be) shall be considered to begin on the date as of which such amendment first becomes effective; and

(ii) the amount referred to in paragraph (2) of such section 8339(o) shall be computed without regard to the provisions of subparagraph (B)(ii) of such paragraph, relating to interest.

(3) For purposes of this subsection, the terms "employee" and "Member" each has the meaning given that term in sections 8331(1) and 8331(2) of title 5, United States Code, respectively.

RETIREMENT COUNSELING

SEC. 2. (a) Subchapter III of chapter 83, of title 5, United States Code, is amended by adding at the end thereof the following new section:

"§ 8349. Retirement counseling

"(a) For the purposes of this section, the term 'retirement counselor', when used with respect to an agency, means an employee of the agency who is designated by the head of the agency to furnish information on benefits under this subchapter and counseling services relating to such benefits to other employees of the agency.

"(b) The Director of the Office of Personnel Management shall—

"(1) establish a training program for all retirement counselors of agencies of the Federal Government; and

"(2) designate and publicize a telephone number at the Office which annitants may call to obtain answers to questions relating to retirement benefits under this subchapter and which is to be used exclusively for such purpose.

"(c)(1) The training program established under subsection (b)(1) of this section shall provide for comprehensive training on the provisions and administration of this subchapter, shall be designed to promote fully informed retirement decisions by employees, and shall be revised as necessary to assure that the information furnished to retirement counselors of agencies under the program is current.

"(2) The Director shall conduct a training session under the training program once each quarter-year.

"(3) Once each year, each retirement counselor of an agency shall successfully complete a training session conducted under the training program.

"(c) The Director shall assign the responsibility of receiving and responding to calls made to the telephone number designated under subsection (b)(2) of this section of a sufficient number of employees who are knowledgeable about the provisions and administration of this subchapter to assure that prompt and effective assistance is furnished to annuitants.".

(b) The chapter analysis at the beginning of such chapter is amended by inserting after the item relating to section 8348 the following new item:

"8349. Retirement counseling.".

BELLFLOWER, CA, 28 YEARS OLD THIS SATURDAY

HON. MERVYN M. DYMALLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 29, 1985

Mr. DYMALLY. Mr. Speaker, it gives me pride to announce to my colleagues the 28th birthday of one of the most pleasant and delightful cities anyone could hope to have in his congressional district. This Saturday, November 2, will mark the 28th year of incorporation of the city of Bellflower, CA.

The people of Bellflower derive much enjoyment from their city, and it is their practice to mark the birthday of this wonderful place with exceeding mirth and festivity. This year a complete week of celebration was planned, and, indeed, is already in progress as we speak. I invite my colleagues to visit this beautiful community and see for themselves its spacious, palmtree lined boulevards and its comfortable, friendly neighborhoods. We call Bellflower the Friendly City. It takes but a short conversation with any of its residents to see how the city has earned its name. You will find the citizens of Bellflower as warm as the California sun.

This year the city is beginning its birthday celebration athletically and is ending it with what amounts to a 4-day party. As you might imagine, I sorely regret that I am missing the athletic events, but I plan to

make up for that absence by my attendance and full participation at the party. The athletic portion of the festivities began with both a 5k and a 10k race on Saturday. For the younger set, a tricycle race was held as well. Sunday was Bellflower Heritage Day which included a variety of historical events including displays at the Carpenter Museum and an historical fashion show, as well as a vintage auto show. Eating is the order of the day today and tomorrow. The mayor will lead attendees in a prayer breakfast tomorrow to thank the Lord for the many good things he has given to the citizens of Bellflower. Today the Soroptimists Club hosted a joint service club luncheon.

Thursday will be the first day of the big carnival and the city will join together to put on a fine halloween program for the young people at all the parks in the city. Friday, in addition to the carnival and the Kiwanis-sponsored spaghetti dinner, there will be a hard fought volleyball tournament. And of course everyone loves a parade. That happens Saturday. And after the parade the birthday party itself starts. Everything else was just prelude, you see. The party will encompass a community fair, skydiving, a release of birthday balloons, a presentation of awards for best floats in the parade, a baby contest and diaper derby, not to mention the chili cookoff awards, the music, the cutting of the birthday cake, and the fireworks show. If that were not enough, we expect the Bellflower Bears to triumph in their football game on that day.

If any of my colleagues are lucky enough to find themselves in our community this weekend, I hope they will come on over to Thompson Park and have a piece of cake to help us celebrate our birthday.

THE DEFICIT AMENDMENT IS JUST A GIMMICK

HON. JIM MOODY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 29, 1985

Mr. MOODY. Mr. Speaker, I would like to call attention to an article authored by our colleague DAVE OBEY which outlines the inherent flaws in the Gramm/Rudman deficit reduction proposal.

Mr. OBEY, with his usual clarity and directness, points out the sound economic reasons why Gramm/Rudman is more of an election relief act than a realistic deficit reduction measure.

I commend this article to my colleagues.

[From the Washington Post, Oct. 25, 1985]

Now that the Gramm/Rudman deficit reduction blitz has the attention of Congress and the American people—and since it is likely that momentum spawned by the Senate's quick action will foster passion for similar passage in the House—it is time to examine the sound economic reasons why the effort to trim the deficit should begin now rather than after the 1986 elections.

As the proposal now stands, it is brilliant only for its political strategy. It is blatant election-year gimmickry and attempts to fool the country into thinking that Congress is getting serious about the deficit. It postpones the pain of serious deficit reduction until after the 1986 elections, when 22 Republican Senate seats are exposed.

But I doubt the American public is going to trust any approach to deficit reduction that puts off the real pain until some point in the future—especially if putting things off in this fashion enables some politicians to coast through the next election.

Yet, the Gramm/Rudman amendment boldly claims that it is time to get serious about the deficit. The proposal sets a target of $180 billion for the FY '86 deficit, this at a time when the Congressional Budget Office is forecasting a deficit of $175 billion for the same fiscal year. A $5 billion cushion has been conveniently built into the proposal to prevent any singificant deficit reduction during the coming fiscal year.

Then, to make certain nothing happens this year, the proposal also allows the $180 billion target to be exceeded by 7 percent before any deficit reduction is mandated. This escape clause means that the deficit could be as high as $192 billion before anything would have to be done about the FY '86 budget deficit.

How can it be claimed that Gramm/Rudman is a responsible approach to deficit reduction if it would permit this year's spending levels to be $17 billion higher than the levels specified in this year's budget resolution? Gramm/Rudman claims to balance the budget in a systematic way, but what it really seeks is for somebody else to balance the budget at some point in the future when the political landscape is a little neater.

If we are going to get serious about reducing the budget deficit, then let's get serious by starting now, with the FY '86 budget, because there are sound economic reasons for doing so.

Whatever final proposal is approved by the House-Senate conferees, it is certain agreement will be reached that Congress should not tailor a straitjacket that keeps us from responding to cyclical economic conditions. We will have to fashion an alternative that allows flexibility based on economic growth and on the knowledge that it is much sounder policy to cut the deficit in good growth years than in bad.

The reasons for getting on with the task in FY '86 is this:

CBO is projecting growth of 3.4 percent in FY '86. Although long-range projections are for continued good growth in FY '87, an increasing number of economists aren't so sure. Too, it is much harder to forecast far into the future than it is to see into the next 12 months. Should growth fall off sharply in 1987, budget cuts of the magnitude fashioned in Gramm/Rudman could be disastrous. If nothing is done in 1986 to reduce the deficit—as urged by Gramm/Rudman—and bad economic conditions dictate nothing be done in 1987, we will continue to stretch decision day farther and farther into the future and allow politicians to escape responsibility.

Historically, presidents have created the "political business cycle" by playing with monetary and fiscal policy to influence elections. With Gramm/Rudman, Congress would sign into law the political business cycle by taking the political heat off in 1986.

In discussing the timeliness of deficit reduction, President Reagan has said:

"We've come to a turning point, a moment for hard decision. I have asked the Cabinet and my staff a question, and now I put the same questions to all of you: If not us, who? If not now, when?"

Gramm/Rudman responds, "Not us. Not now."

As the conference committee continues its work, it should tell the American people the time is now, FY '86. Economic considerations are on their side.

THE 100TH BIRTHDAY OF MRS. CLARA BELLE WILLIAMS

HON. CHARLES A. HAYES

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 29, 1985

Mr. HAYES. Mr. Speaker, it is with great pleasure that I address this august assembly to note that today is the 100th birthday of Mrs. Clara Belle Williams, a resident of the First Congressional District of Illinois. In living to become a centenarian, Mrs. Williams has consistently demonstrated the highest standards of excellence and achievement in all of her endeavors.

From her humble beginnings as the daughter of ex-slaves in her native Texas, she launched a fervent drive to educate herself and her children. Through the years, she has been a shining example of the tireless commitment to progress and self-improvement that has distinguished the fight for self-determination, equal opportunity, and justice for black people in the United States.

Her loving touch has had a particularly significant impact on the people of the First Congressional District where, with the assistance of her three sons, Jasper, James, and Charles, she was largely responsible for establishing and maintaining the Williams Clinic as one of the major health care resources of our community.

The lives of the people of the First Congressional District, the city of Chicago, the State of Illinois, and the United States of America have been enriched by Mrs. Williams' selfless efforts. I know that my distinguished colleagues in the U.S. House of Representatives will join me in wishing her a happy 100th birthday and many more years of active and productive life.

GRAMM-RUDMAN INEQUITY

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 29, 1985

Mr. PEPPER. Mr. Speaker, as a conferee on the Gramm-Rudman proposal I am gravely concerned that many of our colleagues of this distinguished body are not aware of the far-reaching consequences Gramm-Rudman would automatically impose on us if it were to pass.

In every area of "controllable" spending cuts would be made affecting those who need help the most and who can least afford to absorb any cuts because they are

already at or below subsistence levels of life.

For the information of our colleagues I would like to insert at this point the following letter I received from the Orange County public school system in Florida, which graphically details the way in which these cuts would be likely to affect this one school system and the children it is supposed to turn into capable and productive citizens of our Nation for the future.

It is unconscionable to suggest that programs that build the future of this country and our people, programs that feed and heal people, programs that keep deserving people on the edge of survival, be cut even by a further percentage. We need to recognize this fact and make government work positively and affirmatively the way it works best. This is what the committees of the House would like to do instead of allowing automatic and unreasoning cuts to be enacted.

ORANGE COUNTY PUBLIC SCHOOLS,
Orlando, FL, October 21, 1985.

Hon. CLAUDE PEPPER,
Rayburn House Office Building,
Washington, DC.

DEAR CONGRESSMAN PEPPER: The Gramm/Rudman Deficit Reduction Proposal is of grave concern to us. While we would welcome a mechanism that would work in a fair manner to eliminate mounting Federal deficits, this proposal does not treat all programs equally.

Because education programs are forward-funded, with the bulk of funds going to school districts a year later than actually appropriated, even modest cuts in education spending for a particular fiscal year equate to enormous cuts in a program's budget authority. For example, a three percent across the board cut in spending translates into a 40 percent cut in the Chapter 1 budget authority or a reduction of $2,934,568 to Orange County; a 67 percent cut in Education for the Handicapped or a reduction of $1,871,642 to our schools; and a 30 percent cut in vocational education or a local reduction of $101,781.

These budget cuts would result in a significant and substantial curtailment in needed educational services for our students. Can we really afford to make such huge reductions in educational programs required for our youth while other federal initiatives remain virtually untouched?

We urge you to consider this matter most carefully. We do not believe such drastic cuts in education support are necessary. If it is impossible to shelter education completely as is proposed for social security, please ensure that educational interests are not unfairly treated in relation to other areas of national public concern.

Sincerely,

JAMES L. SCHOTT,
Superintendent.
RAYMOND H. BASSETT,
Chairman, Orange County School Board.

INTRODUCTION OF HOUSE JOINT RESOLUTION 433 REQUESTING AND AUTHORIZING THE PRESIDENT TO PROCLAIM JUNE 2-8, 1986, AS NATIONAL FISHING WEEK

HON. WALTER B. JONES

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 29, 1985

Mr. JONES of North Carolina. Mr. Speaker, today I am introducing House Joint Resolution 433, requesting and authorizing the President to proclaim June 2-8, 1986, as National Fishing Week.

Mr. Speaker, all too often we forget the importance of the fishing industry here in the United States. The resolution I have introduced would merely ask the President to recognize the contribution of our Nation's fishermen and the fishing industry.

Fishing is a tradition deeply rooted in our history. Fishing provided our ancestors, the pioneers, and settlers of our country, with an immediate and steady food supply. These same resources allowed fishing to become a major ceremonial and subsistance activity of native American cultures. This fishing tradition lives on today—only the fishing methods and techniques have changed.

It is estimated that each year over 200,000 commercial fishermen ply the oceans in search of seafood to fill the plates of millions of Americans. It is also estimated that over 54 million Americans are sport fishing enthusiasts. It is often forgotten that in addition to being relaxing, sport fishing is an industry encompassing tackle manufacturers, boat and motor producers, and the service industries such as hotels and motels and bait shops. It is estimated that in 1985, the commercial and sport fishing industries together will employ nearly 1 million Americans and generate over $27 billion in economic activity.

Fishing also provides healthful, protein-rich food. In fact scientific research has recently shown that the consumption of fish can reduce the probability of heart disease. Perhaps this is one of many reasons why fishing will continue to grow as America grows.

Our fishery resources are one of our Nation's important renewable natural resources. Fishing promotes respect and value for these resources and the natural environment. The citizens of this country are committed to the long-term health of these resources as their sport and livelihood are dependent upon the resource itself.

Whether the fishing is family-oriented outdoor recreation, or commercial fishing carried out on the high-seas, the result is a healthier and stronger America. I urge my fellow Members to honor the fishing industry and fishing public of the United States by joining me as a sponsor of House Joint Resolution 433 calling for the President to proclaim June 2-8, 1986, as National Fishing Week.

HOUSE OF REPRESENTATIVES—*Wednesday, October 30, 1985*

The House met at 10 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

The grass withers, the flower fades; but the Word of our God will stand for-ever.—Isaiah 40:8.

We are thankful, O God, that in a world of change, Your Word is a beacon of truth. We are grateful that Your Word tells us how to live our lives and reminds that we ought to treat each other with dignity and respect. May Your good Word lead and guide that we will be the people You would have us be. Amen

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 1903. An act to provide for the use and distribution of funds appropriated in satisfaction of judgments awarded to the Chippewas of Lake Superior in Dockets Numbered 18-S, 18-U, 18-C, and 18-T before the Indian Claims Commission, and for other purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2942) "An act making appropriations for the legislative branch for the fiscal year ending September 30, 1986, and for other purposes."

The message also announced that the Senate agrees to the amendments of the House to the amendments of the Senate numbered 12 and 26 to the above-entitled bill.

LEGISLATION TO RESTORE DEMOCRACY OF INFORMATION TO FAMILY PLANNING POLICY ABROAD

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, last July the Agency for International Development became the Agency of Informational Dictatorship.

This dramatic transformation came about when AID announced a new policy toward family planning agencies in developing countries. Up to this point, in order to receive U.S. dollars, family planning groups had to give information on all available pregnancy-prevention methods. Now, AID is telling certain "natural family planning" groups that they can ignore those ethical standards that other family planning organizations still abide by.

What does this mean to a woman in a developing country? What does this mean to a poor woman who already has several children and feels that her family is complete? It means that the woman going into a natural family planning clinic will have one—and only one—response dictated to her. No one will tell her that she might have a choice of several different methods. No one will even refer her to another clinic if she seems dissatisfied with the order they give.

Perhaps AID also stands for the Agency of Informational Dictatorship. In this country, where the right to know all one's health options is so greatly prized, we cannot afford to promote a limitation of information abroad. No family planning agency should be allowed the dangerous exemption from informed consent. We must respect the right of the individual woman to make her own choice based on the personal, cultural, and medical needs which no one from the outside can impose.

Mr. Speaker, today with my colleagues NANCY JOHNSON and OLYMPIA SNOWE, I am pleased to announce the introduction of legislation that would restore the democracy of information to family planning policy abroad. Thanks to the leadership of Congresswoman JOHNSON, we may once again have an AID policy that allows for full informed consent for all family planning groups in developing countries.

GRAMM-RUDMAN DEFICIT REDUCTION PLAN

(Mrs. SMITH of Nebraska asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SMITH of Nebraska. Mr. Speaker, I am getting a message from the people back home in Nebraska and that message grows louder every day: The deficit hurts. Do something about it.

I know this is the same message every Member of this body receives, and I am wondering just how much longer some of my colleagues are going to ignore it.

In Nebraska, for agriculture, the Federal budget deficit and the resulting overvalued dollar and continued high interest rates means our farm products cannot compete in the global market and our farmers must shoulder a back-breaking cost of servicing the farm debt.

Rural America, along with much of the country, is hurting because of an annual Federal deficit that adds billions each year to the mounting public debt. Now finally, after months and months of empty rhetoric, we have the opportunity to do something about the pain, and I say let's get to it.

The Gramm-Rudman-Mack-Cheney deficit reduction plan may not yet be perfected—it means we in Congress will have to finally put together a realistic and responsible budget—it may mean some difficult spending cuts down the road—but it is the only long-range, budget-cutting plan on the table. And it is time this House faces reality and listens to the cry from the taxpayers back home who are demanding a reasonable means of bringing Federal deficits under control and establishing a government we can pay for.

I urge the conferees to bring Gramm-Rudman out of conference, and I urge my colleagues to support it without any further delay.

JOINT CHIEFS OF STAFF REORGANIZATION ACT OF 1985

(Mr. SKELTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SKELTON. Mr. Speaker, yesterday was a very important day regarding the military future of our Nation because the House Armed Services Committee reported out the Joint Chiefs of Staff Reorganization Act of 1985.

It is the most significant change in military organization since the Department of Defense was created in 1947. Until now, the Chairman of the Joint Chiefs has officially been only the spokesman of the corporate views of the four service Chiefs. As a result, the Chairman has been stuck with positions written by a committee, that is, the service Chiefs, that protects the institutional interests of each of the four services. The 1985 Joint Chiefs of Staff bill strengthens the role of the Chairman of the Joint Chiefs by

making him the principal military adviser to the President and to the Secretary of Defense. As the only member of the Joint Chiefs of Staff with no service responsibilities, unlike the four service Chiefs, the Chairman is uniquely positioned to speak for the broader military point of view. This change will undoubtedly strengthen his voice and help check the parochial interests of each of the four services.

In addition, the Joint Staff will now work directly for the Chairman rather than for the Joint Chiefs as a whole. For a third of a century, the Joint Staff has not been working for a national or unified strategy but rather for three separate strategies, those of the Army, the Navy, and the Air Force. Giving the Chairman complete control of the Joint Staff will improve the joint multiservice perspective that has been lacking since 1947.

EL SALVADOR

(Mr. LAGOMARSINO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LAGOMARSINO. Mr. Speaker, all of us in the House welcome the news of the release in El Salvador of the daughter of President Duarte following lengthy negotiations.

President Duarte has sought to humanize the war in his country and has urged the leftist guerrillas to abandon their senseless attacks on the Salvadoran people. The guerrillas, for their part, demand to share power with the Government before the conflict can be resolved; and until that occurs, they arm themselves through the help of the Sandinista regime in Nicaragua to fight the Duarte government with the apparent intention of bringing it down.

President Duarte, in a speech to the National Assembly in El Salvador, blamed the Nicaraguans for being behind the kidnaping of his daughter. He said, Managua was the center of the operation, kidnaping, and this has to be denounced.

Mr. Speaker, if the guerrillas are honestly seeking peace and justice in El Salvador, they would sit down with President Duarte and continue the dialog that began so hopefully a year ago. Action like the kidnaping of his daughter do not bring peace closer, it only makes it less likely.

SAVE FOR THE U.S.A. YEAR

(Ms. KAPTUR asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. KAPTUR. Mr. Speaker, over $200 billion of the U.S. debt is owed to foreign interests. This year, for the first time since World War II, the United States became a debtor nation, which means we owe foreign interests more money than they owe us. Thus, today I am introducing a resolution that asks the President to designate 1986 as "Save for the U.S.A. Year." It directs the President to elevate to national prominence a special national savings bond drive next year to help wean America off its growing dependence on foreign sources of credit.

Now, as much as any time in our past, we need to promote individual savings, as well as savings on our public debt. To meet this object, my resolution calls on a tried and true resource, the U.S. savings bond program, which saves taxpayers over $2 billion a year in annual debt costs. Together with the President, let us appeal to the American people to serve their country while they save. Mr. Speaker, this is a start at buying back America.

NATIONAL ARSON AWARENESS WEEK

(Mr. MOAKLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOAKLEY. Mr. Speaker, Monday night a young mother and her 10-month-old son were killed when a fire raced through a shelter for battered women in my congressional district.

Another young mother and her 27-day-old son also remain hospitalized as the result of smoke inhalation. When the fire department arrived, shortly after the fire began, they had a difficult time finding those trapped inside because of the thick black smoke and the way the fire spread so quickly throughout the structure.

According to the Boston Fire Department, the exact cause of the fire has yet to be determined. Although they are listing the fire as suspicious in origin, they believe the fire was deliberately set.

The No. 1 cause of property loss, due to fire, in the United States is arson. Each year billions of dollars in property is lost, hundreds of people are either killed or injured.

Today, along with several dozen of my colleagues I am introducing a resolution to designate the week of May 4, 1986, as National Arson Awareness Week. This campaign was started by the National Association of Arson Investigators and has been endorsed by numerous fire and police organizations.

Mr. Speaker, arson is a terrorist act which kills. National Arson Awareness Week will give an opportunity for fire, police, civic, housing, and community development people to inform the American people to this tragedy. I urge my colleagues to join with us in cosponsoring this legislation.

WHY GET FOOLED AGAIN? VOTE AGAINST NEW CHEMICAL WEAPONS

(Mr. PORTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PORTER. Mr. Speaker, when the House considered chemical weapons funding in the fiscal year 1986 Defense authorization bill, the House included language that prevented the production of chemical weapons until a number of conditions were met. One important one was that:

> The European member nations of NATO where such chemical weapons are to be stored or deployed are willing to accept storage and deployment of binary chemical munitions within their territories.

The conference committee, as I predicted, struck this language and substituted meaningless "consulting" language. Thus, the authorization contained no "fence" on chemical weapons production.

Last week, after a closed and classified markup, the full appropriations committee said "no" to chemical weapons funding.

When the Defense appropriations bill is considered today, an amendment may be offered to restore the funds.

The vote will be one to commit to $20 billion in funding for chemical weapons production with no "fence" around it.

But even if a "fence" were to be resurrected, I would hope no one would be fooled into believing it would last. It would disappear just like it did in the authorizing conference.

An adequate chemical deterrent is needed and we have one: huge in number of projectiles, safe without question and forward deployed in West Germany where any Soviet attack would come.

A commitment of $20 billion for new chemical weapons production is not needed. If you care anything about the huge deficits our country is carrying, please vote "no."

DEFICIT REDUCTION

(Mr. OBEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OBEY. Mr. Speaker, in a column in yesterday's Washington Post newspaper, an author of the Gramm-Rudman proposal tried to justify the fact that the Emergency Deficit Control Act, which has passed the Senate, does not declare an emergency until next fiscal year.

The sponsors of Gramm-Rudman can put any fig leaf they want on their proposal, but the fact is that only last Friday the administration reestimated the 1986 fiscal year estimate for the deficit at $177.8 billion, nearly $15 bil-

lion below the maximum deficit amount allowed under Gramm-Rudman.

The alternative approach which I am supporting would, using current CBO economic assumptions, incur $237 billion less in public debt over the next 5 years than would the Gramm-Rudman plan. Under the administration economic assumptions, my alternative would save over $310 billion.

That column also alluded to past history. Yet history shows that the 1981 Gramm-Latta budget, despite assurances at the time that adoption of that elixir would lead to a balanced budget, has produced huge deficits. History also shows that there was another proposal before the House in 1981, which I sponsored and which was estimated to cut deficits by $215 billion below the levels of Gramm-Latta. It spent less than that plan, and in the first 3 years alone it would have deficits $214 billion below that proposal.

I would be happy to let past history serve as a guide to the question of whose present-day approach would be most effective in reducing deficits.

For those who would rather look at the substance of the two alternatives now before the Congress, I welcome that approach as well.

RECONCILIATION CUTS

(Mr. SCHAEFER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHAEFER. Mr. Speaker, to my fellow colleagues, I say we've done it again. Once again we had a chance to prove to the American people that we are serious about deficit reduction. Once again we failed.

Last Thursday this body was scheduled to vote on an omnibus reconciliation bill. H.R. 3500 was to be a compilation of committee recommendations on how to reduce the Federal deficit. Yet the bill we voted on included authorization of five new housing programs. The bill we voted on calls for a 10-percent increase in salaries for Members of Congress. Worst of all, the bill we voted on passed.

My vote against the Budget Reconciliation Act was one of frustration. We have reached a sad state when a vote in favor of a reconciliation package authorizes $3.5 billion in new spending add-ons. Fellow Members, if we cannot resist adding spending provisions to a bill designed to bring about deficit reduction, how can we expect the American people to take us seriously when we pledge to balance the Federal budget? Or perhaps this, too, is just another empty promise.

□ 1015

OUR COAST GUARD HEROES

(Mr. MOORE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOORE. Mr. Speaker, our President spoke in his first inaugural address about heroes. American heroes; they are all around us, he said, and they make appearances at various times. We in Louisiana have just been struck by a very devastating hurricane. In that hurricane we have seen some of those heroes that he is talking about.

The heroes that I would like to call my colleagues' attention are those members of Group New Orleans, U.S. Coast Guard, under the leadership of Capt. John E. Lindak. During Hurricane Juan, they put out to sea in boats to rescue a number of oil field workers who were on oil rigs and trapped, thrown into the sea, and could not get home safely. One hundred and sixty of them were thrown into the sea, and 160 of them were rescued by the Coast Guard. They also pulled men off sinking boats, and to the best of our knowledge, there was only one life they were not able to save. In going out to sea to rescue these people on offshore rigs in the middle of that hurricane, they certainly exposed themselves to great danger and were heroes to those rescued and their families.

We in Louisiana admire heroes, and we particularly appreciated the heroic efforts of these men of the Coast Guard.

MEDICAL READINESS PLANNING

(Mr. McCLOSKEY asked and was given permission to address the House for 1 minute and revise and extend his remarks.)

Mr. McCLOSKEY. Mr. Speaker, 2 years ago disaster struck American military forces in Lebanon. A second disaster almost occurred in the manner in which the medical evacuation of the wounded marines from Beirut to Europe was handled.

Precious time was lost because of competition between the Air Force and Army over where the Beirut bombing victims were to be flown in Europe.

Participants in that operation criticized the handling of the evacuation as indefensible "medically, morally, or ethically." It is enough to say that this concerned the House Armed Services Subcommittee on Investigations very much. On September 18, the subcommittee, under the able leadership of its distinguished chairman from Alabama [Mr. NICHOLS] heard from the Pentagon's chief medical official, Dr. Alfred Mayer. Under questioning, our concerns about the need to avert another Beirut type medical evacuation near disaster were verified. The subcommittee followed up with a letter to the Secretary of Defense urging the establishment of a U.S. European Command surgeon of sufficient rank and authority to manage future medical evacuations and manage overall medical readiness for the European Command. Despite the acknowledged concern of the services and the Secretary of Defense, this has not happened. In order to correct this, I am today introducing legislation to require the Secretary of Defense to assign a senior medical officer of the Armed Forces as the chief medical officer of the U.S. European Command. I hope that the Pentagon will take this step. I also wish to commend the House Appropriations Committee in this regard with its very specific language about this issue.

Mr. Speaker, we can no longer afford to continue to count on being lucky with respect to medical readiness planning. The Secretary of Defense must make this designation of a fulltime European Command surgeon now, or Congress must act.

WE NEED TO PASS THE GRAMM-MACK PROPOSAL NOW

(Mr. ARMEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ARMEY. Mr. Speaker, with all the budget cutting rhetoric we've heard of late you'd think it would be possible to actually cut some spending. Yet last week, under the guise of deficit reduction, the House did what it does best; it defeated an amendment to the Omnibus Reconciliation Act which would have stopped the addition of $3.5 billion in spending add ons.

In light of our chronic $200 billion deficit, I can't say this action took me by surprise. For too long, Congress has been unwilling to make the tough choices necessary to balance our Federal budgets.

Mr. Speaker, we have before us a measure which will force this Congress to make the tough but necessary decisions which will lead us to a balanced budget. The Balanced Budget and Emergency Deficit Control Act is a straightforward approach to reducing spending. By establishing maximum levels for deficits for the next 5 years, and by empowering the President to enforce such levels, we can stop talking about cutting spending and start actually doing it.

This bill is no panacea. It won't immediately solve our fiscal problems and it won't relieve Congress of its responsibility to put our fiscal house in order. It won't be an easy task, but it's our obligation to those who elected us.

We need to pass the Gramm-Mack proposal and we need to do it now. I urge the House conferees to concur with the other body and send to the House a much needed and long overdue ironclad deficit reduction measure.

SUPPORT URGED FOR THE GRAMM-RUDMAN-MACK PROPOSAL

(Mr. BARTON of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BARTON of Texas. Mr. Speaker, as we meet today in this body, the House conference committee with the other body is addressing the Gramm-Rudman-Mack proposal which would bring us to a balanced budget by fiscal year 1991. Mr. Speaker, I urge the conferees to that very important conference committee to adopt Gramm-Rudman, and bring it to this House for our observation so that we can pass it and send it to the President for his signature.

The Federal Government is spending approximately $1 trillion a year. That calculates to $3 billion a day, approximately. Of that $3 billion, a half a billion dollars a day is borrowed money. We need to begin to address this problem. Gramm-Rudman gives us the mechanism between now and 1991 to do so. Hopefully by 1991 we will have a balanced budget amendment to the Constitution which will require for future years that the budget be in balance.

We cannot get that balanced budget amendment for at least 5 years in all probability. In the absence of that, we need Gramm-Rudman. We need to pass it. I urge the conference committee to do so and bring it to this House for our consideration immediately.

JUSTICE DEPARTMENT INVESTIGATION CALLED FOR IN THE CASE OF MIROSLAV MEDVID

(Mr. RITTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RITTER. Mr. Speaker, Miroslav Medvid is going back to the U.S.S.R. After jumping ship twice and being forced back on board twice, he spent 24 hours without any Americans being present. The decision to put him back on board on the ship was made out of a telephone call from New Orleans to New York City to some INS officer who supposedly spoke Russian.

Lord knows what he heard from his ship disciplinarian once back on board. When eventually asked by State Department interviewers why he jumped, he said he did not remember jumping ship. Miroslav spent more than 24 hours back on that Soviet ship after jumping for the second time. Why was that allowed to happen?

Perhaps we have to chalk this fiasco off as a foul-up by some U.S. officials whose understanding of the implications of their actions was negligible. But for Miroslav Medvid the implications of those actions are tragic. He is now a marked man. If the experiences of Simas Kudirka are any guide, he is in for big trouble back in the U.S.S.R.

Mr. Speaker, I am calling today for an investigation by the Justice Department in the hopes that all the facts of this tragic event can be made public, and that we can devise policies to avoid such mistakes in the future.

OLDER VETERANS' HEALTH CARE AMENDMENTS OF 1985

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 505) to amend title 38, United States Code, to improve the delivery of health care services by the Veterans' Administration, and for other purposes, with Senate amendments thereto, concur in the Senate amendment to the title of the bill, and concur in the Senate amendment to the text of the bill with an amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendments and the House amendment to the Senate amendments, as follows:

Senate amendments: Strike out all after the enacting clause and insert:

That (a) this Act may be cited as the "Veterans' Administration Health-Care Programs Improvement Act of 1985".

(b) Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or a repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

TITLE I—PILOT PROGRAMS

PILOT PROGRAM OF VIETNAM VETERAN RESOURCE CENTERS

SEC. 101. Section 612A is amended by adding at the end the following new subsection:

"(h)(1) In order to evaluate the effectiveness, feasibility, and desirability of providing veterans eligible for readjustment counseling under this section with additional services described in paragraph (2) of this subsection, through facilities furnishing such counseling, the Administrator, during the period beginning January 1, 1986, and ending December 31, 1988, shall conduct a pilot program to provide and coordinate the provision of such additional services.

"(2) The additional services referred to in paragraph (1) of this subsection that shall be provided and coordinated under such pilot program are—

"(A) counseling with respect to and assistance in applying for all benefits and services under laws administered by the Veterans' Administration for which veterans participating in the pilot program may be eligible;

"(B) employment counseling, training, placement, and related services described in sections 2003 and 2003A of this title or provided under any other laws administered by the Secretary of Labor;

"(C) initial intake and referral services with respect to alcohol or drug dependence or abuse disabilities and followup services for veterans who have received treatment for such dependence or abuse disabilities; and

"(D) coordination assistance for veterans participating in the pilot program with respect to such veterans' receipt of (i) services provided under the pilot program, and (ii) other benefits and services provided under laws administered by the Veterans' Administration, the Secretary of Labor, or any other Federal agency or official.

"(3)(A) In order to carry out the pilot program under this subsection, the Administrator shall—

"(i) designate as demonstration projects ten facilities which, on the date of the enactment of this section are providing readjustment counseling (which projects shall be referred to as Vietnam Veteran Resource Centers (hereinafter in this subsection referred to as 'Centers')),

"(ii) provide such additional staff and other resources as are necessary to enable such Centers to provide the services referred to in paragraph (2) (A), (C), and (D) of this subsection, and

"(iii) notify the Secretary of Labor of the need for the assignment, pursuant to subparagraph (B)(ii) of this paragraph, of personnel to provide the services described in paragraph (2)(B) of this subsection at such Centers.

"(B)(i) The Administrator shall be responsible for coordinating the assignment and use of employees, on full- or part-time bases, as appropriate, in each Center and, shall in carrying out that responsibility, make maximum feasible use of the Veterans' Administration employees who are providing services at each facility on the date it is designated as a Center under this subsection.

"(ii) The Secretary of Labor shall provide for the assignment to each Center, on full- or part-time bases, as appropriate, of disabled veterans' outreach specialists appointed pursuant to section 2003A of this title or employees on the staffs of local employment service offices who are assigned to perform services pursuant to section 2004 of this title.

"(4)(A) In order to ensure appropriate guidance, coordination, implementation, and assessment of the pilot program under this subsection, the Administrator shall establish, and provide appropriate staffing and other resources for, a Vietnam Veteran Resource Center Coordinating Committee (hereinafter in this subsection referred to as the 'Committee').

"(B) The Committee shall be composed of—

"(i) a member or members appointed by and representing the Administrator;

"(ii) a member or members appointed by and representing the Chief Medical Director;

"(iii) a member or members appointed by and representing the Chief Benefits Director; and

"(iv) a member appointed by and representing the Assistant Secretary of Labor for Veterans' Employment.

"(C) Not less frequently than every 6 months, the Committee shall report to the Administrator, the Chief Medical Director, the Chief Benefits Director, and the Assistant Secretary of Labor for Veterans' Employment on the implementation and status of the pilot program. The first such report shall be submitted not later than June 30, 1986.

"(5) After the Committee is established pursuant to paragraph (4) of this subsection, the Administrator may delegate to the Chief Medical Director the responsibility for carrying out the pilot program.

"(6)(A) Not later than April 1, 1987, the Administrator shall submit to the Committees on Veterans' Affairs of the Senate and the House of Representatives a report on the experience under the pilot program during its first 15 months of operation. The report shall include—

"(i) the Administrator's assessment of—

"(I) the effectiveness of the pilot program in providing and coordinating the provision of the services described in paragraph (2) of this subsection and counseling and services furnished under subsections (a) and (b) of this section; and

"(II) the cost-effectiveness of the program;

"(ii) a description of any administrative actions that the Administrator plans to take generally to increase the coordination of the provision of such services to eligible veterans and to other veterans;

"(iii) any recommendations for legislation, relating to the provision of such services to eligible veterans and to other veterans, that the Administrator considers appropriate; and

"(iv) a comparison of such assessment, plans, and recommendations with the evaluation of and the recommendations relating to the readjustment counseling program included in the report required by subsection (g)(2) of this section.

"(B) Not later than April 1, 1989, the Administrator shall submit to such Committees a final report on the program. The report shall include updates of all information provided in the report submitted pursuant to subparagraph (A) of this paragraph, the Administrator's final assessment of the pilot program based on 36 months of operation, and any recommendation for administrative or legislative action that the Administrator considers appropriate to include in the report.".

PILOT PROGRAM OF COMMUNITY-BASED PSYCHIATRIC RESIDENTIAL TREATMENT FOR CHRONICALLY MENTALLY ILL VETERANS

SEC. 102. (a) Subchapter II of chapter 17 is amended by adding at the end the following new section:

"§ 620B. Community-based psychiatric residential treatment for chronically mentally ill veterans; pilot program

"(a)(1) The Administrator, in furnishing hospital, nursing home, and domiciliary care and medical and rehabilitative services under this chapter, may, during the period beginning January 1, 1986, and ending December 31, 1989, conduct a pilot program under which the Administrator may contract for care and treatment and rehabilitative services in halfway houses, therapeutic communities, psychiatric residential treatment centers, and other community-based treatment facilities (hereinafter in the section referred to as 'contract facilities') for eligible veterans suffering from chronic mental illness disabilities. Such pilot program shall be planned, designed, and conducted by the Chief Medical Director, with the approval of the Administrator, so as to demonstrate (A) any medical advantages and cost-effectiveness that may result from furnishing such care and services to veterans with such disabilities in such contract facilities rather than in inpatient facilities over which the Administrator has direct jurisdiction, and (B) the potential, as a result of the furnishing of such care and services, for enabling such veterans to live in settings other than inpatient facilities.

"(2) Before furnishing such care and services to any veteran through a contract facility, the Administrator shall approve (in accordance with criteria which the Administrator shall prescribe by regulation) the quality and effectiveness of the program operated by such facility for the purpose for which such veteran is to be furnished such care and services.

"(b) In the case of each eligible veteran provided care and services under this section, the Administrator shall designate a Veterans' Administration employee to provide case management services.

"(c) The Administrator may provide in-kind assistance (through the services of Veterans' Administration employees and the sharing of other Veterans' Administration resources) to a contract facility under this section. Any such in-kind assistance shall be provided under a contract between the Veterans' Administration and the contract facility. The Administrator may provide such assistance only for use solely in the furnishing of appropriate services under this section and only if, under such contract, the Veterans' Administration receives reimbursement for the full cost of such assistance, including the cost of services and supplies and normal depreciation and amortization of equipment. Such reimbursement may be made by reduction in the charges to the United States or by payment to the United States. Any funds received through such reimbursement shall be credited to funds allotted to the Veterans' Administration facility that provided the assistance.

"(d) For the purposes of this section—

"(1) The term 'eligible veteran' means a veteran who at the time of referral to a contract facility—

"(i) is being furnished hospital, domiciliary, or nursing home care from the Veterans' Administration for a service-connected chronic mental illness disability, or

"(ii) is being furnished such care from the Veterans' Administration for a chronic mental illness disability and is a veteran described in section 612(f)(2) of this title.

"(2) The term 'case management' includes the coordination and facilitation of all services furnished to a veteran by the Veterans' Administration, either directly or through a contract, including, but not limited to, screening, assessment of needs, planning, referral (including referral for services to be furnished by the Veterans' Administration, either directly or through a contract, or by an entity other than the Veterans' Administration), monitoring, reassessment, and followup.

"(e)(1) Not later than February 1, 1989, the Administrator shall submit to the Committees on Veterans' Affairs of the Senate and the House of Representatives an interim report on the experience under the pilot program during the first 36 months of the program. The report shall include the Administrator's interim evaluation and findings regarding—

"(A) the quality of care furnished to participating veterans through contract facilities;

"(B) the effectiveness of the pilot program in enabling the participating veterans to live outside of Veterans' Administration inpatient facilities and to achieve independence in living and functioning in their communities; and

"(C) the effect of the pilot program on the average daily census in the Veterans' Administration hospitals, nursing homes, and domiciliary facilities participating in the program (taking into account whether the beds previously occupied by the participating veterans were subsequently occupied by other eligible veterans or remained unoccupied).

"(2) Not later than April 1, 1990, the Administrator shall submit to such Committees a final report on the pilot program. The report shall include updates of all information provided in the interim report submitted pursuant to paragraph (1) of this subsection, the Administrator's final evaluation, findings, and conclusions regarding the program based on 48 months of operation, and any recommendations for administrative or legislative action that the Administrator considers appropriate to include in such report.".

(b) The table of sections at the beginning of chapter 17 is amended by inserting after the item relating to section 620A the following new item:

"620B. Community-based psychiatric residential treatment for chronically mentally ill veterans; pilot program.".

PILOT PROGRAM OF NONINSTITUTIONAL ALTERNATIVES TO INSTITUTIONAL CARE

SEC. 103. (a) Subchapter II of chapter 17 is further amended by adding at the end the following new section:

"§ 620C. Noninstitutional alternatives to institutional care; pilot programs

"(a)(1) In order to evaluate the effectiveness, feasibility, and desirability of various actions that would obviate the need for furnishing hospital, nursing home, or domiciliary care to veterans eligible under this chapter for and otherwise in need of such care, the Administrator, during the period beginning January 1, 1986, and ending December 31, 1989, and subject to subsection (c) of this section, shall conduct a pilot program under which such veterans will be furnished at ten demonstration project sites medical, rehabilitative, and health-related services in noninstitutional settings. Not less than five of such projects shall involve the use of a geriatric evaluation unit at a Veterans' Administration health-care facility.

"(2) In selecting veterans for participation in the program, the Administrator shall accord priority to veterans who have service-connected disabilities, to veterans who are 65 years of age or older, and to veterans who are totally and permanently disabled.

"(b)(1)(A) In order to avoid duplication of services available from the Veterans' Administration and other sources to veterans participating in the pilot program and to avoid fragmentation of effort under the program, the Administrator shall in the conduct of the program (i) furnish appropriate health-related services solely through contracts with appropriate public and private agencies that provide such services, and (ii) in the case of each veteran furnished services under the program, appoint a Veterans' Administration employee to furnish case management services.

"(B) For the purposes of subparagraph (A) of this paragraph, 'case management' includes the coordination and facilitation of all services furnished to a veteran by the Veterans' Administration, either directly or through a contract, including, but not limited to, screening, assessment of needs, planning, referral (including referral for services to be furnished by the Veterans' Administration, either directly or through a contract, or by an entity other than the Veterans' Ad-

ministration), monitoring, reassessment, and followup.

"(2) In order further to avoid such duplication and fragmentation and in order to evaluate the cost-effectiveness of utilizing certain health services of agencies other than the Veterans' Administration in cases in which no Veterans' Administration facility in the vicinity of a demonstration project provides such services, the Administrator, in not more than two of the projects, may utilize appropriate health services of appropriate public and private agencies that furnish such services.

"(3) The Administrator may provide in-kind assistance (through the services of Veterans' Administration employees and the sharing of other Veterans' Administration resources) to a facility furnishing services to veterans under paragraph (1)(A) of this subsection. Any such in-kind assistance shall be provided under a contract between the Veterans' Administration and the facility concerned. The Administrator may provide such assistance only for use solely in the furnishing of appropriate services under this section and only if, under such contract, the Veterans' Administration receives reimbursement for the full cost of such assistance, including the cost of services and supplies and normal depreciation and amortization of equipment. Such reimbursement may be made by reduction in the charges to the United States or by payment to the United States. Any funds received through such reimbursement shall be credited to funds allotted to the Veterans' Administration facility that provided the assistance.

"(c)(1) The total cost of conducting the pilot program under this section shall not exceed 60 percent of the cost that would have been incurred by the Veterans' Administration during the period of the pilot program if the veterans being furnished services under the pilot program had been furnished, instead, nursing home care under section 610 of this title. In any one fiscal year, the cost of carrying out the pilot program shall not exceed 65 percent of the cost that would have been so incurred for such year under such section 610.

"(2) Expenditures for services furnished to veterans under the pilot program shall be made from appropriated funds that would otherwise have been expended to provide intermediate hospital care to eligible veterans.

"(d)(1) The Administrator shall conduct a study of the pilot program to determine with respect to the participating veterans—

"(A) the feasibility, medical advantages, and cost-effectiveness of the services furnished under the program as an alternative to hospital, nursing home, or domiciliary care; and

"(B) the extent to which such a program can—

"(i) furnish such veterans with more appropriate kinds and levels of care than they would otherwise receive;

"(ii) reduce hospital, nursing home, or domiciliary facility admission rates for such veterans;

"(iii) reduce the number of days that such veterans are institutionalized;

"(iv) reduce mortality rates among such veterans; and

"(v) reduce the cost of long-term care for such veterans under this chapter.

"(2) Not later than February 1, 1989, the Administrator shall submit to the Committees on Veterans' Affairs of the Senate and the House of Representatives an interim report on the study required by paragraph (1) of this subsection setting forth the Administrator's findings based on the results of the study of the program's first 36 months experience. The report shall include a description of the administration of the program (including a description of the veterans furnished services and of the services furnished under the pilot program), the Administrator's interim evaluation of and findings on the program (including the matters referred to in paragraph (1) of this subsection), and any recommendations for administrative or legislative action that the Administrator considers appropriate to include in the report.

"(3) Not later than April 1, 1990, the Administrator shall submit to such Committees a final report on the study required by paragraph (1) of this subsection. The report shall include updates of all information provided in the interim report submitted pursuant to paragraph (2) of this subsection, the Administrator's final evaluation, findings, and conclusions regarding the program based on 48 months of operation (in the context of an assessment, which the report shall contain, of the needs of older eligible veterans for noninstitutional health and health-related services and of the availability of such services from non-Veterans' Administration sources), and any recommendations for administrative or legislative action that the Administrator considers appropriate to include in the report.".

(b) The table of sections at the beginning of chapter 17 is amended by inserting after the item relating to section 620B (as added by section 9(b) of the Act) the following new item:

"620C. Noninstitutional alternatives to institutional care; pilot program.".

CHIROPRACTIC SERVICES PILOT PROGRAM

SEC. 104. (a)(1) Subchapter III of chapter 17 is amended by adding at the end the following new section:

"§ 630A. Chiropractic services; pilot program

"(a) The Administrator, subject to the provisions of this section, shall conduct a pilot program consisting of not less than one demonstration project in each of five geographic regions of the United States during the period beginning January 1, 1986, and ending December 31, 1988—

"(1) to furnish certain chiropractic services to veterans eligible for medical services under this chapter; and

"(2) to evaluate the therapeutic benefits and the cost-effectiveness of furnishing such chiropractic services to such veterans.

In developing the pilot program, the Administrator shall consult with the Secretary of Defense regarding the demonstration projects carried out by the Secretary under section 632(b) of the Department of Defense Authorization Act, 1985 (10 U.S.C. 1092 note).

"(b)(1) The Administrator shall, subject to subsection (c) of this section and under regulations which the Administrator shall prescribe, reimburse a veteran eligible for medical services under this chapter for the reasonable charge for chiropractic services furnished to the veteran under the demonstration projects carried out under subsection (a) of this section, for which such veteran has made payment, if—

"(A) such chiropractic services were for the treatment of a service-connected neuromusculoskeletal condition of the spine,

"(B) the veteran is a veteran who has been furnished hospital care by the Veterans' Administration for a neuromusculoskeletal condition of the spine within a 12-month period prior to the furnishing of such chiropractic services, or

"(C) the veteran is a veteran described in section 612(f)(2) of this title who has been furnished hospital care or medical services by the Veterans' Administration for a neuromusculoskeletal condition of the spine,

to the extent that such veteran is not entitled to such chiropractic services or reimbursement for the expenses of such services under an insurance policy or contract, medical or hospital service agreement, membership or subscription contract, or similar arrangement for the purpose of providing, paying for, or reimbursing expenses for such services.

"(2) The Administrator may, in lieu of reimbursing a veteran for a reasonable charge for chiropractic services under paragraph (1) of this subsection, make payment of the reasonable charge for such chiropractic services directly to the chiropractor who furnished such services.

"(c)(1) The Administrator shall, in consultation with appropriate public and nonprofit private organizations and other Federal departments and agencies that provide reimbursement for chiropractic services, establish a schedule of reasonable charges for chiropractic services furnished under the demonstration projects carried out under subsection (a) of this section. Such schedule shall be consistent with the reasonable charges allowed under section 1842 of the Social Security Act (42 U.S.C. 1395u).

"(2) The amount payable by the Administrator for chiropractic services furnished under such demonstration projects shall not exceed $600 in any 12-month period in the case of any veteran.

"(d)(1) Notwithstanding any other provision of this title, total expenditures for chiropractic services reimbursed under this section shall not exceed $2,000,000 in any fiscal year.

"(2) Expenditures for such services shall be made from appropriations that would otherwise have been expended for travel and incidental expenses under section 111 of this title.

"(e) Not later than April 1 of each of the years 1987, 1988, and 1989, the Administrator shall prepare and submit to the Committees on Veterans' Affairs of the Senate and the House of Representatives an annual report on the pilot program carried out under this section during the preceding fiscal year. Each such report shall include for such fiscal year—

"(1) the number of requests made by eligible veterans for reimbursement or payment for chiropractic services under this section and the number of such veterans who made such requests;

"(2) the number of such reimbursements or payments made and the number of veterans to or for whom such reimbursements or payments were made; and

"(3) the total amount of the expenditures for such reimbursements and payments.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 630 the following new item:

"630A. Chiropractic services; pilot program.".

(b) Section 601 is amended by adding at the end the following new paragraph:

"(9) The term 'chiropractic services' means the manual manipulation of the spine performed by a chiropractor (who is licensed as such by the State in which he or

she performs such services and who meets the uniform minimum standards promulgated for chiropractors under section 1861(r)(5) of the Social Security Act (42 U.S.C. 1395x(r)(5))) to correct a subluxation of the spine. For the purposes of this paragraph, such term does not include physical examinations, laboratory tests, radiologic services, or other tests or services determined by the Administrator to be excluded.".

TITLE II—EXTENSIONS OF AUTHORITIES AND ELIGIBILITIES

EXTENSION OF INTERIM HEALTH-CARE ELIGIBILITY BASED ON EXPOSURE TO DIOXIN OR OTHER TOXIC SUBSTANCES IN VIETNAM OR TO NUCLEAR RADIATION

SEC. 201. Paragraph (3) of subsection (e) of section 610 is amended to read as follows:

"(3) Hospital and nursing home care and medical services may not be provided under or by virtue of subsection (a)(5) of this section after September 30, 1989.".

COUNSELING FOR FORMER PRISONERS OF WAR

SEC. 202. (a)(1) Subchapter II of chapter 17 is further amended by adding after section 612A the following new section:

"§ 612B. Eligibility for counseling for former prisoners of war

"The Administrator may establish a program under which, upon the request of a veteran who is a former prisoner of war, the Administrator may, within the limits of Veterans' Administration facilities, furnish counseling to such veteran to assist such veteran in overcoming the psychological effects of such veteran's detention or internment as a prisoner of war.".

(2) The table of sections at the beginning of chapter 17 is amended by inserting after the item relating to section 612A, the following:

"612B. Eligibility for counseling for former prisoners of war.".

(b) The amendments made by subsection (a) shall take effect on October 1, 1985.

ALCOHOL AND DRUG TREATMENT AND REHABILITATION

SEC. 203. (a) Section 620A is amended—

(1) in subsection (a)(1), by striking out "pilot" both places it appears;

(2) in subsection (e)—

(A) by striking out "fifth" and inserting in lieu thereof "eighth"; and

(B) by striking out "pilot";

(3) by amending subsection (f) to read as follows:

"(f)(1) The Administrator shall monitor the performance of each contract facility furnishing care and services under the program carried out under subsection (a) of this section to determine—

"(A) with respect to the program, the medical advantages and cost-effectiveness that result from furnishing such care and services;

"(B) with respect to the contract facilities generally—

"(i) the level of success under the program, considering—

"(I) the rate of successful rehabilitation for veterans furnished care and services under the program;

"(II) the rate of readmission to contract facilities under the program or to Veterans' Administration health-care facilities by such veterans with respect to disabilities referred to in subsection (a) of this section;

"(III) whether the care and services furnished under the program obviated the need of such veterans for hospitalization for such disabilities;

"(IV) the average duration of the care and services furnished such veterans under the program;

"(V) the ability of the program to aid in the transition of such veterans back into their communities; and

"(VI) any other factors that the Administrator considers appropriate;

"(ii) the total cost for the care and services furnished by each contract facility under the program;

"(iii) the average cost per veteran for the care and services furnished under the program; and

"(iv) the appropriateness of such costs, by comparison to—

"(I) the average charges for the same types of care and services furnished generally by other comparable halfway houses, therapeutic communities, psychiatric residential treatment centers, and other community-based treatment facilities; and

"(II) the historical costs for such care and services for the period of time that the program carried out under subsection (a) of this section was a pilot program, taking into account economic inflation.

"(2) Not later than February 1, 1988, the Administrator shall transmit to the Committees on Veterans' Affairs of the Senate and the House of Representatives a report on the experience under the program during the preceding 4 fiscal years, including, but not limited to (A) a description of the care and services furnished, (B) the matters referred to in paragraph (1) of this subsection, and (C) the Administrator's findings, assessment, and recommendations regarding the program conducted under this section."; and

(4) by amending the catchline to read as follows:

"§ 620A. Treatment and rehabilitation for alcohol or drug dependence or abuse disabilities".

(b) The item relating to such section in the table of sections at the beginning of chapter 17 is amended to read as follows:

"620A. Treatment and rehabilitation for alcohol or drug dependence or abuse disabilities.".

TITLE III—HEALTH-CARE MANAGEMENT

VETERANS' ADMINISTRATION GRADE REDUCTION

SEC. 301. (a) Section 210(b) is amended by adding at the end the following new paragraph:

"(3)(A)(i) The Administrator may not in fiscal year 1986 or any subsequent fiscal year implement a grade reduction described in division (ii) of this subparagraph unless the Administrator first submits to the Committees on Veterans' Affairs of the Senate and the House of Representatives a report containing a detailed plan for such reduction and a detailed justification for the plan, including a determination by the Administrator, together with data supporting such determination, that, in the personnel area concerned, the Veterans' Administration has a disproportionate number of employees at the salary grade or grades selected for reduction in comparison to the number of such employees at the salary levels involved who perform comparable functions in other departments and agencies of the Federal Government and in non-Federal entities. Any such report shall be submitted not later than the beginning of a period of 90 calendar days (not including any day on which either House of Congress is not in session) prior to the implementation of any proposed grade reduction.

"(ii) A grade reduction referred to in division (i) of this subparagraph is a systematic reduction, for the purpose of reducing the average salary cost for Veterans' Administration employees described in division (iii) of this subparagraph, in the number of such Veterans' Administration employees at any specific grade level.

"(iii) The employees referred to in division (ii) of this subparagraph include—

"(I) health-care personnel who are determined by the Administrator to be providing either direct patient-care services or services incident to direct patient-care services; and

"(II) individuals who meet the definition of professional employee as set forth in section 7103(a)(15) of title 5 and are employed in the capacity of engineers or attorneys.

"(B) Not later than the forty-fifth day after the Administrator submits a report pursuant to subparagraph (A) of this paragraph, the Comptroller General of the United States shall submit to such Committees on Veterans' Affairs a report on the Administrator's compliance with such subparagraph and shall include in the report the Comptroller General's opinion as to the accuracy of the Administrator's determination (and of the data supporting such determination) made pursuant to such subparagraph.

"(C) In the case of Veterans' Administration employees not described in division (iii) of subparagraph (A) of this paragraph, the Administrator may not in any fiscal year implement a systematic reduction for the purpose of reducing the average salary cost for such Veterans' Administration employees that will result in a reduction in the number of such Veterans' Administration employees at any specific grade level at a rate greater than the rate of the reductions systematically being made in the numbers of employees at such grade level in all other agencies and departments of the Federal Government combined.".

MEDICAL QUALITY-ASSURANCE RECORDS

SEC. 302. Section 3305 is amended—

(1) in subsection (a), by adding a comma and "other than reports submitted pursuant to section 4152 of this title," after "program"; and

(2) in subsection (b), by adding at the end the following new paragraph:

"(6) Nothing in this section shall be construed as authorizing or requiring withholding from any person or entity the disclosure of statistical information regarding Veterans' Administration health-care programs (including information on aggregate morbidity and mortality rates associated with specific activities at individual Veterans' Administration health-care facilities) that does not implicitly or explicitly identify individual Veterans' Administration patients or employees, or individuals who participated in the conduct of a medical quality-assurance review.".

DISCIPLINARY BOARD ACTION INVOLVING CLINICAL PRIVILEGES

SEC. 303. Section 4110 is amended by adding at the end the following new subsections:

"(f) This section applies in any case in which a reduction or revocation of the clinical privileges of any person employed in a position described in paragraph (1) of section 4104 of this title is proposed by reason of a charge of inaptitude, inefficiency, or misconduct. A disciplinary board may recommend and the Administrator may impose a reduction or revocation of clinical privileges only (1) in a case in which, prior to the hearing under this section, such person has been provided with notice of the proposal to

reduce or revoke such privileges, and (2) on the basis of deficiency in such person's clinical practice.

"(g) Nothing in this section shall limit the Administrator's authority to protect the health and safety of veterans by temporarily reassigning an employee for the purpose of suspending the employee's exercise of clinical privileges, or for the purpose of otherwise restricting the employee's clinical activities, pending the outcome of a proceeding under this section.".

QUALITY ASSURANCE AND CREDENTIALING

SEC. 304. (a) Chapter 73 is amended by adding at the end the following new subchapter:

"Subchapter V—Quality Assurance

"§ 4151. Responsibilities for quality assurance

"(a) The Administrator shall—

"(1) establish and conduct a comprehensive quality-assurance program to monitor and evaluate the quality of health care furnished by the Department of Medicine and Surgery;

"(2) delineate the responsibilities of the Department of Medicine and Surgery with respect to the conduct of the Veterans' Administration quality-assurance program; and

"(3) allocate sufficient resources, and sufficient personnel with the necessary skills and qualifications, to enable the Department of Medicine and Surgery to carry out such delineated quality-assurance responsibilities.

"(b) The Inspector General of the Veterans' Administration shall allocate sufficient resources, and sufficient personnel with the necessary skills and qualifications, to enable the Inspector General to monitor the quality-assurance program conducted by the Department of Medicine and Surgery.

"(c) The Administrator shall, as part of the comprehensive quality-assurance program established and conducted pursuant to subsection (a)(1) of this section, require the Chief Medical Director—

"(1) in consultation with the Assistant Secretary of Defense for Health Affairs and the Surgeons General of the Armed Forces and other appropriate professional bodies, to establish and maintain a compilation of prevailing national mortality and morbidity standards for each type of surgical procedure conducted by the Department of Medicine and Surgery;

"(2)(A) to collect data on mortality and morbidity rates for each surgical procedure, conducted by the Department of Medicine and Surgery; and

"(B) to compile such data for inclusion in the report to be submitted pursuant to section 4152 of this title (i) for each cardiac surgery, heart transplant, and renal transplant program, and (ii) in the aggregate, for each other such surgical procedure;

"(3) to—

"(A) compare the data so compiled to the standards compiled pursuant to clause (1) of this subsection,

"(B) make an analysis of the relationship between such data and the (i) characteristics of the patient population, (ii) the level of risk for the procedure involved, based on patient age, the type and severity of the disease, the effect of any complicating diseases, and the degree of difficulty of the procedure, and (iii) any other factors that the Chief Medical Director considers appropriate,

"(C) evaluate such data in light of the factors described in divisions (i) through (iii) of subclause (B) of this clause in order to determine whether there are any significant deviations from the standards that would indicate deficiencies in the quality of care, and

"(D) explain any such deviations; and

"(4) to make any recommendations based on data compiled and the comparisons, analyses, evaluations, and explanations made pursuant to clause (3) of this subsection.

"§ 4152. Reports

"(a) Not later than January 1 of 1987, 1989, and 1991, the Chief Medical Director shall submit a report to the Administrator on the experience through the end of the prior fiscal year under the quality-assurance program carried out pursuant to section 4151(a) of this title. Each such report shall include the data compiled and the comparisons, analyses, evaluations, and explanations made pursuant to subsection (c)(3) of section 4151 of this title with respect to the period covered by such report and any recommendations made pursuant to subsection (c)(4) of such section. Not later than 60 days after receiving each such report, the Administrator shall submit to the Committees on Veterans' Affairs of the Senate and the House of Representatives a copy of the report, together with any comments concerning the report that the Administrator considers appropriate.

"(b) A report submitted pursuant to subsection (a) of this section shall not be considered a record or document as described in section 3305(a) of this title.".

(b) The table of sections at the beginning of chapter 73 is amended by adding at the end the following:

"SUBCHAPTER V—QUALITY ASSURANCE

"4151. Responsibilities for quality assurance.

"4152. Reports.".

(c)(1) Not later than 90 days after the date of the enactment of this Act, the Administrator of Veterans' Affairs shall submit to the Committees on Veterans' Affairs of the Senate and the House of Representatives a report describing in detail the Veterans' Administration's current efforts and future plans for monitoring the credentials of Veterans' Administration health-care professionals.

(2) The report required to be submitted by paragraph (1) shall include a description of the Veterans' Administration's policies, procedures, and formal arrangements regarding the exchange of relevant information with—

(A) appropriate State medical or other health-professional licensing bodies;

(B) the Federation of State Medical Boards;

(C) the American Medical Association; and

(D) such other public or private entities as the Administrator considers appropriate that are involved with the issuance or monitoring of health-care professional licenses

in order (i) to determine the current and past licensure and clinical privilege status for those health-care professionals who are seeking employment with or who are currently employed by the Veterans' Administration, and (ii) to provide appropriate information to such entities about each health-care professional whose employment with the Veterans' Administration is terminated—

(I) following the completion of a disciplinary action relating to such health-care professional's clinical competence,

(II) voluntarily after having had such health-care professional's clinical privileges restricted or revoked, or

(III) voluntarily after serious concerns about such health-care professional's clinical competence have been raised but not resolved.

(3) With reference to any policies, procedures, or formal arrangements described in paragraph (2) which have not been implemented at the time the report required to be submitted by paragraph (1) is submitted to the Committees, the Administrator shall include in the report a timetable for the implementation of such policies, procedures, and arrangements and shall thereafter report to the Committees on implementation progress every 3 months until full implementation is achieved, at which point a final such report shall be submitted to the Committees.

TITLE IV—MEDICAL FACILITY CONSTRUCTION AND PLANNING

PART A—PERMANENT ANNUAL AUTHORIZATION PROCESS

ANNUAL VETERANS' ADMINISTRATION MEDICAL FACILITY CONSTRUCTION AUTHORIZATIONS

SEC. 401. (a) Section 5004 is amended—

(1) in subsection (a)—

(A) in clause (1), by striking out "unless each committee has first adopted a resolution approving such construction, alteration, or acquisition and setting forth the estimated cost thereof; and" and inserting in lieu thereof "except as authorized by a law based on legislation reported from the committees setting forth the amount that may be appropriated and expended for such construction, alteration, or acquisition;"; and

(B) by redesignating clause (2) as clause (4) and inserting the following new clauses (2) and (3):

"(2) no funds may be expended to construct, remodel, extend, or acquire, or develop preliminary plans (except to the extent necessary to develop project requirements) for, a medical facility for the furnishing of hospital care if the construction, remodeling, extension, or acquisition involves a total expenditure of more than $20,000,000, except as authorized by a law based on legislation reported from the committees;

"(3) no new or replacement medical facility shall be constructed or acquired within excess of 700 hospital beds and no project that involves a total expenditure of more than $20,000,000 for remodeling or extending a medical facility for the furnishing of hospital care shall be undertaken if upon completion of such project the number of hospital beds at the facility would exceed 700; and";

(2) by amending subsection (c) to read as follows:

"(c) The contract price for any construction, alteration, lease, or other acquisition that is approved by a law or resolutions described in subsection (a) of this section may exceed the amount set forth pursuant to such subsection in the pertinent provisions of such law or resolutions by an amount determined by multiplying such amount by the lesser of (1) the percent, if any, as determined by the Administrator, by which construction, alteration, lease, or other acquisition costs, as the case may be, increased from the date of such approval to the date of contract, or (2) 10 percent."; and

(3) in subsection (d) by striking out "for construction, alteration, lease, or other acquisition by each committee under subsection (a) of this section" and inserting in lieu thereof "by each committee under subsection (a) of this section for a lease".

(b)(1) Except as provided in paragraph (2) of this subsection, the amendments made by

subsection (a) shall take effect on October 1, 1986.

(2) The amendments made by subsection (a)(1) shall take effect with respect to appropriations for fiscal year 1987 but shall not apply with respect to appropriations or expenditures for the construction, alteration, or acquisition of a medical facility if such construction, alteration, or acquisition was approved in resolutions adopted by the Committees on Veterans' Affairs of the Senate and the House of Representatives prior to September 30, 1985.

VETERANS' ADMINISTRATION HOSPITAL FACILITY PLANNING

SEC. 402. (a) Subchapter I of chapter 81 is amended by inserting after section 5004 the following new section:

"§ 5004A. Hospital facility planning

"(a) In order to ensure that decisions regarding the need for and size of each proposed new or replacement Veterans' Administration medical facility for the furnishing of hospital care are made taking into account appropriate statutory eligibility and priorities for health care from the Veterans' Administration, the Administrator of Veterans' Affairs and the Comptroller General of the United States, after consultation with the Assistant Secretary of Defense for Health Affairs, veterans' service organizations, and representatives of the private hospital industry, shall jointly develop and submit to the appropriate committees of the Congress a methodology for determining the appropriate types of hospital beds and the appropriate numbers of each type of hospital bed to be provided for in each proposed project for the construction of new or replacement facilities for the furnishing of hospital care by the Veterans' Administration.

"(b) The methodology developed pursuant to subsection (a) of this section shall take into account (1) the projected need for health care of veterans residing in the geographic area to be served by the proposed health-care facility who have service-connected disabilities and veterans residing in such areas who meet the income criteria for the receipt of pension under chapter 15 of this title, and (2) any recent or planned changes in treatment modalities for the furnishing of inpatient and outpatient care which might affect the demand for inpatient bed capacity.

"(c)(1) Not later than October 1, 1986, the Administrator and the Comptroller General shall submit to the appropriate committees of the Congress a joint report on the methodology developed pursuant to subsection (a) of this section.

"(2) Not later than October 1, 1987, the Administrator and the Comptroller General shall submit to such committees a joint report on the implementation of such methodology.

"(3) The Comptroller General shall submit to such committees such further reports as the Comptroller General considers appropriate regarding the implementation of such methodology or regarding the need to revise such methodology.

"(d) No funds may be expended after April 1, 1987, for the development of preliminary plans for a facility described in subsection (a) of this section unless the types of beds and number of each type to be provided in such facility are based on the methodology developed pursuant to subsection (a) of this section.".

(b) The table of sections at the beginning of chapter 81 is amended by inserting after the item relating to section 5004 the following:

"5004A. Hospital facility planning.".

PART B—FISCAL YEAR 1986 CONSTRUCTION AUTHORIZATIONS

VETERANS' ADMINISTRATION MEDICAL FACILITY CONSTRUCTION AUTHORIZATIONS FOR FISCAL YEAR 1986

SEC. 411. (a) For the purposes of the medical facility construction projects referred to in subsection (b) and other construction projects and for other purposes, there are authorized to be appropriated to the Veterans' Administration for fiscal year 1986 (1) $417,200,000 to any appropriations account from which payments for medical facility construction projects estimated to cost $2,000,000 or more are made, and (2) $194,400,000 to any appropriations account from which payments for medical facility construction projects estimated to cost less than $2,000,000 are made.

(b)(1) Except as provided in paragraph (2) and subject to the limitation in subsection (a)(1), the maximum amounts authorized to be appropriated and expended for the following medical facility construction projects are as follows:

(A) Houston, Texas (Replacement and Modernization), $226,800,000.

(B) Mountain Home, Tennessee (Bed Towers and Modernization), $59,000,000.

(C) Philadelphia, Pennsylvania (Clinical Addition, Renovation, Parking, and 240-bed Nursing Home Care Unit), $110,400,000.

(2) Subject to paragraph (3) and to the limitation in subsection (a)(1), the maximum amounts authorized to be appropriated and expended for the following projects are further limited as follows:

(A) Houston, Texas (Replacement and Modernization), $170,400,000.

(B) Mountain Home, Tennessee (Bed Towers and Modernization), $35,800,000.

(C) Philadelphia, Pennsylvania (Clinical Addition, Renovation, Parking, and 240-bed Nursing Home Care Unit), $85,600,000.

(3) The maximum amount set forth in paragraph (2) with respect to each project shall apply to that project unless the Administrator of Veterans' Affairs, not later than 60 days after the date of the enactment of this Act, submits to the appropriate committees of the Congress a certification by the Administrator with respect to the project that a contract for work on the physical structure or structures in which hospital care is to be furnished at a bedsize level consistent with such maximum amounts cannot feasibly be awarded within 180 days after (i) the date on which a contract for such construction work was scheduled as of June 1, 1985, to be awarded for the projects described in paragraphs (2)(A) and (B), and (ii) September 1, 1986, for the project described in paragraph (2)(C). Such certification shall be accompanied by submissions of three architectural/engineering firms (one of which is the firm retained by the Veterans' Administration to complete the plans for the project, one of which is a firm selected by the American Institute of Architects at the Administrator's request, and one of which is a firm selected by the Comptroller General of the United States), at least two of which support the Administrator's certification.

(c) Funds are authorized to be expended in fiscal year 1986 from the working reserve in the Veterans' Administration construction, major projects, account, to the extent consistent with and permitted pursuant to applicable provisions of law in effect on the date of the enactment of this Act, for the redesign of projects identified in paragraph (2) of subsection (b) and for the following projects if the total estimated expenditures involved in the completion of each project as redesigned is no more than the applicable amount specified for such project in such paragraph or as follows:

(1) Augusta, Georgia (Replacement Medical Center), $94,000,000.

(2) Baltimore, Maryland (Replacement Medical Center), $88,800,000.

(3) New York, New York (Outpatient/Clinical Additions and Alterations), $70,600,000.

PART C—ALTERNATIVES TO AND FOR CONSTRUCTION

CONSIDERATION OF PURCHASING OR LEASING MEDICAL FACILITIES

SEC. 421. (a) Section 5002 is amended by adding at the end the following new subsection:

"(d)(1) In connection with the assessment of the health-care needs of veterans in a particular area for the purpose of planning how best to meet such needs, the Administrator shall develop criteria for determining whether to proceed with planning for the construction or acquisition of a new or replacement medical facility and, if it is determined to proceed, for choosing among the alternatives of constructing the facility, leasing an existing medical facility that satisfies the requirements of paragraph (3) of this subsection, or purchasing an existing medical facility that satisfies such requirements.

"(2) After January 1, 1986, the Administrator shall not proceed to develop preliminary plans for a new or replacement medical facility except in accordance with the criteria established under paragraph (1) of this subsection and after considering the option of leasing or purchasing an existing facility that satisfies the requirements of paragraph (3) of this subsection.

"(3) A facility satisfies the requirements of this paragraph if—

"(A) the facility is available, or will be available in timely fashion in the foreseeable future, for purchase or lease;

"(B) the facility meets the current and projected needs and specifications of the Veterans' Administration for furnishing health care to eligible veterans residing within a 100-mile radius of where the new or replacement facility is planned to be located, or is adaptable to meet such needs and specifications;

"(C) the facility can be acquired at an estimated cost (including the costs of any necessary adaptation) that does not exceed the estimated cost of construction of a medical facility to meet such needs and specifications; and

"(D) the estimated cost of operating the facility (after adaptation, if necessary) does not exceed the estimated cost of operating a medical facility that would otherwise be constructed.".

(b) Clause (1) of section 5004(b) is amended by inserting "and, in the case of a prospectus proposing the construction of a new or replacement medical facility, a description of the consideration that was given, pursuant to criteria established under section 5002(d) of this title, to acquiring an existing facility by lease or purchase" after "such facility".

CONTRACT FOR CONSTRUCTION AND OPERATION OF A NURSING HOME

SEC. 422. (a) The Administrator of Veterans' Affairs shall enter into a contract with an appropriate entity for the construction and operation of a facility for furnishing solely to veterans eligible for nursing home care under chapter 17 of title 38, United

States Code, nursing home care that meets the current and projected needs and specifications (including those relating to location and site selection) of the Veterans' Administration. The contract shall—

(1) for a 5-year period following the completion of construction, require the contractor to staff, equip, and operate the nursing home in such a manner as to provide the types, levels, and quality of care that would be provided if the facility were being operated directly by the Veterans' Administration;

(2) provide the Administrator with the option to renew the contract for an additional term not to exceed 5 years;

(3) require the Administrator to refer a sufficient number of eligible veterans who require nursing home care to the nursing home to ensure a specific occupancy rate for the nursing home for the term of the contract, which rate shall be approximately equal to the average occupancy rate nationwide for Veterans' Administration nursing homes except that a higher rate may be required if the Administrator determines that such higher rate is in the best interests of the Federal Government;

(4) provide that the per diem rate payable to the contractor by the Veteran's Administration shall not exceed the average daily costs to the Veterans' Administration of operating Veterans' Administration facilities for the furnishing of nursing home care;

(5) provide that all rights, title, and interest in the facility constructed under the contract shall vest in the United States; and

(6) contain such other provisions as the Administrator determines are in the best interests of the United States.

(b) The provisions of subsection (a) shall take effect on October 1, 1985.

FEASIBILITY PLAN FOR THE PURCHASE OF A FACILITY FOR FURNISHING HOSPITAL AND NURSING HOME CARE

SEC. 423. In the documents submitted by the Administrator of Veterans' Affairs to the appropriate committees of the Congress at the time of and in connection with the submission, pursuant to section 1105 of title 31, of the Budget for fiscal year 1987, the Administrator shall provide a feasibility plan for the purchase for Veterans' Administration use of a medical facility that is located in an urban area and is suitable for furnishing both hospital and nursing home care services, and meets the current and projected needs and specifications of the Veterans' Administration for furnishing health care to eligible veterans. In such Budget, the President, as warranted by such feasibility plan, shall include a request for an appropriate amount to purchase such a facility which meets those needs and specifications.

DEVELOPMENT OF MEDICAL-FACILITY MODULAR COMPONENTS

SEC. 424. In order to evaluate the applicability to the Veterans' Administration of the use of modular components in the design and construction of medical facilities for the furnishing of hospital care and to determine the efficiency and cost-effectiveness of that approach, the Administrator of Veterans' Affairs shall, not later than 180 days after the date of the enactment of this Act, enter into a contract for the development of such a modular approach to the planning and design of an appropriate Veterans' Administration medical facility for the furnishing of hospital care.

TITLE V—MISCELLANEOUS PROVISIONS

TECHNICAL, CONFORMING AMENDMENT RELATING TO THE CONTINUING AVAILABILITY OF READJUSTMENT COUNSELING

SEC. 501. Section 612A(g)(1)(B) is amended by striking out "who requested such counseling before such date" and inserting in lieu thereof "who request such counseling".

ASSISTANCE FOR CERTAIN FORMER POLITICAL HOSTAGES

SEC. 502. (a) The Congress makes the following findings:

(1) In recent years some United States citizens have been held in captivity as political hostages or have been victims of other terrorist acts.

(2) The United States citizens who were passengers on Trans World Airlines flight number 847 on June 14, 1985, were victims of a hijacking of such flight and some of those passengers were subsequently held in captivity as political hostages.

(3) The experience of being held in captivity as a political hostage is a traumatic event that is outside the range of usual human experience.

(4) Stressful experiences connected with such a traumatic event can be expected to evoke in some victims certain psychological reactions, including symptoms of stress, which may be manifested shortly after the event or may be manifested weeks, months, or even years later.

(5) There is no established program under which United States citizens may obtain systematic assistance in copying with the short-term or long-term personal effects of captivity as political hostages after they return home.

(6) The Veterans' Administration has developed expertise in providing readjustment assistance to veterans who have experienced traumatic and stressful events outside the range of usual human experience as a result of military combat.

(7) The Veterans' Administration medical centers, including 13 specially designated inpatient units for veterans with post-traumatic stress disorder, 187 readjustment counseling centers and satellite facilities for Vietnam-era veterans, and the National Center on Post-Traumatic Stress Disorder have staff with expertise (A) in diagnosing and treating veterans who have experienced traumatic and stressful events, and (B) in training Veterans' Administration and other health-care personnel in, and conducting research and exchanging information relating to, diagnosis and treatment of such veterans.

(b) The Administrator of Veterans' Affairs shall take appropriate action otherwise authorized by law to ensure that the expertise of the Veterans' Administration in diagnosing and treating individuals who have experienced unusual trauma and stress and in training health care personnel on such matters is made available to other Federal Government agencies and other appropriate organizations which are providing assistance to United States citizens who were passengers on Trans World Airlines flight number 847 on June 14, 1985, or other United States citizens returning from captivity as political hostages, to attempt to minimize the potential short-term or long-term adverse psychological effects of such captivity on them.

REPORT ON FEDERAL GOVERNMENT RESPONSIBILITY TO INDIVIDUALS WHO SERVED WITH VOLUNTARY CIVILIAN ORGANIZATIONS IN VIETNAM

SEC. 503. (a)(1) The purpose of this section is to provide a basis for the executive branch and the Congress to evaluate the question of United States Government responsibility, and alternative approaches, for providing individuals who, for a period of at least 30 days during the Vietnam era, were employed in the Republic of Vietnam by (including having served there under the auspices of) voluntary organizations, determined by the Administrator of Veterans' Affairs, in consultation with the Secretary of Defense, to be organizations which provided significant assistance to the United States Armed Forces in the Republic of Vietnam during the Vietnam era, with Federal and other benefits and services (including, but not limited to, health care and monetary compensation for disabilities which may be related to their experiences during such employment in the Republic of Vietnam), either through the Veterans' Administration or otherwise, and for assisting such individuals in connection with disabilities they may have incurred as a result of such employment.

(2) In order to carry out the purpose stated in paragraph (1), the Administrator, the Secretary of Defense, and the Secretary of Health and Human Services, not later than 180 days after the date of the enactment of this Act, shall submit to the appropriate committees of the Congress a joint report on the question of United States Government responsibility and shall include in such report various alternative approaches (together with comments on the appropriateness and the advantages and disadvantages of each) and any recommendations by such officials for legislative and administrative action with respect thereto, for establishing a program for providing such benefits, services, and assistance to such individuals.

(b) For the purpose of this section—

(1) the term "Armed Forces" has the meaning given such term in section 101(10) of title 38, United States Code; and

(2) the term "Vietnam era" means the periods described in section 101(29) (as amended by section 201(a) of this Act) of such title.

LAND TRANSFER, PHOENIX, ARIZONA

SEC. 504. (a) The real property described in subsection (b) and the structures thereon on the date of the enactment of this Act shall be transferred without compensation or reimbursement from the control and jurisdiction of the General Services Administration to the control and jurisdiction of the Veterans' Administration.

(b) The real property referred to in subsection (a) is a tract of land consisting of 3.25 acres, more or less, in Phoenix, Arizona, that—

(1) was formerly part of the Veterans' Administration Medical Center, Phoenix, Arizona; and

(2) was declared to be excess to the needs of the Veterans' Administration in a report to the General Services Administration dated September 25, 1959.

MODIFICATION OF RESTRICTIONS ON REAL PROPERTY AND CONVEYANCE OF A FENCE ON SUCH PROPERTY, SALT LAKE CITY, UTAH

SEC. 505. (a) Section 2 of the Act entitled "An Act authorizing the Administrator of Veterans' Affairs to convey certain property to the Armory Board, State of Utah", approved July 29, 1954 (68 Stat. 580), is amended to read as follows:

"SEC. 2. Any conveyance under the first section of this Act—

"(1) shall provide that the tract conveyed may be used only for hospital, educational, civic, residential, or related purposes;

"(2) shall provide that, if any part of such tract is used in any manner that is deter-

mined by the Administrator of Veterans' Affairs to interfere with the care and treatment of any patient at a Veterans' Administration health-care facility located in the reservation described in such section, such use shall cease immediately upon notice by the Administrator of such interference to the Armory Board, State of Utah, and to each person using such part in such manner;

"(3) shall provide that, if any part of such tract is used for a purpose other than a purpose prescribed in paragraph (1), title to such part shall revert to the United States;

"(4) shall provide that, if any interference referred to in paragraph (2) does not cease as required under such paragraph, title to the part of such land that is being used in a manner to cause such interference shall revert to the United States; and

"(5) shall contain such additional terms and conditions (including reservations of rights for the United States) as the Administrator of Veterans' Affairs determines to be necessary to protect the interests of the United States.".

(b) The Administrator of Veterans' Affairs shall convey, without consideration, to the Armory Board, State of Utah, all right, title, and interest of the United States in the fence erected as required by the quitclaim deed issued to the Armory Board by the Administrator on October 14, 1954, under the authority of the Act referred to in subsection (a). The conveyance shall contain such terms and conditions as the Administrator determines to be necessary to protect the interests of the United States.

(c) The Administrator of Veterans' Affairs shall execute any documents that are necessary to bring the conveyance made under the authority of the Act referred to in subsection (a) into conformity with the amendment made by such subsection.

MODIFICATION OF RESTRICTIONS ON REAL PROPERTY, MILWAUKEE COUNTY, WISCONSIN

SEC. 506. (a) The Administrator of Veterans' Affairs shall execute such instruments as may be necessary to modify the conditions under which the land described in subsection (b) will revert to the United States in order to permit Milwaukee County, Wisconsin, to lease all or part of such land to a nonprofit corporation which shall (1) construct and equip on such land structures, facilities, and other permanent improvements useful for public recreational purposes or general civic purposes, and (2) use such land for such recreational or civic purposes. The Administrator may carry out the preceding sentence subject to such terms and conditions (including reservations of rights for the United States) as the Administrator determines to be necessary to protect the interests of the United States.

(b) The land referred to in subsection (a) is (1) the land conveyed to Milwaukee County, Wisconsin, pursuant to the Act entitled "An Act to authorize the Administrator of Veterans' Affairs to convey lands and to lease certain other land to Milwaukee County, Wisconsin", approved September 1, 1949 (63 Stat. 683), and (2) the land conveyed to Milwaukee County, Wisconsin, pursaunt to the Act entitled "An Act authorizing the Administrator of Veterans' Affairs to convey certain property to Milwaukee County, Wisconsin", approved August 27, 1954 (68 Stat. 866).

SERVICEMEN'S GROUP LIFE INSURANCE AND VETERANS' GROUP LIFE INSURANCE

SEC. 507. (a)(1) Subsection (a) of section 767 is amended—

(A) by striking out "35,000" and inserting in lieu thereof "$50,000"; and

(B) by striking out "the amount of $30,000, $25,000, $20,000 $15,000, $10,000 or $5,000" and inserting in lieu thereof "an amount less than $50,000 that is evenly divisible by $10,000".

(2) Subsection (c) of such section is amended by striking out "the amount of" the first place it appears and all that follows through "as the case may be," and inserting in lieu thereof "any amount less than $50,000, such member may thereafter be insured under this subchapter in the amount of $50,000 or any lesser amount evenly divisible by $10,000".

(3) Subsection (d) of such section is amended—

(A) by striking out "the effective date of this subsection" each place it appears and inserting in lieu thereof "January 1, 1986"; and

(B) by striking out "up to a maximum of $35,000 (in any amount divisible by $5,000)" and inserting in lieu thereof "in the amount of $50,000 or any lesser amount evenly divisible by $10,000".

(b)(1) Subsection (a) of section 777 is amended—

(A) by striking out the first sentence and inserting in lieu thereof the following: "Veterans' Group Life Insurance shall be issued in the amounts specified in section 767(a) of this title. In the case of any individual, the amount of Veterans' Group Life Insurance may not exceed the amount of Servicemen's Group Life Insurance coverage continued in force after the expiration of the period of duty or travel under section 767(b) or 768(a) of this title."; and

(B) by striking out "$35,000" in the sentence immediately following the matter inserted by clause (A) and both places it appears in the last sentence and inserting in lieu thereof "$50,000".

(2) Such section is further amended by adding at the end the following new subsection:

"(h)(1) Notwithstanding any other provision of law, members of the Individual Ready Reserve and the Inactive National Guard are eligible to be insured under Veterans' Group Life Insurance. Any such member shall be so insured upon submission of an application in the manner prescribed by the Administrator and the payment of premiums as required under this section.

"(2) Notwithstanding subsection (b)(2) of this section, Veterans' Group Life Insurance coverage under this subsection shall be issued on a renewable five-year term basis, but the person insured must remain a member of the Individual Ready Reserve or Inactive National Guard throughout the period of the insurance in order for the insurance of such person to be renewed.

"(3) For the purposes of this subsection, the terms 'Individual Ready Reserve' and 'Inactive National Guard' shall have the meaning prescribed by the Administrator in consultation with the Secretary of Defense.".

(c) The amendments made by subsections (a) and (b) shall take effect on January 1, 1986.

EXTENSION OF THE PERIOD FOR ENTERING INTO TRAINING UNDER THE EMERGENCY VETERANS' JOB TRAINING ACT OF 1983

SEC. 508. Section 17(2) of the Emergency Veterans' Job Training Act of 1983 (Public Law 98-77; 29 U.S.C. 1721 note) is amended by striking out "September 1, 1985" and inserting in lieu thereof "March 1, 1986".

EXTENSION OF AUTHORITY TO OPERATE AN OFFICE IN THE REPUBLIC OF THE PHILIPPINES

SEC. 509. Section 230(b) is amended by striking out "September 30, 1985" and inserting in lieu thereof "September 30, 1988".

TITLE VI—EFFECTIVE DATE

SEC. 601. Except as otherwise provided in sections 202(b), 401(b), 422(b), and 507(c) of this Act, the provisions of and amendments made by this Act shall take effect on the date of the enactment of this Act.

Amend the title so as to read: "An Act to amend title 38, United States Code, to establish, extend, and improve certain Veterans' Administration health-care programs, and for other purposes.".

House amendment to the Senate amendment to the text of H.R. 505: In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Veterans' Administration Health-Care Amendments of 1985".

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. References to title 38, United States Code.

TITLE I—HEALTH-CARE PROGRAMS

Sec. 101. Alcohol and drug treatment and rehabilitation.
Sec. 102. Special contract-care authority outside the 48 contiguous States.
Sec. 103. Extension of interim health-care eligibility based on exposure to dioxin or other toxic substances in Vietnam or to nuclear radiation.
Sec. 104. Outpatient and ambulatory services following nursing home or domiciliary care.
Sec. 105. Vietnam Veteran Resource Centers pilot program.
Sec. 106. Technical amendment relating to continuing availability of readjustment counseling.
Sec. 107. Counseling for former prisoners of war.
Sec. 108. Transfers for nursing home care.
Sec. 109. Chiropractic services pilot program.

TITLE II—HEALTH-CARE ADMINISTRATION

Sec. 201. Medical quality-assurance records.
Sec. 202. Authority to expand Geriatric Research, Education, and Clinical Centers program.
Sec. 203. Revision of authority for appointment of student nurses and graduate nurses.
Sec. 204. Quality assurance and credentialing.
Sec. 205. Availability of State financial support for approved State home projects.
Sec. 206. Procedures for reduction or revocation of clinical privileges.

TITLE III—VETERANS' ADMINISTRATION MEDICAL FACILITIES

Sec. 301. Clarification of requirement of congressional approval of construction and acquisition projects.
Sec. 302. Operational and construction planning requirement.
Sec. 303. Major facility prospectus requirement.

Sec. 304. Development of medical-facility modular components.

TITLE IV—MISCELLANEOUS PROVISIONS

Sec. 401. Servicemen's Group Life Insurance and Veterans' Group Life Insurance.
Sec. 402. Extension of authority to operate an office in the Republic of the Philippines.
Sec. 403. Veterans' Administration grade reduction.
Sec. 404. Land transfer, Phoenix, Arizona.
Sec. 405. Modification of restrictions on real property, Milwaukee County, Wisconsin.
Sec. 406. Authority to release limitation on use of real property, McKinney, Texas.
Sec. 407. Modification of restrictions on real property and conveyance of a fence on such property, Salt Lake City, Utah.

SEC. 2. REFERENCES TO TITLE 38, UNITED STATES CODE.

Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or a repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

TITLE I—HEALTH-CARE PROGRAMS

SEC. 101. ALCOHOL AND DRUG TREATMENT AND REHABILITATION.

(a) EXTENSION OF SPECIAL CONTRACT AUTHORITY.—Section 620A is amended—

(1) in subsection (a)(1)—

(A) by striking out "may conduct a pilot program under which the Administrator" in the first sentence; and

(B) by striking out the second sentence;

(2) by striking out "October 31, 1985" in subsection (e) and inserting in lieu thereof "September 30, 1988"; and

(3) by striking out subsection (f) and inserting in lieu thereof the following:

"(f)(1) The Administrator shall monitor the performance of each contract facility furnishing care and services under the program carried out under subsection (a) of this section.

"(2) The Administrator shall use the results of such monitoring to determine—

"(A) with respect to the program, the medical advantages and cost-effectiveness that result from furnishing such care and services; and

"(B) with respect to such contract facilities generally, the level of success under the program, considering—

"(i) the rate of successful rehabilitation for veterans furnished care and services under the program;

"(ii) the rate of readmission to contract facilities under the program or to Veterans' Administration health-care facilities by such veterans for care or services for disabilities referred to in subsection (a) of this section;

"(iii) whether the care and services furnished under the program obviated the need of such veterans for hospitalization for such disabilities;

"(iv) the average duration of the care and services furnished such veterans under the program;

"(v) the ability of the program to aid in the transition of such veterans back into their communities; and

"(vi) any other factor that the Administrator considers appropriate.

"(3) The Administrator shall maintain records of—

"(A) the total cost for the care and services furnished by each contract facility under the program;

"(B) the average cost per veteran for the care and services furnished under the program; and

"(C) the appropriateness of such costs, by comparison to—

"(i) the average charges for the same types of care and services furnished generally by other comparable halfway houses, therapeutic communities, psychiatric residential treatment centers, and other community-based treatment facilities; and

"(ii) the historical costs for such care and services for the period of time that the program carried out under subsection (a) of this section was a pilot program, taking into account economic inflation.

"(4) Not later than February 1, 1988, the Administrator shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report on the experience under the program carried out under this section during fiscal years 1984 through 1987. The report shall include—

"(A) a description of the care and services furnished;

"(B) the matters referred to in paragraphs (1), (2), and (3) of this subsection; and

"(C) the Administrator's findings, assessment, and recommendations regarding the program under this section.".

(b) CONFORMING AMENDMENTS.—(1) The heading for such section is amended by striking out the semicolon and the last two words.

(2) The item relating to such section in the table of sections at the beginning of chapter 17 is amended by striking out the semicolon and the last two words.

SEC. 102. SPECIAL CONTRACT-CARE AUTHORITY OUTSIDE THE 48 CONTIGUOUS STATES.

(a) REVISION OF SPECIAL CONTRACT CARE AUTHORITY.—Section 601(4)(C)(v) is amended—

(1) by striking out "(except with respect to Alaska and Hawaii) shall expire on October 31, 1985" and inserting in lieu thereof "with respect to the Commonwealth of Puerto Rico shall expire on September 30, 1988"; and

(2) by striking out "and to the Virgin Islands".

(b) PHASE-OUT OF SPECIAL AUTHORITY IN PUERTO RICO.—(1) Effective on October 1, 1988, such section is amended—

(A) by inserting "(other than the Commonwealth of Puerto Rico)" after "in a State"; and

(B) by striking out "contiguous States" the second place it appears and all that follows through "medical services;" and inserting in lieu thereof "contiguous States and the Commonwealth of Puerto Rico;".

(2) During fiscal year 1986, the obligations incurred for Puerto Rico contract care may not exceed 85 percent of the obligations incurred for such care for fiscal year 1985.

(3) During fiscal year 1987, the obligations incurred for Puerto Rico contract care may not exceed 50 percent of the obligations incurred for such care for fiscal year 1985.

(4) During fiscal year 1988, the obligations incurred for Puerto Rico contract care may not exceed 25 percent of the obligations incurred for such care for fiscal year 1985.

(5) For the purpose of this subsection, the term "obligations incurred for Puerto Rico contract care" means the total obligations incurred during a fiscal year for medical services for veterans residing in the Commonwealth of Puerto Rico under the Administrator's authority to contract for hospital care or medical services under clause (v) of section 601(4)(C) of title 38, United States Code, in the Commonwealth of Puerto Rico.

SEC. 103. EXTENSION OF INTERIM HEALTH-CARE ELIGIBILITY BASED ON EXPOSURE TO DIOXIN OR OTHER TOXIC SUBSTANCES IN VIETNAM OR TO NUCLEAR RADIATION.

Section 610(e)(3) is amended by striking out "after the end of" and all that follows and inserting in lieu thereof "after September 30, 1989.".

SEC. 104. OUTPATIENT AND AMBULATORY SERVICES FOLLOWING NURSING HOME OR DOMICILIARY CARE.

Section 612(f)(1) is amended—

(1) by striking out "where" the first two places it appears and inserting in lieu thereof "if";

(2) by inserting a comma and "nursing home care, or domiciliary care" after "hospital care" the second place it appears;

(3) by striking out "hospital" the fourth place it appears; and

(4) by striking out "in-hospital" and inserting in lieu thereof "such".

SEC. 105. VIETNAM VETERAN RESOURCE CENTERS PILOT PROGRAM.

Section 612A is amended by adding at the end the following new subsection:

"(h)(1) During the period beginning on January 1, 1986, and ending on September 30, 1988, the Administrator shall conduct a pilot program to provide and coordinate the provision of services described in paragraph (2) of this subsection. The pilot program shall be carried out in order to evaluate the effectiveness, feasibility, and desirability of providing veterans eligible for readjustment counseling under this section with additional services through facilities furnishing such counseling.

"(2) The services referred to in paragraph (1) of this subsection are—

"(A) counseling with respect to, and assistance in applying for, all benefits and services under laws administered by the Veterans' Administration for which veterans participating in the pilot program may be eligible;

"(B) employment counseling, training, placement, and related services described in sections 2003 and 2003A of this title or provided under any other law administered by the Secretary of Labor;

"(C) initial intake and referral services with respect to disabilities related to alcohol or drug dependence or abuse and followup services for veterans who have received treatment for such disabilities; and

"(D) assistance in coordinating the provision of benefits and services to veterans participating in the pilot program with respect to such veterans' receipt of—

"(i) services provided under the pilot program; and

"(ii) other benefits and services provided under laws administered by the Veterans' Administration, the Secretary of Labor, or any other Federal agency or official.

"(3)(A) In order to carry out the pilot program, the Administrator shall—

"(i) designate as sites for demonstration projects 10 facilities which on the date of the enactment of this section are providing readjustment counseling under this section; and

"(ii) assign such staff and other resources to such facilities as are necessary to enable such facilities to provide the services referred to in subparagraphs (A) and (C) of paragraph (2) of this subsection.

"(B) Facilities designated under subparagraph (A) of this paragraph shall be known as Vietnam Veteran Resource Centers (hereinafter in this subsection referred to as 'Centers').

"(4) The Administrator—

"(A) shall be responsible for coordinating the assignment and use of employees, on full- or part-time bases, as appropriate, in each Center; and

"(B) shall, in carrying out that responsibility, make maximum feasible use of the Veterans' Administration employees who are providing services at each facility on the date it is designated as a Center under this subsection.

"(5) The Secretary of Labor shall provide for the assignment to each Center, on full- or part-time bases, as the Secretary considers appropriate, of disabled veterans' outreach specialists appointed under section 2003A of this title or employees on the staffs of local employment service offices who are assigned to perform services under section 2004 of this title.

"(6) Not later than April 1, 1987, the Administrator shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report on the experience under the pilot program during its first 15 months of operation. The report shall include—

"(A) the Administrator's assessment of—

"(i) the effectiveness of the pilot program in providing and coordinating the provision of the services described in paragraph (2) of this subsection and counseling and services furnished under subsections (a) and (b) of this section; and

"(ii) the appropriateness of the use of the personnel assigned to the program;

"(B) a description of any administrative action that the Administrator plans to take generally to increase the coordination of the provision of such services to veterans eligible for readjustment counseling services under this section;

"(C) any recommendation that the Administrator considers appropriate; and

"(D) a comparison of such assessment, plans, and recommendations with the evaluation of and the recommendations relating to the readjustment counseling program included in the report required by subsection (g)(2) of this section.

"(7) Not later than January 1, 1989, the Administrator shall submit to such Committees a final report on the pilot program. The report shall include—

"(A) updates of all information provided in the report submitted pursuant to paragraph (6) of this subsection; and

"(B) the Administrator's final assessment of the pilot program based on 33 months of operation.".

SEC. 106. TECHNICAL AMENDMENT RELATING TO CONTINUING AVAILABILITY OF READJUSTMENT COUNSELING.

Section 612A(g)(1)(B) is amended by striking out "who requested counseling before such date" and inserting in lieu thereof "who request such counseling".

SEC. 107. COUNSELING FOR FORMER PRISONERS OF WAR.

(a) IN GENERAL.—Subchapter II of chapter 17 is amended by inserting after section 612A the following new section:

"§ 612B. Counseling for former prisoners of war

"The Administrator may establish a program under which, upon the request of a veteran who is a former prisoner of war, the Administrator, within the limits of Veterans' Administration facilities, furnishes counseling to such veteran to assist such veteran in overcoming the psychological effects of the veteran's detention or internment as a prisoner of war.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 612A the following new item:

"612B. Counseling for former prisoners of war.".

SEC. 108. TRANSFERS FOR NURSING HOME CARE.

(a) IN GENERAL.—Subsection (a) of section 620 is amended to read as follows:

"(a)(1) Subject to subsection (b) of this section, the Administrator may transfer to a non-Veterans' Administration nursing home, for care at the expense of the United States—

"(A) a veteran—

"(i) who has been furnished hospital care, nursing home care, or domiciliary care by the Administrator in a facility under the direct jurisdiction of the Administrator; and

"(ii) who the Administrator determines—

"(I) requires a protracted period of nursing home care which can be furnished in the non-Veterans' Administration nursing home; and

"(II) in the case of a veteran who has been furnished hospital care in a facility under the direct jurisdiction of the Administrator, has received maximum benefits from such care; and

"(B) a member of the Armed Forces—

"(i) who has been furnished care in a hospital of the Armed Forces;

"(ii) who the Secretary concerned determines has received maximum benefits from such care but requires a protracted period of nursing home care; and

"(iii) who upon discharge from the Armed Forces will become a veteran.

"(2) The Administrator may transfer a person to a nursing home under this subsection only if the Administrator determines that the cost to the United States of the care of such person in the nursing home will not exceed—

"(A) the amount equal to 45 percent of the cost of care furnished by the Veterans' Administration in a general hospital under the direct jurisdiction of the Administrator (as such cost may be determined annually by the Administrator); or

"(B) the amount equal to 50 percent of such cost, if such higher amount is determined to be necessary by the Administrator (upon the recommendation of the Chief Medical Director) to provide adequate care.

"(3) Nursing home care may not be furnished under this subsection at the expense of the United States for more than six months in the aggregate in connection with any one transfer except—

"(A) in the case of a veteran—

"(i) who is transferred to a non-Veterans' Administration nursing home from a hospital under the direct jurisdiction of the Administrator; and

"(ii) whose hospitalization was primarily for a service-connected disability;

"(B) in a case in which the nursing home care is required for a service-connected disability; or

"(C) in a case in which, in the judgment of the Administrator, a longer period of nursing home care is warranted.

"(4) A veteran who is furnished care by the Administrator in a hospital or domiciliary facility in Alaska or Hawaii may be furnished nursing home care at the expense of the United States under this subsection even if such hospital or domiciliary facility is not under the direct jurisdiction of the Administrator.".

(b) ADMISSION TO CONTRACT NURSING HOMES OF CERTAIN VETERANS.—Subsection (d) of such section is amended—

(1) by inserting "(1)" after "(d)";

(2) by striking out "to any public or private institution not under the jurisdiction of the Administrator which furnishes nursing home care" in the first sentence and inserting in lieu thereof "to any non-Veterans' Administration nursing home";

(3) by inserting after the first sentence the following new sentence: "The Administrator may also authorize a direct admission to such a nursing home for nursing home care for any veteran who has been discharged from a hospital under the direct jurisdiction of the Administrator and who is currently receiving medical services as part of home health services from the Veterans' Administration.";

(4) by striking out the sentence beginning "Such admission" and inserting in lieu thereof the following:

"(2) Direct admission authorized by paragraph (1) of this subsection may be authorized upon determination of need therefor—

"(A) by a physician employed by the Veterans' Administration; or

"(B) in areas where no such physician is available, by a physician carrying out such function under contract or fee arrangement, based on an examination by such physician."; and

(5) by designating the last sentence as paragraph (3).

(c) DEFINITION OF NON-VETERANS' ADMINISTRATION NURSING HOME.—Subsection (e) of such section is amended—

(1) by inserting "(1)" after "(e)";

(2) by striking out "subsection (a)(ii)" in the second sentence and inserting in lieu thereof "subsection (a)(2)(B)"; and

(3) by adding at the end the following:

"(2) For the purposes of this section, the term 'non-Veterans' Administration nursing home' means a public or private institution not under the direct jurisdiction of the Administrator which furnishes nursing home care.".

(d) IMPROVEMENT IN PENSION PROGRAM ADMINISTRATION.—(1) In order to improve the timeliness of adjustments made pursuant to section 3203(a) of title 38, United States Code, in the amount of pension being paid to a veteran who is being furnished nursing home care by the Veterans' Administration, the Chief Medical Director of the Veterans' Administration shall develop improved procedures for notifying the Chief Benefits Director of the Veterans' Administration when a veteran is admitted to a nursing home.

(2) The Administrator shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report on the development and implementation of such procedures. The report shall be submitted not later than 90 days after the date of the enactment of this Act.

SEC. 109. CHIROPRACTIC SERVICES PILOT PROGRAM.

(a) ESTABLISHMENT OF PILOT PROGRAM.—(1) The Administrator of Veterans' Affairs shall conduct a pilot program to evaluate the therapeutic benefits and the cost-effectiveness of furnishing certain chiropractic services to veterans eligible for medical services under chapter 17 of title 38, United States Code. Such a veteran is eligible to receive chiropractic services under the pilot program if the veteran was furnished hospital care or medical services by the Veterans' Administration for a neuromusculoskeletal condition of the spine within the 12-month period immediately preceding the commencement of the furnishing of such chiropractic services.

(2) The pilot program shall consist of not less than one demonstration project in each of five geographic regions of the United

States designated by the Administrator for the purpose of this section.

(3) The pilot program shall be carried out during the period beginning on January 1, 1986, and ending on December 31, 1988.

(b) CONSULTATION AND COORDINATION.—In developing the pilot program, the Administrator shall consult with the Secretary of Defense regarding the demonstration projects carried out by the Secretary under section 632(b) of the Department of Defense Authorization Act, 1985 (10 U.S.C. 1092 note). In designing, conducting, and evaluating the pilot program, the Administrator shall obtain advice and recommendations from recognized medical or scientific authorities in the treatment of neuromusculoskeletal conditions of the spine. The Administrator shall ensure that there is adequate participation by chiropractors in the design and evaluation of the demonstration projects, including participation by representatives from chiropractic colleges recognized by an approved accrediting organization.

(c) PAYMENT FOR CHIROPRACTIC SERVICES UNDER THE PILOT PROGRAM.—(1)(A) The Administrator shall pay the reasonable charge for chiropractic services furnished to eligible veterans under the pilot program.

(B) The Administrator may not pay for such services to the extent that the veteran is entitled to such services (or reimbursement for the expenses of such services) under—

(i) an insurance policy or contract;

(ii) a medical or hospital service agreement or membership or subscription contract; or

(iii) a similar arrangement for the purpose of providing, paying for, or reimbursing expenses for such services.

(2) The Administrator—

(A) shall reimburse the veteran for such reasonable charges if the veteran has paid for such services; or

(B) in lieu of reimbursing a veteran for a charge for chiropractic services under subparagraph (A), may pay the reasonable charge for such chiropractic services directly to the chiropractor who furnished the services.

(3) The amount paid for chiropractic services under this subsection may not exceed the amount for such services prescribed under the schedule of reasonable charges established under subsection (d).

(4) Chiropractic services may be provided in private facilities or chiropractic colleges approved in guidelines issued by the Administrator.

(5) Reimbursement of veterans and payments to chiropractors under this subsection shall be carried out under regulations which the Administrator shall prescribe.

(d) SCHEDULE OF REASONABLE CHARGES.—The Administrator shall establish a schedule of reasonable charges for chiropractic services furnished under the pilot program. Such schedule shall—

(1) be consistent with the reasonable charges allowed under section 1842 of the Social Security Act (42 U.S.C. 1395u); and

(2) be established in consultation with—

(A) appropriate public and nonprofit private organizations; and

(B) other Federal departments and agencies that provide reimbursement for chiropractic services.

(e) PROGRAM CAP.—The amount spent in any calendar year for chiropractic services under the pilot program may not exceed $2,000,000.

(f) REPORT.—Not later than April 1, 1989, the Administrator shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report on the implementation, operation, and results of the pilot program. The report shall include—

(1) the number of requests made by eligible veterans for reimbursement or payment for chiropractic services under this section and the number of such veterans who made such requests;

(2) the number of such reimbursements and payments made and the number of veterans to (or for whom) such reimbursements and payments were made; and

(3) the total amount spent for such reimbursements and payments.

(g) DEFINITIONS.—For the purposes of this section:

(1) The term "chiropractic services" means the manual manipulation of the spine performed by a chiropractor to correct a subluxation of the spine. Such term does not include physical examinations, laboratory tests, radiologic services, and any other tests or services determined by the Administrator to be excluded.

(2) The term "chiropractor" means an individual who is licensed as such by the State in which the individual performs chiropractic services and who meets the uniform minimum standards promulgated for chiropractors under section 1861(r)(5) of the Social Security Act (42 U.S.C. 1395x(r)(5)).

TITLE II—HEALTH-CARE ADMINISTRATION

SEC. 201. MEDICAL QUALITY-ASSURANCE RECORDS.

Section 3305 is amended—

(1) by inserting "(other than reports submitted pursuant to section 4152(b) of this title)" in subsection (a) after "program"; and

(2) by adding at the end of subsection (b) the following new paragraph:

"(6) Nothing in this section shall be construed as authorizing or requiring withholding from any person or entity the disclosure of statistical information regarding Veterans' Administration health-care programs (including such information as aggregate morbidity and mortality rates associated with specific activities at individual Veterans' Administration health-care facilities) that does not implicitly or explicitly identify individual Veterans' Administration patients or employees or individuals who participated in the conduct of a medical quality-assurance review.".

SEC. 202. AUTHORITY TO EXPAND GERIATRIC RESEARCH, EDUCATION, AND CLINICAL CENTERS PROGRAM.

Section 4101(f)(1)(A) is amended by striking out "fifteen" and inserting in lieu thereof "25".

SEC. 203. REVISION OF AUTHORITY FOR APPOINTMENT OF STUDENT NURSES AND GRADUATE NURSES.

Section 4114(a)(3) is amended—

(1) by striking out "one year" in the second sentence of subparagraph (A) and inserting in lieu thereof "two years"; and

(2) by adding at the end the following new subparagraph:

"(C) A student nurse who has a temporary appointment under this paragraph and who is pursuing a full course of nursing in a recognized school of nursing approved by the Administrator may be reappointed for one year. Other personnel whose appointments are limited by this section to one year may not be reappointed under this subsection.".

SEC. 204. QUALITY ASSURANCE AND CREDENTIALING.

(a) IMPROVEMENTS IN PROGRAMS TO EVALUATE AND ASSURE HEALTH-CARE QUALITY.—(1) Chapter 73 is amended by adding at the end the following new subchapter:

"Subchapter V—Quality Assurance

"§ 4151. Quality assurance program

"(a) The Administrator shall—

"(1) establish and conduct a comprehensive program to monitor and evaluate the quality of health care furnished by the Department of Medicine and Surgery (hereinafter in this section referred to as the 'quality-assurance program'); and

"(2) delineate the responsibilities of the Chief Medical Director with respect to the quality-assurance program, including the duties prescribed in this section.

"(b)(1) As part of the quality-assurance program, the Chief Medical Director shall periodically evaluate—

"(A) whether there are significant deviations in mortality and morbidity rates for surgical procedures performed by the Department of Medicine and Surgery from prevailing national mortality and morbidity standards for similar procedures; and

"(B) if there are such deviations, whether they indicate deficiencies in the quality of health care provided by the Department of Medicine and Surgery.

"(2) The evaluation under paragraph (1)(A) of this subsection shall be made using the information compiled under subsection (c)(1) of this section. The evaluation under paragraph (1)(B) of this subsection shall be made taking into account the factors described in subsection (c)(2)(B) of this subsection.

"(3) If, based upon an evaluation under paragraph (1)(A) of this subsection, the Chief Medical Director determines that there is a deviation referred to in that paragraph, the Chief Medical Director shall explain the deviation in the next report submitted under section 4152 of this title.

"(c)(1) The Chief Medical Director shall—

"(A) determine the prevailing national mortality and morbidity standards for each type of surgical procedure performed by the Department of Medicine and Surgery; and

"(B) collect data and other information on mortality and morbidity rates in the Department of Medicine and Surgery for each type of surgical procedure performed by the Department and (with respect to each such procedure) compile the data and other information so collected—

"(i) for each medical facility of the Veterans' Administration, in the case of cardiac surgery, heart transplant, and renal transplant programs; and

"(ii) in the aggregate, for each other type of surgical procedure.

"(2) The Chief Medical Director shall—

"(A) compare the mortality and morbidity rates compiled under paragraph (1)(B) of this subsection with the national mortality and morbidity standards determined under paragraph (1)(A) of this subsection; and

"(B) analyze any deviation between such rates and such standards in terms of—

"(i) the characteristics of the respective patient populations;

"(ii) the level of risk for the procedure involved, based on—

"(I) patient age;

"(II) the type and severity of the disease;

"(III) the effect of any complicating diseases; and

"(IV) the degree of difficulty of the procedure; and

"(iii) any other factor that the Chief Medical Director considers appropriate.

"(d) Based on the information compiled and the comparisons, analyses, evaluations,

and explanations made under subsections (b) and (c) of this section, the Chief Medical Director, in each report under section 4152 of this title, shall make such recommendations with respect to quality assurance as the Chief Medical Director considers appropriate.

"(e)(1) The Administrator shall allocate sufficient resources (including sufficient personnel with the necessary skills and qualifications) to enable the Department of Medicine and Surgery to carry out its responsibilities under this section.

"(2) The Inspector General of the Veterans' Administration shall allocate sufficient resources (including sufficient personnel with the necessary skills and qualifications) to enable the Inspector General to monitor the quality-assurance program.

"§ 4152. Quality-assurance reports

"(a)(1) Not later than February 1 of 1987, 1989, and 1991, the Chief Medical Director shall submit to the Administrator a report on the experience through the end of the preceding fiscal year under the quality-assurance program carried out under section 4151 of this title.

"(2) Each such report shall include—

"(A) the data and other information compiled and the comparisons, analyses, and evaluations made under subsections (b) and (c) of such section with respect to the period covered by the report; and

"(B) recommendations under subsection (d) of such section.

"(b) Not later than 60 days after receiving each such report, the Administrator shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a copy of the report, together with any comment concerning the report that the Administrator considers appropriate.

"(c) A report submitted under subsection (b) of this section shall not be considered to be a record or document as described in section 3305(a) of this title.".

(2) The table of sections at the beginning of chapter 73 is amended by adding at the end the following:

"SUBCHAPTER V—QUALITY ASSURANCE

"4151. Quality assurance program.
"4152. Quality-assurance reports.".

(b) REPORT ON CREDENTIALS OF HEALTH-CARE PROFESSIONALS.—(1) The Administrator of Veterans' Affairs shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report describing in detail the current efforts and procedures and future plans of the Veterans' Administration for determining and monitoring the credentials of health-care professionals in connection with their furnishing care to veterans under chapter 17 of title 38, United States Code.

(2)(A) The report shall include a description of each current and planned Veterans' Administration policy or procedure regarding, or arrangement for, credentialing information exchanges.

(B) With reference to any such policy, procedure, or arrangement that is planned and has not been implemented at the time the report required by paragraph (1) is submitted, the Administrator shall—

(i) include in the report a timetable for such implementation; and

(ii) report to the committees on progress toward such implementation every three months thereafter until implementation of each such policy, procedure, and arrangement is achieved.

Upon implementation of each such policy, procedure, and arrangement, a final report on such implementation shall be submitted to the Committees.

(3) For the purposes of this subsection, the term "credentialing information exchanges" includes the exchange of relevant information with a license issuing or monitoring entity—

(A) in order to determine, with respect to an individual who is seeking employment with, or who is employed by, the Veterans' Administration as a health-care professional for the furnishing of care to veterans under chapter 17 of title 38, United States Code—

(i) whether the individual has completed medical or other health-care professional education satisfactorily;

(ii) the current and past licensure and clinical privilege status of the individual; or

(iii) the full employment history of the individual; or

(B) in order to provide appropriate information to such an entity about an individual whose employment with the Veterans' Administration as a health-care professional is terminated—

(i) following the completion of a disciplinary action relating to such individual's clinical competence;

(ii) voluntarily after having had such individual's clinical privileges restricted or revoked; or

(iii) voluntarily after serious concerns about such individual's clinical competence have been raised but not resolved.

(4) For the purposes of this subsection, the term "license issuing or monitoring entity" means—

(A) an appropriate State medical or other health-professional licensing body;

(B) the Federation of State Medical Boards;

(C) the American Medical Association; and

(D) any other public or private entity that the Administrator considers appropriate that is involved with the issuance or monitoring of health-care professional licenses.

(5) The report required by this subsection shall be submitted not later than 90 days after the date of the enactment of this Act.

SEC. 205. AVAILABILITY OF STATE FINANCIAL SUPPORT FOR APPROVED STATE HOME PROJECTS.

(a) DEADLINE FOR AVAILABILITY OF STATE CONSTRUCTION FUNDS.—Subsection (a)(6) of section 5035 is amended by inserting "by July 1 of the fiscal year for which the application is approved" before "and for its maintenance".

(b) DEFERRAL OF CERTAIN APPLICATIONS.—Subsection (b) of such section is amended—

(1) by inserting "(1)" after "(b)";

(2) by redesignating clauses (1) through (4) as clauses (A) through (D), respectively; and

(3) by adding at the end the following new paragraph:

"(2)(A) The Administrator shall defer approval of an application that meets the requirements of this section if the State submitting the application does not, by the July 1 deadline (as defined in subparagraph (C) of this paragraph), demonstrate to the satisfaction of the Administrator that the State has provided adequate financial support for construction of the project.

"(B) In a case in which approval of an application is deferred under subparagraph (A) of this paragraph—

"(i) the Administrator, in accordance with guidelines established by the Administrator, shall select for award of a grant or grants under this section an application or applications for a nursing home project or projects that the Administrator determines—

"(I) to be most in need;

"(II) would, but for the deferral, not have been approved during the fiscal year in which the deferral occurred; and

"(III) have been provided adequate financial support by the State and are otherwise qualified for approval during the fiscal year; and

"(ii) during the next fiscal year, the application with respect to which approval was deferred shall be accorded priority for approval ahead of applications that had not been approved before the first day of such fiscal year.

"(C) For the purposes of this paragraph, the term 'July 1 deadline' means July 1 of the fiscal year in which the State is notified by the Administrator of the availability of funding for a grant for such project.".

SEC. 206. PROCEDURES FOR REDUCTION OR REVOCATION OF CLINICAL PRIVILEGES.

(a) GUIDELINES.—Not later than April 1, 1986, the Administrator of Veterans' Affairs shall prescribe uniform guidelines establishing administrative procedures to be followed in any case in which a reduction or revocation of the clinical privileges of any person employed in a position described in paragraph (1) of section 4104 of title 38, United States Code, is proposed on the basis of a deficiency in the employee's performance of professional responsibilities.

(b) REPORT.—Not later than May 1, 1986, the Administrator shall submit to the Committees on Veterans' Affairs of the Senate and House of Representativs a report (containing a copy of such guidelines) on the implementation of this section.

TITLE III—VETERANS' ADMINISTRATION MEDICAL FACILITIES

SEC. 301. CLARIFICATION OF REQUIREMENT OF CONGRESSIONAL APPROVAL OF CONSTRUCTION AND ACQUISITION PROJECTS.

Subsection (a) of section 5004 is amended to read as follows:

"(a)(1) The purpose of this subsection is to enable Congress to ensure the equitable distribution of medical facilities throughout the United States, taking into consideration the comparative urgency of the need for the services to be provided in the case of each particular facility.

"(2) After the adoption by the committees during a fiscal year of resolutions with identical texts approving major medical facility projects, it shall not be in order in the House of Representatives or in the Senate to consider a bill, resolution, or amendment making an appropriation for that fiscal year or for the next fiscal year which may be expended for a major medical facility project—

"(A) if the project for which the appropriation is proposed to be made is not approved in those resolutions; or

"(B) in the event that the project is approved in the resolutions, if either—

"(i) the bill, resolution, or amendment making the appropriation does not specify—

"(I) the medical facility project for which the appropriation is proposed to be made; and

"(II) the amount proposed to be appropriated for the project; or

"(ii) the amount proposed to be appropriated for the project (when added to any amount previously appropriated for the project) exceeds the amount approved for the project.

"(3) No appropriation may be made for the lease of any space for use as a medical facility at an average annual rental of more than $500,000 unless each committee has

first adopted a resolution approving such lease and setting forth the estimated cost thereof.

"(4) For the purpose of this subsection, the term 'major medical facility project' means a project for the construction, alteration, or acquisition of a medical facility involving a total expenditure of more than $2,000,000. Such term does not include an acquisition by exchange.".

SEC. 302. OPERATIONAL AND CONSTRUCTION PLANNING REQUIREMENT.

(a) REQUIREMENT FOR IMPROVED PLANNING.—Subsection (a) of section 5007 is amended—

(1) by inserting "(1)" after "(a)";

(2) by striking out "and alteration" the second place it appears in the first sentence and inserting in lieu thereof "alteration, and operation";

(3) by striking out the second and third sentences; and

(4) by adding at the end the following new paragraphs:

"(2) Each such report shall contain—

"(A) a five-year strategic plan for the operation and construction of medical facilities—

"(i) setting forth—

"(I) the mission of each existing or proposed medical facility;

"(II) any planned change in such mission; and

"(III) the operational steps needed to achieve the facility's mission and the dates by which such steps are planned to be completed; and

"(ii) a five-year plan, based on the factors set out in subclause (i) of this clause, for construction, replacement, or alteration projects for each such facility;

"(B) a list, in order of priority, of not less than 10 hospitals that, in the judgment of the Administrator, are most in need of construction or replacement; and

"(C) general plans (including projected costs, site location, and, if appropriate, necessary land acquisition) for each medical facility for which construction, replacement, or alteration is planned under clause (A)(ii) of this paragraph.

"(3) The report under this subsection shall be submitted not later than June 30 of each year.".

(b) TECHNICAL AMENDMENTS.—Subsection (b) of such section is amended—

(1) by striking out "(beginning in 1981)";

(2) by inserting "(1)" after "medical facility"; and

(3) by striking out "title and, in the case of the second and each succeeding report made under this subsection," and inserting in lieu thereof "title, and (2)".

(c) CLERICAL AMENDMENTS.—(1) The heading for such section is amended to read as follows:

"§ 5007. Operational and construction plans for medical facilities".

(2) The item relating to such section in the table of sections at the beginning of chapter 81 is amended to read as follows:

"5007. Operational and construction plans for medical facilities.".

SEC. 303. MAJOR FACILITY PROSPECTUS REQUIREMENT.

Section 5004(b)(1) is amended by inserting "and, in the case of a prospectus proposing the construction of a new or replacement medical facility, a description of the consideration that was given to acquiring an existing facility by lease or purchase" after "such facility".

SEC. 304. DEVELOPMENT OF MEDICAL-FACILITY MODULAR COMPONENTS.

In order to evaluate the applicability to the Veterans' Administration of the use of modular components in the design and construction of medical facilities for the furnishing of hospital care and to determine the efficiency and cost-effectiveness of that approach, the Administrator of Veterans' Affairs shall, not later than one year after the date of the enactment of this Act, develop a modular approach to the planning and design of an appropriate Veterans' Administration medical facility for the furnishing of hospital care.

TITLE IV—MISCELLANEOUS PROVISIONS

SEC. 401. SERVICEMEN'S GROUP LIFE INSURANCE AND VETERANS' GROUP LIFE INSURANCE.

(a) SERVICEMEN'S GROUP LIFE INSURANCE.—(1) Subsection (a) of section 767 is amended—

(A) by striking out "$35,000" and inserting in lieu thereof "$50,000"; and

(B) by striking out "the amount of $30,000, $25,000, $20,000, $15,000, $10,000 or $5,000" and inserting in lieu thereof "an amount less than $50,000 that is evenly divisible by $10,000".

(2) Subsection (c) of such section is amended by striking out "the amount of" the first place it appears and all that follows through "as the case may be," and inserting in lieu thereof "any amount less than $50,000, such member may thereafter be insured under this subchapter in the amount of $50,000 or any lesser amount evenly divisible by $10,000".

(3) Subsection (d) of such section is amended—

(A) by striking out "the effective date of this subsection" each place it appears and inserting in lieu thereof "January 1, 1986"; and

(B) by striking out "up to a maximum of $35,000 (in any amount divisible by $5,000)" and inserting in lieu thereof "in the amount of $50,000 or any lesser amount evenly divisible by $10,000".

(b) VETERAN'S GROUP LIFE INSURANCE.—(1) Subsection (a) of section 777 of such title is amended—

(A) by striking out the first sentence and inserting in lieu thereof the following: "Veterans' Group Life Insurance shall be issued in the amounts specified in section 767(a) of this title. In the case of any individual, the amount of Veterans' Group Life Insurance may not exceed the amount of Servicemen's Group Life Insurance coverage continued in force after the expiration of the period of duty or travel under section 767(b) or 768(a) of this title."; and

(B) by striking out "$35,000" in the sentence immediately following the matter inserted by clause (A) and both places it appears in the last sentence and inserting in lieu thereof "$50,000".

(2) Such section is further amended by adding at the end the following new subsection:

"(h)(1) Notwithstanding any other provision of law, members of the Individual Ready Reserve and the Inactive National Guard are eligible to be insured under Veterans' Group Life Insurance. Any such member shall be so insured upon submission of an application in the manner prescribed by the Administrator and the payment of premiums as required under this section.

"(2) Notwithstanding subsection (b)(2) of this section, Veterans' Group Life Insurance coverage under this subsection shall be issued on a renewable five-year term basis, but the person insured must remain a member of the Individual Ready Reserve or Inactive National Guard throughout the period of the insurance in order for the insurance of such person to be renewed.

"(3) For the purpose of this subsection, the terms 'Individual Ready Reserve' and 'Inactive National Guard' shall have the meanings prescribed by the Administrator in consultation with the Secretary of Defense.".

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall take effect on January 1, 1986.

SEC. 402. EXTENSION OF AUTHORITY TO OPERATE AN OFFICE IN THE REPUBLIC OF THE PHILIPPINES.

Section 230(b) is amended by striking out "October 31, 1985" and inserting in lieu thereof "September 30, 1988".

SEC. 403. VETERANS' ADMINISTRATION GRADE REDUCTION.

(a) Section 210(b) is amended by adding at the end the following new paragraphs:

"(3)(A) The Administrator may not implement a grade reduction described in subparagraph (B) of this paragraph unless the Administrator first submits to the Committees on Veterans' Affairs of the Senate and House of Representatives a report containing a detailed plan for such reduction and a detailed justification for the plan. Such report shall include a determination by the Administrator (together with data supporting such determination) that, in the personnel area concerned, the Veterans' Administration has a disproportionate number of employees at the salary grade or grades selected for reduction in comparison to the number of such employees at the salary levels involved who perform comparable functions in other departments and agencies of the Federal Government and in non-Federal entities. Any grade reduction described in such report may not take effect until the end of a period of 90 calendar days (not including any day on which either House of Congress is not in session) after the report is received by the committees.

"(B) A grade reduction referred to in subparagraph (A) of this paragraph is a systematic reduction, for the purpose of reducing the average salary cost for Veterans' Administration employees described in subparagraph (C) of this paragraph, in the number of such Veterans' Administration employees at a specific grade level.

"(C) The employees referred to in subparagraph (B) of this paragraph are—

"(i) health-care personnel who are determined by the Administrator to be providing either direct patient-care services or services incident to direct patient-care services;

"(ii) individuals who meet the definition of professional employee as set forth in section 7103(a)(15) of title 5; and

"(iii) individuals who are employed as computer specialists.

"(D) Not later than the forty-fifth day after the Administrator submits a report under subparagraph (A) of this paragraph, the Comptroller General shall submit to such Committees a report on the Administrator's compliance with such subparagraph. The Comptroller General shall include in the report the Comptroller General's opinion as to the accuracy of the Administrator's determination (and of the data supporting such determination) made under such subparagraph.

"(E) In the case of Veterans' Administration employees not described in subparagraph (C) of paragraph (3), the Administra-

tor may not in any fiscal year implement a systematic reduction for the purpose of reducing the average salary cost for such Veterans' Administration employees that will result in a reduction in the number of such Veterans' Administration employees at any specific grade level at a rate greater than the rate of the reductions systematically being made in the numbers of employees at such grade level in all other agencies and departments of the Federal Government combined.".

SEC. 404. LAND TRANSFER, PHOENIX, ARIZONA.

(a) REQUIREMENT FOR TRANSFER.—The real property described in subsection (b) and the structures on such property on the date of the enactment of this Act shall be transferred without compensation or reimbursement from the control and jurisdiction of the General Services Administration to the control and jurisdiction of the Veterans' Administration.

(b) DESCRIPTION OF LAND.—The real property referred to in subsection (a) is a tract of land consisting of 3.4 acres, more or less, in Phoenix, Arizona, that—

(1) was formerly part of the Veterans' Administration Medical Center, Phoenix, Arizona; and

(2) was declared to be excess to the needs of the Veterans' Administration in a report to the General Services Administration dated September 25, 1959.

SEC. 405. MODIFICATION OF RESTRICTIONS ON REAL PROPERTY, MILWAUKEE COUNTY, WISCONSIN.

(a) RELEASE OF REVERSIONARY INTEREST.—The Administrator of Veterans' Affairs shall execute such instruments as may be necessary to modify the conditions under which the land described in subsection (b) will revert to the United States in order to permit Milwaukee County, Wisconsin, to lease all or part of such land to a nonprofit corporation which—

(1) shall construct and equip on such land structures, facilities, and other permanent improvements useful for public recreational purposes or general civic purposes; and

(2) shall use such land for such recreational or civic purposes.

(b) DESCRIPTION OF LAND.—The land referred to in subsection (a) is—

(1) the land conveyed to Milwaukee County, Wisconsin, pursuant to the Act entitled "An Act to authorize the Administrator of Veterans' Affairs to convey lands and to lease certain other land to Milwaukee County, Wisconsin", approved September 1, 1949 (63 Stat. 683); and

(2) the land conveyed to Milwaukee County, Wisconsin, pursuant to the Act entitled "An Act authorizing the Administrator of Veterans' Affairs to convey certain property to Milwaukee County, Wisconsin", approved August 27, 1954 (68 Stat. 866).

(c) GENERAL LIMITATIONS.—The Administrator may carry out this section subject to such terms and conditions (including reservations of rights for the United States) as the Administrator determines to be necessary to protect the interests of the United States.

SEC. 406. AUTHORITY TO RELEASE LIMITATION ON USE OF REAL PROPERTY, MCKINNEY, TEXAS.

(a) RELEASE OF LIMITATION.—The Administrator of Veterans' Affairs shall execute such instruments as may be necessary to release the limitation to recreational purposes only on the use of the land described in subsection (b).

(b) DESCRIPTION OF LAND.—The land referred to in subsection (a) is two parcels of land, consisting of a total of 38.741 acres, that were conveyed by the Administrator to the city of McKinney, Texas, by deed of May 5, 1965, under the authority of Public Law 88-438 (78 Stat. 444, approved August 14, 1964).

SEC. 407. MODIFICATION OF RESTRICTIONS ON REAL PROPERTY AND CONVEYANCE OF A FENCE ON SUCH PROPERTY, SALT LAKE CITY, UTAH.

(a) MODIFICATION OF RESTRICTION.—(1) The Administrator of Veterans' Affairs shall execute such instruments as may be necessary in order to authorize the land conveyed under the authority of the Act referred to in paragraph (3) to be used—

(A) without regard to any limitation required by section 2 of that Act, but

(B) subject to the limitations set forth in paragraph (2).

(2) Any instrument executed under paragraph (1) shall provide, with respect to the tract of land conveyed under the Act referred to in paragraph (3)—

(A) that such tract may be used only for hospital, educational, civic, residential, or related purposes;

(B) that, if any part of such tract is used in any manner that is determined by the Administrator to interfere with the care and treatment of any patient at a Veterans' Administration health-care facility located in the reservation described in such Act, such use shall cease immediately upon notice by the Administrator of such interference to the person holding legal title to such part at the time such use occurs;

(C) that, if any part of such tract is used for a purpose other than a purpose prescribed in clause (A), title to such part shall revert to the United States; and

(D) that, if any interference referred to in clause (B) does not cease as required under such paragraph, title to the part of such land that is being used in a manner to cause such interference shall revert to the United States.

Any such instrument may contain such additional terms and conditions (including reservations of rights to the United States) as the Administrator determines to be necessary to protect the interests of the United States.

(3) The Act referred to in paragraphs (1) and (2) is the Act entitled "An Act authorizing the Administrator of Veterans' Affairs to convey certain property to the Armory Board, State of Utah", approved July 29, 1954 (68 Stat. 579).

(b) CONVEYANCE OF FENCE.—The Administrator shall convey, without consideration, to the Armory Board of the State of Utah all right, title, and interest of the United States in the fence erected as required by the quitclaim deed issued to the Armory Board by the Administrator on October 14, 1954, under the authority of the Act referred to in subsection (a)(3). The conveyance shall contain such terms and conditions as the Administrator determines to be necessary to protect the interests of the United States.

Mr. MONTGOMERY (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendments and the proposed House amendment to the Senate amendments be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

Mr. HAMMERSCHMIDT. Mr. Speaker, reserving the right to object, I yield to our distinguished chairman to explain his request.

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Mr. MONTGOMERY. Mr. Speaker, I thank the gentleman for yielding, and I take this opportunity to commend the gentleman from Arkansas [Mr. HAMMERSCHMIDT], the ranking minority member of the Committee on Veterans' Affairs, for his cooperation and work with the chairman of the committee. I appreciate the gentleman's yielding to me so I may have this time.

The chairman of this subcommittee, the gentleman from Pennsylvania [Mr. EDGAR], has done a great deal of work pertaining to this bill, and I will briefly explain for the gentleman from Arkansas what this legislation does.

Mr. Speaker, on May 21, the House passed H.R. 505, making various changes in the Veterans Administration's health care programs. On July 30, the Senate passed the bill with several amendments. The proposed House amendment reflects a good faith effort on the part of our committee and the House to resolve our differences with the other body.

The proposed House amendment would extend or make permanent existing authorities for VA to provide services in the following areas:

Provide permanent authority for VA to continue existing alcohol and drug treatment rehabilitation programs;

Extending authority to provide health-care to certain non-service-connected veterans residing in Puerto Rico, the Virgin Islands, and other U.S. territories and possessions;

Extend until 1989 authority for VA to provide health care to veterans exposed to dioxin or other herbicides while serving in Vietnam, and for certain veterans exposed to radiation;

Authorize a 3-year pilot program requiring VA to establish 10 Vietnam veterans resources centers;

Provide counseling for former prisoners of war; and

Authorize a 3-year pilot program to provide chiropractic services to certain service-connected veterans.

Finally, the proposed House amendment would substantially strengthen VA's Quality Assurance Program.

Again, I want to thank the vary able ranking minority member of the committee [Mr. HAMMERSCHMIDT] and the distinguished chairman of the Subcommittee on Hospitals and Health Care [Mr. EDGAR] for their efforts in attempting to reach agreement with the other body. As the gentleman knows, all of the provisions are designed to enhance the quality of health care to our Nation's veterans, in the most cost-effective way, I urge my colleagues to adopt the proposed amendment.

Mr. Speaker, there follows a detailed explanation of the bill:

EXPLANATORY STATEMENT OF HOUSE BILL (H.R. 505), SENATE AMENDMENT (S. 876), AND THE PROPOSED HOUSE AMENDMENT ON THE VETERANS' ADMINISTRATION HEALTH-CARE AMENDMENTS OF 1985

This document, except as otherwise noted, explains the provisions of H.R. 505 as passed by the House of Representatives on May 21, 1985, the provisions of the bill as passed by the Senate on July 30 with an amendment incorporating the provisions of S. 876 as reported and a further floor amendment, and the provisions of the proposed house amendment. The differences between the House bill, the Senate amendment, and the proposed House amendment are noted below, except for clerical corrections, conforming changes made necessary by the proposed House amendment, and minor drafting, technical, and clarifying changes.

ALCOHOL AND DRUG TREATMENT AND REHABILITATION

Both the House bill (section 203) and the Senate amendment (section 203) would amend present section 620A of title 38, U.S. Code, relating to treatment and rehabilitation for alcohol or drug dependence or abuse disabilities, to delete references to "pilot" in the description of the VA's program for the provision of alcohol and drug treatment and rehabilitation through contracts with non-VA halfway houses and other community-based programs and to extend by 3 years, through September 30, 1988, the authority for this program. The House bill would require a report to the Committees not later than December 31, 1987, on the operation of the program; the Senate amendment would require a report not later than February 1, 1988, on the experience under the program during the four fiscal years 1985 through 1988, and would require that the report provide certain detailed information on the success and cost of the program.

The House amendment (section 101) contains this provision with the reporting requirement based on the provision in the Senate amendment.

CONTRACT HEALTH-CARE AUTHORITY OUTSIDE THE 48 CONTIGUOUS STATES

The House bill (section 204), but not the Senate amendment, would amend section 601(4)(C)(v) of title 38, relating to the authority to provide hospital care and certain outpatient services in noncontiguous "States" (defined in section 101(2) of title 38 to include United States Territories and possessions and the Commonwealth of Puerto Rico), to extend for 3 years, from September 30, 1985, until September 30, 1988, the VA's authority in Puerto Rico and the Virgin Islands and other United States' Territories and possessions to provide on a contract basis hospital care for non-service-connected disabilities and outpatient services to obviate the need for hospital admission. With respect to Puerto Rico, the House bill would also have provided for a phase-out, over the 3-year extension period, of the Administrator's authority to waive the restrictions limiting the use of this contract authority to jurisdictions where the overall levels of hospital care and medical services provided at VA expense are consistent with the levels provided in the contiguous states.

The House amendment (section 102) would make the contract authority permanent with respect to the Virgin Islands, would delete the waiver authority with respect to the Virgin Islands, and instead of phasing out the waiver authority with respect to Puerto Rico, would phase out the contract authority over a 3-year period. Thus, in Puerto Rico in fiscal year 1986, the VA would be authorized to expend under this authority no more than 85 percent of the amount expended there under this authority in fiscal year 1985; in fiscal year 1987, the limitation would be 50 percent of the fiscal year 1985 expenditure level; and, in fiscal year 1988, 25 percent.

The Committee notes that it is its intention that this be the final extension of this extraordinary contract authority in Puerto Rico. The Committee also notes that it intends the contract authority for the Virgin Islands to be exercised only for Virgin Islands residents and that they expect the Department of Medicine and Surgery to monitor use of that authority to ensure that result.

EXTENSION OF INTERIM HEALTH-CARE ELIGIBILITY BASED ON EXPOSURE TO DIOXIN OR OTHER TOXIC SUBSTANCES IN VIETNAM OR TO NUCLEAR RADIATION

The Senate amendment (section 201), but not the House bill, would amend section 610(e)(3) of title 38 relating to the period during which veterans exposed to dioxin or certain other toxic substances used in a herbicide or defoliant used in connection with military purposes in Vietnam during the Vietnam era or to ionizing radiation from the detonation of a nuclear device are eligible for certian VA health-care services for the treatment of any disability, notwithstanding that there is insufficient medical evidence to conclude that such disability may be associated with such exposure, to extend the period of eligibility by 2 years and 7 months—from the end of the 1-year period beginning on the date that the Administrator submits the first report on a mandated Agency Orange epidemiological study of Vietnam veterans (which, by statute, is due to be submitted by February 14, 1986, two year after the study protocol was approved)—until the end of fiscal year 1989.

The House amendment (section 103) contains this provision.

OUTPATIENT AND AMBULATORY SERVICES FOLLOWING NURSING HOME OR DOMICILIARY CARE

The House bill (section 103), but not the Senate amendment, would amend section 612(f)(f)(B) to title 38, relating to eligibility for outpatient and ambulatory care, to authorize followup medical services on an outpatient or ambulatory basis, for a period generally not to exceed 12 months following discharge, to a veteran who has received nursing home or domiciliary care (in addition to the current statutory authority to provide followup medical services to a veteran who has received hospital care) and who requires such services to complete treatment incident to such care.

The House amendment (section 104) includes this provision.

VIETNAM VETERANS RESOURCE CENTERS PILOT PROGRAM

The Senate amendment (section 101), but not the House bill, would amend section 612A of title 38, relating to readjustment counseling and related mental health services for Vietnam-era veterans, to add a new subsection (h) which would require the Administrator to conduct a pilot program, during the period January 1, 1986, through December 31, 1988, at 10 existing readjustment counseling centers (Vet Centers), which would be designated as Vietnam Veterans Resource Centers (VVRC), to provide at the centers certain additional services to eligible Vietnam-era veterans. Under the program, the Administrator would be required to provide (1) counseling and assistance relating to the application for all VA benefits and services, (2) specified employment counseling, training, placement, and related services, (3) intake and referral for veterans with alcohol or drug abuse-related disabilities and follow-up services for veterans who have been treated for such disabilities, and (4) coordination of services received by veterans participating in this program or other VA, Department of Labor (DOL), or other Federal programs. The Administrator would be required (1) to provide such additional staff and other resources necessary to enable the VVRC's to provide the aforementioned services; (2) to notify the Secretary of Labor as to the need for the assignment of personnel to the VVRC's to provide employment assistance; and (3) to coordinate the assignment and use of employees, on full- or part-time basis, in each VVRC and, in doing so, make maximum feasible use of the VA employees at the facility on the date it is designated as a VVRC. The Secretary of Labor would be responsible for the assignment to the VVRC's on full- or part-time bases, of personnel to provide employment services. In order to ensure appropriate coordination, direction, implementation, and assessment of the program, the Administrator would be required to establish and provide support for a VVRC Coordinating Committee composed of certain VA and DOL representatives, which would be required to report by June 30, 1986, and at least every 6 months thereafter, to certain VA and DOL officials on the program's status. The Administrator would be required to submit to the Committees, not later than April 1, 1987, an interim report on the first 15 months' experience of the pilot program and, not later than April 1, 1989, a final report on the full 36 months of operation of the pilot program.

The House amendment (section 105) includes this provision, with amendments.

Under the House amendment, the program would have a termination date of September 30, 1988, which coincides with the date by which, under current law, the Administrator is required to arrange for the transition of the readjustment counseling program to a program in which counseling services are provided primarily through VA health-care facilities. Under the House amendment, the Administrator would be required generally to assign personnel as are necessary for the VVRC's to accomplish their goals but would require that the function of coordinating services be carried out by the personnel assigned to the Vet Center when it is designated a VVRC. The House amendment would not require the Secretary of Labor to provide certain personnel to the VVRC's but, instead, clarifies that the Secretary would be required to assign such personnel to the VVRC's as the Secretary considers appropriate. The House amendment would require the interim and final reports on the program to include, among other things, an evaluation of the appropriateness of staff utilization and would delete the requirement that the report include any legislative recommendations by the Administrator relating to this program. The Administrator's final report would be due by January 1, 1989. The provision to establish the VVRC Coordinating Committee is not included in the amendment.

In connection with the deletion of the provision for establishing the VVRC Coordinating Committee, the Committee expects the Administrator to ensure that greater coordination between the VA's Department of Veteran Benefits and the Department of Medicine and Surgery is achieved through the implementation of the program.

TECHNICAL AMENDMENT RELATING TO CONTINUING AVAILABILITY OF READJUSTMENT COUNSELING

The Senate amendment (section 501), but not the House bill, would make a technical, conforming amendment to section 612A(g)(1)(B) of title 38, relating to the Administrator's responsibility during the 12-month period ending September 30, 1988, for planning for the continuing availability of readjustment counseling, to delete a reference to a date by which veterans would have to request such counseling in order for the Administrator to be required to take them into account in the planning required by section 612A(g)(1). Thus, the planning requirement in section 612A(g)(1) would be conformed to the permanent counseling entitlement provided for in section 612A(a).

The House amendment (section 106) contains this provision.

COUNSELING FOR FORMER PRISONERS OF WAR

The Senate amendment (section 202), but not the House bill, would amend Subchapter II of chapter 17 of title 38, relating to VA hospital, nursing home, or domiciliary care and medical treatment, to add a new section 612B to authorize the establishment of a program to provide, upon request, counseling to any veteran who is a former prisoner of war (POW) to assist such veteran in overcoming the psychological effects of detention or internment as a POW.

The House amendment (section 107) contains this provision.

TRANSFERS FOR NURSING HOME CARE

The House bill (section 104), but not the Senate amendment, would amend section 620 of title 38, relating to transfers for nursing home care, to authorize the direct transfer to a non-VA nursing home of (1) a veteran who has received VA nursing home or domiciliary care (in addition to the current statutory authority for such a transfer for a veteran who has received hospital care) and who requires long-term nursing home care, or (2) a veteran who has received VA hospital care and who is currently receiving VA hospital-based home care services. The House bill would also make inapplicable to certain veterans receiving nursing home care for a service-connected disability the general 6-month limitation on the duration of contract nursing home care.

The House amendment (section 108) contains these provisions and a provision requiring the Chief Medical Director to develop improved procedures for notifying the Chief Benefits Director of the transfer to a non-VA nursing home of a veteran who is in receipt of VA pension. This provision is designed particularly to ensure such notification in the cases of VA pensioners who were receiving VA hospital-based-home-care services prior to their transfer to a nursing home under a VA contract.

CHIROPRACTIC SERVICES PILOT PROGRAM

Both the House bill (section 303) and the Senate amendment (section 104) would provide for the VA, upon consulting with the Department of Defense, to provide chiropractic services to veterans as part of demonstration projects. The House bill, in a freestanding provision, would require the VA to carry out demonstration projects in three geographically dispersed locations in order to evaluate the cost-effectiveness and medical effectiveness of providing chiropractic care, as compared to medical care, for veterans with neuromusculoskeletal conditions. The Administrator would obtain advice and recommendations from recognized scientific authorities in the treatment of neuromusculoskeletal conditions and ensure adequate partication by chiropractors, including chiropractic colleges, in the design and evaluation of demonstration projects. One report on the demonstration project, due not later than October 1, 1988, would be required to be submitted to the Committees.

The Senate amendment, in a new section 630A of title 38, would require the VA, during calendar years 1986 through 1988, to carry out a pilot program consisting of not less than one demonstration project in each of five geographic regions in order to furnish chiropractic services to certain categories of veterans and to evaluate the therapeutic benefits and cost-effectiveness of such services. The Senate amendment would limit the services under the pilot program to (1) the treatment of a veteran for a service-connected neuromusculoskeletal condition of the spine, (2) the treatment of a veteran who has been furnished hospital care by the VA for a neuromusculoskeletal condition of the spine within the 12-month period prior to receiving the chiropractic services, and (3) the treatment of a neuromusculoskeletal condition of the spine of a veteran with a service-connected disability rated at 50 percent or more disabling. Under the Senate amendment, the Administrator, in consultation with appropriate entities, would establish a schedule of reasonable charges for chiropractic care, which would be consistent with the schedule for such charges under the Medicare program. The amount of reimbursement that any one veteran could receive in any 12-month period would be limited to $600 and total expenditures for the pilot program in any fiscal year would be limited to $2 million. Expenditures for the pilot program would come from funds appropriated for beneficiary travel reimbursement.

Three reports on the program, due April 1, 1987, 1988, and 1989, would be required to be submitted to the Committees. Also, section 601 of title 38, relating to definitions for the purpose of chapter 17 of title 38 (the chapter relating to VA hospital, nursing home, domiciliary care and medical services), would be amended to add a paragraph defining "chiropractic services" as the manual manipulation of the spine by a licensed chiropractor who meets Medicare standards to correct a subluxation of the spine and as not including physical examinations, laboratory tests, radiologic services, or other tests or services determined by the Administrator to be excluded.

Under the House amendment (section 109), the VA, pursuant to a freestanding provision, would be required to carry out a pilot program consisting of not less than one demonstration project in each of five geographic regions. Under this pilot program, the VA (1) would provide chiropractic services only to veterans who have received VA hospital care or medical services within the prior 12 months for the treatment of a neuromusculoskeletal condition of the spine and, (2) in consultation with appropriate entities, would establish a schedule of reasonable charges for chiropractic care which would be consistent with the schedule for such charges under the Medicare program. The House amendment contains a $2-million limitation on total expenditures for the pilot program in any fiscal year and would require the VA, in designing, conducting, and evaluating the pilot program, to obtain advice and recommendations from recognized medical or scientific authorities in the treatment of neuromusculoskeletal conditions of the spine and ensure adequate participation by chiropractors, including representatives of chiropractic colleges. A report on the pilot program would be due April 1, 1989. The term "chiropractic services" would be defined, in the freestanding provision, in the same way as in the Senate amendment.

The Committee notes that there is not an explicit requirement in this legislation, as there is in the Medicare law, that the neuromusculoskeletal condition of the spine must be demonstrated by an x-ray because such a requirement is unnecessary in this provision since the only veterans eligible for chiropractic services under the pilot program would be those who had in the preceding 12 months received VA health care for such a condition and that treatment would invariably include a diagnostic x-ray.

MEDICAL QUALITY-ASSURANCE RECORDS

The Senate amendment (section 302), but not the House bill, would amend section 3305 of title 38, relating to limitations on the disclosure of certain VA medical quality-assurance records (1) to specify that nothing in section 3305 authorizes or requires the VA to withhold the disclosure of statistical information on VA health-care programs, including information on aggregate morbidity and mortality rates at individual VA health-care facilities, so long as that information does not identify, either implicitly or explicitly, individual VA patients or employees, or individuals who participated in medical quality-assurance activities, and (2) to add a cross-reference to new section 4152 of title 38 (which would be added by section 204 of the compromise agreement) specifying that reports submitted pursuant to that new section (bi-ennial reports on the VA's medical quality-assurance program which would include, among other things, data on mortality and morbidity rates for all VA surgical programs and procedures)—which might implicitly identify VA employees—would not be confidential under section 3305.

The House amendment (section 201) contains this provision.

AUTHORITY TO EXPAND GERIATRIC RESEARCH, EDUCATION, AND CLINICAL CENTERS PROGRAM

The House bill (section 105), but not the Senate amendment, would amend section 4101(f)(1)(A) of title 38, relating to the designation of VA health-care facility locations for centers of geriatric research, education, and clinical activities, to increase from 15 to 25 the maximum number of facilities that the Administrator may so designate.

The House amendment (section 202) contains this provision.

REVISION OF APPOINTMENT AUTHORITY FOR GRADUATE AND STUDENT NURSES

The House bill (section 202), but not the Senate amendment, would amend section 4114 of title 38, relating to personnel appointments in the VA other than to full-time permanent positions, to authorize the VA to give temporary full-time appointments as nurses for more than one year to individuals who have completed nursing school and who are pending registration in a

State as a graduate nurse, and to authorize the reappointment for one year of a student nurse who is pursuing a full course of nursing in a recognized school of nursing.

The House amendment (section 203) contains these provisions with an amendment limiting the appointment of graduate nurses to a period not to exceed two years.

QUALITY ASSURANCE AND CREDENTIALING

The Senate amendment (section 304), but not the House bill, would amend subchapter V of chapter 73 of title 38, relating to the organization of the VA's Department of Medicine and Surgery (DM&S), to add new subsections 4151 and 4152 to require the Administrator to (1) establish and conduct a comprehensive quality-assurance program to monitor and evaluate the quality of health care furnished by DM&S, (2) delineate the responsibilities of DM&S with respect to the conduct of the VA quality-assurance program, and (3) allocate sufficient resources, and sufficient personnel with the necessary skills and qualifications, to enable DM&S to carry out such delineated quality-assurance responsibilities. The Inspector General (IG) of the VA would be required to allocate sufficient resources, and sufficient personnel with the necessary skills and qualifications, to enable the IG to monitor the quality-assurance program conducted by DM&S. The Administrator would be required to direct the Chief Medical Director (CMD) of the VA (1) in consultation with certain Department of Defense and other officials, to establish and maintain mortality and morbidity standards for all types of surgical procedures conducted by DM&S, (2) to collect data on mortality and morbidity rates for each surgical procedure conducted by DM&S and compile those data for each VA cardiac surgery, heart transplant, and renal transplant program and in the aggregate for all other VA surgical procedures, (3) compare the aforementioned data to the national mortality and morbidity standards, (4) analyze and evaluate the data and the relationship between the data and certain specified factors in order to determine significant deviations from the standards that indicate quality of care deficiencies, (5) explain the deviations, and (6) make recommendations based on these data, comparisons, analyses, evaluations, and explanations. The CMD would be required to submit to the Admininstrator, not later than January 1, 1987, 1988, and 1989, a report on the experience of the quality-assurance program. Within 60 days after receiving each report, the Administrator would be required to submit to the Committees a copy of the report, together with any comments regarding the report that the Administrator considers appropriate.

In addition, the Administrator would be required, not later than 90 days after the date of the enactment of this Act, to submit to the Committees a report describing in detail the VA's current and future plans for monitoring the credentials of certain VA health-care professionals. The report would be required to include certain specified information concerning the VA's policies, procedures, and formal arrangements regarding the exchange of relevant information with certain State medical and other health-professional licensing bodies and other entities (including the Drug Enforcement Administration) for the purposes of (1) determining the current and past licensure and clinical-privilege status of health-care professionals who are seeking VA employment or who are currently employed by the VA, and (2) providing information to appropriate non-VA entities about health-care professionals whose VA employment is terminated in certain specified circumstances. The report would also be required to include, with respect to any of the aforementioned policies, procedures, and formal arrangements not yet implemented at the time the report is submitted to the Congress, a timetable for their implementation.

The Administrator would be required to report to the Committees every 3 months until full implementation has occurred. At that time, a final report would be required to be submitted to the Committees.

The House amendment (section 204) includes this provision, with an amendment, deleting the requirement for the CMD, in establishing and maintaining morbidity and mortality standards, to consult with the Assistant Secretary for Defense for Health Affairs and the Surgeons General of the Armed Forces. Although the requirement of consultation with DOD officials is not included in the House amendment, it is the Committee's intent that the CMD consult with appropriate DOD officials and others in the process of establishing and maintaining such standards.

AVAILABILITY OF STATE FINANCIAL SUPPORT FOR APPROVED STATE HOME PROJECTS

The House bill (section 107), but not the Senate amendment, would amend subchapter III of chapter 81 of title 38, relating to the VA's program of matching-fund grants for State Veterans Home construction projects, (1) to authorize appropriations of $40 million for fiscal year 1986, $50 million for fiscal year 1987, and $60 million for fiscal year 1988, (2) to require the Administrator to submit to the Committees, at the time that the President's budget is submitted to the Congress, annual reports concerning the operation of the program during the preceding and current fiscal years, including a list of those States which have submitted pending preapplications and the Administrator's recommendations concerning the relative priority of the projects involved, (3) to revise the grant application and approval processes, and (4) to repeal the current restriction that no State could receive in any fiscal year more than one-third of the funds appropriated for the program. In lieu of current-law provisions that the VA interprets as requiring it to fund applications in the order in which formal "preapplications" for grants are received, the administrator would be required to determine, in accordance with specified criteria, the relative need for each project for which a preapplication has been submitted in comparison to the need for the other projects for which preapplications were submitted; would be required to determine the relative need for each project for which an application is submitted; would be given authority to approve—rather than being required to approve—projects that meet the basic criteria for funding; and would be given discretion to fund qualifying projects in amounts other than the amounts applied for and in accordance with a priority ranking determined by the Administrator.

In lieu of these provisions, the House amendment (section 205) would require the Administrator to defer approval of a project that has been provided a notice of approval for funding if, by July 1 following such notice of approval, the State financial support has not been provided. Any project that is passed over would be placed on the list—ahead of all projects not approved before the end of the fiscal year in which it was passed over—for funding in the next fiscal year but would be subject to being passed over again if the project is not ready for funding by July 1 of that fiscal year.

The Administrator would be required to apply the funds from projects passed over to any nursing home project on the list of projects whose preapplication has been approved. The Administrator would be allowed to select such project based on need pursuant to guidelines established by the Administrator.

With 72 or more projects now awaiting Federal funding (totaling more than $175 million) and only $22 million in appropriations available in fiscal year 1986, the Committee's view is that States must be ready to proceed when the VA is ready to make the grant so that it will not be necessary to carry over funds from one fiscal year to another.

PROCEDURES FOR REDUCTION OR REVOCATION OF CLINICAL PRIVILEGES

The Senate amendment (section 303), but not the House bill, would amend section 4110 of title 38—relating to disciplinary actions against physicians and certain other health-care personnel employed in the VA's Department of Medicine and Surgery under the authority of title 38—to provide that (1) the provisions of that section are applicable in any case in which the VA proposes to reduce or revoke the clinical privileges of any title 38 employee by reason of inaptitude, inefficiency, or misconduct; (2) any action to reduce or revoke clinical privileges could be taken only after the individual was provided with notice of the proposal to reduce or revoke his or her privileges and only on the basis of a deficiency in the individual's clinical practice; and (3) nothing in that section, either under current law or as proposed to be amended, limits the Administrator's authority to protect the health and safety of veterans by temporarily reassigning a title 38 employee for the purpose of either suspending the employee's exercise of clinical privileges or otherwise restricting his or her clinical activities pending the outcome of a proceeding under section 4110.

The House amendment (section 206) contains a requirement that the Administrator prescribe by April 1, 1986—and submit to the Committees by May 1, 1986, a copy of and a report on—uniform guidelines for the handling of cases involving the proposed reduction or revocation of the clinical privileges of VA health-professional employees. The Committee intends that the uniform guidelines include, at a minimum, provisions specifying that (1) any action to reduce or revoke clinical privileges based on an employee's performance of professional responsibilities could be taken only after the individual was provided with notice of the proposal to reduce or revoke his or her privileges and only on the basis of a deficiency in the performance of such professional responsibilities; (2) requiring that any proceeding to reduce or revoke clinical privileges proceed in a timely fashion; (3) entitling the health-professional employee involved (A) to have access to all evidence that will be considered as part of the proceeding, (B) to have the opportunity to participate fully in the proceeding and be represented by counsel throughout, and (C) if any hearings are held, to be present throughout the evidentiary proceedings, to confront witnesses, and to purchase a copy of a transcript or tape of the proceedings; and (D) to appeal to a VA employee who is senior in grade to the head of the employee's duty station and is not stationed at the

employee's duty station (including at any subsidiary unit thereof).

In a case involving a proposed revocation of clinical privileges, the Committee intends that the guidelines afford the employee the same procedural protections and appellate rights as are afforded in connection with a proceeding before a board under section 4110 of title 38, or afford the employee a combined revocation of privileges and removal proceedings before a board under section 4110 in order to avoid the need for two hearings, one for revocation of privileges and one for removal. The guidelines should address the proper use of confidential quality assurance documents under present section 3305 of title 38 inasmuch as that section severely restricts the disclosure of such documents. Once a quality-assurance document has triggered concerns and possibly an investigation concerning the exercise of clinical privileges, a case against the employee must proceed independently of quality-assurance documents, especially in view of the Committee's intended requirement that the evidence on which the VA may base a proposed action must be provided to the employee and the employee's representative, if any.

The Committee notes its intent that nothing in the proposed guidelines would limit the Administrator's authority to protect the health and safety of veterans by temporarily reassigning a title 38 employee for the purpose of either suspending the employee's exercise of clinical privileges or otherwise restricting his or her clinical activities pending the outcome of a proceeding involving a proposed reduction or revocation of clinical privileges.

If the guidelines do not substantially comport with the Committee's above-described intentions, the Committee is prepared to recommend legislation establishing these or similar procedures.

VETERANS' ADMINISTRATION MEDICAL FACILITY CONSTRUCTION AND ACQUISITION

Both the House bill (section 201) and the Senate amendment (section 401(a)(1)(A)) would amend section 5004(a) of title 38, relating to the prohibition against the making of an appropriation for a major (over $2 million) VA medical facility construction or acquisition project unless both Committees have adopted a resolution approving the project and setting forth the estimated cost. The House bill, but not the Senate amendment, would require that any law appropriating funds for the construction, alteration, or acquisition of any major VA medical facility construction project specify the medical facility for which the appropriation is made and the amount appropriated for the project. The House bill also would prohibit the total amount appropriated for any major construction project from exceeding the estimated cost of the project as set forth in either Committees' construction resolutions required by present section 5004(a)(1).

The Senate amendment, but not the House bill, would revise the Committee approval process, provided for in present section 5004(a)(1) for the approval of major VA medical facility construction projects, to require the authorization, by a law based on legislation reported from the Committees specifying the amount that may be appropriated and expended, of appropriations for any such project.

The House amendment (section 301) contains the House provision with a technical amendment and would also revise the Committee approval process, provided for in present section 5004(a)(1) for the approval of major VA medical facility construction projects, to provide for the Committees to adopt construction resolutions with identical texts. Subsequent to the adoption of such a resolution, appropriations could not be made for major VA projects during the period beginning on the day that such resolutions are adopted and running through September 30 of the ensuing fiscal year except in strict compliance with the resolutions' text.

The Senate amendment (section 411) would also authorize the appropriation to the VA for fiscal year 1986 of $417.2 million for the major medical facility construction account and of $194.4 million for the minor medical facility construction account. The Senate amendment would authorize specified maximum amounts to be appropriated for the three large major construction projects which were requested in the President's budget for fiscal year 1986 (Houston, Mountain Home, and Philadelphia). The Senate amendment would limit further the maximum amounts to be appropriated for these projects to $170.4 million, $35.8 million, and $85.6 million, respectively, unless the Administrator certified to the Committees, not later than 60 days after enactment, that a contract for work cannot feasibly be awarded within 180 days after (1) the date on which a contract for the construction was scheduled to be awarded as of June 1, 1985, in the case of Houston and Mountain Home, or (2) September 1, 1986, in the case of the Philadelphia project. The Senate amendment would also authorize the expenditure during fiscal year 1986 of funds in the VA's major construction working reserve account for the redesign of three other large major construction projects (a replacement medical center in Augusta, Georgia; a replacement medical center in Baltimore, Maryland; and outpatient/clinical additions and alterations in New York, New York) if the total expenditures for the redesigned projects did not exceed $94 million, $88.8 million, and $70.6 million for the Augusta, Baltimore, and New York projects, respectively.

The House amendment does not contain this provision.

The Senate amendment (section 401(a)(1)(B)), but not the House bill, contains provisions relating to the VA's construction planning process. Any expenditure of funds beyond the development of project requirements (i.e., expenditures for preliminary plans and all subsequent stages) for the construction, remodeling, extension, or acquisition of a VA hospital facility that would cost more than $20 million would be prohibited unless the expenditure were authorized by a law based on legislation reported from the Committees.

The Senate amendment (section 401(a)(1)(B)), but not the House bill, would also prohibit the construction or acquisition of any new or replacement medical facility with more than 700 hospital beds and the remodeling or extending (involving more than $20 million in total expenditures) of a project that would, upon completion, exceed 700 hospital beds.

The Senate amendment (section 402), but not the House bill, would amend subchapter 1 of chapter 81 of title 38, relating to acquisition and operation of medical facilities, to add a new section 5004A which would require the Administrator and the Comptroller General of the United States to develop jointly a methodology (otherwise known as "bed-sizing methodology") for determining the appropriate types and numbers of hospital beds for each proposed new or replacement VA hospital. The Administrator and the Comptroller General would be required to consult with the Assistant Secretary of Defense for Health Affairs, veterans' service organizations, and representatives of the private hospital industry and to take into account (1) the projected needs of service-connected disabled veterans and veterans who meet the income criteria for VA pension under chapter 15 of title 38, and (2) recent or planned changes in treatment modalities for medical care that could affect the demand for inpatient beds. The Administrator and the Comptroller General would also be required, not later than October 1, 1986, to submit to the Committees a joint report on the new bed-sizing methodology and not later than October 1, 1987, to submit to the Committees a report on the implementation of the new methodology. The Comptroller General alone would be required to submit to the Committees any additional reports considered appropriate. After April 1, 1987, the expenditure of any funds for preliminary plans for any VA hospital would be prohibited unless the new methodology was used to determine the facility's types and number of beds.

In lieu of these provisions, the House amendment (section 302) would amend section 5007 of title 38, relating to a requirement that the Administrator annually submit to the Congress a five-year medical facility construction plan, to require the Administrator to submit, on an annual basis, a five-year strategic operation plan and to base the construction plan on the strategic operation plan.

The Committee intends that the newly-required plan include a comprehensive needs assessment of both medical program operation and medical facility construction needs and a detailed plan designed to address those needs. The plans should also include, but not be limited to, data on (1) the numbers of service-connected-disabled veterans and non-service-connected-disabled veterans whom the VA plans to serve, and (2) the scope (including bed size) for replacement, major modernization, and clinical aditon projects involving substantial expansion of capacity, on which actual construction is planned to be initiated during the first three of the five years covered by the construction plan. The Committee also intends that the plans take into account the impact on VA medical program and medical facility construction planning of such matters as VA's use of diagnosis related groups (DRG's) and the need for and use of noninstitutional forms of care when making resource allocation and construction planning (including the scope of the planned projects) decisions.

The Senate amendment (section 421), but not the House bill, would amend section 5002 of title 38, relating to the acquisition and construction of VA medical facilities, to require the Administrator, in connection with the assessment of health-care needs of veterans in particular areas and in order to plan how best to meet those needs, to develop criteria to determine whether to construct or acquire a new or replacement facility and to choose between the alternatives of constructing, leasing, or purchasing. The Administrator would also be prohibited, after January 1, 1986, from developing preliminary plans for a new or replacement medical facility unless the option of leasing or purchasing was considered. The Senate amendment would also amend section

5004(b) of title 38, relating to the process of Committee approval of certain medical facility acquisition and construction projects, to require the Administrator to submit, as part of a prospectus required to be submitted to the Committees in connection with a proposed medical facility, a description of the consideration given to leasing or purchasing an existing facility.

The Senate amendment (section 423), but not the House bill, would require the Administrator to submit to the Committees, in connection with the President's budget for fiscal year 1987, a feasibility plan for the purchase, for use as a VA hospital and nursing home, of a medical facility that meets the current and projected needs and specifications of the VA and is located in an urban area. The President, as warranted by the results of the feasibility plan, would be required to include in the VA's fiscal year 1987 budget a request for an appropriate amount for the purchase of such a facility which meets the VA's needs and specifications.

The House amendment (section 303) contains the provision requiring the Administrator, as part of a prospectus for a new or replacement medical facility, to submit to the Committees a description of the consideration given to leasing or purchasing an existing facility.

The Senate amendment (section 424) but not the House bill, would require the Administrator, not later than 180 days after enactment, to contract for the development of a modular approach to the planning and design of VA hospitals in order to evaluate the applicability, efficiency and cost-effectiveness of this approach to the design and construction of VA hospitals.

The House amendment (section 304) contains this provision with amendments deleting the requirements for contracting and requiring development within one year after the date of enactment.

The Senate amendment (section 422) but not the House bill, would require the Administrator, effective October 1, 1985, to contract for the construction and operation of a nursing home to furnish nursing home care to eligible veterans. The nursing home would be required to meet the VA's current and projected needs and specifications. The contract would be required to contain terms (1) establishing a minimum 5-year contract duration (2) requiring the contractor to provide the same types, levels, and quality of care that would be provided in a VA nursing home, (3) giving the Administrator the option to renew the contract for up to five years, (4) requiring the referral of eligible veterans to the nursing home so as to ensure a specific occupancy rate, (5) specifying the per diem rate payable to the contractor, and (6) providing that title to the facility would vest in the United States.

The House amendment does not contain this provision.

SERVICEMEN'S GROUP LIFE INSURANCE VETERANS' GROUP LIFE INSURANCE

The Senate amendment (section 507) and section 5 of H.R. 2343, as passed by the House of Representatives on May 20, 1985, would increase from $35,000 to $50,000 the maximum amount of coverage available under the Servicemen's Group Life Insurance/Veterans' Group Life Insurance programs and make such insurance available to members of the Individual Ready Reserve and the Inactive National Guard. The Senate amendment would provide for these increases and modifications to become effective on January 1, 1986; H.R. 2343 would provide for the effective date to be the first day of the fourth month beginning after the date of the enactment of the measure.

The House amendment (section 401) contains this provision with an effective date of January 1, 1986.

EXTENSION OF AUTHORITY TO OPERATE AN OFFICE IN THE REPUBLIC OF THE PHILIPPINES

The Senate amendment (section 509) and section 7 of H.R. 2343, as passed by the House of Representatives on May 20, 1985, would extend for 3 years, until September 30, 1988, the authority for a VA office in the Republic of the Philippines.

The House amendment (section 402) contains this provision.

VETERANS' ADMINISTRATION GRADE REDUCTION

Both the House bill (section 304) and the Senate amendment (section 301) contain provisions that would prohibit the Administrator from implementing a systematic grade reduction, for the purpose of reducing the average salary costs for the VA employees involved, of certain categories of VA employees unless the Administrator has first submitted to the Committees a report on the proposed reduction. The report would be required to contain a detailed plan and justification for the proposed reduction, including the Administrator's determination, supported by appropriate data, that, in the personnel area proposed for the reduction, the VA has a disproportionate number of employees at the salary grade or grades involved in comparison to employees who perform comparable functions in other departments and agencies of the Federal Government and in non-federal entities. The report would have to be submitted not less than 90 days prior to the effective date of the proposed reduction (not counting any day on which either House of Congress is not in session). The Comptroller General would be required, not later than 45 days after the report is submitted to the Committees, to submit a report to the Committees on the Administrator's compliance with this section, including the accuracy of the Administrator's determination and supporting data.

The House bill would apply to all VA personnel; the Senate amendment would apply to VA health-care personnel who provide direct patient-care services or services incident to direct patient-care services and to professional employees who are employed by the VA as attorneys and engineers. As to those VA employees not covered by the above-described provision in the Senate amendment, the Senate amendment would prohibit the Administrator from implementing with respect to VA employees at any specific grade level a systematic grade reduction at a rate greater than the rate of reductions being applied at that grade level in all other Federal government entities combined.

Under the House amendment (section 403), the advance-reporting requirement would apply to VA health-care personnel who provide direct patient-care services or services incident to direct patient-care services, to all "professional employees" as that term is defined in section 7103(a)(15) of title 5, United States Code, and to employees in computer-related fields. These categories encompass approximately 13,750 total VA employees at present—approximately 10,500 direct and indirect health-care personnel, 2,337 "professional employees" (883 engineers, 551 attorneys, 278 psychologists working outside of the Department of Medicine and Surgery, 169 accountants, 124 auditors, 138 librarians working outside of the Department of Medicine and Surgery, 93 architects, 73 physicians employed under the General Schedule, 24 statisticians, and 4 actuaries) and 926 individuals employed as "computer specialists" (9 computer equipment analysts, 11 computer programmers, 84 computer systems programmers, 216 computer programmer analysts, 247 computer specialists, and 359 computer systems analysts).

The Committee notes that the House amendment does not concern itself with the VA proceeding with a downgrading effort carried out in accordance with standard personnel practices designed to correct a clear example of overgrading in a particular occupational category as demonstrated by an evaluation of job responsibilities. Specifically, the VA would not be prevented from reorganizing work, implementing new classification standards, complying with classification consistency review requirements directed by OPM, or generally reclassifying positions properly even if the actions would result in a lower grade structure for any group of employees. In the case of employees other than those in the specified categories, the VA could exercise these authorities even if the resultant downgrading affected a greater percentage of VA workers in the grade level involved than were being downgraded in other Federal agencies. This is because such a downgrading would not be, in the words of the House amendment, "for the purpose of reducing average salary costs"; rather, it would be for the purpose of properly categorizing and compensating functions carried out by certain occupations.

The Committee further notes that neither the proposed advance-reporting requirement nor the limitation against disproportionate VA reductions would be applicable at all to standard personnel management activities aimed at protecting against overgrading—such as individual desk audits to determine if a particular job is overgraded—so long as those activities are not carried out as part of a systematic effort to achieve grade reductions pursuant to some arbitrary formula.

LAND TRANSFER, PHOENIX, AZ

The House bill (section 302) and the Senate amendment (section 504) would require the transfer to the VA, without compensation, of a certain parcel of land in Phoenix, Arizona. The House bill would require the transfer of 3.4 acres of land, more or less; the Senate amendment, 3.25 acres of land, more or less, and the structure thereon.

The House amendment (section 404) would provide for the transfer to the VA, without compensation, of 3.4 acres or land, more or less, and the structures thereon.

MODIFICATION OF RESTRICTIONS ON REAL PROPERTY, MILWAUKEE COUNTY, WI

The Senate amendment (section 506), but not the House bill, would require the Administrator to modify the restrictions on the use of land previously conveyed to Milwaukee County, Wisconsin, so as to permit the County to lease the land to a nonprofit corporation that would be required (1) to construct on the land and equip permanent improvements useful for public recreational or general civic purposes, and (2) to use the land for such recreational or civic purposes.

The House amendment (section 405) contains this provision.

AUTHORITY TO RELEASE LIMITATION ON USE OF REAL PROPERTY, MC KINNEY, TX

The House bill (section 301), but not the Senate amendment, would authorize the Administrator to remove a limitation on land previously conveyed to the City of McKinney, Texas, which restricts the use of the land to recreational purposes. The VA no longer maintains a facility in McKinney.

The House amendment (section 406) contains this provision.

MODIFICATIONS OF RESTRICTIONS ON REAL PROPERTY AND CONVEYANCE OF A FENCE ON SUCH PROPERTY, SALT LAKE CITY, UTAH

The Senate amendment (section 505), but not the House bill, would require the Administrator (1) to modify the restrictions on the use of land previously conveyed to the Utah State Armory Board so as to permit the land to be used for hospital, educational, civic, residential, or related purposes, and (2) to convey to the Armory Board, without compensation, a fence located on the property.

The House amendment (section 407) contains this provision.

PILOT PROGRAM OF COMMUNITY-BASED PSYCHIATRIC RESIDENTIAL TREATMENT FOR CHRONICALLY MENTALLY ILL VETERANS

The Senate amendment (section 102), but not the House bill, would amend Subchapter II of chapter 17 of title 38, relating to hospital, nursing home, and domiciliary care and medical treatment, to add a new section 620B to authorize the conduct of a pilot program, during the period January 1, 1986, through December 1, 1989, under which the VA would contract for care and treatment and rehabilitative services in halfway houses, therapeutic communities, psychiatric residential treatment centers, and other community-based treatment facilities for certain eligible veterans suffering from chronic mental illness disabilities. A veteran would be eligible to participate in the program if, at the time of referral to a contract facility, the veteran were (1) receiving VA hospital, domiciliary, or nursing home care for a service-connected chronic mental illness disability, or (2) a veteran with a service-connected disability rated at 50 percent or more who is receiving VA care for a chronic mental illness disability. The program would be planned, designed, and conducted to demonstrate (1) the medical advantages and cost-effectiveness of providing care in contract facilities compared to providing care in VA facilities, and (2) the veterans' potential for living outside of medical facilities as a result of participating in the pilot program. The Administrator would be required to approve the quality and effectiveness of the program in a facility before referring veterans to it and to designate a VA employee to provide case-management services for each veteran. The Administrator would also be authorized to provide in-kind assistance to a participating contract facility provided that the VA was reimbursed for the assistance. The Administrator would be required to submit to the Committees an interim report on the first 36 months of the pilot program and, by April 1, 1990, a final report on the 48 months of operation of the pilot program.

The House amendment does not contain this provision.

In the cases of veterans requiring treatment for service-connected chronic mental illness disability, and veterans in Alaska, Hawaii, Puerto Rico, the Virgin Islands, and U.S. Territories or women veterans requiring such treatment for non-service-connected chronic mental illness disability, the VA, in the opinion of the VA General Counsel, has authority under current law (section 610(a) and section 601(4)(C) of title 38) to furnish directly, as well as to contract for, the type of halfway-house residential care (considered to be an extension of "hospital care") envisioned in the Senate provision. Moreover, in the cases of these veterans as well as certain others, such as those with service-connected disabilities rated 50 percent or more disabling and those requiring post-VA-hospital followup care for chronic mental illness disability, the VA also has authority under current law (section 612(f)(1)(B) and (2) and section 601(4)(C)(ii)) to contract for the provision of the medical and related services component of this type of care for such veterans' chronic mental illness disabilities and to negotiate on behalf of veterans with respect to the provision, at the veterans' expense or financed by other non-VA services, of the residential (room and board) component. Noting the support for this provision by the VA, the National Association of VA Chiefs of Psychiatry, and the American Psychiatric Association, the Committee intends to examine the issues relating to the extent of the VA's use of the existing authority described above. The Committee is aware that such an arrangement would not be workable in the case of chronically mentally ill veterans whose illnesses incapacitate them from earning a living and who have no other available to them to pay for the residential components of such halfway-house care, but notes that many of the veterans eligible for contract medical services are recipients of substantial disability compensation payments.

VETERANS' READJUSTMENT APPOINTMENTS

Section 3 of H.R. 1408, as passed by the House of Representatives on May 20, 1985, but not the Senate amendment, would increase the maximum grade level at which appointments may be made under the veterans readjustment appointments (VRA) program, eliminate the 14-year education limitation on the VRA eligibility of Vietnam-era veterans who do not have service-connected disabilities, and provide that a service-connected disabled Vietnam-era veteran who has more than 14 years of education must be given preference for a VRA over other Vietnam-era veterans who have more than 14 years of education.

The House amendment does not contain this provision.

STATE HOME PER DIEM RATES

The House bill (section 104(3)), but not the Senate amendment, would amend section 620(e) of title 38, relating to the rate at which the VA reimburses community nursing homes for "intermediate care" (a level of care less intensive than nursing-home care but more intensive than domiciliary care), in order to specify that VA payments to State homes for intermediate care shall be at the same per diem rate that is paid for nursing home care.

The House amendment does not contain this provision.

PHYSICIANS' AND DENTISTS' SPECIAL PAY

The House bill (section 205), but not the Senate amendment, would amend section 4118 of title 38, relating to special pay for physicians and dentists (1) to clarify that the employee's entitlement to special pay runs from the date of employment or from the date the employee signs a special pay agreement, whichever is later, (2) to modify the amounts of special pay that are counted in determining the annuity of employees who retire during fiscal years 1986 through 1990 so as to increase by 10 percentage points per year, from 60 percent for those retiring in fiscal year 1986 to 90 percent for those retiring in fiscal year 1990, the percentages of special pay counted toward annuities (under current law, 50 percent of such pay is counted toward annuities for those who retire during 1986 through 1990 and 100 percent after 1990), and (3) to specify that an employee must receive a performance rating of at least "fully satisfactory" in order to be eligible to receive special pay.

The House amendment does not contain this provision.

STATUS OF VETERANS' ADMINISTRATION OUTPATIENT CLINIC IN TOLEDO, OH

The House bill (section 305), but not the Senate amendment, would mandate a change in the status of the VA outpatient clinic in Toledo, Ohio, from that of a satellite clinic (of the Ann Arbor, Michigan, VA Medical Center) to an independent clinic.

The House amendment does not contain this provision.

The Committee notes the substantial strides made in recent months by the Department of Medicine and Surgery, in conjunction with the University of Michigan through its affiliation with the Ann Arbor VAMC, to expand and upgrade medical services at the Toledo clinic, specifically, the establishment at the clinic of specialty clinics for Dermatology in April, for Ophthalmology and Orthopedics in June, and for Ear, Nose, and Throat in July. In order to continue this progress and provide greater ties to and continuity with medical care in the community, it is the Committee's view that the Toledo clinic should also establish a meaningful affiliation with the Medical College of Ohio and that DM&S Central Office should closely monitor the provision of services at the clinic. The Committee does not intend, however, that the affiliation between the Toledo clinic and the University of Michigan Medical School be diminished.

The Committee directs the Chief Medical Director to report to them by April 1, 1986, on the actions regarding such a new affiliation and to submit at that time an evaluation, based on DM&S's monitoring, of the range, quality, and responsiveness of the care provided by the clinic.

PILOT PROGRAM OF NONINSTITUTIONAL ALTERNATIVES TO INSTITUTIONAL CARE

The Senate amendment (section 103), but not the House bill, would require the Administrator to conduct a 4-year pilot program, through 10 demonstration projects, under which veterans eligible for and otherwise in need of VA hospital, nursing home, or domiciliary care, would instead receive care, including health-related services from non-VA entities, in noninstitutional settings. Priority for participation in the program would be accorded to veterans with service-connected disabilities, to veterans who are 65 or older, and to veterans who are totally and permanently disabled. The VA would be required to utilize geriatric evaluation units as part of 5 of the projects and to assign VA employees to provide case-management services for all veteran-participants.

The House amendment does not contain this provision.

The Committee notes that it intends to request that the VA explore the need of eligible veterans for noninstitutional health-related services and intends to consider next year the need for such services and for this pilot program.

REPORT ON FEDERAL GOVERNMENT RESPONSIBILITY TO INDIVIDUALS WHO SERVED WITH VOLUNTARY CIVILIAN ORGANIZATIONS IN VIETNAM

The Senate amendment (section 503), but not the House bill, would require the Administrator and the Secretaries of Defense and of Health and Human Services to submit to the appropriate Congressional committees, not later than 180 days after the date of enactment, a joint report on the question of U.S. Government responsibility for providing benefits and services (including, but not limited to, health care and monetary compensation for disabilities which may be related to experiences in Vietnam), either through the VA or otherwise, to individuals who served in Vietnam with voluntary organizations that provided significant assistance to the U.S. Armed Forces.

The House amendment does not contain this provision.

COVERAGE OF RESPITE CARE

The House bill (section 101), but not the Senate amendment, would amend section 610(a) of title 38, relating to eligibility for hospital and nursing home care, to authorize the provision of respite care, defined as care furnished by a VA facility on an intermittent or temporary basis to a veteran who is suffering from a chronic illness and who is receiving care at home or in a hospice program.

The House amendment does not contain this provision.

The Committee notes, however, that the Senate Committee, in the context of further consideration next year of the need for alternatives to institutional care, will consider the need to provide the Administrator with explicit authority to provide respite care.

ASSISTANCE FOR CERTAIN FORMER POLITICAL HOSTAGES

The Senate amendment (section 502), but not the House bill, would require the Administrator to take appropriate action under existing authority to ensure that VA expertise in diagnosing and treating individuals who have experienced unusual trauma and stress and in training health-care personnel in such diagnosis and treatment is made available to other Federal agencies and other organizations which have provided or may provide assistance to (1) the passengers of hijacked TWA flight number 847 who were held in captivity as political hostages, or (2) other United States citizens returning from such captivity, in order to attempt to minimize the potential psychological effects of their captivity.

The House amendment does not include this provision.

The Committee urges the Administrator to provide such assistance as may be permitted under existing authority and to continue to provide similar assistance to Federal agencies and other organizations which provide readjustment services to U.S. citizens who are victims of floods, tornadoes, earthquakes, and other natural or manmade disasters.

EMERGENCY VETERANS' JOB TRAINING ACT

The Senate amendment (section 508) and section 2 of H.R. 1408 as passed by the House of Representatives on May 20, 1985, would amend the Emergency Veterans' Job Training Act of 1983 (Public Law 98-77; 29 U.S.C. 1721 note).

Both H.R. 1408 and the Senate amendment would extend the deadline for veterans already enrolled in the program to begin a program of training. The House would extend the deadline from September 1, 1985, to July 1, 1986; the Senate amendment, from September 1, 1985, to March 1, 1986.

The House amendment does not contain these provisions; however, Public Law 99-108 extended the deadline to July 1, 1986.

H.R. 1408, but not the Senate amendment, (1) would amend section 17 of the Act to extend, from February 28, 1985 to December 31, 1985, the deadline by which a veteran must apply to participate in the program; (2) would amend section 5 (a)(1)(B) of the Act, relating to the period of unemployment required to qualify for participation, to reduce the number of weeks of unemployment required in the 20 weeks prior to application from 15 to 5; and (3) would amend section 16 of the Act, relating to authorizations of appropriations for the programs under the Act, to authorize an appropriation of $75 million for fiscal year 1986.

The House amendment does not contain these provisions.

DOMICILIARY CARE

The House bill (section 102), but not the Senate amendment, would amend section 610(b) of title 38, relating to eligibility for domiciliary care, to establish a single basis for eligibility for care in a domiciliary facility by deleting the provision in current law which authorizes domiciliary care for a service-connected disabled veteran who is suffering from a permanent disability, tuberculosis, or a neuropsychiatric ailment, is unable to earn a living, and has no adequate means of support and leaving in place the existing authority to provide domiciliary care to any veteran who is in need of domiciliary care and is unable to defray the expenses of such care.

The House amendment does not include this provision.

The Committees on Veterans' Affairs of the House and Senate have included provisions in the Omnibus Budget Reconciliation Act of 1985 (H.R. 3500 and S. 1730) that would change current law relating to domiciliary care eligibility. The Committees have agreed to resolve their differences on this issue in the reconciliation conference.

ADMINISTRATIVE REORGANIZATION OF CERTAIN PROSTHETICS SERVICE FUNCTIONS

The House bill (section 304(a)), but not the Senate amendment, would authorize the VA to proceed, during fiscal year 1985, with an administrative reorganization, of which the Committees were given advance notice on February 1, 1985, pursuant to section 210(b)(2) of title 38, involving the transfer of two elements from the Prosthetics Center in New York—the Technology and Performance Evaluation Section and the Information and Education Service—to a Prosthetics Assessment and Information Center in Washington, D.C.

The House amendment does not contain this provision.

Mr. HAMMERSCHMIDT. Mr. Speaker, further reserving the right to object, I yield to the gentleman from Alabama [Mr. SHELBY], a member of the committee.

Mr. SHELBY. Mr. Speaker, I appreciate the gentleman's yielding, and I would like to ask if the chairman of the committee, the gentleman from Mississippi [Mr. MONTGOMERY], would enter into a colloquy with me regarding some things that were knocked out of the bill.

Mr. MONTGOMERY. I will be glad to answer the gentleman, if the gentleman will yield.

Mr. SHELBY. Mr. Speaker, in this bill that we have before us now, the amendment knocked out the consideration that was in the Senate bill where the Senate bill would require that the Veterans' Administration would consider existing hospitals when they were considering a new Veterans' Administration facility; is that correct?

Mr. MONTGOMERY. That is still in the bill.

Mr. SHELBY. That is still in the bill?

Mr. MONTGOMERY. That is correct.

Mr. SHELBY. But it is new language; it is a little different language, is it not?

Mr. MONTGOMERY. We could not accept all of the Senate language, but that particular requirement is still in the bill.

Mr. SHELBY. The chairman of the committee will recall our conversation regarding the possible purchase of the Providence Hospital in Mobile, AL, and what we have gotten into. Does this language exclude that, or would that change anything?

Mr. MONTGOMERY. Let me clarify what is in the proposed House amendment. The Senate had proposed language which would have required the Administrator to provide a feasibility plan for the purchase of a medical facility that is located in an urban area and is suitable for furnishing both hospital and nursing home care services to veterans. It would have also required the President to include a request in the fiscal year 1987 budget for an appropriate amount to purchase such a facility if warranted by the feasibility plan. That was taken out of the bill, and I know the gentleman strongly supported it.

The reason it was taken out is that we feel that we should not designate where a Veterans' Administration hospital should be built. It should be left up to the Administrator. That is why it was eliminated.

I know that the gentleman has strong feelings about it, but we cannot go around designating when or where a veterans' hospital should be built. However, we did accept language which requires that when the Administrator proposes to Congress to construct a new or replacement VA medical facility, he must include in the prospectus for such project a description of the consideration that was given to acquiring an existing facility by lease or purchase.

Mr. SHELBY. The language is there that they should consider them?

Mr. MONTGOMERY. Yes; that they should consider those existing facilities if they plan to replace or construct a VA medical facility.

Mr. SHELBY. I think that will help in this case. I do not know if it will solve the problem there.

Mr. Speaker, there are a lot of other things in this bill other than that. For that reason I do not object to the gentleman's bringing up the bill, although I do disagree as to that portion of it.

Mr. MONTGOMERY. Mr. Speaker, I do appreciate very much the gentleman's not objecting. We held the bill up trying to work out something with the gentleman from Alabama. We have a lot of things in here that need to move forward to give better medical care to the veterans, and I appreciate very much the gentleman's support.

Mr. SHELBY. Mr. Speaker, I think the gentleman is exactly right. There are a lot of things in here for the veterans of the country.

Mr. MONTGOMERY. Finally, Mr. Speaker, I would like to express my appreciation to the very able chairman of the Senate Committee on Veterans' Affairs [Mr. MURKOWSKI,] and to the very able ranking minority member of the committee [Mr. CRANSTON], for their efforts to work with the House side to seek agreement on the differences in the two bills. I regret I cannot say specifically that the other body is in total agreement with the House amendment, but we have done the very best we can. It is my hope that it will be accepted by the other body in view of the expiring authorizations contained in the measure. We have already granted one temporary increase in these authorizations, and I do not intend to provide for further temporary extensions.

In addition, I would like to thank the very distinguished Senator from California [Mr. CRANSTON], and the distinguished chairman of the committee, [Mr. MURKOWSKI], for working with us to help resolve the issue of cutting back on GS-11 to GS-15 positions in the Veterans' Administration. Both of these gentlemen were very cooperative in our attempts to resolve this issue which is so important to the Agency. My colleagues know that the provision contained in H.R. 505, as passed by the House, was almost a carbon copy of the legislative initiative offered by the distinguished Senator from California and he deserves much of the credit for placing this item high on our agenda. I believe the language proposed in the House amendment is a reasonable compromise to what the distinguished Senator from California introduced on the Senate side. I continue to appreciate the good work of both of these distinguished gentlemen.

Mr. HAMMERSCHMIDT. Mr. Speaker, further reserving the right to object, I yield to the gentleman from Florida [Mr. MICA].

Mr. MICA. Mr. Speaker, I thank the gentleman for yielding.

First, let me commend the chairman of the committee, the gentleman from Mississippi [Mr. MONTGOMERY], for the excellent work he has done and the time and effort and consideration that has been put in this bill. I also commend the ranking minority member, the gentleman from Arkansas [Mr. HAMMERSCHMIDT], for his cooperation.

I think this type of approach serves well the veterans of America. I have some 5,000 veterans a month moving into the State of Florida. As a matter of fact, I have had 5,000 veterans a month moving into the State for the last 5 years straight, so I have a strong interest in this legislation that we are discussing today, not only as a member of the Committee on Veterans' Affairs but also because I come from a State which has not only a growing veterans population but has a very large veterans population—in fact, some say it is one of the largest in the United States.

Earlier this year I was deeply disturbed by published reports of excessive patient death rates in Veterans' Administration hospitals. Just as disturbing as those reports was the manner in which the Veterans' Administration responded to newspaper inquiries concerning them. I refer in this case to the quality of care at a particular cardiac surgery unit.

The manner in which the Veterans' Administration responded has created a credibility gap in the minds of myself and other Members of Congress, and many veterans, and much of the south Florida public was also concerned. At times it seemed that the primary interest of the Veterans' Administration was not to allay the public's concern but to retreat behind a shield of bureaucratic jargon.

That is why I have introduced legislation which is now contained in this bill, H.R. 505, that would require the disclosure of statistics on medical quality data such as morbidity and mortality rates at individual Veterans' Administration hospitals. That is one reason why I am asking my colleagues to strongly support this legislation.

I am convinced that overall the Veterans' Administration provides excellent health care. But problems in Veterans' Administration hospitals can only be overcome by a policy of complete openness and disclosure. Such a policy ensures a high level of public confidence in the Veterans' Administration, and we know that confidence is required. It allows the public to obtain complete answers to their inquiries and provides the veteran with all the information he or she needs about the safety record of a medical program to which they entrust their lives.

In its present form, this legislation leaves intact peer review sessions where doctors criticize their colleagues. They will not undermine the privacy rights of doctors or of their individual patients, nor will they violate the doctor-patient privilege.

Mr. Speaker, I sincerely believe, in conclusion, that a policy of open and honest disclosure will demonstrate that the Veterans' Administration is indeed operating in the veterans' best interests, and I urge my colleagues to support this legislation.

Mr. HAMMERSCHMIDT. Mr. Speaker, further reserving the right to object, I, too, rise in strong support of H.R. 505, as it is presently before the House. The process of working out the differences in this legislation between the two bodies is, hopefully, close to its culmination.

This is a comprehensive measure with some 29 provisions which would result in significant improvements and new authority for a great variety of VA health care programs.

Most pressing is the simple extension of authority which runs out tomorrow, October 31, 1985, for VA "extraordinary" contract health care in Puerto Rico, for the continued operation of the VA regional office in the Philippines, and for VA contracts with community treatment facilities for veterans with alcohol and drug abuse problems. Each of these deserves to be continued.

This legislation would improve VA's health care administration by modifying certain eligibility requirements. A veteran discharged from a domiciliary or nursing home is not eligible for followup outpatient care. Veterans must be kept in the domiciliary or nursing home in order to receive the needed care. This is not a good use of increasingly scarce VA medical care resources. It would be remedied by making those veterans eligible for outpatient care.

A similar situation would also be remedied by passage of this measure. Transfers of veterans directly from VA nursing homes and domiciliaries to community nursing homes are not authorized by current law. A VA nursing home patient must now needlessly be admitted to a VA hospital before being transferred to a community nursing home.

Further, veterans requiring nursing home care for treatment of service-connected disabilities must now have authorization renewed every 6 months.

The VA now has in place good controls designed to keep nursing home stays from being unnecessarily long. The renewal requirement has outlived its usefulness and now results in wasteful paperwork. This measure would eliminate the renewal requirement.

For veterans who were exposed to agent orange and certain other herbicides, or to ionizing radiation, the questions still remain about the long-term effects of the exposure on their health. These veterans are currently

eligible for certain priority VA health care services until February 1986.

The amendments would extend eligibility until the end of fiscal year 1989. By that time, we should have better information for a determination as to whether benefits should be permanent.

Former prisoners of war would also benefit from the bill. In addition to the VA health care now provided to former POW's, the VA would be authorized to provide counseling at the request of any former POW who needs assistance with the psychological effects of the POW experience.

This measure would require the Administrator to develop and report on a modular approach for the planning and design of VA medical centers in order to evaluate the applicability and cost-effectiveness of such an approach. This appears to have promise as a way to hold down costs without any loss of quality.

The Nation's population is growing older on the average and this is reflected by the average age of its veterans. The demographics of the veteran population present an enormous challenge to the VA. One of the many ways to meet the changing needs of older veterans is through State veterans homes.

VA grants help build them, and the present system which the VA uses to process grant applications should be streamlined to do a better job of getting the money where the greatest immediate needs are.

The amendments would allow the VA to bypass projects to which States have not made their financial commitments in favor of those projects to which States have made their commitments, and they would be chosen on the basis of comparative need. This is a step we should take.

There are many good provisions in this legislation. Suffice it to say that, through the leadership of Mr. MONTGOMERY, chairman of the Veterans' Affairs Committee, and of Mr. EDGAR, chairman of the Subcommittee on Hospitals and Health Care, in close cooperation with the minority, we have an amended bill which has been improved and refined.

I urge each of my colleagues to support it.

Mr. EDGAR. Mr. Speaker, I rise in support of H.R. 505, the Veterans' Administration Health-Care Amendments of 1985. This is a bill that I introduced and which, as amended, was reported unanimously out of the Subcommittee on Hospitals and Health Care and the full Committee on Veterans' Affairs and then amended by the Senate. I am pleased to have helped bring this bill before my colleagues. Today, I am pleased to bring before you a description of the House amendments to the Senate amendments of H.R. 505. I am including a full explanation of these amendments. However, I wish to emphasize a few specific points.

Our schedules in committee and here on the floor have been hectic ones during this Congress. Concerns about the deficit and about how to devise a budget for this country have been overriding issues. Yet, we have not forgotten our commitments to our Nation's veterans, men and women who have served in the defense of their country. This bill should become part of the record of the House as an acknowledgment of the service of these citizens.

Resolution of the differences between the versions of H.R. 505 as passed by the House and amended by the Senate was a difficult task. I want to acknowledge now the hard work and dedication of the chairman of the full committee, [Mr. MONTGOMERY], and of the ranking minority member of both the full committee and of the subcommittee I chair, Mr. HAMMERSCHMIDT. I also want to acknowledge the participation of the members of the subcommittee; their counsel is always valuable, particularly when negotiating with the other body.

The House amendments contain four titles: Title I relates to health-care programs, title II relates to health-care administration, title III relates to VA medical facilities, and title IV concerns some miscellaneous provisions. These titles contain much of the House version of the bill which was designed to provide cost-effective alternatives to institution-based health care delivery and to make more efficient the provision of institutional care when it is medically necessary. This is important because of the anticipated impact of the number of veterans who are aging. We know that the use of health care services increases with increasing age. It, thus, is more important than ever to get the most out of each Federal dollar spent on medical care.

I want to emphasize a provision that has general significance for the VA and special importance to medical care which restricts the VA in implementing an employee grade reduction. As is well-known, the Office of Personnel Management and the Office of Management and Budget responded to a recommendation of the "Grace Commission" by proposing a reduction in funding which would equate to an annual 2-percent reduction in GS grades 11–15 in fiscal years 1985 to 1989. This provision would require a detailed report to the Congress before implementing a grade reduction of certain categories of VA employees.

I would also like to emphasize several provisions relating to aging veterans which were part of the House-passed bill are included. One is a provision that would allow veterans who would otherwise remain in nursing homes and domiciliaries to receive outpatient care to complete their medical treatments. This provision would avoid the use of costly inpatient beds. A related provision is included that would allow veterans who are in VA nursing homes, domiciliaries, or hospital-based home care programs to be admitted directly into a community nursing home. The current requirement is to be admitted first to a VA hospital. This provision would avoid the cost of admitting, using and then being discharged from expensive hospital beds.

Another provision relating to aging veterans is one authorizing the expansion from 15 to 25 the number of geriatric research, education, and clinical centers [GRECCS].

I am pleased that the alcohol and drug treatment and rehabilitation contract authority is extended in the House amendments. I introduced this provision—originally as H.R. 789—which was cosponsored by two of my colleagues from Florida [Mr. MICA] and [Mr. LEHMAN].

I am pleased that the House amendments include a permanent authority to contract for care of non-service-connected veterans in the Virgin Islands is included. This provision also provides a phaseout of this contract authority with respect to Puerto Rico. I deeply appreciate the sincere concern and sponsorship of the gentleman who represents the Virgin Islands, Mr. DE LUGO. I also deeply appreciate the sincere concern and support of the gentleman who represents Puerto Rico, Mr. FUSTER.

I originally introduced as H.R. 2227 a bill that was cosponsored by Chairman MONTGOMERY to authorize a 3-year demonstration project for chiropractic care for veterans. The House amendments contain a modification providing for a five-site pilot program and should provide valuable information about chiropractic services.

All of this said, I must also record my disappointment that two provisions in the bill I introduced are not included in the House amendments. I will continue to work for these provisions and plan to reintroduce them next session.

The first is an authority for the VA to provide respite care for veterans suffering from chronic long-term illnesses. This provision would free hospital beds now occupied by those who could be cared for in their homes if some brief temporary relief for their caregivers, usually their families, were available. I continue to think this is a valuable benefit for veterans, their families, and the VA.

The second is an authority to equalize eligibility for domiciliary care for veterans with service-connected disabilities by removing restrictions to admission of those veterans. I believe the domiciliary program is one of the best and most cost-effective programs in the VA. I plan to hold hearings on this program in the next session and to introduce more extensive legislation concerning this program.

Mr. Speaker, I strongly urge my colleagues to support H.R. 505, as amended by the House.

Mr. DE LUGO. Mr. Speaker, I rise today in support of H.R. 505, a bill to improve the delivery of health care service to our Nation's veterans. I would like to offer my special thanks to Chairman S.V. (SONNY) MONTGOMERY, and to Congressman BOB EDGAR, the chairman of the Subcommittee on Hospitals and Health Care, for their support and understanding of the unique situation of U.S. Virgin Islands veterans.

The U.S. Virgin Islands does not have a VA hospital. The closest VA hospital is in Puerto Rico. Therefore, it is essential that our veterans have the authority to contract

with a doctor of their choice, a doctor who is familiar with their problems, and whose office is close to their home. It is also important that these veterans are able to utilize vendors in the U.S. Virgin Islands in order to obtain essential medical supplies.

The compromise agreement worked out under H.R. 505 would make the contract authority permanent with respect to the Virgin Islands, as it is now in Hawaii and Alaska. This I see as a definite step in the right direction for service to Virgin Islands veterans, for I have long urged that outpatient clinics be built in the U.S. Virgin Islands. While it does not appear possible at this time of severe Federal deficits, I feel the authority to make the contract service a permanent one with respect to the Virgin Islands, is an equitable solution for the interim.

H.R. 505 recognizes that the veterans of the U.S. Virgin Islands have earned their service benefits and are entitled to equitable treatment. I urge your support for this measure.

Mr. HAMMERSCHMIDT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The SPEAKER. Is there objection to the initial request of the gentleman from Mississippi?

There was no objection.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent that I may be permitted to revise and extend my remarks, and include extraneous matter, and that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous matter, on H.R. 505, the legislation just considered.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

CALENDAR WEDNESDAY

The SPEAKER. This is Calendar Wednesday. The Clerk will call the committees.

The Clerk called the committees.

□ 1035

WAIVING CERTAIN POINTS OF ORDER AGAINST CONSIDERATION OF H.R. 3629, DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 1986

Mrs. BURTON of California. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 302 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 302

Resolved, That all points of order under clause 3 of rule XIII are hereby waived against the consideration of the bill (H.R. 3629) making appropriations for the Department of Defense for the fiscal year ending September 30, 1986, and for other purposes. During the consideration of said bill, all points of order against the following provisions in the bill for failure to comply with the provisions of clauses 2 and 6 of rule XXI are hereby waived: titles I through VII; and sections 8007, 8016, 8020, 8037, 8040, 8042, 8047, 8048, 8049, 8050, 8058, 8074, 8084, 8093, 8096, 8098, 8099, 8100, 8101, and 8102. It shall be in order to consider en bloc the amendment printed in the Congressional Record of October 29, 1985, by, and if offered by, Representative Schroeder of Colorado, notwithstanding the fact that the amendment changes portions of the bill not yet read for amendment, and such amendment shall not be subject to a demand for a division of the question in the House or in the Committee of the Whole.

The SPEAKER pro tempore (Mr. WIRTH). The gentlewoman from California [Mrs. BURTON] is recognized for 1 hour.

Mrs. BURTON of California. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Tennessee [Mr. QUILLEN], and pending that I yield myself such time as I may consume.

Mr. Speaker, House Resolution 302 waives points of order against specified provisions of H.R. 3629, the Department of Defense appropriation bill for fiscal year 1986. The rule does not provide for the bill's consideration because general appropriation bills are privileged under the rules of the House. Provisions relating to time for general debate are also not included in the rule. Customarily, general debate is limited by a unanimous consent request by the chairman of the Appropriations Subcommittee prior to consideration of the bill.

The rule waives all points of order against the consideration of the bill for failure to comply with clause 3 of rule XIII. Clause 3 of rule XIII prohibits consideration of legislation that does not contain a section detailing changes made to existing law in the accompanying committee report. The committee report on H.R. 3629 does not contain the appropriate Ramseyer on the procurement reform provisions adopted by the Appropriations Committee.

The rule waives all points of order against specified provisions of the bill for failure to comply with clauses 2 and 6 of rule XXI. Clause 2 of rule XXI prohibits unauthorized appropriations and legislative provisions in general appropriations bills. Clause 6 of rule XXI prohibits reappropriations or transfers in general appropriation bills. The rule waivers these clauses of rule XXI against titles I through VII of the bill. These waivers are necessary because the authorization for the Department of Defense for fiscal year 1986 has not been enacted into law. In addition, the rule waives clauses 2 and 6 rule XXI against 20 specified general provisions contained in title VIII of the bill.

The rule allows for the en bloc consideration of an amendment by Representative SCHROEDER. This amendment is printed in the CONGRESSIONAL RECORD of October 29, 1985, and is in order notwithstanding the fact that the amendment changes portions of the bill not yet read for amendment. The amendment is not subject to a demand for a division of the question in the House or in the Committee of the Whole. This is the only special provision made for an amendment in this rule. Other Members, of course, may offer amendments to the bill provided that those amendments do not violate the rules of the House.

Mr. Speaker, H.R. 3629 provides $268.9 billion in new budget authority and $7.75 billion in transfers from other accounts for a total funding availability of $276.3 billion. This bill does not provide the funding for military construction or nuclear warheads. Funding for these programs are contained in other appropriation bills. When the anticipated funding levels for these programs are combined with the $276.3 billion in this bill, total fiscal year 1986 military spending is expected to be $292.6 billion.

It is also important to note that title VIII of this appropriation bill contains 102 general provisions. The rule waives clauses 2 and 6 of rule XXI against 20 of these general provisions. Some of these provisions of special interest to members are provisions relating to procurement reform, a moratorium on carrying out a test on the space defense system against an object in space, multiyear procurement of several major weapons systems, and limitations on procurement of binary chemical munitions.

Mr. Speaker, H.R. 3629 is important legislation that provides the funding for the national security of this Nation. I would urge Members to vote for the adoption of this rule in order to proceed to the timely consideration of this legislation.

Mr. QUILLEN. Mr. Speaker, I yield myself as much time as I may use.

Mr. Speaker, the gentlewoman from California has ably explained the provisions of the rule. It would be redundant for me to repeat them.

We all know that we face an emergency in our defense posture. It is necessary that we go forward with this appropriation bill.

I would remind the Members of the House that this bill contains $27.8 billion less than the President requested. It is $9.5 billion less than the budget resolution passed by this House; so

there are considerable savings in our defense posture, although the administration supports the budget resolution level.

So without further ado, Mr. Speaker, I urge the adoption of this rule so that the House can get down to the discussion of this very important measure, the appropriation for the Department of Defense.

Mr. Speaker, I yield 2 minutes to the gentlewoman from Connecticut [Mrs. JOHNSON], to speak out of order.

(By unanimous consent, Mrs. JOHNSON was allowed to speak out of order.)

LEGISLATION TO RESTORE FAMILY PLANNING PROGRAMS SUBLEVEL

Mrs. JOHNSON. Mr. Speaker, today I am introducing legislation to amend the Foreign Assistance Act, to restore informed consent to assure, as the Reverend Monsignor John G. McCarren says, "liberty of conscience, right to privacy, and absence of coercion," in all family planning programs funded by the Agency for International Development.

This legislation should be unnecessary. Until this year, AID policy required family planning programs to provide information on all methods of contraception, or, if the grantee could not or did not provide a particular service, AID policy required referral.

To my regret, AID has reneged on its commitment to this responsible policy. Since July 8, AID has allowed organizations which promote natural family planning—and those organizations only—to receive Federal funds without providing information or referral on other methods of family planning.

Throughout this Nation, academic freedom policies govern educational institutions because we believe that, given complete information, people will draw the right conclusions. We should require no less of any recipient of Federal funds.

Please join 79 Members of Congress, and 20 medical, religious, and family planning organizations and endorse this legislation.

Mr. QUILLEN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mrs. BURTON of California. Mr. Speaker, I have no further requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. CHAPPELL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill (H.R. 3629) making appropriations for the Department of Defense for the fiscal year ending September 30, 1986, and for other purposes, and that I may include extraneous and tabular material.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

DEPARTMENT OF DEFENSE APPROPRIATION ACT, 1986

Mr. CHAPPELL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3629) making appropriations for the Department of Defense for the fiscal year ending September 30, 1986, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to not to exceed 2 hours, the time to be equally divided and controlled by the gentleman from Pennsylvania [Mr. MCDADE] and myself.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida [Mr. CHAPPELL].

The motion was agreed to.

The SPEAKER pro tempore. The Chair designates the gentleman from Illinois [Mr. ROSTENKOWSKI] as Chairman of the Committee of the Whole and requests the gentleman from Michigan [Mr. KILDEE] to assume the chair temporarily.

□ 1046

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 3629, with Mr. KILDEE, Chairman pro tempore, in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN pro tempore. Under the unanimous-consent agreement, the gentleman from Florida [Mr. CHAPPELL] will be recognized for 1 hour, and the gentleman from Pennsylvania [Mr. MCDADE] will be recognized for 1 hour.

The Chair recognizes the gentleman from Florida [Mr. CHAPPELL].

Mr. CHAPPELL. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise to manage this bill today in the place of our good friend and colleague, the gentleman from New York, Mr. JOE ADDABBO, who as all of us know is hospitalized at this time with a kidney ailment.

I want to say that I talked to him this morning and he asked me to give his greetings to his many friends here and to say that he is coming along very well, indeed, and hopes to be out of the hospital in the next few weeks.

As a matter of fact, he has gained about 30 pounds. He is feeling much better and he is doing very well. As a matter of fact, the doctors are talking about putting him on a diet to restrict his weight. I again bring you his greetings and say that all of us wish him Godspeed in his recovery.

I want to take this opportunity to thank all the members of the Defense Subcommittee for their advice and indulgence in marking up and reporting out the Defense appropriation bill for fiscal year 1986. It was a group effort and is generally supported in its entirety by all the subcommittee members. This can be attested to by the fact that there were no separate, minority, or dissenting views filed in the report.

I want to especially thank the chairman of the appropriations Committee, JAMIE L. WHITTEN, for his advice and assistance and the ranking minority member of the subcommittee, JOSEPH M. MCDADE for his cooperation and assistance in formulating this difficult bill.

It was not an easy task to draft the bill before you today. We tried to provide funds for all the necessary programs while keeping the overall funding level within the guidelines expressed by the House. I think we were able to do that realizing, of course, that everyone will not be pleased with all aspects of this bill.

BILL SUMMARY

The bill before you maintains a freeze level in total obligational authority comparable to last year's level. This bill provides total obligational authority of $276.3 billion consisting of $268.6 billion in new budget authority and $7.7 billion in transfers from other accounts.

The $276.3 billion in total obligational authority is approximately the Defense appropriation bill portion of the $292.6 billion defense level proposed by the House in its budget resolution and its Defense Authorization Act when they passed and represents a freeze in defense funding levels for fiscal year 1986. This seems to be the level the House currently supports and the Appropriations Committee recommends this level.

Just to give the House some perspective as the total appropriations provided to the Defense Department in the recent past let me briefly set forth some statistics. For the 6-year period—fiscal year 1980 through fiscal year 1985—the Defense Department received appropriations and transfer authority totaling $1.3 trillion which excludes military construction, military family housing, civil defense, and nuclear warhead research and production.

The total obligational authority level recommended in this bill of $276.3 billion represents a 100-percent increase over the fiscal year 1980 funding level.

In light of the current deficit reduction efforts and the prospects of large budget deficits in the immediate future, the Appropriations Committee felt the level of funding recommended in this bill is adequate.

Let me now briefly cover what is recommended in the Defense appropriation bill before you.

Mr. Chairman, pages 5, 6, and 7 of the committee's report list a number of significant and highly visible programs addressed in the bill and I advise the Members to read these highlights to easily identify programs of interest to them.

MILITARY PERSONNEL

The bill recommends $70 billion for military personnel or $1.8 billion above last year's level and $3.4 billion below the budget request. These funds provide 2,167,370 active duty military personnel, an increase of 15,000 above fiscal year 1985 and a selected reserve man-year average of 1,096,333, an increase of 42,971 above last year.

The bill approves the 3-percent military pay raise, effective October 1, 1986, but requires DOD to absorb 10 percent of the total costs.

The bill recommends a total reduction of $2.7 billion from the military personnel accounts as a result of the retired pay limitations imposed by the Defense Authorization Act, 1986. This, of course, accounts for most of the recommended reductions of $3.4 billion below the budget request.

OPERATION AND MAINTENANCE

The bill recommends $77.1 billion for the operation and maintenance accounts which is roughly the same level of funding provided last year and $5.3 billion below the budget request.

The first major reduction of $4.4 billion is a result of pricing adjustments such as reduced fuel prices, lower than anticipated inflation, revised foreign currency assumptions, increases in competition, and improvements in DOD's acquisition process.

The second major reduction of $1.5 billion results from authorization action.

The third major adjustment adds $932 million to reduce the depot maintenance and real property maintenance backlogs and to partially restore the civilian pay reduction originally recommended by the administration.

There is also $300 million in reductions recommended by the committee in programs felt to be unnecessary or duplicative.

While these reductions in military personnel and operation and maintenance seem large, they do not materially affect the readiness of our forces and are fully justified.

PROCUREMENT

The bill recommends $93.4 in total obligational authority for procurement, a reduction of $5.2 billion below last year's level and a decrease of $13.4 below the budget request. Some of the so called "big ticket" items recommended in the bill follow:

The bill recommends $1.1 billion to purchase 144 AH-64 Apache attack helicopters; $1.6 billion to purchase 840 M-1 Abrams tanks; $2.3 billion to purchase 84 F/A-18 aircraft; $1.2 billion to purchase one Trident submarine; $2.1 billion to purchase 4 SSN-688 nuclear attack submarines; $2.6 billion to purchase 3 CG-47 Aegis cruisers; $5.2 billion to purchase 48 B-1B bombers; $1.8 billion to purchase 48 F-15 aircraft; $2.6 billion to purchase 180 F-16 aircraft; $1.7 billion to purchase 16 C-5B airlift aircraft; $200 million to begin a competition and procure air defense aircraft for the Air Force; and $1.8 billion to purchase 12 MX missiles.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION

The bill recommends $34.1 billion in total obligational authority for research, development, test and evaluation which is $2.9 billion above the fiscal year 1985 level and $6.1 billion below the budget request. Some of the specific recommendations in the bill are as follows:

The bill recommends $2.1 billion for continued development of the Trident II strategic missile system; $570 million for continued development of the Tilt-Rotor JVX aircraft; $1.5 billion for ICBM modernization; $384 million for continued development of the C-17 transport aircraft; and $2.5 billion for the Strategic Defense Initiative—"star wars."

NATIONAL GUARD AND RESERVE FORCES

The bill recommends over $20 billion for the National Guard and Reserve Forces which includes add-ons above the budget request of $700 million mostly for equipment. I refer Members to pages 10 through 21 of the committee report which set forth the funds provided for the National Guard and Reserve forces. The committee has always been a staunch supporter of the Guard and Reserve and we continue to try to update the equipment available to these forces.

INTELLIGENCE MATTERS

The committee reviews the intelligence and intelligence-related activities budgets with the same intensity and completeness as is afforded other portions of the Department of Defense [DOD] budget. Because of the highly sensitive nature of these activities, the results of the committee's budget review are published in a separate detailed and comprehensive classified annex to this report and cannot be discussed on the floor.

GENERAL PROVISIONS

The bill includes several provisions dealing with matters of interest to the Members. One deals with the prohibition of lethal aid to Nicaragua. The subcommittee has included the exact prohibition contained in the House-passed intelligence authorization bill which prohibits the CIA, DOD, or any other agency of the United States involved in intelligence activities from providing material assistance, directly or indirectly, to the Nicaraguan Democratic Resistance, including arms, ammunitions, or other equipment or material which could be used to inflict serious bodily harm or death. Additional language was included to clarify that nothing in the prohibition will impair the administration of humanitarian assistance previously provided.

Another general provision prohibits the obligation or expenditure of funds to carry out a test of an antisatellite weapon against an object in space until the President certifies the Soviet Union has conducted a similar test after October 3, 1985.

The bill recommends a provision placing certain conditions on the use of funds provided for the procurement of binary chemical munitions similar to those provisions contained in the House-passed Defense Authorization Act, 1986.

I remind the members of the committee that the majority of the thousands of line-items in the Defense budget remain untouched by the subcommittee and they are funded at the budget request level or the authorized levels.

CONCLUSION

Mr. Chairman, I realize that the bill is not going to please everyone, but I think it is a good bill and I urge your support of the recommendations of the committee. I shall submit a table providing additional details of the bill for the RECORD at this point.

The table follows:

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY

	Fiscal year—		House	House bill compared with—	
	1985 enacted[1]	1986 estimates[2]		Enacted	Estimates
TITLE I—MILITARY PERSONNEL					
Military personnel, Army	21,437,593,000	22,712,000,000	21,718,923,000	+281,330,000	−993,077,000
(Transfer from other accounts)	(25,000,000)			(−25,000,000)	
Military personnel, Navy	15,660,246,000	17,221,400,000	16,446,673,000	+786,427,000	−774,727,000
(Transfer from other accounts)	(339,633,000)			(−339,633,000)	
Military personnel, Marine Corps	4,910,206,000	5,217,400,000	5,025,377,000	+115,171,000	−192,023,000
(Transfer from other accounts)	(10,000,000)			(−10,000,000)	
Military personnel, Air Force	17,826,830,000	19,187,900,000	18,275,085,000	+448,255,000	−912,815,000
(Transfer from other accounts)	(112,854,000)			(−112,854,000)	
Reserve personnel, Army	2,084,100,000	2,394,400,000	2,152,904,000	+68,804,000	−241,496,000
Reserve personnel, Navy	1,132,319,000	1,353,600,000	1,296,023,000	+163,704,000	−57,577,000
(Transfer from other accounts)	(22,000,000)			(−22,000,000)	
Reserve personnel, Marine Corps	271,778,000	290,000,000	278,792,000	+7,014,000	−11,208,000
Reserve personnel, Air Force	567,476,000	622,500,000	596,053,000	+28,577,000	−26,447,000
National Guard personnel, Army	2,926,100,000	3,430,800,000	3,238,017,000	+311,917,000	−192,783,000
National Guard personnel, Air Force	886,110,000	995,100,000	953,004,000	+66,894,000	−42,096,000
Total, title I, military personnel:					
New budget (obligational) authority	67,702,758,000	73,425,100,000	69,980,851,000	+2,278,093,000	−3,444,249,000
(Transfer from other accounts)	(509,487,000)			(−509,487,000)	
TITLE II—OPERATION AND MAINTENANCE					
Operation and maintenance, Army	18,421,544,000	20,190,630,000	18,659,638,000	+238,094,000	−1,530,992,000
(Transfer from other accounts)	(119,300,000)			(−119,300,000)	
Operation and maintenance, Navy	25,123,360,000	25,797,700,000	23,762,002,000	−1,361,358,000	−2,035,698,000
(Transfer from other accounts)	(180,829,000)			(−180,829,000)	
Operation and maintenance, Marine Corps	1,640,294,000	1,667,400,000	1,615,128,000	−25,166,000	−52,272,000
(Transfer from other accounts)	(8,488,000)			(−8,488,000)	
Operation and maintenance, Air Force	19,093,265,000	20,924,400,000	19,507,672,000	+414,407,000	−1,416,728,000
(Transfer from other accounts)	(90,346,000)			(−90,346,000)	
Operation and maintenance, Defense agencies	7,148,699,000	7,568,900,000	7,340,076,000	+191,377,000	−228,824,000
(Transfer from other accounts)	(8,000,000)			(−8,000,000)	
Operation and maintenance, Army Reserve	731,736,000	779,600,000	774,980,000	+43,244,000	−4,620,000
Operation and maintenance, Navy Reserve	828,581,000	954,500,000	896,415,000	+67,834,000	−58,085,000
Operation and maintenance, Marine Corps Reserve	58,792,000	61,600,000	57,120,000	−1,672,000	−4,480,000
Operation and maintenance, Air Force Reserve	879,761,000	907,700,000	896,844,000	+17,083,000	−10,856,000
Operation and maintenance, Army National Guard	1,437,487,000	1,605,200,000	1,646,305,000	+208,818,000	+41,105,000
Operation and maintenance, Air National Guard	1,825,439,000	1,830,100,000	1,803,862,000	−21,577,000	−26,238,000
National Board for the Promotion of Rifle Practice, Army	926,000	920,000	820,000	−106,000	−100,000
Claims, Defense	157,900,000	158,300,000	148,300,000	−9,600,000	−10,000,000
Court of Military Appeals, Defense	2,870,000	3,200,000	3,200,000	+330,000	
10th International Pan American Games			10,000,000	+10,000,000	+10,000,000
Environmental restoration, Defense	314,000,000		[3] (329,100,000)	−314,000,000	
Total, title II, operation and maintenance:					
New budget (obligational) authority	77,664,654,000	82,450,150,000	77,122,362,000	−542,292,000	−5,327,788,000
(Transfer from other accounts)	(406,963,000)			(−406,963,000)	
TITLE III—PROCUREMENT					
Aircraft procurement, Army	3,940,900,000	3,892,500,000	3,337,300,000	−603,600,000	−555,200,000
(Transfer from other accounts)			(217,600,000)	(+217,600,000)	(+217,600,000)
Missile procurement, Army	3,167,000,000	3,386,700,000	2,939,232,000	−227,768,000	−447,468,000
(Transfer from other accounts)			(124,500,000)	(+124,500,000)	(+124,500,000)
Procurement of weapons and tracked combat vehicles, Army	4,548,100,000	5,739,100,000	3,749,004,000	−799,096,000	−1,990,096,000
(Transfer from other accounts)			(806,896,000)	(+806,896,000)	(+806,896,000)
Procurement of ammunition, Army	2,646,300,000	2,635,000,000	1,858,200,000	−788,100,000	−776,800,000
(Transfer from other accounts)			(215,200,000)	(+215,200,000)	(+215,200,000)
Other procurement, Army	5,122,450,000	5,712,800,000	4,809,986,000	−312,464,000	−902,814,000
(Transfer from other accounts)			(297,400,000)	(+297,400,000)	(+297,400,000)
Aircraft procurement, Navy	10,903,798,000	12,062,600,000	10,446,400,000	−457,398,000	−1,616,200,000
(Transfer from other accounts)			(594,600,000)	(+594,600,000)	(+594,600,000)
Weapons procurement, Navy	4,353,611,000	5,627,900,000	5,093,733,000	+740,122,000	−534,167,000
(Transfer from other accounts)			(109,600,000)	(+109,600,000)	(+109,600,000)
Shipbuilding and conversion, Navy	11,736,000,000	11,411,600,000	8,648,900,000	−3,087,100,000	−2,762,700,000
(Transfer from other accounts)	(36,300,000)		(2,058,500,000)	(+2,022,200,000)	(+2,058,500,000)
Other procurement, Navy	5,341,614,000	6,601,200,000	5,682,694,000	+341,080,000	−918,506,000
(Transfer from other accounts)			(312,762,000)	(+312,762,000)	(+312,762,000)
Procurement, Marine Corps	1,836,722,000	1,726,800,000	1,610,749,000	−225,973,000	−116,051,000
(Transfer from other accounts)			(85,717,000)	(+85,717,000)	(+85,717,000)
Aircraft procurement, Air Force	26,188,266,000	26,165,500,000	20,722,700,000	−5,465,566,000	−5,442,800,000
(Transfer from other accounts)			(1,458,300,000)	(+1,458,300,000)	(+1,458,300,000)
Missile procurement, Air Force	6,909,245,000	10,862,700,000	8,043,527,000	+1,134,282,000	−2,819,173,000
(Transfer from other accounts)	(1,500,000,000)		(155,000,000)	(−1,345,000,000)	(+155,000,000)
Other procurement, Air Force	8,861,697,000	9,538,000,000	7,890,918,000	−970,779,000	−1,647,082,000
(Transfer from other accounts)			(347,476,000)	(+347,476,000)	(+347,476,000)
National Guard and Reserve equipment	380,000,000		582,000,000	+202,000,000	+582,000,000
(Transfer from other accounts)			(8,000,000)	(+8,000,000)	(+8,000,000)
Procurement, Defense agencies	1,165,701,000	1,391,900,000	1,181,869,000	+16,168,000	−210,031,000
(Transfer from other accounts)			(36,000,000)	(+36,000,000)	(+36,000,000)
Defense Production Act purchases	10,000,000	59,000,000		−10,000,000	−59,000,000
Total, title III, procurement:					
New budget (obligational) authority	97,111,404,000	106,813,300,000	86,597,212,000	−10,514,192,000	−20,216,088,000
(Transfer from other accounts)	(1,536,300,000)		(6,827,551,000)	(+5,291,251,000)	(+6,827,551,000)
TITLE IV—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION					
Research, development, test, and evaluation, Army	4,349,015,000	5,279,900,000	4,431,475,000	+82,460,000	−848,425,000
(Transfer from other accounts)			(110,530,000)	(+110,530,000)	(+110,530,000)
Research development, test, and evaluation, Navy	9,172,622,000	11,264,300,000	9,462,631,000	+290,009,000	−1,801,669,000
(Transfer from other accounts)			(271,496,000)	(+271,496,000)	(+271,496,000)
Research development, test, and evaluation, Air Force	13,424,147,000	15,578,500,000	13,217,177,000	−206,970,000	−2,361,323,000
(Transfer from other accounts)			(359,000,000)	(+359,000,000)	(+359,000,000)
Research development, test, and evaluation, Defense Agencies	4,182,287,000	7,053,900,000	5,943,038,000	+1,760,751,000	−1,110,862,000
(Transfer from other accounts)			(179,112,000)	(+179,112,000)	(+179,112,000)
Director of Test and Evaluation Defense	59,000,000	103,500,000	93,500,000	+34,500,000	−10,000,000
Total, title IV, research, development, test, and evaluation:					
New budget (obligational) authority	31,187,071,000	39,280,100,000	33,147,821,000	+1,960,750,000	−6,132,279,000
(Transfer from other accounts)			(920,138,000)	(+920,138,000)	(+920,138,000)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY—Continued

	Fiscal year—		House	House bill compared with—	
	1985 enacted[1]	1986 estimates[2]		Enacted	Estimates
TITLE V—SPECIAL FOREIGN CURRENCY PROGRAM					
Special foreign currency program	8,650,000	2,100,000	2,100,000	−6,550,000	
TITLE VI—REVOLVING AND MANAGEMENT FUNDS					
Army stock fund	366,448,000	442,000,000	393,000,000	+26,552,000	−49,000,000
Navy stock fund	473,307,000	716,500,000	616,500,000	+143,193,000	−100,000,000
Marine Corps stock fund	34,908,000	42,700,000	37,700,000	+2,792,000	−5,000,000
Air Force stock fund	548,593,000	464,900,000	415,900,000	−132,693,000	−49,000,000
Defense stock fund	130,700,000	193,500,000	149,700,000	+19,000,000	−43,800,000
Total, title VI, revolving and management funds: New budget (obligational) authority	1,553,956,000	1,859,600,000	1,612,800,000	+58,844,000	−246,800,000
TITLE VII—RELATED AGENCIES					
Intelligence community staff	20,971,000	22,283,000	22,083,000	+1,112,000	−200,000
Central Intelligence Agency retirement and disability system fund	99,300,000	101,400,000	101,400,000	+2,100,000	
Enhanced security countermeasures capabilities	35,000,000			−35,000,000	
Total, title VII, related agencies: New budget (obligational) authority	155,271,000	123,683,000	123,483,000	−31,788,000	−200,000
TITLE VIII—GENERAL PROVISIONS					
(Additional transfer authority, sec. 8020)	(1,200,000,000)	(1,200,000,000)	(1,200,000,000)		
RECAPITULATION					
Title I—Military personnel	67,702,758,000	73,425,100,000	69,980,851,000	+2,278,093,000	−3,444,249,000
(Transfer from other accounts)	(509,487,000)			(−509,487,000)	
Title II—Operation and maintenance	77,664,654,000	82,450,150,000	77,122,362,000	−542,292,000	−5,327,788,000
(Transfer from other accounts)	(406,963,000)			(−406,963,000)	
Title III—Procurement	97,111,404,000	106,813,300,000	86,597,212,000	−10,514,192,000	−20,216,088,000
(Transfer from other accounts)	(1,536,300,000)		(6,827,551,000)	(+5,291,251,000)	(+6,827,551,000)
Title IV—Research, development, test, and evaluation	31,187,071,000	39,280,100,000	33,147,821,000	+1,960,750,000	−6,132,279,000
(Transfer from other accounts)			(920,138,000)	(+920,138,000)	(+920,138,000)
Title V—Special foreign currency program	8,650,000	2,100,000	2,100,000	−6,550,000	
Title VI—Revolving and management funds	1,553,956,000	1,859,600,000	1,612,800,000	+58,844,000	−246,800,000
Title VII—Related agencies	155,271,000	123,683,000	123,483,000	−31,788,000	−200,000
Title VIII—General provisions (additional transfer authority, sec. 8020)	(1,200,000,000)	(1,200,000,000)	(1,200,000,000)		
Total, Department of Defense (NOA)	275,383,764,000	303,954,033,000	268,586,629,000	−6,797,135,000	−35,367,404,000
(Transfer from other accounts)	(2,452,750,000)		(7,747,689,000)	(+5,294,939,000)	(+7,747,689,000)
Total funding available	277,836,514,000	303,954,033,000	276,334,318,000	−1,502,196,000	−27,619,715,000
(Transfer authority)	(1,200,000,000)	(1,200,000,000)	(1,200,000,000)		
Distribution by organizational component:					
Army	71,179,699,000	78,201,550,000	69,709,784,000	−1,469,915,000	−8,491,766,000
(Transfer from other accounts)	(144,300,000)		(1,772,126,000)	(+1,627,826,000)	(+1,772,126,000)
Navy	93,478,158,000	102,017,200,000	90,976,837,000	−2,501,321,000	−11,040,363,000
(Transfer from other accounts)	(597,250,000)		(3,432,675,000)	(+2,835,425,000)	(+3,432,675,000)
Air Force	97,010,829,000	107,077,300,000	92,322,742,000	−4,688,087,000	−14,754,558,000
(Transfer from other accounts)	(1,703,200,000)		(2,319,776,000)	(+616,576,000)	(+2,319,776,000)
Defense agencies/OSD	13,179,807,000	16,534,300,000	15,200,883,000	+1,691,976,000	−1,662,517,000
(Transfer from other accounts)	(8,000,000)		(215,112,000)	(+207,112,000)	(+215,112,000)
Reserve and National Guard (procurement)	380,000,000		582,000,000	+202,000,000	+582,000,000
(Transfer from other accounts)			(8,000,000)	(+8,000,000)	(+8,000,000)
Related agencies	155,271,000	123,683,000	123,483,000	−31,788,000	−200,000
Total, Department of Defense (NOA)	275,383,764,000	303,954,033,000	268,586,629,000	−6,797,135,000	−35,367,404,000
(Transfer from other accounts)	(2,452,750,000)		(7,747,689,000)	(+5,294,939,000)	(+7,747,689,000)
Total funding available	277,836,514,000	303,954,033,000	276,334,318,000	−1,502,196,000	−27,619,715,000
(Transfer authority)	(1,200,000,000)	(1,200,000,000)	(1,200,000,000)		

[1] Includes amounts in Supplemental Appropriation Act, 1985.
[2] Includes $383,000 for the intelligence community staff (H.Doc. 99–89).
[3] Funds are included in individual appropriation accounts.

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Mr. McDADE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, let me begin by commending my colleague, the gentleman from Florida [Mr. CHAPPELL] who just explained in great detail what is in this enormously large and important bill. My colleague and our friend from Florida took over as acting chairman of this subcommittee at a very difficult time, and all of the House, I think, should know that he conducted himself with professionalism all the way through. We are very proud of the job that he did. He sought to run the committee in a very bipartisan way and to make sure all voices were heard, and he accomplished this.

At the same time, we need to know that missing from our presence today is our dear friend and colleague, the gentleman from New York, Chairman JOE ADDABBO, who is recovering in the hospital. As we proceed today with this bill, we know that he, and indeed his lovely wife, Grace, have our warm prayers for a speedy recovery, and we look forward to his resumption of handling this bill as our chairman as his recovery progresses.

Let me say, too, that it has been a privilege for me to work with all of my colleagues on both sides of the aisle, all of whom have made significant inputs into this bill. Mr. Chairman, the subcommittee, as it often does, had substantial disagreements, but we worked to try to achieve consensus on this bill that we could present to the floor. Each and every Member, both sides of the aisle, made such a contribution, and I would be deeply remiss if I did not express to each and every one of them my thanks for their interest, for their understanding, for their willingness to try to do what everyone perceived to be in the best interests of our Nation.

I want to express my appreciation, too, to the staff of our committee which is second to none in the Congress, which provides us with a continuing flow of information and detail, again in a very bipartisan way so that we can attempt to make judgments so that we are confident in, and that we believe we have the facts for. They do so much of the daily, very difficult work in tracking all of the intricacies of this bill, that they deserve the congratulations and plaudits of all of us. They are, indeed, men and women who conduct themselves in the best interest of the Nation.

I do have to make a personal reference to a member of the staff of this committee who has been with the committee for some time and will soon be leaving it to go on to perhaps bigger and better things with the Packard Commission as she assumes a very important role with the Packard Commission. I am referring to Robin Deck,

who has served this committee ably and honorably for many, many years. To her, I want to extend on behalf of all of us, our personal thanks, and indeed, our very best wishes as she goes into her new assignment. We hate to see you leave, but we know you will do a super job at the Packard Commission, which is so important.

Mr. Chairman, as my distinguished friend from Florida has indicated, we went through what was a very difficult time in this bill, both because of the fiscal situation of the Nation and because of the absence, as we got down to the mark, of our very able and distinguished friend, the gentleman from New York [Mr. ADDABBO] whose role was ably filled by my dear friend from Florida [Mr. CHAPPELL].

As he has suggested to you, our bill today provides $276 billion, which is a good deal less, some $27 billion less, than was requested by the President, and roughly $9 billion below the amount that was authorized by the House yesterday with passage of the authorization bill.

The reasons that we arrived at this are very straightforward. The members of our committee, indeed, the Members of this House, feel very strongly about the issue of deficit spending, and they believe, and I believe that defense spending, as critical as it is, must be included as a full partner in the efforts at deficit reduction. And in addition, through the course of the year on some very, very difficult issues, the House has spoken several times on the issue of defense regarding the overall level of spending and, indeed, on individual programs. And through those debates, held throughout the course of this year, in what has been, to put it mildly, an extended discussion of defense issues, there was, I believe, a consensus developing in the House on both sides of the aisle about where we ought to be on a number of those programs.

Our goal as a subcommittee, then, when we sat down with this bill, was to try to respect and to build on that consensus that had been achieved. And our goal was to bring to the floor an appropriation bill for the Department of Defense that we could all support.

As my friend from Florida has said, I believe we have managed to do that, and I hope that all of my colleagues will, indeed, lend their support to this bill without amendment. We bring it to you as a work product that is complex and difficult.

I am not going to attempt to cover the ground that my distinguished friend from Florida did. The report is over 400 pages long, and the bill itself is about 117 pages in length. So I will not attempt to revisit all of those issues.

You need to know that we are about at a freeze for DOD at last year's level, and to do so, we had to, as my friend from Florida indicated, scrutinize every account. None of them were immune. All of them, if you will, made a contribution to achieving the levels of appropriations that we have here.

You should know there is about $13 billion in immediate deficit reduction as a result of this bill, a highly significant amount of money in deficit reduction, and that there are, indeed, a lot of sacrifices. I suppose if we looked at the level of this bill today and discussed it earlier in the year at a level that would be about a freeze, a lot of us would not have believed that we would ever bring such a bill to the floor.

Well, we did and we are here, and we are because of the problems that face the Nation and, indeed, the problems that face our committee as we attempt to get here in the very closing hours of the session perhaps the most important appropriation bill. They are all important, but certainly this bill is second to none in matters of its importance.

Mr. Chairman, I believe that we have achieved a bill that is supportable by Members on both sides of the aisle. I hope, as I have said, that it will be adopted as we have presented it to you.

Mr. Chairman, I reserve the balance of my time.

Mr. CHAPPELL. Mr. Chairman, I yield 10 minutes to the gentleman from Washington [Mr. DICKS].

Mr. DICKS. Mr. Chairman, I too want to compliment the distinguished gentleman from Florida [Mr. CHAPPELL], our acting chairman of the Defense Appropriations Subcommittee, for the quality work that he has done in the absence of our beloved chairman, the gentleman from New York [JOE ADDABBO], in preparing this bill for consideration by the House of Representatives. He has worked with all members of the committee on both sides of the aisle. He has worked with the Members of this House who are interested in defense and national security issues, and I think he has done an outstanding job for which he should be complimented.

I also want to pay respect to the distinguished ranking minority member, the gentleman from Pennsylvania [Mr. MCDADE], who has taken over as the ranking member of this committee. He too has done a tremendous job in crafting this legislation. Our committee has always operated on a bipartisan basis. I also want to compliment our staff, and particularly Robin Deck, who is leaving. We are going to be expecting her to do a lot of work in procurement reform in her work with the Packard Commission and to shape up that part of the defense operation. I know she will.

Reaching the budget target freezing defense spending was not painless. it required some difficult decisions. But we have accomplished this in a way that does not undercut our national security and fully meets our obligation to provide for the common defense.

But looking into the future, I am uneasy about our ability to meet these commitments. I am particularly referring to the implications of Gramm-Rudman on defense spending. I am certainly not saying that defense should receive special treatment in a deficit reduction effort, it must bear its fair share. But the specific provisions of Gramm-Rudman could go well beyond that fair share to create defense disasters in the pursuit of arbitrary and poorly drafted budget targets. The letter of the chairman of the Armed Services Committee, Mr. ASPIN, to Secretary of Defense Caspar Weinberger illustrates just how crippling this legislation could be on the defense budget. It reads as follows:

DEAR CAP, I have been startled by the Pentagon's silence over the Gramm/Rudman legislation to force a balanced budget by 1991. Repeated efforts to get you or someone else from the Defense Department to testify before the House Armed Services Committee have met with refusals. Apparently, since the White House has given its imprimatur to Gramm/Rudman, no one in the Pentagon wants to speak up on how Gramm/Rudman could foul up defense. Although I respect this tremendous loyalty to your commander in chief, I question whether silence demonstrates good stewardship by the political leadership in the Pentagon.

Let me divide the issue into two parts. The first part is the argument I would expect you to be making. The second part is a compendium of facts that disturbs me greatly and that I think ought to disturb all citizens, regardless of ideology.

As you know, Gramm/Rudman establishes deficit ceilings, starting with $180 billion in 1986. In each successive year, the ceiling is reduced by $36 billion until we reach zero—that is, a balanced budget—in 1991. To enforce the ceiling, the legislation orders cuts if the deficit is expected to exceed the ceiling.

The first cuts would be non-Social Security cost-of-living allowances. After that, the remainaing cuts would be determined by a formula. That formula is skewed to impose disproportionate cuts on defense. Defense makes up less than one-third of total federal spending. But if Gramm-Rudman is enacted and the formula kicks in for fiscal year 1986, the formula ensures that half the cuts will come out of defense—at the absolute minimum. The larger the amount by which the deficit exceeds the $180 billion ceiling, the larger will be the slice cut from defense. The defense portion could rise to almost two-thirds, or double the share one would expect defense to contribute.

One reason for this skew is the decision to exclude such programs as Social Security from any cutbacks at all. But the hit on defense is further ballooned by the decision to include existing defense contracts in the pool of funding to be cut, while excluding most existing contracts for domestic programs.

Many liberals can and will argue that this is a fair distribution of cuts. In truth, this formula will save many domestic programs

from meat-ax cuts, though many will still be badly chewed up. But what startles me is the Defense Department's silence in the face of this formula. For years, I have been hearing from you about the crucial significance of a major defense buildup. In recent months, we've been told how devastating it would be if defense budgets were held to only 3 percent annual growth in the next five years. Now, everyone is talking about a proposal that would not only force huge cuts in defense, but disproportionate cuts as well, and the word from the Pentagon is . . . silence.

I would observe, Cap, that you are painting yourself into a corner from which it will be almost impossible to argue for further defense increases. If the administration is going to worship at the altar of Gramm/Rudman, it is going to have to kiss the defense buildup goodbye. In fact, with Gramm/Rudman in place, you are going to preside over the largest peacetime defense cutback in history.

In your only public comment on Gramm/Rudman to date, you responded to a direct question from Human Events as to whether Gramm/Rudman could "impinge on defense outlays" by acknowledging, "Yes, it could"—but then promptly shifted into neutral gear. You said the president "would not feel required to make reductions in defense." What are you guys smoking over there? Is anyone over there reading this document? Such a statement makes sense only if the president intends to violate his oath of office and ignore the Gramm/Rudman statute.

There are other, less ideological problems with Gramm/Rudman that are causing me to lose sleep. If I were to try to sum it up in one sentence without resort to unnecessary, emotion-laden terms. I would have to say that it is just about the dumbest piece of legislation I have seen in my 15 years on Capitol Hill. Certainly, it is the dumbest piece of legislation to be given serious consideration by Congress.

There is a fundamental flaw in Gramm/Rudman that results from the conflicting concerns of Congress. Congress wants the deficit cut, but it doesn't want to give the president the opportunity to reshape national priorities—since that would effectively rewrite the Constitution by removing the legislative branch from the priority-setting process.

To make budget cuts rationally, you want to make them in lower-priority programs—and determining priorities is part of the political process. If you give the president the authority to choose where the ax will fall, you let him set priorities—and you give him the option of taking punitive action, like closing military bases in the districts of congressmen who don't support his programs.

To forestall such problems, Gramm/Rudman has laced together a legislative straitjacket that denies the president any priority-setting authority and instead imposes a strict formula for sequestering funds. It's ironic: in order to make sure the president cannot make cuts we dislike, Congress is prepared blindly to put in place a formula that forces cuts nobody wants.

Perhaps most astounding is that a 10 percent cut, which is quite possible in the fourth year of Gramm/Rudman, could force the firing of almost one-third of all those in uniform. Yes, one-third; 674,000 of the 2,150,000 persons in uniform. That's the equivalent of eliminating the Marine Corps—three times.

Will someone over there please read the fine print in Gramm/Rudman? The 10 percent cut would be imposed on each line item. The payroll for each service is a line item. Gramm/Rudman does not allow cuts in salary—so you have to lay people off. But a 10 percent cut in funds doesn't equate to a 10 percent cut in people. First, the firings won't take place until a month into the fiscal year. Then you have to pay to move these people and their furnishings home. And you have to pay them accrued leave. And there's a provision that prevents you from touching much of the money that has to be paid into the retirement fund. The synergism of this small print forces you to reduce the armed forces by almost a third to meet a 10 percent spending reduction. Ridiculous?

The straitjacket approach means that cuts have to be made even when they are plain bad management—even if they are patently ridiculous. You can see that in the weapons area, where Gramm/Rudman mandates that you shave equal amounts off every weapon system—not 20 percent off a low-priority program and none off a higher priority program.

For example, let's say that Weapon A has been in production for several years and Weapon B is due to start production this year. The logical decision in a resource cutback is generally to take the entire cut out of Weapon B—by simply not starting production this year—and leave Weapon A untouched. But the Gramm/Rudman language forces you to produce both weapons and, probably, to produce both at uneconomic rates. You could well end up cutting the budgets for Weapon A and B by 10 percent, but cutting the numbers produced by 20 percent.

Take the example of the E-6A TACAMO aircraft. There are two of them in this year's budget for $402 million. But because of all the overhead costs, one aircraft would cost only about $40 million less than two. Thus, a cut of 10 percent in funding would cut production by 50 percent.

Another example is the infamous DIVAD air defense weapon, which was recently killed by the Pentagon as a flop. Under the Gramm/Rudman formula, an across-the-board cut of 10 percent would mean the Pentagon would only get credit for 10 percent of the savings from killing DIVAD. In other words, there would be no incentive to kill it. We couldn't even use the drastic budget-cutting formula of Gramm/Rudman to get rid of dogs like DIVAD.

Look at construction projects. The legislation says the president must make equal cuts out of each program listed in Appropriations Committee reports. Each construction project is listed in those reports. If we have funded 100 dams and must cut 10 percent, we can't just build 90 dams, we have to build 90 percent of each of the 100 dams. For military construction, we list individual buildings. Gramm/Rudman forbids that any project be killed. This presumably means that we will have to eliminate pieces of buildings—skip the top floor, don't put in air-conditioning, cut the number of restrooms. It's anyone's guess how it will be done. One possibility that worries me is that cheaper materials will be used so that the structures will simply deteriorate more quickly and we will face huge maintenance bills in the out-years.

Another anomaly is in shipbuilding. If Gramm/Rudman were to be triggered in fiscal year 1986, the *minimum* amount of spending that would have to be cut from each program would come to 2.6 percent. But to stop that amount of *spending* in the shipbuilding account—where appropriated funds spend out slowly—would require the president to sequester 51 percent of the new budget authority for each ship program. This is budget arcana that is difficult to understand even if you are born with a green eyeshade. But the effect is easy to comprehend. Many FY '86 programs provide for only one ship. If you cut budget authority in a one-ship program by 51 percent, you can't build that ship. Applying that to the 26-ship plan in the 1986 budget, you would only be able to build 12 ships—at most.

One of the strangest impacts of Gramm/Rudman would fall on the M-1 Tank. The legislative formula, run through all its permutations, would require that at least 112 percent of the 1986 funds authorized for the tank be sequestered if Gramm/Rudman were to kick in. That is admittedly an extreme case. As near as can be calculated, out of the few thousand line items in the defense budget, at least 53 would require the sequestration of more than 100 percent of the 1986 funds appropriated.

In outlining how Emperor Gramm/Rudman has no clothes, I have tried to be as precise as possible. There are many ways in which this legislation might be even more damaging than I have outlined, but the vagueness of the language prevents an analysis of the impact. Even the sponsors of some of the provisions are often unclear. One amendment to Gramm/Rudman that passed the Senate had Lawton Chiles of Florida declaring to the Senate three times, "There is no mechanism that would allow the president to cut Medicaid or AFDC [Aid to Families with Dependent Children]." Only minutes later, fellow sponsor Pete Domenici of New Mexico told the Senate, "They [Medicaid and AFDC] may be sequestered." There is an imprecision here that looks all too much like we are spinning a wheel of misfortune on some television game show.

The litany of ridiculous effects that I have outlined begs a question: Why is no one speaking up for defense? And in particular, what about you? In the Nixon administration, you were called Cap the Knife. Later in the Pentagon, it was Cap the Ladle. If Gramm/Rudman goes into effect with your aquiesence, it will be Cap the Meat Ax.

Today I want to talk briefly about an issue that I think is of significant concern to all of us. That is the opportunity that we will have, I hope, in Geneva in the next several weeks. The President will be meeting with Mr. Gorbachev to discuss a variety of issues. Many of us in this House have worked over the last several years to put the President, by supporting his modernization programs, in a position to reach an agreement with the Soviets. It is very clear, in my judgment, that the Soviets are interested in getting an arms control agreement. I think a lot of that derives from the President's proposal for the strategic defense initiative. I think that that has provided powerful leverage that has convinced the Soviets that it is now time to go back to the bargaining table and to try and reach an agreement with the administration.

I happen to believe that this is an historic opportunity, but one that will not last forever. So I am hopeful that

as the President now prepares his counterproposal, which I think is a very positive indication, that he will come to grips with the reality of what it will take to get an agreement with the Soviet Union.

For the first time in history, the Soviets have actually made a proposal, a counterproposal, which calls for a 50-percent reduction in offensive weapons. They have not in the past made those kinds of proposals.

But it is clear that they feel that their national interests must be served in this negotiating process, and they are asking something of us as we have asked of them, and that is that there not be further erosion of the ABM agreement.

Just yesterday, Leslie Gelb, a distinguished reporter from the New York Times, in a very lengthy article, described the fact that the Soviets for the first time have, in a sense, admitted that the Krasnoyarsk radar is an illegal radar, and have suggested a trade off with several radars, one in Greenland and one in England as a possible way of dealing with this very serious compliance question that has bothered all of us. I think that is a demonstration of flexibility on their part. Clearly they want to see the United States continue to adhere to the ABM agreement.

Many of us in this House and this Congress have been deeply concerned about the reinterpretation of the ABM agreement coming just 1 month before the summit. But we are pleased that Mr. Shultz has announced that the administration will adhere to a restrictive interpretation for the foreseeable future. I find that not totally satisfying. I think that the proper way to deal with this issue, if we were concerned about this gray area, is to go to the Standing Consultative Commission in Geneva, and in a confidential way probe with the Soviets and see if we could come up with a coherent and agreed viewpont of what the treaty really does mean in this particular area.

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On the basis of what the negotiators have said, including Mr. Girard Smith, and Mr. John Rhinelander, and the 13-year interpretation, it is clear in my own view that the restrictive interpretation is the correct interpretation.

I am deeply disturbed that we find ourselves in the rather ludicrous position of the United States abiding by a restrictive interpretation while we say the Soviets could legally go forward on a more expansive interpretation.

So I still hope that that issue will be presented at the SCC, and we work this out.

Now some have suggested that this is really a way of trying to leverage the negotiations. On the one hand, the Soviets for a while were saying there should be no research at all; and on the other hand we were saying that we would adhere to the ABM agreement, which does limit research on these mobile systems.

I think the SCC is the place to work this out. I just hope that the President's great hope and dream of a strategic defense initiative, will not mean that he will not understand that the Soviets are going to want to see adherence to the ABM agreement. I think that if there is a commitment on our part to adhere to ABM into the future, that we can get the deep reduction which were the initial arms control objective of this administration.

I hope we do not miss a historic opportunity to lower the number of nuclear weapons on both sides by stonewalling in Geneva on this question.

The President has a reputation as a shrewd negotiator, as a great poker player. I hope that what we are witnessing is the buildup to that kind of a shrewd deal, because I believe if we miss this opportunity, then we are going to see the Soviets resort to old tactics of building up their offenses to make certain that they can counter any defense that we deploy in the future. A lot of people whom I respect have very serious questions about the technical feasibility of a complete shield over the United States. But it will be much more likely that SDI could prove feasible if there were deep reductions in offensive nuclear forces.

I am hopeful, as someone who has tried to support the modernization program and has supported SDI research, that we do not miss this historic chance for an arms control agreement that our allies want, that the American people want, and the people of the world deserve.

I yield to my friend, the gentleman from Oregon [Mr. AUCOIN].

Mr. AUCOIN. I appreciate the gentleman yielding, and I compliment him for the statement he has just made.

I do not think the gentleman from Washington [Mr. DICKS] needs to take a back seat to anyone in terms of supporting, where he feels it is wise, the administration's modernization program. In fact, the gentleman and I have been at odds with each other on a number of those questions, when he felt, in his own judgment, that the administration was right on certain modernization questions.

Mr. Chairman, the statement the gentleman is making now is an extremely good one. This President, adamant as he has been against every arms control treaty that the United States has entered into with the Soviet Union, has a unique opportunity.

He can either use history as his constituency, and strike a bargain that can result in the deep cuts in offensive weapons that he set out originally to seek at the negotiating table, or on the other hand he can proceed, in what I believe to be a fantasy, that will not be played out with the final verdict being rendered for 10 years or 15 years or more; and let that fantasy allow him to drop the opportunity.

Mr. DICKS. Reclaiming my time, I think the gentleman and I would both agree: First, that the research should go forward, absolutely; and the Russians are wrong when they say no research.

Mr. AUCOIN. I agree with the gentleman.

Mr. DICKS. Second, the Soviet proposal has some warts in it; they threw in the British and French missiles, intermediate range missiles, things of that nature which they have always fallen off of in the past. So we have got to go back with a counterproposal in order to try to engage them and get that agreement.

But adherence to the ABM agreement seems to me to be fundamental to whether we are going to get those deep reductions. It seems to me that that is consistent with the President's objective. If defense proves feasible 10 to 15 years down the road, we can reconsider but let us not make that judgment now.

What I hear so many people saying is, "Let's deploy now. Let's deploy something now. Let's get something in the field now." I would rather do the research and then find out whether this thing is going to work or not.

Mr. AUCOIN. If the gentleman will yield further, in the meantime use the restraint at the bargaining table to get and obtain any treaty, the deep cuts in offensive weapons that the gentleman wants and the President has said since his inauguration that he seeks.

Mr. DICKS. If we do want to go ahead with SDI at some point in the future, some limited defense in the future, it will work better in the context of vastly reduced offensive forces.

General Abramson has said it: "We've got to maintain the arms control structure if SDI is going to work."

The CHAIRMAN pro tempore (Mr. DORGAN of North Dakota). The time of the gentleman has expired.

Mr. CHAPPELL. Mr. Chairman, I yield 2 additional minutes to the gentleman from Washington [Mr. DICKS].

Mr. DICKS. It seems to me, Mr. Chairman, that maintaining the basic arms control structure and not letting it get swept away is the way to ensure that defense is an option in the future.

If not, if we miss this historic opportunity and resort to a classic arms race, then the Soviets are going to build up their offensive forces, build up potential countermeasures that will make defense much harder to transition in at some point in the future.

Mr. AUCOIN. Will the gentleman yield on that point?

Mr. DICKS. Yes, I yield.

Mr. AuCOIN. I think what the gentleman is saying is extremely important. I hope that the administration pays some heed to it. I know that there are voices within the administration who agree with the gentleman. Unfortunately, there are also voices within the administration that disagree, and that is one of the things that causes me some concern and I know it does other Members of Congress who are concerned about seeking an arms control treaty in a climate in which we can have real security, that division that seems to be within the ranks of the administration on the question the gentleman has raised.

What he is saying is that in the absence of deep cuts in offensive forces guaranteed by a verifiable treaty, the idea of defense becomes absolutely preposterous because it is cheaper to invest in offensive systems to overwhelm that defense, than it is to construct and deploy the defense.

I think the gentleman from Washington [Mr. DICKS] has made an extremely important point.

Mr. DICKS. Reclaiming my time, Mr. Chairman, I want to end on this note: Every one of us wishes the President well. Every one of us realizes that the Soviets are very difficult to negotiate with, but this President has an oppportunity that no other President during this century has had to strike a bargain that could do more for world peace than any other achievement that I can think of.

This summit will either be the start of that process toward that agreement or it could be one of the great missed opportunities. I hope and pray that it is not the latter.

Our colleagues in the other body, Senators NUNN and COHEN, summed up the situation well in a column published in the Washington Post yesterday entitled, Arms Race, Breakthrough or Breakdown?" It stated:

Mikhail Gorbachev has announced his solution to the arms race; a mutual 50 percent reduction in offensive strategic weapons in return for an end to the Strategic Defense Initiative program. This 50 percent solution, designed to sound eminently reasonable to a variety of audiences, contains the potential for both breakthrough and breakdown.

The flaws contained in the proposal are apparent. The effects are heavily weighted in the Soviet Union's favor. It should be noted, however, that it is not unprecedented to find a party to a negotiation placing a heavy hand on its side of the scales. It is important to bear in mind that we are witnessing the dance of diplomacy, not the pouring of concrete. This is the beginning of the process and not the end product.

We believe President Reagan should respond to Gorbachev's proposal with something that is positive, strategically sound and politically sustainable. This last requirement should not be underestimated, for the Soviets have at least three major objectives in mind: 1) to stop "Star Wars" research; 2) to divide the NATO alliance, and 3) to undermine future congressional and public support for the president's strategic modernization and defense programs. It is unlikely that the Soviets can achieve their first goal, but if they can paint Reagan as being inflexible and uncompromising, then they may be able to win in Western Europe and indirectly in Congress what they could not achieve in Geneva.

Reports abound that guerrilla warfare is being waged within the administration between those who see no benefit in dealing with the Soviets except on our terms and those who see advantage in reaching a compromise. This battle should not be fought or concluded without a wary eye being cast on Capitol Hill. Congressional support for strategic modernization and defense programs has been predicated upon good-faith efforts to achieve dramatic reductions in offensive nuclear weapons. It would be a mistake, therefore, to focus only on the negative aspects of the Soviet proposal without attempting through serious negotiations to set the scales back in balance.

A sober analysis of the Soviet proposal should reveal that there are grounds for progress beyond the obvious one-sided advantages. The Soviets have dropped their unacceptable preconditions for discussing offensive reductions, and for the first time have proposed a specific numerical ceiling on nuclear warheads, a longtime U.S. objective. Moreover, there proposal would require substantial (though still insufficient) reductions in their destabilizing force of MIRVed ICBMs.

But other elements of the proposal are clearly unacceptable and prejudicial to Western security interests, such as the exemption from the proposal of all Soviet systems targeted on Europe. It remains now for the president to applaud the positive principles and seek to convert the negative components and tactics into an equitable agreement.

To accomplish this, the president must invite the Soviets to join him in searching for a mutually acceptable formula for achieving stability. For example, he should refocus attention upon a critical element underplayed in the Soviet proposal: the need for strong incentives to reduce the number of land-based, MIRVed missiles well below the levels permitted under the Soviet proposal. It is the high ratio of these vulnerable, counterforce weapons to their assigned targets that causes a tightening of the finger on the nuclear trigger. Both countries seem to be moving dangerously close to a launch-on-warning strategy—the firing of the most accurate, destructive and vulnerable weapons upon the first warning that they are about to be attacked.

There are a number of ways to move toward greater stability. One approach, which we called the build-down, was adopted by the president in 1983 with broad congressional backing. Among its elements:

An immediate cap on the number of nuclear warheads;

Reductions in warheads through a requirement that deployment of new nuclear warheads be accompanied by elimination of a greater number of existing warheads;

A similar reduction in bombers;

Formulas aimed at channeling modernization in stabilizing directions such as mobility and single-warhead missiles;

Negotiation of trade-offs between bomber payload and missile throw-weight.

Unfortunately, this proposal fell victim to insufficient development by the administration in discussions with the Soviets and to the Soviet walkout from Geneva in 1983. But subsequent events, including informal Soviet commentary and the present Gorbachev proposal, indicate a compatibility with key principles of the 1983 proposal, although there are differences over the specific formulations.

A key new ingredient, however, has been added since the 1983 Geneva talks: stategic defensive weapon systems. The administration argues that SDI was a major reason for the Soviet decision to return to the negotiating table. Yet in his recent press conference, the president appeared to rule out the possibility of negotiating any restrictions on the development and testing of "Star Wars" until we know whether these weapons are feasible—in short, several years from now. This position, if true, makes any progress in Geneva very unlikely. And a stalemate in Geneva would offer the Soviets a means of furthering their objectives in undermining domestic and Allied support for needed modernization programs.

The United States can propel the negotiations forward by adopting an approach that addresses SDI and is consistent with our objectives programs.

While maintaining a reasonably funded research program, we should discuss with the Soviets what constitutes allowable development and testing under the provisions of the ABM Treaty. In the two years since the president's original "Star Wars" speech, the Soviets have come up with interpretations of key treaty limits that are far more restrictive than what we agreed to in 1972. Over the same period, the administration has been forumulating increasingly permissive interpretations of the relevant treaty provisions to allow as much of the SDI to go forward as possible. A reasonable middle ground would be for both sides to agree to live with the restrictions on development and testing that were mutually accepted at the time the treaty was signed. This is, after all, the legal obligation of both parties.

We should inform the Soviets that we are prepared to reexamine the scope and pace of a possible transition to increased reliance on strategic defenses if they are prepared to do three things: agree to meaningful and stabilizing reductions in strategic and intermediate-range nuclear forces, satisfy U.S. concerns regarding current violations of existing strategic arms control agreements (including the construction of the radar at Krasnoyarsk), and work with us in identifying realistic and verifiable breakpoints between research and development beyond which their SDI and ours would not be allowed to progress.

It is not necessary for the president to reach an accord with Gorbachev to preserve congressional support for his programs. But a Reagan "nyet" is not enough. If a budget-conscious Congress perceives that opportunities for an accord were deliberately ignored or sabotaged, then it is unlikely to retain enthusiasm for those programs high on the president's agenda. Good faith could become a line item—one the president has the power to veto.

Mr. AuCOIN. Will the gentleman yield?

Mr. DICKS. Yes, I yield.

Mr. AuCOIN. I appreciate the gentleman's statement. I think it is a sincere one; it is extremely well thought out. I would agree with the gentleman.

President Reagan has no other election that he will stand for. His judge from this point forward is going to be

history. He has an opportunity, and I join the gentleman in his statement.

Mr. McDADE. Mr. Chairman, I am pleased to yield such time as he may consume to the distinguished gentleman from Florida [Mr. YOUNG], a member of the subcommittee.

Mr. YOUNG of Florida. Mr. Chairman, I thank the gentleman for yielding me the time. Before I begin, I want to say that we missed the chairman of our subcommittee, Mr. ADDABBO, during the drafting of our bill and hope he is back with us soon. I want to complement my friend and colleague from Pennsylvania [Mr. MCDADE], the ranking Republican on this subcommittee. He has done a very effective job in helping to fashion a bill that I think is acceptable to a vast majority of this Congress as well as to the people of the United States.

I further want to compliment my colleague from Florida [Mr. CHAPPELL]. It is a pleasure to work with BILL CHAPPELL, and as the acting chairman of this committee he has done an extremely fine job, and it goes without saying that I am very proud that a colleague from Florida would have that opportunity.

Mr. Chairman, we have brought to the floor today a defense bill that is very unusual; it is less than it was last year. You have heard some of the figures, but this bill is actually 3.64 percent less than the fiscal year 1985 appropriations bill for national defense, and that is somewhat historic.

This committee has a right to be proud of being able to do that when the fact is considered that we did it without severely or adversely affecting any of our defense systems.

We could do it because of pressure and influence from the administration; from the members of this subcommittee; and from the members of the Committee on Armed Services who are determined to eliminate cost overruns from our process. We are determined to get as much as we possibly can for the American people for their tax dollar.

We did it by bringing about savings such as in the F-18 program where we are going to get the same amount of F-18's this year as we had originally planned; 84 new airplanes, but we are going to get those 84 new airplanes for $340 million less than the price that we expected to pay for those same airplanes just a few years ago.

We are buying four attack submarines this year; we are going to get those attack submarines for a little over $42 million less per submarine than we had initially expected to pay for them.

There are many other examples of savings because of multiyear procurement practices and because of very close negotiation with contractors. We have been able to bring this bill in to provide a strong defense at less money than last year.

The bill continues to reflect the mood of the American people who support a strong national defense. We have carefully reviewed the Department of Defense's requests, line by line, and I believe we have been successful in providing the strongest national security possible at the lowest cost to the American taxpayers.

We have trimmed the fat out of 329 research and development programs, at a savings of $5.2 billion, and we have made reductions in 357 procurement programs at a savings of $13.4 billion. In all, the bill is $27.6 million below the President's request and $1.5 billion less than amount provided in last year's bill.

We have examined thousands of defense programs in preparing this bill—many of which little is written but provide an important element for our national defense. For instance, our bill provides funding for development of very high speed integrated circuits, a fascinating program that makes a quantum leap in the speed and accuracy of our data processing capability to enhance the performance and reliability of many weapons systems.

The bill provides funding for over the horizon radars, which provide us with a far greater ability to detect enemy intrusion into our air space. The Soviets have had a similar system for many years.

We have provided for the improved training of our air crews with the tactical aircrew combat training system and the air combat maneuvering instrumentation ranges. These systems are so effective that we hope to increase their use by the National Guard and Reserve.

The Army tactical missile system is a new system which provides us with deep strike conventional capability in Europe. This is a key to preventing nuclear confrontation there.

The Askeet, Eram, and Sadarm systems of "smart munitions" allow us to multiply our forces more effectively.

We have developed a propeller, fixed-wing aircraft that can take off vertically.

This is not to say that the bill does not have some deficiencies. Among the programs not funded, but I believe are important to our future defense posture, is the "Amraam" air-to-air missile system. The Soviets are in the process of developing a similar system, and will take the lead in its production without our continued research in the field.

We need the "J-stars," system to give our troops in the battlefield better intelligence, but the bill cuts funding for this program from $240 million to $60 million.

We need an effective Asat antisatellite weapon, to counter the Soviets, who have developed the worlds only operational Asat system.

As for the strategic defense initiative, I'm pleased that the bill provides funding for this new system which as conceived, would be the ultimate deterrent to nuclear attack against our Nation. Some people say we should fund SDI research and development at $1.7 billion this year, some say $1.9 billion, and others say $2.1 billion. Our committee devoted much time and study to this program, reviewing the SDI office's five program elements and 73 tasks. The committee decided to fund SDI at $2.5 billion in fiscal year 1986. If you look at the hearing record, you will see that many of us wanted a higher figure. We have been assured by General Abrahamson, however, that this funding level will allow the office to pursue its second year of work on the program. Any level below $2.5 billion would have resulted in a curtailment of last year's work, which I might note has been highly successful.

The programs I have discussed here are an indication of our Nation's great military strength. The American people can be proud of our national defense forces, which are an instrument of freedom throughout the world.

The American people can also be proud that our Nation's military power has never been abused. We have never been a threat to the freedom of any other nation.

We have never used our powerful military strength to eliminate the national identities as the Soviets have done in the Ukraine and the Baltic States of Estonia, Latvia, and Lithuania.

We have never used our military power to oppress the rights of people as the Soviets have done in Hungary, Poland, and Czechoslovakia.

We have never use other nations as surrogate hoodlums to roam the world and terrorize innocent people as the Soviets have done with Cuba and Vietnam in Angola and South East Asia.

And we have never invaded another nation and undertaken a policy of near genocide as the Soviets have done and is still doing in Afghanistan. A nation of farmers and tribesmen whose only crime is that their country is strategically located between the Soviet Union and the rich oil fields of the Middle East.

Let me remind you that at the end of World War II, we were the only Nation with a nuclear capability. Yet, if you look at a map of the world today, it is the Soviets who have overtaken nations on almost every contient. I ask you—what would the map of the world look like today if it had been the Soviet Union who had the only nuclear capability at the end of World War II?

In closing, I cannot compliment enough the Members of the Defense Appropriations Committee and especially the gentleman from Pennsylvania [Mr. McDADE] and the gentleman from Florida [Mr. CHAPPELL], who managed the markup sessions of this committee and the truly effective and capable staff that we have had working with us as we go through these million of items that the Defense Department buys every year.

□ 1125

Mr. CHAPPELL. Mr. Chairman, I yield 3 minutes to the gentlewoman from California [Mrs. BOXER].

Mrs. BOXER. Mr. Chairman, I thank the gentleman for yielding this time to me.

Mr. Chairman, I would like to applaud the Appropriations Committee for the fine work they have done on the bill that we are considering today. It contains several very important provisions which more accurately reflect the will of the House as it was expressed in votes on the Defense authorization bill in June.

Lowering the Defense budget $10 billion below that agreed to by the conference committee is certainly a move in the right direction. That makes it equal to the $292.6 billion passed by the full House. I am pleased that funds for chemical weapons production were deleted for fiscal year 1986. And, on a subject close to my heart, I am grateful and proud that the full committee agreed to include the package of military procurement reforms which passed resoundingly in the House, only to be severely compromised in the authorization conference. Three of those bills, the first defining allowable costs, the second mandating multiple sourcing on weapons contracts, and the third closing the revolving door, are simply the same language passed by the House and contained in the authorization bill. The fourth is my should-cost amendment. It differs from the original House passed version in that it specifies that contractors for current weapons record their proposed and ongoing costs. This was the original intent of the amendment which passed as part of the authorization bill, but due to language in the conference report, it appeared as if current contracts would not be covered. This should-cost language is essential if we in Congress, or procurement officials in the Department of Defense, are to have ready access to information about where and why the alarming cost increases in our weapons programs are occurring.

I would like to thank my colleagues, the gentleman from Oregon [Mr. AUCOIN] and the gentleman from Washington [Mr. DICKS] for successfully sponsoring those amendments in the committee. I know that the committee members will work to protect the amendments in conference committee negotiations with the Senate because they show our real commitment to procurement reform. They also demonstrate that we are willing to stand up to those who would rip off the public in the name of patriotism. We have faith that the compromise legislation that emerges will be substantially tougher than that produced by authorization conference because the people we represent expect nothing less.

We must send a clear message to those who take advantage of the taxpayer, that this Congress is serious about instituting reforms to restrain runaway costs, and to ensure that the weapons we buy are necessary and reliable.

Mr. McDADE. Mr. Chairman, I yield such time as he may consume to my colleague, the gentleman from Ohio [Mr. MILLER] a member of our subcommittee.

Mr. MILLER of Ohio. I thank the gentleman from Pennsylvania for yielding.

Mr. Chairman, although I am not a new member of the Appropriations Committee, this is the first year I have served on the Defense Subcommittee, and I want to take this opportunity to say what a pleasure it has been to work with all the members of this subcommittee. I have been impressed by the diligence and expertise of each of the members. Furthermore, although many different political opinions are represented on this subcommittee, the work on this bill was accomplished in a cooperative spirit.

I enjoyed serving under our chairman, JOE ADDABBO, during the earlier part of the year. And along with other members of the subcommittee, I want to commend BILL CHAPPELL for the excellent job he did in stepping in to chair the subcommittee and full committee markups when our colleague from New York became ill. I want to thank both JOE and BILL for the courtesy and fairness they showed in chairing our subcommittee. Our colleague, JOE MCDADE, who this year became ranking minority member of our subcommittee, has made significant contributions to this bill, and I want to thank him also for his kindness and cooperation in working with the other members.

Last, I want to thank our subcommittee staff for all their assistance. The staffers on this subcommittee are outstanding. They are hardworking, dedicated, very helpful, and exceptionally competent. We are fortunate in having this group of people to assist us on this complicated bill.

The bill that we bring before you today is a good bill. Undoubtedly, there are things that each of us would change in this package. But overall this bill strikes a good balance between the need to maintain a strong national defense and the need to reduce expenditures in the face of our serious budgetary difficulties. At $276.3 billion, this bill is $27.6 billion below the administration's request. It is $853 million below our 302(b) allocation for new budget authority. And it is $1.5 billion below the fiscal year 1985 level.

My colleagues will recall that the administration requested 6 percent real growth for defense, but the bill we are bringing you today maintains a freeze level. Clearly, the defense bill has not been exempted from our deficit-reducing cuts, and that reduction effort has my support. I feel that, given our current budget constraints, it was necessary to reduce spending for defense, just as we have found it necessary to reduce other areas of Government spending. But I do want to mention that I think there are some misconceptions about defense spending, and I want to address these briefly.

A major misconception is that never in our history have we spent such a large proportion of the Federal budget on defense, and that it is defense spending that has caused our current budget difficulties. In fact, during the last 6 years (1980–85) defense spending has averaged 25.2 percent of Federal outlays. By contrast, defense spending accounted for more than 59 percent of Federal spending throughout the 1950's, and averaged 46.4 percent in the 1960's. It declined during the 1970's, averaging 27.5 percent for the decade and reaching a low of 22.7 percent in 1980.

A similar curve appears when we examine defense spending as a percentage of GNP. During the last 6 years, defense spending has averaged 6.1 percent of GNP. This compares with a 10.9 percent average for the 1950's, and 9.1 percent in the 1960's, defense spending declined to an average of 5.8 percent of GNP during the 1970's.

Therefore, clearly the current levels of defense spending are by no means a historic high in terms of the percentage of our Federal budget and the percentage of our gross national product being devoted to defense.

It is also worth noting that the 1970's—the decade in which we were showing such restraint in defense spending—witnessed a massive military buildup on the part of the Soviet Union, a buildup far in excess of that nation's defensive requirements. I am reminded of Prime Minister Margaret Thatcher's address to a joint session of Congress earlier this year. Mrs. Thatcher said:

> We shall have to resist the muddled arguments of those who have been induced to believe that Russia's intentions are benign and that ours are suspect, or who would have us simply give up our defenses in the hope that where we led others would follow.

Mrs. Thatcher's remarks are pertinent because we have learned from experience that the Soviets certainly did not follow our lead in the 1970's, but instead embarked on a major and destabilizing program of military growth and modernization.

Elsewhere in her address Mrs. Thatcher said:

> Our task is to see that potential aggressors from whatever quarter understand plainly that the capacity and the resolve of the West would deny them victory in war, and that the price they would pay would be intolerable. That is the basis of deterrence.

This highlights another misconception about defense spending—namely, the view that defense spending is a luxury, rather than a necessity, and that—unlike other Federal spending programs—it does not help people. The fact of the matter is, we are required to spend money on defense because there are external threats to this Nation and to the free world. None of us likes having to spend such large sums on defense, but these expenditures are necessary to preserve our freedom and to deter aggression which leads to war. And preserving peace and freedom certainly helps people. In fact, each and every American benefits from our national defense, which enables them to live in a nation which provides more freedom, greater prosperity, and greater opportunity to a greater number of people than any nation in the history of the world. If we want to compare national defense to other Federal programs, we would have to say that it is the one program which benefits each and every American equally.

Others have already given details about the contents of our bill, and I will not duplicate the information already provided. but I do want to mention one item in particular, and that is the B1-B strategic bomber.

Many of you will remember that the issue of a new strategic bomber was the subject of heated debate and close votes on the floor of this House over a period of many years. The bill before us today contains $4,861,800,000 for 48 B1-B bombers. These 48 aircraft will complete the planned purchase of 100 of these planes. The bill also provides $162,200,000 for initial spares and repair parts. The $4.9 billion figure is $600 million below the administration request, but this reduction is partially offset by $300 million in transfers from prior years, and is not expected to have an adverse impact on B1-B procurement.

I consistently supported the building of the B1-B bomber. In view of the controversy that surrounded this program here in Congress, I think that it is worth noting that the B1-B program has been an outstanding success. The first operational B1-B bomber was delivered to the Strategic Air Command in June of this year. Production has been ahead of schedule and under budget, and the aircraft is performing up to expectations. It is too early to know what the bottom line will be on total program cost, but indications are that when the final bills are paid, the total B1-B program cost for 100 aircraft will not exceed the $20.5 billion in constant fiscal year 1981 dollars which the President certified in 1982.

The B1-B is half the size of our old B-52's and can fly twice as fast. It can perform the multirole missions of a conventional bomber, a cruise missile launch platform, and a nuclear weapons delivery system. It represents a necessary and important modernization of the air leg of our strategic triad. The B1-B program has been well-administered; the plane has been well-constructed; and the Nation will be more secure when we have this aircraft in our defense arsenal. In short, there are defense success stories as well as horror stories, and I think that recently we may have been concentrating on the latter without paying sufficient attention to the former.

In conclusion, I would urge my colleagues to support this bill. It fulfills our responsibility as Members of Congress to provide for the common defense, and it does so in a fiscally responsible manner.

Mr. CHAPPELL. Mr. Chairman, I yield 1 minute to the gentleman from Connecticut [Mr. GEJDENSON].

Mr. GEJDENSON. I thank the gentleman for yielding time to me.

If the gentleman would engage in a colloquy regarding the Trident, I would appreciate it, Mr. Chairman.

Mr. Chairman, it is my understanding that the Navy this month offered to supply Trident submarine blueprints and technical papers to Newsport News Shipbuilding & Drydock Co. in order that the company may consider submitting bids for Trident construction in the future. While I have no problems with competition in general, I am concerned that in the Trident program, which is a very mature program, we might have to expend a great deal of money to entice another competitor into the business at this late date. In any case, Mr. Chairman, I have been informed that there are no funds in this bill earmarked for direct payment to gear up Newport News to enter Trident competition. Is that correct? I yield to the gentleman for an answer.

Mr. CHAPPELL. Yes, the gentleman is correct.

Mr. GEJDENSON. May I request, Mr. Chairman, that Congress be informed in a timely fashion should the Navy choose to use any nonearmarked funds in this bill for the purpose of gearing up Newport News to enter Trident competition?

Mr. CHAPPELL. Mr. Chairman, if the gentleman would continue to yield, that is entirely appropriate, and we shall endeavor to do so.

Mr. GEJDENSON. Mr. Chairman, I thank the chairman of the subcommittee.

Mr. McDADE. Mr. Chairman, I yield such time as he may consume to my distinguished colleague, the gentleman from Louisiana [Mr. LIVINGSTON].

I appreciate the gentleman yielding. Mr. Chairman, I would like to take this opportunity to echo the remarks of my colleagues in commending the work of all the members of the subcommittee on this bill, and particularly the efforts of acting chairman CHAPPELL who have most ably filled in in the absence of our beloved chairman, JOE ADDABBO. BILL CHAPPELL has performed extraordinarily under most adverse circumstances, and he has been fair to all members of the committee throughout the consideration of this bill.

I also want to commend our Republican leader, JOE MCDADE, for an outstanding job of craftsmanship. Through his hard work and strong efforts, we now have a bill which I firmly believe the entire House of Representatives can support.

I also want to pay particular tribute to all of the professional staff, without whose expertise in their various fields we simply could not have brought this bill as far as it has come. With their superlative work, each of us as Members have been able to keep on top of the extremely complex issues wrought throughout the bill.

Mr. Chairman, this is a good bill. It keeps most of the vital defense programs of the United States intact, while it also keeps a lid on the levels of defense spending for fiscal year 1986 substantially at the same level of fiscal year 1985. While we have not reached the levels requested by President Reagan, we have made some tough decisions in keeping with the eonomic situation of this country, and like all tough decisions, not all of them have been favorable to any single member of the committee or of this House. It is indeed a compromise bill, and I think it is one that we as a body can ably and with good feeling support.

That is not to say that I don't have concerns about the bill. In fact I do. The overall levels of the bill fall approximately $10 billion below the 1986 defense authorization bill, which was passed just yesterday.

It includes military contracting restrictions which I feel go beyond the bounds of reason and good sense, particularly in view of the fact that the Packard Commission, which is intrusted with the responsibility of reviewing defense procurement procedures, will not submit it's report to Congress for almost a year from now. Furthermore, many suggestions for reform are cur-

rently pending before the House and Senate authorization committees, and it should not be the province of the Appropriations Committee to prejudge what measures they might choose to take in this area.

Of major concern to me is the fact that this bill contains language restricting the testing of anti-satellite weapons, notwithstanding the pending negotiations between President Reagan and Premier Gorbachev at Geneva. We've only recently completed our first successful test of such weapons, and we have other tests pending in coming months.

In contrast, the Soviets have actually deployed a system of some sort years ahead of us, their last test of that system having occured back in 1983. It seems the height of illogic to arbitrarily bind our hands and stop the testing of such a system even before we meet the Soviets at Geneva.

Of equal concern is a proposal in the report of this bill which seeks to authorize an inexpensive—$700,000—oversight feasibility study of the strategic defense initiative, which in and of itself is a far more extensive and expensive research program on the feasibility of a nuclear defense system. In effect this constitutes a study of a study which is both superfluous and unnecessary. It creates the additional risk that very sensitive and classified material might be leaked both arbitrarily and prematurely, and it would appear to be both simply and dangerously a bad idea.

Another cause for concern about this bill is the fact that only yesterday, I attempted to get permission from the Rules Committee of the House to engage in a substantial change in the bill finally reported out of the full Appropriations Committee. In a very partisan vote, the Rules Committee denied me the right to consolidate the issues dealing with binary chemical weapons, and refused me the opportunity to conform the language of my proposed amendment to the bill to that appearing in the defense authorization conference report passed by the House just yesterday. Thus we were wholly unable to effectively debate this issue on the floor of the House, and in effect, likewise denied the opportunity to amend the bill in proper fashion to include a system which I deem absolutely vital to the security of U.S. Forces around the world.

Mr. Chairman, even though we were procedurally blocked from effectively submitting our case on this subject, this is a very important amendment which I hope will be adopted by the House and Senate conference on this bill. We haven't funded the deployment of any chemical weapons since 1969. While the issue has been quite controversial over the last few years, so far we have not succeeded, at least not until the House voted favorably on the issue this very year when it considered the defense authorization bill.

I believe that it would be a very big mistake not to fund that authorization now that we have decided to go forward with the program. As I mentioned before, President Reagan is going to Geneva, and chemical weapons should be on the table for those negotiations.

If we have authorized and appropriated adequate supplies of a modern chemical weapons force, the President will have something in his arsenal to negotiate with. Lacking an appropriation for these weapons, he's playing with an empty hand, and the Soviets will hardly be inclined to benevolently give up their own use of chemical weapons without an incentive from our side.

The facts are that Ken Adelman, our chief arms negotiator, David Abshire, our NATO Ambassador, all of the Joint Chiefs, and General Rogers, our Supreme Allied Commander in Europe all say that we need a chemical weapon arsenal. Even Mikhail Gorbachev said on October 3, 1985, that he thought it was possible to reach an agreement on this issue. But once again, he won't be so inclined if we arbitrarily and capriciously deny ourselves the use of these weapons.

We should not be in the business of omitting this issue from the Reagan agenda. Russia and 11 Third World countries have either selectively used such weapons throughout the world, or have the capacity to use them in the future. They will use them unless we have an adequate deterrent to keep them from that use.

It has been argued that we already have tremendous stocks of chemical weapons. That may be true, but they are nothing in comparison to the stockpiles acquired over the years by the Soviets. They have many times the amount of chemical weapons in storage than we have, and while it may be true that they're not producing in abundant quantities at this time, they have the chemical plants available to go back into production at any time.

It has been said that they no longer look to the use of chemical weapons as a first strike weapon in the next world war. That is probably true since they now rely on tactical nuclear weapons to take the place of less reliable chemical weapons for that purpose. But that doesn't mean that they won't use the weapons they have in theater warfare, and of course it has nothing to do with whether or not Third World nations will use such weapons when they see fit.

Opponents to a competent binary chemical warfare capability claimed that the Soviets haven't upgraded their system to utilize binary chemical weapons. Actually, the Soviets deemed them to be an unreliable and unnecessary expense because they couldn't make such weapons technologically viable back when they first started manufacturing them in great quantities.

The fact is that we now have that technology, and it enables us to make and store such weapons with a far greater degree of safety and much less expensively than we might have in years past. It currently costs us $63 million a year to store the existing stockpiles, which as I will relate shortly, are extremely unreliable and unusable. Adequate stockpiles of binary chemical weaponry produced under the proposal which passed our subcommittee would cost us only $9 million per year for a stockpile which would take up only one fifth of the space now required for the current unusable stockpile.

And in fact the current stockpile that we have is unusable. The National Academy of Sciences has said that 90 percent of what we have currently in storage is either unusable or of little military value. In essence, it has no deep strike capability, the absence of which makes such weapons unacceptable for modern day tactical deployment.

Most of the current weapons are on the short-range, persistent mix, category. This means that they must be detonated short distances from their point of embarkation, and that the lethal mixture becomes harmful not only to enemy troops, but to our own troops as well, for long periods of time.

One of our primary weapons for deep strike or long-range capacity, is available in old tanks which are only available for fitting on our F-4's or even older airplanes. The agent must be sprayed by low flying planes—500 feet or less—at relatively slow speeds. Hence, in today's modern technology, the utilization of such a weapon would become suicidal for the pilot.

We also have large numbers of land mines, totally unusable because of the first strike nature of the weapon—a tactic which we categorically renounce when it comes to chemical weapons—and because of the persistent mix nature of the agent which remains lethal long enough to infect and contaminate our own troops.

We have lots of 4.2-inch mortar shells, once again very short in range and armed with persistent mix agents. Such mortars will be phased out of our arsenal entirely by 1990, and thus once again will be totally unusable.

The 155 mm howitzer shells are almost useless, again because of their short range and their persistent mix agent. The 105 mm howitzer's are no longer deployed in Europe, so the shells for this weapon won't be of any use in the event of a conventional war on that continent.

Once again, the newest weapons we have are at least 16 years of age, and the oldest run as old as 40 years old. The average age is about 26 years of age.

Over 900 leaks have been found in various items in our stockpile. While opponents say that's less than 1 percent of the total amount, how would any Member here like to be the captain of the ship, or the commander of the company in whose charge it has become to take care of these stockpiles. Do you really want to be responsible for the loss of your men who are going to come in contact with those weapons? And how are you going to tell exactly which weapons are leaking?

Mr. Chairman, we should be in the business of replacing and destroying the current stockpiles, and furthermore, we should be in the business of providing that deterrent that keeps the Soviet Union or those 11 Third World countries from utilizing supplies at their disposal. The best way to do that is to adequately arm the President with the knowledge that he has something to give up at Geneva in the event that he can forge an agreement barring the use of such weapons. He won't have that capability if we don't adequately fund this program in accordance with the authorization incorporated in the conference report adopted yesterday.

Mr. Chairman, I have elaborated on the issue, because I feel strongly that the full committee was wrong in it's 26 to 24 vote deleting the provision from the subcommittee proposal. Once again, I hope that this error will be corrected in conference.

Finally, the last issue of concern to me about the bill that we submit to the House today, is the fact that it continues to restrict United States support for Nicaraguan freedom fighters far more than I feel is necessary. Nevertheless, the language does conform with the House intelligence authorization bill recently passed in the House, and for this reason I have not sought to add to the language incorporated in this bill.

I have set forth the objections that I have to the bill, so now I would like to talk about it's good points. Not withstanding the objections noted above, the bill does meet most of our critical defense needs, while continuing to address complaints of fraud, waste, and abuse at the Pentagon.

For example, we've approved the procurement of the last 48 of the 100 B-1 bombers requested by the administration. We've approved funding of the 12 new MX missiles keeping us on track with the agreement between the House and the Senate on the number that should be deployed.

We funded the continued development of the Trident II strategic missile system, the tilt rotor JVX aircraft, the ICBM modernization program, the advanced tactical fighter, and the advanced technology bomber. We funded the strategic defense initiative at a level of $2.5 billion, which while a big cut under the President's request of $3.7 billion, is only slightly under the level authorized by the authorization conference report—$2.7 billion.

We have funded vital intelligence programs, and we have provided considerable savings in the Navy shipbuilding programs, while keeping intact thousands of construction jobs at domestic shipyards.

Thirty-three new Navy ships will be built including 3 Aegis cruisers, 2 LSD, 41 landing ships, 1 LHD amphibious assault ship, 4 MSH coastal mine hunters, 2 fleet oilers, 2 Tagos surveillance ships, and 12 LCAC landing craft.

These will preserve thousands of critical jobs around the country as well as making sure that our shipbuilding capability in the Nation is ongoing.

Of particular note is the reactivation of the battleship *Wisconsin*, the fourth such ship to be reactivated at bargain prices, and funded entirely through prior year savings and transfers. The *Wisconsin* and it's support ships, I might add with some degree of pleasure, is to be homeported along various gulf coast ports.

Other savings come from the recommendations of alternative research programs, like the development of low-cost practice bombs for the Navy. These will permit Navy pilots 10 to 50 times the number of training drops that they currently have available to them for the same cost.

We're directing the Air Force and the Defense Nuclear Agency to study lower cost alternatives to ICBM silo hardening.

We're continuing the uphill fight to modernize our Reserve and National Guard forces with newer resources and equipment.

We've recognized the need for upgrading our capacity for any anti-submarine warfare by fully funding the nine PC-3 craft, four of which will replace the aging P-3A's and P-3B's in our Naval Reserve Squadrons.

And we've bent over backwards to meet concerns of individual Members. We've provided funding for the ground proximity warning system which will improve our services' aircraft safety, the over the horizon radar early warning system, the MK-60 copter mine program, the advanced mine development program, the Air Force Aerial Target Development Program, and the Mobile Subscriber Program [MSE].

Mr. Chairman, we have made some very hard decisions, but we have come up with a very responsible bill. I hope it will be made even better in conference, but I urge this body to support it.

With those brief remarks, Mr. Chairman, I yield back the balance of my time.

Mr. CHAPPELL. Mr. Chairman, I am pleased to yield 2 minutes to the gentleman from Florida [Mr. BENNETT].

Mr. BENNETT. Mr. Chairman, I would be remiss if I did not pay attention to my dear friend from Jacksonville, FL, who is heading up this legislation today. We share representation of Jacksonville, and although I am sorry it is because of the illness of Mr. ADDABBO, I am paying tribute to the gentleman and his fine leadership through the years and the way in which he is handling this matter today.

The principal purpose of my coming to the well is to speak in favor of the amendments that have to do with reform.

The measures which are before us are in their best arrangement, the way in which they passed the House of Representatives.

Some of them were kind of brutally treated in the conference. If we can get them in the House in the way they are in the bill now, we will do a good job for the strengthening of the processes of procurement for our country, and we will all be proud and happy about that.

It will take some resistance, because the other body will not be prepared for some of these amendments. So you in conference will have to do your very best, and I am sure that you will, in order to retain them.

One other thing I would like to make reference to, the language that directs the Navy to open for bid on a coastwide basis all of the ship repair and the so-called selected restricted availability, or SRA. That language, I think is a mistake in the report, and I hope that the record will show that at least many Members of Congress, do not favor that point of view.

Mr. HUNTER. Mr. Chairman, will the gentleman yield?

Mr. BENNETT. I yield to the gentleman from California.

Mr. HUNTER. I appreciate the gentleman yielding.

Mr. Chairman, I think the last point the gentleman has made, which he brought up, is very, very important to the personnel, to the men and women in our services. As you know, right now we have people at a high op tempo in the Navy who are coming back from very long cruises in the Indian Ocean and other places, they are coming back, and, as I understand the report language, which is not law because if it had been put in the bill I think we would have been able to knock it out quite readily, but the report language tells the Navy to start competing even small work packages coastwide. That means that the young

sailor coming back from a cruise after 5 or 6 months not seeing his family may once again be separated from his family and have to sail up the coast 2,000 miles to comply and supply a job to a Member of Congress' district, which is going to once again separate him from his family.

The CHAIRMAN pro tempore. The time of the gentleman from Florida has expired.

Mr. CHAPPELL. Mr. Chairman, I yield 1 additional minute to the gentleman from Florida [Mr. BENNETT].

Mr. HUNTER. Mr. Chairman, will the gentleman continue to yield?

Mr. BENNETT. I will yield later, but I would like to say, though, since the gentleman is a very good speaker and he might exhaust all of my time, I would like to summarize what the gentleman and I are saying and then would yield back to him, by saying that this language in the report, I think, is bad for Navy personnel, I think it is bad for business and it is a waste of money.

Mr. HUNTER. I thank the gentleman. I think it is bad for people in the service, and I think there is a good chance it is going to motivate that guy who looks on the outside and sees that he can go to work in the private sector and will not be separated from his family for 5, or 6, or 7 months, and perhaps he would want to make a change and not be a serviceman or a servicewoman any longer. I think it does them a real disservice to try to inject a little more business 2,000 or 3,000 miles away from their home, to try to strip these Navy families from their homes, take the wife out of her second job, or else just separate them for 2, or 3, or 4, or 5 months at a time after they have come off a major cruise.

Mr. Chairman, I thank the gentleman for his remarks.

Mr. BENNETT. I thank the gentleman and would like to make some additional comments.

Mr. Chairman, I rise to state my opposition to language in the report accompanying the appropriations bill that would adversely affect the readiness of the Navy. This language would direct the Navy to open for bid on a coastwide basis all of the ship repair and overhaul work now accomplished in so-called selected restricted availabilities, or SRA. Current Navy policy promotes readiness by having short-duration repair and overhaul work done in a ship's home port.

The change in Navy policy directed in this language would be a serious blow to the men and women of the Navy. First, it would require sailors to spend significant periods of time—up to 3 or 4 months at a time—away from their families without their ship even being deployed. When added to regular deployments and cruises, this additional time out of port is likely to seriously affect morale and retention of our dedicated sailors.

Assistant Secretary of the Navy Pyatt wrote to me recently concerning this subject. He said, and I quote, "Our crews are already required to be deployed away from their families more than we desire. They make this sacrifice because of the importance of the task. Increasing their time away from home, in many cases just before or after completion of an overseas deployment, will have a very serious adverse impact on their morale and the quality of family life."

Second, it would be a waste of money. Moving ships out of their ports to other locations is costly. So is moving the crew back and forth to facilities located in their home port for training and schools. Section 8084 of the bill would not even allow these costs to be considered in choosing among the bidders for repair and overhaul work. Further, it isn't at all clear that opening up the bid area to the entire coast—presumably a procompetitive move—would really promote more competition. There are already some 10 to 15 bidders on much of the repair and overhaul work in the Navy's major home ports.

Finally, there needs to be a thorough examination by the cognizant committees of Congress of such a significant change in ship repair policy. Should it be determined on the basis of the evidence and careful consideration that the Nation would be better served by changing the Navy's approach, legislation should be brought forth to make the change rather than report language.

In summary, Mr. Chairman, the effect of this language would be bad for our Navy people, bad business, and a waste of time and money. The language does not, in my view, represent the views of a majority of the Members of the House.

Mr. McDADE. Mr. Chairman, I yield 2 minutes to the distinguished gentlewoman from New Jersey [Mrs. ROUKEMA].

Mrs. ROUKEMA. I thank the gentleman.

My colleagues, the Appropriations Committee has done the right thing by deleting from this bill $163.6 million for the procurement of binary chemical weapons. What led the committee to make this decision? They correctly assessed that this is neither the time nor the place to fund this ill-advised program.

I want to rise today to commend my colleagues on the Appropriations Committee. I feel they have done the right thing with respect to deleting the funding for chemical weapons, and I want to state my agreement with what they have done. I think that this is neither the time nor the place to fund this ill-advised program.

With budget deficits this year running $211.9 billion, I hardly think this is the time or the place to begin the funding of yet again another new weapons system whose costs could, by conservative estimates, exceed $6 billion.

Equally important, I believe, is the fact that the testing of the Bigeye bomb, which is a key component of this program, has never been successfully done. Therefore, I think more time must be expended on research and development before we go into procurement. Finally, I must point out that our NATO allies are very disturbed and do not want these weapons deployed in Europe. Therefore, I say again that the committee has done the right thing. It is neither the time nor the place to fund this weapons system, and I think the committee has acted wisely.

Mr. Chairman, with the passage of the Defense authorization conference report yesterday, we are now talking about a whole new ballgame. The conditions regarding the procurement of binary nerve gas weapons that were in the conference report are not the same as those passed by the House in June.

For one, the conditions for procurement do not now require the formal approval of the NATO nations or NATO's acceptance of these weapons on their soil. But to be of any value as a deterrent, the proposed binary stockpile must be deployed where it is to be used—that is, in Europe. In this regard, our allies in Western Europe have expressed their categorical opposition to the deployment of new chemical weapons on their soil. My colleagues, if we cannot use these weapons as a deterrent, we should not be funding them.

The second difference between the House-passed conditions and the conditions approved yesterday in the conference report appear to be small, but in fact is quite significant. The conditions that this House accepted in June stated that binary weapons could not be procured or assembled until after September 30, 1987, and then, only if the other conditions had been met. This would have effectively fenced the funds until fiscal year 1988. But what we approved yesterday was language stating that the binary weapons could not be completely assembled until after this time. This means that the funds would no longer be fenced—procurement could begin this year.

Fortunately, the Appropriations Committee decided that no strong or compelling case has been made to prove that production of a new generation of binary weapons will enhance our chemical deterrent or increase the safety of our chemical stockpile.

The fact is, binary weapons will do neither.

Why, then, are we being asked to follow the Pentagon down this path, spending taxpayer dollars all along the way? Clearly, the case for binaries has not been made. Even the President's Chemical Warfare Review Commission has failed to provide their utility.

In its recent report to the President (p. 19), in response to claims by the Defense Department that our current stockpile is seriously deteriorating, the Commission wrote that it "believes that they (the claims) are unduly pessimistic."

And yet, proponents of this amendment argue that binaries are safer than unitaries. My colleagues, the advantages in the safety of the new binary chemical weapons may exist, but this argument deals with a problem that does not exist. In fact, there never has been a serious accident in the reproduction, transport, or storage of our existing chemical weapons.

Again, I quote from the Report of the Presidential Commission:

The Commission has found that rumors of the stored munitions being dangerous or leaking appear to be exaggerated and inaccurate. The number of artillery rounds in which leakage has been found is infinitesimal, amounting to 6 per 10,000 artillery shells. Panels of scientists from the National Research Council that conducted tests in 1983 concluded that the metal parts of most kinds of artillery rounds and bombs were sound. All the weapons in Europe are serviceable (p.20).

Now, with respect to the deterrence arguments put forth by proponents of this amendment, I say to you that binary weapons will only serve as a deterrent if they can be deployed and our NATO allies will not permit deployment of new chemical weapons because of adamant domestic opposition.

Due to NATO opposition, the proponents of these weapons would have us believe that we would transport them to the European front in the time of crisis.

Do you really believe that, in a time of crisis, we would have the luxury of time to transport these weapons to the front? Will the Russians sit back and do nothing while we scurry to send over a paltry number of chemical weapons?

It is not hard to imagine how the transportation of these weapons to the European theater during a crisis would place significant strain on our air and sealift capabilities; a burden that would force delays and competition with the delivery of other crucial materials. Furthermore, it would seem to me that once the other side knew of our importation of chemical weapons during a crisis, the eventual use of chemical weapons would be almost guaranteed.

With that said, the question remains: Why did the Appropriations Committee vote strike funding for binary weapons from this bill? The important deterrence and safety issues aside, Appropriations wants to make sure the Pentagon's Bigeye bomb works.

Frankly, the Bigeye bomb, does not work. Today, more than 20 years after its inception, the Bigeye bomb has still not been successfully tested and proved to be a viable weapon. The GAO has repeatedly pointed out the technical flaws of the Bigeye, and yet DOD continues to send us confusing reports as to the worthiness of the weapon.

In a June 17, 1985 report to House Foreign Affairs Committee Chairman DANTE FASCELL, they found that the Bigeye failed to pass most tests in agent purity and structural integrity. The report stated:

We have seen reports that describe internal and external structural damage to the bomb as a result of test and we have seen reports that mention leaking of chemicals. A problem of meeting VX purity requirements at high temperatures also seems to persist . . . Based upon evidence we have seen to date, some of the Bigeye problems cited in earlier GAO reports remain. (Source: June 17, 1985 letter from GAO to Dante Fascell).

It is instructive to recall Secretary Weinberger's recent decision to cancel the fatally flawed DIVAD gun. It should serve as a lesson to this House. Beginning in 1977, Congress appropriated $1.8 billion for that system which was never successfully tested. To date, the Department of Defense, either through intentional finagling or consistent bungling, has been unable to convince the independent, nonpartisan GAO of the effectiveness of the Bigeye. Like the DIVAD Program, it seems as if someone at DOD has simply decided to declare success and make an all-out fight for support of the program, regardless.

Now I ask, does it make sense under these circumstances to approve yet another costly weapons system? A weapons system that, by reliable estimates, will cost anywhere from $6 billion to $12 billion or more. Remember, my friends, today we are not talking about $164 million for chemical weapons production in this bill. We are talking about the creation of a new entitlement weapons systems.

Even DOD concedes that our defense capacity needs more resources in the conventional weapons, spare parts, and manpower that an effective military power needs. Nonetheless, in light of recent reports that defense spending will be curtailed in the years to come, the Pentagon has been very quick to release statements calling for a reduction in spending on spare parts and conventional weapons and ammunition. These necessities are already in short supply.

As I speak, conferees from this and the other body are continuing to discuss the Gramm-Rudman proposal. I support this proposal; it is the first real step Congress has taken toward reducing the deficit. But for Congress to vote overwhelmingly for Gramm-Rudman, and then turn around and support an amendment that could increase future defense outlays by $6 to $12 billion, is beyond comprehension to me, and to the majority of American taxpayers.

The production of chemical weapons is a perfect example of the procurement explosion, which, if left unchecked, could hurt our defense readiness. I have time and again tried to press this point on my colleagues. if the Pentagon must spend billions of dollars to secure our national safety, it would be wiser to focus more sharply on the real heart of our military deterrence—conventional operations and their support systems, and importantly, protective equipment to defend against chemical attack.

Mr. Chairman, we must defend this Nation, but we simply cannot afford every new weapon requested by the Pentagon, particularly a weapon that is technically, politically, and morally flawed. On our scales of defense priorities, production of new binary nerve gas should be at the bottom. We cannot afford it; we cannot use it; we cannot justify it; and there are far better places in the Defense budget where the money could be put to use.

Mr. Chairman, I yield back the balance of my time.

Mr. CHAPPELL. Mr. Chairman, I yield 2 minutes to the gentleman from Oregon [Mr. AUCOIN].

Mr. AUCOIN. I thank the gentleman for yielding.

Mr. Chairman, I want to compliment the gentleman from Florida [Mr. CHAPPELL] for the excellent work that he has done in standing in and managing this bill. As a member of the subcommittee who has worked with the gentleman on a number of issues since joining the committee, to have watched him handle this bill through the subcommittee, through the full committee, and now on the floor, I really want to tip my hat to him and express my admiration for the manner in which he has handled this bill.

Mr. CHAPPELL. If the gentleman will yield, I am indeed very grateful.

I thank the gentleman.

Mr. AUCOIN. I would also say to the Members, as someone who has criticized excesses in defense spending, that the product this subcommittee brings to the House today goes a long way toward correcting problems I have been critical of in the past. Depending on the outcome of the amendments, how they may fare through the amending process on the floor, I am prepared to support strongly the final product of this committee.

I do want to say a couple of things about the question of naval repair infrastructure and the capability this country needs to maintain—on both coasts—so that in the time that this Nation may, under military duress, need to turn to additional infrastructure, that that individual base is there for our naval and military purposes.

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The gentleman from Florida [Mr. BENNETT] a few minutes ago said there was a provision in the committee report language that was awful, in terms of what it does to naval families. This committee, after having a survey and investigations report from our survey and investigations staff, after having looked at the General Accounting Office report which examined the question of competition in bidding on Navy repair and maintenance jobs on both coasts, came to the conclusion that something needs to be done to open up this work to greater competition. The report language simply says that SRA work that is destined for private yards on both coasts shall be opened up to coastwide competition.

Now, if Members want to hide behind arguments that somehow this is going to penalize families, all they need to do is come to Portland, OR, where you will find work now being

done in the Portland shipyards, and the Navy families, crew members who are there, being treated like royalty.

I think at a time of resource scarcity within our budgets, we ought to be looking for ways to improve competition, bringing costs down to the taxpayer, to the Pentagon, and our provision does that. That is what the issue is.

Mr. McDADE. Mr. Chairman, I yield 2½ minutes to my distinguished colleague, the gentleman from Louisiana [Mr. LIVINGSTON], a member of the subcommittee.

Mr. LIVINGSTON. I thank the gentleman for yielding.

Mr. Speaker, I was not going to take this time, but since the issue of binary chemical weapons came up, I thought it only proper to make the record very clear that I had opposed the action of the full committee. That vote in the full committee was very, very close. There was a slim margin of only 26 members to 24 members who voted to delete the provision that was inserted by the subcommittee to fund the binary chemical weapons that were actually authorized by the authorizing committee.

The fact is, we have an aging system in which weapons have not been produced for as long as 14 years. I think the average age of chemical weapons in our stockpiles is some 26 years of age. One percent of those supplies are leaking and are lethal. Two-thirds of the money which was to have been spent on this program was targeted simply to clean up the damaged and outdated type of material that we currently have.

I would summarize by saying that there are arguments which are very strong on both sides of this issue. It is not worth debating at this time. While I support the report and the bill that we have before us today, I cannot agree with the preceding comments on this issue.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. LIVINGSTON. I yield to the gentleman from Washington.

Mr. DICKS. The gentleman is absolutely correct in saying that this was a very close issue. I think a lot of it surrounded the conditions in the authorization bill. But I think there is one thing that all of us are agreed to, and that is that the reason this House reauthorized on this issue was to try to send a strong message to the Soviets that we would like to see progress in the negotiations. Even though the money is not here, the money could certainly be here at a future date if there is not progress, because the authorization bill is in place. Under the authorization bill, money would not have been spent until next year anyway.

So I think the gentleman from Louisiana, who has been a very articulate spokesman on this, the gentleman from Illinois who has been a leader on this, I think all of us would like to see real genuine progress on the chemical weapons issue. So I commend the gentleman for his statement.

Mr. LIVINGSTON. I appreciate the gentleman's remarks. He will recall that even Mikhail Gorbachev of the Soviet Union says it is possible to reach an agreement whereby no country has these weapons at their disposal. But the problem is, of course, that the Soviets have many times what we have in our arsenals, and 11 countries in the Third World have them as well. It is best to dispose of this issue by eliminating these weapons altogether, but until that becomes possible, the United States should have a strong and efficient deterrent to deter the use of these weapons by other nations.

Mr. McDADE. Mr. Chairman, I yield such time as he may consume to the gentleman from Illinois [Mr. PORTER].

Mr. PORTER. Mr. Chairman, I rise in support of the bill.

Mr. Chairman, when the House considered the issue of funding for chemical weapons during the defense authorization debate of June 19, the House conditioned the authorization of funding for chemical weapons on a number of tough conditions. These conditions were essential to the support for the tentative authorization.

Following the vote, 34 Members who voted for the compromise package wrote to House Armed Services Committee Chairman LES ASPIN stating that the conditions included were essential to their support. They stated that they would not be able to support an appropriation for chemical weapons unless those conditions were maintained.

Mr. Chairman, those conditions were as follows:

SEC. 8093. (a) Except in accordance with subsection (b), none of the funds appropriated in this Act may be used—

(1) for procurement or assembly of binary chemical munitions (or subcomponents of such munitions); or

(2) for establishment of production facilities necessary for procurement or assembly of binary chemical munitions (or subcomponents of such munitions).

(b) The funds referred to in subsection (a) may be used for the procurement or assembly of complete binary chemical munitions after September 30, 1987, if—

(1) a mutually verifiable international agreement concerning binary and other similar chemical munitions has not been entered into by the United States by such date;

(2) the President transmits, after such date, a certification to the Congress that—

(A) the procurement and assembly of such complete weapons is necessitated by national security interests including the interests of the members of the North Atlantic Treaty Organization;

(B) performance specifications established by the Department of Defense and in effect on the date of enactment of this Act with respect to such munitions will be met or exceeded in the handling, storage, and other use of such munitions;

(C) applicable Federal safety requirements will be met or exceeded in the handling, storage, and other use of such munitions;

(D) the Secretary of Defense's plan (which shall accompany such certification) for destruction of existing chemical stocks is ready to be implemented; and

(E) the North Atlantic Council of the North Atlantic Treaty Organization (NATO) has formally agreed—

(i) that chemical munitions currently stored and deployed in NATO countries need to be modernized in order to serve as an adequate deterrent;

(ii) that such modernization should be effected by replacement of current chemical munitions with binary chemical munitions; and

(iii) that the European member nations of NATO where such chemical munitions are to be stored or deployed are willing to accept storage and deployment of binary chemical munitions within their territories;

(3) such procurement and assembly is carried out only after the end of the 60-day period beginning on the date such certification is received by the Congress;

(4) the Secretary of Defense's basing mode for such munitions in the United States is to be carried out in a manner which provides that the two components that constitute a binary munition are based in separate States; and

(5) the Secretary of Defense's plan for the transportation of such munitions in the United States is to be carried out in a manner which provides that the two components that constitute a binary munition are transported separately and by different means.

The key points of the conditions were, first, that there was a complete fence on all chemical weapons funding until September 30, 1985, and, second, that the NATO countries had to agree to accept these weapons on their soil before production begins.

These conditions were made meaningless in the House-Senate authorization conference that followed. The conditions they included were as follows:

SEC. 8093. (a) CONDITIONS ON SPENDING FISCAL YEAR 1986 FUNDS FOR BINARY CHEMICAL MUNITIONS.—Funds appropriated in this Act may not be used—

(1) for procurement or assembly of binary chemical munitions (or components of such munitions); or

(2) for establishment of production facilities necessary for procurement or assembly of binary chemical munitions (or components of such munitions),

except in accordance with subsections (b) and (c).

(b) NATO CONSULTATION.—Subject to subsection (c), funds referred to in subsection (a) may be used for procurement or assembly of binary chemical munitions or for the establishment of production facilities necessary for the procurement or assembly of binary chemical munitions (or components of such munitions) if the President certifies to Congress that the United States—

(1) has developed a plan under which United States binary chemical munitions can be deployed under appropriate contingency plans to deter chemical weapons attacks against the United States and its allies; and

(2) has consulted with other member nations of the North Atlantic Treaty Organization (NATO) on that plan.

A plan under clause (1) shall be developed in cooperation with the Supreme Allied Commander, Europe.

(c) CONDITIONS FOR FINAL ASSEMBLY.—Funds referred to in subsection (a) may not be used for the final assembly of complete binary chemical munitions before October 1, 1987, and may only be used for such purpose on or after that date if—

(1) a mutually verifiable international agreement concerning binary and other similar chemical munitions has not been entered into by the United States by that date;

(2) the President, after that date, transmits to Congress a certification that—

(A) final assembly of such complete munitions is necessitated by national security interests of the United States and the interests of other NATO member nations;

(B) performance specifications and handling and storage safety specifications established by the Department of Defense with respect to such munitions will be met or exceeded;

(C) applicable Federal safety requirements will be met or exceeded in the handling, storage, and other use of such munitions; and

(D) the plan of the Secretary of Defense for destruction of existing United States chemical warfare stocks developed pursuant to section 1412 of the Department of Defense Authorization Act, 1986 (which shall, if not sooner transmitted to Congress, accompany such certification), is ready to be implemented;

(3) final assembly is carried out only after the end of the 60-day period beginning on the date such certification is received by the Congress;

(4) the plan of the Secretary of Defense for landbased storage of such munitions within the United States during peacetime provides that the two components that constitute a binary chemical munition are to be stored in separate States; and

(5) the plan of the Secretary of Defense for the transportation of such munitions within the United States during peacetime provides that the two components that constitute a binary munition are transported separately.

(d) SENSE OF CONGRESS.—It is the sense of Congress that existing unitary chemical munitions currently stored in the United States and in European member nations of NATO should be replaced by modern, safer, binary chemical munitions.

(e) REPORT.—Not later than October 1, 1986, the President shall submit to Congress a report describing the results of consultations among NATO member nations concerning the organization's chemical determent posture. The report shall include descriptions of any consultations concerning—

(1) efforts to provide key civilian workers at military support facilities in Europe—

(A) with personal and collective equipment to protect against the use of chemical munitions; and

(B) with the training required for the use of such equipment;

(2) efforts to upgrade the chemical reconnaissance, decontamination, and protective capabilities of the military forces of each NATO member nation to a level adequate to meet the chemical threat identified in NATO intelligence estimates;

(3) efforts to initiate a NATO-wide study of measures required to protect ports, airfields, logistics centers, and command and control facilities in European member nations of NATO against chemical attack; and

(4) efforts to initiate a NATO-wide study of equitable and efficient sharing among NATO member nations of responsibilities with regard to deterring the use of chemical munitions in Europe.

The conference weakened the conditions first to allow all funding for chemical weapons except for the final assembly of these weapons. Although the definition of final assembly is not clear, I do understand that the final assembly of a binary weapon does not occur until the weapon is over the heads of the enemy. Therefore this condition was hardly any bar to the productions of chemical weapons.

Second, the conference struck the language dealing with the necessary approval of NATO and changed that to require mere consultation with NATO on a plan to deploy these weapons at sometime in the future. It is clear that consultation on a plan could occur overnight, once again allowing the production of chemical weapons to go through.

When the conference report was returned to the House many Members who originally supported the compromise package changed their minds. They realized that under the original House language there was no need for the appropriation of funding for chemical weapons in fiscal year 1986. The Defense Appropriations Subcommittee unanimously agreed with this position by including the original House language and not the conference report language in their bill when they reported the defense appropriations bill for fiscal year 1986 to the full committee.

In a top secret, closed markup of the House Appropriations Committee the committee discussed the full range of issues concerning chemical weapons and voted to delete funding for these weapons. Many members who had originally backed the original House language voted for my amendment to delete $163 million for new nerve gas weapons.

This position was not even questioned on the House floor. The failure of chemical proponents to even attempt to put in funding for these weapons indicates a strong climate for holding the line on unnecessary spending. It is clear evidence that this House is not in support of any new funding for chemical weapons in the fiscal year 1986 defense appropriations bill. I trust the conferees will remember this when they take up the bill in conference and not provide funding for new chemical weapons.

Mr. McDADE. Mr. Chairman, I reserve the balance of my time.

Mr. CHAPPELL. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. SCHUMER].

Mr. SCHUMER. Mr. Chairman, I rise in support of this bill and complement the committee on its construction.

As most of the Members of this body, particularly on this side of the aisle, know, this is Act 3, probably, in a 5-act-long drawn-out drama about military authorization and appropriation, and this appropriations bill, I think, meets the needs of this country and of many people in this party. It provides for a strong defense. It provides for an amount of money, $276 billion-some-odd that cannot be sneezed at, but, on the other hand, it is certainly within our budget mandate which the authorization bill was not. The amount of money that will be spent will be considerably lower, actually, than the Budget Committee authorized. More important than that I think is the issue of procurement. The four reforms that were in the authorization bill and voted upon overwhelmingly in this House are in the appropriations bill and, furthermore, as I understand it, there is a commitment that if in conference any of those four amendments are not agreed to or changed substantially, the House will have an opportunity to vote on them in an amendment in disagreement. That is extremely important, ladies and gentleman, because the one issue in defense where there is a national consensus from right to left is in the area of procurement reform, in the area of waste. What happened in the 1970's to social programs, with pictures of welfare mothers driving Cadillacs, is happening to defense in the 1980's. Six-hundred dollar toilet seats and $7,000 coffee pots have eroded the consensus for increased defense spending in this country.

All of us who care about the defense of this country and yet who care about budget problems should be eager to see that these procurement reforms remain. Will they eliminate all the waste in the defense budget? By no means. But will they certainly make a dent and send a shot across the bow of the Pentagon that some of these wasteful practices must end? Indeed they will.

I urge support of the appropriation.

Mr. CHAPPELL. Mr. Chairman, I yield 1 minute to the gentleman from Minnesota [Mr. SIKORSKI].

Mr. SIKORSKI. I thank the gentleman for yielding.

Mr. Chairman, massive fraud and abuse by some defense contractors in violation of the conflict-of-interest laws that we have in this Nation and the Department of Defense's inability to deal with these issues have been the general fare served up to us at breakfast on the morning news and at dinner on the evening news. We hear how taxpayers have been taken to the cleaners by being billed for everything from exotic vacations in Pago Pago to dog-kennel boarding and how grand juries are investigating former members of the Department of Defense who swing through the revolving doors of lucrative jobs with whom they were dealing in the private sector. But nothing was done. We passed overwhelmingly four major procurement reforms, to see them gutted in conference.

This is our second chance. We want a clear signal to the conference com-

mittee. I commend the appropriations people for bringing out these reforms in this version. We want to make sure that allowable costs are certainly allowable and proper. We want to make sure that the revolving door is slowed down just a bit, for the interest of all, and we want to make sure there is some serious procurement reform.

Mr. ROWLAND of Georgia. Mr. Chairman, when we considered the Defense Department authorization bill the other day, I pointed out in my comments then the provisions which, I believed, would impact on the quality of medical care being provided by military medical facilities. I will not dwell on them again, instead, I wish to highlight the sections of this bill in which the Armed Services Committee presents proposals to address the health manpower needs of the armed services and the cost effective delivery of medical services to military dependents under the CHAMPUS.

In its report, the committee points out that the establishment of reserve medical manpower has not been fully implemented and requests a DOD development of an implementation plan to be submitted early next year. At a time when medical personnel in many specialties are in surplus, the opportunity to participate in the Armed Forces Reserves will be welcomed by a number of young physicians. This opportune time should not be lost due to the unavailability of training programs. Now is the time to recruit qualified men and women into the reserve component of medical manpower to assure the preparedness that our Nation's defense requires. The committee is to be commended for urging DOD to take action on the recommendations made by the inspector general's office.

Another manpower issue addressed in the committee's report deals with the understaffing of certain military medical facilities. In one case this has resulted in the loss of accreditation of one of our military hospitals. As I pointed out a few weeks ago, we must deal with the problems in military medical facilities directly responsible for an inadequate quality of medical care. Passing legislation merely permitting the filing of malpractice suits against the Federal Government does not really address the problem. Thankfully, the committee has committed funds above the budget request to address the manpower shortages that exist at seven facilities around the country. I would hope that these new funds will be utilized to recruit the most highly qualified medical personnel available so that these deficits can be overcome and excellence of medical care can be achieved.

Mr. Chairman, the final provision that I draw your attention to permits a test of home health services for CHAMPUS beneficiaries. This is of significance for two reasons. First, in many cases, patients can be more appropriately treated, in the home rather than in the hospital. These individuals, may very well improve more quickly at home and will be less likely to suffer from the acquisition of an infection during the hospital stay.

Second, during this time when we are all very concerned about the cost of health care, we should recognize that hospital care is the most costly component. With the judicious transfer of the patient to a less intensive setting for care or to the home, we can expect to achieve cost savings. I am encouraged by the inclusion of this test in the bill and look forward to learning of its results.

I have not touched upon all the health provisions of this DOD appropriation bill, Mr. Chairman, however I did wish to acquaint the House with certain provisions which warrant our special interest. As I have maintained in previous remarks, we must commit ourselves to assuring the highest quality of medical care to our Armed Forces personnel and others using military medical facilities. We can no longer allow these facilities and their health personnel to be considered second class. They should be second to none.

Mr. GREEN. Mr. Chairman, I rise today to support H.R. 3629, the Department of Defense appropriations bill, and to urge this House to retain two important provisions of this bill as marked up by my colleagues and myself in the Appropriations Committee.

First, this appropriating legislation would freeze fiscal year 1986 defense spending at the level of the previous year, $292.6 billion. In light of the current budget crisis, I believe that this show of fiscal restraint has a great deal of both practical and symbolic value.

Second, this bill contains no production funds for the procurement of binary chemical weapons thanks to an amendment in committee which deleted $163.6 million for this purpose. Even if one believes that this new generation of chemical weapons is necessary, which I do not, an appropriation of funds at this time is unnecessary. The authorizing legislation which passed this House provided that no funds for the production of these weapons should be made available for 2 years. I see no reason to appropriate funds in fiscal year 1986 which are not to be expended until fiscal year 1988.

While I opposed the conference report on the defense authorization, passed by this House yesterday, I believe this appropriations bill remedies several of the problems of the conference report and accurately reflects the will of the House of Representatives.

I strongly recommend that this measure be passed by the House and that its provisions—particularly those concerning chemical weapons—be protected by our representatives in a conference with the Senate.

Mr. FRENZEL. Mr. Chairman, I rise in opposition to H.R. 3629, the defense appropriations bill for fiscal year 1986.

While this bill on its face achieves a freeze in spending at the fiscal year 1985 level, I am hard pressed to identify any real savings from this year's excessive authorizations bill. Rather than making substantive cuts, the Appropriations Committee has held down its totals simply by reestimating costs and stretching out delivery rates of procurement contracts. The savings reflected in this bill may well not be realized this year. And what savings there are almost certainly will be negated in future years as we begin to pay for obligations we entered this year on "layaway."

It is difficult to oppose a bill that is written at a freeze level. But when the savings are doubtful, rather than easily achievable cuts, the most responsible choice for me is to vote against that bill. For that reason I urge my colleagues to join me in opposing H.R. 3629.

Mr. SPENCE. Mr. Chairman, I want to join my colleagues in opposition to the committee's report language dealing with SRA's or short duration naval ship repairs. It would be disastrous to crew morale if the Navy felt obligated to follow the committee's recommendations to handle short-term repairs outside of a vessel's home port on a routine basis.

GAO has studied retention rate problems on several occasions. GAO found in one study done in 1983 that family separation is "the primary concern by officers and enlisted personnel separating from the Navy." Thus, the report concludes: "Any action that would increase family separation would be detrimental to retention."

The Navy also has studied this language in the committee report and concluded that it would have a severe impact on the military personnel who man our ships. Why? The operating schedules of ships that receive these short duration repairs are such that the repair work frequently must take place shortly before or after the extensive deployment. Out-of-home-port repairs would add additional time—3 or 4 months typically—that the sailor must spend away from his home and family. What impact will this have? More key skills will be lost as retention rates go down. Crew morale will fall off.

In light of these devastating effects if this language were given any credence by the Navy, I wish to express my opposition to it along with my other colleagues in the House.

Mr. PARRIS. Mr. Chairman, I wish to join my colleagues in opposition to the committee's report language dealing with short-term ship repairs.

This month, Vice Admiral Metcalf, the Deputy Chief of Naval Operations, reported that "Our biggest problem right now is retention of key skills * * *. How do we keep good people?" Any action that increases the amount of family separation will be detrimental to the retention of good people in the Navy. Yet, the committee's recommendation to bid out SRA's on a coastwide basis would do just that—increase family separation.

Now, let's look at the immensity of this loss. We're not talking merely about the

crews who man our ships, but also the Navy pilots and mechanics who also must spend up to 70 percent of their time at sea. The Navy says that it now costs $1 million to train just one Navy pilot. If we lose only one pilot a year because of increased family separation, we've lost $1 million—that's the money we're going to have to spend to replace him.

Of course, when the Navy loses good men and women and when crew moral slumps, this Nation's military readiness is going to go down—no matter how good we build their ships and planes. If the full House were to give any support or credence to this particular report language, we would be doing nothing short of shooting ourselves in the foot.

I think that the vast majority of those of us in the House who have seen the recommendations contained in the committee's report language know that is unworkable and without merit. However, I believe it is important to expose it for what it is and deliver that message to the Navy. Therefore, I, too, stand in opposition to it.

Mr. CHAPPELL. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. McDADE. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

The CHAIRMAN pro tempore (Mr. DORGAN of North Dakota). The Clerk will read.

The Clerk read as follows:

H.R. 3629

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 1986, for military functions administered by the Department of Defense, and for other purposes, namely:

TITLE I

MILITARY PERSONNEL

MILITARY PERSONNEL, ARMY

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Army on active duty (except members of reserve components provided for elsewhere), cadets, and aviation cadets; and for payments pursuant to section 156 of Public Law 97-377, as amended (42 U.S.C. 402 note), and to the Department of Defense Military Retirement Fund; $21,718,923,000.

MILITARY PERSONNEL, NAVY

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Navy on active duty (except members of the Reserve provided for elsewhere), midshipmen, and aviation cadets; and for payments pursuant to section 156 of Public Law 97-377, as amended (42 U.S.C. 402 note), and to the Department of Defense Military Retirement Fund; $16,446,673,000.

MILITARY PERSONNEL, MARINE CORPS

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Marine Corps on active duty (except members of the Reserve provided for elsewhere); and for payments pursuant to section 156 of Public Law 97-377, as amended (42 U.S.C. 402 note), and to the Department of Defense Military Retirement Fund; $5,025,377,000.

MILITARY PERSONNEL, AIR FORCE

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Air Force on active duty (except members of reserve components provided for elsewhere), cadets, and aviation cadets; and for payments pursuant to section 156 of Public Law 97-377, as amended (42 U.S.C. 402 note), and to the Department of Defense Military Retirement Fund; $18,275,085,000.

RESERVE PERSONNEL, ARMY

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Army Reserve on active duty under sections 265, 3019, and 3033 of title 10, United States Code, or while serving on active duty under section 672(d) of title 10, United States Code, in connection with performing duty specified in section 678(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty or other duty, and for members of the Reserve Officers' Training Corps, and expenses authorized by section 2131 of title 10, United States Code, as authorized by law; and for payments to the Department of Defense Military Retirement Fund; $2,152,904,000.

RESERVE PERSONNEL, NAVY

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Naval Reserve on active duty under section 265 of title 10, United States Code, or while serving on active duty under section 672(d) of title 10, United States Code, in connection with performing duty specified in section 678(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty, and for members of the Reserve Officers' Training Corps, and expenses authorized by section 2131 of title 10, United States Code, as authorized by law; and for payments to the Department of Defense Military Retirement Fund; $1,296,023,000.

RESERVE PERSONNEL, MARINE CORPS

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Marine Corps Reserve on active duty under section 265 of title 10, United States Code, or while serving on active duty under section 672(d) of title 10, United States Code, in connection with performing duty specified in section 678(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty, and for members of the Marine Corps platoon leaders' class, and expenses authorized by section 2131 of title 10, United States Code, as authorized by law; and for payments to the Department of Defense Military Retirement Fund; $278,792,000.

RESERVE PERSONNEL, AIR FORCE

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Air Force Reserve on active duty under sections 265, 8019, and 8033 of title 10, United States Code, or while serving on active duty under section 672(d) of title 10, United States Code, in connection with performing duty specified in section 678(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty or other duty, and for members of the Air Reserve Officers' Training Corps, and expenses authorized by section 2131 of title 10, United States Code, as authorized by law; and for payments to the Department of Defense Military Retirement Fund; $596,053,000.

NATIONAL GUARD PERSONNEL, ARMY

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Army National Guard while on duty under section 265, 3033, or 3496 of title 10 or section 708 of title 32, United States Code, or while serving on duty under section 672(d) of title 10 or section 502(f) of title 32, United States Code, in connection with performing duty specified in section 678(a) of title 10, United States Code, or while undergoing training, or while performing drills or equivalent duty or other duty, and expenses authorized by section 2131 of title 10, United States Code, as authorized by law; and for payments to the Department of Defense Military Retirement Fund; $3,238,017,000.

NATIONAL GUARD PERSONNEL, AIR FORCE

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Air National Guard on duty under section 265, 8033, or 8496 of title 10 or section 708 of title 32, United States Code, or while serving on duty under section 672(d) of title 10 or section 502(f) of title 32, United States Code, in connection with performing duty specified in section 678(a) of title 10, United States Code, or while undergoing training, or while performing drills or equivalent duty or other duty, and expenses authorized by section 2131 of title 10, United States Code, as authorized by law; and for payments to the Department of Defense Military Retirement Fund; $953,004,000.

Mr. CHAPPELL (during the reading). Mr. Chairman, I ask unanimous consent that title I be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

AMENDMENTS OFFERED BY MR. MONTGOMERY

Mr. MONTGOMERY. Mr. Chairman, I offer amendments to title I which basically deal with the same area, and I ask unanimous consent that they be considered en bloc.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The CHAIRMAN pro tempore. The Clerk will report the amendments.

The Clerk read as follows:

Amendment offered by Mr. MONTGOMERY: Page 4, line 11, strike out "$2,152,904,000" and insert in lieu thereof "$2,159,254,000".

Page 4, line 24, strike out "$1,296,023,000" and insert in lieu thereof "$1,297,123,000".

Page 5, line 13, strike out "$278,792,000" and insert in lieu thereof "$278,842,000".

Page 6, line 2, strike out "$596,053,000" and insert in lieu thereof "$597,153,000".

Page 6, line 15, strike out "$3,238,017,000" and insert in lieu thereof "$3,238,217,000".

Page 7, line 3, strike out "$953,004,000" and insert in lieu thereof "$953,204,000".

Mr. MONTGOMERY (during the reading). Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. MONTGOMERY. Mr. Chairman, before explaining the amendment, I certainly would like to commend the gentleman from Florida [Mr. CHAPPELL] for the outstanding job he has done and the cooperation that he has given us on the Armed Services Committee, and also the gentleman from Pennsylvania [Mr. MCDADE] for his work and cooperation, and the other members of the Appropriations Subcommittee. Also to the staff, for their help, and to my close and warm friend, Robin Deck, who is leaving us. Certainly she has been a great help to me.

Mr. Chairman, my amendments add a total of $9 million for four programs vital to wartime readiness: two would encourage health professionals with critical combat skills to serve in the Reserve and National Guard and two would enhance the Individual Ready Reserve.

Present and past Assistant Secretaries of Defense for Health Affairs have stated that, because of equipment and personnel shortfalls, an overwhelming majority of those wounded during the first few days of a major conflict in Europe would not receive life-saving, stabilizing, hemorrhage-stopping surgical care. Some progress has been made in the past few years, but we are still critically short of wartime requirements.

During peacetime, the services have sufficient workload to occupy a limited number of active duty surgeons—particularly ones with specialities such as neurosurgery and orthopedic surgery. When the balloon goes up, however, the requirement for such specialists to treat battlefield casualties will be nearly limitless. The answer is self-evident: we should meet the bulk of our wartime surgical requirement through the Reserve components. Unfortunately, woeful shortages currently exist.

My amendments would provide funding for two programs included in the Defense authorization conference agreement for fiscal year 1986—approved by this House yesterday—that are specifically targeted to this problem. The first program would repay a maximum of $3,000 of higher education loans for each year of satisfactory service completed in the selected reserve by a health professional in a wartime medical skill designated as critical by the Secretary of Defense—in other words, surgeons, operating room nurses, and nurse anesthetists. The maximum that could be repaid during a reserve career would be $20,000. My amendment would provide $5 million for this purpose.

The second program is similar to the current Armed Force Health Professions Scholarship Program but would provide specialty training—rather than initial medical education—in combat medical skills in exchange for service in the selected reserve. My amendments would provide $1 million for this purpose.

With respect to the Individual Ready Reserve, its improving of bonus programs providing for a volunteer muster in 1986 shortcomings and shortfalls are so severe—and yet so little attention has been paid to this problem—that I have at times felt like a voice crying in the wilderness. It is important to remember that our ability in wartime to replace initial combat casualties with pretrained manpower until draftees begin to flow out of the training camps depends on a viable Individual Ready Reserve. Over the past 5 years, there have been some improvements in sheer numbers, but the shortages persist. When you look beyond the numbers to the skill mix, the severity of the problem increases geometrically. The Defense Authorization Act contains two provisions that will make significant contributions to improved management of the IRR.

My amendments would fund a test, nationwide in scope, of the ability of the Army to muster the IRR. The Secretary of Defense would be required to report the results to the Congress early next year. The test would be voluntary but would serve as the basis for evaluating a future muster and/or refresher training requirement. We need to know who is there, what their skill levels are, what shape they are in, and what their immediate availability would be in the event of mobilization. My amendments would provide $2 million for this purpose.

Second, my amendments would fund a restructuring of the current IRR prior-service enlistment/reenlistment bonus by reducing the current 3-year bonus maximum from $900 to $750 and by creating a new 6-year bonus with a maximum payment of $1,500. This bonus is targeted to combat skills. As a condition of the bonus, the recipient would be subject to participation in an annual muster or active duty for training. My amendments would provide $1 million for this purpose.

Although my amendments cost little, their impact on our ability to continue to fight in the early days of a major conflict is significant. I urge my colleagues to support the amendments.

Mr. CHAPPELL. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from Florida.

Mr. CHAPPELL. Mr. Chairman, we have examined the amendment on this side, and we have no objection to it. We think it is a good amendment.

Mr. MONTGOMERY. I thank the gentleman.

Mr. MCDADE. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from Pennsylvania.

Mr. MCDADE. Mr. Chairman, I want to congratulate my friend for the fine work that he has done on this important issue. We have not only no objection but we are delighted to accept his amendment and his work product on this side of the aisle.

Mr. MONTGOMERY. I thank the gentleman.

The CHAIRMAN pro tempore. The question is on the amendments offered by the gentleman from Mississippi [Mr. MONTGOMERY].

The amendments were agreed to.

The CHAIRMAN pro tempore. Are there any other amendments to title I?

AMENDMENTS OFFERED BY MRS. SCHROEDER

Mrs. SCHROEDER. Mr. Chairman, I offer five amendments dealing with military family benefits authorized in the authorization bill. Four amendments add money for reimbursement for travel and per diem and appear on pages 2 and 3, and the last strikes a general provision on page 73. In that they deal with the same issue, I ask unanimous consent that they be considered en bloc, notwithstanding the fact that the section on page 73 has not been read.

The CHAIRMAN pro tempore. Is there objection to the request of the gentlewoman from Colorado?

There was no objection.

The CHAIRMAN pro tempore. The Clerk will report the amendments.

The Clerk read as follows:

Amendments offered by Mrs. SCHROEDER:

Page 2, line 13, strike out "$21,718,923,000" and insert in lieu thereof "$21,761,423,000".

Page 2, line 24, strike out "$16,446,673,000" and insert in lieu thereof "$16,472,073,000".

Page 3, line 11, strike out "$5,025,377,000" and insert in lieu thereof "$5,041,377,000".

Page 3, line 22, strike out "$18,275,085,000" and insert in lieu thereof "$18,341,185,000".

Strike out section 8064 (page 73, lines 3 through 14).

Mrs. SCHROEDER (during the reading). Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentlewoman from Colorado?

There was no objection.

Mrs. SCHROEDER. Mr. Chairman, I, too, want to thank the subcommittee chairman and the entire subcommittee for working so hard on this bill. They have done a terrific job.

Mr. Chairman, this amendment funds the increased reimbursement levels for travel and per diem that were contained in the authorization bill. We increased the reimbursement levels for the military to bring them into line with the civil service. Both members of the military and civil servants work for the same flag. When either is forced to move, the reimbursement should be the same.

Currently, the military member receives only about 70 cents for every $1 the civil servant receives as reimbursement for moving expenses. Even civil servants complain that the current reimbursement levels are grossly inadequate. To force members of the military and their families to go through the hardship of moving every 2 or 3 years, and then to force them to pay substantial sums of money out of their own pockets, is really unfair and damaging to morale. We will not be able to maintain our current reenlistment levels unless we correct this inequity.

While the Pentagon says the total cost would be $193 million, the Congressional Budget Office estimates that the total cost would be only $159 million. Since the fiscal year has already begun, we can reduce this level to $150 million. Therefore, my amendment only adds $150 million.

This amendment is needed because the amount of reimbursement for travel and per diem is set by regulation, subject to a cap that we impose by statute. If money is not appropriated to pay for increased levels of reimbursement, the regulations will not be changed and our purpose in trying to establish parity with the civil service will be frustrated.

I urge support for the amendment.

Mr. Chairman, my amendment would strike section 8064 of this bill. Section 8064 places a cap on the amount of money which can be spent on dependent student travel and, for the second year, prohibits DOD from paying for the portion of dependent student travel within the United States.

We passed section 430 of title 37, United States Code, in 1983 to provide dependents of members of the military with the same dependent student travel benefit as is provided to civil servants stationed overseas. The provision authorizes one round trip per year for a dependent from the duty station overseas of the member of the military to the secondary school or college attended by the dependent. It is not a big item—it costs about $4.5 million a year—but it is important to members of the military with children in school.

The Appropriations Committee, however, has added this section to prohibit the domestic portion of travel. So, if a sailor in Okinawa has a kid in school at the University of Colorado at Boulder, the Government pays for the Okinawa to California transportation and the sailor has to pay the California to Boulder portion. This restriction strikes me as punitive and unjustified. I believe that we ought to provide the same benefits to people who work for the same flag. Civil servants stationed overseas get one round trip paid for a year. So should members of the military. I urge adoption of this amendment.

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Mr. CHAPPELL. Mr. Chairman, will the gentlewoman yield?

Mrs. SCHROEDER. I am delighted to yield to the gentleman from Florida.

Mr. CHAPPELL. Mr. Chairman, we have examined the amendments on this side and have no objection to them.

Mrs. SCHROEDER. That is wonderful. I truly appreciate it, Mr. Chairman.

Mr. McDADE. Mr. Chairman, will the gentlewoman yield?

Mrs. SCHROEDER. I yield to the gentleman, from Pennsylvania.

Mr. McDADE. Mr. Chairman, I want to say to my colleague, the gentlewoman from Colorado, that we have looked at her amendments. We know of the gentlewoman's interest in the matter, and we are prepared to accept them on this side of the aisle.

Mrs. SCHROEDER. Mr. Chairman, I really appreciate that. I think that is very helpful.

The other one that is in here deals with dependent travel, and it also makes that at parity with what other people working for the U.S. Government make.

I thank the gentlemen very, very much.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore. The question is on the amendments offered by the gentlemwoman from Colorado [Mrs. SCHROEDER].

The amendments were agreed to.

The CHAIRMAN. Are there other amendments to title I? If not, the Clerk will read.

The Clerk read as follows:

TITLE II

OPERATION AND MAINTENANCE

OPERATION AND MAINTENANCE, ARMY

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Army, as authorized by law; and not to exceed $12,642,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Army, and payments may be made on his certificate of necessity for confidential military purposes; $18,659,638,000, of which not less than $1,471,600,000 shall be available only for the maintenance of real property facilities.

OPERATION AND MAINTENANCE, NAVY

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Navy and the Marine Corps, as authorized by law; and not to exceed $3,079,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Navy, and payments may be made on his certificate of necessity for confidential military purposes; $23,762,002,000, of which not less than $770,000,000 shall be available only for the maintenance of real property facilities: *Provided*, That of the total amount of this appropriation made available for the alteration, overhaul, and repair of naval vessels, not more than $3,650,000,000 shall be available for the performance of such work in Navy shipyards: *Provided further*, That from the amounts of this appropriation for the alteration, overhaul and repair of naval vessels, funds shall be available for a test program to acquire the overhaul of two or more vessels by competition between public and private shipyards. The Secretary of the Navy shall certify, prior to award of a contract under this test, that the successful bid includes comparable estimates of all direct and indirect costs for both public and private shipyards. Competition under such test program shall not be subject to section 502 of the Department of Defense Authorization Act, 1981, as amended, or Office of Management and Budget Circular A-76: *Provided further*, That funds herein provided shall be available for payments in support of the LEASAT program in accordance with the terms of the Aide Memoire, dated January 5, 1981: *Provided further*, That obligations incurred or to be incurred hereafter for termination liability and charter hire in connection with the TAKX and T-5 programs, for which the Navy has already entered into agreement for charter and time charters including conversion or construction related to such agreements or charters shall, for the purposes of title 31, United States Code, (1) in regard to and so long as the Government remains liable for termination costs, be considered as obligations in the current Operation and Maintenance, Navy, appropriation account, to be held in reserve in the event such termination liability is incurred, in an amount equal to 10 per centum of the outstanding termination liability, and (2) in regard to charter hire, be considered obligations in the Navy Industrial Fund with an amount equal to the estimated charter hire for the then current fiscal year recorded as an obligation against such fund. Obligations of the Navy under such time charters are general obligations of the United States secured by its full faith and credit.

OPERATION AND MAINTENANCE, MARINE CORPS

For expenses, not otherwise provided for, necessary for the operation and mainte-

nance of the Marine Corps, as authorized by law; $1,615,128,000, of which not less than $238,000,000 shall be available only for the maintenance of real property facilities.

OPERATION AND MAINTENANCE, AIR FORCE

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Air Force, as authorized by law, including the lease and associated maintenance of replacement aircraft for the CT-39 aircraft to the same extent and manner as authorized for service contracts by section 2306(g), title 10, United States Code; and not to exceed $5,556,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Air Force, and payments may be made on his certificate of necessity for confidential military purposes; $19,507,672,000, of which not less than $1,385,000,000 shall be available only for the maintenance of real property facilities.

OPERATION AND MAINTENANCE, DEFENSE AGENCIES

For expenses, not otherwise provided for, necessary for the operation and maintenance of activities and agencies of the Department of Defense (other than the military departments), as authorized by law; $7,340,076,000, of which not to exceed $11,117,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of Defense, and payments may be made on his certificate of necessity for confidential military purposes: *Provided*, That not less than $91,147,000 shall be available only for the maintenance of real property facilities.

OPERATION AND MAINTENANCE, ARMY RESERVE

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Army Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications; $774,980,000, of which not less than $49,865,000 shall be available only for the maintenance of real property facilities.

OPERATION AND MAINTENANCE, NAVY RESERVE

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Navy Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications; $896,415,000, of which not less than $37,100,000 shall be available only for the maintenance of real property facilities.

OPERATION AND MAINTENANCE, MARINE CORPS RESERVE

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Marine Corps Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications; $57,120,000, of which not less than $2,850,000 shall be available only for the maintenance of real property facilities.

OPERATION AND MAINTENANCE, AIR FORCE RESERVE

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Air Force Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications; $896,844,000, of which not less than $22,200,000 shall be available only for the maintenance of real property facilities.

OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD

For expenses of training, organizing, and administering the Army National Guard, including medical and hospital treatment and related expenses in non-Federal hospitals; maintenance, operation, and repairs to structures and facilities; hire of passenger motor vehicles; personnel services in the National Guard Bureau; travel expenses (other than mileage), as authorized by law for Army personnel on active duty, for Army National Guard division, regimental, and battalion commanders while inspecting units in compliance with National Guard regulations when specifically authorized by the Chief, National Guard Bureau; supplying and equipping the Army National Guard as authorized by law; and expenses of repair, modification, maintenance, and issue of supplies and equipment (including aircraft); $1,646,305,000, of which not less than $57,300,000 shall be available only for the maintenance of real property facilities.

OPERATION AND MAINTENANCE, AIR NATIONAL GUARD

For operation and maintenance of the Air National Guard, including medical and hospital treatment and related expenses in non-Federal hospitals; maintenance, operation, repair, and other necessary expenses of facilities for the training and administration of the Air National Guard, including repair of facilities, maintenance, operation, and modification of aircraft; transportation of things; hire of passenger motor vehicles; supplies, materials, and equipment, as authorized by law for the Air National Guard; and expenses incident to the maintenance and use of supplies, materials, and equipment, including such as may be furnished from stocks under the control of agencies of the Department of Defense; travel expenses (other than mileage) on the same basis as authorized by law for Air National Guard personnel on active Federal duty, for Air National Guard commanders while inspecting units in compliance with National Guard regulations when specifically authorized by the Chief, National Guard Bureau; $1,803,862,000, of which not less than $37,000,000 shall be available only for the maintenance of real property facilities.

NATIONAL BOARD FOR THE PROMOTION OF RIFLE PRACTICE, ARMY

For the necessary expenses, in accordance with law, for construction, equipment, and maintenance of rifle ranges; the instruction of citizens in marksmanship; the promotion of rifle practice; and the travel of rifle teams, military personnel, and individuals attending regional, national, and international competitions; not to exceed $820,000, of which not to exceed $7,500 shall be available for incidental expenses of the National Board; and from other funds provided in this Act, not to exceed $630,000 worth of ammunition may be issued under authority of title 10, United States Code, section 4311: *Provided*, That competitors at national matches under title 10, United States Code, section 4312, may be paid subsistence and travel allowances in excess of the amounts provided under title 10, United States Code, section 4313.

CLAIMS, DEFENSE

For payment, not otherwise provided for, of claims authorized by law to be paid by the Department of Defense (except for civil functions), including claims for damages arising under training contracts with carriers, and repayment of amounts determined by the Secretary concerned, or officers designated by him, to have been erroneously collected from military and civilian personnel of the Department of Defense, or from States, territories, or the District of Columbia, or members of the National Guard units thereof; $148,300,000.

COURT OF MILITARY APPEALS, DEFENSE

For salaries and expenses necessary for the United States Court of Military Appeals; $3,200,000, and not to exceed $1,500 can be used for official representation purposes.

TENTH INTERNATIONAL PAN AMERICAN GAMES

For logistical support and personnel services (other than pay and nontravel related allowances of members of the Armed Forces of the United States, except for members of the Reserve components thereof called or ordered to active duty to provide support for the Tenth International Pan American Games) provided by any component of the Department of Defense to the Tenth International Pan American Games; $10,000,000.

ENVIRONMENTAL RESTORATION, DEFENSE

(TRANSFER OF FUNDS)

For the Department of Defense, $329,100,000, to remain available until transferred: *Provided*, That this $329,100,000 be derived by transfer from funds provided in appropriations contained in titles II, III and IV of this Act: *Provided further*, That the Secretary of Defense shall, upon determining that such funds are required for environmental restoration and hazardous waste disposal operations, reduction and recycling of hazardous wastes, research, development and demonstration with respect to hazardous waste reduction, treatment, disposal, and management, or for similar environmental restoration purposes (including programs and operations at sites formerly used by the Department of Defense), transfer the funds made available by this appropriation to other appropriations made available to the Department of Defense as the Secretary may designate, to be merged with and to be available for the same purposes and for the same time period as the appropriations or funds to which transferred: *Provided further*, That upon a determination that all or part of the funds transferred pursuant to this provision are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation.

Mr. CHAPPELL (during the reading). Mr. Chairman, I ask unanimous consent that title II of the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

The CHAIRMAN. Are there any amendments to title II?

Mr. SISISKY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I am extremely concerned about report language in the fiscal year 1986 Defense appropriations bill that would "direct the Department of the Navy to open up for bid on a coastwide basis not only regular ship overhauls, but also all selected restricted availabilities intended for private shipyards." I am quoting from page 102, paragraph 3 of the Appropriations Committee Report 99-332.

Apart from the jurisdictional questions I have about whether this issue should be dealt with more appropriately by the authorizing committee, the House Armed Services Committee, I am extremely concerned about the adverse impact this directive could have on Navy morale and readiness. I think the greatest Navy problem that we're most likely to face in the years ahead has little to do with hardware. We've done a good job of providing new hardware over the last few years.

The problem I see that is staring all of us in the face is the problem of attracting quality people into military service, and particularly Navy service, in the coming decades. We simply can't afford to extend sea duty and extend time away from home to the point where people don't see their families, their wives, and their children. That's not fair to Navy personnel; it's not fair to their families; and a man or woman with a good perspective on their family obligations wouldn't stand for it or sign up for it in the first place.

That's one of the reasons why I believe this report language is so devastating. It has every potential of taking more weeks or months away from Navy family life. It has every potential of contributing to more disruption of family ties. I don't think we should be in the position of telling a Navy man that he has to spend weeks or months on a barge or in a motel while his ship is being overhauled in some distant shipyard, miles away from his wife and his children. Sea duty is enough of a family problem, without adding insult to injury.

Like I said, I can't imagine a responsible family that would say "Yes" to the Navy's enlistment invitation in the face of such great odds that they would be separated for such long periods of time. Sea duty is one thing; Navy people know that sea duty is part of Naval service and commitment. But in this case, what we're asking them to accept is not part of naval commitment at all. It never has been, and I submit that we should not make it a part of naval commitment now. It simply is not necessary and is not worth the cost we would incur in terms of losing quality personnel who are committed to meeting responsible obligations to their families.

Apart from the adverse impact on family life, I believe we need to think more about the adverse impact this proposal could have on naval readiness. I don't believe that anyone has ever alleged that homeport shipyards have failed to do the job. The shipyards in the Tidewater area have an exemplary record of completing work on time—if not ahead of time.

We've all heard the old saying, "If it ain't broke, don't fix it." Why on Earth should we take ships out of an area with facilities perfectly capable of doing the job? Why should we spend precious budget dollars to get ships and people up and down the coast, when we could keep folks at home with their families and ships in their homeport for necessary repairs—and all of this for less money? I think this is one of the most misguided excuses for competition I've even heard of.

It's a little like that Breeder's Cup horse race coming up this weekend. You can even things up between the competitors by putting lead in somebody's saddle—but that's not something we want to do in terms of defense contracts for ship overhauls. I think we can do that for sport, but we shouldn't play that game when it comes to national security and the family life of Navy personnel.

Spreading the wealth is one thing, but we don't want to spread the wealth so thin that we impoverish everyone. We've got competitive ship repair in Norfolk. We've got competitive ship repair on the west coast. In Norfolk and San Diego alone, a ballpark number of 25 ship repair companies regularly bid on Navy work. There are other ship repair centers that raise that number even higher. But I am opposed to creating a defense appropriation shipyard welfare program. We simply can't afford to keep everyone afloat, all the way up and down the Atlantic, gulf, and west coasts.

We need to develop sensible policies, designed around the objectives of spending defense dollars wisely and preserving the quality of life for naval personnel and their families. I submit that we need to take a much closer look at the desirability of having the Navy live by the report language accompanying this bill.

Mr. WHITEHURST. Mr. Chairman, will the gentleman yield?

Mr. SISISKY. Yes; I yield to the gentleman from Virginia.

Mr. WHITEHURST. Mr. Chairman, I appreciate the gentleman's yielding to me.

Mr. Chairman, I just want to identify myself with the gentleman's remarks and commend him for the splendid statement he made.

Mr. Chairman, I rise to bring a matter of considerable concern to the attention of my colleagues. The subject is the Navy's policy regarding selected restricted availability, or SRA.

For discussion purposes one can think of an SRA as a sort of minioverhaul. These SRA maintenance and repair periods are designed to accomplish a variety of work on naval vessels without the ship having to undergo the complete stand-down that occurs during a regular overhaul. The use of an SRA to do some kinds of routine work means that there can be a longer period of time between regular overhauls, thus making the ship available for operations for longer periods of time.

The current Navy policy is that SRA's are conducted in ship homeports. This policy is constantly reviewed by both the Armed Services Committee as well as the Appropriations Defense Subcommittee. As recently as in last year's Defense appropriations bill the current policy has been concurred in. Let me quote from the conference report accompanying last year's bill. "The conferees therefore agree that the Navy may reserve SRA's for homeport areas."

My concern today on this subject results from language in the report language accompanying this bill. The report language directs the Navy to open up for bid on a coastwide basis all SRA's intended for private shipyards. This change comes less than 1 year from the previous endorsement of the current Navy policy I just quoted.

There are several aspects of this report language recommended change that disturb me. To begin with, I think it is unwise for the Congress to constantly recommend significant policy changes. That procedure makes it very difficult for the Navy to effectively plan and schedule SRA's and overhauls.

However, my greatest concern centers on the extremely disruptive and detrimental effect this recommended change will have on the lives of our sailors and their families. Under the current policy, an SRA can be conducted in a ship's homeport shortly after returning from a deployment. This makes it possible for the crew of the ship to be in homeport with their families during that maintenance and repair period. To move the ship to some other port for the SRA only exacerbates the family separation problems which are a major cause of personnel problems for the Navy.

Another significant advantage of doing SRA's in homeport is related to crew training. Since many of the Navy's shore training facilities are colocated in major ship homeport areas, the crew can take advantage of those training opportunities during the stand-down associated with a homeport SRA. If the SRA is done in some other port, the crew must be sent TDY

to the training facility location requiring unnecessary per diem and travel costs.

Mr. Chairman, there are several other reasons why this SRA language in the report is unwise. However, let me summarize by saying that it is bad for two principal reasons: First, it has a negative impact on Navy personnel and family separation problems; and second, it will cost the Navy; more O&M dollars than the current policy.

Mr. CHAPPELL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, our report was somewhat in error on the present Navy policy regarding the matter that has just been discussed. I would like to clarify for the record what the present position of the Navy is regarding their policy on this matter.

The present Navy policy is that all selected restricted availabilities [SRA] in excess of 6 months' duration will be competed on a coast-wide basis in keeping with congressional intent to ensure maximum competition for Government procurement programs. SRA's of 6 months or less in duration will be restricted to the homeport area provided sufficient ship repair competition capability and capacity exist.

This statement is for the purpose of clarifying the wording in our report.

Mr. LOWERY of California. Mr. Chairman, I rise to call my colleagues' attention to a most disturbing and unfortunate passage in the report accompanying the defense appropriations bill before us today. The report language I refer to is on page 102, and the section is entitled "Ship Maintenance Reserved for Homeport."

During committee markup, I offered an amendment to revise this language since it is incomplete and misleading with regard to the Navy's homeport for ship repairs. My alternative language was not adopted, thus I stand before you today, as will many other Members, to clarify the intent of Congress on this matter.

Though you will find no dissenting views or statements contrary ot the language on page 102 coming from the committee, I can assure my colleagues that this passage was not accepted with overwhelming enthusiasm. Indeed, this language was inserted at the behest of Northeast and Northwest Members to aid their shipbuilding constituencies. Unfortunately, the language fails to reflect upon the most fundamental reason Navy policy is what it is, and that is crew morale.

The report language, as it is currently written, misstates the Navy's homeport policy with respect to "selected restricted availabilities," [SRA's] and incorrectly implies that inadequate competition and capacity exist at our homeports.

Again, the most glaring error is the failure to mention the driving force behind Navy homeport policy, crew morale, and what effect this policy shift—imbodied in the report language—will have on family separation and personnel retention.

Make no mistake, this is a quality of life in the military issue if there ever was one. Removing SRA's from homeports, as the report now directs, will add an additional time that our sailors will have to spend away from home and family to the time already associated with arduous sea duty tours. With family separation as the Navy's No. 1 retention problem, this report language will cause more hardship than it will ever relieve.

Presumably, the report seeks to assist private shipyards outside of homeport areas. I have no qualms with maintaining an adequate industrial base to ensure our mobilization capability. But the Navy's current policies of competing the more lucrative overhaul contracts coastwide, as well as its determination to expand the number of homeports, adequately addresses the issue of keeping private yards on line.

Competition is not at issue either. Competition thrives at our homeports, so there is no danger of the Navy not getting a good price on its repair contracts. And should saturation occur, a most unlikely event, the Navy policy requires that the bid area be expanded.

So, where is the problem and why is this language necessary? The problem is this language. At the very least, a directional policy shift should encompass a discussion of effects on military personnel. Yet, beyond this point, it must be understood that this language neither resembles homeport realities nor correctly portrays Navy policy.

I would ask the authors of this language:

First. Have you calculated the cost to the taxpayer that such a shift in Navy homeport policy could cause?

Second. Is this not a policy decision you are making? Accordingly, have you consulted with the authorizing committee?

Third. Have you consulted Secretary Lehman or Assistant Secretary Pyatt and what are their views on such a major shift in Navy homeport policy?

Clearly, more thought need be given to this matter before we leap into a situation with far-reaching ramifications for our Navy personnel, local economies, national security and outright cost.

One final point, Mr. Chairman. During committee consideration, some members referred to a GAO study which criticized San Diego shipyards for low-bidding and other unsavory acts. First of all, the GAO study compared apples and oranges with respect to San Diego and Pacific Northwest yards. But most importantly, the GAO study, whether accurate or not, is irrelevant to the issue before us. What is at stake is the Navy's homeport policy for minor ship repairs, and its attendant effects on personnel retention, training, and morale. Don't be swayed into believing this language is procompetition or proreform: It is neither.

I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Are there other amendments to title II? If not, the Clerk will read.

The Clerk read as follows:

TITLE III

PROCUREMENT

AIRCRAFT PROCUREMENT, ARMY

(INCLUDING TRANSFER OF FUNDS)

For construction, procurement, production, modification, and modernization of aircraft, equipment, including ordnance, ground handling equipment, spare parts, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; $3,337,300,000, and in addition, $217,600,000 to be derived by transfer from "Aircraft Procurement, Army, 1985/1987", to remain available for obligation until September 30, 1988.

MISSILE PROCUREMENT, ARMY

(INCLUDING TRANSFER OF FUNDS)

For construction, procurement, production, modification, and modernization of missiles, equipment, including ordnance, ground handling equipment, spare parts, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes, as follows:

Chaparral program, $37,200,000;

Other Missile Support, $5,000,000;

Patriot program, $967,400,000;

Stinger program, $244,100,000;

Laser Hellfire program, $250,700,000;

TOW program, $181,300,000;

Pershing II program, $334,700,000;

MLRS program, $491,600,000, and in addition, $46,500,000, of which $36,400,000 shall be derived by transfer from "Missile Procurement, Army, 1985/1987" and $10,100,000 shall be derived by transfer from "Missile Procurement, Army, 1984/1986";

Modification of missiles, $222,000,000;

Spares and repair parts, $312,000,000;

Support equipment and facilities, $56,632,000;

And in addition, $78,000,000 to be derived by transfer from "Missile Procurement, Army, 1985/1987";

In all: $2,939,232,000, and in addition, $124,500,000 to be derived by transfer, to remain available for obligation until September 30, 1988: *Provided*, That within the total amount appropriated, the subdivisions within this appropriation shall be reduced by $163,400,000.

PROCUREMENT OF WEAPONS AND TRACKED COMBAT VEHICLES, ARMY

(INCLUDING TRANSFER OF FUNDS)

For construction, procurement, production, and modification of weapons and tracked combat vehicles, equipment, including ordnance, spare parts and accessories therefor; specialized equipment and training devices; expansion of public and private

plants, including the land necessary therefor, for the foregoing purposes, and such lands and interests therein may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; $3,749,004,000, and in addition, $806,896,000, of which $392,096,000 shall be derived by transfer from "Procurement of Weapons and Tracked Combat Vehicles, Army, 1984/1986" and $414,800,000 shall be derived by transfer from "Procurement of Weapons and Tracked Combat Vehicles, Army, 1985/1987", to remain available for obligation until September 30, 1988.

PROCUREMENT OF AMMUNITION, ARMY

(INCLUDING TRANSFER OF FUNDS)

For construction, procurement, production, and modification of ammunition, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including ammunition facilities authorized in military construction authorization Acts or authorized by section 2854, title 10, United States Code, and the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; $1,858,200,000, and in addition, $215,200,000, of which $30,000,000 shall be derived by transfer from "Procurement of Ammunition, Army, 1984/1986" and $185,200,000 shall be derived by transfer from "Procurement of Ammunition, Army, 1985/1987", to remain available for obligation until September 30, 1988.

OTHER PROCUREMENT, ARMY

(INCLUDING TRANSFER OF FUNDS)

For construction, procurement, production, and modification of vehicles, including tactical, support, and nontracked combat vehicles; the purchase of not to exceed two thousand four hundred and sixty-four passenger motor vehicles for replacement only; communications and electronic equipment; other support equipment; spare parts, ordnance, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes, as follows:

Tactical and support vehicles, $969,197,000, and in addition, $7,400,000, of which $2,000,000 shall be derived by transfer from "Other Procurement, Army, 1984/1986" and $5,400,000 shall be derived by transfer from "Other Procurement, Army, 1985/1987";

Communications and electronics equipment, $2,731,789,000, and in addition, $39,600,000 to be derived by transfer from "Other Procurement, Army, 1985/1987";

Other support equipment, $1,272,100,000, and in addition, $12,400,000 to be derived by transfer from "Other Procurement, Army, 1985/1987";

Non-centrally managed items, $105,300,000;

And in addition, $238,000,000, of which $79,000,000 shall be derived by transfer from "Other Procurement, Army, 1984/1986" and $159,000,000 shall be derived by transfer from "Other Procurement, Army, 1985/1987";

In all: $4,809,986,000, and in addition, $297,400,000 to be derived by transfer, to remain available for obligation until September 30, 1988: *Provided*, That within the total amount appropriated, the subdivisions within this appropriation shall be reduced by $268,400,000.

AIRCRAFT PROCUREMENT, NAVY

(INCLUDING TRANSFER OF FUNDS)

For construction, procurement, production, modification, and modernization of aircraft, equipment including ordnance, spare parts, and accessories therefor; specialized equipment; expansion of public and private plants, including the land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; $10,446,400,000, and in addition, $594,600,000, of which $40,000,000 shall be derived by transfer from "Aircraft Procurement, Navy, 1984/1986" and $554,600,000 shall be derived by transfer from "Aircraft Procurement, Navy, 1985/1987", to remain available for obligation until September 30, 1988: *Provided*, That $322,871,000 shall be available only for the procurement of nine new P-3C anti-submarine warfare aircraft: *Provided further*, That four P-3C aircraft shall be for the Naval Reserve.

WEAPONS PROCUREMENT, NAVY

(INCLUDING TRANSFER OF FUNDS)

For construction, procurement, production, modification, and modernization of missiles, torpedoes, other weapons, and related support equipment including spare parts, and accessories therefor; expansion of public and private plants, including the land necessary therefor, and such lands and interest therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway, as follows:

Poseidon, $5,001,000;

TRIDENT I, $36,226,000;

TRIDENT II, $581,986,000;

Support equipment and facilities, $17,107,000;

Tomahawk, $724,804,000;

AIM/RIM-7 F/M Sparrow, $345,379,000;

AIM-9L/M Sidewinder, $125,800,000;

AIM-54A/C Phoenix, $250,700,000;

AIM-54A/C Phoenix advance procurement, $24,800,000;

AGM-84A Harpoon, $314,873,000;

AGM-88A HARM, $236,000,000;

SM-1 MR, $17,738,000;

SM-2 MR, $509,719,000;

SM-2 ER, $312,235,000;

RAM, $15,000,000;

Sidearm, $20,500,000;

Hellfire, $55,068,000;

Laser Maverick, $173,458,000;

IIR Maverick, $27,809,000;

Aerial targets, $105,600,000;

Drones and decoys, $29,400,000;

Other missile support, $12,309,000;

Modification of missiles, $64,933,000;

Support equipment and facilities, $80,210,000;

Ordnance support equipment, $16,289,000;

MK-48 ADCAP torpedo program, $417,437,000;

MK-46 torpedo program, $125,115,000;

MK-60 CAPTOR mine program, $59,600,000;

MK-30 mobile target program, $16,600,000;

MK-38 mini-mobile target program, $3,499,000;

Antisubmarine rocket (ASROC) program, $15,551,000;

Modification of torpedoes, $111,341,000, and in addition, $22,600,000 to be derived by transfer from "Weapons Procurement, Navy, 1985/1987";

Torpedo support equipment program, $70,575,000;

MK-15 close-in weapons system program, $150,146,000;

MK-75 gun mount program, $15,005,000;

MK-19 machine gun program, $1,196,000;

25mm gun mount, $5,501,000;

Small arms and weapons, $11,305,000;

Modification of guns and gun mounts, $58,117,000;

Guns and gun mounts support equipment program, $1,200,000;

Spares and repair parts, $166,601,000;

And in addition, $87,000,000 to be derived by transfer from "Weapons Procurement, Navy, 1985/1987";

In all: $5,093,733,000, and in addition, $109,600,000 to be derived by transfer, to remain available for obligation until September 30, 1988: *Provided*, That within the total amount appropriated, the subdivisions within this appropriation shall be reduced by $238,000,000.

SHIPBUILDING AND CONVERSION, NAVY

(INCLUDING TRANSFER OF FUNDS)

For expenses necessary for the construction, acquisition, or conversion of vessels as authorized by law, including armor and armament thereof, plant equipment, appliances, and machine tools and installation thereof in public and private plants; reserve plant and Government and contractor-owned equipment layaway; procurement of critical, long leadtime components and designs for vessels to be constructed or converted in the future; and expansion of public and private plants, including land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title, as follows:

TRIDENT ballistic missile submarine program, $1,064,900,000, and in addition, $373,900,000 to be derived by transfer from the TRIDENT ballistic missile submarine program of "Shipbuilding and Conversion, Navy, 1983/1987", "Shipbuilding and Conversion, Navy, 1984/1988", and "Shipbuilding and Conversion, Navy, 1985/1989";

SSN-688 attack submarine program, $2,539,200,000, and in addition, $159,200,000 to be derived by transfer from the SSN-688 submarine program of "Shipbuilding and Conversion, Navy, 1982/1986", "Shipbuilding and Conversion, Navy, 1983/1987", and "Shipbuilding and Conversion, Navy, 1984/1988";

Battleship reactivation program, $469,000,000 to be derived by transfer from the CVN nuclear aircraft carrier program and the Craft and prior year programs of "Shipbuilding and Conversion, Navy, 1982/

1986" and "Shipbuilding and Conversion, Navy, 1983/1987";

Aircraft carrier service life extension program, $133,400,000;

CG-47 cruiser program, $2,072,800,000, and in addition, $585,200,000 to be derived by transfer from the CG-47 cruiser program of "Shipbuilding and Conversion, Navy, 1982/1986", "Shipbuilding and Conversion, Navy, 1983/1987", "Shipbuilding and Conversion, Navy, 1984/1988", and "Shipbuilding and Conversion, Navy, 1985/1989";

DDG-51 destroyer program, $124,000,000 to be derived by transfer from the DDG-51 destroyer program of "Shipbuilding and Conversion, Navy, 1985/1989": *Provided*, That none of the funds for the CG-47 cruiser program and the DDG-51 destroyer program are to be obligated or expended until the contract awards for the SPY-1 radar, AEGIS combat system integration, solid state frequency converters, propellors, and vertical package/stores conveyors are awarded on a competitive basis;

LSD-41 landing ship dock program, $384,500,000, and in addition, $18,900,000 to be derived by transfer from the LSD-41 landing ship dock program of "Shipbuilding and Conversion, Navy, 1984/1988" and "Shipbuilding and Conversion, Navy, 1985/1989";

LHD-1 amphibious assault ship program, $1,275,700,000, and in addition, $37,900,000 to be derived by transfer from the LHD-1 amphibious assault ship program of "Shipbuilding and Conversion, Navy, 1984/1988";

MCM mine countermeasures ship program, $15,000,000;

MSH coastal mine hunter program, $184,500,000;

T-AO fleet oiler program, $197,900,000, and in addition, $80,600,000 to be derived by transfer from the T-AO fleet oiler program of "Shipbuilding and Conversion, Navy, 1982/1986", "Shipbuilding and Conversion, Navy, 1983/1987", "Shipbuilding and Conversion, Navy, 1984/1988", and "Shipbuilding and Conversion, Navy, 1985/1989";

T-AGOS ocean surveillance ship program, $60,900,000, and in addition, $28,700,000 to be derived by transfer from the T-AGOS ocean surveillance ship program of "Shipbuilding and Conversion, Navy, 1985/1989";

T-AG acoustic research program, $40,000,000 to be derived by transfer from the T-AGS ocean survey ship program of "Shipbuilding and Conversion, Navy, 1985/1989";

MTSD nuclear reactor training ship conversion program, $26,500,000;

T-ACS auxiliary crane ship conversion program, $74,000,000, and in addition, $8,500,000 to be derived by transfer from the T-ACS auxiliary crane ship conversion program of "Shipbuilding and Conversion, Navy, 1985/1989";

T-AVB logistic support ship program, $26,900,000;

LCAC landing craft program, $307,000,000;

Strategic sealift program, $173,100,000, and in addition, $55,300,000 to be derived by transfer from the Outfitting program of "Shipbuilding and Conversion, Navy, 1982/1986" and "Shipbuilding and Conversion, Navy, 1983/1987", the FFG-7 program of "Shipbuilding and Conversion, Navy, 1982/1986", the T-AKR program of "Shipbuilding and Conversion, Navy, 1984/1988", and the T-AH program of "Shipbuilding and Conversion, Navy, 1983/1987" and "Shipbuilding and Conversion, Navy, 1984/1988";

Service craft program, $41,800,000, and in addition, $37,700,000 to be derived by transfer from the Service craft program of "Shipbuilding and Conversion, Navy, 1984/1988";

Landing craft program, $11,000,000 to be derived by transfer from the Service craft program of "Shipbuilding and Conversion, Navy, 1984/1988";

Outfitting program, $228,500,000;

Post delivery program, $84,000,000, and in addition, $28,600,000 to be derived by transfer, from the Post delivery program of "Shipbuilding and Conversion, Navy, 1982/1986", "Shipbuilding and Conversion, Navy, 1983/1987", "Shipbuilding and Conversion, Navy, 1984/1988", and "Shipbuilding and Conversion, Navy, 1985/1989";

In all: $8,648,900,000, and in addition, $2,058,500,000 to be derived by transfer, to remain available for obligation until September 30, 1990: *Provided*, That within the total amount appropriated, the subdivisions within this appropriation shall be reduced by $241,700,000: *Provided further*, That additional obligations may be incurred after September 30, 1990, for engineering services, tests, evaluations, and other such budgeted work that must be performed in the final stage of ship construction; and each Shipbuilding and Conversion, Navy, appropriation that is currently available for such obligations may also hereafter be so obligated after the date of its expiration: *Provided further*, That none of the funds herein provided for the construction or conversion of any naval vessel to be constructed in shipyards in the United States shall be expended in foreign shipyards for the construction of major components of the hull or superstructure of such vessel: *Provided further*, That none of the funds herein provided shall be used for the construction of any naval vessel in foreign shipyards.

OTHER PROCUREMENT, NAVY

(INCLUDING TRANSFER OF FUNDS)

For procurement, production, and modernization of support equipment and materials not otherwise provided for, Navy ordnance and ammunition (except ordnance for new aircraft, new ships, and ships authorized for conversion); the purchase of not to exceed nine hundred and twenty-four passenger motor vehicles of which eight hundred and twenty-five shall be for replacement only; expansion of public and private plants, including the land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway, as follows:

Ship support equipment, $910,840,000, and in addition, $13,966,000 to be derived by transfer from "Other Procurement, Navy, 1985/1987";

Communications and electronics equipment, $2,057,202,000, and in addition, $37,091,000, of which $4,470,000 shall be derived by transfer from "Other Procurement, Navy, 1984/1986" and $32,621,000 shall be derived by transfer from "Other Procurement, Navy, 1985/1987";

Aviation support equipment, $1,040,711,000;

Ordnance support equipment, $1,337,722,000; and in addition, $37,368,000, of which $1,320,000 shall be derived by transfer from "Other Procurement, Navy, 1984/1986" and $36,048,000 shall be derived by transfer from "Other Procurement, Navy, 1985/1987";

Civil engineering support equipment, $221,558,000;

Supply support equipment, $58,917,000;

Personnel and command support equipment, $375,943,000;

Spares and repair parts, $279,838,000;

Non-centrally managed items, $125,300,000;

And in addition, $224,337,000, of which $70,000,000 shall be derived by transfer from "Other Procurement, Navy, 1984/1986" and $154,337,000 shall be derived by transfer from "Other Procurement, Navy, 1985/1987";

In all: $5,682,694,000, and in addition, $312,762,000 to be derived by transfer, to remain available for obligation until September 30, 1988: *Provided*, That within the total amount appropriated, the subdivisions within this appropriation shall be reduced by $725,337,000.

PROCUREMENT, MARINE CORPS

(INCLUDING TRANSFER OF FUNDS)

For expenses necessary for the procurement, manufacture, and modification of missiles, armament, ammunition, military equipment, spare parts, and accessories therefor; plant equipment, appliances, and machine tools, and installation thereof in public and private plants; reserve plant and Government and contractor-owned equipment layaway; vehicles for the Marine Corps, including purchase of not to exceed two hundred and three passenger motor vehicles for replacement only; and expansion of public and private plants, including land necessary therefor, and such lands, and interests therein, may be acquired and construction prosecuted thereon prior to approval of title; $1,610,749,000, and in addition, $85,717,000 to be derived by transfer from "Procurement, Marine Corps, 1985/1987", to remain available for obligation until September 30, 1988.

AIRCRAFT PROCUREMENT, AIR FORCE

(INCLUDING TRANSFER OF FUNDS)

For construction, procurement, and modification of aircraft and equipment, including armor and armament, specialized ground handling equipment, and training devices, spare parts, and accessories therefor; specialized equipment; expansion of public and private plants, Government-owned equipment and installation thereof in such plants, erection of structures, and acquisition of land, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes including rents and transportation of things; $20,722,700,000, and in addition, $1,458,300,000, of which $367,000,000 shall be derived by transfer from "Aircraft Procurement, Air Force, 1984/1986" and $1,091,300,000 shall be derived by transfer from "Aircraft Procurement, Air Force, 1985/1987", to remain available for obligation until September 30, 1988: *Provided*, That none of the funds in this Act may be obligated on B-1B bomber production contracts if such contracts would cause the production portion of the Air Force's $20,500,000,000 estimate for the B-1B bomber baseline costs expressed in fiscal year 1981 constant dollars to be exceeded: *Provided further*, That the Secretary of the Air Force shall establish during fiscal year 1986 a competition for the procurement of fighter aircraft to meet the requirements of the Active and Reserve forces of the Air Force; such competition shall be among all

suitable aircraft; and procurement of tactical fighter aircraft for the Air Force for fiscal year 1986 shall be carried out in accordance with all applicable provisions of law, including section 136a (relating to the Director of Operational Test and Evaluation), section 139c (relating to independent cost estimates), and chapter 137 (relating to competition in contracting), of title 10, United States Code: *Provided further,* That $20,000,000 appropriated in fiscal year 1984 for procurement of C-130H aircraft shall be available only to buy one additional C-130H aircraft for the Air Force Reserve: *Provided further,* That $20,000,000 appropriated in fiscal year 1985 for procurement of C-130H aircraft shall be available only to buy one additional C-130H aircraft for the Air Force Reserve.

MISSILE PROCUREMENT, AIR FORCE

(INCLUDING TRANSFER OF FUNDS)

For construction, procurement, and modification of missiles, spacecraft, rockets, and related equipment, including spare parts and accessories therefor, ground handling equipment, and training devices; expansion of public and private plants, Government-owned equipment and installation thereof in such plants, erection of structures, and acquisition of land, for the foregoing purposes, and such lands and interests therein, may be acquired and construction prosecuted thereon prior to approval of title; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes including rents and transportation of things; $8,043,527,000, and in addition, $155,000,000 to be derived by transfer from "Missile Procurement, Air Force, 1985/1987", to remain available for obligation until September 30, 1988: *Provided,* That the number of MX missiles deployed at any time in existing Minuteman silos may not exceed 50, and that funds appropriated by this or any other Act may not be used—

(1) to modify, or prepare for modification, more than 50 existing Minuteman silos for the deployment of MX missiles;

(2) to acquire basing sets to modify more than 50 existing Minuteman silos for the deployment of MX missiles; or

(3) to procure long-lead items for the deployment of more than 50 MX missiles:

Provided further, That unless a basing mode for the MX missile other than existing Minuteman silos is specifically authorized by legislation enacted after the date of the enactment of this Act or the Department of Defense Authorization Act, 1986, whichever first occurs, after procurement of 50 MX missiles for deployment in existing Minuteman silos—

(1) further procurement of MX missiles shall be limited to those missiles necessary to support the operational test program and for the MX missile reliability testing program; and

(2) during fiscal year 1987, depending upon the most efficient production rate, from 12 to 21 MX missiles should be procured for such purposes.

OTHER PROCUREMENT, AIR FORCE

(INCLUDING TRANSFER OF FUNDS)

For procurement and modification of equipment (including ground guidance and electronic control equipment, and ground electronic and communication equipment), and supplies, materials, and spare parts therefor, not otherwise provided for; the purchase of not to exceed eight hundred and forty-nine passenger motor vehicles of which eight hundred and one shall be for replacement only; and expansion of public and private plants, Government-owned equipment and installation thereof in such plants, erection of structures, and acquisition of land, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon, prior to approval of title; reserve plant and Government and contractor-owned equipment layaway, as follows:

Munitions and associated equipment, $1,078,515,000, and in addition, $10,800,000 to be derived by transfer from "Other Procurement, Air Force, 1985/1987";

Vehicular equipment, $320,869,000;

Electronics and telecommunications equipment, $2,544,608,000, and in addition, $8,858,000 to be derived by transfer from "Other Procurement, Air Force, 1985/1987";

Other base maintenance and support equipment, $4,466,044,000;

Non-centrally managed items, $54,700,000;

And in addition, $327,818,000, of which $116,027,000 shall be derived by transfer from "Other Procurement, Air Force, 1984/1986" and $211,791,000 shall be derived by transfer from "Other Procurement, Air Force, 1985/1987";

In all: $7,890,918,000, and in addition, $347,476,000 to be derived by transfer, to remain available for obligation until September 30, 1988: *Provided,* That within the total amount appropriated, the subdivisions within this appropriation shall be reduced by $573,818,000: *Provided further,* That no obligation may be incurred for the procurement of 30mm armor piercing ammunition unless there is component breakout for the depleted uranium penetrator.

NATIONAL GUARD AND RESERVE EQUIPMENT

For procurement of aircraft, missiles, tracked combat vehicles, ammunition, other weapons, and other procurement for the reserve components of the Armed Forces, as follows:

Army National Guard, $165,000,000;

Air National Guard, $192,000,000, and in addition, $8,000,000 to be derived by transfer from "Aircraft Procurement, Air Force, 1985/1987";

Naval Reserve, $45,000,000;

Marine Corps Reserve, $60,000,000;

Air Force Reserve, $120,000,000;

In all: $582,000,000, and in addition, $8,000,000 to be derived by transfer, to remain available for obligation until September 30, 1988.

PROCUREMENT, DEFENSE AGENCIES

(INCLUDING TRANSFER OF FUNDS)

For expenses of activities and agencies of the Department of Defense (other than the military departments) necessary for procurement, production, and modification of equipment, supplies, materials, and spare parts therefor, not otherwise provided for; the purchase of not to exceed four hundred and ninety passenger motor vehicles of which two hundred and fifty-one shall be for replacement only; expansion of public and private plants, equipment, and installation thereof in such plants, erection of structures, and acquisition of land for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; reserve plant and Government and contractor-owned equipment layaway; $1,181,869,000, and in addition, $36,000,000, of which $15,000,000 shall be derived by transfer from "Procurement, Defense Agencies, 1984/1986" and $21,000,000 shall be derived by transfer from "Procurement, Defense Agencies, 1985/1987", to remain available for obligation until September 30, 1988.

Mr. CHAPPELL (during the reading). Mr. Chairman, I ask unanimous consent that title III be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

The CHAIRMAN pro tempore. Are there any amendments to title III?

Mr. STRATTON. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to engage in a colloquy with the distinguished gentleman from Pennsylvania [Mr. MCDADE].

Mr. Chairman, this bill contains appropriations for only a few line items in the procurement accounts where authorization was not contained in S. 1160, the Defense Authorization Act for fiscal year 1986. As chairman of the Procurement Subcommittee of the Armed Services Committee, and a member of the Authorization Conference Committee, I would like to draw attention to one line item, the 120mm mortar for the U.S. Army. My desire is to receive assurances from the gentleman from Pennsylvania that the intent of the authorization conference report is not negated by the actions of the appropriations bill.

Mr. Chairman, I yield to the gentleman for his response.

Mr. MCDADE. Mr. Chairman, at this point, I would like to respond to the comments of the gentleman from New York. First, let me say that on this issue—as so many others that come before his committee—the gentleman from New York has identified a key need, in this case, one having to do with the Army, and has acted responsibly in trying to assure that both the foot soldier and the American taxpayer are best served. I will assure the gentleman that the actions of our committee with respect to the 120mm mortar are in no way intended to negate or adversely affect the action taken by the authorization conference. In fact, I believe that the gentleman and I share the same goal—namely, to encourage the Army to come to grips with this issue, which it has been struggling with for well over 1 year now—and also, to ensure that the issue is dealt with in as comprehensive and as rapid a fashion as possible.

With that in mind, we provided funds for this purpose so that the Army could, if need be, be in a position to move out on this program as quickly as possible. We most certainly did not intend for the Army to do so, without notifying and consulting with the authorizing committees.

Mr. STRATTON. I thank the gentleman for his remarks. I would like to take the opportunity to reiterate the

position of the authorization conference concerning the 120 mm mortar program.

The authorization conferees strongly supported the objective of modernizing the Army's inventory of mortars, and introducing a new 120 mm mortar. But, the conferees could not support authorization of appropriations for procurement at this time because the 120 mm mortar program lacks stability in terms of requirements and acquisition strategy. Members of the other body, Senators GOLDWATER and NUNN believed that the authorization bill should establish a set of criteria for execution of the Army's 120 mm mortar program, and the conferees indicated support for a future reprogramming once the Army satisfied the criteria for execution of the program.

The criteria included in the authorization bill include four simple steps that the Army must take to ensure a stable program: First, a master plan for mortars provided to the Congress; second, competition ensured amongst all of the potential bidders; third, the Army provides for the purchase and validation of the technical data package for manufacture in the United States; and fourth, the Army conducts a cost-effectiveness analysis for the domestic manufacturing of the winning 120 mm technical data package. This analysis, which will be in accordance with existing statute—the Arsenal Act—should include an appraisal by the U.S. Army's arsenal system.

I understand that these steps will not be completed until sometime in 1986. Thus, the authorization conferees believed that a reprogramming would be the best approach to ensuring that stable program was progressing.

I appreciate the opportunity to clarify the record and note that the intent and the logic of the authorization conferees has not been negated by the appropriations of funds for this item. We believe that the Army must continue to abide by existing statute, and structure an acquisition program that will meet the soldier's needs, and will ultimately make sense.

□ 1205

Mr. McCLOSKEY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to ask the gentleman from Florida [Mr. CHAPPELL] to engage in a brief colloquy regarding the urgent need to establish a full-time, single hatted surgeon in the U.S. European Command.

Mr. CHAPPELL. I would be happy to do so, Mr. Chairman, if the gentleman will yield.

Mr. McCLOSKEY. I want to commend the gentleman for the language included in your committee report which directs the designation of a EuCom surgeon in the grade of 0-7—major general—not later than June 23, 1986. I have recently introduced legislation directing the Secretary of Defense to establish such a position. The shortcomings in joint planning in Europe were the focus of a hearing held on September 18 by the Armed Services Subcommittee on Investigations, chaired by the gentleman from Alabama [Mr. NICHOLS]. Currently, the position of European Command surgeon is a part-time job held by the senior Air Force or Army surgeon in Europe. It is abundantly clear that overseeing U.S. medical plans and operations in Europe is a full-time job by itself and cannot be properly fulfilled on a part-time basis.

Moreover, the present dual hatted arrangement encourages identification with a particular service rather then with overall medical capabilities. It is my feeling that the European Command surgeon should be given clear and unequivocal directive authority over the service components' medical elements in peacetime, as well as in wartime.

Mr. CHAPPELL. Mr. Chairman, will the gentleman yield?

Mr. McCLOSKEY. I yield to the gentleman from Florida.

Mr. CHAPPELL. Mr. Chairman, I fully concur with the gentleman's concerns. The establishment of a full-time, single-hatted surgeon's slot in the U.S. European Command was one of the principal recommendations of the April 1984 Zimble Commission Report which identified a multitude of shortcomings in joint medical readiness planning in the European Command. Eighteen months later, that vital recommendation has not yet been implemented.

Mr. HILER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to ask my distinguished colleague, the gentleman from Pennsylvania [Mr. MCDADE], if he would engage in a colloquy with me.

Mr. McDADE. Mr. Chairman, if the gentleman will yield, I say to my colleague that I am delighted to do so.

Mr. HILER. Mr. Chairman, I wish to congratulate both the gentleman from Pennsylvania [Mr. MCDADE] and our esteemed colleague, the gentleman from Florida [Mr. CHAPPELL], for their fine work on this appropriations bill as chairman and ranking minority member of the Defense Subcommittee.

Mr. Chairman, I rise to seek clarification, if I may, on the committee's report language with respect to the extension of the current multiyear contract for 5-ton trucks authorized by the House Armed Services Committee, and approved yesterday in action on the conference report.

That extension was authorized as an insurance policy, if you will, to avoid a gap in production of this vehicle which is in critically short supply to our armed services at this time. My perception of the Appropriations Committee's report language is that the committee would prefer that this extension to the current contract not be utilized if 5-ton trucks could be produced under the new contract. Is this correct?

Mr. McDADE. Mr. Chairman, will the gentleman yield?

Mr. HILER. I yield to the gentleman from Pennsylvania.

Mr. McDADE. Mr. Chairman, I thank the gentleman from Indiana for raising a very important point of clarification. While the committee has stated that it expects that the extension would not be used, the gentleman will note that this expectation is contingent upon a very important factor—that the milestones be met for source selection and letting the new follow-on 5-year multiyear contract. It would not be the committee's wish that there be a production gap, especially since this could have the unfortunate effect of costing the taxpayers more money in the long run.

Mr. HILER. I am relieved to hear the gentleman's assurances. The 5-ton truck program, while very unglamorous and perhaps unexciting, has been one of our most cost-effective and reliable. And, as you know, our armed services has a 12,000-truck shortfall now, a fact that was underscored in testimony before the Armed Services Committee's readiness panel by Brig. Gen. John Greenway. In addition to this shortfall, the addition problem with a production gap would be the additional cost to the taxpayers, as my colleague has already pointed out. This cost would result from shutting down suppliers throughout the country and then gearing back up for production later.

It is true, as the committee notes, that the Army expects to award the new contract in the first half of 1986. We hope the milestones for source selection and contract award will be met. However, it is important to take into account also the time involved in testing and production lead time, especially since there are major component changes in the new truck, such as the engine.

So, my understanding then is that the committee, in its report language, did not mean to preclude altogether the use of the extension to the current contract, and that in fact the committee would not preclude it if it became necessary in order to avoid a production gap. What the committee meant is that we should not be building the old trucks, when the time comes that we can build new ones.

Mr. McDADE. That is correct.

Mr. HILER. Mr. Chairman, I thank the gentleman from Pennsylvania.

The CHAIRMAN pro tempore (Mr. MOAKLEY). Are there any other amendments to title III?

AMENDMENT OFFERED BY MR. FRANK

Mr. FRANK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FRANK: On page 36, line 6, strike out "$8,043,527,000" and insert in lieu thereof "$6,297,527,000".

Mr. FRANK. Mr. Chairman, the Chair was moving with its usual efficiency to the point where I was not quite expecting to be ready at this point.

This is a very straightforward amendment. I think today we can begin Gramm-Rudman deficit-reduction scorekeeping, because in the bill that is before us $1,700 million is allocated for buying 12 MX's that no one thinks we need.

My amendment is very simple. It reduces that amount from $8 billion to $6.2 billion. It takes $1.7 billion out, removes it from the deficit, saves it, and saves the interest on it. It just plain flat out cuts the deficit. What it says is that we will not build 12 MX missiles that we were going to build.

Let me just talk about the history of the MX. We have had proposals to build 200, we have had proposals to build 100, and we have fought about it and not fought about it. Then in the House budget we said, "Let's not build any more than the 40 we are already committed to."

Then it went to the other body, and the other body said, "Let's go to 50, but that will be the end of it; 50, and that will be the end of the program forever."

In conference we did one of our usual compromises. The House said 40, the other body said 50; we added 40 to 50, divided by 2, and came up with 50.

The point I would make, however, is this: There is no strategic argument whatever for the 12 additional missiles. That is 10 plus 2 spares, spare missiles—spare missiles like spare tires. One could blow out, and you have a spare. It is kind of hard to call AAA to come and fix it.

□ 1215

So we are being asked here—let us review the bidding. It is agreed by both Houses, it was agreed in the authorization bill that we adopted yesterday that we would stop this program at 50 operational missiles. No one, no one with the possible exception of Caspar Weinberger, and it would take him some time, thinks it makes any strategic sense to have 50 versus 40.

What good is it? Remember, we have agreed, these are the last 10 we are going to build of the MX. No one has ever advocated a strategy for 50 MX's.

What good would 10 more MX's do, to go from 40 to 50?

I have thought about this. I think if we were going to go to war with Scandinavia, those extra 10 might be useful, but you might have to do a little side shot at Iceland; but I say it is a very nice country. They are friendly people, a member of NATO. I do not anticipate our country having any fight with them. I do not think we are going to go to war with Scandinavia.

There is no need for these missiles. So here is where we are. We have got competing proposals about reducing the deficit. In this bill there is $1,700,000,000, much more than the housing programs we fought about, more than a lot of the other programs in total that we fight about; $1.7 billion to build 12 MX's for which we have no use.

So what Members get today is a free Gramm-Rudman deficit reduction scorecard vote, because you can kill the $1.7 billion and no one is going to tell you that you have damaged our national security.

Now, it used to be that the MX was a bargaining chip, but we are not talking buffalo chips today when we talk about these 10 MX missiles, because we are beyond that stage. The new bargaining chip is the SDI, the strategic defense initiative. When is the last time you heard Mr. Kampelman, Mr. Tower, Mr. GLICKMAN say that we need 10 additional MX's, because if we only have 40, the Russians will not listen, but if we have 50, they will listen?

We made a political compromise. That is our job, and that is what we do. We said no more.

The Senate said, well, some more. We compromised on 50. No one thinks they are needed.

So what we have is an agreement put through here without any question yesterday in the authorization to cap the MX Program at 50; so the only question we have before us, remember, we have not decided, and my amendment does not touch the language leaving that cap in there, and that cap was also in the authorization, so the only question before us today is should we cap the MX Program forever at 40, or should we cap it forever at 50? If we cap it at 50, rather than 40, we spend $1.7 billion. If we cap it at 40, we save $1.7 bilion. You are already substantially ahead of the game in reducing the deficit and at no strategic cost, because there exists nowhere in the Pentagon, not anywhere is there an argument that says it makes sense to go from 40 to 50.

You can make a strategic argument that we should go from 40 to 100, but that is not contemplated.

The choices are, do we build 10 more MX missiles?

And you know why we got to 50? Because that is the way the political compromise process works out. They went to the other body, and some said more and some said less, and they struck a deal. I do not say that negatively. That is the only way you can function around here.

We honored that deal in the authorization. Now the question comes, we are talking real money. I cannot think of many other places where we are going to seriously cut $1.7 billion. It might be nice to have the 10 more MX's than not. The cement masons have not been doing well these days. They could get 10 more sites, and they could pour a lot of cement, and that would be good for them; but if we are serious about deficit reduction, how can you talk about spending the $1.7 billion to go from 40 to 50, for which there is no strategic argument?

So we have here, I think, the most clear cut deficit reduction vote we are going to get this weekend. I am confident that we are going to begin our deficit reduction today.

Mr. CHAPPELL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I want to make it perfectly clear what this amendment seeks to do is to take out all the funds for the MX Missile Program.

The House has agreed to cap the MX deployment at 50 missiles by passing the defense authorization conference bill on yesterday. What is in this bill is exactly what is in the authorization bill. That deployment cap is in this bill.

That position has been reached after much consideration and debate, stretching out over several years.

Any deployment, no matter what its size, requires a large number of test missiles in addition to operational missiles. Those test missiles must be fired periodically over a span of many years to verify continued operational readiness.

The Congress has already funded 42 operational missiles in previous years, and even if a lesser number than 50 missiles is deployed, we must build a number of test vehicles to support that deployment. Those test missiles must be funded and produced over a period of several years.

If this amendment is agreed to, the effect will be a total break in production, because test missiles will still have to be built next year, in fiscal year 1987.

This kind of start-stop leads only to inefficiency and waste, and the amendment will simply add substantial costs to the program.

Mr. Chairman, I seriously urge the defeat of this amendment.

Mr. HUTTO. Mr. Chairman, will the gentleman yield?

Mr. CHAPPELL. I yield to the gentleman from Florida.

Mr. HUTTO. Mr. Chairman, I appreciate the gentleman yielding.

Mr. Chairman, I would like to point out that in testimony before the Armed Services Committee that our negotiators at Geneva pointed out that 50 would be the minimum number of MX missiles that would be

acceptable as far as their position is concerned.

Mr. CHAPPELL. Mr. Chairman, let me make this further clarification. The amendment removes not only the funding for procurement of 12 MX missiles, but a good deal more. It removes funding for modifying the Minuteman silos which are to receive the missiles already funded in fiscal years 1984 and 1985.

It removes funds for support equipment.

The effect of the amendment would be to halt deployment of missiles already funded, and I think it would be a serious, serious mistake. I urge the defeat of the amendment.

Mr. FRANK. Mr. Chairman, will the gentleman yield?

Mr. CHAPPELL. Yes; I yield to the gentleman.

Mr. FRANK. Mr. Chairman, I thank the gentleman for yielding.

The best information we get, and I realize that you get information from one person and then when you use it for that purpose, sometimes it changes, we were told that this is what we seek to do, we simply are trying to do away with the new MX missiles.

Now, the gentleman says that we need some test missiles. My understanding and up until the moment my amendment was offered was that we were told there were going to be 10 new operational missiles and two tests in this proposal; so most of what we were seeking to get rid of were the operational ones.

If at some future point you need testing missiles, you could get them.

But the fundamental point we have is this. The other gentleman from Florida said, well, the negotiators in Geneva said 50 was a minimum. Yes; they said 50 was a minimum after the deal was cut for 50. They were called in retroactively to approve it.

No one, no one in the strategic reaches of the Pentagon, the State Department, or the Arms Control Agency ever argued for 50 until that was the best they could get, and then they put a retroactive clause on it.

Yes; it would be nicer to have some than not, but how can you talk seriously about cutting Medicare, cutting Medicaid, cutting farm supports for people who are struggling, cutting every other program of the Federal Government, which is what Gramm-Rudman does, and then you spend $1.7 billion for 10 missiles for which there is no strategic argument?

We talk about making hard choices. This is not even a hard choice. It is a moderately difficult one, and I hope we make it the right way.

Mr. CHAPPELL. Mr. Chairman, I strongly urge defeat of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. FRANK].

The question was taken; and the Chairman pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. FRANK. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 211, noes 208, not voting 15, as follows:

[Roll No. 377]

AYES—211

Ackerman	Green	Perkins
Annunzio	Guarini	Petri
Anthony	Gunderson	Pickle
Applegate	Hall (OH)	Rahall
Atkins	Hamilton	Rangel
AuCoin	Hawkins	Richardson
Barnes	Hayes	Ridge
Bates	Heftel	Roberts
Bedell	Henry	Rodino
Beilenson	Hertel	Roe
Bennett	Hopkins	Roemer
Bereuter	Horton	Rostenkowski
Berman	Howard	Roth
Biaggi	Hughes	Roukema
Boehlert	Jacobs	Roybal
Boggs	Jeffords	Russo
Boland	Jenkins	Sabo
Bonior (MI)	Johnson	Savage
Bonker	Jones (NC)	Saxton
Borski	Jones (OK)	Scheuer
Bosco	Kanjorski	Schneider
Boucher	Kaptur	Schroeder
Boxer	Kastenmeier	Schumer
Brown (CA)	Kennelly	Seiberling
Bruce	Kildee	Sensenbrenner
Bryant	Kleczka	Sharp
Burton (CA)	Kostmayer	Sikorski
Carper	LaFalce	Sisisky
Carr	Lantos	Slattery
Chandler	Leach (IA)	Smith (FL)
Clay	Lehman (CA)	Smith (IA)
Coelho	Lehman (FL)	Smith (NE)
Conte	Leland	Smith (NJ)
Conyers	Levin (MI)	Snowe
Coughlin	Levine (CA)	Solarz
Coyne	Lightfoot	St Germain
Crockett	Lipinski	Staggers
Daschle	Long	Stangeland
Dellums	Lowry (WA)	Stark
Dingell	Luken	Stokes
DioGuardi	Lundine	Studds
Dixon	MacKay	Swift
Donnelly	Markey	Synar
Dorgan (ND)	Martinez	Tauke
Downey	Matsui	Torres
Durbin	Mavroules	Torricelli
Dwyer	Mazzoli	Towns
Dymally	McCloskey	Traficant
Early	McHugh	Traxler
Eckart (OH)	McKernan	Udall
Edgar	McKinney	Vento
Edwards (CA)	Meyers	Visclosky
Evans (IA)	Mikulski	Volkmer
Evans (IL)	Miller (CA)	Walgren
Feighan	Miller (WA)	Watkins
Florio	Mineta	Waxman
Foglietta	Mitchell	Weaver
Foley	Moakley	Weiss
Ford (MI)	Moody	Wheat
Frank	Morrison (CT)	Whittaker
Garcia	Mrazek	Williams
Gejdenson	Nowak	Wirth
Gephardt	Oakar	Wise
Gibbons	Oberstar	Wolpe
Glickman	Obey	Wright
Gonzalez	Olin	Wyden
Goodling	Owens	Yates
Gordon	Panetta	Young (MO)
Gradison	Pease	Zschau
Gray (IL)	Penny	
Gray (PA)	Pepper	

NOES—208

Akaka	Badham	Bevill
Alexander	Barnard	Bilirakis
Anderson	Bartlett	Billey
Andrews	Barton	Boner (TN)
Archer	Bateman	Boulter
Aspin	Bentley	Breaux
Brooks	Hefner	Porter
Broomfield	Hendon	Price
Brown (CO)	Hiler	Pursell
Broyhill	Hillis	Quillen
Burton (IN)	Holt	Ray
Bustamante	Hoyer	Regula
Byron	Hubbard	Reid
Callahan	Huckaby	Rinaldo
Campbell	Hunter	Ritter
Carney	Hutto	Robinson
Chapman	Hyde	Rogers
Chappell	Ireland	Rose
Chappie	Jones (TN)	Rowland (CT)
Cheney	Kasich	Rowland (GA)
Clinger	Kemp	Rudd
Coats	Kindness	Schaefer
Cobey	Kolbe	Schuette
Coble	Kolter	Schulze
Coleman (MO)	Kramer	Shaw
Coleman (TX)	Lagomarsino	Shelby
Combest	Latta	Shumway
Cooper	Leath (TX)	Shuster
Courter	Lent	Siljander
Craig	Lewis (CA)	Skeen
Crane	Lewis (FL)	Skelton
Daniel	Livingston	Slaughter
Dannemeyer	Lloyd	Smith, Denny (OR)
Darden	Loeffler	Smith, Robert (NH)
Daub	Lott	Smith, Robert (OR)
Davis	Lowery (CA)	Snyder
de la Garza	Lujan	Solomon
DeLay	Lungren	Spence
Derrick	Mack	Spratt
DeWine	Madigan	Stallings
Dicks	Martin (IL)	Stenholm
Dornan (CA)	Martin (NY)	Strang
Dreier	McCandless	Stratton
Duncan	McCollum	Stump
Dyson	McCurdy	Sundquist
Eckert (NY)	McDade	Swindall
Edwards (OK)	McEwen	Tallon
Emerson	McGrath	Tauzin
English	McMillan	Taylor
Erdreich	Mica	Thomas (CA)
Fascell	Michel	Thomas (GA)
Fawell	Miller (OH)	Valentine
Fazio	Molinari	Vander Jagt
Fiedler	Mollohan	Vucanovich
Fields	Monson	Walker
Fish	Montgomery	Weber
Flippo	Moore	Whitehurst
Franklin	Moorhead	Whitley
Frost	Morrison (WA)	Whitten
Fuqua	Murphy	Wilson
Gallo	Murtha	Wolf
Gaydos	Myers	Wortley
Gekas	Natcher	Wylie
Gilman	Neal	Yatron
Gingrich	Nichols	Young (AK)
Gregg	Nielson	Young (FL)
Grotberg	O'Brien	
Hall, Ralph	Ortiz	
Hammerschmidt	Oxley	
Hansen	Packard	
Hartnett	Pashayan	

NOT VOTING—15

Addabbo	Ford (TN)	Marlenee
Armey	Fowler	McCain
Collins	Frenzel	Nelson
Dickinson	Hatcher	Parris
Dowdy	Manton	Sweeney

□ 1240

The Clerk announced the following pair:

On this vote:

Mrs. Collins for, with Mr. Nelson of Florida against.

Mr. KOLTER changed his vote from "aye" to "no."

Messrs. DYMALLY, McKERNAN, FOLEY, CHANDLER, ANNUNZIO, and LIPINSKI changed their votes from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

Mr. BROWN of California. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I had noticed in the RECORD an amendment which I was prepared to offer at this point in the bill. I wanted to explain that amendment and explain the considerations which led to my proposing to offer it.

The amendment, in effect, reduces by $38 million the sums in the bill which would represent the cost of modifying F-15 aircraft for the ASAT Program.

The committee has done an excellent job in most respects with this bill, and I am going to support the bill very strongly. As I said before, my amendment would have reduced by $38 million the amount in the bill which was to be used for the modification of F-15 aircraft for the ASAT Program. The committee, in its wisdom, has included in the bill language that would provide for a de facto moratorium on further tests of the ASAT system as long as the Soviet Union does not engage in further tests.

If that language is held in conference, and I have every confidence that the committee would try to do that, it would mean a further delay in the testing program and a delay in the initial operational capability of the system for the next year and under the circumstances that I have described. In other words, if the language in the bill with regard to ASAT testing is maintained in conference, there would be no need to proceed at this time with the modification of the F-15, just as there was no need to proceed with the construction of the facilities to house the F-15 which was taken out of the military construction bill in a vote by the House just a week or so ago.

So my amendment, in effect, offered an opportunity to save $38 million for a program which, if we uphold the language of the bill on ASAT tests, will not be needed for another year anyway.

I am not proposing this amendment as a threat to the ASAT Program. My whole approach to this problem is that we have what you sometimes call a window of opportunity to negotiate an arms control agreement on ASAT. It is very high on the agenda at Geneva. It will be a part of the talks between the President and his Soviet counterpart.

I do not think that we should negate the opportunity to take advantage of that window by proceeding at a pace which would lead the other side to feel that we are fully committed to go ahead no matter what happens, and thus lessen the opportunity to reach some agreement.

I am very pleased with the language in the bill on ASAT tests. That language would actually make it unnecessary to proceed with the funding of the modifications of the F-15 or the other parts of the program which I have already described.

It has been suggested that I not offer this amendment, and I have no strong desire to offer it. But on the other hand, I have a very strong desire to have the committee hold to the present ASAT language in conference.

I will not recite the gory details of what has happened to this language in past conferences. I think everybody knows that we allowed the other body to beguile us into accepting certification language which turned out to be not much of a restriction on the test procedure, and I do not want us to fall into that trap again. I think that the Members all recognize now that the certification provision that the other body would like to have is a nullity, it means nothing.

So I am prepared to withhold or to defer offering this amendment if I could get some assurances from the members of the committee that they will vigorously support the House position in conference.

I would yield to the distinguished acting subcommittee chair in that regard, knowing that he cannot give absolute assurances, but asking for his consideration in this matter.

Mr. CHAPPELL. Mr. Chairman, will the gentleman yield?

Mr. BROWN of California. I yield to the gentleman from Florida.

Mr. CHAPPELL. Mr. Chairman, I want to say to the gentleman that it is the intention of the committee to hold just as closely to this bill all the way through the conference as we can, and we will certainly try to retain this language in the final bill.

The CHAIRMAN pro tempore. The time of the gentleman from California [Mr. BROWN] has expired.

(By unanimous consent, Mr. BROWN of California was allowed to proceed for 2 additional minutes.)

Mr. CHAPPELL. Mr. Chairman, as the gentleman knows, there are some technical problems with the ASAT. We have put in very tight restrictive language in the bill. We hope that we will be able to retain that language, and we will make our best effort to do so, recognizing, as the gentleman knows, we cannot always get everything we want. But we are going to try to hold just as closely to this bill as we can on this subject.

Mr. BROWN of California. I certainly do appreciate the good faith of the gentleman, and I know that he will do everything possible but that, of course, there are things which one individual cannot determine by himself. I look forward to the gentleman doing the best that he possibly can.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. BROWN of California. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, I appreciate the gentleman yielding. We agree with the statement made by the acting chairman of the subcommittee.

But I would also like to point out that it would really be in our best interest not to proceed with this amendment in view of the fact that if we were to go back later to modify the F-15's, there would be a tremendous additional cost involved. Like the chairman, we are prepared to support the language of the subcommittee on ASAT.

Mr. BROWN of California. I thank the gentleman for that comment, and I recognize the good sense of it.

It is possible that we will want to continue with the testing and the bill would allow us to do so if the Soviets test. We would then need the modifications and we would need the other facilities. I recognize that. I hope the gentleman will recognize that my purpose is to allow us to exploit an opportunity for arms control here.

Mr. YOUNG of Florida. Of course.

Mr. FAZIO. Mr. Chairman, I move to strike the last word, and I do so for the purpose of engaging the acting chairman of the Appropriations Defense Subcommittee, the gentleman from Florida [Mr. CHAPPELL] in a brief colloquy.

Mr. Chairman, I'd first like to take time to congratulate the excellent job the acting chairman of the subcommittee has done in reporting out a bill under unusual circumstances. I'm sure the subcommittee chairman, Mr. ADDABBO, would concur if he could be with us here today.

As members of the Appropriations Committee are aware, Mr. CHAPPELL brought forth a defense appropriations bill this fall that accurately reflects the seriousness of the deficit crisis we face in this Nation. This bill acknowledges our continuing needs in the area of national defense while coming in at $10 billion less than the figure prescribed by the other body, a sign that fiscal responsibility must extend to all segments of the Federal budget.

There is one area of this bill, however, that many of us on the committee and in this body feel would benefit from further budgetary scrutiny. I refer to the strategic defense initiative, a source of great uncertainty in both the technological sense and, as the Geneva summit approaches, in the political sense.

I think all of us in this body will concede at this point in time that SDI begs more questions than it answers. Few if any of us can disagree with the foundation of President Reagan's dream, a desire to rid the Earth of the fear of nuclear annihilation. However, serious questions remain as to whether this aim is possible, feasible or even desirable.

For the time being, the committee has agreed that research on SDI will go forward in fiscal 1986 at a funding level of $2.5 billion. I can accept the political reality of that decision. Yet I also recall the words of the acting chairman during the debate in committee on this matter. At that time, Mr. CHAPPELL pledged his strongest effort to hold the line in conference with the other body to keep SDI funding at or near the $2.5 billion level this House will approve today.

For the edification of our colleagues who were not privy to that assertion in committee, I'd like to take this time to ask the acting chairman if I have accurately reflected his remarks to the committee on October 24.

Mr. CHAPPELL. Mr. Chairman, will the gentleman yield?

Mr. FAZIO. I yield to the gentleman from Florida.

Mr. CHAPPELL. The gentleman is correct.

Mr. FAZIO. I thank the acting chairman. Mr. Chairman, I welcome the confirmation by the acting chairman that he will abide by his pledge to the committee with regard to SDI during conference negotiations. My colleagues should know that the other body is certain to report a higher figure for this controversial project than we have set, and that the acting chairman's actions in this regard will be in the best interest of the will of this body. I thank the acting chairman, and yield back the balance of my time.

□ 1255

Mr. BATEMAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise to indicate support for the statements made on the floor earlier today by the distinguished gentleman from Florida, the chairman of the Seapower Subcommittee of the Committee on Armed Services [Mr. BENNETT], and the distinguished gentlemen from Virginia [Mr. WHITEHURST] and [Mr. SISISKY], and the gentleman from California [Mr. HUNTER], and perhaps others who have and will address this point.

The point that I have reference to is the report language in the committee bill dealing with the Selected Restricted Availabilities Program of the Navy. I think this report language is off the mark and I am in strong disagreement with it.

I think it is an instance where we in the Congress impair the ability of the services to better manage their activities in keeping with the maximum accomplishment of their mission with the greatest cost effectiveness.

I would not want to rise, however, without my compliments to the distinguished acting chairman of the subcommittee [Mr. CHAPPELL], and to the gentleman from Pennsylvania [Mr. MCDADE] for their very commendable efforts in bringing this bill to the floor.

I know it is one of the more difficult pieces of legislation with which anyone has to deal, and they are indeed to be commended for it.

While commending them very genuinely and sincerely for the totality of their effort, I would hope that the Department of Defense will, before the final processes of the final enactment of the appropriation bill make its case satisfactory to the committee and its conferees with reference to the binary weapons systems, which I look upon as one of the primary national security needs of our country, as well as to the electronic equipment incidental to the SSN-21 submarine program and to the Army's light helicopter experimental program which I think is going to be necessary and will in the long run save us millions and millions of dollars as the Army determines the best way to arrive at and meet its aviation needs over the coming years.

Mr. Chairman, I am concerned about a particular aspect of H.R. 3629 which undermines the need to recruit and retain personnel for the military services. I refer to that section in the report which would change the Navy's homeport policy causing major disruption to crews of Navy vessels and their families and major upheaval in the quality of life.

The Navy is directed by the language in the report to bid certain naval ship repair work, selected restricted availabilities [SRA's], on a coastwide basis. SRA's are projects of less than 6 months' duration, and customarily the work is done in the homeport of the involved vessel. The merit of restricting such projects to the homeport in terms of morale and convenience should be self-evident.

The language in House Report 99-332, accompanying H.R. 3629, directing the Navy to open up for bid on either coast intended for private sector shipyards, does violence to the Navy's efforts to retain critical personnel.

It would also have a devastating impact on not only the Navy's homeport policy which has been carefully crafted to suit the needs of a dispersed naval fleet but also on the quality of life for seamen.

SRA's involve work of less than 6 months' duration which is accomplished in a vessel's homeport. Seamen are thereby enabled to spend time with their families in their assigned habitat. Morale is a significant factor and should not be discounted.

There are also real costs in moving ships for repairs in other than homeports. These include fuel, berthing and messing for the crew, transfer of material and equipment staged in homeports, and additional administrative and supervising burdens. As the Congress endeavors to hold down and reduce the deficit, these needless additional costs cannot be ignored.

By bidding SRA's coastwide, additional financial burdens are placed on the seamen. When the ship's availability for repair work is less than 6 months, seamen cannot be reimbursed for travel to visit their families in their homeport and the likelihood of their finding short-term quarters, for their families to visit them in a nonhomeport area is slim.

The current policy allows our sailors to spend well-deserved and earned time with their families. As the Navy fleet is dispersed and new homeports are developed in the coming years, this policy will assure our sailors—as well as all other military personnel—that their quality of life continues as one of the Nation's primary objectives.

It would be tragic, in my belief, to pursue the referenced language in the report which accompanies the Defense appropriations bill.

Mr. McKERNAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, upon review of title III of this bill, I have noticed that the committee has included language in this bill which would prohibit the spending of any funds for either the CG47 cruiser program or the DDG51 destroyer program until some of the Aegis and other electronic intelligence aspects of these vessels have been put out to competitive bid.

I certainly support competitive bidding, but it seems to me that this provision is a little bit like the tail wagging the dog, especially when one looks at the cruiser program, the CG47's, the last bid that was sent out for three cruisers resulted in a savings of $120 million because of the competitive bidding system that the Navy has already established in that system.

I understand that there seems to be some type of a problem on competitive bidding from some of the component parts. I support competitive bidding, but it seems to me that the committee perhaps may have overdone this particular provision.

I know that the chairman of the committee, who is unable to be here today, feels very strongly about it; I also know that there are people on the committee who are willing to try to take a second look at this particular provision, and I would like to ask the acting chairman of the subcommittee if in fact, in conference this is a provision that they would be looking at, trying to work something out on.

Mr. CHAPPELL. Will the gentleman yield?

Mr. McKERNAN. I yield to the gentleman.

Mr. CHAPPELL. I can say to the gentleman that we are cognizant of the problem and we think the best place to work it out is in conference, and I believe that we will bring back an agreement that will be, at least in some measure, satisfactory to the gentleman.

Mr. McKERNAN. I appreciate that, because I do believe that we ought to be doing as much competitive bidding as possible, and on component parts as well as on the vessels themselves, but I do not want to interfere with a program, at least from shipyard standpoint, that is saving the Government

money and is keeping people at work and on schedule.

I appreciate the efforts of the gentleman.

Mr. CHAPPELL. If the gentleman will yield further, we recognize that the language could cause some real problems with executing the basic construction contracts and we will try our best to work the problem out.

Mr. McKERNAN. I appreciate that.

Mr. FASCELL. Mr. Chairman, last week the House Appropriations Committee voted to delete the funding for new binary nerve gas weapons. It was the right vote for the right reasons at the right time.

That vote states clearly that we should not fund a weapons system which:

Is not needed;

Does not work;

Has not been proven safe for our troops;

Well add billions to the deficit;

Will harm the NATO alliance;

Will increase the risk of chemical weapons proliferation and terrorist use; and

Will undermine chances for an arms control ban on deadly nerve gas weapons.

Binary chemical weapons have never been field tested and have continually failed tests—even under controlled laboratory conditions. Our closest NATO allies have rejected these weapons which, if used in Europe, would kill civilians in droves while leaving protected Soviet enemy soldiers unharmed.

Our own General Accounting Office has recommended for 3 consecutive years that the Congress should not appropriate the $164 million requested for this new nerve gas weapon production program.

Every time I've asked GAO investigators to take another look at the Bigeye bomb they turn up new technical problems and persistent test failures. The news on the Bigeye bomb and on the 155 mm. artillery projectile is bad and may get worse if we begin production. In its most recent analysis earlier this month, GAO found that the news on the Bigeye bomb and on the 155 mm. artillery projectile is bad and may get worse if we begin production. At this time, I would like to include GAO's October 2 update:

GENERAL ACCOUNTING OFFICE,
Washington, DC, October 2, 1985.

Mr. DONALD A. HICKS,
Under Secretary for Research and Engineering, Department of Defense.

DEAR MR. HICKS: Thank you for your response to our Briefing Paper ("Status of Department of Defense Programs to Improve Defensive Chemical Warfare Capabilities," April 23, 1985) and my letter to Chairman Fascell. I was pleased to receive it, even though it revealed the existence of many misunderstandings, because it gives me two opportunities: (1) to lay out, in a quite straightforward way, the problems we are having with DoD's Bigeye program, and (2) to persuade you—if I can be sufficiently clear, logical, and convincing—to do something about them. After all, you at DoD have the responsibility for building the U.S. chemical warfare (CW) program; our role is only that of evaluator. Yours is the need for the implementer's imagination and ingenuity; ours is to help—via objective, informed criticism—to achieve the best program possible for this country in an area that I believe will be of increasing importance in the future.

I write all of the above to make clear to you that we have no quarrel with DoD's position that the United States needs a chemical deterrent capability. The point on which we differ is whether the Bigeye currently supplies that capability.

The criterion we use for deciding whether a system or program acts as a deterrent is not new. It is the famous "capability times will times perception equals deterrence." That is, for a U.S. program to deter, we must have clear capability to deliver it effectively, we must have the will to do so, and the potential deterree must perceive that we have both that capability and that will. But deterrence is a zero-sum game. If we are missing one of the three elements, we do not have deterrence. Thus, in the case of the Bigeye, if we cannot supply evidence that our capability is real, we have a problem with the deterree's perception and our deterrent effect is lost. Even more importantly, however, we have a problem with our actual readiness to fight in a chemical warfare environment, which we may need to do should deterrence fail.

That is why, as evaluators of the system DoD has proposed to fill both the deterrent and retaliatory CW role, we are trying to find evidence which can support DoD's claim that the Bigeye is ready for production. So let us begin here by looking at the evaluative evidence we have found.

First, we are concerned about the inconsistency in DoD's reporting of the successful Bigeye results it claims. In a May 21 letter, Mr. Richard Wagner reported to Congress that 216 tests had been completed; 30 of these were chemical mixing tests of which 26 were successful. Mr. Thomas Welch reported on June 24 in a letter to the Washington Post that 75 tests had been completed, of which 8 were chemical mixing tests and all 8 were successful. Now you write us (in Enclosure 2 to your letter) that there were 22 chemical mixing tests, 19 of which were successful, and 8 not included because of apparatus malfunction. We are wondering whether if one adds the 8 to 22, we then have Mr. Wagner's total of 30? But then, if only 19 were successful as you report, how can this be consistent with Mr. Wagner's 26 out of 30 claim, or Mr. Welch's 8 out of 8?

As I am sure you realize, we need to have sound information about what tests have been conducted, how they were conducted, and what data were produced if we are to act in our proper role of assessors of the program for the Congress. DoD's confusion about its own results, and apparent inability to give us consistent information reflects poorly, in our view, on the quality of its evaluation program, and the manner in which it has been implemented. In the same way, the delays and difficulties we have experienced in obtaining needed information from DoD do not reinforce the credibility of DoD's testing program. (For example, you may not be aware of it, but we still have not been given the data you cite as "readily available"—see Enclosure 3 of your letter to me—although we requested it months ago.)

Second, we are concerned about the uncertainty of the criteria used in the Bigeye evaluation program, about the way those criteria change, and about the rationale for those changes. This issue of criteria is, of course, crucial in the testing process because the way they are defined determines the capability the weapon system must meet. Yet criteria cannot be set merely to meet what the system can do. They must be valid criteria, that is, in the case of the Bigeye, they must be set high enough that meeting them will give us the capability we require to perform effectively in a retaliatory mode. Once valid criteria have been determined, if they are changed, then evidence must be supplied that the changed criteria continue to be valid, that, in other words, they do not vitiate the performance requirements. This is not clear for Bigeye. Your letter states, for example (page 2), that we are wrong in our point that off-station mixing was DoD's solution to the pressure buildup problem; you do not, however, discuss the issue of whether DoD has changed its delivery tactics and if so, why. However, a prior DoD comment to a GAO letter report (B-215969, October 30, 1984) states, "The solution to the pressure buildup problem was to change the employment concept to mix the QL and sulphur (make agent) only after the bomb is released from the aircraft. This change eliminates the risks associated with carrying a mixed Bigeye aboard an aircraft." We must conclude from this DoD statement that there was indeed a change. But if we read your letter to mean that the change in delivery tactic is not DoD's technical solution to the pressure buildup problem, then what is that solution?

You make the point that "the delivery tactic for the Bigeye is the same as for a number of conventional and nuclear weapons." While this may be true, it is irrelevant to the issue under discussion since the safety problem for the Bigeye limits it to the lofting tactic while that is not the case for conventional weapons such as the Rockeye and Gator mines where options exist for using other delivery tactics.

Finally, you state "there are no military 'relaxed criteria for purity/biotoxicity' as page 6 of the (GAO) briefing indicates." Again, we have a slippery target because, in order to determine exactly what DoD's criteria for purity/biotoxicity are, we asked DoD's Program Manager (PM) to clarify the requirement as stated in the Test and Evaluation Master Plan. In a June 24 interview, the PM confirmed our interpretation that minimum purity must be met over the entire critical time range. On July 12, the PM said that based on the starting temperature there is a corresponding interval in the 5 to 30 second range over which effective agent must be generated. Then on September 3, he told us a chemical test is considered successful if minimum purity is met at any time during the test. This latest definition explains our term "related criteria." The importance of this from an evaluation viewpoint is clear: (1) there is confusion about what the criteria actually are; (2) they seem to be in quasi-constant flux; and (3) the validity of the criteria and hence the effectiveness of the bomb are open to question if the requirement to be met for generating minimum agent purity is reduced to only one second.

I realize that you are probably already sensitive to this issue of criterion validity, a point I pick up from page 1 of your letter, where you state: "Requirements for weapons systems are carefully conceived and formulated through a disciplined process, relying heavily on military experience and judgment." Unfortunately, we have found no documentation or even an official explanation of the rationale behind the requirements and thresholds for the Bigeye bomb. In fact, we were told on more than one occasion that the minimum purity-biotoxicity criteria were not in fact based on operation-

al requirements but were arbitrarily set to higher than the unitary standard. Further, your later point (page 2) that "common sense must be used" regarding the criteria of temperature extremes does not appear to be consistent with "carefully conceived and formulated" criteria. Indeed, if these extremes are not in the expected temperature range, why are they included in the requirement?

Third, given that we are concerned both about DoD's inconsistent reporting of the Bigeye's claimed successes, and about the uncertain validity and stability of DoD's criteria for determining success, it will not come as a surprise to you that we are also concerned about the paucity of the data and analysis reported by DoD.

As you know, in our Briefing Paper, we presented only those tests subsequent to the October 1982 explosion of the Bigeye bomb. We did this because of design and operational changes in the current Bigeye bomb that were made as a result of that explosion. Our sense, given our experience with the multiyear DoD test and evaluation process, is that these data are still viable. Indeed, DoD has produced no data to supplant them, although you make the point in your letter that because our data are more than 2 years old, they are "irrelevant," and "misleading." However, in Enclosure 2, you yourself report tests dating back to February 1982, over 3 years old, before the Bigeye explosion. This tells me three things: (1) you felt the need to include 8 tests performed before October 1982; (2) you certainly would not use data you felt were "irrelevant" and "misleading"; and (3) if our data are to be called outmoded or antiquated, then (a) you must stop using even older data to make your points, or (b) generate more recent data so that we can update our analysis.

With regard to analysis, you make the point, page 2, "Further, the relationship between chemical purity and biotoxicity as shown on page 10 (the GAO Briefing Paper) cannot be considered statistically significant." Well, we know that. If you look again at our Briefing Paper you will see, in the text next to the figure (page 10) that we said precisely that. But although we are pleased to note that you concur with our analysis of a weak relationship between biotoxicity and chemical purity, we must point out that, in that case, some of the data in your Enclosure 2 are inaccurate. Two tests in the 120°F to 140°F category were deemed successes "by analogy" to a successful biotoxicity test. But given that the relationship is not statitically significant, it is inappropriate to reason "by analogy" and hence it is not clear those tests are successes if they have not been evaluated on the basis of purity level alone.

One last point. You question whether we have adhered to GAO procedures for new jobs. In fact, both our June 7 Briefing Paper and June 17 letter to Congressman Fascell were based on previous work done by GAO.

Please don't hesitate to call if you have any questions or want to talk about any of the above. It seems to me that all of these problems—inconsistent success reports, uncertain and continuously changing criteria, and paucity of data and analysis—are both important and highly remediable. I hope you will feel that improving DoD's test and evaluation process—at least insofar as the Bigeye is concerned—is a worthwhile goal.

With kind regards,

Sincerely yours,

ELEANOR CHELIMSKY,
Director.

These persistent GAO findings of leaks, bulges, and holes in binary munitions, coupled with premature explosions before hitting the targets, don't reassure me that we will be providing our troops the safe, reliable weaponry that they deserve.

Rather than starting to produce an unproven and faulty new generation of lethal chemical weapons, the administration should be working hard to secure a comprehensive and verifiable world ban on the production of new chemical weapons. Furthermore, the risks of chemical weapons proliferation are too great to proceed with funding. Funding this program now would be sending the wrong signal at the wrong time, not only to the Soviet Union but more importantly to other countries around the world. There is an opportunity at the summit to pursue a ban on chemical weapons and to set in motion a nonproliferation agreement. This is an opportunity we should seize and not lose.

Our current chemical stockpile, based on DOD's own data, is adequate into the 1990's. The binary program unwittingly reduces the United States chemical deterrent against the real Soviet threat. Under the binary program, our stockpile would be smaller than it is now, and would be based here in the United States and not in Europe where it is needed as the strongest deterrent against the Soviet threat. I want to be very clear on this point. A decision to produce these faulty new chemical weapons would actually reduce our stockpile, eliminate chemical weapons deployment in Europe, and create a logistical nightmare in time of war or any military crisis in Europe.

In supporting the Appropriations Committee position against binary production funds, you will be voting for the strongest defense position possible.

The CHAIRMAN pro tempore (Mr. DORGAN of North Dakota). Are there other amendments to title III of the bill?

The Clerk will read.

The Clerk read as follows:

TITLE IV

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, ARMY

(INCLUDING TRANSFER OF FUNDS)

For expenses necessary for basic and applied scientific research, development, test, and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment, as authorized by law; $4,431,475,000, of which $20,000,000 is available only for completing development, transitioning into low-rate initial production, and initial procurement of shipsets required to arm UH-60 Blackhawk helicopters with Hellfire missiles, and in addition, $110,530,000 to be derived by transfer from "Research, Development, Test, and Evaluation, Army, 1985/1986", to remain available for obligation until September 30, 1987.

AMENDMENT OFFERED BY MR. MONTGOMERY

Mr. MONTGOMERY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MONTGOMERY: Page 40, line 19, strike out "$4,431,475,000" and insert in lieu thereof "$4,436,475,000".

Mr. MONTGOMERY. Mr. Chairman, the House Committee on Armed Services authorized $10 million for unique Guard and Reserve R&D. In conference the amount was reduced to $5 million.

Army Guard and Reserve units perform more than half their training at their home station armories or home station outdoor training areas. Training is limited by time, lack of firing ranges and outdoor tactical training areas, weather, and equipment shortages. Guard and Reserve units need more training time, but it is unlikely that employers and families would permit additional training on a continued basis. More training aids and devices, and in some cases Guard and Reserve unique devices are needed as a training effectiveness multiplier.

Although the Appropriations Committee recognized that a requirement may exist for R&D for Guard and Reserve training devices, it eliminated the $5 million provided in the authorization bill because no specific program had been presented.

Mr. Chairman, I asked the Chief of the National Guard Bureau if he had a specific program for use of the $5 million. The Chief does have such a program and he considers it essential for the improvement of training effectiveness. This program, which I have shown to the Defense Appropriations Subcommittee, indicates specific ways in which the $5 million will be used. I believe it properly addresses the concerns of the committee.

Mr. Chairman, I move the adoption of my amendment to restore these funds.

Mr. CHAPPELL. Will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman.

Mr. CHAPPELL. We have examined the amendment on this side, and we think it is a good amendment, and we accept it.

Mr. MONTGOMERY. I thank the gentleman.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Mississippi [Mr. MONTGOMERY].

The amendment was agreed to.

Mr. CHAPPELL. Mr. Chairman, I ask unanimous consent that the remainder of title IV of the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

The text of the remainder of title IV is as follows:

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, NAVY

(INCLUDING TRANSFER OF FUNDS)

For expenses necessary for basic and applied scientific research, development, test, and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment, as authorized by law; $9,462,631,000, of which $17,523,000 is available only for the Low Cost Anti-Radiation Seeker Program and $5,500,000 is available only for the Laser Articulating Robotic System, and in addition, $271,496,000 to be derived by transfer from "Research, Development, Test, and Evaluation, Navy, 1985/1986", to remain available for obligation until September 30, 1987.

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, AIR FORCE

(INCLUDING TRANSFER OF FUNDS)

For expenses necessary for basic and applied scientific research, development, test, and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment, as authorized by law; $13,217,177,000, of which $17,613,000 is available only for the Low Cost Seeker Program, and in addition, $359,000,000 to be derived by transfer from "Research, Development, Test, and Evaluation, Air Force, 1985/1986", to remain available for obligation until September 30, 1987.

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, DEFENSE AGENCIES

(INCLUDING TRANSFER OF FUNDS)

For expenses of activities and agencies of the Department of Defense (other than the military departments), necessary for basic and applied scientific research, development, test, and evaluation; advanced research projects as may be designated and determined by the Secretary of Defense, pursuant to law; maintenance, rehabilitation, lease, and operation of facilities and equipment, as authorized by law; $5,943,038,000, of which $1,000,000 provided for the University Research Initiative Program is available only for research at the Oklahoma State University, Stillwater, Oklahoma; and of which $700,000 shall be available only for the purpose of carrying out, through the National Research Council of the National Academy of Sciences, a comprehensive classified study to be submitted to the Appropriations Committees of the House of Representatives and the Senate, together with an unclassified version, no later than August 30, 1987, to determine the technological feasibility and implications, and the ability to survive and function despite a pre-emptive attack by an aggressor possessing comparable technology, of the Strategic Defense Initiative Program; and in addition, $179,112,000 to be derived by transfer from "Research, Development, Test, and Evaluation, Defense Agencies, 1985/1986", to remain available for obligation until September 30, 1987: *Provided*, That such amounts as may be determined by the Secretary of Defense to have been made available in other appropriations available to the Department of Defense during the current fiscal year for programs related to advanced research may be transferred to and merged with this appropriation to be available for the same purposes and time period: *Provided further*, That such amounts of this appropriation as may be determined by the Secretary of Defense may be transferred to carry out the purposes of advanced research to those appropriations for military functions under the Department of Defense which are being utilized for related programs to be merged with and to be available for the same time period as the appropriation to which transferred.

DIRECTOR OF TEST AND EVALUATION, DEFENSE

For expenses, not otherwise provided for, of independent activities of the Director of Defense Test and Evaluation in the direction and supervision of test and evaluation, including initial operational testing and evaluation; and performance of joint testing and evaluation; and administrative expenses in connection therewith; $93,500,000, to remain available for obligation until September 30, 1987.

AMENDMENT OFFERED BY MR. WALKER

Mr. WALKER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WALKER: Page 42, line 13, strike out "$5,943,038,000" and insert in lieu thereof "$6,193,000,000".

Mr. WALKER. Mr. Chairman, this amendment is fairly straightforward, and I hope that the membership will recognize what it intends to do.

This is an amendment that raises the money for SDI back up to the authorized level; it takes the $2.5 billion that is in the bill and raises that to the $2.75 billion that the House authorized.

This is an attempt to speak to, I think, one of the crucial issues of our time. I recently spent some time in the Soviet Union talking to Soviet leaders, Soviet military officials, and Soviet scientists. It was clear throughout those discussions, even though what we were trying to do was talk to them about peaceful uses of space that all they wanted to talk about was SDI.

It was clear that they regard SDI as a major initiative of the American people that is something that they have to be concerned about. I think that on the eve of the summit that what we want to do is raise those concerns as much as possible. We want to make it clear that the American people do stand behind the strategic defense initiative; that we do feel strongly that the defense of this country is foremost in our minds.

I think at this point in our history that we have an opportunity to develop a technology which is some of the more moral technology that we have had available to us since the end of World War II. It is an opportunity to design a system which is purely defensive in nature. It is an opportunity to lay out to the world a strategic strategy that is concerned most with our own defense.

To begin the process of emasculating that program early in its research by consistently cutting back and cutting back and cutting back, I think sends all the wrong signals to the world; sends the wrong signals to the Soviet Union; it sends the wrong signals to the American people.

So, this House has made a determination, the Congress has made a determination, to authorize the level of $2.75 billion. I think that we ought to proceed ahead with that level. I would say that in this case, this does not in any way have a budgetary impact that raises about budget levels; this is simply an amendment which does get us to the question of whether or not we should proceed ahead on one of the most valuable strategic strategies that we have had before us in some time.

So, I would ask for the House to approve an amendment that would make a $250 million add on to this particular program, and I hope that the House will approve the amendment.

□ 1305

Mr. MURTHA. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendment.

Mr. Chairman, I appreciate what the gentleman, Mr. WALKER, is trying to do, and I appreciate what he said, but the committee really worked diligently trying to fashion a bill which we thought would be in line with the budgetary constraints, in line with trying to reduce the deficit, and we felt that to come in at this level of 2.5 for SDI was exactly the right figure. We very carefully checked with all the people that are experts in this area, and it really, I think, is exactly the amount of money they need and they will be able to expend.

One of the problems we have had in the Defense Department is the unobligated balances. Here we have, I think, if we add this money, it would just end up in the unobligated balances, and I do not think they could really spend it efficiently or effectively in the SDI field.

So I would rise in opposition to the amendment.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. MURTHA. I yield to my colleague from Pennsylvania.

Mr. WALKER. I thank the gentleman for yielding.

Mr. Chairman, I will tell the gentleman [Mr. MURTHA] what one of my main concerns as a member of the Committee on Science and Technology, the space committee, concerned with the civilian side, one of the things that is going to make civilian space a possibility is if we build infrastructure through the use of an SDI in space. It is going to expand our opportunities to provide jobs in space. One of the components of that is power systems. As a result of the cutbacks that this House has already made, it is my understanding the Defense Department has had to back off from the space-based laser concept. They are not able to proceed ahead with the research that should be done. So, therefore, we have had to backtrack on the whole concept of space-based lasers. That, in fact, is one of the main, prime

ingredients of building the infrastructure of which I speak.

So, while I understand that the committee did work diligently, I think you did your best, my concern is that we will not in this instance be able to do the things that should be done right now with the level of funding the committee has determined.

Mr. Chairman, I thank the gentleman for yielding.

Mr. MURTHA. I appreciate that.

Now, let me make sure I understand. I guess I misunderstood when the gentleman was explaining the amendment. This really goes back to the original President's budget request? What does this go to?

Mr. WALKER. The gentleman is wrong. It goes to the congressionally authorized level of $2.75 billion.

Mr. MURTHA. Well, apparently the staff believes that the amendment, as drawn, goes to $3.7 billion. Their interpretation is that it would be way out of line.

Mr. WALKER. If the gentleman would yield further, the amendment at the desk is from 5943 to 6193. That is the $250 million. The gentleman evidently picked up the amendment that was on the desk here, another amendment that I had drafted. The one that was read and submitted takes us to 6193, which takes us to the congressionally authorized level for the program.

Mr. MURTHA. After conceding the fact that the gentleman is right, I think this still puts us in an area where we would have problems spending the money. It is one of those things where we have argued long, and many of us would probably have liked to see more money in the SDI field, but I really think that if we go above $2.5 billion, we would run into the problem, again, of unobligated balances and just not spending the money efficiently.

So I would have to oppose the amendment.

Mr. McDADE. Mr. Chairman, will the gentleman yield?

Mr. MURTHA. I yield to my colleague from Pennsylvania.

Mr. McDADE. I thank the gentleman for yielding to me.

Mr. Chairman, let me say I rise in opposition to this amendment, and I hope that the House will defeat it and stick with the committee position.

The $2.5 billion that we are carrying in the bill is a figure that we arrived at after considerable discussion with the administration, with Members of the body on both sides of the aisle, it is not a figment of the imagination. It is a number we worked hard to present to the body in order that we can have a vigorous and healthy SDI Program that we can present to the other body as we go to conference.

I regret that my colleague from Pennsylvania has offered an amendment. I counseled with him and asked him not to. I think that the position that we have presented to the House is a reasonable one, and I hope that the amendment of my colleague from Pennsylvania will be defeated and we can go to conference at the figure that the committee has agreed upon.

Mr. CHAPPELL. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, it is time for us to be realistic on this matter. I do not believe that any of us in this House agree that this is the time where we ought to be offering an amendment for an increase in this program. If it loses on the floor, it certainly does not help the President's position for the summit. I do not know what we hope to gain by offering the amendment here. We have spent many hours in debate on the House floor on this issue and have agreed on the $2.5 billion level. We spent much time in our subcommittee and in the full committee trying to arrive at a consensus that is realistic.

I would hope that the gentleman would withdraw the amendment and not risk the loss of a vote on a program that is so important to the President before he goes to the summit.

Now, you can argue that it should be increased when we go to conference; nobody knows that. But I do not think it is helpful to us at this point to be trying to go above what is clearly the consensus of this House of a level of $2.5 billion.

Mr. Chairman, I urge defeat of the amendment.

Mr. DURBIN. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

I hope my colleagues in the House realize, Mr. Chairman, that the amendment offered by the gentleman from Pennsylvania represents virtually a 100-percent increase in the funding for this program over last year's expenditure, from $1.4 to $2.75 billion.

There are three reasons why this is the wrong way to go. In the first instance, it is fiscal fantasy for my colleague to be talking day after day, on special orders, preaching the gospel of Gramm-Rudman-Hollings-Mack-Cheney, and others, and then come before us in the defense bill and suggest we need a 100-percent add on for a research program.

Second, a former Secretary of Defense let us know that within the Department of Defense increasing research expenditures by more than 35 percent in 1 year is a total waste of money. That agency cannot absorb the money, nor can it spend it wisely.

This is the wrong way to spend money even on a project that we might agree with.

Finally, we talk of a signal to the Soviet Union. I think my colleagues and all Members present realize that $2.5 billion is an adequate funding level, perhaps too adequate, for this program.

To suggest that we are going to $2.75 billion just means this amendment is heading for defeat, and what kind of signal does that send to Geneva?

Mr. DORNAN of California. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, this amendment gives us a chance to discuss an aspect of our strategic defense initiative with respect to what the Soviets are spending, and have been spending, for the better part of a decade on their strategic defense.

The last amendment that we voted on took most of this House by surprise. I think no matter how we respect one another's sincere opinions on the level of the defense budget, that, with our President, the leader of the Free world, going to Geneva to begin a conference on the 19th of next month that our action today sends an incredibly poor message to the Soviet Union and in all likelihood, will burden our negotiators.

So I think the gentleman from Pennsylvania, Mr. WALKER, does us a service, to give those of us who fought for the full administration funding level of SDI a chance to discuss a new development here in the Congress since we debated SDI at length a few months ago.

When the Congressman from New York, Mr. KEMP, called for a full range of secret briefings on Soviet offenses, their missiles, their submarines, and Soviet strategic defense in the early spring, about 90 Republican Members showed up for the briefing. They started out with Soviet offensive missiles. It was an excellent briefing given to us for the first time by a new briefer taking the place of the well-respected, and now retired, John T. Hughes.

After we went through all of the Soviet offensive forces and got to Soviet strategic defense, their SDI program, three Members were left in the briefing room over in the Armed Services Committee room 3.

So I circulated a letter to the President of the United States and to "Bud" McFarland asking that we have a briefing on this House floor making it almost a command performance for all the Members. I have to congratulate our Speaker, who moved in a bipartisan way, because he was fighting for Members being educated on Soviet strategic defense. The Speaker very willingly offered that on October 10 of this month, only 19 days ago, this House floor be swept, closed, and given

over to focus on only Soviet strategic defense.

I thanked the Speaker right outside the door in his lobby. I told him that it was one of the best things I had seen both of our sides try to do in this area of defense in all of my 7 years here.

But, guess what happened? The White House and "Bud" McFarland's office, for reasons yet to be explained to me, stopped planning for October 10 with this full floor, with Members—probably 400 of us getting smart on Soviet strategic defense. McFarland's offices asked the Speaker to pull that schedule forward a whole week, without even 24 hours' notice. The briefing was given in one of the committee rooms during voting on the House floor. Many of us had other obligations during this time. Guess how many were able to show up? Not 435, not 400, not 350, but only about 60 Members showed up. Only 15 of my distinguished colleagues from the other side of the aisle.

Now, I ask you, on the other side, to ask a distinguished member from New Jersey, Mr. HUGHES, what he got out of this briefing on Soviet strategic defense. To see for the first time, the imagery of the massive Krasnoyarsk radar, among other things that cannot be discussed, that have not been released. There were miniature models on display giving reference to a small model of the Washington Monument. Much of what the Soviets were doing was overlaid by detailed models on the Mall complex here in Washington. It was a most sobering briefing. Suffice it to say that I believe the Walker amendment is a thoughtful amendment that brings out for floor discussion that there is a large group of us in this distinguished legislative body that does not believe we should have ever gone below the $3.7 billion of full funding or down through the $3.1 billion that was discussed. And it was my understanding when $2.5 billion passed that the other body, in conference, would probably bring us back up to $2.75 billion. So this $250 million proposal of Mr. WALKER, I think, is very reasonable. It sends a different signal to the Soviet Union and it gives a different burden to our negotiators than did the Frank amendment that so surprisingly passed by a whisker within the last hour.

Mr. DICKS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I personally voted against the Frank amendment because I honestly believe that this was not the right time for that amendment, and I think the House was taken by surprise.

But I do believe that this amendment, the Walker amendment, is not in the best interests of going ahead with this program. I had an amendment on the authorization bill to reduce this to $2.1 billion and to restrict some very controversial demonstrations that I think will impinge upon the restrictive interpretation of the ABM agreement.

I chose not to offer that amendment because I felt at this point in time, a few weeks before the summit, it was in our best interests just to leave the figure at $2.5 billion, which the House had an opportunity to vote on during the authorization bill. There were all kinds of amendments to go higher, all kinds of amendments to go lower. The House chose to defeat all amendments and to agree to the $2.5 billion figure which was in the original authorization bill.

I must tell the gentleman from Pennsylvania that I have tried to follow this program very closely. I am a skeptic about whether we can render nuclear weapons impotent and obsolete. But I do believe that the research is necessary because of what the Soviets are doing and also because I think we ought to know what the possibilities for this are.

But I am convinced that $2.5 billion is enough money this year, and if we are simply going to throw money at this problem, we are not going to get any better results than some of the programs we have thrown money at in the past that the gentleman has taken the floor many times to discuss.

I think $2.5 billion, an increase of $1.1 billion, is a prudent pace for this program. I think it sends a strong message that this Congress supports the strategic defense initiative research.

Now, at the same time, I would hasten to say that I think this Congress still supports the ABM agreement too and wants this program conducted with strict adherence to the ABM agreement.

□ 1320

I think the committeee has looked this program over. I think that the House and the committee should stay with the committee position, reject this amendment and, hopefully, there will be an opportunity to revisit the other issue that the House just voted on.

Mr. EDWARDS of Oklahoma. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I will not take 5 minutes.

I support SDI research. I think those of us who believe very strongly in the importance of proceeding in this line have had some significant victories. We did in the Appropriations Committee. I think that we have provided funds here through the work of the subcommittee and the full committee that put the President in a very strong position when he goes to Geneva. I think that if the gentleman from Pennsylvania persists in offering this amendment and bringing it to a vote, he runs a real risk of having exactly the opposite effect and sending the President to Geneva with a sign that he has less support than he really has.

So I would urge my colleague from Pennsylvania, as another strong supporter of SDI, to withdraw the amendment.

Mr. McCURDY. Mr. Chairman, will the gentleman yield?

Mr. EDWARDS of Oklahoma. I yield to my colleague, the gentleman for Oklahoma.

Mr. McCURDY. Mr. Chairman, I would like to commend my colleague, the gentleman from Oklahoma [Mr. EDWARDS], for his statement.

I have just returned from the Soviet Union. As a member of the Armed Services Committee, I found that the Soviets are very much concerned about what we are doing in SDI. If there is any single program that has brought them to the negotiating table, it is this particular program.

Now, I believe that the $2.5 billion figure which came out of the Research and Development Subcommittee and the authorizing committee, was appropriate and adequate. It was an 80-percent increase over previous funding, and is one that should be supported. We should keep it at this level. I think the gentleman raises a good point, that we do not want to destroy the consensus that we have established on this important program.

Mr. GREEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, since this is probably the only time this afternoon that we shall be visiting the space defense initiative question, I do want to take this opportunity to express my concerns, concerns that others have expressed earlier, that this program be operated in accordance with the ABM Treaty as it had been generally understood until the statement of the President's national security adviser a couple of weeks ago. That ABM Treaty is one of the few successes we have to show so far in the disarmament process, and I think it would be a tragic mistake if we were to use this program and the rather surprising views of the President's national security adviser as to what the ABM Treaty means to subvert the ABM Treaty.

I agree with those who have expressed the opinion that this is a program that is worthy of funding. Obviously, there is much to be learned here. In any event, we certainly have to do much of this research, if only to know what the Soviets are doing in this area, and be able to understand what we can observe of their experiments.

But, frankly, I think the $2.5 billion that the committee has recommended

is more than enough. I had supported within the subcommittee an amendment to reduce the funding to $2.1 billion, which would have been a 50-percent increase in the program. I think it is probably all that the program can reasonably be expected to absorb in any sort of efficient way.

The committee, of course, disagreed with that and finally voted for the $2.5 billion level.

To go now to the $2¾ billion level would simply be, as has been suggested, throwing money at a problem. There is no rational basis for moving up the spending that fast. I would hope either that the amendment would be withdrawn or that the House would defeat it.

Mr. BOLAND. Mr. Chairman, I rise to support the level of funding in the fiscal year 1986 Defense appropriations bill for research on the strategic defense initiative [SDI].

This in not the first debate we have had in this Chamber on the SDI, and it certainly won't be the last. As a result of prior debates, however, I think some things are clear about the position of this body on this particular program. Some of my colleagues are not going to vote for the SDI no matter how much money is proposed, and some are going to vote whatever level of funding the President wants. I respect the sincerity of each of those viewpoints and the vigor with which they are advocated.

When all the arguments concerning no funding or full funding for SDI are made, however, I think most Members find themselves, like I do, coming down somewhere in the middle. We are willing to support research on the various concepts that make up the SDI, the question is at what level of funding. Votes taken over the last 2 years bear me out. Congress is willing to support research in this area, while reserving to itself the right to decide at a later date whether the results of that research, and all of the political and strategic concern which will have to be taken into consideration, warrant proceeding into the development phase of SDI.

We take no final vote today on this program. We will be voting on it again and again for the foreseeable future. What we decide today is how much money to invest in SDI research in fiscal 1986. That is all. The figure recommended by the Appropriations Committee, $2.5 billion, is one with which I happened to agree. It is less than the $3.7 billion the President wanted to spend this year, it is less than the $2.9 billion the Senate wanted to spend, and it even less than the $2.75 billion contained in the authorization measure we passed yesterday. It is not, however, as low as some people would like.

What are the arguments in favor of cutting below $2.5 billion? Those who advocate a lower figure cannot do so out of a belief that Congress has not discharged its responsibility to thoroughly review the President's budget request for this program and balance that request against other needs. The record of congressional action to date is clear evidence to the contrary. They cannot contest the committee's recommendation on the basis that SDI research at $2.5 billion is wasteful, while research at $2.1 billion is not. I submit that the differences between the figures are not great enough to support that conclusion. What, then, is their argument? If it is that we must get below $2.5 billion to signal congressional dissatisfaction with the President's general position on arms control, I would suggest that this is precisely the wrong time to engage in such efforts. We certainly need not rubberstamp the President's military budgets to improve his negotiating position with the Russians. That has never been my policy, and I think that a fair review of the sizable reductions contained in this bill are evidence that it is not the policy of the Appropriations Committee. I do not believe, however, that the interests of our Nation are well served by making further cosmetic reductions in the SDI, the one program that seems to have caught the attention of the Russians, on the eve of the President's first meeting with the new Soviet leader.

I do not know if the SDI will at some point work as its more vigorous proponents contend that it will. But no one else does either. You can get as many opinions from economists on the future of the GNP. Bringing some facts to bear on the technical arguments surrounding the SDI is the purpose of research. The SDI is a long-term research effort, not unlike other long-term research efforts the Congress has funded over the years in activities like the space program. My experience with that program has been that it is much better to do the necessary research as expeditiously as possible so that decisions about whether or not to proceed to the development stage can be made on the basis of fact and not conjecture. It has also been my experience that research is best accomplished in a coordinated fashion. We have been funding research efforts on SDI-related activities for a number of years. They are scattered through the defense budget and, until the advent of the SDI program, had little coordination. Placing them all under the SDI umbrella will, it seems to me, lead to a more effective and efficient use of funds.

For me, the SDI Program at this stage is an accumulation of questions: Questions about its possible utility as a defensive system and questionss about the civilian application of some of these components like lasers and mechanisms to generate power in space. I think we should have those questions answered as quickly as is practical. The $2.5 billion recommended by the committee is a level of research consistent with that aim and one which I believe merits support.

Mr. CHAPPELL. Mr. Chairman, I move to strike the requisite number of words.

The CHAIRMAN pro tempore. Without objection, the gentleman from Florida [Mr. CHAPPELL] is recognized for 5 minutes.

There was no objection.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. CHAPPELL. I yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Chairman, I certainly respect the work that has gone into the presentations here before the committee, and I do believe that the committee has studied this long and hard. I do not agree with the statements that have been made that the money could not prudently be spent on some additional work, for instance, on space-based lasers, which I do understand are being canceled.

However, in light of the compromises that have been made and the words of the gentleman from Washington, who I think most eloquently put the need to balance what we are doing here, I ask unamimous consent to withdraw the amendment.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mrs. JOHNSON. Mr. Chairman, I move to strike the last word, and I rise to engage in a colloquy with the ranking minority Member, the gentleman from Pennsylvania [Mr. McDADE].

On page 145 of the committee's report, there is a request for an analysis of the feasibility of restricting the Department of Defense to using ball bearings of foreign manufacture only. I understand this to be a clerical error and that the word "foreign" was inadvertently subsituted for the word "domestic."

Mr. McDADE. If the gentlewoman will yield, let me say that the gentlewoman is absolutely correct. The committee's intention is to obtain an analysis of the feasibility of restricting DOD to using ball bearings of domestic manufacture only, and we are grateful to the gentlewoman for bringing this to our attention.

Mrs. JOHNSON. I thank the gentleman very much, and I want to thank the gentleman from Pennsylvania [Mr. McDADE] and the gentleman from Florida [Mr. CHAPPELL] for their leadership on this matter. I call the attention of all Members interested in America's industrial base to this important study provision.

The CHAIRMAN pro tempore. Are there other amendments to title IV?

The Clerk will read.

The Clerk read as follows:

TITLE V

SPECIAL FOREIGN CURRENCY PROGRAM

For payment in foreign currencies which the Treasury Department determines to be excess to the normal requirements of the United States for expenses in carrying out programs of the Department of Defense, as authorized by law; $2,100,000, to remain available for obligation until September 30, 1987: *Provided*, That this appropriation shall be available in addition to other appro-

priations to such Department, for payments in the foregoing currencies.

Mr. CHAPPELL (during the reading). Mr. Chairman, I ask unanimous consent that title V be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

The CHAIRMAN pro tempore. Are there any amendments to title V?

The Clerk will read.

The Clerk read as follows:

TITLE VI

REVOLVING AND MANAGEMENT FUNDS

ARMY STOCK FUND

For the Army stock fund; $393,000,000.

NAVY STOCK FUND

For the Navy stock fund; $616,500,000.

MARINE CORPS STOCK FUND

For the Marine Corps stock fund; $37,700,000.

AIR FORCE STOCK FUND

For the Air Force stock fund; $415,900,000.

DEFENSE STOCK FUND

For the Defense stock fund; $149,700,000.

Mr. CHAPPELL (during the reading). Mr. Chairman, I ask unanimous consent that title VI be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

The CHAIRMAN pro tempore. Are there amendments to title VI?

The Clerk will read.

The Clerk read as follows:

TITLE VII

RELATED AGENCIES

CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM FUND

For payment to the Central Intelligence Agency Retirement and Disability System Fund, to maintain proper funding level for continuing the operation of the Central Intelligence Agency Retirement and Disability System; $101,400,000.

INTELLIGENCE COMMUNITY STAFF

For necessary expenses of the Intelligence Community Staff; $22,083,000.

Mr. CHAPPELL (during the reading). Mr. Chairman, I ask unanimous consent that title VII be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

The CHAIRMAN pro tempore. Are there amendments to title VII?

The Clerk will read.

The Clerk read as follows:

TITLE VIII

GENERAL PROVISIONS

SEC. 8001. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to section 3109 of title 5, United States Code, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order issued pursuant to existing law.

SEC. 8002. No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes not authorized by the Congress.

SEC. 8003. During the current fiscal year, the Secretary of Defense and the Secretaries of the Army, Navy, and Air Force, respectively, if they should deem it advantageous to the national defense, and if in their opinions the existing facilities of the Department of Defense are inadequate, are authorized to procure services in accordance with section 3109 of title 5, United States Code, under regulations prescribed by the Secretary of Defense, and to pay in connection therewith travel expenses of individuals, including actual transportation and per diem in lieu of subsistence while traveling from their homes or places of business to official duty stations and return as may be authorized by law: *Provided*, That such contracts may be renewed annually.

SEC. 8004. During the current fiscal year, provisions of law prohibiting the payment of compensation to, or employment of, any person not a citizen of the United States shall not apply to personnel of the Department of Defense.

SEC. 8005. Appropriations for the Department of Defense for the current fiscal year and hereafter shall be available for: (a) expenses in connection with administration of occupied areas; (b) payment of rewards as authorized for the Navy by section 7209(a) of title 10, United States Code, for information leading to the discovery of missing naval property or the recovery thereof; (c) payment of deficiency judgments and interests thereon arising out of condemnation proceedings; (d) leasing of buildings and facilities including payment of rentals for special purpose space at the seat of government, and in the conduct of field exercises and maneuvers or, in administering the provisions of the Act of July 9, 1942 (56 Stat. 654; 43 U.S.C. 315q), rentals may be paid in advance; (e) payments under contracts for maintenance of tools and facilities for twelve months beginning at any time during the fiscal year; (f) maintenance of defense access roads certified as important to national defense in accordance with section 210 of title 23, United States Code; (g) the purchase of milk for enlisted personnel of the Department of Defense heretofore made available pursuant to section 202 of the Agricultural Act of 1949 (7 U.S.C. 1446a), and the cost of milk so purchased, as determined by the Secretary of Defense, shall be included in the value of the commuted ration; (h) payments under leases for real or personal property, including maintenance thereof when contracted for as a part of the lease agreement, for twelve months beginning at any time during the fiscal year; (i) the purchase of right-hand-drive vehicles not to exceed $12,000 per vehicle; (j) payment of unusual cost overruns incident to ship overhaul, maintenance, and repair for ships inducted into industrial fund activities or contracted for in prior fiscal years: *Provided*, That the Secretary of Defense shall notify the Congress promptly prior to obligation of any such payments; (k) payments from annual appropriations to industrial fund activities and/or under contract for changes in scope of ship overhaul, maintenance, and repair after expiration of such appropriations, for such work either inducted into the industrial fund activity or contracted for in that fiscal year; and (l) payments for depot maintenance contracts for twelve months beginning at any time during the fiscal year.

SEC. 8006. Appropriations for the Department of Defense for the current fiscal year and hereafter shall be available for: (a) military courts, boards, and commissions; (b) utility services for buildings erected at private cost, as authorized by law, and buildings on military reservations authorized by regulations to be used for welfare and recreational purposes; and (c) exchange fees, and losses in the accounts of disbursing officers or agents in accordance with law.

SEC. 8007. The Secretary of Defense and each purchasing and contracting agency of the Department of Defense shall assist American small and minority-owned business to participate equitably in the furnishing of commodities and services financed with funds appropriated under this Act by increasing, to an optimum level, the resources and number of personnel jointly assigned to promoting both small and minority business involvement in purchases financed with funds appropriated herein, and by making available or causing to be made available to such businesses, information, as far in advance as possible, with respect to purchases proposed to be financed with funds appropriated under this Act, and by assisting small and minority business concerns to participate equitably as subcontractors on contracts financed with funds appropriated herein, and by otherwise advocating and providing small and minority business opportunities to participate in the furnishing of commodities and services financed with funds appropriated by this Act.

SEC. 8008. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 8009. During the current fiscal year and hereafter:

(a) The President may exempt appropriations, funds, and contract authorizations, available for military functions under the Department of Defense, from the provisions of section 1512 of title 31, United States Code, whenever he deems such action to be necessary in the interest of national defense.

(b) Upon determination by the President that such action is necessary, the Secretary of Defense is authorized to provide for the cost of an airborne alert as an excepted expense in accordance with the provisions of section 3732 of the Revised Statutes (41 U.S.C. 11).

(c) Upon determination by the President that it is necessary to increase the number of military personnel on active duty subject to existing laws beyond the number for which funds are provided in this Act, the Secretary of Defense is authorized to provide for the cost of such increased military personnel, as an excepted expense in accordance with the provisions of section 3732 of the Revised Statutes (41 U.S.C. 11).

(d) The Secretary of Defense shall immediately advise Congress of the exercise of any authority granted in this section, and shall report monthly on the estimated obligations incurred pursuant to subsections (b) and (c).

SEC. 8010. No part of the appropriations in this Act shall be available for any expense of operating aircraft under the jurisdiction of the armed forces for the purpose of profi-

ciency flying, as defined in Department of Defense Directive 1340.4, except in accordance with regulations prescribed by the Secretary of Defense. Such regulations (1) may not require such flying except that required to maintain proficiency in anticipation of a member's assignment to combat operations and (2) such flying may not be permitted in cases of members who have been assigned to a course of instruction of ninety days or more.

SEC. 8011. No part of any appropriation contained in this Act shall be available for expense of transportation, packing, crating, temporary storage, drayage, and unpacking of household goods and personal effects in any one shipment having a net weight in excess of eighteen thousand pounds.

SEC. 8012. During the current fiscal year and hereafter, vessels under the jurisdiction of the Department of Transportation, the Department of the Army, the Department of the Air Force, or the Department of the Navy may be transferred or otherwise made available without reimbursement to any such agencies upon the request of the head of one agency and the approval of the agency having jurisdiction of the vessels concerned.

SEC. 8013. Not more than 20 per centum of the appropriations in this Act which are limited for obligation during the current fiscal year shall be obligated during the last two months of the fiscal year: *Provided,* That this section shall not apply to obligations for support of active duty training of civilian components or summer camp training of the Reserve Officers' Training Corps, or the National Board for the Promotion of Rifle Practice, Army, or to the appropriations provided in this Act for Claims, Defense.

SEC. 8014. During the current fiscal year the agencies of the Department of Defense may accept the use of real property from foreign countries for the United States in accordance with mutual defense agreements or occupational arrangements and may accept services furnished by foreign countries as reciprocal international courtesies or as services customarily made available without charge; and such agencies may use the same for the support of the United States forces in such areas without specific appropriation therefor.

In addition to the foregoing, agencies of the Department of Defense may accept real property, services, and commodities from foreign countries for the use of the United States in accordance with mutual defense agreements or occupational arrangements and such agencies may use the same for the support of the United States forces in such areas, without specific appropriations therefor: *Provided,* That the foregoing authority shall not be available for the conversion of heating plants from coal to oil at defense facilities in Europe: *Provided further,* That within thirty days after the end of each quarter the Secretary of Defense shall render to Congress and to the Office of Management and Budget a full report of such property, supplies, and commodities received during such quarter.

SEC. 8015. During the current fiscal year and hereafter, appropriations available to the Department of Defense for research and development may be used for the purposes of section 2353 of title 10, United States Code, and for purposes related to research and development for which expenditures are specifically authorized in other appropriations of the Service concerned.

SEC. 8016. No part of any appropriation contained in this Act, except for small purchases in amounts not exceeding $10,000 shall be available for the procurement of any article of food, clothing, cotton, woven silk or woven silk blends, spun silk yarn for cartridge cloth, synthetic fabric or coated synthetic fabric, or wool (whether in the form of fiber or yarn or contained in fabrics, materials, or manufactured articles), or specialty metals including stainless steel flatware, or hand or measuring tools, not grown, reprocessed, reused, or produced in the United States or its possessions, except to the extent that the Secretary of the Department concerned shall determine that satisfactory quality and sufficient quantity of any articles of food or clothing or any form of cotton, woven silk and woven silk blends, spun silk yarn for cartridge cloth, synthetic fabric or coated synthetic fabric, wool, or specialty metals including stainless steel flatware, grown, reprocessed, reused, or produced in the United States or its possessions cannot be procured as and when needed at United States market prices and except procurements outside the United States in support of combat operations, procurements by vessels in foreign waters, and emergency procurements or procurements of perishable foods by establishments located outside the United States for the personnel attached thereto: *Provided,* That nothing herein shall preclude the procurement of specialty metals or chemical warfare protective clothing produced outside the United States or its possessions when such procurement is necessary to comply with agreements with foreign governments requiring the United States to purchase supplies from foreign sources for the purposes of offsetting sales made by the United States Government or United States firms under approved programs serving defense requirements or where such procurement is necessary in furtherance of the standardization and interoperability of equipment requirements within NATO so long as such agreements with foreign governments comply, where applicable, with the requirements of section 36 of the Arms Export Control Act and with section 2457 of title 10, United States Code: *Provided further,* That nothing herein shall preclude the procurement of foods manufactured or processed in the United States or its possessions: *Provided further,* That no funds herein appropriated shall be used for the payment of a price differential on contracts hereafter made for the purpose of relieving economic dislocations: *Provided further,* That none of the funds appropriated in this Act shall be used except that, so far as practicable, all contracts shall be awarded on a formally advertised competitive bid basis to the lowest responsible bidder.

SEC. 8017. During the current fiscal year, appropriations available to the Department of Defense for pay of civilian employees shall be available for uniforms, or allowances therefor, as authorized by section 5901 of title 5, United States Code.

SEC. 8018. Funds provided in this Act for legislative liaison activities of the Department of the Army, the Department of the Navy, the Department of the Air Force, and the Office of the Secretary of Defense shall not exceed $12,934,000 for the current fiscal year: *Provided,* That this amount shall be available for apportionment to the Department of the Army, the Department of the Navy, the Department of the Air Force, and the Office of the Secretary of Defense as determined by the Secretary of Defense: *Provided further,* That costs for military retired pay accrual shall be included within this limitation.

SEC. 8019. Of the funds made available by this Act for the services of the Military Airlift Command, $100,000,000 shall be available only for procurement of commercial transportation service from carriers participating in the civil reserve air fleet program; and the Secretary of Defense shall utilize the services of such carriers which qualify as small businesses to the fullest extent found practicable: *Provided,* That the Secretary of Defense shall specify in such procurement, performance characteristics for aircraft to be used based upon modern aircraft operated by the civil reserve air fleet.

(TRANSFER OF FUNDS)

SEC. 8020. Upon determination by the Secretary of Defense that such action is necessary in the national interest, he may, with the approval of the Office of Management and Budget, transfer not to exceed $1,200,000,000 of working capital funds of the Department of Defense or funds made available in this Act to the Department of Defense for military functions (except military construction) between such appropriations or funds or any subdivision thereof, to be merged with and to be available for the same purposes, and for the same time period, as the appropriation or fund to which transferred: *Provided,* That such authority to transfer may not be used unless for higher priority items, based on unforeseen military requirements, than those for which originally appropriated and in no case where the item for which funds are requested has been denied by Congress: *Provided further,* That the Secretary of Defense shall notify the Congress promptly of all transfers made pursuant to this authority.

(TRANSFER OF FUNDS)

SEC. 8021. During the current fiscal year, cash balances in working capital funds of the Department of Defense established pursuant to section 2208 of title 10, United States Code, may be maintained in only such amounts as are necessary at any time for cash disbursements to be made from such funds: *Provided,* That transfers may be made between such funds in such amounts as may be determined by the Secretary of Defense, with the approval of the Office of Management and Budget, except that transfers between a stock fund account and an industrial fund account may not be made unless the Secretary of Defense has notified the Congress of the proposed transfer. Except in amounts equal to the amounts appropriated to working capital funds in this Act, no obligations may be made against a working capital fund to procure war reserve material inventory, unless the Secretary of Defense has notified the Congress prior to any such obligation.

SEC. 8022. None of the funds available to the Department of Defense shall be utilized for the conversion of heating plants from coal to oil at defense facilities in Europe.

SEC. 8023. No part of the funds in this Act shall be available to prepare or present a request to the Committees on Appropriations for reprograming of funds, unless for higher priority items, based on unforeseen military requirements, than those for which originally appropriated and in no case where the item for which reprograming is requested has been denied by the Congress.

SEC. 8024. None of the funds contained in this Act available for the Civilian Health and Medical Program of the Uniformed Services under the provisions of section 1079(a) of title 10, United States Code, shall be available for reimbursement of any phy-

sician or other authorized individual provider of medical care in excess of the eightieth percentile of the customary charges made for similar services in the same locality where the medical care was furnished, as determined for physicians in accordance with section 1079(h) of title 10, United States Code.

SEC. 8025. No appropriation contained in this Act may be used to pay for the cost of public affairs activities of the Department of Defense in excess of $42,888,000: *Provided,* That costs for military retired pay accrual shall be included within this limitation.

SEC. 8026. None of the funds provided in this Act shall be available for the planning or execution of programs which utilize amounts credited to Department of Defense appropriations or funds pursuant to the provisions of section 37(a) of the Arms Export Control Act representing payment for the actual value of defense articles specified in section 21(a)(1) of that Act: *Provided,* That such amounts shall be credited to the Special Defense Acquisition Fund, as authorized by law, or, to the extent not so credited shall be deposited in the Treasury as miscellaneous receipts as provided in section 3302(b) of title 31, United States Code.

SEC. 8027. No appropriation contained in this Act shall be available to fund any costs of a Senior Reserve Officers' Training Corps unit—except to complete training of personnel enrolled in Military Science 4—which in its junior year class (Military Science 3) has for the four preceding academic years, and as of September 30, 1983, enrolled less than (a) seventeen students where the institution prescribes a four-year or a combination four- and two-year program; or (b) twelve students where the institution prescribes a two-year program: *Provided,* That, notwithstanding the foregoing limitation, funds shall be available to maintain one Senior Reserve Officers' Training Corps unit in each State and at each State-operated maritime academy: *Provided further,* That units under the consortium system shall be considered as a single unit for purposes of evaluation of productivity under this provision: *Provided further,* That enrollment standards contained in Department of Defense Directive 1215.8 for Senior Reserve Officers' Training Corps units, as revised during fiscal year 1961, may be used to determine compliance with this provision, in lieu of the standards cited above.

SEC. 8028. None of the funds appropriated by this Act for programs of the Central Intelligence Agency shall remain available for obligation beyond the current fiscal year, except for funds appropriated for the Reserve for Contingencies, which shall remain available until September 30, 1987.

SEC. 8029. None of the funds appropriated by this Act may be used to support more than 9,901 full-time and 2,603 part-time military personnel assigned to or used in the support of Morale, Welfare, and Recreation activities as described in Department of Defense Instruction 7000.12 and its enclosures, dated September 4, 1980.

SEC. 8030. All obligations incurred in anticipation of the appropriations and authority provided in this Act are hereby ratified and confirmed if otherwise in accordance with the provisions of this Act.

SEC. 8031. None of the funds appropriated by this Act or heretofore appropriated by any other Act shall be obligated or expended for the payment of anticipatory possession compensation claims to the Federal Republic of Germany other than claims listed in the 1973 agreement (commonly referred to as the Global Agreement) between the United States and the Federal Republic of Germany.

SEC. 8032. During the current fiscal year the Department of Defense may enter into contracts to recover indebtedness to the United States pursuant to section 3718 of title 31, United States Code.

SEC. 8033. None of the funds appropriated by this Act shall be available for a contract for studies, analyses, or consulting services entered into without competition on the basis of an unsolicited proposal unless the head of the activity responsible for the procurement determines:

(a) as a result of thorough technical evaluation, only one source is found fully qualified to perform the proposed work, or

(b) the purpose of the contract is to explore an unsolicited proposal which offers significant scientific or technological promise, represents the product of original thinking, and was submitted in confidence by one source, or

(c) where the purpose of the contract is to take advantage of unique and significant industrial accomplishment by a specific concern, or to insure that a new product or idea of a specific concern is given financial support:

Provided, That this limitation shall not apply to contracts in an amount of less than $25,000, contracts related to improvements of equipment that is in development or production, or contracts as to which a civilian official of the Department of Defense, who has been confirmed by the Senate, determines that the award of such contract is in the interest of the national defense.

SEC. 8034. None of the funds appropriated by this Act shall be available to provide medical care in the United States on an inpatient basis to foreign military and diplomatic personnel or their dependents unless the Department of Defense is reimbursed for the costs of providing such care: *Provided,* That reimbursements for medical care covered by this section shall be credited to the appropriations against which charges have been made for providing such care, except that inpatient medical care may be provided in the United States without cost to military personnel and their dependents from a foreign country if comparable care is made available to a comparable number of United States military personnel in that foreign country.

SEC. 8035. None of the funds appropriated by this Act shall be obligated for the second career training program authorized by Public Law 96-347.

SEC. 8036. None of the funds appropriated or otherwise made available in this Act shall be obligated or expended for salaries or expenses during the current fiscal year for the purposes of demilitarization of surplus nonautomatic firearms less than .50 caliber.

SEC. 8037. None of the funds provided in this Act shall be available to initiate (1) a multiyear contract that employs economic order quantity procurement in excess of $20,000,000 in any one year of the contract or that includes an unfunded contingent liability in excess of $20,000,000, or (2) a contract for advance procurement leading to a multiyear contract that employs economic order quantity procurement in excess of $20,000,000 in any one year, unless the Committees on Appropriations and Armed Services of the Senate and House of Representatives have been notified at least thirty days in advance of the proposed contract award: *Provided,* That no part of any appropriation contained in this Act shall be available to initiate a multiyear contract for which the economic order quantity advance procurement is not funded at least to the limits of the Government's liability: *Provided further,* That no part of any appropriation contained in this Act shall be available to initiate multiyear procurement contracts for any systems or component thereof if the value of the multiyear contract would exceed $500,000,000 unless specifically provided in this Act. Funds appropriated in title III of this Act may be used for multiyear procurement contracts as follows:

T-700 series aircraft engines;
MK-46 torpedo program;
Bradley Fighting Vehicle transmission;
M-1 tank chassis;
M-1 tank engine;
M-1 tank fire control components; and
LHD-1 amphibious assault ships.

SEC. 8038. None of the funds appropriated by this Act which are available for payment of travel allowances for per diem in lieu of subsistence to enlisted personnel shall be used to pay such an allowance to any enlisted member in an amount that is more than the amount of per diem in lieu of subsistence that the enlisted member is otherwise entitled to receive minus the basic allowance for subsistence, or pro rata portion of such allowance, that the enlisted member is entitled to receive during any day, or portion of a day, that the enlisted member is also entitled to be paid a per diem in lieu of subsistence.

SEC. 8039. None of the funds appropriated by this Act shall be available to approve a request for waiver of the costs otherwise required to be recovered under the provisions of section 21(e)(1)(C) of the Arms Export Control Act unless the Committees on Appropriations have been notified in advance of the proposed waiver.

SEC. 8040. None of the funds appropriated by this Act shall be available for the transportation of equipment or materiel designated as Prepositioned Materiel Configured in Unit Sets (POMCUS) in Europe in excess of four division sets: *Provided,* That the foregoing limitation shall not apply with respect to any item of equipment or materiel which is maintained in the inventories of the Active and Reserve Forces at levels of at least 70 per centum of the established requirements for such an item of equipment or materiel for the Active Forces and 50 per centum of the established requirement for the Reserve Forces for such an item of equipment or materiel: *Provided further,* That no additional commitments to the establishment of POMCUS sites shall be made without prior approval of Congress.

SEC. 8041. (a) None of the funds in this Act may be used to transfer any article of military equipment or data related to the manufacture of such equipment to a foreign country prior to the approval in writing of such transfer by the Secretary of the military service involved.

(b) No funds appropriated by this Act may be used for the transfer of a technical data package from any Government-owned and operated defense plant manufacturing large caliber cannons to any foreign government, nor for assisting any such government in producing any defense item currently being manufactured or developed in a United States Government-owned, Government-operated, defense plant manufacturing large caliber cannons.

(TRANSFER OF FUNDS)

SEC. 8042. None of the funds appropriated in this Act may be made available through

transfer, reprograming, or other means for any intelligence or special activity different from that previously justified to the Congress unless the Director of Central Intelligence or the Secretary of Defense has notified the House and Senate Appropriations Committees of the intent to make such funds available for such activity.

SEC. 8043. Of the funds appropriated by this Act for strategic programs, the Secretary of Defense shall provide funds for the Advanced Technology Bomber program at a level at least equal to the amount provided by the committee of conference on this Act in order to maintain priority emphasis on this program.

SEC. 8044. None of the funds available to the Department of Defense during the current fiscal year shall be used by the Secretary of a military department to purchase coal or coke from foreign nations for use at United States defense facilities in Europe when coal from the United States is available.

SEC. 8045. None of the funds available to the Department of Defense shall be available for the procurement of manual typewriters which were manufactured by facilities located within states which are Signatories to the Warsaw Pact.

SEC. 8046. None of the funds appropriated by this Act may be used to appoint or compensate more than 37 individuals in the Department of Defense in positions in the Executive Schedule (as provided in sections 5312-5316 of title 5, United States Code).

SEC. 8047. None of the funds appropriated by this Act shall be available to convert a position in support of the Army Reserve, Air Force Reserve, Army National Guard, and Air National Guard occupied by, or programed to be occupied by, a (civilian) military technician to a position to be held by a person in an active Guard or Reserve status if that conversion would reduce the total number of positions occupied by, or programed to be occupied by, (civilian) military technicians of the component concerned, below 66,086: *Provided*, That none of the funds appropriated by this Act shall be available to support more than 43,157 positions in support of the Army Reserve, Army National Guard or Air National Guard occupied by, or programed to be occupied by, persons in an active Guard or Reserve status: *Provided further*, That none of the funds appropriated by this Act may be used to include (civilian) military technicians in computing civilian personnel ceilings, including statutory or administratively imposed ceilings, on activities in support of the Army Reserve, Air Force Reserve, Army National Guard or Air National Guard.

SEC. 8048. (a) The provisions of section 138(c)(2) of title 10, United States Code, shall not apply with respect to fiscal year 1986 or with respect to the appropriation of funds for that year.

(b) During fiscal year 1986, the civilian personnel of the Department of Defense may not be managed on the basis of any end-strength, and the management of such personnel during that fiscal year shall not be subject to any constraint or limitation (known as an end-strength) on the number of such personnel who may be employed on the last day of such fiscal year.

(c) The fiscal year 1987 budget request for the Department of Defense as well as all justification material and other documentation supporting the fiscal year 1987 Department of Defense budget request shall be prepared and submitted to the Congress as if sections (a) and (b) of this provision were effective with regard to fiscal year 1987.

(TRANSFER OF FUNDS)

SEC. 8049. Appropriations or funds available to the Department of Defense during the current fiscal year may be transferred to appropriations provided in this Act for research, development, test, and evaluation to the extent necessary to meet increased pay costs authorized by or pursuant to law, to be merged with and to be available for the same purposes, and the same time period, as the appropriation to which transferred.

SEC. 8050. (a) During fiscal year 1986, no funds available to the Central Intelligence Agency, Department of Defense, or any other agency or entity of the United States involved in intelligence activities may be obligated or expended, directly or indirectly, for material assistance to the Nicaraguan democratic resistance including arms, ammunition, or other equipment or material which could be used to inflict serious bodily harm or death, or which would have the effect of providing arms, ammunition or other weapons of war for military or paramilitary operations in Nicaragua by any group, organization, movement or individual.

(b) Nothing in this section shall be construed to impair or affect the authority of the Nicaraguan Humanitarian Assistance Office to administer humanitarian assistance to the Nicaraguan democratic resistance of the nature and to the extent provided by, and under the terms and conditions specified in, the Supplemental Appropriations Act, 1985 (Public Law 99-88).

SEC. 8051. None of the funds made available by this Act shall be used in any way for the leasing to non-Federal agencies in the United States aircraft or vehicles owned or operated by the Department of Defense when suitable aircraft or vehicles are commercially available in the private sector: *Provided*, That nothing in this section shall affect authorized and established procedures for the sale of surplus aircraft or vehicles: *Provided further*, That nothing in this section shall prohibit such leasing when specifically authorized in a subsequent Act of Congress: *Provided further*, That nothing in this section shall prohibit the extension or renewal of such leases that were first entered into prior to December 29, 1981.

SEC. 8052. None of the funds made available by this Act shall be used in any way, directly or indirectly, to influence congressional action on any legislation or appropriation matters pending before the Congress.

SEC. 8053. No funds available to the Department of Defense during the current fiscal year may be used to enter into any contract with a term of eighteen months or more or to extend or renew any contract for a term of eighteen months or more, for any vessel, aircraft or vehicles, through a lease, charter, or similar agreement without previously having been submitted to the Committees on Appropriations of the House of Representatives and the Senate in the budgetary process. Further, any contractual agreement which imposes an estimated termination liability (excluding the estimated value of the leased item at the time of termination) on the Government exceeding 50 per centum of the original purchase value of the vessel, aircraft, or vehicle must have specific authority in an appropriation Act for the obligation of 10 per centum of such termination liability.

SEC. 8054. None of the funds appropriated in this Act may be obligated or expended in any way for the purpose of the sale, lease, rental, or excessing of any portion of land currently identified as Fort DeRussy, Honolulu, Hawaii.

SEC. 8055. None of the funds made available by this Act shall be available to operate in excess of 247 commissaries in the contiguous United States.

SEC. 8056. None of the funds provided in this Act shall be used to procure aircraft ejection seats manufactured in any foreign nation that does not permit United States manufacturers to compete for ejection seat procurement requirements in that foreign nation. This limitation shall apply only to ejection seats procured for installation on aircraft produced or assembled in the United States.

SEC. 8057. No more than $189,300,000 of the funds appropriated by this Act shall be available for the payment of unemployment compensation benefits.

SEC. 8058. None of the funds appropriated by this Act should be obligated for the pay of any individual who is initially employed after the date of enactment of this Act as a technician in the administration and training of the Army Reserve and the maintenance and repair of supplies issued to the Army Reserve unless such individual is also a military member of the Army Reserve troop program unit that he or she is employed to support. Those technicians employed by the Army Reserve in areas other than Army Reserve troop program units need only be members of the Selected Reserve.

SEC. 8059. None of the funds appropriated by this Act shall be used for the transfer of the Department of Defense Dependents Schools (DODDS) to the Department of Education.

SEC. 8060. No part of the funds appropriated herein shall be available for the purchase of more than 50 per centum of the fiscal year requirements for aircraft power supply cable assemblies of each military facility from industries established pursuant to title 18, United States Code: *Provided*, That the restriction contained herein shall not apply to small purchases in amounts not exceeding $10,000.

SEC. 8061. None of the funds appropriated by this Act shall be used to purchase dogs or cats or otherwise fund the use of dogs or cats for the purpose of training Department of Defense students or other personnel in surgical or other medical treatment of wounds produced by any type of weapon: *Provided*, That the standards of such training with respect to the treatment of animals shall adhere to the Federal Animal Welfare Law and to those prevailing in the civilian medical community.

SEC. 8062. None of the funds made available by this Act shall be used to initiate full-scale engineering development of any major defense acquisition program until the Secretary of Defense has provided to the Committees on Appropriations of the House and Senate—

(a) a certification that the system or subsystem being developed will be procured in quantities that are not sufficient to warrant development of two or more production sources, or

(b) a plan for the development of two or more sources for the production of the system or subsystem being developed.

SEC. 8063. None of the funds appropriated by this Act shall be available to pay any member of the uniformed service for unused accrued leave pursuant to section 501 of title 37, United States Code, for more than sixty days of such leave, less the number of

days for which payment was previously made under section 501 after February 9, 1976.

SEC. 8064. Within the funds made available under title II of this Act, the military departments may use such funds as necessary, but not to exceed $4,700,000, to carry out the provisions of section 430 of title 37, United States Code: *Provided*, That none of the funds appropriated to the Department of Defense for the travel and transportation of dependent students of military personnel stationed overseas shall be obligated for a transportation allowance for travel within or between the contiguous United States, other than to or from any Military Airlift Command aerial port of entry located in the immediate direction of the member's overseas duty station.

SEC. 8065. Within funds available under title II of this Act, but not to exceed $100,000, and under such regulations as the Secretary of Defense may prescribe, the Department of Defense may, in addition to allowances currently available, make payments for travel and transportation expenses of the surviving spouse, children, parents, and brothers and sisters of any member of the Armed Forces of the United States, who dies as the result of an injury or disease incurred in line of duty to attend the funeral of such member in any case in which the funeral of such member is more than two hundred miles from the residence of the surviving spouse, children, parents or brothers and sisters, if such spouse, children, parents or brothers and sisters, as the case may be, are financially unable to pay their own travel and transportation expenses to attend the funeral of such member.

SEC. 8066. None of the funds available to the Department of Defense may be used for the floating storage of petroleum or petroleum products except in vessels of or belonging to the United States.

SEC. 8067. Of the funds made available to the Department of the Air Force in this Act, not less than $3,000,000 shall be available for the Civil Air Patrol.

SEC. 8068. Funds available to the Department of Defense may be used by the Department of Defense for the use of helicopters and motorized equipment at Defense installations for removal of feral burros and horses.

SEC. 8069. On or after September 30, 1985, none of the funds appropriated by this Act shall be available to execute an agreement for continuation pay authorized under section 311 of title 37, United States Code, with an officer of the Army or Navy in the Dental Corps or an officer of the Air Force designated as a dental officer who is serving in a dental specialty which is manned in excess of 95 per centum of the authorized strength for that specialty: *Provided*, That an agreement for such continuation pay may be executed with such an officer if the agreement provides that such officer will receive only 50 per centum of the amount of the continuation pay to which the officer would otherwise be entitled under section 311 of title 37: *Provided further*, That the foregoing limitation shall cease to be applicable upon the enactment of legislation repealing or amending the continuation pay provisions currently authorized by section 311 of title 37.

(TRANSFER OF FUNDS)

SEC. 8070. Not to exceed $100,000,000 may be transferred from the appropriation "Operation and Maintenance, Defense Agencies" to operation and maintenance appropriations under the military departments in connection with demonstration projects authorized by section 1092 of title 10, United States Code: *Provided*, That the Secretary of Defense shall promptly notify the Congress of any such transfer of funds under this provision: *Provided further*, That the authority to make transfers pursuant to this section is in addition to the authority to make transfers under other provisions of this Act.

SEC. 8071. None of the funds available for Defense installations in Europe shall be used for the consolidation or conversion of heating facilities to district heating distribution systems in Europe: *Provided*, That those facilities identified by the Department of the Army as of April 11, 1985, as being in advanced stages of negotiations shall be exempt from such provision.

SEC. 8072. None of the funds appropriated by this Act shall be available to compensate foreign selling costs as described in Federal Acquisition Regulation 31.205-38(b) as in effect on April 1, 1984.

SEC. 8073. Of the funds appropriated for the operation and maintenance of the Armed Forces, obligations may be incurred for humanitarian and civic assistance costs incidental to authorized operations, and these obligations shall be reported to Congress on September 30, 1986: *Provided*, That funds available for operation and maintenance shall be available for providing humanitarian and similar assistance in the Trust Territories of the Pacific Islands by using Civic Action Teams.

SEC. 8074. Notwithstanding any other provision of law, the Secretaries of the Army and Air Force may authorize the retention in an active status until age sixty of any officer who would otherwise be removed from an active status and who is employed as a National Guard or Reserve technician in a position in which active status in a reserve component of the Army or Air Force is required as a condition of that employment.

Sec. 8075. None of the funds available to the Department of Defense may be used to transport any chemical munitions into the Lexington-Blue Grass Army Depot for purposes of future demilitarization.

SEC. 8076. None of the funds appropriated by this Act may be obligated or expended for the purposes delineated in section 1002(e)(2) of the Department of Defense Authorization Act, 1985, without the prior notification to the Committees on Appropriations of the House of Representatives and the Senate.

SEC. 8077. None of the funds provided by this Act shall be used to perform abortions except where the life of the mother would be endangered if the fetus were carried to term.

SEC. 8078. It is the sense of the Congress that the Secretary of Defense should formulate and carry out a program under which contracts awarded by the Department of Defense in fiscal year 1986 would, to the maximum extent practicable and consistent with existing law, be awarded to contractors who agree to carry out such contracts in labor surplus areas (as defined and identified by the Department of Labor).

SEC. 8079. It is the sense of the Congress that competition, which is necessary to enhance innovation, effectiveness, and efficiency, and which has served our Nation so well in other spheres of political and economic endeavor, should be expanded and increased in the provision of our national defense.

SEC. 8080. It is the sense of the Congress that—(a) the President shall inform and make every effort to consult with other member nations of the North Atlantic Treaty Organization, Japan, and other appropriate allies concerning the research being conducted in the Strategic Defense Initiative program. (b) The Secretary of Defense, in coordination with the Secretary of State and the Director of the Arms Control and Disarmament Agency, shall at the time of the submission of the annual budget presentation materials for each fiscal year beginning after September 30, 1984, report to the Committees on Appropriations, Armed Services, and Foreign Relations of the Senate and the Committees on Appropriations, Armed Services, and Foreign Affairs of the House of Representatives on the status of the consultations referred to under subsection (a).

SEC. 8081. It is the sense of Congress that the President should insist that the pertinent member nations of the North Atlantic Treaty Organization meet or exceed their pledges for an annual increase in defense spending of at least 3 per centum real growth and should insist that Japan further increase its defense spending during fiscal years 1986 and 1987 in furtherance of increased unity, equitable sharing of our common defense burden, and international stability.

SEC. 8082. None of the funds available to the Department of Defense shall be obligated or expended to contract out any activity currently performed by the Defense Personnel Support Center in Philadelphia, Pennsylvania: *Provided*, That this provision shall not apply after notification to the Committees on Appropriations of the House of Representatives and the Senate of the results of the cost analysis of contracting out any such activity.

SEC. 8083. Notwithstanding any other provision of this Act, no funds appropriated by this Act shall be expended for the research, development, test, evaluation or procurement for integration of a nuclear warhead into the Joint Tactical Missile System (JTACMS).

SEC. 8084. None of the funds available to the Department of the Navy may be used to enter into any contract for the overhaul, repair, or maintenance of any naval vessel which includes charges for interport differential as an evaluation factor for award.

SEC. 8085. Under regulations prescribed by the Secretary of Defense, the Department of the Air Force and the Defense Logistics Agency may test a flat rate per diem system for military and civilian travel allowances: *Provided*, That per diem allowances paid under a flat rate per diem system shall be in an amount determined by the Secretary of Defense to be sufficient to meet normal and necessary expenses in the area in which travel is performed, but in no event will the travel allowances exceed $75 for each day in travel status within the continental United States: *Provided further*, That the test approved under this section shall expire on September 30, 1987, or upon the effective date of permanent legislation establishing a flat rate per diem system for both military and civilian personnel, whichever occurs first.

SEC. 8086. Notwithstanding any other provision of law, during fiscal year 1986, the Department of Defense is to conduct a pilot test project of providing home health care to dependents entitled to health care under section 1076 of title 10, United States Code: *Provided*, That such care is medically necessary or appropriate, cost effective, and the beneficiary is not covered for such care

under any other public or private health insurance plan.

SEC. 8087. No appropriation contained in this Act shall be available for the payment of more than 75 per centum of charges of postsecondary education institutions for tuition or expenses for off-duty training of Ready Reserve commissioned officer personnel, nor for the payment of any part of tuition or expenses for such training of such personnel who do not agree to remain members of the Ready Reserve for at least four years after completion of such training or education.

SEC. 8088. None of the funds appropriated in this Act shall be used for professional surveying and mapping services performed by contract for the Defense Mapping Agency unless those contracts are procured in accordance with the selection procedures outlined pursuant to section 2855 of title 10, United States Code.

SEC. 8089. None of the funds appropriated by this Act shall be available to convert to contractor performance an activity or function of the Department of Defense that, on or after the date of enactment of this Act, is performed by more than ten Department of Defense civilian employees until a most efficient and cost-effective organization analysis is completed on such activity or function and certification of the analysis is made to the Committees on Appropriations of the House of Representatives and the Senate.

SEC. 8090. Appropriations available to the Department of Defense during the current fiscal year shall be available, under such regulations as the Secretary of Defense may deem appropriate, to exchange or furnish mapping, charting, and geodetic data, supplies or services to a foreign country pursuant to an agreement for the production or exchange of mapping, charting, and geodetic data.

SEC. 8091. Of the funds made available in title IV of this Act, $300,000 available for Defense Research Sciences, Army; $300,000 available for Defense Research Sciences, Navy; $300,000 available for Defense Research Sciences, Air Force; and $100,000 available for Defense Research Sciences, Defense Agencies; in all: $1,000,000, shall be available only for establishing at a private nonprofit institution a pilot program for advanced semiconductor research.

SEC. 8092. None of the funds appropriated by this Act may be obligated or expended for the purposes delineated in section 1103(c) of the Department of Defense Authorization Act, 1986, until 30 calendar days have elapsed following receipt of written notification by the Committees on Appropriations and Armed Services of the House of Representatives and the Senate.

SEC. 8093. (a) Except in accordance with subsection (b), none of the funds appropriated in this Act may be used—

(1) for procurement or assembly of binary chemical munitions (or subcomponents of such munitions); or

(2) for establishment of production facilities necessary for procurement or assembly of binary chemical munitions (or subcomponents of such munitions).

(b) It is the sense of Congress that appropriations for binary chemical weapons shall be considered after September 30, 1986, if—

(1) a mutually verifiable international agreement concerning binary and other similar chemical munitions has not been entered into by the United States by such date;

(2) the President transmits, after such date, a certification to the Congress that—

(A) the procurement and assembly of such complete weapons is necessitated by national security interests including the interests of the members of the North Atlantic Treaty Organization;

(B) performance specifications established by the Department of Defense and in effect on the date of enactment of this Act with respect to such munitions will be met or exceeded in the handling, storage, and other use of such munitions;

(C) applicable Federal safety requirements will be met or exceeded in the handling, storage, and other use of such munitions;

(D) the Secretary of Defense's plan (which shall accompany such certification) for destruction of existing chemical stocks is ready to be implemented; and

(E) the North Atlantic Council of the North Atlantic Treaty Organization (NATO) has formally agreed—

(i) that chemical munitions currently stored and deployed in NATO countries need to be modernized in order to serve as an adequate deterrent;

(ii) that such modernization should be effected by replacement of current chemical munitions with binary chemical munitions; and

(iii) that the European member nations of NATO where such chemical munitions are to be stored or deployed are willing to accept storage and deployment of binary chemical munitions within their territories;

(3) such procurement and assembly is carried out only after the end of the 60-day period beginning on the date such certification is received by the Congress;

(4) the Secretary of Defense's basing mode for such munitions in the United States is to be carried out in a manner which provides that the two components that constitute a binary munition are based in separate States; and

(5) the Secretary of Defense's plan for the transportation of such munitions in the United States is to be carried out in a manner which provides that the two components that constitute a binary munition are transported separately and by different means.

SEC. 8094. None of the funds appropriated in this Act may be obligated or expended for procurement of C-12 aircraft unless such aircraft are procured through competitive procedures (as defined in section 2302(2) of title 10, United States Code), which shall be restricted to turboprop aircraft.

SEC. 8095. None of the funds in this Act may be obligated for procurement of 120mm mortars or 120mm mortar ammunition manufactured outside of the United States: *Provided*, That this limitation shall not apply to procurement of such mortars or ammunition required for testing, evaluation, type classification or equipping the Army's Ninth Infantry Division (Motorized).

SEC. 8096. None of the funds appropriated by this Act may be obligated or expended to carry out a test of the Space Defense System (anti-satellite weapon) against an object in space until the President certifies to Congress that the Soviet Union has conducted, after October 3, 1985, a test against an object in space of a dedicated anti-satellite weapon.

SEC. 8097. Of the funds made available to the Department of the Air Force in this Act, not more than $35,000,000 shall be made available to initiate a replacement program for Presidential Air Force One aircraft.

(TRANSFER OF FUNDS)

SEC. 8098. The Secretary of Defense may transfer, not to exceed $1,000,000,000 from the Foreign Currency Fluctuation, Defense account to appropriations provided in title II of this Act: *Provided*, That the Secretary of Defense shall report to the Committees on Appropriations of the House of Representatives and Senate of the intended transfer: *Provided further*, That funds so transferred shall be made available for the same time period and purpose as the appropriation to which transferred: *Provided further*, That this transfer authority is in addition to any other transfer authority provided elsewhere in this Act.

SEC. 8099. (a) LIMITATIONS ON CONFLICTS-OF-INTEREST IN DEFENSE PROCUREMENT.—(1) An individual who is a former officer or employee of the Department of Defense, retired Member of Congress, or a former or retired member of the Armed Forces, retired Member of Congress, who during the two-year period preceding the individual's separation from service in the Department of Defense had significant responsibilities for a procurement function with respect to a contractor may not accept compensation from that contractor for a period of two years following the individual's separation from service in the Department of Defense or the Congress of the United States.

(2) Whoever knowingly violates paragraph (1) shall be fined not more than $10,000 or imprisoned for not more than one year, or both

(3) an individual who knowingly offers or provides any compensation to an individual the acceptance of which is or would be in violation of paragraph (1) shall be fined not more than $10,000 or imprisoned for not more than one year, or both.

(b) LIMITATIONS ON CONTRACTORS.—(1) Each contract for procurement of goods or services entered into by the Department of Defense shall include a provision under which the contractor agrees not to provide compensation to an individual if the acceptance of such compensation by such individual would violate subsection (a)(1).

(2) Such a contract shall also provide that if the contractor knowingly violates a contract provision required by paragraph (1) the contractor shall pay to the United States, as liquidated damages under the contract, an amount equal to the greater of—

(A) $100,000; or

(B) three times the compensation paid by the contractor to the individual in violation of such contract provision.

(c) REPORTING OF EMPLOYMENT CONTRACTS.—If an officer or employee of the Department of Defense, or a member of the Armed Forces, having significant responsibilities for a procurement function with respect to a contractor contacts, or is contacted by, the contractor regarding future compensation of the officer, employee, or member by the contractor, the officer, employee, or member shall—

(1) promptly report the contact to the officer, employee, or member's supervisor and to the designated ethics official of the agency in which the officer, employee, or member is serving;

(2) promptly report (as part of the report under paragraph (1) or as a separate report) when contacts with the contractor concerning such compensation have been terminated without agreement or commitment to future compensation of the officer, employee, or member by the contractor; and

(3) disqualify himself from all participation in the performance of procurement functions relating to contracts with that contractor until a report described in paragraph (2) is made with respect to such contacts.

(d) NOTICE TO OFFICERS AND EMPLOYEES LEAVING DOD SERVICE.—(1) The Secretary of Defense shall give the notice described in paragraph (2) to each officer and employee of the Department of Defense and each member of the Armed Forces—

(A) who after the effective date of this section is separated from service in the Department of Defense; and

(B) who during the two-year period before that separation served in a position in the Department that included significant responsibility for a procurement function and that was identified by the Secretary of Defense under subsection (g)(1).

(2) A notice required by paragraph (1) shall provide the individual receiving the notice—

(A) a written explanation of the provisions of this section; and

(B) the name of each contractor from whom such individual is prohibited from accepting compensation under this section during the two-year period following such separation from service in the Department of Defense.

(e) CONTRACTOR REPORTS.—(1)(A) Each contractor subject to a contract term described in subsection (b) shall submit to the Secretary of Defense not later than April 1 of each year a report covering the previous calendar year. Each such report shall list the name of each individual (together with other information adequate for the Government to identify the individual) who is a former Department of Defense officer or employee, or a former or retired member of the Armed Forces, who—

(i) was provided compensation by that contractor during the preceding calendar year, if such compensation was provided within two years after such officer, employee, or member left service in the Department of Defense; and

(ii) had significant responsibilities for a procurement function during the individual's last two years of service in the Department of Defense.

(B) Each such listing shall—

(i) show each agency in which the individual was employed or served on active duty during the last two years of such individual's service in the Government;

(ii) show the individual's job titles during the last two years of such individual's service in the Government;

(iii) contain a full and complete description of the duties of the individual during the last two years of such service; and

(iv) contain a description of the duties (if any) that the individual is performing on behalf of the contractor.

(C) The first such report shall be submitted not later than April 1, 1987.

(2) The Secretary of Defense shall review each report under paragraph (1) to assess the report for accuracy and completeness and for the purpose of identifying possible violations of subsection (a) or (b) or paragraph (1). The Secretary shall report any such possible violation to the Attorney General.

(3) Whoever fails to file a report required by paragraph (1) shall be fined not more than $10,000.

(f) REVIEW BY DIRECTOR OF OFFICE OF GOVERNMENT ETHICS.—The Director of the Office of Government Ethics shall have access to the reports submitted under subsection (e)(1) and shall conduct an annual random review of the reports for violations of subsections (a), (b), and (e)(1). The Director shall submit a report to Congress not later than October 1 of each year on the operation of this section, including the findings of the Director based on the examination of reports for the preceding calendar year.

(g) COVERED PROCUREMENT FUNCTIONS.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense—

(1) shall identify the procurement functions covered by this section and the organizational positions currently performing such functions; and

(2) shall provide a list of such functions and positions to Congress and to the Director of the Office of Government Ethics and publish such list in the Federal Register.

(h) EXCLUSION.—This section does not apply—

(1) to a contract for an amount less than $100,000; or

(2) to compensation of an individual by an entity that did not have a Department of Defense contract in excess of $100,000 at the time the individual had significant responsibilities for a significant procurement function with respect to a contract with that entity.

(i) ADVISORY OPINIONS FROM OFFICE OF GOVERNMENT ETHICS.—(1) An individual who is considering the propriety of accepting compensation that might place the individual in violation of subsection (a) may, before acceptance of such compensation, apply to the Director of the Office of Government Ethics for advice on the applicability of this section to the acceptance of such compensation.

(2) An application under paragraph (1) shall contain such information as the Director requires.

(j) WAIVER OF OTHERWISE APPLICABLE FINES UNDER TITLE 18.—The provisions of section 3623 of title 18, United States Code, shall not apply to maximum fines applicable under subsections (a)(2), (a)(3), and (e)(3).

(k) DEFINITIONS.—For purposes of this section:

(1) The term "compensation" includes any payment, gift, benefit, reward, favor, gratuity, or employment valued in excess of $100 at prevailing market price, provided directly, indirectly, or through a third party.

(2) The term "contractor" means any person, partnership, corporation, or agency (other than the Federal Government or the independent agencies thereof) that contracts to supply the Department of Defense with goods or services. Such term includes any parent, subsidiary, or affiliate thereof.

(3) The term "procurement function", with respect to a contract, means any acquisition action relating to the contract, including negotiating, awarding, administering, approving contract changes, costs analysis, quality assurance, operational and developmental testing, technical advice or recommendation, approval of payment, contractor selection, budgeting, auditing under the contract, or management of the procurement program.

(4) The term "Armed Forces" means the Army, Navy, Air Force, and Marine Corps and includes the Coast Guard when the Coast Guard is operating as a service in the Navy.

(l) SEPARATION OF MEMBERS OF ARMED FORCES.—For the purposes of this section, a member or former member of the Armed Forces shall be considered to have been separated from service in the Department of Defense upon such member's discharge or release from active duty.

(m) TRANSITION.—(1) This section—

(A) does not preclude the continuation of employment that began before the effective date of this section or the acceptance of compensation for such employment; and

(B) does not, except as provided in paragraph (2), apply to an individual whose service with the Department of Defense terminates before April 1, 1986.

(2) Paragraph (1)(B) does not preclude the application of this section to an individual with respect to service in the Department of Defense by such individual on or after April 1, 1986.

(n) EFFECTIVE DATE.—This section shall take effect on January 1, 1986.

(o) REPEALER.—Section 921 of the Department of Defense Authorization Act, 1986, is repealed.

SEC. 8100. (a) REGULATION OF ALLOWABLE COSTS PAYABLE TO DEFENSE CONTRACTORS.—Section 2324 of title 10, United States Code, as added by section 911 of the Department of Defense Authorization Act, 1986, is amended to read as follows:

"§ 2324. Allowable costs under defense contracts

"(a)(1) The Secretary of Defense shall require that a covered contract provide that if the contractor submits to the Department of Defense a proposal for settlement of indirect costs incurred by the contractor for any period after such costs have been accrued and if that proposal includes the submission of an indirect cost that has been expressly specified by statute or regulation as being unallowable—

"(A) that cost shall be disallowed; and

"(B) the contractor shall pay to the United States an amount equal to the greater of $10,000 or—

"(i) the amount of the disallowed cost, plus interest; or

"(ii) if the cost is of a type that has been finally determined, before the submission of such proposal, to be expressly unallowable to that contractor, an amount equal to twice the amount of the disallowed cost, plus interest.

"(2) An action by the Secretary under a contract provision required by paragraph (1) to disallow a cost and to require payment of a contractor—

"(A) shall be considered to be a final decision for purposes of section 6 of the Contracts Dispute Act of 1978 (41 U.S.C. 605); and

"(B) shall be appealable in the manner provided in section 7 of such Act (41 U.S.C. 606).

"(3) Interest under paragraph (1) shall be computed—

"(A) from the date on which the cost is questioned; and

"(B) at the applicable rate prescribed by the Secretary of the Treasury under section 6621 of the Internal Revenue Code of 1954.

"(4) Whoever, having entered into a contract with the Department of Defense that includes terms for settlement of indirect costs, submits to the Department a proposal for settlement of such costs for any period after such costs have been accrued that includes a cost that is expressly specified by statute or regulation as being unallowable, knowing that such cost is unallowable, shall be imprisoned not more than 5 years, or fined not more than $250,000 in the case of an individual or $500,000 in the case of a corporation.

"(b) The following costs are not allowable under a covered contract:

"(1) Costs of entertainment, including amusement, diversion, and social activities and any costs directly associated with such costs (such as tickets to shows or sports events, meals, lodging, rentals, transportation, and gratuities).

"(2) Costs incurred to influence (directly or indirectly) congressional action on any legislation or appropriation matters pending before Congress or a State.

"(3) Costs incurred in defense of any civil or criminal fraud proceeding or similar proceeding (including filing of any false certification) brought by the United States where the contractor is found liable for fraud or has pleaded nolo contendere to a charge of fraud or similar proceeding (including filing of false certification).

"(4) Payments of fines and penalties resulting from violations of, or failure to comply with, Federal, State, local, or foreign laws and regulations, except when incurred as a result of compliance with specific terms and conditions of the contract or specific written instructions from the contracting officer authorizing in advance such payments in accordance with applicable regulations of the Secretary of Defense.

"(5) Costs of membership in any social, dining, or country club or organization.

"(6) Costs of alcoholic beverages.

"(7) Contributions or donations, regardless of the recipient.

"(8) Costs of advertising designed to promote the contractor or its products.

"(9) Costs of promotional items and memorabilia, including models, gifts, and souvenirs.

"(10) Other cost items identified by regulation which the Secretary of Defense shall prescribe by regulation under this section.

"(11) Except as provided in subsection (c), costs for travel by aircraft to the extent that such costs exceed the amount of standard commercial fare for travel by common carrier between the points involved.

"(c)(1) Subsection (b)(11) does not apply if travel by common carrier at standard fare—

"(A) would require travel at unreasonable hours;

"(B) would excessively prolong travel;

"(C) would result in overall increased costs that would offset potential savings from travel at standard commercial fare; or

"(D) would not meet physical or medical needs of the person traveling.

"(2) Subsection (b)(11) does not apply to travel by aircraft other than a common carrier if—

"(A) travel by such aircraft is specifically required for contract performance or is otherwise specifically authorized under the contract;

"(B) travel by common carrier is impractical; and

"(C) the travel performed is for business purposes and requires the use of such aircraft.

"(3) Costs for air travel in excess of that allowed by subsection (b)(11) may only be allowed by reason of one of the exceptions contained in paragraph (1) or by reason of paragraph (2) if the exception is fully documented and justified, including, in the case of an exception under paragraph (2), full documentation of the use of the aircraft for business purposes.

"(d)(1) The Secretary of Defense shall prescribe regulations, consistent with the requirements of subsection (b), to establish criteria for the allowability of indirect contractor costs under Department of Defense contracts. Such regulations shall be prescribed as part of the Department of Defense Supplement to the Federal Acquisition Regulation. In developing specific criteria for the allowability of such costs, the Secretary shall consider whether reimbursement of such costs by the United States is in the best interests of the United States and consistent with the requirements of subsection (b). Such regulations—

"(A) shall define and interpret in reasonable detail and specific terms those indirect costs, including the cost requirements of subsection (b), that are unallowable under contracts entered into by the Department of Defense; and

"(B) shall provide that specific costs unallowable under one cost principle shall not be allowable under any other cost principle.

"(2) The regulations under paragraph (1) shall, at a minimum clarify the cost principles applicable to contractor costs of the following:

"(A) Air shows.

"(B) Advertising.

"(C) Recruitment.

"(D) Employee morale and welfare.

"(E) Actions to influence (directly or indirectly) executive branch action on regulatory and contract matters (other than costs incurred in regard to contract proposals pursuant to solicited or unsolicited bids).

"(F) Community relations.

"(G) Dining facilities.

"(H) Professional and consulting services, including legal services.

"(I) Compensation.

"(J) Selling and marketing.

"(K) Travel.

"(L) Public relations.

"(M) Hotel and meal expenses.

"(N) Membership in civic, community, and professional organizations.

"(3) Such regulations shall specify the circumstances under which clauses (A) and (B) of subsection (c)(1) may be applied.

"(4) Such regulations shall require that a contractor be required to provide current, accurate, and complete documentation to support the allowability of an indirect cost at the time a proposal for settlement of indirect costs is submitted to the Secretary. If such documentation is not sufficient to support the allowability of the cost, the cost shall be challenged by the Secretary, and it shall become expressly unallowable and is not subject to negotiation.

"(e)(1) The Secretary of Defense shall require that each indirect cost in the contractor's submission for final overhead settlement applied to covered contracts that is not specifically unallowable under law or regulation and that is challenged by the Secretary as being unallowable shall be considered for resolution as being allowable or unallowable separately from the resolution of other challenged costs. If such challenged cost cannot be resolved as being allowable or unallowable separately, then the settlement may include an aggregate amount for the settlement of all such challenged costs or a settlement of each such cost at less than the amount submitted if—

"(A) the contractor and the contracting officer cannot agree on the allowability of the cost under existing cost principles;

"(B) the contracting officer documents the reasons why an agreement cannot be reached; and

"(C) the contractor agrees in writing that costs of that type will not be submitted to the Department of Defense for payment as an allowable indirect cost in the future under that contract or any other contract of the contractor with the Secretary.

"(2) The Secretary of Defense shall provide, to the maximum extent practicable, the defense contract auditor be present at any negotiation or meeting with the contractor regarding a determination of the allowability of indirect costs of the contractor.

"(f)(1) A contractor that submits a proposal for settlement of indirect costs applicable to a covered contract shall be required to certify that all indirect costs included in the proposal are allowable. Any such certification shall be in a form prescribed by the Secretary of Defense.

"(2) The Secretary of Defense or the Secretary of the military department concerned may, in an exceptional case, waive the requirement for certification under paragraph (1) in the case of any contract if the Secretary—

"(A) determines in such case that it would be in the interest of the United States to waive such certification; and

"(B) states in writing the reasons for that determination and makes such determination available to the public.

"(g) The Secretary of Defense shall provide that, in establishing the interim or provisional rates for payment of indirect costs to a defense contractor for which final settlement will be made at a later time, such rates shall be based upon amounts incurred by such contractor for indirect costs less any amount questioned by the agency with responsibility for audits of defense contracts.

"(h) In this section, 'covered contract' means a contract entered into by the Department of Defense for an amount more than $25,000—

"(1) that is flexibly priced; or

"(2) for which cost or pricing data is required under section 2306(f) of this title.".

(b) REGULATIONS.—(1) Not later than 150 days after the date of enactment of this Act, the Secretary of Defense shall prescribe the regulations required by subsection (d) of section 2324 of title 10, United States Code, as amended by subsection (a). Such regulations shall be published in accordance with section 22 of the Office of Federal Procurement Policy Act (41 U.S.C. 418b).

(2) The Secretary shall review such regulations at least once every five years. The results of each such review shall be made public.

(c) APPLICABILITY TO SUBCONTRACTS.—The regulations of the Secretary of Defense required to be issued under subsection (b) shall require, to the maximum extent possible, that the provisions of section 2324 of title 10, United States Code, as amended by subsection (a), shall apply to all subcontractors of any covered contract, as that term is defined in such section.

(d) EFFECTIVE DATE.—Section 2324 of title 10, United States Code, as amended by subsection (a), shall apply only to contracts entered into on or after the date on which regulations are prescribed in accordance with subsection (b).

SEC. 8101. (a) MULTIPLE SOURCES FOR MAJOR DEFENSE ACQUISITION PROGRAMS.—(1) Section 2305a of title 10, United States Code, as added by section 912 of the Department of Defense Authorization Act, 1986, is amended to read as follows:

"§ 2305a. Major programs: development of multiple sources

"(a)(1) The Secretary of Defense may not begin full-scale engineering development under a major program until—

"(A) the Secretary prepares a plan for competition under the program; and

"(B) the Secretary submits to the Committees on Armed Services of the Senate and House of Representatives a report describing that plan.

"(2) Each contract for the development and acquisition of the system under the program, and each contract for the development and acquisition of a major subsystem under the program, shall be awarded in accordance with the plan prepared under paragraph (1).

"(3) The report required by paragraph (1)(B) shall be submitted not later than the submission of the budget materials the Secretary submits to Congress for the fiscal year for which the initial request is made for appropriations for full-scale engineering development of the program.

"(4) If the Secretary proposes to revise a competition plan prepared under paragraph (1) after the report on the plan is submitted under that paragraph, the Secretary shall submit to the committees a report describing the proposed revision. Such a revision may not be implemented until 60 days after the report on the revision is received by those committees.

"(b)(1) The Secretary shall include in the competition plan for a major program an estimate of whether the market conditions for such system (and each such subsystem) exist such that the Secretary has a reasonable expectation that there will be competitive alternative sources of supply for the system (and each such subsystem) throughout the period from the beginning of full-scale engineering development through the end of production under the program.

"(2) If the Secretary's estimate under paragraph (1) that competitive alternative sources of supply will exist later proves incorrect in that fewer than two responsive proposals are received in reply to a request for proposals, the Secretary shall revise the competition plan in accordance with subsection (c)(1).

"(3) A contract for full-scale engineering development or production (including follow-on contracts) under a major program may not be entered into using procedures other than competitive procedures under the authority of clause (1) or clause (7) of section 2304(c) of this title.

"(c)(1) In preparing the portions of a plan that are required by subsection (b)—

"(A) if the Secretary determines that competitive alternative sources of supply with respect to the system (or a major subsystem of the system) would not otherwise be available throughout the full-scale engineering development of the system (or major subsystem), the Secretary shall provide in the plan for the award of contracts under the program so as to provide and maintain at least two sources of supply for full-scale engineering development; and

"(B) if the Secretary determines that competitive alternative sources of supply with respect to the system (or a major subsystem of the system) would not otherwise be available throughout the production of the system (or major subsystem), the Secretary shall provide in the plan for the award of contracts under the program so as to provide and maintain at least two sources of supply for production.

"(2) If a competition plan includes a provision required by paragraph (1)(B), the plan shall also provide that of the total dollar amount of contracts awarded for a fiscal year for production of the system (or major subsystem)—

"(A) the amount awarded to the contractor whose proposal was most advantageous to the United States shall be greater than the amount awarded any other contractor; and

"(B) the amount awarded any other contractor shall be sufficient to enable that contractor to compete effectively for the plurality of the next production contract for the system (or major subsystem).

"(3) The Secretary shall determine which proposal is most advantageous to the United States by considering price and other factors included in the solicitation for proposals for the contract.

"(4) The Secretary may waive provisions of a plan required by paragraph (1) if the Secretary determines that the proposal of the contractor submitting the proposal that is the second most advantageous to the United States is not within a competitive range (as determined by the Secretary) of the proposal that is the most advantageous to the United States.

"(5) In carrying out this subsection, the Secretary may provide that the requirements of a competition plan are satisfied even though the contractors do not develop or produce identical systems if the systems developed or produced serve similar functions and compete effectively with each other.

"(d)(1) In preparing a competition plan for a major program, the Secretary (subject to paragraph (4)) may waive the requirements of subsections (b) and (c) with respect to that program if the Secretary determines that the application of those subsections to that program—

"(A) would materially increase the total cost of the program; or

"(B) would unreasonably delay the completion of the total program.

"(2) If the Secretary grants a waiver under paragraph (1), the report submitted under subsection (a)(1) with respect to that program—

"(A) shall include notice that such waiver has been made; and

"(B) shall set forth the reasons for the waiver, together with supporting documentation of comparative cost and schedule estimates.

"(3) The exercise of the authority provided under paragraph (1) shall be made separately with respect to the application of subsections (b) and (c)—

"(A) to full-scale engineering development of the program; and

"(B) to production of the program.

"(4) The Secretary may not grant a waiver under paragraph (1) if the waiver would cause the total cost of either the major development programs or the major production programs for which all such waivers have been granted to exceed 50 percent of the total cost of all the major development programs or the major production programs, respectively, that enter full-scale engineering development after fiscal year 1986.

"(f) In this section:

"(1) 'Major program' means a major defense acquisition program, as such term is defined in section 139a(a) of this title.

"(2) 'Major subsystem', with respect to a major program, means a subsystem of the system developed under the program for which—

"(A) the amount for research, development, test, and evaluation is 10 percent or more of the amount specified in section 139a(a)(1)(B) of this title as the research, development, test, and evaluation funding criterion for identification of a major defense acquisition program; or

"(B) the amount for production is 10 percent or more of the amount specified in section 139a(a)(1)(B) of this title as the production funding criterion for identification of a major defense acquisition program.".

(2) The item relating to such section in the table of sections at the beginning of chapter 137 of such title is amended to read as follows:

"2305a. Major programs: development of multiple sources.".

(b) EFFECTIVE DATE.—Section 2305a of title 10, United States Code, as amended by subsection (a), shall apply with respect to major defense acquisition programs for which funds for full-scale engineering development are first provided for a fiscal year after fiscal year 1986.

SEC. 8102. (a) CLARIFICATION OF SECTION 917 COST AND PRICE MANAGEMENT PROVISION.—Section 2406 of title 10, United States Code, as enacted by section 917 of the Department of Defense Authorization Act, 1986, is amended to read as follows:

"§ 2406. Cost and price management

"(a)(1) Subject to subsection (d)(2), the head of an agency shall require the contractor under a covered contract with that agency—

"(A) to record into appropriate categories the contractor's proposed and negotiated cost and pricing data with respect to work under the contract; and

"(B) to record into appropriate categories the contractor's incurred costs under the contract in the same manner as the manner in which the contractor categorizes and records such proposed and negotiated cost and pricing data.

"(2) The categories into which such proposed and negotiated cost and pricing data and such incurred costs shall be recorded include—

"(A) labor costs;

"(B) material costs;

"(C) subcontract costs;

"(D) overhead costs;

"(E) general and administrative costs;

"(F) fee or profit;

"(G) recurring costs; and

"(H) nonrecurring costs.

"(b)(1) Subject to subsection (d)(2), the head of an agency shall require, with respect to each covered contract under a major defense acquisition program, that the contractor record each proposed or negotiated bill of labor—

"(A) for labor used by the contractor in manufacturing the end item under the program; and

"(B) for labor used by the contractor in performing routine testing relating to the end item.

"(2) A contractor that records proposed and negotiated bills of labor with respect to a contract under paragraph (1) shall prepare each such bill of labor to reflect the contractor's computation—

"(A) of the work required in manufacturing parts and subassemblies for the end item under the program; and

"(B) of the work required in performing routine testing of such parts and subassemblies.

"(3)(A) A contractor preparing a bill of labor required to be recorded under paragraph (1) shall specify in the bill of labor the current industrial engineering standard hours of work content (also known as 'should-take times')—

"(i) for the work included in each component of the bill of labor; and

"(ii) for the total work included in the bill of labor.

"(B) The contractor shall base the standard hours of work content specified in the bill of labor on the 'fair day's work' concept, as such term is understood in competitive commercial manufacturing industries in the United States.

"(C) The contractor's standard hours of work content included in the bill of labor may not vary from time standards derived from commercially available predetermined time standard systems widely used in the United States, as determined by the head of the agency, subject to verification by audit.

"(4) Subject to subsection (d)(2) of this section, the head of the agency concerned shall require that a contractor that records (under paragraph (1)) a negotiated bill of labor with respect to a contract shall, as work progresses under the contract, record—

"(A) any difference between—

"(i) the actual hours of work expended in performing the work included in each component of the bill of labor; and

"(ii) the standard hours of work content for such work specified in the bill of labor pursuant to paragraph (3);

"(B) any difference between—

"(i) the actual hours of work expended in performing the total work included in the bill of labor; and

"(ii) the standard hours of work content for such work specified in the bill of labor pursuant to paragraph (3); and

"(C) the bill of labor so as to reflect the work content of the current configuration of the program.

"(c)(1) Subject to subsection (d)(2), the head of an agency shall require, with respect to each covered contract under a major defense acquisition program, that the contractor record each proposed or negotiated bill of material—

"(A) for material used by the contractor in manufacturing the end item under the program; and

"(B) for material used by the contractor in performing routine testing relating to the item.

"(2) A contractor that records proposed and negotiated bills of material with respect to a contract under paragraph (1) shall prepare each such bill of material to reflect the contactor's computation—

"(A) of the material required for manufacturing parts an subassemblies for the end item under the program; and

"(B) of the material required for routine testing of such parts and subassemblies.

"(3) The costs set out in such a bill of material shall be expressed in current dollars.

"(4) Subject to subsection (d)(2), the head of the agency concerned shall require that a contractor that records a negotiated bill of material with respect to a contract under paragraph (1) shall, as work progresses under the contract, record—

"(A) any difference between—

"(i) the costs incurred by the contractor for material used by the contractor in manufacturing the end item under the program; and

"(ii) the costs for such material specified in the bill of material;

"(B) any difference between—

"(i) the costs incurred by the contractor for material used by the contractor in performing routine testing relating to the item; and

"(ii) the costs for such material specified in the bill of material; and

"(C) the bill of material so as to reflect the work content of the current configuration of the program.

"(d)(1) Nothing in this section prohibits a contractor from submitting to an agency a request for payment or reimbursement for any bill of labor or any bill of material developed pursuant to an approved system of cost principles and procedures.

"(2) This section does not authorize or require the head of an agency to require the recording by a contractor of information under this section if the contractor does not otherwise maintain the information to be recorded—

"(A) under section 2306(f) of this title or some other provision of law (other than this section) or regulation;

"(B) under the terms of a contract provision required under any such law or regulation; or

"(C) for its own management purposes.

"(e) In this section:

"(1) 'Agency' means the Department of Defense, the Department of the Army, the Department of the Navy, or the Department of the Air Force.

"(2) 'Covered contract' means a contract that is awarded by an agency and that is subject to the provisions of section 2306(f) of this title, including contracts for full-scale engineering developments or production.

"(3) 'Major defense acquisition program' has the meaning given that term in section 138(a)(1) of this title.".

(b) APPLICABILITY OF SECTION.—Section 2406 of title 10, United States Code, as amended by subsection (a), shall apply with respect to—

(1) contracts in effect on the date of the enactment of this Act;

(2) contracts entered into on or after such date; and

(3) a contract completed or otherwise terminated before such date under a major defense acquisition program that is in existence on such date, if the contract was with a contractor with whom the Department of Defense (including the military departments) has a contract under such program on or after such date.

This Act may be cited as the "Department of Defense Appropriation Act, 1986".

Mr. CHAPPELL (during the reading). Mr. Chairman, I ask unanimous consent that title VIII be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

The CHAIRMAN pro tempore. Are there any points of order against title VIII?

Are there amendments to title VIII?

AMENDMENT OFFERED BY MR. DICKINSON

Mr. DICKINSON. Mr. Chairman, I offer an amendment to title VIII.

The Clerk read as follows:

Amendment offered by Mr. DICKINSON: Page 85, line 19, strike out the period and insert in lieu thereof ", but such funds may not be obligated or expended for such purpose until authorized by law in accordance with section 138(a) of title 10, United States Code, or authorized in accordance with procedures provided in section 1401 of the Department of Defense Authorization Act, 1986.".

Mr. DICKINSON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. DICKS. Mr. Chairman, I reserve a point of order on the gentleman's amendment.

Mr. DICKINSON. Mr. Chairman, there is an item in this bill for $35 million for the research for long lead time items to go forward in selecting a successor to Air Force One and Air Force Two.

Mr. CHAPPELL. Mr. Chairman, will the gentleman yield?

Mr. DICKINSON. I yield to the gentleman from Florida.

Mr. CHAPPELL. Is this the amendment which we discussed that has to do with the Air Force One aircraft?

Mr. DICKINSON. It is.

Mr. CHAPPELL. You want to conform the language and the appropriation to authorization and make it subject to authorization.

Mr. DICKINSON. Exactly.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. DICKINSON. I yield to the gentleman from Washington.

Mr. DICKS. I appreciate the gentleman yielding.

Mr. Chairman, as I understand the law, according to Secretary Taft, in a letter on a previous issue, because of the broad authorization for Air Force aircraft, there is some indication that this program is in fact authorized under the interpretation of the administration.

Now, is the gentleman from Washington in error on that point?

Mr. DICKINSON. I cannot comment on what Secretary Taft said, but it is my understanding that this specific item has not been authorized, certainly not by the authorizing committee.

Mr. DICKS. Specifically.

Mr. DICKINSON. Specifically.

Mr. DICKS. But there is an account called Aircraft Procurement, Air Force, under which this could be authorized, according to the expensive interpretation of the administration, as I recall from the debate on the 747.

Mr. DICKINSON. I cannot comment on that directly because I do not recall that particular point. But if the gentleman would let me explain what I am trying to do——

Mr. DICKS. Sure.

Mr. DICKINSON. I have discussed this with the chairman and the ranking minority member.

There is $35 million in here to go forward with the selection of a successor to Air Force One and Air Force Two.

In looking at the dollar figure, it was $448 million for two aircraft. It was the feeling of the members of the authorizing committee that this is probably excessive, and all we are asking is leave the money in but make it subject to our being given an opportunity to have a hearing and to authorize some money, based on what comes out of the hearing. Our chairman has no problem with that. It is an excessive amount for two aircraft.

Mr. DICKS. If the gentleman will yield further, I happen to agree with the gentleman. I thought that the dollar figure for this was exceedingly high. And one of the major problems falls within the jurisdiction of the gentleman from Alabama, and that is a very large amount of money for R&D. It strikes the gentleman from Washington that that level of R&D is suspect. I would hope that the gentleman would take a very close look at it and try to make certain that those R&D funds are held to an absolute minimum, because I think we can do this without a lot of R&D.

Mr. DICKINSON. I assure the gentleman that is exactly what our committee wants to do; $99 million R&D. We have already built the two airborne 747's that have been EMP hardened. The figures are totally suspect. It is only for that reason. We are not trying to remove the money. We are saying we want to have a hearing. Your committee, as I understand it, did not have a hearing on this thing. It was something that the administration asked at the last minute, and you acceded to the administration's request.

Mr. DICKS. If the gentleman will yield, clearly you have a very good grasp of this issue.

Mr. Chairman, I withdraw my point of order, and I hope that the committee will accept the gentleman's amendment.

Mr. DICKINSON. I thank the gentleman.

Mr. CHAPPELL. Mr. Chairman, if the gentleman will yield, we accept the amendment on this side.

The CHAIRMAN pro tempore. The Chair notes that the gentleman from Washington [Mr. DICKS] has withdrawn his point of order.

The question is on the amendment offered by the gentleman from Alabama [Mr. DICKINSON].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. LOWERY OF CALIFORNIA

Mr. LOWERY of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LOWERY of California: Strike out section 8084 (page 79, lines 12 through 16).

Mr. LOWERY of California. Mr. Chairman, at a time when the Congress is seeking to enhance procurement reform and ferret out contractor abuse, section 8084 of the defense appropriations bill takes us in the opposite direction. Indeed, taxpayers have a right to know where their money is being spent and how much of it is being spent when the Navy contracts for repairs on its vessels.

The amendment I am offering would delete the bill's proviso that the Navy should somehow pretend that foreseeable transportation costs resulting from moving a ship out of its home port for repairs do not exist. The Navy does not concur with this committee direction and neither should any of us concerned about the principles of an open government.

Briefly, Mr. Chairman, for the benefit of those Members not familiar with the Navy's ship repair policies, let me try to explain current practice with respect to the so-called interport differential.

Current Navy policy factors in certain costs of moving a ship from one port to another for repair purposes. These moving costs are termed interport differentials. Now, interport differentials include: First, fuel costs; second, pilot, escort, and berthing costs; and third, messing of ship-based personnel. Family relocation costs, though difficult to predict, should also be considered an interport differential, but present Navy policy does not factor this cost in.

Nevertheless, the Navy's approach, contained in its own ship repair contracting manual, is fiscally responsible, aboveboard and honest. So, why does section 8084 of the defense appropriations bill engage in micromanagement of the worst ilk and turn Navy policy on its head?

Ostensibly, this provision seeks to maintain an industrial mobilization base in as many ports as possible. Section 8084 supporters would say that without this provision, home port shipyards have an unfair advantage in competing for Navy repair work. This argument is not new. In fact, the hue and cry coming from non-home-port areas is the driving force behind the Navy's decision to increase the number of home ports. The industrial base argument is also the main reason the Navy is now competing its major overhaul work on a coastwide basis with more vigor. And now, in another section of this bill's report, and in the name of maintaining our industrial ship-repair capacity, the committee is directing the Navy to also bid its smaller repair jobs coastwide, regardless of the effect on personnel and economics. I would submit, Mr. Chairman, that section 8084 is the last straw!

It is one thing to tell the Navy to increase its bid area, or to build new home ports. But it is quite another to suggest that the Navy should ignore the true cost of steaming its ships to other ports in the name of competition or industrial base capacity. Interport differentials are real, foreseeable costs that will be borne by the Navy. Hiding such costs through legislation won't make them go away, and sets a terrible precedent for dealing with this issue.

But don't take my word for it. The GAO, in a 1982 study of a Navy overhaul contract award, succinctly stated, "we believe that nonconsideration of foreseeable costs results in an inadequate evaluation of contractor bids and fails to reflect potential costs to the Government."

I find it hard to believe that Congress would want to create a policy which condones hidden costs to the American taxpayer. There is enough of that already, most of it unintentional. Section 8084 is a blatant, intentional attempt to cover up the real cost of bids; it is a slap at honesty in contracting, and is contrary to basic principles of good, open government.

Mr. Chairman, I urge Members to support my amendment to strike section 8084.

□ 1335

Mr. AuCOIN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the gentleman from California, in his amendment, would make it seem that somehow our committee has lurched forward and done something that is ill-advised, hastily conceived, and detrimental to the Navy and its personnel. The truth is that none of those things are true.

Our committee has looked for years at the problem of naval overhaul work and the industrial base that is required to do that work on both the west coast and on the east coast. It has looked into some practices on the part of home port shipyards that have given the taxpayer a raw deal. It has looked at the problems of inadequate competition which the Congress now has focused on in terms of seeking more of, on the part of the Pentagon, in all of its practices.

Our committee, in looking at some of these practices has studied reports from its own survey and investigations staff which have shown that the absence of competition and the buying in that's gone on in navy overhaul and maintenance work on both coasts has hurt the taxpayer; has run up costs, and is not a bargain by any stretch of the imagination.

The subcommittee has looked with great interest at reports of the General Accounting Office. Reports which have examined these practices that I refer to. The General Accounting Office has indicated that in the absense of competition, which the gentleman would remove by his amendment, we have seen in the case of cost plus and fixed cost contracts between

80 percent and 95 percent of the cases were involved in low balling.

So what the committee has done on the basis of that data, is to provide committee report language to increase competition by opening up more work on an coastwide basis and a ban on the interport differential which the Navy has applied to repair contracts in the past so that shipyards can compete for Navy work based on the cost of the work that they do within those yards. Costs such as the fuel that it takes to get a ship to a non-home-port yard, should not disadvantage that yard because the Navy has made a strategic decision to base that ship elsewhere.

Why not? Because in the case of home-port yards, which the gentleman from California represents, many costs are not scored against his yards' bids. What costs am I referring to? In many home port yards bidders there use the dry dock facilities of the Navy at a minimal cost not scored against those contracts that his shipyards bid on. Whereas in private non-home-port yards, such as in Portland, OR, they get assessed costs home-port yards are allowed to escape.

So if you want to look at costs, you can look at a lot of subsidies that are already at work in the case of home-port yards which are not factored into their bids and represent an advantage on the part of those home-port yards over private yards such as those I represent which have to pick up all of those and factor them into their bids.

So we have, in this committee, simply said that the interport differential should not count against a yard and reduce competition. If the yards in San Diego want to compete, they should compete fairly.

If you want competition, eliminating the interport differential is the way to do it, and the gentleman's amendment should be defeated.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. AuCOIN. I yield to the gentleman.

Mr. DICKS. I thank the gentleman.

Mr. Chairman, the gentleman from Oregon has provided tremendous leadership on this issue. The Navy says it wants competition; I think this is one way to insure it.

Second, we have got GAO reports that have clearly indicated that we are getting ripped off by this current policy. In my own view, it is time to get competition. I would point out to my friends that there is another way to deal with this issue. Secretary Lehman, I think, is on the right approach, and that is to disperse the fleet. If you are going to resist competition, and apples and apples-type competition, let us disperse the fleet.

The CHAIRMAN pro tempore. The time of the gentleman from Oregon [Mr. AuCoin] has expired.

(By unanimous consent, Mr. AuCoin was allowed to proceed for 2 additional minutes.)

Mr. AuCOIN. Mr. Chairman, I continue to yield to the gentleman from Washington [Mr. Dicks].

Mr. DICKS. I think that the gentleman from Oregon is correct. We need more competition in this whole procurement process, in SRA's and PMA's and we will save hundreds of millions of dollars. I am surprised that some of the people who want to take this out are also the great advocates of the new Gramm-Rudman approach of cutting the budget and balancing the budget, and constitutional amendments to balance the budget. What we are talking about here is trying to save the taxpayers some money through real competition.

Mr. AuCOIN. I appreciate the gentleman's remarks, and I would have to tell the gentleman that I think he knows, and I would hope that my colleagues understand, that all the committee is doing is extending existing Navy policy and current law already adopted that eliminated the procedure of applying the interport differential to shipyards that are non-home-port shipyards as a cost that they would have to figure in in making a competitive bid. It is law today.

We are extending existing policy here. The gentleman from California would reverse that.

Mr. DICKS. The gentleman is absolutely correct.

Mr. AuCOIN. I would have to just conclude, Mr. Chairman, by saying that if you want to look at what happens when you do not have competition, look at the number of bids we get when you do not have coastwide competition. On the west coast, the typical contract, when bid coastwide, brings in about 12 to 15 bids on the average. When you do not have coastwide competition, the average is closer to two or three bids per contract.

In that kind of a climate, as the GAO has shown us, you have a situation that is ripe for low-balling. The GAO has indicated that 80 to 95 percent of awarded contracts in the last couple years have been involved in low-balling with massive overruns. The GAO looked at 105 contracts that the Navy awarded. Total fixed price contracts were awarded at a cost of $594 million. What do you suppose the final cost to the taxpayer was? Not $594 million. It was $967 million. An increase of close to 70 percent! With that kind of cost growth, we could afford to put the ships' crews up in the Portland Hilton for the duration of the overhaul when our private yards are awarded a contract, and still save taxpayers' money and do a top-quality job for the Navy. Imagine what that would do for crew morale!

The current situation is not acceptable; it is not a bargain for the taxpayer. It needs to be broken up. Existing policy repeated here in our bill eliminating the interport differential makes a good start.

Mr. HUNTER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think we are missing the point here. If you are talking about competition and you really want competition, you have to evaluate all the costs. What we are saying is that if a ship comes into San Francisco or San Diego or Long Beach, and most of the people on that ship have a family in that particular community, and you have a coastwide bid and you send that ship 2,000 miles away to be repaired, that the cost of moving all those Navy families is there; it is a real cost. You have to consider it. You have to consider the steaming time and the time off station. You have to consider the cost of the move. The Navy family being moved 2,000 miles is usually on the order of $5,000 per family; it is not inconsequential.

We cannot develop a fiction whereby we say we are going to get the bottom price for the taxpayers, but in order to accommodate some shipyards, we are not going to evaluate all the costs and we are not going to include all the costs.

□ 1345

I agree with my friend, the gentleman from Oregon [Mr. AuCoin] that we should consider all costs whenever we are talking about contracting from the U.S. Navy, whether you are building aircraft or repairing ships or whatever. But clearly, moving the ships 2,000 miles and moving those families and their possessions several thousand miles is a cost.

Let me make one other point, since the chairman of the Subcommittee on Sea Power, the gentleman from Florida [Mr. Bennett] is here on the floor with us today. In the Committee on Armed Services, where defense policy is made, we, of course, have the opportunity to put in language that would negate what the Defense Appropriations Subcommittee has done, but, of course, we cannot anticipate what they are going to say. It puts us in a very difficult position when it is not our policy—and we are the makers of policy for the armed services—to see the Defense Appropriations Subcommittee follow on and lay out a policy that is different from the policy we would embrace. That is why I think it is important for the subcommittee chairman, the gentleman from Florida [Mr. Bennett]—and the gentleman from Virginia [Mr. Sisisky], I know, spoke up—and for the gentleman from San Diego, CA [Mr. Bates], and some other Members to stand up today and say that this is not the policy of the House of Representatives.

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I think it is important that the Navy know that the language laid out in that report saying that you will do certain things with regard to the competition of overhauls is not the policy of the House of Representatives, it is not the policy of the Sea Power Subcommittee, or the full Committee on Armed Services. It is the policy only of a few Members who put that language in the defense report.

And I think we have to keep our eye on the ball with regard to this competition. We are talking about Navy families and we are talking about people who will come off a move out perhaps to the Indian Ocean, a tour of duty that may have been 5 or 6 or 7 months long. The average seaman gets home, he meets his wife and his family as he gets off the *Kitty Hawk* or the *Constellation* or the *Ranger* or another ship, and he hopes to be able to spend a couple of weeks with them. What the gentlemen from Washington and Oregon are really telling them is, "If you have a 3-week repair job that comes up and you live in San Diego or you live in Norfolk or another place, and you have just come home and you haven't seen your wife and family for half a year," we are going to take that Navy family like a wishbone, make a wish that we win the contract, and pull it apart, and send that guy who has been at sea for 6 months another 2,000 miles away, where he is going to have to find other quarters; he is going to have to pull the wife out of her job, get the kinds out of school or else leave them if he wants to see them at all.

So we are talking about a policy that impacts people, and I can tell you the compelling interest is the interest of the personnel who make up our armed services. We are not going to be able to stop the erosion—and we have a second erosion beginning from the Navy at this point—we are not going to be able to stop the erosion of qualified personnel if we do not treat them a little bit better.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. HUNTER. I am happy to yield to my friend, the gentleman from Washington.

Mr. DICKS. Mr. Chairman, I would suggest to the gentleman that there are two ways to deal with that. One is to disperse the fleet into other areas; that would be one possible solution. But I would ask the gentleman also, as a member of the Sea Power Subcommittee and one of the most respected Members of this House on defense matters and someone for whom I have a great personal admiration, how are we going to get something done about getting a better price for the taxpayers?

The GAO reported very clearly that we have had these abuses. Somehow we have got to get a handle on this.

Mr. HUNTER. Mr. Chairman, reclaiming my time, let me tell the gentleman simply this: The U.S. Navy does not exist to make business for a Northwest shipyard, or a Southwest shipyard.

Mr. DICKS. But they also should not be taken advantage of by a San Diego shipyard.

Mr. HUNTER. But let me just tell the gentleman this. Navy families have to live somewhere, and if they live in the home port area, the gentleman would prescribe spreading the home ports out across the country.

The CHAIRMAN pro tempore. The time of the gentleman from California [Mr. HUNTER] has expired.

(By unanimous consent, Mr. HUNTER was allowed to proceed for 1 additional minute.)

Mr. HUNTER. Mr. Chairman, if the gentleman suggests taking this entire infrastructure of the U.S. Navy and rebuilding it somewhere else at a huge cost just to accommodate a shipyard, then I think he is missing the point.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. HUNTER. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, I just want to make sure that we get competition and we get the best value for the taxpayer's dollar on the money we are spending in this area. That is what I am after.

Mr. HUNTER. Mr. Chairman, I thank the gentleman for his concern.

Mr. LOWERY of California. Mr. Chairman, will the gentleman yield?

Mr. HUNTER. I yield to the gentleman from San Diego, CA.

Mr. LOWERY of California. Mr. Chairman, I want to put a question to my colleagues, the gentleman from New York and the gentleman from Oregon: How is not factoring all the costs, the total costs, anticompetitive? I would ask the gentleman from Washington or the gentleman from Oregon, how is not factoring all costs anticompetitive? I fail to see that.

The Navy now is competing on all but one overhaul this coming fiscal year.

Mr. AUCOIN. Mr. Chairman, will the gentleman yield to me?

Mr. HUNTER. I yield to the gentleman from Oregon [Mr. AUCOIN] for the purposes of answering a question.

Mr. AUCOIN. I did not hear the question, so if the gentleman would repeat the question, I would appreciate it.

The SPEAKER pro tempore. The time of the gentleman from California [Mr. HUNTER] has expired.

(By unanimous consent, Mr. HUNTER was allowed to proceed for 3 additional minutes.)

Mr. HUNTER. Mr. Chairman, I yield to the gentleman from California [Mr. LOWERY] to restate the question.

Mr. LOWERY of California. The question is: How is factoring all costs at a time when the Navy is competing overhauls coastwide now—in all but one instance will those overhauls be competed coastwide—how is not factoring in all costs, including the cost of relocating crews, in some cases families, mess for the crews, fuel costs, berthing, piloting, all of that—how is it anticompetitive not to factor those costs in?

Mr. AUCOIN. Mr. Chairman, will the gentleman yield?

Mr. HUNTER. I yield to the gentleman from Oregon for the purpose of answering the question.

Mr. AUCOIN. First, I should point out that the Navy may be competing overhauls coastwide, but you and I both know there are only five of these—only five—available on the west coast next year. Almost all repair work is now being done as SRA's and phased maintenance reserved for the home port. Second, the gentleman tries to make a point that we are excluding major costs, and that this is somehow a disadvantage to the home port area.

I would say to the gentleman that home port areas are advantaged today and not assessed for costs that the Navy picks up for them in such things as berthing fees, towing costs for the tugs that pull the ships into the port to get them berthed, and in some cases yards in the gentleman's district are using the Navy's drydocking facilities at either a bargain-basement price or at no cost at all.

Those are costs that are excluded from homeport bids now. The gentleman does not say that they ought to be factored in to get the real picture on total costs. Why not? Because as a home port area, the gentleman is advantaged by not counting these costs.

We are saying that what we need to do is to have these costs separated from the price of the work product that can be provided in home-port yards and in the yards that are in non-home-ported areas.

Mr. HUNTER. Mr. Chairman, let me yield first to my colleague, the gentleman from San Diego, CA, Mr. LOWERY, for a response, and then I will also yield to the other gentleman from San Diego, CA, Mr. BATES.

Mr. LOWERY of California. Mr. Chairman, we are already paying for those costs. When the ship is home-ported and berthed there, that cost is already factored in, and to suggest that somehow we are going to double-pay it and not count it and to suggest that somehow that supplies competition or promotes competition and that somehow promotes a lower cost to the taxpayers is absurd.

The CHAIRMAN pro tempore. The time of the gentleman from California [Mr. HUNTER] has again expired.

(By unanimous consent, Mr. HUNTER was allowed to preceed for 2 additional minutes.)

Mr. WYDEN. Mr. Chairman, will the gentleman yield?

Mr. HUNTER. I yield to the gentleman from Oregon.

Mr. WYDEN. Mr. Chairman, I rise in opposition to the amendment to delete section 8084 of H.R. 3629.

I'd first like to comment on some of the concerns I've just heard about how Navy crews and their families are inconvenienced when repair work is done at nonhome port shipyards. That's simply not the case in Portland, OR.

Last spring, I organized the "Portland Welcomes the Navy and Coast Guard Committee" and prevailed on two distinguished community leaders —Multnomah County Commissioner Pauline Anderson and former Congressman Wendall Wyatt—to serve as cochairs. The idea was to show that the crews and families of Navy ships stationed in Portland would be given a red carpet welcome and that the community would walk the extra mile to ensure that their stay was as comfortable and enjoyable as possible. In another sense, the committee's mission was to disprove once and for all the sort of mythology we've just heard during the course of this debate—that awarding repair and overhaul contracts to Portland is tantamount to subjecting the ships' crews and families to unpleasant conditions. That's simply not true—and we've proved it once and for all.

The committee, through former Congressman Wyatt's and Commissioner Anderson's leadership, did a terrific job in a very short period of time—and the community at large responded magnificently.

Specifically, professional sports teams offered free tickets, major retailers provided major discounts on merchandise, and the local bus system gave out free passes to Navy families. In addition, the school district set up special orientation sessions, local landlords waived security deposits and move-out notice requirements on rental units, banks provided free or heavily discounted checking accounts and other services, a major S&L agreed to waive credit card fees and our world famous ski resort chipped in with special promotions and discounted admissions and fees. Finally, local restaurants came up with discount coupon packages and our area's major electric utility waived its usual hookup deposit. And these are only some of the highlights. All in all, more than 100 Portland business and community organizations have agreed to actively participate in our Welcome the Navy effort.

These impressive communitywide contributions culminated earlier this month at a gala "Welcome the Navy Fair" at our local Navy Reserve Center, attended by hundreds of crew members, and spouses and children, of the USS *Duluth* and USS *Cushing*. The overwhelming reaction of Navy personnel to our committee's efforts—from these crew members to top Navy brass—has been one of genuine appreciation of the warmth, friendship and generosity of the Portland community. To my knowledge, no other city and no other port in the Nation has put together a welcoming package that even comes close to matching what we did—and will continue to do—in Portland. It is my hope and expectation that in the years ahead, Navy crews and families will, rather than expecting any sort of hardship, will instead look forward with eager anticipation to a duty assignment in Portland.

Mr. Chairman, section 8084 would clarify the intent of Congress, in passing the supplemental appropriations bill this past summer, to abolish the use of "interport differentials" by the Navy in awarding ship repair, maintenance and overhaul contracts. The Navy has expressed uncertainty as to whether Congress intended this ban to be permanent—and this section of the Defense appropriations bill makes it clear that that's precisely what we intended.

Ship repair contractors at the nonhome-port ship repair yards, particularly on the west coast, have been hampered by the Navy's insistence that a predetermined interport differential—the added cost to the Navy to move a ship to such a port, supervise the repair job, provide for the ship's crew, et cetera—be added to repair bids submitted by such contractors. Section 8084 would simply end that practice and allow contractors at nonhome-port yards to compete on an equal footing with contractors situated in home-port areas.

There are compelling reasons for ratifying what we did this summer and clarifying for the Navy that we intended then and intend now to permanently abolish the use of interport differentials. The Navy has long held to the view—recently reaffirmed—that our national security requires that a geographically dispersed national shipyard mobilization, construction and repair base be maintained. This means that construction and repair work must not and cannot be limited to the major home-port areas of Charleston, Norfolk, and San Diego. There are obvious historical reasons—Pearl Harbor being the most dramatic—to avoid concentrating too large a portion of our fleet in too few areas.

Interport differentials are a necessary cost of maintaining this nationwide mobilization base—and that cost, like all costs related to our national security, should be met by the Nation at large. It does not make sense—and, in fact, is counterproductive to this policy—to require private contractors in nonhome-port shipyards to bear, or attempt to bear, such costs. In many cases—particularly if SRA's and other smaller contracts are now to be bid, as the committee report makes clear, on a coastwide basis—this large additional fixed cost cannot be borne by the prospective contractor and effectively removes these firms and these yards from the competition. If, on the other hand, a level playing field is provided, competition for all repair and maintenance work will be greatly enhanced and the overall cost to the taxpayers will ultimately decrease.

The results of failing to provide a level playing field where all qualified ship repair contractors can compete on an equal footing, at least in the Pacific Northwest where very few vessels are homeported, are obvious. Last year, despite the Navy's policy to route at least 30 percent of its ship repair work to private yards—again, in order to maintain our private shipyard mobilization base—only 2 percent of the ship repair dollars expended in the Northwest went to private yards. The comparable figure in southern California in 1984 last year was 57 percent.

Non-home-port yards simply cannot compete if this unfair interport differential penalty is applied—and if they can't compete, they wont' be around to fulfill their vital role in maintaining our Nation's security. It's just about that simple. We need to keep section 8084.

Mr. HUNTER. Mr. Chairman, let me thank the gentleman from Oregon [Mr. WYDEN], and I now yield to my friend, the gentleman from San Diego, CA, Mr. BATES.

Mr. BATES. Mr. Chairman, I rise to speak in support of the amendment, and I commend my colleague, the gentleman from San Diego, CA, for addressing this problem and pointing out that it does not make sense, particularly as a Congressman from the San Diego area.

There is no question that this work is important to San Diego. There is no question that we need a competitive system, though, and there is no question that there is an advantage because of the large naval facilities, the piers, the boats, and other things. But that should enable them to make a lower bid to benefit the taxpayer ultimately, and it is not our intent to eliminate all competition or eliminate this work being done in other ports.

But I think the reverse should not be true, and it seems to me that that is what the language prior to the adoption of this amendment would do. I understand that earlier we did discuss other provisions in the report language.

The CHAIRMAN pro tempore. The time of the gentleman from California [Mr. HUNTER] has again expired.

(By unanimous consent, Mr. HUNTER was allowed to proceed for 2 additional minutes.)

Mr. BATES. Mr. Chairman, I would just like to conclude by asking that we try to work this out so we do keep a competitive environment but not that we preclude the ability of the transportation costs being included in an overall objective decision that would ultimately benefit the taxpayers.

Mr. Chairman, the amendment offered by my colleague from San Diego would strike a provision in the bill before us that simply does not make sense. It does not make economic sense. It does not make sense for the desired goal of retention of our military personnel and it does not make sense if we wish to retain our ship repair industry.

The provision would bar the Navy from taking into consideration the cost of transportation of vessels to different ports when awarding bids for ship overhauls, maintenance, or repair.

We are telling the Navy that certain costs are not really costs. It is a "smoke and mirrors" effort to make certain ports more competitive, and it is wrong and economically unsound. It we are to evaluate bids based on their cost, then we must truly look at those costs—all of the costs. The cost of transporting personnel, families, and fuel for the ship are substantial, and these costs must be included in any cost comparison for Navy repair work. To disallow these costs to be factored in is inherently anticompetitive, and I urge my colleagues to join me in supporting this amendment.

Mr. Chairman, I am also concerned by the implications of two provisions in the report accompanying this bill. The first provision would open up for bid selected restricted availabilities on a coast-wide basis. These SRA's are small repairs of $3 to $5 million and usually take between 8 and 10 weeks to complete.

To open these repairs coast-wide—rather than reserving them for facilities at the home port—serves to deny these sailors the ability to spend time with their family and denies the Navy the opportunity to make certain organizational improvements at the home port.

This change in policy will have a devastating effect on morale and would add considerably to the difficulties of maintaining a normal family life.

Mr. Chairman, the second provision of concern contained in the committee report deals with certification of private yards.

This provision represents a major change in policy. This provision contradicts the stated desire of the U.S. Navy, and this provision undermines an industry essential to our national security.

The conference report accompanying the fiscal year 1985 Appropriations Act called for the decertification of private shipyards without access to non-Navy piers and drydocks from receiving Navy ship repair, alteration and overhaul work. This action was taken based on an assumption that these shipyards were disruptive to Navy operations.

However, during subsequent hearings, the Navy testified that not only are these activities not disruptive, they perform an important function, especially for repairs to Navy ships below MSO size.

Yet despite this expressed desire of the Navy, the Appropriations Committee has again acted to bar these ship repairs firms from Navy repair work. The committee report accompanying this bill—while recommending that the Navy be allowed to continue certifying facilities with no or inadequate piers or drydocks—contradicts this same policy by further stating that such certification cannot occur for ship maintenance and repair projects "unless no such facilities are available in other private yards."

Essentially the committee is telling these ship repair facilities: yes, you can continue to operate, but we'll make it as difficult as we can for you. This is hardly equitable.

Mr. Chairman, I would like to point out that the majority of ship repair facilities that will be affected by this provision are small businesses. In fact, it was the Navy Small Business Advocate who alerted facilities in my district to the implications of this provision. I fail to understand why, on the one hand we continually act to promote small business competition, and then counteract those efforts in this report.

Mr. Chairman, in registering my opposition to these provisions, it is my hope that the legislative history on this matter will show that this action was not unanimously approved by the Congress. I hope that this action will be reversed by the other body and that the authorizing committee will look into the implications of these policy changes.

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Mr. HUNTER. Mr. Chairman, I yield my remaining time to my chairman, the gentleman from Florida [Mr. BENNETT].

Mr. BENNETT. Mr. Chairman, I want to talk strongly in favor of the amendment of the gentleman from California [Mr. LOWERY].

The Navy has written me a strong letter on this.

Mr. Chairman, I will insert the letter in the RECORD at this point, as follows:

DEPARTMENT OF THE NAVY,
OFFICE OF THE SECRETARY,
Washington, DC, October 29, 1985.

Hon. CHARLES E. BENNETT,
Chairman, Subcommittee on Seapower and Strategic and Critical Materials, Committee on Armed Services, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN. In response to your query, the issue of Selected Restricted Availabilities (SRA) now before the House is of great importance to the crews of our ships. The House Appropriations Committee report directs the Navy to compete all Selected Restricted Availabilities (SRAs) coastwide. During the last year, we have changed policy and extended the bid area coastwide for all Regular Overhauls (ROHs) to increase competition and reduce costs and in recognition of a maintenance philosophy shift to more short SRAs and fewer long term ROHs. In the case of ROHs we are able to offer the crews the opportunity to relocate with the ship.

For the shorter SRAs, usually about 3 to 4 months, we have competed in the home port. This has assured an adequate repair base in our home-port areas but more importantly it has kept the crews home with their families.

Our crews are already required to be deployed away from their families more than we desire. They make this sacrifice because of the importance of the task. Increasing their time away from home, in many cases just before or after completion of an overseas deployment, will have a very serious adverse impact on their morale and the quality of family life.

Readiness will also be impacted. During these short SRAs, the nonengineers in the crew make extensive use of the shore training facilities to sharpen their warfare skills by day and return to the ships for duty at night. Bidding SRAs coastwide would deny many ships use of the shore training sites and result in degraded readiness. Work arounds to this situation would be costly and would again dramatically impact family life.

I sincerely appreciate your interest in this issue because of its great importance to our sailors and their families. Rescinding this language in the HAC Report would greatly help in preserving the already limited time our Navy families have together.

If I can be of further assistance on this issue please let me know.

Sincerely,

EVERETT PYATT,
Assistant Secretary of the Navy (Shipbuilding and Logistics).

Mr. BENNETT. Mr. Chairman, they point out that not only is it a morale thing with regard to personnel; but they also say, with regard to readiness, it is an important thing; and the cost as well, because this is an element of the cost.

About readiness, it says that readiness will also be impacted. During these short SRA's, the nonengineers in the crew make extensive use of the shore training facilities to sharpen their warfare skills and workarounds to this situation would be costly and dramatically impact family life.

If you leave the language in the bill as it is, it is going to cost the Government money. It is not going to save the Government money.

I want to say also that many of us in areas where there is home porting have had millions of dollars spent by our local people to get competition at the local area, at the request of the Navy. It would be bad faith if you enacted this legislation as now worded.

The CHAIRMAN pro tempore [Mr. DORGAN of North Dakota]. The time of the gentleman from California [Mr. HUNTER] has again expired.

(By unanimous consent, Mr. HUNTER was allowed to proceed for 2 additional minutes.)

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. HUNTER. I yield to the gentleman from South Carolina.

Mr. SPENCE. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, as it now stands, the appropriations bill and its accompanying report contain a major inconsistency in their directions to the Navy concerning ship maintenance and repair. On the one hand, they would direct the navy to compete coastwide all regular overhaul and selected restricted availability work, regardless of the duration of that work. Many of us have expressed our concern about the detrimental effects this language would have on Navy personnel and their families, as well as the total costs of doing this work.

But, on the other hand, section 8084 of the bill would prohibit the Navy from considering the true total costs to the taxpayer of performing this work and carrying out a real competition. Instead, the bill would require the Navy to ignore the costs of moving the ship and its crew out of its home port and the ongoing costs of transporting them during the repair availability for training and other purposes.

Mr. Chairman, this is not true competition. It is, instead, a double whammy for the taxpayer, the sailors and the ship repair facilities in Navy home ports.

I urge my colleagues to support the amendment and restore some fairness and consistency in ship repair policy as it's treated in this bill.

Mr. HUNTER. Mr. Chairman, I yield the remaining time to the gentleman from South Carolina [Mr. HARTNETT], the gentleman from Charleston.

Mr. HARTNETT. Mr. Chairman, I rise in strong support of the amendment. I commend my colleagues.

I think we have to do what is best for the Navy and keep costs down, keep Navy families together, to keep up the esprit de corps in the Navy and maintain good personnel.

I rise in strong support of the amendment and I commend my colleagues for its introduction.

Mr. LOWERY of California. Mr. Chairman, will the gentleman yield?

Mr. HUNTER. I yield to my friend, the gentleman from California.

Mr. LOWERY of California. Mr. Chairman, just in closing, I would hope the House will support this. It will keep costs down. It is in the taxpayers' interest. Let us factor in all the costs. Let us have truth in contracting so that indeed we know what these costs are and we have as full competition as possible.

Mr. SISISKY. Mr. Chairman, I rise in support of the amendment to delete section 8084 from the fiscal year 1986 Defense appropriations bill. We're facing the constraints of limited financial resources in the Federal Government. We're facing a need to utilize limited resources in the best way possible. I submit that the best way possible does not include saying that certain very real cost factors shall not be included when competing overhaul, repair or maintenance contracts for Navy ships.

During earlier debate on this bill we heard Members say that we needed to have fair competition for ship repair and overhaul contracts in the interest of saving money. I agree. But what I can't understand is how anyone who supports fair competition in the interest of saving money would then turn around and try to stack the deck against their competitors. That's not fair, and it doesn't make sense if we really want to save money on Navy contracts.

It seems simple enough to me. If we want to save money, we've got to have fair competition. If we want to have fair competition, we've got to consider all the factors that could raise or lower the cost of ship repair. It doesn't make sense to say that we can consider this or that factor, but we can't consider some other factor. We shouldn't be able to arbitrarily pick and choose between the cost factors or to ignore the significant costs of and charges for interport differential.

I spoke earlier today about the undesirability of separating Navy families, and I don't want to repeat that here. But I do want to say that the same arguments apply to this situation and to the possibilities that the language in section 8084 could set in motion. I just believe that it represents both bad personnel policy and bad financial policy to create a situation, ostensibly to save money and promote competition, that will clearly cost more money and remove competitive factors from consideration.

I urge my colleagues to support this amendment that would delete the language in section 8084 from the bill.

Mr. BOUCHER. Mr. Chairman, I rise in support of the amendment offered by the gentleman from California [Mr. LOWERY] to section 8084 of the Defense appropriations bill, H.R. 3629.

Present Navy policy concerning the evaluation of bids for ship maintenance and repair work appropriately calculates all interport differentials, including costs for steaming a vessel from its home port to another port for repairs, escort and berthing costs, and messing of ship based personnel in private shipyard bid calculations.

Section 8084 markedly changes current Navy policy by directing that interport differentials not be considered when evaluating bids for ship maintenance and repair work. This provision of the bill will distort the competitive bidding process and increase ship maintenance costs.

Given our ongoing commitment to eliminate waste and inefficiency in the defense budget, section 8084 undermines our efforts to put our fiscal house in order.

I urge our colleagues to support the Lowery amendment.

Thank you.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from California [Mr. LOWERY].

The amendment was agreed to.

The CHAIRMAN pro tempore. Are there further amendments to title VIII?

AMENDMENT OFFERED BY MR. DYSON

Mr. DYSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DYSON: None of the funds appropriated by this Act may be used by the Department of the Navy for the purpose of conducting Electromagnetic Pulse Testing [EMP] in the Chesapeake Bay or its tributaries.

Mr. DYSON. Mr. Chairman, this amendment would prohibit the Department of the Navy from using any of the funds in this bill for the purpose of conducting electromagnetic pulse testing in the Chesapeake Bay. I hasten to add that the Electromagnetic Hardness Testing Programs in the Navy are essential to military preparedness. And I support the Navy's efforts in this important area of research. But I have very serious reservations about conducting such tests in the Chesapeake Bay. This body of water is one of the world's largest and most productive ecosystems. It is the most productive fishery in the Nation, exceeded only by the Atlantic and Pacific coast fisheries. The Chesapeake Bay provides spawning and nursery sites for several important species of anadromous fish, including white perch, stripped bass, and shad. In addition, several marine species including bluefish, weakfish, crooker, menhaden, and spot enter the bay to feed on its rich food supply. Migratory birds and water fowl find food and shelter in the numerous coves and marshes of the bay. Approximately one-half a million Canadian geese winter in the bay, which also provides a nesting area for the endangered bald eagle and osprey.

To protect this vital estuary, the Congress last year appropriated over $10 million to begin the process of cleaning up the Chesapeake Bay. The importance and the magnitude cf this task manifests itself in the cooperative efforts that Maryland, Virginia, and Pennsylvania have made toward achieving this goal. The State of Maryland itself has committed $70 million to this program and both Pennsylvania and Virginia have similarly committed substantial resources. And this year both the House and Senate have authorized $52 million in the Clean Water Act to set in place a 4-year commitment by the Federal Government to this critical effort. Moreover, the EPA, the Department of Agriculture, and the Department of Defense have also committed themselves to this restoration effort.

In light of this investment, Mr. Chairman, it seems wholly unwise for the Department of the Navy to invest good money in so important a project as Empress II in an area like the Chesapeake Bay. It's a classic case of

one hand not knowing what the other is doing. I believe we must take a much closer look at this project and recommend that the Navy find another location for conducting these tests.

Mr. CHAPPELL. Mr. Chairman, I move to strike the last word.

Mr. Chairman, let me respond to the gentleman. In the first place, I understand there are no funds in here for the specific concern that the gentleman has.

In the second place, the Navy would have to go through all the EPA requirements first before funds were spent.

In the third place, during this fiscal year there is no intention on the part of the Navy to undertake such an effort.

But if the Navy should, I will say to the gentleman that our committee would be delighted to work with the gentleman to try to deal with any of the concerns the gentleman has about this measure.

Mr. DYSON. Mr. Chairman, in light of that, I ask unanimous consent to have my amendment withdrawn.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The CHAIRMAN pro tempore. Are there further amendments not prohibited by clause 2(c) of rule XXI?

Mr. LEWIS of California. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of the bill.

Mr. Chairman, I would like to have a colloquy with my colleague, the gentleman from Pennsylvania [Mr. McDADE].

May I ask the gentleman from Pennsylvania [Mr. McDADE], I am referring to language in the report on the bill that specifically addresses itself to the Defense Audiovisual Agency and the disestablishment thereof.

In April of this year the Secretary of Defense announced the disestablishment of the Defense Audiovisual Agency and in connection with that action the committee chose to make a significant reduction in the moneys that flow for audiovisual activities.

The Department of Defense estimated a $500,000 saving. The committee envisioned perhaps as much as $10 million. That specifically dramatically affects programs that are responsibly carried forward within my district.

I would like to discuss it with the committee and hopefully provide material that may cause the committee to reconsider a piece of that, at least, between now and the conference.

Mr. McDADE. Mr. Chairman, will my colleague yield to me?

Mr. LEWIS of California. I am happy to yield to the gentleman.

Mr. McDADE. Mr. Chairman, I want to congratulate my colleague for bringing this to our attention.

It may very well be, as my colleague has pointed out, that we went too far. Let me say to my colleague that because of his interest we are delighted to receive additional information and additional documentation to see if perhaps we ought to reverse this decision or modify it in some way that would accommodate the gentleman's interest. We will be happy to do that, may I say to my friend.

Mr. LEWIS of California. Mr. Chairman, I appreciate that.

Mr. BROWN of California. Mr. Chairman, will the gentleman yield to me?

Mr. LEWIS of California. I am very happy to yield to the gentleman from California [Mr. BROWN].

Mr. BROWN of California. Perhaps the distinguished chairman can respond to both our concerns.

Mr. Chairman, I am very pleased that my colleague, the gentleman from California, has brought this matter up. The activity in question, the Defense Audiovisual Agency at Norton Air Force Base is one that we have kind of interchanged over the years. We are both very familiar with it and aware of the important role that it plays.

I want to concur completely with the statement which my colleague has made and offer to support in any way I can the careful reconsideration by the committee of the possibility of restoring some of this $10 million which was cut out.

Mr. Chairman, I rise to voice my objections to a cut made to the Department of Defense audiovisual functions formerly performed by the Defense Audiovisual Agency [DAVA]. DAVA was formed from the individual audiovisual components of the various services in order to seek efficiencies from a consolidated operation. The Department of Defense decided this year to dissolve DAVA and to return many of these audiovisual functions back to the Services and to the American Forces Information Service [AFIS]. The Department of Defense identified $500,000 in savings from this move.

However, the committee has decided, rather arbitrarily, I might add, to cut $10 million from this function. This move was made without prior consulation with the Air Force which must bear the greatest burden of this cut. The committee assumes that the Air Force can absorb this cut and still maintain current service levels, an assumption which the Air Force says is incorrect. The committee also has abrogated an understanding made by the Department of Defense to current employees that they would be transferred to the various services along with sufficient funding to keep any disruption to a minimum. A cut of nearly 50 percent is not a minimum disruption.

For my colleagues who are not aware of what these audiovisual functions entail, let me take a moment to explain. DAVA was a comprehensive audiovisual production, duplication, distribution, and storage operation. It also maintained extensive Department of Defense film archives, valued at hundreds of millions of dollars. Everything from training films to combat audiovisual materials where handled by DAVA. In addition, DAVA maintained a data base to control production and storage and avoid duplication.

Under the DAVA disestablishment, these functions will return to the uniformed services or to AFIS. The central control functions, the archive functions, and the production and distribution functions which affect all of the services will be retained at the old DAVA facility at Norton Air Force Base and will fall to the Air Force to maintain. These are the functions which will be affected by the $10 million cut.

This cut endangers many millions of dollars' worth of archived audiovisual material. It also means that millions of dollars of films already produced may not be able to be duplicated and distributed in a timely manner, if at all. The central control function, which helps eliminate duplication of efforts, will be threatened. Also, existing contracts would be terminated, costing an estimated $3 million. And all of this is being done without a plan or prior consultation with the services affected.

I recognize the need to cut Federal spending, but only with a rational plan in place. I will not at this point offer an amendment to restore this funding pending such a plan of action, but will work on the other body to correct this situation. It is my hope that we can reverse this ill-conceived action.

Mr. LEWIS of California. Mr. Chairman, this is relatively at the last moment in terms of the item coming to our attention. We do appreciate the gentleman's cooperation and look forward to working with him between now and the conference.

Mr. CHAPPELL. Mr. Chairman, will the gentleman yield?

Mr. LEWIS of California. I yield to the distinguished gentleman from Florida.

Mr. CHAPPELL. Mr. Chairman, we recognize the problem and we will be delighted to consult with the gentleman, consider such information as the gentleman has, supplementing what we already have, and see if we can be of assistance on the matter.

Mr. LEWIS of California. Mr. Chairman, I thank the gentleman.

Mr. Chairman, I rise today to express my concern with the way in which the Appropriations Committee

has chosen to drastically reduce requested funding for the audiovisual requirements of the Department of Defense.

At the beginning of this fiscal year, the Department of Defense has moved to disestablish the Defense Audiovisual Agency [DAVA] located at Norton Air Force Base in California. By so doing, the Department sought to realize improvements in both efficiency and economy. Yet these improvements were predicated on the transfer of DAVA funds and personnel to the respective military services. Additionally, the Air Force was further tasked to assume those DAVA functions which could not be reasonably transferred to the various services.

The Appropriations Committee, however, has taken action which seriously jeopardizes the services and DOD's ability to carry on the important, combat-related responsibility of the production, dissemination, and storage of military training films and photographic records.

By reducing the budget for audiovisual requirements by almost 50 percent, the Department of Defense will not only fail to realize the improvements it sought when it disestablished DAVA, but it will now be required to accept serious disruptions in both production and personnel.

In the committee report which accompanies H.R. 3629, the committee asserts that a number of the functions of the Defense Audiovisual Agency were already being duplicated by the separate services. Accordingly, the committee maintains, reducing the funds for audiovisual production from $21.9 million to $11.9 million will have no negative effect on either the production of audiovisual products or the personnel assigned to the Agency. This is simply not the case.

There are three primary services performed by DAVA which are not duplicated by the services presently and which will have to be performed at additional expense by the Air Force at Norton Air Force Base.

The production of category 3 films and training aids—those products which are used by all the services and within the Department of Defense—were produced exclusively by DAVA. This must now be assumed by the Air Force at Norton.

The safe storage of these important and often very expensive training films, combat photographic records, and training aids requires a specially controlled environment. None of the individual services presently have such a storage facility.

DAVA was charged with the responsibility disseminating audiovisual products Department wide. Military readiness will be directly impacted due to the inability of the training media centers to distribute the materials in stock. Nonuse of the available training materials, representing a multimillion-dollar investment, due to an inability to distribute them is false economy. The individual services have no such capability for coordinated distribution throughout the Department of Defense.

Finally, the sophisticated computer system required to manage the Department's vast supply of audiovisual assets was maintained exclusively by DAVA. This invaluable resource which prevents the wasteful duplication of films and training aids will be lost as a result of the committee's action. No replacement exists within the individual services.

Under the original Department of Defense plan for the disestablishment of DAVA, the Air Force was to assume these important functions at Norton Air Force Base, thereby ensuring the continued accessibility of all services to these vital audiovisual assets. With the committee reduction in funds going for audiovisual support, the Air Force will be unable to provide these former DAVA services.

Of great concern is the number of Air Force and private sector employees who will be negatively affected by the Appropriations Committee's decision to cut funding by 50 percent. Some 125 Air Force and former DAVA employees will be immediately affected by the committee action. Some will lose their jobs while others will be required to accept reductions or relocate to other installations.

Private contracts totaling some $13 million negotiated by DAVA must now be canceled. These cancellations will cost the U.S. taxpayer over $3 million with nothing to show for it but a canceled check.

However, these contract terminations will affect over 320 employees and their families. Since the audiovisual requirements must ultimately be met, the committee will eventually spend at least $16 million in the future in order to save $10 million this fiscal year. This figure does not begin to represent the human cost borne by those displaced by the committee's hasty actions.

Finally, I would like to point out, Mr. Chairman, that the committee did not consult with either the Air Force or its affected echelons of command at Norton Air Force Base before making this dramatic cut. Had it done so, I'm confident that such a reduction would not have taken place. I urge that these funds be restored in conference so that the cost savings envisioned by the Department of Defense when DAVA was disestablished may be realized and so that the important work now tasked to the Air Force at Norton Air Force Base may continue uninterrupted.

Mr. CONTE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to get the attention of the chairman of the subcommittee and the ranking minority member.

When we were debating section 2, unfortunately I was hosting a luncheon with the head of the OMB.

I had an amendment at that time which I wanted to offer and, of course, now we have gone by it.

I have talked to the chairman of the subcommittee, the gentleman from Florida [Mr. CHAPPELL], and the ranking minority member and asked their indulgence.

Mr. CHAPPELL. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I am glad to yield to the gentleman from Florida.

Mr. CHAPPELL. Do I understand the gentleman wishes to revert back to the proper section or put it in under the general language?

Mr. CONTE. Yes; I intend to ask unanimous consent to offer an amendment which is at the desk on page 117, and which states: "On page 117, after line 2, insert the following new section:"

Mr. CHAPPELL. Mr. Chairman, this side is familiar with what the gentleman wishes to do, and while we think this is the wrong appropriation bill to put it on, we have no objection.

AMENDMENT OFFERED BY MR. CONTE

Mr. CONTE. Mr. Chairman, I ask unanimous consent to offer an amendment on page 117, after line 2.

The CHAIRMAN pro tempore. The Chair wishes to inform the gentleman from Massachusetts [Mr. CONTE] that his amendment is under title VIII, and the gentleman does not need unanimous consent to offer it.

The clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. CONTE: On page 117, after line 2, insert the following new section:

SEC. 8102. There is appropriated, for expenses, not otherwise provided for, necessary for the operation and maintenance of the Navy and the Marine Corps, an additional $100,000,000, which shall be transferred to U.S. Coast Guard Operating Expenses to be available only for operations and training relating to the Coast Guard's defense and military readiness missions.

Mr. CONTE (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. CONTE. Mr. Chairman, I rise in support of my amendment to add $100 million to the Navy's operations and maintenance account, to be available for the performance of the Coast Guard's military and defense readiness missions.

I regret that this amendment has surfaced so late in the process of this bill. Unfortunately, it has just been recently that the full dimensions of the Coast Guard's need for additional funding to support its defense readiness missions has become clear.

Members of this body have heard me come to this well many times and explain how the Congress has repeatedly assigned new responsibilities to the Coast Guard, without providing the resources needed to fully carry out those responsibilities. The Coast Guard performs many critical civilian missions, including search and rescue, the provision and maintenance of aids to navigation, fisheries enforcement, environmental enforcement and response, and of course, drug interdiction.

But what sometimes gets lost in the forest is the fact that the Coast Guard is a branch of the Armed Forces, although the only branch outside of the Department of Defense. In time of war, or upon the direction of the President, the Coast Guard operates as a service in the Navy. In order to be in a position to perform in this capacity, the Coast Guard must perform various training and operational missions, in cooperation with the Navy, to maintain its state of defense readiness. It is this function which my amendment would support.

Much of the Coast Guard's role in wartime is to support and augment the U.S. Navy. One illustration of this is the formation of the maritime defense zones, to provide for the coastal defense of the United States. This includes not only protecting the coast against foreign intrusion, but also ensuring that our naval forces are able to break out of our coastal areas and assume their duty stations. The Coast Guard assumes special responsibilities for port safety and security under the high temp of port operations necessary to support a major conflict.

A good example of the Coast Guard's role in support of the Navy involved the recent activities in Grenada. The primary role involved coastal patrols for surveillance and interdiction, aimed at preventing the seaborne infiltration of men and material into Grenada. The Coast Guard's presence also showed the United States commitment to the new Grenadian Government. In addition, the Coast Guard established and trained a Grenadian Coast Guard.

The Navy had requested the assignment of Coast Guard patrol boats for these purposes, because of the Coast Guard's unique expertise and capability of conducting operations close to shore in relatively shallow waters. The several million dollars in additional costs incurred by the Coast Guard through its support of the Grenada operation were taken out of other Coast Guard resources—in other words, out of hide.

The value of the Coast Guard in defense readiness is clear. But the cost is increasing, and the resources are under severe pressure. I received a letter from the Coast Guard, indicating that for fiscal year 1984, the most recent year with actual data, the Coast Guard spent $101.7 million for its defense readiness program.

The amendment I am offering, for $100 million, is consistent with this fiscal year 1984 actual level, and would be consistent with the "freeze" approach taken by the committee for the overall defense appropriations bill.

Mr. Chairman, these funds are critical to our national defense, and I urge the adoption of this amendment.

Mr. Chairman, I include the following letter from Capt. W.T. Leland:

DEPARTMENT OF TRANSPORTATION,
U.S. COAST GUARD,
Washington, DC, October 30, 1985.

Hon. SILVIO CONTE,
House of Representatives, Washington, DC.

DEAR MR. CONTE: In response to your request, this confirms information provided to your staff concerning the Coast Guard's Defense Readiness program. In FY 1984, based on actual data, costs associated with this program totalled $101,741,000.

Because of increased emphasis on this program, these actual costs significantly exceeded our original estimates of FY 1984 expenditures. We expect this increasing trend to continue. This will result from the improved defense readiness capabilities of our cutter fleet, particularly with the delivery of the new 270-foot class cutters and the significant upgrading of our existing 378-foot and 210-foot classes, respectively through the Fleet Renovation and Modernization (FRAM) and Mid-life Maintenance Availability (MMA) repair projects. Additionally, improved sensor systems will increase the capabilities of our HC-130 aircraft. Investments in Navy/DOD compatible communications equipment will modernize our command and control systems, which are intergral to coordinated operations with the other armed forces.

I think the pattern is clear. The current national emphasis on defense readiness is being reflected in the Coast Guard, too, although at a slower pace given the realities of our budget situations.

Sincerely,

W.T. LELAND,
Captain, U.S. Coast Guard, Chief, Congressional Affairs Staff (by direction of the Commandant).

Mr. CHAPPELL. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Florida.

Mr. CHAPPELL. Mr. Chairman, let me understand the situation. Are we going back to title II?

Mr. CONTE. No, we are putting it on page 117, after line 2.

Mr. CHAPPELL. Then, Mr. Chairman, let me say that we are familiar with the amendment on this side. We believe that this is not really the best place for the appropriation, but we do recognize the problems we have in trying to overcome drug addiction and to stem the flow of drugs which are addressed in this amendment. While it is a sizable amount involved, we think that it is the proper thing under the circumstances to do, and we accept the amendment.

Mr. McDADE. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Pennsylvania.

Mr. McDADE. Mr. Chairman, I thank my distinguished friend, the gentleman from Massachusetts, for yielding.

Let me say that my friend, the gentleman from Massachusetts, has explained the amendment to us and we are happy on this side of the aisle to accept it.

Mr. STUDDS. Mr. Chairman, I rise in strong support of the amendment.

As Members know, the other body voted last week to cut the Coast Guard's budget by $230 million. In the world of the Coast Guard that's a lot of money.

If these funds are not restored, the Coast Guard, as we have known it in recent years, will cease to exist. More than 6,000 out of a total military force of 38,700 will be eliminated. More than 40 cutters will be decommissioned; more than 40 aircraft will be grounded; 3 air stations will be closed, and operations will be reduced at 12 others; 15 shoreside search and rescue stations will be closed; Coast Guard recruiting will come to a virtual halt; and the delivery of new equipment will be delayed.

The action in the other body is an invitation to those who smuggle drugs by sea to increase their operations; for drug smugglers are not bound by the congressional budget resolution, nor are their funding levels subject to the approval of the other body.

The reductions faced by the Coast Guard would result in at least a temporary end to foreign fisheries law enforcement; an invitation to foreign fishermen to steal America's marine resources at little or no risk to themselves.

Above all, the proposed cuts will damage seriously the ability of the Coast Guard to save the lives of those imperiled at sea.

Several Members of the other body said during the debate on the proposed reductions in funding for the Coast Guard that there really was nothing to worry about. The reductions were so outrageous, they argued, that the House would never accept them. "Ignore us," they were saying to the American people, "for we do not mean what we say, nor can we defend what we are about to do."

But they did it, nevertheless. And there is little likelihood, if you take even a simple look at the arithmetic, that the conference committee on the transportation appropriations bill will be able to fully restore these funds.

The DOD appropriations bill is not the ideal mechanism by which to provide necessary appropriations for the Coast Guard. But the military readiness and defense responsibilities of the Coast Guard are real;

they are important; and they will not be performed unless the funds appropriated in this amendment are provided.

The vast majority of the funds in this bill are requested for the purpose of preparing the men and women of the Armed Forces in the Defense Department to participate effectively in the event of war or national emergency. But should such a war or national emergency arise, the Coast Guard, too, will be on the front lines, just as they have been in every war since the maritime battles with the Barbary Pirates almost 200 years ago.

The amendment proposed by the gentleman from Massachusetts will not remedy completely the potential disaster caused by the actions of the other body. But it will take us about halfway; it will make the work of the transportation appropriations conferees that much easier; and it will guarantee the ability of the Coast Guard to meet its military readiness and defense responsibilities in full.

It will also, and I believe just as importantly, send a message to the 5,500 civilians and 38,700 military personnel who make up the Coast Guard that the U.S. Congress has not utterly abandoned a rational set of priorities, and that the work these men and women do, and the risks they take, are still valued by those whose job it is to represent the views and interests of the American people.

Mr. LENT. Mr. Chairman, I commend the gentleman from Massachusetts; Mr. CONTE, for his amendment to add $100 million in support of the Military Readiness Program of the Coast Guard.

By law, under title 14, the Coast Guard must maintain a state of readiness to function as a specialized service in the Navy in time of war. The Merchant Marine and Fisheries Committee recently held a hearing on Coast Guard military readiness. In particular, we looked at the newly developed Atlantic and Pacific Maritime Defense Zone [MDZ] commands and the resources needed to carry out and integrate the Coast Guard into the defense establishment.

Under this MDZ concept, Coast Guard commanders report directly to the Navy fleet commanders for the Atlantic and the Pacific. Without this Coast Guard effort, there is virtually no planned naval defense of the ports and coastal areas of the United States. Through the MDZ command structure, such functions as port security, inshore undersea warfare, mine countermeasures, antiterrorism and countersabotage, naval control of shipping, antisubmarine warfare, shipping escort, and other similar functions are to be performed. Further, we discovered that the manning level in the Coast Guard Reserve is 50 percent of required strength while the rest of the military services are operating at nearly the 100-percent level.

We can no longer neglect this important area of our Nation's defense. This funding would provide for some of the equipment, manpower, planning, and exercising necessary at all levels within this defense structure.

Mr. Chairman, for these reasons I support this amendment and strongly urge its adoption by my colleagues.

Mr. CAMPBELL. Mr. Chairman, I would like to take this opportunity to express my concern over the language contained in the Department of Defense appropriations bill committee report.

The report directs the Department of the Navy to open for bid on a coastwide basis not only regular ship overhauls, but also all selected restricted availabilities intended for private shipyards. If this language is maintained, the Port of Charleston in my home State of South Carolina stands to lose a substantial amount of contracts. However, the loss of contracts is only one of my objections to the committee language. Also, I am concerned about the additional cost to the taxpayers who will have to pay as large naval vessels and contract personnel are required to travel up to 1,300 miles out of home port for a 1 or 2 month repair job. I am concerned with the effect on crew morale and retention rates, as officers and enlisted men come into port from long-term at-sea deployments and must then go to a different port for several months away from their families before going back to sea. And, lastly, I am concerned that the committee language would represent a sharp departure from all previous Navy policy, practices, and findings, with significant congressional factfinding and does nothing to improve levels of DOD competition, since private sector ship repair already is one of the most intensely competitive areas of Government procurement.

In closing, I feel the language included in the committee report complicates an already complicated ship repair planning process and I support action to reverse this ill-conceived policy.

Mr. DAVIS. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Massachusetts.

It is important to remind ourselves that the U.S. Coast Guard is, in fact, a military service. They have a very important mission to carry out in time of war. They actually become a part of our Navy and they have been an important asset to us in every war or conflict this Nation has had.

The readiness mission of the Coast Guard is one which I feel does not get the attention it needs. On October 23, the Subcommittee on Coast Guard and Navigation, of which I am ranking member, held a hearing to discuss the Coast Guard/Navy plans for cooperation in what is known as maritime defense zones. These zones have been set up to coordinate Coast Guard and Navy response to any threat to our Nation's ports and coastal areas.

During our discussion it became clear that the Coast Guard is not prepared for a full mobilization. We were told that the Coast Guard Reserve strength is only at 50 percent of need as outlined in the plans put together by the Coast Guard and Navy. Add that to regular personnel in the Coast Guard and we would still come up 20,000 people short of current planned needs for mobilization. We were told, too, that if a threat arose to our Nation's ports, the Coast Guard would have to make a judgment call on which ports were most crucial and just "let the rest go." I don't think that's a comforting thought; I don't think that's the way the Coast Guard wants it. But that is the way it is. This funding that we are trying to get for the Coast Guard for these reasons is extremely important. It will keep this state of affairs from deteriorating further.

The defense mission of the Coast Guard, as important as it is, is not the only subject we must address here today. We must tell our colleagues about the threat to the Coast Guard which we now face. The Coast Guard right now is facing a cut of $230 million from its operating budget. This action was taken in the Senate and will now have to be resolved by a conference committee. I am hopeful that we will be able to restore every penny of that money in conference with the Senate.

Further, we have found out that the Coast Guard already is preparing for these cuts by paring its operations. The Coast Guard Commandant has asked his troops to stop spending money in any way they can. We will see an end to drug interdiction routine patrols. Patrols will go out only on hard information about illicit activities. We will see a 50-percent cut in fisheries enforcement, we will see a postponement of maintenance. We will see shoreside instead of at-sea training. These are the things the Coast Guard is doing right now in anticipation of these cuts.

This is what just the threat of these cuts is doing to the Coast Guards' abilities to carry out its missions. There is no question that this situation is having a demoralizing effect on the men and women of the Coast Guard, 6,000 of which will be told to leave if these cuts are carried through conference.

It is of the utmost importance that we, under no circumstances, allow this to happen. I would like to urge all my colleagues now to vote for this amendment, and further, to be aware that your support for the Coast Guard is very important in the days to come.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Massachusetts [Mr. CONTE].

The amendment was agreed to.

The CHAIRMAN. Are there other amendments to the bill?

Mr. CHAPPELL. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore [Mr. MCCURDY] having assumed the chair, Mr. DORGAN of North Dakota, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee,

having had under consideration the bill (H.R. 3629) making appropriations for the Department of Defense for the fiscal year ending September 30, 1986, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The SPEAKER pro tempore, Without objection, the previous question is ordered.

There was no objection.

The SPEAKER pro tempore. Is a separate vote demanded on any amendment?

Mr. CHAPPELL. Mr. Speaker, I demand a separate vote on the so-called Frank amendment.

The SPEAKER pro tempore. Is a separate vote demanded on any other amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The Clerk will report the amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment: On page 36, line 6, strike out "$8,043,527,000" and insert in lieu thereof "$6,297,527,000".

The SPEAKER pro tempore. The question is on the amendment.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. FRANK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 210, nays 214, not voting 10, as follows:

[Roll No. 378]

YEAS—210

Ackerman	Clay	Ford (TN)
Annunzio	Coelho	Fowler
Anthony	Conyers	Frank
Applegate	Coughlin	Garcia
Atkins	Coyne	Gejdenson
AuCoin	Crockett	Gephardt
Barnes	Daschle	Gibbons
Bates	Dellums	Glickman
Bedell	Dingell	Gonzalez
Beilenson	DioGuardi	Goodling
Bennett	Dixon	Gordon
Bereuter	Donnelly	Gradison
Berman	Dorgan (ND)	Gray (PA)
Biaggi	Downey	Green
Boehlert	Durbin	Guarini
Boggs	Dwyer	Gunderson
Boland	Dymally	Hall (OH)
Bonior (MI)	Early	Hamilton
Borski	Eckart (OH)	Hawkins
Bosco	Edgar	Hayes
Boucher	Edwards (CA)	Heftel
Boxer	Evans (IA)	Henry
Brown (CA)	Evans (IL)	Hertel
Bruce	Feighan	Hopkins
Bryant	Florio	Horton
Burton (CA)	Foglietta	Howard
Carper	Foley	Hughes
Carr	Ford (MI)	Jacobs
Jeffords	Mitchell	Sisisky
Jenkins	Moakley	Slattery
Johnson	Moody	Smith (FL)
Jones (NC)	Morrison (CT)	Smith (IA)
Jones (OK)	Mrazek	Smith (NE)
Kanjorski	Murphy	Smith (NJ)
Kaptur	Nowak	Snowe
Kastenmeier	Oakar	Solarz
Kennelly	Oberstar	St Germain
Kildee	Obey	Staggers
Kleczka	Olin	Stallings
Kostmayer	Owens	Stark
LaFalce	Panetta	Stokes
Lantos	Pease	Studds
Leach (IA)	Penny	Swift
Lehman (CA)	Perkins	Synar
Lehman (FL)	Petri	Tauke
Leland	Pickle	Torres
Levin (MI)	Rahall	Torricelli
Levine (CA)	Rangel	Towns
Lightfoot	Richardson	Traficant
Lipinski	Ridge	Traxler
Long	Roberts	Udall
Lowry (WA)	Rodino	Vento
Luken	Roe	Visclosky
Lundine	Roemer	Volkmer
MacKay	Rostenkowski	Walgren
Manton	Roth	Watkins
Markey	Roukema	Waxman
Martinez	Roybal	Weaver
Matsui	Russo	Weiss
Mavroules	Sabo	Wheat
Mazzoli	Savage	Whittaker
McCloskey	Saxton	Williams
McHugh	Scheuer	Wirth
McKernan	Schneider	Wise
McKinney	Schroeder	Wolpe
Meyers	Schumer	Wright
Mikulski	Seiberling	Wyden
Miller (CA)	Sensenbrenner	Yates
Miller (WA)	Sharp	Young (MO)
Mineta	Sikorski	Zschau

NAYS—214

Alexander	Derrick	Kemp
Anderson	DeWine	Kindness
Andrews	Dickinson	Kolbe
Archer	Dicks	Kolter
Armey	Dornan (CA)	Kramer
Aspin	Dowdy	Lagomarsino
Badham	Dreier	Latta
Barnard	Duncan	Leath (TX)
Bartlett	Dyson	Lent
Barton	Eckert (NY)	Lewis (CA)
Bateman	Edwards (OK)	Lewis (FL)
Bentley	Emerson	Livingston
Bevill	English	Lloyd
Bilirakis	Erdreich	Loeffler
Billey	Fascell	Lott
Boner (TN)	Fawell	Lowery (CA)
Boulter	Fazio	Lujan
Breaux	Fiedler	Lungren
Brooks	Fields	Mack
Broomfield	Fish	Madigan
Brown (CO)	Flippo	Martin (IL)
Broyhill	Franklin	Martin (NY)
Burton (IN)	Frenzel	McCandless
Bustamante	Frost	McCollum
Byron	Fuqua	McCurdy
Callahan	Gallo	McDade
Campbell	Gaydos	McEwen
Carney	Gekas	McGrath
Chandler	Gilman	McMillan
Chapman	Gingrich	Mica
Chappell	Gregg	Michel
Chappie	Grotberg	Miller (OH)
Cheney	Hall, Ralph	Molinari
Clinger	Hammerschmidt	Mollohan
Coats	Hansen	Monson
Cobey	Hartnett	Montgomery
Coble	Hatcher	Moore
Coleman (MO)	Hefner	Moorhead
Coleman (TX)	Hendon	Morrison (WA)
Combest	Hiler	Murtha
Cooper	Hillis	Myers
Courter	Holt	Natcher
Craig	Hoyer	Neal
Crane	Hubbard	Nichols
Daniel	Huckaby	Nielson
Dannemeyer	Hunter	O'Brien
Darden	Hutto	Ortiz
Daub	Hyde	Oxley
Davis	Ireland	Packard
de la Garza	Jones (TN)	Pashayan
DeLay	Kasich	Pepper
Porter	Siljander	Tallon
Price	Skeen	Tauzin
Pursell	Skelton	Taylor
Quillen	Slaughter	Thomas (CA)
Ray	Smith, Denny (OR)	Thomas (GA)
Regula	Smith, Robert (NH)	Valentine
Reid	Smith, Robert (OR)	Vander Jagt
Rinaldo	Snyder	Vucanovich
Ritter	Solomon	Walker
Robinson	Spence	Weber
Rogers	Spratt	Whitehurst
Rose	Stangeland	Whitley
Rowland (CT)	Stenholm	Whitten
Rowland (GA)	Strang	Wilson
Rudd	Stratton	Wolf
Schaefer	Stump	Wortley
Schuette	Sundquist	Wylie
Schulze	Sweeney	Yatron
Shaw	Swindall	Young (AK)
Shelby		Young (FL)
Shumway		
Shuster		

NOT VOTING—10

Addabbo	Conte	Nelson
Akaka	Gray (IL)	Parris
Bonker	Marlenee	
Collins	McCain	

□ 1420

The Clerk announced the following pair:

On this vote:

Mr. Collins for, with Mr. Nelson of Florida against.

Mr. JONES of North Carolina and Mr. SCHUMER changed their votes from "nay" to "yea."

So the amendment was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. RUDD

Mr. RUDD. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. RUDD. I am, Mr. Speaker, opposed to the bill in its present form.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. RUDD moves to recommit the bill, H.R. 3629, to the Committee on Appropriations.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. FRANK. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 359, nays 67, not voting 8, as follows:

[Roll No. 379]

YEAS—359

Akaka	Dyson	Leath (TX)
Alexander	Early	Lehman (FL)
Anderson	Eckart (OH)	Lent
Andrews	Eckert (NY)	Levin (MI)
Annunzio	Edgar	Levine (CA)
Anthony	Edwards (OK)	Lewis (CA)
Applegate	Emerson	Lewis (FL)
Archer	English	Lipinski
Armey	Erdreich	Livingston
Aspin	Evans (IL)	Lloyd
Atkins	Fascell	Loeffler
AuCoin	Fawell	Long
Badham	Fazio	Lott
Barnard	Feighan	Lowery (CA)
Barnes	Fiedler	Lujan
Bartlett	Fields	Luken
Barton	Fish	Lungren
Bateman	Flippo	Mack
Bennett	Florio	MacKay
Bentley	Foglietta	Madigan
Bereuter	Foley	Manton
Berman	Ford (TN)	Martin (IL)
Bevill	Fowler	Martin (NY)
Biaggi	Franklin	Martinez
Bilirakis	Frost	Matsui
Bliley	Fuqua	Mavroules
Boehlert	Gallo	Mazzoli
Boggs	Gaydos	McCandless
Boland	Gejdenson	McCloskey
Boner (TN)	Gekas	McCollum
Bonior (MI)	Gephardt	McCurdy
Borski	Gibbons	McDade
Bosco	Gilman	McEwen
Boucher	Gingrich	McGrath
Boulter	Glickman	McHugh
Breaux	Gonzalez	McKernan
Brooks	Goodling	McMillan
Broomfield	Gordon	Meyers
Brown (CA)	Gradison	Mica
Broyhill	Gray (PA)	Michel
Bruce	Green	Mikulski
Bryant	Gregg	Miller (OH)
Burton (IN)	Grotberg	Miller (WA)
Bustamante	Guarini	Moakley
Byron	Gunderson	Molinari
Callahan	Hall (OH)	Mollohan
Campbell	Hall, Ralph	Montgomery
Carney	Hamilton	Moore
Carper	Hammerschmidt	Moorhead
Carr	Hansen	Morrison (CT)
Chandler	Hartnett	Morrison (WA)
Chapman	Hatcher	Mrazek
Chappell	Hawkins	Murtha
Chappie	Hefner	Myers
Cheney	Heftel	Natcher
Clinger	Hendon	Neal
Coats	Henry	Nichols
Cobey	Hiler	Nielson
Coble	Hillis	Nowak
Coelho	Holt	O'Brien
Coleman (MO)	Hopkins	Oakar
Coleman (TX)	Horton	Olin
Combest	Howard	Ortiz
Conte	Hoyer	Oxley
Cooper	Hubbard	Packard
Coughlin	Huckaby	Panetta
Courter	Hughes	Pashayan
Coyne	Hunter	Pease
Craig	Hutto	Penny
Crane	Hyde	Pepper
Daniel	Ireland	Petri
Dannemeyer	Jacobs	Pickle
Darden	Jeffords	Porter
Daschle	Jenkins	Price
Daub	Johnson	Pursell
Davis	Jones (NC)	Quillen
de la Garza	Jones (OK)	Ray
DeLay	Jones (TN)	Regula
Derrick	Kanjorski	Reid
DeWine	Kaptur	Richardson
Dickinson	Kasich	Ridge
Dicks	Kemp	Rinaldo
Dingell	Kennelly	Ritter
DioGuardi	Kindness	Robinson
Dixon	Kleczka	Roe
Donnelly	Kolbe	Roemer
Dornan (CA)	Kolter	Rogers
Dowdy	Kostmayer	Rose
Downey	Kramer	Rostenkowski
Dreier	LaFalce	Roth
Duncan	Lagomarsino	Roukema
Durbin	Lantos	Rowland (CT)
Dwyer	Latta	Rowland (GA)
Sabo	Snowe	Visclosky
Saxton	Snyder	Volkmer
Schaefer	Solarz	Vucanovich
Scheuer	Solomon	Walgren
Schuette	Spence	Walker
Schulze	Spratt	Watkins
Schumer	St Germain	Weber
Sensenbrenner	Staggers	Whitehurst
Sharp	Stallings	Whitley
Shaw	Stangeland	Whittaker
Shelby	Stenholm	Whitten
Shumway	Strang	Williams
Shuster	Stratton	Wilson
Sikorski	Stump	Wirth
Siljander	Sundquist	Wise
Sisisky	Sweeney	Wolf
Skeen	Swindall	Wolpe
Skelton	Synar	Wortley
Slattery	Tallon	Wright
Slaughter	Tauzin	Wyden
Smith (FL)	Taylor	Wylie
Smith (NE)	Thomas (CA)	Yatron
Smith (NJ)	Thomas (GA)	Young (AK)
Smith, Denny (OR)	Torricelli	Young (FL)
Smith, Robert (NH)	Traxler	Young (MO)
Smith, Robert (OR)	Udall	Zschau
	Valentine	
	Vander Jagt	

NAYS—67

Ackerman	Kildee	Rudd
Bates	Leach (IA)	Russo
Bedell	Lehman (CA)	Savage
Beilenson	Leland	Schneider
Bonker	Lightfoot	Schroeder
Boxer	Lowry (WA)	Seiberling
Brown (CO)	Lundine	Smith (IA)
Burton (CA)	Markey	Stark
Clay	McKinney	Stokes
Conyers	Miller (CA)	Studds
Crockett	Mineta	Swift
Dellums	Mitchell	Tauke
Dorgan (ND)	Monson	Torres
Dymally	Moody	Towns
Edwards (CA)	Murphy	Traficant
Evans (IA)	Oberstar	Vento
Ford (MI)	Obey	Waxman
Frank	Owens	Weaver
Frenzel	Perkins	Weiss
Garcia	Rahall	Wheat
Hayes	Rangel	Yates
Hertel	Rodino	
Kastenmeier	Roybal	

NOT VOTING—8

Addabbo	Marlenee	Parris
Collins	McCain	Roberts
Gray (IL)	Nelson	

□ 1445

The Clerk announced the following pair:

On this vote:

Mr. Nelson of Florida for, with Mrs. Collins against.

So the bill was passed.

The result of the vote was anounced as above recorded.

A motion to reconsider was laid on the table.

APPOINTMENT OF CONFEREES ON H.R. 3244, DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATION ACT, 1986

Mr. LEHMAN of Florida. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 3244) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1986, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

Mr. SCHAEFER. Mr. Speaker, reserving the right to object, I ask the gentleman from Florida, has this been cleared through the gentleman from Pennsylvania?

Mr. LEHMAN of Florida. Mr. Speaker, will the gentleman yield.

Mr. SCHAEFER. I yield to the gentleman from Florida.

Mr. LEHMAN of Florida. Yes, Mr. Speaker. I just received word from the gentleman from Pennsylvania [Mr. COUGHLIN], that he has no problem.

Mr. SCHAEFER. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida? The Chair hears none and, without objection, appoints the following conferees: Messrs. LEHMAN of Florida, SABO, GRAY of Pennsylvania, CARR, DURBIN, MRAZEK, WHITTEN, COUGHLIN, CONTE, PURSELL, and WOLF.

There was no objection.

NATIONAL DRUG ABUSE EDUCATION WEEK

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the joint resolution (H.J. Res. 126) to designate the week of November 3, 1985, through November 9, 1985, as "National Drug Abuse Education Week," and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. HANSEN. Mr. Speaker, reserving the right to object, I do not object but simply would like to inform the House that the minority has no objection to the legislation now being considered.

Mr. Speaker, under my reservation I yield to the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Mr. Speaker, I rise in strong support of House Joint Resolution 126, designating the week of November 3, 1985, as "National Drug Abuse Education and Prevention Week." I thank the gentleman from Florida [Mr. BENNETT] for once again introducing this measure, and for his tireless, dedicated efforts in our Nation's continuing war against drug trafficking and drug abuse.

As ranking minority member of the Select Committee on Narcotics Abuse and Control I have witnessed firsthand the ravages of drug abuse. It has been my sad privilege to cochair hear-

ings throughout the country, with the distinguished chairman of the Select Committee on Narcotics Abuse and Control, the gentleman from New York [Mr. RANGEL]. We have taken testimony from drug smugglers and pushers, business professionals, and homemakers, film, television, and recording artists. All had been driven to near ruin by their involvement with illegal drugs. While the characters and places change, all of their stories were remarkably the same; drug abuse knows no social, economic, gender, or racial boundaries. There is something extremely valuable to be learned from these stories—stories that can and should be shared during National Drug Abuse Education and Prevention Week.

Of all of the reports that we hear relating to narcotics abuse, none are more poignant than those involving our young persons. Daily our children fall victim to the drug menace. In that regard I was pleased to introduce along with Chairman RANGEL, legislation addressing our States' growing need for support of their drug education and prevention efforts. H.R. 526, the State and Local Narcotics Control Assistance Act of 1985 authorizes the Attorney General to make grants to the States for the purpose of increasing the level of State and local enforcement of State laws relating to the production, illegal possession, and transfer of controlled substances. Our legislation also authorizes the Secretary of Health and Human Services to make grants to the States for the purposes of increasing the ability of the States to provide drug abuse prevention, treatment, and rehabilitation. We must identify and address the very real drug problem in this Nation if we are to free our communities, our schools, and our workplaces, from the ravages of drug abuse.

The adoption of this resolution will allow educators, employers, parents, community leaders, and law enforcement authorities to focus their efforts on educating, and thus preventing, drug abuse. Accordingly, I urge my colleagues to help in these efforts by supporting House Joint Resolution 128, designating the week of November 3, 1985, as National Drug Abuse Education and Prevention Week.

Mr. HANSEN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the joint resolution as follows:

H.J. RES. 126

Whereas, the illegal drug trade consists of approximately $79,000,000,000 in retail business per year;

Whereas, removing the damand for drugs would reduce the illegal drug trade;

Whereas, drug abuse destroys the future of many of the young people and adults in the Nation;

Whereas, the eradication of drug abuse requires a united mobilization of national resources, including law enforcement and educational efforts; and

Whereas, the most effective deterrent to drug abuse is education of parents and children in the home, classroom and community: Now, therefore, be

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of November 3, 1985, through November 9, 1985, is designated as "National Drug Abuse Education Week" and the President is authorized and requested to issue a proclamation calling upon the people of the United States to participate in drug abuse education and prevention programs in their communities and encouraging parents and children to investigate and discuss drug abuse problems and possible solutions.

Mr. BENNETT. Mr. Speaker, I have a deep interest in the predicament this nation faces in regard to drug abuse. Use of illegal drugs saps our country and strikes at the very root of our culture. This is why this commemorative week is so important—because it reminds us of what we face and the peril involved if we do not act. This commemorative week is especially important because in our heightened awareness of the terrible drug abuse problem it helps to address attention to possible solutions. The war against drugs is one of the most fundamentally important struggles we face as a people. Eradication of drug abuse requires a united mobilization of national resources, including law enforcement and educational efforts. As a nation we must work to educate people—family, friends, ourselves—about this terrible evil. Together—and only together—can we beat drug abuse in our society.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL DIABETES MONTH

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 145) designating November 1985 as "National Diabetes Month" and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. HANSEN. Mr. Speaker, reserving the right to object, I do not object, but I simply would like to inform the House that the minority has no objection to the legislation now being considered.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 145

Whereas diabetes with its complications kills more than any other disease except cancer and cardiovascular diseases;

Whereas diabetes afflicts twelve million Americans and over five million of these Americans are not aware of their illness;

Whereas more than $14,000,000,000 annually are used for health care costs, disability payments, and premature mortality costs due to diabetes;

Whereas up to 85 per centum of all cases of noninsulin dependent diabetes may be preventable through greater public understanding, awareness, and education;

Whereas diabetes is particularly prevalent among black Americans, Hispanic Americans, Native Americans, and women; and

Whereas diabetes is a leading cause of blindness, kidney disease, heart disease, stroke, birth defects, and lower life expectancy, which complications may be reduced through greater patient and public understanding, awareness, and education: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the month of November 1985 is designated as "National Diabetes Month" and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe that month with appropriate programs, ceremonies, and activities.

Mr. HOYER. Mr. Speaker, today the House passed House Joint Resolution 314 (S.J. Res. 145), a bill to designate November of this year as "National Diabetes Month." As you know, House Joint Resolution 314 has over 220 cosponsors, including Members of Congress from both sides of the aisle and from each region of our Nation.

Diabetes is one of the most serious health problems of our time. Twelve million Americans are affected by this disease, and a large percentage of these individuals are not aware of their condition. Each year an estimated 500,000 more Americans are told by their physicians that they have diabetes.

Diabetes with its complications kills more Americans than all other diseases. When is strikes children, diabetes can result in rapid fatality unless the life-saving hormone insulin is administered almost immediately. Everyone with diabetes faces long-term complications which may cause heart disease, stroke, kidney failure, blindness, severe nerve disorders and amputations. The human toll of diabetes cannot be estimated. But the economic toll is approximately $14 billion annually due to medical costs, lost work days, disability payments and premature death from this chronic disease and its complications.

House Joint Resolution 314, and its companion bill Senate Joint Resolution 145, were introduced to promote three major purposes. First, the designation of November as National Diabetes Month will serve to call the human and economic costs of diabetes to the attention of the American people, thereby promoting wider understanding of the challenges we face in seek-

ing to lessen the impact of the disease. Second, National Diabetes Month will provide a forum for seminars, speeches, workshops, and other activities designed to help educate the public with regard to methods of diagnosing, treating and coping with diabetes. Finally, the resolution seeks to highlight the need for continued funding of biomedical research into the causes, treatments, and potential cures of diabetes. It is my hope that passage of the House joint resolution (S.J. Res. 145) will accomplish each of these goals.

The Senate joint resolution was ordered to be read a third time; was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL REYE'S SYNDROME WEEK

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 29) to designate the week of November 11, 1985, through November 17, 1985, as "National Reye's Syndrome Week," and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. HANSEN. Mr. Speaker, reserving the right to object, I do not object, but I simply would like to inform the House that the minority has no objection to the legislation now being considered.

Mr. Speaker, further reserving the right to object, I would like to compliment the distinguished gentleman from Ohio [Mr. LATTA] for championing this bill through the House.

Reye's syndrome is one of the Nation's leading killers of children, and his efforts to enlighten all Americans about the devastating effects of this disease are worthy of our praise.

Mr. Speaker, under my reservation, I yield to the gentleman from Ohio [Mr. LATTA] who is the chief sponsor of House Joint Resolution 122.

Mr. LATTA. Mr. Speaker, I thank the gentleman for yielding to me.

Mr. Speaker, I rise today in support of Senate Joint Resolution 29. As the chief sponsor of the House bill, I was able to secure over 225 of my colleagues to cosponsor the bill.

Reye's syndrome is a disease of unknown cause which normally attacks healthy children 18 years of age and under, both male and female, which can kill or cripple more than half of its victims within several days by attacking the muscles, liver, brain, and kidneys, and which affects every organ in the body.

Reye's is recognized by the Food and Drug Administraton to be 1 of the top 10 killers among all children's diseases.

Reye's syndrome was first recognized as a specific illness in 1963 but is not a new illness since children have been affected by it for decades during which it was improperly diagnosed.

National Reye's syndrome volunteer organizatons are established throughout the United States and are supported by thousands of parents. These volunteer organizations exist to encourage involvement of the Federal Government in supporting Reye's syndrome research; to encourage coordination of the treatment and research centers; to establish Reye's syndrome as a reportable disease in every State; and to establish at the Center for Disease Control a position for the review of data on Reye's syndrome patients.

It is important to educate the public to the problems of the disease and, therefore, important to set aside a week to recognize this devastating children's disease. I urge that the bill be approved.

Mr. HANSEN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the Senate joint resolution as follows:

S.J. RES. 29

Whereas Reye's syndrome is a disease of unknown cause that usually attacks healthy children nineteen years of age and under, and kills or cripples more than half of the victims within several days;

Whereas Reye's syndrome is one of the top ten killers among all diseases of children aged one to ten;

Whereas Reye's syndrome was a misdiagnosed illness of children until recognized as a specific illness in 1963;

Whereas the current reporting of cases of Reye's syndrome may not provide an accurate appraisal of the incidence of the disease because not all States are required to report such cases to the Centers for Disease Control;

Whereas national Reye's syndrome volunteer organizations are established throughout the United States and are supported by thousands of parents;

Whereas such volunteer organizations exist to encourage involvement of the Federal Government in supporting Reye's syndrome research, to encourage coordination of the treatment and research efforts by the various Reye's syndrome treatment and research centers, to establish Reye's syndrome as a reportable disease in every State, to establish a position for the review of data on Reye's syndrome patients at the Centers for Disease Control, to sponsor programs to educate parents and medical professionals with respect to diagnosis and treatment of the illness, and to raise funds for research into the cause prevention and treatment of Reye's syndrome;

Whereas the public and the Federal Government are not sufficiently aware of the incidence of Reye's syndrome; and

Whereas the Governors of several States have declared Reye's syndrome weeks: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of November 11, 1985, through November 17, 1985, is designated "National Reye's Syndrome Week" and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe that week with appropriate ceremonies and activities.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. GARCIA

Mr. GARCIA. Mr. Speaker, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. GARCIA: Strike out all after the resolving clause and insert in lieu thereof the following:

That the week of November 11 through November 17, 1985, is designated "National Reye's Syndrome Week". The President is authorized and requested to issue a proclamation calling upon the people of the United States to observe that week with appropriate ceremonies and activities.

The SPEAKER pro tempore. The question is on the amendment in the nature of a substitute offered by the gentleman from New York [Mr. GARCIA].

The amendment in the nature of a substitute was agreed to.

AMENDMENT TO THE PREAMBLE OFFERED BY MR. GARCIA

Mr. GARCIA. Mr. Speaker, I offer an amendment to the preamble.

The Clerk read as follows:

Amendment to the preamble offered by Mr. GARCIA: Amend the preamble to read as follows:

Whereas Reye's Syndrome is a disease of unknown cause which normally attacks healthy children eighteen years of age and under, both male and female, which can kill or cripple more than half of its victims within several days by attacking the muscles, liver, brain, and kidneys, and which affects every organ in the body;

Whereas Reye's Syndrome is recognized by the Food and Drug Administration to be one of the top ten killers among all children's diseases;

Whereas Reye's Syndrome was first recognized as a specific illness in 1963 but is not a new illness since children have been affected by it for decades during which it was improperly diagnosed;

Whereas the reporting of cases of Reye's Syndrome is required in only one-half of the States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, and the other territories and possessions of the United States;

Whereas national Reye's Syndrome volunteer organizations are established throughout the United States and are supported by thousands of parents;

Whereas such volunteer organizations exist to encourage involvement of the Federal Government in supporting Reye's Syndrome research; to encourage coordination of the treatment and research efforts by the various Reye's Syndrome treatment and research centers; to establish Reye's Syn-

drome as a reportable disease in every State; to establish at the Center for Disease Control a position for the review of data on Reye's Syndrome patients; to sponsor a multicenter research study by recognized authorities on Reye's Syndrome; to sponsor programs to educate parents and medical professionals with respect to diagnosis and treatment of the illness; and to raise funds for research into cause, prevention, and treatment of Reye's Syndrome;

Whereas the public, the Federal Government in general, and the Congress in particular, are not sufficiently aware of the continuous increase in the incidence of Reyes Syndrome; and

Whereas the chief executive officers of several States have declared Reye's Syndrome weeks: Now, therefore, be it

Mr. GARCIA (during the reading). Mr. Speaker, I ask unanimous consent that the amendment to the preamble be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The SPEAKER pro tempore. The question is on the amendment to the preamble offered by the gentleman from New York.

The amendment to the preamble was agreed to.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed.

AMENDMENT TO THE TITLE OFFERED BY MR. GARCIA

Mr. GARCIA. Mr. Speaker, I offer an amendment to the title.

The Clerk read as follows:

Title amendment offered by Mr. GARCIA: Amend the title so as to read: "Joint resolution designating the week of November 11 through November 17, 1985, as 'National Reye's Syndrome Week'.".

The title amendment was agreed to.

A motion to reconsider was laid on the table.

NATIONAL ALOPECIA AREATA AWARENESS WEEK

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the joint resolution (H.J. Res. 282) designating the week beginning October 27, 1985, as "National Alopecia Areata Awareness Week," and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. HANSEN. Mr. Speaker, reserving the right to object, I do not object but simply would like to inform the House that the minority has no objection to the legislation now being considered.

Mr. Speaker, under my reservation I yield to the gentleman from Pennsylvania [Mr. KOSTMAYER] who is the chief sponsor of the measure.

Mr. KOSTMAYER. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I rise in strong support of House Joint Resolution 282, a bill which I introduced on May 8 of this year designating the week of October 27 as National Alopecia Areata Week.

Alopecia areata is a serious disease which affects 2 million people, particularly children and young adults. It occurs when the hair follicles stop production, causing severe hair loss. It is common for alopecia victims to lose all of their hair, including eyelashes, eyebrows, and body hair.

Since alopecia areata has no physically debilitating effects, it is hard for most of us to understand just how devastating this disease can be. Most alopecia victims hide their condition from friends and even family members, living in fear that someone will discover their secret. Alopecia is particularly traumatic for children and young people, who are its primary victims. Those of us who have children know just how unkind children can be to someone who is different.

I first learned about this little-known disease from Dolly Dowd of Levittown, PA. Dolly, whose daughter has alopecia, has worked tirelessly to bring this disease to the attention of the public and the Congress. Dolly also introduced me to Judith Ross, president of the National Alopecia Areata Foundation, who has devoted so much time in the past year to gathering support for House Joint Resolution 282, and to Whitfield Lee of North Carolina who founded the National Alopecia Areata Research Foundation to raise money for alopecia research.

I want to congratulate Dolly, Judith, and all of the people across the country who have worked so hard to have this week declared National Alopecia Areata Awareness Week. I know that they are working with the same energy during this week to promote a better understanding of alopecia among the American people.

Researchers have found evidence that alopecia is caused by a problem with the body's immune system, and they believe that a cure is within reach. At this time, however, there is no Federal support for alopecia research.

With sufficient research funding, it is possible that researchers could discover a cure for alopecia areata in this decade. But now alopecia victims need more than dollars—they need our understanding. Most of the trauma associated with alopecia is a direct result of the public's ignorance of the disease and of our inability to accept alopecia victims as normal members of society. That is why I believe it is crucial to set aside a week to promote awareness of alopecia areata.

Over 220 of my colleagues have joined me as cosponsors of House Joint Resolution 282. I want to thank them for their help, and to urge all of my colleagues to support this measure.

Mr. HANSEN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 282

Whereas alopecia areata is a serious disease affecting approximately two million people;

Whereas alopecia areata, which usually afflicts children and young adults, causes severe and often permanent hair loss;

Whereas the coordinated efforts of support groups in forty-two States have helped thousands of people cope with the physical and emotional problems caused by alopecia areata;

Whereas much of the trauma associated with alopecia areata could be reduced through greater public awareness, understanding, and education; and

Whereas the cause of alopecia areata is unknown, and promising research efforts to find a cure for the disease should be promoted: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week beginning October 27, 1985, is designated as "National Alopecia Awareness Week", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such week with appropriate ceremonies and activities.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the four joint resolutions just considered and passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

□ 1500

RETAIN STATE AND LOCAL TAX DEDUCTIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland [Mr. BARNES] is recognized for 5 minutes.

Mr. BARNES. Mr. Speaker, one of the major issues facing the Ways and Means Committee in its consideration of tax reform legislation is the President's proposal to eliminate the deduction for State and local income and real property taxes.

The President's plan represents an extreme approach to raising revenue and ignores the consequences for States and localities and individual taxpayers. It is targeted against those States which have tried to deal with the major problems of urban centers, poverty, education, public safety, and the quality of life, with harsh consequences for many States particularly in the Northeast and Midwest.

Mr. Speaker, the ostensible purpose of tax reform is to ensure fairness. It is not to discriminate against regions of the country or to disrupt the operations of State and local governments which depend on the property tax and on public support for State expenditures to fund vital public services such as education, police and fire protection and the public works infrastructure.

The President's plan violates that concept by favoring States which have opted for lower levels of government activity and lower levels of support for public services. Since the Reagan administration has been attempting to abolish existing Federal domestic programs and other expenditures specifically designed to aid localities, such as revenue sharing, it makes no sense for the administration to further harass those States which are willing to pursue the responsibilities of governing a complex society.

Another major consequence of the President's plan impacts on individuals by undermining the ability of Americans to purchase and maintain homes. The property tax deduction is a vital component of the incentives for home ownership. In addition, by weakening the States' fiscal base, repeal of the deductions may make it increasingly difficult for the States to maintain confidence in general obligation bonds they issue for various purposes. Interest rates may be forced up as a result.

Inclusion of these provisions in any tax bill recommended by the Ways and Means Committee will almost surely result in the defeat of the tax reform legislative package.

Mr. Speaker, I have cosponsored House Resolution 105, a resolution urging the Ways and Means Committee to retain the deductibility of State and local taxes. Nothing could be more reckless than to attack our State and local governments, which are far more vulnerable fiscally and have far less resources than the Federal Government. Tax reform should not be a Trojan horse for further drastic cuts in public services.

CONGRESSMAN BARTLETT "ADOPTS" TWO SOVIET REFUSENIKS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. BARTLETT] is recognized for 5 minutes.

Mr. BARTLETT. Mr. Speaker, I rise today to address the issue of Soviet Jewry. As the summit approaches, I know a large number of Americans and Members of this House and the administration continue to be concerned and to raise the issue of Soviet Jewry and Soviet emigration. I would raise today the issue not in abstract terms, as it will be discussed at the summit and elsewhere, but an issue of very real human terms, so I rise to discuss the plight of two friends of mine, very real human beings, who are caught up in the struggle.

In our country, the struggle for improved emigration as well as cultural and religious rights for Soviet Jews has been ongoing for almost two decades now. I speak today about two refuseniks whom I had the pleasure of meeting while on a trip earlier this year to the Soviet Union. I was impressed by the resolve of these two men and, consequently, I have "adopted" them as friends. I regard them as friends, and I regard them as human beings that the Soviet Union should allow to leave. So I bring their plight to the attention of the House and the American people today as we approach the summit.

The first is an individual named Yakov Rabinovich. Yakov Rabinovich is a resident of Leningrad. He first applied for permission to emigrate with his family in 1978. In a typical caprice of the Soviet bureaucracy that only the Kremlin could understand, Mr. Rabinovich's wife and two children were allowed to leave Russia in 1980. But Yakov remains in the Soviet Union, spuriously characterized as having access to "state secrets." That is because his previous job, prior to 1972, was as one of thousands of shipbuilding engineers and designers.

Now, without exception, every type of ship that Yakov Rabinovich had previously helped to design in however small a fashion has already been exported to other countries around the world. That is to say, not just the design, but the ships themselves have been exported to another country. Therefore, whatever "state secrets" he may have been alleged to possess at one time could no longer possibly be considered "secret." Since his decision to emigrate, Yakov Rabinovich has worked in a factory manufacturing machines. He misses his family dearly. His son this summer graduated from Brandeis University. Sometimes Yakov is allowed to receive letters and phone calls from his family, and sometimes even though they try to get through, he is not allowed to receive their communications.

The second is Dr. Aleksandr Ioffe of Moscow. Dr. Ioffe is internationally prominent in academic fields relating to science and mathematics. Since filing an application with his family in 1976 to emigrate to Israel, which was also denied on the charge of access to Soviet "state secrets," Dr. Ioffe has been placed under surveillance. He has been threatened with his fellow refuseniks' fate, and his wife has been called in by the KGB and warned to stop her so-called nationalistic activities, the "nationalistic activities" consisting of wanting to be reunified with her family and repatriated. He has also been demoted to a lower teaching position.

I met Dr. Ioffe and his family. I have never encountered such warmth, such friendship, such resolve, such optimism, in the face of what could only be described as pessimistic circumstances, in my life. You see, they are denied their basic rights to practice their religion. All they are asking for is to join the rest of their family in another country, and for that they are punished severely. They remain in good spirits, and they put out the welcome mat for visitors.

I enjoyed having an opportunity to meet with these gentlemen. Their spirits are good, they are optimistic, but they realize that they will never be allowed to leave until the Soviets decide by the basics of their agreements under the Helsinki accords. It was clear that both Yakov and Aleks remained determined to persist with their struggle to emigrate. Though they have no basis for that optimism in fact, they are in good spirits. They are grateful for any efforts made in the West on behalf of them and other refuseniks, and they both said that their only hope lies in America.

I encourage my colleagues, as many have done, to continue their active involvement in the struggle to grant refuseniks the basic freedoms guaranteed under international law.

I would add a note about some recent developments. Just today it was announced that perhaps Yelena Bonner, a rather celebrated refusenik, may be allowed to leave, and perhaps improvements are being made. The President has placed the item of human rights and Soviet Jewry emigration on the summit. The only hope for the refuseniks, some 300,000 of them, is from the West, and the pressure of the spotlight of America.

Helsinki was signed in 1975, guaranteeing family reunification and national repatriation. It is difficult for many of us in the United States to think very highly of any new agreements when Helsinki lies so dormant and so unused and so neglected and so denied.

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. NELSON] is recognized for 5 minutes.

Mr. NELSON of Florida. Mr. Speaker, due to official business, I was unable to be present for rollcall vote Nos. 373 to 375 on October 29, 1985. Had I been present, I would have voted "aye" on roll No. 373, final passage of H.R. 3606, defense cost and price management; "aye" on roll No. 374, education for handicapped children anni-

versary; and "aye" on roll No. 375, agreeing to the rule for consideration of the Department of Defense authorization conference report. Due to official business, I was unable to be present for roll No. 296, September 5, 1985. Had I been present, I would have voted "nay" on the Walker amendment to strike authorizations for contributions to State rail inspections.

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kentucky [Mr. MAZZOLI] is recognized for 5 minutes.

Mr. MAZZOLI. Mr. Speaker, I was unavoidably absent on Tuesday, October 29, 1985.

Had I been present, I would have voted:

"Yea" On roll No. 375, approving House Resolution 299 which waived certain points of order for consideration of S. 1160, the conference report on the Defense Department authorization bill.

"Yea" on roll No. 376, approving the conference report which accompanies H.R. 2942, the legislative branch appropriations bill for fiscal year 1986.

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. TORRES] is recognized for 5 minutes.

Mr. TORRES. Mr. Speaker, I was not present for rollcall votes No. 373 through 376 on Tuesday, October 29. Had I been present on the House floor, I would have cast my votes in the following manner:

Roll No. 373, final passage of H.R. 3606, to clarify application of section 2406 of United States Code, title X; "yea."

Roll No. 374, final passage of House Concurrent Resolution 201, 10th anniversary commemoration of Education for All Handicapped Children Act; "yea."

Roll No. 375, passage of House Resolution 299, the rule waiving certain points of order against the DOD authorization conference report; "yea."

Roll No. 376, passage of the conference report on H.R. 2942, legislative branch appropriations; "yea."

THE DEFICIT AND OUR NATIONAL DEBT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Idaho [Mr. CRAIG] is recognized for 60 minutes.

Mr. CRAIG. Mr. Speaker, I come to the floor again tonight in a special order to discuss with my colleagues an issue that ranks No. 1 in the minds of the American public today, an issue that is talked about on this floor a great deal and with growing intensity and growing fervor over the last 5 years, but an issue which no one seems to want to do really anything about. And, of course, that is the question of our deficit and our national debt.

I have served in Congress for the people of the First District of Idaho now for some 5 years, and when I first came to Congress one of my goals was to work for reduction in national debt and to move toward a balanced budget. At that time the deficit was running annually at $60 to $80 billion, and the national debt of our country was less than $1 trillion. I was not the only one. At that time Members of this House, economists across the country and a good many Americans recognized that, if we somehow did not grasp hold of and gain control of the deficit and the growing national debt, we could expect at some time in our future a major economic crisis in this country.

Now, that was 5 years ago. The deficit today has now been recorded, at least for fiscal year 1985, of well over $200 billion. We are anticipating a deficit for fiscal year 1986 of nearly $200 billion. And this evening, in another rather historic meeting, just a block from here, House and Senate conferees are meeting to try to arrive at a solution to an amendment to the debt ceiling, a debt ceiling that must be acted upon by this Congress that would move our national debt not from less than $1 trillion that it was less than 5 years ago but to the $2 trillion level. And they are bound up in discussion on how to control deficits. The historic debate is going on around an amendment that was placed on the debt ceiling legislation in the other body called the Gramm-Rudman amendment, known here in the House as the Mack-Cheney amendment, which would provide a system, a procedure under which this body, this House, and the other body would operate over the next 6 years to reduce the deficit by some $36 billion a year, to arrive at a balance between revenues and expenditures by 1991.

There are those of us who believe that this is fundamentally important legislation, legislation that must be enacted by this body if we are to begin a slow but sure path toward fiscal responsibility, toward eliminating the deficit and at some point being able to focus our attentions on a $2 trillion national debt, a $2 trillion national debt that in fiscal 1986 will require a direct outlay of some $143 billion just to pay interest on that debt.

It is almost unbelievable that now the third largest item in the Federal budget is interest alone on the debt.

If the word "immoral" can be used, I suspect there is no act more immoral than to spend for your own interests today and to pass on the debt of that spending to your children and your grandchildren, and yet every day on this House floor and on the floor of the other body we continually vote for programs and with the move of a hand or the push of a button pass on the accumulation of debt that is brought about by the expenditures of those programs to our children and our grandchildren. We are saying quietly to them, "We are going to leave you with this legacy, we are going to leave you with a legacy of some $2 trillion of national debt, and in so doing that we are going to expect you to pay for it."

That is the debate that is currently underway. That is the debate that must be fundamental to this body in the coming days if we are to bring any kind of solution at all to the question of deficit and, of course, the question of debt.

The time that we have discussed this issue has gone on for well over 20 years. It is not a new topic of deficit. My colleague from Oregon, who now stands, and I have discussed this issue on a variety of occasions. He, like others, has joined with me on a critical piece of legislation, a constitutional amendment to balance the budget. There are others in this body who have been interested and active on that issue. But it is interesting for me to watch the accumulated vote of a variety of Members of this Congress, where I find they consistently vote for programs that they know will spend us into deficit while at the same time they talk so openly and cry so loudly about the deficit and the accumulated debt at hand.

Mr. AUCOIN. Mr. Speaker, will the gentleman yield?

Mr. CRAIG. I yield to my colleague, the gentleman from Oregon.

Mr. AUCOIN. I appreciate the gentleman yielding. I understand exactly what he is saying when he talks about our colleagues who stand and talk about the need to balance the budget but then when it gets down away from the procedural points and down to the points where the rubber really meets the road, and that is the question of whether we spend or do not spend, they end up voting to spend rather than not to spend. I am wondering, knowing the gentleman's feelings about Gramm-Rudman and other deficit reductions, which are really procedures, I think he would concede—and I know he does support that—how he can reconcile his support for those, however, with his vote, for example, just a few minutes ago on the MX, which would have been an opportunity for him to have saved $1.6 billion, but my reading of the rollcall vote was that the gentleman voted to spend $1.6 billion on test missiles for the MX, over and above what the House budget resolution's position was.

Now, there is where the rubber met the road, there was a chance to vote Gramm-Rudman into effect right now, but the gentleman did not vote that way.

Mr. CRAIG. I think the gentleman knows that games that are oftentimes played on the floor—and, of course, he himself has engaged in that kind of gamesmanship and game playing from time to time. If you look at the specific MX vote, it was money that was being taken from a budget that was already in place and that was well within the design of the budget that had already been approved by this Congress, in lieu of the kind of deficit reduction that I am talking about. I am talking about a $36-billion to $40-billion deficit reduction on an annual basis. And my vote today was consistent with that kind of deficit reduction because it was an expenditure programmed into an already projected debt reduction. And, of course, that is what Gramm-Rudman does. It causes us to make the tough votes but it also causes us to keep our spending, as the gentleman well knows, within the confines of specific goals and specific debt reduction programs or projections.

□ 1515

Of course, my vote today was consistent with that, as my colleague from Oregon knows.

Mr. AuCOIN. If the gentleman will yield, the gentleman knows that if Gramm-Rudman is approved, and I assume that the gentleman is going to support it, that we are going to have to do a great deal more on the military spending side as well as on the domestic spending side in order to meet those 20 percent targets.

Before Gramm-Rudman comes into being, you can point to an MX program, lots of domestic programs, that had assumptions built in about levels of spending into the future, but what Gramm-Rudman does, I think that is why the gentleman says he supports it, is to change all those assumptions, and say that instead of projecting deficits into the future as far as the eye can see at a level of about $200 billion, we are going to start reducing by a 20-percent rate each year. That means we are going to have to rethink some of our assumptions.

I would think that the MX should not be exempt; I wonder why could we not begin Gramm-Rudman there?

Mr. CRAIG. Reclaiming my time, I think the gentleman well knows my voting record. When it compares with his voting record, I think that one might say I was rather conservative fiscally and one might also say the gentleman was not as conservative as I, fiscally.

Mr. AuCOIN. I think the gentleman misspeaks himself on that one.

Mr. CRAIG. Well, we will let the national ratings make the point. The point is, as I have just stated it, consistent with the expenditure, more importantly, consistent with the budget and the whole of the budget as represented by the defense expenditure. Not a specific program pulled from that expenditure. I think my vote was consistent. I think that I am going to be very willing to vote for Gramm-Rudman and take the cuts in defense and take the cuts in social programs that I would suggest a good many colleagues from the gentleman's side of the aisle will find it very difficult to do, because I have believed for a long time that no program, no program that we vote on should be exempt from consideration as it relates to deficit reduction and ultimate debt reduction. That is because I, fundamentally, believe that the way we put people to work in this country, the way that we build a vital economy, that answers to the phenomenal number of people that are out of work in my colleague's State of Oregon right now——

Mr. AuCOIN. And in the gentleman's district as well.

Mr. CRAIG. A State that has a large part of its economy based on agriculture and the forest products industry, is a result of deficit spending and a high-valued dollar in international currency that has caused phenomenal difficulties in our country.

I think that my voting record, as borne out by a good many national rating groups, would say to my constituents and to my colleague's constituents in Oregon, that my vote is very consistent with reduction of deficits and recognizing that the great value of the economy rests not here with this body, and all of the marvelous programs that have been perpetrated by this body over the years, but well the economy of a country that is not, shall we say, weakened on a constant basis by programs and expenditures from this House that in large part draw such large amounts of money from the gross national product.

I yield to the gentleman from Colorado [Mr. BROWN].

Mr. BROWN of Colorado. I thank the gentleman for yielding to me.

Mr. Speaker, I would not presume on the gentleman's time too much, but I would like to make several observations.

First of all, I am familiar with the National Taxpayers Union rating that takes into account all votes with regard to spending. Military as well as social spending programs. The gentleman has one of the best voting records of Congress in terms of being willing to control spending in all sectors.

The second point I would like to make, I think the gentleman has raised a very interesting point that I think is well worth commenting on. That is the MX itself. As the gentleman points out, every vote we have is one where we have an opportunity to control spending. I might say that when it comes to military spending, I have noted the Democratic majority in this House in the 5 years I have been here has consistently voted for the defense bills. You have had a majority of the Democratic Members vote for those defense bills. I might say that many times I have found myself voting against those defense bills because the spending level has been too high.

I think when you come to trimming military spending or controlling the size of the increases, at least where this Member feels where you might want to trim, is not in the high technology areas where you have the most cost-effective weapons and way of defending this country. But in the low technology areas that are the least cost-effective.

With regard to the MX vote, it seems to me that someone who wants to control spending in the military budget would be very much inclined to vote for the MX because it is high technology, it is very sophisticated and one of the most cost-effective weapons this country has. If you wanted to trim the budget, where you would try and trim it is in the least cost-effective areas.

So I hope the point will not be missed that unilateral disarmament with regard to accurate long-range missiles is not the way to control spending in the military budget. I think dealing with perhaps paying for the defense of Japan, having a third of a million troops in Europe, having aircraft carriers that are extremely vulnerable to a single missile are areas that at least I would think would be far more efficient to control military spending.

I thank the gentleman again for yielding to me.

Mr. CRAIG. I thank my colleague for his observation.

Mr. Speaker, of course, if we wish to focus the entire debate on the deficit and the debt on the MX vote, then we can do that. That is rather pale as a total debate when it relates to the entirety of a budget. The constant nickel and diming that we do in the form of a quarter to a half to three-quarters to a billion dollars on almost a daily basis on this floor in every appropriations bill that comes across. Once we have established a budget, once we have arrived at a conference report that basically says this will be a level of spending, then we find ourselves always wishing to exceed it.

I well remember when I joined my colleagues several years ago in reducing at first by 50 percent the amount of the MX Program, by knocking out the Race Track Program.

A colleague who now serves in the other body, PAUL SIMON and I, offered the amendment on MX that knocked out the Race Track Program that would have been a multibillion-dollar boondoggle, in my opinion and in the opinion of Senator SIMON, and I think

in the opinion of my colleague from Oregon. So we have stood together in reducing down to what now is believed to be an effective and responsible and responsive number of MX missiles basically as a replacement mode for Minuteman, to a level within the budget that is consistent with the kind of fiscal responsibility that I think my colleague from Colorado refers to.

So if we want to play the game of who wishes to vote where and under which shell does the pea lie, then of course my colleague from Oregon can make those kinds of observations.

But in the whole of the debate, and in the fineness of the context, I think my colleague from Oregon knows from where he comes, and that basis, as it relates to this argument, is weak at best.

I yield to the gentleman from Oregon.

Mr. AuCOIN. I thank the gentleman for yielding.

Mr. Speaker, the only reason that I asked the gentleman to yield in the first place, and I assure the gentleman that it was not to attack his personal voting record, but to illustrate a point.

We are about to vote on Gramm-Rudman, a proposal that will indeed, if passed, and I assume it is going to pass, will call for a reduction by 20 percent in the deficit over the next 5 years, each year. In doing so, we are going to be voting for a procedure. That is a procedural change. The point the gentleman was making when I asked him to yield was that how easy it is for Members on either side of the aisle to stand up and support some procedural method of getting at what I consider to be, and what I know the gentleman considers to be, the No. 1 economic problem facing this country and that is these structural deficits that are going to kill the economy and are certainly driving the trade deficit and are really poison for America's economy in the present and the future.

They talk about the deficit by coming up with procedural remedies, but when they have a chance to vote for actual cuts, either on the domestic, nonmilitary side or on the military side, we always find that somehow or other the 218 votes for the cuts do not show up; do not materialize.

I am just saying to the gentleman as a liberal Democract who voted this year to freeze school lunch funding, and I will not take a back seat to anyone in terms of my own budget discipline. You talk about my basic political constituency; it is one that expects me to vote for increases in school lunch funding.

□ 1525

I voted to freeze school lunch funding, as an illustration to the gentleman of the kinds of steps I think we need to do across the board in order to arrest this problem.

What I object to is when liberals or Democrats on this side of aisle will rale away against the deficit and call for some abstract solution but fail to bite the bullet and do what is necessary on their sacred cows, and when the gentleman and his colleagues on the other side of the aisle say we ought to balance the budget but they reserve the right to protect their sacred cows and expect that somehow it is going to be put together that way.

We had a chance today, as one illustration, to cut $1.6 billion out of MX flight test missiles. It is a vulnerable weapons system in the first place and cannot be defended. We have been through this debate before. But when it came to the rubber meeting the road, the gentleman could not vote for it. There are Members on this side who could not vote for it either.

What I am saying is if Gramm-Rudman is going to pass, those days are numbered, and maybe that is why Gramm-Rudman should pass.

Mr. CRAIG. I thank my colleague for those observations. I trust that the gentleman will once again be with us on the constitutional amendment to balance the budget and will vote for Gramm-Rudman.

Mr. AuCOIN. I hope the gentleman will vote with me on the MX missile.

Mr. CRAIG. I think the gentleman from Oregon's observations are true to the real basic problem of this House. The tough choices are hard to make almost any time we have that kind of a vote. And the reason it is very easy to avoid them is because we can avoid them, because we can always go out and borrow money, as we have historically done, especially for the last 20 years in growing dollar amounts on an annual basis, and saying, "Well, somewhere down the road somebody else is going to have to pay for it."

Mr. AuCOIN. The gentleman is right. Today we voted to borrow $1.6 billion to fund the MX. It is borrowed money.

Mr. CRAIG. I think my colleague from Oregon is fiscally very brave to have voted against the School Lunch Program like the gentleman did and I recognize him for that. I hope the gentleman will be as brave in the future.

Mr. AuCOIN. I hope the gentleman will be as brave on the MX. I wish the gentleman would have been today.

Mr. CRAIG. I hope the gentleman will be as fiscally responsible as he has demonstrated in the last few days.

That colloquy that I have just engaged my colleague from Oregon in I think is fundamental to the issue that is before this House today, that has been the issue that this House has basically avoided for the last 20 years. It is, how do we make the hard decisions? How do we make the tough choices when it comes to all of those programs that at least one person or a group of people in our State would say are critically valuable and important to a given number of our constituents?

Normally our attitude has been, "Well, it is pretty easy." We can say, "Oh, we are terribly interested in them and we are supportive of them and, yes, there is always going to be some money for them at some point," and somehow we find the money.

Well, we found $200 billion this year that we did not ask the taxpayers of this country to pay for, and that got passed on to the debt.

As I mentioned just a few minutes ago, now we have a conference struggling with trying to perfect a procedure that, of course, is just that, an enabling type of legislative act that would say this will be a procedure at which we will approach the deficit in the coming days and hopefully reduce our deficit problem, and therefore our debt by some $36 to $40 billion a year.

Mr. Speaker, at this time I would be happy to yield to my colleague from Pennsylvania [Mr. WALKER].

Mr. WALKER. Mr. Speaker, I thank the gentleman for yielding, because I think it is important to understand what the procedure is that we would be operating under in Gramm-Rudman.

If you even take the Gramm-Rudman approach at the present time, we would still be spending somewhere in the vicinity of $920 to $950 billion in the upcoming year. That is a lot of spending that is going to take place.

I think we can argue very intellectually that you then decide priorities within that amount of money that you are going to spend.

Now, colleagues of ours on the other side do not want to spend it in defense, so they come out and parade out their options and so on to cut the money out of defense.

There are Members in this side who do not want to spend it on domestic programs.

The fact is that you do have to look at a variety of solutions, and that is what we are all about in this body.

The problem is we have not mustered the courage to do much of anything anywhere.

I do get a little disturbed, though, when I hear our Democratic colleagues basically say that we can find it all in defense; simply vote against MX and you cast the courageous vote.

Well, it seems to me that we have to look at the realities on that, too. If you wipe out the whole strategic defense of this country, if you wipe out all of the modernization of our strategic defense I should say—I do not want to say the whole thing because obviously there would be things that we have already put in place that would stay in place and would continue to be there, 20-year-old missiles, 30-

year-old airplanes. But if you take away all strategic modernization programs, you save about 10 percent of the entire defense budget.

Now, the question becomes whether or not that is what you want to do as a nation in order to save the money.

I tend to agree more with my colleague from Colorado that if we are going to save real money in defense, we ought to come up with some real reforms in defense. I would far better see us unify commands within the defense structure than wipe out strategic weapons systems. I would rather spend money to build an SDI system that offers long-term defense capability for this Nation than to spend money on overlapping medical programs in the defense agencies.

It seems to me that those are the decisions we ought to be arriving at, rather than just coming to the floor with amendment after amendment that cuts out strategic defense.

We have over the years seen our liberal friends come to this floor with amendments to wipe out every strategic defense initiative that has been offered. Today they had an amendment to wipe out MX. You can bet that when we start funding Midgetman there will be somebody on the floor saying the courageous vote is to wipe out Midgetman. They came out and they were against the B–1. Every one of them, they come up and the opposition always is, "This is the place to cut spending." If we had listened to them in each and every eventuality, there would be no strategic defense in this country today. Every one of them we were told that it was the courageous vote, it was the vote to do something.

My question to them is, What are they willing to do for strategic defense? And time after time what they tell me with their votes is they are willing to do nothing.

Well, I think as you prioritize $950 billion of spending, that one of the things that this Nation needs given the situation of the world is a strategic defense, including an SDI Program, including some offensive weapons to offset what the Soviet Union is doing. That is a priority I am willing to buy into.

I also think that there is a need for domestic programs. But I think those can be reformed in ways that bring down costs as well.

So the idea that somehow the votes here can be specified on those programs, it seems to me, is nonsense. The question is, who votes consistently to reduce spending levels, and there is the real question. The fact is the majority of the Members of the House do not consistently vote for lower levels of spending in a lot of areas. That is what we need around here. We need the discipline to reduce spending over a broad scale, not just target and say this is our vote to show that we vote against spending.

I have heard colleagues, for instance, who go out and say, "I voted for a balanced budget last year." And you go back to the RECORD and you find out that yes, indeed, they did. They voted for a balanced budget, and they are telling their constituents they voted for a balanced budget because they voted against the whole defense appropriations bill. So their solution to a balanced budget is have no defense. They voted for everything else, but their solution is no defense because they voted against the whole defense appropriations bill. That simply is not a rational position and, it seems to me, it does not serve the argument unless we are going to really talk about how you prioritize the entire budget.

I thank the gentleman for yielding.

Mr. CRAIG. Mr. Speaker, let me thank my colleague from Pennsylvania for bringing up those points, because, of course, the question is priority, and that is the responsibility of this Congress to decide where the public money will be spent, and in what programs, and how it will serve the need of the American public, be it in defense or social programs.

I do not know that that is the debate. I really have never found that that is the importance of the total debate. That is our responsibility as Members of the House and of our colleagues on the other side to make those kinds of priority decisions.

The question is how many total tax dollars and borrowed dollars will we choose to spend on an annual basis, and what is going to be the short-term and the long-term impact of that kind of spending habit. I think that we now know that the long-term impact is potentially devastating because of the kind of short-term problems we are already beginning to see. My colleague from Oregon and I mentioned that. Our States are not that unalike. We have primarily agricultural economies, heavy forest products industry, and we are in deep trouble right now. One of the reasons we are in deep trouble is because of an annual $200 billion deficit. That says that we are going to have an extremely high-valued dollar, that our commodities are going to sell very, very poorly in a world market which we must engage to keep our people working and our economies going.

I mentioned earlier that right now at this time a conference is going on to try to make a decision on a procedure that this body will attempt to live by—and I use the words "attempt to live by"—over the next 6 years as we move toward bringing revenues and expenditures into balance.

□ 1535

The reason I used the words "attempt to live by" is because of a misconception that I think is out there that has been construed by the press and by Members of both bodies of the Congress as to what relates to what is the true impact of Gramm-Rudman. I hope it will work. I plan to vote for it. I am willing to make the tough decisions that will ultimately have to be made coming out of Gramm-Rudman to cut areas of defense and to cut areas of social programs, because I think the real responsibility of this Congress is to get that deficit under control.

But I would like to reflect back for a moment on just a little bit of history that I think ought to be used to caution the American public, to watch the Gramm-Rudman vote and the procedures following that over the next several months, if not several years, to see whether this House really has changed its spots, because its spots, although we do tend to wear pinstriped suits, underneath are the spots of a leopard, and that leopard has a phenomenal spending problem, a habit that simply says that, "I've got to go home and tell my folks that I'm going to provide all these programs for them and I've got to be able to respond to them in the form of spending money."

In fact, those spots are now so institutionalized into the system that we cannot quit spending, and it is a Gramm-Rudman approach that is attempting in some way to buffer that and to slow that habit down, that institutional drive and need to spend more and more money on an annual basis.

The reason I use this as an example is because there have been other attempts by this body and the other body historically to slow this spending, to move toward a balanced budget, to curb the habit or the change spots of the spending leopard of the U.S. Congress.

I would like to refer to Public Law 95–435 that was passed October 10, 1978, by the Congress of the United States. Now it is a law not unlike the Gramm-Rudman amendment because ultimately the Gramm-Rudman amendment would become law. We at least hope it would. But that law on the books of the country today supposedly governing this body says in section 7, "Beginning with fiscal year 1981, the total budget receipts of the Federal Government shall not exceed the expenditures."

Now is it not interesting that that public law that passed in 1978 in essence said—because by not exceeding receipts in the area of expenditures you are saying we will have a balanced budget. Of course we know that by 1981 that was simply not the case.

The American public need ask how can the Congress of the United States violate Federal law, because that is exactly what appears to have happened, that a law that was on the books that mandated that this Congress by a given date would bring expenditures and revenues into balance. That happened to be by the fiscal year 1981, and yet we know that by 1981 we were moving toward a $100 billion-deficit budget.

The reason it happened is because a body with the power that the U.S. Congress has to write laws can also change laws, and by rules of this House we simply waived that law in the Budget Act, we bypassed that law, we ignored that law, and said no, we are not going to adhere to it, we are going to spend in deficit because we believe that is to the good of the American people.

Well, we tried that in 1978. That was law to take effect in 1981.

Public Law 96-5, April 2, 1979, section says:

> Congress shall balance the Federal Budget. Pursuant to this mandate, the Budget Committees shall report by April 15, 1979 a fiscal year budget for 1981 that shall be in balance * * *.

What happened? The American people ought well to ask the question "What happened? Why was the law ignored?" That law once again was ignored by this Congress simply because it chose to do so. It chose to, through its Budget Act, waive the law and deficit spend.

Now it is for this reason that I and now well over 200 Members of this House have joined together with some 75 percent of the American people inpursuing a slightly different course from the Gramm-Rudman approach which would be a Federal statute which would mandate a procedure to arrive at a balanced budget by 1991. And that different approach, although I say it is slightly different, is significantly different in some ways.

It is slightly different in its procedure or its approach by which it gets to a balanced budget. But it is tremendously different in the fact that it is a constitutional amendment, because there are now well over 200 Members of this House who believe that this House cannot control itself, and that well, when given the opportunity, although with good intentions, violates the very law that it tells the American people it is going to adhere to, and that is of course the laws that were passed in 1978 and 1979, and the law that is being debated in conference this afternoon here on the hill.

That is why we believe we must turn that responsibility to the people. That is the people's law, the Constitution, and it will be the constitutional amendment that will mandate a balanced budget, that will be the ultimate force that begins to set in place the procedure, and move this Congress toward a balanced budget, and then demand that receipts and expenditures on an annual basis of this Government stay in balance, and only under special circumstances and incidents might we find ourselves out of balance for the food of the Nation or the security of the world.

Let me close this afternoon by saying that it is not a new debate, it is a debate, and an issue, and a concern that has been around for a great long while. When we were spending in deficit $10, to $15, to $20, to $30, to $40 billion, 10 and 15 years ago, although it seemed significant in the overall scheme of things, there were a good many people who were saying that deficit spending is really wise, that it stimulates the economy, that it causes the kind of growth that is necessary, that it puts people to work, and therefore it is just a good policy as long as it really does not get out of control.

Well, that is the question that is really up for the debate today, because there is no doubt that it has gotten out of control and that this Congress really does not know how to control it. They have not found the way; more importantly, they simply have not demonstrated the will to make the very, very tough decisions to go home to their constituents, and look them in the eye, and tell them they voted against them, that they voted against social programs, that they voted against defense programs, that they voted against levels of spending that would drive us at a $200 billion deficit a year that would ultimately bankrupt this country and put millions and millions of people out of work.

Now the reason I say it is not a new debate, and I would like to close with a quote this afternoon from someone who certainly is not new to the issue, and a man who recognized on November 26, 1798, that we had a problem in our Constitution and a problem with our Government, and that was the fact that in drawing the Constitution we had allowed our Government the ability to borrow money.

I am referring to Thomas Jefferson, in a letter that he wrote to John Taylor on November 26, 1798. He said:

> I wish it were possible to obtain a single amendment to our Constitution. I would be willing to depend on that alone for the reduction of our Government to the genuine principles of its Constitution; I mean an additional article, taking from the Federal Government the power of borrowing.

Can we say that Thomas Jefferson was a brilliant man? Can we say he had phenomenal foresight as to the problems that this Congress and this Nation would be experiencing by 1985 and 1986? Well, I think we can say he was brilliant. But I do not know that we can say he had foresight. But he knew fundamental human reaction. He knew fundamentally how humans would react if given the opportunity to spend money that appeared to be no one's money, but money that could only be cranked out on a printing press, and of course that is exactly what happened historically.

That is why today and tomorrow and Friday this body must make a decision on whether to raise the debt ceiling to $2 trillion so our Government can continue to operate; more importantly, so that it can continue to borrow. And it is with the Gramm-Rudman amendment tied to that that maybe we will put in motion and then bring with it a constitutional amendment to balance the Federal budget that will, I hope, bring some degree of fiscal responsibility to this body and set our Nation fiscally free.

Calvin Coolidge said:

> Nothing is easier than the expenditure of public money. It does not appear to belong to anyone and there is an overwhelming desire to bestow it on someone.

One of the frailties I suspect that this Congress fails from now is the overwhelming desire to bestow on someone public money. I hope that in the coming days we will at least put in motion a procedure followed with a constitutional amendment to balance the Federal budget that will somehow curb this overwhelming desire to bestow billions and billions of dollars annually of borrowed money on someone.

Mr. Speaker, I yield back the balance of my time.

HUMAN RIGHTS IN THE SOVIET UNION AND EASTERN EUROPE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey [Mr. COURTER] is recognized for 60 minutes.

GENERAL LEAVE

Mr. COURTER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous material on the subject matter of my special order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. COURTER. Mr. Speaker, the time draws near when the President will depart for Geneva and meet with Soviet General Secretary Gorbachev. Mr. Reagan hopes—as do all Americans—that the summit will yield at least some agreement on questions of strategic arms control.

But the existence of nuclear arms is only one source of the great tension between East and West. Indeed, one might argue that the so-called arms race is as much an expression of ten-

sions as a cause of them. That is why it made very good sense for the President to decide, as he did some time ago, to discuss more than nuclear missiles at Geneva. His agenda enbraces a number of other bilateral issues. It includes regional issues like the war in Afghanistan, not a matter to be overlooked in discussions of world peace. And it includes human rights.

This last is a subject on which the General Secretary is likely to have unwavering views. Marxist-Leninists have a stark and settled opinion about the social and political roles of the individual, the non-party organization, and the extra-governmental group, and it is nothing like an American's. Raising the issue of human rights at Geneva is therefore unlikely to change Gorbachev's mind abut the legitimacy of his country's so-called dictatorship of the proletariate, or the necessity for keeping two Red Army divisions in Poland, or five in Czechoslovakia. What Mr. Reagan can do is make him understand that while these may be the very foundations of Soviet rule, in the eyes of Americans they are unnatural and morally reprehensible. As such they contribute greatly to the tensions between Americans and Soviets. They contribute just as greatly to tension in Europe, where America has had a leading role since 1917 in guaranteeing the independence of many democratic countries.

We meet here this afternoon to consider the status of existing agreements which are as important as any new ones that might be made in the next 3 weeks. Ten years ago in Helsinki, Finland, the Soviet Union and its Eastern European allies pledged themselves to: "Respect human rights and fundamental freedoms, including the freedom of thought, conscience, religion, or belief * * *."

They promised not just to respect but to: "promote and encourage the effective exercise of civil, political, economic, social, cultural and other rights and freedoms, all of which derive from the inherent dignity of the human person." The signatories went further: They agreed that respect for these rights is fundamental to peace itself, and to friendly relations between states.

But, 10 years later, overwhelming evidence demonstrates that the Soviets and Soviet-controlled states have not honored the Helsinki accords, and show only the shallowest of concern about their failure to do so. In a major report issued in August, Jeri Laber, Executive Director of the U.S. Helsinki Watch Committee, describes each and every one of the Warsaw Pact members as: "Egregious violators of human rights and the Helsinki accords." In the U.S.S.R., Laber reports, "repression appears to be more effective than it has been since the death of Joseph Stalin."

Mr. Speaker, at this particular time I would like to yield to my good friend from New York [Mr. GILMAN], who has a statement, and then I will proceed with my own.

I yield to the gentleman from New York.

Mr. GILMAN. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I am pleased to join the gentleman from New Jersey, Mr. COURTER, in support of his remarks with respect to the Soviet Union's violations of human rights and practices. Mr. COURTER's initiative today in making available this time for us to speak out once again is highly appreciated and urgently needed.

The Soviet's violations of human rights span all religious and ethnic heritages. In Soviet bloc countries, such as Poland and Hungary, freedom of expression is cruelly suppressed; harassment continues unabated, and the precepts of the Helsinki Final Act are ignored. The Helsinki Watch groups which existed a decade ago no longer exists, as their leaders and activists are arrested, tortured, tried, and sentenced to lengthy prison terms. All these actions emanate from the Kremlin, which, through its domination of these eastern European countries, daily violates the very moral and ethical fiber of millions of men and women.

The Soviet Union leads the way for its allies in continual human rights abuses, and by its actions encourages other representative governments to follow. Though the forthcoming Geneva Summit between President Reagan and Soviet leader Mikhail Gorbachev next month has given cause for raising our hopes about another era of détente, I am not optimistic that we will accomplish any of our stated objectives unless we enter those meetings with a firm resolve that human rights must be high on our priority list. It is a priority that has been reiterated by this body on many occasions, and by the American people at every opportunity. We will not succeed in Geneva unless we convince the Soviet Union and its satellite countries of our clear and abiding commitment to the fundamental freedoms of the individual.

I thank the gentleman from New Jersey for his long abiding leadership in the cause for human rights.

I hope that our Nation will continue in its strong support of human rights throughout the world.

Mr. COURTER. I thank the gentleman from New York, and I know that every time there is a special order involving human rights he somehow takes time out of other important duties to be here, and I think that says something about his concern for the violation of human rights that occurs constantly throughout this world.

Not only, as I was saying before, do the Marxist-Leninist governments of Europe defy the principles to which they subscribed at Helsinki, they have systematically arrested and persecuted those whose only crime is monitoring their governments' adherence to the accords. Charter 77 has been suppressed in Czechoslovakia. The Polish Helsinki Committee has been forced underground. In the Ukraine, according to one report, all but 2 of the 36 members of the watch group formed in 1976 have been imprisoned, arrested, or exiled internally at one time or another.

This afternoon we have the opportunity to offer voices for freedom.

POLAND

Consider the tragedy of Poland. Article 83 of its constitution guarantees freedom of speech, print, and assembly. The Polish Government signed the Helsinki accords. And in the space of 5 days in 1980 Polish Government representatives signed agreements in three cities recognizing the right to membership in trade unions free of party or employer control, freedom of speech, and the right to publish. The authorities intended to honor none of these, and yet—in retrospect it is ironic—they consistently argued that such agreements fully accorded with the Polish Constitution as it then stood.

Today, Solidarity, the group of leading intellectuals called KOR, and other associations have been broken. Their clearest voices have been forced underground, or into prison. An electrician named Lech Walesa remains the focus of full-time work for innumerable secret police. As many as 15 other activists have been murdered by police, or killed under suspicious circumstances, since the end of martial law. Finally, results of a heavily publicized amnesty for political prisoners in July 1984 have already been undone: The numbers of the interned have climbed again to nearly 300.

Recent statutory changes make such arrests even easier than before. Indeed, they make Polish civil law difficult to distinguish from the martial law said to have expired over 2 years ago. A report by the Polish Helsinki Committee which met in Ottawa this May, as well as the transcripts of recent interviews with a dozen leading Solidarity activists, yield the following partial list of legal changes, many of which can only be understood as formal repudiations of governmental obligations accepted in 1975 and 1980.

First, an amendment of November 21, 1983 to the law on universal duty to defend the Polish People's Republic effectively removes any right to free public speech or dissent.

Whoever engages in activities aimed at disrupting public order or at providing dis-

turbances is liable to a sentence of up to three years loss of freedom.

The amendment also provides that:

Whoever organizes or directs protest activity in violation of legal regulations is liable to the same sentence.

The new measure has already been used to jail leading members of Solidarity.

Second, an October 1982 law, initially due to expire this year, stipulated that only one trade union could exist in a given workplace. This law was made permanent earlier this year, eliminating any hope for the reinstatement of free and independent trade unions at the factory level.

Third, a law on special criminal liability of May 10, 1985 will permit the arrest, trial, and sentencing for up to 3 years of an individual, all within 48 hours and on the testimony of as few as one accuser. The new law encompasses nearly all political crimes.

Fourth, amendments to the 1982 law on higher education made in the summer of 1985 abolishes what is left of academic autonomy. The amendments empower the Minister of Higher Education to select all university authorities, and guarantees that—

The Party will exert an appropriate influence on all decisions taken by the university, especially in the selection of teaching staff and in the proper education of students in a socialist spirit.

The law makes it possible to remove a lecturer from his post and suspend courses at will.

Fifth, the 1984 amnesty bill, while freeing most of Poland's political prisoners, also make it an act of high treason, punishable by death to have any contacts with the international labor movement.

Sixth, Polish law now allows the police to detain a person whose behavior gives reasonable grounds for suspicion of the intention to commit a crime or an offense against public order or security. Solidarity activists are routinely detained for 48 hours for harassment purposes.

All of this makes the story of Polish civil liberties in the postmartial law period a distressing one. And yet General Jaruzelski speaks of it as the "normalization" of Poland. Solidarity allegedly produced "anarchy," says the general. Martial law produced quiet. Now the reassertion of totalitarian control over workplaces, ministries, social groups, and schools is called "normalization."

In the forward to a new volume of his speeches, General Jaruzelski makes this plea to his English-language readers: History, he writes, has not been kind to Poland. "What Poland needs above all is peace." But to Jaruzelski and his party, peace is the pacific silence of a hard-working labor force. Peace is a stillness in Warsaw's Victory Square, where tens of thousands once cheered their Pope. Peace is what the authorities feel when Poles remember the promises of Gdansk only as distant dreams. To the general, peace is what we know as order. And while order is a virtue in any polity, it is also a characteristic of every prison, and every machine. It is never, of itself, enough.

The summit will be a good opportunity to remind Jaruzelski, the ruler of Poland, and Gorbachev, the ruler of Jaruzelski, that peace is by nature inseparable from justice and liberty.

SOVIET JEWS

In recent months there have been repeated hints that the Soviet Union is moving to reestablish diplomatic relations with Israel. The fact that Poland has just announced its intention to do so signals seriousness in the Soviet desire. Without speculating as to whether or not such a rapprochement is in Israel's interest, we can at least be sure that the Kremlin would like to ameliorate the criticism it has been required to withstand for its increasing harassment of Soviet Jews.

Everyone in America and Europe saw evidence of that public relations concern in this morning's newspapers. The Kremlin let slip word—unofficially—that the wife of Andrei Sakharov will be allowed to leave the U.S.S.R. for medical treatment. And a long-imprisoned monitor of Soviet use of psychiatry as a weapon against dissidents has arrived in Amsterdam to rejoin her family.

Both events are pleasant gestures, but that is all. Mrs. Sakharov will not be allowed to rejoin her husband. And Irina Grivnina's arrival in Holland was timed for today because tomorrow the Dutch Government will decide whether or not to accept United States medium-range missiles for the defense of the NATO countries.

And this is but one part of the story. 400,000 Soviet Jews have initiated the process of application to emigrate. That means that the new Soviet gesture responds to precisely 0.000005 percent of the problem. Annually, fewer than 1,000 Jews are let go. Yet Mr. Gorbachev would have us imagine that few Jews leave the Soviet Union because those who wanted to leave have already done so. Indeed, he recently told a French journalist that—

If there is another country in the world in which Jews have the social and political rights to the extent they have in our country, I would be delighted to hear about it.

I would like to answer the General Secretary. Outside the Soviet bloc, all but a very few countries fit that bill. The following are a few of the reasons why 400,000 Soviet Jews have asked to exercise a most self-evident human right: The right to leave and live elsewhere.

Jews in the U.S. .t. are forbidden—on pain of impr..onment—to teach their children the tenets, language, and culture of their religion.

In the year between July 1984 and June 1985, at least 14 Jewish cultural activists were arrested, and 2 of them were savagely beaten. Many others have been fired from their jobs, have had their apartments searched, their phones disconnected, their mail seized.

A Congressional Research Service Review issued in March of this year states that discrimination and repression against Jews in the U.S.S.R. have not been greater at any time since Stalin's.

Film broadcast on Leningrad TV about a year ago accused Russian Jewish dissidents of trying to subvert the Soviet state. This is a recurrent theme. In mid-1983, for example, Soviet authorities were promoting a book called "The Class Essence of Zionism." It claimed that wherever Jews live outside Israel they represent a potentially subversive fifth column. The book finds the Jews partly to blame for the holocaust. It even says that the accepted figure of 6 million Jewish deaths is "significantly overstated." Now, we know very well that similar allegations appear in print on occasion in our own country. But they do so when made by private citizens, and each time there falls upon them a veritable wall of public testimony, scholarly books, and photographic and museum exhibits which expose the allegations for what they are—lies. But "The Class Essence of Zionism" like every other Soviet publication—appeared with the imprimatur of the Soviet censor. And it was praised as "necessary" and "convincing" in reviews which also bore the censor's stamp of approval.

Soviet writers and propagandists frequently compare Zionism and fascism. They have accused the Israeli army of genocide in Lebanon deserving of another set of Nuremberg trials. In one published cartoon, caricatures of Israelis "rebuilding" Auschwitz and Dachau in southern Lebanon. According to the rector of Tel Aviv University, Yoram Dinstein, many television programs, articles, and phamplets appear in the Soviet Union—

With one clear-cut message: The dominant Western monopolies are governed by Jews who are using them as tools in a struggle against the U.S.S.R.

Here, says the rector, is a throwback to the notorious anti-Semitic canard of the "Elders of Zion," fabricated at the beginning of the century.

Such propaganda has also appeared in countries in which politics are dominated by Soviet military power and the police are dominated by the Soviet secret service. The "Protocols of the Elders of Zion" resurfaced in Poland just this year, ostensibly circulated by Solidarity's underground presses.

A short while ago, the New York Times published a fine essay by Avital Shcharansky, whose husband was

jailed many years ago because of his membership in the Soviet Helsinki Watch Group. She describes in very moving terms the plight of the Jews within the U.S.S.R., and closes her article with these words about the upcoming summit in Geneva:

The Soviet leader is desperately seeking accommodation and normalization. Can it be too much, in this season of expectation, to suggest that one unequivocal demand be made of those who have so systematically trampled on the rights and the lives of countless human beings begging for nothing but release?

Is it too much to ask that before we seek or trust its signature on future treaties, the Soviet Government be required to honor the Helsinki accords * * *?

Ultimately, the question is for Mr. Shevardnadze's Government to answer. But it is up to the West to ask.

□ 1600

Today, Mr. Speaker, there was an interesting article that appeared in the Washington Times, and I would like to quote from it if I may. I mentioned it in the prepared remarks that I made.

Anatoly Koryagin, a dissident Soviet psychiatrist imprisoned since 1981, has been moved from Chistopol Prison to a labor camp hospital at Perm and is thought to be near death, according to Irina Grivnina, a dissident who just arrived in the West.

Dr. Koryagin, 47, was sentenced in June 1981 to seven years at hard labor and five years internal exile for what the prosecutor at his trial called "activities harmful to Soviet power and the party."

The psychiatrist had written in a British medical journal about examining political dissidents in Soviet psychiatric hospitals and disagnosing the same. "All the people I examined had joined the ranks of the mentally ill because they did or said things which in our country are considered 'anti-Soviet,' " Dr. Koryagin wrote!

In other words, this person was imprisoned for years and is now ending his life probably because he honestly diagnosed patients in mental hospitals as only individuals who talked frankly about their desire to leave the Soviet Union.

In a letter which recently arrived in the West, Mrs. Koryagin described her husband's condition when she visited him in September 1983 at the KGB-run prison at Christopol:

"He was like a Medusa, so bloated that his neck was wider than his face. It was covered with edemas caused by protein starvation. Throughout his imprisonment he's been constantly reduced to a state of extreme weakness . . . by the torture of cold, hunger and sleep depreviation, of harassment, humiliation, mental agony and even beatings."

Mr. Speaker, as the President of the United States journeys to Geneva for talks about arms control, as indeed he must, he must as well talk about Soviet violations of arms controls agreements and also Soviet violations of the Helsinki accords.

Mr. Speaker, I include for the RECORD an editorial from today's Washington Post entitled "Pre-Summit Gestures."

PRE-SUMMIT GESTURES

The Kremlin's customary pre-summit lightening on human rights is on view. Evidently Andrei Sakharov's wife will soon be allowed to go abroad for the medical treatment that she has been seeking through her years of internal exile. Meanwhile, Moscow moved expeditiously to keep the fate of the Soviet sailor who jumped ship in New Orleans from becoming an inflamed public issue. On the eve of the last summit the Soviets exchanged five political prisoners for two convicted spies held in the United States. This is the pattern.

It is a pattern bound to trouble many people in the West. The evident Soviet purpose is to deflate human rights as a summit issue. This is easy for Moscow to do. It need only wave its wand over the likes of Mrs. Sakharov, wife of the celebrated dissident physicist, and Miroslav Medvid, who became a chance celebrity by jumping a grain ship. The Kremlin looks like a kindly godfather and a few flesh-and-blood individuals benefit.

Mrs. Sakharov may soon leave; it is implicit that her husband may later follow. Mr. Medvid got the opportunity to say, in a setting that an attentive Reagan administration found conducive to free choice, whether he wanted to stay or go home. It's a good thing, by the way, that the administration intervened firmly to ensure his choice after the Border Patrol twice returned the sailor to his ship without having reliably determined his circumstances and views.

The sad fact remains that, in the arbitrary Soviet system, no relief is available for Soviet citizens other than by Kremlin calculation. People who have felt that Soviet society would eventually mature in this direction have been repeatedly disappointed. The arbitrariness that allows Moscow to make a gesture now is the quality that has allowed it for years to deny Western human rights appeals on grounds that they are an interference in an internal Soviet matter.

The new Soviet leader, Mikhail Gorbachev, apparently would like to be known as a reformer. But he came up as a protégé of veteran KGB chief Yuri Andropov, and reform in the Soviet context has more to do with discipline than with individual rights.

President Reagan cannot disdain gestures, especially gestures that help real people. Nor can he appear satisfied by gestures to a token few. His test is to convey the widespread American conviction, which amounts to a political fact of life, that the way Soviet citizens are treated inevitably affects the readiness of Americans to improve relations with the Soviet government.

Mr FRANK. Mr. Speaker, I am grateful to Mr. COURTER for taking out this special order so that we can address the subject of human rights abuses behind the iron curtain. It is especially timely in view of the upcoming Geneva summit, at which this issue will undoubtedly be on the agenda.

The Soviet Union's human rights record has always been abysmal, but after the Helsinki accord there were hopes that there might be an improvement. For a short time there was an increase in the level of emigration, but in recent years this flow has been almost entirely choked off. At the same time the Soviet authorities have embarked on an anti-Semitic propaganda campaign, and have squelched any attempts by the Jewish community to maintain their heritage. In Romania, the authorities have been actively harassing those who choose to practice their Christian faith.

In Poland, the Helsinki Committee, which was founded to monitor that nation's compliance with the Helsinki agreement, has been forced underground. Similarly, in the Ukraine, 34 out of 36 members of a monitoring group have been imprisoned, arrested, or subjected to internal exile. The original Helsinki agreement clearly contemplated the active role that such monitoring groups would play in the human rights process. The Governments which repress them are clearly in violation of that treaty.

Most recently, the Hungarian Government demonstrated its disrespect for the spirit of Helsinki when it prevented private groups from holding a public symposium to coincide with a followup Helsinki conference which was being held in Budapest. This was unprecedented in the history of the Helsinki process; until then, such meetings had always been allowed to take place and had greatly enhanced the work of the Government conferees.

Mr. Speaker, it is important that we take time to voice our outrage at these violations. We must not allow the Eastern bloc governments to think that their infractions have passed unnoticed, and we cannot allow the citizens of those nations to think that their plight has been forgotten.

Mr. OBERSTAR. Mr. Speaker, the news that Yelena Bonner, wife of Soviet dissident Andrei Sakharov, was issued a temporary visa to receive much needed medical treatment in the West captured our Nation's media headlines and raised our consciousness to the absurdity of the situation. This news does not belong in the headlines. Yelena Bonner should have been issued this visa upon learning of her eye ailment. It is a tragedy that the Soviet Union continues to place a higher priority on keeping its citizens within the nation's borders than on affording them basic human decencies.

But we can learn from the suffering of Mrs. Sakharov and we can commit ourselves to never allowing another human being to undergo such a massive denial of human rights. But we cannot do that unless the Soviet Union shares the goal where individuals are people first and citizens second.

Earlier this year the world marked the 10th anniversary of the signing of the final act of the Helsinki accords. This was an agreement signed in good faith to promote and protect a sense of dignity and equality among all citizens. On that day in August 1975, the world smiled a sad smile because although the price paid in human life had been great, we could finally look to a future where people would not have to fear government oppression for their political beliefs.

But years have passed and we now know that the good feelings we shared 10 years ago were misplaced. Human rights in the Soviet Union and the Eastern bloc nations have taken a backseat to a stronger desire to promote the ideals of the Communist state, subsequently oppressing those who

promote individual freedoms. Our shared dream has become shared pain.

But we now have a unique opportunity to speak for the world's dissidents at next month's Geneva summit. The issuance of a temporary visa to Yelena Bonner in the weeks before the summit indicates Mikhail Gorbachev's sensitivity to the issue and hopefully his willingness to change current Soviet policy. As the leader of the Eastern bloc nations, Gorbachev is in a position to dictate human rights policy to the Soviet Union's allies.

President Reagan must take the initiative at next month's summit in making Mr. Gorbachev aware that our Nation's priority is the guarantee of human rights to all individuals. As Americans we can sympathize with the oppressed people of the world, but because we are unique in our freedom we cannot totally understand what it feels like to lose a job, to be exiled, or to lose contact with our families and friends because of a particular belief. But we Americans want to share our love for freedom with the rest of the world. While we cannot hope to dictate political philosophy to these nations, we can hope to make them recognize that a denial of human rights brings shame to their form of governance.

I believe that pressure exerted on the Soviet Union by this country, primarily through this body, was a factor in the Soviet Government's decision to permit Yelena Bonner medical treatment. We must continue this pressure until guaranteed human rights is a way of life in the Soviet Union and Eastern bloc nations.

As we approach the summit we must be optimistic about the commitment of the world's leaders to remedying the injustices which occur everyday in the Soviet Eastern bloc nations. We can no longer tolerate a world in which people are forced to sacrifice their beliefs for their lives.

Mr. EDWARDS of Oklahoma. Mr. Speaker, the President is about to begin one of the most important meetings in this Nation's history. The primary issue at Geneva should be arms control, but it would be very unrealistic at a summit between the United States and the Soviet Union not to talk about several other fundamental concerns which divide our nations. One of them is the tragic denial of basic human rights to the people of the Soviet Union and Eastern Europe.

Very few of us really know what it's like to be denied basic human freedoms. Free speech, free press, free trade unions, and unrestricted travel come naturally with our democratic society. The Soviets try to dismiss the fact that their system doesn't allow these fundamental freedoms—and they would like us to ignore that fact, too.

Many of the brave people behind the Iron Curtain have spoken out against their governments, and have risked their lives and those of their families to do so. These people are true heroes of the struggle for freedom and human dignity. But for every voice of dissent that we read about, there are many thousands of other people whose hope has been drained by the policies necessary to keep Communist governments in power.

In most Soviet bloc nations, the press is government-controlled and heavily censored. Western newspapers are unavailable to the general public. Border guards routinely refuse to admit foreign visitors carrying prohibited Western books, and Soviet bloc citizens can be arrested for just talking to Westerners.

Imagine not being able to criticize the policies of your own government. By law, most people in Eastern Europe and the Soviet Union face serious punishment for publicly expressing opinions contrary to government policy. Individual academic freedom is not permitted, either. Teachers are disciplined if they allow open classroom discussion or deviate from the party line.

Communist leaders preach Marxist ideology, but follow the brutal principles of Leninism. Closed systems are funding new ways to introduce small doses of private enterprise to make things work. But don't expect their leaders to embrace pluralism. That kind of political and economic competition would clearly challenge their own dominant, single-party rule.

Leninism by nature leads to the denial of basic human freedoms. These constraints are both psychological and physical, and they are real constraints. Any one who attempts to cross the border from East to West without authorization faces death. Anyone who has seen the Berlin wall, or the West German-East German border, cannot possible conclude that the Communist system works. No nation that must imprison its people works.

When a Russian submarine ran aground in Swedish territorial waters in October of 1981, the Soviets immediately demanded that Sweden return the ship's sailors to the Soviet Union. Two years late, when the Soviets deliberately shot down a Korean passenger jet, their message was clear: nobody crosses our borders.

Mr. Speaker, this situation has no ready solution. But as a free Western society we have an obligation to have the world better understant it. We are morally outraged at the stories of abuse and repression of those who dare to speak out. But we must also be reminded of the less obvious, daily forms of repression which set apart free societies from unfree ones. Conscience demands that we continue to support the fight for freedom and human dignity throughout the world.

Mr. PORTER. Mr. Speaker, I am pleased to participate in today's special order on human rights in the Soviet Union and Eastern Europe.

I would like to commend my colleague—the gentleman from New Jersey [Mr. COURTER] for holding this special order as an ongoing effort to take every opportunity to encourage President Reagan to bring Secretary General Gorbachev's attention to our concerns about existing human rights violations.

We are all familiar with the distressing record on human rights that the Soviet Union has compiled. One particular area which has not received great attention, but which I feel is very important, is that of divided spouses. Approximately 25 American citizens are deeply affected by the Soviet Government's refusal to grant exit visas to their Soviet spouses.

Over the weekend I met with Mr. Simon Levin, who resides in my district and whose wife and son are living in Moscow, unable to emigrate. Mr. Levin had to emigrate shortly after he and his wife. Tamara Tretyakova were married in 1978. His case is the second longest outstanding divided marriage case. The couple expected to be together again soon after Simon's departure. Soviet authorities, however, chose to keep the family apart. Their son, Mark, was born in Moscow on May 6, 1978.

Mark has never seen his father. He lives in Moscow with his mother waiting for the precious permission to join his father in the United States. Mark and Tamara have been refused that permission 14 times since February 1979. Tamara, who is partially disabled due to polio that she suffered during her childhood, therefore, has to raise Mark alone.

Every child has the right to be with both of his parents. Every parent has the right to be with his child. The President must confront Mr. Gorbachev with the issue that families are guaranteed the right to reunification under several international human rights doctrines. The President must emphasize that peace between our two countries can not be achieved if the case of Simon Levin and the 24 other divided spouses continue to exist.

Many Americans have been encouraged by the summit in Geneva as a signal of the willingness to improve relations between the United States and the Soviet Union. By allowing the Tretyakovas and the others to emigrate, Mr. Gorbachev would create a favorable impression concerning his government's sincerity in its expressed desire for a peaceful relationship and recognition of international human rights doctrines.

Only 93 Jews were permitted to emigrate from the Soviet Union during September. To date, a total of 796 Jews were granted exit visas in 1985, as compared with 721 who were permitted to emigrate during the same time period last year. The monthly average of Jews permitted to leave hovers at less that 100, closely mirroring the trend for 1984, during which fewer than 1,000 Jews were granted the right to emigrate.

Since the coming to power of Soviet leader Gorbachev, the situation for Jews in the U.S.S.R. has continued to deteriorate. President Reagan should bring this issue to the forefront when the two leaders meet in Geneva.

I have joined with many of my colleagues in urging the President to place the issue of the persecution of Soviet Jews and the plight of divided spouses high on his agenda of issues to be discussed in Geneva. I am hopeful that this meeting will signal a new era of improved relations between our two countries. However, I believe that this can only happen if the Soviets begin to

change their policy of disrespect for the rights of Soviet Jews.

Mr. Speaker, it is extremely important that we in the Congress continue to speak out on behalf of Soviet Jews. The continued harassment and outright violations of their human rights must be forcefully brought to public view. We must continue to maximize pressure on the Soviets to live up to their international agreements.

Mr. EMERSON. Mr. Speaker, my friend and colleague, JIM COURTER of New Jersey, has brought before this House a special order of concern not only to both sides of the aisle but to both sides of the globe, East and West.

With the summit in Geneva approaching, it is important that we address the repressive policies of the Soviet bloc and express our discontent with the human rights violations now taking place in the Soviet Union and Eastern Europe. One such violation is the freedom of religion.

Throughout the Eastern bloc, those who practice the Jewish and Christian faiths are being persecuted because of their religions. Congressman TOM LANTOS has initiated a program to adopt a Soviet Christian family or individual who has been touched by this most grievous violation; the right to worship and practice the religion of their choice. I commend the Congressman from California and I thank him for the opportunity to partake in this special project.

Mr. Speaker, I want to take a few moments to tell you about the individual that I have adopted. Bishop Ivan Fedotov, who is currently interned in a Soviet labor camp, is a bishop of the Pentecostal Church in the Russian Republic. His only crime was his role in leading the Pentecostal Church. According to the Soviet Constitution, any individual has the "right to profess or not to profess any religion and to conduct religious worship or atheistic propaganda." So, I ask, why is Bishop Ivan Fedotov currently serving time in a Soviet work prison?

Recent information has reached the West of what appears to be a campaign of harassment against Bishop Fedotov in the prison camp in arctic Russia. On September 22, 1984 he was deliberately delayed from going to the bathhouse with his own section of prisoners, which deprived him of his 2-hour visit with his wife. While at the bathhouse, money—forbidden to camp prisoners—was planted in his shoe and he was, therefore, then deprived of his annual parcel due in October. When he began a fast in protest he was sentenced to the punishment cell for 11 days.

My colleagues, the time has come to send a strong message to the repressive governments of the Soviet Union and the Eastern bloc countries. Let us frankly state our opposition to the Soviet practice of prohibiting religious believers from engaging in charitable activities or providing religious instruction to their own children. In some instances, the Government has removed children from families whose parents have refused to abstain from teaching religion to their children.

I commend the distinguished gentleman from New Jersey on this special order this evening and I urge all of my colleagues to take an active role in expressing their opposition to the human rights violations—religious or otherwise—that are currently taking place in the Soviet dominated countries.

Ms. KAPTUR. Mr. Speaker, on November 19, 1985, President Ronald Reagan and Secretary General Mikhail Gorbachev will meet in Geneva. As the summit meeting approaches, it is fitting that the United States reaffirm its commitment to the fundamental principle of human rights. I commend the gentleman from New Jersey for calling this special order today on human rights in the U.S.S.R. and Eastern Europe. I would like to take this opportunity to bring to your attention a specific case of special interest to myself and my constituents. Evgeny Matskin, his wife Ludmilla, and their son Vaadim have repeatedly applied for exit visas in order to emigrate to Israel. Since the Matskins first applied for visas 6 years ago, Mr. Matskin has lost his job three times.

It is my understanding that the explanation behind the denial of the visas is Mr. Matskin's service in the military as a regular soldier. I believe that the real reason for the Matskin family's difficulties in obtaining the necessary visas is their desire to be repatriated to the homeland of the Jewish people, Israel. The right to free emigration is guaranteed under the final act of the conference on security and cooperation in Europe, the universal declaration of human rights, and numerous other international agreements to which the U.S.S.R. is a signatory. Mr. Gorbachev remains firm in his denial of human rights abuses. However, cases like that of the Matskin family, where the basic right to emigrate is refused, clearly contradict this denial. I urge both President Reagan and Secretary General Gorbachev to make human rights a key issue on the agenda at the Geneva summit.

Mr. YOUNG of Missouri. Mr. Speaker, during the Columbus Day recess, I was fortunate to have had an opportunity to travel to the Soviet Union with several of my colleagues from the Committee on Science and Technology.

One of the most profound experiences that I encountered on this trip was our meeting with several Soviet refuseniks. The issue of Soviet Jewry is one that has been of particular concern to me.

The rate of Jewish emigration from the Soviet Union has declined 97 percent over the past 5 years. Fewer than 1,000 Jews were allowed to leave the U.S.S.R. during 1984. As my colleagues know, Soviet Jews comprise the third largest surviving Jewish community in the world, and they have been struggling to achieve basic human rights, including the right to maintain their own religion and culture. The right to leave any country that denies one their heritage is an internationally recognized human right, yet in the Soviet Union permission to emigrate is given arbitrarily.

I believe it is crucial that with this wave of anti-Semitism, America must reaffirm the commitment of human rights. Congress must continue to pressure the Soviets to release those Jews who wish to leave the U.S.S.R.

On our trip, we were able to spend several hours with a dozen refuseniks at the home of Prof. Yakov Alpert. Professor Alpert and his wife first applied for permission to emigrate in 1975. Consequently, they both lost their jobs, and Professor Alpert has been completely cut off from the international science community.

Dr. Aleksandr Lerner, one of the Soviet Union's most respected scientists, also attended the meeting. Dr. Lerner has been constantly harassed since he first applied to leave the U.S.S.R. in 1971. He was dismissed from his job and has been accused of espionage and treason. The Soviet Government has made it clear that they do not intend to ever grant Dr. Lerner permission to leave the Soviet Union.

We heard similar stories from all the refuseniks. There is a clear pattern in the Soviet Union that once a person applies for an exit visa that person may expect to lose their job, have their homes searched, and experience constant harassment by the KGB.

I would like to mention two specific cases that are of particular interest to me. First of all, I have adopted a Soviet Jewish family from the Ukraine to help them fulfill their dream of emigrating to Israel.

Samuel and Manya Klinger have been trying for a number of years to emigrate to Israel. Samuel Klinger is an agronomist from Dnepropetrovsk in the Ukraine. He and his wife, a nurse by profession, have been repeatedly denied exit visas since 1970.

The only reason given by Soviet authorities has been a lack of consent from Manya's parents, who have not seen their daughter in many years. Manya, a mother herself, recently celebrated her 50th birthday.

We have asked the Soviet Government to grant this family permission to emigrate, but have received no response. There can be no doubt that by not allowing the Klingers to leave the Soviet Union, the Soviet Government is in clear violation of the Helsinki Final Act, the Universal Declaration of Human Rights, as well as their Soviet Constitution.

Surely the emigration of the Klinger family would pose no threat to the security of the Soviet Union, and instead would be a humanitarian gesture. Nonetheless, permission to leave is continually denied.

I am also extremely concerned about the plight of Victor Artsimovich. Mr. Artsimovich has applied for exit visas for him and his family. After these applications were submitted to the Soviet Government, Mr. Artsimovich was arrested for allegedly distributing illegal publications. It is my understanding that he was tried in absentia in a closed court, where he was declared to be irresponsible and schizophrenic. Victor

Artsimovich is currently incarcerated in a Soviet psychiatric hospital in Siberia.

According to the State Department, the total number of persons confined in Soviet psychiatric hospitals solely for their political views is not known, but the estimates suggest that upward of 1,000 persons are held at psychiatric facilities.

At this point, I would like to add that I am pleased that the Soviets have decided to allow Yelena Bonner to receive medical treatment outside of the Soviet Union. I am hopeful that this is not just a token step in a presummit public relations blitz, but that this may be the beginning of a new policy allowing Soviet citizens to move freely in accordance with international law.

Nonetheless, in our meeting with Deputy Chairman Gromyko, he was unwilling to discuss the issue of human rights. I have joined with several of my colleagues in urging President Reagan to make this issue a focal point of the upcoming summit meeting with Mr. Gorbachev.

As the leader in the free world, the United States must do all that is possible to protect the human rights of all people and stop repression wherever it occurs.

We have held congressional prayer vigils on behalf of Soviet Jews, but we must be sure that the vigil continues each and every day until the human rights of all Soviet Jews have been restored.

Mrs. BOXER. Mr. Speaker, I would like to congratulate my colleague, Representative COURTER, for this important and timely special order.

President Reagan is currently preparing for his November summit with Mr. Gorbachev. We must therefore take this opportunity to remind the President that the Geneva summit cannot be a meaningful one without a frank discussion of the continuing human rights violations in the Soviet Union and Eastern Europe.

We should not be taken in by reports of improvements in this area. Amidst worldwide rumors of the liberalization of Soviet emigration and human rights policies, the plight of Leonid Volvovsky, the newest Jewish prisoner of conscience, is all but forgotten. Volvovsky, a 40-year-old electrical engineer and Talmud scholar from Gorky, was arrested on June 26, 1985. He was charged with article 70 of the RSFSR, anti-Soviet agitation and propaganda.

Last Thursday, October 24, Volvovsky was sentenced to 3 years of hard labor. His only crime was his desire to live in Israel and to teach classes in Judaism.

The case of Leonid Volvovsky sharply contradicts recent reports of potential improvements on the part of the Soviet authorities. It suggests that rather than liberal emigration policies, we are facing the threat of a harder Soviet line after the Geneva summit. This will depend in part on the President's resolve and on the priority assigned to human rights as the summit draws near.

Just this week, I sent a letter to the Nobel Institute in Norway, asking that Anatoly Shcharansky be nominated for the Nobel Peace Prize. Mr. Shcharansky is a perfect symbol of all prisoners of conscience in the Soviet Union and Eastern Europe today. For the past 8 years he has suffered imprisonment and torture for his simple insistence on respect for the basic human rights for his people.

I call on President Reagan, when he meets with Mr. Gorbachev in Geneva, to echo Mr. Shcharansky's plea that the Soviet Union and Eastern Europe respect the basic human rights of their peoples.

THE AMERICAN LEGION,
Washington, DC, October 21, 1985.

DEAR REPRESENTATIVE: Over the past three weeks you have received several letters regarding certain recommended changes in access to Veterans Administration health care. Specifically, these changes would impose a means tested eligibility standard for such care and would require private health insurance reimbursement for VA treatment offered to certain veterans.

In recent communications you have been advised that The American Legion is the only major veterans organization which remains opposed to these recommended changes and to that portion of the reconciliation bill containing budget savings derived from the changes. We do remain opposed to them. While our organization deeply respects the dedicated efforts of those Veterans Affairs Committee members who believe that a means test and third party reimbursement are the most appropriate ways to meet the budget resolution target for Veterans Benefits and Services, we are quite concerned over the long term effect of these health care policy proposals.

The American Legion feels that the savings proposals will lead to fundamental changes in the manner in which VA medical treatment is provided. We expect that there would be increasing pressure upon VA to conform its health care delivery to that of private medicine—to implement certain "efficiencies" which fail to observe the special features of VA's medical mission. In fact, several of the principal proponents of these reconciliation savings have expressed similar concerns in previous years.

Our organization is well aware of the federal budgetary crisis. Our opposition to the means test and third party reimbursement is not a categorical rejection of any budget mandate, and it certainly does not dismiss the devoted efforts of House members earlier this year to produce a workable first budget resolution. We clearly recognize and we commend the outstanding work which led to congressional adoption of VA budgetary guidelines as proposed by the House, a plan that restored more than $700 million to the Senate recommendations for VA in FY 1986. We believe that restraint in the VA medical care budget has been maintained and can be continued by active congressional oversight and careful appropriations decisionmaking. In fact, VA medical care spending over the past ten years has increased at only one third the pace of federal Medicare expenditures, although the veteran popultion has aged at relatively the same rate as the general population over that period.

You and your colleagues will soon be considering the budget reconciliation bill. During that deliberation we encourage you to keep our views in mind.

Sincerely,

E. PHILIP RIGGIN,
Director,
National Legislative Commission.

Mr. MARTINEZ. Mr. Speaker, I rise today to thank my most esteemed colleague, the gentleman from New Jersey, for allowing us this timely forum on the condition of human rights in the Soviet Union and the Eastern European countries. Timely, because we are possibly entering a period of movement and opportunity in East-West relations. Yet no meaningful improvement in these relations can occur without concrete gestures of Soviet and Eastern European willingness to take Western concern for human rights seriously.

Just how seriously Soviet and Eastern European governments have taken these concerns was indicated last August, at the 10th anniversary of the final act of the Helsinki Agreement on Security and Cooperation in Europe. The Agreement provided that in return for Western respect for post-World War II European borders, the Eastern countries would allow those living behind those borders to travel, think, speak and write freely. Yet rather than improve over the last decade, the human rights situation in those countries has deteriorated.

If the Helsinki accords provided an unprecedented means of exposing human rights abuses in their respective countries, they also provided an unprecedented threat to those signatory regimes which have the most to fear from allowing basic freedoms to their citizens. For example, although 1975–79 saw a slight relaxing of Soviet constraints on such freedoms as expression and worship, the Kremlin tightened its grip again in 1979, with annual dissident arrests tripling, sentences lengthening, and repressive new laws passed. Currently, of the 5 million people in forced labor in the Soviet Union, at least 10,000 are prisoners of conscience.

The Soviet crackdown on human rights in recent years has occurred on several fronts. Dissident groups spawned by the Helsinki agreement have been harshly persecuted. Today, 18 of the original 20 members of the Moscow Helsinki watch group have been imprisoned or sent into internal exile, or have gone abroad. Two large labor organization efforts in 1977 and 1978 have been brutally suppressed, and today at least 25 Soviet citizens are imprisoned or held in psychiatric hospitals for labor union activism or for organizing strikes. The sharpest rise in persecution has been aimed at religions. Religious believers are now thought to comprise about half the 10,000 Soviet prisoners of conscience, and represent the single large category of new Soviet political prisoners. Persecution of national minorities and ethnic groups—such as Armenians and Jews—has also increased, in the destruction of churches and monuments, limitations on languages, and the rewriting of histories. And those inside prisons are also treated worse: last year, more political prisoners died in detention than in any year since Josef Stalin.

Few of the Soviet client regimes, Mr. Speaker, have been more responsive to Helsinki. East Germany currently holds between 6,000 and 9,500 political prisoners, mostly unsuccessful emigres. In Czechoslo-

vakia, religious orders are outlawed and citizens who profess their religious beliefs cannot hold public office. Romania remains one of the most repressive police states in Europe, and Bulgaria is waging a campaign to forcibly Bulgarize its 800,000 Turks that has reportedly included brutal coercion and resulted in several hundred deaths.

But while much of the deterioration over the last decade in these countries has been marginal, by far the most dramatic shift since Helsinki has occurred in Poland. The Solidarity labor movement, inspired in part by the Helsinki Agreement, was forced underground in 1982, and its members and supporters continue to be subject to discrimination, detention, and frequently to physical attack. The presence of the Catholic Church in Poland, stronger than in any other Eastern European country, has been the target of an escalated government campaign of harassment, culminating in the brutal murder of Reverend Popieluszko and the show trial of the responsible officials. Finally, the regime of General Jaruzelski has attempted to show its concern for human rights by holding elections in which the populace was forced to vote for one of the state-chosen candidates.

Many outside institutions, such as the church and the Nobel Prize, have helped to bolster the struggle for human rights in Eastern Europe and the Soviet Union. But, even in Poland, their footholds are diminishing quickly. Of all outside parties, the United States perhaps carries the most leverage. Yet domestic difficulties surrounding the human rights question have hampered our ability to use this leverage in the best manner.

The United States was one of the pioneers in the concept of human rights, beginning with the United Nations Charter and the Universal Declaration on Human Rights. The Foreign Assistance Act, as amended in 1973, prohibits U.S. aid to any country which consistently or grossly violates internationally recognized human rights, and the International Financial Institutions Act of 1977 subjects recipients of loans from the World Bank and other multilateral lending institutions to similar requirements. We have applied this concern consistently in our policy toward the Soviet Union and Eastern Europe. The American position in Helsinki rested on our concern for human rights, and our policy toward Poland in recent years has been guided by the same beacon. Yet in spite of this, our larger policy has veered far from the vision of President John F. Kennedy, who asserted more than 20 years ago that in the last analysis, peace—the ultimate goal of our foreign policy—is a matter of human rights.

It is time for the United States to implement a compassionate and consistent approach of unequivocal support for basic and universal human rights. The political differences between totalitarian and authoritarian regimes are impossible and dangerous to ignore. But a prison, a death squad, a reign of arbitrary terror, wreaks the same human damage regardless of either political or ideological context.

In the meeting in Helsinki last August between Soviet Foreign Minister Eduard Shavardnadze and United States Secretary of State George Shultz, the Soviets proposed three categories of issues to be addressed at the forthcoming summit between the heads of the two nations: international security, regional conflicts and United States-Soviet relations. The United States proposed a fourth: human rights. This is in the humanitarian and democratic American tradition. Yet if our foreign policy is not made to follow this tradition consistently in the rest of the world, and in our own hemisphere in particular, it will suffer in Geneva, and in the years ahead.

Mr. BOULTER. Mr. Speaker, I am pleased to join with my colleagues today in an expression of grave concern over the condition of human rights in the Soviet Union and Eastern Europe. More specifically, I rise to draw attention to a Soviet violation of human rights that is widespread and severe behind the Iron Curtain, yet has prompted very little, if any, action from this Congress—the persecution of Christians within the Soviet Union.

The Soviet constitution guarantees "the right to profess or not to profess any religion and to conduct religious worship." In addition, as a signatory to the United Nations' Universal Declaration of Human Rights as well as the Helsinki Final Act, the Soviets have vowed to the nations of the world their intention to uphold international standards of human rights. Yet Christian believers practicing their faith outside of the handful of lackluster churches approved by the Soviet authorities must live in continual danger of losing their very lives and freedom.

I am an original member of the Soviet Christian Adoption Program, founded in recent weeks under the direction of Congressman and Mrs. LANTOS. The goals of this program are to make the Soviets aware that the United States Congress knows of their ubiquitous persecution of Christians, and also to let specific imprisoned believers know that someone knows of their plight and cares enough to act on their behalf.

Allow me to introduce someone whom I greatly respect as a brother in Christ and whose release from prison I will continue to seek. Baptist Pastor Dimitri Minyakov is a 64-years-old man with asthma and tuberculosis. Two years ago, Dimitri was sentenced to 5 years in a strict regimen labor camp for encouraging the separation of church and state, speaking on behalf of persecuted Christians and teaching Christian principles to his children. Soviet authorities confiscated his property, expropriated his parental rights and placed his youngest son in a state orphanage where he was educated in the spirit of atheism. A widower and father of five, Dimitri has only once been permitted to see his children—on May 5, 1984. In response to numerous petitions on his behalf, he was moved from northern Siberia to a camp on the Volga River where the climate was less harsh, yet still Pastor Dimitri was in the camp sick-bay and hospital on six occasions in the first half of 1984. In July and May 1984 he was sent to the punishment cell for not being able to work.

A stifling cloud of either ignorance or apathy has kept the United States Government from voicing an opinion about Soviet treatment of believers like Dimitri Minyakov. Documentation of the oppression of Soviet Christians is as old as the Soviet Union itself. What better time than the dawn of the Geneva summit to send a signal to the Soviet Union that the United States Congress can no longer sit idly by. As President Reagan asks the Soviets for an honest and fair effort toward world peace, let us also add our voices challenging them to deal honestly and justly with their own people.

Mr. BERMAN. Mr. Speaker, Yelena Bonner, wife of dissident Andrei Sakharov, has been given permission to leave the Soviet Union on a temporary visa to seek medical treatment. Irima Grivnina, a Jewish refusenik who was involved in researching the use of mental hospitals for the confinement of political prisoners, has been given permission to leave the U.S.S.R. With the release of these individuals the Soviet Union has made a timely gesture to the United States. Our task now is to recognize this gesture, be pleased that Ms. Bonner can seek treatment and Ms. Grivnina has her freedom, and at the same time convey our feeling that human rights must be for everyone, not only a token few.

From the moment the summit meeting between President Reagan and Mikhail Gorbachev became a reality, our primary focus has been the importance of achieving an arms control agreement. The American people will not support a treaty, however, until the Soviet Union indicates a willingness to cease the oppression of political prisoners, put an end to torture, ease restrictions on emigration of Jews, and comply with the Helsinki accords.

The history of human rights abuse in the Soviet Union and the Eastern bloc countries is familiar to everyone. All one has to do in the U.S.S.R. to be accused of circulating anti-Soviet slander is to share an opinion with the wrong person. As far as we know, no prisoner tried on this charge has ever been acquitted.

Others who have attempted to exercise their rights have been confined to psychiatric institutions. Soviet authorities then rule that the accused is incapable of standing trial—in effect, imposing an open-ended sentence of detention. Hospitals in the U.S.S.R. are used to silence individuals like Valentin Sokolov, a poet who died in a mental institution after spending 24 years as a prisoner of conscience.

More subtle forms of confinement await those who choose to maintain their religious beliefs. Any organized religious group in the U.S.S.R. must register with the authorities, agree to do no charitable work, and pledge not to teach religion to children. The punishment for violating the laws separating church and state is up to 10 years internal exile. For Soviet Jews,

harassment, beatings, and imprisonment is often the reply to a request for an exit visa.

Conditions in the Eastern bloc countries are not much better. In Bulgaria, where 5 years imprisonment awaits anyone who expresses views not approved of by the authorities, there are an estimated 250 political prisoners. In Poland, kidnaping, beatings and killings, were used to pressure Solidarity members and to silence their continued, courageous opposition to the government. In Romania, administrative punishment includes the denial of wages, food, and medicine.

Until there is some sign that the U.S.S.R. will begin to adhere to the guarantees of the Helsinki accords on a widespread basis, the American people will have great difficulty accepting an arms control treaty. It is our hope that Mr. Gorbachev realizes he has a unique opportunity to ease the tension between the United States and the U.S.S.R. and to provide an ideal atmosphere for meaningful negotiations, but only if he makes meaningful progress in human rights.

Mr. BILIRAKIS. Mr. Speaker, first, let me commend the gentleman from New Jersey [Mr. COURTER] for holding this very timely special order on the human rights situation in the Soviet Union and Eastern Europe. As the summit between President Reagan and Soviet Premier Gorbachev nears, it is not only fitting but essential that we focus attention on the human rights record of the Soviet Union and her Eastern European satellites.

In July of this year, I had the privilege of traveling to the Soviet Union to meet with some of the victims of that country's restrictive immigration policies. Thousands of Soviet Christians and Jews are prevented from freely practicing their faiths. Those who wish to emigrate to the country of their choice to be with their family in a free environment are denied that privilege and, instead, face the endless harassment reserved for those who do not conform to the State's narrow definition of a good citizen.

These human rights abuses exist despite the fact that the Soviet Union's constitution guarantees the right to profess or not to profess any religion or to conduct religious worship or atheistic propaganda. If we look at the record, it would appear that at least this section of the Soviet constitution is itself propaganda, because the right of individuals to worship as their faith prescribes is certainly being denied. We must also assume that Soviet compliance with the 1975 Helsinki accord, to which they are a signatory, is more a matter of myth than reality, because the right to emigrate freely is also being denied.

Perhaps the group of Soviet citizens suffering religious persecution with whom we are most familiar is the Soviet Jewish community. I think we are all aware of the grim statistics that show the decline in Soviet Jewish immigration and are familiar with the cases of many individual Jewish refuseniks who have been brought to the attention of the Congress. Upon returning from the Soviet Union this summer, my colleagues who accompanied me on the trip and I held a special order similar to this which focused on the plight of Soviet Jews, and we must continue to press for an end to their harassment and for a less restrictive emigration policy from the Soviet Union.

However, many, Soviet Chiristians are also suffering as a result of their unwillingness to surrender their faiths, and I want to take a few moments to focus on these courageous individuals. Soviet Christians of all faiths are literally a people under seige. Active religious belief and education results in exclusion from the Communist Party. This is tantamount to becoming a persona no grata in Soviet society and often means the loss of job and professional status.

Prior government approval is needed for every group of Christians who want to meet to practice their faith, and frequently, this permission is denied. Those who meet without permission subject themselves to the risk of imprisonment.

Religious believers are probibited from engaging in charitable activities, proselytizing, or providing religious instruction to their own children. There have been cases in which the government has actually removed a child from his home and family because his parents have refused to abstain from teaching him about his faith.

One small effort I have undertaken on behalf of those Soviet Christians held hostage in their own country is the adoption of one such individual. Irina Ratushinskaya is a 31-year old Russian Orthodox Christian who was arrested in September 1982 on charges of anti-Soviet agitation and propoganda. What crime had Irina committed? She had circulated her poetry, most of which reflects her Christian faith, and she had associated herself with the free trade movement.

For her crime, Irina was sentenced to 7 years in a strict regime camp and 5 years of internal exile. This brave woman engaged in a number of hunger strikes in late 1983 and 1984 to demand her right to see her husband. In March of this year, she was finally granted a short visit with him. It is on behalf of Irina and her husband, and so many others like them, that we must demand positive action to restore human rights to all Soviets citizens.

As an American of Greek ancestry, I was also quite interested in learning about the plight of Greek Orthodox individuals in the Soviet Union when I visited there, and I was very dismayed with the information I received. Some 25,000 to the 500,000 Greeks in the Soviet Union are seeking to emigrate to Greece and elsewhere but virtually none are currently receiving exit permission.

Those knowledgeable with the issue attribute the decline in Greek emigration—from 100 persons a month a few years ago to the present level of 1 or 2 families a month—to the population goals of the Soviet Union. Maintaining Greeks and other so-called white nationals in Central Asia as a balance to the rising Asian-Islamic population requires that those seeking to leave are denied permission to be reunited with their families and to return to their homeland.

I know that the plight of these Soviet citizens reflects the status of human rights in Eastern Europe as well. That is why it is so important for the United States to continue to make human rights an issue in all our dealings with these countries, and not only during the upcoming summit with the Soviets. These individuals have refused to be defeated despite tremendous pressure to abandon their faith and their dreams of freedom. We owe it to them to keep the light of truth shining on them, and I appreciate this opportunity to make my small contribution to that goal. Thank you Mr. Speaker.

Mr. COURTER. Mr. Speaker, I yield back the balance of my time.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Saunders, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and joint resolutions of the House of the following titles:

On October 11, 1985:

H.R. 2475. An act to amend the Internal Revenue Code of 1954 to simplify the imputed interest rules of sections 1274 and 483, and for other purposes.

On October 22, 1985:

H.R. 2410. An act to amend the Public Health Service Act to revise and extend the programs under title VII of that act.

On October 28, 1985:

H.J. Res. 79. Joint resolution to designate the week beginning October 6, 1985, as "National Children's Week";

H.J. Res. 386. Joint resolution to designate November 25, 1985, as "National Day of Fasting to Raise Funds to Combat Hunger";

H.J. Res. 407. Joint resolution designating the 12-month period ending on October 28, 1986, as the "Centennial Year of Liberty in the United States"; and

H.R. 2174. An act to provide for the transfer to the Colville Business Council of any undistributed portion of amounts appropriated in satisfaction of certain judgments awarded the Confederated Tribes of the Colville Reservation before the Indian Claims Commission.

GRAMM-RUDMAN-MACK DEFICIT REDUCTION ACT OF 1985

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. BARTON] is recognized for 60 minutes.

Mr. BARTON of Texas. Mr. Speaker, as we meet today, at this very moment over in the Longworth House Office Building, the conference committee between the House of Representatives and the other body of Congress is meeting to evaluate the Gramm-Rudman-Mack Deficit Reduction Act of 1985. This legislation, which has passed the other body, if adopted, will mandate a balanced

budget by this Congress by the fiscal year 1991.

In my opinion, Mr. Speaker, nothing could be more important for this Congress to adopt than the Gramm-Rudman-Mack legislation which would give us a balanced budget by fiscal year 1991, and which would at least give us the mechanism to begin to get spending under control.

My colleague, the gentleman from North Carolina, BILL COBEY, is joining with me in this special order to discuss the problems that excessive deficits have created for our country, and what we can do to bring them under control.

Mr. COBEY. Mr. Speaker, will the gentleman yield?

Mr. BARTON of Texas. Mr. Speaker, I yield to the gentleman from North Carolina for such comments as he would like to make on the problems of the deficit.

Mr. COBEY. Mr. Speaker, I thank my colleague for yielding and for taking this special order. I think the thing that is most significant is that we finally have a deficit plan to deal with this deficit and reduce it by 1991 to a balanced budget.

Without giving the specifics of the bill right now, and I think it has been discussed a lot, and we may get into that a little bit later, but let us review the situation on budget deficits in this country. We can look right now at the fact that we just got the news for fiscal year 1985 that ended in September, and I will tell you what is playing back home in North Carolina and show you this paper. This is headlines in the Saturday paper and it says, "U.S. Deficit Hits Record $211.9 Billion." This is at the top of the paper, the Durham Morning Herald. So this is no record to be proud of.

It also lists the years from 1960 to 1985 and says that again we have a deficit. This makes 25 out of the last 26 years that we have had a deficit.

□ 1615

The only year that we had a surplus was in 1969; it was really small in terms we are talking about today; it was $3.2 billion. When you look at this kind of record, you have to believe that it was probably a mistake; that it was an oversight; that it was an accident that we ended up with a surplus.

Now, I don't know how it was when the gentleman from Texas [Mr. BARTON] was going through school; and I went to some of the finer schools and yet, the mentality of the age in the colleges and universities at one time was, "Don't worry about budget deficits. We owe it to ourselves." I do not know whether anybody here in the House heard that, but when I talk to groups out in my district, I get a lot of nods out there.

Well, the chickens have come home to roost. We finally realized that just like personal debt, business debt, family debt, whatever kind of debt, you finally have to pay for excessive spending and deficits.

Let us look at our total national debt. The on-book deficit we are talking about raising that ceiling; it is over $1.8 trillion now, and we are talking about moving it to over $2 trillion so we can pay our bills.

I think it is significant that we are looking at Gramm-Rudman-Mack at Halloween, and my son was reading the cartoons this Sunday at home, and this is Frank & Ernest. This is a cartoon that is titled here, "U.S. Department of the Budget" and it has two computers talking to each other.

One computer says to the other, "What are you doing for Halloween?" And the other computer says back: "I think I'll do a mass mailing, telling everyone their share of the national debt." It is incredible the amount of responsibility and deficit and debt that we are passing on to our children. I will tell you, my son, only 13 years old said, "Dad, would you explain this to me?" It took me about 3 seconds to explain it to him. He instantly computed what the problem is.

Mr. BARTON of Texas. Perhaps we need to bring him to the Congress and let him explain it to some of our fellow colleagues who evidently have not discovered what the problem is yet.

Mr. COBEY. I think the gentleman makes a valid point; that this is something that even young children can understand, but apparently is very difficult to understand here in the House of Representatives.

Also, I think we ought to look at the consolidated statement, financial statements of the U.S. Government. I do not think a lot of people even know that this exists, but it can be obtained through the Department of the Treasury.

This gives a lot of financial information including the balance sheet, just like a business would have a balance sheet, for the United States and also a revenue and expense statement just like a business would set up statements.

The revealing thing from this statement is the fact that our debt is not just $1.8 trillion, going on $2 trillion, but our debt is more in the order of $3.8 trillion. Because when we look at our assets, which are $938 billion, and then take our liabilities, subtract those assets from the liabilities—normally you are subtracting liabilities from assets or you are in a bankrupt condition; you are not even in business, but in this case we subtract the assets from the liabilities, which are $4,736 billion, and what we find out is that our accumulated position as of last fiscal year, which was not 1985, but the 1984 fiscal year which is the latest data we have, is that we have an accumulated position of minus $3,799 billion. We are bankrupt right now.

Looking deeper into this situation, the Comptroller General who put this together for the Secretary of the Treasury says that under the assets, that the accounts receivable and the loans receivable are overstated in this document.

Going a little bit further, I know that there are plenty of people out there that are in business when the IRS comes knocking on their door, they have to present audited statements of what their business is doing financially.

Guess what? We cannot even audit the finances of the U.S. Government. This is not an audited statement. It is incredible that we require of people things that we as a government do not even require of ourselves.

Breaking down the components of this debt and looking at it, we realize that in our current budget, the cause of this enormous debt, that the third largest portion of each fiscal budget is the interest on our debt.

In 1984, it was $129 billion; I do not know the exact figure for fiscal year 1985, but we are estimating it will be at least $142 billion next year.

Now there are two ways to solve a deficit situation. I know that some people have other ways: I know that economic growth is an important part of any progress we are going to make on the deficit, but there are basically only two ways; Either increase revenue or decrease expenses.

What we are really talking about, as the gentleman from Texas [Mr. BARTON] knows, is reducing the rate of growth of spending, because spending has increased enormously just over the last 10 years.

Taxes are not the answer. Taxes will cripple this thriving economy that we are so fortunate to live in. Let us look at a few facts: In 1965, the revenue that the Federal Government was taking in as a percentage of gross national product; which is goods and services produced in this country, was 17.7 percent. Of course we were overspending in that year; we were spending 17.9 percent of the gross national product.

In fiscal year 1985, however, we are taking in more money than we were back in 1965, we are taking in 19.2 percent instead of 17.7 percent of the gross national product, but we are spending at much greater levels. We are up at 24.6 percent of the gross national product.

A lot of that, of course, is the interest expense that has been growing and growing as we have become deeper in debt.

There does not seem to be any will right here within the body to deal with expenditures, in the face of the budget deficits.

Let us look at what happened on the reconciliation package last week. I think that we ought to note within this body, in case anybody did not realize when they were voting, that they voted themselves a 10-percent pay increase. Five percent in 1987 and 5 percent again in fiscal year 1988, and these are people voting for a pay increase that have not done the job that the American people put at the top of the list; it is not just in North Carolina.

Budget deficits, not tax reform and other things, is the No. 1 thing that the American people want to deal with.

Mr. BARTON of Texas. Reclaiming my time, I would like to comment on that, Mr. Speaker.

The gentleman from North Carolina [Mr. COBEY] has been talking about the budget reconciliation progress in the Congress. There is an interesting editorial in the Wall Street Journal of yesterday, October 29, entitled "Budget Cutting Made Easy" and I think it would be illuminating for Members of this body to read, if perhaps they have not yet had the opportunity.

I would like to read that editorial into the RECORD at this time.

The title of the editorial is, "Budget Cutting Made Easy."

Congress finally has figured out a way to cut the federal deficit. It's called paralysis. As long as Congress fails to boost the federal debt ceiling it will have the best of all possible worlds. It can appropriate funds to its heart's content, to subsidize farmers, Amtrak riders, subway builders, merchant seamen, doctors, lawyers, beggarmen, chiefs. But if the President can't borrow, he can spend only what the government takes in. So, in a process called "deferral" he simply tells a lot of constituencies, "We'll send you the money when we get it."

Compared with what we've had, it's not a bad way to run the government. In the process of deferring, the President must make economic choices, deciding, for example, whether it is more important to build a shopping center in Des Moines or protect the U.S. from nuclear attack. Any process that forces such choices represents progress—a kind of shotgun item veto.

Congress has demonstrated once again this year that it cannot make economic choices on its own. The separate House and Senate "deficit-reduction" bills to be reconciled this week were properly described to the Associated Press by an anonymous OMB official as mostly phony, except of course for the new taxes. Appropriations bills currently under consideration by the two bodies, for agriculture, transportation, labor, health and education, are billions of dollars over budget. In forecasting federal spending, it is appropriations bills, not budget resolutions, that count.

So what "deficit reduction" really distills down to is an effort to wrangle some new taxes. The Senate wants to introduce the equivalent of a European-style value added (VAT) tax into the American tax system, under the guise of a special levy to clean up "toxic wastes." It also wants to add a new import duty to finance "worker retraining" in the U.S.; since there has never been a huge demand for retraining under existing programs, it must be assumed that the main objectives are revenues and a little discreet protectionism.

As always, revenue enhancers have some guileful arguments. They say, for example, that just-released budget figures for fiscal 1985 demonstrate that the federal deficit expanded even in a time of economic recovery. The deficit did expand, to $211.9 billion from $185.3 billion the preceding year, and even though the recovery slowed sharply this year there was indeed a recovery of sorts.

Now, we oppose making deficits per se the center of fiscal policy. The U.S. public sector as a whole (federal, state and local) had a smaller net deficit relative to GNP last year than Japan, for example. Japan need not be sanguine, but its recent performance suggests that large debt is less of an obstacle to growth than heavy taxation. More tellingly still, economist Alan Reynolds points out in the fall Cato Journal that, despite all the talk of deficits, total U.S. public debt has held steady at 46% of GNP since 1970. This is certainly no reason to cave in to the tax increasers.

The U.S. should be concerned about its deficit not because it is a clear and present danger to the U.S. or world economy but because the deficits reflect an underlying inability to control the growth of federal spending, which in turn reflects an institutional breakdown. Federal spending habits are not only wasteful but destructive, as when they make American farmers wards of the government or create pressures for new taxes.

So the most important thing to notice about the newly released deficit figures is that none of the increase was caused by declining revenues. Indeed, revenues rose 10.1% in fiscal 1985 from fiscal 1984, considerably faster than inflation. So much for the notion that the cause of the deficit is a "declining revenue base" wrought by the Reagan tax cuts.

The deficit grew because spending climbed by 11.3% over 1984. And Congress is even now in the midst of again demonstrating its inability to contain over-budget appropriations bills. Unless something is done, outlays will continue to climb fast this fiscal year, and the year after, ad infinitum. The problem is that there is no budget process; Congress has become nothing more than a log-rolling arena.

Which brings us back to government by paralysis and budgeting by deferral. We know some folks find the current situation appalling, but we hope the administration seizes the deferral opportunity with alacrity. We could do worse.

□ 1625

Well, the Wall Street Journal, I think, very succinctly highlights the problem. We have got to get spending under control. Gramm-Rudman-Mack does this. It sets us on a path of declining deficits each year between now and fiscal year 1991.

I think it makes sense that we adopt this. I personally will not support any tax increases. I feel we have to get spending under control.

As the Wall Street Journal points out, spending has continued to rise in spite of our best cost-cutting efforts. So we have got to get Gramm-Rudman.

Mr. Speaker, I yield to the gentleman from Texas, Mr. ARMEY.

Mr. ARMEY. I appreciate the gentleman yielding.

I also appreciate the gentleman taking this special order and discussing this topic.

There are so many things that we could say about this. Obviously, so much attention is focused on the deficit and our ability, given this opportunity, to put an end to the deficit. I think we need to understand what that means. The first thing we do with Gramm-Rudman is we foreclose borrowing as an option. That really forces us into a choice of configuration that is very narrow.

We can choose to spend, but we must match our spending against our taxes.

We cannot hide the bill for current spending through borrowing and shift it on to a future generation.

This is what I think is one of the most important aspects of this initiative.

The other is that it defines a limit. One of the problems we have in this body is, we deal with numbers that are so large that they truly become mind boggling, and we lose sight of the fact that we have limits. When we go home in our own budgets, we understand it. It always reminds me of the discussion I remember having heard between a couple of farmers in the countryside. One farmer was trying to find out: What is a Communist? The other farmer says, "Well, a Communist is a guy, if he has a million dollars, he takes half and he gives you half."

The guy says, "Well, I can't understand that million dollars. It is so much."

He says, "Well, a Communist is a guy if he has 500 acres, he takes half and he gives you half."

And the guy says, "I can't understand Communists. It's too hard for me to understand such big numbers."

He says, "Well, let me see if I understand, let me see if I have the idea. A Communist is a guy, if he has got $50, he takes $25 and gives me $25.

"Well, you have $50 there, you give me $25, and you keep $25."

The other guy says, "Of course not." The other guy says, "Why not?" He says, "Well, I got $50."

When we bring it down to my level, when they are really taking my $50 and giving you half, and taking the $50 away from me as a private citizen, taking it out of my sphere of influence, I have a great deal of confidence that I, if I spend my $50, will spend it wisely.

I think it is an article of fact that an individual spends his own money much more wisely than he does somebody else's.

The problem is, as we take that into the Federal sphere of influence, as we

bring it into our spending patterns, we are simply not as wise as individuals spending on their own part, especially if we do not have an awareness of limits.

This is what I think the Wall Street Journal is trying to point out to us. We must first understand that we have a limit. We must operate within that limit. We must make hard choices facing tradeoffs, knowing we can only spend more in one area of the budget if we are willing to make cuts in the other.

Or, alternatively, we have got to turn right around to the American taxpayer and say, right now, "For this spending, at this time, we are going to have to ask you to give us more taxes."

Now, the taxpayers of America are very certain about this. They do not want to give us more tax revenue because they believe and they know that they can spend their money much more wisely than we can.

Now, the final analysis is, we must have discipline, the decisions have to be made here. Again, in your Wall Street Journal editorial I think the point was made very clearly: It is not in budget rhetoric where these decisions are made or fail to be made, it is in appropriation bills.

The American public are saying to us: "We have got to have from the American Congress discipline in the appropriations process. We will not accept you any longer operating on each appropriation bill separately as if it were not related to the other items in the budget and operating without an awareness of the limits."

That is why we need Gramm-Rudman and we need it now.

Mr. BARTON of Texas. I have been told, Mr. Speaker, that the gentleman from Texas is organizing a group called budget commandoes whose sole purpose is to serve as a watchdog on these appropriation bills and make commando raids to try to reduce spending when they feel that it is appropriate to do so and they have a chance of success.

Would the gentleman from Texas look to comment on that idea?

Mr. ARMEY. Well, that is precisely right. Having been a new Member of this Congress, I sat and watched, institutionally, how do we function here? We function through committees. In fact, in the committees we generally tend, all too often tend, to ask for more spending. Now, the fact of the matter is, the American people, the public interests of the American people are represented right here on the floor of this body. It is at this point that we see the comprehensive viewpoint of the American people.

It was with respect to that that I decided to organize a group of people who wanted to come on the floor of the body here, represent the general interests of the American people, and take spending cut amendments to the floor on behalf of the American people. We will hear more about that later. If I may return again to this question of Gramm-Rudman, we have to understand that the hour is growing late here.

In the other body, when they tried to find an avenue or a vehicle by which they could bring the Gramm-Rudman proposal to passage, the only vehicle they have that had any opportunity really of achieving that was to tie it to this vote to raise the debt ceiling.

I think that, in itself, is a rather sad testimony. They have to take the opportunity that is presented by the fact that we must raise the debt ceiling just to pay our current obligations, to take a piece of legislation into a place that will give us the ability to cut future needs for debt ceilings.

Yes, we must cut spending now, but we have not found a way outside of Gramm-Rudman.

We have got to move on this fast. Now, we have to also understand that we are living in some jeopardy here. Unless we get this thing resolved this week, the Federal Government is going to have a very difficult time meeting its current obligations, beginning at the end of this week, and the American people, I think, need to contact Members of this body and insist that we take action this week to save the future financial stability of their families and of their country.

Again, Mr. Speaker, I appreciate the gentleman yielding.

Mr. BARTON of Texas. I thank the gentleman from Texas.

Mr. Speaker, I think it is somewhat enlightening when the gentleman talks about the effort to raise the debt ceiling that the other body had to vote straight up or down to increase the debt ceiling and, in doing so, did attach the Gramm-Rudman amendment.

In this body, we very conveniently hid a debt ceiling increase in the budget resolution which we passed back in August that automatically raised the debt ceiling so that the borrowing would match the revenues needed to fund the budget process.

This Congressman voted against that budget, and that was one of the main reasons, because I do not believe that you try to hide what you are doing to the present taxpayers and to future generations.

I personally do not think we ought to raise the debt ceiling. I think we ought to reduce spending and begin to pay off the national debt.

I think it is somewhat indicative of what some Members of this body really feel about reducing spending. Not only do they not want to reduce spending, they do not want to be up front with the American people about increasing and continuing to increase the level of borrowing necessary to continue the expansive spending programs that we have in this country.

Mr. ARMEY. Again, I want to thank the gentleman from Texas for taking this special order. I think one of the things we might want to consider is: The very fact that the gentleman is here in this special order, working late, is evidence of the fact that he has gone home, as I have gone home, and Mr. COBEY has gone home, and we have listened to the American people, and they are telling us a very clear message: They want action, and they want action now.

I think the gentleman from Texas and the gentleman from North Carolina will agree that if this body does not perform within the context of this week and deliver the goods for the American people, I think we can be prepared to be dealt with very severely.

Mr. Speaker, I again want to congratulate the gentleman for his dedication and willingness to take this special order.

Mr. BARTON of Texas. I thank the gentleman.

Time does not permit me to read all the editorials on the Gramm-Rudman Deficit Reduction Act.

□ 1640

But I would like to read the headlines and submit these for the RECORD.

The Fort Worth Star-Telegram, on October 8, ran an editorial, entitled, "The deficit. Gramm plan sensible path to balanced budget."

The Dallas Morning News, on October 18, ran a headline on their editorial page, entitled, "Over to you, Tip."

Again, the Dallas Morning News, back in September, ran an editorial, "Budget process: Just slightly flawed." That is an understatement.

The Lufkin News, Congressman CHARLES WILSON's district, ran an editorial, "A move to balance the budget," which was supportive of the Gramm-Rudman process.

The Houston Chronicle, on October 6, editorialized, "Congress needs to force discipline on budget."

The Lubbock Avalanche-Journal, October 13, ran an editorial, "Big spenders held accountable. Gramm plan offers way out."

The Amarillo Daily News, October 14, ran an editorial, "Balanced budget issue in the Democrat's court."

It goes on and on.

My colleague from Texas commented on people having spoken, the people are speaking, and the editorial writers in this country are speaking that we need to get the budget process under control, we need to pass Gramm-Rudman-Mack, we need to bring some fiscal discipline back to the process.

I would like to yield now to the gentleman from North Carolina again, Congressman BILL COBEY.

Mr. COBEY. I thank the gentleman for yielding and I thank him for taking this special order. I appreciate the Members from Texas who seem to show a great deal of fiscal restraint and time and time again back up their rhetoric with their voting.

We have to deal with these appropriation bills. As I said earlier this year, when I brought an amendment to the floor, an amendment to the legislative appropriation budget, we have got to start right here in the House. We cannot look out to America and look out to the people, many of the people who are in great need, and say, "Look, we want you to sacrifice," unless we as the House of Representatives, as an institution, are willing to sacrifice.

Congress itself will spend approximately $1,290,000,000 right here next year, a flood or a blizzard of mail going out of here, costs of staff going up.

When I came to the House floor—and the gentleman in the well backed this amendment, I remember—I said to the Members, "Can't we cut it just a little bit? Can't we cut it 2.7 percent, just $34 million?" That is not a lot of money in terms of the money we are talking about. But it would have been a very, very important gesture to take it back to fiscal year 1985 levels for appropriations to run Congress instead of jacking it up even more millions of dollars. And included in that budget was a 41-percent increase in the cost of sending out mail, more elevator operators to operate these automatic elevators around here, and 17 percent increase in the salaries paid to congressional staffs.

Mr. BARTON of Texas. How much of an increase?

Mr. COBEY. Seventeen percent.

Mr. BARTON of Texas. In 1 year?

Mr. COBEY. I know that does not go to the individual employees, but this is further increasing the numbers of people we have around here. As I have observed, people are falling all over top of each other now.

Did the gentleman want to speak to that point?

Mr. BARTON of Texas. I do not know that there are many people in the private sector this year who are going to get a 17-percent increase in salary. I find that a little difficult to believe, that we would be voting that kind of an increase in our congressional staff budget in view of the fact that inflation is running less than 4 percent, and I believe the average increase in pay in the private sector, when there are increases, is somewhere in the neighborhood of 4 to 6 percent.

Mr. COBEY. Well, I want to submit to this House that I believe that some of the Members may need to go back and look at their basic civics books again, because time and time again—and I say this with all due respect to the Members—I hear people come and blame the President, President Reagan in this case, for the budget deficits.

Now, President Reagan has not been President for 25 out of the last 26 years while we have had this deficit, and the fact of the matter is it does not matter whether it is a Republican in the White House or a Democrat, it does not matter whether it is President Reagan, or whoever it is. When you get back to basic government and civics, the executive, which the President represents, spends the money that is appropriated by the Congress. No money is spent by any President, any executive, unless it is approved first here in the House of Representatives and the Senate.

We are the ones who are to blame for this deficit, this institution, the big spenders of the past. Every dime that is spent comes right out of here. In the real sense, we are the board of directors or board of trustees of this country, and any time we point a finger at the executive or any President in the White House, there are three fingers pointing back at us. We are the ones who are responsible.

We have got to stop this railing against the bureaucracy, and that sort of thing. Yes, there are plenty of things going on in the bureaucracy that need to be corrected. But we are the ones who should be correcting it. Every board of trustees of any company or university is held responsible ultimately—legally, even—for the officers' conduct and what happens in that company.

Mr. BARTON of Texas. One possible solution to this problem, speaking of the board of directors, if you assume that each of the 435 Members of the House is a member of the board of directors, we have got a trillion dollar budget this year, if we divided that proportionately, I believe each Member of Congress would be responsible for a little over $2 billion; so perhaps you could take charge of $2 billion and Congressman SMITH could take charge of $2 billion and I could take charge of $2 billion, and perhaps that way each in our own area we could get spending under control.

I feel there are enough of us who would handle our responsibilities in a fiscally responsible fashion, and perhaps that might bring it down if Gramm-Rudman happens not to pass.

Mr. COBEY. If the gentleman will yield further, what is so great about this Gramm-Rudman is that it gives us a chance for action instead of all this rhetoric all the time. We can postpone reality only so far, and that is what has been happening for years.

Certainly, in the long term, Congress has got to do a better job of oversight, in evaluation of programs. We can also do a better job in the short term. We need a balanced budget amendment to the Constitution. But that is a long-term solution also. But we have got to keep the pressure there.

Mr. BARTON of Texas. On that point, in this Representative's opinion, what we need to do is pass Gramm-Rudman this week, and we have to do it by Friday or the Government is totally out of borrowing authority, and then, in the next 5 years, get a balanced budget amendment, perhaps Congressman CRAIG's, which right now has 217 cosponsors, get it passed through the House, through the other body, get the President to sign it, send it to the States for ratification, once we get three-fourths of the States to ratify the amendment, perhaps by 1991, it will be a part of our Constitution and we will have a permanent spending control in our Constitution.

Speaking of oversight, we have got one of the best overseers of the Federal budget that there is in Congressman BOB SMITH of New Hampshire who is with us, and I would be happy to yield to my good friend, Congressman SMITH, for his views on this subject.

Mr. SMITH of New Hampshire. I thank the gentleman for yielding, and I thank him also for his leadership in getting this matter before the public with this special order tonight.

Mr. Speaker, I would like to accept the gentleman's challenge on behalf of the 550,000 people in my district and the approximately 1 million people in our little State of New Hampshire, that I would be happy to take up my $2 billion right now, beginning right now, get my $2 billion out, and I know that Mr. COBEY here will get his $2 billion, you will get yours, and we have got $6 billion out. That is more than the Congress has done in the last 10 months anyway, so we have got a good start here tonight. If we can just get a few more people in here to join us, I think we would be in good shape.

I would like to pick up on a point that my colleague, Mr. COBEY, made. He is absolutely correct. If rhetoric could balance the budget around here, we would have a $2 trillion surplus rather than a deficit. The truth of the matter is, we, collectively—we, this Congress—does not want to balance the budget, has not wanted to balance the budget, and probably will not balance the budget without something like Gramm-Rudman, which gives us, as has been said here earlier, the discipline and the teeth to do it.

With all due respect to the gentleman from Texas, there is another Senator on that bill, his name is Rudman, and he is from New Hampshire, so if you would be kind enough to let me include his name in there—we say

Rudman-Gramm in New Hampshire, but we will let you get away with Gramm-Rudman, since you have the special order.

Mr. BARTON of Texas. The name is not important. The substance is.

As President Reagan says, it is not so important who gets the credit but, more importantly, that the job gets done.

Mr. SMITH of New Hampshire. I think, in terms of the rhetoric, if I could just point out a couple of things, politicians are the only people in the world who create problems and then campaign against them. That is pretty much what happens around here.

Did you ever wonder why we have a deficit? The Democrats, Republicans, all, are supposedly opposed to deficits, yet we have $200 billion deficits and we have a $2 trillion debt, yet everybody is against it. I think, from a constituent's point of view, and from all of our constituents' points of view, we should point out that they do not propose the Federal budget, they do not vote on the Federal budget. We do. And we are the ones in this House of Representatives who, if we have a lousy Tax Code, who wrote the Tax Code? If we do not have an adequate defense, who did not provide an adequate defense? If we have deficits, who provided those deficits? I think that is the frustration that the American people feel when they see us day in and day out on the floor of the House of Representatives and hear what we say on the radio, read what we write, what we say in the newspapers—they begin to think, "What kind of hypocrisy is going on?"

I think that, basically, when it boils down to the bottom line, 100 U.S. Senators and 435 Members of Congress are, basically, responsible, because they vote on all of these programs, whatever they be, all the way across the board. And I think it is a crisis in confidence that the American people feel. And to top it off—and I think Mr. COBEY brought it up—we had the gall—collectively, we—on the floor of this House last week to vote for a pay raise, to vote ourselves a pay raise.

Mr. BARTON of Texas. Did the gentleman from New Hampshire vote in the affirmative on that or in the negative?

Mr. SMITH of New Hampshire. Well, I think the gentleman knows how I voted. I did vote in opposition to it and will refuse that pay raise, because I believe very strongly—and I think many of us do in this body—that we ought to earn the money before we take it. And we mortgage our children's future in a selfish manner, which we have been doing and probably will continue to do unless we get 218 people with the courage to vote for Gramm-Rudman, if we do not get that kind of vote on the floor of this House, we are going to mortgage our children's future. That is a selfish act and it is uncalled for. I think it is time that the American people have a call to arms and begin to look real hard at, first, who votes against Gramm-Rudman and, second, who voted for that pay raise. I do not care how you hide it—I know we hid it in the budget reconciliation bill, and all that—it was pointed out by our colleague on the floor of this House by the gentleman from Pennsylvania [Mr. WALKER], and he said so all will know, so that there will be no misunderstanding, "in this bill that you are voting for is a pay raise." Mr. LATTA gave us the opportunity to amend it out, and that was defeated. I think the American people ought to take a good look collectively at all of us and individually at all of us and say, "Let's call a spade a spade and let's lay it on the line, folks. You don't want a balanced budget, you want deficits, you want debt, because that's what you are voting for."

The gentleman from Texas and the other gentlemen here tonight who are talking about this issue, I know how you feel and I know how you voted. But I think that it is up to each individual congressional district and each voter to take a look at his or her Representative and see just how they did vote and see whether their rhetoric in fact matches their vote.

Mr. BARTON of Texas. I believe, on the Latta amendment to reduce the spending by $3.5 billion, which also would have eliminated the pay increase, the vote was 219 to 210.

Mr. SMITH of New Hampshire. That is correct.

Mr. BARTON of Texas. So if six Congressmen had changed their votes to the negative, as you and I and Congressman DELAY and Congressman COBEY did vote in the negative, we would have defeated the pay increase and we would have deleted $3.5 billion in spending, which we desperately need to do.

Mr. SMITH of New Hampshire. I think the gentleman is absolutely correct. To hear the rhetoric from some of our colleagues in this body, it is as if there were some mystical force out there. We use terms like "bureaucrats." Well, who created bureaucrats? Congressmen created the bureaucrats.

Another mystical force you hear is "the economy," "economic indicators." Your hear "inflation," "politics." These are all of the mystical terms that are thrown out that nobody understands and which have a definition a foot and a half wide. The truth of the matter is, if you take all of those terms and strip them away, it is 218 votes on the floor of the House of Representatives.

I would like to say to all of those individuals who feel so strongly about a balanced budget, who lobby, who come down here to Washington and say, "Please, Mr. Congressman, vote for it," and all of that, I think what we need to do is realize—and I think this puts it right on the line, and I might step on a few toes—the truth of the matter is, you do not have to lobby, you do not have to pressure, the American people do not have to write letters at all if they have got the right people here, and we need 218, and we do not have it. I am going to be watching, when this bill comes to the floor, and I want to see who is out there, who has got the courage to stand up and say, "I am willing to say that we are going to balance this budget in 5 years. I am going to follow that discipline."

We all have disagreements. I think that this is the key. We are surrounded by Texas tonight, but I know the gentleman from Texas has the same feeling.

□ 1655

Mr. BARTON of Texas. That is a warm feeling, is it not?

Mr. SMITH of New Hampshire. Yes; I am trying to show you that New Hampshire has that same frugality. You are learning, I think. I think we need to really, people need to really understand just exactly what is happening. It is hypocrisy in its worst form. We represent the American people; they overwhelmingly support a balanced budget. Most of them support a balanced budget amendment to the Constitution. But certainly a balanced budget. They want it; they say they want it. But the issue is priority. I think one of the saddest things, and I would like to mention one specific and then I will yield back to the gentleman, in this prioritization is the letters that come in from special interest groups. There are some now, and I am sure we are all getting them, from the veterans. As if this bill will cut disabled veterans. Nothing in this bill changes what the Congress wants to prioritize. If the Congress desires to cut veterans' benefits, I suppose they could do it. I am not going to do it; I do not think anybody here is going to vote to cut disabled veterans, but that is the kind of input that is going out because there is a misunderstanding about what this bill does.

This bill provides us the discipline to balance the budget. This Congress sets the priorities, and I want to make it clear to the American people this Congress sets the priorities. And you know what? I do not want to take one penny from a disabled veteran or a Social Security recipient or a spina bifida child. But I will tell you what, I would like to take that billion dollars away from Amtrak which is being given to Amtrak while spina bifida children suffer, while Social Security recipients do not get their pay, and while we talk about cutting disabled vets. That is prioritization. We cannot throw bil-

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lions and billions of dollars out there and try to cover everything. We need to prioritize and Gramm-Rudman forces us to do it.

I commend the gentleman again for calling this special order tonight and bringing this to the attention of the American people.

Mr. BARTON of Texas. I totally agree with the gentleman from New Hampshire. I think your point about establishing priorities is very relevant. There are 43 States, I believe, that have a balanced budget amendment or balanced budget requirement in their State constitutions. They do make these choices; it is difficult. You always have more people wanting to spend money than you have money to spend, but we are elected to make those tough decisions.

Speaking of State legislators, we have one of the best in Congressman TOM DELAY, who, before he became a Member of this body, was an outstanding member of the Texas legislature where he did have to operate under a balanced budget requirement. I would be happy to yield to my distinguished friend and colleague from Texas, Congressman TOM DELAY.

Mr. DELAY. Well, I thank the great gentleman and neighbor from Texas for yielding to me.

Mr. Speaker, as I sat here listening to the wise comments of my three colleagues that are on the floor right now talking about balancing the budget, I sense much the same sort of frustration that I think the American people are feeling.

Most of us here that are for a balanced budget and are for fiscal responsibility and have the courage to stand up and do something about it are constantly hearing this rhetoric and we constantly use the word "rhetoric." I call it an old story that had been going on for years and years and years. We are subjected to it day-in and day-out, even though we stand up and tell these people that are saying we can live with the deficits or saying that we do not want to cut certain benefits for certain people. It is the same old story. As it relates to the Gramm-Rudman amendment, which I call a system by which you can live under a balanced budget, we are hearing the same old story. It is unconstitutional. I think we have proven that it is not. The Gramm-Rudman will hurt defense or social programs. That if you take out Social Security, then you ought to be able to save certain programs in the social arena or you ought to be able to save defense.

Our own President has stood up and endorsed the Gramm-Rudman amendment and has said that I am willing to make those hard choices even though the bill itself does not automatically put it into the hands of the President. Congress has to act first.

I think the gentleman from North Carolina was referring to the charge that Reagan has never presented a balanced budget. I think the American people can remember though that when the President was elected in 1980, he laid out a four-point program. One was to cut taxes, two was to balance the budget and cut spending, three was monetary reform, and four was regulatory reform. He won that great battle of cutting taxes and he was proven right. He has had a hard time cutting spending because this House, and its liberal welfare state Congressmen refuse to do so.

If the President had had his way in 1981, we may be very, very close to a balanced budget today, because he has persented many, many ideas as to cutting spending and balancing the budget. But all this talk aside, we talk about billions of dollars and we talk about deficits and we talk about what it is going to do to certain individuals in our economy. But we never bring it down to what a deficit really means to the American people. Just think about this scenario very quickly, and I will yield the floor back to the gentleman.

What would the people of America think if every man and woman that had a child and made, let us say, $30,000 a year; spent $36,000 a year every year, for, let us just take 10 years. That would amount, including interest, because he would have to borrow the money in order to spend that extra $6,000. Now this man and woman is running out and buying boats and big, beautiful cars and going on trips and doing everything their heart desires, and spending at least 10 to 20 percent more money than they are taking in, and borrowing money to cover their extra spending, that would amount to well over $100,000 in the 10-year period.

What would the American people do if this syndrome was widespread? What would they say about a man and woman who, let us say, got into a car wreck and died suddenly and left their children with over $100,000 in debt because they were squandering their money? I think most American people would say that is horrendous. Why would someone destroy their family that way?

We are doing that in Congress today. Every child, because of the $2 trillion debt, every child that is born today, and I think today is October 30, every child born on October 30, 1985, is saddled with a debt of over $50,000 from the very beginning of his life that that child is going to have to pay back. That is what we are talking about. We are talking about the most immoral of immoral acts, and that is squandering our children's future, and that is a very trite remark that is used on this floor quite often, but we are saddling our children, and not only our children, but our grandchildren with this humongous debt. If we do not do something about it, and I consider this one of our last chances to do something.

I hope that the American people will not sit back and say oh, Congress is not going to do something; they never have, so why should I get involved? I would hope that the American people would see it as I see it, as one of the very last chances that we can cut this deficit and set a priority and set a guideline by which, by 1991, we have a zero balance in our budget. If they do feel that way, if they feel like it is the last chance that they will let their Members know. Then after the vote comes, if those Members that cry that we have to cut the deficit show a lack of courage and not vote for Gramm-Rudman, then they will express themselves in the polls next November.

Mr. BARTON of Texas. I thank the gentleman. I want to ask the gentleman a question but I would like to make a comment first. It is my understanding that for every dollar that we borrow today to finance our spiraling Federal debt, by the year 2000 we will have had to repay $71 just in interest on that $1.

□ 1705

So for every year that we continue to borrow more than we bring in, it causes future taxpayers, which are our children and our grandchildren, to have to repay tremendous sums of money in the future.

Mr. DELAY. What will the gentleman in the well's age be in the year 2000?

Mr. BARTON of Texas. Well, I am 36 today. In 15 years, I guess I will be 51 years old.

Mr. DELAY. Close to retirement.

Mr. BARTON of Texas. I hope so. I will still be in there kicking at 51.

Mr. DELAY. But at the same time the gentleman is getting to the end of his productive life, and what people on this floor are saying to us is "So what. I don't care one way or another."

What I am saying is I am going to be ready to retire on these wonderful programs, and I am going to have a wonderful retirement coming out of this House and my child can pay off all that I have spent and my grandchildren can pay off all that I have spent, and who cares.

Mr. BARTON of Texas. Well, if we do not pass Gramm-Rudman or something very similar to it and continue to spend like we are spending today, by the year 2000, interest on the debt will be the largest item in the Federal budget. The interest alone will be as large as our total budget is today.

Mr. DELAY. If the gentleman will yield further, what happens in a business when the interest on their debt service is so much higher than their

assets? What happens to that business?

Mr. BARTON of Texas. That business goes out of business. It ceases to exist.

The question I would like to ask the gentleman from Texas is since the gentleman did serve in the Texas Legislature and the Texas Legislature does have a balanced budget requirement, was there ever a year that people requested less money than there was available to spend?

Mr. DELAY. Absolutely not. Members would come with their own little special interests and they would ask for more money. But the body as a whole had to sit down and prioritize based upon how much money they had in Texas that next year or that next biennium, and they would have to prioritize these programs and turn down some good programs, turn down some increases, and yet move the money around so that we only spend as much money as we take in.

Mr. BARTON of Texas. Were those decisions and those choices easy to make?

Mr. DELAY. Never are they easy to make. I think that is much to the credit of the legislators that serve in the Texas Legislature. They constantly are showing the courage to stand up and make the right decisions.

Mr. BARTON of Texas. Was the gentleman from Texas ever totally satisfied about the choices that were made on how to spend the money that was available?

Mr. DELAY. Absolutely not, never satisfied, because I never got what I wanted and many other members never got what they wanted. But I think the people of Texas got what they wanted.

Mr. BARTON of Texas. That is my point exactly. If the Congress of the United States, like the Legislature of the State of Texas, is forced to make choices, the people will get what they want because there will be a tremendous give and take and priority decisions will be made and, in the absolute, the available funds will be spent in the most effective fashion and on those uses that the majority of the people support.

Mr. DELAY. I might say, if I can, another great outcrop of this in the State of Texas is that members watch how the money is spent with a lot more favor, because they want to make sure that the money they did get is spent to its ultimate efficiency. So they spend a lot more time watching how the agencies spend that money. So that is another little extra that you get out of living under a balanced budget.

Mr. BARTON of Texas. Well, I thank the gentleman for his comments as someone who has had to operate in the legislative arena under a balanced budget requirement. I think it is very illuminating to have the gentleman's personal experiences.

I would like to finish up this special order, and I would like to thank all the Congressmen who participated with me, and very briefly just go over the situation once again as it exists today.

As we meet right now, the House and the other body are meeting in conference less than a block from this Chamber to try to come to grips with the legislation that has been passed in the other body. It includes a debt ceiling increase to over $2 trillion, but attached to that increase is an amendment that requires that the budget be balanced by fiscal year 1991.

It is balanced in five steps beginning with a deficit ceiling in fiscal year 1986 of $180 billion. That decreases each year for the next 5 years by $36 billion each year, until in fiscal year 1991 we go to zero.

It requires that the President submit a budget that meets the deficit ceiling targets. The ceiling that would be submitted, the target that would have to be met next year, would be $144 billion. The Director of OMB, the Honorable Jim Miller, is working on that budget at that moment. And then each year it goes $144 billion, $108 billion, $72 billion, $36 billion, and then zero.

If those targets are not met, the President has the authority to sequester funds. Sequester is a fancy name that means he just does not spend the money. He eliminates the spending the authority.

If the Congress wants to reprioritize the way the President wants to spend any funds, the Congress has the authority to do that. But the deficit ceiling cannot be broached, it cannot be exceeded.

Since we do not have any fiscal responsibility in this Congress, since we are currently incapable of making the tough spending decisions that need to be made, we need the discipline that Gramm-Rudman-Mack would give us.

I know that there are Members on both sides of the aisle who are working to get Gramm-Rudman through the conference committee and get it to the floor for consideration so that we can vote on it in a positive fashion, and I hope that we do so.

Mr. DORGAN of North Dakota. Mr. Speaker, will the gentleman yield?

Mr. BARTON of Texas. I yield to the gentleman.

Mr. DORGAN of North Dakota. Mr. Speaker, I have been listening to part of this special order and I agree with those on that side of the aisle, as I have for 5 years with those in this House who sit in every chair here, that we ought to try to balance the budget.

I heard the gentleman just remark that the difficulty is lack of fiscal responsibility in the Congress. That is part of it, certainly.

I recall in early 1981 when the President was at the well of the House and he was giving his State of the Union Address, and he described where we were going with the deficit and that very soon we would have a balanced budget. Ever since then, he has requested that this House increase the deficit yearly. And we have joint responsibility, the President and the Congress, for our budget deficit problem. I just think that ought to be pointed out. We have a responsibility to work together with the President to solve these problems. Without him, we will not solve it; with him, if both of us have the courage to do the right thing, we may well solve it.

Mr. BARTON of Texas. I thank the gentleman for his comments. If the gentleman will wait, I believe we have another special order and we can continue this discussion.

REPORT OF EXCLUSION OF CERTAIN AGENCIES AND CLASSES OF EMPLOYEES FROM COVERAGE UNDER PERFORMANCE MANAGEMENT AND RECOGNITION SYSTEM—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 99-118)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Post Office and Civil Service and ordered to be printed:

(For message, see proceedings of Senate of today, Wednesday, October 30, 1985.)

□ 1715

FISCAL RESPONSIBILITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina [Mr. COBEY] is recognized for 60 minutes.

Mr. COBEY. Mr. Speaker, at this time I yield to my distinguished colleague, the gentleman from Texas [Mr. BARTON], who wanted to respond to the gentleman from South Dakota.

Mr. BARTON of Texas. Mr. Speaker, I thank the gentleman for yielding. I want to thank the gentleman for participating in our special order.

I agree that we need to work with the President. Under the Gramm-Rudman-Mack amendment the President would be required to submit budgets that were within the deficit targets.

It is always difficult to make those priority decisions. The President would have to make some priorities. He would submit the budget for our review. We may change some of his priorities, but we would have to stay

within the same spending limit. I think that is good for both the executive branch and the legislative branch to have to do so.

Mr. COBEY. Mr. Speaker, I would like to yield further to the other gentleman from Texas [Mr. DELAY].

Mr. DELAY. Mr. Speaker, I thank the gentleman for yielding, and will be very brief.

What difference does it make? Who is blaming whom? We point fingers at TIP O'NEILL, we point fingers at the President—who cares? We are presented with an opportunity to balance the budget, and everybody talks about wanting to balance the budget. All we want to do is bring that opportunity to the floor of this House and be given a chance to show that we mean what we have been saying for 30 years.

That is all we are asking for. We do not care who is to blame up until this point—well, I should back up and say I do care who is to blame, but we can get into an hour's discussion about how the President did not present a balanced budget or whatever you want to talk about. What we are talking about is we have a chance to do something about it. We have a chance to bring it to this floor and let us vote on it, and let us stop all this old time story that keeps going on around these Chambers.

Mr. Speaker, I thank the gentleman for yielding.

Mr. DORGAN of North Dakota. Mr. Speaker, will the gentleman yield.

Mr. COBEY. Mr. Speaker, first I want to apologize for saying the gentleman was from South Dakota.

Mr. Speaker, I yield to the gentleman from North Dakota.

Mr. DORGAN of North Dakota. If you are from North Dakota, that is more of a mistake than you realize.

Mr. COBEY. Well, I happen to be from North Carolina, so I realize what the gentleman is talking about.

Mr. DORGAN of North Dakota. Mr. Speaker, let me again in good fellowship say that we have a difference perhaps on how you go about solving this problem. It is important how this came about. What we are talking about in this town is the inertia of leadership.

I happen to disagree with President Reagan on a number of things including fiscal policy, because I think his fiscal policy has not been responsible. But I would be quick to add that this Congress has not been responsible, either.

Let me say that our difference is probably in that I believe you cannot solve this problem without additional revenue. I have witnessed year after year—just the most recent one was the enormous debate we had in this town about the President's "down payment on the deficit." Do you remember that?

Well, we go through this machination of a "down payment on the deficit." We end the year; the deficit is $211 billion.

Somebody says, "Well, that's because Congress didn't do what the President wanted." I will tell you something: If Congress had done everything the President wanted since 1981, including all of the spending cuts and including all of the defense increases, we would have a larger debt now than we do at present.

All I am saying is this: I think part of the response to this deficit is enormous restraint in spending, which includes the defense, all the way down the line; and second, I think that when you have 5,000 Americans earning $1 million or more, each paying no taxes, when you have 50 corporations earning $50 billion in 3 years paying nothing in income taxes, 30,000 Americans earning $200,000 or more in taxable income paying less than 5 percent in taxes, there is nothing wrong for us to change that Tax Code, deliver some additional revenue, and using that additional revenue to help reduce the Federal debt. So I am saying that revenue is part of the problem, and we have to solicit additional revenue in addition.

Mr. COBEY. Mr. Speaker, if I could reclaim my time from the gentleman from North Dakota, I appreciate his comments, but I cited earlier in this special order that we have been deficit spending for 25 out of the last 26 years. President Reagan has not been in the White House that long, and I think it is unfair to blame any President, because all appropriations—and I am not saying you are totally blaming the President—but all of the appropriations come out of this House, and I cited some statistics earlier that in 1965 we were taking approximately—meaning we, the Federal Government—was taking approximately 17.1 percent, I believe it was, of the gross national product, but we were spending a higher percentage than that 17—and I do not remember the decimal point—but it was a deficit-spending year. Now we are taking in over 19 percent of the gross national product in revenue, higher than 1965, but we are spending at levels of over 24 percent.

Mr. DORGAN of North Dakota. That is correct.

Mr. COBEY. What I want to pose to the gentleman, because I definitely oppose seeking out new revenue, I am for fairness, and there are some problems in the Tax Code that I would agree with the gentleman we have to deal with in the fairness issue, but I would submit to the gentleman: Where are we going to get more revenue? Are we going to jack this percentage up even higher and therefore perhaps cripple this economic recovery that we have all benefited from throughout our country?

Mr. DORGAN of North Dakota. Mr. Speaker, if the gentleman will be kind enough to yield, I will be glad to answer that.

Mr. COBEY. Mr. Speaker, I yield to the gentleman from North Dakota.

Mr. DORGAN of North Dakota. Mr. Speaker, first of all, there is about $90 billion that is owed the Federal Government that is not collected through the IRS system that is simple tax avoidance. We need to strengthen the Internal Revenue Service.

Mr. COBEY. I think you say "evasion."

Mr. DORGAN of North Dakota. That is correct. And rather than strengthening the enforcement capability of the IRS, we are at present weakening the enforcement capability. So first of all I would say simple enforcement would get part of that $90 billion.

Second, aside from evasion, when you have the numbers I cited earlier, millions and millions of dollars by thousands of Americans who are very rich paying nothing, where some of the largest corporations pay nothing, I am saying that you can get additional revenue to help solve this problem.

One other point, if I might, and let me make it clear that I think a major part of the responsibility is President Reagan's and a major part of the responsibility is the U.S. Congress.

Comparing today's deficits—that is, the last half-decade—with all of the deficits in the history of the country is like comparing swimming to drowning. The reason I am glad the gentleman is doing these special orders is it is a crisis. We have got to draw a line some place and say we do not have the luxury of playing this game as usual; we have got to stop it. Now we disagree on probably how we do that, but the gentleman is dead right, we have to stop this, and we have to stop it now. That is why it is important that we have leadership downtown, and that is why it is important that we have leadership here in Congress.

Mr. DIOGUARDI. Mr. Speaker, will the gentleman yield?

Mr. COBEY. I yield to the gentleman from New York.

Mr. DIOGUARDI. Mr. Speaker, just to respond to the gentleman's point, there is no doubt that we need a tax system that is fair, and I think we have to get there fast. But you have to be careful on how you characterize the money that we raise from the so-called rich in the country, and there is no doubt that we want to get our fair share from everybody.

One of the things that came out during the Grace Commission study was that if you treated everyone making over $75,000 a year as rich, and you decided to tax those individuals at 100 percent—in other words, take every dollar they make over

$75,000—you would have enough money to run the Government for 7 days. So it is obvious that you are not going to get the revenues that you think you are going to get from those people.

That is not to say that they should not be paying their fair share. That is not to say that corporations should not be paying their fair share. But I do not think that we can beat up on any one particular group.

I do agree that we have got to enforce the Internal Revenue Code a lot better. Latest estimates are that there is $100 billion of underground money, nontaxed income, that is not making its way into the system. Many people feel that that is the case because people are buying out of our system. It is too complex. And it is perceived to be unfair because of the many loopholes that were in the law.

But do not forget, we had a very comprehensive tax act called the Economic Recovery Tax Act of 1981 which closed many abusive tax shelters. There are many, many cases stacked up right now in the Internal Revenue Service on those abusive shelters, and I think we have come a long way, but we still have to come up with a tax reform bill that is perceived as fair by the public, so that they buy into it, so that everybody finds an excuse to pay taxes, not find an excuse not to pay taxes.

I would not beat up on just one segment of the population.

Mr. DORGAN of North Dakota. Mr. Speaker, will the gentleman yield one further time?

Mr. COBEY. I yield to the gentleman from North Dakota.

Mr. DORGAN of North Dakota. Mr. Speaker, let me say with respect that I could not disagree more with the gentleman's statement on the 1981 Tax Act and tax shelters. The statistics show that after the 1981 act shelters absolutely exploded in this country. I mean they have taken off like an airplane, and we are just now trying to control them. The reason they have been driven is because of an overly generous ACRS and the ITC and some other things. But the tax-shelter business has become the growth industry of the early 1980's because of the 1981 bill.

Mr. DIOGUARDI. Mr. Speaker, will the gentleman yield?

Mr. COBEY. I yield to the gentleman from New York.

Mr. DIOGUARDI. Mr. Speaker, there were incentives given to corporations. You are talking about the incentives given mainly to corporations on the leasing deals, and the accelerated depreciation, but I am referring to many of the individual tax shelters that played a very prominent role in the way the so-called rich dealt with their taxes, and I think much of that has been dealt with. We are nowhere near where we have to be. That is why we need a well-conceived tax reform act, and I hope that we get one.

I think the 1981 act did a lot to look at abusive shelters. What it did is it gave additional incentives. And maybe it is a matter of semantics. When that law was passed there was a need to give incentives for certain kinds of things, and it became perfectly legal to farm out investment credits and things like that. Maybe now we have to reconsider whether we went too far, and I think that is what we are doing with the current reform act. But there have been abusive shelters, and what I mean by an abusive shelter is a situation where someone invests money not for economic gain, but for just the tax benefits involved. And that is what we have to get away from.

I think that if we are going to encourage the use of the tax system it should be first to get people to invest in areas that are productive for the economy, that create jobs, that does something for the bottom line of this economy, and then give them incentive for doing that, and that is what I meant. I think the 1981 act did in many respects, especially with the shelters or the tax-motivated investments that affected individuals, do a fairly good job on that, but not enough.

Mr. DORGAN of North Dakota. Mr. Speaker, will the gentleman yield?

Mr. COBEY. I yield to the gentleman from North Dakota.

Mr. DORGAN of North Dakota. Mr. Speaker, I promised the gentleman I would not impinge further, but one additional point. What I meant by the 1981 act is the unleashing of the ingenuity of the most resourceful professionals in this country to discover how we can take a sewage system of an American city, package it up, and do say a leaseback so that rich folks can get the benefit of depreciation or the benefit of some tax advantage that goes with the private sector owning a sewage system and leasing it back to the city, or a college dormitory, or a city hall, dozens of other things that represented the sheltering, the packaging of shelters, selling them to individuals.

We have gone from deficits to the Tax Code and I guess they are intertwined. I would just say this: All of the gentlemen talked about the need to cast tough votes. I agree with that.

We have got to bite the bullet on dozens and dozens of spending issues. If the gentlemen are willing to, I am. And if we are all willing to do that, and we have a little leadership from Ronald Reagan on the issue, maybe we will get this job done. If we are not willing to bite the bullet, and if Reagan does not provide any leadership, we will talk right now just as we talked last year, the year before, and the year before that, about this plan that leads there, and it will not lead us there. We will not solve the problem without that leadership.

I appreciate the gentleman's generosity in yielding to me so that I could make that statement.

Mr. COBEY. Mr. Speaker, I appreciate the gentleman's input.

I yield to the gentleman from Texas [Mr. BARTON].

Mr. BARTON of Texas. Mr. Speaker, I would like to thank my distinguished colleague, the gentleman from North Dakota, for participating in this. I believe I am correct in that he is one of the few Members of this body who represents the entire State, which is a tremendous responsibility, and he is to be commended for it.

I support the gentleman's contention that we need leadership. I am happy to report that President Reagan has endorsed the Gramm-Rudman-Mack proposal. He thinks we need to get on with the business of reducing spending. Those of us that have been participating in this special order have endorsed it.

My question to the distinguished gentleman from North Dakota, given the opportunity to vote on Gramm-Rudman-Mack on this floor, does he plan to vote for it or against it?

Mr. DORGAN of North Dakota. It depends on how it comes out of the conference. I would expect it to be improved. I do not like the notion that we are going to do something after the next election. If we are going to do it, let us roll up our sleeves and get it done.

I also believe that while we do this spending job, we also need to force this President to understand that there has to be a complementary revenue side to it, and that is getting money from people who are not now paying their fair share of taxes. If we do one without the other, we are unfair to the American people. But if we get the proposal from the conference in a manner that represents a responsible way that says, "Look, let's roll up our sleeves here, let's not play games with this year's budget and allow for an increase in this year's budget for those that are running for election, let's not postpone the hard decisions until after the next election," I am going to vote for something like that. But the proof is in the pudding.

Mr. BARTON of Texas. I would point out to my distinguished colleague that our motion to instruct the conferees passed overwhelmingly.

Mr. DORGAN of North Dakota. And I voted for it.

Mr. BARTON of Texas. It was supported by the gentleman from North Dakota, as well as the majority leader, and I think the vast majority of Members on both sides of the aisle. It very

explicitly stated that we supported the Gramm-Rudman concept in general.

I would also like to point out that Members from the gentleman's side of the aisle, the Democratic Party—one of the improvements that they have proposed, as of yesterday anyway, was to reduce the deficit level allowed in this spending year to $172 billion. They wanted it more stringent, which I support, if we make it binding and make it part of the budget reconciliation process that the various appropriation and authorizing committees have to meet those targets this gentleman would support that.

I am not aware of any comprehensive alternative in the conference committee to substitute for the general Gramm-Rudman approach. Is the gentleman from North Dakota aware of an alternative?

Mr. DORGAN of North Dakota. I am not a conferee, and I am not aware of what alternatives might be available. I do know that there have been a lot of questions asked about Gramm-Rudman, and the answers are rather fuzzy, but I hope something comes to this floor that makes sense, that is workable, that gets at the business of moving in the direction toward solving the fiscal problem and doing it now.

Mr. BARTON of Texas. Well, I look forward to the support of the gentleman from North Dakota, and of many other gentlemen from his side of the aisle. It is obvious that the Republicans do not have the votes to pass it by ourselves. We have 182 Members; the gentleman's party has got 253. We need 218 to pass it.

□ 1730

So if the gentleman from North Dakota will work with us to get the requisite 218, I believe we can help the Nation and help current and future citizens of this country.

Mr. DORGAN of North Dakota. I do confess that when I use the phrase "bite the bullet," it is a habit I picked up from a debate in 1981 by Mr. GRAMM, who promised a great many things from the package offered then. So we want to know what is in the package and that is the reason we are going through the very difficult deliberations in the conference committee. I hope something comes of it that makes sense to this country.

Mr. BARTON of Texas. Good.

Mr. COBEY. Mr. Speaker, I yield now to the gentleman from New York [Mr. DIOGUARDI].

Mr. DIOGUARDI. I thank the gentleman for yielding.

Mr. Speaker, the gentleman talked about spending before. I do not think we should miss the opportunity to talk about waste in this country, because I think it usually boils down, when we talk about something like Gramm-Rudman-Mack, to programs that have to be cut, spending that has to be cut, and we forget about the fact that a lot of things that are being done structurally in Government are inefficient.

I just came out of a meeting of a task force in connection with the Grace caucus. It is a group that was put together of Democrats and Republicans, and we are trying to find out those recommendations of the Grace Commission that are easily implemented. Maybe it is not $424 billion, but when we look at it, it seems to me that we can make a commonsense argument for a good $50 billion or $100 billion.

I think it is important to look at the way we are spending our money and getting under the numbers. As a certified public accountant, and one of the few elected to Congress, I would like to talk a little bit about the numbers and to show how critical it is to have a plan to balance the budget.

Everyone knows that we are facing this year a $2 trillion debt ceiling. Everyone knows that is the accumulated deficit. But as far as I am concerned, as horrible as that may sound, that is the good news. That is what is on the books. We use a Mickey Mouse accounting system, called a cash basis, to measure what is happening in this country, and I believe that a lot of economic reality is not on the books of this country.

If we used the system that we impose on business through the SEC, so that you, as a shareholder, could buy their stock—if we used something anywhere near that, we would be talking about debt that was far in excess of $2 trillion. As a matter of fact, there is a prototype statement put out by the Comptroller General and the Secretary of the Treasury. They just put one out a couple of weeks ago. It is called, "The Consolidated Financial Statements of the United States of America," and the last statement is as of September 30, 1984. We are about 1 year behind in that. You would find that the debt section of our country is not $1.8 trillion or $2 trillion. When we put all the debt, as we would impose on business to measure, we are more like $4½ trillion.

So we are playing games with ourselves. We are passing on to the next generation a lot of obligations that are not only on the table, but a lot of obligations that are disguised.

Just take Social Security. People say to me, "Joe, we cannot have a situation where we cannot raise revenues. The only way to handle this deficit is to raise revenues."

I came to Congress recently. I am a new Congressman, and I campaigned on the fact that we should not raise revenues; that we should look at the waste in Government and bring spending under control in that way.

But when we look at the situation now, I am firmly convinced we should not raise revenues. Why? There is not structural discipline in this system to deal with revenues. If we bring in new revenues, there will be a line of Congressmen ready to spend that money on some new program.

Look at Social Security as a typical example. It was meant to be and is called a trust fund. It has a separate payroll tax to fund it. It has a separate set of books. Yet, someone found, in the 1960's, a convenient way to meld the Social Security surplus with the deficit under something called the Unified Budget Act. I believe it was President Johnson. So everyone talks today about the $100 billion we have in the Social Security fund, and I say, "Where is it?" We ended up with a $230 billion deficit, and you know that we scraped and scrounged to reduce that by $50 billion.

Did you know that we had already offset the deficit by the $100 billion of Social Security? So theoretically we would have had a $330 billion deficit without this gimmick of melding the Social Security surplus, which is in a separate trust fund, with the deficit.

What does that mean to our kids? You do not have to be an actuary to figure out that by the year 2000, more people are going to be taking out of the Social Security System than putting in, with the graying of America. That is not the case right now. More people are putting in than taking out.

But what that means is that in the year 2000, our children and grandchildren will have to find that $100 billion, and every dollar that we take from that system between now and the year 2000, plus raise the money for Government as well.

So I think it is time that we got our act together, and I think it is time that we looked at a plan. I think we need Gramm-Rudman-Mack for that very reason. It may not be perfect, and hopefully the conferees will work out the amendments that are needed to make it right, but the public is starving for a plan to balance the books of this country.

Why are interest rates now close to 10 percent, the prime rate 9½ percent? The bankers will tell you that the real interest rate is only 2 percent above the inflation rate. Inflation is below 4 percent. Why are interest rates not at 6 percent? Because the public is cynical. The public does not believe the Government is going to get its act together. They are already hedging against renewed inflation. They are hedging against higher interest rates, and that is why we have interest rates at 9½ percent.

If we could give them a plan, if we could send them a signal that we had a plan to balance the books of this country to get rid of that deficit in 5 years, maybe even 10 years, I think we would restore credibility to the system, credi-

bility to this body, and see interest rates drop before our very eyes.

Think about it. We have to borrow this year $150 billion just to pay the interest on the debt. We do not have the money to pay the interest. We have to go out and borrow that. That means next year we are going to have an additional $150 billion of bonds that we have to pay interest on. We are now paying an average rate of, what, somewhere around 9 or 10 percent? If we could drop the interest rate by 3 percent, that is one-third. That means we will save $50 billion next year just on the interest if we could send a signal that we mean to get our act together. That is $50 billion. Now we are on a roll. This thing could become a self-fulfilling prophecy and we might see the books balanced even sooner.

I would just like to read a couple of excerpts from an op-ed piece that was in the New York Times. I am one of the authors of this, along with Congressmen CHENEY, MACK, MICHEL, and LOTT.

People say, "Hey, Gramm-Rudman is not going to work. It is too complex. It gives too much power to the President. We need more time to study it." I say that we are running out of time and we have to get right to it. I would like to read from this editorial, if you would, just a few points on why I think it is important.

If, in the private sector, a manager knows his or her budget will be cut, necessity will force that manager to implement management changes that reduce cost, increase efficiency, and promote productivity.

So what we are saying is that if we had a system to balance the books over 5 years, we would send a signal to the managers here in Government that they had to start thinking ahead, they had to start thinking strategically, more than 1 year. We have a tendency to focus in on 1 year at a time here. That is a very inefficient way to do it.

The legislation at issue would finally induce bureaucracies to do what businesses do every day: evaluate efficiency, or the lack of it, and make the adjustments necessary to get the job done within specific budget parameters.

Peter Drucker, the private-sector management consultant, consistently states that in the context of management, "less is more," meaning that fewer levels of bureaucracy increase efficiency. No one can argue that over the years, bureaucracies—like layers of sediment—have grown, with little apparent benefit to what should be the bottom-line concern: accountability to the taxpayer.

I do not think we have that here.

The Balanced Budget and Emergency Deficit Control Act will force a healthy reevaluation of priorities in public sector programs and in the administration of these programs. There is nothing wrong with sending a signal to the public sector, be it the Pentagon or the Department of Health and Human Services, that the time has come to clean house.

Mr. Speaker, I include the full text of this editorial for the RECORD.

The full editorial is as follows:

[From the New York Times, Oct. 15, 1985]

HOW TO BALANCE THE U.S. BUDGET BY 1991

To the Editor:

Your lead editorial of Oct. 4, "The Balanced Baloney Act," is replete with arguments why the Balanced Budget and Emergency Deficit Control Act of 1985 cannot be seriously considered as a vehicle for deficit reduction. In fact, this legislation is precisely the logical way to attack the deficit, and there is no question that it offers us the opportunity to send a message to the American people and to the financial markets that Congress means business.

You say that "aiming at zero [as a deficit target] is arbitrary, perhaps dangerously so." Baloney. Goals are by definition arbitrary. If you fail to articulate a goal, the means to achieve the objective are less clear. The argument in favor of a balanced-budget program like the Gramm-Rudman-Hollings legislation is that it places an institutional bias on savings, efficiency and productivity in Government.

If in the private sector a manager knows his or her budget will be cut, necessity will force that manager to implement management changes that reduce cost, increase efficiency and promote productivity. The legislation at issue would finally induce bureaucracies to do what businesses do every day: evaluate efficiency, or the lack of it, and make the adjustments necessary to get the job done within specific budget parameters.

Peter Drucker, the private-sector management consultant, consistently states that in the context of management "less is more," meaning that fewer levels of bureaucracy increase efficiency. No one can argue that over the years bureaucracies—like layers of sediment—have grown, with little apparent benefit to what should be the bottom-line concern: accountability to the taxpayer.

The Balanced Budget and Emergency Deficit Control Act will force a healthy re-evaluation of priorities in public-sector programs and in the administration of these programs. There is nothing wrong with sending a signal to the public sector, be it the Pentagon or the Department of Health and Human Services, that the time has come to clean house.

You also state that "forcing its achievement could, depending on economic conditions, start a recession or stifle a healthy recovery." This logic is completely backward. If we do not force its achievement, then we may risk a recession or stifle a healthy recovery. In the real world beyond the editorial offices of The Times, it is clear that our high real interest rates and high dollar are the result of excessively high deficits and an inability to control Federal spending.

The Gramm-Rudman-Hollings bill in the Senate and the Mack-Cheney companion bill in the House are a clear signal to the American people and the world financial markets that there is indeed a workable blueprint for achieving a balanced-budget by fiscal year 1991.

Opponents of the legislation say more time is needed to study the deficit. We believe we have had enough time to study the issue. What we need now is action, not more debate and foot-dragging. The time to act is now!

CONNIE MACK,
ROBERT MICHEL,
RICHARD CHENEY,
TRENT LOTT,

JOSEPH J. DIOGUARDI,
WASHINGTON, *October 7, 1985.*

So in conclusion, Mr. Speaker, I would like to say that I am strongly in favor of Gramm-Rudman-Mack. Hopefully, it will be refined so that we can get some of the kinks out of it that we have heard about, but we need a plan to balance the budget. We owe it to our kids. We cannot keep passing on this deplorable legacy of debt. We have to get rid of this credit-card mentality in this country where we keep raising the limit and passing it on to the future generations.

Mr. COBEY. I thank the gentleman from New York for his valuable comments.

Mr. Speaker, just to wrap up this special order time, I appeal, I beg, I implore my colleagues to back Gramm-Rudman-Mack and let us get some control into the system. Let us give the American people some hope and let us balance this budget in short order.

RECALL THE VERTICAL RESTRAINTS GUIDELINES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. FISH] is recognized for 10 minutes.

Mr. FISH. Mr. Speaker, yesterday I introduced House Resolution 303, a revised version of House Resolution 278, expressing the sense of the House that the "Vertical Restraints Guidelines" published by the Department of Justice on January 23, 1985, do not have the force of law, do not accurately state current antitrust law, and should not be considered by the courts of the United States as binding or persuasive. I did so with broad cosponsorship, both within and outside the Judiciary Committee.

By way of background, the "Vertical Restraints Guidelines" were issued without benefit of broad public participation in their formulation. As a statement of Government enforcement policy, they are analogous to regulations and have a major impact on decisions made in the private business sector with regard to price-related vertical restraints of trade. They are the practical equivalent of the Justice Department's filing an amicus brief in every court in the land.

The "Vertical Restraints Guidelines" are demonstrably in error, however, in their representation of Federal antitrust law and of congressional intent with regard to its application to resale price maintenance and other price-related restraints of trade. The most egregious example of this is the invitation to a supplier to evade the rule of per se illegality first applied by the Supreme Court in *Dr. Miles Medical Co.* v. *John D. Park & Sons Co.* (220 U.S. 373) (1911). The Supreme Court has since reaffirmed this holding whenever it has confronted the issue of vertical price restraints. Congress has done no less in passing the Consumer Goods Pricing Act of 1975, which ended the

antitrust exemption for State fair trade laws and so established a uniform national policy of per se illegality for resale price maintenance.

Despite this, the Vertical Guidelines provide in section 2.3:

If a supplier adopts a bona fide distribution program embodying both nonprice and price restrictions, the Department will analyze the entire program under the rule of reason if the nonprice restraints are plausibly designed to create efficiencies and if the price restraint is merely ancillary to the nonprice restraints.

In short, all one has to do is add enough "plausible" nonprice restrictions to a vertical price-fixing scheme to make the latter "merely ancillary" and the entire distribution program will be analyzed by the Department under its efficiency-weighted rule of reason. This is not what current antitrust law provides or intends.

I am very pleased that the resolution proper of House Resolution 278—that is, without the preamble—has been incorporated into the fiscal year 1986 appropriations bill for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies, H.R. 2965, by an amendment to section 605 adopted in the Appropriations Committee in the other body. I fully support such action. It is highly important, however, to proceed with the resolution I introduced yesterday in order to allow the House to go on record with reference to the departure of the Vertical Guidelines from existing antitrust law, as set forth in detail in the preamble, and to drive home to the Department of Justice the seriousness with which this body regards any attempt to divert enforcement of our antitrust laws.

House Resolution 303, the revised resolution which I introduced yesterday, differs in two respects from House Resolution 278. It is even more explicit in detailing the ways in which the guidelines are inconsistent with existing law, drawing for that purpose from a lengthy analysis of the resale price maintenance issue and the Vertical Guidelines which appears in the House Judiciary Committee report on the fiscal year 1986 Department of Justice authorization bill, H.R. 2348 (H. Rept. 99-113). Second, it eliminates references to the need for procedural fairness and public participation in the preparation of such guidelines, because that is a separate issue which perhaps should be disentangled from the question of the legitimacy of these particular guidelines. The fairness issue is squarely addressed, however, in a bill which I introduced last March, H.R. 1467, to require the antitrust enforcement agencies to meet procedural due process requirements, including notice and an opportunity for public comment, before enforcement guidelines are issued in final form. Businesses and other affected parties should be given an opportunity to comment on agency guidelines that ultimately govern their commercial conduct and affect their very livelihoods before such guidelines go into effect. The Antitrust Procedural Fairness Act is extremely important legislation which is attracting the interest and support of a number of Members of the antitrust bar.

Mr. Speaker, I am particularly gratified that Chairman RODINO of the Judiciary Committee has joined in this resolution and is providing his enthusiastic support. I anticipate that this measure will move swiftly through committee and to the floor, and I hope that when the House has an opportunity to consider it that it will receive the strong endorsement which it most clearly deserves.

The text of House Resolution 303 follows:

H. RES. 303

Whereas on January 23, 1985, the Department of Justice published a document entitled "Vertical Restraints Guidelines", for the stated purpose of explaining Federal policy for enforcing the Sherman Act and the Clayton Act with respect to nonprice vertical restraints of trade;

Whereas such policy guidelines extend beyond the matter of nonprice vertical restraints of trade and propose the avoidance of the per se rule of illegality applied by the Supreme Court in 1911 in *Dr. Miles Medical Co.* v. *John D. Park and Sons Co.*, 220 U.S. 373, to price-related restraints of trade and subsequently applied by the Supreme Court and endorsed by the Congress on many occasions;

Whereas such policy guidelines are inconsistent with established antitrust law, as reflected in Supreme Court decisions and statements of congressional intent, in maintaining that such policy guidelines do not treat vertical price fixing when, in fact, some provisions of such policy guidelines suggest that certain price fixing conspiracies are legal if such conspiracies are "limited" to restricting intrabrand competition; by blurring the distinction between price and nonprice restraints in analyzing a distribution program containing both types of restraints, thereby qualifying the accepted rule that vertical price fixing in any context is illegal per se; in stating that vertical restraints that have an impact upon prices are subject to the per se rule of illegality only if there is an "explicit agreement as to the specific prices"; in stating that restraints imposed by a manufacturer at the request of dealers are vertical in nature and therefore not subject to the per se rule of illegality; in aggregating the factors of collusion and foreclosure, thereby failing to distinguish adequately between the separate antitrust concerns associated with vertical territorial restraints and with exclusive dealing practices; in stating that less than absolute territorial restraints are "always legal"; and in arbitrarily specifying a 30 percent minimum market share in the typing product for assessing the legality of tying arrangements;

Whereas such policy guidelines state that the Department of Justice may refuse to attribute to corporations the illegal conduct of their low-level employees acting within the scope of the authority conferred upon such employees by such corporations, contrary to the common law of corporate responsibility and agency in the antitrust context;

Whereas the general business community would be at risk if it accepted and relied upon such policy guidelines as an accurate statement of existing Federal antitrust laws in the area of vertical restraints of trade;

Whereas such policy guidelines relate to an area in which the Department of Justice has brought no enforcement actions in more than 4 years and may have been published, in part, as an attempt to influence the courts of the United States to pursue a very narrow and limited vertical restraint analysis in deciding private enforcement antitrust cases;

Whereas previous antitrust enforcement policy guidelines issued by the Department of Justice have been substantially based on existing jurisprudence and congressional intent, and therefore have been given considerable weight by the courts of the United States in evaluating the facts in antitrust litigation; and

Whereas the "Vertical Restraints Guidelines" may affect the development of antitrust law to the detriment of competitive pricing of branded goods and services by direct or mail order retailers: Now, therefore, be it

Resolved, That it is the sense of the House of Representatives that the antitrust enforcement policy guidelines stated in "Vertical Restraints Guidelines", published by the Department of Justice on January 23, 1985—

(1) are not an accurate expression of the Federal antitrust laws or of congressional intent with regard to the application of such laws to resale maintenance and other vertical restraints of trade;

(2) shall not be accorded any force of law or be treated by the courts of the United States as binding or persuasive; and

(3) should be recalled by the Attorney General.

□ 1740

BALANCED BUDGET

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California, [Mr. DANNEMEYER] is recognized for 60 minutes.

Mr. DANNEMEYER. Mr. Speaker, during the course of the last hour and one-half, we have heard various Members talk about the problems of balancing the budget. During the course of this special order, I would like to talk a little bit about the necessary policy option that the Congress should pursue in order to achieve that objective.

We should reflect on the fact that within the past 2 weeks, the Congress has adopted a budget reconciliation package that will reduce spending in fiscal year 1986 by some $20 billion, $60 billion over 3 years. Our announced goal earlier this year was to reduce the projected deficit by $50 billion. Unfortunately, the $50 billion was not achieved and we achieved a reduction of only $20 billion.

But we should also note that we will borrow in this fiscal year, 1986, almost $200 billion, and the added interest expense, which becomes then the base for future years, will be about $20 billion, $16 billion to $20 billion. So it is almost a push in the sense of the impact on the projected deficit.

We strain to find areas where we could cut $20 billion. Most of that will come in reduction of projected increases in the defense budget. And on the other hand, as I have just indicat-

ed, we will add to the interest expense roughly $16 billion to $20 billion as a result of the money we will borrow.

So what is the answer in terms of reaching our goal of balancing the budget? I think it is high time that we talk about the third highest item on the budget: interest on the national debt, projected in this year to be some $142 billion. Our challenge is to find a means of squeezing the inflation premium out of that lending rate that everyone in America has to pay.

The Federal Government is paying at least 5 points more than it should be paying on almost $2 trillion, or about $100 billion a year, in excessive interest payments as a result of this Nation's currency not being backed by anything. Since August 1971 this Nation has been engaged in an unfortunate experiment with paper money, and I think it is high time that the political leadership of our country talk about restoring this historic relationship between the dollar and gold.

I would like to cite some factors that are on the horizon that all of us must consider as reasons why we should be talking about squeezing the inflation premium out of the interest payment that the U.S. Government must pay. Today, 15 to 20 percent of the farmers in this country are in default. Third World nations around the world, particularly south of our border, in Mexico, Argentina, and Brazil, they are unable to pay the interest on the debt, let alone the principal. These countries are involved in additional loans at this time.

When a banker is in the process of lending more interest money to a borrower so that the borrower can pay interest, you can be assured that that borrower is in deep trouble. But the size of these debts by these Third World countries is so large that if they become nonperforming, those debts are then offset against the earnings of the bank. And if that is not enough to offset, then they are offset against the equity in the bank. And if that is not enough, they are going to come down to us in Congress and ask us to bail them out, and then we will be faced with placing such an explosive quantity of new money into the banking system to bail out those banks that we will ignite the fires of inflation in this country once again.

This Nation has a $160 billion negative trade balance with the rest of the world. And what is ever more tragic to the younger people in our country today is about 70 percent of our young people are priced out of the ability to own their own home. In 1968, it was just the opposite, 70 percent of our people could participate in the American dream and buy their own home. But anybody buying a home today has to pay about a 5-percent premium in the lending rate. That 5 percent you can calculate on a $100,000 mortgage is costing you about $400 a month. It is a tragedy what all of this deficit financing, high interest rates have brought to the American people.

□ 1755

So I have a series of questions here that I would like to ask the Members because I think they are appropriate and focus attention on this issue. I want to acknowledge that the source of these questions was Antal E. Fekete, who was a professor at the University of Newfoundland, an economist by profession, and I think the questions and answers that he has formulated place this matter in good perspective. There are 25 of them.

1. First things first: What should the first item be on the national agenda, inflation, unemployment, tax reform, or constitutional amendment to bar budget deficits? The first item on the agenda should be the prevention of a prolonged deflation similar to the one in the 1930's, which would ruin much of the economy of the United States. Every inflation in history, which did not wipe out the value of currency, was followed by a deflation that restored the rate of interest to its natural level, so that labor and capital could, once again, compete with the yield of government bonds. The only way to prevent a protracted deflation in this country, the only way to bring down the rate of interest to its natural level at once, is resumption.

2. What is resumption? Resumption is the return by the government to gold redeemability of the currency at a rate of exchange fixed by statute. In the United States, constitutionally, the responsibility for resumption rests on the shoulders of Congress.

3. Why resumption? Historically, every experiment with irredeemable paper money has been followed by resumption in less than 25 years, often much sooner, sometimes after a bloody revolution and economic ruin, or total loss of the value of currency. Economic science has not yet discovered the secret of making something out of nothing, nor is it likely to make this discovery in the future. The proposition that irredeemable currency is a permanent condition in human affairs is tantamount to saying that the government can make something out of nothing. The sooner we disabuse ourselves, the better. In the world of reality even the government has to make ends meet, and worry about the deterioration of its credit. From this vantage point resumption appears inevitable. The only question is whether Congress can muster up the political will to put the issue on its agenda before the economy of the country is further destabilized by the irredeemable dollar.

4. What are the signs that the credit of the United States has deteriorated? There are two criteria whereby the credit-worthiness of a debtor with a record of past borrowing can be assessed: 1. the rate of interest at which lenders are willing to extend new credits, 2. the duration for which the new loans are granted. The credit of the United States has greatly deteriorated since the halcyon days of 40 year bonds yielding 2¼%, eagerly snapped up by safety-conscious investors. Every time the maturing debt is rolled over, the maturity shrinks and the Treasury is forced to promise a higher return. Since the credit of business cannot be better than the credit of the government, credit conditions have generally deteriorated in this country.

5. Can government bonds bankrupt business? Yes, they can. It is one thing for the Treasury to print bonds to which coupons with double digit rates are attached. Another thing is for business to produce a return on invested capital at a rate better than the double digit printed on government bonds. Business producing a net return at a single digit rate is rendered submarginal outright. Nobody in his right mind would take the risk of investing in capital to produce a return at single digit rates, if he can get a return from a risk-free government bond at a double digit rate. Nor is this a question of government borrowing "crowding out" business borrowing. It is a matter of handing down a death sentence for business unable to produce a return to capital at double digit rates.

6. Can government bonds create unemployment? Most certainly they can. Wage earners are not equally productive. The jobs of those individuals at the lower end of the productivity spectrum are placed into jeopardy by the high yield of government bonds. The employer of workers will keep a man on the job only if the man can produce a net return on invested capital at a rate in excess of the yield on the government bond. Whether we like it or not, all wage earners are forced to compete with the "productivity" of government bonds, measured by the yield. If the wage earner fails to meet this test, his employer would be better off if he laid off the worker, sold out his capital equipment, and put the proceeds into high-yield government securities. The fact that the employer often finds it impossible to sell out is no consolation. In that case, he will let the capital goods complete their amortization cycle and then scrap them. For the wage earner this is but a stay of execution, not the end of the agony. The unemployment caused by the high yield government bonds is concealed by a time lag of variable duration, depending on the life of capital goods. Ultimately, unemployment is a certainty.

7. What is meant by the natural level of the rate of interest? As we have seen, the rate of interest is equal to the rate of marginal productivity of labor and capital in the country. Labor and capital, which can only produce a return at a rate below the rate of interest, cannot find employment. Therefore, if monetary policy allows the rate of interest to rise dramatically and drastically, as it has in this country, then large segments of the labor force, and large parts of the capital park are rendered submarginal. This insight shows that the rate of interest is at its natural level when it allows all those who are eager to earn wages to find employment, and when it allows the capital goods already in existence to stay in production, for the rest of their useful lives. In other words, the natural rate of interest is the rate which allows labor and capital to compete against the "productivity" of government bonds.

8. What causes the rate of interest to rise drastically? A drastic rise in the rate of interest could be caused by economic factors, e.g., during the reconstruction period in the wake of a natural disaster or war destruction. The rationale is that it is in everybody's interest to get over the reconstruction period and return to normalcy as quickly as possible. In order to accomplish this, the limited resources must be used optimally, in combination with the most productive segment of the labor force, and with the

most efficient part of the surviving capital park. Under these conditions the jump in the marginal productivity of capital and labor is justified. Once the reconstruction is well under way, usually within a year or so, the rate of interest can speedily return to its natural level, allowing the less productive segment of the labor force, and the less efficient part of the capital park, to find employment once more.

The drastic rise in the rate of interest in the United States in recent years has no such economic justification. It was politically motivated by the managers of irredeemable currency, and their academic mentors. It was engineered as a stopgap, to save the irredeemable dollar from immediate ruin, at the expense of labor and business, at the expense of the producers of real wealth in this country.

9. Is it possible to bring down the rate of interest to its natural level slowly?

If the rate of interest was to decline from double digits to its natural level, say, to 2 percent, over a period of several years, then this would mean an unprecedented boom in the bond market, and an unmitigated disaster for the producers of real wealth. Bond speculators would pocket a 400 to 500 percent capital gain. But these gains would be make by ruining a large number of businesses and putting much of the labor force out of work. This would be the biggest deflation in the history of this country. By comparison, bond speculators in the 1930's reaped only a 100 percent capital gain, as the yield on long term government bonds declined from 4 percent to 2 percent, which was sufficient to idle much of the country's productive resources. The long road to low interest rates is strewn with dangerous pitfalls.

10. Is it possible to bring down the rate of interest to its natural level at once?

Yes, it is possible, and this is exactly what should be done. If the Congress issued Eagle Bonds (so named as principal and interest would be guaranteed and payable in Eagle gold coins), then these bonds would command a high and stable value, which translates into low and stable rate of interest, approximating the natural rate. Thus labor and capital could once more compete with the "productivity" of government bonds. This reform could be carried out, literally, overnight. Confidence in the economy would return at once, as the threat of high yield government bonds was removed. Resumption could follow the successful floating of the Eagle Bonds.

11. What are the important historical precedents of resumption?

The three most significant precedents are: 1821, by Great Britain, after the inflation of the Napoleonic Wars; 1879, by the United States, after the inflation due to the Civil War; 1925, by Great Britain, after the inflation due to World War I. The judgment of economic historians on these resumptions is not favorable. They considered that the resumptions were failures, to be blamed for the accompanying deflation. They did not analyze the policy mistakes made in carrying out the plan for resumption.

12. What was the major policy mistake made in connection with the historic resumptions?

The mistake was not the decision to resume, but the failure to prepare the ground for resumption by restoring the rate of interest to its natural level prior to resumption. In consequence the deflation, already in progress, had so much further to go after resumption. Economic revival was therefore not instantaneous, but came only after more economic distress. This gave the gold standard a bad name suggesting that it was synonymous with deflation and unemployment.

13. What is deflation?

Deflation is the necessary correction that follows every inflationary adventure. The rate of interest has to be brought down to its natural level. Deflation is commonly identified with declining prices, causing widespread business failures and unemployment. This is wrong. It is not declining prices, but the combination of declining prices and declining interest rates—especially if the decline is protracted—which is causing bankruptcies and unemployment. The mirror image of declining interest rates is a booming bond market, syphoning off the lifeblood of the economy, rewarding the bond speculator, taking his reward out of the hide of labor and productive people. In summary: inflation=booming commodity market+collapsing bond market; deflation=booming bond market+collapsing commodity market.

14. Is deflation a natural disaster, beyond human control?

It is not. Deflation is engendered by human folly and could be prevented by shunning the temptation of inflation. After inflation has taken place, deflation is inevitable but intelligent monetary and fiscal policy would make it a very brief episode, a shock therapy to be sure, but one that cannot do lasting harm. A quick deflation, bringing down the rate of interest to its natural level is, in fact, salutary. It puts the country back to work right away. Only protracted deflation is ruinous.

15. Was the gold standard responsible for previous deflations?

No; the gold standard was used as the scapegoat and convenient whipping boy, but the real cause for protracted deflation was inept monetary and fiscal policy, the wrong way of financing relief, and the counter-productive policy of pump-priming through government spending. Public relief and public works were financed through the sale of government bonds. This was counter-productive as the new issues of government bonds made the decline in the rate of interest—which in the absence of these issues would have been very quick—a much more prolonged affair. Pump-priming through public works financed by the sale of government bonds turned a 24-hour flu into a chronic disease lasting for a decade. The gold standard had no part in it. The same thing may be happening today, under the regime of irredeemable currency.

16. If irredeemable currency is bad without redeeming features, why don't our politicians tell it as it is?

For the most part, it is ignorance. Currency, credit, and circulation are complex matters, and charlatanism is rampant. The majority of well-meaning politicians has fallen victim to quackery peddled at our universities as monetary science, to the exclusion of sound theory. But there is a minority of politicians who knowingly and willingly support the regime of irredeemable currency, in spite of the great harm it does to the dynamic producers in the country. These politicians realize that this regime alone makes the usurpation of powers—reserved by the Constitution to the people, vote-buying, simony, corruption, etc., possible. They have vested interest in perpetuating such a system.

As Stephen Leacock, the Canadian humorist and economist said in 1932: "What does the regulation of the money supply mean? If it means anything at all, it must mean that there will be three men in a room somewhere, who will expand the money supply and then contract it, and boost prices up and down. If that time ever comes, I want to be one of the three, or at least a warm personal friend of all three." Leacock had no illusions; he told it as it was: "the three-men-in-a-room stuff will do for Soviet Russia; it will not do for us. You cannot have a system of social control dependent upon the will of three men in a room. You cannot have prices which are moved up by a group in control. You cannot have wages which can be shifted down in their purchasing power by the monetary caste. The three men, when they move prices up and the purchasing power of wages down, would follow, or would be tempted to follow, all sorts of self-seeking ends. You cannot run society like that. The monetary standard must be based on things, and not on the opinion of men. If you try to have one based on the interest of pressure groups, you have started the biggest human exploitation you can possibly imagine."

17. What are the steps involved in resumption?

The first step is for Congress to provide for the coinage of gold into Eagle coins, as per the Gold Standard Act of 1900, for private as well as for government account. This will put gold back to work, gold which now lies unused and unemployed at the bottom of public and private vaults. The second step is D-day, when the Treasury starts marketing the new Eagle Bonds with 40 year maturity, to yield 2¼ percent. D stands for "declaration": the Treasury declares its intention to replace the short term government debt financed at high interest rates by long term debt financed at low interest rates. The third step is R-day. R stands for "resumption". On that day Congress will fix the rate of exchange between the paper dollar and the Eagle currency.

18. The exchange of the 12 percent paper dollar bonds for 2¼ percent Eagle Bonds would be a repudiation of the public debt, would it not?

No. Replacing an irredeemable promise by a redeemable one is no repudiation. It is the exact opposite of repudiation. The promise of 12 percent yield on the paper dollar bond is not a credible promise, nor is it an honest one. The government cannot make good on that promise except by paying back depreciated dollars to the bondholders, or by breaking the back of the productive elements in this country.

19. Why would people prefer the 2¼ percent Eagle Bonds to the 12 percent paper dollar bonds?

The bondholder would act in his own best interest. The Eagle Bonds are better than gold (in that they are an equivalent of gold, paying interest in gold), let alone paper bonds. The paper dollar bond is paper, promising to pay nothing more substantial than another piece of paper. The bondholders know, if anybody does, that gold is gold, and paper is paper. Since the Treasury is under no legal obligation to exchange paper bonds for gold bonds, it is reasonable to assume that the bondholders will grab the Eagle Bonds and run, before the Treasury changes its mind, which it might well do. The bondholder clinging to his paper bond would run the risk that the Treasury might recall the paper bonds on R-day. True, the bondholder could sue the Treasury for breach of contract, but his chances of winning are none too good, and this is putting it mildly. Resumption is not merely a change

of the standard of value. It is a reform involving the whole superstructure of debts and deferred payments. It is unreasonable to expect that arrangements made for deferred payments under a depreciating currency standard are legally enforceable under the gold standard with stable currency value. Whoever has heard of a gold bond promising to pay 12 percent interest?

20. Would slack demand for the 2¼ percent Eagle Bonds put resumption into jeopardy?

No. Slack demand would mean that the Treasury would have to go into the open market and bid for cash gold, in order to be able to meet its maturing short term debt after R-day. This would tend to raise the market price of gold, suggesting that the exchange rate between paper dollars and gold, to be fixed by Congress on R-day, would be higher than anticipated. This would make the Eagle Bonds more attractive. Gold should start moving to the coffers of the Treasury as soon as the speculators were convinced that the Treasury meant business.

21. But a high official gold price would be inflationary, would it not? No. Inflation is a combination of rising prices and rising interest rates. Prices cannot rise as long as interest rates are stable. If inflation followed resumption, then not the high official gold price, but inept fiscal and monetary policy is to be blamed, for allowing the interest rate to rise again. In the absence of such a rise, it is naive in the extreme to assume that holders of gold would take profit and go on a spending spree, bidding up commodity prices. The theoretical and historical evidence shows that prices and interest rates would be far more stable under the new gold standard, than they have been under the regime of the irredeemable dollar.

22. Would foreign governments follow the monetary leadership of the United States and resume? They would have everything to gain, and nothing to lose, if they did. They would enormously strengthen public credit, would stabilize their domestic money and credit markets, and would open up new vistas for their export industry and trade. Only weak and authoritarian governments, apprehensive of the good will of their own citizens and creditors, would keep their markets in straitjacket by hanging on to their depreciating currencies. In doing so they would act against the interest of their people who, as a consequence, could not partake the triumph of economic revival in the most civilized parts of the world.

23. Is there enough gold to support an international gold standard? The answer is an unqualified "yes". Contrary to folklore, gold is not scarce. Gold is the most abundant commodity known to and produced by man, as measured by the ratio of stocks to flows. It is precisely this fact which makes gold far more eligible than any other commodity to serve as standard of value. The abundance of gold is due to its constant marginal utility. In this respect gold is unique: while other goods decline in value when the existence of large and growing hoards is revealed, gold is impervious to hoarding. What makes gold scarce is the abuse of credit, sending gold into hiding or to places where credit is not abused.

24. What would happen if the U.S.S.R. or South Africa tried to sabotage the international gold standard by gold dumping? They are welcome to try.

It costs real resources to produce gold, even in the U.S.S.R. Gold is a form of wealth. These governments would give up this wealth only in exchange for another form of wealth more desirable or more useful to them. At any rate, the abundance of gold flowing to these shores would be a good sign, a welcome sign. It would further reinforce the credit markets, boost trade, production, and capital accumulation in this country. The wealth of the country would grow. The specter of unfriendly governments dumping gold in order to embarrass the United States is a red herring.

25. What should be done to ensure that the humiliation of August 15, 1971 (the day President Nixon repudiated the obligation to pay gold at the rate of $35 per oz. to foreign creditors) is never repeated after resumption? The gold standard should not be abused and compromised as it was by the Roosevelt Administration in 1933, by devaluing the dollar for no good reason and to no good purpose. The Federal Reserve Act of 1913 should be enforced. In particular, government bonds are not eligible as assets held against the note and deposit liabilities of the Federal Reserve banks—only gold and real bills are. Congress should not abridge the citizen's right to convert his gold into gold coin of the realm at the Mint, nor his right to hoard, to melt, or to export the gold coin of the realm in his possession. Congress should not pass legal tender laws. Fiscal policy should serve one aim, and one aim only: to maintain the credit of the government at the highest possible level. The purpose of taxation is to raise revenue to cover essential public expenditure, and not social engineering or economic fine-tuning. Borrowing should be undertaken by the government only if it is clearly seen that the debt can eventually be repaid. The government debt should be financed only through long term bonds. The issue of Treasury bills should be severely limited in time and in amount as well. A sinking fund should be set up to protect the value of government bonds. If the rate of interest increased as a result of natural disaster or war destruction, then the government debt should be refinanced at the higher rate. Profligate and frivolous government spending must be exposed as waste at best, and as vote-buying at worst. Monetary policy has one aim, and one aim only: to keep the rate of interest stable at its natural level, such that labor and capital can compete successfully with the "productivity" of government bonds. The idea that the purpose of monetary policy is the manipulation of the money supply must be abandoned. Inflation, and hence, deflation, can be averted if the country is firmly on the gold standard and does not allow monetary policy to be used for political purposes. Every inflation in the past, whether in wartime or in peacetime, was the direct result of a monetary policy allowing interest rates to join prices in an upward spiral, in order to accommodate political objectives. The humiliation of August 15, 1971 was a consequence.

□ 1805

To the citizens of this country, the restoration of the honest money, money backed by gold, has a profound significance. It means that if you want to buy a home, you can do it at a rate of interest that would be about 6 or 7 percent rather than the 12 percent or 13 percent you are asked to pay today. If you are a college student wanting to borrow money to get an education and your bank wants you to pay 10 percent or 11 percent when you finish your college education, take about 5 points off of that interest rate, and that is what it would save you in terms of restoring gold-backed currency in America.

If you are a businessman struggling to pay 15 percent interest rate payments on a business loan, take 5 points off of that, and you will find out what the impact would be on your ability to build a business, to start a business or expand a business. Those of us involved in the Government of the United States, it would mean that the U.S. Government could once again sell its debt for 3 percent or less, as it did prior to 1971 when this Nation was taken off the gold standard.

When Mr. Nixon made that decision in August 1971, he told the American people that it was merely temporary. I would suggest that most people's definition of "temporary" would be served by the expiration of 14 years.

In light of this, I will in the next few days be introducing a bill declaring a resumption of the gold standard here in this country. It would provide that on October 1, 1986, the U.S. Government shall call in all debt instruments and in place thereof issue legal bonds at 2½ percent interest denominated and guaranteed in Eagle currency.

It would also provide on October 1, 1987, U.S. currency shall be redeemable in gold at a value to be determined by market prices.

An action of this type would drive out the inflation premium in the lending rate, it would permit the U.S. Government to reduce its annual interest expense by roughly $100 billion a year; and the resultant expansion in the credit-sensitive businesses of the country, such as automobiles, housing, plus all those other businesses that depend upon credit to stay alive, there would be a surge of investment and job creation in America that would be the envy of the whole world.

Not only this, it would help our neighbors to the South who currently are in debt over their heads, to have an interest rate whereby they can develop their economy, that would expand job opportunities in their society, reduce the pressures for revolution that currently exist in countries like Mexico.

Indeed, it would lay the foundation for not only a balanced budget but economic growth and prosperity for the people of our country.

Mr. Speaker, I yield back the balance of my time.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. SCHAEFER) to revise and extend their remarks and include extraneous material:)

Mr. DANNEMEYER, for 60 minutes, today.

Mr. SLAUGHTER, for 20 minutes, October 31.

Mr. PARRIS, for 60 minutes, November 4, 5, and 6.

(The following Members (at the request of Mr. LUNDINE) to revise and extend their remarks and include extraneous material:)

Mr. BARNES, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. PEPPER, for 5 minutes, today.

Mr. NELSON of Florida, for 5 minutes, today.

Mr. MAZZOLI, for 5 minutes, today.

Mr. TORRES, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. ROWLAND of Georgia, on H.R. 3629, in the Committee of the Whole, today.

Mr. LOWRY of Washington, on section 2, title II of H.R. 3629, in the Committee of the Whole, today.

Mr. STUDDS, following statement of Mr. CONTE in support of his amendment on H.R. 3629 in the Committee of the Whole, today.

(The following Members (at the request of Mr. SCHAEFER) and to include extraneous matter:)

Mr. COURTER.

Mr. PORTER.

Mr. KEMP.

Mr. CLINGER in three instances.

Mr. TAUKE.

Mr. MYERS of Indiana.

Mr. SWINDALL.

Mr. RITTER.

Mr. WORTLEY.

Mr. FISH.

Mr. COBLE.

Mr. GINGRICH.

Mr. O'BRIEN in two instances.

Mr. MCCOLLUM.

Mr. FRANKLIN.

Mr. CAMPBELL.

Mr. CONTE.

(The following Members (at the request of Mr. LUNDINE) and to include extraneous matter:)

Mr. RANGEL.

Mr. ROE in two instances.

Mr. GARCIA in three instances.

Mr. MILLER of California.

Mr. EDGAR.

Mr. MARTINEZ.

Mr. COELHO.

Mr. WAXMAN.

Mr. STOKES.

Mr. HOYER.

Mr. KOSTMAYER in two instances.

Mr. UDALL.

Mr. AUCOIN.

SENATE ENROLLED BILL AND JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to an enrolled bill and joint resolution of the Senate of the following titles:

S. 1160. An act to authorize appropriations for military functions of the Department of Defense and to prescribe military personnel levels for the Department of Defense for fiscal year 1986, to revise and improve military compensation programs, to improve defense procurement procedures, to authorize appropriations for fiscal year 1986 for national security programs of the Department of Energy, and for other purposes, and

S.J. Res. 227. Joint resolution to commend the people and the sovereign confederation of the neutral nation of Switzerland for their contributions to freedom, international peace, and understanding on the occasion of the meeting between the leaders of the United States and the Soviet Union on November 19-20, 1985, in Geneva, Switzerland.

BILLS AND JOINT RESOLUTIONS PRESENTED TO THE PRESIDENT

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills and joint resolutions of the House of the following titles:

On October 30:

H.R. 3605. An act to provide that the authority to establish and administer flexible and compressed work schedules for Federal Government employees be extended through December 31, 1985;

H.R. 2409. An act to amend the Public Health Service Act to revise and extend the authorities under that act relating to the National Institutes of Health and National Research Institutes, and for other purposes;

H.J. Res. 308. Joint resolution designating the week beginning on October 20, 1985, as "Benign Essential Blepharospasm Awareness Week"; and

H.J. Res. 322. Joint resolution to provide for the designation of October 1985, as "National Sudden Infant Death Syndrome Awareness Month."

ADJOURNMENT

Mr. DANNEMEYER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 15 minutes p.m.), the House adjourned until tomorrow, Thursday, October 31, 1985, at 10 a.m.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 2963. A bill to authorize and direct the Secretary of Agriculture to engage in a 10-year research program to monitor, evaluate and identify the causes and effects of atmospheric pollution on the growth, health and productivity of forest ecosystems, on forest reserves created from the public domain, on forest areas acquired under authority of the act of March 1, 1911, as amended (16 U.S.C. 515), and on other public and private forest lands, and for other purposes; with an amendment (Rept. 99-344, Pt. 1). Ordered to be printed.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 1593. A bill to direct the Secretary of the Interior to release on behalf of the United States certain restrictions in a previous conveyance of land to the town of Jerome, AZ (Rept. 99-345). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 1795. A bill to exempt certain lands in the State of Mississippi from a restriction set forth in the act of April 21, 1806 (Rept. 99-346). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 1740. A bill to direct the Secretary of the Interior to release a reversionary interest in certain lands in Orange County, FL, which were previously conveyed to Orange County, FL; with an amendment (Rept. 99-347). Referred to the Committee of the Whole House on the State of the Union.

Mr. SWIFT: Committee on House Administration. H.R. 3525. A bill to amend title 3, United States Code, to establish uniform regional poll closing times in the continental United States for Presidential general elections; with amendments (Rept. 99-348). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BOULTER (for himself, Mr. CRAIG, Mr. WEBER, Mr. BURTON of Indiana, Mr. ROBERTS, Mr. LIGHTFOOT, Mr. WILSON, Mr. SCHUETTE, Mr. ROBERT F. SMITH, Mr. MONSON, Mr. SKEEN, and Mr. DELAY):

H.R. 3643. A bill to require U.S. representatives to international financial institutions to oppose assistance by such institutions for the production of agricultural commodities in competition with United States produced agricultural commodities, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. COBLE (for himself, Mr. BROYHILL, Mr. JONES of North Carolina, Mr. ROSE, Mr. HEFNER, Mr. NEAL, Mr. WHITLEY, Mr. VALENTINE, Mr. HENDON, Mr. COBEY, Mr. MCMILLAN, Mr. DOWDY of Mississippi, Mr. WEAVER, Mr. BEDELL, Mr. HORTON, Mr. SMITH of New Jersey, Mr. QUILLEN, Mr. HAYES, Mr. HENRY, Mr. NATCHER, Mr. DANIEL, Ms. KAPTUR, Mr. MARTINEZ, Mr. TALLON, Ms. MIKULSKI, Mr. MOAKLEY, Mr. GUNDERSON, Mr. LUNDINE, Mr. DUNCAN, Mr. BLILEY, Mr. ANTHONY, Mr. SHELBY, Mr. WHITTEN, and Mr. HAMMERSCHMIDT):

H.R. 3644. A bill to amend the Trade Act of 1974 to promote expansion of international trade in furniture with Canada, and

for other purposes; to the Committee on Ways and Means.

By Mr. COELHO:

H.R. 3645. A bill to amend the Internal Revenue Code of 1954 to provide relief for insolvent farmers by excluding certain capital gains amounts for purposes of computing the alternative minimum tax; to the Committee on Ways and Means.

By Mr. DANNEMEYER (for himself, Mr. BLILEY, Mr. WEBER, Mr. GINGRICH, Mr. SILJANDER, Mr. COBEY, Mr. RALPH M. HALL, Mr. BARTON of Texas, Mr. ARMEY, Mr. LIGHTFOOT, Mr. CHAPMAN, Mr. MONSON, Mr. HANSEN, Mr. VOLKMER, and Mr. DORNAN of California):

H.R. 3646. A bill to prohibit discrimination in the use of protective garments in federally assisted hospitals; to the Committee on Energy and Commerce.

By Mr. DANNEMEYER (for himself, Mr. BLILEY, Mr. WEBER, Mr. WALKER, Mr. SILJANDER, Mr. GINGRICH, Mr. RALPH M. HALL, Mr. COBEY, Mr. BARTON of Texas, Mr. ARMEY, Mr. CHAPMAN, Mr. LIGHTFOOT, Mr. NIELSON of Utah, Mr. MONSON, Mr. HANSEN, Mr. VOLKMER, Mr. WHITTAKER, Mr. DANIEL, and Mr. DORNAN of California):

H.R. 3647. A bill to prohibit physicians, dentists, nurses, or other health care delivery personnel who have acquired immune deficiency syndrome from practicing in federally assisted hospitals; to the Committee on Energy and Commerce.

By Mr. DANNEMEYER (for himself, Mr. BLILEY, Mr. BARTON of Texas, Mr. WALKER, Mr. ARMEY, Mr. SILJANDER, Mr. CHAPMAN, Mr. GINGRICH, Mr. NIELSON of Utah, Mr. COBEY, Mr. MONSON, Mr. RALPH M. HALL, Mr. WEBER, Mr. LIGHTFOOT, Mr. WHITTAKER, Mr. VOLKMER, Mr. DANIEL, and Mr. DORNAN of California):

H.R. 3648. A bill to prohibit Federal financial assistance to any city, town, or other political jurisdiction which permits the operation of certain public baths; to the Committee on Government Operations.

By Mr. DANNEMEYER (for himself, Mr. BLILEY, Mr. WEBER, Mr. WALKER, Mr. SILJANDER, Mr. COBEY, Mr. HALL, Mr. BARTON of Texas, Mr. ARMEY, Mr. LIGHTFOOT, Mr. CHAPMAN, Mr. NIELSON of Utah, Mr. MONSON, Mr. VOLKMER, Mr. HANSEN, Mr. WHITTAKER, Mr. ROEMER, and Mr. DORNAN of California):

H.R. 3649. A bill to make it a Federal offense for a person with acquired immune deficiency or a person with a high risk of acquiring such deficiency to intentionally donate blood; to the Committee on the Judiciary.

By Mr. DE LUGO (for himself, Mr. FOLEY, Mr. BARNES, Mr. GRAY of Pennsylvania, Mr. GARCIA, Mr. ALEXANDER, Mr. RANGEL, Mr. HUTTO, Mr. LAGOMARSINO, Mr. BEREUTER, and Mr. O'BRIEN):

H.R. 3650. A bill to establish an Eastern Caribbean Center at the College of the Virgin Islands; to the Committee on Foreign Affairs.

By Mr. HOWARD:

H.R. 3651. A bill to reaffirm the boundaries of the Great Sioux Reservation to convey federally held lands in the Black Hills to the Sioux Nation; to provide for the economic development, resource protection and self-determination of the Sioux Nation; to remove barriers to the free exercise of traditional Indian religion in the Black Hills; to preserve the sacred Black Hills from desecration; to establish a wildlife sanctuary; and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. McCOLLUM (for himself, Mr. GEKAS, Mr. BATEMAN, Mr. HUNTER, and Mr. HILLIS):

H.R. 3652. A bill to amend chapter 47 of title 10, United States Code (the Uniform Code of Military Justice), to establish procedures for the adjudication by courts-martial of sentences of capital punishment; to the Committee on Armed Services.

By Mr. UDALL:

H.R. 3653. A bill to amend the Price-Anderson provisions of the Atomic Energy Act of 1954 to extend and improve procedures for liability and indemnification for nuclear incidents; to the Committee on Interior and Insular Affairs.

By Mrs. JOHNSON (for herself, Ms. SNOWE, Mrs. SCHROEDER, Mr. LEVIN of Michigan, Mr. PORTER, Mrs. SCHNEIDER, Mrs. BURTON of California, Mr. KOSTMAYER, Mr. GREEN, Mrs. BOXER, Mr. BEILENSON, Mr. EDGAR, Mr. FAZIO, Mr. GEJDENSON, Mr. LEHMAN of Florida, Mr. McHUGH, Mr. McKINNEY, Mr. MILLER of California, Mr. MOODY, Mr. MRAZEK, Mr. RICHARDSON, Mr. SCHEUER, Mr. WEISS, Mr. WOLPE, Mr. McKERNAN, Mr. CHANDLER, Mr. FISH, Mr. FRENZEL, Mr. ACKERMAN, Mr. BARNES, Mr. BERMAN, Mr. ZSCHAU, Mr. STOKES, Mr. DYMALLY, Mr. LEACH of Iowa, Mrs. ROUKEMA, Mr. PEPPER, Mr. BOUCHER, Mr. BROWN of California, Mrs. MARTIN of Illinois, Mr. CONYERS, Mr. CROCKETT, Mr. DELLUMS, Mr. DIXON, Mr. EDWARDS of California, Mr. EVANS of Illinois, Mr. FRANK, Mr. FAUNTROY, Mr. FROST, Mr. GARCIA, Mr. HAYES, Mr. HUGHES, Mr. JEFFORDS, Mr. LELAND, Mr. LEVINE of California, Mr. LUNDINE, Mr. MARTINEZ, Mr. MATSUI, Ms. MIKULSKI, Mr. MINETA, Mr. MITCHELL, Mr. MORRISON of Connecticut, Mr. MORRISON of Washington, Mr. NEAL, Mr. RANGEL, Mr. RODINO, Mr. SABO, Mr. SAVAGE, Mr. SEIBERLING, Mr. SMITH of Florida, Mr. STARK, Mr. STUDDS, Mr. SWIFT, Mr. TOWNS, Mr. UDALL, Mr. WAXMAN, Mr. WEAVER, Mr. YATES, Mr. FAWELL, Mr. COELHO, and Mrs. MEYERS of Kansas):

H.R. 3654. A bill to amend the Foreign Assistance Act of 1961 to require that support by the Agency for International Development for family planning service programs be based on the fundamental principles of voluntarism and informed choice; to the Committee on Foreign Affairs.

By Mr. JONES of North Carolina:

H.R. 3655. A bill to counter restrictive practices in the marine transportation of automobiles, and for other purposes; jointly, to the Committees on Merchant Marine and Fisheries, and Ways and Means.

By Ms. KAPTUR (for herself, Mr. FEIGHAN, and Mr. ECKART of Ohio):

H.R. 3656. A bill to provide for cost efficiency in the shipment of United States Government cargoes, to establish the Great Lakes and Saint Lawrence Seaway Advisory Council, and for other purposes; jointly, to the Committees on Merchant Marine and Fisheries, and Public Works and Transportation.

By Mr. MOAKLEY (for himself, Mr. ADDABBO, Mr. BERMAN, Mr. BIAGGI, Mr. BONER of Tennessee, Mr. DONNELLY, Mr. DYSON, Mr. EVANS of Iowa, Mr. FAUNTROY, Mr. FISH, Mr. FLIPPO, Mr. FRANK, Mr. GARCIA, Mr. GUARINI, Mr. HORTON, Mr. JACOBS, Mr. KOLTER, Mr. LEVIN of Michigan, Mr. MATSUI, Mr. MAVROULES, Mr. McEWEN, Mr. McGRATH, Mr. MRAZEK, Mr. MURPHY, Mr. OWENS, Mr. RANGEL, Mr. SCHEUER, Mr. DENNY SMITH, Mr. SOLARZ, Mr. TORRICELLI, Mr. TOWNS, Mr. WOLPE, and Mr. WORTLEY):

H.J. Res. 434. Joint resolution designating the week beginning May 4, 1986, as "National Arson Awareness Week"; to the Committee on Post Office and Civil Service.

By Ms. OAKAR:

H.J. Res. 435. Joint resolution authorizing establishment of a memorial to honor Francis Scott Key; to the Committee on House Administration.

By Ms. KAPTUR (for herself, Mr. BARTLETT, Mr. WALGREN, Mr. FROST, Mr. MARTINEZ, Mr. HUGHES, Mr. ORTIZ, Mr. BRYANT, Mr. SEIBERLING, Mr. MATSUI, Mr. CROCKETT, Mr. BARNARD, Mr. FEIGHAN, Mr. STOKES, Mr. BEDELL, Mr. LAFALCE, Mr. ECKART of Ohio, Mr. LUKEN, Ms. SNOWE, Mr. PURSELL, and Mr. HALL of Ohio):

H.J. Res. 436. Joint resolution to designate 1986 as "Save for the U.S.A. Year," and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. DANNEMEYER (for himself, Mr. ARMEY, Mr. LIGHTFOOT, Mr. BLILEY, Mr. MONSON, Mr. RALPH M. HALL, Mr. ROEMER, Mr. BARTON of Texas, and Mr. DORNAN of California):

H. Con. Res. 224. Concurrent resolution expressing the sense of Congress respecting the education of children with acquired immune deficiency or acquired immune deficiency related complex; to the Committee on Education and Labor.

MEMORIALS

Under clause 4 of rule XXII,

279. The SPEAKER presented a memorial of the Commonwealth of Pennsylvania, relative to the Environmental Protection Agency; to the Committee on Energy and Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. SWINDALL introduced a bill (H.R. 3657) for the relief of Benjamin H. Fonorow, which was referred to the Committee on Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 12: Mr. CHAPMAN.
H.R. 358: Ms. SNOWE.
H.R. 1059: Mr. EDWARDS of Oklahoma.
H.R. 1207: Mr. DANIEL.
H.R. 1436: Mr. YOUNG of Florida.
H.R. 1458: Mr. TORRICELLI.
H.R. 1769: Mr. VOLKMER, Mr. MYERS of Indiana, Mr. BREAUX, Mr. APPLEGATE, Mr. GRAY of Illinois, and Mr. LIVINGSTON.
H.R. 1809: Mr. ROWLAND of Connecticut.

H.R. 1911: Mr. SUNDQUIST.

H.R. 1950: Mr. PRICE, Mr. CARPER, Mr. LAGOMARSINO, Mr. HALL of Ohio, and Mr. YATRON.

H.R. 2267: Mr. WALKER, Mr. GINGRICH, Mr. EMERSON, Mr. APPLEGATE, Mr. BURTON of Indiana, Mr. SWINDALL, Mr. SENSENBRENNER, and Mr. MONSON.

H.R. 2489: Mr. RUSSO.

H.R. 2589: Mr. MARKEY.

H.R. 2805: Mr. PETRI, Mr. FISH, Mrs. JOHNSON, Mr. BEREUTER, Mr. MILLER of Washington, and Mr. BROWN of Colorado.

H.R. 2854: Mrs. LLOYD and Mr. LANTOS.

H.R. 2907: Mr. PERKINS and Mr. LOWRY of Washington.

H.R. 2911: Mr. WRIGHT, Mr. COOPER, Mr. TOWNS, Mr. SCHUMER, Mr. GORDON, Mr. MARTINEZ, Mr. WEISS, and Mr. DASCHLE.

H.R. 2954: Mr. HUTTO, Mr. EMERSON, Mr. LEVINE of California, and Mr. EDWARDS of Oklahoma.

H.R. 3280: Mrs. BENTLEY, Mr. BROWN of Colorado, Mr. DANNEMEYER, Mr. PACKARD, Mr. BARTON of Texas, and Mr. SOLOMON.

H.R. 3296: Mr. BEDELL, Ms. KAPTUR, and Mr. KINDNESS.

H.R. 3344: Mr. TALLON, Mr. TOWNS, Mrs. COLLINS, Mr. BUSTAMANTE, and Mr. HOYER.

H.R. 3346: Mr. GREGG.

H.R. 3379: Mr. ARMEY, Mr. TOWNS, Mr. CHAPMAN, Mr. SWINDALL, and Mr. EDWARDS of Oklahoma.

H.R. 3408: Mr. JONES of North Carolina, Mr. KLECZKA, Mr. HAYES, Mrs. BENTLEY, Mrs. BOXER, Mr. EVANS of Illinois, Mr. WILLIAMS, Mr. RANGEL, Mr. DYSON, Mr. DORGAN of North Dakota, Mrs. COLLINS, Mr. PRICE, Mr. MURPHY, Mr. MITCHELL, Mr. HOWARD, Mr. FUSTER, Mr. SAXTON, Mr. HUGHES, Mr. MORRISON of Connecticut, Mr. ROEMER, Mr. MRAZEK, and Mr. SAVAGE.

H.R. 3418: Mr. STENHOLM.

H.R. 3470: Mr. BEVILL, Mr. OXLEY, Mr. BORSKI, Mr. DUNCAN, Mr. HUGHES, Mr. CONYERS, Mr. WEISS, Mr. LAFALCE, Mr. BARTON of Texas, Mr. MCCANDLESS, Mr. BUSTAMANTE, Mr. STOKES, Mr. ARMEY, Mr. TRAFICANT, Mr. CLINGER, Mr. JEFFORDS, Mr. ROGERS, Mr. APPLEGATE, Mr. YOUNG of Missouri, Mr. DEWINE, Mr. WEAVER, Mr. COELHO, Mr. DREIER of California, Mr. CHAPMAN, Mrs. LLOYD, Mr. THOMAS of Georgia, Mr. GLICKMAN, Mr. HORTON, Mr. CROCKETT, Mr. SHAW, Mr. BOEHLERT, Mr. VALENTINE, Mr. HUTTO, Mr. CLAY, Mr. DAVIS, Mr. DWYER of New Jersey, Mr. HOWARD, Ms. KAPTUR, Mr. FIELDS, Mr. LEVINE of California, Mr. ANDREWS, Mr. COATS, Mrs. BOXER, Mrs. JOHNSON, Mr. RALPH M. HALL, Mr. SKELTON, Mr. TAYLOR, Mr. MORRISON of Connecticut, Mr. YATRON, Mr. BIAGGI, Mr. CHAPPELL, Mr. LAGOMARSINO, Mr. BLILEY, Mr. TORRES, Mr. DINGELL, Mr. ROE, Mr. NOWAK, Mr. WHITEHURST, Mr. MANTON, Mr. FAZIO, Mr. GROTBERG, Mr. KOSTMAYER, Mr. FRANK, Mr. TOWNS, Mr. KILDEE, Mrs. BYRON, Mr. ENGLISH, Mr. CARPER, Mr. KINDNESS, and Mr. MCMILLAN.

H.R. 3505: Mr. DE LUGO, Mr. GROTBERG, Mr. DANIEL, and Mr. EDWARDS of Oklahoma.

H.R. 3522: Mr. REGULA and Mr. PACKARD.

H.R. 3594: Mr. CHANDLER.

H.R. 3600: Mr. GINGRICH, Mr. WHITEHURST, Mr. BURTON of Indiana, Mr. WILSON, Mr. HYDE, Mr. COOPER, Mr. DORNAN of California, Mr. KINDNESS, Mr. CRANE, Mr. RALPH M. HALL, Mr. EMERSON, Mr. MONSON, Mr. BROOMFIELD, Mr. FRENZEL, Mr. MCGRATH, Mr. RUDD, Mr. SILJANDER, Mr. COBEY, Mr. BILIRAKIS, and Mr. WEBER.

H.R. 3626: Mr. BARTON of Texas, Mr. CLINGER, and Mr. MCGRATH.

H.J. Res. 1: Mr. FRENZEL.

H.J. Res. 126: Mr. SKEEN, Mr. ZSCHAU, and Mr. REGULA.

H.J. Res. 282: Mr. NICHOLS, Mr. MONSON, Mr. MCMILLAN, Mr. GREGG, Ms. MIKULSKI, and Mrs. KENNELLY.

H.J. Res. 377: Mr. RUSSO, Mr. KRAMER, Mr. HARTNETT, Mr. LATTA, and Mr. COURTER.

H.J. Res. 424: Mr. ROWLAND of Georgia, Mr. SMITH of Florida, Mr. WEISS, Mr. GROTBERG, Mr. SUNDQUIST, Mr. FISH, Mr. DORNAN of California, Mr. ARMEY, Mr. MARTINEZ, Mr. FUQUA, Mr. CAMPBELL, Mr. MONSON, Mr. FAUNTROY, Mr. ROE, Mrs. LONG, Mr. GRAY of Illinois, Mr. DYMALLY, Mr. ERDREICH, Mr. ORTIZ, Mr. STRANG, Mr. EDWARDS of Oklahoma, Mr. RALPH M. HALL, Mr. MATSUI, Mr. FROST, Mr. BIAGGI, Mr. BARTLETT, Mr. CALLAHAN, Mr. CRAIG, Mr. ECKERT of New York, Mr. EMERSON, Mr. FAWELL, Mr. GUNDERSON, Mr. HAMMERSCHMIDT, Mr. HENRY, Mr. HILLIS, Mr. HUNTER, Mr. MARTIN of New York, Mrs. MARTIN of Illinois, Mr. MCDADE, Mr. MCMILLAN, Mr. MILLER of Ohio, Mr. MILLER of Washington, Mr. REGULA, Mr. RINALDO, Mr. SKEEN, Mr. SMITH of New Hampshire, Mr. SPENCE, Mr. TAYLOR, and Mr. WALKER.

H. Con. Res. 117: Mr. TORRICELLI, Mr. CHANDLER, Mrs. COLLINS, Mrs. BENTLEY, Mr. MARTINEZ, Mr. FUQUA, and Mr. TALLON.

H. Con. Res. 129: Mrs. MEYERS of Kansas, Mr. BEDELL, and Mrs. BYRON.

H. Con. Res. 208: Mr. PENNY, Mr. MINETA, Mr. MATSUI, and Mr. VENTO.

H. Con. Res. 209: Mr. BLILEY, Mr. SIKORSKI, Mr. MARTINEZ, Mr. MURPHY, Mr. KINDNESS, Mr. HORTON, Mr. HERTEL of Michigan, Mr. BEDELL, Mr. HYDE, Mr. DWYER of New Jersey, Mr. HOWARD, Mr. EMERSON, Mr. REID, Mr. SCHEUER, Mr. ECKERT of New York, Mr. ERDREICH, Mr. LOWERY of California, Mr. FAZIO, Mr. BIAGGI, Mr. FROST, Mr. KOLBE, Mr. MCGRATH, Mr. LEVINE of California, Mr. GUNDERSON, and Mr. DEWINE.

H. Con. Res. 213: Mr. MILLER of Ohio and Mr. NEAL.

H. Res. 76: Mr. MARKEY and Mr. LEVIN of Michigan.

H. Res. 154: Mr. EDWARDS of Oklahoma.

H. Res. 203: Mr. FRENZEL, Mr. REID, Mr. DEWINE, and Mr. EDWARDS of Oklahoma.

H. Res. 247: Mr. APPLEGATE.

H. Res. 270: Mr. MARTINEZ, Mrs. COLLINS, Mr. KOLTER, and Mr. FORD of Tennessee.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

243. By the SPEAKER: Petition of the City Council of Berea, OH, relative to the Fair Labor Standard Act; to the Committee on Education and Labor.

244. Also, petition of Melat and Pressman, attorneys at law, Colorado Springs, CO, relative to Tara Lynn Waldner and medical malpractice; to the Committee on the Judiciary.

245. Also, petition of the National Beverage Control Association, Inc., Alexandria, VA, relative to excise taxes; to the Committee on Ways and Means.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 3128

By Mr. GRADISON:

—In title I (text of H.R. 3290), strike out section 122 (limiting the penalty for late enrollment in part A), section 145 (relating to occupational therapy services), section 149 (relating to demonstration of preventive health services under medicare), section 155 (relating to vision care), section 157 (relating to changing medicare appeals rights), section 161 (relating to services for pregnant women), and section 168 (relating to extension of MNIS deadline); and redesignate the remaining sections accordingly (with conforming changes in the table of contents).

Strike out title III (relating to aid to families with dependent children); and redesignate the succeeding titles and sections accordingly.

By Mr. KINDNESS:

—"To strike section 123"

By Mr. MOORE:

(Amendment to text of H.R. 3290.)

—Page 4, strike out lines 6 throuth 14 and insert in lieu thereof the following:

(a) CONTINUATION OF TRANSITION FOR ONE YEAR.—(1) Section 1886(d)(1)(A) of the Social Security Act (42 U.S.C. 139ww(d)(1)(A)) is amended by striking out "1986" in clauses (ii) and (iii) and inserting in lieu thereof "1987".

(2) Section 1886(d)(1)(C) of such Act is amended—

(A) by striking out "and" at the end of clause (ii); and

(B) by striking out clause (iii) and inserting in lieu thereof the following new clauses:

"(iii) on or after October 1, 1985, and before October 1, 1986, the 'target percentage' is 40 percent and the 'DRG' percentage is 60 percent; and

"(iv) on or after October 1, 1986, and before October 1, 1987, the 'target percentage' is 20 percent and the 'DRG percentage' is 80 percent.".

(3) Section 1886(d)(1)(D) of such Act is amended—

(A) by striking out "and" at the end of clause (i);

(B) by striking out clause (ii) and inserting in lieu thereof the following new clauses:

"(ii) on or after October 1, 1985, and before October 1, 1986, is a combined rate consisting of 60 percent of the national adjusted DRG prospective payment rate and 40 percent of the regional adjusted DRG prospective payment rate, determined under paragraph (3) for such discharges; and

"(iii) on or after October 1, 1986, and before October 1, 1987, is a combined rate consisting of 80 percent of the national adjusted DRG prospective payment rate and 20 percent of the regional adjusted DRG prospective payment rate, determined under paragraph (3) for such discharges.".

By Mr. SWINDALL:

—Page 38, strike out lines 11-19 and insert the following new subsection:

(3) REPORT.—The Secretary of Health and Human Services shall report to Congress, no later than 16 months after the date of the enactment of this Act, on the effect of the implementation of the amendments made by this section, including the adequacy of remedies provided therein and the need for civil enforcement and criminal penalties in order to carry out the purposes of this section.

SENATE—*Wednesday, October 30, 1985*

(Legislative day of Monday, October 28, 1985)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

Gracious, wise and patient God, it becomes more and more apparent that those who always seem to know best what decisions to make, never had to make any decisions. Their harsh judgments and criticism come easily. Their advice is generous and free. Their responsibility is in inverse ratio to their rhetoric. Help them dear Lord, somehow to appreciate the awesome duty of being the one with whom the buck stops.

Grant Thy wisdom and understanding, loving Father, to those who work here who do not enjoy the luxury of such freewheeling irresponsibility. When all the words have been spoken and written, the arguments pro and con have been made, and the debate finished, then comes the lonely moment of decision often involving momentous issues. Each must say yes or no whatever the consequences personally or nationally. God of truth, be present in this place and guide to decisions worthy of the most powerful deliberative body in the world.

Lead us in Thy will and way. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The distinguished acting majority leader is recognized.

SCHEDULE

Mr. SIMPSON. Mr. President pro tempore, the convening hour of course is 9 a.m.

We have time for the two leaders under the standing order of 10 minutes each; special order in favor of the Senator from Wisconsin [Mr. PROXMIRE] for not to exceed 15 minutes; routine morning business not to exceed the hour of 9:30 a.m. with Senators permitted to speak therein for not more than 5 minutes each; and following morning business, the Senate will resume consideration of S. 1714, the farm bill. Rollcall votes will occur throughout the day today.

I think our colleagues should be prepared for a later session today and tomorrow night. I believe with the leader's assurance, perhaps on Friday late in the afternoon, Senators will be able to schedule their activities in their States or other functions. But certainly tonight and tomorrow night will be, I would think, later than usual. The leader will develop that during the day as we note the progress or lack thereof.

THE CHAPLAIN'S PRAYER

Mr. SIMPSON. Mr. President, I want to say again the Chaplain has given us an extraordinarily thoughtful prayer as he does almost without exception. Indeed, it does come down to the fact that in our part of the world you can sit on the arena fence and watch the activity down there in the mud. That is easier to do. But when you are down there doing the hand wrestling in the corral, you have to do that by yourself. We have a lot of observers in this body. Indeed, people who are among the fainthearted who sit aside and criticize do not get in there and grapple with it. We do not have the luxury here of voting "maybe." We have to vote "yes" or "no." We all do that. It is important. We realize indeed that there are many who walk the walk in this body and some who just talk the talk.

I guess it is that way in every organization, committee, or community in this Nation. And it is. After all, we are a representative government. So it should be that way.

With that, I reserve the remainder of the leader's time, and yield to the Senator from Wisconsin.

RECOGNITION OF THE ACTING MINORITY LEADER

The PRESIDING OFFICER (Mr. GORTON). Under the previous order, the acting Democratic leader is recognized.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the time of the minority leader, Senator BYRD, be reserved for his use later in the day.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF SENATOR PROXMIRE

The PRESIDING OFFICER. Under the previous order, the Senator from Wisconsin [Mr. PROXMIRE], is recognized for not to exceed 15 minutes.

LET'S TAKE UP THE SOVIETS ON THEIR SIBERIAN RADAR PROPOSAL

Mr. PROXMIRE. Mr. President, in a front page story in the New York Times on October 29, Leslie Gelb reports an offer by the Soviet Union to end the major dispute between the two superpowers with respect to alleged Soviet violation of the Anti-Ballistic Missile Treaty. The Soviet Union offered to stop construction of a radar in central Siberia at Krasnoyarsk which not only the Defense Department but independent American scientists say—if completed—may constitute an overt violation of the ABM Treaty. In return for stopping contruction of this radar, the Soviets are calling on the United States to forgo plans to modernize radars in Britain and Greenland which, in the view of the Soviets and some British experts, could constitute a violation of the ABM Treaty.

A Pentagon official is quoted in the story as calling the Russian proposal, "A nonoffer, a sucker deal." The story quotes a State Department official as saying, "By offering the trade they admit they might be in violation, but there is no decision as of now on how to respond, except to probe informally." It would be a serious mistake to dismiss the Soviet proposal out of hand as the Defense Department official suggests. The State Department suggestion that we should at least "probe" the Soviet proposal would give both this country and the Soviet Union an opportunity to show that they are serious about preserving the ABM Treaty.

Could this be a "sucker deal" in which the United States gives much and gets nothing? That is possible. Some argue that the Krasnoyarsk radar is practically completed. So if the Soviets stop construction there, they lose nothing. On the other hand, neither the United States upgrading of the radar at Fylingdale in Yorkshire, England nor at Thule in Greenland has started. Furthermore, American officials argue that the radars at Fylingdale and Thule were in existence at the time the ABM Treaty was signed and ratified in 1972. So they are exempt.

Then, why should the United States consider accepting such a proposal? We should consider it because the facts are in dispute, and the treaty's intention is ambiguous. Especially we should consider the proposal because

the United States might gain just as much as the Soviet Union from such a proposal—perhaps more. What facts are in dispute? The Russians claim that their radar station at Krasnoyarsk is not completed. They contend it is only 40 percent complete. So why could not the United States respond with the following proposition? We will consider not going ahead with the Fylingdale and Thule upgrading if they will agree to completely dismantle the radar at Krasnoyarsk?

Some will argue that while we are convinced the Krasnoyarsk radar does, indeed, constitute an ABM violation, we do not believe the Fylingdale or Thule upgrading does in view of the specific exception in the treaty. But we may be wrong. The Soviets claim that the exemption applied to Thule and Fylingdale as they were in 1972, and that in no way can the exemption be construed to permit upgrading. The New York Times reports that some British officials also agree that the new construction at Fylingdale, is indeed, a violation of the ABM Treaty. In fact, American officials have reported that the installation at Fylingdale is being held up precisely because "of British concerns that it may be a treaty violation."

Consider the advantage to the United States if we can persuade the Soviet Union to dismantle their radar at Krasnoyarsk. Here is a facility some of our experts contend is fully completed. The additions to our installations in Greenland and Britain are on paper. It is very likely the Soviets will resist such a dismantling counterproposal for this very reason. But why should they? What good is a 40-percent completed facility, if the Soviets have—as they claim—no intention to develop the facility into the hub of an antimissile system which would constitute both a patent violation of the ABM Treaty and a serious threat to the credibility of the U.S. nuclear deterrent?

So, Mr. President, before we brush off the Soviet proposal as "a sucker deal" let us give it consideration. Let us respond with a counteroffer that would obviously serve our interest. What all of this comes down to, is whether or not we believe the ABM Treaty is worth preserving. If we do not believe it is worth saving, then we can reject the Soviet offer out of hand. Then what will happen? Then the Soviet Union will proceed to complete their radar. They will have every incentive to proceed with the antimissile hardware that will give them the beginning of a comprehensive antimissile system. It also means the United States at Thule and Fylingdale will be moving into the antimissile race, hot and heavy, with our stepped up warning system for incoming missiles. So we will be off to the races—the defensive-offensive nuclear races. It will be the most expensive contest in world history and the good Lord knows—the most destructive. We will be off to a race with a certain outcome. There will be no winners, only losers—total losers.

Mr. President, I ask unanimous consent that the article by Leslie Gelb in the Tuesday, October 29 New York Times be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MOSCOW PROPOSES TO END A DISPUTE ON SIBERIA RADAR

(By Leslie H. Gelb)

WASHINGTON, Oct. 28.—The Soviet Union has offered to halt construction on a radar in central Siberia in return for the United States's forgoing plans to modernize radars in Britain and Greenland, according to American and Soviet officials.

The United States contends that the Soviet radar, at Abalakovo near Krasnoyarsk, is an early warning radar and violates the Antiballistic Missile Treaty of 1972. The Russians say the radar is for space tracking and is allowable under the treaty.

Some British and American intelligence experts, while not agreeing with the Soviet Union, have said that they are not convinced about the United States position.

DEAL CALLED UNACCEPTABLE

Some American officials interpret the Soviet proposal, made about three weeks ago, as a move toward acknowledging that the Abalakovo radar is a violation of the 1972 treaty.

At the same time, these officials said, it is unacceptable to equate the Abalakovo radar with the upgrading of the radars at Fylingdales in Yorkshire and at Thule in Greenland, which they say is allowable.

"We have neither a positive nor a negative attitude overall to the Soviet proposal," a State Department official said. "By offering the trade, they admit they might be in violation, but there is no decision as of now on how to respond except to probe informally."

A Pentagon official said, "It is a nonoffer, a sucker deal."

PROPOSAL MADE IN GENEVA

As described by American and Soviet officials, the offer was made at a special meeting in the Geneva arms negotiations by Yuli A. Kvitsinsky, who heads the space-weapons team. Two other parallel arms discussions in Geneva are concerned with medium-range nuclear weapons and strategic, or long-range, weapons.

According to the sources, Mr. Kvitsinsky said that if the Albalakovo radar was inconsistent with the ABM treaty, so were American plans to upgrade Fylingdale and Thule.

American officials here say that the Fylingdales and Thule radars were in existence at the time the ABM treaty went into force and were exempted.

The Soviet response is that the exemption applied to the Thule and Fylingdales radars as they were in 1972 and was not intended to permit upgrading. Some British officials are also said to feel that the recontruction at Fylingdales is a violation.

The ABM treaty allows the deployment of large radars only on the periphery of the national territories as early warning devices, with their antennas facing out. The object is to prohibit radars in the interior that could be used to track incoming warheads and guide missiles to destroy them.

Since the large radar being built in central Siberia is in the interior, the United Stats contends that it violates the treaty and should be dismantled. The Soviet Union counters that the treaty permits space-tracking radars anywhere, that the Abalakovo radar is solely for that purpose, and that in any event, its antennas are not angled low enough to track incoming missiles.

The United States says the radar has the potential to become the hub of a land-based missile defense system if the Soviet Union decided to break the ABM treaty. The United States' own space-based missile defense program ultimately envisions a land-based defense system that could destroy missiles on takeoff, in space and during reentry.

A Pentagon spokesman said today that the modernization of the Thule radar would be completed in the next year or two, and that upgrading of the Fylingdales radar had not yet begun.

The United States uses Thule under a 1951 accord with Denmark, which is responsible for Greenland's defense. The accord grants the United States naval and air bases in Greenland as part of the Atlantic alliance.

Two American officials said the Fylingdales reconstruction was being held up because of British concerns that it might be a treaty violation. A Pentagon official contended that the delay was a British ploy to gain a greater share of construction contracts.

Experts in the British Defense and Foreign Ministeries are also known to question the American judgment that the Siberian radar is a treaty violation.

The radars at Thule, Fylingdales and Clear Air Force Station in Alaska are the mainstays of the United States' early warning system against missiles.

The planned upgrading of the Fylingdales radar, according to Pentagon officials, would double the scope of the radar to 360 degrees and increase its range by one-third, to 6,300 miles. The present installation is directed in a semicircle covering Scandinavia, Greenland and a relatively small northwest part of the Soviet Union. It would be replaced by a radar sweeping full circle around the western Soviet Union, the Middle East, North Africa and into the North Atlantic.

Unlike the 360 degree coverage at Fylingdales, the Thule radar would have a coverage of 240 degrees.

The Soviet position is said to be that only large so-called phased-array radars on the periphery of national territories may be modernized, and that the Thule and Fylingdales radars were permitted in 1972 because they were not phased-array radars.

American officials say they reject any limitation on the upgrading of these radars because none was stipulated at the time of the treaty. They also said that, legal issues aside, the Soviet offer was unfair because the Siberian radar was "essentially completed," compared to the proposed Thule and Fylingdales upgrading. By "essentially completed," the officials said, they mean the exterior of the radar. They said they could not be sure about the interior work.

Soviet officials said the Abalakovo radar was 40 percent completed.

THE ARMENIAN MASSACRE OF 1915

Mr. PROXMIRE. Mr. President, in August the United Nations Subcommission on Prevention of Discrimination and Protection of Minorities voted to accept a study backing charges that 1 million Armenians were massacred by Turkey's Ottoman Empire.

Turkish officials immediately rejected the charges as illfounded and inflammatory, while Turkish delegates to the United Nations requested that the study not be passed on to the United Nations Human Rights Commission.

Thé study prepared by human rights advocate, Benjamin Whitaker, contains several troubling paragraphs including one which cites nine instances of genocide in Turkey in this century.

The study refers to the 1915–16 Ottoman massacre of Amenians as a case of genocide. It states, "at least 1 million, and possibly well over half the Armenian population, are reliably estimated to have been killed or deathmarched."

This is the first time a United Nations body recognized the Armenian massacre as genocide. The Turkish Government, which has succeeded in deleting similar references to the Armenian massacre in the past, spared no efforts trying to defeat the passage of the study. Turkish officials maintain that these deaths resulted from killings during World War I between Turkish and Armenian communities. They deny any massacre took place.

Mr. President, the Armenian massacre is fact, not fiction. The validity of the United Nations study is confirmed by reports in the diplomatic archives of the United States and Britain. Even Germany, Turkey's ally during World War I, confirms the study.

Mr. President, I am not critizing the present Turkish Government for the Armenian massacre. Although they had nothing to do with it, they feel its effect today. More than 30 Turkish diplomats have been murdered by Armenian terrorists in the last 10 years.

I urge the Turkish Government to join in condemning those who perpetrated the Armenian Genocide of 1915. It must never happen again.

Mr. Preident, the United States can do little about the Armenian Genocide of 1915. We can do something about future genocides.

Mr. President, I urge the U.S. Senate to ratify the Genocide Covention and work to prevent future genocides.

THE MYTH IS THAT TELEVISION WOULD BE GOOD FOR THE SENATE

Mr. PROXMIRE. Mr. President, the Senate will soon be asked to change its rules to accommodate the ubiquitous Boswell of modern society—the television camera. Proponents of these changes will argue that the Senate needs the camera. Otherwise, we will become a fusty, dusty relic of a bygone era. Are these assertions true or a myth?

In the Federalist papers, those astute founding fathers James Madison, Alexander Hamilton, and John Jay—defined the role of the Senate. I quote, "The necessity of a Senate is not less indicated by the propensity of all single and numerous assemblies to yield to the impulse of sudden and violent passions, and to be seduced by factious leaders into intemperate and pernicious resolutions." We have put this principle into practice as the world's greatest deliberative body—a flattering, sometimes accurate description of today's Senate.

Is television consistent with this fundamental principle of the Senate? Consider two recent examples of television coverage—the Mexico City earthquake and the World Series.

Television covered the tragedy in Mexico City like a cat after a mouse. The anchormen donned their casual clothes and flew off. The Nation watched in fascination as they reported on dogs sniffing the rubble, searching for survivors. We witnessed miraculous rescues, and equally moving tragedies.

Then, as if the cat had become bored with the mouse, it all dropped from sight. How many people died—who knows? Were the destroyed buildings improperly constructed?—another unanswered question. What lessons should we learn?—the silence is deafening. Once the drama ceased, and the hard, deliberative work began, television blinked and rushed off after the charming Mrs. Gorbachev in Paris.

Even on the great, American pastime—baseball—television's influence has been profound. Television has made it possible for ballplayers who barely hit their weight to earn more than the President of the United States. their hair is blow-dried and their uniforms are double-knit. They play on artificial grass, under artificial lights, and in ballparks where summer breezes are manufactured by air-conditioning companies.

The game has become theater, as carefully staged as any situation comedy. And the pressures to jazz it up, to change its deliberative nature, are growing.

This same type of pressure will push the Senate away from deliberation, toward drama. That means more speeches, more argument, more confrontation. Would this be good for the Senate? Let me answer this by posing a question—have you ever tried to deliberate in the middle of a passionate argument in front of a television camera?

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the tansaction of routine morning business, not to extend beyond the hour of 9:30, with statements limited therein to 5 minutes each.

VISIT OF DR. SIAKA STEVENS, PRESIDENT OF THE REPUBLIC OF SIERRA LEONE, TO WEST MEMPHIS, AR

Mr. BUMPERS. Mr. President, I rise today to join with the city of West Memphis, AR, in welcoming the distinguished President of the Republic of Sierra Leone, Dr. Siaka Probyn Stevens, to that fine city on November 2.

Dr. Stevens is on a trade mission to the United States, and will be the guest of the Honorable Leo Chitman, mayor of West Memphis. Dr. Stevens is on one of the last such missions of his 18-year Presidency. He seeks to foster even greater economic ties with the United States and I am hopeful that his intercourse with the leaders of the West Memphis community will work toward that end. Economic development is the vital goal that links the interests of West Memphis and Sierra Leone. I, too, am committed to this goal, and I know that Mayor Chitman is doing all he can to further the economic interests of the West Memphis area.

Sierra Leonean relations with the United States are cordial and continue to improve. This is clearly a result of the good will of President Stevens and his receptive understanding of U.S. goals and interests. It is hopeful that Dr. Stevens' successor, Maj. Gen. Joseph Momo, will continue this tradition of cooperation.

Once again, Mr. President, I extend my welcome to Dr. Stevens on his visit to West Memphis, and I want to commend Mayor Chitman for inviting him. I am confident that he, Mayor Chitman, and other city officials and business leaders will form the bonds of friendship that can only help lead toward prosperous development through mutually beneficial trade.

TRIBUTE TO BEN MARCUS AND STEVE MARCUS

Mr. KASTEN. Mr. President, I rise today to salute two outstanding business and civic leaders who have contributed a great deal to the city of Milwaukee and to our State of Wisconsin. Ben and Steve Marcus are excellent examples of the heritage of Wisconsin's entrepreneurial spirit.

The company which they lead, the Marcus Corp., turns 50 in November and is a leader in the hotel, restaurant, and movie theater business.

They have developed two of Milwaukee's fine hotels—the Marc Plaza and the Pfister Hotel—and have built a chain of 44 Budgetel motels located throughout the Midwest and the South.

The Marcuses have also developed an excellent chain of steakhouses and restaurants situated in four States.

Opening their first theater in Ripon in 1935, the Marcus Corp. has been in the forefront of quality theaters in Wisconsin for many years. Today, the firm has 114 movie screens in Wisconsin and six more under construction. The Marc Cinemas have become the largest independent theater chain in Wisconsin.

Ben and Steve Marcus have been a part of important economic expansion in a host of Wisconsin communities. They have been willing to risk their capital and serve as catalysts to other key projects throughout the State.

The Marcuses are an important part of Wisconsin's economy. We are fortunate to have them making such an excellent contribution to our business community.

Mr. President, I ask for unanimous consent that a Milwaukee Journal article from October 8, 1985, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Milwaukee Journal, Oct. 8, 1985]

THE DREAM REALIZED: MARCUSES KEEP ADDING CHAPTERS TO A CLASSIC SUCCESS STORY

(By Tina Daniell)

This is a story about good business sense and hard work, about opportunity and hard work, about intelligence and hard work, about tradition and hard work.

This is also the story of a father-and-son team that has built an eminently successful company, the Marcus Corp., with operations in the movie theater, restaurant and lodging industries.

Father-and-son teams are tricky propositions. But Ben and Steve Marcus seem to have one that works. The company they run, as chairman and president, respectively, marks its golden anniversary next month.

The Marcus business grew from one movie theater in Ripon, Wis., to a company that operates 114 movie screens in Wisconsin, with six more under construction. It also operates more than 100 restaurants, primarily Big Boy franchises, in four states and 44 hotels and motels. It employs 8,000 people. Company revenues hit $131.8 million in fiscal 1985 and profits topped $8 million.

Born in Poland, he arrived in America in 1925 at the age of 14, not speaking a word of English. His family settled in Minneapolis, Minn., where his father, who was a fruit broker in Poland and had emigrated 10 years before his family, had built a small meat-packing business.

Within two months, Ben had learned English and enrolled in public school. In another four years, he had completed both junior high and high school, graduating as a member of the National Honor Society.

He dropped out of the University of Minnesota after four semesters, shifting all his attention to a job selling ads at the Minneapolis Journal. But it was the movie business that attracted him. He drove throughout Minnesota and Wisconsin in his free time, looking for a likely city in which to open a movie theater.

He found it in Ripon, and borrowed money to buy and convert an abandoned department store into the city's only movie house, the Campus Theater. The year was 1935. He was 24.

Ben's explanation of his business' growth sounds deceptively simple in retrospect. When television was born, he looked for a way to diversify his theater business and became an early franchisee of Big Boy restaurants. He bought the bankrupt Pfister in 1962.

You don't get a sense of the keen intelligence behind those moves because he is genuinely self-effacing. And he doesn't look the part of a ruthless tycoon.

Genial, white-haired, puffing on a pipe, he seems typecast to play Santa Claus at Macy's. But the intelligence is there in both father and son, associates say.

By no means are Ben and Steve carbon copies of each other. They don't look alike. They don't talk alike—Steve, who was raised in the Midwest, and Ben, whose voice retains a slight imprint of his early years in Poland. When you talk to Ben, he pauses frequently to fill and relight his pipe. When you talk to Steve, he pauses to sip a Diet Pepsi. Old world and new.

What they share, though, is a common philosophy on how to run their business. It's a conscientious, hard-working, hands-on management style. Ben still works 10 to 11 hours a day. Steve, who is 50, outdoes him, putting in 12 to 13 hours a day.

After a busy weekend at the Pfister, Ben is likely to show up Monday morning just to see that everything is in order, said one former employe. On Sunday, the one day Steve Marcus usually does not go down to the company's offices, he tries to go to a Big Boy or Captain's, another Marcus operation, for brunch or lunch, and always winds up taking notes.

"They really know what's going on in all parts of their business," said one former employe.

Ask Ben Marcus about his company's success and he'll give credit to luck at hiring and keeping good employes. "I discovered early in my career that a business' most valuable asset is people, not money. You can always borrow that," he observed.

Clearly, one of the people he relies on is Steve. Steve, however, wasn't always sure that he would join his family's business.

"I imagine like any child growing up in that situation, there were times I thought that naturally, I would go into the business and other periods when I wanted to strike out on my own," he said.

That is what he did after graduating from the University of Michigan Law School in 1960. Always interested in real estate, Steve got a job with a real-estate developer in San Francisco. Then he came back to Milwaukee and did legal work and leasing in what was then a very hot area, discount-store development.

The work gave him confidence in his own abilities, Steve said.

After 1½ years of that work, Steve said he saw there was a lot of legal work ahead in his father's company, and decided he wanted to help.

"I was self-assured enough to go into the business then, and I knew I was not in the position of being handed something that was not deserved, which was very important to me," he said.

There's no doubt about how pleased Ben was by Steve's decision.

"I was very, very thrilled when my son decided to come in. And I was more thrilled when I found he was capable of doing a good job. He's doing a better job than his father did," Ben said.

"People who say Steven is just riding his father's coattails don't know what they're talking about," said one former Marcus Corp. employe. "A lot of the company's accomplishments can be credited to him. It's tough on Steve. He'll always be the kid."

It was Steve who forsaw the segmentation of the lodging industry and came up with the idea for Marcus Corp.'s very successful Budgetel chain, which offers modestly priced accommodations for business and family travelers. The first Budgetel was opened in 1974. There are now 22 open and 22 more are being built in an area that stretches throughout the Midwest to Georgia, Florida and Alabama.

Marcus Corp.'s lodging division, which includes the Pfister, the Marc Plaza and the Sheraton Mayfair here, is the company's most profitable unit. Its revenues in 1985 were a little more than half of the larger restaurant division's, but profits of $7.2 million were one-third higher, amounting to more than 50% of total operating profits.

Now, the company's focus is on the national expansion of Budgetel. But for years, Marcus Corp. gave much of its attention to Milwaukee's Downtown.

Marcus said he bought the bankrupt Pfister Hotel in 1962 as a gamble. But he seemed to have always been willing to gamble on Milwaukee. The company moved its headquarters from Whitefish Bay to its current address at 212 W. Wisconsin Ave. in 1963, a time when many other firms were migrating in the opposite direction. The Marcuses bought the old Sheraton Schroeder in 1972, before there were any concrete plans for a revitalized Downtown, and converted it to the Marc Plaza.

"The made some singularly dramatic investments in Downtown," said Stephen Dragos, who for years was executive vice president of Milwaukee Redevelopment Corp. and now holds a similar position with a group in Phoenix, Ariz.

"They were some of the earliest supporters of Downtown redevelopment, and they had their money in some of the riskiest places. Anybody would tell you not to invest in old hotels, restaurants and theaters, even when redevelopment is being planned," Dragos said.

Sometimes Milwaukee's redevelopment hasn't moved in the direction the Marcuses wanted, notably when the Hyatt Regency Milwaukee was planned. Both Ben and Steve were outspoken in their opposition. They said occupancy at existing hotels Downtown meant the Hyatt's construction wasn't warranted.

But the hotel got built, and the Marcuses didn't pull up stakes in a snit and move elsewhere. That's not their style, said Kevin O'Connor, who was Downtown alderman from 1974 to 1983.

"They are the most genuinely civic-minded people you could find in the country," said O'Connor, now assistant vice president of First Wisconsin National Bank.

Steve, who has three sons, 15, 18 and 21, says he is officially neutral on the question of whether his children should join the company.

"I've neither discouraged or encouraged that," he said.

Ben, on the other hand, said unabashedly that he would like to see his grandchildren eventually get involved with the company. A daughter, Diane Marcus Gershowitz, who has never been directly involved with the business, has just been nominated to join its board of directors.

Both Steve and Ben agree that keeping Marcus Corp. a family business and in Milwaukee are top priorities. Though attractively positioned in the service sector, where much growth is expected to take place in the future, Ben Marcus said he was not worried about the company being a takeover candidate because it has been structured to keep the majority of stock in family hands. The financial rewards of a takeover hold little appeal.

BLAIR LEE III

Mr. MATHIAS. Mr. President, the State of Maryland and the Nation have lost one of their most objective public servants with the death of Blair Lee III.

Blair Lee served as the acting Governor of Maryland, a unique experience in the history of our State. He served, of course, in many other public offices. I had the personal pleasure of having entered public life with him, since we both became members of the Maryland House of Delegates at the same time.

Blair Lee had an interesting capacity for distilling the lessons of history and applying them to the politics of today. He attempted to take the best from the past and make it into the best of the future, and his whole political career was an exposition of this theme.

I remember how dedicated he was to transmitting the traditions of history to future generations. In 1976, during the Bicentennial of American independence, I thought about what we could do in our own family so that our children would remember the Bicentennial of American independence as a special event in their lives. I concluded that one of the most interesting and educational things we could do would be to visit, on the Fourth of July, 1976, the graves of the four Marylanders who had signed the Declaration of Independence on July 4, 1776. So we planned that day to visit the graves of Thomas Stone, of Samuel Chase, of Charles Carrollton, and of William Paca, all located in different parts of Maryland.

I was interested and pleased, but not surprised, to find, on that pilgrimage to the graves of these signers of the Declaration of Independence, that Blair Lee had preceded me at each stop.

He had an impulse to want to identify himself with the best of the past so that he could project it into the future.

We have suffered a personal loss in the death of Blair Lee, and we have suffered a public loss.

Mrs. Mathias joins me in extending our sympathy to Mrs. Lee and to members of her family.

Mr. President, I ask unanimous consent to have printed in the RECORD an editorial published in the Washington Post yesterday on the subject of Mr. Lee's contributions to Maryland.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

BLAIR LEE III

Blair Lee III was a professional politician in the more elevated sense of the term. What interested him was the way Maryland's turbulent democracy works, and he set about learning to know the state and its government with the same precision that a surgeon learns anatomy. Like a surgeon, his purpose was to make the thing work better. In 1977-78 he served briefly as acting governor, and that is the tag usually attached to his name. But there was a great deal more to his long career than that.

He was born into one of Maryland's great political families and entered Montgomery County's Democratic politics at a time, shortly after World War II, when the party was fiercely divided between the old country-style machine and the increasingly well-organized suburbs. The enduring vice of Montgomery politics is an addiction to a narrow and zealous factionalism that was never worse than in those years. Mr. Lee's father, E. Brooke Lee, was the dominant figure in the old organization, while by age, education and outlook the younger Mr. Lee had much in common with the new wave of suburban voters who were determined to seize control. He chose to be a broker, valued by each side for his assured knowledge and his detached good judgment—but that detachment always made him slightly suspect within the party. He retained that talent for detachment throughout his life, it protected his integrity, but it probably set a limit to his success in election campaigns.

He served in both houses of the General Assembly, then became lieutenant governor under Marvin Mandel and, after Mr. Mandel's conviction on charges of corruption, replaced him. The aura of scandal vanished from the governor's office under Mr. Lee, but whether because of the Mandel connection or his own cool and ironic manner, he lost when he ran for a full term in his own right.

Among the many useful things that he accomplished for the state, the most important were in the field of education. Coming from the richest county in the state, he improved and strengthened the formula for distribution of state funds, limiting the disparity between the quality of schools in the most and least wealthy communities. It was a characteristically inconspicuous and important contribution to equality of opportunity. After leaving the governorship he served on the board of regents of the University of Maryland, and persuaded the General Assembly to set up the fund to augment the salaries of outstanding faculty there.

Maryland politics is a paradox. The most visible side of it has repeatedly been spectacularly tawdry, and yet the state is notably well run and provides fine schools for its children. If you are looking for an explanation, you might usefully begin by considering the career of Mr. Lee, who died last Friday at his home in Silver Spring.

TWENTIETH ANNIVERSARY OF THE FOSTER GRANDPARENT PROGRAM

Mr. CRANSTON. Mr. President, 1985 marks the 20th anniversary of the establishment of one of the Federal Government's finest, most successful domestic volunteer programs—the Foster Grandparent Program. I join the many Americans who have been enriched by this program in applauding the Foster Grandparent Program on its 20th anniversary.

I have been closely associated with the Foster Grandparent Program throughout my service in the U.S. Senate. As chairman for a number of years of the Senate subcommittee with jurisdiction over the program, I had the privilege of authoring much of the legislation relating to the Foster Grandparent Program that came before the Senate during that period. I was pleased earlier this year to join with 40 of my colleagues in cosponsoring Senate Joint Resolution 92, a resolution designating October 1985 as the "National Foster Grandparent Month." That resolution was unanimously approved by the Senate on May 3, 1985, and signed by the President on October 28, 1985.

Mr. President, in 1965, the Foster Grandparent Program was launched as part of President Johnson's anti-poverty crusade. At its beginning, approximately 800 low-income older Americans participated in 21 Foster Grandparent projects. Since that time, the program has grown to 19,000 foster grandparents who work on behalf of approximately 66,000 children in 249 projects across the Nation.

The Foster Grandparent Program, which is operated through the ACTION agency which administers the Federal domestic volunteer programs, provides men and women of age 60 or older who possess the public spirit, but not the financial means, a modest stipend to enable them to volunteer in part-time positions assisting children with emotional, mental, or physical disabilities. Foster Grandparents volunteer in a variety of institutions including schools, day-care centers, hospitals, and within programs for abused and neglected children. In addition to an hourly stipend, they receive an annual physical examination, insurance benefits, and meals, when serving as volunteers.

For some children, a foster grandparent is the first person in their lives to show concern and to provide warmth and guidance to them. The many relationships that grow as a result of this contact enrich their lives in ways that defy any meaningful statistical measure. The benefits of this program extend beyond the actual

participants, and without question, vastly outweigh its relatively small cost.

The success of the Foster Grandparent Program stems from the dedication, hard work, and good will of the thousands of Americans who have designed, administered, and participated in the program over the last 20 years. I am proud to honor their efforts and join in celebrating the 20th anniversary of this remarkable program.

EIGHTH ANNIVERSARY OF "AHORA"

Mr. BRADLEY. Mr. President, on October 30 of this year, "Ahora," the Hispanic supplement to the Dispatch newspaper in Union City in my home State of New Jersey, will celebrate its eighth anniversary.

I want to take this opportunity to congratulate "Ahora" and the Dispatch for 8 years of fine writing and information they have offered New Jersey and our Hispanic residents.

"Ahora" has contributed a great deal to the cultural diversity of New Jersey. It is a newspaper that reflects the pride that Americans have in their heritage.

I am sure that my colleagues in the Senate join me in wishing "Ahora" many more years of success.

LEGISLATIVE BRANCH APPROPRIATIONS, 1986—CONFERENCE REPORT

Mr. DOMENICI. Mr. President, last evening just prior to recess, the Senate agreed to the conference report on H.R. 2942, the legislative branch appropriation bill, 1986.

Mr. President, I support the conference agreement on the legislative branch appropriation bill.

I would like to commend the members of the conference for producing a bill that is consistent with the subcommittee's section 302(b) allocation under the budget resolution.

H.R. 2942 provides $1.6 billion in budget authority and $1.4 billion in outlays in fiscal year 1986 for the activities of the U.S. Congress and related agencies.

With outlays from prior-year budget authority and other adjustments taken into account, the bill is under the subcommittee's 302(b) allocation by less than $50 million in budget authority and over the allocation by less than $50 million in outlays.

Mr. President, I ask unanimous consent that tables showing the relationship of the bill to the subcommittee's 302(b) allocation, the President's request, the House-passed level, and the Senate-passed level, and a summary of total appropriations action to date, be printed in the RECORD at the conclusion of my remarks.

Again, Mr. President, I support this conference agreement and commend the Appropriations Committee and conferees for producing a legislative branch appropriation bill consistent with the budget resolution levels for the President's signature.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

LEGISLATIVE BRANCH SUBCOMMITTEE SPENDING TOTALS

[In billions of dollars]

	Fiscal year 1986	
	Budget authority	Outlays
SENATE PASSED		
Outlays from prior-year budget authority and other actions completed	[1]	.3
H.R. 2942, as passed by the Senate	1.6	1.4
Possible later requirements: Official mail costs	[1]	[1]
Adjustment to conform mandatory programs to budget resolution assumptions	−[1]	−[1]
Subcommittee total	1.7	1.7
Subcommittee 302(b) allocation	1.7	1.7
House-passed bill	1.7	1.8
President's request	1.8	1.8
Subcommittee total compared to:		
Subcommittee allocation	−[1]	+[1]
House-passed bill	−[1]	−[1]
President's request	−.1	−.1
CONFERENCE AGREEMENT		
Outlays from prior-year budget authority and other actions completed	[1]	.3
H.R. 2942, conference agreement	1.6	1.4
Possible later requirements: Official mail costs	[1]	[1]
Adjustment to conform mandatory programs to budget resolution assumptions	−[1]	−[1]
Subcommittee total	1.7	1.7
Subcommittee 302(b) allocation	1.7	1.7
Senate-passed bill	1.7	1.7
House-passed bill	1.7	1.8
President's request	1.8	1.8
Subcommittee total compared to:		
Subcommittee allocation	−[1]	+[1]
Senate-passed bill	−[1]	+[1]
House-passed bill	−[1]	−[1]
President's request	−.1	−.1

[1] Less than $50,000,000.

Note.—Details may not add to totals due to rounding

STATUS OF APPROPRIATION BILLS IN THE SENATE

[In billions of dollars]

Subcommittee	Appropriations Committee's 302(b) allocation		Adjusted bill totals [1]		Bill compared to allocation		Bill status
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays	
Agriculture	28.2	25.2	28.2	25.2	−[2]	−[2]	Senate passed.
Commerce-Justice	12.0	11.9	11.9	12.0	−.1	+.1	Senate reported.
Defense	285.5	252.2					
District of Columbia	.5	.5	.5	.5	+[2]	+[2]	Senate reported.
Energy-Water	15.3	15.6	15.3	15.6	−[2]	−[2]	Conference.
Foreign Ops	15.2	14.7					
HUD-Independent	58.7	61.2	58.2	61.2	−.5	+[2]	Senate passed.
Interior	8.2	8.9	8.2	9.3	+[2]	+.4	Senate reported.
Labor-HHS	108.0	115.3	108.0	115.3	+[2]	−[2]	Senate passed.[3]
Legislative Branch	1.7	1.7	1.7	1.7	−[2]	+[2]	Conference.
Military Construction	9.0	7.6					
Transportation	10.5	26.6	9.9	26.6	−.6		Senate passed.[3]
Treasury-Postal	13.1	13.1	13.1	13.1	−[2]	−[2]	Do.
Unassigned	1.2	−.4			−1.2	+.4	
Total, Appropriations Committee	567.1	554.1	255.1	280.6	−2.4	+.9	

[1] In addition to the bill, includes outlays from budget authority enacted in prior years, possible later requirements, adjustments to conform mandatory items to the budget resolution level, and other adjustments.
[2] Less than $50,000,000.
[3] Preliminary estimates.

Note.—Details may not add to totals due to rounding.

Source: Senate Budget Committee staff.

CALIFORNIA CLINICAL LABORATORY ASSOCIATION

Mr. CRANSTON. Mr. President, on October 17, the California Clinical Laboratory Association [CCLA] held its annual meeting in Newport Beach, CA.

The CCLA represents independent hospital-based laboratories as well as those that are locally owned and operated. These laboratories play an important role in patient care, carrying the responsibility for conducting many analyses and tests that are essential for accurate diagnosis and treatment of diseases.

Mr. President, I would like to take this opportunity to make special note of the leadership provided to CCLA by Mr. Fred Struve of San Jose, CA, who is nearing the close of his tenure as president of this fine organization.

Mr. Struve has brought to his position many years of experience in the medical laboratory field and has twice been named Medical Technologist of the Year in California.

I want to extend my warmest wishes to Fred Struve and the CCLA for many future successes.

INVOCATION DELIVERED BY BISHOP F.C. JAMES, CHAIRMAN OF THE BOARD OF ALLEN UNIVERSITY IN COLUMBIA, SC

Mr. THURMOND. Mr. President, on October 2, 1985, I hosted a Federal Procurement Conference in Columbia, SC, to better inform small businessmen and women in my State how to do business with the Federal Government.

More than 700 people gathered to hear two special guest speakers, Mr. Terence Golden, Administrator of the General Services Administration; and Dr. James Wade, Assistant Secretary of Defense for Acquistion and Logistics; and to receive individual counseling from highly qualified Government procurement experts and prime contractor representatives.

Although a business conference, one of the highlights of the day's activities was the invocation delivered by Bishop Frederick (F.C.) James, chairman of the board of Allen University, an historically black college in Columbia. Numerous participants at the conference enjoyed the highly inspirational prayer delivered by Bishop James and subsequently asked him for a copy of the invocation for their personal use.

Mr. President, I ask unanimous consent that a copy of the prayer delivered by Bishop F.C. James be included in the RECORD so that I may share this motivational invocation with my colleagues.

There being no objection, the prayer was ordered to be printed in the RECORD, as follows:

PRAYER

(By Bishop F.C. James)

Eternal God Our Father,

As we gather to break bread together, accept the praise we bring.

For the life we live, the food we eat, the liberty we share and the privilege to dare, we return our thanks, Dear Lord.

We are thankful for our citizenship in this Nation and State. Bless us that we may be blessings—each to the other.

Continue to bless the Leadership of our Senator J. Strom Thurmond. May his diligence be ever matched with success.

Remind us to "Be Not Slothful in Business" Therefore,

May the younger among us—wake-up;
May the older among us—step-up;
May the idle among us—sign-up;
May the angry among us—wise-up;
May the able among us—stand-up;
May the smart among us—think-up;
May the strong among us—link-up;
May the successful among us—count-up;
May the believers among us—mount-up;

And take wings as the Eagles that you meant for us to be.

We shall be careful to give to you the Glory—as we ask all in Your Name. Amen

THE SUGAR PRICE SUPPORT PROGRAM

Mr. INOUYE. Mr. President, it was with dismay that I read my mail this week to discover first, that a former senior White House official was receiving $300,000 from CBI nations to lobby the President for increased access to U.S. sugar markets, and second, that the State Department had entered the fray over the proposed Bradley-Gorton amendment to reduce the sugar price support program contained in the 1985 farm bill.

Congress and the administration alike are concerned about the current cost of our Nation's commodity programs. But I do not understand why the Secretary of State sent my colleagues a letter dated October 11 which urges, in essence, that we export American jobs and worsen our trade deficit by putting our domestic sugar industry out of business. The history of the 1981 farm bill shows that the sugar program can and should operate at no cost to the American taxpayer, and I do not see why we should sacrifice American sugar cane, sugar beet, and corn growers for the sake of foreign sugar producers.

Mr. President, I wish to debunk the notion that the Bradley-Gorton amendment will provide immediate relief for CBI countries. I thus ask unanimous consent that a table prepared by the Hawaiian Sugar Planters Association on CBI revenues be printed in the RECORD. I would also like to know how it is that the Secretary of State entered the sugar debate—on the side of foreign producers and to the detriment of hard-pressed American farmers. As such, I also ask unanimous consent that the full text of my letter to Secretary Shultz be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CARIBBEAN AND CENTRAL AMERICAN SUGAR PRODUCING NATIONS REVENUE FROM SALES OF SUGAR TO THE UNITED STATES (FISCAL YEARS 1986–91)

Country	Committee bill	Bradley/ Gorton	Bradley/Gorton Revenue loss
Dominican Republic	$912,900,000	$686,200,000	−$226,700,000
Guatemala	248,900,000	187,100,000	−61,800,000
El Salvador	151,100,000	113,600,000	−37,500,000
Panama	150,400,000	113,000,000	−37,400,000
Costa Rica	104,900,000	77,900,000	−27,000,000
Honduras	98,900,000	74,300,000	−24,600,000
All other Central American and Caribbean nations	362,300,000	272,300,000	−90,400,000
Total Bradley/ Gorton revenue loss			505,400,000

The above information is based upon the estimate of the U.S. Department of Agriculture that the Bradley/Gorton amendment would result in a reduction in the sugar price support of 6 cents (a price support cut of 3 cents per pound phased-in over the life of the bill plus the elimination of the 3 cents per pound transportation factor). The data reflects the incremental reduction that the Bradley/Gorton amendment would achieve each year. The data assumes a continuation of the current quota and allocation among Central American and Caribbean nations.

Summary: Under the Bradley/Gorton amendment, the sugar revenues of Central American and Caribbean nations would be cut by $505,400,000 over the life of the farm bill as a consequence of the amendment's price support reduction.

U.S. SENATE,
Washington, DC, October 28, 1985.

Hon. GEORGE SHULTZ,
Secretary, Department of State, Washington, DC.

DEAR MR. SECRETARY: One sometimes hears the call for an "American Desk" at the Department of State. Your letter of October 11th to Senator Bradley, endorsing the Bradley-Gorton amendment to the sugar title contained in the 1985 Farm Bill, certainly adds fuel to those demands.

The Bradley-Gorton amendment is of benefit primarily to the big industrial users of sugar. It can increase the earnings of sugar-exporting nations only if there is a collapse of a major share of our nation's sugar production. It also favors foreign producers over American growers and demonstrates greater concern for the debts owed by foreign nations to large international banks than it does the money owed by domestic farmers to small rural banks.

The proposed amendment calls for reduction of six cents per pound in the price of sugar landed in New York by 1989. This means $120 less per short ton for sugar sold in the United States by both domestic and foreign producers. The resulting loss of revenue for countries exporting sugar to our market would amount to $280 million (at FY 1986 import levels) and could only be replaced by a substantial decline in U.S. production. At current depressed world market prices, exporting nations would have to ship an additional 1,550,000 tons to our market just to break even. More than one-fourth of American's sugar producers would have to go out of business before sugar exporting nations would earn an additional dollar (see enclosure).

When did it become the policy of the United States Government to drive our own farmers and processors out of business in order to deliver our markets to foreign producers? And when did it become the policy of this Administration to worsen rather than improve our trade deficits by becoming dependent on imported sugar? Such a policy is even more difficult to understand since our farmers produce sugar at about the average world cost of production—despite our much higher wages. Indeed, five of the CBI countries are higher cost producers than the United States, according to a recent Library of Congress study (Report No. 85-144 ENR). If the Caribbean countries you identify in your letter are in such desperate economic straits, how can they afford to pay a former senior White House official $300,000 in order to increase their share of the U.S. sugar market (as reported in the WASHINGTON POST on October 27th)?

Your letter inaccurately claims that current sugar exports to the United States are less than half what they were in 1981. I would point out that in December 1981, a million tons of sugar were exported to the United States in order to avoid the fees that were imposed starting in 1982. As a result, our 1981 imports reached 5,025,000 tons. The fact that they dropped to 2,964,000 tons in 1982, despite a 421,000 ton decline in U.S.

production and a similar decline in consumption, is clear proof of unusual sugar imports in 1981.

The demand for sugar in the United States has declined during the past decade with the advent of high fructose corn syrup (HFCS), which now dominates the soft drink market. As a result, imports and domestic production of sugar have declined. Is it the position of the Department of State that HFCS, the lowest cost liquid sweetener produced anywhere in the world, should be permitted on the U.S. market only if it replaces domestically produced sucrose? Given the size of domestic corn surpluses and the economic distress of our farmers, I find such a position—if true—incredible and contrary to our national interest.

Because of my great concern in this matter, may I ask that you advise me about your reasons for endorsing the Bradley-Gorton amendment and why the State Department would endorse legislation that will put American farmers out of work?

Thank you for your time and consideration in this matter. I look forward to hearing from you at the earliest opportunity.

Aloha,

DANIEL K. INOUYE,
U.S. Senator.

CONCLUSION OF ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Morning business is now concluded.

AGRICULTURE, FOOD, TRADE, AND CONSERVATION ACT OF 1985

The PRESIDING OFFICER. The Senate will now resume consideration of the unfinished business, S. 1714, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 1714) to expand export markets for United States agricultural commodities, provide price and income protection for farmers, assure consumers an abundance of food and fiber at reasonable prices, continue food assistance to low-income households, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

(1) Stevens Amendment No. 914, to establish shipment requirements for exports sponsored by the Department of Agriculture.

(2) Cochran Amendment No. 915 (to Amendment No. 914), of a perfecting nature:

(3) Inouye Amendment No. 916, of a perfecting nature.

The PRESIDING OFFICER. The pending amendment is amendment No. 916.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, I am almost tempted to call for third reading, but I will not do that just yet. That might excite some of the brethren and ladies who make up this august body. But here we are at a quarter to 10, and one Senator is on the floor in addition to the distinguished Presiding Officer.

As I count them, we have, at a minimum, 60 amendments to consider. Of course, I am speaking in a hopeful way to those who may be listening on their little squawk boxes in their offices, when I say that we want to move this bill along. We have a pending amendment, and soon we will see a rollcall vote on it.

There is no point in Senators facing the singing of "Jingle Bells" in this Chamber or even "Auld Lang Syne," when we could begin our work on the bill, conclude it, and move on to other things, such as the reconciliation, the debt ceiling, appropriations bills.

So, with all sincerity and friendliness, I do implore all Senators to come to the floor and begin work today on the farm bill.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from North Carolina is recognized.

Mr. HELMS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HELMS. What is the pending business?

The PRESIDING OFFICER. The pending business is amendment 916.

Mr. HELMS. Mr. President, I ask unanimous consent that that amendment be laid aside so that the distinguished Senator from Illinois may call up an amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Illinois is recognized.

Mr. DIXON. Mr. President, and Members of the Senate, as you know, we continue to address the problem of the use of American-flag vessels in connection with the transport of agricultural commodities.

One of the things that some of us feel would help to improve the quality of this legislation is to require that all agricultural commodities be shipped according to the lowest landed cost at whatever port might be used.

AMENDMENT NO. 926

Mr. DIXON. At this time, Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Illinois [Mr. DIXON] proposes an amendment numbered 926.

At the end of the pending amendment (No. 916) insert the following new section and renumber succeeding sections accordingly:

"SEC. . The requirement for United States flag transportation imposed by subsection (a) herein shall be subject to the same terms and conditions as provided in section 901(b) of the Merchant Marine Act, 1936, as amended (46 U.S.C. subsection 1241(b)) provided that agricultural commodities or the products thereof shall be shipped at the lowest landed cost (as provided in part 1496 of Title 7 of the Code of Federal Regulations)."

Mr. DIXON. Mr. President, the amendment is self-explanatory.

For all in the Senate who would like to see the agricultural products of America shipped at the most reasonable rate, and keeping in mind the impositions that we have—by our own votes here—permitted to have placed on the bill by the adoption of a stricter cargo preference rule, I believe that most Senators would think that this amendment is desirable, that it will at least require that the shipping of agricultural products on American bottoms must be at the lowest landed cost.

Mr. President, I ask for the yeas and nays on this amendment.

The PRESIDING OFFICER (Mr. DENTON). Is there a sufficient second? There is not a sufficient second.

Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. DIXON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DIXON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DIXON. Mr. President, with the acquiescence of the distinguished chairman of the Agriculture Committee, I ask unanimous consent that the Inouye amendment be reinstated and that my amendment presently at the desk be considered at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DIXON. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. The yeas and nays are already ordered.

Mr. COCHRAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRASSLEY. Mr. President, recently I had an opportunity to read in the papers in my State references to a study put out by, I presume, the Senate Agriculture Committee, because it refers to Chairman HELMS in terms of Senator HELMS' paper, stating that commercial size farmers last year netted $35,273, on the average.

I have not had a chance to look at that paper. I do not know, in the continuing debate on the farm bill, the extent to which everyone will have a chance to study it. I do not question its legitimacy at this point. I do not have any reason to think I should ever question the legitimacy of the study.

I just wonder about what it takes into consideration in figuring average income. I think the impression here that people want to leave is that in considering average income of nonfarm families in the United States, that must surely be a pretty good income.

I think we need to take into consideration that the family farm, as a sole proprietorship, does not have the benefit of having before tax deductions of health care and insurance costs, like many of its urban counterpart might have.

There are a few farms that are incorporated and through incorporation pay some of these expenditures. But most family farmers are sole proprietorships and they do not have that benefit.

In the unionized industries, like car manufacturing and farm machinery manufacturing, a lot of fringe benefits are calculated at about 20 to 30 percent of total pay. That is a benefit that the family farmer does not have.

The other thing that I would like to raise question about this figure of $36,273 relates to whether or not it takes into consideration the low incomes paid for farm laborers, and also what is the definition of farmer in this particular instance.

If it did not take into consideration the return on labor, then, of course, the figure should not be considered very accurate in the sense of its comparison to city dwellers. If, in fact, it does take income into consideration, obviously that income that would be taken into consideration would be a lower income. I think that is something that everybody needs to be aware of.

Second, I think we need to think in terms of longer hours in agriculture labor, particularly the self-employed individual as opposed to somebody who is working by the hour, week, or month. Hourly wages are generally lower in farm income mostly because longer hours are put in, particularly as it relates to livestock producers and dairy producers, who obviously have an obligation 365 days of the year. Farming requires more attention and there is more responsibility. Because of longer hours it seems to me not very fair to compare agriculture with nonagriculture in the sense of length of time put in.

I would suggest that there are a lot of other issues that I am going to address later on in paper form for my colleagues, some statements about the present farm program distributes too many Government subsidies for the farmers; the payments are misdirected or poorly utilized and, therefore, the farm economy has been weakened.

Also, another accusation about past and present farm programs have resulted in lower net income for farmers and yet direct payments have been greatly increased; therefore, U.S. farm programs have contributed to a weakened farm economy. That is not the case. That is an accusation that we definitely have to address head-on and dispute in the RECORD.

Another argument is that U.S. farm income is geared to produce for the export market and foreign farmers realize this by undercutting our prices in the marketplace through planning according to our farm programs.

Also, the argument is made that only 30 percent of the value of U.S. products is covered by farm programs, so why have any farm program at all because livestock and perishable commodities, and a lot of other commodities that make up the other 70 or 80 percent, are not covered.

That does not take into consideration the fact that there has been a lot of protection for fruits and vegetables through their control of the marketplace and the marking orders that they have used.

There are several other issues that in some fashion we are going to be addressing as we deal with most of the issues of the farm bill.

I would appreciate my colleagues' attention to this $36,273 figure so that they understand the difficult issues that have to be considered when comparing nonfarm income with farm income.

Mr. HELMS. Does the Senator yield the floor?

Mr. GRASSLEY. Yes.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

Mr. COCHRAN. Mr. President, will the Senator withhold?

Mr. HELMS. Yes.

Mr. COCHRAN. Mr. President, we have the Dixon amendment pending. It would be my intention, after Senators who want to be heard on the amendment have spoken, to move to table the Dixon amendment and ask for the yeas and nays so we can have a vote on it. I hope that Senators will continue this morning to support the compromise that has already been approved, in effect, by the Senate.

I do not know of any Senators who want to speak on this particular subject. If there are none, it is my hope that we can get to a motion to table and get to a vote.

I understand the Senator from Alabama wants to be heard. If there are others, I hope their staffs will advise us so we can proceed to a vote on a motion to table the Dixon amendment.

I thank the Chair.

Mr. HEFLIN. Mr. President, my remarks will be very brief on this amendment. As I understand it, the language of least-landed cost referred to in this amendment would result in greater shipments of Public Law 480 commodities from the Great Lakes. I am somewhat concerned about shipment of grains that could occur in other sections of the country. I have an interest in my own State that includes the Port of Mobile and the Tennessee-Tombigbee Waterway that just recently opened. The Corps of Engineers developed cost-benefit ratios for the Tenn-Tom as it was in the inception period and in the planning period. These ratios were revised as Congress began making appropriations for the waterway construction. The basis of those cost-benefit ratio figures was to show that investment of Federal money into the Tennessee-Tombigbee Waterway would result in benefits in excess of costs to the region.

Primarily, the two elements that were involved in the Tennessee Tombigbee cost-benefit ratio studies were coal and grain. This amendment, Mr. President would in effect, declare that all of the Public Law 480 commerce would have to originate from the Great Lakes ports. It would prohibit grain shipments from passing through the Tennessee-Tombigbee Waterway, and could cause serious consequences to the development of this waterway, that America has spent many resources constructing, and which I think will end up being highly beneficial to the Nation as a whole.

There were many other cargo considerations beyond coal and grain that went into the cost-benefit ratio study figures, but these are the primary two products considered. To reroute the Public Law 480 shipments of grain to another country and to prohibit origination on the waterway or from the Port of Mobile, I think it would have a disastrous effect during this early, really embryonic period of the Tennessee Tombigbee Waterway development. I think it is something that we should be cautious about.

I merely wanted to bring that to the attention of Members of the Senate.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I would like to make a few remarks regarding the Dixon amendment.

It requires shipments under title II of the Public Law 480 program to be booked at "lowest landed cost." In addition, the amendment would impose a limitation on freight rates for U.S. vessels participating in cargo preference shipments, which would be tied, not to U.S. vessel owners' costs of doing business, but to foreign-flag freight rates. Senator DIXON's amendment should be rejected.

Both components of the amendment have already been debated and decisively rejected by the Senate in connection with an earlier amendment offered by Senator DIXON and a separate amendment offered by Senator BOSCHWITZ. There is no occasion for the Senate to revisit these issues, particularly given the urgency of the need to complete work on the overall farm bill.

The amendment seeks to confer special protection on Great Lakes ports, at the expense of east coast, west coast, and gulf ports. It would seriously distort the competitive environment that has historically allowed all four port ranges to grow and prosper. The Senate should reject amendments that only serve to engage its Members in a divisive debate.

The Cochran compromise between agriculture and maritime adequately protects the Great Lakes. The compromise, already approved by a wide margin, directs the Secretary of Transportation to administer the cargo preference laws so as to preserve, to the greatest extent practicable, each port range's historic share of agricultural preference cargoes. This authority is adequate to prevent any real hardship to the lakes. There is no need for rigid provisions that tie the hands of the agencies involved in arranging for shipment of our food relief exports.

A strict requirement to book shipments on a cost basis will not benefit the lakes. Any meaningful cost determination must include not only the cost of purchasing agricultural commodities and the freight rates for shipment, but also the time required for shipment. Shipment through the St. Lawrence Seaway significantly adds to the time required to ship agricultural commodities abroad, so that Great Lakes ports might actually be disadvantaged by a lowest landed cost requirement.

Support for our merchant marine should not be tied to foreign shipment rates. U.S. vessels participating in cargo preference shipments are required to offer fair and reasonable rates for U.S. vessels. This standard allows the Maritime Administration to take into account the actual costs of doing business in the United States, in compliance with our health and safety regulations and based on a reasonable wage rate for our seamen. Foreign competition is characterized by heavy government subsidization of shipping, less stringent health and safety standards, and very low-wage rates. No other subsidy program, including the Farm Support Program, is tied to the prices charged by foreign competition, and the Senate should not single the maritime industry out for such unreasonable treatment.

The amendment the Senator has offered this morning can be referred to as the lowest landed cost amendment. What he is saying is that shipments of U.S. grain should be transported in ships that operate at the lowest possible cost. This would undermine cargo preference, even under current law, because the ships chosen would not have to be U.S. ships. They could be ships under any flag, as I understand the amendment.

Mr. DIXON. Mr. President, will my colleague yield?

Mr. COCHRAN. I am happy to yield?

Mr. DIXON. May I say to my colleague from Mississippi that my understanding of the amendment—on the basis of everything I have been advised—is that it only applies to American bottoms within the purview of the Merchant Marine Act. So while I do not want to interrupt a friend and colleague in the course of his speech, I would assert that the lowest landed cost requirement only pertains to American bottoms.

Mr. COCHRAN. Mr. President, I thank the Senator for his comments. The fact of the matter is that, on the Great Lakes, there are essentially no American bottoms available. Only one line—the Lykes line—has any ships available, so basically there are only foreign ships operating on the Great Lakes. To impose this requirement would, in effect, set aside the law about preference for U.S.-flag vessels.

This is another attempt, Mr. President, to unravel the compromise that is before the Senate. If this amendment were agreed to, even though it might sound attractive and fair on the surface, it would jeopardize the effort that we are making to settle this dispute. It would undermine the effort to put an end to the controversy that has historically existed between these two major and important industries in America, the maritime industry and the agriculture industry. Both are so important. Both are confronted with very serious challenges today to be competitive, and to survive in a world that is growing more and more difficult in terms of our ability to operate economically and to claim market share around the world.

Today we see estimates of U.S. exports dropping continually, from a high just a few years ago of over $40 billion for agriculture to an estimated value this year of only $32 billion. This is a problem, Mr. President. It is a problem for agriculture, for the American farmers, and for the maritime industry. The Senator from Illinois has figures showing the tonnage that has been transported out of Great Lakes ports over the past 5 years. In 1979 and 1980, we were in a growth era. Tonnage was going up. But then, in 1982, we saw a sharp decline.

That is not something that is peculiar to the Great Lakes; it is a problem of the entire American effort to export agricultural commodities. We are in a downward trend. That is what we are trying to put a stop to. We are trying to become more competitive for the benefit of American agriculture, for the U.S. economy, and for our maritime industry. That is why we are urging that this compromise be accepted and that the amendments—the efforts to unravel it, or to undermine it—be rejected.

Mr. President, again, that is what the Dixon amendment attempts to do. I admire the Senator's imagination, his hard work, his diligence, and his initiative; nonetheless, I have to urge that we reject this amendment.

Mr. President, I know of no other Senators who want to be heard on this subject. I am prepared to try to answer any questions that any may have on this subject, but at the appropriate time, it is my intention to move to lay the amendment on the table and to ask for the yeas and nays. I yield the floor at this point.

Mr. HELMS. Mr. President, I can think of no more appropriate time to do it. I suggest that the Senator proceed.

Mr. COCHRAN. Mr. President, I move to lay the Dixon amendment on the table. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay the amendment of the Senator from Illinois on the table. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Delaware [Mr. BIDEN] and the Senator from Georgia [Mr. NUNN] are necessarily absent.

The PRESIDING OFFICER (Mr. KASTEN). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 71, nays 27, as follows:

[Rollcall Vote No. 263 Leg.]

YEAS—71

Andrews	Bumpers	Cohen
Baucus	Burdick	Cranston
Bentsen	Byrd	D'Amato
Bingaman	Chiles	DeConcini
Bradley	Cochran	Denton

Dodd	Heflin	Packwood
Dole	Heinz	Pell
Domenici	Hollings	Pryor
Eagleton	Inouye	Rockefeller
East	Johnston	Rudman
Evans	Kennedy	Sarbanes
Exon	Kerry	Sasser
Ford	Lautenberg	Specter
Garn	Laxalt	Stafford
Goldwater	Leahy	Stennis
Gore	Long	Stevens
Gorton	Mathias	Symms
Gramm	Matsunaga	Thurmond
Harkin	Mattingly	Trible
Hart	McClure	Warner
Hatch	Melcher	Weicker
Hatfield	Mitchell	Wilson
Hawkins	Moynihan	Zorinsky
Hecht	Murkowski	

NAYS—27

Abdnor	Grassley	Nickles
Armstrong	Helms	Pressler
Boren	Humphrey	Proxmire
Boschwitz	Kassebaum	Quayle
Chafee	Kasten	Riegle
Danforth	Levin	Roth
Dixon	Lugar	Simon
Durenberger	McConnell	Simpson
Glenn	Metzenbaum	Wallop

NOT VOTING—2

Biden	Nunn

So the motion to lay on the table the amendment (No. 926) was agreed to.

Mr. COCHRAN. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. HELMS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 927

(Purpose: To provide for cost efficiency in the shipment of United States Government cargoes, to establish the Great Lakes and Saint Lawrence Seaway Advisory Council, and for other purposes)

Mr. DIXON. Mr. President, I have an amendment at the desk and I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Illinois [Mr. DIXON] proposes an amendment numbered 927.

Mr. DIXON. Mr. President, if I may have the attention of the Senate, this is a lengthy amendment and a very good one. As the amendment is read, I wish my colleagues would listen to the entire reading of the amendment because it is very informative.

Will the clerk read the amendment.

Mr. BUMPERS. Mr. President, is it in order for me to ask a question of the Senator from Illinois prior to the reading of the amendment?

The PRESIDING OFFICER. The regular order is the reading of the amendment.

Unanimous consent would have to be required to change that sequence.

Mr. BUMPERS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BUMPERS. Can the Chair tell us about how long that is going to take? Maybe the sponsor of the amendment can tell us.

Mr. DIXON. Probably 15 minutes.

The PRESIDING OFFICER. The amendment is 15 pages long.

The clerk will read the amendment.

The legislative clerk read as follows:

At the end of the pending amendment, insert the following new sections and renumber succeeding sections accordingly:

TITLE II—COST EFFICIENCY IN THE SHIPMENT OF UNITED STATES GOVERNMENT CARGOES

FINDINGS

SEC. . The Congress finds that—

(1) it is in the best interests of the United States to maintain a strong merchant marine fleet for the efficient transport of United States Government cargo;

(2) it is in the best interests of the United States to ensure fair and reasonable participation for all four port ranges in the movement of United States Government impelled cargo; and

(3) such cargo should be shipped in the most efficient manner, at the lowest cost to the United States Government, which is not inconsistent with the provisions of section 901(b) of the Merchant Marine Act of 1936 (46 U.S.C. 1241(b)), the joint resolution entitled "Joint Resolution Requiring agricultural or other products to be shipped in vessels of the United States where the Reconstruction Finance Corporation or any other instrumentality of the Government finances the exporting of such products", approved March 26, 1934 (46 U.S.C. 1241-1), section 603 of the Foreign Assistance Act of 1961 (22 U.S.C. 2353), and section 2631 of title 10, United States Code (commonly known as the cargo preference laws).

DEFINITIONS

SEC. . For purposes of this title—

(1) the term "least cost to the United States" means the lowest expense to the United States Government determined by calculating the total cost of a commodity and all related transport costs, including but not limited to inland freight, ocean freight, wharfage, dockage, terminal transfer, stevedoring charges, freight forwarding, customs brokers, and freight differential charges; and

(2) the term "lowest landed cost" means—

(A) in the case of export cargo, all costs associated with the procurement and transportation of cargo from the United States to the port of entry abroad; and

(B) in the case of import cargo, the cost of transporting the cargo from the originating port abroad to the point of final destination in the United States.

SHIPMENT OF UNITED STATES GOVERNMENT CARGO AT LOWEST COST

SEC. . (a) Any agency of the United States that ships, generates, finances, or otherwise impels United States Government cargo shall ship such cargo at the lowest cost to the United States. Such cargo shall be shipped at—

(1) the least cost to the United States if such cargo is—

(A) an agricultural commodity that—

(i) the sale and exportation of which is fully paid by the Commodity Credit Corporation; and

(ii) is exported under an agreement with a foreign nation pursuant to title I of the Agricultural Trade Development and Assistance Act of 1954;

(B)(i) shipped, generated, financed, or otherwise impelled by the Department of Defense; and

(ii) is not cargo shipped at the lowest landed cost pursuant to paragraph (2)(B);

(C) a commodity shipped pursuant to an agreement financed by the Export-Import Bank of the United States;

(D) a commodity shipped pursuant to chapter 4 of part II of the Foreign Assistance Act of 1961 pursuant to an agreement financed under the Commodity Import Program, or any other export generating program administered by the Agency for International Development; or

(E) any other United States Government cargo, except a cargo shipped at the lowest landed cost pursuant to paragraph (2); and

(2) the lowest landed cost to the United States if such cargo is—

(A) an agricultural commodity that—

(i) the sale or donation of which, including freight and associated expenses, is financed by the Commodity Credit Corporation; and

(ii) is exported as assistance or a donation pursuant to title II of the Agricultural Trade Development and Assistance Act of 1954; or

(B) shipped, generated, financed, or otherwise impelled by the Department of Defense and such Department pays all expenses associated with such cargo.

(b) Nothing in the provisions of subsection (a) shall be construed to supercede, or applied inconsistently with the provisions of—

(1) section 901(b) of the Merchant Marine Act of 1936 (46 U.S.C. 1241(b));

(2) the joint resolution entitled "Joint Resolution Requiring agricultural or other products to be shipped in vessels of the United States where the Reconstruction Finance Corporation or any other instrumentality of the Government finances the exporting of such products", approved March 26, 1934 (46 U.S.C. 1241-1);

(3) section 2631 of title 10, United States Code; or

(4) section 603 of the Foreign Assistance Act of 1961 (22 U.S.C. 2353).

PROMPT PAYMENT TO UNITED STATES SHIPPING INTEREST FOR THE SHIPMENT OF UNITED STATES GOVERNMENT CARGO

SEC. . (a) Any agency of the United States that contracts with a foreign entity for the sale or transfer of United States Government cargo shall include as a term of such contract a provision for—

(1) the prompt payment within thirty days of any cost incurred by a United States shipping interest; and

(2) a late charge or interest penalty based on the principal amount owed, if such prompt payment provision is breached.

(b) If a foreign entity breaches a prompt payment provision of such contract made pursuant to subsection (a)(1), the affected United States shipping interest may petition the Federal agency that negotiated the contract to take action regarding payment. If such foreign entity has not made such payment within thirty days after the filing of the petition, the agency, in cooperation with the affected shipping interest, shall file suit in the appropriate Federal district court for the recovery of such payment and the late charge or interest penalty for late payment.

(c)(1) If the prompt payment provision included as a term of a contract pursuant to subsection (a)(1) provides that a Federal agency shall make such payment to a United States shipping interest and such agency breaches such provision, such ship-

ping interest aggrieved by nonpayment may—

(A) file a petition for such payment and the amount of the late charge or interest penalty included in such contract pursuant to subsection (a)(2); and

(B) after thirty days from the date of filing of a petition under subparagraph (A), file suit in the appropriate Federal district court for recovery of such payment and the late charge or interest penalty.

(2) If the district court determines that the United States agency is liable in any suit filed pursuant to subparagraph (B) of paragraph (1), the court may award to the shipping interest an amount equal to three times the late charge or interest penalty in addition to the principal amount owed and the late charge or interest penalty.

(d) For the purposes of this section the term—

(1) "foreign entity" means any foreign nation, agent of a foreign nation, or foreign person; and

(2) "United States shipping interest" means any person or business concern of the United States involved in the transport of such cargo, including but not limited to port authorities, stevedoring companies, producers and processors, ship owners, and inland freight companies.

EFFICIENT USE OF THE UNITED STATES MERCHANT MARINE FLEET

SEC. . (a) Any Federal agency shipping United States Government cargo shall solicit bids from any ship operator for the transport of United States Government cargo over a route which is not serviced by such ship operator if—

(1)(A) there is no ship operator using United States-flag vessels that services such route; or

(B) any ship operator using United States-flag vessels that services such route is unable or unwilling to transport such cargo;

(2) such cargo would be transported in United States-flag vessels; and

(3) the transport of such cargo shall result in the lowest cost to the United States pursuant to section 203.

(b) Notwithstanding any other provision of law, any United States-flag vessel constructed in the United States may transport United States Government cargo on any route if such transport—

(1) is the first voyage of such vessel; and

(2) shall result in the lowest cost to the United States pursuant to section 203.

REPORT TO CONGRESS

SEC. . Within twenty-four months after the date of enactment of this Act, the General Accounting Office shall review the compliance of all Federal agencies with the provisions of this title and report the findings and recommendations from such review to Congress.

TITLE III—THE GREAT LAKES AND SAINT LAWRENCE SEAWAY ADVISORY COUNCIL

FINDINGS

SEC. . The Congress finds that it is in the long-term economic interests of the Nation to develop a coordinated economic revitalization strategy for shipping activities on the Great Lakes, the connecting channels, and the Saint Lawrence Seaway (commonly known as the fourth seacoast of the United States) in order to increase exports from the Great Lakes region and favorably affect the United States balance of trade.

COUNCIL ESTABLISHED

SEC. . (a) There is hereby established a council to be known as the Great Lakes Saint Lawrence Seaway Advisory Council (hereinafter referred to as the "Council").

(b) The Council shall be composed of twelve members which shall include—

(1) the Secretary of Commerce, or his designee, who shall chair the Council;

(2) the Secretary of Transportation, or his designee;

(3) the Secretary of Agriculture, or his designee;

(4) the Assistant Secretary of the Army for Civil Works;

(5) the Administrator of the Saint Lawrence Seaway Development Corporation or his designee;

(6) the Administrator of the environmental Protection Agency, or his designee;

(7) the Chairman of the Council of Great Lakes Governors; and

(8) five members of the transportation industry, appointed by the Chairman from nominations by the industry of whom—

(A) two shall represent ports on the Great Lakes, of whom—

(i) one shall represent ports on Lakes Michigan and Superior; and

(ii) one shall represent ports on Lakes Huron, Erie, and Ontario and connecting channels;

(B) one shall represent operators of ocean going United States-flag vessels;

(C) one shall represent operators of ocean going foreign-flag vessels; and

(D) one shall represent maritime unions active on the Great Lakes.

(c) Members of the Council shall serve until the expiration of the Council.

(d) Seven members of the Council shall constitute a quorum but a lesser number may hold hearings.

(e) The Council shall meet at the call of the Chairman or a majority of its members.

FUNCTIONS OF THE COUNCIL

SEC. . (a) The Council shall make a complete study of the means to develop and implement a comprehensive economic strategy to improve the capacity of the Great Lakes region to market and transport commodities in a timely manner and to maximize the efficiency and benefits of market products produced in the Great Lakes region and products shipped through the Great Lakes Saint Lawrence Seaway system. The strategy shall include—

(1) methods to improve and promote both bulk and general cargo overseas trade through Great Lakes ports;

(2) methods to accelerate the movement of grains and other agricultural commodities through the Great Lakes;

(3) methods, materials, and programs to promote trade from the Great Lakes region and through Great Lakes ports, particularly with European, Mediterranean, African, Caribbean, Central American, and South American nations;

(4) methods to increase the overseas routing of cargoes owned, financed, and sponsored by the Government of the United States through Great Lakes ports; and

(5) methods to encourage United States-flag vessels to engage in international trade from the Great Lakes.

(b) In developing the strategy, the Council shall conduct and consider the results of—

(1) an analysis of the constraints on overseas shipments of agricultural products through the Seaway resulting from marketing problems caused by—

(A) a late harvest season;

(B) the need for additional storage capacity;

(C) the loss of grain shipment from Great Lakes ports due to diversion by rail to Canadian or United States tidewater ports; and

(D) other constraints identified by agricultural interests;

(2) an analysis of—

(A) the types and quantities of export cargoes produced in the Midwest and North Central region that are owned, financed, and sponsored by the Government of the United States;

(B) the contraints on the shipment of such cargoes through the Great Lakes and Saint Lawrence Seaway system; and

(C) administrative and statutory changes that could achieve increased shipments of such cargoes through Great Lakes ports; and

(3) an analysis of—

(A) the effectiveness of ongoing promotional programs by Federal, regional, State, and local agencies directed at attracting shippers to the Great Lakes and Saint Lawrence Seaway system; and

(B) recommendations on types of promotional programs to enhance the image and awareness of the Great Lakes and Saint Lawrence Seaway system by importers and exporters in the United States and overseas.

(c) No later than September 30, 1987, the Council shall transmit to the President and to each House of the Congress a report stating the strategy developed under this section and the results of each analysis conducted under this section. Such report shall contain a detailed statement of the findings and conclusions of the Council together with its recommendations for such legislative and administrative actions as it considers appropriate to carry out such strategy and to assure maximum economic benefits to the Great Lakes region.

(d) The Council shall cease to exist one-hundred and eighty days after submitting its report pursuant to subsection (c).

POWERS AND ADMINISTRATIVE PROVISIONS

SEC. . (a) The Council may, for the purpose of carrying out the provisions of this title, hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence, as the Council considers appropriate.

(b) Subject to such rules as may be adopted by the Council, the Chairman, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 of subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, is authorized—

(1) to appoint and fix the compensation of such staff personnel as he deems necessary, including an executive director who may be compensated at a rate not in excess of that provided for level V of the Executive Schedule in title 5, United States Code, and

(2) to procure the services of experts and consultants in accordance with section 3109 of title 5, United States Code.

(c) Each department, agency, and instrumentality of the executive branch of the Federal Government, including independent agencies, is authorized and directed to furnish to the Council, upon request made by the Chairman, such information as the Council deems necessary to carry out its functions.

(d) Upon request of the Council, the head of any Federal agency is authorized to detail, on a reimbursable basis, any of the

personnel of such agency to the Council to assist the Council in carrying out its duties.

(e) The Administrator of General Services shall provide to the Council on a reimbursable basis such administrative support services as the Council may request.

(f) The Council may use the United States mail in the same manner and under the same conditions as other departments and agencies of the United States.

(g) Any member or agent of the Council may, if so authorized by the Council, take any action which the Council is authorized to take by this section.

COMPENSATION OF MEMBERS

SEC. . Members of the Council shall serve without compensation, but shall be reimbursed for travel or transportation expenses under subchapter I of chapter 57 of title 5, United States Code, while away from home or a regular place of business and engaged in the actual performance of duties vested in the Council.

AUTHORIZATION OF APPROPRIATIONS

SEC. . There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this title.

Mr. DIXON. Mr. President, I again think that we have been engaged in a sort of forceful way, for most of yesterday and all of this morning, in a dispute concerning cargo preference which everyone in the Senate understands very well. I would want to say once again that I have the highest regard and the deepest personal affection for the Senator from Mississippi. I do not think I need to say again that anything in the course of this discussion in any way reflects upon his purpose. We simply have a difference of opinion about whether the public is best served by this amendment or not.

So obviously it is necessary for me to pursue the goal of persuading my colleagues—who are all reasonable people—that a better disposition of this problem is in order.

Mr. President, I want to congratulate the clerk. This was a long amendment, 15 pages. I followed him closely. He read it flawlessly. His elocution was excellent. I want him to know that I enjoyed every golden minute of his presentation of this amendment. I want the record to know that he did it without a single error.

I do not think any colleague will find any fault with this amendment. This amendment, incidentally, has been cleared with the maritime industry on past occasions. It is, I think, an amendment that serves the interest of the public generally, and is well-intentioned.

Title II simply says, first of all, that it is in the best interests of the United States to maintain a strong merchant marine fleet. I think we all agree about that. I believe that the advocates of the point of view presented so eloquently by my distinguished friend from Mississippi—and I particularly would want to say that there have been contributions by the Senators from Alaska, Hawaii, and others—have all said this is to give us a strong merchant marine fleet. We acknowledge that is the first purpose in this amendment.

Then we say:

It is in the best interests of the United States to ensure fair and reasonable participation for all four port ranges in the movement of United States Government impelled cargo.

I would argue that nobody would question that. In the broadest sense there are four port ranges in the country—the west, the east, the gulf, and Great Lakes. My friend from California, the distinguished junior Senator from California, made some remarks last night. The Senator is interested in the west coast ports. My distinguished friend, I think a giant of this body who will soon be leaving us by his own decision, the distinguished senior Senator from Louisiana, spoke eloquently last night. He is interested in the gulf coast ports. Obviously, many of us here are interested in the east coast ports. Many are also interested in the Great Lakes ports.

But who would question this language?

It is in the best interests of the United States to ensure fair and reasonable participation for all four port ranges in the movement of United States Government impelled cargo.

Mr. President, the Presiding Officer is from the Great Lakes area. The Senator is a fair man. I know he wants to see fairness in this bill for all the ports of the country, not just for the Great Lakes—for all the ports of the country. That is what this Senator wants.

So we express that at the beginning so our friends here, wherever they come from in the country, will know that we are not trying to take something from them at all. We are trying to share fairly, equitably, and reasonably with all parts of the country.

I hope every Senator in his office has set aside other business to listen to the reading of the amendment, and now are listening to the explanation of the amendment because it occurs to me that if everybody knows what is in this amendment it should pass unanimously.

Here is a third provision. I do not think anybody would argue with this. It says "Cargo should be shipped in the most efficient manner." Who would argue about that? Cargo ought to be shipped in the most efficient manner. It speaks for itself. Then the amendment goes on to say cargo ought to be shipped at the "lowest cost to the U.S. Government." I think we all agree with that. Why should the Government not ship at the lowest cost? But we go on to qualify that by saying "which is not inconsistent with the provisions of the Merchant Marine Act of 1936." The joint resolution entitled "joint resolution requiring agricultural or other products to be shipped in vessels of the United States" approved in 1934, and also we say—and listen to this, may I say to my friend from Mississippi, in lines 18, 19, and 20 on page 2—"and section 2631 of title 10, United States Code, commonly known as the cargo preference laws." So we want them to apply in connection with this provision.

Then we clarify what we have done in the beginning of the bill. I think to elucidate what is being done, to simplify it so that every person can understand it, is significantly important. There cannot be any difference of opinion.

We define what least cost to the United States really is. Up at the desk, some people asked, "What does this mean?"

Here is what it means: "the term 'least cost to the United States' means the lowest expense to the U.S. Government determined by calculating the total cost of a commodity and all related transport costs, including but not limited to inland freight, ocean freight, wharfage, dockage, terminal transfer, stevedoring charges, freight fowarding, customs brokers, and freight differential charges."

On that last amendment, several came up to me and asked, "What does the term lowest landed cost mean?"

That was in the prior amendment which was just rejected by the Senate. We define that here.

In the case of export cargo, all costs associated with the procurement and transportation of cargo from the United States to the port of entry abroad; in the case of import cargo, the cost of transporting the cargo from the originating port abroad to the point of final destination in the United States.

I think that clearly defines what we are attempting to do in this bill.

We then say that any agency of the United States that wants to ship shall ship such cargo at the lowest cost to the United States.

We define how we mean that with respect to the variety of cargos as follows:

The least cost to the United States of such cargo is an agricultural commodity that the sale and exportation of which is fully paid by the CCC; and is exported under agreement with a foreign nation pursuant to title I of the Agricultural Trade Development and Assistance Act of 1954.

We go on to define at great length how you make that determination with respect to agricultural products.

Then on page 5 we assure prompt payment to United States shipping interests. I think that should please shipping interests, who, after all, are in business to make a profit.

We assure that there will be prompt payment and we give them the right to go into the Federal district court for recovery of such payment, for interest and penalties.

Then on page 7 we talk about the efficient use of our U.S. merchant marine fleet, saying that, "Any Federal agency shipping U.S. Government cargo shall solicit bids from any ship operator for the transport of U.S. Government cargo over a route which is not serviced by such operator," and then give the qualifying reasons why we do it.

Then on page 8 we require a report to the Congress. We say that "24 months after the date of enactment of this act, the General Accounting Office shall review the compliance" with the act. We set up a Great Lakes and St. Lawrence Seaway Advisory Council, which is a council that serves without pay, made up of 12 members. I think no one would argue with the composition: the Secretary of Commerce, the Secretary of Transportation, the Secretary of Agriculture, the Assistant Secretary of the Army for Civil Works, the Administrator of the St. Lawrence Seaway, the Administrator of the Environmental Protection Agency, the chairman of the Council of Great Lakes Governors, five members of the transportation industry, and so on.

Then on page 10 we set forth the functions of the Council, telling what the Council's responsibility will be.

Then on page 13 we set forth the powers and administrative provisions of the Council. We provide that the members shall serve without compensation so that those who serve on this Council do so without pay and in the public interest.

I would say in all sincerity, though I doubt that the rollcall will reflect this, that if every Member would read this amendment and understand the consequences of it, there would not be a single vote against this amendment. It is a good amendment, carefully crafted, in the interest of the Government and in the interest of the American taxpayer. It honors the Merchant Marine Act. It has been cleared, as I understand it, with the merchant marine industry generally. It accomplishes a very unique and important service in guaranteeing the use of reasonable prices for the shipment of these products.

I am very hopeful that as this debate continues on this amendment, my dear friend from Mississippi might surprise me by indicating that upon careful reflection, having heard the reading of it by the clerk and the explanation of it by this Senator, he will be persuaded to the intelligence of my position. I wonder if that is a possibility.

Mr. COCHRAN. Mr. President, will the Senator yield?

Mr. DIXON. I am delighted to yield.

Mr. COCHRAN. Mr. President, I congratulate the Senator on his effort to attract attention to the fact that there are some Senators who are not pleased with the provisions of this compromise insofar as they relate to the shipments out of the Great Lakes region. I wish he could be pleased, and I wish others who have expressed their concerns about the Great Lakes area could be persuaded that this bill does reflect a sensitivity to those concerns.

The compromise provides for the creation of an advisory commission to address these concerns. The commission would study this problem, come up with answers to questions that have been raised about why the tonnage is decreasing in the Great Lakes ports, outline how changes can be made in laws and procedures to provide fair and equitable allocation of Government-financed shipping, and show how the Great Lakes area could benefit from an allocation that would be more fair and equitable.

These are concerns that we understand. We know they exist. I congratulate the Senator for bringing these to the attention of the Senate.

We have had these expressed through the offering of several amendments now. We have had votes on those amendments, or at least votes on motions to table those amendments. Consistently, a substantial majority of the Senate has spoken that this compromise is the best we can do right now. To adopt preferential language—language that actually would prefer Great Lakes ports over east coast, gulf coast, or west coast ports—is not appropriate.

I am afraid that, in spite of the nice language we have heard read so accurately by the clerk and described with such eloquence by the distinguished Senator from Illinois, this is another amendment that is really more of the same. The operative language in this amendment is "lowest landed cost," and we just voted on that. Senators just voted to table an amendment that would require the shipping of U.S. agricultural commodities on the basis of lowest landed cost. That undermines and can disregard even the provisions of current law with respect to cargo preference.

It would do violence to the maritime industry, it would not help our beleaguered farmers, and it would have serious consequences to our merchant marine.

The amendment attempts to benefit the Great Lakes at the expense of the other three seacoasts. The Great Lakes are already adequately protected by the formation of the advisory commission that is part of the language of the compromise amendment. The compromise also directs the Secretary of Transportation to administer this program so that the historic trading patterns and movement over port ranges are taken into account.

That is about all we can do right now, Mr. President. Everybody would like to have more shipping out of their ports. We would like to have more from the Mississippi River ports in Mississippi. But there are some practical problems that we run into sometimes that we cannot legislate away.

I know that the Saint Lawrence Seaway is an impediment insofar as the large modern ships are concerned. They cannot get in there to service a lot of those Great Lakes ports. The locks are narrow in some cases. I can recall, I might say to my friend from Illinois, that when I was in the Navy, the ship I was on, the U.S.S. *Macon*, took an inland seas cruise. I was not aboard for that cruise, but I recall the events surrounding the cruise. The H.M.S. *Britannia* was on that cruise and they made calls at the Great Lakes ports. I recall when the ship came back and was home ported at Charlestown Naval Shipyard in Boston. we had to put it in the yard for repairs because the screw guards were bent and damaged in those narrow locks.

This was a heavy cruiser. I have forgotten the exact beam of that ship, but it was much less than the beams of ships in our modern merchant marine fleet. That is the problem.

It is the same problem that we had at Natchez, MS; Vicksburg, MS; and Greenville, MS, when the bridge was constructed over the Mississippi River at Baton Rouge. The bridge was so low that oceangoing vessels could not get under it. They could not put in any longer at Natchez, Vicksburg, or Greenville. Those ports dried up.

Some give credit to Gov. Huey Long for constructing that bridge at that level so the large, oceangoing ships had to stop at Baton Rouge. They could not go any farther. Baton Rouge is unique as a Mississippi port because it is not located at a point where the river is the boundary of both Louisiana and Mississippi; on both sides of the river at Baton Rouge, you have Louisiana. This is not the case at Natchez, where you have Vidalia, LA, on one side and Natchez, MS, on the other. To construct a bridge there, you would have to have the cooperation of both State governments. But at Baton Rouge, in those days, we witnessed the construction of a bridge that was so low that ships of a certain size were not able to get north of that point. As a result, Baton Rouge flourished as a port and so did New Orleans, and we have seen the consequences.

Of course, there are now container barges available, and we have seen ports recreated on the Mississippi north of Baton Rouge. These ports are doing business once again. Just recently, within the time I have served in Congress, the port at Natchez has been reconstructed with the help of an EDA grant and initiative from local business leaders. We have had a new

port constructed at Rosedale, MS, just north of Greenville.

The point I am making is that some of the great Lakes ports have a similar problem. There is an impediment to the servicing of those ports.

I am not saying that that is the only problem the Great Lakes have. We have recognized that there are some legitimate concerns. We understand the problems the Senator from Illinois has. We are trying to address these concerns in the compromise. We think the language of the compromise addresses these in a sensitive way. The Senate has said that it believes so, too, by a 70-to-30 vote. Last night, by 71 votes to 22 votes, and here again this morning, by a similar margin, the Senate has spoken on this issue.

I hope the Senator will accept the decision of the Senate and let us move on to the consideration of the other provisions of the farm bill. I do not want to suggest that the Senator is intentionally delaying the progress of the Senate on the farm bill. He represents a great farming region. He has been an active member of the Committee on Agriculture in the development of this important legislation. He and I have worked closely together on amendments in the Agriculture Committee and I have the highest regard for him. I respect him. I have a great deal of affection for him as a person. He has done a great job in the Senate in advancing the concerns that he has with respect to the cargo preference provisions that relate to the Great Lakes interests.

However, we have voted on that, Mr. President. We have voted on that five times now. I wonder how many more times we have to vote on it. The Senator can answer that; I cannot. I hope that this time, when we vote on the motion to lay the Senator's amendment on the table, that this will be the last amendment we will have on this subject.

Mr. President, it is not my intention to cut off the debate. If any other Senators want to speak out on this issue or ask questions, I certainly hope they will come to the floor and we can conclude the debate on this amendment of the Senator from Illinois. I shall move to table and get the yeas and nays so the Senator can have another vote on this issue, but I hope this will be the last vote on this issue so we can move along to other provisions of the bill.

Mr. DIXON. Mr. President, I think the subject has been fairly thoroughly examined. I thank my colleague from Mississippi for expressing his views about it. I ask for the yeas and nays, Mr. President.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. COCHRAN. Mr. President, I move to lay the amendment of the Senator from Illinois on the table, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Mississippi to lay the amendment of the Senator from Illinois on the table. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Mississippi [Mr. STENNIS] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 70, nays 29, as follows:

[Rollcall Vote No. 264 Leg.]

YEAS—70

Andrews	Gore	McClure
Baucus	Gorton	Melcher
Bentsen	Gramm	Mitchell
Biden	Grassley	Murkowski
Bingaman	Harkin	Nunn
Bradley	Hart	Packwood
Bumpers	Hatch	Pell
Burdick	Hatfield	Pryor
Byrd	Hawkins	Rockefeller
Chiles	Hecht	Rudman
Cochran	Heflin	Sarbanes
Cohen	Heinz	Sasser
Cranston	Hollings	Specter
D'Amato	Inouye	Stafford
DeConcini	Johnston	Stevens
Denton	Kennedy	Symms
Dodd	Kerry	Thurmond
Dole	Lautenberg	Trible
Domenici	Laxalt	Warner
Evans	Leahy	Weicker
Exon	Long	Wilson
Ford	Mathias	Zorinsky
Garn	Matsunaga	
Goldwater	Mattingly	

NAYS—29

Abdnor	Glenn	Nickles
Armstrong	Helms	Pressler
Boren	Humphrey	Proxmire
Boschwitz	Kassebaum	Quayle
Chafee	Kasten	Riegle
Danforth	Levin	Roth
Dixon	Lugar	Simon
Durenberger	McConnell	Simpson
Eagleton	Metzenbaum	Wallop
East	Moynihan	

NOT VOTING—1

Stennis

So the motion to lay on the table the amendment (No. 927) was agreed to.

Mr. COCHRAN. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, we have been discussing cargo preference here now for about 24 hours—maybe not that much in the Chamber—and I understand there continue to be amendments offered until there is some "compromise" but no one is working on the compromise. So I do not know how we can work out a compromise if we have a continuous stream of amendments.

So I have suggested to my staff that perhaps they could get together with the staff of the Senator from Illinois, the Senator from Minnesota, and the Senator from Mississippi, if we can be of assistance, because there are still 60 amendments remaining on the farm bill. I do not think all of those will be offered. But there is an outside chance we could finish the bill this week and that would help our whole calendar for the remainder of the year.

Hopefully after this next amendment we will have maybe something we can compromise on or move on to payment limitations or 1-year target price freeze, or some other portion.

Mr. DIXON. Mr. President, will the Senator yield?

Mr. DOLE. I am happy to yield.

Mr. DIXON. Mr. President, I am advised that the staff of my office and the staff of the office of the Senator from Minnesota have given to the staff of the distinguished Senator from Mississippi compromise language that I am advised was satisfactory to the staff people of the Senator from Mississippi but that others present in the Chamber or elsewhere are not pleased with that language.

I do not know how many other people have to play, and they are welcome to. I do not want to misrepresent what the facts are here, but I had just been told that language we agreed upon, those of us on both sides who are concerned about a compromise, and been given to the staff of the Senator from Mississippi, was found to be satisfactory.

I say to the majority leader that anything that my colleague on the Senator's side, the Senator from Minnesota, will agree to is satisfactory to the Senator from Illinois. We have crafted language that I thought was reasonable. A report came back that the staff of the manager at least thought it was reasonable but others apparently do not.

I do not want to be difficult about this, but I am willing to agree in a reasonable way with reasonable terminology.

I have another amendment at the desk I am prepared to call up, and it is a very good amendment. I am hopeful about it.

Mr. HARKIN. Mr. President, will the distinguished majority leader yield?

Mr. DOLE. Mr. President, let me respond. I understand the Senator from Minnesota, Senator BOSCHWITZ, is trying to locate staff members.

Mr. DIXON. He is in the Chamber now, I say to the majority leader. I spoke with him a moment ago. Our staff is working and met with them.

We are making a conscientious effort to accommodate the differing points of view.

Mr. DOLE. Mr. President, the only point I will make is we have agreed with the chairman and ranking Democrat on the Budget Committee, Senator DOMENICI and Senator CHILES, if they can bring reconciliation back we will interrupt the farm bill, and also there is some hope that we might have the debt ceiling back here tomorrow or the next day and that would interrupt the farm bill.

So I am just suggesting. I do not find any fault with anyone. I am just suggesting if we could resolve this, it would permit us to move on to the other issues in the farm bill, and I do not quarrel with anyone who is trying to work out a compromise.

So we will try to do what we can to facilitate it.

Mr. DIXON. Mr. President, as long as I can make it clear to the majority leader I am not on this side doing this for fun, I want to do so. Each time we have a rollcall I address my personal friend over there and let him know I am ready for a compromise. We have crafted language we thought was good. I am ready to adopt it when the Senator from Mississippi can accept it.

Mr. PROXMIRE. Mr. President, will the majority leader yield for a minute on that?

Mr. DOLE. I yield.

Mr. PROXMIRE. Mr. President, I point out that the Senators from Illinois and Minnesota are on the committee. They have been making a fight for many of us. We feel very strongly about this.

This is something that is devastating to our States, absolutely devastating. We could lose two-thirds of our port traffic. It will have an adverse effect on our economy and our employment in our States.

This is something of greatest importance. So it is vital that we work out some kind of a compromise.

We recognize we cannot get what we want. But we want some equitable settlement.

I think the Senator from Mississippi is a very reasonable man. All we want is a compromise.

Mr. COCHRAN. Mr. President, let me say in response to the comments of the distinguished Senator from Illinois and the distinguished Senator from Wisconsin that we are certainly willing to listen and consider any suggestions that they or others may have with respect to an improvement in the language of this compromise. We want it to be fair. We want it to be equitable to all four seacoasts.

We had hoped that the language that was in the compromise—as it is reflected in the amendment that is at the desk, and which has already been approved by 70 Senators—would take care of the concerns. We had felt that it addressed, in a fair and equitable way, the interests of those who represent the Great Lakes region.

It is apparent that it does not satisfy their concerns. I wish this compromise could satisfy every Senator's concern. I wish we could have 100 votes for it. We have 70 for it. That is pretty strong. I am hoping at some point Senators will recognize that there is a lot of leverage on their side. We do not have any changes, in my judgment, at this point.

Mr. LONG. Mr. President, will the Senator yield?

Mr. COCHRAN. I am happy to yield to the Senator from Louisiana.

Mr. LONG. Mr. President, is it not true that the Senator from Mississippi on behalf of his side offered a compromise that the other side turned down?

Mr. COCHRAN. The Senator is correct.

Mr. LONG. So in the effort to meet their problem the Senator has already proposed a compromise that from his point of view went about as far as he thought he could go to meet their concerns, and they turned it down.

Now, in this legislative body if you are in the minority—at some point it happens all the time—someone wins and someone loses, so having been offered a compromise, I applaud the Senator for indicating he is still willing to consider something that his supporters, his troops could accept. But in the last analysis they do not want what he can agree to. It would appear to me since he had 70 votes he has the vote to work his will and, of course, that takes some time. I understand that. But as a rule with 60 percent of the votes—it does not take 70—60 is enough.

So far the Senator's forces have not fallen below 60 in any rollcall vote.

Mr. COCHRAN. The Senator is correct. Sixty-three is the lowest vote we had.

Mr. LONG. So in the last analysis he is not only speaking for the majority he is speaking for enough to prevail, even if he had to resort to cloture. It would take time to wear out the filibuster. But he has the votes on his side. That is this Senator's judgment.

Mr. COCHRAN. I thank the Senator.

Mr. LONG. I thoroughly approve of the Senator making a compromise if he thinks it does not sacrifice what he thinks is vital for those he is speaking.

I plead to the Senator do not give away the store to these fellows. He has the votes. If he has the votes he should not be giving it all away.

Mr. COCHRAN. I thank the Senator.

Mr. ZORINSKY. Mr. President, I would like to call attention to the fact that there are a lot of people on America's farms who are waiting to find out what kind of a farm bill they are going to end up with.

This particular bill is going to generate a lot of heat that will make the cargo preference issue rather minor.

There are a lot of things in this bill of vital concern to dairy-producing States, to grain-producing States, to rice-producing States, and to peanut-producing States. There are very important issues in the bill.

But for some people in November 1986, when they do not come back again, they are going to find out that the vote in November contained no compromises in it.

The farm bill was developed by a fragile coalition, and if we are not going to abide by the overwhelming vote of a majority in this Chamber, we are going to be on the bill for a long, long, long time.

There are many things sacred to my State that are worth filibustering for. However, there is one factor that is more important than any parochial issue, and that is the welfare of the United States of America. In that regard, agriculture plays a vital and important role. It is vital to the sustenance of the people of this Nation. To maintain a viable agricultural industry, it is important that we let the farmers of America know what is in store for them in a timely fashion. They are entitled to that without our becoming bogged down in parliamentary procedures in this Chamber.

That is why, when I get calls, as a Senator from Nebraska and as the ranking Member on our side of the aisle managing this bill, as to what is happening—why is the bill not moving forward—I am going to forward the calls to those of my colleagues who are continuing to hold up the work of this Senate. I am going to give them their telephone numbers. I am going to give them their home telephone numbers. I am going to give them an address and refer all those questions to those Members of this body. The farm bill is important. We spent 4 months marking up this bill in our committee. I think enough is enough.

Mr. BOSCHWITZ. Will the Senator yield for a question?

Mr. ZORINSKY. Yes.

Mr. BOSCHWITZ. How much time did we spend on this particular matter in committee? I know that you were there each time and that you spent a great deal of time there. How much time did we talk about cargo preference? Was this so-called compromise, in which we had no part, was this ever discussed there and were any hearings held on it?

Mr. ZORINSKY. I would have been prepared to discuss it in committee if it were brought up. I was satisfied when we had the committee markup and I am satisfied that the Cochran compromise is the best we can get on the floor of the Senate. I love Utopia.

I would like to always have things my way.

But, do you know what? When I get a vote of 70 to 30 against me, I am going to accept that vote because I think we have to finish this farm bill.

Mr. BOSCHWITZ. Did the Senator say that he is going to make telephone numbers available and so forth? Is that what I heard him say?

Mr. ZORINSKY. Pardon?

Mr. BOSCHWITZ. Did I hear the Senator say that he was going to make my telephone number available so people could call?

Mr. ZORINSKY. I have not determined that the distinguished Senator is the one who is holding up the session. If that is the case, I will do that.

Mr. BOSCHWITZ. It is in the phone book, so you will not have any trouble finding it.

But in any event, we feel that we have been terribly injured. We are going to have ports closing. It may even affect some wheat coming out of Nebraska. Certainly, it will affect the wheat coming from the Middle West.

We are being subjected to a compromise that we were not part of. We are being subjected to a compromise that we tried to become a part of and tried to participate in and we were not permitted. Interestingly, we were not part of a compromise. The principal negotiator in the compromise has now turned against us, the majority leader. So if the Senator is satisfied with it, that is good, but we are not.

Mr. ZORINSKY. Well, I would just like to clarify what I said to the Senator from Minnesota. I take no issue with his doing whatever he wants to do with regard to retaining the cargo preference provisions of the committee reported bill. All I said was, when my constituents ask me what I feel is holding up the farm bill, I was going to refer them to those who are doing that. And the distinguished Senator can make the explanation to them, just as he did to me. I yield the floor.

Mr. PRESSLER. Mr. President, if it is proper, may I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The Chair must inform the Senator that the amendment is not in order at this time. Only an amendment to the amendment No. 916 would be in order at this time.

Mr. PRESSLER. Mr. President, could I ask my colleagues for unanimous consent? This is an amendment to establish a 3-tier target price for feedgrains and wheat. If the pending business could be laid aside, I could offer the amendment now. The majority leader and others have asked if we could go on ahead, as I understand it. I am ready to offer this amendment and debate it.

I am not trying to get ahead of anybody or anything of that sort, but I am ready to go on this amendment.

The PRESIDING OFFICER. Is there objection?

Mr. COCHRAN. Mr. President, reserving the right to object, let me ask the Senator if he could withhold the offering of that amendment. I think an objection would probably be made—I know one would be made if the Senator asks unanimous consent for the purpose of going to that subject now.

I hope we can stay on the issue of cargo preference and resolve it. I think we ought to resolve it now and move forward with any other amendments that are going to be offered on this subject so we can go to the other parts of the bill.

Mr. PRESSLER. Let me say to my friend, I was just trying to be helpful. I heard the majority leader say that Senators should come to the floor with their amendments. I am ready to go.

Mr. DIXON. Mr. President, may I make it clear that, for the purpose of the amendment of my distinguished friend, I would not have any problem to set aside this cargo preference question for that amendment, only reserving the right to pursue the amendment I have at the desk, which is the proper amendment on the amendment at issue before the Senate right now. But, for the limited purpose of taking up my friend's amendment, I would have no objection to that.

Mr. PRESSLER. I thank my friend. I do not know what the current situation is. I am willing to offer an amendment and get the business going forward. I do not anticipate anybody is going to try to amend my amendment.

Mr. DIXON. May I say to my friend from South Dakota, for the limited purpose of setting this aside only to go to his amendment, with that understanding, I would have no objection and then return again to my amendment which is at the desk.

Mr. PRESSLER. I only have a 8- to 10-minute speech. I come from the House of Representatives where we never spoke more than 5 minutes. I will just double that.

Mr. DIXON. May I say to my friend from South Dakota, I have always enjoyed his talks. I know I speak for many on this side, and my colleague from Minnesota, we would like to hear a longer talk. The Senator's talks I have found to be very enlightening and useful. So, please, do not limit yourself.

Mr. PRESSLER. I say to my colleague, his speeches have been very inspiring.

Mr. DIXON. I do not object to setting aside this amendment for the limited purpose only of considering the amendment of the Senator from South Dakota.

Mr. PRESSLER. Mr. President, I ask unanimous consent to proceed with my amendment.

Mr. COCHRAN. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

AMENDMENT NO. 928

(Purpose: To specify criteria for the availability of United States-flag commercial vessels for purposes of the cargo preference laws)

Mr. DIXON. Mr. President, I have an amendment at the desk and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Illinois [Mr. DIXON] proposes an amendment numbered 928.

At the end of the pending amendment, insert the following new section:

"SEC. . Section 901 of the Merchant Marine Act, 1936 (46 U.S.C. 1241) is amended by inserting the following after the first sentence in subsection (b):

"No United States-flag commercial vessel shall be deemed to be available for the transportation of cargoes subject to this section and the Joint Resolution of March 26, 1934 (48 Stat. 500, 46 U.S.C. 1241-1) unless such vessel—

"(A) is able to provide full commercial insurability;

"(B) is available for loading within 10 days of the the specified loading date; and

"(C) is suitable, in terms of vessel type, size, and ability to discharge cargo, to transport the specific cargo to be shipped.".

Mr. HELMS. Mr. President, will the Senator yield?

Mr. DIXON. I am delighted to yield.

Mr. HELMS. I wonder if I might approach the Senator about a time agreement on this amendment.

Mr. DIXON. Mr. President, may I say to my dear friend, who I admire greatly—I serve on the committee with him; I have the greatest regard for him—he has been in the same circumstance as I am a couple of times.

Mr. HELMS. No time agreement.

Mr. DIXON. I am afraid I could not be agreeable to a time limit. I hope my colleague and friend knows I do not like to be obstreperous. One of the joys of my life has been to get along with people pretty well. I am here doing a piece of work I do not care much for. I am just trying to get an accommodation with my friend from Mississippi and his associates. Whenever they do that, I would be more than happy to accommodate everybody.

In the meantime, I would like to explain what I am doing at some length from time to time on some of these amendments.

Mr. HELMS. Very well, if the Senator will yield further in the response to the remarks by my distinguished friend from Nebraska about the telephone numbers, I have, I believe, eight requests for Senators' telephone num-

bers—four from Bo Derek and four from Kate Jackson.

[Laughter.]

Mr. DIXON. Mr. President, may I say to my friends in the Senate I am very serious about this amendment. I do not know that anybody listens when we get into this kind of a situation. I think we are pretty much committed to 70-30 rollcall votes or some variation of that. But all this amendment does, may I say to my friends who are voting on the other side of this issue, is, say, that if you buy a foreign vessel, you can put an American flag on it right away if it meets American standards.

I wish Senators, in their offices, wherever they are, would listen to this because in all fairness there is nothing the matter with this amendment. The administration wants this amendment. I do not know how persuasive that might be to anybody. But it simply would permit American companies in view of what we have done here—may I say to my friend from Mississippi—where we are saying 75 percent of them have to be American bottoms, we do not have that many American bottoms right now.

All we are saying is somebody on the Great Lakes in business can buy a foreign vessel, make it an American bottom, if it meets the standards, they get the insurance, meet the test, they put an American flag on the flag post, and operate it in compliance with the Cargo Preference Act.

Everybody here knows there is only one American bottom on the Great Lakes. By in the face of what you have done to cargo preference—I want to say again how anybody could have had a compromise, not have Great Lakes people there to play their part, do to us what is being done here—at least this amendment gives us a chance to go buy a ship. You ought to at least let us get a ship.

Maybe we would like to make these high prices, too, now that you have jacked up profit. Now that everybody can make 300 percent of what they were making before, I think there are a lot of people who want to go into the shipping business. When you have ice cream cones, for $10, everybody wants to sell ice cream cones.

So all we are saying here is, look, as long as you are going to make it so profitable, let us go buy a ship. I do not think that is very unreasonable.

I have been spending all my life in public service listing to speeches about the free enterprise system. And we abuse it quite a bit around here. If there is anything that is free enterprise, it is competition. All we are saying is let us buy a foreign ship. That foreign ship has to meet every standard—every standard—of an American ship. It must be suitable in terms of vessel type, size, and ability to discharge cargo to transport the specific cargo to be shipped. It must provide—listen to this—full commercial insurability. I mean it is absolutely a four square request. We are just saying we would like to play on this field if this is the field you are going to play on.

I do not see anything that could be more reasonable than that. I think it was suggested in support of this thing in the first place that it would help the military. We are willing to assist. We are going to help the military in having more and newer ships. If you adopt this amendment before you now, American businessmen under this amendment will buy foreign ships, and on the purchase under this act they will become American bottoms. You raise the American flag. They are fully insured. They meet all the standards. They become an American ship. What is more fair than that?

I just want to say this: Somewhere along the line the rule of reasonableness has to apply to what is taking place here. I ask my colleagues to consider very closely this particular amendment. I want to say again it is very simple. This amendment simply says an American businessman can buy a foreign vessel that meets all American standards, that fully complies with all American laws, that is fully insured, and make it an American ship so it complies with the cargo preference laws. That is absolutely all there is to this. It is a fair amendment.

I cannot imagine anybody that would be opposed to this. For that purpose, I ask my colleagues notwithstanding the 70 to 30 vote to look at this one more generously. It is a good amendment.

Mr. BOSCHWITZ addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. BOSCHWITZ. Mr. President, I rise in support of the Senator's amendment, and would like to describe it once again keeping in mind what the purpose of the cargo preference is. The purpose, as I understand it, is that the United States should have a fleet that is available in the event of hostilities, and that the various subsidies given to the maritime industry are for that purpose. We do not contest that. We think that is an important and viable purpose to achieve. I supported the maritime industry in all other areas other than in this area of cargo preference where it comes into conflict with other elements of the economy.

This amendment says that we would be able to reflag ships that are owned by Americans that are now under the foreign flag, be they Panamanian, Liberian, and others, so that they would be able to qualify for hauling cargo preference types of goods.

This would accomplish several things. It would accomplish, first of all, that we would have an adequate fleet in the event of an emergency. It would give us a new method of obtaining such fleet. In addition, it would also bring down the cost of cargo preference.

As a result of that, we would be able to increase our fleet numbers, and in the event there were difficulties in the world, and some would not transport our goods, we would have adequate number of ships available to do just that. It makes great sense to allow the reflagging of ships now under foreign flags to the American flags.

It would also accomplish another objective; that is, to make the cargo preference of the shipments go at more reasonable rates. Yesterday, I pointed out that in one recent shipment in September to the Sudan the price per ton was $63 per metric ton while the international price was just slightly over $20 per metric ton.

The result of that is that a very large share of the cost of goods becomes greater. Where there are 37.7 bushels of wheat per metric ton, it amounts to 53 or 54 cents. If you take $63, it becomes $1 or $1.75. It is amazing but virtually two-thirds of the cost of the goods is in bulk cargo. This is a bulk shipment where freight should be much cheaper.

We really do not have much problem, Mr. President, with liner type shipment. As you may know, in the maritime shipments, there are two types of shipment, being the liner shipment and the other being the bulk shipment.

There really is not much of a problem with liner shipments, because with liner shipments our American fleet is quite able to compete with foreigners. The rates are established and we are able to compete along with other nations.

However, when it comes to bulk, there the disparity is different.

When we speak about Great Lakes ports, we are talking about liner shipments because that is what comes into the Great Lakes, liners. Liners also provide a good deal of the port work, and much more so than would a bulk shipment.

In the event these ships were made available as is requested in the amendment of the Senator from Illinois, then there is no question that the bulk rates would go down, as they have gone down in recent years.

There was a short window that was allowed to the maritime industry to allow ships that were built abroad to be included in the U.S. maritime fleet. As a result of allowing ships that were built abroad into the U.S. maritime fleet, the rates for cargo preference goods went down quite considerably.

The result of that is that it was not four and five times the way it was in the past, or three times now, and

lower than that in some instances, but we think that the freight or cargo preference shipments could indeed come down in the event that ships that are now sailing under foreign flags were allowed to be reflagged under the American flag. We would keep down the cheaper rate for cargo preference shippers, but we would also achieve the highly commendable goal of having a more aggressive and more modernized merchant marine that would serve us in the event this country was engaged in some form of hostilities.

So I join the Senator from Illinois in his amendment and say to him that he is certainly on the right track. I am happy to support his amendment and I will be happy to talk at some length on this subject if he wishes.

Mr. DIXON. I thank my colleague from Minnesota.

Is there something that the distinguished chairman wanted to say concerning this discussion or is there a possibility of setting this aside temporarily while we talk further?

Mr. HELMS. I was going to suggest that we go to a vote.

Mr. DIXON. We can go to a vote because my next amendment the chairman of the Agriculture Committee will love. It is an amendment where we comply with Gramm-Rudman-Hollings. He will love it. I know everyone will want to vote for that because we have endorsed it enthusiastically. That will be the next one. We can get to that as quickly as we want to.

Mr. COCHRAN. Mr. President, if the Senator will yield for a question, I have an amendment which I am told is the pending amendment. In the purpose section it says to specify criteria for the availability of U.S.-flag merchant vessels for purposes of the cargo preference.

May I ask the Senator from Illinois if that is the amendment he submitted to the committee amendment?

Mr. DIXON. The pending amendment says to specify criteria for the availability of U.S.-flag commercial vessels for purposes of the cargo preference laws.

Mr. COCHRAN. It is my understanding the Senator was talking about waiving the 3-year requirement for foreign-built ships to qualify under cargo perference.

Mr. DIXON. It does. It does by saying when you buy it, if you meet the full commercial insurability and all the other requirements of the vessels, you can qualify.

Mr. COCHRAN. If there are no other Senators who desire to be heard on this amendment, it appears to this Senator that this is another effort to undermine the compromise. It appears to be another effort to unravel the agreement which was forged after months of work to try to settle the controversy over cargo preference that was brought on by the recent Federal court decision that resulted in the Department of Agriculture's having to cancel its fledgling credit program.

Our exports are drying up. We are seeing the American farmer hurt by the impasse which has developed. We have seen the merchant marine hurt by this impasse. Seventy Senators have spoken through their votes. The compromise is acceptable and should be adopted by the Senate. I am hoping that that decision can be accepted by Senators.

There are provisions in here that protect the interests of those who are concerned about Great Lakes ports and Great Lakes shipping. I would grant they are not particularly satisfied. I am not completely satisfied by this compromise. There are some of my closest friends in my State who think this is a bad deal, but it is the best deal available right now under the circumstances. I am convinced of this, so I am supporting the compromise.

While it is not something I would like to do ordinarily, I am convinced that, in the long run, this will be a good solution to a tough problem.

I am hoping that Senators will continue to support the compromise by rejecting this amendment.

Mr. President, I move to table the amendment and I ask for the yeas and nays.

Mr. DIXON. May I say this to my colleague, that I have no objection. I join in the request for the yeas and nays. The next amendment I will send to the desk is the flag amendment. I will correct my response to the Senator by saying this one only requires full insurability and that the vessel is suitable by American type standards as to vessel, type, size, discharge of cargo, and so on. The next one concerns the power to acquire and put up the American flag. It is the next in the series that will do that.

Mr. COCHRAN. Mr. President, I renew my request.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BOSCHWITZ. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. COCHRAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. DIXON. Objection.

The PRESIDING OFFICER. Objection is heard.

The assistant legislative clerk resumed the call of the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The question is on agreeing to the motion to table the amendment of the Senator from Illinois. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Nevada [Mr. LAXALT] and the Senator from Virginia [Mr. TRIBLE] are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Mississippi [Mr. STENNIS] and the Senator from Michigan [Mr. RIEGLE] are necessarily absent.

The PRESIDING OFFICER (Mrs. KASSEBAUM). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 73, nays 23, as follows:

[Rollcall Vote No. 265 Leg.]

YEAS—73

Andrews	Goldwater	Mattingly
Baucus	Gore	McClure
Bentsen	Gorton	Melcher
Biden	Gramm	Metzenbaum
Bingaman	Grassley	Mitchell
Bradley	Harkin	Moynihan
Bumpers	Hart	Murkowski
Burdick	Hatch	Nunn
Byrd	Hatfield	Packwood
Chafee	Hawkins	Pell
Chiles	Hecht	Pryor
Cochran	Heflin	Rockefeller
Cohen	Heinz	Rudman
Cranston	Hollings	Sarbanes
D'Amato	Humphrey	Sasser
DeConcini	Inouye	Specter
Denton	Johnston	Stafford
Dodd	Kassebaum	Stevens
Dole	Kennedy	Symms
Domenici	Kerry	Warner
Eagleton	Lautenberg	Weicker
Evans	Leahy	Wilson
Exon	Long	Zorinsky
Ford	Mathias	
Garn	Matsunaga	

NAYS—23

Abdnor	Glenn	Proxmire
Armstrong	Helms	Quayle
Boren	Kasten	Roth
Boschwitz	Levin	Simon
Danforth	Lugar	Simpson
Dixon	McConnell	Thurmond
Durenberger	Nickles	Wallop
East	Pressler	

NOT VOTING—4

Laxalt	Stennis
Riegle	Trible

So the motion to lay on the table the amendment (No. 928) was agreed to.

Mr. DOLE. Madam President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. ZORINSKY. Madam President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. DOLE. Madam President, we have a little discussion going on in the Vice President's room to see if we can resolve the problem here because I

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think we have consumed more than adequate time on this issue. I know the managers of the bill are anxious to get into some of the farm amendments, the real guts of the whole bill, whether they can have a 1-year target price freeze or some variation thereof, and a lot of other amendments that are pending.

I would hope that we could resolve this problem. If not, I would hope that those who have the problem will let us set it aside and give them the remainder of the day and part of tomorrow to try to work out some agreement.

I do not have any chips on either side. I think there is some merit in the remarks made earlier by the distinguished Senator from Wisconsin.

I would hope that if we cannot reach some agreement in the next few minutes we be permitted to set this amendment aside temporarily and go to some other amendments and see if we cannot get the farm bill passed.

Mr. PROXMIRE. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I suggest that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. SYMMS). Without objection, it is so ordered.

Mr. DOLE. Mr. President, about an hour ago a quorum call was requested in hopes that we might be able to work out some agreement on the pending cargo preference controversy. We have now consumed all of yesterday and about half of today on this one issue. But there are still 60 or more amendments pending to S. 1714, the Agriculture, Food, Trade, and Conservation Act of 1985. So I would hope, if we cannot resolve this problem, those interested parties would be willing to set it aside. It is not going to go away, and the farm bill is never going to go away if we do not start voting on some of the agricultural amendments. So I am going to suggest in about 5 minutes, if we have not reached some agreement, that we ask unanimous consent to temporarily set aside this amendment and move on to some other amendment. As soon as we finish that amendment, this amendment will be right back. So maybe by that time there will be some agreement.

It does not make sense to fritter away 5½ hours so far today on an issue where we have not made any headway. And there is demand that we complete action on the farm bill itself, so I would say in about 5 minutes we will ask unanimous consent to temporarily lay this amendment aside unless there is some agreement.

Mr. DIXON. May I say to my friend, the majority leader, I guess he does know that Senator COCHRAN, Senator INOUYE, Senator PROXMIRE, Senator BOSCHWITZ, and myself did meet for a period of time. Senator INOUYE, left us, informing us he would be back with some kind of a proposition. Our staffs are all working on the matter as well. I certainly have no objection to temporarily setting this aside to go to another amendment and then return to this amendment.

Mr. DOLE. If there is some agreement being worked out, that is fine. We do not need to hold up the whole Senate while four or five work out an agreement. That is my point.

So I hope that in a few minutes we can start making some progress.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is amendment No. 916.

Mr. DOLE. Mr. President, I am advised that the chairman is now in position to request that the amendment be set aside—I think we have cleared that all the way around—until 4:30 p.m. and then we can move on to another amendment or amendments between now and then.

Mr. HELMS. Mr. President, the majority leader is referring to the underlying amendment, of course.

Mr. DOLE. Yes.

Mr. HELMS. Mr. President, I ask unanimous consent that amendments 914, 915, and 916 be temporarily set aside for a period of 2 hours and that the Senator from Indiana [Mr. LUGAR] be recognized to call up an amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. I thank the Chair.

The PRESIDING OFFICER. The Senator from Indiana is recognized.

AMENDMENT NO. 930

(Purpose: To provide for a 1-year freeze in target prices and a 5-percent reduction thereafter)

Mr. LUGAR. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Indiana [Mr. LUGAR] proposes an amendment numbered 930.

Mr. LUGAR. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 88, strike out lines 18 through 23 and insert in lieu thereof the following:

"(i) in the case of the 1986 crop, $4.38 per bushel; and

"(ii) in the case of each of the 1987 through 1989 crops, such level as the Secretary determines to be appropriate taking into consideration the total supply of wheat, total program costs, and such other factors as the Secretary determines to be appropriate, except that the established price for a crop determined under this clause may not be reduced by more than 5 percent from the level determined for the preceding crop.

On page 114, strike out lines 20 and 21 and insert in lieu thereof the following:

"(E) The established price for corn shall not be less than—

"(i) in the case of the 1986 crop, $3.03 per bushel; and

"(ii) in the case of each of the 1987 through 1989 crops, such level as the Secretary determines to be appropriate taking into consideration the total supply of corn, total program costs, and such other factors as the Secretary determines to be appropriate, except that the established price for a crop determined under this clause may not be reduced by more than 5 percent from the level determined for the preceding crop.

On page 138, strike out lines 16 and 17 and insert in lieu thereof the following:

"(5) The established price for upland cotton shall not be less than—

"(A) in the case of the 1986 crop, $0.81 per pound; and

"(B) in the case of each of the 1987 through 1989 crops, such level as the Secretary determines to be appropriate taking into consideration the total supply of upland cotton, total program costs, and such other factors as the Secretary determines to be appropriate, except that the established price for a crop determined under this subparagraph may not be reduced by more than 5 percent from the level determined for the preceding crop.

On page 165, strike out lines 1 and 2 and insert in lieu thereof the following:

"(5) The established price for rice shall not be less than—

"(A) in the case of the 1986 crop, $11.90 per hundredweight; and

"(B) in the case of each of the 1987 through 1989 crops, such level as the Secretary determines to be appropriate taking into consideration the total supply of rice, total program costs, and such other factors as the Secretary determines to be appropriate, except that the established price for a crop determined under this subparagraph may not be reduced by more than 5 percent from the level determined for the preceding crop.

Mr. LUGAR. Mr. President, I wish to rise today to offer an amendment to reduce the enormous cost overruns of this legislation, and the effect of my amendment I would hope would be to send marketing signals that would discourage farmers from producing surplus crops which cannot be marketed for profitable prices.

The amendment would freeze the crop year 1986 target price levels for wheat, feed grains, cotton, and rice at present 1985 levels and allow for no

more than a 5-percent reduction in each year thereafter.

The Senate Agriculture Committee has reported a farm bill that ignores all reasonable budgetary limits; 14 of the 17 members of the committee voted in support of the budget resolution which was approved by the Senate and the House of Representatives. A majority of the committee, however, voted later to report a farm bill estimated to exceed the 3-year budget resolution by nearly $9 billion, using the assumptions of the January baseline.

According to more recent estimates by the Congressional Budget Office from the July baseline figures, the farm bill presently before the Senate will exceed the budget resolution by over $20 billion over the next 3 years of time.

Mr. President, let me say parenthetically that considerable dispute will occur throughout the remainder of this debate on target prices on the basis of these changing budget figures. The January situation was one in which the price of corn, wheat, cotton, and rice were higher than they were in July. Specifically, production of the major crops during this period of time from January onward changed dramatically in terms of estimates. For example, corn increased to 8.6 billion bushels, up 10.2 percent from the January estimate. Cotton went up 22.9 percent from January to the current estimate in terms of the estimate of number of bales now estimated at 13.6 million bales. And dairy was 4 percent more production during this period of time.

The gist of this, of course, is that prices are likely to fall as production rose. Estimates of production went up. At each estimate both futures prices as well as actual cash prices fell. This means that estimates of how much farm programs were going to cost also went up because, as will be explained a number of times in the course of this debate, the deficiency payments by the Commodity Credit Corporation are based on the target price minus a 5-month average of cash prices after the crop comes in but no more than the difference between the target price and the loan rate.

To take corn, because this is perhaps arguably the most expensive situation we will have this year, the target price is $3.03 for the current crop; the loan rate is $2.55. Since the price of corn is very likely to remain for 5 months under the $2.55 loan rate, the so-called deficiency payment will be $3.03 minus $2.55 or 48 cents per bushel for every bushel on every acre covered under the program for which a farmer signed up. It was about 71 percent compliance with the Corn Program this year.

That could lead in corn alone to about a $6 billion price tag for direct payments to farmers under this deficiency situation.

Mr. President, that is the reason there are differences in the estimates, and the gist of my amendment today will not be to resolve the entirety of all the cost overrun or budgetary estimate dilemma but simply to set in motion a trend which I would argue will be healthy.

In short, Mr. President, in figures supplied yesterday to us by the U.S. Department of Agriculture, in January the current baseline estimate for support costs by the Commodity Credit Corporation was $11.1 billion. The current estimate in October is that for the same law that we are now working under that would be $19.9 billion.

So at the time we are discussing the judgment in January, if we thought we had a $11 billion problem as we discussed it, now we have $19 billion, and that is for the current situation in fiscal year 1986. This is why everything becomes subject to the changes of these baseline figures, and there is no conceivable way Congress can deal with those horrendous overruns because even as we discuss the bill the prices of many commodities are continuing to go down and, therefore, the costs of the governmental payments that have already set their figures are clearly there and the terms are there and people are going to be paid and the price goes up.

All I am saying, Mr. President, is that if we had a $9 billion problem over a 3-year period of time in January, using the same assumptions, we have a $20 billion problem now. And that is too much.

In short, it is fair to say that the same Senators who discussed in this body the Gramm-Rudman amendment or the balanced budget amendment or various budgetary debates that we have had have talked and rightly so about the problems that are caused to farmers, to manufacturers, to exporters, by high interest rates, by the problems of a high dollar. They have said that there is some relationship between these problems and the Federal budgetary deficit. We do not know precisely the relationship, but it is there.

We have, all of us, condemned a $200 billion deficit in the fiscal year just passed and condemned the thought we would be fated to have $200 billion of deficits for almost each year in the future.

But now almost immediately the first debate after Gramm-Rudman we are confronted with the fact that in the agricultural sector we are going to run well beyond all of our budgetary estimates.

The question is, How in the most conservative humane fashion we can change even slightly that situation?

My amendment is not meant to do more than merely get the process in motion.

Mr. President, I have no argument with those in this Chamber who have pointed out that farmers in the current emergency need the certainty of the law as it stands. Therefore, the first provision in my amendment is to freeze the target prices for the fiscal year 1986 so that the situation will remain the same, bleak as it is; but it will remain the same, no worse. But then to suggest, I think, in a logical fashion, that our only hope in terms of some cost containment with regard to the deficit, with regard to taxpayers in general, with regard to farmers who are deeply interested in high interest rates and what have you, is to give the Secretary of Agriculture an option of reducing the target prices by no more than 5 percent in the next 3 years of time after that first freeze.

That is not a radical proposal. It, I think, solves one of two things that must come forward in this legislation. The first is that loan rates must decline so that we become more export competitive, and the second is that target prices must decline so that the enormous expense of the bill will not completely ruin all budgetary strategies that lead to overall economic health on the farm, in industry, or elsewhere.

Mr. President, the Senate recently voted to broaden the President's authority to impound Federal spending if the budget deficit is above specified levels. If the Congress is indeed serious about reducing the deficit, then we cannot vote to restructure our entire budget process for the purpose of reducing the budget deficit and then vote shortly thereafter to approve a farm bill that is from $9 to $20 billion over the budget resolution, depending upon which baseline, January, or July, or October, that one wants to use.

The argument that the budget resolution treats farmers unfairly is simply without substance. Prior to 1981, Farm Program costs averaged about $3 billion annually—$3 billion annually prior to 1981.

The Congress passed and the President signed a farm bill in 1981 that had an estimated cost in those days of less than $4 billion annually. That was our last time around the track, just 4 years ago—a farm bill that would average less than $4 billion a year at that time. The 1981 cost projections were not very accurate. Actual outlays since that time have averaged more than $12 billion annually.

Mr. President, Members may ask how that could have occurred. Even presently as we argue this farm bill and we say it is $9 to $20 billion over the budget, just 4 years ago when we argued this on the floor, the record

will show this bill total was going to cost us $3 to $4 billion a year. In fact, it cost $12 billion.

The reason, Mr. President, is not that Members tried to fudge the figures. It was that we set in motion various principles that were bound to lead to this effect. In short, we set high target prices. We set them higher for each of the 4 years. The incentives in the market were clear to produce more. There is no way to read higher target prices except as an incentive to produce more.

Even in this particular year, Mr. President, when there has been 71 percent compliance on farms that produce corn and, by all odds, the number of acres that should have been in production have been sharply less, and in some States were sharply less, we have a record crop—8.6 billion bushels and going upward. The fact is that we have been producing because the market, as the Federal Government suggested with higher target prices, signaled more production, and thus we tripled the estimates that we had, modest as they may now seem, when we debated this 4 years ago.

The Senate Agriculture Committee has recently recommended—and in this bill that idea is incorporated—a 4-year freeze in target price support levels, despite the fact that the present target price levels are some 50 percent greater than actual market prices. Under the committee's bill, Federal payments for target prices are estimated to exceed 47 percent of the total value of all production for wheat, 36 percent for corn, 43 percent for cotton, and 62 percent for rice.

My amendment freezes the crop year 1986 target prices for wheat, corn, cotton, and rice at the 1985 levels, but gives the Secretary of Agriculture the authority to reduce target prices by not more than 5 percent in crop years 1987, 1988, and 1989. The Congressional Budget Office estimates this amendment would reduce the 3-year costs of the committee's bill, using the $9 billion overrun on the January estimate, by $2.4 billion. A relatively modest savings, but, Mr. President, I would suggest probably the most substantial savings that is going to be offered during the course of this debate, if one takes a look at history of the target price situation in the last 4 years.

If one were to use the July baseline figures, of course, the $2.4 billion savings is magnified considerably, probably in the order of two and-a-half to three times, in the same manner that the $9 billion became $20 billion. But, attempting to keep things at the January level, essentially a $2.4 billion savings for what would be a modest 5-percent reduction for 3 years of time.

The target price mechanism works as follows: Whenever the national average price for a crop falls below the target price for a specified period, a producer of that crop becomes eligible for a "deficiency payment" equal to his normal production multiplied by the payment rate. The payment rate is the difference between the target price and the average market price, or between the target price and the average loan rate for nonrecourse loans, whichever is smaller. The farmer's actual production and actual price received for his crop are not factors; he can receive payments even though he may have sold the crops at a much higher price.

Target prices were established for wheat, feed grains, cotton, and rice in the early 1970's. Former Secretary of Agriculture Earl Butz agreed to the target price concept as a tradeoff for more export oriented policies at that time. The target price levels enacted at the time were believed to be low enough to avoid any budgetary outlays.

As has proven to be the case with virtually all instances involving target prices, the cost projections were, to say the least, inaccurate. The 1986 farm bill, as reported by the Senate Agriculture Committee, calls for an estimated $45 billion in outlays for target price deficiency payments over the next 4 years.

So that is our estimate, as we start this 4-year period, about $11¼ billion a year, somewhat more substantial than the estimate of $3 to $4 billion a year we made just 4 years ago, which proved to be barely one-third of the cost of what the program finally came to.

Target prices are no more than guaranteed minimum prices fixed by law. They trigger Federal outlays that are as uncontrollable and unpredictable as U.S. agriculture itself. We have no idea what the weather will be in 1986, 1987, and 1988. Economists cannot accurately predict if the estimated $45 billion in deficiency payments will ultimately go to the farmer or, if market prices rise, the payments would become less significant. The point is simply that the Senate cannot knowingly predict the farming situation for 1989 and should not attempt to establish the minimum price levels for a situation that is unpredictable.

The Secretary of Agriculture simply must have some authority for modest—modest—downward adjustments in the target prices for later years in response to the prevailing market conditions at that time.

Of course, Mr. President, the Secretary of Agriculture is not entirely defenseless against this cost situation. The Secretary may use his authority under law to announce acreage retirement programs in order to reduce production and shore up farm prices. For example, if you have historically planted 100 acres of wheat and the Secretary announces a 30-percent set-aside program, you can only plant on approximately 70 acres for that particular year in order to qualify for the target price payments. This is not authority that the Secretary employs in a limited way. As matter of fact, he announced acreage retirement programs for all program crops this year. Corn farmers had to retire 10 percent of their acreage in order to qualify for deficiency payments. As I have pointed out, Mr. President, even after this retirement corn farmers are producing a record crop—in excess of 8.6 billion bushels. Wheat farmers had to reduce by 25 percent; cotton farmers had to reduce by 30 percent, and rice farmers had to reduce acreage by 30 percent.

The predicament we face with acreage diversions is that most farmers tend to idle their least productive acres. Despite large acreage diversions this year, we are harvesting bumper crops for virtually all commodities. The prudent farmer simply idles his least productive acres and more intensively farms what is left with extra fertilizers and better overall management situations. In the end, we could end up with the worst of all worlds with the USDA taking on the significant regulatory burden of spot checking and measuring to ensure that farmers plant within their allotted acres, and yet, we achieve no measurable decrease in production.

The other side of this argument is that acreage diversions can reduce production if implemented in a significant way as was the case in 1983 with the Payment-in-Kind Program. This program idled 80 million acres—one-half of our total cropland base for wheat, feed grains, cotton, and rice. Farmers were given $9 billion in Government-owned commodities in exchange for reducing their production acreage.

Unfortunately, there are tremendous downsides to programs of this sort. U.S. farmers cannot expect to compete in international markets with over one-half of his land and machinery idled for an entire crop year. In essence, export sales are ceded to other nations under those conditions. Large acreage reductions efforts also have a devastating impact upon U.S. agribusiness firms. The fertilizer industry alone lost an estimated $2 billion in revenues as a result of the Payment-in-Kind Program. Many farm implement firms have since been forced into mergers and consolidations in a desperate attempt to retain profitability. In order to prosper and compete in international markets, U.S. agriculture simply must maintain a viable and highly competitive agribusiness industry. The Payment in Kind, or other similar programs, simply cannot become a permanent feature of U.S. farm policy.

The market is presently signaling for greatly reduced supplies of all major crops. U.S. carryover stocks of wheat exceed 65 percent of total annual consumption; corn stocks exceed 30 percent of total usage; cotton carryover stocks are 60 percent of total annual consumption; and rice stocks exceed 60 percent.

Not surprisingly, current market prices for each of these crops are very low. The market is attempting to balance supply and demand at a time when U.S. agricultural exports have declined by 20 percent and favorable growing conditions have produced record crops in 3 out of the last 4 years. But the 1985 target price levels and the levels retained by this legislation continue to signal for business as usual. The farmer does not make the necessary production adjustments which are called for by market demands. Surplus production continues to accumulate in government warehouses. Carryover stocks grow larger which forces market prices even lower.

From personal bookkeeping experiences on my family's farm in Marion County, IN, I am well aware of the current financial problems facing many farmers.

Let me say parenthetically, Mr. President, that in the case of my family farm, we are fortunate to have no debt. That makes an enormous difference in the possible profitability of that operation. Approximately a third to a half of all farms in Indiana have little or no debt. The situation for our farm which we believe is being well managed and for comparable family sized farms—ours is 604 acres in size, and this hits a general idea of the family farm size—our return on invested capital is approximately 2 to 3 percent. That return is increasing as the value of the land decreases—as that divisor decreases. But it is in line with at least well-managed Indiana farms—return of about 2 to 3 percent on invested capital with no debt involved. Mr. President, that of course is the heart of the matter for most investors in this country with a similar amount of money. By putting it in the U.S. Treasury securities, one can make 10 to 11 percent—considerably more than the 2 to 3 percent on the farm.

Farming is not a profitable business, or at least a remunerative business even if one has no debt, the situation is well managed, and the weather has been reasonably favorable. We are in a secular decline of farmland prices that has probably not yet run its course. We are in a situation of lowered crop prices because we have enormous surpluses. The figures that I just read may not have sunk in, but if there is 60 percent of all that is needed in cotton and rice, 30 percent of all the corn that is needed for the next year already there, the depression upon price is obvious.

Mr. President, if our customers abroad do not have the resources—many do not as Latin American countries work through the International Monetary Fund to work out plans, as people by the force of the international debt situation simply cannot buy—if export sales go down, we have enormous surpluses here well beyond our capacity, prices go down, and then stay down. That is reflected in agricultural land prices. Therefore, about the best a farm situation could do, unless it is a highly leveraged speculative situation or a specialty crop is to move somewhere in the 2 to 5 percent—if you are very fortunate—return on income. That is why we have a problem. That we recognize.

Mr. President, let me just say that to keep the target prices at the current levels to send signals to farmers all over this country, a guaranteed price of $3.03 per bushel of corn is to guarantee the price on the market is going to keep going down. The facts of life are that with borrowing in a national weather disaster or some total cleanup of debt around the world, we have a very large surplus overhanging the market.

Mr. President, let me concede so that all understand, for the first year of these 4 years, even given everything I have said, we would leave the target price as it is so there would be assurance to farm families, to the farm industry, to every infrastructure of farming in every small town or large town of America that there will be stability for 1 year. But then, Mr. President, we must at least make a modest start in moving the target price situation and in giving the Secretary the latitude to change target prices for these four commodities by no more than 5 percent.

Mr. President, I submit that this modest amendment, although it will only solve a part of the problem, is a policy concept that is tremendously important. It is tremendously important as we begin to face the future. We begin to get some idea to American agriculture of a movement toward the market—just the movement—with a lot of props, a lot of money, and a lot of income still in there behind it.

Mr. President, I am hopeful that my colleagues will favor this amendment with their votes. I hope they will give it thoughtful support. It seems to me that we have an opportunity to fashion a farm bill even at this late hour that might meet all of the requirements of a nation that is compassionate, that wants to bring farm income at least to a point where people can continue to farm, and continue to serve in the infrastructure of American agriculture, but looks to the Senate for at least a minimal foresight with regard to the future.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, I thank the Senator for his remarks. The figures presented by the Senator are very interesting.

I believe, however, that the Senate needs to understand where we are in terms of the cost of this bill, which led this Senator to the regrettable position of being the first chairman of the Senate Agriculture Committee in history to vote against reporting a farm bill. I just could not in good conscience support the bill. I said so at the time, with all due respect to my colleagues who felt differently about the spending level.

Mr. President, I do not know whether I can serve to simplify the issue, but let me try.

I think the first thing that needs to be understood by target prices—and a lot of people do not understand what is meant by target pricing—is that target prices really have nothing to do with market prices. Target prices are simply an arbitrary standard used to determine how much of the taxpayers' money the Congress proposes to transfer from the nonfarm sector to the farm sector. These are most always referred to as subsidies.

The problem with target prices, I have decided after having served for nearly 13 years on the Agriculture Committee, and since 1981 as its chairman, is that target prices fall into the category of spending which we call around this place as entitlements. But the irony is that the entitlements are not to individuals on the basis of need. They are paid on the number of bushels, pounds, and hundredweights a farmer can possibly manage to produce.

I think we all should know the marketplace has been pleading for reduced incentives for overproduction. The Senator from Indiana made that perfectly clear. The trouble is overproduction is induced by target price payments. The consequential fact is that the American farmer today is not producing for the marketplace, but producing for the Government. When one say the Government, one means at the taxpayers' expense.

The signal has not gotten through to the farmers in many cases. The way the system has worked is the lower the market prices go down, the more taxpayers' money Congress spends to mask these lower prices.

In addition, the system obviously rewards farmers for producing more or producing in excess of needs because the more they produce the more dollars they get from the Federal Government.

Let me make it perfectly clear that I do not, and I think Senator LUGAR does not, question the good intent of those who disagree with us. But the

side effect of it is that these good intentions have gone awry. We are indiscriminately spending billions of dollars on an industry, to wit, farming, in a fashion that may ease the pain in the short run but exacerbates the disease of surplus production and consequent falling market prices.

Giving the Secretary the authority to freeze target prices for 1 year will result in no cut at all in 1986, but it will result in a saving of approximately $2.4 billion over 3 years. I might make that relative by saying that $2.4 billion, Mr. President, is about what Congress provided for these subsidies for an entire year 10 years ago. That is how far we have come.

Obviously, I support Senator LUGAR's amendment, which does nothing more than freeze the target prices where they are for 1 year and thereafter allows secretarial discretion for up to 5 percent reductions for each of the crop years 1987 through 1989.

During the consideration of the farm bill, those 4 or 5 months we spent in markup, I repeatedly said to my colleagues, "Let us do what we can to participate in deficit reduction. This committee is not going out of business, the Senate is not going out of business, the Congress is not going out of business. Next year or the year after we can take a look at it and see what, if anything, needs to be done. But in the meantime, let us freeze it," as Senator LUGAR proposed, "for 1 year and then stand back and watch the reaction of the marketplace."

I think farmers everywhere would be amazed how much that would help in terms of exports, in terms of prices, because it would send a signal that has not been sent by this Congress in a long, long time.

During the past 12 months, Mr. President, through the extensive hearing process, private conversations with agricultural leaders and discussions with so many of my colleagues, I think I am fair in saying that there is little disagreement about the desirability of reducing the Federal role in American agriculture.

I go back into the cloakrooms, I visit around, and I do not hear any informal disagreement about that.

The problem comes when we get here on the Senate floor and Senators begin wondering how this is going to play back in Peoria or somewhere else.

Sure, it is tough to draw the line, but I think we were hired by the people in our respective elections in our respective States to come up here and make the hard judgments.

There is disagreement, it seems, around this place, informally and formally, to center more around the pace at which the Federal Government should withdraw after 50 years of intervention.

I believe that a slow withdrawal is somewhat akin to the man who loved his dog so much that when his dog's tail became infected, he did not want to do anything drastic to the dog, he did not want to hurt it too badly, so he cut off a little bit at a time.

I think we are at the crossroads, Mr. President, in a slow withdrawal from the failed policies of the past. We are going to help one group of farmers, a very large group of farmers, and that is the farmers overseas, our competitors in other countries. It is going to result here, at home, in a further bleeding of the American farmers without any benefit in the long term.

On the other hand, a rapid withdrawal such as that proposed in the original administration farm bill would have left the farmers with too much uncertainty given the financial distress that many farmers are faced with. The White House agreement with Congress regarding Senate Concurrent Resolution 32, the first concurrent resolution on the budget for fiscal year 1986, provided something in the neighborhood of $14 billion more for Commodity Credit Corporation farm price support programs than was originally proposed in the President's budget request and which was embodied in the administration farm bill proposal.

Congressional approval of the budget compromise gave the Senate Agriculture Committee more elbow room to develop a farm bill that did not jerk the rug out from under farmers but, nevertheless, forced a rapid enough adjustment that foreign competitors would need to become participants in our efforts to balance supply and demand on a global basis.

So, Mr. President, the people who love these high target prices the most are our competitors overseas, because all they have to do is come in a little bit below us on the market price and they have it made. They can capture more and more of the world market that we used to have. Our exports, percentagewise, drop and they have fun and we have distress.

(Mr. MATTINGLY assumed the chair).

Mr. GRASSLEY. Would the Senator yield on that point?

Mr. HELMS. I will in just a moment, Mr. President. Let me finish my train of thought. Then I shall yield the floor.

Of course, there is disagreement about this thing, there is political pain. I understand that.

Mr. GRASSLEY. Mr. President, the reason I wanted the Senator to yield, if he would, is just for clarification.

Mr. HELMS. Yes, Mr. President, I yield for that.

Mr. GRASSLEY. There might be some truth, there is a factual basis for what he says in regard to loan rates, but I am not sure that there is for the target-price system as far as our competition overseas.

Yes, the extent to which we can or cannot move our products into the world market because of the loan rate, I would agree with the Senator from North Carolina. But I do not think that is applicable to the target price.

Mr. HELMS. They are kissing cousins and they are part and parcel of the failed policies, I say to the Senator. That is the point I was trying to make. The target prices induce surpluses that cause farmers market prices to go down.

What happened in the committee in the markup of this bill, and I say again I fully respect all Senators on and off the committee who disagree with me, but what happened during our markup was this: Instead of following through on the budget agreement adopted by the Senate—and by the way, 14 out of 17 members of the Senate Agriculture Committee voted for that resolution—the committee nevertheless voted to report to the full Senate what I regard as a budget-buster beyond the wildest dreams of even the most ardent advocates of Federal intervention into agriculture.

That is the reason I felt obliged to vote against this bill. It gave me no pleasure; it gave me a great deal of pain, as a matter of fact. The committee-approved bill is almost 25 percent higher than what the Senate voted in the budget resolution to spend on farm programs over the next 3 years—$9 billion more. The irony is that it will hurt farmers most of all, in my judgment.

This excessive spending actually victimizes farmers. It hurts them in two ways.

First, target price payments are based on production. The more you produce the more payments you get. Yet, when market prices are driven low by surpluses created by massive subsidies, it becomes important to individual farmers to receive as many Government payments as possible. Therefore, we have a situation in which production is increased beyond what it would be so participating farmers can receive more payments. The result has been more production, ever lower prices, and higher taxpayer expense.

Second, farmers are the ones most adversely impacted by runaway deficit spending. High real interest rates have caused interest expenses to become the largest single element in farmers' costs of production. They have turned otherwise profitable operations into foreclosure cases.

The deficit has also impacted the value of the dollar. Few industries are as dependent on exports as agriculture. For what impact the deficit has had on increasing the value of the dollar relative to other currencies—agriculture has suffered.

I know that most farmers do not realize just how much money has been spent in an effort to shield them from market realities. Many Members of Congress also do not realize how much has been spent.

Most people think that defense spending or spending to pay interest on the national debt have been the fastest growing items in the budget.

Not so. Agricultural price support programs are the fastest growing item in the Federal budget.

In the 4 years prior to President Reagan's first term, those years governed by the 1977 farm bill, price support costs averaged between $2 and $4 billion annually.

The spending average for the 1981 farm bill, which coincides with Mr. Reagan's first term, averaged a whopping $10.4 billion—an almost 250-percent increase! These figures do not include any other spending incurred by the Department of Agriculture for other than net price support activities.

As you can see, if money was the standard, President Reagan should be more popular than Willie Nelson.

But money is not the only standard—not for President Reagan and not for this Senator. If money were the only standard for this Senator, I would have voted for the proposal offered in committee by the Senator from Iowa, Mr. HARKIN. But I did not, because I thought it was a bad policy for farmers and for the Nation.

My point is this: The Senator from North Carolina and the Senator from Indiana and many other Senators are prepared to spend tremendous amounts of money on farm programs and farmers in an effort to help get them through this period and back on track toward greater income from the marketplace. But we are not prepared to go on a wild spending spree. Some restraint, not miserly by any means, must be imposed.

The budget resolution allows Congress to spend about $11.5 billion per year on price support programs—depending on what we spend for farm credit—more than has been spent in the past—no cuts!

I repeat. The budget resolution will allow spending on price support programs without any cuts.

The committee bill, on the other hand, increases price support spending to about $14 billion per year—or around 20 percent more than the past 4 years which was 250 percent above the previous 4 years.

The Congressional Budget Office [CBO] estimates that this amendment will save $2.4 billion over 3 years; $2.4 billion is a significant savings, but far from the $9.2 billion we need to save in order to conform with the budget resolution agreed to by this body including 14 of the 17 members of the Senate Agriculture Committee.

By reducing target prices we have a rare chance to do something positive for farmers as well as the Nation. Conversely, failure to reduce target prices in a gradual, but steady manner, such as that proposed in the amendment, will hurt farmers more than help them, by adding further inducements to create even greater surpluses of all commodities than now exist, and by adding further to the massive Federal deficits that are debilitating the entire economy with an overvalued dollar and interest rates that are higher than they would be if we operated the Government in a fiscally responsible way.

Mr. President, I know that other Senators wish to speak and I am not going to continue. I thank the Chair and I yield the floor.

Mr. ZORINSKY addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. ZORINSKY. Mr. President, with effective target prices, we can maintain a safety net for agricultural producers, thereby enabling them to provide American consumers with the most diverse, highest quality and cheapest food and fiber in the world. It is true, there is great concern about the cost of this particular bill. I point out, though, that there is more than one way to reduce the cost of this agriculture bill. You don't have to change a 4-year target price freeze to a 1-year target price freeze.

I am concerned about the cost of this farm bill as are my colleagues on this side of the aisle. Currently, one of my colleagues is working on an amendment to reduce the bill's cost substantially and bring it more in compliance with the budget resolution. However, he does not propose to reduce the 4-year target price freeze to a 1-year target price freeze.

My dear colleagues, I speak to you as one who was a businessman for 40 years. If we do not have a safety net for the farmers of America, we are going to lose the engine that pulls the train called agriculture. We won't have enough commodities for our people at home or to ship into the international marketplace.

Many feel that the ultimate goal of the Lugar amendment is to bring it into line with the budget. I submit to my colleagues that we have to look at the bottom line of what this farm bill is going to do when we finish with it.

No. 1, it should be somewhere in compliance with the budget. But more important than that, it should enable the agricultural industry and rural America to continue to exist. We have, for all these many years, claimed to be experts in the area of agriculture. We have had setaside programs. I read yesterday where a member of the administration said we cannot unilaterally, as in the PIK Program, set aside millions of acres while our competitors fill the gap. Well, I say to you, Mr. President, there was no gap for them to fill even with the setaside of the acres, inasmuch as we had such tremendous surpluses we still could have furnished and completed any sales that were required of us for foreign sales abroad.

The problem is that this Nation does not have the commitment to our farmers as other countries do. Our farmers can compete with the farmers of other countries but they cannot compete with the treasuries of those other countries. That is why I think the time has come when this Nation has to become serious as to whether we want to again become a factor in the agricultural international marketplace.

As a businessman, let me tell you I have never known a businessman who continues to produce more than he or she can sell to stay in business. I think it is time for the farmers of America to begin to produce for sale rather than for storage. We continue to produce for storage and what happens? We have storage costs. And the surplus that overhangs the market further depresses the price of the commodity to such an extent that the farmers are producing themselves out of business.

Now, I agree with my colleague from Indiana that land prices have not now bottomed out. And this is happening without S. 1714—the 1985 farm bill—being in effect.

Now, a comment was made by my friend from Indiana that his proposal will allow stability in agriculture at least for 1 year. Well, let me say that agriculture cannot exist, no business can exist, without long-term stability. You cannot live with peaks and valleys. My colleague from North Carolina indicated that the Congress is not going to go away, so let us accept something like this, a 1-year freeze, and we can always come back and change and refine it.

Well, conversely, what is the matter with accepting a 4-year freeze? If we do not like it, we can come back and refine it. At least you are giving some out-year income protection to farmers that will allow them to plan for the future.

Now, we have established a terrible record of credibility in this institution called the U.S. Congress with respect to 4-year farm bills. We were 2 years into the 1981 farm bill and what happened? Lo and behold, we came back in this august body and decided that what we did in 1981 was wrong. The $4.45 target price for the 1984 crop of wheat was reduced to $4.38, and the $4.65 target price for the 1985 crop was reduced to $4.38. We changed the 1981 bill. This is graphic evidence, proof of what my colleague from North Carolina said; that this body

will not go away; that we can modify and change things.

As a matter of fact, I have hesitancy in locking farmers into a 4-year target price freeze—not for the same reason that my friend from Indiana indicates. If we continue in the direction we are now going we will have such chaos, confusion, and economic turmoil in this industry that 2 years from now we may not want target prices frozen, we may want them increased, not frozen by law in the year 1985. And we may want to go the other way with target prices.

But be that as it may, project yourself as a farmer or as any businessman in 1981, sitting down with his banker, taking his books out, looking at his average annual yield, projecting commodity prices, looking at the drought capabilities and the cost of borrowing money and the interest rates and saying, "This is what Uncle Sam says. Now, Mr. Banker, my target prices will be this, the loan support prices will be this for the next 4 years." The banker looked at it, looked at his cash flow and said, "We can loan you up to x number of dollars based on what we feel the Government is going to do for the next 4 years." So they loan the money. Then land values begin to plummet. Then more collateral is required, and on top of that all of a sudden dear old Uncle Sam comes along and says, "We don't care under what basis you made a decision to borrow money in 1981 under the 1981 farm bill. We are telling you it is a new ball game now. We are going to drop target prices 2 years out after we promised you in a 4-year farm bill they would be at x number of dollars."

Now, that would have been, I guess, tantamount to going up to the manager of the St. Louis Cardinals baseball club and saying to him, after 9 innings were completed, "How would you like a 10th inning to try to get even?" You cannot change the rules of a ball game once an individual has made an economic decision based on what Government has promised in the way of financial assistance. If you are not going to provide them anything, do not provide it from the beginning. At least they will know where they stand. But you never want to pull the rug out from under someone after you have made that commitment.

There used to be a time in this country when your word was your bond. You could shake hands with an individual; you did not need 10 accountants and 15 lawyers looking over your shoulder wondering if this commitment is going to last 10 minutes, 10 hours, 10 days, 10 months, or 10 years. But today I guess that has become a fact of life, and the Federal Government itself is as much responsible for the erosion of credibility as is anyone else.

Now, I would say that the fact that we have a glut, an overabundance on the market of commodities and the fact that prices are depressed have led to a recession in rural America. Now, when you say, "Let's have a 1-year target freeze and we will see what happens next year," this is what is going to happen next year. I can predict this with a great degree of credibility because it is happening this year, let alone next year. Take a look as a businessman at the alternative to not spending for agriculture. And I am not saying we should spend in excess of the budget. But I am saying, what if we do not, what is the down side? Because, again, I am looking at this as a businessman. If I fail to put an investment on the front end and chaos happens, what is my exposure on the down side of the situation?

This is what it is. The FDIC gets to come in and idemnify depositors in failed banks up to $100,000. Approximately 16 or more banks have failed in the State of Nebraska this year alone. That is a cost somewhere to someone. It is coming out of someone's pocket to reimburse depositors of banks.

Second, you get calls pretty soon, which I have already received from school boards, saying: "Mr. Senator, how do I set the mil levy for our school system, inasmuch as we are in rural districts? The farmers cannot pay the property tax; our mil levy is in the property tax. We have to know how many teachers to let go and how many schools to close."

Then you have your farm implement dealers and the fertilizer people. Many people say they are the ones who are really adversely affected if you control production.

As a businessman, I constantly had half a million dollars in the accounts receivable on the books when I was in business. Do you know what I did? Every night I went to bed and prayed that those people who owed me money stayed in business so that they could pay me the money they owed me.

The farm implement dealers I have talked to and the fertilizer people I have talked to would rather get paid for 100 percent of their accounts receivable than sell twice as much product and get paid for none of it.

So, what you try to do with a 4-year target freeze is lock in a safety net.

This farm bill—as reported by the Agriculture Committee—already has market-clearing loan support prices. As the Senator from Indiana aptly pointed out, the loan rate heralds the setting of world prices, not the target price. Target prices assure the farmer of a certain return, regardless of the market price. So target prices in no way signal our international customers or competitors.

Let us look at what really is the problem. We continue to produce as though we are going to eat that market alive in the international marketplace.

Without this bill been passed—we do not even have it out of the Senate, let alone to conference, let alone to the President, let alone back to override a veto, let alone maybe to have to start all over again—without this bill hurting agriculture, as people say it will, and affecting the budget, we are losing our share of the world marketplace. So let us not blame this bill for what is happening to us in the international marketplace.

Right now we have many more competitors in the international marketplace. India has become a net exporter of corn. They are self-sufficient in that area. The People's Republic of China has developed the technology to become a factor in the international marketplace in agriculture. The European Economic Community is currently producing twice the amount of products it can consume domestically—and guess where that is going to go in the competition? That is going into the world marketplace. Argentina is increasing its production.

I say let us produce for sales and let our competitors begin to produce for storing their commodities and paying storage on their surplus, as we have been dumb enough to do all these past years.

So I ask my colleagues to vote against this amendment. Let's give our people an opportunity to see some light at the end of the tunnel. Let's save an industry that ranks high in the national security of this country. If we lose the engine that pulls the train called agriculture, we will not have to worry about foreign policy and we will not have to worry about missiles. We will have to worry about an internal situation within this country.

Read any history book: The great nations have never been conquered from outside the country. It was always within that country, and within that country, there was always a factor of starvation and inability to feed itself.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. PRYOR. I thank the Chair for recognizing me.

Mr. President, I salute my colleague on the Agriculture Committee, the very distinguished Senator on our side of the aisle who is handling this bill, one of the floor managers of one of the most difficult bills to piece together and patch together to come to the floor of the U.S. Senate. I salute him for his dedication in trying to make common sense out of this measure.

I also salute him for the literally hundreds of hours the Senator from Nebraska has sat in the Agriculture

Committee and helped to fashion this bill that is today under consideration.

Mr. President, before I make a remark or two about the bill that is presently before the Senate and the amendment, I should like to ask a question of the Senator from Indiana [Mr. LUGAR], a gentleman I equally admire, one whose intelligence and forethought and wisdom I respect.

I ask the distinguished author of the Lugar amendment, which is now the pending business, if this amendment is supported by the administration.

Mr. LUGAR. The administration has not indicated anything by letter with respect to the amendment. In conversation with Secretary Block, the Secretary has indicated that he supports my amendment and hopes it will receive a favorable vote.

Mr. PRYOR. So the distinguished Senator from Indiana does indicate that the Secretary of Agriculture does support the pending amendment?

Mr. LUGAR. Yes, he does.

Mr. PRYOR. I thank the Senator.

Mr. President, this will be one of the key votes that the Senate will face on this year's agriculture bill. This piece of legislation, this agriculture measure, which is a 4-year program for the farmers and for the consumers of this country, has consisted of literally hundreds and hundreds of hours of hearings, discussion, and debate, and was completed after 71 rollcall votes in the Agriculture Committee.

It was not an easy bill to bring before the Senate. On many occasions, I was very uncertain as to whether my position was correct. But as we look at the various provisions, the hundreds of pages that encompass this committee report, I can truthfully say that I believe the Committee on Agriculture has brought to the floor of the Senate the best of all possible bills, under the circumstances.

Not everything I wanted in the agricultural bill prevailed. I lost on several votes, as I am sure all of us did in the Agriculture Committee.

Mr. President, the amendment proposed by the distinguished Senator from Indiana, as I have stated, will truly be one of the critical votes facing us on this piece of legislation. In simple terms, this measure on which we will be voting today, perhaps tomorrow, perhaps sometime next week--the way we do our business around this place, who knows when we will vote on the Lugar amendment?—represents, and I say this respectfully to the Senator from Indiana, a difference of philosophy between stability and instability in the American farm posture for the next 4 years.

We have talked and we have heard the distinguished chairman of the Agriculture Committee, the Senator from North Carolina, talking about sending signals to the country, sending signals to this country or that country, or this marketplace, or that bank, or whatever. But, Mr. President, should we by chance adopt the amendment offered by the distinguished Senator from Indiana to this farm bill we are in effect stating unequivocally, without reservation, that, yes, 1 more year the same program will be in effect but after that that program is over and farmers of America, farm families of America, you are out there and you are on your own because we are going to start pulling that life-support system out, not quickly, but a little bit at a time.

It is just like the distinguished chairman from North Carolina talking about that dog where you cut his tail off a little bit at a time. That is exactly what we are going to do in a very painful way, and I say to my friend from Indiana that the signal that will be heard in Brazil, the signal that will be heard in Argentina, the signal that will be heard in Canada, the signal that will be heard across the countries that compete, in many cases unfairly with the American farmer, that signal is going to be simple, it is going to be sure, it is going to be loud, and it is going to be plain because that signal is going to indicate, Mr. President, that the U.S. Government is pulling the plug on those farmers who are today remaining.

My friend from Indiana just got up and said only one-third to one-half of the farmers in the State of Indiana have any debt. I do not know what is happening in Indiana. I do not know whether Indiana farmers know a lot more than the farmers in Arkansas or not. But I can assure and promise my friend from Indiana that that is not the case in the 25 farm States. Most of the farmers today are in debt. The rural banks are crumbling. The Farm Credit System is going to be looking for a massive bailout. And for some reason or another, even though after repeated requests from members of the Agriculture Committee, we have not yet been able to obtain a hearing in the Agriculture Committee on the Farm Credit System and the implication of that Farm Credit System's debts and its woes.

I say to my friend from Indiana that really I think we are doing this thing backward. We probably should be talking about the Farm Credit System even before we bring up a 4-year farm bill that is under consideration today.

But once again that is not how the system has worked. We are on the farm bill and once again I remind my colleagues that this is truly going to be one of the key votes of this next several-day exercise in establishing our relationship with the farmers of this country.

Mr. President, I am not going to speak long.

Mr. HEFLIN. Mr. President, will the Senator yield?

Mr. PRYOR. I am glad to yield to my friend from Alabama.

Mr. HEFLIN. Mr. President, the distinguished Senator from Arkansas raised some interesting issues. I wish to inquire of him, No. 1, when this is called a 1-year freeze I really believe it is a misnomer because actually looking at what has happened to agriculture commodities, corn in 1984 the target price was $3.03, in 1985 it was $3.03, and now under this it would be $3.03 for 1986, and then start declining.

So I suppose as we are talking about a freeze I believe really that is a misnomer because we froze target prices in 1984 for 1985 at that level and we now are down on a downward escalation. We are coming down the ladder. Most of the time it is about 6 percent per year.

Has there been any indication to the Senator of any farm community on any farm economy that has had sufficient profit to justify a reduction of target prices?

Mr. PRYOR. I know of no commodity, no section of our country, no farmer, no farm group that actually would come in and say this is going to do anything but further damage the American farm family. I think that is what this amendment speaks to.

I think the Senator from Alabama has raised a very good question.

I might just add, the Senator from Alabama is a very distinguished member of the Agriculture Committee. The Senator from Alabama knows as well as the Senator from Arkansas knows that as to this piece of legislation, this farm bill of 1985, no one is happy with it. No one is excited about it. No one is going to become unjustly enriched because of it.

Basically, if we want to be honest with ourselves working within the parameters of the budget, working within the parameters of system, if we want to be totally honest, it is nothing to write home about. No one is proud of it. I am not proud of it. I did not even want to vote for it in the committee because I do not think it goes far enough. But the majority of my colleagues said this is as far as we can go.

Let me just conclude my statements, I say to my friend from Alabama and other friends on the floor this afternoon, I think once again on this piece of legislation, the farm bill of 1985, this truly could be one of the key votes that we will be facing on this bill. And I hope the Members of this body will really study this amendment, realize what signals we are going to be sending overseas and if we think exports are eating us up alive now, just wake up tomorrow in Argentina or Brazil or Canada, or wherever, and read the headlines the U.S. Government is about to pull the plug on the American family farmer, and then you are going to see, we are going to see

some imports flooding into this country and our export condition continue to worsen.

Mr. HEFLIN. Mr. President, will the Senator yield?

Mr. PRYOR. I am glad to yield to the Senator for a question.

Mr. HARKIN. Mr. President, if the Senator will yield for a second, the Senator is absolutely right on this idea.

We have already had a freeze.

I was listening to the remarks of the distinguished Senator from Alabama, observing this is not a freeze. He is absolutely right. What this is is not a freeze; it is a deep-freeze. It is a deep-freeze in which they plan to put the farmers of America if we follow this kind of program.

I thank the Senator for yielding.

Mr. HEFLIN. Mr. President, if we, therefore, are looking at this, we should realize what this would do as a 4-year farm program. It would have 1 year where we would maintain the target prices where they are and then start escalating down with no guarantee that farm income is going to increase or that they are going to get better in any way.

The only thing that we can point to is the issue of deficits, and saying, well, in budgetary restraint we must do something.

It is my understanding that the distinguished Senator from Montana [Mr. MELCHER] is preparing an amendment which will bring the farm bill within budgetary limits and it looks to me, if he can do it in a palatable manner where it is not harmful to the farmer, that is the approach that should be used rather than the approach of lowering target prices.

Maybe the amendment of the Senator from Indiana is premature. I do not know on this yet. But I do know there are some efforts being made to try to bring it within certain budgetary limits where it will not harm the farmer. I think that is something that should be considered.

But other than budget, does the Senator know of any justification at this time of saying that we should enter into a downward escalator which would lower farm income? Does he know any justification?

Mr. PRYOR. I see no justification whatsoever.

Mr. HEFLIN. I am not saying it is justification because of the budget but that is something we should look at and something we should be considering. If the Senator finds an alternative, then that to me is a far better approach.

Mr. PRYOR. I am so proud that the distinguished Senator from Alabama has mentioned a proposed amendment that ultimately will be offered by our colleague on the Agriculture Committee, the distinguished Senator from Montana, Senator MELCHER. I have looked at the outline and the concepts of Senator MELCHER's amendment. I can say that the Senator from Montana, I truly believe, has worked diligently and he has worked sincerely on both sides of the aisle in attempting to craft an amendment which will bring the 1985 agriculture bill within the parameters and constraints of the budget resolution. I applaud the Senator and say at this point that I am going to support the Senator's amendment, because most of us did support the budget resolution. We did adopt constraint on this particular bill as on many, many other expenditures.

But the Senator from Alabama has raised another good point. We are going into a downward escalator at this particular moment should the Lugar amendment pass the Senate. The Senator from Alabama is absolutely right, as is the Senator from Iowa, in stating the ramifications and the impact of this particular amendment, the Lugar amendment, which is supported by the administration and Secretary Block, which I hope that our colleagues will vote no on.

Finally, I say to my friend from Alabama—and then I would love to yield the floor and listen because I know other colleagues have something to say—that I do not know of another bill that we have considered in the Senate, it certainly was not the foreign relations bill that the distinguished Senator from Indiana, the chairman of the Foreign Relations Committee, has handled thus far: I do not think that bill he handled is $4.5 billion under what last year's budget was for foreign aid. We are talking about a $4 billion decrease in the 1986 program here versus the 1985 program that we are operating in right now.

I do not know of one other program, one other authorization or appropriation bill that has carried the magnitude of the type of downward scale in dollars spent for one function of Government as does the U.S. Farm Policy Act of 1985. Maybe some of my colleagues know it. But our farmers have already taken a hit, not only there but in the credit sector, falling land prices, and banks that are deteriorating because of poor loans.

I think that the Lugar amendment is going to be a very, very critical vote. I would at this time yield the floor.

Mr. GRASSLEY. Mr. President, I think all of us in this Chamber and, for sure, I know my Republican colleagues, everybody on this side of the aisle, have the same great respect for the free market that the Senator from Indiana has. But I think we ought to set straight that the last few years have not been the traditional free market operating. Basically what the Senator's amendment does is make a political decision, not an economic decision, that, for instance, in my State will lead to 20 to 30 percent of the people who are now occupied in farming no longer being farmers. That is a political decision, not an economic decision, that is being considered by this body as we consider the Senator's amendment.

There is not an incompatibility between the target price concept and the free market. There is not an incompatibility, and the history of the decade of the 1970's substantiates that. If you remember, during that period of time, we had target price protection but we also had demand and supply more in unison so that the marketplace decided the prices that farmers would get for their feedgrains and wheat.

That target price was there for basic protection. It was there for stability. And yet there was very little payout of the Federal Treasury and the forces of the free marketplace were basically working until about 1982.

Now, I want a free market; most everybody wants a free market and most everybody would be satisfied that agriculture can operate within that free market. But we have had situations within the last 6 or 7 years that has had the free market distorted or totally not working because of political decisions beyond any individual farmer's control, most of those decisions emanating right here from Washington, DC in one way or another.

Now, who would have ever thought that Paul Volcker's decision to deflate in October 1979 would have had ramifications not only in agriculture, but also a detrimental impact upon natural resources worldwide, not just in the United States and not just in agriculture, but most every natural resource, and impacting very detrimentally upon agriculture, as commodity prices have come down and as the value of land has gone down.

There is not a farmer in the United States who could have controlled or anticipated the impact of that decision. Agriculture has been impacted negatively by embargoes and, as a Republican, I am not just talking about the Cartcr grain embargo, either. We still suffer from embargoes whenever they were imposed by Presidents, Republicans or Democrats, over the last several years—lost markets forever. There are still farmers in my State that bring up the Carter grain embargo. And I can remind them very easily of embargoes by Republican Presidents that have also been harmful.

Or who would have ever thought, particularly after Ronald Reagan was elected in 1980, coming to town to make a difference on budget policy, that we would ever go to $200 billion budget deficits? Partly because there is not enough leadership from the White House on that issue, but also because both Republicans and Democrats here on the Hill have been irre-

sponsible on fiscal policy, we have ended up with a $200 billion deficit. Those are political decisions we have made that have impacted negatively upon agriculture in the form of high interest rates and in the form of the high value of the dollar limiting our exports. And that particularly impacts negatively upon agriculture probably more than any other segment of the economy.

If there are any two things that we could have done or can do to help agriculture, even more important than this agriculture farm bill that we have before us, it would be to get interest rates down and get the value of the dollar down. If you get interest rates down 2 percent, you increase farmers' income $2 billion. If you get interest rates down 2 percent for the farmer who has a 55-percent debt-to-asset ratio at $7,500 a year income last year, and you double his income this year. Lower interest rates would make a dramatic impact upon farm income.

But those negative, irresponsible political decisions here in Washington, DC, are something that our farmers could not anticipate and can do very little about, except with the power of the ballot or the power to demonstrate or the freedom to do those things.

I suppose we ought to mention things that are nonpolitical, but things beyond the control of the farmers of the United States that have impacted detrimentally. The fact that in 1981, 1982, 1984, and 1985, we happened to have very good weather worldwide, except usually in the U.S.S.R. That good weather has produced an abundance that I suppose we ought to be thankful for in view of the starvation in some places in the world. But, on the other hand, that overhang in the market, that surplus production that was not anticipated, has been beyond the control of the individual farmer, yet has hurt him.

So we all want the free market to work, but when there are political decisions in Washington and acts of nature worldwide that impact negatively upon agriculture, it seems to me that it is very legitimate that the safety net for agriculture be held very tight and not be slashed here or slashed there, as is going to be done if this amendment by the Senator from Indiana were to be adopted. Basically the purpose of a safety net is to protect segments of the economy when things are beyond their control, a legitimate function of Government. It seems as if we do it for the entitlements, the undernourished, and the unemployed. And we also do it through the most golden of safety nets on the Hill, a safety net under the defense industry where we never let major defense contractors go broke. If we can protect the most wealthy or most protected of industries in this country—the defense industry, we can surely do it for agriculture.

Agriculture is an important segment of our economy. Twenty-two percent of the gross national product is related to agriculture. That is 1 in 5 jobs. In my State 7 in 10 jobs are related to agriculture. It does not matter whether it is nationwide, 1 in 5, or in Iowa, 7 in 10.

There are a lot of people affected beyond the farmers with what we are deciding here today, particularly by this key amendment that the Senator from Indiana offers. It seems to me that one of the things that we in political life are derelict about when we talk about farm policy is we sound too often like we are just concerned about helping the 3 percent of the people in the United States who are earning their living from the dirt, from the soil, where, in fact, it is a much larger basic industry, so important to the gross national product. What we do for this basic industry has a beneficial—if what we do is beneficial and helpful—impact, and ripple effect throughout the entire economy.

What we have to do through the target price, why I support the 4-year freeze of target prices, and why I oppose Senator LUGAR's amendment is that the one thing that agriculture needs most, next to profitability, is certainty and predictability. There may not be a profit in even a 4-year freeze of target prices. But at least there is some certainty, and there is some predictability in that approach to target prices and the freeze.

Predictability is beneficial by taking the panic out of agriculture. I do not know whether you can understand the trial and tribulation that is out there, not just because there is not enough money in the pocketbook or the bank accounts are low. But the real problem out there goes beyond just the economics to social and psychological problems because of the fact that nobody knows where the bottom of the drop in farm prices or the drop in land prices is in agricultural America.

That, in and of itself, causes a lot of pain, economic as well as other kinds of pain. If, somehow, we could bring some certainty to the agricultural climate and predictability, the panic, or at least part of the panic, would go away. That would be very beneficial.

There is only one last point I would like to make. This does not address all of the issues on this point that I would like to address, but I am not going to take the time of colleagues who have been very patient while maybe all of us have talked too long. But when I see the point made by the Senator from North Carolina, or the Senator from Indiana, that this bill is overbudget—most of the overbudget points are made as they relate to the target price—most of those excess costs are out there in the third and fourth year, and not in the first or second year.

So I guess at this point I want to associate myself with a point made by the minority leader of the Agriculture Committee, Senator ZORINSKY, when he said that if there is something not right about the 4-year freeze, we can correct it.

Agriculture has taken the lead in accepting the concept of a freeze as we did in 1984—freeze target prices at their 1983 level when they would have otherwise been scheduled to go up for corn, for instance, to $3.15. So if anybody feels out there that agriculture has not led the way in a responsible budget policy in this country, then I would point that out so that you will know that we have done that.

But I think we ought not to make a decision in support of Senator LUGAR's amendment based on the fact that we are guesstimating out there a high cost for the third and fourth year when seldom, on any budget policy, does this Congress ever make a very correct judgment as to what something is going to cost even next year, let alone 3 or 4 years out.

So I suggest that my colleagues for the sake of certainty and predictability in agriculture—and reducing the panic that is out there in rural America—reject this amendment by the Senator from Indiana.

Mr. WILSON and Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from California.

Mr. WILSON. Mr. President, I rise in support of the amendment offered by Senator LUGAR, of which I am pleased to be a cosponsor. The amendment is an essential effort needed to correct the most glaring flaw in the pending farm bill.

I am referring to the 4 year freeze on the level of target prices and the unacceptable impact that this approach will have on both the American taxpayer and the American farmer.

First, from the taxpayer's perspective, a 4-year target price freeze will result in an unprecedented outpouring from the U.S. Treasury in the form of increasingly large deficiency payments to producers of wheat, feed grains, cotton, and rice. According to the U.S. Department of Agriculture, the cost of this provision will approach $13 billion over the life of the Senate farm bill. Such large expenditures are irresponsible and will only exacerbate the already unacceptable size of the Federal deficit.

While our $200 billion a year deficit threatens our national well-being, it hits the American farmer especially hard. From the farmer's perspective, it is the direct cause of artificially high interest rates which increase the cost of financing the annual production

and operational expenses of a farm. In addition, the Federal deficit results in a too strong U.S. dollar that serves as a 40 percent tax on our food exports and a 40 percent subsidy on agricultural imports. Agricultural exports have fallen during the past 4 years from a high of $44 billion to a projected level of $31 billion for the current year, and American farmers face increasing competition from cheap imports at home.

If the 4-year target freeze is retained, then the Secretary will be forced to implement larger acreage reduction programs, in order to boost crop prices and control budget outlays. The result will be a corresponding increase in plantings abroad and a loss of foreign markets that have traditionally been U.S. customers.

In the face of such adverse consequences, the alternative offered by Senator LUGAR is both a reasonable and supportable one. It would freeze current target prices for 1 year, in order to maintain farm income. In each succeeding year, the amendment would give the Secretary of Agriculture the authority to reduce target prices by no more than 5 percent annually, providing a gradual transition to a more market-oriented farm policy.

Based upon January figures of the Congressional Budget Office, this amendment would save $2.4 billion in Federal expenditures. But, as the sponsor of the amendment has already noted, given more recent USDA estimates of record crop yields, the savings resulting from his 1-year target freeze proposal will exceed $7 billion.

Mr. President, I commend my distinguished colleague from Indiana for his courage, his clear vision, for his amendment, and I am pleased to join him in cosponsoring it. I urge its adoption both for the American taxpayer and the American farmer.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I rise in strong opposition to the amendment offered by the Senator from Indiana.

Mr. President, have the yeas and nays been requested on this amendment?

The PRESIDING OFFICER. They have not been.

Mr. EXON. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. EXON. Mr. President, let us understand this amendment for what it is. This is the administration's program lock, stock, and barrel. The Senator has been advised that the question had come up on the floor of the Senate, and it was explained by the offerer of this administration amendment that it was supported by the Secretary of Agriculture. The Secretary of Agriculture speaks for the administration on agriculture, so let us clearly label this amendment for what it is. This is the continuation of a ruinous policy for the American family-size farmer that has been part and parcel of this administration ever since it came into office. It is about time that it be said; it is about time that it be understood.

There are those of us who recognize that there are problems out there, not only in agriculture, not only for the farmers and ranchers, but the main street businessmen in rural America.

Unfortunately, in listening to the debate, it seems to me that the only former mayor of a large city who understands agriculture is my colleague from Nebraska, the former distinguished mayor of Omaha.

When ED ZORINSKY was mayor, I think he would say he had little understanding or knowledge of agriculture. But since he has been in the Senate, where he joined, at his request—he was not assigned but he requested assignment—the Agriculture Committee, he has served there with great distinction.

I was very disappointed, frankly, to hear the remarks of the Senator from California. There were a few of us who had no real interest in a major agricultural proposal for California that the Senator from California offered a few days or a few short weeks ago. It had to do with the importation of cheap labor from Mexico to help out the farmers of California. Otherwise their crops were likely to lay unpicked in the field. But there were those of us who understand the trials and tribulations of the farmers. I do not know what the other votes were that supported the Senator from California at that time, but the reason that this Senator supported that was that I have a feeling, I have a concern, for the farmers of California, just like I have a concern for the farmers of Nebraska, Iowa, South Dakota, and Minnesota.

I think I understand their problems. I certainly understand their near-panic today with regard to the depression that we have in agriculture.

There are those who will say, "This is a profarmer amendment. This is going to bust the Federal budget."

I want to tell my colleagues in the Senate that if this amendment becomes law, if this proposal by the administration is the hallmark of our agricultural policy, we will rue the day that it was ever passed.

There are people supporting this measure who I do not think have any basic understanding at all of what is going on in rural America today.

I listened with keen interest to my distinguished friend and colleague from Iowa who understands agriculture because he lives with it each and every day.

We must defeat this amendment. I guess there has been a lot said about what we should and should not do in regards to a farm bill today. Let me summarize, if I might, and maybe we can go to a vote.

I just want to summarize by saying that the difficulties of the family size farmer today are not primarily because of mistakes that he has made. Let us look at the situation.

His export markets under this administration have been devastated since this administration came into power. What little he has been able to sell overseas he has had to give away because of the high value of the dollar because of the fiscal policy of this administration.

We hear a great deal today about the free market. There is no free market in agriculture today and as nearly as any informed person can see ahead there is not going to be a free market in the years and years to come.

Why is that? Because of the complicated features of the overvalued dollar, somewhere between 20 and 30 percent it is generally estimated. More than that, Mr. President, there is no free market today in world agriculture because of the foreign subsidies given to their food producers that make the meager attempts that we are trying to propose here to help out just a little bit pale by comparison.

I simply tell you that there is no free market, and there is no way we are going to straighten out these things unless we have a realistic farm bill. Not a giveaway farm bill. Not a farm bill that is going to save every family farmer in America today, but a farm bill that will at least give them a chance.

We talk about the unfairness today with regard to wines. We talk about the tariffs on French wines coming in to protect California wines. Maybe that is right and maybe that is wrong. But I want to say very clearly this Senator from Nebraska has, I think, a much better understanding of the needs of farmers and the dire circumstances, whether they are grain farmers or corn farmers, they are going through today.

There is no free market. This administration proposal introduced by the Senator from Indiana is the heart and soul of this administration's attitudes toward, and what they are about to do to, the American farmer.

It must be stopped.

It might be asked, "Why are you against only a 1-year extension, Senator, of the current target prices and then a reduction thereafter?"

Because I say to you that the target prices as are outlined in the bill passed out of the Senate Agriculture Committee are not enough. But they are all that we can afford right now. I simply say that if we adopt this amendment

the U.S. Senate is going to indicate its stamp of approval on this administration's policy that we are going to sell our way out of difficulty with cheap food.

That has basically been the policy of not only this administration but preceding administrations both Democrat and Republican alike.

There is no free market. We are not going to sell our way out of this difficulty until we get the value of the dollar down. Until we eliminate the foreign subsidies to their food producers, we are not going to have any kind of international marketplace in which to sell our way out of this difficulty.

I simply say, Mr. President, that unless we have a minimum—and I emphasize "minimum"—of a 4-year low—low—target prices as reported out of the Senate Agriculture Committee, we are not going to have the stability that our farmers, our ranchers, and their small business suppliers need, the time that they need to work out of the depression, and I underline depression, that we have in rural America today.

Mr. President, I only hope that when the votes are cast on this amendment, there will be a solid majority of the U.S. Senate that will rise to the occasion and say we are not going to go ahead with the passage of the Reagan administration's amendment sponsored by the Senator from Indiana.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, I thank the Chair.

I have been in consultation with the distinguished ranking minority member of the committee [Mr. ZORINSKY]. We note that there are four or five Senators who yet wish to speak. I have consulted also with the distinguished Senator from Illinois [Mr. DIXON], whose amendment will be the pending business when we leave this subject. Senator ZORINSKY and I think there is a possibility that there might be a vote on Senator LUGAR'S amendment. Therefore, Mr. President, I ask unanimous consent that the time for discussion of the Lugar amendment be extended to 5 p.m.

The PRESIDING OFFICER. Is there objection?

Mr. HARKIN. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. HELMS. Very well, Mr. President.

Mr. BUMPERS. Will the Senator from North Carolina yield?

The PRESIDING OFFICER. The Senator from North Carolina has the floor.

Mr. BUMPERS. Will the Senator yield for a question?

Mr. HELMS. Mr. President, I propound again my unanimous-consent request that the discussion on the Lugar amendment continue until 5 p.m.

The PRESIDING OFFICER. Is there objection?

Mr. MELCHER. I object.

Mr. EXON. Reserving the right to object, and I shall not.

The PRESIDING OFFICER. An objection has been heard.

Mr. EXON. I would like to ask my friend from North Carolina, since it appears there will be about 35 minutes left if his request is granted, if he will enter into a time agreement that the time between now and 5 p.m. or upon acceptance of his unanimous-consent request be equally divided between the Senator from North Carolina and the Senator from Nebraska?

Mr. BUMPERS. An objection has been heard on the Senator's request.

The PRESIDING OFFICER. An objection has been heard on the unanimous-consent request of the Senator from North Carolina.

Mr. BOSCHWITZ and Mr. ANDREWS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. ANDREWS. Mr. President, I am pleased the Chair recognized me. I hope we can have time to discuss this because this is really the guts of the farm bill.

I do not go along with what the Senator from Nebraska has said, that this is the so-called administration request. Too many of us have been pointing too many fingers around here trying to place too much blame of one kind or another for what happens on this farm bill. I think this discussion should be on a factual basis. If we go back in history, we will find out that we lost $81 million in tons of grain not shipped because of an export embargo put on by the other administration. I can point out with my colleagues a host of mistakes this administration has made. It seems there is a bipartisan effort at benign neglect of the American farmer.

The reason this amendment should be defeated, Mr. President, is not what kind of partisanship might evolve but because the American farm economy cannot stand its income being cut down in those outyears. It also ought to be stopped dead in its tracks because it is patently unfair.

At this time, we in Congress, on a bipartisan basis, have decided that entitlements should rise in each one of the outyears. We have decided that defense spending should rise in each one of the outyears. To start saying that the agricultural economy should decline in outyears is patently asinine and does not have any reason for being considered, given the problems we have today with the Farm Credit Administration.

We are being asked, Mr. President, to take a look at an infusion of some $8 billion into the Farm Credit Administration, an infusion of $8 billion that is putting the tail ahead of the dog, because what we need right now is not to fix the Farm Credit Administration, but to fix those who borrow from the Farm Credit Administration. You do not begin the transfusion until you stop the hemorrhage.

If we cannot assure the Federal Land Bank—not just the Federal Land Bank as part of the Farm Credit Administration, but also the banks and the insurance companies who make long-term loans to farmers—that gross income is not going to be cut 5 percent a year those outyears while, as I mentioned before, every other aspect of the economy continues to rise, we are never going to be able to shore up the farm credit problems in this country. So, from the standpoint, the standpoint of equity alone, this amendment should be defeated.

This committee cast a number of votes on a number of different sectors of this farm program. One of the key sectors we looked at was, can the farm economy afford to have its income cut 5 percent a year in those outyears? The decision on a bipartisan basis, was, no, it could not. I think that decision ought to stand, because if not, we are going to be funding far more to remedy the problems that will exist in the Farm Credit Administration and to remedy the problems that will exist in major and minor banks around this country and in other financial institutions than we are ever going to spend in the appropriations necessary to back up a farm bill that keeps price supports on a level playing field.

Let me emphasize once more in closing, Mr. President, that all we are doing in the bill that is before us from the Senate Agriculture Committee is keeping that safety net for farmers on a level at the same time the Senate, in a bipartisan manner, has voted to increase the safety net for entitlement recipients, to increase gradually over those outyears the funding we spend for defense and a host of other things. Fairness demands no less than a level playing field and I hope the amendment can be rejected.

Mr. HARKIN and Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

Mr. BUMPERS. Mr. President, I want to say to my colleagues first of all that this amendment is the opening salvo, the opening shot to destroy any chance that the farmers of this country have to survive. The main thing about it is if this amendment were to be adopted, it literally cuts the heart out of the bill and it cuts the heart out of American agriculture.

Mr. President, farmers are just like everybody else. They have to have some certainty and they have to have continuity. Not one single crop in-

volved in the program we are talking about even comes close to bringing, at today's prices, enough to cover the cost of production. That is a fact, Mr. President. Not one single commodity in this group is bringing enough on the free market today—the free market which the President says we have to go to—none of the program crops will bring enough on that market even to pay for the cost of production. We are talking here about $5 to $6 billion in 1986.

A lot of farmers could care less about the Lugar amendment because they are already broke or they are going broke and whether it is a 1-year freeze or a 4-year freeze makes no difference; they are going broke anyway. But a lot of them still can live to fight another day if we give them half a chance.

In 1950 the debt-to-income ratio was 1 to 1. That is, a farmer had enough income every year to retire his entire indebtedness. Now, you think about that, Mr. President. In 1950 a farmer knew when he planted his crop that he was going to have enough income that year to retire his entire debt.

The PRESIDING OFFICER. The Senator will suspend. Under the previous order, 2 hours having passed, the Senate will resume consideration of amendment No. 916 to amendment 914, the Stevens amendment.

Mr. DIXON. Mr. President, I thought we had an understanding heretofore on the request by the distinguished chairman of the Agriculture Committee, the manager of the bill, to extend the debate until 5 o'clock.

The PRESIDING OFFICER. There was an objection by the Senator from Montana to that request.

Mr. DIXON. Is that objection still in place?

The PRESIDING OFFICER. That objection is in place.

Mr. DIXON. May I say to my friend from Montana we have friends who support our point of view who still want to be heard.

Mr. MELCHER. If the Senator will yield, if the unanimous-consent request is made to continue debate on this but not shut off debate on it, that request is fine with me.

Mr. BUMPERS. I must say the distinguished Senator from Illinois and perhaps I misunderstood the Senator's unanimous-consent request, too. At 4:30 under the previous order, we were to go back to the Stevens amendment. Was the Senator requesting that we continue debate on this until 5 o'clock?

Mr. DIXON. Yes.

Mr. HELMS. That is correct. Let me level with the Senator. If at 5 o'clock we still have people who want to discuss it, I will try again.

Mr. DIXON. Sure.

Mr. BUMPERS. I did not understand that, and I do not think the Senator from Montana understood that. If the Senator would repropound that, I do not think there would be objection to it.

Mr. HELMS. I thank my friend. Mr. President, I ask unanimous consent that the debate continue until 5 o'clock on the Lugar amendment.

The PRESIDING OFFICER. Is there objection?

Mr. BUMPERS. Mr. President, reserving the right to object—I am quite sure I will not—the Senator simply is saying that at that time we will go to the Stevens amendment and then after that is disposed of come back to the Lugar amendment?

Mr. HELMS. Unless there is another unanimous consent to continue.

Mr. BUMPERS. Right.

Mr. HELMS. Right.

Mr. BUMPERS. With that understanding, I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS. Mr. President, I was making the point that in 1950 a farmer knew, when he planted his crop, he was going to have enough income that year to pay his entire indebtedness, and today, 1985, that debt-to-income ratio is 10 to 1. That means the farmer knows that when he plants his crop, if he gets lucky, he will take in enough money to retire 10 percent of his debt. And if he is paying 10 percent interest, it means he is going to stand still. He is not going to retire anything on principal.

We are not doing the farmers any great favors with this bill. It beats doing nothing and it beats going to the so-called free market concept. But I want to reemphasize that probably 10 percent of the farmers in this country who are classified in severe financial distress probably are not going to make it regardless of what we do. And there may be another 10 percent marginal who still will not make it no matter what we do. So nobody should act as though this is some magnanimous bailout to a bunch of wastrels who brought it on themselves.

What we are doing really is minimal when you consider the magnitude of the crisis that the farmers labor under. Of the $214 billion farm debt in this country, $80 billion incidentally of which is held by the Federal Farm Credit System, $140 billion of it is on farmers whose debt-to-asset ratio is over 40 percent.

I always thought the Federal land bank was probably the most solid of all the Farm's Credit System financing institutions. And I suppose it is as solid as any. As my colleagues know, the Farm Credit System includes the bank for cooperatives, the Production Credit Associations and the Federal land bank. And all of a sudden in the last 6 months you have heard for the first time since the Depression that the whole Farm Credit System is in serious financial straits. They are talking about combining the Federal land bank and the PCA, anything to try to strengthen that system. But of the roughly $8 billion debt that the Federal Farm Credit System holds, $12 billion of it—about 15 percent—right now is considered highly questionable.

Now, you might ask yourself, are we going to appropriate $10 billion or $15 billion to bail out the Farm Credit System? I would prefer to appropriate $5 to $6 billion to try to help these farmers make a little money in the hope that they can pay their debt and take some of that $12 billion off the problem loan list. I would much prefer giving income assistance to the farmers and give them a fighting chance to pay off their farm indebtedness than to bail out the Farm Credit System. We may wind up doing both.

We have a little over 2 million farmers in this country. When I was a child growing up in rural Arkansas we had 25 million farm familes. One-fourth of all the people in this country lived on the farm. Now, it is a tribute to their ingenuity and their productivity that today a little over 2.5 percent of all the people in the country live on the land.

But I will tell you something else, Mr. President. If you torpedo the target price system, you are throwing that roughly 5 to 7 million people still on the farm now to the wolves. If you are from an urban State, I plead with you do not be provincial about this. I voted for the New York City bailout, Mr. President, and I want you to know that did not endear me to the people of my State. Happily, that turned out well and the United States made money. If I am not mistaken, New York City wound up paying the Treasury $36 million. We made $36 million off the deal, but that is not what is relevant. What is relevant is that we consider ourselves a union of 50 States. We are not an assembly of 50 individual States off doing our own thing. Why do you think we call ourselves the United States? Because when one State is in trouble, we are all in trouble. When New York City was in trouble, we were all in trouble. And if you do not happen to come from 1 of the roughly 20 to 25 primarily agricultural States, do not be parochial about this issue because I promise you that if 950 banks out of the roughly 14,000 banks in this country start folding because of their agricultural loans going sour, no State will be spared.

So if one segment of our economy is in trouble, the whole economy is in trouble. Agriculture is not in trouble—it is in a crisis.

So I plead with my colleagues: Do not say I just represent the consumers—we all represent the consumers—

because who is going to produce something to consume if we don't save our farmers?

If you vote for this amendment or anything similar to it then Brazil, an economic basket case; Argentina, an economic basket case; Canada; Australia; France or any of the countries who subsidize agriculture to the extent that they are putting every American farmer out of business, will get the message that the United States is too weak or too myopic or too ideological to keep it from happening.

If you adopt this amendment, you will see what happens to interest rates on the bonds that are issued by the Farm Credit System.

I have stood on this floor for almost 11 years, and I have watched the military appropriations bill glide through here: $150 billion, $180 billion, $200 billion, and this year $302 billion. I have watched us appropriate $26 billion, enough to finance deficiency payments for 5 years, for an MX missile which, in my opinion, 70 percent of the people in this body knew was a mistake when they voted on it.

So, what do we do? After we waste $26 billion, we come back and say maybe it was a mistake. But I watched that herd instinct flow through this body. Everybody said we have to have the MX, that we must have 100 of them, and these same people came back 3 years later and said, "No, maybe 40 is enough. It was a mistake."

The only problem with that mistake is that $25 billion has already been wasted.

We are talking about a program here of $5 to $6 billion a year which it is hoped will save around 80 percent to 90 percent of the American farmers.

Yesterday, the House Appropriations Committee killed the AMRAM weapons an air-to-air missile made by Hughes in Arizona. AMRAM has been in trouble for a long time. The only problem with killing it is that we have already spent $2 billion.

This is not a diatribe against weaponry or the Defense Department. I am simply saying that "this ain't beanbag." This is important to the heart and soul of this country.

If I stood on this floor and suggested killing Meals on Wheels, there would be cries of outrage. There would be cries of indignation, and people would say, "What kind of insensitive Senator have the people of Arkansas sent to the United States Senate?"

Well, this vote would be committing no less of an atrocity on 5 million innocent people who are about to lose everything they have worked for their entire lives. This vote goes right to the heart of the entire debate on this bill. The debate is going to intensify around here, not just on this bill but on others, as to what kind of society we want and what role Government is going to play in providing that society.

I assume that the debate will continue. There will be a 2-year-freeze amendment and so on. So I want to get all of this out of my system now, if I can, and say that I believe in a decent society. I believe in a union of States where each one is concerned about the other. I believe in a country where, when one segment of the economy is involved and is in deep trouble, we are all in trouble.

A vote against the Lugar amendment will be a small, embryonic signal that you, too, believe in a decent society and, yes, that Government has a role in making it decent.

Mr. President, I yield the floor.

Mr. HARKIN. Mr. President, I compliment my colleague, the distinguished Senator from Arkansas, for an excellent statement on just what this amendment is all about and what the effects of this amendment will be on us as a nation. He was very eloquent in his remarks, delineating how this amendment would affect us as a society and what its adoption—which I hope does not occur—would do to tear apart the fabric of our Nation. I just want to pay my respects to my good friend from Arkansas for an excellent statement.

Mr. President, I oppose the amendment offered by the distinguished Senator from Indiana. I want to take this time basically to respond to some of the contentions made by the author of the amendment, some of the reasons he enunciated when he offered the amendment, as to why this amendment was needed, to show how those arguments are just a smokescreen for what the intent is behind this amendment. I will be up front.

The intent behind this amendment, as is the intent behind the whole thrust of the administration in agriculture, is nothing more or less than to get rid of some farmers in this country. Let me rephrase that: To get rid of a lot of farmers in this country.

First of all, the author of the amendment said that we needed to get the loan rates down so that we could export more. I notice that the title of the bill, S. 1714, is "A bill to expand export markets for United States agricultural commodities," and so forth. I have to ask the author of the amendment: What good does it do us as a country, what good does it do the farmers of Indiana or of Iowa or of Nebraska or anywhere else—what good does it do us if we continue to export more and more in quantity and get less and less for it? What good does it do to continue to increase our exports if we are growing it for less than the cost of production and busting our farmers in the process?

Using this kind of logic, that somehow it is better for us as a country and better for our farmers to continue to overproduce and to sell these commodities abroad at less than the cost of production, one can then see the way clear for us as a nation. We can see the way clear to recapture once again, for example, all the automobile markets throughout the world.

If we follow the logic of the Senator from Indiana, we can take over every automobile market throughout the world. We can put Toyota out of business, Datsun out of business, and Mitsubishi out of business. The United States could become the No. 1 exporter in the world. How? Very simple.

We just have Ford Motor Co., General Motors, and Chrysler all produce their cars for $1,000 a car and sell them abroad for $1,000 a car. That is what it would be. That would be wonderful.

I tell you we could drive Toyota out of business and Datsun out of business. We would sell cars all around the world. Everyone around the world would buy an American-made car. It would only cost them $1,000.

That is what we are being asked to do for our agricultural commodities. The answer is clear. We cannot do it in automobiles because it would bust General Motors, Ford, and Chrysler long before we ever captured the export market.

The same is going to happen to our farmers. If we continue down this road, we are going to bust the farm economy of this country, throw hundreds of thousands, perhaps as many as a million farmers off the farms, and we still will not have captured any of those export markets.

There is a reason why we will not capture those export markets and there is a reason why the argument is being made that we have to reduce our loan rates and our support prices in order to export. There is a reason why that argument is phony. It is as phony as a three-dollar bill.

It is because we are the only country in the world that exports its grain through private grain companies. Every other country in the world, every single one, exports its grain through a grain board. So what they are able to do is they are able to peg the prices at which they want to sell their grain.

And I plotted this out on a graph going back over several years. No matter what our prices are, those other countries' prices will be slightly underneath ours. When our commodity prices are low, their grain boards set their prices low right underneath what ours are. When our prices go up, their grain boards peg their prices right underneath ours.

Again, this can be proven demonstrably by just plotting out on a graph.

So it is really a phony argument that we have to get our prices down in order to meet the demand in the export markets.

There is another reason why the argument is phony, that if we do not get our prices down or conversely if we keep our prices high other countries will bring land into production. Two reasons. No. 1, other countries are developing their agriculture regardless of what we do. When our prices are high they put land into production. When our prices are low they put land into production.

Other countries are developing their agricultural base actually taking our agricultural technology, our methods of agriculture, applying it in those countries and increasing their agricultural production.

And they are doing it for two reasons. First, to meet their own internal demand for food and, second, to capture a share of the export markets.

Now, you might say well, why do we not keep our prices extremely low, that way these other countries then would not bring land into production. Look at it this way: Our nearest competitor in corn is Argentina. Our nearest competitor in the world market is Argentina. My State of Iowa exports 40 percent more corn than the entire nation of Argentina. That gives you some idea of how much of a competitor they are. They cannot put enough land into production to really severely cut into our export markets.

So you take those two reasons. First, because we supply over 50 percent of the grain in world markets, and, second, because other countries use grain boards to peg their prices, then the argument turns around. The higher the prices that we have for our agricultural commodities means the more money that our farmers make. It means also the more money that farmers in Third World countries make, the more able they are to meet their debt payments

So, I would argue just conversely to what the Senator from Indiana has said, that the more our farmers receive for the products they produce the better off not only are we going to be as a nation but the better off Third World countries are going to be in terms of their own ability to feed their people and in their ability to meet their debt payments.

The second thing that the Senator from Indiana stated was that the budget does not treat farmers unfairly. That is right. The Senator said that the budget does not treat farmers unfairly.

Again, the facts belie that statement. Agriculture comprises about 2 percent of the budget but in the cuts that were made in the budget agriculture took about 5 percent of the cuts.

So agriculture has 2 percent of the budget but we took 5 percent of our cuts, 2½ times what agriculture comprises of the total budget.

So what my colleague from Iowa, Senator GRASSLEY, said earlier about this bill not really being over budget is very true. If we had taken our proportionate share of cuts as proportionate to what our share of the budget is—let us say only 2 percent of the cuts—this would be well within the budget passed by the Senate and the House of Representatives.

So really the budget does treat farmers unfairly. We took 2½ times the cuts in the budget proportionate to what the share of agriculture is. So the budget does treat farmers very unfairly.

The third thing the distinguished Senator from Indiana said was that the wrong signals were sent to overproduce and to produce more and more. On that point I agree with the distinguished Senator from Indiana. The wrong signals were sent, but I would just point out that the Senator from Indiana voted for the 1981 farm bill both here in the Senate and in the conference report, the bill that set us up for where we are today to produce more and more and more, and I said it 4 years ago, that the bill proposed in 1981 was a production only oriented program and that is what it turned out to be, produce, produce, produce, more and more surpluses, lower and lower prices.

Now, we talk about the PIK Program. The Senator from Indiana talked about the PIK Program and how it idled 50 percent of the land and worked a hardship on our agribusinesses and fertilizer people. That is true. I was not in favor of that PIK program. But look at it this way: As to the PIK Program in 1983, 50 percent of all of the money that went out in the PIK Program, and it turned out to be about $16 billion, 50 percent of it went to less than 5.5 percent of the farmers of this country.

So really what we had in the last 4 years was again this boom and bust philosophy. Produce like mad in 1981 and 1982; then you have the most massive land retirement in the history of this country and you take over the biggest part of the money paid for that and you give it to the largest and richest of the farmers in this country; and then we go back to the bust policies, 1984 and 1985, overproduce again, and now we find ourselves in a situation where we have the largest carryovers that we have had in many years.

So the Senator from Indiana talked about the large surpluses and the carryovers. That is true. But what caused it? It is not here without some cause. It is there because this administration did not use any meaningful acreage retirement programs, did not use a paid diversion program, and has not instituted meaningful conservation measures so as to get our supply in line with demand.

So we do. We have surpluses. We have more surpluses than we have had probably in about 25 years of agricultural programs. It is funny how history repeats itself.

In 1960, the two candidates for the Presidency, then Senator John Kennedy and Vice President Richard Nixon, engaged in a series of debates, and it is very interesting to read their debates on domestic policies and especially agricultural policies in 1960.

Listen to what then Senator John Kennedy had to say regarding the agricultural programs. He said,

> My judgment is that the program the Vice President put forward, which is the extension of Mr. Benson's program, will cost a billion dollars more than the present program which cost about $6 billion a year, the most expensive in history. We have spent more money on agriculture in the last 8 years than the 100 years of the Agriculture Department before that.

Does this sound familiar to anyone? Is that not what the President is saying? Is that not what the Secretary of Agriculture is saying? We have spent more money in the last 4 years than we have in the history of the agricultural programs. That is precisely the point that Senator Kennedy was making in 1960 about the Benson program.

So what did the Benson program bring us? It brought us surpluses. Boy, did it bring us surpluses.

And anybody who was around at that time remembers the Benson bins. We had those storage bins all over the countryside. I remember in my small town in Iowa, we had the Benson bins filled with corn, but nobody would buy it. It was as cheap as dirt. In fact, it was cheaper than dirt, but no buyers and huge surpluses.

Again, I will read from that debate what then Vice President Richard Nixon had to say. He was talking about the surpluses. He said:

> Now that we have the surpluses, it is our responsibility to indemnify the farmer during the period that we get rid of the farmer—or the surpluses.

A nice little slip of the tongue, but does it not remind you of what this President said a few months ago when he said that what we had to do was keep the grain and export the farmers?

So I come back to where I started, that this is nothing more or less than a deliberate attempt to get rid of some farmers, the same as what was used in the 1950's.

The PRESIDING OFFICER. The Senator will suspend. The hour of 5 o'clock having arrived, the Senate will now resume consideration of amendment No. 916 to the language to be stricken by an amendment numbered 914.

Mr. HARKIN. Mr. President, I ask unanimous consent that we put off the debate getting back to the Dixon amendment, I believe it is amendment No. 914, for 10 minutes.

The PRESIDING OFFICER. Is there objection?

Mr. HELMS. Mr. President, reserving the right to object and, of course, I will not object, I ask unanimous consent that the time for discussion of this amendment be extended for 10 minutes to accommodate the Senator from Iowa, following which the distinguished Senator from Oklahoma will be recognized.

The PRESIDING OFFICER. Is the objection to the unanimous-consent request of the Senator from North Carolina?

Mr. DIXON. Reserving the right to object, and I shall not object, I just want the record to show that it is under the same rules and understandings on the prior occasion.

Mr. HELMS. That is correct.

The PRESIDING OFFICER. Is there objection? Hearing none, it is so order.

Mr. HELMS. I thank the Chair.

Mr. HARKIN. Mr. President, I will conclude very briefly, but I wanted to make these points. I was looking at the figures for Indiana. They have had a tremendous loss in equity there, too. From 1981, $35.6 billion, down to last year $26.4 billion. Now, that is not quite as bad as Iowa. We lost 60 percent of our equity in farmland since 1981.

But I just wanted to point out to the Senator from Indiana that the net income per acre under his amendment for next year, the net income would be $62.24 per acre and by 1989, under his amendment, the net income would be $27.89 per acre.

The Senator from Indiana stated that he had a family farm back in Indiana. I am just wondering if the Senator would be willing to rent his farm to me for $62.24 an acre next year. If so, I will rapidly run across the aisle and be glad to sign a contract with him right now. But that is what the income will be under this amendment.

The distinguished Senator from Indiana said that on his family farm they had no debt. I believe that is what he said. He said that one-third to maybe one-half of the farmers in Indiana had no debt. Well, that is fine. I am glad of that.

But is that just to whom we have to look in terms of shaping our farm programs? That is just like saying that 93 percent of our people in America are employed, so why should we worry about the unemployed? That is like saying that 2 percent of our people drive Cadillacs, so should we worry about anybody else that does not have any money?

The fact is that one-half to two-thirds of the farmers in this country do have debts, large debts. And, as my colleague from Iowa pointed out earlier, not because of their own fault, but because of programs instituted here in Congress and by this administration.

Finally, I would just say that if this amendment is adopted, the average age of farmers today, which averages around 55 to 60 years of age, will go up even more and we will have shut the door in America to any young person who wants to go into agriculture and take up farming as a career and to raise a family on a farm.

So I ask my colleagues to give an overwhelming and decisive vote "no" on the amendment offered by the Senator from Indiana.

Mr. BURDICK. Mr. President, will the Senator yield to me?

Mr. HARKIN. I am glad to yield, but I said I would only take a couple of minutes because I know the Senator from Oklahoma also wishes to speak.

Mr. BURDICK. I did not want to speak. I just wanted to ask a question.

Mr. HARKIN. Yes, I yield.

Mr. BURDICK. First of all, I wish to compliment the Senator on a fine statement here today on this amendment. Anyone that knows the nature of farming knows that it is beset with hazards and a lot of difficulties. One is the hazard of weather—rain at the wrong time, not raining at the right time; drought; and all the rest.

It seems to me that another hazard that is going to be beset upon us, if we pass this amendment, will be caused by the 1-year amendment. One year is not time enough to make long-range planning for the average farmer, or any businessman, or anybody else. I believe it would be a tragedy to have a 1-year farm bill. We have to go over a period of years. Does the Senator not agree with me that the results of this amendment would not be helpful.

Mr. HARKIN. Absolutely. As the Senator from Alabama pointed out earlier, this 1-year type of thing would cause more chaos and confusion than anything else.

Mr. BURDICK. I thank the Senator.

Mr. HARKIN. I yield the floor.

(Mr. ABDNOR assumed the chair.)

Mr. BOREN. Mr. President, I wish to congratulate my colleague from Iowa on the remarks which he just made and I wish to associate myself with them.

Let us look at the facts as they really are. Let us set aside the myths and look at the facts.

In the first place, let us put into perspective as to who is making the sacrifices in order to try to get the budget deficits down. How many parts of the budget have even been frozen, let alone been cut below the current levels?

It is a fact that if we simply extended the current farm program over the next 4 years, the current program as it is now, it would cost between $4 billion and $6.8 billion more than this bill would cost. In other words, this bill represents a reduction of what the current program would cost.

How many parts of the budget are taking that kind of reduction? Can we say the Defense budget, for example, is being cut by that same percentage?

I happen to be the one that stood on this floor when we had under consideration the so-called Gramm-Rudman proposal and made the motion and offered the amendment, which was accepted, to make sure that agriculture took its share. But it is not fair to ask a segment that is in such desperate trouble to take more than its share.

Over the last 2 days, we have voted for a 62-percent increase in merchant marine subsidies in the United States—a 62-percent increase in merchant marine subsidies. That will now average, per merchant seaman on an American-flag ship, about $160,000 each per year. Yet we are asking the American farmer to pay for it, when 50 percent of our family farmers have a cash income of $6,580 a year or less.

We all want to see these deficits brought down, but let us talk about fairness and sharing the burden. Let us wake up to the fact that all of this country is going to be impacted if we allow agriculture to collapse.

How many speeches have we heard on the Senate floor about what would happen if we had a default on the Third World debt? We have been told there would be a catastrophe that would collapse our economic system.

Let us look at the figures. The total amount owed to American banks by Third World nations is $166 billion. The farmers of the United States themselves owe $214 billion to our banks and $133 billion of that amount, according to the USDA, is in the hands of farmers who are severely leveraged at 40 percent or more and who are in danger of not being able to make that debt payment on time.

Why is it that we understand what would happen if we had a default of the Third World debt, but we do not seem to begin to understand around here the kind of crisis we are going to have if that collapse occurs in agriculture, making it impossible for that almost $140 billion of farm debt owed to American banks to be serviced?

USDA estimates that net farm income for 1985 will be 39-percent lower than it was in 1984. Yet, under this amendment we would simply continue that level—39-percent down from the year before—for 1 year and then start to reduce it 5 percent a year for the next 3 years after that.

If we want to create a catastrophe, if we want to create the kind of effect on the financial system that I talked about a minute ago, this is a blueprint to do exactly that. If we want to take the most hard-pressed sector of our economy and ask them to do more than their share, to take more than their share of cuts when other sectors of the economy are not doing nearly

as well, then we ought to pass this particular amendment.

The problem is serious now. The problems are getting more serious by the day. In my State, farmland is depleting in value at the rate of 38 percent on an annualized basis. If we cannot put some certainty back in, we are not asking for an increase. We are talking about simply freezing for 4 years at a level that is already severely stressing American agriculture. Here comes this amendment that would not even allow us to stay where we are.

We are here under tremendous stress, but it would have us face a 5-percent reduction potentially in income every year for the next 4 years. How in the world could the credit system withstand it? How could they have the credit extended to the farmers that they must have to stay in business? It is a very serious mistake. I hope my colleagues will consider that they are not only impacting American agriculture if they approve this amendment, but they are severely impacting the entire American economy, and putting it under great danger.

Mr. President, I would like to ask unanimous consent to yield briefly to the distinguished majority leader who I believe wants to make a remark. I would like to ask unanimous consent that I might be allowed to yield to him for 5 minutes, that the time before we go back to the cargo preference amendment be extended for 5 minutes, that I might then yield without losing my right to the floor, and that I might be recognized again following the remarks by the distinguished majority leader.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, as I understand, the Senator will then move to table the amendment?

Mr. BOREN. The majority leader is correct.

Mr. DOLE. Mr. President, let me take just a few moments. I think we are getting into the important decisionmaking time. There is little doubt in my mind that this amendment is going to fail, and it probably will get 35 or 40 votes.

I hope we will not table it and that we might be able to amend the amendment. I have a lot of ideas for amendments. I am not going to vote to table it. If it is not tabled, it will be subject to amendment. I think it will probably be tabled in any event. I do not want to quarrel too much with the speakers I have heard in my office. But on the other hand, sooner or later, we will have to come to grips with not only the farm problem but the deficit problem.

I heard the opening words of the distinguished chairman of the Foreign Relations Committee, a member of the Agriculture Committee. I think 14 out of 17 members of the Agriculture Committee voted for the budget resolution. Maybe we can have it both ways. It depends on how it is reported by the press. If the press reports that those who voted for the most money were helping the farmer, and those who voted to stay within the budget were opposed to the farmer, then I assume those who vote for the high dollar are the winners politically.

But I assume in the long run the farmers are the losers, and the taxpayers are the losers. I hope it is not going to happen on this vote. But I would like to finish the bill, hopefully this week.

I will conclude by saying that this vote will probably indicate to both the administration and to ourselves that we have a little work to do on the farm bill if we are going to keep it within bounds.

I guess the other option would be to go ahead and pass anything, go to conference, and try to work it out. If it is still way over budget, whatever figure that is, I assume the President will veto it. He does not want to veto a farm bill. So I think we may as well vote and find out where the bodies are buried.

Mr. EVANS. Mr. President, as a Senator from one of the largest wheat-producing States in the Nation, I rise in support of the amendment before us to control farm program costs and target farm income support payments to the smaller farmer.

For several months now, I have held the view that our 1985 farm bill must initiate a transition toward reduced Government support of, and involvement in, agriculture. As one of the fastest growing sectors of the Federal budget, farm programs have contributed substantially to what is perhaps the key component of the complex crisis facing American agriculture: our $200 billion deficit. By gradually reducing their cost in conjunction with an overall deficit reduction effort, farm programs could become a significant contributor to the solution. Yet the committee-reported farm bill, if unchanged, would only perpetuate policies that have helped drive American agriculture deeper and deeper into trouble.

High target prices and subsidy payments sustained over the life of this bill will do little to break the present pattern of excessive stock buildups and lower commodity prices. The potential budget costs of a 4-year target price freeze will create new pressure for more hastily-designed, ill-conceived or ineffective supply control measures. While they may provide temporary relief from overproduction on the domestic side, they slowly undermine our farm economy's health by inviting foreign expansion into our overseas markets. This is of particular concern to grain growers in Washington, who move over three-fourths of their product into world trade.

Clearly, a new direction is still needed, but we will now have to make some tough choices. Our $200 billion deficit tells us we can no longer have it both ways. We can no longer afford to channel billions into agriculture without regard to means or needs of the recipients, nor can we expect to continue covering the shortfalls of our domestic policies with export subsidies or bonuses for an indefinite period of time. It is a losing proposition any way you look at it: on the home front, we encourage overproduction with greater subsidies, and on the foreign front, we discourage real long-term commercial demand growth for our farm products by offering short-term export quick fixes. The greatest agricultural system in the world—especially the many efficient family farms and small businesses that make it work—deserves better if it is to remain competitive in world markets.

Mr. President, we must take the first step to break the vicious circle of high target prices and acreage controls in grain production. High target prices can too often induce farmers to plant commodities already in surplus in order to capture more program payments. Yet in doing this, supply problems are aggravated only further, placing greater downward pressure on prices and escalating the need for large acreage control programs to reduce unwanted stocks. And to get the big producers to participate, the subsidies must be set at levels that thwart the targeting of income payments to needy farmers. Ironically, the small family farmer we all would like to help winds up receiving the least assistance under our current system. And our deficit reduction agreements—which could ultimately provide immeasurable benefits to farmers of all sizes in terms of lower interest rates and a weaker dollar overseas—could be severely compromised if subsidy payments were to go unchecked.

Further, Mr. President, it has been suggested on several occasions that high target prices will address both the farm income and farm credit crisis for all of agriculture. Let me say first that I do not doubt for 1 minute the seriousness of this situation: The credit crisis is very real and has taken many good producers to the wall in my State. Our diverse agriculture in Washington is far from being a hobby or a sideline; it's big business, our No 1 industry. We had marketings of well over $3 billion in 1983. Over 75 percent of our farms are family-size and family-owned, and gross $200,000 per year or less.

Yet we cannot overlook the fact that in 1984, about 90 percent of all direct Government payments for the 1984

programs went to farms accounting for less than a third of all total farm marketings. And of all producers who are experiencing both 40-percent debt-to-asset ratios or more and negative cash-flow, less than half actually participated in farm programs. We should not forget that the credit problem from State to State can be as diverse and varied as agricultural production itself: It goes beyond program crops and target prices to include many other agricultural commodities, commodities that benefit from little or no Government price support or income enhancement. Our efforts to correct the credit crisis should reflect these considerations as well. We cannot reasonably expect a single farm bill to cure all the ailments in agriculture.

Mr. President, as one who is more accustomed to an urban environment, I have learned a great deal about our national agricultural system during these past few months. It has often been said that city dwellers do not always understand the problems of their rural cousins. Indeed, that may be the case for many of us in terms of understanding the workings of farm programs, and I do not pretend to possess the same level of knowledge and expertise as my able colleagues on the Senate Agriculture Committee. However, I do understand the impact of $200 billion Federal deficits and high interest rates on declining equity values and declining foreign market shares. I do understand the sensitivity of our agricultural exports to embargoes and protectionist trade policies. As I told a number of Northwest farmers back in January at the Spokane Farm Forum, the primary problems facing agriculture are far beyond the scope of this bill or any other farm bill we could possibly assemble, and we must not lose sight of the real causes of our farm crisis. The last farm bill told us more spending alone is not the answer. The action we take on this farm bill will demonstrate whether we are willing to face that reality. This amendment is a step in that direction, and I urge my colleagues to support it.

Mr. ABDNOR. Mr. President, the Lugar amendment would send a message to our struggling family farmers. Unfortunately, it is not a message of hope or opportunity. Mr. LUGAR has summarized this message as a continuation of the status quo. "Bleak, but no worse," he says.

I have to differ with my friend from Indiana. The message this amendment sends to our Nation's family farmers is "bleak and getting worse."

Passage of this amendment would tell our Nation's farmers, ranchers, and agribusinessmen that the congressional solution to the farm crisis is to maintain the status quo. The response in rural America will be one of desperation and despair. To continue the status quo is to continue a devastating farm crisis.

The end result of this amendment for rural America would be disastrous. It would literally pull the rug out from under the family farmer. This amendment would do more than place a 1-year freeze on target prices with reductions in the following years; it would also harm our rural communities which are so dependent on a vibrant, successful farm economy.

Not only would target prices be phased down, but the availability of credit for capital-dependent farmers would be phased down, too. This is because a target price reduction will result in even fewer farmers able to cash-flow, translating into even less credit available to farmers attempting to cope with low prices, high interest rates, and devalued assets.

The last thing we need to do is pass an amendment which would give further cause for the tightening of credit and devaluation of land prices.

As a farmer myself, I realize that the time may come when we need to move toward less Government support for agriculture. However, that time is not now, not in the middle of a crisis. If the rug is pulled out from under agriculture now, we will be removing all hope for a better, more profitable future for rural America.

I urge my colleagues to defeat the Lugar amendment.

Mr. MELCHER addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma has the floor.

Mr. MELCHER. Mr. President, will the Senator yield?

Mr. BOREN. I am happy to yield.

Mr. MELCHER. Let me just say, as I understand the remarks of the Senator from Indiana—and I ask the Senator to correct me if I am wrong—that the amendment that he proposes would be scored by CBO at about $2.5 billion saving.

Mr. LUGAR. That is correct.

Mr. MELCHER. Mr. President, this is the wrong place to take a saving in this bill. We need to have savings in this bill. We shall have the necessary reductions in the expenditures of this bill to bring it within the budget resolution. That is going to require reduction of somewhere around 7.4 to 7.6. By the time we get through adding this or that to the bill, we had better be talking about $7.8 billion. That type of an amendment in one amendment to sensibly take out of the bill that amount of money to bring it within the budget resolution will be offered. I shall be delighted to offer it. I plan to offer it.

Those kinds of savings that we can make where we selectively decide that the priorities are here for reductions rather than taking it out of the target prices is a way to do it. The target price is a mechanism whereby through the deficiency payments during these terrible times commodity producers are assured something, some safety net. The question of having it for 1 or 4 years may appear to be academic to many people. But it is not academic to their creditors. Farmers' creditors are looking at this particular provision in the bill on whether or not there is going to be cash-flow for their customers sometime in the future. It is not much. But it is something to tie to. Their creditors realize that. We cannot reduce it to 1 year. We cannot reduce it to 2 years. We have to keep it for 4 years of life of the bill in order to keep life in American agriculture as our creditors see it.

The PRESIDING OFFICER. The additional time has expired.

Mr. BOREN. Mr. President, I ask unanimous consent that we proceed to an up-or-down vote—the yeas and nays have been ordered on this amendment—before we return to the cargo preference amendment.

Mr. PRYOR. Reserving the right to object, Mr. President, and I can assure my friend from Oklahoma I do not want to object, but I wonder if it is possible to achieve an agreement here that after the disposal of the amendment by Senator LUGAR, and after the disposal of the issue of the cargo preference involving the Senator from Illinois and other Senators, we might turn our attention to the amendment which will be offered by the Senator from Montana [Senator MELCHER] relative to the deficit and to the budget problems that are contained in this bill.

Mr. DIXON. May I say to my friend, Mr. President, from Arkansas, if we dispose of this, we are making progress on the other, and I think we might take up one amendment at a time. Would the Senator from Arkansas mind if we just went along with the request of the Senator from Oklahoma to dispose of this by rollcall?

Mr. PRYOR. I am not going to object to the request of the Senator from Oklahoma. I think it would be a logical sequence after the Lugar amendment, after cargo preference, to turn or consider the amendment of the Senator from Montana.

Mr. HELMS. Mr. President, I think we had better let the normal process work, and as the distinguished Senator from Illinois said, amend it amendment by amendment.

Mr. PRYOR. I do not object.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oklahoma? Without objection, it is so ordered.

Mr. HELMS. The Senator from Illinois had nothing about a follow-on amendment.

Mr. BOREN. My request, Mr. President, was that we move now immediately to the rollcall vote on the Lugar amendment after which time we would

return to the cargo preference; that we have the rollcall up or down on the Lugar amendment at this time.

The PRESIDING OFFICER. Is there objection? Without objection, it is agreed to.

The question is on agreeing to the amendment of the Senator from Indiana.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON announced that the Senator from Maryland [Mr. MATHIAS] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 48, nays 51, as follows:

[Rollcall Vote No. 266 Leg.]

YEAS—48

Armstrong	Hatfield	Pell
Bradley	Hawkins	Proxmire
Chafee	Hecht	Quayle
Cochran	Heinz	Roth
Cohen	Helms	Rudman
Cranston	Humphrey	Simpson
D'Amato	Lautenberg	Specter
Dodd	Laxalt	Stafford
Dole	Lugar	Stevens
Domenici	Mattingly	Symms
East	McClure	Thurmond
Evans	McConnell	Trible
Garn	Mitchell	Wallop
Goldwater	Moynihan	Warner
Gramm	Murkowski	Weicker
Hatch	Packwood	Wilson

NAYS—51

Abdnor	Eagleton	Leahy
Andrews	Exon	Levin
Baucus	Ford	Long
Bentsen	Glenn	Matsunaga
Biden	Gore	Melcher
Bingaman	Gorton	Metzenbaum
Boren	Grassley	Nickles
Boschwitz	Harkin	Nunn
Bumpers	Hart	Pressler
Burdick	Heflin	Pryor
Byrd	Hollings	Riegle
Chiles	Inouye	Rockefeller
Danforth	Johnston	Sarbanes
DeConcini	Kassebaum	Sasser
Denton	Kasten	Simon
Dixon	Kennedy	Stennis
Durenberger	Kerry	Zorinsky

NOT VOTING—1

Mathias

So the amendment (No. 930) was rejected.

Mr. HELMS. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. ZORINSKY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HELMS. Mr. President, I have consulted with the distinguished Senator from Illinois and others. I believe they are still working on a compromise. Therefore, I ask unanimous consent to set aside amendment No. 914 and amendment No. 916.

The PRESIDING OFFICER. The Senate will be in order so everyone can be heard.

Is there objection?

Mr. MELCHER. Reserving the right to object, what is the request, Mr. President?

Mr. HELMS. My unanimous-consent request is to lay aside amendment No. 914 and No. 916, cargo preference. We are doing that at the suggestion of the sponsors of the amendment.

Mr. COCHRAN. Reserving the right to object, Mr. President, do I understand the request of the Senator to be that we set aside the cargo preference amendments at this point?

Mr. HELMS. Temporarily.

Mr. COCHRAN. For what purpose?

Mr. HELMS. So that Senator Pressler may call up an amendment.

Mr. COCHRAN. What is the nature, if we could be advised, of the amendment the Senator seeks to call up?

Mr. PRESSLER. My amendment is to establish a three-tier target price for feed grains and wheat. An amendment I am sure will be fairly uncontroversial. I only need 4 or 5 minutes.

Mr. COCHRAN. Mr. President, continuing to reserve the right to object, if I may, it was my understanding, after discussions with Senators closely involved in trying to work out this cargo preference amendment, we were close to an agreement; that an amendment could be offered, we were going to have an up-or-down vote on it, and that would be the only amendment allowable to the cargo preference section. And then we would vote on the compromise. It would be my hope—and I trust other Senators, too—having worked now for almost a day and a half on that issue, we could resolve it in the next 1½ hours.

Mr. DIXON. Will my friend from Mississippi yield?

Mr. COCHRAN. I do not have the floor.

The PRESIDING OFFICER. The Senator from North Carolina has the floor.

Mr. HELMS. I yield to the Senator.

Mr. DIXON. May I say to my friend from Mississippi that I have just approached the chairman of the committee, the distinguished manager of the bill, and told him that the compromise is being typed up now in final form. I believe it is in the hands of the aides of my friend from Minnesota. There have been discussions between the distinguished senior Senator from Hawaii, the distinguished senior Senator from Alaska, and, as the Senator knows, the Senator from Mississippi as well. We expect momentarily that it will be in final form. We are very close to an agreement. If we could be accommodated and take one more amendment, and dispose of it until we get to this, I think we will save hours of time around this place.

Mr. COCHRAN. Mr. President, continuing to reserve the right to object, I do not want to hold up consideration of amendments that can be taken up and disposed of quickly. What I did not want to happen, though, would be an amendment that is very controversial to be called up and we go on into the evening debating that and then let the cargo preference issue slip away from us. I think we are close to working it out and finally resolving it, and with that understanding, that we will not be long on this other amendment, I will not object to the unanimous-consent request.

The PRESIDING OFFICER. Is there objection?

Mr. MELCHER. Reserving the right to object, Mr. President, the situation is that we have been trying to untangle cargo preference all afternoon and we would like to get to a point where we could get on with amendments that have to do with bringing this bill under the budget resolution. Taking another amendment that could be offered by the Senator from South Dakota—certainly it could not be cleared up in 5, 10, or 20 minutes—will lead to other amendments. If we are going to continue to wait to unravel cargo preference, I would very much like to accommodate that but I would very much like to know at what point we can get to offering amendments on some selected cuts to bring the bill under the budget resolution.

I pose the question to the distinguished chairman of the committee and to the distinguished majority leader.

Mr. HELMS. Mr. President, I believe I still have the floor.

The PRESIDING OFFICER. The Senator from North Carolina has the floor.

Mr. HELMS. I checked with the distinguished Senator a few minutes ago, and he said his amendment was still in the typewriter and would take about 20 more minutes. What the distinguished majority leader and I and others are trying to do is to expedite consideration of this bill. Senator PRESSLER is ready. As a matter of fact, he was ready this morning.

Mr. PRESSLER. I was ready last Friday.

Mr. HELMS. So I ask for consideration of my unanimous-consent request.

The PRESIDING OFFICER. Is there objection?

Mr. MELCHER. Mr. President, reserving the right to object, will the Senator restate the unanimous-consent request?

Mr. HELMS. Yes, I will.

The unanimous-consent request is to set aside amendment No. 914 and amendment No. 916, which are the relevant amendments with respect to cargo preference, and that Senator PRESSLER be recognized to call up an amendment.

The PRESIDING OFFICER. Is there objection?

Mr. MELCHER. Mr. President, reserving the right to object, for how long is the Senator's proposal? How long is the chairman's proposal?

Mr. HELMS. For the consideration of the Pressler amendment, I say to my friend.

Mr. DOLE. Mr. President, I suggest 30 minutes, to be equally divided.

Mr. DIXON. Mr. President, reserving the right to object, the understanding is that we revert to the amendment on cargo preference, which I have at the desk, when the Pressler amendment is disposed.

Mr. HELMS. Regular order would do that.

Mr. DIXON. Yes.

The PRESIDING OFFICER. Is there objection?

Mr. HARKIN. Mr. President, reserving the right to object, what is this about 30 minutes on a side? Is that part of the unanimous-consent request?

Mr. DOLE. If the Senator from North Carolina will yield, that was only a suggestion, if there is some concern about how long the amendment is going to take. I understand that it will not take very long on the part of the Senator offering the amendment, if that would satisfy the Senator from Montana, who had a question about the time. But if there is some question, I will withdraw the suggestion.

Mr. HARKIN. Mr. President, will the Senator from North Carolina yield?

Mr. HELMS. I yield, without losing my right to the floor.

Mr. HARKIN. If the amendment by the Senator from South Dakota deals with the tiering, then there is going to be a lot of discussion on that.

Mr. PRESSLER. I can explain my amendment in about 4 or 5 minutes.

Mr. MELCHER. Mr. President, will the chairman yield?

Mr. HELMS. I yield with the understanding that I do not lose my right to the floor.

Mr. MELCHER. I suppose there would be objection on our side that within that 30 minutes there be a vote on it, because there could be other amendments to it. If the request is just to bring it up and then revert back to cargo preference after 30 minutes, I have no objection.

Mr. HELMS. I have no crystal ball. I cannot tell how long it is going to take.

Mr. MELCHER. Mr. President, reserving the right to object, I think I understand the request properly; that for the next 30 minutes we will discuss an amendment of the Senator from South Dakota. If it is not completed within that time, we will revert back to cargo preference.

Mr. HELMS. No, that is not my unanimous-consent request.

Mr. MELCHER. That is not the request?

Mr. HELMS. No.

Mr. MELCHER. I was advised by a Member on our side, who is not on the floor, that he would not want an agreement for a vote within 30 minutes.

Mr. HELMS. I think what may have confused my friend is that the majority leader suggested a 30-minute time limit for consideration of the Pressler amendment, equally divided, but that was not propounded as the unanimous-consent request.

Let us have a test on that. I offer that as a unanimous-consent request: That there be a time limitation on the Pressler amendment not to exceed 30 minutes, with the time equally divided.

Mr. MELCHER. Mr. President, I have to object, on behalf of a Member on our side who is not present at this time.

Mr. MITCHELL. Mr. President, will the Senator yield for a question?

Mr. HELMS. I yield.

Mr. MITCHELL. I should like to offer a suggestion, self-serving in nature, but it may suit the circumstances.

I have an amendment which I think is not a major amendment, on which I would be prepared to enter into a time agreement. I do not think the opponents would object to 40 minutes equally divided. That would fill in the space and permit a resolution of the other matter. If it is in the convenience of the majority leader and the manager, I would be prepared to go forward on that.

Mr. HELMS. I would like to accommodate the Senator with that, but the Senator from South Dakota has been waiting patiently for most of this day to offer the amendment, and he got sidetracked time and time again by the cargo preference. I do not think I would impose that on him.

Mr. MITCHELL. I have no desire to intrude. I have been waiting since Monday as well. I understood that we could not get an agreement to set aside the pending amendment, and I am suggesting that this amendment be taken up in the meantime. If there is an agreement with respect to the amendment of the Senator from South Dakota, I have no objection to that.

The PRESIDING OFFICER. The Senate will be in order.

Is there objection to the original request?

Mr. MELCHER. Mr. President, I thought I made the objection clear, that on behalf of a Member who is not here, we have to object.

Mr. DOLE. Object to what—the 30 minutes?

The PRESIDING OFFICER. Objection is heard.

Mr. MELCHER. Mr. President, will the Senator yield?

Mr. HELMS. I yield, provided I do not lose my right to the floor.

Let me state again what the Parliamentarian meant when he advised the Chair that the question was on the original unanimous-consent request.

It is simply to lay aside the cargo preference, and I defined those by number, and that is all the request is.

Mr. MELCHER. I have no objection to that, as long as it is not going to get a vote.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The Senator from South Dakota is recognized.

AMENDMENT NO. 929

(Purpose: To establish a three-tier target price for feed grains)

Mr. PRESSLER. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from South Dakota [Mr. PRESSLER] proposes an amendment numbered 929.

Mr. PRESSLER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 114, strike out lines 20 and 21 and insert in lieu thereof the following:

"(E) The established price for corn shall be not less than—

"(I) $3.13 per bushel for any quantity of corn not in excess of 10,000 bushels,

"(II) $2.98 per bushel for any quantity of corn in excess of 10,001 bushels, but not in excess of 20,000 bushels, and

"(III) $2.83 per bushel for any quantity of corn in excess of 20,001 bushels.

On page 88, strike out lines 18 through 23 and insert in lieu thereof the following:

"(E) The established price for wheat shall not be less than—

"(I) $4.48 per bushel for any quantity of wheat not in excess of 7,500 bushels.

"(II) $4.33 per bushel for any quantity of wheat in excess of 7,501 bushels, but not in excess of 15,000 bushels and,

"(III) $4.18 per bushel for any quantity of wheat in excess of 15,001 bushels.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. PRESSLER. I yield.

Mr. DOLE. Mr. President, I see the distinguished minority leader on the floor, and this might be a good time to indicate that we will have votes for a while this evening.

I am not certain how long this amendment will take or what we will do following that. I think the last vote will probably be an indication of where we may wind up on this bill one of these days. I am encouraged by what has happened. There is an indication to me that Members on both sides want to get a farm bill that will not be vetoed, one that will not do violence to the budget, and one that will

help the American farmer. I am somewhat encouraged by the 48 to 51 vote.

Perhaps that would be another indication that maybe it is time to sit down on both sides and try to work out a farm bill. That is a fairly close vote.

I say to the distinguished minority leader that we will probably stay until about 9 o'clock. Maybe it is time to vote on a $25,000 payment limitation. Maybe that would be a good amendment.

Mr. PRESSLER. Mr. President, the amendment I am offering would direct deficiency payments for corn and wheat to family size farmers and help to hold down the cost of these programs. Program benefits would be directed to family size farmers through a three-tiered target price system similar. The amendment is the same as the target price provision I offered in S. 250 and similar to an amendment I offered to the 1981 farm bill.

The current farm program, with its $50,000 payment limitation, still allows the majority of program benefits to go to the largest corporate farms. Almost one-half of the payments made under the target price program go to the largest 5 percent of the farmers, based on land ownership. These farmers usually need the least help. The most recent available USDA statistics illustrate this point. Farms with gross sales of over $250,000 had an average net equity of $904,446. Farmers in this category had an average annual net income of $96,889 in 1984. The same set of statistics shows that the smaller, family size farm with gross sales of between $20,000 and $100,000 had a net income of $17,602. The average income of all American families in 1984 was equal to $24,800. These statistics illustrate that we need to do a better job of directing Federal farm program benefits to family size farms.

My amendment would direct farm program benefits to family farmers and away from large corporate farms. It would set the corn target price at $3.13 per bushel for the first 10,000 bushels of production per farm. For production between the 10,000, and 20,000, the target price would be set at $2.98 per bushel. For production in excess of 20,000 bushels, the price support would be $2.83. The target price for wheat would be set at $4.48 for the initial 7,500 bushels produced. Production between 7,501 and 15,000 bushels would be supported at a rate of $4.33 per bushel. A target price of $4.18 would apply for production beyond $4.18 per bushel. Well over 70 percent of the Nation's farmers would benefit from my amendment. Another 15 to 20 percent of the farmers would receive comparable benefits from both my amendment and the committee bill. The largest producers would have a reduction in benefits. The increase in program benefits to family size farmers without increasing costs is possible because of the large share of production held by the largest operators. For example, this amendment would reduce benefits to only 10 to 15 percent of the farmers, but these farmers produce approximately 40 percent of the grain.

I have worked with the chairman of this committee and we have contacted USDA concerning the cost of the three-tiered program. USDA has estimated that the amendment would be revenue neutral for fiscal year 1986. The same number of dollars would be more effectively directed to family size farmers rather than the largest farmers who need the assistance the least.

The amendment would also reduce the incentive for farmers to produce more corn or wheat in order to benefit from target price payments. Once the farmer hits the 13,000 or 20,000 bushel level, his incentive to produce more corn and wheat would be reduced. With our huge feed grain surplus, it is important that we reduce governmental incentives for farmers to produce excessive amounts of corn.

Mr. President, in the last few days I have heard many elegant speeches on the need to provide assistance to the family farmers of America. My amendment would increase farm program benefits to the average size family farmer. Benefits would be increased for the farmers with the highest need. Since everyone seems to want to help family farmers, then I hope all of my colleagues will support this amendment.

The PRESIDING OFFICER (Mr. HUMPHREY). The Senator from North Carolina is recognized.

Mr. HELMS. Mr. President, I thank the Chair for recognizing me.

Before discussing the amendment by the distinguished Senator from South Dakota, which I support, I ask that he make me a cosponsor. I ask unanimous consent that I be listed as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, I am looking at the rollcall vote just taken where the amendment of the distinguished Senator from Indiana [Mr. LUGAR] was defeated by a three-vote margin. If we can get together and come to an accommodation, I believe we can finish this farm bill in short order. I do not mean in a few hours, but in 2 or 3 days.

Now, originally, I had anticipated it was going to take a week or 10 days at a minimum, but now I am greatly encouraged because I believe that a majority of Senators must surely realize that what is needed is to bring some fiscal responsibility to the farm bill.

Now, we will be glad to work with, consult with, cooperate with Senators in trying to achieve an accommodation.

As to the amendment of the distinguished Senator from South Dakota, this amendment has been referred to as a farm bill with tiers, creating a farm bill with tiers. I think we better spell that. That is t-i-e-r-s and not t e a r s, because past farm policies, the failed policies of the past, have resulted in many tears, t-e-a-r-s, being shed by small family farmers.

Now we have been discussing this daylong about what has been done to the farmers, what can be done for the farmers, and I say again, Mr. President, that the best farm bill that we could possibly write and pass in this Chamber would be one to move toward a balanced budget, get the interest rates down 2 or 3 percent. That is the main problem that we are confronting out across America's land, among the farmers particularly the small farmers.

The analysis of the 1972, 1978, and 1982 Census of Agriculture demonstrates what many have already suspected. That census shows that small farmers are disappearing. Why?

Let us analyze just a little bit. During this period, small family farmers declined in number by almost 20 percent while the number of larger farms increased. I think it is more than a coincidence that this has happened at the very time that Congress has year after year, farm bill after farm bill, indiscriminately come forth with larger and larger subsidies to agriculture.

I have stated many times since consideration of the farm bill began last week, and I say again, that the payments, the subsidies, are not going to the small farmers in terms of percentages; they are going to the large farmers.

If we are for real around this place about the concern, interest, devotion to the small family farmer, let us prove it by getting some equity and some fairness.

These ever-growing subsidies have contributed to ever-growing average size farms, ever-increasing numbers of large farmers, chronic surpluses, low farm prices, and declining number of small farmers.

We can express our political feelings about the farmers all we want to. But the fact remains that what has happened to the small farmers has been largely a result of the failure of Congress to be fiscally responsible.

The amendment by the distinguished Senator from South Dakota is an effort to correct one of the problems, and I commend him on it. It is a good amendment. It will give small family wheat and feed grain farmers a chance to compete in an industry that is now tilted by Government policy toward larger farmers.

And I ask the Senator if that is not a correct assessment.

Mr. PRESSLER. That is a correct assessment.

Mr. HELMS. I thank the Senator.

Furthermore, the amendment would establish higher target prices for smaller producers and progressively lower target prices for the larger producers. Now, I want to know what is unfair about that.

If we mean what we say, I say to the Senator, when we express our devotion to the small family farmer, I think the Senator is on the right track and I commend him for his amendment.

On average, the weighted national wheat and feed grain target price is not changed from current law. It equates to a freeze in target prices, but redistributes the subsidies according to the size of the farm.

Now, the formula in the Senator's amendment, as I understand it—and I want him to correct me if I am wrong—truly targets smaller farmers and results in approximately a $4.38 national weighted target price. Is that what the Senator has in mind?

Mr. PRESSLER. That is correct.

Mr. HELMS. I thank the Senator.

So even though large farmers would have reductions in the target prices, small farmers would have increases and the average for the Nation's farmers would be $4.38 per bushel as opposed to the 12 cents per bushel national average increase contained in the committee bill.

Let me say for the purpose of emphasis that this represents no reduction in the national average target price. I ask the Senator if I am not correct in my understanding that it represents only a redistribution of benefits toward the smaller farmers.

Mr. PRESSLER. That is correct.

Mr. HELMS. As with wheat, the feed grain formula gives the greatest benefit to the smaller farmer. Also, as in wheat, about 80 percent of program participants will find no effective reduction in their average target prices. So that means that about 20 percent of the largest participating producers will feel some slight reduction.

Again the weighted national average target price will remain at $3.03 per bushel. This is the same as current law and the same as in the committee-adopted farm bill. The amendment only redistributes payments from the largest to the smallest producers and does not do it with a meat-ax.

Let me say, again, Mr. President, and then I will yield the floor, we have heard much about the family farmer and how we need all these farm programs in order to save the family farm, but I think now is the time to stop posturing. I think now is the time to demonstrate a genuine concern for the small family farmer and those in the middle-size bracket.

For the past 50 years, family farms have been swallowed up by other farms growing larger and larger. And much of this, I think, is due to technology and biases in State and Federal tax codes. But I am convinced that much of the structural change is due to Federal farm policies that have failed because they favor large farmers.

This Senator does not favor discrimination against large farms. They, in most cases, are most efficient and account for the reason America has such an enviable food and fiber system.

My only point is that the taxpayer should no longer be held responsible for the economic prosperity of these large agribusinesses. If farm policy is supposed to promote the small family farm, then I believe it is high time that we put some muscle behind the rhetoric.

I anticipate that the questions will be asked as to why cotton and rice were not included in this amendment. Quite frankly, it is because there are no small cotton and rice farms left except those that have been broken out of larger farms so that the large farms are not disqualified from Federal farm programs by the $50,000 payment limit.

Mr. President, it is not too late for wheat and feed grain farms.

Mr. PRESSLER. Mr. President, at some point I would like to ask for the yeas and nays.

Mr. President, I am sending a technical modification to the desk. It does not change the meaning of the amendment.

The PRESIDING OFFICER. The amendment is so modified.

The amendment (No. 929), as modified, reads as follows:

On page 114, strike out lines 20 and 21 and insert in lieu thereof the following:

"(E) The established price for corn shall be not less than—

"(I) $3.13 per bushel for any quantity of corn not in excess of 10,000 bushels,

"(II) $2.98 per bushel for any quantity of corn in excess of 10,000 bushels, but not in excess of 20,000 bushels, and

"(III) $2.83 per bushel for any quantity of corn in excess of 20,000 bushels.

On page 88, strike out lines 18 through 23 and insert in lieu thereof the following:

"(I) $4.48 per bushel for any quantity of wheat not in excess of 7,500 bushels.

"(II) $4.33 per bushel for any quantity of wheat in excess of 7,500 bushels, but not in excess of 15,000 bushels and,

"(III) $4.18 per bushel for any quantity of wheat in excess of 15,000 bushels.

The PRESIDING OFFICER. Does the Senator wish to request the yeas and nays?

Mr. PRESSLER. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. MELCHER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BOREN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BOREN. Mr. President, we have before us an amendment that has been offered under the guise of being an amendment to help the family farmer. In fact, I think we ought to examine this amendment very, very carefully before we jump to the conclusion that it helps the family farmer.

I have just run the figures on it and, if we take the average yield, for example, for wheat on a wheat farm, if we take the 400-acre wheat farm that is in the range of a family farm by definition in terms of its gross sales and size, the Pressler amendment would reduce family farm income for that 400-acre wheat farm by 4 percent from the figure that is in the bill. On a 600-acre wheat farm, which also would be designated a family farm, it reduces the family farm income by 5 percent. And for an 800-acre farm, again in the range of the family farm, it means a 6-percent drop in income.

Now we fought hard in the committee to try to target more of the benefits in the case of wheat to the family sized farm unit. It was a hard battle and one which we won. I think it is very important that with the few dollars, very scarce dollars, that we can allocate to the farm program, that we target them as effectively as possible to the family-sized farm unit.

Now what does this amendment do? I hope that my colleagues, who are in sympathy with the idea that we should primarily be helping the family farmer, will listen carefully and will examine the facts for themselves.

This targets the highest per bushel price on wheat, for example, to those who produce the first 7,500 bushels. They are to get $4.48 per bushel for the first 7,500 bushels. Now that is the people who are really helped under this proposal.

How many acres does it take to raise 7,500 bushels? On the average in this country, it would take 193 acres to raise 7,500 bushels. So, in other words, those that are helped under this amendment the most are not the family-sized farmers. I just told you what would happen to the 400-acre wheat farm and the 600-acre wheat farm. It is flying under false colors.

This is not the family farm amendment. This is the hobby farm amendment. We have 680,000 hobby farmers in this country, 40,000 more than there are family farmers, by the way, according to USDA definitions based upon gross sales.

We have 680,000 hobby farmers, those who just raise a little, those doc-

tors and lawyers who live in towns who love to farm on the weekends or like to live on the country estate. There are 680,000 of them. They will love this amendment because they are going to get the primary benefit from the Pressler amendment—those that are farming in the case of wheat, for example, of 193 acres or less—but the family farm, the backbone of all the farmers, there are only 34 percent of farmers that are family farmers. The rest are either hobby farmers or the giant farming operations. Those 34 percent who have the 400- and the 600- and the 800-acre wheat farms are the backbone of agriculture.

They are only 34 percent of all the farmers but they raise 90 percent or more of all of the farm production. They are the people who depend upon the farm for their income.

If the Senator from South Dakota really wants to help the family farmer as opposed to the hobby farmer, the Senate would turn this thing on its head for the first couple of thousand bushels raised on 50 or 60 acres. The Senator would put that down at the lower price of maybe $3.50 or $4; then for the next 18,000 bushels or so, put it where we have it under the bill at $4.55. Give the family farmers, those people who are depending on the income from the farm, a chance to make a living.

So I say if there is any amendment that I have seen in this Senate that is flying under false colors, it is this one. I hope all my colleagues will carefully examine it. If you want to help the hobby farmers, if you think those doctors, lawyers, who bought up that land, live in town, and love going out to their country retreat on the weekend need more help from the Farm Program, need more of the precious dollars that are needed for the survival of the family farm, then vote for this amendment.

Go home. I hope all the hobby farmers will have a parade in your honor and call out the brass bands and carry signs, "Friend of the Hobby Farmer," because that is exactly what this amendment does. It effectively targets the aid to the hobby farmers of America, and deprives the family farmers of America of a chance to make a fair income.

Look again at what we have in the bill. We have targeting there. We have $4.55 per bushel up to 20,000 bushels which is a range that would encompass the family sized farm unit. Even with that, even with that, we are only able to get farm incomes up 4 or 5 percent for that family wheat farmer—I use the wheat farmer as an example—over what we have at the current time, at a time when we are in desperate economic conditions. But the last thing we need to do—the very last thing we need to do right now—is take the precious dollars that we have to allocate to the Farm Program and target them to the hobby farmers instead of targeting them to the family farmers.

You can just do the figures for yourself. You can figure out exactly how much it takes to raise the levels of production. You can get that per bushel yield. If you doubt my figures, put the pencil to the page yourself, and you will find for the family sized farmer the Pressler amendment will be an absolute disaster.

We had an effective targeting in the Senate agriculture bill that does help that family-sized farmer. We ought to stay with that. If we want to change anything, we ought to change it by exempting the first couple of thousand bushels from the incentive price.

I would be happy to yield for a question from my colleague from Idaho.

Mr. McCLURE. First, I want to associate myself with the remarks the Senator has made. The Senator is right on target. With just a couple of exceptions or additions, I totally agree.

One is there are some small farmers that are not hobby farmers. They are people that are for one reason or another on small acreages, but the hobby farmer, the part-time farmer that is doing it as a hobby is also, generally speaking, the one who has bid up the price of land. That has made it harder for the ones who really wanted to be in full-time agriculture either to get there or to stay there. It is one of the things that has contributed to the tremendous financial crunch.

This amendment, if passed, would encourage the continuation of that trend rather than stopping it.

Mr. PRESSLER. Will the Senator yield?

Mr. BOREN. I would like to let my colleague from Idaho finish his point first.

Mr. McCLURE. A second point I think needs to be made. The Senator just touched on it. It may be one of the most effective things we can do—is to eliminate a subsidy completely for the part-time farmer. This amendment does not do it. Neither does the bill.

I think that is something we ought to look at very carefully, whether or not we really want to encourage the maintenance of submarginal part-time farming in competition with those who make their full livelihood out of farming. I do not want to squeeze the marginal farmer off, but I do not want to encourage the continuation of growth of hobby farming, and encourage people to move out from the city into the countryside by reducing their cost of operation and therefore increasing the numbers of people in the city moving to the countryside in part-time farming.

Mr. BOREN. I thank my colleague from Idaho. I think his statements are right on point. Certainly, I am not denigrating anyone who wants to live on a small tract of land. I am certainly not denigrating any marginal farmer. I think there are many of us who would like to live under those conditions, and have an opportunity to live in that fashion.

The Senator is certainly right when he said that those who are going out buying small tracts of land for a period of time will increase the cost of production for those who are really in the family farm, the backbone of agriculture. They have driven up those costs. Very often they do have other sources of income. They are unlikely to be dependent mainly on the farm for the family livelihood. Sometimes they can use those sources of income to pay much higher prices for land, equipment, and other items than the person in agriculture can afford to pay.

So by encouraging more and more people to go into hobby farming, we have hurt the family farmer really in two ways. We have increased the overall production and surpluses, we have also greatly increased the cost of production, and we have helped to put that family farmer into a cost/price squeeze that we are all familiar with.

I tried in the Agriculture Committee at the beginning to put in a threshold level so that we left out that incentive price for the first so many bushels of production. Then we targeted in that range that would encompass the family-sized farms, those with gross sales over $50,000 a year, but less than $500,000 a year which is the traditional definition of a family farm.

I was not successful in that. So the next best thing was to target it for the first 20,000 bushels, for example, in the case of wheat. That seemed to be the best we could do.

I am very, very alarmed at the effects of this amendment. I know the author may well not have intended those be the effects but it very substantially cuts the family farm income for that size operation.

I am happy to yield for a question.

Mr. PRESSLER. I thank the Senator very much for yielding.

I would like to ask him a question or two because I feel the amendment is being misrepresented. The purpose of this amendment is to help the family-sized farmer. My good friend suggested perhaps there would be a parade given by the people for me because I am helping hobby farmers.

I would suggest if there is such a parade my friend from Oklahoma would perhaps ride in the first car because what is in the bill now would treat the hobby farmer better than my amendment. Indeed, I will let the Senator ride in the front car if there is such a parade.

Mr. BOREN. I have to say to my good friend from South Dakota that I tried to follow the Senator's logic from down the path that the Senator was

leading me. Somehow I am left in the middle of a maze because it becomes very unclear how the Senator comes to that conclusion.

We are providing $4.55, for example, per bushel for that farmer that has 400 acres, 500, or 600 acres.

That would all fall into that level of production. Let us say we only have to harvest 193 acres before we drop down to $4.33. Then we only have to harvest another 193 acres. We are still well under 400 acres before we dropped to $4.18.

How in the world is the Senator helping a family-sized farmer under his amendment when the Senator is dropping the amount of that family-sized farmer? That farmer, let us say, has a 500-acre farm. When the Senator is dropping the amount we are going to pay him on all of that production over 386 acres, when the Senator is dropping that from $4.55 to $4.18, how can the Senator say he is helping a family farmer when on a 400-acre farm his amendment provides him with 4 percent less income than the bill presently does, and when on a 600-acre farm he is reducing his income by 5 percent?

I would like to hear my friend from South Dakota go before an audience of family farmers and say I have come to help you. If you have a 400-acre farm, I am lowering your income by 4 percent and on a 600-acre farm, I am lowering your income by 5 percent. I say with all due respect to my colleague from South Dakota, I think they would say, Senator, that is the kind of help we have been getting out of Washington for all too long. That is the reason so many of our farms are on the auction block.

I would just say that I think the mathematics will show that you are lowering the income for the very size farms we are wanting to help, I say to my colleague.

In the committee, I attempted to have a lower threshold price for the first 3,000 bushels, just to get rid of the special hobby farmer. I was not able to get the amendment exactly the way I wanted it. But certainly with this amendment you will give the hobby farmer the highest price of all, which is what the Senator from South Dakota is doing with his amendment.

Mr. PRESSLER. Wheat farmers with an average base of 460-acres or less would receive a higher target price than under current law. Those larger would have decreased benefits. The average wheat base today is 89 acres.

Mr. BOREN. Under the bill for a 400-acre wheat farm, they will get $4.55 for all of the bushels they produce. Under your proposal, they will get $4.48 for the first half of their production and $4.33 on the next half of their production. I understand we are teaching the new math now, but this is really the new math.

How do you take $4.48 and $4.33 and turn out to average $4.55? If you can explain that to me, I would appreciate it very much.

Mr. PRESSLER. My friend is talking about increasing under the target price. He is assuming there is not any kind of a freeze. He is making assumptions. Indeed, we will answer in detail for Oklahoma, but we do not have those figures here.

The fact is I think my friend is speaking for the large corporate farmers. There is nothing wrong with speaking for them. I speak for the family farm. Many farmers have some wheat and some corn. This is a fairly substantial farm I am talking about.

Mr. BOREN. What is the size farm the Senator would consider to be the average farm? According to the USDA, what is the average size farm? Is it not 543 acres? Is that not the average family farm? I believe it is.

Mr. PRESSLER. The average wheat base for people participating in the program is 89 acres. You can dispute other figures, but that is the true figure. The amendment benefits farmers with a wheat base of 460 acres. That is a large farm in my State since most farmers produce several crops. Maybe in your State the farms of which my friend is speaking of are much larger than that. But that is the point. This is to help the truly family size farmers.

Mr. BOREN. 20,000 bushels is about a 600-acre wheat farm. We are targeting to higher benefits.

In Oklahoma, we are increasing the average yield per acre. As we said a moment ago, it takes 193 acres to produce 7,500 bushels of wheat using the USDA average. I think the Senator can figure that. If that takes 193 acres to produce 7,500, you are talking about a 600-acre farm or a little less to produce 20,000 bushels.

Mr. PRESSLER. I am told the Senator is using a wheat farm defined on a census basis. We are talking about a wheat farm defined by the USDA on a payment basis. Indeed, there is quite a difference.

Mr. BOREN. We can figure that out. We will just take the average bushels per acre of yield on a wheat farm as defined by the USDA nationally. We can multiply that out and get the average bushels per acre. It is 38.8 bushels per acre. Just find out how many acres it takes to produce 20,000 bushels. I think you will find my figure is correct.

What you are doing here is you are targeting the benefit, which, by the way, is still low, at $4.55. You are targeting that only to the first 7,500 bushels of production which is from 193 acres.

Mr. PRESSLER. The $4.55 target price on the first 20,000 bushels will increase deficiency payments to 99 percent of those who now receive payments in Oklahoma and 98 percent nationally.

You are assuming that this body is going to substantially increase the target prices. It has been indicated that there would be a freeze. I do not necessarily disagree with higher target prices. But we are trying to work within the framework of a budget. I would hope it would be larger but I am very much afraid it will not be. Therefore, this amendment tries to target farm program benefits to family size farmers and ranchers. The levels established in the amendment are fairly substantial levels when compared to the average wheat and corn base.

If people want to raise more grain, they can do so, but they will not be provided with as great an incentive under these target prices. If we use the USDA figures, and we will have the figures shortly on Oklahoma, I believe my friend is speaking for the very few large farmers, in many cases corporate farmers who need the program benefits the least.

When you consider the fact that in many parts of the Farm Belt more than one crop is grown, we are talking about very large farms, larger than average size family farms.

Mr. BOREN. I sympathize with what my friend from South Dakota has said. I know he has tried to assist the farmers of the Nation. I noticed how he voted on just the last rollcall. I appreciate his vote. I think he voted with the farmers on the last rollcall. I think he is talking about doing the right thing.

Unfortunately, I just do not think the amendment is drafted to do that. I did not mean to denigrate the motives of my colleague from South Dakota at all, but I think he really should want to help the family farmer as opposed to the hobby farmer.

Let me go back. As I said, the average wheat base for this country is something like 89 acres. Surely, he does not believe that is the average family size farm. In a 5-acre base, you have a lot of farmers where a typical farmer might farm 6 or 7 tracts, so he adds together a little from this one and a little from that one, and so on.

You see, these figures can be taken in a very misleading fashion.

I read an article in the newspaper last week, pubished in the Washington Post, which said that 72 percent of the farmers in the country were experiencing no economic distress at all.

I looked at that and said to myself, "How could that be?" Then I looked at a USDA report that said 58 percent of all the family sized farms were experiencing severe stress. If 58 percent of the family farms are under severe stress because they have 78 percent of all the debt, how could 72 percent of the farmers be in no trouble at all? It is easy to see. Those 276,000 hobby

farmers for the most part are not under financial stress because they do not depend on the family farm for their income.

Then you can add all those figures and say when you look at those 2.3 million and add those that are maybe corporately owned and not doing as badly as the family farms, you can say that. I am afraid that is the trap my friend is falling into.

Mr. PRESSLER. Would my colleague yield?

Mr. BOREN. I urge him to put a pencil on it for a 400- or 500-acre farm and see for himself.

Yes, I yield.

Mr. PRESSLER. I thank my colleague for yielding. He knows much more about Oklahoma than I do.

Mr. BOREN. Mr. President, I have been using the national average figures, not Oklahoma figures.

Mr. PRESSLER. My friend talks of a farm with a 900-acre wheat base. I am told that only 101 or 3 1/100 of 1 percent of the people in Oklahoma receive payments that would equate to those due a 900-acre operation, less than half of 1 percent nationally.

My friend is talking about very large farms and, in most cases, corporate farms. I do not criticize him for that. Somebody has to speak for the large farms. But this amendment speaks for the family sized farms of America. I think that is an important thing.

Mr. BOREN. What is the average family sized wheat farm in the Senator's State? Would a 400-acre farm be a large, huge, monolithic farm or would he call that a family farm?

Mr. PRESSLER. The average wheat base in the United States is 89 acres.

Mr. BOREN. Would the Senator, if if he were driving in his car and saw a 400-acre wheat farm in South Dakota, would he say to himself, "My, there is a huge, gigantic farm operated by some corporate behemoth"? Or would he say, "I believe that is a family farm I see out there"?

What would he say?

Mr. PRESSLER. Not necessarily. Under my amendment, depending on how efficient and productive they were, the farmer would receive payments on a tiered basis. That farm very well would benefit from this amendment, very much so. We could debate here about census definitions and about personal definitions, but the fact of the matter is that the operator of that particular farm, if it were a South Dakota farm, would also have some corn, some alfalfa, and so forth. Such a farmer, with a 400-acre operation would benefit greatly from this amendment.

Mr. BOREN. Using the average bushel yield per acre nationally on a 400-acre wheat farm, the Senator is going to get an average of between $4.33—I go back to this question. For half the production on the 400-acre farm, he is going to get $4.33; for the other half, $4.88. So you add them together and average them to get your price on that 400 acres. Under the bill, you are going to get $4.55 for all of them. Will the Senator please explain to me how you can average $4.33 and $4.88 and come out with a higher figure per bushel for that 400-acre farm production than the $4.55 under the bill?

Mr. PRESSLER. Again, the Senator is talking about a different target price. Some of my big ranchers and farmers are going to take me to task for offering this amendment. Some of the large acreages in my State are going to be upset. Next time I have a listening meeting, I shall be roasted gently by some of my friends who are blessed with large farms. I am sure my friend from Oklahoma has several such friends. Indeed, there are a few farms and ranches in South Dakota that would not benefit from this. But the family sized farms and ranches would benefit greatly.

Mr. BOREN. Mr. President, if I may make one other comment, then I shall relinquish the floor to all my colleagues who want to speak on this. I was just handed information from the USDA's report that was published in late July. According to that report, they list 650,000 hobby farmers. They say that on the average, those 650,000 hobby farmers rely for 3 percent of their income on their earnings from agriculture. They got 3 percent of their income from agriculture.

Mr. President, I am not against hobby farmers at all, but I do not think we should be writing the farm program for the hobby farmer.

Mr. PRESSLER. If my friend will yield, how much would he give the hobby farmers under his bill?

Mr. BOREN. As I told him, when I tried to write it in the committee, for the whole first 20,000 bushels, we would give $4.55.

Mr. PRESSLER. So the hobby farmer gets more under his bill than he does under mine. When the hobby farmers have that parade for him at home he will be at the head of the parade.

Mr. BOREN. As my friend knows, he is only giving that higher price to the very first few acres of production. His benefits are targeted to those 650,000 or less who are hobby farmers. Those 650,000 get 3 percent of their income from agriculture.

The Senator said a while ago that in trying to target the benefits of the first 20,000 bushels, I was helping these huge farms. It drops off to $4 after you reach the 20,000 bushel level under the bill as now written. That is about a 600-acre farm. I do not think that is a huge corporate farm. That is a family-sized farm, as my colleague from Idaho [Mr. McCLURE] well knows.

I am not using Oklahoma figures. I am shocked and surprised that the Senator from South Dakota would think that a 400- or 500-acre or 600-acre farm was not a family-sized farm. I go back to this: The Senator can just add it up for himself. If this is a family farm amendment, why is it reducing the average income of the average family-sized farm unit by 4, 5, 6 percent or more, depending on the size of that farm? There is just no way, if we are really interested in helping.

If I could write the ideal provision, I would write it maybe at $4 for the first 2,000 bushels, then write it at $4.60 for the next 18,000 bushels. That would get rid of the hobby farmer and target it all to the family farmer. That is the way I wanted to write it, the way I first offered it in the committee. The committee did not go along with it, so we got second best and targeted the first 20,000 bushels.

What the Senator from South Dakota suggests is the worst of all. He gives the highest level to the hobby farmer and reduces it when he gets up to the family-sized level.

I go back to this: When we have a pressing need, let us target the income to those who really depend on that farm for their financial survival. Let us target it to the full-time farmer. Let us not target it to the doctor who bought a little tract of land—I think it is nice he bought a little tract of land—and he drives out from the clinic in his Mercedes, or the lawyer does. I used to be a lawyer so I have nothing against lawyers. I am glad those professions are doing well. But let us help the family farmer; let us not open the Treasury to the hobby farmer and close it to others.

Mr. President, I think the aim may well be a good one, I say to the Senator from South Dakota, but I urge him to use his pencil himself or his calculator and figure out how in the world he is helping the family farmer by reducing his average price of $4.55 on the 600 acres or less that he can produce and lowering that to a much lower figure. There is no way it can be done.

I shall be happy to yield.

AMENDMENT NO. 931

Mr. HARKIN. Mr. President, I have an amendment which I send to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Iowa [Mr. HARKIN] proposes an amendment numbered 931 to amendment No. 929.

In the pending amendment, strike lines 12 through 20.

Mr. HARKINS. Mr. President, the amendment that I have offered to the pending amendment would basically strike that part of the amendment of-

fered by the Senator from South Dakota that deals with wheat. I am much persuaded by the arguments of my distinguished colleague from Oklahoma [Mr. BOREN] on this issue. We debated this at great length in the Agriculture Committee. We had a vote in the Agriculture Committee to adopt Senator BOREN's amendment, which set up the tiering level for wheat at $4.55 per bushel on the first 20,000 bushels and $4 a bushel on everything over that.

I know that Senator BOREN worked long and diligently in the committee to fashion an amendment that would go to help, as he said so eloquently on the floor, those family-sized wheat farmers, not only in Oklahoma but throughout the country, and to make sure that we targeted those benefits to those family farmers.

I understand the amendment offered by the distinguished Senator from South Dakota. What it seeks to do is to take what the Senator from Oklahoma did in the committee and reduce it down to a level that—basically, what the Senator from Oklahoma pointed out I think is accurate—decreases the income which would go to those average family-sized farmers who are raising wheat.

Now, I understand why the Senator from South Dakota is doing this. I assume it is to try to reduce associated costs. Again, I would point out that the costs here are minimal and that what Senator BOREN very carefully fashioned on this bill in the Agriculture Committee was an amendment that would slightly increase the income of those family-sized farmers. If I am not mistaken it was around 5 percent.

It is not a great deal to ask to increase their income by 5 percent, but I tell you what that will do, Mr. President; that small increase in income to those wheat farmers means we will not be coming back here next month or early next year to try to bail out the Farm Credit System for $5 billion or $6 billion or $10 billion or whatever it is that they are going to be asking. That 5 percent increase in income to those family-sized wheat farmers will mean they will be able to pay their debts, to pay their bills, and that we will not have to then come in and treat the symptoms by bailing out the Farm Credit System. Rather, we can treat the causes right here and now by assuring that there is a very slight increase, 5 percent, in the income of these family-sized farmers.

And so I offer the amendment to the amendment offered by the Senator from South Dakota which would basically maintain the position that came out of the Senate Agriculture Committee, that is, a tiering for the wheat farmers as authored by the distinguished Senator from Oklahoma and adopted by the Committee. I believe it is the best. I believe it provides that small 5-percent increase in income that is needed so desperately out there, and is the fairest we can do. I am hopeful that Senators will stick with the committee position and will strike that portion of the amendment offered by the Senator from South Dakota which deals with wheat.

Now, I must in all fairness add that the Senator from Iowa will be offering an amendment after this that will bring the tiering of corn more in line with the tiering of wheat. But I am hopeful at least at this juncture that we will stay with the committee position and not vote for the wheat portion in the amendment offered by the Senator from South Dakota.

Mr. President, I yield the floor.

Mr. McCLURE. Mr. President, I rise in opposition to the amendment offered by Senator PRESSLER for the many reasons stated by the Senator from Oklahoma. And if I understand correctly, the amendment to the amendment offered by the Senator from Iowa would simply strike the language with respect to wheat. I support that amendment because I think there is misapprehension and that is the only reason I take the time of the Senate at this time to even speak on this subject, first a misapprehension of what a family farm is.

I do not know what it may be other places but I know that on average you may get acreages down because there are a lot of small acreages around our cities where people hung on to them over the years and did not leave but they got a job in town. That acreage may be 40 acres and they have 10 acres of wheat in the corner somewhere that gets into the averages and reduces them. But I know people living on the farm, depending upon the income from that farm to sustain their families, are cultivating hundreds of acres and they have to be cultivating hundreds of acres or they are not making it.

If you analyze it right now, the ones who are failing in agriculture are the ones who have stayed too small and those who have tried to grow too large. Both ends are having financial difficulties. This amendment, as I see it, would strike at the very basis of what is the stable and potentially successful area of farming at least in my State.

I do not know, I cannot tell you off the top of my head, Mr. President, what the average wheat allotment may be in my State of Idaho, but I do know some struggling farmers, family operations in which father and sons are together cultivating 2,500 to 3,000 acres of land and there are three families involved, and I suppose they can split it up and say, all right, we have 800 to 1,000 acres of land and on that they have 600 acres of wheat allotment. I think that would be ballpark for a number of family operations. So I think to deprive them of the opportunity to remain successful or to in another way say all right, we will penalize them for being successful, we will do our best to make them unsuccessful, is the wrong way for us to go.

Second, we do have, rightly or wrongly, imbedded in this bill a reduction of production. And if we really mean to reduce production by getting people to participate in the program, you cannot exclude the large farmer. We can all have a lot of fun demagoging about the massive farms, but if you put out all the farms, exclude them from the program, you might as well not have written in any reduction or limitation on production because you will get almost zero reduction. I think for both reasons, the theory of the bill that tries to limit production or reduce production and the real family farm, that middle group, not the very large and not the very small, this amendment ought to be defeated.

Mr. PRESSLER. Mr. President, I will conclude this debate by saying this amendment has been carefully crafted, I am honored to have the cosponsorship of the chairman of the Agriculture Committee. I am prepared to vote on it.

Mr. HARKIN. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER (Mr. TRIBLE). Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. MELCHER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. MELCHER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Arizona [Mr. GOLDWATER] is necessarily absent.

Mr. CRANSTON. I announce that the Senator from Mississippi [Mr. STENNIS] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 57, nays 41, as follows:

[Rollcall Vote No. 267 Leg.]

YEAS—57

Andrews	Boren	Chiles
Armstrong	Boschwitz	Cranston
Baucus	Bradley	DeConcini
Bentsen	Bumpers	Dixon
Biden	Burdick	Dodd
Bingaman	Byrd	Dole

Durenberger	Inouye	Moynihan
Eagleton	Johnston	Nickles
Evans	Kassebaum	Nunn
Exon	Kennedy	Pell
Ford	Kerry	Pryor
Glenn	Lautenberg	Riegle
Gore	Leahy	Rockefeller
Gorton	Levin	Sarbanes
Grassley	Long	Sasser
Harkin	Matsunaga	Simon
Hart	McClure	Symms
Heflin	Melcher	Wilson
Hollings	Metzenbaum	Zorinsky

NAYS—41

Abdnor	Hecht	Proxmire
Chafee	Heinz	Quayle
Cochran	Helms	Roth
Cohen	Humphrey	Rudman
D'Amato	Kasten	Simpson
Danforth	Laxalt	Specter
Denton	Lugar	Stafford
Domenici	Mathias	Stevens
East	Mattingly	Thurmond
Garn	McConnell	Trible
Gramm	Mitchell	Wallop
Hatch	Murkowski	Warner
Hatfield	Packwood	Weicker
Hawkins	Pressler	

NOT VOTING—2

Goldwater	Stennis

So the amendment (No. 931) was agreed to.

Mr. PRESSLER. Mr. President, since that was a killer amendment, I move to table my amendment at this point and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from South Dakota.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Arizona [Mr. GOLDWATER] is necessarily absent.

Mr. CRANSTON. I announce that the Senator from Mississippi [Mr. STENNIS] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 96, nays 2, as follows:

[Rollcall Vote No. 268 Leg.]

YEAS—96

Abdnor	Dodd	Heinz
Andrews	Dole	Helms
Armstrong	Domenici	Hollings
Baucus	Durenberger	Humphrey
Bentsen	Eagleton	Inouye
Biden	East	Johnston
Bingaman	Evans	Kassebaum
Boren	Exon	Kasten
Boschwitz	Ford	Kennedy
Bradley	Garn	Kerry
Bumpers	Glenn	Lautenberg
Burdick	Gore	Laxalt
Byrd	Gorton	Leahy
Chafee	Gramm	Levin
Chiles	Grassley	Long
Cochran	Harkin	Lugar
Cohen	Hart	Mathias
Cranston	Hatch	Matsunaga
D'Amato	Hatfield	Mattingly
Danforth	Hawkins	McClure
Denton	Hecht	McConnell
Dixon	Heflin	Melcher
Metzenbaum	Pryor	Stafford
Mitchell	Quayle	Stevens
Moynihan	Riegle	Symms
Murkowski	Rockefeller	Thurmond
Nickles	Roth	Trible
Nunn	Rudman	Wallop
Packwood	Sarbanes	Warner
Pell	Sasser	Weicker
Pressler	Simpson	Wilson
Proxmire	Specter	Zorinsky

NAYS—2

DeConcini	Simon

NOT VOTING—2

Goldwater	Stennis

So the motion to lay on the table was agreed to.

Mr. HELMS. Mr. President, I move to reconsider the vote by which the motion to table was agreed to.

Mr. GRAMM. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. DOLE. Mr. President, I understand, and I have been advised by the distinguished minority leader that they would like to have a caucus which, as I also understand, would begin immediately. I suggest that we suggest the absence of a quorum. Perhaps Senator DIXON in a few minutes, after he has made his statement to the caucus, could come to the floor, and we could finish up the cargo preference matter.

Mr. BYRD. That would be fine.

Mr. HARKIN. Will the majority leader yield for a question? Do I understand he is referring to cargo preference and nothing else?

Mr. DOLE. It is my understanding we would like to finish that now. It depends on how long it takes. It depends on the managers of the bill. If they want to stay on it into the evening, we can do that.

Mr. HELMS. Surely you jest.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HELMS. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. I thank the Chair.

The PRESIDING OFFICER. The Senate will be in order.

Mr. HELMS. Mr. President, I understand accommodation has been reached on the cargo preference. I do not know who will be the first spokesman. Whoever it is we will recognize him.

Mr. DIXON. Mr. President, may I say to my friend, the manager of the bill, that it would probably be inaccurate to say that accommodation has been reached.

We have considerable additional support and would hope that the membership would be inclined to support our attempt to pass what we believe to be a fair compromise for all concerned. There will be some opposition to it. But we are prepared to abandon our further discussion of this issue if this particular amendment is adopted.

There is a certain procedure that will have to be followed with reference to two of the amendments now on the tree and then, as I understand it, I will offer the amendment that is the so-called compromise amendment which we hope will receive sufficient support to silence this discussion on the cargo preference question.

Mr. HELMS. The ball is in the air. Proceed.

Mr. STEVENS. Mr. President, I wonder if I could inquire from my good friend from Hawaii if he would be willing at this point to seek unanimous consent to withdraw his amendment. It is the one side of the amendment tree so that we might see if there is support in the Senate for this compromise the Senator from Illinois is prepared to offer.

Mr. INOUYE. Mr. President, If my friend will yield, I think the first step will have to be one where the Senator from Illinois will withdraw his pending amendment to my amendment.

Mr. COCHRAN. There is no pending amendment.

Mr. DIXON. It is laid down but not yet considered.

Mr. INOUYE. If that is the case, Mr. President, I ask unanimous consent that my amendment be withdrawn.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I will state that I modify my amendment to incorporate the Cochran amendment to my amendment.

The PRESIDING OFFICER. The amendment is so modified.

Mr. STEVENS. Now I call on my good friend from Illinois to offer his amendment.

AMENDMENT NO. 932

(Purpose: To provide direction in the administration of the cargo preference program.)

Mr. DIXON. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Illinois [Mr. DIXON] for himself and Mr. BOSCHWITZ, Mr. INOUYE, Mr. STEVENS, Mr. PROXMIRE, Mr. SIMON, and Mr. KASTEN propose an amendment numbered 932.

Mr. DIXON. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

After "ranges." on page 8, line 2 of the Cochran amendment as incorporated into the Stevens amendment, insert the following: "In addition, the Secretary of Transportation, in administering this subsection and section 901(b) of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1241(b)), and consistent with such subtitle and section, shall take such steps as may be necessary and practicable to preserve during calendar years 1986, 1987, 1988, and 1989 the percentage share, or metric tonnage of bagged, processed or fortified commodities, whichever is lower, experienced in calendar year 1984 as determined by the Secretary of Agriculture, of waterborne cargoes exported from Great Lake Ports pursuant to Title II of the Agricultural Trade Development Act of 1954 (7 U.S.C. 1721 et seq.)."

Mr. DIXON. Mr. President, as I have told my friends on this side and as I think my colleague, Senator BOSCHWITZ, has told his friends on the other side, this is a compromise amendment that the distinguished Senator from Alaska and the distinguished Senator from Hawaii have agreed to. The major interests involved in the subject matter here have acquiesced in it. It is not all that the Senator from Minnesota, myself, and others from the Great Lakes would want.

It is a compromise that would permit an allocation of cargo at the lowest level of the last 5 years over the next 4 years for that reason, and we are acquiescing in that. I ask consideration of the membership on this side so that if this amendment is adopted, we will not pursue any further amendments concerning the cargo preference question and we will support the product of the Senate discussions.

The PRESIDING OFFICER. Is there further debate?

Mr. HEFLIN. Mr. President, I have to oppose this amendment. Basically, what it does, if I understand it, is for 5 years it would guarantee a specified percentage of the shipment of Public Law 480 commodities to the Great Lakes. I believe 18 percent would be specified as a minimum amount that would have to be shipped from that section.

There are other ports such as those along the gulf coast where they may have in the past had something in the neighborhood of 45 to 50 percent of Public Law 480 shipments, that would be 45 to 50 percent of 100 percent of Public Law 480. Now this amendment would mean that you would have 45 or 50 percent of 82 percent.

The same thing would be true of the east coast on what percentage they have had and it would certainly be true in regard to the west coast or any ports.

So in effect you are giving a guaranteed 18 percent to the Great Lakes for 5 years.

I realize that 5 years is a temporary matter. But, nevertheless, it goes back over those 5 years.

The port of Mobile hopefully will experience a surge of additional shipments and industry and business because of the development of the Tennessee-Tombigbee waterway. Mobile does not have a history for the last 5 years and I have some fears that this formula would have an ill effect upon it.

So under the circumstances I think this is giving a preferential treatment to a certain section of the country to the detriment of the east coast, the northeast coast, the central east coast, the southern east coast, the gulf coast, the west coast, northwest coast, and the southwest coast, all of these areas.

The proposed language in the amendment would be detrimental to many inland ports. Shipments of Public Law 480 commodities would have to in effect ship to the Great Lakes, rather than going down the Mississippi or going down the new Tenn-Tom waterway or some other places.

So I think this is rather preferential treatment and I feel that it should be opposed.

Mr. STEVENS. Mr. President, this amendment will ensure that for the calendar years 1986 through 1989 insofar as is practicable the ports within the Great Lakes port range will receive the same percentage share or metric tonnage, whichever is lower, of title II cargo as they received in the calendar year 1984.

All port ranges, including the Great Lakes, would compete for the remaining cargo which would move under the compromise.

I call particular attention of the Senate that this provides that the percentage share or metric tonnage of these commodities which are specified in Senator DIXON'S amendment, whichever is lower, as was experienced in the calendar year 1984 as determined by the Secretary of Agriculture, will be the guaranteed level under this compromise.

I think it is a very fair approach. It assures the Great Lakes region that as we move into this new era they will not be harmed as far as the percentage or metric tonnage, whichever is lower.

I yield to my friend from Hawaii.

Mr. INOUYE. Mr. President, I join my distinguished colleague from Alaska because although a compromise by its very nature is never fully satisfactory to all of us, we must come to grips on this issue. I think there is some equity in this compromise. The Cochran amendment, if it becomes law, will over the next 3 years increase the cargo preference from 50 to 75 percent for title II cargo.

It should be noted that this type of cargo is carried by liners. Most American liners of recent vintage are large, deep draft, and cannot be accommodated by the locks on the Great Lakes. Therefore, 99 percent of the title II cargo on the Great Lakes goes on foreign bottoms. If we increase the cargo preference from 50 to 75, there is some cause on the part of those who live along the Great Lakes to fear that they might be denied or deprived of some of the cargo.

I believe that this arrangement is a reasonable one. We have deliberately selected the lowest percentage, and, depending on how you calculate, it could be as low as 11 percent or as high as 16 percent. This will assure the men and women who work in the docks at least some semblance of employment for the next 4 years. I hope my colleagues will go along with this fair and equitable compromise.

Mr. STEVENS. I ask for the yeas and nays on the Dixon amendment.

The PRESIDENT OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, let me say to my colleagues that although the cosponsors of my original amendment, the Senators from Alaska and Hawaii, are now cosponsoring the Dixon amendment which was seeking to define the obligations of the administrator to allocate a certain percentage of the tonnage of the Great Lakes, I am not able to support this amendment.

I understand their support of it. And I continue to be impressed with the zeal and imagination of the Senator from Illinois, the Senator from Minnesota, and others who are urging that a special allocation of tonnage be made to the Great Lakes. But this is not a port preference bill. It is a cargo preference bill. We are seeing an effort made now to convert this legislation into a mandatory allocation of tonnage to one region of the United States—the Great Lakes. There are four regions.

It was stated very clearly in the original compromise that the administrators should preserve to the greatest extent practicable the mean historic port range share of cargoes subject to U.S.-flag transportation requirements under this section, exported from the Atlantic, the gulf, Pacific, and Great Lakes port ranges.

Mr. President, that is a fair instruction. That is an equitable way to direct the administrator to try to protect the interests of all of these port ranges.

As it turns out, just recently, representatives from the Gulf States ports, the Gulf Ports Association, were in a meeting, and this issue was being discussed about whether or not it would be appropriate to allocate certain percentages of tonnage to port ranges.

They went on record opposing any such allocation.

I want to read from a letter which I will put in the RECORD:

I respectfully urge you to reject—

This letter is addressed to me—

any efforts, to alter the current provisions of the law governing the allocation of P.L. 480 cargo. A guaranteed allocation of P.L. 480 cargo to the Great Lakes or any other coastal range is improper, and it would undoubtedly increase the cost of the entire program.

Senators should know that.

I ask unanimous consent, Mr. President, that a copy of this letter to me from William T. Duke, acting executive director of the Mississippi State Port Authority at Gulfport be included in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MISSISSIPPI STATE
PORT AUTHORITY AT GULFPORT,
Gulfport, MS, October 21, 1985.

Hon. THAD COCHRAN,
U.S. Senate, Russell Senate Office Building, Washington, DC.

DEAR SENATOR COCHRAN: It is our understanding that another attempt by Great Lakes interests to secure guaranteed monthly allocations of Public Law 480 is being made. On two previous occasions, Great Lakes interests have attempted to carve our specific allocations of PL-480 cargo through legislative proposals and revisions to Federal regulations governing the allocations of this cargo. Both previous attempts have been unsuccessful.

The current effort underway by Great Lakes interests involves an amendment to HR-2100 creating a study commission which would recommend means "of overcoming constraints on export commodities for Great Lakes ports". This current effort is perceived as a device for ensuring guaranteed allocations of PL-480 cargo to Great Lakes ports.

I respectfully urge you to reject any efforts by special interest groups to alter the current provisions of the law governing the allocation of PL-480 cargo. A guaranteed allocation of PL-480 cargo to the Great Lakes or any other coastal range is improper, and it would undoubtedly increase the cost of the entire program. The lowest-landed-cost criteria currently utilized to determine allocations of PL-480 cargo is appropriate and the least expensive method available.

Sincerely,

WILLIAM T. DUKE,
Acting Executive Director.

Mr. COCHRAN. Senators should also realize before they vote that the Great Lakes do not just handle Public Law 480 cargo. It comprises a very small percent, about 2 percent, of the total agriculture tonnage shipped out of the Great Lakes. The conversation of my friends about how this compromise, if it is not changed as they are seeking, is going to destroy the ports I think may be overstated.

In connection with that argument, Mr. President, I ask unanimous consent that a statement entitled "Cargo Preference Policies Do Not Harm Great Lakes Ports" by the Seafarers International Union, dated September 8, 1985, be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CARGO PREFERENCE POLICIES DO NOT HARM GREAT LAKES PORTS

The participation of Great Lakes ports in the export of cargo preference commodities is an issue of regional and national significance, but has also been one clouded by misleading and erroneous information. For example, throughout the course of Congressional consideration of both the 1985 agricultural programs and the relationship between agricultural exports and U.S. cargo preference laws, it has been alleged that the requirement that a certain percentage of government-impelled agricultural commodities be transported on U.S.-flag ships has harmed Great Lakes ports. That allegation is without merit.

U.S. cargo preference statutes require that 50 percent of government-impelled agricultural exports be transported aboard American ships, thereby leaving the remaining 50 percent of these cargoes freely available to foreign-flag vessels. Thus far in 1985, less than 20 percent of the cargoes under Title II of the P.L.-480 program have been exported via Great Lakes ports aboard foreign-flag vessels. For cargoes under Titles I and III of the P.L.-480 program, the percentage which move via Great Lakes ports aboard foreign-flag vessels is even less. Therefore, the contention that because American-flag ships are unable to serve the ports of Great Lakes for the carriage of these commodities, Great Lakes ports are denied cargoes which they would otherwise secure, is simply incorrect. Indeed, for each Title of the P.L.-480 program, there are still substantial foreign-flag cargoes available to Great Lakes ports which are not subject to the 50 percent U.S.-flag requirement of the cargo preference laws, and for which Great Lakes ports can freely compete.

It should also be noted that while government-impelled agricultural cargoes are an important part of the cargo and revenue base of Great Lakes ports, they comprise an extremely small portion of the total agricultural cargoes which are shipped from Great Lakes ports. For example, in 1984, 276,000 short tons of Title II cargoes were exported via ports in the Great Lakes; in that same year, 15,218,000 tons of commercial agricultural cargoes were shipped from U.S. Great Lakes ports. Consequently, P.L.-480 Title II cargoes constituted less than 2 percent of the total tonnage of commercial agricultural cargoes which were exported from the Great Lakes.

The rhetoric surrounding this issue has been recently heightened as a result of the decision of the U.S. Department of Agriculture to artificially divert to others coasts Title II cargoes which had been originally allocated to Great Lakes ports. While USDA contends that these diversions were made necessary by cargo preference requirements, that argument is totally fallacious. USDA finds itself in the position of diverting cargo legitimately awarded to Great Lakes ports because it failed to comply with the 50 percent cargo preference requirement earlier in the year; specifically, USDA fell behind in maintaining a 50 percent U.S.-flag share of Title II cargoes because it sought to take maximum advantage of foreign-flag vessels available on the three tidewater coasts. USDA has now elected to divert cargoes away from the Great Lakes, pitting Great Lakes ports against U.S.-flag carriers where no dispute should exist. The concern of Great Lakes ports with the artificial diversion of cargoes to which they are entitled is legitimate; however, it is USDA, and not U.S.-flag vessels, which has caused this inequity.

U.S. cargo preference laws are an important and integral part of the longstanding federal policy to sustain and encourage the American merchant marine, and must be maintained. Moreover, it is important for Great Lakes interests to recognize that these policies do not harm Great Lakes ports or hinder their development. There is no reason to amend U.S. cargo preference laws in a effort to promote Great Lakes ports. Indeed, there is more than enough latitude within the existing statutes for both U.S.-flag carriers and Great Lakes ports to be sustained and strengthened. Additionally, the longer range goal of further enhancing cargo movements through Great Lakes ports can also be achieved consistent with U.S. cargo preference laws. S. 1518, enlightened legislation introduced by Senators Glenn, Dixon, and Quayle, is evidence of that potential.

SEAFARERS INTERNATIONAL UNION,
September 1985.

Mr. COCHRAN. Before I conclude, Mr. President, let me simply state that it is obvious you are going to want to support this amendment if you represent a State on the Great Lakes that uses the ports. If you represent the State of Minnesota, Wisconsin, Michigan, Illinois, Indiana, or Ohio, you will want to vote for this amendment. If you represent any other State, I suggest that you are going to be voting to increase the cost of the Public Law 480 Program, and you are voting for a mandatory allocation to one region, which has never before been done under cargo preference.

I urge Members to oppose the amendment.

Mr. SARBANES addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. Mr. President, I want to support the comments of the distinguished Senator from Mississippi. In fact, the Cochran compromise contained a direction to the administrator—I ask the chairman of the committee if this is not correct—to try to seek an allocation amongst the four regions based on the historical record. Is that not correct?

Mr. COCHRAN. Mr. President, if the Senator will yield, the Senator is correct. The exact language is a direction that the administrator preserve to the greatest extent practicable the mean historical port range share of cargoes.

Mr. SARBANES. Mr. President, if an allocation is going to be made among the four ranges, then it ought to be done with respect to all four of the port ranges on some equitable basis.

What this proposal does, as I understand it, is in effect make a specific numerical allocation for one of the four ranges, and leaves the other three then to compete for the remainder of the traffic.

Is that correct? I ask the chairman of the committee.

Mr. COCHRAN. Mr. President, if the Senator will yield, the Senator is correct. There is no language in the amendment offered by the Senator from Illinois that relates to any region other than the Great Lakes.

Mr. SARBANES. It seems to me, Mr. President, it is neither fair nor logical to do this. If we are going to start down the allocation path, then we ought to fight out that issue of allocations, and determine them amongst the ranges.

Short of doing that, it seems to me that the only reason the one range is being given this treatment is because of the indication of a willingness to keep this issue before the Senate despite the fact that on repeated votes a very clear majority of this body has rejected that approach.

I agree with the distinguished Senator and intend to oppose this amendment.

Several Senator addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. BOSCHWITZ. Mr. President, let me just comment briefly, and then certainly I too want to turn to a vote. It is with interest that I listened to my friend and colleague, the Senator from Mississippi, note that there might be some increased costs to the Public Law 480 program.

Because of this particular amendment there should be some additional costs, and the entire process of increasing the share of American bottoms to 75 percent from 50 percent has enormously increased the costs of shipments of Public Law 480 commodities. I would also say to my friend from Maryland that there is not a specific allocation in this proposed amendment.

Furthermore, the historical allocations the Senator speaks about has suddenly been reduced by this underlying amendment that the Senator from Mississippi has very skillfully brought through the Senate thus far. You are now going to get 75 percent. We had a share of the 50 percent that was reduced by half, and is now only 25 percent.

Mr. SARBANES. Will the Senator yield on that point, Mr. President?

Mr. BOSCHWITZ. Yes.

Mr. SARBANES. The fact of the matter is that the Cochran compromise eliminates from the cargo preference under the court decision a significant amount of the grain trade on the blended credits, and other similar programs.

In the sense, it is an effort to compromise significantly for the agricultural interests. Those of us who have been supporting the Cochran amendment have been willing to do that.

The current situation under the law is that those shipments must also go under cargo preference. What this proposal does is eliminate them from that requirement at the same time that it raises the percentage on title II shipments from 50 to 75 percent. That is a reasonable compromise and has been supported here. But a significant number of potential shipments have been freed up from the cargo preference under the compromise.

Mr. BOSCHWITZ. The Senator is correct. It is not only title II but the entire Public Law 480 shipments that are also included in this. The other ports will receive a very good increase from this. I think the amendment is a fair one.

Mr. DOLE. Mr. President, let me indicate to my colleagues if we can wrap this up it will be the last vote this evening, if that is an incentive. Then we would lay down the dairy amendment, if possible, and be on that tomorrow afternoon. Tomorrow morning we will be on Interior appropriations. There is a farm credit hearing in the Agriculture Committee.

As soon as we have this vote it will be the last vote.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. Mr. President, for 2 or 3 days, the entire time that we have been debating the cargo preference subject, the proponents attempted to occupy the high ground by stating that they want all of the money appropriated under the farm bill to go directly to farmers; that they want the lowest possible costs which will result through competition in the transportation of agricultural commodities from the United States to recipient nations.

Now that they have been unsuccessful in preventing the passage of such a compromise, they take exactly the opposite position where, for many, many years, it has been the policy of the United States that in order to preserve at least a reasonably modest merchant marine, to grant certain preferences to U.S.-flag carriers, to the United States of America's merchant marine.

They now wish to have preferences for certain ports.

The Senator from Mississippi was entirely accurate in saying what has been a debate over cargo preference for the United States on a competitive basis at least among American-flag ships now becomes the preference for certain ports within the United States. It is a paradox that the very people who have asked for competition now seek to reduce such competition as there is in the program, to raise the cost of the carriage of these agricultural goods in such fashion as to have less purchased from American farmers than would be under the very amendment which they protested because they thought it had too much money involved in the carriage of those goods themselves.

We do not need a debate on an amendment which prefers one American port to another, one American interest to another. We can quite appropriately prefer American-flag carriers. But to the maximum extent within that preference, we ought to allow competition to govern where it is those cargoes originate and where it is that they go. This is an amendment which I regret to say goes very much in the wrong direction.

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. The Senator from California.

Mr. WILSON. Mr. President, I will not repeat the very cogent arguments made by the Senators from Maryland, Mississippi, and Washington. I will simply add this fact: What we are talking about here is port preference. As the Senator from Washington has indicated, the purpose of this debate seems to be to give preference to American workers. So be it. Let us do that. But on the Great Lakes there is but a single American-flag carrier. What we will be doing by this so-called compromise amendment if it passes is to give preference to foreign flag carriers, not to American-flag carriers.

That is a mistake, Mr. President. What we are trying to do here is to be equitable, to keep the cost of the program down and, in fact, to spread employment. That is obviously why the International Seafarers Union has written to the subcommittee chairman expressing their opposition to this amendment or anything like it.

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, I have heard expressions which indicate that various organizations involved in this discussion are opposed to this amendment. That is not my understanding. This amendment is necessary in order to assure that the Great Lakes do not suffer further decline as we change the mix of this program; 1984 was the worst year they have had. This amendment says that in this new program their percentage in tonnage cannot be reduced further except as is equitable in terms of a percentage or tonnage, whichever is lower.

I think this is a reasonable compromise in terms of meeting the needs of the agricultural community and the Great Lakes and meeting the objectives of the Senate and the repeated votes we had here before. I want to urge the Senate to approve it. It is the one way out of this dilemma we are in right now. It is only a guarantee to the

extent of a percentage of the worst year in history in terms of this area.

Does the Senator from Hawaii wish to comment?

Mr. INOUYE. Mr. President, this is not a wild idea that was brought up by the Senators from Alaska, Hawaii, Illinois, or Wisconsin. It has been the product of many hours of work. We feel that this is equitable and fair.

Mr. PROXMIRE. Mr. President, I support this compromise. It preserves the percentage share or, alternatively, the tonnage exported from the Great Lakes ports in 1984, at least for the next 4 years.

While I would have preferred a longer time period, at least the amendment assures that there will be no abrupt disruption of business to Milwaukee, Green Bay, Kenosha, Superior, and other Great Lakes ports.

Public Law 480 cargo makes up the vast majority of the business of these ports—in some cases over 90 percent.

We're not asking for a handout. Our ports are actually cheaper and compete quite well when competition is fair. All we're asking for is equity.

Don't deprive us of the cargo we need to survive. The small percentage of the total Public Law 480 program shipped by the lakes means very little to other port ranges, but it means life or death to us. I can't believe this body would want to close down our ports and put our people out of work just for the promise of a little bit more cargo, gained at our expense.

Mr. President, given these facts I believe all my colleagues should be able to support this amendment. It saves money, it saves jobs, and it saves Great Lakes ports.

The PRESIDING OFFICER. Is there further debate?

Mr. BYRD. Mr. President, I wish to ask the distinguished majority leader what the program is for the rest of the day and tomorrow, if he is able to tell us at this time.

Mr. DOLE. Mr. President, as I indicated, this would be the last vote this evening, whatever happens. Tomorrow morning, there is a very important hearing on the farm credit crisis in the Senate Agriculture Committee. We might at least start the Interior appropriations bill. We cannot get very far on that tomorrow. We are trying to see if we might proceed on that bill about 9:30 tomorrow and be back on the farm bill about 1 o'clock.

We will probably be on the farm bill until fairly late tomorrow night and most of Friday. We will not be in on Friday evening, but I would say at least until Friday at 4 o'clock.

Mr. BYRD. If the majority leader will permit me to ask another question, it is this: When this amendment is disposed of, would it be possible for Senator MELCHER to lay down his amendment tonight so that we will have it before the Senate tomorrow when we go back on this measure?

Mr. DOLE. I think there is a Hawkins amendment which must be laid down, too. I believe we can discuss that. I could not agree to that.

Mr. MELCHER. Will the Senator yield?

Mr. BYRD. Yes.

Mr. MELCHER. I might point out that what I would like to do, if possible, is to offer the amendment to reduce the spending, a comprehensive amendment to reduce the spending in the package in this bill, so that we are within the budget resolution. In getting to that, I might say, it is rather important before we start piecemealing one thing at a time, whether it is on dairy tomorrow, peanuts the next day, cotton after that, or however these amendments are brought up.

I think it is a comprehensive, overall amendment that would ordinarily have been done in the Agriculture Committee if we had not thought it was so necessary to get the bill up promptly. We never did go over it after we adopted all of the amendments to the various titles. I am anxious to get the amendment up whenever it is possible.

Mr. BYRD. Mr. President, can we have order in the Chamber?

The PRESIDING OFFICER. The Senate will be in order.

Mr. DOLE. There are other comprehensive amendments being discussed. I would not be able to agree that the distinguished Senator from Montana would be recognized after the disposition of this amendment. I do not know how this amendment is going to come out. We may still be on cargo preference, unless the amendment carries. We will be right back to cargo preference. We cannot displace that. We will just have to see who is recognized.

Mr. BYRD. Is the Senator saying that it is up to the Chair to recognize the Senator who seeks recognition?

Mr. DOLE. I do not know of any other way to do it unless we reach some agreement. I doubt that will be reached. I will be glad to discuss it with the Senator from Montana.

Mr. BYRD. The distinguished majority leader is not saying, is he, that he would not agree to the recognition by the Chair of Senator MELCHER?

Mr. DOLE. No. If I was the Chair and he was the first up, I would recognize him.

Mr. BYRD. I thank the majority leader.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to amendment No. 932. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Nevada [Mr. LAXALT] and the Senator from South Dakota [Mr. PRESSLER] are necessarily absent.

Mr. CRANSTON. I announce that the Senator from New Jersey [Mr. BRADLEY] and the Senator from Mississippi [Mr. STENNIS] are necessarily absent.

The PRESIDING OFFICER (Mr. HECHT). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 53, nays 43, as follows:

[Rollcall Vote No. 269 Leg.]

YEAS—53

Abdnor	Eagleton	Moynihan
Andrews	Ford	Murkowski
Armstrong	Garn	Nickles
Baucus	Glenn	Pell
Bingaman	Grassley	Proxmire
Boren	Harkin	Pryor
Boschwitz	Hatch	Quayle
Byrd	Heinz	Riegle
Chafee	Inouye	Rockefeller
Cranston	Kassebaum	Simon
D'Amato	Kasten	Simpson
Danforth	Levin	Specter
DeConcini	Lugar	Stafford
Dixon	Matsunaga	Stevens
Dodd	McConnell	Thurmond
Dole	Melcher	Wallop
Domenici	Metzenbaum	Weicker
Durenberger	Mitchell	

NAYS—43

Bentsen	Hart	Mattingly
Biden	Hatfield	McClure
Bumpers	Hawkins	Nunn
Burdick	Hecht	Packwood
Chiles	Heflin	Roth
Cochran	Helms	Rudman
Cohen	Hollings	Sarbanes
Denton	Humphrey	Sasser
East	Johnston	Symms
Evans	Kennedy	Trible
Exon	Kerry	Warner
Goldwater	Lautenberg	Wilson
Gore	Leahy	Zorinsky
Gorton	Long	
Gramm	Mathias	

NOT VOTING—4

Bradley	Pressler
Laxalt	Stennis

So the amendment (No. 932) was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DIXON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. DOLE. I yield without losing my right to the floor.

Mr. STEVENS. Mr. President, I wish to now bring about the adoption of the basic amendment by voice vote if that is agreeable.

We agreed there will be no more rollcall votes, but that is the basic amendment now. I know of no other amendment that is pending.

Mr. INOUYE. Get it out of the way.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Mr. President, as I understand, we can dispose of the underlying amendment by voice vote.

Mr. STEVENS. Yes.

Mr. DOLE. I also understand it would take unanimous consent to set that amendment aside, is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. LONG. Mr. President, it would be all right to have a voice vote if we have a rollcall vote on a motion to reconsider at some point, because I wish to be on record for the amendment. I think some of us wish to vote on the amendment as finally agreed to. It would be all right if we agree to it on a voice vote if we have a motion to lay on the table and a rollcall on the motion to lay on the table at some point tomorrow.

Mr. LEAHY. Mr. President, if the majority leader will yield for a question on that without losing his right to the floor, if Senators wish a rollcall vote on this amendment, would it be possible to set it aside for a time certain by unanimous consent, to have it come back at that time, not being subject to amendment, and take care of everyone's concern that way?

Mr. DOLE. Mr. President, I think we can take care of the concern by just acting on the amendment and not having a motion to reconsider.

Mr. LONG. That would satisfy me, Mr. President, if we could reconsider the vote on the motion to table. If Senators want to be on record they would then be recorded on the record and those who would be against could do so also.

Mr. ABDNOR. Mr. President, there is one more thing in this instance. The amendment on this type of a cargo preference I made it clear quite a few days ago that mine was a different type of cargo preference amendment that in no way includes this one, and I still intend to offer it.

I want those in the Chamber to understand that there is another cargo preference amendment of a completely different type that has no relationship to this amendment whatsoever.

Mr. STEVENS. Mr. President, will the majority leader yield?

Mr. DOLE. I am happy to yield.

Mr. STEVENS. Mr. President, if the majority leader wants to carry the vote on my pending amendment over to tomorrow and temporarily set aside for another amendment, I certainly would not object, if it will help him in the management of the Senate.

Mr. LONG. I do not think we have any objection to voting for it on a voice vote provided at some subsequent point those for it can go on record for it.

Mr. STEVENS. I understand that, and I am willing to accommodate the Senator in any way.

Mr. DOLE. I think we can dispose of the amendment and withhold any motion to reconsider.

The PRESIDING OFFICER. If there be no further debate, the question is on the amendment.

Mr. MELCHER addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana.

Mr. MELCHER. Mr. President, the cargo preference amendment is open for amendment at this time and the opportunity to offer amendments to the bill seem to be shielded.

It is very significant when we consider this farm bill that we do consider the cost on every amendment that is going to be offered, every amendment that has been offered, and every amendment that is going to be offered until the bill is completed. The question is going to be raised is it within the budget or how much it adds to the bill?

That is something that is important to all of us here in this body.

Mr. President, I have an amendment that deals with the reduction in expenditures in the bill. In other words, it cuts. It cuts $7.6 billion out of the bill. The $7.6 billion cut is a very important figure since the bill is $7.4 billion over our budget resolution.

Many Members of the Senate will be interested in various features of the bill and are going to wonder how they could in good conscience vote for a bill that exceeds our own budget resolution.

Mr. President, I take this opportunity in order to explain what I propose to do when we come to vote on whether it is a dairy program, or a cotton program, or the peanut program. The question is naturally going to be: If we accept some amendment cutting the act on the program how much do we save, how does it help us in our budget posture?

Those of us who serve on the Agriculture Committee worked long and hard for months trying to get this bill to the Chamber. It took us until the end of September. When we arrived at the end of September two things coincided.

First, we got to the end of the bill and the majority leader and the chairman, anxious to get the bill out of committee, said, "Let's finish it up this night." It was on a Thursday night.

The following morning I had to leave for my son's wedding out in Montana, and the majority leader will recall that he wished us good luck. I invited him to go along. The wedding was in Kalispell, MT.

Mr. DOLE. I got there a week late.

Mr. MELCHER. The majority leader got there a week late. He did not come to the wedding.

We had a great time, by the way, at the wedding.

The majority leader was not able to get to Kalispell, MT, until 1 week and 1 day later, and he did not get to the wedding. He got to address the regional convention of Republican women for a seven- or eight-State area, and he had a good time, also.

What I am getting back to is when we got through with the bill we did not meet again. We were voting on target prices. We were voting on the Cotton Program, the Peanut Program, and all the components of that. All of a sudden at the end of the bill we wanted the bill automatically approved then in one package and no time was taken to do the ordinary things, to go over the bill section by section and see how do we get this for sure within the budget resolution.

But we did not do that, and it has left us at a disadvantage now.

We have the chairman of the committee, my good friend from North Carolina, who is opposed to the bill. He is opposed to it. It costs too much money.

So my good friend, the chairman of the committee, the Senator from North Carolina, on every amendment that comes up that whacks something out of the bill automatically, he has a point. This bill is too high. It exceeds the budget.

So perhaps this amendment has a great deal of merit because it brings us back closer to get within the confines of the budget.

What I propose to do and what we propose to do on this side and some on the other side is to meet this head on, do what we should have done in the committee, go through it, take the cuts where they should be and add it all up so that we bring this bill back with that amount of cuts so it is within the budget resolution as it exceeds the budget resolution by $7.4 billion, as I earlier said. So the fact that I have allowed us to reduce it by $7.6 billion, I think almost everyone on the Senate floor will agree that these cuts are in order, that they are done with good, prudent judgment, and that we have left intact then the major workings of the bill and the basic programs, but we have done what must be done. We come back within the budget resolution.

Seeking recognition to offer this has been a little difficult but obviously it is a first step before we consider these other amendments. It is a first step.

The bill is now open for amendment, and I wish my amendment, when it is considered, to be considered en bloc because it takes part of the budget cuts here, part of it there, and as a matter of fact when I do offer my amendment, I ask unanimous consent that it be considered en bloc.

Mr. DOLE. I object.

Mr. MELCHER. Well, it is a proper time to face up to this and to get before us what is necessary.

AMENDMENT NO. 933

(Purpose: To limit cost-sharing payments under the conservation reserve program, to establish the time for payment of obligations under conservation reserve contracts, and to provide for the manner in which the payments under the program are to be made in cash and commodities, and for other purposes)

Mr. MELCHER. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Montana [Mr. MELCHER] proposes an amendment numbered 933.

[CONSERVATION RESERVE]

On page 328—

(1) line 1, strike out "10", and insert in lieu thereof "9";

(2) line 4, strike out "20", and insert in lieu thereof "13";

(3) line 5, strike out "and";

(4) line 6, strike out "1989", and insert in lieu thereof "1988";

(5) line 7, strike out "25", and insert in lieu thereof "17";

(6) line 8, strike out the period, and insert in lieu thereof "; and"; and

(7) after line 8, insert a new paragraph as follows:

"(4) during the 1986 through 1989 crop years, a total of not less than 25, nor more than 30, million acres.".

On page 332——

The PRESIDING OFFICER. The clerk will suspend. The amendment is not in order. It is not properly drafted, and is in the second degree.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

COCHRAN CARGO PREFERENCE AMENDMENT

Mr. EVANS. Mr. President, I will be brief. I rise in support of the amendment of the Senator from Mississippi and praise him for his leadership on this important matter. Congress, agriculture, and maritime have all debated cargo preference for several months now; indeed, for several years. The various positions on this controversial issue are all well known and understood. Differences of opinion flared again earlier this year following the district court decision on blended credit, and have diverted our attention from dealing with the pressing farm crisis, and behind that, our pressing budget crisis.

I firmly believe both agriculture and maritime are vital to our Nation's security and well-being, and wholeheartedly agree with my distinguished colleague that it is time to put this issue to rest in a manner fair to both sides. The compromise before us, while not perfect in everyone's eyes, represents just such an opportunity. It is an opportunity in that farmers and exporters will know when cargo preference does and does not apply to a given USDA program, lending consistency to our agricultural export programs. It is an opportunity for maritime in that it will be able to concentrate more on strengthening and readying our merchant marine for those events we hope will never happen. Equally important, this compromise will do away with Congress having to choose between agriculture and maritime and allow all three to address the real challenges at hand: Large Federal deficits, high interest rates, and intense foreign competition.

Mr. President, I would also add that failure to resolve this issue now may only stall the farm bill further and ultimately hurt those who must make some critical decisions in the next few months based on the direction of our 1985 farm policies. In instances where crops must be planted in the fall, farmers have already been required to make business decisions without knowing any of the new farm bill provisions.

Mr. President, what we need to be doing over the next few years is clear. We need to reduce the deficit and get interest rates and the dollar down. We need to get our farm exports moving again; we need to regain and expand our share of world markets. Removing the current unproductive relationship between agriculture and maritime is critical to this effort. And meaningful deficit reduction can produce the results that would ultimately lessen the need for subsidies to these industries. The compromise offered by Senator COCHRAN represents the most equitable way of turning this negative relationship in that direction. Failure to take this step would leave us no closer to that possibility, and would reduce the prospects for stronger, more competitive agriculture and maritime sectors that are less dependent on Federal assistance. Mr. President, I urge the adoption of this amendment.

FARM DEBT

Mr. DURENBERGER. Mr. President, today marks the fourth day of Senate debate on the 1985 farm bill and this is the fourth in a series of statements I will make on the condition of rural America. The legislation before us is not a bailout program for a handful of land barons but an economic master plan for a $1 trillion industry. And, in the final analysis, how we treat that $1 trillion industry in this farm bill will in large part determine whether the current economic recovery can be sustained.

One of the unrecognized facts about the economic recovery is the extent to which it has been financed by increased borrowing by both the private sector and the Federal Government. The revelation that the Federal deficit for the recently concluded fiscal year 1985 exceeded $200 billion came as little surprise to a public that now appears conditioned to $2 trillion national debts and $180 billion interest payments on the Federal debt as par for the course in public finance.

The public's reaction is not surprising when you consider the fact that the private sector is just as bad as the Federal Government at living within its means. Private debt jumped an astonishing $1 trillion in fiscal year 1985, pushing total debt held by the private sector to an unprecedented $7.1 trillion. And those who fail to see the similarities between the cash flow problems of highly leveraged farmers, and the cash flow problems which a highly leveraged economy will encounter when the bubble of economic recovery bursts under the strain of this rapid accumulation of debt, are not being honest with themselves.

I think it is worth pointing out that the public and private sectors' insatiable appetite for credit has been met, in large part, by the willingness of foreign investors to channel their capital into our economy. And I will not hazard a guess as to how long and to what extent foreign investment in this country will continue. But, sooner, or later, the bills have to be paid. And, if America's farmers, who have compiled year after year of productivity gains, can't pay interest and principal on $212 billion in farm debt, how will our overall economy, with a meager 2 or 3 percent a year increase in productivity, retire a $7 trillion debt? It can't and it won't.

Mr. President, we can't continue to borrow the prosperity of future generations from foreign investors any more than American farmers could count on continued inflation in farm asset values to compensate them for cash shortfalls on farm sales. And we in Congress had better recognize that. There is a lesson to be learned from the suffering of America's farmers, and it is about time the country took notice. Because the old adage—as goes agriculture, so goes the country—rings true. If the agricultural economy goes down the tube, it will take not only a lot of good farmers, but our Nation's economy down with it.

On Monday, I discussed the farm credit problem afflicting our farmers. Today, it is time to discuss the problems facing agricultural lenders.

Earlier this year the President vetoed a farm credit assistance package that had passed the House and Senate by significant margins. And, when the Speaker of the House chose not to attempt to override the President's veto, many people assumed that congressional action on farm credit would be postponed until 1986. Well, as the unfolding story of the Farm Credit Systems financial problems

clearly indicates, we have put off facing the facts of life of farm credit for too long. The authorizing committees of the House and Senate are now holding oversight hearings on the system's problems, and one can detect a sense of urgency as the committees strive to complete action before the onslaught of another winter of discontent for America's farmers and their lenders. And I hope they aren't too late.

Because, Mr. President, winter has come to the heartland. All of the signs are there—harvest is nearly complete, the nights get colder, the days grow shorter, and the creditors creep closer. It is a time of reckoning for farmers and their lenders, and if Congress fails to act immediately on farm debt restructuring, I predict every Member will rue our inaction come spring.

The simple fact of the matter is that the farm income and credit problem has gotten so bad that we are now in a position where Congress must assist farmers and lenders to keep the agricultural economy functioning. The difficulties of our farmers don't need to be repeated at this point, but I do not think we can avoid facing up to the fact that agricultural lenders—the Farmers Home Administration, the Farm Credit System, commercial lenders, and family members—are on the verge of collapse.

Mr. President, I ask unanimous consent that a table indicating the distribution of farm debt by lender be inserted in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

DISTRIBUTION OF FARM DEBT BY LENDER, JANUARY 1, 1985 [1]

Lender	Type of debt (percent): Real estate	Type of debt (percent): Nonreal estate	Total (percent)	Type of debt (million dollars): Real estate	Type of debt (million dollars): Nonreal estate	Total (millions dollars)
Commercial banks	4.8	19.1	23.9	10,179	40,551	50,730
Farm Credit System	22.8	9.0	31.8	48,444	19,006	67,450
Federal Land Banks	22.8	NA	22.8	48,444	NA	48,444
Production Credit Associations	NA	8.6	8.6	NA	18,129	18,129
Federal Intermediate Credit Banks [2]	NA	.4	.4	NA	877	877
Farmers Home Administration	4.7	7.2	11.9	9,956	15,206	25,162
Life insurance companies	5.8	NA	5.8	12,375	NA	12,375
Individuals and others [3]	14.1	8.6	22.7	29,900	18,200	48,100
Commodity Credit Corporation	NA	3.9	3.9	NA	8,312	8,312
Total	52.3	47.7	100.0	110,854	101,275	212,129

[1] Preliminary. Due to rounding, subcategories may not add to totals.
[2] Financial institutions other than PCA's that obtain funds from the FICB's.
[3] Includes Small Business Administration.

Mr. DURENBERGER. Mr. President, as the chart illustrates, farm debt is held by a group of lenders who have one major "fault" in common—they were willing to invest the capital needed to keep farmers on their farms and the fields. And, as the major commercial lenders try to cut their losses by withholding agricultural loans and pulling out of rural areas, the pressure on the remaining lenders becomes greater still. And when you consider that the Farm Credit System posted a $522 million loss in the third quarter of this year, it is hard to imagine how we will be able to fashion legislation that will get farmers out of this predicament without inflicting a great deal of personal hardship and pain on rural communities.

Mr. President, I ask unanimous consent that a Farm Credit Services news release outlining the system's 9 months financial results be inserted in the RECORD at this point.

There being no objection, the news release was ordered to be printed in the RECORD, as follows:

FARM CREDIT SERVICES, ST. PAUL, ANNOUNCES 9 MONTHS FINANCIAL RESULTS

ST. PAUL, October 24.—Farm Credit Services financial results for the period January 1–September 30, 1985, reflect the deepening depression in the farm economy.

Due to a major increase in allowance for Federal Land Bank loan losses, Farm Credit Services is reporting a net loss of $41.6 million for the first three quarters of 1985. The Federal Land Bank is reporting a year-to-date loss of $61.3 million; the Bank for Cooperatives is reporting net income of $14.9 million, and the Federal Intermediate Credit Bank is reporting net income of $4.8 million.

FCS had reported net income of $40.1 million for the first half of the year, but continued declines in land values and farm commodity prices have required the organization to increase provisions for loan losses, thereby reducing income.

Net loan volume outstanding for Farm Credit Services was $10.9 billion, a decrease of $459 million since June 30. Total capital on September 30 was $1.4 billion, conpared to $1.5 billion on June 30.

Nonaccrual loans, those loans which are earning no interest, amounted to $726.2 million as of September 30, an increase from $353.2 million at the end of the second quarter. Property from loan foreclosures and other settlements amounted to $94.5 million, compared to $67.4 million at the end of the second quarter.

The primary reason for the overall net loss for the first nine months is a Federal Land Bank provision for losses expense of $84 million during the third quarter. This results in a total Farm Credit Services allowance for losses of $173.4 million as of September 30, of which $150.8 million is for the Federal Land Bank.

The provision for loan losses during the third quarter resulted from a special credit review of the Federal Land Bank. This analysis of the Federal Land Bank loan portfolio shows that a significant number of the loans are undercollateralized, due to continued and rapid decline in farm income and land values. This does not mean that the undercollateralized portion of all the loans is uncollectible, because borrowers may have other assets to pledge against the loan or an adequate cash flow which will allow for repayment. Even though many of these loans are up to date in payment of principal and interest, USDA analysis of the agricultural economy indicates continuing deterioration of farm income and land values. Therefore, FCS expects some of these loans to generate significant losses in the future.

Other factors reducing FCS income for the first nine months are:

—Reduction in net interest income from increased non-earning assets,

—Financial assistance payments of $12.5 million during the third quarter to the Spokane and Omaha districts under financial assistance agreements developed by the 37 banks of the Farm Credit System.

—Financial assistance of $14 million from the Federal Intermediate Credit Bank of St. Paul to St. Paul district Production Credit Associations.

The Farm Credit System has analyzed agricultural economic conditions based upon economic studies conducted by USDA and the Farm Credit Administration. As a result of projected continuing deterioration in farm income and land values, the nationwide Farm Credit System may be exposed to loan losses aggregating $3 billion or more during the 1985–1987 period, for which an allowance for loan losses of $1.1 billion has been established as of September 30.

During the fourth quarter of 1985, Farm Credit Services, St. Paul will complete a detailed analysis of the loss exposure inherent in the portfolios of each of the three Farm Credit banks. Appropriate additions to the allowance for loan losses will be made in the fourth quarter of 1985 based on these analyses.

The extremely stressed financial position of Farm Credit Services, a four-state district of the national Farm Credit System, is a reflection of the prolonged depression in agriculture.

Because of this depression and projections for further deterioration in the farm economy, the Farm Credit System is seeking federal government assistance to ensure the system's continued viability and ability to continue serving agriculture competitively.

The boards of directors of the 37 Farm Credit Banks have formed a special legislative committee to develop proposals for system self-help and federal assistance. These proposals are now being discussed with the Administration and Congress.

Three officials of Farm Credit Services have been working on this proposal in Washington. They are E. Charles Miehe, who is a farmer from Belmont, Wisconsin, and vice chairman of the FCS board of directors; Burgee Amdahl, chief executive officer and president, and Larry Williams, executive vice president for finance and administration.

October 23, the Federal Farm Credit Banks Funding Corporation reported that losses for the combined 37 banks of the Farm Credit System stood at $426.3 million as of September 30.

Farm Credit Services provides credit and related financial services to farmers, ranchers, agricultural businesses and cooperatives in the Seventh Farm Credit District of Michigan, Minnesota, North Dakota and Wisconsin.

Mr. DURENBERGER. When you consider that the Farm Credit System holds 30 percent of farm debt and is reporting $522 million in losses, when you consider that the Farmers Home Administration holds 12 percent of farm debt and will be operating under a $4 billion cap on loan activities for fiscal year 1986, when you consider that commercial banks are closing their doors or pulling out of rural areas with increasing frequency, and when you consider that troubled borrowers have just about tapped out their relatives, you just can't help coming to the conclusion that the Federal Government has no choice but to come forward and provide the capital needed to restructure farm debt.

Earlier this spring I introduced legislation at the request of Communicating for Agriculture, a nonpartisan Minnesota-based farm advocacy group. The thrust of that proposal was to restructure the non-real-estate debt held by producers with a debt-to-asset ratio in the 40- to 70-percent range by stretching out the repayment period and financing it at much lower interest rates. I am convinced that, under my proposal, individual farmers with relatively high debt-to-asset ratios would be in a far better position to cash-flow their debt burden than they would in the absence of my legislation.

WHAT IS THE NATURE OF THE FARM DEBT?

Nationally, the total farm debt has increased dramatically. In 1971, total farm debt totaled around $54 billion; in 1976, around $91 billion; and in 1984, total farm debt stands at $215 billion.

Farmers as a group have a much higher debt to income ratio now than in the past. In 1950, the overall debt-to-income ratio stood as less than 1; in 1960, it doubled to 2, changed to over 3 in the early 1970's, to 8 in 1980 and to 10 in 1984. Today the average farmer is trying to support $10 of debt for every $1 of income.

But even more important, the nature of the debt has changed dramatically. Debt today has a much shorter maturity.

Much of the debt is short term with interest rates tied to current loan rates. Even real estate debt is based on variable interest rates or is based on relatively short contract purchases. Maturities on a great deal of real estate debt has moved from 20 to 25 years in the 1960's and 1970's to 10 to 15 years or less today.

CAN FARMERS WITH HEAVY DEBT LOADS BE SAVED?

For a substantial segment of the 30 percent to 40 percent of farmers who have substantial debt and who are in various stages of financial difficulty, economic survival is a serious question. To help this group there must be a restructuring of farm debt. This group, mostly full-time family farmers, were caught with too much debt at the wrong time, debt that was manageable under the prevailing economic conditions when it was incurred but became a crushing burden when conditions changed.

In the group of farmers, there are many good farmers facing bankruptcy for lack of a way to make the transition from an economy of high inflation, raising land values and low interest rates to one of low inflation, sinking land values, and high interest rates.

Many of the farmers in this group can be helped and saved with the right debt restructuring programs.

DEBT RESTRUCTURING PROPOSAL

In order for farm debtors to pay debt obligations, a major restructuring of indebtedness will be necessary.

The No. 1 feature of any debt restructuring program is to stretch out principal payments into a manageable debt repayment schedule. The second major feature must provide for a lower rate of interest, and third, for farm lending to continue, the risks must be shared.

This proposal utilizes existing FmHA programs and expertise of commercial lenders to accomplish this.

These are the Approved Lenders Program, Insured Operating Loan Program, and Limited Resource Program. This debt restructuring plan modifies slightly these existing FmHA programs to create a program of modified recovery debt credit.

The heart of my debt restructuring proposal is the utilization of FmHA's Approved Lender Program, with some minor modifications.

FMHA APPROVED LENDER PROGRAM

Under FmHA's Approved Lenders Program, a qualified commercial lender is approved in advance to process FmHA guaranteed loans. The approved lender makes the loan, services the loan, and collects the loan, thereby reducing the paperwork and time required for FmHA approval of loan guarantees. The lender is responsible for seeing that proper and adequate security is obtained and maintained. FmHA makes the final decision on farmers' eligibility, use of funds, and creditworthiness.

WHO DOES THE APPROVED LENDERS PROGRAM HELP?

In today's farm economy, there are many farmers whose debt-to-assets ratio is between 40 percent and 70 percent who are caught in a credit availability gap. These farmers are not in serious enough financial difficulty for consideration by the lender of last resort, FmHA. Yet, they do not quite meet the credit standards of private commercial lenders.

This group is a relatively stronger class of farm borrowers than normal FmHA borrowers. The problem for this class of farm borrowers is that their cash-flow is inadequate under current high interest rates and low commodity prices, though their basic personal net worth and equity remains relatively strong. The security behind the loan is strong enough to satisfy the bank lender, yet the loan is classified by bank regulators as a classified loan. For the bank, every classified loan reduces the amount of available assets against which credit can be made available, resulting in less credit being available to farm borrowers.

THE FMHA LOAN GUARANTEE PROGRAM

FmHA loan guarantees are designed to provide the credit necessary for family farmers to conduct successful operations. The loans are to be used for the purchase of farm machinery and equipment, basic livestock, annual operating expenses, and refinancing for authorized operating loan purposes. Interest rates may be fixed or variable and cannot exceed the rate common in the area. The terms of the loan may be up to 7 years on basic security. Quality loans may be guaranteed up to 90 percent while high risk loans may receive less than a 50-percent guarantee.

HOW WILL THE APPROVED LENDERS PROGRAM HELP?

Utilizing FmHA's Loan Guarantee Program, the commercial lender will have the additional security to make a bankable loan to farmers who find themselves in a credit gap. The program is not a bailout for lenders. Unless the loan meets requirements, with a reasonable chance for success FmHA will not approve it.

The program will help, first, by making credit available. Second, the banker will use the banks own—pre-FmHA approved—loan forms familiar to both the borrower and the banker, reducing FmHA's paper-handling load. Third, credit will be available on a much quicker basis, assuring that available guarantee loan funds reach eligible farmers as quickly as possible.

Fourth, the banker and borrower are familiar with each other, helping to insure that better loans will be made. Fifth, the borrower is most likely to stretch out the loan payback. A commercial lender will normally have a maximum of 5 years on the loan while under the FmHA Loan Guarantee Program, a maximum of 7 years is possible. This extra 2 years can assist the farm borrower in achieving an attainable cash-flow-payback program.

MODIFIED DEBT RECOVERY PROGRAM

I propose to utilize FmHA's Approved Lenders Program and operating loan programs to achieve a significant plan for farm debt restructuring. To achieve this will require some modification of each of these programs.

MODIFICATIONS TO THE APPROVED LENDERS AND DIRECT LOAN PROGRAMS

A basic modification to the Approved Lenders Program is to place a maximum rate to be charged on interest. Under the Approved Lenders Program, interest rates may not exceed the prevailing interest rate in the areas in which the loan is made.

Under the modified Approved Lenders Program, a maximum interest rate would be set at 2½ percent above discount rate. This would yield an interest rate of 10½ percent at December 31, 1984 rates.

Clearly, there is a need to lower interest rates in order to create a more achievable positive cash-flow debt repayment plan for many farm borrowers. In addition to the obvious advantage of lower interest rates, by lowering the maximum interest rate which a commercial lender may charge under the Approved Lenders Loan Program, the result will be to create opportunities for additional farm borrowers to take advantage of the Loan Guarantee Program. A lower maximum interest rate will encourage the lender to graduate the borrower to a regular commercial status.

The second basic change in the Approved Lenders Program would be to limit the approved lenders guarantee to a maximum of 50 percent whenever the direct lending authorities of the FmHA—Insured Loan Program and Limited Resource Program—are used by a lender to restructure a loan.

FMHA OPERATING LOAN PROGRAM

FmHA operating loans are made for both operating expenses and farm ownership. Ownership loans may carry an interest rate as low as 5½ percent and may be written up to 40 years. Operating loans may carry an interest rate as low as 7¼ percent and may be written up to 7 years. Under the Direct Loan Program, appraisals are done by the FmHA and security in the loan is named and itemized per lender.

MODIFICATIONS TO THE DIRECT LOAN PROGRAM

In order to restructure farm debt, lower interest rates and longer payback terms will be required to attain a manageable, attainable cash-flow for many farm borrowers.

The Modified Debt Recovery Program would incorporate into the Approved Lenders Program the use of FmHA operating loans in the same manner as the FmHA guaranteed loans. The pre-FmHA approved commercial lender would process the paperwork for FmHA operating loans, using the commercial lender's forms. FmHA would still have the final say-so on the loan under a shortened turnaround approval or denial. Appraisals would be done by the pre-FmHA approved commercial lender or qualified appraiser. The main change in the present FmHA Direct Operating Loan Program would be to share security on a prorated dollar value basis. This last change is important to create an environment where the financial risk is shared and one which will create far fewer complications than the present system of named security.

Mr. President, this debt restructuring proposal is no panacea. But, it would pull many farmers away from the brink of bankruptcy, and put them back in the business of supporting our Nation's economy and feeding the world.

ROUTINE MORNING BUSINESS

Mr. DOLE. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business not to extend beyond the hour of 9:45 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MELCHER. Mr. President, reserving the right to object——

The PRESIDING OFFICER. The unanimous-consent agreement has been agreed to.

INTEGRAL VISTAS NO. 1

Mr. GARN. Mr. President, Secretary of the Interior Don Hodel has again manifested his good judgment and commonsense in deciding not to designate "integral vistas" in and near America's national parks.

For those who are not aware of this issue: The Environmental Protection Agency proposed in December 1980 to identify views, panoramas, and vistas that were or are an important part of the visual experience of visitors to our national parks.

This was a controversial proposal at the time and still is. Good people on both sides held strong opinions. Those who favored designating "integral vistas" felt that steps should be taken to protect some of America's most popular and treasured views from the types of activity that could obscure them with smoke plumes or haze.

Critics of the proposal feared that a program to protect integral vistas could swiftly become an activity to repress industry, agriculture, and other economic activity in the West at a time when economic growth and jobs creation are so important to our Nation.

It should be noted that the program was neither as broad nor as comprehensive as both sides feared. The proposal gave the Department of the Interior the option of identifying vistas that the States might want to protect for historic, cultural, and aesthetic reasons. This listing would provide no additional legal protection beyond that already in various parks and clean air laws.

After considering both sides, Secretary Hodel declined to designate integral vistas because,

> The guidelines would provide no additional protection—for the parks—and only create opportunity for conflict, litigation, uncertainty, and delay.

I believe this is a wise decision for several reasons.

First, it leaves to the States the discretion to make their own decisions, even though the Federal Government's actions would only have been advisory. In the words of the Deseret News in an October 11 editorial:

> If a State decides jobs created by a new industry near the park are more important than clean air, that's the State's prerogative. * * * That's as it should be.

Second, his decision avoids the development of still newer regulations by the Department on top of its existing authorities and requirements under the Federal Clean Air Act.

Third, the singling out of particular sites and vistas could have given the impression that we did not consider other situations as important. This would have broadcast the wrong message.

Fourth, identifying particular locations could have given a false sense of security, leading people to conclude that there was no need to exercise much vigilance in protecting these sites.

Fifth, the designation might have suggested some sort of hierachy of threats, with vistas ranking higher than pollution within the parks, crowding, crime, vandalism, and so forth.

If we have learned much about governing over the past generation it is that good ideas often become bad ideas when they are codified in the Code of Federal Regulations. While no one intended that integral vistas become a new and complicated program, the law books are filled with examples of efforts that did.

The Federal Government and the States already are working cooperatively to protect integral vistas and other vitally important natural values in and near our wonderful national

parks. Secretary Hodel's decision will not change this.

PORTLAND, OREGON—A NEW KIND OF CITY

Mr. HATFIELD. Mr. President, I am inspired to submit for the RECORD a very thoughtful article from the October 21, 1985, issue of the New Yorker magazine.

The piece is written by Berton Roueche, and appears appropriately in the magazine's Profiles section, where only choicest subject matter is brought to discussion.

Entitled "A New Kind of City," the article is about Portland, OR, a city which has undergone a sweeping transformation both in appearance and in spirit during this past decade. As a result, this already distinctive urban center has emerged a model of urban development, a city of even greater cultural individuality and distinction, and one whose residents and Senators are fiercely proud.

Mr. President, as a tribute both to this great American city and to Mr. Roueche's well-crafted and well-deserved recognition, I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A NEW KIND OF CITY

I went out to Portland, Oregon, not long ago, and spent five mild and mostly sunny days in a leisurely walking tour of its downtown streets, its many parks, and its garden riverfront. Portland was founded in 1845 and evolved in the course of the next hundred years or so into the usual hodgepodge American city; then, beginning around 1970, it was transformed in look and spirit and became, at least in its center, a city of some individuality and distinction. There are those who see in this transformation a model of urban development, a city that has returned itself to man, to a pedestrian way of life.

Portland is a city of nearly four hundred thousand, but it is also a town. It combines the intimacy of a town with the density and the richness of a city. This is to some extent a matter of topography. Portland has little space for urban sprawl. It lies in a valley cut by the Columbia River and its big tributary, the Willamette (pronounced, visitors are quickly informed, Will-AM-ette), and it is all but surrounded by mountains: the Coast Range on the west and the Cascades (the setting of such eminences as Mt. Hood and Mt. St. Helens) on the east and north. The city itself is further affected by nature. The Willamette, flowing north toward its confluence with the Columbia, divides Portland more or less in half. Eastern Portland, a deepwater port, is industrial and blue-collar residential. Western Portland—or, more particularly, the southwest quarter—is the heart of the city: its business, its cultural, and, increasingly, its residential center. It is there that the new face of Portland—the closely controlled new building, the carefully monitored rehabilitation of worthy old buildings, the vigorous creation of open space—is more conspicuous.

I lived during my stay in Portland at the Heathman Hotel. The Heathman occupies a ten-story, faintly Italianate building (with some two hundred suitelike rooms) on Broadway Avenue—the principal street (shops, hotels, theatres, restaurants) of southwest Portland—at Salmon Street. It is a recently renovated version of the New Heathman Hotel, which was built in 1927 (to replace an earlier Heathman Hotel), and is listed in the National Register of Historic Places. It is thus an acceptable representative of the Portland renaissance. I had my daylight introduction to Portland from the eighth floor of the Heathman. It, too, was representative. It showed me, across the roof of the Arlene Schnitzer Concert Hall (a recent gentrification of the Portland Paramount Theatre, and another member of the National Register of Historic Places), a steep and thickly wooded hillside to the south called the West Hills—a barrier foothill of the Coast Range, no more than a mile away. A little later, on my way down to breakfast, I glanced out the window at the end of the hall. It gave me a different view—a broken view, through a skyline of buildings tall and low—of the Willamette shining in the morning sun. Breakfast at the Heathman provided another novelty. My waitress brought me, along with a menu, a little cordial glass containing an agreeable combination of fresh orange juice, lime juice, honey, whipped whole egg, and nutmeg. This, I found on inquiry, was an invention of Johnathan Robinette, the executive chef. "Our guests are mostly businessmen with work to do," Robinette told me. "My cordial is to wake them up, to knock off sleep. At first, it also contained some rum. But then I was advised otherwise."

The streets of southwest Portland bear a teasing resemblance in name to those of Manhattan. The streets running north and south are avenues, and most of them are numbered, beginning on the east (after Front Avenue) with First Avenue. Broadway is paralleled on the east by Sixth Avenue. A block to the west in Park Avenue. Then Ninth Avenue appears, then Tenth, after which all signs of the renaissance tend to disappear. Beckoned by a glimpse of greenery, I walked along Salmon Street to Park. I found (as in New York) a double-thoroughfare Park Avenue. But these Park Avenues flank a real park—a substantial one, nearly half a block wide and twelve blocks long. It begins at Salmon and runs—gently climbs—to the south, to the rise of the West Hills. I turned in that direction, up a path furnished with occasional benches and bordered by lawns and double rows of trees. I recognized the American elm and the sugar maple. A third tree was familiar to me, but I could not give it a name. I asked a young woman sitting on a bench with a book if she knew what it was. "Me?" she said. "Trees?" She had a lovely smile. "You've got to be kidding." A sycamore growing near the curb of the farther Park Avenue caught my eye. It was a good fifty feet tall and of considerable girth—at least four feet in diameter. It was dignified by a marble plaque. Commemorative plaques, though I didn't know it then, are commonplace in Portland. This one read, "Sycamore Tree Planted by Sylvester Farrell, 1880." But I was still curious about that unidentified tree. A man with a briefcase came by. I asked him my question. He shook his head. "I'm sorry," he said. "But I'm from out of town." The next man I approached kept going. I caught up with another briefcased businessman, a Chinese. "Oh, yes," he said. "It is ginkgo." He gave a little laugh. "It comes from China."

I walked on up the park. There was a statute in almost every block. A double-life-size Lincoln. An equestrian Theodore Roosevelt in Rough Rider costume. Three lightly clad women with water pitchers held aloft. There were beds of roses. Portland calls itself the City of Roses. The buildings that faced the park were all substantial (churches, the Portland Art Museum, the Oregon Historical Society, a Masonic temple, apartment houses), but none was overpowering. Most of the apartment buildings had the look of the twenties and thirties (carved stone and polished brass), but there were several that looked very new. The tallest was just six stories. I came to a drinking fountain. I stopped for a drink, and stayed to look and admire. It was no mere inverted tap. It was a work of functional art: a heavy bronze base, a round and fluted bronze pedestal, four outward- and upward-branching arms, four little brass basins, four sparkling jets of water. It was also, I came to know, only one of many. There are similar fountains on almost all the downtown corners, collectively the gift, on the eve of Prohibition, of a philanthropic lumberman and bon vivant named Simon Benson, and conceived, he is said to have presciently remarked, "to quench a frustrated thirst."

I followed the park, gently but steadily climbing, to its southern end. The last two or three blocks are flanked by the buildings of Portland State University and are integrated into its campus. Beyond the park, the West Hills begin, and I could make out houses clinging here and there along their wooded slopes. There was no way to go but east, and I headed there, toward the river, toward a residential complex called Portland Center. The Park Avenue park was laid out around 1876, and Portland Center continues in a contemporary mode that early appreciation of urban breathing space. It rose in the first years of the Portland renaissance on a commanding slope some twenty blocks square that had once been a neighborhood of ramshackle single-family houses. I came into the Center at its summit by way of a wide and winding pedestrian promenade.

A twenty-story condominium loomed on the left—loomed above a parking lot graced with laurel hedges and ivy-covered walls—and beyond was another condominium, a building architecturally compatible with the first but only three stories high. Beyond that were other parking lots disguised as parks, a row of three-story buildings, then another high rise. On the right was a long one-story building occupied by shops purveying the essential goods and services of city life. I passed a liquor store, a travel agency, a hair stylist, a dry cleaner, a grocery store, a brokerage office, a cafe offering espresso and cappuccino. There were flowering planters and rose beds, there were rhododendron trees, there were benches with elderly people sunning themselves and young mothers with perambulators or toddlers. There were street lights with cast-iron standards and nineteenth-century globes. There was an almost bird's-eye view of the river and one of its several bridges and the chaotic beginnings of what looked like another Portland Center. An easy flight of steps led down to a paved plaza with trees and a fountain in the form of a mountain stream cascading down a rocky chute to a shallow pool. There were big stepping stones across the pool, and a young couple was leading a little boy—squeaking with fright or excitement—across. A row of two-story apartment houses faced the plaza on

the north. The promenade continued past a ten-story condominium with shops and offices at street level. I came out into a larger plaza, with cattered groves of trees on artificial knolls and a centerpiece contemporary sculpture of painstakingly rusted metal. A young woman in a leather jacket was slouched on her spine on a bench, shaking open a battered package of cigarettes. I watched her extract what turned out to be the last cigarette, watched her crumple the pack, watched her stand and look around for a trash can. There was no trash can in sight. She sat back down and stuffed the crumpled package in her pocket.

"Yes, I know," John E. Graham said to me at a reception following a concert at the Arlene Schnitzer Concert Hall that night. Graham is general manager of the Oregon Symphony Orchestra. "That's the way these people are. This is a clean city in just about every respect. The air is clean—cleaner than most, I'd say. Our power is mostly hydroelectric power. It's generated at the Bonneville Dam or at one of the others on the Columbia. They tell me the Willamette is practically unpolluted. And, as you may know, Oregon has the oldest bottle law in the country. But the main thing, I think, is civic pride. The people care about Portland. They feel it belongs to them. Our renewal program has practically unanimous support. I was born and raised on the East Coast, and when I arrived here, seven years ago, I was stunned. I had never seen a really clean city before. Clean and orderly. I think they go together. You must have noticed how people stand and wait at traffic lights. Jaywalking is unheard of. But now I'm afraid I'm spoiled. If I come across one scrap of litter on my way to work, I almost fly into a rage."

A day or two later, while walking in a part of town less savory than Portland Center, I saw a weathered old man sitting in a doorway with a bottle in a paper bag, saw him tip it up and finish it off, saw him get creakingly up and shuffle a dozen steps to the corner and drop it in a trash can.

The tallest building in Portland is the First Interstate Bank Tower. It occupies a square block between Fourth and Fifth Avenues just below Portland Center and stands forty stories in height, with four stories below ground. There is a restaurant called the Loft on the twenty-eighth floor which has, the concierge at the Heathman told me, a view that is well worth viewing, and I went there one bright and sunny noon for lunch. The Loft in a spacious room with tall windows on the north and east, and I was given a table facing east. I sat down and looked out—looked down and away—at a scatter of office buildings, at the river and its bridges, at a mighty wall of mountains rising to a mighty, snow-topped pyramidal peak. Mt. Hood. I turned to the window on the north. Rooftops. The river.

Another wall of mountains, rising to another snow-topped peak, but a different sort of peak—a flattened, truncated peak. Mt. St. Helens. The remains of Mt. St. Helens. I sat and looked from one to the other. It was indeed a view worth viewing. It was in my experience an urban view of views. I looked around at my fellow-lunchers—four businessmen with their heads together and their jackets hung over their chair backs, a group of bantering office workers, some chattering shoppers, an ardent couple. I seemed to have the view to myself.

Portland is a city of greenery. It is blessed with a mild climate and an abundant rainfall that keep it green through much of the year. There are trees on almost every downtown street, and almost every office building has a terrace or a sunken garden bright with flower beds or ilex bushes or potted laurel trees. There are ten parks in the downtown area alone. With one notable exception, none of them is less than a square block in size, and two—the riverfront park and the Park Avenue blocks—are, of course, many times that size. The riverfront park extends along the river for nearly two miles, and it is at some places a good two blocks wide. It is, moreover, just the beginning of the Willamette River Greenway, which eventually will extend the full hundred-and-twenty-mile length of the river. The park is otherwise, and perhaps uniquely, unusual. The land it covers was once—only a few years ago—a four-lane expressway, which, in the manner of most American cities, denied the riverfront to all but the speeding motorcar. I walked its pleasant length one afternoon, and there were fishermen here and there along the seawall. It could have been a stretch of the Seine. Except that there are actually edible fish to be caught in the Willamette. "All kinds of fish," one of the fishermen told me. "But what most of us are hoping for is sturgeon. Caviar, man!"

The smallest park in Portland is called Mill Ends Park, and it is also (one would imagine) the smallest park in the world. That seems to be apodictic. Roughly circular in shape, it is two feet in diameter and covers an area of four hundred and fifty-two square inches. It is situated, I was told, at the intersection of Front Avenue and Taylor Street, and although it took me some little time to find it, my directions were entirely correct. Mill Ends Park is situated in the middle of the intersection: a tiny island of concrete surrounding a round patch of earth (sprouting daffodils when I saw it) and two ornamental cast-iron posts. A bronze plaque on Taylor Street reads, "From His Office on the Second Floor of the Old Oregon Journal, Journalist Dick Fagan (1911-1969) Periodically Gazed Down on the Busy Front Avenue Thoroughfare. It Was His Keen Imagination That Turned a Utility Pole Hole, in the Avenue Media Strip at Taylor Street, Into Mill Ends Park." Fagan wrote a column called "Mill Ends." His park, one of the humblest fruits of the Portland renaissance, was incorporated into the Portland park system in 1976.

All the Portland parks I saw have character, and most of them are interesting in nature or in origin. Emerging from the Third Avenue entrance to the Civic Auditorium (dedicated in 1968, but loosely Palladian in style), I found a park called Ira's Fountain (for a civic leader named Ira C. Keller), which is neither entirely a park nor merely a fountain. What it is is an enormous sculpture—a block-square cement sculpture in the form of a spread of waterfalls. The usual plaque relates the statistics: The lip of the falls in ninety feet wide, the highest fall is eighteen feet, and the water flows at a rate of thirteen thousand gallons per minute. The water emerges from a fountain, leaps into space, and drops to a system of pools and basins. There is a park with big trees overlooking the fountain, and another park below. In summer, children jump through the screen of falling water and play in the pools behind, and the city, I was told, provides a lifeguard to keep an eye on them. Ira's Fountain is a spectacular urban pleasance, but it could easily be dwarfed and destroyed by the usual urban environment. The Civic Auditorium, however, is just three stories high, and the other buildings that surround the park are not much higher. There are no Wall Street canyons in Portland.

Two blocks north of Ira's Fountain, I came to another green amenity. This is a three-block chain of parks, bounded on the east by Third Avenue and on the west by Fourth, which mark the governmental center of town. City Hall (circa 1895) is there, and so is the new (1983) Multnomah County Justice Center. The first of these parks is a peaceful amphitheatre of brick and lawn withdrawn behind a screen of trees and shrubs. It commemorates a former mayor, Terry D. Schrunk, who served from 1957 to 1973. It is also, like the riverfront park, an earnest of the Portland renaissance. Its site until recently was occupied by an office building; when it was decided that a park would be desirable there, the building was bought and razed. The two other parks in the chain are Lownsdale Square and Chapman Square, and they were laid out in 1852. Through much of the nineteenth century, Lownsdale Square was frequented exclusively by men. Women gathered in Chapman. They are both conventional city parks with paths and benches and shade trees. A fountain and watering trough of the period, surmounted by a great bronze statue of a bull elk (in memory of a local behemoth of pioneer days), rise from the middle of the street that separates them.

Visitors to Portland are all but required to take a meal at an eating place called the Dan & Louis Oyster Bar. Dan & Louis is one of the oldest restaurants in Portland (est. 1907), and it is situated at the northern edge of the downtown center, in the oldest part of the city. The building it occupies (and owns) was once the City Hall. I went there for lunch one day by way of a circle through the immediate neighborhood, through streets of nineteenth-century buildings of rosy brick and cast iron which had survived the middle years of the twentieth century by reason of community indifference and are now revered as Historic Landmarks.

I loitered near Skidmore Fountain, standing on cobblestones that arrived in Portland as ships' ballast. It is the city's oldest work of public art—a sculptured bronze-and-granite fountain with facilities for both human beings and horses. I inspected an elegant cast-iron building that was once the leading theatre and is now an enclave of shops and cafés. I passed the Salvation Army's Harbor Light Mission, and was offered a drink by a mixed gathering of jovial derelicts out front. Dan & Louis is across the street (Ankeny Street) from a musical café called the Chocolate Moose. I was shown to a place at a long communal table that looked capable of seating thirty. The walls were hung—were encrusted—with souvenir plates, with framed photographs and newspaper clippings, with marine artifacts. I ordered, at the command of a matronly waitress, a specialty of the house: Yaquina Bay oysters, no bigger than white grapes (from Dan & Louis's own beds), in a cocktail sauce. Then I had Columbia River silver salmon with French-fried potatoes; a salad of tiny shrimp; and iced tea. Dan & Louis does not serve alcohol. I had a dish of orange sherbet for dessert. My bill was just over eight dollars. That included tip but not tax. There is no sales tax in Oregon.

The most highly esteemed survival of nineteenth-century Portland is a three-story (with cupola) Palladian building (with Greek pediments) now known as the Pioneer Courthouse. It occupies, with its lawns

and trees and other plantings, a block between Fifth and Sixth Avenues not far from City Hall. It was built in 1868 and was the first United States courthouse in the Far West. It was rescued from mindless demolition in 1968 and restored to its full original glory in 1973. This glory is not immediately apparent. The main (Sixth Avenue) entrance and foyer have been converted into a branch post office. But beyond that the nineteenth century—the opulence of nineteenth-century public buildings—awaits. I was shown all this by a friendly, or perhaps just lonely, security guard whom I found at a desk in a corridor served by a Fifth Avenue entrance.

"Well, no," he told me. "This is a National Historic Landmark building, but I wouldn't call it a museum. It's very much in use. The two upper floors are still courtrooms. The United States Court of Appeals sits there, and the Bankruptcy Branch of the U.S. District Court. These offices along here are the offices of the various court officials. And, of course, Senator Hatfield has an office here. The panelling here is the original panelling. It's ash. Now, if you're interested, I'll show you the rest. These stairs are the original stairs—the original bannisters and all. I won't show you every courtroom. But I think you'll be interested in this one here. That woodwork is all old oak. You don't see that kind of wood anymore. The furnishings are partly original and partly of the period but acquired from other old courthouses. Those bench lamps came from Chicago. The benches for the public were found in St. Paul. The same for the hat-and-umbrella rack and the counsel tables and lectern—they came from all over. The fireplace is the original fireplace, and I guess that was all the heat they had in the old days." He looked at his watch. "I've got to get back in a minute, but I want you to see the cupola."

We climbed another staircase, curved and carved and darkly glowing, and passed another panelled courtroom. The guard opened an inconspicuous door. We climbed a flight of ladderlike stairs. We came out in an octagonal room with windows all around. "This is where they used to bring the visting dignitaries," the guard said. "It gave them a view of the whole city. You can still see the river. Mt. Hood is somewhere behind that building there. And that one there cuts off Mt. St. Helens. But the way they're doing the city over, you never know. They may be planning to restore this view. What you see down there in front is something new. They call it Pioneer Courthouse Square. That block used to be the old Portland Hotel. President Taft got stuck in a bathtub there. They razed the old hotel in 1950 and turned the block into a parking lot. They tore up the parking lot and built the square in 1983. They use it for all kinds of things—art exhibits, concerts, every sort of gathering.

I guess that's why it's paved. Public subscription helped build it. Everbody who paid fifteen dollars got his name inscribed on one of the paving bricks. There's supposed to be more than sixty thousand bricks down there. I've got one myself, if I could ever find it. I don't know what those two big rows of pillars are for. I don't know why, with all that red brick, they had to use purple and lavender tile as well. That cavelike opening at the far end is a fountain, but it's also the entrance to some municipal offices. They're underground. I don't know why the square has all those steps and all those different levels. I don't know why there aren't any trees. There's been a lot of talk about Pioneer Square. Some people think it's a little weird. But a lot of people use it, as you can see."

I took a turn around the square to see it closer up. It looked a little less weird than it had from the cupola, and very much larger. It was indeed in use. I joined a crowd and watched a man and a dog playing with a Frisbee. I passed a red-faced man praying at the top of his voice. I stopped to hear a girl guitarist who was wearing golfball earrings and what looked like a fez. I passed a dozen embracing couples. I passed a vender selling daffodils. I passed three young men in running clothes handing around a marijuana cigarette. I squatted down and deciphered a couple of bricks; Frank Fifer, Gretchen Deann Spence, Elinor Langer. I started up a wide and shallow fight of steps, and saw a man in a dark business suit standing above with an upraised open umbrella. I climbed the rest of the steps and looked again. It wasn't a man. It was a statue. That is, the man was a statue, but everything else was real. Or looked real. His shoes looked like real shoes, his suit and shirt and necktie looked genuine. So did his umbrella. Real but sprayed with some sort of preservative. There was a bronze plaque. It read, "Gift of Harry H. Schwartz, New York City, 1983."

There was a story in the Portland *Oregonian* one morning about the continuing aims and concerns of the renaissance. One of the planners quoted was Patrick Tillett, head of the planning-and-urban-design unit of the architectural firm Zimmer Gunsul Frasca Partnership. "Downtown development depends on weaning people away from their automobiles," he said. That effort would seem to be well under way. Traffic in Portland is neither heavy nor notably light. I was reminded of the traffic in midtown Manhattan on a Saturday afternoon. One reason, I was told, for this moderate flow is a recent regulation known as a "parking lid." The lid limits the number of downtown parking spaces, both metered street parking and space in parking lots and garages. There are no cruising cabs in Portland. All the cabs I saw were either parked in designated cabstands or working. Twelve midtown blocks of two major streets—Fifth and Sixth Avenues—have been redesigned and largely restricted to pedestrians, buses, and emergency vehicles. Both of them—Fifth Avenue running one way south and Sixth running one way north—have been reduced to two lanes, and the sidewalks have been proportionately widened. I paced at random a Fifth Avenue walk and got an approximate width of twenty-seven feet. The sidewalks are variously paved, and much red brick laid in different geometrical designs. There are plane and sycamore trees and stone planters and Simon Benson drinking fountains and benches at intervals, and there is a glass-roofed shelter at every bus stop. The buses are frequent, and they are free to all within an area of three hundred downtown blocks. The streets that flank Pioneer Square and the Pioneer Courthouse (Yamhill Street and Morrison Street) were torn up for several blocks at the time of my visit, and closed to traffic. I assumed that this was for the usual mysterious metropolitan reasons. That was a faulty assumption. "You haven't heard?" an acquaintance at the bar at the Heathman said to me one evening. "They're laying track. Portland has reinvented the streetcar. The route will be a loop from East Side Portland across the river and on to somewhere here on the West Side, and then circle around and return. They call it a light-rail system."

I had lunch and a bottle of Oregon wine (an Adelsheim Chardonnay) one afternoon with Steven Lowenstein, a native New Yorker and a graduate of the Yale Law School, who serves as executive assistant to Mike Lindberg, the Commissioner of Public Affairs for the Portland City Council. "My wife and I came here in 1970," he told me. "Our son was just a year old, and Portland seemed like a nice place, a safe place, for him to grow up. As it turned out, 1970 was just about the time the big excitement here began. The first stirrings. There were and are a great many people involved in the renewal program. You could say that everybody, the whole citizenry, was involved. The quality of the environment has always been important to Oregon. But the real leadership was provided by Neil Goldschmidt, who came in as mayor in 1973. As you may remember, he later served as Secretary of Transportation under Jimmy Carter. He saw, as we all do, that the automobile is the problem. We need it, but we don't want to be owned by it. He was concerned that it would be the death of downtown. As it has been in so many cities. He was afraid that the freeways would dominate the city. He was afraid that development would proceed with no concern for the people. And he thought the problem was urgent. Portland was growing fast in the seventies. Well, things began to get turned around. We began to see a new kind of city. We got rid of the freeway on this side of the river. We put through a comprehensive plan for the humanized development of downtown. All but two or three of the big buildings downtown here have come up under the new planning. We're making progress against the automobile. But, of course, that's only part of the problem. If we're going to have a downtown that is central to the area, it must have something to attract the people to it. We've concentrated on that. All our new buildings and planned with the human element in mind. We have a height limitation, and the tallest buildings must be well back from the river. We try to preserve air and space. We're proud of our new buildings, and we want them to be seen and enjoyed. When buildings are crowded together, architecture doesn't matter. We have no rules about architectural style.

Our new buildings are of all shapes and kinds and materials. The Portland Building—eclectic, multi-colored, multi-faceted—Which was designed by Michael Graves and has won all sorts of awards, is probably the only one of its kind in the world. But we do have basic rules. I mentioned height. We also control bulk, through setbacks and limits on floor area. We think blank walls at street level dehumanize a building and a neighborhood, so we require that every new building provide space at street level for retail businesses—for shops and cafes. We think public art humanizes a city, so we require that one per cent of the total cost of any public building be spent on some sort of art. Private builders tend to follow suit. We think downtown should be the cultural center of a city, and the entertainment center. When I came here, there were no more than three or four real restaurants downtown. Now we have at least thirty. We have the new Arlene Schnitzer Concert Hall, and that work going on next door to it will be our new Center for the Performing Arts. There are plans for a new theater complex just across the street. Everything is within walking distance. That was the aim of the master plan. One of its goals is "Provide for a pleasant, rich, and diverse pedes-

trian experience." Downtown used to be deserted at night. Now it's full of people—people walking around enjoying themselves. My office is in City Hall, and I live down northwest. I walk to work every morning. It takes me about half an hour. Bud Clark, our mayor, rides a bicycle to work. We have thousands of people living within walking distance of their work. People all over the country are running and jogging. We're getting them to walk.

My last meal in Portland, like my first, was breakfast. The waitress who served me was the one who had served me most morning during my stay. She brought my morning cordial, and waited for me to order. "I hope you've enjoyed yourself," she told me. "I'm afraid everything's kind of torn up here downtown. All the new building that's going on, and the streetcar line and all. I guess we're in what they call a transition. I think it's a lot like letting your hair grow out. It's going to be beautiful. You just have to accept that middle-growth period."—BERTON ROUECHE.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations and a treaty which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

EXCLUSION OF CERTAIN AGENCIES AND CLASSES OF EMPLOYEES UNDER THE PERFORMANCE MANAGEMENT AND RECOGNITION SYSTEM—MESSAGE FROM THE PRESIDENT—PM 89

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers; which was referred to the Committee on Governmental Affairs:

To the Congress of the United States:

Supervisors and management officials in GS-13, 14, and 15 positions throughout the Federal government are covered by the Performance Management and Recognition System as required by Chapter 54, Title 5, U.S. Code, unless otherwise excluded by law.

Upon proper application from the heads of affected agencies and upon the recommendation of the Director of the Office of Personnel Management, I have excluded, pursuant to 5 U.S.C. 5402(b)(1), three agencies, units of agencies, and classes of employees from coverage under the Performance Management and Recognition System.

In accordance with Section 205 (d) of P.L. 98-615, any agency or unit of an agency that was excluded from merit pay immediately prior to enactment of this legislation is excluded from coverage under the Performance Management and Recognition System for the 12-month period beginning on the date of enactment. However, such exclusion may be revoked at any time in accordance with 5 U.S.C 5402(b)(5). Upon request of the heads of the affected agencies and upon recommendation of the Director of the Office of Personnel Management, I have revoked the exclusion of seven agencies and units of agencies so that they may implement the Performance Management and Recognition System in fiscal year 1986.

Attached is my report describing the agencies to be excluded and the reasons therefor. I am also providing the names of those agencies for which the exclusion is revoked.

RONALD REAGAN.

THE WHITE HOUSE, *October 30, 1985.*

MESSAGES FROM THE HOUSE

ENROLLED BILL AND JOINT RESOLUTION SIGNED

At 3:09 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the Speaker has signed the following enrolled bill and joint resolution:

S. 1160. An act to authorize appropriations for military functions of the Department of Defense and to prescribe military personnel levels for the Department of Defense for fiscal year 1986, to revise and improve military compensation programs, to improve defense procurement procedures, to authorize appropriations for fiscal year 1986 for national security programs of the Department of Energy, and for other purposes; and

S.J. Res. 227. Joint resolution to commend the people and the sovereign confederation of the neutral nation of Switzerland for their contributions to freedom, international peace, and understanding on the occasion of the meeting between the leaders of the United States and the Soviet Union on November 19-20, 1985, in Geneva, Switzerland.

The enrolled bill and joint resolution were subsequently signed by the President pro tempore (Mr. THURMOND).

At 6:35 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following joint resolution, without amendment:

S.J. Res. 145. Joint resolution designating November 1985, as "National Diabetes Month."

The message also announced that the House disagrees to the amendments of the Senate to the bill (H.R. 3244) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1986, and for other purposes; it agrees to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and appoints Mr. LEHMAN of Florida, Mr. SABO, Mr. GRAY of Pennsylvania, Mr. CARR, Mr. DURBIN, Mr. MRAZEK, Mr. WHITTEN, Mr. COUGHLIN, Mr. CONTE, Mr. PURSELL, and Mr. WOLF as managers of the conference on the part of the House.

The message further announced that the House has passed the following bills and joint resolution, in which it requests the concurrence of the Senate:

H.R. 2713. An act to amend title 18, United States Code, to modify certain provisions pertaining to restitution, and for other purposes;

H.R. 3511. An act to amend title 18, United States Code, with respect to certain bribery and related offenses;

H.R. 3606. An act to clarify the application of section 2406 of title 10, United States Code, relating to cost and price management, and to delay the effective date of such provision; and

H.J. Res. 282. Joint resolution designating the week beginning October 27, 1985, as "National Areata Awareness Week."

MEASURES REFERRED

The following bills and joint resolution were read the first and second times by unanimous consent, and referred as indicated:

H.R. 2713. An act to amend title 18, United States Code, to modify certain provisions pertaining to restitution, and for other purposes; to the Committee on the Judiciary.

H.R. 3511. An act to amend title 18, United States Code, with respect to certain bribery and related offenses; to the Committee on the Judiciary.

H.J. Res. 282. Joint resolution designating the week beginning October 27, 1985, as "National Areata Awareness Week"; to the Committee on the Judiciary.

MEASURE PLACED ON THE CALENDAR

The following bill was read the first and second times by unanimous consent, and placed on the calendar:

H.R. 3606. An act to clarify the application of section 2406 of title 10, United States Code, relating to cost and price management, and to delay the effective date of such provision.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-1940. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Examination of the Commodity Credit Corporation's Financial Statements for the Year Ended September 30, 1984"; to the

Committee on Agriculture, Nutrition, and Forestry.

EC-1941. A communication from the Under Secretary of Agriculture (International Affairs and Commodity Programs), transmitting, pursuant to law, the first quarterly commodity and country allocation table showing current programming plans for food assistance under Public Law 480 for fiscal year 1986; to the Committee on Agriculture, Nutrition, and Forestry.

EC-1942. A communication from the Deputy Assistant Secretary of the Air Force (Logistics and Communications), transmitting, pursuant to law, a report on studies being undertaken on conversion from in-house operation to commercial contract for certain activities at various installations; to the Committee on Armed Services.

EC-1943. A communication from the Director of the National Bureau of Standards, Department of Commerce, transmitting, pursuant to law, a report on the status of the implementation of recommendations of the President's private sector survey on cost control and other recommendations contained in the report entitled "Management of the United States Government—1986"; to the Committee on Commerce, Science, and Transportation.

EC-1944. A communication from the Secretary of Transportation, transmitting, pursuant to law, a proposal to codify the shipping and maritime laws administered within the Department of Transportation by the Maritime Administration and the Coast Guard; to the Committee on Commerce, Science, and Transportation.

EC-1945. A communication from the Administrator of General Services, transmitting, pursuant to law, a proposed lease prospectus for a new U.S. district court facility in Santa Ana, CA; to the Committee on Environment and Public Works.

EC-1946. A communication from the Chairman of the United States Parole Commission, Department of Justice, transmitting, pursuant to law, the annual report of the Commission under the Government in the Sunshine Act for calendar year 1983; to the Committee on Governmental Affairs.

EC-1947. A communication from the Acting Assistant Attorney General (Legislative and Intergovernmental Affairs), transmitting a draft of proposed legislation to except all positions in the Drug Enforcement Administration from the competitive service and place the incumbents of such positions in the excepted service; to the Committee on Governmental Affairs.

EC-1948. A communication from the D.C. Auditor, transmitting, pursuant to law, a report entitled "University of the District of Columbia President's Representation Fund for Fiscal Year 1985"; to the Committee on Governmental Affairs.

EC-1949. A communication from the adjutant general of the Military Order of the Purple Heart, transmitting, pursuant to law, the financial audit report of the order dated June 30, 1985; to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-507. A joint resolution adopted by the Legislature of the State of California; to the Committee on Energy and Natural Resources:

"ASSEMBLY JOINT RESOLUTION No. 27

"Whereas, The Congress of the United States passed the Emergency Petroleum Allocation Act after the Arab Oil Embargo of 1973 to protect the citizens of the United States from skyrocketing gasoline prices by denying oil companies windfall profits that might result from the exploitation of a sudden decrease in supply; and

"Whereas, Oil companies still gained billions of dollars in profits by violating the provisions of the act; and

"Whereas, Approximately $1.2 billion in overchanges has been recovered by the federal government through court judgments against oil companies which engaged in profiteering, with an estimated potential recovery of $5 to $6 billion; and

"Whereas, This situation has caused one judge to declare, "The violators of the petroleum price regulations should be made to disgorge their ill-gotten gains"; and

"Whereas, Cases are pending against Exxon, Texaco, ARCO, and other oil companies, and the share apportioned to the State of California could be as large as $500 million; and

"Whereas, These court cases and federal legislation have established the concept of "restitution" to overcharged customers either directly or through certain beneficial energy programs, and thus these funds are to be distributed to the states through the Petroleum Violation Escrow Account, which was established for this purpose; and

"Whereas, The federal administration's proposed budget for 1986 reduces the money provided states for the Low Income Energy Assistance Program and proposes to substitute each state's share of the assistance program money for its share of the Petroleum Violation Escrow Account money; and

"Whereas, This proposed policy would be in direct opposition to the concept of "restitution" and to the United States Department of Energy's own rule that the funds shall not be used to supplant any existing program; and

"Whereas, The federal government, as trustee for the account, has a fiduciary obligation to restore these funds to the beneficiaries of the trust, the injured energy consumers; now, therefore, be it

"Resolved by the Assembly and Senate of the State of California, jointly, That the Legislature of the State of California respectfully memorializes the President and Congress of the United States to halt all plans to utilize Petroleum Violation Escrow Account funds to supplant existing programs or to reduce the federal deficit, and instead to continue the practice of apportioning the funds to the states for restitution to energy consumers directly or through beneficial energy programs; and be it further

"Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Represenatives, and to each Senator and Representative from California in the Congress of the United States."

POM-508. A resolution adopted by the Fourth Northern Marianas Commonwealth Legislature; to the Committee on Energy and Natural Resources.

SENATE RESOLUTION No. 4-70

"Whereas, at the request of Ronald M. Reagan, President of the United States, Vice President George Bush will meet with leaders of the Trust Territory in October; and

"Whereas, Saipan will be the location of these meetings; and

"Whereas, the Reagan administration has endorsed the NMI proposal for the second period of multi-year Covenant financial assistance to the Commonwealth; and

"Whereas, this endorsement will contribute substantially to the proposal thus benefiting greatly the people of the Northern Mariana Islands; and

"Whereas, as the newest member of the United States political family the people of the Commonwealth welcome and look forward to the visit of the Vice President of the United States; now, therefore,

"Be it resolved by the Senate of the Fourth Northern Marianas Commonwealth Legislature that the Vice President of the United States is welcomed and extended the deepest meaning of Hafa Adai upon the occasion of his visit to the Commonwealth of the Northern Mariana Islands; and

"Be it further resolved that the President of the Senate shall certify and the Senate Legislative Secretary shall attest to the adoption hereof, and a certified copy of the same shall be transmitted to Vice President Bush."

POM-509. A resolution adopted by the Council of the City of Lompoc, California urging Congress to retain the deductibility of State and local taxes in any revision of Federal income tax law; to the Committee on Finance.

POM-510. A resolution adopted by the Council of the City of Hillsborough, California urging Congress to retain the deductibility of State and local taxes in Federal income tax law; to the Committee on Finance.

POM-511. A joint resolution adopted by the Legislature of the State of California; to the Committee on Finance.

ASSEMBLY JOINT RESOLUTION No. 73

"Whereas, The issuance of nongovernmental use bonds nationwide has increased over 300 percent between 1975 and 1983; and

"Whereas, During this same period, the issuance of general obligation bonds used to finance veterans' home mortgages has increased less than 20 percent; and

"Whereas, From 1983 to the present time, the principal amount of all veterans' home mortgage general obligation bonds has actually decreased because of limitations on their tax-exempt status imposed by Title VI of the Tax Reform Act of 1984 (P.L. 98-369; 98 Stat. 901 et seq.), which restricts the issuance of these bonds to not more than 340 million dollars per year; and

"Whereas, From its inception in 1921 to 1984, the State of California has issued over seven billion dollars in general obligation bonds under the verterans' farm and home purchase program known as "Cal-Vet" and these funds have assisted California veterans in acquiring over 370,000 homes; and

"Whereas, During its entire history, the Cal-Vet program has been entirely self-sufficient with the result that there has been no cost whatsoever to the taxpayers; and

"Whereas, Approximately one million of the more than three million California veterans served during the Vietnam era and are thereby eligible for farm and home purchase assistance under the Cal-Vet program, which restricts its benefits to veterans applying within 25 years of discharge from the armed services; and

"Whereas, The present limitation of 340 million dollars in general obligation bonds plus an additional 100 million dollars in rev-

enue bonds means that only approximately 6,200 veterans per year are able to actually receive home purchase assistance under the program, a number which is considerably below the demand for Cal-Vet benefits; and

"Whereas, These veterans have served their country at great personal sacrifice in time of need, their number is continually diminishing so that their needs are immediate and for many of these veterans, the Cal-Vet program represents their only realistic opportunity to acquire a home of their own; now, therefore, be it

"Resolved by the Assembly and Senate of the State of California, jointly, That the Legislature of the State of California respectfully memorializes the President and Congress of the United States to exclude veterans' mortgage subsidy bonds from any restrictions on the issuance by the states of nongovernmental use bonds, so that Cal-Vet bonds and other similar bonds retain their tax-exempt status to make them attractive as reasonable investments in order that these vital veteran housing assistance programs may continue to fulfill their domonstrated need; and be it further

"Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

POM-512. A resolution adopted by the Council of the City of Anoka, Minnesota, urging Congress to continue their efforts to halt the persecution of the Baha' minority in Iran; to the Committee on Foreign Relations.

POM-513. A joint resolution adopted by the Legislature of the State of California; to the Committee on Foreign Relations.

"Whereas, Since the wanton murder of Major Arthur D. Nicholson, Jr., United States Army, on Sunday, March 24, 1985, an appropriate response to the Union of Soviet Socialist Republics has been of major importance; and

"Whereas, The Free World in general, and the United States in particular, cannot permit this heinous act to pass without our severest criticism and condemnation; and

"Whereas, As citizens of the United States, enjoying freedom unparalleled in the world, freedom that is unfortunately neither recognized nor appreciated by many, we cannot passively sit by while the memory of this wicked act fades from the minds of the freedom loving peoples of the world; and

"Whereas, These acts by the Soviet Union cannot be permitted to continue—first it was Korean Air Lines 007—next it was Major Arthur D. Nicholson, Jr.—and we must ask: Where will the next act of violence take place?; and

"Whereas, Renaming "Check Point Charlie," which links West Berlin with East Berlin, as the "Major Arthur D. Nicholson, Jr., Gate," would be a fitting reminder of the need for constant international vigilance of this international peril, and would constitute a memorial to Major Nicholson; now, therefore, be it

"Resolved by the Assembly and Senate of the State of California, That the President and the Congress be memorialized to rename "Check Point Charlie" as the "Major Arthur D. Nicholson, Jr., Gate" in memory of the supreme sacrifice that Major Nicholson gave for the good of humankind, and as a reminder that all citizens of the world must be vigilant against future Soviet violence and aggression; and be it further

"Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

POM-514. A joint resolution adopted by the Legislature of the State of California; to the Committee on Rules and Administration:

"ASSEMBLY JOINT RESOLUTION No. 77

"Whereas, Haym Salomon was an American patriot of Polish and Jewish background and a member of the Sons of Liberty; and

"Whereas, Haym Salomon was a revolutionary patriot who was instrumental in raising the money needed to finance the American War of Independence; and

"Whereas, Haym Salomon contributed his own resources and skill as a financier and broker to the cause of liberty during the American War of Independence and the early years of the United States; and

"Whereas, After the American War of Independence was over, Haym Salomon died insolvent from an illness he contracted during the conflict while imprisoned by the British for his patriotic activities; and

"Whereas, Haym Salomon contributed much of his own resources to the United States, an amount which will never be precisely known due to the loss and destruction of records during the War of 1812; and

"Whereas, Haym Salomon has long been recognized as the symbol of the American Jewish participation in, and contribution to, the American War of Independence; and

"Whereas, Despite Haym Salomon's great and selfless service to the cause of liberty, no national monument or statue has ever been erected in his honor; and

"Whereas, It is only fitting and proper to honor Haym Salomon through the placement of a statue of him in the United States Capitol Building or on the Capitol grounds and the erection of a monument to him on federal land within the District of Columbia; now, therefore, be it

"Resolved by the Assembly and Senate of the State of California, jointly, That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States to enact legislation which would permit the placement of a privately funded statue of Haym Salomon in the United States Capitol Building or on the Capitol grounds and to permit the erection of a privately funded monument to Haym Salomon on federal land within the District of Columbia; and be it further

"Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatves, and to each Senator and Representative from California in the Congress of the United States."

POM-515. A resolution adopted by the Council of the City of Berea, Ohio, supporting efforts to amend the Fair Labor Standards Act to provide relief from the present provisions of the Act as related to municipalities; to the Committee on Labor and Human Resources.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ROTH, from the Committee on Governmental Affairs, with an amendment in the nature of a substitute:

S. 1527: A bill to amend title 5, United States Code, to establish a new retirement and disability plan for Federal employees, postal employees, and Members of Congress, and for other purposes (Rept. No. 99-166).

By Mr. ROTH, from the Committee on Governmental Affairs, with amendments and an amendment to the title:

H.R. 2672: A bill to redesignate the New York International and Bulk Mail Center in Jersey City, New Jersey, as the "New Jersey International and Bulk Mail Center," and to honor the memory of a former postal employee by dedicating a portion of a street at the New York International and Bulk Mail Center in Jersey City, New Jersey, as "Michael McDermott Place."

By Mr. ROTH, from the Committee on Governmental Affairs, without amendment:

S. Res. 247: An original resolution waiving section 303(a) of the Congressional Budget Act of 1974 with respect to S. 1527 as reported by the Committee on Governmental Affairs, referred to the Committee on the Budget.

S. Res. 248: An original resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 1527; referred to the Committee on the Budget.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. BRADLEY (for himself and Mr. D'AMATO):

S. 1807. A bill consenting to a modification in the Delaware River Basin Compact relating to the rate of interest on bonds issued by the Delaware River Basin Commission; to the Committee on the Judiciary.

By Mr. WALLOP:

S. 1808. A bill to amend the Internal Revenue Code of 1954 to exempt from taxation corporations or trusts which acquire and manage real property for certain exempt organizations, and for other purposes; to the Committee on Finance.

By Mr. DOLE (by request):

S. 1809. A bill to amend the Tariff Schedules of the United States to permit the importation of furskins from the Union of Soviet Socialist Republics; to the Committee on Finance.

By Mr. SYMMS (for himself, Mr. NICKLES, Mr. HECHT, and Mr. MCCLURE):

S. 1810. A bill to require United States representatives to international financial institutions to oppose assistance by such institutions for the production of agricultural commodities in competition with United States produced agricultural commodities, and for other purposes; to the Committee on Foreign Relations.

By Mr. CHAFEE:

S. 1811. A bill to temporarily suspend the duty on frozen cranberries; to the Committee on Finance.

By Mr. LEAHY:

S. 1812. A bill to provide for the establishment of a voluntary milk adjustment program.

By Mr. CHAFEE (for himself and Mr. SARBANES):

S. 1813. A bill to amend and extend the Atlantic Striped Bass Conservation Act, and for other purposes; to the Committee on Environment and Public Works.

By Mr. NUNN (for himself, Mr. MATTINGLY, Mr. GOLDWATER, Mr. CHILES, Mr. HOLLINGS, Mr. STENNIS, Mr. PRYOR, Mr. BENTSEN, Mr. BOREN, Mr. HEFLIN, Mr. ZORINSKY, Mr. LAXALT, Mr. DURENBERGER, Mr. CHAFEE, Mr. INOUYE, Mr. HELMS, Mr. BUMPERS, Mr. BOSCHWITZ, Mr. HATFIELD, Mr. DIXON, and Mr. LEVIN):

S.J. Res. 229. Joint resolution designating the week of January 13 through January 19, 1986, as "National Productivity Improvement Week"; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. ROTH from the Committee on Governmental Affairs:

S. Res. 247. An original resolution waiving section 303(a) of the Congressional Budget Act of 1974 with respect to S. 1527 as reported by the Committee on Governmental Affairs; to the Committee on the Budget.

S. Res. 248. An original resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 1527; to the Committee on the Budget.

By Mr. D'AMATO:

S. Res. 249. Resolution to honor the achievements of Antonio Meucci; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BRADLEY (for himself and Mr. D'AMATO):

S. 1807. A bill consenting to a modification in the Delaware River Basin compact relating to the rate of interest on bonds issued by the Delaware River Basin Commission; to the Committee on the Judiciary.

MODIFICATION IN THE DELAWARE RIVER BASIN COMPACT

Mr. BRADLEY. Mr. President, it is with great pleasure that I send the following bill to the desk on behalf of myself and the distinguished Senator from New York, Mr. D'AMATO. The purpose of this legislation is to give the Delaware River Basin Commission the ability to raise revenues to finance important water projects to ensure adequate water supplies in the region. Specifically, the compact will allow the DRBC to charge precompact water users for new water storage projects—which have been deemed vital to assure adequate water supplies during dry and drought periods.

Mr. President, in 1961, the Delaware River Basis compact was formed by the four basin States of Delaware, New Jersey, New York, Pennsylvania, and the United States. In the case of this compact, Congress did not merely ratify an agreement among States, but joined the U.S. Government as an equal party. The purpose of the compact was to establish a forum or agency in which the five parties could jointly exercise their sovereign powers in water resource management for the common interest of all people in the region who use our water and related land resources.

One of the essential water resource considerations is how to ensure the availability of and safe water supplies—for both exisiting and future users. There remains today and for decades to come more than enough water to meet present and future needs in the basin—but to do so requires management agencies to muster the financial, political, and public support to meet those needs.

In the past few years, it has become obvious that there is a need to upgrade water resource facilities in the basin. In particular, the Delaware River Basin Commission has recommended additional storage at two reservoirs in Pennsylvania. These projects are designed to augment water supply and improve water quality, salinity protection, and flood control. The time has come to move ahead with the construction of these water supply projects as unanimously agreed to by the Governors of the four basin States and the mayor of New York City.

Mr. President, the combined non-Federal cost of the two projects is in the $150 million range. The legislation I am introducing today would allow the Delaware River Basin Commission to establish a fair and equitable system to raise revenue to support these water projects. Mr. President, this legislation does not ask the Federal Government to pay for these water projects. Instead, it allows the Delaware River Basin Commission to charge users of the water for these projects. The present compact allows the commission to charge only postcompact users for new water storage projects. This bill would modify the compact so that precompact users could also be charged. The cost of these projects would be minimal; a family of four would experience a rise in their water utility bill of just 5 cents a month.

The drought conditions experienced in the Delaware basin during 1980–81 and again since August 1984, before Hurricane Gloria, underscore the necessity for these two vital water storage projects. The modification of the compact provided in this legislation will greatly assist us in furnishing that needed storage. Mr. President, the days of relying upon major subsidies by the Federal Treasury have ended. With this resolution the users of the Delaware River Basin, under a fair and equitable arranagement, will be able to share the cost of developing our basic water needs.

Mr. D'AMATO. Mr. President, I rise today in support of the legislation to amend section 15.1(b) of the Delaware River Basin Commission compact. I commend my colleague, Senator BRADLEY, for his leadership on this issue.

This legislation will give the commission the revenue base it needs to support the non-Federal share of vital reservoir storage projects.

Mr. President, it is no secret that New York has experienced serious water shortages recently, and I believe that we must make a high priority of taking long-term preventative measures to ease these shortages. The Delaware River Basin Commission was established to confront this type of challenge, and I am here today to emphasize my support for their efforts to develop, conserve, and protect the ground and surface water resources throughout the Delaware River Basin.

When the Congress ratified the compact which established the commission in 1961, it specifically prohibited the commission from imposing any charges for water withdrawals of diversions from the basin if such withdrawals or diversions could lawfully have been made without charge on the effective date of the compact. However, it is clear that conditions within the basin have substantially changed since enactment of the compact in 1961, and that the cost of providing a safe and secure supply of water cannot be effectively financed and repaid solely by the class of postcompact water users now subject to charges.

The legislation I am cosponsoring today is unanimously supported by the Governors of the four basin States and the mayor of New York City. I urge the Senate to act quickly to approve this vital legislation.

Thank you, Mr. President.

By Mr. WALLOP:

S. 1808. A bill to amend the Internal Revenue Code of 1954 to exempt from taxation corporations or trusts which acquire and manage real property for certain exempt organizations, and for other purposes; to the Committee on Finance.

REAL PROPERTY MANAGEMENT BY CERTAIN NONPROFIT ORGANIZATIONS

● Mr. WALLOP. Mr. President, I rise today before the Senate to introduce a bill designed to help alleviate the financial uncertainty faced by many nonprofit organizations.

This legislation is designed to allow pension funds, Government retirement funds, and organizations exempt under section 501(c)(3) of the Internal Revenue Code to pool their resources along with other small entities in

order to invest in real estate. Private foundations, charities, and colleges with small endowments will benefit markedly from the provisions of the bill, yet the U.S. Treasury will experience no revenue loss because of it.

As a result of the recent piecemeal changes in tax laws regarding real estate investment by tax-exempt groups, opportunities currently available only to the largest of them are not within reach of the smaller ones. Pension trusts, government plans, and educational institutions are allowed, because of amendments to the code made in 1980 and 1984, to invest in leveraged real estate without being held liable for taxes on the income produced thereby, but the smaller organizations such as private foundations and charities are not able to take advantage of this.

My bill will provide the means whereby tax-exempt entities are able not only to debt-finance real estate transactions, but to combine their funds with other like groups to diversify their relatively limited dollars into investments which would have been too costly for them to consider on their own. This legislation also enables charities which invest to obtain corporate limited liability, and to retain extensive control over the management of their investments because the bill limits investors to 35 and requires that a majority in interest be allowed to replace the investment manager.

Mr. President, we know that the eradication of our Government's debt mandates across-the-board belt tightening. This reality makes investment freedom more important than ever for tax-exempt organizations. The legislation I introduce today would correct inequities and expand the opportunities to these organizations to invest in real property by creating a new corporate investment entity free of current restrictions, and to retain control over their investments in the new vehicle through mandatory safeguards included in the bill.●

By Mr. DOLE (by request):

S. 1809. A bill to amend the Tariff Schedules of the United States to permit the importation of furskins from the Union of Soviet Socialist Republics; to the Committee on Finance.

IMPORTATION OF SOVIET FURSKINS

Mr. DOLE. Mr. President, at the request of the President, I introduce a bill today which would remove the 34-year-old prohibition against the importation of seven types of furskins from the Soviet Union.

The bill is a result of negotiations in May 1985 between United States Secretary of Commerce Baldrige and Soviet Foreign Minister Patolichev, and is reflective of the President's policy to seek a more constructive trade relationship with the Soviets. It is designed to implement commitments made at the trade talks and to improve trade opportunities between United States and Soviet firms.

Elimination of the current import ban will have minimal effect on the domestic furskin industry, as the United States produces only one of the seven embargoed furs, mink, in a significant quantity. Moreover, more than 80 percent of our domestic mink production is exported and therefore has long competed with Soviet furs in the world market. All Soviet furs imported into the United States would, of course, continue to be subject to the higher rates of duty which apply to countries not entitled to our most favorable tariff treatment.

I ask unanimous consent that the text of the bill be printed in the RECORD together with the letter of transmittal from the Secretary of Commerce.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. FURSKINS.

The headnotes to subpart B of part 5 of schedule 1 of the Tariff Schedules of the United States are amended by striking out headnote 4.

SEC. 2. EFFECTIVE DATE.

The amendment made by this Act shall apply to articles entered, or withdrawn from warehouse, for consumption after the date that is 15 days after the date of enactment of this Act.

SECRETARY OF COMMERCE
Washington, DC, June 28, 1985.

Hon. GEORGE BUSH,
President of the Senate,
Washington, DC.

DEAR MR. PRESIDENT: At the conclusion of a meeting of the Joint U.S.-U.S.S.R. Commercial Commission in May, I announced that the Administration intended to propose legislation that would eliminate a 34-year old ban on the importation from the Soviet Union of seven types of furskins. I took this action in order to further the President's policy of seeking a more constructive working relationship with the Soviet Union, and to reciprocate a commitment by Soviet Foregn Trade Minister Patolichev to improve the market access and business prospects for American firms in the Soviet Union.

Accordingly, I am enclosing six copies of a draft bill—"To amend the Tariff Schedules of the United States to permit the importation of furskins from the Union of Soviet Socialist Republics, and for other purposes." Together with a statement of purpose and need.

We have been advised by the Office of Management and Budget that there is no objection to the submission of this legislation to the Congress, and that enactment of this legislation would be in accord with the program of the President.

Sincerely,

MALCOLM BALDRIGE,
Secretary of Commerce.

By Mr. SYMMS (for himself, Mr. NICKLES, Mr. HECHT, and Mr. MCCLURE):

S. 1810. A bill to require U.S. representatives to international financial institutions to oppose assistance by such institutions for the production of agricultural commodities in competition with U.S.-produced agricultural commodities, and for other purposes; to the Committee on Foreign Relations.

FOREIGN AGRICULTURAL INVESTMENT REFORM (FAIR) ACT

● Mr. SYMMS. Mr. President, today I am introducing a bill to prevent the use of taxpayers dollars to finance our agricultural export competition overseas. This bill, entitled the Foreign Agricultural Investment Reform [FAIR] Act, has already been attached to S. 1714, the Agriculture, Food, Trade, and Conservation Act of 1985.

There are several reasons why I feel the bill should also be introduced in free-standing form. First, it will invite the full consideration of the Senate committee process. Second, seeing as Congressmen BOULTER and CRAIG are introducing identical legislation in the House of Representatives today, it provides an opportunity for our colleagues in that body to show their support for the legislation.

And lastly, the farm bill which we are now considering has yet many hurdles to overcome before becoming law. The FAIR provision may not survive a conference with the House, or the President may veto the farm bill all together. The problems which FAIR addresses are too immediate to be lost in this way.●

By Mr. CHAFEE:

S. 1811. A bill to temporarily suspend the duty on frozen cranberries; to the Committee on Finance.

SUSPENSION OF DUTY ON FROZEN CRANBERRIES

● Mr. CHAFEE. Mr. President, the bill I introduce today would suspend for 5 years the existing 6-percent duty on imported frozen cranberries. This bill will eliminate the anomaly in current tariff rates which assess no duty on imported fresh cranberries, but impose a 6-percent duty on the same frozen cranberries.

The existing duty on imported frozen cranberries creates a logistical problem for cranberry producers on both sides of the border. In order to avoid an increase in the shipping costs, cranberry growers must ship their fresh cranberries immediately over the border or be subject to the increased duties. This financial pressure undermines the ability of producers to make logical decisions as to where freezers should be constructed for storage of cranberries.

This duty suspension is in the best interest of the industry and of consumers who pay the ultimate cost and would allow the industry flexibility in its development and marketing.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1811

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TEMPORARY SUSPENSION OF DUTY ON FROZEN CRANBERRIES.

Subpart B of part 1 of the Appendix to the Tariff Schedules of the United States is amended by inserting in numerical sequence the following new item:

"903.63	Cranberries, frozen (provided for in item 146.71)	Free	No change	On or before 9/30/90"

SEC. 2. EFFECTIVE DATE.

The amendment made by this Act shall apply to articles entered, or withdrawn from warehouse, for consumption after the date that is 15 days after the date of enactment of this Act.●

By Mr. LEAHY:

S. 1812. A bill to provide for the establishment of a voluntary milk adjustment program; to the Committee on Agriculture, Nutrition, and Forestry.

ESTABLISHMENT OF VOLUNTARY MILK ADJUSTMENT PROGRAM

● Mr. LEAHY. Mr. President, I rise today to introduce S. 1812, a bill which would reduce Government costs for the purchase of surplus dairy products. Mr. President, the dairy farmers of this country share this body's desire to reduce the deficit which threatens our economy. They know that the Government cannot continue to expend extraordinary amounts for farm programs.

The American farm economy is now producing record amounts of products, much of which have no home within the normal market framework. Dairy is not unique. The amount of dairy cattle now on farms has increased 3 percent from the same period last year. This bill would provide for a reduction in the number of cattle, thereby reducing the amount of dairy products produced by this Nation's dairy farmers. Government costs for surplus products would decrease if this bill were approved. Finally, dairy producers wishing to exit the industry in an orderly manner would be encouraged to do so under this legislation. I urge my colleagues to review this proposal.●

By Mr. CHAFEE (for himself and Mr. SARBANES):

S. 1813. A bill to amend and extend the Atlantic Striped Bass Conservation Act, and for other purposes; to the Committee on Environment and Public Works.

EXTENSION AND AMENDMENT OF ATLANTIC STRIPED BASS CONSERVATION ACT

Mr. CHAFEE. Mr. President, it was nearly 1 year ago that Congress enacted the Atlantic Striped Bass Conservation Act. Without further action by Congress, the law will expire in April. To keep this important law in effect and to strengthen and improve it, I am pleased to introduce a bill to amend and extend the Atlantic Striped Bass Conservation Act.

Many of our coastal fish have undergone a precipitious decline during the last decade. More efficient commercial fishing methods, increased recreational fishing, lower production, and polluted habitat are some of the factors responsible for this decline. Without question, we need to improve the conservation and management of all migratory fish. The best example of this problem, perhaps more accurately referred to as "the worst example," is the striped bass situation.

In addition to the historical significance of the striped bass, the striper is today prized as a delectable tablefish as well as a gamefish. This magnificent creature has deservedly been called the aquatic equivalent of the American bald eagle. The possible loss of the striper has alarmed fishermen, scientists, and people concerned about the environment generally.

Last year, I introduced a bill that went well beyond the law we finally passed. That bill would have established an immediate Federal moratorium on the taking of striped bass and a system for effective interstate control of all migratory fish species and their habitat. I continue to believe that controls on fishing are only part of the answer. Habitat preservation and control of environmental contaminants may be even more important.

Nevertheless, effective interstate controls on fishing are needed. This is true for migratory fish generally and for striped bass in particular. Proposals to institute Federal control of migratory fish usually become embroiled in controversy. No one objects to Federal control of migratory birds such as ducks, so why do people use claims of States' rights to object to Federal control of migratory fish such as stiped bass.

This problem goes beyond striped bass but our immediate concern is the striper and the fact that the law we passed last year, and the threat of a Federal moratorium to force State compliance with the Atlantic States Marine Fisheries Commission's interstate management plan for striped bass, is about to expire.

Last year's law called upon the Departments of the Interior and Commerce to evaluate the adequacy and effectiveness of the Commission's 1981 plan for striped bass, including the 1983 amendment calling for a 55-percent reduction in fishing mortality. That report was transmitted to Congress in May of this year and confirmed what many of us already suspected: The plan's call for a 55-percent reduction in fishing mortality will result in more stripers but it will not be enough to assure survival of the species.

The law also directed the Commission to report on how well the plan is being implemented by the various States and authorized the Federal Government to impose a moratorium on the taking of striped bass in any State that is not in compliance with the interstate plan. These provisions provide the guts of the law.

It is encouraging that the Commission recognized the shortcomings of the plan and adopted yet another amendment to the plan in June. A copy of that amendment, known as amendment No. 3, is attached to my statement. This may do the trick. It is designed to ensure that 95 percent of all female stripers hatched in the Chesapeake Bay in 1982 have a chance to reproduce at least once before being caught.

Mr. President, the individual States have taken great strides since last year. In my own State of Rhode Island, two regulations were passed by the State council to comply with the 55-percent reduction called for in the interstate plan. Since July, all bass catches have been limited to fish 24 inches and longer and earlier this month a ban on netting striped bass went into effect. There has been a great deal of attention paid to this problem and a lot of action over the past several months. Everyone should take great pride in what has been accomplished. But the question remains: Have we done enough to save the fish for future generations of fishermen and striper enthusiasts.

Commercial fishermen, consumers, and sport fishermen will all benefit in the long run if this magnificant species is saved. Hopefully, the measures we have taken to date are having a positive effect. That would account for the reports of increased sightings by numerous fishermen. However, we must be careful not to overreact and roll the clock back too soon. More remains to be done. To assure long-term survival of the striper we must not be lulled into a false sense of early success.

The bill I am introducing today will establish June 1987 as the outside date by which each Atlantic coastal State must come into compliance with the Commission's recently adopted amendment No. 3. It will extend last year's law authorizing the imposition of a Federal moratorium in those States that do not comply with the interstate plan. This bill will also strengthen the role of the Federal Government in evaluating the actions and findings of the Atlantic States Marine Fisheries Commission with respect to striped bass. A section-by-section analysis of the bill is attached to this statement.

These amendments are based upon information presented at a hearing I held last July. It is my intention to move quickly on this bill and to have legislation enacted prior to the April 1986 expiration of the current law.

Mr. President, I ask unanimous consent that the attached copies of amendment No. 3 to the plan, a section-by-section analysis and the text of my bill be printed in the RECORD.

There being no objection the material was ordered to be printed in the RECORD, as follows:

S. 1813

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DEFINITIONS.

Paragraphs (3) and (4) of section 3 of the Atlantic Striped Bass Conservation Act (16 U.S.C. 1851 note) are amended to read as follows:

"(3) The term 'coastal waters' means—

"(A) for each coastal State referred to in paragraph (4)(A)—

"(i) all waters, whether salt or fresh, of the coastal State shoreward of the baseline from which the territorial sea of the United States is measured; and

"(ii) the waters of the coastal State seaward from the baseline referred to in clause (i) to the inner boundary of the exclusive economic zone;

"(B) for the District of Columbia, those waters within its jurisdiction; and

"(C) for the Potomac River Fisheries Commission, those waters of the Potomac River within the boundaries established by the Potomac River Compact of 1958.

"(4) The term 'coastal State' means

"(A) Pennsylvania and each State of the United States bordering on the Atlantic Ocean north of the State of South Carolina;

"(B) the District of Columbia; and

"(C) the Potomac River Fisheries Commission established by the Potomac River Compact of 1958.".

SEC. 2. COMMISSION FUNCTIONS.

(a) Section 4(a) of the Atlantic Striped Bass Conservation Act (16 U.S.C. 1851 note) is amended by—

(1) inserting "(1)" immediately before "The Commission shall decide";

(2) striking "June 1985" and inserting in lieu thereof "June 1987";

(3) striking the period at the end thereof and inserting the following "and shall, not later than July 30, 1987, submit to the Secretaries a report setting forth the measures that each coastal State has taken to fully implement the Plan in its coastal waters."; and

(4) adding the following new paragraph—

"(2) The Commission shall decide during June 1986 whether each coastal State is taking all measures necessary to fully implement Amendment 3 to the Plan in its coastal waters by a date not later than June 1, 1987. The Commission shall immediately notify the Secretaries of each negative determination made by it under the preceding sentence and shall, not later than July 30, 1986, submit to the Secretaries a report setting forth the measures that each coastal State is taking to fully implement the Plan in its coastal waters.".

(b) Section 4(d) of the Atlantic Striped Bass Conservation Act (16 U.S.C. 1851 note) is amended to read as follows:

"(d) SECRETARIAL ACTION.—The Secretaries shall determine, either jointly or individually after consultation with each other, whether each coastal State is in compliance with the Plan and, if a coastal State is not in compliance, the Secretaries shall declare, either jointly or individually after consultation with each other, a moratorium on fishing for Atlantic striped bass within the coastal waters of that coastal State. The determinations referred to in the preceding sentence shall be made not later than 30 days after receiving notice from the Commission (1) under subsection (a)(1) that a coastal State has not taken the action described in that paragraph; or (2) under subsection (a)(2) that a coastal State is not taking the actions described in that paragraph; or (3) under subsection (c) of the results of the monitoring under subsection (b); or not later than 30 days after the date upon which reports from the Commission under paragraphs (1) or (2) of subsection (a) are to be submitted.".

SEC. 3. MORATORIUM PERIOD

Section 5(a)(2) of the Atlantic Striped Bass Conservation Act (16 U.S.C. 1851 note) is amended by striking "the Commission notifies the Secretary that that State" and inserting in lieu thereof "the Secretaries determine that the coastal State in question".

SEC. 4. AUTHORIZATION OF APPROPRIATIONS.

Section 7 of the Atlantic Striped Bass Conservation Act (16 U.S.C. 1851 note) is amended by striking "fiscal year 1986" and inserting in lieu thereof "fiscal years 1986, 1987, 1988 and 1989".

SEC. 5. EFFECTIVE PERIOD.

Section 9 of the Atlantic Striped Bass Conservation Act (16 U.S.C. 1851 note) is amended by striking "and shall cease to have force and effect 18 months after the date of enactment of this Act".

AMENDMENT TO THE ATLANTIC STATES MARINE FISHERIES COMMISSION'S INTERSTATE FISHERY MANAGEMENT PLAN FOR THE STRIPED BASS

In order to meet the goal of the original 1981 Striped Bass Management Plan, which is to maintain a spawning stock, minimize the possibility of recruitment failure and to insure rebuilding of the severely depleted Chesapeake spawning stock, an additional third amendment is approved.

This measure is designed to supplement the management measures already in place through the 1981 Plan and its amendments. In the event this amendment is repealed or superseded, the 1981 Plan and previously adopted amendments will remain in effect until and unless the Commission acts to modify or replace them.

The ISFMP for Striped Bass is hereby amended as follows. The effective date of this amendment is July 1, 1985.

Objective 1. That the states reduce fishing mortality on the 1982 year class females, and females of all subsequent year classes of Chesapeake Bay stocks, to zero until 95% of the females of these year classes have an opportunity to reproduce at least once. This objective is intended to apply to the fishery until the 3-year running average of Maryland young-of-year index attains 8.0. Management measures which will accomplish this objective include combinations of the following which insure that no fishing mortality occurs on the target year classes:

(a) Total closures of striped bass fisheries. Where a state has closed its fishery, neighboring states and jurisdictions whose waters border on or are tributary to those which are closed should take complementary actions to insure the enforceability of such closures.

(b) Establishment of minimum size limits below which 95% of females have spawned at least once.

(c) Establishment of minimum size limits in combination with seasonal closures which insure that sub-adult females are not taken in open fisheries.

(d) Elimination of any allowable bycatch below minimum lengths.

Such measures need to be made effective prior to the time at which 1982 year class females become exploitable under a given jurisdiction's regulations.

Objective 2. That the Striped Bass Board support restoration efforts in the Delaware River system including the Delaware Bay and that a moratorium on striped bass fishing in the Delaware Bay system be implemented upon the onset of restoration efforts.

SUMMARY OF AMENDMENTS TO ATLANTIC STRIPED BASS CONSERVATION ACT

Section 1. Amends definitions of "coastal waters" and "coastal State" to include the District of Columbia and the Potomac River Fisheries Commission.

Section 2(a). Directs the Commission to decide in June 1987 whether each coastal State has fully implemented the Plan, including Amendment 3 to the Plan. Negative findings must be transmitted to the Secretaries immediately. By July 30, 1987, the Commission must file a report on each coastal State's implementation of the Plan.

During June 1986, the Commission must decide whether each coastal State is taking all measures necessary to be in compliance with Amendment 3 to the Plan by June 1, 1987. Negative findings must be transmitted to the Secretaries immediately. By July 30, 1986, the Commission must file a report on each coastal State's progress toward implementation of the Plan.

Section 2(b). After considering the findings and reports filed in a timely manner by the Commission, the Secretaries of the Interior and Commerce shall determine, either jointly or individually after consultation with each other, whether each coastal State is in compliance with the Plan. The first determination shall be made in August 1986 and shall consider whether each coastal State is taking all measures necessary to fully implement Amendment 3 to the Plan by June 1, 1987. The second determination shall be made in August 1987 and shall consider whether each coastal State is in full compliance with the Plan. Subsequent determination shall be made on a biannual basis and shall consider whether each coastal State is adequately enforcing the Plan.

Upon determining that a particular coastal State is not in compliance with the Plan or is not adequately enforcing the Plan, the Secretaries shall declare, either jointly or individually after consultation with each other, the Commission and the affected State, a moratorium on fishing for striped bass in that State's coastal waters. The moratorium shall last until the State takes corrective action.

Section 3. Amends the definition of "moratorium period" to shift responsibility for determining the end of such period from the Commission to the Secretaries.

Section 4. Extends the current authorization of appropriations through fiscal year 1989.

Section 5. Removes the 18 month sunset provision in current law.

By Mr. NUNN (for himself, Mr. MATTINGLY, Mr. GOLDWATER, Mr. CHILES, Mr. HOLLINGS, Mr. STENNIS, Mr. PRYOR, Mr. BENTSEN, Mr. BOREN, Mr. HEFLIN, Mr. ZORINSKY, Mr. LAXALT, Mr. DURENBERGER, Mr. CHAFEE, Mr. INOUYE, Mr. HELMS, Mr. BUMPERS, Mr. BOSCHWITZ, Mr. HATFIELD, Mr. DIXON, and Mr. LEVIN):

S.J. Res. 229. Joint resolution designating the week of January 13 through 19, 1986, as "National Productivity Improvement Week"; to the Committee on the Judiciary.

NATIONAL PRODUCTIVITY IMPROVEMENT WEEK

● Mr. NUNN. Mr. President, for several years it has been my pleasure to introduce a Senate joint resolution designating a week as "National Productivity Improvement Week." I am once again pleased to offer the joint resolution designating January 13 through 19, 1986, as "National Productivity Improvement Week."

American productivity brought this Nation to the economic leadership of the world. While America still leads in productivity, other nations are closing the gap. Since the seventies, the rate of productivity improvement of other countries—especially Japan—has exceeded that of the United States. Many economists predict that the United States will eventually lose its productivity leadership unless improvements are made in U.S. productivity. Therefore, it is very important that we continue efforts to promote productivity improvement and awareness.

When productivity here isn't doing as well as abroad, then the United States faces a major problem: An imbalance of trade. Now well in excess of $100 billion, the U.S. trade deficit looms as a threat to the standard of living in this country. As Dr. Allen S. Puckett, head of Hughes Aircraft Corp., so succinctly put it: "We can't continue to buy products we didn't make with dollars we didn't earn."

Just as ominous as the trade deficit is the threat of high inflation—and here again we can focus on productivity as a deciding force. Why is this so? Because inflation has a snowball effect. Our economy has become accustomed to at least some inflation, and by now paychecks often are arbitrarily increased from time to time based solely on the so-called cost-of-living index. Remember, whenever a company incurs this kind of expense without a corresponding increase in productivity, it has to be made up somewhere. And of course you know where it's made up—with higher price tags on the goods and services offered.

Then we're off on another round of the dangerous inflation cycle. Obviously, this danger dovetails right into the trade deficit problem when higher prices of U.S. goods make less expensive foreign-produced goods more attractive to the American consumer.

Besides price considerations, of course, is the comparison of quality. Quality should be an integral part of any productivity program. The two together add up to the excellence which brought our Nation to the forefront in world economy in the first place.

Industrial engineers and others working with these professionals are spreading the word about the importance of productivity improvement. They're encouraging organizations of all sizes to take immediate steps to set up meaningful productivity programs.

In business, in industry and in Government, management can help by carefully reviewing their organization's method of doing business. For example, workflow needs study to determine what wasted time or materials can be eliminated. Just as importantly, management needs to review its workforce relationships. Employees are motivated by being made part of the productivity planning team, yet many organizations fail to take advantage of this fact.

Those anywhere on the labor ladder must do their part to foster a strong team effort on the job. An attitude of cooperation in itself goes a long way toward productivity improvement. This has been proved time and again—a company with positive attitudes of management and labor working together almost always becomes a creative and successful entry into the marketplace.

For several years, it has been my pleasure to introduce this joint resolution on behalf of the Institute of Industrial Engineers. The American Institute of Industrial Engineers has been very successful in their public information campaign in promoting a better understanding of the critical aspects of productivity improvement. Throughout the month of January, the Institute will conduct its seventh annual productivity awareness campaign as a public information service. "Productivity Plus Quality Equals Excellence" is the theme for the 1986 campaign.

I hope that my Senate colleagues will join me in cosponsoring this joint resolution designating January 13 through 19, 1986 as "National Productivity Improvement Week." I urge the Senate to act expeditiously on this joint resolution.●

ADDITIONAL COSPONSORS

S. 85

At the request of Mr. DECONCINI, the name of the Senator from Massachusetts [Mr. KERRY] was added as a cosponsor of S. 85, a bill to amend title 38, United States Code, to revise the formula for the payment of dependency and indemnity compensation [DIC] to the surviving spouses of veterans who die on active duty or from service-connected disability.

S. 524

At the request of Mr. ARMSTRONG, the name of the Senator from Kansas [Mr. DOLE] was added as a cosponsor of S. 524, a bill to recognize the organization known as the Retired Enlisted Association, Inc.

S. 558

At the request of Mr. MOYNIHAN, the name of the Senator from Texas [Mr. BENTSEN] was added as a cosponsor of S. 558, a bill to amend the Internal Revenue Code of 1954 to permanently exclude educational assistance programs from gross income, and for other purposes.

S. 571

At the request of Mr. D'AMATO, the name of the Senator from Utah [Mr. HATCH] was added as a cosponsor of S. 571, a bill to amend subchapter II of chapter 53 of title 31, United States Code, relating to currency reports.

S. 853

At the request of Mr. PRYOR, the name of the Senator from Connecticut [Mr. DODD] was added as a cosponsor of S. 853, a bill to amend the Trade Act of 1974 to allow watches to be designated as eligible articles for purposes of the generalized system of preferences.

S. 1104

At the request of Mr. WEICKER, the name of the Senator from Vermont [Mr. LEAHY] was added as a cosponsor of S. 1104, a bill to revise the provisions of the Public Health Service Act relating to health planning.

S. 1181

At the request of Mr. HATCH, the names of the Senator from South Carolina [Mr. THURMOND], and the Senator from Massachusetts [Mr. KERRY] were added as cosponsors of S. 1181, a bill to establish a program for the provision of home and community-based services to elderly individuals.

S. 1363

At the request of Mr. KENNEDY, the name of the Senator from Michigan [Mr. RIEGLE] was added as a cosponsor of S. 1363, a bill to prohibit the use of the mails to send dangerous martial arts weapons.

S. 1591

At the request of Mr. LEVIN, the name of the Senator from Pennsylvania [Mr. SPECTER] was added as a cosponsor of S. 1591, a bill to recognize the organization known as the American Philatelic Society.

S. 1624

At the request of Mr. DECONCINI, the name of the Senator from Virginia [Mr. TRIBLE] was added as a cosponsor of S. 1624, a bill to make ineligible for certain agricultural program benefits persons who are convicted under Federal or State law of planting, cultiva-

tion, growing, or harvesting of controlled substances.

S. 1742

At the request of Mr. TRIBLE, the name of the Senator from Arizona [Mr. DECONCINI] was added as a cosponsor of S. 1742, a bill to improve the enforcement of the restrictions against imported pornography.

S. 1778

At the request of Mr. BENTSEN, the names of the Senator from North Dakota [Mr. ANDREWS], and the Senator from South Carolina [Mr. THURMOND] were added as cosponsors of S. 1778, a bill to deny most-favored-nation trade treatment to any country that provides support for acts of terrorism.

S. 1806

At the request of Mr. BOREN, the name of the Senator from Mississippi [Mr. STENNIS] was added as a cosponsor of S. 1806, a bill to amend the Federal Election Campaign Act of 1971 to change certain contribution limits for congressional elections and to amend the Communications Act of 1934 regarding the broadcasting of certain material regarding candidates for Federal elective office, and for other purposes.

SENATE JOINT RESOLUTION 74

At the request of Mr. THURMOND, the name of the Senator from New Mexico [Mr. DOMENICI] was added as a cosponsor of Senate Joint Resolution 74, a joint resolution to provide for the designation of the month of February 1986 as "National Black (Afro-American) History Month."

SENATE JOINT RESOLUTION 134

At the request of Mr. BIDEN, the name of the Senator from Oklahoma [Mr. NICKLES] was added as a cosponsor of Senate Joint Resolution 134, a joint resolution to designate "National Safety in the Workplace Week."

SENATE JOINT RESOLUTION 203

At the request of Mr. HATCH, the name of the Senator from Minnesota [Mr. BOSCHWITZ], the Senator from Florida [Mrs. HAWKINS], the Senator from Hawaii [Mr. MATSUNAGA], the Senator from Vermont [Mr. STAFFORD], and the Senator from Ohio [Mr. GLENN] were added as cosponsors of Senate Joint Resolution 203, a joint resolution to designate November 6, 1985, as "Ignacy Jan Paderewski Day."

SENATE JOINT RESOLUTION 219

At the request of Mr. HATCH, the names of the Senator from Mississippi [Mr. COCHRAN], the Senator from Kansas [Mr. DOLE], the Senator from Oregon [Mr. HATFIELD], the Senator from Pennsylvania [Mr. HEINZ], the Senator from Idaho [Mr. MCCLURE], the Senator from Alaska [Mr. STEVENS], the Senator from South Carolina [Mr. THURMOND], the Senator from Vermont [Mr. STAFFORD], the Senator from Indiana [Mr. QUAYLE], the Senator from Florida [Mrs. HAWKINS], the Senator from Connecticut [Mr. WEICKER], the Senator from New Jersey [Mr. BRADLEY], the Senator from California [Mr. CRANSTON], the Senator from Arizona [Mr. DECONCINI], the Senator from South Carolina [Mr. HOLLINGS], the Senator from New York [Mr. MOYNIHAN], the Senator from Mississippi [Mr. STENNIS], the Senator from Ohio [Mr. METZENBAUM], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Rhode Island [Mr. PELL], the Senator from Hawaii [Mr. MATSUNAGA], the Senator from Connecticut [Mr. DODD], the Senator from Illinois [Mr. SIMON], the Senator from Massachusetts [Mr. KERRY], and the Senator from Michigan [Mr. LEVIN] were added as cosponsors of Senate Joint Resolution 219, a joint resolution to designate the week of November 3, 1985, through November 9, 1985, as "National Humanities Week, 1985."

SENATE JOINT RESOLUTION 224

At the request of Mr. EAGLETON, the names of the Senator from Georgia [Mr. MATTINGLY], the Senator from Nevada [Mr. LAXALT], the Senator from Connecticut [Mr. WEICKER], the Senator from Vermont [Mr. STAFFORD], the Senator from Minnesota [Mr. DURENBERGER], the Senator from Florida [Mrs. HAWKINS], the Senator from Pennsylvania [Mr. HEINZ], the Senator from Texas [Mr. GRAMM], the Senator from Iowa [Mr. GRASSLEY], the Senator from Indiana [Mr. QUAYLE], the Senator from Michigan [Mr. LEVIN], and the Senator from Utah [Mr. GARN] were added as cosponsors of Senate Joint Resolution 224, a joint resolution to designate November 30, 1985 as "National Mark Twain Day."

SENATE JOINT RESOLUTION 226

At the request of Mr. RIEGLE, the names of the Senator from Illinois [Mr. SIMON], the Senator from North Dakota [Mr. ANDREWS], the Senator from Rhode Island [Mr. CHAFEE], the Senator from Louisiana [Mr. JOHNSTON], the Senator from Arkansas [Mr. BUMPERS], the Senator from Hawaii [Mr. INOUYE], the Senator from Massachusetts [Mr. KERRY], the Senator from Minnesota [Mr. DURENBERGER], the Senator from Hawaii [Mr. MATSUNAGA], and the Senator from New Jersey [Mr. BRADLEY] were added as cosponsors of Senate Joint Resolution 226, a joint resolution to designate the week of April 6, 1986, through April 12, 1986, as "World Health Week," and to designate April 7, 1986, as "World Health Day."

SENATE RESOLUTION 247—ORIGINAL RESOLUTION REPORTED WAIVING CONGRESSIONAL BUDGET ACT

Mr. ROTH, from the Committee on Governmental Affairs, reported the following original resolution; which was referred to the Committee on the Budget:

S. RES. 247

Resolved, That, pursuant to section 303(c) of the Congressional Budget Act of 1974, section 303(a) of that Act be waived with respect to the consideration of S. 1527, the Federal Retirement Reform Act of 1985, a bill to provide supplemental retirement benefits for employees of the federal civilian service who are covered by Social Security as mandated by the Social Security Amendments of 1983.

S. 1527 would violate section 303(a) of the Congressional Budget Act of 1974 because the bill provides new spending authority as described in 401(c)(2)(C) of that Act to become effective during fiscal year 1987, before the first concurrent resolution on the budget for fiscal year 1987 has been agreed to.

The budget authority provided in S. 1527 authorizes contributions from the employee and the employing agency to the pension system to fund future retirement benefits and authorizes the payment of entitlement benefits to individuals qualifying for such benefits under the provisions of S. 1527.

SENATE RESOLUTION 248—ORIGINAL RESOLUTION REPORTED WAIVING CONGRESSIONAL BUDGET ACT

Mr. ROTH, from the Committee on Governmental Affairs, reported the following original resolution; which was referred to the Committee on the Budget:

S. RES. 248

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of S. 1527, the Federal Retirement Reform Act of 1985, a bill to provide supplemental retirement benefits for employees of the federal civilian service who are covered by Social Security as mandated by the Social Security Amendments of 1983.

S. 1527 would violate section 402(a) of the Congressional Budget Act of 1974 because it authoritizes the enactment of new budget authority for fiscal year 1986 and was reported after the July 8, 1985 deadline. The delay in reporting S. 1527 was occasioned by the complexities of developing legislation that meets the retirement needs of civilian employees while restraining the growth in pension expenditures.

The waiver of 402(a) is necessary to permit timely consideration of the legislation prior to the expiration of the interim retirement plan on December 31, 1985.

SENATE RESOLUTION 249—HONORING THE ACHIEVEMENTS OF ANTONIO MEUCCI

Mr. D'AMATO submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 249

Whereas the invention of the telephone has revolutionized the modern world, not only in terms of productivity and technological advancement, but also in human terms of bringing nations together and reinforcing the concept of global communication and awareness;

Whereas there exists substantial evidence that this revolutionary creation was first developed by Antonio Meucci, a native of Florence, Italy, and a long-time resident of the United States of America;

Whereas in approximately 1856, Antonio Meucci was the first to experiment with a telephonic device by incorporating a vibrating metallic diaphragm and magnetic coil capable of transmitting the spoken word;

Whereas such device technically comprises what is now designated as a telephone;

Whereas Antonio Meucci was granted a caveat or provisional patent for the telephonic device in 1871 in the United States;

Whereas although the monumental achievement of Antonio Meucci has received recognition in Italy and other countries throughout the world, such recognition has not occurred in the United States of America, where the later years of the life of Antonio Meucci were spent contributing to American scientific progress;

Whereas Antonio Meucci died on October 18, 1889, in the United States on Staten Island in New York, unrecognized for this monumental intellectual achievement;

Whereas millions of people of Italian heritage in the United States, and throughout the world, desire to have recognized the important role of Antonio Meucci in the development of the telephone; and

Whereas the enduring friendship of the United States and Italy allows both to share in the pride of the achievements of the citizens of each: Now, therefore, be it

Resolved, That it is the sense of the Senate that the people of the United States acknowledge the role of Antonio Meucci in the development of the telephone, an achievement rightfully reflected in the pride of individuals of Italian heritage, and that an official delegation of the Senate present this resolution in ceremonies in Washington, D.C. to the Honorable Rinaldo Petrignani, the Ambassador to the United States from the Republic of Italy.

● Mr. D'AMATO. Mr. President, I rise today with great pride to honor the genius of inventor Antonio Meucci. The resolution I am offering affirms the instrumental role Antonio Meucci played in the development of the telephone.

Antonio Meucci, a native of Florence, Italy, settled in Clifton on Staten Island, NY, in 1845, soon after arriving in the United States. Meucci aided Giuseppe Garibaldi, the Italian patriot and general, when he sojourned on Staten Island, and he was closely associated with him from 1850 to 1853. Together they engaged in a number of business enterprises, including a candle factory on Staten Island. A long and endearing friendship and respect for one another developed from this brief association. Garibaldi often referred to Meucci in his letters as his "dearest boss."

Throughout his life, Antonio Meucci liked to call himself a "mechanic electrician;" world history, however, has come to remember him as a pioneer experimenter in telephony. In 1849, with little financial support, Meucci began work on the transmission of speech by electricity. The telephonic device developed by Antonio Meucci incorporated a vibrating metallic diaphragm and a magnet electrified by a coil wrapped it. With the vibrating diaphragm altering the current of the magnet, a diaphragm at the other end of the wire was able to receive the alternations of the current. This device was capable of transmitting the spoken word. In 1871, the U.S. Government granted Antonio Meucci a caveat, or provisional patent, for his telephonic device. During this period, from 1849 to 1871, Meucci created some 30 models of his telephonic instrument.

From 1871 to 1880, Antonio Meucci worked at several other inventions and applied for a number of caveats and patents, including a patent for effervescent drinks, a caveat for refining mineral oil, a patent for a lactometer, a patent for a hygrometer, a patent for ornamental candles, a patent for the prevention of noise on elevated railroads, and, in 1880, patents for electric wire and for an undersea telephone, both of which were still pending at the time of his death.

After 1880 he worked on only two more inventions: One for a new process for making postage and revenue stamps, the patent on which was rejected, and for plastic paste, the patent on which was granted. All of these applications and patents were paid by, and assigned to, third parties: Meucci received little or nothing for them.

In 1880, American businessmen began to take interest in Antonio Meucci's telephone device. On September 22, 1883, Meucci assigned his claims to the Globe Telephone Co. The Globe Co. petitioned the U.S. Government to bring suit against the American Bell Telephone Co. and Prof. Alexander Graham Bell, who was granted a patent for his telephone in 1876. The American Bell Telephone Co. in turn brought suit against the Globe Co. and Meucci for infringements of its patent.

On July 19, 1887, the circuit court of the United States, southern district of New York, entered a judgment against Antonio Meucci in an opinion stating that, "proofs fail to show that he—Meucci—had reached any practical result beyond that of conveying speech mechanically by means of a wire telephone." This was an error. The magnets used in the Meucci experiments were indeed electrified by a battery. The decision was based in large part on flawed evidence and ultimately failed to demonstrate the significant role of Antonio Meucci in the development of the telephcne. The decision upheld that Alexander Graham Bell invented the telephone in 1876. The case was appealed, but Meucci had died by the time the case came up for a hearing in 1891.

The Meucci "speaking telegraph," as he liked to call his invention, is indeed the forerunner of the present-day Bell telephone. But, due to the legal and technical circumstances that ultimately prevailed, Antonio Meucci died in the United States unrecognized for his monumental intellectual achievement in the development of the telephone.

Antonio Meucci died on October 18, 1889. All the New York newspapers devoted considerable space to his passing. The New York Herald printed the following on October 19:

He died in the full belief of the priority of his claim as inventor of the telephone, which he declared must be recognized sooner or later.

Mr. President, I believe it is now time that we in the United States, as millions throughout the world have done already, recognize the achievement of Antonio Meucci. The resolution I am introducing today simply states it is the sense of the Senate that the American people acknowledge the important role of Antonio Meucci in the development of the telephone. I do this in the spirit of friendship that endures between the United States and Italy, which allows us to share in the pride of the achievements of the citizens of each. I therefore ask my colleagues to join me as cosponsors of this tribute to the genius of Antonio Meucci.●

AMENDMENTS SUBMITTED

AGRICULTURE, FOOD, TRADE, AND CONSERVATION ACT

DIXON AMENDMENT NO. 926

Mr. DIXON proposed an amendment to amendment No. 916 to the bill (S. 1714) to expand export markets for United States agricultural commodities, provide price and income protection for farmers, assure consumers an abundance of food and fiber at reasonable prices, continue food assistance to low-income households, and for other purposes; as follows:

At the end of the pending amendment No. 916, insert the following new section and renumber succeeding sections accordingly:

"SEC. . The requirement for United States-flag transportation imposed by subsection (a) herein shall be subject to the same terms and conditions as provided in section 901(b) of the Merchant Marine Act, 1936, as amended (46 U.S.C. subsection 1241(b)) provided that agricultural commodities or the products thereof shall be shipped at the lowest landed cost (as provided in part 1496 of Title 7 of the Code of Federal Regulations)."

DIXON AMENDMENT NO. 927

Mr. DIXON proposed an amendment to amendment No. 916 proposed by Mr. INOUYE, as amended, to the bill S. 1714, supra; as follows:

At the end of the pending amendment, insert the following new sections and renumber succeeding sections accordingly:

TITLE II—COST EFFICIENCY IN THE SHIPMENT OF UNITED STATES GOVERNMENT CARGOES

FINDINGS

SEC. . The Congress finds that—

(1) it is in the best interests of the United States to maintain a strong merchant marine fleet for the efficient transport of United States Government cargo;

(2) it is in the best interests of the United States to ensure fair and reasonable participation for all four port ranges in the movement of United States Government impelled cargo; and

(3) such cargo should be shipped in the most efficient manner, at the lowest cost to the United States Government, which is not inconsistent with the provisions of section 901(b) of the Merchant Marine Act of 1936 (46 U.S.C. 1241(b)), the joint resolution entitled "Joint Resolution Requiring agricultural or other products to be shipped in vessels of the United States where the Reconstruction Finance Corporation or any other instrumentality of the Government finances the exporting of such products", approved March 26, 1934 (46 U.S.C. 1241-1), section 603 of the Foreign Assistance Act of 1961 (22 U.S.C. 2353), and section 2631 of title 10, United States Code (commonly known as the cargo preference laws).

DEFINITIONS

SEC. . For purposes of this title—

(1) the term "least cost to the United States" means the lowest expense to the United States Government determined by calculating the total cost of a commodity and all related transport costs, including but not limited to inland freight, ocean freight, wharfage, dockage, terminal transfer, stevedoring charges, freight forwarding, customs brokers, and freight differential charges; and

(2) the term "lowest landed cost" means—

(A) in the case of export cargo, all costs associated with the procurement and transportation of cargo from the United States to the port of entry abroad; and

(B) in the case of import cargo, the cost of transporting the cargo from the originating port abroad to the point of final destination in the United States.

SHIPMENT OF UNITED STATES GOVERNMENT CARGO AT LOWEST COST

SEC. . (a) Any agency of the United States that ships, generates, finances, or otherwise impels United States Government cargo shall ship such cargo at the lowest cost to the United States. Such cargo shall be shipped at—

(1) the least cost to the United States if such cargo is—

(A) an agricultural commodity that—

(i) the sale and exportation of which is fully paid by the Commodity Credit Corporation; and

(ii) is exported under an agreement with a foreign nation pursuant to title I of the Agricultural Trade Development and Assistance Act of 1954;

(B)(i) shipped, generated, financed, or otherwise impelled by the Department of Defense; and

(ii) is not cargo shipped at the lowest landed cost pursuant to paragraph (2)(B);

(C) a commodity shipped pursuant to an agreement financed by the Export-Import Bank of the United States;

(D) a commodity shipped pursuant to chapter 4 of part II of the Foreign Assistance Act of 1961 pursuant to an agreement financed under the Commodity Import Program, or any other export generating program administered by the Agency for International Development; or

(E) any other United States Government cargo, except a cargo shipped at the lowest landed cost pursuant to paragraph (2); and

(2) the lowest landed cost to the United States if such cargo is—

(A) an agricultural commodity that—

(i) the sale or donation of which, including freight and associated expenses, is financed by the Commodity Credit Corporation; and

(ii) is exported as assistance or a donation pursuant to title II of the Agricultural Trade Development and Assistance Act of 1954; or

(B) shipped, generated, financed, or otherwise impelled by the Department of Defense and such Department pays all expenses associated with such cargo.

(b) Nothing in the provisions of subsection (a) shall be construed to supercede, or applied inconsistently with the provisions of—

(1) section 901(b) of the Merchant Marine Act of 1936 (46 U.S.C. 1241(b));

(2) the joint resolution entitled "Joint Resolution Requiring agricultural or other products to be shipped in vessels of the United States where the Reconstruction Finance Corporation or any other instrumentality of the Government finances the exporting of such products", approved March 26, 1934 (46 U.S.C. 1241-1);

(3) section 2631 of title 10, United States Code; or

(4) section 603 of the Foreign Assistance Act of 1961 (22 U.S.C. 2353).

PROMPT PAYMENT TO UNITED STATES SHIPPING INTEREST FOR THE SHIPMENT OF UNITED STATES GOVERNMENT CARGO

SEC. . (a) Any agency of the United States that contracts with a foreign entity for the sale or tranfer of United States Government cargo shall include as a term of such contract a provision for—

(1) the prompt payment within thirty days of any cost incurred by a United States shipping interest; and

(2) a late charge or interest penalty based on the principal amount owed, if such prompt payment provision is breached.

(b) If a foreign entity breaches a prompt payment provision of such contract made pursuant to subsection (a)(1), the affected United States shipping interest may petition the Federal agency that negotiated the contract to take action regarding payment. If such foreign entity has not made such payment within thirty days after the filing of the petition, the agency, in cooperation with the affected shipping interest, shall file suit in the appropriate Federal district court for the recovery of such payment and the late charge or interest penalty for late payment.

(c)(1) If the prompt payment provision included as a term of a contract pursuant to subsection (a)(1) provides that a Federal agency shall make such payment to a United States shipping interest and such agency breaches such provision, such shipping interest aggrieved by nonpayment may—

(A) file a petition for such payment and the amount of the late charge or interest penalty included in such contract pursuant to subsection (a)(2); and

(B) after thirty days from the date of filing of a petition under subparagraph (A), file suit in the appropriate Federal district court for recovery of such payment and the late charge or interest penalty.

(2) If the district court determines that the United States agency is liable in any suit filed pursuant to subparagraph (B) of paragraph (1), the court may award to the shipping interest an amount equal to three times the late charge or interest penalty in addition to the principal amount owed and the late charge or interest penalty.

(d) For the purposes of this section the term—

(1) 'foreign entity" means any foreign nation, agent of a foreign nation, or foreign person; and

(2) "United States shipping interest" means any person or business concern of the United States involved in the transport of such cargo, including but not limited to port authorities, stevedoring companies, producers and processors, ship owners, and inland freight companies.

EFFICIENT USE OF THE UNITED STATES MERCHANT MARINE FLEET

SEC. . (a) Any Federal agency shipping United States Government cargo shall solicit bids from any ship operator for the transport of United States Government cargo over a route which is not serviced by such ship operator if—

(1)(A) there is no ship operator using United States-flag vessels that services such route; or

(B) any ship operator using United States-flag vessels that services such route is unable or unwilling to transport such cargo;

(2) such cargo would be transported in United States-flag vessels; and

(3) the transport of such cargo shall result in the lowest cost to the United States pursuant to section 203.

(b) Notwithstanding any other provision of law, any United States-flag vessel constructed in the United States may transport United States Government cargo on any route if such transport—

(1) is the first voyage of such vessel; and

(2) shall result in the lowest cost to the United States pursuant to section 203.

REPORT TO CONGRESS

SEC. . Within twenty-four months after the date of enactment of this Act, the General Accounting Office shall review the compliance of all Federal agencies with the provisions of this title and report the findings and recommendations from such review to Congress.

TITLE III—THE GREAT LAKES AND SAINT LAWRENCE SEAWAY ADVISORY COUNCIL

FINDINGS

SEC. . The Congress finds that it is in the long-term economic interests of the Nation to develop a coordinated economic revitalization strategy for shipping activities on the Great Lakes, the connecting channels, and the Saint Lawrence Seaway (commonly known as the fourth seacoast of the United States) in order to increase exports from the Great Lakes region and favorably affect the United States balance of trade.

COUNCIL ESTABLISHED

SEC. . (a) There is hereby established a council to be known as the Great Lakes Saint Lawrence Seaway Advisory Council (hereinafter referred to as the "Council").

(b) The Council shall be composed of twelve members which shall include—

(1) the Secretary of Commerce, or his designee, who shall chair the Council;

(2) the Secretary of Transportation, or his designee;

(3) the Secretary of Agriculture, or his designee;
(4) the Assistant Secretary of the Army for Civil Works;
(5) the Administrator of the Saint Lawrence Seaway Development Corporation or his designee;
(6) the Administrator of the environmental Protection Agency, or his designee;
(7) the Chairman of the Council of Great Lakes Governors; and
(8) five members of the transportation industry, appointed by the Chairman from nominations by the industry of whom—
(A) two shall represent ports on the Great Lakes, of whom—
(i) one shall represent ports on Lakes Michigan and Superior; and
(ii) one shall represent ports on Lakes Huron, Erie, and Ontario and connecting channels;
(B) one shall represent operators of ocean going United States-flag vessels;
(C) one shall represent operators of ocean going foreign-flag vessels; and
(D) one shall represent maritime unions active on the Great Lakes.
(c) Members of the Council shall serve until the expiration of the Council.
(d) Seven members of the Council shall constitute a quorum but a lesser number may hold hearings.
(e) The Council shall meet at the call of the Chairman or a majority of its members.

FUNCTIONS OF THE COUNCIL

SEC. . (a) The Council shall make a complete study of the means to develop and implement a comprehensive economic strategy to improve the capacity of the Great Lakes region to market and transport commodities in a timely manner and to maximize the efficiency and benefits of market products produced in the Great Lakes region and products shipped through the Great Lakes Saint Lawrence Seaway system. The strategy shall include—
(1) methods to improve and promote both bulk and general cargo overseas trade through Great Lakes ports;
(2) methods to accelerate the movement of grains and other agricultural commodities through the Great Lakes;
(3) methods, materials, and programs to promote trade from the Great Lakes region and through Great Lakes ports, particularly with European, Mediterranean, African, Caribbean, Central American, and South American nations;
(4) methods to increase the overseas routing of cargoes owned, financed, and sponsored by the Government of the United States through Great Lakes ports; and
(5) methods to encourage United States-flag vessels to engage in international trade from the Great Lakes.
(b) In developing the strategy, the Council shall conduct and consider the results of—
(1) an analysis of the constraints on overseas shipments of agricultural products through the Seaway resulting from marketing problems caused by—
(A) a late harvest season;
(B) the need for additional storage capacity;
(C) the loss of grain shipment from Great Lakes ports due to diversion by rail to Canadian or United States tidewater ports; and
(D) other constraints identified by agricultural interests;
(2) an analysis of—
(A) the types and quantities of export cargoes produced in the Midwest and North Central region that are owned, financed, and sponsored by the Government of the United States;
(B) the contraints on the shipment of such cargoes through the Great Lakes and Saint Lawrence Seaway system; and
(C) administrative and statutory changes that could achieve increased shipments of such cargoes through Great Lakes ports; and
(3) an analysis of—
(A) the effectiveness of ongoing promotional programs by Federal, regional, State, and local agencies directed at attracting shippers to the Great Lakes and Saint Lawrence Seaway system; and
(B) recommendations on types of promotional programs to enhance the image and awareness of the Great Lakes and Saint Lawrence Seaway system by importers and exporters in the United States and overseas.
(c) No later than September 30, 1987, the Council shall transmit to the President and to each House of the Congress a report stating the strategy developed under this section and the results of each analysis conducted under this section. Such report shall contain a detailed statement of the findings and conclusions of the Council together with its recommendations for such legislative and administrative actions as it considers appropriate to carry out such strategy and to assure maximum economic benefits to the Great Lakes region.
(d) The Council shall cease to exist one-hundred and eighty days after submitting its report pursuant to subsection (c).

POWERS AND ADMINISTRATIVE PROVISIONS

SEC. . (a) The Council may, for the purpose of carrying out the provisions of this title, hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence, as the Council considers appropriate.
(b) Subject to such rules as may be adopted by the Council, the Chairman, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 of subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, is authorized—
(1) to appoint and fix the compensation of such staff personnel as he deems necessary, including an executive director who may be compensated at a rate not in excess of that provided for level V of the Executive Schedule in title 5, United States Code, and
(2) to procure the services of experts and consultants in accordance with section 3109 of title 5, United States Code.
(c) Each department, agency, and instrumentality of the executive branch of the Federal Government, including independent agencies, is authorized and directed to furnish to the Council, upon request made by the Chairman, such information as the Council deems necessary to carry out its functions.
(d) Upon request of the Council, the head of any Federal agency is authorized to detail, on a reimbursable basis, any of the personnel of such agency to the Council to assist the Council in carrying out its duties.
(e) The Administrator of General Services shall provide to the Council on a reimbursable basis such administrative support services as the Council may request.
(f) The Council may use the United States mail in the same manner and under the same conditions as other departments and agencies of the United States.
(g) Any member or agent of the Council may, if so authorized by the Council, take any action which the Council is authorized to take by this section.

COMPENSATION OF MEMBERS

SEC. . Members of the Council shall serve without compensation, but shall be reimbursed for travel or transportation expenses under subchapter I of chapter 57 of title 5, United States Code, while away from home or a regular place of business and engaged in the actual performance of duties vested in the Council.

AUTHORIZATION OF APPROPRIATIONS

SEC. . There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this title.

DIXON AMENDMENT NO. 928

Mr. DIXON proposed an amendment to amendment No. 916 to the bill (S. 1714) supra; as follows:

At the end of the pending amendment, insert the following new section:
"Sec. . Section 901 of the Merchant Marine Act, 1936 (46 U.S.C. 1241) is amended by inserting the following after the first sentence in subsection (b):
"No United States flag-commercial vessel shall be deemed to be available for the transportation of cargoes subject to this section and the Joint Resolution of March 26, 1934 (48 Stat. 500, 46 U.S.C. 1241-1) unless such vessel—
"(A) is able to provide full commercial insurability;
"(B) is available for loading within 10 days of the specified loading date; and
"(C) is suitable, in terms of vessel type, size, and ability to discharge cargo, to transport the specific cargo to be shipped.".

PRESSLER (AND HELMS) AMENDMENT NO. 929

(Ordered to lie on the table.)

Mr. PRESSLER (for himself and Mr. HELMS) submitted an amendment, which was subsequently modified, intended to be proposed by him to the bill (S. 1714) supra; as follows:

On page 114, strike out lines 20 and 21 and insert in lieu thereof the folowing:
"(E) The established price for corn shall be not less than—
"(I) $3.13 per bushel for any quantity of corn not in excess of 10,000 bushels,
"(II) $2.98 per bushel for any quantity of corn in excess of 10,000 bushels, but not in excess of 20,000 bushels, and
"(III) $2.83 per bushel for any quantity of corn in excess of 20,000 bushels.
On page 88, strike out lines 18 through 23 and insert in lieu thereof the folowing:
"(I) $4.48 per bushel for any quantity of wheat not in excess of 7,500 bushels.
"(II) $4.33 per bushel for any quantity of wheat in excess of 7,500 bushels, but not in excess of 15,000 bushels and,
"(III) $4.18 per bushel for any quantity of wheat in excess of 15,000 bushels.

LUGAR AMENDMENT NO. 930

Mr. LUGAR proposed an amendment to the bill S. 1714, supra; as follows:

On page 88, strike out lines 18 through 23 and insert in lieu thereof the following:
"(i) in the case of the 1986 crop, $4.38 per bushel; and

"(ii) in the case of each of the 1987 through 1989 crops, such level as the Secretary determines to be appropriate taking into consideration the total supply of wheat, total program costs, and such other factors as the Secretary determines to be appropriate, except that the established price for a crop determined under this clause may not be reduced by more than 5 percent from the level determined for the preceding crop.

On page 114, strike out lines 20 and 21 and insert in lieu thereof the following:

"(E) The established price for corn shall not be less than—

"(i) in the case of the 1986 crop, $3.03 per bushel; and

"(ii) in the case of each of the 1987 through 1989 crops, such level as the Secretary determines to be appropriate taking into consideration the total supply of corn, total program costs, and such other factors as the Secretary determines to be appropriate, except that the established price for a crop determined under this clause may not be reduced by more than 5 percent from the level determined for the preceding crop.

On page 138, strike out lines 16 and 17 and insert in lieu thereof the following:

"(5) The established price for upland cotton shall not be less than—

"(A) in the case of the 1986 crop, $0.81 per pound; and

"(B) in the case of each of the 1987 through 1989 crops, such level as the Secretary determines to be appropriate taking into consideration the total supply of upland cotton, total program costs, and such other factors as the Secretary determines to be appropriate, except that the established price for a crop determined under this subparagraph may not be reduced by more than 5 percent from the level determined for the preceding crop.

On page 165, strike out lines 1 and 2 and insert in lieu thereof the following:

"(5) The established price for rice shall not be less than—

"(A) in the case of the 1986 crop, $11.90 per hundredweight; and

"(B) In the case of each of the 1987 through 1989 crops, such level as the Secretary determines to be appropriate taking into consideration the total supply of rice, total program costs, and such other factors as the Secretary determines to be appropriate, except that the established price for a crop determined under this subparagraph may not be reduced by more than 5 percent from the level determined for the preceding crop.

HARKIN AMENDMENT NO. 931

Mr. HARKIN proposed an amendment to amendment No. 930 proposed by Mr. PRESSLER [and Mr. HELMS], and subsequently modified, to the bill S. 1714, supra; as follows:

In the pending amendment, strike lines 12 through 20.

DIXON (AND OTHERS) AMENDMENT NO. 932

Mr. DIXON (for himself, Mr. BOSCHWITZ, Mr. INOUYE, Mr. STEVENS, Mr. PROXMIRE, Mr. SIMON, and Mr. KASTEN) proposed an amendment to amendment No. 914 proposed by Mr. COCHRAN to the bill S. 1714, supra; as follows:

After "ranges." on page 8, line 2 of the COCHRAN amendment, as incorporated into the Stevens amendment:

"In addition, the Secretary of Transportation, in administering this subsection and section 901(b) of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1241(b)), and consistent with such subtitle and section, shall take such steps as may be necessary and practicable to preserve during calendar years 1986, 1987, 1988, and 1989 the percentage share, or metric tonnage of bagged, processed or fortified commodities, whichever is lower, experienced in calendar year 1984 as determined by the Secretary of Agriculture, of waterborne cargoes exported from Great Lake Ports pursuant to Title II of the Agricultural Trade Development Act of 1954 (7 U.S.C. 1721 et seq.)."

MELCHER AMENDMENT NO. 933

Mr. MELCHER proposed an amendment to the bill (S. 1714) supra; as follows:

CONSERVATION RESERVE

On page 328—

(1) line 1, strike out "10", and insert in lieu thereof "9";

(2) line 4, strike out "20", and insert in lieu thereof "13";

(3) line 5, strike out "and";

(4) line 6, strike out "1989", and insert in lieu thereof "1988";

(5) line 7, strike out "25", and insert in lieu thereof "17";

(6) line 8, strike out the period, and insert in lieu thereof "; and"; and

(7) after line 8, insert a new paragraph as follows:

"(4) during the 1986 through 1989 crop years, a total of not less than 25, nor more than 30, million acres.".

On page 332, after "share" in line 11, insert "not more than 50 percent of".

On page 334, after line 13, insert a new paragraph as follows:

"(3) The Secretary shall provide payment of obligations incurred by the Secretary under a contract as follows:

"(A) any cost-sharing obligation shall be paid as soon as possible after the obligation is incurred; and

"(B) any annual rental payment obligation shall be paid as soon as practicable after October 1 of each calendar year, or, at the discretion of the Secretary, at any time prior to such date during the year for which the obligation is incurred.".

On page 334, strike out lines 14 through 18, and insert in lieu thereof the following:

"(d)(1) Notwithstanding any other provision of law, the annual rental payment under a contract entered into under this subtitle shall be made—

"(A) for the first year in which the contract is in effect, in cash; and

"(B) for any subsequent year in which the contract is in effect (i) in in-kind commodities in such amounts as are agreed on and specified in the contract, except that such payment shall be made in cash to the extent that such commodities are not available under paragraph (2)."

FARMER OWNED RESERVE

On page 219—

(1) line 7, strike out everything beginning with "(a)" through the period at the end of line 19;

(2) line 20, renumber subsection (b) as subsection (a); and

(3) line 22, renumber subsection (c) as subsection (b).

On page 220, line 15, renumber section (d) as subsection (c).

DEFICIENCY PAYMENTS—PLANTED ACREAGE

On page 85—

(1) after line 20, insert a new sentence as follows:

"In no event may payments be made under this paragraph for any crop on a greater acreage than the acreage actually planted to wheat."; and

(2) after line 23, strike out everything through line 25, page 87.

On page 88—

(1) line 1, strike out "(E)", and insert in lieu thereof "(D)";

(2) line 9, strike out "(F)", and insert in lieu thereof "(E)";

(3) line 16, strike out "(G)", and insert in lieu thereof "(F)"; and

(4) line 24, strike out "(H)", and insert in lieu thereof "(G)".

On page 89, strike out lines 4 through 7.

On page 112, after line 2, insert a new sentence as follows:

"In no event may payments be made under this paragraph for any crop on a greater acreage than the acreage actually planted to feed grains."

On page 112, strike out everything after line 2 through line 11, page 114.

On page 114—

(1) line 12, strike out "(D)", and insert in lieu thereof "(C)";

(2) line 20, strike out "(E)", and insert in lieu thereof "(D)";

(3) line 22, strike out "(F)", and insert in lieu thereof "(E)".

On page 115—

(1) line 1, strike out "(G)", and insert in lieu thereof "(F)"; and

(2) strike out lines 6 through 9.

DEFICIENCY PAYMENTS—SEASON AVERAGE

On page 88, line 5, strike out "the first 5 months of".

On page 114, line 16, strike out "the first 5 months of".

On page 164, line 22, strike out "the first 5 months of".

On page 228—

(1) line 3, strike out "upland cotton,";

(2) strike out lines 6 through 12, and insert in lieu thereof the following:

"SEC. 107C. (a)(1) If the Secretary determines that deficiency payments will likely be made for any of the 1986 through 1989 crops of wheat, feed grains, or rice under this Act, the Secretary shall make available advance deficiency payments to producers who agree to participate in such program.";

(3) line 17, strike out everything beginning with "producer" through the "program" in line 18, and insert in lieu thereof the following: "end of the fifth month of the marketing year for the crop".

(4) line 19, strike out everything beginning with "Such" through "exceed" in line 22, and insert in lieu thereof the following: "Any payment made under this section shall be equal to"; and

(5) line 24, strike out "estimated".

On page 229, line 3, strike out everything beginning with "50" through the "Secretary" in line 5, and insert in lieu thereof the following: "90 percent of the projected payment rate as determined by the Secretary on the basis of the national weighted average market price received by producers during the first 5 months of the marketing year for crop".

TARGETED EXPORTS

On page 13, line 24, after the subsection (a) designation, insert "(1)".

On page 14—

(1) line 1, renumber paragraph (1) as subparagraph (A);

(2) line 6, renumber paragraph (2) as subparagraph (B); and

(3) after line 10, insert a new paragraph as follows:

"(2) In addition to the funds or commodities of the Commodity Credit Corporation used by the Secretary under paragraph (1), at least (A) 100 million bushels wheat, (B) 100 million bushels of corn, (C) 10 million hundredweight of rice, and (D) 75,000 bales of cotton owned or controlled by the Commodity Credit Corporation shall be used by the Secretary for such export activities to regain for the United States export markets for these commodities that have been lost because of practices described in subsection (b) or because of adverse economic conditions in the importing country that have resulted in decreased purchases of agriculture products from the United States.

On page 12, line 18, before the semicolon, add the following: ", of which not less than one-third of such funds provided each year for the financing of transactions under this section shall be made available for financing that consists of the provision of direct credit."

On page 372, line 16, strike out "25" and insert in lieu thereof "20".

PAID DIVERSION

On page 92, strike everything after line 2 through line 16, page 94.

On page 95, strike everything after line 20 through line 4, page 100, and insert in lieu thereof the following:

"(f)(1) Notwithstanding any other provision of this section, the Secretary shall provide for any crop of wheat for which marketing quotas are not in effect an acreage limitation program described in paragraph (2) and an acreage diversion program described in paragraph (3). As a condition of eligibility for loans, purchases, and payment for any crop of feed grains, the producers on a farm must comply with the terms and conditions of such program.

"(2)(A) Under an acreage limitation program provided for in paragraph (1), the limitation on the acreage planted to wheat shall be achieved by applying a uniform reduction of 22 percent to the acreage base for each wheat-producing farm.

"(B) Producers who knowingly produce wheat in excess of the permitted wheat acreage for the farm shall be ineligible for wheat loans, purchases, and payments with respect to that farm.

"(C)(i) For the purpose of determining any reduction required to be made for any year as the result of a limitation under this paragraph, the acreage base for any farm shall be the average acreage planted to wheat for harvest in the 5 crop years immediately preceding the year for which the determination is made.

"(ii) For the purpose of clause (i), acreage planted to wheat for harvest shall include—

"(I) any reduced acreage, set-aside acreage, and diverted acreage; and

"(II) any acreage that producers were prevented from planting to wheat or other nonconserving crops in lieu of wheat because of drought, flood, or other natural disaster, or other condition beyond the control of the producers.

"(iii) The Secretary may make adjustments to reflect established crop-rotation practices and to reflect such other factors as the Secretary determines should be considered in determining a fair and equitable base.

"(iv) In no event may the total of all crop acreage bases for any farm exceed the total acreage of cropland on the farm.

"(D)(i) A number of acres on the farm determined by dividing—

"(I) the product obtained by multiplying the number of acres required to be withdrawn from the production of wheat times the number of acres actually planted to such commodity; by

"(II) the number of acres authorized to be planted to such commodity under the limitation established by the Secretary,

shall be devoted to conservation uses, in accordance with regulations issued by the Secretary.

"(ii) The number of acres so determined is hereafter in this subsection referred to as 'reduced acreage'.

"(3) Under an acreage diversion program provided for in paragraph (1), the Secretary shall make crop retirement and conservation payments to any producer of any crop of wheat whose acreage planted to wheat for harvest on the farm for each such crop is reduced so that it does not exceed the wheat acreage base for the farm less an amount equivalent to 10 percent of the wheat acreage base in addition to the reduction required under paragraph (2), and who devotes to approved conservation uses an acreage of cropland equivalent to the reduction required from the wheat acreage base under this paragraph. Such payments shall be made in an amount computed by multiplying (i) the diversion payment rate, by (ii) the farm program payment yield for the crop, by (iii) the additional acreage diverted under this paragraph. The diversion payment rate for the 1986 through 1989 crops of wheat shall be established by the Secretary at not less than $2.70 per bushel.".

FEED GRAINS

On page 118, strike everything after line 3 through line 12, page 120.

On page 121, strike everything after line 15 through line 25, page 125, and insert in lieu thereof the following:

"(f)(1) Notwithstanding any other provision of this section, the Secretary shall provide for each crop of feed grains an acreage limitation program described in paragraph (2) and an acreage diversion program described in paragraph (3). As a condition of eligibility for loans, purchases, and payments on any of the 1986 through 1989 crops of feed grains, the producers on a farm must comply with the terms and conditions of such program.

"(2)(A) Under an acreage limitation program provided for in paragraph (1), the limitation on the acreage planted to feed grains shall be achieved by applying a uniform reduction of 17 percent to the acreage base for each feed grain-producing farm.

"(B) Producers who knowingly produce feed grains in excess of the permitted feed grain acreage for the farm shall be ineligible for feed grain loans, purchases, and payments with respect to that farm.

"(C) The Secretary may provide that no producer of malting barley shall be required as a condition of eligibility for feed grain loans, purchases, and payments to comply with any acreage limitation under this paragraph if such producer has previously produced a malting variety of barley, plants barley only of an acceptable malting variety for harvest, and meets such other conditions as the Secretary may prescribe.

"(D)(i) For the purpose of determining any reduction required to be made for any year as the result of a limitation under this paragraph, the acreage base for any farm shall be the average acreage planted to feed grains for harvest in the 5 crop years immediately preceding the year for which the determination is made.

"(ii) For the purpose of clause (i), acreage planted to feed grains for harvest shall include—

"(I) any reduced acreage, set-aside acreage, and diverted acreage; and

"(II) any acreage that producers were prevented from planting to feed grains or other nonconserving crops in lieu of feed grains because of drought, flood, or other natural disaster, or other condition beyond the control of the producers.

"(iii) The Secretary may make adjustments to reflect established crop-rotation practices and to reflect such other factors as the Secretary determines should be considered in determining a fair and equitable base.

"(iv) In no event may the total of all crop acreage bases for any farm exceed the total acreage of cropland on the farm.

"(E)(i) A number of acres on the farm determined by dividing—

"(I) the product obtained by multiplying the number of acres required to be withdrawn from the production of feed grains times the number of acres actually planted to such commodity; by

"(II) the number of acres authorized to be planted to such commodity under the limitation established by the Secretary,

shall be devoted to conservation uses, in accordance with regulations issued by the Secretary.

"(ii) The number of acres so determined is hereafter in this subsection referred to as 'reduced acreage'.

"(F) The individual farm program acreage shall be the acreage planted on the farm to feed grains for harvest within the permitted feed grain acreage for the farm as established under this paragraph.

"(3) Under an acreage diversion program provided for in paragraph (1), the Secretary shall make crop retirement and conservation payments to any producer of any crop of feed grains whose acreage planted to feed grains for harvest on the farm for each such crop is reduced so that it does not exceed the feed grain acreage base for the farm less an amount equivalent to 10 percent of the feed grain acreage base in addition to the reduction required under paragraph (2), and who devotes to approved conservation uses an acreage of cropland equivalent to the reduction required from the feed grain acreage base under this paragraph. Such payments shall be made in an amount computed by multiplying (i) the diversion payment rate, by (ii) the farm program payment yield for the crop, by (iii) the additional acreage diverted under this paragraph. The diversion payment rate for the 1986 through 1989 crops of feed grains shall be established by the Secretary at not less than $1.25 per bushel."

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON THE JUDICIARY

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Wednesday, October 30, in order to receive testimony concerning the following nominations:

U.S. CIRCUIT JUDGE

James L. Buckley, of Connecticut, to be U.S. circuit judge for the District of Columbia circuit;

David R. Thompson, of California, to be U.S. circuit judge for the ninth circuit;

Bobby Ray Baldock, of New Mexico, to be U.S. circuit judge for the 10th circuit;

U.S. DISTRICT JUDGE

Robert E. Cowen, of New Jersey, to be U.S. district judge for the district of New Jersey;

Edward R. Korman, of New York, to be U.S. district judge for the eastern district of New York;

William J. Zloch, of Florida, to be U.S. district judge for the southern district of Florida;

Jane R. Roth, of Delaware, to be U.S. district judge for the district of Delaware.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Committee on Environment and Public Works be authorized to meet during the session of the Senate on Wednesday, October 30, 1985, in order to conduct a hearing on high level waste.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON STRATEGIC AND THEATER NUCLEAR FORCES

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Strategic Subcommittee of the Committee on Armed Services be authorized to meet during the session of the Senate on Wednesday, October 30, to hold a hearing on strategic defense initiative.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Wednesday, October 30, 1985, in closed executive session, in order to conduct a hearing on intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

FORMER SENATOR PERCY ADDRESSES ARMS CONTROL

● Mr. SIMON. Mr. President, in the 1984 election, the people of Illinois gave me the opportunity to serve in the U.S. Senate instead of Charles Percy.

But I have great respect for him, and there are many areas where he has contributed a great deal.

Recently, the Christian Science Monitor ran an article by Charles Percy on the whole question of nuclear arms control and treaty ratification that makes eminent good sense.

I urge my colleagues in the House and Senate to read the remarks of the former chairman of the Senate Foreign Relations Committee.

I hope this body will follow the leadership that he suggests we should provide. And I hope the administration will do the same.

I ask unanimous consent that Mr. Percy's article be inserted in the RECORD.

The article follows:

[From the Christian Science Monitor, Sept. 21, 1985]

A MISSED OPPORTUNITY IN ARMS CONTROL

(By Charles H. Percy)

Nuclear arms control is *the* paramount issue of our times. The recent anniversary of the bombing of Hiroshima and the forthcoming Reagan-Gorbachev summit have focused world attention on the issue again. Unfortunately, both the United States and the Soviet Union are wasting this opportunity to bring new life to real arms control.

After two rounds of arms talks in Geneva, and despite the efforts of an outstanding US team of negotiators, agreement is nowhere in sight. But the complexity of issues to be addressed almost assures a protracted negotiating process.

Rather it is the political climate that is troubling. Each side seems more willing to point the finger of blame at the other than to take the steps to make arms control work. This is as true for the Geneva negotiations as it is for the proposals on nuclear testing, offered on the eve of the Hiroshima anniversary. In making these well-publicized offers, each side knew beforehand that its proposal would be unacceptable to the other.

But there is an opportunity in the nuclear testing area where immediate progress can be made. Action here can help propel the process in Geneva.

There are two treaties that are negotiated, signed, and ready for immediate ratification: the Threshold Test Ban Treaty (TTB), signed by President Nixon in 1974, and the Peaceful Nuclear Explosions (PNE) accord, signed by President Ford in 1976. These accords make a modest but useful contribution to mutual security. The TTB prohibits nuclear weapons tests above 150 kilotons; the PNE applies the same restrictions to nuclear explosions used in civilian projects.

The Soviets have an active PNE program, using nuclear devices in everything from extinguishing gas fires and building underground natural gas storage cavities to mining operations. Because of the radioactivity problems and the effectiveness of modern American-made chemical explosives, the US abandoned the use of PNEs. Thus, while the TTB affects both the US and the USSR, the weight of the PNE treaty rests squarely on Moscow.

Moreover, the bulk of benefits in these treaties favors the US. The TTB provides for an exchange of nuclear testing data and, in the PNE accord, the Soviets have for the first time agreed to on-site inspections.

Success at the Geneva talks may hinge on verification. The precedents set in the PNE and TTB could give US negotiators the leverage required to move the Soviets in the right direction. Equally important, the Soviets have expressed concern about the US as a dependable negotiating partner and have cited the failure to ratify these treaties as a major example. The Soviets are unlikely to make required concessions in Geneva if they doubt compromise will lead to concrete results.

Given the potential payoffs, why have these accords remained in limbo for nearly a decade? One reason is the all-too-common "not invented here" attitude which each administration brings to office. President Carter allowed these Nixon-Ford treaties to languish out of preference for a total ban on testing. The Reagan administration wants a better treaty, claiming the TTB/PNE verification regime is not good enough to prevent Moscow from cheating.

Without ratification of these treaties there has been no exchange of data or consultations that would help resolve verification uncertainties. Meanwhile, the US has opted for a second-rate alternative by committing itself to abide by these accords, without reaping their benefits.

Some resist ratification because they want the US to have the option to test high-yield weapons. Others fear that these accords could compromise the reliability of the weapons arsenal. The first argument misses the point. It is the Soviet Union which has traditionally relied upon high-yield weapons, not the US, and public opinion here will likely resist the testing of monster weapons in the future. Clearly, this treaty constraint has a greater impact in Moscow.

Former Defense Secretary James Schlesinger and former Joint Chiefs Chairman David Jones addressed the reliability question in testimony before the Foreign Relations Committee several years ago. Mr. Schlesinger asserted that weapons reliability can be assured under the 150 kiloton threshold. General Jones stated that the treaties were compatible with our weapons plans.

President Reagan should act now. The first step is to ask the Senate Foreign Relations Committee to advise consent. Agreement on enhanced verification measures for these treaties should then be placed high on the November summit's agenda. By doing this, we can generate new hope for the Geneva talks.●

DENIAL OF MOWAT VISA

● Mr. SIMON. Mr. President, when I introduced the amendment to the immigration bill to prevent the use of temporary visas for political purposes, I tried to find an editorial I had seen in the Chicago Tribune about our denial of a visa to Canadian author Farley Mowat.

I have since discovered that editorial, and I wish to now insert it in the RECORD.

We are a country that ought to be big enough and brave enough and sensible enough to permit those that disagree with us to come into our country.

I ask that the editorial be inserted in the RECORD, and I urge my colleagues to read it.

The article follows:

THE AUTHOR AND THE AIRHEADS

Said Canadian author Farley Mowat: "I'm beginning to think there are some people in your State Department that don't have any sense of humor." The last two words are unnecessary. The immigration officials who barred Mr. Mowat from the United States must have undergone a brain bypass.

Late Friday, officials said Mr. Mowat could enter the U.S., but by then the damage had been done.

Mr. Mowat is a naturalist whose books have an enthusiastic following in Canada and the U.S. "Never Cry Wolf," the story of his months in the Arctic getting acquainted with a family of wolves, was made into a highly regarded movie. On Tuesday, he was about to board a plane for Los Angeles when U.S. Immigration and Naturalization Service officials stopped him; it seems his name was on their "lookout book," a list of inadmissible aliens.

The probable reason it's there is that Mr. Mowat has publicly opposed the stationing of U.S. atomic weapons on Canadian soil, and used vivid language in doing so. He once threatened to steal an atom bomb, drop it into a lake and fire shotguns at any American aircraft that came after it.

Is it possible the INS took this seriously? Maybe so; it isn't explaining its reasons for excluding him because the law says it doesn't have to.

Mr. Mowat is a bluntly independent writer who has spent much of his life battling bureaucrats. The INS has given him and every other Canadian a fat target; they and the rest of the U.S. government can expect to be savagely lampooned. the airheads responsible for the exclusion order deserve it. But do we deserve them?●

ANNIVERSARY OF THE CREATION OF THE HUDSON CENTER ON EDUCATION AND EMPLOYMENT POLICY

● Mr. QUAYLE. Mr. President, I would like to announce the first year anniversary of the Hudson Institute's Center on Education and Employment Policy, which is located in Indianapolis, IN.

A year ago, I had the pleasure of accepting the position of chairman of the board of counselors for the center. The board of counselors is cochaired by my friend, Governor of Virginia, Charles S. Robb, who has made an invaluable contribution to the center.

The Center on Education and Employment Policy studies the interrelationships of employment and education and their impact on productivity in our Nation. Two of our most crucial policy debates in America relate to the education and training of workers. Today, American workers can be expected to change jobs or careers at least three time in their working lives. As chairman of the Senate Subcommittee on Employment and Productivity, it has become increasingly clear to me that continuing education and training is going to be one of the fastest growing service areas in the next few decades. Yet, until recently, very few people have looked at education and training as complimentary. The Hudson Center on Education and Employment Policy, funded totally with private funds, is designed to do just that.

The center is fortunate to be associated with and draw upon the resources of the Hudson Institute, which is widely respected for its work on national security, economic issues, and future studies. The center is governed by a board of counselors, consisting of top CEO's, economists, labor analysts, and educators. All of the work that is done by the center is public and is made available to educators, business and community leaders, and legislators, to help them address our manpower needs of the future.

Recently, the Hudson Center on Education and Employment Policy conducted a 2-day seminar of "Preparing Youth for the Job Market." This seminar was attended by approximately 40 school superintendents, senior corporate executives, directors of personnel and training, and senior policy analysts from around the United States. The primary goals of the seminary were to identify the education, employability, and deportment skills that are most important in preparation for the job market of the future; to develop programmatic recomendations that encourage the teaching and learning of these "employability and deportability skills; and to identify education, employment, and training systems that most effectively prepare youth for tomorrow's job market." This seminar was aimed at addressing the needs of urban youth, particularly. The results of this seminar are being shared with representatives of State and local governments, corporate leaders, and educators, who can implement the ideas and truly make a difference in the current education and training system.

Mr. President, the Hudson Center on Education and Employment Policy is continually looking for new ways to involve the community and to make life better for those young Americans who face a changing job market. The center, as well as the Hudson Institute, is filled with dedicated personnel, who realize that they can make a difference by improving our future. The first year of the Center for Education and Employment Policy has been a wonderful success, and I am certain that the center has many productive and valuable years ahead.

BUDGET BALANCING ACT

● Mr. SIMON. Mr. President, I have always believed in pay-as-you-go government. But our deficits graphically show that we continue to drift further and further from that goal. Our fiscal woes have been aggravated by steadily growing interest payments—our third largest Federal spending item after Social Security and defense. I am cosponsoring a balanced budget amendment to the Constitution. It is something that in theory we do not need, but in practice we do. In the meantime, Senators GRAMM, RUDMAN, and HOLLINGS have proposed balancing the budget by statute. I voted for their bill but questions about how it will work or even if it will work persist. In a column I write for newspapers in my State I have attempted to answer some of these questions and explain my vote.

I ask that the article be printed in the RECORD.

The article follows:

A BUDGET BALANCING ACT

(A weekly column by U.S. Senator Paul Simon of Illinois)

There is considerable confusion about a measure that the Senate passed, for which I voted, that sets up a series of targets for steady movement toward a balanced budget.

Frequently referred to as the Gramm-Rudman-Hollings bill, it is a matter of controversy. And much of what I have read about it in the major newspapers of the nation has not been accurate.

Here are some basic questions:

Why did you vote for it?

We simply have to get hold of the growing deficit. The gross interest payments by the federal government this year will be $181 billion. The only more expensive items for the federal government are Social Security and defense.

We will soon be in a situation where every four of five years the interest payments of the federal government will double. Obviously, you cannot keep that up long without inviting fiscal chaos. The growing federal debt threatens everything in which we believe.

Will it work?

The proposal calls for a gradually reduced deficit until the year 1991 when we would have a balanced budget. If congress does not meet the targets, the President is required to make across-the-board cuts in all items to meet the goal; Social Security and interest are an exception to that rule.

The weakness of the proposal is that anytime Congress and the President decide to waive the new goals, they can. The pressure will grow to do that. So the answer to this question of whether it will work is that I don't know, but it's worth a try.

But doesn't it give the President too much authority?

Absolutely not. It is based on the Congressional budget, one of the few items the President does not have the authority to veto. From the budget will come the appropriations that Congress will vote. If, for example, we would be 2 percent below the target, the President's responsibility is to cut all appropriations by 2 percent, across the board. The President has no discretion in this. His is purely a mechanical function, not a judgment function.

If we move toward balancing the budget, where will we cut? Will it mean tax increases?

There may be modest cuts in a number of programs, but the major reduction in budget growth should come in defense. We can slow down the growth in defense spending without hurting the military preparedness of the nation. But that will not be enough to balance the budget.

In recent weeks David Stockman called for a $100 billion tax increase. That should not be necessary. But closing tax loopholes and reducing some exemptions will move us in the right direction. There are now approximately $420 billion worth of exemptions. If that is reduced by 10 percent, there would be a $42 billion increase in revenue. Everytime you reduce spending and increase

revenue you reduce the amount needed for interest, and you reduce the interest rate.

There are defects in the Gramm-Rudman-Hollings bill, and I hope the House-Senate conferees can straighten them out. But it is at least an earnest attempt to deal with the problem. I see few of those who are critics coming up with better answers.●

TRIBUTE TO THE LATE JOSEPH DONOVAN

● Mr. DURENBERGER. Mr. President, I rise to pay my respects to a distinguished Minnesotan who passed away this week, former Secretary of State Joe Donovan. While we were members of opposing parties, I always admired Joe for his hard work, courage and decades of service to the people of Minnesota.

I got to know Joe Donovan when he served as Secretary of State during the administration of Gov. Harold LeVander of my party, to whom I was executive assistant. I like the saying that the next best thing to having a principled friend is having a principled adversary. I greatly enjoyed my interactions with him during those years and continue to benefit from what he taught me.

I ask that an article from the Minneapolis Star and Tribune about the life of this exemplary public servant be included in the RECORD.

The article follows:

EX-SECRETARY OF STATE JOSEPH DONOVAN DIES AT AGE 92 IN HASTINGS

(By Larry Oakes)

(I felt that anything that was morally wrong could not be politically right.—Joseph Donovan on his refusal to back the forces seeking to oust Gov. Karl Relvaag in 1966.)

Joseph L. Donovan, who defied old age by beginning a 16-year career as Minnesota secretary of state at age 61, died Monday. He was 92.

Donovan, who had been ill for about a month, died at Regina Memorial Hospital in Hastings. He had been living in the Regina Nursing Home since June.

"He died as he lived—a fighter right up to the end," said his daughter, Mary Kay McDonald of St. Paul. Donovan, a diabetic, who was recovering from gallbladder surgery two weeks ago, she said. "He was a perfectionist. He anguished over a lot of things in his life, and he just didn't want to go," she said.

Before entering public life, Donovan lived in Duluth and worked 35 years in private industry and in various federal positions, including that of census-taker. In 1954 the DFL Party chose him at the last minute as its candidate for secretary of state. Its first choice, Koscie Marsh, lost the party endorsement after publicly supporting parimutuel betting.

Donovan was a logical choice to run against the widow of Mike Holm, a legendary name in Minnesota politics, said Gerald Heaney, a judge on the Eighth U.S. Circuit Court of Appeals and former DFL Party activist. Not only was Donovan a loyal DFLer who opposed betting, but he also had a good Irish name, to boot—and Irishmen were winning elections, Heaney said Monday.

"Plus he turned out to be a darned good campaigner. He worked hard and was a good speaker," Heaney said. "Wherever he went, he made friends."

Donovan said years later in an interview, "Nobody expected I would win." Publicly he played an underdog who entered the 1954 race at the last minute and didn't expect to win. Privately he thought otherwise, Heaney said.

"His attitude was, 'Some of those guys down in the Twin Cities think I'm just a filler, but I'm going to win.' "

Both Donovan and his party won big victories in 1954. The DFL swept many offices and gained a majority in the Minnesota House for the first time.

"Orville Freeman was elected governor (Miles) Lord got attorney general, Joe (Donovan) won secretary of state and I became lieutenant governor," former Gov. Karl Rolvaag said Monday.

"He always was a stalwart, loyal and very dear friend," Rolvaag said of Donovan, adding that they corresponded even after Donovan entered the nursing home, They wrote on a personal level, not mentioning politics much, Rolvaag said.

Donovan backed Rolvaag in Rolvaag's historic battle at the DFL state endorsing convention with Lt. Gov. A.M. (Sandy) Keith in 1966. The party chose Keith after 20 ballots, but Rolvaag ran for reelection anyway and easily won the Sept. 13 primary. He then lost the general election to Republican Harold LeVander.

"Joe was intensely loyal. He felt Karl had earned the right to stand for reelection," said Heaney. "he was not anti-Sandy Keith."

Donovan took an unpopular—and losing—stand against the taconite amendment to the state Constitution, which benefited companies mining the Iron Range.

"He was his own man," said Heaney.

"He felt it was wrong to put a special preference for any industry into the Constitution."

Donovan retired in 1971 with a reputation as an elder statesman who always had something to say, a talent he used well during campaigns.

"He was a fount of stories and homilies," said Bob Goff, who was secretary to Rolvaag and active in the DFL.

When he retired at 77, Donovan told an interviewer, "Sometimes the wisest thing to do is to quit when you are ahead. I wouldn't want anyone to take me by the hand when I am 80 or 81 and say, 'Well Joe, I'm sorry, you made a mistake. You went into the ladies' room instead of the men's.' "

"He kept all these sayings on 3-by-5 cards," said Goff.

Donovan's wife, Mary, died in October 1982. They had been married 59 years when he quipped at a public gathering: "Mary says she hopes that I live to be 99 and she lives to be 100 so she can have one year of peace and quiet."

Survivors include his daughter, five grandchildren and two great-grand-children.

Funeral services are scheduled for 10 a.m. Thursday at St. Leo's Catholic Church in St. Paul. A wake is scheduled from 3 to 9 p.m. Wednesday at O'Halloran & Murphy Funeral Home, 575 Snelling Ave. S., St. Paul.●

DESPAIR AMONG YOUNG INDIANS

● Mr. SIMON. Mr. President, although Illinois is named for Indians, we have only a small urban Indian population in Chicago and very few Indians in our State, relative to many other States.

We have no reservations and often not much interest in the problems which Indians face.

I was pleased to pick up the State Journal-Register of Springfield, IL, and note an editorial calling for more attention to the problems which the Native Americans face.

I ask that the editorial be printed in the RECORD at this point, and I urge my colleagues in the House and Senate to read the editorial.

The editorial follows:

REASON FOR DESPAIR AMONG YOUNG INDIANS

Eight young Indians have hanged themselves in the last two months on the Wind River Reservation in central Wyoming. Despair, deepened by alcohol, has taken a tragic toll in the Arapaho and Shoshone tribes.

The dead are all young men or male teenagers. The series of suicides began Aug. 12. The latest victim was found hanging Sept. 28.

There is reason for despair and self-destructive behavior on the reservations all across the country. The 1.5 million surviving American Indians are beyond question the most disadvantaged of all minority groups in the nation.

They are proud. They are stoic. They hold their problems inside themselves, especially the males, who often feel that they have lost their manhood. Too often the result is alcohol-related death.

The problems are overwhelming. The unemployment rate on the reservations is 49 percent. Infant mortality is high. Life expectancy is short. Poverty is more acute than in any other group. Reservation Indians often live in conditions of deprivation and squalor. No wonder the rate of alcohol-related death among them is five or six times that in the general population. Almost every family has someone with an alcohol problem.

There must be concern and understanding and help from the larger society. That doesn't mean simply throwing federal money at the reservations. It means individual and voluntary effort, as much as anything. It means an end to prejudice and discrimination against Indians. The signs that said, "We do not serve Indians" have been taken down but the anti-Indian feelings remain, not so well hidden in many people.

The Indian population has tripled, from its low point of 500,000. The American Indians aren't going to die out, no matter how difficult their situation becomes. That's the hopeful news. But every Indian baby faces a hard road, now that the buffalo's gone.

Self-reliance and self-government must be encouraged on the reservations. Dependence on government handouts must be discouraged. But federal responsibility and concern for the Indians' health and welfare must continue. There must be a balancing. Indian pride and Indian values msut be fostered. But material needs also must be met, in a way that does not destroy Indian independence.

How do we preserve the Stone Age culture and tradition of a people while integrating them into the civilization of the Nuclear Age? With difficulty, but with great care and great respect.

If we fail, the problem will become worse. There will be suicide and shame and remorse. We cannot ignore conditions on the reservations. Lingering neglect would be even more cruel than Wounded Knee.●

THE SORROWS OF ARMENIA

● Mr. SIMON. Mr. President, this Nation rightly and properly acknowledges the devastation of the Holocaust. Within the memories of all of us in this body is that unbelievable scourge on part of humanity.

There is another group that has also suffered greatly, and that took place before most of us can remember it. That is the 1915 slaughter of the Armenians.

The New York Times recently ran an editorial on "The Sorrows of Armenia."

Some suggest we should not bring up the unpleasantnesses of history. I believe we have to bring them up if we are not to repeat them. We must know how depraved humanity can sometimes get. And when we bring these things up, we are not attacking the Turks or the Germans or any other group because the lesson is not that some other group is terrible but that we must watch ourselves, to always be sensitive to the possibility that demagogues can arouse passions, and in moments of passion we can do some things that history will not treat kindly.

I urge my colleagues to read the New York Times editorial, and I ask consent that it be printed in the RECORD here.

The article follows:

THE SORROWS OF ARMENIA

Americans with their scant sense of history must be mystified by the resurgence of Armenians' anger about an atrocity that occurred 70 years ago. Impermissibly, that anger has recently been invoked by terrorists to justify the murder of Turkish diplomats. But fittingly, it also moved Armenians the world over to memorial observances last week. They plead that Turkey at least acknowledge the massacres of their ancestors and that the State Department remove the word "alleged" from its references to the 1915 slaughter.

Turkey's indignant rejoinder has been that acknowledging any official guilt for such remote events would only reward terrorism. But that is not a cogent reason.

What did happen in 1915? Armenians assert that two million of their forebears were killed or driven into exile by the Ottoman regime in an attempt to liquidate a long-persecuted Christian minority. They cite firsthand accounts by American and German diplomats, contemporary press reports, the regime's own records and the testimony of survivors.

They are disputed by Turks on every point. Turks maintain that an advancing Russian Army was inciting rebellion among Armenians, requiring their resettlement. Turkish diplomats single out as objective the scholarly history of Sanford and Ezel Kural Shaw, who give this appraisal:

"Armenians claim that as many as 2 million were massacred, but no counts of the dead were ever taken, and the actual total can only be inferred. These claims are based on the supposition that the prewar Armenian population of the Empire was 2.5 million. According to the Ottoman census of 1914, however, it was at most 1.3 million. Half of these people lived in the areas affected by the deportation, but . . . it appears that about 400,000 people were actually transported in 1915-16. In addition, some 700,000 Armenians fled to the Caucasus, western Europe and the United States. As 100,000 remained in Turkey after the war, one can conclude that about 300,000 died if one accepts the Ottoman census reports, or 1.3 million if the Armenian figures are utilized."

So scholars trusted by Turks put the minimum toll at 300,000. Why then should the State Department call the massacres "alleged"? The official excuse that the numbers are in dispute is obviously not the reason. Turkey is an important ally. Indeed, Defense Secretary Weinberger has even pleaded with Congress not to strain relations by designating April 24 as a day of remembrance for Armenian victims. Armenia's sorrows deserve better than that.●

NATIONAL PHILANTHROPY DAY

● Mr. D'AMATO. Mr. President, it is with great pride that I rise today to join my colleagues in cosponsoring Senate Joint Resolution 207, legislation to designate November 1, 1985, as "National Philanthropy Day." This day will be set aside to honor that segment of our society employed to handle those needs of the American people which are greater than that which can be handled by Government alone.

Our Nation's philanthropic organizations greatly enhance the quality of life for all Americans. These institutions are dedicated to freeing Americans from hunger, from want, from fear, and from oppression, and to working directly to provide us with access to quality education, art, and music. For their tireless efforts, every one of us owes a great debt of honor to our churches, synagogues, hospitals, colleges, universities, and youth groups, and a myriad of community service providers who care for our elderly, our young, our sick, and our poor.

Our Nation's philanthropic community includes roughly 800,000 organizations and 10 million employees and volunteers. Since 1981, more than 30 million Americans have contributed in excess of $70 million in private support to these organizations. Without private sector involvement in the humanitarian needs of this country, the American people would be saddled with an even larger Federal deficit. Without this private sector support, the Federal Government would have no other choice but to raise Federal spending to help care for the needy.

This is why I have joined as an original cosponsor of S. 361, legislation to make permanent the deduction for charitable contributions by nonitemizers now scheduled to sunset on December 31, 1986. I believe this legislation, introduced by my distinguished colleague, the senior Senator from New York, is crucial to ensure the continued viability of our philanthropic organizations. S. 361 is very timely because the Treasury tax reform proposal would repeal this deduction for charitable contributions made by nonitemizers. S. 361 is currently being considered by the Senate Committee on Finance.

In the 98th Congress, I cosponsored S. 1579, legislation to provide an increase in the tax-deductible mileage rate of passenger automobiles used in charitable endeavors. This bill was incorporated in the 1984 Tax Reform Act, that is now law.

Praise for our Nation's philanthropic community is long overdue. It has been strong in the past, and it must remain strong in the future. As the Federal Government acts to control budget deficits, these private and volunteer organizations will be asked to take on an even greater responsibility to help feed, clothe, house, and care for Americans in need. Now, more than ever, it is appropriate to honor these vital institutions, which are the foundation of our Nation's social services.

AMERICAN LIVER FOUNDATION NATIONAL LIVER AWARENESS MONTH

● Mr. D'AMATO. Mr. President, I rise today in support of American Liver Foundation National Liver Awareness Month, Senate Joint Resolution 202, introduced by my distinguished colleague from Utah. I am pleased to cosponsor this legislation which will alert all Americans to the need for improved treatment for liver diseases, increased efforts on prevention, and for support of research efforts to find cures.

The liver is the largest gland in the human body, and one of the most complex of all human organs. When the liver is damaged or stricken with disease, the life-sustaining chemical balance of the human body is jeopardized. Liver diseases are the fourth national leading cause of death in the United States for individuals between the ages of 15 and 65—affecting 25 million Americans—and are responsible for over 50,000 deaths each year. Thus, improved treatment for the more than 100 known liver diseases is critical.

Generating public support for increased research into the causes and treatments of liver diseases is necessary to supplement the work currently being done at the National Institutes of Health. The American Liver Foundation was established in 1976 by members of the American Association

for the Study of Liver Diseases to address the need for generating public support for liver research and for promoting a better understanding of liver diseases among the public, patients, and health professionals. This foundation is the major national voluntary organization dedicated to finding cures and preventions for liver diseases.

Mr. President, this resolution is vital, not only to educate the American people about the liver, its diseases, and the need to find cures, but also to inform everyone that pure and simple self-discipline can save countless lives through the prevention of unnecessary liver damage.

For many liver diseases, the only known treatment is liver transplant, but an adequate supply of donors is severely lacking. This situation has cost the lives of many children and infants whose livers have failed them. Many of the more serious liver diseases can be prevented if the public were better educated about the importance of the liver, its bodily function, and the serious damage that can be caused by drugs and alcohol.

One of the most serious liver diseases is cirrhosis, which is most commonly caused by alcoholism. Cirrhosis occurs when scar tissue replaces healthy liver cells, which blocks the flow of blood and decreases the ability of the liver to perform its vital blood-cleaning functions. This disease ranks as sixth among the leading causes of death in the United States, and alcoholism is mostly to blame.

One thing is obvious—the existence of massive alcohol problems within America today. There are an estimated 10 million adult problem drinkers, and an additional 3 million between the ages of 14 and 17. A broad spectrum of our society has demonstrated an intense concern over the impact alcoholism has upon the family and upon their communities. I wish to extend this concern to the alcoholic who may be joepardizing his or her life through liver damage.

In August, I introduced the Comprehensive Drug Law Enforcement, Prevention, and Treatment Act, S. 1583, which, among other things, will make funding available to the Secretary of Health and Human Services to assist public and private nonprofit entities in providing drug and alcohol abuse prevention and clinical training programs, and drug and alcohol abuse treatment services.

Alcoholism is among the major threats to the health of the liver. Other causes include viruses, environmental pollutants, and congenital abnormalities. It is important for every one of us to be made aware of their potentially hazardous effects upon the liver. I hope that Americans will use the month of November to educate themselves on the need to better understand the liver, its diseases, and their preventions and cures.●

LOW-POWER TELEVISION STATIONS

● Mr. D'AMATO. Mr. President, I rise today in support of legislation, S. 1526, to amend title 17, United States Code, with respect to secondary transmission of low-power television broadcast stations [LPTV].

This legislation, introduced by my distinguished colleague from Maryland, clarifies the definition of the local service area of a primary transmitter in the case of a low-power television station, a new service authorized in 1982 by the Federal Communications Commission, designed to provide local TV service to markets currently underserved by conventional television.

Current copyright law does not include low-power television stations when defining this area. Thus, local cable television systems consider a local LPTV signal a "distant" signal for copyright purposes, even if the LPTV station is in the local market area.

When an LPTV signal is considered "distant," the cable station is subjected to a heavy royalty fee, making LPTV undesirable and noncompetitive. The resulting inability of LPTV to compete causes underserved communities to receive little, if any, local programming.

LPTV serves markets currently underserved by conventional television. Therefore, many rural communities in the United States suffer from LPTV's failure to provide service.

Amending the Copyright Act of 1976 would allow thousands of new LPTV stations to begin local TV broadcasting, benefiting small communities which cannot support conventional TV stations.

S. 1526 does not affect any other copyright interests and greatly benefits underserved communities by providing television service. This legislation addresses a minor, yet worthy, oversight. I hope my colleagues will join me in supporting the promotion of low-power television stations.●

ORDER OF BUSINESS

Mr. MELCHER. Mr. President, will the majority leader yield?

Mr. President, do I have the floor?

Mr. DOLE. Mr. President, I have the floor.

Mr. MELCHER. Mr. President, will the majority leader yield?

Mr. DOLE. I yield for a question.

Mr. MELCHER. Mr. President, is it the intention to——

Mr. DOLE. Go out.

Mr. MELCHER. Come back on the bill at the same point we are right now?

[Laughter.]

Mr. DOLE. The Senator is correct. The intention is to go out because I think we have reached a little impasse here.

We will not get back on the bill until probably about 1 o'clock because we have that important hearing in the Agriculture Committee tomorrow. I know all Members will want to be there.

So we are going to start the Interior appropriation bill. I want to indicate that I am very encouraged that the Senator from Montana wants to reduce spending. That comes as a surprise. I need to have overnight to think about it.

[Laughter.]

Mr. MELCHER. Mr. President, will the majority leader yield further?

Mr. DOLE. I yield for a question.

Mr. MELCHER. Yes. For a question.

The hearing that we have tomorrow is extremely important. I merely wanted to ask the majority leader whether, after he has gotten over his surprise——

Mr. DOLE. Shock.

Mr. MELCHER. And cogitated overnight, he would be agreeable for me to be recognized to offer the amendment; $7.6 billion, after all, is a very significant cut.

Mr. DOLE. Mr. President, I do not want to indicate that could not be possible. I think we ought to wait and see what develops.

I think as I have indicated to the Senator there are a number of people who have been working on packages, and it may be that we can put all of these together in one big package.

Mr. MELCHER. Will the majority leader yield further?

The cargo preference people, of course, would like to get it done with. I understand that.

I just wonder whether the majority leader and the chairman of the full committee would try to work with me to be first recognized after we dispose of cargo preference. I have no reason to want to hold up cargo preference. I would just like to get up this budget-cutting amendment immediately after, if that were possible.

Mr. HELMS. Will the Senator yield?

Mr. DOLE. I am glad to yield.

Mr. HELMS. As I understand it, this year JOHN MELCHER is proposing an amendment to cut Federal spending. It is also the year of Halley's Comet. Two phenomena in 1 year.

Let me correct something the Senator said. Before the final vote on reporting the farm bill, I offered an amendment package to bring this bill into conformity with the budget which will require $9 billion in savings, not the $7.4 billion that Senator MELCHER apparently suggested.

Incidentally, I asked the Senator for a copy of his amendment 2 or 3 hours

ago and I still have not received one. I do not know what is in it.

Senator MELCHER voted against my package to balance the farm bill. I think he said otherwise or indicated otherwise. I just wanted to have the record straight. I thank the majority leader.

Mr. MELCHER. Will the majority leader yield? I do not want the able chairman to be under any misapprehension.

Mr. DOLE. Yes.

Mr. MELCHER. I thank the majority leader.

It is very true. I probably misled this body in saying that the distinguished chairman did not offer a package. What was not timed to be done on that final day, if the chairman will recall, was to go beyond into another day and let the committee consider a variety of proposals.

For instance, by vote we abolished the farmer-owned reserve. Now we find out, and we would have if we had analyzed it, by abolishing the farmer-owned granaries, we added a quarter billion dollars over the 3 years to the cost. I know we did not want to do that.

We had some idea that in the program for the conservation reserve we would try to get 10 million acres the first year. When we have now looked at how long it has taken and if we had properly analyzed it again at the end of that bill, we would have recognized we were not going to get 10 million acres into the conservation reserve during that first year. We are already into this fiscal year and we will have some weeks before this bill gets to final action.

So while the distinguished chairman presented a package that he wanted in cuts, it was rejected by the committee but the committee did not have the time to go and analyze the whole package and see where we were in order to be able to agree on a series of amendments.

The amendment is now available. It has just been made available. There are a number of items in it. I do not think the distinguished chairman or the distinguished majority leader will object to any of these cuts.

Mr. DOLE. Mr. President, I have looked over the cuts. They are mostly not cuts but they are figures——

Mr. MELCHER. They are CBO figures.

Mr. DOLE. They are much like the House bill savings, that they are not real. I think we might want to debate that at a later time.

RECESS UNTIL TOMORROW AT 9:15 A.M.

Mr. DOLE. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until 9:15 a.m., Thursday, October 31, 1985.

Mr. BYRD. I object.

Mr. DOLE. We are going to have to have a rollcall here. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I move the Senate stand in recess until 9:15 a.m., Thursday, October 31, 1985.

The motion was agreed to; and the Senate, at 9:48 p.m., recessed until Thursday, October 31, 1985, at 9:15 a.m.

NOMINATIONS

Executive nominations received by the Senate October 30, 1985:

DEPARTMENT OF THE TREASURY

Francis Anthony Keating II, Of Oklahoma, to be an Assistant Secretary of the Treasury, vice John M. Walker, Jr.

NATIONAL COUNCIL ON THE HANDICAPPED

Nanette Fabray MacDougall, of California, to be a member of the National Council on the Handicapped for a term expiring September 17, 1987, reappointment.

IN THE AIR FORCE

The following Air National Guard of the United States officers for promotion in the Reserve of the Air Force under the provisions of section 593(a) Title 10 of the United States Code, as amended:

LINE OF THE AIR FORCE

To be lieutenant colonel

Maj. Paul W. Arnett, xxx-xx-xxxx
Maj. Mark E. Carns, Jr., xxx-x...
Maj. Samuel A. Coleman, xxx-x...
Maj. Phillip J. Eddy, xxx-xx-xxxx
Maj. Richard L. Fechter, xxx-xx-xx...
Maj. Francis C. Fernandes, xxx-xx-xxxx
Maj. James E. George, xxx-xx-xx...
Maj. William W. Hagemeyer, xxx-xx-xxxx
Maj. John W. Haynes, xxx-xx-xx...
Maj. Charles E. Houghton III, xxx-... xxx-...
Maj. Philip E. Junker, xxx-xx-xx...
Maj. Theodore J. Logan, xxx-xx-xxxx
Maj. Carl A. Lorenzen, xxx-xx-xxxx
Maj. Carmi D. McDougal, xxx-xx-xxxx
Maj. Curtis J. Pansch, xxx-xx-xxxx
Maj. Gary L. Picklesimer, xxx-xx-xxxx
Maj. Morris L. Rasmussen, xxx-x...
Maj. James P. Ryan, xxx-xx-xxxx
Maj. Anthony H. Scheuller, xxx-xx-xxxx
Maj. Clarence Tauzin, Jr., xxx-xx-xx...
Maj. Leslie H. Webster, xxx-x...

LEGAL

To be lieutenant colonel

Maj. Charles E. Bruneau, Jr., xxx-xx-xxxx
Maj. Robert D. Kuhnle, xxx-xx-xxxx

CHAPLAIN

To be lieutenant colonel

Maj. Dwight C. Brown, Jr., xxx-xx-xxxx
Maj. Charles W. Hough, xxx-xx-xxxx

MEDICAL CORPS

To be lieutenant colonel

Maj. Ernest J. Jones, xxx-xx-xxxx

DENTAL CORPS

To be lieutenant colonel

Maj. Roger H. Harkins, xxx-xx-xxxx

EXTENSIONS OF REMARKS

THE IMPORTANCE OF MEXICO

HON. ROBERT GARCIA
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 30, 1985

Mr. GARCIA. Mr. Speaker, Dennis Volman of the Christian Science Monitor is writing a four part series on Mexico this week. I am submitting for the RECORD the first of those articles which was published in the October 28 edition of the Monitor.

Mexico is a complex nation with complex problems. I believe that the future of our policy toward Latin America depends a great deal on our relationship with Mexico. I hope my colleagues will find Mr. Volman's article as enlightening as I did.

[From the Christian Science Monitor, Oct. 30, 1985]

MEXICO—THE ULTIMATE DOMINO?

(By Dennis Volman)

TUXTLA GUTIÉRREZ, MEXICO.—Earlier this year, the main square of Tuxtla, Gutiérrez, the capital of the southern state of Chiapas, was taken over by schoolteachers on strike.

At night the square became a campground. Behind a strikingly modern cathedral men and women wrapped in serapes for warmth huddled together on multicolored blankets.

Groups clustered around guitarists, singing Mexican folk songs. An occasional campfire made it look like some sort of Mexican Scouts' jamboree in an unorthodox setting.

An edge of tension, a hint of potential violence, hung over the scene. Townspeople lined police barricades—some shouting their solidarity with the strikers, others expressing outrage that their children were not getting an education.

Yet the strike was resolved peacefully. The teachers, whatever their potential for stoking radicalism and social unrest in poverty-stricken Chiapas, are allied to the ruling elite. Indeed, their union was organized by the Institutional Revolutionary Party (PRI, from its Mexican name), which has governed Mexico for more than 50 years.

This co-option of potential opposition characterizes Mexico, at least for the moment, and helps explain why the country has avoided massive social upheaval despite its serious economic crisis and longstanding problem of social inequality.

As one Western diplomat who is a longtime resident of Mexico puts it, "The Mexicans will, as they always have done, continue to muddle through. They have extremely serious problems and might have sporadic violence—but the system is solid. It has worked at co-opting all forms of opposition for 50 years, and there is no indication that it won't adapt to the problems of the day."

Most Mexicans would agree with this analysis.

Mexico is a nation in which a severe economic crisis has sharpened great social differences between the rich and the poor. It is faced with a population boom that would be difficult to handle in the best of times, a country in which social confrontation seems almost inevitable.

Almost miraculously the system seems to carry on regardless. Most people are like the teachers in Chiapas—part of the established political system in one way or another. In spite of tremendous pressures, most Mexicans of all social strata think that the system will probably continue to work for the next five or 10 years, although it's longer-term survival is unclear.

Mexico's current economic crisis began in 1982–83 when the price of oil (Mexico's main export) dropped severely and real wages fell 23 percent in a 12-month period. The economy was just beginning to recover at the start of 1985, but the price of oil fell by midyear, and inflation accelerated again. This has plunged the economy into a crisis, although not as severe as the one of 1982–83. On top of this, Mexico was rocked by earthquakes in September costing at least $5 billion in damages.

For several years most politically articulate Mexicans listened to, and discounted predictions of American doomsayers that the Mexican political and social structure would crack under the strain of the country's great financial crisis of 1982–83. It was the most serious economic situation Mexico has had to face since its 1910 revolution. Members of the Reagan administration were among the prophets of doom.

Today, despite new economic setbacks, a second Mexican revolution has not yet occurred. If anything, the bulk of the Mexican population has distinguished itself by its remarkable passivity at a time of great hardship.

When most Mexicans discuss what they universally call "the system," they look at its future in terms of economic and distribution problems. They seldom view threats to the system as being the possibility of left-wing subversion, working its way up through Central America.

The "domino theory" so popular among many Reagan administration officials and other North Americans finds no echo here. The theory holds that if the left-wing insurrection that triumphed in Nicaragua sweeps through the rest of Central America, it will eventually bring down Mexico, and even imperil the United States.

For instance, most Mexicans do not think a guerrilla takeover in Guatemala would be the main factor in determining their country's future. At most, Mexicans see the key factor in such a hypothetical takeover as creating a refugee problem and causing political ripples in the poor southern border province of Chiapas.

In short, US and Mexican analysts say that upheavals to the south would affect the whole country. They do not, however, say that these would decide Mexico's fate.

"In general, Mexico's continued political stability depends mainly upon what happens within Mexico," says Susan Kauffman Purcell, director of Latin American studies at the Council on Foreign Relations in New York. "The stronger Mexico is, the less chance that anything that might happen in Central America will affect it. On the other hand, if Mexico is going through a series of severe internal economic and political problems, a difficult situation to the south does not help."

Some analysts are more concerned about the potential political polarization and destabilizing effect on their country of any direct US military intervention in Central America. They believe any such intervention would touch off years of guerrilla warfare in the region.

Meanwhile, a broad consensus in Mexico holds that the system set up by PRI in the 1920s, which claims to carry forward the work of the 1910 revolution, is in no danger of sudden collapse. There is little fear of immediate catastrophe such as mass uprisings or military coups. Almost all of the diplomats, academics, politicians, businessmen, and average Mexicans interviewed for this series agree that a more or less modified PRI will continue to rule Mexico for at least another five or 10 years.

Beyond that period, few such Mexican or foreign analysts are ready to venture any guesses. What they fear most is a steady deterioration of the economic situation and a potential unraveling of the system of broad-based political alliances with which the PRI has governed since 1928. If that happens, the party, in order to maintain its power, might retreat into authoritarianism.

PRI's system of alliances was built up after the revoluton. The military chiefs who emerged with power after the civil conflict tried to mediate between the main social classes. They made concessions to landowners, to the business sector, to peasants, and to workers. These sectors were incorporated institutionally into the PRI.

Many critics of the PRI charge that, although this system of alliances has worked in governing the country, it also stopped the government from building a coherent economic model. It is difficult, critics say, for the PRI to embark on a more conservative economic policy without alienating peasants and workers, or a more liberal course without offending the business component of the party.

Many US and Mexican analysts are concerned that Mexico has reached a dead end in its efforts to provide a decent life for its rapidly expanding population. (Mexico's growth rate is 2.6 percent a year. This year's population is 79.7 million. It is estimated that in the year 2000 it will be 112.8 million.) If this problem is not resolved during the coming decade, many say, the system will unravel.

If Mexico is to provide a semblance of a decent life for most of its people, it must have a climate of international economic prosperity and major structural reforms, say these analysts. It will be impossible to carry out such reforms for the next few years because of political reasons.

According to Carlos Tello, an academic who served as planning and budget minister in the administration of President José López Portillo, Mexico's greatest needs are an agricultural sector that can feed the growing numbers of people and an industrial sector that can produce goods cheaply for them.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member of the Senate on the floor.

Boldface type indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

Critics on both the right and the left of Mexico's political spectrum, liberal academics as well as thoughtful businessmen, say Mexico's economy is caught between an inefficient state-owned enterprise and an unproductive private sector. The large state-owned sector (i.e., oil) is plagued by lack of planning, bureaucracy, and corruption. The private sector holds back from making investments, because it both mistrusts the government and has grown used to making quick profits from speculative ventures rather than productive projects.

At the same time, the deep structural changes necessary to make the Mexican political-economic system work for most of the country's people are viewed as politically impossible. Such reforms would either be viewed as radical and deeply alienate the Mexican private sector and the Reagan administration or viewed as conservative and estrange the peasants and workers who constitute PRI's popular base.

But an extreme change toward a completely private-sector-oriented, "Reaganomics" type of economy—desired by many businessmen—would be largely unacceptable to PRI's popular base. Finally, any move that tended to diminish the power of the PRI bureaucracy would arouse great opposition within the party's own ranks.

Meanwhile, Mexico's population leads an increasingly difficult life. The sufferers are not only the very poor but also those who are reasonably well off—compared with much of the third world, although considered poor by U.S. standards.

"Francisco" (he was forthcoming about everything except his last name) is a young taxi driver with three children. Dark-skinned and squat in build, he clearly shows his Aztec ancestry.

Francisco rents his cab, which means that he is better off than millions of Mexicans who are unemployed or who earn minimum wage. But he is not among the minority who own a substantial amount of property.

Five years ago, before the economic crisis began, Francisco worked 10 hours a day and ate meat every day if he so chose. Now, 12 to 14 hours a day of driving in Mexico City will buy meat three days a week.

Higher up in the social scale, people well established in the middle class have also undergone changes for the worse in their standard of living. These changes have made them increasingly dissatisfied with the PRI—a feeling greatly heightened by what they view as the rampant corruption and economic mismanagement of previous administrations.

Lorenzo Meyer, a Mexican academic at a major think tank, says the growing disenchantment among the middle classes will be the PRI's most serious political challenge in the next few years. The PRI can survive if the middle classes are politically apathetic. But if these people see a political party on the horizon that presents them with a strong alternative—which at present they do not—they could start actively opposing the PRI. This could pose serious problems for the ruling party.

Most Mexcians are economizing, but for the least fortunate Mexicans, a drop in their income can result in dire misfortune, such as the death of a child.

Although there are no clear figures, social workers and doctors who deal with the poorest of the poor report a disturbing rise over the last two or three years in infant mortality and malnutrition, which had previously been declining for decades. Mexico's infant-mortality rate, which in 1982 was 53 per thousand births (respectable but not excellent even by third-world standards), has risen steadily since the economic crisis began in 1982–83.

Despite the mounting economic hardships, most Mexicans still back the ruling party, but listlessly and rather cynically. They increasingly support the PRI because of tradition and see little alternative in the minority opposition parties, say political analysts.

Many Mexicans, too, are cynical about President Miguel de la Madrid Hurtado's efforts to eradicate the government corruption that became a public scandal under his predecessor, José López Portillo. They seem to believe that Presidnt de la Madrid and his immediate circle are probably honest personally and are making some effort to control corruption within the party and government. But they are losing hopes of real reform.

"In the last year or so I have wanted to change parties [and leave the PRI], but all the parties are alike," says a young woman previously active in PRI affairs. "They're all looking for power. Once they have the power, they don't give a hoot about the rest of the country."

The acid test of corruption, and perhaps the determinant of the present administration's political future, will come within the next year with the rebuilding of Mexico City after the devastating September earthquakes proceeds. If the government is perceived as handling the situation corruptly or inefficiently, the results could be very grave for Mr. de la Madrid.

PRI officials say their party is the only one that is truly national. The largest opposition political party, PAN (the National Action Party) received only a small percentage in July's midterm election.

"PAN is just a right-wing interest group allied with business interests in the north, and the left-wing parties are mainly a group of squabbling intellectuals with little mass support," says the government official.

Many Mexicans concede that, whatever PRI's defects, social progress has been made under the party's leadership. As one upper-class woman who works as a social worker and supports the ruling party puts it, "In roughly 65 years, literacy rates have gone up from 18 percent to 87 percent. Life expectancy has risen from 44 years to 63 years."

Not even the most enthusiastic PRI officials and party supporters, however, are inclined to rest on their laurels. They know they will have very little to offer Mexicans for the next few years. What they are most interested in is surviving the crisis.

They must also face the entry into the job market of Mexico's baby boom of the late '50s, '60s, and early '70s. Mexico's population has increased from 19.8 million in 1940 to 79.7 million today.

This would be a challenge even in a time of relative economic prosperity. It swamps the PRI's traditional system of distributing material benefits to various sectors of Mexican society.

"The PRI has always kept the different sectors of its power base happy by giving out pieces of the pie," says Carlos Frederico Paredes, a former Salvadorean vice-minister of planning who lived in Mexico as an academic for several years. "But the pie has shrunk, so there is less to distribute. Right now, in an effort to stimulate the economy, the government is giving the largest slices to business, and the workers are having to make do. This can't go on for a long time without the system having to change. Economic scarcity which lasts for a long time means new political arrangements."

If this assessment is correct, over the next 10 years the PRI will either have to reform, giving more political space to opposition groups and dissent and overhauling itself internally, or it is likely to retreat into authoritarianism, most observers say.

Historically, most Latin American governments have taken the second, authoritarian, alternative. Most Mexicans hope the PRI will choose the first—reform. Either way, events farther south in Central America are unlikely to play a dominant part in Mexico's decision.

INTELLIGENCE

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 30, 1985

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, October 30, 1985, into the CONGRESSIONAL RECORD:

INTELLIGENCE

In the arsenals of governments, no weapon exceeds intelligence in importance. Being secret, it is also the least understood. The questions and answers that follow may help in understanding what intelligence is all about.

1. What is intelligence?

Intelligence is generally considered the secret collection of information not publicly available, analysis of the information, and supplying it to policymakers. The main tasks of intelligence are to assess present actions of governments or groups, such as terrorists, and to determine their intentions.

2. Who uses intelligence?

Although top officials—the President, the Secretary of State, the Secretary of Defense and the Joint Chiefs of Staff—use intelligence, most of it also goes to many lower level officials, much of it to support military plans, operations and weapons systems development.

3. How is the intelligence community organized?

The intelligence community is not rigidly organized. It includes: the Central Intelligence Agency, which is responsible for human intelligence collection and analysis; the National Security Agency, which collects foreign communications intelligence; the Defense Intelligence Agency, which analyzes intelligence gathered by other agencies for the Secretary of Defense and the Joint Chiefs of Staff; the FBI, the domestic counterintelligence agency; the intelligence departments of the armed services; and other agencies, units and groups. There is no single head of all U.S. intelligence activity, although the Director of Central Intelligence is our preeminent intelligence official.

4. What do we ask intelligence to do?

Our government needs an enormous amount of information to protect our national security and carry out U.S. foreign policy. After World War II, most of our intelligence activity concerned the Soviet Union, the Peoples' Republic of China, and North Korea. Today, intelligence also includes international terrorism, narcotics trade, third world debt, Soviet grain purchases and other topics. The stability and intentions of almost every government in

the world interest us. Intelligence can help avert a crisis, as in the Soviet attempt to install missiles in Cuba. It can help verify arms control agreement compliance.

5. What are covert actions?

Covert actions are secret attempts to influence people, events and nations in support of U.S. foreign policy. They are not meant to be attributed to the U.S. and should aid, rather than replace, foreign policy. Covert actions include: propaganda, for example, keeping the world informed of Soviet misdeeds; political action, such as our support of anti-communist parties in the West after World War II; and paramilitary operations like the war in Laos during the 1960s. Unless the President directs otherwise, the CIA conducts these operations. Covert actions allow us to support foreign political leaders without exposing them to charges of being U.S. pawns. They allow us to compete with the Soviets in the Third World without creating open confrontations. They also give the President an option besides diplomacy and military force to implement foreign policy. Drawbacks of covert actions include the risk of embarrassment and criticism of the U.S., if disclosed, and diverting the CIA from its main task of intelligence collection and analysis.

6. What is Congress' role in overseeing covert actions?

The President informs Congress of each covert action. He does not need congressional approval. If Congress dislikes an action, its only recourse is to deny funding, as it did with Nicaragua. The Congress reviews the authority, goals, means and timetable of covert actions on a regular basis.

7. How good is our intelligence?

Our intelligence is generally good, but it could be improved. We do not have enough information about the Soviet Union. Our estimates of Soviet oil production in 1977 were wrong, and estimates of Soviet military spending have been inconsistent. Our lack of understanding of political dynamics in the Soviet Union hampers our ability to react to Soviet behavior. We know too little about the Middle East and Central America, and about terrorism. U.S. intelligence has had notable successes. Our information in Vietnam was consistently accurate. We have learned a great deal about Soviet military capabilities. U.S. intelligence described the real impact of sanctions on the Soviet gas pipeline.

8. How can we improve our intelligence?

We should give it higher priority. Countries that believe their existence depends on it have good intelligence. We should also depoliticize intelligence. Intelligence is often used to make policy look good rather than to develop policy. We should separate analysis from policy, although effective analysts need to be aware of the policy. Dissenting views can be stifled by the search for consensus, so we should encourage competing intelligence estimates. Through the budget process, congressional oversight can improve intelligence, chiefly by asking the right question: Does the right person get information on time? Does funding a request mean the eventual acceptance of others? Is a system cost effective? Does the budget support arms control monitoring? Congress must apply common sense to intelligence activity that affects our foreign policy.

9. How important is intelligence?

Good intelligence is essential to our security. We must cast aside romantic ideas about spy thrillers and get down to the hard, detailed work of improving intelligence so that we have the best available information for making decisions.

PORTUGAL'S DEMOCRACY

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 30, 1985

Mr. COELHO. Mr. Speaker, as the Christian Science Monitor editorialized recently, the "results of Portugal's newest election are an affirmation of democracy and a vote for continuity."

As a Portuguese American, I am proud of the election results. Portugal's experience with democracy is only 11 years old, and severe economic hardships confront the Portuguese people; still, they went to the polls and expressed confidence in their free society and democratic form of Government. I am sure that all Americans join me in supporting the new Government of this important Western ally.

Mr. Speaker, this is a critical time for Portugal. Recently admitted to the European Economic Community for the first time, Portugal faces austere economic times and great challenges ahead. Efforts to begin an economic recovery will only be enhanced by a stable, democratic coalition in Lisbon.

I met recently with the new American Ambassador to Portugal, Frank Shakespeare, and I am confident that he will represent our interests well but also the mutual interests of our two great countries.

I would like to insert the Monitor article for the RECORD.

PORTUGAL DEMOCRACY AFFIRMED

Results of Portugal's newest election are an affirmation of democracy and a vote for continuity. The political center gained strength, at the expense of right and left: The nation's democracy, 11 years old and until recently given to wild swings of public mood, is becoming more stable.

This growing centrism and stability should be heartening to Western Europe and the United States. Portugal officially joins the European Community in January; both Europe and the US have been seeking to tie Portugal, like Spain, more closely to democratic Europe. Only a decade ago Europe was gravely concerned that Spain and Portugal would turn sharply to the left, a change of direction that occurred only briefly in Portugal. Sunday's election is a swing back from socialism toward the center.

When President Reagan was in Lisbon five months ago the Socialists, under outgoing Prime Minister Mario Soares, were expected to do well in this vote, but they lost much parliamentary strength. As the leading vote-getter, the Social Democratic Party has the first try at forming a new government.

In a democracy it is difficult for political leaders to impose austerity, as Soares did. As this election illustrated, socialist parties find the task particularly daunting, inasmuch as it undermines the reformist thrust of their entire programs.

Yet a need for austerity remains. Presumably the new government will continue it, at the risk of voter disapproval come the next election. Creditor nations and banks ought to show Portugal the understanding that is being voiced about Latin American debtors; easier repayment terms should be offered.

Or they might permit Portugal to have an off-and-on austerity program, alternating brief periods of relaxation with longer times of stringency. This approach might enable the government to control the economy while retaining popular support.

DEFAULTS THREATEN STUDENT LOANS

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 30, 1985

Mr. COURTER. Mr. Speaker, worthwhile Federal student loan programs have come under attack lately, primarily because of the high levels of defaults on loan repayments. Representative DEAN GALLO has pointed out that much of the problem with defaults is due to an ineffective distribution of the responsibility for collection.

I highly recommend that my colleagues read the enclosed article by Representative GALLO, which provides a realistic, workable approach to improving our dismal collection record. This approach certainly warrants further study in the House Education and Labor Committee. The article follows:

[From the New York Times, Oct. 27, 1985]

DEFAULTS THREATEN STUDENT LOANS

(By Dean A. Gallo)

Federal student-loan programs have revolutionized our national system of higher education. Young, talented people who equate a quality education with success, but whose parents lack the financial means to send them to college, are now able to further their schooling with the help of federally guaranteed loans.

However, as Congress considers reauthorization of the Higher Education Act of 1965, we are faced with a new set of challenging and difficult questions.

The current Federal student-loan programs—specifically, the National Direct Student Loan program (N.D.S.L.) and the Guaranteed Student Loan program (G.S.L.)—have encountered unwanted side effects following a generation of rapid growth in aid to higher education.

The rising cost of a college education has put many current students in a difficult position. They face burdensome levels of debt when they leave school, and increasing numbers have defaulted on loans.

Rising defaults on past loans threaten the future of the Federal loan programs for a new generation of young people, who need our help more now than at any time in the past, precisely because of the rising cost of a college education.

Losses from student-loan defaults now top $1 billion, a figure that has doubled in the last four years. The Secretary of Education has indicated that this figure could go as high as $3 billion in the near future.

This situation has developed because of the common misconception that no one loses if a student defaults. In fact, you and I—the taxpayers—lose.

Yet, in spite of this rising debt, we cannot lose sight of the importance of these programs to our future simply because current loan repayments have not been adequate.

Every year, Congress provides an ever-increasing amount of money to make or guar-

antee loans to students by banks, schools and other authorized leaders.

To understand this cycle of rising Federal outlays for student loans, one must recognize that the current system has numerous participants: students, parents, schools, banks, other authorized lenders, state guarantee agencies, the Federal Government and, finally, the taxpayer.

The problem of defaults lies in the fact that the responsibility for monitoring and collecting these loans is not divided equally or effectively among the beneficiaries and participants.

Both the Federal and state governments have already acted to increase collections from former students by garnisheeing the wages of government employees who have outstanding loans and by withholding tax refund checks.

However, further action is necessary to prevent loans from going into default in the first place.

Under the prevailing system, Federal loan programs provide students, schools and lenders with a fallback position. Simply put, the Federal Government will cover all or most of the cost for any losses due to student default.

This is a key provision of the program because it encourages schools and private lenders to provide loans to students who would not otherwise have the collateral to borrow money. As with other Federal loan programs, these loans are also subsidized to keep the interest rates below market rates.

The principle behind the student-aid programs is sound, but the current way it is administered leaves questions that need to be addressed by Congress.

I am convinced that the best way to make the system more accountable is to recognize schools and lenders that have developed good track records in the two student loan programs and to remove those with consistently bad records from the list of eligible providers.

Without penalties for high default rates, our current Federal loan programs encourage schools and private lenders to make loans to students without proper counseling or adequate monitoring. Loan defaults can simply be passed on to the Federal government for repayment.

This is already a guiding principle behind the National Direct Student Loan progam, which is administered by the participating schools.

Under this program, the Federal Government helps schools set up revolving funds to be used for student loans. The Federal contribution is equal to 90 percent of the entire fund, and each year the Government makes additional contributions to these funds.

N.D.S.L. regulations prohibit any additional Federal funds from being contributed to schools with default rates in excess of 25 percent. Also, contributions are reduced for those schools with default rates between 10 and 25 percent.

However, the larger of the two aid projects—the Guaranteed Student Loan program—has no similar restraint on its primary lending institutions.

To take this additional step, I have introduced a bill that makes the N.D.S.L. regulations permanent and applies similar restrains to the G.S.L. program. The measure would require removal from the G.S.L. program of lenders who received fault reimbursement from the Federal Government for more than 25 percent of their total loan portfolio.

By placing a ceiling on the amount of defaults that institutions can turn over to the Federal Government without penalty, this bill makes it clear that lenders must make effective and productive efforts to encourage repayments before resorting to Washington for repayment.

Lenders and schools also should provide adequate financial counseling for students applying for federally insured loans and monitor the progress of loans throughout the period of repayment.

Many options are available to people facing the propsect that they will not be able to meet the repayment schedule of their loans. Defaulting on a student loan should be a last resort when all other options have been exhausted.

Ultimately, reducing student defaults is a crucial step in insuring that the two loan programs will be maintained at sufficient levels to assist low- and moderate-income students in furthering their educations.

EUROPEAN EXPECTATIONS OF THE SUMMIT

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 30, 1985

Mr. GARCIA. Mr. Speaker, the October 29 edition of the Christian Science Monitor had an article about European concerns over the upcoming summit between President Reagan and First Secretary Gorbachev.

The article mentions, among other things, three concerns that Western Europe has regarding the relationship between the West and the Soviets. They are: First, detente; second, nuclear deterrence; and third, the desire for a fair agreement with the Soviets. I believe the Monitor article offers an important analysis of Western European perceptions of the upcoming summit, and I submit it to the RECORD for my colleagues' perusal.

[From the Christian Science Monitor, Oct. 29, 1985]

WEST EUROPEAN LEADERS CONCERNED ABOUT US PRE-SUMMIT STANCE

(By Louis Wiznitzer)

PARIS.—Publicly, West European leaders back President Ronald Reagan as he prepares to meet Soviet leader Mikhail Gorbachev in Geneva next month.

Privately, they voice concern that the summit meeting will be unsuccessful.

Despite soothing words to the contrary spoken to them last week by United States officials in Washington, New York, and Brussels, European leaders still have the impression that the Reagan administration is deeply divided with regard to its approach to arms negotiations with the Soviets. These leaders fear these divisions have made Washington reluctant to grapple with the subject.

Deep, philosophical cracks between US and West European positions regarding the Soviet Union are surfacing again, which do not lend themselves to papering over.

"In a nutshell, Western Europe remains committed to a) detente, b) nuclear deterrence, and c) to striking a deal with the Soviet Union, provided it is fair and does not leave the Soviets with a stronger hand, militarily, than the West," says one West European diplomat who has followed preparations to the summit meeting closely.

But in Washington, this diplomat says, the same goals are not evident. He says there are some who are opposed to any deal with the Soviet Union, whatever its terms. Some US officials remain committed to President Reagan's space-based defense program, the Strategic Defense Initiative (SDI, or "star wars"), because they see it as a way either to provide the United States with military superiority over the Soviet Union or to drag it into an arms race which could sink its economy.

A number of West Europeans officials, willing to speak on condition that they not be identified, claim that Mr. Gorbachev is going to Geneva with a clear strategy and a willingness to compromise. But Mr. Reagan seems to be without a strategy, heading a split delegation of advisers, and more eager to score propaganda points than to seek an agreement on arms control, these sources say.

"Ronald Reagan's speech in New York last week was for home consumption," says one West German diplomat. "Having been caught off guard by Mikhail Gorbachev's recent initiatives on arms reduction, he tried to change the subject and modify the rules of the game, by linking the talks on arms control to progress on regional issues."

While people in Western Europe strongly disapprove of Soviet occupation of Afghanistan, they are more concerned with the danger of nuclear war than with the political fate of Nicaragua or Cambodia, says this source.

He goes on to say that "the peace movement was successfully contained by the British, Dutch, German, and Italian governments in recent years. Now it may be reignited with Reagan, instead of [former Soviet Foreign Minister Andrei] Gromyko, engaging in 'nyet' policies."

A British diplomat says, "Gorbachev's recent proposals are a mixed bag. They need a lot of sorting out. But they contain many interesting goods.

"A reduction of 50 percent of its nuclear arsenal, a 60 percent ceiling on its heavy missiles as part of its strategic weapons, and a commitment to not deploy new SS-20 missiles in Asia cannot simply be dismissed as bluff or propaganda. If Reagan appears to be intransigent, no smoke-screening devices will deceive West European public opinion for long," this diplomat says.

"Whether the Reagan administration is dead set against putting 'star wars' on the bargaining table or is divided about the issue, and is therefore obliged to skip it, is beside the point," says a French official. "Lambasting the Soviets in public will not do the trick.

"If the Americans turn out to be inflexible, or are perceived as such, if they don't match Soviet concessions with some of their own, this will create a lot of uneasyness among West Europeans," this diplomat says.

There is consensus in Bonn, Paris, and London that a historic opportunity to reduce East-West tensions and the danger of war may be at hand. They want Reagan to make a strong effort to find out whether Gorbachev's proposals are serious, and whether he is willing to show more restraint in foreign policy than his predecessors.

THE FUTURE IN EL SALVADOR

HON. BOB EDGAR
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 30, 1985

Mr. EDGAR. Mr. Speaker, the conclusion of the kidnaping crisis in El Salvador last week marks a new stage in the conflict between the Government and the rebel forces.

It has become obvious, as David Newell wrote in this week's issue of Newsweek, that "In snatching the President's daughter, the guerrillas held hostage a whole country and proved that, far from defeated, they can wage a long war."

It seems obvious now that neither side can decisively win in El Salvador; all each can do is continue the carnage and raise the death toll. Last June, when the American marines were killed in San Salvador, I rose on the House floor to call for both sides to end the war and negotiate a settlement. I still believe that this is the only way to stop the killing.

There is strong rhetoric on both sides of the conflict. The following letter was delivered by the FMLN to congressional leaders this summer. Once the rhetoric is put aside, it shows that the guerillas also believe that the war is at a stalemate and that Congress must intervene to achieve peace.

Mr. Speaker, I do not pretend to have the key to a solution that will end the violence in El Salvador. But we must continue to seek a solution, and follow up on any initiatives by either side. In addition, we must seek to further involve the Catholic Church in the peace process, given its respected position, influence, and participation in earlier mediation efforts.

The letter follows:

MORAZAN, EL SALVADOR,
July 1985.

DEAR ————: Interference by the Administration of President Ronald Reagan in the internal affairs of El Salvador has already reached the level of direct intervention in the armed conflict. The involvement of United States war materiel, military advisers and economic resources in this conflict is approaching the level of an undeclared war by the Reagan Administration.

This involvement takes concrete forms. For example:

(a) Development and coordination of counterinsurgency plans;

(b) Training of government armed forces both inside and outside El Salvador;

(c) Supplying arms, ammunition, aircraft and artillery;

(d) A large number of military advisers, who already represent a very high percentage of the army's officer corps and who have de facto taken on the tactical and strategic direction of the Salvadoran Armed Forces;

(e) The presence of U.S. advisers in or over areas of conflict. For example:

Major Queen in Operation Roblar I, Guazapa, June 1985;

Colonel James Steele in Operation Torola IV, Morazan, October 1984;

Proven participation of a U.S. adviser in an operation of troop transportation by helicopter, in which Commander Nidia Diaz of the FMLN was captured (San Vicente, April 1985);

The recovery of a helicopter downed in combat (Morazan, June 1985), using a "Chinook" U.S. Army helicopter flown by U.S. military personnel out of their military base in Palmerola, Honduras.

The growing intervention by the U.S. Administration is clearly an act of aggression. It has brought all manner of tragic consequences, not only due to the air war, but also because of the direct involvement of the U.S. advisers in this war which has taken the lives of more than 50,000 civilians and produced more than one million refugees and displaced persons (1/5 of the total population). This constitutes a high level of destruction of the country and its resources.

It is evident that nothing has been capable of stopping the FMLN. U.S. intervention in El Salvador has only increased the suffering of our people and the destruction of our country.

In order to maintain this level of intervention, President Reagan has distorted the truth to Congress and the American people, promoting a false image of the Duarte government.

In El Salvador, true agrarian reform does not exist. The little that was accomplished is now paralyzed and corrupted. Duarte's agrarian policies have brought about bankruptcy and indebtedness among rural farmers. Phase II of the agrarian reform was never implemented, and the basic structure of economic power has remained intact.

The government is promoting economic policies which only favor the dominant sectors, thereby subjecting the working majority of the people to the stifling effects of spiraling inflation, wage freezes, unemployment and economic chaos.

There is corruption at all levels. The investment of millions of U.S. dollars has heightened the contrasts of social inequality. Corruption among high army officers and government officials is uncontrollable. The corruption is similar to that which existed among the local allies of the United States during the Vietnam war.

The judicial system is inoperative and corrupt. Not one political crime (murder of Monsignor Oscar Arnulfo Romero, U.S. agrarian reform advisers, etc.), or mass crime (massacres at El Mozote, Las Hojas, etc.) has been solved. There are hundreds of political prisoners, and thousands of "disappearances" and political assassinations take place with impunity.

There is systematic repression against grassroots organizations: arrests and assassinations of trade unionists, workers and students; military blockades of workplaces; terror against the rural population, and so forth.

The Duarte government lacks popular support. There are growing signs of popular discontent (demonstrations, strikes).

Grassroots sectors and organizations, who supposedly made up the social base of the Duarte program, stand today in open opposition to the government. The recent electoral victory of Duarte's party proves nothing in El Salvador. Colonels Sanchez Hernandez and Molina, as well as General Romero, also reached the presidency by way of supposedly democratic elections, and yet brought bloodshed and war to our country.

Furthermore, no election authorizes anyone to bomb and displace unarmed civilians as Duarte authorizes daily. It is timely to remember that Mr. Ngo Dinh Diem became president of South Vietnam without any popular support, and the results are well-known.

Injustice and popular discontent will persist as long as these conditions persist, and the war will continue to be fueled by the very causes which gave rise to it.

With regard to the military situation, it can be proven that reality stands in stark contrast to the analyses and projections of the Administration.

In a short time, the war will have spread to the entire national territory. This runs contrary to the strategic plans of the U.S. advisers who are attempting to confine the war to one or two separate areas within El Salvador.

The number of casualties among the ranks of the government army is growing daily in the course of their patrols and operations planned by the U.S. advisers. The U.S. Embassy in El Salvador is well aware that the casualty figures listed by General Vides Casanova in his monthly report to the Legislative Assembly (July 1985) are manipulated and falsified.

The air war is a crime against the civilian population, yet ineffective against our military forces.

The FMLN is able to render inoperative any economic or political program imposed behind the backs of the majority. Duarte's army is unable to thwart our policy of eroding the economic, political and military base of the government.

We are prepared to wage a long war of attrition, even against an eventual intervention by foreign troops.

President Reagan has lied repeatedly in his attempts to place the issue of U.S. intervention in El Salvador within the context of an East-West confrontation. This is absurd. An analysis of El Salvador's geographic situation will demonstrate that it is impossible to sustain the FMLN from other countries. The United States has taken control of both oceans (Pacific and Atlantic); it has military bases and military control of all land borders. In order to be sustained by foreign logistical support equalling even one percent of the current U.S. support for the Duarte government, the FMLN would require such quantities of boats, airplanes and trucks that it would be impossible to hide them.

Our forces and our resources come from inside the country—they are based on popular support. The origins of the conflict lie in the deep and intolerable inequality and social injustice, and the suppression of civil and human rights of the Salvadoran people.

In this context of social injustice, repression and intervention, Jose Napoleon Duarte is trying to use dialogue as a political component of the military plan drawn up by the U.S. advisers, and not as a true alternative for a negotiated political solution to the conflict.

This reasoning attempts to achieve at the negotiating table the goal which has not been achieved on the battlefield. They are using dialogue to attempt to force us to surrender, although they are unable to win the war nor take away our weapons in combat.

For Duarte, the dialogue process is but an instrument to achieve bipartisan consensus in the U.S. Congress in order to maintain U.S. economic and military aid, thereby prolonging the war in the search for an illusory and impossible military victory. He expressed this very clearly in his speech to the U.S. Chamber of Commerce (June 1985).

It is within this context that we must understand the present controversy regarding the continuation of the dialogue process: the issue is will it take place secretly and in another country, or publicly inside the country.

The first option signifies that dialogue would be utilized to win approval of U.S.

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aid, which would mean the prolongation and deepening of the war. Secret talks would eliminate public pressures to carry out the agreements reached, thus allowing Duarte to maintain the false image of a negotiator before the American people and Congress. If the dialogue is conducted openly, commitments and conclusions must be agreed upon in full sight of the Salvadoran people and international public opinion.

Confronted with these alternatives, Duarte has interrupted the dialogue process.

There are clearly two possible courses of action:

(a) An end to intervention in El Salvador by the U.S. Administration and the initiation of a process leading to a negotiated political settlement.

(b) A continuation of the policy of aggression and intervention against our people and the unleashing of a greater war: a regionalization of the conflict, dragging the youth of El Salvador, the United States and of other countries into a holocaust without any true and objective perspective of military victory for the United States.

You know as well as we do that a war of this type is not won on the basis of arms superiority, but rather on the basis of popular support. There is no doubt that intervention by U.S. troops in our country would deepen the nationalist character of this war of the entire people in defense of their lives and their sovereignty.

In an attempt to justify the U.S. role in El Salvador to the American people, the Reagan administration has come up with a supposed third alternative which lacks any true basis: to obtain our surrender through threats, pressures and more intervention. This vision is unreal. Our confrontation with intervention strengthens our love for our homeland, as well as our principles and our nationalism. We will never surrender. This third alternative will merely serve as an excuse for future escalations of intervention.

We would like to express to you, members of the Congress of the United States of America, and to the American people as a whole, that there are historical and geographic links that unite us, which can contribute to progress, brotherhood and mutual cooperation and respect. We would like to maintain and strengthen these ties, but it must be understood that today we are exercising our irrevocable right to legitimate self-defense against aggression by the administration of President Reagan.

We therefore propose that Congress, as a contribution toward peace, take steps and present initiatives which will allow for an end to the process of intervention in El Salvador. Only in this way can a just and lasting solution be achieved, one which will allow us to exercise our right to self-determination and which will free the American people from another tragic war.

We are convinced that the U.S. Congress can initiate this process toward peace with the same authority that it exercises today in supplying the military aid which maintains, prolongs and aggravates the war. It is well-known that he who can decide to wage war can decide to make peace.

(Signed) FMLN General Command:

JORGE SCHAFIK HANDAL.
FERMAN CIENFUEGOS.
JOAQUIN VILLALOBOS.
ROBERTO ROCA.
LEONEL GONZALEZ.

THE MEDICARE FAIR HOSPITAL INSURANCE DEDUCTIBLE ACT OF 1985

HON. THOMAS J. TAUKE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 30, 1985

Mr. TAUKE. Mr. Speaker, I wish to commend the chairman of the Aging Committee, Congressman ROYBAL, for his leadership in introducing the Medicare Fair Hospital Insurance Deductible Act of 1985. I am pleased to join Chairman ROYBAL as an original cosponsor of this much-needed legislation.

The Medicare Fair Hospital Insurance Deductible Act of 1985 will spare Medicare beneficiaries a staggering 23-percent increase, from $400 to about $492 next year, in the deductible they must pay for Medicare hospital coverage. Our Nation's elderly cannot afford the shock of a 23-percent increase in their out-of-pocket expenses, especially since their Social Security checks will increase only 3.1 percent next year.

This enormous increase in the deductible is bitterly ironic, for it may be traced to the success of Federal efforts to restrain Medicare outlays. Under current Medicare law, the deductible reflects the average cost per day of hospitalization. New treatment technologies and procedures, the use of outpatient clinics and other nonacute care settings, admissions review programs, and the switch from a reimbursement system which paid hospitals for each service provided to the beneficiary to a prospective payment system which pays hospitals a set rate for the care of a category of illness (diagnosis-related groups) have combined to shorten Medicare beneficiaries' length of stay in the hospital and to make the typical in-hospital patient one who is sicker and in need of more intensive services. Higher per-patient-care costs divided by fewer patient days gives us this 23-percent leap in the deductible.

The Fair Hospital Deductible Act of 1985 makes a very reasonable change in how the hospital deductible is calculated. The act limits the increase in the deductible to the lesser of the Social Security cost-of-living adjustment or the increase in Medicare DRG reimbursement.

In addition, this measure reduces the coinsurance payment that beneficiaries must pay for the 21st through the 100th day of skilled nursing care from one-eighth of the hospital deductible to one-twelfth of the deductible and increases by 5 days the number of days for which Medicare covers the entire cost of skilled nursing care (currently the 1st through the 20th day). This modest additional protection against rising out-of-pocket costs is needed because the prospective payment system's strong cost-containment incentives are resulting in patients being released from hospitals sooner than they were under the old cost-based reimbursement system and often in need of longer periods of skilled care.

Many of the elderly (about 70 percent) could also see increases in the premiums they pay for private "Medigap" insurance to cover such costs as deductibles. As deductibles rise dramatically, triggering increases in other areas, such as skilled nursing care coinsurance payments, it is reasonable to assume that private health insurance premiums will also rise.

To ensure that these changes do not undermine the financial viability of the Medicare trust fund or contribute to the deficit, the Fair Hospital Deductible Act provides for an 8-cent per pack increase in the cigarette tax above its level in fiscal year 1986 and indexes this tax to inflation, earmarking the increase for Medicare. The 8 cents will more than cover the cost of the changes proposed in the Medicare Fair Hospital Deductible Act of 1985 (estimated at $3.7 billion over 3 years) by raising $4.8 billion, providing a $1 billion plus revenue transfusion to the Federal budget.

I am no fan of tax increases as the means to reduce the deficit or ensure the financial viability of Federal programs. But a cigarette excise tax earmarked for the Medicare trust fund is a valid exception to this principle. The Fair Hospital Deductible Act is consistent with legislation I have introduced, H.R. 1594, to increase the cigarette tax to 32 cents per pack, with 24 cents of the increase earmarked for Medicare.

Smoking-related mortality rates and the costs to Medicare and Medicaid of treating those with smoking-related diseases justify the use of the cigarette excise tax for Medicare. According to the Office of Technology Assessment, in 1982, 139,000 persons died from smoking-related cancers. About 123,000 died from cardiovascular disease associated with smoking, and 52,000 died from chronic lung disease associated with smoking.

In 1985, the Office of Technology estimates that the U.S. health care system will spend between $12 and $35 billion to treat smoking-related illnesses, with Medicare costs ranging from $1.7 to $5.4 billion and Medicaid costs from $0.3 to $1.1 billion.

I urge my colleagues to join me in cosponsoring this reasonable proposal to protect the elderly from staggering increases in out-of-pocket health care costs ironically resulting from the effectiveness of cost-containment efforts.

TAX REFORM

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 30, 1985

Mr. GINGRICH. Mr. Speaker, currently the House Ways and Means Committee is attempting to reform our Tax Code. And I believe that the American public wants tax reform. But the Ways and Means Committee seems content to give them tax tinkering instead. I believe this half-hearted attempt at tax reform will only destroy the desire for real tax reform. Even if the desire for tax reform is not destroyed, the current proposals will have such a negative impact on investment and growth in our

economy that Congress will be forced to write another tax bill next year. I would like to have the following article from Business Week placed in the RECORD. I believe that it deserves the careful consideration of my colleagues in the House.

The article follows:

[From Business Week, Oct. 21, 1985]

THE TAX-REFORM MONSTER THAT'S COMING TO LIFE

(By Paul Craig Roberts)

The recent tax-reform proposal from Chairman Dan Rostenkowski (D-Ill.) of the House Ways & Means Committee can be added to the lengthening list of policy defeats for the Reagan Administration. Unless President Reagan soon realizes that his Treasury Dept. tax-reform team has painted him into a corner, he will find himself on the political stump selling reforms that will reestablish the anti-growth environment of the 1970's.

Rostenkowski's plan is firmly grounded in the "fairness" rhetoric emanating from the second Reagan Administration. Fairness, in its political context, means collecting more taxes from upper-income taxpayers in order to lower taxes for others. Since the campaign for fairness must contend with the supply-side preference for lower tax rates, tax reform is using higher taxes on capital to carry out this income transfer.

The plan makes this starkly clear: It resurrects the lengthy and less accelerated tax depreciation that existed prior to the 1981 Reagan tax cut. It drops the provision that indexes depreciation deductions to protect them from inflation. And it repeals the investment tax credit. Not content with such increases in the cost of capital, Rostenkowski would expand the minimum tax and impose a penalty on businesses that invest in anything that carries preferential tax treatment which is virtually everything. For many companies, the result of the proposed minimum tax would be to nullify the reduction in the corporate tax rate to 35% and produce effective corporate tax rates higher than the existing 46% rate.

In addition, the minimum tax would mean that companies with different preferences would pay different tax rates. Thus, there would be no equal treatment, and the fairness claimed for it would vanish. The overall effect is to reduce business saving substantially, and to increase the cost of capital, worsening the competitive position of U.S. companies in world markets.

"NEW POPULISM"

The basis for these changes originates in the new team at Treasury. Secretary James A. Baker III and his deputy, Richard G. Darman, were determined to prove that they could outdo their predecessor, Donald T. Regan and maneuver a tax-reform package through Congress. They concocted a notion of realigning the political parties on the basis of the "new populism." Carried away with the politics of tax reform, they neglected the economics and sold the President a tax-reform package that would lose $50 billion annually in revenues for the first several years.

This discovery led to a hastily contrived, retroactive "recapture" tax, which would force businesses to pay $57 billion in taxes on depreciation taken during 1981 through 1985, and to a proposal to curtail severly the pension plans used by many small businesses—a blatantly anti-saving measure that would increase dependence on Social Security. This patch-up job, coupled with the proposal's revenue loss, demonstrated an incompetence that is sorely taxing the country's patience with tax reform.

Panicked by the damage it had inflicted on the Administration's main economic initiative for the second term, the new Treasury team struck again—with predictable results. Unwilling to negotiate with the Republican sponsors of the Kemp-Kasten tax-reform bill, they stumbled on the idea of dealing with the other party. In August, Darman told a White House meeting that the Administration had to have a tax-reform bill, even though it required giving Rostenkowski "all the running room he needs." A deal was struck, and the initiative was turned over to Rostenkowski.

NAIVE APPROACH

The Treasury team naively assumed that the "pro-family, populist" $1,000 increase in personal exemption, targeted to traditional one-earner, home-owning families, was safe. But in Rostenkowski's plan, half of this increase is provided in the form of a larger standard deduction. In other words, to benefit from the full $1,000 increase, the taxpayer cannot be a homeowner who itemizes deductions. Clearly, Rostenkowski is using his running room to punch holes in the President's conservative support for tax reform.

The economic cost of Rostenkowski's plan would be extraordinary. Despite the lower tax-rate structure, the cost of capital would rise to a higher level than prevailed in the 1970s. That period saw a collapse in the growth of the capital-labor ratio and a precipitous decline in the growth of labor productivity, which, despite a weakening dollar, undermined the competitive position of U.S. goods in markets at home and abroad. Rostenkowski's tax-reform package would raise the cost of capital by 15%, enough to offset by a factor of three the 5% reduction achieved in Reagan's first term.

Many Republican senators (and House Democrats) have misgivings about the unfolding tax-reform package. But they are caught between Rostenkowski and the President's rhetoric about spokesmen for vested interested standing in the way of the people's tax rform. If policymakers do not soon make the connection between taxation and competitiveness, Ronald Reagan is going to preside over a tax-reform plan that cuts people's taxes but throws them out of work.

CONGRESSIONAL SALUTE TO THE HONORABLE JOHN A. TENCZA OF NEW JERSEY, SCOUTMASTER, TROOP 2, AHEKA COUNCIL, BOY SCOUTS OF AMERICA, UPON 50 YEARS OF OUTSTANDING SERVICE IN SCOUTING

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 30, 1985

Mr. ROE. Mr. Speaker, on Saturday, November 2, the residents of Passaic, my congressional district and State of New Jersey will join with the officers and members of the Passaic Boys Club and Boy Scouts of America in testimony to an outstanding scoutmaster, distinguished citizen, and good friend, the Honorable John A. Tencza of New Jersey, whose exemplary service to our young people in scouting will provide an opportunity to express tribute to his lifetime of good works. I know that you and our colleagues here in the Congress will want to join with me in extending our warmest greetings and felicitations to John, his good wife Marian, daugher Kathleen and husband David J. Seasock, son John C. and wife Mary Beth, and grandchildren Scott, Robin, and Heather Seasock, Andrew and Allison Tencza as we celebrate this milestone of achievement in their family endeavors.

Mr. Speaker, Troop 2 of Aheka Council, which is sponsored by Passaic Boys' Club, Inc. and Troop 2 Alumni, is one of our Nation's most prestigious affiliates of the Boy Scouts of America. We are all familiar with the noble traditions of the Boy Scouts of America and their outstanding public service to the people of our Nation in helping our young men to achieve leadership qualities of self-reliance, character building, sportsmanship, fair play, and eagerness to serve others. Their deeply committed endeavors based on their motto, "Our Best Today for a Better Tomorrow" have helped to develop lasting qualities of dedication, leadership, honesty, and integrity in millions of young Americans throughout our country. Their programs for community service, citizenship, outdoor, career, fitness, and social activities continue to promote concern for others, service to one's community, and loyalty to one's country.

John A. Tencza has by his example and lifetime of dedication to these same true American ideals personified exemplary leadership in his outstanding responsible service to our people which has truly enriched our community, State and Nation.

Mr. Speaker, John Tencza was born in Passaic, NJ, on June 22, 1918, son of Andrew and Anna Tencza. He was educated in the elementary schools of the city of Passaic and the Borough of Wallington. He is a graduate of Essex County Vocational School where he majored in industrial electrical engineering. In his professional career pursuits, he devoted 42 years and 9 months as an electrician with Western Electric Co., Kearny, NJ, and, upon his retirement from the company on June 30, 1983, was honorably retired and given life membership in Telephone Pioneers of America.

Mr. Tencza is a licensed electrical contractor in the State of New Jersey and owns and operates Rainbow Electrical Service. He is a splendid family man, community leader, and longstanding member of SS. Peter and Paul Polish National Catholic Church, Passaic, NJ. In 1958, upon the request of the parish priest, he filmed the "Laying in State" of the Most Reverend Bishop Joseph Kardas, bishop of the Western Diocese of the Polish National Catholic Church.

Our honoree began his Scouting career in Troop 2 in early months of 1934 and throughout his 50 years of Scouting has served as not only a Scout, junior assistant scoutmaster, 1940 to 1941; assistant scoutmaster, 1941 to 1956; and scoutmaster, 1956

to present); but as the man behind the scenes, who has been: chief cook and bottlewasher, chauffeur, an architect designing a plan to strengthen the character of a boy to become a man, a builder laying the foundation for a good citizen of tomorrow, a teacher of nature and practical skills, and a counselor in times of stress.

He received his Tenderfoot Badge in Scouting on March 10, 1934, his second class rank in November 1935, first class rank in June 1937, and star rank in June 1938. He also earned many highly coveted merit badges in Scouting including first aid, photography, bookbinding, cooking, citizenship, electricIty, handicraft, metal, swimming, bird study, lifesaving, basketwork, and athletics. Among his many scouting awards we applaud his achieving the Jockey Hollow Trail Award, 1964; the 50-Mile Hiker Award, 1956; the Paul Bunyan Award; the Key Man Award; and the Philmont "We Made It" Award in 1956.

He also completed many training programs attending various Boy Scout councils to complete the requirements for the Scouter's Award. He received his Scoutmaster's Key in November 1958. On March 13, 1952, he was presented with an inscribed gold watch by the members of Troop 2 for his outstanding service to the troop. At Troop 2's 50th anniversary dinner in 1966, he was awarded a gift certificate for 32 years of service and 10 years as Scoutmaster of Troop 2. Perfect Attendance Bar Awards decorate his scoutmaster's uniform.

In his extracurricular activities during the past half century, we are particularly proud of his compassion, dedication and untiring efforts in service to the needs of our people—young and adults alike. In the early 1940's he was program supervisor for the Boys' Club which included such noteworthy responsibilities as director of the volunteer leaders of the Passaic Boys' Club for boys between the ages of 10 and 18, craftwork organization and direction including construction of Army models, solid and scale models, band iron projects, copper and tin articles, mechanical drawing, stencil making, art, plastics, and woodwork. His responsibilities also included supervision of the library, homework study room, print shop and a scouting program for Troop 2 of the Aheka Council.

In 1954 he joined the dedicated men of our public safety corps as a fireman with the Wallington Volunteer Fire Department, Hose Company No. 1. He is well trained in safeguarding and protecting the people and property of our community attaining many courses to achieve proficiency in combatting the perils of fire including educational courses at the New Jersey State Fire College, Division of New Jersey State Safety Council, Barringer High School, Newark, NJ; New York Volunteer Firemen's Association fire training courses including basic, intermediate and advanced training in firemanship. He was treasurer of the Volunteer Firemen's Association (1954–61), vice president (1956) and president (1957) of Hose Company No. 1. He was a lieutenant of Hose Company No. 1, in 1962 and a captain in 1963. He was also awarded life membership in the New Jersey State Fire Association on May 19, 1968.

While president of Hose Company No. 1, he was instrumental in instituting the Firemen's Memorial Building Fund to raise money for building an addition to the firehouse, Memorial Hall. It is interesting to note that he contributed his electrician's expertise and wired the entire hall almost single handedly. His innovative skills designed and built a new automatic switch box which provided uniform signals for fire calls and emergency calls which replaced archaic manual signals at the firehouse.

Through his inauguration of visitation programs for schoolchildren providing an educational experience on the operation of the fire department, as part of a "Know Your Town" unit, special programs were instituted for a number of years during Fire Prevention Week in October to teach fire prevention techniques.

John was also a member of the New Jersey State Exempt Firemen's Association. He served as a delegate to the New Jersey and New York Volunteer Firemen Association's annual convention and was a delegate to the New Jersey State Firemen Association's annual convention. He also serves as a delegate to the Wallington Firemen's Relief Association.

Mr. Speaker, there is much that can be said of John Tencza and his lifetime of achievements in service to people. He has truly earned the highest respect and esteem of all of us for the quality of his leadership and highest standards of excellence in carrying on all of his good works. On November 2 he will be particularly cited by his colleagues and friends on his participation in scouting during the past half century. The fulfillment of the purpose, goals and objectives of the Boy Scouts of America could not be achieved without the leadership of people like John Tencza and the strong team effort of volunteer and professional leaders of our communities who participate unselfishly and willingly of their busy schedules in passing these sterling traditions along to our youth of America.

As we celebrate John's 50 years of Scouting, we express appreciation for the untiring, unselfish, herculean efforts of a highly compassionate individual. We do indeed salute an outstanding individual, esteemed scoutmaster and great American—the Honorable John A. Tencza, Scoutmaster, Troop 2, Aheka Council of the Boy Scouts of America.

AFRICA'S PRESSING PROBLEM

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 30, 1985

Mr. GARCIA. Mr. Speaker, the October 28 edition of the Christian Science Monitor ran an editorial on one of Africa's most pressing problems: controlling its population.

Nearly all of Africa's economic problems can be tied, to some extent, to its soaring birthrate. In addition, it is not a problem that is confined to sub-Saharan Africa. Egypt, too, has population pressures. I submit the Monitor's clear-headed assessment of a most distressing problem confronting Africa, as well as its suggestions as to what might be done to alleviate this problem, for the RECORD.

[From the Christian Science Monitor, Oct. 28, 1985]

CONTROLLING AFRICA'S POPULATION

Today's photographs from much of sub-Saharan Africa are a welcome contrast to those of a year ago. The world's massive food donations have eased hunger. Rains have come. Fields are greening, and crops, in small quantities, are growing. The long process of agricultural rebuilding has begun.

The challenge to Africa and the rest of the world is to follow the success in meeting short-term nutritional needs with similar aid in meeting long-term requirements for self-sufficiency.

Some requirements are often noted. Affluent nations should provide expertise and money for development projects: Many smaller ones will have far more effect than a few massive programs. African nations should root out corruption, improve efficiency, and reorder priorities.

One of the continent's needs is too little noted: population control. African birthrates are the world's highest. Alone among the world's continents, Africa has seen its per capita food production and income decrease in recent years, largely because population has soared. Almost one-fourth of sub-Saharan Africans now are judged to be insufficiently nourished; yet the continent's current birthrate, if unchecked, would double the population in about 20 years.

More fundamental even than agricultural or government reform is checking this soaring birthrate, a task to be shared by developed nations, international agencies, and the African countries.

The first step is being taken. In several African countries there now exist the beginnings of political recognition of the need to reduce population growth, after years of indifference or denial of a problem. Nigeria is soon expected to announce a plan to control population growth: Zambia is considered likely to follow suit. Several other nations may, as well.

The next step—a big one—is actually getting population control programs under way. They have begun in two nations, Botswana and Zimbabwe. Elsewhere they generally have yet to start.

Achieving success in these programs requires leadership, relatively modest funds, and program assistance from developed nations; in recent years the United States has taken a leading role, although it has been backing away during the Reagan administration under pressure from abortion opponents at home.

No population control program in Africa would succeed if imposed by outside nations. International agencies should administer such programs. They would engender far less suspicion, and much more support, than Western, predominantly white, countries.

Finally, strong local motivation is required from top leaders of African governments and also in the countryside. That is the job of host nations.

Controlling population in Africa, as in any other part of the world, will not be easy. But it can be done, and the stakes are too high not to act.

DEATH PENALTY GUIDELINES FOR MILITARY CASES

HON. BILL McCOLLUM
OF FLORIDA
IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 30, 1985

Mr. MCCOLLUM. Mr. Speaker, I know that you recall the amendment I offered to the Department of Defense authorization bill creating a constitutionally valid death penalty for espionage cases involving military personnel. A study of this matter lead me to discover that there are 13 death penalty statutes in the Uniform Code of Military Justice [UCMJ] that are not supported by legislatively created procedures that are constitutionally valid under Supreme Court guidelines. Today I am introducing legislation that will supplement these criminal statutes with the procedures required by the Supreme Court.

Under this legislation, a conviction of one of the offenses for which the death penalty can be imposed will result in a sentence of death only if the members of the court-martial consider all of the mitigating and aggravating factors as required by the Supreme Court. The Court mandates juries to concentrate on specific factors relating to the sentence of death in effort to ensure more consistent and fair results. *Furman* v. *Georgia*, 408 U.S. 238 (1972).

The subsequent Supreme Court decisions surrounding the constitutionality of various State death penalty statutes resulted in a pattern of general rules. First, the sentencers' attention should be drawn to particular circumstances, and this can be done by reference to aggravating and mitigating factors. The discretion of the sentencer must be controlled by clear and convincing standards, and the sentencer must have all relevant evidence provided under the rules of evidence. The Court requires an established standard of review and prohibits a mandatory sentence of death. All mitigating factors must be presented. These holdings have enabled the Federal and State enactment of constitutional guidelines for the death penalty.

The legislation I am introducing today is founded on all of these specific Supreme Court mandates. This bill requires the members of the court-martial to find at least one aggravating factor. The members must then determine whether the aggravating factors sufficiently outweighs any mitigating factors found to exist or, if none exist, whether the factors themselves are sufficient to justify a sentence of death. If the aggravating factors are sufficient, death is to be imposed. If not, another sentence, as provided by the Manual for Courts-Martial, must be determined.

The bill does not limit what mitigating factors might be brought to the attention of the members of the court-martial, but it does set forth some mitigating factors that should be considered.

This legislation is based on the current text of the Manual for Courts-Martial. By regulation, the President has set forth death penalty procedures from which the text of this bill is taken. The Court of Military Appeals [CMA] ruled in 1983 that the death penalty under the UCMJ was unconstitutional without specific guidelines for members of the court-martial to consider mitigating and aggravating circumstances. *United States* v. *Mathews*, 16 M.J. 354 (CMA, 1983). The CMA also ruled that constitutionally valid guidelines could be promulgated either by Congress or by the President under the Manual for Courts-Martial. Subsequently, the guidelines on which this bill is based were issued by the President in Executive Order 12473. A death penalty sentence has been rendered under these regulations twice. These cases are only in the infancy of their appeal process. Thus, it will be years before we know for sure whether the use of regulatory procedures in the UCMJ is constitutional in these test cases.

By introducing this bill, I do not intend to make any negative inference regarding the constitutionality of these regulations. In fact, I support them and sincerely hope that the Supreme Court, when given the opportunity will uphold the power of the President to issue these important procedures. My motivation is simply one of impatience. I do not think it is in this nation's interest or in the interest of our military to wait for a decade of appeals to know the status of the military death penalty laws when Congress has the ability to speak to the issue immediately. I know that this is a politically sensitive issue that many would prefer not to face. But I believe it morally imperative that we address the serious risks that caused the Congress to enact these death penalty statutes in the first place. The bill I am introducing today will make these statutes operative.

The text of my proposed legislation introduced today follows:

H.R. 3652

A bill to amend chapter 47 of title 10, United States Code (the Uniform Code of Military Justice), to establish procedures for the adjudication by courts-martial of sentences of capital punishment

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. PROCEDURES FOR ADJUDICATION OF CAPITAL PUNISHMENT BY COURTS-MARTIAL.

(a) NEW UCMJ ARTICLE.—(1)(A) Chapter 47 of title 10, United States Code (the Uniform Code of Military Justice), is amended by inserting after section 852 (article 52) the following new section (article):

"§ 852a. Art. 52a. Procedures for adjudging capital punishment

"(a) No person may be sentenced by a court-martial to suffer death except as provided in this section (article).

"(b) No person may be sentenced by a court-martial to suffer death unless convicted by the concurrence of all the members of the court-martial present at the time the vote is taken of an offense in this chapter expressly made punishable by death.

"(c) If the trial counsel at a court-martial of an offense under this chapter expressly made punishable by death intends to prove at the trial any aggravating factor set out in subsection (e), the trial counsel shall provide the accused before arraignment with written notice of each such aggravating factor the trial counsel intends to prove. However, failure to provide such notice of an aggravating factor set out in subsection (e) before arraignment shall not bar later notice and proof of that aggravating factor unless the accused demonstrates—

"(1) that the failure resulted in specific prejudice to the accused; and

"(2) that a continuance or recess is not an adequate remedy for such failure.

"(d)(1) A person may not be sentenced to death by a court-martial unless—

"(A) the members of the court-martial unanimously find at least one of the aggravating factors set out in subsection (e);

"(B) notice of that aggravating factor was provided in accordance with subsection (c); and

"(C) each member of the court-marital concurs in finding that any extenuating or mitigating circumstances are substantially outweighed by aggravating circumstances, including the aggravating factors set out in subsection (e).

"(2) Findings by the members of a court-martial under paragraph (1) may be based on—

"(A) evidence introduced on the issue of guilt or innocence;

"(B) evidence introduced during the sentencing proceedings; or

"(C) all such evidence.

"(3) The accused shall be given broad latitude to present matters in extenuation and mitigation.

"(e)(1) A sentence of death may be adjudged by a court-martial only if the members of the court-martial unanimously find, beyond a reasonable doubt, one or more of the following aggravating factors:

"(A) That the offense was committed before or in the presence of the enemy (except that this subparagraph does not apply in the case of an offense under section 918 or 920 of this title (article 118 or 120)).

"(B) That, in committing the offense, the accused intended—

"(i) to cause a grave risk of substantial damage to the national security; or

"(ii) to cause a grave risk of substantial damage to a mission, system, or function of the United States, but only if substantial damage to the national security of the United States would have resulted had the intended damage been effected.

"(C) That the offense caused substantial damage to the national security of the United States, whether or not the accused intended such damage (except that this subparagraph does not apply in the case of an offense under section 918 or 920 of this title (article 118 or 120).

"(D) That the accused knowingly created to grave risk of death to one or more persons in addition to the victim of the offense (except that this factor does not apply in the case of an offense under section 920 of this title (article 120)).

"(E) That the accused committed the offense with the intent to avoid hazardous duty.

"(F) That, only in the case of an offense under section 918 or 920 of this title (article 118 or 120), the offense was committed in time of war in territory in which—

"(i) the United States or an ally of the United States was then an occupying power; or

"(ii) the armed forces of the United States were then engaged in active hostilities.

"(G) That, only in the case of an offense under section 918(1) of this title (article 118(1)), any of the following is applicable:

"(i) The accused was serving a sentence of confinement for 30 years or more or for life at the time of the offense.

"(ii) The offense was committed while the accused—

"(I) was engaged in the commission or attempted commission of robbery, rape, aggravated arson, sodomy, burglary, kidnapping, mutiny, sedition, or piracy of an aircraft or vessel; or

"(II) was engaged in flight or attempted flight after the commission or attempted commission of any such offense.

"(iii) The offense was committed for the purpose of receiving money or a thing of value.

"(iv) The accused procured another by means of compulsion, coercion, or a promise of an advantage, a service, or a thing of value to commit the offense.

"(v) The offense was committed with the intent to avoid or to prevent lawful apprehension or effect an escape from custody or confinement.

"(vi) The victim of the offense was—

"(I) the President, the President-elect, the Vice President (or, if there was no Vice President, the officer next in the order of succession to the office of President), the Vice President-elect, or an individual who is acting as President under the Constitution and laws of the United States;

"(II) a Member of Congress (including a Delegate to, or Resident Commissioner in, the Congress) or Member-of-Congress elect;

"(III) a justice or judge of the United States;

"(IV) a chief of state or head of government (or the political equivalent) of a foreign nation; or

"(V) a foreign official (as such term is defined in section 1116(b)(3)(A) of title 18), if the official was in the United States or on military property of the U.S. on official business at the time of the offense.

"(vii) The accused at the time of the offense knew that the victim was any of the followng in the execution of such person's office:

"(I) A commissioned, warrant, noncommissioned, or petty officer of the armed forces.

"(II) A member of a law enforcement or security activity or agency, including correctional custody personnel.

"(III) A firefighter.

"(viii) The offense was committed with intent to obstruct justice.

"(ix) The offense was preceded by the intentional infliction of substantial physical harm or prolonged, substantial mental or physical pain and suffering to the victim.

"(x) The accused has been found guilty in the same case of another offense under section 918 of this title (article 118).

"(H) That, only in the case of an offense under section 918(4) of this title (article 118(4)), the accused was the actual perpetrator of the killing.

"(I) That, only in the case of an offense under section 920 of this title (article 120)—

"(i) the victim was under the age of 12; or

"(ii) the accused maimed or attempted to kill the victim.

"(J) That, only the case of an offense under the law of war, a sentence of death is authorized under the law of war for the offense.

"(K) That, only in the case of an offense under section 904 or 906a of this title (article 104 or 106a), the accused has previously been convicted of another offense involving espionage or treason for which either a sentence of death or a sentence of life imprisonment was authorized by statute.

"(L) That the offense involved such other factors as may be prescribed by the President by regulation, to the extent that such factors concern the national security or otherwise involve a function of the armed forces related to the conduct of hostilities.

"(2) In this subsection, 'national security' means the national defense and foreign relations of the United States and specifically includes—

"(A) a military or defense advantage over any foreign nation or group of nations;

"(B) a favorable foreign relations position; or

"(C) a defense posture capable of successfully resisting hostile or destructive action from within or without.

"(f) The military judge, in the presence of the accused and counsel, shall instruct the members of the court-martial on—

"(1) such aggravating factors set forth in subsection (e) as may be in issue in the case;

"(2) the requirements and procedures under this section; and

"(3) the requirement to consider all evidence in extenuation and mitigation before they may adjudge a sentence of death.

"(g)(1) In closed session, before voting on a sentence—

"(A) the members of the court-martial shall vote by secret written ballot separately on each aggravating factor set out in subsection (e) on which they have been instructed; and

"(B) if one or more of the aggravating factors set forth in subsection (e) is found to exist, the members shall then vote by secret written ballot on whether the aggravating circumstances (including any aggravating factors set out in subsection (e)) substantially outweigh any extenuating or mitigating circumstances or, in the absence of any extenuating or mitigating circumstances, whether the aggravating circumstances are themselves sufficient to justify a sentence of death.

"(2) A sentence of death may not be adjudged unless each member of the court-martial concurs—

"(A) that, with respect to at least one aggravating factor, the existence of such factor has been proved beyond a reasonable doubt; and

"(B) that the aggravating circumstances (including any aggravating factors set out in subsection (e)) substantially outweigh any extenuating or mitigating circumstances or, in the absence of any extenuating or mitigating circumstances, that the aggravating circumstances are themselves sufficient to justify a sentence of death.

"(3) The members of the court-martial shall vote on a sentence under section 852 of this title (article 52).

"(h) If a sentence of death is adjudged, the president of the court-martial shall announce which aggravating factors under subsection (e) were unanimously found by the members.

"(i) Subsections (c) through (h) do not apply with respect to the sentence for an offense under section 106 of this title (article 106).".

(B) The table of sections at the beginning of subchapter VII of such chapter is amended by inserting after the item relating to section 852 (article 52) the following new item:

"852a. Art. 52a. Procedures for adjudging capital punishment.".

(2) Section 852(b)(1) of such title (article 52(b)(1)) is amended by inserting "as provided in section 852a of this title (article 52a)" after "taken".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on the 90th day after the date of the enactment of this Act and shall apply to charges first preferred on or after that date.

A GOOD COMPROMISE ON GARCIA DECISION

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 30, 1985

Mr. PORTER. Mr. Speaker, I want to strongly endorse H.R. 3530, the Fair Labor Standards Amendments of 1985. This is a good bipartisan compromise bill which effectively deals with the myriad problems created by the Supreme Court decision in Garcia versus San Antonio Metropolitan Transit Authority.

I realize that there are those on both sides of this issue who may have problems with certain elements of this bill, but such is the nature of compromise on such a difficult matter. This measure offers solutions to the issues of compensatory time off and retroactive liability of State and local governments which are evenhanded and fair. It will help avert a major legal and administrative nightmare for local governments, and at the same time will allow greater freedom and flexibility for public employees.

Had Congress not taken this action in response to Garcia, an onerous financial burden would have been placed on State and local governments at a time when Federal assistance to localities is waning. Labor Secretary Brock estimated that the decision would cost State and local governments as much as $4 billion annually in unbudgeted liability. The direct result would have been higher taxes and reduced services in most areas.

I commend all of those who worked so hard to put this legislation together: In particular, the chairman of the Education and Labor Committee, GUS HAWKINS, and the chairman of the Labor Standards Subcommittee, AUSTIN MURPHY, who moved H.R. 3530 in a timely fashion; and my colleague from Texas, STEVE BARTLETT, whose tireless efforts were instrumental in forging a compromise bill. I am pleased that I was able to play a role in the resolution of this issue.

THE FAIR FURNITURE TRADE ACT OF 1985

HON. HOWARD COBLE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 30, 1985

Mr. COBLE. Mr. Speaker, today I am introducing the Fair Furniture Trade Act of 1985, and I am pleased that 33 of my col-

leagues join me as original cosponsors of this important legislation.

Furniture manufacturing is a basic American industry and one which is found in all 50 States. However, the importation of wood and upholstered furniture increased 284 percent from 1979 to 1984—from $312 million to $1.198 billion. U.S. exports during the same period actually declined from $312 million to $210 million.

One significant part of the furniture industry's international trade problem is Canada: as of January 1, 1985, nonmetal residential furniture shipped from the United States to Canada faced a 16.3-percent duty. Canadian furniture entering the United States faced duties as low as 3.1 percent. This tariff inequity, when coupled with the strong dollar, has resulted in a 125-percent increase in Canadian imports to the United States between 1980 and 1984. Further, there was a furniture trade deficit of almost $250 million in 1984 between the United States and Canada.

Those of us offering this legislation are making a bipartisan effort to provide for free trade with Canada on furniture products.

Our bill would resolve this inequity by allowing a 1-year period for the United States and Canada to negotiate an end to the tariff differential. If negotiations proved unsuccessful, then the U.S. tariffs would be increased in a series of steps until they are equivalent with the Canadian duties.

I emphasize that the Fair Furniture Trade Act is not protectionist legislation. The American furniture industry must have the opportunity to compete on even terms with a major trading partner—Canada.

Recently, Canadian Prime Minister Brian Mulroney announced a willingness to seek "the broadest possible package of mutually beneficial reductions in tariff and nontariff barriers" between the United States and Canada. This legislation is completely consistent with these goals of the Canadian Government, as it seeks to reduce unnecessary trade impediments. Together, these initiatives should strengthen the special relationship which we have always held with our neighbor to the north.

PERSONAL EXPLANATION

HON. WILLIAM F. CLINGER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 30, 1985

Mr. CLINGER. Mr. Speaker, on October 29, 1985, I was absent from the floor of the House of Representatives as I was back in the 23d Congressional District on official business. Had I been present, I would have voted in the following fashion:

Rollcall No. 373: H.R. 3606—Defense Cost and Price Management, the House voted to suspend the rules and pass the measure to clarify the application of section 2406 of title 10, United States Code, relating to cost and price management, and to delay the effective date of such provision, "yea";

Rollcall No. 374: House Concurrent Resolution 201—Education for Handicapped Children, the House voted to suspend the rules and pass the concurrent resolution, amended, to commemorate the accomplishments of Public Law 94-142, the Education for All Handicapped Children Act, on the 10th anniversary of its enactment, "yea";

Rollcall No. 375: S. 1160—Defense Department authorizations—the House agreed to the rule (H. Res. 299) waiving certain points of order against the conference report, "no"; and

Rollcall No. 376: H.R. 2942—Legislative branch appropriations—the House agreed to the conference report on the measure making appropriations for the legislative branch for the fiscal year ending September 30, 1986, "yea."

PUTTING CANCER RISKS IN PERSPECTIVE

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 30, 1985

Mr. RITTER. Mr. Speaker, for the past 6 years, I have been working to increase the science base to the regulatory process and to put health and safety risks to humans in proper perspective. This could be furthered by using analysis known as risk assessment. By using risk assessment, limited regulatory money and remediation effort can be put where they do the most good.

With this in mind, the following article from the Allentown Morning Call a newspaper published in Pennsylvania's 15th District which I represent, expresses a commonsense approach to understanding the various risks each of us face in our daily lives. I trust you will find it of interest.

CANCER PREVENTION MUST FOCUS ON MOST EFFECTIVE METHODS

(By Elizabeth M. Whelan)

I am frequently asked about the dangers of the many carcinogens in our environment and why the regulatory agencies are not moving faster to eliminate them. As one critic asked, is it because our government believes "a little bit of cancer is OK?"

Concern about cancer is understandable. It is the second-leading cause of death: About 480,000 Americans will die this year from some form of malignancy. But contrary to what some media reports have claimed, during the last few decades of rapid industrialization there has been no general increase in cancer rates. Indeed, only two important changes in cancer mortality have been observed: a spectacular increase in lung cancer (almost exclusively attributed to cigarette smoking) and an equally impressive decline in mortality from stomach cancer, most likely due to improved means of preserving food.

Yet cancer remains a major health problem and its prevention must be high on our list of priorities. But we want to concentrate our preventive efforts on things that will work.

That brings us to the role that food additives, pesticides and contaminants in the general environment play in human cancer.

The state-of-the-art review of this subject, which was published June 1981 in the Journal of the National Cancer Institute, confirms that while there has been a relatively small number of cancer deaths caused by high exposure to chemicals in occupational settings, "chemicals," such as EDB (ethylene dibromide) and red dye No. 3, in our general environment play no known role in the causes of human cancer.

Yet while science may not have proven that various manufactured chemicals cause cancer, some people are afraid that they do because many of these chemicals cause the disease in animals. But should we eliminate exposure to every last trace of anything that causes cancer in animals? That would be quite a job because the more we test naturally occurring chemicals in food, the more carcinogens we find.

For example, a naturally occurring constituent of nutmeg, cinnamon and black pepper causes liver cancer in rodents. Tannins, which occur naturally in coffee, tea, red wines and many other foods, causes cancer in rodents. Some of the most popular types of mushrooms contain substantial amounts of compounds in the hydrazine family of chemicals, and many of those are potent carcinogens in animal tests. Aflatoxins, a group of chemicals produced by natural molds that grow on peanuts, corn and other grains, are potent carcinogens in animals.

What is important is not whether a chemical causes cancer in lab animals, but how strong a causative agent it is, how many different types of animals respond negatively to it, how much we are exposed to it—and how vital a role that chemical plays in our lives. If an additive induced cancer very quickly in many types of animals, in addition to mice, and we consumed lots of it, prudence would probably dictate that we use a safer alternative, or at least reduce our consumption of it.

Judgment calls are made by regulators all the time with a full understanding that extremely low levels of toxins or carcinogens pose no known hazard. The Food and Drug Administration acknowledges that it is impractical to eliminate all the traces of naturally occurring aflatoxins—strong animal carcinogens—from peanuts. But prudence led the FDA to set strict but reasonable limits as to how much aflatoxins are allowed in our food. We should be equally reasonable about accepting exposures to innocuous trace levels of manufactured chemicals known to be animal carcinogens.

Even conceding that nature is not benign, why add to the natural load of carcinogens? If you are going to take action against chemicals that cause cancer in animals, their source should be irrelevant. Thus you would have to ban pepper, nutmeg and cinnamon as well, which is clearly ridiculous since these condiments pose no known hazard to human health.

The more we learn about the omnipresence of nature's carcinogens, the more we realize that banning a chemical such as EDB on the basis of "just in care" is like removing a grain of sand from a beach—a beach that posed no known hazard in the first place. If every detectable trace of all carcinogens were removed from the environment, there wouldn't be much of anything left. Detection techniques are not so sensitive that we are approaching the time when we can find trace amounts of anything in everything.

One might argue that there are no risks associated with banning a chemical, so why not do it? But there are very real risks. If we keep banning pesticides that cause cancer in

animals, we are going to have less food at higher cost. The food that remains will be vulnerable to the type of insect contamination that can make us very sick. Given that our public health dollars and time are limited, any effort focused on non-risks diverts us from dealing with known cancer risks.

Forget the hypothetical risks and concentrate on the known ones. If you don't smoke, use alcohol in moderation, eat a balanced, moderate diet, avoid excessive exposure to sunlight, obey occupational guidelines if you work in a chemical setting, and avoid promiscuous sexual activity, you will have done everything in your control to reduce your risks of cancer. I am not in favor of "a little bit of cancer." I am, however, in favor of a little of common sense.

CUDAHY'S 25TH ANNIVERSARY

HON. MATTHEW G. MARTINEZ

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 30, 1985

Mr. MARTINEZ. Mr. Speaker, I rise today to salute the citizens of Cudahy, CA, as that city prepares to celebrate its 25th anniversary. Located 6 miles south of downtown Los Angeles, Cudahy was incorporated on November 10, 1960. Cudahy will mark its 25th anniversary with a parade on Saturday, November 9, and a civic banquet on Sunday, November 10.

The city, whose theme is "Progressive Cudahy Shows the Way" has indeed been progressing in recent years. Significant commercial redevelopment is continuing along Atlantic Avenue, and a senior-citizens housing projects is under construction. The city recently built the Leo Turner Community Center in the Clara Street Park. The City's third major park, Lugo Park, will be dedicated on November 9 in conjunction with the 25th anniversary celebration. The park is named in honor of the Lugo family, which in the 18th century settled the area that was to become Cudahy.

I congratulate the citizens of Cudahy on the occasion of the city's 25th anniversary. I am confident that progressive Cudahy will continue to show the way in the future.

OFFSHORE OIL DEVELOPMENT

HON. JOHN T. MYERS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 30, 1985

Mr. MYERS of Indiana. Mr. Speaker, once again there is talk in Congress about banning offshore oil development. This time the focus is on the Pacific Ocean off California where local residents—and many of their congressional representatives—think the sight of a drilling platform is something less than beautiful.

But when I think of oil development off California, I think first about Indiana. Precious little oil and gas comes out of Indiana ground, but our factories farms, cars, and homes use up to 120 million barrels of oil and 420 billion cubic feet of natural gas each year.

We cannot continue to play our productive role in the U.S. economy and ensure our families' basic necessities without that energy. That is why, with oil imports back on the rise and foreign supplies as unstable as ever, we cannot tolerate the thought of locking up half our supply of new oil because it happens to be lying under water off our shore.

Moreover, some 11,000 Hoosiers stand ready to make the steel, diesel generators, and other equipment that is part of an offshore rig. They have a particular interest in offshore drilling.

However, banning oil development off the California shore also makes me think of the whole United States. Not only do we need the reliability of home-produced energy, but we need to untangle our relations with countries around the globe, particularly in the Middle East.

What do we spend each year in naval and other defenses to keep the "peace" in the Middle East and to keep the sea lanes open for oil shipments? To what extent is our national security still dangerously dependent on energy supplies we cannot control?

Finally, banning oil development offshore makes me think of the whole world, and our role in promoting world peace. Regardless of what President Reagan negotiates with the Soviets on strategic defenses and nuclear weapons, peace will never be merely the absence of weapons and war. True peace is human development which is only possible with resource development.

To put it simply, the world is divided between the haves and the have-nots. Poorer nations that are struggling to survive on scarce natural resources look with disgust upon a resource-rich nation like the United States that consumes far more than its share of world energy resources while it hoards its own supplies. Those poorer nations who lack the energy required to feed, clothe, and shelter their own people cannot understand how we can lock up our oil offshore, putting that much more pressure on the world supply.

It is not really to prevent spills; more oil is spilled unloading foreign tankers than is ever lost from offshore drilling. It is not to protect the fish habitat; fish seem to enjoy the new reefs. It boils down to the fact that some people have invested lots of money in homes and hotels overlooking the ocean and they do not want their view spoiled by a drilling platform on the horizon.

That is why, for those of us who genuinely want peace, national security, and economic stability in our own States, the offshore drilling moratoria are unthinkable.

HON. PETER W. RODINO, JR., HONORED BY THE U.S. COURT OF INTERNATIONAL TRADE

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 30, 1985

Mr. FISH. Mr. Speaker, I wish to bring to the attention of the House the signal honor that was recently bestowed upon our colleague, the Honorable PETER W. RODINO, JR. of New Jersey, by the U.S. Court of International Trade. At a judicial conference held on October 23 at the World Trade Center in New York City, Chief Jusitice Warren E. Burger presented the Court's Distinguished Service Award to the chairman of our Committee on the Judiciary for his "outstanding contributions to the administration of justice in international trade law." The Chief Justice observed that throughout his more than 30 years in Congress "on every important matter, when the needs of the judicial branch of our Government were at stake, PETER RODINO has been fighting for the court system and for justice."

In his introductory remarks to the conference, which was attended by over 450 lawyers and public officials, Chief Judge Edward D. Re of the International Trade Court took particular note of Mr. RODINO's role, as the principal sponsor of the Customs Court Act of 1980, in clarifying and extending the jurisdiction and powers of his court. The chief judge also recognized Mr. RODINO's wider contribution to the law and to the Nation and quoted our distinguished colleague's recent declaration that "Congress has developed a system of courts which is the most comprehensive in the world. These courts provide the strongest judicial safeguards of individual rights in existence today."

DUBOIS CAMPUS OF PENN STATE CELEBRATES 50TH ANNIVERSARY

HON. WILLIAM F. CLINGER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 30, 1985

Mr. CLINGER. Mr. Speaker, congratulations are in order to the DuBois Campus of the Pennsylvania State University which is celebrating its 50th anniversary this year. The DuBois Undergraduate Center has been an active and important part of the city of DuBois, reaching out into the surrounding rural, small town, forested six-county area. The faculty and staff have taught, advised, counseled, and encouraged generations of students and have enjoyed a reputation for academic quality not only among area educators, but even nationally. Its alumni have become integral, productive contributors to their communities, State, and Nation.

The DuBois Campus of Penn State University is the land and buildings of community leaders who invested in the future through the young people of the area. It is also the extension of a university that had a land grant mission to provide higher education for the sons and daughters of the Commonwealth of Pennsylvania. All these things make up the DuBois Campus and its first 50 years. The next 50 years will bring marvelous technological wonders and new opportunities and the DuBois Campus will

be there to make sure that its students have access to all that the future holds.

HOSTAGE CRISIS REACHES 604 DAYS

HON. GEORGE M. O'BRIEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 30, 1985

Mr. O'BRIEN. Mr. Speaker, today marks the 604th day Americans have been held hostage in Lebanon.

A U.S. foreign service officer, William Buckley, was kidnaped in Beirut on March 16, 1984, 604 days ago today.

Father Lawrence Jenco, the head of Catholic Relief Services in Beirut, has been held hostage for 296 days.

Terry Anderson, the Associated Press Beirut bureau chief, was taken hostage 228 days ago.

The director of the American University hospital in Beirut, David Jacobsen, was kidnaped 156 days ago.

Thomas Sutherland, the dean of the American University agriculture schooi, was taken hostage 143 days ago.

Today also marks the 331st day since the disappearance of Peter Kilburn, the American University librarian.

Mr. Speaker, the American hostage crisis in Lebanon is nearly 20 months long, more than 5 months longer than the Iran hostage crisis 5 years ago.

GRAMM-RUDMAN PROPOSAL

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 30, 1985

Mr. WAXMAN. Mr. Speaker, I submit for the RECORD the following letters on the effects the Gramm-Rudman proposal would have on persons of great need. As the Association for Retarded Citizens, United Cerebral Palsy Associations National Society for Children and Adults with Austism, National Association of Community Health Centers, and Easter Seals poignantly point out, this proposal hangs the price tag of a balanced budget around the necks of the poor, the weak, and the sick.

The Gramm-Rudman proposal is legislation at its most cynical. It is contemptuous of the Constitution, negligent of fundamental economic precepts, and deceptive about its impact. As little as one-third of the budget would bear the brunt of the so-called "across-the-board" cuts. I urge my colleagues to consider the explosive consequences of this pernicious legislation.

OCTOBER 18, 1985.

DEAR MEMBER OF CONGRESS: The Association for Retarded Citizens of the United States, representing our nation's six million citizens with mental retardation, having preliminarily analyzed the potential effects of the Gramm-Rudman proposal, must express our grave concern to you. Our 160,000 members from all states, composed primarily of families with individuals with retardation, envision most, if not all, of the major Federal programs serving persons with mental retardation, suffering drastic reductions over the next five years. They fear that they will have nowhere to turn when our budget is balanced but the programs serving their sons/daughters are gone or significantly reduced, programs which provide housing assistance, special education, vocational rehabilitation, job training and income maintenance for children or adults with retardation.

These programs are not just little side benefits to enhance life styles. They are, in fact in many cases, the only opportunity for families to stay together, to avoid unwarranted and unwanted institutionalization, and to provide individuals with the training opportunities necessary to become independent citizens. So many of our members have said to me "Why must my son or daughter, who struggles daily with his/her retardation, bear the brunt of these budget cuts. We have accomplished so much, but why must it be taken away?" It is not easy to find a reply.

On behalf of all our members, I strongly urge you to exempt programs serving citizens with mental retardation and other disabilities from the budget cuts required by Gramm-Rudman. Further, we urge you to retain control of these vital programs and not to turn them over to this or future Administrations. Lastly, we urge you to find alternatives other than cutting human services programs over and over again in order to balance our budget.

The ARC/US realizes you will be facing extremely hard choices and difficult decisions in the coming days and weeks. We ask you to consider the effect of your decision on the lives of citizens with mental retardation and their families.

Sincerely,

DEE EVERITT,
President,
ARC/U.S.

GOVERNMENTAL ACTIVITIES OFFICE,
October 17, 1985.

DEAR CONGRESSMAN: On behalf of the United Cerebral Palsy Associations, Inc., consisting of over 230 affiliates in 45 states, I want to express our outrage at the passage of the Gramm/Rudman amendment.

UCPA is a national organization concerned with needs of persons with cerebral palsy and their families. If the Gramm/Rudman amendment is enacted, the programs and services on which they depend will become virtually extinct.

UCPA has two major concerns with this Amendment. First, it would allow the executive branch of Government to make sweeping changes in programs that serve persons with disabilities with no input from those who would be drastically affected by these changes. Over the years, Congress has listened to the concerns of UCPA and other disability groups. We hope that you will listen again and realize that it is critical for persons with disabilities, their families and advocates to continue to have input into changes which will directly affect their lives.

Second, while we understand the need to balance the federal budget, we believe that the Gramm/Rudman Amendment would almost eliminate programs which currently provide education, training, medical assistance, housing, and other services that allow people with disabilities to live with dignity in their communities. We do not believe it is the intent of Congress to destroy the progress this population has made.

We urge you to consider the serious consequences of this amendment and exempt programs serving persons with disabilities from its devastating consequences. Persons with cerebral palsy, and their families can accept no less.

Sincerely,

MICHAEL W. MORRIS,
Director.
KATHLEEN M. ROY,
Policy Associate.

NATIONAL SOCIETY FOR CHILDREN AND ADULTS WITH AUTISM,
October 18, 1985.

DEAR MEMBER OF CONGRESS: The impact of the Gramm-Rudman balanced budget amendment, which passed the Senate on October 10, will be devastating to persons with autism and other handicaps. Programs critical to their survival such as special education, vocational rehabilitation, maternal and child health, and social services across the board will suffer enormous cuts, thereby leaving the most vulnerable of our population without critical programs and services.

Gramm-Rudman should be amended to exempt from cutbacks those programs which are vital to the lives of persons with disabilities. As it is presently constituted, Gramm-Rudman will force most budgetary cuts to come out of programs that assist the needy. Entitlement programs such as Supplemental Security Income and Medicaid would be most vulnerable as would discretionary programs such as the Education for the Handicapped Act and the Developmental Disabilities Act.

We cannot emphasize strongly enough how vital these programs are to our population. Fairness and justice require that programs serving the handicapped be exempted from a process that does not presently consider the possibility of raising additional revenues.

In creating a new shift in the power of the purse from the legislative to the executive branch, alternative deficit reductions and other alternatives such as revenue enhancements have not been explored.

NSAC calls upon you to lead the nation by bringing back into balance fairness and justice for those most deprived in this land—the disabled and the poor.

On behalf of the autistic population that NSAC represents and the other 36 million disabled persons in this country, we earnestly seek your immediate attention to this situation. This is no time to push back the programs that have broken through the darkness of ignorance, abuse and neglect. After many decades of struggle by millions of Americans, the handicapped have begun to share some part of the American dream. Please be counted among those who will keep the light pouring through for these millions of deserving Americans.

Sincerely,

ROY MORGAN,
Executive Director.
VICTORIA RASKIN,
Government Affairs Director.

NATIONAL ASSOCIATION OF COMMUNITY HEALTH CENTERS, INC.,
Washington, DC, October 15, 1985.

DEAR MEMBER OF CONGRESS: The National Association of Community Health Centers (NACHC) urges you to oppose adamantly the Gramm-Rudman amendment. This approach to deficit reduction will be greatly detrimental to those with the greatest need

in our society, i.e., those who suffered from past budget cuts.

Since 1981, the Community Health Center and Migrant Health Center (CHC/MHC) program has been reduced by nearly $100 million below what it would mean to maintain the 1981 service level for the poor. This reduction means that health centers have been trying to accommodate 1,538,461 people more than they can afford to accommodate. Any further cuts or reduction in the CHC/MHC program would mean severe loss in service to poor people who need health care. Please do not support any amendment that would mean more suffering for the poor.

If any legislation is to be adopted, we believe it must exempt means-tested entitlements and low-income discretionary programs. The Gramm-Rudman amendment, H.J. Res. 372, exempts Social Security and as must as 40 percent of the defense budget. It automatically allocates, by formula, the reductions necessary to meet specified deficit targets. This program therefore focuses deficit reductions on means-tested entitlements and programs for health, education and other supports on which the poor depend. Since 1981, $56 billion has been cut from human resource programs, including $34 billion from those targeted specifically to poor people. It would be most unfair and unjust to protect defense subcontractors and middle- and upper-income Social Security recipients from cuts, while the poor and others with special needs are affected.

During the budget debate this year, the principle that low-income programs should bear no further reductions was accepted by bipartisan majorities in both Houses. The NACHC believes the same commitment should be extended in consideration of any deficit reduction measure.

We share your concern about the uncontrollable deficit. Nevertheless, a measure which automatically places the burden on low-income programs is unfair.

We urge you therefore to exempt fully, either from the Gramm-Rudman amendment or any alternative proposal to balance the federal budget, any program which is considered to be a means-tested entitlement or low-income discretionary program.

Also, Congress must maintain its authority and responsibility to set budget and spending priorities. Therefore, we must not yield to the Gramm-Rudman amendment or any other proposal that would relinquish this authority. We urge you therefore to read carefully the Gramm-Rudman and oppose it to the fullest.

We will be very happy to provide you with further information should you request it.

Sincerely,

THOMAS J. VAN COVERDEN,
Executive Director.

OFFICE OF GOVERNMENTAL AFFAIRS,
October 18, 1985.

DEAR MEMBER OF CONGRESS: I am writing with respect to the Gramm-Rudman amendment which was recently adopted by the Senate as part of the emergency measure to increase the nation's debt ceiling. The National Easter Seal Society is concerned that this balanced budget legislation could have very negative ramifications for people with disabilities.

The National Easter Seal Society is one of the largest providers of direct services to individuals with disabilities in the United States. In 1984, Easter Seal Societies nationwide served over one million people. In addition to our role as a service provider, we are also advocates on behalf of persons with disabilities on a myriad of public policy issues considered by the Congress.

Generally speaking, Easter Seal staff, volunteers and the people we serve share the concern of the Congress about the sizeable deficits incurred annually by the federal government. Obviously, there has been considerable debate during the past few years about the perils of deficit spending and various measures intended to address the problem.

We believe, however, that Congress risks making a serious mistake by acting precipitously on the Gramm-Rudman proposal. No hearings have been held on the measure. Consequently, organizations representing the millions of people who rely on federally-funded human service programs have not had an opportunity to voice their views on the potential impact of this proposal.

We believe that Congress should fulfill its Constitutional and moral duty to evaluate each program on a case-by-case basis and reduce spending for those programs that are deemed inefficient and ineffective. An across-the-board approach, such as the one contemplated by the Gramm-Rudman amendment, simply doesn't make sense, especially when a large part of the budget is being exempted from the proposed spending reductions.

Under the Gramm-Rudman "Balanced Budget and Emergency Deficit Control Act", spending for programs serving people with disabilities would be cut drastically. Such cuts would adversely affect millions of Americans who depend on these programs to achieve and maintain their dignity and independence.

We urge you to consider our views during deliberations on this issue.

Sincerely,

JOSEPH D. ROMER,
Director of Governmental Affairs.

DEPARTMENT OF DEFENSE APPROPRIATION BILL, 1986

HON. GEORGE C. WORTLEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 30, 1985

Mr. WORTLEY. Mr. Speaker, the report language of the Department of Defense appropriation bill contains a statement in support of the $25 million provided in the Defense authorization bill to reduce the backlog of security clearance investigations. It also expresses support for the proposal that the Defense Investigative Service charge for performing investigations in order to help reduce unnecessary requests for security clearances.

Both actions are positive. But they are not enough.

Two events currently in the news highlight the failings of current systems in protecting vital security information. The first is the Walker spy case. The second is the discovery of classified material in DOD furniture sent to a Federal prison for repair. The first incident illustrates problems with our security clearance and reinvestigation procedures, and the second indicates problems with the way classified material is handled.

In the case of the classified material, various officials seem to be busy passing the buck or explaining away the lapse in security. This raises two questions: If the information wasn't that sensitive, why was it classified, and if it was sensitive, why wasn't it handled with more care? What guarantee do we have that more sensitive material is handled with any more care?

The point is that both our classification and security clearance systems need to be thoroughly reviewed so that we can get a comprehensive view of how the systems actually work, or don't work; how each affects the performance of the other, and what needs to be done to have a more coherent and dependable means of protecting our national security information from espionage and carelessness.

The wide-ranging and complex nature of this problem requires a comprehensive approach. I urge my colleagues to support H.R. 3626, a bill I have introduced to establish a National Commission on Classified Information and Security Clearance Procedures.

JIM COURTER ON THE REAL YUGOSLAVIA

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 30, 1985

Mr. KEMP. Mr. Speaker, ocassionally an event occurs that opens a window on reality and allows us to glimpse the true nature of a political regime. The decision of Abul Abbas, the suspected mastermind behind that hijacking of the *Achille Lauro*, to use Yugoslavia as a "safe house" is such an event.

Western impressions of Yugoslavia are rather cloudy. For the most part, we tend to see the Yugoslavia that struck an purportedly independent line from Moscow, the Yugoslavia that gave us picturesque scenes from the winter Olympics at Sarajevo.

But as our colleague JIM COURTER writes in the Wall Street Journal, there is another side to Yugoslavia. When it comes to aiding and abetting international terrorists, "Yugoslavia is among the worst offenders." In Congressman COURTER'S words, "Yugoslavia has encouraged, armed and directly assisted PLO terrorists for many years, and has done that as a matter of declared state policy."

We need to ask why. Those who assert that Yugoslavia is free of Soviet control need to explain how a military officer corps trained in the Soviet Union can be truly independent. Similarly, we know that the Soviet Union is the chief patron of international terrorism. We need to ask what Yugoslavia's support role in terrorist activities indicates about the orientation of Yugoslavia's regime.

Mr. Speaker, I insert JIM COURTER'S thought provoking article for printing in the CONGRESSIONAL RECORD:

[From the Wall Street Journal, Oct. 23, 1985]

WHY ABBAS CHOSE YUGOSLAVIA

(By Jim Courter)

Only one day separated Prime Minister Bettino Craxi's insistence that Italy, not the U.S., must be allowed to prosecute the Achille Lauro hijackers from the moment Italy freed the suspected mastermind of the crime. The day after U.S. jets intercepted the Egyptian airliner on which he was a passenger, Mohammed Abbas Zaida, or Abul Abbas, believed by the State Department to be "one of the most notorious Palestinian terrorists . . . involved in savage attacks on civilians," flew to Belgrade—and freedom—on a Yugoslav airliner. Italian authorities handled the boarding at Rome's Leonardo da Vinci Airport and even arranged disguises for Mr. Abbas and Mani Ali Hassan, a senior aide of Yasser Arafat. In flight, Mr. Abbas remarked mildly to another passenger that he would be in the Yugoslav capital "for two or three days . . . for a brief rest."

His confidence was not misplaced. For Mr. Abbas, the ordeal was over. Associated Press reporters on the ground in Belgrade say the two Palestinians were allowed to bypass customs, were greeted by other officials of the Palestine Liberation Organization, and were then driven from the airport in a limousine bearing the license plate of the PLO Embassy. Meanwhile, the American officials who had waged a short, spirited battle to gain Italian extradition of Mr. Abbas to the U.S. began preparing new warrants to present to the Yugoslav government.

But it will be some time before Mr. Abbas sees the insides of any courtroom. As a member of the PLO executive council and chief of the subgroup named the Palestine Liberation Front, he will more likely be feted in than extradited from the countries of his choosing. Yugoslavia is among the worst offenders. During the past decade innumerable terrorists, Palestinian and pro-Palestinian, have rested, traveled through or undergone guerrilla training there. They come because the Yugoslav government approves of them. Urgent extradition requests by other countries, particularly West Germany, are turned aside. Indeed, one must perhaps go back to 1975 to find the Yugoslavs moving decisively and publicly against international terrorists, and in that instance the three Germans they had seized (on Interpol warrants) were neo-Nazis.

The dignified reception that Belgrade permitted Mr. Abbas is strikingly reminiscent of that once accorded the infamous "Carlos." On Sept. 6, 1976, this Moscow-trained Europen commander of Palestinian and other terrorists touched down in Belgrade on a flight from Algiers. He had five companions, two of them Germans; they apearently intended to participate in an international terrorist summit that Belgrade was then hosting, according to later reports. Though West German police were waiting for him at the airport, and Yugoslav authorities were already in possession of papers from Bonn requesting his seizure and extradition, Yugoslav agents guided Carlos to an airport VIP lounge and then into the city. Four days later he was allowed to depart on a Yugoslav airliner for Damascus and Baghdad.

A similar incident occurred in 1978 when four of West Germany's most wanted Red Army Faction members were picked up in Zagreb, but then released, despite Bonn's requests for extradition. Libya, Algeria and Iraq had all expressed willingness to receive them. Little wonder that West German counterintelligence later complained that it gets next to no cooperation from the authorities in Belgrade.

Yugoslav ties with the PLO are nothing new. In 1973, Marshal Tito and Soviet Premier Aleksei Kosygin ended a week of meetings with a communique that declared their "solidarity with the just struggles of the Arab peoples with Israel." In 1978 the Yugoslavs were reported to have built several training camps for Palestinians near their Bulgarian border. By the following year, if not well before, PLO arsenals in the Middle East included a variety of Yugoslav-made weaponry. Yugoslavia also accepted PLO guerrillas evacuated from Lebanon in late 1983.

Mr. Arafat's close deputy, a notorious chief of the Palestinians' European terrorist operations named Salah Khalaf (Abu Iyad), was received by the Yugoslav minister of defense in February 1981. PLO representatives have held many more meetings with top officials of the Yugoslav government and armed services both in Belgrade and in Lebanon.

There is distressingly little one can say to those astonished by the Italian release of Mr. Abbas before time allowed a full investigation of his alleged role in the murder of Leon Klinghoffer. The scandal recalls the Greek release of an accomplice to the recent TWA 847 hijacking, the French release of a Black September leader named Abu Daoud in 1977, and the still incomprehensible American participation in the 1982 boat lift that saved so many terrorists, including Mr. Arafat and his Eastern bloc aides, from the Israeli army in southern Lebanon.

But there is something to be said about the destination Mr. Abbas chose when allowed to leave Italy. Quiet, "nonaligned" Yugoslavia has encouraged, armed and directly assisted PLO terrorists for many years, and has done that as a matter of declared state policy.

Mr. Abbas seems to understand that. So should we.

FAIR LABOR STANDARDS AMENDMENTS OF 1985

HON. WEBB FRANKLIN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 30, 1985

Mr. FRANKLIN. Mr. Speaker, on Monday the House suspended the rules and passed H.R. 3530, the Fair Labor Standards Amendments of 1985. I want to congratulate Mr. MURPHY for his out-standing work on this legislation and express my support of it.

As you know, the Supreme Court's decision in Garcia against San Antonio Metropolitan Transit Authority held that the Fair Labor Standards Act is applicable to State and local governments. Unfortunately, this well-intentioned decision will bar the popular practice of granting compensatory time off for overtime work and impose financial hardships on local governments.

Congressman MURPHY'S compromise measure corrects these problems. H.R. 3530 restores the choice of using comp time by allowing public employees the option of compensatory time in lieu of overtime pay at a rate of time and a half. The bill also takes steps to avert an administrative nightmare.

Mr. Speaker, as I share the interests of State and local workers and the governments which they serve, I wholeheartedly endorse this important legislation.

CONGRESS AND THE INTELLIGENCE COMMUNITY

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 30, 1985

Mr. HAMILTON. Mr. Speaker, on October 28 I had the pleasure of addressing a group of senior professional officers of the National Security Agency. This is "Security Week" at the NSA. Our intelligence community is certainly deserving of recognition for its diligent and patriotic work.

My remarks follow:

I want to thank General Odom for inviting me to speak to you today as you begin Security Week at the National Security Agency.

I am grateful for the opportunity to commend you, civilian and military alike, for the fine work you do. I know of no group within the U.S. intelligence community more dedicated or more professional, and the intelligence you produce is highly valued by all of us who consume it at all levels lof our government.

Security is essential to intelligence. Lately, we have learned that former U.S. intelligence officers provided classified information to the Soviet Union. Such reports make us uneasy, and should prompt us to redouble our efforts to enhance the security of our work product.

Any leak of sensitive secrets is a grave matter, and heightened concern over security is justified. As you know better than most of us, the extent in which our intelligence gathering operations have been affected by recent events may be exaggerated. While many still hold a vision of our intelligence taken from a James Bond film, my own view is that our intelligence operations are much less dependent upon a worldwide network of secret agents, and much more dependent on the type of skills and dedication that you bring to the task.

Most of our useful intelligence estimates are provided by professionals like those of you here at NSA—operating the highly sophisticated technologies that monitor political, economic and social developments occurring each day around the globe. The information you provide is vital for the maintenance of our national security, and for the formation of a sound foreign policy. It is necessary to maintain the highest standards of security in this important work, and I applaud your Agency's selection of security for special emphasis this week.

Keeping intelligence secure from disclosure is both difficult and necessary. For intelligence to be of any value, it must be disseminated beyond those who collect it and evaluate it. The further intelligence is disseminated the more likely it is to be disclosed. The inescapable dilemma of intelligence is that it must be used, and at the same time, it must be kept secret.

Security has become even more difficult in recent years, as the number of actors privy to intelligence secrets has ballooned.

Within the Executive branch, there has been rapid growth in the number and size of agencies that consume intelligence. Congress, itself a major consumer of such information, has expanded its role in U.S. foreign policy and in intelligence.

Let me begin my comments about the role of Congress in intelligence with a few observations about the role of Congress in Foreign policy. Then I will deal more specifically with the role of Congress in intelligence. There is widespread confusion about Congress' role in foreign policy. You at NSA might indeed wonder why Congress has become so actively interested in foreign policy and how we perceive our role.

THE ROLE OF CONGRESS IN FOREIGN POLICY

The great constitutional scholar, Edwin Corin, suggested that the United States Constitution is an invitation for the President and the Congress to struggle for the privilege of directing American Foreign Policy.

Not everybody has agreed with this statement. When asked how foreign policy was made in the United States, the President Harry S. Truman remarked, "I make foreign policy." In his times, President Truman was probably right.

Today, most members of Congress would not agree with President Truman. They would acknowledge that the President should play the principle role in foreign policy-making. However, they also believe that Congress should play a strong and independent role.

There are several aspects of the current debate on which the President and the Congress can agree:

First, the power of the President, despite the role played by Congress is formidable. Under the Constitution, the President is Commander-in-Chief of the armed forces. This constitutional charge, the unity of the Executive branch, its control of information, and other factors have tended, over the years, to give the President an unassailable preeminence in foreign policy-making.

Second, notwithstanding the key role of the President, most of the foreign policy powers enumerated in the Constitution are with Congress. In general, Congress is instructed to provide for the common defense and to declare war. It also has great power because of its vast, but not total control over the purse;

Third, the important role of Congress in the foreign policy process is recognized here and abroad. Lobbyists for foreign policy issues stream to Capitol Hill. In public meetings across America, constituents plead with their Congressmen about issues on foreign policy. Visiting heads of government are no longer content to see only the President and his advisors. They insist on coming to Capitol Hill to talk with members of Congress. Ambassadors stationed in Washington parade the halls of Congress daily.

Competition between the Executive and Legislative branches however, need not—should not—have a winner and a loser. Debate, tension, and review can lead to decisions and actions which stand a better chance of serving the interests and reflecting the values of the American people. Total cooperation between the two branches should not be regarded as the essential condition of sound foreign policy.

The concern of Congress should be to strike a balance between responsible criticism, based on measured oversight of the Executive branch, and responsible cooperation, stimulated by strengthened procedures of consultation with the Executive branch.

Let me try to give you a quick assessment of Congress' role in foreign policy.

The Congress has several weaknesses in its foreign policy role:

Diplomacy requires speed. Congress moves too slowly.

Diplomacy requires flexibility, tact, and nuance. Congress acts bluntly. It votes yea or nay and may insult other nations in its debates. Congress' power of the purse can be wielded only very imprecisely. We grant the aid, or we take it away.

Diplomacy requires secrecy. Congress leaks.

Diplomacy requires a long view of the national interest. Congress is influenced by short-term interests and its members are overly concerned with re-election.

Diplomacy requires expertise. Congress is often ignorant of foreign affairs, changes its membership frequently, and Members are frequently too burdened with a heavy schedule to examine issues in any detail.

Diplomacy requires sustained interest. Congress' approach to foreign policy is usually sporadic, eclectic and tends to focus immediate issues and "flash points."

Diplomacy requires attention to complex and interrelated problems on many levels. Congress tends to concentrate on narrow defined issues or see just one aspect of a broad problem.

Diplomacy requires a strong leadership. Power is diffused in the Congress.

Congress also brings many strengths to the foreign policy-making process:

Congress is a deliberative body, and deliberation may prevent error. Congress can act quickly when it must.

Congress, given its separate but co-equal stataus, can often bring flexibility to diplomacy. A contact with Congress is official, but it is not a contact with the government.

Congress plays a valuable educational role.

Individual Members of Congress have developed skill in foreign affairs, and they have competent staffs to help them. The committee system serve to focus congressional debate.

Parochial Congress is also more accessible and representative, giving individuals and special interests a voice in foreign policy.

Congress can help lead in the sense that its approval makes the President much stronger. Public debate gives legitimacy to policy.

Congress' strengths in foreign policy-making should not be minimized. Its assertiveness in foreign policy should be viewed positively.

The accessibility and representativeness of Congress are deep wells of strength. They guarantee that the people will have input into foreign policy-making.

Representativeness is especially important because the Executive Branch cannot effectively pursue any policy for an extended period without support from the American people. Congressional support is the primary expression of the people's approval. A President is not likely to gain the support of the American people if he cannot gain the support of the Congress.

Effective prior consultation, better information and education on the issues, and a deep respect for the shared powers over foreign policy provided in the Constitution are the best ways to "lubricate" the foreign policy process. With these assets, there will emerge a coherent strategy significantly strengthened by Congressional participation.

The separation of powers produces a healthy and creative tension between the Executive and Legislative branches. The process of making foreign policy will never be tidy and clear-cut, with each step in the process clearly delineated. The diversity and complexity of foreign policy are such that there will never be complete accord.

Our expectations should not be extravagant, given the nature of the process. But the alternative to making the foreign policy system work better is confusion in a complicated, dangerous world, and that is unacceptable.

The foreign policy-making process provided in our Constitution works—if we understand it, and use it with prudence and discretion.

THE ROLE OF CONGRESS IN INTELLIGENCE

Let me now give you a brief assessment of Congress' role in Intelligence. As compared to the Executive branch agencies involved in intelligence, like NSA, that role is relatively minor, but not unimportant, and its significance continues to expand. As Congress has become more active in foreign affairs, its information needs and oversight responsibilities have also expanded, thus bringing it into ever closer contact with the intelligence community.

The Congress has two Intelligence Committees, one in the House and the other in the Senate. The Committees are small with just fifteen members on the Senate Select Committee on Intelligence, and sixteen on the House Permanent Select Committee on Intelligence. Just twenty people make up the professional staff of the House Committee, with a larger, but still small staff of thirty-five persons in the Senate. The Majority and Minority Leaders from both the House and Senate are ex-officio members of their respective Intelligence Committees.

I'll speak primarily to the role of the House Intelligence Committee, but the role of its counterpart in the Senate is quite similar.

The sixteen Members of the House Intelligence Committee oversee the activities of the entire Intelligence Community, plus the tactical intelligence and related activities of the military services. They authorize the budgets for the various intelligence agencies; they monitor intelligence activities to ensure that they are in keeping with laws, executive orders and guidelines; and they make evaluations as to the effectiveness of intelligence activities.

The principal way the Committee performs its oversight function is through the budget review process.

Each year, the President sends to Congress his budget request for the coming fiscal year. The portion of that budget that deals with the Intelligence Community—NSA, CIA, DIA, the FBI's counter-intelligence program, the military services and so forth—come to the Intelligence Committee for action.

Within the Committee, the Program and Budget Authorization Subcommittee is the first to consider the President's funding proposals.

This year, the Subcommittee held some sixty hours of hearings on the budget. In preparation for those hearings, Members and staff examine volumes of material supplied by the intelligence agencies in support of their budget requests. During the actual hearings, testimony is heard from the heads of each intelligence agency, again in support of funding requests.

The Subcommittee also submits written "questions for the record" to the intelligence agencies. Once responses have been

received and reviewed, the Subcommittee writes—or marks up, as we say in Congress—a budget authorization bill.

That bill is then sent to the full Committee, and finally to the full House, both of which have an opportunity to debate, amend and vote on the bill.

Because the programs of the Intelligence Community and related budget figures are classified, the Intelligence Authorization Bill as it appears on the House floor contains little information. A classified annex to the bill containing actual authorizations is made available to every Member of the House through the offices of the Intelligence Committee, but rarely more than a half dozen take the time to review the annex. In most cases, House members trust the recommendations and judgments of their colleagues on the Intelligence Committee.

This review process helps ensure that the costs of the intelligence product are justified by its usefulness, and that necessary progams receive adequate funding. It is an onerous and time-consuming procedure, but one that over time has proven beneficial to the Intelligence Community. Since the two Intelligence Committees were organized less than a decade ago, they have been supportive of significant increases in funding for the NSA and related agencies.

The intelligence committees of the Congress also oversee the CIA's covert action program.

By law, every time the President instructs the CIA to carry out a covert action that he has deemed important to the national security, he must inform the two intelligence committees. By covert action, we mean clandestine efforts to influence people, events and nations in support of American foreign policy. The House Committee has a hearing to review each new covert action approved by the President, and it reviews all on-going covert actions.

While the President must notify the Intelligence Committees in advance of any proposed covert operation, he does not have to receive their approval in order to carry it out. By law, he can proceed even against the objections of one or both committees. The only constraint the committees can exercise over a covert action is to deny funds for it.

Only once, in the case covert activity proposed for Nicaragua, has funding for such an operation been denied. Generally, CIA activities enjoy strong bi-partisan support in the House Intelligence Committee.

PROBLEMS WITH CONGRESSIONAL OVERSIGHT

There are several problems associated with the role of Congress in intelligence matters.

First, Congressional consideration of intelligence matters is slow. The careful examination of all intelligence operations—the review of each funding request and covert action—is a cumbersome process. Intelligence operations frequently require speed and directness of action, characteristics not normally associated with slow-moving, deliberative Congress.

Second, the attention span of Congress is quite short. We in Congress, including those of us on the intelligence oversight committees, are all politicians. As such, as are interested in what interests our constitutents. Whatever is in the news of the day gets our attention—coups, hijackings, or major diplomatic events; that which is not in the news or in the minds of our constituents is crowded out by the rush of events.

Congressional interest in intelligence focuses on the extraordinary events, and even then it cannot be sustained for long in so large and fragmented a body, and in such a fast moving world. As you well know, intelligence requires constant attention to political, economic, and strategic developments around the world—in times of quiet, as well as crisis. Congress is not good at that.

A third problem is leaks. The Intelligence Community, quite naturally, is concerned about providing sensitive classified information to Members, even those on the Intelligence Committee, for fear that information will leak to the press.

The press *is* a formidable adversary to those who want to keep secrets. Given the guarantees in our Constitution, many members of the press believe that they should be granted access to virtually any piece of information. In an effort to obtain that information, the press uses able, persistent and skillful investigative reporters.

Members are aware that they must exercise caution around the press when dealing with classified information. However, many Members know the reporters quite well and deal with them on matters of public interest frequently.

The record of the Congressicnal intelligence committees in keeping intelligence secure has been quite good, so far as I know. I am not aware of a single, proven leak from either committee. I do know that they have retained the most sensitive information over a period of years without leaks. When leaks occur, as they unfortunately do, I do not assume that they came from the Congress, but neither do I assume that they did not come from the Congress. We in the intelligence committees are very sensitive about the possibility of leaks. We want to avoid them and we are always open to suggestions for how to improve our security. The size of the committees is kept small, their members are chosen by the Congressional leadership with great care, and only senior members with reputations for discretion and judgment are chosen to serve. The procedures of the committee in handling and storing material and receiving sensitive telephone calls are carefully worked out.

The numbers of people with access to sensitive information in the Executive branch is far greater, and the press is no less diligent in seeking to obtain information from such individuals.

None of us should have an exaggerated sense of what can be kept secret, in the day of an able and persistent press.

ADVANTAGES OF THE CONGRESSIONAL ROLE IN INTELLIGENCE

May I next suggest to you that the Congressional committees in intelligence can, in several significant ways, strengthen our nation's intelligence, a goal we all share.

First, the House and Senate Intelligence Committees provide the only check on the intelligence agencies outside the Executive Branch. The bureaucracy tends to tilt with the President, as it should, and is hesitant to stand up against him.

Congress brings an independent viewpoint to bear on the intelligence process. This check on Executive Branch policy is enhanced when the Committee act, as they usually do, in a strong bipartisan manner. Only once, in the case of the controversy over the Nicaragua convert action, did opinion split along partisan lines.

Congressional oversight of intelligence is all the more important because of the lack of informed public accountability. Unlike all other Congressional review, oversight of the intelligence community occurs behind closed doors, and without the benefit of the contributions and perspectives of outside groups knowledgeable about intelligence activities. Such knowledge rests only with the intelligence committees, who must act as surrogates for their respective bodies. They—and they alone—have full information. Their responsibility in security must be through.

Second, Congress has a proven record of initiating reforms that have strengthened our intelligence systems.

It was the House Intelligence Committee, for example, which began the rebuilding of CIA clandestine overseas personnel corps after it had been reduced considerably in strength.

The two Intelligence Committees have been in the forefront urging improvements in our counterintelligence capabilities.

Congress has also placed some important limits on activities of intelligence entities. The Foreign Intelligence Surveillance Act of 1978 prohibits the Intelligence Community from wiretapping in the United States without a warrant. Congress has passed legislation prohibiting the use of funds for intelligence or intelligence-related activities unless those activities have been specifically authorized.

Third, Congress has the ability to ask the right questions about our intelligence operations.

Where Administration officials might be more concerned with how one data collection process fits into the U.S. military force structure, or how it contributes to analysis on country X, Congress is more concerned with whether programs are worth the money and time expended on them, and asks very different questions:

Does the right person get the right information in the right time frame?

Have we locked ourselves into a budgetary spiral, whereby the funding of one request means the automatic acceptance of others?

Is a particular system cost-effective?

Is the information being sought necessary for effective intelligence? Or is it merely "nice-to-have?"

Does a particlar budget proposal support arms control monitoring?

Congress' very remoteness from the day-to-say operations of intelligence agencies enables it to retain an objective and critical eye when reviewing them. Congress must attempt to apply the leavening effect of common sense judgments to the complex decisions required of the intelligence community. It does not have the expertise that you and others in the community have, but it should have enough sense of the purpose and organization of the community to ask the larger questions.

SUGGESTIONS FOR IMPROVEMENT OF INTELLIGENCE

Let me offer a few observations about the general quality of intelligence and a few suggestions for how it might be improved.

Congress believes the United States has an excellent intelligence service. Those of you who work in intelligence serve with diligence, skill and patriotism. You have a difficult task, and policymakers continue to ask you to do more. Our information needs are increasingly complex, and yet we do not always provide you with additional resources to meet our requests.

Despite these constraints, the product that emerges from the intelligence community is, in general, excellent.

As good as our intelligence is, Congress believes, as I am confident you do, too, that it

can be better. Let me highlight a few ways that it might be improved:

First, intelligence must continue to be given highest priority. Our intelligence is better, if we believe that our national security depends on it. In recent history, our intelligence was at its best during World War II.

Second, de-politicize the intelligence process. Among policymakers, intelligence is often seen as a tool to make policy look good, rather than as a tool of making good policy. Intelligence should not be viewed as a means of bolstering policy; it should be used to develop it.

In order to de-politicize the intelligence process:

We must make analysts feel that politically discordant estimates are welcome;

We should insist that the top official in intelligence have the highest professional skills in intelligence.

Third, we should work to separate analysis from policy formation. This does not mean that analysts should be unaware of policy. Analysis and policy must be linked for each to be effective. But the needs of policy cannot determine the conclusions of analysis. Intelligence should drive policy, not vice versa.

Finally, we must encourage a competition of views in policy making. Dissenting opinions can be smothered in a process which values consensus too highly. Such a process usually produces policy that represents the least common denominator in the views of policy makers, whereas it should produce policy most directly serving U.S. interests.

In order to obtain dissenting views, we should encourage competing estimates from different agencies, improve channels of dissent, and set up some mechanism to play devil's advocate in the process of policy formation. We might also stimulate competition by seeking the input of experts outside the intelligence community at some point in the policy making process.

CONCLUSION

Congress has a major role to play in initiating reforms of our intelligence operations.

Congress can stimulate broad public support for placing a higher priority on intelligence.

Congress can assure that the intelligence agencies are provided with sufficient funds to accomplish their appointed tasks.

Congress can take the lead, through legislative initiatives, in depoliticizing the intelligence process and stimulating greater competition of views among those who produce our intelligence.

A great nation like the United States simply cannot survive without a good intelligence service.

Those of us in government must cast aside our romantic notions and unrealistic expectations about intelligence and get down to the hard, detailed business of improving our intelligence system.

Along with you, we in the Congress can be instrumental in completing the still unfinished agenda for intelligence reform. We want to work with you, not as adversaries, but as partners to ensure that our intelligence community provide the best available unbiased information to help policy makers formulate a sound foreign policy to protect the United States.

Let me close with the words of Sir William Stephenson, the man called "Intrepid," and the head of British intelligence during World War II:

"Among the increasingly intricate arsenals across the world, intelligence is an essential weapon, perhaps the most important. But it is, being secret, the most dangerous. Safeguards to prevent its abuse must be devised, revised, and rigidly applied. But, as in all enterprises, the character and wisdom of those to whom it is entrusted will be decisive. In the integrity of that guardianship lies the hope of free people to endure and prevail."

TRIBUTE TO ROGER DUFOUR

HON. AUSTIN J. MURPHY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 30, 1985

Mr. MURPHY. Mr. Speaker, I would like to bring to the attention of all of my colleagues the retirement of a real public servant, Roger Dufour, who has served 27 consecutive years as a councilman from Uniontown, PA.

Mr. Dufour began dedicating himself to the people of Uniontown in 1959 when he was elected to fill an unexpired term as the councilman in charge of the department of parks and public property. He has been reelected everytime since 1959 and he is currently the councilman in charge of public safety.

In June of 1980, Mr. Dufour was honored by the Pennsylvania League of Cities at their 81st Annual Convention for having served over 21 years of consecutive service as an elected city official, the longest term on record in the Commonwealth of Pennsylvania. This distinction holds true today.

The father of four, Mr. Dufour was employed 46 years with the West Penn Power Co. and retired as a general foreman in 1969. Unable to sit still in his retirement, Roger would then spend an additional 16 years with the Bortz Corp. as a trouble shooter.

Mr. Dufour's commitment to his community can be best demonstrated by the impressive list of organizations which are proud to call him a member: Laurel Lodge No. 651—Free and Accepted Masons, the Syria Temple of Pittsburgh, the B.P.O. Elks 370, and the Rotary International. In 1980, Roger was chosen as the Paul Harris Fellow by the Rotary International.

Mr. Dufour is best known, respected, and loved by the 14,510 people of Uniontown, as an elected official who took his job and his responsibility seriously. He was always there to solve a problem; his dedication, patience, and endurance knew no bounds. There is no doubt that he will be missed as a councilman from Uniontown, but he will remain, assuredly, one of the city's most outstanding citizens.

A TRIBUTE TO JAMES W. ROUSE

HON. ROY DYSON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 30, 1985

Mr. DYSON. Mr. Speaker, I would like to share with my colleagues a high honor to be bestowed upon a fine American citizen and fellow Marylander, Mr. James W. Rouse. On November 2, Mr. Rouse, a nationally renowned urban planner, will receive the University of Maryland Alumni Association's Distinguished Alumnus Award for 1985.

Born in Easton, MD in 1914, Mr. Rouse was graduated from the University of Maryland Law School in 1937. Shortly after admission to the Maryland Bar, Mr. Rouse founded a real estate and development corporation bearing his own name—a company Mr. Rouse headed until his retirement early last year.

It was only a short time following the Japanese attack on Pearl Harbor that Mr. Rouse answered the call to military service. As a lieutenant in the Naval Reserve, Mr. Rouse served his country with distinction on the staff of the commander, Air Force Pacific fleet.

Never content to rest upon the laurels of past achievement, Mr. Rouse now devotes much of his time and energy to the Enterprise Foundation, a charitable corporation which supports nonprofit housing groups in cities throughout the country, bringing the hope of safe and livable housing to untold thousands of poor families. As the foundation's chairman and chief executive officer, Mr. Rouse oversees a project that is as noble in its purpose as it is broad in its scope.

So, Mr. Speaker, it is with great pride and pleasure that I offer these few words of praise. I salute Mr. Rouse for all that he has done to improve the quality of life in our great Nation, and congratulate him for his many outstanding career accomplishments.

THE DeCONCINI-MOAKLEY BILL

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 30, 1985

Mr. BEDELL. Mr. Speaker, as you know, on January 30 our colleague from Massachusetts, Congressman MOAKLEY, introduced H.R. 822, calling for a study on the situation of displaced Salvadorans residing in the United States. I am proud to be one of the 126 cosponsors of this important resolution.

No one here needs to be informed of the horrifying violence that has overtaken El Salvador. Amnesty International estimated that as a result of the dangerous conditions there, nearly 1 million people, or 20 percent of the total population, have been externally or internally displaced. More than 500,000 people have remained in Central America, yet the other half-million have settled in the United States, and require our attention.

The Refugee Act of 1980 states that aliens can be granted asylum on the grounds of "persecution or a well-founded fear of persecution." This act has certainly been applied in the case of Iranian refugees as 60 percent of those who applied for asylum were accepted. Our Government, however, has refused to grant asylum to 97 percent

of all El Salvadorans who have requested such status. While we do have a program that provides temporary asylum for refugees from nations suffering under war and oppression, El Salvador is not included. The double standard must end.

The DeConcini-Moakley bill provides for the impartial General Accounting Office to study and report to Congress on the living conditions and security of these displaced Salvadorans. The bill would permit a stay of detention for endangered Salvadorans thereby protecting them from the potentially life-threatening consequences of a return to El Salvador. The existence of extraordinary violence and persecution necessitates the special treatment of these refugees. I strongly believe that as a result of these circumstances, suspensions of deportation must be granted.

Thank you for your consideration of this important matter. I join with Congressman MOAKLEY in asking your cooperation to ensure the expeditious passage of this bill when it appears before the Judiciary Committee's Subcommittee on Immigration Refugees and International Law. Thank you.

TRIBUTE TO SEYMOUR KATZ OF QUEENS, NY

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 30, 1985

Mr. ACKERMAN. Mr. Speaker, I rise today to honor a national and local leader in the American Jewish community: Mr. Seymour Katz of Hillcrest Manor in Queens County, NY. Mr. Katz is being honored by United Jewish Appeal-Federation at its Queens Inaugural Dinner on November 3, 1985.

Seymour Katz has committed himself to a strong Jewish future by donating his time and energy to the causes of education for children in the United States, justice for Jews in the Soviet Union, and support for the State of Israel. He has held a number of important national offices within the United Synagogue of America, serving on its board of directors and chairing its Soviet Jewry Committee. In addition, he was recently elected as international vice president of the World Council of Synagogues.

As a New York State leader, Seymour Katz has chaired the United Synagogue Regional Youth Commission and the Isreal Affairs Committee, and now heads the Regional Soviet Jewry Committee.

While Mr. Katz has been an important National and State leader, the contributions that I find particularly impressive have been those that directly benefit his home community of Queens. He was a founder of Israel Center of Hillcrest Manor, is a member of the board of directors of the Solomon Schechter School of Queens, and was president of the Queens Council on Soviet Jewry for 3 years before becoming its honorary president. He was recently appointed to serve on the board of directors of the Queens Jewish Community Council.

Seymour Katz has been honored by organizations including the Jewish Theological Seminary and the UJA, and he is certainly deserving of these honors. His dedication to the Jewish Community of Queens, and of all America, have made an important impact on the quality of Jewish life in America; his hard work on behalf of Jews trapped in the Soviet Union has been tremendous. I am proud to call him my friend.

Mr. Speaker, I call upon all my colleagues in the U.S. House of Representatives to join me now in congratulating Seymour Katz on this auspicious occasion, and to wish him success as he continues to strive for the causes that have been so important to him, and to so many of us.

CONGRESSMAN TONY COELHO—LEGISLATOR OF THE YEAR

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 30, 1985

Mr. HOYER. Mr. Speaker, on October 17 of this year my friend and colleague, Congressman TONY COEHLO, was chosen as the "Legislator of the Year," by the California Governor's Committee for Employment of the Handicapped.

TONY could not be present that night but I would like to share with you the speech by Mr. Paul Koenig, the president of the Epilepsy Foundation of America, who accepted the award on TONY's behalf.

The speech follows:

TONY COELHO—LEGISLATOR OF THE YEAR

As a Californian and as President of the Epilepsy Foundation of America, I am delighted to have this opportunity to join you in saluting Congressman Tony Coelho as Legislator of the Year. Tony has asked me to tell you how sorry he is that he is not able to be with you himself and to express his gratitude for this honor.

Tony Coelho, in his public and his personal life, is a role model to people with epilepsy—and to all of us. The courage he demonstrated by being the first member of Congress to acknowledge having epilepsy has strengthened the determination of others faced with that difficult decision. And the tremendous fortitude he has demonstrated in not just overcoming a handicap, but in turning adversity into advantage, has been a shining inspiration.

As a public servant, he is an eager and effective advocate for legislation to meet the needs of people with epilepsy and other disabilities. As the influence of his leadership role in the House of Representatives has grown, he has used it to champion those causes. Tony has spent countless hours giving individual advice and assistance to people with epilepsy. And his Congressional colleagues will tell you that wherever he travels, he makes time in a busy schedule to visit local EFA affiliates and meet with people with epilepsy and their families.

Tony Coelho has made it his special goal to expand employment opportunities for people with epilepsy. That might not seem like such a problem if you know that medical advances have enabled most people who have the disorder to attain seizure control. After all, if most people with epilepsy will never have a seizure on the job, what's the problem?

Well, employment is a major problem for people with epilepsy. When the Congressionally-mandated national Commission for the Control of Epilepsy and Its Consequences held public hearings throughout the country, unemployment and underemployment were constantly cited as major barriers to independence for people with the condition.

A Department of Labor report revealed that, among all handicaps, employers were least willing to hire people with epilepsy. Within the last ten years unemployment among persons with epilepsy has at times been as high as 25%. The final report of the Epilepsy Commission found the number of unemployed people with this disorder to be twice the national average.

Possibly a greater problem than unemployment and one which is more difficult to measure, is the number of people with epilepsy who are underemployed—working in low-paying, menial positions with little opportunity for advancement or change simply because they can find nothing else. What an immense waste of human potential!

In addition to the stigma typically associated with epilepsy, there is, of course, a percentage of people with the disorder who must adjust to having uncontrolled seizures. For them finding, keeping and advancing in good jobs presents special challenges.

Even those who experience only a few seizures each year encounter real problems. Epilepsy disqualifies many people for drivers licenses, making travel to and from work difficult or impossible and completely closing the door to some jobs. Nearly all workers who have epilepsy need to be prepared to deal with the negative reactions of coworkers if and when seizures occur—reactions such as stares, overprotectiveness, avoidance or derision. Workers who experience convulsive or tonic-clonic seizures may be subjected to inappropriate first aid. Workers who experience temporary lapses of consciousness, absence seizures, may find themselves accused of daydreaming. Workers who exhibit disoriented behavior during complex partial seizures may be incorrectly assumed to be substance abusers.

Tony Coelho knows intimately the struggles involved in overcoming the many challenges epilepsy can present. His personal and professional accomplishments would be considered very impressive by any standards, even if we didn't know the obstacles that Tony, like thousands of other people with epilepsy, has had to conquer in order to achieve so much. As a Congressional leader, Tony has demonstrated tremendous commitment and effectiveness as a spokesman for the interests of people with epilepsy. Some might conclude that, with so much influence in the legislative arena, he has done more than enough for the cause. But Tony isn't satisfied!

To the good fortune of so many, Tony has made it his personal mission to help others who share his disorder realize their full potential and experience through personal success. As a Vice President of the Epilepsy Foundation of America, Tony has made it his special goal to increase financial support for the Foundation's employment services programs. Last year, Tony was honored at a dinner in Washington which was attended

by just about "everyone who is anyone" on the political scene. The event raised over $500,000 which has been earmarked by Tony for EFA's employment programs. This year he established the Foundation's "Tony Coelho Jobs Fund." The dollars raised by Tony have already made possible the publication and dissemination of an array of educational materials for employers. And, later this month, Tony will announce, at EFA's National Conference in Baltimore, that 4 new training sites for people with epilepsy will be established—all financed through his fundraising efforts.

Let me tell you a little bit about the Epilepsy Foundation's employment services. EFA has two major employment programs for people with epilepsy—TAPS (Training and Placement Service) and STEPS (Skills Training and Employment Preparation Service).

TAPS works both to alleviate misconceptions among employers and to better prepare job applicants who have epilepsy to meet employers in a knowledgeable, confident and articulate fashion. The success of the program can be attributed to its unique and practical approach.

The resources and assistance which TAPS provides to job applicants with epilepsy are designed to encourage individual initiative and self reliance. A philosophy of "shared responsibility" permeates the project and results in greater personal investment by program participants as well as more successful placements. That is, people get better jobs and keep them longer. Service schemes vary somewhat from site to site according to local resources and needs. However, they all evolve from a core of key components aimed at helping people find, land, and keep and advance in good jobs. Participants direct their own job searches, report on their progress at weekly or biweekly job club meetings and exchange job leads and feedback with their peers—while benefiting from the resources and guidance which TAPS professionals provide.

Services to employers complement services to job applicants with epilepsy. TAPS reaches out to hundreds of employers around the country through letters, public service announcements, speaking engagements and personal visits. In exchange for the free educational and consultative services available through TAPS, informal employer networks work closely with project staff, providing job information, technical assistance and business perspectives. Advisory Committees, composed primarily of employers, volunteer valuable time and expertise on a regular basis. Advisory Committee members promote TAPS informally, offer ongoing feedback, assist with the development of new materials and organize workshops and seminars on epilepsy and employment.

TAPS' success can be attributed not only to the project's well-refined services, but also to a highly skilled and compassionate staff capable of balancing generous measures of creativity and common sense in their work. The staff's sensitivity to and knowledge of community resources other than TAPS, and a willingness to work with these resources, ensure timely and effective response to participants' varied needs.

As I mentioned earlier, in 1986 four new EFA Training and Placement Service offices will be established by the Tony Coelho Jobs Fund. The Foundation expects these "TAPS" offices to achieve the same high standards of performance that the ten-year-old Department of Labor funded program is known for. To date, this program has placed more than 7,000 people with epilepsy in jobs and job training programs; while educating, building and utilizing an active network of enthusiastic employers all across the United States. The new TAPS offices will bring TAPS services to brand new territories. They will reach out to hundreds more job applicants who have epilepsy—and the people for whom they work—and will achieve at least 300 placements in 1986 alone.

A growing concern for people more severely disabled by their epilepsy prompted the Epilepsy Foundation of America to seek funding for a companion program to TAPS, designed to meet the special needs of this population. In 1984 the Skills Training and Employment Preparation Service (STEPS) began operations in Cleveland, Ohio, with funding from the Administration on Developmental Disabilities. This demonstration project combines TAPS' successful approaches to placement with intensive group work, individualized job development, transitional and supported work opportunities and personal on-site follow-up visits by skilled staff. Through STEPS, people previously labeled "unemployable" are working successfully and living independently for the first time.

Epilepsy doesn't have to be a barrier to employment. But too often, it is. Not because people with epilepsy cannot work. They do, very successfully, in all kinds of jobs. The problem is, not everyone knows that. And uninformed employers base their hiring decisions on what they think, what they've heard or what they're afraid to ask about. As a result, they either fail to hire qualified job candidates who have epilepsy or place them in positions way below their capabilities—all because they understand so little about the disorder. Job applicants themselves typically respond to repeated rejections by losing confidence, esteem and very often the motivation to look for work. For many, it becomes a hopeless, never ending cycle.

If a prospective employee's seizure disorder is carefully evaluated on an individual basis, taking into account the frequency, nature, type and other factors associated with the seizure, he or she can become an effective and valued employee. Seizures need not, in themselves, be barriers to employment, and the principles of reasonable accommodation can work to the mutual benefit of the job-seeker and the employer.

Tony Coelho understands that. And he dreams of the day that all people with epilepsy and all potential employers understand it too. He has dedicated himself, as an individual and as a legislator, to that dream—and he's making it come true. That is why I am so deeply pleased that Tony Coelho asked me to represent him in accepting your award designating him "Legislator of the Year."

THE ADMINISTRATION'S POLICY TOWARD CENTRAL AMERICA

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 30, 1985

Mr. GONZALEZ. Mr. Speaker, I have risen on close to 50 occasions this year to speak out against the administration's misguided and militaristic policies toward Central America. During this time, the administration has only hardened its stance and escalated the level of destructive conflict in El Salvador, Nicaragua, Guatemala, and Honduras. But the President is out of touch with the will of the American people, and I have heard from many, many individuals throughout the United States who not only disagree with the President, but who are organizing their own efforts to counteract the administration's policies. The Salvadoran refugee sanctuary movement is such an example, and this movement grows larger and stronger each and every day in spite of the attempts of the Justice Department to undermine this latter day underground railroad.

Earlier this month, I received a letter from one of my constituents that expresses the sentiments of so many others from whom I've heard over the past year. This sensitive and insightful letter was written by a young man, only 17 years old, who is able to see what the administration cannot—that the conflicts in Central America arise out of deep poverty and human degradation. This young man sees so clearly what the President cannot—he sees that a military approach only breeds a military response, and thus creates more revolutionary action and raises the already staggering toll of human life.

I would like to share this letter with my colleagues.

The letter follows:

To: Congressman HENRY B. GONZALEZ.

From: Joseph M. Wert, San Antonio, Texas.

Sir, there are many problems in our world that must be addressed, but none more important that the fulfillment of our responsibilities as the leaders of the "Free World." One of the most critical problems before us today is the continuing economic and political turmoil that rocks Central American countries and threatens to bring communist backed governments into power there. The U.S. backed right-wing governments of Central America are guilty of the same infractions against human and civil rights that we charge the communist powers of the world with.

Our vast industrial complex, over the years, has invested millions of dollars in agricultural and manufacturing endeavours designs, not to better the lives of the people, but to take advantage of the abundant supply of cheap and uncontesting laborers. In doing this, they have created a sharp class difference where a few elite control the economic resources of their country while the majority are impoverished laborers with little to survive on, let alone to hope for. In these near feudalistic societies, the communists find no trouble in stirring the passions of the people and kindling the fires of revolution.

In response to this problem, the Reagan Administration has consistently answered such situations with military force. This does nothing more than provide a repressive regime with the power to suppress even further, encourage more revolutionary action and raise the already staggering toll of human life cut short by greed and neglect!

What I propose in the following text, as a start, will be quite difficult to enact because it will require the changing of mens' hearts and minds and the development of a great deal of moral courage that will provide the

people we try to help with the strength to over come the many barriers that will block this road to peace.

I. ECONOMIC REFORMS

Much of the land in Central America is owned by a small minority of elite people. The land must be distributed with the understanding by the owners, that the U.S. will compensate them for the land.

Then those people who want the land will enter into contract with the U.S. and over a period of years, will pay back a reasonable percentage of the total cost of the land. This is done to instill a sense of ownership into the farmers and as he profits from his labor, he will realize that it's his land and no one can take it from him! This leg of my reform plan will provide the groundwork for a free enterprise system and the democratic government that will follow.

II. SOCIAL AND POLITICAL REFORM

The first and most important part of this reform is the establishment of a constitution. Without laws that are applied universally, leaving no man unanswerable to them, the threat of dictatorship is always too close.

"Give a man a fish, he'll eat for a day, Teach a man to fish, he'll eat for a lifetime."

These are powerful words from a wise and just man, they set the tone for this part of my reform plan. Though many would debate it, education is the cornerstone of democracy. It made us free. We must make a dedicated effort to provide every conceivable material needed to educate every age group in these Central American countries. From teachers to the very buildings that they would teach from, we must provide vocational and academic training so that the people will understand the world around them and know how to use it to their benefit.

Other things have to be taken into account in the reconstruction of a poverty stricken country. One thing is for certain, you can not preach the goods of a certain political system to a man whose stomach is sticking to his backbone and family lies near death because of a bad harvest. The logistical needs of the people have to be taken care of while they are educated and until they have become self-sufficient. The communists have used these same basic needs to win the trust of the people with the promise of freedom and food only to revoke them when they had achieved power in the country. The evil in this is quite clear; to prey upon the desperate needs of helpless people, yet the governments we support deny these basic needs to the people and provides the field of resentment and hatred in which these evil seeds are sown, to be irrigated with human blood and tears. We must send food, clothing and materials, personnel and equipment to construct housing units. Throughout all of this we must continue to develop a sense of self reliance in the people so that they do not grow to dependent on our assistance. We must also stimulate the growth of industries and through this hopefully raise the standard of living to a more than tolerable level.

One other aspect of assistance that I would like to touch on is the medical needs of the people. So many die from complication of common illnesses, that the only way to deal with such a problem is to mount a large scale medical operation that would include for the most part the importation of several completely equipped hospitals and the necessary staff to man them. This combined with the equipment and materials needed to construct the proper sanitational facilities for all housing will eliminate many of the waste and disease control problems while allowing immediate treatment for those already stricken.

These are just a few of the many ideas I have to try and solve the problems of Central America. I wish I could go into greater length and will be happy to at a later date but I hope that what I have proposed so far will help you and your peers to seek peaceful answers to the violent question posed by Central America. Yes, these are expensive ideas, but aren't weapons expensive too? The thing about weapons is that you don't stop paying for them when they get there. Weapons designed to be employed against another man will continue to extract a price in blood and failure. We've seen it in Cuba and Nicaragua, do we need to see it again in El Salvador or Mexico? The communists are currently winning a war of lies and deceit in Central America. They are winning the hearts of desperate men, pushed to desperate means, not knowing they will end up in the same situation that they are trying to escape from. If we are to win this war we must answer the lies with truth and a commitment to disapproving the lies through firm unmistakable action. Until some action is taken, other than violent, I must voice my approval of the sanctuary movement and whole hearted support of those who shelter these refugees in direct disobedience of the law regarding the subject. In my opinion, they are doing nothing more than running for their very lives from a war we could easily have prevented and just as easily could stop.

I would like to close this letter with two requests. First, I ask that you consider what I have presented in this letter and secondly, I like to have your personal opinion on the subject of Central America and the Reagan Administration's policies in this area.

As a coming of age voter (turning 18 in December) I look forward to being an active voice in the government of my country and a loyal supporter of your work for the people of district 20. I wish you luck and peace in the future.

Sincerely,

JOSEPH M. WERT,
San Antonio, TX.

LYNN WILLIAMS' "ROAD TO INDUSTRIAL REBIRTH"

HON. PETER H. KOSTMAYER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 30, 1985

Mr. KOSTMAYER. Mr. Speaker, there are those who suggest that plant closings and job losses in the American steel industry are necessary byproducts of what the economist Joseph Schumpeter called the "process of creative destruction." I disagree. They are the result of uncreative disinvestment strategies by those who have been more interested in short-term corporate profits than long-term steel productivity.

Rather than creatively investing in more efficient technologies, American steel corporations for two decades have been shifting their capital assets to nonsteel investments because of greater short-term returns on investment. While Japan was adopting the latest basic oxygen furnace technology, the United States steel industry was making investments in hotels chains. As a consequence, the American steel industry today is having to close its outmoded facilities, and is concentrating only on the remaining profitable plants and product lines. In my own district, United States Steel has projected that by the end of the decade it will shut down the aging Fairless Works open hearths and will import semifinished slabs for the plant's "finishing end."

For workers and their families and communities, the consequences of this uncreative disinvestment are evident. We know that steelworkers who lose their jobs because of a plant closing are still earning 46 percent less in their new jobs several years after the plant shutdown. We know that steelworkers and their families suffer serious physical and health problems when their employers suddenly shut down operations. And we know that the community as a whole experiences a loss in tax revenues and a resultant deterioration in its social infrastructure, which adversely affects productivity in other firms within the community.

I recommend to my colleagues the following essay by Mr. Lynn R. Williams, the president of the United Steelworkers of America. As Mr. Williams points out, industrial change should not occur by a process of destruction because "the cost of that destruction, in terms of human misery and wasted talent, is one the Nation cannot afford." Instead, the path of "creative construction" should be followed, whereby "labor, management, financial institutions and Government work together to solve issues that are too large for business or labor to grapple with independently."

Mr. Speaker, Mr. Williams' remarks follow:

[From the New York Times, Sept. 2, 1985]

THE ROAD TO INDUSTRIAL REBIRTH

(By Lynn R. Williams)

PITTSBURGH, PA.—As everyone knows, foreign competition and technology are fundamentally changing the American economy. As an instrument of progress, change is welcome. But change becomes a problem when it occurs as a series of shocks, causing massive dislocation. It is this form of change we have experienced in America's steel industry and in the broad basic manufacturing sector of the economy.

Some people adjust easily to change, and others don't. Take capital and labor. Capital enjoys mobility; labor doesn't. The investor can move his capital without leaving his telephone. He can shift it from mature industries to growth industries, from low-tech to high-tech. An investor can hedge his bets and maintain a diversified portfolio.

How simple economic change would be if the worker could do the same—if he or she could move from an industry in recession to an expanding one, from an obsolete technology to the leading edge.

But for the worker who's invested 10 or 20 years in a steel mill or other manufacturing plant the skills of one career are not easily transferred to another. The worker's entire investment is destroyed overnight and he has to start all over again, not from scratch,

but from a deep hole. He has a family to take care of and mortgage payments to meet.

The issue is not change but whether change will occur constructively, restoring our industries to health while caring for the needs of those who have been wounded. In the steel industry alone, 236,000 workers have lost their jobs since 1979. These are not just statistics; these are men and women left without a future. These are entire communities disintegrating.

The shocks have been intensified by unsound public policies: the failure to enforce trade laws, leaving the domestic market open to a flood of imports from government-subsidized producers; monetary and fiscal policies that have created a trillion-dollar national debt, high real interest rates, and an overvalued currency, and shrunken profits for companies competing in the international arena.

What's needed now is a cooperative arrangement whereby labor, management, financial institutions and government work together to solve issues that are too large for business or labor to grapple with independently. Our agenda should include:

Efforts to establish a level playing field in international trade, neutralizing foreign government subsidies and restrictive trade practices.

Tax incentives and government guarantees on loans by banks and financial institutions to companies committed to investing in modernization of plants and equipment.

Effective job retraining and relocation programs in those areas where restructuring means loss of jobs.

Equally important, we need dynamic management that is willing to innovate, to apply new technologies, new purchasing and marketing strategies and new organizational structures. We need, too, a modern labor union—one that will develop a healthy dialogue with management based on a full understanding of the realities of the business world.

This is the approach my union is taking. We have worked with management to develop new organizational structures to increase productivity. And we have been willing to make sacrifices. When necessary, steelworkers have accepted cuts in wages and benefits. We've exchanged wages for stock. We're interested in having a voice in our industry's future.

America will be the winner if management and labor continue to talk. If management seeks to turn back the clock—replacing collective bargaining with dictation, negotiation with confrontation—America will be the loser.

There are those who look at the jobs we've lost and dismiss the loss as a necessary byproduct of what the economist Joseph Schumpeter called "creative destruction." But the cost of that destruction, in terms of human misery and wasted talent, is one the nation cannot afford.

The alternative path is one of "creative construction." This path will lead to industrial rebirth, and it must be traveled together by labor, management, financial institutions and government. At the end lie greater productivity, greater prosperity and greater security.

A MEMORIUM TO BLAIR LEE III

HON. ROY DYSON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 30, 1985

Mr. DYSON. Mr. Speaker, I rise today to honor the memory of a great American and fellow Marylander, Blair Lee III.

Blair Lee's life, and the legacy he leaves behind, is a rich testament to the power of conviction. Forever the optimist, Mr. Lee tackled the challenges of public service with passion and probity—giving his all to the people and the State he so dearly loved.

I will always remember Blair as a kind and generous man, who, guided by his conscience, set an example of sound judgment and sure leadership for which all of us in Maryland can be proud.

Among Mr. Lee's many lasting contributions to Maryland, perhaps none is more important than in the field of education. Through Mr. Lee's diligent efforts, great improvements were made in the formula for distributing State funds, bringing equity and excellence to Maryland's public school system. Moreover, as a member of the University of Maryland's Board of Regents, Blair Lee was instrumental in enhancing the quality and stature of higher education in Maryland.

Typical of his lifelong commitment to the principle of equality of opportunity, Mr. Lee, while serving as Governor of Maryland, took the historic step of appointing both the first black and the first woman to sit on Maryland's highest court, the court of appeals. Here, as in so many other of his endeavors, Blair Lee acted not out of a sense of self interest, but rather out of an unwavering devotion to justice.

So, Mr. Speaker, it is with a sense of heartfelt pride that I reflect upon the life of a truly great American, Blair Lee III. A giving public servant and fine family man, Blair Lee's memory will long endure. And for those of us whose lives he touched, he will be greatly missed.

TIMELY SHOW OF STRENGTH

HON. DAVID DREIER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 30, 1985

Mr. DREIER of California. Mr. Speaker, on October 10, President Reagan succeeded in capturing the hijackers of the *Achille Lauro*. At the same time, the President took a significant step toward restoring international confidence in America's ability to defend the citizens of the free world.

Along this very line, the San Gabriel Valley Tribune reprinted a pertinent essay from the Northern Territory News in Australia recognizing American's leadership role. I commend this article to my colleagues as a statement of our country's commitment to stand up to international terrorism and defend the democratic liberties we hold so dear.

[Reprinted from Northern Territory News, Australia]

TIMELY SHOW OF STRENGTH

The American stance on the four hijackers of the Italian cruiser, Achille Lauro, is as belated as it is welcome.

The Egyptian plane ferrying the hijackers to an Arab sanctuary was forced to land at a NATO base in Sicily by American jet fighters. The terrorists will now face trial for murder, either in Italy or in the United States.

It was high time Americans did show some backbone in their dealings with terrorists. A lot of talk and no action does not deter the kind of lunatics who murder peaceful passengers on a Mediterranean cruise.

But a taste of their own medicine may. So far President Reagan and his advisers have shown extreme reluctance to use the power under their command. The mightiest nation on earth has often been made to look impotent or foolish or both in the face of extreme provocation by a ragbag of international murdering gunmen.

America has been mesmerized by its failure in Vietnam and has failed to realize that it has a very clear responsibility to act decisively in support of its own interests and the interests of its citizens.

As a result of this failure Americans everywhere are at risk of attack by anyone with a grudge against the United States.

And it is never easy to define precisely what the nature of the grudge is. It ranges from "imperialism" to "capitalist oppression" to "support for Israel" or any number of "causes" that have become fashionable over the years.

Anything will do as long as it humiliates America and embarrasses its allies.

Sometimes, sadly, the Americans themselves have given the distinct impression that they have lost the necessary confidence and faith in their own convictions and in what their nation represents.

For too long it has listened to those who claim that wealth is guilt and freedom a sin.

But the United States represents liberty, prosperity and democracy, and the rest of the world would do well to remember that, without the Americans, we would all be living under the loathesome boot of totalitarian dictatorships, be they communist or fascist.

Indeed many of the underdeveloped countries that seem to delight baiting America in the councils of the world survive only because of American handouts and American subsidies.

For these and other reasons many people in the free world will have reacted with a sigh of relief at this show of strength. About time.

HONEY MILLER—A LEADER IN QUEENS

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 30, 1985

Mr. ACKERMAN. Mr. Speaker, I rise today in tribute to a very special woman, Mrs. Honey Miller, of Queens, NY, who is being honored for her extraordinary charitable and political contributions by the Eastern Queens Women's Democratic Club this Saturday, November 2, 1985.

Honey Miller has been a political leader in eastern Queens for two decades. She has been district leader for 14 years, and has served as an assistant to the Queens Borough president. Her inspiring activism has led her to a variety of roles, including a term as the downstate chairperson of the Women's Democratic State Committee. She has led Eastern Queens Democrats in many tough battles.

Mr. Speaker, Honey Miller's contributions to the Queens community has gone far beyond political partisanship. She has served as president of the Douglaston chapters of Cancer Care and the B'nai B'rith, and took part in a campaign to locate missing children. She has also been actively involved with local civic issues, fighting for a new nieghborhood library and better city services. By speaking up when others were silent and by working when others had given up a cause, Honey Miller has earned the appreciation of all of us.

I have always been amazed at the effect that a few dedicated men and women can have in a community. Honey Miller is one such woman. Whether it is a cause that we can all join—like the life-and-death struggle with cancer—or a personal commitment to the political and civic activities in her community, Honey Miller's contributions have stood out as a mark against which we can all be measured. I am proud to call her my friend.

Mr. Speaker, I call on all my colleagues in the U.S. Congress to join me in congratulating the Eastern Queens Women's Democratic Club "Woman of the Year," Honey Miller, and in wishing her the best of luck as she continues to make eastern Queens a better place in which to live.

RESOLUTION TO HONOR FRANCIS SCOTT KEY

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 30, 1985

Ms. OAKAR. Mr. Speaker, I am pleased to sponsor a resolution which would authorize establishment of a memorial to honor Francis Scott Key.

Many Americans have paid tribute to our great Nation while singing the verses of "The Star Spangled Banner". Few, however, know much about the man who wrote the inspiring poem "The Defense of Fort McHenry," which was soon put to music and adopted as our national anthem in 1931.

Francis Scott Key, was a young lawyer from Washington, DC. In 1814, while on a mission of mercy, in which he freed an aging physician captured by the British, Key was arrested. All night long, while under guard, he witnessed "the bombs bursting in air" over Fort McHenry. Early the next morning he saw our Star Spangled Banner was still flying, signaling the defeat of the British. Key was very moved by the sight of our flag, and captured that historic moment with his stirring words which every patriotic American knows.

This memorial would publicly honor and recognize the contribution that Francis Scott Key has made to our national heritage.

TRIBUTE TO JOSEPH E. FAY

HON. JOSEPH J. DioGUARDI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 30, 1985

Mr. DIOGUARDI. Mr. Speaker, I rise today to announce the election of Joseph E. Fay to the position of national grand treasurer order, Sons of Italy in America. Mr. Fay has tremendous dedication to the betterment of mankind both locally and nationally. His election is a fitting tribute to his wisdom and experience. Italian-Americans should be greatly honored to have such an outstanding man within our community.

On Friday, November 1, in Pelham, NY, there will be a dinner and dance acknowledging his newly elected national post.

I extend my fullest congratulations and wish Joseph the best of luck in ali of his endeavors.

THE 20TH ANNIVERSARY OF THE CLEVELAND JOB CORPS CENTER

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 30, 1985

Mr. STOKES. Mr. Speaker, I take this opportunity to salute the Cleveland Job Corps Center on its 20th anniversary. Alpha Kappa Alpha Sorority, Inc. has served as the contractor for the center since it was established in 1965 in my hometown, the city of Cleveland, OH.

On November 1, 1985, the national president of the sorority, Ms. Faye Bryant, the board of directors, and residents of the Cleveland metropolitan area will celebrate the center's 20th anniversary. On behalf of the residents of the 21st Congressional District, I salute the center staff and the sorority on this significant occasion.

It has been my pleasure to work closely with the center staff through the years. Under the strong leadership of its former directors, Mrs. Mary Chambers and Dr. Zelma George Watson, the Cleveland Job Corps Center made an indelible mark on thousands of young men and women. Under the leadership of its current executive director, Mrs. Jeanne Walker, the center staff continues this tradition of excellence both to its students and the Cleveland community, at large.

As the center celebrates its 20th anniversary, it is an appropriate time to reflect on the achievements of its staff and graduates. The Cleveland Job Corps Center has the distinction of being one of only two centers operated by a women's organization.

This particular center has a proven track record of success. Since opening its doors in 1965, the center has served over 19,000 young men and women. There are more than 8,000 graduates of the Cleveland Job Corps Center. Many of those graduates have continued their education in advanced vocational schools, colleges, and military service. Ultimately graduates have assumed positions in various fields ranging from public schoolteachers, to law enforcement officers to bank officers.

To meet the growing demands of the students, the center staff and facility have also grown. The center has increased its capacity from 325 young women to its present capacity of 530 young women and men. During its 20-year span of service, the center staff moved from a 6-story facility to its present 11-story building in the University Circle area of Cleveland.

Mr. Speaker, in addition to serving the students, the Cleveland Job Corps Center has made an indelible mark on the community. The center staff have spent over $100 million in the greater Cleveland community through goods and services purchased from local businesses. Many Cleveland and 21st District residents have benefited from the programs and training they received at the center.

Mr. Speaker, it is a special pleasure to use this occasion, the 20th anniversary of the Cleveland Job Corps Center, to acknowledge the numerous accomplishments of the center and its dedicated staff. The center has been a lifeline and a beacon of hope to the students it has served and to the people of the 21st Congressional District. At this time, I ask my colleagues to join with me in saluting the Cleveland Job Corps Center on the occasion of its 20th anniversary.

EASTERN CARIBBEAN CENTER

HON. RON de LUGO

OF THE VIRGIN ISLANDS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 30, 1985

Mr. DE LUGO. Mr. Speaker, last year I introduced legislation to authorize funding for an Eastern Caribbean Center at the College of the Virgin Islands. This year I am joined by my colleagues, Mr. FOLEY, Mr. BARNES, Mr. GRAY of Pennsylvania, Mr. GARCIA, Mr. ALEXANDER, Mr. RANGEL, Mr. HUTTO, Mr. LAGOMARSINO, Mr. BEREUTER, and Mr. O'BRIEN, in introducing legislation which would accomplish the same.

The Eastern Caribbean Center would be developed to provide the educational and technical resources needed in the small island nations of the eastern Caribbean chain. These small islands, an afterthought in the planning of the Caribbean Basin Initiative, came to the country's collective attention when President Reagan decided to respond to requests made by neighboring islands asking that United States invade Grenada, an island which was rapidly being subsumed by Communist forces from without. Now that the country has taken this firm step in the region, we need to focus our attention on assisting each of the east-

ern Caribbean nations in their struggle for economic viability.

A 1984 study by the General Accounting Office found that between 1972 and 1982 the Soviet Union, other Warsaw Pact countries and Cuba significantly stepped up their all-expense paid scholarship aid for students from the Caribbean and Latin America, by 205 percent. Meanwhile, the United States has decreased its government-sponsored aid by 52 percent. The impact of this educational assistance must not be overlooked.

The College of the Virgin Islands is already playing a small role in countering the impact of this focus by Communist governments. I have met a number of entrepreneurs and government officials from newly independent eastern Caribbean nations who have trained in the Virgin Islands. By way of example, the newest nation is St. Kitts and Nevis, and the Minister of Agriculture is a graduate of the College of the Virgin Islands. This means that the gentleman is the alumnus of an American, as opposed to a Soviet, institution. The impact on his perspective should go without saying. Furthermore, the impact on his ability to respond to the particular agricultural needs of that island nation is probably greater. This latter point serves for mainland United States institutions as well. The College of the Virgin Islands has focused its curriculum on the specific needs of small Caribbean islands. It has amassed a body of expertise on the needs of these islands that is hard to find in other institutions.

I did not push the proposal introduced last year because I wanted the College of the Virgin Islands to develop a complete proposal for developing the Eastern Caribbean Center. This it has done. The center is roughly modeled on the east-west center in Hawaii. Its bent is more technical, however, and its plan includes the hands on response to skills needed to avert crises. I think the proposal demands you attention, and your support.

There is an aspect of this proposal that I am particularly interested in encouraging. The U.S. Virgin Islands, as I noted, is pleased with its status as an American jurisdiction. What would make the people of the islands take more pride in this status is to be given a role in the country's foreign policy in the region. Thus far, Virgin Islanders have served in three wars and can claim one U.S. Ambassador as a native son. I cannot understate the enthusiasm that would attend the Federal Government's recognition of the role we are uniquely positioned to play in the eastern Caribbean.

THE PRESIDENT'S SPEECH TO THE U.N. GENERAL ASSEMBLY

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 30, 1985

Mr. ROTH. Mr. Speaker, I would like to take this opportunity to commend President Reagan for his inspiring address last Thursday before the U.N. General Assembly. The President of the United States speaks for all Americans when he declares that we champion freedom not only because it is practical and beneficial, but because it is morally right and just. Each of us believes as the President that:

Free people, whose governments rest upon the consent of the governed, do not wage war on their neighbors. Free people, blessed by economic opportunity, and protected by laws that respect the dignity of the individual, are not driven toward the domination of others.

The President correctly points to Ethiopia as one of the countries in this world that abridges the freedom of its people. Chairman Mengistu's Marxist-Leninist crusade, wholly supported by Soviet and Cuban troops, sentences the lives of Ethiopians to a reign of terror. As Assistant Secretary Chester Crocker testified on October 16:

Ethiopia remains bereft of the most basic legal, political, and social freedoms. This deplorable human rights situation exists because Chairman Mengistu and a small group of associates wield ultimate power through intimidation and arbitrary arrest, and maintain complete control over all aspects of Ethiopian life. There is no free press, no independent means of political participation and no independent judiciary.

In Ethiopia, the United States has launched the single, largest relief effort in Africa's history. Our top priority has been to feed as many starving Ethiopians as possible. In stark contrast, the priorities of Ethiopia's Government are to: First, wage civil war against its people, second, feed the urban populations, where it derives its support, third, forcibly relocate 1.5 million Ethiopians 400 to 600 miles from their homes, and, fourth, feed the starving. In no uncertain terms, the Ethiopian Government has played a significant role in the creation, maintenance, and expansion of the present famine.

The United States has supplied over 460,000 metric tons of food to Ethiopia, feeding close to 4 million people. Meanwhile, the Soviet Union and Cuba have supplied 1,700 advisers, 2,500 troops, and $4 billion in weapons.

President Reagan calls for a process of negotiaiton, the withdrawal of foreign troops, and national democratic reconciliation in Ethiopia. Furthermore, the President commits that until these negotiations produce definitive progress, America's support for struggling democratic resistance forces must not and shall not cease.

Up until now, United States support in Ethiopia has been limited to emergency economic assistance to the starving suffering under Chairman Mengistu. It's time for us to lend support for the Ethiopian democratic resistance forces within the country and in exile along Ethiopia's borders. Many of us in Congress believe that now is the time to help democracy's call in Ethiopia. Many of us dare to believe that liberty and the torch of peace can be achieved in Ethiopia; 200 years ago, Bertrand Barere warned: "The tree of liberty grows only when watered by the blood of tyrants." The rains are returning to the parched Ethiopian plains, nurturing with it a harvest of unrest.

TRIBUTE TO MAESTRO MARTIN CANELLAKIS

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 30, 1985

Mr. SCHEUER. Mr. Speaker, I would like to take this opportunity to bring to the attention of my colleagues the many accomplishments of Martin Canellakis as he leaves his position as music director of the Queens College Orchestral Society. His 10 years of service as maestro have won him the abiding respect and affection of the members of the society.

Beginning his early musical studies at the piano in Tientsin, China, where he was born in 1942 of Greek-Russian parents, Martin Canellakis grew up in Australia and France. As a teen, Mr. Canellakis received highest honors as a pianist at the prestigious Ecole Normale de Musique in Paris. In 1960, he came to the United States to further his musical education and was graduated from the Julliard School, where he pursued both piano and conducting studies.

Mr. Canellakis has worked with such noted figures as Jorge Mester, Sixten Ehrling, Leon Barzin, Walter Susskind, and Carl Bamberger at the Mannes College of Music, where he received the Carolyn M. Perera Award in orchestral conducting. At the age of 24, he founded and conducted the Peabody Chamber Orchestra and was invited to guest conduct the Baltimore Symphony in the Rockefeller Project for American Music. He has appeared on NET television conducting the National Orchestral Association, and has conducted orchestral ensembles at the Meadow Brook, Aspen and Southern Vermont Music Festivals. For nine seasons, he was music director of the Brooklyn Symphony Orchestra and, during the 1981–82 season, he guest conducted the Westchester Symphony Orchestra and made several appearances with the Eglevsky Ballet. He received critical acclaim for his concerts with the Queens College Orchestral Society in performances at New York's Lincoln Center. Mr. Canellakis is currently in his third season as music director of the Westchester Symphony Orchestra.

Mr. Canellakis has also established an international reputation, conducting in Denmark and Italy, and he has been guest conductor of the Jerusalem Symphony Orchestra in Israel.

In his tenure as music director, Mr. Canellakis has raised the musical standards of the Queens Orchestral Society to new heights, providing the Flushing community and the rest of Queens County with a superb quality of music. In addition, he has served the educational and outreach goals of Queens College—a component of the City University of New York.

Although his students, friends and neighbors regret the fact that he will be leaving his position with the Society, I am pleased to note that Maestro Canellakis will not be leaving the cultural confines of the Eighth Congressional District entirely. He will continue to serve as a member of the faculty as Queensborough Community College in the Oakland Gardens section of Queens and remain music director of the Queensborough College Orchestra.

PERSONAL EXPLANATION

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 30, 1985

Mr. CONTE. Mr. Speaker, during the second vote on the Frank amendment to the defense bill today which took place in the House prior to final passage, I was unable to make that vote because I was in a meeting regarding another appropriations bill. Had I been present I would have voted "aye" as I did in the Committee of the Whole when Mr. FRANK offered the amendment.

THE NUCLEAR FREEZE: A PHYSICIAN'S VIEW

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 30, 1985

Mr. UDALL. Mr. Speaker, since the nuclear freeze movement began 3 years ago, there is still no progress with nuclear arms talks. I have been and remain hopeful that negotiations in Geneva will bring forth success, but there is no agreement in sight. To bring about nuclear arms control, I remain convinced that we need to implement a negotiated, bilateral and verifiable nuclear freeze. For every year that the arms race continues, billions of dollars are spent on arms that could otherwise be spent on critical human needs.

Dr. Andre Bruwer, a professor at the University of Arizona and chairman of the Southern Arizona Chapter of Physicians for Social Responsibility, has written an article on this subject for the August 2, 1985, edition of JAMA, the Journal of the American Medical Association. In this article, Dr. Bruwer draws an interesting parallel between the treatment of cancer and the search for a solution to the nuclear arms race. In doing so, he illustrates the desperate need for a nuclear arms freeze. He might have added that the money saved as the result of a freeze could be used for such causes as cancer research and treatment. It is compelling reading and I insert it in the RECORD at this time.

THE NUCLEAR WEAPONS FREEZE AND A CANCER METAPHOR—A PHYSICIAN'S VIEW

(By Andre Bruwer)

As a physician I am intrigued by the brilliant logic of the idea of a bilateral nuclear weapons freeze by the nuclear superpowers. It offers the promise of an inspiring start to a scaling down of the nuclear arms race, unencumbered by intellectually contorted strategies such as the so-called build-down proposal or by the frantic addition of more and more missiles so their elimination may be negotiated.

The language of the freeze proposal calls on the leaders of the Soviet Union and the United States to work toward the adoption of an immediate, verifiable, mutual freeze of the testing, production, and deployment of nuclear weapons and their delivery systems.

Why does such a concept appeal to a physician? Let me try to explain.

Politicians are fond of using medical metaphors. We have heard about bombing another country with "surgical precision." We have been urged to "quarantine" an unfriendly nation. We have been warned not to use "Band-Aid measures" to solve serious social problems. Politicians might do well to adopt a cancer metaphor in relation to the nuclear arms race. They may then also come to understand that the metaphor of the freeze can be used in a therapeutic sense.

The arms race—and the nuclear arms race in particular—has often been characterized as a cancer invading human society. Uncontrolled, cancer kills by spreading in the tissues and through the bloodstream and lymph stream of the human organizm. It causes fear and discouragement and saps the strength and energy of the body in which it grows. Billions of dollars and research hours have been spent trying to find a cure for cancer. Although, from time to time, there are glimmerings of hope of a cure, cancer kills more people each year. The usual treatment offered a patient with incurable cancer is palliative, meaning that the physician can provide narcotics, chemotherapy, radiation, or mood-elevating drugs, or a combination of these methods.

The counterpart of these palliative standbys might, in the nuclear arms race, be seen as "deterrence," a method of defense or mutual intimidation, that has provided, for the past 40 years, a nervous peace that most people believe cannot last long unless major changes in thinking occur regarding concepts of living together on one planet.

In the case of human cancer, palliation will ususally make the patient's last few weeks or months of life more bearable. Sometimes it might even create the illusion of cure. But palliation will not cure those in whom the cancer has spread widely. Physicians do not live under such a misconception. Although they always hope for the best for their unfortunate patients, although they always try to be encouraging, they are realists. They do not mistake palliation for cure.

Let us now imagine that doctors throughout the world might be told, by some cosmic force, that if they so wished, they could achieve a cancer freeze. This would mean that they would be able to stop the process of cancer in all their afflicted patients on a mutually agreed-on date, simply by agreeing to do so. The cancer freeze would be universal. In every patient with cancer, the disease would be frozen in its tracks.

What would such a halt in the growth of cancer do for human beings? It would not cure any patients of their cancer, only stop the cancers from spreading further. Furthermore, and of equal importance, it would create time for immense amounts of research on cancer to continue and to flourish in an atmosphere of renewed hope and anticipation. Cancer scientists throughout the world would be heartened and inspired. Patients would be gratified and jubilant. Unfortunately—most unfortunately—doctors and their patients cannot be given such a chance.

In the case of the nuclear arms race, human beings now have a chance to stop the spread of this deadly social cancer, an opportunity to freeze the nuclear weapons race in its tracks. Such a freeze will not cure the cancer of the nuclear arms race. But it will allow people of all nations in the world to breathe a sigh of relief. People will find new hope. It will allow leaders time to work, in a positive atmosphere, toward the elimination of nuclear weapons. Leaders will be able to plan in a spirit of hope and encouragement.

There are doomsayers who say that the freeze, as a beginning of a return to sanity, is idealistic and unrealistic. One can remind them that there were those who lacked the courage and the vision to believe that a former inbred, inherent scourge of mankind, slavery, could be abolished.

Even human sacrifice was, at one time, part of human culture. There are also those who say that a universal nuclear freeze is not enough, that is does not diminish the arsenals.

Imagine the outcry, the indignant condemnation, if, in the case of our imaginary human cancer freeze, a leading physican were to say, "I oppose a cancer freeze because it is not enough." One cannot imagine any physican being so shortsighted and insensitive to the suffering of cancer patients.

But, whereas politicians have the opportunity of a nuclear weapons freeze for the taking, physicians and their patients will never be given a choice.

A bilateral nuclear weapons freeze is a courageous and inspiring idea. It would be a beginning, worthy of the memory of Hiroshima and Nagasaki.

EQUITABLE AUTOMOBILE TRANSPORTATION ACT OF 1985

HON. WALTER B. JONES

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 30, 1985

Mr. JONES of North Carolina. Mr. Speaker, this bill is intended to balance the support accorded by Japan to its maritime industry by requiring that an equal number of Japanese cars imported into the United States be transported on U.S. ships as on Japanese ships. For the purpose of this legislation, a Japanese ship includes vessels with at least four Japanese citizens among the ship's complement.

Under the present system, 86 percent of the 600 vehicle carriers operating in the world are owned, operated, or controlled by the Japanese interests. There is not one vehicle carrier registered under the U.S. flag.

More than two-thirds of these vehicle carriers are engaged in the lucrative United States-Japan trade, bringing some 1.9 million Japanese cars to our shores in 1984. The American public spent over $10.3 billion purchasing these cars. The American public is ultimately paying the transportation cost and yet the American maritime industry has no access to this service. I am

determined to see that we get a fair crack at it.

Let me assure my colleagues that this bill in no way abandons the free trade ethic to which our Nation has adhered. Under this proposal, 100 percent of the transportation service could be provided by carriers who are neither Japanese nor United States. However, if, as they have done historically, the Japanese choose to support their high cost merchant fleet by having U.S. car buyers pay the freight, then a like number of cars as are carried on Japanese ships will have to move on U.S. ships.

This bill will provide obvious benefits to our national security and economic well-being. The military establishment has long heralded the advantages of roll-on roll-off ships for use in areas without the sophisticated shoreside equipment necessary to service a containership.

In addition, there have been some indications that both the Japanese Government and Japanese automakers are willing to look closely at easing the access to the car-carrying market for U.S.-flag carriers. The bill I am introducing will help provide an avenue between our carriers and the fine Japanese automotive products that have become so popular in our country. We must not let our steadfast determination to set a laissez-faire example to the world leave our maritime industry without a cargo.

Finally, I urge my colleagues to join me in the promotion of our maritime industry by cosponsoring my bill. Together we can provide a strong and effective chorus of support for our merchant marine and the economy of our Nation.

FAMILY PLANNING

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 30, 1985

Mr. SCHEUER. Mr. Speaker, I rise in support of legislation introduced today by NANCY JOHNSON of Connecticut.

This legislation will amend the Foreign Assistance Act to require all Agency for International Development family planning grantees to provide clients with an accurate description of the effectiveness and risks of all major methods of family planning and institute a system of referral to family planning providers offering other methods.

A similar statutory provision has long been part of the law authorizing domestic family planning programs.

Providing a "cafeteria approach" to family planning is especially important for developing nations.

As we heard in testimony before the Science and Technology's Subcommittee on Natural Resources, Agriculture Research, and Environment, which I chair, the success of the natural family planning method depends upon the motivation of the couple, the quality of instruction the couple receives, and the followup by the instructor to ensure that the couple understands the method.

In order to make natural family planning effective an enormous amount of time-consuming training and supervision is required.

A recent article in Science pointed out that natural family planning is also very expensive—estimated at $473 per couple as compared to $31 per couple for other contraceptive users.

Other factors, such as poor health and hygiene, and widespread female circumcision render this method inappropriate for use in developing countries—such as those in sub-Saharan Africa—desperately in need of family planning assistance.

To allow AID to make exceptions and to fund family planning groups which exclude all methods of birth control other than periodic abstinence is not only medically unsound, it is insensitive and inappropriate in a region like sub-Saharan Africa where family planning resources are already stretched too thin.

I urge my colleagues to support this legislation.

CONGRESSIONAL SALUTE TO THE CHOPIN SINGING SOCIETY, INC. OF PASSAIC, NJ, UPON THE CELEBRATION OF THE 75TH ANNIVERSARY OF THEIR FOUNDING

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 30, 1985

Mr. ROE. Mr. Speaker, on Sunday, November 3, the Chopin Singing Society, Inc. of Passaic, NJ, will celebrate the 75th Diamond Jubilee of the founding of this most prestigious group of vocalists. I know you and our colleagues here in the Congress will want to join with me in extending our warmest greetings and felicitations to the distinguished members of the Chopin Singing Society, Inc. upon this most historic observance.

Mr. Speaker, at the outset let me commend to you the officers and directors of this highly talented choral group who throughout the past 75 years have served their membership and the people of our community with their dynamic vocal rhythm, melody and harmony. A roster of the Diamond Jubilee Committee, officers and members is, as follows:

CHOPIN SINGING SOCIETY, INC.

DIAMOND JUBILEE COMMITTEE AND OFFICERS

John A. Budzinski, General Chairman, Ball Chairman, President.

Stephen G. Stys, Honorary Chairman, Banquet Committee, Board of Directors.

Anthony A. Szal, Honorary Chairman, Sergeant-at-Arms.

Christopher C. Rendenna, Concert Chairman, Director.

Vincent Rendenna, Reception Committee, Vice President.

John Zaunczkowski, Journal Committee, Recording Secretary.

Anthony Nieradka, Treasurer.

Richard Daszczyszak, Banquet Committee, Financial Secretary.

Anthony Stelmach, Librarian.

Fred Siwiec, Librarian.

Mitchell M. Zak, Board of Directors.

Jerry Wlodarczyk, Board of Directors.

Stanley A. Kobylarz, Journal Committee, Board of Directors.

Reverend Gerard J. Sudol, Liturgy Committee.

Brent J. Iskra, Liturgy Committee.

Peter C. Eagler, Liturgy Committee.

Edward A. Blyskal, Reception Committee.

MEMBERSHIP

David Anderson; Tadeusz Bednarski; Stanley Bednarz, Sr.; Stanley Bednarz, Jr.; Fred Gill; Louis J. Gill, Sr.; Louis J. Gill, Jr.; Eugene Halka.

Henry Kilanowski; Walter Kobylarz; John Kraska; Arthur Lewandowski; Stephan Modrzynski; Zbigniew Niejadlik; Stanley Sloma; Thaddeus Szarawarski.

Thomas Tencza; Richard Vetanovetz; Edward B. Visocky; Gerald Wlodarczyk; Walter Wojcik; John Wolosz, Sr.; Edward Zak; Casey Ziemba.

Mr. Speaker, the Chopin Singing Society, Inc., of Passaic, NJ, is one of the oldest male independent choral groups still active in the United States. The society was officially organized on March 10, 1910 in honor of Frederic Chopin's 100th anniversary of his birth. Their first musical director was Edmund Sennert, whose family formed the core of the first chorus. Mr. Sennert led the group until he went to his eternal rest in 1951.

The society's first performance was in a commemorative program honoring Polish patriots who died in the revolt against Russian occupation in 1830. When World War I began, 75 percent of the active members joined either the newly organized Polish Legion or the Polish Army, while the remaining members kept the organization alive with fundraising drives, the most successful of which was for the Samaritan Hospital in Poland. After the armistice, the chorus resumed its primary function of promoting and maintaining Polish culture through song.

Some of the choir's earlier accomplishments included performing for the first time in America the opera "Halka," appearing in one of the acts of the opera "Il Trovatore" at the Montauk Theatre in Passaic, NJ, as well as being on the same program with Giovanni Martinelli at the Passaic High School in Passaic, NJ.

The Chopin Singing Society is a member of the Polish Singers Alliance of America—a choral organization comprised of six districts in North America.

With the passing of Edmund Sennert, the position of choral director was filled from the membership ranks by Edward Janiec, a protege of Mr. Sennert's.

Under Mr. Janiec's directorship, the chorus acquired distinction when they recieved the highest rating ever given a chorus in an International Choral competition of the Polish Singers Alliance of America. The society also achieved distinction by being the only chorus in the Polish Singers Alliance of America to win the coveted traveling Cardinal Hlond Trophy (a rare Polish coined trophy) three times—twice in succession. This prestigious award is presented every third year by the Polish

Singers Alliance of America to the best of approximately 35 Polish choruses.

A bulging trophy case at the Polish Peoples Home in Passaic, NJ, holds many proud reminders of the society's success in these competitions.

Although most of the songs in their repertoire are pre-World War II military or old folk, the Chopin Singing Society prides itself on its diversity of singing Latin and English, pop, classic and barbershop. In addition to performing at weddings, church services, social and community functions, festivals, concerts, and patriotic celebrations, the chorus also holds ther own annual concert in April and competes each spring with other Polish singing groups in regional and national choral contests. In all the society makes approximately 20 appearances per year. The choir also adds to its credits their two record albums "Polskie Kolendy"—Polish Christmas Carols—and "Songs of Poland."

In 1979 the Chopin Singing Society acquired a controlling interest in the Polish Peoples Home, their headquarters for the past 75 years. This grand, aging building is being restored by the members into a center for cultural and community activity.

The current musical director is Christopher C. Rendenna who was also chosen from the membership ranks after the passing of longtime leader Edward Janiec in July of 1984. During its long history the Chopin Singing Society has been led by only three choral directors.

Mr. Speaker, a gala celebration is planned at the Polish Peoples Home on Sunday afternoon, November 3, 1985 to culminate an anniversary year of outstanding programs bustling with activity for the chorus. A busy month of December 1984 consisted of performances at Christmas concerts and appearances at various church services in Nutley, Passaic, West Paterson, Clifton and Garfield, NJ. A feature article in the December issue of the Bergen Record "Close-Up" was followed by two singing appearances on the "Polonian Hour" on Meadowlands TV Cable 3 during the Christmas holidays. The Herald News and the Passaic Citizen's "View at the Top" continued into the New Year with stories of the society's long history. With their February 9 annual "Polka Nite Dance" and the Jimmy Sturr Band, the Chopin Singing Society began a year long celebration commemorating its 75th anniversary.

Mr. Speaker, we can indeed all gain strength from our heritage. The success of the Chopin Singing Society to endure throughout three-quarters of a century stems not only from its members' dedication and contribution to the community but also for its desire to never stray from their original purpose to promote and maintain Polish culture through song.

As a nation comprised of all people of all nationalities and regions throughout the world, each singularly, and rightfully so, proud of his or her individual heritage and united in common endeavor of freedom, justice, and a good life for all, we can most assuredly be proud of the exemplary achievements that the people of Polish heritage have contributed to America's greatness. The most artistic vocalists and masters of sound and musical selections of the Chopin Singing Society encourage and bring forth spontaneous participation and delightful relaxation and recreation to their audiences. Their Polish melodies bring inspiration and reflection on the wealth of wisdom, standards of excellence, and cultural enrichment that the people of Polish heritage have contributed to the quality of life and way of life here in America.

Mr. Speaker, as we join the Chopin Singing Society in celebrating their anniversary, we express appreciation for their talented artistry and musical performances which have brought joy and happiness to our people. Their outstanding contribution to the American way of life and the American dream has truly enriched our community, State, and Nation. We do indeed salute the Chopin Singing Society, Inc. of Passaic, NJ, upon the celebration and commemoration of their 75th Diamond Jubilee Anniversary.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, October 31, 1985, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

NOVEMBER 1

9:00 a.m.
Judiciary
To resume closed hearings on the nomination of Stanley Sporkin, of Maryland, to be U.S. District Judge for the District of Columbia.
Room to be announced

9:15 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold oversight hearings on the implementation of the Staggers Rail Act (P.L. 96-448).
SR-253

9:30 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on the financial condition of the farm credit system, and to discuss possible legislative remedies.
SR-328A

Finance
Health Subcommittee
To hold hearings on S. 1551, to provide for administrative appeals and judicial review under Part B of Medicare, and to review the beneficiary and provider appeals provisions under Part A and B of the Medicare program.
SD-215

Joint Economic
To hold hearings on the employment/unemployment situation for October.
SD-342

NOVEMBER 4

9:30 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To resume oversight hearings on the implementation of the Staggers Rail Act (P.L. 96-448).
SR-253

Labor and Human Resources
To hold hearings on the impact of space technology on human resources.
SD-430

NOVEMBER 5

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To hold oversight hearings on regional airlines.
SR-253

Rules and Administration
To hold hearings on S. 1787, to provide for public financing of Senate general election campaigns.
SR-301

10:00 a.m.
Appropriations
Business meeting, to mark up proposed legislation appropriating funds for fiscal year 1986 for the Department of Defense.
SD-192

Governmental Affairs
To resume hearings on matters relating to certain activities and decision making policies of the Deputy Director of the Office of Management and Budget.
SD-342

NOVEMBER 6

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Environment and Public Works
Transportation Subcommittee
To hold hearings to examine problems associated with construction of Hawaii Interstate H-3, including parkland protection issues.
SD-406

Judiciary
Security and Terrorism Subcommittee
To hold hearings on S. 1654, to provide for criminal forfeiture of proceeds derived from espionage activities and rewards for informants providing information leading to arrests in espionage cases.
SD-226

Judiciary
Administrative Practice and Procedure Subcommittee
Courts Subcommittee
To hold joint hearings on farm bankruptcy.
SD-628

2:00 p.m.
Commerce, Science, and Transportation
Communications Subcommittee
Science, Technology, and Space Subcommittee
To hold joint hearings on the space world administrative radio (WARC).
SR-253

Judiciary
To hold hearings on pending nominations.
SD-226

NOVEMBER 7

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on insurance and space commercialization.
SR-253

10:00 a.m.
Armed Services
Defense Acquisition Policy Subcommittee
To resume oversight hearings to review the status and impact of certain legislative provisions to reform the defense acquisition process.
SD-138

Select on Indian Affairs
Business meeting, to mark up S. 1684, to declare that the U.S. holds certain Chilocco Indian School lands in trust for the Kaw, Otoe-Missouri, Ponca, and Tonkawa Indian Tribes of Oklahoma, S. 1728, to authorize the Cherokee Nation of Oklahoma to lease certain lands held in trust for up to ninety-nine years, S. 1298, to coordinate and expand services for the prevention, identification, and treatment of alcohol and drug abuse among Indian youth, S. 1621, to revise the Indian Education Act Amendments of 1978, by defining the eligibility of children who attend the Bureau of Indian Affairs funded schools, and S. 1396, to settle unresolved claims relating to certain allotted Indian lands on the White Earth Indian Reservation in Minnesota.
SR-385

NOVEMBER 8

9:15 a.m.
Finance
Health Subcommittee
To hold hearings on a Department of Health and Human Services report on proposed reform of the Federal hospital insurance program (Medicare Part A) method of paying for capital costs.
SD-215

9:30 a.m.
Energy and Natural Resources
Natural Resources Development and Production Subcommittee
To hold hearings on S. 570, S. 372, S. 946, and S. 913, bills to improve the administration of the Federal coal leasing program, and other coal related issues.
SD-366

10:30 a.m.
Commerce, Science, and Transportation
To hold hearings on the nomination of Jennifer L. Dorn, of Maryland, to be Associate Deputy Secretary of Transportation.
SR-253

NOVEMBER 12

9:30 a.m.
Governmental Affairs
Permanent Subcommittee on Investigations
To resume hearings on espionage activities in the United States.
SD-342

10:00 a.m.
Judiciary
Administrative Practice and Procedure Subcommittee Courts Subcommittee
To resume joint hearings on farm bankruptcy.
SD-106

Labor and Human Resources
Employment and Productivity Subcommittee
To resume hearings on the impact of trade on employment and productivity.
SD-562

NOVEMBER 13

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold oversight hearings on LANDSAT commercialization.
SR-253

Labor and Human Resources
To hold hearings on nutrition and fitness in public health.
SD-430

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Select on Indian Affairs
To hold hearings on S. 1452, to settle certain Indian land claims in Gay Head, Massachusetts.
SD-628

NOVEMBER 14

9:30 a.m.
Commerce, Science, and Transportation
Business meeting, to consider pending calendar business.
SR-253

Governmental Affairs
Permanent Subcommittee on Investigations
To resume hearings on espionage activities in the United States.
SD-342

Governmental Affairs
Intergovernmental Relations Subcommittee
To hold oversight hearings on regulatory activities of the Office of Management and Budget.
SD-562

10:00 a.m.
Energy and Natural Resources
To hold oversight hearings on the President's July 8, 1985 National Defense Stockpile "modernization" proposal and its potential impact on the domestic mining industry.
SD-366

Labor and Human Resources
Education, Arts, and Humanities Subcommittee
Business meeting, to mark up proposed legislation authorizing funds for programs of the Higher Education Act.
SD-430

NOVEMBER 15

10:00 a.m.
Environment and Public Works
Toxic Substances and Environmental Oversight Subcommittee
To resume oversight hearings on ground-water level and use and on ground-water quality and flow in the United States.
SD-406

NOVEMBER 18

9:15 a.m.
Finance
Health Subcommittee
To hold hearings on the Federal supplementary medical insurance program (Medicare Part B) payments for physician services, focusing on efforts by the Department of Health and Human Services and others to assess the current payment mechanism and develop reform options.
SD-215

NOVEMBER 19

9:30 a.m.
Energy and Natural Resources
To hold hearings on S.J. Res. 192, to authorize financial assistance for the Northern Mariana Islands.
SD-366

10:00 a.m.
Commerce, Science, and Transportation
Business, Trade, and Tourism Subcommittee
To hold hearings on the promotion of domestic tourism.
SR-253

Office of Technology Assessment
The Board, to meet to discuss pending business.
EF-100, Capitol

NOVEMBER 20

9:30 a.m.
Labor and Human Resources
To resume hearings to examine certain barriers to health care.
SD-430

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Governmental Affairs
Energy, Nuclear Proliferation and Government Processes Subcommittee
To hold hearings on the 1985 Conferences on the Treaty on the Non-Proliferation of Nuclear Weapons and on the International Atomic Energy Agency.
SD-342

NOVEMBER 21

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To hold oversight hearings on aviation labor issues.
SR-253

Energy and Natural Resources
Energy Regulation and Conservation Subcommittee
To hold oversight hearings to review Federal Energy Regulatory Commission's Order 436, final rule and notice requesting supplemental comments on regulation of natural gas pipelines

after partial wellhead decontrol (Docket No. RM85-1-000).

SD-366

DECEMBER 3

10:00 a.m.
Labor and Human Resources
Children, Family, Drugs, and Alcoholism Subcommittee
To hold hearings on the issues of child-care, focusing on education, job training and the labor market.

SD-430

DECEMBER 10

10:00 a.m.
Energy and Natural Resources
Water and Power Subcommittee
To hold hearings on S. 1785, to amend the Garrison diversion project in North Dakota.

SD-366

Environment and Public Works
Toxic Substances and Environmental Oversight Subcommittee
To hold oversight hearings on environmental effects of global atmospheric warmings.

SD-406

CANCELLATIONS

OCTOBER 31

10:00 a.m.
Small Business
To hold oversight hearings on activities of the Small Business Administration's Office of Veterans Affairs.

SR-428A

HOUSE OF REPRESENTATIVES—*Thursday, October 31, 1985*

The House met at 10 a.m.

The Reverend Paul Durham, Radnor Baptist Church, Nashville, TN, offered the following prayer:

Dear Father in Heaven!

We thank You today for the blessings that You have been so kind to give that has made us to be a great nation. I pray for our President and his staff of our Nation as they labor each day for us.

Now Lord, this great House of Representatives, wilt Thou bless our Speaker and every Member as only You can do. I pray for wisdom and knowledge to be given to them, as they think, plan, pray, and vote on every issue that comes before them.

Dear God, may Your love abound with each and this love be so demonstrated that, so as goes the House, so goes our Nation, and also goes our world; that we will find love and peace with all Your people everywhere, and above all that we have peace with Thee. I pray this prayer in Your name.

Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. MACK. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. MACK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 267, nays 127, answered "present" 1, not voting 39, as follows:

[Roll No. 380]

YEAS—267

Ackerman	Aspin	Bevill
Akaka	Atkins	Biaggi
Alexander	Barnard	Boggs
Anderson	Barnes	Boland
Andrews	Bates	Boner (TN)
Annunzio	Bedell	Bonior (MI)
Anthony	Beilenson	Bonker
Applegate	Bennett	Borski
Archer	Berman	Bosco
Boucher	Hawkins	Pepper
Boxer	Hefner	Perkins
Breaux	Henry	Petri
Brooks	Hertel	Pickle
Broomfield	Hillis	Porter
Brown (CA)	Hopkins	Price
Broyhill	Horton	Quillen
Bruce	Howard	Rahall
Bryant	Hoyer	Rangel
Bustamante	Hubbard	Ray
Byron	Huckaby	Regula
Carper	Hughes	Reid
Carr	Hutto	Richardson
Chapman	Hyde	Rinaldo
Chappell	Jeffords	Ritter
Coelho	Jenkins	Robinson
Coleman (TX)	Johnson	Rodino
Combest	Jones (NC)	Roe
Conyers	Jones (OK)	Rose
Cooper	Jones (TN)	Rostenkowski
Coyne	Kanjorski	Rowland (GA)
Crockett	Kaptur	Rudd
Darden	Kastenmeier	Russo
Daschle	Kemp	Sabo
Davis	Kennelly	Savage
de la Garza	Kildee	Saxton
Dellums	Kleczka	Scheuer
Derrick	Kolter	Schneider
Dicks	Kostmayer	Schulze
DioGuardi	Lantos	Schumer
Donnelly	Leath (TX)	Seiberling
Dorgan (ND)	Lehman (CA)	Sharp
Dowdy	Lehman (FL)	Shumway
Downey	Levin (MI)	Sisisky
Dreier	Levine (CA)	Skelton
Duncan	Lipinski	Slattery
Dwyer	Livingston	Smith (FL)
Dyson	Long	Smith (IA)
Early	Lott	Smith (NE)
Eckart (OH)	Lujan	Smith (NJ)
Eckert (NY)	Luken	Snyder
Edgar	Lundine	Solarz
Edwards (CA)	MacKay	Spratt
English	Markey	St Germain
Erdreich	Martinez	Staggers
Evans (IL)	Matsui	Stallings
Fascell	Mavroules	Stark
Fazio	Mazzoli	Stenholm
Feighan	McCain	Stokes
Fish	McCloskey	Stratton
Flippo	McCollum	Studds
Florio	McCurdy	Stump
Foglietta	McDade	Synar
Foley	McHugh	Tallon
Ford (TN)	McMillan	Taylor
Fowler	Mica	Thomas (GA)
Frank	Michel	Torres
Franklin	Mikulski	Torricelli
Frenzel	Miller (CA)	Towns
Frost	Mineta	Traxler
Fuqua	Moakley	Valentine
Gejdenson	Mollohan	Vento
Gephardt	Montgomery	Visclosky
Gibbons	Moody	Walgren
Gilman	Moore	Watkins
Glickman	Morrison (CT)	Waxman
Gonzalez	Mrazek	Weaver
Gordon	Murphy	Weiss
Gradison	Murtha	Wheat
Gray (IL)	Myers	Whitley
Gray (PA)	Natcher	Whitten
Green	Nowak	Wirth
Guarini	Oberstar	Wise
Hall (OH)	Obey	Wolpe
Hall, Ralph	Olin	Wright
Hamilton	Ortiz	Wyden
Hammerschmidt	Packard	Wylie
Hansen	Panetta	Yates
Hartnett	Pashayan	Yatron
Hatcher	Pease	Young (MO)

NAYS—127

Armey	Barton	Billirakis
Badham	Bentley	Bliley
Bartlett	Bereuter	Boehlert
Boulter	Jacobs	Roukema
Brown (CO)	Kasich	Rowland (CT)
Burton (IN)	Kindness	Schaefer
Callahan	Kolbe	Schroeder
Carney	Kramer	Schuette
Chandler	Lagomarsino	Sensenbrenner
Chappie	Latta	Shaw
Clay	Leach (IA)	Shuster
Clinger	Lent	Sikorski
Coats	Lewis (CA)	Siljander
Cobey	Lewis (FL)	Skeen
Coble	Lightfoot	Slaughter
Coleman (MO)	Lloyd	Smith, Denny (OR)
Conte	Loeffler	Smith, Robert (NH)
Coughlin	Lowery (CA)	Smith, Robert (OR)
Courter	Lowry (WA)	Snowe
Craig	Lungren	Solomon
Crane	Mack	Spence
Dannemeyer	Madigan	Stangeland
Daub	Martin (IL)	Strang
DeLay	Martin (NY)	Sundquist
DeWine	McCandless	Swindall
Dickinson	McEwen	Tauke
Dornan (CA)	McGrath	Thomas (CA)
Durbin	McKernan	Traficant
Edwards (OK)	McKinney	Udall
Evans (IA)	Meyers	Vander Jagt
Fawell	Miller (OH)	Volkmer
Fiedler	Mitchell	Vucanovich
Fields	Molinari	Walker
Gallo	Monson	Whitehurst
Gekas	Moorhead	Whittaker
Gingrich	Morrison (WA)	Wolf
Gregg	Nielson	Young (AK)
Grotberg	Oxley	Young (FL)
Gunderson	Penny	Zschau
Hayes	Pursell	
Hendon	Roberts	
Hiler	Roemer	
Holt	Rogers	
Ireland	Roth	

ANSWERED "PRESENT"—1

Dymally

NOT VOTING—39

Addabbo	Gaydos	Oakar
AuCoin	Goodling	Owens
Bateman	Heftel	Parris
Burton (CA)	Hunter	Ridge
Campbell	LaFalce	Roybal
Cheney	Leland	Shelby
Collins	Manton	Sweeney
Daniel	Marlenee	Swift
Dingell	Miller (WA)	Tauzin
Dixon	Neal	Weber
Emerson	Nelson	Williams
Ford (MI)	Nichols	Wilson
Garcia	O'Brien	Wortley

□ 1015

So the Journal was approved.

The result of the vote was announced as above recorded.

REV. PAUL DURHAM, RADNOR BAPTIST CHURCH, CHAPLAIN OF THE DAY

(Mr. BONER of Tennessee asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BONER of Tennessee. Mr. Speaker, I would like to extend a warm welcome to my good friend, the Reverend Paul Durham from Nashville, TN, and to thank him for offici-

ating in the opening prayer today in the U.S. House of Representatives.

His accomplishments are worth noting. He is the Reverend of the Radnor Baptist Church in Nashville, 2,500 members strong and the fastest growing church in Nashville for 2 consecutive years.

He oversees a senior citizens housing unit, a Baptist academy, a Baptist child care facility, and a "before and after school program" for working mothers.

He is an executive board member of the Cystic Fibrosis Foundation, the Tennessee Baptist Convention, the Nashville Baptist Association, and is active in several other community projects.

Included in all this, he has been married to his lovely wife Nadene for 32 years and has raised four sons. He is now the proud grandfather of three girls.

He has become a successful investor in the middle Tennessee area and is either the chairman of the board or owner of several corporations.

His generosity is well known and I am proud to call him a friend. Once again, on behalf of my colleagues, I welcome Rev. Paul Durham and thank him for honoring us this morning.

THE HONORABLE JOHN DAVIS LODGE

(Mr. McKINNEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McKINNEY. Mr. Speaker, it is with a sense of deep personal, as well as national, loss that I announce to the House the sad death of John Davis Lodge, a former colleague of ours from 1947 to 1950, and a predecessor of mine in the Fourth Congressional seat of the State of Connecticut.

Connecticut and our Nation lost an incredible public servant. Few men have served in so many capacities. Not only was John Davis Lodge a Congressman, he was Governor of the State of Connecticut. He was Ambassador to Spain, Ambassador to Switzerland, Ambassador to Argentina, Representative to the United Nations, and was, in fact, a Strike Force Ambassador for President Eisenhower for many years.

□ 1025

But John Davis Lodge left his mark on the average man in Connecticut also. At a time when nobody would confront the necessity of building I-95 through southern Connecticut, Governor John Davis Lodge did it, even though he knew his own political party would rebel against him.

John Davis Lodge was bested by no one in his love for his country, his respect for its system of government, and his feisty hate of the dangers communism presents to the free world. The last time he was in my office was to talk about where he could go to continue to work for his country. On the night he died, John Davis Lodge delivered a speech to the New York Republican Club blasting the continuing threat of international communism. He died almost immediately thereafter.

I think, quite frankly, Mr. Speaker, that John is smiling down on us now, saying, "I blasted those Commies once more, and then I went to my Lord."

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 3036, TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT APPROPRIATIONS ACT, 1986

Mr. HOYER. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight to file a conference report on the bill (H.R. 3036) making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending September 30, 1986, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF HOUSE JOINT RESOLUTION 127

Mr. COURTER. Mr. Speaker, I ask unanimous consent that the name of Congressman JAMES JONES of Oklahoma be removed as a cosponsor of House Joint Resolution 127.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 1626

Mr. WEISS. Mr. Speaker, I ask unanimous consent that my name be deleted as a cosponsor of H.R. 1626.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

GRAMM-RUDMAN—THE SON OF FRANKENSTEIN

(Mr. ALEXANDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ALEXANDER. Mr. Speaker, today is Halloween, and it is an appropriate date to celebrate the Gramm-Latta bill because it is a Frankenstein. It was enacted in 1981 and has produced the largest deficit ever before recorded in the history of the world.

That deficit was funded by foreign money which has encouraged a flood tide of imports into our country that has produced the largest trade deficit ever before in the history of our country. Simultaneously, the inflated dollar has priced our farm products out of world competition, and today there is a hearing in order to bail out the Farm Credit System under which I am told the farmers owe about $213 billion.

Now there is another Frankenstein called Gramm-Rudman, which may be the son of Frankenstein, and it offers to us another horror that would duplicate the Frankenstein on the Gramm-Latta Act of 1981. It has horrified the Secretary of Defense.

Mr. Speaker, what is needed is the treat of Presidential leadership, not the trick of Gramm-Rudman that will produce the son of Frankenstein for Halloween of 1985.

THE GRADISON DEFICIT-REDUCTION AMENDMENT

(Mr. LOTT asked and was given permission to address the House for 1 minute.)

Mr. LOTT. Mr. Speaker, I rise first to urge my colleagues to vote against the previous question on the rule we will be taking up after the 1-minute speeches today. That is the rule on the Ways and Means reconciliation package, H.R. 3128.

This rule is unfair. It does not allow several very crucial amendments to be made in order under that rule and to be voted on by our colleagues.

The Gradison amendment that was requested would actually, according to CBO estimates, save about $1 billion that would be cut from this reconciliation. The Health and Human Services Department says that figure actually would be closer to $2.3 billion.

Also the Moore amendment that was offered in the Committee on Ways and Means was defeated by an 18–17 vote and was not made in order. This amendment also would save money on the hospital D.R.G.'s.

Mr. Speaker, I ask the Members to defeat the previous question. Let us make these important amendments in order for consideration in the House.

Many colleagues have been asking about what the schedule is going to be after this reconciliation bill today, tonight and tomorrow. Nobody knows, but I tell the Members what should be voted on tonight or certainly by tomorrow, and that is the Gramm-Rudman deficit-reduction package. The conferees have had 2 weeks now, and all we have had so far is a lot of jockeying, positioning, and demagoging. It is time that the conferees got together to bring a package to the floor of the House so that we can vote on Gramm-Rudman.

Mr. Speaker, we demand a vote on the Gramm-Rudman-Mack legislation tomorrow so that Social Security does not have to be disinvested.

THE DISINVESTMENT OF SOCIAL SECURITY TRUST FUNDS

(Mr. PICKLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PICKLE. Mr. Speaker, in hearings held by the Social Security Subcommittee yesterday, it was revealed that in September of this year, without any public notice or warning to the Congress, the Department of the Treasury began converting the Social Security trust fund reserves into cash, and using this money to pay benefits. At the same time the Treasury Department began using FICA tax receipts to pay the current operating expenses of the Federal Government. As a result, by tonight the Social Security trust funds will have been reduced from $37 billion to $8 billion, and they will be insufficient to pay Social Security benefits due in December unless Congress acts to raise the debt ceiling.

The administration has deliberately chosen to continue spending billions of dollars more than it receives each month, and, since it can no longer borrow these billions from the money lenders, it is misappropriating them from the Social Security trust funds.

This financial shell game by the administration is robbing the trust funds of interest payments to which they are legally entitled. Because the interest bearing Treasury bonds held by the trust funds are being drawn down, and will likely be reinvested at a lower interest rate, the trust funds face the loss of $1 to $2 billion in interest over the next 5 years.

Finally, this economic flimflam cannot help but undermine public confidence in the stability of the Social Security System.

Congress must act immediately to stop this outrage, to restore all the money taken from the trust funds, and to prohibit any administration from resorting to this kind of shameful bookkeeping trickery in the future.

GRAMM-RUDMAN-MACK PROMISES BUDGET DISCIPLINE

(Mr. McCANDLESS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCANDLESS. Mr. Speaker, the Gramm-Rudman-Mack proposal represents solid evidence that Congress may finally be willing to take decisive action to control the deficit.

Some of our colleagues have denounced this proposal as being too "radical."

Mr. Speaker, what is so radical about setting a ceiling and then gradually eliminating the deficit over a period of 5 years? The alternative is the inevitable economic crisis that awaits us if we continue to amass $200 billion deficits.

The Gramm-Mack proposal will inject some much-needed discipline into our budget process. Congress would no longer be able to avoid difficult decisions by funding new programs merely by adding to the deficit. Instead, new spending in one area will have to be offset by a reduction in another area or by an increase in revenues. Congress will be forced to reassess its priorities and will have to learn to live within its budget.

Perhaps this is a radical concept for some Members, Mr. Speaker, but it is a fact of everyday life for the average American and one that we must adopt.

Mr. Speaker, a vote on the Gramm-Rudman Act is essential today or tomorrow in order to prevent disinvestment of our Social Security System.

VA ADMINISTRATOR DUCKS HEARING ON GRAMM-RUDMAN

(Mr. MOLLOHAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOLLOHAN. Mr. Speaker, yesterday VA Administrator Harry Walters refused to appear before the House Veterans' Affairs Committee to tell us just how badly veterans would be hurt by the passage of the so-called Gramm-Rudman budget plan.

That is shocking and we should issue a subpoena demanding his appearance.

On the one hand, the administration is asking Congress to pass Gramm-Rudman while on the other, Administrator Walters—and I assume other administration officials as well—refuses to appear before Congress to tell Members and their constituents just how badly veterans and others are going to be hurt by Gramm-Rudman.

That is asking Congress to legislate in the dark—and we have an obligation to veterans, to seniors, to the poor and the country to legislate in the light of total understanding of the consequences of our actions.

The President asks us to move quickly with a piece of legislation which is broad in scope and uncertain in consequence. At a minimum the administration has a corresponding duty to advise and inform.

If Mr. Walters continues to refuse to testify before Congress, then I encourage the distinguished chairman of the House Veterans to subpoena Mr. Walters.

Mr. Speaker, just how dire are the consequences of Gramm-Rudman that the administration is trying to conceal them by this form of stonewalling?

□ 1035

THE TRICK OR TREAT BUDGET

(Mr. COBEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COBEY. Mr. Speaker, as we have been reminded already, this is Halloween and tonight millions of children will be going house to house saying "Trick or treat," a national tradition.

Well, we should remind ourselves that for 25 out of the last 26 years we have been playing a trick on our children, amassing an enormous debt and enormous deficits in those 25 out of 26 years.

We have a chance through Gramm-Rudman-Mack to play a treat on our children and give them some hope for the future.

I urge, in fact demand on behalf of the overwhelming majority of the people of this country that we get on with correcting this problem and pass this legislation that shows us an opportunity within 6 years to have a balanced budget and stop tricking our children and pay them a treat. This is the time of the year to do it.

TIME FOR U.S. GOVERNMENT TO TAKE DECISIVE AND COHERENT ACTION ON FREE TRADE

(Mr. PEASE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEASE. Mr. Speaker, it is high time the U.S. Government take decisive and coherent action to ensure that free trade will actually benefit the American people in the coming decades.

Free trade can no longer mean laissez-faire and inaction. The present administration's record is proof enough.

Today, I am introducing an omnibus bill of tough, pragmatic international trade legislation aimed at extending the U.S. Government's stewardship over the economy to the international sector. In view of current trends, if we do not act to improve the world's monetary system, curb the proliferation of unfair trade practices, and facilitate trade related adjustment in the domestic economy, we can expect Americans to give up on free trade.

My bill answers this challenge in a responsible way, a middle course between protectionism and the Reagan administration's policy of too-little-too-late.

VOTE ON GRAMM-RUDMAN TODAY

(Mrs. MARTIN of Illinois asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. MARTIN of Illinois. Mr. Speaker, the conferees to Gramm-Rudman have been working, but thus far to no conclusion. We are seeing amendments offered, often by people who oppose the whole concept of Gramm-Rudman and some dilatory long meetings, instead of bringing to the House floor the agreed upon between the House and the Senate versions of a bill and let us see if it can go up or down; but we have done things like that before. The difference this time is that we are holding hostage the senior citizens of the United States of America.

The choice that the Democrats are putting to senior citizens is no checks or disinvestment of the sacred Social Security trust funds.

Now, I say this to you, a majority of the people on Social Security are women. A majority of the people on Social Security depend on those checks.

What choice is the Democratic Party, the party that is sworn to uphold Social Security, offering—disenfranchisement or disinvestment? Let us vote on Gramm-Rudman today, at the latest tomorrow, and protect the senior citizens of America.

INGENIOUS DISINFORMATION ON SOCIAL SECURITY

(Mr. JONES of Oklahoma asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JONES of Oklahoma. Mr. Speaker, there has been some ingenious disinformation about what is happening or has happened to Social Security. We hear that the Social Security trust fund is going to be invaded tomorrow, if Gramm-Rudman is not voted on today.

We held hearings yesterday in the Social Security Subcommittee. The shocking fact is that the Department of the Treasury has already disinvested, they have already invaded the Social Security trust fund and the senior citizens of this Nation have had $14 billion of their reserve savings in the Social Security trust fund sold off and it is going to cost the Social Security trust fund over $300 million a year from now to the year 2000. That is shocking. That is a breach of fiduciary responsiblity to the senior citizens and the Department of the Treasury ought to be made to make this trust fund whole.

It was not caused by the conference on the debt ceiling. This was done with no notification whatsoever to the Congress. It was done with no statutory authority that we can find, and I think it is wrong.

I agree, we ought to vote on some discipline, whether it is a modified Gramm-Rudman, Gramm-Rudman, or whatever.

I say to my Republican friends, what are you afraid of in making that bite this year? Why do you want to hide behind something that does not take effect until 1986, after the elections?

Let us do it, and let us do it now.

SUPPORT ADMINISTRATION PROPOSAL ON CENTRAL AMERICAN COUNTERTERRORISM ACT OF 1985

(Mr. LAGOMARSINO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LAGOMARSINO. Mr. Speaker, this week, Salvadoran President Jose Napoleon Duarte is in Washington, only a short time after the release of his daughter following her kidnaping by Communist guerrillas.

President Duarte faces great difficulty in El Salvador in trying to strengthen the democratic institutions of his country at the same time as he tries to defend his people against the wanton attacks and destruction promoted by the guerrillas who are supplied and supported by the Sandinista regime in Nicaragua.

Just days after the release of his daughter and her companion and a number of mayors, the guerrillas struck again kidnaping another Salvadoran Government official. The continuing campaign of terrorism by the guerrillas cannot be tolerated. The administration has proposed the Central American Counterterrorism Act of 1985. It would provide funding for police and military training to help national and local governments combat terrorism in El Salvador and other Central American nations. I urge my colleagues to support this plan to fight terrorism.

Mr. Speaker, we demand a vote on Gramm-Rudman today or tomorrow so that Social Security does not have to be disinvested, or defaulted.

WHILE NERO FIDDLED, ROME BURNED

(Ms. KAPTUR asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. KAPTUR. Mr. Speaker, it is official again. This morning the Commerce Department announced that last month's trade deficit with the world was the largest in our history, over $15 billion more imports on our shores than exports going out in just 1 month. It brings this year's accumulated trade gap to over $107 billion, and one-third of that with one country, Japan, another all-time record.

While these figures climb through the roof, so do the manufacturing unemployment numbers. One-third of a million more jobs have been lost since January of this year.

Despite all of these signals, the Reagan administration has turned its back on the shoe industry, the textile and apparel industries, machine tools, the automotive industry, and farmers.

Either there is a short circuit on the instrument panel at the White House, or the President's pronouncements on trade earlier this fall were meaningless lipservice.

What a traversty for our economy, our industrial base, and most of all, our proud skilled work force.

The President's strategy of waiting it out is creating innocent victims.

While Nero fiddled, Rome burned.

DON'T SHEAR THE SHEEP THAT LAID THE GOLDEN EGG THAT IS GOING TO CAUSE THE WELL TO RUN DRY

(Mr. BARTON of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BARTON of Texas. Mr. Speaker, I would like to borrow a phrase from my distinguished colleague, MOE UDALL, and remind this Congress that it should be careful not to shear the sheep that laid the golden egg that is going to cause the well to run dry.

In short, it is time to fish or cut bait on Gramm-Rudman.

What is the problem? Quite simply, it is evident that some Members, not all, but some Members of the distinguished Democratic Party in the House of Representatives are afraid to make the decision to pass some sort of legislation that sets up a mechanism to get spending under control. We have that legislation at hand. It is called Gramm-Rudman-Mack. It passed the other body almost 3 weeks ago and it has been languishing in the conference committee since that time.

This legislation in the other body was supported by both Republicans and Democrats and passed almost 3 to 1.

Mr. Speaker, the time has come for a straight up or down vote on Gramm-Rudman today or tomorrow, so that we do not have to tamper with the Social Security trust fund.

I would tell my colleagues on the Democratic side of the aisle, if they want to lower that ceiling to $172 billion and make it binding at the committee and subcommittee level, this Member of Congress will vote for that.

WHAT WILL GRAMM-RUDMAN DO TO OUR VETERANS?

(Mr. KANJORSKI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KANJORSKI. Mr. Speaker, yesterday 100 former prisoners of war from the Second World War from my

district came to Washington, DC. They had a wonderful visit. They asked for many opportunities and I think we extended the most that we could here in Congress, but they wanted to meet the President. It was very difficult to assure them that was impossible.

But one thing they asked me late yesterday afternoon is what effect Gramm-Rudman would have on the veterans of America.

I assured them that the outstanding chairman of the Veterans Committee had taken action to ask the Administrator of the Veterans' Administration to appear before our committee today to explain just what effect that amendment would have.

Late yesterday afternoon I arrived back in my office to be informed by that chairman that the request to have Mr. Walters testify before the Veterans' Affairs Committee was refused and it was refused on the instructions of the White House. Not only Mr. Walters could not testify, but no official of the Veterans' Administration could testify.

All I have heard this morning is some urging to vote for Gramm-Rudman. I challenge my friends on the Republican side, can any of you tell me sufficiently what the effect will be on the veterans of America by the passage of this bill? Do you know the facts and figures? Do you know what would be closed? Do you know what pensions would be cut back?

I submit that to urge action today in ignorance would be the biggest mistake the Congress could make, with one exception, the acting in ignorance in 1981 that cut taxes when we did not know the consequences and as a result have now doubled the deficit.

WHAT DEMOCRATS REALLY WANT IS TO RAISE TAXES

(Mr. MONSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MONSON. Mr. Speaker, the House is constantly faced with opportunities to show a real commitment to deficit reduction. Last week we had a chance to eliminate $3.5 billion in new add-on spending from the budget in a bill with a deficit reduction title and on an almost straight party line vote we did not take advantage of that.

Today we have a chance to address the issue again with over $2 billion in new add-on spending in the bill that will be before us. But again on a partisan party line vote we do not have a rule that will even allow us to present an amendment to make those cuts in another bill with a deficit reduction title. Isn't it interesting how we hide new spending under a title of deficit reduction.

This morning we read in the paper that the conference committee is now wanting to change the proposal known as Gramm-Mack and make it something that is unachievable and unworkable so that it will be doomed to failure. Some want it to fail!

We are constantly showing that we really do not have a commitment to balance the budget. By setting unreasonable and unworkable targets, we are saying that we want deficit reduction to fail so that we can really do what the Democrats want us to do, and that is raise taxes.

Now we are facing a new dilemma. Social Security must either be disinvested or the checks going out are going to bounce, all because we will not do one thing, and that is vote on the Gramm-Mack proposal and get this important issue of rising deficits under control once and for all.

The Democrats are the ones that are preventing this from happening not the Republicans. The solution is easy. It requires us to have a vote on Gramm-Mack. We demand that vote so that Social Security does not have to be disinvested and to keep the checks from bouncing.

LET US HAVE ACTION ON THE BUDGET DEFICIT THIS YEAR, NOT NEXT YEAR

(Mr. LEVIN of Michigan asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEVIN of Michigan. Mr. Speaker, my colleague who just spoke has it mixed up. We want action on the domestic deficit, the budget deficit, not next year, but this year. That is what we want.

We want a vote so that there will be action this fiscal year and not postponed to the next.

We also want both sides of the aisle to talk about both deficits, not only our budget deficit, but the trade deficit, and you are very silent on the other side of the aisle about that.

The facts came out this morning, as already mentioned, a $15.5 billion trade deficit; but all these are statistics. What is the bottom line? There have been 340,000 manufacturing jobs lost in the United States since January.

This administration is saying, "Stay the course," while parts of our economy are going down the drain.

We say shame on the Reagan administration. We Democrats want action on both deficits this year, not next, on the domestic deficit and also on the trade deficit that is badly injuring people in homes throughout the United States of America.

RAISE THE DEBT CEILING AND ADOPT GRAMM-MACK PROPOSAL

(Mr. KOLBE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KOLBE. Mr. Speaker, tomorrow is November 1, 36 million Americans are going to be receiving their monthly Social Security benefit check.

The question for today is: Will those checks clear? Will there be sufficient funds to pay them, or will we have to disinvest the Social Security trust fund to pay them?

The answer to that question lies in our hands. We can stall once again on the question of raising the debt ceiling, or we can pass it. And we can pass it with a serious deficit reduction plan, the Gramm-Mack amendment that is in the conference committee right now.

If the House fails in its responsibility, the Treasury will have only two choices: To not pay those Social Security checks, or to steal from the long-term Social Security investment fund, the funds that are invested in interest-bearing bonds to pay Social Security obligations in the future.

Either of those alternatives is unacceptable. Mr. Speaker, this body must meet its responsibilities. Raise the debt ceiling and adopt the Gramm-Mack deficit reduction plan that the overwhelming majority of Americans want. The American people demand a vote on Gramm-Mack so that Social Security does not have to be disinvested.

Mr. Speaker, let us have that vote today.

IMPORTANT ARMS CONTROL NEWS

(Mr. DICKS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DICKS. Mr. Speaker, today's announcement that the United States will make a counterproposal in Geneva on Friday is important arms control news. The forthcoming visit of Mr. Shultz to Moscow is also an indication that progress toward an agreement in principle may be possible in Geneva at the summit.

The President clearly has a critical choice to make. Is the United States willing to continue adherence to a restrictive interpretation of the ABM agreement in order to achieve deep cuts in offensive weapons? I believe President Reagan should give serious consideration to this proposition. After all, he wants deep cuts in offensive weapons and clearly deep cuts in offensive weapons will make defense a more viable future option.

Stopping erosion of the ABM agreement is also a goal of the administration. At the same time, important research can continue on the SDI Program.

Mr. Speaker, I hope that hardliners in the administration do not make it impossible for us to achieve a truly historic agreement with the Soviet Union.

MORE THAN GOOD FAITH AND A HANDSHAKE NECESSARY WHEN NEGOTIATING WITH RUSSIANS

(Mr. PETRI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PETRI. Mr. Speaker, all the current talk about nuclear arms negotiations brings an earlier attempt at negotiations to mind.

The fur farmers in Wisconsin tell a story they swear is true.

It seems that back in 1945 or 1946, one of our fur farmers decided to attempt some bartering with his counterparts in the Soviet Union, with the hope of acquiring some sables for breeding.

Sables are animals which are similar to mink.

Sable fur is available only from the Soviet Union, but as we breed quality mink in Wisconsin, our fur farmer thought that maybe the Russians would be willing to make a trade.

The Russians proved to be quite cooperative. In exchange for five Wisconsin mink, our farmer was allowed to choose five sable—one male and four females.

But after he got home, he discovered that the sables wouldn't breed. Upon closer examination he found that the male had been neutered. His conclusion: When negotiating with the Russians, you need more than good faith and a handshake.

PERMANENT CONTRACT HEALTH CARE FOR VETERANS IN U.S. VIRGIN ISLANDS

(Mr. DE LUGO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DE LUGO. Mr. Speaker, I would like to thank the House of Representatives for voting yesterday to make permanent the contract health care for veterans in the U.S. Virgin Islands. This, of course, is the exact care that is extended and has been made permanent for veterans in Alaska and Hawaii.

I particularly want to thank Chairman SONNY MONTGOMERY and BOB EDGAR, the chairman of the subcommittee that has jurisdiction in this area, for helping in an area that is very important to these veterans. We have come a long way from the situation that we had when I came here to the House where veterans in the U.S. Virgin Islands had no health care and had to fly to the Commonwealth of Puerto Rico and spend the entire day waiting to be seen by a doctor.

So I commend this House for its action and I again thank the chairman who helped us get this done.

TAKE ACTION ON DEBT CEILING AND GRAMM-RUDMAN NOW

(Mr. NIELSON of Utah asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. NIELSON of Utah. Mr. Speaker, one of every eight citizens of this country receive a Social Security check each month. Unless the Congress takes action today or tomorrow, those checks will not go out.

Mr. Speaker, we have three options:

First, do not send out the checks, thus depriving over 36 million Americans of Social Security on which most depend to pay for their food, clothing, and shelter;

Second, raid the Social Security and Disability Trust Funds to get the money so the checks will not bounce; or

Third, take action today or tomorow on the Gramm-Rudman deficit reduction.

Of these alternatives, only the third will do. We demand a vote on Gramm-Rudman so that Social Security recipients can receive their checks without disinvesting the Social Security Trust Fund.

The Democrats oppose this because they say they want Gramm-Rudman to start this year. I agree with that. I would like to say I would start it this year if I could. I would even take a look at some of the programs we have authorized in past years and maybe reduce those as well.

HOW SERIOUS ARE THEY ABOUT DEFICIT REDUCTION?

(Mr. FRANK asked and was given permission to address the House for 1 minute.)

Mr. FRANK. Mr. Speaker, not since the march of the Siamese children has anything been as well orchestrated as the prepared speeches we are getting inaccurately claiming that Social Security checks are not going out tomorrow. Of course they are, and I hope no one will pay any attention to that.

The fight is not whether to reduce the deficit, but how. For example, some of us think that the way to help finance Medicare is to keep the cigarette tax at 16 cents a pack. The President wants to reduce cigarette taxes and, instead, increase the fees that Medicare recipients pay. In other words, some of us think we should tax the things that cause cancer. The President wants to tax the people who have cancer.

That is a difference of opinion not about the level of the deficit, but how to deal with it. Now we are told we have to do the Gramm-Rudman thing. I am preparing a list which I will put in the RECORD this afternoon of those, all on that side, who are sponsors of Gramm-Rudman, because what I found is that an awful lot of them voted against the President when he wanted to reduce the dairy subsidy. They voted yesterday to keep the 12 additional MX missiles we do not need. So I think it is very interesting and we will just have these names listed of people who have shown how serious they are about deficit reduction. They are for balancing the budget, continuing a boondoggle dairy subsidy program, and building 12 unnecessary MX missiles.

A little more budget-balancing like that and they can add another trillion to the Republican deficit.

WORST MONSTER LURKING IN SHADOWS OF CONGRESS IS THE DEFICIT

(Mr. McCOLLUM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCOLLUM. Mr. Speaker, it is fitting on this Halloween when we are getting so many speeches about the deficit that it seems to me we ought to be talking about the worst monster lurking in this body. It is Count Deficit.

Count Deficit, like the mystical Count Dracula, is sucking blood. He is sucking the lifeblood out of the economy of this country and striking fear and uncertainty into the hearts of millions of our citizens. Every year that Count Deficit strikes, he leaves behind his own Daughters of Darkness in the form of interest payments on the Federal debt. It only took 4 years for the national debt to grow from $1 trillion to $2 trillion, and in the past 10 years, the portion of the Federal budget going to pay interest expense has doubled.

We have the opportunity now to grab the wooden stake of Gramm-Rudman and drive it through the heart of Count Deficit. It seems to me ironic this morning that so many of those on the other side of the aisle who spent years and years building up the deficits and spending and spending are here today saying that they suddenly want to do something about it. It is long overdue that they did.

They are over there trying to scare veterans, also, on that side of the aisle, saying if we pass Gramm-Rudman, there may be some problem with that. There is not going to be if this Con-

gress acts. All Gramm-Rudman will do is to say, "You take the horn, Congress. You do the job you are intended to do and are supposed to do and there will not be a problem, but if you do not do that, then we are going to give the power to the President to sequester, a power that nobody wants to give.

Mr. Speaker, I submit that if we do not want divestment of the Social Security funds, if we do not want problems in any of these other areas, let us do the job, pass Gramm-Rudman now, get on with it, and get on with doing the job we are supposed to do after we pass it.

STOP PLAYING SCARE TACTICS WITH SOCIAL SECURITY RECIPIENTS

(Mrs. BOXER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. BOXER. Mr. Speaker, it is almost amusing to hear my Republican colleagues cry out for the senior citizens on Social Security, the same party that has tried to weaken Social Security year after year after year.

□ 1100

The fact is we should vote on a balanced budget approach as soon as possible. But let us not fool the seniors of this Nation into believing that Democrats are jeopardizing Social Security.

The Reagan administration has already invaded the Social Security trust funds because the Republican Senate failed to pass a clean debt ceiling extension. They added a very complicated Gramm-Rudman proposal to the debt extension which the Democrats are working on.

We will have a better version, a version that starts cutting right away, before the 1986 election. We will have a version that protects our senior citizens and our children and our disabled, a version that protects us from a recession.

I ask my Republican colleagues to join us in getting a decent plan and to stop playing scare tactics with our Social Security recipients that many of them never noticed before.

THE NEED FOR CHILD SAFETY

(Mr. LUNGREN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LUNGREN. Mr. Speaker, I think I am probably going to disappoint some Members on the other side of the aisle, but I will not be talking about the subject which seems to be of the most interest here today. In deference to my friend from California [Mr. DELLUMS], I thought I would talk on another subject.

Mr. Speaker, it is estimated that in 1985 alone, more than 50,000 children will be kidnaped. As a parent of three young children, I am especially disturbed by this statistic.

Tonight is Halloween and amid all its fun and excitement, it is probably the one night each year when parents are most acutely aware of the potential dangers facing their children. For this reason, I have chosen today to introduce a piece of legislation to designate next Halloween, October 31, 1986, as the "National Child Identification and Safety Information Day."

The purpose of this bill is twofold: First, to emphasize the need to provide our children with intensive preventive education. Parents need to take the time to carefully explain to their children how to be cautious and how to recognize potentially dangerous situations. Second, this bill is intended to challenge parents to compile an identification file on each of their children. Each file should include fingerprints, current photographs, video tapes, or dental records.

Beginning today, I will be using this next year to encourage these activities in my home district and I would strongly encourage my colleagues to do the same.

REPUBLICAN ATTEMPT TO COVER UP PAST RAIDS ON SOCIAL SECURITY TRUST FUND

(Mr. COELHO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COELHO. Mr. Speaker, I find it very interesting that my Republican colleagues are trying to pull the greatest coverup that has existed in the last year. That is, they are trying to say that Social Security may be invaded tomorrow or the next day.

But what they are unwilling to say is that Social Security, however, has been invaded. On September 1, the trust fund was invaded by the Republican President, Ronald Reagan. He has repeatedly gone after Social Security in the 5 years that he has been in office, and you people on that side of the aisle have repeatedly supported that.

But what you are trying to do today is to cover up for those past votes and mistakes. It will not work. I want to warn you of that.

And the ghostwriters that have written your statements, one by one, as you have come up to this podium to talk about what is going to happen tomorrow, you ought to ask that those ghostwriters have the facts before you speak.

PROTECTING THE RIGHTS OF MIROSLAV MEDVID

(Mr. RITTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RITTER. Mr. Speaker, I do not really have a ghostwriter. I would just like to continue with my own statement.

Mr. Speaker, some late news has major impact for all of us here in this body and for the American people. This morning I spoke with a Mrs. Irene Padoch, a Ukrainian woman who interviewed Miroslav Medvid for some 1 hour directly after he first jumped off the Soviet ship.

During the course of that interview, the young man repeatedly stated that he did not want to return to the Soviet Union. He stated that he wanted to live in an honest country. He stated that he feared going back to the Soviet Union.

To Mrs. Irene Padoch's mind, there was not a shadow of a doubt that this man wanted to stay in the United States. She was instructed by the Immigration and Naturalization Service people to tell the young man that he would find no harm. In 1 hour, he was returned to the Soviet ship.

My fellow Members, we cannot, given this new knowledge, allow this Soviet ship to take Miroslav Medvid back to the Soviet Union. I urge you to join with me in calling for a full Justice Department investigation of what happened during those initial hours so as to provide the base for keeping Miroslav Medvid from Soviet hands.

Until that information is known, we should not allow that ship to go back to the Soviet Union with Miroslav Medvid on it.

LEGISLATIVE TERRORISM

(Mr. WEISS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEISS. Mr. Speaker, how do you characterize the people who lay down ultimatums and say that unless you do what they ask you to, they will do something that will really hurt you or somebody else? In the criminal codes, we call that kind of behavior extortion or blackmail.

In the context of the threat that unless we adopt Gramm-Rudman, Social Security recipients, the senior citizens of this country will stop receiving their checks, I would characterize as legislative terrorism. The people who are least able to protect themselves are told by the administration in power that they will stop sending out Social Security checks unless the poison pill of Gramm-Rudman is adopted by the Congress of the United States.

Maybe there are Members in this House who think that that is appropriate behavior. I do not.

I would hope that when Gramm-Rudman comes up, it will be defeated, both because of the tactics that have been used to try to get it passed, and because of its substance. the President and his people who have been trying to repeal the social progress of the last 50 years are not satisfied with Gramm-Latta, now they have Gramm-Rudman to undo the Constitution which protects the citizens of this country.

This Congress must not stand for it. Defeat Gramm-Rudman to save the Constitution.

DEFEAT PREVIOUS QUESTION ON RECONCILIATION RULE

(Mr. DAUB asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DAUB. Mr. Speaker, I want to very quickly talk about two things. First, I urge all my colleagues here and listening or watching to participate in defeating the rule with respect to the reconciliation bill that will soon be with us, House Resolution 301, particularly because it contains the Moore/Daub amendment relative to phasing up the national diagnostic-related group payment schedule to a national rate over 3 years.

The following States would be a lot better off under the 60/40 national/hospital-specific blend for hospital inpatient services under the Medicare Program than staying with the committee bill and the Rules Committee version, the current 50/50 percentage relationship to reimbursement provided under the bill:

The States of Alabama, Kentucky, Mississippi, Tennessee, Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota, Arkansas, Louisiana, Oklahoma, Texas, Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, and Wyoming.

DEMOCRATS' DEMOGOGIC DELIGHT

Mr. DAUB. Mr. Speaker, the second subject I want to talk about from my ghostwriter, script-oriented staff is to talk a little bit about the Democrats' demogogic delight, the current subject of conversation, and that is the issue of whether or not we are redeeming, we are engaging in redemption or we are disinvesting moneys from the Social Security trust fund.

When I was a boy growing up back in Nebraska, a pot was a place I sat and grass was something I cut. Now those words mean something different today.

The fact of the matter is not one penny of the investments of interest securities in the Social Security trust fund is not being properly accounted for, not one penny is being lost.

I will tell my colleagues that it is unfortunate that we face the option of redeeming provided by law so that these checks can be issued, or the idea of defaulting. Now that is our problem, not the administration's, and I think it would be irresponsible, the height of irresponsibility for any Democrats in this body that we ought to default, and I hope that is not what they are saying.

TAXES AND BANKS

(Mr. ROTH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROTH. Mr. Speaker, last week the committee studying reform reversed its earlier decision on the tax treatment of loan loss reserves of banks.

I am not going to question, at this time, whether banks are overtaxed or undertaxed in relation to other sectors of the economy. But the committee's decision smacks of a compromise based on expediency rather than a decision based on sound economic principles.

As most of my colleagues are aware, there are serious problems with the safety and soundness of many of our financial institutions. Banks are failing at a rate of two a week. The solvency of deposit insurance funds is threatened.

The problems which affect banks affect small, medium sized and large institutions. The loan loss reserve is one means banks have to cover losses that reduce the value of loan portfolios and in turn the soundness of the institution itself. Providing preferential treatment for such reserves of small banks only, for no apparent good reason, defies common sense at a time when we need common-sense answers to bank problems.

We can go one of two ways. We can base decisions on the taxing of banks on the bottom-line revenue impact, as the committee has apparently done. Or we can base them on rational economic standards which promote the soundness of the institutions on which we depend so heavily.

I suggest that the committee go back to the drawing board.

HOLDING SENIOR CITIZENS HOSTAGE

(Mr. RIDGE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RIDGE. Mr. Speaker, I rise this morning to urge my colleagues on the conference committee on the debt limit bill to reach agreement so that we can continue to fund the Federal Government and to avoid the initiative being proposed by some of my Democratic colleagues to take Social Security recipients as political hostages.

The Gramm-Rudman plan sets reasonable, workable targets for deficit reduction, preserves congressional prerogatives to deal with balancing the budget, avoids default on our obligation, and releases these hostages.

Congress must get serious with the deficit. It is clearly and truly a bipartisan objective and responsibility. As my colleague and friend from Massachusetts previously said, it's not a question of reducing the deficit, but how. Let the record be clear. Holding Social Security recipients hostage to that effort is just as clearly not the way my Republican colleagues and I choose to deal with the deficit. Such political brinksmanship is unworthy of this body.

Mr. Speaker, don't let anyone make my senior citizens, and my Social Security recipients political hostages in this effort. Give us a vote on Gramm-Rudman. It will pass and our senior citizens can be freed from this distasteful political exercise.

PASS GRAMM-RUDMAN OR FACE THE CONSEQUENCES

(Mr. GROTBERG asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GROTBERG. Mr. Speaker, this Congress is sitting on a time bomb that will go off tomorrow if we don't stop the political rhetoric and show all those groups of people who are depending on us—seniors, railroad retirees, and others—some responsible leadership. We all know that the Treasury Department told the conference committee on Gramm-Rudman last week that if the debt ceiling is not raised tomorrow, Government securities held by the Social Security trust fund and other Government retirement systems will be canceled. Irresponsible is too mild a word for this House if we look at such an action as a solution.

We demand a vote on Gramm-Rudman tomorrow so Social Security does not have to be disinvested. Mr. Speaker, you and the Democrat majority have the gavel and the votes to stop this nonsensical tragedy. It is your move. Support for Gramm-Rudman is strong. Lets create an economic climate of growth and opportunity.

□ 1115

IT IS ABSURD TO DISINVEST THE SOCIAL SECURITY TRUST FUND

(Mr. SLAUGHTER asked and was given permission to address the House for 1 minute and revise and extend his remarks.)

Mr. SLAUGHTER. Mr. Speaker, this Congress has made little progress toward a budget, much less a balanced budget. We have been slow, ridiculously slow, and we are now, on November 1, as of tomorrow where we should have been on August 1 or September 1. The fiscal year has expired with the end of September.

We can criticize President Reagan all we like, but the President can only recommend to the Congress a budget; and of course he can veto budget bills. Nevertheless, the primary responsibility is upon the Congress to pass a budget, to make appropriations, and to levy taxes to pay for the expenses of Government.

Essentially the process is, the President proposes and Congress disposes. It is absurd not to have a budget 1 month after the fiscal year has ended. It is absurd to sell assets of the Social Security trust fund; that is, disinvest, to pay benefits.

We need action on a budget. We demand a vote on Gramm-Rudman by tomorrow so that Social Security does not have to be disinvested.

THE LEADERSHIP OF THE HOUSE IS TO BLAME

(Mr. GREGG asked and was given permission to address the House for 1 minute.)

Mr. GREGG. Mr. Speaker, a few minutes ago the gentleman from California rose here in the well, and he took his finger and he pointed it at this side of the aisle and he said: It is your fault. You are the ones who are threatening Social Security.

Well, that finger should have been pointed, because we are getting to the 11th hour and it is time to know who is to blame; but not at this side of the House; that finger should have been pointed at the leadership of this House, which has failed consistently for 30 years, 30 years to address the deficits and the spending which this House has undertaken.

Now when we have an opportunity, finally, to address that issue, the leadership of this House does not have the courage to bring the issue to the floor of the House; and why not? Because it does not trust its membership.

The Speaker of this House has said that if Gramm-Rudman comes to the floor, it will pass. Why? Because the rank and file membership on this side of the House and on that side of the House know what the people of America want; they want fiscal responsibility.

Now is the time, ladies and gentlemen, for the leadership of this House after 30 years to face up to fiscal responsibility, and to bring to us for a vote today or tomorrow the Gramm-Rudman proposal.

CHEMICAL WEAPONS: THEY AIN'T BROKE AND DON'T NEED FIXIN'

(Mr. PORTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PORTER. Mr. Speaker, we all voted right yesterday, Mr. Speaker. Not one of us voted for funding for new chemical weapons.

The fact that we didn't vote for this unnecessary new spending program because its Pentagon sponsors didn't offer it, needn't be mentioned. We did the right thing.

In a time of immense budget deficits, we didn't vote to add $20 billion more to them. We didn't support new spending that can't be justified because we already have a huge, safe, effective chemical stockpile in place and providing a fully sufficient deterrent.

You can go back home and tell your constituents you didn't vote for a new spending program to replace one that ain't broke and don't need fixin'.

You can tell 'em you got the message—budget deficits are eating our economy alive, destroying the economic future of our children and grandchildren, and ruining American competitiveness in foreign markets.

We did the right thing in not voting for new nerve gas weapons we don't need Mr. Speaker. I'm proud of the House for taking this wise inaction.

NAKASONE INTERVIEW IN WASHINGTON POST

(Mr. REGULA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. REGULA. Mr. Speaker, on Sunday the Washington Post carried an interview with Japanese Prime Minister Nakasone concerning United States-Japan relations.

In response to a question about the recent trade legislation in Washington, Mr. Nakasone stated that:

> The textile bill that passed the House drew criticism from Asian countries, and U.S. popularity there has gone down. I believe that, before any measure is taken, it is far better for the United States to engage in consultations with the relevant countries; in other words, try and solve matters through dialog.

I would like to remind Mr. Nakasone that his own government is implementing a series of measures designed to restrict textile imports into Japan, and that these measures, in effect, amount to Japan's version of the United States textile bill.

Further, Japan, in implementing its own textile bill sought little consultation with relevant countries, but acted unilaterally in putting pressure on Japanese trading companies to cut textile imports.

Even more important is that our country last year suffered a record textile/apparel trade deficit of $16.2 billion, while Japan enjoys a surplus in its overall textiles trade.

Mr. Speaker, I submit that when Mr. Nakasone gives us advice on speaking before acting, he is singing to the choir. I think it is past time for him to practice what he preaches and get his own house in order with regard to fairness and equity in trading relations with Asia.

WHERE CAN IT GO FROM HERE

(Mrs. BENTLEY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. BENTLEY. Mr. Speaker, the Bureau of the Census announced this morning the balance of trade deficits with Japan for the month of September—$5,131.5 billion. Of that, $2 billion was in automobiles. In March, the last month of the President's voluntary restraint on automobile imports from Japan, the value of auto imports was $974 million. The first month restraints were off, the figures jumped past a billion to $1.365 billion. Value of automobile imports since March have totaled $9.012 billion.

Yesterday the Bethlehem Steel Corp. announced its losses for the third quarter—$77 million on sales of $1.3 billion. For the first time since 1939 in the Great Depression, the company will not pay a dividend to its common stock shareholders. The company has failed to show a profit in 14 out of the last 15 quarters.

I think these two economic stories are related. I think one is cause, the other effect. Autos use steel. It is a bit much to expect a lone U.S. industry—steel—to compete with a nation-business, Japan, Incorporated.

The Trade Representative's office is negotiating with the Europeans on steel right now. I hope the Bethlehem figures are foremost in their minds as they represent America at the bargaining table.

The hour is late for one of our major industries. I just hope—not too late.

CONGRESS MUST GET ITS ACT TOGETHER AND PASS GRAMM-RUDMAN

(Mr. DIOGUARDI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DIOGUARDI. Mr. Speaker, I have said it before and I will say it again, we do not need a trade policy in this country, we need a deficit policy. The trade problem is a symptom. The real problem is the deficit.

Why are interest rates right now over 9 percent, 9½ percent the prime

rate? The bankers will tell you that the real interest is 2 percent over inflation. Incredibly, inflation is now below 4 percent. Why is not interest at 6 percent? Why is it at 9½ percent?

I will tell you why, Mr. Speaker, it is because the public does not believe that Congress is going to get its act together. They are already hedging against higher interest rates, higher inflation.

Look at the facts: We have got to borrow $150 billion this year, to pay the interest, just the interest; and that is with a "b"—billion. We do not have the cash to pay the interest. That means that we are going to have additional bonds next year of $150 billion. That is interest on interest.

We need a plan. Gramm-Rudman is a plan. It may not be perfect, but let us make it perfect. The public is entitled to have a plan; the public is entitled to a deficit policy, and tomorrow we have got to be sure that we pass Gramm-Rudman; we vote on it, so that we do not disinvest the Social Security system.

We owe more to our senior citizens in this country than to do that.

A DEMAND FOR A VOTE ON THE GRAMM-RUDMAN PROPOSAL

(Mr. WALKER asked and was given permission to address the House for 1 minute.)

Mr. WALKER. Mr. Speaker, we demand a vote on Gramm-Mack today or tomorrow so that Social Security does not have to be disinvested. The Democratic leadership in this House has dillied and it has dallied trying to prevent a vote on reducing Federal spending and moving toward a balanced budget.

Now those delaying tactics have brought us to the brink of crisis, a crisis that threatens the fund that provides livelihood for millions of America's elder citizens.

We just love to hear the Democrats saying that what we are doing by raising this issue is engaging in scare tactics, when over the past several campaigns, over successive campaigns, that they have run their whole campaign on scaring elder citizens.

It is time to alleviate the crisis. It is time to alleviate this present crisis. It is time to vote. It is time to take the action that even the Democratic leaders admit will pass if it gets to the House floor, action to put our budget back in order.

Mr. Speaker, we demand a vote on Gramm-Rudman today or tomorrow so that Social Security does not have to be disinvested.

THERE IS STILL TIME TO ACT—WE MUST VOTE ON GRAMM-RUDMAN

(Mr. MACK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MACK. Mr. Speaker, some are saying that there should be a short-term extension of the debt ceiling. Others are saying that we ought to allow the Social Security trust funds to be disinvested so that the checks for Social Security and the other retirement accounts are in fact paid.

Let me put that into perspective. First of all, there will be no disinvestment of the trust funds until midnight tomorrow night. There is time to act, There is a third alternative. The third alternative is for this body to vote, to vote on the issue.

The Speaker has the power to see that we have the vote; the Speaker has already indicated that this House would support the measure if it got to the floor.

□ 1125

Again, if those people who are concerned about our ability to see that Social Security checks are paid are truly concerned, they will see that the debt ceiling with Gramm-Rudman-Mack gets to the floor of the House for a vote. We demand the opportunity to vote on this issue to protect those Social Security trust funds.

I thank the Speaker.

THE GROWING FEDERAL BUDGET DEFICIT

(Mr. WYLIE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WYLIE. Mr. Speaker, there is no question that the No. 1 issue of concern across the country according to every poll is the size of the Federal budget deficit.

We passed a budget resolution the other day which calls for a reduction in spending of $55.5 billion for fiscal year 1986. Unfortunately, it also calls for deficit spending of $171 billion-plus for fiscal year 1986.

We have not done enough, in my opinion, to reduce the deficit. I am not sure of all of the nuances of Gramm-Rudman, but I do feel that we do need to exert any discipline which holds any promise of reducing the deficit. That is why I support Gramm-Rudman.

It is unfortunate that the debt ceiling increase which is needed to pay our bills is being held hostage because of the debate on the niceties of Gramm-Rudman.

We should have a vote on Gramm-Rudman tomorrow so that the Social Security people do not have to be disinvested of their trust fund.

I thank the Speaker.

LET US AVOID A SHUTDOWN, LET US PASS GRAMM-RUDMAN

(Mr. SAXTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SAXTON. Mr. Speaker, the Director of the Office of Management and Budget appeared on the "Today" show this morning and confirmed that the Federal Government will have to divest a major portion of the Social Security trust funds this weekend.

Mr. Speaker, I appeal to you to use your influence with House Democrats to report the Gramm-Rudman debt ceiling extension bill so we can take a vote.

By reporting and passing this bill, we can not only avoid frightening millions of senior citizens, but we can give Congress the tools it so desperately needs to balance the budget.

I am pleased to represent an area with a large senior citizen population, and I am distressed that their benefits would be jeopardized. I understand Treasury's dilemma—they have to keep the Government going. But I hope we can avoid this shutdown by passing the Gramm-Rudman debt ceiling extension bill. Please, Mr. Speaker, twist some arms and let us put this thing to a vote.

THE BUDGET PROCESS HAS BROKEN DOWN

(Mr. BOULTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BOULTER. Mr. Speaker, obviously the budget process has broken down and is not working. There has never been more pressure on this body than there is right now to come up with a balanced budget plan of some kind. We do have a plan, Mr. Speaker, that even the Democratic leadership admits would pass if we could simply get a vote on it today or tomorrow.

I know that we all mean well in this House, but we need some spending discipline. If we just leave choices up to our own consciences, Mr. Speaker, we are never going to give the American public what they demand and deserve, and that is a balanced budget.

The Gramm-Rudman bill may not be a perfect solution, but if enacted it would at least put an end to reckless spending.

Mr. Speaker, I just hope that you and the other leaders on the other side of the aisle will really put the interests of our elderly citizens first and will really put the interests of the American public first and give us a vote today or tomorrow on Gramm-

Rudman so that Social Security will not have to be disinvested.

SPENDING IS OUT OF CONTROL

(Mr. ARMEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ARMEY. Mr. Speaker, the people of America are wise to us. They know what goes on in this body, and they know who runs this body.

They know who the leadership is, and they know who controls every committee in this body. They know that spending is done by this body through appropriations bills that are brought to this floor by committees. And they know that spending is out of control because this body will not recognize that there are limits to how deep the American taxpayers' pockets can go.

And they also know that there have been efforts made in the past to get limits on that. They continually ask, is there a way to get a balanced budget amendment passed? And they know the House will not accept it.

They ask, "Will you give the responsibility to the President through a line item veto?" And they know this leadership and this House will not accept that.

So they ask for a way.

I think it is ironic that the only way we have found to get any measure that will set limits on this spending is to attach the Gramm-Rudman proposal to an effort to increase the debt ceiling so that we can keep pace with the irresponsible spending of the past.

And now the people of America have found out that once again the leadership of this body has found a way to at least stall and then distort what they, the people, want: Honest government.

I thank the Speaker.

WE DEMAND A VOTE ON GRAMM-RUDMAN

(Mr. GINGRICH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GINGRICH. I thank the Speaker.

Mr. Speaker, a number of Democrats have been wondering why we have been demanding a vote on Gramm-Rudman today or tomorrow so that Social Security does not have to be disinvested. The fact is that we are in a mess.

As the gentlewoman from San Francisco indicated earlier, every time, every 2 years, the Democratic Party runs around screaming about Social Security. So what are our choices? If the Federal Government were to default tomorrow morning and the checks did not go out, we promptly would get a press conference by liberal Democratic leaders saying it was all the Republicans' fault.

If the Government disinvests tomorrow morning and the checks do not go out, we will get a press conference from liberal Democratic leaders saying it is all the Republicans' fault.

I just want the record to show unequivocally that if you seriously cared about the Social Security trust fund, the Speaker could schedule a vote in the next half-hour. You could schedule a vote this evening, you could schedule a vote tomorrow. You could have your options, which include Gramm-Rudman this year; you could have your options; you could have modifications. You could get it all solved before tomorrow is over and we could go home.

If there are any problems in Social Security this year, it is because the Democratic Party is systematically delaying and avoiding reaching a real vote on the House floor on Gramm-Rudman, including your own options.

And you can groan all you like, but the fact is, the Democratic leadership can schedule a vote any time they want to and we can be out of this mess without any trouble.

Thank you, Mr. Speaker.

LET US SET THE RECORD STRAIGHT

(Mr. GRAY of Pennsylvania asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GRAY of Pennsylvania. Mr. Speaker and colleagues, we have heard a lot this morning, most of it inaccurate. Let me give you some facts. First of all, Social Security has not been disinvested because the Democrats are holding hostage Gramm-Rudman, the disinvestment of the Social Security Trust Fund started a month ago by Ronald Reagan.

The American people know who has been going after Social Security for the last 10 years. It has not been the House leadership or the Democrats.

So, therefore, to suggest we are trying to do an *Achille Lauro* with Gramm-Rudman is absolutely absurd.

Second fact, everyone knows that in 1980 the total deficit of this country was $914 billion, George Washington to Jimmy Carter, and now, just 4½ years later, it is over $2 trillion. It is not a 30-year problem, it is a problem created by fiscal policies that the House and the Senate supported, suggested by a Chief Executive, a Chief Executive who has yet to submit a balanced budget and whose budget submitted to us in February was with a deficit of $180 billion.

Final factual point, yesterday, in the conference on Gramm-Rudman, the Democrats suggested dropping the deficit by $20 billion from $180 billion down to $160 billion for 1986, and do you know who voted against it in the House conference? Not the Democrats. Every Democrat except for one voted to lower it $20 billion. Ever Republican except for two on the House side voted to raise it $20 billion and make the target under Gramm-Rudman $182 billion in 1986 as opposed to $161 billion. Those are the facts.

I would urge that each one of you, as you listen to this political debate, understand the facts and not the rhetoric.

The SPEAKER pro tempore (Mr. BENNETT). The time of the gentleman from Pennsylvania has expired.

ORDER OF BUSINESS

Mr. LATTA. Mr. Speaker, Mr. Speaker.

The SPEAKER pro tempore. For what purpose does the gentleman from California [Mr. LEWIS] rise?

Mr. LATTA. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. The Chair did not recognize the gentleman.

The gentleman from California [Mr. LEWIS] is the next up.

Mr. LEWIS of California. No, Mr. Speaker, I am not.

The SPEAKER pro tempore. You are not?

Mr. LEWIS of California. I will rise later.

Mr. DELLUMS. Mr. Speaker, reserving the right to object, there are some gentlemen who have been sitting here diligently and patiently waiting their opportunity, and I would simply like to ask the distinguished ranking minority Member why he chooses to interrupt the proceedings?

The SPEAKER pro tempore. The Chair will continue to do what it has been doing, as the Speaker's guidelines provide. The Chair is going to rotate between the Democratic and Republican sides, and the only reason the Chair did not recognize that gentleman is that he thought the gentleman from California [Mr. LEWIS] wanted to be recognized.

Mr. LEWIS of California. I will wait a while.

The SPEAKER pro tempore. All right.

The Chair recognizes the gentleman from Ohio.

Mr. LATTA. Mr. Speaker, I would be happy to yield to my friend if he wants to use this 1-minute in my stead.

Mr. DELLUMS. If the gentleman will yield briefly to me, I was simply trying to preserve the prerogatives of my distinguished colleagues who have been patiently sitting on the front row.

The SPEAKER pro tempore. The Chair recognizes then it is a misunderstanding about where Members are sitting.

Does the gentleman from Ohio seek recognition?

Mr. LATTA. Yes, Mr. Speaker.

The SPEAKER pro tempore. The gentleman is recognized.

CORRECTING THE RECORD

(Mr. LATTA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LATTA. Mr. Speaker, I do so merely to ask my distinguished chairman of the Committee on the Budget to go back and take a look at the vote that he referred to in the conference yesterday on this matter of lowering the deficit. He will find that more than two Republicans voted in favor of it, and he can correct the record.

Mr. GRAY of Pennsylvania. If the gentleman would yield, I would simply say to the distinguished gentleman from Ohio that I will make a double-check, but I remember, and my memory is correct, the gentleman, Mr. LATTA, and Mr. HORTON also. If I am wrong, I will make the correction.

Mr. LATTA. I am sure the gentleman is wrong.

Mr. GRAY of Pennsylvania. The point that I made is still clear, and that is that the overwhelming number of Members on your side of the aisle who now are talking about the House leadership voted overwhelmingly to——

Mr. LATTA. May I have my time back?

Mr. GRAY of Pennsylvania. I yield back your time, sure.

Mr. LATTA. I want to thank the chairman for acknowledging that he will correct the record, and the record will reflect a different figure than he indicated.

GRAMM-RUDMAN NEEDS TO BE REVISED

(Mr. DURBIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DURBIN. Mr. Speaker, several weeks ago the Gramm-Rudman-Hollings-Mack-Cheney-Gingrich-Walker proposal roared through the U.S. Senate. And after having arrived at the door of the House of Representatives, it was very clear that it came in an imperfect form. After meetings of a conference committee, it is clear to the American people and all serious observers that this package needs to be revised, and unless it is revised, we may find ourselves passing something we will come to regret.

But how does a great train move through the other body and come to this side without fuel? It cannot. The juggernaut of Gramm-Rudman has been fueled by Social Security Trust Funds over the last several weeks.

I support my colleagues in calling for a quick vote on this issue, but I think it is misleading for the administration and my Republican colleagues to suggest that the timing of the House vote will decide whether Social Security Trust Funds are to be raided. That decision was made weeks ago. The administration and the Department of the Treasury have been quietly raiding the Social Security Trust Fund to fuel the Gramm-Rudman train over the last several weeks.

THE GROWING FRUSTRATION WITH A $2 TRILLION DEBT

(Mr. LEWIS of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEWIS of California. Mr. Speaker and my colleagues, the deadline we approach tomorrow involves a deadline which would allow the House or the Government through the House, to raise our spending levels up to limits approaching beyond $2 trillion. That amount of money is startling, to say the least, and some of our colleagues in the other body, the Senate, grew frustrated with the reality that that $2 trillion mark has been reached because of the policies of the Democratic leadership of this House.

In that frustration, two of our colleagues in the other body, Senators GRAMM and RUDMAN, added an amendment to that debt limitation-lifting that said simply we ought to have a formula whereby the Congress commits itself to balancing the budget.

Therefore, the Gramm-Rudman amendment.

The leadership of this House does not want that amendment cleanly before us, and they are resisting that. They want to raise the debt limitation, but they do not want a program for getting our House and the Government in balance. Because we want the votes clearly on the line in the House, we want to recognize that 75 Democrats and Republicans in the other body support Gramm-Rudman. We want a clean vote here. It is critical for us to recognize that the House today is demanding a vote on Gramm-Rudman today or tomorrow because we do not want, once again, the Social Security Trust Funds to be violated by that Democratic leadership of this House.

□ 1140

THE DEBT CEILING

(Mr. DELLUMS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DELLUMS. Mr. Speaker, I normally do not get caught up in these forays between my colleagues on both sides of the aisle. I often define these harangues as infantile, at worst, and adolescent, at best. But, nevertheless, I would like to try to speak here. I am aware of the fact that we often engage in overstatement, exaggeration and hyperbole. That is the order of the day. That is often an occupational disease of politicians. And I realize why we do it—because we tend to play on people's ignorance, on their emotions and on their fears.

I choose, for just a moment, to attempt to play upon people's intelligence. Let me say to you, No. 1, that the House of Representatives a number of years ago engaged in a number of reform processes, and one of them was that we would not allow a provision, an amendment, to come to the floor that was not germane to the issues at hand. And we did that for a very important reason. You cannot attach apples to a bill dealing with oranges. But in the Senate they did not engage in that reform. If you can get a majority of your colleagues to go along, you can add an appendage to any piece of legislation you desire, which leads me to this point, without a lot of fanfare and emotion:

There is another alternative. That alternative is simply to pass a clean increase in the debt ceiling. We do not have to frighten people, we do not have to use words like "terrorism" and "hostage" and all these kinds of things. If you want to increase the debt ceiling, do it without a nongermane item being tacked on to it. We did this in the House for very legitimate reasons. We do not have to engage in all this extraordinary hyperbole. We are playing on people's fears and ignorance. We ought to be down here trying to be intelligent and reasonable.

There is another alternative here if you want to stop invading Social Security. Just pass a clean debt increase. If you want to have Gramm-Rudman, bring it to the various committees and debate it the way you debate any other serious proposal.

EXTENSION OF THE DEBT LIMIT

(Mr. GRADISON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GRADISON. Mr. Speaker, what could be more germane to a discussion of the extension of the debt limit than means to reduce the additions which we are making to the debt?

That is what Gramm-Rudman is all about. It is an attempt to repair the imperfect process which we have on the books today, which has led to deficits, which I think every Member of

this House says day after day are at unacceptably high levels.

Under those circumstances, the debt limit is an ideal opportunity for us, for the first time in years, to reassess how we got in this fix and what we can do so that we do not have to come back year after year continuing to increase the national debt limit.

THE GRAMM-RUDMAN PROPOSAL

(Mr. WILLIAMS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WILLIAMS. Mr. Speaker and my colleagues, we know one thing about the Congress of the United States, and particularly this House of Representatives. That is, when it comes to major issues which effect the lives and wallets of the American people, when this House hurries, this House makes mistakes. Everything we know about our history tells us that. We have only to look back to 1980, when Mr. GRAMM and others had a magic balance-the-budget proposal. They were going to balance the budget in how many years? Five. Well, here we are. How well did their proposal, their process, work? We have the largest deficit in history.

Now they have a new proposal. It is called Gramm-Rudman. Is is what you have heard all about today. And let me tell you, in reality, what it does. How many Americans are going to support this: The higher the unemployment goes in this country, the less money we have to spend on unemployment benefits. That is what Gramm-Rudman does.

How many Americans are going to support this: When we have giant needs in education that we have discovered, for example, the shortage of math and science teachers, the less money we have to spend on them. That is what Gramm-Rudman does.

The higher the jobless rate in this society, the less money we can spend on Job Corps. That is what Gramm-Rudman does.

The greater the defense needs, when we have a crisis in this country on defense, the less we are going to have to spend on defense. That is what Gramm-Rudman does.

do the American people support that? No.

Do they support moving toward a balanced budget? Of course.

But the same people who promised to do it in 1980 are now promising to do it with Gramm-Rudman. And, frankly, the American people cannot afford any more of their mistakes.

THE GRAMM-RUDMAN-HOLLINGS PROPOSITION

(Mr. FRENZEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FRENZEL. Mr. Speaker, the House and Senate are in conference on the Gramm-Rudman-Hollings proposition at this moment. The House has had the bill for 2 weeks. It has not made a response to the Senate proposition. It has had fun in subcommittees and, in fact, done some useful work in subcommittees. It is preparing what I believe is probably not a really responsive reply to Gramm-Rudman but it has not put it together yet because the Democratic majority cannot seem to agree.

While it has wasted its time, the Social Security funds are either being disinvested or are shortly to be further disinvested.

It seems to me it is incumbent upon the House to put together its proposition and make it today or stand forever indicted as the instrument who was willing to jeopardize Social Security funds.

PERSONAL EXPLANATION

Mr. GRAY of Illinois. Mr. Speaker, on yesterday I was inadvertently absent due to an emergency. On the appropriations bill for the Department of Defense, I would like to record to show that on rollcall No. 378 I would have voted "aye," and on rollcall vote No. 379 I would have voted "aye."

GRAMM-RUDMAN

(Mr. SCHUMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHUMER. Mr. Speaker, I am a little confused by the actions of the other side and of some of the gentlemen in the other body.

I read in this morning's paper that one of those gentlemen, the head of the conference committee, said that by making Gramm-Rudman work in 1986 it would mess up the whole works, that you were not serious about deficit reduction unless you delay deficit reduction, and that if you wanted deficit reduction to work, you could not have it this year.

That indicates the folly of what the other side has been trying to do. They want to wave banners, they want to toot horns, they really do not want to reduce the deficit, because in 1986 is when this side wants to bring Gramm-Rudman into effect, and the other side is saying no. They are saying no, they do not want it that way, they do not want a separate vote in the Senate to see if it should be in 1986 or 1987.

What the heck is going on? What kind of double think and double talk is that, "Yes, we should balance the budget, but, no, not this year"?

I think what has happened is that the other side has looked Gramm-Rudman in the eye and they blinked.

GRAMM-RUDMAN

(Mr. ROWLAND of Connecticut asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROWLAND of Connecticut. Mr. Speaker, I do not know why there is such confusion. With the vote on Gramm-Rudman today or tomorrow we can accomplish two very important goals, two very simple goals. No. 1, a plan to balance the budget over the next 5 years; and No. 2, a vote that will leave Social Security alone.

I cannot understand why there is so much adverse reaction on either side of the aisle. I think it is a very simple and deliberate action, and I think if we plan to do both of those things and if we believe in both of those things and we do want to leave Social Security alone, we should take this action and do it as soon as possible.

THE FEDERAL BUDGET

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, as a freshman, I recognize the 98th Congress passed the Balanced Budget Act. The President of the United States of America would submit a balanced budget to the Congress.

The Senate Republicans in the majority refused it because the President did not want it, because they avoided the tough decisions of leadership that was given to them and granted to them by the electoral process. They did not want to gore the ox. They did not want to lose the White House.

Now Democrats are sitting back and we are saying, "Let the President's supply side suffer theories wreck the country, and we will gain the White House." The Republicans are saying, "Let it last 2½ more years, and we will put a Republican in the White House."

The bottom line is, we are playing political football with the lives of the American people.

Gramm-Rudman is like kissing your sister, No. 1; and, No. 2, we are just not going to reduce spending and reconcile this budget. We are going to have to raise revenue, look at those corporations that are blatantly refusing to pay tax and have been getting blanket protection by this administration.

And, finally, we have got to get out of a Disney World trade policy that is exporting all of our jobs overseas.

It is not going to be a simple Gramm-Rudman decision. There were 25 Members who wanted it brought to the floor before they even read it.

Now, let's get serious. You are furloughing America's welfare. And let us look at a comprehensive policy to bring some sanity to this process.

THE GRAMM-RUDMAN PROPOSAL

(Mr. MOORE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOORE. Mr. Speaker, I think the American people watching this debate, as I did in my office and then came on over to participate in it, are probably growing a little disenchanted with all of the fingerpointing that is going on.

The Republicans point the finger to the Democrats; the Democrats point the finger at Republicans. The American people are probably pointing the finger at all of us and saying, "When are you going to do something about reducing deficits?"

The reason we have the deficits we have today, pure and simply, is because this Congress and those before it have loved the American people to the point of bankruptcy. We have helped them to the point of bankruptcy. We have passed program after program after program to try to do good work for the American people, and now we can no longer afford it. I guess we are loath to take those things back. But the Gramm-Rudman proposal has as its goal forcing the Congress to do that. We have demonstrated in the last 6 years the lack of will in this Congress to really do it. So let us not point the finger beyond that. Let us accept the responsibility, let us pass Gramm-Rudman, let us give ourselves some stiffening of the spine to do what has to be done to solve these budget problems.

THE GRAMM-RUDMAN PROPOSAL

(Mr. VOLKMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VOLKMER. Mr. Speaker, as one, as the previous speaker mentioned, who has been following this debate, these 1-minute speeches on the balanced budget proposal for 5 years, the Gramm-Rudman proposal, from my office, I was finding myself a little confused about some of the statements made. There has been a lot of fingerpointing, as the gentleman has said. That does not really accomplish anything.

But I have heard here this morning that Social Security funds are already being disinvested, have been for over a month. And now some people are saying, "Well, if we do not do this by Friday evening, they are going to be disinvested."

I would like to know what is accurate on it.

I also find that in the conference yesterday, the gentleman from Pennsylvania says that only two Republicans voted to start the deficit reduction this year, in 1986. The gentleman from Ohio disagrees with that.

I would like to ask the gentleman from Ohio: How many Republicans, out of how many, actually voted, if he would reply, to start it in 1986, as I believe it should.

Mr. LATTA. Mr. Speaker, will the gentleman yield?

Mr. VOLKMER. Yes, for that explanation.

Mr. LATTA. I cannot give the gentleman the exact number, but it was at least half of them.

Mr. VOLKMER. Well, I hope that they will vote, I hope we have a chance. I would like to see it brought up tomorrow. And I hope we have a chance to vote to start the deficit reduction in 1986, this year.

We start at $160 billion, $161 billion. Let us do that, let us go on and let us have a balanced budget by 1990. I think that is the best thing that can happen to this country.

GRAMM-RUDMAN

(Mr. KINDNESS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KINDNESS. Mr. Speaker, as I walked through the looking glass into the House Chamber today, I, too, was a bit concerned and even appalled by some of what I heard.

Demagoguery, polemics, and what have you, can be tolerated, but when childishness and foolishness enter into it, sometimes all of us would feel compelled to remark on what has been said.

I do think that there is room for some application of the Gramm-Rudman proposal in fiscal year 1986, and I was one of those Republican conferees who voted for it as the rollcall was taken yesterday.

I agree with the gentleman from Ohio [Mr. LATTA] that approximately half of the Republican conferees did.

Knowing full well, however, that House Democrat conferees did not feel much confidence in their proposal, knowing, for example, that the current estimates of what the deficit will be are so much higher than $161 billion, that there is no realistic way of achieving a $161 billion deficit without sequestration being involved. In other words, again they seek to duck their responsibility which could be undertaken in a reconciliation bill and the other measures that have been before us in the way of appropriation and authorization bills. We just have not faced up to it.

In order for Gramm-Rudman to work correctly, we need to have the approach to a fiscal year over a 9- or 10-month period that is normal in order for it to function well.

But, OK, if you really want to try to apply Gramm-Rudman in 1986 fiscal year, the current fiscal year, let it apply for that portion only which remains of the fiscal year when sequestration would go into effect.

□ 1155

WILL IT BE TRICK OR TREAT TOMORROW?

(Mr. SILJANDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SILJANDER. Mr. Speaker, after all the discussion is said and done, the reality is that America faces incredible deficits, a $2 trillion national debt, and interest payments of over $160 billion. Halloween may be over tonight, but tomorrow could be either a trick or treat for the American people.

Will it be a trick for the senior citizens when Social Security has to be disinvested? Or will it be a treat for the seniors to know that their Social Security system is solvent and safe for their futures? Will it be a trick to the American taxpayers who have been paying more and more taxes for a Congress that has been unable to deal with its frenzy of spending and inappropriate fiscal behavior? Or will it be a treat for the taxpayers, realizing that finally Congress can come up with a program, even though it is 4, 5, or 5½ years long, at least a program that we in fact balance our budget with?

So while Halloween is over tonight, it is up to us whether or not it will be trick or treat tomorrow.

PROVIDING FOR CONSIDERATION OF H.R. 3128, DEFICIT REDUCTION AMENDMENTS OF 1985

Mr. DERRICK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 301 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 301

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 9(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3128) to make changes in spending and revenue provisions for purposes of deficit reduction and program improvement, consistent with the budget process. All points of order against the consideration of the bill for failure to comply with the provisions of section

402(a) of the Congressional Budget Act of 1974 (Public Law 93-344) are hereby waived, and all points of order against the bill for failure to comply with the provisions of clause 5(a) of rule XXI are hereby waived. After general debate, which shall be confined to the bill and to the amendments made in order by this resolution, and which shall continue not to exceed two hours, one hour to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means and one hour to be equally divided and controlled by the chairman and ranking minority member of the Committee on Energy and Commerce, the bill shall be considered as having been read for amendment under the five-minute rule. No amendment to the bill shall be in order except the following amendments, which shall be considered to have been read and to have been adopted in the House and in the Committee of the Whole: (1) an amendment to strike out title I of the bill and to insert in lieu thereof the text of H.R. 3290; (2) an amendment printed in the Congressional Record of October 29, 1985, by Representative Rostenkowski of Illinois, relating to single employer plans; and (3) an amendment to the table of contents striking "Medicare program" and inserting in lieu thereof "Health care programs", and inserting at the end of the table of contents "Title VI. Amemdments relating to single employer plans.". At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER pro tempore. The gentleman from South Carolina [Mr. DERRICK] is recognized for 1 hour.

Mr. DERRICK. Mr. Speaker, I yield the customary 30 minutes to the gentleman from Ohio [Mr. LATTA], for purposes of debate only, pending which I yield myself such time as I may consume.

(Mr. DERRICK asked and was given permission to revise and extend his remarks.)

Mr. DERRICK. Mr. Speaker, House Resolution 301 is a modified closed rule providing for the consideration of H.R. 3128, the Deficit Reduction Amendments of 1985. This bill provides 2 hours of general debate on this bill. One hour will be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means. The second hour will be equally divided and controlled by the chairman and ranking minority member of the Committee on Energy and Commerce.

This rule waives section 402(a) of the Congressional Budget Act against consideration of H.R. 3128. Section 402(a) of the Budget Act prohibits the consideration of bills which authorize the enactment of new budget authority for a fiscal year unless that bill is reported in the House on or before May 15 preceding the beginning of such fiscal year.

Since H.R. 3128 contains authorizations for certain programs within the jurisdication of the Ways and Means Committee, and since the bill was reported after May 15, a waiver of section 402(a) of the Budget Act is necessary if the House is to have an opportunity to vote on the important revenue provisions contained in the bill.

Mr. Speaker, this rule also waives the provisions of clause 5(a) of rule XXI against the provisions in the bill. Clause 5(a) of rule XXI prohibits appropriations in a bill reported from any committee not having authority to report appropriations. Because H.R. 3128 contains several provisions which would constitute appropriations, this waiver is necessary to protect those provisions from a point of order.

Mr. Speaker, under the procedures provided in House Resolution 301, only the three amendments referenced in the text of the rule shall be in order. The rule further provides that these amendments shall be considered to have been read and to have been adopted in the House and in the Committee of the Whole upon adoption of the rule.

The first amendment made in order under this rule strikes out title I of the bill and inserts in lieu thereof the text of H.R. 3290. Presently, title I of H.R. 3128 contains the Medicare reconciliation provisions reported from the Committee on Ways and Means.

The Energy and Commerce Committee, to which H.R. 3128 was referred for consideration of the provisions of title I, was discharged from further consideration of the bill on September 11, and reported a separate bill, H.R. 3101. H.R. 3101, introduced by Chairman WAXMAN, reflected the Medicare provisions adopted by the Ways and Means Committee, as well as additional Medicare and Medicaid provisions reported by the Energy and Commerce Committee.

Due to differences between the Medicare and Medicaid provisions in H.R. 3128 as reported, and H.R. 3101, Chairman ROSTENKOWSKI and Mr. WAXMAN agreed to introduce a clean bill, H.R. 3290, which reflects the actions taken by both committees on these issues.

I should also note, Mr. Speaker, that H.R. 3290 also includes provisions reported from the Judiciary Committee dealing with penalties for hospitals failing to meet new requirements for the handling of emergency cases. This language is presently in title I of H.R. 3128. Therefore, it was necessary to incorporate these provisions into H.R. 3290 as well, since H.R. 3290 will be substituted for title I of the bill.

The incorporation of H.R. 3290 into title I of H.R. 3128 is supported by the committees of jurisdiction, and as I have already indicated, the Committee on Ways and Means, and Energy and Commerce will share the time provided for general debate on H.R. 3128.

The second amendment made in order under this rule is an amendment printed in the CONGRESSIONAL RECORD of October 29, 1985, by Representative ROSTENKOWSKI, relating to the single employer plan termination insurance system. This amendment appears on page 29394 of Tuesday's CONGRESSIONAL RECORD.

This amendment will substitute new provisions into title VI of the bill. Presently, H.R. 3128 contains provisions on this subject reported from the Committee on Education and Labor. Mr. ROSTENKOWSKI's amendment, which will be considered as adopted upon adoption of the rule, will substitute the Ways and Means Committee's provisions into this tile.

Mr. Speaker, as our colleagues are aware, there has been a dispute between the Committees on Education and Labor, and Ways and Means, as to the jurisdiction over provisions relating to the single-employer plan termination insurance system.

Last week, when the House considered H.R. 3500, the Omnibus Budget Reconciliation Act of 1985, the provisions relating to this subject, as reported from the Committee on Education and Labor, were incorporated in that bill in title III. Further, the rule providing for consideration of H.R. 3500 did not allow for amendments to that title. Therefore, the Committee on Ways and Means was precluded from offering alternative provisions on a subject which they believe to be within their jurisdiction.

This rule, therefore, will allow the Ways and Means Committee to add their provisions to this bill. The practical effect of this action, Mr. Speaker, is to allow each committee to take its respective provisions to conference.

The dispute as to jurisdiction, as well as substance, will therefore be resolved in the conference on reconciliation with all the interested parties in attendance.

Mr. Speaker, this is not a perfect solution, but it is a fair one. The perfect solution would have been for these committees to have resolved this jurisdictional dispute prior to House action of the legislation. However, under the rules governing reconciliation legislation, devices such as sequential referrals, which operate as dispute resolution mechanisms, are often not available.

I would hasten to note, Mr. Speaker, that as chairman of the Budget Committee task force on the budget process and reconciliation, I find this situation very frustrating. In fact, H.R. 3500 contained other provisions reflecting directly contradictory positions between several committees of the House.

The only equitable resolution to this situation is to allow the committee to take their conflicting provisions to

conference and allow the parties to work out their differences. This rule will allow this procedure as to the provisions dealing with the single-employer plan termination insurance system.

Mr. Speaker, the last amendment made in order under this rule is printed in the rule and is purely technical in nature. It renames title I and inserts the name of title VI in the table of contents of H.R. 3128.

Mr. Speaker, this is the second major piece of reconciliation legislation considered by the House of Representatives this year. The first piece, H.R. 3500, was approved last week. H.R. 3500 represented the spending reductions reported by 10 committees of the House of Representatives.

H.R. 3128 contains the second important component of the reconciliation effort—revenue increases. The bill makes changes in the Medicare Program, trade and customs laws, the Aid to Families with Dependent Children Program, the railroad unemployment and other unemployment compensation programs, and the Tax Code. Moreover, the committee estimates that the total deficit reduction contained in H.R. 3128 is $19.2 billion over 3 years.

The conference report on the first concurrent resolution on the budget for fiscal year 1986, Senate Concurrent Resolution 32, required the Ways and Means Committee to achieve a deficit reduction target of $21.6 billion over 3 years. Therefore, H.R. 3128, as reported from the Committee on Ways and Means was $2.4 billion short of the reconciliation target contained in the budget resolution.

The Committee on Rules first considered H.R. 3128 for purposes of reporting a rule providing for its consideration on September 17. At that time, the Committee on Rules was advised that the $2.4 billion deficit reduction shortfall would be met by subsequent action in the Ways and Means Committee on legislation providing revenues for the Superfund Program.

Because the Ways and Means Committee had not actually taken action on the Superfund issue, however, that committee could not be scored by the Budget Committee as having met their deficit reduction target. In light of this situation, the Committee on Rules chose to defer action on H.R. 3128 until such time as the Committee on Ways and Means reported further revenue-raising legislation.

As our colleagues are aware, on Thursday, October 17, the Committee on Ways and Means reported out amendments to H.R. 2817, the Superfund Amendments of 1985. This action, therefore, allowed the Ways and Means Committee to be scored with having reported legislation sufficient to meet their deficit reduction target.

In fact, CBO estimates that the Ways and Means Committee amendments to H.R. 2817 will raise nearly $3.1 billion in net revenues above the revenue baseline. Therefore, the provisions in H.R. 3128, in addition to the actions taken on Superfund, will give the Ways and Means Committee a deficit reduction total well in excess of the $21.6 billion 3-year target contained in the budget resolution.

I believe it is important to stress, Mr. Speaker, that the Ways and Means Committee amendments to H.R. 2817, the Superfund Amendments of 1985, are not contained in H.R. 3128, nor are they made in order as amendments under this rule. These amendments will be considered as part of H.R. 2817, which is expected to be considered in the House in the very near future.

Mr. Speaker, as if often the case with reconciliation legislation, it is important that we consider this package as a whole. This rule will allow for several basic changes to the legislation reported from the Committee on Ways and Means, and then an up-or-down vote will be provided on the bill.

As we continue to work on proposals requiring mandatory budget goals for the next few years in an effort to reduce the Federal budget deficit, I believe it is also vitally important for our colleagues to remain focused on the real process of deficit reduction.

Reconciliation is one of the most important means we presently have to make the important and tough budget decisions we must make here and now if we are really serious about cutting the deficit, and not simply posturing on political devices which propose to make these hard choices for us sometime in the future.

Mr. Speaker, I urge adoption of the rule and passage of H.R. 3128.

□ 1205

Mr. LATTA. Mr. Speaker, I yield myself such time as I may use.

Mr. Speaker, let me say at the outset that I agree with the statements made by the gentleman from South Carolina [Mr. DERRICK] about the bill. It is a deficit-reduction bill supposedly, and we have heard much this morning about attempting to ram Gramm-Rudman down our throats without an oppportunity to amend, et cetera, et certera, et certera, but here is a very thick bill on deficit reduction that our Democratic friends are attempting to ram down our throats without an opportunity to amend, if you adopt this rule.

So as a consequence I am going to ask that the Members vote down the previous question on this rule so that we will have an opportunity to amend it.

Certainly we have heard a lot of statements here this morning that were in error. We could not even agree on the facts, listening to what was going on on this floor this morning, as to what transpired on a vote yesterday in the conference on Gramm-Rudman. I was amazed to hear our chairman say that only two Republicans voted to reduce the deficit for fiscal year 1986 by $20 billion when actually there were six Republicans voting to so reduce the deficit, and I was one of them.

Let me say further that I happen to be one of those individuals who are on the miniconference on this budget with our chairman and with the chairman of the Senate Budget Committee and the ranking member on the Senate Budget Committee who put together that budget that they now say they can cut by $20 billion.

Now I have a pretty good memory, and I can recall many, many times during the time that we were attempting to put together that budget that none other than the chairman of our committee would come back into our little huddle and say, "I have talked to the leadership on such-and-such, and we can't cut any more."

Yes. Now that was in August, and I am ready to go back to that conference now—now—to reduce $20 billion, and I will be out there voting for it. So I merely ask my friends on the Democratic side, to join with me in any effort to get a second budget resolution passed to reduce by $20 billion the fiscal 1986 budget.

Mr. DERRICK. Mr. Speaker, will the gentleman yield?

Mr. LATTA. No, I am afraid I do not have the time. We have a lot of speakers on our side. But if you are ready to join with me, I will be happy to yield to the gentleman.

Let me also say that we heard here this morning, you know, from a speaker over on the Democratic side from Ohio, believe it or not, who said it was the Republicans' fault that we did not pass a constitutional amendment to balance the budget. I invite him to take a look at the record. The Republican Senate passed that constitutional amendment by a two-thirds vote, and this House passed it by a majority vote. We did not get the two-thirds vote, so it failed in this House for the want of a two-thirds vote by our Democratic friends. Check the record.

□ 1215

Now let us get into this gag rule, and I say it is a gag rule.

If we accept this rule as crafted by the majority, if the rule is adopted, those amendments in their rule will be deemed to have been adopted as a part of the bill.

Under this rule, the membership of the House will be denied any opportunity to participate in fashioning or amending this far-reaching legislation.

Who is complaining now?

It is strictly a take it or leave it proposition.

Several Members appeared before the Rules Committee and requested that at least five important amendments be made in order for consideration by this House. Their requests were denied by the majority, and I need not tell you that in the Rules Committee the Republicans are outvoted two to one plus one on the Democratic side.

Mr. Speaker, I am not asking that the House open this bill to unlimited amendments, but I do feel that the House should not be completely excluded from the decisionmaking process on this far-reaching bill. Certainly these individuals who appeared before the Rules Committee and had their amendments printed in the RECORD ought to have an opportunity to offer those amendments so that we can all vote on them.

If we vote down the previous question, they are going to have that opportunity.

My amendment to the rule would make in order an amendment by the gentleman from Ohio [Mr. GRADISON]. The Gradison amendment would strike all the spending increases amounting to almost a billion dollars from this bill.

Mr. Speaker, the purpose of reconciliation is supposed to be saving money, not spending more money on more new programs. The Gradison amendment would at least allow the House to remove parts of the bill which would increase the deficit rather than reduce it.

Mr. Speaker, there is a lot of talk about reducing the deficit around here. The Gradison amendment will allow us to convert some of that talk into deficit reduction.

Now we all know that the House failed on a very close vote last week, the Latta amendment, to save $3.5 billion. It could restore a part of its fading luster on deficit reduction if it adopted the Gradison amendment.

Mr. Speaker, the second amendment I would propose to give the House a chance to consider is to be offered by the gentleman from Ohio [Mr. KINDNESS]. The Kindness amendment would strike out provisions which would make newly hired State and local employees subject to the Medicare insurance tax. This is an issue of major importance to a number of States right this single moment. Let me say to those people who have said they are opposed to bringing in State and local employees under Medicare or Social Security, this will be the only opportunity in this legislation you will have to vote yes or no. You either vote to vote down the previous question or you eliminate your vote on this issue.

Mr. Speaker, the third amendment which the House would have an opportunity to consider under my proposed amendment to the rule is an amendment offered by the gentleman from Louisiana [Mr. MOORE] and the gentleman from Nebraska [Mr. DAUB]. Their amendment would delay for 1 year, to 1988, the full phasein of the Medicare prospective payment system for hospitals, the same as section 102 of the Ways and Means bill, but it would keep the new prospective payment system moving more progressively during the interim period than the Ways and Means version.

Incidentally, this was an amendment offered in the Ways and Means Committee that only failed by one vote.

Mr. Speaker, the fourth amendment I would propose to allow the House to consider is one from the gentleman from Georgia [Mr. SWINDALL]. The Swindall amendment would strike the criminal enforcement section of the bill regarding the responsibilities of medical hospitals in emergency cases, and insert language providing for a liability and penalty study by the Secretary of Health and Human Services in consultation with the Attorney General.

Finally, Mr. Speaker, the fifth amendment that the House would be able to consider under my proposal is by the gentleman from New Jersey [Mr. SMITH]. The Smith amendment would permit payment for therapeutic shoes under Medicare part B for individuals with severe diabetic foot disease. This could save $105 million in amputation costs, if you please. As will be explained by the gentleman from New Jersey, it has been estimated that this change could result in a net savings of $86 million a year.

Mr. Speaker, the choice before the House is clear. The House can abdicate its responsibility or it can give the House the right to consider at least five important issues involved in this legislation.

If the Members of this body will vote no on the motion for the previous question, I will offer an amendment to the rule to permit the Members to offer these important amendments.

So I ask for a no vote on the previous question. Let me say I am not the only one asking for a no on the previous question. The Secretary of Health and Human Services is also asking that we do so. I need not read her letter that every Member of this House has received on this subject.

Mr. Speaker, I include the letter as follows:

THE SECRETARY OF HEALTH AND HUMAN SERVICES,
Washington, DC., October 31, 1985.

DEFEAT THE PREVIOUS QUESTION ON HOUSE RESOLUTION 301

DEAR REPRESENTATIVE: The House will today consider H.R. 3128, the Deficit Reduction Amendments of 1985. It is a seriously flawed bill and the rule providing for its consideration, H. Res. 301, will not allow for amendments that would remedy its defects. Therefore I urge you to defeat the previous question to allow for consideration of a rule which would allow the amendments needed to improve the bill.

While H.R. 3128 is called a deficit reduction bill, you should be aware that there are new programs and program expansions in the bill. Additionally, the bill would take the teeth out of the AFDC quality control system. This amounts to subsidizing waste and errors. In total, H.R. 3128 will result in nearly two and one half billion dollars in new HHS costs the next three years.

Further, H.R. 3128 will overturn numerous regulations we have issued to constrain costs in the Medicare program. For example, overturning the hospital payment freeze will cost over one billion dollars over the next three years.

In the face of the tremendous size of the deficit, H.R. 3128 falls far, far short of the mark. It is at best a shovel when the task is moving mountains.

Addressing the deficit requires much more than H.R. 3128 offers. Therefore I urge you to defeat the previous question on House Resolution 301 so that serious deficit reduction can happen.

Sincerely,

MARGARET M. HECKLER,
Secretary.

MAJOR PROVISIONS OF H.R. 3128 THAT WOULD INCREASE HEALTH AND SOCIAL SERVICES SPENDING

REVISE AFDC QUALITY CONTROL

The provision would undermine the quality control system of the Aid to Families with Dependent Children (AFDC) program and inhibit efforts to reduce the Federal deficit. The quality control system was set up to combat waste, fraud, and abuse in the AFDC program. Weakening it would vastly increase the Federal subsidy of erroneous State welfare expenditures.

Cost: $1.1 billion over the first five years.

AUTHORIZE GRANTS TO STATES TO REDUCE TEENAGE PREGNANCY

Funds for this purpose are already being provided under numerous other programs: Titles X (Family Planning) and XX (Adolescent Family Life) of the Public Health Service Act, the Social Services Block Grant, and the Job Training and Partnership Act.

Cost: $150 million over 2-year authorization.

MANDATE AFDC UNEMPLOYED PARENT (UP) PROGRAM

States are currently allowed to make AFDC payments to two-parent families in which both parents are unemployed. Under this provision, even those States which have decided *not* to have a UP program would be required to have one, increasing both Federal and State costs.

Cost: $1.04 billion over the first five years.

CHANGE COVERAGE OF OCCUPATIONAL THERAPY SERVICE

Coverage is currently provided for services given as part of a hospital or skilled nursing facility stay or through a home health agency. The provision would expand the provider base to allow independently practicing therapists to bill Medicare. The primary beneficiary would be the independently practicing therapist; it would not provide any new services to the beneficiary.

Costs: $155 million over the first three years.

EXPAND COVERAGE OF OPTOMETRISTS' SERVICES

The provision would allow optometrists to bill Medicare for whatever services State

law allows them to perform which are covered by Medicare (mostly cataract-related services.)

Cost: $470 million over the first three years.

MANDATE MEDICAID COVERAGE OF PREGNANT WOMEN WHO MEET AFDC INCOME AND RESOURCE TESTS

This provision would expand mandatory Medicaid eligibility to all pregnant women who meet the income and resource tests for AFDC even though they do not meet the categorical requirements, e.g., they are married to employed husbands. (Last year the Deficit Reduction Act of 1984 mandated Medicaid for pregnant women in AFDC-like families and to all children under age 5 who meet the AFDC financial tests.)

Cost: $445 million in the first five years.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 2 minutes to the gentlewoman from California [Mrs. BURTON].

Mrs. BURTON of California. Mr. Speaker, I want to discuss some issues which the Committee on Rules considered in its deliberation on this rule.

Last week the House passed H.R. 3500 containing provisions to strengthen pensions for workers' and retirees. The changes made by the Education and Labor Committee to the Employee Retirement Income Security Act [ERISA] will put the Pension Benefit Guaranty Corporation back on a strong financial footing and will help close loopholes in the law that deprive retirees of their hard-earned benefits when profitable companies terminate their pension plans. These are good provisions; I support them; and I hope that in the conference with the Senate the Education and Labor provisions will prevail.

The parliamentarian has made it clear that primary jurisdiction on this pension matter belongs to Education and Labor. Since the Rules Committee did not allow Ways and Means to amend H.R. 3500, we decided to allow this amendment so that both committees could participate in resolving their differences in conference.

H.R. 3500 is clearly better for retirees, better for workers, and better for the Pension Benefit Guaranty Corporation. The Pension Benefit Guaranty Corporation was created to make sure that retirees get their pensions when their companies fail. I hope that the conferees will put retirees first and come up with a bill that provides the strongest possible protections for workers. Mr. Speaker, I support the rule.

Mr. LATTA. Mr. Speaker, I yield 4 minutes to the gentleman from Ohio [Mr. GRADISON].

Mr. JEFFORDS. Mr. Speaker, will the gentleman yield?

Mr. GRADISON. I yield to the gentleman from Vermont.

Mr. JEFFORDS. Mr. Speaker, I rise in opposition to the rule on H.R. 3128 (H. Res. 301), especially as it relates to the manner in which the ERISA single employer termination insurance provisions were added to H.R. 3128 by the Committee on Ways and Means.

My opposition is twofold. First in passing H.R. 3500, the Omnibus Budget Reconciliation Act, last Thursday, this House has already acted favorably on the ERISA single employer termination insurance reforms as contained in that legislation. The rule now under consideration, if passed, would require this body to approve a second version, the Committee on Ways and Means version, of these ERISA title IV amendments.

I object to the inclusion of these provisions, since the rule would preclude their amendment and any meaningful debate of their intended consequences. This House should not be put in the position during conference of having taken two widely differing positions on this important element of retirement income policy. At best the result could be confusion and at worst the added complexity could undermine the ability of the conferees to adopt the full measure of needed reforms.

Second, I question the fairness of this rule which makes in order a provision which is within the jurisdiction of the Committee on Education and Labor, which first appeared in the CONGRESSIONAL RECORD only this Tuesday, and with respect to which our committee of jurisdiction has had no opportunity to debate or amend.

Over the past 4 years we have requested cooperation from the Committee on Ways and Means to address the ERISA single employer amendments, but without a timely response.

The substitute language requested by the Committee on Ways and Means, and accommodated in the rule, cannot be considered adequate to fully address the abuses or to close the loopholes the Pension Benefit Guaranty Corporation has stated as being necessary to restore the solvency of the title IV single employer program. While my colleagues and I on the Committee on Education and Labor remain open and willing in conference to work with the Committee on Ways and Means to fully take into account their concerns, we must insist that those provisions of H.R. 3500 that the PBGC has identified as being necessary to close these loopholes be included in the final legislation.

For these and other reasons, I must restate my opposition to this rule as drafted in connection with the single employer termination insurance reforms.

Mr. GRADISON. Mr. Speaker, the so-called deficit reduction amendments of 1985 before us this afternoon include almost $1 billion of new spending over the next 3 years, according to CBO or about $2½ billion, according to OMB. This member asked to be allowed to offer an amendment to strike all new spending proposals from this bill. The Rules Committee said no. Thus, what we have before us is a deficit reduction fig leaf being used to cover up new spending.

What are the Democrats who run the Rules Committee and run this House afraid of? Why are they unwilling to let the House vote on new spending? Frankly, this is the same old business as usual we've seen around here for years and which has led to $200 billion dollar deficits.

Something new happened yesterday which suggests that maybe, just maybe, high spending business as usual is ending. The Democratic House conferees recommended eliminating the deficit over 5 years and that the deficit be cut to $161 billion for the current year. This Member, as a member of the conference, supported the $161 billion figure. Now, today, on the next vote we test whether yesterday's action was a media event or a major turning point. We should welcome budget balancers with open arms whether they are born-again spending cutters or life-long true believers.

Much has been said this morning about Gramm-Rudman. Let's be clear about the effect of Gramm-Rudman on the measure before us. Should Gramm-Rudman become law—and this Member hopes it will—every dollar of new spending will trigger a dollar-for-dollar reduction in present spending programs of the Federal Government. Denying a vote on new spending—as this rule would do—is a clever way to avoid discussing what will be cut to pay for the new spending. If Gramm-Rudman means anything at all, it means that such questions should be—indeed must be—addressed.

I urge the House to join me in voting "no" on the previous question so that the House can work its will on an issue which goes to the heart of the integrity of the entire budget process—indeed to the heart of the intregity of this House.

Mr. CAMPBELL. Mr. Speaker, will the gentleman yield?

Mr. GRADISON. I yield to the gentleman from South Carolina.

Mr. CAMPBELL. Mr. Speaker, I thank the gentleman for yielding.

I would ask the gentleman if he is familiar with the debate that took place in the committee concerning the question of abortion, which does arise in the section that the gentleman tried to offer an amendment to before the Rules Committee to strike. If the gentleman will recall, we did in the Ways and Means Committee adopt language in the legislation which said that none of the activities or services offered through the Block Grant Program dealing with teenage pregnancies could include the performance of counseling for abortion. I am sure the gentleman remembers that.

I am concerned and I ask the gentleman if he shares my concern with report language that sought to undo that and has raised this issue on the floor when we tried to avoid in the committee by dealing with it directly.

The report language says:

The legislation includes a prohibition on the use of block grant funds for the performance of abortions and for the counseling of individuals to have abortions except where the life of the mother would be endangered if the fetus were carried to term. This prohibition applies solely to the use of funds provided under the teenage pregnancy block grant established by section 302 of this bill, and is not intended in any way to alter current practices or law and regulations of other title IV or any other Social Security Act programs or other Federally funded health and public assistance programs.

The concern has arisen that will in fact open the door for abortion. I ask the gentleman if he shares that concern in his amendment.

Mr. GRADISON. I share the gentleman's concern.

Mr. LATTA. Mr. Speaker, I yield 1 minute to the gentleman from Utah [Mr. NIELSON].

Mr. NIELSON of Utah. Mr. Speaker, I wish to join my colleague from the Ways and Means Committee, Mr. GRADISON, in opposing this rule because it does not allow an amendment to strike increased spending provisions contained in and H.R. 3128 and H.R. 3290.

I believe that the Members of this House should be afforded the opportunity to offer amendments to strike spending provisions in these bills. According to the Congressional Budget Office, there are provisions in H.R. 3128 and H.R. 3290 that will increase spending by approximately $1 billion for the period fiscal year 1986 through fiscal year 1988. There are those of us in this body who take the budget reconciliation process seriously and desire to use it as a means to make a significant dent in the deficit. We do not think that the reconciliation process should be used as a means to bring increased spending provisions to the floor in a manner that will short-circuit debate.

There are also many of us in this body who believe it is inappropriate to make only nominal savings in order to net out additional spending as was done in H.R. 3101, the legislation that was ordered reported by the Energy and Commerce Committee and is now included in H.R. 3290.

Finally, there is also a significant number of us who are strongly in favor of the spending cuts contained in H.R 3128 and H.R. 3290 but who may be forced to vote against those bills because they contain increased spending provisions as well.

I strongly urge my colleagues to defeat this rule. The rule should allow Members to be able to vote on an amendment that will strike all new spending provisions. We have an enormous deficit that should not be allowed to increase further.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 2 minutes to the gentleman from Tennessee [Mr. FORD].

□ 1230

Mr. FORD of Tennessee. I thank the gentleman for yielding this time to me.

Mr. Speaker, I rise in support of the Deficit Reduction Act of 1985 and would just like to talk briefly on title III of the bill that will be before us if this rule is adopted.

No. 1, under title III of this legislation is contained the public assistance amendments to H.R. 3128. These provisions are intended to combat the steady rise of poverty among children in this Nation. We are talking about teenage pregnancy, which is reaching epidemic proportions in this Nation today. This bill today will address it with a pilot block grant program calling for $50 million in the first year and $100 million in the second year.

We know that we are confronted with severe problems on the issue of teenage pregnancy. The gentleman from Ohio [Mr. GRADISON], a member of the full Committee on Ways and Means, as well as the gentleman from South Carolina [Mr. CAMPBELL], who is the ranking member of the Subcommittee on Public Assistance, know that we adopted the Hyde language in the teenage pregnancy bill. That language was adopted. He is referring to the report language in this bill.

This is only a counseling program. It does two things. It tries to prevent teenage pregnancy and it offers a service after the fact. We call up on a 2-year pilot block grant program that is needed. The antiabortion language that Mr. CAMPBELL has talked about, he knows that he was a part of the compromising efforts on the full Committee on Ways and Means to agree that we would adopt the Hyde language to be a part of the teenage pregnancy program, as well as the UP-2 parent program on AFDC.

We are only talking about and calling for the father or the principal earner within a family to be eligible to live within a household and at the same time his children receive AFDC payments. We are not talking about $2 billion. We are talking about, from 1986 to 1988, $630 million.

We are only trying to protect the safety net that the President has talked about and the President has promised the poor of this Nation.

Mr. Speaker, I would urge my colleagues to adopt this amendment that is before us on the rule.

The SPEAKER pro tempore. The time of the gentleman from Tennessee [Mr. FORD] has expired.

Mr. DERRICK. Mr. Speaker, I yield 1 additional minute to the gentleman from Tennessee.

Mr. CAMPBELL. Mr. Speaker, will the gentleman yield?

Mr. FORD of Tennessee. I would be happy to yield to my ranking minority member, the gentleman from South Carolina.

Mr. CAMPBELL. I thank the gentleman for yielding.

Mr. Speaker, I just wanted to take a moment. The gentleman mentioned my name.

The gentleman is correct, and I am not here questioning the programs or the benefit of them. I was here to raise the question and the concern came from the adoption later of language that seemed to try to negate what the full committee had done.

I wanted to make that very clear. I was not speaking to the other programs or the merit of those programs.

Mr. FORD of Tennessee. But we do not want to mislead our colleagues here. We adopted the Hyde language as a part of the teenage pregnancy program. The report language, when you talk about that, we must realize that this is only a counseling program to combat the real problem that we are faced with on teenage pregnancy.

Mr. CAMPBELL. But I am sure the gentleman would agree, if he would yield a moment, that of course we were not intending to undo the bill language, and if that is the case then we should strike some of this report language and get back to what the committee did.

Mr. FORD of Tennessee. I want to adopt the language that was agreed upon with the gentleman's side of the aisle as well as this side of the aisle in the committee.

Mr. CAMPBELL. The bill language.

Mr. FORD of Tennessee. We thought that we reported a bill that would be acceptable on both sides of the aisle on teenage pregnancy.

Mr. LATTA. Mr. Speaker, I yield 2 minutes to the gentleman from Mississippi [Mr. LOTT].

Mr. LOTT. I thank the gentleman for yielding this time to me.

Mr. Speaker, I have been patiently sitting through hour upon hour of conference sessions on the Gramm-Rudman deficit reduction amendment, listening to speaker after speaker extoll their budget-cutting credentials. Yesterday our majority colleagues in the House, after earlier telling us what an awful thing Gramm-Rudman was, voted for an amendment to cut the deficits by nearly $20 billion more this year. I suppose you could call this, "Gramm-standing."

But, Mr. Speaker, it seems whenever it comes to paying the piper around here, and put out savings where our rhetoric is, we cop-out. Last Thursday, on the omnibus reconciliation bill, the

House narrowly defeated Mr. LATTA's amendment to strike $3.5 billion in spending increases by a vote of 209 to 219. Where were our majority brethern on that one? Only 43 of the Democrat colleagues voted with us to remove these spending increases, while 204 voted to increase spending and the deficit.

It appears that vote made our born-again budget-cutting colleagues so nervous that they prevailed on the Rules Committee not to permit any more votes on striking these add-ons in a reconciliation bill, since the rule before us today is about as closed tight as Dracula's coffin here on Halloween. I guess it's appropriate on Halloween that our Democrat friends played their little trick last night, but are saying in this rule today, don't take away our treats.

Mr. Speaker, we have an opportunity, if we defeat the previous question on this rule, to make in order the Gradison amendment which will eliminate nearly $1 billion in spending increases contained in this legislation. The gentleman from Ohio [Mr. LATTA] attempted to make that in order in the Rules Committee and was turned back on a party-line vote. I tried to make in order the amendment of the gentleman from Louisiana [Mr. MOORE] to keep our prospective payment system for hospitals under Medicare on track, and thereby save the Government additional money. But that too was defeated.

Mr. Speaker, make no mistake about it, the vote on the previous question will be counted as a vote on whether we are really serious about cutting deficits, or whether we're just parading in our Halloween costumes for the benefit of the folks back home. Vote down the previous question so we can vote for cutting the deficit more. Let us see if we are really serious.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 4 minutes to the gentleman from Michigan [Mr. BONIOR], a member of the committee.

Mr. BONIOR of Michigan. I thank my colleague on the committee for yielding this time to me.

Mr. Speaker, in the past few weeks the Rules Committee has grappled with the question of how to facilitate enactment of reforms to the single employer pension plan termination program of ERISA.

Clearly such reforms are urgently needed. The Pension Benefit Guaranty Corporation [PBGC], which is charged with guaranteeing pension benefits in the case of terminated pension plans, is plagued with very serious problems and deficits. The number of claims against the fund have been far greater than expected in the original legislation. If we are to avoid a major funding crisis in ERISA, the program will require both a premium increase and major structural changes to shore up the system and prevent future abuses.

The Rules Committee in this ongoing concern, has been faced with two alternative amendments to reform the single employer pension plan—one presented by the Committee on Education and Labor, and the other by the Committee on Ways and Means.

I believe personally the Education and Labor amendment is preferable on the merits. It is a product of 4 years of the committee's work. During that time, hearings were held involving the input of a wide variety of the parties affected. The legislation proceeded through a careful process of consensus building to arrive at a package that has very strong bipartisan support. It was reported from the Committee on Education and Labor on a unanimous vote. It has the support of the administration and of organized labor. Neither the business community nor any other interested group that I am aware of has expressed objection to the substance of the reforms proposed by the Committee on Education and Labor.

This package will povide a premium increase from the current $2.60 per plan participant to $8.50. It contains reforms that will prevent solvent companies from dumping their unfunded pension liabilities on the PBGC, and from evading responsibility for the provision of certain nonguaranteed rights that have been earned by retirees. It will crack down on employers who undertake transactions purely for the purpose of evading pension liabilities. In sum, it provides protection for retirees and responsible businesses alike, while placing the Pension Benefit Guaranty Corporation on a financially sound basis.

The Education and Labor reforms have already passed the House on H.R. 3500, the Omnibus Budget Reconciliation Act. The Senate has added similar provisions to its own budget reconciliation package. Today, we are faced with an entirely different set of reforms, drafted in the last few weeks by the Ways and Means Committee, and included in the reconciliation bill before us.

There is no doubt about the jurisdiction of the Ways and Means Committee over the question of the premium increase and I think that is important to stress. Yet serious questions have been raised about the committee's claim to jurisdiction over the rest of the single-employer pension plan reforms.

The fact that the Rules Committee has granted a rule, at the request of the Ways and Means Committee, which incorporates this new set of reforms and which protects these provisions from amendments on the floor, should not be interpreted as an endorsement of the Ways and Means Committee's claims to jurisdiction.

Indeed, I believe, that a far stronger case can be made for the claim of the Committee on Education and Labor to sole jurisdiction over the structural reforms of the single-employer pension plans. I would like to insert in the RECORD a letter from that committee to the Speaker which I believe makes a very clear and compelling case for the committee's jurisdiction.

Mr. Speaker, I urge my colleagues to support this rule, and the Ways and Means reconciliation package. It is my hope that the two committees with conflicting claims to jurisdicion over the single-employer pension plans will be able to resolve their differences in conference, in a way that will provide lasting protection for the pension rights of our retired workers.

Mr. Speaker, the letter to which I referred follows:

COMMITTEE ON EDUCATION AND LABOR, U.S. HOUSE OF REPRESENTATIVES,
Washington, DC, September 24, 1985.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: It has come to our attention that the Committee on Ways and Means has requested sequential referral of H.R. 2813, a bill dealing with the single-employer pension plan termination insurance system. This bill contains no amendments to the Internal Revenue Code and was referred solely to the Committee on Education and Labor.

It is our understanding that the basis of the claim by the Committee on Ways and Means is three-fold: the legislative history of the initial enactment of the Employee Retirement Income Security Act of 1974 (ERISA), the procedure followed in 1979-80 when subsequent amendments were made to the multiemployer insurance provisions in title IV, and a generalized claim that by increasing employers' liability under section 4062 of ERISA, the Committee on Education and Labor is depriving the Committee on Ways and Means of its ability to review the size and nature of allowable deductions from taxable income. The Committee on Ways and Means argues that without the ability to review changes in the title IV program itself, even though these are matters historically solely within the jurisdiction of the Committee on Education and Labor, its ability to exercise its authority over tax matters is impeded.

The Committee on Education and Labor disagrees with these claims. Mr. Speaker, we urge you not to refer H.R. 2813 sequentially to the Committee on Ways and Means in light of the following facts.

First, the Committee on Ways and Means asserts that the legislative history of ERISA shows that title IV was intended to be within the joint jurisdiction of the two committees. We sharply disagree. We have attached for your information, a brief history of the origins of the title IV program and its subsequent treatment since 1974. We are confident that after your objective review of this material, you will support the position of the Committee on Education and Labor that the legislative history of the termination insurance provisions demonstrates the

exclusive jurisdiction of our Committee over all sections of title IV, except for the statutorily mandated concurrent resolution process for changing Pension Benefit Guaranty Corporation (PBGC) premiums which requires joint referral. This was made most clear by the Speaker's own decision to divide cleanly the jurisdiction of matters under H.R. 2 (ERISA) by appointing the members of the Committee on Education and Labor as exclusive managers on the part of the House "on title I of the House bill, and modifications thereof which have been committed to conference" (title I exclusively contained the provisions relating to plan termination insurance). Section I(C)(2) in the accompanying memo contains a more detailed discussion of this point.

Second, the Committee on Ways and Means argues that the legislative history of the Multiemployer Pension Plan Amendments Act of 1980 (originally H.R. 3904) supports its claim of joint jurisdiction over all of title IV. Again we sharply disagree. Although we have included a more detailed analysis of the incorrectness of this argument in the attached memo, we point out to you, M. Speaker, a colloquy between Mr. Frank Thompson and Mr. Dan Rostenkowski on the House floor on May 21, 1980 which appears in the Congressional Record for that day on page H 3947. The essence of that colloquy is a reaffirmation of a prior agreement between the committees that the process used in the consideration of that critical legislation was agreed to by both committees to be nonprecedential in nature. Therefore, it is hard for this Committee to understand why the Committee on Ways and Means considers the procedure under which H.R. 3904 was handled to be relevant at all to the question of jurisdiction over title IV generally.

Third, the Committee on Ways and Means make certain generalized claims that the action of our Committee in amending certain sections of title IV which are solely within our jurisdiction would harm (or affect) its ability to exercise its asserted jurisdiction over the size and nature of allowable deductions from taxable income. Not only do we sharply disagree with this analysis generally, but also we are puzzled how, were this analysis correct, any programs could exist under the jurisdiction of any committee without the Committee on Ways and Means sharing jurisdiction. Clearly Mr. Speaker, there are many instances of programs which are under the exclusive jurisdictions of committees other than the Committee on Ways and Means, even though certain aspects of those programs may involve tax deductible amounts. For example, if Committee on Education and Labor were to increase the Federal minimum wage, this would indirectly affect tax revenues. In that instance, as well as the instance at hand, the Committee on Ways and Means would have no jurisdictional claim over a matter solely within the jurisdiction of the Committee on Education and Labor Committee simply because the action of our committee might have an indirect effect on tax revenues. The Committee on Ways and Means claims that by our Committee's amendment of section 4062 of ERISA (which describes the liability of employers terminating certain pension plans), we have impeded its ability to monitor deductible amounts of taxable income under section 404(g)(1) of the Internal Revenue Code. If the Committee on Ways and Means wants to exercise its oversight jurisdiction over deductible limits, it certainly has the ability to do so by a method within its jurisdictional prerogatives, i.e., by amendments to the Internal Revenue Code, and not through limiting our Committee's ability to exercise its legitimate jurisdictional prerogative of amending section 4062.

Moreover, Mr. Speaker, we would like to call to your attention a matter over which you have already ruled which supports the above described argument of the Committee on Education and Labor. Last Congress, as part of the Tax Reform Act of 1984 (H.R. 4170), the Committee on Ways and Means drastically reduced the deductibility of allowable contributions made to certain types of employee benefit welfare plans. The Committee on Education and Labor clearly has jurisdiction under its exclusive authority under title I or ERISA with respect to these plans. At the time we argued that changing the tax treatment with respect to these plans would have a significant effect on employee protections under these plans, thus in effect significantly affecting matters within the jurisdiction of the Committee on Education and Labor. Yet our request to be appointed joint conferees on this issue was denied, on the basis that the amendments were made only to the Internal Revenue Code and not to title I. More recently, this principle was reinforced in your decision to refer sequentially to the Committee on Education and Labor only section 505 of H.R. 3128 (relating to the increase in the premium paid to the Pension Benefit Guaranty Corporation) and not section 161 of that bill (relating to private health insurance continuation). Our request for sequential referral of section 161 was denied because H.R. 3128 amended only the Code and not title I of ERISA, although the introduced bill from which the provision derived was jointly referred. Therefore, any argument raised by the Committee on Ways and Means that, to the extent the Committee on Education and Labor makes title I amendments which may have some indirect effect on tax revenues (as in the example discussed above involving the Federal minimum wage), dual jurisdiction is created and sequential referral is necessary, is inconsistent with previous decisions you have made, Mr. Speaker, on questions identical to this one. Although we continue to disagree with your decision with respect to last year's Tax Reform Act and with respect to section 161 of H.R. 3128, at a minimum, we respectfully urge consistency in your rulings.

In summary, Mr. Speaker, we believe the arguments of the Committee on Ways and Means are inconsistent with both the legislative history and House precedent on the issues at hand. We therefore urge you to reject the request of the Committee on Ways and Means for sequential referral of H.R. 2813.

In the interest of time and in deference to your busy schedule, we have tried to be as brief as possible. Neither this letter nor our supporting memo is a complete recitation of each and every relevant point, but rather a summary of the relevant points related to the sole authority of the Committee on Education and Labor over the programmatic aspects of title IV of ERISA. We remain ready to answer any questions you may have about the material we have submitted as well as any other issues raised with respect to the question of jurisdiction over the title IV plan termination insurance program.

Sincerely,

AUGUSTUS F. HAWKINS,
Chairman.
JAMES M. JEFFORDS,
Ranking Member, Committee on Education and Labor.
WILLIAM L. CLAY,
Chairman, Subcommittee on Labor-Management Relations.
MARGE ROUKEMA,
Ranking Member, Subcommittee on Labor-Management Relations.

POINTS RELEVANT TO SOLE JURISDICTION OF COMMITTEE ON EDUCATION AND LABOR OVER TITLE IV OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974 (ERISA)

I. HOUSE ACTIONS LEADING TO ENACTMENT OF ERISA ON SEPTEMBER 2, 1974 (P.L. 93-406)

A. Introduction of original ERISA bills in House

1. H.R. 2 (final bill number of P.L. 93-406), as introduced by Mr. Dent, was referred only to the Committee on Education and Labor (1/3/73).

2. H.R. 462 (incorporated into H.R. 2 by the Committee on Education and Labor on October 2, 1973), as introduced by Mr. Dent, was referred only to the Committee on Education and Labor (1/3/73).

B. House Committee actions in bringing H.R. 2 to the House floor on February 25-28, 1974

The following were substituted as original text for H.R. 2:

H.R. 12906 as reported by the Committee on Education and Labor (2/19/74), and

H.R. 12855 as reported by the Committee on Ways and Means (2/21/74).

1. H.R. 12906 was referred only to the Committee on Education and Labor; part 4 of this bill contained the plan termination insurance provisions.

2. H.R. 12855 as referred to the Committee on Ways and Means did not contain any plan termination insurance provisions.

3. Conclusion:

a. The House bills containing plan termination insurance provisions (currently title IV of ERISA) were referred only to the Committee on Education and Labor and acted on only by such Committee. Such bills were not referred to the Committee on Ways and Means (initially, sequentially, or otherwise) and such bills (or plan termination insurance provisions in any form) were not acted on by the Committee on Ways and Means. We are unaware of any assertion of jurisdiction over plan termination insurance made by the Committee on Ways and Means at that time.

b. The Committee on Education and Labor's involvement with the plan termination insurance provisions of the legislation (title IV of ERISA) stems from clause 6 of Rule XI, which provides that the Committee has jurisdication over "measures relating to . . . labor generally". The sole thrust of title IV of ERISA is to protect workers' pension benefits from loss in the event of pension plan terminations and the Pension Benefit Guaranty Corporation was therefore established as an independent corporate body within the Department of Labor

in recognition of that Department's character to protect workers' interests.

c. The above described exlusive involvement of the Committee on Education and Labor in establishing the programmatic and funding provisions of the plan termination insurance program, as enacted by the House, supports the view that at the time that the House considered ERISA, both the Committee on Education and Labor and the Committee on Ways and Means considered such provisons as outside the scope of clause 21 of Rule IX extending the jurisdiction of the Committee on Ways and Means over, *inter alia*, "revenue measures generally".

d. The fact that the Committee on Ways and Means may share jurisdiction with the Committee on Education and Labor over premiums imposed under the title IV program is not dispositive of the question of whether, because jurisdiction is shared over this aspect of the funding mechanism of a program it necessarily follows that juridiction is shared over the programmatic aspects. Rather, benefit programs tied to the imposition for charges on employers or users do not constitute revenue, and are not necessarily within the jurisdiction of the Committee on Ways and Means Legislation establishing other programs that impose fees or other charges, similar in nature to the premiums under title IV, have been handled exclusively by the committee having jurisdiction of the subject matter (for example, nuclear accident indemnification (42 U.S.C. 2210) and grazing fees (43 U.S.C. 315b, *et seq.*)) without the involvement of the tax-writing committtee in the House or Senate. This treatment is consistent with Supreme Court decisions under the origination clause that conclude that a bill, under which the primary purpose is not to raise revenue, is not a bill for raising revenue. *See, e.g. Twin City Bank v. Nebeker*, 167 U.S. 196, 202-203 (1897). *See, also* Story, *II Commentaries on the Constitution of the United States* (Da Capo ed.) 343 (1970).

C. House action on H.R. 2

1. Throughout the consideration by the House of H.R. 2, the Committee on Education and Labor controlled the time and managed the debate on title I, which contained the plan termination insurance provisions. Title II (which contained no elements relating to plan termination insurance) was managed by the Committee on Ways and Means.

2. The exclusive jurisdiction of the Committee on Education and Labor over plan termination insurance was made crystal clear and memorialized at the time the House agreed to the conference with the Senate as a result of the Speaker's own decision and direction to divide cleanly the jurisdiction of matters under H.R. 2 by appointing the members of the Committee on Education and Labor as managers on the part of the House "on title I of the House bill, and modifications thereof which have been committed to conference" (title I exclusively contained the provisions relating to plan termination insurance) and by appointing the members of the Committee on Ways and Means as managers on the part of the House "on title II of the House bill, and modifications thereof which have been committed to conference" (title II did not contain any provisions relating to plan termination insurance). See page H 2388 of the Congressional Record of April 2, 1974, attached.

2. The Conference Report on H.R. 2 makes clear in the statement of managers that the members of the Committee on Education and Labor were appointed (and, in fact, acted) as the exclusive managers of title I (including the plan termination insurance provisions of the House-passed bill) for purposes of the Conference Committee on H.R. 2.

3. Conclusion:

Each action on H.R. 2 taken: (a) by both the Committee on Education and Labor and the Committee on Ways and Means, (b) by the House, and (c) by the Conference Committee reinforces the view that the plan termination insurance provisions of H.R. 2 as enacted are solely within the jurisdiction of the Committee on Education and Labor. In an exception to the language of the House-passed bill, the Conference Committee included a statutory concurrent resolution mechanism for changing plan termination insurance premiums. Under that procedure, the PBGC's premium request in the form of a current resolution "is transmitted to the Committees on Education and Labor and Ways and Means of the House and to the Committees on Finance and Labor and Human Resources of the Senate."

As has been stated before, it is the view of the Committee on Education and Labor, relying on precedents and examples, that the fact that the mechanism for raising premiums is a jointly referred concurrent resolution in no way affects its claim to sole jurisdiction over the programmatic aspects of the title IV insurance system. On the contrary, the Committee on Education and Labor believes that if the intent of the Conference Committee was to make the whole of title IV a matter of concurrent jurisdiction, there would have been no need to single out this provision and specifically refer to the tax-writing committees. In fact, since the members of the Committee on Education and Labor were the sole House conferees on these provisions and therefore, absent a specific reference, would continue to have exclusive jurisdiction over the whole of title IV, the specific reference was necessary to make it clear that, in the limited instance of the use of a concurrent resolution mechanism to change premiums, there was a minimal role for the tax-writing committees.

Similarly, it has been argued that the reason the Conference Committee placed the termination insurance program in a separate title (and removed it from title I) was to indicate that it was not within the sole jurisdication of the Committee on Education and Labor. The Committee strongly disagrees with that line of reasoning. In fact, the plan termination insurance provisions were removed from title I since the program was to be administered by the Pension Benefit Guaranty Corporation, and independent corporate body within the Department of Labor. As a drafting convenience, the provisions were put in a separate title. Moreover, this mere drafting convenience did not in any way dilute or change the Committee on Education and Labor's sole authority as appointed House conferees on matters relating to plan termination insurance as clearly spelled out by the Speaker's designation of members of such Committee as sole conferees with respect to such matters under the House bill on which the conference was held. See page H 2388 of the Congressional Record of April 2, 1974, attached. In addition, the plan termination insurance program was then, and continues today, to be within the budgetary control of the Secretary of Labor. It is unlikely (as well as unprecedented) that the Committee on Education and Labor would have gratuitously agreed to joint control with tax-writing committees over the whole of a program developed by the Committee on Education and Labor and solely within the ambit of the U.S. Department of Labor.

II. HOUSE ACTION SUBSEQUENT TO ERISA'S ENACTMENT

A. 95th Congress

1. H.R. 9378 (a bill to delay the effective date of plan termination insurance for multiemployer pension plans under title IV of ERISA) was referred solely to the Committee on Education and Labor and was reported formally there. This bill was managed solely by members of the Committee on Education and Labor and was passed by the House on November 1, 1977, without any committee (or other action) having been taken by the Committee on Ways and Means.

2. H. Con. Res. 369 (introduced pursuant to the statutory mechanism for increasing the premiums under the plan termination insurance program) was referred, as statutorily required, to both committees. The extent of the Committee on Ways and Means jurisdiction with respect to such a current resolution setting the level of premiums was clarified in a colloquy between Mr. Pickle and Mr. Perkins on December 7, 1977 (Congressional Record at page H 12833, attached) at the time the House again considered H.R. 9378 (which had been amended by the Senate to include the substance of H. Con. Res. 369—namely the premium increase). In that colloquy, the two gentlemen agreed that there existed joint jurisdiction over concurrent resolutions increasing the level of premiums but that exclusive jurisdiction over the balance of title IV is retained by the Committee on Education and Labor.

This interpretation is further supported by the fact that H.R. 9368 (as agreed to by the House) contained a mandated study of the multiemployer pension plan termination insurance program, which, in the House, was to be referred solely to the Committee on Education and Labor, in recognition of the Committee on Education and Labor's sole jurisdiction over the balance of title IV (P.L. 95-214).

B. 96th Congress

1. H.R. 3915 (a bill to delay further to May 1, 1980, the effective date of plan termination insurance for multiemployer plan under title IV) was referred solely to the Committee on Education and Labor and reported favorably thereon. On June 4, 1979, H.R. 3915 which was managed solely by members of the Committee on Education and Labor, was passed by the House without any committee (or other) action having been taken by the Committee on Ways and Means. The Senate accepted the House bill (P.L. 96-24).

2. H.R. 7140 (a bill to delay further to June 1, 1980, the effective date of plan termination insurance for muliemployer plans under title IV) was referred solely to the Committee on Education and Labor. On April 28, 1980, H.R. 7140 which was managed solely by members of the Committee on Education and Labor, was passed by the House by unanimous consent without any committee (or other) action having been taken by the Committee on Ways and Means. The House accepted a Senate amendment extending the delay date to July 1, 1980 on April 29, 1980 (P.L. 96-239).

3. H.R. 7685 (a bill to delay further to August 1, 1980 the effective date of plan termination insurance for multiemployer plans under title IV) was referred solely to the

Committee on Education and Labor. On June 30, 1980, H.R. 7685 which was managed solely by the members of the Committee on Education and Labor, was approved by unanimous consent by the House, without any committee (or other) action having been taken by the Committee on Ways and Means. Later that same day, the bill cleared the Senate (P.L. 96-293).

4. H.R. 3904, the Multiemployer Pension Plan Amendments Act of 1980 (a bill to make mandatory pension plan termination insurance for multiemployer plans and to raise the level of premiums for such plans) was jointly referred to both the Committee on Education and Labor and the Committee on Ways and Means, pursuant to a legislative process agreed upon at the time by the two committees to be non-precedential in nature. The common concern was that the emergency nature of the legislation, as evidenced by the previous efforts to delay the effective date of mandatory coverage, did not leave sufficient time for strict adherence to the jurisdictional requirements which both committees, nonetheless, recognized as binding upon them (see supporting colloquy between Mr. Thompson and Mr. Rostenkowski, Congressional Record of May 21, 1980 at H 3947, attached).

a. In recognition of the programmatic responsibilities of the Committee on Education and Labor with respect to the title IV plan termination insurance system, the Committee on Education and Labor first reported H.R. 3904 (H. Rept. 96-869, Part 1) on April 2, 1980. In recognition of the responsibilities of the Committee on Ways and Means in connection with the bill's change in premium rates and other conforming changes in the Internal Revenue Code (the provisions on which initial referral were based), the Committee on Ways and Means subsequently reported the bill (H. Rept. 96-869, Part 2).

During the consideration of the bill by the Committee on Ways and Means, the two committees worked closely together and the Committee on Education and Labor reviewed any non-Code changes which had been suggested, in conformance with the agreed upon procedure between the two committees, thus avoiding the need for the Committee on Education and Labor to demand strict adherence to jurisdictional precedents with respect to the non-premium programmatic sections of title IV. In light of the agreement that this procedure would be non-precedential and the emergency nature of the legislation, the Committee on Education and Labor relied on such agreement and did not demand that it be given the opportunity to reopen consideration of portions of the bill solely within its jurisdiction which the Committee on Ways and Means may have amended in an agreed-upon manner.

b. On May 21-22, 1980, the House took up H.R. 3904, pursuant to the rule making in order an amendment in the nature of a substitute which consisted of the separate amendments reported by the two committees. The amendment of the Committee on Ways and Means included the amendment adopted by the Committee on Education and Labor together with several additional committee amendments agreed to by the Committee on Education and Labor under the non-precedential arrangement between the two committees. That the procedure under which H.R. 3904 was developed and considered by the House was exceptional and of no precedent is evidenced by the colloquy between Mr. Thompson and Mr. Rostenkowski appearing at page H. 3947 of the Congressional Record of May 21, 1980, attached.

c. Conclusion:

1. The post-enactment ERISA legislative history, as recorded above, could hardly be more illuminating in support of the Committee on Education and Labor's primary and exclusive jurisdiction over the plan termination insurance program provisions under title IV of ERISA (the sole exception is the joint jurisdiction of the Committee on Ways and Means with the Committee on Education and Labor in connection with the statutorily prescribed concurrent resolution process to increase the level of premiums charged both single and multiemployer plans). Time after time, the Committee on Education and Labor acted on matters exclusively within its own jurisdiction under title IV of ERISA in addressing the problems connected with pension plan termination insurance and without challenge to the Committee's jurisdictional prerogatives.

2. The joint referral of H.R. 3904, the multiemployer legislation, to both committees (to the Committee on Ways and Means in accord with the established practice to refer bills containing amendments to the Internal Revenue Code to such committee, as in this case), and even the subsequent markup of the Committee on Education and Labor version of the bill by the Committee on Ways and Means (pursuant to the agreement cited above), do not and should not provide to the Committee on Ways and Means a basis for "bootstrapping" jurisdiction under title IV of ERISA when in fact none previously existed.

To hold otherwise would be totally contrary to the intent of the Thompson-Rostenkowski colloquy which confirmed the non-precedential nature of the procedure by which H.R. 3904 was considered. To hold otherwise would also do violence to the notion that the Speaker has continually urged with respect to sensitive matters of jurisdiction generally, namely, for committees to work together to enact urgently needed legislation, while both sides preserve their jurisdictional claims, rather than waste time squabbling over jurisdictional prerogatives at the expense of needed legislation.

The SPEAKER pro tempore. The Chair will advise the gentleman from South Carolina [Mr. DERRICK] that he has 10 minutes remaining and the gentleman from Ohio [Mr. LATTA] has 13 minutes remaining.

Mr. LATTA. Mr. Speaker, I yield 1 minute to the gentleman from Minnesota [Mr. FRENZEL].

Mr. FRENZEL. I thank the gentleman for yielding this time to me.

Mr. Speaker, the bill before us is from the Committee on Ways and Means. That particular committee is one of the more collegial bodies on this campus and normally works its will in at least a sort of bipartisan manner.

This is one of the few bills that the committee has passed in my memory which all the Republicans voted against. That ought to be an immediate signal to the Members of the body that something is wrong here. What is wrong is that we have added new programs which could be removed if the Gradison amendment were in order.

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Since the Rules Committee refused to stop the creation of new programs and the expansion of other programs by at least allowing us to work our will on the Gradison amendment, it is necessary to defeat the previous question.

I hope that all Members understand the nature of the previous question. If you want a chance to defeat new spending, if those newly crowned heros from yesterday on the Democrat side who voted for further reductions want to put their money where there mouths are, they may now vote against the previous question.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1706. An act to authorize the Architect of the Capitol, in cooperation with the Union Station Redevelopment Corporation, to design a building or buildings adjacent to Union Station in Washington, DC.

DEFICIT REDUCTION AMENDMENTS OF 1985

Mr. LATTA. Mr. Speaker, I yield 2 minutes to the gentleman from Louisiana [Mr. MOORE].

Mr. MOORE. Mr. Speaker, this bill takes a step backward in another way other than those already described. The law we passed in 1983 calling for the repayment for Medicare to our hospitals to go from the old expensive and inefficient cost-plus basis to the new prospective payments system, PPS, and paying by DRG's, has been delayed in this bill.

What they have done is this year that we are in now, it should have gone to a 75-25 basis, 75 percent paid under this new prospective system and 25 percent under the old way, and next year it should go to 100 percent.

Some hospitals have not been doing well, some have been inefficient and they have come to the Ways and Means Committee last year and we defeated them. And they came back this year and they won to freeze that system to 50-50, to delay going to it.

My colleagues, the most impressive step we have taken to hold down health care costs was the passage of this prospective system.

In 1980, Medicare costs were rising at the rate of 19 percent a year. It is down now to 6.3 percent. Hospital expenses were rising at 10.2 percent 2 years ago, and last year only 4½ percent. The cost per case declined nearly 3 percent, and admissions and length of stay dropped about 4 percent.

So what we are doing is finally we took some meaningful steps, and this

bill backs away from them by refusing to go further in that system.

I would like to offer an amendment. I did in the Ways and Means Committee and it failed by only one vote. We would like to offer an amendment here on the House floor to reach a compromise and say, OK, let us go to 75-25. This year it is going to 60-40, and next year, instead of going to 100 percent, we will go to 80-20.

In other words, we will compromise and try to help those hospitals having a difficult time, but keep them moving toward the progressive system to where some day we will be 100 percent under this new payment system which will save the taxpayers money, save the Medicare system, and see to it we continue the system that has been working so well.

The hospitals are saying that they need this break.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 3 minutes to the gentleman from California [Mr. MATSUI].

Mr. MATSUI. Mr. Speaker, the Ways and Means Committee Deficit Reduction Act of 1985 is a well-crafted package that meets two important commitments, substantial deficit reduction and the preservation of the safety net for the poor. A vital component of this bill is the provision to pause the prospective payment system under Medicare.

I would first like to emphasize that the Ways and Means Committee very strongly supports a prospective payment system for Medicare hospital services. When we designed the PPS legislation in 1983 as part of the Social Security legislation, we did so with an understanding that it was an imperfect system and that we would need time to make refinements and improvements before it became fully effective.

We are now at the midpoint in our transition to a national pricing system; yet we find that virtually none of the expected refinements to the PPS have been implemented. As a result, we are beginning to see "windfall" payments to certain hospitals and significant underpayments to other hospitals. These differences are not related to efficiency or lack of efficiency in hospital operations. Instead, they are a result of one, the failure to distinguish severity of illness; two, its lack of sensitivity to variations in the costs of labor and other goods and services purchased at a local market; and three, its failure to adjust to those hospitals that serve a higher proportion of indigent care. This disparity among hospitals does not occur between regions, this disparity occurs within regions.

By moving forward with the transition schedule, we are ignoring these facts and the growing body of evidence that is supporting the need for reform of the PPS. Even the Prospective Payment Commission, a nonpartisan body set up by Congress to monitor and make recommendations about the new system, has issued over 20 recommendations for improvements to the PPS and has agreed that we must pause the system, and we must pause it now, to make these corrections.

In the absence of more refined and precise adjustments to hospital prices, the Ways and Means Committee did not support continuation of the scheduled transition to national rates. If we continue the transition, we will only make worse the distortions present in the system today which will lead to unnecessary and in some cases irreparable damage to our hospital system.

An extension of the PPS transition schedule will not increase Medicare outlays nor will it interfere with the positive incentives of prospective payment. It will however, provide for a series of midcourse corrections and for additional time to develop further refinements that increase payment precision and equity. The Ways and Means Committee's approach will simply provide for a fair evaluation of the PPS and gives us greater confidence that no hospitals is either penalized or rewarded on any other basis than its operational performance.

The gentleman from Louisiana would like to offer an amendment to allow for a 60-40 percent split in the system instead of 50-50 percent. The problem with this approach is that hospitals would have to adjust to a new payment rate this year and another again next year. The 50-50 percent in the bill maintains some stability and certainty at a time of major change in hospital reimbursement.

I urge support of the rule.

Mr. DERRICK. Mr. Speaker, I yield such time as he may consume to the gentleman from Missouri [Mr. CLAY].

Mr. CLAY. Mr. Speaker, I rise to express my concerns about the Pension provisions of this bill. On Tuesday I appeared before the Committee on Rules to oppose the request of the Committee on Ways and Means to have included as original text of H.R. 3128 their amendment relating to the single-employer termination insurance provisions of ERISA. These are the same provisions we heard about last week when we debated the rule on H.R. 3500. These are the provisions that the Ways and Means Committee was unsuccessful in getting offered as a substitute to the education and labor provisions in H.R. 3500.

Although neither my position nor the position of the Education and Labor Committee toward these amendments has changed since last week, there is one difference. Today these amendments are before the House in a procedurally protected manner.

Our objections to the Ways and Means amendments are based both on jurisdiction and substance. Since ERISA was enacted in 1974, the Committee on Education and Labor has had sole jurisdiction over the nonpremium aspects of title IV of ERISA. Title IV established the pension plan termination insurance system administered by the Pension Benefit Guaranty Corporation [PBGC]. The Committee on Ways and Means continues to assert that they have joint jurisdiction over these matters. That is simply untrue. Although the Parliamentarian has repeatedly confirmed that the Committee on Ways and Means does not have joint jurisdiction with our committee over these matters, they continue to insist that they do.

Their claim is based on an creative argument. Because the employer liability payments required under section 4062 of title IV are tax deductible by companies under Internal Revenue Code section 404(g), the Committee on Ways and Means argues that they should have an equal say when our committee, in an exercise of its legitimate jurisdiction, changes that liability. Now remember, the Committee on Ways and Means is not powerless in this situation. If they did not agree with the changes our committee made, they always would have a remedy. There is no dispute that Ways and Means could, in fact, exercise its own jurisdictional prerogatives and simply amend section 404(g) and we could not stop them.

I raise this point merely as a word of warning to other committees. The current jurisdictional dispute between Education and Labor and Ways and Means may not be of particular interest to you now. But if the argument of the Ways and Means Committee were to prevail at some time in the future, it could have significant long-range ramifications for many other committees. If programs within the sole jurisdiction of your committee have an effect on tax revenues, no matter how indirect, the Committee on Ways and Means could begin to assert jurisdiciton over them as well.

One of my most serious objections to this rule is that at some later point it might be erroneously characterized as endorsing the claim of the Committee on Ways and Means to joint jurisdiction over title IV. In fact, the chairman of the Ways and Means has already laid the groundwork for that erroneous characterization in his statement to the Committee on Rules and in his statements here today. He argues that it is "only fair" that the Ways and Means amendment be part of H.R. 3128, since the Education and Labor provisions were part of H.R. 3500. I appreciate the statements made today by members of the Committee on Rules confirming that in their view the Committee on Education and Labor clearly has primary jurisdiction over these matters and indicating that the adoption of this rule should not be construed in any way as an endorsement of the Committee on Ways and Means jurisdictional claim.

If we adopt the rule and pass H.R. 3128 today, as I assume we will, the practical result is a weakened House position in conference on this issue. The House will have two different sets of provisions dealing with the same subject matter in two different reconciliation bills. Although we have been assured that both H.R. 3500 and H.R. 3128 will be conferenced together, because

both provisions will represent the House position in conference, confusion will inevitably result.

The Senate bill is similar to H.R. 3500 in many material respects. The bills are similar because they have both been developed over a substantial period of time, with the input of many outside parties, and are as close to a consensus bill that Congress is likely to achieve on these complicated issues. On the other hand, the Ways and Means amendment is fundamentally different from either of the other two bills. Instead of narrowing the differences to facilitate the resolution of the issues in conference, I fear that the effect of passing H.R. 3128 will be to make the conferees less likely to reach agreement in a reasonable period of time.

Because of the confusion and practical difficulties engendered when substantially different House provisions addressing the same subject matter exist, the House should only resort to that approach in very limited instances. I believe the existence of dual House provisions might be reasonable only if the jurisdiction over the issues is clearly joint and only if both committees had spent a considerable amount of time examining the issues and had simply agreed to disagree over the best approach to solving the problems. Neither is the true, however, in the case before us today.

It is well established that no joint jurisdiction exists over the reforms. In addition, it is clear that only one committee has spent a considerable amount of time examining these issues. The provisions adopted by the House in H.R. 3500 are the product of over 4 years of bipartisan effort by the Committee on Education and Labor. They have been widely and publicly debated and are supported by the administration, organized labor, and retiree groups. Business does not oppose them. On the other hand, the Ways and Means amendment contained in the bill before you today was adopted hurriedly, with no opportunity for public discussion and debate, with no hearings, and after the chairman of the Committee on Ways and Means admitted before Committee on Rules that as of September 19, 1985, his committee had not considered the question of reforms at all.

It is hard to imagine how either fundamental fairness or good public policy could support the need for a second House position on reforms to the single-employer termination insurance program. Yet that is the situation we find ourselves in today.

In addition to my concerns about this rule based on jurisdictional matters, I also have serious substantive questions about these specific proposals. The longer you examine the Ways and Means approach to the serious problems facing the termination insurance system, the clearer it becomes that their provisions are substantively flawed. Even a first reading of the text reveals that the provisions are, at best, a thinly disguised attempt to establish the legitimacy of their jurisdictional claims over provisions in ERISA which are not within their jurisdiction.

The current statutory framework for administering ERISA is well established. The Secretary of Labor administers title I and the Secretary of Treasury administers title II. In many instances, title I and title II are identical. The existence of these "mirror image" provisions mean that ongoing pension plans are currently subject to dual regulation. The Secretary of Labor administers title I and the Secretary of Treasury administers title II. Dual jurisdiction has caused immeasurable conflict and confusion over the years and has led many current and former Members of Congress and many in the private sector to call for the establishment of a single agency to administer ERISA. Presidential Reorganization Plan No. 4, adopted by Congress in 1978, was an attempt to bring some order into the chaos of dual jurisdiction. It divided certain ERISA responsibilities for ongoing pension plans between the Departments of Labor and Treasury to minimize the overlapping and inconsistent administration of the law. Although the situation has improved somewhat since Reorganization Plan No. 4 was adopted, many problems still remain.

Once a pension plan is terminated, however, sole administration of the ERISA provisions has been the responsibility of the Pension Benefit Guaranty Corporation ever since ERISA was enacted in 1974. There never has been any complaint or concern raised about that arrangement.

The Ways and Means proposal contained in H.R. 3128, however, would, for the first time, subject terminated plans to dual regulation: One set of rules administered by the PBGC and the other by the IRS. The public policy reasons for this change are unknown. It seems like a step backward to me to drag terminating plans into the morass of dual jurisdiction for no apparent policy reason. From a public policy point of view, the Ways and Means approach makes no sense. It appears to be a solution in search of a problem. Rather the purpose of this ill-conceived change in ERISA administration can only be understood when viewed in the context of a method to strengthen the Tax Committee's arguable jurisdictional claim over the reforms.

Nevertheless the Ways and Means Committee touts this bill as a "reform" and a solution to the PBGC's problems. Ironically the administration does not think it is much of a solution. In fact, in certain instances, it puts the PBGC in a weaker position than the Agency would be under current law.

Instead of shoring up the financial condition of the PBGC by closing the loopholes that all agree exist, the Ways and Means bill fails to deal with most of the major loopholes at all. In addition, PBGC would be in a worse cash poisition than it is under current law were H.R. 3128 to become law. Currently when an underfunded single-employer pension plan terminates, the PBGC is entitled to claim up to 30 percent of the employer's net worth immediately to offset the liability the PBGC will pick up to guarantee benefits under the plan. Of course, PBGC may agree to alternative terms and conditions to collect this amount, but it has the statutory right under current law to demand the 30 percent in a lump sum when the plan terminates.

Under the Ways and Means bill, the employer has an absolute right to demand payment terms under which the liability to the PBGC can be paid over a 5- or 15-year period. If 5 years is chosen, PBGC gets nothing up front. If 15 years is chosen, PBGC also gets nothing up front. Thus in those cases, the PBGC would be in a worse position than it is now to collect a portion of the liability immediately.

Second, the Ways and Means bill contains an interesting provision which relates to evasion of liability. This, too, represents a serious undercutting of the PBGC's present position. In litigation under current law, the PBGC has assessed employer liability against an employer that engaged in a spinoff transaction, a principal purpose of which was to evade liability to the PBGC for an underfunded plan termination. Liability was assessed as if the spinoff had never occurred. H.R. 3128 would explicitly limit PBGC's ability to assess such liability in the future to cases in which the evasion was "fraudulent." I have a number of problems with such a provision. First, the burden of proof for the PBGC to establish in a court of law that an evasion of liability was fraudulant is almost insurmountable. Second, if you think about this provision for more than 10 seconds, you will see how easy it would be to get around it. If a company could only be held liable if its attempt to evade liability was "fraudulent," why wouldn't every company simply issue a press release at the time that it undertook at transaction to evade liability which said: "Company XYZ is today selling subsidiary ABC to evade its liability to PBGC". No court in this country would say that such an action was fraudulent. On the contrary, the company was completely honest and open about what it was doing and why. Yet the PBGC would be stuck with the unfunded liability. Why the Committee on Ways and Means wants to protect companies that try to evade their liability to the PBGC is beyond me.

Another serious flaw in the Ways and Means bill is that access to the PBGC insurance program is not limited to companies in genuine financial hardship. By not adopting a similar approach to that found in the Education and Labor provisions in H.R. 3500, there is very little protection for the PBGC from the abusive situation under current law in which highly profitable companies can dump their liabilities on the PBGC, and thus pass on the cost of paying for their underfunded pension plan to the rest of the premium payers.

My greatest concern with the Ways and Means amendment, however, is that it does not protect retirees. Under current law, a perfectly healthy employer is able to cut back on the pension benefits promised to retirees when a plan is terminated. This abuse is prohibited both under H.R. 3500 and the Senate bill, but is allowed to con-

tinue under the Ways and Means bill before us today. The administration and a unanimous Education and Labor Committee have supported closing this loophole. So has the Senate. Apparently the only people who see nothing wrong with this practice are the members of the Committee on Ways and Means who support H.R. 3128. There is no reason to continue allowing healthy employers to reduce substantially the pension benefits of employees who have worked long and hard to earn their pensions. The Ways and Means bill fails to address this abuse at all.

In conclusion, I would only reiterate my opposition to the ERISA amendments contained in H.R. 3128 on both jurisdictional and substantive grounds. I believe the amendments contained in this bill far exceed any jurisdiction the Ways and Means Committee might have over these issues. In addition, even if they had jurisdiction over the matters in the bill, I would have serious reservations about it because it is a bad bill. I thought the purpose of reform was to make things better. These so-called reforms would do nothing to help retirees and actually make things worse for the PBGC. That's not my idea of reform.

Mr. LATTA. Mr. Speaker, I yield 1½ minutes to the gentleman from Nebraska [Mr. DAUB].

Mr. DAUB. Mr. Speaker, I appreciate the time and will try to make my remarks succinct.

We have made a great deal of progress in instilling economic common sense in the ways Medicare pays hospitals. As you know, the Medicare hospital payment system is now based on a prospectively determined rate of payment with built-in incentives for cost control and efficient management of resources, rather than cost reimbursement.

Since we made the change, the performance of the industry has been remarkable, with the expenses rising by only 4.5 percent in 1984 as compared to 10.2 percent in 1983, while at the same time the cost per case declined nearly 3 percent and admissions and lengths of stay dropped about 4 percent.

Let me remind my colleagues as well that profits during this same period of time were up for hospitals, and their return on their equity in their investment rose at the same time.

We, I think as well as others, have considered many other factors that are at play, including pressure from the business community and private insurers.

So what I want my colleagues to do is to vote no on this rule for the very simple reason that some 25 States have committed themselves under the prospective payment system to make the efficiencies that are necessary, and we should not penalize them by essentially going backward in our attempt to go to one national rate for prospective payments under the diagnostic-related group program. Let us stay with the program.

Mr. LATTA. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio [Mr. KINDNESS].

Mr. KINDNESS. Mr. Speaker, I thank the gentleman for yielding this time, and I would like to draw to the attention of my colleagues the fact that this is the only opportunity that you will have to express yourself on the point I am about to raise; it is the only opportunity, and that is to vote no on the previous question.

The issue involved is whether the United States has the constitutional authority to impose a tax on the States. We are accustomed to thinking of it under this bill in section 123, the bill that would be considered under the rule, as just bringing new State and local government employees under the coverage of Medicare. That involves a tax upon the States.

That is not within the powers of the United States that are enumerated in the Constitution—so where does the power come from? It does not come from the 16th amendment which allows the income tax to be imposed. That is a tax on individuals.

There is no power in the Constitution for the United States to impose a tax upon the States. The 10th amendment to the Constitution makes it clear that those powers not enumerated and given to the United States are retained by the States, and there is nothing about the authority of this Congress to impose a tax on the States.

Where we have a bill like this one that is increasing spending, putting in new spending, somewhere you have to make up for it, and the idea was, I suppose, to take in section 123 new coverage under Medicare and extend it to State and local government employees, and it would not work. The power to tax is the most basic power of any governmental entity. Without that power, other governmental powers mean very little or nothing.

Imposing a tax on the States goes right to the very basis of whatever sovereignty the States have maintained under our Constitution, and you may argue about how much that is, but this Congress has no power to impose a tax upon the States in this manner.

I urge you to vote no on the previous question so that we may debate that issue.

Mr. LATTA. Mr. Speaker, I yield 1½ minutes to the gentleman from New Jersey [Mr. SMITH].

Mr. SMITH of New Jersey. Mr. Speaker, I rise against the rule and ask Members to support the gentleman from Ohio [Mr. LATTA] in his efforts to make five amendments in order, and thus urge a no vote on the previous question.

Mr. Speaker, I had planned to offer an amendment that I am sure many Members would have strongly supported. My amendment, which was voted down eight to five by the Rules Committee, would permit payment for therapeutic footwear under Medicare part B for individuals with severe diabetic foot disease.

According to information compiled by the American Diabetes Association, this amendment would result in net savings of $214 million over 3 years, $86 million in the first year alone. Savings would occur through decreased need for costly amputation versus the need of less-expensive therapeutic shoes.

Mr. Speaker, each year, up to 25,000 diabetics 65 or older are required to have lower extremity amputations. The American Diabetes Association has estimated that 40 percent of those amputations could be avoided, or simply not occur, if proper shoes were available. The fact of the matter is, while Medicare reimburses the cost of amputation, which is approximately $15,000 per patient, it does not provide reimbursement for the footwear which would prevent the amputation. My amendment would simply provide for this.

Mr. Speaker, I believe that this amendment should be made in order. Certainly, the amendment the gentleman from Ohio [Mr. LATTA] would offer would include this, and I urge that we defeat the previous question.

Mr. LATTA. Mr. Speaker, I yield 1 minute to the gentleman from Georgia [Mr. SWINDALL].

Mr. SWINDALL. Mr. Speaker, I rise in opposition to the rule because the net effect of the passage of this rule will be to create yet another Federal cause of action—specifically, a Federal cause of action for medical malpractice.

The reason that I am concerned about this is that I further believe that the net effect will be to lower the quality of Medicare recipients' health attention in this country.

During the hearings in the Judiciary Committee, my amendment first passed by a show of hands and by voice vote, only to be defeated 18 to 16 by a rollcall vote.

What concerns me about that is the only reason it was defeated by a rollcall was the use of proxies. For too many years, we have allowed the will of the majority to be frustrated by loading these committees and the rules that are allowing these proxy votes.

To further not allow this amendment to frustrate this creation of another Federal cause of action I think would be a grave mistake. The net effect would be an increase in medical malpractice, and ultimately the increase of the cost of medical procedures in this country.

I urge, therefore, the defeat of this rule.

□ 1255

The SPEAKER pro tempore. The gentleman from Ohio [Mr. LATTA] has 4 minutes remaining, and the gentleman from South Carolina [Mr. DERRICK] has 7 minutes remaining.

Mr. LATTA. Mr. Speaker, I yield 1 minute to the gentleman from Connecticut [Mr. ROWLAND].

Mr. ROWLAND of Connecticut. Mr. Speaker, I also rise in opposition to this rule. I am troubled that there must be an up or down vote on this bill, since very significant policy changes relating to a major welfare program are contained in title III.

These changes do not constitute deficit reduction, but rather they will actually cost $1 billion in new spending each year. One provision will virtually gut the Michel amendment, adopted several years ago by this Congress. This was aimed at reducing welfare error rates and improper payments.

This was done by imposing fines and sanctions against State AFDC programs which have high error rates due to program mismanagement and fraud. These high error rates represent hundreds of millions of dollars in improperly paid welfare benefits to those who are legally ineligible.

All we want to do is combat welfare fraud and abuse so that those scarce dollars can indeed go to those who are truly needy. Like other Members, I have been pressured by my State welfare commissioner and the welfare lobby to ease up on these quality controls.

In Connecticut, for example, we have had terribly high error rates. At one point, one in six payments was incorrect.

I urge rejection of the previous question.

Mr. LATTA. Mr. Speaker, I yield the balance of my time to the gentleman from Illinois [Mr. MICHEL].

Mr. MICHEL. Mr. Speaker, this rule represents another effort by the majority in this body to ram big spending proposals down our throats.

Prohibiting us a separate vote on the spending increases in this bill is as much as a gag order, and that's what the Rules Committee has done. They have denied us a vote, because they know we may win it and God forbid we really cap spending around here.

Last week, this House passed a so-called deficit reduction bill that included $3.5 billion in spending increases. Now, we are about to take up a second deficit reduction bill that includes another $1 billion in spending increases. And because we came within 10 votes of knocking out the spending add-ons in last week's bill, the majority obviously doesn't want to take any chances this time around, so they seek to prevent us from even offering amendments to eliminate the spending increases.

We need to defeat the previous question so that a substitute rule can be offered making such amendments in order.

Not only is it important from a budgetary standpoint that we eliminate the program expansions, but it is equally important, on grounds of simple efficient management of the taxpayers' money!

Hundreds of millions of dollars are being wasted every year in the AFDC Program due to erroneous payments by the States.

In an effort to force the States to tighten the administration of this program and reduce the waste, we enacted legislation I drafted a few years ago when I was serving as our ranking member of the HEW Appropriations Subcommittee.

We wrote into the law established error rates requiring the States to meet those standards. If they failed to meet the goal—they were penalized.

The standards and accompanying penalities are working. The latest figures show that the national error rate is now 6.5 percent, the lowest rate since the collection of statistics began some 10 years ago. Nevertheless, it is still high, with some 39 States currently not meeting their targets.

We need to keep their feet to the fire. But what does this bill do? It relaxes the standards and reduces the penalties. CBO says that these changes will reduce penalties by 75 percent.

CBO estimates that, under this bill, the Federal Government will be forced to "eat" an additional $500 million in waste committed by the States between 1986 and 1990. The Department of Health and Human Services estimates that the Federal loss will be considerably more.

When we have an opportunity to save Federal dollars with efficiency rather than the meat ax, we best not squander that opportunity. They don't come our way that often.

We have no choice but to defeat the previous question so that amendments can be offered eliminating the spending add-ons and striking the provisions that are so damaging to the battle against waste.

Mr. DERRICK. Mr. Speaker, I yield myself such time as I may consume.

We passed a Budget Act back in 1974 that began in 1975; we all had great hopes that that was going to bring some fiscal responsibility to this Government. It has not.

We may pass Gramm-Rudman tomorrow. We are in hopes that that is going to bring some fiscal responsibility to this Government. Under the same conditions as the Budget Act, it will not.

The reason it will not is because we once again, as we did with the Budget Act, are looking for a mechanism so that we as Members will not have to make the hard decisions that it takes to cut this deficit and to hopefully, one day, balance it.

We can vote for the budget resolution, as it passed by somewhat of a majority last time around; we can vote for the conference, we can vote for all the balanced budget amendments and cosponsor them and do all that sort of thing, but we really are not denying those constituencies that want additional money.

I do not mean to be pointing to the other side of the aisle; I include both sides of the aisle in this. There is probably one vote or two that you get in the course of a session that you actually say "no" in real terms; and that is enforcement of reconciliation under the Budget Act.

We passed H.R. 3500, which was the 10 committees on the House on reconciliation. This is reconciliation on behalf of the Committee on Ways and Means. The budget conference report instructed the Committee on Ways and Means that they were to create $21.2 billion in savings.

Through very diligent work on their behalf, they have not only created $21.1 billion of savings, they have exceeded that amount in savings. So they have done more than that which we asked.

I suggest to the membership on both sides of the aisle very strongly that we vote for this rule so that we may go ahead today with the bill of reconciliation by the Committee on Ways and Means, which will mean over $21 billion of savings to the American taxpayer.

Mr. Speaker, I move the previous question.

The SPEAKER pro tempore. The question is on ordering the previous question.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. LATTA. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device and there were—yeas 219, nays 205, not voting 10, as follows:

[Roll No. 381]

YEAS—219

Ackerman	Bennett	Bryant
Akaka	Berman	Burton (CA)
Alexander	Bevill	Bustamante
Anderson	Biaggi	Carper
Andrews	Boggs	Carr
Annunzio	Boland	Chappell
Anthony	Boner (TN)	Clay
Aspin	Bonior (MI)	Coelho
Atkins	Bonker	Coleman (TX)
Barnard	Borski	Collins
Barnes	Bosco	Conyers
Bates	Boxer	Cooper
Bedell	Brown (CA)	Coyne
Beilenson	Bruce	Crockett

Daniel	Jones (TN)	Reid
Darden	Kanjorski	Richardson
Daschle	Kastenmeier	Robinson
de la Garza	Kennelly	Rodino
Dellums	Kildee	Roe
Derrick	Kleczka	Rose
Dicks	Kolter	Rostenkowski
Dingell	Kostmayer	Rowland (GA)
Dixon	LaFalce	Roybal
Donnelly	Lantos	Russo
Dorgan (ND)	Leath (TX)	Sabo
Dowdy	Lehman (CA)	Savage
Downey	Lehman (FL)	Scheuer
Durbin	Leland	Schroeder
Dwyer	Levin (MI)	Schumer
Dymally	Levine (CA)	Seiberling
Early	Lipinski	Sikorski
Eckart (OH)	Long	Sisisky
Edgar	Lowry (WA)	Skelton
Edwards (CA)	Luken	Slattery
Evans (IL)	Lundine	Smith (FL)
Fascell	MacKay	Smith (IA)
Fazio	Markey	Solarz
Feighan	Matsui	Spratt
Flippo	Mavroules	St Germain
Florio	Mazzoli	Staggers
Foglietta	McCloskey	Stark
Foley	McCurdy	Stokes
Ford (MI)	McHugh	Stratton
Ford (TN)	Mica	Studds
Fowler	Mikulski	Swift
Frank	Miller (CA)	Synar
Frost	Mineta	Tallon
Fuqua	Mitchell	Thomas (GA)
Garcia	Moakley	Torres
Gaydos	Montgomery	Torricelli
Gejdenson	Moody	Towns
Gephardt	Morrison (CT)	Traxler
Gibbons	Mrazek	Udall
Glickman	Murphy	Valentine
Gonzalez	Murtha	Vento
Gordon	Natcher	Visclosky
Gray (IL)	Neal	Walgren
Gray (PA)	Nichols	Watkins
Guarini	Nowak	Waxman
Hall (OH)	Oakar	Weaver
Hatcher	Oberstar	Weiss
Hawkins	Obey	Wheat
Hayes	Ortiz	Whitley
Hefner	Owens	Whitten
Heftel	Panetta	Williams
Hertel	Pease	Wilson
Howard	Penny	Wirth
Hoyer	Pepper	Wise
Huckaby	Perkins	Wolpe
Jacobs	Pickle	Wright
Jenkins	Price	Wyden
Jones (NC)	Rahall	Yates
Jones (OK)	Rangel	Young (MO)

NAYS—205

Applegate	Conte	Green
Archer	Coughlin	Gregg
Armey	Courter	Grotberg
AuCoin	Craig	Gunderson
Badham	Crane	Hall, Ralph
Bartlett	Dannemeyer	Hamilton
Barton	Daub	Hammerschmidt
Bateman	Davis	Hansen
Bentley	DeLay	Hartnett
Bereuter	DeWine	Hendon
Bilirakis	Dickinson	Henry
Bliley	DioGuardi	Hiler
Boehlert	Dornan (CA)	Hillis
Boucher	Dreier	Holt
Boulter	Duncan	Hopkins
Breaux	Dyson	Horton
Broomfield	Eckert (NY)	Hubbard
Brown (CO)	Edwards (OK)	Hughes
Broyhill	Emerson	Hunter
Burton (IN)	English	Hutto
Byron	Erdreich	Hyde
Callahan	Evans (IA)	Ireland
Campbell	Fawell	Jeffords
Carney	Fiedler	Johnson
Chandler	Fields	Kaptur
Chapman	Fish	Kasich
Chappie	Franklin	Kemp
Cheney	Frenzel	Kindness
Clinger	Gallo	Kolbe
Coats	Gekas	Kramer
Cobey	Gilman	Lagomarsino
Coble	Gingrich	Latta
Coleman (MO)	Goodling	Leach (IA)
Combest	Gradison	Lent
Lewis (CA)	Packard	Smith, Robert (NH)
Lewis (FL)	Pashayan	Smith, Robert (OR)
Lightfoot	Petri	Snowe
Livingston	Porter	Snyder
Lloyd	Pursell	Solomon
Loeffler	Quillen	Spence
Lott	Ray	Stallings
Lowery (CA)	Regula	Stangeland
Lujan	Ridge	Stenholm
Lungren	Rinaldo	Strang
Mack	Ritter	Stump
Madigan	Roberts	Sundquist
Martin (IL)	Roemer	Sweeney
Martin (NY)	Rogers	Swindall
McCain	Roth	Tauke
McCandless	Roukema	Taylor
McDade	Rowland (CT)	Thomas (CA)
McEwen	Rudd	Traficant
McGrath	Saxton	Vander Jagt
McKernan	Schaefer	Volkmer
McKinney	Schneider	Vucanovich
McMillan	Schuette	Walker
Meyers	Schulze	Weber
Michel	Sensenbrenner	Whitehurst
Miller (OH)	Sharp	Whittaker
Miller (WA)	Shaw	Wolf
Molinari	Shelby	Wortley
Mollohan	Shumway	Wylie
Monson	Shuster	Yatron
Moore	Siljander	Young (AK)
Moorhead	Skeen	Young (FL)
Morrison (WA)	Slaughter	Zschau
Myers	Smith (NE)	
Nielson	Smith (NJ)	
Olin	Smith, Denny (OR)	
Oxley		

NOT VOTING—10

Addabbo	Martinez	Parris
Brooks	McCollum	Tauzin
Manton	Nelson	
Marlenee	O'Brien	

□ 1320

Mr. MOLLOHAN changed his vote from "yea" to "nay."

Mr. WALGREN changed his vote from "nay" to "yea."

So the previous question was ordered.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore (Mr. SMITH of Iowa). Pursuant to House Resolution 301 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 3128.

□ 1322

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3128) to make changes in spending and revenue provisions for purposes of deficit reduction and program improvement, consistent with the budget process, with Mr. BARNARD in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from Illinois [Mr. ROSTENKOWSKI] will be recognized for 30 minutes; the gentleman from Tennessee [Mr. DUNCAN] will be recognized for 30 minutes; the gentleman from California [Mr. WAXMAN] will be recognized for 30 minutes; and the gentleman from Illinois [Mr. MADIGAN] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Illinois [Mr. ROSTENKOWSKI].

Mr. ROSTENKOWSKI. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, H.R. 3128, the Deficit Reduction Amendments of 1985, contains provisions that are estimated to reduce the Federal deficit by $19.5 billion over the 3-year period from 1986 to 1988. This is all but $2.1 billion of the reconciled amount for the Committee on Ways and Means contained in the fiscal 1986 budget conference agreement.

Last week, the Committee on Ways and Means reported an amendment to H.R. 2817, the Superfund Amendments of 1985, that will reduce the deficit over the 3-year period by an additional $3.1 billion. With this Superfund legislation, the Committee on Ways and Means will have exceeded its total reconciled amount.

We anticipate that our Superfund Revenue legislation will be considered by the House as a part of H.R. 2817, the Superfund authorizing legislation reported by the Committees on Public Works and Transportation, Energy and Commerce, Merchant Marine and Fisheries, and Judiciary.

Title I of H.R. 3128, as it is before the House, incorporates all provisions of H.R. 3290. H.R. 3290 contains all the Medicare provisions reported by the Committee on Ways and Means in H.R. 2128, as well as the Medicare and Medicaid provisions reported by the Committee on Energy and Commerce. In addition, H.R. 3290 incorporates amendments made by the Committee on the Judiciary to the provisions relating to treatment of emergency cases in hospital emergency rooms. The amendments contained in H.R. 3290 are estimated to achieve $10.5 billion in savings from 1986 to 1988.

Among other things, the provisions in H.R. 3290 establish the amounts physicians and hospitals can charge Medicare beneficiaries. Basically, these provisions will continue the current reimbursement rates for physicians and grant a 1-percent increase to hospitals. There will be enormous confusion with regard to how much a provider can charge a Medicare recipient, and what the reimbursement levels for fiscal 1986 will be, if we do not have the provisions in this bill enacted by November 15. For this reason, we need to complete action on this bill as soon as possible.

Title II of H.R. 3128 contains various budget-related trade provisions. It reauthorizes for 4 years the trade ad-

justment assistance programs for workers and firms adversely affected by increased import competition. These programs expire November 15.

The bill authorizes fiscal year 1986 appropriations for the U.S. Customs Service, the U.S. International Trade Commission, and the U.S. Trade Representative. The authorization includes restoration of the administration's proposed cut of 887 positions in the U.S. Customs personnel, which will increase Customs revenues by about $1.2 billion over the next 3 years.

Title II also provides for Customs user fees to be assessed on the arrival of commercial vessels, trucks, trains, private vessels, and general aviation, and on passengers arriving on commercial aircraft, trains, and vessels. This provision sunsets after 3 years, and should increase Customs revenues by about $545 million over the 3-year period.

Title III of the legislation contains several public assistance provisions that were carefully developed to address the alarming rise in the poverty rate in recent years, without significantly increasing costs. These provisions include a 2-year block grant program to assist States in preventing teenage pregnancies and providing services to teen parents so they will complete their education and avoid welfare dependence. There is also a requirement that all States implement the AFDC unemployed parent program; and amendments to the current AFDC quality control program that will reduce erroneous AFDC payments without unfairly penalizing States.

Title IV of the bill amends the railroad unemployment insurance program and the Federal Supplemental Compensation Program. The railroad unemployment repayment tax is increased and will result in about $200 million in additional revenues. The FSC amendments would provide unemployment benefits to certain National Guardsmen who lost such benefits because of service during a national disaster.

The revenue title of H.R. 3128 includes five provisions, which together would raise $7.6 billion in revenue through fiscal year 1988.

First, the bill includes a sense of the Congress resolution providing for an increase in the administration's proposed budget for the IRS. The funds will be used to increase computer capacity and to hire new employees who primarily process tax returns and taxpayer correspondence. The level of funds provided is consistent with the amount approved by the House Appropriations Committee.

Second, the bill makes permanent the present 16 cents per pack cigarette excise tax. Without this provision, the tax will revert to 8 cents per pack on November 15, 1985. The bill also dedicates 1 cent of the 16 cents to the tobacco support program.

Third, the bill will temporarily increase the manufacturers excise tax imposed on domestically mined coal. The administration requested this temporary increase because the black lung trust fund is experiencing an enormous deficit.

Fourth, the bill provides that tier I railroad retirement benefits be taxed in the same manner as ordinary pension benefits, to the extent they exceed benefits received by Social Security recipients.

Finally, section 505 of the bill temporarily increases to $8 the annual per participant premium to the Pension Benefit Guaranty Corporation [PBGC] for single-employer plans.

This premium increase sunsets after 3 years, which will give the committee time to study the possibility of replacing the present flat premium with a risk-related premium.

Title VI provides structural reforms of the single employer pension plan termination provisions of ERISA. This title is designed to ensure that employers may not easily terminate their underfunded pension plans and expect the Pension Benefit Guaranty Corporation to pick up the employer's unfunded liability. Under this bill, employers who terminate a plan and remain in business, remain liable for the guaranteed portion of their plans, unless they can demonstrate to the PBGC they are unable to satisfy their liability. This provision differs somewhat from the PBGC provisions agreed to by the Committee on Education and Labor, and approved by the House last week as part of H.R. 3500. I anticipate that the PBGC provisions of both committees will be considered together during the House/Senate conference on fiscal 1986 reconciliation legislation. I look forward to working with the members of the Committee on Education and Labor to fashion a bill that members of both committees agree will work.

Mr. Chairman, I urge the Members of the House to support this important legislation. As I stated at the beginning, it contains provisions that will reduce the deficit by $19.5 billion. In addition, it addresses a number of expiring provisions. We have already had to pass an emergency 45-day extension in order to keep current law in effect until November 15. If we are to prevent serious disruptions in the Medicare, trade adjustment assistance, and railroad unemployment programs, we must enact this legislation before that date.

I include in the RECORD at the end of my statement additional explanatory material. In addition, Mr. STARK, chairman of the Subcommittee on Health and Mr. FORD, chairman of the Subcommittee on Public Assistance and Unemployment Compensation, will provide a more detailed description of the Medicare and public assistance provisions contained in the bill.

DETAILED DESCRIPTION OF H.R. 3128

The medicare spending and revenue provisions approved by the Committee on Ways and Means are contained in title I. For purposes of consideration, the Rule has provided that H.R. 3290 will be considered as original text for Title I of H.R. 3128. H.R. 3290 incorporates the Ways and Means Committee reported medicare amendments, the Energy and Commerce Committee reported medicare and medicaid amendments, and the amendment reported by the Judiciary Committee relating to inappropriate hospital discharges.

The Committee succeeded in reducing medicare program spending over the next three years by over $10 billion while respecting the need to avoid increasing out-of-pocket costs to medicare beneficiaries. The Committee bill provides for a number of major improvements in the medicare program, while meeting the reconciliation target in this area.

The medicare provisions approved by the Committee on Ways and Means include the following:

The bill provides for a one percent increase in payments to hospitals under medicare for fiscal year 1986.

Add-on payments to teaching hospitals would be reduced to more closely reflect their actual costs.

Additional payments would be made to those urban hospitals with 100 beds or more that serve more than their share of low-income patients. We know these hospitals have higher costs and this adjustment is designed to compensate for those additional costs.

The transition to national rates under the prospective payment system would be delayed for one year. Hospitals would be paid on the basis of the present blend of fifty percent hospital-specific payment and fifty percent Federal DRG rate for an additional year.

The bill requires that a new gross wage index be applied for adjusting medicare hospital payments. The bill eliminates the requirement for retroactive implementation of the wage index.

Beginning October 1, 1986, return on equity payments would no longer be a medicare allowable cost for inpatient hospital services, and would be excluded from the base when capital is included in DRG payment rates. Beginning October 1, 1985, return on equity payments for hospital outpatient services and non-hospital providers would be reduced to one times the rate of return on the HI Trust Fund.

The bill would freeze, for one more year, medicare payments for nonparticipating physicians. The bill would also freeze the amounts these non-participating physicians are permitted to charge medicare beneficiaries. The current payment freeze on participating physicians under medicare would be lifted.

The bill provides for medicare coverage for state and local employees hired on or after January 1, 1986. The coverage extension is only for medicare and only for newly hired employees. Some 85% of these employees are expected to qualify for medicare through work outside government or through a spouse. By and large they will have paid far less in medicare taxes than other medicare beneficiaries. Equity requires that they pay the tax when the over-

whelming majority will become eligble for the benefit.

The bill incorporates amendments made by the Judiciary Committee in the hospital emergency patient 'dumping' provision. The bill provides that medicare participating hospitals and their employees would be required to provide appropriate medical screenings, stabilizing treatment, and transfers for all emergency cases. Hospitals that fail to meet these requirements would face exclusion from the medicare program, civil money penalties, and/or civil enforcement by aggrieved patients. Physicians who knowingly fail to meet these requirements would be subject to civil money penalties.

The medicare hospice benefit would become a permanent part of the medicare program. The daily payment rates would be increased for hospice care furnished during fiscal year 1986.

Group health plans provided by employers would be required to offer five-year continuation options to widowed, divorced or separated spouses and their dependent children, and to medicare ineligible spouses and their dependent children. After the five-year period, those individuals would have the right to convert to individual policies. The requirement that employers offer the continuation option would be a condition for the business tax deduction for their group health plans.

A more detailed description of the medicare provisions of the bill as approved by the Committee on Ways and Means and amended by the Committee on the Judiciary is provided at the end of this statement.

Title II of H.R. 3128 contains various budget-related trade provisions concerning the trade adjustment assistance programs, authorizations of appropriations for major trade agencies, and customs user fees. All of the provisions were the subject of hearings and through consideration by the Subcommittee on Trade and the full Committee.

Title II reauthorizes for four years trade adjustment assistance for workers and firms adversely affected by increased import competition. These programs expire November 14. Amendments would (a) extend program coverage to workers laid off from firms relocated overseas and to firms with production or sales losses in significant product lines, (b) extend the collection period for worker benefits and liberalize prior employment requirements, (c) remove matching share requirements for certain firm assistance, and (d) improve program administration.

The bill authorizes fiscal year 1986 appropriations for the U.S. Customs Service, the U.S. International Trade Commission and the U.S. Trade Representative. The authorization includes restoration of the Administration's proposed cut of 887 positions in the U.S. Customs Service plus an additional 800 front-line Customs personnel. The enhanced enforcement ability would result in an estimated net increase in Customs revenues of about $1.2 billion over the next 3 years.

Finally, Title II provides for Customs user fees to be assessed for 3 years on the arrival of commerical vessels, trucks, trains, private vessels and general aviation, and on passenger arriving on commerical aircraft, trains, and vessels. These fees which cover expenses incurred by the Customs Service in processing arrivals at ports of entry in the U.S. customs territory, would be deposited in a Treasury proprietary account. It is expected that these fees would result in increased customs revenues of about $545 million over the 3-year period.

Title III of the legislation contains the public assistance provisions of the bill. These provisions were carefully developed to address the alarming rise in the poverty rate in recent years without significantly increasing costs. The public assistance amendments are:

(1) A two-year block grant program to assist States in preventing teenage pregnancies and providing services to teen parents so that they will complete their education and avoid welfare dependence.

(2) A requirement that all States implement the AFDC Unemployed Parent program.

(3) Amendments to the current AFDC quality control program that will reduce erroneous AFDC payments without unduly penalizing States.

Title IV of the bill amends to the railroad unemployment insurance system and the Federal Supplemental Compensation program. The amendments increase repayments on the loans the railroad retirement system has made to the rail unemployment system, and provide for the prompt repayment of any new loans. The FSC amendments allow for the payment of these benefits to certain National Guardsmen who lost their benefits due to service during a major disaster.

The revenue title of H.R. 3128 includes 5 provisions, which together would raise $7.6 billion in revenue through fiscal year 1988.

First, the bill includes a "sense of the Congress" resolution providing for an increase in the Administration's proposed budget for the Internal Revenue Service (IRS). The Appropriations Committee also endorsed this recommendation in H.R. 3036. The funds would be used to increase computer capacity and to hire new employees, who primarily would process tax returns and taxpayer correspondence. This increase is necessary for efficient tax administration and collection of taxes owed to the government. It is important that the IRS be provided sufficient resources to accomplish its vital role in raising Federal revenues.

Second, the bill makes permanent the present 16-cents per pack cigarette excise tax. Without this bill, the tax would revert to 8-cents per pack on November 15, 1985. The present budgetary situation requires continuation of the revenues from the present cigarette excise tax. Because of its flat rate and the increase in cigarette prices, this tax is still effectively lower than when first enacted in 1951.

For the first 5 years, the bill would appropriate a portion of the cigarette excise tax increase to a newly-established Tobacco Equalization Trust Fund to supplement the funding provided by grower and other fees for the tobacco price support program.

Third, the bill would temporarily increase the manufacturers excise tax imposed on domestically mined coal. Revenues from this tax deposited into the Black Lung Disability Trust Fund.

Under present law, the rate of tax is the lesser of (1) $1 per ton for coal from underground mines and 50 cents per ton for coal from surface mines, or (2) 4 percent of the price for which the coal is sold. The tax rate on underground coal would increase to the lesser of $1.50 per ton or 6 percent of sales price from 1986 through 1990, $1.60 per ton or 6.4 percent of sales price from 1991 through 1995, and in 1996 revert to $1.50 per ton or 6 percent of sales price. The tax rate on surface coal would increase to the lesser of 75 cents per ton or 6 percent of sales price from 1986 through 1990, 80 cents per ton or 6.4 percent of sales price from 1991 through 1995, and in 1996 reverts to 75 cents per ton or 6 percent of sales price. The rates for 1986 and later years would not apply beginning two years after the year in which the indebtedness of the Trust Fund has been entirely retired (and no new debt had been incurred). At that time, the present law rates would be reinstated.

The Administration requested this temporary increase because the Trust Fund is experiencing a deficit. At the end of fiscal year 1984, the Trust Fund had a cumulative deficit of approximately $2.5 billion. Unless the present rates of the coal excise tax are increased, this deficit may reach $30 billion by 2010.

The Department of Labor estimates that these tax rate increases, coupled with other Labor Department proposals for a temporary cap on black lung benefit payments, would make borrowing from general revenues unnecessary by 1990 and may allow total retirement of all Trust Fund debt by the end of this century.

Fourth, the bill provides that tier 1 Railroad Retirement benefits would be taxed in the same manner as social security benefits to the extent they are equivalent to social security benefits. To the extent they are like private pension benefits, they would not be eligible for the special tax treatment accorded social security benefits.

Fifth, the bill would temporarily increase to $8 the annual per participant premium to the Pension Benefit Guaranty Corporation (PBGC) for single-employer plans. After 1988, the $8 premium would revert to its present $2.60 level under the bill.

PBGC was established in 1974 to administer a program of insurance for employee benefits under most tax qualified, private, domestic, defined benefit pension plans.

This temporary increase is in response to the Administration's request for a premium increase to cover projected claims, and the current PBGC deficit over a reasonable period of time.

Although the PBGC requested that the annual premium be increased for plan years beginning after 1985, the premium increase was made prospective because of the administrative burdens that would be imposed on plans if a retroactive increase were adopted. The PBGC has indicated that this brief deferral will not jeopardize benefits under the program.

The Committee agreed to limit the premium increase to a 3 year period. The reason for sunsetting the premium increase after 1988 is to allow the Committee sufficient time to study the feasibility of adopting a risk related premium; that is, a premium that reflects the different degrees of risk exposure imposed on the PBGC by employers with different histories and in different circumstances.

Title VI reforms the single employer defined benefit pension plan provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The purpose of Title VI is to ensure that employers who terminate an underfunded plan retain more liability to the plan than under current law.

Section VI has a number of provisions to accomplish this objective.

1. SCOPE OF EMPLOYER LIABILITY

There would be no change in current law treatment of an employer who terminates a plan and goes out of business (i.e., liabilities would be limited to 30 percent of net worth).

An employer who terminates an underfunded plan, and does not go out of business would be liable to the Pension Benefit

Guaranty Corporation (PBGC) for the plan's guaranteed benefits, even if these exceed the current statutory maximum of 30 percent of the employer's net worth.

2. COLLECTION MECHANISM

The employer could elect to satisfy this liability in one of four ways:

(a) lump sum settlement, in which case no lien would be applied against the employer's assets;

(b) 5-year amortization of liability, in which case no lien would be applied against the employer's assets;

(c) 15-year amortization of liability, in which case the PBGC could apply a lien against the employer's assets. The PBGC could require other forms of employer security after regulations specify acceptable kinds of security; or

(d) negotiated settlement, in which case the employer could apply to the PBGC for terms of payment of liability, or for reduction or waiver of liability.

Failure to pay required amounts would be treated as similar to a violation of the minimum funding standard, that is, a payment deficiency would be subject to a 5 percent excise tax. If uncorrected within 90 days, the deficiency would be subject to an excise tax of 5 percent per month. The total excise tax imposed could not exceed 105 percent of deficiency. Payments to the PBGC would be credited, dollar for dollar, against the excise tax owed.

The interest rate applicable to the computation of amounts owed in any extended payment schedule would equal the prime rate (as determined under Internal Revenue Code section 6621(c)).

3. EMPLOYER AVOIDANCE AND EVASION

If within five years before a plan termination a corporation undertakes a transaction a principal purpose of which is to fraudulently evade liability to the plan, liability to the PBGC would be fixed on the corporation that fraudulently evaded such liability, and on all the members of that corporation's controlled group, determined as of the date of plan termination. This provision would be effective for transactions undertaken to fraudulently evade liability after the date of enactment.

4. MINIMUM FUNDING WAIVERS

The Internal Revenue Service would have authority to require that the employer provide security as a condition of granting a minimum funding waiver.

5. STUDY OF RISK-RELATED PREMIUM

The Treasury Department would study the feasibility of a premium that can be adjusted to reflect different risk exposure imposed on the PBGC by employers with different histories and in different circumstances.

6. EFFECTIVE DATE

These provisions would be effective for plan terminations for which notification was made after the date of enactment.

H.R. 3128—MEDICARE PROVISIONS APPROVED BY COMMITTEE ON WAYS AND MEANS

H.R. 3290 will be considered as original text for Title I of H.R. 3128 when it is considered on the Floor. H.R. 3290 incorporates the Ways and Means Committee reported bill (title I of H.R. 3128), the Energy and Commerce Committee reported bill and the amendment reported by the Judiciary Committee relating to inappropriate hospital discharges.

Described below are the provisions that were reported by the Committee on Ways and Means with the amendment by the Judiciary Committee incorporated.

Sec. 101. Hospital Rate of Increase.—The Secretary of HHS would be required to provide a 1% rate of increase to the diagnosis-related group (DRG) payments for fiscal year 1986. A 1% rate of increase would also be provided to prospective payment system (PPS)-exempt hospitals for fiscal year 1986.

Sec. 102. Hospital Transition to National Payment Rates.—The 50% hospital specific payment (HSP)/50% Federal DRG rate would be maintained for another year. The transition schedule therefore would be: FY 1986: 50% HSP/50% Federal DRG; FY 1987: 25% HSP/75% Federal DRG; FY 1988: 100% Federal DRG.

Sec. 103. Hospital Area Wage Index.—The Secretary of HHS would be required to implement the new gross wage index effective October 1, 1985. The requirement that the new wage index be retroactive to October 1, 1983, would be eliminated. The Secretary would be required to study and make a recommendation to the Congress on refining the area wage adjustment to reflect the higher wage costs incurred in core city areas relative to suburban areas of the same metropolitan area.

Sec. 104. Indirect Teaching Adjustment.—The indirect teaching adjustment would be reduced to 8.1% for fiscal years 1986 and 1987 on a variable or curvilinear basis. (CBO has estimated that the medicare per resident costs increase at a slower rate as teaching hospitals get larger.) When the disproportionate share provisions expire at the end of fiscal year 1987, the indirect teaching adjustment would rise to 8.7%. The Secretary would be prohibited from changing the manner in which residents' services to inpatients and outpatients are counted for the purposes of determining the indirect teaching adjustment. The provision would be effective for discharges on or after October 1, 1985.

Sec. 105. Disproportionate Share Adjustment.—The Secretary of HHS would be required to make additional payments to urban PPS hospitals with 100 beds or more serving a disproportionate share of low-income patients. The proxy measure for low-income would be the percentage of a hospital's total patient days attributable to medicaid patients (including medicaid-eligible elderly, i.e., medicare/medicaid crossovers).

The Federal DRG payment would be increased by 7 percent for each 10 percentage point increase in the proportion of low-income days to total days, above the minimum threshold of 15%. The maximum adjustment would be no greater than 16%. Approximately 850 hospitals would receive some adjustment under this proposal. A limited exceptions process would be established for urban hospitals with 100 beds or more. The Secretary would be required to make disproportionate share payments of 16% per DRG where a hospital can demonstrate that 30% of its revenue is provided by local or state governments for patient care for low-income patients not covered by medicaid. The provision would expire in two years. The provision would be effective for discharges on or after October 1, 1985.

Sec. 106. Osteopathic Referral Centers.—Certain osteopathic rural hospitals could qualify for status as rural referral centers under the medicare PPS program if they have at least 3,000 discharges in a year and meet all other requirements for rural referral center status.

Sec. 107. Direct Medical Education.—The Secretary would be prohibited from imposing a one-year freeze on medicare payments for the direct costs of medical education.

Sec. 108. Return on Equity for Proprietary Hospitals.—Beginning October 1, 1986, return on equity would no longer be a medicare allowable cost for inpatient hospital services and would also be excluded in determining DRG payment rates. Beginning on October 1, 1985, for outpatient departments and all other providers, the rate of return would be reduced to one times the average rate of return on the hospital insurance trust fund.

Sec. 109. Allow Continued Medicare Waiver for Certain Areas.—certain local medicare reimbursement waiver programs now conducted as research projects would be allowed to continue under conditions similar to those provided for States—basically that medicare payments be no more than they would be under the prospective payment system.

Sec. 110. New Jersey Medicare Reimbursement Waiver.—The test of whether medicare reimbursement based on New Jersey's State reimbursement control system is no more costly to medicare than payments under medicare's regular payment system would be applied over a four year, rather than a three year period.

Sec. 111. Certain Transfers of Ownership.—Where a State donates a hospital or skilled nursing facility to a nonprofit corporation, the basis for medicare capital-related costs to the new owner will be the lesser of the fair market value or the prior owner's historical cost (net of depreciation).

Sec. 112. Study of Outlier and Transfer Policy on Rural Hospitals.—The Secretary would be required to review the adequacy of payments under the prospective payment system's outlier and transfer policies to determine their impact on rural hospitals, with emphasis on those hospitals with less than 100 beds, and to report to Congress findings with recommendations to address these problems by April 1, 1986.

Sec. 113. Medicare Hospital Payment Information.—The Secretary would be required to provide, on a timely basis, all hospital specific payment information to the Prospective Payment Assessment Commission, to the Congressional Budget Office, and to the Committees with legislative jurisdiction over part A of medicare. The provider specific information would remain confidential and would be used for analysis of the impact of the PPS system on a state by state basis, SMSA or other basis.

Sec. 121. Hospice Extension.—The sunset provision of current law would be repealed. The daily payment rates would each be increased by $10.00 a day.

Sec. 122. Limit the Late Enrollment Penalty for Medicare Part A.—The part A premium penalty would be limited to 10% no matter how late an individual enrolled, and the period during which the penalty is paid would be limited to twice the number of years the enrollment was delayed. At the end of this period, the premium would revert to the standard monthly premium in effect at that time.

Sec. 123. Medicare Coverage for Newly Hired State and Local Employees.—Medicare coverage would be extended to all new State and local government employees. The hospital insurance portion of the FICA tax would be paid by the governmental entities and their employees. Effective date—employees hired on or after January 1, 1986.

Sec. 124. Responsibilities of Hospitals in Emergency Cases.—Three new requirements

would be established for medicare hospitals and employees, as follows:

a. Medicare Screening.—Requirement under which every patient who comes to a hospital emergency department for examination or treatment would be provided an appropriate medical screening.

b. Necessary Stabilizing Treatment.—Within their capacities, hospital emergency departments must provide appropriate treatment to stabilize patients who have emergency medical conditions and to provide treatment for patients in active labor, or provide for appropriate transfers.

c. Prohibiting Inappropriate Transfers.—The transfer of a patient with an unstable emergency medical condition would be prohibited unless (1) the benefits of the transfer outweigh the risks, and (2) the transfer is an appropriate transfer (that includes the transfer of appropriate documents) and is accomplished in an appropriate manner.

d. Penalty.—Failure to meet these requirements would subject the hospital to denial of medicare participation, civil monetary penalties, as well as civil enforcement by aggrieved patients.

In addition, a responsible physician who knowingly fails to meet these requirements would be subject to civil monetary penalties. These provisions would not pre-empt stricter state laws.

Sec. 131. Extend the Working Aged Provision.—The working aged provision would be amended by removing the upper age limit, thereby extending its applicability to people aged 70 and above.

Sec. 132. Health Maintenance Organization Technical Amendments.—Technical amendments relating to health maintenance organizations (HMOs) and competitive medical plans (CMPs) would: a) clarify financial liability for patients hospitalized on the effective date of enrollment/disenrollment; b) make disenrollments effective with the first day of the first month following the month in which the disenrollment request was made; and c) require all TEFRA HMO/CMPs to submit all marketing materials to HCFA for approval at least 45 days before issuance. The HMO/CMP could assume approval in the absence of a response from HCFA within the 45 day period; d) require the Secretary to publish the AAPCC annually, no later than September 7.

Sec. 133. Evaluation of Preadmission Certification Programs.—The Secretary would be required to evaluate the effectiveness of the PRO 100% preadmission certification programs in comparison with programs that require less than 100% preadmission certification, and to consider the extent to which part B carriers or private entities might perform prior approval activities in outpatient and ambulatory settings more efficiently and effectively than PROs. Furthermore, the Secretary would be required to evaluate the feasibility of extending the PRO prior approval activities to outpatient and ambulatory settings. The Secretary would be required to report findings to Congress by December 1986.

Sec. 134. End Stage Renal Disease Networks.—The Secretary would be prohibited from dismantling ESRD networks, and from consolidating their organization and functions with those of any other entity, such as a Peer Review Organization.

Sec. 135. Extension of certain medicare municipal health services demonstration projects.—The Secretary would be required to extend for three more years medicare health maintenance organization demonstration waivers for three municipal health services HMO projects jointly sponsored by the Robert Wood Johnson Foundation and the Department of Health and Human Services.

Sec. 136. Technical Corrections.—Medicare technical corrections relating to the working aged provision and other minor technical corrections.

Sec. 141. Physician Fee Freeze Extension.—For fiscal year 1986, any physician who signs a participation agreement effective for the year beginning October 1, 1985, would receive an increase in medicare payments. For any physician who does not sign a participation agreement, the current 15-month freeze on medicare payments would be extended for 12 months, beginning October 1, 1985. The current prohibition on increases in actual charges of all nonparticipating physicians would also be extended for 12 months, beginning October 1, 1985. Both participating and nonparticipating physicians would be given an increase in medicare payments on October 1, 1986; however, increases for nonparticipating physicians would be lagged one year behind those of participating physicians. A number of incentives for participation are included.

Sec. 142. Physician Payment Arm of PROPAC.—The Director of the Congressional Office of Technology Assessment would appoint to the Prospective Payment Assessment Commission two additional members to provide representation for rural hospitals and for nurses. In addition, the Director would appoint six new members to comprise a physician payment unit, which would function as a subcommittee of the Commission. The chairman of the Commission would have discretion as to the allocation of other members of the Commission between the physician and hospital subcommittees.

The mission and duties of the physician subcommittee would be to make recommendation regarding medicare physician payment. Its ongoing duties would be to make recommendations regarding adjustments to reasonable charge levels for physician services, and/or structural changes in the medicare physician payment mechanism. The physician subcommittee would advise the Secretary on the development of a fee schedule based on a relative value scale (RVS), to be implemented by October 1, 1987.

Sec. 143. Change the Calculation of the Medicare Part B Premium.—The temporary provision of law under which enrollee premiums are to produce premium income equal to 25% of program costs for elderly enrollees would be extended for one additional year (1988).

Sec. 144. Hospital-Based Physicians.—On October 1, 1985, participating hospital-based physicians (HBPs) whose compensation-related charges were frozen as part of the general medicare fee freeze would, like other participating physicians, receive increases in their medicare payment based on their actual charges. Participating HBPs would receive increases that reflect charges that they made during the same base period used to update other participating physicians' charges (April 1984-March 1985). Nonparticipating HBPs would receive payments that reflect their charges during April 1984-March 1985, but deflated to approximate 1982 charges. This is the same period on which other nonparticipating physicians' payment is based. On October 1, 1986, participating and nonparticipating HBPs would be treated the same as all other participating and nonparticipating physicians.

Inherent reasonableness.—In order to prevent arbitrary application of the "inherent reasonableness" clause (already in regulations), the Secretary would be required to promulgate regulations which specify explicitly the criteria of "inherent reasonableness." The Secretary would be directed to correct both excessive and deficient charge allowances in accordance with these regulations. The regulations which define "inherent reasonableness" would extend to all part B reasonable charge reimbursement.

Sec. 145. Occupational Therapy Services.—Medicare coverage would be extended to occupational therapy services provided (a) in skilled nursing facilities (when part A coverage has been exhausted), (b) in clinics, rehabilitation agencies and (c) by therapists in independent practice (subject to the same annual $500 limit on incurred expenses applicable to physical therapy services).

Sec. 146. Reimbursement for Rented Durable Medical Equipment.—New medicare reimbursement limits would be imposed on rented durable medical equipment. During fiscal year 1986, medicare customary and prevailing charges for rented durable medical equipment would be allowed to increase by only one percent. Thereafter, medicare allowable charges for both rented and purchased durable medical equipment would rise no faster than the CPI. Medicare payment for rented equipment would only be made on the basis of mandatory assignment; i.e., the supplier would be required to accept medicare's allowable charge as his full charge and could collect from the beneficiary no more than the applicable deductible and coinsurance.

Sec. 147. Medicare's Reimbursement of Assistant Surgeons During Cataract Operations.—The Secretary would be required to establish national guidelines to prohibit medicare reimbursement for assistant surgeons' charges in connection with routine cataract operations performed on either an inpatient or outpatient basis. The assistant surgeon would be prohibited from billing medicare or the beneficiary for services that did not receive prior approval. The Secretary would have authority to enforce this provision by invoking the penalty provisions that apply with respect to violations of the fee freeze.

Sec. 148. Prosthetic Lenses.—Medicare reimbursement for prosthetic lenses would be limited as follows: (a) for cataract eyeglasses, one replacement each year; and (b) for cataract contact lenses, one original and two replacements per eye the first year after surgery and two replacements per eye each subsequent year. The Secretary would be required to apply an "inherent reasonableness" test in determining reimbursement amounts for lenses and to determine separately the reasonable charge for the related professional service.

Sec. 149. Preventive Services Demonstrations.—The Secretary of HHS would be directed to establish demonstration projects in at least five states, under the auspices of schools of public health, to determine whether and under what conditions it would be cost-effective to include preventive services as a medicare benefit.

Sec. 181. Private Health Insurance Continuation.—The business tax deduction for a group health plan would be denied any employer who fails to include in the plan a continuation option to (1) a widowed spouse and dependent children, (2) divorced or separated spouse and dependent children, or (3) medicare ineligible spouse and dependent children. A five-year continuation

option would be available to the above groups after which time they would be offered the right to convert to an individual policy. The coverage would be identical in scope to the coverage provided under the group plan to similarly situated individuals in the group. The insured spouse would be required to pay both employer and employee share of the premium costs, although the employer could assume the employer share. Coverage would be cancelled during the five-year period if the employer stopped offering group health insurance, the insured spouse did not pay the premiums or became covered under another group policy or medicare, or the insured spouse remarried.

Mr. Chairman, I reserve the balance of my time.

Mr. DUNCAN. Mr. Chairman, I yield myself such time as I may consume.

□ 1335

Mr. DUNCAN. Mr. Chairman, this bill was reported out of the Ways and Means Committee on a 24-to-14 vote.

We Republicans obviously favor deficit reduction. We just think this bill is the wrong way to go about it. We might not all oppose a particular part of the package, but we do agree in opposition to the whole.

We concede that H.R. 3128 does make some justifiable deficit reductions. Many members—not all—generally accept the amount of spending cuts allowed through the Medicare provisions. Many others approve of the increase in customs personnel, with the hope this would enhance efficiency of the service, especially in the commercial sector, and add to customs revenues over 3 years by about $1.15 billion. Comparable member support exists for the bill's increase in Internal Revenue service positions, on the main grounds that revenues would be boosted by about $1.245 billion over 3 years and that tax return processing would be improved.

Virtually all of us on the committee could agree, I think, that one of the strongest features of the bill is the language relative to the Pension Benefit Guaranty Corporation. We believe these provisions, one of which would increase for 3 years the employer premiums sufficiently to correct a serious unfunded liability, would put this extremely important pension program on sounder ground. If that proposition were put to us separately, we would give it strong backing.

Unfortunately, the PBGC portion of the bill is surrounded by provisions which would: First, expand spending for the Aid to Families With Dependent Children [AFDC] Program; second, weaken the AFDC quality control effort; third, create a new, $150 million scheme of Federal grants to States for teenage pregnancy prevention services and counseling; and fourth, continue trade adjustment assistance [TAA], which was scheduled to close at the end of the late fiscal year.

With respect to expansion of AFDC, the bill would cost about 300 million Federal dollars per year by 1989, and require all States to pay welfare benefits to certain two-parent families. As to the teenage pregnancy provisions, we recognize this as a serious social problem, but we doubt that merely throwing Federal money at it will help bring about a responsible solution. As for the TAA Program, the Jobs Partnership Training Act provides much the same set of services, and we really do not need more duplicative programs.

In summary, Mr. Chairman, we are pleased that the Committee on Ways and Means found $19 billion in savings, but we are unhappy about the Federal spending increases and program expansions which this bill would provide. H.R. 3128 has a little something each one of us is forced to oppose.

Mr. JEFFORDS. Mr. Chairman, will the gentleman yield?

Mr. DUNCAN. I yield to the gentleman from Vermont.

Mr. JEFFORDS. I thank the gentleman for yielding to me.

Mr. Chairman, I rise in opposition to title VI. As I stated in connection with the rule on this bill, I have several reservations regarding the ERISA single employer termination insurance provisions that have been introduced.

These provisions were asked to be included only after hasty action that precluded debate. It is regretful that the repeated attempts over the past several years by the members of the Committee on Education and Labor to obtain the full participation and cooperation of the Committee on Ways and Means in fashioning a shared solution to the critical financial situation facing the Pension Benefit Guaranty Corporation [PBGC] were not more successful. As a result this body is now faced with the prospect of adopting dual approaches to the restoration of PBGC's fiscal health. The Committee on Education and Labor's provisions were adopted earlier as part of H.R. 3500, the Omnibus Budget Reconciliation Act of 1985.

There can be no mistaking the relevancy that the title IV ERISA changes under H.R. 3500 have to deficit reduction. The intent and the effect of the provisions in the bill now under consideration is not at all clear. The PBGC Single Employer Program had a $462 million deficit as of September 30, 1984, and a negative cashflow. The deficit continues to grow, especially when the roughly $160 million unfunded liability of one large plan that was recently terminated is taken into account. If recent news accounts of the finances of certain companies can be believed, absent the final enactment of the reforms contained in subtitle C of H.R. 3500, the PBGC deficit could easily be expected to triple in size to over $1½ billion. As described by Secretary Brock, the reforms will have a direct and substantial effect on the Federal deficit and thus, are clearly germane to the budget process.

They are inextricably intertwined with the premium rate proposal; and their adoption would lead to a significant decrease in payments from the PBGC's revolving fund (and, hence, to reduce outlays in the Federal budget). The PBGC estimates that approximately 20 percent of its claims to date have resulted from abuses of the sort addressed by the reforms. The present value of these claims is about $300 million, representing outlays averaging $35 million per year over the next 20 years. Without the proposed reforms, abusive claims will continue in the future and will probably increase as a result of recent financial activities, including takeover, merger, and leveraged buy-outs.

The premium increase to $8.50 contained in subtitle B of H.R. 3500 and the reforms in subtitle C, when considered together, are estimated by the Congressional Budget Office to result in a reduction in Federal outlays of about $666 million over the next 3 fiscal years—1986–88.

The other body has also included similar ERISA title IV single employer changes in its reconciliation bill. Given the foreknowledge of the number of differences between the two measures and the inherent complexity of ERISA, perhaps it is not an overstatement to observe that an exceptional level of cooperation and care will be required in conference, if the final product is to stand the test of time and not contain inadvertent oversights. In this connection I would encourage the Pension Benefit Guaranty Corporation to offer the conferees its close cooperation and expertise toward this end.

In order to contrast the provisions of H.R. 3500 adopted earlier by the House with those taken up today, I offer the following analysis.

Consistent with the goals originally proposed to the Congress by the Pension Benefit Guaranty Corporation, the single employer termination insurance provisions under title III of H.R. 3500 are intended to address the following problems. First the increase in the per capita premium from $2.60 to $8.50 per annum beginning in 1986 is designed to amortize the current PBGC deficit over a reasonable period of about 15 years. The level is set to also meet the rising level of claims projected to be incurred over the foreseeable future. Together with the program reforms the increased premium income is expected to place the PBGC on a more sound financial footing, alleviating the present threat to the continued payment of guaranted benefits at current levels. Second, the H.R. 3500 reform package is intended to deal with three major abuses that exist under the present law. Currently it is possible for an employer to re-

ceive a minimum funding waiver without providing any security to secure repayment of the waived contribution. The revisions permit the IRS to impose security conditions in connection with such waivers after actively taking into account any comments or concerns the PBGC may have.

Also, at present a company can, in certain circumstances, dump unfunded pension benefits on the PBGC and continue in business with little or no liability for those benefits. The revisions in H.R. 3500 require an employer to meet one of four statutory distress tests before being able to terminate an underfunded plan. The employer would also be subject to a 10-percent pretax profits interest to the PBGC in the event the employer's liability exceeds 30 percent of net worth.

Currently a controlled group of corporations can spin off a financially distressed affiliate with large unfunded pensions benefits and escape any responsibility for any subsequent claim against the PBGC. The H.R. 3500 reforms clarify that an employer remains liable if there is an "evasion" of liability.

Finally, the H.R. 3500 reforms require a plan sponsor to fully fund for vested benefits if the plan is to be terminated other than in a distress situation. This enhances the protection of employee vested benefits in cases in which the sponsor can afford to meet the promised level of benefits. In the case of a distress termination, vested but nonguaranteed benefits would be protected by means of an additional 5 percent employer pretax profits interest payable to a termination trust.

In summary these goals to close the loopholes in current law are worthy ones that both bodies should seek to obtain, cooperatively, in the expected conference on these budget reconciliation measures.

Mr. DUNCAN. Mr. Chairman, I yield 1 minute to the gentleman from Nebraska [Mr. DAUB].

Mr. DAUB. I thank the gentleman for yielding me this time.

Mr. Chairman, I rise only for the very brief purpose of pointing out to my colleagues that contained in this piece of legislation is a very important change in current law, and I want to give credit particularly to our ranking Member, Mr. GRADISON, and our subcommittee chairman, Mr. STARK, for including the Area Wage Index in the legislation.

While not considered to be all that earth-shaking change from current law, it resolves the conflict between retroactive reimbursement and prospective reimbursement with respect to taking into account part-time labor. Our Bureau of Labor Standards process through the Health Financing Administration did not take that into account, and it is one of the ways that all of our hospitals under the diagnostic related group prospective payment system had been able to economize. Failing to take into account reimbursements for part-time help simply stresses, particularly rural and small hospitals.

So I thank the subcommittee and the committee for including this in the reconciliation package.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 1½ minutes to the gentleman from Florida [Mr. GIBBONS].

Mr. GIBBONS. Mr. Chairman, I thank the gentleman for yielding me this time, and I now yield to the gentleman from Texas [Mr. COLEMAN] for purposes of a colloquy.

Mr. COLEMAN of Texas. Mr. Chairman, as the chairman of the Congressional Border Caucus and the Representative from El Paso, TX, I have great concern about the economic impact of the custom user fees contained in this bill. I would like to enter into a colloquy with the gentleman from Florida, the chairman of the Subcommittee on Trade, regarding section 251 of the bill, User Fees Customs Service.

I would like to ask the gentleman from Florida if any consideration was given to the impact these fees might have on the United States-Mexico border economy when the committee drafted the legislation?

Mr. GIBBONS. Yes; consideration was given to the potential effect these fees would have on the United States-Mexico border economy and steps were taken to keep such impact to a minimum.

The fee is only $1 and applies only to passengers arriving on commercial airplanes, trains and vessels.

The fee is collected by the commercial carrier as part of the ticket price.

No fees would be assessed on passengers in private vehicles, buses, or pedestrians.

Mr. COLEMAN of Texas. Are the fees applicable to individuals or pedestrians entering the United States from Mexico?

Mr. GIBBONS. No.

Mr. COLEMAN of Texas. Is it the intention of the committee that these fees will only be temporary as a means of reducing the deficit, and that it is not the intention of the committee or the managers of the bill that upon expiration of these fees that they should be made permanent?

Mr. GIBBONS. These fees will expire after a 3-year period and the committee has no plans at this time to seek their renewal.

Mr. COLEMAN of Texas. After the implementation of the fees, would the chairman be willing to hold field hearings along the United States-Mexico border to consider the impact of these fees?

Mr. GIBBONS. The committee will be providing very active oversight regarding the effect of these fees and, if a need is demonstrated, would consider holding oversight hearings on this matter.

Mr. COLEMAN of Texas. Mr. Chairman, title II, part C, sections 251 through 254, would impose Customs Service user fees for commercial and passenger carriers entering the United States. While I realize the need to reduce the deficit, I question the false economies behind such fees.

I represent a district along the United States-Mexico border and serve as the chairman of the Congressional Border Caucus. During my tenure in Congress I have concentrated on border issues because of their importance to the border regions as well as the entire nations. When Congress acts on such issues as trade, health, and immigration, the consequences usually affect the border more than other regions of the Nation, and the imposition of customs user fees is a good example.

Many of you remember the 1982 economic crisis experienced by Mexico when the world price of oil dropped and that nation's foreign debt situation became unmanagable. The President of Mexico at that time, Lopez Portillo, took steps to impose economic austerity programs to ease capital flight and avoid default. Perhaps the most crucial and devastating step, from the standpoint of the United States, was the devaluation of the Mexican peso. That action caused an immediate chain reaction along the border, coinciding with a recession in this country which has caused unprecendented business failures and an unemployment rate well above the national average.

During the last 2½ years, communities such as mine in El Paso have attempted to reconstruct the local economy. It has not been easy, but we have made progress. Part of our rebuilding has included the growth of twin plant industries or maquilas along the United States-Mexico border, utilizing tariff items 806 and 807. Another factor has been the stabilization of the Mexican economy, which has increased Mexican consumption in United States markets. Yet, in spite of all this, we are faced today with the prospect of wiping out that limited recovery and possibly causing another capital crunch in Mexico, which is again having difficulty servicing its $96 billion foreign debt.

The imposition of customs user fees would place an unfair burden on the local economies of the United States-Mexico border. In the case of El Paso, over 600 entries would be taxed daily by this user fee on commercial vehicles before any tariffs are paid. While the fee may seem small or even trivial to some, it will have a cumulative impact when you consider that in areas such as El Paso we have trucks crossing back and forth several times a day. The long-term impact could be a decline in cross border commerce which could create another round of economic problems for the United States and Mexican economies. That in turn would impact the U.S. communities along the border. Twin plants in El Paso-Cuidad Juarez employ 8,000 in El Paso and contribute directly to the employ-

ment of several thousand more Americans throughout the United States. Companies that produce goods through twin plant operations are based throughout the United States, and compete with imports from abroad. To impose a user fee on the transport of goods which are part U.S. content would not only put U.S. production at a further disadvantage, but would hurt U.S. employment. Such fees could also have an impact on Mexican firms and consumers willing to conduct business in the United States. That too would have an adverse impact on our economy.

Mr. Chairman, I understand as well as any other Member of this body that we must reduce the Federal budget deficits which have caused our national debt to more than double since 1981. I understand that reducing those deficits would have a direct impact on interest rates, our trade deficit, and our position in the world economy. However, the imposition of Customs user fees is the wrong way to raise revenues to accomplish these goals. It is nothing more than double taxation and it unfairly places the burden of deficit reduction on the Nation's border economy. This is yet another example of Washington, DC, ignoring the needs of the Nation's border.

Mr. DUNCAN. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. FRENZEL].

Mr. FRENZEL. I thank the gentleman for yielding me this time.

Mr. Chairman, as I indicated in the debate on the rule, this is a bill on which all Members of the minority voted "no" when it emerged from the committee. The principal objection that we had to it was the terrible irony of bringing out a reconciliation bill that was supposed to reduce the deficit and then finding within the bill a billion dollar's worth of new spending programs.

In addition, I think taking a look at the committee's whole jurisdiction and seeing that the bill represents a real failure in some very excellent opportunities which we had to make real deficit reduction savings. Nobody regrets that more than I do. I think the committee worked hard to bring out a good product, and the bill is not without some redeeming qualities.

In general, however, it falls so far short of a responsible challenge to work down the deficit, that the bill must command a "no" vote. I am particularly disturbed with some of the new programs that are created; they have been referred to by other speakers. Many will discuss the new program.

Mr. Chairman, one of the things that has not been discussed very thoroughly about this bill is the extension of the cigarette tax. In fact, one of the ways that the Ways and Means Committee met its responsibilities under our cream puff budget resolution was in two very large tax areas. One, the extension of the cigarette tax, and the other in the imposition of very large additional Superfund taxes.

The cigarette tax, to which I do not object, in fact, it probably should be higher, is objectionable because it turns around and gives a penny of that cigarette tax back to the producers as a gift from the taxpayers of America, which I think taxpayers would prefer not to give. This amounts to a couple of hundred million dollars a year, and would be better saved or not even taxed than to simply be given back in an automatic spending kind of regimen.

Mr. Chairman, there are some redeeming aspects as I noted before. One of the important ones comes in the Customs authorization bill.

Mr. Chairman, one aspect of the bill I do support is the provisions on customs user fees. Although it is difficult to move to a user fee system, the increasing demands on the Customs Service and the additional functions necessary to provide efficient and expeditious processing of merchandise have made it necessary to establish a system of fees to cover certain costs. Without user fees, given budgetary pressures, I am afraid we will begin to move backward with respect to the operation of the Customs Service.

We moved rather quickly in the Ways and Means Committee to devise the kinds of user fees to be collected and how the moneys should be deposited in the U.S. Treasury. Some problems have emerged since the bill was reported which I hope can be resolved in conference. One such problem is preserving the automatic reimbursement to the Customs Service's appropriation of overtime and other reimbursable fees. These fees are paid by the importer directly to Customs to cover special activities such as overtime or assistance to INS and Department of Agriculture and, under existing law, are reimbursed immediately to the agency's appropriation. Also, some clarification of the bill's provisions may be necessary to avoid double fees on vessels or on railroad cars not carrying freight.

I hope we can take care of these minor but important changes in conference as well as eliminate the more significant objectionable provisions that escalate costs and, in effect, defeat our efforts to balance the budget.

I think these things can be taken care of. I make note of them so that Members will be advised that there will be necessary changes made in the conference committee.

Mr. Chairman, this is a good effort on the part of the committee. The effort fell short; the reconciliation bill is inadequate. The vote should be "no."

Mr. Chairman, I yield back the balance of my time.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. STARK], the subcommittee chairman.

Mr. STARK. Mr. Chairman, H.R. 3128 is an extremely important piece of legislation. As chairman of the Ways and Means Subcommittee on Health, I would first like to thank the ranking minority member, the distinguished gentleman from Ohio and all of the members of my subcommittee, for their time and bipartisan effort. I would also like to thank our hardworking chairman and the gentleman from Tennessee, the ranking minority member, for their efforts in bringing this responsible deficit reduction bill to the House floor.

I urge my colleagues to support this legislation because it achieves some very important goals. First, it has essentially met the budget reconciliation's Medicare budget savings targets. But far more important is how we achieved the savings. We cut the cost without cutting the care. Instead of simply freezing Medicare payments to providers, this legislation makes an effort to provide reasonable payments. We have sought fairness in Medicare payments to hospitals. On the one hand, believing that Medicare should guarantee no hospital a profit, we have eliminated the return on equity payment for profitmaking hospitals' inpatient services, as of October 1, 1986. On the other hand, knowing that poor patients are costlier to treat, we have directed the Secretary of Health and Human Services to provide an additional payment to hospitals serving a disproportionate share of low-income patients.

H.R. 3128 provides a 1-percent increase in Medicare payments to hospitals. It also adds an additional year to the prospective payment transition. During this year, Medicare hospital payments will again be based 50 percent on Federal DRG's and 50 percent on hospitals' historical costs. We lack good data on how prospective payment has affected hospitals of various types in various geographic areas. This 1-year, one-time, delay in movement toward fully national payment rates will avoid harm to some hospitals and give time for better data and analysis.

H.R. 3128 also provides an increase in Medicare payments for all physicians who participate this coming year. Nonparticipating physicians will have their Medicare payments and their charges to beneficiaries frozen for another 12 months. We intend that this provision and other incentives in the bill to encourage greater physician participation which, we believe, protects beneficiaries from high and unpredictable out-of-pocket costs.

The bill extends to people above age 69 a provision under which benefici-

aries who have health benefits through current employment will have those benefits as primary, with Medicare secondary, unless they elect otherwise. And H.R. 3128 extends Medicare coverage to State and local employees hired on or after January 1, 1986. The coverage, and payment of payroll taxes, would apply only for Medicare and only for newly-hired employees. Over 90 percent of State and local government employees eventually qualify for Medicare as spouses or through other employment covered by Medicare. The bill would start requiring them to contribute toward its cost as other workers do.

Taken together, the cost-containment provisions we pass today will result in more moderate medical bills for Medicare beneficiaries in the future.

This legislation is also significiant for what it doesn't do. We rejected administration proposals that would have cost Medicare beneficiaries $9 billion over the next 3 years. We showed that it is possible to control the Federal Government's Medicare tab without further burdening, beneficiaries. While it is true that the bill extends for 1 more year—1988—the requirement that beneficiary premiums equal 25 percent of the part B program costs; we rejected the administration's proposal to raise the premium to cover 35 percent of program costs.

Finally, H.R. 3128 calls for two small but significant proposals to help the uninsured. The bill requires hospital emergency departments to medically screen and stabilize any patient seeking medical attention from the emergency department. Hospitals that fail to meet these requirements, or that transfer patients inappropriately, can be excluded from the Medicare Program, and both hospitals and responsible physicians can face civil monetary penalties. We accept in full the Judiciary Committee's amendments to this provision. Also, some 5 million women could benefit from the provision that will allow widows, divorced and separated spouses; Medicare ineligible spouses; and the dependents of individuals in these groups to remain in their spouses' private group health plans.

This legislation deserves your support because it reduces our budget deficits and responsibly restrains Medicare costs, without increasing the financial liability of Medicare beneficiaries.

Mr. DUNCAN. Mr. Chairman, I yield 4 minutes to the gentleman from New Hampshire [Mr. GREGG], a member of the committee.

Mr. GREGG. Mr. Chairman, I thank the ranking member for yielding time to me.

Mr. Chairman, I would first like to note a point of congratulations to the chairman of the Subcommittee on Health. I had a chance to serve on that subcommittee, and I believe he approached the issues of health in a very organized and thoughtful manner. We put together a package which I was not totally happy with, but I think it was an excellent compromise in an attempt to address the issues which we have to address in order to bring out this reconciliation bill.

□ 1355

My concerns with this bill are quite a number, many of which have been mentioned, so I would like to target on one or two specifically.

First, I do not think the reconciliation bill is the proper place to add new programs. I believe that has been mentioned before, but I think that we are setting a precedent which is totally inappropriate if we generate new programs within a reconciliation bill.

But second and more importantly is my concern about the way we structured this tobacco tax. The gentleman from Minnesota alluded to it. I think the Members of the House should take note of it.

I agreed with keeping the tobacco tax at 16 cents. I think that is appropriate. I agreed when earlier today Mr. FRANK, I believe it was, the gentleman from Massachusetts, came to the floor and talked about the damage which tobacco has done to the health of America. Therefore, I do not think it is appropriate that within the retention of the 16 cents of tobacco tax and the basic increase by 8 cents of the tobacco tax we are sending 12 percent of that tax to tobacco growers for their benefit, or 1 cent of the additional 8 cents.

So I would ask my colleague when they are considering voting for this bill to note that a vote for this bill is a vote basically to subsidize tobacco growing.

Now, there was another vote in our committee which was to take some of the tobacco increase and give it to medical research on the problems which tobacco causes, specifically the problems of cancer. That vote failed. I did not happen to vote for that, either, because I do not believe in earmarking; but I think it is totally inconsistent that if you are going to earmark money for the tobacco growers that you are not going to earmark money for the cancer research area.

It seems to me that if we are going to pass a bill which is earmarking part of the tobacco money, 12 percent of the increase in the tax, to the tobacco growers for their benefit so that they can grow more tobacco, we are sending absolutely the wrong signal to the American people.

It is bad enough that we run through this House in a steamroller fashion the agricultural bill every year which just increases and increases the subsidies to various commodities, including tobacco; but then on top of those subsidies to throw an additional tax burden which goes to the benefit of the tobacco industry is in my opinion a major mistake.

Mr. ROSE Mr. Chairman, will the gentleman yield briefly?

Mr. GREGG. I am happy to yield to the gentleman.

Mr. ROSE. Mr. Chairman, the gentleman makes a very valid point. I was not one that had an opportunity to vote in the committee because I am not on the committee.

Mr. Chairman, I think the gentleman does make a very valid fairness argument and I would certainly support in future legislation if we do retain the 1 cent earmarking of the cigarette tax to help pay off some obligations of the program, we should do as the gentleman suggested and that is have an equal amount earmarked for health programs. I would support that in the future.

Mr. GREGG. Mr. Chairman, I appreciate the comment. I think that is a constructive position for the gentleman to take if he supports earmarking for the tobacco industry; but as a practical matter in this bill we do not have the opportunity to vote that way. This bill is an up or down vote on whether we are going to earmark solely for tobacco growers.

Mr. DUNCAN. Mr. Chairman, I yield 1½ minutes to the gentlewoman from New Jersey [Mrs. ROUKEMA].

Mrs. ROUKEMA. Mr. Chairman, I rise today to address a serious problem our Nation's elderly are currently facing: Home health care.

As we know, reductions in reimbursement rates to hospitals has had many beneficial effects, such as reducing unnecessary diagnostic procedures, unnecessary surgical procedures, and shortening hospital stays for routine procedures, One result of these changes is that home health care agencies are taking on a greater number of ill people with increased medical needs.

In July, the Health Care Financing Administration [HCFA] released regulations which not only change the manner in which reimbursements are calculated but also the amount of the reimbursement for home health agencies. I believe that these new regulations are detrimental. On one hand we are encouraging shorter hospital stays, and on the other, we are not providing the necessary incentives for home care.

The Congress has previously mandated studies for home health care reimbursements. To date the results of one study are merely preliminary, and the second study has not even begun. On August 1, I introduced legislation H.R. 3220 which would prohibit the Secretary of Health and Human Serv-

ices from implementing any changes in the reimbursement rates. I did so to enable Congress to carefully evaluate the two previously mandated studies on home health care reimbursement.

It is unfortunate that this delay is not included in the bill which is before us today. The other body should be commended for including language in its reconciliation measure which would delay the implementation of these onerous regulations for 1 year. There is strong support in this body for this delay, and I would urge the members who will sit on the conference committee to do all in their power to ensure that the provisions of the other body are included in the final reconciliation package.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield such time as he may consume to the gentleman from Tennessee [Mr. FORD].

Mr. FORD of Tennessee. Mr. Chairman, I rise in strong support of H.R. 3128. I would like to commend the chairman of the full Committee on Ways and Means for his leadership in bringing this reconciliation bill to the House floor; also the ranking minority member of the full committee, along with my ranking minority member, on Public Assistance and Unemployment Compensation, the gentleman from South Carolina [Mr. CAMPBELL].

Mr. Chairman, there have been those who have talked about the components within title III of this bill and said that we are constantly talking about creating new programs and we will spend additional dollars. I would like to remind my colleagues that there have been two commitments that we have made from this Congress, as well as from our President, one is to reduce the deficit, and number two, to provide a safety net. This bill addresses both commitments, Mr. Chairman. We have exceeded our reconciliation targets.

We have also made modest improvements in AFDC, improvements that were significantly cut back on the subcommittee level, as well as the full committee level.

Mr. Chairman, I rise in support of title III of the bill, Mr. Chairman. Title III contains the public assistance amendments to H.R. 3128. These provisions are intended to really address some of those problems which we know we are confronted with when we see a rise in the child poverty rate in this country.

Mr. Chairman, those three components or three provisions under title III are a requirement that all States implement the AFDC unemployed parent program. 25 States have adopted such a program which aids needy two-parent families in which the principal earner is unemployed.

Number two, it addresses a teenage pregnancy problem which we know we are faced with in this Nation. This provision will provide a 2-year block grant program to assist States in preventing teenage pregnancies and provide services to teen parents so that they will complete their education and avoid any welfare dependency.

The program will be targeted to children and teenagers in families eligible for AFDC.

It would also offer amendments to the current AFDC quality control program that will reduce enormous AFDC payments without unduly penalizing States.

Mr. Chairman, I would like to just spend a minute or two talking about the three provisions under title III. The AFDC for unemployed two-parent families the facts are that 25 States today have already opted out under current law. This provision is saying that we will make it mandatory under this provision to say that all States would say that to qualify, the principal earner in a two-parent family must be unemployed, working less than 100 hours per month and have a recent attachment to the labor force.

Mr. Chairman, we think that is no more than right, not to put the father, the principal earner, out of a household to be eligible for the children to receive aid to families with dependent children.

The proposal would mandate the two-parent coverage in all States, rather than the 23 States with the District of Columbia and one of the other Caribbean islands.

Changes in the quarters of work requirements to allow a substitution for school attendance in vocational training for quarters of work under certain circumstances.

Mr. Chairman, the two-parent coverage would be mandatory and I would hope that my colleagues would see fit to adopt that program.

When we look at the poverty rates in this country, we can see that this is one component within the AFDC program alone that we can keep intact and we can respond to the poverty problems of this Nation.

Also the teenage pregnancy prevention in the block grant program, Mr. Chairman. We have had a lot of talk and we have had a lot of studies conducted on teenage pregnancies. One out of every seven births in this country is to a teenage mother. Each year more than 500,000 babies are born to teenage mothers in this country. One-third of these mothers will be under the age of 18 and a vast majority of teenagers who give birth each year have not finished high school. Thirty-six thousand of these mothers have not finished the ninth grade.

The majority of all black children are born to a single teenage mother in this country.

Mr. Chairman, we had some 50 to 60 witnesses testify before the subcommittee. We reported stronger legislation out of the subcommittee; we wanted to, at least. There were certain modifications made from the minority side of the subcommittee that we felt we were ready to address. We reported the legislation out. It went to the full committee and we made even further modifications in this area.

We think we have a sound 2-year block grant program in the reconciliation bill that is before the House floor today. We think it is sound. We will look at it for a 2-year period. If it does not work, then we will know; but if it does, then we can come back to the Congress and try to convince this Congress to continue the program.

Also, finally, the third component of the bill is the AFDC quality control. We have talked about the error rates. With the rule, hopefully we can continue to discuss that if those Members on the other side would like to discuss it, but we feel that we have tried in every way to work with the administration on the error rates. We feel that we have a sound proposal in this bill that is before us today and, hopefully, title III of this bill will not only strengthen the AFDC quality control, but also the two new programs which will be implemented.

Mr. DUNCAN. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Ohio [Mr. KINDNESS].

Mr. KINDNESS. Mr. Chairman, I thank the gentleman from Tennessee for his generosity in yielding this 5 minutes.

I know that my colleagues, including me, probably least like to be reminded of the Constitution and sometimes our responsibility under it. We do not like to have people pull out a copy of the Constitution and read from it, but sometimes it is necessary to be reminded that we just do not have the constitutional authority to pass legislation imposing a tax on the States; so I will not quote from the Constitution. I will just remind my colleagues that if they take a look at the 16th amendment, which has to do with the income tax, it is not there. If they take a look at the whole of article I of the Constitution, section 10 in particular, they will not find it there. In fact, they find limitations on the ability of the United States to tax certain things. That is why the 16th amendment was necessary, so that the United States could have an income tax, and since 1913 there has been that authority; but just to read that part, the 16th amendment that the Congress shall have power to lay and collect taxes on incomes from whatever source derived without apportionment among the several States and without regard to any census or enumeration; but that does not give us the power to impose a tax upon the States.

Now, what are we about here? We have before us a bill that is supposed

to bring down the projected deficit and if we do it with false hopes and an unconstitutional tax, then we have not done our job right. If we can be pretty sure to begin with that what we have done is invalid, then why do it?

This is a very hot issue in my home State of Ohio. Some of my colleagues from Ohio voted for the previous question on the rule, so that we would not have the opportunity to present an amendment to delete section 123 of the bill, which includes this coverage under Medicare of State and local government employees, beginning January 1, 1986. It should be stricken from the bill, but the opportunity is not here to even present such an amendment.

The gentleman from California indicated, the chairman of the Subcommittee on Health, that the amounts of revenue involved for the States to pay this tax are very small. It is only prospective and it is only new employees of State and local governments. That will grow, my friends, if it remains in effect, obviously. It is like being a little bit pregnant; but if the amounts of money that it is going to cost the States happens to be so small, then how much revenue is there for the United States to be derived from section 123 coverage?

□ 1410

No, my friends, the arguments do not make any sense to me. We are putting forward a false hope that we are doing something to reduce the deficit. I grant Members that it is not desirable to have people getting Medicare coverage anyway on a secondary basis or a collateral basis, and that is the problem we have to deal with. The way to deal with that problem is to correct the provision of the Medicare Program so that we do not extend the coverage unless people really have the qualifications for it and the taxes have been paid. Let it be direct coverage for those who are already legally covered by Medicare, not on a spousal basis.

If the coverage is too generous in terms of how much time people have worked under Social Security in a part-time job, then correct that, but do not impose a tax upon the States which is, in fact, unconstitutional.

The Supreme Court decision in Garcia versus San Antonio Metropolitan Transit Authority earlier this year is cited by some as the basis for justifying imposing this tax because the Garcia decision dealt with working conditions, the coverage of the Fair Labor Standards Act. Just this week this House acted to modify the effect of the Garcia decision, recognizing it as wrong, even though the Supreme Court said, "We are not going to get into it. The Congress can decide this political question."

We have another political question here, folks, and no opportunity to decide it. I would urge a "no" vote on the bill.

Mr. DUNCAN. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. ROSTENKOWSKI. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

The CHAIRMAN. The gentleman from California [Mr. WAXMAN] is recognized for 30 minutes.

Mr. WAXMAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of the Medicare and Medicaid provisions contained in H.R. 3128. This is a package that Members on both sides of the aisle can—and do—support.

Title I of this bill, which contains Medicare and Medicaid savings provisions, will reduce Federal spending over the next 3 years by over $10.4 billion. And it will make some long-overdue improvements in the Medicare and Medicaid programs.

I urge my colleagues to support these provisions and to vote against the motion to recommit, if offered.

The Medicare and Medicaid provisions in this bill are a combination of the efforts of the Committee on Energy and Commerce and the Committee on Ways and Means to meet the budget reconciliation instructions relating to these programs. I want to thank Chairman ROSTENKOWSKI and his staff for their cooperation in bringing these provisions before the House for its consideration.

The provisions in this bill that were contributed by the Energy and Commerce Committee were initially reported as H.R. 3101, the Medicare and Medicaid Budget Reconciliation Amendments of 1985. The provisions in H.R. 3109, as reported, were then inserted without change into H.R. 3290, the Medicare and Medicaid Budget Reconciliation Amendments of 1985, introduced on September 12. It is the text of H.R. 3290 that is being considered the original title I of H.R. 3128 on the floor today. Thus, the views of the Energy and Commerce Committee on its provisions in the measure before the House at this time may be found in the committee report on H.R. 3101, House Report 99-265, part I.

The major thrust of the Energy and Commerce provisions is to reduce Medicare and Medicaid outlays without harming program beneficiaries. The committee has included a number of Medicare provisions that, in total, will reduce Medicare spending by $2.8 billion over the next 3 years. These include: A 1-year extension of the physician fee freeze on nonparticipating physicians; an extension of the working aged provision to employees and spouses over age 69; and reductions in payments for durable medical equipment, clinical laboratory services, and physician services for cataract surgery.

Many of the Medicare provisions reported by the Energy and Commerce Committee are identical to, or vary only slightly from, those reported by the Ways and Means Committee. There are also some provisions reported by Energy and Commerce, for which no comparable action was taken by Ways and Means, which have increased the savings impact of the bill.

In Medicare, we have established upper limits on the fees paid for clinical laboratory services. Under this provision local lab service fee schedules that greatly exceed the majority of fees nationwide for the same service would be brought into line. We have also instituted a second opinion program for a limited number of elective surgeries under Medicare. The elimination of unnecessary surgery not only saves money, but it also reduces health risks and promotes patient understanding and involvement in choosing the most appropriate health care.

In Medicaid, the Energy and Commerce provisions would reform the way in which Medicaid pays for direct graduate medical education costs at teaching hospitals, at a 3-year savings of $45 million.

Some of the Medicare and Medicaid reforms adopted by the Energy and Commerce Committee will result in some increased spending. I want to stress, however, that these provisions are all improvements and expansions of existing programs. No new programs are proposed.

I also want to stress that the cost of these provisions is exceedingly modest in relation to the savings achieved by the bill. The three Medicare spending provisions—relating to vision care, occupational therapy, and beneficiary appeal rights—and the two Medicaid provisions—relating to infant morality reduction and to MMIS penalties—would cost a total of $306 million over the next 3 years. This reduces the total savings in title I of $10.8 billion by less than 3 percent.

The Medicare vision care provision, which was authored by Representatives WHITTAKER and MIKULSKI, would authorize payment to optometrists for vision care services that Medicare now covers when furnished by a physician. This does not establish a new benefit. The costs of this provision result from more Medicare beneficiaries using services to which they are currently entitled.

The Medicare occupational therapy provision would extend the current benefit to nursing homes, to clinics and rehabilitation agencies, and to therapists in independent practice, subject to a $500 maximum. This will put occupational therapy on the same footing as physical therapy under Medicare.

The final Medicare provision would give elderly and disabled beneficiaries the right to administrative and judicial review of denials of their claims under part B—a right they already have under part A. This will protect beneficiaries against arbitrary claims denials. The provision would cost an estimated $25 million over the next 3 years—a trivial price to pay for a fairer Medicare Program.

With regard to the Medicaid Program, the bill contains a provision that would overturn a penalty that was inappropriately imposed on the State of Maryland in connection with its Medicaid Management Information System.

In addition, the Energy and Commerce provisions would extend Medicaid coverage to pregnant women in two-parent working poor families in the 18 States that don't now cover these women. This will assure that these women and their unborn children receive adequate prenatal and maternity care, so that the children are born as healthy as possible.

CBO says the cost of this provision will be $100 million over the next 3 years. I accept this estimate, but do not agree with it. The prestigious Institute of Medicine of the National Academy of Sciences, in an exhaustive study of low birthweight, calculated that each $1 invested in prenatal care for disadvantaged women could save over $3 because of the reduction in the number of low-birthweight births and the associated costs of newborn intensive care and long-term institutionalization. I am firmly convinced that this provision will save us money in the long run.

More importantly, though, this provision will lead to a reduction in infant mortality. And reducing the number of infants who die before age 1 is, in and of itself, a completely sufficient reason to adopt this amendment. Whether a Member is prochoice or prolife, he or she ought to be able to support this amendment.

In summary, these program improvements are modest in cost, they are plainly justified on the meritis, and they have bipartisan support.

I want to stress again that even with these spending provisions, title I of the bill before the Members would still reduce Federal outlays by $10.4 billion over the next 3 years.

I would urge the Members to vote against any motion to recommit, and support the recommendations by our committees.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. The Chair now recognizes the gentleman from Illinois [Mr. MADIGAN] for 30 minutes.

Mr. MADIGAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, at the outset I want to congratulate my distinguished colleague, the chairman of the Subcommittee on Health and the Environment, the gentleman from California, for his description of this proposal as having no new programs in it.

There is a provision in what has been included in this proposal by the gentleman from California that provides for reimbursement to certain providers who have never been qualified for reimbursement before, and the gentleman describes that as not being a new program. There is a provision that allows appeals under part B Medicare that has never existed before, and the gentleman says that is not a new program; that is an extension of a provision that exists in part A.

There is an expansion of the CHAP Program, with a $100 million price tag that the gentleman describes as not being a new program. And there is a penalty waiver in here that affects only one State in the Union, and the gentleman describes that as not being something new.

□ 1420

Mr. Chairman, I wish to express my opposition to all of this.

I would like to speak specifically, about the Medicare and Medicaid provisions reported out of the Energy and Commerce Committee which I have just described. The very minimal savings that were achieved through changes in Medicare and Medicaid programs are significantly reduced by the measures which I have just outlined for you, which actually increase spending under the Energy and Commerce provisions of this bill.

While there may or may not be merit to the spending proposals that I have described to you, it seems to me that the reconciliation process, is an inappropriate and unusual forum in which to incorporate these new programs that actually increase spending.

The legislation ordered reported by the Energy and Commerce Committee here, incorporated is not a legitimate budget-cutting vehicle, but is, instead, something that makes a mockery of the reconciliation process. I urge my colleagues to reject this purported savings package that actually includes a considerable amount of hidden spending; new spending in the form of something that I think is accurately described as new programs.

Mr. Chairman, I reserve the balance of my time.

Mr. WAXMAN. Mr. Chairman, I proudly yield 2 minutes to the very distinguished gentleman from Michigan [Mr. DINGELL] chairman of the full Committee on Energy and Commerce.

Mr. DINGELL. Mr. Chairman, I thank my friend from California for making this time available. I rise in support of H.R. 3128, the Deficit Reduction Amendment of 1985.

In particular, I want to commend my dear friend from California [Mr. WAXMAN] for his leadership in the Subcommittee on Health and the Environment in achieving these savings and reforms in both the Medicaid and Medicare Part B programs. As a result of his efforts and those of others on the Committee on Energy and Commerce, the committee reported a bipartisan package of Medicaid and Medicare amendments that will improve both programs while saving the taxpayer's nearly $150 million over 3 years.

I also want to thank our colleague, the distinguished gentleman from Illinois [Mr. ROSTENKOWSKI] chairman of the Committee on Ways and Means, for his extraordinary cooperation in putting together a package of health care measures that contains the work of both his committee and the Committee on Energy and Commerce. This package, embodied in H.R. 3290, will be incorporated in the bill before us pursuant to the rule as a substitute for title I.

Finally, Mr. Chairman, I believe high commendations are in order for both the gentleman from Pennsylvania [Mr. GRAY] chairman of the Committee on the Budget, and the gentleman from South Carolina [Mr. DERRICK] chairman of the reconciliation task force, for their labors in bringing forward a budget program of the quality we have passed this year.

At this time Mr. Chairman, I would like to place in the RECORD of these proceedings an exchange of correspondence between the Committee on Energy and Commerce and the Committee on the Budget concerning the treatment of Superfund in reconciliation. This correspondence makes clear that the Committee on Energy and Commerce is not to be charged for Superfund spending in reconciliation now or in the future as a result of the Budget Committee's agreement to credit the Ways and Means Committee in reconciliation for Superfund revenues included in H.R. 2817 rather than in the bill before us, H.R. 3128, as had been originally been contemplated.

COMMITTEE ON ENERGY AND COMMERCE,
Washington, DC, October 4, 1985.

Hon. WILLIAM H. GRAY III,
Chairman, Committee on the Budget, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: I understand that you have reached an agreement with Chairman Rostenkowski as to the scoring of Superfund in reconciliation.

Under this agreement, it appears that the Budget Committee will score the Ways and Means Committee for Superfund revenues above the Congressional Budget Office baseline at such time as Ways and Means reports a Superfund revenue title as part of H.R. 3128. The Superfund authorization legislation, however, will move separately from H.R. 3128 and outside of the reconciliation process.

I presume that this arrangement will not result in the Committee on Energy and

Commerce being charged in reconciliation with Superfund spending now or in the future, inasmuch as no spending language will be made a part of the Ways and Means reconciliation package. Would you please confirm for me, at your earliest convenience, that my understanding on this matter is correct.

Thank you.

Sincerely,

JOHN D. DINGELL,
Chairman.

COMMITTEE ON THE BUDGET,
Washington, DC, October 7, 1985.

Hon. JOHN D. DINGELL,
House of Representatives, Rayburn Office Building, Washington, DC.

DEAR MR. CHAIRMAN: Thank you for your letter of October 4, 1985, in which you inquire about the way that Superfund expenditures might be scored.

Your understanding that the scoring arrangement for reconciliation deficit reduction reported and to be reported by the Committee on Ways and Means is correct. Further, your understanding that such scoring would not result in the charging of any expenditures against the Committee on Energy and Commerce in reconciliation also is correct.

Your understanding and cooperation are always appreciated.

Sincerely,

WILLIAM H. GRAY III,
Chairman.

COMMITTEE ON ENERGY AND COMMERCE,
Washington, DC, October 29, 1985.

Hon. WILLIAM H. GRAY III,
Chairman, Committee on the Budget, House of Representatives, Washington, DC.

DEAR BILL: I understand that the Budget Committee has agreed to score the Ways and Means Committee in reconciliation for Superfund revenues reported by Ways and Means as part of H.R. 2817.

This scorekeeping agreement has apparently obviated the need for Superfund revenue legislation to be included in H.R. 3128 for reconciliation purposes, as had previously been contemplated. In accordance with the understanding reflected in our earlier correspondence on this issue, I presume that this new arrangement will similarly not result in the Committee on Energy and Commerce being charged in reconciliation with Superfund spending now or in the future. Would you please confirm for me, at your earliest convenience, that my understanding on this matter is correct.

Thank you.

Sincerely,

JOHN D. DINGELL,
Chairman.

COMMITTEE ON THE BUDGET,
Washington, DC, October 31, 1985.

Hon. JOHN D. DINGELL,
Chairman, Committee on Energy and Commerce, House of Representatives, Rayburn House Office Building, Washington, DC.

DEAR JOHN: In response to your letter of October 29, 1985 on Superfund, your understanding is correct. The Energy and Commerce Committee spending in the Superfund authorizing bill will not be scored as part of reconciliation.

Sincerely,

WILLIAM H. GRAY III,
Chairman.

Mr. MADIGAN. Mr. Chairman, I yield such time as he may consume to the gentleman from Florida [Mr. BILIRAKIS].

Mr. BILIRAKIS. Mr. Chairman, as a member of the Energy and Commerce Health Subcommittee, and as the representative of one of the most elderly populated districts in the Nation, the bill before us today is of special interest to me and to my constituents. During subcommittee and committee consideration of the Medicare and Medicaid deficit reduction amendments, we had tough choices to make in order to reach our mandated savings. Efforts were made to increase costs to Medicare beneficiaries which would have permitted physicians to raise fees and pass through this increase to those least able to afford such an increase. There were also efforts to impose a copayment on Medicare beneficiaries who receive home health care services and to increase the Medicare part B premiums. Luckily, we were able to defeat these proposals. During consideration of this legislation one thing kept coming to my mind and that is that it was extremely unfair to burden senior citizens with even more medical costs when there were other areas that could sustain cuts without adversely affecting a vulnerable group. I am dismayed, however, that there is an expansion or creation of new spending programs included which does not permit me to support passage of this package. I do not feel that this is the time to be devising new schemes for increased spending since we are seeking to cut the deficit. This is regrettable since I do believe there are some worthwhile policy changes in the bill such as the second surgical opinion provision which will go far in protecting the elderly from unnecessary surgery, while at the same time saving the Government money through the elimination of unnecessary surgeries.

Mr. Chairman, earlier this year I introduced legislation which expresses the sense of the Congress that no person should be denied emergency health care or hospital admittance because of a lack of money or insurance. I firmly believe the American people should continue to expect that when they see an emergency sign on a hospital or free standing clinic they can expect access to emergency care. Unfortunately, there are countless examples where this isn't the case. I am pleased that in the bill before us the trust of my legislation has been included. The quality of American health care is unparalleled throughout the world and it should be the national policy for hospitals and free standing emergency centers to provide high quality emergency care to all patients without discriminating on the grounds of economic status, color, race, religion, sex or national origin. Judging by the numbers of cosponsors of my legislation this is a view shared by the majority of this body.

Even though there are provisions that I embrace totally, the cuts in this bill are not sufficient and the new or expanded programs do not show a commitment to cutting the deficit which adversely affects every American. Therefore, Mr. Chairman, I must oppose passage of this bill.

Mr. WAXMAN. Mr. Chairman, no other member of the subcommittee played a more constructive role in devising many of the reforms that are in this package today than the gentleman from Oregon [Mr. WYDEN]. I am pleased to yield 4 minutes to him at this time.

Mr. WYDEN. Mr. Chairman, in beginning, I want to commend the gentleman from California, Chairman WAXMAN, for doing what I think is a tremendous job in putting together this legislation under very difficult circumstances. It seems to me that the challenge in this country is to reduce health care costs without reducing needed health care services, and I think the gentleman from California [Mr. WAXMAN] has labored hard and very well to try to deal with that very difficult task, and I want to commend him for putting together this legislation.

Very briefly, Mr. Chairman, I would like to touch on just a couple of provisions of the legislation that I think are particularly important. The first and foremost is the provision that I think is going to stimulate the availability of private insurance to help pay nursing home bills in this country.

Along with the gentleman from Massachusetts [Mr. DONNELLY] and a number of my colleagues, I have had a special interest in this matter. A survey by the respected American Association of Retired Persons reveals how 79 percent of older Americans believe Medicare will foot their long term costs. This is tragic. Too late, do three out of four elderly Americans learn that they won't qualify for Medicare.

Nearly 1.3 million Americans now live in nursing homes at a cost expected to exceed $90 billion within 5 years. The average cost typically reaches $15,000 to $30,000 per year. These dollar symbols go beyond ravishing the lifetime savings of middle-income working people. It impoverishes them.

Medicaid covers costs for some seniors. But many seniors pay a terrible price to get Medicaid. I am speaking of retired middle-income people, teachers, farmers and professionals, who must liquidate their life systems to meet Medicaid's draconian minimum income requirements.

I think the private sector can meet the needs of some of our elderly. A provision in this legislation will create a Task Force on Long Term Health

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Care Policies. This task force will have the mission of stimulating interest in the private sector to offer affordable long term care insurance for our elderly. If a small percentage of older people can be served through the provision of long-term care insurance, we will at least have made a beginning. At present, financing long-term care is the No. 1 health care need of the elderly. We need to come up with a variety of approaches to meet this need and we can start with this reconciliation package.

Another area in this legislation that is important is the provision that deals with Medicare appeals rights. Under part A of Medicare, which pays for hospital services, and part B, which covers all outpatient services, we must make some changes to ensure fairness for seniors.

Earlier this year, I introduced H.R. 2864, the Fair Medicare Appeals Act of 1985, to give seniors the rights to which they are entitled under Medicare.

Under part A, the administration has seen fit to take away the right of our senior citizens to be represented in an appeals proceeding by their doctor or hospital. For more than 18 years, senior citizens and providers have had the option to work together in filing an appeal.

Recently, without hearings or public notice, their choice was taken away. The Congress never instructed the Heath Care Financing Administration to save dollars by taking away the rights of senior citizens. That's why we restore them in this bill.

This legislation will also bring the Medicare part B appeals process in line with the times, Currently, Medicare part B appeals are heard by hearing officers often employed by insurance carriers. It was a system designed to adjudicate small claims.

But part B is no longer only small claims. Under the new prospective payment system, more and more care is taking place outside the hospital and part B claims are getting bigger. The system for appealing coverage of those claims should be changed to reflect that fact.

That's what this legislation will do.

The legislation will provide for hearings by an administrative law judge for any part B claim greater than $500. For disputes of more than $1,000, judicial review will be available if the beneficiary is not satisfied with the results of the administrative law judge review.

If we don't bring the part B appeals system up-to-date, the Federal Government may end up paying more in the long run. Without a rational and equitable appeals system, beneficiaries and providers are going to be denied payments they are entitled to receive. In turn, seniors won't get care they need because they can't pay for it, and some providers will not be able to pick up the bill. Seniors who can't get care are likely to get sicker and sicker and may eventually need the most expensive care of all—institutional care.

The fact is that the Medicare system makes mistakes. We need to make these changes in the Medicare appeals process so that when mistakes are made in the denial of Medicare coverage, beneficiaries have a fair opportunity to appeal the decision. With these changes—which are just plain commonsense—we will be moving a long way toward making the Medicare Program more efficient and more fair. I think that's a combination that ought to be law.

The last provision deals with what are called Medicaid waivers. In effect, these are opportunities for the States to set up new approaches to deliver home-care services around the country in a fashion that is going to save the Government money, and, at the same time, give older people an opportunity for more of what they desire most, which is to stay in their homes and communities. Senator BRADLEY and I introduced legislation to deal with this issue earlier this year and the gentleman from California, Chairman WAXMAN, deals with the issue of Medicaid waivers and the difficulties States have had in obtaining these waivers in a way that is very sensible.

Together these three proposals—private insurance to cover nursing home bills, legislation that permits seniors a fair appeal when they have been denied their benefits, and, the opportunity for more home care under the waiver provision than possible under traditional Medicaid programs—will help us greatly in the years ahead to reduce health care costs without denying older people needed services.

I want to commend the gentleman from California [Mr. WAXMAN] again for putting together what I think is a very good bill under difficult circumstances, and I yield back the balance of my time.

Mr. MADIGAN. Mr. Chairman, I reserve the balance of my time.

Mr. WAXMAN. Mr. Chairman, I am pleased to yield 2 minutes to the gentlewoman from Connecticut [Mrs. KENNELLY].

Mrs. KENNELLY. Mr. Chairman, I rise in support of H.R. 3128. Each year we face a dilemma when we are asked to examine Medicare for potential budget savings. While I agree fully with the need to reduce budget deficits, I am constantly concerned over how our elderly population can maintain adequate health-care standards in the face of continual cuts, and I have often expressed my opposition to increasing the out-of-pocket expense of senior citizens for health care.

I am pleased that the Committees on Ways and Means and Energy and Commerce approved a set of Medicare changes that were reasonably acceptable to all concerned parties—while producing considerable budget savings for the Federal Treasury.

H.R. 3128 does not require cuts in Medicare benefits or significant increases in out-of-pocket expenses for senior citizens. The package includes refinements in the prospective payment system for hospital reimbursement, to continue the efforts to hold down hospital costs. It extends the freeze on fees charged by those physicians who do not agree to accept assignment on all Medicare claims, so that the inflation in physician fees can be further controlled.

One provision in the bill that is of particular interest is the adoption of my proposal for a second surgical opinion program that would protect beneficiaries from unnecessary surgery while saving money for Medicare. This provision has a projected savings of $215 million over 3 years.

I believe that a mandatory second surgical opinion program will ensure that Americans served by Medicare receive the health care they need and deserve, while at the same time reducing or eliminating unnecessary surgery and the high costs that go with it. It will enable beneficiaries to make informed decisions regarding the desirability of surgery by arming them with more complete information on the benefits and risks of such surgery. It will enhance the beneficiary's freedom of choice as he or she faces the difficult decision of whether to undergo a surgical procedure.

This year, we celebrate the 20th anniversary of Medicare—a program that helps more than 30 million older Americans meet their health care needs. Medicare is a vital commitment made by this country to its citizens to ensure that all of us have basic health care in our older years. To mark this occasion, it is important that we renew the commitment and maintain the broad support enjoyed by the Medicare program. H.R. 3128 is not a perfect bill, but I believe that it is fully consistent with these goals.

Mr. WAXMAN. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. LEVIN].

Mr. LEVIN of Michigan. Mr. Chairman, I wanted to comment on some of the debate not so directly on this portion, but on other portions of H.R. 3128.

There has been a lot of reference here, especially on the other side, to the fact that some of the portions of H.R. 3128 are new and, therefore, we should vote against H.R. 3128. I just wanted to come on the floor to say I do not understand that logic. In the last months, we have voted on a number of new proposals, SDI, aid to insurgents in Cambodia, Afghanistan. There is a proposal from the adminis-

tration for $300 million through Exim, or through the Department of Treasury to get at the problem of tied-in credits.

□ 1435

Because something is new does not mean we vote against it. We are here to cut the deficit. We have to be unrelenting in doing so, but that does not mean that we have blinders on, that does not mean that anything that is newly proposed is automatically bad, and it is ironic for people here to get up on the floor, especially those who support a lot of new programs such as SDI and the others I have mentioned. I did not support all of the SDI proposals; I have supported some of the other new proposals, but for them to arise and say, vote against a program that would help get at the problem of teenage pregnancy because it is new—that does not carry out our responsibilities whatsoever.

What we have to do is to make a determined effort to reduce the deficit, at the same time solving or helping to solve, or at least to address major problems that are of national interest.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WAXMAN. Mr. Chairman, I yield 1 additional minute to the gentleman from Michigan [Mr. LEVIN].

Will the gentleman yield to me?

Mr. LEVIN of Michigan. I would be glad to.

Mr. WAXMAN. I want to point out that, in the health area, we are not talking about new programs. We already provide for vision care for the elderly under Medicare, but we do not pay for an optometrist to provide that very same service; we only pay for ophthalmologists.

Well, why should they not be able to see an optometrist if the optometrist is licensed to do the job, and there are more optometrists readily available for them to see. That is the only reason there is a slight increase in cost for this provision.

This is a reconciliation bill. It is really the only time we can do anything in Medicare and Medicaid by way of program improvements. But, we stayed within the budget limits, and that is the important thing. The provision to allow people to go to an optometrist as well as an ophthalmologist was authored by a Republican member of our subcommittee, Mr. WHITTAKER, along with Congresswoman MIKULSKI, who is a Democrat. This whole bill received bipartisan support in the Committee on Energy and Commerce. I think it is a red herring to talk about new spending for new programs, when they are not new spending programs; they are expansions of benefits by allowing people to go to an occupational therapist or optometrist for services rendered under the program.

Mr. MADIGAN. Mr. Chairman, I yield myself such time as I may consume.

I would like, very briefly, to engage in a colloquy with the distinguished chairman of the Subcommittee on Health and the Environment, the gentleman from California [Mr. WAXMAN], if the gentleman is available?

Mr. WAXMAN. I am available and ready to answer any questions that the gentleman might have.

Mr. MADIGAN. I yield to the gentleman to be available.

I am reading a summary of what is contained in this total package, and I read here where it says: "The committee derives about half the total savings, $5.4 billion, by limiting payment increases for both prospective payment system and system-exempt hospitals to 1 percent in fiscal year 1986. Current law would have allowed an increase of more than 5 percent."

I also read here where it says: "Responding to recent reports of insufficient emergency treatment of uninsured patients, the committee includes provisions requiring participating hospitals to provide an appropriate medical screening examination for patients with emergency conditions regardless of their insurance status;" and then it stipulates what the penalties are for a hospital if they do not do this.

Parenthetically let me say I do not have any argument with requiring the hospitals to do that. It is an additional expense for them, however.

Then I read where it says the bill reduces supplementary payments to teaching hospitals which otherwise would compensate those hospitals for their generally higher costs by revising the calculation formula.

So just very quickly, there are two very substantial hits on hospitals; limiting the increase in payments to hospitals to 1 percent next year rather than the minimum of 5 percent that would have occurred; while asking them to provide these additional emergency services, and reducing the payments to teaching hospitals. All of that is being done to hospitals who are the primary providers of health care in this country, so that we can expand these programs to do these new things that otherwise would not be done.

Now I ask the gentleman from California [Mr. WAXMAN] if he thinks it is fair to place this terrible burden upon the hospitals of the United States so as to create the money to do these new things that otherwise would not be done.

Mr. WAXMAN. If the gentleman would yield to me, we have provided for a 1-percent increase for the hospitals, although the Reagan administration asked for no increase at all. By their recommendation, we would have frozen the hospitals, but we at least provide 1 percent. As the gentleman from Illinois [Mr. MADIGAN] indicated, the hospitals might otherwise argue for a 5-percent increase to keep up with the cost-of-living increases.

It seems to me we have got to hold the line where we can. I was very distressed to have to continue the freeze on the physicians. I think it is wrong to have the freeze on the hospitals and the doctors, as the Senate has on the hospitals and we have on the doctors; but the reality is we cannot come up with our savings in any other way.

Now, those are big savings items. What we have in our bill for optometrists is a relatively small amount of money and, without it, people who are covered and eligible for vision care would go without that care because they may not have an ophthalmologist near them in order to provide those services.

In Medicaid, we would provide for low income, pregnant women to get prenatal care. We are going to pay far more to take care of their low-birthweight babies if they do not get prenatal care. The Institute of Medicine indicated it saves $3 for every $1 we propose to spend if we were to end up paying for those low-birth-weight babies. CBO does not give us a cost saving on it, because they only look at the immediate savings.

I think we have come up with a package that I am not thrilled with; but is realistic, given the budget constraints that have been placed upon us by our colleagues who voted for this budget. I think we have handled it in a responsible way.

Mr. MADIGAN. Reclaiming my time, I would say in response to the gentleman that notwithstanding whatever he says the administration position was, current law would have allowed for at least a 5-percent increase.

Mr. WAXMAN. I beg to differ with the gentleman. That is not accurate at all. The administration is empowered to come in with their recommendation as to the amount of increase for hospitals; the Senate has come in with a freeze; the Reagan administration has, by regulation, established a freeze. We recognize that they ought to have some increase as we phase in this new DRG system, and we said at least give them 1 percent, since there is an outside commission that recommended more than 1 percent.

Mr. MADIGAN. Let me reclaim my time to ask the gentleman this question: If current law would not have provided for a greater increase, then how does limiting the increase to 1 percent provide for a $5.4 billion saving? How do you get the saving?

It is a rhetorical question.

Does the gentleman wish to answer the question himself? Go ahead. I yield to the gentleman from California [Mr. WAXMAN].

Mr. WAXMAN. The saving is based on the CBO estimates of the base, and that base included a projected increase. That is the way they figure what the cost would be.

Any reduction on that, under the terms of the budget law, means we are saving money from what would otherwise be spent. That is why the Reagan administration wanted to go to a freeze; they wanted to save that money. It is why the Senate has a freeze and why we have kept it as low as 1 percent.

Mr. MADIGAN. Well, if the gentleman will allow me to reclaim my time, I understand the CBO baseline very well, but the savings here is achieved by limiting the increase on hospitals to 1 percent from what otherwise would have occurred under the CBO baseline.

That is what it is all about. So we do that to hospitals; we take a second shot at teaching hospitals, reducing their reimbursement; we take a third shot at all hospitals by imposing new requirements on them to do things that some presently do not do.

We ask hospitals to do all of these things at a time when inflation may only be 3 or 4 percent, admittedly. We are saying to the hospitals of America: We are going to give you 1 percent and you eat the difference, whatever it is, so that we can generate some money here in Washington to create some new programs that otherwise do not exist.

What we are saying to the elderly people who are the primary users of hospitals, is that we are going to stick it to you elderly folks so that we can do a political thing here to give some constituents something they have not got, and that will make us popular. I think that is a sham and if we do this, if we vote for this, we should all be very embarrassed by it.

Mr. WAXMAN. Will the gentleman yield?

Mr. MADIGAN. I would be happy to yield.

Mr. WAXMAN. I find many of the gentleman's views quite refreshing. When we get into the conference with the other body, where they have gone along with the Reagan administration's recommendations for very low freezes and lower reimbursement levels, then let us fight for a higher reimbursement level than we have been forced to go to on the House side; we are higher on hospital reimbursement, appropriately so, and I hope you will keep that same view when we get into that conference with the other body.

Mr. MADIGAN. If the gentleman will allow me to reclaim my time, Mr. Chairman, my preference would be that we would never get into conference with the Senate with a reconciliation bill that is supposed to have savings in it when it actually is just a guise for new programs and new spending. This is an embarrassment to me and to many other Members of the House.

Mr. WAXMAN. Mr. Chairman and my colleagues, let me point out that we saved $10.4 billion, and if my friend from Illinois [Mr. MADIGAN] would like us not to save $10.4 billion, net overall in spending in the health care area, then so be it, he can vote against the package.

□ 1445

I think it is a reasonable package, given the budget constraints that we have had.

Mr. Chairman, I yield 3 minutes to the gentleman from Massachusetts [Mr. DONNELLY].

Mr. DONNELLY. Mr. Chairman, at the outset let me thank my colleague from Oregon for his kind words about my participation with him in putting together the long-term care insurance package that is in this legislation. I think it is a significant and progressive step forward in dealing with the problems of our frail elderly.

Mr. Chairman, I also rise in strong support of House Resolution 3128, the Deficit Reduction Amendments Act of 1985.

I think it makes a significant, fair reduction in the deficit in the amount of almost $20 billion over 3 years.

I commend both Chairman ROSTENKOWSKI and Chairman WAXMAN for their fine work in bringing this package to the floor today. One of the most important provisions of the legislation for police officers, teachers, firefighters, and all public employees in my own State of Massachusetts and several other States is the provision that only newly hired public employees be required to pay into the Medicare System. I support this provision which I offered as an amendment during the Health Subcommittee markup of this legislation in the Ways and Means Committee, frankly, because it is the only workable alternative to requiring Medicare coverage for all public employees, both those currently employed and new hires.

All public employees were included in the initial committee markup, and the other body's version of this bill also includes all employees. Requiring all public employees to pay into the Medicare System when they already have successful plans of their own and without adequate advance notice is, in my view, unfair and unacceptable. In view of the fact, however, that a vast majority of public employees are already covered by Medicare, I believe the inclusion of only new hires is the best way to effect a transition of coverage for all employees.

In my own State of Massachusetts, no State or local employees are currently covered by Medicare. It would cost the Commonwealth over $70 million in 1986 and nearly $400 million over the next 5 years.

This is clearly an overwhelming financial burden to impose on the Commonwealth of Massachusetts and other States across this country, and they clearly did not anticipate this added additional expense when they were putting together their budget plans for fiscal year 1986 and beyond.

It is also most unfair to change the rules in the middle of the game by imposing an additional 1.45 percent payroll tax on State and local employees not already covered by Medicare. That category includes not only public employees in Massachusetts and Ohio but also most police officers, teachers, and firefighters. Requiring those employees to pay an additional 1.45 percent tax is clearly not just an additional cost to the locality but, in fact, is a tax increase to the local public employees.

Requiring coverage of only newly hired public employees is the only fair way to provide the employees and employers a workable transition period.

I support the amendment, and I support the bill.

Mr. WAXMAN. Mr. Chairman, I yield 1 minute to the very distinguished gentleman from Pennsylvania [Mr. WALGREN].

Mr. WALGREN. I thank the gentleman for yielding.

Mr. Chairman, I rise in support of the Medicare/Medicaid provisions of this bill and indicate especially how important I think it is that we realize that in many ways what we are doing is not continuing to cut off our nose to spite our face. When we expand coverage for women and infants and children, we simply limit the amount of money that we will pay under these programs in the outyears. So it is only sensible economically and certainly should not be criticized as a new spending program.

I would like to also focus on the language in the bill that gives greater direction to the 2176 waivers that encourage the Medicare system to be able to pay benefits for home and community-based care. This also is an area where there are no new costs but certainly a great ability to save money because people can be treated more economically and more humanely in their homes.

The House Energy and Commerce Committee, at my suggestion, included a provision relating to long-term care for the elderly and chronically disabled. In essence, we have clarified certain points in the law to help people get home care instead of institutional care, when appropriate to the person's health care needs and when cost neutral.

In 1981, with my support, Congress enacted a provision known as the 2176 waiver. Under this provision, States were given encouragement and more flexibility

to provide home and community-based long-term care services to individuals who otherwise would require care in a skilled nursing care facility like a nursing home—when that care costs no more than institutional care. Unfortunately, the Department of Health and Human Services in the last 4 years has erected innumerable obstacles to the implementation of this provision, especially requiring inordinate paperwork, assurances and documentation. In the words of one State administrator:

We believe HHS and OMB have gone far beyond congressional intent. Indeed, they have gone so far that a good argument can now be made that a state would be better off not pursuing home and community-based services as an alternative, and instead continue to build expensive nursing home beds and filling them with people who could be better served in the community.

In my home State of Pennsylvania, two waivers to enhance home care have been approved and four have been denied. People in my area tell me that these numbers hardly reflect what could be done because the administrative climate is so discouraging. The hoops Washington makes the health care providers jump through discourage people from seeking waivers for home care instead of encouraging them as Congress intended.

One of my constituents is a good case in point: Merilee Trapp. Ms. Trapp is a 37-year-old woman with cerebral palsy, a resident of a nursing home in my district for 15 years. Merilee came before our Health Subcommittee and testified that she needs some assistance because of her disability, but she is not sick. Merilee does not need skilled nursing home care; she is a perfect example of a person who could function is at home if Medicaid paid for even limited home care. United Cerebral Palsy went to bat for her and got the State to apply for a home-care waiver for Merilee. A year of bureaucratic back-and-forth ensued and Merilee did not move. We hope the changes we make in this bill will eliminate some of the hurdles our State encountered and make the intent of Congress to encourage home care under these circumstances absolutely clear.

Long-term health care for the elderly and the chronically disabled is a time bomb waiting to go off in this country. Before the Congress enacted the 2176 waiver in 1981, Federal policy literally required institutionalization before health care services could be paid for under Medicare. We are trying to change this in favor of a more humane system of health care. It was one small step toward bringing some balance to the system. But in the last 4 years, roadblock after roadblock has been raised to the point that there is a real question whether the administration is trying to kill a program administratively that it cannot kill any other way? And here for once we are not talking about a costly program. Home care cannot cost any more than institutional care, under the waiver policy.

One of the ironies of this situation is that in 1981, President Reagan went on national television complaining about Government regulation and bureaucracy that did not keep people like little Katie Beckett, a paralyzed and ventilator-dependent little girl, in her home with her parents. Congress responded by putting into law this change. Katie's problems got solved. But it should not take a White House press conference to get people the kind of basic care they need in their home and community instead of being required to be institutionalized.

Former HCFA Administrator, Dr. Caroline Davis, testified that an estimated one-fourth of the current nursing home population might be better served in the community. She said:

Many elderly, disabled and chronically ill persons live in institutions not for medical reasons, but because of lack of affordable health and social services available to them in their homes or communities, due to individual's inability to pay for those services or the failure of the state plan to cover them when they do exist.

I hope the administration will join us in ironing out whatever biases and quirks there are in our policies so that we can develop a health care system that provides people what they need.

I would like to share with my colleagues the testimony of my constituent, Merille Trapp, which expresses better than I, her need and wish for home health care:

TESTIMONY OF MERILEE TRAPP, BEFORE THE SUBCOMMITTEE ON HEALTH AND THE ENVIRONMENT

Good Morning Mr. Chairman: My name is Merilee Trapp. I am 37 years old and I am a resident of Kane Hospital Ross Regional Center. Kane is a large intermediate/skilled institution primarily for the aged. There are 360 residents, with 90 percent over 60 years of age. I have lived in Kane for almost 15 years, being admitted in 1970. At that time my mother could not care for me at home because she had to work.

As you can see, I have cerebral palsy and need some assistance in personal care. But I am not sick. I am in no need of nursing care, which is primarily what Kane offers. The only reason I live at Kane is because the services I need cannot be paid for under title 19 in the community.

I appreciate the opportunity to come and speak with you this morning. It's not often that we in institutions get a chance to do things like this. In fact this is the first time I have ever been to Washington, DC. I am not afraid to tell you that I am a little nervous.

I am here today on behalf of all physically disabled young persons like myself who are stuck in institutions. I don't know if anyone here has spent time in an institution but it isn't fun. Most of the residents in my institution are frail elderly. It is very depressing and frustrating for me. I tell my friends that institutions are nice places to visit, but you wouldn't want to live there. There is no privacy, you have no control, and most of the time we are treated as if we are sick. Don't get me wrong, Kane does good things, but as I said it is primarily for the elderly. In fact, the average age at Kane Ross is 78. Yet in the State of Pennsylvania there are thousands of physically disabled people my age living in ICF's.

My life at Kane is dull. Sure there are activities, but they are set up for the elderly; bingos, things like that and after 4 p.m. the place more or less closes up. When people my age are just starting to have a good time, we in institutions are getting ready for bed. Some people in my room go to bed at 7:30, some even earlier. Yet the wailing and night long crying often keeps me awake.

Right now the only times I ever get out of Kane is when I attend the Independent Living Program at UCP in Pittsburgh. Boy do I look forward to these days. At UCP I see other people like myself who are learning to be independent, I'm treated like an adult not a patient and it makes me feel good. These kinds of programs teach us how to manage money, cook meals, and deal with community situations. Yet the new waiver regulations disallow these types of programs and make the unfair assumption that prevocational programs do not lead to self-sufficiency. It is outrageous and personally insulting to me that whoever wrote these regulations don't understand the link between prevocational services and remaining in the community.

I don't understand all the details but my friend, Al Condeluci, who works at UCP has applied to the Federal Government for a waiver to set up community services to help me and many of the other young physicially disabled residents move from Kane. He has done this for a lot of other clients of UCP who are retarded, using State funds and they are doing great. These people are doing the things that folks like you do. They go to the store, movies, go to eat, go to sleep when they want. I know that because I have had the opportunity to spend a few weekends with these friends and have seen things firsthand.

The waiver Al worked on was designed to help people with physical disabilities like me, who are not retarded, have the same chance. Although I try not to get my hopes up too high, I am excited about the possibilities for me in the community. I dream about it. To have friends over and to take care of my own affairs. To be treated like a real person in my own apartment seems almost too good to be true.

I understand that our waiver was not accepted because we were compared to the elderly in the confusing formula we had to use (see Appendix B). Why is it that this always happens? Why do we always have to be compared to the elderly? We are different? Sure we may have some similar attendant care needed but to make me live with people 80 and over is unfair. My present roommate is 88 years old and can speak no English. I can't even talk to her!

I am not sure if my testimony today is helpful or not, but I wanted you to know what it is like for someone like me. The waiver offered me an alternative to living at Kane. It saddens me that the new regulations create even more barriers. I always thought Congress gave us the waiver demonstrations to be flexible and to try new things. It's a shame that this administration has made the waiver process so prohibitive.

Please remember that we disabled are not asking for a handout—only a chance to live a more meaningful life. The waivers offer such an opportunity.

I thank the chairman.

Mr. WAXMAN. Mr. Chairman, may I inquire how much time remains?

The CHAIRMAN. The gentleman from California [Mr. WAXMAN] has 9 minutes remaining.

Mr. WAXMAN. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio [Mr. PEASE].

Mr. PEASE. Mr. Chairman, I rise in support of the bill, among other reasons, because it contains a 4-year reauthorization of the Trade Adjustment Assistance Program which helps workers who have lost their jobs because of imports to adjust to their loss of a job. It provides retraining, it provides job relocation and job search services to those laid off workers. I am pleased to report that a recent recommendation from the Democratic task force encouraged continuation of TAA, as does trade legislation introduced by our Republican colleagues within the last month.

Senator ROTH in the other body is currently working on extension of TAA in that body's reconciliation bill, as well.

Mr. Chairman, the trade imbalance for the United States for the month of September, the figures just came out today, it is $15.5 billion. That is, at an annual rate, $189 billion trade deficit for this country.

It is clear, with that kind of anemic performance in the trade area, we are going to have more and more workers impacted by losing their jobs to imports. It seems to me only fair, right, and decent that we would use the Trade Adjustment Assistance Program, a very modest and cost-effective program, to help ameliorate the sufferings that go with the loss of jobs because of imports.

Mr. Chairman, I yield back the balance of my time.

Mr. WAXMAN. Mr. Chairman, I yield 1 minute to the gentleman from West Virginia [Mr. RAHALL].

Mr. RAHALL. I thank the gentleman for yielding to me.

Mr. Chairman, I strongly support the reauthorization of the Trade Adjustment Assistance Act as envisoned in this bill. However, as we consider H.R. 3128, the Deficit Reduction Amendments Act, I would draw the attention of my colleagues, and especially those from coal-producing and/or consuming districts of the Nation, to one of the revenue amendments to the Ways and Means portion of this legislation. The provision of concern seeks to impose an additional tax burden on the coal industry of $1.2 billion over the next 5 years through an increase in the black lung excise tax assessed on every ton of coal mined. The reason for the increase in the black lung excise tax is, according to the Ways and Means Committee, to reduce the deficit in the black lung disability trust fund, in which black lung claims filed up to 1973 are paid. If the Congress is prepared to enact this rather dramatic tax increase on the coal industry, Mr. Chairman, I would suggest that coal has paid more than its fair share of any tax reform effort.

President Reagan's tax reform plan, if enacted as proposed, would create an additional coal industry tax liability of $1 billion over the next 5 years.

Surely, we must all realize the enactment of a $1.2 billion in black lung tax increase and a $1 billion tax "reform" increase on coal is simply too much to expect of an industry saddled with weak markets and skyrocketing unemployment levels.

I would say to the members of the Committee on Ways and Means, as you consider tax reform legislation remember what coal is being made to pay in the bill before us today H.R. 3128. And remember, that tax reform should not mean the death of an industry. Few, if any, industries today are capable of withstanding an increase in taxes amounting to 2.2 billion over the next 5 years.

Let's tax imported coal, not domestic coal.

Mr. WAXMAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, before I yield back the balance of my time, I want to indicate that there will be a motion to recommit from the Republican side, which I would like to point out would strike from the bill the opportunity for the elderly to get vision care services from optometrists, would prevent low-income women from getting prenatal care under Medicaid, would deny occupational therapy for people under Medicare, and would strike the Medicare appeals procedures.

That is what we would do if that motion to recommit is passed.

Mr. Chairman, I would urge we defeat any motion to recommit and adopt the legislation before us. It saves in the Medicaid and Medicare program over $10 billion.

It is an effort worth supporting.

Mr. MORRISON of Connecticut. Mr. Chairman. I support 3128, the Deficit Reduction Amendments of 1985.

I will vote for the bill because the Ways and Means Committee has presented the House of Representatives with a plan to cut spending which meets the targets set by our budget resolution and does so, for the most part, in a fair and balanced way.

There is a part of this bill, however, which I cannot support and which will cause many of our older constituents substantial hardship.

Section 504 of this bill will make subject to tax that portion of tier I Railroad Retirement benefits that exceed the Social Security benefits available to retirees with comparable earnings.

If this provision becomes law, the IRS will extract an additional $161 million in taxes over the next 3 years from railroad retirees.

At present, these benefits are taxed in the same way as Social Security income; that is, income tax is imposed on only one-half of that amount of the benefits, which taken together with other income, exceeds $25,000 for unmarried individuals and $32,000 for married individuals.

Section 504 of the bill would change that dramatically. Beginning January 1, 1986, all tier I benefits of retirees under 62 years of age would be fully taxed. For example, an individual under the age of 62 who receives the maximum monthly tier I benefit of $717 would be taxed on the full amount of that benefit.

The majority of retirees who are 62 years or older would also have to pay additional tax, since their benefits exceed those available to Social Security beneficiaries with comparable earnings record.

The committee proposal will also have a devastating impact on railroad retirees who receive "occupational disability annuities" since no comparable benefits exist under Social Security. Under the committee plan, the total amount of the occupational annuity would be taxed.

Because full Social Security benefits are not available to Social Security recipients under age 65 but are available to many railroad retirees, this proposal would require taxation of the difference between the amount of the benefits received by rail retirees between the ages of 62 and 65 years and that amount that would be available to a Social Security recipient of the same age and earnings record. Moreover, because the reduction in benefits is permanent for those who retire before age 65 years under Social Security, the difference in the rate of benefits received by railroad retirees would be fully taxed for as long as the benefits continued to be received.

There is no plan to phase-in this change. Many individuals who already have retired and who have adjusted to a standard of living based on their relatively fixed incomes will lose thousands of dollars each year. That is particularly true of those who are currently under 62 years. This change will mean intollerable hardship for thousands.

In considering this issue, Members must acknowledge the substantial burden this Congress placed on retirees as part of the Railroad Solvency Act. In 1984 and 1985, retirees lost cost-of-living adjustments equivalent to 5 percent of total benefits and tier II benefits were made fully taxable as part of our plan to shore up the tier II pension fund. In addition, tier I benefits were made taxable as part of the Social Security Amendments Act of 1983.

Frankly, I find it hard to believe that the committee fully understood the impact of this proposal.

I strongly urge those members of the committee who will be House conferees to abandon this section of the bill when they meet in conference with the Senate.

Mr. DORGAN of North Dakota. Mr. Chairman, during the Ways and Means Committee markup of this bill, I asked my colleagues to consider an amendment to require the Secretary of Health and Human Services to conduct a survey to examine the effects of the prospective payment system on rural hospitals. My colleagues agreed that the problems of rural hospitals are unique and merit such a study, and the amendment was adopted.

Oftentimes, 50 percent of the patients in a rural hospital are Medicare beneficiaries who are classified as outlier patients; that is, those patients who enter the hospital and stay well beyond the DRG estimated length of stay and who require more intensive care than other patients under the same diagnostic-related group. Because of their size and greater caseload of Medicare patients, rural hospitals have great difficulty absorbing the extra costs incurred by the hospital to care for outlier patients.

Rural hospitals provide a valuable service to the citizens of the community, particularly to elderly citizens who have difficulty traveling to larger, city hospitals. I hope that, with the Secretary's report, we can discover ways to help ensure that rural hospitals will continue to provide quality and convenient health care to the elderly.

Ms. OAKAR. Mr. Chairman, today, the Members of this House are considering H.R. 3128, the Deficit Reduction Amendments of 1985. This legislation, like most bills that we face, contains provisions that I favor and provisions that I oppose. I appreciate the difficulty in crafting compromises, such as this one, in order to reduce the deficit in ways that are fair and fiscally responsible. I believe this bill, overall, constitutes good legislation, and so intend to vote in favor of H.R. 3128.

One significant provision in this legislation would include State and local government employees, newly hired on or after January 1, 1986, under the Medicare system. As we all know, earlier this summer, there were proposals to this Congress to include all State and local employees under both Social Security and Medicare. I strongly opposed that proposal because it would have placed an unduly heavy financial burden on employees, including those of the State of Ohio, who were already making substantial contributions to their State retirement and health insurance programs.

As currently written, however, the ways and means Committee's bill will require participation in the Medicare program only, and only for newly hired State and local employees. The total cost in payroll taxes to these employees will be one-sixteenth of the cost of the proposal originally under consideration. This is a compromise that I wish we did not have to accept, but for the sake of the Medicare Program, we must accept it.

Mr. Chairman, this legislation also institutes some extremely important reforms in Medicare and in other health care and income security programs. With respect to Medicare, H.R. 3128 will:

Increase Medicare payments to hospices by $10 per day;

Provide for additional payments to urban hospitals which treat a great number of low-income patients;

Prohibit the Secretary of HHS from freezing payments to teaching hospitals;

Guarantee access to employer group health insurance for divorced and widowed spouses and dependent children;

Prohibit hospitals from refusing emergency care to indigent patients;

Freeze the phase-in of national DRG reimbursement rates to hospitals for 1 year;

Extend the freeze on Medicare physician reimbursement for an additional year, with inflation adjustments going to physicians who accept Medicare reimbursement as payment in full; and

Establish demonstration projects to show the cost-effectiveness of a preventive care benefit under Medicare.

In addition, H.R. 3128 increases funds for the Aid to Families with Dependent Children Program and makes permanent the 16 cents Federal excise tax on cigarettes.

Mr. Chairman, I believe the Medicare and health care provisions in this legislation are sensible and forwardlooking. They will institute long-needed reforms that will improve access to health care for the elderly and the poor and they will begin to reorient our system of health care toward promotion of wellness.

I am especially pleased with section 149 of the Medicare title of this legislation, which establishes preventive care demonstrations under Medicare. I have long been a fervent supporter of measures to promote prevention and health maintenance. The value of preventive care is clear, and, in many cases, has been proven cost-effective. The National Cancer Institute, for example, has proven that 30 percent of breast cancer deaths can be prevented with regular mammography screening. Similarly, we know that 70 percent of deaths from cancer of the colon—which struck our own President—can be prevented with early detection. Heart disease, hypertension, depression, and many other health conditions can be prevented or controlled with regular screening; and this kind of prevention will produce cost savings for the Medicare Program.

Mr. Chairman, preventive care is especially crucial for older women, because 1 in 11 American women will develop breast cancer in their lifetime. With annual mammography screening, we could catch most breast cancers in their earliest stages, while they are operable and survivable. However, only 10 to 15 percent of American women have an annual mammogram. As a result, the breast cancer mortality rate has not changed in 50 years and 38,000 women—1 every 15 minutes—die of breast cancer each year.

Last week, during Breast Cancer Awareness Week, I cochaired a hearing with my dear friend and colleague, Senator CLAUDE PEPPER, on the value of screening of breast cancer. Surgeons, radiologists, cancer center representatives, lay experts, and officials from the administration all testified about the value of early screening for breast cancer. Their message was clear:

Mammography will save money. The cost of treating early stage breast cancer averages $20,000, compared to $60,000 for late stage breast cancer. In all, this Nation spent $2 billion in 1984 on Medical care for breast cancer; $677 million of that total was paid by Medicare.

Mammography will save surgery. This spring, a group of physicians, led by Dr. Bernard Fisher, proved that breast cancer in its early stages can be successfully treated with limited surgery, or lumpectomy. The more extensive mastectomy can be avoided with early detection of breast cancer.

Mammography will save lives. As the National Cancer Institute survey has shown, regular screening can reduce breast cancer deaths by 30 percent. Private demonstrations have since confirmed this finding.

Mr. Chairman, earlier this year, I introduced H.R. 1402, to establish a permanent, voluntary preventive health care option under Medicare. My bill required that mammography be included among the covered preventive services. I strongly urge the authors of this legislation to instruct the Department of Health and Human Services to include mammography screening as a covered service under these worthy demonstration projects.

To conclude, Mr. Chairman, I would like to commend again the authors of this legislation for their courage and their fairmindedness. I believe we are taking important steps forward today, both toward reducing the deficit and toward improving our health care system, and I look forward to continued progress toward both of these goals.

Mr. HOPKINS. Mr. Chairman, there are several provisions of this bill which I oppose. Mr. GRADISON planned to offer an amendment which would have taken care of some of my problems, however, unfortunately the rule adopted by this body did not permit that amendment.

Specifically, I am concerned about provisions to increase the black lung benefit coal tax by $680 million. I also believe it is ludicrous to approve over a billion dollars in increased welfare spending in a bill to reduce the deficit.

However, there is one provision of this bill which is of particular interest to my district because it impacts the Tobacco Program.

H.R. 3128 would continue the Federal excise tax at 16 cents a pack for 5 years instead of allowing it to end as was originally intended in 1982. One cent of this tax will be earmarked for the Tobacco Program for 5 years.

I view this section of the bill with mixed emotions. On the one hand, tobacco producers are facing great difficulties due to a surplus of tobacco which they are financially responsible. Assistance with that financial burden would be helpful.

However, this suggestion also offers a troubling precedent which may pave the way for earmarking of this tax for other purposes. Large increases in the Federal excise tax could reduce demand for cigarettes and thus reduce demand for Kentucky burley tobacco.

There is a tobacco provision in the reconciliation bill under consideration by the other body which would make changes in the Tobacco Program without resorting to earmarking excise taxes. This plan, originally introduced as S. 1418, has been endorsed by a number of Kentucky agricul-

ture organizations and is the plan I have endorsed as my first choice.

Tobacco producers are seeking changes to their program. If I had both plans before me I would choose the plan embodied in the reconciliation bill considered in the other body. However, that is not the situation at hand. I believe the proposal in H.R. 3128 is better than continuing the current program with no changes.

Mr. PANETTA. Mr. Chairman, I rise today in strong support of H.R. 3128, the Deficit Reduction Amendments of 1985. This legislation contains two important provisions which will allow for the further development and utilization of hospice care in the United States. One provision approved by the House Ways and Means Committee would make the hospice benefit under Medicare a permanent program. At present, this benefit is scheduled to terminate at the end of this fiscal year. In addition, a provision approved by the House Energy and Commerce Committee would allow States to fund hospice programs using Medicaid funding. This would allow the poor and the elderly, eligible for Medicaid and suffering from a terminal illness to receive treatment in a hospice program.

As you know, Mr. Chairman, Congress adopted legislation in 1982 which provided coverage of hospice care under Medicare. This program has proven successful and has provided compassionate care to many terminally ill Medicare patients. However, the program has not operated without difficulty. In implementing this program, we have seen constant delays by the Department of Health and Human Services in issuing regulations, meeting deadlines laid out in the authorizing legislation. Also, hospice programs throughout the country have experienced enormous difficulties in obtaining reimbursement from their intermediaries. Even with the administrative hurdles and barriers which hospice programs, have had to encounter, many terminally ill patients and their family members have been served by hospice program from around the country participating in the Medicare Program. The results we have seen clearly indicate that the hospice program deserves to be a permanent part of Medicare. Furthermore, I am hopeful that by making this program permanent the approach to this program by the Department of Health and Human Services will be modified and we will see a more effective and responsive implementation. Also, by making this program permanent any uncertainty by health care providers will be removed and greater participation can be expected.

Mr. Chairman, the Medicaid provision will give States the option to fund hospice programs under the Medicaid Program. While the majority of persons in this country suffering from a terminal illness are elderly, there is a sizable population of Medicaid eligible persons who also may choose to utilize hospice care. I think we should make this option available to Medicaid patients similar to the option currently made available to Medicare beneficiaries. The compassionate and cost-effective alternative offered through the use of hospice should be part of the Medicaid Program, and I strongly urge my colleagues to support this provision and the Medicare provision which will further advance the role of hospice care in caring for the terminally ill in our country.

Mr. JONES of Oklahoma. Mr. Chairman, I would like to take this opportunity to call to the attention of the House a situation in my State of Oklahoma which is currently affecting a number of elderly nursing home residents. The problem was brought to my attention after the Ways and Means and Energy and Commerce Committees passed their health provisions in this bill.

The homes of elderly patients who are permanently committed to nursing homes must be sold to cover their expenses before Medicaid takes over. The Department of Health and Human Services requires that the home be sold within 90 days from the time it becomes apparent that the owner will be in the nursing home permanently. If the home has not been sold in 90 days, patients are forced to leave the nursing home.

Because of the poor state of the economy in Oklahoma, 90 days is not always a long enough period in which to sell a home at fair market value. The homes are sold at a loss, and Medicaid is forced to begin paying the patient's costs at an earlier date than if the houses were sold at fair market value.

Also, there is the possibility of unscrupulous individuals buying the homes from the owners at rock bottom prices and then selling them for a large profit.

My fellow Oklahoman, Senator DAVID BOREN, offered an amendment to the Senate reconciliation package, which the Finance Committee accepted, which eased this problem by putting a 1-year moratorium on the 90-day sales limit.

The gentleman from California [Mr. WAXMAN] whose subcommittee has jurisdiction over Medicaid, across with my position and is positively desposed to accept this amendment. Then the problem will be eased over the short term. However, a more permanent solution will have to be worked out.

On behalf of the 2,000 Oklahoma nursing home patients who will benefit from this provision, I would like to thank Mr. WAXMAN for his cooperation on this problem.

Mr. REID. Mr. Chairman, it is with great reluctance that I rise in opposition to this legislation—H.R. 3128, the Deficit Reduction Act of 1985. I appreciate the long hours of hard work expended by the chairmen and the members of the congressional committees charged with the responsibility of bringing this legislation to the floor of this body.

I share the concern of every member—all of us who want to reduce the cost of funding the Federal Government.

Although this legislation contains several provisions that I support, it also has some provisions that I do not support. Specifically, I am opposed to the mandatory Medicare coverage for State and local employees. Presently, State and local governments have the option of deciding whether their employees will be covered by Medicare. I believe that this should remain a local or State government option. I believe that mandatory inclusion of this requirement is inequitable and shortsighted. This mandatory requirement will increase liabilities for these programs. In short, the liabilities will outweigh the alleged benefits.

For example, a very successful retirement system exists in my State of Nevada. It provides its State and local employees with their own security in their postretirement years. These workers are already contributing their fair share to a solvent retirement system. They are already in a position to provide for themselves.

I oppose this action—an action that will load a horrendous financial burden on States like Nevada that have done an outstanding job of maintaining their own financial integrity.

For these reasons, I urge defeat of H.R. 3128.

Mr. MCGRATH. Mr. Chairman, I would like to take this opportunity to express my opposition to H.R. 3128, as reported from the Ways and Means Committee. Included in this so-called deficit reduction package are onerous provisions which affect the Medicare, public assistance, and unemployment compensation programs, impose a new tax in the form of customs user fees and earmark a portion of the cigarette excise tax.

At a time when Congress is reviewing Federal programs with an eye toward reducing the Federal deficit, it is completely irresponsible to spend $600 million in new money. In addition to the inclusion of $600 million incease in spending, there is a $10 billion cut proposed in the Medicare Program. Subsequently, out of the $19.2 billion in revenue savings, more than half of the reductions will fall on the one group which can least afford the weight of deficit reduction, the elderly.

Included in this legislation are revisions to the Aid to Families with Dependent Children Program [AFDC]. The intent is to make improvements in AFDC quality control standards and procedures. However, instead of initiating the incentives needed to reduce a State's error rate, this legislation liberalizes Federal financing for erroneous payments made by the States when administering the program. Additionally, the estimated cost of $110 million does not earmark $1 for recipients covered by AFDC.

This bill also expands the AFDC Unemployed Parent [UP] Program by requiring each State to extend AFDC benefits to families which include an unemployed parent. This program has always been at the option of States which are in a position to best determine the appropriate scope of their program. The Secretary of Health and Human Services has estimated the increase in Federal expenditures due to this expansion to be over $204 million in fiscal year 1986 alone. State costs could exceed $250 million, and associated Medicaid costs may run as high as $100 million.

As introduced, H.R. 3128 will authorize additional grants to State welfare agencies for the implemetation of counseling and preventive services to reduce the rate of teenage pregnancies. There is no justification for an increase of $150 million in Federal spending to duplicate other authorities available to States under the current law. Under titles X and XX of the Public Health Service Act, States receive Federal financial assistance to provide free and confidential family planning assistance. Also, counseling is available under the social services block grant under title XX of the Social Security Act, and prenatal care and child health services under the maternal and child health block grant under title V of the act.

The imposition of Customs Service user fees is a misguided approach which opens a Pandora's box by creating a new tax with serious and far-reaching implications. The Customs Service brings in over $20 in revenue for each dollar it spends, making it one of the great revenue generating agencies of our Government. More importantly, its services are fundamentally designed to benefit and protect the general public and national welfare.

The General Accounting Office has concluded that no user fees should be assessed for a service that primarily benefits the general public. Additionally, user fees should not be imposed for a service a user is compelled by statute to obtain. Furthermore, it is inconceivable that foreign interests should be charged for services which do not benefit them at all. Assessing user fees against them, in fact, could lead to retaliatory taxing measures by their governments, an action which would only compound our serious trade imbalance.

Finally, this bill contains ill-advised provisions which would earmark a portion of the excise tax on cigarettes for the Tobacco Price Support Program; $200 million of the cigarette tax revenues would be diverted from the Federal Treasury to the tobacco industry. I view this earmarking as a terrible precedent and a backdoor approach to increases in Federal spending.

I have no objection to earmarking the gasoline tax for highways or to earmarking in certain other circumstances. However, earmarking of a specific revenue source for a specific spending program is a devise that should be used sparingly. Earmarking makes it difficult for the legislative body to change the pattern of Government spending and to exercise control over Government programs. Further, it is unusual to find a case in which the amount of revenue derived from a specific tax source bears any relationship to the desirable level of spending for the program for which the tax is earmarked.

Mr. Chairman, this bill is best described as a lost opportunity to make meaningful reductions in Federal spending. I urge my colleagues to oppose this bill and send it back to the committee to come up with a program of deficit reductions, without increases in spending.

Mr. FEIGHAN. Mr. Chairman, the Deficit Reduction Act before us today has many admirable features. it would reauthorize the Trade Adjustment Assistance Program that provides needed relief to the hundreds of thousands of American workers whose jobs have been casualties in our country's international trade war. It will reform the Pension Benefit Guaranty Corporation to increase the safety of private pension plans. And it will crack down on waste in welfare programs while offering more support for programs designed to combat teenage pregancy.

Most important, the bill will cut the Federal deficit by nearly $20 billion over the next 3 years. The Deficit Reduction Act is one of Congress' three real chances this year to start the process of budget balancing. In it, Congress moves beyond mere talk of schedules and targets, and instead puts in place the policy changes that will actually help shrink the Federal deficit

But for all its virtues, the Deficit Reduction Act has one damning flaw: It would force State and local public employees to join the Medicare system. Many States, including my home State of Ohio, have generous and well-funded retirement and health benefit programs for State and local employees. These employees don't need Medicare. They don't want Medicare. And now, simply because the Federal Government is groping for every source of additional revenue it can find to shore up its own financial condition, these State and local public employees will be forced to pay 1.45 percent of their paychecks to the Federal Government.

This sort of Federal meddling is as shortsighted as it is unjustifiable. While the Federal Government will gain a little bit of revenue in the short run—so its books will look a little better to public scrutiny—in the long run the Federal Government will be a net loser. As these State and local public employees claim their Medicare benefits, the system will end up paying out more than it took in from them.

In Ohio alone, the requirement for new hirees to pay into Medicare will cost workers nearly $14 million in the first year. Public employers will bear a similarly heavy cost.

With this sort of coercive legislation, the Federal Government is really trying to force State and local governments to pay off a piece of the Federal deficit. State and local governments have worked hard, often under statutory requirement, to keep their budgets in order. The Congress should be trying to emulate the example provided by the fiscal responsibility of State and local governments, not trying to shift the cost of its own budgetary failure onto the backs of these governments and their employees.

Mr. WAXMAN. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. All time has expired.

Pursuant to the rule, the bill is considered as having been read for amendment under the 5-minute rule. No amendments are in order except for the three amendments which are made in order by House Resolution 301, which shall be considered as having been read and having been adopted.

The text of the bill is as follows:

H.R. 3128

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Deficit Reduction Amendments of 1985".

(b) TABLE OF CONTENTS.—

Title I. Health care programs.
Title II. Trade and customs laws amendments.
Title III. Provisions relating to aid to families with dependent children.
Title IV. Provisions relating to railroad unemployment repayment tax and unemployment compensation.
Title V. Revenue provisions.
Title VI. Amendments relating to single employer plans.

TITLE I—HEALTH CARE PROGRAMS

SEC. 100. SHORT TITLE; TABLE OF CONTENTS OF TITLE.

This title may be cited as the "Medicare and Medicaid Budget Reconciliation Amendments of 1985".

TABLE OF CONTENTS OF TITLE

Part A—Changes Relating Primarily to Part A of the Medicare Program
Subpart 1—Hospital Payment Rates
Sec. 101. Rate of increase in payments for inpatient hospital services.
Sec. 102. One-year extension of DRG transition.
Sec. 103. Application of revised hospital wage index.
Sec. 104. Change in formula for indirect teaching adjustment.
Sec. 105. Computation of additional payment amounts for hospitals serving a disproportionate share of low-income patients.
Sec. 106. Treatment of certain rural osteopathic hospitals as rural referral centers.
Sec. 107. One-year prohibition on freezing cost increases that may be recognized for direct medical education.
Sec. 108. Return on equity capital for inpatient hospital services and other services.
Sec. 109. Continuation of medicare reimbursement waivers for certain hospitals subject to regional hospital reimbursement demonstrations.
Sec. 110. Four-year test for state waivers for certain states.
Sec. 111. Special rule for treatment of depreciation and capital indebtedness for donations of state property to non-profit corporations.
Sec. 112. Report on impact of outlier and transfer policy on rural hospitals.
Sec. 113. Information on impact of PPS payments on hospitals.
Subpart 2—Benefits, Coverage, Premiums, and Provider Agreements
Sec. 121. Extension and payment for hospice care.
Sec. 122. Limiting the penalty for late enrollment in part A.
Sec. 123. Medicare coverage of, and applica-

tion of hospital insurance tax to, newly hired State and local government employees.
Sec. 124. Responsibilities of medicare hospitals in emergency cases.
Part B—Changes Relating to Parts A and B of the Medicare Program
Sec. 131. Extension of working aged provisions to individuals over 69.
Sec. 132. Provisions relating to health maintenance organizations and competitive medical plans.
Sec. 133. Evaluation of preadmission and pre-procedure certification programs.
Sec. 134. Prohibition of administrative merger of renal disease networks with other organizations.
Sec. 135. Extension of certain medicare municipal health services demonstration projects.
Sec. 136. Technical corrections.
Part C—Changes Relating Primarily to Part B of the Medicare Program
Sec. 141. Extension of physician fee freeze for non-participating physicians and improvements in the participating physician program.
Sec. 142. Expansion of membership and duties of the Prospective Payment Assessment Commission to include review of payments for physicians' services.
Sec. 143. Part B premium.
Sec. 144. Determinations of inherent reasonableness of charges and customary charges for certain former hospital-compensated physicians.
Sec. 145. Occupational therapy services.
Sec. 146. Payment for durable medical equipment.
Sec. 147. Payment for assistants at surgery for certain cataract operations and other operations.
Sec. 148. Limitation on medicare payment for post-cataract surgery patients.
Sec. 149. Demonstration of preventive health services under medicare.
Part D—Other and Additional Changes Relating to Part B (or to Parts A and B) of the Medicare Program
Sec. 151. Extension of physician fee freeze for non-participating physicians and improvements in the participating physician program.
Sec. 152. Physician Payment Review Commission and development of relative value scale.
Sec. 153. Payment for durable medical equipment.
Sec. 154. Payment for clinical laboratory services.
Sec. 155. Vision care.
Sec. 156. Second opinions.
Sec. 157. Changing medicare appeal rights.
Sec. 158. Extension of On Lok waiver.
Part E—Changes Relating to the Medicaid Program
Sec. 161. Services for pregnant women.
Sec. 162. Modifications of home and community-based waiver under section 1915(c).
Sec. 163. Optional hospice benefits.
Sec. 164. Medicaid payments for direct medical education costs of hospitals.
Sec. 165. Treatment of potential payments from medicaid qualifying trusts.
Sec. 166. Written standards for provision of organ transplants.
Sec. 167. Deemed residence for out-of-state adoptive and foster care placements.
Sec. 168. Extension of MMIS deadline.
Sec. 169. Extension of certain waiver project.
Sec. 170. Report on adjustment in medicaid payments for hospitals serving disproportionate numbers of low income patients.
Sec. 171. Reference to provisions of law providing coverage under, or directly affecting, the medicaid program.
Part F—Private Health Insurance Continuation
Sec. 181. Temporary extension of coverage at group rates for family members of deceased, divorced, or medicare-eligible workers.
Part G—Task Force on Long-Term Health Care Policies
Sec. 191. Guidelines for long-term health care policies.

PART A—CHANGES RELATING PRIMARILY TO PART A OF THE MEDICARE PROGRAM

Subpart 1—Hospital Payment Rates

SEC. 101. RATE OF INCREASE IN PAYMENTS FOR INPATIENT HOSPITAL SERVICES.

(a) SETTING APPLICABLE PERCENTAGE AT ONE PERCENT.—The second sentence of section 1886(b)(3)(B) of the Social Security Act (42 U.S.C. 1395ww(b)(3)(B)) is amended to read as follows: "Notwithstanding the previous sentence or subsection (e), for purposes of subparagraph (A) for cost reporting periods beginning during fiscal year 1986 and for purposes of subsection (d)(3)(A) for discharges occurring during that fiscal year, the applicable percentage increase shall be one percent.".

(b) APPLICATION TO DRG PAYMENT SYSTEM.—Section 1886(d)(3)(A) of such Act is amended by striking out "for fiscal year 1985" and inserting in lieu thereof "for each of fiscal years 1985 and 1986".

(c) NO SECRETARIAL DISCRETION FOR FISCAL YEAR 1986.—Section 1886(e)(4) of such Act is amended by striking out "1986" and inserting in lieu thereof "1987".

SEC. 102. ONE-YEAR EXTENSION OF DRG TRANSITION.

(a) MAINTAINING CURRENT BLEND FOR ONE YEAR.—Section 1886(d)(1) of the Social Security Act (42 U.S.C. 1395ww(d)(1)) is amended by striking out "1985" and "1986" and inserting in lieu thereof "1986" and "1987", respectively, each place either appears.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to cost reporting periods, and discharges in fiscal years, beginning on or after October 1, 1985.

SEC. 103. APPLICATION OF REVISED HOSPITAL WAGE INDEX.

(a) APPLICATION OF REVISED INDEX PROSPECTIVELY.—(1) Subsection (b) of section 2316 of the Deficit Reduction Act of 1984 (Public Law 98-369; 98 Stat. 1081) is amended to read as follows:

"(b) The Secretary shall adjust the payment amounts for hospitals for discharges occurring during fiscal year 1986 to reflect the changes the Secretary has proposed (in the Federal Register on June 10, 1985) in regulations respecting the hospital wage index under section 1886(d)(3)(E) of the Social Security Act, as that proposal relates to the use of total gross hospital wages. For discharges occurring after September 30, 1986, the Secretary shall provide for such periodic adjustments in the appropriate wage index used under that section as may be necessary, taking into account changes in the wage differences of full-time and part-time workers.".

(2) The amendment made by paragraph (1) shall be effective as if it had been included in the Deficit Reduction Act of 1984.

(b) STUDY OF METHODOLOGY FOR AREA WAGE ADJUSTMENT FOR CENTRAL CITIES.—(1) The Secretary of Health and Human Services, in consultation with the Prospective Payment Assessment Commission, shall collect information and shall develop one or more methodologies to permit the adjustment of the wage indices used for purposes of sections 1886(d)(2)(C)(ii), 1886(d)(2)(H), and 1886(d)(3)(E) of the Social Security Act, in order to more accurately reflect hospital labor markets, by taking into account variations in wages and wage-related costs between the central city portion of urban areas and other parts of urban areas.

(2) The Secretary shall report to Congress on the information collected and the methodologies developed under paragraph (1) not later than May 1, 1986. The report shall include a recommendation as to the feasibility and desirability of implementing such methodologies.

SEC. 104. CHANGE IN FORMULA FOR INDIRECT TEACHING ADJUSTMENT.

(a) SUBSTITUTION OF NEW FORMULA.—Section 1886(d)(5)(B) of the Social Security Act (42 U.S.C. 1395ww(d)(5)(B)) is amended—

(1) by inserting "(i)" after "(B)",

(2) in the first sentence—

(A) by inserting "for discharges occurring during fiscal years 1984 and 1985" after "except that", and

(B) by inserting before the period at the end the following: ", and except that for discharges for fiscal years after fiscal year 1985 the payment amount shall be determined by multiplying (I) the sum of the amount determined under paragraph (1)(A)(ii)(II) (or, if applicable, the amount determined under paragraph (1)(A)(iii)) and the amount paid to the hospital under subparagraph (A), by (II) the indirect teaching adjustment factor described in clause (ii)", and

(3) by adding at the end the following new clause:

"(ii) For purposes clause (i)(II), the indirect teaching adjustment factor for discharges occurring—

"(I) during fiscal years 1986 and 1987, is equal to 2 x [(1+r)$^{.4}$ -1], where 'r' is the ratio of the hospital's full-time equivalent interns and residents (including those assigned to outpatient departments of the hospital) to beds and '$^{.4}$' is .405, or

"(II) after fiscal year 1987, is equal to 1.5 x [(1+r)$^{.4}$ -1], where 'r' is the same as 'r' under subclause (I) and '$^{.4}$' is .5795.".

(b) ADJUSTMENT OF PAYMENT AMOUNTS.—

(1) RESTANDARDIZING DRG PAYMENT AMOUNTS TO REFLECT CHANGE IN FORMULA.—Section 1886(d)(2)(C)(i) of such Act is amended by inserting "(taking into account, for discharges occurring after September 30, 1985, the amendments made by section 104(a) of the Medicare and Medicaid Budget Reconciliation Amendments of 1985)" after "medical education costs".

(2) PROVIDING FOR SYSTEM SAVINGS FROM CHANGE IN FORMULA.—Subparagraph (C) of section 1886(d)(3) of such Act is amended—

(A) by inserting "(i)" after "(C)",

(B) by inserting "FOR FISCAL YEAR 1985" after "NEUTRALITY",

(C) by striking out "The Secretary" and inserting in lieu thereof "For discharges occurring in fiscal year 1985, the Secretary", and

(D) by adding at the end the following new clause:

"(ii) REDUCING FOR SAVINGS FROM AMENDMENT TO INDIRECT TEACHING ADJUSTMENT FOR SUBSEQUENT FISCAL YEARS.—For discharges occurring after fiscal year 1985, the Secretary shall further reduce each of the average standardized amounts (in a proportion which takes into account the differing effects of the standardization effected under paragraph (2)(C)(i)) so as to provide for a reduction in the total of the payments (attributable to this paragraph) made for discharges occurring during—

"(i) each of fiscal years 1986 and 1987, of an amount equal to the estimated reduction in the additional payment amounts under paragraph (5)(B) that would have resulted from the enactment of the amendments made by section 104 of the Medicare and Medicaid Budget Reconciliation Amendments of 1985 if the factor described in clause (ii)(II) of paragraph (5)(B) were applied for each respective fiscal year instead of the factor described in clause (ii)(I) of that paragraph, and

"(ii) each fiscal year thereafter, of an amount equal to the estimated reduction in the additional payment amounts under paragraph (5)(B) for that fiscal year that has resulted from the enactment of the amendments made by section 104 of the Medicare and Medicaid Budget Reconciliation Amendments of 1985.".

(3) CONFORMING AMENDMENT.—Clauses (i)(I) and (ii)(I) of section 1886(d)(3)(D) of such Act are each amended by inserting "or reduced" after "(B), and adjusted".

SEC. 105. COMPUTATION OF ADDITIONAL PAYMENT AMOUNTS FOR HOSPITALS SERVING A DISPROPORTIONATE SHARE OF LOW-INCOME PATIENTS.

(a) REQUIRING ADJUSTMENT.—Section 1886(d)(5) of the Social Security Act (42 U.S.C. 1395ww(d)(5)) is amended by adding at the end the following new subparagraph:

"(F)(i) The Secretary shall provide under this subparagraph, for discharges occurring during fiscal years 1986 and 1987, for an additional payment amount, for discharges occurring in a cost reporting period of a hospital, for a subsection (d) hospital that is located in an urban area, that has 100 or more beds, and that—

"(I) serves a significantly disproportionate number of patients who have low income (as defined in clause (iv)(I)), or

"(II) can demonstrate that its net inpatient care revenues (excluding any of such revenues attributable to this title or State plans approved under title XIX) during the cost reporting period for indigent care from State and local government sources exceed 30 percent of its total of such revenues during the period.

"(ii) The amount of such payment for each discharge shall be the amount determined under paragraph (1)(A)(ii)(II) (or, if applicable, the amount determined under paragraph (1)(A)(iii)) for that discharge multiplied by the disproportionate share adjustment percentage established under clause (iii) for the cost reporting period in which the discharge occurs.

"(iii) The disproportionate share adjustment percentage for a cost reporting period—

"(I) for a hospital described in clause (i)(II) is equal to 16 percent, and

"(II) for other hospitals is equal to seventenths of the excess low income patient percentage (as defined in clause (iv)(IV)) for that period,

but in no case may the percentage for any hospital for any period exceed 16 percent.

"(iv) In this subparagraph:

"(I) A hospital 'serves a significantly disproportionate number of patients who have low income' for a cost reporting period if the hospital has a low income patient percentage (as defined in subclause (II)) for that period which equals, or exceeds, 15 percent.

"(II) The term 'low income patient percentage' means, with respect to a cost reporting period of a hospital, the percentage of its total number of patient days of inpatient hospital services it provided during period which are attributable to low income patients (as defined in subclause (III)).

"(III) The term 'low income patient' means, with respect to inpatient hospital services provided to a patient, a patient who was, or is determined to have been, entitled to medical assistance under title XIX with respect to some or all of such services during the hospital stay, and includes such an individual notwithstanding the fact that some or all of such services were actually paid for under this title.

"(IV) The term 'excess low income patient percentage' means, for a cost reporting of a hospital, the hospital's low income patient percentage (as defined in subclause (II)) for that period minus 15 percent.".

(b) RESTANDARDIZING DRG PAYMENT AMOUNTS TO REFLECT DISPROPORTIONATE SHARE PAYMENTS.—Section 1886(d)(2)(C) of such Act is amended—

(1) by striking out "and" at the end of clause (ii),

(2) by striking out the period at the end of clause (iii) and inserting in lieu thereof ", and", and

(3) by adding at the end the following new clause:

"(iv) for discharges occurring during fiscal years 1986 and 1987, excluding an estimate of the additional payments to certain hospitals to be made under paragraph (5)(F).".

SEC. 106. TREATMENT OF CERTAIN RURAL OSTEOPATHIC HOSPITALS AS RURAL REFERRAL CENTERS.

(a) IN GENERAL.—Section 1886(d)(5)(C)(i) of the Social Security Act (42 U.S.C. 1395ww(d)(5)(C)(i)) is amended by inserting before the period at the end of the second sentence the following: "and which shall not require a rural osteopathic hospital to have more than 3,000 discharges in a year in order to be classified as a rural referral center".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to cost reporting periods beginning on or after the date of the enactment of this Act.

SEC. 107. ONE-YEAR PROHIBITION ON FREEZING COST INCREASES THAT MAY BE RECOGNIZED FOR DIRECT MEDICAL EDUCATION.

(a) RULE.—The Secretary of Health and Human Services may not implement any regulation that would limit, under the authority of section 1861(v) of the Social Security Act, the costs that may be recognized as reasonable under title XVIII of that Act with respect to the net costs of approved educational activities for a cost reporting period based upon the net costs of those activities for any previous cost reporting period.

(b) EFFECTIVE PERIOD.—The prohibition of subsection (a) shall apply to the cost reporting periods beginning during the one-year period beginning on July 1, 1985.

SEC. 108. RETURN ON EQUITY CAPITAL FOR INPATIENT HOSPITAL SERVICES AND OTHER SERVICES.

(a) INPATIENT HOSPITAL SERVICES.—(1) Section 1861(v)(1) of the Social Security Act (42 U.S.C. 1395x(v)(1)) is amended by adding at the end the following new subparagraph:

"(P) Such regulations may not provide for any payment, with respect to the reasonable costs of inpatient hospital services, for a return on equity capital for hospitals.".

(2) Section 1886(g) of such Act (42 U.S.C. 1395ww(g)) is amended—

(A) by striking out "(1)" after "(g)", and

(B) by striking out paragraph (2).

(b) OTHER SERVICES.—(1) Section 1861(v)(1)(P) of such Act, as added by subsection (a)(1), is amended by inserting "(i)" after "(P)" and by adding at the end the following new clause:

"(ii) If such regulations provide for the payment for a return on equity capital, the rate of return to be recognized, for determining the reasonable cost of services furnished in a cost reporting period, shall be equal to the average of the rates of interest, for each of the months any part of which is included in the period, on obligations issued for purchase by the Federal Hospital Insurance Trust Fund.".

(2) Section 1861(v)(1)(B) of such Act (42 U.S.C. 1395x(v)(1)(B)) is amended—

(A) by striking out "any fiscal period" and "such fiscal period" and inserting in lieu thereof "any cost reporting period" and "the period", respectively, and

(B) by striking out "not exceed one and one-half times" in the second sentence and inserting in lieu thereof "be equal to".

(c) EFFECTIVE DATES.—(1) The amendments made by subsection (a) shall apply to payments made, on the basis of reasonable cost, for hospital cost reporting periods beginning on or after October 1, 1986. Costs attributable to a return on equity capital shall not be included in determining national and regional adjusted DRG prospective payment rates (under section 1886(d) of the Social Security Act) for discharges occurring on or after October 1, 1986.

(2) The amendments made by subsection (b) shall apply to cost reporting periods beginning on or after October 1, 1985.

SEC. 109. CONTINUATION OF MEDICARE REIMBURSEMENT WAIVERS FOR CERTAIN HOSPITALS SUBJECT TO REGIONAL HOSPITAL REIMBURSEMENT DEMONSTRATIONS.

For purposes of section 1886(c) of the Social Security Act (including paragraph (4) thereof), a hospital reimbursement control system which, on January 1, 1985, was carrying out a demonstration under a contract which had been approved by the Secretary of Health and Human Services under section 222(a) of the Social Security Amendments of 1972 shall be deemed (as of the date of the enactment of this Act) to meet the requirements of section 1886(c)(1)(A) of the Social Security Act if the system applies—

(1) to substantially all non-Federal acute care hospitals (as defined by the Secretary for purposes of that section) in the geographic area served by the system on January 1, 1985; and

(2) to the review of at least 75 percent—

(A) of all revenues or expenses in such geographic area for inpatient hospital services, and

(B) of revenues or expenses in the geographic area for inpatient hospital services

provided under the applicable State plan approved under title XIX of the Social Security Act.

SEC. 110. FOUR-YEAR TEST FOR STATE WAIVERS FOR CERTAIN STATES.

(a) IN GENERAL.—Section 1886(c) of the Social Security Act (42 U.S.C 1395ww(c)) is amended by adding at the end the following new paragraph:

"(7) In the case of a State which made a request under paragraph (5) before December 31, 1984, for the approval of a State hospital reimbursement control system and which request was approved—

"(A) in applying paragraphs (1)(C) and (6), a reference to a '36-month period' is deemed a reference to as '48-month period', and

"(B) in order to allow the State the opportunity to provide the assurances described in paragraph (1)(C) for a 48-month period, the Secretary may not discontinue payments under the system, under the authority of paragraph (3)(A) because the Secretary has reason to believe that such assurances are not being (or will not be) met, before July 1, 1986.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date of the enactment of this Act.

SEC. 111. SPECIAL RULE FOR TREATMENT OF DEPRECIATION AND CAPITAL INDEBTEDNESS FOR DONATIONS OF STATE PROPERTY TO NON-PROFIT CORPORATIONS.

(a) GENERAL RULE.—Section 1861(v)(1)(O) of the Social Security Act (42 U.S.C. 1395x(v)(1)(O)) is amended—

(1) by inserting ", except as provided in clause (iv)," in clause (i) after "such regulations shall provide", and

(2) by adding at the end the following new clause:

"(iv) In the case of the transfer of a hospital or skilled nursing facility from ownership by a State to ownership by a non-profit corporation without monetary consideration, clause (i) shall be applied without regard to the acquisition cost of the hospital or facility to the new owner.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall be applied as though they were included in the Deficit Reduction Act of 1984.

SEC. 112. REPORT ON IMPACT OF OUTLIER AND TRANSFER POLICY ON RURAL HOSPITALS.

(a) REVIEW.—The Secretary of Health and Human Services shall review the impact of policies respecting outliers and patient transfers on payments under section 1886(d) of the Social Security Act to rural hospitals (particularly on rural hospitals with less than 100 beds).

(b) REPORT.—The Secretary shall report to Congress on the findings of the review not later than May 1, 1986, and shall include in the report recommendations on changes in policies respecting outliers and patient transfers to the extent they adversely affect rural hospitals.

SEC. 113. INFORMATION ON IMPACT OF PPS PAYMENTS ON HOSPITALS.

(a) DISCLOSURE OF INFORMATION.—The Secretary of Health and Human Services shall make available to the Prospective Payment Assessment Commission, the Congressional Budget Office, and to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate the most current information on the payments being made under section 1886 of the Social Security Act to individual hospitals. Such information shall be made available in a manner that permits examination of the impact of such section on hospitals.

(b) CONFIDENTIALITY.—Information disclosed under subsection (a) shall be treated as confidential and shall not be subject to further disclosure in a manner that permits the identification of individual hospitals.

Subpart 2—Benefits, Coverage, Premiums, and Provider Agreements

SEC. 121. EXTENSION AND PAYMENT FOR HOSPICE CARE.

(a) ELIMINATION OF SUNSET.—Section 122(h)(1) of the Tax Equity and Fiscal Responsibility Act of 1982 (P.L. 97-248, 96 Stat. 362), relating to the end of the effective date for hospice care, is amended—

(1) in subparagraph (A)—

(A) by striking out "(h)(1)(A) Subject to subparagraph (B), the" and inserting in lieu thereof "(h)(1) The", and

(B) by striking out ", and before October 1, 1986", and

(2) by striking out subparagraph (B).

(b) INCREASE IN PAYMENT OF DAILY RATES FOR HOSPICE CARE FOR FISCAL YEAR 1986.—(1) Subparagraph (B) of section 1814(i)(1) of the Social Security Act (42 U.S.C. 1395f(i)(1)) is amended to read as follows:

"(B) Notwithstanding subparagraph (A) and for hospice care furnished on or after October 1, 1985, the daily rate of payment per day for routine home care shall be $63.17 and the daily rate of payment for other services included in hospice care shall be the daily rate of payment recognized under subparagraph (A) as of July 1, 1985, increased by $10.".

(2) Subparagraph (C) of such section is amended by striking out "1985" and inserting in lieu thereof "1986".

SEC. 122. LIMITING THE PENALTY FOR LATE ENROLLMENT IN PART A.

(a) LIMITING PENALTY TO 10 PERCENT AND TWICE THE PERIOD DURING WHICH NOT ENROLLED.—Section 1818(c) of the Social Security Act (42 U.S.C. 1395i-2(c)) is amended—

(1) by striking out "and" at the end of paragraph (5),

(2) by striking out the period at the end of paragraph (6) and inserting in lieu thereof "; and", and

(3) by adding at the end the following new paragraph:

"(7) any percent increase effected under section 1839(b) in an individual's monthly premium may not exceed 10 percent and shall only apply to premiums paid during a period equal to twice the number of months in the full 12-month periods described in that section.".

(b) EFFECTIVE DATE.—(1) The amendment made by subsection (a)(3) shall apply to premiums paid for months beginning with January 1986.

(2) In applying that amendment, months (before, during, or after January 1986) in which an individual was required to pay a premium increased under the section that was so amended shall be taken into account in determining the month in which the premium will no longer be subject to an increase under that section as so amended.

SEC. 123. MEDICARE COVERAGE OF, AND APPLICATION OF HOSPITAL INSURANCE TAX TO, NEWLY HIRED STATE AND LOCAL GOVERNMENT EMPLOYEES.

(a) APPLICATION OF HOSPITAL INSURANCE TAX TO NEWLY HIRED EMPLOYEES OF STATE AND LOCAL GOVERNMENTS.—

(1) IN GENERAL.—Subsection (u) of section 3121 of the Internal Revenue Code of 1954 (relating to application of hospital insurance tax to Federal employment) is amended to read as follows:

"(u) APPLICATION OF HOSPITAL INSURANCE TAX TO FEDERAL, STATE, AND LOCAL EMPLOYMENT.—

"(1) FEDERAL EMPLOYMENT.—For purposes of the taxes imposed by sections 3101(b) and 3111(b), subsection (b) shall be applied without regard to paragraph (5) thereof.

"(2) STATE AND LOCAL EMPLOYMENT.—For purposes of the taxes imposed by sections 3101(b) and 3111(b)—

"(A) IN GENERAL.—Except as provided in subparagraphs (B) and (C), subsection (b) shall be applied without regard to paragraph (7) thereof.

"(B) EXCEPTION FOR CERTAIN SERVICES.—Service shall not be treated as employment by reason of subparagraph (A) if—

"(i) the service is included under an agreement under section 218 of the Social Security Act, or

"(ii) the service is performed—

"(I) by an individual who is employed by a State or political subdivision thereof to relieve him from unemployment,

"(II) in a hospital, home, or other institution by a patient or inmate thereof as an employee of a State or political subdivision thereof or of the District of Columbia,

"(III) by an individual, as an employee of a State or political subdivision thereof or of the District of Columbia, serving on a temporary basis in case of fire, storm, snow, earthquake, flood or other similar emergency, or

"(IV) by any individual as an employee included under section 5351(2) of title 5, United States Code (relating to certain interns, student nurses, and other student employees of hospitals of the District of Columbia Government), other than as a medical or dental intern or a medical or dental resident in training.

As used in this subparagraph, the terms 'State' and 'political subdivision' have the meanings given those terms in section 218(b) of the Social Security Act.

"(C) EXCEPTION FOR CURRENT EMPLOYMENT WHICH CONTINUES.—Service performed for an employer shall not be treated as employment by reason of subparagraph (A) if—

"(i) such service would be excluded from the term 'employment' for purposes of this chapter if subparagraph (A) did not apply;

"(ii) such service is performed by an individual—

"(I) who was performing substantial and regular service for remuneration for that employer before January 1, 1986,

"(II) who is a bona fide employee of that employer on December 31, 1985, and

"(III) whose employment relationship with that employer was not entered into for purposes of meeting the requirements of this subparagraph; and

"(iii) the employment relationship with that employer has not been terminated after December 31, 1985.

"(D) TREATMENT OF AGENCIES AND INSTRUMENTALITIES.—For purposes of subparagraph (C), under regulations—

"(i) All agencies and instrumentalities of a State (as defined in section 218(b) of the Social Security Act) or of the District of Columbia shall be treated as a single employer.

"(ii) All agencies and instrumentalities of a political subdivision of a State (as so defined) shall be treated as a single employer and shall not be treated as described in clause (i).

"(3) MEDICARE QUALIFIED GOVERNMENT EMPLOYMENT.—For purposes of this chapter, the term 'medicare qualified government employment' means service which—

"(A) is employment (as defined in subsection (b)) with the application of paragraphs (1) and (2), but

"(B) would not be employment (as so defined) without the application of such paragraphs."

(2) CONFORMING AMENDMENTS.—

(A)(i) Section 3125 of such Code (relating to returns in the case of governmental employees in Guam, American Samoa, and the District of Columbia) is amended by redesignating subsections (a), (b), and (c) as subsections (b), (c), and (d), respectively, and by inserting before subsection (b) (as so redesignated) the following new subsection:

"(a) STATES.—Except as otherwise provided in this section, in the case of the taxes imposed by sections 3101(b) and 3111(b) with respect to service performed in the employ of a State or any political subdivision thereof (or any instrumentality of any one or more of the foregoing which is wholly owned thereby), the return and payment of such taxes may be made by the head of the agency or instrumentality having the control of such service, or by such agents as such head may designate. The person making such return may, for convenience of administration, make payments of the tax imposed under section 3111 with respect to the service of such individuals without regard to the contribution and benefit base limitation in section 3121(a)(1)."

(ii) The section heading for such section 3125 is amended by inserting "STATES," before "GUAM".

(iii) The item relating to section 3125 in the table of sections for subchapter C of chapter 21 of such Code is amended by inserting "States," before "Guam".

(B) Subsection (b) of section 1402 of such Code is amended by striking out "medicare qualified Federal employment (as defined in section 3121(u)(2))" and inserting in lieu thereof "medicare qualified government employment (as defined in section 3121(u)(3))".

(C) Section 3122 of such Code (relating to Federal service) is amended by striking out "including service which is medicare qualified Federal employment (as defined in section 3121(u)(2))" and inserting in lieu thereof "including such service which is medicare qualified government employment (as defined in section 3121(u)(3))".

(D) Subsection (a) of 6205 of such Code (relating to special rules applicable to certain employment taxes) is amended by adding at the end thereof the following new paragraph:

"(5) STATES AND POLITICAL SUBDIVISIONS AS EMPLOYER.—For purposes of this subsection, in the case of remuneration received from a State or any political subdivision thereof (or any instrumentality of any one or more of the foregoing which is wholly owned thereby) during any calendar year, each head of an agency or instrumentality, and each agent designated by either, who makes a return pursuant to section 3125 shall be deemed a separate employer."

(E)(i) Section 6413(a) of such Code (relating to adjustment of certain employment taxes) is amended by adding at the end thereof the following new paragraph:

"(5) STATES AND POLITICAL SUBDIVISIONS AS EMPLOYER.—For purposes of this subsection, in the case of remuneration received from a State or any political subdivision thereof (or any instrumentality of any one or more of the foregoing which is wholly owned thereby) during any calendar year, each head of an agency or instrumentality, and each agent designated by either, who makes a return pursuant to section 3125 shall be deemed a separate employer."

(ii) Section 6413(c)(2) of such Code (relating to special refunds of certain employment taxes) is amended—

(I) by striking out "3125(a)", "3125(b)", and "3125(c)" in subparagraphs (D), (E), and (F), respectively, and inserting in lieu thereof "3125(b)", "3125(c)", and "3125(d)", respectively, and

(II) by adding at the end thereof the following new subparagraph:

"(G) EMPLOYEES OF STATES AND POLITICAL SUBDIVISIONS.—In the case of remuneration received from a State or any political subdivision thereof (or any instrumentality of any one or more of the foregoing which is wholly owned thereby) during any calendar year, each head of an agency or instrumentality, and each agent designated by either, who makes a return pursuant to section 3125(a) shall, for purposes of this subsection, be deemed a separate employer."

(b) ENTITLEMENT TO HOSPITAL INSURANCE BENEFITS.—

(1) REVISION OF DEFINITION OF MEDICARE QUALIFIED GOVERNMENT EMPLOYMENT.—Section 210(p) of the Social Security Act (42 U.S.C. 410(p)) is amended to read as follows:

"Medicare Qualified Government Employment

"(p)(1) For purposes of sections 226 and 226A, the term 'medicare qualified government employment' means any service which would constitute 'employment' as defined in subsection (a) of this section but for the application of the provisions of—

"(A) subsection (a)(5), or

"(B) subsection (a)(7), except as provided in paragraphs (2) and (3).

"(2) Service shall not be treated as employment by reason of paragraph (1)(B) if the service is performed—

"(A) by an individual who is employed by a State or political subdivision thereof to relieve him from unemployment,

"(B) in a hospital, home, or other institution by a patient or inmate thereof as an employee of a State or political subdivision thereof or of the District of Columbia,

"(C) by an individual, as an employee of a State or political subdivision thereof or of the District of Columbia, serving on a temporary basis in case of fire, storm, snow, earthquake, flood or other similar emergency, or

"(D) by any individual as an employee included under section 5351(2) of title 5, United States Code (relating to certain interns, student nurses, and other student employees of hospitals of the District of Columbia Government), other than as a medical or dental intern or a medical or dental resident in training.

As used in this paragraph, the terms 'State' and 'political subdivision' have the meanings given those terms in section 218(b).

"(3) Service performed for an employer shall not be treated as employment by reason of paragraph (1)(B) if—

"(A) such service would be excluded from the term 'employment' for purposes of this section if paragraph (1)(B) did not apply;

"(B) such service is performed by an individual—

"(i) who was performing substantial and regular service for remuneration for that employer before January 1, 1986,

"(ii) who is a bona fide employee of that employer on December 31, 1985, and

"(iii) whose employment relationship with that employer was not entered into for purposes of meeting the requirements of this subparagraph; and

"(C) the employment relationship with that employer has not been terminated after December 31, 1985.

"(4) For purposes of paragraph (3), under regulations (consistent with regulations established under section 3121(u)(2)(D) of the Internal Revenue Code of 1954)—

"(A) all agencies and instrumentalities of a State (as defined in section 218(b)) or of the District of Columbia shall be treated as a single employer, and

"(B) all agencies and instrumentalities of a political subdivision of a State (as so defined) shall be treated as a single employer and shall not be treated as described in subparagraph (A).".

(2) ENTITLEMENT TO HOSPITAL INSURANCE BENEFITS.—

(A) FOR INDIVIDUALS AGE 65 OR OLDER AND FOR DISABLED INDIVIDUALS.—Section 226 of such Act (42 U.S.C. 426) is amended by striking out "medicare qualified Federal employment" in subsections (a)(2)(C)(i) and (b)(2)(C)(ii)(I) and inserting in lieu thereof "medicare qualified government employment".

(B) FOR INDIVIDUALS WITH END-STAGE RENAL DISEASE.—Section 226A(a) of such Act (42 U.S.C. 426-1(a)) is amended by striking out "medicare qualified Federal employment" in paragraphs (1)(A)(ii) and (1)(B)(iii) and inserting in lieu thereof "medicare qualified government employment".

(C) CONFORMING AMENDMENTS.—

(i) Section 1811 of such Act (42 U.S.C. 1395c) is amended by striking out "Federal employment" in clauses (1) and (2) and inserting in lieu thereof "government employment".

(ii) Section 226(g) of such Act (42 U.S.C. 426(g)) is amended by striking out "medicare qualified Federal employment" and inserting in lieu thereof "medicare qualified government employment by virtue of service described in section 210(a)(5)".

(c) EFFECTIVE DATES.—

(1) HOSPITAL INSURANCE TAXES.—The amendments made by subsection (a) shall apply to services performed after December 31, 1985.

(2) MEDICARE COVERAGE.—

(A) IN GENERAL.—The amendments made by subsection (b) shall be effective after December 31, 1985, and the amendments made by paragraph (3) of that subsection shall apply to services performed (for medicare qualified government employment) after that date.

(B) TREATMENT OF CERTAIN DISABILITIES.—For purposes of establishing entitlement to hospital insurance benefits under part A of title XVIII of the Social Security Act pursuant to the amendments made by subsection (b), no individual may be considered to be under a disability for any period beginning before January 1, 1986.

SEC. 124. RESPONSIBILITIES OF MEDICARE HOSPITALS IN EMERGENCY CASES.

(a) REQUIREMENT OF MEDICARE HOSPITAL PROVIDER AGREEMENTS.—Section 1866(a)(1) of the Social Security Act (42 U.S.C. 1395cc(a)(1)) is amended—

(1) by striking out "and" at the end of subparagraph (G),

(2) by striking out the period at the end of subparagraph (H) and inserting in lieu thereof ", and", and

(3) by inserting after subparagraph (H) the following new subparagraph:

"(I) in the case of a hospital, to comply with the requirements of section 1867 to the extent applicable.".

(b) REQUIREMENTS.—Title XVIII of such Act is amended by inserting after section 1866 the following new section:

"EXAMINATION AND TREATMENT FOR EMERGENCY MEDICAL CONDITIONS AND WOMEN IN ACTIVE LABOR

"SEC. 1867. (a) MEDICAL SCREENING REQUIREMENT.—In the case of a hospital that has a hospital emergency department, if any individual (whether or not eligible for benefits under this title) comes to the emergency department and a request is made on the individual's behalf for examination or treatment for a medical condition, the hospital must provide for an appropriate medical screening examination to determine whether or not an emergency medical condition (within the meaning of subsection (e)(1)) exists or to determine if the individual is in active labor (within the meaning of subsection (e)(2)).

"(b) NECESSARY STABILIZING TREATMENT FOR EMERGENCY MEDICAL CONDITIONS AND ACTIVE LABOR.—If any individual (whether or not eligible for benefits under this title) comes to a hospital and the hospital determines that the individual has an emergency medical condition or is in active labor, the hospital must provide either—

"(1) within the staff and facilities available at the hospital, for such further medical examination and such treatment as may be required to stabilize the medical condition or to provide for treatment of the labor, unless the examination or treatment is refused, or

"(2) for transfer of the patient to another medical facility in accordance with subsection (c).

"(c) RESTRICTING TRANSFERS UNTIL PATIENT STABILIZED.—

"(1) RULE.—If a patient at a hospital has an emergency medical condition which has not been stabilized (within the meaning of subsection (e)(4)(B)) or is in active labor, the hospital may not transfer the patient unless—

"(A) a physician (within the meaning of section 1861(r)(1)) has signed a certification that, based upon the reasonable risks and benefits to the patient, and based upon the information available at the time, the benefits reasonably expected from the provision of appropriate medical treatment at another medical facility outweigh the increased risks to the individual's medical condition from effecting the transfer, and

"(B) the transfer is an appropriate transfer (within the meaning of paragraph (2)) to that facility.

"(2) APPROPRIATE TRANSFER.—An appropriate transfer to a medical facility is a transfer—

"(A) in which the receiving facility—

"(i) has available space and qualified personnel for the treatment of the patient, and

"(ii) has agreed to accept transfer of the patient and to provide appropriate medical treatment, and

"(iii) is being provided appropriate medical records (or copies thereof) of the examination and treatment effected at the transferring facility;

"(B) in which the transferring hospital provides the receiving facility with appropriate medical records (or copies thereof) of the examination and treatment effected at the transferring hospital;

"(C) in which the transfer is effected through qualified personnel and transportation equipment, including the use of medically appropriate life support measures during the transfer; and

"(D) which meets such other requirements as the Secretary may find necessary in the interest of the health and safety of patients transferred.

"(d) ENFORCEMENT.—

"(1) AS REQUIREMENT OF MEDICARE PROVIDER AGREEMENT.—Failure of a hospital to meet the requirements of this section subjects the hospital to termination of its medicare provider agreement under this title, in accordance with section 1866(b).

"(2) CIVIL MONETARY PENALTIES.—In addition to the other grounds for imposition of a civil money penalty under section 1128A(a), a participating hospital that knowingly violates a requirement of this section and the responsible physician in the hospital with respect to such a violation are each subject, under that section, to a civil money penalty of not more than $25,000 for each such violation. As used in the previous sentence, the term 'responsible physician' means, with respect to a hospital's violation of a requirement of this section, a physician who—

"(A) is employed by, or under contract with, the participating hospital, and

"(B) acting as such an employee or under such a contract, has professional responsibility for the provision of examinations or treatments for the individual, or transfers of the individual, with respect to which the violation occurred.

"(3) CIVIL ENFORCEMENT.—Any individual who suffers personal harm and any medical facility which suffers a financial loss as a direct result of a participating hospital's violation of a requirement of this section may, in a civil action against the participating hospital, obtain damages and other appropriate relief. No action may be brought under this paragraph more than two years after the date of the violation with respect to which the action is brought.

"(e) DEFINITIONS.—In this section:

"(1) The term 'emergency medical condition' means a medical condition manifesting itself by acute symptoms of sufficient severity (including severe pain) such that the absence of immediate medical attention could reasonably be expected to result in—

"(A) placing the patient's health in serious jeopardy,

"(B) serious impairment to bodily functions, or

"(C) serious dysfunction of any bodily organ or part.

"(2) The term 'active labor' means labor at a time at which—

"(A) delivery is imminent,

"(B) there is inadequate time to effect safe transfer to another hospital, or

"(C) a transfer may pose a threat of the health and safety of the patient or the unborn child.

"(3) The term 'participating hospital' means hospital that has entered into a provider agreement under section 1866 and has, under the agreement, obligated itself to comply with the requirements of this section.

"(4)(A) The term 'to stabilize' means, with respect to a medical condition, to provide such medical treatment of the condition as may be necessary to assure that no material deterioration of the condition is likely to result from the transfer of the individual from a facility.

"(B) The term 'stabilized' means, with respect to a medical condition, that no material deterioration of the condition is likely to result from the transfer of the individual from a facility.

"(5) The term 'transfer' means the movement (including the discharge) of a patient outside a hospital's facilities at the direction of any person employed by (or affiliated or associated, directly or indirectly, with) the hospital, but does not include such a movement of a patient who (A) has been declared dead, or (B) leaves the facility without the permission of any such person.

"(f) PREEMPTION.—The provisions of this section do not preempt any State or local law requirement respecting hospitals, except to the extent that the requirement directly conflicts with a requirement of this section.".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1985.

PART B—CHANGES RELATING TO PARTS A AND B OF THE MEDICARE PROGRAM

SEC. 131. EXTENSION OF WORKING AGED PROVISIONS TO INDIVIDUALS OVER 69.

(a) EXTENSION OF MEDICARE AS SECONDARY PAYOR.—Section 1862(b)(3)(A) of the Social Security Act (42 U.S.C. 1395y(b)(3)(A)) is amended—

(1) in clause (i), by striking out "who is under 70 years of age during any part of such month" and ", if the spouse is under 70 years of age during any part of such month", and

(2) in clause (iii), by striking out "and ending with the month before the month in which such individual attains the age of 70".

(b) EXTENSION OF ANTI-DISCRIMINATION PROVISIONS.—

(1) Section 4(g)(1) of the Age Discrimination in Employment Act of 1967 (29 U.S.C. 623(g)(1)) is amended by striking out "through 69" and inserting in lieu thereof "or older" each place it appears.

(2) Section 12(a) of such Act (29 U.S.C. 631(a)) is amended by inserting "(except the provisions of section 4(g))" after "Act".

(c) CONFORMING AMENDMENTS.—

(1) SPECIAL ENROLLMENT PERIOD.—Paragraph (3) of section 1837(i) of the Social Security Act (42 U.S.C. 1395p(i)(3)) is amended to read as follows:

"(3) The special enrollment period referred to in paragraphs (1) and (2) is the period beginning with the first day of the first month in which the individual is no longer enrolled in a group health plan described in section 1862(b)(3)(A)(iv) by reason of current employment and ending seven months later.".

(2) EFFECTIVE DATE OF ENROLLMENT.—Subsection (e) of section 1838 of the Social Security Act (42 U.S.C. 1395q) is amended to read as follows:

"(e) Notwithstanding subsection (a), in the case of an individual who enrolls during a special enrollment period pursuant to section 1837(i)(3)—

"(1) in the first month of the special enrollment period, the coverage period shall begin on the first day of that month, or

"(2) in a month after the first month of the special enrollment period, the coverage period shall begin on the first day of the month following the month in which the individual so enrolls."

(d) EFFECTIVE DATES.—(1) The amendments made by subsection (a) shall apply with respect to items and services furnished on or after January 1, 1986.

(2) The amendments made by subsection (b) shall become effective on January 1, 1986.

(3) The amendments made by subsection (c) shall take effect on January 1, 1986, but shall not apply to any individual with respect to whom a special enrollment period

under section 1837(i)(3) began before that date.

SEC. 132. PROVISIONS RELATING TO HEALTH MAINTENANCE ORGANIZATIONS AND COMPETITIVE MEDICAL PLANS.

(a) FINANCIAL RESPONSIBILITY FOR PATIENTS HOSPITALIZED ON THE EFFECTIVE DATE OF AN ENROLLMENT OR DISENROLLMENT.—(1) Subsection (c) of section 1876 of the Social Security Act (42 U.S.C. 1395mm) is amended by adding at the end the following new paragraph:

"(7) A risk-sharing contract under this section shall provide that in the case of an individual who is receiving inpatient hospital services from a subsection (d) hospital (as defined in section 1886(d)(1)(B)) as of the effective date of the individual's—

"(A) enrollment with an eligible organization under this section—

"(i) payment for such services until the date of the individual's discharge shall be made under this title as if the individual were not enrolled with the organization,

"(ii) the organization shall not be financially responsible for payment for such services until the date after the date of the individual's discharge, and

"(iii) the organization shall nonetheless be paid the full amount otherwise payable to the organization under this section; or

"(B) termination of enrollment with an eligible organization under this section—

"(i) the organization shall be financially responsible for payment for such services after such date and until the date of the individual's discharge,

"(ii) payment for such services during the stay shall not be made under section 1886(d), and

"(iii) the organization shall not receive any payment with respect to the individual under this section during the period the individual is not enrolled.".

(2) Subsection (a)(3) of such section is amended by striking out "Payments" and inserting in lieu thereof "Subject to subsection (c)(7), payments".

(3) Subsection (a)(6) of such section is amended by striking out "If" and inserting in lieu thereof "Subject to subsection (c)(7), if".

(b) DISENROLLMENTS.—

(1) EFFECTIVE DATE.—Subsection (c)(3)(B) of such section is amended by striking out "a full calendar month after" and inserting in lieu thereof "the date on which".

(2) INFORMATION.—Such subsection is further amended by adding at the end the following: "In the case of an individual's termination of enrollment, the organization shall provide the individual with a copy of the written request for termination of enrollment and a written explanation of the period (ending on the effective date of the termination) during which the individual continues to be enrolled with the organization and may not receive benefits under this title other than through the organization.".

(c) REVIEW OF MARKETING MATERIAL.—Subsection (c)(3)(C) of such section is amended by adding at the end the following: "No brochures, application forms, or other promotional or informational material may be distributed by an organization to (or for the use of) individuals eligible to enroll with the organization under this section unless (i) at least 45 days before its distribution, the organization has submitted the material to the Secretary for review and (ii) the Secretary has not disapproved the distribution of the material. The Secretary shall review all such material submitted and shall disapprove such material if the Secretary determines, in the Secretary's discretion, that the material is materially inaccurate or misleading or otherwise makes a material misrepresentation.".

(d) PROMPT PUBLICATION OF AAPCC.—Subsection (a)(1)(A) of such section is amended by inserting after "The Secretary shall annually determine" the following: ", and shall publish not later than September 7 before the calendar year concerned".

(e) EFFECTIVE DATES.—

(1) FINANCIAL RESPONSIBILITY.—The amendments made by subsection (a) shall apply to enrollments and disenrollments that become effective on or after October 1, 1985.

(2) DISENROLLMENTS.—The amendments made by subsection (b) shall apply to requests for termination of enrollment submitted on or after October 1, 1985.

(3) MATERIAL REVIEW.—(A) The amendment made by subsection (c) shall not apply to material which has been distributed before October 1, 1985.

(B) Such amendment also shall not apply so as to require the submission of material which is distributed before November 15, 1985.

(C) Such amendment shall also not apply to material which the Secretary determines has been prepared before the date of the enactment of this Act and for which a commitment for distribution has been made, if the application of such amendment would constitute a hardship for the organization involved.

(4) PUBLICATION.—The amendment made by subsection (d) shall apply to determinations of per capita rates of payment for 1987 and subsequent years.

(5) NECESSARY MODIFICATION OF CONTRACTS.—The Secretary of Health and Human Services shall provide for such changes in the risk-sharing contracts which have been entered into under section 1876 of the Social Security Act as may be necessary to conform to the requirements imposed by the amendments made by this section on a timely basis.

SEC. 133. EVALUATION OF PREADMISSION AND PRE-PROCEDURE CERTIFICATION PROGRAMS.

(a) EFFECTIVENESS OF 100 PERCENT REVIEW.—The Secretary of Health and Human Services shall evaluate the relative effectiveness of peer review organizations that require preadmission certification of 100 percent of elective inpatient surgical procedures with other peer review organizations that require such certification of a lesser percentage of such procedures.

(b) FEASIBILITY OF PRE-PROCEDURE CERTIFICATION FOR OUTPATIENT SURGICAL PROCEDURES.—The Secretary also shall evaluate the feasibility of extending the pre-procedure certification activities of peer review organizations to cover elective surgical procedures conducted in outpatient and ambulatory care settings. In doing the evaluation, the Secretary shall consider the extent to which entities with contracts with the Secretary under section 1842 of the Social Security Act and other entities might perform such activities more efficiently and effectively than peer review organizations.

(c) REPORT.—The Secretary shall report to Congress, not later than December 31, 1986, on the results of the evaluations conducted under this section.

(d) DEFINITIONS.—In this section, the term "peer review organization" means a utilization and quality control peer review organization with a contract under part B of title XI of the Social Security Act.

SEC. 134. PROHIBITION OF ADMINISTRATIVE MERGER OF RENAL DISEASE NETWORKS WITH OTHER ORGANIZATIONS.

The Secretary of Health and Human Services may not provide for the merger of any renal disease network (established under section 1881(c) of the Social Security Act) into a utilization and quality control peer review organization (with a contract under part B of title IX of such Act) or another entity without express statutory authorization.

SEC. 135. EXTENSION OF CERTAIN MEDICARE MUNICIPAL HEALTH SERVICES DEMONSTRATION PROJECTS.

The Secretary of Health and Human Services shall extend, for a period of three additional years, approval of three municipal health services demonstration projects (located in Cincinnati, Milwaukee, and San Jose) authorized under section 402(a) of the Social Security Amendments of 1967.

SEC. 136. TECHNICAL CORRECTIONS.

(a) WORKING AGED TECHNICAL CORRECTIONS.—

(1) PREMIUM PENALTY.—The second sentence of section 1839(b) of the Social Security Act (42 U.S.C. 1395r(b)), as amended by section 2338(a) of the Deficit Reduction Act of 1984, is amended by striking out "months in which" and all that follows through "clause (iv) of such section" and inserting in lieu thereof "months during which the individual has attained the age of 65 and for which the individual can demonstrate that the individual was enrolled in a group health plan described in section 1862(b)(3)(A)(iv)".

(2) SPECIAL ENROLLMENT PERIODS.—Section 1837(i) of the Social Security Act (42 U.S.C. 1395p), as added by section 2338(b) of the Deficit Reduction Act of 1984, is amended—

(A) in paragraph (1), by amending subparagraph (A) to read as follows:

"(A) has attained the age of 65,"; and

(B) in paragraph (2), by redesignating subparagraph (C) as subparagraph (D) and by amending subparagraphs (A) and (B) to read as follows:

"(A) has attained the age of 65;

"(B)(i) has enrolled (or has been deemed to have enrolled) in the medical insurance program established under this part during the individual's initial enrollment period, or (ii) is an individual described in paragraph (1)(B);

"(C) has enrolled in such program during any subsequent special enrollment period under this subsection during which the individual was not enrolled in a group health plan described in section 1862(b)(3)(A)(iv) by reason of the individual's (or individual's spouse's) current employment; and".

(3) EFFECTIVE DATES.—

(A) The amendment made by paragraph (1) shall apply to months beginning with January 1983 for premiums for months beginning with the first month that begins more than 30 days after the date of the enactment of this Act.

(B)(i) The amendments made by paragraph (2) shall apply to enrollments in months beginning with the first effective month (as defined in clause (ii)), except that in the case of any individual who would have a special enrollment period under section 1837(i) of the Social Security Act that would have begun after November 1984 and before the first effective month, the period shall be deemed to begin with the first day of the first effective month.

(ii) For purposes of clause (i), the term "first effective month" means the first

month that begins more than 90 days after the date of the enactment of this Act.

(b) MISCELLANEOUS TECHNICAL CORRECTIONS.—

(1)(A) Subclause (III) of section 1842(b)(7)(B)(ii) of the Social Security Act (42 U.S.C. 1395u(b)(7)(B)(ii)), as added by section 2307(a)(2)(G) of the Deficit Reduction Act of 1984, is amended by indenting it two additionals ems to the right so as to align its left margin with the left margins of subclauses (I) and (II) of that section.

(B) Section 1861(n) of the Social Security Act (42 U.S.C. 1395x(n)), as inserted by section 2321(e)(3) of the Deficit Reduction Act of 1984, is amended by striking out "at his home" and inserting in lieu thereof "as his home".

(C) Section 1888(b) of the Social Security Act (42 U.S.C. 1395yy(b)), as added by section 2319(b) of the Deficit Reduction At of 1984, is amended by striking out "nothwithstanding" and inserting in lieu thereof "notwithstanding".

(D) The amendments made by this paragraph shall be effective as if they had been originally included in the Deficit Reduction Act of 1984.

(2)(A) Clause (iii) of section 1842(b)(7)(B) of the Social Security Act (42 U.S.C. 1395u(b)(7)(B)), as added by section 3(b)(6) of Public Law 98-617, is amended by moving its alignment two additionals ems to the left so as to align its left margin with the left margins of clauses (i) and (ii) of that section.

(B) The amendment made by subparagraph (A) shall be effective as if it had been originally included in Public Law 98-617.

(3)(A) Section 1861(v)(1)(G)(i) of the Social Security Act (42 U.S.C. 1395x(b)(1)(G)(i)), as amended by section 602(d)(1) of the Social Security Amendments of 1983, is amended by inserting, in the matter after subclause (III), "on the basis of" after "(during such period)".

(B) The amendment made by subparagraph (A) shall be effective as if it had been originally included in the Social Security Amendments of 1983.

PART C—CHANGES RELATING PRIMARILY TO PART B OF THE MEDICARE PROGRAM

SEC. 141. EXTENSION OF PHYSICIAN FEE FREEZE FOR NON-PARTICIPATING PHYSICIANS AND IMPROVEMENTS IN THE PARTICIPATING PHYSICIAN PROGRAM.

(a) ONE-YEAR EXTENSION FOR NON-PARTICIPATING PHYSICIANS.—

(1) EXTENSION.—Section 1842(b)(4) of the Social Security Act (42 U.S.C. 1395u(b)(4)) is amended—

(A) in subparagraph (A)—

(i) by inserting "(i)" after "(4)(A)", and

(ii) by adding at the end the following new clauses:

"(ii) In determining the prevailing charge levels under the third and fourth sentences of paragraph (3) for physicians' services furnished during the 12-month period beginning October 1, 1985, by a physician who is not a participating physician (as defined in subsection (h)(1)) at the time of furnishing the services, the Secretary shall not set any level higher than the same level as was set for the 12-month period beginning July 1, 1983.

"(iii) In determining the prevailing charge levels under the third and fourth sentences of paragraph (3) for physicians' services furnished during a 12-month period beginning on or after October 1, 1986, by a physician who is not a participating physician (as defined in subsection (h)(1)) at the time of furnishing the services, the Secretary shall not set any level higher than the same level as was set for services furnished during the previous fiscal year for physicians who were participating physicians during that year.";

(B) in subparagraph (B)—

(i) by inserting "(i)" after "(B)", and

(ii) by adding at the end the following new clause:

"(ii) In determining the reasonable charge under paragraph (3) for physicians' services furnished during the 12-month period beginning October 1, 1985, by a physician who is not a participating physician (as defined in subsection (h)(1)) at the time of furnishing the services, the customary charges shall be the same customary charges as were recognized under this section for the 12-month period beginning July 1, 1983.";

(C) in subparagraph (C)—

(i) by inserting "(i)" after "(C)",

(ii) by striking out "(A)" and inserting in lieu thereof "(A)(i)" each place it appears, and

(iii) by adding at the end the following new clause:

"(ii) In determining the prevailing charge levels under the third and fourth sentences of paragraph (3) for physicians' services furnished during the periods beginning after September 30, 1986, by a physician who was not a participating physician on that date, the Secretary shall treat the level as set under subparagraph (A)(ii) as having fully provided for the economic changes which would have been taken into account but for the limitations contained in subparagraph (A)(ii).."; and

(D) in subparagraph (D)—

(i) by striking out "who at no time" and all that follows through "subsection (h)(1))" and insert in lieu thereof "who was not a participating physician (as defined in subsection (h)(1)) on September 30, 1985",

(ii) by inserting "(i)" after "(D)", and

(iii) by adding at the end the following new clause:

"(ii) In determining the customary charges for physicians' services furnished during the 12-month period beginning October 1, 1986, or October 1, 1987, by a physician who is not a participating physician (as defined in subsection (h)(1)) on September 30, 1986, the Secretary shall not recognize increases in actual charges for services furnished during the 12-month period beginning on October 1, 1985, above the level of the physician's actual charges billed during the 3-month period ending on June 30, 1984.".

(2) CONTINUED ENFORCEMENT.—The first sentence of section 1842(j)(1) of such Act (42 U.S.C. 1395u(j)(1)) is amended to read as follows: "In the case of a physician who is not a participating physician for items and services furnished during a portion of the 27-month period beginning July 1, 1984, the Secretary shall monitor the physician's actual charges to individuals enrolled under this part for physicians' services during that portion of that period.".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to services furnished on or after October 1, 1985.

(b) INCENTIVES FOR PARTICIPATING PHYSICIAN PROGRAM.—

(1) ONE-YEAR EXTENSION OF TRANSFER OF FUNDS FOR CARRIERS.—Section 2306(e) of the Deficit Reduction Act of 1984 (Public Law 98-369; 98 Stat. 1073) is amended—

(A) by striking out "and 1985" and inserting in lieu thereof ", 1985, and 1986",

(B) by striking out "the amendments made by this section" and inserting in lieu thereof "subsections (b)(4), (h), and (j) of section 1842 of the Social Security Act",

(C) by striking out "for fiscal year 1985" and inserting in lieu thereof "for each of fiscal years 1985 and 1986", and

(D) by adding at the end the following new sentence: "A significant proportion of such funds shall be used for the expansion of the participating physician and supplier program and for the development of professional relations staffs dedicated to addressing the billing and other problems of physicians and suppliers participating in that program.".

(2) IMPROVEMENT OF PARTICIPATING PHYSICIAN DIRECTORIES.—Section 1842(i) of the Social Security Act (42 U.S.C. 1395u(i)) is amended—

(A) in the first sentence of paragraph (2)—

(i) by striking out "a directory" and inserting in lieu thereof "directories (for appropriate local geographic areas)", and

(ii) by inserting "for that area" before "for that fiscal year";

(B) in the second sentence of paragraph (2), by striking out "The directory" and inserting in lieu thereof "Each directory";

(C) in paragraph (3)—

(i) by striking out "directory" the first place it appears and inserting in lieu thereof "the directories", and

(ii) by striking out "directory" the second place it appears and inserting in lieu thereof "the appropriate area directory or directories"; and

(D) in paragraph (4)—

(i) by striking out "directory" and inserting in lieu thereof "the directories", and

(ii) by adding at the end the following: "The Secretary shall provide that each appropriate area directory is sent to each participating physician located in that area.".

(3) ELIMINATION OF PHYSICIAN ASSIGNMENT RATE LIST.—Section 1842(i) of such Act is further amended—

(A) by striking out "(i)(1)" and all that follows through the end of paragraph (1),

(B) by striking out "subsection (h)(1)" in paragraph (2) and inserting in lieu thereof "paragraph (1)",

(C) by striking out "such list and" and "the list and" each place either appears in paragraphs (3) and (4), and

(D) by redesignating paragraphs (2) through (4) as paragraphs (4) through (6) of subsection (h), respectively.

(4) INFORMATION ON THE PARTICIPATING PHYSICIAN AND SUPPLIER PROGRAM IN EXPLANATIONS OF MEDICARE BENEFITS FOR UNASSIGNED CLAIMS.—Section 1842(h) of such Act, as previously amended by this subsection, is further amended by adding at the end the following new paragraphs:

"(7) The Secretary shall provide that each explanation of benefits provided under this part for services furnished in the United States, in conjunction with the payment of claims under section 1833(a)(1) (made other than on an assignment-related basis, described in paragraph (8)), shall include—

"(A) a reminder of the participating physician and supplier program established under this subsection (including the limitation on charges that may be imposed by such physicians and suppliers), and

"(B) the toll-free telephone number or numbers, maintained under paragraph (2), at which an individual enrolled under this part may obtain information on participating physicians and suppliers.

"(8) For purposes of this title, a claim is considered to be paid on an 'assignment-related basis' if the claim is paid on the basis of an assignment described in subsection (b)(3)(B)(ii), in accordance with subsection

(b)(6)(B), or under the procedure described in section 1870(f)(1).".

(5) EFFECTIVE DATE.—Section 1842(b)(7) of the Social Security Act, as added by paragraph (4) of this subsection, shall apply to explanations of benefits provided on or after such date (not later than April 1, 1986) as the Secretary of Health and Human Services shall specify.

SEC. 142. EXPANSION OF MEMBERSHIP AND DUTIES OF THE PROSPECTIVE PAYMENT ASSESSMENT COMMISSION TO INCLUDE REVIEW OF PAYMENTS FOR PHYSICIANS' SERVICES.

(a) EXPANSION AND ESTABLISHMENT OF SUBCOMMITTEES.—

(1) IN GENERAL.—Section 1886(e)(6) of the Social Security Act (42 U.S.C. 1395ww(e)(6)) is amended—

(A) by amending subparagraph (A) to read as follows:

"(A)(i) The Commission shall consist of 23 members. Fifteen members of the Commission shall first be appointed no later than April 1, 1984, and the remaining members shall first be appointed no later than January 1, 1986, for a term of three years, except that the Director may provide for such shorter terms as will insure that (on a continuing basis) the terms of no more than eight members expire in any one year. The Director shall appoint a member to serve as Chairman.

"(ii) The Chairman of the Commission shall provide for two subcommittees of the Commission, one with functions and responsibilities relating primarily to hospital payment issues and the other with functions and responsibilities relating primarily to physician payment issues. The Chairman may assign members of the Commission to serve on either or both subcommittees of the Commission."; and

(B) in subparagraph (B), by inserting "representatives of consumer and elderly groups," after "third party payors,".

(2) INITIAL ASSIGNMENT OF MEMBERS TO SUBCOMMITTEES.—The Chairman of the Commission shall initially assign—

(A) to serve on the hospital payment subcommittee of the Commission—

(i) all the members of the Commission serving in positions established before the date of the enactment of this Act, and

(ii) two of the members appointed to the Commission for additional positions established by the amendment made by paragraph (1), and

(B) to serve on the physician payment subcommittee of the Commission the six remaining members of the Commission who are appointed to serve in the additional positions so established.

(b) ADDITIONAL FUNCTIONS RELATING TO PHYSICIANS' PAYMENTS.—Section 1886(e) of such Act is amended by adding at the end the following new paragraph:

"(7)(A) The Commission shall make recommendations to the Congress, not later than February 1 of each year (beginning with 1987), regarding adjustments to the reasonable charge levels for physicians' services recognized under section 1842(b) and changes in the methodology for determining the rates of payment, and for making payment, for physicians' services under this title and other items and services under part B.

"(B) In making its recommendations, the Commission shall—

"(i) consider, and make recommendations on the feasibility and desirability of reducing, the differences in payment amounts for physicians' services under part B which are based on differences in geographic location or specialty;

"(ii) review the input costs (including time, professional skills, and risks) associated with the provision of different physicians' services;

"(iii) identify those charges recognized as reasonable under section 1842(b) which are significantly out-of-line, based on the considerations of clauses (i) and (ii);

"(iv) assess the likely impact of different adjustments in payment rates, particularly their impact on physician participation in the participation program established under section 1842(h) and on beneficiary access to necessary physicians' services;

"(v) make recommendations on ways to increase physician participation in that participation program and the acceptance of payment under part B on an assignment-related basis;

"(vi) make recommendations respecting the advisability and feasibility of making changes in the payment system for physicians' services under part B based on (I) the Secretary's study under section 603(b)(2) of the Social Security Amendments of 1983 (relating to payments for physicians' services furnished to hospital inpatients on the basis of diagnosis-related groups) and (II) the Office's report under section 2309 of the Deficit Reduction Act of 1984 (relating to physician reimbursement under part B);

"(vii) identify those procedures, involving the use of assistants at surgery, for which payment for those assistants should not be made under this title without prior approval; and

"(viii) identify those procedures for which an opinion of a second physician should be required before payment is made under this title.

"(C) The Commission also shall advise and make recommendations to the Secretary respecting the development of the relative value scale under section 1845.".

(c) STUDY OF RELATIVE VALUE SCALE FOR PHYSICIANS' SERVICES.—Part B of title XVIII of such Act is amended by adding at the end the following new section:

"STUDY OF RELATIVE VALUE SCALE FOR PHYSICIANS' SERVICES

"SEC. 1845. (a) The Secretary shall develop a relative value scale that establishes a numerical relationship among the various physicians' services for which payment may be made under this part.

"(b) In developing the scale, the Secretary shall consider among other items—

"(1) the report of the Office of Technology Assessment under section 2309 of the Deficit Reduction Act of 1984,

"(2) the recommendations of the Prospective Payment Assessment Commission under section 1886(e)(7)(C), and

"(3) factors with respect to the input costs for furnishing particular physicians' services, such as—

"(A) the differences in costs of furnishing services in different settings,

"(B) the differences in skill levels and training required to perform the services, and

"(C) the time required, and risk involved, in furnishing different services.

"(c) The Secretary shall complete the development of the relative value scale under this section, and report to Congress on the development, not later than April 1, 1987. The report shall include recommendations for the application of the scale to the payment for physicians' services furnished under this part on or after October 1, 1987.".

(d) MODIFICATION OF FUNDING FORMULA.—Section 1886(e)(6)(I)(ii) of such Act is amended by striking out "Eighty-five" and "15" and inserting in lieu thereof "Fifty" and "50".

(e) STAFFING.—Section 1886(e)(6)(C)(i) of such Act is amended by striking out "25" and inserting in lieu thereof "35".

(f) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1985.

SEC. 143. PART B PREMIUM.

Section 1839 of the Social Security Act (42 U.S.C. 1395r) is amended—

(1) in subsection (e), by striking out "1988" and inserting in lieu thereof "1989" each place it appears;

(2) in subsection (f)(1), by striking out "or 1986" and inserting in lieu thereof ", 1986, or 1987"; and

(3) in subsection (f)(2), by striking out "or 1987" and inserting in lieu thereof ", 1987, or 1988".

SEC. 144. DETERMINATIONS OF INHERENT REASONABLENESS OF CHARGES AND CUSTOMARY CHARGES FOR CERTAIN FORMER HOSPITAL-COMPENSATED PHYSICIANS.

(a) REGULATIONS RELATING TO INHERENT REASONABLENESS OF CHARGES.—Section 1842(b) of the Social Security Act (42 U.S.C. 1395u(b)) is amended by adding at the end the following new paragraph:

"(8) The Secretary by regulation shall—

"(A) describe the factors to be used in determining the cases (of particular items or services) in which the application of this subsection results in the determination of a reasonable charge that, by reason of its grossly excessive or grossly deficient amount, is not inherently reasonable, and

"(B) provide in those cases for the factors that will be considered in establishing a reasonable charge that is realistic and equitable.".

(b) COMPUTATION OF CUSTOMARY CHARGES FOR CERTAIN FORMER HOSPITAL-COMPENSATED PHYSICIANS.—(1) In applying section 1842(b) of the Social Security Act for payment for physicians' services performed during fiscal year 1986, in the case of a physician who during the period beginning on October 31, 1982, and ending on January 31, 1985, was a hospital-compensated physician (as defined in paragraph (2)) but who, as of January 31, 1985, was no longer a hospital-compensated physician, the physician's customary charges shall—

(A) be based upon the physician's actual charges billed during the 12-month period ending on March 31, 1985, and

(B) in the case of a physician who is not a participating physician (as defined in section 1842(h)(1) of the Social Security Act) on October 1, 1985, be deflated (to take into account the legislative freeze on actual charges for nonparticipating physicians' services) by multiplying the physician's customary charges by .83.

(2) In paragraph (1), the term "hospital-compensated physician" means, with respect to services furnished to patients of a hospital, a physician who is compensated by the hospital for the furnishing of physicians' services for which payment may be made under this part.

SEC. 145. OCCUPATIONAL THERAPY SERVICES.

(a) COVERAGE.—Subparagraph (C) of section 1832(a)(2) of the Social Security Act (42 U.S.C. 1395k(a)(2)) is amended to read as follows:

"(C) outpatient physical therapy services (other than services to which the second

sentence of section 1861(p) applies) and outpatient occupational therapy services (other than services to which such sentence applies through the operation of section 1861(g));".

(b) LIMITATION ON PAYMENTS.—Section 1833(g) of such Act (42 U.S.C. 1395l(g)) is amended—

(1) by striking out "next to last sentence" and inserting in lieu thereof "second sentence", and

(2) by adding at the end thereof the following new sentence: "In the case of outpatient occupational therapy services which are described in the second sentence of section 1861(p) through the operation of section 1861(g), with respect to expenses incurred in any calendar year, no more than $500 shall be considered as incurred expenses for purposes of subsections (a) and (b).".

(c) CERTIFICATION STANDARD.—(1) Section 1835(a)(2)(C) of such Act (42 U.S.C. 1395n(a)(2)(C)) is amended—

(A) by inserting "or outpatient occupational therapy services" after "outpatient physical therapy services",

(B) in clause (i), by inserting "or occupational therapy services, respectively" after "physical therapy services", and

(C) in clause (ii), by inserting "or qualified occupational therapist, respectively" after "qualified physical therapist".

(2) The second sentence of section 1835(a) of such Act and section 1866(e) of such Act (42 U.S.C. 1395n(a), 1395cc(e)) are each amended—

(A) by inserting "(or meets the requirements of such section through the operation of section 1861(g))" after "1861(p)(4)(A)" and after "1861(p)(4)(B)", and

(B) by inserting "or (through the operation of section 1861(g)) with respect to the furnishing of outpatient occupational therapy services" after "(as therein defined)".

(d) DEFINITION AND INCLUSION WITH OTHER PART B SERVICES.—(1) Section 1861 of the Social Security Act (42 U.S.C. 1395x) is amended by inserting after subsection (f) the following new subsection:

"Outpatient Occupational Therapy Services

"(g) The term 'outpatient occupational therapy services' has the meaning given the term 'outpatient physical therapy services' in subsection (p), except that 'occupational' shall be substituted for 'physical' each place it appears therein.".

(2) Section 1861(s)(2)(D) of such Act (42 U.S.C. 1395x(s)(2)(D)) is amended by inserting "and outpatient occupational therapy services" after "outpatient physical therapy services".

(3) Section 1861(v)(5)(A) of such Act (42 U.S.C. 1395x(v)(5)(A)) is amended by inserting "(including through the operation of section 1861(g))" after "section 1861(p)".

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to expenses incurred for outpatient occupational therapy services furnished on or after October 1, 1985.

SEC. 146. PAYMENT FOR DURABLE MEDICAL EQUIPMENT.

(a) LIMITING TO ONE PERCENT INCREASES IN CUSTOMARY AND PREVAILING CHARGES FOR DURABLE MEDICAL EQUIPMENT FURNISHED ON RENTAL BASIS.—Section 1842 of the Social Security Act (42 U.S.C. 1395u) is amended by adding at the end the following new subsection:

"(k)(1) In determining the customary and prevailing charge levels under the third and fourth sentences of subsection (b)(3) for durable medical equipment furnished on a rental basis (other than under a lease-purchase agreement) during the 12-month period beginning on October 1, 1985, the Secretary shall not set any such level higher than 101 percent of the same level as was set for the 15-month period beginning July 1, 1984.".

(b) REQUIRING PAYMENT ON AN ASSIGNMENT BASIS FOR DURABLE MEDICAL EQUIPMENT FURNISHED ON A RENTAL BASIS.—Section 1842(k) of such Act, as added by subsection (a), is amended by adding at the end the following new paragraph:

"(2) Payment under this part for durable medical equipment furnished on a rental basis (other than under a lease-purchase agreement) may only be made on an assignment-related basis (as defined in subsection (h)(8)) or to a provider of services with an agreement in effect under section 1866.".

(c) LIMITING INCREASE IN PREVAILING CHARGES FOR DURABLE MEDICAL EQUIPMENT TO CONSUMER PRICE INDEX.—Section 1842(k) of such Act, as previously amended, is further amended by adding at the end the following new paragraph:

"(3) In the case of durable medical equipment, the prevailing charge levels determined for purposes of clause (ii) of the third sentence of subsection (b) for any 12-month period (beginning after September 30, 1986) may not exceed (in the aggregate) the levels determined under such clause (taking into account paragraph (1), if applicable) for the preceding 12-month period by a percentage which exceeds the percentage increase in the Consumer Price Index for all urban consumers (U.S. city average), as published by the Secretary of Labor, for the 12-month period ending in March of that preceding 12-month period.".

(d) CLARIFICATION OF PREVIOUS EFFECTIVE DATE.—Section 2306(b)(2) of the Deficit Reduction Act of 1984 is amended by adding before the period at the end the following: "and to durable medical equipment furnished on or after July 1, 1985".

(e) EFFECTIVE DATES.—

(1) SUBSECTION (a).—The amendments made by subsection (a) shall apply to durable medical equipment furnished on or after October 1, 1985.

(2) SUBSECTION (b).—The amendments made by subsection (b) shall apply to durable medical equipment furnished on or after January 1, 1986.

(3) SUBSECTION (c).—The amendments made by subsection (c) shall apply to durable medical equipment furnished on or after October 1, 1986.

(4) SUBSECTION (d).—The amendment made by subsection (d) shall take effect as though it were included in the enactment of the Deficit Reduction Act of 1984.

SEC. 147. PAYMENT FOR ASSISTANTS AT SURGERY FOR CERTAIN CATARACT OPERATIONS AND OTHER OPERATIONS.

(a) LIMITATION ON PAYMENT.—Section 1862(a) of the Social Security Act (42 U.S.C. 1395y(a)) is amended—

(1) by striking out "or" at the end of paragraph (13),

(2) by striking out the period at the end of paragraph (14) and inserting in lieu thereof "; or", and

(3) by adding at the end the following new paragraph:

"(15) which are for services of an assistant at surgery in a cataract operation unless, before the surgery is performed, the appropriate utilization and quality control peer review organization (under part B of title XI) has approved of the use of such an assistant in the surgical procedure based on the existence of a complicating medical condition.".

(b) ADDITIONAL PRO FUNCTIONS.—Section 1154(a)(8) of such Act (42 U.S.C. 1320c-3(a)(8)) is amended by inserting before the period at the end the following: "or as may be required to carry out section 1862(a)(15)".

(c) PROHIBITION FOR SUBMITTING BILL FOR WHICH PAYMENT MAY NOT BE MADE.—Section 1842 of such Act (42 U.S.C. 1395u) is amended—

(1) in subsection (j)(2), by inserting "or subsection (l)" after "paragraph (1)", and

(2) by adding after subsection (k), added by section 146(a) of this title, the following new subsection:

"(l)(1) If a physician knowingly and willfully bills an individual enrolled under this part for actual charges for services as an assistant at surgery for which payment may not be made by reason of section 1862(a)(15), the Secretary may apply sanctions against such physician in accordance with subsection (j)(2).

"(2) If a physician knowingly and willfully bills an individual enrolled under this part for actual charges that includes a charge for an assistant at surgery for which payment may not be made by reason of section 1862(a)(15), the Secretary may apply sanctions against such physician in accordance with subsection (j)(2).".

(d) EXTENSION OF PROHIBITION TO OTHER PROCEDURES.—The Secretary of Health and Human Services, after consultation with the Prospective Payment Assessment Commission, shall develop recommendations and guidelines respecting other surgical procedures for which an assistant at surgery is generally not medically necessary and the circumstances under which the use of an assistant at surgery is medically appropriate with prior approval of an appropriate entity. The Secretary shall report to Congress, not later than April 1, 1986, on these recommendations and guidelines.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to services performed on or after October 1, 1985.

SEC. 148. LIMITATION ON MEDICARE PAYMENT FOR POST-CATARACT SURGERY PATIENTS.

(a) PAYMENT FOR REPLACEMENT OF LOST OR DAMAGED CATARACT EYEGLASSES AND CATARACT CONTACT LENSES.—With respect to the payment for replacement cataract eyeglasses and cataract contact lenses under title XVIII of the Social Security Act in the case of an individual beneficiary—

(1) payment may be made for the replacement only once every year of lost or damaged cataract eyeglasses, and

(2) payment may be made—

(A) in the first year after surgery, for one original cataract contact lens for each eye and for the replacement only twice of a lost or damaged cataract contact lens for each eye, and

(B) in each subsequent year, for the replacement only twice of a lost or damaged cataract contact lens for each eye.

(b) DETERMINATION OF SEPARATE PAYMENT AMOUNTS FOR PROSTHETIC LENSES AND PROFESSIONAL SERVICES.—Section 1842(b) of the Social Security Act (42 U.S.C. 1395u(b)) is amended by adding after paragraph (8), added by section 144(a) of this Act, the following new paragraph:

"(9) In providing payment for cataract eyeglasses and cataract contact lenses, and professional services relating to them, under this part, each carrier shall—

"(A) provide for separate determinations of the payment amount for the eyeglasses and lenses and of the payment amount for the professional services, and

"(B) not recognize as reasonable for such eyeglasses and lenses more than such amount as the Secretary establishes in guidelines relating to the inherent reasonableness of charges for such eyeglasses and lenses.".

(c) EFFECTIVE DATE.—(1) The amendments made by this section shall apply to items and services furnished on or after October 1, 1985.

(2) In applying the amendment made by subsection (a), there shall not be taken into account any cataract eyeglasses or contact lenses replaced before October 1, 1985.

SEC. 149. DEMONSTRATION OF PREVENTIVE HEALTH SERVICES UNDER MEDICARE.

(a) DEMONSTRATION PROGRAM.—The Secretary of Health and Human Services (hereinafter in this section referred to as the "Secretary") shall establish a demonstration program designed to reduce disability and dependency through the provision of preventive health services to individuals entitled to benefits under title XVIII of the Social Security Act (hereinafter in this section referred to as "medicare beneficiaries").

(b) PREVENTIVE HEALTH SERVICES UNDER DEMONSTRATION PROGRAM.—The preventive health services to be made available under the demonstration program shall include—

(1) health screenings,

(2) health risk appraisals,

(3) immunizations, and

(4) counseling on and instruction in—

(A) diet and nutrition,

(B) reduction of stress,

(C) exercise and exercise programs,

(D) sleep regulation,

(E) injury prevention,

(F) prevention of alcohol and drug abuse,

(G) prevention of mental health disorders,

(H) self-care, including use of medication, and

(I) reduction of smoking.

(c) CONDUCT OF PROGRAM.—The demonstration program shall—

(1) be conducted under the direction of accredited public or private nonprofit schools of public health;

(2) be conducted in no fewer than five sites, which sites shall be chosen so as to be geographically diverse and shall be readily accessible to a significant number of medicare beneficiaries;

(3) involve community outreach efforts at each site to enroll the maximum number of medicare beneficiaries in the program; and

(4) be designed—

(A) to test alternative methods of payment for preventive health services, including payment on a prepayment basis as well as payment on a fee-for-service basis,

(B) to permit a variety of appropriate health care providers to furnish preventive health services, including physicians, health educators, nurses, allied health personnel, dieticians, and clinical psychologists, and

(C) to facilitate evaluation under subsection (d).

(d) EVALUATION.—The Secretary shall evaluate the demonstration project in order to determine—

(1) the short-term and long-term costs and benefits of providing preventive health services for medicare beneficiaries, including any reduction in inpatient services resulting from providing the services, and

(2) what practical financing mechanisms exist to provide payment for preventive health services under title XVIII of the Social Security Act.

(e) REPORTS TO CONGRESS.—(1) Not later than three years after the date of the enactment of this Act, the Secretary shall submit a preliminary report to the Committee on Ways and Means of the House of Representatives and to the Committee on Finance of the Senate on the progress made in the demonstration program, including a description of the sites at which the program is being conducted and the preventive health services being provided at the different sites.

(2) Not later than five years after the date of the enactment of this Act, the Secretary shall submit a final report to those Committees on the demonstration program and shall include in the report—

(A) the evaluation described in subsection (d), and

(B) recommendations for appropriate legislative changes to incorporate payment for cost-effective preventive health services into the medicare program.

(f) FUNDING.—Expenditures made for the demonstration program shall be made from the Federal Supplementary Medical Insurance Trust Fund (established by section 1841 of the Social Security Act). Grants and payments under contracts may be made either in advance or by way of reimbursement, as may be determined by the Secretary, and shall be made in such installments and on such conditions as the Secretary finds necessary to carry out the purpose of this section.

(g) WAIVER OF MEDICARE REQUIREMENTS.—The Secretary shall waive compliance with such requirements of title XVIII of the Social Security Act to the extent and for the period the Secretary finds necessary for the conduct of the demonstration program.

PART D—OTHER AND ADDITIONAL CHANGES RELATING TO PART B (OR TO PARTS A AND B) OF THE MEDICARE PROGRAM

SEC. 151. EXTENSION OF PHYSICIAN FEE FREEZE FOR CERTAIN NON-PARTICIPATING PHYSICIANS AND IMPROVEMENTS IN THE PARTICIPATING PHYSICIAN PROGRAM.

(a) ONE-YEAR EXTENSION FOR NON-PARTICIPATING PHYSICIANS.—

(1) EXTENSION.—Section 1842(b)(4) of the Social Security Act (42 U.S.C. 1395u(b)(4)) is amended—

(A) in subparagraph (A)—

(i) by inserting "(i)" after "(4)(A)", and

(ii) by adding at the end the following new clauses:

"(ii) In determining the prevailing charge levels under the third and fourth sentences of paragraph (3) for physicians' services furnished during the 12-month period beginning October 1, 1985, by a physician who is not a participating physician (as defined in subsection (h)(1)) at the time of furnishing the services, the Secretary shall not set any level higher than the same level as was set for the 12-month period beginning July 1, 1983; except that in the case of a physician described in subparagraph (E)(i), the Secretary shall not set any level higher than the increase percentage (described in subparagraph (E)(ii)) above the level that was set for the 12-month period beginning July 1, 1983.

"(iii) In determining the prevailing charge levels under the third and fourth sentences of paragraph (3) for physicians' services furnished during a 12-month period beginning on or after October 1, 1986, by a physician who is not a participating physician (as defined in subsection (h)(1)) at the time of furnishing the services, the Secretary shall not set any level higher than the same level as was set for services furnished during the previous fiscal year for physicians who were participating physicians on the last day of that year; except that in the case of a physician described in subparagraph (E)(i), the Secretary shall not set any level higher than the increase percentage (described in subparagraph (E)(ii)) above the level that was set for services furnished during the previous fiscal year for physicians who were participating physicians on the last day of that year.";

(B) in subparagraph (B)—

(i) by inserting "(i)" after "(B)", and

(ii) by adding at the end the following new clause:

"(ii) In determining the reasonable charge under paragraph (3) for physicians' services furnished during the 12-month period beginning October 1, 1985, by a physician who is not a participating physician (as defined in subsection (h)(1)) at the time of furnishing the services, the customary charges shall be the same customary charges as were recognized under this section for the 12-month period beginning July 1, 1983; except that in the case of a physician described in subparagraph (E)(i), the customary charges may not exceed the customary charges that were recognized under this section for the 12-month period beginning July 1, 1983, increased by the increase percentage (described in subparagraph (E)(ii)).";

(C) in subparagraph (C)—

(i) by inserting "(i)" after "(C)",

(ii) by striking out "(A)" and inserting in lieu thereof "(A)(i)" each place it appears, and

(iii) by adding at the end the following new clause:

"(ii) In determining the prevailing charge levels under the third and fourth sentences of paragraph (3) for physicians' services furnished during periods beginning after September 30, 1986, by a physician who was not a participating physician on that date, the Secretary shall treat the level as set under subparagraph (A)(ii) as having fully provided for the economic changes which would have been taken into account but for the limitations contained in subparagraph (A)(ii).";

(D) in subparagraph (D)—

(i) by striking out "who at no time" and all that follows through "subsection (h)(1))" and insert in lieu thereof "who was not a participating physician (as defined in subsection (h)(1)) on September 30, 1985",

(ii) by inserting "(i)" after "(D)", and

(iii) by adding at the end the following new clause:

"(ii)(I) In determining the customary charges for physicians' services furnished during the 12-month period beginning October 1, 1986, or October 1, 1987, by a physician who is not a participating physician (as defined in subsection (h)(1)) on September 30, 1986, except as provided in subclause (II) the Secretary shall not recognize increases in actual charges for services furnished during the 12-month period beginning on October 1, 1985, above the level of the physician's actual charges billed during the 3-month period ending on June 30, 1984.

"(II) In the case of a physician who was a participating physician on September 30, 1985, the Secretary shall recognize increases in actual charges for services furnished during the 12-month period beginning on October 1, 1985, above the level of the physician's actual charges billed during the 3-

month period ending on June 30, 1984, but only to the extent that the percentage of such an increase does not exceed one-half of the percentage increase in the physician's actual charges for services furnished over the period beginning July 1, 1984, and ending September 30, 1985."; and

(E) by adding at the end the following new subparagraph:

"(E)(i) With respect to services furnished during a 12-month period beginning on October 1, a physician described in this clause is a physician who is not a participating physician at the time of furnishing the services but who either (I) was a participating physician on September 30 before that period, or (II) accepted payment on an assignment-related basis (as defined in subsection (h)(8)) for all claims received during the immediately preceding 12-month period for services furnished by the physician under this part during that period.

"(ii) The 'increase percentage' described in this clause is, with respect to a physician for items and services furnished during a 12-month period beginning on October 1, one-half of the percentage increase that otherwise would be applicable to services furnished by the physician if the physician (I) had been a participating physician on the date before the first date of the period, and (II) were to sign up to be a participating physician for items and services furnished during the period.".

(2) CONTINUED ENFORCEMENT.—Section 1842(j)(1) of such Act (42 U.S.C. 1395u(j)(1)) is amended—

(A) by amending the first sentence to read as follows: "In the case of a physician who is not a participating physician for items and services furnished during a portion of the 27-month period beginning July 1, 1984, the Secretary shall monitor the physician's actual charges to individuals enrolled under this part for physicians' services during that portion of that period."; and

(B) in the second sentence, by inserting ", or, in the case of items and services furnished during fiscal year 1986 by a physician who was a participating physician on September 30, 1985, if such physician knowingly and willfully bills individuals enrolled under this part for actual charges which are more than the increase percentage (which may be recognized under subparagraph (D)(ii)(II)) above such physician's actual charges for the calendar quarter beginning on April 1, 1984" after "April 1, 1984".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to services furnished on or after October 1, 1985.

(b) INCENTIVES FOR PARTICIPATING PHYSICIAN PROGRAM.—

(1) ONE-YEAR EXTENSION OF TRANSFER OF FUNDS FOR CARRIERS.—Section 2306(e) of the Deficit Reduction Act of 1984 (Public Law 98-369; 98 Stat. 1073) is amended—

(A) by striking out "and 1985" and inserting in lieu thereof ", 1985, and 1986",

(B) by striking out "the amendments made by this section" and inserting in lieu thereof "subsections (b)(4), (h), and (j) of section 1842 of the Social Security Act",

(C) by striking out "for fiscal year 1985" and inserting in lieu thereof "for each of fiscal years 1985 and 1986", and

(D) by adding at the end the following new sentence: "A significant proportion of such funds shall be used for the expansion of the participating physician and supplier program and for the development of professional relations staffs dedicated to addressing the billing and other problems of physicians and suppliers participating in that program.".

(2) IMPROVEMENT OF PARTICIPATING PHYSICIAN DIRECTORIES.—Section 1842(i) of the Social Security Act (42 U.S.C. 1395u(i)) is amended—

(A) in the first sentence of paragraph (2)—

(i) by striking out "a directory" and inserting in lieu thereof "directories (for appropriate local geographic areas)", and

(ii) by inserting "for that area" before "for that fiscal year";

(B) in the second sentence of paragraph (2), by striking out "The directory" and inserting in lieu thereof "Each directory";

(C) in paragraph (3)—

(i) by striking out "directory" the first place it appears and inserting in lieu thereof "the directories", and

(ii) by striking out "directory" the second place it appears and inserting in lieu thereof "the appropriate area directory or directories";

(D) in paragraph (4)—

(i) by striking out "directory" and inserting in lieu thereof "the directories", and

(ii) by adding at the end the following: "The Secretary shall provide that each appropriate area directory is sent to each participating physician located in that area.".

(3) ELIMINATION OF PHYSICIAN ASSIGNMENT RATE LIST.—Section 1842(i) of such Act is further amended—

(A) by striking out "(i)(1)" and all that follows through the end of paragraph (1),

(B) by striking out "subsection (h)(1)" in paragraph (2) and inserting in lieu thereof "paragraph (1)",

(C) by striking out "such list and" and "the list and" each place either appears in paragraphs (3) and (4), and

(D) by redesignating paragraphs (2) through (4) as paragraphs (4) through (6) of subsection (h), respectively.

(4) INFORMATION ON THE PARTICIPATING PHYSICIAN AND SUPPLIER PROGRAM IN EXPLANATIONS OF MEDICARE BENEFITS FOR UNASSIGNED CLAIMS.—Section 1842(h) of such Act, as previously amended by this subsection, is further amended by adding at the end the following new paragraphs:

"(7) The Secretary shall provide that each explanation of benefits provided under this part for services furnished in the United States, in conjunction with the payment of claims under section 1833(a)(1) (made other than on an assignment-related basis, described in paragraph (8)), shall include—

"(A) a reminder of the participating physician and supplier program established under this subsection (including the limitation on charges that may be imposed by such physicians and suppliers), and

"(B) the toll-free telephone number or numbers, maintained under paragraph (2), at which a beneficiary may obtain information on participating physicians and suppliers.

"(8) For purposes of this title, a claim is considered to be paid on an 'assignment-related basis' if the claim is paid on the basis of an assignment described in subsection (b)(3)(B)(ii), in accordance with subsection (b)(6)(B), or under the procedure described in section 1870(f)(1).".

(5) EFFECTIVE DATE.—Section 1842(b)(7) of the Social Security Act, as added by paragraph (4) of this subsection, shall apply to explanations of benefits provided on or after such date (not later than April 1, 1986) as the Secretary of Health and Human Services shall specify.

SEC. 152. PHYSICIAN PAYMENT REVIEW COMMISSION AND DEVELOPMENT OF RELATIVE VALUE SCALE.

(a) ESTABLISHMENT OF COMMISSION.—Part B of title XVIII of the Social Security Act is amended by adding at the end the following new section:

"PHYSICIAN PAYMENT REVIEW COMMISSION

"SEC. 1845. (a)(1) The Director of the Congressional Office of Technology Assessment (hereinafter in this section referred to the the 'Director' and the 'Office', respectively) shall provide for the appointment of a Physician Payment Review Commission (hereinafter in this section referred to as the 'Commission'), to be composed of individuals with expertise in the provision and financing of physicians' services appointed by the Director (without regard to the provisions of title 5, United States Code, governing appointments in the competitive service).

"(2) The Commission shall consist of 11 individuals. Members of the Commission shall first be appointed no later than December 1, 1985, for a term of three years, except that the Director may provide initially for such shorter terms as will insure that (on a continuing basis) the terms of no more than four members expire in any one year.

"(3) The membership of the Commission shall include physicians, other health professionals, individuals skilled in the conduct and interpretation of biomedical, health services, and health economics research, and representatives of consumers and the elderly. The Director shall seek nominations from a wide range of groups, including—

"(A) national organizations representing physicians, including medical specialty organizations,

"(B) organizations representing the elderly and consumers,

"(C) national organizations representing medical schools,

"(D) national organizations representing hospitals, including teaching hospitals, and

"(E) national organizations representing health benefits programs.

"(b)(1) The Commission shall make recommendations to the Congress, not later than February 1 of each year (beginning with 1987), regarding adjustments to the reasonable charge levels for physicians' services recognized under section 1842(b) and changes in the methodology for determining the rates of payment, and for making payment, for physicians' services under this title and other items and services under this part.

"(2) In making its recommendations, the Commission shall—

"(A) consider, and make recommendations on the feasibility and desirability of reducing, the differences in payment amounts for physicians' services under this part which are based on differences in geographic location or specialty;

"(B) review the input costs (including time, professional skills, and risks) associated with the provision of different physicians' services;

"(C) identify those charges recognized as reasonable under section 1842(b) which are significantly out-of-line, based on the considerations of subparagraphs (A) and (B);

"(D) assess the likely impact of different adjustments in payment rates, particularly their impact on physician participation in the participation program established under section 1842(h) and on beneficiary access to necessary physicians' services;

"(E) make recommendations on ways to increase physician participation in that participation program and the acceptance of payment under this part on an assignment-related basis;

"(F) make recommendations respecting the advisability and feasibility of making changes in the payment system for physicians' services under this part based on (i) the Secretary's study under section 603(b)(2) of the Social Security Amendments of 1983 (relating to payments for physicians' services furnished to hospital inpatients on the basis of diagnosis-related groups) and (ii) the Office's report under section 2309 of the Deficit Reduction Act of 1984 (relating to physician reimbursement under this part);

"(G) identify those procedures, involving the use of assistants at surgery, for which payment for those assistants should not be made under this title without prior approval;

"(H) identify those procedures for which an opinion of a second physician should be required before payment is made under this title; and

"(I) evaluate the method for calculating the number of full-time-equivalent residents set forth in section 1902(h)(4)(D) and make recommendations regarding revisions in, or alternatives to, that method.

"(3) The Commission also shall advise and make recommendations to the Secretary respecting the development of the relative value scale under subsection (e).

"(c)(1) The following provisions of section 1886(e)(6) shall apply to the Commission in the same manner as they apply to the Prospective Payment Assessment Commission:

"(A) Subparagraph (C) (relating to staffing and administration generally).

"(B) Subparagraph (D) (relating to compensation of members).

"(C) Subparagraph (F) (relating to access to information).

"(D) Subparagraph (G) (relating to reports and use of funds).

"(E) Subparagraph (H) (relating to periodic GAO audits).

"(F) Subparagraph (J) (relating to requests for appropriations).

"(2) In order to carry out its functions, the Commission shall collect and assess information on medical and surgical procedures and services, including information on regional variations of medical practice. In collecting and assessing information, the Commission shall—

"(A) utilize existing information, both published and unpublished, where possible, collected and assessed either by its own staff or under other arrangements made in accordance with this section,

"(B) carry out, or award grants or contracts for, original research and experimentation, where existing information is inadequate for the development of useful and valid guidelines by the Commission, and

"(C) adopt procedures allowing any interested party to submit information with respect to physicians' services (including new practices, such as the use of new technologies and treatment modalities), which information the Commission shall consider in making reports and recommendations to the Secretary and Congress.

"(d) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section. Such sums shall be payable from the Federal Supplementary Medical Insurance Trust Fund.".

(b) DEVELOPMENT OF RELATIVE VALUE SCALE FOR PHYSICIANS' SERVICES.—Section 1845 of the Social Security Act, as added by subsection (a), is further amended by adding at the end the following new subsection:

"(e)(1) The Secretary shall develop a relative value scale that establishes a numerical relationship among the various physicians' services for which payment may be made under this part or under State plans approved under title XIX.

"(2) In developing the scale, the Secretary shall consider among other items—

"(A) the report of the Office of Technology Assessment under section 2309 of the Deficit Reduction Act of 1984,

"(B) the recommendations of the Physician Payment Review Commission under subsection (b)(3), and

"(C) factors with respect to the input costs for furnishing particular physicians' services, such as—

"(i) the differences in costs of furnishing services in different settings,

"(ii) the differences in skill levels and training required to perform the services, and

"(iii) the time required, and risk involved, in furnishing different services.

"(3) The Secretary shall complete the development of the relative value scale under this section, and report to Congress on the development, not later than April 1, 1987. The report shall include recommendations for the application of the scale to payment for physicians' services furnished under this part on or after October 1, 1987.".

SEC. 153. PAYMENT FOR DURABLE MEDICAL EQUIPMENT.

(a) FREEZING CUSTOMARY AND PREVAILING CHARGES FOR ITEMS FURNISHED ON RENTAL BASIS AND HOME OXYGEN SERVICES.—Section 1842 of the Social Security Act (42 U.S.C. 1395u) is amended by adding at the end the following new subsection:

"(k)(1) In determining the customary and prevailing charge levels under the third and fourth sentences of subsection (b)(3)—

"(A) for durable medical equipment furnished on a rental basis (other than under a lease-purchase agreement), and

"(B) for oxygen therapy services furnished,

during the 12-month period beginning on October 1, 1985, the Secretary shall not set any such level higher than the same level as was set for the 15-month period beginning July 1, 1984. As used in this subsection, the term 'oxygen therapy services' means durable medical equipment, accessories, and supplies for the provision of oxygen therapy in a patient's home.".

(b) REQUIRING PAYMENT ON AN ASSIGNMENT BASIS FOR DURABLE MEDICAL EQUIPMENT FURNISHED ON A RENTAL BASIS AND FOR OXYGEN THERAPY SERVICES.—Section 1842(k) of such Act, as added by subsection (a), is amended by adding at the end the following new paragraph:

"(2) Payment under this part for durable medical equipment furnished on a rental basis (other than under a lease-purchase agreement) and for oxygen therapy services may only be made on an assignment-related basis (as defined in subsection (h)(8)) or to a provider of services with an agreement in effect under section 1866.".

(c) LIMITING INCREASE IN PREVAILING CHARGES FOR DURABLE MEDICAL EQUIPMENT TO CONSUMER PRICE INDEX.—Section 1842(k) of such Act, as previously amended, is further amended by adding at the end the following new paragraph:

"(3) In the case of durable medical equipment, the prevailing charge levels determined for purposes of clause (ii) of the third sentence of subsection (b) for any 12-month period (beginning after September 30, 1986) may not exceed (in the aggregate) the levels determined under such clause (taking into account paragraph (1), if applicable) for the preceding 12-month period by a percentage which exceeds the percentage increase in the Consumer Price Index for all urban consumers (U.S. city average), as published by the Secretary of Labor, for the 12-month period ending in March of that preceding 12-month period.".

(d) CLARIFICATION OF PREVIOUS EFFECTIVE DATE.—Section 2306(b)(2) of the Deficit Reduction Act of 1984 is amended by adding before the period at the end the following: "and to durable medical equipment furnished on or after July 1, 1985".

(e) EFFECTIVE DATES.—

(1) SUBSECTION (a).—The amendments made by subsection (a) shall apply to durable medical equipment (including oxygen therapy services) furnished on or after October 1, 1985.

(2) SUBSECTION (b).—The amendments made by subsection (b) shall apply to durable medical equipment furnished on or after January 1, 1986.

(3) SUBSECTION (c).—The amendments made by subsection (c) shall apply to durable medical equipment furnished on or after October 1, 1986.

(4) SUBSECTION (d).—The amendment made by subsection (d) shall take effect as though it were included in the enactment of the Deficit Reduction Act of 1984.

SEC. 154. PAYMENT FOR CLINICAL LABORATORY SERVICES.

(a) CHANGING MONTH OF ANNUAL UPDATE FROM JULY TO OCTOBER.—

(1) IN GENERAL.—Section 1833(h) of the Social Security Act (42 U.S.C. 1395l(h)) is amended—

(A) by striking out "June 30, 1987" and "July 1, 1987" and inserting in lieu thereof "September 30, 1987" and "October 1, 1987", respectively, each place either appears, and

(B) in paragraph (2), by inserting "(to become effective on October 1 of each year)" after "adjusted annually".

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall apply to clinical laboratory diagnostic tests performed on or after July 1, 1986.

(3) TRANSITION.—The Secretary of Health and Human Service shall provide that the annual adjustment under section 1833(h) of the Social Security Act for 1986—

(A) shall take effect on October 1, 1986,

(B) shall apply for the 12-month period beginning on that date, and

(C) shall take into account the percentage increase or decrease in the Consumer Price Index for all urban consumers (United States city average) occurring over a 15-month period, rather than over a 12-month period.

(b) PROVIDING CEILING ON RATES.—

(1) CEILING ON PAYMENTS.—Paragraphs (1)(D)(i) and (2)(D)(i) of section 1833(a) of the Social Security Act (42 U.S.C. 1395l(a)) are each amended by inserting after "lesser of the amount determined under such fee schedule" the following: ", the limitation amount for that test determined under subsection (h)(4)(B),".

(2) ESTABLISHMENT OF LIMITATION AMOUNT.—Section 1833(h)(4) of such Act is amended by inserting "(A)" after "(4)" and by adding at the end the following new subparagraph:

"(B) For purposes of subsections (a)(1)(D)(i) and (a)(2)(D)(i), the limitation

amount for a clinical diagnostic laboratory test performed—

"(i) on or after January 1, 1986, and before October 1, 1986, is equal to 115 percent of the median of all the fee schedules established for that test for that laboratory setting under paragraph (1), or

"(ii) after September 30, 1986, and so long as a fee schedule for the test has not been established on a nationwide basis, is equal to 110 percent of the median of all the fee schedules established for that test for that laboratory setting under paragraph (1).".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to clinical diagnostic laboratory tests performed on or after January 1, 1986.

(c) REPORT ON MINIMUM STANDARDS FOR CLINICAL LABORATORIES THAT ARE PART OF, OR ASSOCIATED WITH, PHYSICIANS' OFFICES.—The Secretary of Health and Human Services shall report to Congress, not later than 12 months after the date of the enactment of this Act, on the standards that might be established under the medicare program for clinical laboratories which are part of or associated with a physician's office to assure the health and safety of individuals with respect to whom the laboratories perform clinical diagnostic laboratory tests for which payment may be made under the program. In recommending standards, the Secretary shall consider the differences in the scope, type, and complexity of tests performed by such laboratories and such other factors as may indicate a need for different standards for laboratories with different characteristics.

SEC. 155. VISION CARE.

(a) DEFINING SERVICES AN OPTOMETRIST CAN PROVIDE.—Clause (4) of section 1861(r) of the Social Security Act (42 U.S.C. 1395x(r)) is amended to read as follows: "(4) a doctor of optometry, but only with respect to the provision of items or services described in subsection (s) which he is legally authorized to perform as a doctor of optometry by the State in which he performs them, or".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to services furnished on or after April 1, 1986.

SEC. 156. SECOND OPINIONS.

(a) IN GENERAL.—Title XVIII of the Social Security Act is amended by adding at the end the following new section:

"SECOND OPINIONS FOR CERTAIN SURGICAL PROCEDURES

"SEC. 1890. (a) CONDITION OF PAYMENT.—No payment shall be made under part A or part B with respect to items or services furnished in connection with a surgical procedure listed by the Secretary pursuant to this section unless the individual undergoing the procedure obtains a second opinion as to the necessity and appropriateness of such procedure, in accordance with this section. For purposes of determining whether an opinion is the second opinion, the first opinion must be made by a physician who is qualified to perform the surgical procedure, and the second opinion is any subsequent opinion made by a physician of the appropriate specialty, as determined under subsection (b)(3). Such second opinion need not necessarily agree with the first opinion in order for payment to be made.

"(b) SURGICAL PROCEDURES TO WHICH CONDITION APPLIES.—

"(1) SECRETARY TO ESTABLISH LIST.—The Secretary shall establish a list of not less than 10 surgical procedures to which the requirements of this section shall apply. The Secretary shall establish such list based upon the following criteria:

"(A) The procedure is one which generally can be postponed without undue risk to the patient.

"(B) The procedure is a high volume procedure among patients who are covered under the programs established under this title, or is a high cost procedure.

"(C) The procedure has a comparatively high rate of nonconfirmation upon requesting a second opinion, based upon data available to the Secretary from any sources.

"(2) LIST VARIATIONS.—The Secretary may vary the list on a State-by-State basis, or within areas of a State, if data available with regard to volume and costs of procedures suggest that to do so would be cost effective and would better serve the purposes of this section.

"(3) LIST TO SPECIFY SPECIALISTS WHO MUST RENDER SECOND OPINION.—The Secretary shall specify, for each procedure on a list established under this subsection, the type or types of board certified or board eligible specialists who must be consulted for the second opinion, based upon the nature of the procedure.

"(c) REFERRAL MECHANISM FOR SECOND OPINIONS.—

"(1) USE OF PRO AS REFERRAL CENTER.—The Secretary shall enter into or modify contracts with utilization and quality control peer review organizations under which such organizations shall serve as referral centers for second opinions required under this section.

"(2) REFERRAL OF PATIENT.—The organization shall maintain a list of physicians qualified to provide a second opinion and shall advise the patient as to which physicians are participating physicians (within the meaning of section 1842(h)) and which physicians have agreed to accept assignment for second opinions. If the patient seeking the second opinion so requests, the organization shall refer such patient to a physician of the appropriate specialty for purposes of providing the second opinion.

"(3) FREEDOM OF CHOICE OF PATIENT TO CHOOSE PHYSICIAN.—Subject to paragraph (4), the patient may choose any physician of the proper specialty to provide the second opinion.

"(4) PHYSICIANS PROHIBITED FROM PROVIDING SECOND OPINION.—For purposes of this section, a second opinion may not be provided by a physician who is affiliated with, or has any direct or indirect common financial interest with, the physician who rendered the first opinion that the procedure was necessary.

"(5) FORWARDING OF RELEVANT MEDICAL RECORDS.—Each such organization shall, if the patient seeking the second opinion so requests, obtain the relevant medical records from the physician who rendered the first opinion that the procedure was necessary, and provide the relevant information to the physician selected by the patient to render the second opinion in such form so as not to identify the physician who rendered the first opinion.

"(6) USE OF OTHER ENTITIES AS REFERRAL CENTERS.—(A) If no utilization and quality control peer review organization is available to perform the functions described in this subsection, the Secretary may enter into an agreement with a State or local agency or appropriate private entity to perform such functions.

"(B) If a State is utilizing an entity other than a utilization and quality control peer review organization to provide referrals for second opinions for purposes of title XIX, the Secretary may enter into an agreement under this section with such entity (rather than with a utilization and quality control peer review organization) to perform the functions described in this section if the Secretary determines that such arrangement would be more cost effective and would adequately protect the patients receiving benefits under this title.

"(C) If the Secretary determines that a utilization and quality control peer review organization is not able to perform the referral services described in this subsection in a manner that adequately protects patients, the Secretary may enter into an agreement with a State or local agency or appropriate private entity to perform such functions.

"(d) EXCEPTIONS TO REQUIREMENT.—The requirements of this section shall not apply—

"(1) if delay in providing the surgical procedure would result in a risk to the patient;

"(2) if no physician is available (within such reasonable limits as the Secretary shall determine by regulation) who is (A) an appropriate specialist, and (B) a participating physician or a physician who has agreed to accept assignment for the second opinion; or

"(3) the surgical procedure is to be performed on a patient who is a member of a health maintenance organization or competitive medical plan having a risk-sharing contract with the Secretary under section 1876(g).

"(e) DUTIES OF PHYSICIANS, HOSPITALS, AND AMBULATORY SURGICAL CENTERS TO NOTIFY PATIENTS.—

"(1) NOTICE.—Any physician, before performing a surgical procedure which requires a second opinion pursuant to this section, and any hospital or ambulatory surgical center, before a patient is furnished services at the hospital or center in connection with the performance of such a procedure, shall inform the patient in writing of the necessity of obtaining a second opinion, and make available to the patient, or to the entity performing referral services under subsection (c) if so requested by the patient, any medical records available to such physician, hospital, or center that are necessary in order for the patient to obtain such second opinion.

"(2) SANCTIONS.—(A) In the case of any physician, hospital, or ambulatory surgical center which fails to notify a patient of the need to obtain a second opinion or fails to make available medical records, as required under paragraph (1), the Secretary may—

"(i) impose a civil monetary penalty and assessment, in the same manner as such penalties are authorized under section 1128A(a), or

"(ii) in the case of a second or subsequent failure, bar the physician, hospital, or ambulatory surgical center from participation under the program under this title for a period not to exceed 5 years, in accordance with the procedures of paragraphs (2) and (3) of section 1862(d),

or both. No payment may be made under this title with respect to any item or service furnished by a physician, hospital, or ambulatory surgical center during the period when it is barred from participation in the program under this title pursuant to this subsection.

"(B) The Secretary may not bar a physician, hospital, or ambulatory surgical center pursuant to subparagraph (A) if such physician, hospital, or ambulatory surgical center

is a sole source of essential services in a community.

"(C) The Secretary shall take into account access of beneficiaries to physicians' services, hospital services, and other surgical facility services for which payment may be made under this title in determining whether to bar a physician, hospital, or ambulatory surgical center from participation pursuant to subparagraph (A).

"(D) In any case where payment under this title is denied by reason of this section, and a physician, hospital, or ambulatory surgical center failed to notify the patient as required by paragraph (1), the Secretary shall, out of any civil monetary penalty or assessment collected from such physician, hospital, or ambulatory surgical center pursuant to this subsection, make a payment to the patient in the nature of restitution for amounts paid by such patient to such physician, hospital, or ambulatory surgical center which otherwise would have been paid under this title.

"(f) NOTICE BY SECRETARY.—

"(1) NOTICE TO PHYSICIANS, HOSPITALS, AND AMBULATORY SURGICAL CENTERS.—The Secretary shall notify all physicians, all hospitals having agreements under section 1866, and all ambulatory surgical centers having an agreement with the Secretary described in section 1832(a)(2)(F) of the requirements of this section. The notice shall include the applicable list of surgical procedures to which such requirements apply, and a description of the penalties for failure to notify a patient concerning such requirements.

"(2) NOTICE TO BENEFICIARIES.—The Secretary shall provide for periodic notice to all beneficiaries under this title of the requirements of this section, including the applicable list of the surgical procedures to which such requirements apply and information about the availability of the referral services described in this section. The Secretary shall make the applicable lists and information about referral services available at district and branch offices of the Social Security Administration, in the offices of carriers, and to senior citizen organizations.".

(b) WAIVER OF DEDUCTIBLE AND COPAYMENTS.—

(1) DEDUCTIBLE.—Section 1833(b) of the Social Security Act (42 U.S.C. 1395l(b)) is amended by striking out "and" before "(4)", and by inserting before the period at the end of the first sentence the following: ", and (5) such deductible shall not apply with respect to items and services furnished in connection with obtaining a second opinion required under section 1890 (or a third opinion, if such second opinion was in disagreement with the first opinion)".

(2) COPAYMENTS.—(A) Section 1833(a)(1) of such Act (42 U.S.C. 1395l(a)(1)) is amended by striking out "and" before "(F)", and by adding at the end thereof the following: "and (G) with respect to items and services furnished in connection with obtaining a second opinion required under section 1890 (or a third opinion, if such second opinion was in disagreement with the first opinion), the amounts paid shall be 100 percent of the reasonable charges for such items and services;".

(B) Section 1833(a)(2)(A) of such Act (42 U.S.C. 1395l(a)(2)(A)) is amended by inserting ", items and services furnished in connection with obtaining a second opinion required under section 1890 (or a third opinion, if such second opinion was in disagreement with the first opinion)," after "(other than durable medical equipment)".

(C) Section 1833(a)(2)(D) of such Act (42 U.S.C. 1395l(a)(2)(D)) is amended by striking out "or to a provider having an agreement under section 1866" and inserting in lieu thereof "to a provider having an agreement under section 1866, or for tests furnished in connection with obtaining a second opinion required under section 1890 (or a third opinion, if such second opinion was in disagreement with the first opinion)".

(c) CONFORMING AMENDMENTS.—

(1) EXCLUSIONS FROM COVERAGE.—Section 1862(a) of the Social Security Act (42 U.S.C. 1395g(a)), as amended by section 147(a) of this Act, is amended—

(A) by striking out "or" at the end of paragraph (14);

(B) by striking out the period at the end of paragraph (15) and inserting in lieu thereof "; or"; and

(C) by adding at the end thereof the following new paragraph:

"(16) furnished in connection with a surgical procedure if a second opinion is required under section 1890 but is not obtained.".

(2) PROVIDER AGREEMENTS.—Section 1866(a)(1) of such Act (42 U.S.C. 1395cc(a)(1)) is amended—

(A) by striking out "and" at the end of subparagraph (G);

(B) by striking out the period at the end of subparagraph (H) and inserting in lieu thereof ", and"; and

(C) by inserting after subparagraph (H) the following new subparagraph:

"(I) to notify beneficiaries under this title for whom surgery is to be performed of the need to obtain a second opinion if such surgery is a procedure listed pursuant to section 1890.".

(3) FUNCTIONS OF PEER REVIEW ORGANIZATIONS.—Section 1154(a) of such Act (42 U.S.C. 1395c-3(a)) is amended by adding at the end thereof the following new paragraph:

"(12) The organization shall perform the referral functions for second opinions described in section 1890(c).".

(d) EFFECTIVE DATES.—(1) The amendments made by subsection (a) shall apply to items and services furnished on or after the first day of the first month which begins more than 6 months after the date of the enactment of this Act.

(2) The Secretary of Health and Human Services shall promulgate final regulations necessary to implement the amendments made by this section within 6 months after the date of the enactment of this Act.

(e) INTERIM LIST.—(1) If the Secretary of Health and Human Services has not established a list or lists of surgical procedures requiring second opinions, as required under section 1890 of the Social Security Act, within 6 months after the date of the enactment of this Act, then the following list shall be in effect for purposes of such section:

Coronary artery bypass.
Cardiac pacemaker implantation.
Cataract surgery.
Gall bladder surgery.
Prostate surgery.
Knee surgery.
Hysterectomy.
Back surgery.
Hernia repair.
Hemorrhoidectomy.

(2) The list in paragraph (1) shall remain in effect until such time as the Secretary establishes a new list for the applicable State or area pursuant to section 1890.

(f) STUDY.—The Secretary of Health and Human Services shall conduct a study of the results of the amendments made by this section. Such study shall include any changes in utilization of surgical procedures, changes in nonconfirmation rates of second opinions, and outcomes in cases where surgery is not done after a second opinion failed to confirm the necessity of the surgical procedure. The Secretary shall report the results of the study to the Congress within 30 months after the date of the enactment of this Act.

SEC. 157. CHANGING MEDICARE APPEAL RIGHTS.

(a) PERMITTING PROVIDER REPRESENTATION OF BENEFICIARIES.—Section 1869(b)(1) of the Social Security Act (42 U.S.C. 1395ff(b)(1)) is amended by adding at the end the following new sentence: "Sections 206(a), 1102, and 1871 shall not be construed as authorizing the Secretary to prohibit an individual from being represented under this subsection by a person that furnishes or supplies the individual, directly or indirectly, with services or items solely on the basis that the person furnishes or supplies the individual with such a service or item.".

(b) REVIEW OF PART B DETERMINATIONS.—(1) Section 1869 of such Act (42 U.S.C. 1395ff) is further amended—

(A) by inserting "or part B" in subsection (a) after "amount of benefits under part A",

(B) by inserting "or part B" in subsection (b)(1)(C) after "part A", and

(C) by amending paragraph (2) of subsection (b) to read as follows:

"(2) Notwithstanding paragraph (1)(C), in the case of a claim arising—

"(A) under part A, a hearing shall not be available to an individual under paragraph (1)(C) if the amount in controversy is less than $100 and judicial review shall not be available to the individual under that paragraph if the amount in controversy is less than $1,000; or

"(B) under part B, a hearing shall not be available to an individual under paragraph (1)(C) if the amount in controversy is less than $500 and judicial review shall not be available to the individual under that paragraph if the aggregate amount in controversy is less than $1,000.

In determining the amount in controversy, the Secretary, under regulations, shall allow two or more claims to be aggregated if the claims involve the delivery of similar or related services to the same individual or involve common issues of law and fact arising from services furnished to two or more individuals.".

(2) Section 1842(b)(3)(C) of such Act (42 U.S.C. 1395u(b)(3)(C)) is amended by striking out "$100 or more" and inserting in lieu thereof "at least $100, but not more than $500".

(3) Section 1879(d) of such Act (42 U.S.C. 1395pp(d)) is amended by striking out "section 1869(b)" and all that follows through "part B)" and inserting in lieu thereof "sections 1869(b) and 1842(b)(3)(C) (as may be applicable)".

(c) EFFECTIVE DATES.—(1) The amendment made by subsection (a) takes effect on the date of the enactment of this Act.

(2) The amendments made by subsection (b) shall apply to claims submitted on or after October 1, 1985.

SEC. 158. EXTENSION OF ON LOK WAIVER.

(a) CONTINUED APPROVAL.—

(1) MEDICARE WAIVERS.—Notwithstanding any limitations contained in section 222 of the Social Security Amendments of 1972 and section 402(a) of the Social Security Amendments of 1967, the Secretary of Health and Human Services shall continue approval of the risk-sharing application (de-

scribed in section 603(c)(1) of Public Law 98-21) for waivers of certain requirements of title XVIII of the Social Security Act after the end of the period described in that section.

(2) MEDICAID WAIVERS.—Notwithstanding any limitations contained in section 1115 of the Social Security Act, the Secretary shall approve any application of the Department of Health Services, State of California, for a waiver of requirements of title XIX of such Act in order to continue carrying out the demonstration project referred to in section 603(c)(2) of Public Law 98-21 after the end of the period described in that section.

(b) TERMS, CONDITIONS, AND PERIOD OF APPROVAL.—The Secretary's approval of an application (or renewal of an application) under this section—

(1) shall be on the same terms and conditions as applied with respect to the corresponding application under section 603(c) of Public Law 98-21 as of July 1, 1985, except that requirements relating to collection and evaluation of information for demonstration purposes (and not for operational purposes) shall not apply; and

(2) shall remain in effect until such time as the Secretary finds that the applicant no longer complies with the terms and conditions described in paragraph (1).

PART E—CHANGES RELATING TO THE MEDICAID PROGRAM

SEC. 161. SERVICES FOR PREGNANT WOMEN.

(a) EXPANDED COVERAGE.—Section 1905(n)(1) of the Social Security Act (42 U.S.C. 1396d(n)(1)) is amended—

(1) by striking out "; or" at the end of subparagraph (A) and inserting in lieu thereof a comma,

(2) by striking out "; and" at the end of subparagraph (B) and inserting in lieu thereof ", or", and

(3) by adding after subparagraph (B) the following new subparagraph:

"(C) otherwise meets the income and resources requirements of a State plan under part A of title IV; and".

(b) OPTIONAL EXPANSION OF PREGNANCY-RELATED SERVICES.—Section 1902(a)(10) of such Act (42 U.S.C. 1396a(a)(10)) is amended, in the matter after subparagraph (D) thereof—

(1) by striking out "and" before "(IV)" and inserting in lieu thereof a comma, and

(2) by inserting before the semicolon the following: ", and (V) the making available to all pregnant women covered under the plan of services relating to pregnancy (including pre-natal, delivery, and post-partum services) or to any other condition which may complicate pregnancy shall not, by reason of subparagraph (B), require the making available of these services, or the making available of such services of the same amount, duration, and scope, to any other individuals".

(c) POST-PARTUM ELIGIBILITY FOR PREGNANT WOMEN.—Section 1902(e) of such Act (42 U.S.C. 1396b(e)) is amended by adding at the end the following new paragraph:

"(5) A woman who, while pregnant, is eligible for, has applied for, and has received medical assistance under the State plan, shall be deemed to remain pregnant, for purposes of the provision of all pregnancy-related and post-partum medical assistance under the plan, until the end of the 60-day period beginning on the last day of her pregnancy.".

(d) EFFECTIVE DATES.—

(1) EXPANDED COVERAGE.—(A) The amendments made by subsection (a) apply (except as provided under subparagraph (B)) to payments under title XIX of the Social Security Act for calendar quarters beginning on or after October 1, 1985, without regard to whether or not final regulations to carry out the amendments have been promulgated by that date.

(B) In the case of a State plan for medical assistance under title XIX of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation (other than legislation appropriating funds) in order for the plan to meet the additional requirement imposed by the amendments made by subsection (a), the State plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet this additional requirement before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act.

(2) OPTIONAL SERVICES.—The amendments made by subsection (b) shall take effect on October 1, 1985.

(3) CONTINUED COVERAGE.—The amendment made by subsection (c) shall apply to medical assistance furnished to a woman on or after October 1, 1985.

SEC. 162. MODIFICATIONS OF HOME AND COMMUNITY-BASED WAIVER UNDER SECTION 1915(c).

(a) EXPLICIT INCLUSION OF CERTAIN VOCATIONAL, PREVOCATIONAL, AND EDUCATIONAL SERVICES.—Section 1915(c) of the Social Security Act (42 U.S.C. 1396n(c)) is amended by adding at the end the following new paragraph:

"(5) For purposes of paragraph (4)(B), the term 'habilitation services', with respect to individuals who receive such services after discharge from a skilled nursing facility or intermediate care facility—

"(A) means services designed to assist individuals in acquiring, retaining, and improving the self-help, socialization, and adaptive skills necessary to reside successfully in home and community based settings, and

"(B) includes (except as provided in subparagraph (C)) prevocational, educational, and supported employment services, but

"(C) does not include—

"(i) special education and related services (as defined in section 602(16) and (17) of the Education of the Handicapped Act (20 U.S.C. 1401(16), (17)) which otherwise are available to the individual through a local educational agency, and

"(ii) vocational rehabilitation services which otherwise are available to the individual through a program funded under section 110 of the Rehabilitation Act of 1973 (29 U.S.C. 730).".

(b) PERMITTING HOSPITAL LEVEL OF CARE FOR CERTAIN PARTICIPANTS.—(1) Paragraph (1) of such section is amended by inserting "or but for the provision of such services the individuals would continue to receive inpatient hospital services because they are dependent on ventilator support the cost of which is reimbursed under the State plan" before the period at the end.

(2) Paragraph (2)(C) of such section is amended—

(A) by inserting "hospital or" after "provided in a", and

(B) by inserting "inpatient hospital services or" after "the provision of".

(c) PROHIBITING IMPOSITION OF CERTAIN REGULATORY LIMITS.—Such section, as amended by subsection (a), is further amended—

(1) in paragraph (2)(D), by inserting "100 percent of" after "does not exceed", and

(2) by adding at the end the following new paragraph:

"(6) The Secretary may not require, as a condition of approval of a waiver under this section under paragraph (2)(D), that the actual total expenditures for home and community-based services under the waiver (and a claim for Federal financial participation in expenditures for the services) cannot exceed the approved estimates for these services. The Secretary may not deny Federal financial payment with respect to services under such a waiver on the ground that, in order to comply with paragraph (2)(D), a State has failed to comply with such a requirement.".

(d) COMPUTATION OF EXPENDITURES FOR CERTAIN DISABLED PATIENTS.—Such section, as amended by subsection (c), is further amended by adding at the end the following new paragraph:

"(7) In making estimates under paragraph (2)(D) in the case of a waiver which applies only to physically disabled individuals who are inpatients in skilled nursing or intermediate care facilities, the State may determine the average per capita expenditure which would have been made in a fiscal year for those individuals under the State plan separately from the expenditure for other individuals who are inpatients of those facilities.".

(e) PERMITTING FLEXIBILITY IN ESTABLISHING MAINTENANCE INCOME STANDARDS.—Paragraph (3) of such section is amended by adding at the end the following new sentence: "A waiver may provide, with respect to post-eligibility treatment of income of all individuals receiving services under that waiver, that the maximum amount of the individual's income which may be disregarded for any month for the maintenance needs of the individual may be an amount greater than the maximum allowed for that purpose under regulations in effect on July 1, 1985.".

(f) EFFECTIVE DATES.—

(1) HABILITATION SERVICES AND HOSPITALIZED PATIENTS.—The amendments made by subsections (a) and (b) are effective for services furnished on or after October 1, 1985.

(2) PROHIBITION OF REGULATORY LIMITS AND TREATMENT OF CERTAIN PHYSICALLY DISABLED INDIVIDUALS.—The amendments made by subsections (c) and (d) shall apply to applications for waivers filed before, on, or after, the date of the enactment of this Act and for services furnished on or after August 13, 1981.

(3) INCOME STANDARDS.—The amendment made by subsection (e) shall apply to waivers approved on or after the date of the enactment of this Act.

(g) TASK FORCE ON ALTERNATIVE CARE FOR TECHNOLOGY-DEPENDENT, CHRONICALLY ILL CHILDREN.—(1) The Secretary of Health and Human Services, within six months after the date of the enactment of this Act, shall establish a task force concerning alternatives to institutional care for technology-dependent children (as defined in paragraph (5)).

(2) The task force shall include representatives of Federal and State agencies with responsibilities relating to child health, health insurers, large employers (including those that self-insure for health care costs), providers of health care to technology-dependent children, and parents of technology-dependent children.

(3) The task force shall—

(A) identify barriers that prevent the provision of appropriate care in a home or com-

munity-setting to meet the special needs of technology-dependent chidren, and

(B) recommend changes in the provision and financing of health care in private and public health care programs (including appropriate joint public-private initiatives) so as to provide home and community-based alternatives to the institutionalization of technology-dependent children.

(4) The task force shall make a final report to the Secretary and to the Congress on its activities not later than two years after the date of the enactment of this Act.

(5) In this subsection, the term "technology-dependent child" means a child who has a chronic illness which makes the child dependent upon the continuing use of medical care technology (such as a ventilator).

SEC. 163. OPTIONAL HOSPICE BENEFITS.

(a) COVERAGE OF HOSPICE CARE AS AN OPTIONAL MEDICAID BENEFIT.—Section 1905 of the Social Security Act (42 U.S.C. 1396d) is amended—

(1) in subsection (a)—

(A) by striking out "and" at the end of paragraph (17),

(B) by redesignating paragraph (18) as paragraph (19), and

(C) by inserting after paragraph (17) the following new paragraph:

"(18) hospice care (as defined in subsection (o)); and"; and

(2) by adding at the end the following new subsection:

"(o)(1) The term 'hospice care' means the care described in section 1861(dd)(1) furnished by a public, or private nonprofit, hospice program (as defined in section 1861(dd)(2)) to a terminally ill individual who has voluntarily elected (in accordance with paragraph (2)) to receive hospice care instead of certain other benefits (described in section 1812(d)(2)) under the plan.

"(2) An individual's voluntary election under this subsection—

"(A) shall be made in accordance with procedures that are established by the State and that are consistent with the procedures established under section 1812(d)(2),

"(B) shall be for such a period or periods (which need not be the same periods described in section 1812(d)(1)) as the State may establish, and

"(C) may be revoked at any time without a showing of cause and may be modified so as to change the hospice program with respect to which a previous election was made.".

(b) ELIGIBILITY.—

(1) LIMITATION TO TERMINALLY ILL INDIVIDUALS.—Section 1902(a)(10) of such Act (42 U.S.C. 1396a(a)(10)), as amended by section 161(b) of this Act, is further amended, in the matter following subparagraph (D), by striking out "and" before "(V)" and by inserting before the semicolon the following: ", and (VI) with respect to the making available of medical assistance for hospice care to terminally ill individuals who have made a voluntary election described in section 1905(o) to receive hospice care instead of medical assistance for certain other services, such assistance may not be made available in an amount, duration, or scope less than that provided under title XVIII, and the making available of such assistance shall not, by reason of this paragraph (10), require the making available of medical assistance for hospice care to other individuals or the making available of medical assistance for services waived by such terminally ill individuals".

(2) HIGHER INCOME STANDARD PERMITTED.—Section 1902(a)(10)(A)(ii) of such Act (42 U.S.C. 1396a(a)(10)(A)(ii)) is amended—

(A) by striking out "or" at the end of subclause (V),

(B) by striking out the semicolon at the end of subclause (VI) and inserting in lieu thereof ", or", and

(C) by adding at the end the following new subclause:

"(VII) who would be eligible under the State plan under this title if they were in a medical institution, who are terminally ill, and who will receive hospice care pursuant to a voluntary election described in section 1905(o);".

(c) PAYMENT FOR HOSPICE CARE.—

(1) USE OF MEDICARE RATES.—Section 1902(a)(13) of such Act (42 U.S.C. 1396a(a)(13)) is amended—

(A) by striking out "and" at the end of subparagraph (B),

(B) by redesignating subparagraph (C) as subparagraph (D), and

(C) by inserting after subparagraph (B) the following new subparagraph:

"(C) for payment for hospice care in the same amounts, and using the same methodology, as used under part A of title XVIII; and".

(2) LIMITATION ON COPAYMENTS.—Subsections (a)(2) and (b)(2) of section 1916 of the Social Security Act (42 U.S.C. 1396o) are each amended—

(A) by striking out "or" at the end of subparagraph (C),

(B) by striking out "; and" at the end of subparagraph (D) and inserting in lieu thereof ", or", and

(C) by adding at the end the following new subparagraph:

"(E) services furnished to an individual who is receiving hospice care (as defined in section 1905(o)); and".

(d) CONFORMING AMENDMENTS.—

(1) Section 1902(j) of such Act (42 U.S.C. 1396a(j)) is amended by striking out "(18)" and inserting in lieu thereof "(19)".

(2) Section 1902(a)(10)(C)(iv) of such Act (42 U.S.C. 1396a(a)(10)(C)(iv)) is amended by striking out "through (17)" and inserting in lieu thereof "through (18)".

(e) EFFECTIVE DATE.—The amendments made by this section apply to medical assistance provided for hospice care furnished on or after October 1, 1985.

SEC. 164. MEDICAID PAYMENTS FOR DIRECT MEDICAL EDUCATION COSTS OF HOSPITALS.

(a) MEDICAID PAYMENT METHODOLOGY.—Section 1902 of the Social Security Act (42 U.S.C. 1396a), as amended by section 163(c)(1) of this Act, is further amended—

(1) in paragraph (13) of subsection (a)—

(A) by striking out "and" at the end of subparagraph (C),

(B) by redesignating subparagraph (D) as subparagraph (E), and

(C) by inserting after subparagraph (C) the following new subparagraph:

"(D) for payment to hospitals for direct medical education costs in amounts determined in accordance with subsection (h); and"; and

(2) by inserting before subsection (i) the following new subsection:

"(h) PAYMENTS FOR DIRECT MEDICAL EDUCATION COSTS.—

"(1) SUBSTITUTION OF SPECIAL PAYMENT RULES.—Instead of any amounts that are otherwise payable under a State plan with respect to the costs of hospitals for direct medical education costs, the State shall provide for payments to hospitals for such costs in accordance with paragraph (3) of this subsection.

"(2) DETERMINATION OF HOSPITAL-SPECIFIC APPROVED FTE RESIDENT AMOUNTS.—The Secretary shall determine, for each hospital with an approved medical residency training program, an approved FTE resident amount for each residency year beginning on or after July 1, 1985, as follows:

"(A) DETERMINING ALLOWABLE AVERAGE COST PER FTE RESIDENT IN A HOSPITAL'S BASE PERIOD.—The Secretary shall determine, based on data from the most recent available audited cost report of the hospital, the average amount recognized as reasonable under title XVIII for direct medical education costs of the hospital for each full-time-equivalent resident.

"(B) UPDATING UP THROUGH JUNE 1985.—The Secretary shall update each average amount determined under subparagraph (A) through June 1985 by the percentage increase in the consumer price index from the midpoint of the cost reporting periods used under subparagraph (A) to the end of December 1984.

"(C) AMOUNT FOR RESIDENCY YEAR BEGINNING JULY 1, 1985.—For the residency year beginning July 1, 1985, the approved FTE resident amount for each hospital is equal to the amount determined under paragraph (B) for that hospital updated, to the end of December 1985, by projecting the estimated percentage increase in the consumer price index during the 12-month period ending with December 1985.

"(D) AMOUNT FOR SUBSEQUENT RESIDENCY YEARS.—

"(i) GENERAL RULE.—Except as provided in clause (ii), for each residency year beginning after July 1, 1985, the approved FTE resident amount for each hospital is equal to the amount determined under this paragraph for the previous residency year updated by projecting the estimated percentage change in the consumer price index during the 12-month period ending with December of that residency year, with appropriate adjustments to reflect previous under- or over-estimations under this paragraph in the projected percentage change in the consumer price index.

"(ii) LIMITATION ON APPROVED FTE RESIDENT AMOUNTS.—The approved FTE resident amount for a hospital for a residency year may not exceed—

"(I) for the residency year beginning on July 1, 1986, 175 percent,

"(II) for the residency year beginning on July 1, 1987, 150 percent, and

"(III) for residency years beginning on or after July 1, 1988, 125 percent,

of the median amounts determined under clause (i) for all the hospitals in the United States for that residency year.

"(E) TREATMENT OF CERTAIN HOSPITALS.—In the case of a hospital that did not have an approved medical residency training program and was not participating in the program under title XVIII for a cost reporting period ending before 1985, the Secretary shall provide, for the first such period for which it has such a residency training program and is participating under this title, for such approved FTE resident amount as the Secretary determines to be appropriate, based on comparable approved FTE resident amounts for similar programs of similar hospitals located in similar areas.

"(3) HOSPITAL PAYMENT AMOUNT PER RESIDENT.—

"(A) IN GENERAL.—The payment amount, for a hospital cost reporting period begin-

ning on or after October 1, 1985, is equal to the product of—

"(i) the aggregate approved amount (as defined in subparagraph (B)) for that period, and

"(ii) the hospital's medicaid patient load (as defined in subparagraph (C)) for that period.

"(B) AGGREGATE APPROVED AMOUNT.—As used in subparagraph (A), the term 'aggregate approved amount' means, for a hospital cost reporting period, the sum of the products, for each residency year occurring during the cost reporting period, of—

"(i) the fraction of that residency year that occurs during the period,

"(ii) the hospital's approved FTE resident amount (determined under paragraph (2)) for that residency year, and

"(iii) the number of full-time-equivalent residents (as determined under paragraph (4)) in the hospital's approved medical residency training programs in that year.

"(C) MEDICAID PATIENT LOAD.—As used in subparagraph (A), the term 'medicaid patient load' means, with respect to a hospital's cost reporting period, the fraction of the total number of inpatient-bed-days (as established by the Secretary) during the reporting period which are attributable to patients with respect to whom payment may be made under the State plan approved under this part.

"(4) DETERMINATION OF FULL-TIME-EQUIVALENT RESIDENTS.—

"(A) RULES.—The Secretary shall establish rules consistent with this paragraph for the computation of the number of full-time-equivalent residents in an approved medical residency training program.

"(B) COUNTING TIME SPENT IN OUTPATIENT SETTINGS.—Such rules shall provide that only time spent in activities relating to patient care shall be counted and that time so spent by a resident under an approved medical residency training program in an outpatient clinic, facility of a health maintenance organization, or other ambulatory setting shall be counted towards the determination of full-time equivalency.

"(C) ADJUSTMENT FOR PART-YEAR OR PART-TIME RESIDENTS.—Such rules shall take into account individuals who serve as residents for only a portion of a residency year with a hospital or simultaneously with more than one hospital.

"(D) WEIGHTING FACTORS FOR PRIMARY CARE AND OTHER SPECIALTIES.—Subject to subparagraphs (E) and (F), such rules shall provide, in calculating the number of full-time-equivalent residents in approved residency program for residency years beginning on or after July 1, 1987, for the application of a weighting factor for residents determined in accordance with the following table:

"For the residency year beginning in—	The weighting factor for each—		
	(i) primary care resident is—	(ii) other resident—	
		(I) during the initial residency period is—	(II) during any other period is—
1987	1.10	.90	.75
1988	1.20	.80	.50
1989 or later	1.30	.70	.50

"(E) ALTERNATIVE COMPUTATIONS OF FULL-TIME EQUIVALENTS.—For residency years beginning on or after July 1, 1989, the Secretary may change the weighting factors described in the table in subparagraph (D) or may establish alternative methods for calculating the number of full-time equivalent residents, based on recommendations of the Physician Payment Review Commission (established under section 1845).

"(F) SPECIAL RULES FOR FOREIGN MEDICAL GRADUATES.—

"(i) REQUIRED TO PASS FMGEMS EXAMINATION.—Except as provided in clause (ii), such rules shall provide that, in the case of an individual who is a foreign medical graduate (as defined in paragraph (5)(D)), the individual shall not be counted as a resident for a residency year beginning on or after July 1, 1986, unless the individual has passed the FMGEMS examination (as defined in paragraph (5)(E)) before the beginning of the residency year.

"(ii) TRANSITION FOR CURRENT FMGS.—For the residency year beginning on July 1, 1986, in the case of a foreign medical graduate who—

"(I) has served as a resident before that year and is serving as a resident during that year, but

"(II) has not passed the FMGEMS examination before July 1, 1986,

the individual shall be counted as a resident at a rate equal to one-half of the rate at which the individual would otherwise be counted.

"(iii) TREATMENT OF CERTAIN ECFMG-CERTIFIED INDIVIDUALS.—For purposes of this subparagraph, the Secretary may provide for an individual to be treated as having passed the FMGEMS examination if the individual is unable to take that examination because the individual has previously received certification from the Educational Commission for Foreign Medical Graduates.

"(5) DEFINITIONS.—As used in this subsection:

"(A) APPROVED MEDICAL RESIDENCY TRAINING PROGRAM.—The term 'approved medical residency training program' means a residency or other postgraduate medical training program participation in which may be counted toward certification in a specialty or subspecialty and includes formal postgraduate training programs in geriatric medicine approved by the Secretary.

"(B) CONSUMER PRICE INDEX.—As used in this paragraph, the term 'consumer price index' refers to the Consumer Price Index for All Urban Consumers (United States city average), as published by the Secretary of Commerce.

"(C) DIRECT MEDICAL EDUCATION COSTS.—The term 'direct medical education costs' means direct costs of approved educational activities for approved medical residency training programs.

"(D) FOREIGN MEDICAL GRADUATE.—The term 'foreign medical graduate' means an individual who is a graduate of a medical school not accredited by a body or bodies approved for this purpose by the Secretary of Education (regardless of whether the school of medicine is in the United States).

"(E) FMGEMS EXAMINATION.—The term 'FMGEMS examination' means parts I and II of the Foreign Medical Graduate Examination in the Medical Sciences recognized by the Secretary for this purpose.

"(F) INITIAL RESIDENCY PERIOD.—The term 'initial residency period' means, in the case of a resident, the minimum number of years of formal training necessary to satisfy the requirements (as specified in the 1985-1986 Directory of Residency Training Programs published by the Accreditation Council on Graduate Medical Education) for initial board eligibility in the particular specialty for which the resident is training; except that—

"(i) except as provided in clause (ii), in no case shall the initial period of residency exceed an aggregate period of residency of more than five years for any individual, and

"(ii) a period, of not more than two years, during which an individual is a resident in the field of geriatric medicine or the field of public health and preventive health shall not be counted towards the initial residency period.

"(G) PRIMARY CARE RESIDENT.—The term 'primary care resident' means an individual during the individual's first three years of postgraduate medical training in the field of internal medicine, pediatrics, or family medicine, but does not include such an individual who—

"(i) has been accepted for postgraduate medical training in a field other than internal medicine, pediatrics, family medicine, geriatric medicine, or public health and preventive medicine, and

"(ii) is receiving such training as part of the initial training for that field.

Such term also includes an individual during up to two years of postgraduate medical training in the field of geriatric medicine or the field of public health and preventive medicine.

"(H) RESIDENCY YEAR.—The term 'residency year' means a 12-month period beginning on July 1.

"(I) RESIDENT.—The term 'resident' includes an intern or other participant in an approved medical residency training program.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to payments made on or after July 1, 1986, under State plans approved under title XIX of the Social Security Act; except that such amendments shall not apply to such payments for costs incurred (or services rendered) before that date.

(d) REPORT ON UNIFORMITY OF APPROVED FTE RESIDENT AMOUNTS.—The Secretary of Health and Human Services shall report to Congress, not later than December 31, 1986, on whether section 1902(h) of the Social Security Act should be revised to provide for greater uniformity in the approved FTE resident amounts established under paragraph (2) of that section, and, if so, how such revisions should be implemented.

SEC. 165. TREATMENT OF POTENTIAL PAYMENTS FROM MEDICAID QUALIFYING TRUSTS.

(a) AMOUNTS TREATED AS BEING AVAILABLE FROM GRANTOR TRUSTS.—Section 1902 of the Social Security Act (42 U.S.C. 1396a) is amended by adding at the end the following new subsection:

"(k)(1) In the case of a medicaid qualifying trust (described in paragraph (2)), the amounts from the trust deemed available to a grantor, for purposes of subsection (a)(17), is the maximum amount of payments that may be permitted under the terms of the trust to be distributed to the grantor, assuming the full exercise of discretion by the trustee or trustees for the distribution of the maximum amount to the grantor. For purposes of the previous sentence, the term 'grantor' means the individual referred to in paragraph (2).

"(2) For purposes of this subsection, a 'medicaid qualifying trust' is a trust, or similar legal device, established by an individual (or an individual's spouse) under which the individual may be the beneficiary of all or part of the payments from the trust and the distribution of such payments is determined by one or more trustees who are permitted to exercise any discretion with respect to the distribution to the individual.

"(3) This subsection shall apply without regard to—

"(A) whether or not the medicaid qualifying trust is irrevocable or is established for purposes other than to enable a grantor to qualify for medical assistance under this title, or

"(B) whether or not the discretion described in paragraph (2) is actually exercised.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to medical assistance furnished on or after the first day of the second month beginning after the date of the enactment of this Act.

SEC. 166. WRITTEN STANDARDS FOR PROVISION OF ORGAN TRANSPLANTS.

(a) DENIAL OF FEDERAL PAYMENTS FOR ORGAN TRANSPLANTS UNLESS PROVIDED UNDER WRITTEN STANDARDS.—Section 1903(i) of the Social Security Act (42 U.S.C. 1396b(i)) is amended by inserting before paragraph (2) the following new paragraph:

"(1) for organ transplant procedures unless the State plan provides for written standards respecting the coverage of such procedures and unless such standards provide that—

"(A) similarly situated individuals are treated alike, and

"(B) any restriction, on the facilities or practitioners which may provide such procedures, is consistent with the accessibility of high quality care to individuals eligible for the procedures under the State plan.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to medical assistance furnished on or after July 1, 1986.

SEC. 167. DEEMED RESIDENCE FOR OUT-OF-STATE ADOPTIVE AND FOSTER CARE PLACEMENTS.

(a) GENERAL RULE.—Section 1902(b) of the Social Security Act (42 U.S.C. 1396a(b)) is amended by adding at the end the following:

"For purposes of this title, any individual receiving aid or assistance under any plan of a State approved under part E of title IV shall be deemed to be receiving such aid or assistance from the State in which the individual actually resides.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to medical assistance furnished on or after the first calendar quarter that begins more than 90 days after the date of the enactment of this Act.

SEC. 168. EXTENSION OF MMIS DEADLINE.

(a) NEW DEADLINE.—Section 1903(r)(1)(B) of the Social Security Act (42 U.S.C. 1396b(r)(1)(B)) is amended by striking out "the earlier of" and all that follows through the end of subparagraph (B) and inserting in lieu thereof "September 30, 1985.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to payment under section 1903(a) of the Social Security Act for calendar quarters beginning on or after October 1, 1982.

SEC. 169. EXTENSION OF CERTAIN WAIVER PROJECT.

(a) CONTINUED APPROVAL.—Notwithstanding any limitations contained in section 1115 of the Social Security Act but subject to subsection (b) of this section, the Secretary of Health and Human Services, upon application, shall continue approval of demonstration project number 11-P-97473/6-06 ("Modifications under the Texas System of Care for the Elderly: Alternatives to the Institutionalized Aged"), previously approved under that section, until December 31, 1988.

(b) TERMS AND CONDITIONS.—The Secretary's continued approval of the project under subsection (a)—

(1) shall be on the same terms and conditions as applied to the project as of the date of the enactment of this Act, and

(2) shall remain in effect until such time as the Secretary finds that the applicant no longer complies with such terms and conditions.

SEC. 170. REPORT ON ADJUSTMENT IN MEDICAID PAYMENTS FOR HOSPITALS SERVING DISPROPORTIONATE NUMBERS OF LOW INCOME PATIENTS.

The Secretary of Health and Human shall transmit to Congress, not later than July 1, 1986, a report that—

(1) describes the methodology used by States under section 1902(a)(13)(A) of the Social Security Act, in their making payments to hospitals, in taking into account the situation of hospitals that serve a disproportionate number of low income patients with special needs,

(2) identifies each of those hospitals that have had the amount of their payments under that title adjusted under that section, and

(3) for each of those hospitals, describes the proportion of total inpatient-days attributable to low income patients and the proportion of total inpatient-days attributable to patients entitled to medical assistance under that title.

SEC. 171. REFERENCE TO PROVISIONS OF LAW PROVIDING COVERAGE UNDER, OR DIRECTLY AFFECTING, THE MEDICAID PROGRAM.

Title XIX of the Social Security Act is amended by adding at the end the following new section:

"REFERENCES TO LAWS DIRECTLY AFFECTING MEDICAID PROGRAM

"SEC. 1919. (a) AUTHORITY OR REQUIREMENTS TO COVER ADDITIONAL INDIVIDUALS.—For provisions of law that make additional individuals eligible for medical assistance under this title, see the following:

"(1) AFDC.—(A) Section 402(a)(37) of this Act (relating to individuals who lose AFDC eligibility due to increased earnings).

"(B) Section 406(h) of this Act (relating to individuals who lose AFDC eligibility due to increased collection of child or spousal support).

"(C) Section 414(g) of this Act (relating to certain individuals participating in work supplementation programs).

"(2) SSI.—Section 1619 of this Act (relating to benefits for individuals who perform substantial gainful activity despite severe medical impairment).

"(3) REFUGEE ASSISTANCE.—Section 412(e)(5) of the Immigration and Nationality Act (relating to medical assistance for certain refugees).

"(4) MISCELLANEOUS.—(A) Section 230 of Public Law 93-66 (relating to deeming eligible for medical assistance certain essential persons).

"(B) Section 231 of Public Law 93-66 (relating to deeming eligible for medical assistance certain persons in medical institutions).

"(C) Section 232 of Public Law 93-66 (relating to deeming eligible for medical assistance certain blind and disabled medically indigent persons).

"(D) Section 13(c) of Public Law 93-233 (relating to deeming eligible for medical assistance certain individuals receiving mandatory State supplementary payments).

"(E) Section 503 of Public Law 94-566 (popularly known as the 'Pickle Amendment', relating to deeming eligible for medical assistance certain individuals who would be eligible for supplemental security income benefits but for cost-of-living increases in social security benefits).

"(b) ADDITIONAL STATE PLAN REQUIREMENTS.—For other provisions of law that establish additional requirements for State plans to be approved under this title, see the following:

"(1) Section 1618 of this Act (relating to requirement for operation of certain State supplementation programs).

"(2) Section 212(a) of Public Law 93-66 (relating to requiring mandatory minimum State supplementation of SSI benefits program).".

PART F—PRIVATE HEALTH INSURANCE CONTINUATION

SEC. 181. TEMPORARY EXTENSION OF COVERAGE AT GROUP RATES FOR FAMILY MEMBERS OF DECEASED, DIVORCED, OR MEDICARE-ELIGIBLE WORKERS.

(a) IN GENERAL.—Subsection (i) of section 162 of the Internal Revenue Code of 1954 (relating to deduction for trade or business expenses with respect to group health plans) is amended—

(1) by redesignating paragraph (2) as paragraph (3); and

(2) by inserting after paragraph (1) the following new paragraph:

"(2) CONTINUATION COVERAGE.—

"(A) REQUIRING OPTION OF CONTINUATION COVERAGE WHEN QUALIFIED BENEFICIARY WOULD LOSE COVERAGE.—The expenses paid or incurred by an employer for a group health plan shall not be allowed as a deduction under this section unless each qualified beneficiary who would lose coverage under the plan because of a qualifying event is given, in accordance with this paragraph, the option of electing continuation coverage under the plan.

"(B) ELECTION.—

"(i) ELECTION PERIOD.—The option of electing continuation coverage must be offered during a period that—

"(I) begins not later than the termination date (as defined in subparagraph (C)(ii)),

"(II) is of at least 60 days duration, and

"(III) ends not earlier than 60 days after the date the qualified beneficiary is notified under subparagraph (F)(iv) or the termination date, whichever date is later.

"(ii) EFFECT OF ELECTION ON OTHER BENEFICIARIES.—Unless otherwise specified in the election, any such election by a qualified beneficiary described in subparagraph (G)(ii)(I) shall be deemed to include an election of continuation coverage on behalf of any other qualified beneficiary whose coverage would, but for continuation coverage provided in accordance with this paragraph, be affected by the qualifying event.

"(C) QUALIFYING EVENT AND TERMINATION DATE.—For purposes of this paragraph—

"(i) A 'qualifying event' under a group health plan, with respect to a covered employee, is any of the following events if coverage of a qualified beneficiary under the plan would, but for continuation coverage provided in compliance with this paragraph, be terminated by the occurrence of the event:

"(I) The death of the covered employee.

"(II) The divorce or separation of the covered employee from the employee's spouse.

"(III) The covered employee becoming entitled to benefits under title XVIII of the Social Security Act.

"(ii) The term 'termination date' means, with respect to a qualifying event, the date

on which coverage of a qualified beneficiary under a group health plan would be terminated under the plan but for continuation coverage provided in compliance with this paragraph.

"(D) TERMS OF CONTINUATION COVERAGE.—Any continuation coverage elected by or on behalf of a qualified beneficiary shall meet the following requirements:

"(i) NO REQUIREMENT OF INSURABILITY.—The coverage may not be conditioned upon, or discriminate on the basis of lack of, evidence of insurability.

"(ii) CONTINUED BENEFITS.—The coverage shall consist of coverage which is identical to the coverage provided under the plan to similarly situated beneficiaries under the plan with respect to whom a qualifying event has not occurred.

"(iii) PERIOD OF CONTINUED COVERAGE.—The coverage shall be for a period commencing upon the termination date and ending not earlier than the earliest of the following:

"(I) MAXIMUM OF FIVE YEARS.—Five years after the termination date.

"(II) END OF PLAN.—The date on which the employer ceases to provide any group health plan to employees.

"(III) FAILURE TO PAY PREMIUMS.—The date on which there is a failure in making timely payment of any premium required under the plan with respect to the qualified beneficiary.

"(IV) REEMPLOYMENT OR MEDICARE ELIGIBILITY.—The date on which the qualified beneficiary first becomes or could become, after the date of the election, a covered employee under any other group health plan or becomes entitled to benefits under title XVIII of the Social Security Act.

"(V) REMARRIAGE OF SPOUSE.—In the case of a qualified beneficiary described in subparagraph (G)(ii)(I), the date on which the beneficiary remarries and becomes (or could become) covered under a group health plan as the spouse of a covered employee.

"(VI) CHILD TURNING MAJORITY.—In the case of an individual who is a qualified beneficiary by reason of having been a covered dependent child of a covered employee, the date on which the individual ceases to be a covered dependent child of the covered employee.

"(iv) CONVERSION OPTION.—In the case of a qualified beneficiary whose period of continued coverage expires under clause (iii)(I), the plan must provide to the beneficiary, during the 180-day period ending on the date of expiration of the period of continued coverage, the option of enrollment under a conversion health plan otherwise generally available to beneficiaries under the plan.

"(E) PREMIUMS FOR CONTINUATION COVERAGE.—

"(i) AMOUNT.—The total premium charged by a group health plan with respect to any qualified beneficiary for continuation coverage under the plan shall not exceed the sum of employer premiums and employee premiums generally charged with respect to coverage under the plan of similarly situated beneficiaries with respect to whom a qualifying event has not occurred. The total of all premiums charged by the plan in any plan year may be based upon reasonably anticipated community costs for such plan year of the entire pool of covered employees and other beneficiaries under the plan, including qualified beneficiaries receiving continuation coverage under the plan under this paragraph.

"(ii) PAYMENTS.—The plan may provide for payment of the total premium by the qualified beneficiary receiving such coverage, or for payment of all or part of such premium by the employer or other party and payment of the remainder of such premium by such beneficiary. The plan shall provide for payment of any premium by a qualified beneficiary in monthly installments if so elected by the beneficiary. If an election is made during an election period but after the termination date, the plan shall permit payment of any premium for continuation coverage during the preceding period to be made within 45 days of the date of the election.

"(iii) PREMIUM DEFINED.—As used in this subparagraph, the term 'premium' means any amount payable with respect to the provision of coverage under a group health plan.

"(F) NOTICE REQUIREMENTS.—In accordance with regulations of the Secretary—

"(i) the group health plan must provide, at the time of commencement of coverage under the plan, for written notice to each covered employee and spouse of the employee (if any) of the rights provided under this paragraph;

"(ii) the employer of an employee under the plan must notify the group health plan administrator if the employee dies;

"(iii) each covered employee is responsible for notifying the group health plan administrator of the occurrence of any qualifying event (other than that described in subparagraph (C)(i)(I)) respecting that employee; and

"(iv) the group health plan administrator must notify each qualified beneficiary, within a period of 14 days after the date the administrator is notified concerning the occurrence of a qualifying event affecting that beneficiary, of—

"(I) the termination date with respect to the beneficiary, and

"(II) the beneficiary's right to elect continuation coverage under this paragraph and the election period established under subparagraph (B)(i) during which the beneficiary can exercise that right.

"(G) DEFINITIONS.—For purposes of this paragraph—

"(i) COVERED EMPLOYEE.—The term 'covered employee' means an individual who is (or was) provided coverage under a group health plan by virtue of the individual's employment or previous employment with an employer.

"(ii) QUALIFIED BENEFICIARY.—The term 'qualified beneficiary' means, with respect to a covered employee under a group health plan, any other individual who, on the date before the date of a qualifying event for that employee—

"(I) is a beneficiary under the plan as the spouse of the employee and has been married to the employee for at least the immediately preceding 30-day period, or

"(II) is a beneficiary under the plan as a covered dependent child of the employee.

"(iii) COVERED DEPENDENT CHILD.—The term 'covered dependent child' means, with respect to a covered employee, an individual who meets the generally applicable requirements of the plan for treatment as a dependent child covered under the plan by reason of the coverage of the employee under the plan.

"(iv) GROUP HEALTH PLAN ADMINISTRATOR.—The term 'group health plan administrator' means, in connection with a group health plan, any person who provides for administrative functions relating to enrollment of individuals under the plan. For purposes of this subparagraph, the term 'person' includes one or more individuals, governments or agencies of the United States or any State or political subdivision thereof, labor unions, partnerships, associations, corporations, legal representatives, mutual companies, joint ventures, joint stock companies, societies, trusts, unincorporated organizations, trustees, trustees in bankruptcy, receivers, and fiduciaries.".

(b) CONFORMING AMENDMENT.—Paragraph (1) of section 162(i) of such Code is amended by striking out "GENERAL RULE" and inserting in lieu thereof "COVERAGE RELATING TO END STAGE RENAL DISEASE".

(c) EFFECTIVE DATES.—

(1) GENERAL RULE.—The amendments made by this section shall apply to plan years beginning on or after January 1, 1986.

(2) SPECIAL RULE FOR COLLECTIVE BARGAINING AGREEMENTS.—In the case of a group health plan maintained pursuant to one or more collective bargaining agreements between employee representatives and one or more employers ratified before the date of the enactment of this Act, the amendments made by this section shall not apply to plan years beginning before the earlier of—

(A) the date on which the last of the collective bargaining agreements relating to the plan terminates (determined without regard to any extension thereof agreed to after the date of the enactment of this Act), or

(B) January 1, 1987.

For purposes of subparagraph (A), any plan amendment made pursuant to a collective bargaining agreement relating to the plan which amends the plan solely to conform to any requirement added by this section shall not be treated as a termination of such collective bargaining agreement.

(d) NOTIFICATION TO COVERED EMPLOYEES.—At the time that the amendments made by this section apply to a group health plan described in section 162(i) of the Internal Revenue Code of 1954, the plan shall notify each covered employee, and spouse of the employee (if any), who is covered under the plan at that time of the continuation coverage required under paragraph (2) of that section. The notice furnished under this subsection is in lieu of notice that may otherwise be required under paragraph (2)(F)(i) of that section.

PART G—TASK FORCE ON LONG-TERM HEALTH CARE POLICIES

SEC. 191. GUIDELINES FOR LONG-TERM HEALTH CARE POLICIES.

(a) ESTABLISHMENT OF TASK FORCE.—(1) The Secretary of Health and Human Services (hereinafter in this section referred to as the "Secretary") shall establish a Task Force on Long-Term Health Care Policies (hereinafter in this section referred to as the "Task Force"). The Task Force shall be established not later than 60 days after the date of the enactment of this Act and in consultation with the National Association of Insurance Commissioners.

(b) COMPOSITION OF TASK FORCE.—The Task Force shall be composed of 18 members, which shall include—

(1) two members representing the National Association of Insurance Commissioners,

(2) three members representing Federal and State agencies with responsibilities relating to health or the elderly,

(3) three members representing private insurers,

(4) three members from organizations representing consumers or the elderly, and

(5) three members from organizations representing providers of long-term health care services.

The Secretary shall designate a member of the Task Force as chair.

(c) DEVELOPMENT OF GUIDELINES.—The Task Force shall develop guidelines for long-term health care policies, including guidelines designed—

(1) to limit marketing and agent abuse for those policies,

(2) to assure the dissemination of such information to consumers as is necessary to permit informed choice in purchasing the policies and to reduce the purchase of unnecessary or duplicative coverage,

(3) to assure that benefits provided under the policies are reasonable in relationship to premiums charged, and

(4) to promote the development and availability of long-term health care policies which meet these guidelines.

(d) REPORT.—Not later than 18 months after the date of the enactment of this Act, the Task Force shall report to the Secretary and Congress respecting—

(1) the guidelines developed under subsection (c), including an explanation of the reasons for their selection, and

(2) such recommendations for additional activities respecting long-term health care policies as the Task Force finds appropriate.

The Secretary, in cooperation with the National Association of Insurance Commissioners, shall provide for the dissemination of the report to each of the States.

(e) ANNUAL REPORT OF SECRETARY.—The Secretary shall annually report to Congress on—

(1) actions taken by the States to implement the guidelines developed under this section,

(2) recommendations for the development of additional guidelines (or modification of proposed guidelines), and

(3) recommendations for legislative and administrative action needed to respond to issues raised by the Task Force or to improve consumer protection with respect to long-term health care policies.

(f) LONG-TERM HEALTH CARE POLICY DEFINED.—In this section, the term "long-term health care policy" means an insurance policy, or similar health benefits plan, which is designed for or marketed as providing (or making payments for) health care services (such as nursing home care and home health care) or related services (which may include home and community-based services), or both, over an extended period of time.

TITLE II—TRADE AND CUSTOMS LAWS AMENDMENTS

PART A—TRADE ADJUSTMENT ASSISTANCE

SUBPART 1—WORKER ADJUSTMENT ASSISTANCE

Sec. 201. Group eligibility requirements.
Sec. 202. Qualifying requirements.
Sec. 203. Limitations on trade readjustment allowances.
Sec. 204. Worker training.
Sec. 205. Agreements with States regarding training.

SUBPART 2—FIRM ADJUSTMENT ASSISTANCE

Sec. 211. Petitions.
Sec. 212. Approval of adjustment proposals.
Sec. 213. Technical assistance.
Sec. 214. Financial assistance.
Sec. 215. Protective provisions.

SUBPART 3—EXTENSION OF TRADE ADJUSTMENT ASSISTANCE

Sec. 221. Extension of adjustment assistance for workers and firms.

SUBPART 4—EFFECTIVE DATES

Sec. 231. Effective dates.

PART B—AUTHORIZATION OF APPROPRIATIONS FOR TRADE AND CUSTOMS AGENCIES

Sec. 241. United States International Trade Commission.
Sec. 242. United States Customs Service.
Sec. 243. United States Trade Representative.

PART C—USER FEES FOR CUSTOMS SERVICES

Sec. 251. Fees to offset expenses incurred in processing arrivals in the United States.
Sec. 252. Conforming amendments.
Sec. 253. Advisory committee.
Sec. 254. Effective period for fees.

PART A—TRADE ADJUSTMENT ASSISTANCE

Subpart 1—Worker Adjustment Assistance

SEC. 201. GROUP ELIGIBILITY REQUIREMENTS.

Section 222 of the Trade Act of 1974 (19 U.S.C. 2272) is amended to read as follows:

"SEC. 222. GROUP ELIGIBILITY REQUIREMENTS.

"The Secretary shall certify a group of workers as eligible to apply for adjustment assistance under this part if he determines—

"(1) that—

"(A) a significant number or proportion of the workers in such workers' firm or an appropriate subdivision of the firm have become totally or partially separated, or are threatened to become totally or partially separated,

"(B) sales or production, or both, of such firm or subdivision have decreased absolutely, and

"(C) increases of imports of articles like or directly competitive with articles produced by such workers' firm or an appropriate subdivision thereof contributed importantly to such total or partial separation, or threat thereof, and to such decline in sales or production; or

"(2) that a significant number or proportion of the workers in such workers' firm (if the firm has no subdivision) or subdivision of a firm have become totally or partially separated, or are threatened to become totally or partially separated, by reason of the relocation of the production functions of that firm or subdivision to a foreign country or instrumentality.

For purposes of paragraph (1)(C), the term 'contributed importantly' means a cause which is important but not necessarily more important than any other cause.".

SEC. 202. QUALIFYING REQUIREMENTS.

The last sentence of section 231(a)(2) of the Trade Act of 1974 (19 U.S.C. 2291(a)(2)) is amended by striking out all that follows after subparagraph (C) and inserting in lieu thereof "shall be treated as a week of employment at wages of $30 or more, but not more than 7 weeks, in case of weeks described in paragraph (A) or (C), or both, may be treated as weeks of employment under this sentence.".

SEC. 203. LIMITATIONS ON TRADE READJUSTMENT ALLOWANCES.

Section 233(a)(2) of the Trade Act of 1974 (19 U.S.C. 2293(a)(2)) is amended by striking out "52-week period" and inserting "104-week period".

SEC. 204. WORKER TRAINING.

Section 236(a)(1) of the Trade Act of 1974 (19 U.S.C. 2296(a)(1)) is amended by adding at the end thereof the following new sentence: "For purposes of applying subparagraph (C), a reasonable expectation of employment does not require that employment opportunities for a worker be available, or offered, immediately upon the completion of training under this section.".

SEC. 205. AGREEMENTS WITH STATES REGARDING TRAINING.

Section 239(a) of the Trade Act of 1974 (19 U.S.C. 2311(a)) is amended—

(1) by inserting "(1)" immediately after "(a)";

(2) by redesignating paragraphs (1), (2), and (3) as subparagraphs (A), (B), and (C), respectively;

(3) by amending subparagraph (B) (as so redesignated) to read as follows: "(B) where appropriate, but in accordance with paragraph (2), will afford adversely affected workers testing, counseling, referred to training, and placement services, and"; and

(4) by adding at the end thereof the following new paragraph:

"(2) Each cooperating State agency must, in carrying out paragraph (1)(B)—

"(A) advise each adversely affected worker to apply for training under section 236(a) at the time the worker makes application for trade readjustment allowances (but failure of the worker to do so may not be treated as cause for denial of those allowances); and

"(B) within 60 days after application for training is made by the worker, interview the adversely affected worker regarding, and review, suitable training opportunities available to the worker under section 236.".

Subpart 2—Firm Adjustment Assistance

SEC. 211. PETITIONS.

Section 251(c)(2) of the Trade Act of 1974 (19 U.S.C. 2341(c)(2)) is amended to read as follows:

"(2) sales or production, or both—

"(A) of the firm have decreased absolutely, or

"(B) of an article that accounted for not less than 25 percent of the total production or sales of the firm during the 12-month period preceding the most recent 12-month period for which data are available have decreased absolutely, and".

SEC. 212. APPROVAL OF ADJUSTMENT PROPOSALS.

Section 252 of the Trade Act of 1974 (19 U.S.C. 2342) is amended—

(1) by amending the second sentence of subsection (b)(1) by striking out "adjustment assistance" and inserting in lieu thereof "technical assistance under section 253(a)(3) or financial assistance under section 254"; and

(2) by striking out subsection (c) and redesignating subsection (d) as subsection (c).

SEC. 213. TECHNICAL ASSISTANCE.

Section 253(b)(2) of the Trade Act of 1974 (19 U.S.C. 2343(b)(2)) is amended by inserting "to a certified firm in the implementation of its adjustment proposal" immediately after "furnished".

SEC. 214. FINANCIAL ASSISTANCE.

Section 254(b) of the Trade Act of 1974 (19 U.S.C. 2344(b)) is amended by inserting ", either through a single loan or a combination of loans," immediately before "to the firm—" in subsection (b).

SEC. 215. PROTECTIVE PROVISIONS.

Section 258(d) of the Trade Act of 1974 (19 U.S.C. 2348(d)) is amended by striking out "them and".

Subpart 3—Extension of Trade Adjustment Assistance

SEC. 221. EXTENSION OF ADJUSTMENT ASSISTANCE FOR WORKERS AND FIRMS.

Section 285 of the Trade Act of 1974 (19 U.S.C. note preceding 2271) is amended by striking out "September 30, 1985" and inserting in lieu thereof "September 30, 1989".

Subpart 4—Effective Dates

SEC. 231. EFFECTIVE DATES.

(a) IN GENERAL.—Except as provided in subsection (b), the amendments made by this part shall take effect October 1, 1985.

(b) SPECIAL PROVISIONS.—(1) The amendments made by sections 201, 202, and 211 shall apply with respect to all petitions for certification filed after September 30, 1985, under section 221 or 251, as the case may be, of the Trade Act of 1974.

(2) The amendment made by section 204 shall apply with respect to workers covered under certifications issued under section 222 of such Act of 1974 after September 30, 1985.

PART B—AUTHORIZATION OF APPROPRIATIONS FOR TRADE AND CUSTOMS AGENCIES

SEC. 241. UNITED STATES INTERNATIONAL TRADE COMMISSION.

The first sentence of paragraph (2) of section 330(e) of the Tariff Act of 1930 (19 U.S.C. 1330(e)(2)) is amended to read as follows: "There are authorized to be appropriated to the Commission for necessary expenses (including the rental of conference rooms in the District of Columbia and elsewhere) for fiscal year 1986 not to exceed $28,901,000; of which not to exceed $2,500 may be used, subject to approval by the Chairman of the Commission, for reception and entertainment expenses.".

SEC. 242. UNITED STATES CUSTOMS SERVICE.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 301 of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075) is amended as follows:

(1) Subsection (b) is amended to read as follows:

"(b)(1) There are authorized to be appropriated to the Department of the Treasury not to exceed $769,067,000 for the salaries and expenses of the United States Customs Service for fiscal year 1986; of which—

"(A) $27,900,000 is for the addition of 500 inspectors, 150 import specialists, 100 customs patrol officers, and 50 special agents;

"(B) $50,425,000 is for the operation and maintenance of the air interdiction program of the Service; and

"(C) not to exceed $14,000,000 is for the implementation of the 'Operation EXODUS' program and any related program designed to enforce or monitor export controls under the Export Administration Act of 1979.

"(2) No part of any sum that is appropriated under the authority of paragraph (1) may be used to close any port of entry at which, during fiscal year 1985—

"(A) not less than 2,500 merchandise entries (including informal entries) were made; and

"(B) not less than $1,500,000 in customs revenues were assessed.

"(3)(A) No part of any sum that is appropriated under the authority of paragraph (1) may be used for further research and development or acquisition of F-15 avionics for the P-3 aircraft and related equipment until 60 days after the Committee on Ways and Means and the Committee on Finance have received from the Secretary of the Treasury a written comparative assessment of the suitability of the P-3, E-2, or other appropriate aircraft for use by the Customs Service in its air drug interdiction program. Such assessment, which the Secretary may not submit to the Committees until the General Accounting Office study required under paragraph (6) is completed, shall include life cycle costs.

"(B) Acquisition of additional aircraft for use by the Customs Service for its air drug interdiction program after completion of the assessment required under subparagraph (A) shall be subject to competitive bidding through the use of the normal 'request for proposal' process.

"(4) No part of any sum that is appropriated under the authority of paragraph (1) may be used to consolidate the drawback liquidation centers within the Customs Service to less than 4 such centers. If a consolidation is undertaken, the Commissioner of Customs shall select the location of the centers after taking into account the drawback volume at, and the geographic dispersion of, the respective centers being considered for consolidation.

"(5) In addition to any sum authorized to be appropriated under paragraph (1), there are authorized to be appropriated to the Department of the Treasury for fiscal year 1986—

"(A) not to exceed $8,000,000 from the Customs Forfeiture Fund for the making of payments under section 613A of the Tariff Act of 1930 (19 U.S.C. 1613b), of which not to exceed $5,000,000 may be used for the modification of aircraft (whether or not aircraft described in subsection (a)(5) of that section) for drug interdiction; and

"(B) from the Treasury account established under section 236 of the Trade and Tariff Act of 1984 (19 U.S.C. 58b) such sums as may be necessary for the provision of customs services at airports under that section, but not to exceed $75,000 for each such airport.; and

"(6) As soon as possible after the date of the enactment of this paragraph, but not later than 12 months after that date, the General Accounting Office shall complete, and submit to the Committee on Ways and Means and the Committee on Finance, a study that evaluates the air detection and interdiction capability of the Customs Service, including assets, geographic dispersal, costs of operation, procurement practices, and the services and equipment provided by other Federal agencies. Within 6 months after commencing the study, the General Accounting Office shall consult with the Committees on the progress of the study."; and

(2) by adding at the end thereof the following new subsection:

"(f) USE OF SAVINGS RESULTING FROM ADMINISTRATIVE CONSOLIDATIONS.—If savings in salaries and expenses result from the consolidation of administrative functions within the Customs Service, the Commissioner of Customs shall apply those savings, to the extent they are not needed to meet emergency requirements of the Service, to strengthening the commercial operations of the Service by increasing the number of inspector, import specialist, patrol officer, and other line operational positions.".

(b) ELIMINATION OF SURETIES ON CUSTOMS BONDS.—(1) The Commissioner of Customs may not publish, nor take any other action to give force and effect to, any final rule that would revise any provision in 19 CFR part 113 or section 142.4 (as in effect on March 1, 1984) relating to the requirement for sureties on customs bonds—

(A) unless the Commissioner submits to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate, on the same day, a report containing—

(i) the text of the draft final rule;

(ii) an analysis of the revenue impact of the rule;

(iii) a regulatory impact analysis;

(iv) the estimated cost benefit of the rule to the Customs Service and to the importing community, and an explanation in support of those estimates; and

(v) a justification for each revision to be effected by the rule; and

(B) until the close of the first period of 90 calendar days of continuous session of Congress occurring after the date on which the report is submitted under subparagraph (A).

SEC. 243. UNITED STATES TRADE REPRESENTATIVE.

Section 141 of the Trade Act of 1974 (19 U.S.C. 2171) is amended—

(1) by inserting before the semicolon at the end of subsection (d)(1) the following: ", except that not more than 20 individuals may be employed without regard to any provision of law regulating the employment or compensation at rates not to exceed the rate of pay for level IV of the Executive Schedule in section 5314 of title 5, United States Code"; and

(2) by amending subsection (f)(1)—

(A) by striking out "$14,179,000 for fiscal year 1985" and inserting in lieu thereof "$13,582,000 for fiscal year 1986", and

(B) by striking out "$80,000" and inserting in lieu thereof "$68,000".

PART C—USER FEES FOR CUSTOMS SERVICES

SEC. 251. FEES TO OFFSET EXPENSES INCURRED IN PROCESSING ARRIVALS IN THE UNITED STATES.

Section 214 of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 58a) is amended to read as follows:

"SEC. 214. (a) The Secretary of the Treasury shall charge and collect the following fees to cover the expenses incurred by the Customs Service in processing arrivals at ports of entry in the customs territory of the United States:

"(1) For the arrival of a commercial vessel of 100 or more tons, $425.

"(2) For the arrival of a commercial truck, $5.

"(3) For the arrival of a railroad car, whether passenger or freight, $5.

"(4) For all arrivals made during a calendar year by a private aircraft or private vessel, $25.

"(5) For the arrival in the United States of each passenger aboard a commercial vessel or commercial aircraft from a place outside the United States other than a place described in paragraph (6), $5.

"(6) For the arrival in the United States of each passenger aboard a commercial vessel, commercial aircraft, or train from Canada, Mexico, a territory or possession of the United States, or any island that is an adjacent island within the meaning of section 101(b)(5) of the Immigration and Nationality Act (8 U.S.C. 1101(b)(5)), $1.

"(b) Each person providing transportation for hire by vessel, aircraft, or train shall—

"(1) separately identify the fee charged under subsection (a)(5) or (6), as the case may be, as a Federal inspection fee on the document or ticket issued to each passenger for that transportation;

"(2) collect the fee from the passenger at the time the documentation or ticket is purchased; and

"(3) remit to the Secretary the fees collected under paragraph (2) during each calendar quarter before the 31st day after the last day of that quarter.

"(c) Except with respect to those services for which fees are imposed under subsection (a), the Secretary of the Treasury may charge such fees as may be necessary to

cover the costs of providing those services which customs officers were authorized to provide under subsection (a), as in effect before the date of the enactment of this subsection.

"(d) Notwithstanding any other provision of law, the customs services required to be provided to passengers upon arrival in the United States on scheduled airline flights shall be adequately provided when and where needed at no cost to airlines and airline passengers other than the fees imposed under subsection (a).

"(e) The receipts for reimbursable charges, including those collected under subsection (a), and expenses which have been paid for out of any appropriation for collecting the revenue from customs that are covered into the Treasury as miscellaneous receipts under the first section of the Act of March 4, 1907 (19 U.S.C. 527), shall be placed in a proprietary account."

SEC. 252. CONFORMING AMENDMENTS.

(a) REPEAL OF APPROPRIATION REFUND AUTHORITY.—Section 524 of the Tariff Act of 1930 (19 U.S.C. 1524) is repealed.

(b) RAIL PASSENGER SERVICE ACT.—Section 305(i) of the Rail Passenger Service Act, as amended (45 U.S.C. 545(i)), is amended by striking out the last sentence thereof.

(c) AIRPORT AND AIRWAY DEVELOPMENT ACT OF 1970.—Section 53(e) of the Airport and Airway Development Act of 1970 (49 U.S.C. App. 1741(e)) is repealed.

SEC. 253. ADVISORY COMMITTEE.

In accordance with the provisions of the Federal Advisory Committee Act, the Secretary of the Treasury shall establish an advisory committee, whose membership shall consist of representatives from the airline, shipping, and other transportation industries, the general public, and others who may be subject to any fee or charge (1) authorized by law, or (2) proposed by the Customs Service for the purpose of covering expenses incurred by the Customs Service. The advisory committee shall meet on a periodic basis and shall advise the Secretary on issues related to the performance of the Customs Service. This advice shall include, but not be limited to, such issues as the time periods during which such services should be performed, the proper number and deployment of inspection officers, the level of fees, and the appropriateness of any proposed fee. The Secretary shall give substantial consideration to the views of the advisory committee in the exercise of his duties.

SEC. 254. EFFECTIVE PERIOD FOR FEES.

The fees authorized under section 214(a) of the Customs Procedural Reform and Simplification Act of 1978 (as amended by section 251) shall be charged with respect to arrivals in the United States occurring after the 180th day after the date of the enactment of this Act and before the close of the 3-year period beginning on that day.

TITLE III—PROVISIONS RELATING TO AID TO FAMILIES WITH DEPENDENT CHILDREN

Sec. 301. Improvements in AFDC quality control standards and procedures.
Sec. 302. Grants for programs to prevent teenage pregnancies and to assist pregnant individuals and teenage parents in achieving self-sufficiency.
Sec. 303. Mandatory provision of aid with respect to dependent children in two-parent families.

SEC. 301. IMPROVEMENTS IN AFDC QUALITY CONTROL STANDARDS AND PROCEDURES.

(a) IN GENERAL.—Section 403(i) of the Social Security Act is amended to read as follows:

"(i)(1)(A) In order to establish and maintain improved quality control standards and procedures in the operation and administration of State plans approved under this part—

"(i) each State, in accordance with a timetable and standards which shall be established by the Secretary in regulations, shall—

"(I) collect a statistically reliable sample of the cases under its approved State plan under this part for each fiscal year or (at the option of the State) for each of the two six-month periods in such year, for purposes of quality control review under this subsection,

"(II) review the sample so collected and (on the basis of such review) make its original findings with respect to errors for the period involved, and

"(III) submit such findings to the Secretary;

"(ii) the Secretary, after studying the State's original findings as submitted under clause (i)(III), shall select specified cases for further review and notify the State thereof; and the State shall submit to the Secretary the records of the cases so selected and specified;

"(iii) the Secretary shall review and analyze the case records submitted under clause (ii) and (on the basis of such review and the State's original findings) shall determine the State's error rate for the period involved (without any adjustment under paragraph (2)(C)) and notify the State of such error rate within six months after the close of the fiscal year or within six months after the date on which the sample is submitted, whichever is later; and

"(iv) the State shall develop and submit to the Secretary (except as provided by subparagraph (B)) a corrective action plan for eliminating or reducing errors identified as a result of the reviews under clauses (i) and (iii) (whether or not such errors are subject to inclusion for purposes of disallowances under paragraph (2)(A)) and, after such plan has been reviewed and approved by the Secretary in accordance with subparagraph (C), shall implement the corrective actions provided for in such plan in accordance with a timetable established by the Secretary in regulations; and the Secretary shall continuously monitor the State's corrective action process under such plan.

"(B) The requirement (in subparagraph (A)(iv)) that States submit corrective action plans for eliminating or reducing errors may be waived by the Secretary in the case of any State which has consistently had an error rate below its error rate tolerance level (as determined by the Secretary, upon the request of the State, in the manner provided in subparagraphs (B) and (C)(i) of paragraph (2)).

"(C) The Secretary shall establish criteria for corrective action plans submitted by States under subparagraph (A)(iv), and shall approve any plan so submitted upon determining that it meets such criteria. If a plan so submitted is disapproved, the Secretary shall specify (in notifying the State of such disapproval) the respect or respects in which the plan fails to meet the criteria so established, and shall provide appropriate advice and assistance to the State in eliminating such failure with the objective of facilitating the resubmission and approval of the plan at the earliest possible time.

"(D) The sample obtained under subparagraph (A)(i) by a State which collected such sample on an annual basis rather than electing to collect two six-month samples for the fiscal year involved shall in no case include a smaller number of cases than the number that the Secretary determines would be required for a statistically reliable sample if the State had elected to collect two six-month samples for that fiscal year.

"(E) The requirements imposed upon a State by subparagraph (A) with respect to the collection and review of samples and the submission of the results thereof, and the requirement that a State (under subparagraphs (A)(iv) and (C)) submit a corrective action plan which meets the Secretary's criteria established under subparagraph (C), shall be deemed for purposes of section 404 to be included in the State's plan approved under section 402.

"(2)(A) Notwithstanding subsection (a)(1) (but subject to subparagraph (C) and paragraph (3)), if a State's error rate for any fiscal year (as defined in paragraph (5)(A)) exceeds the error rate tolerance level determined for the State (for that year) under subparagraph (B), then the Secretary shall disallow Federal payments for such fiscal year with respect to the State's erroneous payments (as defined in paragraph (5)(B)) to the extent that the inclusion of such erroneous payments in determining the State's error rate caused such rate to exceed the tolerance level so determined.

"(B) A State's error rate tolerance level for any fiscal year shall be 3.5 percent, increased by—

"(i) 0.5 percentage points if, throughout such fiscal year, the plan of such State approved under this part provides for the payment of aid with respect to dependent children of unemployed parents as provided in section 407,

"(ii) 0.1 percentage points for each full 20 percent increment (up to a maximum of five such increments) by which (I) the ratio of the number of families with earned income who are receiving aid under such State's plan approved under this part to the total number of families receiving such aid exceeds (II) the average ratio, per State, of the number of families with earned income who are receiving aid under all of the State plans approved under this part to the total number of families receiving such aid, and

"(iii) 0.1 percentage points for each full 20 percent increment (up to a maximum of five such increments) by which (I) the population per square mile of land area in such State exceeds (II) the average population per square mile of land area, per State, in all of the States having plans approved under this part.

"(C) In determining the error rate in any State for purposes of this paragraph—

"(i) such rate shall be fixed at the midpoint of the standard interval for errors within which the State's true error rate falls (as determined without regard to this clause on the basis of the sample or samples collected by the State under paragraph (1)(A)(i)), or at the lower bound of such standard interval in the case of a State which has collected a sample or samples sufficiently large to produce a lower limit of such interval no more than 2.5 percentage points below the midpoint; and

"(ii) errors which are technical in nature, and which would not change the AFDC payment levels involved, shall be disregarded.

For purposes of clause (i), the lower limit of the standard interval for errors within

which a State's true error rate falls shall be calculated in accordance with regulations prescribed by the Secretary to adjust for variability among the States in the number, proportion, or dollar value of cases in which the State's findings under paragraph (1)(A)(i)(II) (with respect to errors in its sample or samples collected under paragraph (1)(A)(i)(I)) differ from the Secretary's findings with respect to the State's error rate under paragraph (1)(A)(iii).

"(D) The total amount of the disallowances that would otherwise be imposed with respect to any State under subparagraph (A) on account of an error rate in excess of the applicable error rate tolerance level for any fiscal year shall be reduced by the Federal share of any overpayments collected by such State (on account of erroneous payments) during that fiscal year.

"(3)(A) The Secretary, in accordance with this paragraph, may waive all or any part of any disallowance that would otherwise be imposed with respect to a State under paragraph (2)(A) if such State is unable to reach the applicable error rate tolerance level for the fiscal year involved despite a good-faith effort by such State.

"(B) Any State may request a waiver of all or part of any disallowance that would otherwise be imposed with respect to such State for any fiscal year under paragraph (2)(A), basing such request upon a showing—

"(i) that the State has made (and is continuing to make) a good-faith effort to reduce or eliminate the erroneous payments involved but was unable to reach the applicable error rate tolerance level for such fiscal year despite that effort; or

"(ii) that (I) the Secretary's determination of the State's error rate for such fiscal year was made incorrectly or in a manner inconsistent with the provisions of this subsection, and (II) the State's error rate, if determined correctly and in a proper manner, would be lower than the rate so determined by the Secretary.

The Secretary shall consider and review such request, and either approve it or disapprove it in whole or in part, in accordance with a timetable which shall be specified in regulations. If the Secretary disapproves the request, the State may appeal the Secretary's decision to the Grant Appeals Board in the Department of Health and Human Services for such further action as may be provided for by law or regulations (including judicial review of the Secretary's decision or the Board's determination).

"(C) In considering and reviewing any request for a waiver submitted by a State under this paragraph, the Secretary shall take into account—

"(i) factors beyond the State's control (including disasters, strikes by State or other staff personnel engaged in determining eligibility or processing cases, sudden workload changes resulting from changes in Federal or State laws or regulations or from rapid caseload growth, and State actions resulting from incorrect policy interpretations by Federal officials);

"(ii) factors relating to agency commitment, including demonstrated commitment by upper level State officials to the error reduction program under this subsection, the sufficiency and quality of operational systems designed to reduce errors, the use of effective systems and procedures for the statistical and program analysis of quality control and related data, and effective management and execution of the corrective action process;

"(iii) the State's past performance with respect to erroneous payments, including past error rate levels and past error rate reduction efforts;

"(iv) the cost effectiveness of error rate reduction, both in general and in the particular circumstances existing within the State; and

"(v) such other factors as the Secretary may determine to be appropriate, as specified in regulations or as detailed by the State in its waiver request.

The Secretary's regulations shall specify the factors to be considered and the criteria to be used in assessing waiver requests under this paragraph, and shall indicate the relative weight or importance of each of such factors and criteria in order to assist States in determining the appropriateness of proposed requests.

"(D) Notwithstanding the preceding provisions of this paragraph, the Secretary shall in any case grant a waiver requested by a State under subparagraph (B) for any fiscal year if such State's corrective action plan submitted under paragraph (1)(A)(iv) or (1)(C), or a separate plan for the reduction of errors submitted by such State along with its waiver request, provides in detail for the expenditure of additional State and local funds for the reduction of errors in such fiscal year in a total amount (over and above the amount of State and local funds that would otherwise be expended in such fiscal year for the administration of the State plan approved under this part) equal to or exceeding one-half of the net amount of the disallowances that would otherwise be imposed with respect to such State under paragraph (2)(A) for such fiscal year. Expenditures of additional State and local funds for the reduction of errors as provided for in the corrective action plan or separate plan described in the preceding sentence shall be considered (for purposes of subsection (a)) to be expenditures for the proper and efficient administration of the State plan approved under this part.

"(4)(A) Each State agency administering a plan approved under this part shall, at such times and in such form as the Secretary may specify, provide information on the rates of erroneous payments made in connection with its administration of such plan, together with any other data which the Secretary may request that are reasonably necessary for the Secretary to carry out the provisions of this subsection.

"(B) If a State fails to cooperate with the Secretary in providing information necessary to carry out this subsection, the Secretary, directly or through such contractual or other arrangements as the Secretary may find appropriate, shall establish the error rates for that State on the basis of the best data reasonably available and in accordance with such techniques for sampling and estimating as the Secretary may find appropriate.

"(C) In any case in which it is necessary for the Secretary to exercise the authority under subparagraph (B) to determine a State's error rate for a fiscal year, the amount that would otherwise be payable to such State under this part for quarters in such year shall be reduced by the costs incurred by the Secretary in making such determination.

"(5) For purposes of this subsection—

"(A) the term 'error rate', with respect to any State for any fiscal year, means the ratio of such State's erroneous payments for such year (as defined in subparagraph (B)) to its total payments under the State plan approved under this part for such year, determined (except as otherwise specifically provided) subject to the adjustments provided for in paragraph (2)(C); and

"(B) the term 'erroneous payments' means—

"(i) payments to ineligible families receiving assistance, and

"(ii) overpayments to eligible families receiving assistance.

"(6) This subsection shall not apply with respect to Puerto Rico, Guam, or the Virgin Islands.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall be effective only with respect to quarters in the fiscal year 1983 and subsequent fiscal years; except that such amendment may also be effective in the case of any State, at the election of the State made in such manner and within such time as the Secretary of Health and Human Services shall by regulation prescribe, with respect to quarters in the fiscal year 1982 or with respect to quarters in the fiscal years 1981 and 1982.

SEC. 302. GRANTS FOR PROGRAMS TO PREVENT TEENAGE PREGNANCIES AND TO ASSIST PREGNANT INDIVIDUALS AND TEENAGE PARENTS IN ACHIEVING SELF-SUFFICIENCY.

(a) IN GENERAL.—Part A of title IV of the Social Security Act is amended by adding at the end thereof the following new section:

"GRANTS FOR PROGRAMS TO PREVENT TEENAGE PREGNANCIES AND TO ASSIST PREGNANT INDIVIDUALS AND TEENAGE PARENTS OF YOUNG CHILDREN IN ACHIEVING SELF-SUFFICIENCY

"SEC. 416. (a)(1) For the purpose of assisting States and localities in establishing and carrying out programs—

"(A) to reduce the rate of teenage pregnancies in AFDC families; and

"(B) to help pregnant individuals and teenage parents of young children in such families, who might otherwise become long-term recipients of aid to families with dependent children, in achieving self-sufficiency,

there are authorized to be appropriated the sum of $50,000,000 for the fiscal year 1986 and the sum of $100,000,000 for the fiscal year 1987, to be used by the Secretary in making grants for such programs in accordance with this section. Any State which provides for the establishment and carrying out of one or more such programs in accordance with this section shall be entitled to receive a grant under this section for each such fiscal year, in an amount determined under subsection (d).

"(2) The State agency administering or supervising the administration of the State's plan approved under section 402 shall be responsible for administering or supervising the administration of the State's programs described in paragraph (1) for which grants under this section are made. Such grants shall be made directly to the State agency, and may be—

"(A) used by such agency for the purpose of conducting and providing in accordance with this section (directly or under contracts with others) the activities and services required to carry out the program or programs involved, or

"(B) paid by such agency to local school districts or to other local agencies or public or private nonprofit entities meeting the requirements of this section, under arrangements made with such districts or (through such districts) with such other agencies and entities, for use by such districts, agencies, or entities in conducting and providing in

accordance with this section (directly or under contracts with others) the activities and services required to carry out the program or programs involved;

but such grants may be used only in areas which are determined by the State agency to be areas of high teenage pregnancy or high infant mortality, and it must be the objective of any program for which such grants are used to carry out both the purpose described in subparagraph (A) of paragraph (1) and the purpose described in subparagraph (B) of such paragraph.

"(3) In order to qualify for a grant under this section for any fiscal year with respect to a program or programs described in paragraph (1) in any State, the State agency must submit to the Secretary no later than 3 months after the beginning of such year, in such manner and form as the Secretary may prescribe, a full and complete description of the program together with satisfactory assurances that the program will be operated in an effective and efficient manner and will otherwise meet the requirements of this section.

"(4) Grants made under this section—

"(A) shall be in addition to any amounts payable to States under section 403, and shall supplement and not replace any other funds which may be available for the same general purposes, or for the provision of services of any kind to needy individuals, in the localities involved, and

"(B) shall not be used to provide any individual with services which are available to that individual under a State plan approved under section 1902.

"(b)(1) In carrying out the purpose described in subparagraph (A) of subsection (a)(1), it shall be the objective of each program under this section (subject to the availability of funds) to—

"(A) conduct activities and provide services which may help to reduce pregnancies among children, targeting such activities and services to children who are eligible for aid to families with dependent children, in order to assure that such children will not be prevented from achieving self-sufficiency by parental responsibilities imposed upon them before they reach adulthood;

"(B) identify and address all of the factors which may play important roles in determining teenage sexual activity and contraceptive use;

"(C) encourage active participation by the parents of the children involved in the activities and services being conducted or provided under the program; and

"(D) encourage the children involved to develop education and employment goals for the future, combining new and existing resources to assist such children in achieving those goals and encouraging such children to postpone sexual activity and child bearing and to assume responsibility for family planning in order to achieve them.

"(2)(A) To the maximum extent appropriate and feasible, the activities conducted and services provided in carrying out the purpose described in subparagraph (A) of subsection (a)(1) shall include the services which are made available to pregnant individuals and teenage parents with young children under the program as more specifically described in subsection (c).

"(B) None of the activities conducted or services provided under this subsection or subsection (c) as a part of any program under this section may include the performance of abortions, or include the counseling of individuals to have abortions except where the life of the mother would be endangered if the fetus were carried to term.

"(c)(1) In carrying out the purpose described in subparagraph (B) of subsection (a)(1), it shall be the objective of each program under this section (subject to the availability of funds) to help achieve self-sufficiency for individuals under the age of 25 who are eligible for aid to families with dependent children, who (at the start of their participation in the program) are pregnant or are teenage parents with children under the age of 6, and who voluntarily elect to participate in the program, by—

"(A) requiring such individuals to seek a high school diploma or its equivalent or to take part in appropriate training,

"(B) providing each participant with academic or vocational training, job counseling, employment readiness, and job placement services,

"(C) integrating and coordinating services otherwise available to participants, and

"(D) providing each participant with other services and assistance designed to meet such objective, including an individualized assessment and plan, as more particularly described in paragraph (3).

"(2) Participation in program activities conducted and services provided with the objective specified in paragraph (1) shall be limited to individuals under the age of 25 residing within the area covered by the program who are pregnant, or who are teenage parents of dependent children under the age of 6, and shall include any such individual only if he or she (at the time of initial participation in the program)—

"(A) has not graduated from high school or its equivalent, and

"(B) voluntarily elects (subject to subsection (e)) to participate;

and the funds made available under this section may be used only for activities and services so conducted or provided in the case of individuals (described in the preceding provisions of this paragraph) who are eligible under this part (individually or as members of families) for aid to families with dependent children under the State's plan approved under section 402, or whose children are eligible for such aid.

"(3) A program described in subsection (a)(1) meets the requirements of this section only if the activities conducted and services provided with the objective specified in paragraph (1) include—

"(A) provision for the assignment to each participant of an agency staff person who, utilizing the case management approach and in coordination with the participant, will establish an individualized program, based on an individualized assessment of need and set forth in an individualized written plan, to meet the health needs of the participant and his or her dependent (or unborn) child, and to ensure the provision and coordination (on behalf of such participant and child) of such other services as the State determines to be necessary or appropriate to carry out the objective of this section, including, at a minimum, academic and vocational services, health services, training in parenting skills, job counseling, employment readiness, job placement, transportation, and child day care;

"(B) provision for the integration and coordination of services which are otherwise available at the local level to individuals under age 25 who are pregnant or are teenage parents with children under age 6 and which are offered under this part, under parts B and C of this title, under title V, under title XX, under the Job Training Partnership Act, and under other Federal and State programs that would assist in achieving the objectives of the program under this section;

"(C) provision for the coordination (with the local school system) of academic and vocational programs leading to a high school diploma or its equivalent, with a requirement of active participation in an educational program leading to a high school diploma or its equivalent, or in an appropriate training program, as a condition of participation in the program under this section;

"(D) provision for job counseling, training, employment readiness, and job placement and relevant supportive services independently or in conjunction with one or more programs of employment and training under this part or part C of this title, under the Job Training Partnership Act, or under another Federal or State law;

"(E) provision of child care at the program site or of other child day care services which have been contracted for on a reimbursable basis, to the extent necessary for teenage parents to participate effectively in the program, with a requirement that such care and services meet applicable State and local standards and with emphasis upon services that are compatible with the goal of achieving self-sufficiency;

"(F)(i) assurances that all such child care and services, and any transportation to and from work which may be necessary for a teenage parent or pregnant individual to participate effectively in the program, will be provided or arranged for without any charge to such parent or individual while he or she is participating in any phase of the program, and

"(ii) assurances that such care, services, and transportation will be provided or arranged for on a sliding scale basis (with charges based on ability to pay) during at least the first 6 months of work after the teenage parent or pregnant individual has completed his or her participation in the program, in order to ensure a smooth transition into the workforce;

"(G) provision for variations in the selection and offering of services to individual participants to the extent necessary to take account of differences in the needs of such participants and in their age, family composition, cultural background, and geographic location;

"(H) assurances that, in order to encourage participants to take advantage of the full range of services offered, as many of such services as possible will be provided at a single site, with programs and activities being conducted in the local schools to the maximum extent feasible;

"(I) provision for the establishment of peer groups of participants, led by experienced group counselors, to enable such participants to meet and discuss program-related problems and issues and to share their common concerns, and to serve as a medium for the communication and dissemination of relevant information; and

"(J) provision for the establishment of an outreach program designed to attract pregnant individuals and teenage parents of young children who would be eligible to participate.

Program activities conducted and services provided with the objective specified in paragraph (1) must include but need not be limited to the services and assistance set forth in the preceding provisions of this paragraph, and may include such other health, family planning, educational, train-

ing, and social services as may be needed to achieve such objective in cases where the necessary funding is not available from other sources.

"(4) In the case of a teenage parent participating in program activities conducted or services provided with the objective specified in paragraph (1), absences from his or her child for the purpose of attending a secondary or post-secondary school or participating in other education or training activities as a part of the program shall not be considered 'absences from the child' in determining whether he or she is exempted under clause (v) of section 402(a)(19)(A) from the requirement of registration under that section.

"(5) As used in this section, the term 'teenage parent' means a male or female individual who is the parent of a child under the age of 6 and who (A) has not attained the age of 20 or (B) became the parent of such child before attaining the age of 20.

"(d)(1) The grant to which any State is entitled from the sum appropriated pursuant to subsection (a)(1) for any fiscal year shall be in an amount bearing the same ratio to the sum so appropriated as the amount expended by such State during the preceding fiscal year as aid to families with dependent children under its plan approved under section 402 bears to the total amount expended by all the States during such preceding year as aid to families with dependent children under their plans so approved.

"(2) If any State does not qualify for a grant under this section for any fiscal year within the time provided in subsection (a)(3), the amount of the grant to which it would have been entitled for such year shall be reallocated to one or more other States on the basis of their relative need for additional assistance under this section (as determined by the Secretary).

"(e) If any State wishes to require participation in activities and services provided under subsection (c) by all individuals who are eligible to participate in such activities and services (or would be eligible to so participate if they satisfied paragraph (2)(B) of such subsection) and with respect to whose participation funds made available under this section may be used, such State may request that the Secretary waive the requirement of such paragraph (2)(B) and permit the State to make participation mandatory for all such individuals. The Secretary shall grant any such request and permit the State to require participation by all such individuals if he or she determines that—

"(1) the funds available for the program from Federal, State, local, and other sources (including this section) are sufficient to conduct all of the activities and provide all of the services which would be necessary to serve such individuals; and

"(2) mandatory participation in the program by all such individuals can be effectively administered and enforced by the State and the locality or localities involved.

"(f)(1) Prior to expenditure by a State of any grant payments made to it under this section for any fiscal year, the State shall report to the Secretary on the intended use of such payments; and such report shall be revised from time to time throughout the fiscal year involved if and to the extent that there are significant changes in such use.

"(2) No later than March 1, 1987, each State shall submit to the Secretary a full and complete report on the activities carried out with the proceeds of the grant or grants theretofore made to it under this section. The report—

"(A) shall be in such form and contain such information as may be necessary to provide an accurate description of such activities, to provide a complete record of the purposes for which the grant funds were spent, to indicate the extent to which such funds were spent in a manner consistent with the report or reports submitted under paragraph (1), and to indicate the extent to which the expenditure of such funds succeeded in accomplishing the objectives for which the grant was made, and

"(B) shall specifically contain such information as the Secretary may require in order to include in his or her evaluation under paragraph (3) the overall description referred to in subparagraph (B) thereof.

"(3)(A) No later than July 1, 1987, the Secretary, on the basis of the reports submitted by a State under paragraphs (1) and (2) for the fiscal year 1986 and of such additional information as he or she may obtain or develop, shall evaluate the use by such State of the grant or grants made to it under this section for that year in the light of the purposes of this section, with the objective of appraising the achievements of the programs for which such grants were made and developing comprehensive information and data on the basis of which decisions can be made with respect to the improvement of such programs and the desirability of providing further assistance in subsequent years. The Secretary shall report such evaluation to the Congress.

"(B) As a part of the evaluation under subparagraph (A) the Secretary shall include, at a minimum, a detailed overall description of the number and characteristics of the individuals served by the programs, the various kinds of activities conducted and services provided, and the results achieved, and shall set forth in detail his or her findings and comments with respect to the various State programs and a statement of his or her plans and recommendations for the future.

"(C) If as a result of the evaluation the Secretary determines that any such grant was used in a manner inconsistent with the purposes of this section or the objective stated in subparagraph (A) or if the reports submitted by the State were insufficient to indicate whether or not the grant was so used, the Secretary shall notify the State of his or her disapproval, and the inconsistent use of such grant shall be subject to sanctions of the type described in section 404(a) as though this section were a part of the approved State plan and such inconsistent use were a failure to comply with a provision required by section 402(a) to be included in such plan.

"(g) Grant payments to a State under this section for any fiscal year—

"(1) shall be used only for the specific purposes described in this section;

"(2) may be made on an estimated basis in advance of the determination of the exact grant amount, with appropriate subsequent adjustments to take account of any error in the estimates; and

"(3) shall be expended by such State in that fiscal year or in the succeeding fiscal year.

"(h) Notwithstanding any other provision of this title, payments made and services provided to participants in a program under this section, as a direct consequence of their participation in such program, shall not be considered as income or resources for purposes of determining their eligibility (or the eligibility of any other persons) for aid under the State's plan approved under section 402, or for purposes of determining the level of such aid.".

(b) DURATION OF PROGRAM.—Subject to section 416(g)(3) of the Social Security Act (as added by subsection (a)), the amendment made by subsection (a) shall be in effect only from October 1, 1985, until September 30, 1987.

SEC. 303. MANDATORY PROVISION OF AID WITH RESPECT TO DEPENDENT CHILDREN IN TWO-PARENT FAMILIES.

(a) REQUIREMENT THAT AID BE PROVIDED.—Section 402(a) of the Social Security Act is amended—

(1) by striking out "and" after the semicolon at the end of paragraph (38);

(2) by striking out the period at the end of paragraph (39) and inserting in lieu thereof "; and"; and

(3) by inserting immediately after paragraph (39) the following new paragraph:

"(40) provide that payments of aid will be made under the plan with respect to dependent children of unemployed parents, in accordance with section 407.".

(b) CONFORMING AMENDMENTS.—(1) Section 407(b) of such Act is amended by striking out "(b) The provisions" and all that follows down through "(1) requires" and inserting in lieu thereof the following:

"(b) In providing for the payment of aid under the State's plan approved under section 402 in the case of families which include dependent children within the meaning of subsection (a) of this section, as required by section 402(a)(40), the State's plan—

"(1) shall require".

(2) Section 407(b)(2) of such Act is amended by striking out "provides—" and inserting in lieu thereof "shall provide—".

(c) QUARTERS OF WORK BASED ON EDUCATION OR TRAINING.—(1) Section 407(d)(1) of such Act is amended—

(A) by inserting "(A)" after "means a calendar quarter"; and

(B) by inserting before the semicolon at the end thereof the following: ", or (B) if the State plan so provides (but subject to the last sentence of this subsection), in which such individual (i) was in regular full-time attendance as a student at an elementary or secondary school, (ii) was in regular full-time attendance in a course of vocational or technical training designed to fit him or her for gainful employment, or (iii) participated in an education or training program established under the Job Training Partnership Act".

(2) Section 407(d) of such Act is further amended by adding at the end thereof (after and below paragraph (4)) the following new sentence:

"No individual shall be credited during his or her lifetime (for purposes of subsection (b)(1)(C)(i)) with more than 4 'quarters of work' based on attendance in a course or courses of vocational or technical training as described in paragraph (1)(B)(ii) of this subsection.".

(3) Section 407(b)(1)(C)(i) of such Act is amended by inserting after "6 or more quarters of work (as defined in subsection (d)(1))" the following: ", including 2 or more quarters of work as defined in subsection (d)(1)(A),".

(d) EFFECTIVE DATE.—The amendments made by this section shall become effective October 1, 1986.

TITLE IV—PROVISIONS RELATING TO RAILROAD UNEMPLOYMENT REPAYMENT TAX AND UNEMPLOYMENT COMPENSATION

Sec. 401. Railroad unemployment repayment tax.

Sec. 402. Extension of borrowing authority under the Railroad Unemployment Insurance Act.
Sec. 403. Supplemental unemployment compensation for certain individuals.

SEC. 401. RAILROAD UNEMPLOYMENT REPAYMENT TAX.

(a) RATE OF TAX.—Subsection (c) of section 3321 of the Internal Revenue Code of 1954 (relating to rate of railroad unemployment repayment tax) is amended to read as follows:

"(c) RATE OF TAX.—For purposes of this section—

"(1) IN GENERAL.—The applicable percentage for any taxable period shall be the sum of—

"(A) the basic rate for such period, and

"(B) the surtax rate (if any) for such period.

"(2) BASIC RATE.—For purposes of paragraph (1)—

"(A) FOR PERIODS BEFORE 1989.—The basic rate shall be—

"(i) 4.3 percent for the taxable period beginning on July 1, 1986, and ending on December 31, 1986,

"(ii) 4.7 percent for the 1987 taxable period, and

"(iii) 6 percent for the 1988 taxable period.

"(B) FOR PERIODS AFTER 1988.—For any taxable period beginning after December 31, 1988, the basic rate shall be the sum of—

"(i) 2.9 percent, plus

"(ii) 0.3 percent for each preceding taxable period after 1988.

In no event shall the basic rate under this subparagraph exceed 5 percent.

"(3) SURTAX RATE.—For purposes of paragraph (1), the surtax rate shall be—

"(A) 3.5 percent for any taxable period if, as of September 30 of the preceding calendar year, there was a balance of transfers (or unpaid interest thereon) made after September 30, 1985, to the railroad unemployment insurance account under section 10(d) of the Railroad Unemployment Insurance Act, and

"(B) zero for any other taxable period.

"(4) BASIC RATE NOT TO APPLY TO RAIL WAGES PAID AFTER SEPTEMBER 30, 1990.—The basic rate under paragraph (1)(A) shall not apply to rail wages paid after September 30, 1990."

(b) BASE OF TAX TO BE COMPENSATION USED FOR RAILROAD RETIREMENT TAX PURPOSES.—Subsection (b) of section 3323 of such Code (defining rail wages) is amended to read as follows:

"(b) RAIL WAGES.—

"(1) IN GENERAL.—For purposes of this chapter, the term 'rail wages' means compensation (as defined in section 3231(e) for purposes of the tax imposed by section 3201(a)) with the modifications specified in paragraph (2).

"(2) MODIFICATIONS.—In applying subsection (e) of section 3231 for purposes of paragraph (1)—

"(A) ONLY EMPLOYMENT COVERED BY RAILROAD UNEMPLOYMENT INSURANCE ACT TAKEN INTO ACCOUNT.—Such subsection (e) shall be applied—

"(i) by substituting 'rail employment' for 'services' each place it appears,

"(ii) by substituting 'rail employer' for 'employer' each place it appears, and

"(iii) by substituting 'rail employee' for 'employee' each place it appears.

"(B) $7,000 WAGE BASE.—Such subsection (e) shall be applied by substituting for 'the applicable base' in paragraph (2)(A)(i) thereof—

"(i) except as provided in clauses (ii) and (iii), '$7,000',

"(ii) '$3,500' for the taxable period beginning on July 1, 1986, and ending on December 31, 1986, and

"(iii) for purposes of applying the basic rate under section 3321(c)(1)(A), '$5,250' for the taxable period beginning on January 1, 1990.

"(C) SUCCESSOR EMPLOYERS.—For purposes of this subsection, rules similar to the rules applicable under section 3231(e)(2)(C) shall apply."

(c) USE OF TAXES.—

(1) IN GENERAL.—Paragraph (2) of section 232(a) of the Railroad Retirement Revenue Act of 1983 (relating to tax used to repay loans made to railroad unemployment insurance account) is amended to read as follows:

"(2) TAXES CREDITED AGAINST LOANS TO RAILROAD UNEMPLOYMENT INSURANCE ACCOUNT.—

"(A) TAXES ATTRIBUTABLE TO BASIC RATE TO REDUCE RAILROAD UNEMPLOYMENT LOANS MADE BEFORE OCTOBER 1, 1985.—So much of the amount transferred under paragraph (1) as is attributable to the basic rate under section 3321(c)(1)(A) of the Internal Revenue Code of 1954 shall be credited against, and operate to reduce, the outstanding balance of railroad unemployment loans made before October 1, 1985.

"(B) TAXES ATTRIBUTABLE TO SURTAX RATE TO REDUCE RAILROAD UNEMPLOYMENT LOANS MADE AFTER SEPTEMBER 30, 1985.—So much of the amount transferred under paragraph (1) as is attributable to the surtax rate under section 3321(c)(1)(B) of such Code shall be credited against, and operate to reduce, the outstanding balance of railroad unemployment loans made after September 30, 1985."

(2) TRANSFERS TO RAILROAD UNEMPLOYMENT FUND AFTER LOAN REPAID.—Subsection (c) of section 232 of such Act is amended—

(A) by striking out "the amount" in paragraph (1) and inserting in lieu thereof "the amount described in subparagraph (A) or (B) of subsection (a)(2)", and

(B) by inserting before the comma at the end of paragraph (2) "against which the amount described in such subparagraph may be credited under such subparagraph".

(d) TECHNICAL AMENDMENTS.—

(1) Subsection (a) of section 3322 of such Code (relating to taxable period) is amended—

(A) by adding "and" at the end of paragraph (1), and

(B) by striking out paragraphs (2) and (3) and inserting in lieu thereof the following:

"(2) each calendar year after 1986."

(2) Subsection (b) of section 3322 of such Code (relating to earlier termination if loans to rail unemployment fund repaid) is amended—

(A) by striking out "The tax imposed by this chapter shall not apply" and inserting in lieu thereof "The basic rate under section 3321(c)(1)(A) of the tax imposed by section 3321 shall not apply", and

(B) by inserting "made before October 1, 1985," after "no balance of transfers" in paragraph (1) thereof.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to remuneration paid after June 30, 1986.

SEC. 402. EXTENSION OF BORROWING AUTHORITY UNDER THE RAILROAD UNEMPLOYMENT INSURANCE ACT.

Section 10(d) of the Railroad Unemployment Insurance Act is amended by striking out the last sentence thereof.

SEC. 403. SUPPLEMENTAL UNEMPLOYMENT COMPENSATION FOR CERTAIN INDIVIDUALS.

(a) IN GENERAL.—If—

(1) an individual was receiving Federal supplemental compensation for the week which includes March 31, 1985, or a series of consecutive weeks which began with such week, and

(2) such individual did not meet the consecutive-week eligibility requirements of the Federal Supplemental Compensation Act of 1982 during any period of 1 or more subsequent weeks by reason of performing temporary disaster services described in subsection (e),

weeks in such period shall be disregarded for purposes of the consecutive-week requirement of section 602(f)(2)(B) of such Act, and, notwithstanding the requirements of State law relating to the availability for work, the active search for work, or the refusal to accept work, such individual shall be entitled to payment of Federal supplemental compensation for each week of unemployment which is described in subsection (b) and for which a certification of unemployment is made by such individual in accordance with subsection (c).

(b) WEEKS FOR WHICH PAYMENT SHALL BE MADE.—A week of unemployment for which payment shall be made under subsection (a) is a week which occurred during the period which commences with the first week beginning after the close of the period described in subsection (a)(2) and ends with the beginning of the first week in which the individual was employed after the close of such period.

(c) CERTIFICATION.—The certification of unemployment referred to in subsection (a) shall be a certification—

(1) that is made on a form provided by the State agency concerned and signed by the individual; and

(2) that identifies the weeks of unemployment for which the individual is making the certification.

(d) LIMITATION ON AMOUNT OF PAYMENT.—In no case may the total amount paid to an individual under subsection (a) exceed the amount remaining in the account established for such individual under section 602(e) of the Federal Supplemental Compensation Act of 1982 after payments were made from such account for weeks of unemployment beginning before the period described in subsection (a)(2).

(e) DEFINITION.—For purposes of subsection (a), the term "temporary disaster services" means services performed as a member of the National Guard after being called up by the Governor of a State to perform services related to a major disaster that was declared on June 3, 1985, by the President of the United States under the Disaster Relief Act of 1974.

(f) MODIFICATION OF AGREEMENT.—(1) The Secretary of Labor shall, at the earliest possible date after the date of the enactment of this Act, propose to any State concerned a modification of the agreement that the Secretary has with such State under section 602 of the Federal Supplemental Compensation Act of 1982 in order to carry out this section.

(2) Pending modification of the agreement, the State may make payment in accordance with the provisions of this section and shall be reimbursed in accordance with the provisions of section 604(a) of the Federal Supplemental Compensation Act of 1982. For purposes of carrying out this para-

graph, the term "this subtitle" in such section 604(a) shall include this section.

(g) EFFECTIVE DATE.—The provisions of this section shall apply to weeks beginning after March 31, 1985.

TITLE V—REVENUE PROVISIONS

Sec. 501. Restoration of proposed cuts in Internal Revenue Service budget and further increases in funds for revenue enforcement and related purposes.
Sec. 502. Increase in rate of tax on cigarettes made permanent; portion of tax revenues dedicated to tobacco price support program.
Sec. 503. Increase in excise tax on coal.
Sec. 504. Only railroad retirement benefits equivalent to social security benefits treated as tier 1 benefits.
Sec. 505. Temporary increase in pension benefit guaranty corporation premiums for single employer plans.

SEC. 501. RESTORATION OF PROPOSED CUTS IN INTERNAL REVENUE SERVICE BUDGET AND FURTHER INCREASES IN FUNDS FOR REVENUE ENFORCEMENT AND RELATED PURPOSES.

It is the sense of the Congress that—

(1) the restoration of the cuts in the budget for the Internal Revenue Service for fiscal year 1986, and

(2) the further increase in such budget total,

recommended by the Committee on Appropriations of the House of Representatives are necessary for the efficient operation of the Government and to carry out the purposes of this Act.

SEC. 502. INCREASE IN RATE OF TAX ON CIGARETTES MADE PERMANENT; PORTION OF CIGARETTE TAX REVENUES DEDICATED TO TOBACCO PRICE SUPPORT PROGRAM.

(a) INCREASE IN TAX MADE PERMANENT.—Subsection (c) of section 283 of the Tax Equity and Fiscal Responsibility Act of 1982 is amended by striking out "and before October 1, 1985".

(b) DEDICATION OF PORTION OF CIGARETTE TAX REVENUES FOR TOBACCO PRICE SUPPORT PROGRAM.—

(1) IN GENERAL.—Subchapter A of chapter 98 of the Internal Revenue Code of 1954 (relating to Trust Fund Code) is amended by adding at the end thereof the following new section:

"SEC. 9505. TOBACCO EQUALIZATION TRUST FUND.

"(a) CREATION OF TRUST FUND.—There is established in the Treasury of the United States a trust fund to be known as the 'Tobacco Equalization Trust Fund', consisting of such amounts as may be appropriated or credited to the Tobacco Equalization Trust Fund as provided in this section or section 9602(b).

"(b) TRANSFERS TO TOBACCO EQUALIZATION TRUST FUND.—There is hereby appropriated to the Tobacco Equalization Trust Fund an amount equal to so much of the taxes received in the Treasury after September 30, 1985, and before October 1, 1990, under section 5701(b) (relating to tax on cigarettes) as is attributable to such tax determined at the rates of—

"(1) 50 cents per thousand in the case of cigarettes taxable under section 5701(b)(1), and

"(2) $1.05 per thousand in the case of cigarettes taxable under section 5701(b)(2).

"(c) EXPENDITURES FROM TRUST FUND.—

"(1) IN GENERAL.—Amounts in the Tobacco Equalization Trust Fund shall be available, as provided in appropriation Acts, for the reimbursement of the Commodity Credit Corporation for part or all of the amount of any net realized losses sustained after September 30, 1985, by such Corporation under section 106, 106A, or 106B of the Agricultural Act of 1949 (or any successor tobacco support provision hereafter enacted) with respect to crop years of tobacco after 1981.

"(2) REPAYMENTS AND CREDITS.—The Secretary shall pay from time to time from the Tobacco Equalization Trust Fund to the general fund of the Treasury amounts equivalent to the same proportion of the credits allowed, and refunds made, after September 30, 1985, and before October 1, 1990, with respect to the tax imposed by section 5701(b) as the portion the tax imposed by section 5701(b) appropriated to the Tobacco Equalization Trust Fund bears to the aggregate tax imposed by section 5701(b)."

(2) CLERICAL AMENDMENT.—The table of sections for such subchapter A is amended by adding at the end thereof the following new item:

"Sec. 9505. Tobacco Equalization Trust Fund."

(3) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on October 1, 1985.

SEC. 503. INCREASE IN EXCISE TAX ON COAL.

(a) INCREASE IN TAX.—Subsections (a) and (b) of section 4121 of the Internal Revenue Code of 1954 (relating to imposition of tax on coal) are amended to read as follows:

"(a) TAX IMPOSED.—

"(1) IN GENERAL.—There is hereby imposed on coal from mines located in the United States sold by the producer a tax equal to the rate per ton determined under subsection (b).

"(2) LIMITATION ON TAX.—The amount of the tax imposed by paragraph (1) with respect to a ton of coal shall not exceed the applicable percentage (determined under subsection (b)) of the price at which such ton of coal is sold by the producer.

"(b) DETERMINATION OF RATES AND LIMITATION ON TAX.—For purposes of subsection (a)—

In the case of sales during calendar year:	The rate for coal from underground mines is:	The rate for coal from surface mines is:	The applicable percentage is:
1986 through 1990	$1.50	$.75	6
1991 through 1995	$1.60	$.80	6.4
After 1995	$1.50	$.75	6."

(b) REDUCTION OF TAX AFTER 1995 IF LOANS MADE TO BLACK LUNG DISABILITY TRUST FUND REPAID.—Section 4121 of such Code is amended by striking out subsection (e) and inserting in lieu thereof the following:

"(e) REDUCTION OF TAX AFTER 1995 IF LOANS MADE TO BLACK LUNG DISABILITY TRUST FUND REPAID.—

"(1) IN GENERAL.—In the case of sales during any calendar year to which this subsection applies, for purposes of subsection (a)—

"(A) the rate of tax on coal from underground mines shall be $1.00,

"(B) the rate of tax on coal from surface mines shall be $.50, and

"(C) the applicable percentage shall be 4 percent.

"(2) CALENDAR YEARS TO WHICH SUBSECTION APPLIES.—This subsection shall apply to any calendar year after 1995 (and all calendar years thereafter) if throughout the 2 most recent fiscal years ending before the beginning of such calendar year there was—

"(A) no balance of repayable advances made to the Black Lung Disability Trust Fund, and

"(B) no unpaid interest on such advances."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to sales after December 31, 1985.

SEC. 504. ONLY RAILROAD RETIREMENT BENEFITS EQUIVALENT TO SOCIAL SECURITY BENEFITS TREATED AS TIER 1 BENEFITS.

(a) IN GENERAL.—Paragraph (4) of section 86(d) of the Internal Revenue Code of 1954 (defining social security benefits) is amended to read as follows:

"(4) TIER 1 RAILROAD RETIREMENT BENEFIT.—For purposes of paragraph (1), the term 'tier 1 railroad retirement benefit' means—

"(A) the amount of the annuity under the Railroad Retirement Act of 1974 equal to the amount of the benefit to which the taxpayer would have been entitled under the Social Security Act if all of the service after December 31, 1936, of the employee (on whose employment record the annuity is being paid) had been included in the term employment as defined in the Social Security Act, and

"(B) a monthly annuity amount under section 3(f)(3) of the Railroad Retirement Act of 1974."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to any monthly benefit for which the generally applicable payment date is after December 31, 1985.

SEC. 505. TEMPORARY INCREASE IN PENSION BENEFIT GUARANTY CORPORATION PREMIUMS FOR SINGLE EMPLOYER PLANS.

(a) IN GENERAL.—Clause (i) of section 4006(a)(3)(A) of the Employee Retirement Income Security Act of 1974 is amended by inserting "($8.00 for plan years beginning after December 31, 1985, and before January 1, 1989)" after "$2.60".

(b) TECHNICAL AMENDMENTS.—

(1) Clause (iii) of section 4006(a)(3)(C) of such Act is amended by striking out "The maximum" and inserting in lieu thereof "In the case of a multiemployer plan, the maximum".

(2) Clause (iv) of section 4006(a)(3)(C) of such Act is amended by striking out "The provisions" and inserting in lieu thereof "In the case of a multiemployer plan, the provisions".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning after December 31, 1985.

TITLE VI—AMENDMENTS RELATING TO SINGLE EMPLOYER PLANS

SEC. 601. EXCISE TAX ON UNPAID LIABILITY TO PENSION PLAN AT PLAN TERMINATION.

(a) IN GENERAL.—Chapter 43 of the Internal Revenue Code of 1954 (relating to qualified pension, etc., plans) is amended by adding at the end thereof the following new section:

"SEC. 4979. TAX ON UNPAID EMPLOYER LIABILITY TO PENSION PLAN AT PLAN TERMINATION.

"(a) INITIAL TAX.—

"(1) IN GENERAL.—In the case of an employer who maintains a plan to which section 4062 of the Employee Retirement Income Security Act of 1974 applies, there is hereby imposed a tax equal to 5 percent of

the portion of any required payment which is not paid on the date such payment is required.

"(2) REQUIRED PAYMENT.—For purposes of this section, the term 'required payment' means, with respect to any date, the portion of the termination liability of the employer which is required to be paid on such date pursuant to section 4062 of the Employee Retirement Income Security Act of 1974 plus interest on such portion at the adjusted rate applicable under section 6621(b).

"(b) ADDITIONAL TAX WHERE LIABILITY REMAINS UNPAID.—

"(1) IN GENERAL.—If any required payment remains unpaid as of the close of the 90-day period beginning on the date such payment is required, the tax imposed by subsection (a) shall be increased by—

"(A) 5 percent of the portion of such payment which is unpaid as of the close of such 90-day period, and

"(B) an additional 5 percent of the portion of such payment which is unpaid as of the close of each 30-day period thereafter.

"(2) LIMITATION ON ADDITIONAL TAX.—The amount of the additional tax imposed by reason of this subsection with respect to any required payment shall not exceed the portion of such payment which is not paid before the close of the 90-day period beginning on the date such payment is required.

"(c) TERMINATION LIABILITY.—For purposes of this section—

"(1) IN GENERAL.—The term 'termination liability' means the excess of—

"(A) the current value of the plan's benefits guaranteed under title VI of the Employee Retirement Income Security Act of 1974 on the date of termination, over

"(B) the current value of the plan's assets allocable to such benefits on the date of termination.

For purposes of subparagraph (B), the current value of the plan's assets shall be determined without regard to any receivable which is attributable to any accumulated funding deficiency.

"(2) LIMITATION ON LIABILITY WHERE EMPLOYER CEASES TO EXIST.—

"(A) IN GENERAL.—In the case of an employer which ceases to exist (and with respect to which no other person is liable under section 4062 of the Employee Retirement Income Security Act of 1974 for the liability under such section of such employer), the excess of—

"(i) the amount of the termination liability under paragraph (1) (determined without regard to this paragraph), over

"(ii) the accumulated funding deficiency (if any) as of the date of termination,

shall not exceed 30 percent of the net worth of the employer.

"(B) DETERMINATION OF NET WORTH.—For purposes of subparagraph (A), the determination of the net worth of the employer shall be made—

"(i) as of a day, chosen by the Pension Benefit Guaranty Corporation but not more than 120 days before the date of termination, and

"(ii) without regard to any liability under section 4062 of the Employee Retirement Income Security Act of 1974.

"(3) RULES RELATING TO ACCUMULATED FUNDING DEFICIENCY.—For purposes of this subsection—

"(A) WAIVED FUNDING DEFICIENCY INCLUDED IN ACCUMULATED FUNDING DEFICIENCY.—The accumulated funding deficiency of an employer shall include the amount of any waived funding deficiency (as defined in section 412(d)(3)) of such employer.

"(B) ACCUMULATED FUNDING DEFICIENCY.—The term 'accumulated funding deficiency' has the meaning given such term by the last 2 sentences of section 412(a).

"(4) COORDINATION WITH DETERMINATION OF LIABILITY UNDER SECTION 4062 OF ERISA.—Subtitle D of title IV of the Employee Retirement Income Security Act of 1974 shall apply for purposes of determining termination liability under this subsection.

"(d) CREDIT AGAINST ADDITIONAL TAX.—There shall be allowed as a credit against the tax imposed by this section with respect to any termination liability an amount equal to the lesser of—

"(1) the amount paid, not later than 2 years after the date of final determination, to the Pension Benefit Guaranty Corporation with respect to such liability, or

"(2) the amount of the tax imposed by reason of subsection (b).

"(e) SPECIAL RULES.—For purposes of this section—

"(1) LIABILITY ONLY AFTER FINAL DETERMINATION.—The tax imposed by this section shall apply to any termination liability only after a final determination of the amount of such liability.

"(2) LIABILITY OF CONTROLLED GROUP.—

"(A) IN GENERAL.—Any liability under this section of any member of a controlled group shall be a joint and several liability of all members of such group.

"(B) CONTROLLED GROUP.—For purposes of subparagraph (A), the term 'controlled group' means all persons who are treated as a single employer under subsection (b), (c), (m), or (o) of section 414.

"(3) TITLE 11 AND SIMILAR CASES.—In the case of an employer which is in a title 11 or similar case (as defined in section 368(a)(3)(A))—

"(A) the date such case begins shall be treated as the date of the final determination, and

"(B) the period of the pendency of such case shall be substituted for the 2-year period described in subsection (d)(1).

"(4) REFERENCES TO ERISA.—For purposes of this section—

"(A) except as provided in subparagraph (B), any reference to a provision of the Employee Retirement Income Security Act of 1974 shall be treated as a reference to such provision as in effect on the date of the enactment of this section, and

"(B) for purposes of subsection (a), section 4062 of such Act shall be treated as applying to a plan if such section would have applied to such plan as such section was in effect on such date of enactment."

(b) LIABILITY UNDER SECTION 4062 OF ERISA TO BE JOINT AND SEVERAL AMONG MEMBERS OF CONTROLLED GROUP.—

(1) IN GENERAL.—Section 4062 of the Employee Retirement Income Security Act of 1974 (relating to liability of employer) is amended by adding at the end thereof the following new subsection:

"(f)(1) Any liability under subsection (a) of any member of a controlled group shall be a joint and several liability of all members of such group.

"(2) For purposes of paragraph (1), the term 'controlled group' means all persons who are treated as a single employer under subsection (b), (c), (m), or (o) of section 414 of the Internal Revenue Code of 1954."

(2) TECHNICAL AMENDMENT.—Paragraph (2) of section 404(g) of the Internal Revenue Code of 1954 (relating to certain employer liability payments considered as contributions) is amended by striking out "subsection (b) or (c)" and inserting in lieu thereof "subsection (b), (c), (m), or (o)".

(c) NET WORTH LIMITATION ON LIABILITY OF EMPLOYER TO APPLY ONLY WHERE EMPLOYER GOES OUT OF BUSINESS.—Subsection (b) of section 4062 of the Employee Retirement Income Security Act of 1974 is amended to read as follows:

"(b)(1) Any employer to which this section applies shall be liable to the corporation in an amount equal to the excess of—

"(A) the current value of the plan's benefits guaranteed under this title on the date of termination, over

"(B) the current value of the plan's assets allocable to such benefits on the date of termination.

For purposes of subparagraph (B), the current value of the plan's assets shall be determined without regard to any receivable which is attributable to any accumulated funding deficiency.

"(2)(A) In the case of an employer which ceases to exist (and with respect to whose liability under this section no other person is liable), the excess of—

"(i) the amount of the liability under paragraph (1) (determined without regard to this paragraph), over

"(ii) the accumulated funding deficiency (if any) as of the date of termination,

shall not exceed 30 percent of the net worth of the employer.

"(B) For purposes of subparagraph (A), the determination of the net worth of the employer shall be made—

"(i) as of a day, chosen by the corporation but not more than 120 days before the date of termination, and

"(ii) without regard to any liability under this section.

"(3) For purposes of this subsection—

"(A) the accumulated funding deficiency of an employer shall include the amount of any waived funding deficiency (as defined in section 412(d)(3) of the Internal Revenue Code of 1954) of such employer, and

"(B) the term 'accumulated funding deficiency' has the meaning given such term by the last 2 sentences of section 412(a) of such Code."

(d) PBGC MUST OFFER OPTIONS TO PAY LIABILITY OVER 5 AND 15 YEARS.—Section 4067 of the Employee Retirement Income Security Act of 1974 is amended—

(1) by inserting "(a)" before "The corporation", and

(2) by adding at the end thereof the following:

"(b) Among the options offered by the corporation shall be—

"(1) a 5-year amortization of the liability, and

"(2) a 15-year amortization of the liability.

If the employer has not ceased business and if the corporation deems that to do so will not jeopardize the collection of the liability, no security shall be required in the case of the 5-year amortization of the liability.

"(c) In any deferred payment arrangement under this section, interest from the date of termination shall be charged at the adjusted rate applicable under section 6621(b) of the Internal Revenue Code of 1954."

(e) DEDUCTION FOR EMPLOYER LIABILITY PAYMENTS TO PBGC.—Subsection (g) of section 404 of the Internal Revenue Code of 1954 (relating to certain employer liability payments considered as contributions) is amended by inserting "(as such sections and part were in effect on the date of the enactment of this parenthetical material)" after "1974".

(f) CLERICAL AMENDMENT.—The table of sections for chapter 43 of such Code is amended by adding at the end thereof the following new item:

"Sec. 4979. Tax on unpaid employer liability to pension plan at plan termination.

(g) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to terminations with respect to which notification is filed with the Pension Benefit Guaranty Corporation after the date of the enactment of this Act.

(2) DEDUCTION FOR EMPLOYER PAYMENTS.—The amendment made by subsection (e) shall apply to taxable years ending after the date of the enactment of this Act.

SEC. 602. SECURITY FOR WAIVERS OF MINIMUM FUNDING STANDARD AND EXTENSIONS OF AMORTIZATION PERIOD.

(a) AMENDMENTS TO THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974.—

(1) IN GENERAL.—Part 3 of subtitle B of title I of the Employee Retirement Income Security Act of 1974 is amended—

(A) by redesignating section 306 (29 U.S.C. 1086) as section 307; and

(B) by inserting after section 305 (29 U.S.C. 1085) the following new section:

"SECURITY FOR WAIVERS OF MINIMUM FUNDING STANDARD AND EXTENSIONS OF AMORTIZATION PERIOD

"SEC. 306. (a) IN GENERAL.—Except as provided in subsection (c), the Secretary of the Treasury may require security to a single-employer plan as a condition for granting or modifying a waiver of the minimum funding standard with respect to such plan under section 303 of this Act or section 412(d) of the Internal Revenue Code of 1954 or an extension of an amortization period with respect to such plan under section 304 of this Act or section 412(e) of such Code. The providing of such security to the plan in accordance with this section shall not be considered an extension of credit for purposes of part 4 of this subtitle or section 4975 of such Code. Such security may be perfected and enforced only by the Pension Benefit Guaranty Corporation or by the employer acting at the direction of the Corporation.

"(b) CONSULTATION WITH THE PENSION BENEFIT GUARANTY CORPORATION.—Except as provided in subsection (c), before granting or modifying a waiver of the minimum funding standard with respect to a single-employer plan under section 303 of this Act or section 412(d) of the Internal Revenue Code of 1954 or an extension of the amortization period with respect to such plan under section 304 of this Act or section 412(e) of such Code, the Secretary of the Treasury shall provide the Pension Benefit Guaranty Corporation notice of the proposed waiver, modification, or extension and 15 days to comment with respect to such waiver, modification, or extension and shall consider any comments of such Corporation relating to such waiver, modification, or extension which are provided to such Secretary during such period.

"(c) EXCEPTION.—The requirements of subsections (a) and (b) shall not apply in the case of any waiver, modification, or extension referred to in such subsections with respect to a plan if the sum of—

"(1) the outstanding balance of the accumulated funding deficiencies (within the meaning of section 302(a)(2) of this Act and section 412(a) of the Internal Revenue Code of 1954) of the plan (which, for purposes of this paragraph, shall include the amount of any increase in such accumulated funding deficiencies of the plan which would result if all applications for waivers and modifications of the minimum funding standard under section 303 of this Act or 412(d) of such Code and for extensions of the amortization period under such section 304 of this Act or 412(e) of such Code which are pending with respect to such plan were denied),

"(2) the outstanding balance of the amount of waived funding deficiencies of the plan waived under section 303 of this Act or section 412(d) of such Code, and

"(3) the outstanding balance of the amount of decreases in the minimum funding standard allowed under section 304 of this Act or section 412(e) of such Code,

is less than $1,000,000."

(2) CLERICAL AMENDMENT.—The table of sections in section 1 of such Act is amended by striking out the item relating to section 306 and inserting in lieu thereof the following new items:

"Sec. 306. Security for waivers of minimum funding standard and extensions of amortization period.

"Sec. 307. Effective dates."

(b) AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1054.—Subsection (f) of section 412 of the Internal Revenue Code of 1954 (relating to requirement that benefits may not be increased during waiver or extension period) is amended—

(1) by striking out "BENEFITS MAY NOT BE INCREASED DURING WAIVER OR EXTENSION PERIOD.—" and inserting in lieu thereof "REQUIREMENTS RELATING TO WAIVERS AND EXTENSIONS.—";

(2) in paragraph (1), by striking out "IN GENERAL.—" and inserting in lieu thereof "BENEFITS MAY NOT BE INCREASED DURING WAIVER OR EXTENSION PERIOD.—"; and

(3) by adding at the end thereof the following new paragraph:

"(3) SECURITY FOR WAIVERS AND EXTENSIONS.—

"(A) IN GENERAL.—Except as provided in subparagraph (C), the Secretary may require security to a single-employer plan as a condition for granting or modifying a waiver of the minimum funding standard with respect to such plan under subsection (d) or an extension of an amortization period with respect to such plan under subsection (e). The providing of such security to the plan in accordance with this paragraph shall not be considered an extension of credit for purposes of section 4975 or part 4 of subtitle B of title I of the Employee Retirement Income Security Act of 1974. Such security may be perfected and enforced only by the Pension Benefit Guaranty Corporation or by the employer acting at the direction of the Corporation.

"(B) CONSULTATION WITH THE PENSION BENEFIT GUARANTY CORPORATION.—Except as provided in subparagraph (C), before granting or modifying a waiver of the minimum funding standard with respect to a single-employer plan under subsection (d) or an extension of the amortization period with respect to such plan under subsection (e), the Secretary shall provide the Pension Benefit Guaranty Corporation notice of the proposed waiver, modification, or extension and 15 days to comment with respect to such waiver, modification, or extension and shall consider any comments of such Corporation relating to such waiver, modification, or extension which are provided to the Secretary during such period.

"(C) EXCEPTION.—The requirements of subparagraphs (A) and (B) shall not apply in the case of any waiver, modification, or extension referred to in such subparagraphs with respect to a plan if the sum of—

"(i) the outstanding balance of the accumulated funding deficiencies (within the meaning of subsection (a)) of the plan (which, for purposes of this clause, shall include the amount of any increase in such accumulated funding deficiencies of the plan which would result if all applications for waivers and modifications of the minimum funding standard under subsection (d) and for extensions of the amortization period under subsection (e) which are pending with respect to such plan were denied),

"(ii) the outstanding balance of the amount of waived funding deficiencies of the plan waived under subsection (d), and

"(iii) the outstanding balance of the amount of decreases in the minimum funding standard allowed under subsection (e),

is less than $1,000,000."

(c) EFFECTIVE DATES.—The amendments made by this section shall apply with respect to applications filed after the date of the enactment of this Act.

SEC. 603. TREATMENT OF TRANSACTIONS TO EVADE LIABILITY.

"(a) IN GENERAL.—Subtitle D of title IV of the Employee Retirement Income Security Act of 1974 is amended by adding at the end thereof the following new section:

"TREATMENT OF TRANSACTIONS TO EVADE LIABILITY

"SEC. 4069. If, within 10 years before the date of termination, a person undertakes a transaction a principal purpose of which is to fraudulently evade any liability to the corporation, such transaction shall not be treated as transferring such liability (or any portion therefo) away from such person or any member of a controlled group which included such person.".

"(b) CLERICAL AMENDMENT.—The table of sections in section 1 of such Act is amended by adding after the item relating to section 4068 the following new item:

"Sec. 4069. Treatment of transactions to evade liability.

"(c) EFFECTIVE DATE.—The amendments made by this section shall apply to transactions after the date of the enactment of this Act.

SEC. 604. STUDY OF RISK RELATED PREMIUM.

The Secretary of the Treasury shall conduct a study on the feasibility of imposing a risk related premium under title IV of the Employee Retirement Income Security Act of 1974 which is based on the different risk exposures imposed on the Pension Benefit Guaranty Corporation by employers with different histories and in different circumstances. The results of such study shall be submitted, not later than 2 years after the date of the enactment of this Act, to the Committee on Ways and Means and the Committee on Education and Labor of the House of Representatives and the Committees on Finance and Labor and Human Resources of the Senate.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore [Mr. LEVIN of Michigan], having assumed the chair, Mr. BARNARD, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3128), to make changes in spending and revenue

provisions for purposes of deficit reduction and program improvement, consistent with the budget process, pursuant to House Resolution 301, he reported the bill back to the House with sundry amendments considered to have been adopted under the rule.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The three amendments made in order by House Resolution 301 are considered as having been adopted under the rule.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. GRADISON

Mr. GRADISON. Mr. Speaker, I offer a motion to recommit with instructions.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. GRADISON. In its present form, I am, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. GRADISON of Ohio moves to recommit the bill, H.R. 3128 to the Committee on Ways and Means with instructions to report it back forthwith with the following amendment:

In title I (text of H.R. 3290 as made in order under the rule), strike out section 122 (limiting the penalty for late enrollment in part A), section 145 (relating to occupational therapy services), section 149 (relating to demonstration of preventive health services under medicare), section 155 (relating to vision care), section 157 (relating to changing medicare appeals rights), section 161 (relating to services for pregnant women), and section 168 (relating to extension of MMIS deadline); and redesignate the remaining sections accordingly (with conforming changes in the table of contents).

Strike out title III (relating to aid to families with dependent children); and redesignate the succeeding titles and sections accordingly.

Mr. GRADISON (during the reading). Mr. Speaker, I ask unanimous consent that the motion to recommit be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Ohio for 5 minutes in support of his motion to recommit.

Mr. GRADISON. Mr. Speaker, I will not take the full customary 5 minutes. The matter which is included in the motion has been debated at length during the discussion of the rule itself as well as during the discussion which has occurred on this measure.

Basically, what this would do is to strike from the bill all of the new spending proposals. It would not touch any other item. For example, trade adjustment assistance, which has been mentioned earlier by the gentleman from Ohio [Mr. PEASE], which is a program now on the books, would be continued; it would not in any way be modified by the approval of this motion to recommit.

There are, Mr. Speaker, 10 new programs included in the bill before us which, in aggregate, according to the Congressional Budget Office, would increase Federal spending by $954 million, almost $1 billion over the next 3 years.

The Office of Management and Budget, calculating the cost over the same 3-year period for the same package, estimates the cost at almost $2.5 billion over that period.

Mr. Speaker, the purpose of this amendment is not to deny the House an opportunity to consider these proposals, it is to remove these new spending proposals from this specific measure so that they can be considered separately, as they should.

There were efforts made, which failed, by a very small vote earlier in the day to make in order this motion to strike.

The objective was to require the House, which has plenty of time with the pace at which we have been operating, to take up these increased spending measures under normal procedure rather than burying them in what, on the surface, is said to be a package of deficit reduction amendments.

Mr. Speaker, I hope the motion to recommit is approved. If it is, it will indicate that the will of the House is not just to talk about cutting spending but to do something about it.

This amendment will save at least $1 billion over the next 3 years. That, alone, is reason to support it.

□ 1500

The SPEAKER pro tempore. The gentleman from California [Mr. STARK] is recognized for 5 minutes in opposition to the motion to recommit.

Mr. STARK. Mr. Speaker, I rise in opposition to the motion to recommit with instructions and urge my colleagues to support the bill as it was reported from the Ways and Means Committee and the Energy and Commerce Committee.

This bill was carefully crafted to provide a balance of services and humanitarian care to those people that the President had agreed he wanted to protect in his safety net. And at this hour to come and suggest that we should take vision care out of the bill and to have this suggestion come from an administration which I have often suggested has no vision, for if it did, it would understand that the preventive medicine demonstration for a mere $3 million in this bill was designed to create a demonstration in five States that would show how we could save money in Medicare by providing preventive medicine to our senior citizens.

If you want to close your eyes and not understand the value of forward-thinking programs, you might care to restrict children and the elderly from getting quicker hearings, from getting better service for teenage pregnancies so that we do not have more costs in the outyears. Lack of prenatal care will triple and quadruple the costs of pediatric care for a child who may be maimed as a result.

Occupational therapy, providing that for the people who are disabled will put them back into the work force more quickly and make taxpaying citizens of them.

This bill saves money in every facet. To suggest that a few new programs should be cut I suggest is coming in at the 11th hour, nitpicking and nitpicking in the area of denying services. It is a nasty trick, at the 11th hour on Halloween.

I urge my colleagues to support the bill which is the first bill which has come out to meet the budget requirements, to do it on a bipartisan basis, to cut here and add back there where we have found in our bipartisan judgment we could best serve the Nation.

I urge that you defeat the motion to recommit.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. MADIGAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 183, nays 238, not voting 13, as follows:

[Roll No. 382]

YEAS—183

Archer	Burton (IN)	Daniel
Armey	Callahan	Dannemeyer
Badham	Campbell	Daub
Bartlett	Carney	Davis
Barton	Chandler	DeLay
Bateman	Chappie	DeWine
Bentley	Cheney	Dickinson
Bereuter	Coats	DioGuardi
Bilirakis	Cobey	Dornan (CA)
Billey	Coble	Dreier
Boehlert	Coleman (MO)	Duncan
Boulter	Combest	Eckert (NY)
Breaux	Coughlin	Edwards (OK)
Broomfield	Courter	Emerson
Brown (CO)	Craig	English
Broyhill	Crane	Evans (IA)

Fawell
Fiedler
Fields
Fish
Franklin
Frenzel
Gallo
Gekas
Gingrich
Goodling
Gradison
Gregg
Grotberg
Gunderson
Hall, Ralph
Hammerschmidt
Hansen
Hartnett
Hendon
Henry
Hiler
Hillis
Holt
Hopkins
Hubbard
Hughes
Hunter
Hutto
Hyde
Ireland
Johnson
Jones (OK)
Kasich
Kemp
Kindness
Kolbe
Kramer
Lagomarsino
Latta
Leach (IA)
Leath (TX)
Lent
Lewis (CA)
Lewis (FL)
Lightfoot
Livingston
Lloyd
Loeffler
Lott
Lowery (CA)
Lujan
Lungren
Mack
Madigan
Martin (IL)
Martin (NY)
McCain
McCandless
McDade
McEwen
McKernan
McMillan
Meyers
Michel
Miller (OH)
Miller (WA)
Molinari
Monson
Montgomery
Moore
Moorhead
Morrison (WA)
Myers
Nichols
Nielson
Olin
Oxley
Packard
Pashayan
Penny
Petri
Porter
Pursell
Ray
Regula
Ridge
Rinaldo
Ritter
Roberts
Robinson
Roemer
Rogers
Roth
Roukema
Rowland (CT)
Rudd
Saxton
Schaefer
Schuette
Schulze
Sensenbrenner
Shaw
Shumway
Shuster
Siljander
Skeen
Slaughter
Smith (NE)
Smith (NJ)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Snyder
Solomon
Spence
Stangeland
Stenholm
Strang
Stump
Sundquist
Sweeney
Swindall
Tauke
Taylor
Thomas (CA)
Vander Jagt
Vucanovich
Walker
Weber
Whitehurst
Wolf
Wortley
Wylie
Young (FL)
Zschau

NAYS—238

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Aspin
Atkins
AuCoin
Barnard
Barnes
Bates
Bedell
Beilenson
Bennett
Berman
Bevill
Biaggi
Boggs
Boland
Boner (TN)
Bonior (MI)
Bonker
Borski
Bosco
Boxer
Brooks
Brown (CA)
Bruce
Bryant
Burton (CA)
Bustamante
Byron
Carper
Carr
Chappell
Clay
Clinger
Coelho
Coleman (TX)
Collins
Conte
Conyers
Cooper
Coyne
Crockett
Darden
Daschle
de la Garza
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Dorgan (ND)
Dowdy
Downey
Durbin
Dwyer
Dymally
Dyson
Early
Eckart (OH)
Edgar
Edwards (CA)
Erdreich
Evans (IL)
Fascell
Fazio
Feighan
Flippo
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Fowler
Frank
Frost
Fuqua
Garcia
Gaydos
Gejdenson
Gephardt
Gibbons
Gilman
Glickman
Gonzalez
Gordon
Gray (IL)
Gray (PA)
Green
Guarini
Hall (OH)
Hamilton
Hatcher
Hawkins
Hayes
Hefner
Heftel
Hertel
Horton
Howard
Hoyer
Huckaby
Jacobs
Jeffords
Jenkins
Jones (NC)
Jones (TN)
Kanjorski
Kaptur
Kastenmeier
Kennelly
Kildee
Kleczka
Kolter
Kostmayer
Lantos
Lehman (CA)
Lehman (FL)
Leland
Levin (MI)
Levine (CA)
Lipinski
Long
Lowry (WA)
Luken
Lundine
MacKay
Manton
Markey
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCurdy
McHugh
McKinney
Mica
Mikulski
Miller (CA)
Mineta
Mitchell
Moakley
Mollohan
Moody
Morrison (CT)
Mrazek
Murphy
Murtha
Natcher
Neal
Nowak
Oakar
Oberstar
Obey
Ortiz
Owens
Panetta
Pease
Pepper
Perkins
Pickle
Price
Rahall
Rangel
Reid
Richardson
Rodino
Roe
Rose
Rostenkowski
Rowland (GA)
Roybal
Russo
Sabo
Savage
Scheuer
Schneider
Schroeder
Schumer
Seiberling
Sharp
Shelby
Sikorski
Sisisky
Skelton
Slattery
Smith (FL)
Smith (IA)
Solarz
Spratt
St Germain
Staggers
Stallings
Stark
Stokes
Stratton
Studds
Swift
Synar
Tallon
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Valentine
Vento
Visclosky
Volkmer
Walgren
Watkins
Waxman
Weaver
Weiss
Wheat
Whitley
Whittaker
Whitten
Williams
Wilson
Wirth
Wise
Wolpe
Wright
Wyden
Yates
Yatron
Young (AK)
Young (MO)

NOT VOTING—13

Addabbo
Boucher
Chapman
LaFalce
Marlenee
McCollum
McGrath
Nelson
O'Brien
Parris
Quillen
Smith, Denny (OR)
Tauzin

□ 1515

Messrs. JONES of North Carolina, KLECZKA, and RODINO changed their votes from "yea" to "nay."

Messrs. RAY, HUNTER, and STANGELAND changed their votes from "nay" to "yea."

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. MADIGAN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 245, nays 174, not voting 15, as follows:

[Roll No. 383]

YEAS—245

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Aspin
Atkins
AuCoin
Barnard
Barnes
Bates
Bedell
Beilenson
Bennett
Bereuter
Berman
Biaggi
Boehlert
Boggs
Boland
Boner (TN)
Bonior (MI)
Bonker
Borski
Bosco
Boxer
Breaux
Brooks
Brown (CA)
Bruce
Bryant
Burton (CA)
Bustamante
Byron
Carper
Carr
Chappell
Clay
Clinger
Coelho
Coleman (TX)
Collins
Conte
Conyers
Cooper
Coyne
Crockett
Daniel
Darden
Daschle
Davis
de la Garza
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Dorgan (ND)
Dowdy
Downey
Durbin
Dwyer
Dymally
Dyson
Early
Eckart (OH)
Edgar
Edwards (CA)
Evans (IA)
Evans (IL)
Fascell
Fazio
Feighan
Flippo
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Fowler
Frank
Frost
Fuqua
Garcia
Gejdenson
Gephardt
Gibbons
Gilman
Glickman
Gordon
Gray (PA)
Green
Guarini
Hall (OH)
Hamilton
Hammerschmidt
Hatcher
Hawkins
Hayes
Hefner
Heftel
Horton
Howard
Hoyer
Huckaby
Hughes
Hutto
Jacobs
Jenkins
Johnson
Jones (NC)
Jones (OK)
Jones (TN)
Kanjorski
Kaptur
Kastenmeier
Kennelly
Kildee
Kleczka
Kostmayer
Lantos
Leach (IA)
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Levin (MI)
Levine (CA)
Lipinski
Long
Lowry (WA)
Luken
Lundine
MacKay
Manton
Markey
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCurdy
McHugh
McKinney
Mica
Mikulski
Miller (CA)
Mineta
Mitchell
Moakley
Montgomery
Moody
Morrison (CT)
Mrazek
Natcher
Neal
Nichols
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens
Panetta
Pease
Penny
Pepper
Perkins
Pickle
Porter
Rangel
Ray
Richardson
Ridge
Rinaldo
Robinson
Rodino
Roe
Roemer
Rogers
Rose
Rowland (GA)
Roybal
Russo
Sabo
Savage
Scheuer
Schneider
Schroeder
Schumer
Seiberling
Sharp
Shelby
Sikorski
Sisisky
Skelton
Slattery
Smith (FL)
Smith (IA)
Smith (NE)
Snowe
Snyder
Solarz
Spratt
St Germain
Stallings
Stark
Stenholm
Stokes
Stratton
Studds
Swift
Synar
Tallon
Tauke
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Valentine
Vento
Visclosky
Walgren
Waxman
Weaver
Weiss
Whitley
Whittaker
Whitten
Williams
Wilson
Wirth
Wolpe
Wright
Wyden
Yates
Young (MO)

NAYS—174

Applegate
Archer
Armey
Badham
Bartlett
Barton
Bateman
Bentley
Bevill
Bilirakis
Billey
Boucher
Boulter
Broomfield
Brown (CO)
Broyhill
Burton (IN)
Callahan
Campbell
Carney
Chandler
Chappie
Cheney
Coats
Cobey
Coble
Coleman (MO)
Combest
Coughlin
Courter
Craig
Crane
Dannemeyer
Daub
DeLay
DeWine
Dickinson
DioGuardi
Dornan (CA)
Dreier
Duncan
Eckert (NY)
Edwards (OK)
Emerson
English
Erdreich
Fawell
Fiedler
Fields
Franklin
Frenzel
Gallo
Gaydos
Gekas
Gingrich
Gonzalez
Goodling
Gradison
Gray (IL)
Gregg
Grotberg
Gunderson
Hall, Ralph
Hansen
Hartnett
Hendon
Henry
Hertel
Hiler
Hillis
Holt
Hopkins
Hubbard
Hunter
Hyde
Ireland
Jeffords
Kasich
Kemp
Kindness
Kolbe
Kolter
Kramer
Lagomarsino
Latta
Lent
Lewis (CA)
Lewis (FL)
Lightfoot
Livingston
Lloyd
Loeffler
Lott
Lowery (CA)
Lujan
Lungren
Mack
Madigan
Martin (IL)
Martin (NY)
McCain
McCandless

McEwen	Reid	Staggers
McKernan	Ritter	Stangeland
McMillan	Roberts	Strang
Meyers	Roth	Stump
Michel	Roukema	Sundquist
Miller (OH)	Rowland (CT)	Sweeney
Miller (WA)	Rudd	Swindall
Molinari	Saxton	Taylor
Mollohan	Schaefer	Thomas (CA)
Monson	Schuette	Vander Jagt
Moore	Schulze	Volkmer
Moorhead	Sensenbrenner	Vucanovich
Morrison (WA)	Shaw	Walker
Murphy	Shumway	Watkins
Murtha	Shuster	Weber
Myers	Siljander	Whitehurst
Nielson	Skeen	Wise
Oxley	Slaughter	Wolf
Packard	Smith (NJ)	Wortley
Pashayan	Smith, Robert (NH)	Wylie
Petri	Smith, Robert (OR)	Yatron
Price	Solomon	Young (AK)
Pursell	Spence	Young (FL)
Rahall		Zschau
Regula		

NOT VOTING—15

Addabbo	McGrath	Smith, Denny (OR)
Chapman	Nelson	Tauzin
Fish	O'Brien	Wheat
LaFalce	Parris	
Marlenee	Quillen	
McCollum	Rostenkowski	

□ 1535

The Clerk announced the following pairs:

On this vote:

Mr. Nelson of Florida for, with Mr. O'Brien against.

Mr. LaFalce for, with Mr. Denny Smith against.

Mr. Tauzin for, with Mr. McCollum against.

Mr. Wheat for, with Mr. Parris against.

Mr. RALPH M. HALL changed his vote from "yea" to "nay."

Mr. BUSTAMANTE changed his vote from "nay" to "yea."

Ms. KAPTUR changed her vote from "present" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

APPOINTMENT OF CONFEREES ON S. 1078, FEDERAL TRADE COMMISSION ACT AMENDMENTS OF 1985

Mr. WAXMAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 1078) to amend the Federal Trade Commission Act to provide authorization of appropriations, and for other purposes, with House amendments thereto, insist on the House amendments, and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California? The Chair hears none and, without objection, appoints the following conferees:

For the entire bill: Mr. DINGELL, Mr. FLORIO, Mrs. MIKULSKI, Mr. BROYHILL, and Mr. LENT;

For sections 16 (b), (c), and (d) and 17 only (legislative veto of rules of the Consumer Product Safety Commission and enforcement thereof): Mr. WAXMAN and Mr. MADIGAN; and

For sections 16 and 17 only (legislative veto: amendment to Rules of the House—enforcement of congressional review of rules): Messrs. MOAKLEY, FROST, and LOTT.

There was no objection.

LEGISLATIVE PROGRAM

(Mr. LOTT asked and was given permission to address the House for 1 minute.)

Mr. LOTT. Mr. Speaker, I have asked permission to address the House for the purpose of advising the Members of what the schedule will be for the balance of the day and tomorrow.

Mr. Speaker, I am glad to yield to the distinguished majority leader so we could get that information.

Mr. WRIGHT. Well, I thank the gentleman for yielding.

Aside from some bills to be considered under unanimous-consent requests, this would conclude the legislative business for today.

At 4 o'clock, the conferees on the debt extension bill are to resume their conference, and while I cannot with any accuracy forecast the outcome, I am going to ask unanimous consent at the conclusion of our colloquy that it be in order on tomorrow for us to consider a conference committee report, if they are able to agree on a conference committee report, or in the absence, any Senate amendments reported from conference in disagreement on the joint resolution, so that we will not have to sit around here for another day awaiting rules and if that request then is agreed to, since there is no legislative schedule for tomorrow except for the consideration of this debt extension bill, I will ask unanimous consent that when we adjourn, we adjourn to meet at 11 o'clock tomorrow. I surly do hope that we will be able to conclude our work on this matter tomorrow.

It is conceivable that it may become necessary to vote a very short simple extension so as to permit the House and the Senate conferees and the staff to complete their work, but we will face that tomorrow, if necessary.

Mr. LOTT. Well, if I could reclaim my time, as I understand it, the gentleman is going to ask unanimous consent to go over until 11 o'clock tomorrow. So the Members on our side will be aware, that has been discussed with our leader and he has agreed to that. The reason for 11 o'clock instead of 10 is simply because there is some technical staff work that has to go into being prepared to have anything considered tomorrow.

I also understand the gentleman may have an additional unanimous-consent request that he will ask for; is that correct?

Mr. WRIGHT. Yes. I will ask unanimous consent that it will be in order tomorrow or any day thereafter to consider the conference report on the joint resolution on the debt ceiling and any Senate amendments thereto.

Mr. LOTT. That would just be waiving the 3-day rule so that we could take it up and consider whether it is in agreement or disagreement; is that correct?

Mr. WRIGHT. Precisely so, paving the way in order that we may be able under the rules to take it up tomorrow and act on it, whatever the actions of the conferees.

Mr. LOTT. The gentleman is not addressing in any way at this time recess authority for the Chair; is that correct?

Mr. WRIGHT. I do not intend to ask that this evening. If it should appear to us tomorrow that it is necessary for us to wait around for some period of time, I think at that time we would want to get recess authority so that we would not be stuck here on the floor without any business; but we will just wait and see how that comes out. To paraphrase the immortal Scarlet O'Hara, "We will worry about that tomorrow."

Mr. LOTT. That is right. I will be glad to yield in a moment, but let me make sure the Members understand. The likelihood now is that we would have at least one and as many as three votes tomorrow. There could be one on the Journal. There could be one or two on packages in agreement or disagreement on the conference.

Mr. WRIGHT. That is exactly right. If there were things in agreement, we could vote on those. Someone might demand a rollcall vote.

If they came in disagreement, there might be a motion to recede and concur in the Senate amendments. That would be a separable motion. We might say that we would vote on receding and then a second motion to concur in the Senate amendments could be subject itself to an amendment which would have to be voted upon before that motion itself was voted upon; so there could be a number of votes tomorrow. Members should be advised that they could be of some significance.

Mr. LOTT. If we should be in agreement, the Senate would have to act first and that would involve some time of waiting; so I do not think we can tell the Members exactly when or how many or on what we might be voting tomorrow, but it appears now that we will have those votes tomorrow, two or three or more; is that correct?

Mr. WRIGHT. The gentleman has stated it with as much precision as I think it can be done.

Mr. LOTT. That is subject to change in the next 15 minutes, so do not get locked in on that.

Mr. CONYERS. Mr. Speaker, will the gentleman from Mississippi yield?

Mr. LOTT. I would like to ask some more questions of the majority leader, but I will yield to the gentleman from Michigan.

Mr. CONYERS. Mr. Speaker, I thank the gentleman from Mississippi for yielding, because I would like to ask the majority leader if there is that possibility that there may be a short statutory limitation increase of the public debt, would it not be more feasible for us to entertain that motion here this evening, release the Members for Friday and whatever other time until the conferees can work their will and that we can more carefully move about the disposition of the very important business that is in the conference? I hope the majority leader can respond to that, so that we can move on that expeditiously now instead of tomorrow or possibly even Saturday.

Mr. WRIGHT. Well, I would just say to my friend, the gentleman from Michigan, that it would please me, suit me fine; but normally we would await the report of our appropriate committee, the Committee on Ways and Means to bring us such a piece of legislation.

In any event, were it to come today or tomorrow, it will have to come on a unanimous consent request for the immediate consideration of that piece of legislation.

I find it hard to conceive of any Member objecting if we got to the point where it was necessary to avoid the disinvestment of the Social Security trust funds.

Mr. LOTT. If I could continue now, I have also been asked about Saturday. I do not think we know. We hope this thing is going to come to a head tomorrow and be resolved one way or the other, facing the realization that we cannot resolve it tomorrow; but Saturday I guess is a possibility, but we do not know; is that correct, may I ask the majority leader?

Mr. WRIGHT. I should not want to give any assurances with regard to Saturday. It is a possibility that we will have a session on Saturday. We would hope to avoid that. There are ways by which we could avoid it, but those ways would require unanimous consent and there may be some Member who is just itching to be in session on Saturday and would object to the unanimous consent request. I hope not.

We would try to conclude the business for the week tomorrow and will do so if it is possible to do so.

Mr. LOTT. Is the gentleman prepared to give us the schedule as he sees it at this time for next week, or does the gentleman want to wait until tomorrow on that?

Mr. WRIGHT. I had a very clearcut schedule this morning at 9 o'clock which I reported to the Democratic whips. I think the gentleman and his colleagues on his side of the aisle should be pleased that they were not at that meeting, because what I reported to the Democratic whips this morning is wildly awry. It no longer holds. It has been overtaken by numerous events and I have no schedule at this time.

Mr. LOTT. All right, one further point. It is still anticipated, I assume, that we would not be in session unless there should be some involvement with the debt ceiling on Monday or that there would be any votes between 2 o'clock on Tuesday, and that only if the suspensions had been demanded on Monday; but since that is an election day, that is still the intent of the leadership at this time; is that correct?

Mr. WRIGHT. It is the intent of the leadership at this time that we would have no votes on Monday, and if anything were considered that was in the nature of a suspension, there would be no votes on suspensions on Tuesday before 2 o'clock or any other votes on matters of substance prior to 2 o'clock on Tuesday.

Mr. LOTT. Mr. Speaker, I thank the majority leader.

MAKING IN ORDER TOMORROW OR ANY DAY THEREAFTER CONSIDERATION OF CONFERENCE REPORT AND SENATE AMENDMENTS IN DISAGREEMENT OF HOUSE JOINT RESOLUTION 372, PUBLIC DEBT LIMIT INCREASE

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that it be in order on tomorrow or any day thereafter to consider a conference report and any Senate amendments reported from conference in disagreement on the joint resolution, House Joint Resolution. 372

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

□ 1550

HOUR OF MEETING ON TOMORROW

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it shall adjourn to meet at 11 a.m. tomorrow

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

REQUEST FOR CONSIDERATION OF H.R. 3658, TEMPORARY DEBT LIMIT INCREASE

Mr. CONYERS. Mr. Speaker, I ask unanimous consent to report a bill to the floor, namely H.R. 3658, and that it be immediately taken into consideration.

PARLIAMENTARY INQUIRY

Mr. LOTT. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. LOTT. Has this matter been cleared with the membership of the Committee on the Judiciary from this side of the aisle?

Mr. CONYERS. No, it has not. If the gentleman will let me report it, I will explain it to him.

The SPEAKER pro tempore. The Chair will explain to the gentleman that he may proceed for 1 minute to explain the matter. He may not call it up.

Mr. CONYERS. I have asked unanimous consent that the bill, H.R. 3658, be immediately considered, Mr. Speaker.

The SPEAKER pro tempore. The Chair would state to the distinguished gentleman from Michigan that under the rules and policies of the House, the Chair cannot recognize the gentleman for that purpose unless he has cleared his unanimous-consent request with the opposite side.

H.R. 3658—TEMPORARY DEBT LIMIT INCREASE

(Mr. CONYERS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONYERS. Mr. Speaker and my colleagues, if I may gain your attention for a moment, I have a bill, H.R. 3658, that will accomplish precisely what has been the subject of the colloquy between the gentleman from Mississippi and the distinguished majority leader. If passed, it would increase the statutory limit on the public debt and give us until November 14 to proceed with this matter. It would have the following salutary consequences:

No. 1, we would not have to be here Friday and hope that we are not here until Saturday.

No. 2, it would prevent the Secretary of the Treasury from having to cancel securities held by the Social Security and other retirement trust funds in order to free up additional credit.

No. 3, it would assist a number of Members who might be involved in the elections that are taking place on Tuesday of next week.

I would ask that my colleagues and the leadership on both sides of the aisle consider this. What the bill does specifically is amend subsection (b) of section 3101 of title 31 by striking out "$1,575,700,000,000, or $1,823,-800,000,000 on and after October 1, 1984," and inserting in lieu thereof "$1,841,800,000,000". This will increase the debt limit by $18 billion, enabling the Government to borrow enough

funds to continue functioning until November 15. This would allow the conferees to complete their work in a careful, responsible, and not a hurried manner.

I would respectfully request that the leadership agree to place H.R. 3658 before the House for consideration today. It would relieve this body of a great deal of disturbance.

20TH ANNIVERSARY OF HIGHER EDUCATION ACT OF 1965

Mr. FORD of Michigan. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the concurrent resolution (H. Con. Res. 207) to recognize the 20th anniversary of the Higher Education Act of 1965 and reaffirm its purpose, and ask for its immediate consideration.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

Mr. COLEMAN of Missouri. Mr. Speaker, reserving the right to object, I do so to allow the gentleman from Michigan to explain the purpose of this resolution.

Mr. FORD of Michigan. Mr. Speaker, if the gentleman will yield, the Higher Education Act of 1965 was signed into law on November 8, 1965, by President Lyndon Baines Johnson on the campus of Southwest Texas State College—now Southwest Texas State University—his alma mater.

Over the 20-year history, this landmark legislation has contributed significantly to the development of the Nation by increasing its investment in human capital, thereby fostering economic growth, enriching civic and cultural life, and strengthening the national security.

The act has been instrumental in moving nearer to the goal of providing an opportunity for a postsecondary education for all qualified students through its grant, loan, work-study, and student service programs.

The act has improved the quality of education through support to college libraries, construction of academic facilities, graduate study fellowships, developing institutions, foreign language and area studies, and other institutional programs which advance national priorities such as cooperative education and continuing education for adult learners.

Periodically the act has been amended with broad bipartisan support, including major expansion of Federal student assistance programs in 1972, extension of eligibility to students from middle-income families in 1978 and revision of the act in 1980.

While reauthorizing the act, the Subcommittee on Postsecondary Education, which I am privileged to chair, is now examining the unfinished agenda of American higher education: reaching the significant number of youths who still do not reach their full potential, providing new opportunities for adult learners to remain creative and productive, improving the training of teachers, renovating campuses, and sustaining graduate education and scholarship.

Southwest Texas State University will observe the 20th anniversary of the signing of the Higher Education Act on November 8, 1985, with special ceremonies on the campus. In conjunction, my Subcommittee on Postsecondary Education will hold a hearing on the reauthorization of the Higher Education Act at Southwest Texas State University on November 8.

The Committee on Education and Labor ordered reported this resolution on October 23 with no objection. It is cosponsored by 72 Members of Congress. I urge my colleagues to support this resolution recognizing the act and its important role in the Nation's development and the historic partnership between the Federal Government, and the college, and universities in the development of human resources required for an increasingly complex and technological society be reaffirmed.

Mr. COLEMAN of Missouri. I thank the gentleman for his comments.

Mr. Speaker, without the provisions of the Higher Education Act, which this resolution commemorates, there are many young people and adults who would have been otherwise unable to participate in and benefit from postsecondary education programs over the past 20 years. Higher education enrollment has increased rapidly from the mid-1960's, when the Higher Education Act was first enacted, and has grown to approximately 12.2 million students today.

The major thrust of this resolution reaffirms the historic partnership established between the Federal Government and the colleges and universities of this country 20 years ago. A recent Gallup survey indicates that over the passed 10 years, the importance of a college education has almost doubled, to a point where now 64 percent believe that a college education is very important.

There are over 3,200 higher education institutions in the Nation, 1,500 of which are public institutions. These public institutions comprise about 46 percent of the total, and enroll over 75 percent of the students. For the 1984-85 school year, the National Center for Education Statistics estimated that expenditures from all sources for higher education will be over $95 billion. Of the revenues received by all institutions in 1981-82, about 13 percent came from Federal sources.

It is fitting that at this time when we are commemorating the 20th anniversary of the Higher Education Act, the Education and Labor Committee is again engaged in its reauthorization. I hope that as in the past, we can continue the bipartisan support we have had for these programs. I am confident that we will be able to draft legislation that supports the goals established in the original law, but which also reflects our needs as we move into the 21st century.

Mr. Speaker, I withdraw my reservation of objection.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 207

Whereas the Higher Education Act of 1965 was signed into law on November 8, 1965, by President Lyndon Baines Johnson on the campus of Southwest Texas State University, his alma mater;

Whereas over its twenty-year history this landmark legislation has contributed significantly to the development of the Nation by increasing its investment in human capital, thereby fostering economic growth, enriching civic and cultural life, and strengthening the national security;

Whereas the Act has brought closer to fulfillment the goal of providing an opportunity for postsecondary education for all qualified students through grants, loans, work-study and student service programs;

Whereas the Act has improved the quality of education through support to college libraries, construction of academic facilities, graduate study fellowships, developing institutions, foreign language and area studies improvements, and other institutional programs which advance national priorities such as cooperative education and continuing education for adult learners;

Whereas the Act has been periodically amended with broad bipartisan support, including major expansion of Federal student assistance programs in 1972, extension of eligibility to students from middle-income families in 1978 and revision of the Act in 1980:

Whereas in considering the reauthorization of the Act, Congress is now examining the unfinished agenda of American higher education: reaching the significant number of youths who still do not reach their full potential, providing new opportunities for adult learners to remain creative and productive, improving the training of teachers, renovating campuses, and sustaining graduate education and scholarship;

Whereas Southwest Texas State University will observe the twentieth anniversary of the signing of the Higher Education Act on November 8, 1985, with special ceremonies on the campus;

Whereas the House Postsecondary Education Subcommittee will hold a hearing on the reauthorization of the Higher Education Act at Southwest Texas State University on November 8, 1985: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress—

(1) recognizes the twentieth anniversary of the Higher Education Act of 1965 and the important role that legislation has played in the Nation's development; and

(2) reaffirms the historic partnership between the Federal Government and the colleges and universities toward the development of human resources required for an in-

creasingly complex and technological society.

Mr. FORD of Michigan. Mr. Speaker, I submit for printing in the CONGRESSIONAL RECORD the cost estimate of the Congressional Budget Office, which was not received at the time of filing of the committee report. CBO indicates that there are no costs associated with the resolution.

The letter from the Congressional Budget Office is as follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, October 29, 1985.

Hon. AUGUSTUS F. HAWKINS,
Committee on Education and Labor, U.S. House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has examined the federal cost impact of H. Con. Res. 207 as ordered reported from the House Education and Labor Committee on October 23, 1985. This resolution commemorates November 8, 1985 as the twentieth anniversary of the Higher Education Act of 1965. Based on our analysis, this bill would not affect budgets of federal, state, or local governments.

The purpose of H. Con. Res. 207 is to recognize the twentieth anniversary of the Higher Education Act of 1965 and to express the sense of Congress that the program has played an important role in the Nation's development. H. Con. Res. 207 reaffirms Congressional support for the partnership between the federal government and the colleges and universities to develop the human resources needed for society.

Please call me if you have any questions or have your staff contact Bernadette Costello or Deborah Kalcevic (226-2820).

With best wishes,
Sincerely,

ERIC HANUSHEK,
(for Rudolph G. Penner).

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. FORD of Michigan. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous matter, on the House Concurrent Resolution 207 the concurrent resolution just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

QUALITY OF LIFE IN AMERICA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. IRELAND] is recognized for 5 minutes.

Mr. IRELAND. Mr. Speaker, we hear a lot of talk these days about the rising costs of medical care—exorbitant doctors' bills, expensive new equipment for hospitals, higher prices for precription drugs. It is not news that medical costs are indeed on the rise, and I'm sure everyone agrees that we need to take action to curb the escalating costs of health care in this country. But before we get caught up in a fear of "health inflation", we must take a moment to look at the other side of the story.

Let's talk for a moment about quality of like in America.

It is true that, as a percentage of gross national product, we are spending more and more on health care every year. This does represent a trend of escalating costs, however, it also reflects our priorities as a country. We believe in the need for quality and innovative health care and we have the ability to make great contributions in this field. America boasts the finest medical system in the world. We provide quality health care and are at the forefront of medical education and research. These benefits must not go unrecognized.

Our quality of living reflects this medical progress. Americans are living longer and are enjoying better health than ever before. At the turn of the century, average life expectancy in America was only 47. Today, the average American can expect to live almost twice as long.

We not only have a steadily increasing life expectancy but a decreasing infant mortality rate as well. New technologies—while costly—have made this possible. Everywhere you look today you can see examples of American research and development in medical science—laser surgery, sonar technology, artificial hearts, cat scans. We are even making great headway in finding a cure for the common cold—opening the door to major breakthroughs in the study of viruses and other infectious diseases.

These benefits affect every facet of our society. Today's senior citizen, for example, is living longer, retiring earlier and enjoys a higher standard of living than ever before in our history.

When today's seniors reach their golden age of retirement, they are still a vital part of our society. No longer do we envision the typical picture of retirees sitting in a front porch rocking chair—today's senior citizens are on the move—involved in charity and volunteer work, community service and part-time jobs. Many have even begun second careers. Their contributions to our society are the gifts of their time, experience, age and wisdom.

That is not to say, however, that all seniors who reach retirement age do so in such fine style. Many of our older Americans are still at the poverty level and must rely on Government welfare programs. There are problems associated with age discrimination in employment and mandatory retirement. We are, however, making great progress and today's seniors are enjoying a better life than their predecessors. On the average, today's senior citizen is better educated, retires earlier and enjoys some form of income security.

Older Americans are one of this country's greatest resources. We can all look forward to a longer, more productive life as a result of our great progress. This is only one of the many benefits of our increased quality of living—the product of a society which provides opportunities and incentives for growth and progress.

Yes, we can feel good about America. While we cannot ignore the problems of escalating health care costs, we know there is a solution in sight. Our short-term investments in medical science have reaped great long-term benefits, and we can be proud of our achievements.

□ 1600

PAN AM OPENED THE AIRWAY TO AMERICAN SAMOA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from America Samoa [Mr. SUNIA] is recognized for 5 minutes.

Mr. SUNIA. Mr. Speaker, this week the Secretary of Transportation is sending to the White House her recommendations for approval of the sale by Pan American World Airlines of its routes in the Pacific to United Airlines. If the White House approves that recommendation, Pan American will be out of the Pacific Ocean, an area brought together and brought closer to us all largely due to the efforts of this fine American business organization.

Our territory, American Samoa, is a group of islands known only to a few and visited only by people with a purpose—Margaret Meade and Somerset Maugham and others. Pan Am put American Samoa on the map and made sure we joined the rest of the world in the march to civilization.

For many years after the war, and up until American Samoa's jet runway was officially opened in 1962, the weekly arrival of the chartered Pan Am flight from Honolulu at the Tafuna Airport was an island event. Busloads of islanders converged on the airport to welcome returning relatives and bid farewell to the departing ones. It was a county fair every week.

When the jet runway was completed in 1962, bringing American Samoa into the jet age, it was a Pan Am Boeing 707 that touched down first. What a day that was! Almost all of American Samoa was there to see this big bird, with the blue circle painted on its tail, come down with grace and determination. With that Pan Am landing, American Samoa had become a part of the truly modern world.

Many of us have taken for granted our air travel service. But it has not

been all that long since the territory I represent, American Samoa, only started to enjoy this luxury. What laid the groundwork for the American Samoa event occurred on December 29, 1937. A Pan American S-42 carried out a survey flight on the Southern Pacific route to New Zealand, by way of Kingman Reef, and fortunately for us, sought a convenient refueling stop in Pago Pago, American Samoa.

Now we have learned that Pan American World Airways, which pioneered air travel to the Pacific before World War II, with its storied "China Clipper" service, is selling its Pacific routes to United Airlines for $750 million, in the biggest such deal in civil aviation history. Because of their outstanding example in aviation history, and their contribution to expanding opportunities for American Samoa, and the Pacific I want to honor Pan Am today.

The thousands of miles of ocean between Hawaii, American Samoa, and New Zealand had never, until Pan American Airway development, been traveled by more than the very occasional aircraft, much less been equipped with suitable navigation and weather forecasting facilities, or landing sites. To forge the way to American Samoa, a 6,000-ton tanker, the SS *North Wind*, was chartered to steam ahead of the S-42B aircraft, complete with fuel supply, full Pan American direction finding and radio equipment, and aircraft servicing facilities, in effect serving as a mobile airway station.

Six Pan American technicians had already landed at the Pago Pago Harbour, on the island of Tutuila which is the largest in the six-island cluster making up American Samoa. The harbour itself was excellent, but on the approach and takeoff sides it was surrounded by 1,500-foot hills rising almost sheer out of the water, necessitating a steep final descent if the flying boat was to give itself an adequate landing run.

A Pan American Clipper left Kingman Reef for Pago Pago a day or two after arrival, undertaking a few local survey flights in the meantime, and with good tail winds the 1,600-mile sector was covered in just 10 hours. From American Samoa, it was on to Auckland, New Zealand, for the completion of a successful South Pacific run that brought our small island into aviation history books.

Pan Am's woes, however, are a matter of public record. One of the areas affected first in their search for economic solutions to financial difficulties, was the South Sea islands for whom American Samoa was the gateway. But before American Samoa was dropped, Juan Trippe, the ambition and motivation behind Pan Am, brought the Pan American board to the Rainmaker Hotel on the shores of Pago Pago Harbor. At that meeting, there was a Rockefeller and a Ford; there was also a General Gunther and a Lindbergh. It was to be the only time in the history of the territory when a group of men representing the Nation's top businesses, were to have come on the islands at the same time.

I distinctly remember Mr. Trippe getting up to offer a toast, not to the Governor or any of our chiefs, but to the memory of a friend of his who helped in the founding of Pan Am, Capt. Edwin Musick. There was a moment of silence as everyone stood to remember the famous pilot-navigator, who searched and mapped the Pan Am routes.

Musick had left Pago Pago Harbor one morning with his crew and for some reason attempted to return minutes after he was airborne and headed to another exotic South Seas destination. He never made it back to Pago Pago Harbor. His S-42B blew up outside of Fagasa Bay on the north shore of Tutuila Island. My own father, a young village pastor at the time, taking his young son into the town to see a doctor, was one of the witnesses who saw the fire in the sky from the top of Fagasa Pass.

The Samoan people loved Captain Musick, and when it was learned that he was lost, songs were composed in his honor.

Even as late as the mid-1930's, transocean crossings by conventional airplanes were rare and spectacular struggles. With the notable exception of Zeppelin airship services between the United States and Europe, together with a mailplane route across the 1,864 miles of South Atlantic between French West Africa and Brazil, airline operations across the Pacific or Atlantic scarcely seemed a ripe proposition—at least by heavier-than-air airplane. It was the determination of Pan Am to meet challenges such as this by commercial shrewdness and the carefully planned harnessing of all available technical resources, which led to the unqualified success of its world-leading innovations. The development of regular transpacific air services was an outstanding example of such finesse in the airline's field. It is because of this that we honor Pan American World Airways.

Pan Am's chairman and chief executive officer said after the recent transaction that sold their Pacific route to United Airlines that "Nostalgia is a very important thing to individuals in the airline industry." We are pleased that they feel sadness in leaving us because we in American Samoa want Pan Am to know we will always remember their dedication and unmatched strides in the aviation industry. In later years, the people of Samoa and others of the South Seas who used Samoa as their point of contact with Pan Am, came to love and depend on this airline. It was more than just an airline. It was a part of this history of the islands.

INCONSISTENCIES BY SOME WOULD-BE DEFICIT-REDUCERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts [Mr. FRANK], is recognized for 5 minutes.

Mr. FRANK. Mr. Speaker, it has become clearer and clearer that the dispute we have over the deficit is not whether to reduce it, but how. There are differences of opinion about what items are to be increased and what are to be decreased.

There are Members who would like to claim that they alone are the ones interested in reducing the deficit. On the other hand, a certain inconsistency appears to me to exist on behalf of some of those who have been most vocally talking about that recently, because their votes do not always, in some cases, do not often show that commitment.

We voted on a couple of very expensive items that many of us feel are of dubious necessity within recent times. We have the Dairy Subsidy Program, one of the great boondoggles of the Western World, which the Reagan administration has been trying to rework. And an amendment was offered, cosponsored by the minority leader on that side, and a Member on this side, which would have begun to reduce that in a reasonable and controlled way, that Dairy Subsidy Program. That amendment was defeated.

Yesterday we voted on an amendment which I offered that would have taken $1.7 billion out of the budget for 12 additional MX missiles. We have agreed to cap that program. No one, no one argues that the 10 additional missiles have any strategic significance, and yet we have Members again voting narrowly, under pressure from the White House this time, to kill that amendment and keep spending the $1.7 billion.

I looked at the list of cosponsors of the pending Gramm-Rudman deficit-reduction package here. Here it is sponsored by the gentleman from Florida [Mr. MACK]. And I was interested to find that there are 41 Members of this body who are cosponsors of the resolution offered by the gentleman from Florida [Mr. MACK], embodying the Gramm-Rudman notion. These 41 are simultaneously cosponsors of this drastic deficit-reduction measure, and at the same time, voted against the President's request that we begin to scale down the very expensive Dairy Program, and voted to spend the $1.7 billion on MX.

I think this makes the point. When 41 cosponsors of that drastic deficit-reduction measure, people who tell us

how urgent it is to reduce the deficit, turn around and vote to perpetuate the dairy subsidy, and vote for those dubiously necessary MX's, we understand that there is a very great gap between reality and the rhetoric on the part of some of those who would do it.

It does not appear to me intellectually possible to be arguing for the absolute necessity of deficit reduction, and at the same time to vote to perpetuate the dairy subsidy and to vote to perpetuate spending on an MX missile strategic system which has already been decided to be put aside.

I was particularly interested to note that seven of those cosponsors, in pursuit of the goal of deficit reduction, voted against eliminating the honeybee subsidy to $250,000 per farmer. When we have people who simultaneously sponsor that kind of deficit reduction, but will not vote to cut the MX missile, will not vote to cut the way the President wanted to the dairy subsidy, will not ever vote to limit the Honeybee Program to $250,000 per farmer, I think we understand, as I said, the gap between rhetoric and reality.

Mr. BARTON of Texas. Mr. Speaker, will the gentleman yield?

Mr. FRANK. I am happy to yield to the gentleman from Texas.

Mr. BARTON of Texas. Mr. Speaker, I agree with the gentleman from Massachusetts that the question now is not whether to cut the deficit, but how.

I would comment on the gentleman's dialog so far that under the current regulations Members do not have to make priority decisions. They can vote for everything. They do not have to make decisions about how they want to spend their money, and that is the reason that this Member of Congress supports Gramm-Rudman-Mack.

Mr. FRANK. I thank the gentleman. I would point out to him that technically I was not having a dialog until he spoke. He was commenting on a prior monolog. He has now made it a dialog, for which I thank him.

Yes, I agree. I am for a mechanism which would allow us to reduce the deficit, although I would point out to the gentleman he says Members do not have to make priority decisions. He is right, but a Member acting in good conscience, with some good faith, would make them, and I agree with him. It is, under the rules, legitimate for someone to say he is all for deficit reduction, all for the MX, all for honeybee subsidies, all for the dairy subsidies, and the Member from Texas is not one of those, and I want to make that very clear. He is not on this list, and I intend to put this list in the RECORD under the permission that I have been given.

But I agree that the rules should be changed. My difference with the proposal as it exists is, as I have said before, I do not want the President's veto to trigger that.

You see, I agree with the President in some areas and I voted with him on dairy subsidies. But when the President tells us we have to increase the MX money when we know we do not need it, and when the President tells us we should not get the cigarette tax up but should tax Medicare people instead, I think he is wrong.

So I hope we can focus again on the quality of spending, and let us examine the claims of some of those great deficit-reducers when we continue to waste billions of dollars.

Sponsors of the Mack resolution who voted against the Olin-Michel amendment to reduce dairy subsidies and against the amendment to save $1.7 billion on the MX:

Representatives BROWN of Colorado, BROYHILL, BURTON of Indiana, COBEY, COBLE, COLEMAN of Missouri, COMBEST, CRAIG, DAUB, DEWINE, FISH, FRENZEL, GALLO, HAMMERSCHMIDT, KASICH, KINDNESS, LUJAN, MCCANDLESS, MCEWEN, MARTIN of Illinois, MILLER of Ohio, OXLEY, QUILLEN, ROGERS, SCHUETTE, SILJANDER, ROBERT SMITH of Oregon, STANGELAND, STRANG, TAUZIN, WEBER, WYLIE, TAYLOR, EMERSON, HENDON, KRAMER, RAY, YOUNG of Alaska, HUCKABY, MOORE, and MORRISON of Washington.

These Members also voted against limiting bee subsidies to $250,000 per beekeeper:

Representatives CRAIG, HAMMERSCHMIDT, LUJAN, QUILLEN, STANGELAND, WEBER, and HUCKABY.

PERSONAL EXPLANATION

The SPEAKER pro tempore (Mr. WHEAT). Under a previous order of the House, the gentleman from Florida [Mr. PEPPER] is recognized for 5 minutes.

Mr. PEPPER. Mr. Speaker, I was unavoidably absent October 29, 1985, for roll No. 374 to the agreement of House Concurrent Resolution 201, amended. This resolution commemorated Public Law 94-142, the Education for All Handicapped Children Act on its 10th anniversary by a yea and nay vote. Had I been present, I would have voted "aye."

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. NELSON] is recognized for 5 minutes.

Mr. NELSON of Florida. Mr. Speaker, due to official business, I was unable to be present for rollcall votes 380 to 382 on October 31, 1985.

Had I been present, I would have voted "aye" on roll No. 380, a motion to approve the Journal; "nay" on roll No. 381, on ordering the previous question; and "aye" on roll No. 382, the motion to recommit H.R. 3128 with instructions to strike the spending provisions.

□ 1615

THE GRAMM-RUDMAN-MACK EMERGENCY DEFICIT REDUCTION LEGISLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. BARTON] is recognized for 60 minutes.

Mr. BARTON of Texas. Mr. Speaker, I am here to speak on the Gramm-Rudman-Mack Emergency Deficit Reduction Act that is currently in conference committee between the other body and the House of Representatives. That conference committee went into session at 4 p.m. this afternoon; hopefully they are, as we speak, beginning to come to grips with some of the issues and will report back favorably to us on that legislation tomorrow morning.

Mr. Speaker, I do not want to be a broken record, but I view the Gramm-Rudman-Mack legislation to be of paramount importance to this Congress. As my colleague, the gentleman from North Carolina [Mr. COBEY] pointed out in this Chamber last evening, we have not had a balanced budget at the Federal level since fiscal year 1969. That is some time ago.

In 1969, that was the first one we had had in about 14 years. We have had one balanced budget in the last 25 years at the Federal level.

If that is not bad enough, the budget deficits are not becoming smaller; we are not making progress in reducing the deficit or eliminating the deficit; the deficits are becoming larger and larger.

I have some information here from the Office of Management and Budget that says, for the fiscal years 1950 to 1959 as a percent of gross national product the deficit was 0.4 percent. For the fiscal years 1960 to 1969, the deficit as a percent of GNP doubled, to 0.81 percent. For the fiscal years 1970 to 1979, the deficit increased, again as a percent of GNP, to 2.17 percent, so it almost tripled; and then for fiscal years 1980 to 1985, as a percent of GNP, the deficit is now 4.52 percent.

So we have a situation where our deficit is doubling and redoubling every 5 to 10 years. It has now reached the point—the deficit that we reported in fiscal year 1985 was $211 billion. That is an increase over the prior year's deficit of $185 billion and there is no end in sight.

Now, we cannot continue to borrow and borrow and borrow and spend and spend and spend. At some point in time, as Members of the House of Representatives, we have got to begin to make some financially, fiscally responsible decisions to reduce spending.

Unfortunately, we have shown ourselves totally incapable of it. As my distinguished colleague from Massachusetts [Mr. FRANK] pointed out in his 5-minute special order this evening, we do not make decisions, we do not make choices; we do spend for the honey program, we do spend for defense, we continue to spend and spend and spend; and basically we are depending on our children and our grandchildren to pay those costs.

For every $1 that we borrow today, between now and the year 2000, which is 15 years from now, we have to repay in interest alone $71. When you calculate that, that means for the money we are borrowing to run the Government today, we are pledging our children and our grandchildren to repay literally trillions and trillions of dollars.

So I think that we do need to pass Gramm-Rudman. We need to pass it tomorrow, we need to get on about the business of making these priority decisions, and we need to do it as soon as possible.

Mr. WALKER. Will the gentleman yield?

Mr. BARTON of Texas. I yield to the gentleman.

Mr. WALKER. I thank the gentleman for yielding. Let me begin by thanking him for the work that he has done on the floor over the last several days providing an information stream with regard to the Gramm-Rudman proposal.

I think that many of the people around the country who have a chance to observe the workings of this House are very knowledgeable at this point about what is contained in that particular proposal because of the work that the gentleman from Texas [Mr. BARTON] and some of the rest of our colleagues have done providing that information flow.

I think it has been a very good exercise, and I think in fact it has helped inform a number of our colleagues about things on this bill that they were not aware of.

There has been a great deal of misinformation that has circulated in this body, a great deal of misinformation that has been propounded to the Nation with regard to the proposal, and I think that the educational effort that has taken place here in these special orders has been most valuable.

Mr. BARTON of Texas. I serve on the Committee on Interior and Insular Affairs, and the chairman of that committee is the distinguished gentleman from Arizona [Mr. UDALL], a Democrat, a fine man, a great American; and his rule of thumb is "when all else fails, read the bill."

I have read the bill, Senate Resolution 372, and sometimes it does pay to read the legislation.

Mr. WALKER. If the gentleman would yield further, I have often found that to be the case out here. In the midst of some of the debate, I will go back to the back of the Chamber, pull out the bill, and begin reading. One finds some surprising things in legislation if you actually read the bill, or even more surprising if you read the committee reports about what they are saying is in the bill, one gets shocked from time to time.

I did want to make a point, Mr. Speaker, with regard to the gentleman's reference to the 1969 balanced budget, because in the context of what the gentleman was saying, some people might interpret that as meaning that Congress finally got responsible back in 1969 and did what the gentleman is contending needs to be done, and that is, cut spending in a way in which we balanced the budget.

In fact, nothing could be further from the truth. What happened in 1969 was a process not unlike that which some of the liberals are proposing that we do today, in order to come up with at least a momentary balanced budget; and that is what we had in 1969, a momentary balanced budget.

What happened in 1969 was, we had passed the whole Great Society Program, we were in the midst of the height of the Vietnam war, and President Lyndon Johnson at the point came forward with a proposal that we impose a 10-percent surcharge, tax surcharge, on the American people.

That in fact generated revenues out of a growing economy. We had had a rather expansive economic growth during the period of the sixties, largely because John F. Kennedy, back in the early sixties, had brought forth a proposal that cut tax rates, and that led to an economic boom during the mid to late seventies.

However, the attempt then was made to capitalize on that economic boom by raising taxes with a 10-percent surcharge. In fact, it did bring in revenues to the Federal Government in that 1 year that were $3 billion more than expenditures.

However, the result of that surcharge and the result of that increase in taxes was the period of the seventies when this economy was destroyed. It was destroyed by high inflation; it was destroyed by massive new deficits, because the economic expansion was cut off.

Instead of having economic expansion, we went into economic retreat. Over a period of years, that led to greater and greater inflation. Congress, in order to meet the demands of the growing downturn of the economy tended to spend more money, and the deficits expanded.

□ 1625

The deficit is expanded. That particular approach in 1969 produced a balanced budget but precisely at the cost of the economy as a whole. We do not want to do that. That is precisely what we want to stay away from. We do not want to raise taxes in an expanding economy and thereby destroy the whole of the economy.

What we want to do is to do the responsible thing, and that is begin to back the Federal Government out of the overspending problem it has created for itself in the past several years. And the gentleman is absolutely correct in pointing out that the Gramm-Rudman-Mack proposal does give us that kind of opportunity. To hear many of our colleagues talk about it, you would think that the whole program centers around sequestering. That is a little like suggesting that if parents tell children, "If you don't get good marks in school, I am going to impose a curfew on you as to when you come in in the evenings," and have the whole debate center around the curfew rather than on the grades.

Well, the fact is that if the children get good grades, they do not have to worry about the curfew times.

Mr. BARTON of Texas. It might be educational, there still may be some Members of this body, in spite of the fact that the other body debated this thing for approximately 3 weeks, passed it, I believe, on October 10 or 11, and we have been reviewing it in this body since that time, which is approximately 3 weeks, there may be Members who are still uncertain about just what it does. The gentleman mentioned the term "sequestering," All that does is, it means the President must proportionately, across the board, reduce funding of programs, with the exception of Social Security, that exceed the deficit ceiling for that particular fiscal year.

As the gentleman from Pennsylvania indicated, that is a last resort. The first thing is, the President of the United States has to submit a budget to the Congress that is within the target, within the ceiling. For the budget we will be considering in January and February, that target is $144 billion. So the President of the United States must submit to this body a budget that does not include spending in excess of $144 billion in the red. Now, the committees and the subcommittees of this Congress, they take what the President submits, and if we, in our wisdom, decide that we do not agree with the President's priorities, we can change those around. But we cannot go above $144 billion in deficit spending. If I want to spend more on MX missiles, I have to force the other Members of this body to spend less on the Dairy Program, for example.

Now, we pass the bill, the other body passes a similar bill, we send it back to the President, and as long as it stays within those guidelines, there is no sequestering that takes place. It is only if, after that point in time, spending

exceeds those projections or if the Congress passes legislation that knowingly exceeds those targets does the sequestering order come into effect.

Mr. WALKER. What the gentleman is describing is a process whereby the sequestering is simply a discipline that exists to force Congress to do that which Congress should have been doing all the way along, is that correct?

Mr. BARTON of Texas. The gentleman is totally correct.

Mr. WALKER. And that would be to have a budget which puts us on a declining road on deficits and then enforce that budget by assuring that the legislation that we pass lives within the budget.

Mr. BARTON of Texas. That is correct.

Mr. WALKER. Which is precisely what we refuse to do. We have passed budgets around here recently. Most of them have not put us on a declining trend on deficits but, in fact, on an expanding trend because we use phony figures in them and therefore render them almost useless as an economic document, and deficits continue to climb and climb and climb, despite what we say in the figures.

But then, more importantly, at least to this gentleman's mind, we refuse to enforce that budget on time after time after time. I have pointed out on several occasions on the House floor that as we come to spend the money on the floor, as we bring the authorization bills out and the appropriation bills out, we invariably bring them out under a rule which says specifically that we are going to waive the Budget Act for the purposes of spending this money.

Mr. BARTON of Texas. Being a new Member of this body, I was somewhat surprised to learn that that is not just an automatic procedure. I am not aware of many spending bills where we have not had to waive the Budget Act in order to act upon.

Mr. WALKER. The gentleman is correct. In fact, I have gone back and counted them up here, and on recent days, on ones where we have had votes, we have had about 9 votes, recorded votes, on bills where it was a rule to waive the Budget Act

Now, the gentleman from Massachusetts, who was out here a little while ago, has his list of people who he says somehow were not living up to what they were putting into Gramm-Mack.

Well, I have a list, too. Now, I am not going to publish it in the RECORD tonight. I just want people to know that I have a list, too, and that list shows there are about a similar number of Members that he referred to. I think he said 41. There are about a similar number of Members in this body who have voted each and every time for a budget waiver. They have voted every time a rule was on the floor to waive the Budget Act, they have voted to waive the Budget Act. Now, what can we say about them?

I can understand there might be some people around here who would have a set of priorities that would differ from the gentleman from Massachusetts. But I cannot imagine anyone who has been talking budget deficits or has been talking about budget enforcement or talking about doing something about controlling Government spending, who could vote on every single occasion to waive the Budget Act.

Surely a person of that ilk cannot be regarded as someone who is willing to impose much discipline on the process.

As I say, that list exists. I choose not to publish it at the present time, but I do think that if we are going to get into this political process of having lists of Members published from people's unique perspectives, then maybe what we will want to do is just carry that process on a little bit further and demonstrate that there are other unique perspectives, among them the question of whether or not you are willing to do anything about the budget that you voted for. The fact is, there are a lot of people on that list who came out here and gloried in voting for a budget just a few weeks ago and now have voted every single time, not once did they differ, but every single time they voted to waive the very budget that they passed.

Now, I will tell you that I think that that is something the American people might want to focus on. But it creates the problem that there is no discipline in the process today. What I think the gentleman has suggested here in his special order before and what I join him in suggesting is the fact that that process has broken down. It has become nonsensical. It has become impossible to orient toward real budget savings.

What we are now faced with is a need to change the process. And Gramm-Rudman-Mack is literally the only chance we have, the only chance we have since the other side has been unable to come up with an alternative. It is the only chance we have of enforcing budget discipline through some new device aimed at bringing down deficits.

Mr. BARTON of Texas. We have a conference committee now, as I indicated earlier, that is meeting as we speak. There are 48 Members of the House of Representatives on that conference committee. Those 48 Members are made up of, for the most part, the senior Members of this body in both parties, Democrats and Republicans. Now, if one assumes that seniority brings experience and wisdom, one would have to conclude that we have got the best and the brightest in the House of Representatives working with the other body in this conference committee to come up with a solution to the deficit problem. And those that say Gramm-Rudman is not the answer, remember that we have 48 Members, the best, the brightest, and most senior Members from the House of Representatives, one would think that—one would have to say that they should be able, if they disagree strongly with Gramm-Rudman-Mack, they should have come up with an alternative.

Now, I am not aware of any alternative. I have not heard any Member in this body speak of an alternative. I have heard parts of alternatives.

I have heard some of the Members say they wanted to reduce the level for the fiscal year we are in right now, the deficit ceiling level, from $180 billion to $172 billion. I applaud that. I think if we can lower it, the more the better.

But I have not heard a comprehensive alternative, considering that we have got our best and brightest on the conference committee, and as a rational Member of this body, one has to conclude that there is no alternative.

If we do not pass Gramm-Rudman-Mack, then we do not do anything; we continue to spend on our merry way.

Mr. WALKER. I heard the gentleman agree with the gentleman from Massachusetts a few moments ago, and I think I may take issue with him on something. The gentleman from Massachusetts said that the question is not whether we are willing to do something about deficits but how.

The gentleman from Texas, I think, agreed with him on that point.

I am not certain I totally agree on that. I think the question before the American people is whether this body is willing to do anything about deficits.

Many of the big spenders in this body would like you to believe they are willing to do something about deficits and that the question is how. Do we gut defense? Do we do something along that line? It is the "how" of the matter that worries them.

Well, I will tell you, as someone who has been a Member of this body for 5 terms, my question is whether this body is willing to do anything about deficits? Because all I have seen is an expanding trend. All I have seen is spenders who are willing to use every devious device known to man in order to spend the money. They are willing to violate the law of the land which requires right now that we have a balanced budget. They are willing to violate the rules of the House. They are willing to do everything in their power to go on spending more money than we take in every year.

I would say that, given the past history, and given the vote on budget waiver after budget waiver after budget waiver, I have to question

whether we are willing to reduce deficits.

I think the question of "how" is embodied in what we are willing to do on Gramm-Rudman-Mack, that does give us one device.

But my guess would be that even if we pass that, that we will see the big spenders in this body try to figure out all kinds of devious devices to get around that provision, because every time you pass a provision, they try to figure out a way around it. And I bet you that we will find rules coming to the floor that attempt to work their way past it, that there will be attempts to force the President's hand in some devious devices, and so on, to spend money over and above the sequestering process; that there will be attempts to go to court to abandon the sequestering process, all kinds of things.

I understand one of the proposals they put before the conference committee is to keep the President from using his veto power which is given to him in the Constitution. They literally put a proposal on the table over there, after talking constitutional issues on this floor, one of their proposals has been a way to take away the President's veto power with regard to this process.

I am telling you that if they are willing to go that far, I have to guess that they are going to use all kinds of other things. Then the question is not how are we going to reduce deficits but whether we are going to reduce deficits.

Mr. BARTON of Texas. What the gentleman just outlined is an addictive problem. It reminds me of people who have an alcoholism or drug problem, they are addicted to it. We have people in this Congress who are addicted to spending. When we pass Gramm-Rudman, we may have to set up a "Spenders Anonymous" group in the U.S. Congress and have counseling sessions and one-on-one rap sessions to help them counteract the withdrawal pains of being able to spend however and whenever in whatever sums they want to.

Fortunately, I am not addicted to spending, and I do not plan to be a member of that group, but it could be a pretty large group.

Mr. WALKER. We may have to use the gentleman's account book.

Mr. BARTON of Texas. I yield to the gentleman from Georgia.

Mr. GINGRICH. Well, if I can pick up on that, although the gentleman is dealing with it in an amusing manner, I think there is a kernel of truth in where we are at as the gentleman is describing it.

I do not think that the Gramm-Mack proposal is going to significantly, by itself, change the world. I think, if anything, it is going to create a whole new set of difficulties and complexities and we are going to suddenly find ourselves asking questions like, "How do you deal with the budget when you have to have that kind of change?"

□ 1640

I suspect that the President's Budget Director is going to find that Mr. Stockman left at the right moment and that the next job is even harder. I think that the Pentagon is going to find itself with real problems. But I think under any circumstances where we start to control spending we are going to face those problems.

I am not going to get up here and claim that Gramm-Rudman-Mack is a perfect proposal or even that it is as good a proposal as it would be a year from now. What I am willing to say is that we are at a moment in American history where, hopefully tomorrow, Members of this House can vote either to start controlling spending or they can vote to continue to go down the road of spending and spending and then either borrowing and borrowing or taxing and taxing.

Now, I do not know of any alternative in the long run except to either raise taxes massively, in which cases Mr. Mondale, who carried only one State, will be proved to have been right, or to control spending.

I must say that there are some in the Reagan administration who have not been as aggressive in facing up to this as they could have been. I think in that sense the Gramm-Mack proposal has forced a much tougher decision than possibly some of the people in the executive branch would like.

But the thing I like about the Gramm-Mack proposal is that it lays it on the line and it says we are at a crossroads.

Now, if you really want to start learning how to control spending, vote "yes," and then we are going to have to work very hard, in my judgment, to sort it out. It is going to mean that when the President sits down in January and February and works out his budget plans and sends up his budget message, he is going to make a lot of tough choices. Many of those tough choices are not going to survive. We, in the Congress, looking at those, are going to have our own ideas. But then we are going to face, when our Budget Committees have to meet the Gramm-Mack proposals, we are going to face a lot of tough choices.

I would not be at all surprised, I say to my friend from Pennsylvania, that we are going to almost certainly have changes in the budget proposals next year from the current language of Gramm-Mack. The question that will be there is whether the changes are serious and legitimate modifications in order to allow us to more rationally and prudently control spending, in which case we on this side of the aisle will be for them, or whether the changes and deceptive efforts to avoid controlling spending in order to continue building up the liberal welfare state.

So I think that when we have our friends come in, as we have heard over the last few days, and our friends on the left say, "Oh, Gramm-Mack is not perfect," the correct answer is, "Of course it is not." It is, however, a major step toward the right medicine.

We are a little bit like the patient who is going to a doctor, he is not quite sure exactly what medicine we need, but he knows the general disease that we have, and he knows that the first medicine is better than no medicine at all. And the choice we are faced with tomorrow, and I hope that the Democratic leadership will let us have a straight up or down vote on this tomorrow, the first choice we are faced with is whether or not we want to say, "Yes, let's go down the road of controlling spending."

I will tell you, if we pass the Gramm-Mack proposal and the Senate passes it, as I am certain they will, and the President signs it, we are going to see every executive branch agency and every interest group in this city suddenly have to sit down and think about the next 5 years with a level of care and a level of frugality and a level of concern about money that we have not seen in our lifetime. For our entire lifetime we have been dominated by a liberal welfare state vision that, basically, said, "If you want to spend the money to take care of your constituents, what the heck, we will either raise taxes or we will inflate the currency or we will go out and borrow it. But go ahead and make them feel good, spend a little more. What is an occasional billion?"

When I was kid, Everett Dirkson used to say, "A billion here, a billion there, sooner or later it adds up to real money." Now we are talking about trillions. And I recently heard someone refer to millions and I was certain they were not talking about a Federal program because it was not a large enough amount.

I think we have to face the fact that literally in our lifetime we have become a government which, as my friend said, basically, is involved in a spendaholic problem. There are at least 130, or so, Members of this House who walk in, and if it involves spending, they will vote yes and ask later what it was.

What I think Gramm-Mack does is, it says that you cannot afford to do that any more.

Now, every family that has gone through the credit card cycle—and I happen to have two daughters, one in college and one just out of college, and they have both gone through this cycle—phase 1, is, "Isn't this plastic

wonderful?" Phase 2 is, "Why do they send you these pieces of paper with all this printing involving numbers on it?" Phase 3 is, "What do you mean, I have to pay for it?" And phase 4 is, "Gosh, I don't have very much money this week. You know I had to send all that in to pay for the credit card." And phase 5 is, "I don't think I will charge this next item because I cannot afford to pay for it."

Now, we as a country, I think, are right at the point where we have a credit card. It is the most expensive, largest credit card in the world. Every Member has one. It is the voting card we use in this House. And we have been running up our credit bills. I think that Gramm-Mack gives us a chance to bring it under control.

I thank the gentleman from Texas for his leadership in developing this special order on the Gramm-Mack proposal.

Mr. BARTON of Texas. I thank the gentleman from Georgia.

My early remarks were somewhat humorous. It is a serious problem. I would point out that since the withdrawal pains are going to be so serious, that Gramm-Rudman is a 5-year plan, it is not a 1-year plan, under Gramm-Rudman we are going to increase the national debt over $500 billion. So we are not talking about going to a balanced budget next year. We are talking about over a 5-year plan, a 5-year period, each year reducing the amount of allowable increase in the debt by approximately 4 percent a year, so that by fiscal year 1991 we will be down to zero deficit and a balanced budget.

I would like to yield to my distinguished colleague, the gentleman from Utah [Mr. MONSON].

Mr. MONSON. I thank the gentleman from Texas for yielding and I commend him for the work that he has done on this most important subject, the most important subject facing the Nation today and facing the Congress. I appreciate the other words that have been said here today, as well.

I come from a State that has a mechanism similar to this. It is not identical, but it is similar. It works somewhat the same. The biggest difference is that we do not start using that mechanism with a huge debt that faces the United States and an already yearly deficit, and maybe it would be easier to work if we were in that circumstance, but we are not. We have got to come up with a rational plan to deal with it, and I think that a rational plan has been developed. It maybe is not perfect, but we will have a chance to judge that as time goes on and make the modifications that are necessary. But until we get started, we are never going to find out whether it is even close to perfection. We will never get that opportunity. I think the people of America say it is time to start something, and this is the thing that we have got available to us to do it with.

Now, I gave a 1-minute address earlier today, and no sooner had I finished than someone popped up and said, in calling my bluff, so to speak, "The problem with your side of the aisle is, we are willing to deal with it but we want it to start right now."

Well, we have started it already. It is not a matter of wanting to start right now. We have started it. We set targets earlier this year for deficits. And we have already exceeded those deficit targets in what we have decided to spend with the appropriation and authorization bills that we have been passing already. It is not a matter that we have not started it. They are saying that, "we will go a step further, we will lower that target to $160 billion-something instead of the $185 billion that is proposed in Gramm-Mack." We have not even met the $171 billion target that was set. Already we have escaped that.

So I do not know how we can justify that kind of rhetoric. It just does not coincide with the action that we are taking.

On top of that, they say that Gramm-Mack is a disaster leading us to economic chaos and probably recession. Well, is it not going to do that just a little bit quicker if we do what they are proposing?

Sure, it would be nice to reduce it to $161 billion right now, the target; but I think in doing whatever we do, we have got to be realistic in it, we have got to set achievable goals, we have got to do it in a way that it will succeed, not in a way that it is doomed to failure from the start. And I think that that is really what they would like to see us do, start it so that it will fail as quick as possible so that they can move on with their agenda of raising taxes, and that is what we want to avoid. It is what the people sent us here to avoid. The message was loud and clear that the people do not want tax increases. I think we are trying to achieve that.

Now, let me just add one more thing, in comparing it with what we do in my own State.

Another criticism is that it excludes too much, that we take too much off. In my State, we exclude all of education, which is about half of our budget. In the mechanisms we have got to avoid deficit spending in Utah, you cannot touch education in dealing with potential deficits. So one-half of the budget is excluded. And yet somehow that works. Every time we get into a situation where a deficit becomes anticipated, we have to kick in the mechanism to deal with that so that we do not run that deficit. One-half of the budget is excluded from cuts. Somehow that system is working in the State of Utah. I think all we are saying here is, let's try it. I bet it will work here, too.

Mr. BARTON of Texas. How long has the State of Utah had this mechanism?

Mr. MONSON. I am not sure just how long this exact mechanism has been in place. We have been required, of course, since statehood in 1896, to have balanced budgets, but the exact mechanism we are using right now has been in effect for a number of years. The Governor is the one that is required to kick it in once a deficit is anticipated.

Mr. BARTON of Texas. How often has the State of Utah actually had to use the automatic pro rata proceedings?

Mr. MONSON. Oh, in the last 10 years, we have probably used it 5 or 6 times, at least. We may have used it even more than that. It has been a bad economic time, as we all know. But we have done it, and we have survived.

Mr. BARTON of Texas. I thank the gentleman.

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. BARTON of Texas. I yield to the gentleman from Pennsylvania.

Mr. WALKER. I thank the gentleman for yielding.

Mr. Speaker, I just want to build on a point the gentleman made a moment ago about an artful attempt being made to destroy the program before it begins, kind of killing it with kindness, suggesting that we will do it all right away. I think that history shows that that is precisely what the big spenders and the liberals try to do with programs of this type. There has been a lot of talk on this floor in recent days about Gramm-Latta, and we hear people coming to the floor suggesting that Gramm-Latta failed and that this is built upon that.

Well, first of all, I am not certain that I would agree with their economic history. The fact is, the programs put into effect under Gramm-Latta are what have led to an economic expansion and has produced more jobs in a matter of couple of years than all of Europe has been able to do in a couple of decades. But putting that behind us, I think we ought to go back and look at the history of what we did during that time period, because Gramm-Latta at the outset was a program built upon the idea that we would reduce the amount of money going into the economy at the Federal level at a time when we were expanding opportunities in the private sector of the economy. That was largely to be done with a proposal put forward by the President for a 30-percent tax cut.

Let us remember what the liberals did with the 30-percent tax cut idea. First of all, they cut it to 25 percent. That was not a major problem initial-

ly, but how they front-loaded the program was a major problem, because what they did was, did they give the 10-percent tax cut in the first year? No. They gave a 5-percent tax cut in the first year. They back-loaded that in a way that the 5 percent did not even kick in immediately. And so as a result, an economy that was headed toward recession anyhow at the end of the Carter term plunged deeper into recession before any kind of meaningful tax cut could kick in. And then they ran around the country in 1982 blaming the recession on Ronald Reagan when Ronald Reagan had proposed in fact a program to cut taxes immediately to get the economy growing.

What happened once the entire 25 percent of the tax cut kicked in? This economy took off like a skyrocket. We had industrial production up, we had the number of jobs up, the economy has been growing at a fantastic rate. The negative growth of the economy—and I never liked the term "negative growth"—the decline of the economy under the Carter years has become positive growth every year since the full 25 percent of the tax cut kicked in. We are back in a period of growth not unlike that which the Kennedy era spawned in the early 1960's.

So we have a record of liberals and spenders attempting to kill a program by the way in which they design it, and that is precisely what I think we will see in the alternative that they are likely to bring to the floor tomorrow, that we will get an alternative out on the floor tomorrow brought to us by the big spenders in this body that will attempt to do some things that have an attractive sound to them but in fact are specifically designed to hurt the program early so that they can use it as a campaign point next year, hopefully to kill off the whole idea so that they can go back to spending without any kind of discipline.

So the point of the gentleman from Utah is right on target. We are seeing proposals already aimed not at helping us with this program but of hurting the program, and I think it is something that the American people need to be aware of. They are not changing their ways. They are simply changing their rhetoric for the moment so that they can hopefully kill off the best thing we have had before us in a long time to stop spending.

Mr. BARTON of Texas. I thank the gentleman.

I would point out that when we are talking about billion-dollar deficits and trillion-dollar national debt, it might be instructive to just give a brief mathematical description of what a trillion dollars is. A million dollars is a thousand thousand. A billion dollars is a thousand million. A trillion dollars is a thousand billion. And we are at the level now that we are going to have a debt ceiling increase to $2 trillion. Now, the entire gross national product of the United States of America is around $4.5 trillion, and that is 25 percent, approximately, of the total gross national product of the entire world. So we are getting to the point that the national debt is going to approach the entire gross national product for 1 year of this country, which is the greatest economic power on the face on the Earth.

□ 1655

We just cannot go on spending and spending and spending. We have to have fiscal responsibility, and Gramm-Rudman-Mack, it may not be the best fire extinguisher to put out the fire, but it is the only one available right now.

I yield to the gentleman from Georgia [Mr. GINGRICH].

Mr. GINGRICH. I want to build on a general theme here that I think is very important. With the Reagan tax cuts of 1981, we have had a very long and very succesful period of economic growth. We have added 8.5 million jobs in the last few years. We have added more jobs in any given month in the last 2 years than Europe has added in the last decade. We have been a society on the move.

The question is how do we continue to grow and how do we continue to have economic development and how do we continue to have more jobs created. That is important for two reasons. It is important first because the more jobs there are and the better off we are doing, the more tax money comes in and the more we are able to have paid for by the Government. Second, because of the human factor; that nothing is more painful in this society than a deep recession. A situation where people find themselves out of work and needing more help from the Government instead of being able to go to work and pay taxes.

Now, the thing that makes the Gramm-Rudman-Mack proposal, it seems to me, very exciting is that we are at a point where the economy is waivering a little bit. If the money markets and the people who set the interest rates were convinced that this Congress was finally getting spending under control, I think you would see a decline in interest rates, you would see a continuation of the growth of the economy. You would see more new factories being build and more new jobs being created. You would see the boom continue for another 3 or 4 years.

That would mean that the economy would generate more jobs, more people would be at work, the work they would be at would pay them more salaries. They would be able to pay higher taxes, and frankly, that would actually make the job of the Gramm-Rudman-Mack proposal less difficult because it would mean that with higher taxes coming in we would have less spending that we had to cut to finally get a balanced budget.

So I think that if you really want to both have more prosperity and have more jobs, and if you are interested in making it easier to get to a balanced budget, then adopting this kind of 5-year plan to get to some kind of a systematic, year-by-year step to a balanced budget will send a signal, particularly if we are vigilant and we are serious about it.

If, as the gentleman from Pennsylvania said earlier, we are willing to fight and the President is willing to fight to make sure that we actually implement reductions in the deficit. At that point I guess all I would like to say is that a vote for Gramm-Rudman-Mack would not only be a vote for a balanced budget, but it is a vote to continue the growth in jobs. It is a vote to continue the recovery and the economic growth of the last few years, and it is a vote to continue to increase opportunities for Americans to work.

Mr. BARTON of Texas. I see that the distinguished gentleman from Oregon has joined us. I yield to the gentleman [Mr. WEAVER].

Mr. WEAVER. I thank the gentleman for yielding to me.

Mr. Speaker, I wonder if my friend from Georgia realizes that it is also a vote for caesardom. That we are in the same boat that the Roman Senate was in 2,000 years ago when it abdicated its responsibility and would rather have just the prestigious positions of the Roman Senate and let Caesar run the empire nation of Rome, and that is what we are doing here today.

If the Congress does not have the guts to balance the budget, and it has not up to now; there is no question of that. If we do not, we certainly should not handle the situation by abdicating our entire responsibility to create a "Caesar" in the presidency. I am not talking about the encumbent; I am talking about the presidency itself becoming the office of Caesar.

To run by dictate, this country. I think it is a terrible thing that we would be doing.

Mr. BARTON of Texas. I yield to the gentleman from Georgia to respond [Mr. GINGRICH].

Mr. GINGRICH. I just want to thank the gentleman from Oregon for raising the issue because I think it is a serious issue, and I think that it is not something to be looked at lightly. It troubles me a great deal.

For example, I would vote against a line item veto as a constitutional amendment because I think it would be too large a shift of power from the legislative to the executive.

Let me pose two suggestions to my friend from Oregon and if you would,

I would really like to hear your answers.

First of all, it seems to me one can make the case that a sunsetted, 5-year shift of power is a reasonable gamble in a situation where, as you yourself concede, this Congress has been peculiarly unable to bring spending under control.

Second, I would just say from the standpoint of history, that a nation which is unable to adapt to its own powerlessness invites greater problems. That the failure of the Italian Government prior to Mussolini to find some resolution to its problems led to the disrespect for all of democracy; that the very weakness of Weimar led to Hitler. In that sense, I have to ask a question, and I really mean this in a nonpartisan, intellectual sense. Is not Gramm-Rudman-Mack a better gamble than a continuation of the current spending chaos, with this one thing in mind, and correct me if I understand the way it would work. It goes back in a sense to the Vietnam war arguments because Congressmen would run home and say, "Why, we never did anything; it is not our fault; it is all Lyndon Johnson's fault." Or later on it was all Richard Nixon's fault.

But it always struck me from a constitutional standpoint that if you do not vote it, they cannot spend it. But at any point under the Constitution that a President, this President, and that is who we are really talking about, but any President, were to abuse the Gramm-Rudman-Mack provisions, you really have an enormous capacity to bring them to their knees the first time that there is an appropriations bill. Because while they can cut spending down, they cannot create spending. The Congress is doing nothing to give up its ultimate power over the purse, which goes back to the British House of Commons and the very reason for the Magna Carta and the rebellion against King John III. That is the whole notion that the legislative branch, if it refuses to give the king the money, stops the king from doing anything. Of course, the President is simply an elected kingship.

In that setting, it would seem to me that we do not in any way give away our most basic power to control Presidents by our capacity to refuse to vote the dollars in the first place if we decide that he is acting in too tyrannical a manner.

So I would be glad to hear my friend's reflections on this.

Mr. BARTON of Texas. I yield to the gentleman from Oregon for his response.

Mr. WEAVER. I want to say to my friend from Georgia that his treatise, and perhaps you will see a tear dropping from my eye—there is one—is right. There is no question the weakness of the Italian Government before Mussolini welcomed Mussolini, as did the Weimar Republic bring in Hitler.

I just see this happening to my own country, my own great country with its great traditions of freedom and representative democracy. It just makes me anguished within my heart. That is what I see now. I understand why it is happening, and it is happening for the very reasons that the gentleman from Georgia outlined just now; he is right.

Mr. GINGRICH. If the gentleman would continue to yield, I guess the point I was trying to make and did not make very clearly was that a halfway measure which substantially strengthened either Italian democracy or Weimar Germany would have preempted the dictatorship. That another 5 or 10 years of $200 billion deficits and a body politic seemingly out of control, it seems to me is a far greater threat to our democracy than a temporary jury-rigged system which is going to collapse at the end of 5 years anyway because it is sunsetted, and which does not give up our central power to appropriate in the first place.

Mr. WEAVER. If the gentleman from Texas will yield, the situation is that once power is abdicated, it is never regained. The history of the Roman Caesars after the first, Augustus, was that, and by the way, Augustus ruled not as an emperor or a dictator, but as a consul, and did not even hold the consulship for much of his 40 years in power, and always had his acts pass the Senate, even though he was complete dictator, he pretended, and the Roman Senate pretended that he was not.

□ 1705

After Augustus, each new Roman Emperor, Tiberius, Caligula, Claudius, Nero, all made in their inauguration speeches a great show of giving back the power to the Senate. And here is the lesson we have to learn. They offered to give back the power, the power of the purse. I remember Nero in his famous inauguration speech written by Seneca, his aide, said that he wanted to return to the Roman Treasury, the facie, as you can see, was what the Roman Treasury was called, and it became the facism of Mussolini. The Roman Senate said no, they did not want that power. They said thanks but no thanks.

That is what I see happening here. The Congress of the United States is saying, "We no longer want the power of the purse. We want to give it to the President," because what the gentleman from Georgia said is right, they could not do it. What a shame. If we do not have the backbone to vote cuts in things we hold dear—if you are a militarist hawk, you are going to have to get up and vote against some military spending. If you feel deeply about the condition of the poor, you are going to have to get up and vote against some of that. If you love education as I do, you are going to have to say we are going to have to have some cuts there. We cannot do that, and we are not. We have not been able to—then we are going to have that abdication.

I just want to say, however, that the idea of the sunset, the idea that it is going to go in 5 years, is just like the Gramm-Rudman.

I do not disparage the people involved here. I do not disparage my friend from Georgia, my friend from Texas or my friend from Pennsylvania or the gentleman from Florida [Mr. MACK] or GRAMM or RUDMAN themselves, or any of them. I do not personally. They are trying to do something about this.

I am saying, however, what is happening, the language in the provision and its enthusiastic reception by the Congress is a charade. It is a charade. It is an abdication, in other words. And the idea of the sunset is part of that charade. We will never get that power back.

I truly appreciate my friend from Texas giving me this time.

Mr. BARTON of Texas. It is an honor to have my distinguished colleague from Oregon join us on the floor. Having served in this body a much shorter time than my colleague from Oregon, I do appreciate the wisdom and the experience that you bring to the membership as a whole and to the committees that we serve on together.

I guess if I would have a comment on your very eloquent comments, it would be that I personally would be willing to consider some alternatives, if there were any, that were reasonably being presented. I see none.

If we do our job even under Gramm-Rudman-Mack, the President will not be sequestering, he will be submitting budgets, and we will rearrange his priorities if we so see fit, so long as we stay within the budget deficit ceilings and go down each year by $36 billion. It is business as usual. It is only if we do abdicate and say we cannot make these priority decisions that the President comes in and pro rata makes the cuts, and even there it is strictly a ministerial function. It is an across the board. It excludes Social Security. It excludes long-term contracts. But anything else, it is a pro rata. The pro rata is split 50-50, half in automatic increases and the rest in controllable spending.

Mr. WEAVER. Mr. Speaker, will the gentleman yield for one final comment?

Mr. BARTON of Texas. I would be happy to yield.

Mr. WEAVER. The gentleman is sincere, and I completely agree that it sounds like the sort of thing that we

have to do. There is no question we have to get the budget into constraint. I voted against almost every appropriations bill for 10 years; 10 years ago I said this was going to happen, and I said we have just simply got to get spending in line or it is just going to continue up until it goes into an exponential curve, which it has now.

The thing about this ministerial function, and that is the problem, we are granting to the President awesome powers, but we are saying that all he does is simply follow a set that kind of puts a rule across it and chops the paper off.

It does not matter what the words are in this provision that we are about to pass tomorrow. It is really the thrust of the thing. It is going to say, "Mr. President, we can't do it, you have to," and we are kidding ourselves by calling it ministerial even though some of us, I am sure my friends here on the floor are included, have tried to tighten it up as best they could to make it ministerial. I commend them for that.

It, nevertheless, is not going to be. It is a grant of power to the President. It is an abdication of our ability to control the purse of this Nation, and I can only say the tears are coming down my face. I have anguish in my heart. I simply wanted to come to the floor to express these views, and I thank my friends for allowing me to do so.

Mr. BARTON of Texas. It was a pleasure.

We have about 5 minutes. I will yield 1 minute to the distinguished Congressman from North Dakota.

Mr. DORGAN of North Dakota. I simply wanted to say again, having been listening to the remarks of the gentleman, that we all seem to be opposed to the deficit. I do not think I ever met anyone on the floor of the House in about 5 years who wanted to stand up and give a ringing call in support of Federal deficits.

The question is whether we are going through an exercise here that will lead to the same place that other exercises have led to in recent years.

We have this continuing debate between those who make policy in this town, the leader of our Government, the President, and the branch of Congress that has equal power under the separation of powers. We have this continuing debate about what we will do to actually solve the problem, what will bring the deficit under some amount of control.

We spend a little over 24 percent of the GNP in spending, and we raise about 19 percent on the revenue side, and the President says the solution is on the spending side only. Some of us say, "Well, we think that is part of the solution. The other part of the solution is on the 19-percent side."

Again I would say to the gentleman that with a tax system that has about $90 billion that is not collected that should be collected, with a tax system that legally allows a great many people to avoid the taxes that they ought to be paying, I think part of the answer is also on the revenue side.

Does the gentleman believe that and, if so, would the gentleman work with me to see if we cannot solve the revenue side of the problem as well?

Mr. BARTON of Texas. I thank the gentleman.

I would point out that in the years since I have been born, and I was born in 1949, the spending has gone up and taxes have gone up something like 2,000 percent for the average taxpayer, and we have not done anything to cut spending at all. Spending is increasing as fast now as it ever has.

The first thing we have to do is get spending under control. Until we do that, we could double the taxes on your average American taxpayer and still not bring the deficit under control.

I have about 1 minute left. I think we are going to do another special order immediately after this.

I would just like to wrap up by saying Gramm-Rudman-Mack is serious business. We have got to get spending under control. It is extremely important that we do so. It appears that we are going to have a chance to vote up or down on Gramm-Rudman-Mack tomorrow. I urge my colleagues in this body to vote in the affirmative on Gramm-Rudman-Mack.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Saunders, one of his secretaries.

□ 1715

ORDER OF BUSINESS

Mr. WALKER. Mr. Speaker, I ask unanimous consent that my special order may be called at this time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

THE BUDGET

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. WALKER] is recognized for 60 minutes.

Mr. WALKER. Mr. Speaker, I yield to the gentleman from Georgia [Mr. GINGRICH].

Mr. GINGRICH. Mr. Speaker, I just wanted to make a couple of comments. First of all, I think the points the gentleman from Oregon was making are real. I think anybody looking at as sweeping and decisive an act as the Gramm-Rudman-Mack proposal has to recognize that it undoubtedly is going to contain a lot of complications, and we are undoubtedly going to have to revisit it a number of times over the next year or two.

But the point I would have made to the gentleman from Oregon was that I think there are people downtown in the executive branch who are as worried about this proposal as anybody on Capitol Hill, because I think that there are elements of the executive branch which have been interested in spending more money, and I say this in part as a cofounder of the Military Reform Caucus. I have felt for a very long time that we need to control spending on the defense side as much as we do on any other side, and I am glad to see us begin to grasp the issue of controlling spending.

I would also say that the reality is that Congress under the Gramm-Mack proposal will have the opportunity to pass a budget and then to pass an appropriate authorization bill that are under the limits set by the proposal, and that there is no automatic reason why we would have to go to sequestering or why we would have to be granting power to the President. The President only gets a ministerial capacity to control spending if the Congress fails to do its job.

Mr. WALKER. Mr. Speaker, if the gentleman will yield, I think the power-abdication question has been a very, very clear issue, and I think it is one that we need to address, and one that I think that concerns many Members of this body, among them those of us who have been supporters of the proposal. But the fact is that there is not a power abdication here by Congress under any set of circumstances. First of all, as the gentleman points out, Congress still has the ability to take the steps necessary in order to meet the test of reducing deficits without ever kicking in the sequestering formula, so that Congress can, by doing its job, assure that no sequestering and therefore the Presidential ministerial function never takes place.

Second, even if the President does become the minister of the finance as a result of our inability to do it, he has to proceed under a formula that we have provided by law. Congress has defined the formula whereby we grant the President that power.

Third, if at any time we find the President has abused that power in any way or it is not working as though we want it to, we have given this in a statutory procedure that we by majority vote of both bodies can withdraw. Of course, the President could veto that, but then by a two-thirds vote of Congress over a Presidential veto of that type we could withdraw that power.

So power abdication is not the real issue here in this gentleman's view. I

think that the question is whether or not we are going to use issues of that type in order to retreat from what is necessary to do on the side of controlling our finances.

One other point I would make in reference to the earlier remarks of the gentleman from Oregon [Mr. WEAVER]. My guess is that we gave up more power to the Executive by adopting rules here several weeks ago or several months ago now which limited our ability to provide legislative limitations on appropriation bills than any power abdication that is involved in the Gramm-Rudman-Mack approach. When we said to this body that the historic entitlement of Members to place on bills some language limiting spending in particular areas, things that have been used to limit spending, for instance, during the Vietnam war, and that that can only be done after defeating a motion to rise in the House. At that point we gave up more power to the Executive than we are giving up in this particular bill. That was an extremely important abdication of traditional legislative power which went through here very, very quickly because it was thought to be convenient to the Members.

So for our own convenience, we are willing to give up power. When it comes to the question of controlling finances, all of a sudden the power question comes up. I find that a little hard to rationalize, myself.

To the point made a few moments ago by my friend from North Dakota, I would say that the one reason why we on our side are somewhat reluctant to deal with the revenue side of the question, the tax side, is because the fact of the matter is that the expanding deficit is not a revenue-base question, it is a spending-base question. And while the gentleman makes a legitimate point that real pro-growth, pro-family tax reform would be the kind of thing that we ought to move toward as a country—and I would hope that ultimately the Ways and Means Committee might report that kind of bill to the floor—I would also say to the gentleman that we know that over the last several years that taxes have represented about 19 percent of gross national product, that that has been the historic pattern of tax revenue collection by the Federal Government, that we have collected 19 percent of GNP. That is precisely what we are collecting today, and in fact the growth of revenue has been at far larger over the last couple of years than the growth of the economy as a whole or than inflation. And so there has been real growth in the revenue flow under the present Tax Code, and today we are collecting 19 percent of GNP.

Mr. DORGAN of North Dakota. Mr. Speaker, will the gentleman yield?

Mr. WALKER. Well, just let me make my point.

However, deficits have expanded within that same period of time because we have moved from a spending pattern of 20 percent of GNP up to 24 percent of GNP at the Federal level. Today the Federal Government spends about 24 percent—a little bit better than 24 percent of GNP—for its programs. That has been a tremendous expansion that has taken place over a period of just a few years, and so it has been that gap which has widened which is the problem. And so therefore we say that what you need to do is deal with the side of the problem that is in fact expanding the deficit, being the spending side, and we think that you need to have mechanisms designed to at least halt the rise in that spending trend and then at that point, once you have done that, take a look at your revenue side and find out whether or not there is not something that can be done in terms of reform that we had better blend the system.

Mr. DORGAN of North Dakota. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from North Dakota.

Mr. DORGAN of North Dakota. Mr. Speaker, I appreciate the gentleman's yielding.

Mr. Speaker, first of all, when I came here, we were spending roughly $150 billion on defense. Now the budget authority is going to be close to $300 billion, slightly under $300 billion. It is about a $150 billion increase. There have been no increases in revenue to pay for that, and we have about a $211 billion budget deficit.

When the gentleman talks about spending, I agree, we have to exercise great spending restraint, but take a look at the two largest pieces of spending in the Federal budget. What are they? Defense and Social Security. I serve on the Ways and Means Committee. I have been through all of those Social Security hearings in the last several years. We made Social Security whole. In fact, as I understand it, there is a slight surplus in this fiscal year from Social Security.

So we took our lumps, made the tough decisions. I voted "yes" on that bill. We made Social Security whole. Put that aside for a moment, because that is not causing the deficit.

Take a look at the biggest part of the Federal budget, defense. We have increased that by about $150 billion in about a 5-year period, but we have not said the honest thing to the American people. If we need that kind of defense increase, we also have to have the courage to pay for it. Nobody said to the American people, "We've got to pay for this as we go. We know it's tough, we don't like to ask you to pay for it, but you have to."

We took, and the President especially took, the easy road. He said, "I'm going to increase that defense budget $150 billion, and we're going to charge it."

Now, one other point, if I might. The gentleman said something that I think is not quite accurate. The gentleman said that we were raising about 19 percent of GNP in the revenue base in years past, and we now have a revenue base of about 19 percent of GNP. And then the gentleman said we are increasing our revenue base as the economy expands.

Mr. WALKER. That is right.

Mr. DORGAN of North Dakota. The fact is that the revenue base is constant with respect to our economy. The gentleman said it himself. The spending side has increased to about 24 percent of the GNP, the major part of that stimulus coming from defense. The revenue side is still 29 percent of gross national product. That 5 percent represents the Federal deficit.

Now when the President says, or the gentleman says, or I say, "Let's force Congress to go off and fix this problem," they give us the puzzle, or it is a puzzle we create, and say, "All right, now it is our responsibility to fix it." Except a couple pieces of the puzzle are missing, and we can play with that puzzle for months and never get it solved because a couple of pieces are missing, the most important of which is not only spending restraint—and I am talking about tough spending restraint, as I am sure the gentleman is—but also revenue.

Let me make one final point, and I appreciate the generosity of the gentleman in yielding. Everyone in this House, everyone on the floor of this House, has their interest. The gentleman stood up yesterday in his interest, SDI. He wanted a very significant increase in the account on the defense bill. That is the gentleman's business.

Mr. WALKER. What I wanted to do is get back to the authorized level.

Mr. DORGAN of North Dakota. I understand that, but all I wanted to say is when we were dealing with an appropriation bill the gentleman said, "The SDI star wars stuff is important to me. I want a 100-percent increase in that versus spending last year." That is the gentleman's issue.

Mr. WALKER. No, I did not call for a 100-percent increase. No, the gentleman is wrong.

Mr. DORGAN of North Dakota. Well, the gentleman wanted a very substantial increase if you measure it over last year's spending, a very substantial increase.

Mr. WALKER. A 10-percent increase over the committee bill.

Mr. DORGAN of North Dakota. All I am trying to say is that the gentleman has his issue.

Mr. WALKER. True.

Mr. DORGAN of North Dakota. The gentleman is a conservative. The gentleman stands up when his issue is up and he says, "I want more money for mine." And then everyone else sitting in every other chair says, "This issue is important to me." And the collective problem that we all have is all of us saying, "Look, we're all going to have to give a little bit on everything—defense, domestic, and also revenue, and in that way we'll solve this problem."

All of us I think want to go to the same direction, the same place. We all come from the same cut of cloth here. We all want to solve the deficit problem. And yet I am just saying that given the pieces of the puzzle that we are furnished with, the President saying in his Clint Eastwood drawl, "Go ahead and make my day. Pass something that increases any revenues and I'll veto it." With that caveat, I am saying that I do not think we are going to get where we are supposed to go, because I do not think you can get there without all the pieces there. And I just hate to go through the exercise and then not end up where the American people darn well expect us to end up, with something representing fiscal policy in some kind of balance.

Mr. WALKER. Mr. Speaker, let me say that I thank the gentleman for his observations. Let me just say a couple of things in response before I yield to the gentleman from Arizona.

First of all, the defense question, I think the gentleman is absolutely right that we do have to look at that. I would say to the gentleman that I am perfectly willing to vote for cuts in areas of defense in order to see to it that we can fund things that I think are important for the future like star wars. And so therefore I have opposed things like the chemical weapons program and a number of other things in order to find the money necessary to do things that I think have more relevancy to the future, and my record is clearly one of attempting to find some balance within those programs.

Now the gentleman can make the point that we ought to all accept cuts on everything. I can probably accept that if that was in fact what really happens out there. But what I find is that too many people do not want to even try the balancing act on this floor, and as a result we end up with problems.

I do think we have an obligation within the process to determine priorities. That is what this gentleman does consistently. Most of my priorities, I think the gentleman will have to admit, when I come to the floor for amendments has typically been to reduce funding, and reduce it substantially, and sometimes I must admit that there are some things that I consider of intense priority enough that I am willing to offset some of those cuts with increases where it is important to the future of the country.

I also say to the point of the gentleman on taxes, here are the figures with which I am working. The economy last year, over the last year, at the highest point grew at 7 percent a year, at the highest point of growth. That was not the average for the year; I think the average for the year worked out to something around 5 percent. The revenue increase last year to the Federal Government was 10.1 percent, so that in fact revenue increases relative to revenue were growing faster than the economy as a whole was growing. That is that point that I was making: 10.1-percent increase in revenues to the Federal Government versus about a 5-percent increase in the economy as a whole.

Inflation, on the other hand, grew at about 3½ percent. So that in fact revenues were three times higher than inflation, and about twice as high—revenue growth—as the growth of the economy as a whole. Now that did not make much, because of the magnitude of what we are dealing with, that did not make much change in the overall revenue figures; the 19-percent figure grew only nominally. But nevertheless, it was an increase because the revenue flow to Government is increasing. The problem, I would say to the gentleman, is that we did not get any advantage out of the fact that economic growth was producing greater revenue flow, because Congress proceeded to spend last year at an 11.4-percent rate—the growth rate of Federal spending last year was 11.4 percent. And so the 10.1-percent revenue increase was wiped out by an 11.4-percent spending-rate increase.

If we had the guts to simply hold the rate of growth of Federal spending to 3.5 percent, where the inflation rate was, or even the 5 percent where the economy as a whole was growing, we would have ended up with a fairly significant surplus of revenues that could be applied against the deficit.

My contention is that one of the advantages of moving to the Gramm-Rudman-Mack approach is that we might be forced to set that kind of priority, and here are the figures. If, for example, last year we had been able to use the $65 billion in new revenue, approximately $65 billion—that is what the 10.1-percent increase would be—and we would have kept up with inflation only, only had an inflationary amount to the Federal Government, that would have been about a $35 billion increase.

□ 1730

That would have left us with $30 billion of growth-derived revenues, which then could be applied against the deficit. If you take the formula under Gramm-Rudman that says that we have to get $36 billion a year, that would have left us with only $6 billion to find; $6 billion, it seems to me, is a manageable amount. That is an amount that we can find using defense, entitlements, and a number of other things in order to get us on that downward trend.

I think that if we really begin to look at using growth-derived revenues against deficits, we could, in fact, begin to manage this process without taking massive cuts that so many on your side have indicated have to be taken out of all these programs. I do not think that is the case. All we have to do is discipline ourselves not to spend more in a given year in spending growth than the revenue growth is taking in.

Mr. DORGAN of North Dakota. If the gentleman will yield further, I just cannot think there are more than two dozen people left alive, and certainly no economists, who believe that growth-derived revenues will solve the problem. We have been living with that pill for about 2 years and we have been swallowing it and swallowing it and swallowing it and swallowing it.

The fact is, no responsible economist I know of says that we are going to grow out of this problem.

Mr. WALKER. Let me say to the gentleman, as I reclaim my time, the problem is that every time that we have had those growth-derived revenues, we have spent them all, plus some. That is where the deficit is coming from. Sure, the economists will not believe it under that scenario. They do not believe this Congress will cut its spending habits.

I am simply saying to the gentleman, the reality of the situation is that this year we took in $65 billion more than we did last year. Had we used that differently, and used it in part against the deficit, that in fact would begin to bring it down. But we did not. We spent even more. We spent 11 percent of approximately $900 billion, $95 billion, or $100 billion.

Mr. DORGAN of North Dakota. Does the gentleman have some statistics on where that went?

Mr. WALKER. I think it went to a lot of different programs. Obviously, it did not go very much to entitlement programs, though, because the cost of living would be about the inflation rate. There would be some above that. Some of it went to defense. The gentleman is absolutely correct.

Mr. DORGAN of North Dakota. And how much for interest on the debt?

Mr. WALKER. I do not have those figures here in front of me because I am just working off notes I have made to myself, but I would say to the gentleman if, in fact, he is talking about the fact that the defense budget has gone up $150 billion during the time he has been here, my guess is, based upon the figures I have looked at, that

social programs have gone up even more; that if he takes a look at the social program area that the rise in spending has been more than that $150 billion in his time in the Congress.

Mr. DORGAN of North Dakota. Is the gentleman speaking of Social Security and Medicare, for example?

Mr. WALKER. Not necessarily Social Security, but I would include Medicare, Medicaid, the AFDC Programs, a lot of the social welfare entitlement programs, food stamps, all of those. My guess is, if you add those all together in the domestic spending program areas that the cost of those programs has gone up just as much, if not more, than defense spending in that same period of time, because as the gentleman well knows, we have over a 20-year period moved from a 45 percent of Federal budget level of spending for defense down to about a 29-percent level of spending for defense today. In terms of the budgetary impact, we now have about 45 percent of all spending going for domestic programs, which is a direct reversal of what it was 25 years ago.

Just the magnitude of the programs would indicate that there has been a spending increase in that area almost equal to the defense spending increases.

Mr. DORGAN of North Dakota. If the gentleman will yield further, he is comparing apples and oranges. As he well knows, in the early 1960's when they were making these famous comparisons of what percent of the GNP was spent on defense, the Social Security System was a separate trust fund. In the late 1960's, of course, President Johnson brought it into the unified budget and now it exists there.

Mr. WALKER. I cannot let the gentleman get away with that, because we do not compare apples and oranges on those figures. We go back and we utilize the Social Security figures for that period of time, too. We blend in the Social Security. It would be unfair to use that kind of figure.

What we do is go back and derive the figures from what would have been a unified budget at that point, and the figure I am quoting the gentleman is based upon a unified budget. Even though it did not exist at that time, the figures that we are deriving are based upon having a unified budget at that point.

Mr. DORGAN of North Dakota. If I might interject one more time, I would say this to the gentleman: There is no question that the Federal budget has fat in it and it exists in a good number of places.

If we do not deal with Social Security for the moment, because we have made that system whole, we have increased taxes, we have taxed Social Security above $32,000 per couple, we have done a dozen different things——

Mr. WALKER. That is why Gramm-Rudman does not deal with it, as the gentleman knows.

Mr. DORGAN of North Dakota. All right, but I am saying set that aside for the moment and then set interest on the debt aside, which is one of the fastest growing items in the Federal budget, and which has grown radically since I have been here——

Mr. WALKER. Because of high interest rates. High interest rates make a big difference in that.

Mr. DORGAN of North Dakota. There is no question about that, and we probably agree on the Federal Reserve Board, I do not know, but I think the Federal Reserve Board has steered an almost drunken course of monetary policy that no one can define, or no one can predict.

Mr. WALKER. We do agree.

Mr. DORGAN of North Dakota. And that has not been good for this country. But aside from that, I am saying if you take that basket of money that we spend at the Federal level that the gentleman calls entitlements, programs basically for the poor in this country, and go out and represent a poor person for a week or two yourself and live on them, you will see that the amount of money we have spent on those, both in the aggregate in the budget, if you take Social Security and Medicare away, and the aggregate has not increased very radically in the last 5 years in the budget and certainly has not increased at all with respect to the person who is having to live on those kinds of assistance from the Federal budget.

All I am saying is that I think that we now spend about 24 percent of the GNP. We can cut that. We are probably not going to cut it back to 19 percent because the gentleman would not vote for the kind of defense cuts that would be necessary to get back there. If we are going to solve this problem seriously, because again, we have seen all these gymnastics in the well for years about the deficit down payment—remember that program?—the deficit down payment, we heard that for months and months and months. We got the down payment and got that all squared away. It was a compromise, I agree, between everybody, and then the deficit increases. The gentleman will explain why it increased, but the fact is that these progams do not work unless we have all the pieces with which to solve the puzzle. It includes spending restraint. It includes asking those people in this country who do not now pay taxes when they should to start paying those taxes to the Federal Government. That is a tax increase as the President defines it, but that is tough luck. That is precisely what we ought to do, and his standing in the way of that, in my opinion, jeopardizes our ability to finally solve this fiscal problem and I am hoping he will re-think his position. I am hoping the gentleman and I and others on this floor can compromise sufficiently so that we do what we need to do, not only for the defense of this country, and we should, but also for the people in this country who need help through our social programs.

Mr. WALKER. As the gentleman well knows, the problem is not with the idea of, through a revenue mechanism, finding a way to get those people to pay taxes who do not now pay. The trouble is that most of the mechanisms that have thus far been derived in order to try to do that end up also making people pay more who are now paying more than their fair share of taxes. That is the real problem.

In many cases, the other problem is that, for instance, if we change the corporate tax structure, and so on, for minimum corporate taxes, as has been suggested by some people, we wipe out the ailing steel industry, which is already in trouble. The few profitable elements of the ailing steel industry that have used, for instance, investment tax credits in order to stay whole end up being wiped out by an approach which requires a minimum corporate tax. That would not be the intention of it, but the fact is that it would have that impact. It would be particularly devastating in the older industrial belt, in what some have called the Rust Belt at the present time. That kind of program would be particularly devastating in undercutting the very industries that are now struggling to survive.

I would say to the gentleman that I do not think that in the name of doing some of these things that we ought to; No. 1, destroy industries that are now struggling to survive; or No. 2, make people who are now paying more than their fair share of the taxes pay even more in order to catch some others.

I would favor changes in the tax code that could literally target people who are not now picking up their fair share, but not at the expense of the great middle class of this country who I think at the present time are paying more than their fair share.

Mr. DORGAN of North Dakota. Might I understand what the gentleman is saying? Not only does he selectively on occasion want an increase in spending, as he witnessed yesterday, but he also on some occasions supports certain tax preferences if it goes to something he thinks is important. The investment tax credit is an interesting example. The ailing steel industry is an especially interesting example. Those ailing in the steel industry are not earning great incomes on which they are paying substantial income taxes, as the gentleman well knows.

□ 1740

And their problem is not a tax code, their problem is represented by a dozen different things, including trade policies.

Mr. WALKER. And the gentleman well knows that trade policy is in large part a problem derived from deficits that have overpriced our products on world markets and made us uncompetitive.

So we have come full circle, it seems to me, and we come back to the reason why I am standing here tonight supporting Gramm/Rudman/Mack, because I think that what we need is a deficit policy in this country that then helps us get a tax policy, helps us get a trade policy, helps us get at farm policy and all of the various other plagues that are upon the land at the present time, largely growing out of the fact that this Government has been spending more than it has been taking in.

Mr. KOLBE. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Arizona.

Mr. KOLBE. I thank the gentleman from Pennsylvania for yielding.

We have gotten a little bit away this evening in this discussion, as I have been listening to it here, from the discussion of the Gramm-Mack amendment. But I think this discussion about taxes is very useful, and I think the gentleman from Pennsylvania put his finger on it a few minutes ago when he spoke of the fact that last year alone, the tax revenues grew, our revenues to the Federal Government, by more than 10 percent.

Mr. WALKER. 10.1 percent.

Mr. KOLBE. But spending grew by 11.4 percent, a difference there of 1.3 percent.

The gentleman from North Dakota [Mr. DORGAN] said earlier there is not an economist around that believes we are going to grow out of the problem of spending and to grow out of the deficit. We do not have a stagnant revenue base in this country. We have a growing economy, and as the gentleman from Pennsylvania pointed out so well, tax revenues are growing at a very substantial rate.

The problem is that Congress cannot control its own appetite to control spending, and yes, we could grow out of this deficit if we would just restrain ourselves on the spending side; it would be possible not overnight, not in 1 year, but it would be possible for us to get ourselves out of this box if we could really control our spending appetite.

It seems to me that is exactly what Gramm/Mack is all about. I have listened for the last several days to the national media, and read discussions in the newspapers and heard discussions on the floor of this body about all of the technical things wrong with Gramm-Mack, and we need to look at those and make sure it is in the best possible condition that it can be. But the real issue that is involved, it seems to me, in the Gramm-Mack amendment is a fundamental question: When is this body going to establish priorities in spending? When are we going to face up to the tough choices that we have to make about spending? When are we going to stop borrowing from our children and our grandchildren? When are we going to stop spending their inheritance in this country? When are we going to deal with the questions of spending.

The American people understand that issue very well.

A couple of weeks ago I was in my district and I went to one of the rural parts of my district and we had some car trouble. We stopped at a service station to get the car fixed, and the hose on the radiator was broken. The guy was under the hood working on the radiator hose, and while he had his head under the hood there, he was yelling at me all the time, when he found out that I was his Congressman, and he said, "If you guys don't do something about that spending here in Washington, I'm going to lose my business here," and he said, "And you are going to be out of a job, too." He said that in a pleasant way. But I think the threat is one that all of us ought to heed here.

The American people, whether it is in Sun City, AZ, or whether it is Chicago, IL, understand what this deficit problem is about. And they want something done to control spending.

We are raising enough money in taxes. We need fair taxes. We need to make sure people are paying their taxes, but the answer is not to increase the tax burden on people. Every time we come around to say we want to make taxes fair, we just increase taxes on people, it seems to me.

Mr. WALKER. I think maybe what we ought to do is to go through and break down the figures again for people because it is sometimes difficult for people to understand when we deal with percentages as to just what it is so people have some grasp of what we are talking about of how growth could make a difference here.

When we talk about, for instance, that the revenues to the Federal Government rose by about 10.1 percent, what does that mean? What it means, in essence, is that we collected $65 billion more in revenues for the Federal Government for the last year than we did the year before, a very substantial amount of money. Because we are around a $650 billion revenue level at the Federal Government, and it may be even a little bit more than that—I am using an old figure. That is the one that comes to mind. It may be closer to $700 billion at the present time, but let us take the lower figure just so that I make sure that I am near ways accurate; 11.4 percent growth in spending is a whallop of a lot of money, because you are talking about a trillion dollar budget. You are talking about a budget somewhere between $900 billion and $1 trillion. So when you increase that by 11.4 percent, you are talking about something on the order of $100 billion in increases in spending.

The difference between $65 or $70 billion in revenue growth and $100 billion of add-on spending is $30 to $35 billion of add-on deficit. The money that we spent new, that we did not collect new, we have to borrow, and that is our problem. Every year we are doing that kind of add-on.

The problem is not that we do not have revenue growth. We do. And if we could discipline ourselves in such a way that we would not spend more than what the economy as a whole could sustain, or what inflation was demanding that we spend, you could begin to use growth-derived revenues.

Let us say, for example, in that trillion dollar budget that you only spent what inflation required you to spend; that is, $35 billion that you would end up spending anew, $65 billion of increased revenues, $35 billion worth of spending. All of a sudden you have $30 billion to apply against the deficit if you simply live within inflation. If you live within the economy, the economy as a whole rose about 5 percent. That is $50 billion. If we live within the range of economic growth, we still end up with $15 billion or $20 billion that can be applied against the deficit.

That is what we ought to be doing. In no way should Government be growing faster than the economy as a whole, and it seems to me in times of crisis, we ought not be growing any faster than inflation requires us to grow.

Mr. KOLBE. I appreciate what the gentleman just said, and I think again he has put his finger on it, and the question is one of discipline. We have heard that word over and over again on the floor of this body in the last several days. What are we going to do to discipline ourselves? I do not know how the gentleman feels, but I found myself today very dismayed when earlier in the discussion that we had today on the reconciliation for the Ways and Means Committee, we addressed the question of whether or not we were going to try to change, send the rule back and get a different rule so that we could come with an amendment that might allow us to address new spending authority, new budget authority in the Medicare and Medicaid Programs.

Now, if, and probably most of the people in this body would agree, and certainly most Americans would agree that if we cannot restrain our appetite

on new spending, new programs, we are going to have a hard time ever controlling spending. And so today we had a demonstration of the inability of this body to impose that discipline on itself that Gramm-Mack clearly brings, would bring about or help bring about. In fact, I think that is the reason that so many Members are really scared about adopting Gramm-Mack, because it is going to force this body to make some tough choices. Some of them are going to be choices that I am not going to want to have to make. I will be very honest, there are going to be tough decisions for me, and there is not going to be a Member of this body that is not going to have to make some difficult choices here. But someplace we have to start that. We cannot keep on doing as we have been doing and it is clear we do not have the discipline to do it ourselves.

We have had a Budget Act since 1974 which is an absolute shambles. We paid no attention to it this year. We adopted a budget resolution which says we are going to cut $51 billion out of spending in the next year, and what do we do? We come back after the Labor Day recess and we vote every single appropriation bill that has come to the floor of this House that has come with a waiver on it, and most of them had the waivers because they have been increases in spending over what the budget resolution contemplated.

Mr. WALKER. If the gentleman will let me reclaim my time for just a moment, one of the interesting things was that the defense authorization, after hearing all of this talk about defense spending, which happens to be a priority this gentleman thinks is important to the country, I think defending this Nation is, in fact, an important priority, and I know under Gramm-Rudman-Mack I am going to have to swallow hard on some of the things that we are going to have to do in defense, but so be it. But even on the defense authorization, we hear so much talk about defense has gone up so much, and they come to the floor with a rule that had a budget waiver in it and they waived the Budget Act in order to spend more money in defense, after all of this talk we have heard about defense, and nearly everyone who has been out on this floor talking that language voted for the rule to waive the Budget Act for defense.

So the gentleman is absolutely correct, the rhetoric just is not matched by the actions, and that is the problem, that is the reason why we have the deficit.

I will be glad to yield to the gentleman from Arizona.

Mr. KOLBE. I appreciate the gentleman yielding.

Again, the national defense is a priority of mine as well. It is something I think is certainly one of, if not the foremost responsibility the Federal Government has to the people of this country, to provide for our national defense.

But I have made the point all along that we have an even more overriding problem right now, and that is literally the economic survival of this country, and we are not going to survive if we do not get a handle on this spending problem.

So I believe that defense is going to have to take its share of the cuts too. And I have voted for making those cuts. I voted for spending no more than we have spent in terms of the budget authority for next year.

Mr. WALKER. If the gentleman will let me reclaim my time just a moment, let us understand that when the gentleman talks about cuts, and when I talk about cuts within the context of a growth-oriented process, that we are talking about cuts in increases, not real cuts in programs, in most instances, be they social programs or defense programs and so on. Under this scenario I just sketched a few moments ago, you could allow a defense program to grow at the rate of inflation, you could allow social programs to grow at the rate of inflation, you could allow COLA's that did not exceed inflationary increases to go forward. You could allow all of those things to happen and still, and still get yourself growth-derived dividends for application against the deficit if we simply would stop spending new money, stop add-ons, stop all of the things that go beyond that.

So, you know, cuts are a relative term here rather than a real term in many ways.

I will ge blad to yield back to the gentleman from Arizona.

Mr. KOLBE. I appreciate the gentleman yielding again. It is very apparent to me from the kind of budget resolution we adopted, and the kind of action we take when it comes to the real gut issues, which is the spending of the actual appropriations for those programs, it is apparent that a lot of people in this body would like to have it both ways. It is a popular thing to do. You would like to be able to go home and say I voted for a tough budget resolution which is cutting $51 billion out of spending over the next year, and then you come back and vote for appropriation bills that increase that spending. So then you can go down the street to whatever interest group there may be. As I point out to every town hall that I have talked to, everybody in that audience is a member of a half a dozen or a dozen special interest groups, whether they are veterans, whether they are farmers, whether they are senior citizens, whatever it is, we are all a member of a variety of special interest groups, and we like to be able to go back to that special interest group and say I voted $200 million more for your program this year than you got last year, and that is what cannot continue, it seems to me. We have got to put a stop to that. The American people understanding that, they know that.

I would like to share with you just one thing we have done in my district in the last couple of weeks because I am so convinced this issue is of such priority, and that the American people believe that it is. When the Gramm-Mack amendment went to the conference committee with instructions from the House of Representatives to enact some tough deficit reduction programs, we organized back in Congressional District 5 of Arizona an ad hoc, informal committee to stop overspending now, we called it, the SOS Now Committee, which consists of business people, consists of retired people, citizens who just came together to try to get grassroots support, grassroots pressure on the Congress of the United States to do something about this deficit reduction. And we have been circulating letters, letters back to the leadership of the House of Representatives, to the conferees, asking them to adopt the Gramm/Mack amendment.

Monday, while I was in my district, one person, a realtor, came into my office. She had collected in just 10 days that she had the letter, and had duplicated all kinds of signature pages to go behind it, she had collected herself 518 signatures in 10 days on that letter to the leadership saying do something about deficit spending now. The mayor of the city of Tucson took the letter and just put it on his desk there in his office, and he pointed it out to people as they came in, and he has had employees, people coming in his office standing in line to sign that letter.

The American people understand this issue and they want action. They are watching what Congress is going to do. I think that it is the people of the United States that are watching, and certainly the credit markets around the world and in this country are watching. This is the last best chance we have to really do something serious about reducing the deficit.

□ 1755

We have got to do it now, and I think that is why the gentleman and I are here this evening; urging the leadership of this House, urging our colleagues to bring that issue back to the floor so that we can have a straight up-or-down vote. Let the people decide, let the Members of this body decide whether or not we really want a meaningful deficit reduction program.

Mr. WALKER. Reclaiming my time, to paraphrase the President a few months ago, "If not us, who? If not now, when?"

Mr. KOLBE. I could not agree more with what the gentleman said.

THE HEALTH CARE SAVINGS ACCOUNT ACT OF 1985

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia [Mr. SLAUGHTER] is recognized for 20 minutes.

Mr. SLAUGHTER. Mr. Speaker, in the last few weeks newspaper headlines around my district and throughout the Nation reported that next year the fees Medicare beneficiaries pay to enter hospitals will increase by 23 percent. That means that the out-of-pocket deductible payment will go up on January 1 from its present $400 level to $492 for each Medicare recipient admitted to a hospital.

We can expect these headlines to continue for years to come unless we act to end the vicious cycle of benefit cuts, payroll tax increases, and freezes on providers so long offered in Congress as "solutions" to Medicare's financial problems.

And the situation is getting worse. Medicare's trustees are predicting the financial collapse of the Medicare system sometime in the 1990's which can only mean that more benefit cuts, tax increases, or both, are on the way.

Our elderly deserve better. The taxpayers of this country deserve better.

We do not have to continue down this road to further benefit cuts, tax increases, and financial crisis. On October 3, I introduced with three of my colleagues—Congressmen CRANE, DREIR, and SILJANDER—what we believe is an alternative route: The Health Care Savings Account Act of 1985, H.R. 3505.

This legislation could solve the financial problems of the Medicare system without benefits cuts for our elderly, tax increases on our citizens, or freezes on payments to our health care providers. It does this by maintaining Medicare payroll taxes in full to pay for current benefits while providing incentives for increased savings by today's workers to use for health care costs in retirement before tapping the Medicare fund.

In addition, this proposal would put downward pressure on health care costs by increasing competition in the health care industry. With out-of-pocket health care costs for the elderly rising at the rate of 11.4 percent per year since 1980, this aspect of the proposal would have a very positive effect on the standard of living of our elderly.

I encourage my colleagues to join a growing bipartisan list of cosponsors of the Health Care Savings Account Act to ease the burdens on our Nation's elderly, as well as our Nation's workers.

SOVIET FORCES IN AFGHANISTAN: A MAJOR ISSUE AT THE UNITED STATES-SOVIET SUMMIT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. KEMP] is recognized for 15 minutes.

Mr. KEMP. Mr. Speaker, I am proud that President Reagan has committed himself to making Afghanistan a major focus of his upcoming talks at Geneva with Soviet leader Mikhail Gorbachev. The summit is the first opportunity since the invasion of Afghanistan for an American President to personally express to a Soviet ruler the deep hope and expectation of the American people that the Soviets will withdraw their soldiers from Afghanistan and allow democracy and self-determination to prevail in this beseiged country.

With the summit only a few weeks away, the United States Congress should send a clear signal to the Soviet regime that the American people are deeply committed to the spread of freedom and the protection of human rights throughout the world. We can begin by reaffirming our own faith: That the rights of every citizen to life and liberty are inalienable rights so fundamental that they are beyond the power of any individual to relinquish or any government to take away. These rights apply as much to Afghan citizens and the Soviet people as to all Americans.

Therefore, along with 33 other Members of Congress, I am introducing a bipartisan congressional resolution on the upcoming meeting in Geneva between President Reagan and Soviet leader Mikhail Gorbachev. The resolution condemns the flagrant human rights abuses committed by the Soviets in Afghanistan and expresses Congress' intent that negotiations begin with the Soviet Union that lead to the withdrawal of outside troops from Afghanistan, the return of Afghan refugees, and the restoration of self-determination and independence.

A similar resolution has been introduced in the Senate by Senator GORDON HUMPHREY.

It is now beyond doubt that the Soviets are engaged in gross violations of basic human rights in Afghanistan. In fact, everything we know points to the fact that the Soviets are conducting a concerted campaign of genocide against the Afghan nation. This has been substantiated by Helsinki Watch, Amnesty International, a forthcoming special United Nation's report on human rights in Afghanistan, and thousands of personal accounts from Afghan refugees.

Since the Soviets invaded Afghanistan 6 years ago, 27,000 people have been executed in just the Poli Charki concentration camp, including diplomats, engineers, professors, spiritual leaders, and doctors; in short, any person with even a remote connection to Western life or culture.

Amnesty International estimates that 4,854 prisoners have been killed more or less clandestinely. And a United Nations report says that approximately 9,000 individuals disappeared in Kabul before the coup of December 27, 1979. The Soviets continue to carry on a campaign of destruction of farmland, crops, villages, and countryside, inflicting widespread starvation and famine throughout the country. Indeed, the scope of famine and the resulting starvation in Afghanistan is fully comparable to the Ethiopian tragedy, according to international reports.

Jean-Francois Revel in a recent article notes that more than 4½ million Afghans have fled the country since 1978, mostly to Pakistan. It is an astounding fact that more than one out of every two refugees on this planet today is an Afghan.

According to Revel: "If you add to this figure the number of resistance fighters killed, of those executed, of civilians massacred or starved to death (a figure that can prudently be put at a million) this means that of the 13 to 14 million inhabitants of the country in 1978 there remain today on Afghan soil about 8 million." "Put otherwise," says Revel, "nearly 40 percent of the population is either in exile, or dead."

Afghanistan is on the front lines of freedom. The Afghan people are paying with the supreme sacrifice of their lives. But the Afghan fight is our own fight. If they fail, freedom throughout the world will take a heavy blow. If they succeed, the chances for freedom everywhere are advanced.

The Afghans have imposed a heavy toll on the Soviet-backed government. Afghanistan is costing the Soviet Union $4 billion a year. Since 1979, they have lost 750 planes in Afghanistan, mainly on the ground. The guerrillas now control twice as large a portion of Afghanistan as they did when they started. And CIA Director William Casey estimates that the Soviets, who are increasing their troops from 100,000 to 200,000, would have to commit an additional 400,000 soldiers into the country in order to pacify it.

The Soviets are searching for ways to get out of Afghanistan, according to CIA Director Casey. If the Afghan people can maintain their determination, surely the American people must also maintain optimism and hope; and we must give the Soviets additional reasons to come to a quick accommodation. The strongest tide in history is the tide of human freedom. And I really believe that a turning point has been reached. The forces of totalitarianism are receding to the tide of human rights and democracy throughout the world.

This resolution is not a substitute for firm action. Nor do we pretend it will induce the Soviets to leave Afghanistan or cause them to begin to show respect for basic human rights.

But in the face of widespread human suffering and flagrant human rights abuses, civilized nations cannot remain silent. We are compelled to speak out, to affirm the sacred Afghan cause and express our solidarity for their courageous resistance against the Soviets.

We must also speak out because there appears to be an emerging opportunity for

peace with freedom in Afghanistan. It is appropriate, therefore, that we join in one united and unceasing voice of praise for the Afghan freedom fighters and their noble cause—until the Soviets have left Afghanistan and allow the Afghans and their families to live in peace and freedom. The spirit of the Afghan people will not be broken. But we can nurture that spirit by reaffirming that the American people embrace the Afghan cause as their own.

Therefore, join with us in this resolution to honor the great struggle of the Afghan people and proclaim their right to democracy and self-determination. And let us pray that someday the forces of tyranny will finally be lifted from this Earth and that all nations under God will respect the sacred and inalienable rights of mankind.

NICARAGUAN TRADE CONTROL REGULATIONS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 99-120)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Foreign Affairs and ordered to be printed:

(For message, see proceedings of the Senate of today, Thursday, October 31, 1985.)

CONFERENCE REPORT ON H.R. 3036

Mr. ROYBAL submitted the following conference report and statement on the bill (H.R. 3036) making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies for the fiscal year ending September 30, 1986, and for other purposes:

CONFERENCE REPORT (H. REPT. 99-349)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 3036) making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies for the fiscal year ending September 30, 1986, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 2, 4, 5, 6, 8, 9, 10, 13, 15, 16, 17, 18, 22, 23, 28, 30, 31, 32, 33, 34, 35, 37, 38, 39, 40, 44, 46, 56, 57, 58, 60, 65, 67, 72, 74, 80, 81, 82, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 99, and 100.

That the House recede from its disagreement to the amendments of the Senate numbered 7, 11, 12, 21, 24, 25, 26, 27, 29, 43, 48, 49, 50, 53, 54, 59, 62, 63, 66, 69, 73, 75, 77, 78, 79, 95, and 96, and agree to the same.

Amendment numbered 14:

That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$717,000,000*; and the Senate agree to the same.

Amendment numbered 36:

That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert, *$294,000,000*; and the Senate agree to the same.

Amendment numbered 41;

That the House recede from its disagreement to the amendment of the Senate numbered 41, and agree to the same with an amendment, as follows:

Restore the matter stricken and inserted by said amendment, amended to read as follows:

For payment to the Postal Service Fund for revenue forgone on free and reduced rate mail, pursuant to subsections (b) and (c) of section 2401 of title 39, United States Code; $820,000,000; and the Senate agree to the same.

Amendment numbered 45;

That the House recede from its disagreement to the amendment of the Senate numbered 45, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$37,299,000*; and the Senate agree to the same.

Amendment numbered 70:

That the House recede from its disagreement to the amendment of the Senate numbered 70, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$1,100,000*; and the Senate agree to the same.

Amendment numbered 83:

That the House recede from its disagreement to the amendment of the Senate numbered 83, and agree to the same with an amendment, as follows:

Restore the matter stricken by said amendment, amended to read as follows:

SEC. 513. None of the funds appropriated under this Act shall be obligated or expended to implement, promulgate, administer, enforce, or reissue the proposed Office of Personnel Management regulations and the proposed Federal Personnel Manual issuances published in the Federal Register on March 30, 1983, on pages 13341 through 13381, as superseded by proposed regulations and Federal Personnel Manual issuances published in the Federal Register on July 14, 1983, on pages 32275 through 32312, and as further superseded by proposed regulations and the Federal Personnel Manual issuances published in the Federal Register on October 25, 1983, on pages 49462 through 49498: Provided, That this section shall expire on May 15, 1986.

And the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 3, 19, 20, 42, 47, 51, 52, 55, 61, 64, 68, 71, 76, 97, and 98.

EDWARD R. ROYBAL,
DANIEL K. AKAKA,
STENY HOYER,
RONALD COLEMAN,
SIDNEY R. YATES,
JOE SKEEN,
BILL LOWERY,
FRANK R. WOLF,
JAMIE WHITTEN,
SILVIO O. CONTE,
Managers on the Part of the House.

JAMES ABDNOR,
PAUL LAXALT,
MACK MATTINGLY,
DENNIS DECONCINI,
MARK HATFIELD,
JOHN C. STENNIS,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMEMT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 3036) making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies for the fiscal year ending September 30, 1986, and for other purposes, submit the following joint statement to the House and Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

TITLE I—DEPARTMENT OF THE TREASURY

OFFICE OF THE SECRETARY

Amendment No. 1: Deletes language proposed by the Senate which would have authorized certain activities overseas.

Amendment No. 2: Makes available $22,000 for official reception and representation expenses as proposed by the House instead of $105,000 as proposed by the Senate.

Amendment No. 3: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate amended to read as follows:

In lieu of the matter proposed by said amendment, insert the following:

: Provided, That none of the funds appropriated by this Act shall be available for the salaries and expenses of the Office of the Assistant Secretary of the Treasury for Enforcement of Operations if any of the following products of the Union of Soviet Socialist Republics are entered, or withdrawn from warehouse, for consumption in the customs territory of the United States after December 31, 1985 unless the Commissioner of Customs is provided with sufficient information pursuant to 19 CFR 12.43 attesting to the fact that the products have not been produced, manufactured, or mined (in whole or in part) by forced labor, convict labor, or indentured labor under penal sanctions:

(1) gold ore,
(2) agricultural machinery,
(3) tractor generators,
(4) tea,
(5) crude petroleum,
(6) motor fuel,
(7) kerosene, and
(8) any other product that the Commissioner of Customs

determines to have been produced, manufactured, or mined (in whole or in part) by forced labor, convict labor, or indentured labor under penal sanctions: Provided further, That none of the funds appropriated by this Act shall be available to hinder or impede the Commissioner of Customs in making determinations under subsection (8) of the preceding proviso

The Managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

This amendment withholds funds for the salaries and expenses of the Office of the

Assistant Secretary of the Treasury for Enforcement and Operations if Section 307 of the 1930 Tariff Act is not enforced.

The Conferees note that the Commissioner of Customs has the exclusive authority under 19 CFR 12.42(e) to deny the importation of goods on which there is reasonable but not conclusive evidence that such goods were made by forced labor in accordance with Section 307 of the 1930 Tariff Act, and to enforce this regulation by promptly notifying his district directors to withhold release of such merchandise.

The Conferees are aware that, pursuant to regulation, the Commissioner of Customs twice has made the determination that certain articles are now being imported into the United States which are being produced with the use of convict, forced or indentured labor (September 28, 1983 and December 2, 1983). Despite making findings that such goods are being presented for entry into the United States, enforcement of the ban on importation of such goods has not been enforced.

This amendment withholds funds for the Office of the Assistant Secretary of the Treasury for Enforcement and Operations who has jurisdiction over this law if the goods listed as identified by the Customs Commissioner of December 2, 1983, are not barred entry into the United States under 19 CFR 12.42(e).

Amendment No. 4: Appropriates $54,274,000 for salaries and expenses as proposed by the House instead of $76,400,000 as proposed by the Senate. The Conferees request that the Office of the Secretary provide the Committees on Appropriations additional justification for the proposed consolidation of these two accounts.

INTERNATIONAL AFFAIRS

Amendment No. 5: Restores a provision proposed by the House but deleted by the Senate which appropriates $22,442,000 for International Affairs. The Senate had proposed to consolidate this activity with the Office of the Secretary into a single appropriation.

FEDERAL LAW ENFORCEMENT TRAINING CENTER

Amendment No. 6: Deletes a provision proposed by the Senate which permits the purchase of certain types of motor vehicles without regard to the general price limitation contained in the Act.

Amendment No. 7: Appropriates $23,803,000 for salaries and expenses as proposed by the Senate instead of $25,500,000 as proposed by the House.

The Conferees direct the Office of Management and Budget, the Secretary of the Treasury, and the Director of the Federal Law Enforcement Training Center to provide the full cost of basic law enforcement training for the agencies that train at the Federal Law Enforcement Training Center, in the fiscal year 1987 budget of FLETC. The conferees also direct the Secretary of the Treasury, in cooperation with the Director of FLETC to conduct a comprehensive study and develop a detailed plan for establishing an anti-terrorist training program for all affected law enforcement personnel in fiscal year 1987. The conferees expect the Secretary of the Treasury to report by no later than January 1, 1986 on compliance with these directives and progress by that date.

The additional $6,000,000 provided above the budget estimate is to be used for the construction of the first wing of a new dormitory at FLETC.

BUREAU OF ALCOHOL, TOBACCO AND FIREARMS

Amendment No. 8: Appropriates $174,212,000 for salaries and expenses as proposed by the House instead of $178,825,000 as proposed by the Senate.

The Conferees note with deep concern problems facing the Bureau of Alcohol, Tobacco and Firearms with regard to the enforcement of machinegun kit violations. The Bureau has been hamstrung by statute which gives the Bureau jurisdiction over machinegun kit violations but no jurisdiction over machinegun kit parts. The same problem exists with the Bureau's enforcement of silencer and muffler violations. The Conferees therefore request the authorizing committees to take timely action to address this problem in lieu of the Conferees including language in this bill which would amend the law.

Amendment No. 9: Deletes a provision proposed by the Senate which would have permitted the purchase of certain types of motor vehicles without regard to the general price limitation contained in the Act.

Amendment No. 10: Deletes a provision proposed by the Senate which would have delayed the Bureau from promulgating or enforcing any final rulemaking or other action concerning the labeling of low or reduced alcohol distilled spirits. The Conferees direct the Bureau to allow an additional 90 days for comments from the public on this issue.

U.S. CUSTOMS SERVICE

Amendment No. 11: Authorizes the purchase of up to 500 motor vehicles as proposed by the Senate instead of limiting the procurement to 200 motor vehicles as proposed by the House.

The Customs Service has in current years faced a restriction on replacement of vehicles. The Service has approximately 3,000 vehicles and has been limited to replacing only 200 per year. As a result of the 15 year replacement cycle a vast majority of the existing fleet exceed current mileage and age limitations with regard to replacement. The Conferees wish to reverse this trend and have, therefore, acted to allow Customs to increase the replacement rate.

Amendment No. 12: Authorizes the purchase of 490 motor vehicles for police-type use as proposed by the Senate instead of limiting the purchase to 190 vehicles as proposed by the House.

Amendment No. 13: Makes available $10,000 for official reception and representation expenses as proposed by the House instead of $15,000 as proposed by the Senate.

Amendment No. 14: Appropriates $717,000,000 for salaries and expenses instead of $725,000,000 as proposed by the House and $709,000,000 as proposed by the Senate.

The Conferees direct the Customs Service to withdraw 19 CFR Part 142.4(c) which removes the requirement for a surety on a customs bond valued over $250 but not over $2,500 since such rule is violative of Section 511 of this bill and Section 511 of H.R. 5798 which was incorporated by reference in Section 101(j) of P.L. 98-473.

The Conferees direct the Customs Service to report by March 1, 1986 on the feasibility of establishing pre-clearance of Japanese travellers bound for Hawaii. In preparing its report, the Customs Service shall solicit the views of the States of Hawaii and Hawaii's travel industry and make these views available to the committees with its report.

The Conferees concur in the language contained in the House report regarding section 114 of P.L. 98-473.

The Conferees note that the production or possession of child pornography is illegal in the U.S. in accordance with the Child Protection Act of 1984, and directs the Customs Service to investigate means for stepping up enforcement of this law in seizing objectionable materials entering the U.S. from outside. The Congress is firmly committed to assisting the Customs Service's enforcement procedures and towards that end, supports having pornographic material forfeited to the U.S. Attorney in the district at the point of delivery rather than released at the port of entry.

The Conferees are agreed that the Customs Service should follow existing law concerning payment of overtime and also agree that the language contained in Senate Report 99-133 on overtime is not necessarily binding on the Service.

The Conferees understand the increased need for U.S. Customs inspection personnel at the preclearance facility in Nassau, Bahamas due to the expanding commercial air traffic from the U.S. mainland. So that maximum facilitation benefits are realized from the preclearance process, and delays at U.S. airports are minimized, the U.S. Customs Service is directed to assign two full time inspectors and two part-time inspectors to the perclearance facility at Nassau no later than November 15, 1985.

The Conferees are concerned that in certain instances where U.S. flag carriers operate their own international arrival terminals that Customs provide them service to meet all their scheduled flights at those terminals. It is recognized that the U.S. carriers must schedule their international flights, not only to be competitive with foreign carriers, but to utilize their aircraft to the fullest possible extent. Since deregulation, the U.S. carriers have had to organize hub and spoke operations at major international gateways in order to maintain their markets. Customs must provide the necessary manpower for the shifts required in order for these U.S. carriers to meet their objectives.

Amendment No. 15: Restores a provision proposed by the House and deleted by the Senate which prohibits redirection of the Equal Employment Opportunity Program.

Amendment No. 16: Restores a provision proposed by the House and deleted by the Senate which prohibits the Customs Service from reducing the number of Customs regions below seven during fiscal year 1986.

Amendment No. 17: Deletes a provision proposed by the Senate which would have permitted the purchase of certain types of motor vehicles without regard to the general price limitation contained in the Act.

Amendment No. 18: Deletes a provision proposed by the Senate which would have prohibited the Customs Service from closing certain offices in Wisconsin.

Amendment No. 19: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate amended to read as follows:

In lieu of the matter proposed by said amendment, insert the following:

: Provided further, That none of the funds made available by this Act shall be available for administrative expenses to reduce the personnel level of the Customs Service during fiscal year 1986 below an average of 14,041 full time equivalent positions

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The Conferees have recommended funding for the annualization of the 150 positions provided in the Supplemental Appropriation Bill, 1985, (P.L. 99-88) and have approved an additional 473 positions for the Customs Service. The Conferees note that both House Report 99-210 and Senate Report 99-133 reflect certain high priority areas where additional Customs personnel should be allocated in fiscal year 1986.

The Conferees direct that the Customs Service, in allocating the additional positions provided by the Committee of Conference, give the highest priority to allocating those positions in accordance with the priorities outlined in both House Report 99-210 and Senate Report 99-133. The Conferees also concur with the Senate that phase I of the Southwest Border initiative should be implemented in fiscal year 1986 in conjunction with the priorities outlined in House Report 99-210. The Conferees are agreed that in addition to the positions provided for in the House and Senate Reports, additional Customs positions should be assigned to the San Francisco District.

The Conferees direct the Commissioner of Customs to report personally on a quarterly basis to both the House and Senate Committees on Appropriations regarding his compliance with these directives.

Amendment No. 20: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which mandates a reduction in the number of Customs Service headquarters personnel.

The Conferees are agreed that this reduction is to be made over the next two fiscal years. In implementing these reductions, Customs is not to reduce overall personnel numbers, but rather use these positions to supplement current and future "line" positions.

OPERATION AND MAINTENANCE, AIR INTERDICTION PROGRAM

Amendment No. 21: Appropriates $75,000,000 for the air interdiction program as proposed by the Senate instead of $60,425,000 as proposed by the House. The Conferees are concerned that the rigid directives outlined for the Customs Service air interdiction program in Senate Report 99-133 would severely restrict the flexibility of the Commissioner of Customs and his air program staff to effectively manage this important drug interdiction program. Although the Conferees do not necessarily object to the priorities outlined in the Senate Report, they believe that the Commissioner of Customs should have more flexibility in the management of the assets and activities funded by this account. Therefore, the Commissioner of Customs should examine the priorities set forth in the Senate Report and report to the House and Senate Committees on Appropriations regarding the Customs Service priorities for the air program for fiscal year 1986.

CUSTOMS FORFEITURE FUND

Amendment No. 22: Restores a center heading proposed by the House and deleted by the Senate.

CUSTOMS SERVICE AT SMALL AIRPORTS

Amendment No. 23: Restores a center heading proposed by the House and deleted by the Senate.

UNITED STATES MINT

Amendment No. 24: Deletes a center heading proposed by the House and inserts a center heading proposed by the Senate.

Amendment No. 25: Appropriates $46,500,000 for salaries and expenses as proposed by the Senate instead of $46,954,000 as proposed by the House.

BUREAU OF THE PUBLIC DEBT

Amendment No. 26: Appropriates $195,225,000 for administering the public debt as proposed by the Senate instead of $197,225,000 as proposed by the House.

INTERNAL REVENUE SERVICE

Amendment No. 27: Appropriates $94,000,000 for salaries and expenses as proposed by the Senate instead of $95,932,000 as proposed by the House.

Amendment No. 28: Appropriates $1,103,041,000 for processing tax returns as proposed by the House instead of $1,005,000,000 as proposed by the Senate.

Admendment No. 29: Establishes a limitation of $35,000,000 on the amount of funds to remain available until expended for systems modernization initiatives as proposed by the Senate instead of $50,000,000 as proposed by the House.

Amendment No. 30: Appropriates $1,425,902,000 for examinations and appeals as proposed by the House instead of $1,400,000,000 as proposed by the Senate.

Admendment No. 31: Restores a provision proposed by the House and deleted by the Senate which mandates a certain minimum level of operations for the taxpayer service activity.

Amendment No. 32: Deletes language proposed by the Senate which would have permitted the purchase of certain types of motor vehicles without regard to the general price limitation contained in the Act.

Amendment No. 33: Appropriates $1,064,325,000 for investigation, collection and taxpayer service as proposed by the House instead of $1,055,000,000 as proposed by the Senate.

U.S. SECRET SERVICE

Amendment No. 34: Restores language proposed by the House which requires advance approval from the Appropriations Committees when Secret Service employees on protective missions exceed the travel limitation in the Act. The Senate amendment would have required prior notification only.

Amendment No. 35: Deletes language proposed by the Senate which would have permitted the purchase of certain types of motor vehicles without regard to the general price limitation contained in the Act.

Amendment No. 36: Appropriates $294,000,000 for salaries and expenses instead of $283,805,000 as proposed by the House and $298,805,000 as proposed by the Senate.

DEPARTMENT OF THE TREASURY—GENERAL PROVISIONS

Amendment Nos. 37 and 38: Restore a limitation of 1 percent on transfer authority as proposed by the House instead of 2 percent as proposed by the Senate.

Amendment No. 39: Deletes a provision inserted by the Senate which would have extended an order issued by the Commissioner of Customs regarding importation of certain fuels.

The Conferees agree to delete this Senate provision which would have retroactively provided for an increased tariff on products containing a certain level of ethyl alcohol. This action is not intended to condone the action taken unilaterally by the Customs Service not to collect revenues. In the period of tight budgets and large deficits, the Conferees direct that in future actions of this nature the Commissioner of Customs not act in such an arbitrary manner.

Amendment No. 40: Deletes a provision inserted by the Senate regarding tax exemptions for certain organizations.

TITLE II—U.S. POSTAL SERVICE

Amendment No. 41: Appropriates $820,000,000 for Payment to the Postal Service Fund instead of $961,121,000 as proposed by the House and $801,000,000 as proposed by the Senate.

The Conferees are agreed that $19,000,000 of the amount appropriated is to cover the costs of delaying the rate increase until January 1, 1986.

Amendment No. 42: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate. This amendment limits the purposes for which funds appropriated in this Act for revenue foregone may be used.

TITLE III—EXECUTIVE OFFICE OF THE PRESIDENT

SPECIAL ASSISTANCE TO THE PRESIDENT

Amendment No. 43: Appropriates $1,794,000 for salaries and expenses as proposed by the Senate instead of $1,659,000 as proposed by the House.

NATIONAL CRITICAL MATERIALS COUNCIL

Amendment No. 44: Appropriates $500,000 for salaries and expenses as proposed by the House instead of $250,000 as proposed by the Senate.

OFFICE OF MANAGEMENT AND BUDGET

Amendment No. 45: Appropriates $37,299,000 for salaries and expenses instead of $37,689,000 as proposed by the House and $36,909,000 as proposed by the Senate.

Amendment No. 46: Restores a provision proposed by the House and stricken by the Senate which limits the authority of the Office of Management and Budget to review transcripts.

Amendment No. 47: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate. This amendment prohibits the Office of Management and Budget from reducing the scope or publication frequency of certain statistical information regarding the alcohol and tobacco industries.

TITLE IV—INDEPENDENT AGENCIES

ADMINISTRATIVE CONFERENCE OF THE UNITED STATES

Amendment No. 48: Appropriates $1,430,000 for salaries and expenses as proposed by the Senate instead of $1,450,000 as proposed by the House.

ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS

Amendment No. 49: Appropriates $2,041,000 for salaries and expenses as proposed by the Senate instead of $2,058,000 as proposed by the House.

ADVISORY COMMITTEE ON FEDERAL PAY

Amendment No. 50: Appropriates $210,000 for salaries and expenses as proposed by the Senate instead of $219,000 as proposed by the House.

GENERAL SERVICES ADMINISTRATION

FEDERAL BUILDINGS FUND

Limitation on availability of revenues

Amendment No. 51: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which provides for an appropriation to the Federal Buildings Fund.

Amendment No. 52: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which appropriates $7,000,000 into the Federal Buildings Fund.

Amendment No. 53: Makes available a total of $2,412,001,000 as proposed by the Senate instead of $2,356,893,000 as proposed by the House.

The Committee is concerned that agency requirements for additional facilities and space continue unabated even with a decline in Governmental functions. This concern manifests itself in two areas:

(1) work space management reform

(2) location of Governmental activities

To ensure that proper support and emphasis is being placed on these problem areas the Committee directs the Office of Management and Budget and the General Services Administration to:

Submit, as part of each years' budget justification, the workstation utilization rate for each major agency. This information will be reported for each of the years covered by the budget and accompanied by the year in which the particular agency is to reach the goal of 135 square feet per person. The Office of Management and Budget is to closely monitor agency plans to ensure that utilization goals are met within the approved time frame.

Establish a policy to locate or colocate agencies in lower cost sections of major U.S. communities. OMB and GSA should require agencies to certify as to extenuating circumstances if they request space in high cost locations within a particular area. GSA, within agency mission requirements, should be given the authority to consider the broadest possible physical areas and to determine least-cost locations for housing agency functions.

The Conferees direct that the Office of Management and Budget and the General Services Administration submit a joint report on progress made on these matters by March 30, 1986.

Amendment No. 54: Makes available $243,419,000 for construction as proposed by the Senate instead of $198,444,000 as proposed by the House.

Amendment No. 55: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate making available $44,975,000 for construction of a Federal Building Courthouse in Newark, New Jersey.

Amendment No. 56: Restores a provision proposed by the House which requires the approval of the Appropriations Committees instead of notification as proposed by the Senate.

Amendment No. 57: Inserts the word "for" as proposed by the House instead of the word "of" as proposed by the Senate.

Amendment No. 58: Restores a provision proposed by the House which requires prior approval by the Appropriations Committees as proposed by the House instead of notification as proposed by the Senate.

Amendment No. 59: Makes available $133,227,000 for design and construction services as proposed by the Senate instead of $123,094,000 as proposed by the House.

The Conferees have included funding for design for a new federal office building in the San Francisco Bay area to be built on a site donated by the City of Oakland. It is the position of the Conferees that high-cost leased federal office space be replaced with more economical, federally-owned space. The new building in the Bay Area will replace 700,000 square feet of currently leased space, at a cost to the federal government below that of comparable leased space in San Francisco and Oakland.

It is the intention of the Conferees that, as current leases expire and workers are moved to the new building, they be workers currently housed in the local area around the new structure. It is not the intention of the Conferee that federal offices in San Francisco be moved out of that City into Oakland. Rather, the Conferees wish to retain the ability of Congress to consider, at a future date, the acceptance of land donated by the City of San Francisco for the purpose of the construction of a new federal facility.

Amendment No. 60: Restores a provision proposed by the House which requires prior approval by the Appropriations Committees as proposed by the House instead of notification as proposed by the Senate.

Amendment No. 61: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate making available $2,000,000 for design and construction to be transferred to the city of Mesa, Arizona.

Amendment No. 62: Makes available a total of $2,412,001,000 as proposed by the Senate instead of $2,356,893,000 as proposed by the House.

PERSONAL PROPERTY ACTIVITIES

Personal property

Amendment No. 63: Appropriates $163,257,000 for operating expenses as proposed by the Senate instead of $164,257,000 as proposed by the House.

GENERAL MANAGEMENT AND ADMINISTRATION

Amendment No. 64: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in amendment of the Senate making a technical change in the wording of the House provision which makes $900,000 available for support of Congressional District and Senate State offices. The Conferees are agreed that this action obviates the necessity for the voluminous record keeping now being done in connection with this program.

Amendment No. 65: Deletes a Senate provision which would have made available $2,500 for reception and representation expenses. These expenses are not authorized by law.

FEDERAL PROPERTY RESOURCES SERVICE

Amendment No. 66: Appropriates $40,000,000 for operating expenses as proposed by the Senate instead of $40,748,000 as proposed by the House.

NATIONAL DEFENSE STOCKPILE TRANSACTION FUND

Amendment No. 67: Restores a provision proposed by the House and stricken by the Senate which appropriates $10,000,000 for a grant to construct a research facility.

Amendment No. 68: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate amended to read as follows:

In lieu of the matter proposed by said amendment, insert the following:

For the year ending September 30, 1986, in addition to the funds previously appropriated for the National Defense Stockpile Transaction Fund, pursuant to 50 U.S.C. 98 a and g(a) (2)(c) and 50 U.S.C. 100(a), notwithstanding the provisions of 50 U.S.C. 98h, an additional $10,000,000 is appropriated, to remain available until expended, for a grant to construct Phase II of the Mines Building at the Mackay School of Mines, University of Nevada Reno, relocate the Generic Center on the Recycling of Strategic Metals and establish the Policy Center on Strategic Materials, including such equipment as the school deems necessary to the conduct of its activities.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

This amendment appropriates $10,000,000 for a grant to construct and relocate a research facility. The Conferees recognize the importance of these facilities, but in this time of budget constraint only partial federal funding was provided this year for both projects included in amendments numbered 67 and 68. In addition to the cost sharing programs developed by the institutions involved, the Conferees will consider providing in FY 1987 the balance required to complete construction.

OFFICE OF INFORMATION RESOURCES MANAGEMENT

Amendment No. 69: Appropriates $30,000,000 for operating expenses as proposed by the Senate instead of $30,630,000 as proposed by the House.

ALLOWANCE AND OFFICE STAFF FOR FORMER PRESIDENTS

Amendment No. 70: Appropriates $1,100,000 instead of $931,600 as proposed by the House and $1,151,000 as proposed by the Senate

GENERAL PROVISIONS

Amendment No. 71: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate amended to read as follows:

In lieu of the matter stricken by said amendment, insert the following:

SEC. 6. Funds hereafter made available to the General Services Administration for the payment of rent shall be available for the purpose of leasing, for periods not to exceed thirty years, space in buidlings erected on land owned by the United States.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The Conferees are agreed that GSA may under certain conditions lease space for a period of not to exceed thirty years. The Conferees are also agreed that the words "erected by the lessor" be deleted from the language of the general provision which permits the General Services Administration to lease back space in buildings which are built on land owned by the United States. This change will allow the GSA the flexibility to leaseback these properties even though the building may be owned by persons other than the original developer. The Conferees are agreed that funds made available to GSA in this fiscal year as well as in future fiscal years may be used for this purpose.

Amendment No. 72: Deletes a provision proposed by the Senate regarding the leas-

ing of space in buildings erected by the lessor on land owned by the United States.

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION

Amendment No. 73: Appropriates $101,363,000 for operating expenses as proposed by the Senate instead of $103,513,000 as proposed by the House.

OFFICE OF PERSONNEL MANAGEMENT

Amendment No. 74: Deletes a provision proposed by the Senate which would have made available $2,500 for official reception and representation expenses. These expenses are not authorized by law.

Amendment No. 75: Makes available $54,202,000 for administrative expenses as proposed by the Senate instead of $52,844,000 as proposed by the House.

Amendment No. 76: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate regarding regulations pertaining to the 1985 Combined Federal Campaign.

Amendment No. 77: Inserts a provision making available $12,000 for entertainment expenses of the President's Commission on Executive Exchange as proposed by the Senate.

MERIT SYSTEMS PROTECTION BOARD

Amendment No. 78: Appropriates $20,000,000 for salaries and expenses as proposed by the Senate instead of $20,349,000 as proposed by the House.

FEDERAL LABOR RELATIONS AUTHORITY

Amendment No. 79: Appropriates $17,064,000 for salaries and expenses as proposed by the Senate instead of $17,364,000 as proposed by the House.

The Conferees are concerned that, as the workload at the Office of General Counsel within the Federal Labor Relations Authority grows, better review and control is necessary. The Conferees, therefore, direct that of the total appropriation for the FLRA $7,657,000 and 191 positions be directed for use by the Office of General Counsel.

In order that the Committees on Appropriations can continue this review, the Conferees direct that the FY 1987 budget submission include a separate budget justification for the Authority and one for the Office of General Counsel.

TITLE V—GENERAL PROVISIONS—THIS ACT

Amendment No. 80: Restores a provision proposed by the House and stricken by the Senate which prohibits the closing of a GSA office.

Amendment Nos. 81 and 82: Restore section numbers proposed by the House.

Amendment No. 83: Restores a provision proposed by the House and deleted by the Senate amended to provide that the provision expires on May 15, 1986, and amended to permit the revision of certain proposed Office of Personnel Management regulations.

Amendment Nos. 84 thru 92: Restore section numbers proposed by the House.

TITLE VI—GENERAL PROVISIONS DEPARTMENTS, AGENCIES AND CORPORATIONS

Amendment No. 93: Restores a provisions proposed by the House and stricken by the Senate which prohibits the Customs Service from closing certain offices. The Conferees have agreed with the House language which prohibits centralization and consolidation of Customs activities. The Conferees are concerned that future operations might be adversely impacted. To avoid such problems the Conferees direct Customs Service to prepare a plan which will meet the needs of the Service, the trade community and the general public in future years, and provide that plan to the Congress.

Amendment No. 94: Restore section number proposed by the House.

Amendment No. 95: Deletes a provision proposed by the House which would have prohibited distribution of a news summary.

Amendment No. 96: Deletes a provision proposed by the House which would have provided for a across-the-board reduction in funding to most of the appropriation accounts funded in the Act.

Amendment No. 97: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate amended to read as follows:

In lieu of the matter proposed by said amendment, insert the following:

SEC. 616. The increase in postage rates for nonprofit and certain other mailers announced by the Governors of the Postal Service in Resolution No. 85-7 shall not take effect until January 1, 1986.

SEC. 617. (a) Section 3626(a) of title 39, United States Code, is amended to read as follows:

"(a) In the administration of Subchapters II and III of this chapter, each time rates of postage are established for mail under former sections 4358, 4452 (b) and (c), and 4554 (b) and (c) of this title, the estimated revenues to be received for each class or kind of such mail shall be equal to the direct and indirect postal costs attributable to mail of such class or kind excluding all other costs of the Postal Service.".

(b) This section is effective January 1, 1986.

SEC. 618. If the postage rate delay required by section 616 of this Act causes a shortfall in postal revenues from the amounts which would have been provided by the adjustment contemplated by section 3627 of title 39, United States Code, the Postal Service shall request a supplemental appropriation to avoid placing the burden of that shortfall on unsubsidized mailers.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

This amendment provides that the increase in certain postal rates will not take place until January 1, 1986. It also amends certain sections of title 39 of the United States Code.

Amendment No. 98: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate amended to read as follows:

In lieu of the section number proposed by said amendment insert the following: *619*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

This amendment permits the use of space in federal buildings for day care services.

Amendment No. 99: Deletes a provision proposed by the Senate which would have amended the basic law regarding the reimbursement of certain expenses for certain federal employees.

The Conferees urge the appropriate legislative Committees to consider expeditiously legislation that addresses reimbursement of certain relocation expenses for federal employees.

Amendment No. 100: Deletes a provision proposed by the Senate which would have reduced all nondefense discretionary spending by 2%.

CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 1986 recommended by the Committee of Conference, with comparisons to the fiscal year 1985 amount, the 1986 budget estimates, and the House and Senate bills for 1986 follow:

New budget (obligational) authority, fiscal year 1985	$13,105,938,000
Budget estimates of new (obligational) authority, fiscal year 1986	12,203,272,000
House bill, fiscal year 1986	13,237,868,125
Senate bill, fiscal year 1986	12,858,659,080
Conference agreement, fiscal year 1986	13,154,375,000
Conference agreement compared with:	
New budget (obligational) authority, fiscal year 1985	+48,437,000
Budget estimates of new (obligational) authority, fiscal year 1986	+951,103,000
House bill, fiscal year 1986	−83,493,125
Senate bill, fiscal year 1986	+295,715,920

EDWARD R. ROYBAL,
DANIEL K. AKAKA,
STENY HOYER,
RONALD COLEMAN,
SIDNEY R. YATES,
JOE SKEEN,
BILL LOWERY,
FRANK R. WOLF,
JAMIE WHITTEN,
SILVIO O. CONTE,
Managers on the Part of the House.

JAMES ABDNOR,
PAUL LAXALT,
MACK MATTINGLY,
DENNIS DECONCINI,
MARK HATFIELD,
JOHN C. STENNIS,
Managers on the Part of the Senate.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. CALLAHAN) to revise and extend their remarks and include extraneous material:)

Mr. JEFFORDS, for 60 minutes, on November 1.

Mr. IRELAND, for 5 minutes, today.

Mr. GINGRICH, for 60 minutes, today.

Mr. WALKER, for 60 minutes, today.

Mr. KEMP, for 15 minutes, today.

Mr. HILLIS, for 60 minutes, on November 18.

(The following Members (at the request of Mr. SUNIA) to revise and extend their remarks and include extraneous material:)

Mr. SUNIA, for 5 minutes, today.

Mr. FRANK, for 5 minutes, today.

Mr. PEPPER, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. MCCURDY, for 5 minutes, today.

Mr. NELSON of Florida, for 5 minutes, today.

Mr. MCCURDY, for 5 minutes, on November 1.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. JONES of Oklahoma, prior to the vote on H.R. 3128, in the Committee of the Whole, today.

(The following Members (at the request of Mr. CALLAHAN) and to include extraneous matter:)

Mr. LAGOMARSINO in three instances.
Mr. GEKAS.
Mr. COURTER in two instances.
Mr. NIELSON of Utah.
Mr. REGULA in two instances.
Mr. DIOGUARDI in two instances.
Mr. GOODLING.
Mr. BROOMFIELD.
Mr. GUNDERSON.
Mr. GREGG.
Mr. MCGRATH.
Mr. MCCAIN.
Mr. GINGRICH.
Mr. HENRY.
Mr. SWINDALL.
Mr. FIELDS.

(The following Members (at the request of Mr. SUNIA) and to include extraneous matter:)

Mr. HAMILTON.
Mr. GARCIA in three instances.
Mr. SMITH of Florida.
Mr. BARNES.
Mr. FLORIO.
Ms. MIKULSKI.
Mr. FAZIO.
Mr. DELLUMS.
Mr. MRAZEK.
Mr. HAYES.
Mr. EDGAR.
Mr. MURTHA.
Mr. MARTINEZ.
Mr. LEHMAN of Florida.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 1706. An act to authorize the Architect of the Capitol, in cooperation with the Union Station Redevelopment Corporation, to design a building or buildings adjacent to Union Station in Washington, DC; to the Committee on Public Works and Transportation.

ENROLLED BILL SIGNED

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 2942. An act making appropriations for the legislative branch for the fiscal year ending September 30, 1986, and for other purposes.

ADJOURNMENT

Mr. WALKER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 57 minutes p.m.) under its previous order, the House adjourned until tomorrow, Friday, November 1, 1985, at 11 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

[Omitted from the Record of October 30, 1985]

2195. A letter from the Deputy Assistant Secretary of the Air Force (Logistics and Communications), transmitting notice of the plan to study conversion from in-house operation to commercial contract several activities at Randolph Air Force Base, pursuant to 10 U.S.C. 2304 nt.; to the Committee on Armed Services.

2196. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Department of the Army's proposed Letter of Offer to Korea for defense articles and services, pursuant to 22 U.S.C. 2776(b); to the Committee on Foreign Affairs.

2197. A letter from the Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting a report of political contributions for John E. Upston, of Virginia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Rwanda, and Laurence W. Lane, Jr. of California, to Ambassador Extraordinary and Plenipotentiary of the United States of America to Australia, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Affairs.

2198. A letter from the Under Secretary for International Affairs and Commodity Programs, Department of Agriculture, transmitting the first quarterly commodity and country allocation table showing current programming plans for food assistance for fiscal year 1986, pursuant to the Act of July 10, 1954, ch. 469, section 408(b) (91 Stat. 552; 94 Stat. 2246; E. O. 11963); jointly, to the Committees on Agriculture and Foreign Affairs.

2199. A letter from the Secretary of Transportation, transmitting a proposal for codification of laws related to shipping and maritime matters, pursuant to Public Law 98-89, section 2(j); jointly to the Committees on Merchant Marine and Fisheries and the Judiciary.

2200. A communication from the President of the United States, transmitting notification of the decision not negotiate voluntary production restraints on copper, pursuant to Public Law 98-573, section 247(c) (98 Stat. 2997) (H. Doc. No. 99-119); jointly, to the Committees on Ways and Means and Education and Labor and ordered to be printed.

[Submitted October 31, 1985]

2201. A letter from the Director, Defense Security Assistance Agency, transmitting the Price and Availability Report for the quarter ending 30 September 1985, pursuant to 22 U.S.C. 2768; to the Committee on Foreign Affairs.

2202. A letter from the Secretary of Commerce, transmitting the annual report of the Export Administration for fiscal year 1984, pursuant to Public Law 96-72, section 14; to the Committee on Foreign Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. RODINO: Committee on the Judiciary. H.R. 2817. A bill to amend the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, and for other purposes; with amendments (Rept. No. 99-253, Pt. 3). Ordered to be printed.

Mr. JONES of North Carolina: Committee on Merchant Marine and Fisheries. H.R. 2817. A bill to amend the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, and for other purposes; with amendments (Rept. No. 99-253, Pt. 4). Ordered to be printed.

Mr. ROYBAL: Committee of conference. Conference report on H.R. 3036 (Rept. No. 99-349). Ordered to be printed.

Mr. FOLEY: Committee on House Administration. H. Con. Res. 203. A bill authorizing printing of the brochure entitled "How Our Laws Are Made" (Rept. No. 99-350). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CONYERS:

H.R. 3658. A bill to increase the statutory limit on the public debt; to the Committee on Ways and Means.

By Mr. AKAKA (for himself, and Mr. HEFTEL of Hawaii):

H.R. 3659. A bill to authorize the Secretary of Transportation to approve construction of a 10.7-mile section of Interstate route H-3 in Hawaii, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. FORD of Michigan (for himself, Ms. OAKAR, Mr. CLAY, Mrs. SCHROEDER, Mr. SOLARZ, Mr. GARCIA, Mr. LELAND, Mr. YATRON, Mr. SIKORSKI, Mr. MCCLOSKEY, Mr. ACKERMAN, Mr. DYMALLY, Mr. DE LUGO, Mr. UDALL, Mr. GILMAN, Mr. PASHAYAN, Mr. HORTON, Mr. YOUNG of Alaska, Mr. HOYER, Mr. ALEXANDER, Mr. OWENS, Mrs. BURTON of California, Mr. MATSUI, Mr. WRIGHT, Mr. COELHO, Mr. ADDABBO, Ms. MIKULSKI, Mr. MARTINEZ, Mr. GRAY of Illinois, Mr. LEHMAN of California, Mr. STOKES, Mr. DYSON, Mr. WHEAT, Mr. BARNES, Mrs. BOXER, Mr. EDGAR, Mr. FAUNTROY Mr. FAZIO, Mr. FOGLIETTA, Mr. GEJDENSON, Mr. HEFTEL of Hawaii, Mr. HOWARD, Mr. ROE, Mr. WIRTH, Mr. EVANS of Illinois, Mr. AKAKA, Mr. BORSKI, Mr. DICKS, Mr. DWYER of New Jersey, Mr. LANTOS, Mr. DE LA GARZA, Mr. PEPPER, Mr. MADIGAN, Mrs. COLLINS, and Mrs. BYRON):

H.R. 3660. A bill to amend title 5, United States Code, to establish a new supplemental retirement plan for those Federal employees, postal employees, and Members of Congress who are covered by title II of the Social Security Act, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. BARTON of Texas (for himself, and Mr. UDALL):

H.R. 3661. A bill to deny most-favored nation trade treatment to any country that provides support for acts of terrorism; to the Committee on Ways and Means.

By Mr. BIAGGI:

H.R. 3662. A bill to provide for the negotiation of maritime agreements for the carriage of United States waterborne trade and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. DYSON:

H.R. 3663. A bill to provide for the striking of medals commemorating the 100th Congress; to the Committee on Banking, Finance and Urban Affairs.

By Mr. FISH (for himself, Mr. MOORHEAD, Mr. HYDE, Mr. KINDNESS, Mr. SENSENBRENNER, Mr. SHAW, and Mr. DANNEMEYER):

H.R. 3664. A bill to amend title 28, and title 11 of the United States Code to provide for the appointment of U.S. trustees to supervise the administration of bankruptcy cases in judicial districts throughout the United States and for other purposes; to the Committee on the Judiciary.

By Mr. KLECZKA (for himself, Mr. OBEY, Mr. HENRY, Mr. FAWELL, Mr. GUNDERSON, and Mr. PORTER):

H.R. 3665. A bill amending the Merchant Marine Act, 1936, to limit the kinds of vessels that qualify for cargo preference; to the Committee on Merchant Marine and Fisheries.

By Mr. McCLOSKEY (for himself and Mr. HERTEL of Michigan):

H.R. 3666. A bill to require the Secretary of Defense to assign a senior medical officer of the Armed Forces as the chief medical officer of the U.S. European Command; to the Committee on Armed Services.

By Mr. NEAL (for himself, Mr. FAUNTROY, Mr. LEVIN of Michigan, Mr. KLECZKA, Mr. FRANK, Mr. NELSON of Florida, and Mr. LAFALCE):

H.R. 3667. A bill to eliminate unfair and predacious export financing practices; to the Committee on Banking, Finance and Urban Affairs.

By Mr. PEASE (for himself, Mr. SEIBERLING, Mr. LUNDINE, Mr. WRIGHT, Mr. FRANK, Ms. KAPTUR, Mr. ECKART of Ohio, Mr. VENTO, Mr. ORTIZ, Mr. BEILENSON, Mr. FEIGHAN, Mr. GLICKMAN, Mr. BEDELL, Mr. VISCLOSKY, Mr. KANJORSKI, and Mr. WILSON):

H.R. 3668. A bill to prevent the misalignment of the U.S. dollar, to improve the U.S. response to unfair trading practices, to provide for a more effective import relief program, and for other purposes; to the Committee on Ways and Means.

By Mr. DIXON (for himself, Mr. BERMAN, Mr. LEVINE of California, Mr. ANDERSON, Mr. ROYBAL, Mr. DREIER of California, Mr. HAWKINS, Mr. DYMALLY, Mr. BEILENSON, Mr. MARTINEZ, Mr. TORRES, Mr. FAZIO, and Mr. LOWERY of California):

H.J. Res. 437. Joint resolution disapproving the deferral of certain budget authority for the Urban Mass Transportation Administration; to the Committee on Appropriations.

By Mr. LUNGREN (for himself, Mr. ADDABBO, Mr. BARTON of Texas, Mr. BENNETT, Mrs. BENTLEY, Mr. BEREUTER, Mr. BIAGGI, Mr. BONER of Tennessee, Mrs. BOXER, Mr. BRYANT, Mr. BURTON of Indiana, Mr. CAMPBELL, Mr. CARNEY, Mr. CHAPPIE, Mrs. COLLINS, Mr. CROCKETT, Mr. DANIEL, Mr. DARDEN, Mr. DAUB, Mr. DE LA GARZA, Mr. DIOGUARDI, Mr. DWYER of New Jersey, Mr. EDWARDS of Oklahoma, Mr. EMERSON, Mr. FAZIO, Mr. FIELDS, Mr. FRENZEL, Mr. FUQUA, Mr. GRAY of Illinois, Mr. HAYES, Mr. HEFNER, Mr. HENDON, Mrs. HOLT, Mr. HORTON, Mr. HYDE, Mr. JENKINS, Mr. JONES of North Carolina, Ms. KAPTUR, Mr. LAFALCE, Mr. LAGOMARSINO, Mr. LIGHTFOOT, Mr. LIVINGSTON, Mr. LOWERY of California, Mr. MAZZOLI, Mr. McCAIN, Mr. McEWEN, Mr. McGRATH, Ms. MIKULSKI, Mr. MOLLOHAN, Mr. MONSON, Mr. MRAZEK, Mr. MURPHY, Mr. NEAL, Mr. NELSON of Florida, Mr. NIELSON of Utah, Mr. RAHALL, Mr. REID, Mr. ROE, Mr. SAXTON, Mr. SCHEUER, Mr. SCHUETTE, Mr. SILJANDER, Mr. SMITH of New Jersey, Mr. DENNY SMITH, Mr. SMITH of New Hampshire, Mr. SUNIA, Mr. TAUZIN, Mr. TOWNS, Mr. WOLF, Mr. WORTLEY, Mr. YATRON, Mr. YOUNG of Florida, Mr. YOUNG of Missouri, Mr. DORNAN of California, Mr. COBEY, Mr. CRAIG, Mr. McCOLLUM, Mr. THOMAS of California, Mr. HUGHES, Mr. WALKER, and Mr. DELLUMS):

H.J. Res. 438. Joint resolution to designate October 31, 1986, as "National Child Identification and Safety Information Day"; to the Committee on Post Office and Civil Service.

By Mr. DYSON:

H. Con. Res. 225. Concurrent resolution to express the sense of the Congress that the Postmaster General should issue a postage stamp commemorating the 100th Congress; to the Committee on Post Office and Civil Service.

By Mr. KEMP (for himself, Mr. BROOMFIELD, Mr. McCAIN, Mr. SMITH of New Jersey, Mr. FRENZEL, Mr. FAUNTROY, Mr. WOLF, Mrs. VUCANOVICH, Mr. HUGHES, Mr. ZSCHAU, Mr. HENDON, Mr. EMERSON, Mr. BRYANT, Mr. GREGG, Mr. ROE, Mr. DIOGUARDI, Mr. ECKERT of New York, Mr. COURTER, Mr. ACKERMAN, Mr. HUNTER, Mr. WILSON, Mr. LAGOMARSINO, Mr. McGRATH, Mr. WORTLEY, Mr. RITTER, Mr. MONSON, Mr. LANTOS, Mr. GINGRICH, Mr. LEVIN of Michigan, Mr. ROGERS, Mr. WEBER, Mr. FROST, Mr. REID, and Mr. SCHUETTE):

H. Res. 304. Resolution supporting the intent of the President to discuss with leaders of the Soviet Union the concerns of the United States with the Soviet presence in Afghanistan, and for other purposes; to the Committee on Foreign Affairs.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 44: Mr. MORRISON of Washington.
H.R. 237: Mr. MATSUI and Mr. WORTLEY.
H.R. 352: Mr. LAGOMARSINO.
H.R. 468: Mrs. LONG.
H.R. 597: Mr. HUGHES.
H.R. 650: Mr. CARR.
H.R. 776: Mr. SUNIA.
H.R. 864: Mr. ROBERTS, Mr. LUJAN, Mrs. ROUKEMA, and Mr. LIPINSKI.
H.R. 933: Mr. SISISKY.
H.R. 1145: Mr. MATSUI and Mr. RANGEL.
H.R. 1398: Mr. DIXON.
H.R. 1436: Ms. SNOWE.
H.R. 1769: Mr. GOODLING and Mr. RICHARDSON.
H.R. 1985: Mr. LANTOS.
H.R. 2058: Mr. BARNES and Mr. EVANS of Illinois.
H.R. 2295: Mr. HOWARD, Mr. MAVROULES, and Mr. APPLEGATE.
H.R. 2578: Mr. BADHAM, Mrs. BURTON of California, Mr. FROST, Mr. LENT, Mr. LEVINE of California, Mr. LEWIS of California, and Mr. LIGHTFOOT.
H.R. 2591: Mrs BURTON of California, Mr. DYSON, Mr. MACKAY, Mr. LEACH of Iowa, Mr. ARMEY, Mr. COLEMAN of Missouri, Mr. MONSON, Mr. DIXON, and Mr. PENNY.
H.R. 2620: Mr. ORTIZ, Mr. MORRISON of Connecticut, and Mr. MATSUI.
H.R. 2782: Mr. HALL of Ohio, Mr. LELAND, Mr. McCAIN, and Mr. WOLPE.
H.R. 2840: Mr. EDGAR, Mr. MATSUI, Mr. MARTINEZ, Mrs. LLOYD, Mr. MITCHELL, Mr. COELHO, Mr. TORRES, Mr. STAGGERS, Mr. ASPIN, and Mr. MINETA.
H.R. 2854: Mr. HUGHES, and Mr. JONES of Tennessee.
H.R. 2870: Mrs. BURTON of California.
H.R. 2952: Mr. MOODY.
H.R. 3042: Mr. TORRES.
H.R. 3043: Mr. BARNARD, Mr. SUNIA, and Mr. CLINGER.
H.R. 3081: Mr. DANNEMEYER, Mr. Jenkins, Mr. FASCELL, Mr. LEHMAN of Florida, Mr. ANNUNZIO, Mr. BONER of Tennessee, Mr. QUILLEN, Mr. THOMAS of Georgia, Mr. SUNDQUIST, Mr. ROYBAL, Mr. LUKEN, Mr. CHAPMAN, and Mrs. LLOYD.
H.R. 3099: Mr. HORTON.
H.R. 3108: Mr. MARLENEE and Mr. HUBBARD.
H.R. 3180: Mr. McKERNAN, Mr. FISH, and Mr. BLILEY.
H.R. 3259: Mr. EDWARDS of Oklahoma and Mr. DIXON.
H.R. 3263: Mr. BROWN of Colorado.
H.R. 3330: Mr. HUGHES.
H.R. 3357: Mr. SHAW, Mr. MONSON, Mr. BARNARD, Mr. CRAIG, and Mr. PORTER.
H.R. 3371: Mr. GROTBERG and Mr. BURTON of Indiana.
H.R. 3378: Mr. ENGLISH, Mr. BERMAN, Mr. KINDNESS, Mr. CONYERS, Mr. ROSE, Mr. HORTON, Mr. MATSUI, Mr. GLICKMAN, Mr. CROCKETT, Mr. BRUCE, Mr. OWENS, Mr. DELLUMS, Mr. MINETA, Mr. MITCHELL, Mr. EDWARDS of Oklahoma, Mr. ROBINSON, and Mr. BOUCHER.
H.R. 3415: Mr. BATEMAN, Mr. BEVILL, Mr. BIAGGI, Mr. BRYANT, Mr. BURTON of Indiana, Mr. BUSTAMANTE, Mrs. COLLINS, Mr. FUQUA, Mr. HUGHES, Mr. HYDE, Mr. LUNGREN, Mr. McGRATH, Mr. MARTINEZ, Mr. MINETA, Mr. OBEY, Mr. OWENS, Mr. SHUMWAY, and Mr. SMITH of Florida..
H.R. 3448: Mr. LUNGREN.
H.R. 3465: Mr. SOLOMON, Mr. WORTLEY, and Mr. HORTON.
H.R. 3481: Mr. VALENTINE.
H.R. 3487: Mr. HAYES and Mr. SAVAGE.
H.R. 3515: Ms. KAPTUR.
H.R. 3522: Mr. JEFFORDS.
H.R. 3540: Mr. ALEXANDER.
H.R. 3564: Mr. ROBERT F. SMITH and Mr. FISH.
H.R. 3570: Mr. SUNDQUIST, Mr. QUILLEN, Mr. BROOKS, Mrs. LLOYD, Mr. BARNARD, Mr. PERKINS, and Mr. RAY.
H.J. Res. 7: Mr. SHAW.

H.J. Res. 131: Mr. DELAY, Mr. FLIPPO, Mr. FIELDS, Mr. ERDREICH, Mr. LATTA, and Mr. ARCHER.

H.J. Res. 154: Mr. DORNAN of California.

H.J. Res. 413: Mr. PEPPER, Mr. MARKEY, Mr. BONIOR of Michigan, Mr. RICHARDSON, Mr. WAXMAN, Mr. LAFALCE, Mr. LAGOMARSINO, Mr. HERTEL of Michigan, Mr. VOLKMER, Mr. BEILENSON, Mr. FROST, Mr. FRANK, Mr. ROWLAND of Georgia, Mr. WOLPE, Mr. GARCIA, Mr. BIAGGI, Mr. ADDABBO, Mr. FLORIO, Mr. MANTON, Mr. GILMAN, Mr. JEFFORDS, Mr. LEVINE of California, Mr. CONYERS, Mr. SOLOMON, Mr. FOGLIETTA, Mr. BROOMFIELD, Mr. NICHOLS, Mr. HYDE, Mr. KANJORSKI, Mr. NEAL, Mr. MURTHA, Mr. MOLINARI, Mr. SKELTON, Mr. LEWIS of California, Ms. MIKULSKI, Mr. GONZALEZ, Mr. MILLER of Washington, Mr. CHAPMAN, and Mr. TAUKE.

H.J. Res. 421: Mr. GALLO, Mr. BONIOR of Michigan, Mr. COBEY, Mr. QUILLEN, Mr. ANNUNZIO, Mr. SHUMWAY, Mr. PICKLE, and Mr. MURPHY.

H.J. Res. 424: Mr. BARTON of Texas, Mr. BILIRAKIS, Mr. BOULTER, Mr. DICKINSON, Mr. DIOGUARDI, Mr. GOODLING, Mr. HENDON, Mr. HYDE, Mr. LOTT, Mr. MACK, Mr. ROTH, Mr. RITTER, Mr. SILJANDER, Mr. SMITH of New Jersey, Mr. WOLF, Mr. BEVILL, Mrs. HOLT, and Mr. HOPKINS.

H. Con. Res. 26: Mr. MARKEY.

H. Res. 245: Mr. ANDREWS, Mr. ANTHONY, Mr. BARTON of Texas, Mr. BATEMAN, Mr. BONIOR of Michigan, Mr. DUNCAN, Mr. DURBIN, Mr. EDGAR, Mr. EDWARDS of Oklahoma, Mr. FAZIO, Mr. GORDON, Mr. HUNTER, Mr. LEVIN of Michigan, Mr. LUNGREN, Mr. MATSUI, Ms. MIKULSKI, Mr. MOLLOHAN, Mr. MONSON, Mr. PORTER, Mr. REID, Mr. SLAUGHTER, Mr. SWEENEY, and Mr. TAYLOR.

H. Res. 269: Mr. LAFALCE.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 1626: Mr. WEISS.

H.J. Res. 127: Mr. JONES of Oklahoma.

REGULATION OF LOBBYING ACT

In compliance with Public Law 601, 79th Congress, title III, Regulation of Lobbying Act, section 308(b), which provides as follows:

(b) All information required to be filed under the provisions of this section with the Clerk of the House of Representatives and the Secretary of the Senate shall be compiled by said Clerk and Secretary, acting jointly, as soon as practicable after the close of the calendar quarter with respect to which such information is filed and shall be printed in the CONGRESSIONAL RECORD.

The Clerk of the House of Representatives and the Secretary of the Senate jointly submit their report of the compilation required by said law and have included all registrations and quarterly reports received.

REGISTRATIONS

The following registrations were submitted for the third calendar quarter 1985:

(NOTE.—The form used for report is reproduced below. In the interest of economy in the RECORD, questions are not repeated, only the essential answers are printed, and are indicated by their respective headings.)

FILE ONE COPY WITH THE SECRETARY OF THE SENATE AND FILE TWO COPIES WITH THE CLERK OF THE HOUSE OF REPRESENTATIVES:

This page (page 1) is designed to supply identifying data; and page 2 (on the back of this page) deals with financial data.

PLACE AN "X" BELOW THE APPROPRIATE LETTER OR FIGURE IN THE BOX AT THE RIGHT OF THE "REPORT" HEADING BELOW:

"PRELIMINARY" REPORT ("Registration"): To "register," place an "X" below the letter "P" and fill out page 1 only.

"QUARTERLY" REPORT: To indicate which one of the four calendar quarters is covered by this Report, place an "X" below the appropriate figure. Fill out both page 1 and page 2 and as many additional pages as may be required. The first additional page should be numbered as page "3," and the rest of such pages should be "4," "5," "6," etc. Preparation and filing in accordance with instructions will accomplish compliance with all quarterly reporting requirements of the Act.

Year: 19.....

REPORT

PURSUANT TO FEDERAL REGULATION OF LOBBYING ACT

P	QUARTER			
	1st	2d	3d	4th
(Mark one square only)				

NOTE ON ITEM "A".—(a) IN GENERAL. This "Report" form may be used by either an organization or an individual, as follows:
(i) "Employee".—To file as an "employee", state (in Item "B") the name, address, and nature of business of the "employer". (If the "employee" is a firm [such as a law firm or public relations firm], partners and salaried staff members of such firm may join in filing a Report as an "employee".)
(ii) "Employer".—To file as an "employer", write "None" in answer to Item "B".
(b) SEPARATE REPORTS. An agent or employee should not attempt to combine his Report with the employer's Report:
(i) Employers subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their agents or employees.
(ii) Employees subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their employers.

A. ORGANIZATION OR INDIVIDUAL FILING:
1. State name, address, and nature of business.

2. If this Report is for an Employer, list names of agents or employees who will file Reports for this Quarter.

NOTE ON ITEM "B".—*Reports by Agents or Employees.* An employee is to file, each quarter, as many Reports as he has employers, except that: (*a*) If a particular undertaking is jointly financed by a group of employers, the group is to be considered as one employer, but all members of the group are to be named, and the contribution of each member is to be specified; (*b*) if the work is done in the interest of one person but payment therefor is made by another, a single Report—naming both persons as "employers"—is to be filed each quarter.

B. EMPLOYER.—State name, address, and nature of business. If there is no employer, write "None."

NOTE ON ITEM "C".—(*a*) The expression "in connection with legislative interests," as used in this Report, means "in connection with attempting, directly or indirectly, to influence the passage or defeat of legislation." "The term 'legislation' means bills, resolutions, amendments, nominations, and other matters pending or proposed in either House of Congress, and includes any other matter which may be the subject of action by either House"—§302(e).
(*b*) Before undertaking any activities in connection with legislative interests, organizations and individuals subject to the Lobbying Act are required to file a "Preliminary" Report (Registration).
(*c*) After beginning such activities, they must file a "Quarterly" Report at the end of each calendar quarter in which they have either received or expended anything of value in connection with legislative interests.

C. LEGISLATIVE INTERESTS, AND PUBLICATIONS in connection therewith:

1. State approximately how long legislative interests are to continue. If receipts and expenditures in connection with legislative interests have terminated, ☐ place an "X" in the box at the left, so that this Office will no longer expect to receive Reports.

2. State the general legislative interests of the person filing and set forth the *specific* legislative interests by reciting: (*a*) Short titles of statutes and bills; (*b*) House and Senate numbers of bills, where known; (*c*) citations of statutes, where known; (*d*) whether for or against such statutes and bills.

3. In the case of those publications which the person filing has caused to be issued or distributed in connection with legislative interests, set forth: (*a*) Description, (*b*) quantity distributed; (*c*) date of distribution, (*d*) name of printer or publisher (if publications were paid for by person filing) or name of donor (if publications were received as a gift).

(Answer items 1, 2, and 3 in the space below. Attach additional pages if more space is needed)

4. If this is a "Preliminary" Report (Registration) rather than a "Quarterly" Report, state below what the nature and amount of anticipated expenses will be; and if for an agent or employee, state also what the daily, monthly, or annual rate of compensation is to be. If this is a "Quarterly" Report, disregard this item "C4" and fill out items "D" and "E" on the back of this page. Do not attempt to combine a "Preliminary" Report (Registration) with a "Quarterly" Report.

AFFIDAVIT

[Omitted in printing]

PAGE 1

Organization or Individual Filing	Employer/Client
A-K ASSOCIATES, INC, 1225 8TH STREET, #590 SACRAMENTO CA 95814	COUNTY OF NAPA
AKER ASSOCIATES, INC, 1341 G STREET, NW, #202 WASHINGTON DC 20005	INDEPENDENT REFINERS COALITION
AKIN GUMP STRAUSS HAUER & FELD, 1333 NEW HAMPSHIRE AVE., NW, #400 WASHINGTON DC 20036	KOHLBERG KRAVIS ROBERTS & CO
Do	ADLER & SHAYKIN
Do	FAIR MARKETING COALITION
Do	INTERNATIONAL ASSN OF AUDITORIUM MANAGERS
Do	PRAIRIE PRODUCING CO
ALCALDE HENDERSON O'BANNON & ROUSSELOT, 1901 N. FT. MYER DRIVE, #1204 ROSSLYN VA 22209	CARNIVAL CRUISE LINES
Do	NORWEGIAN CARIBBEAN LINES
Do	ROYAL CARIBBEAN CRUISE LINE
DONALD C. ALEXANDER, CADWALADER WICKERSHAM & TAFT 1333 NEW HAMPSHIRE AVE., NW WASHINGTON DC 20036	AIR TRANSPORT ASSN
IRWIN P. ALTSCHULER, BROWNSTEIN ZEIDMAN & SCHOMER 1401 NEW YORK AVE., NW, #900 WASHINGTON DC 20005	CAMARA DE LA INDUSTRIA DE TRANSFORMACION DE NUEVO LEON
AMERICANS FOR THE HIGH FRONTIER, 1010 VERMONT AVE., NW, #1015 WASHINGTON DC 20005	
DAVID R. AMERINE, BROWNSTEIN ZEIDMAN & SCHOMER 1401 NEW YORK AVE., NW, #900 WASHINGTON DC 20005	CAMARA DE LA INDUSTRIA DE TRANSFORMACION DE NUEVO LEON
BYRON ANDERSON, 777 14TH ST., NW WASHINGTON DC 20005	NATIONAL ASSN OF REALTORS
ANDERSON HIBEY NAUHEIM & BLAIR, 1708 NEW HAMPSHIRE AVE., NW WASHINGTON DC 20009	ALAMO RENT-A-CAR, INC
Do	MARRIOTT CORPORATION
Do	PROJECT ORBIS
J. LEM ANDERSON, 4111 FRANCONIA RD. ALEXANDRIA VA 22310	TEMPLE-INLAND
JERRY CARTER ANDERSON, 1101 JOHN A. DENIES ROAD MEMPHIS TN 38184	
APCO ASSOCIATES, 1200 NEW HAMPSHIRE AVE., NW WASHINGTON DC 20036	CANADIAN FOREST INDUSTRIES COUNCIL
ARENT FOX KINTNER PLOTKIN & KAHN, 1050 CONNECTICUT AVENUE, NW WASHINGTON DC 20036	AMERICAN SOC OF TRAVEL AGENTS; SITMAR CRUISES, INC
Do	HOESCH ROHR AG
Do	HOESCH TUBULAR PRODUCTS CO
Do	INSURANCE SERVICING & INFORMATION SYSTEMS CORP
ARNOLD & PORTER, 1200 NEW HAMPSHIRE AVE., NW WASHINGTON DC 20036	CALIFORNIA LEAGUE OF SAVINGS INSTITUTIONS
Do	MARITZ, INC
Do	NOBEL FOUNDATION
Do	VENEZOLANA DE CEMENTOS CA
ASSOCIATION FOR A BETTER NEW YORK, 355 LEXINGTON AVENUE NEW YORK NY 10017	
JOHN MCELROY ATKISSON, 1717 K STREET, NW, #502 WASHINGTON DC 20036	INTERNATIONAL ASSN OF AMUSEMENT PARKS & ATTRACTIONS
Do	PACIFIC STOCK EXCHANGE, INC
PAMELA AYCOCK, AYCOCK ASSOCIATES 1899 L STREET, NW, #605 WASHINGTON DC 20036	EDISON ELECTRIC INSTITUTE
L. A. BAFALIS, GOVERNMENTAL CONSULTING SERVICES, INC 241 S. WOODS ROAD PALM BEACH FL 33480	DAVIS & HARMAN
BAKER WORTHINGTON CROSSLEY STANSBERRY & WOOLF, P.O. BOX 2866 NASHVILLE TN 37219	CONWOOD CORPORATION
JOAN B. BALDWIN, 1309 TRINITY DRIVE ALEXANDRIA VA 22314	UNITED INTERNATIONAL CONSULTANTS
CATHERINE A. BALL, 2300 S. 9TH ST., #104 ARLINGTON VA 22204	FEDERAL MANAGERS ASSN
BALLARD SPAHR ANDREWS & INGERSOLL, 1850 K STREET, NW, #1100 WASHINGTON DC 20006	ARTHUR ANDERSEN & CO
SAMUEL J. BAPTISTA, 1101 14TH ST., NW WASHINGTON DC 20005	AMERICAN FINANCIAL SERVICES ASSN
BARAFF KOERNER OLENDER & HOCHBERG, P.C., 2033 M STREET, NW, #203 WASHINGTON DC 20036	NATIONAL ASSN OF COLLEGIATE DIRECTORS OF ATHLETICS
BARNES RICHARDSON & COLBURN, 1819 H ST., NW, #400 WASHINGTON DC 20006	AMERICAN INT'L KNITTERS CORP
Do	COMMONWEALTH GARMENT MANUFACTURING CO
Do	ITALY-AMERICA CHAMBER OF COMMERCE, TEXTILE & APPAREL COMM
ROGER W. BARR JR., 815 16TH ST., NW WASHINGTON DC 20006	BROTHERHOOD OF RAILWAY AIRLINE & STEAMSHIP CLERKS
TERRY N. BARR, 1800 MASSACHUSETTS AVE., NW WASHINGTON DC 20036	NATIONAL COUNCIL OF FARMER COOPERATIVES
BARRETT MONTGOMERY & MURPHY, 2555 M STREET, NW, #100 WASHINGTON DC 20037	MULTIFAMILY HOUSING ASSN
LINDA L. BARTLETT, 1100 17TH STREET, NW, #601 WASHINGTON DC 20036	KRAFT, INC
CLEVE BENEDICT, 1012 PENNSYLVANIA AVE., SE WASHINGTON DC 20003	R/S/M, INC
BENNER BURNETT & COLEMAN, 1401 NEW YORK AVENUE, NW WASHINGTON DC 20005	MESSERSCHMITT BOLKOW-BLOHM GMBH
DIANA BERARDOCCO, 1660 L STREET, NW, #915 WASHINGTON DC 20036	AVON PRODUCTS, INC
RICHARD SCOTT BERG, 1619 MASSACHUSETTS AVE., NW WASHINGTON DC 20036	NATIONAL FOREST PRODUCTS ASSN
PAUL C. BESOZZI, HENNESEY STAMBLER & SIEBERT 1401 L ST., NW, #200 WASHINGTON DC 20036	AEROSPACE INDUSTIRES ASSN OF AMERICA, INC
JOHN F. BETAR, 730 15TH STREET, NW WASHINGTON DC 20005	ASSOCIATION OF BANK HOLDING COMPANIES
LEON G. BILLINGS, INC, 1660 L ST., NW, #713 WASHINGTON DC 20036	IRVINE COMPANY
BIRCH HORTON BITTNER PESTINGER & ANDERSON, 12TH FLOOR 1155 CONNECTICUT AVE., NW WASHINGTON DC 20036	CP NATIONAL
Do	HOUSTON METROPOLITAN TRANSIT AUTHORITY
Do	TRADITIONAL VILLAGE COUNCIL OF ST. GEORGE
BISHOP LIBERMAN COOK PURCELL & REYNOLDS, 1200 17TH STREET, NW, 7TH FL. WASHINGTON DC 20036	AD HOC COAL. OF NAT'L FARM GROUPS ON CARGO PREFERENCE LEGIS
Do	MASTER MARKETERS ASSN OF AMERICA
JOSEPH W. BLACKBURN, P.O. BOX 55727 2222 ARLINGTON AVE., SO. BIRMINGHAM AL 35255	SIROTE PERMUTT FRIEND FRIEDMAN HELD & APOLINSKY, P.C. (FOR: NORWOOD CLINIC, INC, ET AL.)
ROBERT J. BLACKWELL, BOGLE & GATES ONE THOMAS CIRCLE, NW, #900 WASHINGTON DC 20005	AMERICAN TRADING TRANSPORTATION CO, INC
Do	CREST TANKERS, INC
Do	KEYSTONE SHIPPING CO
Do	SUN TRANSPORT, INC
Do	TRINIDAD CORPORATION
Do	VICTORY CARRIERS, INC
BARBARA S. BLAINE, 910 16TH STREET, NW WASHINGTON DC 20006	MILLER & CHEVALIER, CHTD
DOUGLAS J. BLASS, 1600 M STREET, NW WASHINGTON DC 20036	INVESTMENT COMPANY INSTITUTE
BOGLE AND GATES, ONE THOMAS CIRCLE, NW, #900 WASHINGTON DC 20005	ALLIANCE FOR FAIR TRADE
Do	AMERICAN FAIR TRADE COUNCIL
Do	COALITION FOR CLEAN WATER
Do	NORTHWEST APPAREL & TEXTILE ASSN
Do	PACIFIC SEAFOOD PROCESSORS ASSN
JOSEPH C. BONANNO JR., 1785 HACIENDA DRIVE CAMPBELL CA 95008	
RUSSELL F. BONHAM III, P.O. BOX 38 HUNTSVILLE TX 77344	
CHRISTINE M. BORIS, 2501 M STREET, NW, #540 WASHINGTON DC 20037	PACIFIC RESOURCES, INC
BOWMAN CONNER TOUHEY & PETRILLO, 2828 PENNSYLVANIA AVENUE, NW, #203 WASHINGTON DC 20007	AMERICAN AUTOMAT CORP
JOHN J. BRADY III, 12511 CLIPPER DRIVE WOODBRIDGE VA 22192	INTERNATIONAL TRADE & DEVELOPMENT AGENCY, INC
BUN B. BRAY JR., 2300 S. 9TH ST., #104 ARLINGTON VA 22204	FEDERAL MANAGERS ASSN
BREGMAN ABELL KAY & SIMON, 1156 15TH ST., NW, #1212 WASHINGTON DC 20005	COMMITTEE FOR TAX EQUITY
Do	NORFOLK SOUTHERN CORP
BROADHURST BROOK MANGHAM & HARDY, 1730 PENNSYLVANIA AVE., NW, #300 WASHINGTON DC 20006	AT-SEA INCINERATION, INC
Do	CSX CORPORATION
Do	OVERSEAS VESSEL CONVERSION
WILLIAM M. BRODHEAD, 900 MARQUETTE BUILDING DETROIT MI 48226	PLUNKETT COONEY RUTT WATTERS STANCZYK & PEDERSEN (FOR: DETROIT EDUCATIONAL TV FOUNDATION)
Do	PLUNKETT COONEY RUTT WATTERS STANCZYK & PEDERSEN (FOR: NATIONAL BANK OF DETROIT)
R. STEPHEN BROWNING, P.O. BOX 1697 HELENA MT 59624	NEW WEST CONSULTANTS, INC (FOR: ANHEUSER-BUSCH COMPANIES, INC)
Do	BROWNING & KALECZYC (FOR: BRUCE-ANDERSON COMPANY, INC)
Do	NEW WEST CONSULTANTS, INC (FOR: BURLINGTON NORTHERN, INC)
Do	BROWNING & KALECZYC (FOR: FLATHEAD JOCKO VALLEY & MISSION IRRIGATION DISTRICTS...)
Do	BROWNING & KALECZYC (FOR: MONTANA FOUNDATION FOR MEDICAL CARE)
Do	BROWNING & KALECZYC (FOR: MORNING STAR ENTERPRISES)
Do	BROWNING & KALECZYC (FOR: O'CONNOR & HANNAN)
Do	BROWNING & KALECZYC (FOR: EMPLOYEE STOCK OWNERSHIP ASSN)
BROWNSTEIN ZEIDMAN & SCHOMER, 1401 NEW YORK AVE., NW, #900 WASHINGTON DC 20005	CAMARA DE LA INDUSTRIA DE TRANSFORMACION DE NUEVO LEON
BURSON-MARSTELLER, 1825 EYE ST., NW, #950 WASHINGTON DC 20006	CITY OF PHILADELPHIA
Do	PHILADELPHIA PORT CORP
Do	SOUTH JERSEY PORT CORP
BUSBY REHM AND LEONARD, P.C., 1330 CONNECTICUT AVE., NW, #200 WASHINGTON DC 20036	EUROPEAN CONFEDERATION OF THE FOOTWEAR INDUSTRY
KATERI A. CALLAHAN, 102 E. DEL RAY AVE. ALEXANDRIA VA 22301	FAIR
JAMES CALLAN, 1726 M STREET, NW, #1000 WASHINGTON DC 20036	ELECTRONIC FUNDS TRANSFER ASSN
CAMBRIDGE INTERNATIONAL, INC, 1600 WILSON BLVD., #713 ARLINGTON VA 22209	FORD AEROSPACE & COMMUNICATIONS CORP
CAPITOL ASSOCIATES, INC, 1156 15TH STREET, NW, #1102 WASHINGTON DC 20005	AMERICAN ACADEMY OF ALLERGY & IMMUNOLOGY/ASTHMA & ALLERGY
Do	CITIZENS COMM FOR MEDICAL RESEARCH & HEALTH EDUCATION
Do	EMORY UNIVERSITY MEDICAL SCHOOL
Do	ENDOCRINE SOCIETY
Do	NATIONAL MULTIPLE SCHLEROSIS SOCIETY
Do	REHABILITATION INSTITUTE OF CHICAGO
Do	TERRI GOTTHELF LUPUS RESEARCH INSTITUTE

Organization or Individual Filing	Employer/Client
Do	WORCESTER BUSINESS DEVELOPMENT CORP
BRUCE J. CARLTON, 444 NORTH CAPITOL ST., NW, #801 WASHINGTON DC 20001	JOINT MARITIME CONGRESS
CELLULAR TELECOMMUNICATIONS INDUSTRY ASSN, 1150 17TH ST., NW, #607 WASHINGTON DC 20036	
CHADBOURNE PARKE WHITESIDE & WOLFF, 1101 VERMONT AVENUE, NW WASHINGTON DC 20005	INDEPENDENT POWER SYSTEMS INTERNATIONAL, INC
TERRY M. CHAMBERLAIN, 1957 E STREET, NW WASHINGTON DC 20006	ASSOCIATED GENERAL CONTRACTORS OF AMERICA
JOHN E. CHAPOTON, 1100 CONNECTICUT AVE., NW WASHINGTON DC 20036	PARIBAS ASSET MANAGEMENT, INC
MARLANA CHICKOS, 1101 14TH STREET, NW, #804 WASHINGTON DC 20005	NATIONAL APARTMENT ASSN
ROBERT A. CHLOPAK, 1201 PENNSYLVANIA AVE., NW, #807 WASHINGTON DC 20004	COALITION AGAINST DOUBLE TAXATION, INC
CHWAT/WEIGEND ASSOCIATES, 400 FIRST STREET, NW, #816 WASHINGTON DC 20001	NATIONAL CONFERENCE OF STATE LIQUOR ADMINISTRATORS
Do	NATIONAL LICENSED BEVERAGE ASSN
Do	WHOLESALE BEER DISTRIBUTORS OF TEXAS
MARGARET CLARK, BOX 3092 GEORGETOWN UNIVERSITY WASHINGTON DC 20057	COALITION TO STOP GOVERNMENT WASTE
COLBY BAILEY WERNER & ASSOCIATES, 2550 M STREET, NW, #450 WASHINGTON DC 20037	ROYAL THAI EMBASSY
COLE & CORETTE, P.C., 1100 VERMONT AVENUE, NW, #900 WASHINGTON DC 20005	AD HOC SKI FOOTWEAR COMMITTEE
COLLIER SHANNON RILL & SCOTT, 1055 THOMAS JEFFERSON ST., NW, #308 WASHINGTON DC 20007	INLAND STEEL CO
EILEEN M. COLLINS, 444 NORTH CAPITOL STREET, NW WASHINGTON DC 20001	AMERICAN HOSPITAL ASSN
MICHAEL A. COLLINS, 13106 IVY DRIVE BELTSVILLE MD 20705	UNITED ASSN OF JNYMEN & APPREN OF PLMBG & PIPEFTG INDUSTRY
DOMINIQUE COLON, 2000 L STREET, NW WASHINGTON DC 20036	MEDTRONIC, INC
COMMITTEE FOR REASONABLE INVENTORY ACCOUNTING RULES, 1700 PENNSYLVANIA AVE., NW, #600 WASHINGTON DC 20006	
COMMUNICATIONS MANAGEMENT, INC, 1925 NORTH LYNN STREET, #1140 ARLINGTON VA 22209	AMERICAN COUNCIL OF LIFE INSURANCE
GARY L. CONKLING, P.O. BOX 500, Y3-439 BEAVERTON OR 97077	TEKTRONIX, INC
CATHERINE CONNOR, 1015 15TH STREET, NW, #802 WASHINGTON DC 20005	AMERICAN CONSULTING ENGINEERS COUNCIL
LORI C. CONSADORI, 1615 H STREET, NW WASHINGTON DC 20062	CHAMBER OF COMMERCE OF THE U.S.
JOSEPHINE S. COOPER, 1619 MASSACHUSETTS AVE., NW WASHINGTON DC 20036	AMERICAN PAPER INSTITUTE, INC
FREDERIC WILLIAM CORLE, 1828 L ST., NW, #703 WASHINGTON DC 20036	INTERAND CORPORATION
CORMAN LAW OFFICES, 1420 16TH STREET, NW WASHINGTON DC 20036	DOMINION PROPERTY COMPANY
Do	JAY GOLDINGER
Do	PETERSEN PUBLISHING COMPANY
Do	U.S. LEAGUE OF SAVINGS INSTITUTIONS
PHILIP S. CORWIN, 1120 CONNECTICUT AVE., NW WASHINGTON DC 20036	AMERICAN BANKERS ASSN
COVINGTON & BURLING, 1201 PENNSYLVANIA AVENUE, NW P.O. BOX 7566 WASHINGTON DC 20044	NORFOLK SOUTHERN CORP
Do	SUN LIFE ASSURANCE CO OF CANADA (U.S.)
Do	TELOCATOR NETWORK OF AMERICA
TAMARA COX, THE POWER HOUSE 3255 GRACE STREET, NW WASHINGTON DC 20007	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: AGRICULTURE FOR MARKET ORIENTED POLICIES)
JOHN COZART, THE POWER HOUSE 3255 GRACE STREET, NW WASHINGTON DC 20007	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: AGRICULTURE FOR MARKET ORIENTED POLICIES)
CROWELL & MORING, 1100 CONNECTICUT AVE., NW WASHINGTON DC 20036	TIFFANY & CO
MICHAEL M. CUNNIFF, 815 16TH STREET, NW WASHINGTON DC 20006	BROTHERHOOD OF RAILWAY AIRLINE & STEAMSHIP CLERKS
THOMAS JEFFERSON CURRY, 1900 WEST SUNSHINE ST. SPRINGFIELD MO 65808	
WILLIAM K. DABAGHI, ARTER & HADDEN 1919 PENNSYLVANIA AVE., NW, #400 WASHINGTON DC 20006	AGRICULTURAL BANKING INSTITUTE
DAIRY FARMERS FOR RESPONSIBLE FARM POLICY, 517 C STREET, NE WASHINGTON DC 20002	
DAMRELL DAMRELL & NELSON, P.C., 1625 I STREET MODESTO CA 95354	TURLOCK IRRIGATION DISTRICT
CHANNING W. DANIEL, 1601 DUKE STREET ALEXANDRIA VA 22314	SOCIETY OF AMERICAN FLORISTS
DAVIS POLK & WARDWELL, 1575 EYE ST., NW WASHINGTON DC 20005	ERNST & WHINNEY
LAW OFFICES OF PAUL DELANEY, JR., 1120 20TH ST., NW, #710 S. WASHINGTON DC 20036	HOWARD HUGHES MEDICAL INSTITUTE
Do	STALEY CONTINENTAL
MARTIN L. DEPOY, 777 14TH ST., NW WASHINGTON DC 20005	NATIONAL ASSN OF REALTORS
DEWEY BALLANTINE BUSHBY PALMER & WOOD, 1775 PENNSYLVANIA AVE., NW WASHINGTON DC 20006	DIGITAL EQUIPMENT CORP
Do	FEDERATION OF AMERICAN HOSPITALS
Do	LABOR-INDUSTRY COALITION FOR INTERNATIONAL TRADE
Do	NYNEX CORPORATION
Do	SEMICONDUCTOR INDUSTRY ASSOCIATION
Do	SHEET METAL WORKERS' INT'L ASSN
DICKSTEIN SHAPIRO & MORIN, 2101 L ST., NW WASHINGTON DC 20037	CHILDREN'S HOSPITAL
Do	UNIVERSAL HOVERCRAFT
JAMES M. DOLAN JR., 220 EYE STREET, NE, #210 WASHINGTON DC 20002	PATLEX CORP
THOMAS F. DONNELLY, 955 L'ENFANT PLAZA, SW, #1202 WASHINGTON DC 20024	NATIONAL WATER RESOURCES ASSN
JOHN P. DOWD, 815 16TH STREET, NW WASHINGTON DC 20006	BROTHERHOOD OF RAILWAY AIRLINE & STEAMSHIP CLERKS
WILLIAM B. DRIGGERS, 1745 JEFFERSON DAVIS HIGHWAY, #605 ARLINGTON VA 22202	TEXAS INSTRUMENTS, INC
PATRICK W. DUNN, 4400 SEATTLE FIRST NATIONAL BANK BLDG. SEATTLE WA 98154	RIDDELL WILLIAMS BULLITT & WALKINSHAW (FOR: FRIENDS OF THE COLUMBIA RIVER GORGE)
DUTKO & ASSOCIATES, 412 FIRST ST., SE, #214 WASHINGTON DC 20003	COALITION AGAINST DOUBLE TAXATION
Do	SMOKELESS TOBACCO COUNCIL, INC
THOMAS J. DWYER, 815 16TH STREET, NW WASHINGTON DC 20006	BROTHERHOOD OF RAILWAY AIRLINE & STEAMSHIP CLERKS
ROBERT C. ECKHARDT, 1750 PENNSYLVANIA AVE., NW, #1105 WASHINGTON DC 20006	STATE OF TEXAS
LINDA S. EISNAUGLE, 225 W. 34TH ST. NEW YORK NY 10001	NATIONAL COMMERCIAL FINANCE ASSN
ELECTRONIC FUNDS TRANSFER ASSN, 1726 M STREET, NW, #1000 WASHINGTON DC 20036	
PATRICIA A. ENGLISH, 777 14TH ST., NW WASHINGTON DC 20005	NATIONAL ASSN OF REALTORS
STEPHEN E. EURE, 1711 KING STREET ALEXANDRIA VA 22314	POTATO CHIP/SNACK FOOD ASSN
DONALD C. EVANS JR., 655 15TH ST., NW, #310 WASHINGTON DC 20005	AMERICAN FAMILY CORPORATION
Do	AMERICAN HOECHST CORP
GARY M. FALEY, 815 16TH STREET,NW WASHINGTON DC 20006	BROTHERHOOD OF RAILWAY AIRLINE & STEAMSHIP CLERKS
FEDERAL MANAGERS ASSN, 2300 S. 9TH ST., #104 ARLINGTON VA 22204	
FEDERATION OF BEHAVIORAL PSYCHOLOGICAL & COGNITIVE SCIENCES , 1200 17TH STREET, NW WASHINGTON DC 20036	
ROBERT FEENSTRA, 13545 EUCLID AVENUE ONTARIO CA 91761	MILK PRODUCERS COUNCIL (FOR: DAIRY FARMERS FOR RESPONSIBLE DAIRY POLICY)
CLAUDIA FELLER, 1200 17TH STREET, NW WASHINGTON DC 20036	FEDERATION OF BEHAVIORAL PSYCHOLOGICAL & COGNITIVE SCIENCES
R. B. FENNINGER, 10,000 FALLS ROAD, #306 POTOMAC MD 20854	AMERICAN SOCIETY OF ANESTHESIOLOGISTS
FIBER FABRIC & APPAREL COALITION FOR TRADE, 1800 M ST., NW, #950 NORTH WASHINGTON DC 20036	
MARSHALL S. FILLER, 2033 M STREET, NW, #700 WASHINGTON DC 20006	AIR TRANSPORT ASSN OF AMERICA
FINLEY KUMBLE WAGNER HEINE UNDERBERG MANLEY & CASEY, 1120 CONNECTICUT AVE., NW WASHINGTON DC 20036	ASSOCIATION OF BRITISH INSURERS
Do	DEVELOPMENT CORP FOR ISRAEL
Do	HOME INSURANCE CO
Do	NORFOLK SOUTHERN CORP
SUSAN G. FLACK, 1825 K ST., NW, #603 WASHINGTON DC 20006	BATUS D.C.
DELORES A. FLOWERS, 517 C STREET, NE WASHINGTON DC 20002	LYNG AND LESHER, INC
HOWARD W. FOGT, FOLEY, LARDNER, HOLLABAUGH & JACOBS 1775 PENNSYLVANIA AVE., NW, SUITE 1000 WASHINGTON DC 20006	PHOSPHATE ROCK EXPORT ASSOCIATION
FOLEY & LARDNER, 1775 PENNSYLVANIA AVE., NW WASHINGTON DC 20006	PHOSPHATE ROCK EXPORT ASSOCIATION
R. D. FOLSOM, 1317 F STREET, NW, #400 WASHINGTON DC 20004	R. DUFFY WALL & ASSOCIATES, INC (FOR: AD HOC COMM ON COAL TAXATION)
Do	R. DUFFY WAYY & ASSOCIATES, INC (FOR: HONG KONG TRADE DEVELOPMENT COUNCIL)
D. LEE FORSGREN, 1625 K STREET, NW, #1000 WASHINGTON DC 20006	AMERICAN INSTITUTE OF MERCHANT SHIPPING
FOX GROUP, USA LTD, P.O. BOX 1831 CHARLESTON SC 29402	CAMP CARMOUCHE BARSH (FOR SEARS ROEBUCK & CO)
JOHN B. FRANZ, P.O. BOX 10568 POMPANO BEACH FL 33061	
RONNA FREIBERG, THE POWER HOUSE 3255 GRACE STREET, NW WASHINGTON DC 20007	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: SHIRCO INFRARED SYSTEMS, INC)
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: TITLE INSURANCE INDUSTRY COALITION)
FRIED FRANK HARRIS SHRIVER & JACOBSON, 600 NEW HAMPSHIRE AVE., NW, #1000 WASHINGTON DC 20037	KLAMATH TRIBE
Do	SCHENLEY INDUSTRIES, INC
WILLIAM D. FRITTS JR., 1025 CONNECTICUT AVE., NW WASHINGTON DC 20036	HEALTH INSURANCE ASSN OF AMERICA, INC
WILLIAM T. GIBB, 1850 K ST., NW WASHINGTON DC 20006	AMERICAN COUNCIL OF LIFE INSURANCE, INC
GINN & EDINGTON, INC, 121 SOUTH COLUMBUS STREET ALEXANDRIA VA 22314	AMERICAN POLYGRAPH ASSN
Do	LOCKHEED CORP
Do	WATKINS ASSOCIATED INDUSTRIES, INC
GLOBAL USA, INC, GLOBAL HOUSE 1823 JEFFERSON PLACE, NW WASHINGTON DC 20036	HITACHI LTD
GNAU & ASSOCIATES, 44 E. LONG LAKE RD. BLOOMFIELD HILLS MI 48013	DOCTOR'S HOSPITAL
Do	FORD AEROSPACE & COMMUNICATIONS CORP
Do	INTECH SYSTEMS
Do	INTERGY, INC
Do	PRIMARK CORP
Do	RECOGNITION EQUIPMENT, INC
Do	WARREN REAL ESTATE GROUP, INC
GOLD & LIEBENGOOD, INC, 1050 CONNECTICUT AVENUE, NW, #980 WASHINGTON DC 20036	AMERICAN ACADEMY OF OPHTHALMOLOGY
Do	EYE BANK ASSN OF AMERICA

Organization or Individual Filing	Employer/Client
Do	NATIONAL SCHOOL TRANSPORTATION ASSN
JANE A. GOLDEN, 1775 PENNSYLVANIA AVE., NW WASHINGTON DC 20006	PHOSPHATE ROCK EXPORT ASSN
LINDA F. GOLODNER, 600 MARYLAND AVE., SW, #202 W. WASHINGTON DC 20024	NATIONAL CONSUMERS LEAGUE
GRASSROOTS NATIONAL ASSN OF FARM CREDIT SYSTEM STOCKHOLDERS , 501 ALABAMA STREET P.O. BOX 1070 JACKSONVILLE TX 75766	
ROBERT K. GRAY, THE POWER HOUSE 3255 GRACE STREET, NW WASHINGTON DC 20007	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: AGRICULTURE FOR MARKET POLICIES (AG-MOP))
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: BELL ATLANTIC MANAGEMENT SERVICES)
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: IOWA PORK PRODUCERS ASSN)
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: MUTUAL OF OMAHA)
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: TITLE INSURANCE INDUSTRY COALITION)
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: UNITED AIRLINES)
ISIAH CARL GREEN, P.O. BOX 38 HUNTSVILLE TX 77344	
JOHN D. GREGORY, LEWIS BABCOCK GREGORY & PLEICONES P.O. BOX 11208 COLUMBIA SC 29211	CAMP CARMOUCHE HUNTER GRAY... (FOR SEARS ROEBUCK & CO)
MARK N. GRIFFITHS, SMITH BUCKLIN & ASSOCIATES 1101 CONNECTICUT AVE, NW, #700 WASHINGTON DC 20036	NATIONAL ASSN OF METAL FINISHERS
GROOM & NORDBERG, 1775 PENNSYLVANIA AVENUE, NW, #700 WASHINGTON DC 20006	CHEVRON CORPORATION
Do	MURPHY OIL U.S.A., INC
Do	PHOENIX MUTUAL LIFE INSURANCE COMPANY
CRAIG HACKLER, 412 FIRST ST., SE, #214 WASHINGTON DC 20003	CADILLAC FAIRVIEW U.S., INC
HALE AND DORR, 1201 PENNSYLVANIA AVE., NW, #807 WASHINGTON DC 20004	TOWN OF GAY HEAD
RICHARD F. HALL, 2501 M STREET, NW, #540 WASHINGTON DC 20037	PACIFIC RESOURCES, INC
MARTIN HAMBURGER, 100 MARYLAND AVE., NE WASHINGTON DC 20002	PEACE PAC
WILBUR H. HAMILTON III, 1010 MASSACHUSETTS AVE., NW WASHINGTON DC 20001	NATIONAL FOOD BROKERS ASSN
HANNAFORD CO, INC, 655 15TH ST., NW, #200 WASHINGTON DC 20005	PRODUCER'S GAS CO
Do	TRIPLE A SHIPYARDS
ARNITA HANNON, 218 D STREET, SE WASHINGTON DC 20003	ENVIRONMENTAL POLICY INSTITUTE
HANSON BRIDGETT MARCUS & VLAHOS, 333 MARKET STREET, #2300 SAN FRANCISCO CA 94105	CALIFORNIA HOSPITAL ASSN
HEIDI HANSON, 218 D STREET, SE WASHINGTON DC 20003	ENVIRONMENTAL POLICY INSTITUTE
CRANE B. HARRIS, 1735 NEW YORK AVENUE, NW WASHINGTON DC 20006	AMERICAN INSTITUTE OF ARCHITECTS
SANDRA ZEUNE HARRIS, 1120 20TH STREET, NW, #700 WASHINGTON DC 20036	WILLIAMS COMPANIES
JAYNE A. HART, 1101 VERMONT AVENUE, NW WASHINGTON DC 20005	AMERICAN MEDICAL ASSN
LYNN S. HART, 1111 19TH ST., NW, #402 WASHINGTON DC 20036	FEDERATION OF AMERICAN HOSPITALS
MICHAEL D. HATHAWAY, 1800 DIAGONAL ROAD ALEXANDRIA VA 22314	
DAVID J. HAYES, 815 CONNECTICUT AVE., NW WASHINGTON DC 20006	AMERICAN ELECTRONICS ASSN
ROBERT G. HAYES, BOGLE AND GATES ONE THOMAS CIRCLE, NW, #900 WASHINGTON DC 20005	ALLIANCE FOR FAIR TRADE
Do	AMERICAN FAIR TRADE COUNCIL
Do	NORTHWEST APPAREL & TEXTILE ASSN
BILL HECHT AND ASSOCIATES, INC, 499 SOUTH CAPITOL STREET, SE, #501 WASHINGTON DC 20003	AMERICAN SECURITY COUNCIL
Do	ASSOCIATION OF AMERICAN RAILROADS
Do	BRIGHT AND COMPANY
Do	IRVINE COMPANY
Do	MANAGEMENT INSIGHTS, INC
Do	REED ROBERTS TAX CREDIT ASSISTANCE CORP
Do	U.C. CONSULTANTS
Do	WESTERN GROWERS ASSN
Do	WESTERN GROWERS ASSURANCE TRUST
SUZANNE C. HELMICK, ONE NATIONWIDE PLAZA COLUMBUS OH 43216	NATIONWIDE INSURANCE
CRAIG R. HELSING, 499 S. CAPITOL ST., SW, #507 WASHINGTON DC 20005	BILL HECHT AND ASSOCIATES, INC
HERON BURCHETTE RUCKERT & ROTHWELL, 1025 THOMAS JEFFERSON ST., NW, #700 WASHINGTON DC 20007	ROYAL SILK, LTD
CAROL M. HERRINGTON, 3881-B STEPPES COURT FALLS CHURCH VA 22041	SYSTEM DEVELOPMENT CORP
ESTHER HERST, 1250 WISHIRE BOULEVARD LOS ANGELES CA 90017	NATIONAL COMM AGAINST REPRESSIVE LEGISLATION
DALE E. HEYDLAUFF, CRAFT & RICHARDS 1050 THOMAS JEFFERSON STREET, NW, 6TH FL WASHINGTON DC 20007	CLEAN COAL TECHNOLOGY COALITION
Do	ILLINOIS COMMERCE COMMISSION
EDWARD JOSEPH HILLINGS, 1015 15TH ST., NW, #900 WASHINGTON DC 20005	HNG/INTERNORTH
FRED C. HIMES, P.O. BOX 3151 HOUSTON TX 77253	BROWNING-FERRIS INDUSTRIES (BFI)
STEPHEN J. HINIKER, P.O. BOX 727 HARPERS FERRY WV 25425	SIERRA CLUB
HOBBS STRAUS DEAN & WILDER, 1819 H ST., NW, #800 WASHINGTON DC 20006	AGRI-LAND INT'L, INC
NIELS C. HOLCH, THE POWER HOUSE 3255 GRACE STREET, NW WASHINGTON DC 20007	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: TITLE INSURANCE INDUSTRY COALITION)
HOLDEN GROUP, INC, 11365 WEST OLYMPIC BOULEVARD LOS ANGELES CA 90064	
PETE HOMER JR., 2653 A.S. WALTER REED DRIVE ARLINGTON VA 22206	
MARIAN HOPKINS, 1615 H STREET, NW WASHINGTON DC 20062	CHAMBER OF COMMERCE OF THE U.S.
JOHN HOWARD, 1615 H STREET, NW WASHINGTON DC 20062	CHAMBER OF COMMERCE OF THE U.S.
JEAN HUTTER, 1730 M STREET, NW WASHINGTON DC 20036	LEAGUE OF WOMEN VOTERS OF THE U.S.
FLOYD H. HYDE ASSOCIATES, 719 8TH STREET, SE WASHINGTON DC 20003	
GARY HYMEL, THE POWER HOUSE 3255 GRACE STREET, NW WASHINGTON DC 20007	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: AGRICULTURE FOR MARKET ORIENTED POLICIES)
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: LANE INDUSTRIES)
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: SHIRCO INFRARED SYSTEMS, INC)
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: TITLE INSURANCE INDUSTRY COALITION)
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: UNITED AIRLINES)
RONALD K. IKEJIRI, 1000 POTOMAC STREET, NW, #401 WASHINGTON DC 20007	FRANCIS MCGINNIS AND REES
INDEPENDENT CONSULTANTS, INC, 400 NORTH CAPITOL ST., NW, #320 WASHINGTON DC 20001	CADILLAC FAIRVIEW/CALIFORNIA, INC
INTERNATIONAL BUSINESS & ECONOMIC RESEARCH CORP, 2121 K ST., NW, #700 WASHINGTON DC 20008	AMERICAN ASSN OF EXPORTERS & IMPORTERS/TEXTILE & APPAREL GRP
INTERNATIONAL FOOTWEAR ASSN, 47 WEST 34TH STREET, #804 NEW YORK NY 10001	
INTERNATIONAL PUBLIC AFFAIRS CONSULTANTS, INC, P.O. DRAWER 6865 MCLEAN VA 22106	
PETER IOVINO, KARALEKAS MCCAHILL WILSON & IOVINO 1250 CONNECTICUT AVE., NW, #318 WASHINGTON DC 20036	AMERICAN REF-FUEL
IVINS PHILLIPS & BARKER, CHTD, 1700 PENNSYLVANIA AVENUE, NW WASHINGTON DC 20006	PECHINEY CORPORATION
CHARLES R. JACKSON, 219 NORTH WASHINGTON STREET ALEXANDRIA VA 22314	NON COMMISSIONED OFFICERS ASSN OF THE USA
DANIEL L. JAFFE, 1725 K STREET, NW, #601 WASHINGTON DC 20006	ASSOCIATION OF NATIONAL ADVERTISERS
RAYMOND C. JANUS, P.O. BOX 888 ASHLAND KY 41101	
Do	NEW GENERATION LOBBY
JENNER & BLOCK, 21 DUPONT CIRCLE, NW WASHINGTON DC 20036	CITICORP CAPITAL INVESTORS, LTD
Do	METROPOLITAN TRANSIT AUTHORITY
Do	SAN FRANCISCO PUBLIC UTILITIES COMMISSION
PATRICIA A. JENSEN, PILLSBURY CENTER M.S. 3771 MINNEAPOLIS MN 55402	PILLSBURY CO
BRUCE JOHNSON, LAW OFFICES OF BRUCE JOHNSON 1718 CONNECTICUT AVE., NW WASHINGTON DC 20009	KIDDER PEABODY & CO, INC
KAY JOHNSON, 122 C STREET, NW WASHINGTON DC 20001	CHILDREN'S DEFENSE FUND
JONES & WINBURN, 50 E STREET, SE WASHINGTON DC 20003	CALIFORNIA HOSPITAL ASSOCIATION
Do	CHANCELLOR CORPORATION
Do	MCDONNELL DOUGLAS CORP
Do	UNITED COMPANIES LIFE INSURANCE COMPANIES
KAYE SCHOLER FIERMAN HAYS & HANDLER, 1575 I STREET, NW, #1150 WASHINGTON DC 20005	VENTURE DEVELOPMENT CORP
VICKI R. KEENAN, 1015 15TH STREET, NW, #802 WASHINGTON DC 20005	AMERICAN CONSULTING ENGINEERS COUNCIL
WILLIAM D. KELLEHER, 1615 H STREET, NW WASHINGTON DC 20062	CHAMBER OF COMMERCE OF THE U.S.
EDWARD L. KELLY, 1319 F STREET, NW, #1000 WASHINGTON DC 20004	NATIONAL ASSN OF PRIVATE PSYCHIATRIC HOSPITALS
KENDALL & ASSOCIATES, INC, 50 E ST., SE WASHINGTON DC 20003	HOGAN & HARTSON (FOR VOLUME SHOE CORP)
MARK S. KNOUSE, 1825 K ST., NW, #603 WASHINGTON DC 20006	BATUS D.C.
GARY J. KOHN, 1600 M STREET, NW WASHINGTON DC 20036	INVESTMENT COMPANY INSTITUTE
KERRILL K. KORNEGAY, 1025 CONNECTICUT AVE., NW, #1014 WASHINGTON DC 20036	ENSERCH CORPORATION
JAY KRIEGEL, KRIEGEL COMMUNICATIONS 437 MADISON AVENUE, 19TH FL. NEW YORK NY 10022	ASSOCIATION FOR A BETTER NEW YORK
SARA E. KUHN, 1735 NEW YORK AVENUE, NW WASHINGTON DC 20006	AMERICAN INSTITUTE OF ARCHITECTS
D. ROMAN KULCHITSKY, 3238 WYNFORD DRIVE FAIRFAX VA 22031	U.S. DEFENSE COMMITTEE
REBECCA L. KUPPER, 655 15TH STREET, NW 300 METROPOLITAN SQUARE WASHINGTON DC 20005	AMERICAN MEDICAL INTERNATIONAL
KUTAK ROCK & CAMPBELL, 1101 CONNECTICUT AVENUE, NW WASHINGTON DC 20036	CITICORP INVESTMENT BANK
JAMES E. LAMBLE, 2931 S. COLUMBUS STREET ARLINGTON VA 22206	BECHTEL POWER CORP
SCOTT H. LANE, 412 FIRST STREET, SE WASHINGTON DC 20003	NATIONAL AUTOMOBILE DEALERS ASSN
JOSEPH L. LANG, 1121 L STREET, #1000 SACRAMENTO CA 95814	DAIRY FARMERS FOR RESPONSIBLE DAIRY POLICY
J. STEPHEN LARKIN, 9225 KATY FREEWAY, #401 HOUSTON TX 77024	PETROLEUM EQUIPMENT SUPPLIERS ASSN
LATHAM WATKINS & HILLS, 1333 NEW HAMPSHIRE AVE., NW, #1200 WASHINGTON DC 20036	COMMUNITY REDEVELOPMENT AGENCY, CITY OF LOS ANGELES
Do	DRIFTWOOD DAIRIES

Organization or Individual Filing	Employer/Client
JAMES R. LAWRENCE, 10004 MARKHAM STREET SILVER SPRING MD 20901	NATIONAL TREASURY EMPLOYEES
JOHN H. LEACH II , P.O. BOX 11125 SANTA ANA CA 92711	LET THE PEOPLE BE HEARD COMM
JULIE S. LEE, 444 NORTH CAPITOL ST., NW, #801 WASHINGTON DC 20001	JOINT MARITIME CONGRESS
A. B. VIRKLER LEGATE, 77 SYCAMORE CIRCLE ORMOND BEACH FL 32074	EAGLE ENGINEERING, INC
Do	EMBRY-RIDDLE AERONAUTICAL UNIVERSITY
TERRY L. LEITZELL, BOGLE AND GATES ONE THOMAS CIRCLE, NW, #900 WASHINGTON DC 20005	ALLIANCE FOR FAIR TRADE
Do	AMERICAN FAIR TRADE COUNCIL
Do	NORTHWEST APPAREL & TEXTILE ASSN
WILLIAM GENE LESHER, 517 C STREET, NE WASHINGTON DC 20002	LYNG AND LESHER, INC
KATHLEEN M. LINEHAN, 1875 EYE ST., NW, #500 WASHINGTON DC 20006	PHILIP MORRIS, INC
LIPSEN HAMBERGER WHITTEN & HAMBERGER, 1725 DESALES ST., NW, #800 WASHINGTON DC 20036	ACUMENICS, INC
Do	AIR TRANSPORT ASSN
Do	CALFON CONSTRUCTION, INC
Do	COMPUTERS & INFORMATION MANAGEMENT, INC
Do	NATIONAL FED OF INDEPENDENT BUSINESSES
Do	NATIONAL RURAL LETTER CARRIERS ASSN
Do	PILLSBURY COMPANY
Do	UNITED CHEM CON CORPORATION
Do	WESTFIELD TANNERY, INC
DAVID H. LISSY, 1 GULF & WESTERN PLAZA NEW YORK NY 10023	GULF & WESTERN INDUSTRIES, INC
E. GEOFFREY LITTLEHALE, 1100 15TH STREET, NW WASHINGTON DC 20005	PHARMACEUTICAL MANUFACTURERS ASSN
E.F. LIVAUDAIS JR , 1333 NEW HAMPSHIRE AVE., NW WASHINGTON DC 20036	ATLANTIC RICHFIELD CO
DANIEL P. LUCAS, 777 14TH ST., NW, WASHINGTON DC 20005	NATIONAL ASSN OF REALTORS
DAVID C. LUTTRELL, 1422 W. PEACHTREE ST., NW, #612 ATLANTA GA 30309	NATIONAL ASSN OF MANUFACTURERS
LYNG AND LESHER, INC, 517 C STREET, NE WASHINGTON DC 20002	DAIRY FARMERS FOR RESPONSIBLE DAIRY POLICY
RICHARD E. LYNG, 517 C STREET, NE WASHINGTON DC 20002	LYNG AND LESHER, INC
MACMEEKIN AND CUTLER, 1331 H STREET, NW, #901 WASHINGTON DC 20005	YANGTZEKIANG GARMENT MANUFACTURING CO, LTD
DANIEL C. MALDONADO, 10000 FALLS RD., #306 POTOMAC MD 20854	AMERICAN SOC OF ANESTHESIOLOGISTS
Do	ASSOCIATION OF UNIVERSITY PROGRAMS
EUGENE J. MALONE JR., 16002 EDGEWOOD DRIVE DUMFRIES VA 22026	CSX CORPORATION
MANATT PHELPS ROTHENBERG TUNNEY & EVANS, 1200 NEW HAMPSHIRE AVE., NW, #200 WASHINGTON DC 20036	ALLIANCE FOR A COMPETITIVE AMERICA
Do	AMERICAN BANKERS ASSN
Do	AMERICAN PETROFINA
Do	CHRONAR CORPORATION
Do	FIRST PENNSYLVANIA BANK
Do	GOVERNMENT OF CYPRUS
Do	GOVERNMENT OF JAMAICA
Do	HOUSING AMERICA FOUNDATION
Do	JAMAICA BROADCASTING CORP
Do	NEW WORLD PICTURES
Do	PYRAMID COMPANIES
Do	RLC CORPORATION
Do	ROLLINS ENVIRONMENTAL SERVICES
Do	SECURITY FIRST GROUP
Do	TRAWEEK INVESTMENT CO, INC
SUSAN MANES, 2030 M STREET, NW WASHINGTON DC 20036	COMMON CAUSE
FRANK MANKIEWICZ, THE POWER HOUSE 3255 GRACE STREET, NW WASHINGTON DC 20007	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: TITLE INSURANCE INDUSTRY COALITION)
LORI A. MARSDEN, 1015 15TH STREET, NW, #802 WASHINGTON DC 20005	AMERICAN CONSULTING ENGINEERS COUNCIL
EDITH W. MARSH, 200 W. MORGAN ST., #301 RALEIGH NC 27601	SANDOZ CHEMICALS CORP
ROBERT L. MARTIN, 1615 H STREET, NW WASHINGTON DC 20062	CHAMBER OF COMMERCE OF THE U.S.
DONALD F. MASSEY, THE POWER HOUSE 3255 GRACE STREET, NW WASHINGTON DC 20007	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: AGRICULTURE FOR MARKET ORIENTED POLICIES)
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: CANADIAN ASBESTOS INFORMATION CENTRE)
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: LANE INDUSTRIES, INC)
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: TITLE INSURANCE INDUSTRY COALITION)
DAWSON MATHIS & ASSOCIATES, 1800 M STREET, NW, #950 NORTH WASHINGTON DC 20036	CROWLEY MARITIME CORP
DAWSON MATHIS, 1800 M STREET, NW, #950 NORTH WASHINGTON DC 20036	COALITION AGAINST DOUBLE TAXATION, INC
Do	DAWSON MATHIS & ASSOCIATES (FOR: CROWLEY MARITIME CORP)
MARY HELEN MATHIS, 444 NORTH CAPITOL ST., #711 WASHINGTON DC 20001	KEEFE COMPANY (FOR: CARTERET SAVINGS & LOAN)
Do	KEEFE COMPANY (FOR: CORDISH & EMBRY ASSOCIATES)
Do	KEEFE COMPANY (FOR: ESSEX COUNTY)
Do	KEEFE COMPANY (FOR: NEW YORK UNIVERSITY)
Do	KEEFE COMPANY (FOR: PRECISION CONVERSION & RECOVERY)
Do	KEEFE COMPANY (FOR: UNIVERSITY OF MEDICINE & DENTISTRY OF NEW JERSEY)
JOSEPH M. MATTINGLY, 1901 NORTH MOORE STREET ARLINGTON VA 22209	GAS APPLIANCE MANUFACTURERS ASSN, INC
MAYBERRY AND LEIGHTON, 1667 K ST. NW, 9TH FL. WASHINGTON DC 20006	CLOROX COMPANY
Do	EXPRESS FOODS CO, INC
Do	GENERAL INSTRUMENT CORP
Do	WHEY PRODUCTS INSTITUTE
MAYER BROWN & PLATT, 2000 PENNSYLVANIA AVENUE, NW, #6500 WASHINGTON DC 20006	UNION STATION VENTURE
MARTIN MAYFIELD, 3408 TOLEDO TERRACE, #J HYATTSVILLE MD 20782	
JERRY MCANDREWS, 308 E. CAPITOL ST., #10 WASHINGTON DC 20003	COMPETITIVE TELECOMMUNICATIONS ASSN
ROSS L. MCCALL, 11510 GEORGIA AVENUE, #115 WHEATON MD 20902	ST ELLA LTD, INC
MARK L. MCCONAGHY, 1801 K ST., NW, #700 WASHINGTON DC 20006	PRICE WATERHOUSE (FOR: CEO TAX GROUP)
Do	PRICE WATERHOUSE (FOR: DART & KRAFT, INC)
MARGARET M. MCCORMICK, 5017 FORBES AVENUE PITTSBURGH PA 15213	CARNEGIE-MELLON UNIVERSITY
MCDERMOTT WILL & EMERY, 1850 K ST., NW, #500 WASHINGTON DC 20006	CALIFORNIA ASSN OF CHILDREN'S HOSPITALS
Do	JUVENILE DIABETES FOUNDATION, INTERNATIONAL
Do	OUTPATIENT OPTHALMIC SURGERY SOCIETY
Do	PUBLIC EMPLOYEES' RETIREMENT ASSN OF COLORADO
Do	SOCIETY FOR OFFICE BASED SURGERY
JACK MCDONALD CO, 1800 M STREET, NW, #950 NORTH WASHINGTON DC 20036	DOW CORNING CORP
Do	ROYAL ZENITH CORP
JACK MCDONALD, 1800 M STREET, NW, #950 NORTH WASHINGTON DC 20036	JACK MCDONALD CO (FOR: DOW CORNING CORP)
Do	JACK MCDONALD CO (FOR: ROYAL ZENITH CORP)
RICK MCELHENY, 3255 GRACE STREET, NW WASHINGTON DC 20007	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: INTERNATIONAL BROTHERHOOD OF TEAMSTERS)
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: KINGDOM OF MOROCCO)
RICHARD L. MCGRAW, 950 L'ENFANT PLAZA, SW WASHINGTON DC 20024	COMMUNICATIONS SATELLITE CORP
C. W. MCMILLAN, 2021 K STREET, NW, #306 WASHINGTON DC 20006	MCMILLAN & FARRELL ASSOCIATES, INC
MCNAIR GLENN KONDUROS CORLEY SINGLETARY PORTER & DIBBLE, 1155 15TH STREET, NW WASHINGTON DC 20005	ALIGNPAC
Do	AMALGAMATED CLOTHING & TEXTILE WORKERS UNION
Do	CHASE MANHATTAN BANK
Do	COMMITTEE FOR FINANCING PUBLIC TRANSPORTATION FACILITIES
Do	CRS STIRRINE, INC
Do	DART & KRAFT, INC
Do	ENSERCH
Do	ESPERANZA ENERGY CO
Do	HOSPITAL CORP OF AMERICA
Do	INTELLECTUAL PROPERTY OWNERS, INC
Do	ROBERT E. JULIANO & ASSOCIATES
Do	NORTHWESTERN MUTUAL LIFE INSURANCE CO
Do	SABINE CORPORATION
Do	TEXAS OIL & GAS CORP
Do	WESSELY ENERGY CORP
JOHN EDWARD MCNALLY, 11417 ORLEANS WAY KENSINGTON MD 20895	
MEDICAL-DENTAL DIVERSIFIED SERVICES, INC, 5372 FREDERICKSBURG ROAD, #106 SAN ANTONIO TX 78229	U.A.G. ALUMNI ASSN
KENNETH F. MELLEY, 1201 16TH STREET, NW WASHINGTON DC 20036	NATIONAL EDUCATION ASSN
MEMEL JACOBS PIERNO GERSH & ELLSWORTH, 1800 M STREET, NW, #1000-N WASHINGTON DC 20036	CITY OF HOPE NAT'L MEDICAL & REHABILITATION HOSPITAL
EDWARD L. MERRIGAN, 6000 CONNECTICUT AVE., NW WASHINGTON DC 20815	JOHN TUDOR

Organization or Individual Filing	Employer/Client
ANDREA L. METHVEN, 1050 17TH STREET, NW, #500 WASHINGTON DC 20036	TEXACO, INC
DAVID R. MICA, FLORIDA PETROLEUM INSTITUTE 325 JOHN KNOX RD., #F-210 TALLAHASSEE FL 32303	AMERICAN PETROLEUM INSTITUTE
LAURIE MICHEL, 1850 K STREET, NW, #1100 WASHINGTON DC 20006	BALLARD SPAHR ANDREWS & INGERSOLL
ROGER E. MIDDLETON, 1615 H STREET, NW WASHINGTON DC 20062	CHAMBER OF COMMERCE OF THE U.S.
HARRIS MILLER & ASSOCIATES, 1000 WILSON BLVD., #900 ARLINGTON VA 22209	NATIONAL ASSN FOR FOREIGN STUDENT AFFAIRS
Do	U.S. ENGLISH
MILLER CANFIELD PADDOCK & STONE, SUITE 1200 1015 15TH ST., NW WASHINGTON DC 20005	LEELANAU COUNTY ROAD COMMISSION
MILLER HAMILTON SNIDER & ODOM, P.O. BOX 46 MOBILE AL 36601	CAMP CARMOUCHE BARSH... (FOR SEARS ROEBUCK & CO)
Do	COLONIAL BANCGROUP, INC
AMY J. MILLMAN, 1875 EYE ST., NW, #500 WASHINGTON DC 20006	PHILIP MORRIS, INC
J. PAUL MOLLOY, 1120 CONNECTICUT AVE., NW WASHINGTON DC 20036	ISHAM LINCOLN & BEALE (FOR: NORFOLK SOUTHERN CORP)
L. A. MOTLEY AND COMPANY, 1750 K STREET, NW, #501 WASHINGTON DC 20006	ADICAL
MUDGE ROSE GUTHRIE ALEXANDER & FERNDON, 2121 K STREET, NW WASHINGTON DC 20037	BASIN ELECTRIC POWER COOPERATIVE
WILLIAM T. MURPHY JR., BARRETT MONTGOMERY & MURPHY 2555 M STREET, NW, #100 WASHINGTON DC 20037	AMERICAN CEMENT TRADE ALLIANCE, INC
Do	ASSOCIATION OF GREYHOUND TRACK OPERATORS OF AMERICA
Do	CHEMICAL MANUFACTURERS ASSN
Do	FEDERATED COST MANAGEMENT SYSTEMS
Do	O'CONNOR & ASSOCIATES
SARAH MUYSKENS, 1400 EYE ST., NW WASHINGTON DC 20005	WILDERNESS SOCIETY
STEPHEN M. NAGLER, 533 SOUTH AVENUE WEST WESTFIELD NJ 07090	PATLEX CORPORATION
NEILL MULLENHOLZ SHAW & SEEGER, 900 17TH ST., NW, #400 WASHINGTON DC 20006	INSURANCE SERVING & INFORMATION SYSTEMS CORP
PAUL W. NEWTON, 6060 HOLLOW HILL LANE SPRINGFIELD VA 22152	NATIONAL TREASURY EMPLOYEES UNION
PATRICIA T. NIGHSWANDER, 3700 ALBEMARLE ST., NW WASHINGTON DC 20016	NATIONAL TREASURY EMPLOYEES UNION
NOSSAMAN GUTHNER KNOX & ELLIOTT, 1140 19TH ST., NW, #600 WASHINGTON DC 20036	NORTHWESTERN NATIONAL LIFE INSURANCE CO
NS & MG, 1919 PENNSYLVANIA AVE., NW, #704 WASHINGTON DC 20006	PGA TOUR, INC
CYNTHIA H. NULL, 1200 17TH STREET, NW WASHINGTON DC 20036	FEDERATION OF BEHAVIORAL PSYCHOLOGICAL & COGNITIVE SCIENCES
O'CONNOR & HANNAN, 1919 PENNSYLVANIA AVE., NW, #800 WASHINGTON DC 20006	ALLIANCE FOR CAPITAL ACCESS
Do	CALIFORNIA STUDENT LOAN FINANCE CORP
Do	CHEMWASTE
Do	CONNAUGHT LABORATORIES, INC
Do	INTERNATIONAL RACQUET SPORTS ASSN
Do	U.S. TUNA FOUNDATION
BARTLEY M. O'HARA, 1919 PENNSYLVANIA AVE., NW, #300 WASHINGTON DC 20006	COLORADO MUNICIPAL BOND DEALERS ASSN
Do	INTERNATIONAL UNION OF BRICKLAYERS & ALLIED CRAFTSMEN
Do	NORFOLK SOUTHERN CORP
ANNE MARIE O'KEEFE, 1200 17TH STREET, NW WASHINGTON DC 20036	AMERICAN PSYCHOLOGICAL ASSN
JOSEPH O'NEIL, 3255 GRACE STREET, NW WASHINGTON DC 20007	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: KINGDOM OF MOROCCO)
O'NEILL AND HAASE, P.C., 1333 NEW HAMPSHIRE AVE., NW, #1110 WASHINGTON DC 20036	HOUSING AMERICA FOUNDATION
JOSEPH P. O'NEILL, 1616 H STREET, NW WASHINGTON DC 20006	AMERICAN RETAIL FEDERATION
JANA R. OAKLEY, 1776 F STREET, NW WASHINGTON DC 20006	NATIONAL ASSN OF MANUFACTURERS
OPPENHEIMER WOLFF FOSTER SHEPARD & DONNELLY, 1317 F STREET, NW, #700 WASHINGTON DC 20004	KOREAN FOOTWEAR EXPORTERS ASSN
CATHY E. OVERLY, 1730 K STREET, NW WASHINGTON DC 20006	NATIONAL TREASURY EMPLOYEES UNION
MARCIA PAPE-DANIELS, 1201 PENNSYLVANIA AVE., NW, #250 WASHINGTON DC 20004	CH2M HILL
KRIS PATHUIS, 8500 BYRON ROAD ZEELAND MI 49464	HERMAN MILLER, INC
PATTON BOGGS & BLOW, 2550 M ST., NW, #800 WASHINGTON DC 20037	BROWNSVILLE SHRIMP ASSN
Do	COMPUTERLAND CORPORATION
Do	CROWLEY MARITIME CORPORATION
Do	DREDGING INDUSTRY SIZE STANDARDS COMMITTEE (DISSC)
Do	FLINT INDUSTRIES
Do	KAISER ALUMINUM & CHEMICAL CORP
Do	LITTON INDUSTRIES, INC
Do	LOAN AMERICA FINANCIAL CORP
Do	MATSON NAVIGATION CO
Do	PITTSTON COAL CO
Do	TEAC CORP OF AMERICA
Do	YAMAHA ELECTRONICS CORP, U.S.A.
PAUL WEISS RIFKIND WHARTON & GARRISON, 1615 L STREET, NW WASHINGTON DC 20036	ALLIANCE FOR CAPITAL ACCESS
Do	NEC CORP AND NEC AMERICA, INC
ENDICOTT PEABODY, 71 SPIT BROOK ROAD NASHUA NH 03060	OPPOSE - COLORADO PUBLIC EMPLOYEE RETIREMENT ASSN
Do	PUBLIC EMPLOYEES' RETIREMENT ASSN OF COLORADO
RUSSELL H. PEARSON, 1156 15TH STREET, NW, #1015 WASHINGTON DC 20005	J.C. PENNEY CO, INC
ESTHER PETERSON, 7714 13TH STREET, NW WASHINGTON DC 20012	INTERNATIONAL ORGANIZATION OF CONSUMERS UNIONS
WILLIAM C. PHELPS, 2929 ALLEN PARKWAY HOUSTON TX 77019	AMERICAN GENERAL CORPORATION
PHOENIX ASSOCIATES, LTD, 1101 15TH ST., NW, #710 WASHINGTON DC 20005	NORFOLK SOUTHERN CORP
PIERSON BALL & DOWD, 1200 18TH ST., NW WASHINGTON DC 20036	NATIONAL ASSN FOR BIOMEDICAL RESEARCH
DANIEL J. PILIERO II, P.C., 1750 PENNSYLVANIA AVENUE, NW WASHINGTON DC 20006	AMERICAN STOCK EXCHANGE
Do	INVESTMENT CO INSTITUTE
PILLSBURY MADISON & SUTRO, 1667 K ST., NW, #1100 WASHINGTON DC 20006	DENTAL CARE OF AMERICA, INC; R.J. REYNOLDS DEVELOPMENT CORP
Do	QUADREX CORPORATION
PIPER & MARBURY, 888 16TH STREET, NW WASHINGTON DC 20006	USAIR, INC, ET AL.
VIRGINIA L. PITCHER, 2000 L ST., NW, #200 WASHINGTON DC 20036	AMERICAN COLLEGE OF EMERGENCY PHYSICIANS
MICHELE POLLAK, 1909 K STREET, NW WASHINGTON DC 20049	AMERICAN ASSN OF RETIRED PERSONS
EDWARD T. PORCARO, 1025 CONNECTICUT AVE., NW, #1010 WASHINGTON DC 20036	METROPOLITAN LIFE & AFFILIATED COMPANIES
PRESTON THORGRIMSON ELLIS & HOLMAN, 1735 NEW YORK AVENUE, NW, #500 WASHINGTON DC 20006	ALASKA PULP CORP
Do	NATIONAL COUNCIL ON COMPENSATION INSURANCE
Do	REINSURANCE ASSN OF AMERICA
JOEL PRITCHARD, BOGLE & GATES ONE THOMAS CIRCLE, NW, #900 WASHINGTON DC 20005	ALLIANCE FOR FAIR TRADE
Do	AMERICAN FAIR TRADE COUNCIL
Do	NORTHWEST APPAREL & TEXTILE ASSN
STUART E. PROCTOR JR., 2626 PENNSYLVANIA AVE., NW WASHINGTON DC 20037	NATIONAL TELEPHONE COOPERATIVE ASSN
PUBLIC EMPLOYER BENEFITS COUNCIL, 1800 M STREET, NW WASHINGTON DC 20036	
LAWRENCE J. PURPURO, 841 MOUNTAIN AVENUE SPRINGFIELD NJ 07840	KEYES MARTIN
MICHAEL J. QUARANTA, 1050 17TH STREET, NW WASHINGTON DC 20036	FINANCIAL EXECUTIVES INSTITUTE
THOMAS F. RAILSBACK, BLUM NASH & RAILSBACK 1133 15TH ST., NW, #1100 WASHINGTON DC 20005	CSX CORP
RAINBOW ALLIANCE, 1010 VERMONT AVE., NW, #315 WASHINGTON DC 20005	
DAVID A. RAYMOND, 1025 CONNECTICUT AVE., NW, #1014 WASHINGTON DC 20036	ENSERCH CORPORATION
RICHARD J. RAZOOK, 200 SOUTH BISCAYNE BLVD. 4900 SOUTHEAST FINANCIAL CENTER MIAMI FL 33131	THOMSON ZEDER BOHRER WERTH ADORNO & RAZOOK (FOR: BURGER KING CORP)
JOHN DANIEL REAVES, 910 16TH STREET, NW WASHINGTON DC 20006	MILLER & CHEVALIER, CHTD
MICHAEL L. REED, 1100 15TH STREET, NW, #900 WASHINGTON DC 20005	PHARMACEUTICAL MANUFACTURER'S ASSN
REID & PRIEST, 1111 19TH STREET, NW WASHINGTON DC 20036	DILLON READ & CO, INC
ZEV M. REMBA, 1111 14TH STREET, NW WASHINGTON DC 20005	ACADEMY OF GENERAL DENTISTRY
JOHN J. RHODES, HUNTON & WILLIAMS 2000 PENNSYLVANIA AVENUE, NW WASHINGTON DC 20006	WESTERN SAVINGS & LOAN ASSN
RICE PORTER & SEILLER, 2200 MEIDINGER TOWER LOUISVILLE KY 40202	KHA GROUP APPEAL LEGAL FUND
Do	RES-CARE, INC
Do	TEXAS EDUCATION FOUNDATION
HEATHER S. RICHARDS, 1010 WISCONSIN AVE., NW, #800 WASHINGTON DC 20007	GROCERY MANUFACTURERS OF AMERICA, INC
RICHARD RICHARDS, CRAFT & RICHARDS 1050 THOMAS JEFFERSON STREET, NW, 6TH FL WASHINGTON DC 20007	ESQUEL ENTERPRISES LTD
RIDDELL FOX HOLROYD & JACKSON, P.C., 723 WASHINGTON BUILDING WASHINGTON DC 20005	H. F. AHMANSON & COMPANY
NORBERT J. RIEDY JR., 1400 EYE STREET, NW WASHINGTON DC 20005	WILDERNESS SOCIETY
VALENTIN RIVA, 1957 E ST., NW WASHINGTON DC 20006	ASSOCIATED GENERAL CONTRACTORS OF AMERICA
RIVKIN RADLER DUNNE & BAYH, 1575 I STREET, NW, #1025 WASHINGTON DC 20005	BORG WARNER CORPORATION
Do	FOOD MARKETING INSTITUTE
DIANNE ROGERS, 815 16TH STREET, NW WASHINGTON DC 20006	BROTHERHOOD OF RAILWAY AIRLINE & STEAMSHIP CLERKS
MARGARET ROGERS, 1025 CONNECTICUT AVE., NW, #409 WASHINGTON DC 20036	SOCIETY OF THE PLASTICS INDUSTRY, INC
TERRELL A. ROGERS, 7 WILDWOOD ROAD CORNELIA GA 30531	
RHOND RUDOLPH ROTH, 1255 23RD STREET, NW WASHINGTON DC 20037	HAUCK & ASSOCIATES, INC
JOHN H. ROUSSELOT, 1101 15TH ST., NW, #400 WASHINGTON DC 20005	NATIONAL COUNCIL OF SAVINGS INSTITUTIONS
EUGENE F. ROWAN, 2550 M STREET, NW WASHINGTON DC 20037	NATIONAL ASSN OF CHAIN DRUG STORES
Do	REVCO D.S., INC
EUGENE T. RUANE, 1325 G STREET, NW, #1003 WASHINGTON DC 20005	ENVIRONMENTAL FUND
RUSSO WATTS ROLLINS & PLATT, 1033 N. FAIRFAX STREET, #205 ALEXANDRIA VA 22314	BAG BAZZAR LTD
Do	CIC ENTERPRISES
Do	HENRY-RICHARD COMPANY, INC

Organization or Individual Filing	Employer/Client
Do	HOLIDAY FAIR, INC
Do	MANAGEMENT INSIGHTS, INC
Do	METROPOLITAN ANALYSIS & RETRIEVAL SYSTEMS, INC
Do	NORFOLK SOUTHERN CORP
Do	REED ROBERTS TAX CREDIT ASSISTANCE CORP
Do	SARNE CORPORATION
Do	SERKO & SIMON
Do	SIRCO INTERNATIONAL CORP
Do	TRANSOHIO FINANCIAL CORP
MYRON G. SANDIFER III, 1800 M ST., NW, #950 NORTH WASHINGTON DC 20036	JACK MCDONALD CO (FOR: COALITION FOR THE ADVANCEMENT OF INDUSTRIAL TECHNOLOGY)
Do	JACK MCDONALD CO (FOR: DOW CORNING CORP)
Do	JACK MCDONALD CO (FOR: ROYAL ZENITH CORP)
RICHARD N. SAWAYA, 1333 NEW HAMPSHIRE AVE., NW WASHINGTON DC 20036	ATLANTIC RICHFIELD CO
MICHAEL B. SCANLON, 499 SOUTH CAPITOL ST., SW, #102 WASHINGTON DC 20003	COALITION TO STOP GOVERNMENT WASTE
ROBIN M. SCHACHTER, 1801 K ST., NW, #700 WASHINGTON DC 20006	PRICE WATERHOUSE
LAURIE S. SCHAFFER, 1120 CONNECTICUT AVE., NW WASHINGTON DC 20036	AMERICAN BANKERS ASSN
GREGORY R. SCOTT, 1875 EYE ST., NW, #500 WASHINGTON DC 20006	PHILIP MORRIS, INC
SCRIBNER HALL & THOMPSON, SUITE 700 1875 EYE STREET, NW WASHINGTON DC 20006	PROVIDENT LIFE & ACCIDENT INSURANCE CO
Do	ST. PAUL COMPANIES
Do	TRANSAMERICA CORPORATION
Do	TRANSAMERICA OCCIDENTAL LIFE INSURANCE CO
THOMAS ANDREW SCULLY, 950 L'ENFANT PLAZA, SW WASHINGTON DC 20024	COMMUNICATIONS SATELLITE CORP
J. PETER SEGALL, 3255 GRACE STREET, NW WASHINGTON DC 20007	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: INTERNATIONAL BROTHERHOOD OF TEAMSTERS)
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: KINGDOM OF MOROCCO)
TERRY L. SERIE, 1619 MASSACHUSETTS AVE., NW WASHINGTON DC 20036	AMERICAN PAPER INSTITUTE, INC
SEYFARTH SHAW FAIRWEATHER & GERALDSON, 1111 19TH ST., NW WASHINGTON DC 20036	FLXIBLE CORP
THOMAS A. SHALLOW, 1220 L STREET, NW WASHINGTON DC 20005	AMERICAN PETROLEUM INSTITUTE
JO ANNE SINGLEY SHARLACK, 1010 WISCONSIN AVE., NW, #800 WASHINGTON DC 20007	GROCERY MANUFACTURERS OF AMERICA, INC
SHEA & GOULD, 330 MADISON AVE. NEW YORK NY 10017	TRANSAMERICA INTERWAY, INC, ET AL
Do	US AIR, INC, ET AL
C. DOUGLAS SHELBY, FLORIDA PETROLEUM COUNCIL 325 JOHN KNOX RD., #F-210 TALLAHASSEE FL 32303	AMERICAN PETROLEUM INSTITUTE
SIDLEY & AUSTIN, 1722 EYE STREET, NW WASHINGTON DC 20006	PEORIA JOURNAL STAR, INC
Do	WHOLESALERS GORUP
MARK A. SIEGEL & ASSOCIATES, SUITE 368 400 NORTH CAPITOL STREET, NW WASHINGTON DC 20001	ARCHER DANIELS MIDLAND COMPANY
Do	COMMONWEALTH OF PUERTO RICO
Do	MONEY STORE
Do	POWER AUTHORITY OF THE STATE OF NEW YORK
WILLIAM A. SIGNER, 444 NORTH CAPITOL ST., NW, #711 WASHINGTON DC 20001	KEEFE COMPANY (FOR: CHAMBER OF COMMERCE OF PUERTO RICO)
Do	KEEFE COMPANY (FOR: GREATER NEW YORK HOSPITAL ASSN)
Do	KEEFE COMPANY (FOR: MANAGEMENT INSIGHTS)
Do	KEEFE COMPANY (FOR: PUERTO RICO ECONOMIC DEVELOPMENT ADMINISTRATION)
Do	KEEFE COMPANY (FOR: SOLAR LOBBY)
Do	KEEFE COMPANY (FOR: TARGETED MANAGEMENT CONSULTANTS)
Do	KEEFE COMPANY (FOR: ZUCKERT SCOUTT RASENBERGER & JOHNSON)
WILLIAM DOUGLAS SIMON, 1330 BURLINGTON STREET EAST HAMILTON ONTARIO, CANADA L8N 3J5	DOFASCO, INC
TERI L. SIMPSON, 1901 PENNSYLVANIA AVE., NW, #200 WASHINGTON DC 20006	NATIONAL MASS RETAILING INSTITUTE
SKADDEN ARPS SLATE MEAGHER & FLOM, 919 18TH STREET, NW WASHINGTON DC 20006	CALIFORNIA STUDENT LOAN FINANCE CORP
DIANE E. SMITH, 8881 ROSEMONT DETROIT MI 48228	ARTISTS PRODUCTS CELEBRITY DEVELOPMENT
HAROLD W. SMITH, 208 LAUREL DRIVE PEEKSKILL NY 10566	CITY MANAGER OF THE CITY OF YONKERS, NEW YORK
JOHN B. SPEARS, 815 16TH STREET, NW WASHINGTON DC 20006	BROTHERHOOD OF RAILWAY AIRLINE & STEAMSHIP CLERKS
DAVID P. STANG, P.C., SUITE 601 1629 K ST., NW WASHINGTON DC 20006	SUN COMPANY, INC
RANDOLPH J. STAYIN, 1620 EYE ST., NW, #800 WASHINGTON DC 20006	TAFT STETTINIUS & HOLLISTER (FOR: EFFECTIVE SPRAY CONTROL ORGANIZATION)
Do	TAFT STETTINIUS & HOLLISTER (FOR: JAMES GRAHAM BROWN FOUNDATION)
J. C. STEEN, 412 FIRST STREET, SE, #301 WASHINGTON DC 20003	SNYDER BALL KRISER & ASSOCS (FOR ALLISON GAS TURBINE DIV)
STEPTOE & JOHNSON, CHTD, 1330 CONNECTICUT AVE., NW WASHINGTON DC 20036	RULE OF LAW COMMITTE
LUTHER J. STRANGE III, 1100 15TH STREET, NW, #700 WASHINGTON DC 20005	SONAT, INC
SUSAN STUEBING, 311 FIRST ST., NW, #500 WASHINGTON DC 20001	COMPUTER & BUSINESS EQUIPMENT MANUFACTURERS ASSN
CHARLES S. SULLIVAN, #11 15TH ST., NE, #6 WASHINGTON DC 20002	CITIZENS UNITED FOR REHABILITATION OF ERRANTS
MARTY R. SULLIVAN, P.O. BOX 970 FT. WORTH TX 76101	TEXAS ELECTRIC SERVICE CO
PAULINE SULLIVAN, #11 15TH ST., NE, #6 WASHINGTON DC 20002	CITIZENS UNITED FOR REHABILITATION OF ERRANTS
SUTHERLAND ASBILL & BRENNAN, 1666 K STREET, NW, #800 WASHINGTON DC 20006	SERVICE INDUSTRIES' COAL. TO PRESERVE CASH METHOD ACCOUNTING
DONNAE L. SUTHERLIN, 225 EAST NORTH STREET, #A INDIANAPOLIS IN 46204	
DAVID L. SWANSON, CRAFT & RICHARDS 1050 THOMAS JEFFERSON ST., NW, 6TH FL. WASHINGTON DC 20007	CLEAN COAL TECHNOLOGY COALITION
DEBORAH SWARTZ, ECONOMIC CONSULTING SERVICES, INC 1320 19TH ST., NW WASHINGTON DC 20036	LUGGAGE & LEATHER GOODS MANUFACTURERS OF AMERICA, INC
Do	NATIONAL KNITWEAR & SPORTSWEAR ASSN
Do	NECKWEAR ASSN OF AMERICA, INC
WILLIAM R. SWEENEY JR., 220 EYE ST., NE, #210 WASHINGTON DC 20002	NATIONAL INVESTMENT DEVELOPMENT CORP
ROBERT D. SWEZEY JR , 1133 19TH ST., NW WASHINGTON DC 20036	MCI COMMUNICATIONS CORP
RICHARD P. SWIGART, 1010 WISCONSIN AVE., NW, #800 WASHINGTON DC 20007	GROCERY MANUFACTURERS OF AMERICA, INC
RONALD G. SYKES, 1660 L STREET, NW WASHINGTON DC 20036	GENERAL MOTORS CORP
JAMES G. TETIRICK, 1156 15TH STREET, NW, #1015 WASHINGTON DC 20005	J.C. PENNEY CO, INC
DAVID D. TEWS, 1050 THOMAS JEFFERSON ST., NW, 6TH FL. WASHINGTON DC 20007	ESQUEL ENTERPRISES LTD
DOUGLAS E. THIERWECHTER, 1800 M STREET, NW WASHINGTON DC 20036	MARATHON OIL CO
THOMPSON HINE & FLORY, 1920 N ST., NW, #700 WASHINGTON DC 20036	NATIONAL PORK PRODUCERS COUNCIL
PARKER D. THOMSON, 200 SOUTH BISCAYNE BLVD. 4900 SOUTHEAST FINANCIAL CENTER MIAMI FL 33131	THOMSON ZEDER BOHRER WERTH ADORNO & RAZOOK (FOR: BURGER KING CORP)
THOMSON ZEDER BOHRER WERTH ADORNO & RAZOOK, 200 SOUTH BISCAYNE BLVD. 4900 SOUTHEAST FINANCIAL CENTER MIAMI FL 33131	BURGER KING CORP
WHITNEY C. TILT, 645 PENNSYLVANIA AVE., SE WASHINGTON DC 20003	NATIONAL AUDUBON SOCIETY
JEFFREY B. TRAMMELL, 3255 GRACE STREET, NW WASHINGTON DC 20007	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: TITLE INSURANCE INDUSTRY COALITION)
J. C. TURNER, 1125 17TH STREET, NW WASHINGTON DC 20036	INTERNATIONAL UNION OF OPERATING ENGINEERS
UNITED INTERNATIONAL CONSULTANTS, 1800 DIAGONAL ROAD ALEXANDRIA VA 22314	
VAN DYK ASSOCIATES, INC, 2550 M ST., NW, #300 WASHINGTON DC 20037	AMERICAN GAS ASSN
CHRISTINE L. VAUGHN, 1101 CONNECTICUT AVE., NW, #900 WASHINGTON DC 20036	PARIBAS ASSET MANAGEMENT, INC
VERNER LIIPFERT BERNHARD MCPHERSON & HAND, CHTD, 1660 L STREET, NW, #1000 WASHINGTON DC 20036	JOHN TUDOR
KURT VORNDRAN, 2030 M STREET, NW WASHINGTON DC 20036	COMMON CAUSE
VORYS SATER SEYMOUR & PEASE, 1828 L STREET, NW, #1111 WASHINGTON DC 20036	NORFOLK SOUTHERN CORP
WALD HARKRADER & ROSS, 1300 19TH ST., NW WASHINGTON DC 20036	ASSOCIACAO INDUSTRIAS DE CALCADOS DO RIO GRANDE DO SUL ET AL
CHARLS E. WALKER ASSOCIATES, INC, 1730 PENNSYLVANIA AVE., NW WASHINGTON DC 20006	COALITION FOR JOBS GROWTH & INT'L COMPETITIVENESS
R. DUFFY WALL & ASSOCIATES, INC, 1317 F STREET, NW, #400 WASHINGTON DC 20004	AD HOC COMMITTEE ON COAL TAXATION
Do	HONG KONG TRADE DEVELOPMENT COUNCIL
Do	NEW YORK STATE BANKERS ASSN
MILLIE WATERMAN, 5256 CORDUROY ROAD MENTOR OH 44060	NATIONAL CONGRESS OF PARENTS & TEACHERS
WEINER MCCAFFREY BRODSKY & KAPLAN, P.C., 1350 NEW YORK AVE., NW, #800 WASHINGTON DC 20005	CHICAGO CENTRAL & PACIFIC RR
Do	GULF & MISSISSIPPI RAILROAD
Do	TASK FORCE ON USURY LEGISLATION
DAVID WEISS, 777 14TH STREET, NW WASHINGTON DC 20005	NATIONAL ASSN OF REALTORS
JOHN F. WELCH, 655 15TH STREET, NW, #1200 WASHINGTON DC 20005	SAFE BUILDINGS ALLIANCE
WELLFORD WEGMAN KRULWICH & HOFF, 1775 PENNSYLVANIA AVE., NW, #450 WASHINGTON DC 20006	FAMILY SERVICE AMERICA
Do	LUKENS, INC
Do	MINISTRY OF THE ENVIRONMENT
Do	NATIONAL CORP FOR HOUSING PARTNERSHIPS
Do	PHARMAQUEST CORPORATION; OCLASSEN PHARMACEUTICALS, INC
G. FRANKLIN WEST, 499 S. CAPITOL ST., SW, #507 WASHINGTON DC 20003	BILL HECHT & ASSOCIATES, INC
HARRY H. WESTBAY III, 1615 H STREET, NW WASHINGTON DC 20062	CHAMBER OF COMMERCE OF THE U.S.
WEXLER REYNOLDS HARRISON & SCHULE, INC, SUITE 600 1317 F STREET, NW WASHINGTON DC 20004	AMERICAN CYANAMID CO
Do	COOPERS & LYBRAND
JOHN C. WHITAKER, SUITE 39 1850 K ST., NW WASHINGTON DC 20036	UNION CAMP CORP
WILLIAM R. WHITE, BRICKER & ECKLER 888 17TH STREET, NW, #1050 WASHINGTON DC 20006	NATIONWIDE INSURANCE CO
MARY FRANCES WIDNER, 1620 EYE ST., NW WASHINGTON DC 20006	AMERICAN INST OF CERTIFIED PUBLIC ACCOUNTANTS
J. MICHAEL WILLARD, WILLARD & ARNOLD COMMUNICATIONS 405 CAPITOL ST., #809 CHARLESTON WV 25301	
WILLIAMS & JENSEN, P.C., 1101 CONNECTICUT AVE., NW WASHINGTON DC 20036	GOLDOME FSB

Organization or Individual Filing	Employer/Client
Do	NATIONAL ASSN FOR HOME CARE
STEVEN W. WILLIAMS, 3238 WYNFORD DRIVE FAIRFAX VA 22031	U.S. DEFENSE COMMITTEE
WILLKIE FARR & GALLAGHER, 818 CONNECTICUT AVENUE, NW WASHINGTON DC 20036	NATIONAL VENTURE CAPITAL ASSN
G. PETER WILSON, 249 MAITLAND AVENUE P.O. BOX 1119 ALTAMONTE SPRINGS FL 32701	INSTITUTE OF INTERNAL AUDITORS, INC
WINSTON & STRAWN, #500 2550 M ST., NW WASHINGTON DC 20037	ASSOCIATION OF SEAT LIFT MANUFACTURERS
Do	CNA FINANCIAL CORP
Do	QUEEN CITY HOME HEALTH CARE
WINTHROP STIMSON PUTNAM & ROBERTS, 1155 CONNECTICUT AVE., NW, #1000 WASHINGTON DC 20036	ASEA, INC
Do	E.F. HUTTON, INC
ROBERT V. WITECK, THE POWER HOUSE 3255 GRACE STREET, NW WASHINGTON DC 20007	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: AGRICULTURE FOR MARKET ORIENTED POLICIES)
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: LANE INDUSTRIES)
WALTER J. WITEK JR., 777 14TH ST., NW WASHINGTON DC 20005	NATIONAL ASSN OF REALTORS
G. KENT WOODMAN, 818 CONNECTICUT AVE., NW WASHINGTON DC 20006	BASKIN & STEINGUT, P.C. (FOR: NORFOLK SOUTHERN CORP)
DOUGLAS A. WOODWARD, STELCO TOWER 100 KING STREET WEST HAMILTON ONTARIO, CANADA L8N 3T1	STELCO, INC
WILSON W. WYATT JR., 1825 K ST., NW, #603 WASHINGTON DC 20006	BATUS D.C.
EDWARD L. YINGLING, 1120 CONNECTICUT AVE., NW WASHINGTON DC 20036	AMERICAN BANKERS ASSN
JUDITH ZIEWACZ, 1840 WILSON BOULEVARD ARLINGTON VA 22201	NATIONAL MILK PRODUCERS FEDERATION

QUARTERLY REPORTS*

*All alphanumeric characters and monetary amounts refer to receipts and expenditures on page 2, paragraphs D and E of the Quarterly Report Form.

The following quarterly reports were submitted for the third calendar quarter 1985:

(NOTE.—The form used for reporting is reproduced below. In the interest of economy in the RECORD, questions are not repeated, only the essential answers are printed, and are indicated by their respective headings.)

FILE ONE COPY WITH THE SECRETARY OF THE SENATE AND FILE TWO COPIES WITH THE CLERK OF THE HOUSE OF REPRESENTATIVES:

This page (page 1) is designed to supply identifying data; and page 2 (on the back of this page) deals with financial data.

PLACE AN "X" BELOW THE APPROPRIATE LETTER OR FIGURE IN THE BOX AT THE RIGHT OF THE "REPORT" HEADING BELOW:

"PRELIMINARY" REPORT ("Registration"): To "register," place an "X" below the letter "P" and fill out page 1 only.

"QUARTERLY" REPORT: To indicate which one of the four calendar quarters is covered by this Report, place an "X" below the appropriate figure. Fill out both page 1 and page 2 and as many additional pages as may be required. The first additional page should be numbered as page "3," and the rest of such pages should be "4," "5," "6," etc. Preparation and filing in accordance with instructions will accomplish compliance with all quarterly reporting requirements of the Act.

Year: 19.....

REPORT

PURSUANT TO FEDERAL REGULATION OF LOBBYING ACT

P	QUARTER			
	1st	2d	3d	4th
(Mark one square only)				

NOTE ON ITEM "A".—(a) IN GENERAL. This "Report" form may be used by either an organization or an individual, as follows:
(i) "Employee".—To file as an "employee", state (in Item "B") the name, address, and nature of business of the "employer". (If the "employee" is a firm [such as a law firm or public relations firm], partners and salaried staff members of such firm may join in filing a Report as an "employee".)
(ii) "Employer".—To file as an "employer", write "None" in answer to Item "B".
(b) SEPARATE REPORTS. An agent or employee should not attempt to combine his Report with the employer's Report:
(i) Employers subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their agents or employees.
(ii) Employees subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their employers.

A. ORGANIZATION OR INDIVIDUAL FILING:
1. State name, address, and nature of business.

2. If this Report is for an Employer, list names of agents or employees who will file Reports for this Quarter.

NOTE ON ITEM "B".—*Reports by Agents or Employees.* An employee is to file, each quarter, as many Reports as he has employers, except that: (a) If a particular undertaking is jointly financed by a group of employers, the group is to be considered as one employer, but all members of the group are to be named, and the contribution of each member is to be specified; (b) if the work is done in the interest of one person but payment therefor is made by another, a single Report—naming both persons as "employers"—is to be filed each quarter.

B. EMPLOYER.—State name, address, and nature of business. If there is no employer, write "None."

NOTE ON ITEM "C".—(a) The expression "in connection with legislative interests," as used in this Report, means "in connection with attempting, directly or indirectly, to influence the passage or defeat of legislation." "The term 'legislation' means bills, resolutions, amendments, nominations, and other matters pending or proposed in either House of Congress, and includes any other matter which may be the subject of action by either House"—§302(e).
(b) Before undertaking any activities in connection with legislative interests, organizations and individuals subject to the Lobbying Act are required to file a "Preliminary" Report (Registration).
(c) After beginning such activities, they must file a "Quarterly" Report at the end of each calendar quarter in which they have either received or expended anything of value in connection with legislative interests.

C. LEGISLATIVE INTERESTS, AND PUBLICATIONS in connection therewith:

1. State approximately how long legislative interests are to continue. If receipts and expenditures in connection with legislative interests have terminated, ☐ place an "X" in the box at the left, so that this Office will no longer expect to receive Reports.

2. State the general legislative interests of the person filing and set forth the *specific* legislative interests by reciting: (a) Short titles of statutes and bills; (b) House and Senate numbers of bills, where known; (c) citations of statutes, where known; (d) whether for or against such statutes and bills.

3. In the case of those publications which the person filing has caused to be issued or distributed in connection with legislative interests, set forth: (a) Description, (b) quantity distributed; (c) date of distribution, (d) name of printer or publisher (if publications were paid for by person filing) or name of donor (if publications were received as a gift).

(Answer items 1, 2, and 3 in the space below. Attach additional pages if more space is needed)

4. If this is a "Preliminary" Report (Registration) rather than a "Quarterly" Report, state below what the nature and amount of anticipated expenses will be; and if for an agent or employee, state also what the daily, monthly, or annual rate of compensation is to be. If this is a "Quarterly" Report, disregard this item "C4" and fill out items "D" and "E" on the back of this page. Do not attempt to combine a "Preliminary" Report (Registration) with a "Quarterly" Report.

AFFIDAVIT

[Omitted in printing]

PAGE 1

NOTE ON ITEM "D."—(a) *In General.* The term "contribution" includes *anything of value.* When an organization or individual uses printed or duplicated matter in a campaign attempting to influence legislation, money received by such organization or individual—for such printed or duplicated matter—is a "contribution." "The term 'contribution' includes a gift, subscription, loan, advance, or deposit of money, or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make a contribution"—Section 302(a) of the Lobbying Act.

(b) IF THIS REPORT IS FOR AN EMPLOYER.—(i) *In General.* Item "D" is designed for the reporting of all receipts from which expenditures are made, or will be made, in accordance with legislative interests.

(ii) *Receipts of Business Firms and Individuals.*—A business firm (or individual) which is subject to the Lobbying Act by reason of expenditures which it makes in attempting to influence legislation—but which has no funds to expend except those which are available in the ordinary course of operating a business not connected in any way with the influencing of legislation—will have no receipts to report, even though it does have expenditures to report.

(iii) *Receipts of Multipurpose Organizations.*—Some organizations do not receive any funds which are to be expended solely for the purpose of attempting to influence legislation. Such organizations make such expenditures out of a general fund raised by dues, assessments, or other contributions. The percentage of the general fund which is used for such expenditures indicates the percentage of dues, assessments, or other contributions which may be considered to have been paid for that purpose. Therefore, in reporting receipts, such organizations may specify what that percentage is, and report their dues, assessments, and other contributions on that basis. However, each contributor of $500 or more is to be listed, regardless of whether the contribution was made solely for legislative purposes.

(c) IF THIS REPORT IS FOR AN AGENT OR EMPLOYEE.—(i) *In General.* In the case of many employees, all receipts will come under Items "D 5" (received for services) and "D 12" (expense money and reimbursements). In the absence of a clear statement to the contrary, it will be presumed that your employer is to reimburse you for all expenditures which you make in connection with legislative interests.

(ii) *Employer as Contributor of $500 or More.*—When your contribution from your employer (in the form of salary, fee, etc.) amounts to $500 or more, it is not necessary to report such contribution under "D 13" and "D 14," since the amount has already been reported under "D 5," and the name of the "employer" has been given under Item "B" on page 1 of this report.

D. RECEIPTS (INCLUDING CONTRIBUTIONS AND LOANS):

Fill in every blank. If the answer to any numbered item is "None," write "None" in the space following the number.

Receipts (other than loans)

1. $.....Dues and assessments
2. $.....Gifts of money or anything of value
3. $.....Printed or duplicated matter received as a gift
4. $.....Receipts from sale of printed or duplicated matter
5. $.....Received for services (e.g., salary, fee, etc.)
6. $.....TOTAL for this Quarter (Add items "1" through "5")
7. $.....Received during previous Quarters of calendar year
8. $.....TOTAL from Jan. 1 through this Quarter (Add "6" and "7")

Loans Received

"The term 'contribution' includes a . . . *loan* . . ."—Sec. 302(a).

9. $.....TOTAL now owed to others on account of loans
10. $.....Borrowed from others during this Quarter
11. $.....Repaid to others during this Quarter

12. $.....Expense money" and Reimbursements received this Quarter

Contributors of $500 or more
(from Jan. 1 through this Quarter)

13. Have there been such contributors?

Please answer "yes" or "no": .....

14. In the case of each contributor whose contributions (including loans) during the "period" from January 1 through the last days of this Quarter total $500 or more:

Attach hereto plain sheets of paper, approximately the size of this page, tabulate data under the headings "Amount" and "Name and Address of Contributor"; and indicate whether the last day of the period is March 31, June 30, September 30, or December 31. Prepare such tabulation in accordance with the following example:

Amount	*Name and address of Contributor*
	(*"Period"* from Jan. 1 through....., 19.....)
$1,500.00	John Doe, 1621 Blank Bldg., New York, N.Y.
$1,785.00	The Roe Corporation, 2511 Doe Bldg., Chicago, Ill.
$3,285.00	TOTAL

NOTE ON ITEM "E".—(a) *In General.* "The term 'expenditure' includes a payment, distribution, loan, advance, deposit, or gift of money or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure"—Section 302(b) of the Lobbying Act.

(b) IF THIS REPORT IS FOR AN AGENT OR EMPLOYEE. In the case of many employees, all expenditures will come under telephone and telegraph (Item "E 6") and travel, food, lodging, and entertainment (Item "E 7").

E. EXPENDITURES (INCLUDING LOANS) in connection with legislative interests:

Fill in every blank. If the answer to any numbered item is "None," write "None" in the spaces following the number.

Expenditures (other than loans)

1. $.....Public relations and advertising services
2. $.....Wages, salaries, fees, commissions (other than item "1")
3. $.....Gifts or contributions made during Quarter
4. $.....Printed or duplicated matter, including distribution cost
5. $.....Office overhead (rent, supplies, utilities, etc.)
6. $.....Telephone and telegraph
7. $.....Travel, food, lodging, and entertainment
8. $.....All other expenditures
9. $.....TOTAL for this Quarter (Add "1" through "8")
10. $.....Expended during previous Quarters of calendar year
11. $.....TOTAL from January 1 through this Quarter (Add "9" and "10")

Loans Made to Others

"The term 'expenditure' includes a . . . *loan* . . ."—Sec. 302(b).

12. $.....TOTAL now owed to person filing
13. $.....Lent to others during this Quarter
14. $.....Repayment received during this Quarter

15. Recipients of Expenditures of $10 or More

In the case of expenditures made during this Quarter by, or on behalf of the person filing: Attach plain sheets of paper approximately the size of this page and tabulate data as to expenditures under the following heading: "Amount," "Date or Dates," "Name and Address of Recipient," "Purpose." Prepare such tabulation in accordance with the following example:

Amount	*Date or Dates—Name and Address of Recipient—Purpose*
$1,750.00	7-11: Roe Printing Co., 3214 Blank Ave., St. Louis, Mo.—Printing and mailing circulars on the "Marshbanks Bill."
$2,400.00	7-15, 8-15, 9-15: Britten & Blaten, 3127 Gremlin Bldg., Washington, D.C.—Public relations service at $800.00 per month.
$4,150.00	TOTAL

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
ROBERT J. AAGRE, 1615 H STREET, NW WASHINGTON DC 20062	CHAMBER OF COMMERCE OF THE U.S.	310.00	62.00
JULIE ABBOT, 2030 M STREET, NW WASHINGTON DC 20036	COMMON CAUSE	5,375.04	488.05
PAUL C. ABENANTE, 3RD FLOOR 1111 14TH ST., NW WASHINGTON DC 20005	AMERICAN BAKERS ASSN	288.00	2.00
THOMAS G. ABERNETHY SR., 3973 STUART PLACE JACKSON MS 39211	U.S. CANE SUGAR REFINERS' ASSN	166.67	225.03
ELAINE ACEVEDO, 1601 DUKE STREET ALEXANDRIA VA 22314	SOCIETY OF AMERICAN FLORISTS		
ACTION FOR CHILDREN'S TELEVISION, 46 AUSTIN ST. NEWTONVILLE MA 02160		14,653.75	49.35
ACTION, INC, 333 PENNSYLVANIA AVE., SE WASHINGTON DC 20003	AMERICAN INDIAN HIGHER EDUCATION CONSORTIUM		
CHARLES ADAMS, 6324 VARIEL AVE., #323 WOODLAND HILLS CA 91367	CHAD THERAPEUTICS		300.00
JOHN J. ADAMS, 2000 PENNSYLVANIA AVE., NW, #900 WASHINGTON DC 20006	ETHYL CORPORATION		
Do	INTERNATIONAL TELECOMMUNICATIONS SATELLITE ORGANIZATION	2,125.00	
Do	VEPCO		
KENNETH R. ADAMS, 1850 K STREET, NW, #210 WASHINGTON DC 20006	CABOT CORPORATION		425.00
ADAMS QUACKENBUSH HERRING & STUART, P.O. BOX 394 COLUMBIA SC 29202	U.S. CAPITAL CORP	562.50	325.75
SAM ADAMS, 600 MARYLAND AVE., SW, #700 WASHINGTON DC 20024	NATIONAL FED OF INDEPENDENT BUSINESS	375.57	200.00
THOMAS L. ADAMS JR., 1201 PENNSYLVANIA AVE., NW WASHINGTON DC 20004	AMERICAN SOCIETY OF ANESTHESIOLOGISTS	2,520.00	
SANDRA LEE ADAMSON, P.O. BOX 44026 WASHINGTON DC 20026	L/5 SOCIETY		302.12
HOBSON H. ADCOCK, 700 ANDERSON HILL RD. PURCHASE NY 10577	PEPSICO, INC		
ADDUCI DINAN & MASTRIANI, 1140 CONNECTICUT AVENUE, NW, #250 WASHINGTON DC 20036	VISAFLOR, S.A.	2,393.71	60.71
ROBERT O. ADERS, 1750 K STREET, NW WASHINGTON DC 20006	FOOD MARKETING INSTITUTE	200.00	
TERRANCE M. ADLHOCK, 1111 19TH ST., NW, #303 WASHINGTON DC 20036	SOUTHERN CALIFORNIA EDISON CO	2,000.00	1,500.00
AEROSPACE INDUSTRIES ASSN OF AMERICA, INC, 1725 DESALES ST., NW WASHINGTON DC 20036		19,402.36	19,402.36
AGENCY FOR INSTRUCTIONAL TELEVISION, BOX A BLOOMINGTON IN 47401			
AGENDAS INTERNATIONAL, 820 SECOND AVENUE, #1302 NEW YORK NY 10017	MINISTERIO DEL EXTERIOR, REPUBLIC OF NICARAGUA		
ROBERT S. AGMAN, 100 INDIANA AVE., NW WASHINGTON DC 20001	LABOR MANAGEMENT MARITIME COMMITTEE, INC	1,436.00	111.52
CREIGH H. AGNEW, 1625 EYE STREET, NW, #902 WASHINGTON DC 20006	WEYERHAEUSER COMPANY		
DAVID J. AHO, 1090 VERMONT AVENUE, NW WASHINGTON DC 20005	AMERICAN HOSPITAL SUPPLY CORP	1,000.00	40.00
DEBORAH L. AIKEN, 1615 H STREET, NW WASHINGTON DC 20062	U.S. CHAMBER OF COMMERCE	662.00	326.50
HERBERT ALLEN AILSWORTH, 1050 17TH STREET, NW, #1101 WASHINGTON DC 20036	SANDOZ, INC		58.00
AIR CONDITIONING & REFRIGERATION INSTITUTE, 1501 WILSON BLVD. ARLINGTON VA 22209		19,708.00	13,795.48
AIR PRODUCTS & CHEMICALS, INC, 1730 PENNSYLVANIA AVE., NW, #265 WASHINGTON DC 20006			6,390.64
AIR TRAFFIC CONTROL ASSN, INC, 2020 NORTH 14TH STREET, #410 ARLINGTON VA 22201		1,470.33	1,470.33
RANDOLF H. AIRES, 633 PENNSYLVANIA AVENUE, NW, #600 WASHINGTON DC 20004	SEARS ROEBUCK & CO	3,000.00	112.18
MICHAEL A. AISENBERG, 888 16TH ST., NW, #610 WASHINGTON DC 20006	DIGITAL EQUIPMENT CORPORATION	13,750.00	
AKIN GUMP STRAUSS HAUER & FELD, 1333 NEW HAMPSHIRE AVE., NW, #400 WASHINGTON DC 20036	KOHLBERG KRAVIS ROBERTS & CO	495.00	10.00
Do	ADLER & SHAYKIN	375.00	
Do	AIR FREIGHT ASSOCIATION		
Do	AMERADA HESS CORPORATION	475.00	10.00
Do	AMERICAN INTERNATIONAL GROUP, INC		
Do	AMERICAN TELEPHONE & TELEGRAPH CO	1,600.00	38.00
Do	ARCHER DANIELS MIDLAND COMPANY		
Do	ATCOR, INC		
Do	BENEFICIAL CORPORATION	1,550.00	38.00
Do	CAPITAL MARKETS GROUP	11,550.00	228.00
Do	CELANESE CORPORATION	5,275.00	76.00
Do	COALITION OF SERVICE INDUSTRIES, INC	1,200.00	19.00
Do	COMMITTEE AGAINST NETWORK DOMINANCE		
Do	CONTINENTAL AIRLINES	250.00	
Do	E & J GALLO WINERY		
Do	EMBASSY OF PEOPLE'S REPUBLIC OF CHINA	1,400.00	19.00
Do	FAIR MARKETING COALITION	200.00	
Do	FRUPAC INTERNATIONAL CORP		
Do	GEICO CORPORATION	900.00	19.00
Do	GENERAL MOTORS CORP	8,300.00	152.00
Do	GOLDMAN SACHS & CO		
Do	GULF & WESTERN INDUSTRIES, INC	3,675.00	76.00
Do	INTERNATIONAL ASSN OF AUDITORIUM MANAGERS	2,575.00	57.00
Do	INTERNATIONAL TAXI ASSN	105.00	
Do	LEVI STRAUSS & CO	5,700.00	114.00
Do	LONE STAR INDUSTRIES, INC		
Do	LONE STAR STEEL CO	600.00	19.00
Do	MARRIOTT CORP	1,750.00	38.00
Do	MESA PETROLEUM CO	1,875.00	38.00
Do	METROPOLITAN TRANSIT AUTHORITY OF HARRIS COUNTY	7,300.00	133.00
Do	MILITARY ACCESSORIES SERVICE ASSN, INC		
Do	MORGAN STANLEY & CO, INC	33,739.00	11,140.00
Do	MOTION PICTURE ASSN OF AMERICA, INC	3,100.00	57.00
Do	NATIONAL FOOTBALL LEAGUE	9,250.00	171.00
Do	NEDERLANDER THEATRES	2,325.00	38.00
Do	NEW YORK AIR		
Do	PRAIRIE PRODUCING CO	259.00	
Do	PUROLATOR, INC	7,500.00	152.00
Do	RAUSCHER PIERCE REFSNES, INC		
Do	RINGLING BROS BARNUM & BAILEY COMBINED SHOWS, INC		
Do	SOUTHERN CALIFORNIA EDISON CO	4,250.00	76.00
Do	TEXACO, INC		
Do	TEXAS AIR CORPORATION	500.00	10.00
Do	TIPPERARY CORP		
Do	WEBER HALL SALE & ASSOCIATES, INC		
Do	WERTHEIM & CO		
Do	WESTERN GOVERNORS POLICY OFFICE	1,500.00	
Do	ZALE CORPORATION		
ALASKA PULP CORP, C/O JAMES F. CLARK 240 MAIN ST., #800 BOX 1211 JUNEAU AK 99802			3,100.00
JAMES J. ALBERTINE, 1575 EYE STREET, NW WASHINGTON DC 20005	AMERICAN SOC OF ASSN EXECUTIVES	300.00	
JOHN M. ALBERTINE, 1730 K ST., NW, #703 WASHINGTON DC 20006	AMERICAN BUSINESS CONFERENCE, INC	3,125.00	36.00
FREDERICK K. ALDERSON, 1730 M STREET, NW, #607 WASHINGTON DC 20036	ARIZONA PUBLIC SERVICE COMPANY	66.00	238.13
DONALD C. ALEXANDER, CADWALADER WICKERSHAM & TAFT 1333 NEW HAMPSHIRE AVE., NW WASHINGTON DC 20036	AIR TRANSPORT ASSN	100.00	
Do	ALIGNPAC	87.50	
Do	AMERICAN FINANCIAL CORP		
Do	BALDWIN-UNITED CORPORATION		
Do	BECHTEL GROUP, INC	12.50	
Do	COMMITTEE FOR CAP FORMATION THROUGH DIVIDEND REINVESTMENT		
Do	DISABLED AMERICAN VETERANS		
Do	EASTERN AIR LINES, INC	67.50	
Do	GETTY SYNTHETIC FUELS, INC	62.50	
NANCY L. ALEXANDER, 245 SECOND STREET, NE WASHINGTON DC 20002	FRIENDS COMM ON NATIONAL LEGISLATION	3,882.24	
RICHARD F. ALI, 729 15TH STREET, NW WASHINGTON DC 20005	ASSOCIATED BUILDERS & CONTRACTORS, INC	2,500.00	
JOHN D. ALLAN, P.O. BOX 205 TORONTO DOMINION CENTER TORONTO ONTARIO, CANADA M5K 1J4	STELCO, INC	2,000.00	607.90
WAYNE G. ALLCOTT, 1819 L ST., NW, #900 WASHINGTON DC 20036	U S WEST, INC	4,856.25	1,905.04
MAXTON ALLCOX, 400 FIRST ST., NW, RM 801 WASHINGTON DC 20001	BROTHERHOOD OF MAINTENANCE OF WAY EMPLOYES	14,373.81	
ROBERT G. ALLEN, 511 C STREET, NE WASHINGTON DC 20002	C.A.R.E.		
ALLIANCE OF AMERICAN INSURERS, 1501 WOODFIELD ROAD, #400 WEST SCHAUMBURG IL 60195			13,425.30
ALLIANCE TO SAVE ENERGY, 1925 K STREET, NW, #507 WASHINGTON DC 20006			2,708.00
ALLTEL CORPORATION, 100 EXECUTIVE PARKWAY HUDSON OH 44236			2,990.00
JOSEPH C. ALLWARDEN, 220 DANIEL WEBSTER HWY SOUTH MERRIMACK NH 03054	KOLLSMAN INSTRUMENT CO		
MICHAEL J. ALTIER, 1000 CONNECTICUT AVENUE, NW WASHINGTON DC 20036	NATIONAL RETAIL MERCHANTS ASSN	200.00	20.00
THOMAS H. ALTMEYER, 1575 I STREET, NW, #525 WASHINGTON DC 20005	MINING & RECLAMATION COUNCIL OF AMERICA	3,000.00	25.00
RICARDO R. ALVARADO, 2550 M STREET, NW, #600 WASHINGTON DC 20037	SIGNAL COMPANIES, INC	3,067.14	
AMALGAMATED TRANSIT UNION, AFL-CIO, 5025 WISCONSIN AVENUE, NW WASHINGTON DC 20016			8,000.00
AMALGAMATED TRANSIT UNION, NATL CAP DIV. 689, 2001 9TH STREET, NW, #300 WASHINGTON DC 20001			
JEROME A. AMBRO ASSOCIATES, 2301 S. JEFFERSON DAVIS DR., #719 ARLINGTON VA 22202	ASSOCIATED UNIVERSITIES	8,500.00	8,803.98
Do	COUNTY OF SUFFOLK, NEW YORK	13,400.00	13,770.33
ROBERT P. AMBROSE, 14615 LONE OAK ROAD EDEN PRAIRIE MN 55344	COOPERATIVE POWER ASSOCIATION	3,000.00	42.39
AMERICAN ADVERTISING FEDERATION, 1400 K STREET, NW, #1000 WASHINGTON DC 20005			

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
AMERICAN ARTS ALLIANCE, 424 C ST., NE WASHINGTON DC 20002		252,143.92	83,340.98
AMERICAN ASSN FOR COUNSELING AND DEVELOPMENT, 5999 STEVENSON AVENUE ALEXANDRIA VA 22304		27,915.41	22,029.91
AMERICAN ASSN FOR RESPIRATORY THERAPY, 1720 REGAL ROW DALLAS TX 75235		2,300.07	18,676.17
AMERICAN ASSN OF EQUIPMENT LESSORS, 1300 NORTH 17TH ST., #1010 ARLINGTON VA 22209			
AMERICAN ASSN OF MEAT PROCESSORS, P.O. BOX 269 ELIZABETHTOWN PA 17022		66.63	349.63
AMERICAN ASSN OF PORT AUTHORITIES, INC, 1010 DUKE ST. ALEXANDRIA VA 22314			10,958.32
AMERICAN AUTOMOBILE ASSN, 8111 GATEHOUSE RD. FALLS CHURCH VA 22047			
AMERICAN BANKERS ASSN, 1120 CONNECTICUT AVENUE, NW WASHINGTON DC 20036		34,148.30	34,148.30
AMERICAN BUSINESS CONFERENCE, INC, 1025 CONNECTICUT AVENUE, NW, #209 WASHINGTON DC 20036		3,250.00	4,811.48
AMERICAN CAMPING ASSOCIATION, BRADFORD WOODS MARTINSVILLE IN 46151		9,745.92	9,747.74
AMERICAN CEMENT TRADE ALLIANCE, INC, 1331 PENNSYLVANIA AVE., NW WASHINGTON DC 20004			
AMERICAN COUNCIL FOR CAPITAL FORMATION, 1850 K STREET, NW, #520 WASHINGTON DC 20006		3,274.00	3,222.00
AMERICAN COUNCIL OF LIFE INSURANCE, INC, 1850 K ST., NW WASHINGTON DC 20006			14,100.00
AMERICAN FARM BUREAU FED, 225 TOUHY AVE PARK RIDGE IL 60068		114,968.00	114,968.00
AMERICAN FED OF LABOR & CONGRESS OF INDUSTRIAL ORGANIZATIONS, 815 16TH ST., NW WASHINGTON DC 20006			170,149.09
AMERICAN FEED INDUSTRY ASSN, 1701 N. FT. MYER DR. ARLINGTON VA 22209		3,240.00	3,240.00
AMERICAN FINANCIAL SERVICES ASSN, 1101 14TH ST., NW WASHINGTON DC 20005			1,625.00
AMERICAN GAS ASSN, 1515 WILSON BOULEVARD ARLINGTON VA 22209		36,660.00	36,660.00
AMERICAN HEALTH CARE ASSN, 1200 15TH STREET, NW WASHINGTON DC 20005		318,146.90	44,305.92
AMERICAN HEALTH PLANNING ASSN, 1110 VERMONT AVENUE, NW, #950 WASHINGTON DC 20005		11,085.00	7,128.00
AMERICAN HELLENIC INSTITUTE PUBLIC AFFAIRS COMMITTEE, 1730 K ST., NW WASHINGTON DC 20006			
AMERICAN HONEY PRODUCERS ASSN, P.O. BOX 368 MINCO OK 73059		2,705.00	4,823.10
AMERICAN HOSPITAL ASSN, 840 N. LAKE SHORE DR. CHICAGO IL 60611		33,622.07	33,622.07
AMERICAN HOTEL & MOTEL ASSN, 888 SEVENTH AVE. NEW YORK NY 10019		20,653.10	11,269.10
AMERICAN INSTITUTE OF MERCHANT SHIPPING, 1625 K STREET, NW, #1000 WASHINGTON DC 20006			
AMERICAN INSURANCE ASSN, 85 JOHN ST. NEW YORK NY 10038		5,728.00	5,728.00
AMERICAN ISRAEL PUBLIC AFFAIRS COMM, 500 N. CAPITOL ST., NW, #300 WASHINGTON DC 20001		98,130.00	97,739.55
AMERICAN LAND TITLE ASSN, 1828 L ST., NW WASHINGTON DC 20036			5,781.00
AMERICAN LEAGUE FOR EXPORTS & SECURITY ASSISTANCE, 122 C ST., NW, #740 WASHINGTON DC 20001		8,000.00	8,045.54
AMERICAN LIBRARY ASSN, 50 E. HURON ST. CHICAGO IL 60611		779.00	8,115.55
AMERICAN MALTING BARLEY ASSN, INC, 735 NORTH WATER STREET, #908 MILWAUKEE WI 53202			
AMERICAN MEAT INSTITUTE, PO BOX 3556 WASHINGTON DC 20007			6,500.00
AMERICAN MEDICAL ASSN, 535 NORTH DEARBORN ST. CHICAGO IL 60610		1,156.25	55,525.97
AMERICAN MEDICAL CARE & REVIEW ASSN, 5410 GROSVENOR LANE, #210 BETHESDA MD 20814			
AMERICAN MEDICAL PEER REVIEW ASSN, 440 FIRST STREET, NW, #510 WASHINGTON DC 20001			
AMERICAN METAL DETECTOR MANUFACTURERS' ASSN, 2814 NATIONAL DR. GARLAND TX 75401			
AMERICAN NEWSPAPER PUBLISHERS ASSN, BOX 17407 DULLES INTERNATIONAL AIRPORT WASHINGTON DC 20041		6,910.07	6,910.07
AMERICAN NUCLEAR ENERGY COUNCIL, 410 1ST ST., SE WASHINGTON DC 20003		22,999.33	42,163.20
AMERICAN NURSES' ASSN, 2420 PERSHING RD KANSAS CITY MO 64108		27,360.22	27,360.22
AMERICAN OPTOMETRIC ASSN, C/O DR. JOHN D. TUMBLIN 600 MARYLAND AVENUE, SW, #400E WASHINGTON DC 20024		95.04	626.72
AMERICAN ORTHOTIC AND PROSTHETIC ASSN, 717 PENDLETON ST. ALEXANDRIA VA 22314			
AMERICAN PAPER INSTITUTE, INC, 260 MADISON AVE. NEW YORK NY 10016			6,191.20
AMERICAN PETROLEUM INSTITUTE, 1220 L ST., NW WASHINGTON DC 20037		182,929.93	253,696.97
AMERICAN PODIATRIC MEDICAL ASSN, 20 CHEVY CHASE CIRCLE WASHINGTON DC 20015			26,626.50
AMERICAN POSTAL WORKERS UNION, AFL-CIO, 817 14TH ST., NW WASHINGTON DC 20005		74,179.29	105,593.07
AMERICAN PUBLIC TRANSIT ASSN, 1225 CONNECTICUT AVE., NW WASHINGTON DC 20036		71,956.00	71,956.00
AMERICAN PULPWOOD ASSN, 1025 VERMONT AVENUE, NW WASHINGTON DC 20005			
AMERICAN RADIO RELAY LEAGUE, INC, 225 MAIN ST. NEWINGTON CT 06111			
AMERICAN RED CROSS, 17TH & D STREETS, NW WASHINGTON DC 20006		2,000.00	300.00
AMERICAN RETREADERS' ASSN, P.O. BOX 17203 LOUISVILLE KY 40217		1,000.00	1,000.00
AMERICAN SEED TRADE ASSN, 1030 15TH STREET, NW, #964 WASHINGTON DC 20005			11,350.00
AMERICAN SHORT LINE RAILROAD ASSN, 2000 MASSACHUSETTS AVE., NW WASHINGTON DC 20036			
AMERICAN SOC OF ANESTHESIOLOGISTS, 1201 PENNSYLVANIA AVENUE, NW WASHINGTON DC 20004			2,550.80
AMERICAN SOYBEAN ASSOCIATION, 600 MARYLAND AVENUE, SW, #510 WASHINGTON DC 20024			3,672.72
AMERICAN VETERANS OF WORLD WAR II, KOREA & VIETNAM (AMVETS) , 4647 FORBES BOULEVARD LANHAM MD 20706		6,950.47	6,950.47
AMERICAN VETERINARY MEDICAL ASSN, 1522 K STREET, NW, #828 WASHINGTON DC 20005			
AMERICAN WATERWAYS OPERATORS, INC, 1600 WILSON BOULEVARD, #1000 ARLINGTON VA 22209		167,278.28	291.32
AMERICAN-EUROPEAN ACID RAIN PROHIBITION, 11573 EMBERS COURT RESTON VA 22091			
AMERICANS FOR IMMIGRATION CONTROL, INC, P.O. BOX 11839 ALEXANDRIA VA 22312		6,008.42	6,008.42
MORRIS J. AMITAY, P.C., 444 N. CAPITOL STREET, NW, #712 WASHINGTON DC 20001	NATHAN LEWIN (FOR 47TH STREET PHOTO)	7,500.00	
Do	NORTHROP CORP	3,000.00	
Do	PAN AMERICAN WORLD AIRWAYS, INC	4,500.00	
Do	SOLAR ENERGY INDUSTRIES ASSN	6,000.00	
Do	THOMPSON MEDICAL	3,000.00	
JOEL E. AMKRAUT, 1620 SEABRIGHT AVENUE P.O. BOX 2247 SANTA CRUZ CA 95063	NATIONAL RIGHT TO MAIL COMMITTEE		
JOANNE M. AMOROSI, 1228 17TH STREET, NW WASHINGTON DC 20036	AIR CONDITIONING CONTRACTORS OF AMERICA	5,750.00	2,365.50
JAN S. AMUNDSON, 1776 F STREET, NW WASHINGTON DC 20006	NATIONAL ASSN OF MANUFACTURERS	50.00	41.00
EDWARD ANDERSEN, 1616 H ST., NW WASHINGTON DC 20006	NATIONAL GRANGE	8,450.00	
ANDERSON BENJAMIN & READ, INC, 1020 19TH ST., NW, #520 WASHINGTON DC 20036	U.S. BANKNOTE CORP		
BYRON ANDERSON, 777 14TH ST., NW WASHINGTON DC 20005	NATIONAL ASSN OF REALTORS		
DESIREE C. ANDERSON, 1250 CONNECTICUT AVE., NW, #620 WASHINGTON DC 20036	NATIONAL MULTI HOUSING COUNCIL		
H. KIM ANDERSON, VIRGINIA PETROLEUM COUNCIL 1809 STAPLES MILL ROAD RICHMOND VA 23230	AMERICAN PETROLEUM INSTITUTE	945.00	329.43
ANDERSON HIBEY NAUHEIM & BLAIR, 1708 NEW HAMPSHIRE AVE., NW WASHINGTON DC 20009	U.S. FOOTBALL LEAGUE		
J. LEM ANDERSON, 4111 FRANCONIA RD. ALEXANDRIA VA 22310	TEMPLE-INLAND	1,000.00	
Do	TIME, INC	1,000.00	
JAMES A. ANDERSON JR., 1725 K STREET, NW, #710 WASHINGTON DC 20006	NATIONAL ASSN OF WHOLESALER-DISTRIBUTORS		
ROBERT L. ANDERSON, JOHN DEERE RD. MOLINE IL 61265	DEERE & COMPANY		
ROMILDA R. ANDERSON, 10 WESTPORT ROAD WILTON CT 06897	RICHARDSON-VICKS	10,500.00	3,184.75
WAYNE C. ANDERSON, 1050 CONNECTICUT AVE., NW, #300 WASHINGTON DC 20036	NABISCO BRANDS, INC	5,000.00	304.88
WILLIAM C. ANDERSON, 1101 16TH ST., NW WASHINGTON DC 20036	INDEPENDENT PETROLEUM ASSN OF AMERICA		75.00
DAVID R. ANDREWS, THREE EMBARCADERO CENTER SAN FRANCISCO CA 94111	MCCUTCHEN DOYLE BROWN & ENERSEN (FOR: AMFAC, INC)		
Do	MCCUTCHEN DOYLE BROWN & ENERSEN (FOR: CASTLE & COOKE, INC)		
Do	MCCUTCHEN DOYLE BROWN & ENERSEN (FOR: ROHR INDUSTRIES)		
LEWIS D. ANDREWS JR., 1825 EYE STREET, NW, #400 WASHINGTON DC 20006	COMMITTEE FOR EQUITABLE COMPENSATION	6,000.00	485.00
LISA ANDREWS, 51 LOUISIANA AVENUE, NW WASHINGTON DC 20001	ACACIA MUTUAL LIFE INSURANCE CO	1,000.00	80.00
ROBERT B. ANDREWS, 1100 CONNECTICUT AVENUE, NW, #620 WASHINGTON DC 20036	MOBIL OIL CORP	500.00	
JACK R. ANGELL, 1101 17TH STREET, NW, #704 WASHINGTON DC 20036	UNITED GAS PIPE LINE CO		
ANGLO AMERICAN AUTO AUCTIONS, INC, 2 INTERNATIONAL PLAZA DR., #600 NASHVILLE TN 37217			
J. DONALD ANNETT, 1050 17TH ST., NW, #500 WASHINGTON DC 20036	TEXACO, INC	1,000.00	
REYNOLD V. ANSELMO, 460 W. 42ND STREET, 4TH FL NEW YORK NY 10036	PAN AMERICAN SATELLITE CORP		
TOBIAS ANTHONY, 1819 H STREET, NW, #510 WASHINGTON DC 20006	AMERICAN COAL ASH ASSOCIATION, INC		
THOMAS ANTONE, CASSON CALLIGARO & MUTRYN 2600 VIRGINIA AVENUE, NW, #900 WASHINGTON DC 20037	SAMARITAN HEALTH SERVICE		
PATRICK S. ANTRIM, 1800 K STREET, NW WASHINGTON DC 20006	BANKAMERICA CORPORATION	164.00	34.09
APARTMENT & OFFICE BUILDING ASSN OF METROPOLITAN WASH, DC, 1413 K STREET, NW, #600 WASHINGTON DC 20005			
APCO ASSOCIATES, 1200 NEW HAMPSHIRE AVE., NW WASHINGTON DC 20036	CANADIAN FOREST INDUSTRIES COUNCIL	320.00	1,945.07
DAVID APTER ASSOCIATES, 1625 K ST., NW, #102 WASHINGTON DC 20006	WEST AFRICAN REPUBLIC OF TOGO		
JOHN D. AQUILINO JR., 1600 RHODE ISLAND AVE., NW WASHINGTON DC 20036	NATIONAL RIFLE ASSN OF AMER		
PAUL W. ARCARI, 201 N. WASHINGTON STREET ALEXANDRIA VA 22314	RETIRED OFFICERS ASSN	2,019.00	
JOHN ARCHER, 8111 GATEHOUSE RD. FALLS CHURCH VA 22047	AMERICAN AUTOMOBILE ASSN		
R. M. JULIE ARCHULETA, 1747 PENNSYLVANIA AVENUE, NW, 3RD FL WASHINGTON DC 20006	OCCIDENTAL CHEMICAL CORP	300.00	
ARENT FOX KINTNER PLOTKIN & KAHN, 1050 CONNECTICUT AVENUE, NW WASHINGTON DC 20036	BREED CORPORATION	5,000.00	325.54
Do	CENTRAL STATES SE & SW AREAS HEALTH, WELFARE & PENSION FUNDS	57,335.07	4,845.26
Do	GUARDIAN LIFE INSURANCE CO OF AMERICA	25,173.93	454.77
Do	INSURANCE SERVICING & INFORMATION SYSTEMS CORP		819.00
Do	MOTOR AND EQUIPMENT MANUFACTURERS ASSOCIATION		
Do	TOSHIBA AMERICA, INC	13,950.76	466.99
Do	TOYOTA MOTOR CORPORATION		6.00
Do	TUBULAR CORP OF AMERICA, INC	21,049.30	778.68
Do	TVW PAPER MACHINES, INC	16,689.70	959.67
JOHN A. ARMSTRONG, 1330 BURLINGTON STREET EAST HAMILTON, ONTARIO CANADA L8N 3J5	CANADIAN TUBULAR PRODUCERS ASSN		
G. RAY ARNETT, 1600 RHODE ISLAND AVENUE, NW WASHINGTON DC 20036	NATIONAL RIFLE ASSN OF AMERICA	3,750.00	
ARNOLD & PORTER, 1200 NEW HAMPSHIRE AVE., NW WASHINGTON DC 20036	AMERICAN ASSN OF EXPORTERS & IMPORTERS (AAEI)		
Do	CANADIAN FOREST INDUSTRIES COUNCIL	2,987.50	44.00

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	CONSEJO EMPRESARIAL MEXICANO PARA ASUNTOS INTERNACIONALES		13.97
Do	CSX CORPORATION	1,208.75	100.85
Do	FLUOR CORPORATION	150.00	
Do	RECORDING INDUSTRY ASSN OF AMER, INC	11,841.25	21.50
Do	SACRAMENTO MUNICIPAL UTILITY DISTRICT	3,490.25	1.35
Do	SACRAMENTO PUBLIC UTILITY DISTRICT, ET AL	10,335.58	882.86
CARL F. ARNOLD, 1100 CONNECTICUT AVE., NW WASHINGTON DC 20036	AMERICAN IRON & STEEL INSTITUTE	1,500.00	
Do	CORPORATE PROPERTY INVESTORS	1,125.00	
Do	MEAD CORPORATION	1,620.00	
Do	QUINTANA PETROLEUM CORP	1,875.00	
JULIE L. ARNOLD, 1050 17TH STREET, NW, #1126 WASHINGTON DC 20036	TRAVENOL LABORATORIES, INC		
SANDY ARNOLD, 2020 K ST., NW, #200 WASHINGTON DC 20006	NATIONAL FED OF FEDERAL EMPLOYEES		
NAN ARON, 600 NEW JERSEY AVENUE, NW WASHINGTON DC 20001	ALLIANCE FOR JUSTICE	14.18	
ASBILL & JUNKIN, 1302 18TH STREET, NW, #603 WASHINGTON DC 20036	COALITION ON SMOKING OR HEALTH	27,300.00	14,560.09
LUD ASHLEY, P.C., 1735 NEW YORK AVENUE, NW, 6TH FL. WASHINGTON DC 20006	AMERICAN INTERNATIONAL GROUP, INC	3,000.00	
Do	FEDERAL HOME LOAN MORTGAGE CORP	35,000.00	
Do	IRVING TRUST CO	5,000.00	
Do	ISFA CORPORATION	14,500.00	
Do	MANVILLE CORPORATION	19,275.00	
Do	MERRILL LYNCH & CO, INC	500.00	
Do	NATIONAL ASSN OF STATE SAVINGS & LOAN SUPERVISORS	15,000.00	
Do	J.C. PENNEY CO, INC	22,260.00	
JOSEPH ASHOOH, 1957 E ST., NW WASHINGTON DC 20006	ASSOCIATED GENERAL CONTRACTORS OF AMERICA		
ASIAN PACIFIC ECONOMIC EDUCATIONAL CULTURAL ORGANIZATION, P.O. BOX 891 MANILA, PHILIPPINES			
ASPHALT ROOFING MANUFACTURERS ASSOCIATION, 6288 MONTROSE ROAD ROCKVILLE MD 20852			
ASSOCIATED BUILDERS & CONTRACTORS, INC, 729 15TH ST., NW WASHINGTON DC 20005		15,000.00	
ASSOCIATED CREDIT BUREAUS, INC, P.O. BOX 218300 16211 PARK 10 PLACE HOUSTON TX 77084		1,500.00	
ASSOCIATED EMPLOYERS, INC, 1222 N. MAIN, #315A SAN ANTONIO TX 78212			
ASSOCIATED GENERAL CONTRACTORS OF AMERICA, 1957 E ST., NW WASHINGTON DC 20006			
ASSOCIATION FOR A BETTER NEW YORK, 355 LEXINGTON AVENUE NEW YORK NY 10017		468,750.00	561,117.20
ASSOCIATION FOR THE IMPROVEMENT OF THE MISSISSIPPI RIVER, 10 BROADWAY ST. LOUIS MO 63102			
ASSOCIATION OF AMERICAN LAW SCHOOLS, ONE DUPONT CIRCLE, NW, #370 WASHINGTON DC 20036			
ASSOCIATION OF AMERICAN PUBLISHERS, 2005 MASSACHUSETTS AVE., NW WASHINGTON DC 20036		7,798.97	7,798.97
ASSOCIATION OF AMERICAN RAILROADS, AMERICAN RAILROADS BLDG., SUITE 720 1920 L ST., NW WASHINGTON DC 20036.		99,846.83	99,846.83
ASSOCIATION OF AMERICAN VETERINARY MEDICAL COLLEGES, 1522 K STREET, NW, #828 WASHINGTON DC 20005			
ASSOCIATION OF GOVERNMENT ACCOUNTANTS, 727 SOUTH 23RD STREET, #100 ARLINGTON VA 22202			
ASSOCIATION OF MAXIMUM SERVICE TELECASTERS, INC, 1735 DESALES ST., NW WASHINGTON DC 20036			381.00
ASSOCIATION OF TRIAL LAWYERS OF AMERICA, 1050 31ST ST., NW WASHINGTON DC 20007		9,760.00	9,760.00
GEORGE J. ASTE, 1825 K ST., NW, #607 WASHINGTON DC 20006	UNITED AIRLINES	500.00	
JOHN MCELROY ATKISSON, 1717 K STREET, NW, #502 WASHINGTON DC 20036	INTERNATIONAL ASSN OF AMUSEMENT PARKS & ATTRACTIONS	8,850.50	
Do	PACIFIC STOCK EXCHANGE, INC	2,850.00	
Do	WESTINGHOUSE ELECTRIC CORP	2,093.75	520.10
ATLANTIC RICHFIELD CO, 515 SOUTH FLOWER STREET LOS ANGELES CA 90071			1,064.29
FRITZ E. ATTAWAY, 1600 EYE ST., NW WASHINGTON DC 20006	MOTION PICTURE ASSN OF AMERICA, INC		
JOHN J. AUCIELLO, P.O. BOX 269 ELIZABETHTOWN PA 17022	AMERICAN ASSN OF MEAT PROCESSORS		
AUDIO RECORDING RIGHTS COALITION, P.O. BOX 33705 WASHINGTON DC 20033		130,000.00	124,958.00
JOHN D. AUSTIN JR., 1920 N STREET, NW WASHINGTON DC 20036	AMERICAN MINING CONGRESS		
RONALD R. AUSTIN, 1201 16TH STREET, NW WASHINGTON DC 20036	OVERSEAS EDUCATION ASSN	553.53	
AUTOMOTIVE PARTS REBUILDERS ASSN, 6849 OLD DOMINION DRIVE MCLEAN VA 22101			
JOHN S. AUTRY, 2000 L STREET, NW, #810 WASHINGTON DC 20036	SPERRY CORPORATION	1,500.00	1,500.00
AVENEL ASSOCIATES, INC, P.O. BOX 53131 WASHINGTON DC 20009	FLORIDA DEFENDERS OF THE ENVIRONMENT		22.99
GEORGE C. AXTELL, 122 C ST., NW, #740 WASHINGTON DC 20001	AMERICAN LEAGUE FOR EXPORTS & SECURITY ASSISTANCE	3,000.00	
WILLIAM H AXTMAN, 950 N. GLEBE RD., RM. 160 ARLINGTON VA 22203	AMERICAN BOILER MANUFACTURERS ASSN, INC		121.00
PAMELA AYCOCK, AYCOCK ASSOCIATES 1899 L STREET, NW, #605 WASHINGTON DC 20036	EDISON ELECTRIC INSTITUTE	4,160.00	1,548.72
JED L. BABBIN, 4910 NORTH 27TH STREET ARLINGTON VA 22207	SHIPBUILDERS COUNCIL OF AMERICA	11,220.00	
HOPE M. BABCOCK, 645 PENNSYLVANIA AVENUE, SE WASHINGTON DC 20003	NATIONAL AUDUBON SOCIETY		
DALE R. BABIONE, 1700 N. MOORE ST. ROSSLYN VA 22209	BOEING COMPANY	2,704.00	
CARL E. BAGGE, COAL BUILDING WASHINGTON DC 20036	NATIONAL COAL ASSN	3,185.00	1,542.16
JOAN N. BAGGETT, 815 15TH ST., NW WASHINGTON DC 20005	INTERNATIONAL UNION OF BRICKLAYERS & ALLIED CRAFTSMEN	5,000.00	64.25
BRENT A. BAGLIEN, 725 15TH STREET, NW WASHINGTON DC 20005	NATIONAL GRAIN & FEED ASSN	30.00	
GEORGE F. BAILEY JR., P.O. BOX 21 MONTGOMERY AL 36101	ALABAMA RAILROAD ASSN		
PAUL C. BAILEY JR., 108 COLUMBUS ST. ARLINGTON VA 22204	SOUTHERN COMPANY SERVICES, INC	778.55	633.91
WILLIAM W. BAILEY, 1050 17TH STREET, NW, #650 WASHINGTON DC 20036	MERCK & CO, INC	2,000.00	673.05
JUDITH L. BAIRD, 1333 NEW HAMPSHIRE AVE., NW WASHINGTON DC 20036	ATLANTIC RICHFIELD CO	200.00	
JOHN BAIZE, CAPITOL GALLERY BLDG., #510 600 MARYLAND AVENUE, SW WASHINGTON DC 20024	AMERICAN SOYBEAN ASSOCIATION	950.00	151.21
EDWARD R. BAJER, 1015 15TH ST., NW, #802 WASHINGTON DC 20005	AMERICAN CONSULTING ENGINEERS COUNCIL	450.00	
BAKER & BOTTS, 1701 PENNSYLVANIA AVE., NW WASHINGTON DC 20006	HOUSTON LIGHTING & POWER COMPANY	250.00	
BAKER & HOSTETLER, 1050 CONNECTICUT AVE., NW WASHINGTON DC 20036	CLEVELAND INSTITUTE OF ELECTRONICS		
BAKER & MCKENZIE, 815 CONNECTICUT AVE., NW WASHINGTON DC 20006	CAMBRIDGE RESEARCH & DEVELOPMENT GROUP		
DAVID BAKER, 530 7TH ST., SE WASHINGTON DC 20003	LEAGUE OF WOMEN VOTERS OF THE U.S	3,938.17	415.20
EMIL F. BAKER, 1303 NEW HAMPSHIRE AVE., NW WASHINGTON DC 20036	FLEET RESERVE ASSN		
GERALD E. BAKER, 1625 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20036	AIR LINE PILOTS ASSN	5,250.00	481.52
JAMES JAY BAKER, 1600 RHODE ISLAND AVE., NW WASHINGTON DC 20036	NATIONAL RIFLE ASSN OF AMERICA	962.50	174.30
LISA BAKER, 1730 K STREET, NW, #703 WASHINGTON DC 20006	AMERICAN BUSINESS CONFERENCE	93.75	219.40
S. EASON BALCH JR., P.O. BOX 306 BIRMINGHAM AL 35201	BALCH & BINGHAM (FOR: SOUTHERN COMPANY SERVICES, INC)		
S. EASON BALCH, P.O. BOX 306 BIRMINGHAM AL 35201	BALCH & BINGHAM (FOR: SOUTHERN COMPANY SERVICES, INC)		
JOAN B. BALDWIN, 1309 TRINITY DRIVE ALEXANDRIA VA 22314	UNITED INTERNATIONAL CONSULTANTS		
H. R. BALIKOV, 333 THORNALL ST. EDISON NJ 08818	J.M. HUBER CORP		
CHRISTIAN BALLANTYNE, 214 N. HENRY STREET, #203 MADISON WI 53703	SIERRA CLUB	2,236.06	869.16
BALLARD SPAHR ANDREWS & INGERSOLL, 1850 K STREET, NW, #1100 WASHINGTON DC 20006	ATLANTIC ALLIANCE FOR MARITIME HERITAGE CONSERVATION		
Do	CITY OF PHILADELPHIA		262.50
Do	DELAWARE RIVER PORT AUTHORITY		52.50
Do	PHILADELPHIA PORT CORPORATION		31.50
Do	PORT OF WILMINGTON, DELAWARE		10.50
Do	SOUTH JERSEY PORT CORPORATION		10.50
Do	TEMPLE UNIVERSITY		157.50
Do	TITAN OCEAN SYSTEMS, INC		
Do	TREASURE SALVORS, INC		
Do	U.S. COMMITTEE FOR UNICEF		
THOMAS M. BALMER, 888 16TH STREET, NW WASHINGTON DC 20006	MILK INDUSTRY FOUNDATION/INT'L ASSN OF ICE CREAM MFRS		
MICHAEL BALY III, 1515 WILSON BLVD. ARLINGTON VA 22209	AMERICAN GAS ASSN	3,500.00	588.17
PHILIP A. BANGERT, 1010 WISCONSIN AVENUE, NW, #800 WASHINGTON DC 20007	GROCERY MANUFACTURERS OF AMERICA, INC	28.00	
CHARLES E. BANGERT, P.C., 1825 EYE STREET, NW, #300 WASHINGTON DC 20006	BUSINESS ROUNDTABLE		
BANK OF BOSTON CORPORATION, 100 FEDERAL ST. BOSTON MA 02110			
JAMES T. BANKS, 600 MARYLAND AVE., SW, #607 WASHINGTON DC 20024	WASTE MANAGEMENT, INC	5,000.00	
ROBERT D. BANNISTER, 15TH & M STREETS, NW WASHINGTON DC 20005	NATIONAL ASSN OF HOME BUILDERS OF THE U.S		
SAMUEL J. BAPTISTA, 1101 14TH ST., NW WASHINGTON DC 20005	AMERICAN FINANCIAL SERVICES ASSN	250.00	
Do	VISA U.S.A., INC		
BARAFF KOERNER OLENDER & HOCHBERG, P.C., 2033 M STREET, NW, #203 WASHINGTON DC 20036	COLLEGE FOOTBALL ASSOCIATION		
Do	NATIONAL BASKETBALL ASSN		
E. W. BARAGAR, 1700 NORTH MOORE ST., 20TH FL. ROSSLYN VA 22209	BOEING COMPANY	680.34	902.72
DAVID J. BARDIN, 1050 CONNECTICUT AVENUE, NW WASHINGTON DC 20036	SOLMECS CORPORATION		
ROBERT O. BARKER, 801 NORTHLAND TOWERS WEST SOUTHFIELD MI 48075	NATIONAL ASSN OF MANUFACTURERS	1,500.00	15.00
THOMAS H. BARKSDALE JR., 1220 L ST., NW WASHINGTON DC 20036	AMERICAN PETROLEUM INST	5,500.00	540.50
DONNA R. BARNAKO, 1200 15TH STREET, NW WASHINGTON DC 20005	AMERICAN HEALTH CARE ASSN	1,743.75	113.50
WILLIAM J. BARNDS, 1000 CONNECTICUT AVENUE, NW WASHINGTON DC 20036	JAPAN ECONOMIC INSTITUTE OF AMERICA	500.00	
BARNES RICHARDSON & COLBURN, 1819 H ST., NW, #400 WASHINGTON DC 20006	AMERICAN INT'L KNITTERS CORP		121.66
Do	COMMONWEALTH GARMENT MANUFACTURING CO		121.66
Do	DOW CHEMICAL CO	1,702.75	65.28
Do	EHA VENTILFABRIK WILHELM FRITZ KG		
Do	FLORIDA CITRUS MUTUAL	6,000.00	12.83
Do	ITALY-AMERICA CHAMBER OF COMMERCE, TEXTILE & APPAREL COMM		1,659.36

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	PFIZER, INC		
Do	STRATTON HATS, INC		5.63
Do	TARTARIC CHEMICALS CORPORATION		
Do	TEXAS CITRUS AND VEGETABLE IMPORT ASSOCIATION		70.39
Do	UNIROYAL, INC	6,791.34	30.78
BARNETT & ALAGIA, 1000 THOMAS JEFFERSON STREET, NW, #900 WASHINGTON DC 20007	THAI FOOD PROCESSORS ASSN		
BARNETT SIVON SCHOTT & SHAY, P.C., 1090 VERMONT AVE., NW, #810 WASHINGTON DC 20005	CITIBANK, N.A	1,600.00	28.00
NEIL D. BARON, BOOTH & BARON 122 EAST 42ND ST. NEW YORK NY 10168	STANDARD & POOR'S CORPORATION		
JAMES C. BARR, 1840 WILSON BLVD ARLINGTON VA 22201	NATIONAL MILK PRODUCERS FEDERATION	3,300.00	137.31
DAVID M. BARRETT, BARRETT HANNA DAILY & GASPAR 2555 M STREET, NW, #100 WASHINGTON DC 20037	ALLIED TUBE & CONDUIT CORP	6,068.75	3,083.73
Do	ENERGY CONSUMERS & PRODUCERS ASSN	4,500.00	975.22
ROBERT W. BARRIE, 1331 PENNSYLVANIA AVENUE, NW WASHINGTON DC 20004	GENERAL ELECTRIC CO	2,000.00	
HARVEY BARRISON, 291 BROADWAY NEW YORK NY 10007	C. A. SHEA & COMPANY, INC		
DAVID S. BARROWS, 1201 S. W. 12TH, #200 PORTLAND OR 97205	ASSOCIATION OF OREGON & CALIFORNIA LAND GRANT COUNTIES	1,200.00	
ROGER V. BARTH, 1735 EYE ST., NW, #715 WASHINGTON DC 20006	AMERICAN ASSN FOR CLINICAL CHEMISTRY INC		
LINDA L. BARTLETT, 1100 17TH STREET, NW, #601 WASHINGTON DC 20036	KRAFT, INC	750.00	
JAMES E. BARTLEY, 1090 VERMONT AVENUE, NW, #410 WASHINGTON DC 20005	NATIONAL INDUSTRIAL TRANSPORTATION LEAGUE	6,000.00	46.70
Do	PROCOMPETITIVE RETAIL STEERING COMM		
MARK A. BARTNER, 100 MARYLAND AVENUE, NE WASHINGTON DC 20002	RELIGIOUS COALITION FOR ABORTION RIGHTS, INC	5,250.00	102.59
R. WILLIAM BARTON, 1000 POTOMAC STREET, NW, #302 WASHINGTON DC 20007	FEDERATION EMPLOYMENT & GUIDANCE SERVICE		
THOMAS E. BASS, 1901 L STREET, NW, #303 WASHINGTON DC 20036	COLT INDUSTRIES, INC		
DIANE BATEMAN, 1015 18TH STREET, NW WASHINGTON DC 20036	FERTILIZER INSTITUTE	15,000.00	2,434.87
ROBERT E. BATES JR., 1100 CONNECTICUT AVE, NW WASHINGTON DC 20036	MOBIL OIL CORP	1,125.00	
DAVIS M. BATSON, 1155 15TH STREET, NW, #611 WASHINGTON DC 20005	ETHYL CORPORATION	500.00	
LAURIE C. BATTLE, 1709 NEW YORK AVE., NW, #801 WASHINGTON DC 20006	U.S. LEAGUE OF SAVINGS ASSOCIATIONS	3,125.00	
JOHN F. BATTLES, MASSACHUSETTS PETROLEUM COUNCIL 11 BEACON ST., #515 BOSTON MA 02108	AMERICAN PETROLEUM INSTITUTE		
JOHN L. BAUER JR., 1667 K ST., NW, #650 WASHINGTON DC 20006	ARMCO	2,900.00	519.35
ROBERT J. BAUGHMAN, 717 PENDLETON ST. ALEXANDRIA VA 22314	AMERICAN ORTHOTIC AND PROSTHETIC ASSN		
BARBARA BAUMAN, 1990 M STREET, NW, #480 WASHINGTON DC 20036	DETROIT EDISON COMPANY	450.00	35.00
JAMES R. BAXTER, 2033 K ST., NW, #200 WASHINGTON DC 20006	NATIONAL CONSTRUCTION EMPLOYERS COUNCIL		
TINA MARTS BEACH, 1331 PENNSYLVANIA AVENUE, NW, #700 WASHINGTON DC 20004	GENERAL ELECTRIC CO	372.00	
BRUCE A. BEAM, 1667 K ST., NW, #450 WASHINGTON DC 20006	AMERICAN ELECTRIC POWER SERVICE CORP	457.52	627.47
DONALD S. BEATTIE, 400 FIRST ST., NW WASHINGTON DC 20001	RAILWAY LABOR EXECUTIVES' ASSN	2,914.91	
BARBARA F. BEATTY, 729 15TH STREET, NW WASHINGTON DC 20005	ASSOCIATED BUILDERS & CONTRACTORS, INC	2,500.00	
CHRISTINE T. BEATTY, 1627 K STREET, NW, #200 WASHINGTON DC 20006	ST. JOE MINERALS CORP	7,500.00	218.96
HUBERT BEATTY, 1957 E ST., NW WASHINGTON DC 20006	ASSOCIATED GENERAL CONTRACTORS OF AMERICA		
LAURA L. BEATY, 806 N. JEFFERSON ST. ARLINGTON VA 22205	NATIONAL PARKS & CONSERVATION ASSOCIATION	516.60	10.35
EDWARD A. BECK III, 1220 L STREET, NW WASHINGTON DC 20005	AMERICAN PETROLEUM INSTITUTE	7,000.00	271.85
ROBERT J. BECKER, 800 E. NORTHWEST HWY., #101 MT. PROSPECT IL 60056	JOINT COUNCIL OF ALLERGY & IMMUNOLOGY		
STEVEN M. BECKMAN, 1757 N STREET, NW WASHINGTON DC 20036	INT'L UNION, UNITED AUTO AEROSPACE & AGRIC IMPLEMENT WORKERS	4,424.32	10.00
WILLIAM W. BEDDOW, 1101 15TH ST., NW WASHINGTON DC 20005	NATIONAL CONSTRUCTORS ASSOCIATION	1,600.00	
HOWARD BEDLIN, 1050 17TH STREET, NW, #770 WASHINGTON DC 20036	AMERICAN ASSN OF HOMES FOR THE AGING	202.00	197.86
JON CHARLES BEDNERIK, 11 EMBARCADERO WEST, #202 OAKLAND CA 94607	WESTERN INDEPENDENT BANKERS	500.00	1,157.01
RONALD L. BEEBER, 1660 L STREET, NW WASHINGTON DC 20036	GENERAL MOTORS CORP	2,500.00	2,558.52
ROBERT M. BEERS, 2101 E STREET, NW WASHINGTON DC 20037	AMERICAN FOREIGN SERVICE ASSN	1,819.85	643.51
JAMES BEIZER, 1920 N ST., NW WASHINGTON DC 20036	AMERICAN MINING CONGRESS		
MARK BELANGER, 805 THIRD AVENUE NEW YORK NY 10022	MAJOR LEAGUE BASEBALL PLAYERS ASSN		
DONALD K. BELCH, STELCO TOWER HAMILTON, ONTARIO CANADA L8N 3 TI	CANADIAN TUBULAR PRODUCERS ASSN		
Do	STELCO, INC	1,050.00	653.35
HOWARD H. BELL, 1400 K ST., NW, #1000 WASHINGTON DC 20036	AMERICAN ADVERTISING FEDERATION		
WINSTON EVERETT BELL, P.O. BOX 26543 LAS VEGAS NV 89126			
MARY K. BELLAMY, 1600 M ST., NW WASHINGTON DC 20036	INVESTMENT CO INSTITUTE		
JAMES P. BELLIS, 11 DUPONT CIRCLE, NW, #700 WASHINGTON DC 20036	PALUMBO & CERRELL, INC (FOR: AMERICAN SOC OF COMPOSERS AUTHORS & PUBLISHERS).	9,600.00	
Do	PALUMBO & CERRELL, INC (FOR: NATIONAL SCHOOL TRANSPORTATION ASSN)	9,600.00	
Do	PALUMBO & CERRELL, INC (FOR: G. D. SEARLE)	9,600.00	
Do	PALUMBO & CERRELL, INC (FOR: SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT).	9,600.00	
BENDIXEN & LAW, 1029 VERMONT AVENUE, NW, #505 WASHINGTON DC 20005	PANAMSAT		
CLEVE BENEDICT, 1012 PENNSYLVANIA AVE., SE WASHINGTON DC 20003	R/S/M, INC		
BENNER BURNETT & COLEMAN, 1401 NEW YORK AVENUE, NW WASHINGTON DC 20005	OMNINET CORPORATION		
Do	SCHNITZER STEEL PRODUCTS CO	13,625.00	287.41
DANIEL BENNET, 729 15TH STREET, NW WASHINGTON DC 20005	ASSOCIATED BUILDERS & CONTRACTORS, INC	2,500.00	
ALAN R. BENNETT, 1575 EYE STREET, NW, #1150 WASHINGTON DC 20005	KAYE SCHOLER FIERMAN HAYS & HANDLER (FOR: BRISTOL-MYERS CO)		
BEVERLY L. BENNETT, 1850 K STREET, NW WASHINGTON DC 20006	AMERICAN COUNCIL OF LIFE INSURANCE, INC		
WILLIAM C. BENNETT JR., 1333 NEW HAMPSHIRE AVE., NW WASHINGTON DC 20036	ATLANTIC RICHFIELD CO		
JOHN C. BENNISON, 4400 MACARTHUR BLVD., NW WASHINGTON DC 20007	AMERICAN SOC OF TRAVEL AGENTS	8,000.00	
BENOIT SMITH & LAUGHLIN, 2001 JEFFERSON DAVIS HIGHWAY, #501 ARLINGTON VA 22202	ECONOPURE		
Do	HUGHES AIRCRAFT COMPANY		
FREDERICK S. BENSON III, 1625 EYE STREET, NW, #902 WASHINGTON DC 20006	WEYERHAEUSER COMPANY		
NANCY C. BENSON, 1575 EYE ST., NW, #220 WASHINGTON DC 20005	AMERICAN CYANAMID CO	280.00	163.92
TOM BENSON, 501 UNION STREET, #506 NASHVILLE TN 37219	TENNESSEE RAILROAD ASSN		
JAMES E. BENTON, N. J. PETROLEUM COUNCIL 170 W. STATE ST. TRENTON NJ 08608	AMERICAN PETROLEUM INSTITUTE	85.00	
PETER E. BERG, BERG & ASSOCIATES 641 INDIANA AVENUE, NW WASHINGTON DC 20006			
RICHARD SCOTT BERG, 1619 MASSACHUSETTS AVE., NW WASHINGTON DC 20036	NATIONAL FOREST PRODUCTS ASSN		
O. M. BERGE, 12050 WOODWARD AVE. DETROIT MI 48203	BROTHERHOOD OF MAINTENANCE OF WAY EMPLOYES		
BOB BERGLAND, 1800 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20036	NATIONAL RURAL ELECTRIC COOPERATIVE ASSN	425.00	25.00
EDWIN M. BERGSMARK, THREE SEAGATE TOLEDO OH 43603	TOLEDO TRUST COMPANY		
PAUL C. BERGSON, 2550 M ST., NW, #770 WASHINGTON DC 20037	RJR INDUSTRIES, INC		
JANE W. BERGWIN, 1050 17TH STREET, NW, #490 WASHINGTON DC 20036	CONSUMERS POWER CO	3,448.00	1,266.00
JASON S. BERMAN, 2020 K ST., NW, #250 WASHINGTON DC 20006	WARNER COMMUNICATIONS, INC	15,000.00	10,400.00
JAY HARRIS BERMAN, 419 10TH STREET, NE WASHINGTON DC 20002	PROFESSIONAL INSURANCE AGENTS	300.00	14.00
WILLIAM R. BERMAN, 8111 GATEHOUSE RD. FALLS CHURCH VA 22047	AMERICAN AUTOMOBILE ASSN		
MARY E. BERNHARD, 1090 VERMONT AVENUE, NW, #500 WASHINGTON DC 20005	FLEXIBLE PACKAGING ASSOCIATION		
CHARLES BERNHARDT, 2020 K ST., NW, #200 WASHINGTON DC 20006	NATIONAL FEDERATION OF FEDERAL EMPLOYEES		
DONALD C. BERNO, 1615 H ST., NW WASHINGTON DC 20062	U.S. CHAMBER OF COMMERCE	7,500.00	135.88
RACHELLE B. BERNSTEIN, 1615 H STREET, NW WASHINGTON DC 20062	CHAMBER OF COMMERCE OF THE U.S	1,500.00	72.43
MAX N. BERRY, 3213 O ST., NW WASHINGTON DC 20007	AMERICAN IMPORTERS MEAT PRODUCTS GROUP		
Do	CENTRE NATIONAL INTERPROFESSIONNEL DE L'ECONOMIC LAITIERE		
Do	COMMITTEE TO ASSURE THE AVAILABILITY OF CASEIN		202.95
Do	FEDERATION DES EXPORTATEURS DE VINS & SPIRITUEUX DE FRANCE		
EVE BERTON, 2020 K STREET, NW, #200 WASHINGTON DC 20006	NATIONAL FED OF FEDERAL EMPLOYEES		
FRANK S. BESSON III, 1725 JEFFERSON DAVIS HWY, #900 ARLINGTON VA 22202	AM GENERAL CORPORATION	1,925.00	
ROBERT BETZ, 1101 14TH STREET, NW, #1100 WASHINGTON DC 20005	ROBERT BETZ ASSOCIATES, INC (FOR: ALABAMA HOSPITAL ASSOCIATION)	5,250.00	164.84
BEVERLY ENTERPRISES, INC, 1901 N. FORT MYER DRIVE, #302 ROSSLYN VA 22209			25,697.55
CHERYL BEVERSDORF, 1200 15TH STREET, NW WASHINGTON DC 20005	AMERICAN HEALTH CARE ASSN	2,755.00	411.95
RALPH A. BIEDERMANN, ONE BRUNSWICK PLAZA SKOKIE IL 60077	BRUNSWICK CORP		
JOAN T. BIER, 1726 M STREET, NW, #701 WASHINGTON DC 20036	INTERNATIONAL MINERALS & CHEMICAL CORP	250.00	22.00
JAMES N. BIERMAN, 1775 PENNSYLVANIA AVE., NW WASHINGTON DC 20006	FOLEY LARNDER HOLLABAUGH & JACOBS (FOR: VGS CORPORATION)		
MOE BILLER, 817 14TH ST., NW WASHINGTON DC 20005	AMERICAN POSTAL WORKERS UNION, AFL-CIO	8,509.86	
BILLIG SHER & JONES, P.C., 2033 K ST., NW, #300 WASHINGTON DC 20006	BARBER BLUE SEA LINE	2,176.00	
Do	HAPAG-LLOYD, A.G	4,352.00	
Do	MAERSK LINE	2,176.00	
Do	NEDLLOYD LINES	2,176.00	
Do	PORT USERS	9,000.00	580.00
Do	PRIVATE TRUCK COUNCIL OF AMERICA, INC		
Do	SOUTH DAKOTA DEPT. OF TRANSPORTATION, DIV. OF RAILROADS		
FRED BILLINGS III, 1616 H STREET, NW WASHINGTON DC 20006	NATIONAL GRANGE	2,500.00	
KEVIN W. BILLINGS, 410 FIRST STREET, SE WASHINGTON DC 20003	AMERICAN NUCLEAR ENERGY COUNCIL	1,825.00	1,516.60
LEON G. BILLINGS, INC, 1660 L ST., NW, #713 WASHINGTON DC 20036	IRVINE COMPANY	42,275.73	
Do	STATE OF MONTANA	6,550.00	
BINGHAM DANA & GOULD, 1724 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20036	PARALYZED VETERANS OF AMERICA	250.00	
VITINA BIONDO, 1050 17TH STREET, NW, #770 WASHINGTON DC 20036	AMERICAN ASSN OF HOMES FOR THE AGING	244.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
BIRCH HORTON BITTNER PESTINGER & ANDERSON, 12TH FLOOR 1155 CONNECTICUT AVE., NW WASHINGTON DC 20036	ALASCOM, INC		
Do	ALASKA POWER AUTHORITY		
Do	ALASKA TEAMSTERS-EMPLOYER PENSION TRUST		
Do	ALASKA TEAMSTERS-EMPLOYER WELFARE TRUST		
Do	AMERADA HESS		
Do	CALISTA CORP		
Do	CITY OF ST. GEORGE		
Do	FIRST FEDERAL BANK OF ALASKA, S.B.		
Do	NORTHERN AIR CARGO		
Do	SEALASKA CORP		
Do	ST. GEORGE TANAQ CORP		
Do	TEAMSTERS LOCAL 959		
Do	TRADITIONAL VILLAGE COUNCIL OF ST. GEORGE		
Do	WESTINGHOUSE ELECTRIC CORP		
Do	YUKON PACIFIC CORP		
CHARLES O. BISHOP, 1225 CONNECTICUT AVE., NW WASHINGTON DC 20036	AMERICAN PUBLIC TRANSIT ASSN	6,365.00	409.00
H. RADFORD BISHOP II, P.O. BOX 946 HOLLY HILL FL 32017	NATIONAL HEALTH CARE FINANCING ASSN		
Do	NATIONAL HEALTH CARE RETIREMENT ASSN		
BISHOP LIBERMAN COOK PURCELL & REYNOLDS, 1200 17TH STREET, NW, 7TH FL. WASHINGTON DC 20036	AD HOC COAL OF NAT'L FARM GROUPS ON CARGO PREFERENCE LEGIS		
Do	ALEUT CORPORATION	500.00	
Do	ALEUTIAN/PRIBILOF ISLANDS ASSN, INC	500.00	
Do	AMERICAN RICE, INC		
Do	ASSOCIATION OF FEDERAL HEALTH ORGANIZATIONS		
Do	AUDIO RECORDING RIGHTS COALITION	1,000.00	
Do	BOARD OF TRADE OF KANSAS CITY, MO, INC	6,703.33	
Do	CNA INSURANCE CO OF CHICAGO, ILLINOIS	500.00	
Do	CONSOLIDATED NATURAL GAS CO		
Do	ENSERCH CORP	9,221.25	
Do	FIVE STATE RICE PRODUCERS LEGISLATIVE GROUP		
Do	IOWA BEEF PROCESSORS, INC	3,000.00	
Do	MASTER MARKETERS ASSN OF AMERICA	4,000.00	
Do	PESTICIDE PRODUCERS ASSN	2,700.00	
Do	PIONEER CORP	7,500.00	
Do	PLANTERS PEANUTS	2,500.00	
Do	ROADWAY SERVICES, INC		
Do	SALOMON BROTHERS, INC	38,687.50	
Do	TANADGUSIX CORPORATION	3,500.00	
Do	TEXACO, INC	500.00	
Do	TEXAS GAS TRANSMISSION CORP		
Do	TOBACCO INSTITUTE	15,500.00	
Do	VALLEY VIEW HOLDINGS, INC	312.50	
Do	WESTERN PEANUT GROWERS' ASSN	21,437.50	
DENNIS A. BITZ, P.O. BOX 3965 SAN FRANCISCO CA 94119	BECHTEL POWER CORP		
GERRIE BJORNSON, 1800 K ST., NW, #929 WASHINGTON DC 20006	B.F. GOODRICH CO	100.00	
BLACK MANAFORT STONE & KELLY, P.C., 324 NORTH FAIRFAX STREET ALEXANDRIA VA 22314	BETHLEHEM STEEL	7,500.00	427.14
Do	CHICAGO RTA	9,000.00	599.91
Do	DOMINICAN REPUBLIC	15,000.00	880.91
Do	FINA OIL & CHEMICAL CO	3,000.00	664.22
Do	FOOTWEAR INDUSTRIES OF AMERICA	12,000.00	252.20
Do	GOVERNMENT OF ST. LUCIA	2,100.00	529.74
Do	GOVERNMENT OF THE BAHAMAS	45,000.00	
Do	INTERNATIONAL MEDICAL CENTERS	4,500.00	337.24
Do	JOHNSON & JOHNSON	30,000.00	512.08
Do	KAMAN AEROSPACE	24,000.00	1,067.65
Do	NATURAL GAS SUPPLY ASSN	11,250.00	336.84
Do	SALOMON BROTHERS, INC	18,000.00	1,767.56
Do	SIGNAL COMPANIES	22,500.00	543.44
Do	SOLAR ENERGY INDUSTRY ASSN	4,000.00	104.27
Do	TOBACCO INSTITUTE	7,500.00	352.87
Do	TRANS WORLD AIRLINES	6,000.00	199.57
Do	UNION PACIFIC	16,000.00	458.88
JOSEPH W. BLACKBURN, P.O. BOX 55727 2222 ARLINGTON AVE., SO. BIRMINGHAM AL 35255	SIROTE PERMUTT FRIEND FRIEDMAN HELD & APOLINSKY, P.C. (FOR: NORWOOD CLINIC, INC, ET AL.).	20,000.00	10,000.00
ROBERT J. BLACKWELL, BOGLE & GATES ONE THOMAS CIRCLE, NW, #900 WASHINGTON DC 20005	AMERICAN TRADING TRANSPORTATION CO, INC		
Do	COVE MARITIME COMPANIES		
Do	CREST TANKERS, INC		
Do	EQUITY CARRIERS I, INC		
Do	EQUITY CARRIERS III, INC		
Do	FALCON TANKERS, INC		
Do	KEYSTONE SHIPPING CO		
Do	SUN TRANSPORT, INC		
Do	TRINIDAD CORPORATION		
Do	VICTORY CARRIERS, INC		
BEV D. BLACKWOOD, 1899 L STREET, NW, #1100 WASHINGTON DC 20036	EXXON CORPORATION		
BOWEN BLAIR JR., 519 S.W. THIRD AVE., #810 PORTLAND OR 97204	FRIENDS OF THE COLUMBIA GORGE	135.00	
DAVID A. BLAIR, 1000 16TH STREET, NW, #800 WASHINGTON DC 20036	BETHLEHEM STEEL CORPORTAION	130.00	
NEAL B. BLAIR, SUITE J 11244 WAPLES MILL RD. FAIRFAX VA 22030	FREE THE EAGLE & TARGET, INC	20,184.99	
MICHAEL D. BLANCHARD, P.O. BOX 2943 FORT WORTH TX 76113	TEXAS-NEW MEXICO POWER CO	12,000.00	828.82
HELEN BLANK, 122 C STREET, NW WASHINGTON DC 20001	CHILDREN'S DEFENSE FUND	909.30	
DOUGLAS J. BLASS, 1600 M STREET, NW WASHINGTON DC 20036	INVESTMENT COMPANY INSTITUTE		
VIRGINIA B. BLISS, 1725 K STREET, NW WASHINGTON DC 20006	COURTNEY MCCAMANT & TURNEY	300.00	
JERALD BLIZIN, 1201 PENNSYLVANIA AVENUE, NW, #700 WASHINGTON DC 20004	HILL & KNOWLTON, INC		
L. THOMAS BLOCK, ONE WALL STREET NEW YORK NY 10015	IRVING TRUST CO	4,000.00	1,250.00
PETER L. BLOCKLIN, 1120 CONNECTICUT AVE., NW WASHINGTON DC 20036	AMERICAN BANKERS ASSN	2,750.00	
HOLTON E. BLOMGREN, 1015 15TH STREET, NW, #1220 WASHINGTON DC 20005	NATIONAL MANUFACTURED HOUSING FEDERATION	25,000.00	
DOUGLAS M. BLOOMFIELD, 500 N. CAPITOL ST., NW, #300 WASHINGTON DC 20001	AMERICAN ISRAEL PUBLIC AFFAIRS COMM	18,250.00	271.92
MARK BLOOMFIELD, 1850 K ST., NW, #520 WASHINGTON DC 20006	AMERICAN COUNCIL FOR CAPITAL FORMATION	1,729.00	
JARED O. BLUM, 1730 M ST., NW, #610 WASHINGTON DC 20036	DIRECT SELLING ASSOCIATION	300.00	24.06
ROBERT A. BLUM, THREE EMBARCADERO CENTER 28TH FLOOR SAN FRANCISCO CA 94111	MCCUTCHEN DOYLE BROWN & ENERSEN (FOR: PERMANENTE MEDICAL GROUP, INC).	270.00	
MILLY S. BLUMEL, 1050 CONNECTICUT AVENUE, NW, #760 WASHINGTON DC 20036	UNION OIL COMPANY OF CALIFORNIA		874.28
CHARLES R. BLUMENFELD, BOGLE & GATES 2100 THE BANK OF CALIFORNIA CENTER SEATTLE WA 98164	PACIFIC SEAFOOD PROCESSORS ASSN		
SAMUEL D. BLUNT, 444 N. CAPITOL STREET, #828 WASHINGTON DC 20001	RADIO OFFICERS UNION	1,657.38	
WILLIAM J. BOARMAN, P.O. BOX 157 COLORADO SPRINGS CO 80901	INTERNATIONAL TYPOGRAPHICAL UNION		
BOAT OWNERS ASSOCIATION OF THE U.S., 880 S. PICKETT ST. ALEXANDRIA VA 22304		50,000.00	32,625.00
SETH M. BODNER, 386 PARK AVENUE SOUTH NEW YORK NY 10016	NATIONAL KNITWEAR & SPORTSWEAR ASSN		40,000.00
HAROLD BOEL, 444 N. CAPITOL STREET, NW, #718 WASHINGTON DC 20001	PACIFIC TELESIS GROUP	12,000.00	
DONALD P. BOGARD, 733 15TH STREET, NW WASHINGTON DC 20005	LEGAL SERVICES CORP		
LARRY A. BOGGS, 1920 N ST., NW WASHINGTON DC 20036	AMERICAN MINING CONGRESS		
TIMOTHY A. BOGGS, 2020 K STREET, NW, #250 WASHINGTON DC 20006	WARNER COMMUNICATIONS, INC	14,400.00	7,697.04
ROBERT Z. BOHAN, 1101 16TH ST., NW WASHINGTON DC 20036	NATIONAL SOFT DRINK ASSN		9.50
PATRICIA BOINSKI, 1333 NEW HAMPSHIRE AVE., NW WASHINGTON DC 20036	ATLANTIC RICHFIELD CO	30.00	
MARK P. BOLDUC, 600 MARYLAND AVE., SW, #700 WASHINGTON DC 20024	NATIONAL FED OF INDEPENDENT BUSINESS	2,250.00	200.00
ROBERT J. BOLGER, P.O. BOX 1417-D49 ALEXANDRIA VA 22313	NATIONAL ASSN OF CHAIN DRUG STORES, INC	1,500.00	
WILLIAM F. BOLGER, THE POWER HOUSE 3255 GRACE STREET, NW WASHINGTON DC 20007	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: REPUBLIC OF TURKEY)		
BERNADETTE BOLTON, 400 FIRST STREET, NW, #800 WASHINGTON DC 20001	BROTHERHOOD OF RAILROAD SIGNALMEN	300.00	
SHARON E. BOMER, 727 N. WASHINGTON STREET ALEXANDRIA VA 22314	UNITED FRESH FRUIT & VEGETABLE ASSN	980.00	348.04
A. DEWEY BOND, P.O. BOX 3556 WASHINGTON DC 20007	AMERICAN MEAT INSTITUTE	500.00	
EDWARD N. BOND, 1700 NORTH MOORE ST. ROSSLYN VA 22209	BOEING COMPANY	542.50	38.50
SHARON LEE BONITT, 1025 CONNECTICUT AVE., NW, #200 WASHINGTON DC 20036	SHELL OIL CO	500.00	
BONSIB, INC, P.O. BOX 1807 WASHINGTON DC 20013			
GAYLON B. BOOKER, 1918 N. PARKWAY MEMPHIS TN 38112	NATIONAL COTTON COUNCIL OF AMER	187.50	480.27
W. DAN BOONE, 345 PARK AVE. NEW YORK NY 10154	UNION PACIFIC CORP AND ALLIANCE FOR CLEAN ENERGY		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
JOHN K. BOOTH, 1850 K STREET, NW WASHINGTON DC 20006	AMERICAN COUNCIL OF LIFE INSURANCE, INC		
EDWARD T. BORDA, 1625 EYE ST., NW, #1023 WASHINGTON DC 20006	ASSOCIATION OF GENERAL MERCHANDISE CHAINS	4,000.00	
RICHARD H. BORNEMANN, 410 FIRST STREET, SE WASHINGTON DC 20003	AMERICAN NUCLEAR ENERGY COUNCIL	1,168.75	165.50
LAURENCE D. BORY, 1015 15TH ST., NW, #802 WASHINGTON DC 20005	AMERICAN CONSULTING ENGINEERS COUNCIL	875.00	
G. STEWART BOSWELL, 1611 NORTH KENT ST., #800 ARLINGTON VA 22209	AMERICAN APPAREL MANUFACTURERS ASSN, INC	2,200.00	115.00
CHARLES G. BOTSFORD, 1730 M ST., NW, #515 WASHINGTON DC 20036		1,500.00	175.00
JOHN E. BOUCHARD, 1667 K STREET, NW, #350 WASHINGTON DC 20036	MOLLER STEAMSHIP COMPANY, INC		
MARY M. BOURDETTE, 4TH FLOOR 122 C STREET, NW WASHINGTON DC 20001	CHILDREN'S DEFENSE FUND OF THE WASHINGTON RESEARCH PROJECT	3,128.25	510.90
ALBERT D. BOURLAND, 1615 H STREET, NW WASHINGTON DC 20062	CHAMBER OF COMMERCE OF THE U.S.	185.00	95.18
FRANK J. BOWDEN JR., ASSOCIATED PETROLEUM INDUSTRIES OF PA P.O. BOX 925 HARRISBURG PA 17108	AMERICAN PETROLEUM INSTITUTE		
JAMES J. BOWE, 4 WORLD TRADE CENTER NEW YORK NY 10048	COFFEE SUGAR & COCOA EXCHANGE, INC	550.00	
ROBERT R. BOWERS, WEST VIRGINIA PETROLEUM COUNCIL SUITE 714 ATLAS BLDG. CHARLESTON WV 25301	AMERICAN PETROLEUM INSTITUTE		
DOUG B. BOWLES, 205 SPRING HILL TERRACE ROSWELL GA 30075	GEORGIA POWER CO	9,193.50	11,427.93
RICHARD P. BOWLING, 1020 PRINCESS STREET ALEXANDRIA VA 22314	TRUCK TRAILER MANUFACTURERS ASSN	1,000.00	37.30
BOWMER COURTNEY BURLESON PEMBERTON & NORMAND, P.O. BOX 844 TEMPLE TX 76503	TRIBAL COUNCIL OF THE COUSHATTA TRIBE OF LOUISIANA		6,384.52
JIM D. BOWMER, P.O. BOX 844 TEMPLE TX 76503	TRIBAL COUNCIL OF THE COUSHATTA TRIBE OF LOUISIANA		600.53
JOAN COSTAIN BOWYER, 1015 15TH ST., NW WASHINGTON DC 20005	PHELPS DODGE CORP	150.00	
JOHN G. BOYD, 1801 K ST., NW WASHINGTON DC 20006	INTERNATIONAL BUSINESS MACHINES CORP	742.50	162.07
ROBERT K. BOYD, 1515 WILSON BLVD. ARLINGTON VA 22209	AMERICAN GAS ASSN	1,500.00	643.51
BRACEWELL & PATTERSON, 1825 EYE STREET, NW, #1200 WASHINGTON DC 20006	AMERICAN COUNCIL ON EDUCATION		
Do	APPALACHIAN ENERGY GROUP	330.00	131.67
Do	AUSTRIAN LANCE & STEWART, P.C.		
Do	CHEMICAL MANUFACTURERS ASSN	4,125.00	1,645.88
Do	DRESSER INDUSTRIES, INC		
Do	HOUSTON NATURAL GAS CORP	990.00	395.01
Do	LIBERTY BANK & TRUST OF NEW JERSEY		
Do	LOUISIANA LAND & EXPLORATION CO		
Do	PENNSYLVANIA NATURAL GAS ASSOCIATES		
Do	RALSTON PURINA CO		
Do	SOUTHDOWN/PELTO OIL COMPANY		
Do	U.S. TUNA FOUNDATION	1,650.00	658.35
Do	VALERO ENERGY CORPORATION	1,485.00	592.52
BRACY WILLIAMS & COMPANY, 1000 CONNECTICUT AVENUE, NW, #304 WASHINGTON DC 20036	AMERICAN SOUTHWEST FINANCIAL CO	30,000.00	835.00
Do	CALIFORNIA NICKEL CORP	5,000.00	120.00
Do	CITY OF TUCSON	7,000.00	165.00
Do	CSX CORPORATION	20,000.00	975.00
Do	DAYLIGHT SAVING TIME COALITION	5,000.00	135.00
Do	ENERGY ABSORPTION SYSTEMS, INC	8,000.00	135.00
Do	ESTES COMPANY	3,000.00	140.00
Do	PRATT & WHITNEY AIRCRAFT GROUP	5,000.00	135.00
Do	SINGAPORE AIRLINES, LTD	12,000.00	350.00
Do	SOUTHERN ARIZONA WATER RESOURCES ASSOCIATION	3,000.00	245.00
FRANK W. BRADLEY, 1700 K ST., NW WASHINGTON DC 20006	CHEVRON USA, INC	3,000.00	
WAYNE W. BRADLEY, 1101 VERMONT AVE., NW WASHINGTON DC 20005	AMERICAN MEDICAL ASSN	500.00	
DENNIS M. BRADSHAW, 1957 E ST., NW WASHINGTON DC 20006	ASSOCIATED GENERAL CONTRACTORS OF AMERICA		
CHARLES N. BRADY, 8111 GATEHOUSE RD. FALLS CHURCH VA 22047	AMERICAN AUTOMOBILE ASSN		
CHARLES G. BRAGG, P.O. BOX 12285 MEMPHIS TN 38182	NATIONAL COTTON COUNCIL OF AMERICA	1,559.25	17.96
RAYMOND F. BRAGG JR., 114 THIRD STREET, SE WASHINGTON DC 20003	AMERICAN INDEPENDENT REFINERS ASSN	300.00	
BRAND & LOWELL, 923 15TH STREET, NW, FIFTH FL. WASHINGTON DC 20005	COALITION ON BEVERAGE ISSUES	392.00	522.93
Do	GENERAL DYNAMICS		
Do	METROPOLITAN TRANSPORTATION AUTHORITY		
Do	ZENITH RADIO CORP		
ROBERT M. BRANDON, 1300 CONNECTICUT AVE., NW, #401 WASHINGTON DC 20036	CITIZEN/LABOR ENERGY COALITION	2,500.00	
RICHARD D. BRANNICK, P.O. BOX 550 DEXTER NY 13634	NATIONAL BORDER PATROL COUNCIL		
GERARD M. BRANNON, 1850 K ST., NW WASHINGTON DC 20006	AMERICAN COUNCIL OF LIFE INSURANCE, INC		
WILLIAM C. BRASHARES, MINTZ LEVIN COHN FERRIS GLOVSKY & POPEO 1825 EYE ST., NW, #1201 WASHINGTON DC 20006	SMITH BARNEY HARRIS UPHAM & CO, INC	1,000.00	
CHRISTIAN N. BRAUNLICH, 1776 F STREET, NW WASHINGTON DC 20006	NATIONAL ASSN OF MANUFACTURERS	125.00	
ROY BRAUNSTEIN, 817 14TH ST., NW WASHINGTON DC 20005	AMERICAN POSTAL WORKERS UNION, AFL-CIO	9,679.00	148.14
DONALD H. BRAZIER, P.O. BOX 12266 SEATTLE WA 98102	DOLLAR SAVINGS BANK, ET AL		
Do	NUMERICA SAVINGS BANK		
Do	WASHINGTON MUTUAL SAVINGS BANK		
HAROLD E. BRAZIL, 1900 PENNSYLVANIA AVENUE, NW WASHINGTON DC 20068	POTOMAC ELECTRIC POWER CO	124.64	
NOEL BRAZIL, 600 MARYLAND AVENUE, SW, #400 WASHINGTON DC 20024	AMERICAN OPTOMETRIC ASSN		
H. ANTHONY BREARD JR., P.O. BOX 3151 HOUSTON TX 77253	CECOS INTERNATIONAL	3,600.00	3,000.00
ROY S. BREDDER, 1111 14TH ST., NW, #1200 WASHINGTON DC 20005	AMERICAN DENTAL ASSN	1,000.00	97.25
BREGMAN ABELL KAY & SIMON, 1156 15TH ST., NW, #1212 WASHINGTON DC 20005	AIR TRANSPORT ASSN OF AMERICA		
Do	AMERICAN CAR RENTAL ASSN	1,500.00	
Do	AMERICAN FED OF LABOR & CONGRESS OF INDUSTRIAL ORGANIZATIONS	1,500.00	
Do	COMMITTEE FOR TAX EQUITY	5,000.00	
Do	NATIONAL CAR RENTAL SYSTEM, INC	1,500.00	
Do	NORFOLK SOUTHERN CORP	5,000.00	
Do	RYDER SYSTEMS, INC		
Do	TRANS WORLD AIRLINES, INC		
Do	TRUCK RENTING & LEASING ASSN	3,000.00	
JAMES PATRICK BRENNAN, 5999 STEVENSON AVENUE ALEXANDRIA VA 22304	AMERICAN ASSN FOR COUNSELING & DEVELOPMENT	5,154.88	274.20
MICHAEL J. BRENNAN, 1750 NEW YORK AVE., NW WASHINGTON DC 20006	INTERNATIONAL ASSN OF BRIDGE STRUCT & ORNAMENTAL IRON WKRS	10,800.00	1,140.46
PETER E. BRERETON, 900 EUCLID AVENUE CLEVELAND OH 44101	AMERITRUST CO, NAT'L ASSN	291.00	457.47
THOMAS M. BRESNAHAN III, 1700 K STREET, NW, #1204 WASHINGTON DC 20006	CHEVRON U.S.A., INC	400.00	
ALBERT E. BREWSTER, 1000 WILSON BLVD., #2300 ARLINGTON VA 22209	NORTHROP CORP		
BELVA B. BRISSETT, 1771 N ST., NW WASHINGTON DC 20036	NATIONAL ASSN OF BROADCASTERS	1,500.00	685.28
ELIZABETH Y. BRITTON, 2550 M STREET, NW WASHINGTON DC 20037	RJR INDUSTRIES, INC	196.06	342.86
STEPHEN W. BROADIE, 1629 K STREET, NW WASHINGTON DC 20006	ALLIANCE OF AMERICAN INSURERS	1,500.00	72.35
MARINA L. BROCKMANN, 605 14TH STREET, NW WASHINGTON DC 20005	SOCIETY OF THE PLASTICS INDUSTRY		
WILLIAM M. BRODHEAD, 900 MARQUETTE BUILDING DETROIT MI 48226	PLUNKETT COONEY RUTT WATTERS STANCZYK & PEDERSEN (FOR: BRACY WILLIAMS & COMPANY).	7,500.00	1,070.00
Do	PLUNKETT COONEY RUTT WATTERS STANCZYK & PEDERSEN, P.C. (FOR: CITY OF DETROIT, MICHIGAN).	7,500.00	
Do	PLUNKETT COONEY RUTT WATTERS STANCZYK & PEDERSEN, P.C. (FOR: MICHIGAN CONSOLIDATED GAS CO).	10,042.50	3,251.38
DAVID A. BRODY, 1640 RHODE ISLAND AVE., NW WASHINGTON DC 20036	ANTI-DEFAMATION LEAGUE OF B'NAI B'RITH	3,700.00	
PHILLIP J. BROMAN, 919 18TH STREET, NW, #600 WASHINGTON DC 20006	TOYOTA MOTOR SALES, USA, INC		
MICHAEL D. BROMBERG, 1111 19TH ST., NW, #402 WASHINGTON DC 20036	FEDERATION OF AMERICAN HOSPITALS	4,500.00	
MARY E. BROOKS, 1730 M STREET, NW WASHINGTON DC 20036	LEAGUE OF WOMEN VOTERS OF THE U.S.	4,150.14	266.55
DAVID W. BROOME, 1726 M STREET, NW, #401 WASHINGTON DC 20036	BURLINGTON INDUSTRIES, INC	8,755.00	575.00
DANIEL T. BROSS, P.O. BOX 1478 HOUSTON TX 77001	UNITED GAS PIPE LINE CO		
MARIO BROSSI, 1730 M ST., NW WASHINGTON DC 20036	DIRECT SELLING ASSOCIATION		
DONALD G. BROTZMAN, 1400 K ST., NW WASHINGTON DC 20005	RUBBER MFGRS ASSN	10,000.00	
BROWN & FINN, 1920 N STREET, NW, #510 WASHINGTON DC 20036	SATELLITE TELEVISION INDUSTRY ASSN/S.P.A.C.E.		
Do	SATELLITE TV VIEWING RIGHTS SUPERFUND, INC	24,226.00	
BROWN & SEYMOUR, 100 PARK AVENUE, #2606 NEW YORK NY 10017	GRAY PANTHERS		
BEN JARRATT BROWN, 888 17TH ST., NW, #300 WASHINGTON DC 20006	CORPORATION FOR GOVERNMENT ACTION, INC		
CHARLES T. BROWN, P.O. BOX 100 MIAMI AZ 85539	PINTO VALLEY COPPER CORPORATION		
DAVID S. J. BROWN, 1101 17TH ST., NW, #604 WASHINGTON DC 20036	MONSANTO CO	700.00	536.11
DIANE R. BROWN, 1515 WILSON BOULEVARD ARLINGTON VA 22209	AMERICAN GAS ASSN	4,500.00	843.03
DOREEN L. BROWN, 1001 CONNECTICUT AVE., NW WASHINGTON DC 20036	CONSUMERS FOR WORLD TRADE		
ELLEN B. BROWN, 1615 H STREET, NW WASHINGTON DC 20062	CHAMBER OF COMMERCE OF THE U.S.	2,440.00	751.64
GEORGE L. BROWN, 1000 WILSON BOULEVARD ARLINGTON VA 22209	GRUMMAN CORP	1,250.00	1,802.03
JESSE P. BROWN JR., 1918 N. PARKWAY MEMPHIS TN 38112	NATIONAL COTTON COUNCIL OF AMER	4,125.00	32.65
BROWN ROADY BONVILLIAN & GOLD, 1300 19TH STREET, NW, #300 WASHINGTON DC 20036	CITICORP CAPITAL INVESTORS, LTD	6,116.00	107.42
Do	KANSAS CITY SOUTHERN RAILWAY		
Do	METROPOLITAN TRANSIT AUTHORITY	11,803.99	518.08
Do	SMITH DAWSON ASSOCS (FOR SAN FRAN. PUBLIC UTIL. COMMISSION)	2,000.00	149.87

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
S. M. HENRY BROWN JR., 411 FAYETTEVILLE STREET MALL, #2035 RALEIGH NC 27601	CAROLINA POWER & LIGHT CO	797.89	904.57
SHIRLE L. BROWN, P.O. BOX 663, GPO NEW YORK NY 10016	SLB ENTERPRISES		
BROWN TODD & HEYBURN, 1600 CITIZENS PLAZA LOUISVILLE KY 40202	BROWN & WILLIAMSON TOBACCO CORP		
VINCENT D. BROWN, NEBRASKA PETROLEUM COUNCIL P.O. BOX 95063 LINCOLN NB 68509	AMERICAN PETROLEUM INSTITUTE	5,000.00	1,586.90
VIRGINIA BROWN, 15TH & M STREETS, NW WASHINGTON DC 20005	NATIONAL ASSN OF HOME BUILDERS OF THE U.S.		
WILLIAM E. BROWN, 815 CONNECTICUT AVE., NW WASHINGTON DC 20006	FORD MOTOR CO	159.30	147.21
WILLIAM Y. BROWN, 600 MARYLAND AVE., SW, #607 WASHINGTON DC 20024	WASTE MANAGEMENT, INC		
DONALD T. BROWNE, 205 EAST 42ND STREET NEW YORK NY 10017	RISK & INSURANCE MANAGEMENT SOCIETY, INC		
GARY W. BRUNER, P.O. BOX 2159 DALLAS TX 75221	AMERICAN PETROFINA, INC		
KATHRYNE M. BRUNER, 1025 CONNECTICUT AVE., NW WASHINGTON DC 20036	GA TECHNOLOGIES, INC	750.00	283.31
WILLIAM K. BRUNETTE, 1909 K STREET, NW WASHINGTON DC 20049	AMERICAN ASSN OF RETIRED PERSONS	409.62	51.75
MICHAEL E. BRUNNER, 2626 PENNSYLVANIA AVENUE, NW WASHINGTON DC 20037	NATIONAL TELEPHONE COOPERATIVE ASSN	1,000.00	34.00
ROBERT O. BRUNNER, 1909 K ST., NW WASHINGTON DC 20049	AMERICAN ASSN OF RETIRED PERSONS	436.15	53.15
J. CHARLES BRUSE, 633 PENNSYLVANIA AVE., NW, #600 WASHINGTON DC 20004	ALLSTATE INSURANCE GROUP	1,600.00	443.87
DAWN M. BRYDON, 888 16TH STREET, NW WASHINGTON DC 20006	MILK INDUSTRY FOUNDATION/INT'L ASSN OF ICE CREAM MFRS		
BUCHANAN INGERSOLL, P.C., 1667 K STREET, NW, 9TH FL. WASHINGTON DC 20006	CLOROX CO		
Do	EXPRESS FOODS CO, INC		
Do	FEDERATION OF APPAREL MANUFACTURERS		
Do	GENERAL INSTRUMENT CORP		
Do	GROCERY MANUFACTURERS OF AMERICA, INC		
Do	LANGASCO ENERGY CORP		
Do	NORFOLK SOUTHERN CORP		
Do	OHIO OIL & GAS ASSN		
Do	WHEY PRODUCTS INSTITUTE		
LANA BUCK, 1319 F STREET, NW WASHINGTON DC 20004	NATIONAL ASSN OF PRIVATE PSYCHIATRIC HOSPITALS	110.00	
PRISCILLA R. BUDEIRI, 215 PENNSYLVANIA AVE., SE WASHINGTON DC 20003	CONGRESS WATCH	2,509.55	
ROBERT D. BUEHLER, 1800 K ST., NW, #929 WASHINGTON DC 20006	BF GOODRICH CO		
G. N. BUFFINGTON, 2230 CALIFORNIA STREET, NW WASHINGTON DC 20008	NATIONAL ASSN OF REAL ESTATE INVESTMENT TRUSTS	8,027.50	15.25
BUILDING OWNERS & MANAGERS ASSN INTERNATIONAL, 1250 EYE ST., NW, #200 WASHINGTON DC 20005	AMERICAN TEXTILE MANUFACTURERS INSTITUTE, INC	4,800.00	251.00
DOUGLAS W. BULCAO, 1101 CONNECTICUT AVE., NW, #300 WASHINGTON DC 20036	MORTGAGE BANKERS ASSN OF AMERICA	5,850.00	139.00
LINDA KNELL BUMBALO, 1125 15TH STREET, NW WASHINGTON DC 20005	AMERICAN PETROLEUM INSTITUTE	1,800.00	960.00
DARREL D. BUNGE, MINNESOTA PETROLEUM COUNCIL 386 N. WABASHA ST., #1025 ST. PAUL MN 55102	HEARST CORPORATION	900.00	
DAVID A. BUNN, 1211 CONNECTICUT AVENUE, NW, #406 WASHINGTON DC 20036	MAGAZINE PUBLISHERS ASSN, INC	4,000.00	
Do	PARCEL SHIPPERS ASSN	1,000.00	
Do	M.A.N. TRUCK & BUS CORP		
BURCH & BENNETT, P.C., 1000 THOMAS JEFFERSON ST, NW, #600 WASHINGTON DC 20007	BURCH & BENNETT, P.C. (FOR M.A.N. TRUCK & BUS CORP.)		
J. THOMAS BURCH, JR., 1000 THOMAS JEFFERSON ST, NW, #600 WASHINGTON DC 20007	COLLEGE OF AMER PATHOLOGISTS	5,200.00	45.40
NORMAN D. BURCH, 1101 VERMONT AVE., NW, #401 WASHINGTON DC 20005	HALLMARK CARDS, INC		
BARBARA G. BURCHETT, 1201 PENNSYLVANIA AVENUE, NW, #210 WASHINGTON DC 20004	AMOCO CORP		
DAVID G. BURDEN, 200 E. RANDOLPH DR. CHICAGO IL 60601	MERRELL DOW PHARMACEUTICALS, INC		59.00
PAUL F. BURDETT, SUITE 700 SOUTH 1800 M STREET, NW WASHINGTON DC 20036	G A TECHNOLOGIES, INC	9,000.00	3,282.06
CLAIR W. BURGENER, P.O. BOX 8186 RANCH SANTA FE CA 92067	NATIONAL ASSN OF BROADCASTERS	1,500.00	920.81
KEVIN BURKE, 1771 N STREET, NW WASHINGTON DC 20036	AMERICAN ASSN OF CROP INSURERS	319.50	
SALLY J. BURKE, SCOTT HARRISON & MCLEOD 2501 M STREET, NW WASHINGTON DC 20037	UNITED EGG PRODUCERS	477.00	
Do		35,194.03	2,008.18
BURLEY & DARK LEAF TOBACCO EXPORT ASSN, 1100 17TH ST., NW WASHINGTON DC 20036	MCDONNELL DOUGLAS CORPORATION	2,000.00	815.98
BILL D. BURLISON, 499 SOUTH CAPITOL STREET, SE, #103 WASHINGTON DC 20003	GROCERY MANUFACTURERS OF AMERICA, INC	272.50	22.68
MAHLON A. BURNETTE III, 3812 NORTH 13TH STREET ARLINGTON VA 22201	NATIONAL ASSN OF REALTORS		
LOU ANN BURNEY, 777 14TH STREET, NW WASHINGTON DC 20005	PHELPS DODGE CORP	1,200.00	
CHARLES S. BURNS, 1015 15TH ST., NW WASHINGTON DC 20005	CHEMICAL MANUFACTURERS ASSN, INC	2,000.00	1,481.45
TIMOTHY F. BURNS, 2501 M ST., NW WASHINGTON DC 20037	EKLUTNA, INC		
BURR PEASE & KURTZ, INC, 810 N ST. ANCHORAGE AK 99501	CBS, INC	3,000.00	
BURSON-MARSTELLER, 1825 EYE ST., NW, #950 WASHINGTON DC 20006	CITY OF PHILADELPHIA		
Do	MORGAN STANLEY & CO, INC	7,887.50	
Do	PHILADELPHIA PORT CORP	135.00	
Do	SEARS ROEBUCK & CO	3,000.00	
Do	SOUTH JERSEY PORT CORP		
FRANK BURTNETT, 5999 STEVENSON AVENUE ALEXANDRIA VA 22304	AMERICAN ASSN FOR COUNSELING & DEVELOPMENT	1,041.87	
BUSBY REHM AND LEONARD, P.C., 1330 CONNECTICUT AVE., NW, #200 WASHINGTON DC 20036	TIMEX CORP	3,800.00	57.10
Do	UNIVERSAL LEAF TOBACCO CO, INC		
BARBARA L. BUSH, 1220 L ST., NW WASHINGTON DC 20005	AMERICAN PETROLEUM INSTITUTE	200.00	
E. PHILIP BUSH, 300 LINCOLN PLAZA, LB-5 DALLAS TX 75201	TAYLOR & MIZELL		
ROY BUSSEWITZ, 1319 F STREET, NW WASHINGTON DC 20004	NATIONAL ASSN OF PRIVATE PSYCHIATRIC HOSPITALS	130.00	
RICHARD R. BUTA, 1620 EYE ST., NW, #703 WASHINGTON DC 20006	BECHTEL NATIONAL, INC		
BUTLER & BINION, 1747 PENNSYLVANIA AVE., NW WASHINGTON DC 20006	ASSOCIATION OF EXECUTIVE SEARCH CONSULTANTS, INC		
Do	CORNING ASSOCIATES		
Do	JACQUES BOREL ENTERPRISES, INC AND ACCOR NORTH AMERICAN, INC		
Do	NATIONAL FED OF INDEPENDENT BUSINESS	2,250.00	200.00
Do	PENNZOIL COMPANY		
HELEN C. BUTLER, 1630 CONNECTICUT AVENUE, NW, #202 WASHINGTON DC 20009	GOVERNMENT OF THE REPUBLIC OF HAITI	4,500.00	
Do	TAIWAN POWER CO	4,500.00	
WILLIAM A. BUTLER, 645 PENNSYLVANIA AVENUE, SE WASHINGTON DC 20003	NATIONAL AUDUBON SOCIETY	5,000.00	150.00
JOHN BUTTS, 777 14TH STREET, NW WASHINGTON DC 20005	NATIONAL ASSN OF REALTORS	1,250.00	154.45
C.A.R.E., 511 C STREET, NE WASHINGTON DC 20002			
CADWALADER WICKERSHAM & TAFT, 7TH FLOOR 1333 NEW HAMPSHIRE AVE., NW WASHINGTON DC 20036	GENERAL DYNAMICS CORPORATION		
Do	KWAJALEIN ATOLL CORP	67,621.61	2,096.22
Do	SHELL OIL CO		
ANDREW A. CAFFEY, 1025 CONNECTICUT AVENUE, NW, #707 WASHINGTON DC 20036	INTERNATIONAL FRANCHISE ASSN		
C. RICHARD CAHOON, 1120 VERMONT AVE., NW, #1130 WASHINGTON DC 20005	PETROLEUM MARKETERS ASSN OF AMERICA	1,000.00	599.67
ROY C. CAHOON, 6100 KNOLLWOOD DR. FALLS CHURCH VA 22041	NATIONAL AUTOMATIC MERCHANDISING ASSN		
MORRISON G. CAIN, 1625 I ST., NW, #1023 WASHINGTON DC 20006	ASSOCIATION OF GENERAL MERCHANDISE CHAINS	6,250.00	
ALAN CALDWELL, 2550 M STREET, NW, #770 WASHINGTON DC 20037	RJR INDUSTRIES, INC	1,200.00	19.25
CHARLES D. CALHOUN, 30 MONTGOMERY STREET JERSEY CITY NJ 07302	RADIO OFFICERS UNION	2,133.62	
FRANK W. CALHOUN, 3400 TEXAS COMMERCE TOWER HOUSTON TX 77002	HOUSTON ENDOWMENT, INC		974.61
CALIFORNIA HOUSING COUNCIL, 1225 8TH STREET, #325 SACRAMENTO CA 95814			
PETER E. CALLANAN, 1100 CONNECTICUT AVE., NW WASHINGTON DC 20036	HONEYWELL, INC	275.00	500.00
JOHN C. CALLIHAN, 299 PARK AVENUE NEW YORK NY 10171	WESTVACO CORP	3,150.00	631.37
CALORIE CONTROL COUNCIL, 5775 PEACHTREE-DUNWOODY RD., #500-D ATLANTA GA 30342			
DONALD L. CALVIN, 11 WALL ST. NEW YORK NY 10005	NEW YORK STOCK EXCHANGE, INC		
CAMBRIDGE INTERNATIONAL, INC, 1600 WILSON BLVD., #713 ARLINGTON VA 22209	AVCO LYCOMING	200.00	
Do	FMC CORPORATION	175.00	
Do	FORD AEROSPACE & COMMUNICATIONS CORP	175.00	
Do	GENERAL DYNAMICS LAND SYSTEMS	200.00	
Do	LOCKHEED-GEORGIA CO	150.00	
Do	NORDEN SYSTEMS, INC	150.00	
ARTHUR E. CAMERON, 499 S. CAPITOL ST., SW, #110 WASHINGTON DC 20003	AMERACE CORPORATION, ET AL	4,121.00	
Do	AMERICAN GREYHOUND TRACK OPERATORS ASSN	4,500.00	
Do	SAFETRAN SYSTEMS CORPORATION	6,911.00	
Do	SIGNAL COMMUNICATIONS		
NANCY CAMM, 1800 K STREET, NW, #900 WASHINGTON DC 20006	BANKAMERICA CORP	6.91	1.19
CAMP CARMOUCHE BARSH HUNTER GRAY HOFFMAN & GILL, 2550 M ST., NW, #275 WASHINGTON DC 20037	ALLSTATE		
Do	CHEMICAL MANUFACTURERS ASSOCIATION, INC	3,000.00	
Do	MOBIL OIL CORP		
Do	OCCIDENTAL PETROLEUM CORP		
Do	PPG INDUSTRIES, INC		
Do	SEARS ROEBUCK & CO	30,746.25	19,377.79
Do	SOUTH CENTRAL BELL		
CAMPAIGN FOR U.N. REFORM - POLITICAL EDUCATION COMMITTEE, 600 VALLEY ROAD WAYNE NJ 07470		1,533.63	1,505.44
C. R. CAMPBELL JR., 1120 CONNECTICUT AVENUE, NW, #900 WASHINGTON DC 20036	GTE CORP	2,000.00	
CARL C. CAMPBELL, 1030 15TH ST., NW, SUITE 700 WASHINGTON DC 20005	NATIONAL COTTON COUNCIL OF AMERICA	500.00	
CHARLES ARGYLL CAMPBELL, 1776 F STREET, NW WASHINGTON DC 20006	NATIONAL ASSN OF MANUFACTURERS		
CHARLES O. CAMPBELL, 1745 JEFFERSON DAVIS HIGHWAY, #511 ARLINGTON VA 22202	MANUFACTURED HOUSING INSTITUTE	900.00	100.00

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
JEANNE CAMPBELL, CAMPBELL-RAUPE ASSOCIATES, INC 1015 15TH STREET, NW, #907 WASHINGTON DC 20005	ALGONQUIN GAS TRANSMISSION		
Do	AMERICAN NUCLEAR ENERGY COUNCIL		
Do	BODINE'S INC FOOD PRODUCTS		
Do	INVEST TO COMPETE ALLIANCE		
Do	LTV AEROSPACE & DEFENSE CO		
Do	NEW ENGLAND LIFE		
Do	PITNEY BOWES		
Do	RIFFE PETROLEUM CO		
Do	TEXAS AIR CORP		
Do	TEXAS UTILITIES SERVICE		
Do	WESTINGHOUSE CORP		
JERRY L. CAMPBELL, 1201 CHESTNUT ST. CHATTANOOGA TN 37402	TENNESSEE VALLEY PUBLIC POWER ASSN		
CANADIAN COALITION ON ACID RAIN, 112 ST. CLAIR AVENUE, #504 TORONTO, ONTARIO CANADA M4V 2Y3			1,824.03
ROBERT P. CANAVAN, 1201 16TH ST., NW WASHINGTON DC 20036	NATIONAL EDUCATION ASSN	2,808.00	137.50
SHARON M. CANAVAN, 1125 15TH ST., NW WASHINGTON DC 20005	MORTGAGE BANKERS ASSN OF AMERICA	6,810.00	414.00
CANDLELIGHTERS, 123 C ST., SE WASHINGTON DC 20003			
ANNE C. CANFIELD, 1331 PENNSYLVANIA AVENUE, NW WASHINGTON DC 20004	GENERAL ELECTRIC CREDIT CORP	375.00	175.00
H. SPOFFORD CANFIELD, 1015 15TH STREET, NW, #900 WASHINGTON DC 20005	INTERNORTH, INC	2,000.00	
DAVE CANNARD, 113 W. 1ST VANCOUVER WA 98660	FRIENDS OF THE COLUMBIA GORGE		
SHARON F. CANNER, 1776 F STREET, NW WASHINGTON DC 20006	NATIONAL ASSN OF MANUFACTURERS	131.44	
W. DEAN CANNON JR , 9800 S. SEPULVEDA BLVD., #500 LOS ANGELES CA 90045	CALIFORNIA LEAGUE OF SAVINGS INSTITUTIONS	3,000.00	4,258.85
DAVID L. CANTOR, 1133 15TH STREET, NW, #1200 WASHINGTON DC 20005	PORTER WRIGHT MORRIS & ARTHUR (FOR: COALITION FOR ENVIRONMENTAL ENERGY BALANCE (CEEB)).	47.20	
RICHARD A. CANTOR, P.O. BOX 8293 WASHINGTON DC 20024	OIL INVESTMENT INSTITUTE		
GARY CAPISTRANT, 1200 15TH STREET, NW WASHINGTON DC 20005	AMERICAN HEALTH CARE ASSN	3,602.50	420.54
CAPITAL ADVOCATES, 1127 11TH STREET, #950 SACRAMENTO CA 95814	CROWLEY MARITIME CORP	1,250.00	13,914.53
Do	DISTILLED SPIRITS COUNCIL OF THE U.S., INC		
CAPITOL ASSOCIATES, INC, 1156 15TH STREET, NW, #1102 WASHINGTON DC 20005	AMERICAN ACADEMY OF ALLERGY & IMMUNOLOGY/ASTHMA & ALLERGY	500.00	
Do	CITIZENS COMM FOR MEDICAL RESEARCH & HEALTH EDUCATION	825.00	
Do	EMORY UNIVERSITY MEDICAL SCHOOL	781.25	
Do	ENDOCRINE SOCIETY	350.00	
Do	NATIONAL MULTIPLE SCHLEROSIS SOCIETY	525.00	
Do	REHABILITATION INSTITUTE OF CHICAGO	687.50	
Do	TERRI GOTTHELF LUPUS RESEARCH INSTITUTE	350.00	
Do	WORCESTER BUSINESS DEVELOPMENT CORP		
CAPITOL GROUP, INC, 2550 M STREET, NW, #650 WASHINGTON DC 20037	APPLIED ENERGY SERVICES, INC		
Do	CHEMKRETE TECHNOLOGIES, INC; LUBRIZOL CORP	2,375.00	275.67
Do	GOVERNORS OFFICE, APPALACHIAN REGIONAL COMMISSION	11,040.00	584.93
CAPITOL MARKETING SERVICES, 923 RIVA RIDGE AVENUE GREAT FALLS VA 22066			
CONSTANTINE G. CARAS, 2828 PENNSYLVANIA AVENUE, NW, #205 WASHINGTON DC 20007	OGDEN CORPORATION		
NORVAL E. CAREY, 1025 CONNECTICUT AVE., NW #704 WASHINGTON DC 20036	GULF OIL CORP (FOR GA TECHNOLOGIES, INC)	5,318.00	866.70
ROBERT B. CARLESON, 1201 PENNSYLVANIA AVE., NW WASHINGTON DC 20004	KMG MAIN HURDMAN, CPA'S (FOR: MERCEDES BENZ OF NORTH AMERICA)		
C. SARGENT CARLETON, 2033 M STREET, NW, #900 WASHINGTON DC 20036	NATIONAL ASSN OF ARAB AMERICANS		
EDWARD J. CARLOUGH, 1750 NEW YORK AVENUE, NW WASHINGTON DC 20006	SHEET METAL WORKERS' INTERNATIONAL ASSN	25,987.00	
ANNE E. CARLSON, 1620 EYE STREET, NW, #1000 WASHINGTON DC 20006	MOTOR VEHICLE MANUFACTURERS ASSN OF THE U.S., INC	400.00	
ROBERT E. CARLSTROM JR., 1627 K STREET, NW, #200 WASHINGTON DC 20006	ST. JOE MINERALS CORPORATION	6,000.00	
BERTRAM W. CARP, 1724 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20036	NATIONAL CABLE TELEVISION ASSN	3,625.00	
CY CARPENTER, 12025 E 45TH AVE. DENVER CO 80251	FARMERS' EDUCATIONAL & CO-OPERATIVE UNION OF AMERICA	8,750.00	65.79
JACK CARPENTER, 1920 N ST. NW WASHINGTON DC 20036	AMERICAN MINING CONGRESS	40.00	4.00
SUSAN CARR, 1709 NEW YORK AVENUE, NW, #801 WASHINGTON DC 20006	U.S. LEAGUE OF SAVINGS INSTITUTIONS	1,000.00	
JOHN R. CARSON, 20 CHEVY CHASE CIRCLE WASHINGTON DC 20015	AMERICAN PODIATRIC MEDICAL ASSN	16,000.00	
HARLON B. CARTER, 1600 RHODE ISLAND AVE., NW WASHINGTON DC 20036	NATIONAL RIFLE ASSN OF AMERICA	1,395.85	
JOHN R. CARTER, 1000 WILSON BLVD., #2600 ARLINGTON VA 22209	TRW, INC	760.00	
JOSEPH L. CARTER JR., 412 FIRST ST., SE, #200 WASHINGTON DC 20003	ASSOCIATION OF AMERICAN RAILROADS	1,147.80	334.29
TERRIE M. CARTER, 1667 K STREET, NW, #370 WASHINGTON DC 20006	DEERE & CO	18.75	
JAMES P. CARTY, 1776 F ST., NW WASHINGTON DC 20006	NATIONAL ASSN OF MANUFACTURERS	500.00	
SUSAN B. CARVER, 1130 17TH STREET, NW WASHINGTON DC 20036	NATIONAL COAL ASSN		
ALLEN R. CASKIE, 1850 K STREET, NW WASHINGTON DC 20006	AMERICAN COUNCIL OF LIFE INSURANCE, INC	250.00	
EUGENE I. CASRAISS JR., 1757 N ST., NW WASHINGTON DC 20036	UNITED AUTO AEROSPACE & AGRICULTURAL IMPLEMENT WORKERS	11,155.86	133.15
CASSIDY AND ASSOCIATES, INC, METROPOLITAN SQUARE 655 15TH ST., NW, #1100 WASHINGTON DC 20005	ALEXANDER GRAHAM BELL ASSN	50.00	20.00
Do	ANATOLIA COLLEGE BOARD OF TRUSTEES	50.00	
Do	ATLANTA UNIVERSITY	500.00	79.50
Do	BARRY UNIVERSITY	500.00	17.75
Do	BOSTON COLLEGE		
Do	BOSTON UNIVERSITY		
Do	BROADHEAD INVESTMENTS, INC		
Do	BROWN UNIVERSITY	150.00	71.55
Do	CATHOLIC UNIVERSITY OF AMERICA		
Do	CENTEX COMMUNICATIONS, INC		
Do	CITY OF HATTIESBURG		
Do	COLUMBIA UNIVERSITY	50.00	25.00
Do	COMMAND CONTROL & COMMUNICATIONS CORP		
Do	COMMUNITY CARE SYSTEMS, INC		
Do	CRAY RESEARCH, INC		
Do	DREXEL UNIVERSITY	200.00	149.80
Do	INDIANA UNIVERSITY	250.00	88.80
Do	NEORX		
Do	NEW ENGLAND COLLEGE OF OPTOMETRY		
Do	NORTHWESTERN UNIVERSITY		
Do	OCEAN SPRAY CRANBERRIES, INC	650.00	72.00
Do	OCEANIC INSTITUTE	50.00	20.00
Do	PIRELLI CABLE CORPORATION	50.00	87.13
Do	POLYTECHNIC INSTITUTE OF NEW YORK		
Do	ROCHESTER INSTITUTE OF TECHNOLOGY	300.00	127.55
Do	ROCKY MOUNTAIN ENERGY		
Do	SOUTHWEST MARINE, INC		
Do	TUFTS UNIVERSITY	350.00	63.30
Do	U.S. REPEATING ARMS	50.00	
Do	UNITED HOSPITALS		
Do	UNIVERSITY OF BRIDGEPORT	100.00	6.00
Do	UNIVERSITY OF SOUTHERN MISSISSIPPI	250.00	49.00
J. WARREN CASSIDY, 1600 RHODE ISLAND AVENUE, NW WASHINGTON DC 20036	NATIONAL RIFLE ASSN OF AMER	1,937.50	
LAWRENCE J. CASSIDY, 1750 NEW YORK AVENUE, NW WASHINGTON DC 20006	SHEET METAL WORKERS' INTERNATIONAL ASSN	13,929.00	
MARK A. CASSO, 1735 NEW YORK AVENUE, NW WASHINGTON DC 20006	AMERICAN INSTITUTE OF ARCHITECTS	1,970.00	17.50
LUIS EDUARDO CASTANEDA, P.O. BOX 364 BUENA VISTA STATION MIAMI FL 33137	NEW GENERATION LOBBY		
JOHN J. CASTELLANI, 27TH FLOOR 1000 WILSON BLVD. ARLINGTON VA 22209	TRW, INC	6,000.00	
RITA L. CASTLE, 100 NE ADAMS PEORIA IL 61629	CATERPILLAR TRACTOR CO	11,000.00	700.00
MICHAEL CAUDELL-FEAGAN, 215 PENNSYLVANIA AVE., SE WASHINGTON DC 20003	U.S. PUBLIC INTEREST RESEARCH GROUP	3,250.00	
JOSEPH E. CAVANAGH, 1125 15TH ST., NW WASHINGTON DC 20005	INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, AFL-CIO-CLC	6,000.00	26.00
RED CAVANEY, 260 MADISON AVENUE NEW YORK NY 10016	AMERICAN PAPER INSTITUTE, INC	2,600.00	
CEDERBERG & ASSOCIATES, 7100 SUSSEX PLACE ALEXANDRIA VA 22307	GRUMMAN CORPORATION	200.00	
Do	MARTIN MARIETTA CORP		
CELLULAR TELECOMMUNICATIONS INDUSTRY ASSN, 1150 17TH STREET, NW # 607, WASHINGTON DC 20036			
DAVID CERTNER, 1909 K STREET, NW WASHINGTON DC 20049	AMERICAN ASSN OF RETIRED PERSONS	390.00	38.00
CF INDUSTRIES, INC, SALEM LAKE DR. LONG GROVE IL 60047			1,000.00
PHILIP CHABOT, 1317 F STREET, NW WASHINGTON DC 20004	EAST BAY REGIONAL PARK DISTRICT		
CHADBOURNE PARKE WHITESIDE & WOLFF, 1101 VERMONT AVENUE, NW WASHINGTON DC 20005	AMERICAN PAPER INSTITUTE		
Do	APPLIED ENERGY SERVICES, INC		
Do			
Do	MANUFACTURERS LIFE INSURANCE CO & MAINE FIDELITY LIC	20,641.47	376.51
Do	NAPP CHEMICALS, INC	408.00	11.90
Do	WASHINGTON PSYCHIATRIC SOCIETY	7,014.70	48.62
HENRY CHAJET, 1920 N ST., NW WASHINGTON DC 20036	AMERICAN MINING CONGRESS	150.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
DURWOOD CHALKER, P.O. BOX 660164 DALLAS TX 75266	CENTRAL AND SOUTH WEST CORP		277.00
CHARLES E. CHAMBERLAIN, 1747 PENNSYLVANIA AVENUE, N.W. WASHINGTON DC 20006	COMMITTEE FOR 806.30 AND 807, INC	750.00	
CHAMBERS ASSOCIATES, INC, 1411 K STREET, NW, #500 WASHINGTON DC 20005	AMERICAN POSTAL WORKERS UNION, AFL-CIO	3,750.00	
Do	APACHE CORPORATION		
Do	BEAR STEARNS & CO	1,645.00	
Do	COALITION OF PUBLICLY TRADED LIMITED PARTNERSHIPS	2,875.00	
Do	COMMISSIONED OFFICERS ASSN OF THE PUBLIC HEALTH SERVICE		
Do	MANVILLE CORPORATION	2,400.00	
Do	METCALF & EDDY/KVB GROUP	1,050.00	
Do	NATIONAL ASSN OF RETIRED FEDERAL EMPLOYEES	250.00	
Do	STATE OF IDAHO, DEPT OF EMPLOYMENT		
Do	U S WEST		
ED CHANDLER, 7901 WESTPARK DRIVE MCLEAN VA 22102	NATIONAL MACHINE TOOL BUILDERS' ASSN	9,158.00	500.00
WILLIAM J. CHANDLER, 1511 K STREET, NW, #1100 WASHINGTON DC 20005	NATURAL RESOURCES DEFENSE COUNCIL, INC	5,000.00	744.70
WILLIAM C. CHAPMAN, 1660 L ST., NW WASHINGTON DC 20036	GENERAL MOTORS CORP	3,000.00	9,033.52
JOHN E. CHAPOTON, 1100 CONNECTICUT AVE., NW WASHINGTON DC 20036	PARIBAS ASSET MANAGEMENT, INC	235.00	4.00
CHARLES KARALEKAS MCCAHILL & WILSON, 1250 CONNECTICUT AVENUE, NW, #318 WASHINGTON DC 20036	INDEPENDENT INSURANCE AGENTS OF AMERICA		
RICHARD M. CHARLTON, 600 MARYLAND AVE., SE, #700 WASHINGTON DC 20024	ELECTRONIC DATA SYSTEMS CORPORATION	464.00	494.00
PEGGY CHARREN, 971 MEMORIAL DRIVE, #504 CAMBRIDGE MA 02138	ACTION FOR CHILDREN'S TELEVISION	666.67	
LESLIE CHEEK III, 1025 CONNECTICUT AVENUE, NW, #414 WASHINGTON DC 20036	CRUM & FOSTER CORP	16,250.00	1,061.95
CHEMICAL SPECIALTIES MANUFACTURERS ASSN, 1001 CONNECTICUT AVENUE, NW, #1120 WASHINGTON DC 20036			782.14
WILLIAM B. CHERKASKY, 1350 NEW YORK AVE., NW, #900 WASHINGTON DC 20005	INTERNATIONAL FRANCHISE ASSN		
CHESEBROUGH-POND'S INC, 33 BENEDICT PLACE GREENWCH CT 06836			6,091.97
MARLANA CHICKOS, 1101 14TH STREET, NW, #804 WASHINGTON DC 20005	NATIONAL APARTMENT ASSN	9,500.00	82.51
CHILDREN'S TELEVISION WORKSHOP, ONE LINCOLN PLAZA NEW YORK NY 10023			
BLAIR G. CHILDS, P.O. BOX 7610, BF STATION WASHINGTON DC 20044	SENIOR EXECUTIVES ASSN	1,000.00	500.00
MICHAEL W. CHINWORTH, 1000 CONNECTICUT AVENUE, NW WASHINGTON DC 20036	JAPAN ECONOMIC INSTITUTE OF AMERICA		
ROBERT A. CHLOPAK, 1201 PENNSYLVANIA AVE., NW, #807 WASHINGTON DC 20004	COALITION AGAINST DOUBLE TAXATION, INC	18,000.00	3,811.20
CHLORINE INSTITUTE, INC, 70 WEST 40TH STREET NEW YORK NY 10018		20,462.64	20,462.64
J. SAMUEL CHOATE JR., 300 CROWN VIEW DRIVE ALEXANDRIA VA 22312	J. SAMUEL CHOATE, JR., P.C. (FOR: ASSOCIATION OF PROGRESSIVE RENTAL ORGANIZATIONS)		
HAL M. CHRISTENSEN, 1111 14TH STREET, NW, #1200 WASHINGTON DC 20005	AMERICAN DENTAL ASSN	3,000.00	84.00
LESLIE CHRISTENSEN, 600 MARYLAND AVE., SW, #700 WASHINGTON DC 20024	NATIONAL FED OF INDEPENDENT BUSINESS	368.56	200.00
WILLIAM T. CHRISTIAN, 2211 CONGRESS STREET PORTLAND ME 04122	UNION MUTUAL LIFE INSURANCE CO		
JACK E. CHRISTY, 1909 K STREET, NW WASHINGTON DC 20049	AMERICAN ASSN OF RETIRED PERSONS	447.69	296.00
JAMES T. CHRISTY, 1730 PENNSYLVANIA AVE., NW, #265 WASHINGTON DC 20006	AIR PRODUCTS & CHEMICALS, INC	5,500.00	440.64
CHUGACH ELECTRIC ASSN, INC, POUCH 6300 ANCHORAGE AK 99502		870.72	
DONALD T. CHUNN, ROUTE 2, BOX 89 COLUMBIA TN 38401	TITLE ASSOCIATES, INC		
CHWAT/WEIGEND ASSOCIATES, 400 FIRST STREET, NW, #816 WASHINGTON DC 20001	AMERICAN HOME SEWING ASSN, INC	500.00	500.00
Do	ASSOCIATED LOCKSMITHS OF AMERICA	975.00	975.00
Do	BEER INDUSTRY LEAGUE OF LOUISIANA	370.00	370.00
Do	NATIONAL ASSN OF COMPANION SITTER AGENCIES & REFERRAL SERV	375.00	375.00
Do	NATIONAL ASSN OF CONVENIENCE STORES		
Do	NATIONAL ASSN OF TOBACCO DISTRIBUTORS	2,000.00	2,000.00
Do	NATIONAL LICENSED BEVERAGE ASSN	2,000.00	2,000.00
Do	NATIONAL WEATHER SERVICE EMPLOYEES ORGANIZATION	300.00	300.00
Do	RETAIL TOBACCO DEALERS OF AMERICA, INC	300.00	300.00
CIGAR ASSN OF AMERICA, INC, 1100 17TH STREET, NW, #1201 WASHINGTON DC 20036			498.50
DONNA M. CIROLIA, 1518 K STREET, NW, #401 WASHINGTON DC 20005	WATER QUALITY ASSN		
CITIZEN/LABOR ENERGY COALITION, 1300 CONNECTICUT AVENUE, NW, RM. 401 WASHINGTON DC 20036		7,000.00	7,000.00
CITIZENS COMM FOR THE RIGHT TO KEEP & BEAR ARMS, LIBERTY PARK, 12500 NE TENTH PLACE BELLEVUE WA 98005		268,661.00	91,148.00
CITIZENS FOR SENSIBLE CONTROL OF ACID RAIN (CSCAR), P.O. BOX 33729 WASHINGTON DC 20033			
CITIZENS POLITICAL ACTION COMMITTEE, P.O. BOX 645 228 SOUTH A STREET, #2 OXNARD CA 93032			
PATRICIA T. CLAREY, 1025 CONNECTICUT AVENUE, NW, #507 WASHINGTON DC 20036	ASHLAND OIL, INC	2,000.00	
BOB CLARK, SUITE 1908 400 MADISON ST. ALEXANDRIA VA 22314	RYDER SYSTEMS, INC		
JAMES F. CLARK, ROBERTSON, MONAGLE, EASTAUGH & BRADLEY 240 MAIN ST., # 800, PO BOX 1211 JUNEAU AK 99802	ALASKA PULP CORP	1,500.00	
JAMES W. CLARK JR , 600 MARYLAND AVENUE, SW, #400 WASHINGTON DC 20024	AMERICAN OPTOMETRIC ASSN	95.04	88.92
JORDAN CLARK, 15TH & M STREETS, NW WASHINGTON DC 20005	NATIONAL ASSN OF HOME BUILDERS OF THE U.S.		
JOSEPH J. F. CLARK, 1725 K ST., NW, #1111 WASHINGTON DC 20006	EATON ASSOCIATES, INC		
JULIE CLARK, 1625 K ST., NW EIGHTH FLOOR WASHINGTON DC 20006	NATIONAL LEGAL AID & DEFENDERS ASSN	10,000.00	75.00
ROBERT A. CLARK, 2033 M STREET, NW, #900 WASHINGTON DC 20036	NATIONAL ASSN OF ARAB AMERICANS	5,666.64	68.80
RUDY I. CLARK, 5342 WOODBURY WOODS LANE FAIRFAX VA 22032	AIR FORCE SERGEANTS ASSN, INC		
VERNON A. CLARK, 1899 L ST., NW, #403 WASHINGTON DC 20036	OUTDOOR ADVERTISING ASSN OF AMERICA, INC	2,438.00	4,828.00
WADE P. CLARKE JR , JOHN DEERE RD MOLINE IL 61265	DEERE & COMPANY		
SCOTT CHARLES CLARKSON, 600 MARYLAND AVENUE, SW, #607 WASHINGTON DC 20024	WASTE MANAGEMENT, INC	2,000.00	304.88
JOAN CLAYBROOK, 2000 P STREET, NW, #605 WASHINGTON DC 20036	PUBLIC CITIZEN, INC	1,000.00	
CLAYMARK CORPORATION, INC, C/O MILBANK TWEED HADLEY & MCCLOY 30 ROCKEFELLER PLAZA, RM. 5600 NEW YORK NY 10112			
CLEARY GOTTLIEB STEEN & HAMILTON, 1752 N STREET, NW WASHINGTON DC 20036	BEAR STEARNS & CO		
Do	LONZA, INC		82.37
Do	PUBLIC SECURITIES ASSN	1,950.00	38.39
Do	SYNTHETIC ORGANIC CHEMICAL MANUFACTURERS ASSN, INC	136.00	
JACQUELINE W. CLEMENTS, 1015 15TH STREET, NW, #900 WASHINGTON DC 20005	INTERNORTH	1,500.00	
RONALD D. CLEMENTS, 1111 19TH ST., NW, 9TH FLOOR WASHINGTON DC 20036	EDISON ELECTRIC INSTITUTE	2,595.66	474.62
CLEVELAND ELECTRIC ILLUMINATING CO, 55 PUBLIC SQUARE P.O. BOX 5000 CLEVELAND OH 44113			398.00
W. M. CLICK, BOX 719 DALLAS TX 75221	SOUTHLAND CORPORATION		
CLIFFORD & WARNKE, 815 CONNECTICUT AVE., NW WASHINGTON DC 20006	AUSTRALIAN MEAT & LIVE-STOCK CORP	1,200.00	412.50
Do	JOINT CORPORATE COMM ON CUBAN CLAIMS	600.00	180.00
DEXANNE CLOHAN, 1101 VERMONT AVE., NW WASHINGTON DC 20005	AMERICAN MEDICAL ASSN	3,769.00	
CHRISTOPHER E. CLOUSER, 25TH & MCGEE KANSAS CITY MO 64108	HALLMARK CARDS, INC		
STANLEY A. CMICH, 1700 GATEWAY BOULEVARD CANTON OH 44707	FISCAL ASSOCIATES, INC		
Do	GIBBONS & GRABLE CO		
Do	TIMKEN CO		
Do	WHITE ENGINES, INC		
COALITION AGAINST DOUBLE TAXATION, INC, C/O KIERNAN O'BRIEN & LAROCCA 1050 THOMAS JEFFERSON ST., NW, 6TH FL. WASHINGTON DC 20007		660,000.00	649,477.31
COALITION FOR ALTERNATIVES IN NUTRITION & HEALTHCARE, INC, P.O. BOX B-12 RICHLANDTOWN PA 18955		3,230.88	3,323.99
COALITION TO KEEP ALASKA OIL, AFL-CIO BUILDING 815 16TH STREET, NW, #309 WASHINGTON DC 20006		1,015.00	1,015.00
COAN COUTURE LYONS & MOORHEAD, 1625 EYE ST., NW, #1015 WASHINGTON DC 20006	A - C VALLEY CORPORATION	200.00	
Do	PRESBYTERIAN ASSN ON AGING	1,000.00	
Do	VIETNAM VETERANS OF AMERICA		
Do	WESTINGHOUSE ELECTRIC CORPORATION		
COASTAL PROPERTIES INSTITUTE, INC, 66 SURFWATCH DRIVE JOHNS ISLAND SC 29455			
ALAN J. COBB, 1120 VERMONT AVENUE, NW WASHINGTON DC 20005	PETROLEUM MARKETERS ASSN OF AMERICA	7,500.00	1,034.81
RICHARD B. COBB, PETROLEUM COUNCIL OF GA 230 PEACHTREE ST., NW, #1500 ATLANTA GA 30303	AMERICAN PETROLEUM INSTITUTE	950.00	1,720.95
COFFEE SUGAR & COCOA EXCHANGE, INC, 4 WORLD TRADE CENTER, 8TH FL NEW YORK NY 10048			10,932.46
JOHN J. COFFEY, 1700 K STREET, NW, #1204 WASHINGTON DC 20006	CHEVRON USA, INC	900.00	
DON V. COGMAN, 1100 CONNECTICUT AVENUE, NW, #820 WASHINGTON DC 20036	MAPCO, INC	4,750.00	
ALICE I. COHAN, 7981 EASTERN AVE. SILVER SPRING MD 20910	NATIONAL ASSOCIATION OF SOCIAL WORKERS		
DANIEL L. COHEN, 1050 31ST STREET, NW WASHINGTON DC 20007	ASSOCIATION OF TRIAL LAWYERS OF AMERICA	2,000.00	100.00
DAVID COHEN, 1616 P ST., NW, #320 WASHINGTON DC 20036	PROFESSIONALS' COALITION FOR NUCLEAR ARMS CONTROL	8,750.00	548.93
SCOTT COHEN, 1750 NEW YORK AVENUE, NW, #210 WASHINGTON DC 20006	GILBERT A. ROBINSON, INC	2,000.00	
HERBERT B. COHN, MORGAN, LEWIS & BOCKIUS 1800 M ST., NW WASHINGTON DC 20036	COMMITTEE FOR CAP FORMATION THROUGH DIVIDEND REINVESTMENT		
COLE & CORETTE, P.C., 1100 VERMONT AVENUE, NW, #900 WASHINGTON DC 20005	CHASE MANHATTAN BANK, N.A		
Do	GOVERNMENT OF THE NETHERLANDS ANTILLES		
Do	JAMES D. & LOIS M. LAROSA AND JAMES D. LAROSA		
Do	LOTUS DEVELOPMENT CORP		
Do	MEDTRONIC, INC		
Do	MILLIPORE CORPORATION		
Do	WORLD ZIONIST ORGANIZATION JERUSALEM, ISRAEL		
E. WILLIAM COLE, 1050 CONNECTICUT AVENUE, NW, #760 WASHINGTON DC 20036	UNION OIL CO OF CALIFORNIA	700.00	55.00
KEN W. COLE, 1050 CONNECTIUCT AVE., NW, #800 WASHINGTON DC 20036	ALLIED CORPORATION		
RANDALL I. COLE, 1050 CONNECTICUT AVENUE, NW, #200 WASHINGTON DC 20036	EL PASO NATURAL GAS CO	1,000.00	667.68

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
STACEY W. COLE, NEW HAMPSHIRE PETROLEUM COUNCIL 23 SCHOOL ST. CONCORD NH 03301	AMERICAN PETROLEUM INSTITUTE		
COLETTE R. COLEMAN, 311 FIRST STREET, NW WASHINGTON DC 20001	NATIONAL RESTAURANT ASSN		
COLLIER SHANNON RILL & SCOTT, 1055 THOMAS JEFFERSON ST., NW, #308 WASHINGTON DC 20007	AMERICAN MEAT INSTITUTE		
Do	BICYCLE MFGRS ASSN OF AMER, INC		
Do	CADENCE CHEMICAL RESOURCES, INC		
Do	CYLINDER MANUFACTURERS ASSOCIATION		
Do	FOOD MARKETING INSTITUTE		
Do	HUFFY CORPORATION		
Do	NATIONAL BROILER COUNCIL		
Do	NATIONAL HAIRDRESSERS & COSMETOLOGISTS ASSN		
Do	NORRIS INDUSTRIES	2,000.00	2,000.00
Do	OUTDOOR POWER EQUIPMENT INSTITUTE		
Do	WEST TEXAS LAND & ROYALTY OWNERS ASSN		
PAUL EDWARD MICHAEL COLLIN, P.O. BOX 1000 BORON CA 93516	PAUL EDWARD MICHAEL COLLIN		
TERESE COLLING, 2062 N. 14TH ST. ARLINGTON VA 22201	MEDIA GENERAL, INC	2,080.00	192.02
MARY M. COLLINS, 1120 20TH STREET, NW, #600 SOUTH WASHINGTON DC 20036	UNION PACIFIC CORP	1,500.00	
MICHAEL A. COLLINS, 13106 IVY DRIVE BELTSVILLE MD 20705	UNITED ASSN OF JNYMEN & APPREN OF PLMBG & PIPEFTG INDUSTRY	2,000.00	123.43
COLORADO FAMILIES TO INCREASE THE TAX EXEMPTON, P.O. BOX 18217 DENVER CO 80218		12,877.19	12,877.19
COLORADO SKI COUNTRY USA, INC., SUITE A-201 1410 GRANT STREET DENVER CO 80203			
KENT W. COLTON, 15TH & M STREETS, NW WASHINGTON DC 20005	NATIONAL ASSN OF HOME BUILDERS OF THE U.S.		
COLUMBIA GORGE UNITED, BOX 328 STEVENSON WA 98648		10,308.50	5,305.00
COMMITTEE FOR CAP FORMATION THROUGH DIVIDEND REINVESTMENT, C/O HERBERT COHN 1800 M ST., NW, #800 NORTH WASHINGTON DC 20036.		255.49	255.49
COMMITTEE FOR CONSTITUTIONAL INTEGRITY, 1156 15TH ST., NW, #1212 WASHINGTON DC 20005			
COMMITTEE FOR EQUALITY OF CITIZENS BEFORE THE COURTS, 2762 N. CLAYBOURN AVENUE CHICAGO IL 60614			
COMMITTEE FOR HUMANE LEGISLATION, INC, 11 WEST 60TH ST. NEW YORK NY 10023		5,025.24	3,029.73
COMMITTEE FOR PROPOSITION THIRTY, P.O. BOX 915 HARTSELLE AL 35640			
COMMITTEE FOR REASONABLE INVENTORY ACCOUNTING RULES, 1700 PENNSYLVANIA AVE., NW, #600 WASHINGTON DC 20006.			6,863.90
COMMITTEE TO ASSURE THE AVAILABILITY OF CASEIN, 3213 O ST., NW WASHINGTON DC 20007		25,500.00	
COMMON CAUSE, 2030 M ST., NW WASHINGTON DC 20036		2,123,596.00	440,146.76
COMMUNICATIONS MANAGEMENT, INC, 1925 NORTH LYNN STREET, #1140 ARLINGTON VA 22209	CITIZENS FOR SENSIBLE CONTROL OF ACID RAIN (CSCAR)		
Do	NATURAL GAS SUPPLY ASSN		
Do	PHILIP MORRIS U.S.A.	38,897.00	38,897.00
COMMUNITY NUTRITION INSTITUTE, 2001 S ST., NW, #530 WASHINGTON DC 20009			
LANCE COMPA, 1411 K ST., NW, #410 WASHINGTON DC 20005	UNITED ELECTRICAL RADIO & MACHINE WORKERS OF AMERICA	6,098.90	
COMPUTER & COMMUNICATIONS INDUSTRY ASSOCIATION, 1500 WILSON BLVD., #512 ARLINGTON VA 22209			
STEPHEN R. CONAFAY, 1700 PENNSYLVANIA AVE., NW WASHINGTON DC 20006	PFIZER, INC	3,500.00	3,147.35
BERT M. CONCKLIN, 1500 PLANNING RESEARCH DRIVE MCLEAN VA 22102	PLANNING RESEARCH CORPORATION		805.67
EDWARD C. CONE JR., P.O. BOX 1788 FOREST PARK GA 30051	SOUTHEASTERN LUMBER MANUFACTURERS ASSN		
CAROLE K. CONES, 1515 N. COURTHOUSE RD., #301 ARLINGTON VA 22201	DCM GROUP (FOR: AD HOC COMM FOR AMERICAN SILVER)		
CONGRESS WATCH, 215 PENNSYLVANIA AVE., SE WASHINGTON DC 20003		69,920.29	65,497.74
RAYMOND F. CONKLING, 1600 S. LYNN STREET ARLINGTON VA 22202	DIAMOND SHAMROCK CORP	150.00	
JEANNE K. CONNELLY, 1875 EYE ST., NW, #540 WASHINGTON DC 20006	CHAMPION INTERNATIONAL CORP		
ROBERT J. CONNER JR., 1100 CONNECTICUT AVE., NW WASHINGTON DC 20036	CHRYSLER CORPORATION	500.00	1,165.32
STEPHEN N. CONNER, ROUTE 1, BOX 506 EASTON MD 21601	FOREIGN MINISTRY OF KINGDOM OF SAUDI ARABIA	40,000.00	1,558.16
PAULA J. CONNOLLY, 1020 19TH ST., NW, #600 WASHINGTON DC 20036	AMERICAN EXPRESS CO		
SUSAN CONNOLLY, 1615 H ST., N.W. WASHINGTON DC 20061	CHAMBER OF COMMERCE OF THE U.S.	2,500.00	
BRIAN L. CONNOR, 1420 KING STREET ALEXANDRIA VA 22314	NATIONAL SOCIETY OF PROFESSIONAL ENGINEERS	2,000.00	
RICHARD J. CONNOR JR., 1201 PENNSYLVANIA AVENUE, NW, #220 WASHINGTON DC 20004	JOSEPH E. SEAGRAM & SONS, INC	562.50	
JERRY C. CONNORS, 1745 JEFFERSON DAVIS HIGHWAY, #511 ARLINGTON VA 22202	MANUFACTURED HOUSING INST	1,000.00	100.00
GREGORY E. CONRAD, 1920 N ST., NW WASHINGTON DC 20036	AMERICAN MINING CONGRESS		
KATHY P. CONRAD, 1420 KING ST. ALEXANDRIA VA 22314	NATIONAL SOCIETY OF PROFESSIONAL ENGINEERS	1,250.00	
MARK R. CONRAD, 1200 PEAVEY BUILDING MINNEAPOLIS MN 55479	NORWEST CORPORATION	12,528.00	1,247.00
SHEILA A. CONSAUL, 1020 19TH ST., NW WASHINGTON DC 20036	BALCOR/AMERICAN EXPRESS, INC	6,500.00	8,344.13
CONSOLIDATED EDISON CO OF NEW YORK, INC, 4 IRVING PLACE NEW YORK NY 10003			415.00
CONSUMERS FOR WORLD TRADE, 1001 CONNECTICUT AVE., NW WASHINGTON DC 20036		1,280.00	17,045.93
CONSUMERS UNION OF U.S., INC., 256 WASHINGTON ST. MOUNT VERNON NY 10550			6,990.00
JOHN J. CONTNEY, 1250 E. HOLLANDALE BEACH BLVD. HOLLANDALE FL 33009	TEXTILE RENTAL SERVICES ASSN OF AMERICA		
DANIEL J. CONWAY, 1025 CONNECTICUT AVENUE, NW, #512 WASHINGTON DC 20036	REINSURANCE ASSN OF AMERICA		
JOHN A. CONWAY, 1201 16TH STREET, NW WASHINGTON DC 20036	NATIONAL EDUCATION ASSN		
EMERY S. CONYERS, P.O. BOX 1706 MIDLAND MI 48640	DOW CHEMICAL CO		
ALEXANDRA W. COOK, 600 MARYLAND AVE., SE, #700 WASHINGTON DC 20024	ELECTRONIC DATA SYSTEMS CORPORATION	300.00	378.00
FREDERCK N. COOK, VERMONT PETROLEUM ASSOCIATION P.O. BOX 566 MONTPELIER VT 05602	AMERICAN PETROLEUM INSTITUTE	750.00	
HARRY N. COOK, 1130 17TH ST., NW WASHINGTON DC 20036	NATIONAL WATERWAYS CONFERENCE, INC		
K. RICHARD COOK, 1331 PENNSYLVANIA AVENUE, NW WASHINGTON DC 20004	GENERAL ELECTRIC CO	475.00	
THOMAS M. COOK, 1301 PENNSYLVANIA AVE., NW, #300 WASHINGTON DC 20004	NATIONAL CATTLEMEN'S ASSN	1,000.00	
EILEEN D. COOKE, 110 MARYLAND AVE., NE, SUITE 101, BOX 54 WASHINGTON DC 20002	AMERICAN LIBRARY ASSN	1,440.00	
BRIAN D. COONEY, 1125 15TH STREET, NW WASHINGTON DC 20005	MORTGAGE BANKERS ASSN OF AMERICA	6,600.00	81.00
BENJAMIN Y. COOPER JR., 1730 NORTH LYNN ST. ARLINGTON VA 22209	PRINTING INDUSTRIES OF AMERICA, INC	8,500.00	
JESSE D. COOPER, 345 PETROLEUM BLDG DENVER CO 80202	ROCKY MOUNTAIN OIL & GAS ASSN	2,600.00	1,036.12
JOSEPHINE S. COOPER, 1619 MASSACHUSETTS AVE., NW WASHINGTON DC 20036	AMERICAN PAPER INSTITUTE, INC	400.00	105.41
JOSHUA W. COOPER, 400 MADISON STREET, APT. 808 ALEXANDRIA VA 22314	PORTSMOUTH-KITTERY ARMED SERVICES COMM, INC		929.22
KATHY J. COOPER, 1700 K ST., NW, #1204 WASHINGTON DC 20006	CHEVRON USA, INC	100.00	
MITCHELL J. COOPER, 1001 CONNECTICUT AVE., NW WASHINGTON DC 20036	FOOTWEAR DIV, RUBBER MFGRS ASSN	14,250.00	42.71
DARRELL COOVER, 499 SOUTH CAPITOL ST., SW, #401 WASHINGTON DC 20003	NATIONAL ASSN OF INDEPENDENT INSURERS	2,000.00	824.00
CURTIS B. COPELAND, 2000 M STREET, NW, #500 WASHINGTON DC 20036	WOOD LUCKSINGER & EPSTEIN (FOR: CHAD THERAPEUTICS, INC)		
JOSEPH L. COPPOLA, 3600 S. YOSEMITE, #830 DENVER CO 80237	KOGOVSEK AND ASSOCIATES, INC	7,300.00	1,400.00
MICHAEL J. COPPS, 1660 L ST., NW, #1000 WASHINGTON DC 20036	COLLINS AND AIKMAN CORP	9,375.00	3,236.52
ALFRED C. CORDON, 1920 N ST., NW WASHINGTON DC 20036	BUFFALO BROADCASTING CO, INC		
FREDERIC WILLIAM CORLE, 1828 L ST., NW, #703 WASHINGTON DC 20036	INTERAND CORPORATION		
CORMAN LAW OFFICES, 1420 16TH STREET, NW WASHINGTON DC 20036	AMERICAN BAKERS ASSOCIATION	1,500.00	
Do	BAITY & JOSEPH	11,050.00	
Do	BANK AMERILEASE GROUP	170.00	
Do	CALIFORNIA VISION SERVICE PLAN		
Do	CARGILL LEASING CORP	450.00	
Do	CCS AUTOMATION SYSTEMS, INC	3,900.00	
Do	CONNELL FINANCE CO, INC	170.00	
Do	CONSOLIDATED CAPITAL COMPANIES	700.00	
Do	DOMINION PROPERTY COMPANY	1,000.00	
Do	EDS FINANCIAL CORPORATION	170.00	
Do	FIRST CHICAGO LEASING CORP	170.00	
Do	FIRST NATIONAL BANK OF BOSTON	170.00	
Do	FIRST NATIONAL BANK OF MINNEAPOLIS	170.00	
Do	GATX CORPORATION	450.00	
Do	GATX LEASING CORP	170.00	
Do	GENERAL ELECTRIC CREDIT CORP	170.00	
Do	JAY GOLDINGER	100.00	
Do	KELSO & COMPANY	17,400.00	
Do	MANUFACTURERS HANOVER LEASING CORP	170.00	
Do	MUSIC CORP OF AMERICA, INC	1,750.00	
Do	STATE OF MICHIGAN	4,100.00	
Do	SYSTEMS & APPLIED SCIENCES CORP TECHNOLOGIES		
Do	SYSTEMS AND APPLIED SCIENCES CORP	1,250.00	
Do	TEXAS AIR CORP	200.00	
Do	U.S. LEAGUE OF SAVINGS INSTITUTIONS	750.00	
Do	UNITED ENERGY CORP	2,500.00	
BENNETT J. CORN, FOUR WORLD TRADE CENTER NEW YORK NY 10048	COFFEE SUGAR & COCOA EXCHANGE, INC	550.00	
CORN REFINERS ASSOCIATION, INC, 1001 CONNECTICUT AVE., NW WASHINGTON DC 20036		4,312.00	2,918.00
CORPORATION FOR GOVERNMENT ACTION, INC, 888 17TH ST., NW, #300 WASHINGTON DC 20006	COUNCIL ON MULTIEMPLOYER PENSION SECURITY	14,200.00	11,536.15
ERNEST J. CORRADO, 1625 K ST., NW, #1000 WASHINGTON DC 20006	AMERICAN INST OF MERCHANT SHIPPING		
MARY MARCOTTE CORRIGAN, 1600 RHODE ISLAND AVE., NW WASHINGTON DC 20036	NATIONAL RIFLE ASSN OF AMERICA		
RICHARD L. CORRIGAN, 1201 PENNSYLVANIA AVENUE, NW, #250 WASHINGTON DC 20004	CH2M HILL, INC	2,000.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
MARTY CORRY, 1909 K STREET, NW WASHINGTON DC 20049	AMERICAN ASSN OF RETIRED PERSONS	466.15	738.77
ALLAN D. CORS, 1800 K ST., NW, SUITE 1104 WASHINGTON DC 20006	CORNING GLASS WORKS	5,500.00	
WILLIAM R. CORSON, 1707 H ST., NW WASHINGTON DC 20006	PENTHOUSE INTL LTD		
R. H. CORY, 1005 CONGRESS AVENUE, #795 AUSTIN TX 78701	CENTRAL AND SOUTH WEST SERVICES, INC		61.90
TOM COSGROVE, 37 TRUMBULL STREET NEW HAVEN CT 06511	SIERRA CLUB	2,227.50	716.05
COSMETIC TOILETRY & FRAGRANCE ASSN, INC, 1110 VERMONT AVE., NW, #800 WASHINGTON DC 20005			
J. DANIEL COSTELLO, 1615 H ST., NW SILVER SPRING MD 20062	U.S. CHAMBER OF COMMERCE	1,815.00	150.00
MICHAEL E. COSTELLO, 1090 VERMONT AVENUE, NW, #600 WASHINGTON DC 20005	TEXAS EASTERN TRANSMISSION CORP		404.36
MEREDITH COTE, 1909 K STREET, NW WASHINGTON DC 20049	AMERICAN ASSN OF RETIRED PERSONS	387.69	68.35
MARY ALICE COTTER, 410 FIRST STREET, SE WASHINGTON DC 20003	AMERICAN NUCLEAR ENERGY COUNCIL	862.50	19.13
COUNCIL FOR LANGUAGES AND OTHER INT'L STUDIES, 20 F STREET, NW, 4TH FL WASHINGTON DC 20001		16,371.50	13,512.00
COUNCIL FOR RURAL HOUSING AND DEVELOPMENT, 2300 M ST., NW WASHINGTON DC 20036		4,000.00	4,000.00
COUNCIL OF STATE CHAMBERS OF COMMERCE, 122 C ST., NW, #200 WASHINGTON DC 20001		882.65	884.40
COUNCIL ON MULTIEMPLOYER PENSION SECURITY, INC, 888 17TH ST., NW, #300 WASHINGTON DC 20006		18,165.00	18,200.00
COUNCIL ON SYNTHETIC FUELS, 1301 PENNSYLVANIA AVE., NW, #325 WASHINGTON DC 20006			
WILLIAM R. COURTNEY, P.O. BOX 844 TEMPLE TX 76503	TRIBAL COUNCIL OF THE COUSHATTA TRIBE OF LOUISIANA		
JOHN F. COVE, 918 16TH ST., NW, #702 WASHINGTON DC 20006	COVE ASSOCIATES, INC (FOR: ASSOCIATION OF U.S. NIGHT VISION MANUFACTURERS).		
COVINGTON & BURLING, 1201 PENNSYLVANIA AVENUE, NW P.O. BOX 7566 WASHINGTON DC 20044	AMERICAN ASSN OF ORAL & MAXILLOFACIAL SURGEONS		
Do	AMERICAN WATCH ASSN	3,000.00	125.00
Do	ASSOCIATION OF MAXIMUM SERVICE TELECASTERS, INC		
Do	COALITION TO PRESERVE THE INTEGRITY OF AMERICAN TRADEMARKS		
Do	COMMONWEALTH OF PUERTO RICO		
Do	GEORGE ROWE, JR. (FOR: ESTATE OF EDMUND G. MONELL)		
Do	HOUDAILLE INDUSTRIES, INC		
Do	INVESTMENT COMPANY INSTITUTE	1,000.00	7.50
Do	LUTHERAN BROTHERHOOD	1,181.25	35.25
Do	MIDWEST TELEVISION, INC		
Do	NATIONAL FOOTBALL LEAGUE		
Do	NORFOLK SOUTHERN CORP		19.10
Do	PACIFIC STOCK EXCHANGE, INC		
Do	POST-NEWSWEEK STATIONS, INC		
Do	SUN LIFE ASSURANCE CO OF CANADA (U.S.)		146.30
Do	TELOCATOR NETWORK OF AMERICA	290.00	
Do	WESLEYAN UNIVERSITY, AMHERST COLLEGE, ET AL	7,600.00	77.04
EUGENE S. COWEN, 1150 17TH ST., NW WASHINGTON DC 20036	AMERICAN BROADCASTING CO, INC	35.10	
C. DEMING COWLES, 6TH FLOOR 1050 THOMAS JEFFERSON STREET, NW WASHINGTON DC 20007	BERING SEA FISHERMEN'S ASSN	1,000.00	781.19
Do	MUNICIPALITY OF ANCHORAGE	8,300.00	1,779.49
Do	UNITED FISHERMEN OF ALASKA	550.00	432.56
ARCHIBALD COX, 2030 M ST., NW WASHINGTON DC 20036	COMMON CAUSE	5,350.02	144.89
C. BRYAN COX, PO BOX 139 KANSAS CITY MO 64141	KANSAS CITY LIFE INSURANCE CO		
JEFFREY T. COX, 1420 KING ST. ALEXANDRIA VA 22314	NATIONAL SOCIETY OF PROFESSIONAL ENGINEERS	1,250.00	
TAMARA COX, THE POWER HOUSE 3255 GRACE STREET, NW WASHINGTON DC 20007	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: AGRICULTURE FOR MARKET ORIENTED POLICIES).		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: IOWA PORK PRODUCERS ASSN).		
JOHN COZART, THE POWER HOUSE 3255 GRACE STREET, NW WASHINGTON DC 20007	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: AGRICULTURE FOR MARKET ORIENTED POLICIES).	550.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: IOWA PORK PRODUCERS ASSN).	880.00	
W. O. CRAFT JR., CRAFT & RICHARDS 1050 THOMAS JEFFERSON ST., NW, 6TH FL. WASHINGTON DC 20008	ALLIS-CHALMERS ENERGY & MINERALS SYSTEMS CO	2,145.00	1,307.63
Do	CONSUMERS UNITED FOR RAIL EQUITY (C.U.R.E.)	1,031.25	181.35
Do	EDISON ELECTRIC INSTITUTE		
Do	ILLINOIS DEPT OF ENERGY & NATURAL RESOURCES		509.12
Do	NATIONAL ARMORED CAR ASSN, INC	700.00	27.66
DONALD FORSYTH CRAIB III, 633 PENNSYLVANIA AVENUE, NW, #600 WASHINGTON DC 20004	SEARS ROEBUCK & CO	375.00	
CRAMER HABER & LUKIS, P.C., 818 CONNECTICUT AVE., NW WASHINGTON DC 20036	CANAVERAL PORT AUTHORITY	9,000.00	
Do	CITY OF MIAMI	8,250.00	
Do	DADE COUNTY INTERNATIONAL AIRPORT		
Do	DADE COUNTY	9,900.00	
WILLIAM C. CRAMER, 818 CONNECTICUT AVE., NW WASHINGTON DC 20006	CRAMER HABER & LUKIS, P.C. (FOR: CANAVERAL PORT AUTHORITY)		
Do	CRAMER HABER & LUKIS, P.C. (FOR: CITY OF MIAMI)		
Do	CRAMER HABER & LUKIS, P.C. (FOR: DADE COUNTY INTERNATIONAL AIRPORT)		
Do	CRAMER HABER & LUKIS, P.C. (FOR: DADE COUNTY)		
RICHARD L. CRAWFORD, 311 FIRST STREET, NW WASHINGTON DC 20001	NATIONAL RESTAURANT ASSN		
RONALD CRAWFORD, F/P RESEARCH ASSOCIATES 1700 K STREET, NW, #303 WASHINGTON DC 20006	INTERNATIONAL TELECOMMUNICATIONS SATELLITE ORGANIZATION		
WILLIAM D. CRAWFORD, 400 FIRST ST., NW WASHINGTON DC 20001	BROTHERHOOD OF RAILWAY CARMEN OF THE U.S. & CANADA	2,032.53	
JOHN P. CREGAN, 1000 CONNECTICUT AVENUE, NW, #1200 WASHINGTON DC 20036	U.S. BUSINESS & INDUSTRIAL COUNCIL	8,000.00	
RICHARD C. CREIGHTON, 1331 PENNSYLVANIA AVE., NW, #910 WASHINGTON DC 20004	AMERICAN CEMENT TRADE ALLIANCE, INC	10,000.00	249.90
DOUGLAS P. CREW, 100 N.E. ADAMS STREET PEORIA IL 61629	CATERPILLAR TRACTOR CO	900.00	839.85
JOSEPH M. CRIBBEN, 6900 VALLEY BROOK DR. FALLS CHURCH VA 22042	UNITED ASSN OF JNYMEN & APPREN. OF PLMBG & PIPEFTG INDUSTRY	1,750.00	
RICHARD E. CRISTOL, 5775 PEACHTREE-DUNWOODY RD., #500D ATLANTA GA 30342	ROBERT H. KELLEN CO (FOR: CALORIE CONTROL COUNCIL)		
P. H. CROFT, 2000 MASSACHUSETTS AVE., NW WASHINGTON DC 20036	AMERICAN SHORT LINE RAILROAD ASSN		
ROBERT W. CROMARTIE, 1800 MASSACHUSETTS AVE., NW WASHINGTON DC 20036	NATIONAL RURAL ELECTRIC COOPERATIVE ASSN	145.00	
CHARLES H. CROMWELL, INC, 6709 GEORGIA ST. CHEVY CHASE MD 20815	GENERAL ELECTRIC CO		
Do	MCDONNELL DOUGLAS HELICOPTERS		
Do	NORTHROP CORP		
DONALD J. CRONIN, 1511 K STREET, NW, #820 WASHINGTON DC 20005	FRANK G. KINGSLEY	5,000.00	73.00
LAUREN J. CRONIN, 1331 PENNSYLVANIA AVENUE, NW WASHINGTON DC 20004	AMERICAN CEMENT TRADE ALLIANCE, INC	4,140.00	92.95
RAE E. CRONMILLER, 1800 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20036	NATIONAL RURAL ELECTRIC COOPERATIVE ASSN	140.00	
COLLEEN CROSSLAND, 444 N. CAPITOL STREET, NW, #718 WASHINGTON DC 20001	PACIFIC TELESIS GROUP	15,450.00	
BOBBY E. CROW, 3805 W. ALABAMA HOUSTON TX 77027	COLUMBIA GULF TRANSMISSION CO		
CROWELL & MORING, 1100 CONNECTICUT AVE., NW WASHINGTON DC 20036	ASARCO INC		
Do	ASSOCIATED GAS DISTRIBUTORS		
Do	AVON PRODUCTS, INC		
Do	BROOKLYN UNION GAS CO		10.00
Do	BURLINGTON NORTHERN		
Do	COMMUNICATIONS SATELLITE CORP		
Do	CONTRACTORS LIABILITY & INDEMNIFICATION ALLIANCE		
Do	CONTROL DATA CORPORATION		
Do	COOK INLET REGION, INC		
Do	ELI LILLY AND COMPANY	1,237.50	10.00
Do	NATIONAL ASSN OF WHOLESALER-DISTRIBUTORS	4,222.50	10.00
Do	PAN AMERICAN WORLD AIRWAYS, INC; PAN AM WORLD SERVICES	1,757.50	75.00
Do	REGIONAL AIRLINE ASSOCIATION		
Do	TIFFANY & CO		
Do	TRUST FOR PUBLIC LANDS	2,343.75	30.00
Do	WESTERN GOVERNORS' ASSN		
CUBA CLAIMS ASSOCIATION, PO BOX 014004 MIAMI FL 33101			
JONNA LYNNE CULLEN, J.L. ASSOCIATES 1300 ARMY-NAVY DR., #209 ARLINGTON VA 22202	CAMP CARMOUCHE BARSH... (FOR SEARS ROEBUCK & CO)	6,500.00	
Do	LAWRENCE KUDLOW ASSOCIATES, ET AL	4,800.00	
Do	ROBERT LAMBERT, CRUISE AMERICA	5,000.00	
WILLIAM E. CUMBERLAND, 1125 15TH ST., NW WASHINGTON DC 20005	MORTGAGE BANKERS ASSN OF AMERICA	9,560.00	139.00
SCOTT S. CUNNINGHAM, 1100 15TH STREET, NW WASHINGTON DC 20005	UNION CARBIDE CORP		
JOHN T. CURRAN, 905 16TH ST., NW WASHINGTON DC 20006	LABORERS' INTL UNION OF NORTH AMERICA, AFL-CIO	14,182.50	423.70
Do	NATIONAL COORDINATING COMM FOR MULTIEMPLOYER PLANS		
RICHARD C. CURRY, 6819 ELM STREET, #3 MCLEAN VA 22101	FIRE ISLAND ASSOCIATES, INC	9,600.00	635.15
EDWARD P. CURTIS JR., GENESEE PUBLIC AFFAIRS, INC 36 W. MAIN STREET ROCHESTER NY 14614	LAKE ONTARIO CEMENT LIMITED		
Do	MINISTRY OF THE ENVIRONMENT PROVINCE OF ONTARIO, CANADA	4,400.00	92.75
M. RUPERT CUTLER, 1325 G ST., NW, #103 WASHINGTON DC 20005	ENVIRONMENTAL FUND	150.00	
EVERETT E. CUTTER, 620 SW FIFTH AVENUE BLDG., SUITE 912 PORTLAND OR 97204	OREGON RAILROAD ASSN		
D L ASSOCIATES, INC, 1730 RHODE ISLAND AVENUE, NW, #210 WASHINGTON DC 20036	BRIGGS & STRATTON	250.00	
Do	GENERAL DYNAMICS CORP	500.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	SCIENCE APPLICATIONS, INC	250.00	
D'AMICO LUEDTKE DEMAREST & GOLDEN, 1920 N STREET, NW, #400 WASHINGTON DC 20036	CENERGY EXPLORATION CO		
Do	MITCHELL ENERGY & DEVELOPMENT CORP		
Do	MURCHISON OIL & GAS, INC		
Do	PITTS ENERGY GROUP		
Do	SOUTHLAND CORPORATION	2,370.83	
Do	TEXAS OIL & GAS CORP		
Do	US TELECOM, INC		
Do	WESSELY ENERGY CORP		
WILLIAM D. D'ONOFRIO, 1800 W. 8TH ST. WILMINGTON DE 19805	NATIONAL ASSN FOR NEIGHBORHOOD SCHOOLS, INC		
WILLIAM K. DABAGHI, ARTER & HADDEN 1919 PENNSYLVANIA AVE., NW, #400 WASHINGTON DC 20006	A.S. NEMIR ASSOCIATES (FOR SUGAR & ALCOHOL INSTITUTE)		
Do	COALITION FOR REGIONAL BANKING & ECONOMIC DEVELOPMENT	15,842.70	4,120.78
Do	HOUSTON CLEARING HOUSE ASSN	352.50	15.00
WILLIAM KAY DAINES, 1616 H ST., NW WASHINGTON DC 20006	AMERICAN RETAIL FEDERATION	1,100.00	822.00
DAIRY FARMERS FOR RESPONSIBLE FARM POLICY, 517 C STREET, NE WASHINGTON DC 20002		49,068.00	47,810.16
LEWIS I. DALE, 1730 PENNSYLVANIA AVE., NW, #265 WASHINGTON DC 20006	AIR PRODUCTS & CHEMICALS, INC	450.00	
DALEY & GEORGE, LTD, 100 W. MONROE ST., #500 CHICAGO IL 60603	DONREY, INC		
DONALD W. DALRYMPLE, 1575 I ST., NW WASHINGTON DC 20005	AMERICAN CYNAMID COMPANY (FOR: LEDERLE LABORATORIES)	1,960.00	706.08
JAMES G. DALTON, 1420 KING ST. ALEXANDRIA VA 22314	NATIONAL SOCIETY OF PROFESSIONAL ENGINEERS	2,500.00	
JOHN M. DAMGARD, 1825 EYE STREET, NW, #1040 WASHINGTON DC 20006	FUTURES INDUSTRY ASSN, INC		
DAMRELL DAMRELL & NELSON, P.C., 1625 I STREET MODESTO CA 95354	CENTRAL SAN JOAQUIN RIVER ASSN		
Do	TURLOCK IRRIGATION DISTRICT	940.00	226.51
TRACY DANESE, P.O. BOX 14000 JUNO BEACH FL 33408	FLORIDA POWER & LIGHT CO		4,412.89
CHANNING W. DANIEL, 1601 DUKE STREET ALEXANDRIA VA 22314	SOCIETY OF AMERICAN FLORISTS		
JOHN E. DANIEL, 1133 15TH STREET, NW, #1200 WASHINGTON DC 20005	OHIO EDISON CO		
DAVID C. DANIELS, 1608 K STREET, NW WASHINGTON DC 20006	AMERICAN LEGION	5,280.00	27.90
DAVID S. DANIELSON, 600 MARYLAND AVENUE, SW, #400-E WASHINGTON DC 20024	AMERICAN OPTOMETRIC ASSN		
DAN DANNER, 1667 K ST., NW, #650 WASHINGTON DC 20006	ARMCO, INC	1,700.00	432.41
CHARLES FRANKLIN DAOUST, P.O. BOX 12910 CHARLESTON SC 29412	KIAWAH ISLAND CO LTD		
ONEIDA L. DARLEY, 1840 WILSON BLVD., #203 ARLINGTON VA 22201	NATIONAL LIMESTONE INSTITUTE, INC		
COLLEEN A. DARLING, 1730 RHODE ISLAND AVENUE, NW, #204 WASHINGTON DC 20036	JAPANESE AMERICAN CITIZENS LEAGUE	5,040.00	213.85
DIANE DAVENNY DARNEILLE, 1726 M ST., NW, #300 WASHINGTON DC 20036	SCHERING-PLOUGH CORP	340.00	322.77
CRAIG D. DART, 1957 E STREET, NW WASHINGTON DC 20006	ASSOCIATED GENERAL CONTRACTORS OF AMERICA		
M. DENNIS DAUGHERTY, 733 15TH STREET, NW WASHINGTON DC 20005	LEGAL SERVICES CORP		
JOHN B. DAVENPORT JR., 1800 MASSACHUSETTS AVE., NW WASHINGTON DC 20036	NATIONAL RURAL ELECTRIC COOPERATIVE ASSN	125.00	
LARRY C. DAVENPORT, 5775 PEACHTREE-DUNWOODY RD., #500-D ATLANTA GA 30342	ROBERT H. KELLEN CO (FOR: CALORIE CONTROL COUNCIL)		
EARL F. DAVID, 1825 K ST., NW, #1107 WASHINGTON DC 20006	PHILLIPS PETROLEUM COMPANY	1,000.00	
DANIEL I. DAVIDSON, 1350 NEW YORK AVE., NW WASHINGTON DC 20005	SPIEGEL & MCDIARMID (FOR: NORTHERN CALIFORNIA POWER AGENCY)		
JAMES H. DAVIDSON, 1250 CONNECTICUT AVE., NW, #650 WASHINGTON DC 20036	AMERICAN NEWSPAPER PUBLISHERS ASSN	5,785.07	
DAVIS & HARMAN, 655 15TH STREET, NW WASHINGTON DC 20005	AMERICAN GENERAL LIFE INSURANCE CO	400.00	92.25
Do	AMERICAN HORSE COUNCIL	500.00	78.80
Do	BETHLEHEM STEEL	450.00	33.02
Do	CAPITOL HOLDING CORP	300.00	
Do	CHICAGO BOARD OF TRADE	850.00	155.45
Do	CNA INSURANCE	250.00	
Do	COMMITTEE OF ANNUITY INSURERS	1,000.00	
Do	FLORIDA POWER & LIGHT	250.00	
Do	FLORIDA SUGAR CANE LEAGUE	300.00	
Do	JACKSONVILLE ELECTRIC AUTHORITY	250.00	
Do	LINCOLN NATIONAL LIFE INSURANCE CO	375.00	
Do	NATIONAL CATTLEMEN'S ASSN	250.00	69.90
Do	PROPERTY/CASUALTY GROUP	1,500.00	
Do	STOCK INFORMATION GROUP	1,100.00	146.42
Do	WINTHROP FINANCIAL ASSN	725.00	
Do	WOODSTREAM CORPORATION		
BRENDA S. DAVIS, 1050 CONNECTICUT AVE., NW, #800 WASHINGTON DC 20036	ALLIED CORP		
DAVID R. DAVIS, INDIANA PETROLEUM COUNCIL 714 HARRISON BLDG. INDIANAPOLIS IN 46204	AMERICAN PETROLEUM INSTITUTE	2,167.34	2,207.35
DREW M DAVIS, 1101 16TH ST., NW WASHINGTON DC 20036	NATIONAL SOFT DRINK ASSN	415.44	98.00
EDWARD M. DAVIS, 410 FIRST ST., SE WASHINGTON DC 20003	AMERICAN NUCLEAR ENERGY COUNCIL	5,500.00	502.27
FRED G. DAVIS, 1111 19TH STREET, N.W. WASHINGTON DC 20036	EDISON ELECTRIC INSTITUTE	2,778.13	381.96
DAVIS GRAHAM & STUBBS, 1001 22ND ST., NW, #500 WASHINGTON DC 20037	MUNICIPAL SUBDISTRICT, NO. COLORADO WATER CONSERVANCY DIST	243.00	243.00
Do	NORTHERN COLORADO WATER CONSERVANCY DISTRICT	2,146.50	2,146.50
Do	SNYDER OIL COMPANY		
DAVIS HOCKENBERG WINE BROWN & KOEHN, 2300 FINANCIAL CENTER DES MOINES IA 50309	NORTHWESTERN BELL (IOWA DIV)		
KENNETH E. DAVIS, SUITE 1210 1667 K ST., NW WASHINGTON DC 20006	ROHM & HAAS CO	500.00	33.76
OVID R. DAVIS, P.O. DRAWER 1734 ATLANTA GA 30301	COCA-COLA COMPANY		
DAVIS POLK & WARDWELL, 1575 EYE ST., NW WASHINGTON DC 20005	ERNST & WHINNEY	1,425.00	60.00
Do	MANVILLE CORP	150.00	5.00
Do	NORWEST CORP		
Do	U.S. TRUST CORP		
ROBERT DAVIS, 815 CONNECTICUT AVE., NW WASHINGTON DC 20006	FORD MOTOR CO	780.00	840.00
W. KENNETH DAVIS, P.O. BOX 3965 SAN FRANCISCO CA 94119	BECHTEL GROUP, INC		
DAVIS WRIGHT TODD RIESE & JONES, 1752 N ST., NW, #800 WASHINGTON DC 20036	GTE SPRINT COMMUNICATIONS	200.00	3.35
DONALD S. DAWSON, 1220 L ST., NW, #310 WASHINGTON DC 20005	OPTICIANS ASSN OF AMERICA	1,000.00	
Do	VIRGIN ISLANDS GIFT & FASHION SHOP ASSN		
Do	VIRGIN ISLANDS MERCHANTS ASSOCIATION		
HARRY F. DAY, 1800 K STREET, NW, #1100 WASHINGTON DC 20006	NEW YORK STOCK EXCHANGE, INC		
DCM GROUP, 1515 N. COURTHOUSE RD., #301 ARLINGTON VA 22201	AD HOC COMM FOR AMERICAN SILVER	3,000.00	
GASTON DE BEARN, 1050 CONNECTICUT AVENUE, NW, #401 WASHINGTON DC 20036	HOFFMANN-LA ROCHE INC		
RALPH DE LA CRUZ, 1225 CONNECTICUT AVENUE, NW WASHINGTON DC 20036	AMERICAN PUBLIC TRANSIT ASSN	2,790.00	255.00
DEALER BANK ASSN, 1800 K ST., NW, #1014 WASHINGTON DC 20006			
JOHN RUSSELL DEANE III, 1607 NEW HAMPSHIRE AVE., NW WASHINGTON DC 20009	AMERICAN METAL DETECTORS MANUFACTURERS, INC		
Do	AUTO INTERNATIONAL ASSN		
Do	COALITION OF AUTOMOTIVE ASSNS		
Do	SPECIALTY EQUIPMENT MARKET ASSN		
MICHAEL K. DEAVER AND ASSOCIATES, INC, 1025 THOMAS JEFFERSON ST., NW, #800 WASHINGTON DC 20007	CBS, INC		
Do	TRANS WORLD AIRLINES, INC	21,000.00	
RANDY R. DEBENHAM, P.O. BOX 4267 TOPEKA KS 66604	KANSAS ELECTRIC COOPERATIVES	6,250.00	1,888.01
DEBEVOISE & PLIMPTON, 1777 F ST., NW WASHINGTON DC 20006	SONY CORP OF AMERICA		
Do	STATUE OF LIBERTY-ELLIS ISLAND FOUNDATION, INC		554.62
JEFF DEBOER, 777 14TH STREET, NW WASHINGTON DC 20005	NATIONAL ASSN OF REALTORS	1,750.00	636.54
EDWARD S. DEBOLT, 1515 N. COURTHOUSE RD., #301 ARLINGTON VA 22201	DCM GROUP (FOR: AD HOC COMM FOR AMERICAN SILVER)		
DECHERT PRICE & RHOADS, 1730 PENNSYLVANIA AVENUE, NW, #1100 WASHINGTON DC 20006	CENTER FOR CIVIC EDUCATION		215.60
Do	CONSITUTIONAL RIGHTS FOUNDATION		158.21
Do	YONKERS RACING CORP		48.64
MARK O. DECKER, 1120 VERMONT AVE., NW, #1130 WASHINGTON DC 20005	NATIONAL ASSN OF REAL ESTATE INVESTMENT TRUSTS, INC	4,000.00	
WINSTON M. DECKER, 1522 K ST., NW, #828 WASHINGTON DC 20005	AMERICAN VETERINARY MEDICAL ASSN		
Do	ASSOCIATION OF AMERICAN VETERINARY MEDICAL COLLEGES		
RICHARD A. DEEM, 1101 VERMONT AVENUE, NW WASHINGTON DC 20005	AMERICAN MEDICAL ASSN	25.00	
BRIAN DEERY, 1957 E ST., NW WASHINGTON DC 20006	ASSOCIATED GENERAL CONTRACTORS OF AMERICA		
DONALD H. DEFOE, 100 N.E. ADAMS STREET PEORIA IL 61629	CATERPILLAR TRACTOR CO		
JOHN J. DEGNAN, SHANLEY & FISHER, P.C. 131 MADISON AVENUE MORRISTOWN NJ 07960	SHARP ELECTRONICS CORP		
GEORGE K. DEGNON ASSOCIATES, INC, 1311-A DOLLEY MADISON BLDG., #3A MCLEAN VA 22101	ASSOCIATION OF STATE & TERRITORIAL HEALTH OFFICIALS		1,000.00
MARY ELISE DEGONIA, 600 MARYLAND AVENUE, SW WEST WING, SUITE 300 WASHINGTON DC 20024	70001 LTD	500.00	20.00
GENE A. DEL POLITO, 1341 G STREET, NW, #500 WASHINGTON DC 20005	THIRD CLASS MAIL ASSN	600.00	
STEPHEN T. DELAMATER, 2600 SOUTHLAND CENTER 400 N. OLIVE ST. DALLAS TX 75201	HALLIBURTON CO		
JOHN W. DELANEY, 100 FEDERAL ST. BOSTON MA 02110	BANK OF BOSTON CORPORATION		
Do	FIRST NATIONAL BANK OF BOSTON		
DELANEY MIGDAIL & YOUNG, CHTD, 1629 K STREET, NW, #1000 WASHINGTON DC 20006	GOVERNMENT EMPLOYEES INSURANCE CO	15,000.00	258.92
Do	NATIONAL ASSN OF INDEPENDENT INSURERS	6,000.00	887.07
THOMAS J. DELANEY, 1111 NORTH 19TH STREET, #700 ARLINGTON VA 22209	NATIONAL ASSN OF FEDERAL CREDIT UNIONS	1,500.00	115.06
LAW OFFICES OF PAUL DELANEY, JR., 1920 N ST., NW, #610 WASHINGTON DC 20036	BOWATER INDUSTRIES PLC	2,528.94	
Do	CONTINENTAL GRAIN CO		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	HOWARD HUGHES MEDICAL INSTITUTE	2,670.64	
Do	STALEY CONTINENTAL	5,873.70	
ROBERT B. DELANO, 225 TOUHY AVE. PARK RIDGE IL 60068	AMERICAN FARM BUREAU FED	3,125.00	
GEORGIA L. DELYANNIS, 1730 K STREET, NW, #903 WASHINGTON DC 20006	AMERICAN HELLENIC INSTITUTE PUBLIC AFFAIRS COMMITTEE		
WILLARD L. DEMORY, THE POWER HOUSE 3255 GRACE STREET, NW WASHINGTON DC 20007	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: BELL ATLANTIC MANAGEMENT SERVICES).	230.00	
GEORGE H. DENISON, 4801 MASSACHUSETTS AVE., NW, #400 WASHINGTON DC 20016	CRUISE AMERICA LINE, INC		
Do	NATIONAL OFFICE PRODUCTS ASSN		
Do	WESTINGHOUSE ELECTRIC CORP	750.00	
RAY DENISON, 815 16TH ST., NW WASHINGTON DC 20006	AMERICAN FED OF LABOR & CONGRESS OF INDUSTRIAL ORGANIZATIONS	21,519.00	290.94
JOHN H. DENMAN, MISSOURI OIL COUNCIL 428 E. CAPITAL ST., #203 JEFFERSON CITY MO 65101	AMERICAN PETROLEUM INSTITUTE	769.00	917.18
ROBERT A. DENMAN, 600 MARYLAND AVENUE, SW, #202W WASHINGTON DC 20024	FARMERS' EDUCATIONAL & CO-OPERATIVE UNION OF AMERICA	4,845.12	64.77
THOMAS J. DENNIS SR., 1667 K ST., NW, #450 WASHINGTON DC 20006	AMERICAN ELECTRIC POWER SERVICE CORP		
WELLS DENYES, 1919 PENNSYLVANIA AVE., NW WASHINGTON DC 20006	EASTMAN CHEMICALS DIVISION	1,650.00	311.52
GREGORY L. DEPRIEST, 1735 DESALES STREET, NW WASHINGTON DC 20036	ASSOCIATION OF MAXIMUM SERVICE TELECASTERS, INC		
ALPHONSE DEROSSO, 1899 L ST., NW, #1100 WASHINGTON DC 20036	EXXON CORPORATION	250.00	170.84
LLOYD J. DERRICKSON, 1828 L ST., NW, #906 WASHINGTON DC 20036	MERRILL LYNCH & CO, INC	6,500.00	
MICHAEL DESANTO, 11436 SCHUYKILL RD. ROCKVILLE MD 20852	GREATER WASHINGTON/MARYLAND SERVICE STATION ASSN	2,000.00	
JAMES T. DEVINE, LAW OFFICES OF DERRIS LEONARD, P.C. 900 17TH ST., NW, #1020 WASHINGTON DC 20006	BOWLING PROPRIETORS ASSN OF AMER		
SAMUEL L. DEVINE, 888 17TH ST., NW WASHINGTON DC 20006	AMERICAN SMALL AND RURAL HOSPITAL ASSOCIATION, OHIO CHAPTER		
Do	CONSOLIDATED RAIL CORP		
Do	GROCERY MANUFACTURERS OF AMERICA, INC	937.50	
Do	OCCIDENTAL PETROLEUM CORP		
Do	PAYCO AMERICAN CORPORATION		
Do	PEPSICO, INC		
DEWEY BALLANTINE BUSHBY PALMER & WOOD, 1775 PENNSYLVANIA AVE., NW WASHINGTON DC 20006	AMAX, INC		
Do	AMERICAN CAN CO	2,002.50	
Do	AMERICAN STOCK EXCHANGE, INC		
Do	BENEFECIAL CORP	1,237.50	
Do	BROWNING-FERRIS INDUSTRIES, INC		
Do	CHASE MANHATTAN CORP	840.00	
Do	COALITION FOR FAIR LUMBER IMPORTS	904.23	459.75
Do	COMMITTEE FOR FUTURE INVESTMENT IN AMERICA'S PAST	262.50	
Do	FEDERAL NATIONAL MORTGAGE ASSN		
Do	FEDERATION OF AMERICAN HOSPITALS		
Do	GENERAL ELECTRIC PENSION TRUST		
Do	GTE SERVICE CORP		
Do	HERSHEY FOODS CORP		
Do	INTEGRATED RESOURCES, INC		
Do	LABOR-INDUSTRY COALITION FOR INTERNATIONAL TRADE		
Do	WARNER LEROY		
Do	MARRIOTT CORPORATION	75.00	
Do	NYNEX CORPORATION		
Do	PHIBRO-SALOMON, INC		
Do	JOSEPH E. SEAGRAM & SONS, INC		
Do	SEMICONDUCTOR INDUSTRY ASSOCIATION		
Do	SHEET METAL WORKERS' INT'L ASSN		
Do	TEACHERS INSURANCE AND ANNUITY ASSN OF AMERICA		
DORIS J. DEWTON, 1025 CONNECTICUT AVE., NW, #507 WASHINGTON DC 20036	ASHLAND OIL, INC	2,000.00	
DIAMOND SHAMROCK CORPORATION, 717 N. HARWOOD STREET DALLAS TX 75201			5,624.94
CHARLES J. DIBONA, 1220 L ST., NW WASHINGTON DC 20005	AMERICAN PETROLEUM INSTITUTE	1,875.00	
JOHN M. DICKERMAN, 1015 15TH ST., NW, #700 WASHINGTON DC 20005	NATIONAL LUMBER & BUILDING MATERIAL DEALERS ASSN		
CHESTER T. DICKERSON JR., 1101 17TH ST., NW, #604 WASHINGTON DC 20036	MONSANTO CO		1,045.70
ELAINE DICKINSON, 880 S. PICKETT STREET ALEXANDRIA VA 22304	BOAT OWNERS ASSN OF THE U.S	4,000.00	
GARY ALAN DICKINSON, 2 INTERNATIONAL PLAZA DR., #600 NASHVILLE TN 37217	ANGLO AMERICAN AUTO AUCTIONS, INC		
WILLIAM E. DICKINSON, 206 N. WASHINGTON ST., #300 ALEXANDRIA VA 22314	SALT INSTITUTE	250.00	250.00
DICKSTEIN SHAPIRO & MORIN, 2101 L ST., NW WASHINGTON DC 20037	AMERICAN GREYHOUND TRACK OPERATORS ASSN	5,660.00	
Do	BEAR STEARNS & CO		
Do	BOUNDARY GAS, INC		
Do	CAR AUDIO SPECIALISTS ASSN (CASA)		
Do	CHILDREN'S HOSPITAL		
Do	FEDERATED CASH MANAGEMENT SYSTEMS	682.50	
Do	HERBALIFE INTERNATIONAL		
Do	HUGHES AIRCRAFT CO		
Do	LTV AEROSPACE & DEFENSE CO		
Do	MARINE ENGINEERS' BENEFICIAL ASSN	3,228.75	
Do	MCDONNELL DOUGLAS CORP	446.25	
Do	NATIONAL ASSN OF GOV'T GUARANTEED LENDERS, INC		
Do	NATIONAL FEDERATION OF SOCIETIES FOR CLINICAL SOCIAL WORK	4,000.00	
Do	PAULUCCI ENTERPRISES	5,807.50	
Do	PROVIDENCE HOSPITAL	1,660.63	
Do	SACO DEFENSE, INC	412.50	
Do	STATES OF ARKANSAS DELAWARE IOWA LOUISIANA, ET AL		
Do	UNIVERSAL HOVERCRAFT	4,293.75	
RICK DIEGEL, 1125 15TH STREET, NW WASHINGTON DC 20005	INTERNATIONAL BROTHERHOD OF ELECTRICAL WORKERS, ALF-CIO-CLC	2,281.25	150.00
GEORGE DILLARD, 5128 SAUER, SUITE A HOUSTON TX 77004	KALEIDOSCOPE RESEARCH & MARKETING GROUP		
TIMOTHY V. A. DILLON, 1331 PENNSYLVANIA AVE., NW, #905 WASHINGTON DC 20004	SACRAMENTO MUNICIPAL UTILITY DISTRICT	3,600.00	229.20
Do	WESTLANDS WATER DISTRICT	3,000.00	204.26
THOMAS A. DINE, 444 NORTH CAPITOL ST, NW, #412 WASHINGTON DC 20001	AMERICAN ISRAEL PUBLIC AFFAIRS COMM	14,374.98	3,151.75
MICHAEL DINNERSTEIN, 1600 SOUTH EADS ST., #924-S CRYSTAL CITY VA 22202	NATIONAL TAX POLICY INSTITUTE FOR THE PUBLIC INTEREST		
MARGARET R. DIPAULA, 1700 K STREET, NW, #1204 WASHINGTON DC 20006	CHEVRON USA, INC	100.00	
DIRECT SELLING ASSOCIATION, 1730 M ST., NW WASHINGTON DC 20036			324.06
HARLEY M. DIRKS, 400 FIRST STREET, NW, #712 WASHINGTON DC 20002	HEALTH & MEDICINE COUNSEL OF WASHINGTON		
Do	PROFESSIONAL SERVICES COUNCIL		
DISABLED AMERICAN VETERANS, 3725 ALEXANDRIA PIKE COLD SPRING KY 41076		134,622.03	134,622.03
PATSY B. DIX, 1201 16TH ST., NW WASHINGTON DC 20036	NATIONAL EDUCATION ASSN	2,517.00	102.00
BARBARA A. DIXON, 1600 EYE STREET, NW WASHINGTON DC 20006	MOTION PICTURE ASSN OF AMERICA, INC		
STEVEN P. DOEHLER, 1725 K ST., NW, #1405 WASHINGTON DC 20006	MORTGAGE INSURANCE COMPANIES OF AMERICA		
JULIE DOMENICK DOERR, 1600 M ST., NW WASHINGTON DC 20036	INVESTMENT COMPANY INSTITUTE	58.50	23.00
JAMES F. DOHERTY, 624 9TH STREET, NW, #700 WASHINGTON DC 20001	GROUP HEALTH ASSN OF AMERICA, INC		
DOMESTIC PETROLEUM COUNCIL TRADE ASSOCIATION, 1627 K STREET, NW, #910 WASHINGTON DC 20006			
BRIAN J. DONADIO, 122 C ST., NW, #875 WASHINGTON DC 20001	AMERICAN OSTEOPATHIC ASSN	2,865.00	
JOHN F. DONELAN, DONELAN CLEARY WOOD & MASER, P.C. 1275 K ST., NW, #850 WASHINGTON DC 20005	PROCOMPETITIVE RAIL STEERING COMMITTEE	7,939.10	39.95
ANDREW J. DONELSON, 1101 15TH STREET, NW WASHINGTON DC 20005	MINNESOTA MINING & MANUFACTURING CO (3M)	2,500.00	
THOMAS E. DONLEY, 1615 H ST., NW, WASHINGTON DC 20062	U.S. CHAMBER OF COMMERCE		
KEVIN J. DONNELLAN, 1909 K STREET, NW WASHINGTON DC 20049	AMERICAN ASSN OF RETIRED PERSONS	1,600.00	89.27
SALLY S. DONNER, 4TH FL. 1710 RHODE ISLAND AVE., NW WASHINGTON DC 20036	GENERAL FOODS CORPORATION	1,016.75	31.88
PAUL M. DONOVAN, LAROE WINN & MOERMAN 1120 G STREET, NW, #800 WASHINGTON DC 20005	CHLORINE INSTITUTE, INC	20,362.50	100.14
WILLIAM DONOVAN, 1111 N. 19TH ST, #700 ARLINGTON VA 22209	NATIONAL ASSN OF FEDERAL CREDIT UNIONS	2,500.00	118.75
FRANCIS X. DOOLEY, 525 SCHOOL ST., SW WASHINGTON DC 20024	AMERICAN ROAD & TRANSPORTATION BLDRS ASSN	7,500.00	320.00
IRA DORFMAN, 3RD FLOOR 1111 14TH ST., NW WASHINGTON DC 20005	AMERICAN BAKERS ASSN	349.50	2.00
JAMES A. DORSCH, 1750 K ST., NW WASHINGTON DC 20006	HEALTH INSURANCE ASSN OF AMERICA, INC		
DEAN R. DORT II , 1667 K STREET, NW, #370 WASHINGTON DC 20006	DEERE & COMPANY	935.00	
CHARLENE DOUGHERTY, 645 PENNSYLVANIA AVENUE, SE WASHINGTON DC 20003	NATIONAL AUDUBON SOCIETY	8,000.00	2,135.49
SALLY L. DOUGLAS, 490 L'ENFANT PLAZA, SW, #3206 WASHINGTON DC 20024	NATIONAL FEDERATION OF INDEPENDENT BUSINESS	587.50	200.00
THEODORE DOUGLAS, 6554 COVENTRY ST. LOUIS MO 63033			
CHARLES P. DOWNER, 7901 WESTPARK DRIVE MCLEAN VA 22102	NATIONAL MACHINE TOOL BUILDERS' ASSN	1,125.00	250.00
RICHARD MORGAN DOWNEY, 10801 ROCKVILLE PIKE ROCKVILLE MD 20852	AMERICAN SPEECH-LANGUAGE-HEARING ASSN		
CONNIE M. DOWNS, 1800 K STREET, NW WASHINGTON DC 20006	BANK OF AMERICA, NT & SA		
JOHN H. DOWNS, JR., 1101 16TH STREET, NW WASHINGTON DC 20036	NATIONAL SOFT DRINK ASSN		
JOHN P. DOYLE, JR., 8600 BOUNDBROOK LANE ALEXANDRIA VA 22309	BELL HELICOPTER TEXTRON		
Do	J.P. DOYLE ENTERPRISES, INC	3,000.00	
WILLIAM A. DOYLE, 2346 S. ROLFE STREET ARLINGTON VA 22202	HARRIS CORP	2,850.00	2,240.21

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
NANCY DRABBLE, 215 PENNSYLVANIA AVE., SE WASHINGTON DC 20003	CONGRESS WATCH	7,999.98	
RONALD W. DRACH, 807 MAINE AVENUE, SW WASHINGTON DC 20024	DISABLED AMERICAN VETERANS	15,688.41	161.85
DAVID P. DRAKE, 1747 PENNSYLVANIA AVE., NW, #700 WASHINGTON DC 20006	CIBA-GEIGY CORP	3,000.00	66.86
JAMES E. DRAKE, 1101 VERMONT AVE., NW WASHINGTON DC 20005	AMERICAN MEDICAL ASSN	5,272.00	
JOAN ALBERT DREUX, 600 PENNSYLVANIA AVENUE, SE, #211 WASHINGTON DC 20003	NATIONAL ASSN OF CASUALTY & SURETY AGENTS	2,400.00	1,114.90
STEPHEN D. DRIESLER, 1250 CONNECTICUT AVE., NW, #620 WASHINGTON DC 20036	NATIONAL MULTI HOUSING COUNCIL	2,375.00	239.32
WILLIAM B. DRIGGERS, 1745 JEFFERSON DAVIS HIGHWAY, #605 ARLINGTON VA 22202	TEXAS INSTRUMENTS, INC	200.00	
JOHN P. DRING, 1331 PENNSYLVANIA AVE., NW, #565 WASHINGTON DC 20004	TEXAS GAS TRANSMISSION CORP	1,500.00	661.89
KEVIN J. DRISCOLL, 1800 M ST., NW WASHINGTON DC 20036	AMERICAN BAR ASSN	400.00	50.00
DOROTHY J. DRUMMER, 1730 K ST., NW, #703 WASHINGTON DC 20006	AMERICAN BUSINESS CONFERENCE, INC	115.38	30.00
EDWIN JASON DRYER, 1775 PENNSYLVANIA AVENUE, NW WASHINGTON DC 20006	FOLEY LARDNER HOLLABAUGH & JACOBS (FOR: VGS CORPORATION)		
FRAN DU MELLE, 1101 VERMONT AVENUE, NW, #402 WASHINGTON DC 20005	AMERICAN LUNG ASSN	2,890.00	1,078.00
ERNEST DUBESTER, 815 16TH STREET, NW WASHINGTON DC 20006	AMERICAN FED OF LABOR & CONGRESS OF INDUSTRIAL ORGANIZATIONS	18,616.83	372.36
MORGAN D. DUBROW, 1800 MASSACHUSETTS AVE., NW WASHINGTON DC 20036	NATIONAL RURAL ELECTRIC COOPERATIVE ASSN	120.00	
TIM DUDGEON, 1250 EYE STREET, NW, #900 WASHINGTON DC 20005	DISTILLED SPIRITS COUNCIL OF THE U.S.	2,000.00	200.00
JANE MCPIKE DUDLEY, 1101 15TH STREET, N.W. WASHINGTON DC 20005	NATIONAL CONSTRUCTORS ASSOCIATION	1,050.00	
MARY JANE C. DUE, 1920 N ST., NW WASHINGTON DC 20036	AMERICAN MINING CONGRESS	120.00	
ANN ANDERSON DUFF, 1776 F ST., NW WASHINGTON DC 20006	NATIONAL ASSN OF MANUFACTURERS	1,200.00	
MICHAEL J. DUFF, 1101 16TH STREET, NW WASHINGTON DC 20036	SCIENTIFIC APPARATUS MAKERS ASSN	1,400.00	66.91
MICHAEL F. DUFFY, 1920 N ST. NW WASHINGTON DC 20036	AMERICAN MINING CONGRESS		
JOSEPH R. DUGAN, 888 16TH STREET, NW WASHINGTON DC 20006	MILK INDUSTRY FOUNDATION/INT'L ASSN OF ICE CREAM MFGRS		
FRANCIS J. DUGGAN, 412 FIRST ST., SE, #200 WASHINGTON DC 20003	ASSOCIATION OF AMERICAN RAILROADS	542.93	135.90
EVELYN DUKOVIC, 475 RIVERSIDE DRIVE, #239 NEW YORK NY 10115	MORALITY IN MEDIA, INC		
MERVIN E. DULLUM, 1629 K ST., NW, #204 WASHINGTON DC 20006	DELTA AIR LINES, INC	200.00	74.50
DON R. DUNCAN, 1825 K ST.,NW SUITE 1107 WASHINGTON DC 20006	PHILLIPS PETROLEUM COMPANY	4,500.00	313.79
LESLIE DELONG DUNCAN, 1925 K STREET, NW, #206 WASHINGTON DC 20006	ALLIANCE TO SAVE ENERGY	90.00	
DUNCAN WEINBERG & MILLER, P.C., 1775 PENNSYLVANIA AVE., NW, #1200 WASHINGTON DC 20006	GUAM POWER AUTHORITY		
Do	MID WEST ELECTRIC CONSUMERS' ASSN, INC		
Do	STATE OF NEVADA		
Do	STATE OF NORTH DAKOTA		
Do	WESTERN FUELS ASSOCIATION, INC		
WILLIAM C. DUNCAN, 1050 17TH STREET, NW, #410 WASHINGTON DC 20036	JAPAN AUTOMOBILE MANUFACTURERS ASSN	1,800.00	865.05
MARI LEE DUNN, 1850 K ST., NW, #520 WASHINGTON DC 20006	AMERICAN COUNCIL FOR CAPITAL FORMATION		
PATRICK W. DUNN, 4400 SEATTLE FIRST NATIONAL BANK BLDG. SEATTLE WA 98154	RIDDELL WILLIAMS BULLITT & WALKINSHAW (FOR: FRIENDS OF THE COLUMBIA RIVER GORGE)	360.00	
DUNNELLS DUVALL BENNETT & PORTER, 1220 19TH STREET, NW, #400 WASHINGTON DC 20036	MULTIFAMILY HOUSING ASSOCIATION		
JAMES A. DUPREE, 815 CONNECTICUT AVE., NW WASHINGTON DC 20006	FORD MOTOR CO	2,625.00	1,031.00
JOSEPH L. DURAN, 100 FEDERAL ST. BOSTON MA 02110	FIRST NATIONAL BANK OF BOSTON		
JUDY C. DURAND, 1120 20TH STREET, NW, #600S WASHINGTON DC 20036	UNION PACIFIC CORPORATION	666.00	729.66
MARGARET A. DURBIN, 1025 CONNECTICUT AVENUE, NW, #415 WASHINGTON DC 20036	AMERICAN INSURANCE ASSN	255.00	43.98
B. J. DURHAM, P.O. BOX 2121 CORPUS CHRISTI TX 78403	CENTRAL POWER AND LIGHT COMPANY	552.00	867.30
ED DURKIN, 101 CONSTITUTION AVENUE, NW WASHINGTON DC 20001	UNITED BROTHERHOOD OF CARPENTERS & JOINERS OF AMERICA		
DURYEA MURPHY DAVENPORT & VAN WINKLE, 711 CAPITOL WAY OLYMPIA WA 98501	STATE OF NEVADA, NUCLEAR WASTE PROJECT OFFICE	9,600.00	2,867.11
DUTKO & ASSOCIATES, 412 FIRST ST., SE, #214 WASHINGTON DC 20003	ANCHOR INDUSTRIES, INC	2,831.25	
Do	ASSOCIATES OF NORTH AMERICA		
Do	BILL'S COAL CO		
Do	CENERGY EXPLORATION CO	9,637.13	
Do	CHEROKEE COAL CO		
Do	COALITION AGAINST DOUBLE TAXATION	10,000.00	
Do	D & B WHOLESALE COSMETICS, INC	4,575.00	
Do	DSC COMMUNICATIONS	15,108.25	
Do	GRANGER ASSOCIATES		
Do	GULF & WESTERN INDUSTRIES, INC	22,500.00	
Do	MITCHELL ENERGY & DEVELOPMENT CORP	1,212.10	
Do	OKLAHOMA STATE UNIVERSITY	6,000.00	
Do	PATCH COAL CO		
Do	PITTS ENERGY GROUP	1,212.10	
Do	SCHLENSKER DRILLING CO		
Do	SMOKELESS TOBACCO COUNCIL, INC	18,750.00	
Do	M. STEVENS COSMETICS CO	5,658.33	
Do	SWEETWATER COAL CO		
Do	TEXAS OIL & GAS CORP (TXO)		
Do	TRADE MAX, INC	11,372.92	
Do	UNITED TELECOM COMMUNICATIONS, INC	19,968.75	
Do	WESSELY ENERGY CORP	1,210.10	
L. L. DUXBURY, 210 7TH STREET, SE, #517 WASHINGTON DC 20003	RAILROAD RETIREMENT ASSN		303.26
PEGGY L. DUXBURY, 1776 F STREET, NW WASHINGTON DC 20006	NATIONAL ASSN OF MANUFACTURERS	120.00	
HENRY I. DWORSHAK, 1920 N ST., NW WASHINGTON DC 20036	AMERICAN MINING CONGRESS		
DENIS J. DWYER, 700 NORTH FAIRFAX ST. ALEXANDRIA VA 22314	RAILWAY PROGRESS INSTITUTE	475.00	
RODERICK T. DWYER, 1920 N STREET,N.W. WASHINGTON DC 20036	AMERICAN MINING CONGRESS		
MICHAEL J. DYER, 1331 PENNSYLVANIA AVENUE, NW, #905 WASHINGTON DC 20004	NATIONAL COALITION FOR EMERGENCY MEDICAL SERVICES		
DYNALECTRON CORPORATION, 1313 DOLLEY MADISON BLVD. MCLEAN VA 22101			
TALIS DZENITIS, 633 PENNSYLVANIA AVENUE, NW, #600 WASHINGTON DC 20004	SEARS ROEBUCK & CO	500.00	
JACK D. EARLY, 1155 15TH ST., NW, #514 WASHINGTON DC 20005	NATIONAL AGRICULTURAL CHEMICALS ASSN	150.00	
GEORGE H. EATMAN, 1800 CONNECTICUT AVE., NW WASHINGTON DC 20009	SLURRY TECHNOLOGY ASSN	1,000.00	
EATON ASSOCIATES, INC, 1725 K ST., NW, #1111 WASHINGTON DC 20006			
CHARLES H. EATON, 1725 K ST., NW, #1111 WASHINGTON DC 20006	EATON ASSOCIATES, INC		
ROBERT E. L. EATON, 1725 K ST., NW, #1111 WASHINGTON DC 20006	EATON ASSOCIATES, INC		
DONALD R. EBE, 1800 K ST., NW, #800 WASHINGTON DC 20006	GOODYEAR TIRE & RUBBER CO	4,000.00	
ROBERT E. EBEL, 1025 CONNECTICUT AVE., NW, #1014 WASHINGTON DC 20036	ENSERCH CORPORATION	1,450.00	819.00
N. BOYD ECKER, 1100 CONNECTICUT AVE., NW WASHINGTON DC 20036	MOBIL OIL CORP	1,500.00	56.00
ROBERT C. ECKHARDT, 1750 PENNSYLVANIA AVE., NW, #1105 WASHINGTON DC 20006	CERTAIN TEXAS CLAIMANTS LAWYERS	10,000.00	
Do	CONSOLIDATED NATURAL GAS CO	5,000.01	
Do	INVESTMENT COMPANY INSTITUTE	5,000.01	
Do	STATE BAR OF TEXAS	5,000.00	
Do	WESTERN FUELS ASSOCIATION, INC	13,333.32	
PATRICIA K. ECONOMOS, 15TH & M STREETS, NW WASHINGTON DC 20005	NATIONAL ASSN OF HOME BUILDERS OF THE U.S.		
EDEA, INC, P.O. BOX 3056 VERO BEACH FL 32964	AMERICAN SHIP BUILDING CO		
WILLIAM R. EDGAR, 1620 EYE ST., NW, #501 WASHINGTON DC 20006	GATES LEARJET CORPORATION		
HELEN H. EDGE, 700 N. FAIRFAX ST. ALEXANDRIA VA 22314	RAILWAY PROGRESS INSTITUTE	462.50	
ARTHUR B. EDGEWORTH JR , 1709 NEW YORK AVE., NW, #801 WASHINGTON DC 20006	U.S. LEAGUE OF SAVINGS INSTITUTIONS	1,563.00	
EDISON ELECTRIC INSTITUTE, 9TH FLOOR 1111 19TH ST., NW WASHINGTON DC 20036		27,190.71	101,462.44
V. ANNE EDLUND, 1620 EYE ST., NW, #1000 WASHINGTON DC 20006	MOTOR VEHICLE MANUFACTURERS ASSN OF THE U.S., INC		
STEPHEN L. EDMISTON, 807 MAINE AVE., SW WASHINGTON DC 20024	DISABLED AMERICAN VETERANS	14,024.40	368.34
ED EDMONDSON, BOX 11 MUSKOGEE OK 74401	AMERICAN INLAND WATERWAYS COMMITTEE		
Do	CHEROKEE NATION		
Do	DOSS AVIATION, INC		
Do	IU INTERNATIONAL MANAGEMENT CORP		
Do	OKLAHOMA ASSN OF ELECTRIC COOPS		
Do	U.S. MARITIME COMMITTEE, INC		
JOHN M. EDSALL, 1120 20TH STREET, NW, #600S WASHINGTON DC 20036	UNION PACIFIC CORPORATION	218.00	1,533.81
EDWARDS ASSOCIATES, 507 SECOND ST., NE WASHINGTON DC 20002	CONFEDERATED TRIBES OF WARM SPRINGS		
CHRISTINE A. EDWARDS, 633 PENNSYLVANIA AVE., NW, #600 WASHINGTON DC 20004	SEARS ROEBUCK & CO	286.00	41.50
J. RODNEY EDWARDS, 260 MADISON AVE. NEW YORK NY 10016	AMERICAN PAPER INSTITUTE, INC		
MICHAEL D. EDWARDS, 1201 16TH STREET, NW WASHINGTON DC 20036	NATIONAL EDUCATION ASSN		
WILLIAM A. EDWARDS, 1111 19TH STREET, NW WASHINGTON DC 20036	EDISON ELECTRIC INSTITUTE	3,530.77	609.36
PAUL S. EGAN, 1608 K ST., NW WASHINGTON DC 20006	AMERICAN LEGION	9,003.00	121.91
KAREN EHRNMAN, 1522 K STREET, NW, #1120 WASHINGTON DC 20005	AMERICAN COLLEGE OF NURSE-MIDWIVES		
YVONNE B. EIDER, 400 FIRST STREET, NW, #800 WASHINGTON DC 20001	FRIENDS OF ANIMALS, INC	2,661.42	399.98
JILL W. EILAND, 507 SECOND STREET, NE WASHINGTON DC 20002	PORTLAND GENERAL ELECTRIC CO		
ROBERT F. EISEN, 111 WEST 40TH STREET NEW YORK NY 10018	GREENWOOD MILLS MARKETING CO		3,825.00
ALBERT C. EISENBERG, 1735 NEW YORK AVENUE, NW WASHINGTON DC 20006	AMERICAN INST OF ARCHITECTS	9,000.00	11.00
LINDA S. EISNAUGLE, 225 W. 34TH ST. NEW YORK NY 10001	NATIONAL COMMERCIAL FINANCE ASSN	10,000.00	808.00

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
H. J. ELAM III, 1201 MAPLE ST. GREENSBORO NC 27405	CONE MILLS CORPORATION	26,000.00	8,785.00
JANE ELDER, 214 N. HENRY ST., #203 MADISON WI 53703	SIERRA CLUB	5,037.00	6,181.98
EDS CORPORATION, 229 PENNSYLVANIA AVE., SE WASHINGTON DC 20003			3,326.00
GEORGE K. ELIADES, 7297 LEE HIGHWAY FALLS CHURCH VA 22042	SOCIETY OF AMERICAN WOOD PRESERVERS, INC	400.00	950.00
C. M. ELKINS ASSOCIATES, 1100 17TH ST., NW, #310 WASHINGTON DC 20036	DELAWARE & HUDSON RAILWAY CO		
Do	MISSOURI KANSAS TEXAS RAILROAD		
J. BURTON ELLER JR., 1301 PENNSYLVANIA AVE., NW, #300 WASHINGTON DC 20004	NATIONAL CATTLEMEN'S ASSN	1,000.00	
CHARLES W. ELLIOTT, WISCONSIN PETROLEUM COUNCIL 25 W. MAIN ST., #703 MADISON WI 53703	AMERICAN PETROLEUM INSTITUTE	56.00	
JOHN DOYLE ELLIOTT, 5500 QUINCY ST. HYATTSVILLE MD 20784			
JOHN M. ELLIS, 1120 FAIRFIELD AVENUE ROSEVILLE CA 95678	NOR-CAL FEDERAL COALITION	1,867.00	1,867.00
EMERGENCY COMMITTEE FOR AMERICAN TRADE, 1211 CONNECTICUT AVE. WASHINGTON DC 20036		32,267.89	39,136.09
EMERSON ELECTRIC CO, 8000 FLORISSANT ST. LOUIS MO 63136			1,573.72
IRENE R. EMSELLEM, 1800 M STREET, NW WASHINGTON DC 20036	AMERICAN BAR ASSN	400.00	50.00
LOWELL J. ENDAHL, 1800 MASSACHUSETTS AVE., NW WASHINGTON DC 20036	NATIONAL RURAL ELECTRIC COOPERATIVE ASSN	135.00	
ENERGY CONSUMERS & PRODUCERS ASSN, BOX 1726 PETROLEUM PLAZA SEMINOLE OK 74868		22,167.50	3,787.66
RALPH ENGEL, 1001 CONNECTICUT AVE., NW, #1120 WASHINGTON DC 20036	CHEMICAL SPECIALTIES MFGRS ASSN	50.00	2.50
CHRISTOPHER ENGQUIST, 1957 E ST., NW WASHINGTON DC 20006	ASSOCIATED GENERAL CONTRACTORS OF AMERICA		
CLINTON W. ENSIGN, 2600 VIRGINIA AVENUE, NW, #901 WASHINGTON DC 20037	SINCLAIR OIL CORPORATION	500.00	200.10
ENVIRONMENTAL FUND, 1325 G ST., NW #1003 WASHINGTON DC 20005			1,190.78
EPSTEIN BECKER BORSODY & GREEN, 1140 19TH ST., NW, #900 WASHINGTON DC 20036	NATIONAL CABLE TELEVISION ASSN, INC	1,620.00	
KIMBERLY NEILSEN EPSTEIN, 2626 PENNSYLVANIA AVENUE, NW WASHINGTON DC 20037	NATIONAL TELEPHONE COOPERATIVE ASSN	1,862.50	513.76
PAUL A. EQUALE, 600 PENNSYLVANIA AVE., SE, #200 WASHINGTON DC 20003	INDEPENDENT INSURANCE AGENTS OF AMERICA, INC	12,654.00	
JOHN M. ERSKINE JR., 1122 COLORADO, SUITE 208 AUSTIN TX 78701	AMOCO CORP		
MARTHA M. ESCUTIA, 20 F STREET, NW, #200 WASHINGTON DC 20001	NATIONAL COUNCIL OF LA RAZA	3,000.00	950.00
INGOLF G. ESDERS, 815 16TH STREET, NW WASHINGTON DC 20006	INTERNATIONAL LONGSHOREMEN'S ASSOCIATION, AFL-CIO	5,070.14	
MARK ESHERICK, 1601 CONNECTICUT AVE., NW, 4TH FL. WASHINGTON DC 20009	ZERO POPULATION GROWTH, INC	443.00	27.00
JOHN T. ESTES, 2550 M ST., NW, #770 WASHINGTON DC 20037	RJR INDUSTRIES, INC	345.00	60.00
EUROPEAN TRAVEL COMMISSION, 630 FIFTH AVENUE NEW YORK NY 10111			
DONALD C. EVANS JR., 655 15TH ST., NW, #310 WASHINGTON DC 20005	FREIGHT FORWARDERS INSTITUTE		
Do	OLYMPIA & YORK DEVELOPMENTS LTD		
Do	OLYMPIA & YORK EQUITY CORP		
Do	STEPAN CORPORATION		
JOHN R. EVANS, 9208 SEVEN LOCKS ROAD BETHESDA MD 20817	CAPITAL MARKETS GROUP	4,600.00	
JOSEPH O. EVANS, APARTMENT 21 4401 LEE HWY. ARLINGTON VA 22207			
RAE FORKER EVANS, 1201 PENNSYLVANIA AVE., NW, #210 WASHINGTON DC 20004	HALLMARK CARDS, INC		
ROBERT B. EVANS, 1101 14TH STREET, NW WASHINGTON DC 20005	AMERICAN FINANCIAL SERVICES ASSN	1,375.00	
ROBERT D. EVANS, 1800 M ST., NW WASHINGTON DC 20036	AMERICAN BAR ASSN	400.00	50.00
ROBERT J. EVANS, 2060 CANTERBURY ROAD KINGSPORT TN 37660			
WILLIAM J. EVANS JR., 1660 L ST., NW, #901 WASHINGTON DC 20036	PAN AMERICAN WORLD SERVICES, INC	850.00	334.54
J. BALLARD EVERETT, 1125 15TH STREET, NW, #700 WASHINGTON DC 20001	MORTGAGE BANKERS ASSN OF AMERICA	1,060.00	138.00
ELLEN E. EVES, NEW MURPHY RD. AND CONCORD PIKE WILMINGTON DE 19897	ICI AMERICAS, INC		
KY P. EWING JR., 1101 CONNECTICUT AVENUE, NW WASHINGTON DC 20036	VINSON & ELKINS (FOR: FEDERAL LAND BANK ASSNS OF TEXAS STOCKHOLDERS' DEFENSE FUND).	109,792.21	2,371.63
Do	VINSON & ELKINS (FOR: ALFRED C. GLASSELL JR.)		118.56
Do	VINSON & ELKINS (FOR: PUBLIC SERVICE BOARD OF THE CITY OF EL PASO, TX)	20,876.81	
Do	VINSON & ELKINS (FOR: TRAVELERS INSURANCE CO)		1,378.49
WAYNE S. EWING, ASSOCIATED PETROLEUM INDUSTRIES OF PA P.O. BOX 925 HARRISBURG PA 17108	AMERICAN PETROLEUM INSTITUTE		
ROBBIE G. EXLEY, 2020 K ST., NW, #200 WASHINGTON DC 20006	NATIONAL FEDERATION OF FEDERAL EMPLOYEES		
PAUL K. EYER, 122 C STREET, NW, #875 WASHINGTON DC 20001	AMERICAN OSTEOPATHIC ASSN	1,400.00	11.25
F/P RESEARCH ASSOCIATES, 1700 K ST., NW, #303 WASHINGTON DC 20006	NATIONAL CABLE TELEVISION ASSN, INC	500.00	
MICHAEL W. FABER, REID & PRIEST 1111 19TH STREET, NW, #1100 WASHINGTON DC 20036	COMMITTEE OF CORPORATE TELECOMMUNICATIONS USERS		
ROBERT R. FAHS, 1101 15TH ST., NW, #205 WASHINGTON DC 20005	CARGILL INC	2,500.00	
DALE W. FALLAT, P.O. BOX 119 MAUMEE OH 43537	ANDERSONS		
PETER M. FANNON, 1818 N STREET, NW, #410 WASHINGTON DC 20036	NATIONAL ASSN OF PUBLIC TELEVISION STATIONS	600.00	150.00
THOMAS B. FARLEY II , 1220 L ST., NW WASHINGTON DC 20005	AMERICAN PETROLEUM INSTITUTE	6,750.00	132.60
DAVID M. FARMER, 1629 K STREET, NW, #1010 WASHINGTON DC 20006	ALLIANCE OF AMERICAN INSURERS	1,450.00	
FARMERS' EDUCATIONAL & CO-OPERATIVE UNION OF AMERICA, 600 MARYLAND AVE., SW, #202W WASHINGTON DC 20025.		179,749.70	69,552.09
JOHN W. FARQUHAR, 1750 K ST., NW WASHINGTON DC 20006	FOOD MARKETING INSTITUTE	300.00	
ROBERT M. FARQUHAR, P.O. BOX 130 LEVIS, QUEBEC, CANADA G6V 6N7	VERSATILE DAVIE INC		
DAGMAR T. FARR, 1750 K STREET, N.W. WASHINGTON DC 20006	FOOD MARKETING INSTITUTE	450.00	
CHRISTOPHER G. FARRAND, 1120 20TH STREET, NW, #720 WASHINGTON DC 20036	PEABODY HOLDING COMPANY, INC		54.00
MICHAEL FARRAR, 1619 MASSACHUSETTS AVE., NW WASHINGTON DC 20036	AMERICAN PAPER INSTITUTE, INC	200.00	
JOSEPH A. FARRELL, 1600 WILSON BOULEVARD, #1000 ARLINGTON VA 22209	AMERICAN WATERWAYS OPERATORS, INC		
WILLIAM D. FAY, 1130 17TH STREET, NW WASHINGTON DC 20036	NATIONAL COAL ASSN	6,125.00	5,138.75
FEDERATION EMPLOYMENT & GUIDANCE SERVICE, 114 FIFTH AVENUE NEW YORK NY 10011			
FEDERATION FOR AMERICAN AFGHAN ACTION, 236 MASSACHUSETTS AVENUE, NE WASHINGTON DC 20002			15,018.96
FEDERATION OF AMERICAN CONTROLLED SHIPPING, 50 BROADWAY NEW YORK NY 10004		2,948.65	2,948.65
FEDERATION OF AMERICAN HOSPITALS, 1111 19TH ST., NW, #402 WASHINGTON DC 20036		12,500.00	12,500.00
FEDERATION OF AMERICAN SCIENTISTS, 307 MASSACHUSETTS AVE., NE WASHINGTON DC 20002			2,707.79
FEDERATION OF BEHAVIORAL PSYCHOLOGICAL & COGNITIVE SCIENCES , 1200 17TH STREET, NW WASHINGTON DC 20036		285.00	285.00
ROBERT FEENSTRA, 13545 EUCLID AVENUE ONTARIO CA 91761	MILK PRODUCERS COUNCIL (FOR: DAIRY FARMERS FOR RESPONSIBLE DAIRY POLICY).	6,577.92	523.91
DONALD M. FEHR, 805 THIRD AVE. NEW YORK NY 10022	MAJOR LEAGUE BASEBALL PLAYERS ASSN		
BRUCE E. FEIN, THE POWER HOUSE 3255 GRACE STREET, NW WASHINGTON DC 20007	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: BELL ATLANTIC MANAGEMENT SERVICES).		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: REPUBLIC OF TURKEY)		
JOEL F. FELDMAN, LAW OFFICES OF SHELDON I. LONDON 1725 DESALES STREET, NW, #401 WASHINGTON DC 20036	AMERICAN HARDWARE MANUFACTURERS ASSN		
CLAUDIA FELLER, 1200 17TH STREET, NW WASHINGTON DC 20036	FEDERATION OF BEHAVIORAL PSYCHOLOGICAL & COGNITIVE SCIENCES	65.00	
R. B. FENNINGER, 10,000 FALLS ROAD, #306 POTOMAC MD 20854	AMERICAN MEDICAL ASSN	3,140.00	
JUDITH W. FENSTERER, 242 E. 80TH STREET NEW YORK NY 10021	GENERIC PHARMACEUTICAL INDUSTRY ASSN	171.00	41.25
FENSTERWALD ALCORN & BOWMAN, 1000 WILSON BLVD., #900 ARLINGTON VA 22209	EQUITY FOR NATIONAL GUARD TECHNICIANS	3,313.50	475.36
Do	NATIONAL NUTRITIONAL FOODS ASSOCIATION	8,434.01	1,723.13
GEORGE F. FENTON JR., 1920 N STREET, NW WASHINGTON DC 20036	AMERICAN MINING CONGRESS		
EDWARD T. FERGUS, 100 GOLD ST. NEW YORK NY 10292	PRUDENTIAL-BACHE SECURITIES INC	750.00	
JACK FERGUSON ASSOCIATES, INC, 203 MARYLAND AVE., NE WASHINGTON DC 20002	DILLINGHAM CONSTRUCTION GROUP	16,581.28	1,187.52
Do	DILLINGHAM SHIP REPAIR		
Do	FOSS LAUNCH & TUG COMPANY; FOSS ALASKA LINE	4,556.92	671.07
Do	MIDLAND CAPITAL CORP		
Do	NORTHWEST ENERGY COMPANY	8,066.73	1,044.30
Do	TACOMA BOAT BUILDING CO/AT-SEA INCINERATION	2,793.51	996.93
Do	U.S. BORAX & CHEMICAL CORP	9,335.86	1,308.90
Do	WESTERN FOREST INDUSTRIES ASSN		
JOHN L. FESTA, 1619 MASSACHUSETTS AVE., NW WASHINGTON DC 20036	AMERICAN PAPER INSTITUTE, INC		
FIBER FABRIC & APPAREL COALITION FOR TRADE, 1800 M ST., NW, #950 NORTH WASHINGTON DC 20036		657,500.87	484,622.07
FRED C. FIELDING, 1725 JEFFERSON DAVIS HWY, #900 ARLINGTON VA 22202	AM GENERAL CORPORATION	3,800.00	
MANUEL D. FIERRO, 1901 N. FORT MYER DR., #202 ROSSLYN VA 22209	FOND DU LAC RESERVATION		
Do	GREAT LAKES INDIAN FISH & WILDLIFE COMMISSION		
HERBERT A. FIERST, 610 RING BLDG. 1200 18TH ST., NW WASHINGTON DC 20036	COUNCIL OF FOREST INDUSTRIES OF B.C.	31,251.00	1,240.00
LAWRENCE A. FINERAN, 1776 F STREET, NW WASHINGTON DC 20006	NATIONAL ASSN OF MANUFACTURERS	125.00	
WILLIAM A. FINERFROCK, 1117 N. 19TH STREET, #300 ARLINGTON VA 22209	AMERICAN ACADEMY OF PHYSICIAN ASSISTANTS	8,875.00	69.35
MATTHEW P. FINK, 1600 M ST., NW WASHINGTON DC 20036	INVESTMENT COMPANY INSTITUTE		
FINLEY KUMBLE WAGNER HEINE UNDERBERG MANLEY & CASEY, 1120 CONNECTICUT AVE., NW WASHINGTON DC 20036	ASSOCIATION OF BRITISH INSURERS		
Do	DIRECT BROADCAST SATELLITE CORP		
Do	GENERAL DYNAMICS CORP		
Do	GOLDEN NUGGET, INC		
Do	GOVERNMENT OF ANTIGUA & BARBUDA	2,500.00	
Do	HOME INSURANCE CO		
Do	MUTUAL PROTECTION TRUST COOPERATIVE OF AMERICAN PHSYICANS	5,250.00	
Do	NORFOLK SOUTHERN CORP	40,112.50	
Do	OCCIDENTAL PETROLEUM CORP		
Do	POPULATION CRISIS COMMITTEE	1,696.00	
Do	RCA		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	STATE OF MARYLAND	10,075.00	76.69
Do	TDI WINSTON NETWORK, INC	860.00	
Do	TRT TELECOMMUNICATIONS CORP		
Do	TURNER BROADCASTING SYSTEM, INC		
Do	UNITED SATELLITE ACTION	2,455.00	
STEPHEN A. FINN, P.O. BOX 520783 - GENERAL MAIL FACILITY MIAMI FL 33152	BURGER KING CORP		
FINNEGAN HENDERSON FARABOW GARRETT & DUNNER, 1775 K STREET, NW WASHINGTON DC 20006	INTERNATIONAL COMMUNICATIONS ASSN		
M. J. FIOCCO, 1090 VERMONT AVE., NW WASHINGTON DC 20005	NATIONAL INDUSTRIAL TRANSPORTATION LEAGUE	4,625.00	52.25
FIRST NATIONAL BANK OF BOSTON, 100 FEDERAL ST. BOSTON MA 02110			19,512.31
RICHARD L. FISCHER, 1000 16TH ST., NW WASHINGTON DC 20036	AMOCO CORPORATION		
DONALD W. FISHER, 3814 IVANHOE LANE ALEXANDRIA VA 22310	AMERICAN GROUP PRACTICE ASSN, INC	564.00	
DWIGHT R. FISHER, 600 MARYLAND AVENUE, SW, #700 WASHINGTON DC 20024	NATIONAL FED OF INDEPENDENT BUSINESS	700.00	100.00
JANET S. FISHER, 1333 NEW HAMPSHIRE AVENUE, NW WASHINGTON DC 20036	ATLANTIC RICHFIELD CO	250.00	
WILLIAM L. FISHER, 2828 N. HASKELL AVE. DALLAS TX 75204	SOUTHLAND CORPORATION		
WILLIAM P. FISHER, 311 FIRST STREET, NW WASHINGTON DC 20001	NATIONAL RESTAURANT ASSN		
CHARLES L. FISHMAN, P.C., 1717 K STREET, NW, #502 WASHINGTON DC 20036	CAROLINA POWER & LIGHT CO		
Do	CONSOLIDATED EDISON CO OF NEW YORK		
Do	DUKE POWER CO		
Do	STONE & WEBSTER ENGINEERING CORP		
Do	VIRGINIA ELECTRIC & POWER CO		
Do	WESTINGHOUSE ELECTRIC CORP		
LAURI J. FITZ, THE POWER HOUSE 3255 GRACE STREET, NW WASHINGTON DC 20007	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: REPUBLIC OF HAITI)	440.00	
CHARLES B. FITZGERALD IV , 15837 A CRABBS BRANCH WAY ROCKVILLE MD 20855	NATIONAL CENTER FOR DRUNK DRIVING CONTROL		
MARY CLARE FITZGERALD, 1025 THOMAS JEFFERSON ST., NW, #301 WASHINGTON DC 20007	GOLEMBE ASSOCIATES, INC		
THOMAS H. FITZPATRICK, 410 ASYLUM STREET HARTFORD CT 06103	AMERICAN PETROLEUM INSTITUTE	600.00	
RONALD JAMES FITZSIMMONS, 2010 MASSACHUSETTS AVE., NW, 5TH FL. WASHINGTON DC 20036	PLANNED PARENTHOOD FED OF AMERICA, INC		
HILLIARD J. FJORD, 602 MAIN ST., #600 CINCINNATI OH 45202	OHIO RIVER CO	3,000.00	688.81
SUSAN G. FLACK, 1825 K ST., NW, #603 WASHINGTON DC 20006	BATUS D.C.	2,000.00	12.00
JAMES J. FLANAGAN, 25 RESEARCH DR. WESTBOROUGH MA 01581	NEW ENGLAND POWER SERVICE CO	698.70	117.40
FRANK R. FLEMING, 6324 VARIEL AVE., #323 WOODLAND HILLS CA 91367	CHAD THERAPEUTICS		300.00
MICHAEL FLEMING, 1300 17TH ST., #1010 ARLINGTON VA 22209	AMERICAN ASSN OF EQUIPMENT LESSORS		
FELIPE M. FLORESCA, 67 WALL STREET, #1802 NEW YORK NY 10005			
RUTH FLOWER, 245 SECOND ST., NE. WASHINGTON DC 20002	FRIENDS COMMITTEE ON NATIONAL LEGISLATION	4,050.99	
VERONICA M. FLOYD, 2001 S. JEFF DAVIS HIGHWAY, #1107 ARLINGTON VA 22202	BRUNSWICK CORP	5,700.00	763.24
RICHARD A. FLYE, MCKENNA CONNER & CUNEO 1575 EYE STREET, NW WASHINGTON DC 20005	FERTILIZER INSTITUTE	7,618.00	
DAVID H. FOERSTER, 1201 16TH ST., NW WASHINGTON DC 20036	NATIONAL EDUCATION ASSN		
FOLEY & LARDNER, 1775 PENNSYLVANIA AVE., NW WASHINGTON DC 20006	VGS CORPORATION		
R. D. FOLSOM, 1317 F STREET, NW, #400 WASHINGTON DC 20004	R. DUFFY WALL & ASSOCIATES, INC (FOR: BRINKS, INC)		
Do	R. DUFFY WALL & ASSOCIATES, INC (FOR: FOOTWEAR RETAILERS OF AMERICA)	300.00	
Do	R. DUFFY WALL & ASSOCIATES, INC (FOR: LIFE OF VIRGINIA)	300.00	
Do	R. DUFFY WALL & ASSOCIATES, INC (FOR: MORGAN GUARANTY TRUST CO)	300.00	
Do	R. DUFFY WALL & ASSOCIATES, INC (FOR: PHARMACEUTICAL MANUFACTURERS ASSN).	300.00	
Do	R. DUFFY WALL & ASSOCIATES, INC (FOR: TORCHMARK CORPORATION)	300.00	
Do	R. DUFFY WALL & ASSOCIATES, INC (FOR: WINE & SPIRITS WHOLESALERS OF AMERICA).	300.00	
FOOD & ALLIED SERVICE TRADES DEPT, AFL-CIO, 815 16TH ST., NW WASHINGTON DC 20006		16,157.00	16,157.00
FOOD MARKETING INSTITUTE, 1750 K ST., NW WASHINGTON DC 20006			7,910.90
GORDON FORBES, 303 HANOVER BLDG., 480 CEDAR ST. ST. PAUL MN 55101	MINNESOTA RAILROADS		
JAMES E. FORD, 1333 NEW HAMPSHIRE AVENUE, NW WASHINGTON DC 20036	ATLANTIC RICHFIELD CO	225.00	
LAURENCE S. FORDHAM, KILBURN FORDHAM & STARRETT TWO OLIVER STREET BOSTON MA 02109	C & S WHOLESALE GROCERS, INC		
JOHN H. FOREHAND III, 12216 FLEMING LANE BOWIE MD 20715	COMPUTERVISION		
Do	OMNI-TECH OF AMERICA, INC		
DONALD D. FOREMAN, 200 E. RANDOLPH DR. CHICAGO IL 60601	AMOCO CORPORATION		
MARK A. FORMAN, 345 PARK AVE., 31ST FL NEW YORK NY 10154	UNION PACIFIC CORP	625.00	
MARTI FORMAN, 2400 E. COMMERCIAL BLVD., #500 FT. LAUDERDALE FL 33308	AMERISERV, INC		
SALLIE H. FORMAN, 1825 K ST., NW WASHINGTON DC 20006	NATIONAL BROADCASTING CO, INC	1,500.00	110.19
LUISE FORSETH, 3055 OLD HIGHWAY 8 P.O. BOX 1453 MINNEAPOLIS MN 55440	MEDTRONIC, INC	50.00	110.21
EBERT E. FOURNACE, 3706 EATON RD., NW CANTON OH 44708	AMERICAN ELECTRIC POWER SERVICE CORP		
CONRAD M. FOWLER, BOX 71 WEST POINT GA 31833	WEST POINT PEPPERELL	5,992.00	13,028.00
ALLAN M. FOX, 1575 I STREET, NW, #1150 WASHINGTON DC 20005	AMERICAN MEAT INSTITUTE		
Do	KAYE SCHOLER FIERMAN HAYS & HANDLER (FOR: BRISTOL-MYERS CO)		
ERIC R. FOX, 1700 PENNSYLVANIA AVE., NW WASHINGTON DC 20006	APPLE COMPUTER CORP		
FOX GROUP, USA LTD, P.O. BOX 1831 CHARLESTON SC 29402	CAMP CARMOUCHE BARSH... (FOR SEARS ROEBUCK & CO)	1,500.00	
DONALD FRAHER, 633 E STREET, NW WASHINGTON DC 20004	AMERICAN SYMPHONY ORCHESTRA LEAGUE	9,099.98	235.60
FRANCES E. FRANCIS, SPIEGEL & MCDIARMID 1350 NEW YORK AVE., NW WASHINGTON DC 20037	NORTHERN CALIFORNIA POWER AGENCY, ET AL		
DOUGLAS L. FRANCISCO, 1101 16TH ST., NW WASHINGTON DC 20036	INDEPENDENT PETROLEUM ASSN OF AMERICA		82.50
PETER M. FRANK, 1667 K ST., NW, #250 WASHINGTON DC 20006	KERR-MCGEE CORP	2,500.00	3,182.53
DAVID C. FRANKIL, 918 16TH STREET, NW, #402 WASHINGTON DC 20006	AMERICAN FURNITURE MANUFACTURERS ASSN	750.00	494.48
WALTER L. FRANKLAND JR., 1717 K ST., NW WASHINGTON DC 20006	SILVER USERS ASSN, INC	1,530.00	88.03
ELLIS B. FRANKLIN, 5025 WISCONSIN AVE., NW WASHINGTON DC 20016	AMALGAMATED TRANSIT UNION, AFL-CIO		
JAMES R. FRANKLIN, 1185 AVENUE OF THE AMERICAS NEW YORK NY 10036	J.P. STEVENS & CO, INC		7,589.60
THOMAS C. FRANKS, 5TH FLOOR 1220 L ST., NW WASHINGTON DC 20005	AMERICAN LAND DEVELOPMENT ASSN	1,500.00	341.15
MARIAN C. FRANZ, 2121 DECATUR PLACE, NW WASHINGTON DC 20008	NATIONAL COUNCIL FOR A PEACE TAX FUND	515.00	154.00
CHARLES L. FRAZIER, 475 L'ENFANT PLAZA, SW, #2250 WASHINGTON DC 20024	NATIONAL FARMERS ORGANIZATION	5,125.00	3,234.58
GREGORY W. FRAZIER, P.O. BOX 427 ENGLEWOOD CO 80151	INTERNATIONAL ENERGY BROKERS, INC		
ROBERT M. FREDERICK, 1616 H ST., NW WASHINGTON DC 20006	NATIONAL GRANGE	5,000.00	
FREDERICK SERVICE GROUP, 102 W. CHURCH STREET FREDERICK MD 21701			
ANN TODD FREE, 1120 CONNECTICUT AVENUE, NW WASHINGTON DC 20036	AMERICAN BANKERS ASSN	500.00	
FREE THE EAGLE NATIONAL CITIZEN'S LOBBY, 11244 WAPLES MILL RD., SUITE J FAIRFAX VA 22030		11,903.25	241,297.38
D. MICHAL FREEDMAN, 2030 M STREET, NW WASHINGTON DC 20036	COMMON CAUSE	8,022.00	
JOEL FREEDMAN, 1600 M ST., NW, 5TH FLOOR WASHINGTON DC 20036	HARTFORD FIRE INSURANCE CO	5,000.00	
JAMES O. FREEMAN, 1709 NEW YORK AVE., NW, #801 WASHINGTON DC 20006	U.S. LEAGUE OF SAVINGS INSTITUTIONS	3,315.00	12.00
MARY ANN FREEMAN, 1331 PENNSYLVANIA AVE, NW WASHINGTON DC 20005	GENERAL ELECTRIC CO	375.00	
PAULA A. FREER, 1800 M ST., NW, #975 WASHINGTON DC 20036	MARATHON OIL CO		
RONNA FREIBERG, THE POWER HOUSE 3255 GRACE STREET, NW WASHINGTON DC 20007	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: ASARCO INC)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: BROWNING-FERRIS INDUSTRIES, INC).		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: BUDD COMPANY)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: CHICAGO TITLE INSURANCE CO).	34.50	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: FIRST AMERICAN TITLE INSURANCE CO).	34.50	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: JOINT MARITIME CONGRESS).		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: LAWYERS TITLE INSURANCE CO).	34.50	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: NATIONAL BROADCASTING COMPANY).		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: REPUBLIC OF TURKEY)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: SAFECO TITLE INSURANCE CO).	34.50	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: SANTA FE CORP)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: SHAKLEE CORPORATION)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: SHIRCO INFRARED SYSTEMS, INC).	75.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: STEWART TITLE GUARANTY CO).	34.50	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: STROH BREWERY CO)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: TOBACCO INSTITUTE)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: WARNER COMMUNICATIONS).		
FRENCH & COMPANY, 1317 F ST., NW, #307 WASHINGTON DC 20004	NATIONAL RETAIL MERCHANTS ASSN	1,275.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
VERRICK O. FRENCH, FRENCH & COMPANY 1317 F STREET, NW WASHINGTON DC 20004	HONG KONG TRADE DEVELOPMENT COUNCIL	2,025.00	
SARA HAMRIC FREUND, 260 MADISON AVE. NEW YORK NY 10016	AMERICAN PAPER INSTITUTE, INC		
ANNETTE P. FRIBOURG, 3900 WISCONSIN AVE., NW WASHINGTON DC 20016	FEDERAL NATIONAL MORTGAGE ASSN	17,250.00	1,402.55
SUSAN FRIDY, 1840 WILSON BOULEVARD ARLINGTON VA 22201	NATIONAL MILK PRODUCERS FED		
FRIED FRANK HARRIS SHRIVER & JACOBSON, 600 NEW HAMPSHIRE AVE., NW, #1000 WASHINGTON DC 20037	AMERICAN INDIAN NATIONAL BANK		
Do	ASSINIBOINE TRIBE		
Do	CHEYENNE RIVER SIOUX TRIBE		77.17
Do	DOYON, LIMITED		
Do	MICCOSUKEE TRIBE OF INDIANS OF FLORIDA		
Do	NEZ PERCE TRIBE		27.56
Do	PUEBLO OF LAGUNA	191.00	60.01
Do	SENECA NATION OF INDIANS	7,095.62	48.50
PHILIP P. FRIEDLANDER JR., 1250 EYE STREET, NW, #400 WASHINGTON DC 20005	NATIONAL TIRE DEALERS & RETREADERS ASSN	250.00	
JAMES M. FRIEDMAN, 1100 CITIZENS BLDG. CLEVELAND OH 44114	CLEVELAND ELECTRIC ILLUMINATING CO	10,597.00	150.76
Do	COALITION FOR ENVIRONMENTAL-ENERGY BALANCE	6,943.00	87.50
GAY H. FRIEDMANN, 1150 CONNECTICUT AVE., NW, #717 WASHINGTON DC 20036	SOUTHERN CALIFORNIA GAS CO	9,000.00	240.44
FRIENDS COMMITTEE ON NATIONAL LEGISLATION, 245 2ND ST., NE WASHINGTON DC 20002			25,130.46
FRIENDS OF ANIMALS, INC, 400 FIRST STREET, NW, #800 WASHINGTON DC 20001		12,000.00	7,973.06
FRIENDS OF THE COLUMBIA GORGE, 519 SW THIRD, #810 PORTLAND OR 97204		144.43	2,739.43
SUSAN T. FRITSCHLER, 1111 19TH STREET, NW WASHINGTON DC 20036	EDISON ELECTRIC INSTITUTE	1,389.45	429.84
ALLYN M. FRITTS, 1298 WOODSIDE DRIVE MCLEAN VA 22102	NEW BEDFORD SEAFOOD COUNCIL, INC	5,001.00	84.50
CHARLES H. FRITTS, 1101 14TH STREET, NW, #804 WASHINGTON DC 20005	NATIONAL APARTMENT ASSN	12,500.00	382.52
CHARLES H. FRITZEL, 499 S. CAPITOL ST., SE, #401 WASHINGTON DC 20003	NATIONAL ASSN OF INDEPENDENT INSURERS	300.00	270.00
JEFFREY FRITZLEN, 1120 20TH STREET, NW, #600-S WASHINGTON DC 20036	UNION PACIFIC CORP	2,000.00	
CATHERINE J. FROMPOVICH, P.O. BOX B-12 RICHLANDTOWN PA 18955	COALITION FOR ALTERNATIVES IN NUTRITION & HEALTHCARE, INC		643.80
MARCY STEPHENS FROSH, 2030 M STREET, NW WASHINGTON DC 20036	COMMON CAUSE	6,118.92	87.60
CLAUDIA R. FUQUAY, 1401 NEW YORK AVE., NW, #400 WASHINGTON DC 20036	NATIONAL FOOD PROCESSORS ASSN	500.00	34.80
FUTURES INDUSTRY ASSN, INC, 1825 EYE STREET, NW, #1040 WASHINGTON DC 20006			
DAVID H. FYOCK, 600 MARYLAND AVE., SW, #520 WASHINGTON DC 20024	GPU SERVICE CORPORATION	2,450.00	800.46
GA ASSN OF PETROLEUM RETAILERS, INC, 900 N. HAIRSTON RAOD, SUITE D STONE MOUNTAIN GA 30083			
MARC P. GABOR, 5025 WISCONSIN AVENUE, NW WASHINGTON DC 20016	AMALGAMATED TRANSIT UNION, AFL-CIO	3,000.00	246.00
TERRY GABRIELSON, 490 L'ENFANT PLAZA, SW, #3202 WASHINGTON DC 20024	TRANSCO ENERGY CO		
JAMES E. GAFFIGAN, 1899 L ST., NW, #607 WASHINGTON DC 20036	TRAVEL & TOURISM GOVERNMENT AFFAIRS POLICY COUNCIL	1,875.00	
NORMAN S. GAINES, 2550 M ST., NW, #770 WASHINGTON DC 20037	RJR INDUSTRIES, INC	2,200.00	732.02
JOE H. GALIS, P.O. BOX 221 RAIFORD FL 32083			
KARL GALLANT, 8001 BRADDOCK ROAD SPRINGFIELD VA 22160	NATIONAL RIGHT TO WORK COMM	3,000.00	405.82
MARK GALLANT, 1619 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20036	NATIONAL FOREST PRODUCTS ASSN	1,600.00	
JOHN B. GANTT, 2000 PENNSYLVANIA AVE., NW WASHINGTON DC 20006	INTERNATIONAL TELECOMMUNICATIONS SATELLITE ORGANIZATION	720.00	
NICOLE GARA, 1117 NORTH 19TH STREET, NW, #300 ARLINGTON VA 22209	AMERICAN ACADEMY OF PHYSICIAN ASSISTANTS		
GARDNER CARTON & DOUGLAS, 1875 I ST., NW WASHINGTON DC 20006	MIDCON CORP		
SHERWIN GARDNER, 1010 WISCONSIN AVE., NW, #800 WASHINGTON DC 20007	GROCERY MANUFACTURERS OF AMERICA, INC		
NANCY GARLAND, 600 MARYLAND AVENUE, SW, #400 WASHINGTON DC 20024	AMERICAN OPTOMETRIC ASSN		
EDWARD A. GARMATZ, 2210 LAKE AVE. BALTIMORE MD 21213	BALTIMORE GAS & ELECTRIC CO	720.00	
GARRETT & COMPANY, 1630 CONNECTICUT AVENUE, NW, #202 WASHINGTON DC 20009	GOVERNMENT OF THE REPUBLIC OF HAITI	4,125.00	4,500.00
Do	TAIWAN POWER COMPANY	3,000.00	4,500.00
GRENVILLE GARSIDE, 1050 THOMAS JEFFERSON ST., NW, 7TH FL. WASHINGTON DC 20007	VAN NESS FELDMAN SUTCLIFFE & CURTIS, P.C. (FOR: CENTRAL & SOUTH WEST CORP).		
E. JUNE GARVIN, OHIO PETROLEUM COUNCIL 88 E. BROAD, #1960 COLUMBUS OH 43215	AMERICAN PETROLEUM INSTITUTE	3,000.00	1,722.56
W. BRADFORD GARY, 1050 17TH STREET, NW, #1126 WASHINGTON DC 20036	BAXTER TRAVENOL LABORATORIES, INC		
MARY A. GARZA, P.O. BOX 152777, 5B-7 IRVING TX 75015	ZALE CORP	1,252.00	2,731.26
GAS APPLIANCE MANUFACTURERS ASSN, INC, 1901 NORTH FORT MYER DR. ARLINGTON VA 22209			
VERNON GASAWAY, 191 SANDS STREET, APT. 5J BROOKLYN NY 11201			
FRANK T. GASPER, 8104 RIVER FALLS DRIVE POTOMAC MD 20854	MOOG, INC	850.00	116.00
PHILIP GASTEYER, 1709 NEW YORK AVE., NW, #801 WASHINGTON DC 20006	U.S. LEAGUE OF SAVINGS INSTITUTIONS	3,250.00	
MARGARET L. GEHRES, 1828 L STREET, NW, #402 WASHINGTON DC 20036	BUSINESS ROUNDTABLE	240.00	20.00
RUTHANN GEIB, 1156 15TH STREET, NW, #1020 WASHINGTON DC 20005	AMERICAN SUGARBEET GROWERS ASSN		
RONALD L. GEIGLE, 1030 15TH STREET, NW, #1100 WASHINGTON DC 20005	HEALTH INDUSTRY MANUFACTURERS ASSOCIATION		
CAROLE SONNENFELD GEITHNER, 2030 M STREET, NW WASHINGTON DC 20036	COMMON CAUSE	3,131.04	34.85
ROBERT C. GELARDI, 5775 PEACHTREE-DUNWOODY RD., #500-D ATLANTA GA 30342	ROBERT H. KELLEN CO (FOR: CALORIE CONTROL COUNCIL)		
MORTON A. GELLER, 100 FEDERAL ST. BOSTON MA 02110	FIRST NATIONAL BANK OF BOSTON		
GENERAL AVIATION MANUFACTURERS ASSOCIATION, 1400 K STREET, NW, #801 WASHINGTON DC 20005			4,982.00
GENERAL INSTRUMENT CORPORATION, 767 5TH AVE. NEW YORK NY 10153		600.00	5.00
GENERIC PHARMACEUTICAL INDUSTRY ASSN, 200 MADISON AVE., #2404 NEW YORK NY 10016		1,590.23	1,590.23
SUSAN STRAUSS GENN, 1025 CONNECTICUT AVENUE, NW, #707 WASHINGTON DC 20036	INTERNATIONAL FRANCHISE ASSN		
FRED J. GENTILE, 195 MONTAGUE STREET BROOKLYN NY 11201	BROOKLYN UNION GAS CO		
JOHN GENTILLE, 1957 E ST., NW WASHINGTON DC 20006	ASSOCIATED GENERAL CONTRACTORS OF AMERICA		
NANCY WHORTON GEORGE, 499 SOUTH CAPITOL STREET, SW, #400 WASHINGTON DC 20003	CELERON		
Do	HOUSTON NATURAL GAS		
Do	TRANSCO, INC	1,200.00	
GEORGE W. GEPHART, P.O. BOX 1475 BALTIMORE MD 21203	BALTIMORE GAS & ELECTRIC CO		
JOSEPH G. GERARD, 918 16TH ST., NW, #402 WASHINGTON DC 20006	AMERICAN FURNITURE MANUFACTURERS ASSN	1,500.00	1,212.43
LOUIS GERBER, 1925 K ST., NW WASHINGTON DC 20006	COMMUNICATIONS WORKERS OF AMERICA	5,999.38	107.00
DANIEL R. GERKIN, 1575 I STREET, NW, #525 WASHINGTON DC 20005	MINING & RECLAMATION COUNCIL OF AMERICA	500.00	
PHYLLIS H. GERSTELL, 1850 K ST., NW WASHINGTON DC 20006	AMERICAN COUNCIL OF LIFE INSURANCE, INC		
GFE, LTD, 1835 K STREET, NW WASHINGTON DC 20006	CONSEJO EMPRESARIAL MEXICANO PARA ASUNTOS INTERNACIONALES		3,411.65
DANNY GHORBANI, 10506 CAVALCADE STREET GREAT FALLS VA 22066	ASSOCIATION FOR REGULATORY REFORM	3,000.00	350.00
ROBERT N. GIAIMO, 1140 19TH ST., NW, #600 WASHINGTON DC 20036	AETNA LIFE & CASUALTY	9,375.00	
Do	INSURANCE ASSOCIATION OF CONNECTICUT	3,750.00	
WILLIAM C. GIBB, 1050 THOMAS JEFFERSON ST., NW, 6TH FL WASHINGTON DC 20007			
WILLIAM T. GIBB, 1850 K ST., NW WASHINGTON DC 20006	AMERICAN COUNCIL OF LIFE INSURANCE, INC		
WAYNE GIBBENS, 1919 PENNSYLVANIA AVE., NW, #503 WASHINGTON DC 20006	MID-CONTINENT OIL & GAS ASSN	11,000.00	258.00
ANNE MARIE GIBBONS, THIRD FLOOR 2301 M STREET, NW WASHINGTON DC 20037	AMERICAN PUBLIC POWER ASSN	500.00	
GIBSON DUNN & CRUTCHER, 1050 CONNECTICUT AVENUE, NW WASHINGTON DC 20036	ASSOCIATED SPECIALTY CONTRACTORS, INC		
Do	FEDERATION OF APPAREL MANUFACTURERS		
Do	INSURANCE ASSN OF CONNECTICUT		
Do	MECHANICAL CONTRACTORS ASSN OF AMERICA, INC		
THERESA GIBSON, 1771 N STREET, NW WASHINGTON DC 20036	NATIONAL ASSN OF BROADCASTERS	1,500.00	1,014.23
WILLIAM L. GIFFORD, 600 MARYLAND AVENUE, SW, #520 WASHINGTON DC 20024	GPU NUCLEAR CORP		
PAMELA GILBERT, 215 PENNSYLVANIA AVENUE, SE WASHINGTON DC 20003	U.S. PUBLIC INTEREST RESEARCH GROUP	3,550.00	
RICHARD GILBERT, 1015 15TH STREET, NW WASHINGTON DC 20005	AMERICAN PUBLIC HEALTH ASSN	1,222.00	
MICHAEL GILDEA, 815 16TH ST., NW WASHINGTON DC 20006	AMERICAN FED OF LABOR & CONGRESS OF INDUSTRIAL ORGANIZATIONS	19,150.70	177.79
JOHN E. GILES, 1600 EYE ST., NW WASHINGTON DC 20006	MOTION PICTURE ASSN OF AMERICA, INC	200.00	460.05
NEAL P. GILLEN, 1725 K STREET, NW, #1210 WASHINGTON DC 20006	AMERICAN COTTON SHIPPERS ASSN	24,999.99	1,110.35
GINN & EDINGTON, INC, 121 SOUTH COLUMBUS STREET ALEXANDRIA VA 22314	AMERICAN POLYGRAPH ASSN	6,000.00	42.64
Do	GARRETT CORPORATION	12,000.00	78.00
Do	GULFSTREAM AEROSPACE CORP	500.00	3.12
Do	HERCULES INC		
Do	LOCKHEED CORP	3,000.00	21.40
Do	LOCKHEED-GEORGIA COMPANY	12,500.00	83.20
Do	MECHANICAL TECHNOLOGY, INC	3,150.00	41.08
Do	PROFESSIONAL INSURANCE AGENTS	6,000.00	41.60
Do	ROCKWELL INTERNATIONAL CORP	8,000.00	52.00
Do	TEXAS INSTRUMENTS, INC	10,000.00	67.60
Do	TURNER BROADCASTING SYSTEM, INC	6,250.00	40.56
Do	U.S. CANE SUGAR REFINERS' ASSN	2,000.00	15.60
MICHAEL K. GIRE, BRICKER & ECKLER 100 E. BROAD ST. COLUMBUS OH 43215	AMERICAN SMALL AND RURAL HOSPITAL ASSOCIATION, OHIO CHAPTER		
BRENDA M. GIRTON, 633 PENNSYLVANIA AVENUE, NW, #600 WASHINGTON DC 20004	SEARS ROEBUCK & CO	950.00	57.60
FRANCIS J. GIST, 1511 K STREET, NW, #809 WASHINGTON DC 20005			
MICHAEL J. GIUFFRIDA, 204 E STREET, NE WASHINGTON DC 20002	NATIONAL FROZEN FOOD ASSOCIATION	1,000.00	
SOL GLASNER, 2000 L ST., NW, #810 WASHINGTON DC 20036	SPERRY CORPORATION		
GEORGE L. GLEASON, 410 1ST ST., SE WASHINGTON DC 20003	AMERICAN NUCLEAR ENERGY COUNCIL	879.16	101.74
JOHN P. GLEASON, 11490 COMMERCE PARK DR. RESTON VA 22041	BRICK INSTITUTE OF AMERICA		
LAW OFFICES OF THOS GLEASON, 90 BROAD STREET, #600 NEW YORK NY 10004	INTERNATIONAL LONGSHOREMEN'S ASSOCIATION, AFL-CIO		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
DONALD R. GLENN, 1627 K STREET, NW, #200 WASHINGTON DC 20006	ENERGY RESEARCH CORP		
GLOBAL USA, INC, GLOBAL HOUSE 1823 JEFFERSON PLACE, NW WASHINGTON DC 20036	FANUC, LTD		
Do	HITACHI LTD		
Do	KOMATSU, LTD	360.00	
Do	KYOCERA CORPORATION		
Do	MAZAK CORPORATION		
JERE W. GLOVER, 1725 K STREET, NW, #308 WASHINGTON DC 20006	NATIONAL COUNCIL FOR INDUSTRIAL INNOVATION		
Do	NATIONAL COALITION OF PETROLEUM RETAILERS	5,414.13	5,389.13
GNAU CARTER JACOBSEN & ASSOC, INC, 44 E. LONG LAKE RD. BLOOMFIELD MI 48303	BAUMANN, INC		
Do	BEZTAK COMPANY		
Do	BI-COUNTY CONSORTIUM		
Do	DETROIT & MACKINAC RAILWAY COMPANY		
Do	DETROIT DOCTOR'S HOSPITAL		
Do	EDSI		
Do	EMS DEVELOPMENT CORP		
Do	GLOBAL COMMUNICATIONS		
Do	GRAND TRAVERSE DEVELOPMENT, INC		
Do	INTER-TRIBAL COUNCIL OF MICHIGAN, INC		
Do	JOHN COOLEY CONSTRUCTION CO		
Do	PRECISION MAGNETICS & CERAMICS		
Do	PRIMARK CORPORATION		
Do	RJK CONSTRUCTION COMPANY		
Do	SAFEKEEPER SYSTEMS, INC		
Do	SAFLOK		
Do	U.S. MANUFACTURING COMPANY		
Do	URBAN REVITALIZATION, INC		
Do	WEDTECH CORP		
JAMES W. GODLOVE, 1825 K STREET, NW, #1107 WASHINGTON DC 20006	PHILLIPS PETROLEUM CO	900.00	26.41
RICHARD P. GODWIN, P.O. BOX 3965 SAN FRANCISCO CA 94119	BECHTEL CIVIL & MINERALS, INC		
JUDITH M. GOFF, 375 JACKSON STREET ST. PAUL MN 55101	FARM CREDIT SERVICES	600.00	500.00
JOSEPH GOFFMAN, 215 PENNSYLVANIA AVENUE, SE WASHINGTON DC 20003	CONGRESS WATCH	5,250.00	
GEORGE TIMOTHY GOJIO, 1730 RHODE ISLAND AVENUE, NW, #204 WASHINGTON DC 20036	JAPANESE AMERICAN CITIZENS LEAGUE	7,000.00	3,200.00
A. JAMES GOLATO, 2300 M ST., NW, #800 WASHINGTON DC 20037	H&R BLOCK, INC		
GOLD & LIEBENGOOD, INC, 1050 CONNECTICUT AVENUE, NW, #980 WASHINGTON DC 20036	AMERICAN ACADEMY OF OPHTHALMOLOGY	2,000.00	1,454.00
Do	COLLEGE OF AMERICAN PATHOLOGISTS	19,258.00	1,898.00
Do	DOREMUS & CO	14,036.00	1,589.00
Do	ELECTRONIC DATA SYSTEMS	21,195.00	1,594.00
Do	ENERGY RESEARCH CORP #200	12,000.00	1,575.00
Do	EQUITABLE LIFE ASSURANCE SOCIETY OF THE U.S	39,300.00	2,422.00
Do	EYE BANK ASSN OF AMERICA	4,000.00	1,535.00
Do	FEDERATED INVESTORS, INC	25,000.00	1,899.00
Do	FORD MOTOR CO	5,000.00	1,454.00
Do	FUND FOR ASSURING AN INDEPENDENT RETIREMENT	2,000.00	1,483.00
Do	HANDGUN CONTROL, INC	9,147.00	1,603.00
Do	INTERNATIONAL GOLD CORP, LTD	34,212.00	2,009.00
Do	INVESTMENT COMPANY INSTITUTE	24,000.00	1,952.00
Do	MARIOTT GROUP/MARRIOTT CORP	128,275.00	3,276.00
Do	MARIST COLLEGE	1,062.00	1,499.00
Do	MARTIN MARIETTA CORP	10,000.00	1,500.00
Do	MCI COMMUNICATIONS		1,454.00
Do	NATIONAL COALITION FOR PORT PROGRESS		
Do	NATIONAL FOOTBALL LEAGUE	66,550.00	2,816.00
Do	OIL INVESTMENT INSTITUTE		
Do	OUTDOOR ADVERTISING ASSN OF AMERICA	2,000.00	1,597.00
Do	PHILLIPS PETROLEUM CO	15,000.00	2,094.00
Do	PURGATORIE RIVER WATER CONSERVANCY DISTRICT		2,899.00
Do	TEXAS CATTLEFEEDERS ASSN	14,800.00	2,112.00
Do	TICOR TITLE INSURANCE CO	38,112.00	2,153.00
Do	TIMES MIRROR	7,912.00	1,519.00
Do	TOBACCO INSTITUTE	60,000.00	3,144.00
DONNA GOLD, 1201 16TH STREET, NW WASHINGTON DC 20036	NATIONAL EDUCATION ASSN	2,663.00	57.50
HARVEY S. GOLD, 8100 OAK STREET DUNN LORING VA 22027	NATIONAL PEST CONTROL ASSN		
STEPHEN V. GOLD, 1010 WISCONSIN AVENUE, NW, #800 WASHINGTON DC 20007	GROCERY MANUFACTURERS OF AMERICA	12.25	502.36
PATRICIA R. GOLDMAN, 444 NORTH CAPITOL STREET, NW WASHINGTON DC 20001	AMERICAN HOSPITAL ASSN	2,748.67	532.18
ROBERT H. GOLDSBOROUGH, 5508 LOMBARDY PLACE BALTIMORE MD 21210	AMERICANS FOR IMMIGRATION CONTROL, INC	3,000.00	48.00
BENSON S. GOLDSTEIN, 1600 M STREET, NW WASHINGTON DC 20036	INVESTMENT COMPANY INSTITUTE	535.67	256.63
HELANE L. GOLDSTEIN, 2626 PENNSYLVANIA AVENUE, NW WASHINGTON DC 20037	NATIONAL TELEPHONE COOPERATIVE ASSN	1,862.50	327.28
LINDA F. GOLODNER, 600 MARYLAND AVE., SW, #202 W. WASHINGTON DC 20024	NATIONAL CONSUMERS LEAGUE		
RUTH M. GOLTZER, 1785 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20036	NATIONAL TRUST FOR HISTORIC PRESERVATION	2,788.99	54.44
JOHN GONELLA, 412 FIRST ST., SE, #200 WASHINGTON DC 20036	ASSOCIATION OF AMERICAN RAILROADS	541.06	402.48
RUTH GONZE, THIRD FLOOR 2301 M STREET, NW WASHINGTON DC 20037	AMERICAN PUBLIC POWER ASSN	500.00	
CHARLES E. GOODELL, KING & SPALDING 1730 PENNSYLVANIA AVENUE, NW, #1200 WASHINGTON DC 20006	DGA INTERNATIONAL, INC (FOR SOFREAVIA)		
Do	DGA INTERNATIONAL, INC (FOR SNECMA)		
Do	THOMSON-CSF, INC	12,320.00	
GOODWIN PROCTER & HOAR, 28 STATE STREET BOSTON MA 02109	POLAROID CORPORATION	113.40	7.68
ROBERT F. GOODWIN, 1850 K ST., NW, SUITE 275 WASHINGTON DC 20006	MEREDITH CORP	40.00	22.50
DOUGLAS GORDON, 1401 NEW YORK AVE., NW, #400 WASHINGTON DC 20005	NATIONAL FOOD PROCESSORS ASSN	375.00	
RANDALL C. GORDON, 725 15TH STREET, NW WASHINGTON DC 20005	NATIONAL GRAIN & FEED ASSN		
STEPHEN GORDON, 2020 K ST., NW, #200 WASHINGTON DC 20006	NATIONAL FED OF FEDERAL EMPLOYEES		
IRMGARD GORDOS, 5 CULP ST., BOX #40 INMAN SC 29349	AMERICAN SECURITY COUNCIL		
MILLICENT GORHAM, 600 MARYLAND AVE., SW, #400E WASHINGTON DC 20024	AMERICAN OPTOMETRIC ASSN		
DAVID W. GORMAN, 807 MAINE AVENUE, SW WASHINGTON DC 20024	DISABLED AMERICAN VETERANS	12,688.00	282.06
JAMES D. GORMLEY, 1400 EYE ST., NW WASHINGTON DC 20005	GENERAL AVIATION MANUFACTURERS ASSOCIATION	1,917.00	
BARBARA DIANE GORRA, 1819 L STREET, NW, #820 WASHINGTON DC 20036	SANTA FE INTERNATIONAL CORP		
ANN M. GOSIER, 1920 N ST., NW WASHINGTON DC 20036	AMERICAN MINING CONGRESS		
JOHN T. GOULD JR., ONE CHAMPION PLAZA STAMFORD CT 06921	CHAMPION INTERNATIONAL CORP		
GOVERNMENT RELATIONS ASSOCIATES, INC, 655 15TH ST., NW, #300 WASHINGTON DC 20005	GILMORE STEEL CORP		
Do	KAISER STEEL CORP		
EDMUND GRABER, 1957 E STREET, NW WASHINGTON DC 20006	ASSOCIATED GENERAL CONTRACTORS OF AMERICA	1,000.00	500.00
JOHN R. GRAFF, 1025 VERMONT AVE., NW, #330 WASHINGTON DC 20005	INTERNATIONAL ASSN OF AMUSEMENT PARKS AND ATTRACTIONS	130.50	680.00
DONALD E. GRAHAM, MCDERMOTT, WILL & EMERY 1850 K STREET, NW, #500 WASHINGTON DC 20006	NATIONAL COUNCIL OF FARMER COOPERATIVES		
ELAINE GRAHAM, 201 PARK WASHINGTON COURT FALLS CHURCH VA 22046	NATIONAL-AMERICAN WHOLESALE GROCERS' ASSN	3,000.00	
LAWRENCE T. GRAHAM, 1401 NEW YORK AVENUE, NW, #400 WASHINGTON DC 20005	NATIONAL FOOD PROCESSORS ASSN	500.00	30.00
JOHN K. GRAM, 610 S.W. BROADWAY, #608 PORTLAND OR 97205	PUBLIC TIMBER PURCHASERS GROUP	1,781.25	
FRANCES TURK GRANAHAN, 1090 VERMONT AVENUE, NW, #600 WASHINGTON DC 20005	TEXAS EASTERN TRANSMISSION CORP		480.77
JAMES I. GRANGER, 3806 MARYLAND STREET ALEXANDRIA VA 22309	PIPER AIRCRAFT CORPORATION	500.00	200.00
WILLIAM W. GRANT, 1150 CONNECTICUT AVE., NW, #710 WASHINGTON DC 20036	UTAH INTL, INC		1,379.88
GRASSROOTS NATIONAL ASSN OF FARM CREDIT SYSTEM STOCKHOLDERS , 501 ALABAMA STREET P.O. BOX 1070 JACKSONVILLE TX 75766.			
KARLA L. GRAUE, 1724 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20036	NATIONAL CABLE TELEVISION ASSN, INC	892.00	
RUTH P. GRAVES, 600 MARYLAND AVE., SW, #500 WASHINGTON DC 20024	READING IS FUNDAMENTAL, INC		
THOMAS P. GRAVES, 1800 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20036	NATIONAL RURAL ELECTRIC COOPERATIVE ASSN	125.00	
DAVID C. GRAY, 2939 VAN NESS STREET, NW, #108 WASHINGTON DC 20008	AMERICAN CAMPAIGN ASSOCIATION	10,000.00	981.96
JAMES A. GRAY, 7901 WESTPARK DR. MCLEAN VA 22102	NATIONAL MACHINE TOOL BUILDERS' ASSN	855.00	25.00
ROBERT K. GRAY, THE POWER HOUSE 3255 GRACE STREET, NW WASHINGTON DC 20007	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: AGRICULTURE FOR MARKET POLICIES (AG-MOP)).		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: AMERICAN MARITIME ASSN).		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: ASARCO INC)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: BELL ATLANTIC MANAGEMENT SERVICES).		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: BROWNING-FERRIS INDUSTRIES, INC).		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: BUDD COMPANY)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: CANADIAN ASBESTOS INFORMATION CENTRE).		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: CHICAGO TITLE INSURANCE CO).	175.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: ELECTRONIC INDUSTRIES ASSN OF JAPAN).		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: FIRST AMERICAN TITLE INSURANCE CO).	175.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: GRUMMAN CORPORATION)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: HRH PRINCE TALAL BIN ABDUL AZIZ AL SAUD).		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: HTB CORPORATION)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: IOWA PORK PRODUCERS ASSN).		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: JOINT MARITIME CONGRESS).		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: LAWYERS TITLE INSURANCE CO).	175.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: MARTIN BAKER AIRCRAFT COMPANY LTD).		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: MOTOROLA, INC)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: MUTUAL OF OMAHA)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: NATIONAL BROADCASTING CO, INC).		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: QUIXOTE CORPORATION)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: REPUBLIC OF TURKEY)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: SAFECO TITLE INSURANCE CO).	175.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: SHAKLEE CORPORATION)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: STROH BREWERY CO)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: STUART TITLE INSURANCE CO).	175.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: TITLE INSURANCE INDUSTRY COALITION).	175.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: TOBACCO INSTITUTE)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: U.S. BANKNOTE)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: UNITED AIRLINES)	175.00	
MARK E. GRAYSON, 1201 PENNSYLVANIA AVE., NW, #700 WASHINGTON DC 20004	HILL & KNOWLTON, INC		
SAMUEL A. GRAYSON, P.O. BOX 1745 BOISE ID 83701	UNION PACIFIC RAILROAD		
MARY R. GREALY, 1111 19TH STREET, NW, #402 WASHINGTON DC 20036	FEDERATION OF AMERICAN HOSPITALS	1,500.00	
GREAT AMERICAN RESERVE INSURANCE CO, 2020 LIVE OAK P.O. BOX 388 DALLAS TX 75221			
GREATER WASHINGTON BOARD OF TRADE, 1129 20TH ST., NW WASHINGTON DC 20036			
GREATER WASHINGTON/MARYLAND SERVICE STATION ASSN, 9420 ANNAPOLIS RD., 307 LANHAM MD 20706		3,000.00	3,000.00
JAMES R. GRECO, P.O. BOX 3151 HOUSTON TX 77001	BROWNING-FERRIS INDUSTRIES, INC	2,500.00	906.00
DONALD R. GREELEY, 1101 17TH ST., NW, #307 WASHINGTON DC 20036	CELANESE CORP	2,000.00	186.20
EDWARD M. GREEN, 1920 N ST., NW WASHINGTON DC 20036	AMERICAN MINING CONGRESS	40.00	
GEORGE R. GREEN, 1750 K ST., NW WASHINGTON DC 20006	FOOD MARKETING INSTITUTE	450.00	
ISIAH CARL GREEN, P.O. BOX 38 HUNTSVILLE TX 77344			
JAMES W. GREEN, 1201 16TH ST., NW WASHINGTON DC 20036	NATIONAL EDUCATION ASSN		
JOHN K. GREEN, 800 AMERICAN CHARTER CENTER 1623 FARNAM ST. OMAHA NB 68102	PAPILLION-LAVISTA NEBRASK SCHOOL DISTRICT	75.00	9.12
KAYLENE H. GREEN, 555 NEW JERSEY AVE., NW, #880 WASHINGTON DC 20001	CONGOLEUM CORPORATION	300.00	470.71
LAURA MARIE GREEN, 8001 BRADDOCK ROAD SPRINGFIELD VA 22160	NATIONAL RIGHT TO WORK COMMITTEE	800.00	479.69
LEON GREEN JR., 1819 L ST., NW, #700 WASHINGTON DC 20036	CLEAN COAL COALITION, INC		
RANDY GREEN, 600 MARYLAND AVENUE, SW, #510 WASHINGTON DC 20024	AMERICAN SOYBEAN ASSN	1,425.00	124.29
ROY G. GREEN, 500 E. JOHN CARPENTER FREEWAY DALLAS/FT. WORTH TX 75261	U.S. LEAGUE OF SAVINGS INSTITUTIONS		
ALLEN GREENBERG, 2000 P ST., NW, #708 WASHINGTON DC 20036	HEALTH RESEARCH GROUP		
ELDON V. C. GREENBERG, GALLOWAY & GREENBERG 1835 K ST., NW, #801 WASHINGTON DC 20006	SOUTHEASTERN FISHERIES ASSN, INC	3,800.00	1,837.72
H. THOMAS GREENE, 412 1ST ST., SE WASHINGTON DC 20003	NATIONAL AUTOMOBILE DEALERS ASSN	7,500.00	
MARCI E. GREENSTEIN, 2626 PENNSYLVANIA AVENUE, NW WASHINGTON DC 20037	NATIONAL TELEPHONE COOPERATIVE ASSN	2,330.00	88.25
DALE W. GREENWOOD, 612 HOGE BLDG. SEATTLE WA 98104	WASHINGTON RAILROAD ASSN		
SARAH MASSENGALE GREGG, 1090 VERMONT AVENUE, NW WASHINGTON DC 20005	AMERICAN HOSPITAL SUPPLY CORP		
SAUNDERS GREGG, PO BOX 2628 HOUSTON TX 77252	ENTEX, INC	940.50	3,505.82
CHELLIS O. GREGORY JR., 1201 PENNSYLVANIA AVE., NW WASHINGTON DC 20004	HILL AND KNOWLTON, INC (FOR: T. RAMIREZ AND COMPANY, INC)		
JOHN D. GREGORY, LEWIS BABCOCK GREGORY & PLEICONES P.O. BOX 11208 COLUMBIA SC 29211	CAMP CARMOUCHE HUNTER GRAY... (FOR SEARS ROEBUCK & CO)	13,440.00	1,578.48
Do	MULTIFAMILY HOUSING ASSOCIATION		
WILLIAM G. GREIF, 1155 15TH ST., NW WASHINGTON DC 20005	BRISTOL-MYERS CO	25,000.00	
GINNY GRENHAM, 2501 M STREET, NW WASHINGTON DC 20037	CHEMICAL MANUFACTURERS ASSN	280.00	85.25
MARIANA E. GRIESMER, 1010 WISCONSIN AVE, NW, #800 WASHINGTON DC 20007	GROCERY MANUFACTURERS OF AMERICA, INC		
ELLEN GRIFFEE, 1413 K STREET, NW, 10TH FL. WASHINGTON DC 20005	ASSOCIATION OF SCIENCE-TECHNOLOGY CENTERS	6,500.00	156.32
RANDALL GRIFFIN, 1515 WILSON BOULEVARD ARLINGTON VA 22209	AMERICAN GAS ASSN	2,000.00	105.30
TOM W. GRIFFITH, 1448 DUKE ST., #100 ALEXANDRIA VA 22314	NATIONAL RURAL LETTER CARRIERS' ASSN	21,412.00	
MARK N. GRIFFITHS, SMITH BUCKLIN & ASSOCIATES 1101 CONNECTICUT AVE, NW, #700 WASHINGTON DC 20036	NATIONAL ASSN OF METAL FINISHERS	500.00	
JACK GRIMES, 8100 OAK STREET DUNN LORING VA 22027	NATIONAL PEST CONTROL ASSN		
NORMAN E. GRIMM JR., 8111 GATEHOUSE ROAD FALLS CHURCH VA 22047	AMERICAN AUTOMOBILE ASSN		
MARYBETH GRISWOLD, 1828 L STREET, NW, #500 WASHINGTON DC 20036	GTE SPRINT COMMUNICATIONS CORP	3,100.00	338.22
GROCERY MANUFACTURERS OF AMERICA, INC, 1010 WISCONSIN AVE., NW, #800 WASHINGTON DC 20007			776.90
GROOM & NORDBERG, 1775 PENNSYLVANIA AVENUE, NW, #700 WASHINGTON DC 20006	ALUMINUM CO OF AMERICA		
Do	BANKERS LIFE COMPANY		
Do	BAXTER TRAVENOL LABORATORIES, INC		
Do	CHEVRON CORPORATION	200.00	20.00
Do	COLORADO-UTE		
Do	CONNECTICUT GENERAL INSURANCE CO		
Do	DOW CHEMICAL CO		
Do	ELI LILLY AND COMPANY		
Do	EQUITABLE LIFE ASSURANCE SOCIETY OF THE U.S		
Do	GLOBAL MARINE, INC		
Do	GOLDMAN SACHS & CO		
Do	GULF OIL CORP		
Do	JOHN HANCOCK MUTUAL LIFE INSURANCE CO		
Do	MINNESOTA MUTUAL LIFE INSURANCE COMPANY		
Do	MURPHY OIL U.S.A., INC	250.00	25.00
Do	NEW YORK CITY TEACHERS RETIREMENT SYSTEM		
Do	OCEAN DRILLING & EXPLORATION CO		
Do	PHILLIPS PETROLEUM COMPANY	100.00	8.00
Do	PHOENIX MUTUAL LIFE INSURANCE COMPANY	100.00	8.00
Do	PRUDENTIAL INSURANCE COMPANY OF AMERICA	1,000.00	100.00
Do	PUERTO RICO, U.S.A. FOUNDATION	1,500.00	8,260.00
Do	READING & BATES CORPORATION	100.00	10.00
Do	SOUTHERN CALIFORNIA EDISON COMPANY	100.00	8.00
Do	UNION TEXAS PETROLEUM		
Do	WESTERN CONFERENCE OF TEAMSTERS PENSION TRUST FUND		
Do	WESTINGHOUSE ELECTRIC CORP		
DAVID B. GROSS, 100 PEOPLES BANK BLDG JACKSON MS 39201			
NINA G. GROSS, 1120 CONNECTICUT AVE., NW WASHINGTON DC 20036	AMERICAN BANKERS ASSN	1,500.00	406.69
STANLEY C. GROSS, 249 MAITLAND AVENUE ALTAMONE SPRINGS FL 32701	INSTITUTE OF INTERNAL AUDITORS, INC		
ED GROSSWILER, 920 SW SIXTH AVENUE 1400 PUBLIC SERVICE BUILDING PORTLAND OR 97204	PACIFIC POWER & LIGHT CO	1,723.00	
WALTER B. GRUBBS, P.O. BOX 841 ABILENE TX 79604	WEST TEXAS UTILITIES CO		
JOHN T. GRUPENHOFF, 10,000 FALLS RD., #306 POTOMAC MD 20854	AMERICAN ACADEMY OF DERMATOLOGY	2,400.00	202.00
Do	AMERICAN ACADEMY OF OTOLARYNGOLOGY-HEAD & NECK SURGERY	400.00	161.65
Do	AMERICAN GASTROENTEROLOGICAL ASSN	1,200.00	234.90
Do	AMERICAN SOC FOR GASTROINTESTINAL ENDOSCOPY	1,200.00	234.90

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	AMERICAN SOC OF CLINICAL ONCOLOGY	600.00	146.80
Do	AMERICAN UROLOGICAL ASSN/AMER ASSN OF CLINICAL UROLOGISTS	860.00	199.70
Do	ASSOCIATION OF AMERICAN CANCER INSTITUTES	1,760.00	246.50
Do	COOLEY'S ANEMIA FOUNDATION	200.00	126.20
Do	NATIONAL HEMOPHILIA FOUNDATION	470.00	167.90
GERALD M. GUARILIA, 70 NORTH MAIN STREET WILKES-BARRE PA 18711	BLUE CROSS OF NORTHEASTERN PENNSYLVANIA		
MARY SCOTT GUEST, 1919 PENNSYLVANIA AVE., NW, #800 WASHINGTON DC 20006	DILLON REED & CO, INC		
Do	O'CONNOR & HANNAN		
CLARK J. GUILD JR., GUILD, HAGEN & CLARK, LTD. 102 ROFF WAY RENO NV 89505	MOTION PICTURE ASSN OF AMERICA, INC		
JAMES E. GUIRARD JR., 1730 RHODE ISLAND AVENUE, NW, #419 WASHINGTON DC 20036	BASF WYANDOTTE CORP		
Do	BELL AEROSPACE TEXTRON		
Do	KMS FUSION, INC		225.31
Do	TANO CORPORATION	2,000.00	
Do	WALK-HAYDEL, INC	3,000.00	203.75
JEROME R. GULAN, 1604 K ST., NW WASHINGTON DC 20006	NATIONAL SMALL BUSINESS ASSN	4,500.00	
Do	SMALL BUSINESS LEGISLATIVE COUNCIL	2,500.00	
GUN OWNERS OF AMERICA, INC, 5881 LEESBURG PIKE, #204 FALLS CHURCH VA 22041		281,207.70	263,445.03
DAVID GUSKY, 2020 K ST., NW, #200 WASHINGTON DC 20006	NATIONAL FEDERATION OF FEDERAL EMPLOYEES	1,153.36	
SUSAN L. GUSTAFSON, 8111 GATEHOUSE ROAD FALLS CHURCH VA 22047	AMERICAN AUTOMOBILE ASSN		
RAYMOND J. GUSTINI, LEFF & MASON 1700 PENNSYLVANIA AVENUE, NW, #450 WASHINGTON DC 20006	HERON CORP, LTD		
Do	U.S. LEAGUE OF SAVINGS INSTITUTIONS		
RICHARD E. GUTTING JR., 2000 M ST., NW, #580 WASHINGTON DC 20036	NATIONAL FISHERIES INSTITUTE	6,000.00	385.62
ALVIN M. GUTTMAN, 818 CONNECTICUT AVE., NW, #300 WASHINGTON DC 20006	NATIONAL ASSN OF ATOMIC VETERANS	2,500.00	3,813.00
Do	TOWING & RECOVERY ASSN OF AMERICA, INC		
DANIEL GUTTMAN, SPIEGEL & MCDIARMID 1350 NEW YORK AVE., NW WASHINGTON DC 20005	SERVICE EMPLOYEES INTERNATIONAL UNION	840.00	
DALLAS E. GWYNN, BALCOR PLAZA 4849 GOLF ROAD SKOKIE IL 60077	BALCOR/AMERICAN EXPRESS, INC	20,200.00	3,391.24
H&W DRILLING, INC, 422 NORTH CLIFFWOOD AVENUE LOS ANGELES CA 90049			
JANE SCHERER HAAKE, 1667 K STREET, NW, #420 WASHINGTON DC 20006	MEAD CORPORATION	175.00	
DANA W. HAAS, 1920 N ST., NW, #720 WASHINGTON DC 20036	KANSAS CITY POWER & LIGHT CO, ET AL	2,812.50	4,835.89
GLENN M. HACKBARTH, 444 N. CAPITOL STREET, #204 WASHINGTON DC 20001	BONNEVILLE ASSOCIATES, INC (FOR: INTERMOUNTAIN HEALTH CARE, INC)	13,750.00	173.04
GEORGE HACKER, 1501 16TH STREET, NW WASHINGTON DC 20036	CENTER FOR SCIENCE IN THE PUBLIC INTEREST	650.00	
CRAIG HACKLER, 412 FIRST ST., SE, #214 WASHINGTON DC 20003	BENEFICIAL MANAGEMENT CORP OF AMERICA		
Do	CADILLAC FAIRVIEW U.S., INC		
Do	INTERNATIONAL CHIROPRACTIC ASSN		
LOYD HACKLER, 1616 H ST., NW WASHINGTON DC 20006	AMERICAN RETAIL FEDERATION	2,000.00	45.90
CHARLES W. HACKNEY JR., 15TH & M STS., NW WASHINGTON DC 20005	NATIONAL ASSN OF HOME BUILDERS OF THE U.S.		
THOMAS M. HAGAN, 1005 CONGRESS AVE., #795 AUSTIN TX 78701	CENTRAL AND SOUTH WEST SERVICES, INC	398.00	955.01
HAGEDORN-CANDO, INC, 1704 23RD ST., SO. ARLINGTON VA 22202	DAVY MCKEE CORP		
Do	HANSEN ENGINE CO	11,000.00	
Do	TRAILWAYS BUS CO; NATIONWIDE PASSENGER BUS CO	2,550.00	
Do	YANKEE ENERGY CO	2,000.00	
ANN HAGEMANN, 1735 DESALES ST., NW, #400 WASHINGTON DC 20036	ASSOCIATION OF MAXIMUM SERVICE TELECASTERS, INC		
BRUCE N. HAHN, 9300 LIVINGSTON RD. FT. WASHINGTON MD 20744	NATIONAL TOOLING & MACHINING ASSN	12,360.00	2,204.30
PETER H. HAHN, 1100 17TH ST., NW, #1000 WASHINGTON DC 20036	CHROMALLOY AMERICAN CORP		
THOMAS F. HAIRSTON, 1050 CONNECTICUT AVE., NW, #760 WASHINGTON DC 20036	UNION OIL CO OF CALIFORNIA	6,000.00	1,274.41
HALE AND DORR, 1201 PENNSYLVANIA AVE., NW, #807 WASHINGTON DC 20004	INDIAN LAND CLAIM COMMITTEE		
Do	NORTHEASTERN UNIVERSITY	45,000.00	1,340.63
Do	TOWN OF GAY HEAD		690.49
Do	TOWN OF MASHPEE		
Do	VILLERS ADVOCACY FOUNDATION		165.25
Do	PHIL VILLERS		8.99
RANDOLPH M. HALE, 1776 F STREET, NW WASHINGTON DC 20006	NATIONAL ASSN OF MANUFACTURERS		
BEVERLY HALEM, P.O. BOX 1419 COCOA FL 32922	HALEM INDUSTRIES, INC		
CHERYL A. HALEY, 444 NORTH CAPITOL ST., NW, #500 WASHINGTON DC 20001	AMERICAN HOSPITAL ASSN	1,833.42	158.38
MARTIN HALEY COMPANIES, INC, 1015 15TH ST., NW WASHINGTON DC 20005	M&M/MARS		
REBECCA L. HALKIAS, 1850 K STREET, NW, #1100 WASHINGTON DC 20006	BALLARD SPAHR ANDREWS & INGERSOLL		
DEBI HALL, 729 15TH STREET, NW WASHINGTON DC 20005	ASSOCIATED BUILDERS & CONTRACTORS, INC	2,500.00	
JOHN F. HALL, 1619 MASSACHUSETTS AVE., N.W. WASHINGTON DC 20036	NATIONAL FOREST PRODUCTS ASSN		
RICHARD F. HALL, 2501 M STREET, NW, #540 WASHINGTON DC 20037	UNION OIL CO OF CALIFORNIA	1,000.00	123.83
WILLIAM F. HALL, P.O. BOX 7658 CHICAGO IL 60680	WILLIAM HALL PUBLIC AFFAIRS-MANAGEMENT CONSULTING GROUP		
MARIAN HALL-CRAWFORD, 316 PENNSYLVANIA AVENUE, SE, #301 WASHINGTON DC 20003	SAN DIEGO GAS & ELECTRIC	1,275.00	3,204.16
PAUL HALLISAY, 1625 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20036	AIR LINE PILOTS ASSN, INT'L	3,551.60	350.20
JOSEPH HALOW, 1747 PENNSYLVANIA AVE., NW, #1175 WASHINGTON DC 20006	NORTH AMERICAN EXPORT GRAIN ASSN, INC		
MAURICE E. HALSEY, P.O. BOX 190 AURORA IL 60507	NORTHERN ILLINOIS GAS COMPANY	2,000.00	
PAUL T. HALUZA, 1120 19TH ST., NW, #333 WASHINGTON DC 20036	MOTOR AND EQUIPMENT MANUFACTURERS ASSOCIATION	3,000.00	12.85
RHONDA LEE HALVERSON, 1730 K ST., NW, #703 WASHINGTON DC 20006	AMERICAN BUSINESS CONFERENCE, INC	64.62	30.00
HAMEL & PARK, 888 16TH STREET, NW WASHINGTON DC 20006	BENEFICIAL FOUNDATION		
Do	ESTATE OF HELEN WODELL HALBACH		
Do	GRAEPER-VAN NOY-WAGNER, INC		
Do	GRAND TRUNK CORP	5,342.00	543.70
Do	SKYLINK CORPORATION, INC		
Do	TANDY CORPORATION		
J. LEE HAMILTON, 1776 F STREET, NW WASHINGTON DC 20006	NATIONAL ASSN OF MANUFACTURERS	212.00	
JAMES L. HAMILTON III, 818 CONNECTICUT AVE., NW WASHINGTON DC 20006	U.S. STEEL CORPORATION	761.25	188.75
PHILIP W. HAMILTON, 1825 K ST., NW WASHINGTON DC 20006	AMERICAN SOC OF MECHANICAL ENGINEERS		
STANLEY HAMILTON, 2200 MILL RD. ALEXANDRIA VA 22314	INTERSTATE CARRIERS CONFERENCE	500.00	150.00
SUSAN WOODWARD HAMLIN, 1957 E STREET, NW WASHINGTON DC 20006	ASSOCIATED GENERAL CONTRACTORS OF AMERICA		
AMY R. HAMMER, 1899 L ST., NW, #1100 WASHINGTON DC 20036	EXXON CORPORATION	1,300.00	455.74
ROBERT E. HAMPTON, NEW MURPHY ROAD & CONCORD PIKE WILMINGTON DE 19897	ICI AMERICAS, INC		
TIMOTHY A. HANAN, 1100 CONNECTICUT AVENUE, NW WASHINGTON DC 20036	MOBIL CORPORATION	1,500.00	
NOLAN W. HANCOCK, 1126 16TH ST., NW WASHINGTON DC 20036	OIL CHEMICAL & ATOMIC WORKERS INTERNATIONAL UNION	5,549.00	
TED HANDEL, THIRD FLOOR 2301 M STREET, NW WASHINGTON DC 20037	AMERICAN PUBLIC POWER ASSN	4,000.00	
GEORGE J. HANKS JR., 1100 15TH ST., NW, 12TH FL. WASHINGTON DC 20005	UNION CARBIDE CORP		
JAMES M. HANLEY, 1331 PENNSYLVANIA AVE., NW, #905 WASHINGTON DC 20004	ALLIANCE OF NON-PROFIT MAILERS	12,501.00	
ELISABETH HANLIN, 2000 L ST., NW, #810 WASHINGTON DC 20036	SPERRY CORPORATION		
HANSELL & POST, 1667 K ST., NW, #500 WASHINGTON DC 20006	CSX CORPORATION	3,090.00	13.39
Do	NATIONAL BROILER COUNCIL	997.50	46.00
Do	ROCKWELL INTERNATIONAL CORP	16,000.00	88.33
Do	UNITED FAMILY LIFE INSURANCE CO	2,485.00	71.59
CHRISTOPHER W. HANSEN, 1745 JEFFERSON DAVIS HIGHWAY, #1000 ARLINGTON VA 22202	GENERAL DYNAMICS	1,000.00	224.77
J. E. HANSEN, 400 1ST ST., NW WASHINGTON DC 20001	BROTHERHOOD OF RAILROAD SIGNALMEN	350.00	
HANSON BRIDGETT MARCUS & VLAHOS, 333 MARKET STREET, #2300 SAN FRANCISCO CA 94105	CALIFORNIA HOSPITAL ASSN	10,000.00	2,049.99
DANIEL J. HANSON SR., 525 SCHOOL ST., SW WASHINGTON DC 20024	AMERICAN ROAD & TRANSPORTATION BUILDERS ASSOCIATION	22,000.00	309.75
PETER J. HAPWORTH, 1015 15TH STREET, NW, #200 WASHINGTON DC 20005	NATIONAL PORK PRODUCERS COUNCIL	2,000.00	9.00
ROBERT N. HARBOR, 1050 CONNECTICUT AVENUE, NW, #200 WASHINGTON DC 20036	EL PASO NATURAL GAS CO		
CHARLES G. HARDIN ASSOCIATES, INC, 815 CONNECTICUT AVE., NW, #800 WASHINGTON DC 20006	ANDERSON HIBEY NAUHEIM & BLAIR	5,639.20	35.65
CHARLES G. HARDIN, 815 CONNECTICUT AVE., NW, #800 WASHINGTON DC 20006	MERCEDES-BENZ OF NORTH AMERICA, INC	9,000.00	48.53
RALPH HARDING, SUITE 717 WATERGATE 2600 VIRGINIA AVENUE, NW WASHINGTON DC 20037	PHILIPPINE SUGAR COMMISSION	60,000.00	30,096.00
WILLIAM E. HARDMAN, 9300 LIVINGSTON ROAD FT. WASHINGTON MD 20744	NATIONAL TOOLING & MACHINING ASSN	23,076.90	18.50
EUGENE J. HARDY, 1100 17TH ST., NW, #1000 WASHINGTON DC 20036	GERBER PRODUCTS COMPANY		
STUART B. HARDY, 1615 H STREET, NW WASHINGTON DC 20062	CHAMBER OF COMMERCE OF THE U.S.		
JON HARKAVY, 205 EAST 42ND STREET NEW YORK NY 10017	RISK & INSURANCE MANAGEMENT SOCIETY, INC		
CHARLES N. HARKEY, 453 NEW JERSEY AVENUE, SE WASHINGTON DC 20003	BENEFICIAL MANAGEMENT CORPORATION OF AMERICA	924.00	
DAN R. HARLOW, 717 N. HARWOOD STREET DALLAS TX 75201	DIAMOND SHAMROCK CORPORATION	1,000.00	205.46
WILEY C. HARRELL JR., 1211 CONNECTICUT AVE., NW, #502 WASHINGTON DC 20036	ANHEUSER-BUSCH COMPANIES, INC		
TONI HARRINGTON, 955 L'ENFANT PLAZA NORTH, SW, #905 WASHINGTON DC 20024	AMERICAN HONDA MOTOR CO, INC	200.00	201.99
HARRIS & BERG, 1101 30TH ST., NW, #103 WASHINGTON DC 20007	ASSOCIATION OF FOOD INDUSTRIES, INC	200.00	6.00
Do	CHEESE IMPORTERS ASSN OF AMERICA, INC	2,500.00	31.00
Do	COMMITTEE OF DOMESTIC STEEL WIRE ROPE & SPECIALTY CABLE MFRS		
Do	P. L. THOMAS & COMPANY, INC, ET AL		
MARILYN A. HARRIS, 818 CONNECTICUT AVENUE, NW WASHINGTON DC 20006	U.S. STEEL CORPORATION	825.00	
MILTON E. HARRIS, 1255 23RD ST., NW WASHINGTON DC 20037	HARRIS STEEL GROUP, INC		
RICHARD M. HARRIS, 525 SCHOOL ST., SW WASHINGTON DC 20024	AMERICAN ROAD & TRANSPORTATION BUILDERS ASSOCIATION	16,920.00	418.81

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
ROBERT L. HARRIS, 818 CONNECTICUT AVE., NW WASHINGTON DC 20006	ALUMINUM ASSN		50.00
SANDRA ZEUNE HARRIS, 1120 20TH STREET, NW, #700 WASHINGTON DC 20036	WILLIAMS COMPANIES	100.00	
ANNE HARRISON-CLARK, 1707 H STREET, NW, #600 WSAHINGTON DC 20006	MARCH OF DIMES BIRTH DEFECTS FOUNDATION	4,125.00	116.60
WILLIAM H. HARSHA, 1102 DELF DRIVE MCLEAN VA 22101	WILLIAM H. HARSHA & ASSOCIATES, INC (FOR: NORFOLK SOUTHERN CORP)	5,000.00	721.44
LYNN S. HART, 1111 19TH ST., NW, #402 WASHINGTON DC 20036	AMERICAN HOSPITAL ASSN	1,108.46	
Do	FEDERATION OF AMERICAN HOSPITALS	1,000.00	
SUSAN P. HART, 1600 M STREET, NW WASHINGTON DC 20036	INVESTMENT COMPANY INSTITUTE		
GABRIEL A. HARTL, 2020 N. 14TH STREET, #410 ARLINGTON VA 22201	AIR TRAFFIC CONTROL ASSN		
ROBERT MICHAEL HARTMAN, 1025 CONNECTICUT AVENUE, NW, #1014 WASHINGTON DC 20036	EBASCO SERVICES, INC		
ARTHUR W. HARTMANN, 1800 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20036	NATIONAL RURAL ELECTRIC COOPERATIVE ASSN		
EDWIN HAROLD HARVEY, 2020 K STREET, NW, #200 WASHINGTON DC 20006	NATIONAL FEDERATION OF FEDERAL EMPLOYEES		
JAY HARVEY, 815 16TH STREET, NW, #408 WASHINGTON DC 20006	FOOD & ALLIED SERVICE TRADES DEPT, AFL-CIO	1,615.00	68.00
LINDA CAROL HASLETT, 55 PUBLIC SQUARE, #624 P.O. BOX 5000 CLEVELAND OH 44113	CLEVELAND ELECTRIC ILLUMINATING CO		
HOLLY HASSETT, 2000 L STREET, NW, #200 WASHINGTON DC 20036	HERSHEY FOODS CORP		
LEWIS B. HASTINGS, 1776 K ST., NW, #300 WASHINGTON DC 20006	MOTOROLA, INC	3,000.00	
WALTER A. HASTY JR., 801 18TH STREET, NW, #400 WASHINGTON DC 20006	PROCTER & GAMBLE MANUFACTURING CO	130.20	
JANET HATHAWAY, 215 PENNSYLVANIA AVENUE, SE WASHINGTON DC 20003	CONGRESS WATCH	6,000.00	
MICHAEL D. HATHAWAY, 1800 DIAGONAL ROAD ALEXANDRIA VA 22314			
HOWARD M. HAUG, 100 EAST 42ND ST. NEW YORK NY 10017	NATIONAL FOREIGN TRADE COUNCIL, INC	16,000.00	2,350.03
BARBARA S. HAUGEN, 1401 NEW YORK AVE., NW, #720 WASHINGTON DC 20005	NATIONAL ASSN OF INSURANCE BROKERS		
MARILYN BETH HAUGEN, 1619 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20036	AMERICAN PAPER INSTITUTE, INC		
BARBARA J. HAUGH, 1050 CONNECTICUT AVENUE, NW, #760 WASHINGTON DC 20036	UNION OIL CO OF CALIFORNIA		1,757.52
MARY W. HAUGHT, 1800 K ST., NW, #820 WASHINGTON DC 20006	SUN CO, INC	700.00	40.26
CHARLES W. HAVENS III, 1333 NEW HAMPSHIRE AVENUE, NW WASHINGTON DC 20036	LEBOEUF LAMB LEIBY & MACRAE		
SIDNEY G. HAWKES, 1667 K ST., NW, #420 WASHINGTON DC 20006	MEAD CORPORATION	1,250.00	
CHARLES E. HAWKINS III, 729 15TH STREET, NW WASHINGTON DC 20005	ASSOCIATED BUILDERS & CONTRACTORS, INC	2,500.00	
JOHN H. HAWKINS JR., 600 N. 18TH ST. BIRMINGHAM AL 35291	ALABAMA POWER CO	15,114.00	
WESLEY F. HAYDEN, 5224 CHEROKEE AVE. ALEXANDRIA VA 22312	INTERNATIONAL ASSN OF FISH & WILDLIFE AGENCIES	8,574.96	111.15
DAVID J. HAYES, 815 CONNECTICUT AVE., NW WASHINGTON DC 20006	HOGAN & HARTSON (FOR: SEMICONDUCTOR INDUSTRY ASSN)		65.00
ROBERT G. HAYES, BOGLE AND GATES ONE THOMAS CIRCLE, NW, #900 WASHINGTON DC 20005	ALLIANCE FOR FAIR TRADE	1,000.00	
Do	AMERICAN FAIR TRADE COUNCIL	35,000.00	
Do	KALAMA CHEMICAL, INC	1,000.00	
Do	NORTHWEST APPAREL & TEXTILE ASSN	1,000.00	
ROBERT A. HAYNOS, 4711 HUNT CIRCLE HARRISBURG PA 17112	HARSCO CORPORATION	15,249.99	878.34
HOLLY ELISABETH HAZARD, 400 FIRST STREET, NW, #800 WASHINGTON DC 20001	COMMITTEE FOR HUMANE LEGISLATION		
Do	FRIENDS OF ANIMALS, INC	6,000.00	177.50
HEALTH INSURANCE ASSN OF AMERICA, INC, 1025 CONNECTICUT AVE., NW WASHINGTON DC 20036			
PATRICK B. HEALY, 1840 WILSON BOULEVARD ARLINGTON VA 22201	NATIONAL MILK PRODUCERS FEDERATION		
ROBERT L. HEALY, 1333 NEW HAMPSHIRE AVE., NW WASHINGTON DC 20036	ATLANTIC RICHFIELD CO	300.00	
KEITH HEARD, 1030 15TH ST., NW, #700 WASHINGTON DC 20005	NATIONAL COTTON COUNCIL OF AMERICA	9,625.00	92.00
CHARLES L. HEBNER, NEW MURPHY ROAD & CONCORD PIKE WILMINGTON DE 19897	ICI AMERICAS, INC		
HERBERT A. HEDDEN, 1350 NEW YORK AVE., NW, #900 WASHINGTON DC 20005	INTERNATIONAL FRANCHISE ASSN		
JAY HEDLUND, 2030 M ST., NW WASHINGTON DC 20036	COMMON CAUSE	10,546.26	244.19
EDWARD D. HEFFERNAN, 1513 16TH ST., NW, 4TH FL. WASHINGTON DC 20036	CAMP CARMOUCHE BARSH HUNTER GRAY & HOFFMAN, P.C.	2,400.00	
Do	CSX CORPORATION	3,000.00	217.41
Do	DUCTILE IRON PIPE RESEARCH ASSN		
Do	NATIONAL ASSN OF CRIMINAL DEFENSE LAWYERS	3,000.00	
Do	TRANSAMERICA INTERWAY, INC, ET AL	1,000.00	6.89
JOHN HEFFNER, 1957 E STREET, N.W. WASHINGTON DC 20006	ASSOCIATED GENERAL CONTRACTORS OF AMERICA		
ROBERT E. HEGGESTAD, 1827 PHELPS PLACE, NW WASHINGTON DC 20008	CASEY SCOTT & CANFIELD, P.C. (FOR UNIFICATION CHURCH)	1,363.00	23.00
JOHN F. HEILMAN, 807 MAINE AVE., SW WASHINGTON DC 20024	DISABLED AMERICAN VETERANS	17,331.60	1,912.80
ROBERT M. HEINE, 1701 PENNSYLVANIA AVENUE, NW WASHINGTON DC 20006	CONOCO, INC	1,000.00	
RICHARD L. HELLWEGE, 1911 JEFFERSON DAVIS HIGHWAY, #1002 ARLINGTON VA 22202	LEAR SIEGLER, INC		
THOMAS M. HELSCHER, 1101 17TH STREET, NW, #604 WASHINGTON DC 20036	MONSANTO CO	450.00	442.91
NOEL HEMMENDINGER, 1300 19TH STREET, NW WASHINGTON DC 20036	WALD HARKRADER & ROSS (FOR: JAPAN IRON & STEEL EXPORTERS' ASSN)		
CAROL C. HENDERSON, 110 MARYLAND AVE., NE, #101, BOX 54 WASHINGTON DC 20002	AMERICAN LIBRARY ASSN	903.00	
KATHLEEN M. HENDERSON, 1025 CONNECTICUT AVE., NW, #500 WASHINGTON DC 20005	MILES LABORATORIES, INC		
CAROL DIANE HENDRICKS, 2601 PARK CENTER DRIVE, #C804 ALEXANDRIA VA 22302	AMERICAN MARITIME OFFICERS SERVICE		
DENNIS A. HENIGAN, 1775 PENNSYLVANIA AVE., NW WASHINGTON DC 20006	FOLEY LARDNER HOLLABAUGH & JACOBS (FOR: VGS CORPORATION)		
C. DAYLE HENINGTON, 2000 PENNSYLVANIA AVE., NW, #6200 WASHINGTON DC 20036	CHICAGO MERCANTILE EXCHANGE		
EDMUND P. HENNELLY, 150 E. 42ND ST. NEW YORK NY 10017	MOBIL OIL CORP	1,500.00	
HENNESSY ASSOCIATES, 152 WASHINGTON AVENUE ALBANY NY 12210		28,160.00	5,556.00
GEORGE F. HENNRIKUS JR., 201 N. WASHINGTON ST. ALEXANDRIA VA 22314	RETIRED OFFICERS ASSN	5,740.00	
LEANN HENSCHE, 2550 M ST., NW, #770 WASHINGTON DC 20037	RJR INDUSTRIES, INC	263.74	141.22
DAVID A. HENSON, 100 N.E. ADAMS STREET PEORIA IL 61629	CATERPILLAR TRACTOR CO		
BRUCE HEPPEN, 2020 K ST., NW, # 200 WASHINGTON DC 20006	NATIONAL FEDERATION OF FEDERAL EMPLOYEES		
GEORGE B. HERBERT SR., 6601 SOUTHPOINT DRIVE, #245 JACKSONVILLE FL 32216	J M FAMILY ENTERPRISES, INC		92.00
STEPHEN HERM, 2020 K ST., NW, #200 WASHINGTON DC 20006	NATIONAL FED OF FEDERAL EMPLOYEES		
LAWRENCE R. HERMAN, 600 PENNSYLVANIA AVENUE, SE, #200 WASHINGTON DC 20003	INDEPENDENT INSURANCE AGENTS OF AMERICA, INC	12,654.00	
WILLIAM HERMELIN, 1200 15TH STREET, NW WASHINGTON DC 20005	AMERICAN HEALTH CARE ASSN	4,375.00	213.15
CATHERINE L. HERON, 1600 M ST., NW WASHINGTON DC 20036	INVESTMENT COMPANY INSTITUTE	806.10	31.00
WILLIAM G. HERROLD, 1111 19TH ST., NW, #608 WASHINGTON DC 20036	INSTITUTE OF ELECTRICAL & ELECTRONICS ENGINEERS		
FRED HERVEY, 1601 NORTH 7TH STREET PHOENIX AZ 85072	CIRCLE K CORPORATION		
Do	REDUCE OUR DEBT FOUNDATION		
HEUBLEIN, INC, MUNSON ROAD FARMINGTON CT 06032			21,362.52
TED ALLEN HEYDINGER, 311 FIRST STREET, NW, #500 WASHINGTON DC 20001	COMPUTER & BUSINESS EQUIPMENT MANUFACTURERS ASSN	1,825.00	489.53
DALE E. HEYDLAUFF, CRAFT & RICHARDS 1050 THOMAS JEFFERSON STREET, NW, 6TH FL WASHINGTON DC 20007	ALLIS CHALMERS ENERGY & MINERALS SYSTEMS CO	1,732.50	1,307.63
Do	CONSUMERS UNITED FOR RAIL EQUITY (C.U.R.E.)	701.25	181.35
Do	EDISON ELECTRIC INSTITUTE		
Do	ILLINOIS DEPT OF ENERGY & NATURAL RESOURCES	648.75	509.12
Do	ILLINOIS ENVIRONMENTAL PROTECTION AGENCY	166.25	188.49
G. BROCKWEL HEYLIN, 1957 E STREET, NW WASHINGTON DC 20006	ASSOCIATED GENERAL CONTRACTORS OF AMERICA		
ROBERT G. HIBBERT, P.O. BOX 3556 WASHINGTON DC 20007	AMERICAN MEAT INSTITUTE	1,000.00	
PAUL T. HICKS, RHODE ISLAND PETROLEUM ASSN 154 FRANCIS ST. PROVIDENCE RI 02903	AMERICAN PETROLEUM INSTITUTE	750.00	375.00
EDWARD HIDALGO, 1828 L ST., NW, #1111 WASHINGTON DC 20036	NORFOLK SOUTHERN CORP	19,800.00	48.50
J. THOMAS HIGGINBOTHAM, ONE MELLON BANK CENTER, #2002 PITTSBURGH PA 15258	MELLON BANK N.A. AND MELLON NATIONAL CORP	2,000.00	1,373.70
DAVID M. HIGGINS, 333 SOUTH GRAND AVE., #3930 LOS ANGELES CA 90071	STRUCTURED SETLEMENTS TRADE ASSN	35,165.00	24,270.52
SHARON L. HILDEBRANDT, 444 N. CAPITOL STREET, NW WASHINGTON DC 20001	AMERICAN HOSPITAL ASSN		
WILLIAM F. HILDENBRAND, GOLD & LIEBENGOOD, INC 1050 CONNECTICUT AVENUE, NW, #980 WASHINGTON DC 20036	CHEMICAL MANUFACTURERS ASSN	23,100.00	2,191.00
CLIFTON T. HILDERLEY JR., 1025 CONNECTICUT AVE., NW, #507 WASHINGTON DC 20036	ASHLAND OIL, INC	2,000.00	
GERALD 'JERRY' HILL, 6 EXECUTIVE PARK DRIVE ATLANTA GA 30329	AMOCO CORP		
J. ELDRED HILL JR., 600 MARYLAND AVE., SW, #603 WASHINGTON DC 20024	UBA, INC	2,000.00	
MORTON A. HILL, 475 RIVERSIDE DRIVE, #239 NEW YORK NY 10115	MORALITY IN MEDIA, INC		
PATRICIA HILL, 1619 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20036	AMERICAN PAPER INSTITUTE, INC	2,151.00	434.79
ROBERT B. HILL, 2501 M STREET, N.W. WASHINGTON DC 20037	CHEMICAL MANUFACTURERS ASSN, INC	400.00	114.00
EDWARD JOSEPH HILLINGS, 1015 15TH ST., NW, #900 WASHINGTON DC 20005	HNG/INTERNORTH	7,500.00	
JOHN L. HILLS, RT. 1, BOX 645 PURCELLVILLE VA 22132	SUNDSTRAND CORPORATION	1,562.60	
FRED C. HIMES, P.O. BOX 3151 HOUSTON TX 77253	BROWNING-FERRIS INDUSTRIES (BFI)	1,000.00	
JOHN M. HIMMELBERG, SCOTT HARRISON & MCLEOD 2501 M STREET, NW, #400 WASHINGTON DC 20037	FLORIDA FRUIT & VEGETABLE ASSN	3,000.00	
Do	FLORIDA TOMATO EXCHANGE	1,500.00	
RICK HIND, 215 PENNSYLVANIA AVENUE, SE WASHINGTON DC 20003	U.S. PUBLIC INTEREST RESEARCH GROUP	4,500.00	
STEPHEN HITCHNER, 2030 M STREET, NW WASHINGTON DC 20036	COMMON CAUSE	13,565.44	14.40
LAWRENCE S. HOBART, 2301 M ST., NW WASHINGTON DC 20037	AMERICAN PUBLIC POWER ASSN	500.00	
CLAUDE E. HOBBS, 1801 K ST., NW WASHINGTON DC 20006	WESTINGHOUSE ELECTRIC CORP	3,000.00	95.00
SCOTT HODES, 180 NORTH LA SALLE ST., #3800 CHICAGO IL 60601	ZALMAN C. BERNSTEIN		
Do	INVESTMENT COMPANY INSTITUTE		
HOWARD E. HOELTER, ILLINOIS PETROLEUM COUNCIL P.O. BOX 5034 SPRINGFIELD IL 62705	AMERICAN PETROLEUM INSTITUTE		
IRVIN A. HOFF, 20 N. LIVE OAK RD. HILTON HEAD ISLAND SC 29928	U.S. CANE SUGAR REFINERS' ASSN	1,250.00	612.74
ADONIS E. HOFFMAN, 3255 GRACE STREET, NW WASHINGTON DC 20007	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: GOVERNMENT OF HAITI)	200.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: REPUBLIC OF KOREA)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: REPUBLIC OF TURKEY)	200.00	
ELMO R. HOFFMAN, PARKER, JOHNSON, OWEN & MCGUIRE 108 EAST HILLCREST STREET P.O. BOX 2867 ORLANDO FL 32801.	GLOBAL EXPLORATION & DEVELOPMENT CORP		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
THOMAS F. HOFFMAN, 1701 PENNSYLVANIA AVENUE, NW, #900 WASHINGTON DC 20006	CONSOLIDATION COAL CO	58.00	15.00
WILLIAM L. HOFFMAN, 516 FIRST ST., S.E. WASHINGTON DC 20003	AMERICAN UNIVERSITY OF BEIRUT	11,856.00	1,288.10
F. NORDY HOFFMANN AND ASSOC, INC, 400 N. CAPITOL ST., NW, #327 WASHINGTON DC 20001	ARCHER DANIELS MIDLAND COMPANY		
Do	INTERNATIONAL TELEPHONE & TELEGRAPH CORPORATION	1,000.00	
Do	MARINE ENGINEERS BENEFICIAL ASSN	1,000.00	
Do	O'CONNOR & HANNAN		
Do	PAGE AIRWAYS		
Do	WESTINGHOUSE ELECTRIC		
HOGAN & HARTSON, 815 CONNECTICUT AVE., NW WASHINGTON DC 20006	CLEVELAND CLINIC FOUNDATION		
Do	COUNCIL OF EUROPEAN & JAPANESE NATIONAL SHIPOWNERS' ASSN		14.00
Do	ECONOMICS LABORATORY, INC	700.00	
Do	HOME HEALTH SERVICES & STAFFING ASSN		792.00
Do	MAY DEPARTMENT STORES CO	2,583.75	10.50
Do	MEDTRONIC, INC		
Do	MEHARRY MEDICAL COLLEGE	2,317.50	11.43
Do	MERCEDES-BENZ OF NORTH AMERICA, INC	3,242.50	28.44
Do	METHODIST HOSPITAL		
Do	NATIONAL HOSPICE ORGANIZATION	2,500.00	6.50
Do	TOYOTA MOTOR SALES, U.S.A., INC	6,012.50	17.60
PHILIP A. HOGUE, 150 S. WASHINGTON ST., #100 FALLS CHURCH VA 22046	INTERNATIONAL TECHNICAL EXPERTISE, LTD		
RICHARD F. HOHLT, 1709 NEW YORK AVE., NW, #801 WASHINGTON DC 20006	U.S. LEAGUE OF SAVINGS INSTITUTIONS	6,412.50	15.85
WALTER HOLAN, 20 NORTH WACKER DRIVE CHICAGO IL 60606	PROFIT SHARING COUNCIL OF AMERICA		
BRUCE E. HOLBEIN, 111 POWDERMILL RD. (B79) MAYNARD MA 01754	DIGITAL EQUIPMENT CORPORATION	16,000.00	
MICHELE O'DONNELL HOLBROOK, 10 LAFAYETTE SQUAE, RM. 900 BUFFALO NY 14203	NATIONAL FUEL GAS DISTRIBUTION CORP, ET AL	1,996.50	4,748.88
NIELS C. HOLCH, THE POWER HOUSE 3255 GRACE STREET, NW WASHINGTON DC 20007	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: AMERICAN MARITIME ASSN).		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: BROWNING-FERRIS INDUSTRIES, INC).		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: CHICAGO TITLE INSURANCE CO).	910.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: FIRST AMERICAN TITLE INSURANCE CO).	910.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: HOOPA VALLEY INDIANS)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: LANE INDUSTRIES)	845.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: LAWYERS TITLE INSURANCE CO).	910.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: QUIXOTE CORPORATION)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: REPUBLIC OF TURKEY)	520.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: SAFECO TITLE INSURANCE CO).	910.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: SHAKLEE CORPORATION)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: STEWART TITLE GUARANTY CO).	910.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: TOBACCO INSTITUTE)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: U.S. BANKNOTE)		
HOLDEN GROUP, INC, 11365 WEST OLYMPIC BOULEVARD LOS ANGELES CA 90064			24,896.08
HOLIDAY INNS, INC, C/O TALCOTT MCCABE & ASSOCIATES 600 MARYLAND AVE., SW, 302 W. WING WASHINGTON DC 20024.			1,500.00
PHILIP C. HOLLADAY, 1025 CONNECTICUT AVENUE, NW, #200 WASHINGTON DC 20036	SHELL OIL COMPANY	500.00	
BRIGID A. HOLLERAN, 2550 M STREET, NW, #640 WASHINGTON DC 20037	CF INDUSTRIES, INC	500.00	153.00
THOMAS L. HOLLOWAY, 1920 N STREET, NW, #720 WASHINGTON DC 20036	UNION ELECTRIC CO, KANSAS CITY POWER & LIGHT CO, ET AL	2,187.00	4,565.42
WENDELL M. HOLLOWAY, 815 CONNECTICUT AVE., NW, #900 WASHINGTON DC 20006	FORD MOTOR CO	1,245.00	1,327.51
MOSES D. HOLMES JR., 1201 16TH ST., NW WASHINGTON DC 20036	NATIONAL EDUCATION ASSN	2,808.00	236.52
E. Y. HOLT JR., 1111 NORTH 19TH ST., #700 ARLINGTON VA 22209	NATIONAL ASSN OF FEDERAL CREDIT UNIONS		
FRED H. HOLT, 119 ORONOCO STREET BOX 1417-D50 ALEXANDRIA VA 22313	ANIMAL HEALTH INSTITUTE	160.00	
A. LINWOOD HOLTON JR., 1850 K ST., NW WASHINGTON DC 20006	AMERICAN COUNCIL OF LIFE INSURANCE, INC		
JOHN F. HOLTZ, NJ PETROLEUM COUNCIL 150 WEST STATE STREET TRENTON NJ 08608	AMERICAN PETROLEUM INSTITUTE		
HOME RECORDING RIGHTS COALITION, P.O. BOX 33576 WASHINGTON DC 20033		25,000.00	32,473.69
KAREN C. HONTZ, 1875 EYE ST., NW, #940 WASHINGTON DC 20006	GULF & WESTERN MANAGEMENT COMPANY	1,700.00	85.00
EDWIN M. HOOD, 1725 K STREET, NW, #1102 WASHINGTON DC 20006	NATIONAL STEEL & SHIPBUILDING CO	1,249.00	45.00
HOOG & ASSOCIATES, 1877 BROADWAY, #405 BOULDER CO 80302	DENELCOR, INC		
Do	NATIONAL ASSN OF BROADCASTERS		
CANDICE SHY HOOPER, 1025 CONNECTICUT AVE., NW, #1014 WASHINGTON DC 20036	ENSERCH CORPORATION	5,750.00	2,511.67
LILLIE E. HOOVER, P.O. BOX 1085 MARTINSBURG WV 25401	NATIONAL PEACH COUNCIL		
HOPKINS & SUTTER, THREE FIRST NATIONAL PLAZA, #4200 CHICAGO IL 60602	LANE BANKING GROUP	350.00	97.54
MARIAN HOPKINS, 1615 H STREET, NW WASHINGTON DC 20062	BARNETT & ALAGIA		
Do	CHAMBER OF COMMERCE OF THE U.S.	12,125.00	366.50
VIRGINIA E. HOPKINS, 1620 EYE ST., NW, #800 WASHINGTON DC 20006	TAFT STETTINIUS & HOLLISTER (FOR: KINGS ENTERTAINMENT CO)		
Do	TAFT STETTINIUS & HOLLISTER (FOR: TAFT BROADCASTING COMPANY)		
Do	TAFT STETTINIUS & HOLLISTER (FOR: TELEPHONE & DATA SYSTEMS, INC)		
Do	TAFT STETTINIUS & HOLLISTER (FOR: WALD MANUFACTURING CO, INC)		
SHERI L. HOPTMAN, 1000 CONNECTICUT AVE., NW WASHINGTON DC 20036	JAPAN ECONOMIC INSTITUTE OF AMERICA	500.00	
ROBERT JACK HORN, 1990 M ST., NW, #480 WASHINGTON DC 20036	DETROIT EDISON COMPANY	750.00	35.00
STEVEN HORNBURG, 1050 17TH STREET, NW, #770 WASHINGTON DC 20036	AMERICAN ASSN OF HOMES FOR THE AGING	187.00	122.55
SANFORD D. HORWITT, 5935 N. 5TH ROAD ARLINGTON VA 22203	COMMITTEE FOR HUMANE LEGISLATION, INC		
Do	FRIENDS OF ANIMALS, INC		
HOSPITAL CORP OF AMERICA, 2000 L STREET, NW, #200 WASHINGTON DC 20035			21,942.67
WILLIAM J. HOTES, 919 18TH ST., NW, #400 WASHINGTON DC 20006	DIAMOND SHAMROCK CORPORATION	1,000.00	399.64
HOUDAILLE INDUSTRIES, INC, ONE FINANCIAL PLAZA FORT LAUDERDALE FL 33394			
MARGARET A. HOULIHAN, 1620 I ST., NW, #703 WASHINGTON DC 20006	BECHTEL POWER CORPORATION		
HOUSLEY GOLDBERG & KANTARIAN, P.C., 2301 M ST., NW, #500 WASHINGTON DC 20037			
JACK W. HOUSTON, 900 N. HAIRSTON ROAD, SUITE D STONE MOUNTAIN GA 30083	GEORGIA ASSN OF PETROLEUM RETAILERS, INC		
HOVING GROUP, 910 17TH ST., NW, #318 WASHINGTON DC 20006	EAGLE-PICHER INDUSTRIES	500.00	
Do	MARSHALL ERDMAN & ASSOCIATES	500.00	
Do	WESTERN SOUTHERN	500.00	
ANNE L. HOWARD, ANNE L. HOWARD AND ASSOCIATES 888 17TH STREET, NW, #600 WASHINGTON DC 20006	LITTLE SIX BINGO	3,000.00	365.50
ROBERT M. HOWARD, 815 CONNECTICUT AVENUE, NW WASHINGTON DC 20006	FORD MOTOR CO	753.30	850.93
SENGA HOWAT, 1604 K STREET, NW WASHINGTON DC 20006	NATIONAL SMALL BUSINESS ASSN	2,000.00	
GARY HOWELL, 1745 JEFFERSON DAVIS HIGHWAY, #1006 ARLINGTON VA 22202	TEXAS INSTRUMENTS, INC	600.00	
J. WILLIAM HOWELL, 1801 K ST., NW WASHINGTON DC 20006	INTERNATIONAL BUSINESS MACHINES CORP		
MARY J. LYNCH HOWELL, 1090 VERMONT AVE., NW, #1100 WASHINGTON DC 20005	TEXTRON, INC	1,500.00	280.00
WELDON U. HOWELL JR., 15 WEST CARRILLO STREET SANTA BARBARA CA 93101	SCHRAMM & RADDUE (FOR: H&W DRILLING, INC)		
JOHN B. HOWERTON, 1730 RHODE ISLAND AVE., NW, #209 WASHINGTON DC 20036	ASARCO INC	2,000.00	
JOHN A. HOWES, 1050 17TH ST., NW, #490 WASHINGTON DC 20036	CONSUMERS POWER CO	6,000.00	1,266.00
CLIFFORD T. HOWLETT JR., 1875 EYE ST., NW, #400 WASHINGTON DC 20006	GEORGIA-PACIFIC CORP	4,500.00	
PAUL R. HUARD, 1776 F STREET, NW WASHINGTON DC 20006	NATIONAL ASSN OF MANUFACTURERS	3,750.00	
HENRY W. HUBBARD, THE POWER HOUSE 3255 GRACE STREET, NW WASHINGTON DC 20007	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: REPUBLIC OF TURKEY)		
BETTY HUDSON, 1627 K STREET, NW, #200 WASHINGTON DC 20006	FLUOR CORPORATION	15,000.00	856.47
MARGARET RENKEN HUDSON, 600 MARYLAND AVENUE, SW, #695 WASHINGTON DC 20024	NATIONAL FED OF INDEPENDENT BUSINESS	2,250.00	200.00
DAVID EMERY HUGHES, 2211 CONGRESS ST. PORTLAND ME 04122	UNION MUTUAL LIFE INSURANCE CO		
GARY E. HUGHES, 1850 K ST., NW WASHINGTON DC 20006	AMERICAN COUNCIL OF LIFE INSURANCE, INC		
HUGHES HUBBARD & REED, 1201 PENNSYLVANIA AVE., NW, #300 WASHINGTON DC 20004	AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS	705.00	9.00
Do	ANGLO AMERICAN AUTO AUCTIONS, INC	150.00	4.50
Do	CONTINENTAL AIR LINES, INC		
Do	GROCERY MANUFACTURERS OF AMERICA, INC	150.00	4.00
Do	TEXAS AIR CORP		
Do	47TH STREET PHOTO		
PETER W. HUGHES, 1909 K ST., NW WASHINGTON DC 20049	AMERICAN ASSN OF RETIRED PERSONS	743.00	
WILLIAM HUGHES, 1522 K ST., NW, #836 WASHINGTON DC 20005	NATIONAL ASSN OF FEDERAL VETERINARIANS	17.90	
EDWARD L. HUIE, WHEATON PLAZA NORTH, #415 WHEATON MD 20902	NATIONAL ASSN OF AIR TRAFFIC SPECIALISTS	6,151.46	1,110.00
CORDELL W. HULL, 50 BEALE ST., P O BOX 3965 SAN FRANCISCO CA 94119	BECHTEL POWER CORPORATION		
RANDALL K. HULME, 618 A STREET, SE, #25 WASHINGTON DC 20003	PETER FENN & ASSOCIATES, INC		
MARGOT SMILEY HUMPHREY, 1150 CONNECTICUT AVENUE, NW WASHINGTON DC 20036	KOTEEN & NAFTALIN (FOR: ALASCOM, INC)		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	KOTEEN & NAFTALIN (FOR: TELEPHONE & DATA SYSTEMS, INC)		
FRANCIS M. HUNT, 1800 M STREET, NW, #700S WASHINGTON DC 20036	DOW CHEMICAL CO	550.00	297.00
PETER C. HUNT, 195 MONTAGUE ST. BROOKLYN NY 11201	BROOKLYN UNION GAS CO		
RICHARD M. HUNT, 1150 CONNECTICUT AVE., NW, #1009 WASHINGTON DC 20036	NL INDUSTRIES, INC	4,775.00	
HARRIET HUNT-BURGESS, 82 2ND ST. SAN FRANCISCO CA 94105	TRUST FOR PUBLIC LAND	4,320.00	3,176.00
JAMES C. HUNTER, 1747 PENNSYLVANIA AVENUE, NW, #300 WASHINGTON DC 20006	CITIES SERVICE OIL & GAS CORP	629.00	359.78
MICHAEL M. HUNTER, 1600 M ST., NW WASHINGTON DC 20036	INTERNATIONAL TELEPHONE & TELEGRAPH CORPORATION	1,350.00	34.00
MILTON F. HUNTINGTON, MAINE PETROLEUM ASSN 283 WATER ST. AUGUSTA ME 04330	AMERICAN PETROLEUM INSTITUTE	375.00	
HUNTON & WILLIAMS, 2000 PENNSYLVANIA AVE., NW WASHINGTON DC 20006	AMERICAN INSURANCE ASSN	17,941.25	400.00
Do	ASSOCIATION FOR THE PRESERV OF HISTORIC COASTAL PROPERTIES	1,260.00	7.00
Do	EDISON ELECTRIC INSTITUTE	8,031.25	1,215.50
Do	INTERNATIONAL TELECOMMUNICATIONS SATELLITE ORGANIZATION	3,145.00	23.50
Do	LONG ISLAND LIGHTING CO		
ADELE M. HURLEY, 112 ST. CLAIR AVE., WEST, #504 TORONTO, ONTARIO CANADA M4V 2Y3	CANADIAN COALITION ON ACID RAIN	1,861.54	74.25
RONALD A. HURST, 5410 GROSVENOR LANE, #210 BETHESDA MD 20814	AMERICAN MEDICAL CARE & REVIEW ASSN		
HURT RICHARDSON GARNER TODD & CADENHEAD, 1100 PEACHTREE CENTER HARRIS TOWER 233 PEACHTREE STREET, NE ATLANTA GA 30043.	NATIONAL ASSN OF PENSION CONSULTANTS & ADMINISTRATORS, INC		525.95
ROBERT R. HURT, 1050 17TH ST., NW, #650 WASHINGTON DC 20036	MERCK & CO, INC		
CATHY HURWIT, 1300 CONNECTICUT AVE., NW, #401 WASHINGTON DC 20036	CITIZEN/LABOR ENERGY COALITION		
BENJAMIN MELVIN HURWITZ, 1925 K ST., NW, #200 WASHINGTON DC 20006	MITCHELL ENERGY & DEVELOPMENT CORP		40.00
GEOFFREY B. HURWITZ, 1667 K ST., NW, #1210 WASHINGTON DC 20006	ROHM AND HAAS COMPANY	500.00	
RAYMOND W. HUSSEY, 29400 LAKELAND BLVD. WICKLIFFE OH 44092	LUBRIZOL CORPORATION	700.00	1,430.69
DEWEY M. HUTCHINS, 1919 PENNSYLVANIA AVE., NW, #705 WASHINGTON DC 20006	EASTMAN KODAK CO	500.00	184.00
PHILIP A. HUTCHINSON, 490 L'ENFANT PLAZA, #3210 WASHINGTON DC 20024	VOLKSWAGEN OF AMERICA, INC	250.00	
ROBERT E. HUTCHINSON, 1601 NORTH 7TH STREET PHOENIX AZ 85006	CIRCLE K CORPORATION		
Do	REDUCE OUR DEBT FOUNDATION		
JAMES L. HUTCHISON, 260 MADISON AVENUE NEW YORK NY 10016	AMERICAN PAPER INSTITUTE, INC		
HELENA C. HUTTON, 1101 15TH STREET, NW WASHINGTON DC 20005	MINNESOTA MINING & MANUFACTURING CO (3M)	2,500.00	
RANDY HUWA, 2030 M ST., NW WASHINGTON DC 20036	COMMON CAUSE	8,197.20	
B. F. HYDE, TENNESSEE PETROLEUM COUNCIL 211 7TH AVENUE, NORTH, 4TH FL. NASHVILLE TN 37219	AMERICAN PETROLEUM INSTITUTE	2,700.00	742.30
ISABEL E. HYDE, 1800 K STREET, NW WASHINGTON DC 20006	GOODYEAR TIRE & RUBBER CO	2,550.00	
GARY HYMEL, THE POWER HOUSE 3255 GRACE STREET, NW WASHINGTON DC 20007	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: AGRICULTURE FOR MARKET ORIENTED POLICIES).		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: AMERICAN MARITIME ASSN).		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: ASARCO INC)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: BROWNING-FERRIS INDUSTRIES, INC.).		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: BUDD COMPANY)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: CANADIAN ASBESTOS INFORMATION CENTRE).		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: CHICAGO TITLE INSURANCE CO).	300.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: FIRST AMERICAN TITLE INSURANCE CO).	300.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: HEALTH INSURANCE ASSN OF AMERICA).		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: HITACHI AMERICA, LTD)	175.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: HTB CORPORATION)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: JOINT MARITIME CONGRESS).		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: KINGDOM OF MOROCCO)	100.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: LANE INDUSTRIES)	225.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: LAWYERS TITLE INSURANCE CO).	300.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: LIFE CARE SERVICES CORP).		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: MARTIN BAKER AIRCRAFT COMPANY LTD.).		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: MOTOROLA, INC)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: MUTUAL OF OMAHA)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: NATIONAL BROADCASTING CO, INC).		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: QUIXOTE CORPORATION)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: RAUSCHENBERG OVERSEAS CULTURAL INTERCHANGE).	75.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: REPUBLIC OF KOREA)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: REPUBLIC OF TURKEY)	300.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: SAFECO TITLE INSURANCE CO).	300.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: SANTA FE INTERNATIONAL).		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: SHAKLEE CORPORATION)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: SHIRCO INFRARED SYSTEMS, INC).	75.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: STEWART TITLE INSURANCE CO).	300.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: STROH BREWERY CO)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: TOBACCO INSTITUTE)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: U.S. BANKNOTE)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: UNITED AIRLINES)	25.00	
ROBERT D. HYNES JR., 1825 K ST., NW, #807 WASHINGTON DC 20006	NATIONAL BROADCASTING CO, INC	500.00	188.19
RICHARD H. ICHORD, 499 SOUTH CAPITOL STREET, SW, #400 WASHINGTON DC 20003	AAI CORPORATION	1,082.50	220.05
Do	EMERSON ELECTRIC CO	620.00	1,076.20
Do	WASHINGTON INDUSTRIAL TEAM, INC	600.00	
RONALD K. IKEJIRI, 1000 POTOMAC STREET, NW, #401 WASHINGTON DC 20007	FRANCIS MCGINNIS AND REES	2,420.00	
ANNELISE ILSCHENKO, 120 CAMERON STREET, #203 ALEXANDRIA VA 22314			
CATHERINE L. IMUS, 1000 16TH STREET, NW, #800 WASHINGTON DC 20036	BETHLEHEM STEEL CORP	99.00	
INDEPENDENT CONSULTANTS, INC, 400 NORTH CAPITOL ST., NW, #320 WASHINGTON DC 20001	CADILLAC FAIRVIEW/CALIFORNIA, INC		
INDEPENDENT DATA COMMUNICATIONS MANUFACTURERS ASSN, C/O SQUIRE SANDERS & DEMPSEY 1201 PENNSYLVANIA AVE., NW WASHINGTON DC 20004.			
INDEPENDENT INSURANCE AGENTS OF AMERICA, INC, 100 CHURCH ST. NEW YORK NY 10007		29,232.00	29,232.00
INDEPENDENT PRODUCERS GROUP, 240 PAGE COURT 220 W. DOUGLAS WICHITA KS 67202			
INDIANA HI-RAIL CORPORATION, RR 1, BOX 242 CONNERSVILLE IN 47331			30.00
INDIANA RAILROAD ASSN, 143 W. MARKET STREET, #201 INDIANAPOLIS IN 46204			1,213.67
INDUSTRIAL BIOTECHNOLOGY ASSN, 2115 E. JEFFERSON ST. ROCKVILLE MD 20852			
INDUSTRIAL UNION DEPARTMENT, AFL-CIO, 815 16TH ST., NW WASHINGTON DC 20006		21,935.41	21,935.41
INDUSTRY COUNCIL FOR TANGIBLE ASSETS, 1701 PENNSYLVANIA AVE., NW, #533 WASHINGTON DC 20006			
CHARLES E. ING, 412 FIRST STREET, SE WASHINGTON DC 20003	NATIONAL AUTOMOBILE DEALERS ASSN	3,000.00	
ANDREA L. INNES, 1130 17TH STREET, NW WASHINGTON DC 20036	NATIONAL COAL ASSN	5,375.00	499.83
INSTITUTE OF FOREIGN BANKERS, SUITE 303 EAST, RM. 23 200 PARK AVE. NEW YORK NY 10017			
INSTITUTE OF MAKERS OF EXPLOSIVES, 1575 EYE STREET, NW, #550 WASHINGTON DC 20005			
INSURANCE ECONOMICS SOCIETY OF AMERICA, 1700 PENNSYLVANIA AVE., NW, #590 WASHINGTON, DC 20006			
INT'L UNION, UNITED AUTO AEROSPACE & AGRIC IMPLEMENT WORKERS, WORKERS OF AMERICA (UAW) 8000 E. JEFFERSON DETROIT MI 48214.		108,135.25	108,135.25
INTEGRATED RESOURCES, INC, 666 THIRD AVENUE, 4TH FL. NEW YORK NY 10017			3,750.00
INTERNATIONAL ASSN OF BRIDGE STRUCT & ORNAMENTAL IRON WKRS, 1750 NEW YORK AVE., NW WASHINGTON DC 20006.			10,800.00
INTERNATIONAL BROTHERHOOD OF TEAMSTERS, 25 LOUISIANA AVE., NW WASHINGTON DC 20001			86,911.83
INTERNATIONAL FOOTWEAR ASSN, 47 WEST 34TH STREET, #804 NEW YORK NY 10001		75.00	
INTERNATIONAL GOLD CORPORATION LIMITED, 900 THIRD AVENUE NEW YORK NY 10022			111,676.22
INTERNATIONAL LONGSHOREMEN'S ASSOCIATION, AFL-CIO, 17 BATTERY PLACE, #1500 NEW YORK NY 10004			44,256.24
INTERNATIONAL TAXICAB ASSOCIATION, 3849 FARRAGUT AVENUE KENSINGTON MD 20895			1,800.00

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
INTERNATIONAL UNION OF BRICKLAYERS & ALLIED CRAFTSMEN, 815 15TH ST., NW WASHINGTON DC 20005			9,064.25
INVESTMENT COMPANY INSTITUTE, 1600 M ST., NW WASHINGTON DC 20036			7,893.76
PETER IOVINO, KARALEKAS MCCAHILL WILSON & IOVINO 1250 CONNECTICUT AVE., NW, #318 WASHINGTON DC 20036	AMERICAN REF-FUEL		
THOMAS L. IRMEN, P.O. BOX 119 MAUMEE OH 43537	ANDERSONS		
IRON ORE LESSORS ASSN, INC, 1500 FIRST NATL BANK BLDG. SAINT PAUL MN 55101		8,038.77	15,329.13
IRWIN AND LESSE, 2011 EYE STREET, NW WASHINGTON DC 20006	ATLANTIC SATELLITE COMM, INC & EARTH STATION SATELLITE	1,798.31	1,922.93
ITEL CONTAINER CORP, 55 FRANCISCO STREET, 6TH FL SAN FRANCISCO CA 94133			87.00
IVINS PHILLIPS & BARKER, CHTD, 1700 PENNSYLVANIA AVENUE, NW WASHINGTON DC 20006	AMERICAN TEXTILE MANUFACTURERS INSTITUTE		
Do	BLOUNT, INC	1,266.19	84.94
Do	COMMITTEE FOR REASONABLE INVENTORY ACCOUNTING RULES	6,863.90	32.65
Do	EMPLOYEE RELOCATION COUNCIL		
Do	OBERLIN COLLEGE	4,713.90	32.65
Do	PECHINEY CORPORATION	2,100.00	
Do	ROCHESTER TAX COUNCIL	943.75	
J M FAMILY ENTERPRISES, INC, P.O. BOX 1160 DEERFIELD BEACH FL 33441			92.00
ROBERT A. JABLON, SPIEGEL & MCDIARMID 2600 VIRGINIA AVE., NW WASHINGTON DC 20037	FT. PIERCE UTILITIES AUTH OF THE CITY OF FT. PIERCE, ET AL	65.00	
CHARLES L. JACKSON, 1990 M ST., NW, #450 WASHINGTON DC 20036	SHOOSHAN & JACKSON, INC (FOR: ROGERS U.S. CABLESYSTEMS, INC)		
GLENN JACKSON, 1660 L STREET, NW, #601 WASHINGTON DC 20036	INTERSTATE NATURAL GAS ASSN OF AMERICA	300.00	
WILLIAM P. JACKSON JR., JACKSON & JESSUP, P.C. 3426 N. WASHINGTON BOULEVARD ARLINGTON VA 22201	OSBORNE TRUCK LINE, INC, ET AL	5,586.94	8,058.80
STEPHEN JACOBS, 1771 N STREET, NW WASHINGTON DC 20036	NATIONAL ASSN OF BROADCASTERS	1,500.00	958.51
ROY T. JACOBSEN, 1667 K ST., NW, #525 WASHINGTON DC 20006	BAUMANN, INC		
Do	BEZTAK COMPANY		
Do	DETROIT & MACKINAC RAILWAY COMPANY		
Do	EDSI		
Do	GLOBAL COMMUNICATIONS		
Do	GRAND TRAVERSE DEVELOPMENT, INC		
Do	PRECISION MAGNETICS & CERAMICS		
Do	PRIMARK CORPORATION		
Do	SAFEKEEPER SYSTEMS, INC		
Do	SAFLOK/COMPUTORIZED SECURITY SYSTEMS, INC		
Do	U.S. MANUFACTURING COMPANY		
Do	URBAN REVITALIZATION, INC		
Do	WEDTECH CORP		
WALTER K. JAENICKE, 1619 MASSACHUSETTS AVE., NW WASHINGTON DC 20036	NATIONAL FOREST PRODUCTS ASSN	4,500.00	
DANIEL L. JAFFE, 1400 K ST., NW, #1000 WASHINGTON DC 20005	AMERICAN ADVERTISING FEDERATION		
JAFFE SNIDER RAITT & HEUER, P.C., 1800 FIRST NATIONAL BUILDING DETROIT MI 48226			
EDWARD L. JAFFEE, 1730 RHODE ISLAND AVENUE, NW, #713 WASHINGTON DC 20036	PPG INDUSTRIES, INC		
RAYMOND C. JANUS, P.O. BOX 888 ASHLAND KY 41101			
Do	NEW GENERATION LOBBY		
JAPAN ECONOMIC INSTITUTE OF AMERICA, 1000 CONNECTICUT AVE., NW WASHINGTON DC 20036		1,419.79	1,419.79
JAPANESE AMERICAN CITIZENS LEAGUE, 1765 SUTTER STREET SAN FRANCISCO CA 94118			
JOSEPH J. JAQUAY, 5025 WISCONSIN AVE., NW WASHINGTON DC 20016	AMALGAMATED TRANSIT UNION, AFL-CIO		
EVELYN JARVIS-FERRIS, 444 MARKET STREET SAN FRANCISCO CA 94111	SHAKLEE CORPORATION		
JERRY J. JASINOWSKI, 1776 F STREET, N.W. WASHINGTON DC 20006	NATIONAL ASSN OF MANUFACTURERS	2,000.00	
JACOB K. JAVITS, 1211 AVENUE OF THE AMERICAS NEW YORK NY 10036	PARKER CHAPIN FLATTAU & KLIMPL (FOR: ASSOCIATION FOR A BETTER NEW YORK).		5,397.29
JOSEPH A. JEFFREY, 1920 N ST., NW, #300 WASHINGTON DC 20036	AMERICAN MINING CONGRESS	600.00	
JOSEPH S. JENCKES, SUITE 300 1710 RHODE ISLAND AVE., NW WASHINGTON DC 20036	ABBOTT LABORATORIES	5,000.00	
LINDA JENCKES, 1750 K ST., NW WASHINGTON DC 20006	HEALTH INSURANCE ASSN OF AMERICA, INC		
DAVID M. JENKINS II , 1025 VERMONT AVENUE, NW, #500 WASHINGTON DC 20005	MILES LABORATORIES, INC		
KEMPTON B. JENKINS, 1667 K ST., NW, #650 WASHINGTON DC 20006	ARMCO, INC	600.00	294.84
JENNER & BLOCK, 21 DUPONT CIRCLE, NW WASHINGTON DC 20036	ADHESIVE & SEALANT COUNCIL, INC		
Do	AMERICAN ASSN OF NURSE ANESTHETISTS		
Do	AMERICAN DENTAL ASSISTANTS ASSN		
Do	AMERICAN DENTAL TRADE ASSN		
Do	AMERICAN FILM MARKETING ASSN		
Do	AMERICAN INTRA-OCULAR IMPLANT SOCIETY		
Do	AMERICAN PORTRAIT SOCIETY		
Do	AMERICAN SOC OF ASSN EXECUTIVES		
Do	AMUSEMENT & MUSIC OPERATORS ASSN		
Do	ASSOCIATION OF OPERATING ROOM NURSES		
Do	AUTO GLASS INDUSTRY COMM		
Do	DENTAL GOLD INSTITUTE		
Do	INTRAOCULAR LENS MFRS ASSN		
Do	NATIONAL GLASS ASSN		
JAMES C. JENNINGS, 3255 GRACE ST., NW WASHINGTON DC 20007	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC		
PATRICIA A. JENSEN, PILLSBURY CENTER M.S. 3771 MINNEAPOLIS MN 55402	PILLSBURY CO		175.00
RUSTY L. JESSER, 1120 CONNECTICUT AVENUE, NW WASHINGTON DC 20036	AMERICAN BANKERS ASSN	1,000.00	
NANCY H. JESSICK, 1331 PENNSYLVANIA AVE., NW, #720 WASHINGTON DC 20004	HIRAM WALKER & SONS, INC		
GUY E. JESTER, 2150 KIENLEN AVE. ST. LOUIS MO 63121	ASSOCIATION FOR THE IMPROVEMENT OF THE MISSISSIPPI RIVER		
CHARLES JOECKEL JR., 807 MAINE AVE., SW WASHINGTON DC 20024	DISABLED AMERICAN VETERANS	29,868.80	165.00
RONALD P. JOHNSEN, 1250 EYE ST., NW, #703 WASHINGTON DC 20005	COLUMBIA GAS SYSTEM SERVICE CORP	175.00	403.23
BRUCE JOHNSON, LAW OFFICES OF BRUCE JOHNSON 1718 CONNECTICUT AVE., NW WASHINGTON DC 20009	FAIC SECURITIES, INC	7,000.00	2,609.81
CARL T. JOHNSON, 1800 K ST., NW, #1104 WASHINGTON DC 20006	CORNING GLASS WORKS	600.00	
CLIFFORD T. JOHNSON, 1700 NORTH MOORE STREET ROSSLYN VA 22209	BOEING MILITARY AIRPLANE COMPANY		
JAMES A. JOHNSON, 2550 M ST., NW, #500 WASHINGTON DC 20037	SHEARSON LEHMAN BROTHERS; NORFOLK SOUTHERN RAILWAY	1,600.00	20.00
JAMES E. JOHNSON, 11510 GEORGIA AVENUE, #115 WHEATON MD 20902	J. E. JOHNSON & ASSOCIATES, INC		
JESS JOHNSON JR., 1025 CONNECTICUT AVE., NW, #200 WASHINGTON DC 20036	SHELL OIL CO	1,500.00	
JOEL L. JOHNSON, 122 C ST., NW, #740 WASHINGTON DC 20001	AMERICAN LEAGUE FOR EXPORTS & SECURITY ASSISTANCE	4,000.00	285.54
JOHN B. JOHNSON, ALABAMA PETROLEUM COUNCIL P.O. BOX 4220 MONTGOMERY AL 36195	AMERICAN PETROLEUM INSTITUTE	2,426.75	
JUSTIN W. JOHNSON, P.O. BOX 970 FT. WORTH TX 76101	TEXAS ELECTRIC SERVICE CO	85.00	
KENNETH A. JOHNSON, PILLSBURY CENTER MINNEAPOLIS MN 55402	PILLSBURY COMPANY		
LARRY W. JOHNSON, P.O. BOX 3000 LEESBURG VA 22075	VOCATIONAL INDUSTRIAL CLUBS OF AMERICA, INC		
LINDA MEYER JOHNSON, 1575 EYE STREET, NW, #625 WASHINGTON DC 20005	ROLM CORPORATION		
MARK R. JOHNSON, 1667 K STREET, NW, #350 WASHINGTON DC 20036	MOLLER STEAMSHIP CO, INC		
NANCIE S. JOHNSON, 1701 PENNSYLVANIA AVENUE, NW, #900 WASHINGTON DC 20006	CONOCO, INC		
NICHOLAS JOHNSON, BOX 1876 IOWA CITY IA 52244	NATIONAL CITIZENS COMMUNICATIONS LOBBY		
RADY A. JOHNSON, 1000 16TH ST., NW, #500 WASHINGTON DC 20036	AMOCO CORP	800.00	
RICHARD W. JOHNSON JR., 219 N. WASHINGTON STREET ALEXANDRIA VA 22314	NON COMMISSIONED OFFICERS ASSN OF THE USA	5,955.04	60.00
SPENCER A. JOHNSON, 1101 VERMONT AVE., NW, #411 WASHINGTON DC 20005	PAPERBOARD PACKAGING COUNCIL		
STANLEY L. JOHNSON, 5344 29TH ST., NW WASHINGTON DC 20015	TEXACO, INC	60.00	
STEPHEN M. JOHNSON, THE POWER HOUSE 3255 GRACE STREET, NW WASHINGTON DC 20007	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: REPUBLIC OF TURKEY)		
THOMAS G. JOHNSON, ONE SHELL PLAZA, #4868 P.O. BOX 2463 HOUSTON TX 77001	SHELL OIL COMPANY		
BARBARA W. JOHNSTON, 1150 CONNECTICUT AVE. NW #710 WASHINGTON DC 20036	UTAH INTERNATIONAL, INC		
DAVID JOHNSTON, 1957 E ST., NW WASHINGTON DC 20006	ASSOCIATED GENERAL CONTRACTORS OF AMERICA		
ERNEST JOHNSTON, 1825 K STREET, NW, #1107 WASHINGTON DC 20006	PHILLIPS PETROLEUM CO	1,075.00	100.00
JAMES D. JOHNSTON, 1660 L ST., NW WASHINGTON DC 20036	GENERAL MOTORS CORP	3,600.00	6,929.19
JOINT CORPORATE COMM ON CUBAN CLAIMS, C/O LONE STAR INDUSTRIES, INC PO BOX 5050 GREENWICH CT 06830			180.00
MARY K. JOLLY, 1600 RHODE ISLAND AVENUE, NW WASHINGTON DC 20036	NATIONAL RIFLE ASSN OF AMERICA	900.00	144.70
HERBERT A. JOLOVITZ, 900 17TH STREET, NW WASHINGTON DC 20006	OWENS-CORNING FIBERGLAS CORPORATION	1,337.00	
BEVERLY E. JONES, WICKWIRE GAVIN & GIBBS, P.C. 1133 L ST., NW, #500 WASHINGTON DC 20036	AMERICAN INDEPENDENT REFINERS ASSN	400.00	12.00
CHERYL L. JONES, 1331 PENNSYLVANIA AVE., NW, #565 WASHINGTON DC 20004	TEXAS GAS TRANSMISSION CORP		
JONES DAY REAVIS & POGUE, 655 15TH ST., NW WASHINGTON DC 20005	AUTOMOTIVE DISMANTLERS & RECYCLERS ASSN, INC		
Do	LOS ANGELES COUNTY	5,000.00	200.00
Do	MISSISSIPPI CHEMICAL CORP		
Do	PFIZER, INC	10,000.00	200.00
Do	SCM CORPORATION		
ERNEST W. JONES, 1957 E ST., NW WASHINGTON DC 20006	ASSOCIATED GENERAL CONTRACTORS OF AMERICA		
JAMES E. JONES JR., 1629 K ST., NW, #1010 WASHINGTON DC 20006	ALLIANCE OF AMERICAN INSURERS	275.00	186.95
JAMES E. JONES, 40 FRANKLIN RD., SW P.O. BOX 2021 ROANOKE VA 24022	APPALACHIAN POWER COMPANY		
JULIE S. JONES, 1050 17TH STREET, NW, #301 WASHINGTON DC 20036	PRIMARK CORP	750.00	
WILEY N. JONES, 1667 K ST., NW, #600 WASHINGTON DC 20006	SOUTHERN PACIFIC TRANSPORT CO	1,000.00	500.00
ALEXANDER H. JORDAN, 1201 PENNSYLVANIA AVENUE, NW, #730 WASHINGTON DC 20004	KIMBERLY-CLARK CORP		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
DE SOTO JORDAN, 1331 PENNSYLVANIA AVE., NW, #1300 WASHINGTON DC 20004	ELECTRONIC DATA SYSTEMS CORPORATION	336.00	133.00
JAMES V. JORDAN III, PO BOX 2563 BIRMINGHAM AL 35202	SOUTHERN NATURAL GAS CO		
JEFFREY H. JOSEPH, 1615 H ST., NW WASHINGTON DC 20062	CHAMBER OF COMMERCE OF THE U.S.		
MARY LOU JOSEPH, 2025 M ST., NW WASHINGTON DC 20037	NATIONAL PUBLIC RADIO	14,167.28	429.77
DAVID W. JOYNER, 777 14TH STREET, NW WASHINGTON DC 20005	NATIONAL ASSN OF REALTORS		
ARDON B. JUDD JR., 1100 CONNECTICUT AVE., NW, #310 WASHINGTON DC 20036	DRESSER INDUSTRIES, INC		
ROBERT E. JULIANO, 1219 28TH ST., NW WASHINGTON DC 20007	HOTEL & RESTAURANT EMPLOYEES & BARTENDERS INTL UNION	16,238.64	1,643.83
THOMAS W. JURIKA JR., 649 MISSION STREET SAN FRANCISCO CA 94105	URS CORPORATION		
JUSTICE FELLOWSHIP, P.O. BOX 17181 WASHINGTON DC 20041			
GEZA KADAR, 1750 K STREET, N.W. WASHINGTON DC 20006	HEALTH INSURANCE ASSN OF AMERICA, INC		
JAMES A. KAITZ, 1101 16TH STREET, NW WASHINGTON DC 20036	SCIENTIFIC APPARATUS MAKERS ASSN	1,100.00	314.20
SUZANNE KALFUS, 2020 K ST., NW, #200 WASHINGTON DC 20006	NATIONAL FED OF FEDERAL EMPLOYEES		
LINDA HELLER KAMM, 1775 PENNSYLVANIA AVE., NW, #1000 WASHINGTON DC 20006	FOLEY LARDNER HOLLABAUGH & JACOBS (FOR: VGS CORPORATION)		
JAMES L. KANE JR., 1315 VINCENT PLACE MCLEAN VA 22101			
DONALD J. KANIEWSKI, 905 16TH ST., NW WASHINGTON DC 20006	LABORERS' INTL UNION OF NORTH AMERICA, AFL-CIO	7,500.00	213.00
DENNIS R. KANIN, FOLEY HOAG & ELIOT ONE POST OFFICE SQUARE BOSTON MA 02109	HUMANE SOCIETY OF THE U.S., ET AL	864.00	123.20
Do	LEADING EDGE PRODUCTS, INC	28,988.00	2,391.92
KAPLAN RUSSIN & VECCHI, 1218 16TH STREET, NW WASHINGTON DC 20036	AMERICAN CHAMBER OF COMMERCE OF THE DOMINICAN REPUBLIC		
GENE KARPINSKI, 215 PENNSYLVANIA AVENUE, SE WASHINGTON DC 20003	U.S. PUBLIC INTEREST RESEARCH GROUP	5,250.00	
HOWARD C. KATZ, 4 WORLD TRADE CENTER NEW YORK NY 10048	J. ARON & CO (FOR: COFFEE SUGAR & COCOA EXCHANGE, INC)		
EVERETT E. KAVANAUGH, 1110 VERMONT AVE., NW, #800 WASHINGTON DC 20005	COSMETIC TOILETRY & FRAGRANCE ASSN, INC		
KAYE SCHOLER FIERMAN HAYS & HANDLER, 1575 I STREET, NW, #1150 WASHINGTON DC 20005	AMERICAN MEAT INSTITUTE		
Do	AMERICAN PSYCHOANALYTIC ASSOCIATION		
Do	AMERICAN SOCIAL HEALTH ASSN		
Do	ELSEVIER SCIENTIFIC PUBLISHERS		
RICHARD F. KEATING, 1211 CONNECTICUT AVE., NW, #502 WASHINGTON DC 20036	ANHEUSER-BUSCH COMPANIES, INC		
ROBERT J. KEEFE, 444 N. CAPITOL STREET, #711 WASHINGTON DC 20001	KEEFE COMPANY (FOR: WESTINGHOUSE ELECTRIC CORP)		
VICKI R. KEENAN, 1015 15TH STREET, NW, #802 WASHINGTON DC 20005	AMERICAN CONSULTING ENGINEERS COUNCIL	700.00	
KEITH KEENEY, 5775 PEACHTREE-DUNWOODY RD., #500-D ATLANTA GA 30342	ROBERT H. KELLEN CO (FOR: CALORIE CONTROL COUNCIL)		
ROBERT C. KEENEY, 727 N. WASHINGTON ST. ALEXANDRIA VA 22314	UNITED FRESH FRUIT & VEGETABLE ASSN	2,006.00	393.07
ROBIN E. KEENEY, 1156 15TH STREET, NW, #1101 WASHINGTON DC 20005	NATIONAL ASSN OF SMALL BUSINESS INVESTMENT COS	2,000.00	
KENDELL W. KEITH, 725 15TH STREET, NW WASHINGTON DC 20005	NATIONAL GRAIN & FEED ASSN		
WILLIAM D. KELLEHER, 1615 H STREET, NW WASHINGTON DC 20062	CHAMBER OF COMMERCE OF THE U.S.	3,750.00	
ROBERT H. KELLEN, 5775 PEACHTREE-DUNWOODY RD., #500-D ATLANTA GA 20342	ROBERT H. KELLEN CO (FOR: CALORIE CONTROL COUNCIL)		
KELLER & HECKMAN, 1150 17TH STREET, NW, #1000 WASHINGTON DC 20036	SPECIALTY ADVERTISING ASSN INT'L	150.00	
DONALD W. KELLER, P.O. BOX 3331 HOUSTON TX 77253	QUINTANA PETROLEUM CORP		
TY KELLEY, P.O. BOX 1417-D49 ALEXANDRIA VA 22313	NATIONAL ASSN OF CHAIN DRUG STORES, INC	1,500.00	
STEPHEN S. KELLNER, 1001 CONNECTICUT AVE., NW, #1120 WASHINGTON DC 20036	CHEMICAL SPECIALTIES MFGRS ASSN	350.13	55.05
ERNEST B. KELLY III, 950 L'ENFANT PLAZA, SW WASHINGTON DC 20024	COMMUNICATIONS SATELLITE CORPORATION	1,500.00	261.06
HAROLD V. KELLY, 1025 THOMAS JEFFERSON ST., NW, #511 W. WASHINGTON DC 20007	LTV CORP		
JOHN F. KELLY, 1828 L STREET, NW # 906 WASHINGTON DC 20036	MERRILL LYNCH & CO, INC	2,000.00	
PETER M. KELLY, BELL BOYD & LLOYD 70 W. MADISON, #3200 CHICAGO IL 60602	BALCOR/AMERICAN EXPRESS, INC		1,380.27
MARK L. KEMMER, 1660 L STREET, N.W. WASHINGTON DC 20036	GENERAL MOTORS CORP	2,500.00	2,854.57
KENDALL & ASSOCIATES, INC, 50 E ST., SE WASHINGTON DC 20003	ANDERSON HIBEY NAUHEIM & BLAIR (FOR MARRIOTT CORP)		
Do	CARL M. FREEMAN ASSOCIATES, INC		
Do	HELLER EHRMAN WHITE & MCAULIFFE		
Do	HOGAN & HARTSON (FOR VOLUME SHOE CORP)		
Do	MANVILLE CORPORATION	500.00	
Do	TOYOTA MOTOR SALES, U.S.A	1,000.00	
Do	WILLIAMS TECHNOLOGIES, INC	500.00	
Do	WORLDWIDE INFORMATION RESOURCES, INC		
WILLIAM T. KENDALL, 50 E ST., SE WASHINGTON DC 20003	ALLIANCE FOR FREE ENTERPRISE		
JOSEPH W. KENNEBECK, 490 L'ENFANT PLAZA, SW, #3210 WASHINGTON DC 20024	VOLKSWAGEN OF AMERICA, INC	300.00	
ART KENNEDY, P.O. BOX 3576 ECB ANCHORAGE AK 99501	ALASKA RESOURCE ANALYSTS, INC		
MICHAEL E. KENNEDY, 1957 E STREET, NW WASHINGTON DC 20006	ASSOCIATED GENERAL CONTRACTORS OF AMERICA		
EDWARD E. KENNEY & ASSOCIATES, INC, 499 S. CAPITOL ST., SW, #520 WASHINGTON DC 20003	LOCKHEED-GEORGIA CORPORATION		
JEREMIAH J. KENNEY JR., 12TH FL. 1100 15TH ST., NW WASHINGTON DC 20005	UNION CARBIDE CORP		704.80
BRENDAN KENNY, 1625 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20036	AIR LINE PILOTS ASSN	4,200.00	481.52
J. H. KENT, KENT & O'CONNOR 1919 PENNSYLVANIA AVE., NW, #300 WASHINGTON DC 20006	AMERICAN DENTAL HYGIENISTS ASSN	9,540.00	5,011.06
Do	AMERICAN SOC OF PLASTIC & RECONSTRUCTIVE SURGERY	6,267.01	3,242.66
Do	AMERICAN SUPPLY ASSOCIATION	8,291.41	4,272.55
Do	AMERICAN WAREHOUSEMEN'S ASSOCIATION		
Do	CFS CONTINENTAL		
Do	GOULD, INC	6,255.74	3,227.69
Do	LOS ANGELES ALLIANCE FOR EQUITABLE CUSTOMS STAFFING	2,855.70	1,487.77
Do	NATIONAL CUSTOMS BROKERS & FORWARDERS ASSN OF AMERICA	6,976.05	3,685.47
Do	TRANSPORTATION LAWYERS ASSN		
PAUL T. KERRIGAN, 400 FIRST STREET, NW, #819 WASHINGTON DC 20001	BROTHERHOOD OF LOCOMOTIVE ENGINEERS	415.17	53.68
ROBERT M. KETCHEL, 1331 PENNSYLVANIA AVE., NW, #895 WASHINGTON DC 20004	GENERAL ELECTRIC CO		
DOROTHY A. KEVILLE, 2215 CONSTITUTION AVE., NW WASHINGTON DC 20037	AMERICAN PHARMACEUTICAL ASSN		100.00
GILBERT W. KEYES, P.O. BOX 3999 (MAIL STOP 8C-68) SEATTLE WA 98124	BOEING AEROSPACE CO	120.00	137.70
EARLINE A. KEYSER, 1620 I ST., NW, #703 WASHINGTON DC 20006	BECHTEL POWER CORPORATION		
KIAWAH ISLAND COMPANY, P.O. BOX 12910 CHARLESTON SC 29142			
RICHARD F. KIBBEN, 200 PARK AVE. NEW YORK NY 10166	BUSINESS ROUNDTABLE		
BRIAN D. KIDNEY, 444 N. CAPITOL STREET, NW, #718 WASHINGTON DC 20001	PACIFIC TELESIS GROUP	15,450.00	
WILLIAM S. KIES, 1750 K ST., NW WASHINGTON DC 20006	FOOD MARKETING INSTITUTE	200.00	
INGOLF N. KILAND JR., 1660 L STREET, NW WASHINGTON DC 20036	GENERAL MOTORS CORP	3,000.00	5,405.24
MARY K. KILLORIN, 1101 15TH STREET, NW WASHINGTON DC 20005	MINNESOTA MINING & MANUFACTURING CO (3M)	1,500.00	
KILPATRICK & CODY, SUITE 500 2501 M ST., NW WASHINGTON DC 20037	B. W. CROSWELL	4,700.00	
ROBERTA D. KIMBALL, 1015 15TH STREET, NW, #802 WASHINGTON DC 20005	AMERICAN CONSULTING ENGINEERS COUNCIL	200.00	
RICHARD H. KIMBERLY, 1201 PENNSYLVANIA AVENUE, NW, #730 WASHINGTON DC 20004	KIMBERLY-CLARK CORP	3,920.00	548.46
KIMBERLY-CLARK CORP, 401 NORTH LAKE STREET NEENAH WI 54956			5,859.06
JAMES L. KIMBLE, 1025 CONNECTICUT AVE., NW, #415 WASHINGTON DC 20036	AMERICAN INSURANCE ASSN	150.00	10.00
KING & SPALDING, 1730 PENNSYLVANIA AVE., NW, #1200 WASHINGTON DC 20006	ANTITRUST REMEDIES REFORM GROUP	26,304.41	1,302.82
Do	DAMSON OIL CORP		5.00
Do	GENERAL AVIATION MANUFACTURERS ASSN	5,220.00	449.20
Do	GENERAL ELECTRIC CREDIT CORP		
Do			1,245.97
Do	LINCOLN PROPERTY CO		5.00
CHARLES L. KING, 1850 K ST., NW WASHINGTON DC 20006	AMERICAN COUNCIL OF LIFE INSURANCE, INC		
EDWARD H. KING, 200 WILMOT RD. DEERFIELD IL 60015	WALGREEN CO		
G. JACK KING, WASHINGTON NATIONAL AIRPORT WASHINGTON DC 20001	U.S. AIR, INC	1,000.00	
GARY V. KING, P.O. BOX 12148 ARLINGTON VA 22209	COTTAGE INDUSTRIES		
W. RUSSELL KING, 1730 RHODE ISLAND AVE., NW, #400 WASHINGTON DC 20036	FREEPORT MCMORAN, INC	500.00	70.00
RUBY KING-WILLIAMS, 1201 16TH STREET, NW WASHINGTON DC 20036	NATIONAL EDUCATION ASSN		
DANIEL T. KINGSLEY, 1655 N. FT. MYER DR., #700 ARLINGTON VA 22209	NATIONAL VENTURE CAPITAL ASSOCIATION	20,400.00	2,808.70
ROGER P. KINGSLEY, 10801 ROCKVILLE PIKE ROCKVILLE MD 20852	AMERICAN SPEECH-LANGUAGE-HEARING ASSN		
MARCIA Y. KINTER, 1600 WILSON BOULEVARD, #1000 ARLINGTON VA 22209	AMERICAN WATERWAYS OPERATORS, INC		
CECILIA ANNE KIRBY, 1819 L STREET, NW, #600 WASHINGTON DC 20036	AMERICAN HOTEL & MOTEL ASSN	1,139.80	
KIRBY GILLICK SCHWARTZ & TUOHEY, P.C., 1220 L STREET, NW, #310 WASHINGTON DC 20005	AMERICA WEST AIRLINES, INC		
Do	LAKE ONTARIO CEMENT LIMITED	1,400.00	
Do	NATIONAL VEHICLE LEASING ASSN	900.00	
ALAN G. KIRK II , 1900 PENNSYLVANIA AVE., NW WASHINGTON DC 20068	POTOMAC ELECTRIC POWER CO	21.73	
JOHN R. KIRK, BINGHAM, DANA & GOULD 100 FEDERAL ST. BOSTON MA 02110	FIRST NATIONAL BANK OF BOSTON		
KIRKPATRICK & LOCKHART, 1900 M ST., NW WASHINGTON DC 20036	AMERICAN COUNCIL OF LIFE INSURANCE		
Do	CALVERT GROUP, LTD		
Do	COUNCIL OF STATE HOUSING AGENCIES		
Do	COUNTY OF SUFFOLK, NEW YORK		
Do	INTERNATIONAL GOLD CORPORATION LIMITED	3,087.00	
Do	INVESTORS FIDUCIARY TRUST CO	3,549.00	
Do	PAINE WEBBER JACKSON & CURTIS, INC		
Do	REPUBLIC NATIONAL BANK OF NEW YORK		
Do	WHITNEY NATIONAL BANK OF NEW ORLEANS		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
KIRLIN CAMPBELL & KEATING, 1150 CONNECTICUT AVE., NW, #800 WASHINGTON DC 20036	COUNCIL OF EUROPEAN & JAPANESE NATIONAL SHIPOWNERS' ASSN	8,531.54	357.29
ROBERT A. KIRSHNER, 1619 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20036	NATIONAL FOREST PRODUCTS ASSN	100.00	
WILLIAM J. KISSICK, 503 QUEEN STREET EAST SAULT STE. MARIE ONTARIO CANADA P6A 5P2	ALGOMA STEEL CORP, LTD	800.00	658.75
Do	CANADIAN TUBULAR PRODUCERS ASSN		
RICHARD P. KLEEMAN, 2005 MASSACHUSETTS AVE., NW WASHINGTON DC 20036	ASSOCIATION OF AMERICAN PUBLISHERS		
JAMES A. KLEIN, 1615 H STREET, NW WASHINGTON DC 20062	CHAMBER OF COMMERCE OF THE U.S.	1,750.00	453.09
KLINE KNOPF & WOJDAK, INC, 355 N. 21ST STREET, #105 CAMP HILL PA 17011	GENERAL PUBLIC UTILITIES CORPORATION		
WILLIAM J. KLINEFELTER, 815 16TH ST., NW, #706 WASHINGTON DC 20006	UNITED STEELWORKERS OF AMERICA	9,519.39	
MICHAEL R. KLIPPER, 1600 I ST., NW WASHINGTON DC 20006	MOTION PICTURE ASSN OF AMERICA	466.60	198.10
DAVID M. KLUCSIK, 1415 WYCKOFF ROAD, P.O. BOX 1464 WALL NJ 07719	NEW JERSEY NATURAL GAS CO		19.69
GLENN KNAPP, 773 DARTMOUTH AVE. SAN CARLOS CA 94070			
KEITH R. KNOBLOCK, 1920 N ST., NW WASHINGTON DC 20036	AMERICAN MINING CONGRESS		
ALBERT B. KNOLL, 1800 K STREET, NW, #820 WASHINGTON DC 20006	SUN COMPANY, INC	1,500.00	659.70
ROBERT L. KNOUS JR., 1410 GRANT STREET, #A-201 DENVER CO 80203	COLORADO SKI COUNTRY USA		
MARK S. KNOUSE, 1825 K ST., NW, #603 WASHINGTON DC 20006	BATUS D.C	2,000.00	15.00
RUTH E. KOBELL, 600 MARYLAND AVE., SW, #202 WASHINGTON DC 20024	FARMERS' EDUCATIONAL & CO-OPERATIVE UNION OF AMERICA	3,074.40	97.34
BRADLEY R. KOCH, 1800 MASSACHUSETTS AVE., NW WASHINGTON DC 20036	NATIONAL RURAL ELECTRIC COOPERATIVE ASSN	142.90	
GEORGE W. KOCH, 1010 WISCONSIN AVE., NW, #800 WASHINGTON DC 20007	GROCERY MANUFACTURERS OF AMERICA, INC	94.00	
GARY J. KOHN, 1600 M STREET, NW WASHINGTON DC 20036	INVESTMENT COMPANY INSTITUTE		
MICHAEL S. KOLEDA, 1301 PENNSYLVANIA AVE., NW, #325 WASHINGTON DC 20004	COUNCIL ON SYNTHETIC FUELS		
JOHN C. KOLOJESKI, LAROE WINN & MOERMAN 1120 G STREET, NW, #800 WASHINGTON DC 20005	CHLORINE INSTITUTE, INC	20,362.50	100.14
KOMINERS FORT SCHLEFER & BOYER, 1401 NEW YORK AVE., NW, 12TH FL. WASHINGTON DC 20005	APEX MARINE CORP	72,321.00	5,116.76
Do	ATLANTIC RICHFIELD CO	126,330.00	2,201.93
Do	CROWLEY MARITIME CORP AND SUBSIDIARIES	17,650.00	2,482.09
Do	MATSON NAVIGATION CO	1,100.00	
NICHOLAS KOMINUS, 1001 CONNECTICUT AVE., NW WASHINGTON DC 20036	U.S. CANE SUGAR REFINERS' ASSN	742.50	127.48
EUGENE P. KOPP, SUITE 600 SOUTH 1120 20TH STREET, NW WASHINGTON DC 20036	UNION PACIFIC CORP	1,250.00	
STEVEN KOPPERUD, 1701 N. FT. MYER DRIVE ARLINGTON VA 22209	AMERICAN FEED INDUSTRY ASSN	3,240.00	
HORACE R. KORNEGAY, 1875 I ST., NW, #800 WASHINGTON DC 20006	TOBACCO INSTITUTE	100.00	5.00
NICHOLAS P. KOSKORES, 1800 MASSACHUSETTS AVE., NW, #510 WASHINGTON DC 20036	NEW ENGLAND COUNCIL, INC		
BERNARD KOTEEN, 1150 CONNECTICUT AVENUE, NW WASHINGTON DC 20036	KOTEEN & NAFTALIN (FOR: STORER COMMUNICATIONS, INC)		
GERALD J. KOVACH, 1133 19TH STREET, NW WASHINGTON DC 20036	MCI COMMUNICATIONS CORP		10,000.00
KENNETH S. KOVACK, 815 16TH ST., NW, #706 WASHINGTON DC 20006	UNITED STEELWORKERS OF AMERICA	9,519.39	
CHRIS KOYANAGI, 1702 WOODMAN DRIVE MCLEAN VA 22101	WASHINGTON ALTERNATIVES, INC	7,665.00	25.00
MYLIO S. KRAJA, 1608 K ST., NW WASHINGTON DC 20006	AMERICAN LEGION	3,088.02	317.85
JOSEPH H. KRAMER III, THE POWER HOUSE 3255 GRACE STREET, NW WASHINGTON DC 20007	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: HTB CORPORATION)		
STEPHEN W. KRAUS, 1850 K ST., NW WASHINGTON DC 20006	AMERICAN COUNCIL OF LIFE INSURANCE, INC		
RAYMOND R. KRAUSE, PILLSBURY CENTER MS 3771 MINNEAPOLIS MN 55402	PILLSBURY COMPANY	1,500.00	580.00
JEFFREY KRAUSS, 1350 PICCARD DRIVE, #304 ROCKVILLE MD 20850	M/A-COM, INC	2,500.00	
EARL R. KREHER, 1620 EYE STREET, NW, #1000 WASHINGTON DC 20006	MOTOR VEHICLE MANUFACTURERS ASSN OF THE U.S., INC		
JAY KRIEGEL, KRIEGEL COMMUNICATIONS 437 MADISON AVENUE, 19TH FL. NEW YORK NY 10022	ASSOCIATION FOR A BETTER NEW YORK	80,000.00	4,064.28
KROGER COMPANY, 1014 VINE ST. CINCINNATI OH 45201			3,508.84
JAMES C. KRONE, 1152 HASLETT ROAD P.O. BOX 99 HASLETT MI 48840	ROSES, INC	300.00	
KEITH R. KRUEGER, 600 MARYLAND AVE., SW, #400 WASHINGTON DC 20024	AMERICAN OPTOMETRIC ASSN		
K. H. KRUKE, 1776 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20036	HIGHWAY USERS FEDERATION FOR SAFETY & MOBILITY		
PAUL R. KRUSE, 1155 15TH ST., NW WASHINGTON DC 20005	PENNZOIL CO	625.00	10.00
THOMAS A. KUBE, 8111 GATEHOUSE ROAD FALLS CHURCH VA 22047	AMERICAN AUTOMOBILE ASSN		
LLOYD R. KUHN, 1725 DESALES ST., NW WASHINGTON DC 20036	AEROSPACE INDUSTRIES ASSN OF AMERICA, INC	17,906.00	
THOMAS R. KUHN, 1111 19TH STREET, NW WASHINGTON DC 20036	EDISON ELECTRIC INSTITUTE	2,788.00	452.49
REBECCA L. KUPPER, 655 15TH STREET, NW 300 METROPOLITAN SQUARE WASHINGTON DC 20005	AMERICAN MEDICAL INTERNATIONAL	191.00	23.00
ESTER KURZ, 500 NORTH CAPITOL ST., NW, #300 WASHINGTON DC 20001	AMERICAN ISRAEL PUBLIC AFFAIRS COMM	13,562.52	114.32
JEFFREY KURZWEIL, HILL BETTS & NASH 1220 19TH ST., NW, SUITE 302 WASHINGTON DC 20036	MARRIOTT CORPORATION	23,707.24	492.68
JAMES M. KUSZAJ, SUITE 700 SOUTH 1800 M STREET, NW WASHINGTON DC 20036	DOW CHEMICAL U.S.A		
KUTAK ROCK & CAMPBELL, 1101 CONNECTICUT AVENUE, NW WASHINGTON DC 20036	AMERICA FIRST FEDERALLY GUARANTEED MORTGAGE FUND II. . .	5,000.00	10.89
Do	CITICORP INVESTMENT BANK		967.55
Do	DISTRICT HEATING DEVELOPMENT CO		
Do	NATIONAL ELECTRICAL MANUFACTURERS ASSN		140.08
Do	VALMONT INDUSTRIES, INC	11,500.00	22.60
KWAJALEIN ATOLL CORP, P.O. BOX 5220 KWAJALEIN EBEYE MARSHALL ISLAN			97,519.14
L/5 SOCIETY, 1060 E. ELM TUCSON AZ 85719			
LABOR MANAGEMENT MARITIME COMMITTEE, INC, 100 INDIANA AVENUE, NW WASHINGTON DC 20001		12,327.00	8,143.00
LABORERS' INTL UNION OF NORTH AMERICA, AFL-CIO, 905 16TH ST., NW WASHINGTON DC 20006			22,319.20
JOSEPH L. LACH, 1025 CONNECTICUT AVENUE, NW, #214 WASHINGTON DC 20036	MANVILLE PRODUCTS CORP	500.00	
JOHN D. LACOPO, 1331 PENNSYLVANIA AVE., NW, #1300 WASHINGTON DC 20004	EDS CORPORATION	128.00	28.00
BRUCE C. LADD JR., 1776 K STREET, NW WASHINGTON DC 20006	MOTOROLA, INC	16,500.00	68.00
ROBERT A. LADIG, SCOTT PLAZA PHILADELPHIA PA 19113	SCOTT PAPER COMPANY	4,050.00	993.31
SANDRA L. LAFEVRE, 2500 RIVA ROAD, SE ANNAPOLIS MD 21401	NATIONWIDE MUTUAL INSURANCE COS		
JACK L. LAHR, 1775 PENNSYLVANIA AVE., NW WASHINGTON DC 20006	FOLEY LARDNER HOLLABAUGH & JACOBS (FOR: VGS CORPORATION)		
ROBERT LAMB, 1220 L STREET, NW WASHINGTON DC 20005	AMERICAN PETROLEUM INSTITUTE	5,000.00	108.00
DAVID F. LAMBERT III, 1401 NEW YORK AVE., NW, #720 WASHINGTON DC 20005	NATIONAL ASSN OF INSURANCE BROKERS	500.00	
DAVID M. F. LAMBERT, 1000 POTOMAC STREET, NW, #302 WASHINGTON DC 20007	FEDERATION EMPLOYMENT & GUIDANCE SERVICE		
DAVID P. LAMBERT, 1800 K ST., NW WASHINGTON DC 20006	NEW YORK STOCK EXCHANGE, INC		
DAVID R. LAMBERT, 1030 15TH ST., NW, #964 WASHINGTON DC 20005	AMERICAN SEED TRADE ASSN	5,000.00	
STEPHEN K. LAMBRIGHT, ONE BUSCH PLACE ST. LOUIS MO 63118	ANHEUSER-BUSCH COMPANIES, INC		
VIRGINIA B. LAMP, 1615 H STREET, NW WASHINGTON DC 20062	CHAMBER OF COMMERCE OF THE U.S.	2,400.00	636.46
JOHN W. LAMPMANN, 2000 L STREET, NW, #810 WASHINGTON DC 20036	SPERRY CORP		
RAY H. LANCASTER, 1331 PENNSYLVANIA AVE., NW, #565 WASHINGTON DC 20004	TEXAS GAS TRANSMISSION CORP	3,000.00	314.48
L. CHARLES LANDGRAF, 1333 NEW HAMPSHIRE AVENUE, NW WASHINGTON DC 20036	LEBOEUF LAMB LEIBY & MACRAE		
THOMAS M. LANDIN, ONE FRANKLIN PLAZA PHILADELPHIA PA 19101	SMITHKLINE BECKMAN CORP		
LANDIS COHEN SINGMAN & RAUH, 1019 19TH ST., NW, #500 WASHINGTON DC 20036	AMERICAN SOC OF COMPOSERS AUTHORS & PUBLISHERS	7,000.00	
Do	NFL PLAYERS ASSOCIATION	3,000.00	
FREDERICK LANDMAN, 460 W. 42ND STREET, 4TH FL. NEW YORK NY 10036	PAN AMERICAN SATELLITE CORP		
DAVID W. LANDSIDLE, 1710 RHODE ISLAND AVENUE, NW, #300 WASHINGTON DC 20036	ABBOTT LABORATORIES	2,000.00	
BRUCE ALAN LANDY, 2601 VIRGINIA AVE., NW WASHINGTON DC 20037	B.A.L. CO		
Do	CRYOGENIC VACUUM TECHNOLOGY CO		
Do			
LANE & EDSON, P.C., 2300 M STREET, NW WASHINGTON DC 20036	CITY OF BALTIMORE	600.00	
Do	COUNCIL FOR RURAL HOUSING AND DEVELOPMENT	4,000.00	
Do	NATIONAL LEASED HOUSING ASSN	1,800.00	
LANE & MITTENDORF, 1750 K STREET, NW, #1200 WASHINGTON DC 20006	INDEPENDENT PRODUCERS GROUP		533.68
ALBERT E. LANE, 1377 K ST., NW, #537 WASHINGTON DC 20005	MEDIA-INDEPENDENCE-COMPETITION-MEDCOM-MIC		
Do	PEOPLE OPPOSED TO ENERGY LOBBY - POTEL		
RICHARD F. LANE, 1957 E STREET, NW WASHINGTON DC 20006	ASSOCIATED GENERAL CONTRACTORS OF AMERICA		
JOSEPH L. LANG, 1121 L STREET, #1000 SACRAMENTO CA 95814	DAIRY FARMERS FOR RESPONSIBLE DAIRY POLICY	3,000.00	
Do	WEST COAST FABRICATORS & STEEL INDUSTRY ASSOCIATION	10,000.00	14,956.81
ROBIN W. LANIER, 1000 CONNECTICUT AVE., NW WASHINGTON DC 20036	NATIONAL RETAIL MERCHANTS ASSN	200.00	20.00
WAYNE R. LAPIERRE JR., 1600 RHODE ISLAND AVE., NW WASHINGTON DC 20036	NATIONAL RIFLE ASSN OF AMERICA	1,187.50	1,250.00
CLIFFORD LAPLANTE, 1331 PENNSYLVANIA AVENUE, NW WASHINGTON DC 20004	GENERAL ELECTRIC CO	1,230.00	
J. STEPHEN LARKIN, 9225 KATY FREEWAY, #401 HOUSTON TX 77024	PETROLEUM EQUIPMENT SUPPLIERS ASSN	1,430.00	99.00
WILLIAM L. LARSEN, 1025 CONNECTICUT AVENUE, NW, #415 WASHINGTON DC 20036	AMERICAN INSURANCE ASSN	285.00	5.00
REED E. LARSON, 8001 BRADDOCK ROAD, #600 SPRINGFIELD VA 22160	NATIONAL RIGHT TO WORK COMM		
JAMES LASALA, 5025 WISCONSIN AVENUE, NW WASHINGTON DC 20016	AMALGAMATED TRANSIT UNION, AFL-CIO		
MICHAEL LASHBROOK, 1600 RHODE ISLAND AVE., NW WASHINGTON DC 20036	NATIONAL RIFLE ASSN OF AMERICA	1,187.50	
WARREN LASKO, 1125 15TH STREET, NW WASHINGTON DC 20005	MORTGAGE BANKERS ASSN OF AMERICA		
LATHAM WATKINS & HILLS, 1333 NEW HAMPSHIRE AVE., NW, #1200 WASHINGTON DC 20036	AMERICAN DIETETIC ASSN	520.00	7,668.52
Do	SEARS ROEBUCK & CO		
KARL F. LAUENSTEIN, 1745 JEFFERSON DAVIS HIGHWAY, #1000 ARLINGTON VA 22202	GENERAL DYNAMICS	1,000.00	242.06
LOUIS F. LAUN, 260 MADISON AVE. NEW YORK NY 10016	AMERICAN PAPER INSTITUTE, INC		
DENNIS LAVALLEE, 180 S. WASHINGTON ST., P.O. BOX 6808 FALLS CHURCH VA 22046	NATIONAL ASSN OF PLUMBING-HEATING-COOLING CONTRACTORS	500.00	253.07
LAVENTHOL & HORWATH, 1901 L STREET, NW WASHINGTON DC 20036	WORLD ZIONIST ORGANIZATION JERUSALEM, ISRAEL		
JOAN H. LAVOR, 1957 E STREET, NW WASHINGTON DC 20006	ASSOCIATED GENERAL CONTRACTORS OF AMERICA		
DEBORAH A. LAWRENCE, P.O. BOX 12148 ARLINGTON VA 22209	COTTAGE INDUSTRIES		
GEORGE H. LAWRENCE, 1515 WILSON BLVD. ARLINGTON VA 22209	AMERICAN GAS ASSN	1,500.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
ELIZABETH LAWSON, 1730 M STREET, NW WASHINGTON DC 20036	LEAGUE OF WOMEN VOTERS OF THE U.S.	3,593.90	44.65
JANIE L. LAWSON, 1025 CONNECTICUT AVENUE, NW, #200 WASHINGTON DC 20036	SHELL OIL COMPANY	500.00	
LAXALT CORPORATION, 214 MASSACHUSETTS AVE., NE, #380 WASHINGTON DC 20002	MESA PETROLEUM		
Do	MOTION PICTURE ASSN OF AMERICA, INC	2,000.00	
Do	PHILIP MORRIS INTERNATIONAL	500.00	
ERNEST M. LE SUEUR, 453 NEW JERSEY AVENUE, SE WASHINGTON DC 20003	BENEFICIAL MANAGEMENT CORP OF AMERICA		
LEAD-ZINC PRODUCERS COMMITTEE, 180 MAIDEN LANE NEW YORK NY 10038		10,116.55	8,381.54
LEAGUE OF WOMEN VOTERS OF THE U.S., 1730 M ST., NW WASHINGTON DC 20036		43,001.63	43,001.63
LEAGUE TO SAVE LAKE TAHOE, 2197 LAKE TAHOE BLVD. P.O. BOX 10110 SOUTH LAKE TAHOE CA 95731			7,165.01
THOMAS B. LEARY, HOGAN & HARTSON 815 CONNECTICUT AVENUE, NW WASHINGTON DC 20006	BUSINESS ROUNDTABLE	2,755.00	
RICHARD J. LEASE, 2145 BOISE DRIVE LAS CRUCES NM 88001			
LEBOEUF LAMB LEIBY & MACRAE, 1333 NEW HAMPSHIRE AVE., NW, #1100 WASHINGTON DC 20036	BRITISH INSURANCE ASSN		
Do	UNDERWRITERS AT LLOYD'S LONDON		
THOMAS J. LEE JR., P.O. BOX 2628 HOUSTON TX 77252	ENTEX, INC		
LEFF & MASON, 1700 PENNSYLVANIA AVE., NW, #450 WASHINGTON DC 20006	COUNTY OF ORANGE		
Do	ORANGE COUNTY TRANSPORTATION COMMISSION		
Do	ORANGE COUNTY WATER DISTRICT		
Do	SANITATION DISTRICTS OF ORANGE COUNTY		
Do	SANTA ANA RIVER FLOOD PROTECTION AGENCY		
A. B. VIRKLER LEGATE, 77 SYCAMORE CIRCLE ORMOND BEACH FL 32074	EAGLE ENGINEERING, INC	2,398.38	5,588.45
Do	EMBRY-RIDDLE AERONAUTICAL UNIVERSITY		
LEGISLATIVE STUDIES INSTITUTE, INC, 3471 N. FEDERAL HIGHWAY, #511 FORT LAUDERDALE FL 33306	AMERISERV, INC	550.00	2,157.00
TERRY L. LEITZELL, BOGLE AND GATES ONE THOMAS CIRCLE, NW, #900 WASHINGTON DC 20005	ALLIANCE FOR FAIR TRADE	1,000.00	
Do	AMERICAN FAIR TRADE COUNCIL	35,000.00	
Do	AMERICAN SHRIMPBOAT ASSOCIATION	1,000.00	
Do	COALITION FOR CLEAN WATER	1,000.00	
Do	MARINE CONSTRUCTION & DESIGN CO		
Do	NORTHWEST APPAREL & TEXTILE ASSN	1,000.00	
Do	OCEANTRAWL CORPORATION	2,000.00	
Do	PACIFIC SEAFOOD PROCESSORS ASSN	3,000.00	
Do	PORT OF SEATTLE	2,000.00	
JOSEPH L. LEITZINGER, 900 4TH AVE. SEATTLE WA 98164	SIMPSON TIMBER CO	288.00	423.53
LYNN H. LEMASTER, 1111 19TH STREET, NW WASHINGTON DC 20036	EDISON ELECTRIC INSTITUTE	1,317.03	469.48
ROBERT A. LEMBO, 1050 31ST STREET, NW WASHINGTON DC 20007	ASSOCIATION OF TRIAL LAWYERS OF AMERICA	2,000.00	100.00
LAVERNE STILL LEMEN, 1030 15TH ST., NW, #700 WASHINGTON DC 20005	NATIONAL COTTON COUNCIL OF AMERICA	481.25	18.27
LYNETTE LENARD, 1050 CONNECTICUT AVENUE, NW, #300 WASHINGTON DC 20036	NABISCO BRANDS, INC	2,500.00	169.66
THOMAS J. LENGYEL, 1625 K STREET, NW, #1000 WASHINGTON DC 20006	AMERICAN INSTITUTE OF MERCHANT SHIPPING		
LEONARD & MCGAUN, P.C., 900 17TH STREET, NW, #1020 WASHINGTON DC 20006	KANSAS CORPORATION COMMISSION		
Do	INTERNATIONAL UNION OF POLICE ASSNS, AFL-CIO		
Do	WISCONSIN DAIRIES		
BETTY JANE LEONARD, P.O. BOX 19109 GREENSBORO NC 27419	UNIFI, INC		384.88
BURLEIGH C. W. LEONARD, 2550 M STREET, NW, #770 WASHINGTON DC 20037	RJR INDUSTRIES, INC	600.00	690.82
EARL T. LEONARD JR., P.O. DRAWER 1734 ATLANTA GA 30301	COCA-COLA COMPANY	512.00	624.31
LLOYD LEONARD, 1730 M ST., NW WASHINGTON DC 20036	LEAGUE OF WOMEN VOTERS OF THE U.S.	5,779.37	46.00
RODNEY E. LEONARD, 2001 S STREET, NW, #530 WASHINGTON DC 20009	COMMUNITY NUTRITION INSTITUTE		
CHARLES LEPPERT JR., 801 18TH STREET, NW, #400 WASHINGTON DC 20006	PROCTER & GAMBLE MANUFACTURING CO	70.04	
RICHARD L. LESHER, 1615 H ST., NW WASHINGTON DC 20062	CHAMBER OF COMMERCE OF THE U.S.	300.00	
WILLIAM GENE LESHER, 517 C STREET, NE WASHINGTON DC 20002	LYNG AND LESHER, INC	4,650.00	
WILLIAM J. LESSARD JR., 1300 19TH STREET, NW, #310 WASHINGTON DC 20036	NATIONAL COMM TO PRESERVE SOCIAL SECURITY & MEDICARE	4,162.00	
DALE LESTINA, 1201 16TH ST., NW WASHINGTON DC 20036	NATIONAL EDUCATION ASSN	3,134.00	461.04
LEVA HAWES SYMINGTON & MARTIN, 815 CONNECTICUT AVE., NW, #1001 WASHINGTON DC 20006	FINNIGAN CORPORATION	410.00	56.60
Do	SCIENTIFIC APPARATUS MAKERS ASSN	1,262.50	40.80
MILTON LEVENSON, P.O. BOX 3965 SAN FRANCISCO CA 94119	BECHTEL POWER CORPORATION		
LEVENTHAL & SENTER, 1001 22ND STREET, NW, #550 WASHINGTON DC 20037	PAN AMERICAN SATELLITE CORP		
LAWRENCE A. LEVIN, 1001 CONNECTICUT AVE., NW, #1120 WASHINGTON DC 20036	CHEMICAL SPECIALTIES MANUFACTURERS ASSN, INC		
MORRIS J. LEVIN, 1050 17TH ST., NW WASHINGTON DC 20036	ASSOCIATION OF AMERICAN RAILROADS	2,500.00	
BARBARA W. LEVINE, 1015 15TH STREET, NW WASHINGTON DC 20005	AMERICAN PUBLIC HEALTH ASSN		
HARRY LEVINE JR., 1331 PENNSYLVANIA AVE., NW WASHINGTON DC 20004	GENERAL ELECTRIC CO		
KENNETH S. LEVINE, 1201 PENNSYLVANIA AVE., NW, #220 WASHINGTON DC 20004	JOSEPH SEAGRAM & SONS, INC	977.50	
LAWRENCE E. LEVINSON, 1875 EYE ST., NW, #940 WASHINGTON DC 20006	GULF & WESTERN INDUSTRIES, INC	3,500.00	500.00
DAVID LEVY, 3055 OLD HIGHWAY EIGHT P.O. BOX 1453 MINNEAPOLIS MN 55440	MEDTRONIC, INC	70.00	370.99
JAMES F. LEVY, 2000 GREEN STREET COLUMBIA SC 29205	T.J. HARRELSON CO, INC		
LESLIE LEVY, 500 NORTH CAPITOL ST., NW, #300 WASHINGTON DC 20001	AMERICAN ISRAEL PUBLIC AFFAIRS COMM	9,375.00	
ROGER N. LEVY, 600 PENNSYLVANIA AVENUE, SE, #200 WASHINGTON DC 20003	INDEPENDENT INSURANCE AGENTS OF AMERICA, INC	20,192.00	
CLUNET R. LEWIS, 1800 FIRST NATIONAL BUILDING DETROIT MI 48226	JAFFE SNIDER RAITT & HEUER, P.C		
E. DAVID LEWIS, UNIT P 7297 LEE HIGHWAY FALLS CHURCH VA 22042	SOCIETY OF AMERICAN WOOD PRESERVERS, INC	200.00	600.00
MICHAEL R. LEWIS, 1133 15TH ST., NW, #640 WASHINGTON DC 20005	INTERNATIONAL LONGSHOREMEN'S & WAREHOUSEMEN'S UNION	10,150.00	1,961.15
RICHARD LEWIS, 1025 VERMONT AVE., NW WASHINGTON DC 20005	AMERICAN PULPWOOD ASSN		
STUART A. LEWIS, 1919 PENNSYLVANIA AVE., NW, #300 WASHINGTON DC 20006	FIRST INTERSTATE BANCORP	400.00	
Do	MANUFACTURERS HANOVER CORP	700.00	
Do	NATIONAL BANK OF DETROIT	400.00	
JOHN F. LEYDEN, 815 16TH STREET, NW, #308 WASHINGTON DC 20006	PUBLIC EMPLOYEE DEPARTMENT, AFL-CIO	4,187.49	
WILLIAM J. LHOTA, 215 N. FRONT STREET COLUMBUS OH 43215	COLUMBUS AND SOUTHERN OHIO ELECTRIC CO		
ROBERT G. LIBERATORE, 1100 CONNECTICUT AVENUE, NW WASHINGTON DC 20036	CHRYSLER CORP	2,250.00	534.79
HERBERT LIEBENSON, 1604 K ST., NW WASHINGTON DC 20006	NATIONAL SMALL BUSINESS ASSN	5,625.00	
Do	SMALL BUSINESS LEGISLATIVE COUNCIL		
WILLIAM C. LIENESCH, 238 10TH ST., SE WASHINGTON DC 20003	NATIONAL PARKS & CONSERVATION ASSOCIATION	426.50	15.55
TERRY L. LIERMAN, 1156 15TH STREET, NW, #1102 WASHINGTON DC 20005	ALBERT AND DIANE KANEB		
DUKE R. LIGON, 1575 EYE STREET, NW, #510 WASHINGTON DC 20005	CORCORAN HARDESTY WHYTE HEMPHILL & LIGON, P.C. (FOR: NOVA SCOTIA RESOURCES, LTD).		
Do	CORCORAN HARDESTY WHYTE HEMPHILL & LIGON (FOR: PROVINCE OF NOVA SCOTIA).		
RICHARD A. LILLQUIST, 1090 VERMONT AVE., NW, #500 WASHINGTON DC 20005	FLEXIBLE PACKAGING ASSOCIATION		
DIANE PALMER LILLY, 1200 PEAVEY BUILDING MINNEAPOLIS MN 55479	NORWEST CORPORATION		
STEPHEN R. LINDAUER, 1957 E STREET, NW WASHINGTON DC 20515	ASSOCIATED GENERAL CONTRACTORS OF AMERICA		
HERSHEL LIPOW, 1735 NEW YORK AVENUE, NW WASHINGTON DC 20006	AMERICAN INSTITUTE OF ARCHITECTS	3,625.00	35.95
FRANCES S. LIPSCOMB, 645 PENNSYLVANIA AVENUE, SE WASHINGTON DC 20003	NATIONAL AUDUBON SOCIETY	500.00	
LINDA A. LIPSEN, 2001 S STREET, NW, #520 WASHINGTON DC 20009	CONSUMERS UNION OF U.S., INC	2,160.00	
LISBOA ASSOCIATES, INC, 1317 F ST., NW, #400 WASHINGTON DC 20004		3,825.00	413.27
JOHN M. LISON, 16100 SOUTH LATHROP AVENUE HARVEY IL 60426	ATCOR, INC	6,000.00	272.53
SUSAN LISS, 600 NEW JERSEY AVENUE, NW WASHINGTON DC 20001	JUDICIAL SELECTION PROJECT	69.44	6.30
DAVID H. LISSY, 1 GULF & WESTERN PLAZA NEW YORK NY 10023	GULF & WESTERN INDUSTRIES, INC	1,000.00	500.00
BARBARA A. LITTLE, 1155 15TH ST., NW, #611 WASHINGTON DC 20005	ETHYL CORPORATION	1,600.00	
CHARLES B. LITTLE, 600 MARYLAND AVE., SW, #603 WASHINGTON DC 20024	UBA, INC	1,000.00	
THOMAS W. LITTLE, 1750 K STREET, NW WASHINGTON DC 20006	FOOD MARKETING INSTITUTE	750.00	
WILLIAM F. LITTLE, 815 CONNECTICUT AVE., NW WASHINGTON DC 20006	FORD MOTOR CO	487.00	515.70
ROY LITTLEFIELD, 15900 PINECROFT LANE BOWIE MD 20716	AMERICAN RETREADERS ASSN	1,000.00	
Do	GREATER WASHINGTON/MARYLAND SERVICE STATION ASSN	1,000.00	
E. GEOFFREY LITTLEHALE, 1100 15TH STREET, NW WASHINGTON DC 20005	PHARMACEUTICAL MANUFACTURERS ASSN	4,000.00	41.50
THEODORE M. LITTMAN, 2230 E. IMPERIAL AVE. EL SEGUNDO CA 90245	ROCKWELL INTERNATIONAL		
ROBERT W. LIVELY, 1800 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20036	NATIONAL RURAL ELECTRIC COOPERATIVE ASSN	115.00	
FRANCI LIVINGSTON, 215 PENNSYLVANIA AVENUE, SE WASHINGTON DC 20003	CONGRESS WATCH	4,749.96	
LOBEL NOVINS & LAMONT, 1275 K ST., NW, #770 WASHINGTON DC 20005	GENERIC PHARMACEUTICAL INDUSTRY ASSN		287.41
PAUL LOCIGNO, 25 LOUISIANA AVENUE, NW WASHINGTON DC 20001	INTERNATIONAL BROTHERHOOD OF TEAMSTERS	16,761.20	
ROBERT F. LOCKHART JR., 490 L'ENFANT PLAZA EAST, SW WASHINGTON DC 20024	TENNECO, INC		
KAREN LOCKWOOD, 444 NORTH CAPITOL ST., NW WASHINGTON DC 20001	AMERICAN HOSPITAL ASSN		230.07
LAW OFCS OF SHELDON LONDON, 1725 DESALES ST., NW, #401 WASHINGTON DC 20036	AMERICAN HARDWARE MANUFACTURERS ASSN		
ROBERT S. LONG, 919 18TH STREET, NW, #400 WASHINGTON DC 20006	DIAMOND SHAMROCK CORP	1,000.00	16.62
ROBERT W. LONG, 1920 N ST., NW WASHINGTON DC 20036	AMERICAN MINING CONGRESS		
JOHN H. LONNQUIST, 1025 CONNECTICUT AVE., NW, #214 WASHINGTON DC 20036	MANVILLE CORPORATION	1,500.00	
LAURA LOOMIS, 1701 18TH ST., NW WASHINGTON DC 20009	NATIONAL PARKS & CONSERVATION ASSOCIATION		
LOOMIS OWEN FELLMAN & HOWE, 2020 K ST., NW WASHINGTON DC 20006	ASSOCIATION OF BITUMINOUS CONTRACTORS		
Do	OPTICAL MANUFACTURERS ASSN		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	TEXTILE RENTAL SERVICES ASSN OF AMERICA		
SUSAN J. LOOMIS, 1957 E STREET, NW WASHINGTON DC 20006	ASSOCIATED GENERAL CONTRACTORS OF AMERICA	5,000.00	500.00
GERALD D. LORE, 1050 CONNECTICUT AVENUE, NW, #401 WASHINGTON DC 20036	HOFFMANN-LA ROCHE, INC		
PHILIP J. LOREE, 50 BROADWAY NEW YORK NY 10004	FEDERATION OF AMERICAN CONTROLLED SHIPPING	500.00	300.74
ROBERT E. LOSCH, P.C., 1716 NEW HAMPSHIRE AVE., NW WASHINGTON DC 20009	AMERICAN DREDGING CO, ET AL	20,000.00	3,420.59
TIMOTHY LOVAIN, 3713 GUNSTEN RD. ALEXANDRIA VA 22302	DENNY MILLER ASSOCIATES	9,000.00	
JAMES F. LOVETT, 1801 K ST., NW WASHINGTON DC 20006	WESTINGHOUSE ELECTRIC CORP	500.00	200.00
PAULA D. LUCAK, 815 16TH STREET, NW, #308 WASHINGTON DC 20006	PUBLIC EMPLOYEE DEPARTMENT, AFL-CIO	2,062.51	169.34
DANIEL P. LUCAS, 777 14TH ST., NW, WASHINGTON DC 20005	NATIONAL ASSN OF REALTORS		
JAMES D. LUCAS, 25 SOUTH CHARLES STREET BALTIMORE MD 21201	FIRST MARYLAND BANCORP		
Do	FIRST NATIONAL BANK OF MARYLAND		
MRS. FREDDIE H. LUCAS, 1660 L ST., NW WASHINGTON DC 20036	GENERAL MOTORS CORP	3,000.00	442.42
WILLIAM L. LUCAS, 2021 K STREET, NW, #300 WASHINGTON DC 20006	PRIMARK CORP	500.00	
CHARLES EMMET LUCEY, MCDERMOTT, WILL & EMERY 1850 K STREET, NW, #500 WASHINGTON DC 20006	CATHOLIC PRESS ASSN		
LUKENS, INC, 50 SOUTH FIRST AVENUE COATESVILLE PA 19320			
SYLVESTER LUKIS, 818 CONNECTICUT AVE., NW WASHINGTON DC 20006	CRAMER HABER & LUKIS, P.C. (FOR: CANAVERAL PORT AUTHORITY)		
Do	CRAMER HABER & LUKIS, P.C. (FOR: CITY OF MIAMI)		
Do	CRAMER HABER & LUKIS, P.C. (FOR: DADE COUNTY INTERNATIONAL AIRPORT)		
Do	CRAMER HABER & LUKIS, P.C. (FOR: DADE COUNTY)		
MILTON F. LUNCH, 1420 KING ST. ALEXANDRIA VA 22314	NATIONAL SOCIETY OF PROFESSIONAL ENGINEERS	1,000.00	
LUND & O'BRIEN, 1625 EYE ST., NW WASHINGTON DC 20006	FEDERATION OF AMERICAN CONTROLLED SHIPPING	900.00	69.97
Do	PENNSYLVANIA POWER & LIGHT CO	1,639.80	110.40
CHRISTIAN J. LUND, 1825 I STREET, NW, #700 WASHINGTON DC 20006	UNITED TECHNOLOGIES CORPORATION	15,750.00	
FRANCIS M. LUNNIE JR., 1776 F STREET, NW WASHINGTON DC 20006	NATIONAL ASSN OF MANUFACTURERS		
DAVID C. LUTTRELL, 1422 W. PEACHTREE ST., NW, #612 ATLANTA GA 30309	NATIONAL ASSN OF MANUFACTURERS		
W. FLETCHER LUTZ, 727 SOUTH 23RD ST., #100 ARLINGTON VA 22202	ASSOCIATION OF GOVERNMENT ACCOUNTANTS		
JOHN C. LYNCH, 1615 H STREET, NW WASHINGTON DC 20062	CITIZEN'S CHOICE, INC	10,375.00	
TIMOTHY P. LYNCH, 1501 WILSON BOULEVARD, #910 ARLINGTON VA 22209	ROADWAY EXPRESS, INC	425.00	200.00
LYNG AND LESHER, INC, 517 C STREET, NE WASHINGTON DC 20002	DAIRY FARMERS FOR RESPONSIBLE DAIRY POLICY	30,000.00	14,269.34
RICHARD E. LYNG, 517 C STREET, NE WASHINGTON DC 20002	LYNG AND LESHER, INC	1,550.00	
JOHN E. LYNN, 1735 NEW YORK AVENUE, NW WASHINGTON DC 20006	AMERICAN INSTITUTE OF ARCHITECTS	1,600.00	
WILLIAM T. LYONS, 1747 PENNSYLVANIA AVE., NW, #700 WASHINGTON DC 20006	CIBA-GEIGY CORP	5,057.00	3,322.00
M/A-COM, INC, 1350 PICCARD DRIVE, #304 ROCKVILLE MD 20850			7,055.00
JOSEPH H. MACAULAY, 300 METROPOLITAN SQUARE 655 15TH STREET, NW WASHINGTON DC 20005	U.S. SURGICAL CORP	600.00	15.00
TIMOTHY MACCARTHY, 1620 I STREET, NW, #1000 WASHINGTON DC 20006	MOTOR VEHICLE MANUFACTURERS ASSN OF THE U.S., INC	989.00	
ANTHONY R. MACCHIA, 127 JOHN STREET NEW YORK NY 10038	COFFEE SUGAR & COCOA EXCHANGE, INC		
RUSSELL MACCLEERY, 1250 I STREET, NW, #400 WASHINGTON DC 20005	NATIONAL TIRE DEALERS & RETREADERS ASSN		
JACK A. MACDONALD, 1901 N. FORT MEYER DRIVE, #302 ROSSLYN VA 22209	BEVERLY ENTERPRISES, INC	6,250.00	75.00
MIRIAM A. MACDONALD, 1025 CONNECTICUT AVENUE, NW, #1010 WASHINGTON DC 20036	METROPOLITAN INSURANCE COS	1,000.00	
JAMES E. MACK, 9005 CONGRESSIONAL COURT POTOMAC MD 20854	NATIONAL ASSN OF MIRROR MANUFACTURERS		
Do	PEANUT BUTTER & NUT PROCESSORS ASSN	15,500.00	1,690.52
JAMES H. MACK, 7901 WESTPARK DR. MCLEAN VA 22102	NATIONAL MACHINE TOOL BUILDERS' ASSN	15,180.00	500.00
JOHN H. MADIGAN JR., 1575 EYE STREET, NW, #1025 WASHINGTON DC 20005	AMERICAN CANCER SOCIETY	15,000.00	250.00
CLIFF MADISON GOVERNMENT RELATIONS, INC, P.O. BOX 3482 GRANADA HILLS CA 91344	BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY	2,000.00	
Do	CITY OF AVALON	750.00	
Do	MARK AIR, INC	1,200.00	
Do	SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT	1,000.00	
SUSAN MAGAW, P.O. BOX 3556 WASHINGTON DC 20007	AMERICAN MEAT INSTITUTE	2,000.00	
A. JOHN MAGUIRE, 1030 15TH STREET, NW WASHINGTON DC 20005	NATIONAL COTTON COUNCIL OF AMERICA	16,000.00	858.29
CHARLES MAGUIRE, 3315 P STREET, NW, #906 WASHINGTON DC 20036	MERRILL LYNCH & CO, INC	1,200.00	
W. TERRY MAGUIRE, BOX 17407 DULLES INTERNATIONAL AIRPORT WASHINGTON DC 20041	AMERICAN NEWSPAPER PUBLISHERS ASSN	1,125.00	
JOHN F. MAHONEY, 1101 VERMONT AVE., NW WASHINGTON DC 20005	AMERICAN MEDICAL ASSN	5,378.00	
TERENCE P. MAHONY, 1825 K STREET, NW, #807 WASHINGTON DC 20006	NATIONAL BROADCASTING CO, INC	500.00	314.00
ROBERT L. MAIER, 900 17TH ST., NW, #1000 WASHINGTON DC 20006	KAISER ALUMINUM & CHEMICAL CORP	175.00	20.00
STEVEN R. MAIMON, P.O. BOX 7579 WASHINGTON DC 20044			
ELLEN L. MAITLAND, 777 14TH STREET, NW WASHINGTON DC 20005	NATIONAL ASSN OF REALTORS		
MAJOR LEAGUE BASEBALL PLAYERS ASSN, 805 THIRD AVENUE NEW YORK NY 10022			
K. WAYNE MALBON, 1250 I STREET, NW, #400 WASHINGTON DC 20005	NATIONAL TIRE DEALERS & RETREADERS ASSN, INC	508.00	25.00
DANIEL C. MALDONADO, 10000 FALLS RD., #306 POTOMAC MD 20854	AIDS ACTION COUNCIL	6,000.00	432.95
Do	AMERICAN SOC OF ANESTHESIOLOGISTS		62.81
Do	ASSOCIATION OF UNIVERSITY PROGRAMS	600.00	126.49
Do	DEPARTMENT OF PUBLIC HEALTH	1,250.00	140.31
Do	LOS ANGELES ALLIANCE FOR EQUITABLE CUSTOMS STAFFING	9,260.00	389.00
Do	UNIVERSITY OF NEVADA, LAS VEGAS	725.00	72.37
DAVID MALLINO, 815 16TH STREET, NW WASHINGTON DC 20006	INDUSTRIAL UNION DEPT, AFL-CIO	6,922.50	430.88
J. WILSON MALLOY JR., 1919 PENNSYLVANIA AVE., NW WASHINGTON DC 20006	EASTMAN CHEMICALS DIVISION	850.00	85.00
KURT L. MALMGREN, 1000 16TH STREET, NW, #800 WASHINGTON DC 20036	BETHLEHEM STEEL CORPORATION	850.00	
LAWRENCE R. MALONE, 1211 AVENUE OF THE AMERICAS NEW YORK NY 10036	CELANESE CORP		
ROBERT H. MALONEY, 490 L'ENFANT PLAZA EAST, SW WASHINGTON DC 20024	TENNECO, INC		
WILLIAM R. MALONI, 3900 WISCONSIN AVENUE, NW WASHINGTON DC 20016	FEDERAL NATIONAL MORTGAGE ASSN	22,500.00	2,989.35
MAN-MADE FIBER PRODUCERS ASSN, INC, 1150 17TH ST., NW, #310 WASHINGTON DC 20036		199,000.00	210,241.06
MANAGEMENT & GOVERNMENT RESOURCES, 1305 MT. HOLLY ROAD BURLINGTON NJ 08016	BURLINGTON COAT FACTORY	16,920.62	10,304.02
CARTER MANASCO, 5932 CHESTERBROOK RD. MCLEAN VA 22101	NATIONAL COAL ASSN	7,812.51	65.00
MANATT PHELPS ROTHENBERG TUNNEY & EVANS, 1200 NEW HAMPSHIRE AVE., NW, #200 WASHINGTON DC 20036	ALLIANCE FOR A COMPETITIVE AMERICA	4,500.00	
Do	AMERICAN BANKERS ASSN	9,360.00	
Do	AMERICAN PETROFINA	2,500.00	
Do	AUTO IMPORTERS COMPLIANCE ASSOCIATION	885.00	
Do	BOEING CO	420.00	
Do	CHRONAR CORPORATION	3,750.00	
Do	CONNECTICUT NATIONAL BANK		
Do	FIRST PENNSYLVANIA BANK		
Do	FLYING TIGER LINE, INC	830.00	
Do	GOVERNMENT OF CYPRUS	360.00	
Do	GOVERNMENT OF JAMAICA		
Do	HOUSING AMERICA FOUNDATION	9,720.00	
Do	JAMAICA BROADCASTING CORP		
Do	MANUFACTURERS HANOVER LEASING CORPORATION		
Do	MONEY STORE	1,325.00	
Do	NEW WORLD PICTURES		
Do	NORTHROP CORP	2,700.00	
Do	PYRAMID COMPANIES		
Do	RLC CORPORATION	2,000.00	
Do	ROLLINS ENVIRONMENTAL SERVICES		
Do	SECURITY FIRST GROUP	5,290.00	
Do	SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT	2,940.00	
Do	DONALD T. STERLING & ASSOCIATES		
Do	TRAWEEK INVESTMENT CO, INC	5,520.00	
SUSAN MANES, 2030 M STREET, NW WASHINGTON DC 20036	COMMON CAUSE	3,325.00	
FRANK MANKIEWICZ, THE POWER HOUSE 3255 GRACE STREET, NW WASHINGTON DC 20007	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: AMERICAN EXPRESS CO)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: CHICAGO TITLE INSURANCE CO).		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: FIRST AMERICAN TITLE INSURANCE CO).		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: LAWYERS TITLE INSURANCE CO).		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: NATIONAL BROADCASTING CO).		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: REPUBLIC OF TURKEY)	900.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: SAFECO TITLE INSURANCE CO).		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: STEWART TITLE GUARANTY CO).		
RICHARD J. MANNIX, 195 MONTAGUE ST. BROOKLYN NY 11201	BROOKLYN UNION GAS CO		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
CYNTHIA MANSFIELD, 600 MARYLAND AVE., SW, #520 WASHINGTON DC 20024	GPU SERVICE CORPORATION	3,780.70	900.43
MANUFACTURED HOUSING INSTITUTE, 1745 JEFFERSON DAVIS HIGHWAY, #511 ARLINGTON VA 22202			4,900.00
MARCH FOR LIFE, INC, PO BOX 2950 WASHINGTON DC 20013		7,538.00	8,395.79
DAINE K. MARESCO, 1899 L STREET, NW, #403 WASHINGTON DC 20036	OUTDOOR ADVERTISING ASSN OF AMERICA, INC	338.00	1,206.00
MARITIME INSTITUTE FOR RESEARCH & INDUSTRIAL DEVELOPMENT, 1133 15TH ST., NW, #600 WASHINGTON DC 20005			12,001.00
RICHARD MARK, 1616 P ST., NW, #320 WASHINGTON DC 20036	PROFESSIONALS' COALITION FOR NUCLEAR ARMS CONTROL	8,400.00	396.00
RICHARD P. MARKEY, 729 15TH ST., NW WASHINGTON DC 20005	ASSOCIATED BUILDERS & CONTRACTORS, INC		
E. VERNON MARKHAM III, 2121 K STREET, NW, #830 WASHINGTON DC 20037	STEPHENS OVERSEAS SERVICES, INC		
LAWRENCE D. MARKLEY, P.O. BOX 196300 ANCHORAGE AK 99519	CHUGACH ELECTRIC ASSN, INC	870.72	2,902.20
RONALD ANTHONY MARKS, 10 WATERSIDE PLAZA, #2B NEW YORK NY 10010			
LUTHER A. MARKWART, 1156 15TH ST., NW, #1019 WASHINGTON DC 20005	AMERICAN SUGARBEET GROWERS ASSN	780.00	38.00
HOWARD MARLOWE, 655 15TH STREET, NW, #300 WASHINGTON DC 20005	COALITION TO KEEP ALASKA OIL	1,000.00	15.00
CHALMERS H. MARQUIS, 1818 N ST., NW, #410 WASHINGTON DC 20036	AGENCY FOR INSTRUCTIONAL TELEVISION		
Do	CHILDREN'S TELEVISION WORKSHOP		
Do	NATIONAL ASSN OF PUBLIC TELEVISION STATIONS	600.00	150.00
DAN MARRIOTT, 900 KENNECOTT BUILDING SALT LAKE CITY UT 84133	GUARDIAN LIFE INSURANCE CO OF AMERICA		
LORI A. MARSDEN, 1015 15TH STREET, NW, #802 WASHINGTON DC 20005	AMERICAN CONSULTING ENGINEERS COUNCIL	200.00	
JOHN MARSH, 100 OAKVIEW DRIVE TRUMBULL CT 06611	RAYMARK CORPORATION		
CATHERINE A. MARSHALL, 1750 K STREET, NW WASHINGTON DC 20006	U.S. BREWERS ASSN, INC		
THOMAS A. MARTENS, P.O. BOX 10110 SO. LAKE TAHOE CA 95731	LEAGUE TO SAVE LAKE TAHOE	6,117.60	
DANEA KEHOE MARTIN, 1922 F STREET, NW WASHINGTON DC 20006	NATIONAL ASSN OF LIFE UNDERWRITERS	215.00	
DAVID F. MARTIN, 2020 14TH STREET, NORTH ARLINGTON VA 22201	AMERICAN STANDARD INC	750.00	
DONALD N. MARTIN, DONALD N. MARTIN & COMPANY, INC 630 FIFTH AVE. NEW YORK NY 10111			
FRED J. MARTIN JR., 1800 K STREET, NW WASHINGTON DC 20006	BANKAMERICA CORPORATION	408.68	117.48
J. ROSS MARTIN, KANSAS PETROLEUM COUNCIL 1414 MERCHANTS NAT'L BANK BLDG. 8TH & JACKSON TOPEKA KS 66612	AMERICAN PETROLEUM INSTITUTE		
JAMES D. MARTIN, 950 L'ENFANT PLAZA, SW WASHINGTON DC 20024	COMMUNICATIONS SATELLITE CORPORATION	1,500.00	276.53
JOHN M. MARTIN JR., 6909 FORT HUNT ROAD ALEXANDRIA VA 22307	FOOD MARKETING INSTITUTE	100.00	
KATHERINE E. MARTIN, 412 FIRST ST., SE, #200 WASHINGTON DC 20003	ASSOCIATION OF AMERICAN RAILROADS	315.55	173.90
LARRY K. MARTIN, 1611 NORTH KENT STREET, #800 ARLINGTON VA 22209	AMERICAN APPAREL MANUFACTURERS ASSN, INC	1,500.00	50.00
PEGGY L. MARTIN, 777 14TH STREET, NW WASHINGTON DC 20005	NATIONAL ASSN OF REALTORS		
ROBERT L. MARTIN, 1615 H STREET, NW WASHINGTON DC 20062	CHAMBER OF COMMERCE OF THE U.S.	3,750.00	
JAMES C. MARTINELLI, 1025 CONNECTICUT AVENUE, NW, #300 WASHINGTON DC 20036	ENVIRONMENTAL MANAGEMENT CONSULTANTS, INC		
VILMA S. MARTINEZ, 612 S. FLOWER STREET, 5TH FLOOR LOS ANGELES CA 90017	MUNGER TOLLES & RICKERSHAUSER (FOR: SPANISH INTERNATIONAL COMMUNICATION CORP).	1,120.00	101.46
MIKE M. MASAOKA, SUITE 520, THE FARRAGUT BLDG. 900 17TH ST., NW WASHINGTON DC 20006	AMERICAN JAPANESE TRADE COMM		
Do	JAPAN TELESCOPES MANUFACTURERS ASSN	200.00	
Do	NISEI LOBBY		
Do	TOYOTA MOTOR SALES, U.S.A., INC	750.00	
Do	WEST MEXICO VEGETABLE DISTRIBUTORS ASSN	500.00	
W. A. MASON, P.O. BOX 21106 SHREVEPORT LA 71156	SOUTHWESTERN ELECTRIC POWER CO		
NED W. MASSEE, 299 PARK AVENUE NEW YORK NY 10171	WESTVACO CORP	900.00	933.21
DONALD F. MASSEY, THE POWER HOUSE 3255 GRACE STREET, NW WASHINGTON DC 20007	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: AGRICULTURE FOR MARKET ORIENTED POLICIES).	640.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: ASARCO)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: CHICAGO TITLE INSURANCE CO).	2,120.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: FIRST AMERICAN TITLE INSURANCE CO).	2,120.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: HITACHI AMERICA, LTD)	220.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: HOOPA VALLEY INDIAN RESERVATION).	180.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: JOINT MARITIME CONGRESS).	540.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: KINGDOM OF MOROCCO)	40.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: LAWYERS TITLE INSURANCE CO).	2,120.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: MUTUAL OF OMAHA)	80.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: RAUSCHENBERG OVERSEAS CULTURAL INTERCHANGE).	1,680.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: REPUBLIC OF TURKEY)	540.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: SAFECO TITLE INSURANCE CO).	2,120.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: STEWART TITLE INSURANCE CO).	2,120.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: UNITED AIRLINES)	160.00	
JAMES D. MASSIE, 1730 RHODE ISLAND AVENUE, NW, #400 WASHINGTON DC 20036	FREEPORT-MCMORAN, INC	300.00	218.82
COLIN D. MATHEWS, 1101 CONNECTICUT AVENUE, NW WASHINGTON DC 20036	VINSON & ELKINS (FOR: GUARDIAN SAVINGS & LOAN)		
Do	VINSON & ELKINS (FOR: METHODIST HOSPITAL)		
DAWSON MATHIS & ASSOCIATES, 1800 M STREET, NW, #950 NORTH WASHINGTON DC 20036	CROWLEY MARITIME CORP	1,000.00	
Do	AMERICAN ELECTRONIC LABORATORIES, INC	1,000.00	
Do	MASSACHUSETTS MUTUAL LIFE INSURANCE CO	1,000.00	
Do	PACIFIC GAS & ELECTRIC	1,000.00	
Do	SOUTHEASTERN PEANUT ASSN	1,000.00	
Do	WESTINGHOUSE CORPORATION	1,000.00	
DAWSON MATHIS, 1800 M STREET, NW, #950 NORTH WASHINGTON DC 20036	DAWSON MATHIS & ASSOCIATES (FOR: AMERICAN ELECTRONIC LABORATORIES, INC).	1,000.00	
Do	JACK MCDONALD CO (FOR: COALITION FOR THE ADVANCEMENT OF INDUSTRIAL TECHNOLOGY).	6,090.91	
Do	DAWSON MATHIS & ASSOCIATES (FOR: CROWLEY MARITIME CORP)	1,000.00	
Do	JACK MCDONALD CO (FOR: FIBER FABRIC & APPAREL COALITION FOR TRADE)	1,500.00	
Do	DAWSON MATHIS & ASSOCIATES (FOR: MASSACHUSETTS MUTUAL LIFE INSURANCE CO).	1,000.00	
Do	DAWSON MATHIS & ASSOCIATES (FOR: PACIFIC GAS & ELECTRIC)	1,000.00	
Do	DAWSON MATHIS & ASSOCIATES (FOR: SOUTHEASTERN PEANUT ASSN)	1,000.00	
Do	DAWSON MATHIS & ASSOCIATES (FOR: WESTINGHOUSE CORPORATION)	1,000.00	
ROBERT A. MATTHEWS, 700 NORTH FAIRFAX ST. ALEXANDRIA VA 22314	RAILWAY PROGRESS INSTITUTE	1,021.88	
SUZETTE MATTHEWS, 1726 M STREET, NW, #806 WASHINGTON DC 20036	AIR TRAFFIC CONTROL ASSN, INC	1,443.11	5.22
JOANNE E. MATTIACE, 633 PENNSYLVANIA AVENUE, NW, #600 WASHINGTON DC 20004	SEARS ROEBUCK & CO	1,080.00	128.80
WILLIAM C. MATTOX, 1285 AVENUE OF THE AMERICAS NEW YORK NY 10019	EQUITABLE LIFE ASSURANCE SOCIETY OF THE U.S	14,167.28	429.77
MARSHALL L. MATZ, SCOTT HARRISON & MCLEOD 2501 M STREET, NW, 4TH FL. WASHINGTON DC 20037	AMERICAN SCHOOL FOOD SERVICE ASSN	9,000.00	1,358.01
Do	ELECTRONIC DATA SYSTEMS	6,000.00	745.53
C.V. & R.V. MAUDLIN, 1511 K STREET, NW, #535 WASHINGTON DC 20005	BRASS AND BRONZE INGOT INSTITUTE		
WILLIAM W. MAURER, 1745 JEFFERSON DAVIS HIGHWAY, #1000 ARLINGTON VA 22202	GENERAL DYNAMICS	1,000.00	1,082.29
ANTHONY F. MAURIELLO, NEW YORK STATE PETROLEUM COUNCIL 150 STATE STREET ALBANY NY 12207	AMERICAN PETROLEUM INSTITUTE		
SAMUEL L. MAURY, 1828 L ST., NW, #402 WASHINGTON DC 20036	BUSINESS ROUNDTABLE	700.00	
MICHAEL MAWBY, 2030 M STREET, NW WASHINGTON DC 20036	COMMON CAUSE	9,250.02	192.60
THOMAS H. MAXEDON, KENTUCKY PETROLEUM COUNCIL 612-A SHELBY STREET FRANKFORT KY 40601	AMERICAN PETROLEUM INSTITUTE	244.58	
WILLIAM A. MAXWELL, 311 FIRST STREET, NW, #500 WASHINGTON DC 20001	COMPUTER & BUSINESS EQUIPMENT MANUFACTURERS ASSN	1,400.00	250.00
ALBERT E. MAY, 1627 K STREET, NW WASHINGTON DC 20006	COUNCIL OF AMERICAN-FLAG SHIP OPERATORS	5,250.00	
WALTER R. MAY, 7004 PARK TERRACE DRIVE ALEXANDRIA VA 22307	YELLOW FREIGHT SYSTEM, INC	12,000.00	1,558.00
MAYER BROWN & PLATT, 2000 PENNSYLVANIA AVENUE, NW, #6500 WASHINGTON DC 20006	AEROSPACE INDUSTRIES ASSN OF AMERICA, INC		
Do	BRUNSWICK CORP		
Do	COMDISCO, INC		
Do	GATX CORP		
Do	GOLDMAN SACHS & CO	250.00	
Do	INVEST TO COMPETE ALLIANCE	250.00	
Do	JMB REALTY CORP	500.00	
Do	MERRILL LYNCH CAPITAL MARKETS		
Do	PFIZER, INC		
Do	RTS CAPITAL CORP		
Do	SEARS ROEBUCK & CO		
Do	TRANSCANADA PIPELINES LTD		
Do	UNION STATION VENTURE		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
JEFFREY G. MAYS, 600 MARYLAND AVE., SW, #400E WASHINGTON DC 20024	AMERICAN OPTOMETRIC ASSN		
MICHAEL J. MCADAMS, 1015 18TH STREET, NW WASHINGTON DC 20036	FERTILIZER INSTITUTE	10,000.00	2,518.54
DOUGLAS E. MCALLISTER, 1920 N ST., NW WASHINGTON DC 20036	AMERICAN MINING CONGRESS	30.00	3.20
JERRY MCANDREWS, 308 E. CAPITOL ST., #10 WASHINGTON DC 20003	COMPETITIVE TELECOMMUNICATIONS ASSN	2,100.00	
ANN MCBRIDE, 2030 M ST., NW WASHINGTON DC 20036	COMMON CAUSE	13,648.78	456.00
R. G. MCBRIDE, MISSISSIPPI PETROLEUM COUNCIL P.O. BOX 42 JACKSON MS 39205	AMERICAN PETROLEUM INSTITUTE	1,500.00	
STEPHEN C. MCCAFFREY, 1828 N. MERIDIAN STREET INDIANAPOLIS IN 46202	UNITED WAY OF INDIANAPOLIS		
JOHN A. MCCAHILL, 1250 CONNECTICUT AVE, NW WASHINGTON DC 20036	U.S. OLYMPIC COMMITTEE		
KATHERINE S. MCCARTER, 1015 15TH STREET, NW WASHINGTON DC 20005	AMERICAN PUBLIC HEALTH ASSN	2,566.00	
CAROLYN KIM MCCARTHY, 7901 WESTPARK DRIVE MCLEAN VA 22102	NATIONAL MACHINE TOOL BUILDERS' ASSN	1,700.00	500.00
JAMES R. MCCARTHY, 1220 L STREET, NW WASHINGTON DC 20005	AMERICAN PETROLEUM INSTITUTE	200.00	
JAMES W. MCCARTHY, 1515 WILSON BOULEVARD ARLINGTON VA 22209	AMERICAN GAS ASSN	8,100.00	1,914.00
MCCARTY NOONE & WILLIAMS, 490 L'ENFANT PLAZA EAST, SW, #3306 WASHINGTON DC 20024	AMERICAN MEDICAL TECHNOLOGISTS	855.00	82.06
ROBIN W. MCCLUNG, 1667 K ST., NW, #1210 WASHINGTON DC 20006	ROHM AND HAAS CO	500.00	300.75
MCCLURE & TROTTER, 1100 CONNECTICUT AVE., NW, #600 WASHINGTON DC 20036	COCA-COLA COMPANY		823.29
Do	GULF & WESTERN INDUSTRIES, INC		681.49
Do	MOBIL OIL CORP	5,757.50	471.68
Do	NATIONAL ASSN OF SMALL BUSINESS INVESTMENT COS		1.95
MARK L. MCCONAGHY, 1801 K ST., NW, #700 WASHINGTON DC 20006	PRICE WATERHOUSE (FOR: DART & KRAFT, INC)	750.00	456.58
ROBERT S. MCCONNAUGHEY, 1850 K ST., NW WASHINGTON DC 20006	AMERICAN COUNCIL OF LIFE INSURANCE, INC		
JAMES F. MCCONNELL JR., 1700 PENNSYLVANIA AVENUE, NW, #450 WASHINGTON DC 20006	LEFF & MASON (FOR: CARMA-SANDLING GROUP)		
JOHN L. MCCONNELL, 1800 K ST., NW, #1100 WASHINGTON DC 20006	NEW YORK STOCK EXCHANGE, INC		
MOLLY MCCORMICK, 2301 MARKET STREET, S24-4 PHILADELPHIA PA 19101	PHILADELPHIA ELECTRIC COMPANY	2,282.30	410.19
ALVIN MCCOY, 2020 K ST., NW, #200 WASHINGTON DC 20006	NATIONAL FED OF FEDERAL EMPLOYEES		
DENNIS R. MCCOY, 1101 17TH STREET, NW WASHINGTON DC 20036	UNITED GAS PIPE LINE CO		
THOMAS MCCOY, 1771 N STREET, NW WASHINGTON DC 20036	NATIONAL ASSN OF BROADCASTERS	1,500.00	
ALBERT L. MCDERMOTT, 1819 L STREET, NW, #600 WASHINGTON DC 20036	AMERICAN HOTEL & MOTEL ASSN	2,114.00	
MARIANNE MCDERMOTT, 1350 NEW YORK AVENUE, NW, #615 WASHINGTON DC 20005	GREETING CARD ASSN		
MARK T. MCDERMOTT, JOSEPH, POWELL, MCDERMOTT & REINER, P.C. 1300 19TH STREET, NW, #400 WASHINGTON DC 20036.	CIVIL PILOTS FOR REGULATORY REFORM		
MCDERMOTT WILL & EMERY, 1850 K ST., NW, #500 WASHINGTON DC 20006	CALIFORNIA ASSN OF CHILDREN'S HOSPITALS	4,598.75	23.85
Do	CATERPILLAR TRACTOR CO	1,215.00	6.50
Do	FEDERAL KEMPER LIFE ASSURANCE COMPANY	121.50	
Do	FEDERATION OF JAPAN SALMON FISHERIES COOPERATIVE ASSN		
Do	JUVENILE DIABETES FOUNDATION, INTERNATIONAL	11,725.00	330.00
Do	KEMPER INVESTORS LIFE INSURANCE CO	58.50	
Do	LUMBERMAN MUTUAL CO	180.00	
Do	OUTPATIENT OPTHALMIC SURGERY SOCIETY	9,496.25	84.00
Do	PUBLIC EMPLOYEES' RETIREMENT ASSN OF COLORADO	5,976.25	183.15
Do	SOCIETY FOR OFFICE BASED SURGERY	2,070.00	300.00
Do	TUNA RESEARCH FOUNDATION, INC		
JACK MCDONALD CO, 1800 M STREET, NW, #950 NORTH WASHINGTON DC 20036	AMERICAN EXPRESS CORP		
Do	COALITION FOR THE ADVANCEMENT OF INDUSTRIAL TECHNOLOGY	6,090.91	
Do	FIBER FABRIC & APPAREL COALITION FOR TRADE	5,000.00	86,549.87
Do	MUTUAL BENEFIT LIFE INSURANCE CO		
JACK MCDONALD, 1800 M STREET, NW, #950 NORTH WASHINGTON DC 20036	JACK MCDONALD CO (FOR: AMERICAN EXPRESS CORP)		
Do	JACK MCDONALD CO (FOR: COALITION FOR THE ADVANCEMENT OF INDUSTRIAL TECHNOLOGY)	6,090.91	
Do	JACK MCDONALD CO (FOR: FIBER FABRIC & APPAREL COALITION FOR TRADE)	5,000.00	
Do	JACK MCDONALD CO (FOR: MUTUAL BENEFIT LIFE INSURANCE CO)		
MICHAEL D. MCDONALD, MARYLAND PETROLEUM ASSN 60 WEST ST. ANNAPOLIS MD 21401	AMERICAN PETROLEUM INSTITUTE	960.00	223.92
PATRICK J. MCDONOUGH, 5999 STEVENSON AVENUE ALEXANDRIA VA 22304	AMERICAN ASSN FOR COUNSELING AND DEVELOPMENT		
MARIAN E. MCDOWELL, 1111 19TH STREET, NW WASHINGTON DC 20036	EDISON ELECTRIC INSTITUTE	1,048.62	322.34
AH QUON MCELRATH, 1334 G STREET, NW, THIRD FL. WASHINGTON DC 20005	VILLERS ADVOCACY ASSOCIATES	405.60	
CHRISTINE W. MCENTEE, 1909 K STREET, NW WASHINGTON DC 20049	AMERICAN ASSN OF RETIRED PERSONS	392.31	203.69
ROBERT H. MCFADDEN, 1620 EYE STREET, NW, #1000 WASHINGTON DC 20006	MOTOR VEHICLE MANUFACTURERS ASSN OF THE U.S., INC		
JOSEPH M. MCGARRY, 16 MUNSON RD. FARMINGTON CT 06032	HEUBLEIN, INC	16,120.00	5,242.52
PAUL J. MCGEADY, 27 HAMPTON PLACE NUTLEY NJ 07110	MORALITY IN MEDIA, INC	176.09	
DONNA LEE MCGEE, 1726 M ST., NW, #401 WASHINGTON DC 20036	BURLINGTON INDUSTRIES, INC	1,500.00	560.00
P. ANNE MCGHEE, 1750 K ST., NW WASHINGTON DC 20006	FOOD MARKETING INSTITUTE	450.00	
ROBERT M. MCGLOTTEN, 815 16TH ST., NW WASHINGTON DC 20006	AMERICAN FED OF LABOR & CONGRESS OF INDUSTRIAL ORGANIZATIONS	20,669.82	1,708.85
PHYLLIS M. MCGOVERN, 1875 EYE STREET, NW, #800 WASHINGTON DC 20006	TOBACCO INSTITUTE		
JEANNE H. MCGOWAN, 1025 CONNECTICUT AVENUE, NW, #415 WASHINGTON DC 20036	AMERICAN INSURANCE ASSN		
CHRISTOPHER C. MCGRATH, NEW YORK STATE PETROLEUM COUNCIL 156 WILLIAM ST. NEW YORK NY 10038	AMERICAN PETROLEUM INSTITUTE		
JEROME J. MCGRATH, 1660 L ST., NW, #601 WASHINGTON DC 20036	INTERSTATE NATURAL GAS ASSN OF AMERICA	500.00	
JOSEPH M. MCGUIRE, 1501 WILSON BLVD. ARLINGTON VA 22209	AIR CONDITIONING & REFRIGERATION INSTITUTE	6,621.88	7,173.70
PETER E. MCGUIRE, 400 FIRST ST., NW WASHINGTON DC 20001	NATIONAL ASSN OF RETIRED & VETERAN RAILWAY EMPLOYEES	2,500.00	
MCGUIRE WOODS & BATTLE, 1400 ROSS BUILDING RICHMOND VA 23219	CSX CORP	723.00	
Do	UNITED COAL CO	306.00	
MCHALE COOK & WELCH, P.C., 1122 CHAMBER OF COMMERCE BUILDING INDIANAPOLIS IN 46204	ESTATE OF MABEL R. LADD		
MCHENRY & STAFFIER, P.C., 1300 19TH ST., NW, #408 WASHINGTON DC 20036	FOOTHILLS PIPE LINES (YUKON) LTD		
Do	NOVA, AN ALBERTA CORP		
Do	NOVACOR CHEMICALS, LTD	660.00	
Do	PAN-ALBERTA GAS LTD		
CLARENCE M. MCINTOSH JR., 400 FIRST ST., NW WASHINGTON DC 20001	RAILWAY LABOR EXECUTIVES' ASSN	1,263.97	
DENNIS MCINTOSH, 1771 N STREET, NW WASHINGTON DC 20036	NATIONAL ASSN OF BROADCASTERS	1,500.00	
WILLIAM F. MCKENNA, 2301 M ST., NW, #500 WASHINGTON DC 20037	HOUSLEY GOLDBERG & KANTARIAN, P.C		
JAN E. MCKENZIE, 1111 19TH ST., NW, #702 WASHINGTON DC 20036	EDISON ELECTRIC INSTITUTE	2,132.31	372.64
ROBERT T. MCKERNAN, 1619 MASSACHUSETTS AVE., NW WASHINGTON DC 20036	AMERICAN PAPER INSTITUTE, INC	250.00	
WILLIAM COLM MCKEVENY, 30 ROCKEFELLER PLAZA NEW YORK NY 10112	AMERICAN PULPWOOD ASSN		
C. A. 'MACK' MCKINNEY, 219 NORTH WASHINGTON STREET ALEXANDRIA VA 22314	NON COMMISSIONED OFFICERS ASSN OF THE USA	9,018.00	19,803.88
THOMAS I. MCKNEW JR., 1667 K ST., NW, #600 WASHINGTON DC 20006	SANTA FE SOUTHERN PACIFIC CORP	1,500.00	
JAMES D. MCLAUGHLIN, 1120 CONNECTICUT AVE., NW WASHINGTON DC 20036	AMERICAN BANKERS ASSN	300.00	
WILLIAM F. MCMANUS, 1331 PENNSYLVANIA AVENUE, NW WASHINGTON DC 20004	GENERAL ELECTRIC CO	418.00	
JAMES D. MCMILLAN, 1899 L ST., NW, #1100 WASHINGTON DC	EXXON CORPORATION	800.00	589.30
KURT CHARLES MCMILLAN, 1010 WISCONSIN AVENUE, NW, #800 WASHINGTON DC 20007	GROCERY MANUFACTURERS OF AMERICA, INC	12.00	
MCNAIR GLENN KONDUROS CORLEY SINGLETARY PORTER & DIBBLE, 1155 15TH STREET, NW WASHINGTON DC 20005	AIR TRANSPORT ASSN OF AMERICA	1,040.00	
Do	ALIGNPAC	1,060.40	
Do	AMERICAN PETROLEUM INSTITUTE		
Do	BRISTOL-MYERS CO		
Do	BUSINESS ROUNDTABLE		
Do	CBS, INC	5,458.18	238.26
Do	CHASE MANHATTAN BANK		
Do	COLT INDUSTRIES, INC	6,876.30	
Do	COMMITTEE FOR FINANCING PUBLIC TRANSPORTATION FACILITIES		
Do	CRS STIRRINE, INC		
Do	DART & KRAFT, INC		
Do	DAVIS POLK & WARDWELL		
Do	ENSERCH		
Do	ESPERANZA ENERGY CO	510.50	
Do	FOOD MARKETING INSTITUTE	2,140.90	
Do	GENERAL MILLS		
Do	GEORGIA PACIFIC CORP	4,567.20	
Do	GTE CORPORATION		
Do	GTE SPRINT COMMUNICATIONS	2,488.90	
Do	HOSPITAL CORP OF AMERICA	4,183.50	
Do	INTELLECTUAL PROPERTY OWNERS, INC	441.00	
Do	MESA PETROLEUM CO		
Do	MILLIKEN MILLS		
Do	NATIONAL ASSN OF REALTORS		
Do	NATIONAL CABLE TELEVISION ASSN		
Do	NATIONAL FOOTBALL LEAGUE	6,719.07	
Do	NORFOLK SOUTHERN CORP	17,970.95	225.76

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	PHARMACEUTICAL MANUFACTURERS ASSN		
Do	SABINE CORPORATION	3,289.50	246.20
Do	SONY CORP OF AMERICA	3,177.65	
Do	TEXAS OIL & GAS CORP	11,249.00	1,320.97
Do	WASTE MANAGEMENT, INC		
Do	WESSELY ENERGY CORP		
Do	WESTINGHOUSE ELECTRIC CORP	904.50	
JOHN EDWARD MCNALLY, 11417 ORLEANS WAY KENSINGTON MD 20895			
KATHRYN M. MCNAMARA, 633 PENNSYLVANIA AVENUE, NW, #600 WASHINGTON DC 20004	SEARS ROEBUCK & CO	280.00	65.00
LARAMIE FAITH MCNAMARA, 1000 WILSON BLVD., #2700 ARLINGTON VA 22209	TRW, INC	1,000.00	
PATRICK H. MCNAMARA, 1800 M STREET, NW, #700 SOUTH WASHINGTON DC 20036	DOW CHEMICAL, U.S.A		45.00
MCNEILL & COMPANY, 1217 ELM STREET DENVER CO 80220			
CYNTHIA A. MCNEILL, 1217 ELM STREET DENVER CO 80220	MCNEILL & COMPANY		
PETER F. MCNEISH, 1156 15TH STREET, NW, #1101 WASHINGTON DC 20005	NATIONAL ASSN OF SMALL BUSINESS INVESTMENT COS	3,000.00	
MICHAEL J. MCSHANE, 1200 NEW HAMPSHIRE AVE., NW, #360 WASHINGTON DC 20036	NATIONAL COMPUTER SYSTEMS		
Do	TECHNOLOGY FOR ENERGY CORP		
ROBERT MCVICKER, 2001 JEFFERSON DAVIS HWY ARLINGTON VA 22202	KOLLSMAN INSTRUMENT CO		
RONALD E. MCWILLIAMS, 1700 N. MOORE ST. ROSSLYN VA 22209	BOEING MARINE SYSTEMS		
GEORGE G. MEAD, 1908 EDNOR ROAD CLOVERLY MD 20904	NORTH AMERICAN VAN LINES, INC	2,500.00	
JOHN K. MEAGHER, 1155 15TH ST.,N.W. SUITE 1004 WASHINGTON DC 20005	LTV CORPORATION	3,000.00	900.00
JOSEPH J. MEDER, 1050 17TH ST., NW, #1100 WASHINGTON DC 20036	INTERLAKE, INC	10,500.00	100.00
MEDTRONIC, INC, 3055 OLD HIGHWAY 8 P.O. BOX 1453 MINNEAPOLIS MN 55440			2,497.30
COLISE G. MEDVED, 1701 PENNSYLVANIA AVE., NW, #830 WASHINGTON DC 20006	PENN CENTRAL CORP		
WILLIAM H. MEGONNELL, 1111 19TH ST., NW, 9TH FLOOR WASHINGTON DC 20036	EDISON ELECTRIC INSTITUTE	846.15	290.11
RICHARD A. MEHLER, 1818 N STREET, NW, #210 WASHINGTON DC 20036	AUTOMOTIVE PARTS REBUILDERS ASSN		
LARRY MEHLHAFF, 23 N. SCOTT SHERIDAN WY 82801	SIERRA CLUB	6,500.00	1,660.56
MICHELLE MEIER, 2001 S STREET, NW, #520 WASHINGTON DC 20009	CONSUMERS UNION OF U.S., INC	1,000.00	
MEMEL JACOBS PIERNO GERSH & ELLSWORTH, 1800 M STREET, NW, #1000-N WASHINGTON DC 20036	ALLIANCE FOR MEDICAL NUTRITION		
MENDELSOHN ASSOCIATES, INC, 1826 JEFFERSON PLACE, NW, #101 WASHINGTON DC 20036	WOLF TRAP FOUNDATION FOR THE PERFORMING ARTS		
HOWARD A. MENELL, 1020 19TH ST., NW, #600 WASHINGTON DC 20036	AMERICAN EXPRESS CO		
EDWARD L. MENNING, 1522 K ST., NW, #836 WASHINGTON DC 20005	NATIONAL ASSN OF FEDERAL VETERINARIANS	16.08	
JANE MENTZINGER, 2030 M STREET, NW WASHINGTON DC 20036	COMMON CAUSE	5,225.04	306.60
EDWARD A. MERLIS, 1724 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20036	NATIONAL CABLE TELEVISION ASSN	2,925.00	
EDWARD L. MERRIGAN, 6000 CONNECTICUT AVE., NW WASHINGTON DC 20815	CENTRAL GULF LINES, INC	3,500.00	64.90
Do	NATIONAL ASSN OF RECYCLING INDUSTRIES, INC	3,500.00	73.96
Do	JOHN TUDOR		168.50
MERRILL LYNCH & CO, INC, 1828 L ST., NW, #906 WASHINGTON DC 20036			8,500.00
NANCY JO MERRILL, 1725 K ST., NW, #814 WASHINGTON DC 20006	MARCH OF DIMES BIRTH DEFECTS FOUNDATION	2,750.00	3.30
HAROLD E. MESIROW, 21 DUPONT CIRCLE, NW WASHINGTON DC 20036	LILLICK MCHOSE & CHARLES (FOR: FOSS LAUNCH & TUG COMPANY; FOSS ALASKA LINE).		
Do	WESTERN PIONEER, INC		
JEAN L. MESTRES, 1747 PENNSYLVANIA AVENUE, NW, #300 WASHINGTON DC 20006	CITIES SERVICE OIL & GAS CORP	534.60	100.63
ANDREA L. METHVEN, 1050 17TH STREET, NW, #500 WASHINGTON DC 20036	TEXACO, INC		
CHRISTOPHER L. MEYER, 410 8TH AVENUE DAYTON KY 41074			
Do	NEW GENERATION LOBBY		
M. BARRY MEYER, 818 CONNECTICUT AVE., NW WASHINGTON DC 20006	ALUMINUM ASSN		118.00
LARRY D. MEYERS, 412 FIRST STREET, SE WASHINGTON DC 20003	CPEX PACIFIC, INC		
Do	HUCHENG INTERNATIONAL CO		
Do	LEMA PROPERTIES, INC		
Do	NATIONAL PEANUT GROWERS GROUP	4,500.00	
Do	RICE BELT WAREHOUSE, INC	4,500.00	
Do	SAM KANE PACKING		
DAVID R. MICA, FLORIDA PETROLEUM INSTITUTE 325 JOHN KNOX RD., #F-210 TALLAHASSEE FL 32303	AMERICAN PETROLEUM INSTITUTE	99.56	14.00
LAURIE MICHEL, 1850 K STREET, NW, #1100 WASHINGTON DC 20006	BALLARD SPAHR ANDREWS & INGERSOLL		
THOMAS A. MICHELETTI, 1111 19TH STREET, NW, #303 WASHINGTON DC 20036	SOUTHERN CALIFORNIA EDISON CO	3,750.00	1,500.00
KATHLEEN MICHELS, 1101 14TH STREET, NW, #200 WASHINGTON DC 20005	AMERICAN NURSES' ASSN	4,410.13	132.57
RONALD A. MICHIELI, 1301 PENNSYLVANIA AVE., NW, #300 WASHINGTON DC 20004	NATIONAL CATTLEMEN'S ASSN	1,000.00	
MID-CONTINENT OIL & GAS ASSN, 711 ADAMS OFFICE BLDG. TULSA, OK 74103		182.05	15,891.39
MID CONTINENT WILDCATTERS ASSN, 200 DOUGLAS BLDG. WICHITA KS 67202		5,000.00	
PAUL J. MIGNINI SR., 815 16TH STREET, NW, #310 WASHINGTON DC 20006	AMALGAMATED CLOTHING & TEXTILE WORKERS UNION	3,430.50	113.26
MIGRANT LEGAL ACTION PROGRAM, INC, 2001 S ST., NW, #310 WASHINGTON DC 20009			
LISA MIHALY, 122 C STREET, NW, 4TH FL. WASHINGTON DC 20001	CHILDREN'S DEFENSE FUND OF THE WASHINGTON RESEARCH PROJECT	840.79	
MILBANK TWEED HADLEY & MCCLOY, 1 CHASE MANHATTEN PLAZA NEW YORK NY 10005	CLAYMARK CORPORATION		
MILES & STOCKBRIDGE, 1701 PENNSYLVANIA AVE., NW, #500 WASHINGTON DC 20006	BLACK AND DECKER MANUFACTURING COMPANY		55.00
Do	PEPSICO, INC		150.00
Do	PIZZA HUT, INC		350.00
HARRIS MILLER & ASSOCIATES, 1000 WILSON BLVD., #900 ARLINGTON VA 22209	AGRICULTURAL PRODUCERS	3,000.00	750.00
Do	FLORIDA FRUIT & VEGETABLE ASSN	600.00	85.00
Do	NATIONAL ASSN FOR FOREIGN STUDENT AFFAIRS	1,000.00	100.00
MILLER & CHEVALIER, CHTD, METROPOLITAN SQUARE 655 15TH STREET, NW WASHINGTON DC 20005	NATIONAL ASSN OF TEMPORARY SERVICES, INC		
DENNY MILLER ASSOCIATES, 400 N. CAPITOL ST., NW, #325 WASHINGTON DC 20001	BOEING COMPANY	2,000.00	450.00
Do	MARINE ENGINEERS' BENEFICIAL ASSN	1,000.00	450.00
Do	PORT OF TACOMA	975.00	3,250.00
Do	ROCKCOR, INC	1,625.00	450.00
MILLER CASSIDY LARROCA & LEWIN, 2555 M ST., NW, #500 WASHINGTON DC 20037	NATIONAL ASSN OF LIFE UNDERWRITERS, ET AL	1,125.00	
Do	47TH STREET PHOTO		
DALE MILLER, 4000 RENO ROAD, NW WASHINGTON DC 20008	GULF INTRACOASTAL CANAL ASSN		
Do	TEXASGULF, INC	450.00	202.66
DEBORAH IMLE MILLER, 15TH & M STS., NW WASHINGTON DC 20005	NATIONAL ASSN OF HOME BUILDERS OF THE U.S.		
GRANT MILLER, 1725 JEFFERSON DAVIS HIGHWAY, #900 ARLINGTON VA 22202	LTV AEROSPACE & DEFENSE CO	2,500.00	125.00
MILLER HAMILTON SNIDER & ODOM, P.O. BOX 46 MOBILE AL 36601	CAMP CARMOUCHE BARSH... (FOR SEARS ROEBUCK & CO)	1,200.00	1,285.86
HARRIS C. MILLER, 1747 PENNSYLVANIA AVENUE, #300 WASHINGTON DC 20006	OCCIDENTAL CHEMICAL CORP	350.00	59.50
JEFFREY T. MILLER, 7 CAMPUS DRIVE PARSIPPANY NJ 07054	NABISCO BRANDS, INC	250.00	40.00
JOSEPH E. MILLER JR., 1608 K STREET, NW WASHINGTON DC 20006	AMERICAN LEGION	6,960.00	15.20
NANCY A. MILLER, 1101 14TH STREET, NW WASHINGTON DC 20005	AMERICAN FINANCIAL SERVICES ASSN		
PAUL J. MILLER, 8000 SEARS TOWER CHICAGO IL 60606	INVESTMENT COUNSEL ASSN OF AMERICA, INC		
RICHARD G. MILLER, 1101 14TH STREET, NW, #200 WASHINGTON DC 20005	AMERICAN NURSES' ASSN	3,836.64	686.70
ROBERT H. MILLER, 490 L'ENFANT PLAZA EAST, SW, #2202 WASHINGTON DC 20024	TENNECO INC		
ROBIN MILLER, 1925 K STREET, NW WASHINGTON DC 20006	ALLIANCE TO SAVE ENERGY	1,081.20	
STEVEN T. MILLER, 1607 NEW HAMPSHIRE AVENUE, NW WASHINGTON DC 20009	AMERICAN METAL DETECTORS MANUFACTURERS, INC		
Do	AUTO INTERNACIONAL ASSN		
Do	COALITION OF AUTOMOTIVE ASSNS		
Do	SPECIALTY EQUIPMENT MARKET ASSN		
W. KIRK MILLER, 735 NORTH WATER STREET, #908 MILWAUKEE WI 53202	AMERICAN MALTING BARLEY ASSN, INC		
C.G. PETE MILLIGAN, 4360 N.E. JOE'S POINT STUART FL 33494	AMERICAN TELEPHONE & TELEGRAPH CO	3,800.00	361.02
JOHN C. MILLINER JR., P.O. BOX 1788 FOREST PARK GA 30051	SOUTHEASTERN LUMBER MANUFACTURERS ASSN		
JOHN F. MILLS, 1875 I ST., NW WASHINGTON DC 20006	TOBACCO INSTITUTE		
ROBERT G. MILLS, 3238 WYNFORD DRIVE FAIRFAX VA 22031	U.S. DEFENSE COMMITTEE	1,200.00	
RICHARD V. MINCK, 1850 K ST., NW WASHINGTON DC 20006	AMERICAN COUNCIL OF LIFE INSURANCE, INC	1,800.00	
MINERALS EXPLORATION COALITION, INC, P.O. BOX 15638 DENVER CO 80215	MINERAL EXPLORATION COALITION, INC	60.00	187.96
MINING & RECLAMATION COUNCIL OF AMERICA, 1575 I STREET, NW, #525 WASHINGTON DC 20005			
JOSEPH MINISH, 66 SHERIDAN AVE. WEST ORANGE NJ 07052	U.S. LEAGUE OF SAVINGS INSTITUTIONS	4,125.00	
THOMAS B. MIRANDA, 410 FIRST ST., SE WASHINGTON DC 20003	AMERICAN NUCLEAR ENERGY COUNCIL	1,267.53	67.63
EDWARD F. MITCHELL, 1900 PENNSYLVANIA AVENUE, NW WASHINGTON DC 20068	POTOMAC ELECTRIC POWER CO	100.38	
JOANNE MITCHELL, 2020 K STREET, NW, #435 WASHINGTON DC 20006	COMMODITY EXCHANGE, INC		
THOMAS F. MITCHELL, 1875 EYE ST., NW, #400 WASHINGTON DC 20006	GEORGIA-PACIFIC CORP		
STACEY J. MOBLEY, 1701 PENNSYLVANIA AVENUE, NW, #900 WASHINGTON DC 20006	E. I. DU PONT DE NEMOURS & CO		
DAVID T. MODI, 1701 PENNSYLVANIA AVENUE, NW, #900 WASHINGTON DC 20006	E. I. DU PONT DE NEMOURS & CO	60.00	
ROBERT M. MOLITER, 1331 PENNSYLVANIA AVE., NW, #865 WASHINGTON DC 20004	GENERAL ELECTRIC CO	170.00	
ROBERT A. MOLOFSKY, 5025 WISCONSIN AVENUE, NW WASHINGTON DC 20016	AMALGAMATED TRANSIT UNION, AFL-CIO	5,000.00	109.80
MICHAEL J. MOLONY, 1800 MASSACHUSETTS AVE., NW WASHINGTON DC 20036	NATIONAL RURAL ELECTRIC COOPERATIVE ASSN	60.00	
C. MANLY MOLPUS, P.O. BOX 3556 WASHINGTON DC 20007	AMERICAN MEAT INSTITUTE	1,000.00	
HERMAN J. MOLZAHN, 1600 WILSON BLVD., #1101 ARLINGTON VA 22209	AMERICAN WATERWAYS OPERATORS, INC		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
CHRISTOPHER MONEK, 1957 E ST., NW WASHINGTON DC 20006	ASSOCIATED GENERAL CONTRACTORS OF AMERICA		
MICHAEL MONRONEY, 1000 WILSON BLVD., #2700 ARLINGTON VA 22209	TRW, INC	1,000.00	
NANCY JACKS MONTGOMERY, 1601 DUKE STREET ALEXANDRIA VA 22314	SOCIETY OF AMERICAN FLORISTS		
STEVEN M. MOODIE, 910 16TH ST., NW, #302 WASHINGTON DC 20006	FEDERATION OF AMERICAN CONTROLLED SHIPPING	200.00	
JAMES P. MOONEY, 1724 MASSACHUSETTS AVE., NW WASHINGTON DC 20036	NATIONAL CABLE TELEVISION ASSN, INC	5,375.00	
MARILYN MOONEY, 1701 PENNSYLVANIA AVENUE, NW, #900 WASHINGTON DC 20006	E. I. DU PONT DE NEMOURS & CO	93.00	
ALAN J. MOORE, 1667 K ST., NW, #600 WASHINGTON DC 20006	SANTA FE INDUSTRIES, INC	1,000.00	
CARLOS MOORE, 1101 CONNECTICUT AVENUE, NW, #300 WASHINGTON DC 20036	AMERICAN TEXTILE MANUFACTURERS INSTITUTE	480.75	40.50
FRANCIS B. MOORE, 3003 BUTTERFIELD ROAD OAK BROOK IL 60521	WASTE MANAGEMENT, INC	5,000.00	1,111.00
WALTER K. MOORE, 840 NORTH LAKE SHORE DRIVE CHICAGO IL 60611	AMERICAN HOSPITAL ASSN		831.45
WILLIAM D. MOORE, 10 DORRANCE STREET PROVIDENCE RI 02903	GREATER PROVIDENCE CHAMBER OF COMMERCE		
MORALITY IN MEDIA, INC, 475 RIVERSIDE DR., #239 NEW YORK NY 10115		181.09	181.09
VINCENT L. MORELLI, 555 NEW JERSEY AVE., NW, #880 WASHINGTON DC 20001	CONGOLEUM CORPORATION	1,000.00	225.13
E. JOYCE MORGAN, 1920 N ST., NW WASHINGTON DC 20036	AMERICAN MINING CONGRESS		
JOHN MORGAN, 1925 K ST., NW WASHINGTON DC 20006	COMMUNICATIONS WORKERS OF AMERICA		
MORGAN LEWIS & BOCKIUS, SUITE 800 NORTH 1800 M ST., NW WASHINGTON DC 20036	ZALMAN C. BERNSTEIN	2,345.00	26.56
Do	BUSINESS ROUNDTABLE	3,775.00	
Do	COMMITTEE FOR CAP FORMATION THROUGH DIVIDEND REINVESTMENT		
Do	CONSOLIDATED NATURAL GAS CO		
PETER DENIS MORGAN, 777 14TH STREET, NW WASHINGTON DC 20005	NATIONAL ASSN OF REALTORS	1,750.00	150.38
ROBERT E. MORIN, 600 NEW HAMPSHIRE AVENUE, NW, #354 WASHINGTON DC 20037	SOCIETY OF REAL ESTATE APPRAISERS		
JAMES A. MORRILL, SCOTT PLAZA I PHILADELPHIA PA 19113	SCOTT PAPER COMPANY	2,250.00	881.14
JANELLE MORRIS, 1828 L STREET, NW, #906 WASHINGTON DC 20036	MERRILL LYNCH & CO, INC		
MARTIN S. MORRIS, 1957 E STREET, NW WASHINGTON DC 20006	ASSOCIATED GENERAL CONTRACTORS OF AMERICA		
TESSA MORRIS, 1155 CONNECTICUT AVE., NW, #1130 WASHINGTON DC 20036	SECURITY PACIFIC NATIONAL BANK		
W. PATRICK MORRIS, 1110 VERMONT AVENUE, NW WASHINGTON DC 20005	SHIPBUILDERS COUNCIL OF AMERICA		
MORRISON & FOERSTER, 2000 PENNSYLVANIA AVE., NW WASHINGTON DC 20006	CONSOLIDATED FREIGHTWAYS		
Do	NATIONAL ELECTRICAL MANUFACTURERS ASSN		
Do	ROSENBERG REAL ESTATE EQUITY FUND, INC	337.50	
JAMES MORRISON, 21 DUPONT CIRCLE, NW, #401 WASHINGTON DC 20036	BUSINESS EXECUTIVES FOR NATIONAL SECURITY	2,827.00	125.00
WILLIAM C. MORRISON, 2001 NORTH ADAMS ST. ARLINGTON VA 22201	MEAT IMPORTERS COUNCIL OF AMERICA, INC	875.00	
VALERIE T. MORSE, 453 NEW JERSEY AVE., SE WASHINGTON DC 20003	BENEFICIAL MANAGEMENT CORP OF AMERICA	750.00	
FRANK D. MORUZZI, 1235 JEFFERSON DAVIS HIGHWAY, #500 ARLINGTON VA 22202	ITALIAN ADVANCED INDUSTRIES INC		
GEORGE R. MOSES, 1518 K ST., NW, #202 WASHINGTON DC 20005	M/A-COM, INC	2,100.00	
Do	TRW, INC	900.00	
RUSSELL N. MOSHER, 950 N. GLEBE RD., #160 ARLINGTON VA 22203	AMERICAN BOILER MANUFACTURERS ASSN, INC		
SOL MOSHER, 1660 L ST., NW, #215 WASHINGTON DC 20036	CROWN ZELLERBACH CORPORATION		
MOSS ASSOCIATES, INC, 2450 VIRGINIA AVE., NW WASHINGTON DC 20037	ASSOCIATION OF BANK HOLDING COS	900.00	
DOROTHY J. MOSS, 1101 VERMONT AVENUE, NW WASHINGTON DC 20005	AMERICAN MEDICAL ASSN	25.00	
JOE MOSS, P.O. BOX 2159 DALLAS TX 75221	AMERICAN PETROFINA, INC		
GERALD J. MOSSINGHOFF, 1100 15TH STREET, NW, #900 WASHINGTON DC 20005	PHARMACUETICAL MANUFACTURERS ASSN	1,000.00	
LYNN E. MOTE, 1015 15TH ST., NW, #900 WASHINGTON DC 20005	INTERNORTH	2,000.00	
BETH MOTEN, 2020 K STREET, NW, #200 WASHINGTON DC 20006	NATIONAL FED OF FEDERAL EMPLOYEES	6,630.00	
MOTION PICTURE ASSN OF AMERICA, INC, 1600 EYE STREET, NW WASHINGTON DC 20006		13,726.12	13,726.12
JOHN J. MOTLEY, 600 MARYLAND AVE., SW, #695 WASHINGTON DC 20024	NATIONAL FEDERATION OF INDEPENDENT BUSINESS	2,250.00	200.00
MOTOR AND EQUIPMENT MANUFACTURERS ASSOCIATION, 1120 19TH ST., NW, #333 WASHINGTON DC 20036			3,012.85
MOTOR VEHICLE MANUFACTURERS ASSN OF THE U.S., INC, 300 NEW CENTER BLDG. DETROIT MI 48202		3,172.25	3,172.25
ROBERT N. MOTTICE, 1776 F STREET, NW WASHINGTON DC 20006	NATIONAL ASSN OF MANUFACTURERS	250.00	
MUDGE ROSE GUTHRIE ALEXANDER & FERNDON, 2121 K STREET, NW WASHINGTON DC 20037	BASIN ELECTRIC POWER COOPERATIVE	114.58	170.00
Do	JAPAN LUMBER IMPROTERS ASSN		
JAMES S. MULHERN, 1840 WILSON BOULEVARD ARLINGTON VA 22201	NATIONAL MILK PRODUCERS FEDERATION	2,925.00	
CHRISTINE ANN MULICK, 3600 S. YOSEMITE, #830 DENVER CO 80237	KOGOVSEK AND ASSOCIATES, INC	7,300.00	2,086.63
RICHARD J. MULLER, 1100 CONNECTICUT AVE., NW WASHINGTON DC 20036	CHRYSLER CORPORATION	2,000.00	105.00
ALBERT E. MULLIN JR , 111 POWDERMILL RD. (B79) MAYNARD MA 01754	DIGITAL EQUIPMENT CORPORATION	15,000.00	
TRACY MULLIN, 1000 CONNECTICUT AVE., NW, #700 WASHINGTON DC 20036	NATIONAL RETAIL MERCHANTS ASSN	250.00	25.00
ROBERT J. MULLINS, SUITE 202-W 600 MARYLAND AVENUE, SW WASHINGTON DC 20024	FARMERS' EDUCATIONAL & CO-OPERATIVE UNION OF AMERICA	9,408.00	
W. H. L. MULLINS, 1745 JEFFERSON DAVIS HIGHWAY, #1000 ARLINGTON VA 22202	GENERAL DYNAMICS	2,000.00	656.30
MULTIFAMILY HOUSING ASSOCIATION, 2550 M ST., NW, #100 WASHINGTON DC 20037			10,000.00
DONNA T. MUNDY, 2211 CONGRESS STREET PORTLAND ME 04122	UNION MUTUAL LIFE INSURANCE CO	750.00	2,530.71
DANIEL J. MURPHY, THE POWER HOUSE 3255 GRACE STREET, NW WASHINGTON DC 20007	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: REPUBLIC OF TURKEY)	350.00	
EDWARD L. MURPHY, 2139 WISCONSIN AVENUE, NW WASHINGTON DC 20007	NATIONAL ASSN OF GOVERNMENT EMPLOYEES	4,250.00	102.05
LESTER L. MURPHY JR., P.O. BOX 4267 TOPEKA KS 66604	KANSAS ELECTRIC COOPERATIVES, INC		
PAUL T. MURPHY, 900 17TH ST., NW, #514 WASHINGTON DC 20006	NATIONAL FOREIGN TRADE COUNCIL, INC	5,000.00	887.00
RICHARD E. MURPHY, 1313 L ST., NW WASHINGTON DC 20005	SERVICE EMPLOYEES INTL UNION, AFL-CIO	1,000.00	436.84
WILLIAM T. MURPHY JR., BARRETT MONTGOMERY & MURPHY 2555 M STREET, NW, #100 WASHINGTON DC 20037	AMERICAN CEMENT TRADE ALLIANCE, INC		
Do	ASSOCIATION OF GREYHOUND TRACK OPERATORS OF AMERICA		
Do	CHEMICAL MANUFACTURERS ASSN	1,800.00	75.00
Do	DICKSTEIN SHAPIRO & MORIN		
Do	FEDERATED COST MANAGEMENT SYSTEMS		
Do	NATURAL GAS SUPPLY ASSN		
Do	O'CONNOR & ASSOCIATES		
MURRAY & SCHEER, 2550 M ST., NW, #695 WASHINGTON DC 20037	AMERICAN CYANAMID COMPANY	500.00	
Do	CHEMICAL MANUFACTURERS ASSN	200.00	
Do	CHICAGO, MILWAUKEE, ST. PAUL & PACIFIC RAILROADS	400.00	
Do	CLEVELAND CLIFFS IRON CO	250.00	
Do	CONNECTICUT MUTUAL LIFE INSURANCE CO	500.00	
Do	INDUSTRY COUNCIL FOR TANGIBLE ASSETS	450.00	
Do	IRON ORE LESSORS ASSN, INC	250.00	
Do	LTV CORPORATION	450.00	
Do	MASSACHUSETTS MUTUAL LIFE INSURANCE CO	500.00	
Do	MUTUAL BENEFIT LIFE	500.00	
Do	NATIONAL BUSINESS AIRCRAFT ASSN	500.00	
Do	NATIONAL COUNCIL OF COAL LESSORS	300.00	
Do	NEW ENGLAND MUTUAL LIFE INSURANCE CO	500.00	
Do	PENN MUTUAL LIFE INSURANCE CO	500.00	
Do	SWAZILAND SUGAR ASSN	500.00	
DANIEL H. MURRAY, 1828 L STREET, NW WASHINGTON DC 20036	GTE SPRINT COMMUNICATIONS CORP	20,798.00	
GORDON L. MURRAY, 1911 JEFFERSON DAVIS HIGHWAY, #1002 ARLINGTON VA 22202	LEAR SIEGLER, INC/ENERGY PRODUCTS DIV	100.00	
JAMES E. MURRAY, ONE FARRAGUT SQUARE SOUTH WASHINGTON DC 20006	BROWN WOOD IVEY MITCHELL & PETTY (FOR: NATIONAL ASSN OF SMALL BUSINESS INVESTMENT COS, ET AL).		
LAWRENCE P. MUTTER, 6849 OLD DOMINION DR. MCLEAN VA 22102	AUTOMOTIVE PARTS REBUILDERS ASSN		
FRED J. MUTZ, 1120 CONNECTICUT AVE., NW WASHINGTON DC 20036	AMERICAN BANKERS ASSN	1,500.00	
PAUL J. MYER, 1150 17TH ST., NW, 11TH FLOOR WASHINGTON DC 20036	AMERICAN BROADCASTING CO, INC		
GARY D. MYERS, 1015 18TH STREET, NW WASHINGTON DC 20036	FERTILIZER INSTITUTE	4,500.00	518.52
TIMOTHY D. NAEGELE & ASSOCIATES, 1850 K STREET, NW, #1280 WASHINGTON DC 20006	BAYBANKS, INC		
ALAN Y. NAFTALIN, 1150 CONNECTICUT AVENUE, NW WASHINGTON DC 20036	KOTEEN & NAFTALIN (FOR: ALASCOM, INC)		
Do	KOTEEN & NAFTALIN (FOR: TELEPHONE & DATA SYSTEMS, INC)		
STEPHEN M. NAGLER, 533 SOUTH AVENUE WEST WESTFIELD NJ 07090	PATLEX CORPORATION	9,923.11	206.00
PETER A. NALEWAIK, 4 WORLD TRADE CENTER NEW YORK NY 10048	COFFEE SUGAR & COCOA EXCHANGE, INC		
JOHN L. NAPIER, NAPIER AND JENNINGS P.O. DRAWER 995 BENNETTSVILLE SC 29512	NATIONAL BEER WHOLESALERS' ASSN OF AMERICA, INC	10,000.00	
Do	OREGON INLET COMMISSION	11,700.00	313.82
KAREN J. NARDI, THREE EMBARCADERO CENTER SAN FRANCISCO CA 94111	MCCUTCHEN DOYLE BROWN & ENERSEN (FOR: AMFAC, INC)		
Do	MCCUTCHEN DOYLE BROWN & ENERSEN (FOR: CASTLE & COOKE, INC)		
JOHN FRANCIS NASH JR., 214 MASSACHUSETTS AVE., NE, #420 WASHINGTON DC 20002	MILLIKEN & CO	5,000.00	1,650.00
FRANCES E. NATHAN, 455 FIFTH AVENUE NEW YORK NY 10016	NEW YORK PUBLIC LIBRARY	5,021.00	
HARDY L. NATHAN, 1750 K ST., NW WASHINGTON DC 20006	FOOD MARKETING INSTITUTE	750.00	
RAYMOND NATHAN, 4242 EAST-WEST HWY CHEVY CHASE MD 20815	AMERICAN ETHICAL UNION	400.00	241.51
NATIONAL AGRICULTURAL CHEMICALS ASSN, 1155 15TH ST., NW WASHINGTON DC 20005		6,980.08	6,980.08
NATIONAL AIR CARRIER ASSN, 1730 M ST., NW, #710 WASHINGTON DC 20036			
NATIONAL ASSN FOR BIOMEDICAL RESEARCH, 1275 K STREET, NW, #900 WASHINGTON DC 20005		44,450.00	9,143.76
NATIONAL ASSN FOR NEIGHBORHOOD SCHOOLS, INC, 335 LOCUST ST. PITTSBURGH PA 15218		1,469.24	4,253.39
NATIONAL ASSN FOR UNIFORMED SERVICES, 5535 HEMPSTEAD WAY SPRINGFIELD VA 22151		2,941.53	2,706.54
NATIONAL ASSN OF AIR TRAFFIC SPECIALISTS, WHEATON PLAZA NORTH, #415 WHEATON MD 20902			8,116.16

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
NATIONAL ASSN OF AIRCRAFT & COMMUNICATIONS SUPPLIERS, INC, 23871 MADISON TORRANCE CA 90505		400.00	8,911.12
NATIONAL ASSN OF BEVERAGE IMPORTERS, 1025 VERMONT AVENUE, NW, #1205 WASHINGTON DC 20005			
NATIONAL ASSN OF CHAIN DRUG STORES, INC, P.O. BOX 1417-D49 ALEXANDRIA VA 22313			12,905.51
NATIONAL ASSN OF FEDERAL VETERINARIANS, 1522 K ST., NW, #836 WASHINGTON DC 20005			33.98
NATIONAL ASSN OF HOMES FOR CHILDREN, C/O TALCOTT, MCCABE & ASSOCIATES 600 MARYLAND AVE., SW, 302 W. WING WASHINGTON DC 20024.			2,550.00
NATIONAL ASSN OF INSURANCE BROKERS, INC, 1401 NEW YORK AVE., NW, #720 WASHINGTON DC 20005			500.00
NATIONAL ASSN OF MANUFACTURERS, 1776 F ST., NW WASHINGTON DC 20006		78,468.23	78,468.23
NATIONAL ASSN OF MARGARINE MFGRS, 1625 I ST., NW, #1024-A WASHINGTON DC 20006			
NATIONAL ASSN OF PENSION CONSULTANTS & ADMINISTRATORS, INC, 359 E. PACES FERRY RD., NE ATLANTA GA 30305		1,000.00	505.60
NATIONAL ASSN OF PLUMBING-HEATING-COOLING CONTRACTORS, P.O. BOX 6808 FALLS CHURCH VA 22046		3,868.54	3,868.54
NATIONAL ASSN OF REAL ESTATE INVESTMENT TRUSTS, INC, 1101 17TH ST., NW, #700 WASHINGTON DC 20036			15,197.04
NATIONAL ASSN OF STEVEDORES, 2011 I STREET, NW, #601 WASHINGTON DC 20006		3,250.00	2,130.00
NATIONAL ASSN OF TEMPORARY SERVICES, INC, 119 SOUTH SAINT ASAPH STREET ALEXANDRIA VA 22314			
NATIONAL ASSN OF TRUCK STOP OPERATORS, INC, 1199 N. FAIRFAX STREET, #801 ALEXANDRIA VA 22314			
NATIONAL AUDIO VISUAL ASSOCIATION, 3150 SPRING ST. FAIRFAX VA 22031	INTERNATIONAL COMMUNICATIONS INDUSTRIES ASSN	340,738.74	4,505.38
NATIONAL BROILER COUNCIL, 1155 15TH ST., NW WASHINGTON DC 20005		3,393.50	3,393.50
NATIONAL BUSINESS AIRCRAFT ASSN, 1200 18TH ST., NW WASHINGTON DC 20036			
NATIONAL CABLE TELEVISION ASSN, INC, 1724 MASSACHUSETTS AVE., NW WASHINGTON DC 20036		25,267.24	25,267.24
NATIONAL CATTLEMEN'S ASSN, 1301 PENNSYLVANIA AVE., NW, #300 WASHINGTON DC 20004			4,000.00
NATIONAL CITIZENS COMMUNICATIONS LOBBY, P.O. BOX 1876 IOWA CITY IA 52244			
NATIONAL COAL ASSN, 1130 17TH STREET, NW WASHINGTON DC 20036		1,254,049.07	14,808.61
NATIONAL COMM ON SMALL ISSUE INDUSTRIAL DEVELOPMENT BONDS, BOX 1, 900 SOUTH 1800 M ST., NW WASHINGTON DC 20036.			
NATIONAL CONSUMERS LEAGUE, INC, SUITE 202-WEST WING 600 MARYLAND AVE., SW WASHINGTON DC 20024			
NATIONAL COTTON COUNCIL OF AMERICA, P.O. BOX 12285 MEMPHIS TN 38182		48,346.12	48,346.12
NATIONAL COUNCIL OF AGRICULTURAL EMPLOYERS, 499 S. CAPITOL ST, SW #411 WASHINGTON DC 20003		2,250.00	800.00
NATIONAL EDUCATION ASSN, 1201 16TH ST., NW WASHINGTON DC 20036		163,613.17	163,613.17
NATIONAL ELECTRICAL MFGRS ASSN, 2101 L ST., NW WASHINGTON DC 20037		2,880.20	2,880.20
NATIONAL FEDERATION OF FEDERAL EMPLOYEES, 2020 K ST., NW, #200 WASHINGTON DC 20006		20,356.91	20,356.91
NATIONAL FEDERATION OF INDEPENDENT BUSINESS, 150 W. 20TH AVE. SAN MATEO CA 94403		20,186.45	20,186.45
NATIONAL FERTILIZER SOLUTIONS ASSN, 8823 NORTH INDUSTRIAL ROAD PEORIA IL 61615		1,640.85	1,640.85
NATIONAL FOOD PROCESSORS ASSN, 1401 NEW YORK AVENUE, NW, #400 WASHINGTON DC 20005		1,439.80	1,439.80
NATIONAL FOREIGN TRADE COUNCIL, INC, 100 EAST 42ND ST. NEW YORK NY 10017		41,226.03	41,226.03
NATIONAL GRAIN & FEED ASSN, 725 15TH ST., NW WASHINGTON DC 20005			100.00
NATIONAL GRANGE, 1616 H ST., NW WASHINGTON DC 20006		18,700.00	18,700.00
NATIONAL GUARD ASSN OF THE U.S., ONE MASSACHUSETTS AVE., NW WASHINGTON DC 20001		711,739.50	5.48
NATIONAL HEALTH CARE FINANCING ASSN, P.O. BOX 946 HOLLY HILL FL 32017			
NATIONAL INDUSTRIAL TRANSPORTATION LEAGUE, 1090 VERMONT AVE., NW, #410 WASHINGTON DC 20005		12,000.00	11,273.95
NATIONAL KNITWEAR & SPORTSWEAR ASSN, 386 PARK AVENUE SOUTH NEW YORK NY 10016		1,250.00	
NATIONAL LEAGUE OF POSTMASTERS OF THE U.S., 1023 NORTH ROYAL STREET ALEXANDRIA VA 22314			40,110.00
NATIONAL MILK PRODUCERS FED, 1840 WILSON BLVD. ARLINGTON VA 22201		13,901.16	13,901.16
NATIONAL MULTI HOUSING COUNCIL, 1250 CONNECTICUT AVE., NW, #620 WASHINGTON DC 20036			6,725.18
NATIONAL OFFICE MACHINE DEALERS ASSN, 810 LIVELY BLVD., P.O. BOX 707 WOOD DALE IL 60191			
NATIONAL PEACH COUNCIL, P.O. BOX 1085 MARTINSBURG WV 25401			
NATIONAL PEST CONTROL ASSN, 8100 OAK ST. DUNN LORING VA 22027			
NATIONAL PUBLIC AFFAIRS CORP, 900 17TH STREET, NW WASHINGTON DC 20006	WESTINGHOUSE ELECTRIC CORP	300.00	
NATIONAL REALTY COMMITTEE, 1250 CONNECTICUT AVE., NW, #303 WASHINGTON DC 20036		3,296.98	3,296.98
NATIONAL RETAIL MERCHANTS ASSN, 1000 CONNECTICUT AVENUE, NW WASHINGTON DC 20036			3,265.00
NATIONAL RIGHT TO WORK COMM, 8001 BRADDOCK RD., #600 SPRINGFIELD VA 22160		8,159.36	8,159.36
NATIONAL RURAL ELECTRIC COOPERATIVE ASSN, 1800 MASSACHUSETTS AVE., NW WASHINGTON DC 20036			3,577.35
NATIONAL RURAL LETTER CARRIERS' ASSN, 1448 DUKE ST., #100 ALEXANDRIA VA 22314		15,598.00	20,065.00
NATIONAL SECURITY TRADERS ASSN, INC, ONE WORLD TRADE CENTER, #4511 NEW YORK NY 10048			4,375.00
NATIONAL SMALL BUSINESS ASSN, 1604 K ST., NW WASHINGTON DC 20006		5,000.00	1,022.97
NATIONAL SOCIETY OF PROFESSIONAL ENGINEERS, 1420 KING STREET ALEXANDRIA VA 22314		12,500.00	10,100.00
NATIONAL SOFT DRINK ASSN, 1101 16TH ST., NW WASHINGTON DC 20036			13,435.53
NATIONAL TELEPHONE COOPERATIVE ASSN, 2626 PENNSYLVANIA AVE., NW WASHINGTON DC 20037			13,488.13
NATIONAL TIRE DEALERS & RETREADERS ASSN, 1250 EYE STREET, NW, #400 WASHINGTON DC 20005		6,563.00	6,563.00
NATIONAL VENTURE CAPITAL ASSOCIATION, 1655 N. FORT MEYER DR., #700 ARLINGTON VA 22209			
NATIONAL WATER WELL ASSN, 500 W. WILSON BRIDGE ROAD WORTHINGTON OH 43085			
NATIONAL-AMERICAN WHOLESALE GROCERS' ASSN, 201 PARK WASHINGTON COURT FALLS CHURCH VA 22046		6,000.00	6,000.00
KAREN J. NEALE, 2501 M STREET N.W. WASHINGTON DC 20037	CHEMICAL MANUFACTURERS ASSN, INC	465.00	57.89
JEFFREY NEDELMAN, 1010 WISCONSIN AVENUE, NW, #800 WASHINGTON DC 20007	GROCERY MANUFACTURERS OF AMERICA, INC	152.44	
NEILL & COMPANY, INC, 900 17TH ST., NW, #400 WASHINGTON DC 20006	ARAB REPUBLIC OF EGYPT	180,000.00	2,800.00
Do	DEMOCRATIC REPUBLIC OF SUDAN		
Do	HASHEMITE KINGDOM OF JORDAN	55,000.00	1,250.00
Do	INTERNATIONAL TELECOMMUNICATIONS SATELLITE ORGANIZATION	30,030.00	4,704.50
Do	KINGDOM OF MOROCCO		1,300.00
NELSON & YUDIN, 1707 H ST., NW, #500 WASHINGTON DC 20006	BUS TRANSIT CAUCUS	1,575.00	
CAROLYN B. NELSON, #2 METROPLEX DR., SUITE 500 BIRMINGHAM AL 35209	METROPOLITAN PROPERTIES, INC		
SAMUEL B. NEMIROW, 1818 N STREET, NW WASHINGTON DC 20036	LYKES BROS. STEAMSHIP CO, INC		
NETWORK, 806 RHODE ISLAND AVE., NE WASHINGTON DC 20018		29,390.98	27,802.61
E. JOHN NEUMANN, 1100 CONNECTICUT AVE., NW, #820 WASHINGTON DC 20036	BALTIMORE GAS & ELECTRIC CO	885.00	2,512.57
NEW YORK COMM OF INTL COMM OF PASSENGER LINES, 74 TRINITY PLACE NEW YORK NY 10006			
LESLIE F. NEWCOMER, 226 W. RITTENHOUSE SQUARE PHILADELPHIA PA 19103	PHILADELPHIA NATIONAL BANK		
NEWMAN & HOLTZINGER, P.C., 1615 L ST., NW, #1000 WASHINGTON DC 20036	UTILITY NUCLEAR WASTE MANAGEMENT GROUP		
NICHOLAS JOHN NICHOLS, 1620 EYE ST., NW WASHINGTON DC 20006	AMERICAN INST OF CERTIFIED PUBLIC ACCOUNTANTS	1,000.00	8,237.50
THOMAS NICKELS, 1101 14TH STREET, NW, #200 WASHINGTON DC 20005	AMERICAN NURSES' ASSN	5,143.96	310.13
PATRICIA T. NIGHSWANDER, 3700 ALBEMARLE ST., NW WASHINGTON DC 20016	NATIONAL TREASURY EMPLOYEES UNION	9,000.00	107.70
PATRICK J. NILAN, 817 14TH ST., NW WASHINGTON DC 20005	AMERICAN POSTAL WORKERS UNION, AFL-CIO	10,298.47	2,865.63
NISSAN MOTOR CORPORATION IN U.S.A., 1919 PENNSYLVANIA AVENUE, NW, #707 WASHINGTON DC 20006			
PETER NIXON, 503 QUEEN STREET EAST SAULT STE. MARIE ONTARIO CANADA P6A 5P2	ALGOMA STEEL CORP, LTD	1,300.00	408.26
NL INDUSTRIES, INC, 1230 AVENUE OF THE AMERICAS NEW YORK NY 10020			10,337.50
JOHN L. NOBLE, ONE AMERICAN PLAZA EVANSTON IL 60201	AMERICAN HOSPITAL SUPPLY CORP	150.00	10.00
BARBARA D. NOCERA, 955 L'ENFANT PLAZA, SW, #905 WASHINGTON DC 20024	AMERICAN HONDA MOTOR CO, INC	200.00	117.93
A. ALLAN NOE, 1828 L STREET, NW, #710 WASHINGTON DC 20036	CHESEBROUGH-POND'S INC	1,500.00	682.56
ROBERT W. NOLAN, 1303 NEW HAMPSHIRE AVE., NW WASHINGTON DC 20036	FLEET RESERVE ASSN	100.00	
WALKER F. NOLAN, 1111 19TH ST., NW, 9TH FL. WASHINGTON DC 20036	EDISON ELECTRIC INSTITUTE	5,323.08	601.08
H. CHRISTOPHER NOLDE, 2501 M ST., NW WASHINGTON DC 20037	CHEMICAL MANUFACTURERS ASSN, INC	750.00	102.00
CHARLES M. NOONE, 490 L'ENFANT PLAZA EAST, SW, #3306 WASHINGTON DC 20024	NATIONAL ASSN OF SMALL BUSINESS INVESTMENT COS	1,200.00	122.25
JAMES O. E. NORELL, 733 15TH ST., NW WASHINGTON DC 20005	LEGAL SERVICES CORP		
WILLIE ERVINE NORMAN, P.O. BOX 1000 SEAGSVILLE TX 75159			
JULIA J. NORRELL, 1850 K ST., NW WASHINGTON DC 20006	AMERICAN COUNCIL OF LIFE INSURANCE, INC	5,325.00	
NORTH AMERICAN EXPORT GRAIN ASSN, INC, 1747 PENNSYLVANIA AVE., NW, #1175 WASHINGTON DC 20006			
NORTH AMERICAN TELECOMMUNICATIONS ASSOCIATION, 2000 M ST., NW, #550 WASHINGTON DC 20036		25,575.00	25,575.00
EVANS W. NORTH, 1216 16TH STREET, NW WASHINGTON DC 20036			
NORTHEAST UTILITIES SERVICE CO, SELDEN ST. BERLIN CT 06037			1,476.89
MARY JANE NORVILLE, 600 MARYLAND AVENUE, SW, #695 WASHINGTON DC 20024	NATIONAL FED OF INDEPENDENT BUSINESS	2,250.00	200.00
NOSSAMAN GUTHNER KNOX & ELLIOTT, 1140 19TH ST., NW, #600 WASHINGTON DC 20036	AETNA LIFE & CASUALTY	2,800.00	400.00
Do	CALIFORNIA STUDENT LOAN FINANCE CORP	175.00	87.50
Do	HELIONETICS, INC		
Do	INSURANCE ASSOCIATION OF CONNECTICUT	2,400.00	1,800.00
Do	NATIONAL SHORTHAND REPORTERS ASSN		
Do	SOUTHERN CALIFORNIA EDISON	400.00	200.00
MICHAEL NOVELLI, 3012 CAMBRIDGE PLACE, NW WASHINGTON DC 20007	PACIFIC POTOMAC SERVICES		
P. MICHAEL NUGENT, SUITE 1300, NORTH TOWER 1331 PENNSYLVANIA AVE., NW WASHINGTON DC 20004	ELECTRONIC DATA SYSTEMS CORPORATION	160.00	280.00
CYNTHIA H. NULL, 1200 17TH STREET, NW WASHINGTON DC 20036	FEDERATION OF BEHAVIORAL PSYCHOLOGICAL & COGNITIVE SCIENCES	85.00	
RALPH D. NURNBERGER, 500 NORTH CAPITOL STREET, NW, #300 WASHINGTON DC 20001	AMERICAN ISRAEL PUBLIC AFFAIRS COMM	11,763.48	731.21
C.D. NYBERG, P.O. BOX 800 AUSTIN MN 55912	GEO. A. HORMEL & CO		
GEORGE O'BEA JR., 815 16TH ST., NW, #304 WASHINGTON DC 20006	UNITED PAPERWORKERS INT'L UNION		
COLEMAN C. O'BRIEN, 1709 NEW YORK AVE., NW, #801 WASHINGTON DC 20006	U.S. LEAGUE OF SAVINGS INSTITUTIONS	9,038.50	15.00
JOHN F. O'BRIEN, CONNECTICUT PETROLEUM COUNCIL 410 ASYLUM ST. HARTFORD CT 06103	AMERICAN PETROLEUM INSTITUTE		
MARY EILEEN O'BRIEN, 1800 M ST., NW, SUITE 710 SOUTH WASHINGTON DC 20036	DOW CORNING CORPORATION		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
RAYMOND V. O'BRIEN, 1600 M ST., NW WASHINGTON DC 20036	INTERNATIONAL TELEPHONE & TELEGRAPH CORPORATION	150.00	50.00
ROSEMARY L. O'BRIEN, 2550 M ST., NW, #640 WASHINGTON DC 20037	CF INDUSTRIES, INC	500.00	39.75
THOMAS H. O'BRIEN, 2600 VIRGINIA AVENUE, NW, #800 WASHINGTON DC 20037	HARRIS CORPORATION	2,500.00	1,490.29
SHANNON O'CHESTER, 122 C STREET, NW, #800 WASHINGTON DC 20001	CONCERNED WOMEN FOR AMERICA	1,000.00	
JAMES J. O'CONNELL, 1201 PENNSYLVANIA AVENUE, NW WASHINGTON DC 20004	CONTROL DATA CORPORATION	758.50	647.39
RICHARD T. O'CONNELL, RICHARD T. O'CONNELL & ASSOCIATES, INC 3208 TRAVELER STREET FAIRFAX VA 22030	CHOCOLATE MANUFACTURERS ASSN OF THE USA		257.80
Do	NATIONAL CONFECTIONERS ASSN OF THE U.S.		257.80
TERRENCE M. O'CONNELL II , 444 N. CAPITOL STREET, #711 WASHINGTON DC 20001	KEEFE COMPANY (FOR: WESTINGHOUSE ELECTRIC CORP)		
WILLIAM B. O'CONNELL, 111 EAST WACKER DR. CHICAGO IL 60601	U.S. LEAGUE OF SAVINGS INSTITUTIONS	21,437.00	2,240.38
O'CONNOR & HANNAN, 1919 PENNSYLVANIA AVE., NW, #800 WASHINGTON DC 20006	AMERICAN BUS ASSN	16,144.77	
Do	AMERICAN CLINICAL LABORATORY ASSN	1,250.00	
Do	AMERICAN FAMILY LIFE ASSURANCE CO		
Do	AMERICAN INST OF CERTIFIED PUBLIC ACCOUNTANTS	4,685.00	
Do	AMERICAN INSURANCE ASSN	13,481.00	
Do	AMERICAN SOC OF ASSOCIATION EXECUTIVES	6,649.75	
Do	AMERICAN TRUCKING ASSNS, INC		
Do	AUTOMOTIVE PARTS & ACCESSORIES ASSN		
Do	CENTER FOR ENVIRONMENTAL EDUCATION		
Do	CHEMWASTE		
Do	CITY OF MINNEAPOLIS	1,700.00	
Do	CNA INSURANCE	14,374.97	
Do	COCA-COLA COMPANY		
Do	CONSOLIDATED RAIL CORP	5,088.43	
Do	DIMENSIONS, INC	3,000.00	
Do	ELECTRONIC DATA SYSTEMS CORPORATION	2,000.00	
Do	EMBASSY OF ECUADOR		
Do	GLASS PACKAGING INSTITUTE		
Do	HEALTH CARE FINANCING STUDY GROUP	3,550.00	
Do	HENNEPIN COUNTY	1,550.00	
Do	HISTORIC LANDMARKS FOR LIVING	6,775.00	
Do	HULES MEXICANOS, S.A.	3,000.00	
Do	INDUSTRIAS NEGROMEX, S.A. DE C.V.	3,000.00	
Do	INSURANCE ASSN OF CONNECTICUT	1,855.00	
Do	INVESTMENT COMPANY INSTITUTE	2,000.00	
Do	J. C. PENNEY CO, INC	200.00	
Do	JOINT COMM OF KNITWEAR ASSOCIATIONS		
Do	MERCEDES-BENZ OF NORTH AMERICA, INC	1,100.00	
Do	MERRILL LYNCH & CO, INC	2,540.00	
Do	MEXICAN CEMENT CHAMBER		
Do	MILLER & SCHROEDER MUNICIPALS, INC	15,000.00	
Do	NATIONAL APARTMENT ASSN	11,085.00	
Do	NATIONAL CLUB ASSN	656.00	
Do	OPTICAL COATING LABORATORY, INC	1,357.00	
Do	PACIFIC TELESIS GROUP	13,693.00	
Do	PRUDENTIAL INSURANCE COMPANY OF AMERICA	3,290.00	
Do	JOSEPH E. SEAGRAM & SONS, INC	1,437.46	
Do	SECURITIES INDUSTRY ASSN	15,036.00	
Do	SMITHKLINE BECKMAN CORP	23,076.65	
Do	U.S. TUNA FOUNDATION		
Do	WESTINGHOUSE ELECTRIC CORP	3,000.00	
GEORGE E. O'CONNOR, 600 NEW HAMPSHIRE AVENUE, NW WASHINGTON DC 20037	NEW YORK LIFE INSURANCE COMPANY	5,500.00	2,100.00
IAN O'CONNOR, 711 EAST MAIN STREET EDGEWATER NJ 08807	CANADIAN TUBULAR PRODUCERS ASSN		
PATRICK C. O'CONNOR, KENT & O'CONNOR, INC 1919 PENNSYLVANIA AVE., NW, #300 WASHINGTON DC 20006	AMERICAN DENTAL HYGIENISTS ASSN		
Do	AMERICAN SUPPLY ASSOCIATION	8,291.41	4,252.96
Do	AMERICAN WAREHOUSEMEN'S ASSOCIATION		
Do	ASSOCIATION OF FOOD INDUSTRIES, INC		
Do	NATIONAL ASSN OF FLEET ADMINISTRATORS, INC	2,827.91	1,442.96
Do	STEEL TANK INSTITUTE	8,263.71	4,252.96
Do	TRANSPORTATION LAWYERS ASSOCIATION	3,528.23	1,822.70
GRADY O'CUMMINGS III, P.O. BOX 653 BROOKLYN NY 11240			
Do	NATIONAL COMMITTEE FOR POOR PEOPLE		
JOHN B. O'DAY, 1700 PENNSYLVANIA AVE., NW, #590 WASHINGTON DC 20006	INSURANCE ECONOMICS SOCIETY OF AMERICA		
PAUL T. O'DAY, 1150 17TH STREET, NW WASHINGTON DC 20036	MAN-MADE FIBER PRODUCERS ASSN, INC	2,500.00	
THOMAS A. O'DAY, 1629 K ST., NW, #1010 WASHINGTON DC 20006	ALLIANCE OF AMERICAN INSURERS	300.00	
ASHTON J. O'DONNELL, 50 BEALE ST., P.O. BOX 3965 SAN FRANCISCO CA 94119	BECHTEL NATIONAL, INC		
JAMES W. O'DONNELL, 1110 VERMONT AVENUE, NW, #950 WASHINGTON DC 20005	AMERICAN HEALTH PLANNING ASSN	2,200.00	174.00
DANIEL J. O'GRADY, 815 16TH STREET, NW, #408 WASHINGTON DC 20006	FOOD & ALLIED SERVICE TRADES DEPT, AFL-CIO	384.00	
JANE O'GRADY, 815 16TH ST., NW WASHINGTON DC 20006	AMERICAN FED OF LABOR & CONGRESS OF INDUSTRIAL ORGANIZATIONS	19,519.03	324.93
TERRI O'GRADY, 1600 RHODE ISLAND AVENUE, NW WASHINGTON DC 20036	NATIONAL RIFLE ASSN OF AMERICA	775.00	205.47
BARBARA E. O'HARA, 4400 MACARTHUR BLVD., NW WASHINGTON DC 20007	AMERICAN SOC OF TRAVEL AGENTS	100.00	
O'KEEFE ASHENDEN LYONS & WARD, ONE FIRST NATIONAL PLAZA - SUITE 5100 CHICAGO IL 60603	AMERICAN INVSCO CORPORATION		
KATHLEEN O'LEARY, 1250 EYE ST., NW, #703 WASHINGTON DC 20005	COLUMBIA GAS DISTRIBUTION COMPANIES	3,500.00	148.45
O'MELVENY & MYERS, 1800 M ST., NW WASHINGTON DC 20036	AIR TRANSPORT ASSN OF AMERICA		
Do	AMAX, INC		
Do	ASSOCIATION OF TELEPHONE TELEGRAPH & RELATED TELEMATICS INDS	7,809.01	152.16
Do	HOLDEN GROUP, INC (PUBLIC EMPLOYER BENEFITS COUNCIL)	18,800.00	622.18
Do	SANTA FE INTERNATIONAL CORP		
Do	WARNER COMMUNICATIONS, INC		
SARAH E. O'NEIL, 1600 M ST., NW WASHINGTON DC 20036	INVESTMENT COMPANY INSTITUTE		
O'NEILL AND HAASE, P.C., 1333 NEW HAMPSHIRE AVE., NW, #1110 WASHINGTON DC 20036	ALLEGHENY COUNTY COMMISSION		
Do	ASSOCIATION OF PROGRESIVE RENTAL ORGANIZATIONS		
Do	BANK OF NEW ENGLAND		
Do	BEER INDUSTRY ALLIANCE		
Do	BHC, INC		
Do	COMMERICAL UNION INSURANCE COMPANIES		
Do	CONNECTICUT BANK & TRUST CORP		
Do	CRUISE AMERICA LINE, INC		
Do	GLASS PACKAGING INSTITUTE		
Do	HOUSING AMERICA FOUNDATION		
Do	MARATHON MANUFACTURING CO		
Do	MARRIOTT CORPORATION		
Do	MASSACHUSETTS GENERAL HOSPITAL		
Do	MILK INDUSTRY FOUNDATION		
Do	NORTHWESTERN MUTUAL LIFE		
Do	SEARS ROEBUCK & CO	2,100.00	
Do	TEXAS UTILITIES SERVICES, INC		
Do	U.S. FOOTBALL LEAGUE	1,400.00	
Do	U.S. STEEL	1,300.00	
Do	WESTINGHOUSE ELECTRIC CORP		
DONALD K. O'NEILL, 1000 WILSON BLVD., #2600 ARLINGTON VA 22209	TRW, INC	740.00	
JOSEPH P. O'NEILL, 1616 H STREET, NW WASHINGTON DC 20006	AMERICAN RETAIL FEDERATION	1,600.00	279.50
J. DENIS O'TOOLE, 1120 CONNECTICUT AVE., NW WASHINGTON DC 20036	AMERICAN BANKERS ASSN	6,500.00	
M. DIANE O'TOOLE, 1000 WILSON BLVD., #2300 ARLINGTON VA 22209	NORTHROP CORP		768.81
STEPHEN E. O'TOOLE, 1660 L ST., NW WASHINGTON DC 20036	GENERAL MOTORS CORP	3,000.00	3,011.71
JANA R. OAKLEY, 1776 F STREET, NW WASHINGTON DC 20006	NATIONAL ASSN OF MANUFACTURERS	189.00	
PAUL C. OAKLEY, 1920 L STREET, NW WASHINGTON DC 20036	ASSOCIATION OF AMERICAN RAILROADS	275.00	5.00
HARRY R. OBLEY, MELLON SQUARE PITTSBURGH PA 15230	MELLON BANK N.A. AND MELLON NATIONAL CORP	2,000.00	2,576.40
KIM M. OBOZ, 1819 L STREET, NW, #900 WASHINGTON DC 20036	U S WEST, INC	2,300.00	1,905.04
LARRY A. ODAY, 2000 M ST., NW, #500 WASHINGTON DC 20036	WOOD LUCKSINGER & EPSTEIN (FOR: CHAD THERAPEUTICS, INC)		
THOMAS J. ODEN, 1840 WILSON BOULEVARD ARLINGTON VA 22201	NATIONAL MILK PRODUCERS FEDERATION	4,062.48	35.97
BRADFORD C. OELMAN, 900 17TH STREET, NW, #508 WASHINGTON DC 20006	OWENS-CORNING FIBERGLAS CORPORATION		
NEIL H. OFFEN, 1730 M ST., NW WASHINGTON DC 20036	DIRECT SELLING ASSOCIATION		
DONALD G. OGILVIE, 1120 CONNECTICUT AVE., NW WASHINGTON DC 20036	AMERICAN BANKERS ASSN	2,500.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
OIL INVESTMENT INSTITUTE, PO BOX 8293 WASHINGTON DC 20024			
PHILIP M. OLA, 1919 PENNSYLVANIA AVENUE, NW, #400 WASHINGTON DC 20006	STEEL SERVICE CENTER INSTITUTE		
MICHAEL D. OLDAK, 1800 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20036	NATIONAL RURAL ELECTRIC COOPERATIVE ASSN	100.00	
ALVIN E. OLIVER, 725 15TH ST., NW WASHINGTON DC 20005	NATIONAL GRAIN & FEED ASSN	70.00	
R. TEEL OLIVER, 1050 17TH STREET, NW, #650 WASHINGTON DC 20036	MERCK & CO, INC	687.50	500.00
VAN R. OLSEN, 1156 15TH ST., NW, #1019 WASHINGTON DC 20006	U.S. BEET SUGAR ASSN		
GERALD L. OLSON, PILLSBURY CENTER, MS 3771 MINNEAPOLIS MN 55402	PILLSBURY COMPANY		1,335.00
RICHARD C. OLSON, 1313 DOLLEY MADISON BLVD. MCLEAN VA 22101	DYNALECTRON CORPORATION		
ROY E. OLSON, 260 MADISON AVE. NEW YORK NY 10016	AMERICAN PAPER INSTITUTE, INC		
OLSSON AND FRANK, 1029 VERMONT AVENUE, NW, #400 WASHINGTON DC 20005	NATIONAL ASSN OF MARGARINE MANUFACTURERS	5,000.00	5,000.00
PHILIP C. OLSSON, OLSSON AND FRANK 1029 VERMONT AVE., NW, #400 WASHINGTON DC 20005	NATIONAL ASSN OF MARGARINE MANUFACTURERS	436.80	
CLARK ONSTAD, 1201 PENNSYLVANIA AVE., NW, #300 WASHINGTON DC 20004	TEXAS AIR CORP AND CONTINENTAL AIR LINES		
PHILIP C. ONSTAD, 500 WEST PUTNAM AVE. GREENWICH CT 06830	CONTROL DATA CORPORATION	200.00	
CASSANDRA OPPERMAN, 15837 A CRABBS BRANCH WAY ROCKVILLE MD 20855	NATIONAL CENTER FOR DRUNK DRIVING COUNCIL		
THOMAS J. OPSUT, 733 15TH STREET, NW WASHINGTON DC 20005	LEGAL SERVICES CORP		
MICHEL ORBAN, 125 BROAD STREET, 39TH FL. NEW YORK NY 10004	AMERICAN EXPRESS CO		
ABRAHAM ORLOFSKY, 2020 K ST., NW, #200 WASHINGTON DC 20006	NATIONAL FEDERATION OF FEDERAL EMPLOYEES	1,217.84	
ELVIRA J. ORLY, 1150 CONNECTICUT AVE., NW, #700 WASHINGTON DC 20036	ALLIED CORPORATION	31.25	
DAVID S. OSTERHOUT, 1000 WILSON BOULEVARD ARLINGTON VA 22209	BENDIX AEROSPACE SECTOR	3,000.00	238.09
KEVIN D. OTT, 1776 F STREET, NW WASHINGTON DC 20006	NATIONAL ASSN OF MANUFACTURERS	310.00	
ROLAND A. OUELLETTE, 1660 L ST., NW, #501 WASHINGTON DC 20036	GENERAL MOTORS CORP	3,600.00	2,231.89
CLIFF OUSE, 1800 MASSACHUSETTS AVE., NW WASHINGTON DC 20036	NATIONAL RURAL ELECTRIC COOPERATIVE ASSN	25.00	
GENE E. OVERBECK, 1101 17TH STREET, NW WASHINGTON DC 20036	AMERICAN AIRLINES, INC	2,125.00	
CATHY E. OVERLY, 1730 K STREET, NW WASHINGTON DC 20006	NATIONAL TREASURY EMPLOYEES UNION	9,000.00	168.10
OVERSEAS EDUCATION ASSOCIATION, 1201 16TH STREET, NW WASHINGTON DC 20036		1,000.00	688.10
JACK W. OWEN, 444 NORTH CAPITOL ST., NW, #500 WASHINGTON DC 20001	AMERICAN HOSPITAL ASSN	1,370.34	
THOMAS J. OWENS, P.O. BOX 12266 SEATTLE WA 98102	DOLLAR SAVINGS BANK, ET AL	19,281.25	7,118.51
WILLIAM J. OWENS, 1745 JEFFERSON DAVIS HIGHWAY, #511 ARLINGTON VA 22202	MANUFACTURED HOUSING INSTITUTE	900.00	100.00
R. RAY PAABO, 1667 K ST., NW, #600 WASHINGTON DC 20006	SANTA FE SOUTHERN PACIFIC CORP	1,000.00	
PACIFIC MANAGEMENT DYNAMICS CORP, 910 FLOEIN RD., #107 SACRAMENTO CA 95831			
JOEL PACKER, 1201 16TH STREET, NW WASHINGTON DC 20036	NATIONAL EDUCATION ASSN	2,227.00	111.35
LEE W. PADEN, P.O. BOX 201 TULSA OK 74102	PUBLIC SERVICE COMPANY OF OKLAHOMA		
HENRY H. PAIGE, 1333 NEW HAMPSHIRE AVENUE, NW WASHINGTON DC 20036	ATLANTIC RICHFIELD CO		
JOHN M. PALATIELLO, 210 LITTLE FALLS STREET FALLS CHURCH VA 22046	AMERICAN CONG. ON SURVEY. & MAPP./AMER SOC OF PHOTOGRAMMETRY	8,903.04	6,027.66
HENRY S. PALAU, 201 N WASHINGTON ST. ALEXANDRIA VA 22134	RETIRED OFFICERS ASSN		
BRADLEY D. PALMER, 3238 WYNFORD DRIVE FAIRFAX VA 22031	U.S. DEFENSE COMMITTEE		
PALUMBO & CERRELL, INC, 1629 K ST., NW WASHINGTON DC 20006	AMERICAN SOC OF COMPOSERS AUTHORS & PUBLISHERS	20,243.75	
Do	NATIONAL SCHOOL TRANSPORTATION ASSN	6,000.00	
Do	R.J. REYNOLDS TOBACCO CO	20,737.50	
Do	SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT	13,000.00	
BENJAMIN L. PALUMBO, 1629 K ST., NW WASHINGTON DC 20006	MARRIOTT CORPORATION	33,125.00	
Do	G. D. SEARLE	18,000.00	
PAN AMERICAN SATELLITE CORP, 460 W. 42ND STREET, 4TH FL. NEW YORK NY 10036			5,834.59
PAPERBOARD PACKAGING COUNCIL, 1101 VERMONT AVE., NW, #411 WASHINGTON DC 20005			
G. OLIVER PAPPS, N.J. PETROLEUM COUNCIL 170 W. STATE ST. TRENTON NJ 08608	AMERICAN PETROLEUM INSTITUTE		
STEPHEN J. PARADISE, 1800 K STREET, NW, #1100 WASHINGTON DC 20006	NEW YORK STOCK EXCHANGE, INC		
HERSCHELL E. PARENT, 460 TWIN CITY BANK ONE RIVERFRONT PLACE NORTH LITTLE ROCK AR 72114	AMERICAN PETROLEUM INSTITUTE		
ALAN A. PARKER, 1050 31ST STREET, NW WASHINGTON DC 20007	ASSOCIATION OF TRIAL LAWYERS	5,000.00	100.00
PARKER CHAPIN FLATTAU & KLIMPL, 1211 AVENUE OF THE AMERICAS NEW YORK NY 10036	ASSOCIATION FOR A BETTER NEW YORK	20,000.00	6,331.59
JOHN N. PARKER, 1100 CONNECTICUT AVE., NW, #620 WASHINGTON DC 20036	MOBIL OIL CORP	375.00	
CARL M. PARKS, 633 PENNSYLVANIA AVENUE, NW, #600 WASHINGTON DC 20004	ALLSTATE INSURANCE GROUP	500.00	215.00
KEN PARMELEE, 1448 DUKE STREET ALEXANDRIA VA 22314	NATIONAL RURAL LETTER CARRIERS' ASSN	12,385.00	1,833.00
TOM E. PARO, 1735 DESALES ST., NW WASHINGTON DC 20036	ASSOCIATION OF MAXIMUM SERVICE TELECASTERS, INC	348.00	
CHARLES C. PARTRIDGE, 5535 HEMPSTEAD WAY SPRINGFIELD VA 22151	NATIONAL ASSN FOR UNIFORMED SERVICES	1,640.32	
JACK PARTRIDGE, 1014 VINE ST. CINCINNATI OH 45201	KROGER COMPANY	2,500.00	484.84
PASKUS GORDON & HYMAN, 2005 MASSACHUSETTS AVE., NW WASHINGTON DC 20036	NATIONAL MUSIC PUBLISHERS ASSN, INC		
DAVID J. PASSAMANECK, 4647 FORBES BOULEVARD LANHAM MD 20706	AMVETS	6,800.00	150.47
KRIS PATHUIS, 8500 BYRON ROAD ZEELAND MI 49464	HERMAN MILLER, INC		873.00
GARY B. PATTERSON, DELAWARE PETROLEUM COUNCIL P.O. BOX 1429 DOVER DE 19903	AMERICAN PETROLEUM INSTITUTE	239.67	200.68
JERRY M. PATTERSON, LEFF & MASON 1700 PENNSYLVANIA AVE., NW, #450 WASHINGTON DC 20006	GREAT WESTERN FINANCIAL CORP	11,383.80	
Do	HERON CORPORATION, LTD	8,540.00	
Do	PACIFIC MUTUAL LIFE INSURANCE CO	5,200.00	
Do	WESTERN FINANCIAL SAVINGS BANK	2,925.00	
RICHARD M. PATTERSON, 1800 M ST., NW, #700 SOUTH WASHINGTON DC 20036	DOW CHEMICAL CO	500.00	239.50
KENTON H. PATTIE, 3150 SPRING ST. FAIRFAX VA 22031	NATIONAL AUDIO-VISUAL ASSN, INC	7,375.00	
DAVID J. PATTISON, 1750 K ST., NW WASHINGTON DC 20006	HEALTH INSURANCE ASSN OF AMERICA, INC		
PATTON BOGGS & BLOW, 2550 M ST., NW, #800 WASHINGTON DC 20037	AIWA AMERICA, INC	1.86	.14
Do	AKAI AMERICA, LTD	2.94	.23
Do	ALUMINUM COMPANY OF AMERICA		
Do	AMERICAN BROADCASTING CO, INC		
Do	AMERICAN CONGRESS ON SURVEYING & MAPPING		
Do	AMERICAN EXPRESS CO		
Do	AMERICAN INSURANCE ASSOCIATION	4,100.00	
Do	AMERICAN INTERNATIONAL AUTOMOBILE DEALERS ASSN		
Do	AMERICAN MARITIME ASSN	237.50	693.55
Do	AMERICAN PUBLIC POWER ASSN	280.00	
Do	AMERICAN SOC OF ASSN EXECUTIVES		
Do	ASSOCIATION OF PRIVATE PENSION & WELFARE PLANS	1,000.00	
Do	ASSOCIATION OF TRIAL LAWYERS OF AMERICA		
Do	BIOGEN		
Do	BROWNSVILLE SHRIMP ASSN	2,350.00	
Do	CALIFORNIA STATE UNIVERSITY		
Do	CARLSON COMPANIES, INC		
Do	CASTLE & COOKE, INC		
Do	CHAMPION INTERNATIONAL		
Do	CHELSEA PROPERTY OWNERS		
Do	CHICAGO BOARD OPTIONS EXCHANGE		
Do	CHRYSLER CORPORATION		
Do	CITY OF AZUSA	35.00	
Do	CITY OF BANNING	35.00	
Do	CITY OF COLTON	35.00	
Do	CITY OF RIVERSIDE	35.00	
Do	CITY OF SANTA CLARA	35.00	
Do	COALITION FOR NATIONAL AIRPORT	310.00	
Do	COLUMBIA, INC	.28	.02
Do	COMMITTEE OF RAILROAD SHIPPERS		
Do	COMPUTERLAND CORPORATION		
Do	CROWLEY MARITIME CORPORATION	2,750.00	39.00
Do	DEALER ACTION ASSOCIATION	1,575.00	307.15
Do	DREDGING INDUSTRY SIZE STANDARDS COMMITTEE (DISSC)	3,000.00	
Do	DUTY FREE SHOPPERS, LTD		
Do	ENERGY RESEARCH CORPORATION		
Do	FLINT INDUSTRIES		
Do	FREEMAN		
Do	FUJI PHOTO FILM U.S.A., INC	6.38	.49
Do	GTE SPRINT		
Do	HITACHI SALES CORP OF AMERICA	85.03	6.53
Do	E.F. HUTTON LIFE INSURANCE COMPANY	2,750.00	
Do	IC INDUSTRIES		
Do	INSTITUTE OF SCRAP IRON & STEEL, INC		
Do	INTERMEDICS, INC		
Do	INVESTMENT PARTNER ASSN	7,500.00	
Do	KAISER ALUMINUM & CHEMICAL CORP	400.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	KENWOOD U.S.A. CORPORATION	1.86	.14
Do	LAUNDRY CLEANING COUNCIL		
Do	LAZARD FRERE & CO	2,350.00	
Do	LIGGETT GROUP	3,725.00	
Do	LITTON INDUSTRIES, INC		
Do	LOAN AMERICA FINANCIAL CORP		
Do	LOOP, INC	1,000.00	
Do	MARS, INC	935.00	69.00
Do	MATSON NAVIGATION CO		
Do	MATSUSHITA ELECTRIC CORP OF AMERICA	150.01	11.52
Do	MAXELL CORP OF AMERICA	11.58	.89
Do	MCI TELECOMMUNICATIONS, INC		
Do	MITSUBISHI ELECTRIC SALES OF AMERICA, INC	31.24	2.40
Do	MOCATTA METALS CORP	62.50	
Do	NAKAMICHI U.S.A. CORP	1.64	.12
Do	NATIONAL ASSN OF CHAIN DRUG STORES		
Do	NATIONAL CABLE TELEVISION ASSN, INC	2,310.00	
Do	NATIONAL MARINE MFRS ASSN	2,012.50	55.00
Do	NATIONAL SOFT DRINK ASSN		
Do	NEC ELECTRONICS (USA) INC	4.63	.35
Do	NEW PROCESS CO		
Do	NORTH AMERICAN VAN LINES		
Do	NORTHERN CALIFORNIA POWER AGENCY	35.00	
Do	OCEAN CATCH		
Do	ONKYO U.S.A. CORP	1.02	.07
Do	OSG BULK SHIPS, INC	62.50	
Do	OVERSEAS MILITARY SALES GROUP		
Do	PAINE WEBBER, INC		
Do	PIONEER ELECTRONICS (U.S.A.) INC	2.54	.19
Do	PUBLIC UTILITIES DEPARTMENT	35.00	
Do	READER'S DIGEST ASSN, INC		
Do	REDWOOD INDUSTRY PARK COMM	1,500.00	
Do	REPUBLIQUE D'HAITI	1,237.50	
Do	RETAIL INDUSTRY TRADE ACTION COALITION	14,100.00	908.83
Do	RETAIL TAX COMMITTEE	2,500.00	95.00
Do	RICE MILLERS' ASSN		
Do	ROCKWELL INTERNATIONAL CORP		
Do	SACRAMENTO PUBLIC UTILITY DISTRICT	35.00	
Do	SANSUI ELECTRONICS CORP	2.66	.21
Do	SANYO ELECTRIC, INC	73.05	5.61
Do	SHARP ELECTRONICS CORP	45.82	3.52
Do	SLURRY TRANSPORT ASSN		
Do	SONY CORPORATION OF AMERICA	46.56	3.58
Do	SQUIBB CORP	100.00	
Do	ST. JOE MINERALS CORP		
Do	STATE OF LA, DEPT OF CONSERVATION		
Do	STEPHENS, INC		
Do	SULTANTATE OF OMAN	150.00	
Do	TDK U.S.A. CORP	14.35	1.11
Do	TEAC CORP OF AMERICA	2.26	.18
Do	TEKNIKA ELECTRONICS CORP		
Do	TOSHIBA AMERICAN, INC	27.74	2.13
Do	U.S. FISHERIES DEVELOPMENT ASSN		
Do	U.S. LIFESAVING MANUFACTURERS ASSN		
Do	U.S. TUNA FOUNDATION		
Do	UNITED PLANT GUARD WORKERS ASSN		
Do	US JVC CORPORATION	50.85	3.91
Do	YAMAHA ELECTRONICS CORP, U.S.A.	.68	.05
Do	ZEISS AVIONICS SYSTEMS, INC		
ANDREW R. PAUL, 1875 EYE STREET, NW, #940 WASHINGTON DC 20006	GULF & WESTERN MANAGEMENT CO	4,500.00	148.25
PAUL HASTINGS JANOFSKY & WALKER, 6TH FLOOR 1050 THOMAS JEFFERSON ST., NW WASHINGTON DC 20007	ASPIRIN FOUNDATION OF AMERICA, INC		
Do	ASSOCIATED LIFE INS GROUP NAT'L POLICYHOLDER ADVISORY COMM	8,282.00	461.25
Do	CALMAT COMPANY	4,120.00	
Do	GAF CORPORATION	130.00	8.00
Do	NATIONAL BUSINESS AIRCRAFT ASSN		
Do	OGLETHORPE POWER CORP		
Do	SECURITY LIFE OF DENVER	5,466.00	
PAUL WEISS RIFKIND WHARTON & GARRISON, 1615 L STREET, NW WASHINGTON DC 20036	NEC CORP AND NEC AMERICA, INC		2,475.14
LARRY E. PAULICK, 2111 EISENHOWER AVENUE ALEXANDRIA VA 22314	NATIONAL SPA & POOL INSTITUTE		
LOUIS R. PAULICK, 1901 NORTH FORT MYER DRIVE ARLINGTON VA 22209	GAS APPLIANCE MANUFACTURERS ASSN, INC		
RICHARD A. PAYSOR, 1415 ELBRIDGE PAYNE RD., #135 ST. LOUIS MO 63017	FIRST CAPITOL ASSOCIATES - GATEWAY, INC		
RUSSELL H. PEARSON, 1156 15TH STREET, NW, #1015 WASHINGTON DC 20005	J.C. PENNEY CO, INC		
JAMES M. PEIRCE JR., 2020 K ST., NW, #200 WASHINGTON DC 20006	NATIONAL FEDERATION OF FEDERAL EMPLOYEES	1,781.52	
LEEANN PELHAM, 2030 M STREET, NW WASHINGTON DC 20036	COMMON CAUSE	4,750.02	180.59
PELTON RESEARCH CENTER, 1400 S. JOYCE STREET ARLINGTON VA 22202	HELP, INC		
HUMBERTO R. PENA, 1155 15TH ST., NW WASHINGTON DC 20005	BRISTOL-MYERS CO	500.00	
CRISTSANDRA M. PENN, 1346 CHESTNUT, #800 PHILADELPHIA PA 19107	GREATER PHILADELPHIA CHAMBER OF COMMERCE		
JAMES C. PENNINGTON, 5535 HEMPSTEAD WAY SPRINGFIELD VA 22151	NATIONAL ASSN FOR UNIFORMED SERVICES	797.82	
PENNSYLVANIA POWER & LIGHT CO, 2 N. 9TH ST. ALLENTOWN PA 18101			1,750.29
DOMINIC V. PENSABENE, 1700 K ST., NW, #1204 WASHINGTON DC 20006	CHEVRON USA, INC	1,263.00	
GREGORY M. PENSABENE, 1667 K ST., NW, #600 WASHINGTON DC 20006	SANTA FE SOUTHERN PACIFIC CORP	2,700.00	
PENSION RIGHTS CENTER, 1346 CONNECTICUT AVE., NW WASHINGTON DC 20036			218.26
PEPPER & CORAZZINI, 1776 K ST., NW WASHINGTON DC 20006	SATELLITE SYNDICATED SYSTEMS, INC		
VICTOR J. PERINI JR., 1776 MASSACHUSETTS AVE., NW WASHINGTON DC 20036	HIGHWAY USERS FEDERATION FOR SAFETY & MOBILITY		
PERKINS COIE, 1110 VERMONT AVE., NW, #1200 WASHINGTON DC 20005	AEROSPACE INDUSTRIES ASSN OF AMERICA, INC		
Do	BOEING CO		
Do	BURLINGTON NORTHERN, INC		
Do	KOOTZNOOWOO, INC		
Do	ORMAT SYSTEMS, INC		
ROBERT A. PERKINS, 1100 CONNECTICUT AVENUE, NW WASHINGTON DC 20036	CHRYSLER CORP	15,000.00	510.00
GARY J. PERKINSON, 453 NEW JERSEY AVENUE, SE WASHINGTON DC 20003	BENEFICIAL MANAGEMENT CORP OF AMERICA	350.00	
ERNEST MICHAEL PERLEY, 112 ST CLAIR AVENUE, WEST, #504 TORONTO, ONTARIO M4V 2Y3	CANADIAN COALITION ON ACID RAIN	1,692.31	115.00
JEFFRY L. PERLMAN, 1615 H ST., NW WASHINGTON DC 20062	CHAMBER OF COMMERCE OF THE U.S.	2,440.00	837.53
LEONARD PERLMAN, 5999 STEVENSON AVENUE ALEXANDRIA VA 22304	AMERICAN ASSN FOR COUNSELING & DEVELOPMENT		
KATE M. PERRY, 1785 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20036	NATIONAL TRUST FOR HISTORIC PRESERVATION		
SUSAN PERRY, 1025 CONNECTICUT AVENUE, NW WASHINGTON DC 20036	AMERICAN BUS ASSN	2,687.50	75.00
JOHN J. PESCH, 3422 STONEYBRAE DRIVE FALLS CHURCH VA 22044	NORTHROP CORP		
THOMAS D. PESTORIUS, 1025 CONNECTICUT AVENUE, NW, #1014 WASHINGTON DC 20036	EBASCO SERVICES, INC		158.00
PHILLIPS S. PETER, 1331 PENNSYLVANIA AVENUE, NW WASHINGTON DC 20004	GENERAL ELECTRIC CO	350.00	
MARY PETERS, 1319 F STREET, NW WASHINGTON DC 20004	NATIONAL ASSN OF PRIVATE PSYCHIATRIC HOSPITALS	50.00	
PAUL F. PETERS, 1522 K STREET, NW, #828 WASHINGTON DC 20005	AMERICAN VETERINARY MEDICAL ASSN		
Do	ASSOCIATION OF AMERICAN VETERINARY MEDICAL COLLEGES		
PETERSON ENGBERG & PETERSON, 1730 M ST., NW, #907 WASHINGTON DC 20036	FEDERATED RESEARCH CORP	22,800.00	429.41
GEOFFREY G. PETERSON, 1250 EYE ST., NW, #900 WASHINGTON DC 20004	DISTILLED SPIRITS COUNCIL OF THE U.S., INC	2,000.00	400.00
LARS E. PETERSON, 1750 K STREET, NW WASHINGTON DC 20006	FOOD MARKETING INSTITUTE	450.00	
MARY B. PETERSON, 1660 L ST., NW WASHINGTON DC 20036	GENERAL MOTORS CORP	3,000.00	1,455.68
MARY JO PETERSON, 1957 E STREET, NW WASHINGTON DC 20006	ASSOCIATED GENERAL CONTRACTORS OF AMERICA	1,000.00	500.00
SUSAN F. PETNIUNAS, 1025 CONNECTICUT AVE., NW, #214 WASHINGTON DC 20036	MANVILLE CORP	500.00	
MICHAEL J. PETRINA JR., 1110 VERMONT AVENUE, NW, #800 WASHINGTON DC 20005	COSMETIC TOILETRY & FRAGRANCE ASSN, INC		
PETROLEUM MARKETERS ASSN OF AMERICA, 1120 VERMONT AVE., NW, #1130 WASHINGTON DC 20005		187,285.60	17,533.48
BRIAN T. PETTY, 1901 L ST., NW, #702 WASHINGTON DC 20036	INTERNATIONAL ASSN OF DRILLING CONTRACTORS		
JAMES R. PHALEN, 1100 CONNECTICUT AVENUE, NW, #535 WASHINGTON DC 20036	MAPCO, INC	3,250.00	
PHARMACEUTICAL MANUFACTURERS ASSN, 1100 15TH STREET, NW WASHINGTON DC 20005		14,649.31	14,649.31

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
MARSHALL A. PHARR, 6103 ADIRONDACK AMARILLO TX 79106	SOUTHWESTERN PUBLIC SERVICE CO.	3,091.20	650.25
DENNIS J. PHELAN, ONE THOMAS CIRCLE, NW, #900 WASHINGTON DC 20005	PACIFIC SEAFOOD PROCESSORS ASSN	7,500.00	580.00
BARBARA PHILLIPS, 2000 M ST., NW, #230 WASHINGTON DC 20036	TELOCATOR NETWORK OF AMERICA	7,000.00	
BERNARD R. PHILLIPS III, P.O. BOX 4267 TOPEKA KS 66604	KANSAS ELECTRIC COOPERATIVES, INC.		
DEBORAH M. PHILLIPS, 2033 M ST., NW, #800 WASHINGTON DC 20036	GENERAL INSTRUMENT CORPORATION		
DEIRDRE B. PHILLIPS, 100 FEDERAL STREET BOSTON MA 02110	BANK OF BOSTON CORP.		
Do	FIRST NATIONAL BANK OF BOSTON	178.00	517.66
WILLIAM G. PHILLIPS, D.C. ASSOCIATES, INC 402 THIRD STREET, SE WASHINGTON DC 20003	AIR QUALITY RESEARCH, INC.		
Do	ASSOCIATION OF UNIV. PROGRAMS IN OCCUPA HEALTH & SAFETY	6,000.00	644.79
Do	ASSOCIATION OF UNIVERSITY ENVIRONMENTAL HEALTH CENTERS	4,500.00	231.68
Do	HARVARD SCHOOL OF PUBLIC HEALTH		
Do	METAL TRADES DEPARTMENT, AFL-CIO	2,675.00	231.87
PAUL J. PHOENIX, C/O DOW LOHNES & ALBERTSON 1255 23RD ST., NW WASHINGTON DC 20037	DOFASCO, INC.		
JOAN PICCOLO, 1776 K STREET, NW, #200 WASHINGTON DC 20006	MOTOROLA, INC.	3,000.00	
W.D. PICKETT, 400 FIRST ST. WASHINGTON DC 20001	BROTHERHOOD OF RAILROAD SIGNALMEN	350.00	
PAULETTE C. PIDCOCK, 1100 CONNECTICUT AVENUE, NW, #530 WASHINGTON DC 20036	BALTIMORE GAS & ELECTRIC CO.	372.00	307.12
ROBERT R. PIERCE, 1701 18TH ST., NW WASHINGTON DC 20036	NATIONAL PARKS & CONSERVATION ASSN.		
WAYNE PIERCE, 101 CONSTITUTION AVENUE, NW WASHINGTON DC 20001	UNITED BROTHERHOOD OF CARPENTERS & JOINERS OF AMERICA	21,125.00	75.00
PIERSON SEMMES & FINLEY, 1054 31ST STREET,NW WASHINGTON DC 20007	OKLAHOMA NATURAL GAS COMPANY	300.00	37.72
Do	SIX FLAGS CORPORATION	260.00	8.52
STUART F. PIERSON, VERNER, LIIPFERT, BERNHARD, & MCPHERSON 1660 L ST., NW, #1100 WASHINGTON DC 20036	PAN AM, ET AL		
JOHN H. PILCHER, 1776 F STREET, NW WASHINGTON DC 20006	NATIONAL ASSN OF MANUFACTURERS	125.00	
DANIEL J. PILIERO II, P.C., 1750 PENNSYLVANIA AVENUE, NW WASHINGTON DC 20006	AD HOC COMM OF MUTUAL FUND MANAGERS	1,357.98	
Do	INTEGRATED RESOURCES, INC	750.00	
Do	INVESTMENT CO INSTITUTE	2,300.00	
Do	NL INDUSTRIES		
Do	PRUDENTIAL LINES, INC	1,750.00	
PILLSBURY MADISON & SUTRO, 1667 K ST., NW, #1100 WASHINGTON DC 20006	AMERICAN PETROLEUM INSTITUTE		
Do	DENTAL CARE OF AMERICA, INC; R.J. REYNOLDS DEVELOPMENT CORP	270.00	16.00
Do	QUADREX CORPORATION		
Do	TEMIS RAMIRES DE ARELLANO	2,675.00	97.36
Do	TRANSPACE CARRIERS, INC.		
PILOTS RIGHTS ASSOCIATION, P.O. BOX 7000-367 REDONDO BEACH CA 90277			
PINEAPPLE GROWERS ASSN OF HAWAII, P.O. BOX 3829 HONOLULU HI 96813			
VALERIE F. PINSON, 1724 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20036	NATIONAL CABLE TELEVISION ASSN, INC.	1,113.00	
PIPER & MARBURY, 888 16TH STREET, NW WASHINGTON DC 20006	FIRST MARYLAND BANCORP		
Do	FIRST NATIONAL BANK OF MARYLAND		
Do	TRANSAMERICA INTERWAY, INC, ET AL		
Do	USAIR, INC, ET AL		
LILLIAN M.S. PITCAITHLY, 1730 K ST., NW, #703 WASHINGTON DC 20006	AMERICAN BUSINESS CONFERENCE, INC.	139.62	67.99
VIRGINIA L. PITCHER, 2000 L ST., NW, #200 WASHINGTON DC 20036	AMERICAN COLLEGE OF EMERGENCY PHYSICIANS	2,751.00	487.68
PLAINS COTTON GROWERS, INC, PO BOX 3640 LUBBOCK TX 79452			
RONALD L. PLATT, 499 S. CAPITOL STREET, #501 WASHINGTON DC 20003	BILL HECHT & ASSOCIATES, INC.	326.00	
MICHAEL PODHORZER, 1300 CONNECTICUT AVE., NW, #401 WASHINGTON DC 20036	CITIZEN/LABOR ENERGY COALITION		
NANCY POLIKOFF, 2000 P STREET, NW, #400 WASHINGTON DC 20036	WOMEN'S LEGAL DEFENSE FUND		
MICHAEL A. POLING, 1920 N ST., NW WASHINGTON DC 20036	AMERICAN MINING CONGRESS	60.00	166.00
MINDY POLLACK, 1025 CONNECTICUT AVE., NW, #512 WASHINGTON DC 20036	REINSURANCE ASSN OF AMERICA		12.00
RICHARD J. POLLACK, 444 NORTH CAPITOL STREET, NW WASHINGTON DC 20001	AMERICAN HOSPITAL ASSN	685.60	440.07
FRANCES A. POLLAK, 1850 K ST., NW, #390 WASHINGTON DC 20006	UNION CAMP CORPORATION	500.00	
ALFRED M. POLLARD, 1155 CONNECTICUT AVE., NW, #1130 WASHINGTON DC 20036	SECURITY PACIFIC NATIONAL BANK		
RAYMOND K. POPE, 2000 L STREET, NW, #200 WASHINGTON DC 20036	AMFAC, INC.	3,437.49	777.17
PAULA D. PORPILIA, 1120 CONNECTICUT AVE., NW, 7TH FL. WASHINGTON DC 20036	AMERICAN BANKERS ASSN	1,250.00	97.00
PORTER WRIGHT MORRIS & ARTHUR, 41 SOUTH HIGH STREET COLUMBUS OH 43215	COALITION FOR ENVIRONMENTAL-ENERGY BALANCE	19,276.25	426.61
SHARON T. PORTNOY, 225 W. 34TH ST. NEW YORK NY 10001	NATIONAL COMMERCIAL FINANCE ASSN		
JOHN MICHAEL POWDERLY, 815 16TH ST., NW, #706 WASHINGTON DC 20006	UNITED STEELWORKERS OF AMERICA	9,519.39	
POWELL GOLDSTEIN FRAZER & MURPHY, 1110 VERMONT AVE., NW, #1050 WASHINGTON DC 20005	ALTER GROUP		
Do	COUNCIL OF STATE HOUSING AGENCIES	412.00	
Do	FEDERAL NATIONAL MORTGAGE ASSN		
Do	MARYLAND SAVINGS-SHARE INSURANCE CORP		
Do	N & F DEVELOPMENT CORP, INC		
Do	NATIONAL INVESTMENT DEVELOPMENT CORP		
Do	NATIONAL MULTI HOUSING COUNCIL	350.00	
Do	SKW ALLOYS, INC		
ROBERT D. POWELL, 1300 19TH ST., NW, #400 WASHINGTON DC 20036	NATIONAL BUSINESS AIRCRAFT ASSN		
JOHN J. POWER, 815 16TH ST., NW WASHINGTON DC 20006	AMERICAN FED OF LABOR & CONGRESS OF INDUSTRIAL ORGANIZATIONS	19,519.03	811.82
FREDERICK W. POWERS III, 223 PERIMETER CENTER PARKWAY P.O. BOX 89000 ATLANTA GA 30338	SIEMENS-ALLIS, INC.		
GRAYDON R. POWERS JR., 1101 16TH ST., NW WASHINGTON DC 20036	SCIENTIFIC APPARATUS MAKERS ASSN		
ROBERT L. PRATT, 101 FIRST AVE. WALTHAM MA 02254	THERMO ELECTRON CORPORATION	1,400.00	885.00
PRESTON THORGRIMSON ELLIS & HOLMAN, 1735 NEW YORK AVENUE, NW, #500 WASHINGTON DC 20006	AETNA LIFE & CASUALTY		
Do	ALASKA PULP CORP.	630.00	
Do	ALLEGHANY CORPORATION	2,227.50	
Do	AMERICAN PRESIDENT LINES	1,482.00	
Do	BELLINGHAM COLD STORAGE	835.00	
Do	CALISTA CORP		
Do	COALITION FOR THE ADVANCEMENT OF INDUSTRIAL TECHNOLOGY	2,855.00	
Do	COUNCIL OF AMERICAN-FLAG SHIP OPERATORS	1,683.50	
Do	GRANT COUNTY PUBLIC UTILITY DISTRICT		
Do	HUDSON WATERWAYS	2,752.00	
Do	INTELSAT	9,042.50	50.50
Do	MOORE MCCORMACK RESOURCES		
Do	NATIONAL ASSN OF STATE DIRECTORS OF COMMUN & JUNIOR COLLEGES	665.00	
Do	NATIONAL COUNCIL ON COMPENSATION INSURANCE		
Do	NORTH WEST TIMBER ASSN		
Do	PORT OF SEATTLE		
Do	REINSURANCE ASSN OF AMERICA		
Do	SPOKANE COUNTY	561.00	
Do	SUNMAR SHIPPING, INC	1,500.00	
Do	TENNESSEE GAS PIPELINE CO.		
Do	TRANSPORTATION INSTITUTE	3,122.00	
Do	UNIVERSITY OF MICHIGAN HOSPITALS		
Do	WESTERN FOREST INDUSTRIES ASSN		
KEITH A. PRETTY, 322 W. OTTAWA LANSING MI 48933	AMOCO CORPORATION		
BARBARA J. PRICE, 1825 K ST., NW, #1107 WASHINGTON DC 20006	PHILLIPS PETROLEUM COMPANY	950.00	157.76
JAMES M. PRICE, P.O. BOX 11248 KNOXVILLE TN 37919	SIERRA CLUB	5,108.75	112.25
THOMAS J. PRICE, 410 FIRST STREET, SE WASHINGTON DC 20003	AMERICAN NUCLEAR ENERGY COUNCIL	2,344.57	207.85
PATRICIA PRIDE, 1129 20TH ST., NW WASHINGTON DC 20036	FINANCIAL ACCOUNTING FOUNDATION	294.07	42.06
SHARON D. PRINZ, 2121 K STREET, NW, #830 WASHINGTON DC 20037	STEPHENS OVERSEAS SERVICES, INC.		
GWENYTH PRITCHARD, 600 MARYLAND AVE., NW, #700 WASHINGTON DC 20024	NATIONAL FEDERATION OF INDEPENDENT BUSINESS	2,250.00	200.00
JOEL PRITCHARD, BOGLE & GATES ONE THOMAS CIRCLE, NW, #900 WASHINGTON DC 20005	ALLIANCE FOR FAIR TRADE	1,000.00	
Do	AMERICAN FAIR TRADE COUNCIL	35,000.00	
Do	COALITION FOR CLEAN WATER	1,000.00	
Do	INTERNATIONAL TELECOMMUNICATIONS SATELLITE ORGANIZATION	3,000.00	
Do	NORTHWEST APPAREL & TEXTILE ASSN	1,000.00	
Do	SEATTLE METRO		
JERRY C. PRITCHETT, 5410 GROSVENOR LN., #120 BETHESDA MD 20814	MECHANICAL CONTRACTORS ASSN OF AMER, INC.		
PRO-LIFE CDAC 12, P.O. BOX 7145 MENLO PARK CA 94025			
PRO/LIFE CONGRESSIONAL DISTRICT 11, P.O. BOX 727 SAN CARLOS CA 94070		4,299.89	813.30
SYDNEY PROBST, 1250 EYE STREET, NW, #900 WASHINGTON DC 20004	DISTILLED SPIRITS COUNCIL OF THE U.S.	2,000.00	200.00
PROCOMPETITIVE RAIL STEERING COMMITTEE, 1090 VERMONT AVENUE, NW, #410 WASHINGTON DC 20005			8,453.05
STUART E. PROCTOR JR., 2626 PENNSYLVANIA AVE., NW WASHINGTON DC 20037	NATIONAL TELEPHONE COOPERATIVE ASSN	5,000.00	469.84
PROFESSIONAL MANAGERS' ASSN, P.O. BOX 7762, BEN FRANKLIN STATION WASHINGTON DC 20044		4,474.56	3,988.22
PROFIT SHARING COUNCIL OF AMER, 20 N. WACKER DRIVE CHICAGO IL 60606			
PROPRIETARY ASSN, 1150 CONNECTICUT AVE., NW, #1200 WASHINGTON DC 20036			3,431.25

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
PRUDENTIAL-BACHE SECURITIES, INC, 100 GOLD ST. NEW YORK NY 10272			750.00
JAMES C. PRUITT, 1050 17TH ST., NW, #500 WASHINGTON DC 20036	TEXACO, INC	180.00	
JEFFREY A. PRUSSIN, 1505 N.W. 167TH STREET MIAMI FL 33169	INTERNATIONAL MEDICAL CENTERS	855.00	6,175.00
PRYOR CASHMAN SHERMAN & FLYNN, 410 PARK AVENUE NEW YORK NY 10022	O. EDMUND CLUBB		
Do	POPULATION CRISIS COMMITTEE	450.00	66.00
PUBLIC CITIZEN HEALTH RESEARCH GROUP, 2000 P ST., NW, #708 WASHINGTON DC 20036			
PUBLIC EMPLOYEE DEPARTMENT, AFL-CIO, 815 16TH ST., NW WASHINGTON DC 20006		62,191.72	12,561.91
PUBLIC EMPLOYER BENEFITS COUNCIL, 1800 M STREET, NW WASHINGTON DC 20036			
PUBLIC TIMBER PURCHASERS GROUP, 610 SW. BROADWAY, #608 PORTLAND OR 97205		23,190.57	2,140.92
DAVID E. PULLEN, 1025 CONNECTICUT AVE., NW, #214 WASHINGTON DC 20036	MANVILLE CORP	1,000.00	
JOHN R. PURCELL, 204 E STREET, NE WASHINGTON DC 20002	NATIONAL FROZEN FOOD ASSN	500.00	
WILLIAM E. PURSLEY, 1025 CONNECTICUT AVENUE, NW WASHINGTON DC 20036	SHELL OIL COMPANY	500.00	
SUE P. PURVIS, P.O. BOX 14042(D2B) ST. PETERSBURG FL 33733	FLORIDA POWER CORP	2,000.00	553.00
EARLE W. PUTNAM, 5025 WISCONSIN AVENUE, NW WASHINGTON DC 20016	AMALGAMATED TRANSIT UNION, AFL-CIO		
CASSANDRA WALKER PYE, 1750 K STREET, NW WASHINGTON DC 20006	FOOD MARKETING INSTITUTE	100.00	
HOWARD PYLE III, 4930 QUEBEC ST., NW WASHINGTON DC 20016	HOUSTON LIGHTING & POWER COMPANY	3,600.00	
ROBERT N. PYLE, 1701 K ST., NW, #1004 WASHINGTON DC 20007	ELKEM METALS COMPANY	4,350.00	350.00
Do	INDEPENDENT BAKERS ASSN	3,000.00	310.00
Do	INTERNATIONAL MEDICAL CENTERS	500.00	100.00
MICHAEL J. QUARANTA, 1050 17TH STREET, NW WASHINGTON DC 20036	FINANCIAL EXECUTIVES INSTITUTE	5,550.00	914.00
JOHN R. QUARLES JR., MORGAN LEWIS & BOCKIUS 1800 M ST., NW WASHINGTON DC 20036	NATIONAL ENVIRONMENTAL DEVELOPMENT ASSN CLEAN AIR ACT PROJ.		
JAMES M. QUIGLEY, 1875 EYE ST., NW, #540 WASHINGTON DC 20006	CHAMPION INTERNATIONAL CORPORATION		
ARTHUR LEE QUINN, 1015 15TH STREET, NW, #200 WASHINGTON DC 20005	COOPER LABORATORIES, INC	8,000.00	1.25
Do	GOVERNMENT OF BELIZE		45.50
Do	GOVERNMENT OF REPUBLIC OF PANAMA	3,000.00	76.41
Do	SUGAR ASSN OF THE CARIBBEAN	2,000.00	120.41
R/R ASSOCIATES, 2 MARINE WAY, SUITE 217 JUNEAU AK 99801	CITY OF DILLINGHAM		
GEORGE GREGORY RAAB, 2000 L STREET, NW WASHINGTON DC 20036	MEDTRONIC, INC	115.00	53.10
ALEX RADIN, 2301 M ST., NW WASHINGTON DC 20036	AMERICAN PUBLIC POWER ASSN	1,105.44	
TESS A. RAE, 1850 K STREET, NW WASHINGTON DC 20006	AMERICAN COUNCIL OF LIFE INSURANCE, INC		
JOHN D. RAFFAELLI, LAW OFFICES OF JOHN D. RAFFAELLI 499 SOUTH CAPITOL ST., SW, #407 WASHINGTON DC 20003	R. DUFFY WALL & ASSOCIATES, INC (FOR: DEAN WITTER REALTY, INC)		
Do	GULF COAST WASTE DISPOSAL AUTHORITY		
Do	NATIONAL COUNCIL FOR HIGHER EDUCATION LOAN PROGRAMS		
Do	R. DUFFY WALL & ASSOCIATES, INC (FOR: TAYLOR & MIZELL)		
ROBERT A. RAGLAND, 1776 F STREET, NW WASHINGTON DC 20006	NATIONAL ASSN OF MANUFACTURERS	75.00	
TANYA A. RAHALL, 2033 M STREET, NW, #900 WASHINGTON DC 20036	NATIONAL ASSN OF ARAB AMERICANS	2,461.00	312.53
RODERIC W. RAHE JR., 1015 15TH STREET, NW, #802 WASHINGTON DC 20005	AMERICAN CONSULTING ENGINEERS COUNCIL	700.00	
RAILROAD RETIREMENT ASSN, 210 7TH ST., SE, #517 WASHINGTON DC 20003		2,658.37	2,658.37
RAILWAY LABOR EXECUTIVES' ASSN, 400 FIRST ST., NW, #804 WASHINGTON DC 20001		67,200.00	115,420.68
RAILWAY PROGRESS INSTITUTE, 700 NORTH FAIRFAX ST. ALEXANDRIA VA 22314			
JOHN C. RAMIG, 1730 M STREET, NW, #900 WASHINGTON DC 20036	STOEL RIVES BOLEY FRASER & WYSE (FOR: ASSOCIATION OF O & C COUNTIES)		
Do	STOEL RIVES BOLEY FRASER & WYSE (FOR: PACIFICORP)	3,490.50	976.53
KATHLEEN MARIE RAMSEY, 1010 WISCONSIN AVENUE, NW, #800 WASHINGTON DC 20007	GROCERY MANUFACTURERS OF AMERICA, INC	50.00	
JEANNETTE H. RANDALL, 2400 E. COMMERCIAL BLVD. #500 FORT LAUDERDALE FL 33306	AMERISERV, INC	5,000.00	1,808.44
DONALD A. RANDALL, P.C., 321 D STREET, NE WASHINGTON DC 20002	AUTOMOTIVE SERVICE COUNCILS, INC	7,420.00	
Do	NATIONAL INDEPENDENT DAIRY-FOODS ASSN	16,450.00	
RANDOLPH & TRUITT, 1752 N STREET, NW, #801 WASHINGTON DC 20036	TANADGUSIX CORPORATION	1,800.00	
JAMES D. RANGE, 600 MARYLAND AVENUE, SW, #607 WASHINGTON DC 20024	WASTE MANAGEMENT, INC	5,000.00	1,152.41
D. MICHAEL RAPPOPORT, P.O. BOX 52025 PHOENIX AZ 85072	SALT RIVER PROJECT	1,680.00	3,417.68
CARL L. RASAK, 8301 FORT HUNT ROAD ALEXANDRIA VA 22308			
MAGDA RATAJSKI, P.O. BOX 3609 NORFOLK VA 23514	NORFOLK SOUTHERN CORPORATION		
CAROL L. RAULSTON, 1619 MASSACHUSETTS AVE., NW WASHINGTON DC 20036	AMERICAN PAPER INST, INC		
CRAIG RAUPE, CAMPBELL-RAUPE ASSOCIATES, INC 1015 15TH STREET, NW, #907 WASHINGTON DC 20005	AMERICAN NUCLEAR ENERGY COUNCIL		
Do	INVEST TO COMPETE ALLIANCE		
Do	LTV AEROSPACE & DEFENSE CO		
Do	NEW ENGLAND LIFE		
Do	PITNEY BOWES		
Do	RIFFE PETROLEUM CO		
Do	TEXAS AIR CORP		
Do	TEXAS UTILITIES SERVICE		
Do	WESTINGHOUSE CORP		
G. DAVID RAVENCRAFT, 1025 CONNECTICUT AVE., NW, #507 WASHINGTON DC 20036	ASHLAND OIL, INC	2,000.00	
W. RANDALL RAWSON, 1415 ELLIOT PLACE, NW WASHINGTON DC 20007	NATIONAL LIMESTONE INST, INC		
JOHN K. RAYBURN, 1801 K STREET, NW WASHINGTON DC 20006	WESTINGHOUSE ELECTRIC CORP	235.00	35.00
RAYMARK CORPORATION, 100 OAKVIEW DRIVE TRUMBULL CT 06611			4,278.88
RICHARD J. RAZOOK, 200 SOUTH BISCAYNE BLVD. 4900 SOUTHEAST FINANCIAL CENTER MIAMI FL 33131	THOMSON ZEDER BOHRER WERTH ADORNO & RAZOOK (FOR: BURGER KING CORP)	750.00	
RBC ASSOCIATES, 324 FOURTH STREET, NE WASHINGTON DC 20003	BANGOR & AROOSTOOK RAILROAD	6,750.00	3,926.81
Do	CHICAGO & NORTH WESTERN TRANSPORTATION CORP	28,500.00	4,119.85
Do	DELAWARE OTSEGO SYSTEM	12,000.00	4,194.05
Do	GENESEE & WYOMING CORP	750.00	3,879.43
Do	PITTSBURG & SHAWMUT RAILROAD	2,100.00	3,879.43
JULIAN O. READ, 1005 CONGRESS AVENUE, #500 AUSTIN TX 78701	CENTRAL AND SOUTH WEST CORP		
READING IS FUNDAMENTAL, INC, 600 MARYLAND AVE., SW, #500 WASHINGTON DC 20560	READING IS FUNDAMENTAL, INC		
SYDNEY C. REAGAN, NO. 10 DUNCANNON CT. DALLAS TX 75225	SOUTHWESTERN PEANUT SHELLERS ASSN		
JOHN M. RECTOR, 205 DAINGERFIELD RD. ALEXANDRIA VA 22314	NATIONAL ASSN OF RETAIL DRUGGISTS	700.00	150.00
ROBERT E REDDING, 7315 WISCONSIN AVE. BETHESDA MD 20814	SHIPPERS NATIONAL FREIGHT CLAIM		
ROBERT O. REDDING, 3519 S.W. 147TH LANE ROAD OCALA FL 32673			
JO REED, 1909 K STREET, NW WASHINGTON DC 20049	AMERICAN ASSN OF RETIRED PERSONS	408.46	
REED ROBERTS TAX CREDIT ASSISTANCE CORP, 55 CHARLES LINDBERGH BLVD., #CS-101 UNIONDALE NY 11553			
CHARLES C. REELY, 1840 WILSON BLVD., #203 ARLINGTON VA 22201	NATIONAL LIMESTONE INST, INC		
PAULINE B. REEPING, 1750 NEW YORK AVENUE, NW WASHINGTON DC 20006	NEW YORK SHIPPING ASSN, INC		
JOSEPH M. REES, FRANCIS MCGINNIS & REES, INC 1000 POTOMAC STREET, NW, #401 WASHINGTON DC 20007	DELTA DENTAL PLANS ASSOCIATION	4,000.00	
BENJAMIN F. REEVES, 1100 17TH STREET, NW WASHINGTON DC 20036	BURLEY & DARK LEAF TOBACCO EXPORT ASSN	850.00	
J. RONALD REEVES, WASHINGTON NATIONAL AIRPORT WASHINGTON DC 20001	U.S. AIR, INC	2,000.00	162.50
JOHN T. REGGITTS JR., 95 BOOTON AVE. P.O. BOX 470 BOONTON NJ 07005			
REICHLER & APPELBAUM, 888 17TH ST., NW, #1101 WASHINGTON DC 20006	PERMANENT MISSION OF THE REPUBLIC OF SEYCHELLES		
Do	REPUBLIC OF NICARAGUA	6,000.00	
REID & PRIEST, 1111 19TH STREET, NW WASHINGTON DC 20036	ASSOCIATED NATURAL GAS COMPANY, ET AL		
Do	BALTIMORE GAS & ELECTRIC CO, ET AL	350.00	25,500.00
Do	CITY OF PHILADELPHIA		
Do	EDISON ELECTRIC INSTITUTE	376.50	
Do	PENNSYLVANIA SHIPBUILDING CO		
REID & RIEGE, P.C., ONE STATE STREET HARTFORD CT 06103	WESLEYAN UNIVERSITY	4,037.50	
MICHAEL W. REID, 1925 K STREET, NW, #206 WASHINGTON DC 20006	ALLIANCE TO SAVE ENERGY		
MARY LYNN REILLY, 3805 ALTON PLACE, NW WASHINGTON DC 20016	NEIGHBORHOOD HOUSING SERVICES OF AMERICA		
HARRY O. REINSCH, 50 BEALE ST. P.O. BOX 3965 SAN FRANCISCO CA 94119	BECHTEL POWER CORPORATION		
REINSURANCE ASSN OF AMERICA, 1025 CONNECTICUT AVENUE, NW, #512 WASHINGTON DC 20036		2,000.00	15,465.00
RELIGIOUS COALITION FOR ABORTION RIGHTS, INC, 100 MARYLAND AVENUE, N.E. WASHINGTON DC 20002	RELIGIOUS COALITION FOR ABORTION RIGHTS, INC	103,345.97	8,605.35
ZEV M. REMBA, 1111 14TH STREET, NW WASHINGTON DC 20005	ACADEMY OF GENERAL DENTISTRY		
RENDON COMPANY, 1439 RHODE ISLAND AVE., NW WASHINGTON DC 20005			
JOHN W. RENDON JR., 1439 RHODE ISLAND AVE., NW WASHINGTON DC 20005	RENDON COMPANY		
STEPHEN M. RENNA, 777 14TH STREET, NW WASHINGTON DC 20005	NATIONAL ASSN OF REALTORS	1,750.00	59.93
DIANE RENNERT, 2005 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20036	ASSOCIATION OF AMERICAN PUBLISHERS	4,300.00	455.23
RESOURCES FUND, INC, 810 18TH ST., NW, #804 WASHINGTON DC 20006			
RETIRED OFFICERS ASSN, 201 N. WASHINGTON ST. ALEXANDRIA VA 22314		9,773.00	
JOHN H. REURS, 74 TRINITY PLACE NEW YORK NY 10006	NEW YORK COMM OF INTL COMM OF PASSENGER LINES		
VINCENT P. REUSING, 1025 CONNECTICUT AVENUE, NW, #1010 WASHINGTON DC 20036	METROPOLITAN INSURANCE COS	1,000.00	
ALAN V. REUTHER, 1757 N STREET, NW WASHINGTON DC 20036	UNITED AUTO, AEROSPACE & AGRICULTURAL IMPLEMENT WORKERS	12,793.82	309.56
ALLAN R. REXINGER, 1150 CONNECTICUT AVE., NW, #1200 WASHINGTON DC 20036	PROPRIETARY ASSN	3,281.25	150.00
MARK E. REY, 1619 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20036	NATIONAL FOREST PRODUCTS ASSN	1,500.00	
RENEE REYMOND, 1776 F STREET, NW WASHINGTON DC 20006	NATIONAL ASSN OF MANUFACTURERS		200.00
MARY ANNE REYNOLDS, 8111 GATEHOUSE ROAD FALLS CHURCH VA 22047	AMERICAN AUTOMOBILE ASSN		
FREDERICK W. RHODES, 1800 K STREET, NW, #800 WASHINGTON DC 20006	GOODYEAR TIRE & RUBBER CO	3,000.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
JOHN J. RHODES, HUNTON & WILLIAMS 2000 PENNSYLVANIA AVENUE, NW WASHINGTON DC 20006	INTERNATIONAL TELECOMMUNICATIONS SATELLITE ORGANIZATION	300.00	
Do	ROCKY MOUNTAIN ENERGY, UNION PACIFIC RAILROAD	500.00	
Do	WESTERN SAVINGS & LOAN ASSN		
EDMUND B. RICE, 444 NORTH CAPITOL ST., NW, #500 WASHINGTON DC 20001	AMERICAN HOSPITAL ASSN	3,115.72	
RICE GENOCIDE RESEARCH, 3046 ROOSEVELT STREET DETROIT MI 48216			170.80
M. LEE RICE, 1110 VERMONT AVENUE, NW WASHINGTON DC 20005	SHIPBUILDERS COUNCIL OF AMERICA	1,500.00	
THERON J. RICE, 1700 PENNSYLVANIA AVE., NW, #900 WASHINGTON DC 20006	CONOCO, INC		
JAMES E. RICH JR., 1025 CONNECTICUT AVE., NW, #200 WASHINGTON DC 20036	SHELL OIL COMPANY	500.00	
HEATHER S. RICHARDS, 1010 WISCONSIN AVE., NW, #800 WASHINGTON DC 20007	GROCERY MANUFACTURERS OF AMERICA, INC		
RICHARD RICHARDS, CRAFT & RICHARDS 1050 THOMAS JEFFERSON STREET, NW, 6TH FL WASHINGTON DC 20007	NATIONAL ARMORED CAR ASSN, INC	2,075.00	82.98
Do	SIKORSKY AIRCRAFT	6,666.66	89.43
ALAN H. RICHARDSON, 2301 M ST., NW WASHINGTON DC 20037	AMERICAN PUBLIC POWER ASSN	5,000.00	
DONNA RICHARDSON, 1101 14TH STREET, NW, #200 WASHINGTON DC 20005	AMERICAN NURSES' ASSN	4,932.01	46.18
JOHN C. RICHARDSON, 520 MADISON AVENUE NEW YORK NY 10022	LEBOEUF LAMB LEIBY & MACRAE (FOR: BRITISH INSURANCE ASSN AND LLOYD'S OF LONDON).		
LOIS RICHERSON, 1724 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20036	NATIONAL CABLE TELEVISION ASSN, INC	981.00	
DON L. RICKETTS, 2550 M STREET, NW, #695 WASHINGTON DC 20037	BEAR STEARNS & CO	250.00	
Do	GENERAL AMERICAN LIFE INSURANCE CO	350.00	
Do	MASSACHUSETTS MUTUAL LIFE INSURANCE CO	2,500.00	
Do	NORTHWESTERN MUTUAL LIFE	2,500.00	
JUDY NOEL RIDDLE, 6630 W. BROAD ST. RICHMOND VA 23230	LAWYERS TITLE INSURANCE CORP		
LOWELL J. RIDGEWAY, NORTH DAKOTA PETROLEUM COUNCIL P.O. BOX 1395 BISMARCK ND 58502	AMERICAN PETROLEUM INST	632.00	
E. GEORGE RIEDEL, 1600 M STREET, NW WASHINGTON DC 20036	INTERNATIONAL TELEPHONE & TELEGRAPH CORPORATION	1,800.00	150.00
SIERT F. RIEPMA, 1625 I ST., NW, #1024-A WASHINGTON DC 20006	NATIONAL ASSN OF MARGARINE MFGRS		
E. PHILIP RIGGIN, 1608 K ST., NW WASHINGTON DC 20006	AMERICAN LEGION	11,322.00	824.91
PAT RILEY, 2020 K ST., NW, #200 WASHINGTON DC 20006	NATIONAL FED OF FEDERAL EMPLOYEES	41.18	
SUSAN RILEY, 1250 CONNECTICUT AVE., NW, #620 WASHINGTON DC 20036	NATIONAL MULTI HOUSING COUNCIL	1,812.66	
DALE P. RIORDAN, 3900 WISCONSIN AVENUE, NW WASHINGTON DC 20016	FEDERAL NATIONAL MORTGAGE ASSN	23,750.00	124.29
KEVIN J. RIORDAN, 1700 K ST., NW, #1204 WASHINGTON DC 20006	CHEVRON USA INC	225.00	165.00
JOHN S. RIPPEY, 730 15TH ST., NW WASHINGTON DC 20005	ASSOCIATION OF BANK HOLDING COS	1,187.50	46.00
RISELLI & PRESSLER, 2033 M STREET, NW, #504 WASHINGTON DC 20036	PROFESSIONAL MANAGERS' ASSN	561.36	2.67
CAROL A. RISHER, 2005 MASSACHUSETTS AVE., NW WASHINGTON DC 20036	ASSOCIATION OF AMERICAN PUBLISHERS	2,000.00	
ROBIN RISSO, 511 C STREET, NE WASHINGTON DC 20002	CONTINENTAL ASSN OF RESOLUTE EMPLOYERS (C.A.R.E.)		
JAMES E. RITCHIE & ASSOCIATES, 499 S. CAPITOL ST., SW, #400 WASHINGTON DC 20003	GAMING INDUSTRY ASSN OF NEVADA, INC		
Do	GOLDEN NUGGET, INC		
Do	NATIONAL ASSN OF OFF-TRACK BETTING		
Do	NATIONAL ASSN OF OPTOMETRISTS & OPTICIANS, INC		
Do	NEVADA RESORT ASSN		
JEANNE M. RITCHIE, 1850 K STREET, NW WASHINGTON DC 20006	AMERICAN COUNCIL OF LIFE INSURANCE, INC		
STARK RITCHIE, 1220 L ST., NW WASHINGTON DC 20005	AMERICAN PETROLEUM INSTITUTE		
PHILLIP W. RIVERS, 1050 17TH ST., NW #500 WASHINGTON DC 20036	TEXACO INC	54.90	
RIVKIN RADLER DUNNE & BAYH, 1575 I STREET, NW, #1025 WASHINGTON DC 20005	AMERICAN CAN CO		
Do	AMERICAN CANCER SOCIETY	7,500.00	500.00
Do	LEXITEL CORPORATION		
Do	NATIONAL BASKETBALL ASSN	4,417.00	165.00
Do	SUGAR USERS GROUP	8,500.00	550.00
RJR INDUSTRIES, INC. 1100 REYNOLDS BLVD. WINSTON-SALEM NC 27106			9,215.55
RAY ROBERTS & ASSOCIATES, 2224 PEMBROOKE DENTON TX 76201	J. W. BATESON & CO, INC	3,000.00	1,381.56
Do	TEXAS UTILITIES SERVICES, INC	3,000.00	1,095.88
BRADLEY H. ROBERTS, 1899 L STREET, NW WASHINGTON DC 20036	AMERICAN ASSN OF ADVERTISING AGENCIES	2,500.00	750.00
PATRICIA L. ROBERTS, 1825 K ST., NW, #1107 WASHINGTON DC 20006	PHILLIPS PETROLEUM COMPANY	1,250.00	97.96
PERRY A. ROBERTS, 8000 FLORISSANT ST. LOUIS MO 63136	EMERSON ELECTRIC CO		548.32
RICHARD R. ROBERTS, 1629 K STREET, NW, #500 WASHINGTON DC 20006	AMERICAN COUNCIL OF HIGHWAY ADVERTISERS	500.00	1,111.90
RICHARD W. ROBERTS, 100 EAST 42ND ST. NEW YORK NY 10017	NATIONAL FOREIGN TRADE COUNCIL, INC	500.00	
RUTH M. ROBERTS, P.O. BOX B-12 RICHLANDTOWN PA 18955	COALITION FOR ALTERNATIVES IN NUTRITION & HEALTHCARE, INC		
WILLIAM A. ROBERTS, 444 NORTH CAPITOL STREET, #711 WASHINGTON DC 20001	KEEFE COMPANY (FOR: WESTINGHOUSE ELECTRIC CORP)		
MARK ROBERTSON, THE POWER HOUSE 3255 GRACE STREET, NW WASHINGTON DC 20007	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: AMERICAN EXPRESS CO)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: NATIONAL BROADCASTING CO).		
BETTY S. ROBINSON, 1757 N ST., NW WASHINGTON DC 20036	UNITED AUTO, AEROSPACE & AGRICULTURAL IMPLEMENT WORKERS	11,080.86	54.50
CHARLES A. ROBINSON JR., 1800 MASSACHUSETTS AVE., NW WASHINGTON DC 20036	NATIONAL RURAL ELECTRIC COOPERATIVE ASSN	205.33	
ERNESTINE S. ROBINSON, 1575 EYE STREET, NW WASHINGTON DC 20005	AMERICAN SOC OF ASSN EXECUTIVES	300.00	
KENNETH L. ROBINSON, 1111 N. 19TH STREET, #700 ARLINGTON VA 22209	NATIONAL ASSN OF FEDERAL CREDIT UNIONS	1,400.00	
ROBINSON SILVERMAN PEARCE ARONSOHN & BERMAN, 230 PARK AVE. NEW YORK NY 10169	NATIONAL REALTY COMMITTEE		
THOMAS E. ROBINSON, 1101 17TH ST., NW, #700 WASHINGTON DC 20036	NATIONAL ASSN OF REAL ESTATE INVESTMENT TRUSTS	3,600.00	
GILBERT A. ROBINSON, INC, 1825 K STREET, NW, #206 WASHINGTON DC 20008	INTERNATIONAL TELECOMMUNICATIONS SATELLITE ORGANIZATION	3,950.00	2,000.00
BOB JOHN ROBISON, 1201 PENNSYLVANIA AVENUE, NW, #700 WASHINGTON DC 20004	HILL & KNOWLTON, INC	1,750.00	138.58
ANTOINETTE K. ROCHE, 1025 CONNECTICUT AVENUE, NW WASHINGTON DC 20036	GA TECHNOLOGIES, INC	2,000.00	350.00
JAMES ANTHONY ROCK, 1730 M STREET, NW, #607 WASHINGTON DC 20036	MONTANA POWER CO AND WASHINGTON WATER POWER CO	500.00	669.08
MICHAEL J. ROCK, 444 NORTH CAPITOL STREET, NW WASHINGTON DC 20001	AMERICAN HOSPITAL ASSN	2,396.92	45.03
DAVID W. RODERER, 3900 WISCONSIN AVENUE, NW WASHINGTON DC 20016	FEDERAL NATIONAL MORTGAGE ASSN		
RODEY DICKASON SLOAN AKIN & ROBB, P.O. BOX 1888 ALBUQUERGUE NM 87103	NAVAJO TRIBE		
QUINCY RODGERS, 1200 NEW HAMPSHIRE AVE., NW, #320 WASHINGTON DC 20036	GENERAL INSTRUMENT CORPORATION	600.00	5.00
JACK E. ROEBEL, 712 COMMERCE BLDG. 127 W. BERRY STREET FORT WAYNE IN 46802	SHEET METAL WORKERS MID-STATES HEALTH & BENEFIT TRUST		
ROGERS & WELLS, 1737 H STREET, NW WASHINGTON DC 20006	AMERICAN EXPRESS CO		103.65
Do	CEMENTOS ANAHUAC DEL GOLFO, S.A.		
Do	LIZ CLAIBORNE, INC	4,150.00	283.17
Do	DESERT PALACE, INC		
Do	DREYFUS CORPORATION	6,300.00	271.07
Do	FRANZIA, FRED T. JOHN C. & JOSEPH S		
Do	GROCERY MANUFACTURERS OF AMERICA	16,882.22	508.93
Do	WILLIAM ANTHONY HOGAN		
Do	INTERNOOR TRADE, INC		
Do	KAMEHAMEHA SCHOOLS/BERNICE P. BISHOP ESTATE		
Do	MERRILL LYNCH & CO, INC		
Do	MERRILL LYNCH EQUITY ACCESS		
Do	MERRILL LYNCH HUBBARD		
Do	MORRIS & GWENDOLYN CAFRITZ FOUNDATION		
Do	NATIONAL ASSN OF BEDDING MANUFACTURERS		
Do	PAN AMERICAN WORLD AIRWAYS, INC		
Do	PAN AMERICAN WORLD SERVICES		
Do	PARIBAS CORPORATION		
Do	PFIZER, INC		
Do	TEACHERS INSURANCE & ANNUITY ASSN/COLLEGE RET. EQUITIES FUND		
BRUCE N. ROGERS, 1660 L ST., NW WASHINGTON DC 20036	GENERAL MOTORS CORP	2,500.00	4,355.02
DONALD L. ROGERS, 730 15TH ST., NW WASHINGTON DC 20005	ASSOCIATION OF BANK HOLDING COS	2,106.25	
JAMES T. ROGERS, 311 FIRST STREET, NW WASHINGTON DC 20001	NATIONAL RESTAURANT ASSN		
MARGARET ROGERS, 1025 CONNECTICUT AVE., NW, #409 WASHINGTON DC 20036	PRINTING INDUSTRIES OF AMERICA, INC		
CAROLE M. ROGIN, 1255 23RD ST., NW WASHINGTON DC 20037	HAUCK & ASSOCIATES, INC (FOR: HEARING INDUSTRIES ASSN)		
Do	HAUCK & ASSOCIATES, INC. (FOR: NATIONAL ASSN FOR CHILD CARE MANAGEMENT)		
RICHARD A. ROHRBACH, 1615 M STREET, NW, #570 WASHINGTON DC 20036	BOISE CASCADE CORP	22,250.00	583.48
STEPHEN F. ROHRKEMPER, 150 S. WASHINGTON ST., #100 FALLS CHURCH VA 22046	INTERNATIONAL TECHNICAL EXPERTISE, LTD		
JACK ROLLINS, 1201 16TH STREET, NW WASHINGTON DC 20036	OVERSEAS EDUCATION ASSN & NATIONAL EDUCATION ASSN		
JOHN F. ROLPH III, 1200 NEW HAMPSHIRE AVE., NW, #350 WASHINGTON DC 20036	CITIBANK, N.A	1,000.00	1,160.69
KENNETH S. ROLSTON JR , 1025 VERMONT AVE., NW, #1020 WASHINGTON DC 20005	AMERICAN PULPWOOD ASSN, INC		
MICHAEL J. ROMIG, 1850 K STREET, NW WASHINGTON DC 20006	AMERICAN COUNCIL OF LIFE INSURANCE, INC		
FRED B. ROONEY, 1050 CONNECTICUT AVE., NW, 12TH FL. WASHINGTON DC 20036	AMERICAN IRON & STEEL INSTITUTE	650.00	
Do	ASSOCIATION OF AMERICAN RAILROADS	750.00	
Do	CALMAT COMPANY	550.00	
Do	CRAWFORD FITTING CO	550.00	
Do	DENVER & RIO GRANDE WESTERN RAILROAD CO	600.00	
Do	LONE STAR INDUSTRIES, INC	550.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	M LIFE INSURANCE CO	750.00	
Do	PAUL, HASTINGS, JANOFSKY & WALKER (FOR: SECURITY LIFE OF DENVER)	650.00	
JOHN C. ROOTS, 1333 NEW HAMPSHIRE AVE., NW, #1001 WASHINGTON DC 20036	ATLANTIC RICHFIELD CO	33.99	
RAYMOND W. ROPER, 1601 DUKE STREET ALEXANDRIA VA 22314	SOCIETY OF AMERICAN FLORISTS		
ROPES & GRAY, 1001 22ND ST., NW, #700 WASHINGTON DC 20037	AMHERST COLLEGE; WELLESLEY COLLEGE		
ROSE SCHMIDT CHAPMAN DUFF & HASLEY, 1825 EYE ST., NW, #300 WASHINGTON DC 20006	ANNUAL CHARGES POLICY GROUP	850.00	29.11
Do	CIGAR ASSN OF AMERICA		
BURT ROSEN, 1700 PENNSYLVANIA AVE., NW WASHINGTON DC 20006	PFIZER, INC	1,000.00	1,174.84
LESTER L. ROSEN, 1025 VERMONT AVENUE, NW, #500 WASHINGTON DC 20005	MILES LABORATORIES, INC		
RICHARD ROSEN, 5010 WISCONSIN AVE., NW, #118 WASHINGTON DC 20016			
DAVID B. ROSENAUER, 1317 F STREET, NW, #400 WASHINGTON DC 20004	R. DUFFY WALL & ASSOCIATES, INC (FOR: BALCOR COMPANY)	300.00	
Do	R. DUFFY WALL & ASSOCIATES, INC (FOR: CANTOR FITZGERALD & CO, INC)	300.00	
Do	R. DUFFY WALL & ASSOCIATES, INC (FOR: ESSLETE BUSINESS SYSTEMS, INC)	300.00	
Do	R. DUFFY WALL & ASSOCIATES, INC (FOR: FOOTWEAR RETAILERS OF AMERICA)	300.00	
Do	R. DUFFY WALL & ASSOCIATES, INC (FOR: JMB REALTY CORP)	300.00	
Do	R. DUFFY WALL & ASSOCIATES, INC (FOR: LIFE OF VIRGINIA)	300.00	
Do	R. DUFFY WALL & ASSOCIATES, INC (FOR: MORGAN GUARANTY TRUST CO)	300.00	
Do	R. DUFFY WALL & ASSOCIATES, INC (FOR: NEW YORK STATE BANKERS ASSN)	300.00	
Do	R. DUFFY WALL & ASSOCIATES, INC (FOR: PHARMACEUTICAL MANUFACTURERS ASSN).	300.00	
Do	R. DUFFY WALL & ASSOCIATES, INC (FOR: TORCHMARK CORPORATION)	300.00	
Do	R. DUFFY WALL & ASSOCIATES, INC (FOR: WINE & SPIRITS WHOLESALERS OF AMERICA, INC).	300.00	
RICHARD ROSENBAUM, 666 THIRD AVE., 4TH FL. NEW YORK NY 10017	INTEGRATED RESOURCES, INC	3,000.00	250.00
SARA ROSENBAUM, 122 C STREET, NW WASHINGTON DC 20001	CHILDREN'S DEFENSE FUND	2,000.00	
FRANCIS C. ROSENBERGER, 6809 MELROSE DRIVE MCLEAN VA 22101	NATIONAL CONFERENCE OF BANKRUPTCY JUDGES		
ROGER C. ROSENTHAL, 2001 S ST., NW, #310 WASHINGTON DC 20009	MIGRANT LEGAL ACTION PROGRAN, INC		
ROSES, INC., 1152 HASLETT ROAD P.O. BOX 99 HASLETT MI 48840		1,793.11	1,883.07
JOE ROSS, P.O. BOX 1582 LITTLE ROCK AR 72201			
JOHN W. ROSS, 1301 PENNSYLVANIA AVE., NW WASHINGTON DC 20004	NATIONAL CATTLEMEN'S ASSN	1,000.00	
NANCY ROSS, 1010 VERMONT AVENUE, NW WASHINGTON DC 20005	RAINBOW ALLIANCE		50.00
WILLIAM F. ROSS, SOUTH CAROLINA PETROLEUM COUNCIL 716 KEENAN BLDG. COLUMBIA SC 29201	AMERICAN PETROLEUM INST	428.00	1,436.13
LESLEY A. ROSSE, 1220 L ST., NW, 5TH FL. WASHINGTON DC 20005	AMERICAN LAND DEVELOPMENT ASSN	1,500.00	
ALAN J. ROTH, SPIEGEL & MCDIARMID 2600 VIRGINIA AVE., NW WASHINGTON DC 20037	FT. PIERCE UTILITIES AUTH OF THE CITY OF FT. PIERCE, ET AL	450.00	
BARRY N. ROTH, 1120 20TH STREET, NW, #700 WASHINGTON DC 20036	WILLIAMS COMPANIES	100.00	
SAMUEL A. ROTH, 1615 H STREET, NW WASHINGTON DC 20062	CHAMBER OF COMMERCE OF THE U.S	2,000.00	
JOHN C. ROTHER, 1909 K STREET, NW WASHINGTON DC 20049	AMERICAN ASSN OF RETIRED PERSONS	807.69	46.95
EDWIN ROTHSCHILD, 1300 CONNECTICUT AVE., NW, #401 WASHINGTON DC 20036	CITIZEN/LABOR ENERGY COALITION	4,500.00	
DONALD D. ROUNDS, SOUTH DAKOTA PETROLEUM COUNCIL P.O. BOX 669 PIERRE SD 57501	AMERICAN PETROLEUM INSTITUTE	435.00	
MICHAEL O. ROUSH, CAPITAL GALLERY EAST, #695 600 MARYLAND AVE. WASHINGTON DC 20024	NATIONAL FEDERATION OF INDEPENDENT BUSINESS	2,250.00	200.00
ANN M. ROWAN, ONE THOMAS CIRCLE, NW, #900 WASHINGTON DC 20005	NATIONAL COMM TO PRESERVE SOCIAL SECURITY & MEDICARE		
Do	OAKLAND COLISEUM		
Do	PORT OF OAKLAND		
EUGENE F. ROWAN, 2550 M STREET, NW WASHINGTON DC 20037	NATIONAL ASSN OF CHAIN DRUG STORES	43.75	3.50
Do	REVCO D.S., INC	962.50	37.50
CHARLES ROWTON, 1899 L STREET, NW, #1100 WASHINGTON DC 20036	EXXON CORP	1,500.00	299.83
ROXTON, INC, 2000 S. EADS STREET, #1003 ARLINGTON VA 22202	GLOBAL IDENTIFICATION CORP		
ROBERT S. ROYER, ROYER & SHACKNAI 1747 PENNSYLVANIA AVE., NW WASHINGTON DC 20006	AMERICAN MILITARY SALES		
Do	CHRYSLER MILITARY SALES CORP		
Do	CITY OF AKRON, OHIO		
Do	FORD RIFF & BURGESS		
Do	HARLEY-DAVIDSON MILITARY SALES		
Do	INTERNATIONAL FUTURES EXCHANGE		
Do	INTEX HOLDINGS (BERMUDA) LTD		
Do	MICHIGAN TRADE EXCHANGE		
Do	MORGAN STANLEY & CO, INC		
Do	OVERSEAS MILITARY SALES GROUP		
Do	PHILLIPS PETROLEUM		
Do	SECURITIES INDUSTRY ASSOCIATION		
TOBI Z. ROZEN, 888 16TH ST., NW WASHINGTON DC 20006	MILK IND. FOUNDATION/INTL ASSN OF ICE CREAM MFRS		
EUGENE T. RUANE, 1325 G STREET, NW, #1003 WASHINGTON DC 20005	ENVIRONMENTAL FUND	650.00	10.00
JAMES S. RUBIN, 1150 CONNECTICUT AVE., NW, #700 WASHINGTON DC 20036	ALLIED CORPORATION	713.00	
BARBARA A. RUDOLPH, 1901 N. FORT MYER DRIVE, #302 ROSSLYN VA 22209	BEVERLY ENTERPRISES	3,375.00	512.80
CAMILLE KEARNS RUDY, 1346 CHESTNUT, #800 PHILADELPHIA PA 19107	GREATER PHILADELPHIA CHAMBER OF COMMERCE		
HENRY C. RUEMPLER, 1200 NEW HAMPSHIRE AVENUE, NW, #350 WASHINGTON DC 20036	CITIBANK, N.A	500.00	333.47
RONALD R. RUMBAUGH, 5205 LEESBURGH PIKE, #505 FALLS CHURCH VA 22041	NATIONAL BEER WHOLESALERS ASSN		
JOHN RUNYAN, 1730 NORTH LYNN ST., #409 ARLINGTON VA 22209	PRINTING INDUSTRIES OF AMERICA, INC	500.00	
MORGAN S. RUPH, 4647 FORBES BOULEVARD LANHAM MD 20706	AMVETS	6,800.00	150.47
ROBERT A. RUSBULDT, 1025 CONNECTICUT AVE., NW, #415 WASHINGTON DC 20036	AMERICAN INSURANCE ASSN	275.00	66.02
DOMENIC R. RUSCIO, 6TH FLOOR 2010 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20036			
BARRY RUSSELL, 1101 16TH ST., NW WASHINGTON DC 20036	INDEPENDENT PETROLEUM ASSN OF AMERICA		40.00
DOROTHEA L. RUSSELL, 1120 VERMONT AVENUE, NW, #1120 WASHINGTON DC 20005	NATIONAL CANDY WHOLESALERS ASSN, INC		
NANCY RUSSELL, 4921 SW HEWETT BLVD. PORTLAND OR 97221	FRIENDS OF THE COLUMBIA GORGE		
ROBERT M. RUSSELL, 2170 PIEDMONT RD., NE ATLANTA GA 30324	ORKIN PEST CONTROL	47.00	109.48
WALLY RUSTAD, 1800 MASSACHUSETTS AVE., NW WASHINGTON DC 20036	NATIONAL RURAL ELECTRIC COOPERATIVE ASSN	75.00	
HERMAN MAX RUTH, P.O. BOX 1000 OTISVILLE NY 10963			
J. T. RUTHERFORD & ASSOCIATES, INC., 1301 N. COURTHOUSE RD., #1802 ARLINGTON VA 22201	AMERICAN ASSN OF BIOANALYSTS/INTL SOC OF CLINICAL LAB TECHS		210.10
Do	AMERICAN COLLEGE OF RADIOLOGY		305.10
Do	AMERICAN OPTOMETRIC ASSN		231.20
Do	GTE/SPRINT COMMUNICATIONS		
SHERYL P. RUTLEDGE, CRAFT & RICHARDS 1050 THOMAS JEFFERSON ST., NW, 6TH FL. WASHINGTON DC 20007	CONSUMERS UNITED FOR RAIL EQUITY	306.25	181.35
ELLA MARICE RYAN, 1156 15TH ST., NW WASHINGTON DC 20005	J. C. PENNEY CO, INC	100.00	
FRANK T. RYAN, 1400 K STREET, NW WASHINGTON DC 20005	RUBBER MFGRS ASSN	2,500.00	
GEORGE J. RYAN, 915 ROCKEFELLER BUILDING CLEVELAND OH 44113	LAKE CARRIERS' ASSN		
JOHN F. RYAN, 1600 M STREET, NW WASHINGTON DC 20036	INTERNATIONAL TELEPHONE & TELEGRAPH CORPORATION	138.00	30.00
JOSEPH RYAN, SUITE 800 2033 M ST., NW WASHINGTON DC 20036	GENERAL INSTRUMENT CORPORATION		
NAJWA SA'D, 2033 M STREET, NW, #900 WASHINGTON DC 20036	NATIONAL ASSN OF ARAB AMERICANS		
DAVID J. SADD, 2033 M STREET, NW, #900 WASHINGTON DC 20036	NATIONAL ASSN OF ARAB AMERICANS	2,000.00	
DEAN SAGAR, 1050 17TH STREET, NW, #770 WASHINGTON DC 20036	AMERICAN ASSN OF HOMES FOR THE AGING	341.00	49.85
ANTHONY J. SAGGESE JR., 1050 17TH ST., NW, #500 WASHINGTON DC 20036	TEXACO, INC	500.00	
GREGORY A. SAHD, 2033 M STREET, NW WASHINGTON DC 20036	NATIONAL ASSN OF ARAB AMERICANS	875.00	439.85
FRANK MAX SALINGER, 1101 14TH ST., NW WASHINGTON DC 20005	AMERICAN FINANCIAL SERVICES ASSN		
JAMES H. SAMMONS, 535 NORTH DEARBORN STREET CHICAGO IL 60610	AMERICAN MEDICAL ASSN		
SANDERS SCHNABEL & BRANDENBURG, P.C., 1110 VERMONT AVENUE, NW, #600 WASHINGTON DC 20005	AMERICAN SOC OF ASSN EXECUTIVES	8,015.70	
STEPHEN E. SANDHERR, 1957 E STREET, NW WASHINGTON DC 20006	ASSOCIATED GENERAL CONTRACTORS OF AMERICA		
CHARLES E. SANDLER, 1220 L STREET, NW WASHINGTON DC 20005	AMERICAN PETROLEUM INST	6,000.00	
PETER G. SANDLUND, 1725 EYE ST., NW, #315 WASHINGTON DC 20006	COUNCIL OF EUROPEAN & JAPANESE NATIONAL SHIPOWNERS' ASSN	300.00	
BRUCE W. SANFORD, BAKER & HOSTETLER 818 CONNECTICUT AVENUE, NW WASHINGTON DC 20006	SOCIETY OF PROFESSIONAL JOURNALISTS, SIGMA DELTA CHI	1,500.00	178.10
JAMES D. SANTINI, BIBLE, SANTINI, HOY & MILLER 900 17TH ST., NW WASHINGTON DC 20006	CHICAGO NORTHWESTERN TRANSPORTATION CO	2,000.00	
Do	GREENS CREEK JOINT VENTURE	7,500.00	364.32
Do	HOMESTAKE MINING CO	750.00	452.16
Do	ISL VENTURES, INC	827.50	262.01
Do	LORIMAR PRODUCTIONS	2,000.00	38.04
Do	MARLENE C. MCGUIRL		34.91
Do	NATIONAL TOUR ASSN, INC	9,000.00	605.90
Do	NORANDA EXPLORATION, INC		271.40
Do	REDFIELD LAND COMPANY	2,000.00	
Do	SAVAGE INDUSTRIES		
CHARLES SAPP, 3500 TEXAS COMMERCE TOWER HOUSTON TX 77002	HOUSTON ENDOWMENT, INC		
RONALD A. SARASIN, 311 FIRST STREET, NW WASHINGTON DC 20001	NATIONAL RESTAURANT ASSN		
KAREN SASAHARA, 2033 M STREET, NW, #900 WASHINGTON DC 20036	NATIONAL ASSN OF ARAB AMERICANS		
SATELLITE SYNDICATED SYSTEMS, INC, P.O. BOX 702160 TULSA OK 74170			
ALBERT C. SAUNDERS, 1100 15TH ST., NW #900 WASHINGTON DC 20005	PHARMACEUTICAL MANUFACTURERS ASSN	4,000.00	50.35

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
RICHARD N. SAWAYA, 1333 NEW HAMPSHIRE AVE., NW WASHINGTON DC 20036	ATLANTIC RICHFIELD CO		
THOMAS C. SAWYER, 1825 K STREET, NW WASHINGTON DC 20006	NATIONAL BROADCASTING CO	2,000.00	328.70
ROBERT WAYNE SAYER, 4545 42ND STREET, NW WASHINGTON DC 20016	GCA CORP		125.90
OMAR SBITANI, 2033 M STREET, NW, #900 WASHINGTON DC 20036	NATIONAL ASSN OF ARAB AMERICANS		
MICHAEL B. SCANLON, 499 SOUTH CAPITOL ST., SW, #102 WASHINGTON DC 20003	NATIONAL TAXPAYERS UNION		
ROBERT H. SCARBOROUGH, 1700 PENNSYLVANIA AVE., NW, #600 WASHINGTON DC 20006	APPLE COMPUTER, INC		
ROBIN M. SCHACHTER, 1801 K ST., NW, #700 WASHINGTON DC 20006	PRICE WATERHOUSE		
LAURIE S. SCHAFFER, 1120 CONNECTICUT AVE., NW WASHINGTON DC 20036	AMERICAN BANKERS ASSN		
HAROLD A. SCHAITBERGER, 1750 NEW YORK AVE. WASHINGTON DC 20006	INTERNATIONAL ASSN OF FIRE FIGHTERS	13,402.08	
JEROME D. SCHALLER, 1101 15TH ST., NW WASHINGTON DC 20005	MINNESOTA MINING & MANUFACTURING CO	10,000.00	240.00
WILLIAM T. SCHAPAUGH, 1030 15TH STREET, NW WASHINGTON DC 20005	AMERICAN SEED TRADE ASSN	4,000.00	
C. M. SCHAUERTE, P.O. BOX 3247 HOUSTON TX 77253	AMERICAN GENERAL CORPORATION		
DEBORAH SCHECHTER, 1501 16TH STREET, NW WASHINGTON DC 20036	CENTER FOR SCIENCE IN THE PUBLIC INTEREST	2,400.00	
RICHARD H. SCHECK, 9107 WILSHIRE BLVD., #250 BEVERLY HILLS CA 90210			
DALE E. SCHELL, 1919 PENNSYLVANIA AVE., NW, #300 WASHINGTON DC 20006	GATX CORP		
KENNETH D. SCHLOMAN, 1600 RHODE ISLAND AVENUE, N.W. WASHINGTON DC 20036	NATIONAL RIFLE ASSOCIATION OF AMERICA	962.50	23.04
FOREST S. SCHMELING, 1515 WILSON BLVD. ARLINGTON VA 22209	AMERICAN GAS ASSN	900.00	325.00
RICHARD M. SCHMIDT JR , SUITE 600 1333 NEW HAMPSHIRE AVE., NW WASHINGTON DC 20036	ASSOCIATION OF AMERICAN PUBLISHERS	500.00	
SCHNADER HARRISON SEGAL & LEWIS, SUITE 1000 1111 19TH ST., NW WASHINGTON DC 20036	SAVIN CORPORATION		
Do	TOYOTA MOTOR CORPORATION	4,959.00	101.90
THERESA A. SCHNEIDER, 1575 EYE STREET, NW, #550 WASHINGTON DC 20005	INSTITUTE OF MAKERS OF EXPLOSIVES		
ABRAHAM SCHNEIER, 600 MARYLAND AVE., SW, #700 WASHINGTON DC 20024	NATIONAL FED OF INDEPENDENT BUSINESS	565.25	200.00
FRANK SCHNELLER, 1957 E ST., NW WASHINGTON DC 20006	ASSOCIATED GENERAL CONTRACTORS OF AMERICA		
SCHRAMM & RADDUE, 15 WEST CARRILLO STREET SANTA BARBARA CA 93101	H&W DRILLING CO		
JACK J. SCHRAMM, SUITE 607 600 MARYLAND AVENUE, SW WASHINGTON DC 20024	WASTE MANAGEMENT, INC	5,000.00	
MARSHA SCHRAMM, 1627 K ST., NW, #910 WASHINGTON DC 20006	DOMESTIC PETROLEUM COUNCIL, INC		
A. KOLBET SCHRICHTE, SUITE 500 1133 15TH STREET, NW WASHINGTON DC 20005	AMERICAN LOGISTICS ASSOCIATION		
H. B. W. SCHROEDER, 1050 17TH STREET, NW, #490 WASHINGTON DC 20036	CONSUMERS POWER CO	8,000.00	1,266.00
N. DONALD SCHROEDER, MARYLAND PETROLEUM COUNCIL 60 WEST ST., #403 ANNAPOLIS MD 21401	AMERICAN PETROLEUM INST	300.00	256.47
JUDY SCHUB, 1909 K STREET, NW WASHINGTON DC 20049	AMERICAN ASSN OF RETIRED PERSONS	461.54	359.80
DEBRA L. SCHULTZ, 354 LONGACRE AVENUE WOODMERE NY 11598			424.38
MARK SCHULTZ, 1615 H ST., NW WASHINGTON DC 20062	CHAMBER OF COMMERCE OF THE U.S.	5,000.00	
RICHARD F. SCHULTZ, 807 MAINE AVENUE, SW WASHINGTON DC 20024	DISABLED AMERICAN VETERANS	11,653.20	118.31
ROBERT L. SCHULZ, C/O IOWA PETROLEUM COUNCIL 1012 FLEMING BLDG. DES MOINES IA 50309	AMERICAN PETROLEUM INST	668.75	1,025.95
WALTER A. SCHUMANN III, 1511 NATALIE JOY LN. MCLEAN VA 22101	POTOMAC OVERLOOK ASSOCIATES		
JAMES H SCHUYLER, 15TH & M STS., NW WASHINGTON DC 20005	NATIONAL ASSN OF HOME BUILDERS OF THE U.S.		
DONALD H. SCHWAB, 200 MARYLAND AVE., NE WASHINGTON DC 20002	VETERANS OF FOREIGN WARS OF THE U.S.	12,750.00	1,160.30
SCHWABE WILLIAMSON WYATT MOORE & ROBERTS, SUITE 302 1000 POTOMAC ST., NW WASHINGTON DC 20007	MOUNTAIN STATES ENERGY, INC	1,842.60	2,274.14
Do	NORTHWEST INLAND WATERWAYS COMMITTEE		
Do	PIASECKI AIRCRAFT CORPORATION	2,000.00	2,468.16
Do	STATE OF OREGON, CITY OF PORTLAND, OREGON METRO	5,448.80	6,727.07
ELINOR SCHWARTZ, 318 S. ABINGDON STREET ARLINGTON VA 22204	CALIFORNIA STATE LANDS COMMISSION	7,800.00	1,618.39
RICHARD SCHWARTZ, 880 S. PICKETT ST. ALEXANDRIA VA 22304	BOAT OWNERS ASSOCIATION OF THE U.S.	4,000.00	
RICHARD S. SCHWEIKER, 1850 K STREET, NW WASHINGTON DC 20006	AMERICAN COUNCIL OF LIFE INSURANCE, INC	3,775.00	
SCIENTIFIC APPARATUS MAKERS ASSN, 1101 16TH ST., NW WASHINGTON DC 20036		6,989.57	5,339.13
MICHAEL SCIULLA, 880 S. PICKETT ST. ALEXANDRIA VA 22304	BOAT OWNERS ASSOCIATION OF THE U.S.	6,000.00	
SCOTT COMPANY, INC., 66 SURFWATCH DRIVE JOHNS ISLAND SC 29455	COASTAL PROPERTIES INSTITUTE, INC		
ELLEN SCOTT, 1750 NEW YORK AVENUE, NW WASHINGTON DC 20006	SHEET METAL WORKERS INT'L ASSN	6,325.00	
JAMES M. SCOTT, 66 SURFWATCH DRIVE JOHNS ISLAND SC 29455	SCOTT COMPANY		
JOHN N. SCOTT, 1825 K STREET, NW, #1107 WASHINGTON DC 20006	PHILLIPS PETROLEUM COMPANY	222.00	225.76
SCRIBNER HALL & THOMPSON, SUITE 700 1875 EYE STREET, NW WASHINGTON DC 20006	CNA FINANCIAL CORP		12,789.42
Do	PROVIDENT LIFE & ACCIDENT INSURANCE CO		7.00
Do	SECURITY LIFE OF DENVER INSURANCE CO	12,162.50	
Do	ST. PAUL COMPANIES		
Do	TRANSAMERICA CORPORATION		
Do	TRANSAMERICA OCCIDENTAL LIFE INSURANCE CO		
THOMAS ANDREW SCULLY, 950 L'ENFANT PLAZA, SW WASHINGTON DC 20024	COMMUNICATIONS SATELLITE CORP	1,500.00	741.45
TIMOTHY SCULLY, 25 LOUISIANA AVENUE, NW WASHINGTON DC 20001	INTERNATIONAL BROTHERHOOD OF TEAMSTERS	9,493.74	
EARL W. SEARS, P.O. BOX 12285 MEMPHIS TN 38112	NATIONAL COTTON COUNCIL OF AMER	4,687.50	95.47
LAW OFFICES OF JOHN SEARS, 818 CONNECTICUT AVENUE, NW WASHINGTON DC 20006	EMBASSY OF THE REPUBLIC OF SOUTH AFRICA	15,000.00	399.88
PAMELA SEDERHOLM, 2828 N. HASKELL AVE. DALLAS TX 75204	SOUTHLAND CORPORATION		
MARIA MCCREA SEGAL, 2033 M STREET, NW, #900 WASHINGTON DC 20036	NATIONAL ASSN OF ARAB AMERICANS	2,234.82	63.25
HOWARD SEGERMARK, 1701 PENNSYLVANIA AVE., NW, #533 WASHINGTON DC 20006	INDUSTRY COUNCIL FOR TANGIBLE ASSETS		
H. RICHARD SEIBERT JR., 1776 F ST., NW WASHINGTON DC 20006	NATIONAL ASSN OF MANUFACTURERS	1,048.00	
ARMISTEAD I. SELDEN, 122 C ST., NW, #740 WASHINGTON, DC 20001	AMERICAN LEAGUE FOR EXPORTS & SECURITY ASSISTANCE		
M. FRANK SELLERS, 1615 H STREET, NW WASHINGTON DC 20062	U.S. CHAMBER OF COMMERCE (FOR: BUSINESS ALLIANCE ON GOVERNMENT COMPETITION).	5,000.00	518.76
RICHARD C. SEMACK, 17000 EXECUTIVE PLAZA DRIVE DEARBORN MI 48126	AUTOMOBILE CLUB OF MICHIGAN		
MARLISSA SENCHAK, 777 14TH STREET, NW, 5TH FL. WASHINGTON DC 20005	NATIONAL ASSN OF REALTORS	1,750.00	151.55
STANTON P. SENDER, 633 PENNSYLVANIA AVE., NW WASHINGTON DC 20004	SEARS ROEBUCK & CO	3,710.00	81.00
TERRY L. SERIE, 1619 MASSACHUSETTS AVE., NW WASHINGTON DC 20036	AMERICAN PAPER INSTITUTE, INC		
STUART D. SERKIN, 1800 CONNECTICUT AVENUE, NW WASHINGTON DC 20009	SLURRY TECHNOLOGY ASSN	1,000.00	
SERVICE MASTER INDUSTRIES, INC, C/O OF TALCOTT MCCABE & ASSOCIATES 600 MARYLAND AVE., SW, 302 W. WING WASHINGTON DC 20024.			675.00
SEVEN MONTHS SESSION FOR CONGRESS, 4210 SPICEWOOD ROAD, #202 AUSTIN TX 78759			27.00
SEWARD & KISSEL, 919 18TH ST., NW WASHINGTON DC 20006	BALDWIN SECURITIES CORP	64.00	1.00
J. RICHARD SEWELL, 1111 19TH ST., NW, #1102 WASHINGTON DC 20036	FLORIDA POWER & LIGHT CO	2,100.00	451.00
SEYFARTH SHAW FAIRWEATHER & GERALDSON, 1111 19TH ST., NW WASHINGTON DC 20036	AGRICULTURAL PRODUCERS		
Do	AMERICAN SOC OF PENSION ACTUARIES	11,250.00	799.30
Do	JOHNSON & HIGGINS	1,787.50	
DONNA S. SHAFFER, DULLES INTERNATIONAL AIRPORT P.O. BOX 17309 WASHINGTON DC 20041	PRIDE AIR, INC		
VICTORIA MCKENZIE SHAIN, 1710 RHODE ISLAND AVENUE, NW, #300 WASHINGTON DC 20036	ABBOTT LABORATORIES	1,000.00	
JAMES M. SHAMBERGER, 1025 CONNECTICUT AVE., NW, #512 WASHINGTON DC 20036	REINSURANCE ASSN OF AMER		10.00
DEBORAH L. SHANNON, 1150 17TH ST., NW, #306 WASHINGTON DC 20036	NATIONAL MULTI HOUSING COUNCIL	1,250.00	
NORMAN F. SHARP, 1100 17TH STREET, NW, #1201 WASHINGTON DC 20036	CIGAR ASSN OF AMERICA, INC		56.40
KAREN DOLMATCH SHAW, SUITE 920 1800 K ST., NW WASHINGTON DC 20006	BANKAMERICA CORPORATION	43.62	55.12
LUTHER W. SHAW, SUITE 514 1155 15TH ST., NW WASHINGTON DC 20005	NATIONAL AGRICULTURAL CHEMICALS ASSN	5,625.00	29.00
SHAW PITTMAN POTTS & TROWBRIDGE, 1800 M ST., NW, #900-S WASHINGTON DC 20036	AMALGAMATED BANK OF NEW YORK		
Do	ASSOCIATION FOR THE IMPROVEMENT OF THE MISSISSIPPI RIVER		
Do	ATLAS MINERALS DIVISION	19,532.00	
Do	COMMITTEE FOR PRIVATE EDUCATION		
Do	EMERSON ELECTRIC CO	909.00	
Do	INSTITUTE OF FOREIGN BANKERS		
Do	INVESTMENT COMPANY INSTITUTE	900.00	
Do	MARRIOTT CORPORATION	47,125.00	497.00
Do	NATIONAL AUTOMOBILE DEALERS ASSN	6,421.50	1,005.21
Do	NATIONAL COMM ON SMALL ISSUE INDUSTRIAL DEVELOPMENT BONDS		
Do	UTILITY NUCLEAR WASTE MANAGEMENT GROUP		
RUSSELL H. SHAY, 6014 COLLEGE AVE. OAKLAND CA 94618	SIERRA CLUB	340.31	120.50
DONALD B. SHEA, 1750 K STREET, NW WASHINGTON DC 20006	U.S. BREWERS ASSN, INC	2,456.97	1,614.28
JAMES V. SHEAHAN, 223 PERIMETER CTR. PKWY. P.O. BOX 89000 ATLANTA GA 30338	SIEMENS-ALLIS, INC		
JOHN J. SHEEHAN, 815 16TH ST., NW, #706 WASHINGTON DC 20006	UNITED STEELWORKERS OF AMERICA	12,275.73	
MONICA M. SHEEHAN, 840 NORTH LAKE SHORE DRIVE CHICAGO IL 60611	AMERICAN HOSPITAL ASSN		
KATHLEEN SHEEKEY, 3RD FLOOR 2030 M STREET, NW WASHINGTON DC 20036	COMMON CAUSE	10,862.52	191.00
DEBORAH A. SHEIMAN, 1350 NEW YORK AVENUE, NW WASHINGTON DC 20005	NATURAL RESOURCES DEFENSE COUNCIL		
JONATHAN R. SHEINER, 410 FIRST ST., SE WASHINGTON DC 20003	CONSOLIDATED EDISON CO OF NEW YORK, INC	676.25	
C. DOUGLAS SHELBY, FLORIDA PETROLEUM COUNCIL 325 JOHN KNOX RD., #F-210 TALLAHASSEE FL 32303	AMERICAN PETROLEUM INSTITUTE	87.36	
SEYMOUR SHERIFF, 1126 WOODWARD BLDG. WASHINGTON DC 20005	MAN-MADE FIBER PRODUCERS ASSN, INC		
VICTOR A. SHERLOCK, 1111 14TH STREET, NW, #300 WASHINGTON DC 20005	AMERICAN BAKERS ASSN	387.50	2.50
R. PHILIP SHIMER, SUITE 405 444 N. CAPITAL ST., NW WASHINGTON DC 20001	WESTERN GOVERNORS ASSOCIATION		
SHIPLEY SMOOK HENRY & HOLDGREIWE, 910 17TH STREET, NW, #320 WASHINGTON DC 20006	BLUEJAY OIL COMPANY		
Do	FEDERATED DEPT STORES, INC		
Do	FORT SILL GARDENS, INC		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	STEADMAN MUTUAL FUNDS		
Do	STEADMAN SECURITY CORPORATION		
Do	WBNO RADIO AND WLKM RADIO		
HARVEY A. SHIPMAN, 1701 PENNSYLVANIA AVENUE, NW, #830 WASHINGTON DC 20006	PENN CENTRAL CORPORATION		
SHIPPERS NATIONAL FREIGHT CLAIM COUNCIL, INC, 120 MAIN STREET HUNTINGTON NY 11743			
MARY FRANCES SHLAGEL, SUITE 760 1050 CONNECTICUT AVE., NW WASHINGTON DC 20036	UNION OIL CO OF CALIFORNIA		
SHOOSHAN & JACKSON, INC., 1990 M ST., NW, #450 WASHINGTON DC 20036	ROGERS U.S. CABLESYSTEMS, INC		
HARRY M. SHOOSHAN III, 1990 M ST., NW, #450 WASHINGTON DC 20036	SHOOSHAN & JACKSON, INC (FOR: ROGERS U.S. CABLESYSTEMS, INC)		
SCOTT SHOTWELL, 1619 MASSACHUSETTS AVE., NW WASHINGTON DC 20036	NATIONAL FOREST PRODUCTS ASSN	2,475.00	
A. Z. SHOWS, RM 203 1801 COLUMBIA RD., NW WASHINGTON DC 20009			
FREDERICK L. SHREVES II , HILL BETTS & NASH 1818 N STREET, NW, #700 WASHINGTON DC 20036	DONOHOE CONSTRUCTION CO, INC		
SANA F. SHTASEL, 1909 K STREET, NW WASHINGTON DC 20049	AMERICAN ASSN OF RETIRED PERSONS	651.92	122.33
JOHN SHUEY, P.O. BOX 3151 HOUSTON TX 77253	BROWNING-FERRIS INDUSTRIES, INC		
SIDLEY & AUSTIN, 1722 EYE STREET, NW WASHINGTON DC 20006	PEORIA JOURNAL STAR, INC	12,372.00	
MARK A. SIEGEL & ASSOCIATES, SUITE 368 400 NORTH CAPITOL STREET, NW WASHINGTON DC 20001	ARCHER DANIELS MIDLAND COMPANY		
Do	COMMONWEALTH OF PUERTO RICO	11,941.50	1,765.50
Do	MONEY STORE		
Do	POWER AUTHORITY OF THE STATE OF NEW YORK		
LAWRENCE E. SIEGEL, 8283 GREENSBORO DRIVE MCLEAN VA 22102	SATELLITE BUSINESS SYSTEMS		
JAMES V. SIENA, 1735 NEW YORK AVENUE, NW WASHINGTON DC 20006	AMERICAN INSTITUTE OF ARCHITECTS	2,000.00	
MARK SILBERGELD, 2001 S STREET, SW, #520 WASHINGTON DC 20009	CONSUMERS UNION OF U.S., INC	3,700.00	20.00
DAVID SILVER, 1600 M ST., NW WASHINGTON DC 20036	INVESTMENT COMPANY INSTITUTE	115.38	4.00
STEVE SILVER, ROBERTSON MONAGLE EASTAUGH & BRADLEY 21 DUPONT CIRCLE, NW WASHINGTON DC 20036	ALASKA PULP CORP	1,600.00	
Do	ARCO TRANSPORTATION CO	754.00	
Do	MOORE MCCORMAK BULK TRANSPORT, INC	754.00	
Do	NORANDA MINING, INC	3,070.00	
SILVER USERS ASSN, INC, 1717 K ST., NW WASHINGTON DC 20006		100.85	2,766.38
SILVERSTEIN & MULLENS, 1776 K ST., NW WASHINGTON DC 20006	ASSOCIATION FOR ADVANCED LIFE UNDERWRITING	5,000.00	
Do	BRISTOL-MYERS CO		
Do	F.W. WOOLWORTH CO		
Do	FEDERAL NATIONAL MORTGAGE ASSN		
Do	GATX CORP		
Do	MUSIC CORP OF AMERICA, INC		
Do	NATIONAL ASSN OF HOME BUILDERS OF THE U.S.		
Do	NATIONAL COUNCIL OF SAVINGS INSTITUTIONS		
M. P. SIMMONS, P.O. BOX 860 VALLEY FORGE PA 19482	CERTAINTEED CORP		
NEIL A. SIMON, 1350 NEW YORK AVE., NW, #900 WASHINGTON DC 20005	INTERNATIONAL FRANCHISE ASSN		
PHILIP SIMON, 2030 M STREET, NW WASHINGTON DC 20036	COMMON CAUSE	3,800.01	
STANLEY C. SIMON, TOBOLOWSKY PRAGER & SCHLINGER 1900 SOUTHLAND CENTER DALLAS TX 75201	SOUTHLAND CORPORATION	4,800.00	1,436.11
TALMAGE E. SIMPKINS, 100 INDIANA AVE., NW WASHINGTON DC 20001	LABOR MANAGEMENT MARITIME COMMITTEE, INC	1,436.00	203.38
C. KYLE SIMPSON, P.O. BOX 3 HOUSTON TX 77001	BROWN & ROOT, INC		
ALBERT M. SIMS, BOX 872 SMITHTOWN NY 11787	PERFORMANCE ENGINEERING, INC		
IVAN E. SINCLAIR, 1000 WILSON BOULEVARD, #2700 ARLINGTON VA 22209	TRW, INC	1,000.00	
JAMES W. SINGER III, 1100 15TH STREET, NW WASHINGTON DC 20005	PHARMACEUTICAL MANUFACTURERS ASSN	4,000.00	41.70
RICHARD L. SINNOTT & CO, SUITE 900 ONE THOMAS CIRCLE, NW WASHINGTON DC 20005	AMERICAN PRESIDENT LINES		
Do	NATIONAL FOOTBALL LEAGUE		
Do	OAKLAND COLISEUM	6,000.00	
Do	PORT OF OAKLAND	3,000.00	
RICHARD L. SINNOTT, ONE THOMAS CIRCLE, NW, #900 WASHINGTON DC 20005	NATIONAL COMM TO PRESERVE SOCIAL SECURITY & MEDICARE	9,000.00	
SKADDEN ARPS SLATE MEAGHER & FLOM, 919 18TH STREET, NW WASHINGTON DC 20006	AIR PRODUCTS & CHEMICALS, INC	10,000.00	
Do	CALIFORNIA STUDENT LOAN FINANCE CORP	2,500.00	
Do	CITIES SERVICE OIL & GAS CORP		
Do	DREXEL BURNHAM LAMBERT, INC	39,500.00	
Do	OCEAN THERMAL CORP		
Do	SEA-LAND CORP		
Do	TEXACO, INC		
Do	TRANSCO ENERGY COMPANY		
Do	TRICENTROL U.S., INC		
CYNTHIA ELLIOT SKIFF, 8111 GATEHOUSE ROAD FALLS CHURCH VA 22047	AMERICAN AUTOMOBILE ASSN		
WILLIAM J. SKINNER, 815 15TH ST., NW WASHINGTON DC 20005	U.S. PHARMACOPEIAL CONVENTION, INC	468.97	
BARNEY J. SKLADANY JR , 1100 CONNECTICUT AVE., NW, #620 WASHINGTON DC 20036	MOBIL OIL CORP	1,125.00	
RUTH L. SKY, 2211 CONGRESS ST. PORTLAND ME 04122	UNION MUTUAL LIFE INSURANCE CO		
ROBERT G. SLAUGHTER, 1000 16TH STREET, NW, #500 WASHINGTON DC 20036	AMOCO CORPORATION	250.00	38.50
SCOTT L. SLESINGER, SUITE 804 1101 14TH ST., NW WASHINGTON DC 20005	NATIONAL APARTMENT ASSN		
BARRY S. SLEVIN, 1000 POTOMAC STREET, NW WASHINGTON DC 20007	SEIFMAN, SEMO, SLEVIN & MARCUS, P.C. (FOR: UNITED FOOD & COMMERCIAL WORKERS INT'L UNION).	6,300.00	1,753.50
RONALD J. SLINN, 260 MADISON AVENUE NEW YORK NY 10016	AMERICAN PAPER INST, INC		
DEBORAH SLIZ, 2301 M STREET, NW WASHINGTON DC 20037	AMERICAN PUBLIC POWER ASSN	500.00	
CATHERINE REISS SLOAN, 1990 M ST., NW, #450 WASHINGTON DC 20036	SHOOSHAN & JACKSON, INC (FOR: ROGERS U.S. CABLESYSTEMS, INC)		
JOHN E. SLOAN JR., CAPITAL GALLERY EAST, #695 600 MARYLAND AVENUE, SW WASHINGTON DC 20024	NATIONAL FED OF INDEPENDENT BUSINESS	1,150.00	200.00
SLURRY TECHNOLOGY ASSN, 1800 CONNECTICUT AVE., NW WASHINGTON DC 20009		5,844.77	
SMALL BUSINESS COUNCIL OF AMERICA, INC, P.O. BOX 4299 COLUMBUS GA 31904		3,435.00	48,099.97
SMALL BUSINESS LEGISLATIVE COUNCIL, 1604 K ST., NW WASHINGTON DC 20006		3,000.00	145.00
KEITH R. SMALL, 777 14TH STREET, NW WASHINGTON DC 20005	NATIONAL ASSN OF REALTORS		
SMATHERS HICKEY & RILEY, SUITE 400 1700 K ST., NW WASHINGTON DC 20006	AMERICAN HORSE COUNCIL	3,666.00	
Do	FLORIDA EAST COAST RAILWAY CO	750.00	
Do	NATIONAL HOCKEY LEAGUE	1,500.00	
Do	PENNZOIL CO	6,000.00	
Do	REPUBLIC OF SOUTH AFRICA	7,500.00	
DONALD E. SMILEY, 1899 L ST., NW, #1100 WASHINGTON DC 20036	EXXON CORPORATION	500.00	
JAMES R. SMIRCINA, P.O. BOX 5000 CLEVELAND OH 44101	CLEVELAND ELECTRIC ILLUMINATING CO	383.00	398.00
CATHERINE S. SMITH, 1730 K ST., NW, #703 SUITE 209 WASHINGTON DC 20006	AMERICAN BUSINESS CONFERENCE, INC	124.51	30.00
DANIEL T. SMITH, P.O. BOX 660074 DALLAS TX 75266	INTERNATIONAL AIRLINE PASSENGERS ASSN, INC		
DIANE E. SMITH, 8881 ROSEMONT DETROIT MI 48228	ARTISTS PRODUCTS CELEBRITY DEVELOPMENT	700.00	507.43
ELIZABETH M. SMITH, 815 16TH ST., NW, #310 WASHINGTON DC 20006	AMALGAMATED CLOTHING & TEXTILE WORKERS UNION	5,667.00	3,548.95
FREDERICK P. SMITH JR., 1575 EYE STREET, NW, #550 WASHINGTON DC 20005	INSTITUTE OF MAKERS OF EXPLOSIVES		
GORDON L. SMITH, 1201 PENNSYLVANIA AVE., NW, #700 WASHINGTON DC 20004	HILL & KNOWLTON, INC (FOR: FLORISTS' TRANSWORLD DELIVERY ASSN)	2,500.00	
JAMES P. SMITH, 2000 L STREET, NW, #200 WASHINGTON DC 20036	HOSPITAL CORP OF AMERICA	1,763.00	
JEFFREY A. SMITH, 1600 WILSON BOULEVARD, #1000 ARLINGTON VA 22209	AMERICAN WATERWAYS OPERATORS, INC		
JEFFREY A. SMITH, 919 18TH STREET, NW, #600 WASHINGTON DC 20006	TOYOTA MOTOR SALES, USA, INC	160.00	
JENNIFER L. SMITH, 900 17TH STREET, NW, #520 WASHINGTON DC 20006	WEST MEXICO VEGETABLE DISTRIBUTORS ASSN	300.00	
JOSEPH M. SMITH, 1730 K ST., NW, #703 WASHINGTON DC 20006	AMERICAN BUSINESS CONFERENCE	50.77	30.00
JULIAN H. SMITH JR., 600 NORTH 18TH STREET BIRMINGHAM AL 35291	ALABAMA POWER CO	16,209.00	12,756.95
MICHAEL E. SMITH, 55 PUBLIC SQUARE, RM. 624 P.O. BOX 5000 CLEVELAND OH 44113	CLEVELAND ELECTRIC ILLUMINATING CO		
MICHAEL P. SMITH, 485 LEXINGTON AVE. NEW YORK NY 10017	NEW YORK STATE BANKERS ASSN	800.00	381.00
RONALD E. SMITH, 2501 M STREET, NW WASHINGTON DC 20037	CHEMICAL MANUFACTURERS ASSN	5,000.00	2,606.83
SHALAH SMITH, 1130 17TH STREET, NW WASHINGTON DC 20036	NATIONAL COAL ASSN	2,360.00	135.30
SUSAN SNYDER SMITH, 7900 WESTPARK DRIVE, #514 MCLEAN VA 22102	CHOCOLATE MANUFACTURERS ASSN OF THE USA	750.00	812.15
WILLIAM C. SMITH, 1850 K STREET, NW, #1100 WASHINGTON DC 20006	BALLARD SPAHR ANDREWS & INGERSOLL		
WAYNE H. SMITHEY, 815 CONNECTICUT AVE., NW WASHINGTON DC 20006	FORD MOTOR CO	7,012.00	550.75
FRANK B. SNODGRASS, 1100 17TH ST., NW, #306 WASHINGTON DC 20036	BURLEY & DARK LEAF TOBACCO EXPORT ASSN	1,158.18	
LARRY S. SNOWHITE, 1825 EYE ST., NW WASHINGTON DC 20006	ENVIRITE CORPORATION		
Do	GSX CORPORATION		
Do	LIBERTY MUTUAL INSURANCE CO	3,461.54	
Do	MINTZ LEVIN COHN FERRIS GLOVSKY & POPEO (FOR: LION LINES, LTD)		
Do	MINTZ LEVIN COHN FERRIS GLOVSKY & POPEO (FOR: MASS. CONSTRUCTION INDUS. COUNCIL TRUCK WEIGHT COMM).		
Do	MASSACHUSETTS EDUCATION LOAN AUTHORITY	2,058.00	
Do	NEW ENGLAND EDUCATION LOAN MARKETING CORP	938.00	
Do	MINTZ LEVIN COHN FERRIS GLOVSKY & POPEO (FOR: SECURITIES INDUSTRY ASSN)		
SNYDER BALL KRISER & ASSOC, INC, 499 S. CAPITOL ST., SW, #520 WASHINGTON DC 20003	GENERAL MOTORS CORP		
DAVID F. SNYDER, 1000 NATIONWIDE DR. HARRISBURG PA 17105	NATIONWIDE INSURANCE COMPANIES	600.00	
EDWARD F. SNYDER, 245 2ND ST., NE WASHINGTON DC 20002	FRIENDS COMMITTEE ON NATIONAL LEGISLATION	4,726.26	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
J. R. SNYDER, 400 1ST ST., NW, #704 WASHINGTON DC 20001	UNITED TRANSPORTATION UNION		1,200.00
JOHN M. SNYDER, 600 PENNSYLVANIA AVE., S.E. SUITE 205 WASHINGTON DC 20003	CITIZENS COMM FOR THE RIGHT TO KEEP & BEAR ARMS	9,000.00	
SOCIETY FOR ANIMAL PROTECTIVE LEGISLATION, P.O. BOX 3719 GEORGETOWN STATION WASHINGTON DC 20007		40,006.19	53,991.92
EDMUND T. SOMMER JR., 1627 K STREET, NW, #1200 WASHINGTON DC 20006	COUNCIL OF AMERICAN-FLAG SHIP OPERATORS	750.00	9.00
EDWARD J. SONDEY, 195 MONTAGUE STREET BROOKLYN NY 11201	BROOKLYN UNION GAS CO		
CHARLES R. SONNIER, SONNIER & HEBERT P.O. DRAWER 1040 ABBEVILLE LA 70511	COUSHATTA TRIBE OF LOUISIANA		
SONOSKY CHAMBERS AND SACHSE, 1050 31ST ST., NW WASHINGTON DC 20007	ASSINIBOINE AND SIOUX TRIBES		
Do	DEVILS LAKE SIOUX TRIBE		
Do	MACKENZIE TURNIPSEED		
Do	MULTI-HOUSING LAUNDRY ASSN, INC		
Do	STANDING ROCK SIOUX TRIBE		
E. RICHARD SOPER, 1957 E STREET, NW WASHINGTON DC 20006	ASSOCIATED GENERAL CONTRACTORS OF AMERICA		
WALTER LARKE SORG, 1625 EYE ST., NW, #204 WASHINGTON DC 20006	SOUTHEASTERN DREDGE OWNERS ASSN SIZE STANDARD APPEAL COMM	16,000.00	260.62
SOUTHWESTERN PEANUT SHELLERS ASSN, 10 DUNCANNON CT. DALLAS TX 75225			
CHARLES E. SOUTHWICK, 1627 K STREET, NW, #200 WASHINGTON DC 20006	FLUOR CORPORATION	15,000.00	473.49
IAN D. SPATZ, 1785 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20036	NATIONAL TRUST FOR HISTORIC PRESERVATION	1,915.65	
SPECIALIZED CARRIERS & RIGGING ASSOCIATION, SUITE 616 2200 MILL RD. ALEXANDRIA VA 22314			
JOHN F. SPEER JR., 888 16TH STREET, NW WASHINGTON DC 20006	MILK INDUSTRY FOUNDATION/INT'L ASSN OF ICE CREAM MFRS		
WILLIAM C. SPENCE, 3805 W. ALABAMA HOUSTON TX 77027	COLUMBIA GULF TRANSMISSION CO		
SPIEGEL & MCDIARMID, 2600 VIRGINIA AVE., NW WASHINGTON DC 20037	NORTHERN CALIFORNIA POWER AGENCY, ET AL		
PETER A. SPINA, 150 EAST 42ND STREET NEW YORK NY 10017	MOBIL OIL CORP	900.00	
EARL C. SPURRIER, THE MADISON BUILDING, #514 1155 15TH STREET, NW WASHINGTON DC 20005	NATIONAL AGRICULTURAL CHEMICALS ASSN	60.00	
SQUIRE SANDERS & DEMPSEY, 1201 PENNSYLVANIA AVE., NW WASHINGTON DC 20004	AMERICAN CEMENT TRADE ALLIANCE, INC		
Do	AMERICAN CHAMBER OF COMMERCE IN GERMANY		
Do	AMERICAN SOC OF ANESTHESIOLOGISTS	3,870.00	4.22
Do	ASSOCIATION OF DATA PROCESSING SERVICE ORGANIZATIONS		
Do	CAN-AM CORPORATION		11.40
Do	INDEPENDENT DATA COMMUNICATIONS MANUFACTURERS ASSOCIATION		
Do	MICROBAND CORP OF AMERICA		
Do	NATIONAL COLLEGIATE ATHLETIC ASSN	1,208.75	6.70
Do	PUBLIC SECURITIES ASSN		
Do	TYMNET, INC		
JOHN W. SROKA, 1957 E ST., NW WASHINGTON DC 20006	ASSOCIATED GENERAL CONTRACTORS OF AMERICA		
CARL F. ST. CIN, 1101 17TH STREET, NW, #604 WASHINGTON DC 20036	MONSANTO CO		
ROBERT P. ST. LOUIS, SUITE 880 555 NEW JERSEY AVE., NW WASHINGTON DC 20001	CONGOLEUM CORPORATION	1,000.00	744.05
JANIS ST. MARIE, 15 WEST CARRILLO STREET SANTA BARBARA CA 93101	SCHRAMM & RADDUE (FOR: H&W DRILLING, INC)		
CONNELL STAFFORD, P.O. DRAWER 1734 ATLANTA GA 30301	COCA-COLA COMPANY	332.20	664.00
DAVID E. STAHL, 1619 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20036	NATIONAL FOREST PRODUCTS ASSN	3,500.00	
MELVIN R. STAHL, SUITE 1410 1235 JEFFERSON DAVIS HWY. ARLINGTON VA 22202	MOTORCYCLE INDUSTRY COUNCIL, INC		
ELVIS J. STAHR JR., 1815 H STREET, NW, #600 WASHINGTON DC 20006	CASSIDY & ASSOCIATES, INC	125.00	6.00
LYNN E. STALBAUM, 1840 WILSON BOULEVARD ARLINGTON VA 22201	NATIONAL MILK PRODUCERS FED	2,610.00	
TYRONE STALLWORTH, 220 NORTH DEVILLERS STREET PENSACOLA FL 32501			
DAVID P. STANG, P.C., SUITE 601 1629 K ST., NW WASHINGTON DC 20006	AMOCO CORP	3,351.47	
Do	COMMITTEE FOR CAPITAL FORMATION THROUGH DIV. REINVESTMENT	255.49	
Do	EMPLOYEE STOCK OWNERSHIP ASSN	1,867.19	
Do	MCDERMOTT, INC	607.35	
Do	NATIONAL ASSN OF ROYALTY OWNERS, INC	656.13	
Do	SMALL BUSINESS COUNCIL OF AMERICA, INC	570.29	
Do	SUN COMPANY, INC	70.00	
Do	ZOND SYSTEMS, INC	1,123.60	
MICHAEL J. STANTON, 1620 EYE STREET, NW, #1000 WASHINGTON DC 20006	MOTOR VEHICLE MANUFACTURERS ASSN OF THE U.S., INC	550.00	
MELVIN L. STARK, 1025 CONNECTICUT AVE., NW, #415 WASHINGTON DC 20036	AMERICAN INSURANCE ASSN	4,500.00	1,150.00
WALTER M. STARKE, P.O. BOX 2563 BIRMINGHAM AL 35202	SOUTHERN NATURAL GAS CO		
BETTE ANNE STARKEY, 1030 15TH ST., NW, #1100 WASHINGTON, DC 20005	HEALTH INDUSTRY MANUFACTURERS ASSN		
LOIS STARKEY, SUITE 511 1745 JEFFERSON DAVIS HWY. ARLINGTON VA 22202	MANUFACTURED HOUSING INSTITUTE	900.00	100.00
RONALD W. STASCH, 205 E. 42ND STREET NEW YORK NY 10017	RISK & INSURANCE MANAGEMENT SOCIETY, INC		
FRANK M. STASZESKY JR., P.O. BOX 3965 SAN FRANCISCO CA 94119	BECHTEL POWER CORP		
DAVID MICHAEL STATON, 1615 H STREET, NW WASHINGTON DC 20062	CITIZEN'S CHOICE, INC	2,000.00	
CHARLES D. STATTON, P.O. BOX 3965 SAN FRANCISCO CA 94119	BECHTEL POWER CORPORATION		
SAMUEL E. STAVISKY & ASSOCIATES, INC, 1725 DESALES STREET, NW, #804 WASHINGTON DC 20036	BROADCAST MUSIC, INC		
SAMUEL E. STAVISKY, 1725 DESALES STREET, NW, #804 WASHINGTON DC 20036	SAMUEL E. STAVISKY & ASSOCIATES, INC (FOR: BROADCAST MUSIC INC. (BMI))		
RANDOLPH J. STAYIN, 1620 EYE ST., NW, #800 WASHINGTON DC 20006	TAFT STETTINIUS & HOLLISTER (FOR: EFFECTIVE SPRAY CONTROL ORGANIZATION)		
Do	TAFT STETTINIUS & HOLLISTER (FOR: MACHINERY DEALERS NATIONAL ASSOCIATION).	70.00	
Do	TAFT STETTINIUS & HOLLISTER (FOR: SHERWIN-WILLIAMS CO)		
Do	TAFT STETTINIUS & HOLLISTER (FOR: SPECIAL COMM FOR WORKPLACE PRODUCT LIABILITY REFORM).		
Do	TAFT STETTINIUS & HOLLISTER (FOR: WALD MANUFACTURING CO, INC)	1,808.00	
Do	TAFT STETTINIUS & HOLLISTER (FOR: JAMES GRAHAM BROWN FOUNDATION)		
JOHN HOWARD STECKER, 2020 LIVE OAK DALLAS TX 75221	GREAT AMERICAN RESERVE INSURANCE CO		
STEELE SIMMONS & FORNACIARI, 2020 K STREET, NW, #850 WASHINGTON DC 20006	K MART CORP	19,670.00	1,582.05
J. C. STEEN, 412 FIRST STREET, SE, #301 WASHINGTON DC 20003	MCDONNELL DOUGLAS CORP	600.00	208.65
Do	NORTHROP CORP	600.00	179.97
Do	SNYDER BALL KRISER & ASSOCS (FOR ALLISON GAS TURBINE DIV)	600.00	213.72
JACK L. STEMPLER, 1725 JEFFERSON DAVIS HIGHWAY, #900 ARLINGTON VA 22202	LTV AEROSPACE DEFENSE CO	2,500.00	75.00
STEPHENS OVERSEAS SERVICES, INC., 2121 K STREET, NW, #830 WASHINGTON DC 20037			
STEPHENS, INC, 2121 K ST., NW, #830 WASHINGTON DC 20037			
VICTOR STEPSAY, 1750 NEW YORK AVENUE, NW WASHINGTON DC 20006	SHEET METAL WORKERS' INT'L ASSN	13,298.00	
STEPTOE & JOHNSON, CHTD, 1330 CONNECTICUT AVE., NW WASHINGTON DC 20036	ALLIANCE FOR CANNABIS THERAPEUTICS		
Do	RULE OF LAW COMMITTE	573.50	6.50
Do	TRAILWAYS, IANC		
RICHARD W. STERNBERG, 1800 MASSACHUSETTS AVE., NW WASHINGTON DC 20036	NATIONAL RURAL ELECTRIC COOPERATIVE ASSN	100.00	
MICHAEL E. STEWARD, 7957 REVENNA LANE SPRINGFIELD VA 22153	PUGET SOUND POWER & LIGHT CO	3,350.00	83.34
EUGENE L. STEWART, 1001 CONNECTICUT AVE., NW, #910 WASHINGTON DC 20036	ROSES, INC	750.00	267.13
IMAGENE STEWART, 214 P STREET, NW WASHINGTON DC 20001	AMERICAN WOMEN'S CLERGY ASSN		
S. LYNN STEWART, 3 EMBARCADERO CENTER SAN FRANCISCO CA 94111	MCCUTCHEN DOYLE BROWN & ENERSEN (FOR: AMFAC, INC)		
Do	MCCUTCHEN DOYLE BROWN & ENERSEN (FOR: CASTLE & COOKE, INC)		
Do	MCCUTCHEN DOYLE BROWN & ENERSEN (FOR: ROHR INDUSTRIES)		
WALTER J. STEWART, SUITE 700 1100 15TH ST., NW WASHINGTON DC 20005	SONAT, INC		
WARREN E. STICKLE, SUITE 1120 1001 CONNECTICUT AVENUE, NW WASHINGTON DC 20036	CHEMICAL SPECIALTIES MFGRS ASSN	1,111.90	43.03
DON STILLMAN, 1757 N STREET, NW WASHINGTON DC 20036	INT'L UNION, UNITED AUTO AEROSPACE & AGRIC IMPLEMENT WORKERS	1,341.09	10.00
EDWARD W. STIMPSON, SUITE 801 1400 K ST., NW WASHINGTON DC 20005	GENERAL AVIATION MANUFACTURERS ASSOCIATION	3,065.00	
JOHN J. STIRK, 1745 JEFFERSON DAVIS HIGHWAY, #1000 ARLINGTON VA 22202	GENERAL DYNAMICS	1,000.00	1,293.78
STOCKHOLDERS OF AMERICA, INC., 1625 EYE ST., N.W. # 724A WASHINGTON DC 20006		6,445.00	639.41
STEVEN F. STOCKMEYER, 1800 M ST., NW, #950 NORTH WASHINGTON DC 20036	ALLNET COMMUNICATIONS SERVICES, INC	1,275.00	
Do	JACK MCDONALD CO (FOR: FIBER FABRIC & APPAREL COALITION FOR TRADE)	2,499.00	
Do	MANVILLE CORP	3,300.00	
Do	VERNER LIIPFERT BERNHARD... (FOR NORFOLK SOUTHERN)	191.25	
Do	VERNER LIIPFERT BERNHARD... (FOR ICAHN & CO, INC)		
Do	VERNER LIIPFERT BERNHARD... (FOR TRAVELERS CORP)		
Do	VERNER LIIPFERT BERNHARD... (FOR TURNER BROADCASTING SYSTEM)	2,486.25	
JANE S. STONE, 1719 ROUTE 10 PARSIPPANY NJ 07054	NATIONAL ASSN OF MANUFACTURERS	600.00	
JAY STONE, JAY STONE AND ASSOCIATES, INC 412 FIRST STREET, SE, #50 WASHINGTON DC 20003	MASSACHUSETTS MUTUAL LIFE INSURANCE CO	2,000.00	
Do	MELAMINE CHEMICALS, INC	2,000.00	
MARTIN F. STONE, 1411 K STREET, NW, #850 WASHINGTON DC 20005	AMERICANS FOR DEMOCRATIC ACTION	2,999.10	161.00
FLOYD E. STONER, 1120 CONNECTICUT AVENUE, NW WASHINGTON DC 20036	AMERICAN BANKERS ASSN	1,000.00	
STEPHEN STORCH, 1800 K STREET, NW, #1100 WASHINGTON DC 20006	NEW YORK STOCK EXCHANGE, INC		
WILLIAM M. STOVER, 2501 M ST., NW WASHINGTON DC 20037	CHEMICAL MANUFACTURERS ASSN, INC	1,000.00	
TERRENCE D. STRAUB, 818 CONNECTICUT AVENUE, N.W. WASHINGTON DC 20006	U.S. STEEL CORPORATION	250.00	298.97
JAMES R. STREETER, 733 15TH STREET, NW WASHINGTON DC 20005	LEGAL SERVICES CORP		
ROGER J. STROH, 727 N. WASHINGTON STREET ALEXANDRIA VA 22314	UNITED FRESH FRUIT & VEGETABLE ASSN		
GEORGE W. STRONG, 2242 BARTLETT HOUSTON TX 77098	HOUSTON NATURAL GAS CORP		
STROOCK & STROOCK & LAVAN, 1150 17TH ST., NW WASHINGTON DC 20036	CITY OF TUCSON	1,600.50	67.00

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	DREYFUS CORPORATION		
Do	DREYFUS DOLLAR FUND	650.00	
Do	J. ARON & CO, INC.		
GEORGE STRUMPF, 624 9TH ST., NW, 7TH FL. WASHINGTON DC 20001	GROUP HEALTH ASSN OF AMERICA, INC		
SUSAN STUEBING, 311 FIRST ST., NW, #500 WASHINGTON DC 20001	COMPUTER & BUSINESS EQUIPMENT MANUFACTURERS ASSN	650.00	
WALTER B. STULTS, 1156 15TH STREET, NW, #1101 WASHINGTON DC 20005	NATIONAL ASSN OF SMALL BUSINESS INVESTMENT COS	4,000.00	
EUGENE F. STURGEON, 182 CRATER LANE KENSINGTON CT 06037	NORTHEAST UTILITIES SERVICE CO	1,111.12	365.77
SULLIVAN & CROMWELL, 1775 PENNSYLVANIA AVE., NW WASHINGTON DC 20006	AMERICAN INTERNATIONAL GROUP, INC		
Do	BP NORTH AMERICA, INC		
Do	ESSELTE BUSINESS SYSTEMS, INC		63.61
Do	GOLDMAN SACHS & CO		
Do	GRAND MET USA, INC		
Do	KIDDER PEABODY & CO, INC		
Do	SECURITIES INDUSTRY ASSN		33.89
AUSTIN P. SULLIVAN JR , P.O. BOX 1113 MINNEAPOLIS MN 55440	GENERAL MILLS, INC		
CHARLES S. SULLIVAN, #11 15TH ST., NE, #6 WASHINGTON DC 20002	CITIZENS UNITED FOR REHABILITATION OF ERRANTS	200.00	710.12
GAEL M. SULLIVAN, 1025 THOMAS JEFFERSON ST., NW, #511 WASHINGTON DC 20005	LTV CORPORATION	2,344.00	755.40
HAROLD R. SULLIVAN, 1750 K ST., NW WASHINGTON DC 20006	FOOD MARKETING INSTITUTE	750.00	
JOHN H. SULLIVAN, 2924 COLUMBIA PIKE ARLINGTON VA 22204	DEVELOPMENT ASSOCIATES, INC (FOR: GOVERNMENT OF THE FEDERATED STATES OF MICRONESIA).	66.18	2.84
JUDY M. SULLIVAN, 1120 20TH STREET, NW, #700 WASHINGTON DC 20036	WILLIAMS COMPANIES		
MARGARET COX SULLIVAN, 1625 EYE ST., NW, #724A WASHINGTON DC 20006	STOCKHOLDERS OF AMERICA, INC		
PATRICK J. SULLIVAN, 815 SIXTEENTH STREET, N.W. WASHINGTON DC 20006	INTERNATIONAL LONGSHOREMEN'S ASSOCIATION, AFL-CIO	9,529.29	2,126.53
PAULINE SULLIVAN, #11 15TH ST., NE, #6 WASHINGTON DC 20002	CITIZENS UNITED FOR REHABILITATION OF ERRANTS	200.00	710.12
FERN SUMMER, P.O. BOX 17402 DULLES INT'L AIRPORT WASHINGTON DC 20041	WATER & WASTEWATER EQUIPMENT MANUFACTURERS ASSN, INC		
JOHN B. SUMMERS, 1771 N STREET, NW WASHINGTON DC 20036	NATIONAL ASSN OF BROADCASTERS	1,500.00	1,114.34
SURREY & MORSE, 1250 EYE STREET, NW WASHINGTON DC 20005	ALLNET COMMUNICATIONS SERVICES, INC	3,073.50	50.00
Do	EMBASSY OF THE PEOPLE'S REPUBLIC OF CHINA	55,533.00	20.00
Do	MORGAN GRENFELL & CO, LTD, ET AL		
Do	WESTINGHOUSE ELECTRIC CORP		
SUTHERLAND ASBILL & BRENNAN, 1666 K STREET, NW, #800 WASHINGTON DC 20006	AMERICAN INDUSTRIAL CLAY & GEORGIA KAOLIN	963.61	32.92
Do	ANGLO-AMERICAN CLAYS CORP	963.61	32.92
Do	ASSOCIATION OF BUSINESSES ADVOCATING TARIFF EQUITY		
Do	BANKING ISSUES GROUP	1,304.25	23.10
Do	CAPITAL HOLDING CORP		24.00
Do	COMMITTEE AGAINST REVISING STAGGERS		
Do	COUNCIL OF INDUSTRIAL BOILER OWNERS		
Do	CREDIT UNION NATL ASSN, INC		
Do	ENGELHARD MINERALS & CHEMICALS CORP	963.61	32.92
Do	EQUIFAX, INC	2,524.00	266.17
Do	INDUSTRIAL OIL CONSUMERS GROUP		
Do	J. M. HUBER CORP	963.61	32.92
Do	MUTUAL OF OMAHA INSURANCE CO		
Do	NATIONAL HOME LIFE ASSURANCE COMPANY	1,768.50	67.55
Do	NORD RESOURCES CORP	963.61	32.92
Do	PROCESS GAS CONSUMERS GROUP		
Do	PRODUCTION OPERATORS CORP	2,385.12	
Do	SERVICE INDUSTRIES' COAL TO PRESERVE CASH METHOD ACCOUNTING	28,097.86	294.96
Do	SOUTHEAST COMPACT COMMISSION		435.59
Do	STATE OF NEVADA		435.59
Do	STATE OF WASHINGTON		435.59
Do	THIELE KAOLIN CO	963.61	32.92
WILLIAM F. SUTHERLAND, 1750 K STREET, NW WASHINGTON DC 20006	FOOD MARKETING INSTITUTE	150.00	
W. THOMAS SUTTLE, 1755 WILLARD ST., NW, #4 WASHINGTON DC 20009	INSTITUTE OF ELECTRICAL & ELECTRONICS ENGINEERS	2,566.00	680.00
WILLIAM W. SUTTLE, 1025 CONNECTICUT AVE., NW, #415 WASHINGTON DC 20036	AMERICAN INSURANCE ASSN	530.00	19.40
DAVID L. SWANSON, CRAFT & RICHARDS 1050 THOMAS JEFFERSON ST., NW, 6TH FL. WASHINGTON DC 20007	ALLIS-CHALMERS ENERGY & MINERALS SYSTEMS CO	1,230.00	1,307.63
Do	CONSUMERS UNITED FOR RAIL EQUITY (C.U.R.E.)		181.35
Do	EDISON ELECTRIC INSTITUTE	455.00	25.70
Do	GA TECHNOLOGIES, INC	1,500.00	23.59
Do	ILLINOIS DEPT OF ENERGY & NATURAL RESOURCES	323.75	509.12
Do	NATIONAL ARMORED CAR ASSN	297.50	27.66
IRVING W. SWANSON, 11212 FARMLAND DRIVE ROCKVILLE MD 20852	HARRIS CORPORATION	29,200.00	4,322.01
DEBORAH SWARTZ, ECONOMIC CONSULTING SERVICES, INC 1320 19TH ST., NW WASHINGTON DC 20036	LUGGAGE & LEATHER GOODS MANUFACTURERS OF AMERICA, INC	500.00	350.00
Do	NATIONAL KNITWEAR & SPORTSWEAR ASSN	500.00	350.00
Do	NECKWEAR ASSN OF AMERICA, INC	500.00	350.00
DAVID A. SWEENEY, 25 LOUISIANA AVE., NW WASHINGTON DC 20001	INTERNATIONAL BROTHERHOOD OF TEAMSTERS	18,946.94	
ROBERT D. SWEZEY JR , 1133 19TH ST., NW WASHINGTON DC 20036	MCI COMMUNICATIONS CORP		
SWIDLER BERLIN & STRELOW, CHTD, 1000 THOMAS JEFFERSON ST., NW #500 WASHINGTON DC 20007	NATIONAL COUNCIL OF COMMUNITY HOSPITALS	807.50	
TRICIA L. SWIFT, 1619 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20036	NATIONAL FOREST PRODUCTS ASSN	1,200.00	
RICHARD P. SWIGART, 1010 WISCONSIN AVE., NW, #800 WASHINGTON DC 20007	GROCERY MANUFACTURERS OF AMERICA, INC	25.62	
RUSSELL A. SWINDELL, P.O. BOX 2635 RALEIGH NC 27602	NORTH CAROLINA RAILROAD ASSOCIATION		36.50
RANDALL SWISHER, 2301 M STREET, NW WASHINGTON DC 20037	AMERICAN PUBLIC POWER ASSN	2,500.00	
DAVID A. SYKUTA, ILLINOIS PETROLEUM COUNCIL P.O. BOX 5034 SPRINGFIELD IL 62705	AMERICAN PETROLEUM INSTITUTE	555.00	1,357.15
CHRISTOPHER U. SYLVESTER, 1831 BRIAR RIDGE COURT MCLEAN VA 22101	GARRISON DIVERSION CONSERVANCY DISTRICT	6,000.00	266.65
MERRIBEL SYMINGTON, SUITE 540 1875 EYE STREET, NW WASHINGTON DC 20006	CHAMPION INTERNATIONAL CORPORATION		
ROBERT TAFT JR., 1620 EYE ST., NW, #800 WASHINGTON DC 20006	TAFT, STETTINIUS & HOLLISTER (FOR: GROCERY MANUFACTURERS OF AMERICA, INC).		
Do	TAFT STETTINIUS & HOLLISTER (FOR: INMONT CORP)		
Do	TAFT STETTINIUS & HOLLISTER (FOR: JAMES GRAHAM BROWN FOUNDATION)	1,103.75	
Do	TAFT STETTINIUS & HOLLISTER (FOR: KINGS ENTERTAINMENT CO)	400.00	
Do	TAFT STETTINIUS & HOLLISTER (FOR: MACHINERY DEALERS NATIONAL ASSOCIATION).		
Do	TAFT STETTINIUS & HOLLISTER (FOR: RCA GLOBAL COMMUNICATIONS, INC)		
Do	TAFT STETTINIUS & HOLLISTER (FOR: SHERWIN-WILLIAMS CO)		
Do	TAFT STETTINIUS & HOLLISTER (FOR: SPECIAL COMM FOR WORKPLACE PRODUCT LIABILITY REFORM).	765.50	341.59
Do	TAFT STETTINIUS & HOLLISTER (FOR: TAFT BROADCASTING COMPANY)	250.00	213.06
Do	TAFT STETTINIUS & HOLLISTER (FOR: TELEPHONE & DATA SYSTEMS, INC)	213.75	108.10
Do	TAFT STETTINIUS & HOLLISTER (FOR: WALD MANUFACTURING CO, INC)		
TAGGART & ASSOCIATES, INC, 1015 15TH STREET, NW, #200 WASHINGTON DC 20005	ANIMAL HEALTH INSTITUTE		
Do	ASSOCIATION OF AMERICAN RAILROADS		
Do	MARION LABORATORIES, INC		
Do	TELEPHONE & DATA SYSTEMS, INC		
WALTER G. TALAREK, SUITE 405 1945 GALLOWS RD. VIENNA VA 22180	AMERICAN WOOD PRESERVERS INSTITUTE		
TALCOTT MCCABE & ASSOCIATES, SUITE 302, WEST WING 600 MARYLAND AVENUE, SW WASHINGTON DC 20024	HOLIDAY INNS, INC	1,500.00	
Do	NATIONAL ASSN OF HOMES FOR CHILDREN	2,550.00	
Do	SERVICEMASTER INDUSTRIES, INC	675.00	
DOYLE TALKINGTON, 1015 15TH STREET, NW, #200 WASHINGTON DC 20005	NATIONAL PORK PRODUCERS COUNCIL	1,000.00	9.00
TANAKA WALDERS & RITGER, 1919 PENNSYLVANIA AVE., NW WASHINGTON DC 20006	ELECTRONIC INDUSTRIES ASSN OF JAPAN		
Do	JAPAN AUTOMOBILE TIRE MANUFACTURERS ASSN (JATMA)		
SUSAN TANNENBAUM, 2030 M ST., NW WASHINGTON DC 20036	COMMON CAUSE	5,281.26	180.30
AUGUSTINE D. TANTILLO, 214 MASSACHUSETTS AVE., NE, #350 WASHINGTON DC 20002	RUSSELL CORP	3,500.00	2,500.00
TARGET, INC., 13924 BRADDOCK RD. P.O. BOX 881 CENTREVILLE VA 22020			19,500.00
LINDA TARR-WHELAN, 1201 16TH ST., NW WASHINGTON DC 20036	NATIONAL EDUCATION ASSN	1,749.00	50.50
JOHN F. TATE, 3238 WYNFORD DRIVE FAIRFAX VA 22031	U.S. DEFENSE COMMITTEE	2,400.00	
M. LOUISE TATE, 3238 WYNFORD DRIVE FAIRFAX VA 22031	U.S. DEFENSE COMMITTEE	900.00	
SUSAN TATUM, 1619 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20036	NATIONAL FOREST PRODUCTS ASSN	1,600.00	
GRACA DA SILVA TAVARES, 17 PERKINS STREET WEST NEWTON MA 02165			
TAYLOR & MIZELL, 3000 LINCOLN PL., LB5 DALLAS TX 75201			
CHARLES A. TAYLOR III, 499 SOUTH CAPITOL ST., SW, #401 WASHINGTON DC 20003	NATIONAL ASSN OF INDEPENDENT INSURERS	1,000.00	82.88
CHARLES E. TAYLOR, 1801 K STREET, NW, #1200 WASHINGTON DC 20006	IBM CORPORATION	2,000.00	1,000.00
MARGIE A. TAYLOR, P.O. BOX 21 MONTGOMERY AL 36101	ALABAMA RAILROAD ASSN		
PEGGY TAYLOR, 815 16TH ST., NW WASHINGTON DC 20006	AMERICAN FED OF LABOR & CONGRESS OF INDUSTRIAL ORGANIZATIONS	19,519.03	576.64

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
R. WILLIAM TAYLOR, 1575 EYE STREET, NW WASHINGTON DC 20005	AMERICAN SOC OF ASSN EXECUTIVES	300.00	
ROBERT C. TAYLOR, 3000 LINCOLN PLAZA, LB-5 DALLAS TX 75201	TAYLOR & MIZELL		
WILLIAM S. TAYLOR, 239 W. NEW YORK AVENUE LAS VEGAS NV 89107			
ELAYNE L. TEMPEL, 2020 K ST., NW, #200 WASHINGTON DC 20006	NATIONAL FEDERATION OF FEDERAL EMPLOYEES	32.60	
NORMAN J. TEMPLE, 155 DRESDEN AVENUE GARDINER ME 04345	MAINE YANKEE - CENTRAL MAINE POWER CO	220.00	
PAUL M. TENDLER, 1110 VERMONT AVENUE, NW, #840 WASHINGTON DC 20005	TENDLER & BIGGINS (FOR: ADVANCED CELLULAR PHONE CO)		
Do	PAUL TENDLER ASSOCIATES, INC (FOR: AMERICAN LICENSED PRACTICAL NURSES ASSN).		
Do	PAUL TENDLER ASSOCIATES, INC (FOR: BASCOM, INC)		
Do	TENDLER & BIGGINS (FOR: GEODESCO)		
Do	PAUL TENDLER ASSOCIATES, INC (FOR: NATIONAL INSTITUTE OF TENANTS)		
Do	PAUL TENDLER ASSOCIATES, INC (FOR: RASCH ELEKTRONIK)		
Do	PAUL TENDLER ASSOCIATES, INC (FOR: SCHOENEMAN, INC)		
Do	TENDLER & BIGGINS (FOR: SOLARGISTICS CORP)		
Do	PAUL TENDLER ASSOCIATES, INC (FOR: SOUTHEASTERN EXPORTERS)		
TENNESSEE HOME MEDICAL PROVIDERS ASSOCIATION,INC., P.O. BOX 421 KNOXVILLE TN 39901			
BETTY-GRACE TERPSTRA, 918 16TH ST., NW, #402 WASHINGTON DC 20006	NATIONAL ASSN OF REALTORS	1,125.00	339.12
MICHELLE C. TESSIER, 1818 N STREET, NW, #410 WASHINGTON DC 20036	NATIONAL ASSN OF PUBLIC TELEVISION STATIONS	600.00	150.00
JAMES G. TETIRICK, 1156 15TH STREET, NW, #1015 WASHINGTON DC 20005	J.C. PENNEY CO, INC		
TEXANS FOR A RESPONSIBLE AMERICA, 1300 MAIN STREET, #2100 HOUSTON TX 77002		17,156.78	24,656.78
TEXTRON, INC, 40 WESTMINSTER ST. PROVIDENCE RI 02903		2,700.00	580.00
THACHER PROFFITT & WOOD, SUITE 512 1140 CONNECTICUT AVE., NW WASHINGTON DC 20036	AMOSKEAG SAVINGS BANK	631.50	55.94
Do	BANK OF VERMONT	631.50	55.94
Do	FAMILY-BACKED MORTGAGE ASSN, INC	26.68	
Do	MAINE SAVINGS BANK	631.50	55.94
Do	MUTUAL SAVINGS CENTRAL FUND, INC	311.24	175.94
Do	NEW HAMPSHIRE SAVINGS BANK	631.50	55.94
Do	SALOMON BROTHERS, INC	11,070.90	200.44
Do	SAVINGS BANKS ASSN OF MASSACHUSETTS	1,276.61	261.28
KAREN E. THEIBERT, 1750 K STREET, NW WASHINGTON DC 20006	FOOD MARKETING INSTITUTE	200.00	
BRUCE D. THEVENOT, 1155 15TH ST., NW, WASHINGTON DC 20005	NATIONAL FED OF LICENSED PRACTICAL NURSES	2,500.00	
Do	OKLAHOMA STATE NURSING HOME ASSN	3,460.00	
ALAN J. THIEMANN, 1199 N. FAIRFAX STREET, #801 ALEXANDRIA VA 22314	NATIONAL ASSN OF TRUCK STOP OPERATORS		
THIRD CLASS MAIL ASSOCIATION, 1341 G ST., NW, #500 WASHINGTON DC 20005		600.00	600.00
EDLU J. THOM, 919 18TH STREET, NW, #400 WASHINGTON DC 20006	DIAMOND SHAMROCK CORP		
DORIS I. THOMAS, 15TH & M STS., NW WASHINGTON DC 20005	NATIONAL ASSN OF HOME BUILDERS OF THE U.S.		
GORDON M. THOMAS, 1090 VERMONT AVENUE, NW, #1100 WASHINGTON DC 20005	TEXTRON, INC	600.00	150.00
JAMES M. THOMAS JR., 2001 9TH STREET, NW, #300 WASHINGTON DC 20001	AMALGAMATED TRANSIT UNION, NATL CAP LOCAL 689		
JOHN W. THOMAS, 119 ORONOCO STREET BOX 1417-D50 ALEXANDRIA VA 22313	ANIMAL HEALTH INSTITUTE	75.00	
MESHALL THOMAS, SUITE 400 2000 P STREET, NW WASHINGTON DC 20036	WOMEN'S LEGAL DEFENSE FUND		
PATRICIA THOMAS, 2020 K ST., NW, #200 WASHINGTON DC 20006	NATIONAL FEDERATION OF FEDERAL EMPLOYEES	9,448.40	
RANDI PARKS THOMAS, 1101 17TH STREET, NW, #603 WASHINGTON DC 20036	TUNA RESEARCH FOUNDATION, INC	849.99	
ROBERT L. THOMAS, 1319 F ST., NW WASHINGTON DC 20004	NATIONAL ASSN OF PRIVATE PSYCHIATRIC HOSPITALS	100.00	
THOMAS E. THOMASON, 1620 EYE STREET, NW, #703 WASHINGTON DC 20006	BECHTEL POWER CORP		
THOMPSON & MITCHELL, 1120 VERMONT AVENUE, NW, #1000 WASHINGTON DC 20005	AMERICAN INLAND WATERWAYS COMMITTEE	1,146.00	
Do	COLD FINISHED STEEL BAR INSTITUTE	2,070.00	7.50
Do	CONTACT LENS MANUFACTURERS ASSN	675.00	
Do	CROWN LIFE INSURANCE CO	9,000.00	5,393.55
Do	MIDLAND ENTERPRISES, INC		
Do	VALLEY LINE COMPANY		
BOYD THOMPSON, SUITE 210 5410 GROSVENOR LANE BETHESDA MD 20814	AMERICAN MEDICAL CARE & REVIEW ASSN		
THOMPSON HINE & FLORY, 1920 N ST., NW, #700 WASHINGTON DC 20036	ALLTEL CORPORATION	2,990.00	
KENNETH W. THOMPSON, 2021 K STREET, NW, #300 WASHINGTON DC 20006	PRIMARK CORPORATION	2,200.00	
THOMPSON MANN & HUTSON, 1730 PENNSYLVANIA AVE., NW, #1250 WASHINGTON DC 20006	CSX CORPORATION	2,710.00	81.72
MICHAEL F. THOMPSON, 1745 JEFFERSON DAVIS HIGHWAY, #511 ARLINGTON VA 22202	MANUFACTURED HOUSING INSTITUTE	700.00	100.00
NANCY THOMPSON, 1600 EYE STREET, NW WASHINGTON DC 20006	MOTION PICTURE ASSN OF AMERICA, INC		
ROBERT L. THOMPSON JR., P.O. BOX 70 FORT MILL SC 29715	SPRINGS INDUSTRIES, INC		5,546.19
ROGER G. THOMPSON, 117 BELLEFONTE DRIVE ASHLAND KY 41101	KENTUCKY POWER CO	7,500.00	2,611.03
SAMUEL C. THOMPSON JR., SCHIFF HARDIN & WAITE 1101 CONNECTICUT AVENUE, NW, #600 WASHINGTON DC 20036	CHICAGO BOARD OPTIONS EXCHANGE, INC		
W. REID THOMPSON, 1900 PENNSYLVANIA AVE., NW WASHINGTON DC 20068	POTOMAC ELECTRIC POWER CO		
PARKER D. THOMSON, 200 SOUTH BISCAYNE BLVD. 4900 SOUTHEAST FINANCIAL CENTER MIAMI FL 33131	THOMSON ZEDER BOHRER WERTH ADORNO & RAZOOK (FOR: BURGER KING CORP)	500.00	
THOMSON ZEDER BOHRER WERTH ADORNO & RAZOOK, 200 SOUTH BISCAYNE BLVD. 4900 SOUTHEAST FINANCIAL CENTER MIAMI FL 33131.	BURGER KING CORP		10,164.00
JOHN A. THORNER, 1619 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20036	NATIONAL FOREST PRODUCTS ASSN		
WILLIAM R. THORNHILL, P.O. BOX 2511 HOUSTON TX 77001	TENNESSEE GAS PIPELINE CO		
MARGO THORNING, 1850 K ST., NW, #520 WASHINGTON DC 20006	AMERICAN COUNCIL FOR CAPITAL FORMATION	204.00	
WALTER L. THREADGILL, 1155 CONNECTICUT AVE., NW, #900 WASHINGTON DC 20036	STORER COMMUNICATIONS, INC	250.00	
SAMUEL THURM, 1725 K ST., NW WASHINGTON DC 20006	ASSOCIATION OF NATL ADVERTISERS		
WALLACE TILLMAN, 1800 MASSACHUSETTS AVE., NW WASHINGTON DC 20036	NATIONAL RURAL ELECTRIC COOPERATIVE ASSN	150.00	
MARTIN R. TILSON JR , PO BOX 2563 BIRMINGHAM AL 35202	SOUTHERN NATURAL GAS CO	421.38	869.58
PATTI A. TILSON, SUITE 520 900 17TH STREET, NW WASHINGTON DC 20006	TOYOTA MOTOR SALES, U.S.A., INC	500.00	
C. H. TIMBERLAKE, 1825 K ST., NW, #1107 WASHINGTON DC 20006	PHILLIPS PETROLEUM COMPANY	975.00	107.64
TIMMONS & CO, INC, 1850 K ST., NW, #850 WASHINGTON DC 20006	AMERICAN BROADCASTING CO, INC	750.00	
Do	AMERICAN INLAND WATERWAYS COMMITTEE	997.50	
Do	AMERICAN PETROLEUM INST	1,150.00	
Do	AMOCO CORP	950.00	
Do	ANHEUSER-BUSCH COMPANIES, INC	1,050.00	
Do	ASSOCIATION OF TRIAL LAWYERS OF AMERICA	260.00	
Do	BOEING COMPANY	300.00	
Do	BROWN GROUP, INC	1,350.00	
Do	CAPITAL MARKETS GROUP	806.25	
Do	CHRYSLER CORPORATION	950.00	
Do	EASTERN AIR LINES, INC	552.50	
Do	G. D. SEARLE & CO	2,875.00	
Do	H. J. HEINZ CO	650.00	
Do	MAJOR LEAGUE BASEBALL	1,650.00	
Do	MIDDLE SOUTH SERVICES, INC	950.00	
Do	MORGAN STANLEY & CO, INC	913.75	
Do	NATIONAL RIFLE ASSN OF AMERICA	300.00	
Do	NORTHROP CORP	1,050.00	
GARY G. TIMMONS, 1201 16TH STREET, NW WASHINGTON DC 20036	NATIONAL EDUCATION ASSN	2,372.00	65.00
WILLIAM C. TINKLEPAUGH, 888 16TH STREET, NW WASHINGTON DC 20006	MILK IND FOUNDATION/INT'L ASSN OF ICE CREAM MFRS		994.00
CONSTANCE D. TIPTON, 888 16TH STREET, NW WASHINGTON DC 20006	MILK IND FOUNDATION/INT'L ASSN OF ICE CREAM MFRS		1,387.25
E. LINWOOD TIPTON, 888 16TH ST., NW WASHINGTON DC 20006	MILK IND FOUNDATION/INTL ASSN OF ICE CREAM MFRS		801.50
EBEN S. TISDALE, 1550 WILSON BLVD., #600 ARLINGTON VA 22209	HEWLETT-PACKARD CO	3,000.00	124.00
TITLE ASSOCIATES, INC., RT.2, BOX 89 COLUMBIA TN 38401			
TOBACCO ASSOCIATES, INC, SUITE 912 1101 17TH ST., NW WASHINGTON DC 20036			4,137.61
JAMES R. TOBIN, MACK CENTRE DR. PARAMUS NJ 07652	BECTON DICKINSON & CO	2,000.00	
M. DOUGLAS TODD, SUITE 2300 1000 WILSON BOULEVARD ARLINGTON VA 22209	NORTHROP CORP		
WILLIAM R. TOLLEY JR., PO BOX 37 MELBOURNE FL 32919	HARRIS CORPORATION		1,035.20
EDWARD TONAT, 6723 BRIGADOON DRIVE BETHESDA MD 20817	ROBERT GOFF & ASSOCIATES, INC		
WILLIAM D. TOOHEY, 1899 L ST., NW, #600 WASHINGTON DC 20036	TRAVEL INDUSTRY ASSN OF AMERICA		
PETER W. TOOKER, 1920 N STREET, NW WASHINGTON DC 20036	AMERICAN MINING CONGRESS		
TOTAL PETROLEUM, INC, 999 18TH STREET, SUITE 2201 DENVER CO 80202			
FRANK V. TOTI JR., 600 MARYLAND AVE., SW, #700 WASHINGTON DC 20024	NATIONAL FED OF INDEPENDENT BUSINESS	375.57	200.00
GILBERT D. TOUGH, 70 NORTH MAIN ST. WILKES-BARRE PA 18711	BLUE CROSS OF N.E. PENNSYLVANIA		
WANDA TOWNSEND, 1724 MASSACHUSETTS AVE., NW WASHINGTON DC 20036	NATIONAL CABLE TELEVISION ASSN, INC	962.00	
JEFFREY B. TRAMMELL, 3255 GRACE STREET, NW WASHINGTON DC 20007	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: BROWNING-FERRIS INDUSTRIES, INC).		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: BUDD COMPANY)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: CHICAGO TITLE INSURANCE CO).		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: FIRST AMERICAN TITLE INSURANCE CO).		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: JOINT MARITIME CONGRESS).		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: LAWYERS TITLE INSURANCE CO).		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: MIAMI CHAMBER OF COMMERCE).	1,115.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: MOTOROLA, INC)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: MUTUAL OF OMAHA)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: NATIONAL BROADCASTING CO, INC).		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: REPUBLIC OF TURKEY)	920.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: SAFECO TITLE INSURANCE CO).		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: SANTA FE CORP)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: SHAKLEE CORPORATION)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: STEWART TITLE GUARANTY CO).		
TRAVEL & TOURISM GOVERNMENT AFFAIRS POLICY COUNCIL, SUITE 607 1899 L STREET, NW WASHINGTON DC 20036		1,885.00	1,885.00
TRAVEL INDUSTRY ASSOCIATION OF AMERICA, 1899 L ST., NW WASHINGTON DC 20036			
ERNEST B. TREMMEL, INC, 5908 ROSSMORE DRIVE BETHESDA MD 20014	BURNS & ROE, INC		
SALLY A. TRIPLETT, 1725 DESALES STREET, NW, #804 WASHINGTON DC 20036	SAMUEL E. STAVISKY & ASSOCIATES, INC (FOR: BROADCAST MUSIC INC. (BMI))		
EUGENE M. TRISKO, 9817 ROSENSTEEL AVENUE SILVER SPRING MD 20910	STERN BROS, INC		
VINCENT TRIVELLI, 815 16TH STREET, NW WASHINGTON DC 20006	AMERICAN FED OF LABOR & CONGRESS OF INDUSTRIAL ORGANIZATIONS	15,492.80	77.35
MICHAEL G. TROOP, 1709 NEW YORK AVENUE, NW, #801 WASHINGTON DC 20006	U.S. LEAGUE OF SAVINGS INSTITUTIONS	630.00	8.00
ROBERT C. TROUP, 730 SMITH RIDGE RD. NEW CANAAN CT 06840			
GEORGE G. TROUTMAN, SUITE 1100 1090 VERMONT AVE., NW WASHINGTON DC 20005	BELL HELICOPTER TEXTRON, INC	150.00	
ALEXANDER B. TROWBRIDGE, 1776 F STREET, NW WASHINGTON DC 20006	NATIONAL ASSN OF MANUFACTURERS	1,000.00	
THOMAS L. TRUEBLOOD, 401 NORTH MICHIGAN AVE. CHICAGO IL 60611	INTERNATIONAL HARVESTER CO	1,000.00	
TRUST FOR PUBLIC LAND, 82 SECOND ST. SAN FRANCISCO CA 94105			16,619.00
PAUL E. TSONGAS, FOLEY HOAG & ELIOT ONE POST OFFICE SQUARE BOSTON MA 02109	LEADING EDGE PRODUCTS, INC	12,727.50	652.00
MOTOYUKI TSUTSUI, 919 18TH STREET, NW, #600 WASHINGTON DC 20006	TOYOTA MOTOR SALES U.S.A, INC	80.00	132.00
TUCKER & VAUGHT, WESTERN FEDERAL SAVINGS BLDG., #1330 718 17TH ST. DENVER CO 80202	THE MANVILLE CORPORATION	2,000.00	
SHANNON B. TUEL, 311 FIRST STREET, NW WASHINGTON DC 20001	NATIONAL RESTAURANT ASSN		
TUNA RESEARCH FOUNDATION, INC, 1101 17TH ST., NW WASHINGTON DC 20036		732.77	2,317.10
JANE L. TURNER, 1920 N STREET, NW WASHINGTON DC 20036	AMERICAN MINING CONGRESS		
WILLIAM W. TURNER, 1025 CONNECTICUT AVE., NW, #1014 WASHINGTON DC 20036	ENSERCH CORPORATION		
RICHARD F. TURNEY, 1725 K ST., NW WASHINGTON DC 20006	COURTNEY MCCAMANT & TURNEY	300.00	
TWENTIETH CENTURY ENTERPRISES, 3615 WISCONSIN AVENUE, NW WASHINGTON DC 20016			
U.S. CANE SUGAR REFINERS' ASSN, 1001 CONNECTICUT AVE., NW WASHINGTON DC 20036		3,992.48	4,417.74
U.S. DEFENSE COMMITTEE, 3238 WYNFORD DRIVE FAIRFAX VA 22031		8,328.31	8,328.31
U.S. LEAGUE OF SAVINGS INSTITUTIONS, 111 E. WACKER DR. CHICAGO IL 60601			217,611.08
U.S. OUT OF CENTRAL AMERICA, P.O. BOX 42404 WASHINGTON DC 20015		1,199.00	1,028.32
U.S. PUBLIC INTEREST RESEARCH GROUP, 215 PENNSYLVANIA AVENUE WASHINGTON DC 20003		42,969.98	41,708.02
U.S. RECREATIONAL SKI ASSOCIATION, 221 WEST DYER ROAD SANTA ANA CA 92707			
GILMAN UDELL, 1750 NEW YORK AVENUE, NW WASHINGTON DC 20006	INTERNATIONAL ASSN OF FIRE FIGHTERS	4,500.00	
JERRY G. UDELL, 1616 H ST., NW WASHINGTON DC 20006	AMERICAN RETAIL FEDERATION	300.00	560.00
KENJI UENO, 919 18TH STREET, NW, #600 WASHINGTON DC 20006	TOYOTA MOTOR SALES, U.S.A., INC		
PHILIP J. UFHOLZ, 1025 CONNECTICUT AVENUE, NW, #1010 WASHINGTON DC 20036	METROPOLITAN INSURANCE COS	1,000.00	
ROBERT D. UMPHREY JR., 1150 17TH STREET, NW WASHINGTON DC 20036	MAN-MADE FIBER PRODUCERS ASSN, INC	5,000.00	608.16
STEVEN W. UNGLESBEE, 729 15TH STREET, NW WASHINGTON DC 20005	ASSOCIATED BUILDERS & CONTRACTORS, INC	2,500.00	
UNIFI, INC., P.O. BOX 19109 GREENSBORO NC 27419			845.88
UNION MUTUAL LIFE INSURANCE CO, 2211 CONGRESS ST. PORTLAND ME 04122			
UNITED BROTHERHOOD OF CARPENTERS & JOINERS OF AMERICA, 101 CONSTITUTION AVE., NW WASHINGTON DC 20001			21,200.00
UNITED FRESH FRUIT & VEGETABLE ASSN, 727 N. WASHINGTON ST. ALEXANDRIA VA 22314		4,216.00	1,211.63
UNITED GAS PIPE LINE CO, PO BOX 1478 HOUSTON TX 77001			
UNITED INTERNATIONAL CONSULTANTS, 1800 DIAGONAL ROAD ALEXANDRIA VA 22314		90,000.00	
UNITED IRISH & AMERICAN SOCIETY OF ILLINOIS, BOX 219 3400 W. 111TH STREET CHICAGO IL 60655			
UNITED SERVICES AUTOMOBILE ASSOCIATION, 9800 FREDERICKSBURG ROAD SAN ANTONIO TX 78288			
UNITED WAY OF INDIANAPOLIS, COMMUNITY SERVICE COUNCIL OF METRO INDIANAPOLIS 1828 N. MERIDIAN STREET INDIANAPOLIS IN 46202.			
LLOYD N. UNSELL, 1101 16TH ST., NW WASHINGTON DC 20036	INDEPENDENT PETROLEUM ASSOCIATION OF AMERICA		45.00
A. RUSSELL UPSHAW JR., 1030 15TH STREET, NW WASHINGTON DC 20005	EASTERN AIRLINES		95.00
URANIUM PRODUCERS OF AMERICA, C/O COVINGTON & BURLING 1201 PENNSYLVANIA AVE., NW P.O. BOX 7566 WASHINGTON DC 20044.		41,998.50	2,829.31
MARIAN S. URNIKIS, 1120 CONNECTICUT AVENUE, NW WASHINGTON DC 20036	AMERICAN BANKERS ASSN	1,050.00	
UTILITY NUCLEAR WASTE MANAGEMENT GROUP, C/O EDISON ELECTRIC INSTITUTE 1111 19TH ST., NW WASHINGTON DC 20036.			
ANTHONY VALANZANO, 1850 K STREET, NW WASHINGTON DC 20006	AMERICAN COUNCIL OF LIFE INSURANCE, INC	2,950.00	
JACK J. VALENTI, 1600 EYE ST., NW WASHINGTON DC 20006	MOTION PICTURE ASSN OF AMERICA, INC	75.00	
JULIANE H. VAN EGMOND, SUITE 220 1575 EYE STREET, NW WASHINGTON DC 20005	AMERICAN CYANAMID CO	687.50	258.59
VAN FLEET ASSOCIATES, INC, SUITE 102 499 SOUTH CAPITOL ST., SW WASHINGTON DC 20003	CADILLAC GAGE	11,250.00	
Do	FORD AEROSPACE & COMMUNICATIONS CORP	3,300.00	
Do	MARCONI ELECTRONICS	6,200.00	
C. D. VAN HOUWELING, 1015 15TH ST., NW, #200 WASHINGTON DC 20005	NATIONAL PORK PRODUCERS COUNCIL		
NICK L. VAN NELSON, SUITE 540 1875 EYE STREET, NW WASHINGTON DC 20006	CHAMPION INTERNATIONAL CORPORATION		
DANIEL W. VAN NESS, P.O. BOX 17181 WASHINGTON DC 20041	JUSTICE FELLOWSHIP		
VAN NESS FELDMAN SUTCLIFFE & CURTIS, P.C., 7TH FLOOR 1050 THOMAS JEFFERSON ST., NW WASHINGTON DC 20007	AMERICAN INST OF CERTIFIED PUBLIC ACCOUNTANTS	1,402.50	
Do	AMERICAN PRESIDENT LINES	1,400.00	
Do	ARCTIC SLOPE REGIONAL CORP		
Do	BRAE CORPORATION		
Do	CASTLE & COOKE, INC		
Do	CLEAN COAL TECHNOLOGY COALITION	12,022.50	142.58
Do	COLUMBIA GAS SYSTEM SERVICE CORP		
Do	COMINCO ALASKA	930.00	
Do	CONSUMERS UNITED FOR RAIL EQUITY (C.U.R.E.)	16,442.50	138.00
Do	HAWAIIAN ELECTRIC COMPANY, INC		
Do	INTERNATIONAL LEISURE HOSTS, LTD		
Do	JACOBS ENGINEERING GROUP, INC		
Do	NATOMAS CO		
Do	NORTHWEST POWER CO		
Do	PEABODY HOLDING CO, INC		
Do	REPUBLIC GEOTHERMAL, INC		
Do	REPUBLIC OF PALAU	3,815.00	
Do	STATE OF ALASKA		
Do	TEXAS AIR CORP		
Do	UNION CARBIDE CORP		
DEBRA J. VANDERBEEK, 1575 EYE STREET, NW, #200 WASHINGTON DC 20005	AMERICAN CYANAMID CO	71.22	95.00
MARTHA A. VANIER, 119 ORONOCO STREET P.O. BOX 1417-D50 ALEXANDRIA VA 22313	ANIMAL HEALTH INSTITUTE	10.00	
ROBERT C. VARAH, C/O DOW LOHNES & ALBERTSON 1255 23RD ST., NW WASHINGTON DC 20037	CANADIAN TUBULAR PRODUCERS ASSN		
Do	DOFASCO, INC	600.00	616.91
THERESA VARNER, 1909 K STREET, NW WASHINGTON DC 20049	AMERICAN ASSN OF RETIRED PERSONS	438.46	
GEORGE F. VARY, 1667 K ST., NW WASHINGTON DC 20006	ARMCO, INC	900.00	353.63
JENNIFER VASILOFF, 1730 M STREET, NW WASHINGTON DC 20036	LEAGUE OF WOMEN VOTERS OF THE U.S.	3,537.71	117.51
DONALD R. VAUGHAN, P.O. BOX 1288 ASHEBORO NC 27204	STEDMAN CORP		
ROBYN E. VAUGHAN, 1600 M ST., NW WASHINGTON DC 20036	INVESTMENT COMPANY INSTITUTE		
CHRISTINE L. VAUGHN, 1101 CONNECTICUT AVE., NW, #900 WASHINGTON DC 20036	PARIBAS ASSET MANAGEMENT, INC	165.00	4.00
VENTURE ENTREPRENEURS, INC., 1201 SAN MARCO BLVD., #204 JACKSONVILLE FL 32207			
JERRY T. VERKLER, 1660 L STREET, NW, #601 WASHINGTON DC 20036	INTERSTATE NATURAL GAS ASSOCIATION OF AMERICA	6,250.00	94.15
VERNER LIIPFERT BERNHARD MCPHERSON & HAND, CHTD, 1660 L STREET, NW, #1000 WASHINGTON DC 20036	DIGITAL EQUIPMENT CORP		
Do	LABOR-INDUSTRY COALITION FOR INTL TRADE	2,575.00	
Do	PAN AMERICAN WORLD AIRWAYS, INC		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	SEMICONDUCTOR INDUSTRY ASSOCIATION		
Do	JOHN TUDOR		
FRANK VERRASTRO, 1155 15TH STREET, NW, #600 WASHINGTON DC 20005	PENNZOIL COMPANY	937.50	
MELODY V. VETRO, 214 MASSACHUSETTS AVENUE, NE, #550 WASHINGTON DC 20002	AMERICAN SPACE FOUNDATION	2,000.00	
R. ERIC VIGE, SUITE 300 1747 PENNSYLVANIA AVENUE, NW WASHINGTON DC 20006	CITIES SERVICE OIL & GAS CORP	175.00	25.00
MICHAEL F. VIGIL JR., 900 THIRD AVENUE NEW YORK NY 10022	INTERNATIONAL GOLD CORPORATION LIMITED		
RUDOLPH A. VIGNONE, 1800 K ST., NW, #800 WASHINGTON DC 20006	GOODYEAR TIRE & RUBBER CO	4,500.00	
ANNE L. VIGNOVIC, 1750 K STREET, NW WASHINGTON DC 20006	U.S. BREWERS ASSN, INC	2,456.97	1,113.28
RALPH VINOVICH, 1875 EYE STREET, NW, #800 WASHINGTON DC 20006	TOBACCO INSTITUTE	3,500.00	
VINSON & ELKINS, 1101 CONNECTICUT AVE., NW, #900 WASHINGTON DC 20036	PROVIDENT LIFE & ACCIDENT INSURANCE CO		
Do	SECTION 936 STEERING COMMITTEE	838.75	
Do	WARBURG PINCUS CAPITAL CORP		
Do	WARNER AMEX CABLE COMMUNICATIONS, INC		
VIRGINIA ASSOCIATION OF RAILWAY PATRONS, P.O.BOX 867 RICHMOND VA 23207		310.00	60.28
GEORGE A. VIVERETTE JR., 8111 GATEHOUSE ROAD FALLS CHURCH VA 22047	AMERICAN AUTOMOBILE ASSN		
NICK J. VOLCHEFF, 2509 E. SAN MIGUEL PHOENIX AZ 85016	AT&T		
VOLKSWAGEN OF AMERICA, INC, 490 L'ENFANT PLAZA, SW, #3210 WASHINGTON DC 20024			620.00
DOUGLAS K. VOLLMER, 801 18TH ST., NW WASHINGTON DC 20006	PARALYZED VETERANS OF AMERICA	14,393.52	
VOLPE BOSKEY & LYONS, SUITE 602 918 16TH STREET, NW WASHINGTON DC 20006	AMERICAN ASSN OF EQUIPMENT LESSORS		
INGRID A. VOORHEES, 1957 E ST., NW WASHINGTON DC 20006	ASSOCIATED GENERAL CONTRACTORS OF AMERICA	2,000.00	500.00
KURT VORNDRAN, 2030 M STREET, NW WASHINGTON DC 20036	COMMON CAUSE	354.37	
VORYS SATER SEYMOUR & PEASE, 1828 L STREET, NW, #1111 WASHINGTON DC 20036	CABOT CORPORATION	7,526.00	349.98
Do	COMMITTEE OF PUBLICLY OWNED COMPANIES		
Do	GROCERY MANUFACTURERS OF AMERICA, INC		
Do	INTERNATIONAL AGRICULTURAL DEVELOPMENT SERVICE	6,281.25	729.68
Do	OHIO DEPOSIT GUARANTY FUND		
Do	OHIO MANUFACTURERS ASSN		737.24
Do	PITTSBURGH & LAKE ERIE RAILROAD CO	30,965.21	1,620.06
Do	SCM CORPORATION	3,000.00	
Do	TOLEDO TRUSTCORP	15,600.00	2,062.95
Do	YANKEE RESOURCES, INC		
W.A.W. WAR AGAINST WOMEN, 1224 FREEMONT ROSEBURG OR 97470			
R. B. WACKERLE, 1000 WILSON BOULEVARD, #2300 ARLINGTON VA 22209	NORTHROP CORP		
ROBERT J. WAGER, 3RD FLOOR 1111 14TH ST., NW WASHINGTON DC 20005	AMERICAN BAKERS ASSN	2,230.00	5.00
KERRI WAGNER, 1155 15TH STREET, NW WASHINGTON DC 20005	NATIONAL BROILER COUNCIL	1,250.00	
HOWARD W. WAHL, 15740 SHADY GROVE RD. GAITHERSBURG MD 20877	BECHTEL POWER CORPORATION		
CHRISTINE M. WAISANEN, NEW MURPHY ROAD & CONCORD PIKE WILMINGTON DE 19897	ICI AMERICAS, INC		
HERBERT R. WAITE, 100 FEDERAL ST. BOSTON MA 02110	BANK OF BOSTON CORPORATION		
Do	FIRST NATIONAL BANK OF BOSTON	9,500.00	9,316.65
WALD HARKRADER & ROSS, 1300 19TH ST., NW WASHINGTON DC 20036	ABRAFE		
Do	JAPAN IRON & STEEL EXPORTERS' ASSN		
ANDREW B. WALDO, 1330 CONNECTICUT AVE., NW, #300 WASHINGTON DC 20036	SYNTHETIC ORGANIC CHEMICAL MANUFACTURERS ASSN	12,960.00	637.72
ANGELA S. WALDORF, N.C. PETROLEUM COUNCIL P.O. BOX 167 RALEIGH NC 27602	AMERICAN PETROLEUM INST		
ROBERT E. WALDRON, ASSOCIATED PETROLEUM INDUSTRIES OF MICHI 930 MICHIGAN NATL TOWER, PO BOX 10070 LANSING MI 48901.	AMERICAN PETROLEUM INSTITUTE	845.00	
CHARLS E. WALKER ASSOCIATES, INC, 1730 PENNSYLVANIA AVE., NW WASHINGTON DC 20006	AGRICO CHEMICAL COMPANY, ET AL	8,000.00	
Do	ALABAMA POWER CO	7,500.00	
Do	ALUMINUM COMPANY OF AMERICA	375.00	
Do	AMERICAN TELEPHONE & TELEGRAPH CO	375.00	
Do	ARTHUR ANDERSON & CO	1,250.00	
Do	ANHEUSER-BUSCH COMPANIES, INC	1,875.00	
Do	CBS, INC	1,500.00	
Do	CHAMPION INTERNATIONAL CORP	375.00	
Do	COALITION FOR JOBS GROWTH & INT'L COMPETITIVENESS	8,750.00	
Do	COPIAT	1,875.00	
Do	DEALER BANK ASSN	5,500.01	
Do	DRESSER INDUSTRIES, INC	375.00	
Do	E. I. DU PONT DE NEMOURS & CO	375.00	
Do	FEDERAL NATIONAL MORTGAGE ASSN	750.00	
Do	FORD MOTOR CO	375.00	
Do	GOODYEAR TIRE & RUBBER CO	375.00	
Do	GTE CORPORATION	375.00	
Do	IBM	375.00	
Do	INDEPENDENT REFINERS COALITION	11,250.00	
Do	LONE STAR STEEL CO	3,125.00	
Do	NORTHVILLE INDUSTRIES CORP	5,000.00	
Do	NORTHWESTERN MUTUAL LIFE INSURANCE CO	3,125.00	
Do	OWENS-ILLINOIS	375.00	
Do	PROCTER & GAMBLE MANUFACTURING CO	375.00	
Do	PUBLIC SECURITIES ASSN	2,500.00	
Do	SCOTT PAPER CO	375.00	
Do	SIMUFLITE TRAINING INTERNATIONAL, INC	1,500.00	
Do	SONGWRITERS GUILD	5,625.00	
Do	UNION CARBIDE CORP	375.00	
Do	WEYERHAEUSER CO	375.00	
R. DUFFY WALL & ASSOCIATES, INC, 1317 F STREET, NW, #400 WASHINGTON DC 20004	BALCOR COMPANY	1,000.00	300.00
Do	BRINKS, INC		
Do	CANTOR FITZGERALD & CO, INC	1,000.00	300.00
Do	ESSELTE BUSINESS SYSTEMS, INC	1,500.00	300.00
Do	FOOTWEAR RETAILERS OF AMERICA	1,500.00	600.00
Do	JMB REALTY CORP	1,000.00	300.00
Do	LIFE OF VIRGINIA	1,000.00	600.00
Do	MORGAN GUARANTY TRUST CO	1,500.00	600.00
Do	NEW YORK STATE BANKERS ASSN	1,500.00	300.00
Do	PHARMACEUTICAL MANUFACTURERS ASSN	1,500.00	600.00
Do	TORCHMARK CORPORATION	1,000.00	600.00
Do	WINE & SPIRITS WHOLESALERS OF AMERICA, INC	1,000.00	600.00
MARTIN A. WALL, 1025 VERMONT AVENUE, NW, #800 WASHINGTON DC 20005	AMERICAN OSTEOPATHIC HOSPITAL ASSN	2,225.00	65.00
WALLACE & EDWARDS, 1150 CONNECTICUT AVE., NW, #507 WASHINGTON DC 20036	ALABAMA FARM BUREAU FEDERATION	6,000.00	221.89
Do	AMERICAN MEAT INSTITUTE	12,000.00	200.60
Do	AMERICAN SUGAR CANE LEAGUE OF THE USA, INC	6,000.00	1,129.39
Do	ARROW TRANSPORTATION CO		
Do	COTTON WAREHOUSE ASSN OF AMERICA	11,000.00	
Do	GROCERY MANUFACTURERS OF AMERICA, INC		
Do	MERCHANTS GRAIN & TRANSPORTATION, INC	2,200.00	
Do	NATIONAL COTTON COUNCIL OF AMERICA	7,500.00	548.51
Do	NATIONAL WOOL GROWERS ASSN	3,750.00	402.86
Do	SERVICE CORPORATION INTERNATIONAL	6,000.00	346.14
RAYMOND C. WALLACE, 5025 WISCONSIN AVENUE, NW WASHINGTON DC 20016	AMALGAMATED TRANSIT UNION, AFL-CIO		
LIONEL L. WALLENROD, 260 MADISON AVE. NEW YORK NY 10016	AMERICAN PAPER INSTITUTE, INC		
R. DOUGLAS WALLIN JR., 1235 JEFFERSON DAVIS HWY. ARLINGTON VA 22202	EMERSON ELECTRIC CO		116.40
CHARLES S. WALSH, FLEISCHMEN & WALSH 1725 N ST., NW WASHINGTON DC 20036	NATIONAL CABLE TELEVISION ASSN, INC		
HENRY L. WALTHER, 3238 WYNFORD DRIVE FAIRFAX VA 22031	U.S. DEFENSE COMMITTEE	3,000.00	
JAMES K. WALTON, 1819 L STREET, NW, #820 WASHINGTON DC 20036	SANTA FE INTERNATIONAL CORP		
HERBERT C. WAMSLEY, 1255 23RD STREET, NW, #850 WASHINGTON DC 20037	INTELLECTUAL PROPERTY OWNERS, INC	17,539.00	
BONNIE B. WAN, 1201 PENNSYLVANIA AVENUE, #730 WASHINGTON DC 20004	KIMBERLY-CLARK CORP		
JOHN F. WANAMAKER, 201 N. WASHINGTON, ST. ALEXANDRIA VA 22314	RETIRED OFFICERS ASSN	2,014.00	
ALAN S. WARD, 1050 CONNECTICUT AVE., NW, #1100 WASHINGTON DC 20036	BAKER & HOSTETLER (FOR: SOAP & DETERGENT ASSN)		
JUSTIN R. WARD, 1350 NEW YORK AVENUE, NW, #300 WASHINGTON DC 20005	NATURAL RESOURCES DEFENSE COUNCIL, INC	662.63	45.00
STEPHEN E. WARD, 1919 PENNSYLVANIA AVENUE, NW, #503 WASHINGTON DC 20006	MID-CONTINENT OIL & GAS ASSN	2,976.92	105.50
THOMAS J. WARD, 70 N. MAIN STREET WILKES-BARRE PA 18711	BLUE CROSS OF NORTHEASTERN PENNSYLVANIA		
BARBARA F. WARDEN, SUITE 202-WEST WING 600 MARYLAND AVE., SW WASHINGTON DC 20024	NATIONAL CONSUMERS LEAGUE		
RICHARD D. WARDEN, 1757 N ST., NW WASHINGTON DC 20036	UNITED AUTO, AEROSPACE & AGRICULTURAL IMPLEMENT WORKERS	16,340.88	319.66

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
JACK WARE, 1220 L STREET, NW WASHINGTON DC 20005	AMERICAN PETROLEUM INSTITUTE	6,560.00	90.85
MICHAEL O. WARE, 1701 PENNSYLVANIA AVENUE, NW, #900 WASHINGTON DC 20006	CONOCO, INC	1,750.00	
WILLIAM L. WARFIELD, 3900 WISCONSIN AVENUE, NW WASHINGTON DC 20016	FEDERAL NATIONAL MORTGAGE ASSN		
PETER F. WARKER, SUITE 2700 1000 WILSON BOULEVARD ARLINGTON VA 22209	TRW, INC	1,250.00	
WILLIAM H. WARNER, 1201 PENNSYLVANIA AVENUE, NW WASHINGTON DC 20004	CONTROL DATA CORP	500.00	107.58
CHRISTINE M. WARNKE, SUITE 300 1101 CONNECTICUT AVENUE, NW WASHINGTON DC 20036	AMERICAN TEXTILE MANUFACTURERS INSTITUTE, INC	800.00	295.55
BARBARA J. WASHBURN, 1201 PENNSYLVANIA AVENUE, NW, #370 WASHINGTON DC 20004	CONTROL DATA CORPORATION	543.75	138.85
WASHINGTON ENERGY TRADE & AGRICULTURE GROUP, 655 15TH STREET, NW, #300 WASHINGTON DC 20005	CPM ENERGY CORP; VALLEY GREEN INT'L TRADING CORP, ET AL		
WASHINGTON INDEPENDENT WRITERS, INC, 1341 G ST., NW, #205 WASHINGTON DC 20005			
WASHINGTON INDUSTRIAL TEAM, INC, 499 S. CAPITOL ST., SW, #520 WASHINGTON DC 20003	BOEING COMPANY	900.00	415.13
Do	HUGHES AIRCRAFT COMPANY	1,500.00	706.90
Do	ROCKWELL INTL	1,500.00	706.90
WATERBED MANUFACTURERS ASSN, 1411 WEST OLYMPIC BOULEVARD LOS ANGELES CA 90015			2,000.00
MILLIE WATERMAN, 5256 CORDUROY ROAD MENTOR OH 44060	NATIONAL CONGRESS OF PARENTS & TEACHERS		1,136.79
RONALD D. WATERMAN, 4802 TABARD PLACE ANNANDALE VA 22003	MILWAUKEE COUNTY-INTERGOVERNMENTAL RELATIONS	9,375.00	478.58
Do	WISCONSIN COUNTIES ASSN	5,964.00	478.58
CLARKE R. WATSON, 655 BROADWAY, #425 DENVER CO 80203	WESTLAND COMPANIES, INC		
LEROY WATSON, 1616 H STREET, NW WASHINGTON DC 20006	NATIONAL GRANGE	2,750.00	
STEPHEN L. WATSON, 143 W. MARKET ST., #201 INDIANAPOLIS IN 46204	INDIANA RAILROAD ASSN	600.00	613.67
CAROLYN HERR WATTS, 1800 MASSACHUSETTS AVE., NW WASHINGTON DC 20036	NATIONAL RURAL ELECTRIC COOPERATIVE ASSN	50.00	
DOUGLAS R. WATTS, 1724 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20036	NATIONAL CABLE TELEVISION ASSN, INC	1,488.24	
GEORGE B. WATTS, 1155 15TH ST., NW WASHINGTON DC 20005	NATIONAL BROILER COUNCIL	1,500.00	
BRUCE H. WATZMAN, 1130 17TH STREET, N.W. WASHINGTON DC 20036	NATIONAL COAL ASSN	5,750.00	392.33
WILLIAM H. WEATHERSPOON, NORTH CAROLINA PETROLEUM COUNCIL PO BOX 167 RALEIGH NC 27602	AMERICAN PETROLEUM INSTITUTE	1,000.00	1,364.84
A. VERNON WEAVER, 2121 K STREET, NW, #830 WASHINGTON DC 20037	STEPHENS OVERSEAS SERVICES, INC		
MARY WEBB, 1050 17TH STREET, NW, #770 WASHINGTON DC 20036	AMERICAN ASSN OF HOMES FOR THE AGING	189.00	12.15
ANDREW H. WEBBER, 440 FIRST STREET, NW, #510 WASHINGTON DC 20001	AMERICAN MEDICAL PEER REVIEW ASSN		
FREDERICK L. WEBBER, 1101 16TH STREET, NW WASHINGTON DC 20036	NATIONAL SOFT DRINK ASSN		
SUSAN WEBER, 1601 CONNECTICUT AVE., NW, 4TH FL. WASHINGTON DC 20009	ZERO POPULATION GROWTH, INC		
WEBSTER & SHEFFIELD, 1200 NEW HAMPSHIRE AVE., NW, #350 WASHINGTON DC 20036	ASARCO CORPORATION	250.00	
Do	PINKERTON TOBACCO CO	500.00	
Do	POGO PRODUCING CO		
WEBSTER CHAMBERLAIN & BEAN, 1747 PENNSYLVANIA AVE., NW, #1000 WASHINGTON DC 20006	INTERNATIONAL TAXICAB ASSN	1,800.00	
Do	MILLER BREWING COMPANY	1,450.00	108.00
Do	WATERBED MANUFACTURERS ASSN	2,000.00	
LEE J. WEDDIG, SUITE 580 2000 M ST., NW WASHINGTON DC 20036	NATIONAL FISHERIES INSTITUTE	4,000.00	
DAVID F. WEEDA, OLSSON AND FRANK 1029 VERMONT AVE., NW, #400 WASHINGTON DC 20005	NATIONAL ASSN OF MARGARINE MANUFACTURERS	436.80	
CHARLES W. WEGNER JR., 600 PENNSYLVANIA AVENUE, SE, #203 WASHINGTON DC 20003	PROFESSIONAL INSURANCE AGENTS	500.00	6,580.00
WEIL GOTSHAL & MANGES, 1101 14TH ST., NW WASHINGTON DC 20005	ACF INDUSTRIES, INC		
STEVEN A. WEIN, 1090 VERMONT AVENUE, NW, #1100 WASHINGTON DC 20005	TEXTRON, INC	600.00	150.00
WEINER MCCAFFREY BRODSKY & KAPLAN, P.C., 1350 NEW YORK AVE., NW, #800 WASHINGTON DC 20005	CHICAGO CENTRAL & PACIFIC RR	1,296.00	27.70
Do	COORDINATING COUNCIL ON MANUFACTURED HOUSING FINANCE	2,621.00	13.00
Do	FOREMOST INSURANCE CO	125.00	29.20
Do	GULF & MISSISSIPPI RAILROAD	5,955.00	92.10
Do	NATIONAL MANUFACTURED HOUSING FINANCE ASSN	1,236.00	22.00
Do	TASK FORCE ON USURY LEGISLATION	7,500.00	108.55
DONALD G. WEINERT, 1420 KING ST. ALEXANDRIA VA 22314	NATIONAL SOCIETY OF PROFESSIONAL ENGINEERS	1,500.00	
TAMARA WEINSTEIN, 1830 17TH STREET, NW, #704 WASHINGTON DC 20036	RAINBOW ALLIANCE		50.00
ARTHUR E. WEISBERG, 2200 FIRST BANK PLACE EAST MINNEAPOLIS MN 55402	DORSEY & WHITNEY		
ARTHUR A. WEISS, 1800 FIRST NATIONAL BUILDING DETROIT MI 48226	JAFFE SNIDER RAITT & HEUER, P.C		
MORTON N. WEISS, SUITE 4511 ONE WORLD TRADE CENTER NEW YORK NY 10048	NATIONAL SECURITY TRADERS ASSN, INC	4,375.00	
STANLEY A. WEISS, SUITE 401 21 DUPONT CIRCLE, NW WASHINGTON DC 20036	BUSINESS EXECUTIVES FOR NATIONAL SECURITY		
DON WELCH, P.O. BOX 841 ABILENE TX 79604	WEST TEXAS UTILITIES CO		
KATHLEEN WELCH, 215 PENNSYLVANIA AVE., SE WASHINGTON DC 20003	U.S. PUBLIC INTEREST RESEARCH GROUP	3,500.00	
JERRY WELCOME, P.O. BOX 3556 WASHINGTON DC 20007	AMERICAN MEAT INSTITUTE	2,000.00	
WELLFORD WEGMAN KRULWICH & HOFF, 1775 PENNSYLVANIA AVE., NW, #450 WASHINGTON DC 20006	CANADIAN EMBASSY	750.00	
Do	CBS, INC	3,000.00	
Do	COALITION AGAINST DOUBLE TAXATION, INC	14,000.00	
Do	DEPARTMENT OF NATURAL RESOURCES, PROVINCE OF MANITOBA	3,750.00	
Do	FAMILY SERVICE AMERICA	200.00	
Do	GRANTS & CONTRACTS PROJECTS, UNITED WAY OF AMERICA		
Do	LUKENS, INC	1,280.00	
Do	MANVILLE CORP	2,000.00	
Do	MINISTRY OF THE ENVIRONMENT	1,500.00	
Do	MITEX		
Do	NATIONAL CORP FOR HOUSING PARTNERSHIPS	1,500.00	
Do	PHARMAQUEST CORPORATION; OCLASSEN PHARMACEUTICALS, INC	540.00	
L. H. WELLS, SUITE 200 1025 CONNECTICUT AVENUE, NW WASHINGTON DC 20036	SHELL OIL CO	500.00	
THOMAS F. WENNING, 1910 K ST., NW WASHINGTON DC 20006	NATIONAL GROCERS ASSN		
FRED WERTHEIMER, 2030 M ST., NW WASHINGTON DC 20036	COMMON CAUSE	16,050.00	130.00
ROLAND WESLEY, 1159 QUAIL RUN BOLINGBROOK IL 60439	COMMITTEE FOR MINOR. ACCESS TO POST SECOND. SCHOOL OWNERSHIP		
CHARLES M. WEST, 205 DAINGERFIELD ROAD ALEXANDRIA VA 22314	NATIONAL ASSN OF RETAIL DRUGGISTS	1,500.00	300.00
WEST COAST FABRICATORS & STEEL INDUSTRY ASSN, 2324 NAVY DRIVE STOCKTON CA 95206		36,000.00	14,598.80
FORD B. WEST, 1015 18TH STREET, NW WASHINGTON DC 20036	FERTILIZER INSTITUTE	25,000.00	1,216.22
WEST MEXICO VEGETABLE DISTRIBUTORS ASSN, PO BOX 848 NOGALES AZ 85621			1,000.00
WEST TEXAS LAND & ROYALTY OWNERS ASSN, 4302 AIRPORT BLVD. AUSTIN TX 78722			
W. P. WEST 1629 K ST., NW ROOM 204 WASHINGTON DC 20006	DELTA AIR LINES, INC	273.00	163.33
SHIRLEY H. WESTER, 1110 VERMONT AVENUE, NW, #950 WASHINGTON DC 20005	AMERICAN HEALTH PLANNING ASSN	1,000.00	53.00
JOHN F. WETZEL JR., 412 FIRST ST., SE, #200 WASHINGTON DC 20003	ASSOCIATION OF AMERICAN RAILROADS	172.48	140.96
WEXLER REYNOLDS HARRISON & SCHULE, INC, SUITE 600 1317 F STREET, NW WASHINGTON DC 20004	AETNA LIFE & CASUALTY	360.00	
Do	ALLIED CORPORATION	1,800.00	34.33
Do	AMERICAN AIRLINES	5,500.00	6.00
Do	AMERICAN CYANAMID CO	9,750.00	53.50
Do	AMERICAN LOW POWER TELEVISION ASSN		
Do	AMUSEMENT & MUSIC OPERATORS ASSN		
Do	COMMUNICATIONS SATELLITE CORP	1,155.00	10.00
Do	COOPERS & LYBRAND	320.00	
Do	DEALER BANK ASSOCIATION	200.00	12.00
Do	DYCO PETROLEUM CO		
Do	FOOTHILLS PIPE LINES (YUKON) LTD		
Do	GENERAL MOTORS CORP		
Do	INEXCO OIL CO		
Do	MANVILLE CORPORATION	4,130.00	7.00
Do	MORGAN STANLEY & CO, INC	8,485.00	285.64
Do	MOTION PICTURE ASSN OF AMERICA, INC	4,500.00	15.00
Do	NATIONAL CABLE TELEVISION ASSN, INC	5,900.00	6.00
Do	NATIONAL RADIO BROADCASTERS ASSOCIATION	620.00	
Do	NEW ENGLAND ELECTRIC SYSTEM		
Do	NORTHWEST AIRLINES, INC	4,125.00	15.00
Do	NOVA, AN ALBERTA CORP		
Do	NOVACOR CHEMICALS, LTD	1,045.00	47.50
Do	ROCK-OLA MANUFACTURING CORP		
Do	SECURITY INVESTMENT CO		
Do	TURNER BROADCASTING SYSTEMS, INC	14,165.00	1,063.74
ROBERT G. WEYMUELLER, 1101 VERMONT AVE., NW #402 WASHINGTON DC 20005	VIACOM INTERNATIONAL, INC	4,880.00	91.50
BRIAN B. WHALEN JR., 401 N. MICHIGAN AVE. CHICAGO IL 60611	AMERICAN LUNG ASSN	3,870.00	2,752.00
CURTIS E. WHALEN, 490 L'ENFANT PLAZA, SW, #3202 WASHINGTON DC 20024	INTERNATIONAL HARVESTER CO	1,250.00	61.21
LEONARD P. WHEAT, 1111 14TH ST., NW, #1200 WASHINGTON DC 20005	TRANSCO ENERGY COMPANY	4,500.00	3,365.01
CHARLES W. WHEELER, 1120 CONNECTICUT AVENUE, NW WASHINGTON DC 20036	AMERICAN DENTAL ASSN	1,000.00	106.80
CLYDE A. WHEELER JR., BISHOP LIBERMAN COOK PURCELL & REYNOLDS 1200 17TH STREET, NW WASHINGTON DC 20036	AMERICAN BANKERS ASSN	1,500.00	1,134.14
JUNE M. WHELAN, SUITE 600 S 1120 20TH STREET, NW WASHINGTON DC 20036	AMERICAN PETROLEUM INSTITUTE	5,000.00	
DEBORAH A. WHITE, 1333 NEW HAMPSHIRE AVE., NW WASHINGTON DC 20036	UNION PACIFIC CORPORATION	1,250.00	
	ATLANTIC RICHFIELD CO	25.30	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
DIANE WHITE, 122 C ST., NW, #800 WASHINGTON DC 20001	CONCERNED WOMEN FOR AMERICA	3,600.00	
DONALD F. WHITE, 1616 H ST., NW WASHINGTON DC 20006	AMERICAN RETAIL FEDERATION	1,500.00	150.00
WHITE FINE & VERVILLE, SUITE 1100 1156 15TH ST., NW WASHINGTON DC 20005	AMERICAN EDUCATORS OF ARKANSAS, INC, ET AL	25,150.00	
Do	UNIVERSITY OF MARYLAND		
GEORGE E. WHITE JR., P.O. BOX 61000 NEW ORLEANS LA 70161	MIDDLE SOUTH SERVICES, INC	1,968.72	664.32
JOHN C. WHITE, SUITE 207 1333 NEW HAMPSHIRE AVE., NW WASHINGTON DC 20036	COASTAL CORP & CHICAGO MERCANTILE EXCHANGE		
JOHN S. WHITE, 1800 M ST., NW, #975 WASHINGTON DC 20036	MARATHON OIL CO		
JOHN THOMAS WHITE II , SUITE 2202 490 L'ENFANT PLAZA EAST, SW WASHINGTON DC 20024	TENNECO INC		
MARGITA E. WHITE, 1730 M STREET, NW, #407 WASHINGTON DC 20036	TELEVISION OPERATORS CAUCUS, INC		
SAM WHITE, 412 FIRST STREET, SE WASHINGTON DC 20003	INDEPENDENT CATTLEMEN'S ASSN		
Do	NATIONAL PEANUT GROWERS GROUP	7,500.00	
Do	SAM KANE PACKING		
WILLIAM R. WHITE, BRICKER & ECKLER 888 17TH STREET, NW, #1050 WASHINGTON DC 20006	CONSOLIDATED RAIL CORP		269.71
Do	LINCOLN SAVINGS & LOAN ASSN		
Do	NATIONWIDE INSURANCE CO		
RICHARD M. WHITING, 730 15TH STREET, NW WASHINGTON DC 20005	ASSOCIATION OF BANK HOLDING COS	1,000.00	
WHITMAN & RANSOM, 1333 NEW HAMPSHIRE AVE., NW, #650 WASHINGTON DC 20036	JAPAN EXTERNAL TRADE ORGANIZATION (JETRO)		
JAMES A. WHITMAN, P.O. BOX 1417-D49 ALEXANDRIA VA 22313	NATIONAL ASSN OF CHAIN DRUG STORES, INC	500.00	
ROBERT L. WHITMIRE, 1745 JEFFERSON DAVIS HIGHWAY, #1000 ARLINGTON VA 22202	GENERAL DYNAMICS	1,000.00	339.17
WILLIAM F. WHITSITT, 1800 K ST., NW SUITE 820 WASHINGTON DC 20006	SUN CO, INC	2,400.00	527.64
DENNIS J. WHITTLESEY, KECK MAHIN & CATE 1730 PENNSYLVANIA AVE., NW WASHINGTON DC 20006	COWLITZ INDIAN TRIBE		
WILLIAM E. WICKERT JR., 1000 16TH STREET, NW, #800 WASHINGTON DC 20036	BETHLEHEM STEEL CORPORATION	800.00	
MARY FRANCES WIDNER, 1620 EYE ST., NW WASHINGTON DC 20006	AMERICAN INST OF CERTIFIED PUBLIC ACCOUNTANTS	540.00	93.00
RICHARD J. WIECHMANN, 1619 MASSACHUSETTS AVE., NW WASHINGTON DC 20036	AMERICAN PAPER INSTITUTE, INC		
JUDY A. WIEDEMEIER, 1875 I STREET, NW, #800 WASHINGTON DC 20006	TOBACCO INSTITUTE		
PHILLIP R. WIEDMEYER, 600 NORTH 18TH STREET BIRMINGHAM AL 35291	ALABAMA POWER CO	14,265.00	10,005.05
W. SCOTT WILBER, 1101 VERMONT AVENUE, NW WASHINGTON DC 20005	AMERICAN MEDICAL ASSN	3,975.00	129.23
ROBERT E. WILBUR, 3000 LINCOLN PL., LB5 DALLAS TX 75201	TAYLOR & MIZELL		
THOMAS D. WILCOX, P.C., 2011 EYE STREET, NW, #705 WASHINGTON DC 20006	NATIONAL ASSN OF STEVEDORES	1,830.00	1,830.00
HARRY G. WILES II , 499 S. CAPITOL STREET, SW, #401 WASHINGTON DC 20003	NATIONAL ASSN OF INDEPENDENT INSURERS		308.00
WILEY & REIN, 1776 K STREET, NW WASHINGTON DC 20006	CBS, INC		
GUENTHER O. WILHELM, SUITE 1100 1899 L STREET, NW WASHINGTON DC 20036	EXXON CORPORATION		
JULIAN A. WILHELM, 1000 THOMAS JEFFERSON ST., NW #600 WASHINGTON DC 20007	BURCH & BENNETT, P.C. (FOR M.A.N. TRUCK & BUS CORP.)		
CARL B. WILKERSON, 1850 K STREET, NW WASHINGTON DC 20006	AMERICAN COUNCIL OF LIFE INSURANCE, INC		
WILKINSON BARKER KNAUER & QUINN, 1735 NEW YORK AVE., NW WASHINGTON DC 20006	AMERICAN ASSN OF PRESIDENTS OF INDEPENDENT COLL. & UNIVER		
Do	BONNEVILLE INTERNATIONAL CORP	4,013.00	5.70
Do	CONFEDERATED SALISH & KOOTENAI TRIBES OF THE FLATHEAD RES		
Do	MANVILLE CORPORATION	54,653.70	3,321.03
Do	MOUNTAIN STATES TELEPHONE & TELEGRAPH CO	803.25	31.61
Do	NANA REGIONAL CORP, INC		
Do	NORTHWESTERN BELL TELEPHONE CO	803.25	31.61
Do	PACIFIC NORTHWEST BELL TELEPHONE CO	803.25	31.61
Do	J.C. PENNEY CO, INC	12,740.00	389.25
Do	SHEE ATIKA, INC		
Do	U.S. WEST, INC	803.25	31.61
Do	UNITED AIRLINES, INC	19,357.65	378.30
PAUL R. WILLGING, 1200 15TH STREET, NW WASHINGTON DC 20005	AMERICAN HEALTH CARE ASSN	6,875.00	9.00
RALPH E. WILLHAM, 1750 NEW YORK AVE., NW WASHINGTON DC 20006	SHEET METAL WORKERS' INTL ASSN	11,850.00	
WILLIAMS & CONNOLLY, 839 17TH ST., NW WASHINGTON DC 20006	NINA COHEN	1,103.75	
F. LEE WILLIAMS, 1616 H ST., NW WASHINGTON DC 20006	AMERICAN RETAIL FEDERATION	1,600.00	
FLOYD L. WILLIAMS, 15TH & M STREETS, NW WASHINGTON DC 20005	NATIONAL ASSN OF HOME BUILDERS OF THE U.S.		
JAMES H. WILLIAMS, 1840 WILSON BLVD., #203 ARLINGTON VA 22201	NATIONAL LIMESTONE INST, INC		
LEONARD B. WILLIAMS, 1000 16TH STREET, NW, #800 WASHINGTON DC 20036	BETHLEHEM STEEL CORPORATION	125.00	
LUCINDA L. WILLIAMS, 1111 19TH ST., NW, #402 ARLINGTON VA 20036	FEDERATION OF AMERICAN HOSPITALS	5,500.00	
PERRY F. WILLIAMS, 225 MAIN ST. NEWINGTON CT 06111	AMERICAN RADIO RELAY LEAGUE, INC		
ROBERT E. WILLIAMS, 1825 K ST., NW, #607 WASHINGTON DC 20006	UNITED AIRLINES	1,500.00	
THOMAS F. WILLIAMS, 6812 OLD KENT ROAD AMARILLO TX 79109	SOUTHWESTERN PUBLIC SERVICE CO	769.90	256.92
DAVID K. WILLIS, 1620 EYE STREET, NW, #1000 WASHINGTON DC 20006	MOTOR VEHICLE MANUFACTURERS ASSOCIATION OF THE U.S., INC		
WILLKIE FARR & GALLAGHER, 818 CONNECTICUT AVENUE, NW WASHINGTON DC 20036	AMERICAN RED CROSS RETIREMENT SYSTEM	1,455.00	83.74
Do	AMERICAN TRUCKING ASSN	4,200.00	212.97
Do	COMPTROLLER OF THE STATE OF NEW YORK	7,028.00	972.39
CHARLOTTE M. WILMER, 1800 MASSACHUSETTS AVE., NW WASHINGTON DC 20036	NATIONAL RURAL ELECTRIC COOPERATIVE ASSN	130.00	
WILMER CUTLER & PICKERING, 1666 K ST., NW WASHINGTON DC 20006	AMERICAN CYANAMID CO	2,600.00	36.50
Do	APACHE CORPORATION		
Do	CBS, INC	1,073.75	3.18
Do	CITICORP		
Do	G-4 CHILDREN'S COALITION	9,269.83	53.93
Do	HANDGUN CONTROL, INC		130.67
Do	MOTOR VEHICLE MANUFACTURERS ASSOCIATION OF THE U.S., INC		
Do	PEOPLE OF ENEWETAK		7.50
CHARLES D. WILSON, 1850 K ST., NW, #390 WASHINGTON DC 20006	UNION CAMP CORP	1,738.40	102.10
DENA L. WILSON, SUITE 1000 1600 WILSON BLVD. ARLINGTON VA 22209	AMERICAN WATERWAYS OPERATORS, INC	3,600.00	291.32
DOROTHY WILSON, 4201 CATHEDRAL AVENUE, NW, #607-E WASHINGTON DC 20016	COALITION OF CONCERNED CHARITIES		
G. PETER WILSON, 249 MAITLAND AVENUE P.O. BOX 1119 ALTAMONTE SPRINGS FL 32701	INSTITUTE OF INTERNAL AUDITORS, INC		
PATRICIA M. WILSON, 2910 3RD AVENUE NORTH BILLINGS MT 59103	THERMAL ENERGY CO	300.00	284.45
REID WILSON, 215 PENNSYLVANIA AVENUE, SE WASHINGTON DC 20003	U.S. PUBLIC INTEREST RESEARCH GROUP	3,250.00	
ROBERT C. WILSON, 499 S. CAPITOL ST., SW, #520 WASHINGTON DC 20003	RMI, INC	380.00	
Do	WASHINGTON INDUSTRIAL TEAM, INC	600.00	
ROBERT GARY WILSON, 1730 RHODE ISLAND AVENUE, NW WASHINGTON DC 20036	PPG INDUSTRIES, INC	45.00	28.25
ROSEMARY L. WILSON, MINNESOTA PETROLEUM COUNCIL 1025 NORTHERN FEDERAL BLDG. ST. PAUL MN 55102	AMERICAN PETROLEUM INSTITUTE		
WILLIAM A. WILSON III, 8001 BRADDOCK ROAD SPRINGFIELD VA 22160	NATIONAL RIGHT TO WORK COMM	750.00	
WINDELS MARX DAVIES & IVES, 51 W. 51ST STREET NEW YORK NY 10019	CHELSEA PROPERTY OWNERS	100.00	
KATHLEEN J. WINN, 1155 15TH ST., NW SUITE 602 WASHINGTON DC 20006	PENNZOIL CO	475.00	
MARIE WINSLOW, 2020 K ST., NW, #200 WASHINGTON DC 20006	NATIONAL FED OF FEDERAL EMPLOYEES		
WINSTON & STRAWN, #500 2550 M ST., NW WASHINGTON DC 20037	AMERICAN ASSN OF MUSEUMS	32.50	7.50
Do	BEATRICE FOODS CO	80.00	9.00
Do	GOULD, INC		
Do	LEASE MANAGEMENT CORP		
Do	MERCEDES-BENZ OF NORTH AMERICA		
Do	TERSON COMPANY, INC		
DAVID A. WINSTON, 1922 F STREET, NW WASHINGTON DC 20006	NATIONAL ASSN OF LIFE UNDERWRITERS	543.75	64.00
MARK E. WINTER, 1828 L ST., NW WASHINGTON DC 20036	AMERICAN LAND TITLE ASSN	3,233.00	
RONALD S. WISHART JR., 1100 15TH STREET, NW, #1200 WASHINGTON DC 20005	UNION CARBIDE CORP		
ROBERT V. WITECK, THE POWER HOUSE 3255 GRACE STREET, NW WASHINGTON DC 20007	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: AGRICULTURE FOR MARKET ORIENTED POLICIES).	1,800.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: AMERICAN EXPRESS CORP).		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: AMERICAN FLAGSHIPS)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: CANADIAN ASBESTOS INFORMATION CENTRE).		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: JOINT MARITIME CONGRESS).	1,500.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: LANE INDUSTRIES)	300.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: MUTUAL OF OMAHA)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: NATIONAL BROADCASTING CO, INC).		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: REPUBLIC OF TURKEY)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: UNITED AIRLINES)		
CLAUDIA A. WITHERS, 2000 P STREET, NW, #400 WASHINGTON DC 20036	WOMEN'S LEGAL DEFENSE FUND		
GLENN P. WITTE, 888 16TH ST., NW WASHINGTON DC 20006	MILK IND FOUNDATION/INT'L ASSN OF ICE CREAM MFRS		
ERNEST WITTENBERG ASSOCIATES, INC, 1616 H ST., NW WASHINGTON DC 20006	FEDERAL LAND BANK ASSNS OF TEXAS STOCKHOLDERS' DEFENSE FUND		
HERMAN C. WITTHAUS, 1660 L ST., NW WASHINGTON DC 20036	GENERAL MOTORS CORP	3,000.00	1,333.58
CLINTON WOLCOTT, 2020 K ST., NW, #200 WASHINGTON DC 20006	NATIONAL FED OF FEDERAL EMPLOYEES		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
JAMES E. WOLF, 2020 14TH ST., NORTH ARLINGTON VA 22201	AMERICAN STANDARD INC	350.00	
JAMES WOLF, 1925 K ST., NW, #206 WASHINGTON DC 20006	ALLIANCE TO SAVE ENERGY	707.81	
SIDNEY M. WOLFE, 2000 P ST., NW, #708 WASHINGTON DC 20036	HEALTH RESEARCH GROUP		
THOMAS F. WOLFE, 1615 H STREET, NW WASHINGTON DC 20062	CHAMBER OF COMMERCE OF THE U.S.	2,500.00	
RONALD WOLSEY, P.O. BOX 507 BALTIMORE MD 21203	AMOCO CORPORATION		
DON WOMACK, SUITE 303 1825 K ST., NW WASHINGTON DC 20006	TEXAS UTILITIES SERVICES, INC	2,575.00	109.63
BURTON C. WOOD, 1125 15TH ST., NW WASHINGTON DC 20005	MORTGAGE BANKERS ASSOCIATION OF AMERICA	14,400.00	2,190.00
CHARLES A. WOOD, 10 LAFAYETTE SQUARE BUFFALO NY 14203	NATIONAL FUEL GAS DISTRIBUTION CORP, ET AL		
JOHN L. WOOD, 2121 SAN JACINTO ST. P.O. BOX 660164 DALLAS TX 75266	CENTRAL AND SOUTH WEST CORP		
W. ALAN WOODFORD, 2501 M ST.,NW WASHINGTON DC 20037	CHEMICAL MANUFACTURERS ASSN, INC	300.00	218.09
THOMAS C. WOODS, 1660 L STREET, NW WASHINGTON DC 20036	GENERAL MOTORS CORP	2,500.00	1,983.20
PERRY W. WOOFTER, SUITE 530 1800 K ST. NW WASHINGTON DC 20006	TESORO PETROLEUM CORP	3,000.00	
DAVID M. WOOLDRIDGE, 2222 ARLINGTON AVENUE SOUTH BIRMINGHAM AL 35205	EDMOND & VINES	1,675.98	
HOWARD E. WOOLLEY, 1771 N STREET, NW WASHINGTON DC 20036	NATIONAL ASSN OF BROADCASTERS	1,500.00	721.33
LINDA ANZALONE WOOLLEY, 1600 M ST., NW WASHINGTON DC 20036	INTERNATIONAL TELEPHONE & TELEGRAPH CORPORATION	4,944.00	102.00
DEE WORKMAN, 405 LEXINGTON AVE. NEW YORK NY 10017	MOBIL OIL CORP	18,750.00	1,600.00
WORLD ZIONIST ORGANIZATION - AMERICAN SECTOR, INC, 515 PARK AVENUE NEW YORK NY 10022	WORLD ZIONIST ORGANIZATION JERUSALEM, ISRAEL		
WORLDWIDE INFORMATION RESOURCES, LTD, 1717 K STREET, NW, #706 WASHINGTON DC 20006	EQUITABLE LIFE ASSURANCE SOCIETY OF THE U.S.		
Do	PAN AMERICAN WORLD AIRWAYS, INC		
Do	STATE OF MONTANA		
Do	TOYOTA MOTOR SALES U.S.A., INC		
W. ROBERT WORLEY, 1736 CREEK CROSSING ROAD VIENNA VA 22180	SOUTHERN COMPANY SERVICES, INC	1,026.00	2,274.13
STEVEN M. WORTH, 3255 GRACE ST., NW THE POWER HOUSE WASHINGTON DC 20007	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: ELECTRONIC INDUSTRIES ASSN OF JAPAN)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: REPUBLIC OF KOREA)		
WORTHEN BANKING CORPORATION, 2121 K STREET, NW, #830 WASHINGTON DC 20037			
DAVID L. WRIGHT, ANDERSON HILL RD. PURCHASE NY 10577	PEPSICO, INC		1,010.00
SAMUEL H. WRIGHT, 11333 MCCORMICK ROAD HUNT VALLEY MD 21031	PHH GROUP, INC	1,250.00	208.28
WILSON W. WYATT JR., 1825 K ST., NW, #603 WASHINGTON DC 20006	BATUS D.C.	2,000.00	28.00
FREDERICK S. WYLE, 235 MONTGOMERY STREET, #2500 SAN FRANCISCO CA 94104	FEDERATED STATES OF MICRONESIA		
THOMAS L. WYLIE, 1800 K STREET, NW, #820 WASHINGTON DC 20006	SUN COMPANY, INC	5,355.00	148.35
WYMAN BAUTZER ROTHMAN KUCHEL & SILBERT, SUITE 580 600 NEW HAMPSHIRE AVE., NW WASHINGTON DC 20037	AMERICAN BOILER MANUFACTURERS ASSN, INC		
Do	AUTOMOTIVE DISMANTLERS & RECYCLERS ASSN		
Do	BRISTOL BAY NATIVE CORP		
Do	EKLUTNA, INC		
Do	FILMWAYS, INC		
MARC D. YACKER, 1619 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20036	AMERICAN PAPER INSTITUTE, INC	450.00	
MILAN P. YAGER, 727 N. WASHINGTON STREET ALEXANDRIA VA 22314	UNITED FRESH FRUIT & VEGETABLE ASSN	1,230.00	405.72
T. ALBERT YAMADA, SUITE 520 900 17TH ST., NW WASHINGTON DC 20006	TOYOTA MOTOR SALES, U.S.A., INC	500.00	
Do	WEST MEXICO VEGETABLE DISTRIBUTORS ASSN	500.00	
NANCY FOSTER YANISH, 1750 K STREET, NW WASHINGTON DC 20006	FOOD MARKETING INSTITUTE	200.00	
EDWARD R. YAWN, 1111 19TH ST., NW WASHINGTON DC 20036	EDISON ELECTRIC INSTITUTE	953.74	134.35
LINDA YELDEZIAN, 2030 M STREET, NW WASHINGTON DC 20036	COMMON CAUSE	4,625.04	
KIM YELTON, 8120 FENTON ST. SILVER SPRING MD 20910	AMERICANS UNITED FOR SEPARATION OF CHURCH AND STATE	8,602.46	72.83
JACK YELVERTON, 1303 NEW HAMPSHIRE AVE., NW WASHINGTON DC 20036	FLEET RESERVE ASSN		
RICHARD K. YEP, 5999 STEVENSON AVENUE ALEXANDRIA VA 22304	AMERICAN ASSN FOR COUNSELING AND DEVELOPMENT	6,226.68	709.60
EDWARD L. YINGLING, 1120 CONNECTICUT AVE., NW WASHINGTON DC 20036	AMERICAN BANKERS ASSN		
D. SCOTT YOHE, 1629 K ST., NW, #204 WASHINGTON DC 20006	DELTA AIR LINES, INC	390.00	172.80
ANDREW YOOD, 1220 L STREET, NW WASHINGTON DC 20005	AMERICAN PETROLEUM INSTITUTE	200.00	
EDWARD A. YOPP, P.O. BOX 1072 EL PASO TX 79958	MBANK EL PASO		
ROBERTA LYNN YOUMANS, 509 C STREET, NE STANTON PARK WASHINGTON DC 20002	ROISMAN, RENO & CAVANAUGH (FOR: NATIONAL HOUSING LAW PROJECT)	2,111.60	
JOHN ANDREW YOUNG, 1333 NEW HAMPSHIRE AVE., NW, #207 WASHINGTON DC 20036	COASTAL CORPORATION		
JUDITH A. YOUNG, 777 14TH ST., NW WASHINGTON DC 20005	NATIONAL ASSN OF REALTORS		
THOMAS F. YOUNGBLOOD, 1819 L STREET, NW, #600 WASHINGTON DC 20036	AMERICAN HOTEL & MOTEL ASSN	1,350.00	
BETSY YOUNKINS, 1220 L STREET, NW, #1200 WASHINGTON DC 20005	AMERICAN PETROLEUM INSTITUTE	6,000.00	223.24
EUGENE A. YOURCH, 50 BROADWAY NEW YORK NY 10004	FEDERATION OF AMERICAN CONTROLLED SHIPPING	300.00	301.24
RALPH ZAAYENGA, 1800 K STREET, NW, #820 WASHINGTON DC 20006	SUN COMPANY, INC	1,419.60	118.25
HARRY M ZACHEM, 1025 CONNECTICUT AVE., #507 WASHINGTON DC 20036	ASHLAND OIL, INC	2,000.00	
MICHAEL ZAGORAC JR., 8333 BRYAN DAIRY RD. P.O. BOX 4689 CLEARWATER FL 33518	JACK ECKERD CORPORATION		1,511.25
LYNN ZAKUPOWSKY, 1331 PENNSYLVANIA AVE., NW WASHINGTON DC 20004	GENERAL ELECTRIC CO	2,000.00	
STEVEN S. ZALEZNICK, 1909 K ST., NW WASHINGTON DC 20049	AMERICAN ASSN OF RETIRED PERSONS	542.31	
BARNABY W. ZALL, 1424 16TH STREET, NW, #707 WASHINGTON DC 20036	FAIR CONGRESSIONAL TASK FORCE, INC		
Do	FEDERATION FOR AMERICAN IMMIGRATION REFORM	50.00	6.00
JOHN S. ZAPP, 1101 VERMONT AVE., NW WASHINGTON DC 20005	AMERICAN MEDICAL ASSN	4,900.00	
JANICE ZARRO, SUITE 715-16 1660 L ST., NW WASHINGTON DC 20036	AVON PRODUCTS, INC		
LEO C. ZEFERETTI, 9912 FORT HAMILTON PARKWAY BROOKLYN NY 11209	BUILDING & CONSTRUCTION TRADES DEPT., AFL-CIO		
Do	NEW YORK TELEPHONE		
Do	PRATT AND WHITNEY		
Do	TRANSPORTATION INSTITUTE		
DENIS R. ZEGAR, 201 PARK WASHINGTON COURT FALLS CHURCH VA 22046	NATIONAL-AMERICAN WHOLESALE GROCERS' ASSN	3,000.00	
DON J. ZELLER, 1000 16TH ST., NW, #503 WASHINGTON DC 20036	AMOCO CORP	1,850.00	272.99
ZERO POPULATION GROWTH, INC, 1601 CONNECTICUT AVE., NW, 4TH FL. WASHINGTON DC 20009		1,415.00	1,573.00
RONALD L. ZIEGLER, 1199 N. FAIRFAX STREET, #801 ALEXANDRIA VA 22314	NATIONAL ASSN OF TRUCK STOP OPERATORS, INC		
MICHAEL J. ZIMMER, WICKWIRE, GAVIN & GIBBS 1819 L STREET, NW, #700 WASHINGTON DC 20036	CLEAN COAL COALITION, INC		
Do	COGENERATION COALITION, INC		
Do	CONSOLIDATED NATURAL GAS CO	130.00	
ZIONTZ PIRTLE MORRISSET ERNSTOFF & CHESTNUT, METROPOLITAN PARK, 16TH FLOOR 1100 OLIVE WAY SEATTLE WA 98101.	CONFEDERATED TRIBES OF THE COLVILLE INDIAN RESERVATION		
Do	HOOPA VALLEY TRIBE		
Do	INUPIAT COMMUNITY OF THE ARCTIC SLOPE		
Do	MAKAH INDIAN TRIBE		
Do	METLAKATLA INDIAN COMMUNITY		
Do	MILLE LACS BAND OF CHIPPEWA INDIANS		
Do	NORTHERN CHEYENNE INDIAN TRIBE		
Do	TULALIP INDIAN TRIBE		
Do	UKPEAGVIK INUPIAT CORPORATION		
ZUCKERT SCOUTT RASENBERGER & JOHNSON, 888 17TH ST., NW WASHINGTON DC 20006	BUSINESS ROUNDTABLE		
Do	DREYFUS CORPORATION	1,500.00	463.88
Do	INCENTIVE FEDERATION, INC	5,560.00	1,553.45
CHARLES O. ZUVER, 1120 CONNECTICUT AVE., NW WASHINGTON DC 20036	AMERICAN BANKERS ASSN	5,000.00	
KURT D. ZWIKL, 702 HAMILTON MALL ALLENTOWN PA 18101	MERCHANTS BANK		
23RD CONGRESSIONAL DISTRICT ACTION COMM., 575 CHARLES ST. ST. MARYS PA 15857			
31ST PRO LIFE CONGRESSIONAL DISTRICT ACTION COMM, 8654 BONVIEW TERRACE WILLIAMSVILLE NY 14221			
34TH CONGRESSIONAL DISTRICT ACTION COMM (NY), RD 2 ALLEGANY NY 14706			

QUARTERLY REPORTS*

*All alphanumeric characters and monetary amounts refer to receipts and expenditures on page 2, paragraphs D and E of the Quarterly Report Form.

The following reports for the second calendar quarter of 1985 were received too late to be included in the published reports for that quarter:

(NOTE.—The form used for report is reproduced below. In the interest of economy in the RECORD, questions are not repeated, only the essential answers are printed, and are indicated by their respective headings.)

FILE ONE COPY WITH THE SECRETARY OF THE SENATE AND FILE TWO COPIES WITH THE CLERK OF THE HOUSE OF REPRESENTATIVES:

This page (page 1) is designed to supply identifying data; and page 2 (on the back of this page) deals with financial data.

PLACE AN "X" BELOW THE APPROPRIATE LETTER OR FIGURE IN THE BOX AT THE RIGHT OF THE "REPORT" HEADING BELOW:

"PRELIMINARY" REPORT ("Registration"): To "register," place an "X" below the letter "P" and fill out page 1 only.

"QUARTERLY" REPORT: To indicate which one of the four calendar quarters is covered by this Report, place an "X" below the appropriate figure. Fill out both page 1 and page 2 and as many additional pages as may be required. The first additional page should be numbered as page "3," and the rest of such pages should be "4," "5," "6," etc. Preparation and filing in accordance with instructions will accomplish compliance with all quarterly reporting requirements of the Act.

Year: 19.....

REPORT

PURSUANT TO FEDERAL REGULATION OF LOBBYING ACT

P	QUARTER			
	1st	2d	3d	4th
(Mark one square only)				

NOTE ON ITEM "A".—(a) IN GENERAL. This "Report" form may be used by either an organization or an individual, as follows:
(i) "Employee".—To file as an "employee", state (in Item "B") the name, address, and nature of business of the "employer". (If the "employee" is a firm [such as a law firm or public relations firm], partners and salaried staff members of such firm may join in filing a Report as an "employee".)
(ii) "Employer".—To file as an "employer", write "None" in answer to Item "B".
(b) SEPARATE REPORTS. An agent or employee should not attempt to combine his Report with the employer's Report:
(i) Employers subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their agents or employees.
(ii) Employees subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their employers.

A. ORGANIZATION OR INDIVIDUAL FILING:
1. State name, address, and nature of business.

2. If this Report is for an Employer, list names of agents or employees who will file Reports for this Quarter.

NOTE ON ITEM "B".—*Reports by Agents or Employees.* An employee is to file, each quarter, as many Reports as he has employers, except that: (*a*) If a particular undertaking is jointly financed by a group of employers, the group is to be considered as one employer, but all members of the group are to be named, and the contribution of each member is to be specified; (*b*) if the work is done in the interest of one person but payment therefor is made by another, a single Report—naming both persons as "employers"—is to be filed each quarter.

B. EMPLOYER.—State name, address, and nature of business. If there is no employer, write "None."

NOTE ON ITEM "C".—(*a*) The expression "in connection with legislative interests," as used in this Report, means "in connection with attempting, directly or indirectly, to influence the passage or defeat of legislation." "The term 'legislation' means bills, resolutions, amendments, nominations, and other matters pending or proposed in either House of Congress, and includes any other matter which may be the subject of action by either House"—§302(e).
(*b*) Before undertaking any activities in connection with legislative interests, organizations and individuals subject to the Lobbying Act are required to file a "Preliminary" Report (Registration).
(*c*) After beginning such activities, they must file a "Quarterly" Report at the end of each calendar quarter in which they have either received or expended anything of value in connection with legislative interests.

C. LEGISLATIVE INTERESTS, AND PUBLICATIONS in connection therewith:

1. State approximately how long legislative interests are to continue. If receipts and expenditures in connection with legislative interests have terminated, place an "X" in the box at the left, so that this Office will no longer expect to receive Reports. ☐

2. State the general legislative interests of the person filing and set forth the *specific* legislative interests by reciting: (*a*) Short titles of statutes and bills; (*b*) House and Senate numbers of bills, where known; (*c*) citations of statutes, where known; (*d*) whether for or against such statutes and bills.

3. In the case of those publications which the person filing has caused to be issued or distributed in connection with legislative interests, set forth: (*a*) Description, (*b*) quantity distributed; (*c*) date of distribution, (*d*) name of printer or publisher (if publications were paid for by person filing) or name of donor (if publications were received as a gift).

(Answer items 1, 2, and 3 in the space below. Attach additional pages if more space is needed)

4. If this is a "Preliminary" Report (Registration) rather than a "Quarterly" Report, state below what the nature and amount of anticipated expenses will be; and if for an agent or employee, state also what the daily, monthly, or annual rate of compensation is to be. If this is a "Quarterly" Report, disregard this item "C4" and fill out items "D" and "E" on the back of this page. Do not attempt to combine a "Preliminary" Report (Registration) with a "Quarterly" Report.

AFFIDAVIT

[Omitted in printing]

PAGE 1

NOTE ON ITEM "D."—(a) *In General.* The term "contribution" includes *anything of value.* When an organization or individual uses printed or duplicated matter in a campaign attempting to influence legislation, money received by such organization or individual—for such printed or duplicated matter—is a "contribution." "The term 'contribution' includes a gift, subscription, loan, advance, or deposit of money, or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make a contribution"—Section 302(a) of the Lobbying Act.

(b) IF THIS REPORT IS FOR AN EMPLOYER.—(i) *In General.* Item "D" is designed for the reporting of all receipts from which expenditures are made, or will be made, in accordance with legislative interests.

(ii) *Receipts of Business Firms and Individuals.*—A business firm (or individual) which is subject to the Lobbying Act by reason of expenditures which it makes in attempting to influence legislation—but which has no funds to expend except those which are available in the ordinary course of operating a business not connected in any way with the influencing of legislation—will have no receipts to report, even though it does have expenditures to report.

(iii) *Receipts of Multipurpose Organizations.*—Some organizations do not receive any funds which are to be expended solely for the purpose of attempting to influence legislation. Such organizations make such expenditures out of a general fund raised by dues, assessments, or other contributions. The percentage of the general fund which is used for such expenditures indicates the percentage of dues, assessments, or other contributions which may be considered to have been paid for that purpose. Therefore, in reporting receipts, such organizations may specify what that percentage is, and report their dues, assessments, and other contributions on that basis. However, each contributor of $500 or more is to be listed, regardless of whether the contribution was made solely for legislative purposes.

(c) IF THIS REPORT IS FOR AN AGENT OR EMPLOYEE.—(i) *In General.* In the case of many employees, all receipts will come under Items "D 5" (received for services) and "D 12" (expense money and reimbursements). In the absence of a clear statement to the contrary, it will be presumed that your employer is to reimburse you for all expenditures which you make in connection with legislative interests.

(ii) *Employer as Contributor of $500 or More.*—When your contribution from your employer (in the form of salary, fee, etc.) amounts to $500 or more, it is not necessary to report such contribution under "D 13" and "D 14," since the amount has already been reported under "D 5," and the name of the "employer" has been given under Item "B" on page 1 of this report.

D. RECEIPTS (INCLUDING CONTRIBUTIONS AND LOANS):

Fill in every blank. If the answer to any numbered item is "None," write "None" in the space following the number.

Receipts (other than loans)

1. $.....Dues and assessments
2. $.....Gifts of money or anything of value
3. $.....Printed or duplicated matter received as a gift
4. $.....Receipts from sale of printed or duplicated matter
5. $.....Received for services (e.g., salary, fee, etc.)
6. $.....TOTAL for this Quarter (Add items "1" through "5")
7. $.....Received during previous Quarters of calendar year
8. $.....TOTAL from Jan. 1 through this Quarter (Add "6" and "7")

Loans Received

"The term 'contribution' includes a . . . *loan* . . ."—Sec. 302(a).

9. $.....TOTAL now owed to others on account of loans
10. $.....Borrowed from others during this Quarter
11. $.....Repaid to others during this Quarter

12. $.....Expense money" and Reimbursements received this Quarter

Contributors of $500 or more (from Jan. 1 through this Quarter)

13. Have there been such contributors?

Please answer "yes" or "no": .....

14. In the case of each contributor whose contributions (including loans) during the "period" from January 1 through the last days of this Quarter total $500 or more:

Attach hereto plain sheets of paper, approximately the size of this page, tabulate data under the headings "Amount" and "Name and Address of Contributor"; and indicate whether the last day of the period is March 31, June 30, September 30, or December 31. Prepare such tabulation in accordance with the following example:

Amount	*Name and address of Contributor*
	(*"Period"* from Jan. 1 through....., 19.....)
$1,500.00	John Doe, 1621 Blank Bldg., New York, N.Y.
$1,785.00	The Roe Corporation, 2511 Doe Bldg., Chicago, Ill.
$3,285.00	TOTAL

NOTE ON ITEM "E".—(a) *In General.* "The term 'expenditure' includes a payment, distribution, loan, advance, deposit, or gift of money or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure"—Section 302(b) of the Lobbying Act.

(b) IF THIS REPORT IS FOR AN AGENT OR EMPLOYEE. In the case of many employees, all expenditures will come under telephone and telegraph (Item "E 6") and travel, food, lodging, and entertainment (Item "E 7").

E. EXPENDITURES (INCLUDING LOANS) in connection with legislative interests:

Fill in every blank. If the answer to any numbered item is "None," write "None" in the spaces following the number.

Expenditures (other than loans)

1. $.....Public relations and advertising services
2. $.....Wages, salaries, fees, commissions (other than item "1")
3. $.....Gifts or contributions made during Quarter
4. $.....Printed or duplicated matter, including distribution cost
5. $.....Office overhead (rent, supplies, utilities, etc.)
6. $.....Telephone and telegraph
7. $.....Travel, food, lodging, and entertainment
8. $.....All other expenditures
9. $.....TOTAL for this Quarter (Add "1" through "8")
10. $.....Expended during previous Quarters of calendar year
11. $.....TOTAL from January 1 through this Quarter (Add "9" and "10")

Loans Made to Others

"The term 'expenditure' includes a . . . *loan* . . ."—Sec. 302(b).

12. $.....TOTAL now owed to person filing
13. $.....Lent to others during this Quarter
14. $.....Repayment received during this Quarter

15. Recipients of Expenditures of $10 or More

In the case of expenditures made during this Quarter by, or on behalf of the person filing: Attach plain sheets of paper approximately the size of this page and tabulate data as to expenditures under the following heading: "Amount," "Date or Dates," "Name and Address of Recipient," "Purpose." Prepare such tabulation in accordance with the following example:

Amount	*Date or Dates—Name and Address of Recipient—Purpose*
$1,750.00	7-11: Roe Printing Co., 3214 Blank Ave., St. Louis, Mo.—Printing and mailing circulars on the "Marshbanks Bill."
$2,400.00	7-15, 8-15, 9-15: Britten & Blaten, 3127 Gremlin Bldg., Washington, D.C.—Public relations service at $800.00 per month.
$4,150.00	TOTAL

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Organization or Individual Filing	Employer/Client	Receipts	Expenditures
A-K ASSOCIATES, INC, 1225 8TH STREET, #590 SACRAMENTO CA 95814	DIRECTOR OF TIMBER COUNTIES COALITION	13,749.00	15,005.71
Do	GOLDEN GATE BRIDGE HIGHWAY & TRANSPORTATION DISTRICT	6,000.00	14,931.85
Do	HEMET VALLEY FLYING SERVICE	3,000.00	14,459.54
Do	INTERNATIONAL FIRE MANAGEMENT		
Do	PATHOLOGIST PRACTICE ASSOCIATION	18,000.00	20,504.30
Do	STRATOS TANKER, INC		
CHARLES A. ACQUARD, 1400 K STREET, NW, #500 WASHINGTON DC 20005	HANDGUN CONTROL, INC	6,000.00	
ACTION, INC, 333 PENNSYLVANIA AVE., SE WASHINGTON DC 20003	AMERICAN INDIAN HIGHER EDUCATION CONSORTIUM	493.33	580.02
KENNETH R. ADAMS, 1850 K STREET, NW, #210 WASHINGTON DC 20006	CABOT CORPORATION		425.00
DEBORAH L. AIKEN, 1615 H STREET, NW WASHINGTON DC 20062	U.S. CHAMBER OF COMMERCE	442.00	52.61
AKIN GUMP STRAUSS HAUER & FELD, 1333 NEW HAMPSHIRE AVE., NW, #400 WASHINGTON DC 20036	KOHLBERG KRAVIS ROBERTS & CO	1,375.00	19.00
Do	ADLER & SHAYKIN	1,100.00	19.00
Do	FAIR MARKETING COALITION	2,300.00	38.00
Do	NEDERLANDER THEATRES	400.00	
ALASKA PULP CORP, C/O JAMES F. CLARK 240 MAIN ST., #800 BOX 1211 JUNEAU AK 99802			6,500.00
KAREN D. ALEXANDER, 1615 H STREET, NW WASHINGTON DC 20062	CHAMBER OF COMMERCE OF THE U.S.	330.00	
SUSAN ALEXANDER, 1400 EYE ST., NW WASHINGTON DC 20005	WILDERNESS SOCIETY	965.54	25.70
ROBERT ALVAREZ, 218 D ST., SE WASHINGTON DC 20003	ENVIRONMENTAL POLICY INSTITUTE	194.71	
AMERICAN ASSN FOR RESPIRATORY THERAPY, 1720 REGAL ROW DALLAS TX 75235			19,411.75
AMERICAN ASSN OF EXPORTERS & IMPORTERS, 11 WEST 42ND STREET, 30TH FL NEW YORK NY 10036			800.00
AMERICAN ASSN OF UNIVERSITY WOMEN, 2401 VIRGINIA AVENUE, NW WASHINGTON DC 20037			589.67
AMERICAN CANCER SOCIETY, 777 THIRD AVE. NEW YORK NY 10017			23,400.00
AMERICAN DENTAL ASSN, 211 E. CHICAGO AVE. CHICAGO IL 60611		6,078.83	18,698.68
AMERICAN FED OF STATE COUNTY & MUNICIPAL EMPLOYEES, 1625 L ST., NW WASHINGTON DC 20036			117,374.13
AMERICAN GAS ASSN, 1515 WILSON BOULEVARD ARLINGTON VA 22209		39,214.00	39,214.00
AMERICAN HEALTH PLANNING ASSN, 1110 VERMONT AVENUE, NW, #950 WASHINGTON DC 20005		9,801.00	7,096.00
AMERICAN PHYSICAL THERAPY ASSN, 1111 N. FAIRFAX ST. ALEXANDRIA VA 22314		6,171.32	6,171.32
AMERICAN RADIO RELAY LEAGUE, INC, 225 MAIN ST. NEWINGTON CT 06111			11,652.22
AMERICAN REFUGEES IN AMERICA, 500 WHITE ROAD ORANGE MA 01364			
AMERICAN RIVERS CONSERVATION COUNCIL, 322 4TH STREET, NE WASHINGTON DC 20002		83,851.61	10,482.65
AMERICAN TRUCKING ASSNS, INC, 2200 MILL ROAD ALEXANDRIA VA 22314		10,290.06	74,583.77
ANDERSON & PENDLETON, 1000 CONNECTICUT AVENUE, NW, #707 WASHINGTON DC 20036	CANNED & COOKED MEAT IMPORTERS' ASSN	4,943.75	5,010.03
Do	CORPORACION NACIONAL DEL COBRE (CHILE) (CODELCO)	6,249.00	6,587.20
Do	MILITARY MISSION OF CHILE	3,975.00	3,975.00
ANDERSON HIBEY NAUHEIM & BLAIR, 1708 NEW HAMPSHIRE AVE., NW WASHINGTON DC 20009	BAY AREA RAPID TRANSIT DISTRICT		
Do	COMMUNICATION INDUSTRIES ASSN OF JAPAN	17,500.00	872.82
Do	EARTH SATELLITE CORP		94.19
Do	INSTITUTE OF FINANCIAL FISCAL STUDIES OF CURACAO, ET AL	13,230.00	545.91
Do	INSTITUTO BRASILEIRO DE SIDERURGIA		
Do	PROJECT ORBIS		30.00
Do	U.S. FOOTBALL LEAGUE		99.23
L. J. ANDOLSEK, 1533 NEW HAMPSHIRE AVENUE, NW WASHINGTON DC 20036	NATIONAL ASSN OF RETIRED FEDERAL EMPLOYEES	605.00	
JOHN A. ARMSTRONG, 1330 BURLINGTON STREET EAST HAMILTON, ONTARIO CANADA L8N 3J5	CANADIAN TUBULAR PRODUCERS ASSN		
Do	DOFASCO, INC		
ALVIN J. ARNETT, P.O. BOX 23451 WASHINGTON DC 20026	CONSOLIDATED RAIL CORP	2,200.00	
ARNOLD & PORTER, 1200 NEW HAMPSHIRE AVE., NW WASHINGTON DC 20036	BUILDING & CONSTRUCTION TRADES DEPT, AFL-CIO	225.00	1.80
Do	CANADIAN FOREST INDUSTRIES COUNCIL		116.88
Do	CSX CORPORATION	2,825.00	7.00
Do	RECORDING INDUSTRY ASSN OF AMER, INC	4,051.25	77.91
Do	SACRAMENTO PUBLIC UTILITY DISTRICT, ET AL	8,167.69	309.59
ASSOCIATION FOR A BETTER NEW YORK, 355 LEXINGTON AVENUE NEW YORK NY 10017		307,500.00	60,608.39
ASSOCIATION OF MAXIMUM SERVICE TELECASTERS, INC, 1735 DESALES ST., NW WASHINGTON DC 20036			373.50
ASSOCIATION OF PRIVATE PENSION & WELFARE PLANS, INC, 1331 PENNSYLVANIA AVE., NW, #719 WASHINGTON DC 20004		8,477.38	8,477.38
ASSOCIATION OF URBAN UNIVERSITIES, 1225 CONNECTICUT AVE., NW, #300 WASHINGTON DC 20036		3,000.00	8,074.86
JOHN MCELROY ATKISSON, 1717 K STREET, NW, #502 WASHINGTON DC 20036	INTERNATIONAL ASSN OF AMUSEMENT PARKS & ATTRACTIONS	675.00	
Do	WESTINGHOUSE ELECTRIC CORP	2,312.50	126.54
JOE H. AUSLEY JR., 431 FIRST STREET, SE WASHINGTON DC 20003	JOE H. AUSLEY, JR. CORPORATION		
AUTOMOTIVE PARTS REBUILDERS ASSN, 6849 OLD DOMINION DRIVE MCLEAN VA 22101			
AVON PRODUCTS, INC, 9 WEST 57TH ST. NEW YORK NY 10019		40.70	24.00
PAMELA AYCOCK, AYCOCK ASSOCIATES 1899 L STREET, NW, #605 WASHINGTON DC 20036	EDISON ELECTRIC INSTITUTE	3,440.00	853.22
JED L. BABBIN, 4910 NORTH 27TH STREET ARLINGTON VA 22207	SHIPBUILDERS COUNCIL OF AMERICA	17,000.00	10.68
HOPE M. BABCOCK, 645 PENNSYLVANIA AVENUE, SE WASHINGTON DC 20003	NATIONAL AUDUBON SOCIETY		
BAKER & DANIELS, 1920 N ST., NW, #600 WASHINGTON DC 20036	DICKINSON BUSINESS SCHOOL		
BAKER & MCKENZIE, 815 CONNECTICUT AVE., NW WASHINGTON DC 20006	CAMBRIDGE RESEARCH & DEVELOPMENT GROUP		
Do	NATIONAL BUILDING GRANITE QUARRIES ASSN		
WALDON L. BAKER, 1015 15TH STREET, NW, #802 WASHINGTON DC 20005	AMERICAN CONSULTING ENGINEERS COUNCIL	100.00	
JAMES T. BANKS, 600 MARYLAND AVE., SW, #607 WASHINGTON DC 20024	WASTE MANAGEMENT, INC	5,000.00	
JUDY BARDACKE, 555 NEW JERSEY AVENUE, NW WASHINGTON DC 20001	AMERICAN FED OF TEACHERS		
DAVID J. BARDIN, 1050 CONNECTICUT AVENUE, NW WASHINGTON DC 20036	SOLMECS CORPORATION		
BARNES RICHARDSON & COLBURN, 1819 H ST., NW, #400 WASHINGTON DC 20006	BROWN-FORMAN CORP		
Do	DOW CHEMICAL CO		145.40
Do	EHA VENTILFABRIK WILHELM FRITZ KG		
Do	FLORIDA CITRUS MUTUAL		129.13
Do	HEUBLEIN, INC		
Do	HIRAM WALKER & SONS, INC		
Do	PFIZER, INC		
Do	SCHIEFFELIN & CO		
Do	JOSEPH E. SEAGRAM & SONS, INC, ET AL		
Do	TARTARIC CHEMICALS CORPORATION		
Do	UNIROYAL, INC	1,027.50	270.92
BARNETT & ALAGIA, 1000 THOMAS JEFFERSON STREET, NW, #900 WASHINGTON DC 20007	CUBAN AMERICAN PUBLIC AFFAIRS COUNCIL		
Do	THAI FOOD PROCESSORS ASSN		
BARRETT SMITH SCHAPIRO SIMON & ARMSTRONG, 1201 PENNSYLVANIA AVENUE, NW, #821 WASHINGTON DC 20004	HUGO NEU & SONS, INC		
Do	METROPOLITAN TRANSPORTATION AUTHORITY		
ROGER V. BARTH, 1735 EYE ST., NW, #715 WASHINGTON DC 20006	AMERICAN ASSN FOR CLINICAL CHEMISTRY INC		
THOMAS E. BASS, 1901 L STREET, NW, #303 WASHINGTON DC 20036	COLT INDUSTRIES, INC	1,000.00	
LYNNE D. BATTLE, 1101 CONNECTICUT AVE., NW, #705 WASHINGTON DC 20036	COLLEGE PLACEMENT COUNCIL, INC		
JOHN L. BAUER JR., 1667 K ST., NW, #650 WASHINGTON DC 20006	ARMCO	2,375.00	403.48
JAMES R. BAXTER, 2033 K ST., NW, #200 WASHINGTON DC 20006	NATIONAL CONSTRUCTION EMPLOYERS COUNCIL		
RICHARD 'SANDY' BEACH, 1730 RHODE ISLAND AVE., NW, #810 WASHINGTON DC 20036	CREDIT UNION NATIONAL ASSN, INC	300.00	79.05
MICHAEL K. BEARD, 100 MARYLAND AVE., NE WASHINGTON DC 20002	NATIONAL COALITION TO BAN HANDGUNS	1,025.00	
ALAN R. BENNETT, 1575 EYE STREET, NW, #1150 WASHINGTON DC 20005	KAYE SCHOLER FIERMAN HAYS & HANDLER (FOR: BRISTOL-MYERS CO)		
TOM BENSON, 501 UNION STREET, #506 NASHVILLE TN 37219	TENNESSEE RAILROAD ASSN		
DIANA BERARDOCCO, 1660 L STREET, NW, #915 WASHINGTON DC 20036	AVON PRODUCTS, INC		
DAVID BERICK, 218 D ST., SE WASHINGTON DC 20003	ENVIRONMENTAL POLICY INSTITUTE	1,079.89	
ELLEN BERMAN, 2000 L ST., NW, #320 WASHINGTON DC 20036	CONSUMER ENERGY COUNCIL OF AMERICA		
RACHELLE B. BERNSTEIN, 1615 H STREET, NW WASHINGTON DC 20062	CHAMBER OF COMMERCE OF THE U.S.	1,000.00	
ZALMAN C. BERNSTEIN, SANFORD C. BERNSTEIN & CO, INC 767 FIFTH AVENUE NEW YORK NY 10153			5,780.00
BEVERIDGE & DIAMOND, P.C., 1333 NEW HAMPSHIRE AVE, NW WASHINGTON DC 20036	J. C. BRADFORD		
LEONARD BICKWIT JR., MILLER & CHEVALIER, CHTD. 655 15TH STREET, NW WASHINGTON DC 20005	CONSOLIDATED EDISON CO OF NEW YORK		
Do	GENERAL PUBLIC UTILITIES CORP	4,000.00	233.77
Do	LINCOLN SAVINGS & LOAN ASSN	34,891.95	8,459.12
PAT BILLINGS, 624 9TH STREET, NW, #700 WASHINGTON DC 20001	GROUP HEALTH ASSN OF AMERICA, INC	3,500.00	
BISHOP LIBERMAN COOK PURCELL & REYNOLDS, 1200 17TH STREET, NW, 7TH FL. WASHINGTON DC 20036	ALEUT CORPORATION	750.00	
Do	ALEUTIAN/PRIBILOF ISLANDS ASSN, INC	750.00	
Do	AMERICAN RICE, INC	675.00	
Do	ASSOCIATION OF FEDERAL HEALTH ORGANIZATIONS		
Do	AUDIO RECORDING RIGHTS COALITION		
Do	BOARD OF TRADE OF KANSAS CITY, MO, INC	8,786.66	
Do	CNA INSURANCE CO OF CHICAGO, ILLINOIS		
Do	CONSOLIDATED NATURAL GAS CO		
Do	ENSERCH CORP	12,396.25	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	FIVE STATE RICE PRODUCERS LEGISLATIVE GROUP	15,277.91	
Do	IOWA BEEF PROCESSORS, INC	2,000.00	
Do	MISSISSIPPI POWER & LIGHT		
Do	NATIONAL MASS RETAILING INSTITUTE	3,500.00	
Do	PESTICIDE PRODUCERS ASSN	9,562.78	
Do	PIONEER CORP	5,000.00	
Do	PLANTERS PEANUTS		
Do	PUBLIC SECURITIES ASSN		
Do	ROADWAY SERVICES, INC		
Do	SALOMON BROTHERS, INC	41,525.00	
Do	TANADGUSIX CORPORATION	5,500.00	
Do	TEXACO, INC		
Do	TEXAS GAS TRANSMISSION CORP		
Do	TOBACCO INSTITUTE	12,500.00	
Do	VALLEY VIEW HOLDINGS, INC	1,000.00	
Do	WESTERN PEANUT GROWERS' ASSN	27,806.25	
FRANCES L. BLACKBURN, 509 C STREET, NE WASHINGTON DC 20002	ROISMAN RENO & CAVANAUGH (FOR: NATIONAL ASSN OF HOUSING COOPERATIVES).	556.00	
BRENT BLACKWELDER, 218 D ST., SE WASHINGTON DC 20003	ENVIRONMENTAL POLICY INSTITUTE	564.10	
ROBERT J. BLACKWELL, BOGLE & GATES ONE THOMAS CIRCLE, NW, #900 WASHINGTON DC 20005	COVE MARITIME COMPANIES		
Do	EQUITY CARRIERS I, INC		
Do	EQUITY CARRIERS III, INC		
Do	FALCON TANKERS, INC		
Do	PHOENIX BULKSHIP I, INC		
Do	PHOENIX BULKSHIP II, INC		
KENNETH T. BLAYLOCK, 1325 MASSACHUSETTS AVE., NW WASHINGTON DC 20005	AMERICAN FED OF GOVERNMENT EMPLOYEES	18,729.06	5,549.43
RICHARD W. BLISS, 3242 GRACE STREET, NW WASHINGTON DC 20007	AMAX, INC	2,301.25	137.09
Do	ENVIRONMENTAL SCIENCE & ENGINEERING	375.00	50.95
Do	NATIONAL PAINT & COATINGS ASSN	1,300.00	138.78
Do	PB-KBB, INC	375.00	50.95
Do	ST. JOE MINERALS CORPORATION	1,995.00	143.72
Do	VARIAN EMIMAC	677.25	63.35
JACK A. BLUM, 1133 15TH ST., NW WASHINGTON DC 20005	INDEPENDENT GASOLINE MARKETERS COUNCIL	4,500.00	960.00
JOANNE BLUM, 2010 MASSACHUSETTS AVENUE, NW, #500 WASHINGTON DC 20036	PLANNED PARENTHOOD FEDERATION OF AMERICA, INC	1,341.25	146.90
WILLIAM J. BOARMAN, P.O. BOX 157 COLORADO SPRINGS CO 80901	INTERNATIONAL TYPOGRAPHICAL UNION		
DAVID A. BOCKORNY, 777 14TH ST., NW WASHINGTON DC 20005	NATIONAL ASSN OF REALTORS	2,500.00	202.12
EDWARD N. BOND, 1700 NORTH MOORE ST. ROSSLYN VA 22209	BOEING COMPANY	5,985.00	362.12
BONNEVILLE ASSOCIATES, 200 E. SOUTH TEMPLE, #300 SALT LAKE CITY UT 84111	WESTERN REGIONAL COUNCIL	703.50	422.24
BONSIB, INC, P.O. BOX 1807 WASHINGTON DC 20013			
MARY M. BOURDETTE, 4TH FLOOR 122 C STREET, NW WASHINGTON DC 20001	CHILDREN'S DEFENSE FUND OF THE WASHINGTON RESEARCH PROJECT	5,331.04	187.25
WAYNE A. BOUTWELL, 1800 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20036	NATIONAL COUNCIL OF FARMER COOPERATIVES	1,650.00	
BOWMAN CONNER TOUHEY & PETRILLO, 2828 PENNSYLVANIA AVENUE, NW, #203 WASHINGTON DC 20007	AMERICAN AUTOMAR CORP	1,375.00	75.00
Do	COUNCIL OF AMERICAN FLAG SHIP OPERATORS	4,125.00	225.01
Do	NATIONAL ASSN OF AIRCRAFT & COMMUNICATIONS SUPPLIERS, INC	275.00	
STEPHEN S. BOYNTON, 1015 MOOREFIELD HILL GROVE VIENNA VA 22180	AMERICAN FUR RESOURCES INSTITUTE		
HUGH S. BRADY, 1776 F STREET, NW WASHINGTON DC 20006	NATIONAL ASSN OF MANUFACTURERS		
STUART J. BRAHS, 1331 PENNSYLVANIA AVE., NW, #719 WASHINGTON DC 20004	ASSOCIATION OF PRIVATE PENSION & WELFARE PLANS, INC	1,622.63	
BRAND & LOWELL, 923 15TH STREET, NW, FIFTH FL. WASHINGTON DC 20005	COALITION ON BEVERAGE ISSUES	493.50	772.04
Do	GENERAL DYNAMICS	1,225.00	
Do	METROPOLITAN TRANSPORTATION AUTHORITY		
Do	ZENITH RADIO CORP		
WILLIAM C. BRASHARES, MINTZ LEVIN COHN FERRIS GLOVSKY & POPEO 1825 EYE ST., NW, #1201 WASHINGTON DC 20006.	SMITH BARNEY HARRIS UPHAM & CO, INC	100.00	
BREED ABBOTT & MORGAN, 1875 EYE ST., NW, #1000 WASHINGTON DC 20006	AEROJET-GENERAL, INC, ET AL		
BREGMAN ABELL KAY & SIMON, 1156 15TH ST., NW, #1212 WASHINGTON DC 20005	AMERICAN CAR RENTAL ASSN	1,500.00	
MARTHA M. BROAD, 1350 NEW YORK AVE., NW, #300 WASHINGTON DC 20005	NATURAL RESOURCES DEFENSE COUNCIL, INC	6,250.00	25.00
BROADHURST BROOK MANGHAM & HARDY, 1730 PENNSYLVANIA AVE., NW, #300 WASHINGTON DC 20006	AT-SEA INCINERATION, INC	3,037.50	1,113.87
Do	COLUMBIA GAS SYSTEM SERVICE CORP		
Do	CSX CORPORATION	2,475.00	1,391.50
Do	LOUISIANA INTRASTATE GAS CORP		
Do	NORTHWEST PIPELINE CORP		
Do	OVERSEAS VESSEL CONVERSION	405.00	
Do	PHILLIPS PETROLEUM CO	450.00	765.55
BROWN & SEYMOUR, 100 PARK AVENUE, #2606 NEW YORK NY 10017	GRAY PANTHERS		
DONALD K. BROWN, 1121 L ST., #810 SACRAMENTO CA 95814	CROWLEY MARITIME CORPORATION		
Do	SUMMA CORPORATION		
JOHN J. BROWN, 1125 17TH ST., NW WASHINGTON DC 20036	INTERNATIONAL UNION OF OPERATING ENGINEERS	8,500.00	300.00
MARGUERITE BRACY BROWN, 1625 L ST., NW WASHINGTON DC 20036	AMERICAN FED OF STATE COUNTY & MUNICIPAL EMPLOYEES	10,484.05	138.00
RALPH BROWN, SUITE 107 701 S. 22ND STREET OMAHA NB 68102	M.O.A.A.I.O.A. & SUBS, INC		
BROWN TODD & HEYBURN, 1600 CITIZENS PLAZA LOUISVILLE KY 40202	BROWN & WILLIAMSON TOBACCO CORP	377.00	8.00
STANLEY R. BROWNE, 1701 PENNSYLVANIA AVENUE, NW, #1120 WASHINGTON DC 20006	E. I. DU PONT DE NEMOURS & CO		
GARY W. BRUNER, P.O. BOX 2159 DALLAS TX 75221	AMERICAN PETROFINA, INC	1,500.00	3,383.68
SUSAN M. BUFFONE, 3604 34TH STREET, NW WASHINGTON DC 20009	NATIONAL PARKS & CONSERVATION ASSOCIATION	180.00	
BUILDING OWNERS & MANAGERS ASSN INTERNATIONAL, 1250 EYE ST., NW, #200 WASHINGTON DC 20005			10.00
BURCH AND BENNETT, P.C., 1320 19TH STREET, NW, #200 WASHINGTON DC 20036	M.A.N. TRUCK & BUS CORP		
CHRISTINE CAPITO BURCH, 1625 L STREET, NW WASHINGTON DC 20036	AMERICAN FED OF STATE COUNTY & MUNICIPAL EMPLOYEES	15,179.51	174.94
J. THOMAS BURCH JR., 1320 19TH STREET, NW, #200 WASHINGTON DC 20036	BURCH AND BENNETT, P.C. (FOR: M.A.N. TRUCK & BUS CORP)		
DIANE B. BURKE, 1625 L STREET, NW WASHINGTON DC 20036	AMERICAN FED OF STATE COUNTY & MUNICIPAL EMPLOYEES, AFL-CIO	8,322.24	207.10
J. J. BURKE JR., 40 E. BROADWAY BUTTE MT 59701	MONTANA POWER CO		261.81
FRANCIS X. BURKHARDT, 1750 NEW YORK AVE., NW WASHINGTON DC 20006	INTERNATIONAL BROTHERHOOD OF PAINTERS & ALLIED TRADES		
NICHOLAS J. BUSH, 1730 RHODE ISLAND AVENUE, NW, #200 WASHINGTON DC 20036	NATURAL GAS SUPPLY ASSN	3,664.69	4,195.19
JAMES J. BUTERA, 4TH FLOOR 1101 15TH ST., NW WASHINGTON DC 20005	NATIONAL COUNCIL OF SAVINGS INSTITUTIONS	10,000.00	
PATRICK BUTLER, 1875 EYE STREET, NW, #1110 WASHINGTON DC 20006	TIMES MIRROR		
WILLIAM A. BUTLER, 645 PENNSYLVANIA AVENUE, SE WASHINGTON DC 20003	NATIONAL AUDUBON SOCIETY	5,000.00	150.00
JAMES R. BYRON, 1627 K STREET, NW, #200 WASHINGTON DC 20006	FLUOR CORPORATION	6,000.00	500.00
EDWARD S. CABOT, 1285 AVENUE OF THE AMERICAS NEW YORK NY 10019	EQUITABLE LIFE ASSURANCE SOCIETY OF THE U.S		
CADWALADER WICKERSHAM & TAFT, 7TH FLOOR 1333 NEW HAMPSHIRE AVE., NW WASHINGTON DC 20036	GENERAL DYNAMICS CORPORATION		
Do	SHELL OIL CO		
JOHN D. CAHILL, 444 N. CAPITOL STREET, NW WASHINGTON DC 20001	MASSACHUSETTS BAY TRANSPORTATION AUTHORITY	3,000.00	
Do	MASSACHUSETTS PORT AUTHORITY	10,625.00	
ROY C. CAHOON, 6100 KNOLLWOOD DR. FALLS CHURCH VA 22041	NATIONAL AUTOMATIC MERCHANDISING ASSN		
CAMPAIGN FOR U.N. REFORM - POLITICAL EDUCATION COMMITTEE, 600 VALLEY ROAD WAYNE NJ 07470		4,667.83	4,491.54
ROBERT P. CANAVAN, 1201 16TH ST., NW WASHINGTON DC 20036	NATIONAL EDUCATION ASSN	2,649.00	227.70
WILLIAM F. CANIS, 1730 PENNSYLVANIA AVENUE, NW, #450 WASHINGTON DC 20006	CATERPILLAR TRACTOR CO	2,500.00	95.53
LAURA VAN ETTEN CANNATA, 311 FIRST STREET, NW WASHINGTON DC 20001	NATIONAL RESTAURANT ASSN		203.19
SHARON F. CANNER, 1776 F STREET, NW WASHINGTON DC 20006	NATIONAL ASSN OF MANUFACTURERS		
CAPITAL ADVOCATES, 1127 11TH STREET, #950 SACRAMENTO CA 95814	CROWLEY MARITIME CORP	1,875.00	6,071.94
Do	DISTILLED SPIRITS COUNCIL OF THE U.S., INC		
CAPITOL GROUP, INC, 2550 M STREET, NW, #650 WASHINGTON DC 20037	NATIONAL ASSN OF TOWN WATCH		
PETER CARLSON, 218 D ST., SE WASHINGTON DC 20003	ENVIRONMENTAL POLICY INSTITUTE	1,170.39	
JOHN BENJAMIN CARROLL, 100 E. WASHINGTON ST., #206 SYRACUSE NY 13202	DAIRY FARMER DISTRIBUTORS OF AMERICA, INC		1,043.00
HARLON B. CARTER, 1600 RHODE ISLAND AVE., NW WASHINGTON DC 20036	NATIONAL RIFLE ASSN OF AMERICA	1,395.85	
TERESA D. CASSIDY, 1800 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20036	FARM CREDIT COUNCIL	12.20	
G. THOMAS CATOR, 1050 17TH STREET, NW WASHINGTON DC 20036	NEECE CATOR & ASSOCIATES, INC (FOR: ASSOCIATION OF SMALL BUSINESS DEVELOPMENT CENTERS).	1,600.00	1,600.00
Do	NATIONAL ASSN OF DEVELOPMENT COMPANIES (NADCO)	250.00	
Do	NEECE CATOR & ASSOCIATES, INC (FOR: SMALL BUSINESS UNITED)	1,700.00	1,700.00
Do	NEECE CATOR & ASSOCIATES, INC (FOR: SOUTHEASTERN LUMBER MANUFACTURERS ASSN).	1,800.00	1,800.00
RED CAVANEY, 260 MADISON AVENUE NEW YORK NY 10016	AMERICAN PAPER INSTITUTE, INC	4,800.00	
CENTER FOR LAW AND EDUCATION, INC, 6 APPIAN WAY CAMBRIDGE MA 02138		1,063.55	2,290.40
PHILIP CHABOT, 1317 F STREET, NW WASHINGTON DC 20004	EAST BAY REGIONAL PARK DISTRICT		
WILLIAM J. CHANDLER, 1511 K STREET, NW, #1100 WASHINGTON DC 20005	NATURAL RESOURCES DEFENSE COUNCIL, INC	5,000.00	106.75

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
CHEMICAL MANUFACTURERS ASSN, INC, 2501 M STREET, NW WASHINGTON DC 20037			
BLAIR G. CHILDS, P.O. BOX 7610, BF STATION WASHINGTON DC 20044	SENIOR EXECUTIVES ASSN	500.00	400.00
J. SAMUEL CHOATE JR., 300 CROWN VIEW DRIVE ALEXANDRIA VA 22312	J. SAMUEL CHOATE, JR., P.C. (FOR: ASSOCIATION OF PROGRESSIVE RENTAL ORGANIZATIONS).		
CITIZENS AGAINST MIDSHIPMEN IMPRESSMENT, 1292 GOODRICH, #200 SAINT PAUL MN 55105			
CLADOUHOS & BRASHARES, 1800 MASSACHUSETTS AVE., NW WASHINGTON DC 20036	ASHLAND OIL, INC		
JOHN W. CLAGGETT, 1825 EYE STREET, NW, #1040 WASHINGTON DC 20006	FUTURES INDUSTRY ASSN, INC		
DONALD C. CLARK, 8224 OLD COURT HOUSE ROAD TYSONS CORNER VA 22180	SHEET METAL AIR CONDITIONING CONTRACTORS' NAT'L ASSN		
JAMES F. CLARK, ROBERTSON, MONAGLE, EASTAUGH & BRADLEY 240 MAIN ST., # 800, PO BOX 1211 JUNEAU AK 99802	ALASKA PULP CORP		
CHARLES M. CLUSEN, 1400 EYE ST., NW WASHINGTON DC 20005	WILDERNESS SOCIETY	476.62	
COALITION FOR FULL NUCLEAR ACCOUNTABILITY, 218 D ST., SE WASHINGTON DC 20003			
COALITION TO STOP GOV'T WASTE, 499 S. CAPITOL STREET, SW, #102 WASHINGTON DC 20003		7,408.75	9,881.45
ALICE I. COHAN, 7981 EASTERN AVE. SILVER SPRING MD 20910	NATIONAL ASSOCIATION OF SOCIAL WORKERS		
DAVID COHEN, 1616 P ST., NW, #320 WASHINGTON DC 20036	PROFESSIONALS' COALITION FOR NUCLEAR ARMS CONTROL	7,000.00	662.50
SHELDON S. COHEN, MORGAN LEWIS & BOCKIUS 1800 M STREET, NW WASHINGTON DC 20036	CONSOLIDATED RAILROAD CORP	9,150.00	
JOHN M. COLLIER, 4436 PERRIER ST. NEW ORLEANS LA 70115	SOUTHERN FOREST PRODUCTS ASSN	11,732.76	
COLLIER SHANNON RILL & SCOTT, 1055 THOMAS JEFFERSON ST., NW, #308 WASHINGTON DC 20007	HUFFY CORPORATION	1,100.00	1,100.00
Do	LUKENS, INC		
TIM COLTON, P.O. BOX 498 CHESTER PA 19016	PENNSYLVANIA SHIPBUILDING CO	720.00	1,759.41
CAROL A. COLZA, ROGER B. SCHAGRIN, P.C. 1112 16TH ST., NW, #1000 WASHINGTON DC 20036	COMMITTEE ON PIPE & TUBE IMPORTS	40,000.00	
STEPHEN R. CONAFAY, 1700 PENNSYLVANIA AVE., NW WASHINGTON DC 20006	PFIZER, INC	3,500.00	1,229.32
CONCERNED WOMEN FOR AMERICA, 122 C ST., NW, #800 WASHINGTON DC 20001		39,199.79	39,199.79
CHARLES E. CONLON, 923 15TH STREET, NW WASHINGTON DC 20005	TRANSPORTATION INSTITUTE	3,000.00	
JOHN B. CONNALLY, 1101 CONNECTICUT AVENUE, NW WASHINGTON DC 20036	VINSON & ELKINS (FOR: FEDERAL LAND BANK ASSNS OF TEXAS STOCKHOLDERS' DEFENSE FUND).		
Do	VINSON & ELKINS (FOR: NORTHVILLE INDUSTRIES CORP)		
Do	VINSON & ELKINS (FOR: TRAVELERS INSURANCE COMPANY)		
JOHN J. CONNOLLY, 499 S. CAPITOL STREET, #501 WASHINGTON DC 20003	BILL HECHT AND ASSOCIATES, INC	2,000.00	
DAVID CONRAD, 530 7TH STREET, SE WASHINGTON DC 20003	FRIENDS OF THE EARTH	730.83	
LORI C. CONSADORI, 1615 H STREET, NW WASHINGTON DC 20062	CHAMBER OF COMMERCE OF THE U.S.	100.00	62.40
Do	CONSUMERS FOR WORLD TRADE		
CONSOLIDATED RAIL CORPORATION, P.O. BOX 23451 L'ENFANT PLAZA WASHINGTON DC 20024			20,860.00
CONSUMER ENERGY COUNCIL OF AMERICA, 2000 L ST., NW, #320 WASHINGTON DC 20036			
CONSUMER FEDERATION OF AMERICA, 1424 16TH ST., NW, #604 WASHINGTON DC 20005		162,892.00	93,914.00
CONSUMERS UNITED FOR RAIL EQUITY (C.U.R.E.), 1050 THOMAS JEFFERSON STREET, NW, 7TH FL WASHINGTON DC 20007		64,888.60	11,505.58
C. WILLIAM COOPER, 603 BROAD ST. SEWICKLEY PA 15143	UNITED DISTRIBUTION COMPANIES		
MARK N. COOPER, 802 LANARK WAY SILVER SPRING MD 20901	CONSUMER FEDERATION OF AMERICA	300.00	
COOPERATIVE LEAGUE OF THE USA, 1828 L ST., NW, #1100 WASHINGTON DC 20036		3,248.22	809.63
CURTIS B. COPELAND, 2000 M STREET, NW, #500 WASHINGTON DC 20036	WOOD LUCKSINGER & EPSTEIN (FOR: CHAD THERAPEUTICS, INC)		
PETER COPPELMAN, 1400 EYE ST., NW WASHINGTON DC 20005	WILDERNESS SOCIETY		
PHILIP S. CORWIN, 1120 CONNECTICUT AVE., NW WASHINGTON DC 20036	INDEPENDENT BANKERS ASSN OF AMERICA	12,575.00	1,996.23
COUNCIL FOR A LIVABLE WORLD, 11 BEACON ST. BOSTON MA 02108			70,799.75
JAMES COUSINS, 1101 15TH ST., NW, #400 WASHINGTON DC 20005	NATIONAL COUNCIL OF SAVINGS INSTITUTIONS	15,000.00	
ERIC COX, 418 7TH ST., SE WASHINGTON DC 20003	CAMPAIGN FOR U.N. REFORM-POLITICAL EDUCATION COMMITTEE	881.77	
W. O. CRAFT JR., CRAFT & RICHARDS 1050 THOMAS JEFFERSON ST., NW, 6TH FL. WASHINGTON DC 20008	ALLIS-CHALMERS ENERGY & MINERALS SYSTEMS CO	2,805.00	282.46
Do	BOEING ENGINEERING CO SOUTHEAST, INC	22.50	6.81
Do	CONSUMERS UNITED FOR RAIL EQUITY (C.U.R.E.)	1,912.50	93.83
Do	EDISON ELECTRIC INSTITUTE		
Do	ILLINOIS DEPT OF ENERGY & NATURAL RESOURCES	787.50	56.64
Do	NATIONAL ARMORED CAR ASSN, INC	250.00	11.40
KEN A. CRERAR, 1611 NO. KENT STREET, #900 ARLINGTON VA 22209	FOOTWEAR INDUSTRIES OF AMERICA	3,000.00	2,296.33
BARRY M. CULLEN, 1620 EYE ST., NW, #700 WASHINGTON DC 20006	INTERNATIONAL PAPER CO	35.00	
DIANE BROWN CUNNINGHAM, 1620 EYE ST., NW, #700 WASHINGTON DC 20006	INTERNATIONAL PAPER CO	750.00	300.00
EDWARD P. CURTIS JR., GENESEE PUBLIC AFFAIRS, INC 36 W. MAIN STREET ROCHESTER NY 14614	LAKE ONTARIO CEMENT LIMITED		
RUDOLPH N. D'AGARIS, 4708 NORBECK RD. ROCKVILLE MD 20853			
LESLIE DACH, 645 PENNSYLVANIA AVENUE, SE WASHINGTON DC 20003	NATIONAL AUDUBON SOCIETY	8,125.00	2,618.54
DAEDALUS ENTERPRISES, INC, P.O. BOX 1869 ANN ARBOR MI 48106			
DAMRELL DAMRELL & NELSON, P.C., 1625 I STREET MODESTO CA 95354	CENTRAL SAN JOAQUIN RIVER ASSN		
TRACY DANESE, P.O. BOX 14000 JUNO BEACH FL 33408	FLORIDA POWER & LIGHT CO		2,433.65
DAN DANNER, 1667 K ST., NW, #650 WASHINGTON DC 20006	ARMCO, INC	1,800.00	330.00
RICHARD C. DARLING, 1156 15TH ST., NW WASHINGTON DC 20005	J. C. PENNEY CO, INC	100.00	50.00
CHERYL C. DAVIS, 510 C STREET, NE WASHINGTON DC 20002	INTERNATIONAL ASSN OF AMUSEMENT PARKS & ATTRACTIONS	112.50	
DONALD S. DAWSON, 1220 L ST., NW, #310 WASHINGTON DC 20005	OPTICIANS ASSN OF AMERICA	4,000.00	
Do	VIRGIN ISLANDS GIFT & FASHION SHOP ASSN		
Do	VIRGIN ISLANDS MERCHANTS ASSOCIATION		
GASTON DE BEARN, 1050 CONNECTICUT AVENUE, NW, #401 WASHINGTON DC 20036	HOFFMANN-LA ROCHE INC		
MICHAEL K. DEAVER AND ASSOCIATES, INC, 1025 THOMAS JEFFERSON ST., NW, #800 WASHINGTON DC 20007	CBS, INC		
Do	TRANS WORLD AIRLINES, INC		
ROBERT DEBRAGGA, 26 FLANDER RD. RFD #1, BOX 239 STONINGTON CT 06388	PROJECT CURE, INC		174.99
MARY ELISE DEGONIA, 600 MARYLAND AVENUE, SW WEST WING, SUITE 300 WASHINGTON DC 20024	70001 LTD	500.00	20.00
DELOITTE HASKINS & SELLS, 655 15TH STREET, NW WASHINGTON DC 20005	ARKANSAS ELECTRIC COOPERATIVE CORP		
Do	HYDRIL CO		
Do	TEKTRONIX CORPORATION		
Do	TRIANGLE INDUSTRIES, INC		
Do	UNION PACIFIC CORP		
ELIZABETH C. DEMATO, 5210 AUTH WAY CAMP SPRINGS MD 20746	SEAFARERS INTERNATIONAL UNION	3,000.00	175.05
THOMAS J. DENNIS SR., 1667 K ST., NW, #450 WASHINGTON DC 20006	AMERICAN ELECTRIC POWER SERVICE CORP		
EDWARD A. DENT, 3115 N ST., NW WASHINGTON DC 20007	AMERICANS FOR THE NATIONAL VOTER INITIATIVE AMENDMENT		
DEWEY BALLANTINE BUSHBY PALMER & WOOD, 1775 PENNSYLVANIA AVE., NW WASHINGTON DC 20006	COALITION FOR FAIR LUMBER IMPORTS		
DICKINSON WRIGHT MOON VAN DUSEN & FREEMAN, 1901 L ST., NW, #801 WASHINGTON DC 20036	DETROIT MADISON COMPANY		
Do	GENERAL MOTORS CORP	12,900.00	953.34
MICHAEL F. DINEEN, 600 PENNSYLVANIA AVE., SE, #206 WASHINGTON DC 20003	LUMBERMENS MUTUAL CASUALTY CO (FOR: FEDERAL KEMPER LIFE ASSURANCE CO).	230.30	39.74
Do	LUMBERMENS MUTUAL CASUALTY CO (FOR: KEMPER FINANCIAL SERVICES, INC)		
Do	LUMBERMENS MUTUAL CASUALTY CO (FOR: KEMPER INVESTORS LIFE INSURANCE CO).	183.05	21.40
Do	LUMBERMENS MUTUAL CASUALTY COMPANY	1,800.00	355.82
PATSY B. DIX, 1201 16TH ST., NW WASHINGTON DC 20036	NATIONAL EDUCATION ASSN	2,375.00	96.00
JOHN D. DOHERTY JR., 900 17TH STREET, NW, #706 WASHINGTON DC 20006	CHASE MANHATTAN BANK, N.A.	182.00	12.87
GREGORY S. DOLE, BRAND LOWELL & DOLE 923 15TH STREET, NW WASHINGTON DC 20005	EDISON ELECTRIC INSTITUTE		
Do	NATIONAL HEAD INJURY FOUNDATION, INC		
DOMESTIC PETROLEUM COUNCIL TRADE ASSOCIATION, 1627 K STREET, NW, #910 WASHINGTON DC 20006			
MARY K. DONNY, 1828 L STREET, NW WASHINGTON DC 20036	COOPERATIVE LEAGUE OF THE U.S.A.	93.50	
THOMAS J. DONOHUE, 2200 MILL ROAD ALEXANDRIA VA 22314	AMERICAN TRUCKING ASSNS, INC	11,000.00	
THEODORE DOUGLAS, 6554 COVENTRY ST. LOUIS MO 63033			
DOW LOHNES & ALBERTSON, 1255 23RD ST., NW WASHINGTON DC 20037	ARROWHEAD METALS, LTD		
Do	CHICAGO CITY COLLEGES	8,672.43	926.95
RICHARD MORGAN DOWNEY, 10801 ROCKVILLE PIKE ROCKVILLE MD 20852	AMERICAN SPEECH-LANGUAGE-HEARING ASSN		
JOHN C. DOYLE JR., 218 D ST., SE WASHINGTON DC 20003	ENVIRONMENTAL POLICY INSTITUTE	314.22	
MICHAEL J. DUFF, 1101 16TH STREET, NW WASHINGTON DC 20036	SCIENTIFIC APPARATUS MAKERS ASSN	1,400.00	425.27
MICHAEL F. DUFFY, 1920 N ST. NW WASHINGTON DC 20036	AMERICAN MINING CONGRESS		
LOUISE C. DUNLAP, 218 D ST., SE WASHINGTON DC 20003	ENVIRONMENTAL POLICY INSTITUTE	85.70	
JAMES W. DUNLOP, 195 MONTAGUE ST. BROOKLYN NY 11201	BROOKLYN UNION GAS CO		
DURYEA MURPHY DAVENPORT & VAN WINKLE, 711 CAPITOL WAY OLYMPIA WA 98501	STATE OF NEVADA, NUCLEAR WASTE PROJECT OFFICE	2,775.00	809.79
DYKEMA GOSSETT SPENCER GOODNOW & TRIGG, 1752 N ST., NW, 6TH FL. WASHINGTON DC 20036	TOTAL PETROLEUM, INC		
CATHERINE EAST, 1275 K ST., NW, 750 WASHINGTON DC 20005	NATIONAL WOMEN'S POLITICAL CAUCUS	1,999.98	10.00
DONALD R. EBE, 1800 K ST., NW, #800 WASHINGTON DC 20006	GOODYEAR TIRE & RUBBER CO	4,000.00	
MITCHELL H. EDELSTEIN, 1411 K ST., NW, #850 WASHINGTON DC 20005	AMERICANS FOR DEMOCRATIC ACTION	3,803.52	73.40
EDWARDS ASSOCIATES, 507 SECOND ST., NE WASHINGTON DC 20002	CONFEDERATED TRIBES OF WARM SPRINGS		
KAREN EHRNMAN, 1522 K STREET, NW, #1120 WASHINGTON DC 20005	AMERICAN COLLEGE OF NURSE-MIDWIVES		
ADELAIDE K. EISENMANN, 607 G ST., SW WASHINGTON DC 20024	PANAMANIAN COMM FOR HUMAN RIGHTS		
RICHARD EISENMANN, 607 G ST., SW WASHINGTON DC 20024	PANAMANIAN COMM FOR HUMAN RIGHTS		
TIMOTHY L. ELDER, 1730 PENNSYLVANIA AVE., NW, #450 WASHINGTON DC 20006	CATERPILLAR TRACTOR CO	2,500.00	423.22

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
DOROTHY A. ELLSWORTH, 1300 CONNECTICUT AVE., NW WASHINGTON DC 20036	INTERNATIONAL ASSN OF MACHINISTS & AEROSPACE WORKERS	13,968.24	250.00
AMOS S. ENO, 645 PENNSYLVANIA AVENUE, SE WASHINGTON DC 20003	NATIONAL AUDUBON SOCIETY	6,921.60	467.17
J. BARRY EPPERSON, P.O. BOX 42464 HOUSTON TX 77242	ASSOCIATED WIRE ROPE FABRICATORS	475.00	3,770.30
KIMBERLY NEILSEN EPSTEIN, 2626 PENNSYLVANIA AVENUE, NW WASHINGTON DC 20037	NATIONAL TELEPHONE COOPERATIVE ASSN	1,862.50	424.62
ERISA INDUSTRY COMMITTEE, 1726 M STREET, NW WASHINGTON DC 20036		12,600.00	9,100.11
JOHN M. ERSKINE JR., 1122 COLORADO, SUITE 208 AUSTIN TX 78701	AMOCO CORP		
MARTHA M. ESCUTIA, 20 F STREET, NW, #200 WASHINGTON DC 20001	NATIONAL COUNCIL OF LA RAZA	3,000.00	850.00
ESTATE OF MABEL R. LADD, R.R. 1 BUNKER HILL IN 46914			
BROCK EVANS, 645 PENNSYLVANIA AVENUE, SE WASHINGTON DC 20003	NATIONAL AUDUBON SOCIETY	4,300.00	165.00
FAWN K. EVENSON, 1611 N. KENT ST., #900 ARLINGTON VA 22209	FOOTWEAR INDUSTRIES OF AMERICA	6,000.00	3,149.66
MICHAEL W. FABER, REID & PRIEST 1111 19TH STREET, NW, #1100 WASHINGTON DC 20036	COMMITTEE OF CORPORATE TELECOMMUNICATIONS USERS		
MICHAEL P. FARRIS, 122 C STREET, NW, #800 WASHINGTON DC 20001	CONCERNED WOMEN FOR AMERICA		
FREDERICK FEDELI, 1400 K ST., NW WASHINGTON DC 20006	AMERICAN PSYCHIATRIC ASSN	1,904.00	1,410.00
FEDERAL EXPRESS CORP, BOX 727 MEMPHIS TN 38194			13,653.33
FEDERAL KEMPER LIFE ASSURANCE COMPANY, KEMPER BLDG. D-3 LONG GROVE IL 60049			442.47
WILLIAM FERGUSON JR., 1875 EYE ST., NW, #1275 WASHINGTON DC 20006	CITY OF BALDWIN PARK	742.50	
Do	CITY OF INGLEWOOD	1,814.99	
Do	CITY OF OCEANSIDE	990.00	29.65
Do	CITY OF PROVO	2,887.50	18.90
Do	CITY OF REDONDO BEACH	750.00	
Do	CITY OF SOUTH SALT LAKE	1,650.00	
Do	IMPERIAL IRRIGATION DISTRICT	1,000.00	
Do	IRVINE COMPANY	5,312.50	140.17
Do	OCEANSIDE REDEVELOPMENT AGENCY	990.00	
Do	SANTA CRUZ PROPERTIES, INC	660.00	
FIBER FABRIC & APPAREL COALITION FOR TRADE, 1800 M ST., NW, #950 NORTH WASHINGTON DC 20036		656,662.02	550,473.75
MANUEL D. FIERRO, 1901 N. FORT MYER DR., #202 ROSSLYN VA 22209	FOND DU LAC RESERVATION		
Do	GREAT LAKES INDIAN FISH & WILDLIFE COMMISSION		
THEODORA FINE, 1400 K STREET, NW WASHINGTON DC 20005	AMERICAN PSYCHIATRIC ASSN		
FINLEY KUMBLE WAGNER HEINE UNDERBERG MANLEY & CASEY, 1120 CONNECTICUT AVE., NW WASHINGTON DC 20036	AMERICAN COLLEGE OF NEUROPSYCHOPHARMACOLOGY	333.00	30.00
Do	AMERICAN PROTESTANT HEALTH ASSN	2,000.00	100.00
Do	COMMITTEE ON PROBLEMS OF DRUG DEPENDENCE, INC	333.00	30.00
Do	JOHNSON & JOHNSON		
Do	MUTUAL PROTECTION TRUST COOPERATIVE OF AMERICAN PHSYICANS	25,180.00	
Do	NATIONAL ASSN OF ALCOHOLISM TREATMENT PROGRAMS, INC	3,000.00	50.00
Do	NEW YORK LIFE INSURANCE CO		
Do	NORFOLK SOUTHERN CORP	3,460.00	
Do	OCCIDENTAL PETROLEUM CORP		
Do	POPULATION CRISIS COMMITTEE	212.00	
Do	SAVOY INDUSTRIES	2,540.00	
Do	SOCIETY OF REAL ESTATE APPRAISERS		
Do	STATE OF MARYLAND	20,270.00	
Do	TDI WINSTON NETWORK, INC	7,306.00	
JILL FINSEN, 923 15TH ST., N.W. WASHINGTON DC 20005	TRANSPORTATION INSTITUTE	3,000.00	
RONALD JAMES FITZSIMMONS, 2010 MASSACHUSETTS AVE., NW, 5TH FL. WASHINGTON DC 20036	PLANNED PARENTHOOD FED OF AMERICA, INC	85.70	11.50
FLORIDA BUSINESS ASSOCIATES, 2000 L ST., NW, #200 WASHINGTON DC 20036	ETA SYSTEMS, INC	11,765.00	
Do	FLORIDA STATE UNIVERSITY		
Do	JACKSONVILLE TRANSPORTATION AUTHORITY	2,328.00	
Do	SEABOARD SYSTEM RAILROAD	3,375.00	
Do	WESTINGHOUSE ELECTRIC CORP	4,465.00	
JOHN J. FLYNN, 1125 17TH STREET, NW WASHINGTON DC 20036	INTERNATIONAL UNION OF OPERATING ENGINEERS	7,500.00	210.00
FOOTWEAR RETAILERS OF AMERICA, INC, 1319 F ST., NW, #700 WASHINGTON DC 20004			875.00
FOREMAN AND COMPANY, 1826 JEFFERSON PLACE, NW, #201 WASHINGTON DC 20036	CAMP CARMOUCHE BARSH HUNTER GRAY & HOFFMAN, P.C.	1,500.00	42.74
Do	GREENE O'REILLY AGNEW & BROILLET		
P. WHITNEY FOSBURGH JR., 645 PENNSYLVANIA AVENUE, SE WASHINGTON DC 20003	NATIONAL AUDUBON SOCIETY	335.75	153.95
ALAN FOX, 1424 16TH STREET, NW, #604 WASHINGTON DC 20036	CONSUMER FEDERATION OF AMERICA	5,710.00	
ALLAN M. FOX, 1575 I STREET, NW, #1150 WASHINGTON DC 20005	KAYE SCHOLER FIERMAN HAYS & HANDLER (FOR: BRISTOL-MYERS CO)	110.00	
CHUCK FOX, 218 D STREET, SE WASHINGTON DC 20003	ENVIRONMENTAL POLICY INSTITUTE	193.30	
FRANCIS & MCGINNIS ASSOCIATES, INC, 1000 POTOMAC ST., NW, #401 WASHINGTON DC 20007	NATIONAL PASSENGER TRAFFIC ASSN		
LESLIE C. FRANCIS, 1000 POTOMAC ST., NW, #401 WASHINGTON DC 20007	NATIONAL PASSENGER TRAFFIC ASSN		
PETER M. FRANK, 1667 K ST., NW, #250 WASHINGTON DC 20006	KERR-MCGEE CORP	2,500.00	1,257.49
GEORGE FRANKLIN, 235 PORTER ST. BATTLE CREEK MI 49016	KELLOGG COMPANY	3,000.00	325.00
THOMAS C. FRANKS, 5TH FLOOR 1220 L ST., NW WASHINGTON DC 20005	AMERICAN LAND DEVELOPMENT ASSN	1,500.00	
FRIED FRANK HARRIS SHRIVER & JACOBSON, 600 NEW HAMPSHIRE AVE., NW, #1000 WASHINGTON DC 20037	AMERICAN INDIAN NATIONAL BANK		
Do	ASSINIBOINE TRIBE		
Do	CHEYENNE RIVER SIOUX TRIBE		131.15
Do	DOYON, LIMITED		
Do	MICCOSUKEE TRIBE OF INDIANS OF FLORIDA		
Do	NEZ PERCE TRIBE		42.75
Do	PUEBLO OF LAGUNA	1,042.00	17.70
Do	SENECA NATION OF INDIANS		
RONALD A. FRIED, 2000 L STREET, NW, #200 WASHINGTON DC 20036	ORION SATELLITE CORPORATION	7,125.00	215.00
GAY H. FRIEDMANN, 1150 CONNECTICUT AVE., NW, #717 WASHINGTON DC 20036	SOUTHERN CALIFORNIA GAS CO	9,000.00	61.59
FRIENDS OF THE EARTH, 530 7TH ST., SE WASHINGTON DC 20003		28,819.00	38,730.00
OWEN V. FRISBY, 900 17TH ST., NW WASHINGTON DC 20006	CHASE MANHATTAN BANK, N.A.	230.00	21.54
ALLYN M. FRITTS, 1298 WOODSIDE DRIVE MCLEAN VA 22102	NEW BEDFORD SEAFOOD COUNCIL, INC	5,001.00	555.25
ROBERT F. FROEHLKE, 1285 AVENUE OF THE AMERICAS NEW YORK NY 10019	EQUITABLE LIFE ASSURANCE SOCIETY OF THE U.S.	3,000.00	30.00
DAVID C. FULLARTON, 2626 PENNSYLVANIA AVE., NW WASHINGTON DC 20037	NATIONAL TELEPHONE COOPERATIVE ASSN		
DAVID A. FULTON, P.O. BOX 7305, DEPT. 77 KANSAS CITY MO 64116	FARMLAND INDUSTRIES, INC		
NANCY H. FUSSELL, 1700 N. MOORE ST. ROSSLYN VA 22209	BOEING COMPANY	1,215.50	961.77
G-4 CHILDREN'S COALITION, 1666 K ST., NW, RM. 1100 WASHINGTON DC 20006		20,735.34	6,839.26
DEBORAH GAHS, 1601 DUKE STREET ALEXANDRIA VA 22314	SOCIETY OF AMERICAN FLORISTS		
WILLIAM R. GANSER JR., 4804 FOLSE DR. METAIRIE LA 70002	SOUTHERN FOREST PRODUCTS ASSN	2,775.00	
SHERWIN GARDNER, 1010 WISCONSIN AVE., NW, #800 WASHINGTON DC 20007	GROCERY MANUFACTURERS OF AMERICA, INC		
GAY RIGHTS NATIONAL LOBBY, INC, 750 7TH ST., SE WASHINGTON DC 20003		47,323.72	86,404.15
GARRY GEFFERT, 2001 S STREET, NW, #312 WASHINGTON DC 20009	FARMWORKER JUSTICE FUND, INC	251.00	
WILLIAM C. GIBB, 1050 THOMAS JEFFERSON ST., NW, 6TH FL WASHINGTON DC 20007			
GIBSON DUNN & CRUTCHER, 1050 CONNECTICUT AVENUE, NW WASHINGTON DC 20036	CALFED, INC		1,205.86
Do	CITIZENS & SOUTHERN GEORGIA CORP		710.96
Do	PRUDENTIAL BANK & TRUST CO		1,003.02
Do	WASHINGTON MUTUAL SAVINGS BANK		1,123.30
NEAL P. GILLEN, 1725 K STREET, NW, #1210 WASHINGTON DC 20006	AMERICAN COTTON SHIPPERS ASSN	24,999.99	1,258.65
WILLIAM GILMARTIN, 2010 MASSACHUSETTS AVE., NW, #500 WASHINGTON DC 20036	PLANNED PARENTHOOD FEDERATION OF AMERICA, INC	765.54	10.00
JONAH GITLITZ, 1730 K ST., NW, #905 WASHINGTON DC 20006	DIRECT MARKETING ASSOCIATION		
JAMES T. GLENN, 1331 PENNSYLVANIA AVE., NW, #560 WASHINGTON DC 20004	CSX CORPORATION	3,000.00	427.76
GLOBAL USA, INC, GLOBAL HOUSE 1823 JEFFERSON PLACE, NW WASHINGTON DC 20036	FANUC, LTD		
Do	KOMATSU, LTD		
Do	KYOCERA CORPORATION		
Do	MAZAK CORPORATION		
GODFREY ASSOC, INC, 918 16TH ST., NW, SUITE S-501 WASHINGTON DC 20006			
HORACE D. GODFREY, 918 16TH ST., NW, SUITE S-501 WASHINGTON DC 20006	GODFREY ASSOC, INC		
JUDITH M. GOFF, 375 JACKSON STREET ST. PAUL MN 55101	FARM CREDIT SERVICES	600.00	250.00
DONNA GOLD, 1201 16TH STREET, NW WASHINGTON DC 20036	NATIONAL EDUCATION ASSN	2,375.00	62.00
ALFONSO J. GONZALEZ, 6105 32ND ST., NW WASHINGTON DC 20015	NATIONAL ASSN OF SOCIAL WORKERS		
LEE M. GOODWIN, WICKWIRE GAVIN & GIBBS, P.C. 1819 L STREET, NW, #700 WASHINGTON DC 20036	NATIONAL HYDROPOWER ASSN, ET AL		
THOMAS P. GRAVES, 1800 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20036	WASHINGTON PUBLIC UTILITY DISTRICTS' ASSN, INC		
JAMES R. GRECO, P.O. BOX 3151 HOUSTON TX 77001	BROWNING-FERRIS INDUSTRIES, INC	2,500.00	300.00
PHYLLIS GREENBERGER, 1400 K STREET, NW WASHINGTON DC 20005	AMERICAN PSYCHIATRIC ASSN	1,904.00	1,495.68
ROBERT GREENSTEIN, 236 MASSACHUSETTS AVENUE, NE WASHINGTON DC 20002	CENTER ON BUDGET & POLICY PRIORITIES	896.33	597.67
JANICE M. GREGORY, 1726 M ST., #704 WASHINGTON DC 20036	ERISA INDUSTRY COUNCIL	4,375.00	
WILLIAM G. GREIF, 1155 15TH ST., NW WASHINGTON DC 20005	BRISTOL-MYERS CO	25,000.00	
JEROME GROSSMAN, 20 PARK PLAZA BOSTON MA 02116	COUNCIL FOR A LIVABLE WORLD	4,114.38	
MARY SCOTT GUEST, 1919 PENNSYLVANIA AVE., NW, #800 WASHINGTON DC 20006	DILLON REED & CO, INC		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
LELAND M. GUSTAFSON, 1726 M ST., NW WASHINGTON DC 20036	PACIFIC GAS & ELECTRIC CO	3,708.00	2,229.71
NED H. GUTHRIE, 209 HAYES AVENUE CHARLESTON WV 25314	AMERICAN FED OF MUSICIANS	3,415.00	4,512.74
HALE FOUNDATION, 422 FIRST STREET, SE, #208 WASHINGTON DC 20003		49,959.00	23,540.86
BEVERLY HALEM, P.O. BOX 1419 COCOA FL 32922	HALEM INDUSTRIES, INC		
JERALD V. HALVORSEN, 2200 MILL ROAD ALEXANDRIA VA 22314	AMERICAN TRUCKING ASSNS, INC	15,000.00	1,644.83
WILLIAM W. HAMILTON JR., 2010 MASSACHUSETTS AVE., NW, #500 WASHINGTON DC 20036	PLANNED PARENTHOOD FEDERATION OF AMERICA, INC	156.92	
HANDGUN CONTROL, INC, 1400 K STREET, NW, #500 WASHINGTON DC 20005		344,253.00	116,956.00
HANNAFORD CO, INC, 655 15TH ST., NW, #200 WASHINGTON DC 20005	BHC, INC		
Do	CHINA EXTERNAL TRADE DEVELOPMENT COUNCIL	2,200.00	146.11
Do	COMMITTEE FOR FAIR INSURANCE RATES		
Do	FIREMAN'S FUND INSURANCE COS		
Do	ROCKWELL INTERNATIONAL CORP		
Do	ROYAL EMBASSY OF SAUDI ARABIA	1,000.00	224.78
Do	SMOKELESS TOBACCO COUNCIL, INC	1,000.00	5,204.67
Do	TRANS WORLD AIRLINES, INC	100.00	106.17
ARNITA HANNON, 218 D STREET, SE WASHINGTON DC 20003	ENVIRONMENTAL POLICY INSTITUTE	240.27	
DANIEL J. HANSON SR., 525 SCHOOL ST., SW WASHINGTON DC 20024	AMERICAN ROAD & TRANSPORTATION BUILDERS ASSOCIATION	22,000.00	414.73
HEIDI HANSON, 218 D STREET, SE WASHINGTON DC 20003	ENVIRONMENTAL POLICY INSTITUTE		
WILLIAM G. HARLEY, 1235 JEFFERSON DAVIS HIGHWAY, #606 ARLINGTON VA 22202	NATIONAL UTILITY CONTRACTORS ASSN		
HARRIS & BERG, 1101 30TH ST., NW, #103 WASHINGTON DC 20007	P. L. THOMAS & COMPANY, INC, ET AL		
MILTON E. HARRIS, 1255 23RD ST., NW WASHINGTON DC 20037	HARRIS STEEL GROUP, INC	1,125.00	536.41
RICHARD M. HARRIS, 525 SCHOOL ST., SW WASHINGTON DC 20024	AMERICAN ROAD & TRANSPORTATION BUILDERS ASSOCIATION	16,920.00	192.18
JIM HARRISON, 1225 CONNECTICUT AVE., NW, 306 WASHINGTON DC 20036	ASSOCIATION OF URBAN UNIVERSITIES	5,625.00	
GABRIEL A. HARTL, 2020 N. 14TH STREET, #410 ARLINGTON VA 22201	AIR TRAFFIC CONTROL ASSN		
ARTHUR W. HARTMANN, 1800 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20036	NATIONAL RURAL ELECTRIC COOPERATIVE ASSN		
BILL HECHT AND ASSOCIATES, INC, 499 SOUTH CAPITOL STREET, SE, #501 WASHINGTON DC 20003	AMERICAN SECURITY COUNCIL	500.00	
Do	ASSOCIATION OF AMERICAN RAILROADS	300.00	
Do	BRIGHT AND COMPANY	500.00	
Do	CIC ENTERPRISES	250.00	
Do	CROWLEY MARITIME CORP	750.00	
Do	IRVINE COMPANY	1,000.00	
Do	MANAGEMENT INSIGHTS, INC	150.00	
Do	METROPOLITAN ANALYSIS & RETRIEVAL SYSTEMS, INC	250.00	
Do	REED ROBERTS TAX CREDIT ASSISTANCE CORP	150.00	
Do	TRAWEEK INVESTMENT CO, INC	1,000.00	
Do	U.C. CONSULTANTS	150.00	
Do	WESTERN GROWERS ASSN	300.00	
Do	WESTERN GROWERS ASSURANCE TRUST	250.00	
BILL HECHT, 499 SOUTH CAPITOL STREET, SE, #501 WASHINGTON DC 20003	BROWN & WILLIAMSON TOBACCO CORP	2,000.00	
Do	LOS ANGELES RAIDERS	1,000.00	
Do	SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT	2,000.00	
PATTI HEDGE, 1400 EYE ST., NW WASHINGTON DC 20005	WILDERNESS SOCIETY	160.41	
M. L. HEFTI, 1700 NORTH MOORE STREET, 20TH FL ROSSLYN VA 22209	BOEING COMPANY	421.46	1,112.87
ROBERT E. HEGGESTAD, 1827 PHELPS PLACE, NW WASHINGTON DC 20008	MANUFACTURED HOUSING INSTITUTE		
HELICOPTER ASSN INTERNATIONAL, 1110 VERMONT AVE., NW, #430 WASHINGTON DC 20005			25,386.00
STEVEN B. HELLEM, 605 14TH ST., NW WASHINGTON DC 20005	E. BRUCE HARRISON CO, INC (FOR: NEDA/CAAP)		
CRAIG R. HELSING, 499 S. CAPITOL ST., SW, #507 WASHINGTON DC 20005	BILL HECHT AND ASSOCIATES, INC	500.00	
THOMAS R. HENDERSHOT, HENDERSHOT, KOESTER & WORSHTIL 8181 PROFESSIONAL PL., #200 LANDOVER MD 20785	PHILADELPHIA GAS WORKS	30,210.00	55.00
HERCULES, INC, HERCULES PLAZA WILMINGTON DE 19894			12,082.24
HERON BURCHETTE RUCKERT & ROTHWELL, 1025 THOMAS JEFFERSON ST., NW, #700 WASHINGTON DC 20007	AGRI-ENERGY, INC		
Do	CASTLE AND COOKE		
Do	NATIONAL ASSN OF GROWERS & PRODUCERS FOR FREE TRADE		
BARRY ALEXANDER HERRING, 66 VALCREST AVE. HAMILTON ONTARIO CANADA L7L 5N5	LAUREL STEEL PRODUCTS LIMITED	462.00	824.39
CAROL M. HERRINGTON, 3881-B STEPPES COURT FALLS CHURCH VA 22041	EMERSON ELECTRIC CO		
FRED HERVEY, 1601 NORTH 7TH STREET PHOENIX AZ 85072	CIRCLE K		20,309.06
DALE E. HEYDLAUFF, CRAFT & RICHARDS 1050 THOMAS JEFFERSON STREET, NW, 6TH FL WASHINGTON DC 20007	ALLIS CHALMERS ENERGY & MINERALS SYSTEMS CO	2,555.00	282.46
Do	CONSUMERS UNITED FOR RAIL EQUITY (C.U.R.E.)	975.00	93.83
Do	EDISON ELECTRIC INSTITUTE		
Do	ILLINOIS DEPT OF ENERGY & NATURAL RESOURCES	1,120.00	56.64
Do	ILLINOIS ENVIRONMENTAL PROTECTION AGENCY	306.25	21.81
EDWARD JOSEPH HILLINGS, 1015 15TH ST., NW, #900 WASHINGTON DC 20005	HNG/INTERNORTH	7,500.00	
J. D. HITTLE, 3137 S. 14TH ST. ARLINGTON VA 22204	KMS INDUSTRIES, INC	1,500.00	
Do	LTV AERO-SPACE & DEFENSE CO	2,500.00	115.15
SHEILA K. HIXSON, 1111 14TH STREET, NW WASHINGTON DC 20005	AMERICAN DENTAL ASSN	1,000.00	1,796.03
SUSAN HOECHSTETTER, 7981 EASTERN AVE. SILVER SPRING MD 20910	NATIONAL ASSN OF SOCIAL WORKERS		
HOGAN & HARTSON, 815 CONNECTICUT AVE., NW WASHINGTON DC 20006	AMERICAN ELECTRONICS ASSN		
Do	COALITION FOR THE ADVANCEMENT OF INDUSTRIAL TECHNOLOGY		
Do	COMPUTER & BUSINESS EQUIPMENT MANUFACTURERS ASSN		
Do	SCIENTIFIC APPARATUS MAKERS ASSN		
Do	SEMICONDUCTOR INDUSTRY ASSOCIATION		
JAMES F. HOGG, P.O. BOX 0 810 34TH AVE. SOUTH MINNEAPOLIS MN 55440	CONTROL DATA CORPORATION		
WILLIAM J. HOLAYTER, 1300 CONNECTICUT AVENUE, NW WASHINGTON DC 20036	INTERNATIONAL ASSN OF MACHINISTS & AEROSPACE WORKERS	7,682.48	
MOSES D. HOLMES JR., 1201 16TH ST., NW WASHINGTON DC 20036	NATIONAL EDUCATION ASSN	2,649.00	268.20
VANCE HUGHES, 8216 MAPLE RIDGE ROAD BETHESDA MD 20014	CLEAN WATER ACTION PROJECT		
GREGORY A. HUMPHREY, 555 NEW JERSEY AVE., NW WASHINGTON DC 20001	AMERICAN FED OF TEACHERS	14,148.36	60.00
ROBERT R. HUMPHREYS, 1667 K ST., NW, #500 WASHINGTON DC 20006	ARTHRITIS FOUNDATION	4,025.00	965.00
GERARD F. HURLEY, 1625 I ST., NW, #609 WASHINGTON DC 20006	NATIONAL CLUB ASSOCIATION		
ROBERT E. HUTCHINSON, 1601 NORTH 7TH STREET PHOENIX AZ 85006	CIRCLE K CORPORATION		
ISABEL E. HYDE, 1800 K STREET, NW WASHINGTON DC 20006	GOODYEAR TIRE & RUBBER CO	2,550.00	
ANNELISE ILSCHENKO, 120 CAMERON STREET, #203 ALEXANDRIA VA 22314			
INT'L UNION, UNITED AUTO AEROSPACE & AGRIC IMPLEMENT WORKERS, WORKERS OF AMERICA (UAW) 8000 E. JEFFERSON DETROIT MI 48214.		140,324.34	140,324.34
INTER-AMERICAN SERVICES, INC, 106 MOCKINGBIRD PLAZA I 5372 FREDERICKSBURG ROAD SAN ANTONIO TX 78229	UAG ALUMNI ASSOCIATION		
INTERLAKE, INC, 2015 SPRING RD. OAK BROOK IL 60521			16,858.61
INTERNATIONAL ASSN OF MACHINISTS & AEROSPACE WORKERS, 1300 CONNECTICUT AVE., NW WASHINGTON DC 20036			28,155.59
INTERNATIONAL BROTHERHOOD OF PAINTERS & ALLIED TRADES, 1750 NEW YORK AVE., NW WASHINGTON DC 20006			
INTERNATIONAL BUSINESS & ECONOMIC RESEARCH CORP, 2121 K ST., NW, #700 WASHINGTON DC 20008	TRADE INDUSTRY & CUSTOMS DEPT, GOV'T OF HONG KONG		
INTERNATIONAL UNION OF OPERATING ENGINEERS, 1125 17TH ST., NW WASHINGTON DC 20036		16,000.00	510.00
IRWIN AND LESSE, 2011 EYE STREET, NW WASHINGTON DC 20006	ATLANTIC SATELLITE COMM, INC & EARTH STATION SATELLITE	5,410.46	2,008.38
JOHN ISAACS, 100 MARYLAND AVE., NE WASHINGTON DC 20002	COUNCIL FOR A LIVABLE WORLD	7,742.51	
NEAL A. JACKSON, 2000 M ST., NW WASHINGTON DC 20036	CAROLINAS COTTON GROWERS ASSN, INC	5,358.75	301.93
ROY T. JACOBSEN, 1667 K ST., NW, #525 WASHINGTON DC 20006	BAUMANN, INC		
Do	BEZTAK COMPANY		
Do	DETROIT & MACKINAC RAILWAY COMPANY		
Do	EDSI		
Do	GLOBAL COMMUNICATIONS		
Do	GRAND TRAVERSE DEVELOPMENT, INC		
Do	PRECISION MAGNETICS & CERAMICS		
Do	PRIMARK CORPORATION		
Do	SAFEKEEPER SYSTEMS, INC		
Do	SAFLOK/COMPUTORIZED SECURITY SYSTEMS, INC		
Do	U.S. MANUFACTURING COMPANY		
Do	URBAN REVITALIZATION, INC		
Do	WEDTECH CORP		
T. DESTRY JARVIS, 529 TENNESSEE AVE. ALEXANDRIA VA 22305	NATIONAL PARKS & CONSERVATION ASSOCIATION	595.00	49.75
KEMPTON B. JENKINS, 1667 K ST., NW, #650 WASHINGTON DC 20006	ARMCO, INC	1,050.00	257.00
FRANK L. JENSEN JR., 1110 VERMONT AVE., NW, #430 WASHINGTON DC 20005	HELICOPTER ASSN INTERNATIONAL		
RONALD P. JOHNSEN, 1250 EYE ST., NW, #703 WASHINGTON DC 20005	COLUMBIA GAS SYSTEM SERVICE CORP	175.00	177.06
BRUCE JOHNSON, LAW OFFICES OF BRUCE JOHNSON 1718 CONNECTICUT AVE., NW WASHINGTON DC 20009	AD-HOC MORTGAGE-BACKED SECURITIES LEGIS. & REGULATORY ASSN		2,122.10
JAMES E. JOHNSON, 11510 GEORGIA AVENUE, #115 WHEATON MD 20902	J. E. JOHNSON & ASSOCIATES, INC		
NICHOLAS JOHNSON, BOX 1876 IOWA CITY IA 52244			
SPENCER A. JOHNSON, 1101 VERMONT AVE., NW, #411 WASHINGTON DC 20005	PAPERBOARD PACKAGING COUNCIL		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
STEPHEN M. JOHNSON, THE POWER HOUSE 3255 GRACE STREET, NW WASHINGTON DC 20007	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: COMMONWEALTH OF PUERTO RICO).		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: MUTUAL INSURANCE COALITION).		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: REPUBLIC OF TURKEY)		
JONES & WINBURN, 50 E STREET, SE WASHINGTON DC 20003	AMERICAN ASSN OF EQUIPMENT LESSORS	1,980.00	7,695.85
Do	AMERICAN AUTOMOTIVE LEASING ASSN	990.00	7,695.85
Do	BURLINGTON NORTHERN, INC	3,300.00	7,695.85
Do	CHANCELLOR CORPORATION	1,000.00	7,695.85
Do	CITY OF BATON ROUGE	1,980.00	7,695.85
Do	HARTFORD FIRE INSURANCE GROUP	48,000.00	7,695.85
Do	NATIONAL ASSN OF ASCS COUNTY OFFICE EMPLOYEES (NASCOE)	528.00	7,695.85
ALLAN R. JONES, 2200 MILL RD. ALEXANDRIA VA 22314	AMERICAN TRUCKING ASSNS, INC	9,000.00	345.20
GERALD R. JONES, 2000 L ST., NW, #810 WASHINGTON DC 20036	SPERRY CORPORATION		
DAVID W. JOYNER, 777 14TH STREET, NW WASHINGTON DC 20005	NATIONAL ASSN OF REALTORS		
JUSTICE FELLOWSHIP, P.O. BOX 17181 WASHINGTON DC 20041			
HANS KAEHLER, P.O. BOX 118 COLD SPRING HARBOR NY 11724			
JAMES A. KAITZ, 1101 16TH STREET, NW WASHINGTON DC 20036	SCIENTIFIC APPARATUS MAKERS ASSN	1,100.00	311.25
DENNIS R. KANIN, FOLEY HOAG & ELIOT ONE POST OFFICE SQUARE BOSTON MA 02109	HUMANE SOCIETY OF THE U.S., ET AL	18,987.92	475.80
Do	LEADING EDGE PRODUCTS, INC	10,000.00	7,331.69
KAYE SCHOLER FIERMAN HAYS & HANDLER, 1575 I STREET, NW, #1150 WASHINGTON DC 20005	BRISTOL-MYERS COMPANY		110.00
Do	PIONEER SYSTEMS, INC		363.00
Do	RAYMARK CORPORATION		
Do	UNITED TELEVISION, INC		239.00
KECK MAHIN & CATE, 1730 PENNSYLVANIA AVENUE, NW, #350 WASHINGTON DC 20006	SCHWINN BICYCLE CO		
DAVID A. KEENE, 500 N. WASHINGTON ST., #201 FALLS CHURCH VA 22046	NATIONAL TAX LIMITATION COMMITTEE	630.00	
KEIKI KEHOE, 218 D ST., SE WASHINGTON DC 20003	ENVIRONMENTAL POLICY INSTITUTE	588.59	
SUELLEN KEINER, 218 D STREET, SE WASHINGTON DC 20003	ENVIRONMENTAL POLICY INSTITUTE		
JAMES J. KELLY, P.O. BOX 23451 WASHINGTON DC 20026	CONSOLIDATED RAIL CORP	1,800.00	
KEMPER FINANCIAL SERVICES, INC, 120 SOUTH LASALLE STREET CHICAGO IL 60603			
KEMPER INVESTORS LIFE INSURANCE CO, 120 SOUTH LASALLE STREET CHICAGO IL 60603			289.61
FRANCES ANN KENKEL, 1331 PENNSYLVANIA AVE., NW, #719 WASHINGTON DC 20004	ASSOCIATION OF PRIVATE PENSION & WELFARE PLANS, INC		
VYTAUTAS KERBELIS, 69 COTTAGE ST. BAR HARBOR ME 04609	ARAS		
T. MICHAEL KERR, 1625 L ST., NW WASHINGTON DC 20036	AMERICAN FED OF STATE COUNTY & MUNICIPAL EMPLOYEES	10,815.00	153.83
FREDERICK A. KESSINGER, 1201 4TH ST., SW WASHINGTON DC 20024	ANIMAL HEALTH INSTITUTE		
EARLINE A. KEYSER, 1620 I ST., NW, #703 WASHINGTON DC 20006	BECHTEL POWER CORPORATION		
ROBERT W. KIERNAN, 1776 F STREET, NW WASHINGTON DC 20006	NATIONAL ASSN OF MANUFACTURERS	1,500.00	100.00
MARYANN KILDUFF, 923 15TH ST., N.W. WASHINGTON DC 20005	TRANSPORTATION INSTITUTE	3,000.00	
KILPATRICK & CODY, SUITE 500 2501 M ST., NW WASHINGTON DC 20037	B. W. CROSWELL		126.29
GENE KIMMELMAN, 1424 16TH STREET, NW WASHINGTON DC 20036	CONSUMER FEDERATION OF AMERICA	7,147.00	
AUBREY C. KING, 1625 EYE STREET, NW, #609 WASHINGTON DC 20006	NATIONAL CLUB ASSOCIATION		
KIRKPATRICK & LOCKHART, 1900 M ST., NW WASHINGTON DC 20036	COLUMBIA PICTURES INDUSTRIES, INC	655.00	
Do	GROCERY MANUFACTURERS OF AMERICA, INC		
Do	H. K. PORTER COMPANY, INC		
Do	WOLVERINE WORLD WIDE, INC		
DONALD R. KIRTLEY, HERCULES PLAZA WILMINGTON DE 19894	HERCULES INC		
CARLA KISH, 1400 EYE ST., NW WASHINGTON DC 20005	WILDERNESS SOCIETY	349.79	103.75
WILLIAM J. KISSICK, 503 QUEEN STREET EAST SAULT STE. MARIE ONTARIO CANADA P6A 5P2	ALGOMA STEEL CORP, LTD	760.00	755.66
Do	CANADIAN TUBULAR PRODUCERS ASSN	40.00	53.29
RALPH W. KITTLE, 1620 EYE ST., NW, #700 WASHINGTON DC 20006	INTERNATIONAL PAPER CO	500.00	215.67
SAUL B. KLAMAN, 1101 15TH STREET, NW WASHINGTON DC 20005	NATIONAL COUNCIL OF SAVINGS INSTITUTIONS	10,000.00	
PETER E. KNIGHT, 1101 15TH STREET, NW, #400 WASHINGTON DC 20005	NATIONAL COUNCIL OF SAVINGS INSTITUTIONS	8,000.00	
PAUL E. KOHL, J.C. PENNY CO., INC. 1301 AVENUE OF THE AMERICAS NEW YORK NY 10019	18TH CONG DIST FOR PRO-LIFE ACTIVITIES		
STANLEY E. KOLBE JR., 418 SOUTH CAPITOL STREET, SE WASHINGTON DC 20003	SHEET METAL & AIR CONDITIONING CONTRACTORS' NAT'L ASSN		
KOMINERS FORT SCHLEFER & BOYER, 1401 NEW YORK AVE., NW, 12TH FL. WASHINGTON DC 20005	APEX MARINE CORP	58,268.00	3,414.06
CHRIS KOYANAGI, 1702 WOODMAN DRIVE MCLEAN VA 22101	WASHINGTON ALTERNATIVES, INC	9,965.00	30.00
JAY KRIEGEL, KRIEGEL COMMUNICATIONS 437 MADISON AVENUE, 19TH FL. NEW YORK NY 10022	ASSOCIATION FOR A BETTER NEW YORK	10,000.00	228.50
JAMES M. KUSZAJ, SUITE 700 SOUTH 1800 M STREET, NW WASHINGTON DC 20036	DOW CHEMICAL U.S.A		
KUTAK ROCK & CAMPBELL, 1101 CONNECTICUT AVENUE, NW WASHINGTON DC 20036	AMERICA FIRST FEDERALLY GUARANTEED MORTGAGE FUND II		
Do	HAYES, INC		
STEPHEN K. LAMBRIGHT, ONE BUSCH PLACE ST. LOUIS MO 63118	ANHEUSER-BUSCH COMPANIES, INC		
DAVID W. LANDSIDLE, 1710 RHODE ISLAND AVENUE, NW, #300 WASHINGTON DC 20036	ABBOTT LABORATORIES	2,000.00	
LANE & EDSON, P.C., 2300 M STREET, NW WASHINGTON DC 20036	NATIONAL ASSN OF ENERGY SERVICE COS	3,698.00	3,698.00
LANE & MITTENDORF, 1750 K STREET, NW, #1200 WASHINGTON DC 20006	INDEPENDENT PRODUCERS GROUP	5,105.00	507.61
LATHAM WATKINS & HILLS, 1333 NEW HAMPSHIRE AVE., NW, #1200 WASHINGTON DC 20036	STANDARD OIL CO OF CALIFORNIA		
DENNIS LAVALLEE, 180 S. WASHINGTON ST., P.O. BOX 6808 FALLS CHURCH VA 22046	NATIONAL ASSN OF PLUMBING-HEATING-COOLING CONTRACTORS	500.00	281.00
LEAD-ZINC PRODUCERS COMMITTEE, 180 MAIDEN LANE NEW YORK NY 10038		212.33	6,528.06
LEAGUE OF AMERICAN INVESTORS, 32123 LINDERO CANYON ROAD WESTLAKE VILLAGE CA 91361			
THOMAS B. LEARY, HOGAN & HARTSON 815 CONNECTICUT AVENUE, NW WASHINGTON DC 20006	BUSINESS ROUNDTABLE		
LECHNER & BUTSAVAGE, P.C., 3101 SOUTH ST., NW WASHINGTON DC 20007	NATIONAL ASSN OF POLICE ORGANIZATIONS	25,000.00	7,294.50
ROBERT F. LEDERER, 1250 I STREET, NW, #500 WASHINGTON DC 20005	AMERICAN ASSN OF NURSERYMEN		
MARY NELL LEHNHARD, 1709 NEW YORK AVE., NW WASHINGTON DC 20006	BLUE CROSS & BLUE SHIELD		
KAREN LEICHTMAN, 201 MASSACHUSETTS AVENUE, NE, #319 WASHINGTON DC 20002	HALT: AMERICANS FOR LEGAL REFORM	5,150.00	1.00
CYNTHIA R. LENHART, 645 PENNSYLVANIA AVENUE, SE WASHINGTON DC 20003	NATIONAL AUDUBON SOCIETY	2,133.00	1,011.72
DONNA LENHOFF, 2000 P ST., NW, #400 WASHINGTON DC 20036	WOMEN'S LEGAL DEFENSE FUND	297.77	95.85
WILLIAM J. LESSARD JR., 1300 19TH STREET, NW, #310 WASHINGTON DC 20036	NATIONAL COMM TO PRESERVE SOCIAL SECURITY & MEDICARE	5,833.00	
DALE LESTINA, 1201 16TH ST., NW WASHINGTON DC 20036	NATIONAL EDUCATION ASSN	2,957.00	412.25
BERTRAM J. LEVINE, 1667 K STREET, NW, #410 WASHINGTON DC 20006	JOHNSON & JOHNSON		
ROGER N. LEVY, 600 PENNSYLVANIA AVENUE, SE, #200 WASHINGTON DC 20003	INDEPENDENT INSURANCE AGENTS OF AMERICA, INC	17,308.00	
DAVID A. LEWIS, 530 7TH STREET, SE WASHINGTON DC 20003	FRIENDS OF THE EARTH	562.50	
ROBERT G. LIBERATORE, 1100 CONNECTICUT AVENUE, NW WASHINGTON DC 20036	CHRYSLER CORP	2,250.00	730.05
LINTON MIELDS REISLER & COTTONE, 1015 18TH ST., NW, #200 WASHINGTON DC 20036	DENVER TECHNOLOGICAL CENTER		
Do	IOWA DEPARTMENT OF TRANSPORTATION	4,147.00	
Do	LAKE SUPERIOR DISTRICT POWER CO	370.00	
Do	MADISON GAS & ELECTRIC CO	891.00	
Do	METROPOLITAN SANITARY DISTRICT OF GREATER CHICAGO	7,011.00	27.00
Do	MICHIGAN DEPT OF TRANSPORTATION	4,290.00	
Do	NORTHERN STATES POWER CO	946.00	
Do	OREGON DEPT OF TRANSPORTATION	3,000.00	
Do	STATE OF COLORADO, DEPT OF HIGHWAYS	2,970.00	
Do	STATE OF IL, DEPT OF TRANS, DIV OF WATER RES	5,650.00	94.00
Do	STATE OF IL, DEPT OF TRANSPORTATION	6,756.00	
Do	SUPERIOR WATER, LIGHT & POWER CO	195.00	
Do	WISCONSIN ELECTRIC POWER CO	3,227.00	805.00
Do	WISCONSIN FUEL AND LIGHT CO	216.00	
Do	WISCONSIN NATURAL GAS CO	918.00	
Do	WISCONSIN POWER & LIGHT CO	1,482.00	
Do	WISCONSIN PUBLIC SERVICE CORP	1,645.00	
FRANCES S. LIPSCOMB, 645 PENNSYLVANIA AVENUE, SE WASHINGTON DC 20003	NATIONAL AUDUBON SOCIETY	500.00	
LISBOA ASSOCIATES, INC, 1317 F ST., NW, #400 WASHINGTON DC 20004			448.05
THEODORE M. LITTMAN, 2230 E. IMPERIAL AVE. EL SEGUNDO CA 90245	ROCKWELL INTERNATIONAL		
LIVESTOCK MARKETING ASSOCIATION, 301 E. ARMOUR BLVD. KANSAS CITY MO 64111			4,919.22
LAW OFCS OF SHELDON LONDON, 1725 DESALES ST., NW, #401 WASHINGTON DC 20036	AMERICAN HARDWARE MANUFACTURERS ASSN		
WILLIAM E. LONG, ONE NATIONWIDE PLAZA COLUMBUS OH 43216	NATIONWIDE INSURANCE COMPANY	9,360.00	
LONGNECKER & ASSOC, P.O. BOX 24209 WASHINGTON DC 20024			
LAURA LOOMIS, 1701 18TH ST., NW WASHINGTON DC 20009	NATIONAL PARKS & CONSERVATION ASSOCIATION		
LOOMIS OWEN FELLMAN & HOWE, 2020 K ST., NW WASHINGTON DC 20006	INDUSTRIAL DIAMOND ASSN		
GERALD D. LORE, 1050 CONNECTICUT AVENUE, NW, #401 WASHINGTON DC 20036	HOFFMANN-LA ROCHE, INC		
SARA L. LOVELAND, P.O. BOX 65-761 WASHINGTON DC 20035	S.O.S. SMALL BUSINESS JOBS		
CHARLES M. LOVELESS, 1625 L STREET, NW WASHINGTON DC 20036	AMERICAN FED OF STATE COUNTY & MUNICIPAL EMPLOYEES	10,055.76	353.51
CHARLES EMMET LUCEY, MCDERMOTT, WILL & EMERY 1850 K STREET, NW, #500 WASHINGTON DC 20006	CATHOLIC PRESS ASSN		
PETER J. LUCIANO, 923 15TH STREET, NW WASHINGTON DC 20005	TRANSPORTATION INSTITUTE	5,000.00	
WILLIAM F. LUDLAM SR., P.O. BOX 5282 VIRGINIA BEACH VA 23455	ARBA LICENSEES ASSN	2,000.00	570.93

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
LUKENS, INC, 50 SOUTH FIRST AVENUE COATESVILLE PA 19320			
LUMAN & SCHOOR, 1030 15TH ST., NW, #720 WASHINGTON DC 20005	NATIONAL ASSN OF PERSONNEL CONSULTANTS		
LUMBERMENS MUTUAL CASUALTY COMPANY, LONG GROVE IL 60049			3,722.20
JAMES LYON, 218 D ST., SE WASHINGTON DC 20003	ENVIRONMENTAL POLICY INSTITUTE	43.88	
WILLIAM T. LYONS, 1747 PENNSYLVANIA AVE., NW, #700 WASHINGTON DC 20006	CIBA-GEIGY CORP	4,722.00	2,965.00
SAMUEL A. MABRY, 1800 K ST., NW WASHINGTON DC 20006	HERCULES INC	7,406.25	2,553.54
JOSEPH H. MACAULAY, 300 METROPOLITAN SQUARE 655 15TH STREET, NW WASHINGTON DC 20005	U.S. SURGICAL CORP	200.00	
JOHN MACNAMARA, 503 QUEEN STREET EAST SAULT STE. MARIE ONTARIO CANADA P6A 5P2	ALGOMA STEEL CORP, LTD	1,700.00	225.77
JOHN H. MADIGAN JR., 1575 EYE STREET, NW, #1025 WASHINGTON DC 20005	AMERICAN CANCER SOCIETY	15,000.00	400.00
EDWARD MAGUIRE, 1333 NEW HAMPSHIRE AVENUE, NW WASHINGTON DC 20036	BUCHANAN INGERSOLL, P.C. (FOR: INTERNATIONAL DISTRICT HEATING ASSN)		
MICHAEL MAHDESIAN, 8636 WONDERLAND AVE. LOS ANGELES CA 90046	ARMENIAN NATIONAL COMMITTEE		
MARY JO MALONE, 1735 NEW YORK AVE., NW WASHINGTON DC 20006	AMERICAN INSTITUTE OF ARCHITECTS	1,900.00	4,865.67
PETER T. MANGIONE, 1319 F STREET, NW, #700 WASHINGTON DC 20004	FOOTWEAR RETAILERS OF AMERICA, INC	275.00	
CLAUDIA MANSFIELD, 1801 N. MOORE STREET ARLINGTON VA 22209	AMERICAN ASSN OF SCHOOL ADMINISTRATORS		25.00
JOHN V. MARANEY, 324 EAST CAPITOL ST., NE WASHINGTON DC 20003	NATIONAL STAR ROUTE MAIL CARRIERS' ASSN		
JENNIFER MARCH, 218 D STREET, SE WASHINGTON DC 20003	ENVIRONMENTAL POLICY INSTITUTE	28.09	
RICHARD MARK, 1616 P ST., NW, #320 WASHINGTON DC 20036	PROFESSIONALS' COALITION FOR NUCLEAR ARMS CONTROL	7,800.00	4,216.46
PATRICIA MARKEY, 1899 L ST., NW, #505 WASHINGTON DC 20036	UNITED DISTRIBUTION COMPANIES	1,974.00	59.00
RICHARD P. MARKEY, 729 15TH ST., NW WASHINGTON DC 20005	ASSOCIATED BUILDERS & CONTRACTORS, INC		
NATHAN FRED MARKS, 685 N.W. 8TH STREET GRESHAM OR 97030			
C. TRAVIS MARSHALL, 1776 K ST., NW WASHINGTON DC 20006	MOTOROLA, INC	1,500.00	
DANEA KEHOE MARTIN, 1922 F STREET, NW WASHINGTON DC 20006	NATIONAL ASSN OF LIFE UNDERWRITERS	215.00	
LARRY K. MARTIN, 1611 NORTH KENT STREET, #800 ARLINGTON VA 22209	MAN-MADE FIBER PRODUCERS ASSN, INC		
PEGGY L. MARTIN, 777 14TH STREET, NW WASHINGTON DC 20005	NATIONAL ASSN OF REALTORS		
ANN MARTINO, 499 S. CAPITOL ST., SW, #102 WASHINGTON DC 20003	COALITION TO STOP GOV'T WASTE		
JIM MATHESON, 218 D ST., SE WASHINGTON DC 20003	ENVIRONMENTAL POLICY INSTITUTE	151.75	
RICHARD D. MATHIAS, 1660 L ST., NW, #901 WASHINGTON DC 20036	PAN AMERICAN WORLD AIRWAYS, INC		
SAMUEL L. MAURY, 1828 L ST., NW, #402 WASHINGTON DC 20036	BUSINESS ROUNDTABLE	800.00	
ARNOLD MAYER, 1775 K ST., NW WASHINGTON DC 20006	UNITED FOOD & COMMERCIAL WORKERS INTL UNION	16,153.86	832.61
H. WESLEY MCADEN, 1155 15TH ST., NW, #504 WASHINGTON DC 20005	SUPIMA ASSOCIATION OF AMERICA	2,000.00	
JOHN L. MCCORMICK, 218 D ST., SE WASHINGTON DC 20003	ENVIRONMENTAL POLICY INSTITUTE	278.02	
MOLLY MCCORMICK, 2301 MARKET STREET, S24-4 PHILADELPHIA PA 19101	PHILADELPHIA ELECTRIC COMPANY	2,282.30	268.19
E. L. MCCULLOCH, 819 RAILWAY LABOR BLDG., 400 1ST ST., NW WASHINGTON DC 20001	BROTHERHOOD OF LOCOMOTIVE ENGINEERS	284.60	405.10
MCDERMOTT WILL & EMERY, 1850 K ST., NW, #500 WASHINGTON DC 20006	CATERPILLAR TRACTOR CO	900.00	7.00
Do	FEDERAL KEMPER LIFE ASSURANCE COMPANY	121.50	13.50
Do	KEMPER INVESTORS LIFE INSURANCE CO	58.50	6.50
Do	LUMBERMAN MUTUAL CO	540.00	7.00
NORRIS MCDONALD, 218 D ST., SE WASHINGTON DC 20003	ENVIRONMENTAL POLICY INSTITUTE	684.82	
JOSEPH M. MCGARRY, 16 MUNSON RD. FARMINGTON CT 06032	HEUBLEIN, INC	16,120.00	4,189.06
PATRICIA G. MCGINNIS, FRANCIS MCGINNIS & REES 1000 POTOMAC ST., NW, #401 WASHINGTON DC 20007	NATIONAL PASSENGER TRAFFIC ASSN		
MICHAEL R. MCLEOD, SCOTT HARRISON & MCLEOD 2501 M ST., NW WASHINGTON DC 20037	AMERICAN ASSN OF CROP INSURERS	1,687.50	
Do	CHICAGO BOARD OF TRADE		
Do	UNITED EGG PRODUCERS	837.50	
MCNAIR GLENN KONDUROS CORLEY SINGLETARY PORTER & DIBBLE, 1155 15TH STREET, NW WASHINGTON DC 20005	AIR TRANSPORT ASSN OF AMERICA		107.89
Do	ALIGNPAC		35.78
Do	AMERICAN PETROLEUM INSTITUTE		
Do	BRISTOL-MYERS CO	1,276.54	
Do	BUSINESS ROUNDTABLE		
Do	CBS, INC	3,107.84	2,070.00
Do	CHASE MANHATTAN BANK	2,336.35	108.04
Do	COLT INDUSTRIES, INC	2,655.00	197.29
Do	CRS STIRRINE, INC		
Do	DART & KRAFT, INC		
Do	DAVIS POLK & WARDWELL		
Do	ENSERCH	211.00	15.36
Do	ESPERANZA ENERGY CO		
Do	FOOD MARKETING INSTITUTE	1,304.15	
Do	GENERAL MILLS		
Do	GENERAL TELEPHONE & ELECTRONICS	1,236.60	
Do	GEORGIA PACIFIC CORP	367.70	
Do	GTE CORPORATION	1,236.60	
Do	GTE SPRINT COMMUNICATIONS	1,332.80	40.95
Do	HARRIS CORPORATION		
Do	HOSPITAL CORP OF AMERICA		
Do	INTELLECTUAL PROPERTY OWNERS, INC		
Do	MESA PETROLEUM CO		
Do	METROPOLITAN INSURANCE	2,431.05	99.59
Do	MILLIKEN MILLS		
Do	NATIONAL ASSN OF REALTORS		
Do	NATIONAL CABLE TELEVISION ASSN		
Do	NATIONAL FOOTBALL LEAGUE	2,210.70	98.68
Do	NORFOLK SOUTHERN CORP	24,317.89	1,187.21
Do	NORTHWESTERN MUTUAL LIFE INSURANCE CO		
Do	PHARMACEUTICAL MANUFACTURERS ASSN		
Do	RKO		
Do	SABINE CORPORATION		
Do	SONY CORP OF AMERICA	14,198.00	380.96
Do	TEXAS OIL & GAS CORP	1,875.40	1,727.39
Do	WASTE MANAGEMENT, INC		
Do	WESSELY ENERGY CORP		
Do	WESTINGHOUSE ELECTRIC CORP		
ROBERT MCVICKER, 2001 JEFFERSON DAVIS HWY ARLINGTON VA 22202	KOLLSMAN INSTRUMENT CO		
JOSEPH F. MEADOW, 7100 BALTIMORE AVENUE COLLEGE PARK MD 20740	UNITED ACTION FOR ANIMALS, INC	1,350.00	
FRANCIS X. MEANEY, 1825 EYE STREET, NW WASHINGTON DC 20006	MINTZ LEVIN COHN FERRIS GLOVSKY & POPEO (FOR: GOLDMAN SACHS & CO)		
Do	MINTZ LEVIN COHN FERRIS GLOVSKY & POPEO (FOR: NORTHERN ENERGY CORPORATION)		
Do	MINTZ LEVIN COHN FERRIS GLOVSKY & POPEO (FOR: REFUSE FUELS, INC)		
Do	MINTZ LEVIN COHN FERRIS GLOVSKY & POPEO (FOR: SCA SERVICES)		
Do	MINTZ LEVIN COHN FERRIS GLOVSKY & POPEO (FOR: SECURITIES INDUSTRY ASSN)	8,000.00	
MEDICAL-DENTAL DIVERSIFIED SERVICES, INC, 5372 FREDERICKSBURG ROAD, #106 SAN ANTONIO TX 78229	U.A.G. ALUMNI ASSN	750.00	1,212.00
RICHARD A. MEHLER, 1818 N STREET, NW, #210 WASHINGTON DC 20036	AUTOMOTIVE PARTS REBUILDERS ASSN		
NANINE MEIKLEJOHN, 1625 L ST., NW WASHINGTON DC 20036	AMERICAN FED OF STATE COUNTY & MUNICIPAL EMPLOYEES	6,620.06	17.00
JAMES T. MELVILLE, 503 QUEEN STREET EAST SAULT STE. MARIE ONTARIO CANADA P6A 5P2	ALGOMA STEEL CORP, LTD		
MEMEL JACOBS PIERNO GERSH & ELLSWORTH, 1800 M STREET, NW, #1000-N WASHINGTON DC 20036	ESKATON HEALTH CORP		
Do	NATIONAL ASSN OF PUBLIC HOSPITALS		1,000.00
MENDELSOHN ASSOCIATES, INC, 1826 JEFFERSON PLACE, NW, #101 WASHINGTON DC 20036	AMERICAN PRESIDENT LINES		
HAROLD E. MESIROW, 21 DUPONT CIRCLE, NW WASHINGTON DC 20036	LILLICK MCHOSE & CHARLES (FOR: FOSS LAUNCH & TUG COMPANY; FOSS ALASKA LINE)		
Do	WESTERN PIONEER, INC		
MIGRANT LEGAL ACTION PROGRAM, INC, 2001 S ST., NW, #310 WASHINGTON DC 20009			
LISA MIHALY, 122 C STREET, NW, 4TH FL. WASHINGTON DC 20001	CHILDREN'S DEFENSE FUND OF THE WASHINGTON RESEARCH PROJECT	549.70	
FRED MILLAR, 218 D ST., SE WASHINGTON DC 20003	ENVIRONMENTAL POLICY INSTITUTE	120.36	
MILLER & CHEVALIER, CHTD, METROPOLITAN SQUARE 655 15TH STREET, NW WASHINGTON DC 20005	BLUE CROSS & BLUE SHIELD ASSN	18,935.00	3,278.09
Do	MOTOR VEHICLE MANUFACTURERS ASSN	395.00	17.92
MILLER CASSIDY LARROCA & LEWIN, 2555 M ST., NW, #500 WASHINGTON DC 20037	47TH STREET PHOTO		
DAVID H. MILLER, 900 17TH STREET, NW WASHINGTON DC 20006	CHASE MANHATTAN BANK, N.A.	166.25	47.77
LINDA B. MILLER, 1625 EYE ST., NW, #810 WASHINGTON DC 20006	VOLUNTEER TRUSTEES OF NOT-FOR-PROFIT HOSPITALS	5,833.00	313.74
JOHN H. MINER, ROOM 1414-SOUTH BUILDING, USDA WASHINGTON DC 20250	ORGANIZATION OF PROFESSIONAL EMPLOYEES OF USDA	750.00	
JOANNE MITCHELL, 2020 K STREET, NW, #435 WASHINGTON DC 20006	COMMODITY EXCHANGE, INC		
JOHN C. MONSUL, 923 RIVA RIDGE DRIVE GREAT FALLS VA 22066			
DUDLEY DIGGES MORGAN III, 4900 BARONNE NEW ORLEANS LA 70115	SOUTHERN FOREST PRODUCTS ASSN	11,250.00	
MORGAN LEWIS & BOCKIUS, SUITE 800 NORTH 1800 M ST., NW WASHINGTON DC 20036	ZALMAN C. BERNSTEIN	3,280.00	
JOHN W. MORIARTY, 4400 COMPUTER DRIVE WESTBORO MA 01580	DATA GENERAL CORP	2,500.00	1,450.00

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
MORRISON & FOERSTER, 2000 PENNSYLVANIA AVE., NW WASHINGTON DC 20006	CONSOLIDATED FREIGHTWAYS		
Do	ROSENBERG REAL ESTATE EQUITY FUND, INC		
MICHAEL L. MORTON, 918 16TH STREET, NW, #501 WASHINGTON DC 20006	GODFREY ASSOCIATES, INC		
BETH MOTEN, 2020 K STREET, NW, #200 WASHINGTON DC 20006	NATIONAL FED OF FEDERAL EMPLOYEES	2,208.64	
MUDGE ROSE GUTHRIE ALEXANDER & FERNDON, 2121 K STREET, NW WASHINGTON DC 20037	AMERICAN ASSN OF EXPORTERS-IMPORTERS-TEXTILE & APPAREL GROUP		55.00
Do	GOVERNMENT OF HONG KONG		
EDWARD L. MURPHY, 2139 WISCONSIN AVENUE, NW WASHINGTON DC 20007	NATIONAL ASSN OF GOVERNMENT EMPLOYEES	4,250.00	268.52
WILLIAM T. MURPHY JR., BARRETT MONTGOMERY & MURPHY 2555 M STREET, NW, #100 WASHINGTON DC 20037	DICKSTEIN SHAPIRO & MORIN		
Do	NATIONAL ASSN GOVERNMENT GUARANTEED LENDERS		
Do	NATURAL GAS SUPPLY ASSN		
LAWRENCE P. MUTTER, 6849 OLD DOMINION DR. MCLEAN VA 22102	AUTOMOTIVE PARTS REBUILDERS ASSN		
NATIONAL ASSN OF AIRCRAFT & COMMUNICATIONS SUPPLIERS, INC, 23871 MADISON TORRANCE CA 90505		4,980.00	5,532.51
NATIONAL ASSN OF ENERGY SERVICE COMPANIES, 2330 M ST., NW WASHINGTON DC 20037		3,698.00	3,698.00
NATIONAL ASSN OF HOME BUILDERS OF THE U.S., 15TH & M STS., NW WASHINGTON DC 20005		50,735.63	78,299.39
NATIONAL ASSN OF INSURANCE BROKERS, INC, 1401 NEW YORK AVE., NW, #720 WASHINGTON DC 20005			
NATIONAL ASSN OF MARGARINE MFGRS, 1625 I ST., NW, #1024-A WASHINGTON DC 20006			
NATIONAL ASSN OF PLUMBING-HEATING-COOLING CONTRACTORS, P.O. BOX 6808 FALLS CHURCH VA 22046		6,725.02	6,725.02
NATIONAL ASSN OF REALTORS, 777 14TH ST., NW WASHINGTON DC 20005			98,225.26
NATIONAL ASSN OF RETIRED FEDERAL EMPLOYEES, 1533 NEW HAMPSHIRE AVE., NW WASHINGTON DC 20036		3,309.00	3,258.00
NATIONAL ASSN OF WHEAT GROWERS, 415 2ND ST., NE, #300 WASHINGTON DC 20002		50.00	8,319.09
NATIONAL CITIZENS COMMUNICATIONS LOBBY, P.O. BOX 1876 IOWA CITY IA 52244			
NATIONAL CLUB ASSOCIATION, 1625 EYE ST., NW, #609 WASHINGTON DC 20006			
NATIONAL COALITION OF INDEPENDENT COLLEGE & UNIV STUDENTS, ONE DUPONT CIRCLE, NW, #500 WASHINGTON DC 20036.			
NATIONAL COALITION TO BAN HANDGUNS, 100 MARYLAND AVE., NE WASHINGTON DC 20002		12,720.00	11,670.00
NATIONAL COMMUNITY ACTION FOUNDATION, INC, 2100 M STREET, NW, #604A WASHINGTON DC 20037		97,775.00	49,948.00
NATIONAL CONSUMERS LEAGUE, INC, SUITE 202-WEST WING 600 MARYLAND AVE., SW WASHINGTON DC 20024			
NATIONAL COUNCIL OF SAVINGS INSTITUTIONS, 1101 15TH ST., NW, #400 WASHINGTON DC 20005		66,246.73	
NATIONAL EDUCATION ASSN, 1201 16TH ST., NW WASHINGTON DC 20036		21,609.02	21,609.02
NATIONAL FAMILY PLANNING & REPRODUCTIVE HEALTH ASSN, INC, 122 C ST., NW, #380 WASHINGTON DC 20001		113,041.00	1,824.00
NATIONAL FEDERATION OF BUSINESS & PROFESSIONAL WOMEN'S CLUBS, 2012 MASSACHUSETTS AVE., NW WASHINGTON DC 20036.		42,911.27	24,797.62
NATIONAL PEACH COUNCIL, P.O. BOX 1085 MARTINSBURG WV 25401			
NATIONAL PRINTING EQUIPMENT & SUPPLIES ASSN, INC, 6849 OLD DOMINION DRIVE, #200 MCLEAN VA 22101			
NATIONAL REALTY COMMITTEE, 1250 CONNECTICUT AVE., NW, #303 WASHINGTON DC 20036		3,281.20	3,281.20
NATIONAL RIFLE ASSN OF AMERICA, 1600 RHODE ISLAND AVE., NW WASHINGTON DC 20036		191,151.37	196,337.17
NATIONAL RURAL HOUSING COALITION, 2001 S ST., NW, #500 WASHINGTON DC 20009		10,340.31	12,193.34
NATIONAL SMALL BUSINESS INDEX, R.R. #1 AITKIN MN 56431			
NATIONAL TAX EQUALITY ASSN, 321 D ST., NE WASHINGTON DC 20002		2,538.00	3,056.19
NATIONAL TAX LIMITATION COMMITTEE, 500 N. WASHINGTON STREET, #201 FALLS CHURCH VA 22046		9,592.00	2,260.00
NATIONAL TELEPHONE COOPERATIVE ASSN, 2626 PENNSYLVANIA AVE., NW WASHINGTON DC 20037			13,949.27
NATIONAL TOUR ASSN, INC, 120 KENTUCKY AVE. LEXINGTON KY 40502		23,407.00	23,407.00
NATIONAL WATER RESOURCES ASSN, 955 L'ENFANT PLAZA NORTH, SW, #1202 WASHINGTON DC 20024			
NATIONAL WATER WELL ASSN, 500 W. WILSON BRIDGE ROAD WORTHINGTON OH 43085			
NATURAL GAS SUPPLY ASSN, 1730 RHODE ISLAND AVE., NW WASHINGTON DC 20036		344,050.00	31,631.32
ALLEN NEECE JR., 1050 17TH STREET, NW WASHINGTON DC 20036	NEECE CATOR & ASSOCIATES, INC (FOR: ASSOCIATION OF SMALL BUSINESS DEVELOPMENT CENTERS).	1,600.00	1,600.00
Do	NEECE CATOR & ASSOCIATES, INC (FOR: NATIONAL VENTURE CAPITAL ASSOCIATION).		
Do	NEECE CATOR & ASSOCIATES, INC (FOR: SMALL BUSINESS UNITED)	1,700.00	1,700.00
NEECE CATOR & ASSOCIATES, INC, 1050 17TH STREET, NW WASHINGTON DC 20036	ASSOCIATION OF SMALL BUSINESS DEVELOPMENT CENTERS	1,600.00	1,600.00
Do	NATIONAL ASSN OF DEVELOPMENT COMPANIES (NADCO)	250.00	
Do	NATIONAL ASSN OF SMALL BUSINESS INVESTMENT COS		
Do	NATIONAL VENTURE CAPITAL ASSOCIATION		
Do	SMALL BUSINESS UNITED	1,700.00	1,700.00
Do	SOUTHEASTERN LUMBER MANUFACTURERS ASSN (SLMA)	1,800.00	1,800.00
MARY ELIZABETH NEESE, 1101 15TH ST., NW, #400 WASHINGTON DC 20005	NATIONAL COUNCIL OF SAVINGS INSTITUTIONS	2,000.00	48.37
LAURA C. NEHF, 2033 M ST., NW, #700 WASHINGTON DC 20036	J. SAMUEL CHOATE, JR., P.C. (FOR: ASSOCIATION OF PROGRESSIVE RENTAL ORGANIZATIONS).		
NEIGHBORHOOD HOUSING SERVICES OF AMERICA, 1951 WEBSTER STREET OAKLAND CA 94612			
GAYLORD NELSON, 1400 EYE STREET, NW WASHINGTON DC 20005	WILDERNESS SOCIETY	80.31	16.35
MARK D. NELSON, 1701 PENNSYLVANIA AVE., NW, #900 WASHINGTON DC 20036	E. I. DU PONT DE NEMOURS & CO		
NEW YORK SHIPPING ASSN, INC, 80 BROAD STREET, 12TH FL. NEW YORK NY 10004			
MARY BENNETT NEWBOULD, 122 C STREET, NW, #875 WASHINGTON DC 20001	AMERICAN OSTEOPATHIC ASSN		
WILLIAM B. NEWMAN JR., P.O. BOX 23451 WASHINGTON DC 20024	CONSOLIDATED RAIL CORPORATION	4,150.00	
PETER NIXON, 503 QUEEN STREET EAST SAULT STE. MARIE ONTARIO CANADA P6A 5P2	ALGOMA STEEL CORP, LTD	1,300.00	171.50
JAMES O. E. NORELL, 733 15TH ST., NW WASHINGTON DC 20005	LEGAL SERVICES CORP		
NOSSAMAN GUTHNER KNOX & ELLIOTT, 1140 19TH ST., NW, #600 WASHINGTON DC 20036	CALIFORNIA STUDENT LOAN FINANCE CORP	262.50	175.00
Do	NATIONAL SHORTHAND REPORTERS ASSN		
MICHAEL NOVELLI, 3012 CAMBRIDGE PLACE, NW WASHINGTON DC 20007	PACIFIC POTOMAC SERVICES		
HUBERT K. O'BANNON, P.O. BOX 23451 WASHINGTON DC 20026	CONSOLIDATED RAIL CORPORATION	2,130.00	
CHARLES ALBERT O'CONNOR JR., 2300 S. 24TH ROAD, #533 ARLINGTON VA 22206			
GRADY O'CUMMINGS III, P.O. BOX 653 BROOKLYN NY 11240	NATIONAL COMMITTEE FOR POOR PEOPLE		
JAMES W. O'DONNELL, 1110 VERMONT AVENUE, NW, #950 WASHINGTON DC 20005	AMERICAN HEALTH PLANNING ASSN	2,200.00	270.00
BARTLEY M. O'HARA, 1919 PENNSYLVANIA AVE., NW, #300 WASHINGTON DC 20006	NORFOLK SOUTHERN CORP	6,150.87	968.76
KATHLEEN O'LEARY, 1250 EYE ST., NW, #703 WASHINGTON DC 20005	COLUMBIA GAS DISTRIBUTION COMPANIES	3,500.00	177.09
O'MELVENY & MYERS, 1800 M ST., NW WASHINGTON DC 20036	ASSOCIATION OF TELEPHONE TELEGRAPH & RELATED TELEMATICS INDS	11,312.97	1,427.56
LARRY A. ODAY, 2000 M ST., NW, #500 WASHINGTON DC 20036	WOOD LUCKSINGER & EPSTEIN (FOR: CHAD THERAPEUTICS, INC)		
CHARLES J. ORASIN, 1400 K STREET, NW, #500 WASHINGTON DC 20005	HANDGUN CONTROL, INC	2,442.00	
ORGANIZATION OF PROFESSIONAL EMPLOYEES OF USDA, RM. 1414 S. BUILDING U.S. DEPT OF AGRICULTURE WASHINGTON DC 20250.		3,082.67	1,684.61
ORRICK HERRINGTON & SUTCLIFFE, 555 CAPITOL MALL, #1200 SACRAMENTO CA 95814	CONE MILLS CORP		
DAVID S. OSTERHOUT, 1000 WILSON BOULEVARD ARLINGTON VA 22209	BENDIX AEROSPACE SECTOR	3,000.00	
KEVIN D. OTT, 1776 F STREET, NW WASHINGTON DC 20006	NATIONAL ASSN OF MANUFACTURERS		
WILLIAM H. OWENS JR., 1111 14TH ST., NW, #1200 WASHINGTON DC 20005	AMERICAN DENTAL ASSN	1,000.00	2,077.61
JOEL PACKER, 1201 16TH STREET, NW WASHINGTON DC 20036	NATIONAL EDUCATION ASSN	2,101.00	130.85
GERI PALAST, 1313 L ST., NW WASHINGTON DC 20015	SERVICE EMPLOYEES INTL UNION, AFL-CIO, CLC	9,375.00	300.39
ANDREW PALMER, 218 D ST., SE WASHINGTON DC 20003	ENVIRONMENTAL POLICY INSTITUTE	123.06	
GERARD PAUL PANARO, WEBSTER CHAMBERLAIN & BEAN 1747 PENNSYLVANIA AVE., NW WASHINGTON DC 20006	RETAIL BAKERS ASSN		
PAPERBOARD PACKAGING COUNCIL, 1101 VERMONT AVE., NW, #411 WASHINGTON DC 20005			
JUDITH E. PARK, 1533 NEW HAMPSHIRE AVE., NW WASHINGTON DC 20036	NATIONAL ASSN OF RETIRED FEDERAL EMPLOYEES	11,597.00	
PRUDENCE H. PARKS, 1100 H STREET, NW WASHINGTON DC 20080	WASHINGTON GAS LIGHT CO	306.26	1,587.45
TOM E. PARO, 1735 DESALES ST., NW WASHINGTON DC 20036	ASSOCIATION OF MAXIMUM SERVICE TELECASTERS, INC	340.00	
PATTON BOGGS & BLOW, 2550 M ST., NW, #800 WASHINGTON DC 20037	CALIFORNIA STATE UNIVERSITY		
Do	CHELSEA PROPERTY OWNERS	2,000.00	
PEACE POLITICAL ACTION COMMITTEE, 100 MARYLAND AVENUE, NE WASHINGTON DC 20002			5,006.32
HUMBERTO R. PENA, 1155 15TH ST., NW WASHINGTON DC 20005	BRISTOL-MYERS CO	500.00	
CLAY E. PETERS, 1400 EYE ST., NW WASHINGTON DC 20005	WILDERNESS SOCIETY	558.78	114.05
CAROLINE PETTI, 218 D STREET, SE WASHINGTON DC 20003	ENVIRONMENTAL POLICY INSTITUTE	419.85	
SUSAN E. PHILLIPS, 1709 NEW YORK AVENUE, NW WASHINGTON DC 20006	BLUE CROSS & BLUE SHIELD ASSN		
PAUL J. PHOENIX, C/O DOW LOHNES & ALBERTSON 1255 23RD ST., NW WASHINGTON DC 20037	DOFASCO, INC	750.00	352.00
PIERSON BALL & DOWD, 1200 18TH ST., NW WASHINGTON DC 20036	INTERNATIONAL FUTURES EXCHANGE (BERMUDA) LTD		
Do	INTEX HOLDINGS (BERMUDA) LTD		
Do	NATIONAL ASSN OF CASUALTY & SURETY AGENTS		
Do	SECURITIES INDUSTRY ASSN	2,750.00	
Do	UNITED SATELLITE COMMUNICATIONS, INC		
SUMNER PINGREE, 1400 EYE ST., NW WASHINGTON DC 20005	WILDERNESS SOCIETY		
PLANNED PARENTHOOD FEDERATION OF AMERICA, INC, 2010 MASSACHUSETTS AVENUE, NW, 5TH FL. WASHINGTON DC 20036.		4,234.84	4,234.84
PORT OF SEATTLE, P.O. BOX 1209 SEATTLE WA 98111			7,023.64
JANET POWER, 1620 I ST., NW WASHINGTON DC 20006	VISA USA, INC		
GRAYDON R. POWERS JR., 1101 16TH ST., NW WASHINGTON DC 20036	SCIENTIFIC APPARATUS MAKERS ASSN		
PRATHER SEEGER DOOLITTLE & FARMER, 1101 16TH ST., NW WASHINGTON DC 20036	BANKER'S ASSN FOR FOREIGN TRADE	6,575.00	25.00

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
WILLIAM B. PRENDERGAST, 6215 KELLOGG DRIVE MCLEAN VA 22101	TOBACCO INSTITUTE	6,000.00	1,488.47
KEVIN JOSEPH PRICE, 3408 TOLEDO TER., #J HYATTSVILLE MD 20782			
WOODRUFF M. PRICE, 1331 PENNSYLVANIA AVE., NW, #560 WASHINGTON DC 20014	CSX CORPORATION	3,000.00	786.63
BEVERLY HINES PRINCE, 1620 EYE ST., NW WASHINGTON DC 20006	VISA USA, INC		
PRO/LIFE CONGRESSIONAL DISTRICT 11, P.O. BOX 727 SAN CARLOS CA 94070		154.00	415.87
STUART E. PROCTOR JR. 2626 PENNSYLVANIA AVE., NW WASHINGTON DC 20037	NATIONAL TELEPHONE COOPERATIVE ASSN	5,000.00	640.06
PROJECT CURE, INC, 2020 K STREET, NW, #350 WASHINGTON DC 20006		71,298.39	25,869.70
PROTECT THE INNOCENT, INC, 451 SOUTH INDIANA STREET MOORESVILLE IN 46158	PROTECT THE INNOCENT, INC		276.07
ROBERT H. QUINN, QUINN AND MORRIS ONE STATE STREET BOSTON MA 02109	PHILLIPS PETROLEUM	22,747.00	6,306.00
RICHARD W. RAHN, 1615 H ST., NW WASHINGTON DC 20062	CHAMBER OF COMMERCE OF THE U.S.	2,151.60	9.00
THOMAS F. RAILSBACK, BLUM NASH & RAILSBACK 1133 15TH ST., NW, #1100 WASHINGTON DC 20005	NATIONAL AGRICULTURAL CHEMICAL ASSN		
TIM RANSDELL, 1000 POTOMAC ST., NW, #401 WASHINGTON DC 20007	NATIONAL PASSENGER TRAFFIC ASSN		
CRAIG RAUPE, CAMPBELL-RAUPE ASSOCIATES, INC 1015 15TH STREET, NW, #907 WASHINGTON DC 20005	ALGONQUIN GAS TRANSMISSION		
Do	BODINE'S INC FOOD PRODUCTS		
RBC ASSOCIATES, 324 FOURTH STREET, NE WASHINGTON DC 20003	BANGOR & AROOSTOOK RAILROAD	6,750.00	4,217.65
Do	CHICAGO & NORTH WESTERN TRANSPORTATION CORP	28,500.00	4,906.92
Do	DELAWARE OTSEGO SYSTEM	12,000.00	4,373.56
Do	GENESEE & WYOMING CORP	750.00	4,133.00
Do	PITTSBURG & SHAWMUT RAILROAD	2,100.00	4,133.00
RECORDING INDUSTRY ASSN OF AMERICA, INC, 888 SEVENTH AVENUE, 9TH FL. NEW YORK NY 10106		6,626.25	7,154.17
ROBERT S. REESE JR., 2200 MILL RD ALEXANDRIA VA 22314	AMERICAN TRUCKING ASSNS, INC	9,000.00	1,141.61
WILLIAM REFFALT, 1400 EYE ST., NW WASHINGTON DC 20005	WILDERNESS SOCIETY	2,301.69	
CHARLOTTE REID, 2466 CHATHAM ROAD AURORA IL 60506	MOTOROLA, INC	3,000.00	
NOOLEY REINHEARDT, NOOLEY REINHEARDT & ASSOC. P.O. BOX 23190 WASHINGTON DC 20024	RURAL BUILDERS COUNCIL OF CALIFORNIA		
SARAH M. RENFROE, 2354 LAMBERT DR. TOLEDO OH 43613	BENCHMARK TECHNOLOGIES CORP		
W. W. RENFROE, 69 FOUNTAIN PL. - P.O. BOX 417 FRANKFORT KY 40602	KENTUCKY RAILROAD ASSN		
RESERVE OFFICERS ASSN OF THE US, 1 CONSTITUTION AVE., NE WASHINGTON DC 20002		2,844.69	26,401.50
FREDERICK W. RHODES, 1800 K STREET, NW, #800 WASHINGTON DC 20006	GOODYEAR TIRE & RUBBER CO	3,000.00	
LOIS D. RICE, 1201 PENNSYLVANIA AVNEUE, NW WASHINGTON DC 20004	CONTROL DATA CORPORATION	588.00	33.00
JEANNE RICHARDS, 218 D STREET, SE WASHINGTON DC 20003	ENVIRONMENTAL POLICY INSTITUTE		
RICHARD RICHARDS, CRAFT & RICHARDS 1050 THOMAS JEFFERSON STREET, NW, 6TH FL WASHINGTON DC 20007	NATIONAL ARMORED CAR ASSN, INC	500.00	22.80
RIDDELL HOLROYD & BUTLER, 1331 PENNSYLVANIA AVENUE, NW, #1215 WASHINGTON DC 20004	ASSOCIATES CORP OF NORTH AMERICA	800.00	
Do	BENEFICIAL CORP		
Do	C.I.T. FINANCIAL CORP		
Do	W. K. KELLOGG FOUNDATION		
SIERT F. RIEPMA, 1625 I ST., NW, #1024-A WASHINGTON DC 20006	NATIONAL ASSN OF MARGARINE MFGRS		
STARK RITCHIE, 1220 L ST., NW WASHINGTON DC 20005	AMERICAN PETROLEUM INSTITUTE		
JOSE LUIS RODRIGUEZ, 1000 THOMAS JEFFERSON ST., NW WASHINGTON DC 20007			
ROGERS & WELLS, 1737 H STREET, NW WASHINGTON DC 20006	PAN AMERICAN WORLD AIRWAYS, INC		
WILSON A. ROOD, P.O. BOX 95-2 HOTEL SANTO DOMINGO SUR SANTO DOMINGO DOMINICAN REPUBLIC	AMERICAN CHAMBER OF COMMERCE OF THE DOMINICAN REPUBLIC		
LESLIE ROSE, 624 9TH STREET, NW, #700 WASHINGTON DC 20001	GROUP HEALTH ASSN OF AMERICA, INC	2,625.00	
ROGER C. ROSENTHAL, 2001 S ST., NW, #310 WASHINGTON DC 20009	MIGRANT LEGAL ACTION PROGRAN, INC		
LYNN ROSINKSY, 1625 L STREET, NW WASHINGTON DC 20036	AMERICAN FED OF STATE COUNTY & MUNICIPAL EMPLOYEES, AFL-CIO	10,883.91	63.00
LESLEY A. ROSSE, 1220 L ST., NW, 5TH FL. WASHINGTON DC 20005	AMERICAN LAND DEVELOPMENT ASSN	1,500.00	36.65
JOSEPH L. ROSSO, 2200 MILL ROAD ALEXANDRIA VA 22314	AMERICAN TRUCKING ASSNS, INC	9,000.00	1,829.16
EUGENE F. ROWAN, 2550 M STREET, NW WASHINGTON DC 20037	J. C. PENNEY CO, INC		
Do	REVCO D.S., INC	175.00	
JAMES S. RUBIN, 1150 CONNECTICUT AVE., NW, #700 WASHINGTON DC 20036	ALLIED CORPORATION	2,014.00	
ROBERT A. RUSBULDT, 1025 CONNECTICUT AVE., NW, #415 WASHINGTON DC 20036	AMERICAN INSURANCE ASSN		
DOMENIC R. RUSCIO, 6TH FLOOR 2010 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20036			
ROBERT M. RUSSELL, 2170 PIEDMONT RD., NE ATLANTA GA 30324	ORKIN PEST CONTROL	94.00	367.35
SHERYL P. RUTLEDGE, CRAFT & RICHARDS 1050 THOMAS JEFFERSON ST., NW, 6TH FL. WASHINGTON DC 20007	CONSUMERS UNITED FOR RAIL EQUITY	356.25	93.83
JOHN G. RYAN, 1700 K STREET, NW WASHINGTON DC 20006	SQUIBB CORP	1,000.00	
PATRICIA RYAN, 1400 K STREET, NW WASHINGTON DC 20005	AMERICAN PSYCHIATRIC ASSN	1,500.00	982.31
S.O.S. - SMALL BUSINESS JOBS, P.O. BOX 65761 WASHINGTON DC 20035		12,000.00	15,981.84
DEAN SAGAR, 1050 17TH STREET, NW, #770 WASHINGTON DC 20036	AMERICAN ASSN OF HOMES FOR THE AGING	341.00	115.96
DONALD E. SANTARELLI, SUITE 700 2033 M ST., NW WASHINGTON DC 20036	EMPRESA BRASILEIRA DE AERONAUTICA, S.A.		
Do	SAFARI CLUB INTERNATIONAL	1,000.00	95.00
Do	STURM, RUGER COMPANY, INC	200.00	55.00
JOHN S. SATAGAJ, 1250 I STREET, NW, #500 WASHINGTON DC 20005	AMERICAN ASSN OF NURSERYMEN		
SATELLITE SYNDICATED SYSTEMS, INC, P.O. BOX 702160 TULSA OK 74170			150.96
SAVE OUR SECURITY, SUITE 222 1201 16TH STREET, NW WASHINGTON DC 20036		13,917.56	16,339.13
ROGER B. SCHAGRIN, SCHAGRIN ASSOCIATES 1112 16TH ST., NW, #1000 WASHINGTON DC 20036	COMMITTEE ON PIPE & TUBE IMPORTS	40,000.00	
RICHARD H. SCHECK, 9107 WILSHIRE BLVD., #250 BEVERLY HILLS CA 90210			
JOSEPH SCHERER, 1801 NORTH MOORE ST. ARLINGTON VA 22209	AMERICAN ASSN OF SCHOOL ADMINISTRATORS		
ROBERT RICHARD SCHMITT, 430 S. 20TH ST. OMAHA NB 68102			
MARSHA SCHRAMM, 1627 K ST., NW, #910 WASHINGTON DC 20006	DOMESTIC PETROLEUM COUNCIL, INC		
A. KOLBET SCHRICHTE, SUITE 500 1133 15TH STREET, NW WASHINGTON DC 20005	AMERICAN LOGISTICS ASSOCIATION		
RALPH D. SCHUMACK, 1800 M STREET, NW, #790 SOUTH WASHINGTON DC 20036	DOW CORNING CORP		1,977.59
SCHWABE WILLIAMSON WYATT MOORE & ROBERTS, SUITE 302 1000 POTOMAC ST., NW WASHINGTON DC 20007	MOUNTAIN STATES ENERGY, INC	3,929.65	7,537.18
Do	PIASECKI AIRCRAFT CORPORATION	3,914.86	7,508.57
Do	STATE OF OREGON, CITY OF PORTLAND, OREGON METRO	7,608.48	14,593.46
RICHARD P. SCHWEITZER, 2022 P STREET, NW WASHINGTON DC 20036	PRIVATE TRUCK COUNCIL OF AMERICA, INC		40.00
CARL F. SCHWENSEN, 415 2ND ST., NE, #300 WASHINGTON DC 20002	NATIONAL ASSN OF WHEAT GROWERS	4,268.31	
SCHWINN BICYCLE CO, 1856 NORTH KOSTNER AVENUE CHICAGO IL 60639			1,958.33
SCIENTIFIC APPARATUS MAKERS ASSN, 1101 16TH ST., NW WASHINGTON DC 20036		6,989.57	4,490.61
THOMAS ANDREW SCULLY, 950 L'ENFANT PLAZA, SW WASHINGTON DC 20024	COMMUNICATIONS SATELLITE CORP	1,500.00	447.46
WALTER J. SCZUDLO, 1730 RHODE ISLAND AVENUE, NW WASHINGTON DC 20036	NATURAL GAS SUPPLY ASSN	8,192.31	737.99
SEIDMAN & SEIDMAN/BDO, 15 COLUMBUS CIRCLE NEW YORK NY 10023			
MARLISSA SENCHAK, 777 14TH STREET, NW, 5TH FL. WASHINGTON DC 20005	NATIONAL ASSN OF REALTORS	1,750.00	256.14
SARAH SETTON, 1511 K ST., NW WASHINGTON DC 20005	SUGAR ASSOCIATION, INC	150.00	8.00
WILLIAM H. SHAKER, 500 N. WASHINGTON ST., #201 FALLS CHURCH VA 22046	NATIONAL TAX LIMITATION COMMITTEE	700.00	
JAMES M. SHANNON, HALE & DORR 60 STATE STREET BOSTON MA 02109	COALITION AGAINST DOUBLE TAXATION, INC	14,440.00	130.77
DAVID L. SHAPIRO, 729 15TH STREET, NW WASHINGTON DC 20005	ASSOCIATED BUILDERS & CONTRACTORS, INC		
RUSSELL H. SHAY, 6014 COLLEGE AVE. OAKLAND CA 94618	SIERRA CLUB	4,900.50	225.49
PATRICIA Q. SHEEHAN, 1667 K STREET, NW, #410 WASHINGTON DC 20006	JOHNSON & JOHNSON		
LOIS BURKE SHEPARD, 8602 HIDDEN HILL LN. POTOMAC MD 20854			
DALE SHERWIN, 1735 I ST., NW, #717 WASHINGTON DC 20006	A. E. STALEY MANUFACTURING CO	9,000.00	660.00
ROBERT M. SHERWOOD, 1700 PENNSYLVANIA AVENUE, NW WASHINGTON DC 20006	PFIZER, INC	1,500.00	290.00
NELSON T. SHIELDS, 1400 K ST., NW WASHINGTON DC 20015	HANDGUN CONTROL, INC	2,400.00	
FRED B. SHIPPEE, 1611 N. KENT ST., #800 ARLINGTON VA 22209	AMERICAN APPAREL MANUFACTURERS ASSN, INC		
SIERRA CLUB, 530 BUSH ST. SAN FRANCISCO CA 94108		266,197.27	266,197.27
STEPHEN SILBIGER, 1625 L ST., NW WASHINGTON DC 20036	AMERICAN FED OF STATE COUNTY & MUNICIPAL EMPLOYEES	13,987.26	683.32
STEVE SILVER, ROBERTSON MONAGLE EASTAUGH & BRADLEY 21 DUPONT CIRCLE, NW WASHINGTON DC 20036	ALASKA PULP CORP	1,500.00	
JEAN SINDAB, 2480 16TH ST., NW, #610 WASHINGTON DC 20009	WASHINGTON OFFICE ON AFRICA	3,750.00	
JAMES H. SKIDMORE, 1156 15TH ST., NW, #1201 WASHINGTON DC 20005	NCR CORPORATION		
SCOTT SKLAR, 1717 MASSACHUSETTS AVENUE, NW, #503 WASHINGTON DC 20036	SOLAR ENERGY INDUSTRIES ASSN	6,000.00	127,241.00
PETER B. SLONE, 1050 CONNECTICUT AVENUE, NW, #980 WASHINGTON DC 20036	GOLD & LIEBENGOOD, INC		
SMC INTERNATIONAL, 1820 JEFFERSON PL., NW WASHINGTON DC 20036	CAPITOL AIR, INC		
SMITH DAWSON ASSOCIATES, INC, 1000 CONNECTICUT AVE., NW, #304 WASHINGTON DC 20036	N.Y. METROPOLITAN TRANSPORTATION AGENCY	21,750.00	22,914.11
Do	SAN FRANCISCO P.V.C	9,000.00	9,000.00
Do	COLORADO DEPT OF LABOR	2,850.00	2,850.00
DON S. SMITH, BROADHURST BROOK MANGHAM HARDY & REED 1730 PENNSYLVANIA AVE., NW, #425 WASHINGTON DC 20006.			
PATRICIA SMITH, 2401 VIRGINIA AVENUE, NW WASHINGTON DC 20037	AMERICAN ASSN OF UNIVERSITY WOMEN	4,080.00	150.00
VELMA SMITH, 218 D STREET, SE WASHINGTON DC 20003	ENVIRONMENTAL POLICY INSTITUTE	485.92	
DENNIS SMYTH, 503 QUEEN STREET EAST SAULT STE. MARIE ONTARIO CANADA P6A 5P2	CANADIAN TUBULAR PRODUCERS ASSN		
PETER LEIGH SNELL, DAVID VIENNA & ASSOCIATES 510 C ST., NE WASHINGTON DC 20002	INTERNATIONAL ASSN OF AMUSEMENT PARKS & ATTRACTIONS	1,462.50	
Do	NATIONAL ASSN OF CREDIT MANAGEMENT		
BARRY SONSHINE, 111 RAYETTE ROAD CONCORD ONTARIO CANADA L4K 2E9	CANADIAN TUBULAR PRODUCERS ASSN		
SOUTHERN FOREST PRODUCTS ASSN, P.O. BOX 52468 NEW ORLEANS LA 70152		36,047.92	36,047.92
SOUTHWESTERN PEANUT SHELLERS ASSN, 10 DUNCANNON CT. DALLAS TX 75225			
CHARLES E. SOUTHWICK, 1627 K STREET, NW, #200 WASHINGTON DC 20006	FLUOR CORPORATION	15,000.00	945.06

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
SPACE SERVICES, INC (SSI) OF AMERICA, 7015 GULF FREEWAY, #140 HOUSTON TX 77087			
SPECIALIZED CARRIERS & RIGGING ASSOCIATION, SUITE 616 2200 MILL RD. ALEXANDRIA VA 22314			
ALAN P. SPIELMAN, 1709 NEW YORK AVENUE, NW WASHINGTON DC 20006	BLUE CROSS & BLUE SHIELD ASSN		
JOSEPH L. SPILMAN JR , 1220 L STREET, NW WASHINGTON DC 20005	AMERICAN PETROLEUM INST		
SPRIGGS BODE & HOLLINGSWORTH, 1015 15TH ST., NW WASHINGTON DC 20005	UNR INDUSTRIES, INC		1,890.00
SQUIRE SANDERS & DEMPSEY, 1201 PENNSYLVANIA AVE., NW WASHINGTON DC 20004	PUBLIC SECURITIES ASSN		
VIVIAN ESCOBAR STACK, 2010 MASSACHUSETTS AVENUE, NW, #500 WASHINGTON DC 20036	PLANNED PARENTHOOD FEDERATION OF AMERICA, INC	125.37	54.75
LINDA STAHELI, 100 MARYLAND AVENUE, NE WASHINGTON DC 20002	COUNCIL FOR A LIVABLE WORLD	2,507.25	
HENRY J. STEENSTRA JR., 1000 WILSON BOULEVARD, #2600 ARLINGTON VA 22209	TRW, INC	964.00	
KRISTIN STELCK, 2401 VIRGINIA AVENUE, NW WASHINGTON DC 20037	AMERICAN ASSN OF UNIVERSITY WOMEN	6,250.00	136.40
STEPTOE & JOHNSON, CHTD, 1330 CONNECTICUT AVE., NW WASHINGTON DC 20036	ALLIANCE FOR CANNABIS THERAPEUTICS		
KENNETH F. STINGER, 2200 MILL RD ALEXANDRIA VA 22314	AMERICAN TRUCKING ASSNS, INC	9,000.00	1,931.52
MARTIN F. STONE, 1411 K STREET, NW, #850 WASHINGTON DC 20005	AMERICANS FOR DEMOCRATIC ACTION	2,999.10	178.00
STOVALL SPRADLIN ARMSTRONG & ISRAEL, 1819 H STREET, NW, #700 WASHINGTON DC 20006	COMMISSION ON FUTURE POLITICAL STATUS & TRANSITION	15,000.00	68.00
TERRENCE D. STRAUB, 818 CONNECTICUT AVENUE, N.W. WASHINGTON DC 20006	U.S. STEEL CORPORATION	250.00	970.44
JAMES R. STREETER, 733 15TH STREET, NW WASHINGTON DC 20005	LEGAL SERVICES CORP		
RICHARD H. STREETER, 1729 H STREET, NW WASHINGTON DC 20006	CAST NORTH AMERICA LTD		
SULLIVAN & WORCESTER, 1025 CONNECTICUT AVE., NW WASHINGTON DC 20036	MARION LABORATORIES, INC	15,800.00	
SUTHERLAND ASBILL & BRENNAN, 1666 K STREET, NW, #800 WASHINGTON DC 20006	FIDELITY BANKERS LIFE INSURANCE CO		
Do	PROCESS GAS CONSUMERS GROUP		
Do	SECURITY-CONNECTICUT LIFE INSURANCE CO		
Do	SENTRY LIFE INSURANCE CO		
DAVID L. SWANSON, CRAFT & RICHARDS 1050 THOMAS JEFFERSON ST., NW, 6TH FL. WASHINGTON DC 20007	ALLIS-CHALMERS ENERGY & MINERALS SYSTEMS CO	2,336.25	282.46
Do	BOEING ENGINEERING CO SOUTHEAST, INC	525.00	6.81
Do	CONSUMERS UNITED FOR RAIL EQUITY (C.U.R.E.)	136.00	93.83
Do	EDISON ELECTRIC INSTITUTE	1,098.13	65.37
Do	GA TECHNOLOGIES, INC	1,500.00	.13
Do	ILLINOIS DEPT OF ENERGY & NATURAL RESOURCES	271.25	56.64
ROSEMARIE SWEENEY, SUITE 770 600 MARYLAND AVE., SW WASHINGTON DC 20024	NATIONAL ARMORED CAR ASSN	250.00	11.40
SCOTT R. SWIRLING, SUITE 380 122 C ST., NW WASHINGTON DC 20001	AMERICAN ACADEMY OF FAMILY PHYSICIANS	2,218.74	690.00
Z. MICHAEL SZAZ, 6415 FRANCONIA COURT SPRINGFIELD VA 22150	NATIONAL FAMILY PLANNING & REPRODUCTIVE HEALTH ASSN, INC	669.00	6.00
Do	AMERICAN HUNGARIAN FEDERATION	1,680.00	
DOYLE TALKINGTON, 1015 15TH STREET, NW, #200 WASHINGTON DC 20005	EMBASSY OF THE DEMOCRATIC REPUBLIC OF SOMALIA	2,100.00	
JULIE TANG, 100 MARYLAND AVENUE, NE WASHINGTON DC 20002	NATIONAL PORK PRODUCERS COUNCIL	1,000.00	9.00
KEITH TARR-WHELAN, 3626 N. KENSINGTON ST. ARLINGTON VA 22207	PEACE POLITICAL ACTION COMM	2,721.21	
LINDA TARR-WHELAN, 1201 16TH ST., NW WASHINGTON DC 20036	SAVE OUR SECURITY	7,250.00	
STEVEN TASGAL, 17TH & D STREETS, NW WASHINGTON DC 20008	NATIONAL EDUCATION ASSN	1,650.00	43.50
TENNESSEE HOME MEDICAL PROVIDERS ASSOCIATION,INC., P.O. BOX 421 KNOXVILLE TN 39901	AMERICAN RED CROSS NATIONAL HEADQUARTERS		
JOSEPH L. S. TERRELL, 1800 MASSACHUSETTS AVENUE, NW, #604 WASHINGTON DC 20036			
MARGARET P. THAXTON, 418 SOUTH CAPITOL STREET, SE WASHINGTON DC 20003	FARM CREDIT COUNCIL		
RANDI PARKS THOMAS, 1101 17TH STREET, NW, #603 WASHINGTON DC 20036	SHEET METAL & AIR CONDITIONING CONTRACTORS' NAT'L ASSN		
BARBARA THOMPSON, 1828 L STREET, NW WASHINGTON DC 20036	TUNA RESEARCH FOUNDATION, INC	849.99	
DANA S. THOMPSON, 418 SOUTH CAPITOL STREET, SE WASHINGTON DC 20003	COOPERATIVE LEAGUE OF THE U.S.	500.00	
LAW OFFICES OF FRED THOMPSON, 1919 PENNSYLVANIA AVENUE, NW, #850 WASHINGTON DC 20006	SHEET METAL & AIR CONDITIONING CONTRACTORS' NAT'L ASSN		
Do	CENTRAL STATES SE & SW AREAS HEALTH, WELFARE & PENSION FUNDS	13,318.00	
RICHARD L THOMPSON, 1700 K STREET, NW, #601 WASHINGTON DC 20006	WESTINGHOUSE ELECTRIC CORP	548.00	
ROGER G. THOMPSON, 117 BELLEFONTE DRIVE ASHLAND KY 41101	SQUIBB CORPORATION	1,500.00	250.00
TERENCE H. THORN, SUITE 919 1700 NORTH MOORE STREET ARLINGTON VA 22209	KENTUCKY POWER CO	7,500.00	3,398.13
HAROLD A. THORNTON & ASSOCIATES, 1120 CONNECTICUT AVE., NW, #940 WASHINGTON DC 20036	HNG/INTERNORTH	163.45	
Do	AMERICAN FED OF GOVERNMENT EMPLOYEES, LOCAL 2677		
GIL THURM, 777 14TH ST., NW WASHINGTON DC 20005	COMMITTEE TO IMPROVE PUBLIC SCHOOL LIBRARIES		
GARY G. TIMMONS, 1201 16TH STREET, NW WASHINGTON DC 20036	NATIONAL ASSN OF REALTORS		
MICHAEL L. TINER, 1775 K ST., NW WASHINGTON DC 20006	NATIONAL EDUCATION ASSN	2,101.00	135.05
TOTAL PETROLEUM, INC, 999 18TH STREET, SUITE 2201 DENVER CO 80202	UNITED FOOD & COMMERCIAL WORKERS INTL UNION	9,807.72	387.96
JAY C. TOWNLEY, 1856 NORTH KOSTNER AVENUE CHICAGO IL 60639	SCHWINN BICYCLE CO	141.00	
THOMAS J. TRABUCCO, 1533 NEW HAMPSHIRE AVENUE, NW WASHINGTON DC 20036	NATIONAL ASSN OF RETIRED FEDERAL EMPLOYEES	9,859.00	17.00
TRANSAFRICA, 545 8TH STREET, SE, #200 WASHINGTON DC 20003		186,086.74	87,993.75
TRANSPORTATION INSTITUTE, 923 15TH ST., NW WASHINGTON DC 20005			17,160.61
PAUL E. TSONGAS, FOLEY HOAG & ELIOT ONE POST OFFICE SQUARE BOSTON MA 02109	LEADING EDGE PRODUCTS, INC	18,000.00	271.00
JON R. TUMLER, 1110 VERMONT AVENUE, NW, #1075 WASHINGTON DC 20005	PUBLIC SECURITIES ASSN	7,875.00	14,170.21
TUNA RESEARCH FOUNDATION, INC, 1101 17TH ST., NW WASHINGTON DC 20036		608.54	2,080.44
ST. CLAIR J. TWEEDIE, SUITE 220 1575 EYE STREET, NW WASHINGTON DC 20005	AMERICAN CYANAMID CO	12,000.00	145.00
A. RAY TYRRELL, 1800 M ST., NW, #900-S WASHINGTON DC 20036	ATLAS CORPORATION		
U S WEST, INC, 1819 L STREET, NW, #900 WASHINGTON DC 20036			26,879.73
LEWIS K. UHLER, 500 N. WASHINGTON ST., #201 FALLS CHURCH VA 22046	NATIONAL TAX LIMITATION COMMITTEE	160.00	
UNITED FOOD & COMMERCIAL WORKERS INTL UNION, 1775 K ST., NW WASHINGTON DC 20006		101,001.42	52,180.41
URANIUM PRODUCERS OF AMERICA, C/O COVINGTON & BURLING 1201 PENNSYLVANIA AVE., NW P.O. BOX 7566 WASHINGTON DC 20044.		9,000.00	
DANIEL W. VAN NESS, P.O. BOX 17181 WASHINGTON DC 20041	JUSTICE FELLOWSHIP		
ROBERT C. VARAH, C/O DOW LOHNES & ALBERTSON 1255 23RD ST., NW WASHINGTON DC 20037	CANADIAN TUBULAR PRODUCERS ASSN	23.75	32.10
Do	DOFASCO, INC	1,163.75	657.90
GEORGE F. VARY, 1667 K ST., NW WASHINGTON DC 20006	ARMCO, INC	800.00	270.25
DONALD R. VAUGHAN, P.O. BOX 1288 ASHEBORO NC 27204	STEDMAN CORP		
KRISTIN LEA VEHRS, 1110 VERMONT AVENUE, NW, #1160 WASHINGTON DC 20005	AMERICAN ASSN OF ZOOLOGICAL PARKS & AQUARIUMS	1,000.00	1,540.00
Do	TEXAS SHRIMP ASSN	2,000.00	2,567.49
JOSPEH T. VENTURA ENTERPRISES, INC, 1725 K STREET, NW, #401 WASHINGTON DC 20006	NATIONAL FOOTBALL LEAGUE		
VERNER LIIPFERT BERNHARD MCPHERSON & HAND, CHTD, 1660 L STREET, NW, #1000 WASHINGTON DC 20036	CITY OF NEW ORLEANS		
Do	GENCORP		
Do	NORFOLK SOUTHERN	4,268.75	
Do	RAYBURN COUNTRY ELECTRIC COOPERATIVE, INC	2,942.50	
Do	TRAVELERS CORP	975.00	
Do	TRW		
MELODY V. VETRO, 214 MASSACHUSETTS AVENUE, NE, #550 WASHINGTON DC 20002	AMERICAN SPACE FOUNDATION	2,000.00	
DAVID P. VIENNA JR., 510 C ST., NE WASHINGTON DC 20002	HORSEMEN'S BENEVOLENT & PROTECTIVE ASSN		
Do	INTERNATIONAL ASSN OF AMUSEMENT PARKS & ATTRACTIONS	712.50	
Do	NATIONAL ASSN OF CREDIT MANAGEMENT		
RUDOLPH A. VIGNONE, 1800 K ST., NW, #800 WASHINGTON DC 20006	GOODYEAR TIRE & RUBBER CO	4,500.00	
VOLUNTEERS TRUSTEES OF NOT-FOR-PROFIT HOSPITALS, 1625 EYE ST., NW WASHINGTON DC 20006		25,500.00	9,920.71
MARCOS VON GOHMAN, 1835 K ST., NW, #600 WASHINGTON DC 20006	GUYANA AIRWAYS CORP		
ABE J. VORON, 6204 WHITE OAK LANE TAMARAC FL 33319	NATIONAL RADIO BROADCASTERS ASSOCIATION	1,100.00	1,440.00
VORYS SATER SEYMOUR & PEASE, 1828 L STREET, NW, #1111 WASHINGTON DC 20036	OHIO DEPOSIT GUARANTY FUND	4,627.50	658.71
Do	PITTSBURGH & LAKE ERIE RAILROAD CO	23,265.00	1,741.11
WAGNER & BARODDY, INC, 1100 17TH STREET, NW, #804 WASHINGTON DC 20036	MOBIL CORP		
WALD HARKRADER & ROSS, 1300 19TH ST., NW WASHINGTON DC 20036	JAPAN IRON & STEEL EXPORTERS' ASSN		
Do	MATSUSHITA ELECTRIC INDUSTRIAL CO, LTD		
WALLACE & EDWARDS, 1150 CONNECTICUT AVE., NW, #507 WASHINGTON DC 20036	MERCHANTS GRAIN & TRANSPORTATION, INC	2,200.00	
DONALD L. WALLACE JR., 232 E. CAPITOL ST. WASHINGTON DC 20003	MERCHANTS GRAIN & TRANSPORTATION, INC		
BARBARA F. WARDEN, SUITE 202-WEST WING 600 MARYLAND AVE., SW WASHINGTON DC 20024	NATIONAL CONSUMERS LEAGUE		
WASHINGTON GAS LIGHT CO, 1100 H ST., NW WASHINGTON DC 20080			4,007.71
WASHINGTON OFFICE ON AFRICA, 110 MARYLAND AVE., NE WASHINGTON DC 20002		32,736.41	46,283.32
LEROY WATSON, 1616 H STREET, NW WASHINGTON DC 20006	NATIONAL GRANGE	2,750.00	
GEOFFREY WEBB, 530 7TH STREET, SE WASHINGTON DC 20003	FRIENDS OF THE EARTH	335.28	
PAUL WECKSTEIN, SUITE 504 236 MASSACHUSETTS AVE., NE WASHINGTON DC 20002	CENTER FOR LAW AND EDUCATION, INC	765.16	
ROBERT R. WEED, 214 MASSACHUSETTS AVENUE, NE, #550 WASHINGTON DC 20002	AMERICAN SPACE FOUNDATION	3,000.00	
JOHN F. WELCH, 655 15TH STREET, NW, #1200 WASHINGTON DC 20005	SAFE BUILDINGS ALLIANCE		
WILLIAM B. WELSH, 1625 L ST., NW WASHINGTON DC 20036	AMERICAN FED OF STATE COUNTY & MUNICIPAL EMPLOYEES	18,100.86	77.35
THOMAS F. WENNING, 1910 K ST., NW WASHINGTON DC 20006	NATIONAL GROCERS ASSN		
WEST AFRICAN REPUBLIC OF TOGO, 1625 K ST., NW, #102 WASHINGTON DC 20006			
G. FRANKLIN WEST, 499 S. CAPITOL ST., SW, #507 WASHINGTON DC 20003	BILL HECHT & ASSOCIATES, INC	1,000.00	
HARRY H. WESTBAY III, 1615 H STREET, NW WASHINGTON DC 20062	CHAMBER OF COMMERCE OF THE U.S.	250.00	55.00
SHIRLEY H. WESTER, 1110 VERMONT AVENUE, NW, #950 WASHINGTON DC 20005	AMERICAN HEALTH PLANNING ASSN	1,000.00	90.00
MARY LOUISE WESTMORELAND, 1400 K STREET, NW WASHINGTON DC 20005	HANDGUN CONTROL, INC	10,000.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
CLYDE A. WHEELER JR , BISHOP LIBERMAN COOK PURCELL & REYNOLDS 1200 17TH STREET, NW WASHINGTON DC 20036	AMERICAN PETROLEUM INSTITUTE	2,500.00	
JOHN C. WHITE, SUITE 207 1333 NEW HAMPSHIRE AVE., NW WASHINGTON DC 20036	COASTAL CORP & CHICAGO MERCANTILE EXCHANGE		
JULIAN A. WILHELM, 1320 19TH STREET, NW WASHINGTON DC 20036	BURCH AND BENNETT, P.C. (FOR: M.A.N. TRUCK & BUS CORP)		
WILLIAMS & JENSEN, P.C., 1101 CONNECTICUT AVE., NW WASHINGTON DC 20036	ALAMO CEMENT COMPANY		
Do	AMERICAN HOME PRODUCTS		
Do	AMERICAN HOSPITAL ASSN		279.30
Do	AMERICAN PHYSICAL THERAPY ASSN	47.50	18.62
Do	AMERICAN REAL ESTATE COMMITTEE	875.00	148.97
Do	CENTURY 21 REAL ESTATE CORP		
Do	CIGNA		86.89
Do	COMMITTEE FOR EMPLOYMENT OPPORTUNITIES		
Do	COMMITTEE FOR FAIRNESS IN REAL ESTATE TAXATION	1,512.50	186.21
Do	D'ANCONA & PFLAUM	137.50	25.52
Do	DESIGN PROFESSIONALS COALITION	1,350.00	
Do	ESTEE LAUDER, INC		
Do	FEDERATION FOR AMERICAN IMMIGRATION REFORM	150.00	55.86
Do	FIRST BOSTON CORP		952.76
Do	FIRST DATA	312.50	
Do	FREIGHT FORWARDERS INSTITUTE		
Do	GENERAL ELECTRIC CO	310.00	86.89
Do	GENERAL PORTLAND, INC		
Do	GIFFORD-HILL & COMPANY, INC		
Do	HIGHER EDUCATION ASSISTANCE FOUNDATION		18.62
Do	HOUSTON ENDOWMENT, INC		
Do	IU INTERNATIONAL MANAGEMENT CORP	1,325.00	341.39
Do	KAISER CEMENT CORPORATION		
Do	KELLOGG COMPANY		
Do	KELLY APPLEMAN HART & HALLMAN		
Do	KRAUSE MILLING CO	62.50	18.62
Do	MONOLITH PORTLAND CEMENT COMPANY		
Do	MUSTANG FUEL CORPORATION		
Do	NATIONAL ASSN OF WATER COS	1,000.00	186.21
Do	NATIONAL CABLE TELEVISION ASSN, INC		93.10
Do	NATIONAL OFFICE MACHINE DEALERS ASSN		
Do	NATIONAL SOFT DRINK ASSN		
Do	NATIONWIDE INSURANCE COMPANIES		
Do	NORFOLK SOUTHERN CORP	8,787.50	1,250.70
Do	PARALYZED VETERANS OF AMERICA		
Do	RECORDING INDUSTRY OF AMERICA, INC	2,575.00	450.01
Do	SOUTHLAND ROYALTY CO		
Do	SOUTHWESTERN PORTLAND CEMENT COMPANY		
Do	STUDENT LOAN MARKETING ASSN	1,975.00	297.93
Do	TEXACO, INC		
Do	TEXAS AIR CORP	2,330.00	409.66
Do	U.S. TELEPHONE COMMUNICATIONS, INC		
Do	UNIVERSAL FOODS, INC		
Do	UNIVERSITY OF MICHIGAN HOSPITALS		
Do	USAA FINANCIAL SERVICE CO		37.24
Do	WILKIE FARR & GALLAGHER		
Do	PHARMACEUTICAL MANUFACTURERS ASSN		130.35
PERRY F. WILLIAMS, 225 MAIN ST. NEWINGTON CT 06111	AMERICAN RADIO RELAY LEAGUE, INC	11,000.00	252.22
DAVID W. WILMOT, 1029 VERMONT AVNEUE, NW WASHINGTON DC 20005	ANHEUSER-BUSCH COS		
H. GRAHAM WILSON, 1330 BURLINGTON STREET EAST/BOX 460 HAMILTON ONTARIO L8N 3J5 CANADA	DOFASCO, INC		
RONALD J. WILSON, 1800 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20036	NATIONAL COUNCIL OF FARMER COOPERATIVES	645.00	
WINDELS MARX DAVIES & IVES, 51 W. 51ST STREET NEW YORK NY 10019	CHELSEA PROPERTY OWNERS	400.00	15.00
JOSEPH B. WINKELMANN, 777 14TH ST., NW WASHINGTON DC 20005	NATIONAL ASSN OF REALTORS	2,500.00	391.03
JAMES W. WISE, DAVID VIENNA & ASSOCIATES 510 C STREET, NE WASHINGTON DC 20002	HORSEMEN'S BENEVOLENT & PROTECTIVE ASSN		
Do	INTERNATIONAL ASSN OF AMUSEMENT PARKS & ATTRACTIONS		
HUGH A. WOOD, 515 S. FLOWER STREET LOS ANGELES CA 92678	ATLANTIC RICHFIELD CO		
WORLD ZIONIST ORGANIZATION - AMERICAN SECTOR, INC, 515 PARK AVENUE NEW YORK NY 10022	WORLD ZIONIST ORGANIZATION JERUSALEM, ISRAEL		
STEVEN M. WORTH, 3255 GRACE ST., NW THE POWER HOUSE WASHINGTON DC 20007	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: ELECTRONIC INDUSTRIES ASSN OF JAPAN).		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: REPUBLIC OF KOREA)		
BRENDA J. WRIGHT, SUITE 2600 1000 WILSON BLVD. ARLINGTON VA 22209	TRW, INC	1,266.00	
WYATT & SALTZSTEIN, SUITE 802 1725 DESALES STREET, NW WASHINGTON DC 20036	ASSOCIATION OF BUSINESS PUBLISHERS		
KENNETH P. YALE, 1111 14TH STREET, NW, #1200 WASHINGTON DC 20005	AMERICAN DENTAL ASSN	2,000.00	380.30
JUDITH A. YOUNG, 777 14TH ST., NW WASHINGTON DC 20005	NATIONAL ASSN OF REALTORS	1,500.00	208.16
BARNABY W. ZALL, 1424 16TH STREET, NW, #707 WASHINGTON DC 20036	FAIR CONGRESSIONAL TASK FORCE, INC		
Do	FEDERATION FOR AMERICAN IMMIGRATION REFORM		
JANICE ZARRO, SUITE 715-16 1660 L ST., NW WASHINGTON DC 20036	AVON PRODUCTS, INC	40.70	24.00
MELINDA M. ZIMMERMAN, 1730 RHODE ISLAND AVENUE, NW, #200 WASHINGTON DC 20036	NATURAL GAS SUPPLY ASSN	7,500.00	517.00
KENNETH ZINN, 1837 WYOMING AVENUE, NW WASHINGTON DC 20009	WASHINGTON OFFICE ON AFRICA	3,750.00	

SENATE—*Thursday, October 31, 1985*

(Legislative day of Monday, October 28, 1985)

The Senate met 9:15 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

Father in Heaven, it has occurred to me that it would be a great blessing if Senator Hubert Humphrey could spend a few moments on the floor at this time. Thank You for the memory of this jolly, loquacious, tender, thoughtful, loving, friendly, uncommon gentle man. As the pressure builds, emotions heat up, feelings run high, and harsh words come too easily, help us to cool it, patient Father, and experience Your presence and love. Thank Thee for the excitement of honest disagreement—what monotony, if we all agreed about everything, what insufferable boredom. Give the leadership special wisdom and patience, work Your will in our midst, and give us love for one another. In the name of the Prince of Peace. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The distinguished majority leader is recognized.

Mr. DOLE. Mr. President, under the standing order, the leaders have 10 minutes each.

THE FARM BILL

Mr. DOLE. Let me indicate, as I did last evening, that I think we are making progress on the farm bill. It seems to me that there is a consensus building on both sides that we need to pass the farm bill and do it very quickly. I regret that we took so much time on the cargo preference issue. Hopefully, that has been resolved. I now hope that we can move into the other areas on commodities and a number of other issues dealing with peanuts and rice, sugar and honey, dairy, and the other commodities. Also, there are issues with reference to checkoff by cattlemen and hog producers on which there is some dispute.

I guess that sometime this afternoon, I shall be offering a package of spending reductions and changes in the program to see if we can move this bill. We tried to bring it up in July, tried to pass the bill in July and we were frustrated in our efforts. Now it is late October and we believe it is time to pass legislation.

Farmers in my State, in many cases, long since have sown their wheat, and I regret that we were not able to pass a bill in July, but nobody wanted to talk about the cost of the bill. We will be reviewing some of the statements made in July on this subject later in the debate.

It is my hope that we can bring together Democrats and Republicans, farm State Senators, between now and sometime early afternoon to see if we can put together a package of substantial reductions in the cost of the bill but still pass a bill that contains good farm policy, realistic farm policy, more flexibility on loan rates and some income protection for farmers.

I have discussed this with Members on both sides of the aisle. In my view, there is a willingness to try to work something out. Otherwise, I think we can spend probably a couple more weeks in the amendment process.

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. DOLE. Mr. President, I would also ask unanimous consent that there be a period for the transaction of routine morning business not to extend beyond 10 a.m., with statements limited therein to 5 minutes each.

The PRESIDING OFFICER (Mr. HATFIELD). Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. DOLE. Does the Senator from Alaska need time?

Mr. MURKOWSKI. Yes. Mr. President, I had a special order pending last night. The disposition was somewhat in question as a consequence of what happened later on in the evening. But it was my intent to request about 9 or 10 minutes.

Mr. DOLE. After the distinguished minority leader has been recognized, perhaps we can work that out in morning business because we were not able to make requests for special orders last night.

It is our hope that after morning business we can turn to the Interior appropriations bill. I understand both Senators MCCLURE and JOHNSTON will be ready about 10 o'clock. I also understand that there are a number of opening statements and some amendments which can be accepted. I have been assured by Senator MCCLURE that the concern Senator DECONCINI expressed last night to both the minority and majority leader can be protected. There will not be anywhere near final passage of the Interior appropriations bill by 1 or 2 o'clock. So we will bring it up, do what we can, and then hopefully be able to set it aside. I would guess that at about 1 or 2 o'clock we will be back on S. 1714, the farm bill.

I reserve the remainder of my time.

RECOGNITION OF THE MINORITY LEADER

The PRESIDING OFFICER. Under the previous order, the Democratic leader is recognized.

THE FARM BILL

Mr. BYRD. Mr. President, the distinguished majority leader said something a moment ago about the frustrations earlier this year when the farm credit bill was up before the Senate, frustrations by Members on the other side. I do not know——

Mr. DOLE. I did not mean the farm credit bill. It was in July we were trying to get to the farm bill, but the Senator from Montana and others were not disposed to let us bring it up.

Mr. BYRD. Very well. We, too, will look at the RECORD to see what is meant by that. I do not know.

ANOTHER OF SENATOR PELL'S MANY INTERESTS

Mr. BYRD. Mr. President, our distinguished colleague, the senior Senator from Rhode Island, CLAIBORNE PELL, has long been recognized as a leading national voice for education and the arts. Through the institution of the Pell grant, Senator PELL has enabled countless American young people to pursue higher education. Through his support of the National Endowment of the Arts, Senator PELL has helped to advance music, drama, literature, and other forms of artistic expression throughout the country.

In the Monday issue of the Washington Post, another of Senator PELL's concerns was underlined. According to a story in the style section of the Post, at Senator PELL's instigation a symposium was held last weekend at Georgetown University on the general subject of the after-life. The symposium, entitled "Consciousness and Survival,"

delved into multifaceted areas of man's experience beyond life—for example, survival consciousness, the possibility of reincarnation, the immortality of the soul, the mind-spirit relationship, and possible connections between physical and mental phenomena, to name but a few areas of interest. The symposium, which grew out of a dinner-party discussion held at Senator PELL's house some 4 years ago, attracted well over 500 people to the Georgetown campus to share and to listen to a wide range of perspectives on the shape of life after death, or the absence of that experience.

Again, our distinguished colleague from Rhode Island has demonstrated the breadth and depth of his original mind and creative spirit. I found the report in the Post stimulating and interesting. I commend Senator PELL for the role that he played in bringing together such a large assembly of experts and inquiries on such a profound subject, and I ask unanimous consent that the article from the Post, entitled "Matters of Life After Death," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MATTERS OF LIFE AFTER DEATH

(By Michael Kernan)

I believe that primal attitudes toward life and death set the ethical environment and range of peace and violence in which we all live.—Sen. Claiborne Pell.

Four years ago, at a dinner party given by the senior senator from Rhode Island, the guests got into a discussion on whether consciousness survives our death. The subject proved so intriguing, with so many different facets, that all the guests agreed it would make a most exciting symposium.

And unlike most great dinner-table ideas, this one was bullied and sweated into reality. This past weekend "Consciousness and Survival," sponsored by the Institute of Noetic Sciences and the ubiquitous Smithsonian, drew well over 500 people to the Georgetown University campus for a series of talks by international experts—including a Tibetan lama—in an amazing variety of fields.

Someone called the symposium "the most historic event of the century for survival-after-death research," and while that might be something of an overstatement, sponsors and listeners alike seemed to feel it was a landmark in the growing general recognition that life after death is worth serious attention and scientific study.

Pell outlined four broad points of view on the subject: "the possibility of reincarnation, where the soul remains, with or without memory"; the idea of the Great One "that the soul and its accompanying memory joins"; simple oblivion; and "the idea that the individual soul with its accompanying memory lives on eternally."

He also listed a fifth approach: that "what will happen is what you believe will happen."

The audience had come from all over the Northeast to hear about such increasingly popular subjects as out-of-body experiences, near-death experiences, memories of "past lives," parapsychology and assorted ways of communicating with the absent and the dead. What they got was a deadly serious, scholarly examination of how mainstream science is responding to the mounting pile of evidence and speculation on these things.

In the Saturday sessions, various positions on the question were outlined. Antony Flew, an Oxford educator now with the Social Philosophy Center in Bowling Green, Ohio, led off with a frontal attack on the notion that mind and brain are separate entities. He questioned the very idea that a mind or soul could be considered an "entity" or substance while remaining incorporeal.

Some scientists and philosophers, he said, tend to be confused among "the words 'minds' or 'souls" or 'selves' construed as referring to a peculiar kind of substance, and the same words interpreted as referring to aspects or capacities or dispositions of quite ordinary people.

"We are by this got into Wonderland, where grins are said to survive the disappearance of the faces of which they are a sort of configuration," said Flew.

Charles Tart of the University of California at Davis discussed altered states of consciousness from emotional peaks and troughs to dreams and beyond, to telepathy, clairvoyance and precognition. Stanislav Grof, a Czech scholar now at Esalen Institute in Big Sur, Calif., delved further into various transpersonal experiences "that transcend normal perceptions."

From his 30 years of research into unusual states of consciousness, he said, he perceived four categories: ability to identify profoundly with other people and with all creatures, plants and every aspect of the universe; the transcendence of linear time; an experience of the cosmos itself; and finally a perception of archetypal ideas, as C.G. Jung has suggested.

Paul Davies of the University of Newcastle in England showed how the uncertainty principle of quantum physics could lead scientists to the concept of two or more worlds superimposed on each other, and Candace Pert of the National Institute of Mental Health related the ambiguities in DNA research to the new ways of seeing the "body-mind." Kenneth Ring of the University of Connecticut discussed the significance of the innumerable near-death accounts he has researched, and John Hick of Claremont Graduate School in California cited the work of spiritualists and mediums from the 19th century on.

"At bodily death," he said, "the empirical self, with its culture-bound personality and time-bound memories, begins gradually to fade away, our consciousness becoming centered in the moral-spiritual attitudes which constitute the soul; and that soul, or dispositional structure, is then able to be embodied again to engage once more in the creative process."

He mentioned the puzzle of the millions who die in infancy, the unfairness of life's vagaries, the fact that few people "seem fitted for eternal bliss or eternal torment."

It remained for the Cambridge-educated Tibetan scholar, Sogyal Rinpoche, to caution those preoccupied with life after death that "the main point of life and death is how we live now. What you will be is what you do now. The next minute is a reincarnation of this minute."

Laughing heartily at the notion of reducing the teachings of the East to a 40-minute talk, he reminded the audience of Buddha's teaching that the point of life is the understanding of ourselves and that we should try to view life and death as a complete whole.

Surely the most original contribution was from Rupert Sheldrake, the British botanist whose hypothesis of formative causation—the notion that the sheer repetition of phenomena makes them easier to learn, that all experiences are somehow transmitted throughout the world—created a sensation in the scientific establishment a few years ago.

Sheldrake questioned the assumption that memories are stored in the brain. They could, he said, be contained in a sort of force field around the body, with the brain acting like a television receiver that tunes in on them.

The main think, he added, is that these ideas can be tested. Actual physical experiments can tell us, he said, whether, for instance, the common "feeling of being watched" is a real phenomenon. He urged more testing of the apparent resonances that enable pigeons to return to their nests. He suggested that we examine prayer, that ancient and respected belief that one can influence others far distant and even communicate with the dead.

"These things can be tested, it's perfectly feasible," he concluded. "These questions are completely open."

Mr. BYRD. Mr. President, I ask unanimous consent that I may reserve the remainder of my time throughout the day.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I yield the floor.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. There will now be a period for the transaction of routine morning business, not to extend beyond 10 a.m.

THE 10TH ANNIVERSARY OF PUBLIC LAW 94-142 AND THE IMPORTANCE OF S. 873

Mr. CHAFEE. Mr. President, in November we will celebrate the 10th anniversary of the Education for All Handicapped Children Act—Public Law 94-142. I am a cosponsor of Senate Concurrent Resolution 71 to commemorate this revolutionary law.

When this act was originally proposed it was subject to great debate and controversy. There was disagreement about many of the basic premises of the proposal. When I refer to the act as revolutionary, I do so with sincerity.

We are watching the first generation of handicapped children leave public schools after 10 years of education in what is known as the "least restrictive setting"—that is, whenever possible, handicapped and nonhandicapped children being educated together, each getting the education they need.

It is time that we reform the Medicaid funding stream to offer the same level of support to promote lifelong integration of handicapped and nonhandicapped children and young adults. We must not allow the gains we have made through Public Law 94-142 to be lost due to a funding mechanism that

allows support services only in the most restrictive settings.

I have offered legislation, S. 873, the Community and Family Living Amendments of 1985, that proposes precisely the sort of reform this system needs. It is the logical followup to Public Law 94-142.

The 10th anniversary of Public Law 94-142 is indeed a time to celebrate our accomplishments, but it is also a time for us to reflect upon the changes that still must be made to ensure a better quality of life and widespread opportunities for the developmentally disabled.

Handicapped children have become accustomed to learning and playing with nonhandicapped children. Nonhandicapped children have grown to accept children with handicaps as friends and classmates. But Mr. President, we are in danger of eroding these achievements.

As handicapped children leave school at age 18 or 21, they are offered few options for remaining in their own communities—with their families and friends.

Although it has been shown that people with severe handicaps can live, learn, work, and play in the community, as they become young adults our system of funding the services they need forces too many people into segregated residential systems.

We have demonstrated in our educational process that severely handicapped people can be supported in the community given a properly supported environment. Public Law 94-142 provides this type of environment to students in the educational process.

My bill offers many of the same types of reforms introduced in the educational field by 94-142. It calls for greater parental involvement in placement decisions and formal due process procedures. My bill reforms Medicaid funding to encourage less restrictive residential settings, to allow handicapped and nonhandicapped children and adults to continue to live their lives together. My bill says that just as segregated schooling is unwarranted, so too are many of our segregated residential settings.

The Community and Family Living Amendments of 1985 offers those with disabilities the chance to receive support services in community settings, which is where so many of our citizens with disabilities live now and want to stay.

So, Mr. President, while I join my colleagues in celebrating our achievements over the past 10 years, I also remind them that there is a great deal left to be done.

RECOGNITION OF SENATOR MURKOWSKI

The PRESIDING OFFICER. The Senator from Alaska is recognized.

THANKS TO VETERANS

Mr. MURKOWSKI. Mr. President, I rise to bring to the attention of my colleagues an excellent and moving article in the November issue of the American Legion magazine. Written by the Legion's National Commander, Dale L. Renaud, it is entitled "A Time to Give Thanks to Our Veterans and Our God."

Commander Renaud, with the compassion so typical of a man of his great service to America, and a pride in his fellow veterans that is also typical of a good leader, has managed to lay out the meaning of citizenship simply, succinctly, and with no apologies for good, old-fashioned patriotic values.

His article reminds us that there are no limits to what we can accomplish when we join together in pursuit of a just and selfless goal. He also reminds us that the future of our democracy rests on our responsibilities to help our children understand and meet the challenges of that future.

Mr. President, I should like to read into the RECORD Commander Renaud's article:

This month, as we observe yet another Veterans Day and another Thanksgiving, it seems that the two are unavoidably intertwined.

We offer our heartfelt thanks to millions of men and women who answered the call to duty, took up arms and rallied to our nation in her time of need. And, on a single day of the year set aside as a national day of thanks for the bounty of our great nation, we break bread together in gratitude that God has blessed America with the spirit, will and means to unify in common endeavor—whether it is for the good of the community or the safety of the nation.

Veterans Day is a public demonstration of tribute of our national defenders who united to preserve freedom and democracy for their generation and for generations of Americans to come. On the battlefield, they banded together for common defense and in common dedication to victory.

When they returned—particularly at the end of this century's second Great War—the unity continued and they swelled the ranks of The American Legion and American Legion Auxiliary and other organizations because they wanted to preserve that union of fellowship and dedication to a common purpose.

They unified for active service to their fellow veterans and their communities. They built upon a heritage that began with our organization's founding, and they were on the leading edge of a movement which swept the country; one in which Legionnaires and their neighbors got back to the work of reshaping their lives and of setting a course for this nation's future.

Veterans Day is more than an appreciative nation thanking American patriots for putting their lives on the line to defend the United States and her allies from tyranny and suppression. It is an observance of what those same veterans did to unify an American spirit of dedication to a secure nation, and to safe, energetic and prosperous communities across the land.

The veterans come from every walk of life and have had an effect on every part of American society, because all veterans have seen what the act of one person can mean to the lives of others.

And, because our nation's history shows that a united effort consistently has made the difference on the battlefield, today it takes unity to meet the challenges that face America's next generations—her youth.

As a rededication to that spirit, and as a tribute to the wartime and peacetime sacrifices of veterans throughout America, this year The American Legion and American Legion Auxiliary have launched a unity campaign which we hope will symbolize in a joint effort the mutual regard communities and veterans hold for each other.

We ask that American Legion posts and their affiliated Auxiliary united accomplish together a community service project in which each community's youngsters benefit. Those posts and units which successfully complete the project, and achieve a 100-percent 1986 membership by April 15, 1986, will be eligible to compete on a national level for a $1,000 first-place prize in each of the five membership categories.

The award will be given to the winning post-unit combination for donation to a local, community-based children and youth program of its choice.

We can't think of a better way to emphasize to our communities and to our nation that the volunteer spirit of America's veterans remains as strong and active as at any time in our history. I urge you and your affiliated Auxiliary units to join National President Josie Melgard and me in this key project.

In the end, not only will America's communities and their children and youth benefit, but also The American Legion and Auxiliary. The prospect of achieving a 100-percent 1986 membership goal so early in the year leaves open a myriad of possibilities for accomplishment during the remainder of the year.

It creates horizons that truly will recall for all Americans the sacrifice of each generation of veterans and will serve as a rallying point for other veterans to join us in a continuing crusade to further the goals and aspirations of a prosperous nation.

Let's use this coming Veterans Day as a focal point for a fitting tribute to past loyalty, devotion and service, and as a statement of our purpose for the future.

Just as we will give thanks this month for the bounty, freedom and justice we enjoy in America, we must also give thanks for veterans able and willing to work for the peace, security and betterment of our nation.

Mr. President, I know everyone will agree that this statement of one man's commitment to challenge his organization to reach out to the children of America not only reflects exceedingly well on Dale Renaud, our National Commander, but speaks eloquently, also, of the American Legion's continuing commitment—long after war—to serve the best interests of this Nation.

Of course, the Legion does not stand alone in its efforts to assure a bright future for America. Legionnaires, Veterans of Foreign Wars, Disabled American Veterans, AMVETS, Paralyzed Veterans of America, Vietnam Veterans of America, members of the Military Order of the Purple Heart, and all other veterans' organizations and America's 28 million veterans stand

united in this goal. Commander Renaud speaks for all of them, in principle and in spirit, and I again commend him for this timely and eloquent statement.

EXPORT OF ALASKA COOK INLET OIL

Mr. MURKOWSKI. Mr. President, with the approval and strong support of the White House, the U.S. Commerce Department will soon issue a permit to allow the export of Alaska Cook Inlet oil to foreign nations.

This is the breakthrough we have long sought in our effort to begin exporting Alaska oil abroad.

And even though the ruling only pertains to the 60,000-barrel-a-day Cook Inlet production, we should not underestimate the significance of this action.

This small beginning can be a catalyst to overcome the previously unpenetrable barriers to the eventual export of our Alaska store house of resources.

Revenues from exporting Cook Inlet oil can be used by the producers to explore and develop new oil fields. They will have an added incentive to invest in new exploration because new markets in the Pacific rim are now available.

Thus far, the State's royalty oil—about 6,000 barrels per day—is the only Cook Inlet oil available for sales overseas. However, the other owners of Cook Inlet oil will now have the same option assuming willing buyers are available.

So far our office has been approached by South Korean, Taiwanese, and Japanese interests about the possible purchase of Cook Inlet oil.

The Alaska congressional delegation has worked closely together in convincing the administration to lift the ban on Cook Inlet oil, which is both in our national interest and in the interest of Alaska. Now it is our Governor's turn to take the issue and negotiate proposed sales agreements with our Pacific rim neighbors.

When the White House made the announcement, spokesman Larry Speakes said that the President, in making his decision, sought nothing in exchange. However, he noted:

We have made it clear to our friends in Asia that we would like to see them move more rapidly in opening their markets to U.S. products.

I believe the President's decision is consistent with the administration's policy of removing barriers to trade and encouraging other nations to do likewise.

President Reagan made a courageous decision because it signifies his willingness to do what's best for the Nation and stand up to those that have fought Alaska on the export issue for the past several years.

His support will go a long way toward countering the national hysteria and misinformation campaigns that have surrounded the Alaska oil export issue.

I believe all parties have worked in concert to achieve this milestone, which is a great victory for all Alaskans. It leaves our State poised to move into its challenging role as a resource supplier to the Pacific rim.

Mr. President, I would like to submit for the RECORD two news items.

The first is a New York Times editorial of October 30 that supports the export of Alaska oil.

The second is an Associated Press story on a study done by the Institute for International Economics which concludes that—

In addition to the $5 billion to $8 billion reduction in the U.S. deficit that would come from elimination of Japanese barriers, another $2 billion to $5 billion could be pared if the U.S. prohibition on exporting Alaska oil to Japan were lifted.

Mr. President, I could not agree more with that analysis.

I ask unanimous consent that the articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Times, Oct. 30, 1985]

OIL LEAK

President Reagan's decision to authorize limited exports of Alaskan oil opens a small but welcome crack in a self-defeating barrier. Export control legislation empowers him to release oil from the Cook Inlet pool, near Anchorage. That isn't much—60,000 barrels a day, at most—when compared with the 1.6 million barrels pumped from Alaska's North Slope each day. Exports from the North Slope, however, require Congressional as well as executive approval.

Opponents of exports argue that America should keep all its oil, to lessen dependence on imports. American companies also have a large financial stake in shipping and refining Alaskan oil in the United States. At this point, the only assured exports will be the 6,000 barrels a day allocated to the state government.

Actually, exporting Alaskan oil would be good public policy. It would make America's Pacific allies less dependent on Middle East oil. America's enormous trade deficit with Japan would be reduced. And Eastern consumers would benefit from the substitution of cheaper oil from the nearby Caribbean.

The President has properly found that exports from Cook Inlet are in the national interest. Having taken that step, let him take the next—pushing Congress to let North Slope oil be exported, too.

STUDY BY INSTITUTE FOR INTERNATIONAL ECONOMICS

WASHINGTON (AP).—Even if Japan were to remove all trade barriers, its $50 billion trading surplus with the United States would be pared by only $5 billion to $8 billion, say private analysts.

The study by C. Fred Bergsten and William R. Cline of the Institute for International Economics concludes that the U.S. trade deficit with Japan will never sink below $20 billion to $25 billion a year, regardless of whatever steps either government takes to correct the imbalance.

That is partly because Japan's economy requires that it run surpluses with countries where it sells manufactured goods to offset its huge deficits with oil-producing nations, the authors said.

The study by the institute, a private, nonprofit research organization, recommended that the two governments concentrate on lowering the value of the dollar against the yen.

Bergsten and Cline said the exchange rate gap between the two currencies is the major culprit behind the U.S. trade deficit with Japan, which totaled $31.6 billion in the first eight months of 1985. That accounted for more than one-third the total U.S. trade deficit of $91.1 billion in that period.

The study said "protectionist" bills being considered by Congress are misdirected and stem from a mistaken impression that Japanese trade barriers and unfair practices are a major factor in the trade imbalance.

Actually, Japan is second only to Canada as the biggest world market for U.S. goods, the report said.

Accounts of difficulties faced by U.S. companies in selling goods in Japan are exaggerated, Cline told a news conference. "They poison the atmosphere and discourage U.S. businessmen from even trying to penetrate the Japanese market," he said.

Actually, Japanese and U.S. trade barriers are about the same, he said.

While direct and indirect Japenese trade barriers restrict U.S. exports by $5 billion to $8 billion annually, U.S. restrictions limit Japanese sales in the United States by $4 billion to $5 billion.

This is "hardly a difference large enough to justify retaliatory protection against Japan on grounds of reciprocity," the report said.

It urged both governments to set a goal of further strengthening the yen against the dollar from its current ratio of 214:1 to 190:1. That would chop $17 billion a year off the U.S. trade deficit with Japan, the report said.

To do this, the United States must act far more decisively in trimming its budget deficits and in encouraging a higher rate of savings. Japan, in turn, should create more investment opportunities at home and perhaps act to reduce its high rate of savings.

Both countries should act to eliminate trade barriers, the report said. In addition to the $5 billion to $8 billion reduction in the U.S. deficit that would come from elimination of Japanese barriers, another $2 billion to $5 billion could be pared if the U.S. prohibition on exporting Alaska oil to Japan were lifted, the authors said.

RECOGNITION OF SENATOR PROXMIRE

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

STOP MISSILE FLIGHT TESTING AND FORGET STAR WARS

Mr. PROXMIRE. Mr. President. recently this Senator contended on this floor that the surest way Congress could begin to bring the Federal budget deficits under control is to stop the arms race. In the course of that speech I pointed out that if Congress continues to support the President's

SDI or star wars antimissile defense project, the cost of that program alone would easily exceed a trillion dollars. And even the trillion dollars would simply be a beginning as the Soviets rushed to develop their offensive nuclear missiles to penetrate the star wars defense, and their own star wars defense to stop U.S. offensive missiles. Meanwhile the United States would push far beyond the trillion-dollar initial star wars cost to keep pace with the surging Soviet offensive nuclear missile technology. What would that mean? It means this country would also pour huge sums into refining and improving its own offensive missiles to overcome the Soviet's star wars. There would be two results from all this:

First, both superpowers would suffer enormous increasing doubt about the capability of their national security system to insure their survival.

Second, both superpowers would suffer huge increases in spending. In the United States either the present $200 billion deficits would be dwarfed by devastating mega-deficits or we would suffer a huge increase in taxes.

What can the defenders of star wars answer to all this? No one—except possibly President Reagan—really believes that the SDI would provide a safe and certain protection, an impenetrable dome through which no hostile nuclear weapon could find its way. but some informed SDI advocates argue that this anti-missile defense would create a sufficient doubt in the Soviet Union about the capability of their vast ICBM arsenal and that the doubt, the uncertainty, would help prevent the Soviets from contemplating an attack. Would it? Maybe. We do not know for sure. We do know for sure that the cost of SDI will be gargantuan.

Suppose there were a system of achieving an even greater degree of uncertainty by an attacker—in the reliability of his nuclear offense—and suppose we could do this without spending any significant amount of money at all. Is that possible? It is indeed. In a recent letter to the New York Times, Herbert Lin, a researcher at MIT's Defense and Arms Control Program, contends that a comprehensive ban on the flight testing of all ballistic missles "would invariably lead to doubts about their reliability. Since a first strike requires missiles of certifiably high reliability, these doubts would induce Soviet caution regarding in a decision to launch a first strike in much the same way that missile defense would." Mr. Lin points out that it will take a number of years for such a ban on flight testing to affect the confidence of the Soviets in the reliability of their ICBM's. How long? Maybe 10 years. But, Mr. President, how long will it take this country to finish research on star wars, and then test it, and then produce the hardware and then deploy the hardware? No realistic time table would call for the complete deployment of SDI before the turn of the century. And it could be well into the next century before SDI were fully deployed. How high would the American national debt be by the year 2000 if we proceed with star wars? How many trillion? How high would the interest the Government would have to pay on that debt be? Yes, indeed we could avoid the fiscal nightmare by a huge increase in Federal taxes. What heros in this body are about to choose that option? I have yet to hear any champion of star wars including President Reagan say he would pay for it with a big tax increase. I challenge any Member of Congress to make such a public commitment. But we could achieve the same objective—create the same doubt in the minds of the Soviets about the reliability of their nuclear offense by simply banning missile flight tests. And here, Mr. President, is a test that we know we could verify effectively through satellites and other means already deployed.

Mr. Lin also rightly contends that a flight test ban has another clear advantage over the SDI. To put it mildly many experts seriously question the capacity of SDI to provide any significant protection of our population. On the other hand almost everyone agrees that the inability to test ballistic missile flight over time would certainly erode Soviet confidence in the reliability of ICBM's. No sane Soviet leadership would launch an attack with a missile that had had no flight testing for 10 or 15 years or more.

Mr. President, when we consider our survival in this nuclear world, any discussion of dollar cost seems ridiculous. Obviously any cost is worthwhile if it saves our Nation from overwhelming destruciton. This appears to be the reason that so little concern has been expressed about the overwhelming cost of SDI. On the other hand SDI is a system that the independent scientific community generally believes will not work. Now we know there is a way to achieve the same end SDI at its best can achieve without spending the enormous sums SDI would cost. And it is beautifully simple. That is an agreement to end the flight testing of nuclear missiles. Why not?

Mr. President, I ask unanimous consent that the letter to the New York Times to which I have referred by Herbert Lin be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

A MISSILE TEST BAN CAN DO WHAT "STAR WARS" CAN DO

To the Editor:

The Pentagon's response to the Congressional Office of Technology Assessment report on ballistic missile defense that "effective defenses would greatly increase an attacker's uncertainties as to whether his weapons would penetrate the defenses" (news story, Sept. 26) is a hopeful sign for the proponents of arms control. Specifically, the statement suggests that the desired goal is increased uncertainty. The Strategic Defense Initiative (S.D.I.) is only one of several methods to that goal.

Another method would be a comprehensive ban on the flight testing of all ballistic missiles. Over time, the inability to test missiles would invariably lead to doubts about their reliability. Since a first strike requires missiles of certifiably high reliability, these doubts would induce Soviet caution regarding a decision to launch a first strike in much the same way that missile defenses would.

It would take time for a ban on flight testing to affect significantly Soviet confidence in the reliability of its missiles. Most military planners would not want to rely on a weapon operationally untested for even a few years. However, if it took as long as 10 years, it would still achieve the desired result before operational weapons resulting from the S.D.I. could be deployed.

A flight-test ban has other advantages over the S.D.I. For example, the technical risk is much lower. While argument exists over the technology feasibility of ballistic missile defenses intended to protect populations, virtually all analysts agree that the lack of flight testing would over time erode confidence in the performance of these missiles. Moreover, the cost of implementing a flight-test ban is very small compared with that of the S.D.I. Verification of such a ban would be possible today, through satellites and other means already deployed.

Of course, a flight-test ban would also affect American confidence in the performance of its weapons. But no less an authority than President Reagan has suggested that sharing defensive technology with the Soviets would be a good thing; a mutual ban on flight testing achieves the very same result.

More importantly, it would have little effect on our capabilities for retaliation, since only a fraction of our nuclear arsenal can cause unacceptable damage to the Soviet Union. Thus, Soviet leaders, having no assurance of our inability to carry out a retaliatory strike, would not know whether they could act with impunity.

A ban on missile flight testing would be a way to achieve the stated goal of the S.D.I. at much lower cost and technical risk. It would build upon past arms control achievements and contribute to improved Soviet-American relations.

In light of Soviet desires to limit sharply the S.D.I. program and United States desires to increase Soviet uncertainty, a mutual ban on flight testing in exchange for sharp limits on ballistic missile defense research on both sides should be a prime topic for discussion at the upcoming summit.—Herbert Lin, Cambridge, Mass., Sept. 26, 1985.

MYTH OF THE DAY

Mr. PROXMIRE. Mr. President, the myth of the day today is that the way to reduce the deficit is to cut taxes. Mr. President, that is such a crazy, obviously contradictory statement that I will repeat it. The myth of the day is that the way to reduce the deficit is to cut—that's right cut—taxes. Do you

say, wait a minute, PROXMIRE. No idiot will believe that you can reduce the deficit by cutting taxes. No one believes that. What kind of a myth are you talking about? Well just listen. The New York Times reported as its "Quotation of the Day" the following:

Let me suggest that over the long haul, the Federal Government simply can't raise revenue any faster than by cutting tax rates and then cutting them again. So it doesn't make much sense to blame the deficit on tax cuts, and even less to ask for economy busting tax hikes as a cure. The deficit is quite clearly, caused by overspending.

Who made that statement? Was it some comedian making a parody of supply side economics? No, Mr. President, that statement was made by the President of the United States, Ronald Reagan. He made the statement on Tuesday in endorsing the Gramm-Rudman 5-year balanced budget proposal.

Now this Senator voted for Gramm-Rudman. Heavens knows it is flawed. But it does move this irresponsible Federal Government down the road toward fiscal responsibility and a more reasonable, if not a balanced budget. It will be a long, painful path, not just a 5-year path. It will be a journey that we must travel throughout this century. And, we must, along the way, recognize that we are going to have to cut spending until it hurts and hurts badly. Then we will have to cut spending some more. But however successful we may be in cutting spending it will not be enough. We must also increase taxes. Why? Because we are going to need more revenue. And the President couldn't be more wrong. We cannot increase revenues over the long haul—as he puts it—by cutting tax rates. Oh, would that we could. What a marvelous world this would be. How gloriously easy it would be to be a U.S. Senator in a world in which all you had to do to bring the deficit under control was to raise revenues by cutting taxes. What a super way to win elections. Think of it. I can see the slogan now—"Vote for Smith for the Senate. Smith promises to balance the budget. Smith will end Federal deficits. How will Smith do it? Best of all Smith will do it by cutting your taxes."

President Reagan's insistence that we can reduce the deficit by reducing tax rates is a myth that puts Aesop, the fabulous fablist to shame. Aesop had a lot in common with the President. Aesop's Androcles and the Lion is a delightfully impossible fantasy, almost as delightful but not as impossible as President Reagan and tax cuts. In Aesop's fable, Androcles pulls a thorn out of the paw of a wild and hungry Lion. Years later Androcles who was also probably known among his feline pals as Andy, was tossed into an arena to be devoured by a starving lion. Andy lucked out when the lion recognized Andy as the same Androcles who pulled the thorn out of his pedal extremity. At first Andy looked like just what the ravenous lion had in mind for dinner. But as Aesop tells it the lion recognized Androcles as his old buddy, Andy, the same sweet fellow who had so graciously relieved him of that thorn. So the lion sidles up to Andy, nuzzles him, licks his face and murmurs a "Thanks old buddy."

Mr. President, it would be easier to believe that Aesop myth about Androcles and the lion than it would be to believe today's remarkable fable spinner in the White House, President Reagan, when he spins out that old Teflon magic about how we can get rid of the $200 billion deficit "by cutting tax rates and then cutting them again."

Worst of all the notion that we can solve the massive $200 billion deficit by cutting tax rates is a cruel deception. When it is believed by the President of the United States, it prevents the kind of tough, unpopular action we must take.

Mr. President, this is a myth that we should squelch and squelch right now, for good. There is no easy, painless way to reduce the deficit. We must cut popular spending programs. We must raise taxes. In the process we probably will lose elections. But there isn't any other way.

CAMBODIA: THE RETIREMENT OF POL POT

Mr. PROXMIRE. Mr. President, in September Khmer Rouge guerrillas announced the retirement of Pol Pot, the ruler of Cambodia from 1975 until the Vietnamese invasion of 1979. Pol Pot will remain as a "senior military adviser."

The official reason for his retirement was that he had reached the retirement age of 60. Unfortunately, the announcement may be a ruse. Pol Pot symbolically stepped down in 1979 in what some people suspect may be a precedent for the latest change.

Prince Norodon Sihanouk describes the retirement as a "tactical move designed to spare the Cambodian resistance some blushes at a United Nations debate on Cambodia later this month."

Mr. President, Pol Pot managed what no other leader anywhere has accomplished. The Wall Street Journal reports that:

He emptied the cities, destroyed the currency, pulverized places of worship, drove hospital patients into the fields, ended the use of electricity, wiped out vestiges of education, created a famine, oversaw a resurgence of malaria, and killed 1 to 3 million Cambodians.

Pol Pot's savagery offends the conscience. No mind can comprehend the magnitude of his horror. No pen can chronicle the pain and suffering inflicted upon millions of Cambodians by Pol Pot and his henchmen. Yet, Pol Pot retires a free man. How can this be?

Mr. President, the history of mankind is marred by tragic accounts of man's wanton disregard for his fellow man's human rights. On December 9, 1948, the international community pledged to outlaw acts of genocide and punish their perpetrators by ratifying the Genocide Treaty; 37 years later some 96 nations have signed the treaty.

The U.S. Senate must ratify the Genocide Treaty making clear to the world that the most fundamental of all human rights is the right to life.

Our ratification can have a profound influence on people all over the world by demonstrating that the United States is adamantly opposed to the heinous crime of genocide.

Mr. President, by ratifying the Genocide Treaty we can serve notice to the Pol Pots of the world that we shall hold them accountable for their actions.

I yield the floor.

The PRESIDING OFFICER. The Senator from Montana is recognized.

THE FARM BILL

Mr. MELCHER. Mr. President, a few moments ago the distinguished majority leader referred to an attempt to bring up the farm bill in July. It would have been a neat time to bring up the farm bill—I would agree with the majority leader—providing we had a farm bill on the calendar.

Of course, the Agriculture Committee simply did not have a farm bill completed. In July we were still meeting trying to go through the various titles to this 20- to 22-title bill and we were having a difficult time getting quorums at the meetings, that is, just a working quorum of six out of 17 members.

The usual procedure was day after day that Senator ZORINSKY, myself, and the distinguished chairman, Senator HELMS, would be at the hearing room over in the Russell Building ready to do business, and we would have to wait until 10:30 or 10:45 a.m., or a little bit later to get a working quorum so we could start marking up. That went on day after day.

It is fair to say that the preponderance of the attendance to make that working quorum of six was provided invariably by the Democratic side of the committee. It is an unfortunate circumstance that the other members on the Republican side were busy doing other things but that was something that we as Democrats could not correct.

We continually asked members from our side to be present as early as possible in order to get the working quorum.

The distinguished majority leader refers to amending something on the calendar with a bill that had been half worked on and was not by any means ready.

I know the charges made by the majority leader and the distinguished chairman of the committee that somehow the Democrats were holding up the bill in committee. We certainly had no intention of holding up the bill. We did have intentions of voting on key parts of that bill and insisted that we be allowed to do that in the committee.

It boiled down to one of the key parts that became more significant as the weeks rolled by, that the 4-year target price freeze would be a significant part of the bill. We finally succeeded in the committee on putting that in the bill and held on to it.

I might say that that is just one part of the bill. It has become a significant part of the bill, but there are many parts of the bill that are very important.

We are faced now with having the bill reported out of the committee that is over the budget resolution. That should be corrected.

We are directly in the position right now of attempting to get up an amendment that I and others have prepared that would reduce the cost of the bill over the coming year by $7.6 billion.

Mr. President, that is necessary if we are going to live within our budget resolution and I earnestly seek recognition to offer such an amendment. The majority leader has stated that he will probably have a package of amendments to reduce the cost and he always has the advantage of gaining recognition, and we will be anxious to see that when he offers it.

What we are attempting to do is to avoid a piecemeal adjustment of the bill to get within the budget resolution $1 billion here, $2 billion there, by doing this or that to the bill itself.

We would hope to hold the major scope of the bill in one piece. There are various programs involved and we would hope to hold all of these programs together.

The effort to get under the budget resolution to cut the bill so it will be under the budget resolution is a very sincere effort on our part. Seeking recognition to offer the amendment at this time is key before we start deciding at some other point where we would take out of the bill doing great damage perhaps to one program or two or three programs and making it more difficult for agriculture producers to live under the bill for the next 4 years.

The improvement that we can make for prices of commodities for agricultural producers comes only in one section of the bill and that deals with are we going to improve export of our products. It is very discouraging to me to learn that the export of agricultural commodities declined a total of 12 million metric tons of wheat, for example; that is a decline in exports of 12 million metric tons of wheat between the years of 1983 and the end of the marketing year for wheat in 1985. The end of the marketing year for wheat is in June.

So during that period of time we declined over 12 million metric tons. We have declined about 30 percent in exports of wheat during that period.

In looking at whether that trend is continuing, we find that so far in the marketing year, just in this first 5 months of this marketing year for wheat, the decline is 9 million metric tons below the point that we were at just a year ago. And I remind you, Mr. President, we were down a year ago. In other words, in a bad year, the last marketing year, reflecting the overall 12-million-metric-ton decline from 1983, at this point last year, we had exported 18, almost 19 million metric tons of wheat from the United States.

This year, at this point in time comparable to that 19 million metric tons exported this time last year, we have only exported 9 million metric tons of wheat. In other words, so far this year, the drop has been disastrous. Last year was a bad year, this year is even more disastrous.

Of the other commodities that we export large quantities from the agricultural sector, let me point out that, for corn, the difference from where we were last year at this time compared to this very point this year is down almost 100 million metric tons. That decline has not been as precipitous, but nevertheless it is a decline.

For cotton, the difference for exports so far in this marketing year for cotton as compared to last year is a drop of one-half; 50 percent has been exported in the same period of time this year as compared to last year.

For rice, there is not good news there, either. We have exported one-half the amount as we did last year.

Now this is a major problem that the country faces. It comes to roost right back at the farms that produce these commodities. It is a very serious situation. We would hope to correct some of that decline by amendments that are in the bill. And on several major points, there is no argument between the majority and the minority.

But in order to get price improvements for these producers, we are going to have to have improvement in exports. In the meantime, what are these producers supposed to do? We want them to survive. It is in the national interest that the basic commodity producers in agriculture in this country are able to survive. The target price, while we may think it is just symbolic, is very important for the survival of as many as possible of those producers. It is a question of cash-flow; a question of their creditors believing that there will be cash-flow. In order to look at cash-flow, you are going to have to peg it to something. We peg it to the target prices. That is why the question of whether or not the target prices remain equal to what they are right now for the coming 4 years is extremely important.

I hope that as we proceed through this bill that we will find that we can offer this amendment to reduce the costs of various segments of the bill so that we can maintain the basic structure of agriculture in the basic commodities and attempt to work our way out. Part of that attempt will be through increasing American agricultural exports, particularly from these basic commodities.

Mr. President, I do have a description of the amendment I am attempting to offer and I ask unanimous consent at this point that that be printed in the RECORD.

There being objection, the description was ordered to be printed in the RECORD, as follows:

DESCRIPTION OF MELCHER AMENDMENT

This amendment accomplishes a goal that many Senators have sought to achieve. The amendment reduces the budgetary cost of S. 1714 by some $7.6 billion during fiscal years 1986 through 1988, bringing the cost of the bill into line with the outlays for agricultural programs contemplated under S. Con. Res. 32. The amendment is fiscally responsible, and I urge my colleagues to support it.

The amendment reduces budget outlays by making a number of modifications to S. 1714.

First, the amendment modifies the required amount of land that must be placed in the conservation reserve during crop years 1986 through 1990. Under the amendment, eligible cropland will be added to the conservation reserve at a less rapid rate than required under S. 1714—essentially, the amendment provides for fewer acres to be placed into the reserve in the first few years. However, the total acres of eligible erosion-prone land that will be placed in the conservation reserve under the amendment remains not less than 25, nor more than 30 million acres.

The amendment modifies the terms of payment of obligations incurred by the Secretary of Agriculture under a contract for placing land into the conservation reserve. Under the amendment, the annual rental payment obligation shall be paid as soon as practicable after October 1 of each calendar year. However, the Secretary has the discretion to make such payments at any time prior to that date during the year in which the obligation is incurred.

During the first year in which a contract is in effect, the annual rental payment must be made in cash. For any subsequent year under a contract, the Secretary will make rental payments in in-kind commodities in such amounts as are agreed on and specified in the contract. If such commodities are not available, the rental payment will be made in cash.

The modifications to the conservation reserve program are estimated to reduce the budgetary cost of S. 1714 by $2.3 billion.

The amendment also reinstates the Producer Owned Reserve Program for wheat and feed grains. Under S. 1714, provisions that specifically authorize the Producer Owned Reserve were repealed. The repeal of the grain reserve would place additional grain onto the market and depress prices. As a result, under S. 1714 as reported, an additional cost to the government of some $230 million would occur. Under the amendment, the reserve would remain as a viable program that provides for long term storage of surplus grains. And the bill will be $230 million less costly.

The amendment also strikes a provision of the bill that would make eligible for payments certain acreage not planted to the relevant corp. Under the bill, any portion of an eligible crop acreage not planted to the eligible crop of wheat or feed grains that is devoted to conserving uses or nonprogram crops is considered as part of the individual program acreage, and producers would receive payments for such acreage. Under the amendment, producers are eligible for payments for crop acreage planted for harvest—as is the case in existing law. This provision in the amendment is estimated to reduce the cost of S. 1714 by about $800 million.

The amendment modifies the basis for computation of deficiency payments for wheat, feed grains, and rice. Under existing law, the average price of these crops during the first five months of the marketing year determine the basis for deficiency payments. Under the amendment, the basis for the calculation is the season average price for the entire marketing year for these crops. Generally, the season average price will exceed the average price during the first five months of the marketing year and the exposure to the Commodity Credit Corporation for deficiency payments is reduced. This provision of the amendment reduces the cost of deficiency payments projected to be made under the bill by about $1 billion.

The amendment also increases, by two perentage points, the maximum amount of acreage reduction that the Secretary can require under the wheat and feed grains programs. Under S. 1714, as reported, the maximum acreage reduction that could be required by the Secretary is 20 percent under the wheat program and 15 percent under the feed grains programs. The amendment allows the Secretary to require a 22 percent acreage reduction under the wheat program and 17 percent under the feed grains programs. The amendment also requires a 10 percent paid land diversion for the 1986 through 1989 crops of wheat and feed grains. The combination of these two modifications will achieve savings of about $2 billion during fiscal years 1986, 1987, and 1988.

The amendment also establishes new minimum amounts of direct export credits under the intermediate export credit program authorized under S. 1714. The effect of this modification is to redirect funding from direct export credit to export credit guarantees. The modification under the amendment will reduce outlays by some $500 million.

S. 1714 authorized certain amounts of loans and loan guarantees for the Agricultural Credit Insurance Fund. Outlays under ACIF are for real estate and operating loans. Under S. 1714, the Secretary can transfer amounts authorized for loan guarantees to amounts authorized for direct insured loans. The Secretary may not transfer more than 25 percent of the amounts authorized for guarantees. Under the amendment, the Secretary may not transfer more than 20 percent of the amounts authorized for guaranteed loans to amounts authorized for insured loans.

The amendment also provides for additional commodities to be used for targeted export assistance, and specifies that such commodities will be used for an additional purpose: to allow export assistance to be used to offset losses in the volume of agricultural exports due to adverse economic conditions in importing countries. Under S. 1714 as reported, not less than $325 million in each of fiscal years 1986, 1987, and 1988, or an equivalent value of commodities owned by the Commodity Credit Corporation, must be provided for targeted export assistance. The funds or commodities are to be used for export assistance only in connection with agricultural commodities or the products of such commodities for which exports have been adversely affected by price subsidies, credit subsidies, or unfair trading practices used by other nations that compete with the United States in world markets.

Under the amendment, this export assistance is broaded and expanded. The amendment provides that, in addition to the funds or commodities made available under S. 1714, as reported, the Secretary of Agriculture shall use at least:

100 million bushels of wheat;
100 million bushels of corn;
10 million hundredweight of rice; and
75 thousand bales of cotton.

The additional commodities made available are to be used both for the original purposes specified in S. 1714—to counter subsidies and unfair trading practices used by competitor nations—and to regain lost market sales that can be attributed to adverse economic conditions in importing nations.

I consider this provision of the amendment to be a significant improvement to S. 1714, as reported. Many countries buy much less of U.S.-produced agricultural products than were purchased only a few years ago. We must reverse this trend.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. MELCHER. Mr. President, what is the pending business?

The PRESIDING OFFICER. We are in morning business.

Mr. MELCHER. How much time is left in morning business?

The PRESIDING OFFICER. Morning business will expire in 5 minutes, at 10 a.m.

A REMARKABLE FIGHT TO SAVE SHIPPING IN THE GREAT LAKES

Mr. PROXMIRE. Mr. President, last night we made a decision on a measure that very, very seriously affected the State of Wisconsin. It was a matter that, without last night's action, might have closed our ports in Green Bay and the ports in Milwaukee, Superior, and Kenosha would have been in very great jeopardy and we would have lost many, many jobs.

I believe the people of our State do not realize it as yet, but they owe a great debt to Senator ALAN DIXON and Senator RUDY BOSCHWITZ, who carried on a remarkable fight to save shipping in the Great Lakes.

Let me explain that when the Senate decided to require that the portion of the U.S. Government-provided cargo carried by American-flag vessels should be increased from 50 percent to 75 percent, it sharply increased the costs of transporting that cargo. Of course, it also enhanced the incentive for building and improving our American merchant marine, but, as I say, it struck what appeared to be at that time a fatal blow to shipping on the Great Lakes.

Our ports depend very heavily on cargo provided by the Federal Government. Most of the cargo, the overwhelming proportion of it, is cargo that the Federal Government provides and, therefore, the cargo preference decision had a profound effect. The reason for that is because American-flag vessels simply do not come into the Great Lakes. With one except, the only vessels that come into the Great Lakes are foreign vessels.

The Great Lakes is a most efficient, low-cost means of transportation. It also, of course, is immensely important to the States of Illinois, Indiana, Michigan, Minnesota, Ohio, and Wisconsin.

It appeared that we had absolutely no chance of winning on this issue. Senator DIXON stood up time and time again offering amendments, as we recall, that were defeated overwhelmingly. Finally, through the very, very helpful intervention of Senator TED STEVENS, of Alaska, to whom I shall always be greateful for this, and Senator DAN INOUYE of Hawaii, who was another real hero as far as we are concerned, this proposal that the Great Lakes ports to be spared, to some extent, was drafted, was cleared with the merchant marine interests, with the labor unions, with management, and with enough Senators on the floor so that we squeezed through.

What the amendment provided was not any kind of bonanza for the Great Lakes. We had a bad year in 1984, when the Great Lakes got their lowest overall share in many years of U.S. Government cargo. So we took that year, 1984, and we said, "Over the next 4 years the amount the Great Lakes gets will not fall below that level." And the decision, by a reasonably close vote of the Senate, to go along with that compromise is immensely important to my State and to the other Great Lakes States. In the long run, because it keeps this most efficient seacoast and shipping system alive, it will mean lower costs to the American people.

But I wish to pay tribute to ALAN DIXON, RUDY BOSCHWITZ, DANNY INOUYE, and TED STEVENS, who, in my view, did such a great job.

I had given up hope. I thought we were losing, for sure. They really did a great job for the State of Wisconsin

and for the other Great Lakes States. I wish to thank them.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. McCLURE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. DANFORTH). Without objection, it is so ordered.

THE FARM BILL

Mr. HATFIELD. Mr. President, during the past year we have heard a great deal about the plight of the American farmer. The stories of farm foreclosures are all too common and I am afraid they are going to continue into the foreseeable future. The hardship of many farmers was crystallized for me when I read of the reaction of the first grand prize winner in the newly created Oregon lottery.

Most of the Members of this body are aware of my distaste for legalized gambling in any form, and I will not burden you with a recitation of the reasons for my opposition today. Suffice it to say that I voted against the creation of the Oregon lottery when it appeared on the ballot last November. Instead of detailing my beliefs on the merits of the lottery system, let me acquaint you with the first winner of that lottery as a way of illustrating the desperate state many farmers find themselves in today.

Dick Anderson has been a farmer since he was in high school, and now, 25 years later, he raises field crops near Canby, OR. In June, he purchased his lottery ticket at the local 7-Eleven and was later notified that he was 1 of 10 Oregonians selected to spin the jackpot wheel for a chance to win $7.4 million. On July 6, at a television studio in Salem, Anderson came up a winner.

Like many lottery winners in this Nation, Dick Anderson vows that his new found fortune will not change his life. He now reaffirms what he said a week prior to winning the jackpot. When asked what he is going to do with the $298,406.20 he will receive every July for the next 20 years, he replies with a smile, "I'll probably just keep farming 'til its gone." Such is the quandary many American farmers find themselves in: they love working the land but are seeing their labors go unrewarded in the form of financial return on their investment.

Mr. President, as we work on the 1985 farm bill, I urge my colleagues to keep in mind the circumstances thousands of farmers find themselves in today. I hope that we have the wisdom to write legislation which will enable the family farmer, who may not be lucky enought to win the State lottery or the Irish sweepstakes, to continue a way of life which has contributed so much toward making the United States a great nation.

A HORRIFYING STORY OF CHILD ABUSE

Mr. HATFIELD. Mr. President, as elected officials we receive hundreds of letters each day and at times it is easy to become hardened emotionally to the concerns of each communication. Just about that time, however, I find that I receive a letter that so moves me that I am jolted from any emotional callousness which may have developed. Such was the case with a letter I received the other day from a dedicated Oregon schoolteacher. In this letter she unfolded a horrifying story of a first grade student who had been subjected to gross sexual abuse. So severe was the abuse that the girl continues to suffer severe physical and emotional disorders. To compound the tragedy of the story, those responsible for these heinous acts of abuse will not be brought to justice because of the complex legal questions which surround the prosecution of child abusers.

I commend the commitment and dedication of this schoolteacher. Her frustration is certainly shared by all of us involved in attempting to address the disturbing and difficult issue of child abuse. Although laws to protect children from abuse and to facilitate the prosecution of child abusers fall primarily under the jurisdiction of the States. Congress has the responsibility to help facilitate the development of State programs and the dissemination of information related to this critical problem.

Mr. President, I ask unanimous consent that the text of the letter be printed in the RECORD. It provides a powerful reminder to us of the suffering and ill-treatment which thousands of helpless children are subjected to daily. Because the prosecution of the offender did not result in a conviction, I have redacted from the letter references which could indentify the accused offender.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OCTOBER 12, 1985.

Senator MARK O. HATFIELD,
U.S. Senate,
Washington, DC.

DEAR SENATOR HATFIELD: I am a special education teacher with the Portland Public School district, and currently teach a classroom for seriously learning disabled or educable mentally retarded children aged six to eight. As a teacher I am responsible for observing and notifying the authorities should I suspect child abuse. It is this responsibility that has led me to feel extreme concern, frustration, and has led me to write this letter (my first such letter to any Congressional office holder.) I respect your integrity, humanity, and ability to express your concerns and now ask you to consider the following situation.

In September, 1984 a student entered my classroom as a first grader. She had been identified as severely language impaired, was a significant behavior problem within the classroom environment, demonstrated extreme delays in acquisition of basic readiness skills, and was obviously a very upset little girl. For purposes of this letter I will call her Mary, although this is not her true name.

By the end of two weeks in my classroom I began to suspect that Mary was under some emotional stress from the home environment, although at that time I could not identify the source of the problem. She began to tell anyone who would listen that "I love my daddy and he loves me. He kisses me and I kiss him." Those statements taken at face value would be acceptable, but within the context of this child's behavior, and other statements she was making I began to suspect some form of sexual abuse. As the months progressed I continued to be on the alert for signs of abuse, and then in January, 1985, Mary told me that an elderly neighbor man was "doing bad touching on me." She went on to describe events in which this 70 year old man was using Mary for sexual touching when her parents were out of the home. I reported this to the school principal and together we contacted the police. The parents were contacted, denied all knowledge, defended the elderly man's innocence, and later took the same man into their home as a resident. Mary continued to live in the home, and was quite upset when the older man moved in. I have been told that the man since died.

In March, 1985, Mary began to lose control of her bowels, having frequent and embarrassing "accidents" in the classroom. This had not been a problem before March. As she often was sent to school without underclothes this was even more of a problem. When I contacted her parents regarding the need to come and get her so she could go home and clean up her mother became irate and explained that she knew we just didn't want to teach Mary, thus we let these things happen. I hope you can appreciate the difficult position this placed me in. I cared very much for this child. The school district finally decided that, in view of Mary's significant behavior problems, extreme need for one-to-one instruction, and the fact that my classroom contained several other "hard to teach" students, Mary would have her own one-to-one teacher's aide full-time each day. This began in the first week of April.

On the very same day that Mary's new aide started work Mary became frightened while on the bus-ride home after school. Her bus driver noticed her fear and asked if she could help. Mary said she did not want to go home, daddy was angry. It later turned out that daddy was, in fact, very upset when the driver drove up in front of Mary's house, and the driver felt very deep concern about leaving Mary with him that afternoon. The following morning Mary arrived at school quite upset, and when I asked her if I could help she obviously needed to talk, so we went into a private room and Mary unfolded a story of sexual abuse involving her father. She indicated that her mother knew of the father's acts, but couldn't make him stop. Again the police were called, this time resulting in Mary's removal from the home, with placement in foster care.

Mary returned to my classroom about two weeks later and was noticeably calmer, better able to learn, and obviously happier. She did not discuss the problems she had endured at first, but as she became more secure in her new home environment she began to spontaneously come to me with more and more information that indicated the lengths to which her father had gone in sexually abusing his daughter. She had decided, apparently, that I was her confidant and would only tell these things to me, although she did so in front of several other people, including the Children's Services caseworker. Between late April and mid-June Mary revealed that her father had engaged in oral and anal penetration (which explained the onset of loss of bowel control due to anal damage), frequent inappropriate touching, and forcing her to reciprocate. Bear in mind that this girl is seven years old, somewhat limited intellectually, and by this time quite emotionally upset. She described times when she asked daddy to stop, told me she was crying because it hurt, and he told her that he could do it if he wanted to. Mary was unprotected by her mother who knew of the incidents.

After Mary was removed from the home and finished school last year in my class, she was placed in residential center for emotionally disturbed children, where she remains. She continues to be unable to control her bowels due to the damage done by father's penetration. Following further diagnosis and assessment she has been identified as "seriously emotionally disturbed" per PL 94-142.

The Multnomah County District Attorney's office initiated felony proceedings against Mary's father, and I received a subpeona as a witness for the prosecution. By this time I was feeling relief that Mary was receiving help, was no longer with her parents, and that her father would face prosecution for his acts. Now I find that this is not the case. Mary's father will not be held responsible for the destruction of his daughter's physical and mental health under a new Supreme Court ruling requiring the child's testimony. Apparently my testimony and the testimony of others to whom Mary revealed her plight is "hearsay" and thus not of sufficient weight to convict this man. His case was dismissed. He is right—he can do whatever he wants to Mary and no one will be able to stop him. Granted she no longer resides in the home (although there is some uncertainty as to whether removal will be long term—Children's Services Division will be the sole determiner), but she endured indignities even the strongest adult would find impossible to live with, she must continue to live with the embarrassment of losing control of her bowels, and she can never forget the emotional trauma she endured month after month at the hands of her father.

I will admit to some emotional involvement in this case, as I care for each of my students very much, and had to endure a degree of emotional stress as Mary's teacher. I knew what was happening almost from the start, but was powerless to help until she felt comfortable enough to confide in me. When she did tell me of her plight I sought help, first in January to no avail, and then in April was successful in getting Mary into a new living environment. It is difficult to live daily with the knowledge that you are sending a child home to abuse. It is also difficult to sit with a child in such pain and listen to her explain how her father performed his sexual acts and remain calm and comforting, instead of becoming angry. The anger is there, but suppressing it only adds to the stress.

On Thursday when I learned that my testimony would not be needed because Mary was unable, due to her emotional problems, to testify, and that Mary's father had not been held accountable for his actions, I decided to ask you to help. I realize that you are unable to do anything about this particular case, but this should not be allowed to happen again. Isn't there any way the Congress of the United States can help these children? Teachers are required to observe and report suspicions of abuse, and yet little or nothing happens when we do. Mary was removed from her home, but so late in her experiences that she will not easily recover from the trauma. Teachers are with the child six hours or more each day, become their confidant, are often their sole source of help and support during such a crisis in the child's life. I would ask that something be done to allow a teacher's testimony to carry the weight it deserves to help protect the child, and later to make the perpetrators of such acts pay a penalty for their behaviors.

I apologize for the length of this letter as I realize you are extremely busy, however, I feel so many things right now, ranging from compassion and affection for Mary and her plight to frustration and anger that her father will not be held responsible for his acts. He is free to live his life while Mary is in an emotional trap which may never be sprung. As responsible adults it is our duty to assist these children more than we do at this point in time, and it is our further duty to hold those who damage children responsible for the pain and damage they cause.

I ask that you consider some sort of legislation that would elevate the testimony of responsible adults (especially teachers) in a child's life so that the child is not placed in the position of having to face her father in court, telling strangers of her indignities and pain, and without this nothing happens to the abusers of the child. When the Deputy District Attorney told me that the facts in this case made her "sick inside" and when the investigator for the Public Defender's Office told me that he was appalled by this case as both a parent and an investigator I realized that I am not alone in my outrage that Mary's father is freed of responsibility, and now I hope you can help. You are in a position to do more than we are obviously able to do. Please make our frustration yours.

Thank you for your time and consideration of this matter. I feel relieved to be able to share my concerns with someone of dignity and humanity. Whatever you can do will be appreciated.

IMMUNIZE THE CHILDREN

Mr. KENNEDY. Mr. President, as the world's leaders congregated last week in New York to commemorate the 40th anniversary of the United Nations, the Secretary General, Perez de Cuellar, chose the occasion to give a much needed boost to the U.N.'s campaign to get every member state to immunize all its children against some of the world's most deadly diseases by 1990.

I would like to call the attention of my colleagues to a recent Washington Post editorial commending this vital work of the United Nations. While several organizations such as the World Health Organizations, the United Nations Children's Fund, and the Pan American Health Organization have already done excellent work in promoting continuing health care for people most in need of it, much remains to be done in coordinating the vaccines, trained personnel and the local networks of primary health care.

The editorial makes the essential point that the responsibility for caring for the poor, and especially for the children of the poor, also falls on those international financial institutions involved in promoting the belt-tightening measures for many of the debt-ridden countries.

The International Monetary Fund, the World Bank, and other funding sources must do their part to ensure that crucial financial adjustments are not made at the expense of the poor.

As these financial institutions grapple with the massive foreign debt problems of the recipient countries of their aid, I urge them to monitor closely the minimal levels of health and nutrition of the poor. The burden of economic adjustment must not fall on those least able to endure such hardship.

I ask unanimous consent that the text of the editorial may be printed in the RECORD.

[From the Washington Post, Oct. 23, 1985]

IMMUNIZE THE CHILDREN

It's always being said about the United Nations that, however vexing its political forums, the specialized agencies do vital work. It's often true, and some of that work comes into deserved focus Thursday. As part of the world organization's 40th anniversary, the secretary general has arranged to have the General Assembly give a ceremonial boost to the campaign to get every member state to immunize all its children against diphtheria, tuberculosis, poliomyelitis, whooping cough, measles and tetanus by 1990. The six diseases are estimated to take millions of lives a year, and they hover over families in the Third World like a dark cloud.

The startling thing about the immunization campaign, launched in 1974, is how quickly it has become feasible to end a scourge that has marked the whole of man's recorded history. Just in the last few years the requisite medical, informational and organizational resources have become widely enough available to make possible the provision of life-saving services to people and to sectors of society who never previously thought to expect them.

Much needs to be done both to spread an awareness among parents that their children can be saved and to put together the vaccines, trained personnel and the local networks of primary health care. Much is being done, however, by the World Health Organization and the United Nations Children's Fund and such regional bodies as the Pan American Health Organization, by public authorities drawn by the political benefits as well as the social benefits of caring for their people (El Salvador broke off its war for three days earlier this year to

let the children be immunized), and by the providers of the funds. Up front is the immunization of children. Behind is the strategy of using that popular cause as the peg on which to organize comprehensive and continuing health care for people who have not had it.

Inevitably, the poorer and more debt-ridden countries face special difficulties in applying their scarce energies and foreign exchange to a program whose principal benefits flow to people with little political power. The International Monetary Fund, the World Bank and other funding sources must do their part to ensure that crucial financial adjustments are not made at the expense of the poor. Horn-tooting sessions like the one planned tomorrow at the U.N. can help toughen up the politicians who are on the front line.

S. 477—CONSUMER RAIL EQUITY ACT

ORDER FOR STAR PRINT

Mr. ANDREWS. Mr. President, I ask unanimous consent for a star print of S. 477 to reflect certain changes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ANDREWS. Mr. President, a number of the Members of the Senate have been concerned for a long time about the implementation of the Staggers Rail Act by the Interstate Commerce Commission. We have heard innumerable complaints from our constituents that the Commission is not protecting captive shippers against unreasonably high rail rates and is not assuring maximum competition between the railroads.

A year or so ago, I held a hearing in the Transportation Subcommittee of the Senate Appropriations Committee in which it was revealed that the Commissioners had not even met together for 18 months. They did all their voting by memorandum. Perhaps, most compelling of all, the Commission has adopted principles for implementing the Staggers Rail Act under which the Commission has yet to find a major railroad to be financially healthy and under which no captive shipper rate has been ordered to be reduced by the Commission. I certainly agree with my constituents when they complain that the Interstate Commerce Commission has not implemented the Staggers Act in the balanced fashion intended by Congress.

On February 20, 1985, I introduced the Consumer Rail Equity Act, S. 477, on behalf of myself, Senator LONG, Senator STEVENS, Senator FORD, Senator DECONCINI, Senator JOHNSTON, Senator MELCHER, Senator GORE, and Senator BENTSEN. In the months since the introduction of this legislation, we have been joined in our cosponsorship by our colleagues, Senators SIMPSON, BOREN, EXON, and ROCKEFELLER.

On behalf of all the cosponsors of S. 477, I am today introducing text for the bill that will henceforth embody the substance of this proposed legislation. We are making these changes in our bill to simplify and clarify certain provisions of our legislation and to reflect the one positive action taken by the Commission since February 20.

The new text that we are introducing today makes three changes in the introduced version of the Consumer Rail Equity Act. First, we are modifying the revenue adequacy test that would be applied by the ICC to the railroads to assure that the new test will be the test that public service commissions apply to investor-owned utilities. Second, we are changing the market dominance provisions of our introduced legislation to codify the market dominance rule adopted by the Commission on July 31, 1985, pursuant to an agreement between the American Paper Institute and the Association of American Railroads. Third, we are changing the rate reasonableness test we provided in our original legislation to simply reject the rate reasonableness test adopted on September 3, 1985, in the Coal Rate Guidelines and to direct the Commission to start over again in this area.

The concept of revenue adequacy is extremely important in the regulation of captive shipper rates. One goal of the Staggers Act is to assist railroads to achieve revenue adequacy or, to use words more familiar to most of us, to achieve financial health. the Commission has indicated consistently that those railroads that are revenue inadequate will be allowed to charge captive shippers higher rates until revenue adequacy is achieved. The Commission has never, since 1980, determined a major railroad to be revenue adequate.

I find it very difficult to understand how a railroad system like the Norfolk Southern can be financially healthy when it comes to buying Conrail, but financially unhealthy when it comes to a question of captive shipper rates. While Norfolk Southern is a holding company, its 1984 annual report shows that 90 percent of its pretax income comes from its two railroad operating companies, both of which are considered to be revenue inadequate by the ICC.

We believe it is fair to apply to the railroads the same revenue adequacy test that is applied to investor-owned utilities by the public service commissions of America. If the railroads are revenue inadequate under that test, then so be it. However, if they are revenue adequate under that test, then the ICC should assure more moderate rates for the railroad's captive shippers.

The concept of market dominance is also important in the regulation of captive shipper rates. The Staggers Act provides that the Commission has no jurisdiction to decide if a rate is unreasonable unless the shipper first proves that it is a captive shipper. Captive shippers are those shippers that are paying rates over a certain jurisdictional threshold and who are subject to "market dominance." When the Consumer Rail Equity Act was introduced, the ICC test for market dominance was the absence of transportation options, the absence of a product alternative and the absence of any geographic alternatives. Under the ICC rules, the captive shipper was forced to prove all of these elements. Not only did captive shippers believe that proving the absence of product and geographic competition was unfair, the burden of proving these negatives was enormous.

On July 31, 1985, the Commission adopted a new market dominance rule that provides that shippers must provide that they have no transportation alternatives, but the railroads must then prove that product or geographic alternatives are available to the shipper. In addition, for the first time, the ICC stated that it would determine the captivity of the originator of the shipment as well as the captivity of the receiver of the shipment.

The text we submit today will codify this July 31 rule and will clarify that when the originator's captivity is determined, the possibility of product or geographic alternatives will not be considered. As a practical matter, it would be nearly impossible to consider such alternatives anyway. While we would have prefered the consideration of transportation alternatives only, the ICC's July 31 rule is consistent with the resolution that Senator DANFORTH and nine other Members of the Senate cosponsored in June 1984. Therefore, we have decided to modify our legislation to be consistent with this provision of the Danforth resolution and the action of the Commission on July 31.

Finally, once a shipper proves that he is a captive shipper, then the Commission is under an affirmative obligation to determine that the rate being charged the shipper is "reasonable." On September 3, 1985, the ICC adopted a rate reasonableness test in the Coal Rate Guidelines decision. The Commission has indicated strongly that this or a similar rate reasonableness test will be applied to all captive commodities, including grain, fertilizer, sugar, corn syrup and other commodities that are extremely important to American agriculture. The Commission's rate reasonableness test provides that a rate is not unreasonable unless the rate exceeds "stand alone cost"—the cost that would be incurred if a group of shippers built and operated their own railroad today to compete with the railroad in question. The Commission has admitted that no other regulatory body in America uses this test. Moreover, the burden of

proving what this hypothetical railroad would cost is all on the shipper.

Knowledgeable ICC practitioners and other experts have informed us that only the largest shippers moving large quantities of freight annually over very densely populated rail corridors would have any chance of succeeding under the "stand alone cost" test. The cost of putting on a case concerning stand alone cost will be so high that small shippers, in particular, will have no opportunity under this test to show that the rate they are being charged are unreasonable. The amendment we are introducing today directs the Commission to adopt a new rate reasonableness test within a year following the enactment of this act and directs that the test consider the revenue needs of the railroads, the cost of the railroad to provide the haulage in question and other relevant factors, but directs finally that the test adopted by the Commission cannot be "stand alone cost."

Mr. President, our text retains the other provisions of the original Consumer Rail Equity Act, including:

Shifting the burden of proving rate reasonableness from the shipper to the railroads;

Providing that the rail cost adjustment factor must reflect costs and productivity gains, not just price increases, and must operate to reduce tariffs as well as increase tariffs as it does currently;

Amending the National Rail Transportation Policy to promote the competitiveness of domestically produced commodities;

Constraining the Commission's exemption authority in certain circumstances;

Enhancing the availability of railroad to railroad competition for shippers;

Improving the record on which the Commission makes abandonment decisions; and

Streamlining procedures respecting State jurisdiction over intrastate rail transportation.

Mr. President, tomorrow the Senate Commerce Committee will begin its second series of oversight hearings on the Staggers Act since the enactment of this landmark legislation. I encourage the Senate Commerce Committee to move past its oversight hearings into legislative hearings on this legislation, then to markup and floor action this Congress.

The captive shippers of America have waited 5 years for the Commission to adopt a fair and balanced implementation of the act. Yet, the Commission still asks for more time to complete its work. Meanwhile, captive shippers continue to pay unreasonable rates. We enacted the Staggers Rail Act only 4 years after we enacted the Railroad Revitalization and Regulatory Reform Act of 1976. More than enough time has passed for the Commission to implement the Staggers Act in a balanced fashion. The time has come for this Congress to redirect the actions of the Commission in order to provide the protection we intended for our constituents who are captive to railroad monopoly pricing power. I might add, Mr. President, that the number of shippers who find themselves in the captive shipper category is growing as the railroads continue to consolidate, merge, and acquire each other in an effort to increase their efficiency and market power.

Mr. President, I ask unanimous consent that this legislation, a section-by-section analysis, and a list of the supporters of this legislation be printed in the RECORD. I would ask further that this legislation be printed for and made available to our colleagues at the earliest possible time.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CONSUMER RAIL EQUITY ACT—SECTION-BY-SECTION ANALYSIS

INTRODUCTION AND OVERVIEW

The Consumer Rail Equity Act is a mid-course adjustment in the operation and implementation of the Staggers Rail Act of 1980. The purpose of this legislation is to reaffirm the balance that was carefully stuck in the Staggers Rail Act of 1980 between the needs of large and small railroads, shippers, receivers and consumers, while preserving the fundamental structure and permises of the current law. The legislation's goal is to continue and enhance the Staggers Act's emphasis on permitting competitive market forces to govern the terms and conditions of rail freight service wherever possible, while providing a measure of practical protection for those shippers who remain subject to railroad monopoly power—as Congress also intended in enacting the Staggers Act.

The bill does not change the present statutory threshold for Interstate Commerce Commission jurisdiction over maximum rail rates, and thus does not seek to extend regulatory authority to any rates that are not subject to Commission review under present law. This legislation does not extend regulation to rates that are below the Commission's present jurisdictional threshold and continues the deregulation of contract rates that was established by the Staggers Act.

The most significant changes from present Commission practice and law that are proposed in the bill include a more realistic test of railroad revenue adequacy than the test being employed by the Commission, the codification and clarification of the Commission's July 31st market dominance test, a shifting of the burden of proof with respect to rate reasonableness from the captive shipper to the railroad, and directing the Commission to adopt a rate reasonableness test that will assure that those shippers, receivers and consumers who must bear most of the burden of helping the railroads achieve revenue adequacy are treated equitably.

The bill also enhances the availability of competitive rail opportunities for shippers and receivers, and makes several procedural improvements, including improvements in abandonment proceedings and the standard for ICC review of State commission rulings on intrastate rail rates. Finally, the bill assures that the national rail transportation policy which is embodied in the Staggers Act is consistent with other national goals of assuring competitive transportation rates for domestic commodities.

Section 1—Short Title

This section provides that the bill may be cited as "The Consumer Rail Equity Act."

Section 2—Purpose

This section reaffirms the goals of the Railroad Revitalization and Regulatory Reform Act of 1976 (the 4R Act) and the Staggers Rail Act of 1980, and declares the intent of Congress that this bill shall assure that the previous two Acts are administered in a balanced manner that both provides adequate protection for those subject to railroad monopoly pricing power and maximizes the opportunities for intramodal competition.

Section 3—Market Dominance

Under the Staggers Act, the ICC has jurisdiction to determine the reasonableness of only those rates that are charged to "captive shippers". The act defines a "captive shipper" as a shipper that (1) is paying a rate that exceeds the jurisdictional threshold established in the Act and (2) is subject to railroad "market dominance".

On July 31, 1985, the Commission adopted a new "market dominance" test under which the shipper must prove that it has no transportation alternatives, but the railroad could allege and prove that the shipper has a "product" or "geographic" alternative. These "product" alternatives might be the use of fuel oil instead of coal in the case of a utility or one type of grain instead of a second type of grain in the case of a bakery or feed lot. These "geographic" alternatives might be Pennsylvania coal instead of West Virginia coal or eastern coal instead of western coal in the case of a utility, or midwestern grain instead of North Dakota grain in the case of a bakery or feed lot. Shifting the burden of proving the existence of "product" and "geographic" competition is a substantial improvement in the Commission's market dominance test. It should be emphasized that in codifying this improvement, the amendment in the nature of a substitute intends that the railroad bear the burden of proving not just that product or geographic competition exists, but also that such competition effectively constrains the railroad's ability to charge high rates.

Second, the Commission for the first time, on July 31st, stated that it would analyze the captivity at the origin of the shipment as well as the captivity at the destination of the shipment. This is also a substantial improvement over prior Commission action. Previously, a country grain elevator or a coal mine could be completely captive, but be denied access to the Commission because the ICC focused only on captivity at the destination. This bill will clarify the unsettled point in the July 31st ruling concerning whether the ICC would consider "product" and "geographic" competition at the origin. Applying these concepts to an originating coal mine, grain elevator or manufacturing facility would be inappropriate. Therefore, the amendment in the nature of a substitute provides that "product" and "geographic" competition will not be considered in determining captivity at the origin.

Section 4—Rate Reasonableness

A presistent complaint about the present administration and interpretation of the law

has been the Interstate Commerce Commission's standard for determining the reasonableness of a rate that is being charged a captive shipper. The Commission has embraced a philosophy of maximum rate reasonableness based almost entirely on demand for rail freight service, rendering the cost to the railroad of providing the transportation nearly irrelevant as a ratemaking consideration. No other regulated industry enjoys such freedom from cost scrutiny. In almost all other instances in which a company possesses monopoly power—and Congress recognized in the Staggers Act that railroads continue to possess monopoly power with regard to captive shippers—some consideration of cost is included in the disciplining of abuses of that monopoly power.

The Consumer Rail Equity Act, as amended, will not impose utility-type rate of return-based regulation upon market dominant carriers. The conclusive presumption that no market dominance can be found for a rate yielding revenues between 170 and 180 percent of variable cost, which precludes the Commission from even entertaining a complaint about a rate below that level, represents a fundamental policy judgment of the Staggers Rail Act that some shippers and receivers will be required to pay a greater share of the revenues needed to develop and sustain a sound national rail transportation system.

This bill does not revisit that policy decision of the Congress. This legislation does not quarrel with the jurisdictional threshold of the Staggers Act or with the judgement that some shippers and receivers, and by extension some consumers, should pay more than others for rail transportation. Section 4 of the bill does, however, alter the method by which the Commission has been reviewing the reasonableness of rates of carriers possessing monopoly power. The Consumer Rail Equity Act requires the Commission to give careful attention to the railroads' costs and revenue needs.

On September 3, 1985, the ICC adopted the Coal Rate Guidelines which contain the rate reasonableness standards for captive coal. The Commission has indicated strongly in several pending cases that all or part of the coal rate guidelines will apply to other captive commodities, including: aluminum (Anaconda v. Burlington Northern, Docket 37550 and other cases), wheat and barley (McCarty Farms v. Burlington Northern, Docket 37809), phosphates (Mobil Chemical v. Seaboard Coast Line, Docket 37583 and other cases), soda ash (Allied Chemical v. Ann Arbor, Docket 38412S), sugar (Amstar v. Alabama Great Southern, Docket 37478), clay (International Minerals & Chemicals v. Burlington Northern, Docket 38084), pulpwood and wood chips (Consolidated Papers v. Chicago & North Western, Docket 37626), magnesium ingots (Aluminum Co. of America v. Burlington Northern, Docket 37699), and spent nuclear fuel (United States Department of Energy v. Aberdeen & Rockfish, Docket 38376 and other cases).

In the pending ICC proceeding McCarty Farms, Inc. v. Burlington Northern Inc. (Docket Nos. 37809 and 37809 (Sub-No. 1)), the ICC asked for comments on whether it should apply the coal rate guidelines to captive grain. On November 10, 1983, in its answer, Burlington Northern stated:

There is no conceptual or legal justification for regulating market dominant coal traffic differently than other market dominant traffic under the statutory scheme of the Interstate Commerce Act. The Congress has chosen to make no distinction between maximum rate regulation on coal as compared with grain, as it has done, for example with recyclables. Thus, the defendant sees no economic or legal justification for finding these grain rates unreasonable.

The final coal rate guidelines provide three alternative "constraints" for captive coal rates. Under all three, the captive shipper has the burden of proof. (A fourth "constraint," phasing, is so ill defined at present as to be of little practical use.)

First, if the railroad is revenue adequate, the coal transportation rate is constrained in some unspecified fashion. However, in light of the ICC's failure to reform its revenue adequacy test, this type of constraint has little significance. This is particularly true since the ICC has indicated that this constraint—which is not defined—will apply only after the rail carrier has been revenue adequate for several years.

Second, according to the ICC, proof that a carrier's revenue inadequacy is due entirely to management inefficiency will constrain the rate. This imposes an unprecedented burden of proof on the shipper, especially in light of the magnitude of overstatement of revenue need built into the ICC's current revenue adequacy test. Thus, even if the ICC keeps its promise to allow adequate discovery to the shipper, it is still unlikely that shippers will attempt this approach to rate relief.

Third, the new guidelines retain "stand alone cost" as an upper limit on rates. Stand alone cost is the cost to a shipper or group of shippers of building and operating their own railroad at today's prices. In other words, if a shipper thinks the quoted rate is unreasonably high, the ICC requires the shipper to demonstrate the cost to build and operate a substitute transportation facility at current prices. While the Commission appears to have clarified some ambiguities in its initial proposal, many important questions concerning the application and implementation of the stand alone cost constraint are left unanswered.

No matter how these questions are resolved, however, two things are clear. First, only a very few shippers will ever be able to afford to attempt the application of stand alone cost. Second, even for those few who can afford it, only those who are moving tremendous volumes of traffic over densely traveled rail corridors will have any hope of success. In short, the Commission's final coal rate guidelines do not constitute a fair and workable standard of rate reasonableness for captive coal traffic or for any other commodity.

The amendment in the nature of a substitute provides that the Commission, within one year after the enactment of the Act, must adopt a rate reasonableness test that applies to all captive commodities (except recyclables that are subject to a statutory rate test). The new test must consider, among other factors, the railroad's need for revenues, the relationship of the rate to the railroad's cost of providing the service (including, where relevant, the fact that the shipper is helping to relieve the railroad's cost burden by supplying cars, paying for loading facilities or the like), and whether and to what extent the railroad's revenue needs require captive shippers to pay rates that exceed the jurisdictional threshold. The test adopted by the Commission cannot, however, be "stand alone cost" which was adopted in the September 3rd Coal Rate Guidelines. The amendment in the nature of a substitute also requires that the Commission affirmatively inquire into and make affirmative findings respecting the Long-Cannon factors. Thus, the Commission can no longer avoid implementing the factors, either by suggesting that the complainant has to show that the railroad would be revenue adequate but for its inefficiencies before a rate reduction will be ordered, or by ignoring the third factor altogether.

Section 5—Amendments to Rail Transportation Policy

The amendment in the nature of a substitute expands one of the fifteen national goals to be achieved in the implementation of the Staggers Rail Act of 1980, to provide that the Commission must consider the competitive positions of domestically produced coal and other commodities. The amendment in the nature of a substitute also clarifies another of the national goals to ensure that rates must be reasonable even if a railroad is revenue inadequate.

Section 6—Inflation Based Rate Adjustments

The Rail Cost Adjustment Factor that is caused by the Commission today does not reflect cost and productivity gains, but reflects only increases in the prices paid by the railroads for goods and services. The index operates to increase tariff rates when the index increases, but does not operate to decrease tariff rates when the index decreases. The amendment in the nature of a substitute will require the index to reflect cost, increases in actual costs, not just prices, and productivity gains and will adjust tariff rates down when the index declines as well as up when the index increases.

Section 7—Standards and Procedures for Determining Revenue Adequacy

A critical goal of both the Railroad Revitalization and Regulatory Reform Act of 1976 and the Staggers Rail Act of 1980 was the attainment, by our nation's railroads, of "revenue adequacy." Section 10704 thus directs the Interstate Commerce Commission to determine regularly which carriers are receiving adequate revenues, that is, revenues that are sufficient "under honest, economical, and efficient management," to recover operating expenses, including depreciation and the replacement of obsolete assets, together with a "reasonable and economic profit or return (or both) on capital employed in the business."

The administrative standard now used to determine whether a railroad is revenue adequate—the current cost of capital measured against the railroad's investment base—does not realistically measure the true financial condition of a railroad, and tends to materially understate the "adequacy" of the railroad's revenues. The perhaps inevitable result is that the Commission currently finds all major railroads to be revenue inadequate, including some railroads which by other, more realistic measures and by the recent acquisition history of their holding companies appear to be financially secure. This is a matter of substantial concern to captive shippers since a judgment of the Congress in the Staggers Act was that a railroad's captive traffic must make the total contribution to the attainment of revenue adquacy that a railroad's competitive traffic cannot realistically make.

Accordingly, this section of the amended bill seeks to asure that revenue adequacy determinations are based upon realistic

measurements of a railroad's financial health. This very well may be the most important element in the Consumer Rail Equity Act because this analysis will determine the extra burden that must be carried by captive shippers. This is accomplished by requiring the Commission to use the same kind of analysis used by public service commissions in regulating investor-owned utilities.

In making revenue adequacy determinations and applying them in administering the law, the Commission shall identify revenues, expenses and the investment base reasonably related to providing rail service, and place railroads on the same footing as any other industry by valuing assets at original cost reduced by straight line depreciation. In determining the cost of capital, the Commission shall use actual or embedded cost of debt (rather than the present practice of using current cost of debt, which gives a railroad a windfall for all of its debt for which it is paying less than the current rate) and reasonable estimates of the cost of equity, based on the kinds of measurements applied by public service commissions.

The revenue adequacy determination is to be made annually and shall allow for adequate public comment on the nonproprietary information submitted by the railroads.

The first two Long-Cannon factors are to be applied in making revenue adequacy determinations. If a railroad is pricing an excess of its traffic inefficiently, the revenue shortfall attributable to that practice should not be considered in deciding whether the carrier is otherwise revenue adequate.

These broader inquiries do not dictate any particular outcome, but they should assist in producing more complete assessments of revenue adequacy.

Finally, to assist the Commission in its rate reasonableness proceedings, the revenue adequacy determination is to include a specific Commission finding on the extent of revenues required to achieve or maintain revenue adequacy.

Section 8—Exemptive Authority

The Commission is directed in 49 USC § 10505 to pursue exemptions from regulation where the regulation is not necessary to carry out the transportation policy set out in section 10101a, and is either (a) of limited scope or (b) no longer needed to protect shippers from abuse of railroad market power. This section would provide that an exemption "may" be issued if the Commission finds there is no market dominance (within the meaning of section 10709, as amended by Section 3 of the bill) over the transportation involved in the exemption. This section also provides that the Commission should consider whether persons other than shippers (including receivers and consumers) require protection from abuse of railroad market power sufficiently to deny issuance of an exemption.

These changes are intended to prevent the use of the exemption power in circumstances where competitive forces do not exist to discipline railroad monopoly power effectively.

Section 9—Enhancement of Competition

A sound national rail transportation system involves a great amount of interdependence among carriers. The majority of rail freight shipments travel over the lines of at least two carriers, and thus require some interchange of switching arrangement between the participating carriers. The carriers also have a variety of methods of quoting one single rate—called a joint rate, with individual rates for each carrier's share of the movement.

In many major metropolitan areas or terminal areas, two (or more) carriers with long haul lines into the area can serve shippers on each other's lines if they agree to allow one another access to each other's lines in the area of if one carrier otherwise agrees to act as a switching agent for the other carrier. Thus, the carriers can enter into a reciprocal switching agreement, allowing mutual access to each other's shippers, or a terminal facilities agreement, where the carriers are permitted to operate on other carriers' lines to reach shippers located throughout the terminal area.

The widest possible use of these various inter-railroad practices is essential to providing shippers and receivers with competitive alternatives and is essential to the maintenance of efficiency. Current law contains several provisions to assure that rail carriers do not cancel or refuse to enter into these arrangements for anticompetitive reasons. This section of the Consumer Rail Equity Act would strengthen these provisions.

This section would amend 49 USC 10705 to provide that, on request of a connecting railroad or a shipper or receiver, a railroad shall quote a competitive joint rate or proportional rate if interchange of the traffic is practicable. The quoted rate will be deemed conclusively to meet the "competitive" standard if the carrier's revenue to variable cost ratio for the quoted rate is no greater than the ratio for the carrier's existing joint rate or single line rate. Neither the intention nor the effect will be to force any carrier to carry traffic at non-compensatory rates, because section 10705a permits a carrier to unilaterally cancel or surcharge any non-compensatory joint rate. Rather, the intent and effect will be to assure that carriers do not use pricing techniques such as cancelling a joint rate or refusing to quote a joint rate to close off a competitive alternative to the shipper or receiver.

This section would also modify existing law regarding reciprocal switching and use of terminal facilities. The Commission's current discretion to order such arrangements is changed to a mandatory direction that the Commission shall order such arrangements when it finds they would be either practicable and in the public interest, or necessary to provide competitive rail service. The effect on competition should be salutary, giving a shipper or receiver in a major metropolitan or terminal area the option of choosing between two or more carriers providing line haul service.

Section 10—Abandonment Procedure

A railroad line (or other facility) that is proposed to be abandoned is typically a line that is of little interest to the abandoning carrier, perhaps because the line is not profitable. However, the facility to be abandoned is often of great importance to the shippers and communities served by the line. Because the impact on a community and its economy can be devastating, an abandonment decision deserves the most careful consideration.

The changes in this section make no change in substantive law. The railroad must continue to carry the burden of proving that the line to be abandoned in (1) uneconomic and (2) that the abandonment is in the public interest. This section is intended to give the Interstate Commerce Commission the most accurate record on which to base its abandonment decision, consistent with the obvious need to permit railroads to discontinue service expeditiously on truly money-losing facilities that lack commitment from the affected communities.

Three procedural changes are made. First, in order to clarify the abandonment proceedings are not to be instruments in a war of attrition, a railroad must wait one year after denial of an abandonment application before refiling to abandon the same facility, unless it can show that circumstances have materially changed since the unsuccessful application was denied. Second, if the abandonment is contested, the Commission must allow a hearing on the impact of the proposed abandonment on community or rural development (the standard set by current law) in one or more of the communities affected. The Commission may contract with outside parties to preside at the hearing, and the railroad proposing the abandonment must pay the expenses of the hearing. Third, the financial data used in deciding whether to permit the abandonment must be based on the revenues from and cost of operating the facility at issue, rather than system-wide or industry-wide averages.

Section 11—State Authority

This section will streamline procedures respecting State jurisdiction over intrastate rail transportation. The fundamental goal of present law is unchanged: a state commisson exercising regulatory jurisdiction over intrastate rail transportation pursuant to state law must do so consistently with the provisions of federal law governing interstate rail transportation. This section would simplify the achievement of this goal by eliminating the time-consuming process of Interstate Commerce Commission certification that a state's law, rules and practice are consistent with the federal law. Instead, this section eliminates bureaucratic delays and protects the dignity of the state process by relying upon ICC review of state decisions to assure uniformity of implementation. The ICC's review is limited to an appellate function analogous to that of a court reviewing an administrative agency decision under the Administrative Procedure Act, including a provision for remand of any inconsistent decision to the state agency. The ICC is given 120 days to dispose of any appeal from a state agency decision, thus assuring prompt and effective review.

Section 12—Transitional Provisions

This section addresses one transitional issue. Section 229 of the Staggers Rail Act provides that any rate not challenged within 180 days after enactment of the Act, or any rate so challenged and found by the Commission to be either reasonable or not subject to market dominance, would be deemed forever lawful and not subject to challenge. Over 800 so-called "Section 229" challenges were filed, very few if any of them successfully, and some rates were not challenged because they were covered by a contract entered into or in effect during the 180 day period. This section will not affect any railroad contract covering the tariff in question. However, many of these contracts are expiring and, under present law, many of these tariffs would become operative again. Any rate not challenged under section 229 because of a contract can be reviewed under this bill's standards. The contract itself and the rates under the contract are to remain in full force and effect; only the underlying rate which will apply on expiration of the contract is subject to challenge.

SUPPORTERS OF THE CONSUMER RAIL EQUITY ACT

Alabama By-Products Corp.
Alabama Coal Association.
Alabama Electric Cooperative, Inc.
Algona Municipal Utilities.
Allegheny Power System, Inc.
Amax, Inc.
Amca Resources, Inc.
American Bakers Association.
American Electric Power Company.
American Public Power Association.
Arizona Electric Power Cooperative.
Arkansas Electric Cooperative Corporation.
Arkansas River Power Authority.
Association of Illinois Electric Cooperatives.
Association of Louisiana Electric Co-ops.
Atlantic City Electric Company.
Arizona Agricultural Chemicals Association.
Baltimore Gas & Electric.
Blue Diamond Coal Company.
Carbon Coal Company.
Carolina Power and Light Company.
Cedar Falls Utilities.
Central Illinois Light Company.
Central Louisiana Electric Company, Inc.
Central Power and Light Company.
City of Austin Electric Utility.
City of Lakeland, Florida.
City Public Service Board of San Antonio.
Cleveland Electric Illuminating Company.
Coal Exporters Association of the United States, Inc.
Colorado Rural Electric Association.
Consolidation Coal Company.
Consumer Energy Council of America.
Consumer Federation of America.
Cooperative Power Association.
Cyprus Coal Company.
Dairyland Power Cooperative.
Dayton Power and Light Company.
Delta Coals, Inc.
Department of Utilities, City of Colorado Springs.
Dixie Fuel Company.
Drummond Coal Company, Inc.
East Kentucky Power Cooperatives, Inc.
Eastern Coal Transportation Conference.
Edison Electric Institute.
Electric Fuels Corporation.
Electric Power Associations of Mississippi, Inc.
Elk River Resources, Inc.
Florida Phosphate Council.
Grand River Dam Authority.
Gulf Ports Association.
Heartland Consumers Power District.
Houston Lighting & Power Company.
Houston Port Bureau, Inc.
Illinois Farmers Union.
Illinois Power Company.
Indian Electric Cooperative, Inc.
Indiana Municipal Electric Association.
Indiana Statewide Association of Rural Electric Cooperatives, Inc.
Indianapolis Power & Light Company.
International Minerals & Chemical Corporation.
Iowa Public Service Company.
Iowa-Illinois Gas and Electric Company.
Jim Walter Corporation.
Kansas City Power and Light Company.
Kansas Electric Cooperative, Inc.
Kansas Gas and Electric Company.
Los Angeles Department of Water & Power.
Louisiana Department of Natural Resources.
Louisiana Municipal Association.
Louisiana Police Jury Association.
Lower Colorado River Authority.
Madison Gas and Electric Company.
Metropolitan Edison Company.
Mining and Reclamation Council of America.
Minnesota Power and Light Company.
Missouri Public Service Company.
Municipal Electric Systems of Oklahoma.
National Association of Regulatory Utility Commissioners.
National Association of State Utility Consumer Advocates.
National Coal Association.
National Consumers League.
National Council of Farmer Cooperatives.
National Farmers Organization.
National Farmers Union.
National Grange.
National League of Cities.
National Rural Electric Cooperative Association.
NERCO Coal Company.
Nevada Attorney General Consumer Advocate.
North Dakota Public Service Commission.
North Dakota Rural Electric Cooperative.
North Dakota Wheat Commission.
Ohio Consumers Association.
Ohio Edison Company.
Ohio Rural Electric Cooperative, Inc.
Oklahoma Gas and Electric Company.
Omaha Public Power District.
Orlando Public Utilities Commission.
Otter Tail Power Company.
Peabody Holding Company.
Pennsylvania Power and Light Company.
Pennsylvania Rural Electric Association.
Petit Jean Electric Cooperative Corporation.
Platte River Power Authority.
Portland General Electric Company.
Potomac Electric Power Company.
Public Service Company of Oklahoma.
Public Service Electric & Gas Company.
Randall Fuel Company, Inc.
Riley Whittle Inc.
Rocky Mountain Farmers Union.
Royal Fuel Company.
Salt River Project.
Savannah Electric & Power Company.
Shannopin Mining Company.
South Carolina Electric & Gas Company.
South Carolina Public Service Authority.
South Mississippi Electric and Power Association.
Southern California Edison Company.
Southern Company.
Southern Indiana Gas & Electric Company.
Sunkist Growers, Inc.
Surface Mining Research Library.
Tampa Electric Company.
Tennessee Valley Public Power Association.
The Rail Action Corporation (TRAC).
Transco Coal Company.
Union Electric Company.
United Auto Workers.
United Small Coal Operators, Inc.
United Steelworkers of America.
Universal Forest Products, Inc.
U.S. Conference of Mayors.
Utilities Department, City of Lafayette, Louisiana.
Virginia Electric and Power Company.
Western Farmers Electric Cooperative.
Western Coal Traffic League.
West Virginia Surface Mining & Reclamation Association.
Wisconsin Electric Power Company.
Wisconsin Power & Light Company.
Wisconsin Public Service Corporation.
Women Involved in Farm Economics.
Youth for Energy Independence.

Mr. ROCKEFELLER. Mr. President, I am pleased to join my colleagues in sponsoring the Consumer Rail Equity Act, S. 477. This legislation will assure that the Interstate Commerce Commission provides the protection to captive shippers that was intended in the Staggers Rail Act.

The Staggers Rail Act was enacted during my service as Governor of West Virginia. My State's leading natural resource, as you know, is coal. Strong, financially healthy railroads are vital to my State's economic health. But at the same time, reasonable railroad coal haulage rates are critical to the ability of the coal producers in my State to market coal to domestic electric utility and industrial plants as well as in foreign markets. Due to West Virginia's mountainous terrain and relatively few rivers, many of our State's coal producers find themselves captive to a single railroad for their coal transportation. In such situations, the railroad has the power to squeeze the last nickel out of the coal producer's profits through unreasonably high rail rates and can actually prevent the coal from reaching certain of its natural markets if the rates become too high.

For these reasons, the Staggers Act was a compromise that attempted to balance the railroads' need for additional revenues and freedom from unnecessary regulation with the need to assure that rates to captive shippers are reasonable. Throughout my service as Governor and since my service in the Senate began earlier this year, I have received numerous complaints that the Interstate Commerce Commission is ignoring its responsibility to assure that captive shipper rates are reasonable and focusing totally on increasing the revenues of the railroads. In 1983, I led a successful effort to obtain a resolution by the National Governors Association that strongly encouraged the ICC to protect captive shippers and called on Congress to act if the Commission failed to act. The National Governors Association has continued to stand by that resolution.

Mr. President, the Commission has not yet acted to protect captive shippers. Despite an intense national debate and self-initiated proceeding to review its implementation of the Staggers Act, the Commission continues to focus on a perceived need for even more railroad revenues. I say perceived because the ICC presently considers all of the Nation's major railroad to be revenue inadequate or financially unhealthy. At the same time, Mr. President, the Commission has yet to find any captive shipper rate to be unreasonably high when it applies the principles it has adopted under the Staggers Act. In fact, my smaller coal producers complain to me that the standards and procedures

that the ICC has adopted are so complex and burdensome and the chance of obtaining relief is so slim that the Staggers Act captive shippers protections are unavailable to them.

Mr. President, I do not believe that all major railroads in this Nation are financially unhealthy. The Conrail debate has made that point clear to me. Nor do I believe that every rate the railroads have charged captive shippers since 1980 has been reasonable. The conclusion I reach is that something is wrong in the way the ICC is exercising its authority under the act.

Tomorrow, the Senate Commerce Committee will begin 2 days of oversight hearings on the implementation of the Staggers Act. These will be the second such oversight hearings the committee has conducted since 1980. Mr. President, I encourage the chairman of our Commerce Committee and the chairman of our Surface Transportation Subcommittee to schedule legislative hearings on the Consumer Rail Equity Act in the very near future and then to provide an opportunity for the committee to markup this legislation which is of great importance to my constitutents. I invite each of our colleagues to join us in cosponsoring the Consumer Rail Equity Act.

Mr. President, the time has come for us to act. We have each spent a good deal of time this year considering whether and to whom Conrail should be sold. Both the administration and the Senate Commerce Committee have recommended Conrail's sale to another major railroad system. At the same time that we are considering this major issue of railroad ownership, we owe it to the captive shippers of our Nation that we deal with their problems under the Staggers Act.

Mr. JOHNSTON. Mr. President, I am pleased to be a cosponsor of the Consumer Rail Equity Act, which will assure that captive shippers are protected from railroad monopoly pricing power and will assure that railroads cannot avoid competition between themselves.

Mr. President, I have been concerned for a number of years about the unreasonable rates that were being charged captive shippers by our Nation's railroads. My constituents in Louisiana suffered under these rates as our electric utilities shifted from gas-fired electric generation to coal-fired electric generation as was required by Federal policy. As our electric utilities shifted from gas to coal, they found themselves captive to railroads for coal haulage and the railroads took full advantage of their situation. In the last Congress, I led an effort to provide competition to the railroads by granting Federal eminent domain authority for the construction of coal slurry pipelines. The Senate Energy and Natural Resources Committee reported that legislation, but before the Senate could act, the companion legislation was defeated on the floor of the House. The railroads led the lobbying effort against coal slurry pipeline legislation and cited a number of reasons for rejecting the legislation. The basic reason, however, was that the railroads did not want competition.

Mr. President, if the railroads are not going to have competition from new modes of transportation for the haulage of coal, then we must assure that the ICC protects captive shippers from unreasonable railroad rates and ensures competition between railroads. We intended for the Commission to do this when we enacted the Staggers Rail Act of 1980. Unfortunately, this Commission has implemented the Staggers Act in such a fashion that no captive shipper rate has been found by this Commission to be unreasonable. Mr. President, such a result defies logic and is unacceptable.

Earlier this year, the Department of Energy appeared before the Senate Energy and Natural Resources Committee to testify concerning the impact of rail rates on coal production and utilization. During that hearing, an assistant secretary of the Department testified that the Department had found no evidence of unreasonable rates in an interim staff working draft of a study that was then released by the Department. This preposterous finding does not square with the reports I have received from constituents over the past few years and did not square with the content of the body of the Department's report. Moreover, evidence was submitted to us by the Edison Electric Institute that indicates that the Department's staff did not attempt to determine how the costs incurred by the railroads in the coal haulages that were studied compared with the prices the railroads were charging for their services. The EEI study of 19 captive utilities indicated that the pretax returns on investment of the 19 tariffs in question range from a low of 51 percent to a high of 157 percent. Every one of the dollars paid to these railroads came directly from the electric ratepayers of these 19 utilities. Unlike the Department's staff, many of us would conclude that such rates of return on rail rates charged to shippers without market power to protect themselves are certainly unreasonable and should not be tolerated. Yet none of these 19 utilities have been able to obtain rail rate relief from the ICC.

Mr. President, I think the time has certainly come to assure that the ICC is implementing the Staggers Rail Act in a balanced and fair manner. The railroads must not be allowed to obtain both freedom from regulations and freedom from competition. We have allowed the railroads to escape competition from new modes of transportation. We must not now allow the railroads to escape the protections for captive shippers that we included in the Staggers Act of 1980.

Mr. GORE. Mr. President, I welcome the opportunity to join in sponsoring S. 477, the Consumer Rail Equity Act.

The Staggers Rail Act of 1980 has worked well in many respects. The Interstate Commerce Commission has not, however, fulfilled all of the goals of the act as Congress intended.

Protection for captive shippers is one goal that the ICC has largely ignored. Another is the preservation of competition between railroads, which is fostered by arrangements like joint rates and reciprocal switching agreements. With the growing consolidation of America's railroads, it seems to be increasingly difficult for railroads to obtain competitive access agreements to compete with other railroads.

Of particular concern in Tennessee is the problem of abandonments. I recognize that some lines may be legitimate candidates for abandonment because of changed business conditions. However, some lines which railroads seek to abandon may be of great importance to the shippers and communities which they serve. Because the impact on a community and its economy can be devastating, some abandonment decisions deserve the most careful consideration. Unfortunately, this has not been the case under the ICC's implementation of the Staggers Act.

The proposed Consumer Rail Equity Act addresses the abandonment problem in the responsible way it deals with other issues. It makes no change in substantive law, but three important procedural changes are made.

First, in order to clarify that abandonment proceedings are not to be instruments in a war of attrition, a railroad must wait 1 year after denial of an abandonment application before refiling to abandon the same facility, unless the railroad can show that circumstances have materially changed since the unsuccessful application was denied.

Second, if the abandonment is contested, the Commission must allow a hearing on the impact of the proposed abandonment on community or rural development—the standard set by current law—in one or more of the communities affected.

Third, the financial data used in deciding whether to permit the abandonment must be based on the revenues from and cost of operating the facility at issue, rather than systemwide or industrywide averages.

The railroad, as under existing law, continues to carry the burden of proving that the line to be abandoned is one, uneconomic, and two, that the abandonment is in the public interest.

These simple procedural changes will not interfere with the abandonment of facilities that are genuinely uneconomic and lack real support from the affected communities. With respect to abandonment of lines where the economics are not clearcut and the community interest is great, then our proposed changes go far toward assuring that a fair evaluation of the proposed abandonment takes place.

Mr. President, as a member of the Commerce Committee I intend to work hard for action on the Consumer Rail Equity Act in this Congress. The problems at the ICC which are addressed by this proposed legislation will not go away. Congress must act both to fulfill the original intent of the Staggers Act and restore the integrity of proceedings at the ICC.

Mr. STEVENS. Mr. President, I am pleased to be an original cosponsor of the Consumer Rail Equity Act and support the amended version we are introducing today. These changes will apply to railroads the same test of financial health that is applied to utilities by public service commissions; codify the market dominance test adopted by the Commission on July 31, 1985; reject the stand alone cost test adopted by the Commission as a rate standard; and direct the Commission to adopt a more realistic rate reasonableness test.

The debate in Congress over the Conrail sale has focused the attention of many of us on a variety of railroad issues, including the standards the ICC applies for determining railroad financial health, the protection afforded captive shippers by the ICC, the ability of the railroads to avoid competition by canceling or refusing to engage in switching agreements, joint rate agreements, and other agreements relating to the use of railroad facilities, and finally, the problem of railroad abandonments.

Over the past couple of years, it has become apparent to me that the Staggers Rail Act is working well to assure financial health of the railroads, but is not adequately protecting captive shippers from unreasonable railroad rates or ensuring the maximum level of competition between the railroads. In the 5 years since the enactment of the Staggers Rail Act, the Commission has been unable to produce the fair and balanced relationship between railroads and shippers that Congress intended when it passed the Staggers Rail Act in 1980.

A strong and effective act that provides protection to captive shippers and assures maximum competition between the railroads becomes increasingly important as our Nation's railroads continue to merge and consolidate. As the Congress considers one major proposed railroad consolidation and the ICC considers a second, the time is most appropriate for Congress to act to protect captive shippers from railroad monopoly princing power.

Mr. President, I invite and encourage each of my colleagues to join us in cosponsoring the Consumer Rail Equity Act, as amended. I look forward to Commerce Committee action on this legislation in the near future.

Mr. CRANSTON. Mr. President, I want to call my colleagues' attention to an extraordinary event that is being organized by an extraordinary American. The event is called "Hands Across America," and it is designed to raise $100 million to help feed hungry Americans. The organizer is Ken Kragen, the man who brought together musicians and vocalists from across our land to record the "We Are the World" record album for the benefit of African famine victims.

Ken Kragen's new goal is for thousands of Americans to join hands on May 25, 1986, in a 3,000-mile chain across the length of our continent. The idea is for people to join hands in singing "America the Beautiful" and "We Are the World" in a commitment to fight hunger in America. The donations for joining the human chain will be given to food distribution organizations across our country.

If Ken Kragen's recent fundraising record is any guide for the future, "Hands Across America" should be a colossal success. His genius for motivating people has helped to raise the consciousness of the entertainment industry and millions of other Americans to the suffering in Africa. The record album, "We Are the World," has sold over 5 million copies and raised over $50 million to prevent starvation in Africa. Ken's continued work as president of U.S.A. for Africa has him very involved in making sure that the African relief contributions get to people most in need of help.

Ken Kragan is no stranger to the antihunger movement. He has been on the board of World Hunger Year since 1981, when the organization's founder, singer-songwriter Harry Chapin, died tragically in a car accident. Since then, Ken Kragen and World Hunger Year have continued Harry's work to educate Americans about how each of us can help in the campaign against hunger.

I met Ken over 10 years ago, when, as Harry Chapin's agent, he helped to organize Harry's antihunger benefit concerts across America. Besides being one of America's most talented musicians, Harry Chapin was a moral crusader, who traveled from city to city, holding over 100 benefit concerts a year. I'm very proud that my friend from California has continued Harry's cause to end hunger here and abroad.

We need Ken Kragen's energy, his dynamism, and his idealism now more than ever. After years of work by the Congress and the American people to chase hunger from America's doorstep, we have witnessed a steady rise over the last 5 years in the number of malnourished Americans. Some 400 food banks have opened across our country in the last 4 years to handle the needs of 20 million hungry Americans—roughly 14 million of whom are children.

There is no better time for all of us to hold hands across America in the campaign to end hunger. Along with Ken Kragen, many other musicians, actors, and athletes—including Kenny Rogers, Pete Rose, and Bill Cosby—have been working to make "Hands Across America" a success. I hope all of us can join hands with them on May 25, 1986.

VISIT TO THE SENATE BY MEMBERS OF THE PARLIAMENT OF CANADA

Mr. McCLURE. Mr. President, we have the honor of being visited by some distinguished members of the Parliament of Canada, who are visiting today.

I want to take this opportunity to not only invite them to the Chamber, but to present them to the Senators present. And I invite Senators to meet our guests.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. PRYOR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. COCHRAN). Without objection, it is so ordered.

OPERATIONS OF THE SENATE

Mr. PRYOR. Mr. President, for the information of our colleagues and also their wives, families, friends, and relatives and the country at large, I would like to give a very brief summary of how the Senate of the United States, the world's greatest deliverative body, has used its time in 1985.

Mr. President, we have had as of the close of business October 25, 1985—that was last Friday—258 rollcall votes. We have had 6 votes on Monday, 31 votes on Friday, 26 votes before 12 noon, 74 votes after 6 p.m., 4 votes on Saturday, and 2 votes on Sunday.

Mr. President, the total time consumed in rollcall votes has been, as of the close of business last Friday, 100 hours. The amount of time on rollcall votes in excess of the regular order, or 15 minutes per rollcall vote, has amounted to 36 hours and 25 minutes in 1985; 13 votes have been excess of 30 minutes. The longest rollcall vote of 1985 has been 61 minutes. Mr. President, the average time for each rollcall vote, notwithstanding a 15-minute

rule, has been 23.6 minutes. Mr. President, I hope you will file this next one. The amount of time that we have spent in the U.S. Senate in quorum calls in 1985 has been 247 hours and 48 minutes.

Mr. President, over the course of the last few weeks, I have detected a growing sense of frustration on the part of many Members of this great body. This frustration is seemingly the result of our continued inability to deal, in any form of expeditious manner, with pressing issues and get on with the Nation's

I would like to take just a few minutes today, Mr. President, to review where we stand thus far in 1985, and raise certain procedural changes that we should consider in an effort to streamline the operations of the Senate.

At the outset, I want to strongly emphasize that my remarks are not a criticism of any Senator or the activities of the leadership on either side of the aisle. In fact, I feel reasonably sure that the leadership on both sides of the aisle would probably express some of the same frustrations.

My remarks are designed for a very simple purpose—to show all of my colleagues how we spend our time on the Senate floor and to urge all Senators to consider proposals which will allow us to do our work in a more efficient manner.

I realize, Mr. President, that part of the problem is not necessarily due to deficiencies in the Senate rules. The Standing Rules of the Senate are designed to govern floor procedure and debate, and the overriding concern is the right of unlimited debate by an individual Senator.

Part of the problem, quite frankly, is due to the attempt of the leadership, on both sides of the aisle, to accommodate the schedules of individual Senators and to recognize that right of free debate on the Senate floor. I suppose at one time or another each Member of the Senate has asked to have his or her situation taken into account when votes are scheduled. This Senator has been accommodated in this regard. I suppose some of this is necessary. But, Mr. President, when the efforts to accommodate Members reaches the point where the legislative train runs off the track and we cannot do our work, I believe it is time to look at the way we do business and see what changes can be made.

Within the last few days, Mr. President, I looked at the rollcall votes thus far in the 99th Congress, and I also looked at several other procedural matters. The statistics are interesting.

Once again, as of the close of business last Friday, October 25, 1985, 258 rollcall votes had been conducted; 6 votes occurred on Monday; 31 votes occurred on Friday; 26 votes occurred before the hour of 12 noon; and 74 votes occurred after 6 p.m. This means that fully 30 percent of the votes in the Senate were in the evening.

The total time consumed on rollcall votes so far this year is exactly 100 hours through October 25. Most distressing is the fact that of this 100 hours, 36 hours and 25 minutes is attributable to votes lasting longer than the mandated 15 minutes. Therefore, 36 percent of the time we spend voting is due to waiting on Members to come to the floor and cast their vote. The average length of rollcall votes this year is 23.6 minutes. And, we have had 13 votes that lasted in excess of 30 minutes—one vote went 61 minutes.

At this point, Mr. President, I might add that last week the distinguished majority leader, Mr. DOLE, did start holding votes to 15 minutes only, and I believe this is a good step toward the more efficient working of the Senate.

Finally, Mr. President, in 1985 we have spent 247 hours on quorum calls. If we assume, for purposes of this discussion, that we work 8 hours per day, then we have spent almost 31 days in quorum calls. Since the Senate has been in session 136 days, through last Friday, about 23 percent of our time has been in quorum calls. When the time spent on rollcall votes is added in, this amounts to almost 32 percent of the time we have been in session. Put another way, Mr. President—and still using 8-hour days—we have had 6 weeks worth of quorum calls this year, and 2½ weeks of rollcall votes.

These figures are astonishing. It seems to me that we should consider changes in the conducting of Senate business and attempt to be more efficient.

For example, let me pose these questions:

First. Should there be any limitation on the length of quorum calls before the Senate either recesses, or some legitimate business is transacted? The so-called Pearson-Ribicoff report (Senate Print 98-242) proposed that the Presiding Officer should ensure that a quorum is present to conduct the business of the Senate, and that if a quorum could not be obtained within 30 minutes then the Senate should adjourn or recess.

Second. Should we consider having a live quorum at the start of each day? I have noticed that once most Senators are on the floor, things start happening. Amendments are offered, and we get time agreements on most issues.

Third. Should motions to proceed to a bill or resolution be limited to a short period of debate? I am aware of the work of the Senator from Indiana, Mr. QUAYLE, and others in this area, and I believe it is something we should address.

Fourth. Should we provide for rules dealing with germaneness of amendments? The distinguished Democratic leader, Mr. BYRD, proposed this in the 98th Congress in Senate Resolution 63. That resolution, which, to the best of my knowledge, was never formally considered by the Senate, provided for a motion to be in order, two times each day, to require amendments to pending bills to be germane. I applaud the distinguished Democratic leader for that resolution, and I hope we can resurrect that resolution and look at it again. The motion would have been limited to 2 hours of debate equally divided, and if three-fifths of the Senate agreed, then a strict germaneness rule would apply. Further, any appeals from the ruling of the Chair on the question of germaneness would have required a two-thirds vote to overturn the Chair's ruling. I believe this resolution, and similar proposals, should be seriously considered.

Mr. President, these are just a few of the issues I hope Members will begin discussing. I think if we seriously consider some of these proposed reforms, we can make the workings of the Senate more efficient without jeopardizing in any way the rights of individual Senators to use the rules as they see fit. This is a cherished right in this body, and it should be. But I believe there are certain procedural reforms that can be made without sacrificing this in any significant manner.

Finally, Mr. President, for the benefit of all Members, I ask unanimous consent that an excerpt from the so-called Pearson-Ribicoff report be printed at this point in the RECORD, together with a summary of the figures to which I have referred.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[Committee Print]

(S. RPT. 98-242)

REPORT OF THE STUDY GROUP ON SENATE PRACTICES AND PROCEDURES, TO THE COMMITTEE ON RULES AND ADMINISTRATION, UNITED STATES SENATE

INTRODUCTION

This report to the Committee on Rules and Administration by the Senate Study Group is made in pursuance of S. Res. 392, submitted by Senator Mathias and agreed to by the Senate on May 11, 1982. The resolution, in part, reads as follows:

Resolved, That the President of the Senate shall appoint a Study Group on Senate Practices and Procedures (hereinafter referred to as the "Study Group") which shall consist of two former United States Senators, one of whom shall be appointed upon the recommendation of the Majority Leader of the Senate and one of whom shall be appointed upon the recommendation of the Minority Leader of the Senate.

SEC. 2. It shall be the duty and function of the Study Group to make a full and complete study of the practices and procedures of the United States Senate with a view to recommending to the Senate such revisions thereof as may be necessary or appropriate to preserve and enhance the traditions, customs, functions, forms, and spirit of the United States Senate while enabling the

Senate to conduct debate which is focused on major issues of national policy.

* * * * * *

SEC. 5. The Study Group shall conclude its study and submit a report thereon to the Committee on Rules and Administration not later than June 1, 1983, which report shall set forth the results of such study together with the Study Group's findings and recommendations resulting from such study.

After adoption of the resolution, the President of the Senate, on the recommendations of the Majority and Minority Leaders, appointed former Senators James B. Pearson and Abraham Ribicoff as members of the Study Group. The Parliamentarian Emeritus, Dr. Floyd M. Riddick, and staff of the Rules and Administration Committee, were designated to assist the Senate Study Group in their deliberations and report.

After lengthy consideration by the Study Group, the following subjects were agreed upon to be discussed and further explored; after several meetings, the Study Group agreed that specific recommendations would center around the following outline:

SENATE STUDY GROUP—AN OUTLINE OF RECOMMENDATIONS

I. SENATE LEADERSHIP ISSUES

A. Through agreement by both bodies to a concurrent resolution, establish an annual agenda of major legislative issues, in coordination with the House leadership, for each Congressional session. Require a premium vote (an absolute three-fifths majority) to change the agenda. Televise Senate debate on these major issues.

B. Provide for a permanent Presiding Officer of the Senate who shall establish the presence of a quorum for purposes of legislative and executive business of the Senate. Require the Presiding Officer to enforce strictly rules regarding quorums and votes, and, with full support of the party caucuses, impose restraints on the exercise of each individual Senator's rights regarding:

1. Record votes;
2. Quorum calls; and, in addition,
3. Abolish the practice of individual holds on the consideration of matters before the Senate.

C. Maintain a week in advance schedule for those weeks the Senate is in session. Allow these weekly schedules to be modified on motion by the leadership. Require premium votes to change the weekly schedule.

D. Do not bring up new Senate bills on the same subject more than once during the same session (or, require a premium vote decided without debate to do such).

Add to Rule V of the Standing Rules the following provision:

"When a bill or amendment has been passed, or has been rejected, no bill or amendment of the same substance shall be considered during that same session on objection by any member unless proposed by the Majority and Minority Leaders or on motion without debate by a two-thirds majority vote."

E. Use recess periods during a daily session for the purpose of caucusing by the Majority and Minority Leaders in resolving differences during debate on legislative and executive matters.

F. Reestablish the old procedure for the disposition of measures on the call of the calendar. This would require no change to the Rules.

G. Restore the old practice of the Leaders' requesting unanimous consent for the absence of any Senators on official business or for other reasons. (All other Senators would be deemed in or around the Capitol and such presence could be established as a measure of diligence.)

H. Adopt new procedures for each daily session of the Senate. These new practices would restore previous Senate traditions and would include:

1. The Senate shall fix a time certain for its legislative and executive sessions. Each session shall be for one calendar day, during which time the Senate may recess for brief periods at the request of the Majority and Minority Leaders. At the beginning of each session, the Presiding Officer shall determine the presence of a quorum. If no quorum is present within thirty minutes of the time fixed for the session, the Presiding Officer shall adjourn the Senate to the next day's session, as set by previous order or Rule. (Differing quorums may be established for different types of sessions, but final action on any proposed legislation or executive business must be taken by quorums of full membership. The Presiding Officer shall strictly enforce rules regarding the presence of a quorum.)

2. Once the Presiding Officer has established the presence of a quorum, the session shall begin with the deliverance by the Chaplain of the customary prayer.

3. After recognition of the Majority and Minority Leaders, the Senate shall immediately proceed to the day's business, the call of the consent calendar, or other matters so established by motion, without debate, of the Majority and Minority Leaders.

4. Speeches or remarks not related to the day's session shall be delivered only at the end of that day's business, if time remains for such extraneous matters.

5. No speech shall be read in its entirety; rather, Senators shall speak extemporaneously using notes to refresh their memories, except for those matters of a complex or technical nature, or matters containing executive or judicial policy statements or proclamations, which may be read in their entirety.

H. FLOOR PROCEDURE AND PRACTICE

A. Debate:

1. Require debate to be relevant at all times during the discussion of legislation and executive business. The Pastore rule, requiring debate to be germane, has been ignored.

2. Amount of debate.

(a) too much on all of the following:

Motion to proceed to consideration (limit motions on legislative matters to one hour of debate.)

Consideration of measure itself (leave as is.)

After cloture is involved (tighten the existing time limits in Rule XXII.)

(b) not enough on amendments when time limits have expired as in the case of reconciliation measures (amendments called up and no time for debate), as well as when operating under unanimous consent agreements for time limits and amendments can be called up with no time for debate. Abolish the reconciliation process, and require that amendment not be acted on unless time is provided for debate.

B. Amending process:

1. Require germaneness of amendments after a certain amount of debate by a premium vote. (The goal should be a germaneness requirement for not less than the last half of time for debate.)

2. Require a statement of purpose on the face of the amendment as to:

(a) statute being amended

(b) agency or program affected

(c) subject matter of amendment

Do this by standing order.

3. Require that amendments, except for one-paragraph minor amendments no longer than ten lines, be printed a day in advance (or permit by a premium vote.)

4. Require that modifications of amendments be made available to all Senators prior to the start of a vote.

5. Do not consider any contested amendments on controversial subjects more than once during a session (or, require a premium vote decided without debate to do such).

C. Amend Rule XVI to correct abuses in the use of germaneness when a point of order is raised against an amendment as being legislation on a general appropriations bill.

D. After passage of a measure, require within five days a committee chairman's résumé of differences between the committee reported bill and the bill as passed by the Senate.

III. SENATE COMMITTEES

A. Their actions should be in accordance with the Senate agenda and their committee jurisdictions (which does not prohibit hearings on any matters within committee jurisdictions).

B. Use subcommittees only for investigations and hearings; do not establish standing subcommittees or any separate staff groups for legislative purposes.

C. Make Congressional budgeting a simplified two-year process.

D. Consolidate standing, select, and special committees of the Senate. Further limit the number of committee assignments for each Senator.

E. Amend the Senate Standing Rules with the following provision:

Any bill or resolution proposing Senate procedures different from the existing or established procedures, after having been reported by any other Senate committee, shall not be eligible for Senate consideration until that measure has been referred to the Committee on Rules and Administration for a period not in excess of sixty days for its review and report to the Senate with possible proposed amendments in such a measure dealing with Senate procedure.

The recommendations are concerned with the following specific subjects, each of which will be discussed separately in detail:

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1. Establish an agenda for the Senate

The Study Group recommends that the Congress establish an agenda at the early part of each session and that such agenda be announced publicly so that the people of the United States may know what the Congress plans to consider during the current session. This agenda should be followed as closely as possible but could be changed by a premium vote, say, for example, a two-thirds vote.

The agenda should be prepared and proposed by the Leaders of both Houses, after consultation with the President of the United States and officials of his Administration, at the very beginning of each session for adoption by each House, if such cooperation between the two Houses can be obtained.

If it is not possible for both Houses to accomplish this end, then it is proposed that the Senate undertake such a procedure alone by adopting a simple resolution at the beginning of each new session. This would give a guideline to the House and inform the President as to what the Senate expects to do during that year, even without a combined agreement in the form of a concurrent resolution.

Such a resolution on the part of the Senate, presented and adopted in the form of a simple Senate resolution, would not give bill numbers but would merely specify the subjects with which the Senate would be concerned. The bills would be introduced at subsequent dates by Senators, as under regular procedure.

This specification of proposed legislation to be considered by the Senate during a session would in no way restrain or restrict Senate committees in holding hearings on any subject they saw fit to conduct, but it would forewarn the standing committees that the Senate had no intention of considering any legislation reported by them which did not fall within the spheres of this agenda.

Each committee would be authorized to make a motion to be agreed to by a two-thirds vote of the Senate after very limited debate to take up a measure which had been reported but which did not come within the scope of the agenda. If such a motion were agreed to, it would have the effect of suspending the agenda in this regard and adding the said proposed piece of legislation to the agenda.

The discussion above is concerned basically with proposed legislation. Obviously a great portion of the year might be devoted to the consideration of executive business, namely nominations and treaties. But on both of these the Senate must await recommendations of the President, since under the Constitution the President "shall nominate, and by and with the advice and consent of the Senate" appoints Ambassadors, Ministers, Judges and all other officers of the United States, and the President under the Constitution "shall have power, by and with the advice and consent of the Senate, to make treaties, provided two-thirds of the Senators present concur." Therefore, the Senate would be in no position to announce ahead of time what would be coming up in the form of nominations and treaties.

Listed below is a sample of the way the subject matter would be presented in any such resolution adopted by the Senate:

Agriculture and rural affairs,
Appropriations,
Armed Forces and Uniformed Services,
Atomic energy and power,
Aviation,
Banks and banking,
Business and commerce,
Claims and Government liability,
Communications and broadcasting,
Consumer affairs and protection,
Courts and civil procedure,
Crimes and crime prevention,
Education and schools,
Elections and voting,
Environmental protection and conservations,
Expiring legislation,
Federal employees and officials,
Foreign relations and policy,
Government agencies' records, documents, and information,
Health and medical facilities,
Housing and housing finance,
Public finance and budgets,
Taxation,
Treaties and international agreements,
Veterans.

2. Provide for a permanent Presiding Officer of the Senate

The Constitution stipulates that the Vice President of the United States shall be the President of the Senate, and therefore becomes the official Presiding Officer of that body. In modern times the practices and responsibilities of the Vice President have become such that this officer is infrequently present in the Senate. Seldom is the Chair occupied by the Vice President, unless it is expected there will be a tie vote which, under the Constitution, the Vice President is authorized to break if and when the Senate is "equally divided", if the Vice President sees fit to vote, or when the President feels that the matters under consideration are of such nature that the presence of the Vice President would be helpful to the Administration while such debate or discussion is under way. For more than twenty years rarely is the Vice President to be found presiding in the Senate for any extended length of time.

The Constitution also provides that in the absence of the Vice President the Senate shall elect a President pro tem to serve as its Presiding Officer. Since in practice the President pro tem is usually one of the senior Members, the duties of that official have become so manifold and complex that this person is seldom able to preside for more than a short period of time each day. This situation in practice has required the service of many Senators as the Presiding Officer. In recent years there has been a constant rotation of Senators in the Chair, who are scheduled so as to share that responsibility for an hour or so at a time.

Such procedure does not lend itself to establishing a Presiding Officer of sufficient standing to convince the Senate that he or she is completely familiar with all of the procedures, nor has the occupant of the Chair become sufficiently impressive that the membership gives proper deference to the Chair's control and direction of the Senate. The Presiding Officers of the Senate today in no way command the respect, impartiality, and prestige essential to the command of an orderly procedure by the Senate, as compared to that of presiding officers of various parliaments throughout the world.

It is, therefore, proposed that the Senate create the Office of a Deputy President pro tem, and that a Senator be elected to that post, whose responsibility it will be to preside at all times when the Vice President or the President pro tem is not present. This officer, if created, should be given sufficient compensation to justify his presence in the Chair for most, if not all, of every day's proceeding, in the absence of the two Constitutional Presiding Officers. The Deputy President pro tem would become the real Presiding Officer of the daily sessions of the Senate, subordinate, of course, to the two Constitutional officers, the Vice President and the President pro tem. The Constitutional Presiding Officers (the Vice President and the President pro tem) would in no way be replaced nor sheared of their existing authority; they would have the right, respectively, to bump the Deputy President pro tem at any time they saw fit.

With such a permanent Presiding Officer, supplemented at any time by the Vice President or the President pro tem, it would appear that the Rules could then be amended to provide that the Presiding Officer be authorized and held responsible to determine at any time or at all times when a quorum was present, and if not present no business would be proceeded with until a quorum was obtained. If a quorum could not be obtained within a specified period of time, for example thirty minutes, then the Presiding Officer should be authorized to recess for a time certain or recess or adjourn the Senate until the next day, as the case might require.

3. Controversial matters should not be considered more than one time in the same session

The Rules should be amended to prohibit the consideration of any controversial matter more than once in the same calendar year, unless on motion without debate or after a limited debate, the Senate by a three-fifths or two-thirds vote, agrees that the matter should be brought up for consideration once again. This prohibition should be enforced whether it be presented to the Senate in the form of an amendment or in the form of a bill, joint resolution, or resolution. Such a restriction would not mean that if the Senate had considered, amended, and concluded the consideration of a Senate bill up to and including the third reading, that it could not then take up a companion House bill on the calendar, and strike out all after the enacting clause, and then substitute all of the language of the Senate bill therefor. Such procedure would be in order.

The purpose of this restriction is to avoid the waste of time on the part of the Senate from having to be confronted many times with the same issue during a single session (year). At the same time, however, to protect the membership of the Senate itself some provision should be made to allow the renewed consideration of a bill or subject, even if it is controversial, when a motion to that effect is made and approved by a two-thirds vote without debate or after a very limited debate. The number of times such a motion could be entertained during a session would have to be limited to two or three; otherwise too much time would be wasted by continually renewing such motions.

In the case of amendments, the same restrictions would be applicable, even though the amendment is offered to a completely different bill. The same controversial amendment could be presented to the Senate a second time in the same year if a motion to that effect were made and adopted by a three-fifths or two-thirds vote without any debate or after a very limited amount of debate.

The criterion of whether a bill or an amendment is controversial includes the inability of the Majority Leader or any Member offering an amendment to get unanimous consent to proceed with the consideration of the bill or amendment. It could be provided that if two or more Senators oppose consideration of a bill or an amendment, it may not be presented to the Senate a second time during the same session. Whether a proposed amendment or a bill involves the same subject matter as an amendment or a bill previously acted on during that session would have to be determined by the Chair when a point of order was made to the effect that the amendment or bill, as the case might be, being proposed to be considered, involves the same subject matter as that previously acted on by the Senate during that same session. The decision of the Chair, of course, would be subject to an appeal.

A carefully drawn amendement to the Rules prohibiting the consideration of the same subject matter, be it a bill or amendment, more than once during the same session, unless pursuant to a two-thirds or three-fifths vote, could take care of this situation.

4. Utilization of certain established procedures

It is proposed that the Senate should return to certain of its established procedures, previously used for many years but which have in many respects been abandoned for the last two or three decades. First, the Senate should return to morning business and morning hour procedures as stipulated in Rules VII and VIII, immediately following statements by the Majority and Minority Leaders who are now recognized at the beginning of each day's sitting under an Order of the Senate for a period of five or ten minutes. The recognition of the Leaders at the beginning of each meeting of the Senate gives them an opportunity to discuss the anticipated problems which might be confronting the Senate that date, or any other significant observations that the Leaders feel should be called to the attention of the membership at that time. If certain proposed changes concerning the agenda and scheduling of the program, weekly or monthly, are adopted, the Leaders could use the time allowed on Monday morning to announce what the program for the week will be, as well as have it printed in the CONGRESSIONAL Record. With this information available in the CONGRESSIONAL RECORD, the Senators would have a record of the week's program to which they could always turn.

The morning business should be transacted without any debate at all, with the Chair calling for "the presentation of petitions and memorials," followed by filing of "Reports from Committees," a call for the "Introduction of Bills and Joint Resolutions," and lastly, "The Submission of Other Resolutions," as set forth in Rule VII. There should never be any debate allowed during the transaction of morning business.

Following the conclusion of the morning business, as provided for in Rule VIII, the Senate should have a daily call of the calendar when there are any "unobjected to bills" ready for disposition.

To make this procedure operate efficiently, it is proposed that each party appoint a Calendar Committee from its membership. These committees, to consist of three or five members each, would be charged with the responsibility of compiling information from all Members of their respective party as to their opposition to passing any bills on the call of the calendar.

Each committee should be allowed a small staff and office. This would give all Senators a specified place to call to register their concern as to the disposition of any business on a calendar call.

With the compilation of any such data at hand, the members of the Calendar Committee should be present in the Chamber whenever there is a call of the calendar and make known any opposition to the passage of any measure when it is laid before the Senate to be passed "without objection."

It is recommended that the call of the calendar procedure be amended to eliminate debate now provided for in the existing rule. If a bill cannot be passed "without objection" with the indulgence of reservation of objections, it should not be passed under this procedure at all. Such bills falling in this category, as well as any bill against which objection is made, should be left on the calendar for the next call or held until it is motioned up for Senate consideration. Under such established procedure, the need for what is referred to now as "hold" would be eliminated. If it is not possible to pass a bill on the call of the calendar "without objection" or, if objection is made, all such bills will be left on the calendar, and the Leader should then feel free to move to take up any bills on the calendar at any time he sees fit if it comes within the purview of the established agenda and is scheduled for consideration. The idea of a "hold," when developed, only meant not to allow the bill to be passed "without objection." In later years the word "hold" has been expanded to mean that as long as the Leader was willing to indulge a Member, he would allow no action to be taken on such proposed legislation.

After the call of the calendar is disposed of until the end of the morning hour, any resolutions coming "over under the Rule" would be laid before the Senate automatically by the Presiding Officer. When laid before the Senate it remains the pending business until disposed of or the morning hour is concluded, when it goes back to the calendar. Any bill not disposed of which has been laid before the Senate automatically goes back to the calendar at the close of the morning hour and remains there until the leadership or the Senate sees fit to proceed further with its consideration.

After morning business and the conclusion of the morning hour, the unfinished business is laid down for further consideration, and if there is no unfinished business, the Senate would proceed to the consideration of any measure that the Majority Leader saw fit to call up.

The Study Group also proposes that when it appears the Senate has become stalemated over what to do about a particular bill or pending piece of business, the leadership should find it advantageous to move a recess of the Senate, subject to the call of the Chair. This is particularly recommended when it is evident that further debate would be futile at that time and that no progress could be made. A recess subject to the call of the Chair would allow all concerned Members a chance to retreat to their respective cloakrooms or respective groups for discussion and exchange of opinions with the idea of working out any of the differences over which the Senate had become stalemated. An informal discussion among the Members might be able to accomplish much more than just further talk on the floor of the Senate.

The Senate should only recess from day to day instead of adjourning when it appears essential to the leadership that a call of the calendar and morning business should be bypassed either because there is no need for such business or because the leadership wants to get to the unfinished business immediately.

With the Chair having authority to count quorums, if a quorum did not stay on the floor, the Senate would be adjourned or recessed by the Chair, as the case might be. Adjourning or recessing for the lack of a quorum would soon become serious business as far as the public is concerned, and pressure would be brought to bear on the membership to be present so that business might be transacted. Likewise, if a quorum was constantly in attendance, Members who might otherwise waste the time of the Senate would be less likely to take the time of the membership to discuss unessential matters or to discuss matters too long unless they had something worthwhile to offer.

If the Majority Leader, who usually makes motions to proceed to the consideration of a bill, is unable to get unanimous consent to proceed to the consideration of a bill or resolution, it is proposed by this Study Group that it be in order to make a motion to proceed to the consideration of a bill and that that motion be debatable for one hour, to be equally divided. This motion is discussed further on page 12.

If certain reasonable restrictions were placed on debate, the length of debates might become shorter, and if Senators were restrained from reading long debates their presentations would become more intimate to the other Senators present. For example, if some restriction, in the form of a rule if necessary, were placed on reading speeches, the debates would obviously become more effective and shorter. A requirement that no speech be read in its entirety would certainly shorten the length of time each Senator spoke. Senators would be permitted to use their notes, read quotations and part of their speeches, which might be of great benefit to the Senate. Of course, when a Senator is discussing a very complex matter with involved data, etc., or discussing delicate issues where precision is imperative, permission should be allowed for that Senator to read the speech in its entirety.

5. Television

The Study Group feels that broadcasting the entire legislative proceedings of the Senate would not be helpful to either the Senate or the public. At the same time, the Group feels that if the leadership could work out a program for the debate of major issues confronting the country and televise them, as opposed to the day-to-day legislative business, it would be a good idea.

The Leaders could be authorized to work out a program that would schedule debate on a major issue or issues one or two times each week for a period of two or three hours each time. Such broadcasts would occur only when Congress was in session and the Senate was meeting all or most of that week.

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This would give the Senators an opportunity to present their views to the country on the issues debated and for the Senate as a whole to provide further leadership for the country—without altering the fundamental and unique nature of the United States Senate.

6. Debate to be relevant to the pending business

The Senate has seen fit in recent years to adopt what is known as the "Pastore Rule." This rule requires that debate be germane to the pending business at the beginning of each new daily session for a three hour period, once the Senate has turned to the unfinished business, pending business, or any new legislative business brought before the Senate during that day. It is doubtful if the Senate would ever concede that all of its debates should be germane to some legislation, but your Study Group recommends that debate be germane to the pending business when the Senate has legislation under consideration unless unanimous consent is granted or a motion without debate is agreed to, to allow a Senator to speak on non-germane matters.

The germaneness requirement should be defined so that it would not have to be too strictly construed, giving all Senators general leeway in developing their speeches. If made too restrictive, much time would be lost in making points of order that the Senator or Senators were not confining their remarks to the pending question. As long as the speech was devoted to the overall pending business, it should be deemed to be relevant or germane to that pending business. Such restriction, although general, would at least keep the debate focused on the general subject with which the Senate was concerned and give the membership a broader background for formulating opinion on the pending business as to whether it should or should not be amended or passed.

After the close of legislative business for the day, speeches could be made on any subject by those who cared to wait around to speak on subjects for home consumption.

7. Debate on motion to consider

It is evident that the Senate is very sensitive to any restrictions placed on debate, particularly when a controversial proposed piece of legislation is at stake. On the other hand, if debate is to be germane to the pending business, it would appear that the debate of the motion to consider a piece of business would be restrictive in nature on how much worthwhile debate could be given to that motion. Besides, once the Senate has agreed to proceed with the consideration of a piece of business, that proposed legislation is wide open for debate in every detail, unless cloture should be involved or a unanimous consent could be reached providing for the contrary. Therefore, the Study Group recommends that some restrictions be placed on the length of debate of a motion to proceed to the consideration of a proposed piece of legislation. If the Senate, in its wisdom, should decide to place a restriction on the debate of a motion to consider, it could place a limit of two hours, to be equally divided and controlled by the two Leaders or persons acting in their behalf.

8. Cloture rule

The cloture rule has been amended to place a 10 hour cap on the time for the consideration of a bill once cloture has been invoked, and while the 100 hours places a definite time to conclude the consideration of any business on which cloture has been invoked, it does not assure that that time will be used wisely. Likewise, while the amendments must be germane once cloture is invoked, there is no assurance that these amendments will have been drafted for the purpose of giving constructive legislation to the country. Too often amendments have been submitted solely for the purpose of delaying final action on the pending business on which cloture has been invoked. The procedure for invoking cloture might be satisfactory and sufficient for the needs of the Senate, but possible delay in post cloture is evident and needs some changes in order to overcome that weakness. There is no limit to the number of amendments that each Senator may call up, and while each Senator, with a few exceptions, is limited to one hour of debate, a single Senator may contrive to use much or most of the 100 hours with little or no accomplishment by calling up amendments and getting roll call votes on which it was evident to begin with that they would not be agreed to; this is possible as long as one-fifth of the Senators present, a quorum being present, are willing to order a roll call vote. There is no limit on how long an amendment may be. Any Member may draft a 1,000-page amendment, submit it, and have it considered, as long as it is germane. A demand for the reading of such long amendments would take a great deal of the Senate's time.

To overcome some of the post cloture filibuster, certain restrictions should be placed in the rule which would certainly aid in shortening, if not eliminating, much of the post cloture filibuster. For example, it is recommended that no Senator, except the Leaders and the managers of the bill, be allowed to offer more than two amendments to be considered after cloture is invoked. It could be required that all amendments to be considered be read between the time the cloture motion is fiied and cloture in invoked. This would keep exceedingly long amendments from being presented. If this were not sufficient, there could be a stipulation that no amendment be in excess of so many words.

Likewise, the Study Group recommends that when an amendment is called up under cloture, even though it be very long, and involve many independent questions, a division of the question should not be permitted. When an individual Member calls up a very long amendment involving many independent parts, under present procedure he can, if he can get the yeas and nays seconded, get thirty or forty roll call votes on a single amendment, when the question is divisible. Placing such a restriction prohibiting a division of the question under cloture procedure would save a great deal of the Senator's time in post cloture consideration of a bill.

Set forth below is a draft of certain provisions of the cloture rule with proposed amendments to accomplish the ends described above:

Notwithstanding the provisions of rule II or rule IV or any other rule of the Senate, at any time a motion signed by sixteen Senators, to bring to a close the debate upon any measure, motion, other matter pending before the Senate, or the unfinished business, *whether or not it is pending before the Senate at that time,* is presented to the Senate, the Presiding Officer, or clerk at the direction of the Presiding Officer, shall at once state the motion to the Senate, and one hour after the Senate meets on the following calendar day but one, he shall lay the motion before the Senate and direct that the clerk call the roll, and upon the ascertainment that a quorum is present, the Presiding Officer shall, without debate, submit to the Senate by a yea-and-nay vote the question:

"Is it the sense of the Senate that the debate shall be brought to a close?" And if that question shall be decided in the affirmative by three-fifths of of Senators duly chosen and sworn—except on a measure or motion to amend the Senate rules, in which case the necessary affirmative vote shall be two-thirds of the Senators present and voting—then said [measure, motion, or other matter pending before the Senate, or the unfinished business,] *proposal on which cloture was voted,* shall be the unfinished business to the exclusion of all other business until disposed of.

Thereafter no Senator shall be entitled to speak in all more than one hour [on the measure, motion, or other matter pending before the Senate, or the unfinished business, the] *on the proposal on which cloture was invoked, and* amendments thereto, and motions affecting the same, and it shall be the duty of the Presiding Officer *or his designee* to keep the time of each Senator who speaks. Except by unanimous consent, no amendment shall be proposed after the vote to bring the debate to a close, unless it had been *read to the Senate after filing of the cloture motion and* submitted in writing to the [Journal Clerk] *Presiding Officer* by 1 o'clock p.m. on the day following the filing of the cloture motion if an amendment in the first degree, and unless it had been *read and* so submitted at least one hour prior to the beginning of the cloture vote if an amendment in the second degree. *No Senator, except the leaders or managers of the proposal may propose or call up more than two amendments. Any amendments when called up may be modified upon request of the proposer to correct errors in lineation and pagination.* No dilatory motion, or dilatory amendment, or amendment not germane shall be in order. *Notwithstanding any other provisions of any standing rule, no request for a division of the question on any amendment called up after cloture is invoked shall be in order.* Points of order, including questions of relevancy, and appeals from the decision of the Presiding Officer, shall be decided without debate, *and the Chair shall enforce these restrictions on his own initiative when no point of order is forthcoming. When the absence of a quorum is suggested, the Chair is authorized to determine if a quorum is present, by counting instead of by roll call.*

After no more than one hundred hours of consideration, *with all time consumed except for time of debate to be calculated at the amount of double time* [of the measure, motion, or other matter on which cloture has been invoked,] *of the proposal on which cloture had been invoked,* the Senate shall proceed, without any further debate on any question, to vote on the final disposition thereof to the exclusion of all amendments not then actually pending before the Senate at that time and to the exclusion of all motions, except a motion to table, or to reconsider and one quorum call on demand to establish the presence of a quorum (and motions required to establish a quorum) immediately before the final vote begins. The one hundred hours may be increased, or *decreased in the case of a national emergency or the last 10 days of a session announced by the Leader,* by the adoption of a motion, decided without debate, by a three-fifths affirmative vote of the Senators duly chosen and sworn. *In the case of any increased* time

thus agreed upon shall be equally divided between and controlled by the Majority and Minority Leaders or their designees. However, only one motion to extend *or limit* time, specified above, may be made in any one calendar day.

[If, for any reason, a measure or matter is reprinted after cloture has been invoked, amendments which were in order prior to the reprinting of the measure or matter will continue to be in order and may be conformed and reprinted at the request of the amendment's sponsor. The conforming changes must be limited to lineation and pagination.

[No Senator shall call up more than two amendments until every other Senator shall have had the opportunity to do likewise.]

Notwithstanding other provisions of this rule, a Senator may yield all or part of his one hour to the majority or minority floor managers of the measure, motion, or matter or to the Majority or Minority Leader, *for their use,* but each Senator specified shall not have more than two hours so yielded to him and may in turn yield such time to other Senators *to be counted against their assigned hour.*

Notwithstanding any other provision of this rule, any Senator who has not used or yielded at least ten minutes, is, if he seeks recognition, guaranteed up to ten minutes, inclusive, to speak only.

[After cloture is invoked, the reading of any amendment, including House amendments, shall be dispensed with when the proposed amendment has been identified and has been available in printed form at the desk of the Members for not less than twenty-four hours.]

Amendments considered under cloture shall not be read, only identified by number and the proposer, when available in printed form for not less than 24 hours.

9. Required germaneness of amendments after a specific time of debate

It is questionable if the Senate would ever concede to a restriction that all amendments offered to proposed legislation must be germane. This Study Group, however, proposes that the Senate give consideration to amending its rules so that after a bill has been under consideration for a specified period of time, that any amendment thereafter be required to be germane, if a motion to that effect is offered and agreed to by a three-fifths vote. Such a motion to require amendments to be germane after that period had expired could not be offered more than once a day and not until some amendments to the bill had been voted on between the time of the vote on the first motion to require the amendments to be germane and the time the next one is offered. Debate of such a motion should either be restricted to one or two hours or be determined without debate. (On this subject, S. Res. 63 by Mr. Byrd was submitted and ordered to lie over under the rule.)

10. Amendments and statement of purpose

The Study Group feels that there should be some requirement, under orders of the leadership or amendment to the rule, that all amendments offered for printing have a capsule résumé at some place under the title of the amendment setting forth a statement of its purpose, and that all major amendments be printed a day in advance of their consideration unless the Senate orders otherwise by unanimous consent. It is also proposed that when any major amendment is modified during its consideration, the amendment, as modified, be made available in written form to all Senators prior to the start of a vote thereon, unless unanimous consent to the contrary be granted.

11. Disallow consideration of amendments when no further time is left for debate

It is recommended that the rules should be amended so that under any circumstances—whether the Senate is operating under a unanimous consent agreement, whether or not any further time is allowed for debate under the Congressional Budget Act, whether further time is prohibited by "Fast Track" legislation, or any other binding order on the Senate—all amendments offered be allowed at least ten minutes or more for debate, if any Members choose to debate them or further amendments after all time for debate has expired should be barred, unless, of course, the amendments are acted on by unanimous consent. One of the basic principles of parliamentary procedure is to allow amendments to any pending business so as to put it in an acceptable form before having a vote on its adoption or rejection. Therefore great consideration should be given not necessarily to shut out further amendments but to develop some formula that would allow at least a very limited amount of debate on any amendment that the Senate is called upon to act on before that vote is taken.

12. Amendment to Rule XVI—Germaneness of amendments to general appropriation bills

There has been considerable criticism of the use of Rule XVI to get amendments added to general appropriation bills which would not otherwise be in order because it proposed legislation to a general appropriation bill, which, under the rule, is not in order, or adds something to a general appropriation bill that is not germane. Under the established procedure of the Senate, if a Member makes a point of order against a pending amendment because it proposes general legislation to a general appropriation bill, or because it proposes to add new subject matter, even though there is nothing in the bill as then pending before the Senate on that subject, if another Member raises the question of germaneness before the Chair rules on the point of order, which must be determined without debate, the Chair must put the question to the Senate. If the Senate votes that the amendment is germane, the point of order falls and the amendment is held to be in order. This procedure has been used a great deal to get matters attached to a general appropriation bill, that otherwise could not be adopted under the rules unless done by a two-thirds vote to suspend the rule after a one-day notice, informing the membership exactly what is proposed to be done.

It is proposed by your Study Group that if the membership wishes to eliminate this procedure without doing too much harm to the will of a majority of the Senate, an amendment to Rule XVI could be drafted that would eliminate such procedure, unless there were actually something in the bill as passed by the House which was proposing such legislation or that the bill contained an item of the exact nature of the amendment being offered.

It is further recommended that the Appropriations Committee be permitted to retain this right to raise the question of germaneness which is now in vogue when the amendment is actually proposed by the Committee on Appropriations, when the amendment is proposed by the legislative committee having jurisdiction over such legislation, or when the amendment is called up by the two Leaders or by someone in their behalf.

This would give considerable protection to the general membership and still allow enough avenues to permit the Senate to work its will by a majority vote. (On this subject, S. Res. 14 by Mr. Byrd was submitted and ordered to lie over under the rule.)

13. Senate committees

Since it is proposed that the Senate itself operate pursuant to an announced agenda agreed to at the beginning of each session, it would appear only natural to require all of the committees of the Senate to act accordingly. This should be further elucidated. The purpose of restricting Senate committees in the transaction of their business is to prohibit the committees from loading the Senate calendar of business with proposed pieces of legislation not within the agenda agreed to by the Senate and which the Senate did not expect to consider during that session. Therefore, the only restriction against what business the Senate committees could transact would be directed against the committees reporting legislation. The committees would be totally free to hold hearings on any subject they would see fit to conduct as long as they did not meet when the Senate was in session. Any prohibition would be against the committees' marking up proposed legislation and ordering it reported to the Senate. The committees would be permitted to file written reports recommending legislation that the Senate should consider but not the bill itself. The report would be solely for the information of the Senate in making up its future agenda. It is also proposed that some provision be made for a motion to be made in the Senate to authorize a committee to report a matter not included in the Senate agenda and that it be eligible for later consideration, if debate of the motion were limited to a short period of time and a vote of three-fifths or two-thirds were required for its adoption. Some limitation could be placed on the number of motions that each committee could offer during a session of the Senate.

14. Prohibit all staffed subcommittees

It is proposed by this Study Group that a prohibition be placed against all staffed subcommittees. Subcommittees would have their activities and responsibilities restricted to the conduct of hearings, compilation of data, and résumés of proposed legislation. The work of Senate committees has become so complicated and extended to such a broad scope of activities that the subcommittees' work has almost become equal to that of the full committees; consequently the reports of subcommittees are seldom reviewed in detail by the full committee. This results in extreme specialization, with the proposed legislation by subcommittees being submitted to the Senate with no Senators knowing anything about the problem except the four or five members of the subcommittee preparing it.

If the activities of the subcommittee were restricted as suggested above, there is no question but what the work load of the Senate would automatically be decreased and the Senate itself would have much more time to conduct its business since it would not have as much legislation confronting it. This would give all of the Senators an opportunity to acquaint themselves with the legislative proposals, more than is possible now with the workload that the Senate undertakes, having so many subcom-

mittees in effect making reports to the Senate with nominal approval of their parent committee.

If a subcommittee wanted to offer an amendment, as opposed to reporting a bill, to some bill pending before the Senate involving the subject with which the Senate was concerned, the responsibilities would fall on that subcommittee to convince the full Senate that such an amendment were essential to the needs of the country.

15. Consolidation of Senate committees

The committee system of the Senate has presented that body with a constant problem. Until 1946 there was no rule which named the standing committees of the Senate and also specified the jurisdiction of each. Prior to 1946, the rule on standing committees only named the committees to be established and stipulated the number of members of each—nothing about the jurisdiction of each. Previous to that time, Senators would submit bills and request that they be referred to a specific committee, or they were referred pursuant to the previous practices of the Senate. In 1946 the Legislative Reorganization Act was passed, which specified the name of each standing committee, the number of members of each, and the jurisdiction of each spelled out in detail. The number of committees was reduced to fifteen. Not long thereafter some special committees were created, but it was not until 1977 (S. Res. 4, 95th Congress, 1st Session) that permanent select committees and special committees were created, along with fifteen standing committees, and both standing and special committees were given legislative jurisdiction of one kind or another.

This picture is becoming more and more cumbersome and it appears that it is time that the Senate attempt once again to do something to consolidate its standing committees into twelve or thirteen in number without eliminating completely the identity of the existing committees. For example, it is proposed that the Intelligence Committee be absorbed by the Appropriations, Armed Services, and Foreign Relations. These are the standing committees, all of which are immediately concerned with the intelligence of our Government. It is thus proposed to authorize these three committees to appoint members from their respective groups to make up a joint subcommittee of these three committees to handle intelligence matters, and this subcommittee would keep their respective full standing committees informed of all information on intelligence that they needed to know. Likewise, it is proposed that the duties and responsibilities of the Budget Committee be absorbed by the Finance and Appropriations Committees, and that these two committees appoint members of their respective committees to make a joint subcommittee to handle the responsibilities and activities of the Budget Committee. The Committees on Finance and Appropriations should be as much concerned about the receipts and expenditures as the Budget Committee itself, and this would give the two committees, combined with the activities and duties of the existing Budget Committee, the opportunity to work closely together and be able, in the opinion of the Study Group, to accomplish the objectives to which all of this had been directed.

Other standing, select, and special committees would be consolidated by merging them with the committees of appropriate jurisdiction. The Veterans' Affairs Committee, once a subcommittee of the Armed Services Committee, would be returned to that Committee; the Small Business Committee would be returned to the Banking, Housing, and Urban Affairs Committee; the Aging Committee would be merged with the Labor and Human Resources Committee; the Ethics Committee would be merged with the Rules and Administration Committee; and the Indian Affairs Committee would be merged with the Committee on Energy and Natural Resources; and all joint committees would be abolished, with the Senate functions of such joint committees being transferred to the Senate standing committee of legislative jurisdiction. The functions of the Joint Committees on the Library and Printing would be assigned to the Committee on Rules and Administration; Joint Taxation to the Finance Committee; and Joint Economic to Banking, Housing, and Urban Affairs.

Committee Assignment Limitations

The remaining 13 committees would be organized into three groups for purposes of assignment limitations. Senators would be allowed to serve on only one committee in each of the three groups of these committees:

I. Appropriations; Armed Services; Finance; Foreign Relations.

II. Banking, Housing and Urban Affairs; Commerce, Science, and Transportation; Environment and Public Works; Energy and Natural Resources; Judiciary.

III. Agriculture, Nutrition, and Forestry; Governmental Affairs; Labor and Human Resources; Rules and Administration.

Part of the purpose of this suggestion is found in the fact that Senators now have too many committee assignments to do their work successfully. At the same time, the distribution of assignments for each Senator should be such that each gets appointments to committees that would give all States and regions of the United States an across-the-board representation on the committees handling legislation with which the whole country would be concerned.

At the present time these great numbers of committee and subcommittee assignments to each Senator prohibit (since frequently so many are meeting at the same time) the Senators from even attending the meetings of many of the committees to which they are assigned. To show this vividly, there follows a table pointing up this problem. This table is organized alphabetically by Senator's name with categories of committee membership listed in individual columns. The last column gives total committee membership for each Senator.

Senator	Full committees				Subcommittees			Total
	Standing	Select	Special	Joint	Standing	Select	Joint	
James Abdnor	2			1	8		2	13
Mark Andrews	3	1			9			13
William L. Armstrong	4				10			14
Howard H. Baker, Jr.	3			1	6			10
Max Baucus	4				11			15
Lloyd Bentsen	2	1		2	6	2	2	15
Joseph R. Bidden, Jr.	3	1			3	2		9
Jeff Bingaman	2				5			7
David L. Boren	3				7			10
Rudy Boschwitz	5				8			13
Bill Bradley	2		1		6			9
Dale Bumpers	3				9			12
Quentin N. Burdick	2			1	7			10
Robert C. Byrd	3				5			8
John H. Chafee	3	1			9	2		15
Lawton Chiles	3			1	7			11
Thad Cochran	3				11			14
William S. Cohen	2	1		1	6	3		13
Alan Cranston	3				7			10
Alfonse M. D'Amato	3			1	11		2	17
John C. Danforth	3				9			12
Dennis DeConcini	4	1		1	7			13
Jeremiah Denton	3				7			10
Alan J. Dixon	3				7			10
Christopher J. Dodd	3		1		8			12
Robert Dole	4			1	9			14
Pete V. Domenici	4		1		10			15
Dave Durenberger	3	2			9	2		16
Thomas F. Eagleton	3	1			10			14
John P. East	3				9			12
J. James Exon	3				5			8
Wendell H. Ford	3			1	6			10
Jake Garn	2	1			8	3		14
John Glenn	2		1		5			8
Barry Goldwater	2	2			6			10
Slade Gorton	4	1			10			15
Charles E. Grassley	4		1		10			15
Gary Hart	3				6			9
Orrin G. Hatch	5				11			16
Mark O. Hatfield	3			2	8			13
Paula Hawkins	3				10			13
Chic Hecht	2				7			9
Howell Heflin	3	1			8			12
John Heinz	3		1		9			13
Jesse Helms	3	1			6			10
Ernest F. Hollings	3				7			10
Walter D. Huddleston	3	1			9	2		15
Gordon J. Humphrey	3				9			12
Daniel K. Inouye	3	2		1	9	2		17
Henry M. Jackson	3	1			9	3		16
Roger W. Jepsen	2			1	6		2	11
J. Bennett Johnston	3				4			7
Nancy Landon Kassebaum	3		1		6			10
Bob Kasten	4				11			15
Edward M. Kennedy	3			1	8		2	14
Frank R. Lautenberg	2				6			8
Paul Laxalt	2				8			10
Patrick J. Leahy	3	1			10	2		16
Carl Levin	3				7			10
Russell B. Long	2			1	6			9
Richard G. Lugar	2	1			6	2		11
Charles McC. Mathias, Jr.	4			2	9			15
Spark M. Matsunaga	4				9			13
Mack Mattingly	2			1	8		2	13
James A. McClure	3				5			8
John Melcher	2	1	1		6			10
Howard M. Metzenbaum	4				10			14
George J. Mitchell	3			6				9

Senator	Full committees				Subcommittees			Total
	Standing	Select	Special	Joint	Standing	Select	Joint	
Daniel Patrick Moynihan	3	1			6			10
Frank H. Murkowski	3	1			6			10
Don Nickels	3				9			12
Sam Nunn	3				6			9
Bob Packwood	3			1	7			11
Claiborne Pell	3			1	3			7
Charles H. Percy	2		1		6			9
Larry Pressler	3		1		8			12
William Proxmire	2			1	8		2	13
David Pryor	2	1	1		6			10
Dan Quayle	3				6			9
Jennings Randolph	3				4			7
Donald W. Riegle, Jr	4				9			13
William V. Roth, Jr	2	1		2	4	2	2	13
Warren Rudman	3				10			13
Paul S. Sarbanes	2			1	6		2	11
Jim Sasser	5				11			16
Alan K. Simpson	3				6			9
Arlen Specter	3				8			11
Robert T. Stafford	3				4			7
John C. Stennis	2				7			9
Ted Stevens	3	1			11			15
Steven D. Symms	3			1	6		2	12
Strom Thurmond	3				6			9
John Tower	3				6			9
Paul S. Trible	2				7			9
Paul E. Tsongas	3				7			10
Malcolm Wallop	2	1			6	2		11
John W. Warner	3			1	6			10
Lowell P. Weicker, Jr	4				13			17
Pete Wilson	2		1		6			9
Edward Zorinsky	2				6			8
Total	292	28	15	25	745	29	20	1,154

16. Congressional budget process

As indicated in the preceding recommendation (No. 15), the Congressional budget process has upset the committee balance in the Senate. The scope of the Senate Budget Committee has been expanded by unanimous consent, by interpretation, and by precedents and practices to the point that it is actually taking over the responsibilities and jurisdiction of the other standing committees, a purpose which the Senate did not have in mind when it originally adopted the Congressional Budget Act. This should be corrected.

The Study Group first proposes that the Senate give serious consideration to the enactment of a program that would establish a biennial budget and appropriating process. The workload is becoming too great for the Congress to pass all of the general appropriation bills in one year, if it is to give each such bill due consideration. In order to do its job well, the number of general appropriation bills should be divided into two groups, with only half of the general appropriation bills being passed each year. This would give the Appropriations Committees of the two Houses more time to examine their appropriation bills more carefully; there is nothing in the Constitution that would prohibit or restrict this type of procedure.

As already stated, this new role for the Budget Committee was mentioned in recommendation No. 15. It appears to be a very sound idea for the Budget Committees of the two Houses to be subcommittees, in the House of its Appropriations Committee and the Ways and Means Committee, and in the Senate of its Appropriations Committee and the Finance Committee, since these four committees are most vitally concerned with the receipts and expenditures of our Government. If only the Senate moves in that direction, it would be a good start. Not only would such procedure give the major committees concerned with this role of the Congress, or the Senate, as the case might be, in levying taxes and expending money, but the number of the Members of the Senate would be tremendously increased, giving the whole Senate more knowledge and control of the receipts and expenditures by our Government.

17. Any measures involving procedure should be referred to Rules Committee before Senate acts thereon

Because of the experience of the Congress in the last one or two decades in enacting legislation involving specific procedures in the transaction of legislative business, the Senate should take a closer look at some of these problems. It is proposed that any bill or resolution reported to the Senate by a legislative committee having jurisdiction over the general subject matter, which specifically involves a Senate procedure, should be re-referred for a certain period of time to the Committee on Rules and Administration. This would give the Committee on Rules and Administration a chance to determine how such proposed changes would affect Senate procedures. Such a proposal would not have to allow the Committee on Rules and Administration to have any concern with any other part (other than the proposed procedural changes) of the proposed pieces of legislation. The period for reference could be limited to twenty days, thirty days, or sixty days, or whatever the Senate, in its wisdom, should decide.

So many variables in procedure have become evident in the special procedures enacted in the public laws that they only complicate the transaction of legislative business. If all such measures were referred to the Rules Committee for a short period of time, the provisions concerned with procedure only would be studied and, if essential, the variable procedures in the different bills could be brought into more uniformity with other like procedures, or an accepted boiler plate or formula could be designed to fit all such situations so that there would not be such variable procedures in nearly each such public law enacted.

18. There should be some control over the number of roll call votes

Under the Constitution, a roll call vote can be ordered on any question when one-fifth of the Senators present, a quorum being present, sees fit to second such a request. This provision of the Constitution, therefore, would prohibit any rule placing a restriction, contrary to the Constitution, on the number of roll call votes. Therefore, while it is the opinion of many or most of the Senators that the Senate is indulging in too many roll call votes, any attempt to regulate the number must be accomplished some way other than by an amendment to the rules. The leadership of each party might see fit to prevail upon their respective membership to refuse to participate in seconding roll call votes unless the leadership feels that there should be a roll call on a particular subject. For example, when Senators Robinson of Arkansas and McNary of Oregon were the Majority and Minority Leaders of the Senate, it was often noticeable when a roll call vote was requested, if the two Leaders did not favor the request, the request was not sufficiently seconded.

Some such restraints could and should be formulated by the Leaders to eliminate an extraneous number of roll call votes, particularly when the request is made on some issue that is not worthy of the time of the Senate to vote by roll call.

Also, it is noticeable when requests for roll call votes are made, that often not more than seven or eight hands, if that many, are shown, and the Chair states that the request is sufficiently seconded.

Under the established precedents, the seconding of a request for the yeas and nays is not that casual. Such a demand for the yeas and nays under the precedents must be seconded by at least one-fifth of the presumptive quorum, a minimum of eleven with the present membership of 100 Members. Under the precedent, a demand for the yeas and nays immediately following a call of the Senate is seconded by one-fifth of those answering such call or immediately following a yea and nay vote a request must be seconded by one-fifth of those voting. Thus, if these precedents are followed and the Chair is required to determine that one-fifth of those who answered the last quorum call or the last roll call vote in which 80 or 90 Senators participated, eleven would no longer be enough to order the yeas and nays.

SUMMARY OF SENATE VOTES AND USAGE OF TIME—1985

I. TOTAL VOTES: 258 AS OF OCTOBER 25, 1985

A. Votes on Monday, 6 (2%).
B. Votes on Friday, 31 (12%).
C. Votes before 12:00 noon, 26 (10%).
D. Votes after 6:00 p.m., 74 (28.6%).
E. Votes on Saturday, 4 (1.5%).
F. Votes on Sunday, 2 (0.7%).

II. TIME SPENT ON ROLLCALL VOTES AND QUORUM CALLS

A. Total time consumed on rollcall votes: 100 hours.
B. Amount of time on rollcall votes in excess of the regular order: 36 hours and 25 minutes.
C. Votes in excess of 30 minutes: 13.
D. Longest rollcall vote: 61 minutes.
E. Amount of time spent in quorum calls: 247 hours 48 minutes.
F. Average time for each rollcall vote: 23.6 minutes.

Mr. PRYOR. Mr. President, in conclusion, I simply state that this report—even though I do not necessarily support each of the recommendations—which was before this body 2 years ago, merits our attention and certainly our strongest consideration.

Mr. BYRD. Mr. President, will the distinguished Senator yield?

Mr. PRYOR. I am happy to yield to the distinguished Democratic leader.

Mr. BYRD. Mr. President, I thank the distinguished Senator from Arkansas.

I commend him on the service he has rendered.

With reference to rules changes, and in particular the one to which the distinguished Senator has alluded, several rules changes have been offered by me in a proposal which also encom-

passes the coverage of Senate debate by television and by radio broadcast.

I hope we can implement the rule changes I have proposed. Most of them are needed, anyhow, whether or not we have television or radio coverage, but I believe some of them especially are very much needed if there is coverage at a later date by television and radio.

I think that television and radio coverage should come to the Senate. I believe debates should be televised from gavel to gavel. I have had a change in my attitude toward this subject over the years.

It seems to me that once we have television in the Senate, and the American people are looking at the proceedings and debates of this body, it is going to shape up. The Senate will get its act together. I think Senators will like the idea, once it is implemented. I believe Senators will say we should have done it long ago.

However, I hope that, along with that coverage, there will be certain Senate rules changes.

I thank the distinguished Senator again. I think that what he has said should be one of the best arguments for televised and radio coverage of Senate debate. I commend him and look forward to our working together to implement both these goals—namely, certain Senate rules changes that are needed, and TV and radio coverage of the Senate debates.

Mr. PRYOR. I thank the distinguished Democratic leader for his comments.

I say to the Democratic leader that there is no Member of this body who cherishes the rules, the procedures, and what this institution is all about, and what it has been about since 1789, more than the very distinguished Senator from West Virginia.

For example, even as recently as last week, the Senator from West Virginia proposed and had adopted—I believe on a unanimous vote or a nearly unanimous vote margin—a procedural change in the reconciliation process that I think was extremely well stated. Without question, the leader cared very much about proposing that amendment, not only to prevent these activities from occurring in the future, but also to make the Senate more efficient.

I applaud the Senator from West Virginia, who probably knows more about the rules and the history and the procedures and the precedents of the Senate than any other Member of this body.

I did not come prepared to talk about radio or television in the Senate, but I hope our colleagues in the Senate will recognize what a serious situation we have, of being almost incapable of dealing with many of these measures that are going to require much more expeditious treatment and certainly much more efficient proceedings, as we go into the coming years.

Mr. BYRD. Mr. President, I thank the distinguished Senator, and I again commend him.

Mr. PRYOR. I thank the Democratic leader.

Mr. President, I yield the floor.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is now closed.

ORDER OF BUSINESS

Mr. McCLURE. Mr. President, we have been in some discussion with the distinguished Democratic leader and this request has been cleared by Senator DOLE.

I ask unanimous consent that the pending matter, the farm bill, be temporarily laid aside until the hour of 1 o'clock today and that the Senate proceed to the consideration of Calendar No. 318, H.R. 3011, making appropriations for the Department of the Interior and related agencies for fiscal year 1986.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Idaho?

Mr. MELCHER. Mr. President, reserving the right to object, I ask the distinguished chairman if he will yield.

Mr. McCLURE. I am happy to yield.

Mr. MELCHER. What will the pending business be at 1 o'clock?

Mr. McCLURE. At 1 o'clock the farm bill in its current status would again become the pending business.

Mr. MELCHER. Might I further inquire, Mr. President, what point in the farm bill?

The PRESIDING OFFICER. The Chair advises the Senator that the amendment of the Senator from Alaska as modified by the Cochran amendment will be the pending amendment.

Mr. MELCHER. Will the chairman permit me to direct my inquiries, without his losing his right to the floor, to the desk?

Mr. McCLURE. Surely.

Mr. MELCHER. Mr. President, when we arrive at that point is an amendment in the second degree in order for further consideration on the farm bill?

The PRESIDING OFFICER. The amendment is open for amendment in the second degree.

Mr. MELCHER. Might I further inquire whether the Chair can advise me if the amendment such as I attempted to offer last night would be in order?

The PRESIDING OFFICER. The amendment offered last night by the Senator from Montana was drafted so as to address parts of the bill not addressed by the pending amendment, and was therefore not in order.

Mr. MELCHER. I thank the Chair and further inquire if remedied would my amendment be in order at that time?

The PRESIDING OFFICER. A properly drafted amendment, the Chair advises the Senator, could be offered to the pending amendment.

Mr. MELCHER. Mr. President, I tell my distinguished friend from Idaho, our chairman of the Energy and Natural Resources Committee, that I have no qualms about taking the next 2 hours and 5 minutes to go into the Interior appropriations bill, and it is obvious that we should get on with doing what we can during this interim. So while I seek recognition at 1 o'clock to call up my amendment, I have no objection to this request.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLURE. Mr. President, I thank the distinguished Senator from Montana and also all Members on both sides of the aisle for allowing us to use this time to advance this bill.

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS, 1986

The PRESIDING OFFICER. The bill will be stated by title. The assistant legislative clerk read as follows:

A bill (H.R. 3011) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1986, and for other purposes.

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations, with amendments, as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets, and the parts of the bill intended to be inserted are shown in italics.)

H.R. 3011

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Department of the Interior and related agencies for the fiscal year ending September 30, 1986, and for other purposes, namely:

TITLE I—DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

MANAGEMENT OF LANDS AND RESOURCES

For expenses necessary for protection, use, improvement, development, disposal, cadastral surveying, classification, and performance of other functions, including maintenance of facilities, as authorized by law, in the management of lands and their resources under the jurisdiction of the Bureau of Land Management, including the general administration of the Bureau of Land Management, **[**$378,556,000**]** *$403,998,000: Provided,* That **[**notwithstanding any other Act,**]** none of the funds made available to the Department of the Interior or the United States Forest Service

during fiscal year 1936 by this or any other Act may be used to implement the proposed jurisdictional interchange program until enactment of legislation which authorizes the jurisdictional interchange.

CONSTRUCTION AND ACCESS

For acquisition of lands and interests therein, and construction of buildings, recreation facilities, roads, trails, and appurtenant facilities, [$1,203,000] *$1,403,000*, to remain available until expended.

PAYMENTS IN LIEU OF TAXES

For expenses necessary to implement the Act of October 20, 1976 (31 U.S.C. 6901-07), [$102,900,000] *$105,000,000*, of which not to exceed $400,000 shall be available for administrative expenses.

[LAND ACQUISITION

[For expenses necessary to carry out the provisions of sections 205, 206, and 318(d) of Public Law 94-579 including administrative expenses and acquisition of lands or waters, or interest therein, $2,800,000, to be derived from the Land and Water Conservation Fund, to remain available until expended.]

OREGON AND CALIFORNIA GRANT LANDS

For expenses necessary for management, protection, and development of resources and for construction, operation, and maintenance of access roads, reforestation, and other improvements on the revested Oregon and California Railroad grant lands, on other Federal lands in the Oregon and California land-grant counties of Oregon, and on adjacent rights-of-way; and acquisition of lands or interests therein including existing connecting roads on or adjacent to such grant lands; [$66,140,000] *$54,443,000* to remain available until expended: *Provided*, [That the amount provided herein for the purposes of this appropriation on lands administered by the Forest Service shall be transferred to the Forest Service, Department of Agriculture: *Provided further*,] That the amount appropriated herein for road construction shall be transferred to the Federal Highway Administration, Department of Transportation: *Provided further*, That 25 per centum of the aggregate of all receipts during the current fiscal year from the revested Oregon and California Railroad grant lands is hereby made a charge against the Oregon and California land grant fund and shall be transferred to the General Fund in the Treasury in accordance with the provisions of the second paragraph of subsection (b) of title II of the Act of August 28, 1937 (50 Stat. 876).

RANGE IMPROVEMENTS

For rehabilitation, protection, and acquisition of lands and interests therein, and improvement of Federal rangelands pursuant to section 401 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701), notwithstanding any other Act, sums equal to fifty per centum of all moneys received during the prior fiscal year under sections 3 and 15 of the Taylor Grazing Act (43 U.S.C. 315, et seq.), *but not less than $10,000,000 (43 U.S.C. 1901)*, and the amount designated for range improvements from grazing fees and mineral leasing receipts from Bankhead-Jones lands transferred to the Department of the Interior pursuant to law, to remain available until expended: *Provided*, That not to exceed $600,000 shall be available for administrative expenses[: *Provided further*, That the dollar equivalent of value, in excess of the grazing fee established under law and paid to the United States Government, received by any permittee or lessee as compensation for an assignment of a grazing permit or lease, or any grazing privileges or rights thereunder, and in excess of the installation and maintenance cost of grazing improvements provided for by the permittee in the allotment management plan or amendments or otherwise approved by the Bureau of Land Management, shall be paid to the Bureau of Land Management and disposed of as provided for by section 401(b) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701): *Provided further*, That if the dollar value prescribed above is not paid to the Bureau of Land Management, the grazing permit or lease shall be canceled.]

SERVICE CHARGES, DEPOSITS, AND FORFEITURES

For administrative expenses and other costs related to processing application documents and other authorizations for use and disposal of public lands and resources, for monitoring construction, operation, and termination of facilities in conjunction with use authorizations, and for rehabilitation of damaged property, such amounts as may be collected under sections 209(b), 304(a), 304(b), 305(a), and 504(g) of the Act approved October 21, 1976 (43 U.S.C. 1701), and sections 101 and 203 of Public Law 93-153, to be immediately available until expended[: *Provided*, That pursuant to this Act and hereafter, and except with respect to those applications for which costs are recovered on the basis of a schedule of fees or charges fixed by regulation, the amounts collected under section 304 of the Act of October 21, 1976, and sections 101 and 203 of Public Law 93-153 and appropriated under this heading shall be sufficient to meet the actual cost, including direct and indirect costs, to the United States, as determined by the Secretary, of the application processing and other activities, including the full cost of preparation of environmental impact statements, required in connection with the application for which such charges are made: *Provided further*, That pursuant to this Act and hereafter, and except with respect to those applications for which costs are recovered on the basis of a schedule of fees or charges fixed by regulation, no funds other than those appropriated under this heading, or otherwise available under the provisions of subsection 307(c) of the Act of October 21, 1976, may be used to meet the costs determined by the Secretary, in his discretion, to be reasonable under section 304(b) of said Act.]

MISCELLANEOUS TRUST FUNDS

In addition to amounts authorized to be expended under existing law, there is hereby appropriated such amounts as may be contributed under section 307 of the Act of October 21, 1976 (43 U.S.C. 1701), and such amounts as may be advanced for administrative costs, surveys, appraisals, and costs of making conveyances of omitted lands under section 211(b) of that Act, to remain available until expended.

ADMINISTRATIVE PROVISIONS

Appropriations for the Bureau of Land Management shall be available for purchase, erection, and dismantlement of temporary structures and alteration and maintenance of necessary buildings and appurtenant facilities to which the United States has title; up to $10,000 for payments, at the discretion of the Secretary, for information or evidence concerning violations of laws administered by the United States Bureau of Land Management; miscellaneous and emergency expenses of enforcement activities authorized or approved by the Secretary and to be accounted for solely on his certificate, not to exceed $10,000: *Provided*, That appropriations herein made for the Bureau of Land Management expenditures in connection with the revested Oregon and California Railroad and reconveyed Coos Bay Wagon Road grant lands (other than expenditures made under the appropriation "Oregon and California grant lands") shall be reimbursed to the General Fund of the Treasury from the 25 per centum referred to in subsection (c), title II, of the Act approved August 28, 1937 (50 Stat. 876), of the special fund designated the "Oregon and California land grant fund" and section 4 of the Act approved May 24, 1939 (53 Stat. 754), of the special fund designated the "Coos Bay Wagon Road grant fund": *Provided further*, That appropriations herein made may be expended for surveys of Federal lands of the United States and on a reimbursable basis for surveys of Federal lands of the United States and for protection of lands for the State of Alaska: *Provided further*, That an appeal of any reductions in grazing allotments on public rangelands must be taken within thirty days after receipt of a final grazing allotment decision. Reductions of up to 10 per centum in grazing allotments shall become effective when so designated by the Secretary of the Interior. Upon appeal any proposed reduction in excess of 10 per centum shall be suspended pending final action on the appeal, which shall be completed within two years after the appeal is filed: *Provided further*, That appropriations herein made shall be available for paying costs incidental to the utilization of services contributed by individuals who serve without compensation as volunteers in aid of work of the Bureau.

UNITED STATES FISH AND WILDLIFE SERVICE

RESOURCE MANAGEMENT

For expenses necessary for scientific and economic studies, conservation, management, investigations, protection, and utilization of sport fishery and wildlife resources, except whales, seals, and sea lions, and for the performance of other authorized functions related to such resources; for the general administration of the United States Fish and Wildlife Service; and for maintenance of the herd of long-horned cattle on the Wichita Mountains Wildlife Refuge, [$317,202,000] *$303,522,000* of which [$5,000,000] *$3,920,000* to carry out the purposes of 16 U.S.C. 1535, shall remain available until expended; and, of which [$5,649,000] *$5,665,000* shall be for operation and maintenance of fishery mitigation facilities constructed by the Corps of Engineers under the Lower Snake River Compensation Plan, authorized by the Water Resources Development Act of 1976 (90 Stat. 2921), to compensate for loss of fishery resources from water development projects on the Lower Snake River, which will remain available until expended.

CONSTRUCTION AND ANADROMOUS FISH

For construction and acquisition of buildings and other facilities required in the conservation, management, investigations, protection, and utilization of sport fishery and wildlife resources, and the acquisition of lands and interests therein; [$18,209,000] *$15,033,000*, to remain available until expended, of which [$2,000,000] *$4,000,000* shall be available for expenses to carry out the Anadromous Fish Conservation Act (16 U.S.C. 757a-757g).

MIGRATORY BIRD CONSERVATION ACCOUNT

For an advance to the migratory bird conservation account, as authorized by the Act

of October 4, 1971, as amended (16 U.S.C. 715k-3, 5), [$10,000,000] *$20,000,000*, to remain available until expended.

LAND ACQUISITION

For expenses necessary to carry out the provisions of the Land and Water Conservation Fund Act of 1965, as amended (16 U.S.C. 460l-4-11), including administrative expenses, and for acquisition of land or waters, or interest therein, in accordance with statutory authority applicable to the United States Fish and Wildlife Service, [$45,970,000] *$32,570,000*, to be derived from the Land and Water Conservation Fund, to remain available until expended[: *Provided*, That $2,640,000 for the Cape Charles National Wildlife Refuge shall become available for obligation only upon enactment of authorizing legislation.]

NATIONAL WILDLIFE REFUGE FUND

For expenses necessary to implement the Act of October 17, 1978 (16 U.S.C. 715s), $5,645,000.

ADMINISTRATIVE PROVISIONS

Appropriations and funds available to the United States Fish and Wildlife Service shall be available for purchase of not to exceed 191 passenger motor vehicles of which 178 are for replacement only (including 67 for police-type use); purchase of 4 new aircraft for replacement; acceptance of one donated aircraft as an addition; not to exceed $300,000 for payment, at the discretion of the Secretary, for information, rewards, or evidence concerning violations of laws administered by the United States Fish and Wildlife Service and miscellaneous and emergency expenses of enforcement activities, authorized or approved by the Secretary and to be accounted for solely on his certificate; repair of damage to public roads within and adjacent to reservation areas caused by operations of the United States Fish and Wildlife Service; options for the purchase of land at not to exceed $1 for each option; facilities incident to such public recreational uses on conservation areas as are consistent with their primary purpose; and the maintenance and improvement of aquaria, buildings, and other facilities under the jurisdiction of the United States Fish and Wildlife Service and to which the United States has title, and which are utilized pursuant to law in connection with management and investigation of fish and wildlife resources: *Provided*, That pursuant to Public Law 98-244, funds advanced to or spent by the United States Fish and Wildlife Service for costs of the National Fish and Wildlife Foundation shall be repaid to the United States Fish and Wildlife Service from donations received by the Foundation and credited to the appropriation current at the time the payment is received.

National Park Service

OPERATION OF THE NATIONAL PARK SYSTEM

For expenses necessary for the management, operation, and maintenance of areas and facilities administered by the National Park Service (including special road maintenance service to trucking permittees on a reimbursable basis), and for the general administration of the National Park Service, including not to exceed $410,000 for the Roosevelt Campobello International Park Commission[,] *and* $490,000 for the Volunteers-in-the-Park program[, and $350,000 for the National Capital Children's Museum and $350,000 for the Arena Stage as if authorized by the Historic Sites Act of 1935 (16 U.S.C. 462(e)), $628,996,000] *$619,548,000* without regard to the Act of August 24, 1912, as amended (16 U.S.C. 451): *Provided*, That the Park Service shall not enter into future concessionaire contracts, including renewals, that do not include a termination for cause clause that provides for possible extinguishment of possessory interests excluding depreciated book value of concessionaire investments without compensation: *Provided further*, That appropriations for maintenance and improvement of roads within the boundary of Indiana Dunes National Lakeshore shall be available for such purposes without regard to whether title to such road rights-of-way is in the United States: *Provided further, That $85,000 shall be available to assist the town of Harpers Ferry, West Virginia, for police force use.*

NATIONAL RECREATION AND PRESERVATION

For expenses necessary to carry out recreation programs, natural programs, cultural programs, environmental compliance and review, and grant administration, not otherwise provided for, [$11,467,000] *$10,828,000*.

HISTORIC PRESERVATION FUND

For expenses necessary in carrying out the provisions of the Historic Preservation Act of 1966 (80 Stat. 915), as amended (16 U.S.C. 470), [$24,410,000] *$25,480,000* to be derived from the Historic Preservation Fund, established by section 108 of that Act, as amended, to remain available for obligation until September 30, 1987.

[VISITOR FACILITIES FUND

[For grants to the National Park Foundation for reconstruction, rehabilitation, replacement, improvement, relocation, or removal of visitor facilities within the National Park System, and related expenses, as authorized by Public Law 97-433, $7,070,000 to remain available for obligation until September 30, 1989, to be derived from the National Park System Visitor Facilities Fund.]

CONSTRUCTION

For construction, improvements, repair or replacement of physical facilities, without regard to the Act of August 24, 1912, as amended (16 U.S.C. 451), [$104,069,000] *$86,220,000 to remain available until expended, of which $8,500,000 shall be derived by transfer from the National Park System Visitor Facilities Fund and of which not to exceed $8,700,000 shall be expended for engineering and construction of the Burr Trail Scenic Road in and adjacent to the Capitol Reef National Park and the Glen Canyon National Recreation Area, such funds to be transferred to the State of Utah for accomplishment of these activities in accordance with provisions of a cooperative agreement between the National Park Service and the State of Utah: Provided, That appropriations for maintenance and improvement of roads within Capitol Reef National Park and Glen Canyon National Recreation Area shall be available for such purposes without regard to whether title to such road rights-of-way is in the United States: Provided further, That the Burr Trail Scenic Road may deviate up to 75 feet in either direction from the center line of the existing Burr Trail Road*[, including $3,168,000 to carry out the provisions of sections 303 and 304 of Public Law 95-290 and $2,000,000 to assist local communities to protect Mammoth Cave National Park from groundwater pollution: *Provided*, That the National Park Service share of the Mammoth Cave protection project shall not exceed 25 per centum:] *Provided further*, That for payment of obligations incurred for continued construction of the Cumberland Gap Tunnel, as authorized by section 160 of Public Law 93-87, $10,300,000, to be derived from the Highway Trust Fund and to remain available until expended to liquidate contract authority provided under section 104(a)(8) of Public Law 95-599, as amended, such contract authority to remain available until expended: *Provided further*, That funds made available pursuant to this Act for the Cumberland Gap Tunnel shall only be available when the States of Kentucky and Tennessee have entered into an agreement with the National Park Service to operate and maintain all portions of U.S. Route 25E, including the Tunnel, within the boundaries of the Cumberland Gap National Historic Park.

LAND ACQUISITION AND STATE ASSISTANCE

For expenses necessary to carry out the provisions of the Land and Water Conservation Fund Act of 1965, as amended (16 U.S.C. 460l-4-11), including administrative expenses, and for acquisition of land or waters, or interest therein, in accordance with statutory authority applicable to the National Park Service, [$115,762,000] *$75,400,000*, to be derived from the Land and Water Conservation Fund, to remain available until expended, of which $50,000,000 is for the State Assistance program including $1,650,000 to administer the program: *Provided*, That State administrative expenses associated with the State grant portion of the State Assistance program shall not exceed 15 percent: *Provided further*, That none of the State Assistance funds may be used as a contingency fund: *Provided further*, That of the amounts previously appropriated to the Secretary's contingency fund for grants to States, $852,000 shall be available in 1986 for administrative expenses of the State grant program.

JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

For expenses necessary for operating and maintaining the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts, [$4,529,000] *$4,800,000*.

ILLINOIS AND MICHIGAN CANAL NATIONAL HERITAGE CORRIDOR COMMISSION

For the operation of the Illinois and Michigan Canal National Heritage Corridor Commission, $250,000.

[JEFFERSON NATIONAL EXPANSION MEMORIAL COMMISSION

[For the operation of the Jefferson National Expansion Memorial Commission, $75,000.]

ADMINISTRATIVE PROVISIONS

Appropriations for the National Park Service shall be available for the purchase of not to exceed 1 aircraft and 286 passenger motor vehicles, of which 242 shall be for replacement only, including not to exceed 174 for police-type use and 6 buses; to provide, notwithstanding any other provision of law, at a cost not exceeding $100,000, transportation for children in nearby communities to and from any unit of the National Park System used in connection with organized recreation and interpretive programs of the National Park Service; options for the purchase of land at not to exceed $1 for each option; and for the procurement and delivery of medical services within the jurisdiction of units of the National Park System: *Provided*, That any funds available to the National Park Service may be used, with the approval of the Secretary, to maintain law and order in emergency and other

unforeseen law enforcement situations and conduct emergency search and rescue operations in the National Park System: *Provided further,* That none of the funds appropriated to the National Park Service may be used to process any grant or contract documents which do not include the text of 18 U.S.C. 1913: *Provided further,* That none of the funds appropriated to the National Park Service may be used to add industrial facilities to the list of National Historic Landmarks without the consent of the owner: *Provided further,* That the National Park Service may use helicopters and motorized equipment at Death Valley National Monument for removal of feral burros and horses.

GEOLOGICAL SURVEY

SURVEYS, INVESTIGATIONS, AND RESEARCH

For expenses necessary for the Geological Survey to perform surveys, investigations, and research covering topography, geology, and the mineral and water resources of the United States, its Territories and possessions, and other areas as authorized by law (43 U.S.C. 31, 1332 and 1340); classify lands as to their mineral and water resources; give engineering supervision to power permittees and Federal Energy Regulatory Commission licensees; administer the minerals exploration program (30 U.S.C. 641); and publish and disseminate data relative to the foregoing activities; [$428,098,000] *$437,655,000*: *Provided,* That $52,324,000 shall be available only for cooperation with States or municipalities for water resources investigations: *Provided further,* That no part of this appropriation shall be used to pay more than one-half the cost of any topographic mapping or water resources investigations carried on in cooperation with any State or municipality: *Provided further,* That in fiscal year 1986 and thereafter, all amortization fees resulting from the Geological Survey providing telecommunications services shall be credited to this appropriation and be available for replacement or expansion of telecommunications services, to remain available until expended: *Provided further,* That the Geological Survey is authorized to accept lands, buildings, equipment, and other contributions from public and private sources and to prosecute projects in cooperation with other agencies, Federal, State, or private.

ADMINISTRATIVE PROVISIONS

The amount appropriated for the Geological Survey shall be available for purchase of not to exceed 16 passenger motor vehicles, for replacement only; reimbursement to the General Services Administration for security guard services; contracting for the furnishing of topographic maps and for the making of geophysical or other specialized surveys when it is administratively determined that such procedures are in the public interest; construction and maintenance of necessary buildings and appurtenant facilities; acquisition of lands for observation wells; expenses of the United States National Committee on Geology; and payment of compensation and expenses of persons on the rolls of the Geological Survey appointed, as authorized by law, to represent the United States in the negotiation and administration of interstate compacts: *Provided,* That appropriations herein made shall be available for paying costs incidental to the utilization of services contributed by individuals who serve without compensation as volunteers in aid of work of the Geological Survey, and that within appropriations herein provided, Geological Survey officials may authorize either direct procurement of or reimbursement for expenses incidental to the effective use of volunteers such as, but not limited to, training, transportation, lodging, subsistence, equipment, and supplies: *Provided further,* That provision for such expenses or services is in accord with volunteer or cooperative agreements made with such individuals, private organizations, educational institutions, or State or local governments.

MINERALS MANAGEMENT SERVICE

LEASING AND ROYALTY MANAGEMENT

For expenses necessary for minerals leasing and environmental studies, regulation of industry operations, and collection of royalties, as authorized by law; for enforcing laws and regulations applicable to oil, gas, and other minerals leases, permits, licenses and operating contracts; and for matching grants or cooperative agreements; including the purchase of not to exceed 8 passenger motor vehicles for replacement only; [$165,118,000] *$170,267,000,* of which not less than [$44,476,000] *$45,495,000* shall be available for royalty management activities including general administration[: *Provided,* That notwithstanding any other provision of law, $125,200,000 shall be deducted from Federal onshore mineral leasing receipts prior to the division and distribution of such receipts between the States and the Treasury and shall be credited to miscellaneous receipts of the Treasury: *Provided further,* That notwithstanding any other provision of law, when in fiscal year 1986 and thereafter any permittee provides data and information to the Secretary pursuant to section 1352(a)(1)(C)(iii) of title 43, United States Code, the Secretary shall pay only the reasonable cost of reproducing such data and information.]

PAYMENTS TO STATES FROM RECEIPTS UNDER MINERAL LEASING

Notwithstanding any other provision of law, in Fiscal Year 1986, monies received from sales, bonuses, royalties (including interest charges collected under the Federal Oil and Gas Royalty Management Act of 1982), and rentals of the public lands under the provisions of the Mineral Lands Leasing Act of 1920, as amended, and the Geothermal Steam Act of 1970, not payable to a State or to the Reclamation Fund shall be available for the payment of interest in accordance with 30 U.S.C. 1721 (b) and (d), prior to credit of such funds to miscellaneous receipts of the Treasury.

BUREAU OF MINES

MINES AND MINERALS

For expenses necessary for conducting inquiries, technological investigations and research concerning the extraction, processing, use and disposal of mineral substances without objectionable social and environmental costs; to foster and encourage private enterprise in the development of mineral resources and the prevention of waste in the mining, minerals, metal and mineral reclamation industries; to inquire into the economic conditions affecting those industries; to promote health and safety in mines and the mineral industry through research; and for other related purposes as authorized by law, [$122,298,000] *$131,445,000,* of which [$75,343,000] *$75,687,000* shall remain available until expended.

ADMINISTRATIVE PROVISIONS

The Secretary is authorized to accept lands, buildings, equipment, and other contributions from public and private sources and to prosecute projects in cooperation with other agencies, Federal, State, or private: *Provided,* That the Bureau of Mines is authorized, during the current fiscal year, to sell directly or through any Government agency, including corporations, any metal or mineral product that may be manufactured in pilot plants operated by the Bureau of Mines, and the proceeds of such sales shall be covered into the Treasury as miscellaneous receipts.

OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT

REGULATION AND TECHNOLOGY

For necessary expenses to carry out the provisions of the Surface Mining Control and Reclamation Act of 1977, Public Law 95-87, [$85,538,000] *$85,038,000,* including the purchase of not to exceed 14 passenger motor vehicles, of which 9 shall be for replacement only; and uniform allowances of not to exceed $400 for each uniformed employee of the Office of Surface Mining Reclamation and Enforcement; and notwithstanding 31 U.S.C. 3302, an amount equal to receipts to the General Fund of the Treasury from performance bond forfeitures, estimated at $500,000 in fiscal year 1986, to remain available until expended: *Provided, That no funds shall be used to plan, develop, review, finalize or implement any proposed rule, or take any other action which would result in the adoption by the Office of Surface Mining Reclamation and Enforcement of a rule or regulation pursuant to section 507(a) of Public Law 95-87 which would require applicants to reimburse the Department of the Interior for costs incurred in the collection of application fees for permits to conduct surface coal mining and reclamation operations; for permits to conduct coal exploration; for processing mining plans; or for the review of surface coal mining and reclamation permits.*

ABANDONED MINE RECLAMATION FUND

For necessary expenses to carry out the provisions of title IV of the Surface Mining Control and Reclamation Act of 1977, Public Law 95-87, including the purchase of not more than 21 passenger motor vehicles, of which 15 shall be for replacement only, to remain available until expended, [$233,585,000] *$191,295,000,* to be derived from receipts of the Abandoned Mine Reclamation Fund: *Provided,* That pursuant to Public Law 97-365, the Department of the Interior is authorized to utilize up to 20 percent from the recovery of the delinquent debt owed to the United States Government to pay for contracts to collect these debts: *Provided further,* That of the funds made available to the States to contract for reclamation projects authorized in section 406(a) of Public Law 95-87, administrative expenses may not exceed 15 percent: *Provided further,* That none of these funds shall be used for a reclamation grant to any State if the State has not established a system acceptable to the Office of Surface Mining Reclamation and Enforcement and agreed to participate in a nationwide data system through which all permit applications and permanent program permits are reviewed and either denied or revoked if the persons (or those who control such persons) applying for or receiving such permits have outstanding state or Federal civil penalties, outstanding state or Federal environmental violations, including cessation orders, or past due Abandoned Mine Land fees: *Provided further,* That none of the funds available to the States pursuant to title IV of Public Law 95-87, shall be granted to any State which is failing to take enforcement action

when violations of section 521(a) of the Act or the approved State programs are observed, unless that State has entered into an explicit agreement with the Office of Surface Mining Reclamation and Enforcement to remedy said failure to enforce[: *Provided further,* That the Office of Surface Mining Reclamation and Enforcement is to apportion the funding for the Secretary's discretionary fund, as referenced in section 402(g)(3) of Public Law 95-87, on the basis of the Abandoned Mine Lands Inventory]: *Provided further,* That expenditure of moneys as authorized in section 402(g)(3) shall be on a priority basis with the first priority being protection of public health, safety, general welfare, and property from extreme danger of adverse effects of coal mining practices, as stated in section 403 of Public Law 95-87[: *Provided further,* That no State will be awarded a reclamation grant, for the purposes of construction, unless its prior years' unobligated balances of the amount granted is less than the amount of the grant obligated in the immediately preceding year.]

BUREAU OF INDIAN AFFAIRS

OPERATION OF INDIAN PROGRAMS

For operation of Indian programs by direct expenditure, contracts, cooperative agreements and grants including expenses necessary to provide education and welfare services for Indians, either directly or in cooperation with States and other organizations, including payment of care, tuition, assistance, and other expenses of Indians in boarding homes, institutions, or schools; grants and other assistance to needy Indians; maintenance of law and order; management, development, improvement, and protection of resources and appurtenant facilities under the jurisdiction of the Bureau of Indian Affairs, including payment of irrigation assessments and charges; acquisition of water rights; advances for Indian industrial and business enterprises; operation of Indian arts and crafts shops and museums; development of Indian arts and crafts, as authorized by law; for the general administration of the Bureau of Indian Affairs, including such expenses in field offices, [$857,303,000] *$877,780,000,* of which not to exceed [$54,656,000] *$51,473,000* for higher education scholarships and assistance to public schools under the Act of April 16, 1934 (48 Stat. 596), as amended (25 U.S.C. 452 et seq.), shall remain available for obligation until September 30, 1987, *and of which $400,000 is for acquisition in trust of land for the Mississippi Band of Choctaw Indians,* and the funds made available to tribes and tribal organizations through contracts authorized by the Indian Self-Determination and Education Assistance Act of 1975 (88 Stat. 2203; 25 U.S.C. 450 et seq.) shall remain available until September 30, 1987: *Provided,* That this carryover authority does not extend to programs directly operated by the Bureau of Indian Affairs; and includes expenses necessary to carry out the provisions of section 19(a) of Public Law 93-531 (25 U.S.C. 640(d)-18(a)), [$2,886,000] *$2,490,000,* to remain available until expended: *Provided further,* That none of these funds shall be expended as matching funds for programs funded under section 103[(a)(1)(B)(iii)] *(b)(2)* of the *Carl D. Perkins* Vocational Education Act [of 1963, as amended (20 U.S.C. 2303(a)(1)(B)(iii)]: *Provided further,* That no part of any appropriations to the Bureau of Indian Affairs shall be available to provide general assistance payments for Alaska Natives in the State of Alaska unless and until otherwise specifically provided for by Congress: *Provided further, That notwithstanding any law or regulation, in allocating funds for aid to public schools under the Act of April 16, 1934, as amended, the Secretary shall first allocate to each public school in a state which has no schools funded under the Indian School Equalization Formula and to each public school district or state education agency which contracts directly for funds available under the Act of April 16, 1934, as amended, the same amount per pupil as schools in that state received under that Act in the fiscal year ending September 30, 1985: Provided further, That notwithstanding any other provision of law, within fourteen days of the date of enactment of this Act the Snowflake Dormitory in Arizona shall be closed and thereafter no funds available to the Bureau of Indian Affairs shall be available to operate an educational or boarding program at that location: Provided further, That of the amounts available for general assistance payments, $16,510,000 is not available for obligation until July 1, 1986.*

CONSTRUCTION

For construction, major repair and improvement of irrigation and power systems, including architectural and engineering services by contract; acquisition of lands and interests in lands; preparation of lands for farming; and construction, repair, and improvement of Indian housing, [$45,195,000] *$141,254,000,* to remain available until expended[: *Provided,* That such amounts as may be available for the construction of the Navajo Indian Irrigation Project may be transferred to the Bureau of Reclamation]: *Provided, That such amount includes $65,000,000 for use by the Secretary to construct homes and related facilities for the Navajo and Hopi Indian Relocation Commission in lieu of construction by the Commission under section 15(d)(3) of the Act of December 22, 1974 (88 Stat. 1719; 25 U.S.C. 640(d)-14(d)(3)), and to expedite relocations and construction under this proviso (1) the Secretary shall not be required to enter into contracts under section 102 of the Indian Self-Determination Act (88 Stat. 2206; 25 U.S.C. 450f) in carrying out this proviso, (2) the Secretary's authority under section 106(a) of the Indian Self Determination Act (88 Stat. 2210; 25 U.S.C. 450j(a)) shall apply for contracts for construction under this proviso without regard to the status of the contractors, (3) the Secretary may carry out construction and lease approvals or executions under this proviso without regard to the Commission's regulations and under such administrative procedures as the Secretary may adopt without regard to the rulemaking requirements of any law, executive order, or regulation, (4) an action under this proviso is neither a major Federal action for the purposes of the National Environmental Policy Act of 1969, as amended, nor subject to the Act of June 27, 1960, as amended (74 Stat. 220; 16 U.S.C. 469 et seq.), (5) after January 1, 1986, the Secretary may issue leases and rights-of-way for housing and related facilities to be constructed on the lands which are subject to section 11(h) of the Act of December 22, 1974, as amended (25 U.S.C. 640d-10(h)), and (6) after April 30, 1986, the Secretary may issue leases and rights-of-way on land held in trust for the Navajo Tribe to provide for housing and related facilities for those eligible relocatees who had applied by November 30, 1985 to the tribe for leases on tribal trust land but whose applications had not been either granted or denied by April 30, 1986.*

ROAD CONSTRUCTION

[For construction of roads and bridges pursuant to authority contained in 23 U.S.C. 203, the Act of November 2, 1921 (42 Stat. 208; 25 U.S.C. 13), and the Act of May 26, 1928 (45 Stat. 750; 25 U.S.C. 318a), $785,000 to remain available until expended: *Provided,* That not] *Not* to exceed 5 percent of contract authority available to the Bureau of Indian Affairs from the Federal Highway Trust Fund may be used to cover roads program management costs and construction supervision costs of the Bureau of Indian Affairs *: Provided, That $3,200,000 of the contract authority available to the Bureau of Indian Affairs from the Federal Highway Trust Fund for road construction to serve the Navajo Reservation shall be used by the Secretary of the Interior for road construction projects to serve land transferred or acquired under the Act of December 22, 1974, as amended (88 Stat. 1712, 25 U.S.C. 64d et seq.): Provided further, That the foregoing shall not alter the amount of funds or contract authority that would otherwise be available for road construction to serve any Indian reservation or land other than the Navajo reservation.*

ALASKA NATIVE ESCROW ACCOUNT

For the Federal contribution to the Alaska Native Escrow Account related to proceeds received by Federal agencies from lands or resources of lands after the date of withdrawal of the land for Native selection as authorized by Public Law 94-204, an amendment to the Alaska Native Claims Settlement Act (43 U.S.C. 16123, 89 Stat. 1476), and Public Law 96-487, the Alaska National Interest Lands Conservation Act (94 Stat. 2497), $7,877,000: Provided, That those funds appropriated hereunder which represent proceeds received from lands which have been conveyed on or before the date of enactment of this Act shall be distributed to the appropriate Native corporations pursuant to Public Law 96-487 immediately upon receipt in the escrow account: Provided further, That those funds which represent proceeds received from lands withdrawn for Native Selection but not yet conveyed on the date of the enactment of this Act will be held in the escrow account and invested until conveyance, and shall, during the time that such funds are on deposit in the escrow account, be entitled to their share of the interest earned by the escrow account pursuant to the first proviso of section 2(b) of Public Law 94-204.

TRIBAL TRUST FUNDS

In addition to the tribal funds authorized to be expended by existing law, there is hereby appropriated not to exceed $4,000,000 from tribal funds not otherwise available for expenditure.

REVOLVING FUND FOR LOANS

During fiscal year 1986, and within the resources and authority available, gross obligations for the principal amount of direct loans pursuant to the Indian Financing Act of 1974 (88 Stat. 77; 25 U.S.C. 1451 et seq.), shall not exceed $16,300,000*: Provided, That notwithstanding section 102 of the Indian Financing Act of 1974, as amended (25 U.S.C. 1462) and regulations restricting the purposes for loans under that Act, the Secretary may make a loan under title I of that Act to the Zuni Pueblo for the acquisition in trust for the Pueblo of private lands in the area known as Zuni Heaven.*

INDIAN LOAN GUARANTY AND INSURANCE FUND

For payment of interest subsidies on new and outstanding guaranteed loans and for necessary expenses of management and technical assistance in carrying out the provisions of the Indian Financing Act of 1974, as amended (88 Stat. 77; 25 U.S.C. 1451 et seq.), $2,210,000, to remain available until expended: *Provided*, That during fiscal year 1986, total commitments to guarantee loans pursuant to the Indian Financing Act of 1974 (88 Stat. 77; 25 U.S.C. 1451 et seq.), may be made only to the extent that the total loan principal, any part of which is to be guaranteed, shall not exceed resources and authority available.

ADMINISTRATIVE PROVISIONS

Appropriations for the Bureau of Indian Affairs (except the revolving fund for loans and the Indian loan guarantee and insurance fund) shall be available for expenses of exhibits; and purchase of not to exceed 150 passenger carrying motor vehicles, of which 100 shall be for replacement only.

TERRITORIAL AND INTERNATIONAL AFFAIRS

ADMINISTRATION OF TERRITORIES

For expenses necessary for the administration of territories under the jurisdiction of the Department of the Interior, [$74,752,000] *$80,366,000*, of which (1) [$72,367,000] *$77,893,000* shall be available until expended for technical assistance; *repurchase premium, late charges, and payments of the annual interest rate differential required by the Federal Financing Bank, under terms of the second refinancing of an existing loan to the Guam Power Authority, as authorized by law (Public Law 98-454, 98 Stat. 1732)*; grants to the judiciary in American Samoa for compensation and expenses, as authorized by law (48 U.S.C. 1661(c)); grants to the Government of American Samoa, in addition to current local revenues, for support of governmental functions; *$490,000 for the College of the Virgin Islands Eastern Caribbean Center*; $2,000,000 for a loan to the Government of the United States Virgin Islands, for construction of an extension to the Alexander Hamilton Airport runway, St. Croix, at an interest rate of 4 per centum, to be repaid within a period of twelve years: *Provided*, That issuance of such loan shall be contingent upon approval of a multiyear grant of Airport Improvement Program funds from the Federal Aviation Administration, and a written guarantee from the Government of the United States Virgin Islands as to the source of funds to be used for repayment of the loan; construction grants to the Government of Guam of [$5,393,000] *$4,583,000*, as authorized by law (Public Law 98-454, 98 Stat. 1732); direct grants to the Government of the Northern Mariana Islands as authorized by law (Public Law 94-241, 90 Stat. 272, and Public Law 98-454, 98 Stat. 1732); and (2) [$2,385,000] *$2,473,000* for fiscal year 1986 for salaries and expenses of the Office of Territorial and International Affairs, of which not to exceed $1,000 shall be available during 1986 for official reception and representation expenses: *Provided further*, That the territorial and local governments herein provided for are authorized to make purchases through the General Services Administration: *Provided further*, That all financial transactions of the territorial and local governments herein provided for, including such transactions of all agencies or instrumentalities established or utilized by such governments, shall be audited by the General Accounting Office, in accordance with the provisions of the Budget and Accounting Act, 1921 (42 Stat. 23), as amended, and the Accounting and Auditing Act of 1950 (64 Stat. 834).

TRUST TERRITORY OF THE PACIFIC ISLANDS

For expenses necessary for the Department of the Interior in administration of the Trust Territory of the Pacific Islands pursuant to the Trusteeship Agreement approved by joint resolution of July 18, 1947 (61 Stat. 397), and the Act of June 30, 1954 (68 Stat. 330), as amended (90 Stat. 299; 91 Stat. 1159; 92 Stat. 495), grants for the expenses of the High Commissioner of the Trust Territory of the Pacific Islands; grants for the compensation and expenses of the Judiciary of the Trust Territory of the Pacific Islands; grants to the Trust Territory of the Pacific Islands, in addition to local revenues, for support of governmental functions; [$107,972,000] *$78,172,000*, of which [$85,022,000] *$70,572,000* is for operations[, of which $2,500,000, to remain available until expended, shall be available for the relocation and resettlement of the people of Enjebi (the dri-Enjebi) on Enjebi Island on Enewetak Atoll in the Marshall Islands: *Provided*, That such sum shall be paid to a trustee selected by the local council of Enewetak subject only to the disapproval of the Secretary of the Interior to be held in trust pursuant to the provisions of a trust agreement or amendment thereto approved by the local council of Enewetak subject only to the disapproval of the Secretary of the Interior: *Provided further*, That such fund and the earnings and distribution therefrom shall not be subject to any form of Federal, State, or local taxation: *Provided further*, That the Governments of the United States and the Trust Territory of the Pacific Islands shall not be liable in any cause of action in law or equity from the administration and distribution of the trust funds: *Provided further*, That the funds shall not be paid to the trustee until the people of Enjebi and the local council of Enewetak have entered into a binding agreement with the United States to hold the United States harmless from loss, damage, and liability associated with resettlement of Enjebi by the people of Enjebi;] and [$22,950,000] *$7,600,000* is for construction, to remain available until expended: *Provided further*, That all financial transactions of the Trust Territory, including such transactions of all agencies or instrumentalities established or utilized by such Trust Territory, shall be audited by the General Accounting Office in accordance with the provisions of the Budget and Accounting Act, 1921 (42 Stat. 23), as amended, and the Accounting and Auditing Act of 1950 (64 Stat. 834): *Provided further*, That the government of the Trust Territory of the Pacific Islands is authorized to make purchases through the General Services Administration.

DEPARTMENTAL OFFICES

OFFICE OF THE SECRETARY

For necessary expenses of the Office of the Secretary of the Interior, [$40,856,000] *$44,673,000*, of which not to exceed $10,000 may be for official reception and representation expenses.

OFFICE OF THE SOLICITOR

SALARIES AND EXPENSES

For necessary expenses of the Office of the Solicitor, [$20,266,000] *$20,378,000*.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General, [$15,117,000] *$16,908,000*.

CONSTRUCTION MANAGEMENT

For necessary expenses of the Office of Construction Management, [$87,890,000, including $45,000,000 for operation and maintenance of facilities under the jurisdiction of the Bureau of Indian Affairs and also including $41,990,000, to remain available until expended, for construction, major repair and improvement of buildings, utilities, and other facilities, under the jurisdiction of the Bureau of Indian Affairs, including architectural and engineering services by contract] *$660,000*.

OFFICE OF THE SECRETARY

(SPECIAL FOREIGN CURRENCY PROGRAM)

For payment in foreign currencies which the Treasury Department shall determine to be excess to the normal requirement of the United States, for necessary expenses of the United States Fish and Wildlife Service and the National Park Service as authorized by law, $1,000,000, to remain available until expended: Provided, That this appropriation shall be available, in addition to other appropriations, to such office for payment in the foregoing currencies (7 U.S.C. 1704).

ADMINISTRATIVE PROVISIONS

There is hereby authorized for acquisition from available resources within the Working Capital Fund, 5 additional aircraft, all of which shall be for replacement only: *Provided*, That no programs funded with appropriated funds in the "Office of the Secretary", "Office of the Solicitor", and "Office of Inspector General" may be augmented through the Working Capital Fund or the Consolidated Working Fund.

GENERAL PROVISIONS, DEPARTMENT OF THE INTERIOR

SEC. 101. Appropriations made in this title shall be available for expenditure or transfer (within each bureau or office), with the approval of the Secretary, for the emergency reconstruction, replacement, or repair of aircraft, buildings, utilities, or other facilities or equipment damaged or destroyed by fire, flood, storm, or other unavoidable causes: *Provided*, That no funds shall be made available under this authority until funds specifically made available to the Department of the Interior for emergencies shall have been exhausted.

[SEC. 102. No funds provided in this title may be used to sell or exchange, or to propose to sell or exchange, lands owned by the United States within a unit of the United States National Wildlife Refuge System or the National Park System.]

SEC. [103] *102*. Appropriations made in this title shall be available for operation of warehouses, garages, shops, and similar facilities, wherever consolidation of activities will contribute to efficiency or economy, and said appropriations shall be reimbursed for services rendered to any other activity in the same manner as authorized by sections 1535 and 1536 of title 31, U.S.C.: *Provided*, That reimbursements for costs and supplies, materials, equipment, and for services rendered may be credited to the appropriation current at the time such reimbursements are received.

SEC. [104] *103*. Appropriations made to the Department of the Interior in this title shall be available for services as authorized by 5 U.S.C. 3109, when authorized by the Secretary, in total amount not to exceed $300,000; hire, maintenance, and operation of aircraft; hire of passenger motor vehicles; purchase of reprints; payment for telephone service in private residences in the field, when authorized under regulations ap-

proved by the Secretary; and the payment of dues, when authorized by the Secretary, for library membership in societies or associations which issue publications to members only or at a price to members lower than to subscribers who are not members: *Provided,* That no funds available to the Department of the Interior are available for any expenses of the Great Hall of Commerce.

SEC. [105] *104.* Appropriations available to the Department of the Interior for salaries and expenses shall be available for uniforms or allowances therefor, as authorized by law (5 U.S.C. 5901-5902 and D.C. Code 4-204).

SEC. [106] *105.* Appropriations made in this title shall be available for obligation in connection with contracts issued by the General Services Administration for services or rentals for periods not in excess of twelve months beginning at any time during the fiscal year.

SEC. [107] *106.* The Secretary may authorize the expenditure or transfer of any no year appropriation in this title, in addition to the amounts included in the budget programs of the several agencies, for the suppression or emergency prevention of forest or range fires on or threatening lands under jurisdiction of the Department of the Interior; for the emergency rehabilitation of burned-over lands under its jurisdiction; for emergency actions related to potential or actual earthquakes or volcanoes; for emergency reclamation projects under section 410 of Public Law 95-87; and shall transfer, from any no year funds available to the Office of Surface Mining Reclamation and Enforcement, such funds as may be necessary to permit assumption of regulatory authority in the event a primacy State is not carrying out the regulatory provisions of the Surface Mining Act: *Provided,* That appropriations made in this title for fire suppression purposes shall be available for the payment of obligations incurred during the preceding fiscal year, and for reimbursement to other Federal agencies for destruction of vehicles, aircraft, or other equipment in connection with their use for fire suppression purposes, such reimbursement to be credited to appropriations currently available at the time of receipt thereof: *Provided further,* That funds transferred pursuant to this section must be replenished by a supplemental appropriation which must be requested as promptly as possible.

[SEC. 108. No funds provided in this title may be expended by the Department of the Interior for the preparation for, or conduct of, pre-leasing and leasing activities (including but not limited to: calls for information, tract selection, notices of sale, receipt of bids and award of leases) of lands within:

[(a) An area of the Outer Continental Shelf, as defined in section 2(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331(a)), located in the Atlantic Ocean, bounded by the following line: from the intersection of the seaward limit of the Commonwealth of Massachusetts territorial sea and the 71 degree west longitude line south along that longitude line to its intersection with the line which passes between blocks 598 and 642 on Outer Continental Shelf protraction diagram NK 19-10; then along that line in an easterly direction to its intersection with the line between blocks 600 and 601 of protraction diagram NK 19-11; then in a northerly direction along that line to the intersection with the 60 meter isobath between blocks 204 and 205 of protraction diagram NK 19-11; then along the 60 meter isobath, starting in a roughly southeasterly direction; then turning northeast and north until such isobath intersects the maritime boundary between Canada and the United States of America, then north northeasterly along this boundary until this line intersects the 60 meter isobath at the northern edge of block 851 of protraction diagram NK 19-6; then along a line that lies between blocks 851 and 807 of protraction diagram NK 19-6 in a westerly direction to the first point of intersection with the seaward limit of the Commonwealth of Massachusetts territorial sea; then southwesterly along the seaward limit of the territorial sea to the point of beginning at the intersection of the seaward limit of the territorial sea and the 71 degree west longitude line.

[(b) The following blocks are excluded from the described area: In protraction diagram NK 19-10, blocks numbered 474 through 478, 516 through 524, 560 through 568, and 604 through 612; in protraction diagram NK 19-6, blocks numbered 969 through 971; in protraction diagram NK 19-5, blocks numbered 1005 through 1008; and in protraction diagram NK 19-8, blocks numbered 37 through 40, 80 through 84, 124 through 127, and 168 through 169.

[(c) The following blocks are included in the described area: In protraction diagram NK 19-11, blocks numbered 633 through 644, 677 through 686, 721 through 724, 765 through 767, 809 through 810, and 853; in protraction diagram NK 19-9, blocks numbered 106, 150, 194, 238, 239, and 283; and in protraction diagram NK 19-6, blocks numbered 854, 899, 929, 943, 944, and 987.

[(d) Blocks in and at the head of submarine canyons: An area of the Outer Continental Shelf, as defined in section 2(a) of the Outer Continental Shelf Lands Act (45 U.S.C. 1331(a)), located in the Atlantic Ocean off the coastline of the Commonwealth of Massachusetts, lying at the head of, or within the submarine canyons known as Atlantis Canyon, Veatch Canyon, Hydrographer Canyon, Welker Canyon, Oceanographer Canyon, Gilbert Canyon, Lydonia Canyon, Alvin Canyon, Powell Canyon, and Munson Canyon, and consisting of the following blocks, respectively:

[(1) On Outer Continental Shelf protraction diagram NJ 19-1; blocks 36, 37, 38, 42-44, 80-82, 86-88, 124, 125, 130-132, 168, 169, 174-176, 212, 213.

[(2) On Outer Continental Shelf protraction diagram NJ 19-2; blocks 8, 9, 17-19, 51-52, 53, 54, 61-63, 95-98, 139, 140.

[(3) On Outer Continental Shelf protraction diagram NK 19-10; blocks 916, 917, 921, 922, 960, 961, 965, 966, 1003-1005, 1009, 1011.

[(4) On Outer Continental Shelf protraction diagram NK 19-11; blocks 521, 522, 565, 566, 609, 610, 653-655, 697-700, 734, 735, 741-744, 769, 778-781, 785-788, 813, 814, 822-826, 829-831, 857, 858, 866-869, 873-875, 901, 902, 910-913, 917, 945-947, 955, 956, 979, 980, 989-991, 999.

[(5) On Outer Continental Shelf protraction diagram NK 19-12; blocks 155, 156, 198, 199, 280-282, 324-326, 369-371, 401, 413-416, 442-446, 450, 451, 489-490, 494, 495, 530, 531, 533-540, 574, 575, 577-583, 618, 619, 621-623, 626, 627, 662, 663, 665-667, 671, 672, 706, 707, 710, 711, 750, 751, 754, 755, 794, 795, 798, 799.

[(e) Nothing in this section shall prohibit the lease of that portion of any blocks described in subsection (d) above which lies outside the geographical boundaries of the submarine canyons and submarine canyon heads described in subsection (d) above: *Provided,* That for purposes of this subsection, the geographical boundaries of the submarine canyons and submarine canyon heads shall be those recognized by the National Oceanographic and Atmospheric Administration, Department of Commerce, on the date of enactment of this Act.

[(f) Nothing in this section shall prohibit the Secretary of the Interior from granting contracts for scientific study, the results of which could be used in making future leasing decisions in the planning area and in preparing environmental impact statements as required by the National Environmental Policy Act.

[(g) References made to blocks, protraction diagrams, and isobaths are to such blocks, protraction diagrams, and isobaths as they appear on the map entitled Outer Continental Shelf of the North Atlantic from 39° to 45° North Latitude (Map No. MMS-10), prepared by the United States Department of the Interior, Minerals Management Service, Atlantic OCS Region.

[SEC. 109. None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated or expended to finance changing the name of the mountain located 63 degrees, 04 minutes, 15 seconds west, presently named and referred to as Mount McKinley.]

SEC. [110] *107.* Notwithstanding any other provision of law, appropriations in this title shall be available to provide insurance on official motor vehicles, aircraft, and boats operated by the Department of the Interior in Canada and Mexico.

SEC. [111] *108.* No funds provided in this title may be used to detail any employee to an organization unless such detail is in accordance with Office of Personnel Management regulations.

TITLE II—RELATED AGENCIES

DEPARTMENT OF AGRICULTURE

FOREST SERVICE

FOREST RESEARCH

For necessary expenses of forest research as authorized by law, [$124,989,000] *$125,420,000,* of which [$4,000,000] *$7,840,000* shall remain available until expended for competitive research grants, as authorized by section 5 of Public Law 95-307.

STATE AND PRIVATE FORESTRY

For necessary expenses of cooperating with, and providing technical and financial assistance to States, Territories, possessions, and others; and for forest pest management activities, [$56,193,000] *$55,786,000,* to remain available for obligation until expended, to carry out activities authorized in Public Law 95-313: *Provided,* That a grant of $3,000,000 shall be made to the State of Minnesota for the purposes authorized by section 6 of Public Law 95-495.

NATIONAL FOREST SYSTEM

For necessary expenses of the Forest Service, not otherwise provided for, for management, protection, improvement, and utilization of the National Forest System, and for liquidation of obligations incurred in the preceding fiscal year for forest fire protection and emergency rehabilitation, including administrative expenses associated with the management of funds provided under the heads "Forest Research", "State and Private Forestry", "National Forest System", "Construction", and "Land Acquisition", [$1,035,433,000] *$1,070,146,000,* of which [$158,408,000] *$164,151,000,* for reforestation, timber stand improvement, and maintenance of forest development roads and trails shall remain available for obliga-

tion until September 30, 1987: *Provided, That of the amount appropriated, $4,000,000 shall be paid within 30 days of enactment of this Act to Edwards Investments as compensation for all of Edwards Investments' interest in all lands which constitute what was formerly the right-of-way of the Chicago, Milwaukee, St. Paul and Pacific Railroad between Avery, Idaho and St. Regis, Montana and as compensation for all of Edwards Investments' interest in all improvements on said lands including, but not limited to, ballast, trestles, tunnels, fills, sheds and drainage structures on or adjacent to said right-of-way, subsequently purchased by Edwards Investments from the Reorganization Court established pursuant to the "Milwaukee Railroad Restructuring Act," (Public Law 96-101, 45 U.S.C. 901 et. seq.): Provided further, That upon payment of said amount the Forest Service shall use and operate said aforementioned lands and improvements thereon as a public road for multiple use purposes and shall keep and maintain said aforementioned lands and improvements thereon in such condition necessary for the continued annual seasonal use as a public road for multiple use purposes: Provided further, That not less than $24,000,000 shall be available for obligation for Timber Salvage Sales activities: Provided further, That the unobligated balances available September 30, 1985 and funds becoming available in fiscal year 1986 under the Act of October 14, 1980 (16 U.S.C. 1606), shall be transferred to the General Fund of the Treasury of the United States on October 1, 1985: Provided further, That notwithstanding any other provision of law, subsection (e) of section 303 of the Act of October 14, 1980, as amended by the Act of January 6, 1983, Public Law 97-424 (16 U.S.C. 1606), is repealed and subsection (d) of section 303 of the Act of October 14, 1980, as amended by the Act of January 6, 1983, Public law 97-424 (16 U.S.C. 1606), is amended to read as follows:*

"(d) The Secretary of Agriculture is hereafter authorized to obligate such sums as are available in the Trust Fund (including any amounts not obligated in previous fiscal years) for—

(1) reforestation and timber stand improvement as specified in section (3)(d) of the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1601 (d)); and

(2) properly allocable administrative costs of the Federal Government for the activities specified above."

CONSTRUCTION

For necessary expenses of the Forest Service, not otherwise provided for, for construction, [$183,785,000] *$219,608,000*, to remain available until expended, of which [$25,649,000] *$20,571,000* is for construction and acquisition of buildings and other facilities; and [$158,136,000] *$199,037,000* is for construction of forest roads and trails by the Forest Service as authorized by 16 U.S.C. 532-538 and 23 U.S.C. 101 and 205: *Provided*, That funds becoming available in fiscal year 1986 under the Act of March 4, 1913 (16 U.S.C. 501), shall be transferred to the General Fund of the Treasury of the United States: *Provided further, That road construction standards used to construct Forest Service roads, purchaser credit roads, or purchaser elect roads shall be applied, or other management initiatives or administrative cost-saving actions taken, including reductions in personnel or overhead charges, in fiscal year 1986 in a manner so as to achieve a 5 percent reduction in the average cost per road mile as compared to fiscal year 1985: Provided further, That such actions shall be taken so as to achieve this 5 percent reduction in each Forest Service region.*

LAND ACQUISITION

For expenses necessary to carry out the provisions of the Land and Water Conservation Fund Act of 1965, as amended (16 U.S.C. 4601-4-11), including administrative expenses, and for acquisition of land or waters, or interest therein, in accordance with statutory authority applicable to the Forest Service, [$29,500,000] *$18,025,000*, to be derived from the Land and Water Conservation Fund, to remain available until expended.

[YOUTH CONSERVATION CORPS

[There is appropriated $10,000,000, of which $3,400,000 is hereby transferred to "National Forest System", $3,300,000 is hereby transferred to "Operation of the National Park System", National Park Service, and $3,300,000 is hereby transferred to "Resource Management", United States Fish and Wildlife Service, for high priority projects which shall be carried out as if authorized by the Act of August 13, 1970, as amended by Public Law 93-408.]

ACQUISITION OF LANDS FOR NATIONAL FORESTS, SPECIAL ACTS

For acquisition of land within the exterior boundaries of the Cache, Uinta, and Wasatch National Forests, Utah; the Toiyabe National Forest, Nevada; and the Angeles, San Bernardino, and Cleveland National Forests, California, as authorized by law, [$780,000] *$782,000*, to be derived from forest receipts.

ACQUISITION OF LANDS TO COMPLETE LAND EXCHANGES

For acquisition of lands in accordance with the Act of December 4, 1967, as amended (16 U.S.C. 484a), all funds deposited by State, county or municipal governments, public school districts or other public school authorities pursuant to that Act, to remain available until expended.

RANGE BETTERMENT FUND

For necessary expenses of range rehabilitation, protection, and improvement in accordance with section 401(b)(1), of the Act of October 21, 1976, Public Law 94-579, as amended, 50 per centum of all moneys received during the prior fiscal year, as fees for grazing domestic livestock on lands in National Forests in the sixteen Western States, to remain available until expended.

MISCELLANEOUS TRUST FUNDS

For expenses authorized by 16 U.S.C. 1643(b), $90,000, to remain available until expended, to be derived from the fund established pursuant to 16 U.S.C. 1643(b).

ADMINISTRATIVE PROVISIONS, FOREST SERVICE

Appropriations to the Forest Service for the current fiscal year shall be available for: (a) purchase of not to exceed 252 passenger motor vehicles of which 13 will be used primarily for law enforcement purposes and of which 233 shall be for replacement only; acquisition of 161 passenger motor vehicles from excess sources, and hire of such vehicles; operation and maintenance of aircraft, the purchase of not to exceed 2 for replacement only, and acquisition of 43 aircraft from excess sources; notwithstanding other provisions of law, existing aircraft being replaced may be sold, with proceeds derived or trade-in value used to offset the purchase price for the replacement aircraft; (b) services pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $100,000 for employment under 5 U.S.C. 3109; (c) uniform allowances for each uniformed employee of the Forest Service, not in excess of $400 annually; (d) purchase, erection, and alteration of buildings and other public improvements (7 U.S.C. 2250); (e) acquisition of land, waters, and interests therein, pursuant to the Act of August 3, 1956 (7 U.S.C. 428a); (f) for expenses pursuant to the Volunteers in the National Forest Act of 1972 (16 U.S.C. 558a, 558d, 558a note); and (g) for debt collection contracts in accordance with 31 U.S.C. 3718(c).

None of the funds made available under this Act shall be obligated or expended to change the boundaries of any region, to abolish any region, to move or close any regional office for research, State and private forestry, or National Forest System administration of the Forest Service, Department of Agriculture, without the consent of the House and Senate Committees on Appropriations and the Committee on Agriculture, Nutrition, and Forestry in the United States Senate and the Committee on Agriculture in the United States House of Representatives.

Any appropriations or funds available to the Forest Service may be advanced to the National Forest System appropriation for the emergency rehabilitation of burned-over lands under its jurisdiction.

Appropriations and funds available to the Forest Service shall be available to comply with the requirements of section 313(a) of the Federal Water Pollution Control Act, as amended (33 U.S.C. 1323(a)).

The appropriation structure for the Forest Service may not be altered without advance approval of the House and Senate Committees on Appropriations.

Funds appropriated to the Forest Service shall be available for assistance to or through the Agency for International Development and the Office of International Cooperation and Development in connection with forest and rangeland research, and technical information and assistance in foreign countries.

Funds previously appropriated for timber salvage sales may be recovered from receipts deposited for use by the applicable national forest and credited to the Forest Service Permanent Appropriations to be expended for timber salvage sales from any national forest.

Provisions of section 702(b) of the Department of Agriculture Organic Act of 1944 (7 U.S.C. 2257) shall apply to appropriations available to the Forest Service only to the extent that the proposed transfer is approved by the House and Senate Committees on Appropriations in compliance with the reprogramming procedures contained in House Report 97-942.

No funds appropriated to the Forest Service shall be transferred to the Working Capital Fund of the Department of Agriculture without the approval of the Chief of the Forest Service.

Not to exceed $900,000 shall be available from National Forest System appropriations or permanent appropriations for the specific purpose of removing slash and cull logs from the Bull Run, Oregon, watershed to preserve water quality and reduce fire hazards.

None of the funds made available under this Act shall be obligated or expended to adjust annual recreational residence fees to an amount greater than that annual fee in effect at the time of the next to last fee adjustment, plus 50 per centum. In those cases

where the currently applicable annual recreational residence fee exceeds that adjusted amount, the Forest Service shall credit to the permittee that excess amount, times the number of years that that fee has been in effect, to offset future fees owed to the Forest Service.

Current permit holders who acquired their recreational residence permit after the next to last fee adjustment shall have their annual permit fee computed as if they had their permit prior to the next to last fee adjustment, except that no permittee shall receive an unearned credit.

Notwithstanding any delegations of authority provided for in regulations of the Department of Agriculture or in the Forest Service manual, the Chief of the Forest Service shall, personally and without aid of mechanical devices or persons acting on his behalf, execute (1) all deeds conveying federally owned land which exceeds $250,000 in value, (2) all acceptances of options on lands to be acquired which exceed $250,000 in value, (3) all recommendations that condemnation be initiated, (4) all letters accepting donations of land, (5) all decisions on appeals of decisions related to land transactions made by regional foresters, and (6) land related transmittals to the House or Senate Committees on Appropriations, including all proposals for congressional action such as the acquisition of lands in excess of the approved appraised value, condemnation actions, and other items covered in reprogramming guidelines.

[DEPARTMENT OF THE TREASURY

[ENERGY SECURITY RESERVE

[(RESCISSION)

[Except as otherwise provided in this item, all funds appropriated to the Energy Security Reserve are hereby rescinded. Funds so rescinded shall include all funds appropriated to the Energy Security Reserve by the Department of the Interior and Related Agencies Appropriations Act, 1980 (Public Law 96-126), and subsequently made available to carry out title I, part B, of the Energy Security Act by Public Laws 96-304 and 96-514, and shall be deposited in the general fund of the Treasury. This rescission shall not apply to:

[(1) funds transferred from the Energy Security Reserve by this Act;

[(2) $500,000,000, which may not be used for payments with respect to projects or modules under the Energy Security Act; and

[(3) such amounts as may be necessary to make payments for projects or modules for which obligations were entered into under title I of the Energy Security Act before the date of enactment of this Act.]

DEPARTMENT OF ENERGY

CLEAN COAL TECHNOLOGY RESERVE

[(TRANSFER OF FUNDS)]

For the purpose of conducting cost-shared clean coal technology projects for the construction and operation of facilities to demonstrate the feasibility for future commercial application of such technology, *there is hereby appropriated to the Secretary of Energy in fiscal year 1986, $100,000,000; fiscal year 1987, $175,000,000; fiscal year 1988, $300,000,000; and fiscal year 1989, $175,000,000, such sums to remain available until expended* [$500,000,000 shall be available to the Secretary of Energy, to remain available until expended, of which (1) $100,000,000 shall be immediately available, (2) an additional $200,000,000 shall be available beginning October 1, 1986, and (3) an additional $200,000,000 shall be available beginning October 1, 1987, such sums to be derived by transfer from funds appropriated to the "Energy security reserve" in the Department of the Treasury by the Department of the Interior and Related Agencies Appropriation Act, 1980 (Public Law 96-126) and subsequently made available to carry out title I, part B of the Energy Security Act (Public Law 96-294) by Public Laws 96-304 and 96-514: *Provided,* That such amount shall be from the amount of $5,700,000,000 initially available only for obligation to projects with Letters of Intent authorized by the Board of Directors of the United States Synthetic Fuels Corporation on or before June 1, 1984:] *Provided, That within 30 days following enactment of this Act, the Secretary of Energy shall, pursuant to the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5901, et seq.), issue a general request for proposals for clean coal technology projects for which the Secretary of Energy upon review may provide financial assistance awards. Proposals for clean coal technology projects under this section shall be submitted to the Department of Energy within 60 days after issuance of the general request for proposals. The Secretary of Energy shall make any project selections within 150 days after issuance of the general request for proposals: Provided further,* That the Secretary shall not finance more than 50 per centum of the total costs of a project as estimated by the Secretary as of the date of award of financial assistance: *Provided further,* That cost-sharing by project sponsors is required in each of the design, construction, and operating phases proposed to be included in a project: *Provided further,* That financial assistance for costs in excess of those estimated as of the date of award of original financial assistance may not be provided in excess of the proportion of costs borne by the Government in the original agreement and only up to 25 per centum of the original financial assistance: *Provided further,* That revenues or royalties from prospective operation of projects beyond the time considered in the award of financial assistance, or proceeds from prospective sale of the assets of the project, or revenues or royalties from replication of technology in future projects or plants are not cost-sharing for the purposes of this appropriation: *Provided further,* That other appropriated Federal funds are not cost-sharing for the purposes of this appropriation: *Provided further,* That existing facilities, equipment, and supplies, or previously expended research or development funds are not cost-sharing for the purposes of this appropriation, except as amortized, depreciated, or expensed in normal business practice.

[Within ninety days following enactment of this Act, the Secretary of Energy pursuant to the Federal Nonnuclear Energy Research and Development Act of 1974, as amended (42 U.S.C. 5901, et seq.), shall issue a general request for proposals for clean coal technology projects described in this account, and immediately begin the contract process for providing financial assistance to such projects.]

FOSSIL ENERGY RESEARCH AND DEVELOPMENT

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses in carrying out fossil energy research and development activities, under the authority of the Department of Energy Organization Act (Public Law 95-91), including the acquisition of interest, including defeasible and equitable interests in any real property or any facility or for plant or facility acquisition or expansion, [$299,534,000] *$292,228,000,* to remain available until expended, of which $535,000 is for the functions of the Office of the Federal Inspector for the Alaska Natural Gas Transportation System established pursuant to the authority of Public Law 94-586 (90 Stat. 2908-2909), and [$12,760,000] *$8,230,000* to be derived by transfer from unobligated balances in the "Fossil energy construction" account, [$2,137,000] *$2,010,000* to be derived by transfer from the account entitled "Alternative fuels production", *of which $200,000 is derived from Public Law 98-146 for a wood pellet gasifier facility,* and $2,775,000 to be derived by transfer from amounts derived from fees for guarantees of obligations collected pursuant to section 19 of the Federal Nonnuclear Energy Research and Development Act of 1974, as amended (42 U.S.C. 5919), and deposited in the "Energy security reserve" established by Public Law 96-126: *Provided,* That no part of the sum herein made available shall be used for the field testing of nuclear explosives in the recovery of oil and gas: *Provided further,* That notwithstanding any other provision of law, funds appropriated under this head in Public Law 97-394 for a Western Hemisphere alternative fuels facility feasibility study, which remain unobligated, shall be available for carrying out any fossil energy research and development activities: *Provided further, That $15,000,000 of the sum provided under this heading shall be available for demonstration of the Kilngas coal gasification process, with the provision that the United States Treasury shall be repaid up to double the total Federal expenditure for such process from proceeds to the participants from the commercial sale, lease, manufacture, or use of such process.*

Of the funds herein provided, $29,000,000 is for implementation of the June 1984 multiyear, cost-shared magnetohydrodynamics program targeted on proof of concept testing: Provided, That 20 percent private sector cash or in-kind contributions shall be required for obligations incurred in fiscal year 1986 and shall increase by ten percent for obligations incurred in each subsequent fiscal year over the life of the proof of concept plan: Provided further, That existing facilities, equipment, and supplies, or previously expended research or development funds are not cost-sharing for the purposes of this appropriation, except as amortized, depreciated, or expensed in normal business practice: Provided further, That cost sharing shall not be required for the basic supporting research activities, such as that undertaken at bench scale or conducted by universities.

NAVAL PETROLEUM AND OIL SHALE RESERVES

For necessary expenses in carrying out naval petroleum and oil shale reserves activities, including the purchase of not to exceed 3 passenger motor vehicles, for replacement only, $13,668,000, to remain available until expended.

ENERGY CONSERVATION

For necessary expenses in carrying out energy conservation activities, [$468,326,000] *$436,587,000,* to remain available until expended[: *Provided,* That pursuant to section 111(b)(1)(B) of the Energy Reorganization Act of 1974, as amended, 42 U.S.C. 5821(b)(1)(B), of the amount appropriated under this head, $10,319,000 shall be available for a grant for basic industry research facilities located at Northwestern University without section 111(b)(2) of such Act being applicable: *Provided further,* That section 404 of Public

Law 98-558 shall not be effective in any fiscal year in which the amount made available for low income weatherization assistance from appropriations under this head is less than 5 per centum above the amount made available in fiscal year 1985.]

ECONOMIC REGULATION

For necessary expenses in carrying out the activities of the Economic Regulatory Administration and the Office of Hearings and Appeals, $24,623,000.

EMERGENCY PREPAREDNESS

For necessary expenses in carrying out emergency preparedness activities, [$3,989,000] *$6,754,000.*

STRATEGIC PETROLEUM RESERVE

For expenses necessary to carry out the provisions of sections 151 through 166 of the Energy Policy and Conservation Act of 1975 (Public Law 94-163), [$199,017,000] *$113,043,000*, to remain available until expended[: *Provided*, That in compliance with section 160(d)(1) of the Energy Policy and Conservation Act (Public Law 94-163), as amended, the minimum required rate of fill during fiscal year 1986 is 100,000 barrels a day until the Strategic Petroleum Reserve is 500,000,000 barrels and 50,000 barrels a day thereafter.]

ENERGY INFORMATION ADMINISTRATION

For necessary expenses in carrying out the activities of the Energy Information Administration, [$60,782,000] *$60,682,000.*

ADMINISTRATIVE PROVISIONS, DEPARTMENT OF ENERGY

Appropriations under this Act for the current fiscal year shall be available for hire of passenger motor vehicles; hire, maintenance, and operation of aircraft; purchase, repair, and cleaning of uniforms; and reimbursement to the General Services Administration for security guard services.

From appropriations under this Act, transfers of sums may be made to other agencies of the Government for the performance of work for which the appropriation is made.

None of the funds made available to the Department of Energy under this Act shall be used to implement or finance authorized price support or loan guarantee programs unless specific provision is made for such programs in an appropriations Act.

The Secretary is authorized to accept lands, buildings, equipment, and other contributions from public and private sources and to prosecute projects in cooperation with other agencies, Federal, State, private, or foreign: *Provided*, That revenues and other moneys received by or for the account of the Department of Energy or otherwise generated by sale of products in connection with projects of the Department appropriated under this Act may be retained by the Secretary of Energy, to be available until expended, and used only for plant construction, operation, costs, and payments to cost-sharing entities as provided in appropriate cost-sharing contracts or agreements: *Provided further*, That the remainder of revenues after the making of such payments shall be covered into the Treasury as miscellaneous receipts: *Provided further*, That any contract, agreement or provision thereof entered into by the Secretary pursuant to this authority shall not be executed prior to the expiration of 30 calendar days (not including any day in which either House of Congress is not in session because of adjournment of more than three calendar days to a day certain) from the receipt by the Speaker of the House of Representatives and the President of the Senate of a full and comprehensive report on such project, including the facts and circumstances relied upon in support of the proposed project.

The Secretary of Energy may transfer to the Emergency Preparedness appropriation such funds as are necessary to meet any unforeseen emergency needs from any funds available to the Department of Energy from this Act.

The reporting requirement established by the last paragraph under the heading "Department of Energy Alternative Fuels Production" in an Act making appropriations for the Department of the Interior and Related Agencies for the fiscal year ending September 30, 1980, (42 U.S.C. 5915 note; Public Law 96-126) is hereby rescinded.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

HEALTH RESOURCES AND SERVICES ADMINISTRATION

INDIAN HEALTH SERVICES

For expenses necessary to carry out the Act of August 5, 1954 (68 Stat. 674), the Indian Self-Determination Act, the Indian Health Care Improvement Act, and titles III and V and section 338G of the Public Health Service Act with respect to the Indian Health Service, including hire of passenger motor vehicles and aircraft; purchase of reprints; purchase and erection of portable buildings; payments for telephone service in private residences in the field, when authorized under regulations approved by the Secretary, [$836,483,000] *$802,684,000*: *Provided*, That funds made available to tribes and tribal organizations through grants and contracts authorized by the Indian Self-Determination and Education Assistance Act of 1975 (88 Stat. 2203; 25 U.S.C. 450), shall remain available until September 30, 1987. Funds provided in this Act may be used for one-year contracts and grants which are to be performed in two fiscal years, so long as the total obligation is recorded in the year for which the funds are appropriated: *Provided further*, That the amounts collected by the Secretary of Health and Human Services under the authority of title IV of the Indian Health Care Improvement Act shall be available until September 30, 1987, for the purpose of achieving compliance with the applicable conditions and requirements of titles XVIII and XIX of the Social Security Act (exclusive of planning, design, construction of new facilities, or major renovation of existing Indian Health Service facilities): *Provided further*, That funding contained herein, and in any earlier appropriation Acts, for scholarship programs under section 103 of the Indian Health Care Improvement Act and section 338G of the Public Health Service Act with respect to the Indian Health Service shall remain available for expenditure until September 30, 1987.

INDIAN HEALTH FACILITIES

For construction, major repair, improvement, and equipment of health and related auxiliary facilities, including quarters for personnel; preparation of plans, specifications, and drawings; acquisition of sites, purchase and erection of portable buildings, purchases of trailers and for provision of domestic and community sanitation facilities for Indians, as authorized by section 7 of the Act of August 5, 1954 (42 U.S.C. 2004a), the Indian Self-Determination Act and the Indian Health Care Improvement Act, [$61,483,000] *$35,888,000*, to remain available until expended.

ADMINISTRATIVE PROVISIONS

INDIAN HEALTH SERVICE

Appropriations in this Act to the Indian Health Service, available for salaries and expenses, shall be available for services as authorized by 5 U.S.C. 3109 but at rates not to exceed the per diem equivalent to the rate for GS-18, and for uniforms or allowances therefor as authorized by law (5 U.S.C. 5901-5902), and for expenses of attendance at meetings which are concerned with the functions or activities for which the appropriation is made or which will contribute to improved conduct, supervision, or management of those functions or activities: *Provided*, That none of the funds appropriated under this Act to the Indian Health Service shall be available for the initial lease of permanent structures without advance provision therefor in appropriation Acts: *Provided further*, That non-Indian patients may be extended health care at all Indian Health Service facilities, if such care can be extended without impairing the ability of the Indian Health Service to fulfill its responsibility to provide health care to Indians served by such facilities and subject to such reasonable charges as the Secretary of Health and Human Services shall prescribe, the proceeds of which shall be deposited in the fund established by sections 401 and 402 of the Indian Health Care Improvement Act: *Provided further*, That funds appropriated to the Indian Health Service in this Act, except those used for administrative and program direction purposes, shall not be subject to limitations directed at curtailing Federal travel and transportation: *Provided further*, That with the exception of service units which currently have a billing policy, the Indian Health Service shall not initiate any further action to bill Indians in order to collect from third-party payers nor to charge those Indians who may have the economic means to pay unless and until such time as Congress has agreed upon a specific policy to do so and has directed the Indian Health Service to implement such a policy[: *Provided further*, That notwithstanding any other provision of law, to satisfy the outstanding judgment against the Seattle Indian Health Board resulting from termination of its occupancy of the Kobe Park building in Seattle, Washington, $270,000 plus interest shall be provided from the unobligated balance available to the Indian Health Service from prior years' appropriations].

DEPARTMENT OF EDUCATION

OFFICE OF ELEMENTARY AND SECONDARY EDUCATION

INDIAN EDUCATION

For necessary expenses to carry out, to the extent not otherwise provided, the Indian Education Act, [$67,656,000] *$67,356,000* of which $50,323,000 shall be for part A and [$15,000,000] *$14,700,000* shall be for parts B and C: *Provided, That the amounts available pursuant to section 423 of the Act shall remain available for obligation until September 30, 1987.*

OTHER RELATED AGENCIES

NAVAJO AND HOPI INDIAN RELOCATION COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the Navajo and Hopi Indian Relocation Commission as authorized by Public Law 93-531, [$20,442,000] *$22,241,000* to remain available until expended, for operating expenses of the Commission: *Provided, That notwith-*

standing any regulation to the contrary, the Commission shall notify the Secretary of the Interior by January 1, 1986, of those eligible relocatees who, as of November 30, 1985, were physically domiciled on the lands partitioned to the Hopi Tribe, who had applied by November 30, 1985, for relocation to the lands which are subject to section 11(h) of the Act of December 22, 1974, as amended (25 U.S.C. 640d-10(h)): Provided further, That the Commission shall notify the Secretary of the Interior by January 1, 1986, of those eligible relocatees who, as of November 30, 1985, were physically domiciled on the lands partitioned to the Hopi Tribe, who by November 30, 1985, had not selected a site for relocation and those eligible relocatees shall be designated for relocation to the lands which are subject to section 11(h) of the Act of December 22, 1974, as amended (25 U.S.C. 640d-10(h)).

SMITHSONIAN INSTITUTION

SALARIES AND EXPENSES

For necessary expenses of the Smithsonian Institution, including research in the fields of art, science, and history; development, preservation, and documentation of the National Collections; presentation of public exhibits and performances; collection, preparation, dissemination, and exchange of information and publications; conduct of education, training, and museum assistance programs; maintenance, alteration, operation, lease (for terms not to exceed ten years), and protection of buildings, facilities, and approaches; not to exceed $100,000 for services as authorized by 5 U.S.C. 3109; up to 5 replacement passenger vehicles; purchase, rental, repair, and cleaning of uniforms for employees; [$182,599,000] *$176,218,000* including not less than [$793,000] *$777,000* to carry out the provisions of the National Museum Act[, $350,000 to be made available to the trustees of the John F. Kennedy Center for the Performing Arts for payment to the National Symphony Orchestra and $350,000 for payment to the Washington Opera Society for activities related to their responsibilities as resident entities of the Center]: *Provided,* That funds appropriated herein are available for advance payments to independent contractors performing research services or participating in official Smithsonian presentations: *Provided further,* That none of these funds shall be available to a Smithsonian Research Foundation.

MUSEUM PROGRAMS AND RELATED RESEARCH

(SPECIAL FOREIGN CURRENCY PROGRAM)

For payments in foreign currencies which the Treasury Department shall determine to be excess to the normal requirements of the United States, for necessary expenses for carrying out museum programs, scientific and cultural research, and related educational activities, as authorized by law, $2,500,000, to remain available until expended and to be available only to United States institutions: *Provided,* That this appropriation shall be available, in addition to other appropriations to the Smithsonian Institution, for payments in the foregoing currencies: *Provided further,* That none of these funds shall be available to a Smithsonian Research Foundation: *Provided further,* That not to exceed $500,000 may be used to make grant awards to employees of the Smithsonian Institution.

CONSTRUCTION AND IMPROVEMENTS, NATIONAL ZOOLOGICAL PARK

For necessary expenses of planning, construction, remodeling, and equipping of buildings and facilities at the National Zoological Park, by contract or otherwise, [$4,851,000] *$5,551,000* to remain available until expended.

RESTORATION AND RENOVATION OF BUILDINGS

For necessary expenses of restoration and renovation of buildings owned or occupied by the Smithsonian Institution, by contract or otherwise, as authorized by section 2 of the Act of August 22, 1949 (63 Stat. 623), including not to exceed $10,000 for services as authorized by 5 U.S.C. 3109, [$11,075,000] *$12,375,000, to remain available until expended: Provided, That contracts awarded for environmental systems, protection systems, and exterior repair or renovation of buildings of the Smithsonian Institution may be negotiated with selected contractors and awarded on the basis of contractor qualifications as well as price.*

CONSTRUCTION

For necessary expenses to construct, equip, and furnish the Center for African, Near Eastern, and Asian Cultures in the area south of the original Smithsonian Institution Building, $4,000,000, to remain available until expended.

NATIONAL GALLERY OF ART

SALARIES AND EXPENSES

For the upkeep and operations of the National Gallery of Art, the protection and care of the works of art therein, and administrative expenses incident thereto, as authorized by the Act of March 24, 1937 (50 Stat. 51), as amended by the public resolution of April 13, 1939 (Public Resolution 9, Seventy-sixth Congress), including services as authorized by 5 U.S.C. 3109; payment in advance when authorized by the treasurer of the Gallery for membership in library, museum, and art associations or societies whose publications or services are available to members only, or to members at a price lower than to the general public; purchase, repair, and cleaning of uniforms for guards, and uniforms, or allowances therefor, for other employees as authorized by law (5 U.S.C. 5901-5902); purchase, or rental of devices and services for protecting buildings and contents thereof, and maintenance, alteration, improvement, and repair of buildings, approaches, and grounds; and purchase of services for restoration and repair of works of art for the National Gallery of Art by contracts made, without advertising, with individuals, firms, or organizations at such rates or prices and under such terms and conditions as the Gallery may deem proper, [$34,379,000] *$33,934,000,* of which not to exceed $2,200,000 for the special exhibition program shall remain available until expended.

REPAIR, RESTORATION AND RENOVATION OF BUILDINGS

For necessary expenses of repair, restoration and renovation of buildings, *grounds, and facilities* owned or occupied by the National Gallery of Art, by contract or otherwise, as authorized, [$2,900,000] *$4,000,000,* to remain available until expended: *Provided,* That contracts awarded for environmental systems, protection systems, and exterior repair or renovation of buildings of the National Gallery of Art may be negotiated with selected contractors and awarded on the basis of contractor qualifications as well as price.

WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS

SALARIES AND EXPENSES

For expenses necessary in carrying out the provisions of the Woodrow Wilson Memorial Act of 1968 (82 Stat. 1356), including hire of passenger vehicles and services as authorized by 5 U.S.C. 3109, [$3,342,000] *$2,902,000.*

ENDOWMENT CHALLENGE FUND

For the purpose of an endowment challenge fund for the Woodrow Wilson International Center for Scholars, $1,000,000, to remain available until September 30, 1988: Provided, That such sums shall become available only to the extent matched on a three-to-one basis by private funds: Provided further, That these funds may be invested in securities approved by the Board of Trustees and the income from such investments may be used to support programs of the Center deemed appropriate by the Trustees and by the Director of the Center.

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

NATIONAL ENDOWMENT FOR THE ARTS

GRANTS AND ADMINISTRATION

For necessary expenses to carry out the National Foundation on the Arts and the Humanities Act of 1965, as amended, [$137,260,000] *$132,900,000,* of which [$121,678,000] *$116,900,000* shall be available to the National Endowment for the Arts for the support of projects and productions in the arts through assistance to groups and individuals pursuant to section 5(c) of the Act, of which not less than 20 per centum of the funds provided for section 5(c) shall be available for assistance pursuant to section 5(g) of the Act, and [$15,582,000] *$16,000,000* shall be available for administering the functions of the Act.

MATCHING GRANTS

To carry out the provisions of section 10(a)(2) of the National Foundation on the Arts and the Humanities Act of 1965, as amended, [$29,400,000] *$30,000,000,* to remain available until September 30, 1987, to the National Endowment for the Arts, of which [$20,580,000] *$21,000,000* shall be available for purposes of section 5(1): *Provided,* That this appropriation shall be available for obligation only in such amounts as may be equal to the total amounts of gifts, bequests, and devises of money, and other property accepted by the Chairman or by grantees of the Endowment under the provisions of section 10(a)(2), subsections 11(a)(2)(A) and 11(a)(3)(A) during the current and preceding fiscal years for which equal amounts have not previously been appropriated.

ARTS AND ARTIFACTS INDEMNITY FUND

For payment of certified claims for losses or damages pursuant to the Arts and Artifacts Indemnity Act of 1975, $300,000, to remain available until expended: Provided, That such funds shall be available to the National Endowment for the Arts for obligation only for claims for losses or damages which the Federal Council on the Arts and Humanities has certified as valid and reported to the Speaker of the House of Representatives and the President pro tempore of the Senate, as provided by the Act.

NATIONAL ENDOWMENT FOR THE HUMANITIES

GRANTS AND ADMINISTRATION

For necessary expenses to carry out the National Foundation on the Arts and the Humanities Act of 1965, as amended, [$111,549,000] *$108,978,000,* of which [$98,429,000] *$94,650,000* shall be available to the National Endowment for the Humanities for support of activities in the humanities, pursuant to section 7(c) of the Act, of which not less than 20 per centum shall be

available for assistance pursuant to section 7(f) of the Act, and [$13,120,000] *$14,328,000* shall be available for administering the functions of the Act.

MATCHING GRANTS

To carry out the provisions of section 10(a)(2) of the National Foundation on the Arts and the Humanities Act of 1965, as amended, [$27,929,000] *$30,500,000*, to remain available until September 30, 1987, of which [$18,643,000] *$16,500,000* shall be available to the National Endowment for the Humanities for the purposes of section 7(h): *Provided*, That this appropriation shall be available for obligation only in such amounts as may be equal to the total amounts of gifts, bequests, and devises of money, and other property accepted by the Chairman or by grantees of the Endowment under the provisions of subsections 11(a)(2)(B) and 11(a)(3)(B) during the current and preceding fiscal years for which equal amounts have not previously been appropriated.

INSTITUTE OF MUSEUM SERVICES

GRANTS AND ADMINISTRATION

For carrying out title II of the Arts, Humanities, and Cultural Affairs Act of 1976, as amended, [$21,560,000] *$15,870,000*: *Provided*, That none of these funds shall be available for the compensation of Executive Level V or higher positions.

ADMINISTRATIVE PROVISIONS

None of the funds appropriated to the National Foundation on the Arts and the Humanities may be used to process any grant or contract documents which do not include the text of 18 U.S.C. 1913: *Provided*, That none of the funds appropriated to the National Foundation on the Arts and the Humanities may be used for official reception and representation expenses.

COMMISSION OF FINE ARTS

SALARIES AND EXPENSES

For expenses made necessary by the Act establishing a Commission of Fine Arts (40 U.S.C. 104), [$377,000] *$382,000*.

ADVISORY COUNCIL ON HISTORIC PRESERVATION

SALARIES AND EXPENSES

For expenses made necessary by the Act establishing an Advisory Council on Historic Preservation, Public Law 89-665, as amended, $1,585,000: *Provided*, That none of these funds shall be available for the compensation of Executive Level V or higher positions.

NATIONAL CAPITAL PLANNING COMMISSION

SALARIES AND EXPENSES

For necessary expenses, as authorized by the National Capital Planning Act of 1952 (40 U.S.C. 71-71i), including services as authorized by 5 U.S.C. 3109, [$2,721,000] *$2,703,000*.

FRANKLIN DELANO ROOSEVELT MEMORIAL COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the Franklin Delano Roosevelt Memorial Commission, established by the Act of August 11, 1955 (69 Stat. 694), as amended by Public Law 92-332 (86 Stat. 401), $21,000, to remain available for obligation until September 30, 1987.

PENNSYLVANIA AVENUE DEVELOPMENT CORPORATION

SALARIES AND EXPENSES

For necessary expenses, as authorized by section 17(a) of Public Law 92-578, as amended, [$2,316,000] *$2,329,000* for operating and administrative expenses of the Corporation.

PUBLIC DEVELOPMENT

For public development activities and projects in accordance with the development plan as authorized by section 17(b) of Public Law 92-578, as amended, $3,250,000, to remain available for obligation until expended.

UNITED STATES HOLOCAUST MEMORIAL COUNCIL

HOLOCAUST MEMORIAL COUNCIL

For expenses of the Holocaust Memorial Council, as authorized by Public Law 96-388, [$2,119,000] *$2,125,000*.

TITLE III—GENERAL PROVISIONS

SEC. 301. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to 5 U.S.C. 3109, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive Order issued pursuant to existing law.

SEC. 302. No part of any appropriation under this Act shall be available to the Secretaries of the Interior and Agriculture for use for any sale hereafter made of unprocessed timber from Federal lands west of the 100th meridian in the contiguous 48 States which will be exported from the United States, or which will be used as a substitute for timber from private lands which is exported by the purchaser: *Provided*, That this limitation shall not apply to specific quantities of grades and species of timber which said Secretaries determine are surplus to domestic lumber and plywood manufacturing needs.

SEC. 303. No part of any appropriation under this Act shall be available to the Secretary of the Interior or the Secretary of Agriculture for the leasing of oil and natural gas by noncompetitive bidding on publicly owned lands within the boundaries of the Shawnee National Forest, Illinois: *Provided*, That nothing herein is intended to inhibit or otherwise affect the sale, lease, or right to access to minerals owned by private individuals.

SEC. 304. No part of any appropriation contained in this Act shall be available for any activity or the publication or distribution of literature that in any way tends to promote public support or opposition to any legislative proposal on which congressional action is not complete.

SEC. 305. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 306. None of the funds provided in this Act to any department or agency shall be obligated or expended to provide a personal cook, chauffeur, or other personal servants to any officer or employee of such department or agency.

SEC. 307. [Except for lands described by sections 105 and 106 of Public Law 96-560, section 103 of Public Law 96-550, and except for land in the State of Alaska, and lands in the national forest system or public lands which have been released for nonwilderness uses by any Act of Congress designating components of the National Wilderness Preservation System now in effect or hereinafter enacted, and except to carry out the obligations and responsibilities of the Secretary of the Interior under section 17(k)(1)(A) and (B) of the Mineral Leasing Act of 1920 (30 U.S.C. 226), none of the funds provided in this Act shall be obligated for any aspect of the processing or issuance of permits or leases pertaining to exploration for or development of coal, oil, gas, oil shale, phosphate, potassium, sulphur, gilsonite, or geothermal resources on Federal lands within any Forest Service RARE II areas recommended for wilderness designation or allocated to further planning in Executive Communication 1504, Ninety-sixth Congress (House Document numbered 96-119); or within any lands designated by Congress as wilderness study areas or within Bureau of Land Management wilderness study areas: *Provided*, That nothing in this section shall prohibit the expenditure of funds for any aspect of the processing or issuance of permits pertaining to exploration for or development of the mineral resources described in this section, within any component of the National Wilderness Preservation System now in effect or hereinafter enacted, any Forest Service RARE II areas recommended for wilderness designation or allocated to further planning, within any lands designated by Congress as wilderness study areas, or Bureau of Land Management wilderness study areas, under valid existing rights, or leases validly issued in accordance with all applicable Federal, State, and local laws or valid mineral rights in existence prior to October 1, 1982: *Provided further*, That funds provided in this Act may be used by the Secretary of Agriculture in any area of National Forest lands or the Secretary of the Interior to issue under their existing authority in any area of National Forest or public lands withdrawn pursuant to this Act such permits as may be necessary to conduct prospecting, seismic surveys, and core sampling conducted by helicopter or other means not requiring construction of roads or improvement of existing roads or ways, for the purpose of gathering information about and inventorying energy, mineral, and other resource values of such area, if such activity is carried out in a manner compatible with the preservation of the wilderness environment: *Provided further*, That seismic activities involving the use of explosives shall not be permitted in designated wilderness areas: *Provided further*, That funds provided in this Act may be used by the Secretary of the Interior to augment recurring surveys of the mineral values of wilderness areas pursuant to section 4(d)(2) of the Wilderness Act and acquire information on other national forest and public land areas withdrawn pursuant to this Act, by conducting, in conjunction with the Secretary of Energy, the national laboratories, or other Federal agencies, as appropriate, such mineral inventories of areas withdrawn pursuant to this Act as he deems appropriate. These inventories shall be conducted in a manner compatible with the preservation of the wilderness environment through the use of methods including core sampling conducted by helicopter; geophysical techniques such as induced polarization, synthetic aperture radar, magnetic and gravity surveys; geochemical techniques including stream sediment reconnaissance and X-ray diffraction analysis; land satellites; or any other methods he deems appropriate. The Secretary of the Interior is hereby authorized to conduct inventories or segments of inventories, such as data analysis activities, by contract with private entities deemed by him to be qualified to engage in such activities whenever he has determined that such contracts would decrease Federal expenditures and would produce comparable or superior results: *Provided further*, That in car-

rying out any such inventory or surveys, where National Forest System lands are involved, the Secretary of the Interior shall consult with the Secretary of Agriculture concerning any activities affecting surface resources: *Provided further,* That funds provided in this Act may be used by the Secretary of the Interior to issue oil and gas leases for the subsurface of any lands designated by Congress as wilderness study areas that are immediately adjacent to producing oil and gas fields or areas that are prospectively valuable. Such leases shall allow no surface occupancy and may be entered only by directional drilling from outside the wilderness study area or other nonsurface disturbing methods.] *Except for lands described by sections 105 and 106 of Public Law 96-560, section 103 of Public Law 96-550, section 5(d)(1) of Public Law 96-312, and except for land in the State of Alaska, and lands in the national forest system released to management for any use the Secretary of Agriculture deems appropriate through the land management planning process by any statement or other Act of Congress designating components of the National Wilderness Preservation System now in effect or hereinafter enacted, and except to carry out the obligations and responsibilities of the Secretary of the Interior under section 17(k)(1) (A) and (B) of the Mineral Leasing Act of 1920 (30 U.S.C. 226), none of the funds provided in this Act shall be obligated for any aspect of the processing or issuance of permits or leases pertaining to exploration for or development of coal, oil, gas, oil shale, phosphate, potassium, sulphur, gilsonite, or geothermal resources on Federal lands within any component of the National Wilderness Preservation System or within any Forest Service RARE II areas recommended for wilderness designation or allocated to further planning in Executive Communication 1504, Ninety-sixth Congress (House Document numbered 96-119); or within any lands designated by Congress as wilderness study areas or within Bureau of Land Management wilderness study areas: Provided, That nothing in this section shall prohibit the expenditure of funds for any aspect of the processing or issuance of permits pertaining to exploration for or development of the mineral resources described in this section, within any component of the National Wilderness Preservation System now in effect or hereinafter enacted, any Forest Service RARE II areas recommended for wilderness designation or allocated to further planning, within any lands designated by Congress as wilderness study areas, or Bureau of Land Management wilderness study areas, under valid existing rights, or leases validly issued in accordance with all applicable Federal, State, and local laws or valid mineral rights in existence prior to October 1, 1982: Provided further, That funds provided in this Act may be used by the Secretary of Agriculture in any area of National Forest lands or the Secretary of the Interior to issue under their existing authority in any area of National Forest or public lands withdrawn pursuant to this Act such permits as may be necessary to conduct prospecting, seismic surveys, and core sampling conducted by helicopter or other means not requiring construction of roads or improvement of existing roads or ways, for the purpose of gathering information about and inventorying energy, mineral, and other resource values of such area, if such activity is carried out in a manner compatible with the preservation of the wilderness environment: Provided further, That seismic activities involving the use of explosives shall not be permitted in designated wilderness areas: Provided further, That funds provided in this Act may be used by the Secretary of the Interior to augment recurring surveys of the mineral values of wilderness areas pursuant to section 4(d)(2) of the Wilderness Act and acquire information on other national forest and public land areas withdrawn pursuant to this Act, by conducting in conjunction with the Secretary of Energy, the national laboratories, or other Federal agencies, as appropriate, such mineral inventories of areas withdrawn pursuant to this Act as he deems appropriate. These inventories shall be conducted in a manner compatible with the preservation of the wilderness environment through the use of methods including core sampling conducted by helicopter; geophysical techniques such as induced polarization, syn thetic aperture radar, magnetic and gravity surveys; geochemical techniques including stream sediment reconnaissance and x-ray diffraction analysis; land satellites; or any other methods he deems appropriate. The Secretary of the Interior is hereby authorized to conduct inventories or segments of inventories, such a data analysis activities, by contract with private entities deemed by him to be qualified to engage in such activities whenever he has determined that such contracts would decrease Federal expenditures and would produce comparable or superior results: Provided further, That in carrying out any such inventory or surveys, where National Forest System lands are involved, the Secretary of the Interior shall consult with the Secretary of Agriculture concerning any activities affecting surface resources: Provided further, That funds provided in this Act may be used by the Secretary of the Interior to issue oil and gas leases for the subsurface of any lands designated by Congress as wilderness study areas, that are immediately adjacent to producing oil and gas fields or areas that are prospectively valuable. Such leases shall allow no surface occupancy and may be entered only by directional drilling from outside the wilderness study area or other nonsurface disturbing methods.*

SEC. 308. None of the funds provided in this Act shall be used to evaluate, consider, process, or award oil, gas, or geothermal leases on Federal lands in the Mount Baker-Snoqualmie National Forest, State of Washington, within the hydrographic boundaries of the Cedar River municipal watershed upstream of river mile 21.6, the Green River municipal watershed upstream of river mile 61.0, the North Fork of the Tolt River proposed municipal watershed upstream of river mile 11.7, and the South Fork Tolt River municipal watershed upstream of river mile 8.4.

SEC. 309. No assessments may be levied against any program, budget activity, subactivity, or project funded by this Act unless such assessments and this basis therefor are presented to the Committees on Appropriations and are approved by such committees.

SEC. 310. Employment funded by this Act shall not be subject to any personnel ceiling or other personnel restriction for permanent or other than permanent employment except as provided by law.

SEC. 311. Notwithstanding any other provisions of law, the Secretary of the Interior, the Secretary of Agriculture, the Secretary of Energy, and the Secretary of the Smithsonian Institution, are authorized to enter into contracts with State and local governmental entities, including local fire districts, for procurement of services in the presuppression, detection, and suppression of fires on any units within their jurisdiction.

SEC. 312. [None of the funds provided by this Act to the United States Fish and Wildlife Service may be obligated or expended to plan for, conduct, or supervise deer hunting on the Loxahatchee National Wildlife Refuge.] *Funds available to the Department of the Interior and the Forest Service in fiscal year 1985 for the purpose of contracting for services that require the utilization of privately owned aircraft for the carriage of cargo or freight shall be used only to contract for aircraft that are certified as airworthy by the Administrator of the Federal Aviation Administration as standard category aircraft under 14 CFR 21.183 unless the Secretary of the contracting department determines that such aircraft are not reasonably available to conduct such services.*

SEC. 313. No funds appropriated by this Act shall be available for the implementation or enforcement of any rule or regulation of the United States Fish and Wildlife Service, Department of the Interior, requiring the use of steel shot in connection with the hunting of waterfowl in any State of the United States unless the appropriate State regulatory authority approves such implementation.

SEC. 314. [No funds provided by this Act shall be expended to allow an increase in animal unit months above licensed active preference as of October 21, 1976, in wilderness study areas administered by the Bureau of Land Management.] *Section 317 of title III of the Act of December 30, 1982 (96 Stat. 1966), is amended by deleting the words "but before December 31, 1985,".*

SEC. 315. Notwithstanding any other provision of law, section 8336(j)(3)(A) of title 5, United States Code is amended by striking "5 years" and inserting in lieu thereof "10 years".

SEC. 316. None of the funds provided in this Act may be used for the augmentation of grizzly bear populations in currently occupied areas of Forest Service grizzly bear habitat or the preparation of specific augmentation proposals to establish new grizzly bear populations in areas identified as suitable grizzly bear habitat in any unit of the National Park System or National Forest System unless the appropriate General Management Plan or Forest Plan provides for such augmentation and has been adopted, including having been available for public comment and review: Provided, That such activities may be conducted only with funds specifically justified for such purpose in an agency budget justification and subsequently approved in a report accompanying an appropriation bill making appropriations for that agency, or with funds provided for through reprogramming procedures: Provided further, That this is not intended to prohibit the emergency relocation of nuisance bears into currently occupied areas of congressionally designated wilderness areas within Forest Service boundaries, or into other currently occupied situation one areas where conflict between bears and humans is not likely to occur: Provided further, That the Secretaries of Interior and Agriculture shall provide for a public meeting at each affected National Forest and National Park Headquarters and the subsequent publication of the "Guidelines for Management Involving Grizzly Bears in the Greater Yellowstone Atea" in the Federal Register, reflecting the public comments: Provided further, That notwithstanding any other provision of law, agencies included in this Act are authorized to reimburse permittees for such

reasonable expenses as may be incurred as a result of moving permitted animals from one location to another, as may be required by the permitting agency, in order to prevent harassment and attacks by grizzly bears. Such expenses are to be determined by the agency responsible for the permitted action.

Mr. McCLURE. Mr. President, I ask unanimous consent that the committee amendments be considered and agreed to en bloc except the committee amendment beginning on line 22, page 54 through line 17, page 55, and that the bill as thus amended be regarded for purposes of further amendment as original text provided that no points of order shall have been considered to have been waived by agreement to this order.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Idaho?

Mr. METZENBAUM. Mr. President, reserving the right to object, and I shall not object, will the manager yield for two questions without losing his right to the floor?

Mr. McCLURE. I am happy to yield.

Mr. METZENBAUM. Mr. President, is it my understanding that the one amendment not included in the unanimous-consent request is that having to do with the committee amendment pertaining to the Synthetic Fuels Corporation?

Mr. McCLURE. The Senator is correct.

Mr. METZENBAUM. Is it further my understanding that he understands the rules to be as I understand them to be and that is that the first matter before the body immediately after agreeing to the unanimous-consent request will be the committee amendment in conjunction with the Synthetic Fuels Corporation?

Mr. McCLURE. It is my understanding that the committee amendments must be disposed of prior to moving to other amendments and that would mean that the amendment to which the Senator made reference will be the first amendment in order.

Mr. METZENBAUM. Mr. President, is that the understanding of the Chair?

The PRESIDING OFFICER. The Senator is correct.

Mr. METZENBAUM. I thank the Chair.

I have no objection.

Mr. MELCHER. Mr. President, reserving the right to object.

The PRESIDING OFFICER. The Senator from Montana reserves the right to object.

Mr. MELCHER. Mr. President, may I hear the request?

The PRESIDING OFFICER. The request propounded was to agree to all of the committee amendments, that they be considered as original text for the purpose of further amendment, except for the amendment on page 54, which is the synthetic fuels amendment, and provided that no points of order shall be waived.

Mr. MELCHER. Mr. President, will the distinguished chairman yield?

Mr. McCLURE. I am happy to yield for a question.

Mr. MELCHER. Mr. President, I shall not object. I just want to state that I do have an interest in restoring—or not restoring—but bringing into the bill at least the House amount which I understand is about $32 million for MST research and development.

The chairman is well aware of my interest in that project and I wish to be present anytime the unanimous-consent requests are made on either the time agreement or a certain amendment or on the time agreement on the bill itself.

I thank the distinguished chairman.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Idaho?

Mr. BYRD. Mr. President, what is the request?

The PRESIDING OFFICER. The request of the Senator from Idaho is that the committee amendments be agreed to en bloc, except the amendment on page 55, line 22, which is the synthetic fuel amendment, that points of order are not waived and that the bill, as amended, be considered as original text for the purpose of further amendment.

Mr. BYRD. I thank the Chair.

I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXCEPTED COMMITTEE AMENDMENT

The excepted committee amendment is as follows:

Strike the following language beginning on line 22, page 54 through line 17, page 55:

DEPARTMENT OF THE TREASURY

ENERGY SECURITY RESERVE

(RESCISSION)

Except as otherwise provided in this item, all funds appropriated to the Energy Security Reserve are hereby rescinded. Funds so rescinded shall include al funds appropriated to the Energy Security Reserve by the Department of the Interior and Related Agencies Appropriations Act, 1980 (Public Law 96-126), and subsequently made available to carry out title I, part B, of the Energy Security Act by Public Laws 96-304 and 96-514, and shall be deposited in the general fund of the Treasury. This rescission shall not apply to:

(1) funds transferred from the Energy Security Reserve by this Act;

(2) $500,000,000, which may not be used for payments with respect to projects or modules under the Energy Security Act; and

(3) such amounts as may be necessary to make payments for projects or modules for which obligations were entered into under title I of the Energy Security Act before the date of enactment of this Act.

Mr. McCLURE. Mr. President, the fiscal year 1986 Department of the Interior and related agencies appropriations bill as reported by the Appropriations Committee proposes new budget authority totaling $8,113,134,000. This bill represents a decrease in new budget authority of $124.9 million below the House passed level and an increase of $926 million above the adjusted budget request of $7.167 billion.

In one way or another, Mr. President, this bill has an impact on every State and every Member of this Chamber. Therefore, I am hopeful that we can complete floor action quickly and bring back a conference report which both the Congress and the President can support.

The last point is very important. In its present form, according to CBO, the Interior bill is right at the budget resolution conference agreement in budget authority. I want my colleagues to understand that this means we have essentially no room for additional amendments. I also want my colleagues to understand that, while the Interior bill may be at its allocation in budget authority, some allege it is over its allocation in budget outlays.

We will have the opportunity to discuss that more fully later on.

CBO has scored the Interior bill at $8.113 billion in budget authority, and $9.338 billion in budget outlays. The Budget Committee originally scored the Interior bill at $8.313 billion in authority and $9.543 billion in outlays. Subsequently, the Budget Committee adjusted the scoring of the Interior bill downward in both budget authority and budget outlays. Focusing on outlays, which seem to be where the disagreement lies, the Budget Committee, in conjunction with CBO, reduced the outlays scored against the Interior bill by $254 million.

This $254 million adjustment is made up of $112 million in strategic petroleum reserve adjustments—including $81 million from prior year budget authority in construction as a result of an overturned deferral in the 1985 supplemental and $31 million in other SPRO scoring adjustments—$42 million reflecting outlays associated with action taken in the 1985 supplemental, $30 million reflecting a scorekeeping error in the abandoned mine land reclamation fund, and $100 million reflecting half of the reduction of a possible later requirement for the firefighting account. The remaining $30 million comes in an upward adjustment of outlays associated with scoring corrections.

There is still a question, Mr. President, whether we are using CBO scoring or Senate Budget Committee scoring. It was made very clear to me that both the chairman of the Appropriations Committee and the chairman of the Budget Committee stated that the Appropriations Committee should abide by CBO scoring. This is impor-

tant because there is a $100 million difference of opinion between CBO and Senate Budget Committee scoring which relates to how firefighting outlays are scored. Using CBO scoring, as we agreed to do, the outlays charged to the Interior bill would be reduced by $100 million.

There were also several scoring problems that I mentioned during the October 3 allocation meeting of the Appropriations Committee. These include:

First. CBO scores fish and wildlife construction at an 80-percent outlay rate. No construction program outlays at that rate and the correct rate is 20 percent. This difference reduces estimated outlays by $9 million.

Second. CBO scores the new Clean Coal Technology Program at an outlay rate of 20 percent. To derive this figure, CBO called the Energy Department and asked them what the outlay rates are for the fossil energy construction programs. Clean Coal, however, is not an ongoing program but a brandnew initiative which cannot be scored on the same basis as an ongoing program which has been underway for years. The correct outlay figure is $4 million which results in a reduction in estimated outlays of $16 million.

Third. CBO scores the Arts and Artifacts Indemnity Program at 100-percent outlays. In 9 years, only $100,000 has been spent under this authorization. We should not be scored with any outlays, resulting in an outlays savings of $300,000.

Fourth. The Interior bill is scored with outlays in fiscal year 1986 of $182 million for the Synthetic Fuels Corporation. If the Senate adopts the House language, which I am not supporting, and essentially terminates the Synthetic Fuels Corporation, the Interior bill will only be scored with outlay savings of $96 million.

It is my understanding, Mr. President, that while the chairman of the Budget Committee does not disagree with these errors, he has been unwilling to make any further outlay adjustments to the Interior bill.

Let me emphasize that we do not have room for costly amendments. Additional amendments will only worsen our already critical situation and make a difficult conference much more difficult.

Mr. President, there will no doubt be statements made with respect to various programs that the committee is over the budget resolution assumptions. That is certainly true and it is the prerogative of the Appropriations Committee to make the detailed recommendations on funding. I am well aware of the fact that during the final negotiations on the budget resolution a number of Members of the Senate presented their case to the Budget Committee to get line item consideration for certain of their programs. This was not done with repsect to the activities funded in this bill and I do not feel that is the proper role of the Budget Committee—they deal with gross estimates. It is the right and responsibility of the Appropriations Committee to deviate from their assumptions if it can be done within the framework of the total numbers.

For instance, the budget resolution assumes no construction funds for the Smithsonian Institution. We have provided $4 million so the Quadrangle Complex can be completed and there are many other details of our bill which are simply beyond the scope of the Budget Committee considerations.

I will mention only one other area due to the fact that the chairman of the Budget Committee included additional remarks with our report stating that the committee had not taken reductions in administrative costs of Federal agencies. Approximately $123 million in administrative reductions were included in the budget estimates of the various agencies, and the committee approved administrative reductions of approximately $135 million.

Mr. President, Members of the Senate have requested 538 amendments to the Interior appropriation bill, and I will guarantee you that at least 500 of those amendments sought to add money. While I understand the focus now being placed on outlays, the Members of this body should understand that the $8.1 billion in budget authority recommended in this bill is the same level as that approved in fiscal year 1982, the first year that I chaired the subcommittee. I wish to emphasize that that was 1982. We are flat, we are level over that period of time. This bill is unlike many others where a small amount of budget authority will commit us to much larger future outlays. These accounts are basically pay as you go.

Mr. President, I ask unanimous consent that there be printed in the RECORD at this point a list of the highlights of the committee action on the Interior appropriations bill.

There being no objection, the highlights were ordered to be printed in the RECORD, as follows:

HIGHLIGHTS OF COMMITTEE ACTION

For the Land and Water Conservation Fund, the Committee has recommended $114,825,000, an increase of $108,325,000 over the budget request. This includes $50 million for State grants under LWCF.

For the Fish and Wildlife Service, the committee has recommended an appropriation of $376,770,000, a decrease of $47,056,000 from 1985 appropriations to date. Within this sizable decrease, the committee has recommended increases over the budget for activities such as wildlife refuge operations and maintenance; repair and operation of fish hatcheries; and endangered species protection and recovery.

For the National Park Service, the committee has recommended an appropriation of $822,526,000, a decrease of $103,778,000 from 1985 appropriations to date. Within the 11-percent reduction the committee provided for the National Park Service, the committee has recommended increases over the budget for activities such as management and maintenance of our national parks; historic preservation, including grants to States; and construction and repair of park facilities.

For U.S. Geological Survey and the Bureau of Mines, the committee has recommended additional funds totaling over $18 million. This includes additional funding for Water Institutes, Mineral Institutes, mine safety research, strategic and critical materials research.

For the Forest Service, the committee has recommended an appropriation of $1,070,146,000, a reduction of $41,402,000 from 1985 appropriations to date and a reduction of $64,158,000 from the President's budget. The committee recommendation continues such programs as a competitive research grant program; State and local cooperative insect and fire suppression activities; and an aggressive multiple use management program of national forest system lands for recreation, wildlife, timber, mineral and other activities.

For Fossil Energy Research and development, the committee recommends an appropriation of $292,228,000, an increase of $17,281,000 over 1985 appropriations to date and an increase of $116,200,000 over the 1986 budget.

For Energy Conservation, the committee has recommended $436,587,000. This is an increase of nearly $260 million over the budget request and includes additional funding for the Weatherization Program, EES, EPCA, vehicle propulsion research and development.

For Indian Health, the committee recommends $838,572,000, which will continue necessary services while achieving savings in the construction area.

For National Endowment for the Arts and Humanities, the committee allowance continues the current level for NEH and makes a slight reduction—less than one-half of 1 percent—for NEA.

In addition, the Secretary of the Interior has announced a new program called "Take Pride in America." The purpose of this new task force is to provide broad program direction and service support for and liaison with agencies, bureau's and organizations in program implementation. The cost of this program in fiscal year 1986 is expected to be $350,000 and will be funded within available funds.

(Mr. NICKLES assumed the chair.)

Mr. METZENBAUM. Has the Senator yielded the floor?

Mr. McCLURE. Mr. President, I would like to yield first to the distinguished Senator from Louisiana, the floor manager for the minority, to make whatever statement he may wish to make at this time.

Mr. METZENBAUM. I understand.

Mr. JOHNSTON. Mr. President, I thank and commend my distinguished colleague from Idaho, the chairman of the subcommittee, for having done an excellent job and for giving a statement with which I totally agree.

Mr. President, Senator McCLURE has already elaborated on the specific facts and figures related to this fiscal year 1986 appropriation bill for the Department of the Interior and relat-

ed agencies. I will not take the time of the Senate to reiterate those details now. However, I would like to make a few more points on where the bill stands in comparison to its section 302(b) allocation under the budget resolution.

Budget authority provided in this committee-reported bill totals $8,113,134,000, which is $87 million under the subcommittee allocation. So, we are right on the mark on budget authority. And, let me add—there is no disagreement about budget authority. Budget authority is a very specific, measurable concept. We on the committee know exactly how much budget authority is provided in this bill, so does the Budget Committee, and so does OMB; it is the $8,113,134,000 that I just mentioned, not 1 penny more, not 1 penny less.

The Budget Committee also tracks this and other appropriation bills in terms of outlays which, basically, is an estimate of how fast the funds in a bill will actually be spent. Putting these two concepts in more human terms, Mr. President, if I set a personal budget for myself of $100 a week, that $100 is equivalent to budget authority. Now, if during that week I write checks in the amounts of say $30, $50, and $20, I have used up my budget authority. A call to my bank at the end of the week might indicate that my balance was still $100 because the three checks hadn't been presented for payment. I have no control over those disbursements. The holder of my notes, or checks, will determine the rate of spending. Both that bank and I can only guess when the actual payments, or outlays, from my account will occur. And that, Mr. President, is the crux of the problem in trying to control these appropriation bills in terms of outlays. Outlay estimates are only an educated guess. There is nothing exact or precise about them.

In total, the recommendations for all appropriation bills are within one-half of 1 percent of the budget resolution outlay targets. And, in the past, these outlay numbers have been just that, targets. Given the variance between outlay estimates and actual experience in the past, I believe that one-half of 1 percent is certainly close enough.

The important point, Mr. President, is that the committee has not recommended expenditures that exceed the precise budget authority ceiling for the bill or for the committee jurisdiction as a whole. We are being faulted simply because we cannot control the rate at which obligations are paid. This criticism is shortsighted because we are not being required to control spending "per se" but rather the "rate of spending." Not $1 more nor $1 less would be saved over time by controlling outlays alone. The only way to cut spending is to cut budget authority. We have done that, Mr. President. This bill is under the fiscal year 1985 level by nearly $275 million. Counting inflation, program levels are some $600 million, or 7.5 percent, below last year. More importantly, as I said before, the budget authority in this bill is under its allocation ceiling.

So, the Appropriations Committee has recommended a very reasonable Department of the Interior and Related Agencies appropriation bill for fiscal year 1986. I applaud Senator McCLURE for his efforts to be both frugal and fair and ask that my colleagues support the committee-recommended bill.

Mr. President, we deal in some facts and in some opinions on the subcomittee. The facts are budget authority. Budget authority is real; it is measurable; it is palatable; you can see it; you can gauge it to the exact dollars and cents.

Budget outlays, on the other hand, get into the realm of opinion and into the realm of estimation. And it is in that realm of opinion and estimation that we have our problem with CBO and with OMB.

Mr. President, we have met our target; indeed, we are under our target in terms of budget authority, which are the facts of the matter. In terms of outlays, we have been scored, I believe, improperly with some matters which CBO believes will outlay in this year, and we believe we should not be given credit for that.

I would like to point out, Mr. President, that in fiscal year 1982, fiscal year 1983, and fiscal year 1984—in each of those years—CBO has estimated that outlays would be much higher than outlays actually were. In fiscal year 1982 they estimated that outlays would be $329 million more than they actually were. In fiscal year 1983, $648 million more than they actually were; and in fiscal year 1984, $740 million more than they actually were.

Mr. President, I ask unanimous consent that a table showing those figures along with a copy of a letter from Rudolph G. Penner, Director of the Congressional Budget Office, be printed in the RECORD at this time.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CONGRESSSIONAL BUDGET OFFICE,
U.S. CONGRESS,
Washington, DC, October 23, 1985.

Hon. JAMES A. McCLURE,
Chairman, Subcommittee on Interior and Related Agencies, Committee on Appropriations, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: In response to your request of October 16, we have performed a review of CBO's Interior Subcommittee outlay estimates for 1982, 1983, and 1984 as prepared for use with the appropriations action and the first concurrent budget resolution for those years. These estimates were consistent with the budget resolutions in effect at the time estimates were prepared, which were based on information available in February of the year before the fiscal year in question. Thus, in the case of outlay estimates for appropriation bills, the estimate of outlays from prior year budget authority is the same as in the budget resolution adopted by the Congress, and the rate at which we estimate that new obligational authority would outlay is the same as assumed in the budget resolution. Changes from these rates are made only if the appropriation bill would cause program changes that would make these rates inappropriate.

A comparison to actual outlays for these years as reported by the Treasury Department showed the following:

[Fiscal year outlays in millions of dollars]

	1984	1983	1982
Actual	8,541	8,377	8,809
CBO estimates-when appropriation bills were scored	8,950	8,592	8,989

I hope this information will be useful.
With best wishes,
Sincerely,

RUDOLPH G. PENNER.

INTERIOR SUBCOMMITTEE OUTLAY TABLE

[In millions of dollars]

	Fiscal year—		
	1982	1983	1984
Subcommittee allocation	11,200	8,400	9,300
Original CBO estimate	8,989	8,592	8,950
Increase associated w/Supp	149	433	331
Total CBO estimate	9,138	9,025	9,281
Actual outlays	8,809	8,377	8,541
Difference	329	648	740

Mr. JOHNSTON. In my judgment, Mr. President, the estimate of CBO at this time which estimates that outlays will exceed our target are also overestimated by CBO, and when the year is concluded we will find that we were well within our target, not only in budget authority but in budget outlays.

Finally, Mr. President, I would like to say that we will now move to the Synfuels amendment. It is my hope, and I think the hope of the Senator from Idaho, and I believe the hope of others, to deal with that matter expeditiously this morning before we move on to something else. I say that to alert our colleagues who may have an interest in speaking on the Synfuels subject so they come to the floor at this time so that we may conclude it, I hope, by 12:30 or thereabouts.

Mr. President, before I yield the floor, I have an amendment I send to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Louisiana [Mr. JOHNSTON], proposes an amendment numbered 934.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that further reading of the amendment——

Mr. METZENBAUM. I object to that. Reserving the right to object, will the Senator from Louisiana be good enough to explain what this amendment is about?

Mr. JOHNSTON. Yes. This is a perfecting amendment to the committee amendment which cuts $500 million from the amount initially available for obligation to projects within the letters of intent authorized by the Board of Directors on or before June 1, 1984, and not obligated or rescinded, and with two provisos: first, that the Board of Directors shall proceed to complete action on these projects under consideration or negotiation by the Corporation as of October 1, 1985, and further provided that such action shall include either the award by the Board of financial assistance to such a project or a determination by the Board that the Corporation will not enter into financial assistance contract for such projects. In sum, it is a cut of $500 million.

Mr. METZENBAUM. It also locks in place some of the awards heretofore made? Is that what the Senator is saying?

Mr. JOHNSTON. No. It does not lock into place anything. It is silent on that question.

Mr. METZENBAUM. Reserving the right of object, I do not know yet whether I will object, I inquire of the Chair as to whether a second-degree amendment is in order at this point.

The PRESIDING OFFICER. The committee amendment proposes to strike language. The language proposed to be stricken is amendable in two degrees. It is in order to offer amendments to the language proposed be stricken.

Mr. METZENBAUM. Do I understand the Chair then to be saying that the Johnston amendment which is an amendment to the committee amendment to strike the language is in order? I have difficulty in comprehending when the committee amendment would be striking the House amendment, the House amendment having eliminated the entire project, and how then an amendment to the committee amendment would be in order.

I have difficulty in following the logic of that position. Is the Chair in a position to explain that?

The PRESIDING OFFICER. The amendment by the Senator from Louisiana is an amendment to the language proposed to be stricken by the committee amendment. It is not an amendment to the committee amendment itself.

Mr. METZENBAUM. Therefore, it would be in order?

The PRESIDING OFFICER. The amendment by the Senator from Louisiana is in order.

Mr. METZENBAUM. I wonder if the Senator from Louisiana would be good enough either to withdraw his amendment or temporarily set it aside. I do not understand it exactly. I would like to read it. I do not want to make an issue in connection with it. I may very well support it. If I might have an opportunity to speak to the basic underlying amendment, the Senator from Louisiana certainly will not lose his position. I assure him that I have no intention of trying to bring anything else up.

Mr. JOHNSTON. Mr. President, I withdraw the amendment.

Mr. McCLURE. Will the Senator yield? First of all, I do know, having checked with the Parliamentarian, that this amendment is in order.

It is the intention of the Senator from Idaho to offer a second-degree amendment to the amendment offered by the Senator from Louisiana. I have no intention to cut off the debate. I want to give the Senate an opportunity to look at more than one alternative rather than simply denying the committee amendment which would have the effect of totally eliminating the Synthetic Fuels Corporation.

Mr. METZENBAUM. As I understand it, the Senator from Louisiana as well as the Senator from Idaho are both within their rights. I am only indicating that in order that we not get detoured in our debate on the basic issue, if the Senator from Ohio was given an adequate time—and the staff—in order to explore this amendment, we very well may be in agreement.

So I ask the action be held up.

Mr. McCLURE. Mr. President, will the Senator from Louisiana yield?

Mr. JOHNSTON. I yield.

Mr. McCLURE. It would be my hope that we could have the amendments pending. I am perfectly willing to provide copies of the amendment to the Senator from Ohio. The debate on the basic committee amendment, the basic issue of the continuance of the Synthetic Fuels Corporation is certainly debatable under those circumstances as would be the substance of the first- and second-degree amendments.

Mr. METZENBAUM. I understand that. I merely suggest the Senator from Idaho be good enough to withhold the second-degree amendment, and the Senator from Louisiana be good enough to lay his amendment temporarily aside without losing his position.

Mr. McCLURE. Obviously, if we laid them aside somebody else could come in and offer amendments instead. The only way to protect ourselves under those circumstances is to offer the amendments, and then have them debated. That is a lot easier than getting unanimous consent that we be recognized to offer the first and second-degree amendments, which I would suspect would be difficult to obtain.

Mr. METZENBAUM. I will not quibble with the manager. The Senator has the right to recognition and the Democratic floor manager has equal rights. I am trying to work out a modus operandi. I am trying to debate the issue.

Mr. JOHNSTON. Perhaps, Mr. President, if we had a quorum call for a moment so the Senator could look at the amendment.

Mr. METZENBAUM. We all sort of feel we tried to get this matter to a vote before 1 o'clock. I am receptive to doing that. It is my understanding that Senators EVANS, NICKLES, and I think Senator BRADLEY wishes to be heard on this issue. I am concerned that the clock is going to run on us. Why could we not agree that the Senator from Idaho will lay down his second-degree amendment, that by unanimous consent we would agree to lay both of those aside for a half-hour or something of the kind and come back to them?

Mr. JOHNSTON. In effect not vote on them for a half-hour?

Mr. METZENBAUM. That is right.

Mr. McCLURE. I have no objection to that.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that the Senator from Idaho be recognized for the purpose of offering a second-degree amendment assuming the same to be in order, that both the first-degree amendment and the second-degree amendment then be laid aside unless the second-degree amendment is out of order according to the Chair. I doubt that it is.

The PRESIDING OFFICER. If the Senator would withhold for a moment, the Chair understood the unanimous-consent request made was for the clerk to suspend from reading the amendment. Is that the question still pending?

Mr. METZENBAUM. I waive the objection.

AMENDMENT No. 934

(Purpose: Perfecting amendment providing for a further rescission of SFC obligational authority by $500 million)

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Louisiana [Mr. JOHNSTON], proposes an amendment numbered 934.

The text of the amendment follows:

Delete the language proposed to be stricken from page 54, line 25, through page 55, line 17, and insert the following:

"Of the funds appropriated to the Energy Security Reserve by the Department of the Interior and Related Agencies Appropriations Act, 1980 (Public Law 96-126) and subsequently made available to carry out Title I, Part B of the Energy Security Act (Public

Law 96-294) by Public Laws 96-304, 96-514, and 98-473, $500,000,000 of the amounts initially available only for obligation to projects with Letters of Intent authorized by the Board of Directors on or before June 1, 1984, and not obligated are rescinded; *Provided*, That the Board of Directors shall proceed to complete action on those projects under consideration or negotiation by the Corporation as of October 1, 1985; *Provided further*, That such actions shall include either the award by the Board of financial assistance to such a project or a determination by the Board that the Corporation will not enter into financial assistance contracts for such project.".

The PRESIDING OFFICER. The Chair would like to clarify the situation in which amendments are in order. If a motion to strike is pending, that motion, itself, is not amendable, but the language proposed to be stricken is amendable in two degrees. The first amendment proposed by the Senator from Louisiana is, itself, a motion to strike, and since the motion to strike is not amendable, no further amendments would be in order at this time.

Mr. McCLURE. The Johnston amendment, Mr. President, is a motion to strike and insert, I believe, certain portions and would be amendable, but a motion to strike is not.

The PRESIDING OFFICER. The Senator is correct.

AMENDMENT NO. 935 TO AMENDMENT NO. 934

(Purpose: 2nd degree amendment to SFC perfecting amendment so as to provide an October 1, 1986, suspension of the SFC's authority to award financial assistance and for termination of the SFC)

Mr. McCLURE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Idaho [Mr. McCLURE] proposes an amendment numbered 935 to amendment numbered 934.

At the end of amendment 934 add the following:

"*Provided further*, That, notwithstanding section 191 of the Energy Security Act (Public Law 96-294), (a) the Board of Directors shall make no new awards or commitments for financial assistance pursuant to section 131 of the Energy Security Act for synthetic fuel projects after September 30, 1986; and (b) the Corporation shall terminate on September 30, 1991, except that the President, on recommendation of the Board of Directors, may by Executive order terminate the Corporation at an earlier date, but in no event prior to September 30, 1989.".

Mr. McCLURE. Mr. President, now I understand that the Senator from Ohio had requested that we temporarily defer action on the first-degree and second-degree amendments offered by the Senator from Louisiana and the Senator from Idaho, and that he might proceed with the debate on the committee amendment. Do I state that correctly?

Mr. METZENBAUM. That is correct, without waiving my rights.

Mr. McCLURE. Mr. President, I therefore ask that the debate for the next one-half hour be on the committee amendment and not the first- or second-degree amendments.

Mr. METZENBAUM. Mr. President, I do not think that is what the Senator from Ohio is suggesting. It is all right for those who wish to debate to do so, but I would like to get into the basic issue and see what the amendment is all about, consulting with my staff, the staff of Senator BRADLEY, and the staff of Senator EVANS so that we would not be limited in our debate.

Mr. McCLURE. That is fine with me.

The PRESIDING OFFICER. Is there objection to the request?

Mr. EVANS. Reserving the right to object, if we are limited to a half-hour, at the end of the half-hour are we to return to the two amendments and, as such, be technically confined to debating those two amendments rather than the underlying proposition?

Mr. McCLURE. It is not my intention to limit this debate in any way, shape, or form. We have three amendments pending. We have the committee amendment and two amendments to the underlying text. They all are before us and are all debatable.

I have no problem at all saying to the Senator from Ohio or the Senator from Washington, that as long as we have no time agreement on this amendment they have an unlimited right to debate the underlying issue of, whether or not the Synthetic Fuels Corporation should exist at all.

Mr. EVANS. Then for what purpose is this unanimous-consent request?

Mr. McCLURE. To satisfy the request of the Senator from Ohio.

Mr. EVANS. So there would be, in essence, no difference between what we debate now and what we debate a half-hour from now?

Mr. McCLURE. That is correct.

The PRESIDING OFFICER. Without objection, the request is agreed to.

The Senator from Ohio.

Mr. METZENBAUM. Mr. President, I rise in opposition to the committee amendment.

The committee amendment restored $7.4 billion to the budget to keep the United States Synthetic Fuels Corporation alive.

I originally supported enthusiastically the Synthetic Fuels Corporation. At that point, we knew there was an oil shortage and we envisioned creating a Synthetic Fuels Corporation that would step into the gap and would use the billions of dollars that we made available to the Synthetic Fuels Corporation to develop synthetic fuels.

But now in retrospect, and in view of the conduct and the actions of the Synthetic Fuels Corporation, I have come to believe that the expenditure of those dollars is an unjustified expense and one we can little afford, given the pressures of the budget deficit.

I have heard the managers of the bill address themselves to how the figures are to be calculated, whether the CBO is right or wrong.

I want to say that I am not going to debate that issue. I am willing to accept the CBO figure because whatever the number of dollars CBO says is involved or anyone else says is involved is not the basic issue. The basic issue is: Is there any logic or reason to continue this Synthetic Fuels Corporation in business? It has been an abomination.

As a consequence of its actions and its failure to act, in July, by an overwhelming vote of 312 to 11, the House of Representatives said enough is enough, and they rescinded the funds.

It is time for the U.S. Senate to follow suit. It is time for us to retain the language currently in the bill. Although I have not been able to study the two amendments offered by the manager and the comanager, I would guess that what they are offering is in the nature of a retreat or perhaps as they might suggest a compromise.

But in this instance, I believe there is no room for compromise and only a total routing, a total retreat, of the Synthetic Fuels Corporation and the utilization of those dollars for more necessary purposes in this country is appropriate.

By eliminating the Synthetic Fuels Corporation, we will be yielding billions of dollars in savings. The Congressional Budget Office projections included in the House budget reconciliation report, show that the language in this bill will save $93 million in outlays in fiscal year 1986, $468 million in the years 1986 to 1988, and $6 billion in later years for a total of $7.4 billion, which are very much needed as we face the future years in attempting to balance the budget.

The significance of the billions of dollars in total savings cannot be downplayed, but the Synthetic Fuels Corporation is rushing to sign commitments which will lock us into these outlays. What they want to do is tie it down, make a contract, then say the contract cannot be broken. Depending on the resolution of last-minute awards, and the Synthetic Fuels Corporation has been trying to get them out the door before we act, some savings may now escape us and even today may be too late in some instances. This should impress upon us that we should not and cannot delay any longer our actions in shutting down this agency.

Mr. President, the U.S. Congress never has difficulty in creating new agencies. The U.S. Congress always has difficulty in closing down an existing agency, because they build up their alliances and they use their dol-

lars to get commitments, commitments from the business community that is able to eat at the trough. If ever an agency deserved to be put to rest, it is the Synthetic Fuels Corporation.

As I said earlier, I supported it back in 1979 and 1980 as a way to improve our energy security. I agree wholeheartedly that it is important that we develop technology to utilize our coal, our oil shale, and our tar sand resources. But during its 5-year history, the SFC has failed to bring the Nation any closer to achieving that goal or establish a viable synthetic fuels industry. The Synthetic Fuels Corporation, set up as a financing bank and accenting commercial development is not designed or equipped to promote the kind of research and development needed to solve the technical and market uncertainties of current synthetic fuel processes.

The SFC is an agency flawed in management as well as execution. It has abused its autonomy and freedom to become the most scandal-ridden, poorly managed, and least productive agency in the Government. Two presidents of the agency resigned amidst charges of mismanagement and impropriety. Salaries—and I want my colleagues to listen to this—of the top 50 percent of the employees average $56,000 per year. Pension plans—and hear this—fully vest employees in 1 year. Pension plans are fully vested within 1 year and the agency pays 100 percent of the cost. In fact, in only 2 years, this agency, with less than 200 employees, has paid cut nearly $1 million in benefits.

Consulting contracts range as high as $1,000 a day. This type of largess makes a mockery of efforts to cut waste and trim the deficit.

Similarly, the SFC has failed to exhibit any sense of fiscal responsibility or restraint in its attempts to create a synthetic fuels industry. Time and time again, the SFC has promoted the candidacy of weak projects. It has awarded unjustified price guarantees as high as $67 per barrel of oil and $12 to $15 per million Btu's for gas; $12 to $15 per million Btu's for gas.

The SFC is creating an industry which will be perpetually dependent upon Federal subsidies. Already, two projects which received $1.9 billion in awards have returned to the SFC for an additional $1.2 billion in bailouts.

The SFC's approach is to simply throw more and more money at a problem. This only creates greater deficits. It does not establish the basis for a successful commercial industry or a reliable energy source.

The new SFC Board has perpetuated and stepped up this campaign of irresponsibility.

In the last 2 months, this agency has been rushing to commit billions of dollars before Congress can rescind its funds.

Can you imagine that? In the midst of a paralyzing deficit crisis, the SFC is shoveling money out the door in clear defiance of the administration and the House of Representatives.

The $60 million for $40 per barrel price guarantees were awarded to a heavy oil process already in use in the private sector.

Recently, the SFC awarded another $500 million—for price guarantees of $67.87 per barrel.

Oil is selling today in the world market at something in the area of $24, $26, $27 a barrel. They awarded price guarantees of $67.87 a barrel. They awarded it to Union Oil for a project that already received a $400 million price guarantee commitment and with all of the guarantees, the project does not work. It is not producing the oil.

Waiting in the wings, and this is the important part for my colleagues, unless we stop the SFC, is another project negotiating price guarantees in excess of $150 per barrel.

This is fiscal irresponsibility of the highest order. Yet, this is the story of the SFC.

Let us not be fooled. These giveways have nothing to do with energy security. It is political pork barrel, pure and simple.

In August, an SFC lobby plan was made public. The document makes it clear that the basis of SFC awards is to win political support in the Senate, rather than the quality or merit of projects.

It should be noted and it has been publicly discussed that many Members of this body were mentioned by name in that document.

For an agency to misuse billions of dollars to carry out a plan to buy the support of the Senate is an insult to every Member of this body and an affront to the taxpayers of this Nation. But that is exactly what that document was all about, an internal SFC document.

Mr. President, I ask unanimous consent that that internal document from the SFC be printed in the RECORD at this point.

There being no objection, the document was ordered to be printed in the RECORD, as follows:

THE PLAN

ASSUMPTIONS

A. Wright and Murtha Cannot Generate Successful Floor Strategy.

B. House is Lost by a Vote of 325 on Interior Bill.

C. Senate Position Weakening—During August Recess Budget Fears in Senate Will Sharpen.

D. McClure/Byrd Willingness to Exercise Leadership on the Issue "Declining.

E. Senate Appropriations Action Likely September 15.

F. Some Sort of Senate Floor Action Likely by September 30 on SFC.

G. Final Senate Action Likely to Zero Out SFC at Present Trends:

ACTION STEPS

I. *Use August to build broad base of support in the West to reinforce McClure & Domenici*

A. Convert a group of western senators from neutrality to advocacy.

1. At August Board meeting, Board releases a new western shale solicitation which compliments the eastern coal solicitation.

2. TC meets with all possible applicants in the field to generate interest in the solicitation and support for the program during August.

3. TC meets with sponsors of existing shale/western projects and their Senate delegations in the district during August.

4. Hold Andrews, Burdick, Gramm for SFC using SFC support for project contrasted with DOE decision.

II. DEVELOP A SERIES OF ACCOMPLISHMENTS FOR CONGRESS BY SEPTEMBER 15

A. Act on Seep Ridge by September 1.

B. Or Act on Utah Methanol by September 1.

C. Act on Forest Hills by September 1.

D. Union—

1. TC, ER, VS with proxy from PM "come out of cage" with Steigemeier in Los Angeles during the week of August 3.

2. Negotiating Team follows up, driven by Board Guidance document, with completion target of September 7.

E. CB—1. Closure is impossible by September 15; first two weeks in September develop positive stories in media on project.

F. Tar Sands—On back burner unless Seep Ridge fails. During August maximize western attention on the resource with cooperation from Garn and Hatch.

G. "Eastern Projects—

1. Keystone—TC sees Dingman and Governor Thornburgh ASAP. First or second week of August, then sees Heinz. Team negotiates project with goal of $ billion by September 7.

2. Memphis/Air Products—closure is impossible by September 7, negotiating team works up preliminaries during first 3 weeks of August; fourth week of August TC sees Sasser and Gore to relay SFC post September 7 intentions on project.

3. American Syncrude—Closure is impossible by September 7, but negotiating team can achieve four corners agreements by the end of August. TC sees Lugar and Quayle and sets up basis for agreement.

III. TARGET SENATE LEADERSHIP IN FIELD

A. Dole's lost.

B. TC works Simpson in Wyoming on Naval Oil Shale Reserves during August recess.

C. Set up Washington Lobbyists during August to work Byrd on clean coal.

D. TC sees Heinz on Keystone and national defense issues.

E. TC with Daniels works Warner, and Trible towards leading Armed Services Committee by using leverage on Virginia Power decision.

IV. LATE AUGUST, REESTABLISH ADMINISTRATION SUPPORT

1. Ed Meese.
2. Don Hodel.
3. John Herrington.
4. Cap Weinberger.
5. Executive Office of the President.

V. SEPTEMBER 7 CONVENE SENATE MEETING WITH DOMENICI AND MC CLURE AND ALL PREVIOUS TARGET SENATORS

A. Demonstrates support in Senate to Domenici and Mc Clure.

B. Get commitment to lead on issue.

C. With their support cement Administration support.

VI. SEPTEMBER 7-15 ORGANIZE WASHINGTON TRADE REPRESENTATIVES WITH FOCUS ON SENATE APPROPRIATIONS COMMITTEE

VII. LATE SEPTEMBER APPROPRIATIONS COMMITTEE VOTE

VIII. MID-SEPTEMBER FOCUS ON SENATE FLOOR ACTION

A. Use previous leadership base.

B. Emphasize national defense issues.

C. Hold Clean Coal supporters.

D. Mobilize DOE as Administration spokesman.

Mr. METZENBAUM. One thing is very clear, energy security seems much less of a concern at the SFC than political survival.

The SFC has made a mockery of the high goals we set for it in 1980.

This is not what a National Synfuels Program should be about.

This is not what the American public deserves.

If we are really serious about effective Synfuels development, we should replace the SFC with a program which will work.

The language in the bill moves in that direction, but the amendment pending would delete that provision.

The amendment, as put in by the House, rescinds the funds available to the SFC and reserves $500 million—to be used for a Synthetic Fuels Program at DOE. No signed contracts are abrogated.

Mr. President, a few weeks ago, 75 Members of this body, an overwhelming majority, approved the Gramm-Rudman-Hollings amendment, which requires this Government to have a balanced budget by 1991—6 years from now. What we have before us today is, the acid test of our seriousness and resolve to end the massive deficits which threaten to ravage our economy and our citizens.

If we do not have the political will to end a wasteful, nonproductive program like this, we will never be able to balance our budget and significantly reduce deficits.

There is no justification to restore $7.4 billion to this bill to save a program so racked with scandal and failure. A vote to restore the budget of the SFC is to put a stamp of approval on the birth of a new, multibillion-dollar entitlement program.

We tell the farmers, and we shall debate that on the floor this afternoon—we tell our students and the elderly to seek help elsewhere, there is no money left for them. How, at the same time, do we tell them with a straight face that it is necessary to spend $900 million of their money so that the Union Oil Co. can get $67.87 per barrel for its oil?

We have a responsibility to the taxpayers and to this Nation to provide a Synfuels Program that will work and yield results in an effective and efficient manner. The language currently in the bill provides us with that opportunity. The proposed amendment does not. Now we are presented with a so-called compromise at the last minute. It will cut only $500 million and it will terminate the SFC funding authority 1 year from now. It is better called a feed-me-first amendment. We know why it is offered. A few companies are poised to raid the Federal Treasury and they want to make sure they get theirs before the agency is shut down.

Well, we all know the SFC is a flawed program and an irresponsible agency and there is not anything about giving it less money that is going to make the agency any better. It is just as wrong to let it waste $7.4 billion as it is to waste $7.9 billion. If we leave the SFC in and allow it to go back to its standard method of business, that is what will surely happen. If we are really serious about effective synfuels development, we should replace the SFC with a program which will work.

I want to read into the RECORD a letter from John Herrington, Secretary of Energy, dated October 2, 1985, addressed to the distinguished chairman of the House Committee on Energy and Commerce, the Honorable John Dingell, in which he concludes as follows:

I understand that the SFC board has scheduled a number of projects for final action on October 16. The department does not support SFC funding of these projects. Because of these circumstances I have strong reservations about continued funding of the SFC.

It is interesting that even after that letter the SFC attempted to put out and sign some new contracts and did move in that direction. It is further interesting to note that the Secretary of the Treasury saw fit to bring into play some extraordinary powers and authority which he has to indicate that he wanted a halt called to that action at the SFC. The best way we can call a halt to any further action at the SFC is by defeating the committee amendment. That, Mr. President, is what I believe this Senate should do today.

Mr. President, I ask for the yeas and nays with respect to the basic underlying committee amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from Washington.

Mr. EVANS. I thank the Chair.

I rise to support my colleague from Ohio, and to add some remarks to his on the basic underlying amendment and on the two amendments which are now pending.

I understand the thrust of the two amendments now pending. They do represent what I believe is a sincere effort by the chairman and the ranking member to offer a compromise, a compromise, however, which is merely limiting to some degree, a minor degree, both the ability of the Synfuels Corporation to pour out more money and to a relatively minor degree the amount of money which they can pour out during the course of the next year.

It seems to me, Mr. President, rather than a compromise on something so wildly out of control, it is time to kill this snake and to rebalance our energy research operations.

Let me speak first to the balance that I believe is desperately needed in energy research. No one knows precisely what the best, the cleanest, and the most appropriate energy sources are going to be in the 21st century, and it is up to this Nation and this Government to try to do a balanced job of initiating research and seeing to it that there is the broadest possible opportunity for various energy solutions to be sought and ultimately to be found.

I think we ought to be very careful at the level of Government to not go beyond the concepts of basic research; that once we get beyond basic research into the next phase, the feeling that there is something there to be followed through on, that there is the potential through pilot projects and ultimately through production for a new and a market-ready energy source; that we begin to share in that operation with other enterprises and eventually move out.

Some suggest that is precisely what the Synfuels Corportion was all about when it was first initiated a half-dozen years ago. But where are we? We started with almost $18 billion we wanted to put in this one basket of energy research, and at the same time we have steadily cut back on the amount of money available in a broad variety of other energy research fields.

Now, I supported, I might add at great cost to many of my constitutents, the continuation of the breeder reactor project on the basis that this might well be one of the energy projects of the future and we ought not, totally, cut off that kind of support. In the case of Synfuels, perhaps we ought not to cut off some elements of that support, but it does not require $16 billion, it does not require $14 billion, it does not require $7.9 billion, it does not require $7.4 billion and, most of all, it does not require a very expensive, highly paid, separate, unresponsive Synfuels Corporation. We ought to bring that responsibility back within the Department of Energy. We ought to give a Department which we have established to be the focal for

energy development and energy research the chance to truly do that job. I suspect we will be far better off and so will the Department in being able to view all of the opportunities for energy research and to ensure that there is better balance.

Today we put up relatively piddling amounts of money in terms of further research on photovoltaics and solar, virtually no research at all on the ultimate potential of hydrogen as an alternative to some of our petroleum energy, not very much money in the context of the potential in better efficiency and conservation, both in electrical energy and in other energy sources as well.

I think perhaps the most important reason to cease now, today, immediately, this Synfuels Corporation is so that we can bring back together under one Agency, and one direction, more closely associated and responsive to the Congress the broad elements of energy research. That is the practical concern I have.

There are several others that make this even more urgent. The arrogance of the Synfuels Corporation is simply unbelievable. The Senator from Idaho has inserted in the RECORD an untitled, unidentified, unnamed internal document of that organization. Some may suggest that that was merely the writings of one person, that it was done off official time, and that it was thoroughly rejected by the officials and the members of the Corporation itself. I suggest that the actions of the Synfuels Corporation to date do a lot more to suggest to me that that internal document was indeed the floor plan for their policies.

Mr. President, I ask unanimous consent to have printed in the RECORD the memorandum of the U.S. Synthetic Fuels Corporation of August 9, 1985.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

U.S. SYNTHETIC FUELS CORPORATION,
August 9, 1985.

Memorandum: To Len Axelrod, Charles Cowan, Jim Groelinger, Len Rawicz.
From: Edward E. Noble.
Subject: Negotiations Teams and Schedules for the Priority Projects.

This is to confirm the substance of our meeting this morning. The three projects with priority status are Union, Forest Hill, and Keystone. Negotiations and documentation should proceed in parallel for Union and Forest Hill, toward closure on September 6. Final contract signing would occur sometime during the week of September 6-13. Keystone will move on a slightly slower schedule, and I will await your guidance as to the precise schedule.

As discussed this morning, I want Ralph Blackwell as Director of Negotiations to oversee and coordinate all of the priority negotiations. Each project will have its separate negotiating team, with a team lead*. The teams we agreed to are:

Union: Dick Keegan,* Len Axelrod, Jim Groelinger, Phil von Turk.

Forest Hill: Bill Gudal,* Skila Harris, Frank Hill, Andy McDonald.

Keystone: Francis Allhoff,* Ted Atwood, Frank Hill, Jeanine Matte.

This will be a major undertaking, with each of the contracts most likely involving combination loan and price guarantees. Thus, you should take whatever actions are necessary to ensure that sufficient expertise, including contract assistance, is available to meet the schedule.

Finally, I want to meet personally with each negotiating team, with Blackie, at the end of each day on which a negotiating session has been held on any of these projects. Each of you is also welcome to attend any of these meetings.

I will appreciate your letting me know if you have any problems with the above, or recommendations to make the process more efficient. Otherwise, this is how we will proceed. Seep Ridge, Utah Methanol, and Cathedral Bluffs will be given the next priority.

Mr. EVANS. Mr. President, that official document of the Synfuels Corporation, on their letterhead, talks about the urgency of moving ahead and the necessity to meet personally with each new negotiating team at the end of each day on which a negotiating session has been held on any of these projects. That is commendable. It is also unusual.

It indicates strongly to me that there is every effort on behalf of that corporation to get as much money out from under the purview of Congress before we act, as I hope we will, in the same fashion the House of Representatives has acted, and prevent the further allocation of money.

Knowing of pending congressional action, the Synfuels Corporation has not taken the prudent course of waiting, of seeing whether in fact this policymaking body of the U.S. Government is going to give new direction. No; their attitude is to move as rapidly as possible to prevent this body from working its will and giving new direction.

Mr. President, I do not think there is any question that the administration wants to kill this program, and I am supporting what the administration wants. The Secretary of Energy has spoken quite clearly in terms of the letter he has submitted. The Senator from Ohio has inserted it in the RECORD. A similar letter came to Senator HUMPHREY a couple of days later.

I have certainly not heard the President taking the Secretary of Energy to the woodshed, as he took David Stockman a few years ago. I have heard nothing to indicate that the administration is rejecting or turning aside from the statements of the Secretary. I think he has been quite clear, and I think he is quite persuasive in his recommendations.

Mr. President, I ask unanimous consent to have printed in the RECORD an article from the Wall Street Journal, written by the Secretary of Energy, entitled "The Synfuels Energy Dinosaur."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE SYNFUELS ENERGY DINOSAUR

(By John S. Herrington)

This week, Congress is struggling to agree on a plan to reduce the deficit. Regardless of the outcome, in the next few days members of both houses will have a unique opportunity to make an early downpayment on deficit reduction. Next Wednesday, the Synthetic Fuels Corporation's board plans to lock up more than $1 billion in taxpayer-supported subsidies for two uneconomical and unneeded oil-shale demonstration projects.

These projects are telling examples of why the SFC was, this July, targeted for extinction by a 312-111 vote in the House. The question now is: Will Congress as a whole put a halt to these projects before the SFC allocates the money for them next week?

The projects in question—$900 million in price supports and guarantees for a Union Oil project in Parachute Creek, Colo., and $184 million in like guarantees for Seep Ridge's Vernal, Utah, project—reflect more than their dollar amounts. They are a microcosm of what is wrong with the SFC. In an era when everyone is striving to reduce the deficit, the SFC could not have picked two more wrongheaded projects to pilot, nor could it be championing them at a more pivotal time in its short-lived history.

Parachute Creek has major technological weaknesses. Both Parachute Creek and Seep Ridge have technologies applicable to only a small portion of U.S. oil-shale resources. Both would have guaranteed price supports at a level several times the market price. Neither would make a lasting contribution to U.S. energy security.

I am opposed to these projects, and these circumstances have raised strong reservations about continued funding of the SFC. Terminating these projects would salvage at least $1 billion—and perhaps more, since the SFC will soon consider additional projects totaling $2.5 billion.

Congressional opponents of these projects need only to look to Union Oil's Parachute Creek operation for ammunition.

Union Oil first began acquiring oil-shale lands in Western Colorado in 1920. Sixty-five years later, its Parachute Creek project still has not been operated successfully beyond a period of a few days, despite the investment of $800 million by the company over the past six years.

Parachute Creek's problems are enormous. The price per barrel of the hoped-for 10,000 barrel-per-day plant is pegged at $72, in an economy where our Strategic Petroleum Reserve is buying oil at about $25 a barrel. Parachute Creek's retort scraper system—a mechanism that ejects spent shale—failed and still hasn't continuously worked as advertised. When it does work, the spent shale is coming out at a too-high temperature (900 degrees Fahrenheit) with an excessively high cargon content, a sign of inefficiency. Its fluid bed combustor, a component that would burn the carbon in the spent shale, is only in conceptual design, both unproved and untested.

The financial terms of the SFC agreement are such that 6 to 10 years from now, when subsidies are exhausted, Union could walk away from the project.

Union has failed to produce the oil that would allow it ultimately to earn $400 million in price supports. Nonetheless, the SFC plans to reward Union with an additional $500 million in loan and price guarantees to support the development of a combustor—and wants to extend Union's right to earn the $400 million in price supports. The total cost to taxpayers: $900 million.

Hand in hand with the Parachute Creek project, the SFC plans to provide $184 million in loan and price guarantees for Seep Ridge. SFC is guaranteeing its price per barrel at $55, more than twice the market rate.

Why the SFC is so ardently interested in Seep Ridge is something of a mystery. The project will offer no technological advance for synfuels development; the technology is already developed, and at full production Seep Ridge will produce only 1,100 barrels per day.

Supporters of these projects will no doubt weave their defense into the cloth of our energy future and national security through energy security.

The fact is that national-security and energy-security arguments do little to justify the Parachute Creeks and the Seep Ridges. When Congress established the Synthetic Fuels Corporation in 1980, oil prices were projected to reach $75 to $125 per barrel by 1990. Since oil prices peaked in 1981 following President Reagan's decontrol of oil prices, the world energy outlook has improved substantially: In nominal terms oil prices are down more than 30% from their 1980 levels.

As a result of these fundamental changes in the energy marketplace, virtually no projects pending before the SFC are likely to become economical in the foreseeable future. Thus, the development of a commercial synthetic-fuels industry at a pace envisioned by Congress in 1980 would require huge expenditures of federal tax dollars that would not be offset by economic benefits.

There is little point in building demonstration projects when the fuel costs are two, three or four times that of current and anticipated market prices. There is no compelling reason to subsidize construction of model synfuels plants when advanced technology, now under research and development by industry and the Department of Energy, will ultimately surpass these plants' existing technologies. Finally, there is little merit to the national-security argument advanced by supporters of synfuels. Were all the SFC projects currently planned ultimately able to produce at their maximum capacity, they would only supply substantially less than 0.5 percent of U.S. energy requirements over the next 10 years.

The sensible approach for U.S. energy development is to let the free market work its way up to the next band of energy opportunities. And in this respect, the synthetic-fuels industry is several decades away from practicality. Synthetic fuels are not competitive with the next generation of fuels or expected energy gains through conservation and efficiency. Moreover, more exotic techniques such as enhanced oil recovery and the potential application of coal in the slurries, advanced clean-burning combustors and high-efficiency turbines are today closer to the realities of the marketplace.

When the Synthetic Fuels Corporation was created in the late 1970s, its founders were acting with vision and patriotism during a time of rising oil prices and limited supplies. But times have changed and so have the circumstances that gave rise to these projects. Now we must adjust to the new realities. The proposed SFC projects offer Congress an opportunity to make meaningful budget savings with little acrimony and without compromising the public trust, national security or our energy future.

Mr. EVANS. Let me read from that article by Secretary Herrington. He says, among other things:

There is not compelling reason to subsidize construction of model synfuels plants when advanced technology, now under research and development by industry and the Department of Energy, will ultimately surpass these plants' existing technologies. Finally, there is little merit to the national-security argument advanced by supporters of synfuels. Were all the SFC projects currently planned ultimately able to produce at their maximum capacity, they would only supply substantially less than 0.5% of U.S. energy requirements over the next 10 years.

The sensible approach for U.S. energy development is to let the free market work its way up to the next band of energy opportunities.

That, in my view, is an appropriate direction and is especially aided by a broad and uniform look at basic research by the Department of Energy and by this Government.

He continues:

And in this respect, the synthetic-fuels industry is several decades away from practicality. Synthetic fuels are not competitive with the next generation of fuels or expected energy gains through conservation and efficiency. Moreover, more exotic techniques such as enhanced oil recovery and the potential application of coal in slurries, advanced clean-burning combustors and high-efficiency turbines are today closer to the realities of the marketplace.

Mr. President, I think that is another one of the fundamental reasons why we should abandon the Synfuels Corporation—that there are already other elements closer to the marketplace than this and others where we should spent some of our efforts.

We do not need the continuation of a Synfuels Corporation to continue and build upon the success stories with respect to fluid bed combustor, the application of coal in slurries, and enhanced oil recovery techniques. We already have programs for funding coal sludge R&D, clean oil, and so forth, which can be handled and are being handled in other ways outside the synfuels industry.

Mr. President, not only does the administration want to kill this program, but also, industry itself is backing out. Let me list what industry, itself, believes about the continuation of the synfuels industry.

Exxon withdrew from the Colony oil shale project. Sohio withdrew from the Hampshire coal gasification project, the White River oil shale project, and the Paraho Ute oil shale project. Westinghouse put its entire synfuels division up for sale. Ashland Oil withdrew from the Breckinridge coal project.

Mr. FORD. Mr. President, will the distinguished Senator from Washington yield for a question?

Mr. EVANS. I yield.

Mr. FORD. The Senator just touched on Kentucky. Will he explain why Ashland withdrew from the Breckinridge project?

Mr. EVANS. As soon as I finish the list and mention the comments made by some people.

Mr. FORD. The Senator says they withdrew and gives no reason for it. He just touched on Kentucky.

Mr. EVANS. I suspect that many of these have been concerned about the inconsistency of funding the Synfuels Corporation itself.

Mr. FORD. The Senator suspects that, but he should give the real reason, rather than just naming names.

Mr. EVANS. I will give the Senator from Kentucky a good opportunity to speak for himself on that particular issue.

Mr. FORD. I certainly look forward to doing that.

Mr. EVANS. EG&G abandoned its New England Energy Park coal project. Mobil abandoned its efforts to form a consortium of companies to construct an oil shale project. W.R. Grace canceled its Grace-Baskett coal project.

The best indication of the immaturity of synfuels technologies can be found in statements made by representatives of industry:

The technical aspects, economic process, environmental controls, deployment techniques are still in their earliest stage. A lot of field work needs to be done. (Bob Shelton, Shale Energy Corporation of America.)

I'm not saying there aren't some interesting things going on in the lab, and that's where we should be focusing our attention. * * * We should be spending our money on improving (through lab research) the second generation of synfuels technologies, not proving to the world that the first generation is no good. (Ted Eck, chief economist, Standard Oil of Indiana.)

We're putting synfuels to bed as a major priority. (Samuel Vastola, manager of corporate planning, Exxon.)

The industry doesn't do it today because we don't have the technology nor see the market. You can see by the projects that folded, they didn't have the technology right. Demonstration-size research and development projects are a must before you move into full-scale operation. (Earl Hurst, Chevron Shale Oil Co.)

The PRESIDING OFFICER. The Senator should be advised that the 30 minutes which were allotted in the unanimous-consent request by the Senator from Ohio have been completed. So the Senate will go to the consideration of amendments 934 and 935.

Mr. EVANS. I thank the Chair. I will continue for only a relatively few minutes.

Mr. President, the arguments apply equally well to both the underlying amendment and my support for it—or,

the amendment which will shortly come and my support for it, and my opposition to the amendments numbered 934 and 935, which are now pending.

Let me summarize: Here is an organization, not under policy control by Congress, moving ahead as rapidly as they can, in spite of what may well be a decision to cut back severely, in opposition to an administration which seeks to end the Synfuels Corporation.

We are out of balance in our energy research, recognized as being so by both the administration and by much of industry who itself would back out of a direction which has not been in the reasonable sense basic research, which is where we should be focusing our effort, and in fact the Synfuels Corporation has spent its time and too much of the taxpayers' money in the support of proving up technologies which are not tomorrow's technologies and clearly not even today's technologies in terms of the marketplace, but are yesterday's technologies, and that is why in the article which he submitted to the Wall Street Journal the Secretary of Energy rightly called the Synfuels Corporation a dinosaur.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. Mr. President, I shall take just a minute or two to visit this question. I think those who are in opposition to the continuation of the Synthetic Fuels Corporation smell blood. They smell the blood of being able to get rid of it and then pound their chest that they have saved all this money.

I hear the distinguished Senator from Washington as he relates the administration does not want it; therefore, he is supporting the administration.

The first piece of legislation that was passed by the House of Representatives came to this side as the Defense Production Act, so that the defense of this country would have some research and development, some pilot and demonstration and commercial plants to put us in the posture of having energy at a time it might be needed.

Energy is an important part of our national defense. Now that there is a little glut on the market and that glut comes from the dismal economy that has been given to us by this administration where our industrial complex has been running less than 70 percent and I am not sure it is even back up to 80 percent, no wonder we are not using energy, no wonder we are not using natural gas, no wonder we are not using oil as it relates to the need of this country.

We have the distinguished Senator saying this administration wants to get rid of the Synfuels Corporation. If you go back and look at the history of this administration as it relates to the appointments of the board of the Synfuels Corporation, you will find that it is not necessarily the board's problem because they have never been in place to do any work. It is the delay of appointments of good people based on what the administration wants which was the dismantling of the Corporation and so, therefore, they have not had a chance.

You jump all over the Synfuels Corporation and say it is not run properly and they have not used good judgment, and that sort of thing. You have to lay it on this administration. You cannot lay it on anyone else.

Let me say this: There is a lot of negotiation going on by many of us on both sides of the aisle. I think you have to give the chairman of the Energy Committee, the distinguished Senator, Mr. McCLURE, from Idaho, a great deal of credit because he worked as I have seen no Senator work before, as relates to trying to put it together in a way that we could make some sense, we could begin to look at the future as it relates to synfuels and finally got it into place. That has not been very long. I heard yesterday you should have at least 5 years or more to study certain things, to see how well they have been able to do, and we have not even been in place 5 years as it relates to the Synfuels Corporation.

Let me give you some projections. Let me go back to one other. There is one project that was a pilot project. We had a little better than $200 million in that project when this administration came in. Instead of continuing that pilot project, they cut it off. Sure it had some problems because it was new, a new technology. They were exploring fields that have never been before. Every day that plant ran it set a new Guiness Book of Records. Yet now that we could look at the last several years of research and development and data, we have lost all of that.

How far along could we have been had we not had the administration wanting to put the crimp on this particular field?

We are going to need within the next 15 years or less synfuels operations. We are going to look back on this occasion and say we made a mistake if we eliminate the Synfuels Corporation.

I do not want to be in the position of saying I told you so. This administration has curtailed research. It is already out of the lab. It is already into the pilot project, and about the time you are trying to develop and are developing a program under the pilot project, it is eliminated. How in the world can you proceed under those circumstances?

The United States will be heavily dependent on synthetic fuels to meet the energy requirements necessary for economic growth and national security. If you remember nothing else that I say here this morning, remember that the United States will be heavily dependent on synthetic fuels to meet the energy requirements necessary for economic growth and national security.

Yet we sit here without any fuel. We always react. We react. And the need will come one of these days and this is not an arena that can be accomplished and completed in a 12-month period as Roosevelt did when we moved to synthetic rubber back during World War II. You cannot put a synthetic plant together, build it, have it in operation in 12 months.

Sure it cost money. Sure it cost money.

But the long leadtimes that are necessary to the development require, in my opinion, joint effort of Government and industry. If I were industry, I would be reluctant to play along with stop-and-go operations. There is nothing consistent at all about saying we are in and then we are out. We are in but we have not got a board of directors to operate it. We want a board of directors that will dismantle it.

Finally, we get a board of directors that is reasonably favorable trying to do something, and lo and behold, here we come along wanting to eliminate it.

Mr. President, we are going to need the diversity. We are going to need the diversity, let me repeat, as it relates to energy and the way we are going, we are going to be using 70 percent or need 70 percent of foreign energy and that 70 pecent will not be good.

So, Mr. President, I urge my colleagues to support the amendment of my distinguished friends, Senator JOHNSTON and Senator McCLURE, and see if we cannot have an opportunity to have some stability instead of this jerky situation that we have had since the Synfuels Corporation has been in existence.

I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER (Mr. McCONNELL). The Senator from Louisiana.

AMENDMENT NO. 934, AS MODIFIED

Mr. JOHNSTON. Mr. President, I send a modification to my amendment to the desk and ask that my amendment be so modified.

The amendment (No. 934), as modified, reads as follows:

In lieu of the language proposed to be stricken from page 54, line 25, through page 55, line 17, insert the following:

"Of the funds appropriated to the Energy Security Reserve by the Department of the Interior and Related Agencies Appropriations Act, 1980 (Public Law 96-126) and subsequently made available to carry out Title I, Part B of the Energy Security Act (Public Law 96-294) by Public Laws 96-304, 96-514, and 98-473, $500,000,000 of the amounts initially available only for obligation to projects with Letters of Intent authorized by the Board of Directors on or before June

1, 1984, and not obligated are rescinded; *Provided*, That the Board of Directors shall proceed to complete action on those projects under consideration or negotiation by the Corporation as of October 1, 1985; *Provided, further*, That such actions shall include either the award by the Board of financial assistance to such a project or a determination by the Board that the Corporation will not enter into financial assistance contracts for such project.".

(Mr. GORTON assumed the Chair.)

Mr. JOHNSTON. Mr. President, my colleagues who are here to demolish and dismantle the Synthetic Fuels Corporation remind me of the story of the grasshopper and the squirrel. The grasshopper chirped and sang and hopped all summer long and made fun of the squirrel because the squirrel, day after day, was putting aside hickory nuts and acorns and storing them up for the cold winter which the squirrel knew was going to come. All the while the grasshopper was chirping and singing and hopping and making fun of the squirrel, as our colleagues here are making fun of those of us who want to try to keep the Synthetic Fuels Corporation going.

Because you see, Mr. President, the proponents of the Synthetic Fuels Corporation know that the winter is coming. The winter has been here in terms of fuel shortages and the winter again is coming. It is well said, Mr. President, that those who do not learn from history are doomed to repeat it. And, if there is one thing that is a clear and certain prediction of the future, it is that the shortages of the early 1970's will be again upon us. We will again be hostage to the Middle Eastern oil producers, as we have been in the past. Indeed, because America domestic supplies continue to go down, the percentage of the world supplies held by the Middle East continue to go up and our dependence will continue to rise.

When will that happen, Mr. President? No one knows. Perhaps as soon as the late 1980's; perhaps into the early 1990's. No one knows for sure. But that day of reckoning is coming and coming for sure.

Mr. President, we are told about the mismanagement of the Synthetic Fuels Corporation. I have never tried to defend the mistakes of that Corporation in the past. The mistakes are certainly not the fault of those of us who initially put together the Synthetic Fuels Corporation.

It is well known that this administration, at least initially, was strongly opposed to the Synthetic Fuels Corporation. It appeared that they intentionally tried to set the scene for its failure. Whether that is so or not, it is clearly true that Board was mismanaged in its early months and years.

But, Mr. President, the past mistakes of the Synthetic Fuels Corporation have, I believe, been corrected. Indeed, we just confirmed three additional members, outstanding in record and experience, who, with the now seasoned survivors of the Synthetic Fuels Corporation, I believe, can, will and are doing an excellent job.

Let me say one thing about the Synthetic Fuels Corporation that I think is not well understood by our colleagues. That is, how we score this $7.357 billion. Everyone in the discussion today has treated this money as if it is an expenditure from the Synthetic Fuels Corporation. The fact of the matter is that the $7.357 billion is either for loan guarantees or in price guarantees. Every dollar that is expended for these guarantees, is counted as an expenditure or counted against that $7.357 billion, whether or not that money is repaid.

Indeed, it was my amendment that called for scoring of that kind, because we did not want to create a revolving fund. If this were scored in terms of actual outlays from the budget, it would probably amount, by most accounting methods, and based on experience with other Federal Government guarantees, to maybe a third of the $7.357 billion. That is because a good amount—I would hope the vast majority—of this money will be repaid. The loan guarantee will not be called upon or the price guarantee will not be necessary, at least to the full extent.

So, therefore, Mr. President, it is incorrect to say that we are talking about an expenditure at any time of as much as $7.357 billion. To the contrary, we are talking about only guaranteeing that much either of a loan or of a price.

Mr. President, my distinguished colleague from Kentucky has talked about the hard work of our distinguished chairman, the Senator from Idaho, in putting together this compromise. I fully support what he has said, because it was a monumental job.

Mr. President, it takes two sides for a compromise. There was a great deal of give on the part of those of us who supported the Synthetic Fuels Corporation. We reduced the funding down to less than half of what it had originally been. But in return for that, we got a commitment by the administration to stick to that compromise.

Now, it is, at any given moment, difficult to say where the administration stands on this matter. I know the Secretary of Energy has written a disparaging letter about the Corporation. I do not know where the President stands. I do know they made a deal. They put the word of the administration on the line behind this compromise.

Mr. President, it is not just a question of whether those of us in the Senate can count upon the administration. There is a vast array of people involved in the synthetic fuels business who have also got a right to rely upon what the administration says. And, indeed, $1.2 billion has been committed by private industry in reliance upon not only the law of the land but what this administration has said.

Mr. President, I think it would be an outrage for the administration to say, "Oh, we were just kidding. We made a deal and we gave our word and unfortunately, private industry, your $1.2 billion will now go down the drain because, you know, caveat emptor, you don't have a right to rely upon what this administration says."

I think we do have a right to rely upon what an administration says, particularly when it is a solemn promise given which ripens into the passage of legislation.

Mr. President, the first retort for shale oil was built in Rifle, CO, in this country in the first decade of this century. If I recall the exact date, I believe it was 1904. The first Government-financed retort for shale oil.

Since that time, on a periodic basis, the Federal Government has recognized the importance of developing shale oil and has gotten into the business of developing shale oil only at the last moment to decide, "No, let's don't do it now. The price of crude oil is too low." We have done that several times. Mr. President, we are right on the threshold now of being able to determine the commercial viability of shale oil. I do not know whether it is going to be commercially viable or not. I know there is only one way to find out, and that is by efforts of the Federal Government through the Synthetic Fuels Corporation to develop modified in situ or retort technology or the other kinds of technologies, which will prove whether or not shale oil is a commercially viable venture.

Oh, I know, Mr. President. The price of crude oil is now down to about $25. I know that the Synthetic Fuels Corporation has made price guarantees based upon a higher amount. By the way, the higher amount which they have used as the basis for guarantees—I think the distinguished Senator from Washington referred to $67—happens to be in line with the projections of the Department of Energy as to what the price of crude oil will be in the future.

We are developing synthetic fuels, Mr. President, not for the 1980's but for the needs of the 1990's; not for the present summer of low energy prices, but for the feared winter of future high energy prices and energy shortages, and dependence upon Middle Eastern oil producers who have shown in the 1970's that they are fully capable of holding the United States hostage to fuel shortages and embargoes.

Mr. President, it was not very long ago when we were raising the heat in the summer in Federal buildings, when we were cutting off the lights in Federal buildings, when we were

taking all kinds of heroic efforts to hold down our consumption of energy. And the whole focus of the country was upon the shortage of energy. People were literally shooting and cutting one another as they waited in gas lines. I was looking over a speech I made just not too many years ago on this very subject.

I recalled the events of the preceding week where they had just those events—a shooting in a gas line in California, and incidents indeed all over the country. The whole country was conscious of the shortage of energy.

Mr. President, the present surplus of fuel is a temporary phenomenon that, like the grasshopper, is going to be gone with the first frost. I hope that the Synthetic Fuels Corporation in its stripped-down, low-budget, relatively low-budget amount will be allowed to continue and to seek to determine whether or not we can at commercial rates make liquids and gas from coal; whether or not we can use that vast shale oil deposit to produce energy at commercial prices.

I hope we will be allowed to pursue that, Mr. President. I hope we will not be so shortsighted as to cut off that one ray of hope that we may have in the next fuel shortage.

Mr. ANDREWS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. ANDREWS. Mr. President, I appreciate the comments of the Senator from Kentucky. I wanted to respond to them because I think what he pointed out is something that just has not been touched on in this argument; talking more or less on the quantitative aspects of fuel supplies in this country. I think we also ought to look when we are looking at synthetic fuels at the qualitative types of fuel.

Let me point out, Mr. President, that not too long ago—as a matter of fact, as recently as October 29, 1985, which is 2 days ago before this Halloween day we are debating this on—the Chicago Tribune revealed that the Soviet Union, which has been developing technologies in peat utilization and underground oil mining, has been operating an experimental synthetic fuel installation near Moscow where it hopes to eventually convert coal into liquid fuel.

This plant, which Tass says has no analogues in the world, is considered to be a prototype for synfuel plants to be built in a vast central Siberian coal field.

Mr. President, there is tremendous product and byproduct potential under the various technologies—gasoline, turbine and boiler fuels, chemical feedstocks, and synthetic natural gas just to name a few. Then, Mr. President, there is a matter of our national security.

I wonder if we have given sufficient consideration to the impact of synfuels on our defense and national security. Along that line, we have as you know, Mr. President, a synfuels plant in North Dakota, a synfuels plant designed to put out pipeline quality gas which, of course, is not cost competitive. That plant, however, is cost competitive if it produces jet fuel.

Mr. President, as we discusss the question of the future of the Synthetic Fuels Corporation, I wonder if we have carefully evaluated all of the potential available and essential to our consideration. We have made some progress toward energy independence since the establishment in 1981 of the SFC through the Energy Security Act. With the richness of our Nation's own vast energy resources found virtually across this country, it was then and is now only logical and wise to develop those resources of coal, oil shale, and tar sands.

While we have made some progress, Mr. President, I see several reasons why we should continue the SFC and its projects. We are still far too dependent on foreign oil. In 1984 we imported 60 billion dollars' worth of oil, and predictions are that consumption of oil in this country is on the increase. Furthermore, we have only an estimated 9 years of domestic oil supply identified.

We need to continue the synfuels projects that we have started because it will take a decade or more of experience, or leadtime, with a variety of technologies to develop the needed data, much of which can only come from design, construction, and long-term operation of pioneer projects using full-scale commercial equipment. Some of the projects underway have been brought about at the cost of displaced people and severe local impact.

Private industry, Mr. President, has absorbed all of the front-end expenses and capital costs, with a total to-date expenditure of between $2 to $3 billion on project development and construction. The Government must keep its commitment to the good-faith investment by the private sector if it expects private industry to participate in this kind of program in the future when the Nation needs it.

Another reason to continue the SFC and the Synfuels Program is that the United States is lagging behind other countries in the development of technologies in direct and indirect coal liquefaction, tar sands, peat utilization, and underground oil mining. Many of these programs are heavily Government subsidized and take a very long-range view. As recently as October 29, 1985, the Chicago Tribune revealed that the Soviet Union, who has been developing technologies in peat utilization and underground oil mining, has begun operating an experimental synthetic fuel installation near Moscow that it hopes will eventually convert coal into liquid fuel. This plant, which Tass says "has no analogues in the world," is considered to be a prototype for synfuel plants to be built in a vast central Siberian coal field.

There is tremendous product and byproduct potential under the various technologies—gasoline, turbine, and boiler fuels, chemical feedstocks, synthetic natural gas, just to name a few.

Then, Mr. President, there is the matter of our national security. I wonder if we have given sufficient consideration to the impact of synfuels on our defense and national security.

Mr. President, during peacetime energy shortages, DOD must compete with other users for scarce energy supplies needed to sustain military readiness. In recognition of the special needs of the Department of Defense, the Energy Security Act provided the DOD with a right of first refusal for any output from SFC-assisted projects. Utilizing this priority, the DOD has contracted for 10,000 barrels of shale oil per day from Union's Parachute Creek project. This production will be used for operational validation programs for shale-derived jet and diesel fuels. If I may prevail on the good Senator from Alaska, in his position as chairman of the Defense Appropriations Subcommittee, I would like to know the role that SFC and Synfuels Program could play to meet other special requirements of the Department of Defense, for example, for coal-derived fuels.

Mr. STEVENS. Mr. President, DOD is a heavy liquid fuel user—178 million barrels in 1984. DOD has conducted extensive tests on certain synfuels. In addition, as you note, DOD has a contract with SFC that carries an option to buy jet and diesel fuel refined from shale oil that meets DOD specifications. And the SFC has implemented policies and procedures which integrate Defense fuel needs into its program by encouraging appropriate project design, modes of operation and marketing. I understand the proposed implementation of the SFC's current phase I business plan under last year's agreement with the chairman of the Interior Appropriations Subcommittee, could result in a national technical capability that could be expanded relatively rapidly to help meet future DOD needs if and when conditions so dictate.

The current phase I program, by proving out an array of liquids-producing technologies, would substantially shorten the leadtime required to construct production facilities and to reach full design output of those facilities. This capability, taken in conjunction with the short-term role of the strategic petroleum reserve, could significantly add to the Nation's re-

sponse to any urgent and extended need for secure fuel supplies.

Mr. ANDREWS. Mr. President, I thank the Senator from Alaska. I would like to add that the Great Plains gasification plant in North Dakota, which has great potential for the development of both products and byproducts, can also be retrofitted to produce heavy jet fuel at the rate of about 10,000 barrels per day. This would more than cover the daily fuel requirements of three major DOD air bases located relatively close to that plant, and the Defense Subcommittee has directed the DOD to purchase some 10,000 barrels per day from that plant.

In my view, we have the resources; we have sufficient technologies developed to the point where commercial-sized projects can be developed. We have the time, which is now because of this period of "oil relief" or "oil glut" we are experiencing; and if all predictions are true, we will again have the need for synfuels.

The development of a strong Synfuels Program requires a corporation, or a group, with potential funding resources, the organization, strategic interest and a large cadre of experienced managers and engineers. We have that group in place, the Synthetic Fuels Corporation, and we should keep it.

Mr. President, I yield the floor.

Mr. BRADLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. BRADLEY. Mr. President, I rise in opposition to the Appropriations Committee amendment to restore $7.4 billion to the appropriations bill for a lesser amount, and modified by the various amendments subsequent to the beginning of today's proceedings.

Mr. President, the Synthetic Fuels Corporation is bad energy policy. It is bad budget policy, and it gives Government a bad name.

Mr. President, the analysis that we have heard on the floor today is similar to the analysis that we have heard about our energy problems since about 1975. Mr. President, it should be recalled for the Senate that the oil embargo of 1973-74 quadrupled the price of energy at that time. President Ford called upon a national commission to evaluate the problem. They then came out with a very detailed report arguing for the concept of energy independence; that somehow if we were independent of foreign oil production, that our economy and that our country would be secure.

Mr. President, in 1979, and in 1980, there was again a disruption in the flow of oil from the Middle East that caused the price of oil to once again double. It is in the atmosphere of the second major oil supply disruption that the Synthetic Fuels Corporation was born.

Mr. President, I do not in any way disparage the intent or purposes espoused by many of the sponsors of the Synthetic Fuels Corporation. As the distinguished Senator from Louisiana has conveyed, it was a time that bordered on panic in many of our States. Our phones were ringing off the hook, and we were called upon to do something.

The result of that call, Mr. President, was the Synthetic Fuels Corporation. I believe it is conceptually flawed because it is not a response to the problems that emanated from the embargo of 1974 nor from the interruptions of 1979 and 1980.

It is, rather, an answer to the question: What energy mix and sources of energy do you want America to have in the 21st century?

It is not an answer to the question: What do we do if we lose oil tonight in the Persian Gulf?

Mr. President, I think we must view the energy problem in three phases: First: What do you do if you lose oil in the Persian Gulf tonight? Second: How do you, in the midterm, reduce your dependence on those sources of oil? Third: What is the mix of energy sources that one would like to see America have in the 21st century?

Mr. President, the cause of the panic in 1979 was that we had lost the oil in the Persian Gulf. The response to that in the creation of a Synthetic Fuels Corporation was to try to decide what our fuel mix would be in the 21st century.

It is no wonder that it was a serious mismatch. That response ultimately proceeded from the analysis done after the embargo in 1973-74 that concluded that the answer for America to the energy problem was energy independence.

Mr. President, I would like to take that hypothetical to its logical conclusion.

Let us assume that, because of the Synthetic Fuels Corporation, or because of a variety of other reasons, that we consumed no oil from the Persian Gulf, we consumed no foreign oil whatsoever, but that indeed there was a disruption in the supply of oil because of instability in the Persian Gulf and that disruption in the supply of oil to our allies, Japan and Western Europe, resulted in a dramatic price increase in the world price for oil.

Mr. President, I would argue that in that circumstance, even though the United States was energy independent, that we would pay the highest cost for that disruption in the supply of oil.

Mr. President, why is that? It is simply because we consume more oil than virtually any other country in the free world. So if the world price of oil doubled or quadrupled, as it would if there were a serious oil supply disruption, the biggest tax in the form of an increased price for a barrel of oil would fall on the American consumer, it would fall heavily on our allies as well, it would more than likely trigger the IDA agreements, and, Mr. President, we would have been energy independent but we would not have been invulnerable to the effects—both economic and national security effects—of an oil supply disruption.

Mr. President, that is why I have from time to time on the floor, over the last 7 years, argued that virtually the only thing that protects us from an oil supply disruption and the effects of that on our economy is to put more and more oil in stockpile, in the strategic petroleum reserve—and get our allies to do the same—so that at a moment of crisis, we can draw that oil out of the stockpile and keep our economy going.

Mr. President, I would argue that the Synthetic Fuels Corporation was a flawed concept from the beginning because it was the wrong answer to the question posed by the embargo of 1973-74 and the disruptions of 1979 and 1980.

Mr. President, to give the benefit of the doubt to those who make that argument, let us assume that energy independence was a noble objective. Let us assume that it would insulate us from the effects of a disruption in the foreign oil supply, which I hope I have demonstrated it would not.

If it would, there at least has to be the question: Energy independence at what cost?

I think those who sponsor the Synthetic Fuels Corporation had very high aspirations, Mr. President. When we passed the bill in 1980, it was estimated that the Synthetic Fuels Corporation would be producing 500,000 barrels of oil a day by 1987 and 2 million barrels of oil per day by 1992. In fact, Mr. President, this year, as a result of the projects of the Synthetic Fuels Corporation, there will be 1,000 barrels of oil per day produced.

Mr. President, there is a great difference between 2 million barrels of oil per day by 1992 or 500,000 barrels of oil by 1987 and 1,000 barrels of oil per day in 1985.

I would argue further that the cost is simply not worth it. If we are sending dollars to extremely profitable corporations to subsidize their production of oil at a price to the taxpayers of $67 a barrel, there are better ways to spend the Federal dollars.

Mr. President, my first argument is that it is bad energy policy because the whole approach was conceptually flawed. It is much better to spend the money on putting oil into stockpile to address a problem that could develop tonight or next week than it is to put money into a hope project that will always miss its targets at very great expense and with very little relationship to what the problem is today but

a remote relationship to a theoretical hope that we can determine the energy application of our country in the 21st century.

Beyond being bad energy policy, I would argue that it is bad budget policy. We are putting back $7.4 billion in outlays, and it is considerably less over the next 3 years, a little less than $500 million.

I would simply argue that there are other more worthy uses for these Federal dollars than an investment in energy sources that might come on line in the 21st century. Keep in mind that the projections for the Synthetic Fuels Corporation was in 1987 there would be 500,000 barrels per day and today it is 1,000 barrels of oil per day.

I can understand the argument of many individuals who say, "We need to at least do some research, and we need to do some research for what might develop 20 years from now."

In that case, one must be able to postpone these expenditures now in light of the present budgetary circumstances. It is bad energy policy and it is bad budget policy. It spends dollars on projects that have no relevance to today, tomorrow, or even next year, or 3 years from now. In so doing, it takes money from programs and people that need those moneys, or I would argue programs such as the strategic petroleum reserve, where moneys could be spent more effectively in addressing the true nature of the energy problem.

Finally, Mr. President, in addition to being bad energy policy and bad deficit or budget policy, I would argue that the Synthetic Fuels Corporation has given Government a bad name.

The history of the Synthetic Fuels Corporation is one of fiscal irresponsibility, poorly designed projects, and general mismanagement.

With respect to fiscal irresponsibility, we need only look at the Great Plains coal gasification project. This project is sponsored by a consortium of large, extremely profitable energy companies. After acquiring extensive coal reserves in North Dakota, the American Natural Resources Co. attempted to obtain support from private lending institutions to fund a project. An article appearing in the Reader's Digest this past August points out that, having failed to obtain private financing,

> The consortium has succeeded in securing Federal support. Today, the facility is generating natural gas at a cost of approximately $10 per thousand cubic feet.

This is over three times greater than the market value of natural gas, which is in plentiful supply in the United States, Mexico, and Canada. Yet we have lent these profitable corporations well over $1.3 billion in taxpayers' money to build this facility. The sponsors are threatening to abandon it unless the Government provides additional subsidies.

(Mr. SIMPSON assumed the chair.)

Mr. McCLURE. Will the Senator yield for a question?

Mr. BRADLEY. If the Senator will allow me to finish the whole statement, I shall be pleased to answer any questions he has.

With respect to poorly designed projects, I cite the conclusion reached as a result of a study by Newsday newspaper, which said:

> Two projects designated for priority treatment will use technologies that are already being pursued by other companies and at their own expense, not the taxpayers'. These projects are the Forest Hills project, which is intended to extract heavy oil in Texas, and a Utah methanol project which will gasify coal and convert the gas to methanol.

With respect to general mismanagement, Mr. President, a GAO report issued earlier this year criticized the SFC for failing to solicit competitive bids for consulting services or comparing the value of the work with the cost of doing it inhouse. This resulted in contractors being reimbursed at up to $1,000 per day.

GAO concluded that:

> The Corporation's contracting practices continue to reflect the complete disregard for Federal procurement regulations.

Last year, Congress put the SFC on notice that we would no longer tolerate business as usual and rescinded the $5.4 billion in budget authority. This obviously created a stir at the Corporation, but its response has been more than disappointing. Rather than reassess the direction of the program, the merits of the pending projects, the Corporation appears to be stirring around trying to build political support. An internal, unsigned draft memo outlines in great detail a lobbying plan for the Corporation to pursue in order to head off any attempt at additional rescissions. While this is not an official SFC document, it is interesting that action taken to date has closely paralleled the recommendations put forth in this document.

Mr. President, I support the action taken by the House of Representatives. It was an action taken with overwhelming agreement. It will allow the continued support of research and development in synthetic fuel technologies by transferring $500 million to the DOE, thereby maintaining our commitment to a secure energy future.

The Congressional Budget Office estimates that that will result in a saving of $468 million within 3 years. An additional $473 million will be saved in fiscal year 1989-90 and $5.9 billion beyond that date.

If you look at the way the Synthetic Fuels Corporation has functioned, Mr. President, you see at best that some of the people who were put into the Corporation to run it wanted to subvert it from the very beginning and have effectively done so; or, at worst, you find it to be an embarrassment to the Federal Government.

Mr. McCLURE. Mr. President, will the Senator yield?

Mr. BRADLEY. Yes, I yield.

Mr. McCLURE. I have only one question of the Senator. That is, I understood the Senator to say that the SFC was guilty of supporting badly designed projects. Am I correct in my hearing of that part of the statement?

Mr. BRADLEY. I do not know if I used those exact words, but in general terms, I would concur.

Mr. McCLURE. If that is correct, Mr. President, I wonder if he would tell us what badly designed projects the SFC has supported?

Mr. BRADLEY. I would list any of the projects that happen to have their oil production subsidized at high above market rates. That happens to be the basis upon which I would call a project badly designed.

If the taxpayer is going to get $1 worth of product for $1 worth of his taxes, that is fine.

Mr. McCLURE. Would the Senator yield further?

Mr. BRADLEY. Certainly, Mr. President.

Mr. McCLURE. I thank the Senator for yielding further. I understand that statement, but could the Senator identify a project that fits that test which the Senator has put forward?

Mr. BRADLEY. Union Oil I.

Mr. McCLURE. That was a DOE project turned over to the SFC. So as I understand the Senator, he did not like Union Oil I at DOE and he does not like it at the SFC.

Mr. BRADLEY. I would think that is an outstanding one——

Mr. McCLURE. What other project would the Senator identify that the SFC supported which was badly designed?

Mr. BRADLEY. I see the line of the Senator's question, because he wants to indict DOE and in so doing, I think, cast an unfair light on the House's action in saying let us transfer $500 million to DOE.

Mr. McCLURE. Mr. President, all I am trying to do is find the Senator's basis for the criticism.

Mr. BRADLEY. I cited the Union Oil Corp. that was supported by SFC. Take the Great Plains coal gasification project.

Mr. McCLURE. I would say that Great Plains also is totally DOE. The Synthetic Fuels Corporation has never had it at all. It was done by the DOE in the first place, and has continued up to the present time to be a DOE project. The Synthetic Fuels Corporation has had nothing to do with Great Plains other than consider a proposal that was not approved.

Mr. BRADLEY. Does the Senator support the coal gasification project?

Mr. McCLURE. Whether I do or do not has nothing to do with it. The Senator has suggested SFC is at fault in part for supporting Great Plains but they had nothing to do with it. That was done by DOE.

Mr. BRADLEY. I thank the Senator for the clarification, but I assert that the principle is still valid. That is that the taxpayers' dollars should not be spent to subsidize the production of oil or gas at prices high above market value. Whether it is the Synthetic Fuels Corporation that supports it or whether it is DOE that supports it, in a time of very strict budget problems, I do not believe we should be supporting the production of oil at $67 a barrel.

If the Senator would like, I could read my list of all of the projects of the Synthetic Fuels Corporation. I do not happen to think that would illustrate my point any better than I have by simply asserting the principle that it should not be the business of Government to support above-market prices for corporations that, themselves, are not doing badly.

Mr. FORD. Will the Senator yield for a question?

Mr. ANDREWS. Mr. President, will the Senator yield?

Mr. BRADLEY. Yes, I yield.

Mr. ANDREWS. The Senator mentioned the Great Plains plant which is in my State. I am not interested in debating the merits of SFC versus Department of Energy. But I think the Senator would be interested to know, Mr. President, because his is a fair-minded Member of this body, that that particular plant, the Great Plains plant, came in ahead of schedule, came in under budget, and is producing now synthetic gas for precisely what they said it would produce it for.

Mr. President, let me add one caveat; that in the interim between the time that plant was started and today, the price of natural gas has fallen sharply. I do not have 20/20 hindsight all the time, but 99 percent of the time.

My foresight is only about 20-percent accurate. My personal crystal ball ends up with all kinds of glass splinters. But to say that it was ill planned or ill defined is not fair, Mr. President. I am sure the Senator would want to reconsider that connotation. In fact and indeed, that plant is now producing synthetic gas which has dropped in price, like its counterpart, threefold. So at today's price structure—not at the price structure the plant was begun under—it is indeed priced out of the market.

That plant, however, remains a national resource and is, we hope, going to be converted to producing synthetic jet fuel, which in quality, as we pointed out a few moments ago, is far superior to anything we can buy that is derived from petroleum. So the Nation has not lost on that project.

The vagaries of the pricing of energy over the years is something that I think no Member of this body can respond to or can guess ahead of time.

I just wanted to correct that and I ask my colleague if he is aware that it did come in ahead of schedule, under price, and is now producing gas at precisely the price it estimated it would be producing at 3 years ago and that, indeed and in fact, is a competitive price.

Mr. BRADLEY. I respond to my friend from North Dakota by saying that I guess my position, in light of not only the Great Plains coal gasification project but a variety of other projects that have been a part of the Synthetic Fuels Corporation efforts, is that it is better to leave the market determine which projects are going to fly and which are not. I basically believe that is a much better approach than trying to guess what the market price is going to be at a particular time. There is no doubt that the coal gasification project, while it might have met its target, is still producing gas high above what gas is available for in other parts of the United States out of the ground or in Mexico or Canada. So whether it came in at a proper level as targeted and agreed to in advance by the bureaucrats in my view is not the issue. My view is whether you believe it is better for the Government to sponsor these programs or whether you think it is better for the market to determine which one of these technologies is most workable.

Mr. President, I am pleased to yield to the distinguished Senator from Maryland.

THE VISIT TO THE SENATE BY MEMBERS OF THE PARLIAMENT OF GREAT BRITAIN

Mr. MATHIAS. Mr. President, I appreciate the courtesy of the Senator from New Jersey.

Mr. President, it is with great pleasure that I announce to the Senate that we are visited today by a group of members of the Parliament of Great Britain. They are in Washington in connection with the exhibition which is opening at the National Gallery of Art from the Treasure Houses of Britain. It is a great pleasure and privilege to welcome them as guests of the Senate.

[Applause.]

Mr. MATHIAS. Mr. President, our visitors are:

Lord Gibson, Lord Ashcombe, Lord Leigh, Lord Iliffe, Earl of Rosebery, Marquess of Bute, Lord Northbrook, Lord St. Oswald, Earl Bathurst, Duke of Rutland.

Earl of Cawdor, Viscount Hampden, Lord Montagu of Beaulieu, Lord Clifford of Chudleigh, Baroness Elliot of Harwood, Lord Tollemache, Lord Astor of Hever, Lord Somerleyton, Lord Crathorne, and Lord Scarbrough.

The PRESIDING OFFICER. The Chair thanks the Senator from Maryland. We greet our visitors and we very much appreciate them coming.

RECESS

Mr. MATHIAS. Mr. President, I ask unanimous consent that we recess for 3 minutes to greet our visitors from Great Britain.

There being no objection, the Senate, at 12:52, recessed until 12:56 p.m.: whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. SIMPSON).

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS 1986

The Senate continued consideration of the bill (H.R. 3011).

Mr. BRADLEY. Mr. President, if I may revisit briefly the question raised by the distinguished Senator from Idaho on what projects the Synthetic Fuels Corporation had supported, we had an exchange on Union Oil. The Senator said that the Union Oil project was originated under DOE. I do not disagree with him, but, Mr. President, the Union Oil Shale Project has not worked for 2 years and yet the Synthetic Fuels Corporation gave the sponsors $500 million in additional SFC subsidies. So the taxpayer liability for this project has suddenly increased to $900 million.

So the point is that, indeed, it might have originated under DOE, but it is the Synthetic Fuels Corporation that has increased it by $500 million.

Will the Senator explain that?

Mr. McCLURE. will the Senator yield so that I might propound a unanimous-consent request? Under the earlier agreement, at 1 o'clock the Senate would revert to the consideration of the farm bill. My understanding of the situation is that the Agriculture Committee is still proceeding with the hearing on farm credit. I have had a request from the majority leader's office that I propound this unanimous-consent request that we remain on the Interior bill until 2:30. That would permit us to continue this discussion. I understand there are others who think we should not do that, but I will on behalf of the majority leader propound that unanimous-consent request.

The PRESIDING OFFICER. Is there objection?

Mr. EVANS. Mr. President, reserving the right to object, will the Senator from Idaho yield for a question? Is it his intent that the discussion continue but that we not come to a vote on the issue?

Mr. McCLURE. Mr. President, in responding to the Senator, if the Senator will yield, it would be my intention

to continue the discussion. If we were prepared to come to a vote, we would. If we were not prepared to come to a vote, we would not.

Mr. EVANS. I think there may be others who would want to be heard who are not here at this time.

Mr. McCLURE. I have no doubt that is correct. If we have a chance to discuss it, we will find out. We will find out how much they want to be heard.

Mr. EVANS. If the Senator will add to the unanimous-consent request that we continue but not have a vote prior to 2:30, I would not object.

Mr. McCLURE. I am not prepared to say that we would not have a vote, because I do not know whether we are involved in extended debate on this issue, whether we have a minifilibuster, or whether it is simply a question of people wanting to be heard. If they want to be heard, I do not want them to be cut off. I have offered a mechanism which I hope will be voted on. It is not my intention to offer a motion to table my own amendment.

Mr. EVANS. I say to the Senator that I do not intend to engage in a filibuster. I think we should get to the issue. However, the proposed amendments by the Senator from Idaho and the Senator from Louisiana are brand new. They have just come to us. No one has had a chance to check with our colleagues on the consequences of those amendments.

Mr. McCLURE. I know that the Senator from Washington is a very quick study. They are simple amendments, and it will not take him more than 30 seconds to read them and understand them.

Mr. EVANS. I do understand it quite thoroughly. I just want to make sure that 50 of my colleagues understand it as thoroughly.

Mr. McCLURE. I understand that.

The PRESIDING OFFICER (Mr. DENTON). Is there objection?

Mr. MELCHER. Mr. President, reserving the right to object, I have a dual interest in this. I have an interest in this bill and in the bill which would be before us at this moment and which would be open to amendment.

I repeat that I will seek recognition to offer an amendment which I have been waiting patiently to offer. I believe the request is for 2:30 p.m.

Mr. McCLURE. The Senator is correct.

Mr. MELCHER. I am not going to object. I reserve the right to object just to make this statement.

I shall seek recognition, and I hope I can be recognized on this matter, after patiently attempting to get the amendment before the Senate last night and again this morning and now at 1 o'clock—each time the bill is open for amendment. I hope my amendment will be the first one when we do get on the bill. I have no objection until 2:30.

The PRESIDING OFFICER. Is there objection?

Mr. METZENBAUM. Mr. President, reserving the right to object, I am a little disturbed with my colleague from Idaho, who suggested something like a minifilibuster.

Mr. McCLURE. I do not know.

Mr. METZENBAUM. The Senator from Idaho is going to learn full well when this Senator or any other Senator around here is engaged in a filibuster.

What you have done in this instance is that you have confused an issue which you knew you were going to bring to the floor, knew many of us had a concern about it, and you knew that we intended to be involved in the issue.

I must say to my colleague that I am not certain why he did not see fit to share with us his amendment, the minority manager's amendment the modification of the minority manager's amendment.

True, Senator EVANS very well can understand this amendment. True, the Senator from Ohio can very well understand this amendment. But there are 96 other players in the U.S. Senate besides the managers and us.

Mr. McCLURE. I do not regard the other 96 Members as less astute than the Senator from Ohio.

Mr. METZENBAUM. Of course not, and no one would suggest that by implication. But it is a fact that there is an effort to confuse the issue.

What the Senator from Idaho and the Senator from Louisiana are doing is that they are offering amendments which they call a compromise, and they are not a compromise, and the issue is to keep the Synthetic Fuels Corporation in business and operating.

What we thought we had before us was the committee amendment, which I had indicated from the start we were prepared to vote on. We were prepared to vote on it before 1 o'clock, up or down, on the committee amendment. But, no, the Senator from Idaho and the Senator from Louisiana did not see fit to share their views with us on this subject. As a consequence, you pop on us, on the floor, an amendment, by surprise, and some might be confused. Some might think it is a compromise. I know it is not a compromise. I know it is just a back-door way of keeping the Synthetic Fuels Corporation in business. But I am concerned that some people might think it is what you described it as—a compromise.

By reason of that fact, I want to be certain that there is sufficient debate on the subject. I do not intend to object to your request to continue the debate until 2:30.

Mr. McCLURE. Mr. President, will the Senator yield?

Mr. METZENBAUM. I yield.

Mr. McCLURE. I thank the Senator for yielding, and I thank the Senator for his statement.

It is not my intention to try to cut off debate. It is just that I did not wish to agree with the suggestion of the Senator from Washington, that I am prepared to say that I know the Senate will want to discuss it for 1½ hours more without coming to a vote on it. That is my only reason for withholding the response the Senator from Washington wished me to give.

Mr. BYRD. Mr. President, reserving the right to object——

The PRESIDING OFFICER. The Democratic leader.

Mr. BYRD. Mr. President, there are Senators on my side of the aisle who have amendments, and they would like to call them up.

Mr. MELCHER has an amendment on the farm bill. At least, I got the clear implication from last evening that he was going to offer his amendment at this point.

I am reluctant to continue to agree that the farm bill be laid aside. I am not against the pending appropriations bill.

I am concerned that if we now lay this farm bill aside at 2:30, we may be asked then to lay it aside at 3:30. I am not saying that the Senator will be doing that, except at the request of the leader, but I do not want to continue to lay this bill aside. The first thing we know, the day will have gone, and nothing will have been done on the farm bill.

Mr. McCLURE. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. McCLURE. I cannot tell the Senator what might be behind the request or whether or not the Senator's fears are well founded or ill founded. All I can do, as I did at the outset, is indicate that the information that comes to me is that the Agriculture Committee is still meeting on the farm credit question and that the managers of the farm bill will not be able to be on the floor in the near future. If we do not continue on this approriations bill, we will be faced with a long quorum call and a dead space in time. I just tell the Senator that I cannot go further than that because I do not know more than that.

Mr. GARN. Mr. President, if the Senator will yield, I am not involved whatsoever in the procedural dispute. I simply came here to speak and have stood in this position, with my microphone, for 34 minutes now, expecting action to take place on the farm bill.

The Senator from New Jersey has been interrupted many times. He was 5 minutes away from finishing his talk, 35 minutes ago. I hope he can finish his statement and that I can make my brief statement, after both of us have been so patient, if we could

have even a brief continuation. I do not think that will slow down the Senate, because I do not think the Senate will work on the Agriculture bill until the committee comes back to the floor.

Mr. BYRD. Mr. President, I appreciate everything that has been said.

As I say, there are Senators on this side of the aisle who have amendments to the farm bill. I do not want to see this continue throughout the day, with no opportunity for action on the farm bill. Senators on this side want to bring up their amendments.

If the distinguished Senator would change that hour to 2 p.m., I would not object.

Mr. McCLURE. I will be happy to accommodate in whatever way.

Before changing the request, let me indicate I have just been informed that the manager of the bill has informed the staff that he would be prepared to come to the floor at 2:30 p.m. for the resumption of the farm bill, if that information is of any value to the Senator from West Virginia.

Mr. BYRD. It is of value. I do not want to inconvenience any Senator any more than I might have to in the protection of my own colleagues and my own rights.

I will not object in this instance with the understanding that the Senate will go back to the farm bill at 2:30 p.m. and I would hope that the leadership on the other side of the aisle would relent a little and let Mr. Melcher get his amendment up.

That having been said, I remove my reservation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLURE. I thank the Senator.

Mr. BRADLEY. Mr. President, as I was saying about the Synthetic Fuels Corporation, the distinguished manager of the bill pointed out that neither the Great Plains coal gasification project nor the original Union oil shale contract were let under the Synthetic Fuels Corporation.

I wonder, however, if he could answer a few questions about the number of projects of the Synthetic Fuels Corporation.

Just take the Union shale project which the Senator pointed out correctly was not a project that was originally supported or originally sponsored by the Synthetic Fuels Corporation but rather by DOE. Yet, I ask the Senator is it not true that the Synthetic Fuels Corporation gave the sponsors $500 million in additional subsidies in order to bail it out? Did not the then Synthetic Fuels Corporation commit an additional $500 million to the Union shale oil project?

Mr. McCLURE. The Union I project, which was the original Department of Energy project which was then transferred under the terms of the act to the Synthetic Fuels Corporation, was subsequently restructured and approved by the Synthetic Fuels Corporation. In the operation of that demonstration project, the Union I project ran into some problems with respect to the handling of materials, particularly slag, that was coming out of the retort. Union Oil, to correct that, submitted what became known as Union II, which when merged with their first project would change the combustion process of a fluidized bed process, and the Senator is correct that the Synthetic Fuels Corporation has entered into an agreement with respect to going forward with the project which will require an additional investment at Union II by the sponsor of $225 million.

The SFC support is a price and market guarantee with the exception of up to $327 million, which is a loan guarantee, as I understand it.

Mr. BRADLEY. So the Senator agrees there was an additional commitment of $500 million?

Mr. McCLURE. Yes, broken down into two components of a purchase price and price guarantee and a loan guarantee.

Mr. BRADLEY. So the total taxpayer liability for this project is $900 million?

Mr. McCLURE. Over a period of 10 years it could reach that level. That is the upper limit.

Mr. BRADLEY. If I may propound another question to the Senator on the Dow syngas project, is it true that the Dow syngas project will receive $12.50 per million Btu's for its gas?

Mr. McCLURE. While the staff is getting those figures, let me just add with respect to Union II that that $500 million under Union phase 2 was rescaled, since the compromise that reconstituted the board of last year, down from $2.7 billion to $500 million.

Mr. BRADLEY. Does the Senator mean at an earlier point it committed $2.7 billion?

Mr. McCLURE. That was the proposal. It was not committed.

Mr. BRADLEY. I see.

Mr. McCLURE. But under the negotiation process, with the reconstituted SFC Board under the agreement of last fall, the project has been rescaled down from the $2.7 billion originally intended to $500 million.

Mr. BRADLEY. But it is true the Synthetic Fuels Corporation commited an additional $500 million.

Mr. McCLURE. The Senator is correct.

Mr. BRADLEY. Now as to syngas, it is true that they will receive $12.50 per million Btu's for the gas.

Mr. McCLURE. That is for the first $10.95 billion Btu's of production and $11 per million Btu's thereafter, and there is an adjustment quarterly by three different indexes.

Mr. BRADLEY. So is it true that the total award is $620 million for the Dow syngas project?

Mr. McCLURE. That is the maximum liability under the SFC's price guarantee. It is not necessarily accurate to say that under all circumstances it will reach that.

Mr. BRADLEY. Is it true $620 million maximum liability is several times the cost of the venture to the sponsors?

Mr. McCLURE. The capital cost of the project is estimated to be $105 million.

Mr. BRADLEY. $105 million?

Mr. McCLURE. The Senator is correct.

Mr. BRADLEY. And total award is for $620 million; it could be $620 million?

Mr. McCLURE. Over a period of 10 years under the price guarantee.

Mr. BRADLEY. So it is six times greater than the cost that they went into?

Mr. McCLURE. Over a period of 10 years the Senator would be correct. That does not include the carrying cost of the investment. That is just the initial capital cost.

Mr. BRADLEY. One other question. Is it true on the Great Plains project that the project defaulted on a $1.5 billion loan?

Mr. McCLURE. Again, as to the Great Plains project, the Synthetic Fuels Corporation never had any connection with that project. The Senator can criticize the project if he wishes, and I would certainly agree with the Senator from North Dakota that it is not subject to all the criticism it gets. The Senator can if he wishes criticize the project, but do not criticize the Synthetic Fuels Corporation for it.

Mr. BRADLEY. I say to the Senator I have plenty of things to criticize the Synthetic Fuels Corporation for without even mentioning the coal gasification project, and I think the Senator's confirmation on the Union project is much appreciated because earlier in the exchange it was intimated that the DOE was the responsible party here and the Synthetic Fuels Corporation made no additional commitment. I am pleased that the Senator has made the record crystal clear.

Mr. McCLURE. What I said earlier, I asked the Senator from New Jersey to identify the project to which the Synthetic Fuels Corporation had made commitments which he said were ill-designed. When I asked that question the Senator brought up Union I, which is a DOE project and not Synthetic Fuels, and Great Plains, which is a DOE project, and not Synthetic Fuels.

Mr. BRADLEY. And the Senator confirmed that the Synthetic Fuels Corporation committed an additional

$500 million to this ill-designed project.

Mr. McCLURE. Whether it is ill-designed or not is another question. But, yes, the Senator is correct with respect to the commitment.

Mr. BRADLEY. I say to the distinguished Senator that if he goes anywhere in the country and told them we were taking the taxpayers' dollars and spending to subsidize production of oil at $67 a barrel that would not be viewed as a particularly prudent decision, and I simply wanted to make that plain.

Mr. McCLURE. Will the Senator yield?

Mr. BRADLEY. Certainly.

Mr. McCLURE. The Senator is entitled to his opinion, which I certainly do not agree with. But I think that what this entire debate is about, is whether or not we ought to have a synthetic fuels program and, if so, what kind of a program.

The Senator is entitled to state his view, but do not ask me to agree with him.

Mr. BRADLEY. I thank the distinguished Senator from Idaho for clarifying the RECORD on the commitment by the Synthetic Fuels Corporation of an additional amount of $500 million and also a commitment to pay $12.50 per million Btu for a commitment to Dow in the syngas project of $620 million, could be, which is six times what the project costs.

Mr. President, these points only illustrate my earlier line of argument, and that is that these projects are not in the national interest; that they are the wrong way to spend taxpayers' dollars at a time of budget stringency; and that they do not make good energy policy sense because they are not directed at what the problem is.

And the problem is: What do we do if we lose oil tonight in the Persian Gulf? The record of the Synthetic Fuels Corporation, which now, as a result of all these projects, produces about 1,000 barrels of oil per day, when originally it was conceived to produce in 1987 500,000 barrels a day, does not leave me particularly reassured that this is going to give us any relief, even in the 1990's.

So I say to my distinguished colleague from Idaho that, indeed, there is a very real disagreement here on how to spend taxpayers' dollars. I would argue that the parable of the grasshopper and the squirrel was totally irrelevant to this particular debate and that, instead, we should carefully analyze how we got into the box of spending over $20 billion for overinflated boondoggles for major companies, when, instead, we could have trusted the market and benefited more of our consumers.

Mr. President, I thank the distinguished Senator from Utah for his patience and say to him that the only consolation I can offer him is that I hope his speech will not be interrupted by six specific interruptions. I thank the Senator from Utah.

Mr. GARN. Mr. President, I might say to my colleague from New Jersey that I am certain the 50 minutes I have waited to say what I have to say was not worth it to the Senate or to me to wait 50 minutes. But, having invested that much time, I am going to go ahead and say what I was going to say, in any event.

I could not be considered a cheerleader for the Synfuels Corporation. Before the Senator from New Jersey was here, when I was first elected, I was a junior member of the Banking Committee. Senator PROXMIRE was the chairman. The Banking Committee did not like the way the Synfuels Corporation was being set up financially and felt that we should consider the financing end of it.

We were not energy experts. We recognized the Energy Committee was. So we got a referral to consider it. After holding a number of hearings, we came back and concluded that we were right; that it was far too big a project to talk about $88 billion; that we wanted a vastly scaled-down project and we wanted the means of financing the change.

Well, the Senate totally ignored the Senate Banking Committee at that time and said, "We don't agree with you," and went ahead with the original proposal.

I only say that to indicate that I have not been one, for the last 10 years, who has been trying to spend large amounts of money in the Synfuels Corporation. But, as I listened to the debate while I have been standing here, a great deal of talk about numbers and problems, I am not in a position to agree or disagree, particularly.

I certainly could agree that the Synfuels Corporation has had its problems. There has been some wasted taxpayers' dollars there. But I think what we are doing is getting away from the fundamental issue of whether we need to develop alternative sources of fuel in this country or not.

I do not want to stand here like the old sage and indicate that I have been around long enough to understand everything that goes on around here. I have not. But I sure have learned one thing in 19 years in public office, whether it be here or whether it be in municipal government, and that is politicians do not like to look too far into the future. We are very defensive and very reactive. We do not want to look beyond the next election, because if we try to plan 5 or 10 or 15 years down the road, how does that get us credit and votes and at the next election?

I see it happen over and over again. I see it happen in the Banking Committee, where you have a financial revolution going on out there. It is happening—deregulation is occurring, savings and loans are failing and the deposit insurance system needs revision. We have more banks on the trouble list since the 1930's; insurance companies are buying security firms and banks; security firms want to be in the nonbank-bank business and banks want to be in everybody else's business. That is a fact. It is happening. It is going on.

Try to get this body to move? Try to get somebody to make some decisions for the future? Yes, we passed one bill 3 years ago; passed one in the Senate and could not get it through the House. Time rolls on.

Well, it applies to energy. I was here back in 1974 when I traded cars with my wife. I would give her the duty of lining up in the gas lines because I did not have the time. So she would take the empty car and I would drive the full one. And, boy, everybody was out here on this floor demanding energy independence. It did not matter whether you were conservative, liberal, Republican, or Democrat. Boy, everybody had to make a speech on how we had to get out of that, because it was real. It was right here in Washington, DC.

Sometimes we could not get both cars filled with gas, so you would call one of your colleagues and say, "Do you have gas in your car?", so you could get a ride down to the Senate. So we had to have energy independence and we got into the gigantic Synfuels Corporation that I felt was too expensive. But at least we were trying to do something.

But how quickly we forget. Now we have a bunch of critics out on the floor saying that we ought to kill it totally. I can agree with a lot of their criticism. Why do we not try and fix it? It has been scaled back dramatically. Why do we not try and fix it, rather than do away with it?

Because, when this comes to an end and everybody votes, I hope the public looks at who voted to totally do away with it and abandon alternative sources of fuel, because the next time the gas lines come, I want their constituents to know how shortsighted they were.

I just cannot believe how unwilling we are in any area, whether it is banking, or whether it is energy, or any other field, that we wait until there is an editorial in some newspaper, or we hear something on TV or get a petition from our constituents, and then we say, "Hey, we got to act on that. People are stirred up."

Well, energy is plentiful right now. It is relatively cheap. I never thought I would think that $1.12 was cheap, when I am old enough to remember 15-cents-a-gallon gasoline. But, relative to what it could have been when

they talked about $2-a-gallon gasoline, it is cheap.

We have a glut. OPEC is in disarray. They do not know what to do with their own supplies; how much to produce. But I hope there is no one on this floor that thinks that is going to last.

I can remember those who said it would not happen to begin with in 1973 and 1974. "Oh, that will never happen; don't worry about it. We don't need to look at any alternative sources. We don't need to explore for fossil fuel. We don't want to look at anything. We don't want to go into geothermal because it is not necessary. We have got these abundant supplies."

That has only been 10 or 11 years and we have forgotten. That is why I am out here defending the amendments of the Senator from Idaho, which are trying to clean up some of the very problems that the critics talk about but they just would totally do away with it and sit back and say, "Well, we will worry about the next crisis when it gets here."

Maybe it is impossible ever to get the Senate and the House of the United States to look longer than a few months in advance. I mean, that is a long time. Usually, we look at the immediate—what are we going to put out a press release on today? How are we going to look like a fiscal conservative? It does not matter how we vote on this issue, but how can we get a big thing out of this, that we are against this expensive, wasteful, taxpayers' boondoggle that is going on.

Mr. METZENBAUM. Will the Senator yield?

Mr. GARN. I will yield in just a moment.

In the 11 years I have been here, I suppose that is the thing that bothers me more about this body than anything else—not the decisions that are made, not the differences in political opinion, not the differences between parties, but just that we will not try to look at the future and have a little foresight.

We are reacting, we are defensive, we are too interested in our own individual political future, and how we look with our constituents. I would just like the critics to come up and say, OK, the Synfuels Corporation ought to be done away with but we have an alternative plan for developing coal gasification, tar sands, and oil shale so that next time those OPEC nations cannot cut it off, they cannot cause massive unemployment in this country, a massive increase in the cost of living, and 15- to 18-percent interest rates because that is one of the major causes of that gigantic inflation we had in the late 1970's—the OPEC oil embargo, and the disruptions that it caused in our economy.

No single event has caused that much problem with our economy. We looked at that very closely in the Banking Committee because we get it in the neck when we have high interest rates. It is obviously the bankers. We need to look back and learn from 1973-74. Apparently, we will not. I guess I am shouting at windmills. I do not know why after 11 years I continue to have optimism that the Senate of the United States will try to have a little foresight rather than basically being against things or reacting to them after the fact.

I will guarantee you that regardless of the outcome of this vote, when it occurs, whether we have a synfuels project or not, or corporation, that sometime in the next few years we will have some of the very same Senators and Congressmen who voted on the other side back here yelling and screaming, getting out their 1973-74 speeches about how we have to be energy independent. We cannot tolerate these disruptions by foreign countries in our domestic economy. They will dust off their speeches, and they will hope the American public will forget how they voted in between.

I would suggest that the American taxpayers have a stake in trying to develop alternative sources of fuel. And the cost to the taxpayers if we can make Synfuels Corporation more efficient will be a lot less than $2.50 or so a gallon for gasoline, forgetting the disruptions that it causes to the tourist industry, to interest rates, to employment, and everything else. You cannot even measure—I am not sure we can even quantify—the cost of that embargo and the attendant increase in oil prices as a result of it to our economy, and the reduction in the standard of living it caused.

So I hope the Senate will not be shortsighted. I hope we will look at this on a more fundamental basis, and not talking about a dollar here and a dollar there, again recognizing that Synfuels Corporation has not been a shining example of efficiency.

Let us not throw the baby out with the bathwater. Let us try to develop some alternative sources of fuel.

I would like to hear from those who just totally want to do away with it what their alternative is, and what their answer is going to be a few years down the road when we face the next energy shortage in this country.

I yield the floor.

Mr. METZENBAUM. Mr. President, will the Senator yield for a question?

Mr. GARN. I will answer a question. I will yield the floor as well.

Mr. METZENBAUM. The Senator indicated that this amendment or this proposal of Senators JOHNSTON and MCCLURE would help to clean up the situation. At least that is the way I interpreted the Senator's speech.

I read the amendment. I see nothing in it that will do anything about cleaning up the situation as it presently exists. If the Senator would be good enough to explain to me how it will clean it up, all I see it doing is accelerating the expenditure of $7.4 billion to 1 year. It has to be spent in 1 year or it cannot be spent. If I know the SFC, they will be able to push the money out fast.

So I would like to ask the Senator what kind of improvement is that going to provide? How is that going to help these vested pensions? How is it going to help this average of $56,000 a year in salaries for more than 50 percent of the employees?

Mr. GARN. The Senator is tying two of my statements together. On the one hand I said I supported this amendment, which I do, as an alternative to the Senator's attempt to totally do away with the Corporation. I also then said in a different context that there were problems with synfuels that ought to be cleaned up. I said I was an original critic of the 1988 authorizations as a member of the Banking Committee, and that there had been wasteful and inefficient practices.

I challenge those who are offering to totally do away with it to come up with suggestions for cleaning it up rather than just doing away with it, and some plan for developing alternatives in the future. I did not say this amendment was the answer to too high a salary or all of that. The Senator's two statements remain, but in a different context.

Mr. McCLURE. Will the Senator yield?

Mr. METZENBAUM. Mr. President, I yield.

Mr. McCLURE. I want to respond to the same question as asked the Senator from Utah. First of all, the Senator in his statement indicated that the Synfuels Corporation would, under this amendment, go out and spend over $7 billion. I think the Senator was a little loose in the language. He knows better than that.

Mr. METZENBAUM. It provides they cannot make any further expenditures after September of 1986.

Mr. McCLURE. The Senator is mistaken. I say that most respectfully.

Mr. METZENBAUM. I will be glad to have a clarification.

Mr. McCLURE. The SFC cannot make commitments beyond that date. In other words, what they do is commit their money to a project which will be expended over a 10-year period in the future.

Mr. METZENBAUM. What the Senator is saying is I am not wrong about the fact that by September 1986 they have to make the commitments whether they think it is good or bad, if they want to get rid of the money.

It is like what we do in Government. That is, so many departments of Government run so fast before October 1,

the end of the fiscal year to spend the money, and to commit it.

Mr. McCLURE. Will the Senator yield?

Mr. METZENBAUM. I yield.

Mr. McCLURE. Yes; that is simply a way of trying to give assurances to people like the Senator that this does not have an unlimited future existence. If the Senator would leave them alone, I would not have offered the amendment.

Mr. METZENBAUM. The Senator is really very reassuring. What he is saying to me is, we are going to put it out of business in September of 1986 as far as making any commitments after that time, but do not worry, we are going to spend all the money. We commit it before that time, even if we do not know what to spend it for.

Mr. McCLURE. Will the Senator yield?

Mr. METZENBAUM. I yield.

Mr. McCLURE. I certainly agree with much of what the Senator said with the exception of when he said that even if they do not know what they are doing. The Senator knows that last year we forged a compromise which was agreed to by this body, the other body, and by the administration.

One of the things we had to do to get enough support from the people who were doubtful of the program was to put some more limits on their spending authority, reduce it, and limit the time and scope of their program, which we did. By putting that compromise together we got enough votes to avoid terminating the program last year.

Similarly right now, the Senator from Ohio and others, who have not liked it for a long time, want to terminate the program completely.

What I am trying to do is find a compromise that will give some assurance to some people at least that it is not going to live forever, trying to spend all of the $8.6 billion that we made available to them last year out of the original $88 billion.

It is an attempt to give some assurance to people, who doubt it, that the Corporation will terminate. As far as I am concerned, it is certainly not a question that they are going to be irresponsible. If the Senators would look at their business plan, which was developed over the last several months, and at the way they are pursuing that business plan, which was adopted after we finally confirmed enough members of the Board so that they would have an active quorum, they would agree.

I would remind the Senators that their confirmation only occurred in May of this year. The Board has been following that business plan. They think they can complete the awards under that business plan if they are given another year to do it. I thought it would be a measure of some assurance to the Senator from Ohio, and others, that indeed there was not going to be an unlimited life to this Corporation.

Mr. METZENBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. I point out that since this question has arisen concerning the expenditure of their funds, the Synfuels Corporation has proposal to commit $720 million to bail out the Great Plains project, and $500 million to bail out the Union Oil project. If I could sing, I would probably put to music "Where, oh, where have all the conservatives gone? Where, oh, where have all the budget balancers gone?" We come out here, and make a big-to-do about Gramm-Rudman, what we are going to do to balance the budget, mañana, next year, 2 years, 5 years from now.

We are talking about the matter before the U.S. Senate that has to do with the spending of $7.4 billion.

I initially supported this agency, and the Senator from Idaho knows that very well. I not only supported it but I presented specific language to put in to provide protection. We could not prevail. No, we had to get people from industry in so that we would not have the restrictions in that the Senator from Ohio thought should be in. We were going to have the cream of industry come into the Synthetic Fuels Corporation. The Senator from Ohio was told he was wrong when he thought we had to have limitations with respect to self-dealing, with respect to conflicts of interests, with respect to a number of other things.

So we finally got the bill through and I went along and I supported it.

What has happened?

What has happened is the following:

The President of the United States has made clear how unhappy he is with many of the actions of the Synthetic Fuels Corporation.

The Treasurer of the United States has indicated his concern about the effort to go out the back door with hundreds of millions of dollars in recent weeks.

The Secretary of Energy has indicated his concern with respect to the entire issue of the continuation of funding for the Synthetic Fuels Corporation.

The Senator from Utah comes to the floor and tells us, "Well, we just have to have a program."

You know, there is a lot of merit to that. I thought so myself in the past, and I still believe so. I believe we ought to have solar energy projects in this country. I believe we ought to have gasification projects in this country. I think we ought to be able to turn coal into natural gas. I believe that we ought to be able to develop shale oil in this country.

I remember when one of the most prominent people in the industry with respect to the development of shale oil said to me one evening, "If we had only $3 more in tax credit"—at that time, oil was $13 a barrel—"we would be able to produce more oil than the Saudi Arabians have at the present time."

I have heard some beautiful word pictures about the development of synthetic fuels. I am one who still believes, as the Senator from Utah and many other Members of this body, that we should indeed be developing synthetic fuels in this country.

There are many kinds of programs and projects we have discussed over the years, and I have been in the forefront of supporting almost all of them. In fact, to the best of my recollection, I have supported all of them.

But what we are talking about here has to do with the fact that this Synthetic Fuels Corporation has been wasteful. This Synthetic Fuels Corporation has been irresponsible. This Synthetic Fuels Corporation has thrown hundreds of millions of dollars and in some cases billions of dollars at an industry that has failed to produce.

They have not been funding small synthetic fuels projects. They have been supporting the biggest ones in the country.

One recently came up in which those who were involved, who had used the Government's money, also had gained tremendous tax advantages and tax writeoffs as against their other income, but still came back pounding at the door of the Synthetic Fuels Corporation saying, "We want more. We want more. We want more."

You know, it is a funny thing. This crowd that keeps coming in saying they want more and more and more from the Synthetic Fuels Corporation are also the ones whose lobbyists tell us that we have to balance the budget, whose presidents go on national television programs and say we have a responsibility to balance the budget, whose corporations spend literally hundreds of thousands of dollars in newspaper advertising saying it is the responsibility of Congress to bite the bullet and balance the budget.

Well, I happen to agree with all of that. I think it is our responsibility. I think every day in every way we show more and more the realities of the U.S. Congress. That is, that we would like to balance the budget on somebody else's back. We are not willing to eliminate a project in one of our own States because that might hurt us politically.

I have had Members during the course of this debate say, "I think you are right, but, you know, I have this project in my State."

When does the day arrive when the Members of the U.S. Congress, 535 of

us, have the temerity, have the courage of our own convictions, to stand on the floor of the Senate and say, "Enough is enough. No more."

This is a subsidy program. This is nothing different than a subsidy program.

We are great when we cut off subsidies for the poor. We are great when we cut off subsidies for women and infants and children. We show great courage when we cut back on school lunch programs. We show great courage when we stand out here on the floor. After all, those kids do not have powerful lobbyists. We are not spending hundreds of millions of dollars in their States so that they may be active individuals. They are kids without anybody to speak for them here. There are senior citizens without anybody to speak for them here.

So I say to my colleague, is it not time that we recognize that we did not make the mistake? We probably did the right thing when we created the Synthetic Fuels Corporation. But those who have had the privilege of operating it, those who have been in the position to dole out the money, those who have been in the position to bring to it a sense of integrity and high mindedness, instead have brought to it an effort to play the political game. Two of the presidents have already resigned under circumstances that are hardly complimentary to them.

I am opposed to the continuation of the Synthetic Fuels Corporation because I think it has worn out its welcome. I am pleased to say that by an overwhelming majority in the House of Representatives, 312 to 111, the House indicated its determination to terminate its existence.

I think that is our responsibility. The so-called compromise that has now been offered to this body is not a compromise at all. It is just another way of permitting the Synthetic Fuels Corporation to continue in business and spend the $7.4 billion that could be saved if we were permitted to vote up or down on that particular issue.

Mr. McCLURE addressed the Chair.

Mr. METZENBAUM. Mr. President, I have the floor.

AMENDMENT NO. 936

Mr. METZENBAUM. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Ohio [Mr. METZENBAUM for himself and Mr. PROXMIRE], proposes an amendment numbered 936.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Is there objection?

Mr. McCLURE. Mr. President, reserving the right to object, I wonder if the Senator will tell us what the amendment is about.

Mr. METZENBAUM. It is the same language as in the House. It is the same language as that which is in the House bill.

Mr. McCLURE. I thank the Senator and I withdraw my reservation.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment is as follows:

On page 54, line 23 strike through page 55, line 17, and insert in lieu thereof the following:

Except as otherwise provided in this item, all funds appropriated to the Energy Security Reserve are hereby rescinded. Funds so rescinded shall include all funds appropriated to the Energy Security Reserve by the Department of Interior and Related Agencies Appropriations Act, 1980 (P.L. 96-126), and subsequently made available to carry out Title I, part B, of the Energy Security Act by P.L.'s 96-304 and 96-514, and shall be deposited in the general fund of the Treasury. This recission shall not apply to:

(1) funds transferred from the Energy Security Reserve by this Act;

(2) 500,000,001, which may not be used for payments with respect to projects or modules under the Energy Security Act; and

(3) such amounts as may be necessary to make payments for projects or modules for which obligations were entered into under Title I of the Energy Security Act before the date of enactment of this Act.

Mr. METZENBAUM. Mr. President, without losing my right to the floor, I yield to the Senator from Washington.

AMENDMENT NO. 937 TO AMENDMENT 936

Mr. EVANS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Washington [Mr. EVANS] proposes an amendment numbered 937 to amendment numbered 936.

Mr. EVANS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In lieu of the language proposed to be stricken insert the following:

Except as otherwise provided in this item, all funds appropriated to the Energy Security Reserve are herby rescinded. Funds so rescinded shall include all funds appropriated to the Energy Security Reserve by the Department of the Interior and Related Agencies Appropriations Act, 1980 (Public Laws 96-126), and subsequently made available to carry out title I, part B, of the Energy Security Act by Public Laws 96-304 and 96-514, and shall be deposited in the general fund of the Treasury. This rescission shall not apply to:

(1) funds transferred from the Energy Security Reserve by this Act;

(2) 500,000,002 which may not be used for payments with respect to projects or modules under the Energy Security Act; and

(3) such amounts as may be necessary to make payments for projects or modules for which obligations were entered into under title I of the Energy Security Act before the date of enactment of this Act.

Mr. METZENBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington has the floor.

Mr. EVANS. Mr. President, I shall take just a moment. May I ask for clarification on the parliamentary position we are now in?

The PRESIDING OFFICER. The committee amendment, the substitute pending to it, the perfecting amendment to the substitute, and two perfecting amendments to the language proposed to be stricken.

Mr. EVANS. May I ask the Chair, which one will be voted upon first?

The PRESIDING OFFICER. The perfecting amendment to the language proposed to be struck.

Mr. EVANS. In other words, the amendment I have just introduced?

The PRESIDING OFFICER. The Senator is correct.

Mr. EVANS. Mr. President, I thank the Chair.

This gives us an opportunity to vote directly on the issue which we have been debating in fundamental terms during the course of the last several hours, the question of whether or not we are to continue with the Synfuels Corporation.

The proposals of my good friend, the chairman of the committee [Mr. McCLURE] and the ranking member were no compromise. They represent no compromise whatsoever. I think that it is important for the Senate to have the opportunity to vote directly on the fundamental issue.

I should say to the Senator from Kentucky, who talked about the concerns of national security, national security is not enhanced remarkably if, in 10 years, if we move fully ahead on the synfuels industry, one-half of 1 percent—one-half of 1 percent, Mr. President—of our energy needs would be met. That cost $16 billion. Are we going to spend another $16 billion to get to 1 percent or another $32 billion to get to 2 percent? How much do we have to spend to get energy from these sources for national security? I suggest there are other and better ways and ways more likely to give us national security than this.

The Senator from Louisiana earlier talked about the fable of the grasshopper. I suggest that another fable is much more appropriate. We have all heard of the three little pigs. In this case, I suggest the wolf is the wolf of war.

The wolf of war outside would certainly blow down the straw house, the straw house of depending on overseas supply, depending on OPEC, depending on nations which are not very

secure. But I suggest that the wooden house which the wolf in the fable and the wolf of war would also blow down is the synfuels house—the synfuels house of a half percent of our needs in the next 10 years.

I suggest there is a brick house, one that cannot be broken down. That is to proceed as rapidly and as wisely and in as balanced a manner as we can through the Department of Energy, with the assistance and direction of this Congress, on the wide variety of energy resources which will make us independent.

I suggest that while virtually no resources have been put to it, if we were to seek out a perfect fuel to replace or to work with petroleum for the future, what would we be looking for? We would be looking for a fuel that is nonpolluting. We would be looking for a fuel that is not subject to overseas cartels—in other words, universally available. And we would be looking for a fuel that is economic.

The most prevalent element around, hydrogen, is nonpolluting. It certainly is not subject to cartels, since the fundamental source for hydrogen is water, which is available for every nation and to everyone around the world. And while it is not economic yet, it could be and, I suggest, might very well be if we put anything like the resources we are now putting into the synfuels industry into the development of necessary elements to bring hydrogen into production.

That is just one source. But there are others. There are more alternatives potentially for adequate and cheap energy supplies than we are yet doing research on. It would be, in my view, a lack of will and a lack of wisdom if we do not have a secure economic energy supply in all of its aspects by the turn of the century, and we need not do it by continuing down the wrong road with too much money and far too little in the way of production.

The Senator from Idaho mentioned that a deal had been made with the administration. Perhaps that is right, or at least, he felt that was right. But I suggest to my friend from Idaho that we have had—I would not even call them deals. I think they are agreements that, at the time they are negotiated, appear to be the appropriate thing to do. We had an agreement, I remember, many years ago, long before I came to this body, to proceed in a partnership program on a supersonic transport. We got halfway there and decided it was not such a good deal.

Mr. McCLURE. Will the Senator yield?

Mr. EVANS. I shall be happy to yield.

Mr. McCLURE. This agreement we had was merged into legislative action last fall after weeks and weeks of negotiation. A part of that agreement was that the administration would submit nominations to members of the Board. There were four vacancies that needed to be filled. The administration has submitted two such nominations. Our committee acted on those nominations. The Senate did not act on them before adjournment last fall.

There were recess appointments made during December, after we had adjourned, but those Board members did not vote upon the substance of projects until after they were confirmed. By the time we got through acting on them in the committee and they had been resubmitted to the floor of the Senate and the Senate had had the opportunity to work on those nominations, those nominations were finally cleared, if I recall correctly, in May of this year.

I thank the Senator for yielding and I take the time only to underscore the fact that this is not so ancient an agreement. This is an agreement made last fall, ratified by the Congress last fall, fleshed out by the confirmation of two Board members that gave them a quorum to act in May of this year, and the actions they have taken since May of this year.

Mr. EVANS. I thank the Senator. I do understand that in the intervening period, recess appointments were made, which allowed the Corporation to act for a longer period of time than that. But I do not think that deters from what I was suggesting, that on numerous occasions, whether the agreements are new or old, other new information, new decisions, new determinations come along to suggest that we ought to change directions.

I bring up the SST as one example, but there is a much more current one. For a number of years, we included in the Armed Forces budget money to continue with the development of the Divad gun. We did so and finally, came to the conclusion that it was not a very smart decision, that it did not work. It did not work adequately and we ought not to continue to spend money on it. So we changed our mind.

Mr. PRESSLER assumed the chair.

Mr. FORD. Mr. President, would the Senator yield for a question?

Mr. EVANS. Certainly, Mr. President.

Mr. FORD. Does that mean that the Defense Department is going to stop looking for the kind of weapon that the so-called Divad would have been? Have they quit trying to research and develop, trying to find new weaponry that would fit that bill?

Mr. EVANS. Of course not. I say to the Senator that having abandoned a bad idea, of course they are looking for better alternatives. I suggest that is precisely what we sought to be doing here, abandoning a bad idea. The proposal we have would provide $500 million in the Department of Energy to move ahead.

What we need to do in my view is to look for a better idea, which is a more balanced energy/reseach combination, and I think perhaps there is a very good analogy to what the Senator has suggested—that have abandoned a bad idea, you do look for a better and more balanced one.

Mr. FORD. Will the Senator yield further?

Mr. EVANS. I will be glad to.

Mr. FORD. You do not abolish or disband the Defense Department because of a weapon that they decided would not work. So what you need to do, I think, is not disband the Synfuels Corporation but to be sure that they attempt to find projects that will produce those things which are necessary. You are talking about $500 million, and then even the Senator's amendment will not get to the billions beyond in the next 3 to 5 years. The Senator is talking about small expenditures compared to what he is talking about in savings. The savings are not immediate. The idea is to try to find something that will work and continue in that arena, not just cut the head off the body because the feet hurt.

Mr. EVANS. I thank the Senator for his question. I would suggest that we do in this amendment honor all existing commitments. There are plently of exampies out there that will be honored and will go through. They may not be very good ones, but I think that honoring the existing commitments is an appropriate thing to do.

Of course, we do not abandon the Defense Department when we cancel one gun. We do not abolish the Department of Energy either. I think the Department of Energy is the equivalent of the Department of Defense. It is a Cabinet office. It has the same opportunity to sit at the table with the President as the rest of the Cabinet. It is the appropriate place for the varying priorities of energy research to be decided. I think there is a very good analogy. Of course, you do not abandon what you are trying to do. You try to do it better. You try to do it under the umbrella of a single agency that we created specifically for this purpose, to look at energy, its development, its research and how we might produce an independent energy future.

Mr. President, I believe that the amendment which we now have before us will not only adequately but amply provide the necessary flexibility and the necessary direction to lead us to an independent energy future before the end of this century.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. EVANS. Mr. President, before yielding the floor, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. McCLURE. The yeas and nays on the Evans amendment?

Mr. EVANS. Yes.

The PRESIDING OFFICER. There is a sufficient second.

The yeas and nays were ordered.

Mr. McCLURE. Mr. President, I will be happy to yield the floor so the Senator from Illinois may be recognized.

Mr. SIMON. I thank the Senator from Idaho. I shall just take 5 minutes of the Senate's time. There are certain basics to which I think we ought to be paying attention. No. 1, my belief is that, basically, we as a nation do not have an energy policy yet. We kind of drift. We are putting little pieces together, but we fundamentally, the most powerful nation in the world, desperately dependent on energy and dependent on energy from others, do not yet have an energy policy.

Second, we have to have research. It seems to me the Synthetic Fuels Corporation is the vehicle for doing that research. If you were to take a look at the various parts of the Federal budget and compare them to private corporations, put them on the stock market, in the area of education we would be way down; you would not buy that stock because they are not spending enough money on research. In fact, as you go through the various branches of the Federal Government where we spend money, you would not buy stock in any of them with one exception. That is the area of defense. We do a lot of research in defense. But we do not do anywhere near enough research in the area of energy.

Earlier I heard one of our colleagues say, "Oh, but there have been failures." Of course there are going to be failures. That is part of research. If we are not willing to have some failures in the area of energy research, we are not going anywhere. Absolutely, there has to be research and there has to be failures.

One other thing I would point out Mr. President. People say with the price of energy where it is, it is going to take so many years to pay off, and so forth. Just as certain as I am standing here, 5 years from now the price of oil is going to be far, far higher than it is right now. If the price of oil was double what it is right now, we would be passing this amendment without one question. It would be breezing through this body. That price of oil is going to be going up. It is a finite commodity, just as most other forms of energy are finite commodities. We ought to be moving ahead.

As far as the Synthetic Fuels Corporation itself, they are bringing in new people. One of the people is Tom Cochran, from the State of Illinois, a former Member of the House, I think a commonsense person who is dedicated to doing a good job. I have every reason to believe the Synthetic Fuels Corporation is an instrument that can be used effectively.

I think the point was made earlier by my colleague from Idaho [Mr. McCLURE] that by and large the failures pointed out are really not failures of the Synthetic Fuels Corporation; they are failures of the Department of Energy. Frankly, I do not fault the failures. We have to be willing to fail. Any time we are not willing to try new things and fail and then try again, we are never going to get there. Let me tell you, we did not find polio vaccine by accident, saying, "Oh, the first time they tried something it worked." We do not find any significant step forward without some failure. I hope the Synthetic Fuels Corporation has failures, not in the sense that I want failures but if it does not have failures, it is not researching, it is not doing what it ought to be doing. We ought to be conducting research so we are less dependent on the Middle East, on other nations, and less dependent on our own sources. Where are we going to be on energy 20 years from now, 30 years from now? I do not know. But those are the kinds of questions we ought to be asking as we look at the Synthetic Fuels Corporation. I think we ought to continue to encourage that entity. Moves that take us away from research, take us away from that long-range picture, do not serve the best purposes of this Nation.

I thank my colleague for yielding.

Mr. ROCKEFELLER and Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROCKEFELLER. Thank you, Mr. President. I rise to support the efforts of the distinguished chairman of the Energy Committee and the able ranking minority member.

I happen to think that a lot of the discussion today has been interesting but has missed the point. I would be willing to bet that if those who oppose the Synthetic Fuels Corporation are successful in their efforts on this day or others, we will be back in this Chamber 3 years or 5 years or 10 years from now trying to recreate the Synthetic Fuels Corporation to do the Nation's business. It will be harder to do it then if we disband it now because budget pressures will make it more difficult to start any kind of new effort.

Those who have pointed out that the fault lies not with the goal but with the management, or with some of the projects, are entirely correct. But the fact that there have been problems does not mean that we should give in to frustration and anger and abandon a national effort which few dispute is going to be needed in our near future and distant future. To do so would be a disservice, Mr. President, to the people of our country.

I am perfectly aware, and I think most Members of this body are aware, that when the Synthetic Fuels Corporation was created, no one expected that it would work perfectly. Nor did Congress believe that it would solve the energy crisis overnight. It was not the idea that the perfect technology would suddenly appear and present itself to the Nation. It was going to be a struggle, and an expensive one, and it was clearly going to be a long battle.

The problem was that Congress understood that the private sector, even in relatively better times, in the late 1970's, was not going to be able to secure our energy future by itself. Even those of us who do not necessarily approve of the nuclear power program and the money that goes into the budget every year have underwritten that budget because we understand that in this country and in this world of depleting resources, we have to do everything on all fronts with respect to energy in order to guarantee our future.

Very little mail comes to my office speaking urgently with respect to synthetic fuels or with respect to energy in general. But those of us in this body are expected to look beyond today's energy picture and remember that our long-term energy situation is urgent, because oil and gas and other essential resources are depleting, inevitably and inexorably depleting, not only in this country but also all around the world.

So if we expect to have some sort of security, not just on a national security basis, but an economic security basis; if we expect to have some kind of continuity and a strong foundation in en economy which is in enough difficulty, we have to prepare for the future, and the time to prepare for the future is right now.

And one part of that preparation is called the Synthetic Fuels Corporation, and its work. Mismanaged though it has been to some substantial degree, it is an effort which we must continue, which the distinguished chairman of the Energy Committee is trying to continue through his compromise, and in which I support him. This effort must be successful.

We should not decide this question on the basis of whether our constituents are concerned today. We should decide it with an eye to the future: so that 5, 10, 15, or 25 years from now, there will be a flow of energy from a variety of sources—not just the coal I favor from Appalachia, not just the nuclear power that I do not favor from the West or other parts, but hydroelectric, and the variety of products that Synthetic Fuels may produce from coal and from oil shale, from gas, from methane, and from other substances.

We need to try many things. Some will come together and be successful experiments that move this country forward in terms of energy independence. We need that effort. The opportunity to continue it is before us.

The chairman of the Energy Committee has presented us with a fine compromise. There are amendments which would undermine that. I think they are not only wrong, but dangerous. I believe that the compromise is right, and I urge the Senate to support it.

Mr. NICKLES. Mr. President, I support the amendment of Senator EVANS and Senator METZENBAUM, and I ask unanimous consent that my name be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NICKLES. Mr. President, I wish to show a little difference with respect to the so-called compromise which has been alluded to by the chairman of the committee and Senator JOHNSTON.

The compromise says let us rescind $500 million. The Senator will correct me if I am wrong. The amendment I am cosponsoring with Senator METZENBAUM and Senator EVANS rescinds the balance of funds.

I will read it for those who may be listening or those who are kind of confused. We have four amendments floating around the tree, but these are substantially different amendments in approach to the difficulty or substantially different amendments in approaching the synfuels question.

Senator MCCLURE and Senator JOHNSTON said they want to rescind $500 million. The amendment which Senator EVANS, Senator METZENBAUM, Senator BRADLEY, and I and others are supporting actually restates the language that is in the House appropriations bill which was stricken by the Senate Energy Committee, or by the Senate Appropriations Committee.

This statement says:

> Except as otherwise provided in this item, all funds appropriated to the energy security reserve are hereby rescinded.

So it rescinds all the rest of the funds. The figure of $7.9 billion has been used. The chairman of the Energy Committee might bring us up to date. I am not sure that that is exactly correct, because the Synfuels Corporation has made several announcements in the last month or so of new projects which obligate, in one case, several hundred million dollars, and smaller amounts in other cases. Basically, it would rescind the remainder of the funds.

It also would set-aside $500 million going into the Department of Energy. I do not think that is necessary, but it is not necessary to raise that question now.

The question is, are we going to rescind the amount of money that is obligated in the Synfuels Corporation, or are we going to rescind $500 million out of maybe $7.5 billion? I think we should rescind the balance.

I will agree with those on the other side of this issue who say we are not really saving much on outlays. They are correct. We do not save much on outlays for the next several years. Just because you have a major rescission of the budget authority does not mean you are going to save on outlays. Most of these projects take years. Most are set up with price guarantees, and the plant has to be built and producing, and when it produces is when the Government obligation takes effect. In most cases, the bulk of the dollars is for 1990 and beyond.

Mr. EVANS. Mr. President, will the Senator yield?

Mr. NICKLES. I yield.

Mr. EVANS. Will the Senator agree that even between the period of now and 1990, the period of the so-called Gramm-Rudman budget-balancing amendment, which I think everyone is focusing on, the budget outlays would be reduced, as far as I understand, by about $1 billion, even in that period of time? I think that is pretty significant. It is part of the old Everett Dirksen opinion: a dollar here and a dollar there.

If I recall correctly, do we not get $1 billion even in that period of time, and a lot more beyond?

Mr. NICKLES. The Senator is correct.

I will read into the RECORD a statement that came from the Congressional Budget Office, dated September 17, 1985.

It says that if this amendment were enacted, we would save $7.37 billion in budget authorizations. I am going to use the net outlay impact. There are some savings and spending on both sides.

Net outlay impact for the year 1986 is $93 million, which is not too small. In 1987, it is $166 million; in 1988, $209 million; in 1989, $219 million; in 1990, $254 million.

If you went to 1991 and beyond you are talking about $6 billion or $6.5 billion savings in potential outlays. It is hard to get, and the Senator is well aware of this, because you do not really know what the market price of energy is going to be. They are making price guarantees in many of these cases on oil $40 or $50 or $60 when, and this is today, and they also put escalators on them and so those price guarantees escalate regardless of what the market price may be doing, those escalators may be escalating.

We do not know if in 1990 the price of oil is going to be $25 or going to be $35.

Mr. MCCLURE. Mr. President, will the Senator yield?

Mr. NICKLES. I am happy to yield.

Mr. MCCLURE. I do not mean to interrupt his presentation at all but I do think all Members should be cautious about those CBO estimates because they are preliminary estimates that are now several months old and some of the assumptions upon which they were based have already changed. As an example, it was assumed the Great Plains was going to go ahead, and although it is not a Synthetic Fuels Corporation project there would be payments made under that.

That project has been terminated. Those expenditures will not now occur as was assumed at the time the CBO baseline estimates were made.

There are several other issues of precisely that kind which I lay out in detail in the statement that I will make.

I thank the Senator for yielding. I hope Senators will understand those estimates are based upon fallacious premises.

Mr. NICKLES. I appreciate the chairman's comments. He is exactly right.

I was making the same comment. No one knows exactly how it is going to be. A lot of it is like dealing with the farm bill. It is hard to guesstimate because you are talking about the difference of a promised price and that price and the amount of cost to taxpayers and the difference between that price and what the market price is. We do not know what the market price is going to be for natural gas or oil or any other energy resource we are taking about. So it is hard to guesstimate how much it will be.

One way of making sure taxpayers so not write big checks, though, is to rescind future amounts of money that synfuels has to obligate.

Quite frankly, the corporation has been obligated quite a bit and they are in the process. If we do not pass this amendment there are going to be a lot more projects that will be coming out the door almost on a monthly basis. So we are talking about really obligating future generations.

I hope that we do not have a budget problem in 1990 or 1991. Maybe if Gramm-Rudman, et cetera, is right on target we will have a balanced budget by then, but even at that we are going to have enormous debt that we should be paying back. So there is still no real justification, in my opinion, of having the taxpayers coming in and subsidizing these projects.

I am for synthetic fuel development. I want to see synthetic fuel development proceed when the market dictates it is ready. I think when we have a Federal energy corporation—and that is what the Synfuels Corporation is, you have a group of people making decisions, albeit by congressional mandate, the law says that they have to do this—coming up and saying, "Yes, we need to come up with these projects to meet these goals and this is what we

are going to do to try and do it." They must by necessity make commitments, make price guarantees, many of which will be far in excess, and we are looking at some today. We are looking at some today that are 2 or 3 times the price of energy today.

Again let us see development of these projects but let us not see it on the backs of taxpayers.

I hope we will pass the Metzenbaum-Evans-Nickles, what-all, amendment which will rescind the balance of funds that are now in the Synfuels Corporation.

I yield the floor.

Mr. PROXMIRE. Mr. President, It is time to say bye-bye, adios, sayonara, and good riddance to one of the most wasteful, unnecessary and ill-conceived Federal programs ever—the Synthetic Fuels Corporation.

This amendment represents the ultimate test of congressional budget-cutting resolve. If we can't eliminate this program now, we can't eliminate any program, any time.

Created in 1980 and lavishly supplied by Congress with over $17 billion of the taxpayer's money, the Synthetic Fuels Corporation was supposed to be America's answer to the oil crisis.

According to its supporters, the Corporation would produce the equivalent of 500,000 barrels of oil per day by 1987, and 2 million barrels by 1992—all this at the supposedly modest price of about $40 per barrel.

But what happened? The Corporation's economic projections collided with reality. Instead of continuing their upward climb, oil prices tumbled in the face of increased conservation.

At the same time, estimates of synthetic fuel costs skyrocketed, with $60 and even $90 per barrel prices considered likely.

Thus the margin between oil's market price and that for synthetic fuels grew even larger. Synthetic fuels were not cost competitive, not now and not in the foreseeable future.

Oil imports dropped from 45 percent in 1980 to about 35 percent today with 91 percent of oil imports coming from non-Arab nations like Mexico, Canada, and Venezuela. Oil producing countries now fight among themselves over market share and there is, at least temporarily, an oil glut, not a shortage.

Yet the economic success of the Synthetic Fuels Corporation depends on high oil prices. Without them, the Corporation must pay out huge sums in price supports and faces defaults on its loan guarantees. Even worse, once price supports stop the industry collapses.

Thus despite the prospect of billions of dollars in Federal subsidies, Exxon, Conoco, Ashland, Sohio, Chevron, Amoco, Tosco, Westinghouse, Mobil, W.R. Grace, and other major corporations canceled, postponed or redirected their synthetic fuels development plans. They saw the writing on the wall—why didn't we?

But while industry stopped spending its own money, the SFC committed over $2.5 billion of ours and plans to commit over $7.6 billion more in the next 2 years if we don't stop them now. Just this week the Corporation gave Union Oil another $500 million to bail out its shale program.

Mr. President, by all accounts the Synthetic Fuels Corporation is a total failure, but no one told its employees. The Corporation had 190 employees on the payroll at the beginning of this year. Of these, 69 are paid $50,000 or more per year, and 18 more than $70,000.

While the Corporation was notably slow in parcelling out funds to industry they were quick off the mark in giving themselves every perquisite of office known to man.

And what were the lucky projects which received the Corporation's bounty. Listen to the story of losers.

The Colony Oil shale project received $1.2 billion in loan guarantees. The Corporation touted it as the No. 1 oil shale project in the United States. What happened? Costs doubled and the project collapsed.

The Union Oil shale project in Colorado received $400 million in price guarantees but its plan never worked for more than a few days at a time. Did the Synthetic Fuels Corporation give up on it. No way.

Instead, the Corporation gave it another cash infusion of $500 million on Wednesday. This new combination of loan and price guarantees insures Union Oil a price of $67.87 per barrel, far above the $25 per barrel market price, and risks $327 million in loan guarantees should the project default, as is likely.

The history of the Corporation is littered with projects that were withdrawn, inadequately funded or just plain didn't work. Unfortunately, many of these projects got Corporation letters of intent, the first step in the approval process.

Mr. President, we must stop the Corporation now, before it commits all its funds on more uneconomic, technically questionable, and environmentally damaging projects.

Mr. MATTINGLY. Mr. President, I would like to express my desire to see my colleagues support the provisions of the pending amendment which would rescind the remaining funds for the Synthetic Fuels Corporation. Many of us have watched the operations of the Corporation over the past few years with increasing dismay and disgust. We have witnessed the arrogance of the Corporation and the apparent contempt which many within the Corporation seem to exhibit for the concerns expressed with increasing intensity by some of us in the Congress.

I personally deplore the recent attempts by the Synfuels Corporation to totally ignore the legislative branch of our Government. I am amazed by their frenzied actions to make a gigantic raid on the Treasury before pending legislation can be enacted to put a curb on their greedy tactics. The plain fact remains that the program has been a total and complete failure and a growing embarrassment. I feel that it is time for those of us in the Senate to reexamine the entire question of how best we can ensure that America will have an adequate supply of affordable energy resources for the future. However, while we are taking a new look at our needs in this regard, I think it would be highly improper to allow another $7.5 billion to be poured down the drain.

So, Mr. President, I would urge my colleagues to support the recission of funds in the Synfuels Program as it is presently structured and administered. This is not to say that we do not recognize the need to develop synthetic fuel sources. There is a demonstrable need to prove reliable, affordable technologies for this purpose. But the present situation we have with the Corporation blindly plunging ahead at a breakneck pace with questionable project approvals and commitments should not be allowed to continue.

Mr. ARMSTRONG. Mr. President, our country has been greatly injured, in my opinion, by an off-again/on-again energy policy, which in the last 10 years has seen three basic reversals of direction regarding the synthetic fuels industry and which appears to me is about to result in another basic reversal.

It is a policy which was first characterized by neglect, and I do not mean benign neglect, I mean just plain neglect, by a Federal Government that did not think it was important that we develop oil for shale and coal gasification, and so on. This policy denied those of us who sought some level of interest and some degree of Federal support for synthetic fuel development any attention at all for a number of years.

Then came the Arab oil embargo and suddenly there was no limit to the amount of commitment the Congress was willing to make and it became fashionable to support an $88 billion program and the creation of another major Federal bureaucracy. As a result, Congress went ahead and created the Synthetic Fuels Corporation with an initial $17.5 billion appropriation of budget authority in 1980.

It is a secret to no one that I strongly opposed creating the Corporation, believing and still believing, that we could have used existing legislative authority under the Defense Production

Act and did not need a new Federal agency.

But all that is water under the bridge. Here is where we are today. There are four projects with which the Synthetic Fuels Corporation has signed contracts. These four projects represent a commitment of $4 billion of the total authorize for the Synthetic Fuels Corporation. There are several other projects for which the Corporation has signed letters of intent.

Nonetheless, last year the pendulum began swinging back in the opposite direction. The gas lines are gone, the oil embargo is off, synthetic fuels development is not fashionable at the moment, and the House suggests that we flick the switch off again on Federal energy policy including synthetic fuels. Needless to say, I think that this is a mistake.

EQUITY

Because of the Energy Security Act of 1980, the Federal Government has encouraged expenditures of a great deal of money, time, and talent by the companies involved and the host of communities in preparation for such projects.

The companies have spent millions in private capital to bring the projects to a state of readiness and the communities have spent large sums of public money to prepare schools, roads, sewer, and water systems to meet the requirements identified by the Federal Government as necessary for the national security and energy independence. So I think there is a very strong equity consideration against changing the rules in mid-stream.

As an example of the impact on communities, I would like a letter to me from the mayor of Rifle, CO, be included in the RECORD following my statement.

Last year we all agreed not to change those rules in mid-stream. After long and heated negotiations between the Congress and the White House, we reached an agreement in October to rescind $5.375 billion in the continuing resolution (Public Law 98-473), leaving a net total of $7.375 billion available to the Corporation and taking into consideration commitments and outstanding letters of intent issued by the Corporation. Subsequent administrative costs of about $14 million have reduced the funds available in the Energy Security Reserve to about $7.875 billion.

In spite of that hard fought agreement, the House of Representatives again is seeking abolition of the Corporation—proposing a recission of all but $500 million to be used by the Department of Energy to cover a program to promote commercial synthetic fuels development.

DEFICITS

Opponents to the Corporation argue that:

In 1980, few could predict what now seems to be years of $200 billion-plus deficits. Federal spending is being cut back in areas that for decades had been viewed as immune to budget reductions. When financial assistance to the elderly, the unemployed, and those in need of government health care are cut, and programs for food stamps, school lunches, and student loans are eliminated, continued corporate subsidies must also be reduced.

It wouldn't have taken someone in the habit of crystal gazing to figure out even in 1980 that we were headed for serious economic trouble, but that is a topic for another debate. The fact of the matter is that cutting the Corporation as the House proposes will do little to reduce the deficit. Much of the Corporation's remaining $7.9 billion is in the form of loan and price guarantees which may never be needed and whatever will be spent will be paid out over many years. Moreover, the Congressional Budget Office has found that H.R. 935, with its new DOE Synfuels Program, would save just $332 million over the next 5 years. But as the Senator from Idaho has indicated, these are overestimated.

Moreover, the Corporation has significantly revised many of the projects with letters of intent and greatly reduced the Corporation's potential outlay of money. For example Colorado's two oil shale projects under the letters of intent would have obligated about $4.89 billion of the Corporation's remaining $7.9 billion.

In August the Corporation announced a proposed contract for Union Phase II which would combine it with Union Phase I, with total SFC support at $900 million, leaving $1.8 billion unobligated. That contract has subsequently been signed.

The latest proposal before the Corporation on the Cathedral Bluff's project would call for a joint venture with the Corporation providing $360 million and Occidental Oil Shale, Inc., providing $240 million, which would leave an additional $1.83 billion unobligated.

CORPORATION HAS ONLY 2 OPERATING PROJECTS

I find it particularly ironic that the opponents to the Corporation use as a major argument for abolishing it the fact that in the 5 years it has been in existence, it has produced only two operating projects. (Great Plains/North Dakota and Coolwater/California), but Great Plains, 2 DOE project, not SFC, is now in default.

It is clear that the Corporation has had serious problems getting the show on the road—with an operation that size it was to be expected, as well as the scandals that accompanied it. Nonetheless, much of the problem can be attributed to the Government's wishy-washy policy. while Congress was left battling out the agreement last year that would continue the program, the Corporation was left without a quorum of board members to do any substantive work.

The Corporation now is getting its feet on the ground, and a good example of that is the execution of two contracts to support projects which have been before the board for a number of years—Union Phase II near Parachute, CO, and Forest Hill heavy oil project in Wood County, TX.

U.S. FOREIGN DEPENDENCY

We may no longer have the gas lines or an oil embargo, but the United States is still heavily dependent on foreign oil. Today imports account for about 30 percent of our energy use. According to former Secretary of Energy Hodel, domestic production will decline by about 2 percent annually through the remainder of the 20th century. Should this forecast be correct, we will face a 50-percent dependency on foreign imports by 1995. At the same time, DOE's midrange estimates indicate a price of about $74 per barrel of oil by that time. I will nearly take that time to get synthetic fuels into commercial production to help insulate us from the national security ramifications of such a dependency on foreign energy.

I therefore support Senator MCCLURE's motion to table.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

CITY OF RIFLE,
Rifle, CO, October 11, 1985.

Hon. WILLIAM ARMSTRONG,
Senate Office Building,
Washington, DC.

DEAR SENATOR ARMSTRONG: As the Mayor of Rifle, I am beginning my ninth year of service to the citizens of Rifle but I remember when I was first on the Council, I found a need to begin the ground work on enabling legislation to control and regulate development and annexation. From that time forward, and during my terms in the Mayor's office, we were encouraged by the State and Federal governments to expect and plan for an influx of oil shale workers. We were advised from all sides to put water treatment facilities on line to accommodate 10,000-15,000 people. We were informed that we also needed to similarly increase our sewage treatment facilities. We were apprised from time to time of the schedule that would be established for the construction period, and then later the workers who would handle the operations.

This apprisal covered the expected work force in each case and also indicated what part of the the work force would be expected to establish residence in Rifle. We were also given the formula that would be applied to the worker coming to our City which told us how many service people we should also plan to accommodate. As the ordinances were amended to cover rules and regulations we were also advised to enact a comprehensive plan. This was done in conjunction with annexation ordinances and annexation agreements. Annexation and development occurred in such regularity that special meetings became as natural as regular meetings. Planning departments, planning commissions, city administration officials, and city council people worked long

hours to finalize plats and agreements necessary to accommodate the building of infrastructure for the workers we were told were coming.

Environmental and socio-economic studies continued to impress us with the necessities to make preparations for the impact of workers employed by Exxon, Union Oil, Cathedral Bluffs, Rio Blanco Oil Shale, Multi-Minerals and their construction contractors.

This was done. Annexation of Highlands East, Mesa View, Rimrock, Palomino Park, Deerfield, and many others more than doubled the land area of Rifle. While we were prepared for 10,000-15,000, our top population just exceeded 6,000.

Expenses incurred as a result of expansion for oil shale development has left Rifle without the kind of tax base that could overcome these expenses. For example, streets that were deteriorating at the height of the oil shale expansion could not be repaired and resurfaced because of the time lag between the growth and the increased tax base that would furnish us the additional operation and maintenance money.

Other expenses such as an increase in the size of the pipeline across the Colorado River and an upgrade of our Beaver Creek Water facilities cannot be accomplished without a considerable increase in taxes.

The above necessary improvements are, without question, required as a result of oil shale impact. The need is specifically this: that fire power needs to be increased in a wide area south of the river. These motels, apartments, and office facilities were annexed and developed purely in an effort by our City to provide the facilities necessary to oil shale worker accommodations. Should the Department of Energy and Congress decide that all of this effort and accommodation was an exercise in futility, then it will be at great expense to the Rifle taxpayers. For they and they alone, after innumerable public meetings agreed that the effort should be put forth and that they would open their town to these workers who in turn would help solve the oil crises developing in the Middle East. The City of Rifle was praised and epitomized for what was described as our admirable contribution to our Country's common good. But that was in the past. If the Letters of Intent to the Union Oil Company operation and to the Cathedral Bluffs operation are not honored, it will be a detrimental action to both the oil shale system development plan and to the infrastructure now in existence in the City of Rifle.

Consider, if you will, the importance of previous oil shale development effort and the private investment of more than one billion dollars and several hundred million dollars investment by the entities in the area including the City of Rifle. Such investments in an all out effort, to solve America's oil import problems cannot be ignored. Please exert all possible effort to see that the Letters of Intent are honored.

Sincerely,

GEORGE E. MITCHELL,
Mayor, City of Rifle.

Mr. BYRD. Mr. President, the question before the Senate is whether to continue an energy program which is focused on the Nation's long-term energy security. How soon we forget, Mr. President. Only 5 years have passed since the Iranian revolution dramatically underscored the consequences of America's reliance on imported oil. The long gasoline lines which formed at service stations across the Nation brought the lesson of energy vulnerability home to millions of Americans. Just as the OPEC oil embargo of 1973 had focused public attention on the vulnerability of America's imported oil supplies—and the economic consequences of that dependence—so the Iranian revolution reminded us once again of the harsh realities of the Nation's energy insecurity.

In response, the Congress passed the Energy Security Act, an ambitious package of initiatives to facilitate the commercial development of alternative energy resources, including synthetic fuels. Congress recognized that alternatives to imported oil had to be developed to ensure national security. It was recognized that efforts to develop new and advanced energy technologies would have to begin in the 1980's if those technologies were to be ready for commercial application in the 1990's and beyond.

However, the scenes of gasoline lines on the evening news, which were symbolic of those tumultuous days at the end of the last decade, have faded into distant memory. The sense of urgency experienced 5 years ago about the Nation's energy situation has been dissipated. Complacency dominates the views of many policymakers today. The conventional wisdom these days celebrates the oil glut, falling oil prices, and the current conflicts and disarray in OPEC. It is indeed tempting to construct a dry-roof theory of energy from these facts. That is, some might find it tempting to conclude that the energy crisis is over, and that the Nation no longer needs the energy policy initiatives undertaken in the last decade. The Nation's energy roof is dry, so we do not need to worry.

We should not allow the relative serenity of the current oil supply situation to obscure the fact that the basic long-term energy situation has not changed for the United States or its allies. Let us not forget that the United States still depends upon oil imports for more than a fourth of the oil we use. It may be tempting to find comfort in the fact that the Nation is less dependent upon OPEC oil than in 1980. But let us be aware that OPEC still accounts for one-third of our oil imports.

It is also important that we do not lose sight of the situation of our allies, many of whom are very dependent on OPEC oil. For example, in 1984, OPEC oil imports account for 72 percent of oil consumption in Japan; 36 percent of West Germany's oil consumption; and 72 percent of Italy's oil consumption.

We may be tempted to believe that excess world oil productive capacity is sufficient to make up for any disruption in supply from, say, the Iran-Iraq war. However, we should be aware that most of the world's excess capacity is in the OPEC nations of the Persian Gulf. Excess productive capacity in non-Persian Gulf OPEC nations is about 3.2 million barrels per day. Of this, more than one-third is in Libya.

Mr. President, we should be aware that the security of world oil supplies can be affected by the continuing political instability in the Middle East. Let us not forget the bitter fighting of the Iran-Iraq war, which is now grinding into its fifth year, and may be entering a new and more deadly phase. Over the past several weeks Iraq has launched numerous air attacks against the Iranian oil terminal at Kharg Island, and, according to press accounts, has caused heavy damage to the oil-loading facilities. According to press accounts, Iranian oil exports from Kharg Island have, in effect, been halted because of the damage. In the past, Iran has threatened to close the Straits of Hormuz, and to retaliate against Iraq's allies in the Persian Gulf, such as Kuwait and Saudi Arabia, if Iran's oil exports are halted.

About 5 million barrels per day, almost 15 percent of the free world's oil supply, currently flows through the Straits of Hormuz. If Iran successfully carries out its threat to close the straits, the 3.2 million barrels of excess productive capacity outside the Persian Gulf would not be sufficient to make up for the lost supplies.

It has been said that it is very difficult to make predictions, especially about the future. Indeed, the differences between the world oil situation 5 or 6 years ago relative to the current situation illustrates the difficulty of forecasting and predicting events affecting world oil markets. Therefore, Mr. President, we should not be dissuaded from a policy course based on long-term considerations by short-term inbalances in oil supply and demand which work to the advantage of oil consuming nations.

We should recognize the unsettling long-term policy implications of the unforgiving realities of geophysics which have determined the inequitable distribution of petroleum resources, largely in favor of the Middle East. Thus, as the U.S. Geological Survey pointed out in a recent report, "the Middle East increasingly will monopolize world petroleum supplies." In the face of that reality, combined with the political instability of the region, I do not think we can afford to be sanguine about the security of oil supplies in the future. We should heed the warning of the U.S. Geological Survey in its recent review of world petroleum resources:

> We have but a few decades to enjoy the convenience of crude oil as our major energy fuel. And, while it is found in great supply today, there is every indication that it will become ever more difficult to obtain in years to come; there is also very good

reason to believe that owing to its narrow distribution, we can anticipate many irregularities in its availability during those last decades of oil prominence. Such a stated reality may accrue to our benefit in that early warnings may coax us into preparing for the longer term future instead of just waiting for a surprise in blissful ignorance.

Congress recognized this reality when it established the SFC in 1980. Accordingly, the mission of the Synthetic Fuels Corporation is to facilitate the commercialization of technologies capable of producing substitutes for imported oil from domestic resources. The Nation cannot afford to gamble on the future security of our oil supplies. We must develop technologies which can provide a basis for the production of synthetic fuels from abundant domestic resources, such as coal and oil shale. In other words, the development of synthetic fuels technology is an insurance policy for the future.

Mr. President, let me point out that the critics of the SFC who argue that synthetic fuels technologies are uneconomic entirely miss the point of establishing the Corporation. The SFC was established because such technologies are not economic in today's marketplace. The point is to provide an adequate basis for making such technologies economic in tomorrow's energy market. To hold current market conditions as the standard against which to measure the economic viability of synthetic fuels technology is totally inappropriate.

Finally, Mr. President, let me point out that those who argue that the technologies being supported by the SFC will not make a significant contribution to domestic energy supplies are raising a red herring. If one were to apply that logic to public investments in other alternative energy technologies, such as solar energy, we might never invest in any such projects.

Mr. President, I would hope that the Senate will not succumb to the temptation to take a short-sighted view in considering the fate of the Synthetic Fuels Corporation today.

Mr. GORTON. Mr. President, I support the amendment my colleagues have offered to rescind funds for the Synfuels Corporation. When Congress established the Corporation in 1980, oil prices were projected to reach $75 to $125 per barrel by 1990. Since oil prices peaked in 1981, the world energy outlook has improved substantially—oil prices are now over 30-percent below their 1980 levels in nominal terms. As a result of these fundamental changes in the energy marketplace, virtually no large-scale synthetic projects are likely to become economical in the foreseeable future. Thus, the development of commercial synthetic fuels industry at a pace envisioned by the Congress in 1980 would require huge expenditures of Federal tax dollars that would not be offset by any economic benefits.

I believe that it is wrong to continue to subsidize the commercialization of a technology that has been demonstrated to be too costly, unreliable, and environmentally unsound. With the enormous Federal deficits threatening the prospects for a sustained economic recovery, it would be fiscally irresponsible to allow any Federal agency to spend $7.9 billion on wasteful and unnecessary programs.

Mr. President, the House has acted to reduce spending by cutting the funds for the Synfuels Corporation. It is time for the Senate to follow suit. I strongly urge my colleagues to support the amendment.

Mr. CHAFEE. Mr. President, I am pleased to offer my support of the amendment offered by Senators EVANS and METZENBAUM to rescind funding for the Synthetic Fuels Corporation.

At a time when the Federal Government is faced with a $212 billion deficit, the SFC is an expenditure we can no longer afford. The Synfuels Program was created in 1980 to encourage and help finance development of fuels from such resources as oil shale and coal. A successful Synfuels Program could reduce our dependency on foreign oil. From the beginning, the program has been plagued with serious mismanagement problems. The Corporation has had trouble finding commercially viable projects to underwrite, especially after falling oil prices caused many corporations to drop their synfuels projects.

Perhaps the best example of this misbegotten Synfuels Program can be found in Beulah, ND. This coal gasification plant, intended to demonstrate the commercial viability of synthetic fuels manufacturing, has fallen far short of its production goals of 20,000 barrels daily. And, it is producing synthetic fuel at more than twice the market price of natural gas. The Union Oil project in Colorado, an effort to produce diesel and jet fuel out of shale oil, has produced only a trickle of fuel. The other major SFC project, the Cool Water—coal to electricity—Program in California continues to receive funds even though it was close to succeeding without Federal help.

Last year, Congress rescinded $5.4 billion in Federal funds and required comprehensive reforms. The Synfuels Program is still troubled, however. For example, the Corporation is suspected of violating a law forbidding Federal agencies to use tax money to lobby Congress. In addition, the Corporation continues to exercise poor judgment in granting awards. SFC continues to place a priority on rapid, large-scale commercialization rather than needed research and development. The result: Billions of taxpayers dollars are wasted on technologies which are both economically and environmentally unsound.

It is imperative that Congress act promptly on this issue as the SFC is in the process of negotiating commitments on as many as six commercial scale synthetic fuels projects. If these awards are finalized, the Federal Government could be committed to projects valued at $3.86 billion, making the abolishment of the SFC virtually impossible.

Congress now has both the opportunity and responsibility to reevaluate the Synfuels Program. The SFC has fallen far short of our expectations. Despite its meager record, SFC has spent almost $53 million in salaries and administrative costs over its 5 years of existence. Sound energy and fiscal policy dictate that we fashion a more responsible, effective, and economical Synthetic Fuels Program.

The House of Representatives has already voted to provide $500 million over the next 3 years to establish a responsible and accountable Synfuels Program within the Department of Energy. Thus, we will remain committed to the development of snythetic fuels technologies. At the same time, considerable savings would result: $468 million during fiscal years 1986–88, $473 million during fiscal years 1989–90, and $5.4 billion for the years beyond 1990.

Mr. President, I urge my colleagues to support the effort to rescind funding for the Synthetic Fuels Corporation by retaining the House language on SFC in the Interior appropriations bill.

Mr. LAUTENBERG. Mr. President, I rise in support of the amendment offered by my colleague from Ohio, Senator METZENBAUM. The amendment would rescind funding for the Synthetic Fuels Corporation.

Mr. President, Congress established the SFC in the wake of successive embargoes as a means of quickly providing domestic sources of energy. In 1980, when the SFC was established, the price of oil was expected to soar. Forecasting predicted major shortfalls in oil and gas supplies. Congress reacted by creating a super agency that was to subsidize commercialization of synthetic fuels. This super agency was exempted from congressional oversight, and the requirements of the National Environmental Policy Act and Freedom of Information Act in an attempt to speed the development of commercial synfuels. These were unusual exemptions granted in an atmosphere of deep concern over our energy future.

The energy picture that drove Congress to establish the SFC has changed significantly. Oil prices have fallen, and are expected to remain at these lower prices. The atmosphere of near panic that existed in 1980 has receded. We now have an important op-

portunity to consider our overall energy policy and the viability of the SFC. Additionally, we must consider the expense of the SFC, and its track record, before continuing to spend increasingly scarce Federal dollars.

Mr. President, funding for the SFC was eliminated by a 3-to-2 margin by the House of Representatives in July. The rescission made by the House was driven by technical problems in funded projects, by mismanagement and politization of the Corporation, and by budgetary concerns. The rescission would return $7.4 to the American taxpayer and transfer $500 million to the Department of Energy for a research program on synfuels.

Mr. President, we must spend our Federal dollars for alternative energy sources effectively. I have supported funding for energy conservation, solar and other alternative energy sources, clean coal technologies, and fuel cells research. I am ready to support a modest synfuels research program. However, I believe that Congress must say no to the high costs and doubtful merit of continued subsidization of commercial synfuels projects.

There are enormous gaps between the market price of oil and gas and the subsidized prices for the projects. The Corporation has guaranteed subsidies of $67 per barrel of oil and is purportedly considering subsidies of $150 per barrel. In stark comparison, the market price of oil is approximately $27 per barrel. While it is important to fund the development of alternative energy sources, to encourage conservation and reduce our reliance on foreign supplies, it is important to recognize the SFC for what it is. The Synfuels Corporation is neither a development or a research program. It has turned out to be an expensive bankroll for projects that have failed.

A few weeks ago, the SFC issued a grant of $500 million to UNOCAL corporation for an oil shale project in Parachute Creek, CO. This grant would bring the spending for this project to nearly $1 billion. This grant was made despite the opposition of the Secretary of the Department of Energy. It came just 2 months after the House voted by 312 to 111 to eliminate funding for the program. But, perhaps most importantly, it was made despite the fact that the project has never worked. Because of technical problems, UNOCAL has been unable to run the plant for more than a few days. According to experts, these technical problems are not easily resolved, and are indicative of the broader problems associated with commercializing synthetic fuels before adequate research has been done.

Mr. President, my colleagues from Ohio, Washington, and New Jersey have discussed the mismanagement of the SFC. Two SFC chairmen have been forced to resign amidst charges of mismanagement and conflict of interest. A study by the GAO issued earlier this year detailed the excessive salaries and benefits paid to employees and contractors to the SFC. And, most recently, internal memorandum have revealed that the SFC has made grants on the basis of their political rather than technical merit in an effort to win key congressional votes. The powers that were vested in the SFC have been misused and are in and of themselves ample enough reason to transfer the Federal dollars devoted to synfuels from the SFC to a more responsible and accountable agency.

Mr. President, we have heard many persuasive arguments for abolishing the SFC. However, we have not had much discussion about the environmental impacts of the projects that have been funded or considered by the SFC. The broad powers that have been granted to the SFC include exemptions from the environmental, health, and safety requirements imposed on all other projects of the size and potential impact of commercial synfuels projects. The environmental monitoring guidelines employed by the SFC, which replace environmental impact statements required under NEPA, do not protect against the air and water pollution that would be caused by many of these projects. These problems would be compounded by enormous volumes of solid waste generated, sometimes on the order of thousands of tons per day. These hazards have not been, and will not be, resolved through the guidelines and restricted congressional and public control over actions taken by the SFC.

Mr. President, the Senate can put itself on record in favor of fiscal responsibility by rescinding the funding for the SFC. The House has voted overwhelmingly to abolish the SFC and establish a reasonable research program. The Secretary of the Department of Energy is strongly opposed to the SFC, and has canceled the projects within the reach of DOE. And many of the industries originally interested in SFC grants have abandoned their plans for large scale projects.

The SFC was an extraordinary experiment. Unfortunately, it has failed. It has failed to produce competitive products. It has been grossly mismanaged. It has raised many troubling environmental problems. And it is not affordable today.

The Senate has struggled as never before with cuts in programs that touch the lives of every American, from research programs for reducing air and water pollution to programs for rehabilitating urban areas. Yet, these programs are dwarfed by the funds available to the SFC. As a measure of comparison, the funds remaining in the synfuels account are over five times the operating budget of the entire Environmental Protection Agency. A more balanced expenditure of our Federal dollars, that includes a sensible energy policy focused on a mix of energy sources and conservation, must be pursued.

Mr. President, our long-term energy supply problems continue to exist. But, Mr. President, the dollars we do have available for developing alternative energy sources are better spent on less costly and more feasible research programs.

I urge that my colleagues support this amendment to rescind funding for the SFC.

Mr. LEVIN. Mr. President, in the past I have supported the existence of the Synthetic Fuels Corporation and have voted accordingly. I continue to support synthetic fuels development, but my support for the Synthetic Fuels Corporation [SFC] no longer exists. That is one reason why I am supporting Senator METZENBAUM's efforts to transfer the SFC's functions to the Department of Energy [DOE].

Also, in light of the $200 billion budget deficit we are facing, the Synthetic Fuels Corporation with all of its inadequacies is no longer a top priority. Abolishing the Corporation and transferring its function to DOE will result in a savings of $6.8 billion to the taxpayer according to CBO, which represents a significant savings to the taxpayer.

Congress is forced to account for every dollar we spend. And it is hard to justify to our taxpayers the excessive practices of the SFC. The board of directors has given itself and other officials in the Corporation liberal salaries and pensions. Their pension plan vests 50 percent after 6 months and 100 percent after 1 year. The vice president of engineering at the SFC has a higher salary than the Vice President of the United States.

The proposal I am supporting today includes two very important features. One, the Government is honoring existing contracts. Given my capacity as a local official before coming to the Senate, I take that point very seriously. Second, we are not abolishing the Synthetic Fuels Program, we are operating it on a more modest scale.

The impetus for commercial scale synthetic fuels projects has decreased but the need for demonstration projects and development of new technology with regard to synthetic fuels has not. I believe the result of the proposal by Senator METZENBAUM will result in a workable Synthetic Fuels Program.

Mr. BINGAMAN. Mr. President, I rise today to support the efforts of my colleagues from Washington and Ohio to rescind $6.9 billion in funding from the U.S. Synthetic Fuels Corporation.

The remaining $1 billion in the energy security reserve, which funds

the SFC Program, would be transferred to the Department of Energy; $500 million would be used for a new scaled down Synfuels Research Program. And $500 million would be transferred to the previously unfunded "clean coal technology reserve," which will be used by DOE to fund demonstration projects for cleaner ways to burn coal. I believe this action represents sound energy policy and responsible fiscal policy.

Mr. President, I have been a supporter of synthetic fuels research since the Corporation was first authorized. Congress created the Corporation in 1980 as the most ambitious of several means of achieving energy independence. The Arab oil embargo, the emergence of OPEC, crippling energy price increases, as well as the long gasoline lines of the 1970's, precipitated the action. The Synthetic Fuels Corporation began to create an instant synthetic fuels industry by offering Federal loan and price guarantees to energy companies to induce them to convert the nation's vast coal and oil shale resources to liquid fuels and gas.

Unfortunately, today's world oil market is too weak, our Federal budget too tight, and the management of the agency too controversial to justify the corporation's continued existence.

Many factors over the past 5 years have led me to the action I take today. The high prices of energy in the 1970's had the classic effect of reducing energy demand. The deep recession of the early 1980's reduced it even further, triggering lower energy prices. Synfuels projects that had seemed to make sense in the period of soaring prices and tight supply became much less desirable in the face of a glut. The major oil companies backed out of their sizable projects and asked for larger subsidies. Technical problems have pushed the cost of synfuels from $60 to $90 per barrel. The Corporation added to the problem by its own mismanagement, conflict-of-interest questions, poor project review performance, and questionalbe project awards.

Even though I support the elimination of the agency, I still support a Synfuels Research and Development Program and I will work to ensure that such a program continues at the Department of Energy. Synfuels research necessarily remains an important component of our energy security. The lessons of the early 1970's should not be forgotten. However, any research program to develop commercially viable technologies must be managed effectively in light of limited budget resources. The alternative I support will better serve our Nation's energy security needs by establishing a more rationally scaled and paced synfuels effort.

I encourage my colleagues to support this amendment.

Mr. McCLURE. Mr. President, I understand the Senator from Colorado wishes to speak for 3 minutes. We will be on this bill until 2:30 p.m. I ask unanimous consent that the rollcall commence at 2:30 p.m. and that the time remaining between now and then in that hour the Senator from Colorado be recognized for 3 minutes and the Senator from Idaho the remaining.

Mr. MELCHER. I object. Is the intention to go again into the time when I would like to offer an amendment?

Mr. McCLURE. We will just only be completing a rollcall that will commence before the hour of 2:30 p.m.

Mr. BYRD. What is it? May I ask?

Mr. McCLURE. The request was that a rollcall commence. I am making the motion to table the amendment of the Senator from Washington and that will occur at 2:20 p.m., the rollcall continues, and that the time between now and then the Senator from Colorado be recognized for 3 minutes and the Senator from Idaho the remainder.

Mr. BYRD. Mr. President, reserving the right to object, has the rollcall been ordered?

Mr. McCLURE. It has not. I have not made the motion to table.

Mr. BYRD. Fine. We are not going to attempt to order a rollcall by unanimous consent.

Mr. McCLURE. No. I would request that at the time I make the motion to table.

Mr. BYRD. Yes. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Colorado.

Mr. HART. Mr. President, at the outset, let me admit a bias. Two of the projects to which commitments have been made are located in the State of Colorado for the development of synthetic fuel from oil shale.

It is clearly known or should be known to my colleagues in the Senate that there is the equivalent energy supply in the oil shales of Colorado, Wyoming, and Utah, to surpass the known or proven reserves of the Middle East and the Persian Gulf.

Mr. President, I wish to make two arguments. One is an argument that other Senators have already made and that is that commitments have been made in good faith, commitments by the Federal Government under two administrations, commitments represented by letters of intent and by contracts and by actual commitments of Federal resources.

Those commitments should not be broken. Regardless of how one feels about the Synthetic Fuels Corporation, and I join with those who criticise its horrible mismanagement and join with those who seek to cut off any further commitment from being made, commitments already made should be honored.

Mr. President, my second argument would be in response to the Senator from Oklahoma who talked about the marketplace. There is one thing that marketplace does not do and that is define this country's national security. We do not leave it and should not leave it to the marketplace to decide this Nation's national security.

As long as we are dependent and increasingly depend on foreign supplies of oil, particularly from the troubled Persian Gulf area, this country will not be secure.

Steps have to be made to establish technologies to develop synthetic supplies of fuel for this country's national security, whether or not the marketplace justifies those investments. That must be a commitment by this Nation's Government and the private sector.

I would hope we would not wait for another energy crisis and not wait for an energy war before this country identified its true national security interests.

Mr. McCLURE. Mr. President, I will in a couple minutes make a motion to table the underlying amendment of the Senator from Ohio and I take only this remaining time. I have not spoken except by comments with respect to the other comments that have been made, but I do want to clarify one thing. There has been some allusion to the administration's position. The administration's position is in favor of the compromise that was adopted last fall. Secretary Herrington's criticism has been of the Union II project not of the Synthetic Fuels Corporation or of the compromise.

Let us be very clear that the administration is not in favor of abolishing the Synthetic Fuels Corporation. They are not. They have not so stated at any time since the compromise was entered into last year.

Second, the Secretary of Defense is strongly in favor of the continuation of the Synthetic Fuels Corporation and its program for the purposes of national security.

Finally, Mr. President, I think it is strange in the extreme that critics of the Corporation, and there are many who have been critics for a long time, have forced delays on the program and then criticize the Corporation for the delay, not of their own making. Those who created the uncertainty that drives corporate sponsors away from the program because of the uncertainty, then criticize the Corporation for having failed to attract corporate sponsors. Those who criticize the program for lack of interest that they, themselves, created by their criticisms on the floor and the uncertainty created by congressional action.

I think we should have a balanced energy program and the Synthetic Fuels Corporation and its demonstra-

tion projects are certainly a part of that necessary balance.

Mr. President, in 1980, the Congress responded to the energy crisis of the 1970's by enacting the Energy Security Act. Among its various legislative initiatives, that act created the U.S. Synthetic Fuels Corporation, and mandated as a national goal establishment of the capability for commercial production of synthetic fuels, and also a broader purpose—enhancement of the long-term energy and hence economic security of the United States.

In the intervening years our immediate energy situation improved as we faced seemingly plentiful oil and gas supplies and, until recently, declining oil prices. As a consequence we have become complacent regarding our longer term energy security, as congressional debate on the budget has turned to emphasize fiscal constraint.

For example, when President Reagan declared the SFC operational in 1981, it started with $14.9 billion in obligational authority, not the $88 or $20 billion that is touted by SFC critics. Nevertheless, in recognition of the need to reexamine the budgetary effects of Federal programs such as synthetic fuels, the Deficit Reduction Act for fiscal year 1984 reduced that figure to $14.1 billion, and the continuing resolution for fiscal year 1985 further rescinded $5.375 billion. The end result was that the current SFC board was left with $8.686 billion, out of which $5.7 million was earmarked for eight projects with letters of intent. Moreover, last year's agreement provides for recapture of 50 percent of any unobligated balances, and its return to the Treasury. Under these recapture provisions of the continuing resolution, an additional $1.2 to $2.5 billion in SFC obligational authority will be automatically rescinded.

In response to this agreement and the appointment of three new directors, the SFC board of directors subsequently reformulated and scaled back its business plan. This restructuring, which has been reflected in negotiations on those projects with letters of intent, has further reduced the potential budgetary impact of the SFC's program. This scaled back program, when completed, will achieve the critical initial commercialization of synthetic fuels at less than 10 percent of the cost contemplated by the Congress in the Energy Security Act. However, the opponents of the SFC remain unsatisfied.

SFC GOAL REMAINS VALID

Nevertheless, the broader goal of the SFC—the commercialization of synthetic fuels in the United States—remains valid. The world's oil supply remains finite and unlikely to grow. A recent USGS report on the adequacy of world petroleum resources until the mid-21st century forecasts a continuing dependence of the United States on unstable countries in the Persian Gulf region. Charles Masters, chief author of the report, emphasized that:

> The most important conclusion of our study is that the Middle East increasingly will monopolize world petroleum supplies.

This conclusion is based on current trends which indicate a permanent decline in discoveries of new oil. Given this trend, the report dismisses the commonly held assumption that discoveries have dropped due to decline in exploration caused by a current surplus in world oil supplies. Rather, the report observes:

> To the contrary the amount of drilling effort has stayed constant over time * * * the decline in discovery * * * reflects the lower-grade prospects available to, or conceived by, the world exploration community.

Experts in industry and Government agree that oil production from non-OPEC nations is expected to decline in the years ahead. For this reason, as indicated by the USGS report and the DOE projections, the United States is headed toward increased reliance on imported oil from unstable countries in the Persian Gulf region. Our vulnerability to another interruption of oil imports cannot be ignored.

In 1984, the United States imported nearly 2 billion barrels of crude oil and petroleum products, or 35 percent of domestic consumption, at a cost of $54 billion. Oil imports were by far the single largest component of our trade deficit, alone representing, it is better than four times the size of the United States trade deficit with Japan.

Department of Energy estimates also project oil imports to rise to 39 percent of total U.S. consumption by 1990 and 48 percent by 1995. Middle Eastern fields contain 57 percent of the world's proved oil reserves and two-thirds of proved reserves outside China and the Soviet Union.

Mr. President, as a nation, we currently are and will continue to be critically dependent on international energy supplies. Therefore, we need to develop the domestic alternative of synthetic fuels which relies on our own plentiful supplies of oil shale, coal, heavy oil, and tar sands. If converted into liquids and gases these resources would provide domestic energy supplies, equal to five to six times the reserves of the entire Middle East.

Continuing the presently restructured SFC synfuels program will enable the United States to gain the essential operating and environmental experience, that will give us the capability to move quickly to full scale commercial production, when required to meet our energy and security needs. Now, when we are close to completing a 4-year effort to achieve the principal goal of the Energy Security Act—the commercialization of synthetic fuels in the United States—is not the time to scrap this critical program.

CURRENT SFC FUNDING

When President Reagan declared the SFC operational in 1981, it had $14.9 billion in obligational authority available for conditional financial assistance, not the $88 billion originally proposed and often cited by SFC critics, or the $20 billion authorized by the Energy Security Act.

Nevertheless, in recognition of the need to reexamine the budgetary effects of Federal programs, such as synthetic fuels, the Deficit Reduction Act for fiscal year 1984 reduced the SFC's obligational authority to $14.1 billion. Subsequently, also in 1984, the continuing resolution for fiscal year 1985 further rescinded $5.375 billion.

CURRENT SFC OBLIGATIONAL AUTHORITY

The current SFC Board was thus left with only $8.686 billion in obligational authority, out of which $5.7 million was earmarked for eight projects with "letters-of-intent" authorized on or before June 1, 1984. In the aggregate these "letters-of-intent," which were approved by the previous Board on the basis of an indepth review of each project's strength and maturity, totaled $6.795 billion.

An added feature of this agreement with the administration, was the provision for recapture of 50 percent of any unobligated balances from this set-aside for "letter-of-intent" projects, and its return to the Treasury.

SFC'S IMPLEMENTATION OF 1984 AGREEMENT

In response to this agreement and the appointment of three new Directors, the SFC Board of Directors subsequently reformulated and scaled back its business plan. This restructuring, which will further reduce the potential budgetary impact of the SFC's Program, is reflected in SFC's recent negotiations and awards to those projects with "letters-of-intent." On the basis of recent SFC Board actions, under the recapture provisions of the continuing resolution for fiscal year 1985, an estimated $2.1 billion in additional SFC obligational authority will be automatically returned to the Treasury.

This potential recapture of obligational authority is set forth in a table that I request appear at this point in my remarks.

POTENTIAL RECAPTURE OF FUNDS ACTION ON LETTER OF INTENT PROJECTS

[LOI projects: status, savings, and recapture amounts]

Project status	Original LOI amount	Renegotiated LOI amount	Recapture amounts
Inactive or cancelled:			
Hop Kern	$100 million	0	
Ky Tar Sands.	$543 million	0	
Great Plains	$790 million	0	

POTENTIAL RECAPTURE OF FUNDS ACTION ON LETTER OF INTENT PROJECTS—Continued

[LOI projects: status, savings, and recapture amounts]

Project status	Original LOI amount	Renegotiated LOI amount	Recapture amounts
Awarded:			
Union phase II.	$2.7 billion	$500 million	
Forest Hill	$60 million	$60 million	
Action pending:			
Seep Ridge	$45 million	$184 million	
Subtotal	$4.24 billion	$744 million	$1.2 billion minimum.
In negotiation:			
Cathedral Bluffs.	$2.19 billion	$400 million	
Northern Peat.	$365 million	$365 million	
Total	$6.795 billion	$0.744 billion minimum. $1,509 billion maximum.	$2.1 billion minimum. 2.48 billion maximum.

Mr. President, the current SFC business plan, with its reformulated program, when completed, will achieve that critical initial commercialization of synthetic fuels, but at less than 10 percent of the cost contemplated by the Congress in the Energy Security Act. Nevertheless, the opponents of the SFC remain unsatisfied. They want to abolish the SFC.

OVERESTIMATED BUDGET SAVINGS

With that as background, Mr. President, let us now look at the House provision, which would be deleted by the committee amendment. The House provision would abolish the Synthetic Fuels Corporation and establish yet another $500 million research program at the Department of Energy. To do so would be shortsighted and irresponsible.

The argument of its supportors is that significant budget savings will be achieved; but their estimated savings are patently wrong. In 1986, for example, the actual outlay savings are only about $14 million, according to the Congressional Budget Office, and an estimated $82 million for the 3 fiscal years 1986 to 1988. By comparison, the opponents of the committee amendment claim unrealistic savings of $468 million over the same period based on outdated CBO baseline assumptions.

While in later years after 1990 there may be savings, but these savings are also overestimated. For example, the CBO estimate cited by the SFC's opponents fails to mention that, according to the Congressional Budget Office, the estimated fiscal year 1986 savings of about $14 million are principally from reductions in the SFC's administrative costs that will likely now show up in the Department of Energy's budget. Further, the Congressional Budget Office estimate, for the years after 1990, fails to take into consideration several recent events and other significant factors:

First, the profit sharing arrangements that have been negotiated by the SFC;

Second, cancellation of the Great Plains project;

Third, significantly lower outlays as a result of the SFC's rescaling of proposed projects in response to last year's agreement;

Fourth, under last year's agreement, one-half of any savings—an estimated $1.2 to $2.5 billion—will be automatically returned to the Treasury; and

Fifth, any costs associated with SFC assistance only occur in later years, after the projects achieve commercial production.

But more importantly, it can be anticipated that any funds that are now released from abolition of the SFC will not be returned to the Treasury; instead they will be redirected by the Congress, to other Federal programs, which will immediately contribute a greater amount to the deficit, than if we let the SFC program continue.

Nevertheless, the supporters of the House provision claim budgetary savings. But let the record be clear on one point, what is at issue here is not budgetary savings, that was achieved last year. What is at issue is that the opponents of the SFC were opposed to it when it was created, and they are continuing their opposition under the guise of budgetary and fiscal restraint.

But let us look closely at some of the unrealistic features of their proposal.

BREACH OF FAITH

First, there is a matter of breach of faith.

Last year the Congress asked the SFC to review, and if necessary, restructure its eight letter-of-intent project. The SFC and the projects' sponsors responded to that challenge. Yet it is now proposed by the SFC's opponents that the Congress once again not only change directions, but cancel the SFC program.

Under the House provision the program would not only be further downgraded, but abolished, and transferred to DOE. Once there, the Secretary of Energy must redirect the Federal Synthetic Fuels Program, away from commercialization, and toward research. In addition, under H.R. 3500, the House passed Omnibus Reconciliation Act, he would be authorized to terminate any existing SFC contracts, such as those to Cool Water and Dow Syngas. To terminate such contracts, he must simply determine that such contracts are not, in his judgment, in the national interest, which is undefined. Moreover, this determination is delegated to Secretary Harrington, who has demonstrated in recent days, that he is opposed to the SFC's commercialization effort, an effort mandated by the Congress, and supported by the President.

But even more importantly, under H.R. 3500 we are talking about canceling contracts that are now full faith and credit obligations of the United States. As such they are incontestible in the hands of the holder for fraud or material misrepresentation. Thus the current project sponsors, as with any other Government contract, are now entitled to the ordinary remedies available when a Government contract is terminated. However, Mr. President, under H.R. 3500 as passed by the House this would change; the current SFC contract holders would only be entitled to recovery if such terminations by the Secretary are later determined by a court to be unconstitutional.

While not in this bill—but in the companion measure—if adopted this contract termination provision would establish an unprecedented breach of faith by the Federal Government with project sponsors—and their employees, affiliates, and investors—who have spent hundreds of millions of dollars and years of effort in response to a government-industry cooperative effort. This program was initiated in 1980 by the Congress in the Energy Security Act, and reaffirmed last year by the Congress and this administration in the 1985 continuing resolution.

Besides being a breach of faith on the part of the Federal Government, such an abrogation of contract rights as set forth in the amendment would have major and unprecedented implications for not only Federal contractors generally, but for future legislation, for example, in the area of natural gas pricing.

MORE RESEARCH, WITHOUT COMMERCIALIZATION

The House provision being deleted by the committee amendment would attempt to establish a new but modified synthetic fuels program in DOE, again with the pledge of the full faith and credit of the United States behind its contracts. I must ask why its supporters believe that industry will believe this new pledge after the present one is broken in poor, if not bad, faith?

But more importantly, the new program calls for assistance at the smallest scale practicable to determine the commercial viability and economic feasibility of commercial scale projects. This is now being undertaken by the SFC, which has the necessary expertise.

However, as prior experience at DOE has demonstrated, this cannot be accomplished if Federal assistance is limited to only $500 million. For example, a single minimum sized coal or oil shale commercial module would require the entire $500 million authorized. Moreover, the small scale projects envisioned by the amendment lack economies of scale.

The SFC's experience in negotiations demonstrates that the required Federal assistance would have to be significantly greater for a commercial facility in order to attract private sector equity.

SFC'S STANDARDS OF CONDUCT

The supporters of the House provision argue that one of the reasons for their House provision is that SFC employees are not subject to the normal governmental statutes governing conflict of interest and public information, and these requirements would apply to the new program. However, this is untrue.

The provisions of the original Energy Security Act governing public information are modeled after the Freedom of Information Act. Moreover, they were orignially offered by the Senator from Ohio, Mr. METZENBAUM in 1980.

Similarly, last year the Congress, at the suggestion of the opponents of the committee amendment, clarified current law regarding financial reporting and ethical standards governing SFC employees. In response to enactment of that amendment last year the SFC subsequently revised its standards of ethical conduct and financial reporting to conform with these statutory changes, which are identical to those for Federal officers and employees.

It is further argued that the SFC's contracting practices continue to reflect a complete disregard for Federal procurement regulations; but this also is not the case.

While there were problems in this regard in the past, this situation has not been corrected. According to the SFC, over the first 11 months of fiscal year 1985, approximately 94 percent of its contracts were obligated on a competitive basis. Also, their records indicate that approximately 92 percent of payments to firms were under competitive contracts. This compares to less than 60 percent achieved for the Federal Government overall.

Furthermore it is alleged that the SFC did not monitor the performance of consultants. However, the GAO reports that "monitoring normally consisted of interacting with the consultants on a frequent, and in some cases, daily basis." Moreover, each contract specifically designates an SFC employee to monitor the consultant and the SFC contract office maintains a monthly status on all contract agreements.

Following an in-depth review over several months of the SFC's contracting practices for consulting services, the GAO noted no major deficiencies and made no recommendations for changes in the SFC's current practices.

POTENTIAL FOR EXTENSIVE LITIGATION

In addition, the companion measure, H.R. 3500, would abolish the general powers of the SFC as an independent Federal entity, including the authority to sue and be sued and represent itself in court, as well as limitations on claims against the SFC. This would foster a rush of lawsuits during the transition period, attacking various provisions of the statute. There could, for example, be extensive lawsuits attacking the validity of actions taken by SFC officers and employees in administering financial assistance agreements.

ADMINISTRATION'S POSITION

It has been stated that the administration supports the House provision; however, I would point out that the October 2 letter to House Members from Secretary Herrington clearly avoids being forthright by saying it is sent on behalf of the President. Rather, only by implication does it let you believe the Secretary is speaking for others. The Secretary's letter is further faulted by its misinformation, such as the statement concerning the development of a commercial synthetic fuels industry at a pace envisioned by the Congress in 1980. But that is not the reformulated program now being pursued by the SFC under last year's agreement, which abolished the statutory production goals. His letter clearly addresses a situation that does not even exist today; namely, the statutory objectives as originally enacted in 1980, which included production goals.

I would also note that on July 15 the President's Assistant for Policy Development, John Avahn, wrote SFC Chairman Noble stating that:

> The continued appropriateness of the SFC is very much in question and . . . the Corporation should complete its mission as expeditiously as possible.

He added:

> Were the administration to seek legislation now to abolish the Corporation, we believe it would be extremely difficult to obtain the agreement of Congress and would greatly increase the risk that Congress would utilize the Corporation's remaining budget authority to initiate a series of coal technology demonstration projects in the Department of Energy, further increasing the deficit.

Nevertheless, there still remains the question of not where Secretary Herrington stands on this issue, but whether he represents the administration, which I understand he does not.

On the same day as this letter, July 15, in testimony before the House Commerce Subcommittee on Fossil and Synthetic Fuels, Secretary Herrington stated:

> I support the compromise that was reached between OMB and the Congress last year for the reduction of the amount that Synfuels Corporation can spend from $20 billion dollars down to eight and included in that the so-called $750 million dollar clean coal—

He later added:

> I would like to meet the commitments of the administration in its negotiations with Congress and as an administration official I plan on doing that to the best of my ability.

His recent letter, however, appears to be inconsistent with this earlier commitment, but I will let the two statements speak for themselves.

Nevertheless the Secretary's letter of October 2 goes on to address pending SFC project negotiations on which the Department has limited knowledge. The implication of the letter is that DOE has oversight responsibility for the SFC's programs, which is not the case. The Congress established the SFC as an independent Federal entity—not a part of the Department of Energy, and only the Congress has oversight responsibility for the SFC. That is what was intended, and it hasn't changed.

The Secretary's letter then goes on to criticize an oil shale project which is proposed to receive approximately $500 million in price supports from the SFC. What the letter fails to note is that the original financial assistance was granted by the DOE, not the SFC. Moreover, this is one of the letter-of-intent projects specifically identified by the Congress. Under last year's agreement, the SFC has succeeded in restructuring the project downward from the original amount in the SFC's letter of intent was $2.7 billion.

Moreover, the letter fails to mention that the total output of 10,000 barrels per day from this project is under contract to the Department of Defense. If the Department cannot obtain this supply, it can be expected that it will itself get into the business of synthetic fuels production to meet its needs.

CONCLUSION

As I discussed earlier, the Congress addressed the matter of SFC funding only last year. Only 11 months have passed since the SFC compromise legislation was enacted in the fiscal year 1985 continuing resolution. That agreement with the administration, not Secretary Herrington, called for a scaled-down synthetic fuels program and a rescission of $7.375 billion.

Since that agreement, the new Board has responded to Congress and has moved deliberately to produce a statement of objectives and principles, a new business plan, and the comprehensive strategy report to the Congress. The Corporation has restructured its program, as mandated by Congress, to reflect the new business plan. The new program concentrates on obtaining experience in construction and operation of scaled-down projects using commercial scale equipment.

Abolishing the SFC at this time will result in loss of the potential benefits for which we have been pursuing for 4½ years. It is budgetarily irresponsible to abandon achievement of these benefits at this critical time, when the SFC's program is about to reap the rewards which we have sought for so long. There currently are three successful synthetic fuels plants which have been assisted by the new SFC Board. Given time, the new Board will approve more well-designed and well-

managed projects based upon their technical, managerial, and economic strengths. We are finally seeing tangible results of a 4-year effort by the Congress and the Reagan administration.

Mr. President, the House provision proposes that we abolish the Corporation, but continue the synthetic fuels program in the Department of Energy. I am concerned that if we dismantle the SFC we may very well be putting the nails in the coffin of our Nation's commercial synthetic fuels program. DOE had a credible track record on synthetic fuels research and subcommercial demonstration; however, after a 10-year effort that research program can exhibit little, if any, commercialization of synthetic fuels technologies. Research has not been enough to achieve transfer of federally funded energy technology into the marketplace. We must not repeat our past mistakes by returning to an overemphasis on research at the expense of commercialization. Rather, let's obtain the important commercial-scale experience that the SFC's program can provide our country. As a nation we cannot launch a full-scale commercial industry on the basis of only DOE pilot plant experience; if this were possible, we already would have done it.

What has always been needed is an entity which can utilize experienced management teams with the expertise to operate commercial facilities. The SFC was created for that purpose, and the SFC has been taking a cautious approach in selecting qualified sponsors and projects which meet its criteria of strength and maturity.

That is not true today for the DOE, any more than it was in 1980 when it was under the gun of yearly appropriations. The SFC now has the experience and knowledge necessary to foster a synthetic fuels industry that can respond when market or national security considerations warrant.

The importance of this synthetic fuels program is unanimously supported by the Western Governors' Association, whose members include Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming, and the territories of American Samoa, Guam, and the Northern Marianias; and is unanimously supported by the Southern Governors' Association, whose members included Alabama, Arkansas, Delaware, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, Missouri, North Carolina, Oklahoma, Puerto Rico, South Carolina, Tennessee, Texas, Virginia, The Virgin Islands, and West Virginia. In addition, the SFC's program is supported by the Southwest Regional Energy Council, whose membership consists of elected officials from the States of Arkansas, Louisiana, New Mexico, Oklahoma, and Texas.

The current SFC program, now in place, costing a fraction of the original congressional authorization, consititutes an appropriate initial program to foster the development of our synthetic fuels option—which is an insurance policy for the United States. If this synfuels option does nothing more than help to keep world oil supplies plentiful and prices stable, then I would argue that it is an investment well worth making today. We must not fail to use this opportunity wisely, and we must not break faith with the private sector after it has invested so heavily. We must move ahead with this very reasonable and necessary investment in the country's energy and economic future.

Therefore I urge that you join with us and the 34 States that oppose a further erosion of our necessary commitment to a strong synthetic fuels program for the United States. A vote in support of the committee amendment is a vote in favor of implementation of last year's agreement and America's energy future.

Mr. President, I ask unanimous consent to have printed in the RECORD a "Dear Colleague" letter, dated October 4, 1985; a Western Governors' Association Resolution 85, on the subject of the Synthetic Fuels Corporation, dated August 28, 1985; and a letter to the President, dated October 15, 1985, from the chairman of the committee.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

WESTERN GOVERNORS' ASSOCIATION
RESOLUTION 85–

Sponsor: Governor Bangerter.
Subject: The Synthetic Fuels Corporation.

A. BACKGROUND

1. In recent action in the United States House of Representatives, the funding level of the United States Synthetic Fuels Corporation was reduced from a recommended level of $7.9 billion to $500 million.

2. The issue of funding the Corporation will be considered by the United States Senate when the Congress reconvenes in September.

3. The Board of Directors of the Corporation has reviewed the existing program and initiated changes to provide a workable and cost-effective program that allows the private sector to develop technologies for efficient and clean production of synthetic fuels. It is essential that these technologies exist to promote production when market or national security considerations dictate.

4. The Board of Directors had begun to implement this program when on August 20, 1985, it directed staff to complete negotiations and contract documentation by September 13, on financial assistance agreements totaling approximately $700 million in price and loan guarantees for three major synthetic fuels projects. Those projects are the Seep Ridge oil shale project in Utah, the Union Oil Parachute Creek project in Colorado, and the Forest Hill heavy oil project in Texas. Negotiations are continuing on several other projects, including the Great Plains project.

B. GOVERNORS' POLICY STATEMENTS

1. We support a continued Federal role in the financing of diverse synthetic fuels technologies. The program developed by the Synthetic Fuels Corporation (SFC) is a long-term benefit to the economic and energy security of the nation. Congress should fund the SFC at a level adequate to allow a meaningful review of good faith applications and development of the most meritorious projects.

C. GOVERNORS' MANAGEMENT DIRECTIVE

1. Convey the governors' position to senators and representatives from the western states to relevant committee chairman, to the Administration, and other individuals with an interest in the issue.

Members include: Alaska, American Samoa, Arizona, California, Colorado, Guam, Hawaii, Idaho, Montana, Nebraska, Nevada, New Mexico, North Dakota, Northern Mariana Islands, Oregon, South Dakota, Utah, Washington, Wyoming.

PROPOSED AMENDMENT TO THE EXISTING POLICY POSITION REGARDING UNITED STATES SYNTHETIC FUELS POLICY

Submitted by: Governor Mark White, Texas
August 9, 1985.
For: Consideration at the 1985 Annual Meeting of the Southern Governors' Association.

The Governors continue to support a federal role in the financing of diverse synthetic fuels technologies, including those technologies which utilize regional coal resources. Long term benefit to the economic and energy security of the nation can be provided by adequate federal support. Congress should fund this effort at a level adequate to allow a meaningful review of good faith applications and development of the most meritorious projects.

Members include: Alabama, Arkansas, Delaware, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, Missouri, North Carolina, Oklahoma, Puerto Rico, South Carolina, Tennessee, Texas, Virginia, Virgin Islands, West Virginia.

SOUTHWEST REGIONAL ENERGY COUNCIL POLICY STATEMENT REGARDING SYNTHETIC FUELS DEVELOPMENT

[September 27, 1985]

BACKGROUND

Even under today's relatively favorable conditions, the United States is paying approximately one billion dollars per week for imported oil. This level of dependency is projected to increase with the decline of production from conventional domestic resources. The development of unconventional resources of oil and gas, including synthetic fuels, could supplement reduced domestic supplies.

If synthetic fuels production is to be able to expand rapidly, safely, and efficiently, pioneer projects must be built first. Unfortunately, the long lead times and large capital investments required to demonstrate their technical and commercial viability of synthetic fuels projects prevent all but the most far-sighted and persistent private companies from investing in synthetic fuels development.

RECOMMENDATION

A balanced mix of energy sources is essential for the long-term security and the future economic growth of the United

States. The development of a synthetic fuels capability is a critical component in that mix. The private sector has demonstrated its interest in synthetic fuels by large capital investments and major commitments of resources. The long-term energy outlook, the lead times involved in synthetic fuels development, and the critical role of pioneer plants warrant some public investment in synthetic fuels development. Through loan guarantees and price supports, the federal government can perform a vital and essential role to ensure that the private efforts to develop commercial synthetic fuels capability are brought to fruition.

The Southwest Regional Energy Council urges the Congress and the President to continue federal assistance for the effective development of a commercial synthetic fuels industry under the authority of the Energy Security Act of 1980, as amended in 1984.

Members include elected and local officials from: Arkansas, Louisiana, New Mexico. Oklahoma, Texas.

COMMITTEE ON ENERGY AND NATURAL RESOURCES,
Washington, DC, October 4, 1985.

DEAR COLLEAGUE: In the near future it is expected that you will once again be asked to vote on an amendment to abolish the Synthetic Fuels Corporation (SFC), which we urge you oppose.

Last year the Congress rescinded $7.375 billion of the SFC's off-budget obligational authority and eliminated the synthetic fuels production goals in the Energy Security Act. Subsequently, the SFC Board of Directors reformulated its business plan and is renegotiating the size of individual projects so as to achieve further budgetary savings of between $1.2 and $2.5 billion. When completed, this reduced program will significantly contribute to the statutory objective of establishment of the infrastructure necessary to support a commercial synthetic fuels industry in the United States. Moreover, this critical initial commercialization objective will be achieved at less than 10 percent of the cost contemplated by the Congress in the Energy Security Act.

In requesting your opposition to this amendment we urge that you consider the following recent reports that underscore the United States' continuing economic and international oil supply vulnerability:

The Iran-Iraqi War poses a new and greater threat to U.S. interests, according to Reagan Administration oil analysts and former Ambassador Richard Helms (Washington Post, September 27, 1985);

Iran's oil exports have declined by two-thirds as a result of Iraqi's attacks (Wall Street Journal, September 27);

Significant oil price price increases recently have occurred because of such factors as Iran's and the Soviet Union's temporary suspension of oil exports, and the Saudi announcement that it will take on no new contracts (New York Times, September 27); and

Recently the U.S. Geological Survey concluded that the Middle East will increasingly monopolize dwindling world petroleum supplies and the U.S. can expect to return to the energy crisis of the 1970's, experiencing regular supply interruptions with but a few decades left to enjoy the convenience of crude oil as our major energy fuel and therefore it is essential for the Nation to develop its own alternative energy resources (Washington Post, September 26).

These recent reports do indeed highlight the danger of dependence on international oil supplies. Further, they emphasize our continuing need to develop the domestic alternative of synthetic fuels which relies on our abundant supplies of coal, oil shale, heavy oil and tar sands.

The SFC is close to completing the modest, but commercial, program that the Administration agreed to last year. This program will provide the operating and environmental experience that is essential to provide the United States with a synthetic fuels capability when required to meet our energy and security needs. Now when we are about to culminate a four-year effort to achieve the principal goal of the Energy Security Act—commercialization of synthetic fuels in the United States—is not the time to scrap this critical program.

Opponents of the SFC argue that significant budget savings can be achieved from its abolition, but they fail to mention that, according to the Congressional Budget Office, the outlay savings are minimal. In FY 1986, for example, the savings are only $14 million. In later years there may be additional savings, but they would not occur, if at all, until after 1990. The CBO estimate also fails to take into consideration several significant factors: namely, (a) the profit sharing provisions that have been negotiated by the SFC; (b) cancellation of the Great Plains project; (c) significantly lower outlays as a result of the SFC's rescaling of proposed projects; (d) under last year's agreement, one-half of any savings—an estimated $1.2 to $2.5 billion—will be automatically returned to the Treasury; and (e) any costs associated with SFC assistance only occur in later years after the projects achieve commercial production. But more importantly, it can be anticipated that any funds that are released now from abolition of the SFC will not be returned to the Treasury; instead they will be redirected to other Federal programs, which will immediately contribute a greater amount to the deficit than if we let the SFC program continue.

The importance of the SFC's program to our country's energy future was recently supported unanimously by the Western Governors Association, the Southern Governors Association, and the Southwest Regional Energy Council. Please joun us and these 34 States and 5 territories in opposing any amendment which further erodes our necessary commitment to a strong U.S. synthetic fuels effort.

Sincerely,

J. Bennett Johnston, *Ranking Minority Member,* James A. McClure, *Chairman,* Wendell H. Ford, Quentin N. Burdick, Mark Andrews, Gary Hart, Arlen Specter, Alan J. Dixon, Paul Simon, William L. Armstrong, John W. Warner, Orrin G. Hatch, Jay D. Rockefeller, John Heinz, Ted Stevens, Paul S. Trible, Jr., Pete V. Domenici, Russell B. Long, Jake Garn, Robert C. Byrd, and James Abdnor.

COMMITTEE ON ENERGY AND NATURAL RESOURCES,
Washington, DC, October 15, 1985.

The PRESIDENT,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: I know we both are aware of the importance of the program of the U.S. Synthetic Fuels Corporation to our country's energy and economic future. Your appointment of the Board of Directors under Chairman Ed Noble in 1981 recognized the national security benefits of continuation of this vital, government-industry partnership.

Last year, however, in recognition of the need for budgetary constraint, we negotiated an agreement for the rescission of $7.375 billion of the SFC's obligational authority and eliminated the synthetic fuels statutory production goals in the Energy Security Act. As a part of that agreement the Senate confirmed your three nominees, so that the SFC had a working quorum. Considerable effort was expended on my part to achieve that agreement, in recognition of our mutual concerns for the budget deficit.

Subsequently, and again as part of our agreement, the SFC Board reformulated its business plan and is renegotiating the size of individual projects so as to achieve further budgetary savings of between $1.2 and $2.5 billion. Equally important, private industry has invested almost $1.4 billion in good faith to implement last year's agreement.

When completed, this reduced program will significantly contribute to the statutory objective of establishment of the infrastructure necessary to support a commercial synthetic fuels industry in the United States. Moreover, this critical initial commercialization objective will be achieved at less than 10 percent of the cost contemplated by the Congress in the Energy Security Act.

As you are aware, I reached that agreement with Edwin Meese, then Counselor to the President; David A. Stockman, then Director of the Office of Management and Budget; and Donald Paul Hodel, then Secretary of Energy, who were acting on your behalf. Acting on the belief that they were indeed carrying out your instructions, I made representations to a great many of my colleagues that our agreement would be the last effort to alter our synthetic fuels program. Now it appears that the rules have changed since you recently reorganized your staff so that new individuals have assumed these responsibilities. Members of your Administration are actively working to overturn our agreement. To my knowledge you continue to support the SFC's reformulated and restructured program as we agreed. Am I correct in that assumption?

The importance of the SFC's program to our country's energy future was recently supported unanimously by some 34 States who are members of the Western Governors' Association, the Southern Governors' Association, and the Southwest Regional Energy Council. Now, when we are about to culminate a four-year effort to achieve the principal goal of the Energy Security Act—commercialization of synthetic fuels in the United States—is not the time to scrap this critical national program.

Sincerely,

JAMES A. MCCLURE, *Chairman.*

U.S. SYNTHETIC FUELS CORPORATION,
Washington, DC, September 30, 1985.

Hon. JAMES A. MCCLURE,
Chairman, Senate Committee on Energy and Natural Resources, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: I understand that during a business meeting of the Committee on September 26, 1985, questions were raised concerning a paper entitled "The Plan," prepared by a Corporation staffer purporting to set forth a series of "action steps" to be taken by the Corporation in connection with Senate consideration of proposed legislation affecting the Corporation. I would like to clarify the Committee's

record by setting forth the facts concerning this document.

The existence of such a document first came to my attention following a search of Corporation files in response to an August 14, 1985 request from Chairman John Dingell of the Oversight and Investigations Subcommittee of the House Committee on Energy and Commerce for all documents, including drafts, "setting forth any action, plan or strategy for defeating any legislative efforts to rescind funding for the Synthetic Fuels Corporation." I responded to Chairman Dingell on August 23, 1985, that there were no documents setting forth such a Corportion action plan or strategy. Our search had identified, however, the five-page undated, unattributed, and unaddressed draft outline entitled "The Plan" which has become the subject of your Committee's discussion. A copy of the document was transmitted to Chairman Dingell on August 23, along with the explanation that the draft had been prepared for Tom Corcoran, the Corporation's Vice Chairman, in mid-July by his aide, Mike Bayer. The draft had never been finalized.

Since our transmittal to Chairman Dingell, Mr. Corcoran has on several occasions responded publicly to questions concerning the document, most recently during hearings of the Economic Stabilization Subcommittee of the House Committee on Banking, Finance and Urban Affairs held on September 12, 1985. His response definitively refutes the suggestion that he or any one else with management or decision making responsibility at the Corporation acted on the proposals set forth in "The Plan." I set forth that response in full:

Chairman LAFALCE. Some individuals have suggested that the actions of the Synthetic Fuels Corporation in the past several months are based, primarily, on a document that was prepared for you, which had as its principal thesis, actions that could be taken by the Synthetic Fuels Corporation, in order to win the game of political favor within the United States, especially in the United States Senate, and that, therefore, the Synthetic Fuels Corporation was, in fact, acting first and foremost in a political fashion, secondarily, perhaps, in a complementary fashion, perhaps not so, for substantive reasons.

Would you care, at this point in time, to take up this issue, which certainly is going to arise elsewhere?

Mr. CORCORAN. Well, there is no basis for that assertion. There is what has been described as "the plan;" it was perpared by an individual on our staff, who happens to work directly for me. He is an idea man. In my work in the Synthetic Fuels Corporation and my work in the Congress of the United States, I've always tried to associate myself with people who can develop ideas. In this instance, he did, at his own instigation, develop a series of suggestions as to what might be done.

I looked at those ideas. I regard some of them as being good, most of them as being not so good, and certainly, from the standpoint of any kind of policy by myself or any kind of policy decision by the Synthetic Fuels Corporation, there was no decision, there was no action, no corporate policy that was based on the suggestions of one individual, which, in many instances, were not useful suggestions.

So I think any suggestion that there was any kind of corporation policy based on the suggestions of one individual staff guy is nonsense.

Chairman LAFALCE. First, so you understand where I am coming from, I think it would be naive to think that members of the Executive Branch don't frequently act in a way that is going to gain favor with influential members of the Congress.

What I am concerned about is that no decision is being made for political reasons as opposed to substantive reasons.

Mr. CORCORAN. Yes.

Chairman LAFALCE. I am just curious, though, if the money that was let, if you will, the commitments that were made from the time of this memo to the President would have all been made in the absence of this memo.

Mr. CORCORAN. There is no connnection between this memorandum and the decisions that we have made.

For my own part, I would only wish to underscore that I had not seen nor heard of such a document until the matter was raised by Chairman Dingell. My own testimony before the Economic Stabilization Subcommittee follows:

Chairman LAFALCE. Would Mr. Noble care to comment?

Mr. NOBLE. Yes, sir. I never saw that piece of paper. The first time I knew of it is when Mr. Dingell wrote his letter, and I questioned. When I asked what is this, I had never seen it, and if there was any effort to do anything about it I had no knowledge of it, and I said that in the very beginning.

The draft "Plan" has not guided my thinking, or, to the best of my knowledge, that of my fellow Board members.

I respectfully request that this letter be made a part of the minutes of your Committee's deliberations.

Sincerely,

EDWARD E. NOBLE,
Chairman of the Board.

Mr. President, I now move to table the amendment of the Senator from Ohio [Mr. METZENBAUM] and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from Ohio.

On this question the yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON, I announce that the Senator from Mississippi [Mr. STENNIS], is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 41, nays 58, as follows:

[Rollcall Vote No. 270 Leg.]

YEAS—41

Abdnor	Hatch	Pell
Andrews	Hecht	Pressler
Armstrong	Heflin	Rockefeller
Bentsen	Heinz	Sasser
Burdick	Inouye	Simon
Byrd	Johnston	Specter
Dixon	Laxalt	Stevens
Domenici	Long	Symms
Exon	Mathias	Thurmond
Ford	Matsunaga	Trible
Garn	McClure	Wallop
Goldwater	McConnell	Warner
Gore	Murkowski	Zorinsky
Hart	Nunn	

NAYS—58

Baucus	East	Mattingly
Biden	Evans	Melcher
Bingaman	Glenn	Metzenbaum
Boren	Gorton	Mitchell
Boschwitz	Gramm	Moynihan
Bradley	Grassley	Nickles
Bumpers	Harkin	Packwood
Chafee	Hatfield	Proxmire
Chiles	Hawkins	Pryor
Cochran	Helms	Quayle
Cohen	Hollings	Riegle
Cranston	Humphrey	Roth
D'Amato	Kassebaum	Rudman
Danforth	Kasten	Sarbanes
DeConcini	Kennedy	Simpson
Denton	Kerry	Stafford
Dodd	Lautenberg	Weicker
Dole	Leahy	Wilson
Durenberger	Levin	
Eagleton	Lugar	

NOT VOTING—1

Stennis

So the motion to lay on the table amendment No. 936 was rejected.

Mr. EVANS. Mr. President, I move to reconsider the vote by which the motion was rejected.

Mr. DOLE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER, Without objection, it is so ordered.

THE FISH AND WILDLIFE SERVICE'S WORK IN THE CHESAPEAKE BAY

Mr. MATHIAS. Mr. President, I applaud the Senate Appropriations Committee for including $500,000 in the Department of Interior appropriations bill for the Fish and Wildlife Service's involvement in the Chesapeake Bay Cleanup Program. These funds will enable the Service to continue its vital work in the bay, including raising striped bass for release to the bay and protecting ecologically sensitive areas, so vital to all the bay's organisms.

The Fish and Wildlife Service plays a key role in the cleanup program. The Service's bay activities center on the effects of the bay's pollutants on biological resources, primarily fish, shellfish, waterfowl, aquatic vegetation, and endangered species. The main objective of the Service is to assess the effects of nonpoint source pollution from urban and agricultural runoff on fish and wildlife habitats and to recommend ways to prevent or minimize those impacts.

The Fish and Wildlife Service is focusing its immediate attention on the Choptank River on Maryland's Eastern Shore. Last spring and summer, it reviewed 34 sites to evaluate water quality and the health of fish and wildlife habitats there. To help maintain those habitats, the Service en-

courages management practices which improve the water quality and benefit the bay's living resources.

Another important objective of the Fish and Wildlife Service is to help other agencies evaluate and reduce the danger from industrial toxic substance discharges into the bay. About 3,000 discharge sites exist in the bay region, each allowed under State or Federal permits to discharge specified amounts of toxins. At selected sites, the Service is assessing the effects that these discharges may have on the bay's living resources and is recommending necessary modifications to the discharge permits.

In general, fish and wildlife resources of the bay have decreased in recent years, and one of the first signs of that decline was the lower number and smaller size of striped bass caught. Many believed it was a cyclical temporary decline and that striped bass populations soon would be back to normal. But that did not occur. There was an extensive reproductive failure of the bay's striped bass. The situation now has deteriorated so severely that restrictions on commercial and sport catches of striped bass are in place not only in Maryland, but also up and down the east coast.

To start the long-term reversal of this tragic situation, the Fish and Wildlife Service and the State of Maryland have underway a 5-year pilot program to supplement the striped bass's natural production with hatchery-reared fish. This past spring, adult striped bass were captured and artificially spawned. The eggs were incubated and the young fish were distributed to six national fish hatcheries east of the Mississippi and one State hatchery for rearing. This fall, about 250,000 young striped bass—6 to 8 inches long—will be released into the same bay tributaries from which they came.

Plans are to double striped bass production in 1986 and in the future years the goal is to add as many as 1.5 million young striped bass per year to the bay to augment the natural population. Using innovative computer chip tags, some of the young fish will be tagged to follow their growth and survival. In support of this Federal/State cooperative effort, the Fish and Wildlife Service recently placed a fishery biologist at Annapolis to develop appropriate fish stocking strategies, coordinate Federal/State activities, and evaluate the success of the striped bass stocking program. It is anticipated that the stocking program in concert with improved habitat quality and effective fishery management procedures will help restore striped bass as a valuable recreational and commercial species of the bay.

In addition to striped bass, the Fish and Wildlife Service is determining the abundance and health of other living resources in the bay, including canvasback and black ducks, shad, blue crabs, oysters, and submerged aquatic vegetation, sometimes called SAV. Causes for declines of these important resources will be identified and recommendations for corrective actions will be made.

Already, much progress has been made in analyzing the loss of SAV, the sea grasses of the bay, used for food and shelter by so many of the bay's organisms. The Fish and Wildlife Service with other Federal and State agencies, is mapping the distribution, density, and species composition of submerged aquatic vegetation throughout the bay. Maryland watermen and other volunteers are also helping in this effort. Johns Hopkins University is analyzing bay sediments to determine how sediment affects submerged aquatic vegetation and what land practices affect the loss of this valuable resource.

The Fish and Wildlife Service is playing an important role in restoring Chesapeake Bay. It is a role that cannot be omitted from the overall Bay Cleanup Program. I urge the approval of the Appropriations Committee's decision to provide the necessary funding to continue this vital effort to restore living resources of the Chesapeake Bay.

Mr. STAFFORD. Mr. President, I commend the Committee on Appropriations and the floor managers of this bill on the decision to increase funding for the programs authorized by the Water Resources Research Act of 1984 (Public Law 98-242).

Public Law 98-242 was developed in the Committee on Environment and Public Works, largely as a result of the excellent leadership of the chairman of our Subcommittee on Water Resources [Mr. ABDNOR]. That law authorizes a small, but vital, program of water research under the direction of the U.S. Geological Survey.

This bill makes available a total of $15,270,000 during fiscal 1986 for these water research programs. I look upon this as an investment in our future, an investment that will certainly save the Federal taxpayers far more in the long run.

For example, I support strongly the Appropriation Committee's decision to increase to $7,500,000 the money that will be made available for matching water research grants during fiscal year 1986. This is a sound decision. These studies of serious water problems are important to the wise use of water in America.

In addition, I applaud the committee's action increasing the money that will be available to the water research institutes located at a land-grant college in each of the States.

If anyone is concerned over this increase, it should be noted that even at $15 million, spending remains far below the levels at which it stood several years ago.

Mr. President, I commend the chairman of the subcommittee [Mr. MCCLURE] and the subcommittee's ranking member, the distinguished minority leader [Mr. BYRD]. Water research is an important investment in our future. I urge the floor managers to defend this increase vigorously in conference with the House.

RECESS UNTIL 4 P.M.

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate stand in recess until 4 p.m.

There being no objection, the Senate, at 2:56 p.m., recessed until 4 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. GARN].

QUORUM CALL

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. EXON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. SIMPSON. I object.

The PRESIDING OFFICER. The objection is heard.

The clerk will call the roll.

The assistant legislative clerk resumed the call of the roll.

Mr. EXON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. SIMPSON. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

The bill clerk resumed the call of the roll.

Mr. EXON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. SIMPSON. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

The assistant legislative clerk resumed the call of the roll.

Mr. EXON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. SIMPSON. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

The assistant legislative clerk resumed the call of the roll.

Mr. EXON. Mr. President, in order to proceed in an orderly fashion, I ask unanimous consent that the order for the quorum call be dispensed with.

Mr. SIMPSON. Mr. President, in order to proceed in just as orderly a fashion, I object.

The PRESIDING OFFICER. Objection is heard.

The legislative clerk resumed the call of the roll.

Mr. EXON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. DOLE. I object.

The PRESIDING OFFICER (Mr. HATCH). Objection is heard. The clerk will call the roll.

The legislative clerk resumed the call of the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. EXON. I object.

The PRESIDING OFFICER. Objection is heard.

The legislative clerk resumed the call of the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the call be rescinded.

Mr. EXON. Mr. President, I object.

The PRESIDING OFFICER (Mr. GORTON). Objection is heard.

The bill clerk resumed the call of the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 7 P.M.

Mr. DOLE. Mr. President, my colleagues on the other side need some time to look over material that we may propose. Therefore, I move the Senate stand in recess until 7 p.m.

Mr. PRYOR. Will the majority leader answer a question? Is it possible that the majority leader might give us some guidance as to what is going to happen the rest of the evening?

Mr. DOLE. I would say—I indicate to my colleagues that I just moved to recess—that we would hope to offer an amendment. I have indicated to a number of my colleagues who have small children that we would try to protect them until 7:30, because this is Halloween and they wanted to go out and scare some people.

So there probably will not be any votes until then, and maybe even after that, because there will be an amendment that probably will require some discussion, even though it is similar in many respects to the amendment we had yesterday. That could be followed by a payment limitation amendment limiting loans on sugar and other programs to $200,000. So there are a series of those things that probably will come up. I assume we are going to be here quite late this evening and certainly tomorrow.

Does that help any?

Mr. PRYOR. Well, it does not help a lot.

[Laughter.]

The PRESIDING OFFICER. Without objection, the Senate stands in recess until 7 p.m.

Mr. EXON. If I might ask a question of the majority leader.

The PRESIDING OFFICER. I believe the Senate is now in recess.

Mr. DOLE. Mr. President, I ask unanimous consent that we reconvene or whatever it takes.

Mr. EXON. I cannot hear the Chair.

The PRESIDING OFFICER. The Chair indicated that, unless the majoirty leader withdrew his motion to recess, the Senate was in recess.

Mr. EXON. Did the Chair indicate that we were in recess?

The PRESIDING OFFICER. The Chair did.

Mr. EXON. That is the way this place is generally run, and I have no objection.

The motion was agreed to, and, at 6:11 p.m., the Senate recessed until 7 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. BOSCHWITZ].

Mr. DOLE. Mr. President, I think our colleagues, particularly Senator MELCHER and Senator EXON, may still be looking at the amendment, so I am going to suggest the absence of a quorum. They certainly have that right.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I am advised by the distinguished minority leader it may take another 30 minutes. I think rather than everyone stay in the Chamber we will probably best serve the interest of everyone by recessing.

RECESS UNTIL 7:30 P.M.

Mr. DOLE. Mr. President, I move that the Senate stand in recess until 7:30 p.m.

The motion was agreed to, and at 7:01 p.m., the Senate recessed until 7:30 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. BOSCHWITZ].

AGRICULTURE, FOOD, TRADE, AND CONSERVATION ACT OF 1985

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Mr. President, I am not certain my colleagues, Senators MELCHER, EXON, and others, have had adequate time to go over the rather lengthy amendment. There is not really that much difference from what we had. I do not want to take advantage of anyone. If they need additional time, I would be happy to request another 30 minutes recess. If not, it would be my hope we could go ahead and start the process.

My own view is we have an opportunity here to bring together a number of farm State Senators on both sides of the aisle, and I would obviously like to proceed with that, if that is possible.

I will leave it up to the minority leader. If he feels additional time is needed, we can recess for another 30 minutes. If not, I will proceed.

Mr. MELCHER. Will the majority leader yield?

Mr. DOLE. I will yield for a question.

Mr. MELCHER. We have gone through the 165 pages as to what they might take out and what they might add to the rather lengthy bill before us, the farm bill. I noted that it does have a savings in it. If my memory serves me correctly, the savings would be exactly $7.6 billion, almost all of the savings features that I proposed in my amendment. Is that correct?

Mr. DOLE. I would say that is correct, but I would also indicate there is a little pamphlet or list circulating where you can get savings. But, yes, that is correct. I would hope that based on that we would have the support of the distinguished Senator from Montana.

Mr. MELCHER. Mr. President, might I say to the majority leader, the savings are very well put in both instances, coming up to exactly the same amount I had. Some of them seem to be the savings that maybe the House had. I think the majority leader referred to it as smoke and mirrors. Is that correct?

Mr. DOLE. That is right. There may be a little smoke and mirrors in here. I am not suggesting that there is not a little smoke in there. We hope not too much. Otherwise, we will be in deep trouble.

Mr. MELCHER. I thank the majority leader. It is going to take a long discussion, so far as I am concerned, and I am not speaking for others. We have waited a long time and I certainly do not prefer to wait any longer. However, I am not speaking for others, only for myself.

FAIR LABOR STANDARDS ACT AMENDMENTS

Mr. DOLE. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 1570.

THE PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 1570) entitled "An Act to amend the Fair

Labor Standards Act of 1938 to provide rules for overtime compensatory time off for certain public agency employee, to clarify the application of that Act to volunteers, and for other purposes", do pass with the following amendments:

Strike out all after the enacting clause and insert:

SHORT TITLE; REFERENCE TO ACT

SECTION 1. (a) SHORT TITLE.—This Act may be cited as the "Fair Labor Standards Amendments of 1985".

(b) REFERENCE TO ACT.—Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be a reference to a section or other provision of the Fair Labor Standards Act of 1938.

COMPENSATORY TIME

SEC. 2. (a) COMPENSATORY TIME.—Section 7 (29 U.S.C. 207) is amended by adding at the end the following:

"(o)(1) Employees of a public agency which is a State, a political subdivision of a State, or an interstate governmental agency may receive, in accordance with this subsection and in lieu of overtime compensation, compensatory time off at a rate not less than one and one-half hours for each hour of employment for which overtime compensation is required by this section.

"(2) A public agency may provide compensatory time under paragraph (1) only—

"(A) pursuant to—

"(i) applicable provisions of a collective bargaining agreement between the public agency and representatives of such employees; or

"(ii) in the case of employees not covered by subclause (i), an agreement or understanding arrived at between the employer and employee before the performance of the work; and

"(B) if the employee has not accrued compensatory time in excess of the limit applicable to the employee prescribed by paragraph (3).

In the case of employees described in clause (A)(ii) hired prior to April 15, 1986 the regular practice in effect on April 15, 1986, with respect to compensatory time off for such employees in lieu of the receipt of overtime compensation, shall constitute an agreement or understanding under such clause (A)(ii). Except as provided in the previous sentence, the provision of compensatory time off to such employees for hours worked after April 14, 1986, shall be in accordance with this subsection.

"(3)(A) If the work of an employee for which compensatory time may be provided included work in a public safety activity, an emergency response activity, or a seasonal activity, the employee engaged in such work may accrue not more than 480 hours of compensatory time for hours worked after April 15, 1986. If such work was any other work, the employee engaged in such work may accrue not more than 180 hours of compensatory time for hours worked after April 15, 1986. Any such employee who, after April 15, 1986, has accrued 480 or 180 hours, as the case may be, of compensatory time off shall, for additional overtime hours of work, be paid overtime compensation.

"(B) If compensation is paid to an employee for accrued compensatory time off, such compensation shall be paid at the regular rate earned by the employee at the time the employee receives such payment.

"(4) An employee who has accrued compensatory time off authorized to be provided under paragraph (1) shall, upon termination of employment, be paid for the unused compensatory time at a rate not less than the average regular rate received by such employee during the last 3 years of the employee's employment.

"(5) An employee of a public agency which is a State, political subdivision of a State, or an interstate governmental agency—

"(A) who has accrued compensatory time off authorized to be provided under paragraph (1), and

"(B) who has requested the use of such compensatory time, shall be permitted by the employee's employer to use such time within a reasonable period after making the request if the use of the compensatory time does not unduly disrupt the operations of the public agency.

"(6) For purposes of this subsection—

"(A) the term 'overtime compensation' means the compensation required by subsection (a), and

"(B) the terms 'compensatory time' and 'compensatory time off' means hours during which an employee is not working, which are not counted as hours worked during the applicable workweek or other work period for purposes of overtime compensation, and for which the employee is compensated at the employee's regular rate.".

(b) EXISTING COLLECTIVE BARGAINING AGREEMENTS.—A collective bargaining agreement which is in effect on April 15, 1986, and which permits compensatory time off in lieu of overtime compensation shall remain in effect until its expiration date unless otherwise modified, except that compensatory time shall be provided after April 14, 1986, in accordance with section 7(o) of the Fair Labor Standards Act of 1938 (as added by subsection (a)).

(c) LIABILITY AND DEFERRED PAYMENT.—(1) No State, political subdivision of a State, or interstate governmental agency shall be liable under section 16 of the Fair Labor Standards Act of 1938 for a violation of section 7 or 11(c) (as it relates to section 7) of such Act occurring before April 15, 1986, with respect to any employee of the State, political subdivision, or agency who would not have been covered by such Act under the Secretary of Labor's special enforcement policy on January 1, 1985, and published in section 775.2 and 775.4 of title 29 of the Code of Federal Regulations.

(2) A State, political subdivision of a State, or interstate governmental agency may defer until August 1, 1986, the payment of monetary overtime compensation under section 7 of the Fair Labor Standards Act of 1938 for hours worked after April 14, 1986.

SPECIAL DETAILS, OCCASIONAL OR SPORADIC EMPLOYMENT, AND SUBSTITUTION

SEC. 3. (a) SPECIAL DETAIL WORK FOR FIRE PROTECTION AND LAW ENFORCEMENT EMPLOYEES.—Section 7 (29 U.S.C 207) is amended by adding after subsection (o) (added by section 2) the following:

"(p)(1) If an individual who is employed by a State, political subdivision of a State, or an interstate governmental agency in fire protection or law enforcement activities (including activities of security personnel in correctional institutions) and who, solely at such individual's option, agrees to be employed on a special detail by a separate or independent employer in fire protection, law enforcement, or related activities, the hours such individual was employed by such separate and independent employer shall be excluded by the public agency employing such individual in the calculation of the hours for which the employee is entitled to overtime compensation under this section if the public agency—

"(A) requires that its employees engaged in fire protection, law enforcement, or security activities be hired by a separate and independent employer to perform the special detail,

"(B) facilitates the employment of such employees by a separate and independent employer, or

"(C) otherwise affects the condition of employment of such employees by a separate and independent employer.".

(b) OCCASIONAL OR SPORADIC EMPLOYMENT.—Section 7(p) (29 U.S.C. 207), as added by subsection (a), is amended by adding at the end the following:

"(2) If an employee of a public agency which is a State, political subdivision of a State, or an interstate governmental agency undertakes, on an occasional or sporadic basis and solely at the employee's option, part-time employment for the public agency which is in a different capacity from any capacity in which the employee is regularly employed with the public agency, the hours such employee was employed in performing the different employment shall be excluded by the public agency in the calculation of the hours for which the employee is entitled to overtime compensation under this section.".

(c) SUBSTITUTION.—(1) Section 7(p) (29 U.S.C. 207), as amended by subsection (b), is amended by adding at the end the following:

"(3) If an individual who—

"(A) is employed by a public agency which is a State, political subdivision of a State, or an interstate governmental agency, and

"(B) is employed in fire protection or law enforcement activities (including activities of security personnel in correctional institutions),

agrees, with the approval of the public agency and solely at the option of such individual, to substitute during scheduled work hours for another individual who is employed by such agency in such activities, the hours such employee worked as a substitute shall be excluded by the public agency in the calculation of the hours for which the employee is entitled to overtime compensation under this section.".

(2) Section 11(c) (29 U.S.C. 211(c)) is amended by adding at the end the following: "The employer of an employee who performs substitute work described in section 7(p)(3) may not be required under this subsection to keep a record of the hours of the substitute work.".

VOLUNTEERS

SEC. 4. (a) DEFINITION.—Section 3(e) (29 U.S.C. 203(e)) is amended—

(1) by striking out "paragraphs (2) and (3)" in paragraph (1) and inserting in lieu thereof "paragraphs (2), (3), and (4)", and

(2) by adding at the end the following:

"(4)(A) The term 'employee' does not include any individual who volunteers to perform services for a public agency which is a State, a political subdivision of a State, or an interstate governmental agency, if—

"(i) the individual receives no compensation or is paid expenses, reasonable benefits, or a nominal fee to perform the services for which the individual volunteered; and

"(ii) such services are not the same type of services which the individual is employed to perform for such public agency.

"(B) An employee of a public agency which is a State, political subdivision of a State, or an interstate governmental agency may volunteer to perform services for any

other State, political subdivision, or interstate governmental agency, including a State, political subdivision or agency with which the employing State, political subdivision, or agency has a mutual aid agreement.".

(b) REGULATIONS.—Not later than March 15, 1986, the Secretary of Labor shall issue regulations to carry out paragraph (4) of section 3(e) (as amended by subsection (a) of this section).

(c) CURRENT PRACTICE.—If, before April 15, 1986, the practice of a public agency was to treat certain individuals as volunteers, such individuals shall until April 15, 1986, be considered, for purposes of the Fair Labor Standards Act of 1938, as volunteers and not as employees. No public agency which is a State, a political subdivision of a State, or an interstate governmental agency shall be liable for a violation of section 6 occurring before April 15, 1986, with respect to services deemed by that agency to have been performed for it by an individual on a voluntary basis.

STATE AND LOCAL LEGISLATIVE EMPLOYEES

SEC. 5. Clause (ii) of section 3(e)(2)(C) (29 U.S.C. 203(e)(2)(C)) is amended—

(1) by striking out "or" at the end of subclause (III),

(2) by striking out "who" in subclause (IV),

(3) by striking out the period at the end of subclause (IV) and inserting in lieu thereof ", or", and

(4) by adding after subclause (IV) the following:

"(V) is an employee in the legislative branch or legislative body of that State, political subdivision, or agency and is not employed by the legislative library of such State, political subdivision, or agency.".

EFFECTIVE DATE

SEC. 6. The amendments made by this Act shall take effect April 15, 1986. The Secretary of Labor shall before such date promulgate such regulations as may be required to implement such amendments.

EFFECT OF AMENDMENTS

SEC. 7. The amendments made by this Act shall not affect whether a public agency which is a State, political subdivision of a State, or an interstate governmental agency is liable under section 16 of the Fair Labor Standards Act of 1938 for a violation of section 6, 7, or 11 of such Act occurring before April 15, 1986, with respect to any employee of such public agency who would have been covered by such Act under the Secretary of Labor's special enforcement policy on January 1, 1985, and published in section 775.3 of title 29 of the Code of Federal Regulations.

DISCRIMINATION

SEC. 8. A public agency which is a State, political subdivision of a State, or an interstate governmental agency and which discriminates or has discriminated against an employee with respect to the employee's wages or other terms or conditions of employment because on or after February 19, 1985, the employee asserted coverage under section 7 of the Fair Labor Standards Act of 1938 shall be held to have violated section 15(a)(3) of such Act.

Amend the title so as to read: "An Act to amend the Fair Labor Standards Act of 1938 to authorize the provision of compensatory time in lieu of overtime compensation for employees of States, political subdivisions of States, and interstate governmental agencies, to clarify the application of the Act to volunteers, and for other purposes.".

Mr. DOLE. Mr. President, I move that the Senate disagree to the House amendments and request a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. HATCH, Mr. STAFFORD, Mr. NICKLES, Mr. KENNEDY, and Mr. METZENBAUM conferees on the part of the Senate.

FUEL ETHANOL INDUSTRY AND THE FARM BILL

Mr. DURENBERGER. Mr. President, this is the fifth in my series of statements on the farm bill, and it is an appropriate forum to highlight the growth and importance of the fuel ethanol industry to America's farmers.

The Federal Government's commitment to the ethanol industry grew out of the economic and social effects of disruptions in the supply of oil imports from the Middle East during the 1970's. In 1978, as a part of its efforts to develop greater energy independence, Congress adopted a multifaceted national policy to support and nurture the development of a domestic fuel ethanol industry.

Federal initiatives implementing this policy include an excise tax-exemption and other tax incentives, cooperative agreements, research and development grants, and a special federal tariff on imported fuel ethanol—now at 60 cents per gallon. The Government has also invested, in the form of guaranteed loans, millions of dollars in the construction and development of ethanol production facilities at various locations throughout the country.

The success of this policy has been dramatic. Over 135 domestic production facilities have been constructed representing an investment of more than $1 billion. U.S. production of fuel ethanol has increased over fortyfold since 1978, climbing from 10 million gallons in 1978 to over 500 million gallons this year.

The impact of this growth both on the Nation's dependence on foreign oil supplies and on the trade deficit has been substantial. Each gallon of domestically produced ethanol displaces as much as 1.1 gallons of imported oil, which saved the country $337 million in 1983 and $443 million in 1984 on its oil import bill. The food byproducts from ethanol production provide an important source of exports which, when combined with the savings on imported oil, reduced the Nation's trade deficit by over $500 million in 1982.

Indirect economic benefits have been equally significant. The 1984 domestic production alone generated over $1.6 billion in economic activity, creating thousands of jobs in heavily depressed sectors of the labor force: agriculture, construction, trucking, and the railroads.

Domestic ethanol production in 1984 created a nearly 200 million bushel increase in the demand for corn, the feedstock most commonly used for ethanol production in this country. This had a material impact on corn prices and increased the income of our Nation's farmers by roughly $700 million.

Moreover, this growth in the ethanol industry has generated these economic benefits at virtually no cost to the Federal Treasury. A 1982 GAO report determined that the lost revenues from tax-exemptions for ethanol are more than offset by an even larger decrease in Federal outlays under agricultural price support programs, such as PIK, due to the increased demand for corn in producing ethanol.

As one of the chief architects of this policy, I would say it has been extremely successful. With continued congressional support, annual production could increase fivefold, producing 2.5 billion gallons of fuel ethanol every year. Increasing annual production to only 1 billion gallons by 1990 would cut oil imports by 22 percent, increase farm income by $3.59 billion, and generate over $4 billion per year in economic activity.

A growing ethanol industry is important to Minnesota farmers. The industry will soon become a vital component of Minnesota's agricultural economy.

Currently, we have two ethanol facilities on line with a capacity of 4.5 million gallons. We also have a large number of new facilities planned which could boost production to 40 million gallons a year. That's over 20 million bushels of corn and at current market conditions that is $4.4 billion for farmers.

The demand for ethanol is there, and it is only going up. In December 1984, consumption of gasohol in Minnesota was 1.5 percent. Now it's up to 30 percent. And by January, lead will be virtually eliminated, leaving an octane gap which ethanol can fill.

But, Mr. President, we've a few more hurdles yet to jump before we're assured of a permanent position in the agricultural economy. One of the biggest threats to the domestic industry is continued high levels of ethanol imported from other countries.

Imported fuel ethanol has increased from less than 5 million gallons in 1981 to over 122 million gallons in 1984, capturing 21 percent of the domestic market. This rapid increase in imports has occurred in spite of an increase in the Federal tariff on imported fuel ethanol during the same period from 10 cents to 50 cents per gallon and now it is 60 cents a gallon.

Mr. President, this body has already dealt with this issue several times this

fall. Through a series of amendments instructing the Customs Service to close loopholes in the tariff schedule under which ethanol in a variety of forms was entering duty-free, we've sent a clear signal that further flooding of the U.S. market is not acceptable to this body.

During the pendancy of the farm bill, several of my colleagues and I will be offering a number of amendments to further our commitment to the fuel ethanol industry. By adopting these amendments we will reaffirm our commitment to restore a faltering agricultural economy and establish fuel ethanol's vital place in that economy. I strongly urge all of my colleagues to support these important amendments.

ROUTINE MORNING BUSINESS

(During the day routine morning business was transacted and additional statements were submitted, as follows:)

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting a nomination which were referred to the Committee on the Judiciary.

(The nomination received today is printed at the end of the Senate proceedings.)

REPORT ON SANCTIONS AGAINST NICARAGUA—MESSAGE FROM THE PRESIDENT—PM 90

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers; which was referred to the Committee on Banking, Housing, and Urban Affairs:

To the Congress of the United States:

On May 1, 1985, in Executive Order No. 12513, I declared a national emergency to deal with the threat of the national security and foreign policy of the United States posed by the policies and actions of the Government of Nicaragua. In that order, I prohibited: (1) all imports into the United States of goods and services of Nicaraguan origin; (2) all exports from the United States of goods to or destined for Nicaragua except those destined for the organized democratic resistance; (3) Nicaraguan air carriers from engaging in air transportation to or from points in the United States; and (4) vessels of Nicaraguan registry from entering United States ports.

The declaration of emergency was made pursuant to the authority vested in me as President by the Constitution and laws of the United States, including the International Emergency Economic Powers Act, 50 U.S.C. 1701 et seq., and the National Emergencies Act, 50 U.S.C. 1601 et seq. I reported the declaration to the Congress on May 1, 1985, pursuant to Section 1703(b) of the International Emergency Economic Powers Act.

The Office of Foreign Assets Control of the Department of the Treasury issued the Nicaraguan Trade Control Regulations implementing the prohibitions in Executive Order No. 12513 on May 8, 1985, 50 Fed. Reg. 19890 (May 10, 1985). I am enclosing a copy of these regulations with this report.

It should be noted that Section 540.505 permits the issuance of licenses authorizing the export of goods from the United States to Nicaragua in certain circumstances involving contractual obligations which the exporter incurred prior to May 1, 1985. The regulation provides that such exports may be authorized only through October 31, 1985. Once this deadline has passed, licenses for exports on prior contractual grounds will no longer be available.

The policies and actions of the Government of Nicaragua continue to pose an unusual and extraordinary threat to the national security and foreign policy of the United States. I shall continue to exercise the powers at my disposal to apply economic sanctions against Nicaragua as long as these measures are appropriate, and will continue to report periodically to the Congress on significant developments, pursuant to 50 U.S.C. 1703(c).

RONALD REAGAN.

THE WHITE HOUSE, *October 31, 1985.*

PRESIDENTIAL APPROVAL

A message from the President of the United States announced that on October 30, 1985, he had approved and signed the following enrolled bill:

S. 1726. An act to amend section 51(b) of the Arms Export Control Act, relating to the funding of the Special Defense Acquisition Fund.

MESSAGES FROM THE HOUSE

ENROLLED BILL SIGNED

At 2:06 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of it reading clerks, announced that the Speaker has signed the following enrolled bill:

H.R. 2942. An act making appropriations for the legislative branch for the fiscal year ending September 30, 1986, and for other purposes.

The enrolled bill was subsequently signed by the President pro tempore (Mr. THURMOND).

At 3:30 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, annonced that the House has passed the following joint resolution, with amendments, in which it requests the concurrence of the Senate:

S.J. Res. 29. Joint resolution to designate the week of November 11, 1985, through November 17, 1985, as "National Reyes Syndrome Week".

The message also announced that the House has passed the following joint resolution, in which it requests the concurrence of the Senate:

H.J. Res. 126. Joint resolution to designate the week of November 3, 1985, through November 9, 1985, as "National Drug Abuse Education Week".

MEASURE PLACED ON THE CALENDAR

The following joint resolution was read the first and second times by unanimous consent, and placed on the calendar.

H.J. Res. 126. Joint resolution to designate the week of November 3, 1985, through November 9, 1985, as "National Drug Abuse Education Week."

ENROLLED BILL AND JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, October 31, 1985, she had presented to the President of the United States the following enrolled bill and joint resolution:

S. 1160. An act to authorize appropriations for military functions of the Department of Defense and to prescribe military personnel levels for the Department of Defense for fiscal year 1986, to revise and improve military compensation programs, to improve defense procurement procedures, to authorize appropriations for fiscal year 1986 for national security programs of the Department of Energy, and for other purposes; and

S.J. Res. 227. Joint resolution to commend the people and the sovereign confederation of the neutral nation of Switzerland for their contributions to freedom, international peace, and understanding on the occasion of the meeting between the leaders of the United States and the Soviet Union on November 19-20, 1985, in Geneva, Switzerland.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. KASTEN, from the Committee on Appropriations, without amendment:

S. 1816: An original bill making appropriations for foreign assistance and related programs for the fiscal year ending September 30, 1986, and for other purposes (Rept. No. 99-167).

By Mr. MATTINGLY, from the Committee on Appropriations, with amendments:

H.R. 3327: A bill making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1986, and for other purposes (Rept. No. 99-168).

By Mr. MATHIAS, from the Committee on Rules and Administration, without amendment:

S. Con. Res. 80: Concurrent resolution to authorize the printing of 2,000 additional copies of the committee print of the Committee on Armed Services (99th Congress, 1st session) entitled "Defense Organization: The Need for Change" (Rept. No. 99-169).

S. Res. 244: An original resolution authorizing the printing of background information on the Committee on Foreign Relations as a Senate document (Rept. No. 99-170).

By Mr. MATHIAS, from the Committee on Rules and Administration, without amendment:

S. Res. 250: An original resolution to pay gratuity to Alben A. Flatt.

S. Res. 251: An original resolution to pay a gratuity to Pauline Washburn.

S. Res. 252:. An original resolution to pay a gratuity to Reilly B. Flaherty and Andrella M.S. Flaherty.

S. Res. 253: An original resolution to pay a gratuity to Stephanie L. Rogers Smith.

By Mr. THURMOND, from the Committee on the Judiciary, without amendment and with a preamble:

S.J. Res. 130: Joint resolution designating the week beginning on November 10, 1985, as "National Blood Pressure Awareness Week."

S.J. Res. 208: Joint resolution to designate the week of October 27, 1985, through November 2, 1985, as "National Alopecia Awareness Week."

S.J. Res. 213: Joint resolution to designate January 19-25, 1986, as "National Jaycee Week."

S.J. Res. 219: Joint resolution to designate the week of November 3, 1985, through November 9, 1985, as "National Humanities Week, 1985."

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. McCLURE, from the Committee on Energy and Natural Resources:

C.M. Naeve, of Virginia, to be a member of the Federal Energy Regulatory Commission for a term expiring October 20, 1989.

(The above nomination was reported from the Committee on Energy and Natural Resources with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. THURMOND, from the Committee on the Judiciary:

Charles J. Cooper, of Virginia, to be an Assistant Attorney General.

(The above nomination was reported from the Committee on the Judiciary with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Edward R. Korman, of New York, to be U.S. district judge for the eastern district of New York;

Robert E. Cowen, of New Jersey, to be U.S. district judge for the district of New Jersey;

William J. Zloch, of Florida, to be U.S. district judge for the southern district of Florida; and

Jane R. Roth, of Delaware, to be U.S. district judge for the district of Delaware.

By Mr. DANFORTH, from the Committee on Commerce, Science, and Transportation:

Edward V. Hickey, Jr., of Virginia, to be a Federal Maritime Commissioner for the remainder of the term expiring June 30, 1986.

(The above nomination was reported from the Committee on Commerce, Science, and Transportation with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. CHAFEE (for himself, Mr. HEINZ, and Mr. BAUCUS):

S. 1814. A bill to amend the Internal Revenue Code of 1954 to provide that employees may take certain contributions to provide for cost-of-living protection under a defined benefit plan, and for other purposes; to the Committee on Finance.

By Mr. HATCH (for himself and Mr. KENNEDY):

S. 1815. A bill to prevent the denial of employment opportunities by prohibiting the use of lie detectors by employers involved in or affecting interstate commerce; to the Committee on Labor and Human Resources.

By Mr. KASTEN:

S. 1816. An original bill making appropriations for foreign assistance and related programs for the fiscal year ending September 30, 1986, and for other purposes; from the Committee on Appropriations; placed on the calendar.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. MATHIAS, from the Committee on Rules and Administration:

S. Res. 250. An original resolution to pay a gratuity to Alben A. Flatt; placed on the calendar.

S. Res. 251. An original resolution to pay a gratuity to Pauline Washburn; placed on the calendar.

S. Res. 252. An original resolution to pay a gratuity to Reilly B. Flaherty and Ardella M.S. Flaherty; placed on the calendar.

S. Res. 253. An original resolution to pay a gratuity to Stephanie L. Rogers Smith; placed on the calendar.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CHAFEE (for himself, Mr. HEINZ, and Mr. BAUCUS):

S. 1814. A bill to amend the Internal Revenue Code of 1954 to provide that employees may make certain contributions to provide for cost-of-living protection under a defined benefit plan, and for other purposes; to the Committee on Finance.

CONTRIBUTIONS TO COST-OF-LIVING ARRANGEMENTS

Mr. CHAFEE. Mr. President, today I am pleased to join with Senators HEINZ and BAUCUS in introducing legislation to create a mechanism for private pension plans to provide annual cost-of-living increases. The legislation permits employers and employees to jointly fund supplemental retirement benefits [SRB's] through tax-qualified pension plans using employer contributions and employee savings in company programs.

Retirees and those approaching retirement today face much uncertainty about the future buying power of their private sector pensions. Unlike Social Security and many government employee pension plans, virtually no private sector pensions are regularly indexed to compensate for increases in the cost of living. Consequently, inflation, such as we have experienced during the past decade, rapidly erodes the economic security of millions of elderly Americans. By making the SRB available, we not only can offer inflation protection to retiring workers, but we will encourage them to increase savings to purchase the added benefit.

The SRB Program would be voluntary on the part of employees and could be funded by any combination of savings from the worker and contribution from the company. Already, several large employers have shown interest in offering an SRB Program. Of course, it would have to be offered on a nondiscriminatory basis to high and low paid employees alike. In addition, the amount of the SRB could not exceed the greater of 3 percent of a retiree's initial pension payment or a percentage of the pension equal to a 7-year average of the consumer price index.

Legislation is needed to implement this program because current law will not allow making a 1-year contribution toward retirement benefits that would be large enough to fund the SRB. Furthermore, our bill assures that the employer's contribution will not be taxable to the employee until it is received as income in the form of supplemental retirement benefits.

The act would also allow:

Employer/employee cost sharing in providing supplemental retirement benefits;

An employer to condition its contribution for supplemental retirement benefits on the employee's agreement to share a portion of the cost;

An employer to fund its contribution for these supplemental benefits over the employee's career; and

The benefits to be subject to the joint and survivor protections of current law.

I introduced similar legislation in the last Congress as S. 1066, and held a hearing on that bill in the Senate Finance Committee's Subcommittee on Pensions, Savings and Investment Policy on September 17, 1983. The Treasury Department testified in opposition to the legislation at that hearing, but since that time the legislation has been modified so that the Treasury Department no longer has any objection to the legislation of which I am aware. According to the Joint Committee on Taxation, the revenue loss associated with the legislation should be minimal, less than $10 million a year.

The President's tax reform proposal, as well as the other tax reform plans which have been put forth, recognize the need to encourage our private pension system and to encourage the use of savings for retirement security purposes. The supplemental retirement benefit proposal we are proposing does precisely that. In the interest of enhancing retirement income security for our working men and women, we urge all our colleagues to consider cosponsoring and supporting this legislation.

Mr. President, I ask that the text of the Supplemental Retirement Benefit Act of 1985 be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1814

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CONTRIBUTIONS TO COST-OF-LIVING ARRANGEMENTS UNDER DEFINED BENEFIT PLANS.

(a) IN GENERAL.—Section 415(k) of the Internal Revenue Code of 1954 (relating to special rules for limitations on benefits and contributions under qualified plans) is amended by adding at the end thereof the following new paragraph:

"(2) CONTRIBUTIONS TO PROVIDE COST-OF-LIVING PROTECTION UNDER DEFINED BENEFIT PLANS.—

"(A) IN GENERAL.—In the case of a defined benefit plan which maintains a qualified cost-of-living arrangement—

"(i) any contribution made directly by an employee under such arrangement shall—

"(I) not be treated as an employee contribution for purposes of subsection (c), but

"(II) shall be so treated for purposes of subsection (e), and

"(ii) any benefit under such arrangement which is allocable to an employer contribution which was transferred from a defined contribution plan and to which the requirements of subsection (c) were applied shall, for purposes of subsection (b), be treated as a benefit derived from an employee contribution (and subsection (c) shall not again apply to such contribution by reason of such transfer).

"(B) A QUALIFIED COST-OF-LIVING ARRANGEMENT.—For purposes of this paragraph, the term 'qualified cost-of-living arrangement' means an arrangement under a defined benefit plan which—

"(i) indexes a benefit provided under such plan or a separate plan subject to the requirements of section 412, and

"(ii) meets the requirements of subparagraphs (C), (D), and (E) and such other requirements as the Secretary may prescribe by regulations.

"(C) DETERMINATION OF AMOUNT OF BENEFIT.—An arrangement meets the requirement of this subparagraph only if the cost-of-living adjustment of participants is based—

"(i) on increases in the cost-of-living after the annuity starting date, and

"(ii) on average cost-of-living increases determined by reference to 1 or more indexes prescribed by the Secretary, except that the arrangement may provide that the increase for any year will not be less than 3 percent of the primary retirement benefit.

"(D) ARRANGEMENT ELECTIVE; TIME FOR ELECTION.—An arrangement meets the requirements of this subparagraph only if it is elective and it provides that such election may be made in—

"(i) the year in which the participant—

"(I) attains the earliest retirement age under the defined benefit plan, or

"(II) separates from service, or

"(ii) both such years.

"(E) ANTIDISCRIMINATION REQUIREMENTS.—

"(i) IN GENERAL.—An arrangement meets the requirements of this subparagraph only if the arrangement does not discriminate in favor of highly compensated employees as to eligibility to participate.

"(ii) PATTERN OF ABUSE.—Notwithstanding clause (i), an arrangement shall not meet the requirements of this subparagraph if the Secretary finds that a pattern of abuse exists with respect to participation.

"(F) SPECIAL RULES FOR APPLICATION OF SUBPARAGRAPH (E) IN THE CASE OF KEY EMPLOYEES.—An arrangement shall not meet the requirements of subparagraph (E) if—

"(i) in the case of an arrangement under a top-heavy plan (within the meaning of section 416(g)), any key employee is eligible to participate, or

"(ii) in the case of an arrangement under any other plan, any key employee other than an officer described in section 416(i)(1)(A)(i) is eligible to participate.

For purposes of this subparagraph, the term 'key employee' has the meaning given such term by section 416(i)(1).".

(b) CERTAIN TRANSFERS TO DEFINED BENEFIT PLANS NOT TAKEN INTO ACCOUNT FOR PURPOSES OF LUMP-SUM DISTRIBUTION.—Section 402(e)(4) of the Internal Revenue Code of 1954 (relating to special rules for lump-sum distributions) is amended by adding at the end thereof the following new subparagraph:

"(N) TRANSFERS TO COST-OF-LIVING ARRANGEMENT NOT TREATED AS DISTRIBUTION.—For purposes of this subsection, the balance to the credit of an employee shall not include any amount transferred from a defined contribution plan to a qualified cost-of-living arrangement (within the meaning of section 415(k)(2)) under a defined benefit plan.".

(c) CONTRIBUTIONS NOT DEDUCTIBLE.—Paragraph (2) of section 219(e) of the Internal Revenue Code of 1954 (defining qualified voluntary employee contribution) is amended by adding at the end thereof the following new subparagraph:

"(D) CONTRIBUTIONS TO QUALIFIED COST-OF-LIVING ARRANGEMENTS.—The term 'qualified voluntary employee contribution' shall not include any contribution by an employee to a qualified cost-of-living arrangement (within the meaning of section 415(k)(2)(B)).".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning after December 31, 1985.

Mr. HEINZ. Mr. President, I am pleased to join with Senator CHAFEE in introducing legislation to encourage employers and employees to fund annual cost-of-living adjustments for private pension plans. This legislation recognizes the need to maintain the purchasing power of retirement benefits after retirement has occurred. I think it offers a creative approach to a difficult problem.

Inflation can be a source of substantial financial insecurity for older Americans. Only a portion of the retirement income the elderly receive is adequately protected against inflation. Social Security and other Federal retirement benefits are automatically adjusted each year to maintain their purchasing power, but these benefits provide less than half of the income the elderly receive. Benefits from private pension plans in particular are unlikely to be adjusted regularly for inflation. A survey of private pension plans conducted in 1981 showed that only 3 percent of the plans provided for automatic annual benefit increases after retirement. All of the plans surveyed had provided some ad hoc benefit increase, but the average increase amounted to only 3 to 4 percent per year, in a time of double-digit inflation.

Fixed pension benefits that are adequate at the start of retirement can become inadequate after several years of inflation. Today, most working Americans can look forward to more than 15 years of retirement after reaching age 65. After 15 years of only 5 percent inflation, pension benefits will be worth only half of what they could be worth at retirement. This decline in value can cause a substantial loss in purchasing power for a retiree depending heavily on these benefits in their later years.

The legislation we are introducing today would provide a mechanism for the inflation protection of private pension benefits. Employees and employers would be encouraged to participate jointly in preparing for the cost of supplemental retirement benefits to compensate for inflation. Senator CHAFEE has worked closely with the Treasury Department in preparing this bill to ensure that it complements our overall retirement income policy, and that it does not reduce tax revenues. I commend him on the fine work he has done. This bill can be an important step toward improving the adequacy of the retirement benefits provided through our voluntary employer-sponsored pension system. I urge my colleagues to join with us in this effort.

51-059 O 87-50 (Pt 21)

By Mr. HATCH (for himself and Mr. KENNEDY):

S. 1815. A bill to prevent the denial of employment opportunities by prohibiting the use of lie detectors by employers involved in or affecting interstate commerce; to the Committee on Labor and Human Resources.

POLYGRAPH PROTECTION ACT

Mr. HATCH. Mr. President, today Senator KENNEDY and I are introducing the Polygraph Protection Act of 1985, a bill which will afford needed protection for American working men and women by prohibiting the use of truth verification devices in the private sector.

While there appears to be little consensus of opinion regarding lie detector tests, there seems to be agreement on one issue. Lie detection is by no means a science; it is at best a craft. As a result, the validity and reliability of these tests often depend in large part on the competency, professionalism, and integrity of the test administrator. The potential for human error is high, especially when the test is given in a short period of time, and research has shown that even the most respected and reputable polygraphers make mistakes, mistakes which can unjustly condemn and stigmatize an individual for life, rob him of his livelihood, or bar him from just advancement.

Despite the numerous concerns with the accuracy and merit of these tests, their use is increasing. In 1983, the Congressional Office of Technology Assessment observed that polygraph examinations are being used not just for criminal investigations but also for preemployment screening, periodic screening of employees to control crime, and to recommend promotion. The Office estimated that more than 1 million polygraph tests are being administered each year in the private sector alone.

What makes this statistic so disturbing is the fact that even proponents of polygraph testing admit that there is probably a 5-percent rate of error in the analysis of test results. Consequently, even under the best of circumstances, some 50,000 workers may have their employment opportunities terminated, curtailed, or blocked each year due not to their own work record but due to employer reliance on the results of invalid polygraph tests. In addition, there is evidence that in several instances, test results are deliberately manipulated or annualized to justify a predetermined decision—a decision not to hire a qualified applicant or a desire to fire an innocent employee.

I recognize that more than half of the States in this country, including my own State of Utah, have sought to offer some protection against polygraph test abuse. Yet, as one would expect, there is little uniformity in the content of these State laws. While some States bar polygraph examinations entirely, others only prohibit employers from requiring employees or applicants to submit to such tests. In these latter instances the consequences can be quite severe. Often, it is quickly learned that a refusal to take a test is considered commensurate with failing it. Moreover, some employers also avoid State restrictions by hiring employees in States permitting the use of polygraphs and then transferring these employees to States where their use is barred. In sum, it is time for the Federal Government to act and establish a uniform means for protecting all working men and women regardless of geographical location.

At the same time, the bill does recognize that the use of polygraph tests may have a limited role where they are administered in an objective, professional, and complete manner. Consequently, the prohibitions in the bill do not apply to Federal, State or local governments. Moreover, the prohibitions do not extend to the employees of defense contractors who have access to classified information.

The legislation we are introducing today attempts to strike a legitimate balance between governmental need and the rights of working men and women. I do recognize, however, that as drafted the bill does not address arguments from employers that polygraph tests are the only effective means at their disposal for ascertaining the veracity of employment applications, locating drug or similar types of abuse among employees, or rooting out crime in their work force.

It is impossible for me at this time to fully evaluate the merit of these assertions, but there are still too many examples of polygraph test abuse for Congress not to move forward to establish some uniform protection for working men and women. It is my hope that in the ensuing months we will be able to work with all interested parties and develop legislation that will protect the rights of all employees in a logical, effective, and enforceable manner.

I ask unanimous consent that the bill be printed in its entirety at the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1815

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Polygraph Protection Act of 1985".

PURPOSE

SEC. 2. (a) PURPOSE.—It is the purpose of this Act to prevent the denial of employment opportunities based on the use of lie detectors designed to detect deception or verify the truth of statements.

(b) CONSTRUCTION.—This Act shall be construed to prohibit the use of all such lie detectors on any employee, agent, prospective employee, and prospective agent.

PROHIBITION ON LIE DETECTOR USE

SEC. 3. No employer or any other person engaged in or affecting interstate commerce, nor any agent or representative thereof—

(1) may directly or indirectly require, request, suggest, permit or cause any employee, agent, prospective employee, or prospective agent to take or submit to any lie detector test or examination for any purpose;

(2) may use, accept, or refer to the results of any lie detector test or examination of any employee, agent, prospective employee, or prospective agent for any purpose; or

(3) may—

(A) discharge, dismiss, discipline in any manner, or deny employment or promotion to; or

(B) threaten to discharge, dismiss, discipline, or deny employment or promotion to, any employee, agent, prospective employee, or prospective agent who refuses, declines, or fails to take or submit to any lie detector test or examination.

NOTICE OF PROTECTION

SEC. 4. (a) NOTICE OF PROTECTION.—The Secretary of Labor shall prepare and have printed a notice setting forth information necessary to carry out the purpose of this Act.

(b) POSTING REQUIRED.—The notice required by this section shall be posted at all times in conspicuous places upon the premises of every employer engaged in any business in or affecting interstate commerce.

RULES AND REGULATIONS

SEC. 5. In accordance with the provisions of subchapter II of chapter 5 of title 5, United States Code, the Secretary of Labor shall issue such rules and regulations as may be necessary or appropriate to carry out this Act.

AUTHORITY OF THE SECRETARY OF LABOR

SEC. 6. The Secretary of Labor shall—

(1) make such delegations, appoint such agents and employees, and pay for such technical assistance on a fee for service basis, as the Secretary deems necessary to assist in carrying out the functions prescribed by this Act;

(2) cooperate with regional, State, local, and other agencies, and cooperate with and furnish technical assistance to employers, labor organizations, and employment agencies to aid in carrying out the purpose of this Act; and

(3) make investigations and require the keeping of records necessary or appropriate for the administration of this Act in accordance with the powers and procedures provided in sections 9 and 11 of the Fair Labor Standards Act of 1938 (29 U.S.C. 209 and 211).

ENFORCEMENT PROVISIONS

SEC. 7. The provisions of this Act shall be enforced in accordance with the powers, remedies, and procedures provided in sections 11(b), 16, and 17 of the Fair Labor Standards Act of 1938 (29 U.S.C. 211(b), 216, and 217). Amounts owing to a person as a result of a violation of this Act shall be deemed to be unpaid minimum wages or unpaid overtime compensation for purposes of sections 16 and 17 of the Fair Labor Standards Act of 1938 (29 U.S.C. 216 and 217).

EXEMPTIONS

SEC. 8. The provisions of this Act shall not apply with respect to—

(1) any individual who is employed by the United States Government, a State government, city, or any political subdivision of a State or city; or

(2) personnel of contractors of the Department of Defense with access to classified information.

Personnel described in clause (2) may be subject to the polygraph program authorized in the Department of Defense Authorization Act, 1986.

DEFINITIONS

SEC. 9. As used in this Act—

(1) the term "person" means any natural person, firm, association, partnership, corporation, or any employee or agent thereof;

(2) the term "lie detector" includes but is not limited to any polygraph, deceptograph, voice stress analyzer, psychological stress evaluator, or any other similar device (whether mechanical, electrical, or chemical) which is used, or the results of which are used, for the purpose of detecting deception or verifying the truth of statements; and

(3) the term "employer" includes an employment agency.

EFFECTIVE DATE

SEC. 10. The provisions of this Act shall take effect on the date of enactment of this Act, except that the provisions of section 4 shall take effect six months after the date of enactment of this Act.

ADDITIONAL COSPONSORS

S. 384

At the request of Mr. BUMPERS, the name of the Senator from Tennessee [Mr. GORE] was added as a cosponsor of S. 384, a bill to authorize appropriations for a highway demonstration project on U.S. Highway 71 between Alma, Arkansas, and Bella Vista, Arkansas, that would increase the number of lanes on this segment of the route from two to four.

S. 1543

At the request of Mr. MATHIAS, the name of the Senator from Connecticut [Mr. DODD] was added as a cosponsor of S. 1543, a bill to protect patent owners from importation into the United States of goods made overseas by use of a United States patented process.

S. 1647

At the request of Mr. LAUTENBERG, the name of the Senator from Hawaii [Mr. MATSUNAGA] was added as a cosponsor of S. 1647, a bill to amend the Tariff Act of 1930 to enhance the protection of intellectual property rights.

S. 1707

At the request of Mr. SIMON, the names of the Senator from New Jersey [Mr. BRADLEY], and the Senator from Tennessee [Mr. GORE] were added as cosponsors of S. 1707, a bill to authorize the President to present a gold medal to the parents of Father Jerzy Popieluszko.

S. 1775

At the request of Mr. DODD, the name of the Senator from Maryland [Mr. SARBANES] was added as a cosponsor of S. 1775, a bill to authorize a multifamily housing preservation loan program.

S. 1787

At the request of Mr. BURDICK, his name was withdrawn as a cosponsor of S. 1787, a bill to amend the Federal Election Campaign Act of 1971 to provide for the public financing of Senate general election campaigns.

SENATE JOINT RESOLUTION 2

At the request of Mr. HATCH, the name of the Senator from New Mexico [Mr. DOMENICI] was added as a cosponsor of Senate Joint Resolution 2, a joint resolution proposing an amendment to the Constitution of the United States relating to voluntary silent prayer or reflection.

SENATE JOINT RESOLUTION 74

At the request of Mr. THURMOND, the name of the Senator from Ohio [Mr. METZENBAUM] was added as a cosponsor of Senate Joint Resolution 74, a joint resolution to provide for the designation of the month of February, 1986, as "National Black (Afro-American) History Month."

SENATE JOINT RESOLUTION 170

At the request of Mr. SIMON, the names of the Senator from Georgia [Mr. NUNN], and the Senator from Mississippi [Mr. STENNIS] were added as cosponsors of Senate Joint Resolution 170, a joint resolution to designate the month of March 1986 as "Music In Our Schools Month."

SENATE CONCURRENT RESOLUTION 39

At the request of Mr. DODD, the name of the Senator from Illinois [Mr. SIMON] was added as a cosponsor of Senate Concurrent Resolution 39, a concurrent resolution expressing the support of the Congress for Costa Rica's neutrality and urging the President to support such neutrality.

SENATE CONCURRENT RESOLUTION 72

At the request of Mr. SIMON, the names of the Senator from Wyoming [Mr. WALLOP], the Senator from Arkansas [Mr. BUMPERS], the Senator from Rhode Island [Mr. CHAFEE], the Senator from Oklahoma [Mr. BOREN], the Senator from New Jersey [Mr. BRADLEY], and the Senator from Indiana [Mr. QUAYLE] were added as cosponsors of Senate Concurrent Resolution 72, a concurrent resolution expressing the sense of Congress concerning human rights in Poland.

SENATE CONCURRENT RESOLUTION 78

At the request of Mr. BRADLEY, the names of the Senator from Oregon [Mr. HATFIELD], the Senator from Vermont [Mr. STAFFORD], the Senator from Michigan [Mr. RIEGLE], and the Senator from Missouri [Mr. DANFORTH] were added as cosponsors of Senate Concurrent Resolution 78, a concurrent resolution in support of universal access to immunization by 1990 and accelerated efforts to eradicate childhood diseases.

SENATE CONCURRENT RESOLUTION 81

At the request of Mr. SIMON, the name of the Senator from Maryland [Mr. MATHIAS] was added as cosponsors of Senate Concurrent Resolution 81, a concurrent resolution requesting the President to begin talks with the Government of the Soviet Union to establish a United States-Soviet Union student exchange for peace program.

SENATE CONCURRENT RESOLUTION 83

At the request of Mr. D'AMATO, the names of the Senator from North Dakota [Mr. ANDREWS] and the Senator from Iowa [Mr. HARKIN] were added as cosponsors of Senate Concurrent Resolution 83, a concurrent resolution expressing the sense of the Congress that Federal tax reform legislation not take effect until its date of enactment, but in no case earlier than July 1, 1986.

SENATE RESOLUTION 250—TO PAY A GRATUITY TO ALBEN A. FLATT

Mr. MATHIAS, from the Committee on Rules and Administration, reported the following original resolution; which was placed on the calendar.

S. RES. 250

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Alben A. Flatt, widower of Jeannine H. Flatt, an employee of the Senate at the time of her death, a sum equal to eight months' compensation at the rate she was receiving by law at the time of her death, said sum to be considered inclusive of funeral expenses and all other alllowances.

SENATE RESOLUTION 251—TO PAY A GRATUITY TO PAULINE WASHBURN

Mr. MATHIAS, from the Committee on Rules and Administration, reported the following original resolution; which was placed on the calendar.

S. RES. 251

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Pauline Washburn, widow of Elwood C. Washburn, an employee of the Senate at the time of his death, a sum equal to ten and one-half months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

SENATE RESOLUTION 252—TO PAY A GRATUITY TO REILLY P. FLAHERTY AND ARDELLA M. S. FLAHERTY

Mr. MATHIAS, from the Committee on Rules and Administration, reported the following original resolution; which was placed on the calendar.

S. RES. 252

Resolved, That the Secretary of the Senate hereby is authorized and directed to

pay, from the contingent fund of the Senate, to Reilly B. Flaherty and Ardella M. S. Flaherty, parents of Terrence R. Flaherty, an employee of the Senate at the time of his death, a sum to each equal to one-half of one years' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

SENATE RESOLUTION 253—TO PAY A GRATUITY TO STEPHANIE L. ROGERS SMITH

Mr. MATHIAS, from the Committee on Rules and Administration, reported the following original resolution; which was placed on the calendar.

S. RES. 253

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Stephanie L. Rogers Smith, widow of Kenneth R. Smith, an employee of the Senate at the time of his death, a sum equal to six months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

AMENDMENTS SUBMITTED

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATION, 1986

JOHNSTON AMENDMENT NO. 934

Mr. JOHNSTON proposed an amendment which was subsequently modified, to the language proposed to be stricken on page 54, line 25, through page 55, line 17 of the bill (H.R. 3011) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1986, and for other purposes; as follows:

In lieu of the language proposed to be stricken insert the following:

"Of the funds appropriated to the Energy Security Reserve by the Department of the Interior and Related Agencies Appropriations Act, 1980 (Public Law 96-126) and subsequently made available to carry out Title I, Part B of the Energy Security Act (Public Law 96-294) by Public Laws 96-304, 96-514, and 98-473, $500,000,000 of the amounts initially available only for obligation to projects with Letters of Intent authorized by the Board of Directors on or before June 1, 1984, and not obligated rescinded; *Provided,* That the Board of Directors shall proceed to complete action on those projects under consideration or negotiation by the Corporation as of October 1, 1985; *Provided, further,* That such actions shall include either the award by the Board of financial assistance to such a project or a determination by the Board that the Corporation will not enter into financial assistance contracts for such project.".

McCLURE AMENDMENT NO. 935

Mr. McCLURE proposed an amendment to amendment No. 934 proposed by Mr. JOHNSTON to the bill H.R. 3011, supra; as follows:

At the end of amendment 934 add the following: "*Provided, further,* That, notwithstanding section 191 of the Energy Security Act (Public Law 96-294), (a) the Board of Directors shall make no new awards or commitments for financial assistance pursuant to section 131 of the Energy Security Act for synthetic fuel projects after September 30, 1986; and (b) the Corporation shall terminate on September 30, 1991, except that the President, on recommendation of the Board of Directors, may by Executive order terminate the Corporation at an earlier date, but in no event prior to Septmember 30, 1989.".

METZENBAUM (AND OTHERS) AMENDMENT NO. 936

Mr. METZENBAUM (for himself, Mr. BRADLEY, Mr. DODD, Mr. NICKLES, and Mr. PROXMIRE) proposed an amendment to the language proposed to be stricken on page 54, line 23, through page 54, line 17, to the bill H.R. 3011, supra; as follows:

On page 54, line 23, strike through page 55, line 17, and insert in lieu thereof the following:

Except as otherwise provided in this item, all funds appropriated to the Energy Security Reserve are hereby rescinded. Funds so rescinded shall include all funds appropriated to the Energy Security Reserve by the Department of the Interior and Related Agencies Appropriations Act, 1980 (Public Law 96-126), and subsequently made available to carry out title I, part B of the Energy Security Act by Public Laws 96-304 and 96-514, and shall be deposited in the general fund of the Treasury. This recission shall not apply to:

(1) funds transferred from the Energy Security Reserve by this Act;

(2) $500,000,001, which may not be used for payments with respect to projects or modules under the Energy Security Act; and

(3) such amendments as may be necessary to make payments for projects or modules for which obligations were entered into under title I of the Energy Security Act before the date of enactment of this Act.

EVANS AMENDMENT NO. 937

Mr. EVANS proposed an amendment to amendment No. 936 proposed by Mr. METZENBAUM to the language proposed to be stricken on page 54, line 23, through page 54, line 17 of the bill H.R. 3011, supra; as follows:

In lieu of the language proposed to be inserted, insert the following:

Except as otherwise provided in this item, all funds appropriated to the Energy Security Reserve are hereby rescinded. Funds so rescinded shall include all funds appropriated to the Energy Security Reserve by the Department of the Interior and Related Agencies Appropriations Act, 1980 (Public Law 96-126), and subsequently made available to carry out title I, part B, of the Energy Security Act by Public Laws 96-304 and 96-514, and shall be deposited in the general fund of the Treasury. This rescission shall not apply to:

(1) fund transferred from the Energy Security Reserve by this Act;

(2) $500,000,002, which may not be used for payments with respect of projects or modules under the Energy Security Act; and

(3) such amounts as may be necessary to make payments for projects or modules for which obligations were entered into under Title I of the Energy Security Act before the date of enactment of this Act.

AGRICULTURE, FOOD, TRADE, AND CONSERVATION ACT

INOUYE AMENDMENT NO. 938

(Ordered to lie on the table.)

Mr. INOUYE submitted an amendment intended to be proposed by him to the bill (S. 1714) to expand export markets for U.S. agricultural commodities, provide price and income protection for farmers, assure consumers an abundance of food and fiber at reasonable prices, continue food assistance to low-income households, and for other purposes; as follows:

Beginning on page 299, strike out line 19 and all that follows through line 4 on page 300 and insert in lieu thereof the following new section:

AGRICULTURE

SEC. 1522. (a)(1) Section 1475(b) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3322(b)) is amended—

(A) in the first sentence—

(i) by striking out "and" at the end of paragraph (2);

(ii) by inserting "and" at the end of paragraph (3); and

(iii) by inserting after paragraph (3) the following:

"(4) nonprofit private research institutions;"; and

"(B) by inserting "(of which amount an in-kind contribution may not exceed 50 percent)" after "matching grant" in the last sentence.

(2) Section 1475(d) of such Act is amended—

"(A) by inserting "(1)" after the subsection designation;

"(B) in the first sentence, by striking out "State agencies" and all that follows through "universities,", and inserting in lieu thereof "any of the non-Federal entities specified in subsection (b)";

"(C) by striking out last sentence; and

"(D) by adding at the end thereof the following new paragraphs:

"(2) Funds made available for the operation of such regional centers may be used for the acquisition or rehabilitation of existing buildings or facilties, or the constructon of new buildings or faciilities, to house such centers, except that not more than $250,000 may be used for the acquisition, rehabilitation, or construction of any single building or facility.

"(3) To the extent practicable, the aquaculture research, development, and demonstration centers established under this subsection shall be geographically located such that they are representative of the regional aquaculture opportunities in the United States.".

(3) The first sentence of section 1475(e) is amended—

(A) by inserting "the House Committee on Merchant Marine and Fisheries," after "House Committee on Agriculture,"; and

(B) by inserting "the Senate Committee on Commerce, Science, and Transportation," after "Forestry,".

(b) The first sentence of section 1476(a) of such Act (7 U.S.C. 3323(a)) is amended by striking out "1985" and inserting in lieu thereof "1989".

(c)(1) Section 1477(a) of such Act (7 U.S.C. 3324(a)) is amended by striking out "1985" and all that follows through "subsequent fiscal year" and inserting in lieu thereof "1989".

(2) Section 1477(b) of such Act is amended—

(A) by striking out the first sentence; and

(B) by striking out "these funds" in the second sentence and inserting in lieu thereof "funds appropriated under subsection (a)".

DOLE AMENDMENT NO. 939

Mr. DOLE proposed an amendment to the motion to recommit the bill S. 1714, supra, with instructions; as follows:

In lieu of the instructions proposed insert the following: "to be reported back forth within status quo with the following amendments at the end of the bill insert "Intermediate Export Credit."

DOLE AMENDMENT NO. 940

Mr. DOLE proposed an amendment to amendment No. 939 proposed by him to the motion to recommit with instructions the bill S. 1714, supra; as follows:

In the pending amendment, strike the word "Credit" and insert in lieu thereof: "Credit . . .

INTERMEDIATE EXPORT CREDIT

SEC. . Section 4(b) of the Food for Peace Act of 1966 (7 U.S.C. 1707a(b)) is amended—

(1) by adding at the end of paragraph (1) the following new sentence: "In addition, the Corporation may guarantee the repayment of loans made to finance such sales.";

(2) in paragraph (2)—

(A) by inserting ", and no loan may be guaranteed," after "financed";

(B) by striking out "or" at the end of clause (A);

(C) by striking out the period at the end of clause (B) and inserting in lieu thereof "; or"; and

(D) by inserting at the end thereof the following new clause:

"(C) otherwise promote the export of United States agricultural commodities.";

(3) by striking out paragraph (7);

(4) by redesignating paragraphs (3) through (6) as paragraphs (4) through (7), respectively;

(5) by inserting after paragraph (2) the following new paragraph:

"(3) The Secretary is encouraged, to the maximum extent practicable, to finance or guarantee the export sales of agricultural commodities under this subsection to purchasers from—

"(A) countries that are previous recipients of credit extended under title I of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1701 et seq.);

"(B) countries unable, as determined by the Secretary, to utilize other short-term export credit programs offered by the Secretary or the Commodity Credit Corporation; and

"(C) countries that are friendly countries, as defined in section 103(d) of such Act (7 U.S.C. 1703(d)).";

(6) in paragraph (4) (as redesignated by clause (4))—

(A) by inserting "or guarantees" after "financing";

(B) by striking out "and" at the end of subparagraph (C);

(C) by striking out "credit" in subparagraph (D);

(D) by striking out the period at the end of subparagraph (D) and inserting in lieu thereof a semicolon; and

(E) by adding at the end thereof the following new subparagraphs:

"(E) to finance the importation of agricultural commodities by developing nations for use in meeting their food and fiber needs; and

"(F) otherwise to promote the export sales of agricultural commodities.";

(7) in paragraph (5) (as redesignated by clause (4))—

(A) by inserting "or guarantees" after "financing"; and

(B) by striking out "to encourage credit competition, or";

(8) in paragraph (6) (as redesignated by clause (4))—

(A) by inserting "(A)" after the paragraph designation;

(B) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively;

(C) by amending clause (i) (as redesignated) to read as follows:

"(i) Repayment shall be in dollars with interest at a rate determined by the Secretary."; and

(D) by adding at the end thereof the following new subparagraph:

"(B) Contracts of guarantee under this subsection shall contain such terms and conditions as the Commodity Credit Corporation shall determine.";

(9) by inserting "or guarantees" after "financing" in paragraph (7) (as redesignated by clause (4));

(10) by inserting "or guaranteed" after "financed" in paragraph (8); and

(11) by adding at the end thereof the following new paragraph:

"(10) For purposes of guaranteeing export sales under this subsection, the Commodity Credit Corporation shall make available—

"(A) for each of the fiscal years ending September 30, 1986, September 30, 1987, and September 30, 1988, not less than $500,000,000; and

"(B) for the fiscal year ending September 30, 1989, not more than $1,000,000,000.".

TITLE IV—WHEAT

LOAN RATES, TARGET PRICES, DISASTER PAYMENTS, WHEAT ACREAGE REDUCTION PROGRAM, AND LAND DIVERSION FOR THE 1986 THROUGH 1989 CROPS OF WHEAT

SEC. 401. Effective only for the 1986 through 1989 crops of wheat, the Agricultural Act of 1949 is amended by inserting after section 107C (7 U.S.C. 1445b-2) the following new section:

"SEC. 107D. Notwithstanding any other provision of law:

"(a)(1) Except as provided in paragraph (2), the Secretary shall make available to producers loans and purchases for each of the 1986 through 1989 crops of wheat at such level as the Secretary determines will maintain the competitive relationship of wheat to other grains in domestic and export markets after taking into consideration the cost of producing wheat, supply and demand conditions, and world prices for wheat.

"(2)(A) Except as provided in subparagraph (B), the loan and purchase level determined under paragraph (1) shall—

"(i) in the case of the 1986 crop of wheat, not be less than $3.00 per bushel; and

"(ii) in the case of each of the 1987 through 1989 crops of wheat, not be less than 75 percent, nor more than 85 percent, of the simple average price received by producers of wheat, as determined by the Secretary, during the immediately preceding 5 marketing years, excluding the year in which the average price was the highest and the year in which the average price was the lowest in such period, except that the loan and purchase level for a crop determined under this clause may not be reduced by more than 5 percent from the level determined for the preceding crop.

"(B)(i) Except as provided in clause (ii), if the Secretary determines that the average price of wheat received by producers in any marketing year is not more than 110 percent of the loan and purchase level for wheat for such marketing year, the Secretary may reduce the loan and purchase level for wheat for the next marketing year by the amount the Secretary determines necessary to maintain domestic and export markets for grain.

"(ii) The loan and purchase level may not be reduced under clause (i) by more than 20 percent in any year.

"(iii) Any reduction in the loan and purchase level for wheat under this subparagraph shall not be considered in determining the loan and purchase level for wheat for subsequent years.

"(3)(A) The Secretary shall permit a producer to repay a loan made under paragraph (1) for a crop at a level that is the lesser of—

"(i) the loan level determined for such crop; or

"(ii) the higher of—

"(I) 70 percent of such level;

"(II) if the loan level for a crop was reduced under paragraph (2)(B), 70 percent of the loan level that would have been in effect but for the reduction under paragraph (2)(B); or

"(III) the prevailing world market price for wheat, as determined by the Secretary.

"(B) The Secretary shall prescribe by regulation—

"(i) a formula to define the prevailing world market price for wheat; and

"(ii) a mechanism by which the Secretary shall announce periodically the prevailing world market price for wheat.

"(4) For purposes of this section, the average price received by producers for the immediately preceding marketing year shall be based on the latest information available to the Secretary at the time of the determination.

"(b)(1) The Secretary may, for each of the 1986 through 1989 crops of wheat, make payments available to producers who, although eligible to obtain a loan or purchase agreement under subsection (a), agree to forgo obtaining such loan or agreement in return for such payments.

"(2)(A) A payment under this subsection shall be computed by multiplying—

"(i) the loan payment rate; by

"(ii) the quantity of wheat the producer is eligible to place under loan.

"(B) For purposes of this subsection, the quantity of wheat eligible to be placed under loan may not exceed the product obtained by multiplying—

"(i) the individual farm program acreage for the crop; by

"(ii) the farm program payment yield established for the farm.

"(3) For purposes of this subsection, the loan payment rate shall be the amount by which—

"(i) the loan level determined for such crop under subsection (a); exceeds

"(ii) the level at which a loan may be repaid under subsection (a)(3).

"(c)(1)(A) The Secretary shall make available to producers payments for each of the 1986 through 1989 crops of wheat in an amount computed as provided in this subsection.

"(B) Payments for any such crop of wheat shall be computed by multiplying—

"(i) the payment rate; by

"(ii) the individual farm program acreage for the crop; by

"(iii) the farm program payment yield for the crop.

"(C)(i) Except as provided in clauses (ii) and (iii), if the producers on a farm reduce the acreage of wheat planted for harvest on the farm from the acreage base by at least the percentage recommended by the Secretary in the announcement of the national program acreage and such producers actually plant wheat or a nonprogram crop for harvest on at least 50 percent of the wheat acreage base of the farm (reduced by the percentage recommended by the Secretary)—

"(I) any portion of the wheat acreage base of the farm determined in accordance with subsection (f)(2)(C) (reduced by the percentage recommended by the Secretary) that is devoted to conserving uses or nonprogram crops shall be considered as part of the individual farm program acreage;

"(II) the producers shall be eligible for payments under this paragraph with respect to the acreage referred to in subclause (I); and

"(III) any portion of the wheat acreage base of the farm that is devoted to conserving uses or nonprogram crops shall be considered to be planted to wheat.

"(ii) If an acreage limitation program under subsection (f)(2) is in effect for a crop of wheat and the producers on a farm actually plant wheat or a nonprogram crop for harvest on at least 50 percent of the permitted wheat acreage of the farm (determined in accordance with subsection (f)(2)(A))—

"(I) any portion of the permitted wheat acreage of the farm that is devoted to conserving uses or nonprogram crops shall be considered as part of the individual farm program acreage;

"(II) the producers shall be eligible for payments under this paragraph with respect to the acreage referred to in subclause (I); and

"(III) any portion of the wheat acreage base of the farm that is devoted to conserving uses or nonprogram crops shall be considered to be planted to wheat.

"(iv) Notwithstanding any other provision of this subparagraph, this subparagraph shall not apply to the 1986 and 1988 crops of wheat.

"(D) The payment rate for wheat shall be the amount by which the established price for the crop of wheat exceeds the higher of—

"(i) the national weighted average market price received by producers during the marketing year for such crop, as determined by the Secretary; or

"(ii) the loan level determined for such crop.

"(E)(i) In the case of each of the 1986 through 1988 crops of wheat, the established price applicable to the producers on a farm shall not be less than an amount determined on the basis of the percentage by which the producers reduce the acreage planted to wheat on the farm for harvest from the acreage base for the farm in accordance with an acreage limitation program described in subsection (f)(2), as provided in the following tables:

"In the case of the 1986 crop of wheat, if the producers on a farm reduce the acreage planted to wheat on the farm from the acreage base for the farm under an acreage limitation program by:	The established price for the 1986 crop of wheat applicable to such producers shall not be less than:
15 percent	$4.20 per bushel
20 percent	$4.38 per bushel
25 percent	$4.60 per bushel
30 percent	$4.85 per bushel
35 percent	$5.15 per bushel
40 percent	$5.50 per bushel.
"In the case of the 1987 crop of wheat, if the producers on a farm reduce the acreage planted to wheat on the farm from the acreage base for the farm under an acreage limitation program by:	The established price for the 1987 crop of wheat applicable to such producers shall not be less than:
15 percent	$3.95 per bushel
20 percent	$4.15 per bushel
25 percent	$4.35 per bushel
30 percent	$4.60 per bushel
35 percent	$4.85 per bushel
40 percent	$5.20 per bushel.
"In the case of the 1988 crop of wheat, if the producers on a farm reduce the acreage planted to wheat on the farm from the acreage base for the farm under an acreage limitation program by:	The established price for the 1988 crop of wheat applicable to such producers shall not be less than:
10 percent	$3.80 per bushel
15 percent	$3.95 per bushel
20 percent	$4.15 per bushel
25 percent	$4.35 per bushel
30 percent	$4.55 per bushel.

"(ii) In the case of the 1989 crop of wheat, the established price shall be the higher of—

"(I) a level that is not less than 110 percent, nor more than 125 percent, of the simple average price received by producers of wheat, as determined by the Secretary, during the immediately preceding 5 marketing years, excluding the year in which the average price was the highest and the year in which the average price was the lowest in such period; or

"(II) 85 percent of the established price for the 1985 crop of wheat.

"(F) The total quantity on which payments would otherwise be payable to a producer on a farm for any crop under this paragraph shall be reduced by the quantity on which any disaster payment is made to the producer for the crop under paragraph (2).

"(G) As used in this paragraph, the term 'nonprogram crop' means any agricultural commodity other than wheat, feed grains, upland cotton, extra long staple cotton, rice, or soybeans.

"(2)(A) Except as provided in subparagraph (C), if the Secretary determines that the producers on a farm are prevented from planting any portion of the acreage intended for wheat to wheat or other nonconserving crops because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the Secretary shall make a prevented planting disaster payment to the producers in an amount equal to the product obtained by multiplying—

"(i) the number of acres so affected but not to exceed the acreage planted to wheat for harvest (including any acreage that the producers were prevented from planting to wheat or other nonconserving crops in lieu of wheat because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the immediately preceding year; by

"(ii) 75 percent of the farm program payment yield established by the Secretary; by

"(iii) a payment rate equal to 33⅓ percent of the average of the established prices for the crop.

"(B) Except as provided in subparagraph (C), if the Secretary determines that because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the total quantity of wheat that the producers are able to harvest on any farm is less than the result of multiplying 60 percent of the farm program payment yield established by the Secretary for such crop by the acreage planted for harvest for such crop, the Secretary shall make a reduced yield disaster payment to the producers at a rate equal to 50 percent of the average of the established prices for the crop for the deficiency in production below 60 percent for the crop.

"(C) Producers on a farm shall not be eligible for—

"(i) prevented planting disaster payments under subparagraph (A), if prevented planting crop insurance is available to the producers under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) with respect to the wheat acreage of the producers; or

"(ii) reduced yield disaster payments under subparagraph (B), if reduced yield crop insurance is available to the producers under such Act with respect to the wheat acreage of the producers.

"(D)(i) Notwithstanding subparagraph (C), the Secretary may make a disaster payment to producers on a farm under this paragraph if the Secretary determines that—

"(I) as the result of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the producers on a farm have suffered substantial losses of production either from being prevented from planting wheat or other nonconserving crops or from reduced yields;

"(II) such losses have created an economic emergency for the producers;

"(III) crop insurance indemnity payments under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) and other forms of assistance made available by the Federal Government to such producers for such losses are insufficient to alleviate such economic emergency; and

"(IV) additional assistance must be made available to such producers to alleviate such economic emergency.

"(ii) The Secretary may make such adjustments in the amount of payments made available under this subparagraph with respect to an individual farm so as to assure the equitable allotment of such payments among producers, taking into account other forms of Federal disaster assistance provided to the producers for the crop involved.

"(d)(1)(A) For each of the 1986 through 1989 crops of wheat, the Secretary shall proclaim a national program acreage. The proclamation shall be made not later than

July 1 of each calendar year for the crop harvested in the next succeeding calendar year, except that in the case of the 1986 crop, the proclamation shall be made as soon as practicable after the date of enactment of the Agriculture, Food, Trade, and Conservation Act of 1985.

"(B) The Secretary may revise the national program acreage first proclaimed for any crop year for the purpose of determining the allocation factor under paragraph (2) if the Secretary determines it necessary based on the latest information. The Secretary shall proclaim such revised national program acreage as soon as it is made.

"(C) The national program acreage for wheat shall be the number of harvested acres the Secretary determines (on the basis of the weighted national average of the farm program payment yields for the crop for which the determination is made) will produce the quantity (less imports) that the Secretary estimates will be utilized domestically and for export during the marketing year for such crop.

"(D) If the Secretary determines that carryover stocks of wheat are excessive or an increase in stocks is needed to assure desirable carryover, the Secretary may adjust the national program acreage by the quantity the Secretary determines will accomplish the desired increase or decrease in carryover stocks.

"(2) The Secretary shall determine a program allocation factor for each crop of wheat. The allocation factor for wheat shall be determined by dividing the national program acreage for the crop by the number of acres that the Secretary estimates will be harvested for such crop, except that in no event shall the allocation factor for any crop of wheat be more than 100 percent nor less than 80 percent.

"(3)(A) The individual farm program acreage for each crop of wheat shall be determined by multiplying the allocation factor by the acreage of wheat planted for harvest on the farms for which individual farm program acreages are required to be determined.

"(B) The individual farm program acreage shall not be further reduced by application of the allocation factor if the producers reduce the acreage of wheat planted for harvest on the farm from the acreage base established for the farm under subsection (f)(2) by at least the percentage recommended by the Secretary in the proclamation of the national program acreage.

"(C) The Secretary shall provide fair and equitable treatment for producers on farms on which the acreage of wheat planted for harvest is less than the acreage base established for the farm under subsection (f)(2), but for which the reduction is insufficient to exempt the farm from the application of the allocation factor.

"(D) In establishing the allocation factor for wheat, the Secretary may make such adjustment as the Secretary deems necessary to take into account the extent of exemption of farms under the foregoing provisions of this paragraph.

"(e)(1) The farm program payment yield for each crop of wheat shall be the yield established for the farm for the previous crop year, adjusted by the Secretary to provide a fair and equitable yield. If no payment yield for wheat was established for the farm in the previous crop year, the Secretary may determine such yield as the Secretary finds fair and reasonable.

"(2) Notwithstanding paragraph (1)—

"(A) in the determination of yields, the Secretary shall take into account the actual yields proved by the producer; and

"(B) neither the actual yields nor the farm program payment yield established on the basis of such yields shall be reduced under other provisions of this subsection.

"(3) If the Secretary determines it necessary, the Secretary may establish national, State, or county program payment yields on the basis of—

"(A) historical yields, as adjusted by the Secretary to correct for abnormal factors affecting such yields in the historical period; or

"(B) if such data are not available, on the Secretary's estimate of actual yields for the crop year involved.

"(4) If national, State, or county program payment yields are established, the farm program payment yields shall balance to the national, State, or county program payment yields.

"(f)(1)(A) Notwithstanding any other provision of this section—

"(i) in the case of each of the 1986 through 1988 crops of wheat, the Secretary shall provide for an acreage limitation program as described in paragraph (2); and

"(ii) in the case of the 1989 crop of wheat, the Secretary may not provide either for an acreage limitation program as described in paragraph (2) or a set-aside program as described in paragraph (3).

"(B) The Secretary shall announce any such wheat acreage limitation program not later than July 1 prior to the calendar year in which the crop is harvested, except that in the case of the 1986 crop, the Secretary shall announce such program as soon as practicable after the date of enactment of the Agriculture, Food, Trade, and Conservation Act of 1985.

"(C) Not later than July 31 prior to the calendar year in which the crop is harvested, the Secretary may make adjustments in an announcement made under subparagraph (B) if the Secretary determines that there has been a significant change in the total supply of wheat since the earlier announcement.

"(2)(A) If an acreage limitation program is announced under paragraph (1), the limitation on the acreage planted to wheat shall be achieved by applying the percentage reductions to the acreage base for each wheat-producing farm selected by producers under subsection (c)(1)(E)(ii)(I).

"(B) Producers who knowingly produce wheat in excess of the permitted wheat acreage for the farm shall be ineligible for wheat loans, purchases, and payments with respect to that farm.

"(C)(i) For the purpose of determining any reduction required to be made for any year as the result of a limitation under this paragraph, the acreage base for any farm shall be the average acreage planted to wheat for harvest in the 5 crop years immediately preceding the year for which the determination is made.

"(ii) For the purpose of clause (i), acreage planted to wheat for harvest shall include—

"(I) any reduced acreage and diverted acreage; and

"(II) any acreage that producers were prevented from planting to wheat or other nonconserving crops in lieu of wheat because of drought, flood, or other natural disaster, or other condition beyond the control of the producers.

"(iii) The Secretary may make adjustments to reflect established crop-rotation practices and to reflect such other factors as the Secretary determines should be considered in determining a fair and equitable base.

"(iv) In no event may the total of all crop acreage bases for any farm exceed the total acreage of cropland on the farm.

"(D)(i) A number of acres on the farm determined by dividing—

"(I) the product obtained by multiplying the number of acres required to be withdrawn from the production of wheat times the number of acres actually planted to such commodity; by

"(II) the number of acres authorized to be planted to such commodity under the limitation established by the Secretary,

shall be devoted to conservation uses, in accordance with regulations issued by the Secretary.

"(ii) The number of acres so determined is hereafter in this subsection referred to as 'reduced acreage'.

"(E) Subsection (d) shall not be applicable a crop of wheat, including any prior announcement that may have been made under such subsection with respect to such crop. The individual farm program acreage shall be the acreage planted on the farm to wheat for harvest within the permitted wheat acreage for the farm as established under this paragraph.

"(3)(A) The regulations issued by the Secretary under paragraph (2) with respect to acreage required to be devoted to conservation uses shall assure protection of such acreage from weeds and wind and water erosion.

"(B) Subject to subparagraph (C), the Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of such acreage to be devoted to sweet sorghum, hay and grazing, or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, triticale, rye, or other commodity, if the Secretary determines that such production is needed to provide an adequate supply of such commodities, is not likely to increase the cost of the price support program, and will not affect farm income adversely.

"(C)(i) Except as provided in clause (ii), the Secretary shall permit, at the request of the State committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) for a State and subject to such terms and conditions as the Secretary may prescribe, all or any part of such acreage diverted from production by participating producers in such State to be devoted to—

"(I) in the case of the 1986 crop of wheat, hay and grazing; and

"(II) in the case of each of the 1987 through 1989 crops of wheat, grazing.

"(ii) Haying and grazing shall not be permitted for any crop of wheat under clause (i) during any 5-consecutive-month period that is established for such crop for a State by the State committee established under section 8(b) of such Act.

"(D) In determining the quantity of land to be devoted to conservation uses under an acreage limitation program with respect to land that has been farmed under summer fallow practices, as defined by the Secretary, the Secretary shall consider the effects of soil erosion and such other factors as the Secretary considers appropriate.

"(4)(A) The Secretary may make land diversion payments to producers of wheat, whether or not an acreage limitation program for wheat is in effect, if the Secretary

determines that such land diversion payments are necessary to assist in adjusting the total national acreage of wheat to desirable goals. Such land diversion payments shall be made to producers who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in accordance with land diversion contracts entered into by the Secretary with such producers.

"(B) The amounts payable to producers under land diversion contracts may be determined through the submission of bids for such contracts by producers in such manner as the Secretary may prescribe or through such other means as the Secretary determines appropriate. In determining the acceptability of contract offers, the Secretary shall take into consideration the extent of the diversion to be undertaken by the producers and the productivity of the acreage diverted.

"(C) The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to affect adversely the economy of the county or local community.

"(5)(A) Any reduced acreage and additional diverted acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies.

"(B) The Secretary may pay an appropriate share of the cost of practices designed to carry out the purposes of subparagraph (A).

"(C) The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm, as the Secretary may prescribe, by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(6)(A) An operator of a farm desiring to participate in the program conducted under this subsection shall execute an agreement with the Secretary providing for such participation not later than such date as the Secretary may prescribe.

"(B) The Secretary may, by mutual agreement with producers on a farm, terminate or modify any such agreement if the Secretary determines such action necessary because of an emergency created by drought or other disaster or to prevent or alleviate a shortage in the supply of agricultural commodities.

"(g)(1) The Secretary may, for each of the 1986 through 1989 crops of wheat, make payments available to producers who meet the requirements of this section.

"(2) Such payments shall be—

"(A) made in the form of wheat owned by the Commodity Credit Corporation; and

"(B) subject to the availability of such wheat.

"(3)(A) Payments under this subsection shall be determined in the same manner as provided in subsection (b).

"(B) The quantity of wheat to be made available to a producer under this subsection shall be equal in value to the payments so determined under such subsection.

"(4) A producer shall be eligible to receive a payment under this subsection for a crop if the producer—

"(A) agrees to forgo obtaining a loan or purchase agreement under subsection (a);

"(B) agrees to forgo receiving payments under subsection (c);

"(C) does not plant wheat for harvest in excess of the farm acreage base reduced by one-half of any acreage required to be diverted from production under subsection (f); and

"(D) otherwise complies with this section.

"(h)(1) If the failure of a producer to comply fully with the terms and conditions of the program conducted under this section precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as the Secretary determines are equitable in relation to the seriousness of the failure.

"(2) The Secretary may authorize the county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) to waive or modify deadlines and other program requirements in cases in which lateness or failure to meet such other requirements does not affect adversely the operation of the program.

"(i) The Secretary may issue such regulations as the Secretary determines necessary to carry out this section.

"(j) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(k) The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(g)) (relating to assignment of payments) shall apply to payments under this section.

"(l) The Secretary shall provide for the sharing of payments made under this section for any farm among the producers on the farm on a fair and equitable basis.

"(m) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.".

STUDY OF LOAN AND DEFICIENCY PAYMENT RATES FOR WHEAT CLASSES

SEC. 402. (a) The Secretary of Agriculture shall conduct a study of the feasibility of establishing separate loan rates and deficiency payment rates for (1) hard red winter wheat, (2) soft red winter wheat, (3) hard red spring wheat, (4) white wheat, and (5) durum wheat, as defined in the official United States standards for wheat established under the United States Grain Standards Act (7 U.S.C. 71 et seq.).

(b) Not later than 18 months after the date of enactment of this Act, the Secretary shall report the results of the study required under subsection (a), together with any recommendations for necessary legislation, to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

NONAPPLICABILITY OF CERTIFICATE REQUIREMENTS

SEC. 403. Sections 379d, 379e, 379f, 379g, 379h, 379i, and 379j of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1379d-1379j) (relating to marketing certificate requirements for processors and exporters) shall not be applicable to wheat processors or exporters during the period June 1, 1986, through May 31, 1990.

SUSPENSION OF MARKETING QUOTAS AND PRODUCER CERTIFICATE PROVISIONS

SEC. 404. Sections 331, 332, 333, 334, 335, 336, 338, 339, 379b, and 379c of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1331-1336, 1338, 1339, 1379b, and 1379c) shall not be applicable to the 1986 through 1989 crops of wheat.

SUSPENSION OF CERTAIN QUOTA PROVISIONS

SEC. 405. The joint resolution entitled "A joint resolution relating to corn and wheat marketing quotas under the Agricultural Adjustment Act of 1938, as amended", approved May 26, 1941 (7 U.S.C. 1330 and 1340), shall not be applicable to the crops of wheat planted for harvest in the calendar years 1986 through 1989.

NONAPPLICABILITY OF SECTION 107 OF THE AGRICULTURAL ACT OF 1949 TO THE 1986 THROUGH 1989 CROPS OF WHEAT

SEC. 406. Section 107 of the Agricultural Act of 1949 (7 U.S.C. 1445a) shall not be applicable to the 1986 through 1989 crops of wheat.

TITLE V—FEED GRAINS

LOAN RATES, TARGET PRICES, DISASTER PAYMENTS, FEED GRAIN ACREAGE REDUCTION AND SET-ASIDE PROGRAM, AND LAND DIVERSION FOR THE 1986 THROUGH 1989 CROPS OF FEED GRAINS

SEC. 501. Effective only for the 1986 through 1989 crops of feed grains, the Agricultural Act of 1949 is amended by adding after section 105B (7 U.S.C. 1444d) the following new section:

"SEC. 105C. Notwithstanding any other provision of law:

"(a)(1)(A) Except as provided in subparagraphs (B) and (C), the Secretary shall make available to producers loans and purchases for each of the 1986 through 1989 crops of corn at such level as the Secretary determines will encourage the exportation of feed grains and not result in excessive total stocks of feed grains after taking into consideration the cost of producing corn, supply and demand conditions, and world prices for corn.

"(B) Except as provided in subparagraph (C), the loan and purchase level determined under subparagraph (A) shall—

"(i) in the case of the 1986 crop of corn, not be less than $2.40 per bushel; and

"(ii) in the case of each of the 1987 through 1989 crops of corn, not be less than 75 percent, nor more than 85 percent, of the simple average price received by producers of corn, as determined by the Secretary, during the immediately preceding 5 marketing years, excluding the year in which the average price was the highest and the year in which the average price was the lowest in such period, except that the loan and purchase level for a crop determined under this clause may not be reduced by more than 5 percent from the level determined for the preceding crop.

"(C)(i) Except as provided in clause (ii), if the Secretary determines that the average price of corn received by producers in any marketing year is not more than 110 percent of the loan and purchase level for corn for such marketing year, the Secretary may reduce the loan and purchase level for corn for the next marketing year by the amount the Secretary determines necessary to maintain domestic and export markets for grain.

"(ii) The loan and purchase level may not be reduced under clause (i) by more than 20 percent in any year.

"(iii) Any reduction in the loan and purchase level for corn under this subparagraph shall not be considered in determining the loan and purchase level for corn for subsequent years.

"(D)(i) The Secretary shall permit a producer to repay a loan made under this paragraph or paragraph (2) for a feed grain crop at a level that is the lesser of—

"(I) the loan level determined for such crop; or

"(II) the higher of—

"(aa) 70 percent of the loan level determined for such crop;

"(bb) if the loan level for a crop was reduced under subparagraph (C), 70 percent of the loan level that would have been in effect but for the reduction under subparagraph (C); or

"(cc) the prevailing world market price for such feed grain, as determined by the Secretary.

"(ii) The Secretary shall prescribe by regulation—

"(I) a formula to define the prevailing world market price for feed grains; and

"(II) a mechanism by which the Secretary shall announce periodically the prevailing world market price for feed grains.

"(E) For purposes of this section, the average price received by producers for the immediately preceding marketing year shall be based on the latest information available to the Secretary at the time of the determination.

"(2) The Secretary shall make available to producers loans and purchases for each of the 1986 through 1989 crops of grain sorghums, barley, oats, and rye, respectively, at such level as the Secretary determines is fair and reasonable in relation to the level that loans and purchases are made available for corn, taking into consideration the feeding value of such commodity in relation to corn and other factors specified in section 401(b).

"(b)(1) The Secretary may, for each of the 1986 through 1989 crops of corn, grain sorghums, barley, oats, and rye, make payments available to producers who, although eligible to obtain a loan or purchase agreement under subsection (a), agree to forego obtaining such loan or agreement in return for such payments.

"(2)(A) A payment under this subsection shall be computed by multiplying—

"(i) the loan payment rate; by

"(ii) the quantity of such feed grains the producer is eligible to place under loan.

"(B) For purposes of this subsection, the quantity of feed grains eligible to be placed under loan may not exceed the product obtained by multiplying—

"(i) the individual farm program acreage for the crop; by

"(ii) the farm program payment yield established for the farm.

"(3) For purposes of this subsection, the loan payment rate shall be the amount by which—

"(i) the loan level determined for such crop under subsection (a); exceeds

"(ii) the level at which a loan may be repaid under subsection (a)(1)(D).

"(c)(1)(A) The Secretary shall make available to producers payments for each of the 1986 through 1989 crops of corn, grain sorghums, oats, and, if designated by the Secretary, barley, in an amount computed as provided in this subsection.

"(B) Payments for any such crop of feed grains shall be computed by multiplying—

"(i) the payment rate; by

"(ii) the individual farm program acreage for the crop; by

"(iii) the farm program payment yield for the crop.

"(C)(i) Except as provided in clauses (ii) and (iii), if the producers on a farm reduce the acreage of feed grains planted for harvest on the farm from the acreage base by at least the percentage recommended by the Secretary in the announcement of the national program acreage and such producers actually plant feed grains or a nonprogram crop for harvest on at least 50 percent of the feed grain acreage base of the farm (reduced by the percentage recommended by the Secretary)—

"(I) any portion of the feed grain acreage base of the farm determined in accordance with subsection (f)(2)(D) (reduced by the percentage recommended by the Secretary) that is devoted to conserving uses or nonprogram crops, shall be considered as part of the individual farm program acreage;

"(II) the producers shall be eligible for payments under this paragraph with respect to the acreage referred to in subclause (I); and

"(III) any portion of the feed grain acreage base of the farm that is devoted to conserving uses or nonprogram crops shall be considered to be planted to feed grains.

"(ii) If an acreage limitation program under subsection (f)(2) is in effect for a crop of feed grains and the producers on a farm actually plant feed grains or a nonprogram crop for harvest on at least 50 percent of the permitted feed grain acreage of the farm (determined in accordance with subsection (f)(2)(A))—

"(I) any portion of the permitted feed grain acreage of the farm that is devoted to conserving uses or nonprogram crops shall be considered as part of the individual farm program acreage;

"(II) the producers shall be eligible for payments under this paragraph with respect to the acreage referred to in subclause (I); and

"(III) any portion of the feed grain acreage base of the farm that is devoted to conserving uses or nonprogram crops shall be considered to be planted to feed grains.

"(iii) If a set-aside program under subsection (f)(3) is in effect for a crop of feed grains, the Secretary has announced a limitation on the acreage planted to feed grains in accordance with subsection (f)(3)(C), and the producers on a farm actually plant feed grains or a nonprogram crop for harvest on at least 50 percent of the limited farm acreage (determined in accordance with subsection (f)(3)(C))—

"(I) any portion of the limited farm acreage that is devoted to conserving uses or nonprogram crops shall be considered as part of the individual farm program acreage;

"(II) the producers shall be eligible for payments under this paragraph with respect to the acreage referred to in subclause (I); and

"(III) any portion of the feed grain acreage base of the farm that is devoted to conserving uses or nonprogram crops shall be considered to be planted to feed grains.

"(D) The payment rate for corn shall be the amount by which the established price for the crop of corn exceeds the higher of—

"(i) the national weighted average market price received by producers during the marketing year for such crop, as determined by the Secretary; or

"(ii) the loan level determined for such crop.

"(E) The established price for corn shall—

"(i) in the case of the 1986 crop, not be less than $3.03 per bushel; and

"(ii) in the case of each of the 1987 through 1989 crops, not be less than 110 percent, nor more than 125 percent, of the simple average price received by producers of corn, as determined by the Secretary, during the immediately preceding 5 marketing years, excluding the year in which the average price was the highest and the year in which the average price was the lowest in such period, except that the established price for a crop determined under this clause may not be reduced by more than 5 percent from the level determined by the preceding crop.

"(F) The payment rate for grain sorghums, oats, and, if designated by the Secretary, barley, shall be such rate as the Secretary determines is fair and reasonable in relation to the rate at which payments are made available for corn.

"(G) The total quantity on which payments would otherwise be payable to a producer on a farm for any crop under this paragraph shall be reduced by the quantity on which any disaster payment is made to the producer for the crop under paragraph (2).

"(H) As used in this paragraph, the term 'nonprogram crop' means any agricultural commodity other than wheat, feed grains, upland cotton, extra long staple cotton, rice, or soybeans.

"(2)(A) Except as provided in subparagraph (C), if the Secretary determines that the producers on a farm are prevented from planting any portion of the acreage intended for feed grains to feed grains or other nonconserving crops because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the Secretary shall make a prevented planting disaster payment to the producers in an amount equal to the product obtained by multiplying—

"(i) the number of acres so affected but not to exceed the acreage planted to feed grains for harvest (including any acreage that the producers were prevented from planting to feed grains or other nonconserving crops in lieu of feed grains because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the immediately preceding year; by

"(ii) 75 percent of the farm program payment yield established by the Secretary; by

"(iii) a payment rate equal to 33⅓ percent of the established price for the crop.

"(B) Except as provided in subparagraph (C), if the Secretary determines that because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the total quantity of feed grains that the producers are able to harvest on any farm is less than the result of multiplying 60 percent of the farm program payment yield established by the Secretary for such crop by the acreage planted for harvest for such crop, the Secretary shall make a reduced yield disaster payment to the producers at a rate equal to 50 percent of the established price for the crop for the deficiency in production below 60 percent for the crop.

"(C) Producers on a farm shall not be eligible for—

"(i) prevented planting disaster payments under subparagraph (A), if prevented planting crop insurance is available to the producers under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) with respect to the feed grain acreage of the producers; or

"(ii) reduced yield disaster payments under subparagraph (B), if reduced yield crop insurance is available to the producers under such Act with respect to the feed grain acreage of the producers.

"(D)(i) Notwithstanding subparagraph (C), the Secretary may make a disaster payment to the producers on a farm under this

paragraph if the Secretary determines that—

"(I) as the result of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the producers on a farm have suffered substantial losses of production either from being prevented from planting feed grains or other nonconserving crops or from reduced yields;

"(II) such losses have created an economic emergency for the producers;

"(III) crop insurance indemnity payments under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) and other forms of assistance made available by the Federal Government to such producers for such losses are insufficient to alleviate such economic emergency; and

"(IV) additional assistance must be made available to such producers to alleviate such economic emergency.

"(ii) The Secretary may make such adjustments in the amount of payments made available under this subparagraph with respect to an individual farm so as to assure the equitable allotment of such payments among producers, taking into account other forms of Federal disaster assistance provided to the producers for the crop involved.

"(d)(1)(A) The Secretary shall proclaim a national program acreage for each of the 1986 through 1989 crops of feed grains. The proclamation shall be made not later than November 15 of each calendar year for the crop harvested in the next succeeding calendar year, except that in the case of the 1986 crop, the proclamation shall be made as soon as practicable after the date of enactment of the Agriculture, Food, Trade, and Conservation Act of 1985.

"(B) The Secretary may revise the national program acreage first proclaimed for any crop year for the purpose of determining the allocation factor under paragraph (2) if the Secretary determines it necessary based on the latest information. The Secretary shall proclaim such revised national program acreage as soon as it is made.

"(C) The national program acreage for feed grains shall be the number of harvested acres the Secretary determines (on the basis of the weighted national average of the farm program payment yields for the crop for which the determination is made) will produce the quantity (less imports) that the Secretary estimates will be utilized domestically and for export during the marketing year for such crop.

"(D) If the Secretary determines that carryover stocks of feed grains are excessive or an increase in stocks is needed to assure desirable carryover, the Secretary may adjust the national program acreage by the quantity the Secretary determines will accomplish the desired increase or decrease in carryover stocks.

"(2) The Secretary shall determine a program allocation factor for each crop of feed grains. The allocation factor for feed grains shall be determined by dividing the national program acreage for the crop by the number of acres that the Secretary estimates will be harvested for such crop, except that in no event shall the allocation factor for any crop of feed grains be more than 100 percent nor less than 80 percent.

"(3)(A) The individual farm program acreage for each crop of feed grains shall be determined by multiplying the allocation factor by the acreage of feed grains planted for harvest on the farms for which individual farm program acreages are required to be determined.

"(B) The individual farm program acreage shall not be further reduced by application of the allocation factor if the producers reduce the acreage of feed grains planted for harvest on the farm from the acreage base established for the farm under subsection (f)(2) by at least the percentage recommended by the Secretary in the proclamation of the national program acreage.

"(C) The Secretary shall provide fair and equitable treatment for producers on farms on which the acreage of feed grains planted for harvest is less than the acreage base established for the farm under subsection (f)(2), but for which the reduction is insufficient to exempt the farm from the application of the allocation factor.

"(D) In establishing the allocation factor for feed grains, the Secretary may make such adjustment as the Secretary deems necessary to take into account the extent of exemption of farms under the foregoing provisions of this paragraph.

"(e)(1) The farm program payment yield for each crop of feed grains shall be the yield established for the farm for the previous crop year, adjusted by the Secretary to provide a fair and equitable yield. If no payment yield for feed grains was established for the farm in the previous crop year, the Secretary may determine such yield as the Secretary finds fair and reasonable.

"(2) Notwithstanding paragraph (1)—

"(A) in the determination of yields, the Secretary shall take into account the actual yields proved by the producer; and

"(B) neither the actual yields nor the farm program payment yield established on the basis of such yields shall be reduced under other provisions of this subsection.

"(3) If the Secretary determines it necessary, the Secretary may establish national, State, or county program payment yields on the basis of—

"(A) historical yields, as adjusted by the Secretary to correct for abnormal factors affecting such yields in the historical period; or

"(B) if such data are not available, on the Secretary's estimate of actual yields for the crop year involved.

"(4) If national, State, or county program payment yields are established, the farm program payment yields shall balance to the national, State, or county program payment yields.

"(f)(1)(A) Notwithstanding any other provision of this section—

"(i) in the case of each of the 1986 through 1988 crops of feed grains, the Secretary may provide either for an acreage limitation program as described in paragraph (2) or a set-aside program as described in paragraph (3) if the Secretary determines that the total supply of feed grains, in the absence of such a program, will be excessive, taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency; and

"(ii) in the case of the 1989 crop of feed grains, the Secretary may not provide either for an acreage limitation program as described in paragraph (2) or a set-aside program as described in paragraph (3).

"(B) In making a determination under subparagraph (A)(i), the Secretary shall take into consideration the number of acres placed in the conservation acreage reserve established under the Agriculture, Food, Trade, and Conservation Act of 1985.

"(C) The Secretary shall announce any such feed grain acreage limitation program or set-aside program not later than November 15 prior to the calendar year in which the crop is harvested, except that in the case of the 1986 crop, the Secretary shall announce such program as soon as practicable after the date of enactment of the Agriculture, Food, Trade, and Conservation Act of 1985.

"(2)(A) If an acreage limitation program is announced under paragraph (1), the limitation on the acreage planted to feed grains shall be achieved by applying a uniform percentage reduction (not to exceed 15 percent) to the acreage base for each feed grain-producing farm.

"(B) Producers who knowingly produce feed grains in excess of the permitted feed grain acreage for the farm shall be ineligible for feed grain loans, purchases, and payments with respect to that farm.

"(C) The Secretary may provide that no producer of malting barley shall be required as a condition of eligibility for feed grain loans, purchases, and payments to comply with any acreage limitation under this paragraph if such producer has previously produced a malting variety of barley, plants barley only of an acceptable malting variety for harvest, and meets such other conditions as the Secretary may prescribe.

"(D)(i) For the purpose of determining any reduction required to be made for any year as the result of a limitation under this paragraph, the acreage base for any farm shall be the average acreage planted to feed grains for harvest in the 5 crop years immediately preceding the year for which the determination is made.

"(ii) For the purpose of clause (i), acreage planted to feed grains for harvest shall include—

"(I) any reduced acreage, set-aside acreage, and diverted acreage; and

"(II) any acreage that producers were prevented from planting to feed grains or other nonconserving crops in lieu of feed grains because of drought, flood, or other natural disaster, or other condition beyond the control of the producers.

"(iii) The Secretary may make adjustments to reflect established crop-rotation practices and to reflect such other factors as the Secretary determines should be considered in determining a fair and equitable base.

"(iv) In no event may the total of all crop acreage bases for any farm exceed the total acreage of cropland on the farm.

"(E)(i) A number of acres on the farm determined by dividing—

"(I) the product obtained by multiplying the number of acres required to be withdrawn from the production of feed grains times the number of acres actually planted to such commodity; by

"(II) the number of acres authorized to be planted to such commodity under the limitation established by the Secretary,

shall be devoted to conservation uses, in accordance with regulations issued by the Secretary.

"(ii) The number of acres so determined is hereafter in this subsection referred to as 'reduced acreage'.

"(F) If an acreage limitation program is announced under paragraph (1) for a crop of feed grains, subsection (d) shall not be applicable to such crop, including any prior announcement that may have been made under such subsection with respect to such crop. The individual farm program acreage shall be the acreage planted on the farm to feed grains for harvest within the permitted

feed grain acreage for the farm as established under this paragraph.

"(3)(A) If a set-aside program is announced under paragraph (1), then as a condition of eligibility for loans, purchases, and payments authorized by this section (except as provided in subsection (g)), the producers on a farm must—

"(i) set aside and devote to conservation uses an acreage of cropland equal to a specified percentage (not to exceed 15 percent) of the acreage of feed grains planted for harvest for the crop for which the set-aside is in effect; and

"(ii) otherwise comply with such program.

"(B) The set-aside acreage shall be devoted to conservation uses, in accordance with regulations issued by the Secretary.

"(C)(i) If a set-aside program is established, the Secretary may limit the acreage planted to feed grains. Such limitation shall be applied on a uniform basis to all feed grain-producing farms.

"(ii) The number of acres for each farm permitted to be planted to wheat, as determined in accordance with this subparagraph, shall be referred to as 'limited farm acreage'.

"(D) The Secretary may make such adjustments in individual set-aside acreages under this section as the Secretary determines necessary—

"(i) to correct for abnormal factors affecting production; and

"(ii) to give due consideration to tillable acreage, crop-rotation practices, types of soil, soil and water conservation measures, topography, and such other factors as the Secretary determines necessary.

"(4)(A) The regulations issued by the Secretary under paragraphs (2) and (3) with respect to acreage required to be devoted to conservation uses shall assure protection of such acreage from weeds and wind and water erosion.

"(B) The Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of such acreage to be devoted to sweet sorghum, hay and grazing or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, triticale, rye, or other commodity, if the Secretary determines that such production is needed to provide an adequate supply of such commodities, is not likely to increase the cost of the price support program, and will not affect farm income adversely.

"(5)(A) The Secretary may make land diversion payments to producers of feed grains, whether or not an acreage limitation or set-aside program for feed grains is in effect, if the Secretary determines that such land diversion payments are necessary to assist in adjusting the total national acreage of feed grains to desirable goals. Such land diversion payments shall be made to producers who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in accordance with land diversion contracts entered into by the Secretary with such producers.

"(B) The amounts payable to producers under land diversion contracts may be determined through the submission of bids for such contracts by producers in such manner as the Secretary may prescribe or such other means as the Secretary determines appropriate. In determining the acceptability of contract offers, the Secretary shall take into consideration the extent of the diversion to be undertaken by the producers and the productivity of the acreage diverted.

"(C) The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to affect adversely the economy of the county or local community.

"(6)(A) Any reduced acreage, set-aside acreage, and additional diverted acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies.

"(B) The Secretary may pay an appropriate share of the cost of practices designed to carry out the purposes of subparagraph (A).

"(C) The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm, as the Secretary may prescribe, by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(7)(A) An operator of a farm desiring to participate in the program conducted under this subsection shall execute an agreement with the Secretary providing for such participation not later than such date as the Secretary may prescribe.

"(B) The Secretary may, by mutual agreement with producers on a farm, terminate or modify any such agreement if the Secretary determines such action necessary because of an emergency created by drought or other disaster or to prevent or alleviate a shortage in the supply of agricultural commodities.

"(g)(1) The Secretary may, for each of the 1986 through 1989 crops of corn, grain sorghums, oats, and, if designated by the Secretary, barley, make payments available to producers who meet the requirements of this section.

"(2) Such payments shall be—

"(A) made in the form of such feed grains, respectively, owned by the Commodity Credit Corporation; and

"(B) subject to the availability of such feed grains.

"(3)(A) Payments under this subsection shall be determined in the same manner as provided in subsection (b).

"(B) The quantity of feed grains to be made available to a producer under this subsection shall be equal in value to the payments so determined under such subsection.

"(4) A producer shall be eligible to receive a payment under this subsection for a crop if the producer—

"(A) agrees to forgo obtaining a loan or purchase agreement under subsection (a);

"(B) agrees to forgo receiving payments under subsection (c);

"(C) does not plant feed grains for harvest in excess of the farm acreage base reduced by one-half of any acreage required to be diverted from production under subsection (f); and

"(D) otherwise complies with this section.

"(h)(1) If the failure of a producer to comply fully with the terms and conditions of the program conducted under this section precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as the Secretary determines are equitable in relation to the seriousness of the failure.

"(2) The Secretary may authorize the county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) to waive or modify deadlines and other program requirements in cases in which lateness or failure to meet such other requirements does not affect adversely the operation of the program.

"(i) The Secretary may issue such regulations as the Secretary determines necessary to carry out this section.

"(j) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(k) The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(g)) (relating to assignment of payments) shall apply to payments under this section.

"(l) The Secretary shall provide for the sharing of payments made under this section for any farm among the producers on the farm on a fair and equitable basis.

"(m) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.".

NONAPPLICABILITY OF SECTION 105 OF THE AGRICULTURAL ACT OF 1949 TO THE 1986 THROUGH 1989 CROPS OF FEED GRAINS

SEC. 502. Section 105 of the Agricultural Act of 1949 (7 U.S.C. 1444b) shall not be applicable to the 1986 through 1989 crops of feed grains.

TITLE VI—COTTON

LOAN RATES, TARGET PRICES, DISASTER PAYMENTS, COTTON ACREAGE REDUCTION AND SET-ASIDE PROGRAM, AND LAND DIVERSION FOR THE 1986 THROUGH 1989 CROPS OF UPLAND COTTON

SEC. 601. Effective only for the 1986 through 1989 crops of upland cotton, the Agricultural Act of 1949 is amended by inserting after section 103 (7 U.S.C. 1444) the following new section:

"SEC. 103A. Notwithstanding any other provision of law:

"(a)(1) The Secretary shall, on presentation of warehouse receipts reflecting accrued storage charges of not more than 60 days, make available for the 1986 through 1989 crops of upland cotton to producers nonrecourse loans for a term of 10 months from the first day of the month in which the loan is made at such level as will reflect for Strict Low Middling one and one-sixteenth inch upland cotton (micronaire 3.5 through 4.9) at average location in the United States a level that is not less than—

"(A) in the case of the 1986 crop of upland cotton, 55 cents per pound; and

"(B) in the case of each of the 1987 through 1989 crops of upland cotton, the higher of—

"(i) 85 percent of the average price (weighted by market and month) of such quality of cotton as quoted in the designated United States spot markets during 3 years of the 5-year period ending July 31 in the year in which the loan level is announced, excluding the year in which the average price was the highest and the year in which the average price was the lowest in such period; or

"(ii) 50 cents per pound.

"(2) The loan level for any crop determined under paragraph (1)(B) may not be reduced by more than 5 percent from the loan level determined for the preceding crop.

"(3) The loan level for any crop of cotton shall be determined and announced by the Secretary not later than November 1 of the calendar year preceding the marketing year

for which such loan is to be effective, except that in the case of the 1986 crop, such determination and announcement shall be made as soon as practicable after the date of enactment of the Agriculture, Food, Trade, and Conservation Act of 1985. Such level shall not thereafter be changed.

"(4)(A) Except as provided in subparagraph (B), nonrecourse loans provided for in this section shall, on request of the producer during the 10th month of the loan period for the cotton, be made available for an additional term of 8 months.

"(B) A request to extend the loan period shall not be approved in any month in which the average price of Strict Low Middling one and one-sixteenth inch cotton (micronaire 3.5 through 4.9) in the designated spot markets for the preceding month exceeded 130 percent of the average price of such quality of cotton in such markets for the preceding 36-month period.

"(5)(A) Except as provided in subparagraph (B), the Secretary shall permit a producer to repay a loan made under this subsection for a crop at a level that is the lesser of—

"(i) the loan level determined for such crop; or

"(ii) the prevailing world market price for cotton (adjusted to United States quality and location), as determined by the Secretary.

"(B) For each of the 1987 through 1989 crops of cotton, if the world market price for cotton (adjusted to United States quality and location) as determined by the Secretary, is less than 80 percent of the loan level determined for such crop, the Secretary may permit a producer to repay a loan made under this subsection for a crop at such level (not in excess of 80 percent of the loan level determined for such crop) as the Secretary determines will—

"(i) minimize potential loan forfeitures;

"(ii) minimize the accumulation of cotton stocks by the Federal Government;

"(iii) minimize the cost incurred by the Federal Government in storing cotton; and

"(iv) allow cotton produced in the United States to be marketed freely and competitively, both domestically and internationally.

"(C)(i) The Secretary shall prescribe by regulation—

"(I) a formula to define the prevailing world market price for cotton; and

"(II) a mechanism by which the Secretary shall periodically announce the prevailing world market price for cotton.

"(ii) Not later than 60 days after the date of enactment of the Agriculture, Food, Trade, and Conservation Act of 1985, the Secretary shall—

"(I) publish in the Federal Register proposed regulations specifying such formula and mechanism; and

"(II) invite public comment on such proposal.

"(b)(1) The Secretary may, for each of the 1986 through 1989 crops of upland cotton, make payments available to producers who, although eligible to obtain a loan under subsection (a), agree to forgo obtaining such loan in return for such payments.

"(2)(A) A payment under this subsection shall be computed by multiplying—

"(i) the loan payment rate; by

"(ii) the quantity of upland cotton the producer is eligible to place under loan.

"(B) For purposes of this subsection, the quantity of upland cotton eligible to be placed under loan may not exceed the product obtained by multiplying—

"(i) the individual farm program acreage for the crop (determined under subsection (g) or (i)(2)); by

"(ii) the farm program payment yield (determined under subsection (h)).

"(3) For purposes of this subsection, the loan payment rate shall be the amount by which—

"(i) the loan level determined for such crop under subsection (a); exceeds

"(ii) the level at which a loan may be repaid under subsection (a)(5).

"(c)(1) The Secretary shall make available to producers payments for each of the 1986 through 1989 crops of upland cotton in an amount computed as provided in this subsection.

"(2) Payments for any such crop of upland cotton shall be computed by multiplying—

"(A) the payment rate; by

"(B) the individual farm program acreage; by

"(C) the farm program payment yield for the crop (determined in accordance with subsection (h)).

"(3)(A) Except as provided in subparagraphs (B) and (C), if the producers on a farm reduce the acreage of cotton planted for harvest on the farm from the acreage base by at least the percentage recommended by the Secretary in the announcement of the national program acreage and such producers actually plant upland cotton or a nonprogram crop for harvest on at least 50 percent of the upland cotton acreage base of the farm (reduced by the percentage recommended by the Secretary)—

"(i) any portion of the upland cotton acreage base of the farm determined in accordance with subsection (i)(2)(C) (reduced by the percentage recommended by the Secretary) that is devoted to conserving uses or nonprogram crops shall be considered as part of the individual farm program acreage;

"(ii) the producers shall be eligible for payments under this subsection with respect to the acreage referred to in clause (i); and

"(iii) any portion of the upland cotton acreage base of the farm that is devoted to conserving uses or nonprogram crops shall be considered to be planted to upland cotton.

"(B) If an acreage limitation program under subsection (i)(2) is in effect for a crop of upland cotton and the producers on a farm actually plant upland cotton or a nonprogram crop for harvest on at least 50 percent of the permitted upland cotton acreage of the farm (determined in accordance with subsection (i)(2)(A))—

"(i) any portion of the permitted upland cotton acreage of the farm that is devoted to conserving uses or nonprogram crops shall be considered as part of the individual farm program acreage;

"(ii) the producers shall be eligible for payments under this subsection with respect to the acreage referred to in clause (i); and

"(iii) any portion of the upland cotton acreage base of the farm that is devoted to conserving uses or nonprogram crops shall be considered to be planted to upland cotton.

"(C) If a set-aside program under subsection (i)(3) is in effect for a crop of upland cotton, the Secretary has announced a limitation on the acreage planted to upland cotton in accordance with subsection (i)(3)(C), and the producers on a farm actually plant upland cotton or a nonprogram crop for harvest on at least 50 percent of the limited farm acreage (determined in accordance with subsection (i)(3)(C))—

"(i) any portion of the limited farm acreage that is devoted to conserving uses or nonprogram crops shall be considered as part of the individual farm program acreage;

"(ii) the producers shall be eligible for payments under this subsection with respect to the acreage referred to in clause (i); and

"(iii) any portion of the upland cotton acreage base of the farm that is devoted to conserving uses or nonprogram crops shall be considered to be planted to upland cotton.

"(4) The payment rate for upland cotton shall be the amount by which the established price per pound for the crop of upland cotton exceeds the higher of—

"(A) the average market price received by producers for upland cotton during the calendar year that includes the first 5 months of the marketing year for such crop, as determined by the Secretary; or

"(B) the loan level determined for such crop.

"(5) The established price for upland cotton shall—

"(A) in the case of the 1986 crop, not be less than $0.81 per pound; and

"(B) in the case of each of the 1987 through 1989 crops, not be less than 110 percent, nor more than 125 percent, of the average price (weighted by market and month) for Strict Low Middling one and one-sixteenth inch upland cotton (micronaire 3.5 through 4.9) as quoted in the designated United States spot markets during 3 years of the 5-year period ending July 31 in the year in which the established price is announced, excluding the year in which the average price was the highest and the year in which the average price was the lowest in such period, except that the established price for a crop determined under this subparagraph may not be reduced by more than 5 percent from the level determined for the preceding crop.

"(6) The total quantity of upland cotton on which payments would otherwise be payable to a producer on a farm for any crop under this subsection shall be reduced by the quantity on which any disaster payment is made to the producer for the crop under subsection (d).

"(7) As used in this subsection, the term 'nonprogram crop' means any agricultural commodity other than wheat, feed grains, upland cotton, extra long staple cotton, rice, or soybeans.

"(d)(1) Except as provided in subparagraph (C), if the Secretary determines that the producers on a farm are prevented from planting any portion of the acreage intended for cotton to cotton or other nonconserving crops because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the Secretary shall make a prevented planting disaster payment to the producers in an amount equal to the product obtained by multiplying—

"(A) the number of acres so affected but not to exceed the acreage planted to cotton for harvest (including any acreage that the producers were prevented from planting to cotton or other nonconserving crops in lieu of cotton because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the immediately preceding year; by

"(B) 75 percent of the farm program payment yield established by the Secretary; by

"(C) a payment rate equal to 33⅓ percent of the established price for the crop.

"(2) Except as provided in paragraph (3), if the Secretary determines that because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the total quantity of cotton that the producers are able to harvest on any farm is less than the result of multiplying 75 percent of the farm program payment yield established by the Secretary for such crop by the acreage planted for harvest for such crop, the Secretary shall make a reduced yield disaster payment to the producers at a rate equal to 33⅓ percent of the established price for the crop for the deficiency in production below 75 percent for the crop.

"(3) Producers on a farm shall not be eligible for—

"(A) prevented planting disaster payments under paragraph (1), if prevented planting crop insurance is available to the producers under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) with respect to the cotton acreage of the producers; or

"(B) reduced yield disaster payments under paragraph (2), if reduced yield crop insurance is available to the producers under such Act with respect to the cotton acreage of the producers.

"(4)(A) Notwithstanding paragraph (3), the Secretary may make a disaster payment to the producers on a farm under this subsection if the Secretary determines that—

"(i) as the result of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the producers on a farm have suffered substantial losses of production either from being prevented from planting cotton or other nonconserving crops or from reduced yields;

"(ii) such losses have created an economic emergency for the producers;

"(iii) crop insurance indemnity payments under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) and other forms of assistance made available by the Federal Government to such producers for such losses are insufficient to alleviate such economic emergency; and

"(iv) additional assistance must be made available to such producers to alleviate such economic emergency.

"(B) The Secretary may make such adjustments in the amount of payments made available under this paragraph with respect to an individual farm so as to assure the equitable allotment of such payments among producers, taking into account other forms of Federal disaster assistance provided to the producers for the crop involved.

"(e)(1) The Secretary shall establish for each of the 1986 through 1989 crops of upland cotton a national program acreage. Such national program acreage shall be announced by the Secretary not later than November 1 of the calendar year preceding the year for which such acreage is established, except that in the case of the 1986 crop, such announcement shall be made as soon as practicable after the date of enactment of the Agriculture, Food, Trade, and Conservation Act of 1985.

"(2) The Secretary may revise the national program acreage first announced for any crop year for the purpose of determining the allocation factor under subsection (f) if the Secretary determines it necessary based on the latest information. The Secretary shall announce such revised national program acreage as soon as it has been made.

"(3) The national program acreage for upland cotton shall be the number of harvested acres the Secretary determines (on the basis of the estimated weighted national average of the farm program yields for the crop for which the determination is made) will produce the quantity (less imports) that the Secretary estimates will be utilized domestically and for export during the marketing year for such crop.

"(4) The national program acreage shall be subject to such adjustment as the Secretary determines necessary, taking into consideration the estimated carryover supply, so as to provide for an adequate but not excessive total supply of cotton for the marketing year for the crop for which such national program acreage is established. In no event shall the national program acreage be less than 10 million acres.

"(f) The Secretary shall determine a program allocation factor for each crop of upland cotton. The allocation factor for upland cotton (not to exceed 100 percent) shall be determined by dividing the national program acreage for the crop by the number of acres that the Secretary estimates will be harvested for such crop.

"(g)(1) The individual farm program acreage for each crop of upland cotton shall be determined by multiplying the allocation factor by the acreage of cotton planted for harvest on the farms for which individual farm program acreages are required to be determined.

"(2) The individual farm program acreage may not be further reduced by application of the allocation factor if the producers reduce the acreage of cotton planted for harvest on the farm from the acreage base established for the farm under subsection (i)(2)(C) by at least the percentage recommended by the Secretary in the announcement of the national program acreage.

"(3) The Secretary shall provide fair and equitable treatment for producers on farms on which the acreage of cotton planted for harvest is less than the acreage base established for the farm under subsection (i)(2)(C), but for which the reduction is insufficient to exempt the farm from the application of the allocation factor.

"(4) In establishing the allocation factor for upland cotton, the Secretary may make such adjustment as the Secretary deems necessary to take into account the extent of exemption of farms under the foregoing provisions of this subsection.

"(h)(1) The farm program payment yield for each crop of upland cotton shall be determined on the basis of the actual yields per harvested acre on the farm for the preceding 3 years, except that the actual yields shall be adjusted by the Secretary for abnormal yields in any year caused by drought, flood, or other natural disaster, or other condition beyond the control of the producers. In case farm yield data for 1 or more years are unavailable or there was no production, the Secretary shall provide for appraisals to be made on the basis of actual yields and program payment yields for similar farms in the area for which data are available.

"(2) Notwithstanding paragraph (1)—

"(A) in the determination of yields, the Secretary shall take into account the actual yields proved by the producer; and

"(B) neither the actual yields nor the farm program payment yield established on the basis of such yields shall be reduced under other provisions of this subsection.

"(3) If the Secretary determines it necessary, the Secretary may establish national, State, or county program payment yields on the basis of—

"(A) historical yields, as adjusted by the Secretary to correct for abnormal factors affecting such yields in the historical period; or

"(B) if such data are not available, the Secretary's estimate of actual yields for the crop year involved.

"(4) If national, State, or county program payment yields are established, the total farm program payment yields shall balance to the national, State, or county program payment yields.

"(i)(1)(A) Notwithstanding any other provision of law—

"(i) in the case of each of the 1986 through 1988 crops of upland cotton, the Secretary may provide for any crop either for an acreage limitation program as described in paragraph (2) or a set-aside program as described in paragraph (3), if the Secretary determines that the total supply of upland cotton, in the absence of such a program would be excessive, taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency; and

"(ii) in the case of the 1989 crop of upland cotton, the Secretary may not provide either for an acreage limitation program as described in paragraph (2) or a set-aside program as described in paragraph (3).

"(B) In making a determination under subparagraph (A)(i), the Secretary shall take into consideration the number of acres placed in the conservation acreage reserve established under the Agriculture, Food, Trade, and Conservation Act of 1985.

"(C) The Secretary shall announce any such upland cotton acreage limitation program or set-aside program not later than November 1 prior to the calendar year in which the crop is harvested, except that in the case of the 1986 crop, the Secretary shall announce such program as soon as practicable after the date of enactment of the Agriculture, Food, Trade, and Conservation Act of 1985.

"(2)(A) If an acreage limitation program is announced under paragraph (1), the limitation on the acreage planted to upland cotton shall be achieved by applying a uniform percentage reduction (not to exceed 20 percent) to the acreage base for each cotton-producing farm.

"(B) Except as provided in subsection (j), producers who knowingly produce upland cotton in excess of the permitted upland cotton acreage for the farm, as established in accordance with subparagraph (A), shall be ineligible for upland cotton loans and payments with respect to that farm.

"(C)(i) For the purpose of determining any reduction required to be made for any year as the result of a limitation under this paragraph, the acreage base for any farm shall be—

"(I) in the case of the 1986 crop of upland cotton, the average acreage planted to upland cotton for harvest in the 2 crop years immediately preceding the year for which the determination is made;

"(II) in the case of the 1987 crop of upland cotton, the average acreage planted to upland cotton for harvest in the 3 crop years immediately preceding the year for which the determination is made; and

"(III) in the case of the 1988 crop of upland cotton, the average acreage planted to upland cotton for harvest in the 4 crop years immediately preceding the year for which the determination is made.

"(ii) For the purpose of clause (i), acreage planted to upland cotton for harvest shall include—

"(I) any reduced acreage, set-aside acreage, and diverted acreage; and

"(II) any acreage that producers were prevented from planting to upland cotton or other nonconserving crops in lieu of upland cotton because of drought, flood, or other natural disaster, or other condition beyond the control of the producers.

"(iii) The Secretary may make adjustments to reflect established crop-rotation practices and to reflect such other factors as the Secretary determines should be considered in determining a fair and equitable base.

"(iv) In no event may the total of all crop acreage bases for any farm exceed the total acreage of cropland on the farm.

"(D)(i) A number of acres on the farm determined by dividing—

"(I) the product obtained by multiplying the number of acres required to be withdrawn from the production of upland cotton times the number of acres actually planted to such commodity; by

"(II) the number of acres authorized to be planted to such commodity under the limitation established by the Secretary,

shall be devoted to conservation uses, in accordance with regulations issued by the Secretary.

"(ii) The number of acres determined under clause (i) is hereafter in this subsection referred to as 'reduced acreage'.

"(E) If an acreage limitation program is announced under paragraph (1) for a crop of upland cotton, subsections (e), (f), and (g) shall not be applicable to such crop, including any prior announcement that may have been made under such subsections with respect to such crop. The individual farm program acreage shall be the acreage planted on the farm to upland cotton for harvest within the permitted upland cotton acreage for the farm as established under this paragraph.

"(3)(A) If a set-aside program is announced under paragraph (1), then as a condition of eligibility for loans and payments authorized by this section (except as provided in subsection (j)), the producers on a farm must—

"(i) set aside and devote to conservation uses an acreage of cropland equal to a specified percentage (not to exceed 20 percent) of the acreage of upland cotton planted for harvest for the crop for which the set-aside is in effect; and

"(ii) otherwise comply with such program.

"(B) The set-aside acreage shall be devoted to conservation uses, in accordance with regulations issued by the Secretary.

"(C)(i) If a set-aside program is established, the Secretary may limit the acreage planted to upland cotton. Such limitation shall be applied on a uniform basis to all cotton-producing farms.

"(ii) The number of acres for each farm permitted to be planted to upland cotton, as determined in accordance with this subparagraph, shall be referred to as 'limited farm acreage'.

"(D) The Secretary may make such adjustments in individual set-aside acreages under this section as the Secretary determines necessary—

"(i) to correct for abnormal factors affecting production; and

"(ii) to give due consideration to tillable acreage, crop-rotation practices, types of soil, soil and water conservation measures, topography, and such other factors as the Secretary determines necessary.

"(4)(A) The regulations issued by the Secretary under paragraphs (2) and (3) with respect to acreage required to be devoted to conservation uses shall assure protection of such acreage from weeds and wind and water erosion.

"(B) The Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of such acreage to be devoted to sweet sorghum, hay and grazing, or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, triticale, rye, or other commodity, if the Secretary determines that such production is needed to provide an adequate supply of such commodities, is not likely to increase the cost of the price support program, and will not affect farm income adversely.

"(5)(A) The Secretary may make land diversion payments to producers of upland cotton, whether or not an acreage limitation or set-aside program for upland cotton is in effect, if the Secretary determines that such land diversion payments are necessary to assist in adjusting the total national acreage of upland cotton to desirable goals. Such land diversion payments shall be made to producers who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in accordance with land diversion contracts entered into by the Secretary with such producers.

"(B) The amounts payable to producers under land diversion contracts may be determined through the submission of bids for such contracts by producers in such manner as the Secretary may prescribe or through such other means as the Secretary determines appropriate. In determining the acceptability of contract offers, the Secretary shall take into consideration the extent of the diversion to be undertaken by the producers and the productivity of the acreage diverted.

"(C) The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to affect adversely the economy of the county or local community.

"(6)(A) The reduced acreage, set-aside, and additional diverted acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies.

"(B) The Secretary may pay an appropriate share of the cost of practices designed to carry out the purposes of subparagraph (A).

"(C) The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm, as the Secretary may prescribe, by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(j)(1) The Secretary may, for each of the 1986 through 1989 crops of upland cotton, make payments available to producers who meet the requirements of this section.

"(2) Such payments shall be—

"(A) made in the form of cotton owned by the Commodity Credit Corporation; and

"(B) subject to the availability of such cotton.

"(3)(A) Payments under this subsection shall be determined in the same manner as provided in subsection (b).

"(B) The quantity of cotton to be made available to a producer under this subsection shall be equal in value to the payments so determined under such subsection.

"(4) A producer shall be eligible to receive a payment under this subsection for a crop if the producer—

"(A) agrees to forgo obtaining a loan under subsection (a);

"(B) agrees to forgo receiving payments under subsection (c);

"(C) does not plant upland cotton for harvest in excess of the farm acreage base reduced by one-half of any acreage required to be diverted from production under subsection (i); and

"(D) otherwise complies with this section.

"(k)(1) An operator of a farm desiring to participate in the program conducted under subsection (i) shall execute an agreement with the Secretary providing for such participation not later than such date as the Secretary may prescribe.

"(2) The Secretary may, by mutual agreement with producers on a farm, terminate or modify any such agreement if the Secretary determines such action necessary because of an emergency created by drought or other disaster or to prevent or alleviate a shortage in the supply of agricultural commodities.

"(l) The Secretary shall provide for the sharing of payments made under this section for any farm among the producers on the farm on a fair and equitable basis.

"(m) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

"(n)(1) If the failure of a producer to comply fully with the terms and conditions of the program formulated under this section precludes the making of loans and payments, the Secretary may, nevertheless, make such loans and payments in such amounts as the Secretary determines are equitable in relation to the seriousness of the failure.

"(2) The Secretary may authorize the county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) to waive or modify deadlines and other program requirements in cases in which lateness or failure to meet such other requirements does not affect adversely the operation of the program.

"(o) The Secretary may issue such regulations as the Secretary determines necessary to carry out this section.

"(p) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(q) The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(g)) (relating to assignment of payments) shall apply to payments under this section.

"(r) In order to encourage and assist producers in the orderly ginning and marketing of their cotton production, the Secretary shall make recourse loans available to such producers on seed cotton in accordance with authority vested in the Secretary under the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.).

"(s)(1) Whenever the Secretary determines that the average price of Strict Low Middling one and one-sixteenth inch cotton (micronaire 3.5 through 4.9) in the designated spot markets for a month exceeded 130 percent of the average price of such quality of cotton in such markets for the preceding 36 months, notwithstanding any other provision of law, the President shall immediately establish and proclaim a special limited

global import quota for upland cotton subject to the following conditions:

"(A) The quantity of the special quota shall be equal to 21 days of domestic mill consumption of upland cotton at the seasonally adjusted average rate of the most recent 3 months for which data are available.

"(B) If a special quota has been established under this subsection during the preceding 12 months, the quantity of the quota next established hereunder shall be the smaller of 21 days of domestic mill consumption calculated as set forth in subparagraph (A) or the quantity required to increase the supply to 130 percent of the demand.

"(C) As used in subparagraph (B):

"(i) The term 'supply' means, using the latest official data of the Bureau of the Census, the Department of Agriculture, and the Department of the Treasury—

"(I) the carryover of upland cotton at the beginning of the marketing year (adjusted to 480-pound bales) in which the special quota is established; plus

"(II) production of the current crop; plus

"(III) imports to the latest date available during the marketing year.

"(ii) The term 'demand' means—

"(I) the average seasonally adjusted annual rate of domestic mill consumption in the most recent 3 months for which data are available; plus

"(II) the larger of—

"(aa) average exports of upland cotton during the preceding 6 marketing years; or

"(bb) cumulative exports of upland cotton plus outstanding export sales for the marketing year in which the special quota is established.

"(D) When a special quota is established under this subsection, cotton may be entered under such quota during the 90-day period beginning on the effective date of the proclamation.

"(2) Notwithstanding paragraph (1), a special quota period may not be established that overlaps an existing quota period.".

SUSPENSION OF BASE ACREAGE ALLOTMENTS, MARKETING QUOTAS, AND RELATED PROVISIONS

SEC. 602. Sections 342, 343, 344, 345, 346, and 377 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1342-1346 and 1377) shall not be applicable to any of the 1986 through 1989 crops of upland cotton.

COMMODITY CREDIT CORPORATION SALES PRICE RESTRICTIONS

SEC. 603. Effective only with respect to the period beginning August 1, 1978, and ending July 31, 1990, the tenth sentence of section 407 of the Agricultural Act of 1949 (7 U.S.C. 1427) is amended by striking out all of that sentence through the words "110 per centum of the loan rate, and (2)" and inserting in lieu thereof the following: "Notwithstanding any other provision of law, (1) the Commodity Credit Corporation shall sell upland cotton for unrestricted use at the same prices as it sells upland cotton for export, in no event, however, at less than (A) 115 percent of the loan rate for Strict Low Middling one and one-sixteenth inch upland cotton (micronaire 3.5 through 4.9) adjusted for such current market differentials reflecting grade, quality, location, and other value factors as the Secretary determines appropriate plus reasonable carrying charges, or (B) if the Secretary permits the repayment of loans made for a crop of cotton at a rate that is less than the loan level determined for such crop, 115 percent of the average loan repayment rate that is determined for such crop during the period of such loans, and (2)".

MISCELLANEOUS COTTON PROVISIONS

SEC. 604. Sections 103(a) and 203 of the Agricultural Act of 1949 (7 U.S.C. 1444(a) and 1446d) shall not be applicable to the 1986 through 1989 crops.

SKIPROW PRACTICES

SEC. 605. Section 374(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1374(a)) is amended by striking out "1985" and inserting in lieu thereof "1989".

PRELIMINARY ALLOTMENTS FOR 1990 CROP OF UPLAND COTTON

SEC. 606. Notwithstanding any other provision of law, the permanent State, county, and farm base acreage allotments for the 1977 crop of upland cotton, adjusted for any underplantings in 1977 and reconstituted as provided in section 379 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1379), shall be the preliminary allotments for the 1990 crop.

TITLE VII—RICE

LOAN RATES, TARGET PRICES, DISASTER PAYMENTS, RICE ACREAGE REDUCTION AND SET-ASIDE PROGRAM, AND LAND DIVERSION FOR THE 1986 THROUGH 1989 CROPS OF RICE

SEC. 701. Effective only for the 1986 through 1989 crops of rice, the Agricultural Act of 1949 is amended by inserting after section 101 (7 U.S.C. 1441) the following new section:

"SEC. 101A. Notwithstanding any other provision of law:

"(a)(1) Except as provided in paragraph (2), the Secretary shall make available to producers loans and purchases for each of the 1986 through 1989 crops of rice at a level that is not less than—

"(A) in the case of the 1986 crop of rice, $7.20 per hundredweight; and

"(B) in the case of each of the 1987 through 1989 crops of rice, the higher of—

"(i) 85 percent of the simple average price received by producers, as determined by the Secretary, during the immediately preceding 5 marketing years, excluding the year in which the average price was the highest and the year in which the average price was the lowest in such period; or

"(ii) $6.50 per hundredweight.

"(2) The loan level for a crop of rice determined under paragraph (1)(B) may not be reduced by more than 5 percent from the loan level determined for the preceding crop.

"(3)(A) The Secretary shall permit a producer to repay a loan made under paragraph (1) for a crop at a level that is the lesser of—

"(i) the loan level determined for such crop; or

"(ii) the higher of—

"(I) 70 percent of such level; or

"(II) the prevailing world market price for rice, as determined by the Secretary.

"(B) The Secretary shall prescribe by regulation—

"(i) a formula to define the prevailing world market price for rice; and

"(ii) a mechanism by which the Secretary shall announce periodically the prevailing world market price for rice.

"(4) A loan made under this section shall be repaid not later than 9 months after the month in which the application for the loan is made.

"(5) For purposes of this section, the average price received by producers for the immediately preceding marketing year shall be based on the latest information available to the Secretary at the time of the determination.

"(6) The loan and purchase level and the established price for each of the 1986 through 1989 crops of rice shall be announced not later than March 1 of each calendar year for the crop harvested in that calendar year.

"(b)(1) The Secretary may, for each of the 1986 through 1989 crops of rice, make payments available to producers who, although eligible to obtain a loan or purchase agreement under subsection (a), agree to forgo obtaining such loan or agreement in return for such payments.

"(2)(A) A payment under this subsection shall be computed by multiplying—

"(i) the loan payment rate; by

"(ii) the quantity of rice the producer is eligible to place under loan.

"(B) For purposes of this subsection, the quantity of rice eligible to be placed under loan may not exceed the product obtained by multiplying—

"(i) the individual farm program acreage for the crop; by

"(ii) the yield established for the farm.

"(3) For purposes of this subsection, the loan payment rate shall be the amount by which—

"(i) the loan level determined for such crop under subsection (a); exceeds

"(ii) the level at which a loan may be repaid under subsection (a)(3).

"(c)(1) The Secretary shall make available to producers payments for each of the 1986 through 1989 crops of rice in an amount computed as provided in this subsection.

"(2) Payments for any such crop of rice shall be computed by multiplying—

"(A) the payment rate; by

"(B) the individual farm program acreage; by

"(C) the yield established for the farm for the crop (determined in accordance with paragraph (5)).

"(3)(A) Except as provided in subparagraphs (B) and (C), if the producers on a farm reduce the acreage of rice planted for harvest on the farm from the acreage base by at least the percentage recommended by the Secretary in the announcement of the national program acreage and such producers actually plant rice or a nonprogram crop for harvest on at least 50 percent of the rice acreage base of the farm (reduced by the percentage recommended by the Secretary)—

"(i) any portion of the rice acreage base of the farm determined in accordance with subsection (f)(2)(C) (reduced by the percentage recommended by the Secretary) that is devoted to conserving uses or nonprogram crops shall be considered as part of the individual farm program acreage;

"(ii) the producers shall be eligible for payments under this subsection with respect to the acreage referred to in clause (i); and

"(iii) any portion of the rice acreage base of the farm that is devoted to conserving uses or nonprogram crops shall be considered to be planted to rice.

"(B) If an acreage limitation program under subsection (f)(2) is in effect for a crop of rice and the producers on a farm actually plant rice or a nonprogram crop for harvest on at least 50 percent of the permitted rice acreage of the farm (determined in accordance with subsection (f)(2)(A)—

"(i) any portion of the permitted rice acreage of the farm that is devoted to conserving uses or nonprogram crops shall be considered as part of the individual farm program acreage;

"(ii) the producers shall be eligible for payments under this subsection with respect to the acreage referred to in clause (i); and

"(iii) any portion of the rice acreage base of the farm that is devoted to conserving uses or nonprogram crops shall be considered to be planted to rice.

"(C) If a set-aside program under subsection (f)(3) is in effect for a crop of rice, the Secretary has announced a limitation on the acreage planted to rice in accordance with subsection (f)(3)(C), and the producers on a farm actually plant rice or a nonprogram crop for harvest on at least 50 percent of the limited farm acreage (determined in accordance with subsection (f)(3)(C))—

"(i) any portion of the limited farm acreage that is devoted to conserving uses or nonprogram crops shall be considered as part of the individual farm program acreage;

"(ii) the producers shall be eligible for payments under this subsection with respect to the acreage referred to in clause (i); and

"(iii) any portion of the rice acreage base of the farm that is devoted to conserving uses or nonprogram crops shall be considered to be planted to rice.

"(4) The payment rate for rice shall be the amount by which the established price for the crop of rice exceeds the higher of—

"(A) the national average market price received by producers during the first 5 months of the marketing year for such crop, as determined by the Secretary; or

"(B) the loan level determined for such crop.

"(5) The established price for rice shall—

"(A) in the case of the 1986 crop, not be less than $11.90 per hundredweight; and

"(B) in the case of each of the 1987 through 1989 crops, not be less than 110 percent, nor more than 125 percent, of the simple average price received by producers of rice, as determined by the Secretary, during the immediately preceding 5 marketing years, excluding the year in which the average price was the highest and the year in which the average price was the lowest in such period, except that the established price for a crop determined under this subparagraph may not be reduced by more than 5 percent from the level determined for the preceding crop.

"(6) The yield established for the farm for any year shall be determined on the basis of the actual yields per harvested acre for the 3 preceding years. The actual yields shall be adjusted by the Secretary for abnormal yields in any year caused by drought, flood, other natural disaster, or other condition beyond the control of the producers. If no rice was produced on the farm during such period, the yield shall be determined taking into consideration the yield of comparable farms in the surrounding area and such other factors as the Secretary determines will produce a fair and equitable yield.

"(7) The total quantity of rice on which payments would otherwise be payable to a producer on a farm for any crop under this subsection shall be reduced by the quantity on which any disaster payment is made to the producer for the crop under subsection (d).

"(8) As used in this subsection, the term 'nonprogram crop' means any agricultural commodity other than wheat, feed grains, upland cotton, extra long staple cotton, rice, or soybeans.

"(d)(1) Except as provided in paragraph (3), if the Secretary determines that the producers on a farm are prevented from planting any portion of the acreage intended for rice to rice or other nonconserving crops because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the Secretary shall make a prevented planting disaster payment to the producers in an amount equal to the product obtained by multiplying—

"(A) the number of acres so affected but not to exceed the acreage planted to rice for harvest (including any acreage that the producers were prevented from planting to rice or other nonconserving crops in lieu of rice because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the immediately preceding year; by

"(B) 75 percent of the yield established for the farm by the Secretary; by

"(C) a payment rate equal to 33⅓ percent of the established price for the crop.

"(2) Except as provided in paragraph (3), if the Secretary determines that because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the total quantity of rice that the producers are able to harvest on any farm is less than the result of multiplying 75 percent of the yield established for the farm for such crop by the acreage planted for harvest for such crop, the Secretary shall make a reduced yield disaster payment to the producers at a rate equal to 33⅓ percent of the established price for the crop for the deficiency in production below 75 percent for the crop.

"(3) Producers on a farm shall not be eligible for—

"(A) prevented planting disaster payments under paragraph (1), if prevented planting crop insurance is available to the producers under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) with respect to the rice acreage of the producers; or

"(B) reduced yield disaster payments under paragraph (2), if reduced yield crop insurance is available to the producers under such Act with respect to the rice acreage of the producers.

"(4)(A) Notwithstanding paragraph (3), the Secretary may make a disaster payment to producers on a farm under this subsection if the Secretary determines that—

"(i) as the result of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the producers have suffered substantial losses of production either from being prevented from planting rice or other nonconserving crops or from reduced yields;

"(ii) such losses have created an economic emergency for the producers;

"(iii) crop insurance indemnity payments under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) and other forms of assistance made available by the Federal Government to such producers for such losses is insufficient to alleviate such economic emergency; and

"(iv) additional assistance must be made available to such producers to alleviate such economic emergency.

"(B) The Secretary may make such adjustments in the amount of payments made available under this paragraph with respect to an individual farm so as to assure the equitable allotment of such payments among producers, taking into account other forms of Federal disaster assistance provided to the producers for the crop involved.

"(e)(1)(A) The Secretary shall proclaim a national program acreage for each of the 1986 through 1989 crops of rice. The proclamation shall be made not later than January 31 of each calendar year for the crop harvested in that calendar year.

"(B) The Secretary may revise the national program acreage first proclaimed for any crop year for the purpose of determining the allocation factor under paragraph (2) if the Secretary determines a revision is necessary based on the latest information. The Secretary shall proclaim such revised national program acreage as soon as it is made.

"(C) The national program acreage for rice shall be the number of harvested acres the Secretary determines (on the basis of the weighted national average of the farm established yields for the crop for which the determination is made) will produce the quantity (less imports) that the Secretary estimates will be utilized domestically and for export during the marketing year for such crop.

"(D) If the Secretary determines that carryover stocks of rice are excessive or an increase in stocks is needed to assure desirable carryover, the Secretary may adjust the national program acreage by the quantity the Secretary determines will accomplish the desired increase or decrease in carryover stocks.

"(2) The Secretary shall determine a program allocation factor for each crop of rice. The allocation factor for rice shall be determined by dividing the national program acreage for the crop by the number of acres that the Secretary estimates will be harvested for such crop. In no event may the allocation factor for any crop of rice be more than 100 percent nor less than 80 percent.

"(3)(A) The individual farm program acreage for each crop of rice shall be determined by multiplying the allocation factor by the acreage of rice planted for harvest on the farms for which individual farm program acreages are required to be determined.

"(B) The individual farm program acreage may not be further reduced by application of the allocation factor if the producers reduce the acreage of rice planted for harvest on the farm from the acreage base established for the farm under subsection (f)(2)(C) by at least the percentage recommended by the Secretary in the proclamation of the national program acreage.

"(C) The Secretary shall provide fair and equitable treatment for producers on farms on which the acreage of rice planted for harvest is less than the acreage base established for the farm under subsection (f)(2)(C), but for which the reduction is insufficient to exempt the farm from the application of the allocation factor.

"(D) In establishing the allocation factor for rice, the Secretary may make such adjustment as the Secretary deems necessary to take into account the extent of exemption of farms under the foregoing provisions of this subsection.

"(f)(1)(A) Notwithstanding any other provision of law—

"(i) in the case of each of the 1986 through 1988 crops of rice, the Secretary may provide for any crop either for an acreage limitation program as described in paragraph (2) or a set-aside program as described in paragraph (3), if the Secretary determines that the total supply of rice, in the absence of such a program, would be excessive, taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency; and

"(ii) in the case of the 1989 crop of rice, the Secretary may not provide either for an acreage limitation program as described in

paragraph (2) or a set-aside program as described in paragraph (3).

"• • • years immediately preceding the year for which the determination is made;

"(II) in the case of the 1987 crop of rice, the average acreage planted to rice for harvest in the 3 crop years immediately preceding the year for which the determination is made; and

"(III) in the case of the 1988 crop of rice, the average acreage planted to rice for harvest in the 4 crop years immediately preceding the year for which the determination is made.

"(IV) in the case of the 1989 crop of rice, the average acreage planted to rice for harvest in the 5 crop years immediately preceding the year for which the determination is made.

"(ii) For the purpose of clause (i), acreage planted to rice for harvest shall include—

"(I) any reduced acreage, set-aside acreage, and diverted acreage; and

"(II) any acreage that producers were prevented from planting to rice or other nonconserving crops in lieu of rice because of drought, flood, or other natural disaster, or other condition beyond the control of the producers.

"(iii) The Secretary may make adjustments to reflect established crop-rotation practices and to reflect such other factors as the Secretary determines should be considered in determining a fair and equitable base.

"(iv) In no event may the total of all crop acreage bases for any farm exceed the total acreage of cropland on the farm.

"(D)(i) A number of acres on the farm determined by dividing—

"(I) the product obtained by multiplying the number of acres required to be withdrawn from the production of rice times the number of acres actually planted to such commodity; by

"(II) the number of acres authorized to be planted to such commodity under the limitation established by the Secretary,

shall be devoted to conservation uses, in accordance with regulations issued by the Secretary.

"(ii) The number of acres determined under clause (i) is hereafter in this subsection referred to as 'reduced acreage'.

"(D) The Secretary may make such adjustments in individual set-aside acreages under this section as the Secretary determines necessary—

"(E) If an acreage limitation program is announced under paragraph (1) for a crop of rice, subsection (e) shall not be applicable to such crop, including any prior announcement that may have been made under such subsection with respect to such crop. The individual farm program acreage shall be the acreage planted on the farm to rice for harvest within the permitted rice acreage for the farm as established under this paragraph.

"(3)(A) If a set-aside program is announced under paragraph (1), then as a condition of eligibility for loans, purchases, and payments authorized by this section (except as provided in subsection (g)), the producers on a farm must—

"(i) set aside and devote to conservation uses an acreage of cropland equal to a specified percentage (not to exceed 35 percent) of the acreage of rice planted for harvest for the crop for which the set-aside is in effect; and

"(ii) otherwise comply with such program.

"(B) The set-aside acreage shall be devoted to conservation uses, in accordance with regulations issued by the Secretary.

"(C)(i) If a set-aside program is established, the Secretary may limit the acreage planted to rice. Such limitation shall be applied on a uniform basis to all rice-producing farms.

"(ii) The number of acres for each farm permitted to be planted to rice, as determined in accordance with this subparagraph, shall be referred to as 'limited farm acreage'.

"(D) The Secretary may make such adjustments in individual set-aside acreages under this section as the Secretary determines necessary—

"(i) to correct for abnormal factors affecting production; and

"(ii) to give due consideration to tillable acreage, crop-rotation practices, types of soil, soil and water conservation measures, topography, and such other factors as the Secretary determines necessary.

"(4)(A) The regulations issued by the Secretary under paragraphs (2) and (3) with respect to acreage required to be devoted to conservation uses shall assure protection of such acreage from weeds and wind and water erosion.

"(B) The Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of such acreage to be devoted to sweet sorghum, hay and grazing, or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, triticale, rye, or other commodity, if the Secretary determines that such production is needed to provide an adequate supply of such commodities, is not likely to increase the cost of the price support program, and will not affect farm income adversely.

"(5)(A) The Secretary may make land diversion payments to producers of rice, whether or not an acreage limitation or set-aside program for rice is in effect, if the Secretary determines that such land diversion payments are necessary to assist in adjusting the total national acreage of rice to desirable goals. Such land diversion payments shall be made to producers who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in accordance with land diversion contracts entered into by the Secretary with such producers.

"(B) The amounts payable to producers under land diversion contracts may be determined through the submission of bids for such contracts by producers in such manner as the Secretary may prescribe or through such other means as the Secretary determines appropriate. In determining the acceptability of contract offers, the Secretary shall take into consideration the extent of the diversion to be undertaken by the producers and the productivity of the acreage diverted.

"(C) The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to affect adversely the economy of the county or local community.

"(6)(A) The reduced acreage, set-aside acreage, and additional diverted acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies.

"(B) The Secretary may pay an appropriate share of the cost of practices designed to carry out the purposes of subparagraph (A).

"(C) The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm, as the Secretary may prescribe, by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(7)(A) An operator of a farm desiring to participate in the program conducted under this subsection shall execute an agreement with the Secretary providing for such participation not later than such date as the Secretary may prescribe.

"(B) The Secretary may, by mutual agreement with producers on a farm, terminate or modify any such agreement if the Secretary determines such action necessary because of an emergency created by drought or other disaster or to prevent or alleviate a shortage in the supply of agricultural commodities.

"(g)(1) The Secretary may, for each of the 1986 through 1989 crops of rice, make payments available to producers who meet the requirements of this section.

"(2) Such payments shall be—

"(A) made in the form of rice owned by the Commodity Credit Corporation; and

"(B) subject to the availability of such rice.

"(3)(A) Payments under this subsection shall be determined in the same manner as provided in subsection (b).

"(B) The quantity of rice to be made available to a producer under this subsection shall be equal in value to the payments so determined under such subsection.

"(4) A producer shall be eligible to receive a payment under this subsection for a crop if the producer—

"(A) agrees to forgo obtaining a loan or purchase agreement under subsection (a);

"(B) agrees to forgo receiving payments under subsection (c);

"(C) does not plant rice for harvest in excess of the farm acreage base reduced by one-half of any acreage required to be diverted from production under subsection (f); and

"(D) otherwise complies with this section.

"(h) The Secretary shall provide for the sharing of payments made under this section for any farm among the producers on the farm on a fair and equitable basis.

"(i) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

"(j)(1) If the failure of a producer to comply fully with the terms and conditions of the program formulated under this section precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as the Secretary determines are equitable in relation to the seriousness of the failure.

"(2) The Secretary may authorize the county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) to waive or modify deadlines and other program requirements in cases in which lateness or failure to meet such other requirements does not affect adversely the operation of the program.

"(k) The Secretary may issue such regulations as the Secretary determines necessary to carry out this section.

"(l) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(m) The provisions of section 8(g) of the Soil Conservation and Domestic Allotment

Act (16 U.S.C. 590h(g)) (relating to assignment of payments) shall apply to payments under this section.".

TITLE XII—FOOD ASSISTANCE RESERVE

DEFINITIONS

SEC. 1201. As used in this title:

(1) The term "reserve" means a food assistance reserve established under section 1202(a).

(2) The term "Secretary" means the Secretary of Agriculture.

ESTABLISHMENT OF RESERVE

SEC. 1202. (a) Subject to subsection (b), the Secretary shall establish a food assistance reserve containing up to 500 million bushels of wheat and feed grains, to be used in accordance with this title.

(b) The Secretary shall include in the reserve—

(1) not less than 200 million bushels of wheat, to be used in accordance with section 1203(b); and

(2) not less than 100 million bushels of wheat, to be used in accordance with section 1203(c).

USE OF STOCKS

SEC. 1203. (a) Except as provided in subsections (b) and (c), stocks of the reserve may be made available by the Secretary to meet urgent humanitarian needs.

(b)(1) Except as provided in paragraph (2) and notwithstanding any other provision of law, stocks of wheat included in the reserve under section 1202(b)(1) may be released by the Secretary only to provide, on a donation or sale basis, emergency food assistance to developing countries, if the domestic supply of wheat is so limited that quantities of wheat cannot be made available for disposition under the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.) except for urgent humanitarian purposes, under the criteria established under section 401(a) of such Act (7 U.S.C. 1731(a)).

(2) Up to 300,000 metric tons of wheat included in the reserve under section 1202(b)(1) may be released from the reserve in any fiscal year, without regard to the domestic supply situation, for use under title II of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1721 et seq.) in providing urgent humanitarian relief in any developing country suffering a major disaster, as determined by the President, if the wheat needed for relief cannot be programmed for such purpose in a timely manner under the normal means of obtaining commodities for food assistance due to circumstances of unanticipated and exceptional need.

(c) Notwithstanding any other provision of law, stocks of wheat included in the reserve under section 1202(b)(2) may be released by the Secretary only for carrying out section 416 (b) or (c) of the Agricultural Act of 1949 (7 U.S.C. 1431 (b) or (c)).

(d) In connection with the use of stocks in the reserve, the Secretary may pay the cost of processing, reprocessing, packaging, transporting, handling, and other charges, including the cost of overseas delivery.

MANAGEMENT OF STOCKS

SEC. 1204. (a) In order to establish the reserve or replenish the stocks of the reserve, the Secretary may—

(1) acquire wheat or feed grains for the reserve through purchases from producers or in the market, if the Secretary determines that such purchases will not unduly disrupt the market; and

(2) designate stocks of wheat and feed grains otherwise acquired by the Commodity Credit Corporation as stocks of the reserve.

(b) The Secretary may provide for the periodic rotation of stocks of the reserve to avoid spoilage and deterioration of such stocks.

ADMINISTRATION

SEC. 1205. (a) The Secretary may issue such rules and regulations as the Secretary determines necessary to carry out this title.

(b)(1) The funds, facilities, and authorities of the Commodity Credit Corporation shall be used by the Secretary in carrying out this title.

(2)(A) The Commodity Credit Corporation shall be reimbursed from funds made available for carrying out the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.) for wheat released from the reserve that is made available under such Act.

(B) Such reimbursement shall be made on the basis of the lower of—

(i) the actual costs incurred by the Commodity Credit Corporation with respect to such wheat; or

(ii) the export market price of wheat (as determined by the Secretary) as of the time the wheat is released from the reserve for such purpose.

(C) Reimbursement under clause (i) or (ii) of subparagraph (B) shall include the actual costs incurred by the Corporation with respect to processing, reprocessing, packaging, transporting, handling, and other charges, including overseas delivery.

(D) Such reimbursement may be made from funds appropriated for such purpose in subsequent years.

(c) Any determination made by the Secretary under this title shall be final and conclusive.

REPEAL OF CERTAIN RESERVE PROVISIONS AND CONFORMING AMENDMENTS

SEC. 1206. (a)(1) Except as provided in paragraph (2), section 110 of the Agricultural Act of 1949 (7 U.S.C. 1445e) is repealed.

(2) Such section, other than subsection (f) of such section, shall be effective through the 1985 crops of wheat and feed grains, except that the Secretary may not authorize the extension of an outstanding price support loan under subsection (b) of such section.

(3) Section 209(a)(4) of the Agricultural Act of 1980 (7 U.S.C. 4002(a)(4)) is amended by inserting before the period at the end thereof the following: ", as such program existed before the amendment made by section 1206(a)(1) of the Agriculture, Food, Trade, and Conservation Act of 1985".

(b) Section 813 of the Agricultural Act of 1970 (7 U.S.C. 1427a) is repealed.

(c)(1) The Food Security Wheat Reserve Act of 1980 (7 U.S.C. 1736f-1) is repealed.

(2) Section 202(b) of the Temporary Emergency Food Assistance Act of 1983 (7 U.S.C. 612c note) is amended—

(A) by striking out "section 302(b)(1) of the Food Security Wheat Reserve Act of 1980" in the first sentence and inserting in lieu thereof "section 1202(b)(1) of the Agriculture, Food, Trade, and Conservation Act of 1985"; and

(B) in the second sentence—

(i) by striking out "from the Food Security Wheat Reserve" and inserting in lieu thereof "from the food assistance reserve"; and

(ii) by striking out "the provisions of section 302(b) of the Food Security Wheat Reserve Act of 1980" and inserting in lieu thereof "section 1204(a) of the Agriculture, Food, Trade, and Conservation Act of 1985".

(d) Section 208 of the Agricultural Act of 1980 (7 U.S.C. 4001) is repealed.

TITLE XIII—MISCELLANEOUS COMMODITY PROVISIONS

ADVANCE PAYMENTS

SEC. 1308. Effective only for the 1986 through 1989 crops of wheat, feed grains, upland cotton, and rice, section 107C of the Agricultural Act of 1949 (7 U.S.C. 1445b-2) is amended to read as follows:

"SEC. 107C. (a)(1) If the Secretary establishes an acreage limitation program for any of the 1986 through 1989 crops of wheat, feed grains, upland cotton, or rice under this Act and determines that deficiency payments will likely be made for such commodity for such crop, the Secretary may make available advance deficiency payments to producers who agree to participate in such program.

"(2) Advance deficiency payments under paragraph (1) shall be made to the producer under the following terms and conditions:

"(A) Such payments—

"(i) in the case of the 1986 crops of wheat, feed grains, upland cotton, or rice shall be made available, subject to availability, in the form of a commodity owned by the Commodity Credit Corporation in an amount not to exceed 15 percent of the total of such payments; and

"(ii) in the case of the 1987 through 1989 crops of wheat, feed grains, upland cotton, or rice may be made available in the form of a commodity owned by the Commodity Credit Corporation in such amounts as the Secretary determines appropriate.

"(B) Such payments shall be made available as soon as practicable after the end of the fifth month of the marketing year for the crop.

"(C) Such payments shall be made available in such amounts as the Secretary determines appropriate to encourage adequate participation in such program, except that such amount may not exceed an amount determined by multiplying—

"(i) the estimated farm program average for the crop; by

"(ii) the farm program payment yield for the crop; by

"(iii) 90 percent of the projected payment rate on the basis of the national weighted average market price received by producers during the first 5 months of the marketing year for the crop,

as determined by the Secretary.

"(D) If the deficiency payment payable to a producer for a crop, as finally determined by the Secretary under this Act, is less than the amount paid to the producer as an advance deficiency payment for the crop under this subsection, the producer shall refund an amount equal to the difference between the amount advanced and the amount finally determined by the Secretary to be payable to the producer as a deficiency payment for the crop concerned.

"(E) If the Secretary determines under this Act that deficiency payments will not be made available to producers on a crop with respect to which advance deficiency payments already have been made under this subsection, the producers who received such advance payments shall refund such payments.

"(F) Any refund required under subparagraph (C) or (D) shall be due at the end of the marketing year for the crop with respect to which such payments were made.

"(G) If a producer fails to comply with requirements established under the acreage limitation or set-aside program involved after obtaining an advance deficiency payment under this subsection, the producer shall repay immediately the amount of the advance, plus interest thereon in such amount as the Secretary shall prescribe by regulation.

"(3) The Secretary may issue such regulations as the Secretary determines necessary to carry out this section.

"(4) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(5) The authority provided in this subsection shall be in addition to, and not in place of, any authority granted to the Secretary or the Commodity Credit Corporation under any other provisions of law.

"(b) If the Secretary makes land diversion payments under this Act to assist in adjusting the total national acreage of any of the 1986 through 1989 crops of wheat, feed grains, upland cotton, or rice to desirable levels, the Secretary may make at least 50 percent of such payments available to a producer as soon as possible after the producer agrees to undertake the diversion of land in return for such payments.".

NORMALLY PLANTED ACREAGE

SEC. 1302. Section 1001 of the Food and Agriculture Act of 1977 (7 U.S.C. 1309) is amended—

(1) by striking out "1985" each place it appears and inserting in lieu thereof "1989"; and

(2) by striking out "and feed grains" each place it appears and inserting in lieu thereof ", feed grains, upland cotton, and rice".

TITLE XVI—CONSERVATION

Subtitle A—Definitions

DEFINITIONS

SEC. 1601. (a) For purposes of subtitles A through D:

(1) The term "agricultural commodity" means—

(A) any agricultural commodity planted and produced in a State by annual tilling of the soil, including tilling by one-trip planters; or

(B) sugarcane planted and produced in a State.

(2) The term "conservation district" means any district or unit of State or local government formed under State or territorial law for the express purpose of developing and carrying out a local soil and water conservation program. Such district or unit of State or local government may be referred to as a "conservation district", "soil conservation district", "soil and water conservation district", "resource conservation district", "natural resource district", "land conservation committee", or a similar name.

(3) The term "conservation payment" means a payment made by the Secretary to an owner or operator of a farm or ranch containing eligible erosion-prone land to reimburse such owner or operator for the cost of establishing vegetative cover on such land in accordance with subtitle D.

(4)(A) The term "converted wetland" means wetland that has been drained, dredged, filled, leveled, or otherwise manipulated by any activity that results in impairing or reducing the flow, circulation, or reach of water for the purpose of, or that has the effect of, making the land suitable for the production of an agricultural commodity if—

(i) the production of such commodity would not have been possible if such action had not been taken; and

(ii) before such action was taken, the land—

(I) was wetland; and

(II) was not highly erodible land.

(B) Wetland shall not be considered converted wetland if production of an agricultural commodity on such land during a crop year—

(i) is possible as a result of a natural condition, such as drought; and

(ii) is not assisted by an action of the producer that destroys natural wetland characteristics.

(5) The term "eligible erosion-prone land" means erosion-prone land that has been devoted, or has been considered to be devoted, to the production of an agricultural commodity during at least 2 of the 3 consecutive crop years ending prior to January 1, 1986.

(6) The term "erosion-prone land" means land that—

(A) is classified by the Soil Conservation Service as class IVe, VI, VII, or VIII land under the land capability classification system in effect on the date of enactment of this Act; or

(B) has or, if used to produce an agricultural commodity, would have an excessive rate of erosion, as determined by the Secretary, based on application of the appropriate factors of the universal soil loss equation and the wind erosion equation used by the Secretary, including climate, soil erodibility, and field slope.

(7) The term "field" means such term as is defined in section 718.2(b)(9) of title 7 of the Code of Federal Regulations (as of January 1, 1985), except that any highly erodible land on which an agricultural commodity is produced after the date of enactment of this Act and that is not exempt under section 1612 shall be considered as part of the field in which such land was included on such date, unless the Secretary permits modification of the boundaries of the field to carry out subtitle B.

(8) The term "highly erodible land" means land classified by the Soil Conservation Service as class IIIe, IVe, VI, VII, or VIII land under the land capability classification system in effect on the date of enactment of this Act.

(9) The term "hydric soil" means soil that, in its undrained condition, is saturated, flooded, or ponded long enough during a growing season to develop an anaerobic condition that supports the growth and regeneration of hydrophytic vegetation.

(10) The term "hydrophytic vegetation" means a plant growing in—

(A) water; or

(B) a substrate that is at least periodically deficient in oxygen during a growing season as a result of excessive water content.

(11) The term "in-kind commodities" means commodities that are normally produced on land that is the subject of an agreement entered into under subtitle D.

(12) The term "operator" means the operator of erosion-prone land.

(13) The term "owner" means the owner of erosion-prone land.

(14) The term "rental payment" means a payment made by the Secretary to an owner or operator of a farm or ranch containing eligible erosion-prone land to compensate the owner or operator for retiring such land from crop production and placing such land in the conservation acreage reserve in accordance with subtitle D.

(15) The term "Secretary" means the Secretary of Agriculture.

(16) The term "shelterbelt" means a vegetative barrier with a linear configuration composed of trees, shrubs, and other approved perennial vegetation.

(17) The term "State" means each of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands of the United States, American Samoa, the Commonwealth of the Northern Mariana Islands, or the Trust Territory of the Pacific Islands.

(18) The term "vegetative cover" means—

(A) perennial grasses or legumes with an expected life span of 5 or more years; or

(B) trees.

(19) The term "wetland" means an area (including a swamp, marsh, bog, prairie pothole, or similar area) having a predominance of hydric soils that are inundated or saturated by surface or ground water at a frequency and duration sufficient to support, and that under normal circumstances supports, the growth and regeneration of hydrophytic vegetation.

(b) The land capability class for a field shall be that class determined by the Secretary to be the predominant class under regulations issued by the Secretary.

(c) The Secretary shall develop—

(1) criteria for the identification of hydric soils and hydrophytic vegetation; and

(2) lists of such soils and such vegetation.

Subtitle B—Highly Erodible Land Conservation

PROGRAM INELIGIBILITY

SEC. 1611. (a) Except as provided in section 1612 and notwithstanding any other provision of law, following the date of enactment of this Act, any person who produces an agricultural commodity in any crop year on a field in which highly erodible land is the predominant class shall be ineligible for—

(1) as to any commodity produced during that crop year by such person—

(A) any price support or payment made available under the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.), the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), or any other Act;

(B) a farm storage facility loan made under section 4(h) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714b(h));

(C) crop insurance under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.);

(D) a disaster payment made under the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.); or

(E) a loan made, insured, or guaranteed under the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) or any other provision of law administered by the Farmers Home Administration, if the Secretary determines that the proceeds of such loan will be used for a purpose that will contribute to excessive erosion of highly erodible land; or

(2) a payment made under section 4 or 5 of the Commodity Credit Corporation Charter Act (15 U.S.C. 714b or 714c) during such crop year for the storage of an agricultural commodity acquired by the Commodity Credit Corporation.

EXEMPTIONS

SEC. 1612. Section 1611 shall not apply to—

(1) any person who produces an agricultural commodity in any crop year on a field in which highly erodible land is the predominant class if all the commodities so

produced by such person during such crop year were—

(A) produced on land that was cultivated to produce any of the 1981 through 1985 crops of such commodities;

(B) planted before the date of enactment of this Act;

(C) planted during any crop year beginning before the date of enactment of this Act; or

(D) produced—

(i) in the case of any area within a conservation district, under a conservation system that has been approved by a conservation district after the district has determined that the conservation system is in conformity with technical standards set forth in the Soil Conservation Service technical guide for such district; or

(ii) in the case of an area not within a conservation district, under a conservation system determined by the Secretary to be adequate for the production of such agricultural commodity on any highly erodible land subject to this Act;

(2) any loan described in section 1611 made before the date of enactment of this Act; or

(3) any person who produces an agricultural commodity on any highly erodible land during any crop year if such land was planted in reliance on a determination made by the Soil Conservation Service that such land was not highly erodible land, except that this paragraph shall not apply to any agricultural commodity that was planted on any land after the Soil Conservation Service determines that such land is highly erodible land.

CONSERVATION SYSTEMS ON EXEMPTED HIGHLY ERODIBLE LAND

SEC. 1613. (a) Notwithstanding any other provision of law, the Secretary shall require that, as a condition of eligibility for a loan, purchase, or payment authorized for any agricultural commodity under any program carried out by the Secretary or the Commodity Credit Corporation, any person who produces an agricultural commodity on highly erodible land must use a conservation system determined to be appropriate for such land by—

(1) in the case of land within a conservation district, such district; or

(2) in the case of land not within a conservation district, the Secretary.

(b) This section shall apply to land beginning with the later of—

(1) the 1988 crop year; or

(2) the date that is 2 years after the date such land is mapped by the Soil Conservation Service for purposes of classifying such land under the land capability classification system.

SOIL SURVEYS

SEC. 1614. (a) The Secretary shall, as soon as is practicable after the date of enactment of this Act, complete soil surveys on those private lands that do not have a soil survey suitable for use in determining the land capability class for purposes of this subtitle.

(b) In carrying out subsection (a), the Secretary shall, insofar as possible, concentrate on those localities where significant amounts of highly erodible land are being converted to the production of agricultural commodities.

ADMINISTRATION

SEC. 1615. (a) In carrying out this subtitle, the Secretary shall use the services of local, county, and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)).

(b) The Secretary shall establish, by regulation, an appeal procedure under which—

(1) a person who produces an agricultural commodity on land classified as class IIIe, IVe, VI, VII, or VIII land under the land capability classification system applicable under this subtitle may seek review of such classification; and

(2) a person who is adversely affected by any determination made under this subtitle may seek review of such determination.

(c) The authority provided by this subtitle shall be in addition to, and not in place of, other authority granted to the Secretary and the Commodity Credit Corporation.

REGULATIONS

SEC. 1616. Not later than 180 days after the date of enactment of this Act, the Secretary shall issue such regulations as the Secretary determines are necessary to carry out this subtitle, including regulations that—

(1) define the term "person";

(2) govern the determination of persons who shall be ineligible for program benefits under this subtitle, so as to ensure a fair and reasonable determination of ineligibility; and

(3) protect the interests of tenants and sharecroppers.

Subtitle C—Wetland Conservation

PROGRAM INELIGIBILITY

SEC. 1621. (a) Except as provided in section 1622 and notwithstanding any other provision of law, following the date of enactment of this Act, any person who produces an agricultural commodity in any crop year on converted wetland shall be ineligible, as to any commodity produced during that crop year by such person, for—

(1) as to any commodity produced during that crop year by such person—

(A) any price support or payment made available under the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.), the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), or any other Act;

(B) a farm storage facility loan made under section 4(h) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714b(h));

(C) crop insurance under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.);

(D) a disaster payment under the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.); or

(E) a loan made, insured, or guaranteed under the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) or any other provision of law administered by the Farmers Home Administration, if the Secretary determines that the proceeds of such loan will be used for a purpose that will contribute to the conversion of wetland; or

(2) a payment made under section 4 or 5 of the Commodity Credit Corporation Charter Act (15 U.S.C. 714b or 714c) during such crop year for the storage of an agricultural commodity acquired by the Commodity Credit Corporation.

EXEMPTIONS

SEC. 1622. (a) Section 1621 shall not apply to—

(1) any person who, during any crop year, produces an agricultural commodity on converted wetland, if the conversion of such wetland was commenced before the date of enactment of this Act;

(2) any person who produces an agricultural commodity on—

(A) land that has been converted to artificial wetland, in an area that was not wetland, for a purpose such as stockwater, fish production, irrigation (including subsurface irrigation), a settling basin, cooling, rice growing, or flood control; or

(B) wetland created as a result of irrigation or an irrigation system; or

(3) any loan made before the date of enactment of this Act.

(b) The Secretary may exempt a person from section 1621 for any action associated with the production of an agricultural commodity on converted wetland if the effect of such action, individually and in connection with all other similar actions authorized by the Secretary in the area, on the hydrological and biological aspect of wetland is minimal.

ADMINISTRATION

SEC. 1623. (a) The Secretary shall establish, by regulation, an appeal procedure under which—

(1) a person who produces an agricultural commodity on land determined to be converted wetland may seek review of such determination; and

(2) a person who is adversely affected by any determination made under this subtitle may seek review of such determination.

(b) The Secretary shall consult with the Secretary of the Interior on such determinations and actions as are necessary to carry out this subtitle, including—

(1) the identification of wetland;

(2) the determination of exemptions under section 1622; and

(3) the issuance of regulations under section 1624.

REGULATIONS

SEC. 1624. Not later than 180 days after the date of enactment of this Act, the Secretary shall issue such regulations as the Secretary determines are necessary to carry out this subtitle, including regulations that—

(1) define the term "person";

(2) govern the determination of persons who shall be ineligible for program benefits under this subtitle, so as to ensure a fair and reasonable determination of ineligibility; and

(3) protect the interests of tenants and sharecroppers.

Subtitle D—Conservation Acreage Reserve

CONSERVATION ACREAGE RESERVE

SEC. 1631. (a) During the 1986 through 1990 crop years, the Secretary shall establish and carry out a conservation acreage reserve programs to assist owners and operators of farms and ranches containing eligible erosion-prone land.

(b) In carrying out such programs, the Secretary shall provide assistance to such owners and operators to make changes in their cropping practices and land-use systems in order to—

(1) convert eligible erosion-prone land on farms or ranches normally devoted to the production of agricultural commodities to less intensive uses (such as pasture, permanent grass or legumes, or trees); and

(2) place such land in the conservation acreage reserves established under this subtitle.

(c) The Secretary shall enter into contracts with owners and operators of farms and ranches containing eligible erosion-prone land to place in a long-term conservation acreage reserve—

(1) during the 1986 crop year, not less than 9, nor more than 30, million acres;

(2) during the 1986 through 1987 crop years, a total of not less than 13, nor more than 30, million acres; and

(3) during the 1986 through 1988 crop years, a total of not less than 17, nor more than 30, million acres; and

"(4) during the 1986 through 1989 crop years, a total of not less than 25, nor more than 30, million acres.".

(d) For the purpose of carrying out the long-term conservation acreage reserve, the Secretary shall enter into contracts of not less than 7, nor more than 15, years.

(e)(1) In addition to the acreage required to be placed in the conservation acreage reserve under subsection (c), during the 1986 crop year, the Secretary shall enter into contracts with owners and operators of farms and ranches containing eligible erosion-prone land to place in a short-term conservation acreage reserve 15 million acres of eligible erosion-prone land.

(2) For purposes of carrying out this subsection, the Secretary shall enter into contracts during crop year 1986 for the 3 crop years 1986 through 1988.

(3) Payments under a contract entered into under this subsection shall be made in in-kind commodities pursuant to the provisions of section 1634(d)(3) of this subtitle and in such amounts as are agreed on and specified in the contract.

DUTIES OF OWNERS AND OPERATORS

SEC. 1632. (a) Under the terms of a contract entered into under this subtitle, during the term of such contract, an owner or operator of a farm or ranch must agree—

(1) to implement a plan approved by a conservation district (or in an area not located within a conservation district, a plan approved by the Secretary) for converting eligible erosion-prone land normally devoted to the production of an agricultural commodity to a less intensive use (as defined by the Secretary), such as pasture, permanent grass or legumes, or trees, substantially in accordance with a schedule outlined in the plan;

(2) to place eligible erosion-prone land subject to the contract in the conservation acreage reserves established under this subtitle;

(3) not to use such land for agricultural purposes, except as permitted by the Secretary;

(4) to establish approved vegetative cover on such land;

(5) on the violation of a term or condition of the contract at any time the owner or operator has control of such land—

(A) to forfeit all rights to receive rental payments and conservation payments under the contract and to refund to the Secretary any rental payments and conservation payments received by the owner or operator under the contract, together with interest thereon as determined by the Secretary, if the Secretary determines that such violation is of such nature as to warrant termination of the contract; or

(B) to refund to the Secretary, or accept adjustments to, the rental payments and conservation payments provided to the owner or operator, as the Secretary considers appropriate, if the Secretary determines that such violation does not warrant termination of the contract;

(6) on the transfer of the right and interest of the owner or operator in land subject to the contract—

(A) to forfeit all rights to rental payments and conservation payments under the contract; and

(B) to refund to the United States all rental payments and conservation payments received by the owner or operator, together with interest thereon as determined by the Secretary,

unless the transferee of such land agrees with the Secretary to assume all obligations of the contract, or enters into a new contract with the Secretary, in accordance with section 1635(a);

(7) not to conduct any harvesting, grazing, or haying, or otherwise make commercial use of the forage or trees, on land subject to the contract, unless it is expressly permitted in the contract or under subsection (e);

(8) not to adopt any practice specified by the Secretary in the contract as a practice that would tend to defeat the purposes of this subtitle; and

(9) to comply with such additional provisions as the Secretary determines are desirable to carry out this subtitle or to facilitate its administration.

(b) The plan referred to in subsection (a)(1) shall set forth—

(1) the conservation measures and practices to be carried out by the owner or operator during the term of the contract; and

(2) the commercial use, if any, to be permitted on the land during such term.

(c)(1) To the extent practicable, at least 10 percent of the total acreage placed under contracts entered into under subsections (c) and (d) of section 1631 of this subtitle shall be devoted to shelterbelts in areas prone to wind erosion.

(2) An owner or operator may not devote more acreage to shelterbelts established under this subtitle than is consistent with effective wind erosion control practices in the area, as determined by the Secretary.

(d) A portion of the contracts entered into under subsections (c) and (d) of section 1631 of this subtitle shall be made with owners and operators who agree to plant trees as the vegetative cover required under subsection (a)(4).

(e)(1) Except as provided in paragraphs (2) and (3), the Secretary may designate a State, or part of a State, as an area in which an owner or operator holding a contract entered into under this subtitle may be permitted, on an individual basis, to conduct haying or grazing, subject to such terms and conditions as the Secretary may prescribe, on land subject to such contract.

(2) Haying or grazing may be permitted under paragraph (1) only during the 6 principal nongrowing months of a year.

(3) The Secretary may not designate a State, or part of a State, under paragraph (1) for more than 1 year at a time.

DUTIES OF THE SECRETARY

SEC. 1633. In return for a contract entered into by an owner or operator under section 1631, the Secretary shall—

(1) share not more than 50 per centum of the cost of carrying out those conservation measures and practices set forth in the contract for which the Secretary determines that cost sharing is appropriate and in the public interest;

(2) for a period of years not in excess of the term of the contract, pay a rental payment in an amount necessary to compensate for—

(A) the conversion of eligible erosion-prone land normally devoted to the production of an agricultural commodity on a farm or ranch to a less intensive use; and

(B) the retirement of any cropland base and allotment history that the owner or operator agrees to retire permanently; and

(3) provide conservation technical assistance to assist the owner or operator in carrying out the contract.

PAYMENTS

SEC. 1634. (a) In determining the amount of rental payments to be paid to owners and operators for converting eligible erosion-prone land to less intensive uses, the Secretary may consider, among other things, the amount necessary to encourage owners or operators of eligible erosion-prone land to participate in the conservation acreage reserve programs.

(b) The amounts payable to owners or operators in the form of rental payments under contracts entered into under this subtitle may be determined through—

(1) the submission of bids for such contracts by owners and operators in such manner as the Secretary may prescribe; or

(2) such other means as the Secretary determines are appropriate.

(c)(1) In determining the acceptability of contract offers, the Secretary shall give priority to those offers that will result in the lowest cost to the Federal Government when calculated on the basis of all relevant factors, including—

(A) the rate of compensation necessary to encourage owners or operators of eligible erosion-prone land to participate in the conservation acreage reserve programs;

(B) the extent of erosion on, and the productivity of, the land that is the subject of the contract;

(C) the number of acres of eligible erosion-prone land removed from production each year;

(D) the amount of funds made available to carry out this subtitle;

(E) the extent to which eligible erosion-prone land may contribute to off-site damages; and

(F) the potential benefits to wildlife.

(2) In determining the acceptability of contract offers, the Secretary may establish different criteria in various States and regions of the United States to determine the extent to which erosion may be abated.

"(3) The Secretary shall provide payment of obligations incurred by the Secretary under a contract as follows:

"(A) any cost-sharing obligation shall be paid as soon as possible after the obligation is incurred; and

"(B) any annual rental payment obligation shall be paid as soon as practicable after October 1 of each calendar year, or, at the discretion of the Secretary, at any time prior to such date during the year for which the obligation is incurred."

"(d)(1) Notwithstanding any other provision of law, the annual rental payment under a contract entered into under subsections (c) and (d) of section 1631 of this subtitle shall be made—

"(A) for the first year in which the contract is in effect, in cash; and

"(B) for any subsequent year in which the contract is in effect (i) in in-kind commodities in such amounts as are agreed on and specified in the contract, except that such payment shall be made in cash to the extent that the use of commodities is limited under paragraph (2)."

(2) The Secretary may use a commodity acquired by the Commodity Credit Corporation to make such payment only if the Secretary makes a finding that the use of such commodity will not displace to a significant degree the usual marketings of such commodity.

(3) If such payment is made with in-kind commodities, such payment shall be made by the Commodity Credit Corporation—

(A) by delivery of the commodity involved to the owner or operator at a warehouse or other similar facility located in the county in which the eligible erosion-prone land is located or at such other location as is agreed to by the Secretary and the owner or operator;

(B) by the transfer of negotiable warehouse receipts; or

(C) by such other method, including the sale of the commodity in commercial markets, as is determined by the Secretary to be appropriate to enable the owner or operator to receive efficient and expeditious possession of the commodity.

(4) If stocks of a commodity acquired by the Commodity Credit Corporation are not readily available to make full payment in kind to the owner or operator, the Secretary may substitute full or partial payment in cash for payment in kind.

(f) The Secretary and an owner or operator who enters into a contract under this subtitle may agree to have a rental payment provided for a particular year or conservation payments, or both, made under a contract—

(1) on the determination of compliance with the terms and conditions of the contract; or

(2) in advance of the determination of compliance with the terms and conditions of the contract.

(g) If an owner or operator who is entitled to a payment under a contract entered into under this subtitle dies, becomes incompetent, is otherwise unable to receive such payment, or is succeeded by another person who renders or completes the required performance, the Secretary shall make such payment in accordance with regulations prescribed by the Secretary and without regard to any other provision of law, in such manner as the Secretary determines is fair and reasonable.

(h)(1) The total amount of rental payments, including rental payments made in the form of in-kind commodities, made to an owner or operator under this subtitle for any fiscal year may not exceed $50,000.

(2) Such rental payments received by an owner or operator shall be in addition to, and not affect, the total amount of payments that such owner or operator is otherwise eligible to receive under this Act or the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.).

CONTRACTS

SEC. 1635. (a) If during the term of a contract entered into under this subtitle an owner or operator of land subject to such contract sells or otherwise transfers the ownership or right of occupancy of such land, the new owner or operator of such land may—

(1) continue such contract under the same terms or conditions;

(2) enter into a new contract in accordance with this subtitle; or

(3) elect not to participate in the program established by this subtitle.

(b)(1) The Secretary may modify a contract entered into with an owner or operator under this subtitle if—

(A) the owner or operator agrees to such modification; and

(B) the Secretary determines that such modification is desirable—

(i) to carry out this subtitle;

(ii) to facilitate the practical administration of this subtitle; or

(iii) to achieve such other goals as the Secretary determines are appropriate, consistent with this subtitle.

(2) The Secretary may modify or waive a term or condition of a contract entered into under this subtitle in order to permit all or part of the land subject to such contract to be devoted to the production of an agricultural commodity during a crop year, subject to such conditions as the Secretary determines are appropriate.

(c)(1) The Secretary may terminate a contract entered into with an owner or operator under this subtitle if—

(A) the owner or operator agrees to such termination; and

(B) the Secretary determines that such termination would be in the public interest.

(2) At least 90 days before taking any action to terminate under paragraph (1) all conservation acreage reserve contracts entered into under this subtitle, the Secretary shall provide written notice of such action to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

ADMINISTRATION

SEC. 1636. (a)(1) During each of the fiscal years ending September 30, 1986, and September 30, 1987, the Secretary shall use the facilities, services, authorities, and funds of the Commodity Credit Corporation to carry out this subtitle.

(2) During the fiscal year ending September 30, 1988, and each fiscal year thereafter, the Secretary may use the facilities, services, authorities, and funds of the Commodity Credit Corporation to carry out this subtitle, except that the Secretary may not use funds of the Corporation for such purpose unless the Corporation has received funds to cover such expenditures from appropriations made to carry out this subtitle.

(b) In carrying out this subtitle, the Secretary may utilize the services of the Soil Conservation Service and the Forest Service, the Fish and Wildlife Service, State forestry agencies, State fish and game agencies, land-grant colleges, local, county, and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h), soil and water conservation districts, and other appropriate agencies.

(c) In carrying out this subtitle at the State and county levels, the Secretary shall consult with, to the extent practicable, the Fish and Wildlife Service, State forestry agencies, State fish and game agencies, land-grant colleges, soil-conservation districts, and other appropriate agencies and groups.

(d) In carrying out this subtitle, the Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing, on a fair and equitable basis, in payments under the program established by this subtitle.

(e)(1) Except as provided in paragraph (2), for the purpose of any other program administered by the Secretary, if an owner or operator diverts acreage from the production of an agricultural commodity under a contract entered into under this subtitle, any cropland base or allotment history with respect to such acreage shall be retired.

(2) Paragraph (1) shall not prohibit an owner or operator from establishing a cropland base or allotment history on such acreage under law applicable on the expiration of such contract.

(f) The authority provided by this subtitle shall be in addition to, and not in place of, other authorities available to the Secretary and the Commodity Credit Corporation.

REGULATIONS

SEC. 1637. Not later than 180 days after the date of enactment of this Act, the Secretary shall issue such regulations as the Secretary determines are necessary to carry out this subtitle.

AUTHORIZATION FOR APPROPRIATIONS

SEC. 1638. There are authorized to be appropriated without fiscal year limitation such sums as may be necessary to carry out this subtitle.

Subtitle E—Other Conservation Provisions

CONSERVATION EASEMENTS

SEC. 1641. (a) The Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 349. (a) For purposes of this section:

"(1) The term 'governmental entity' means any agency of the United States, a State, or a unit of local government of a State.

"(2) The term 'highly erodible land' means such term as defined in section 1601(a)(8) of the Agriculture, Food, Trade, and Conservation Act of 1985.

"(3) The term 'wetland' means such term as defined in section 1601(a)(19) of such Act.

"(4) The term 'wildlife' means fish or wildlife as defined in section 2(a) of the Lacey Act Amendments of 1981 (16 U.S.C. 3371(a)).

"(b) Subject to subsection (c), the Secretary may acquire and retain an easement in real property, for a term of not less than 50 years, for conservation, recreational, and wildlife purposes.

"(c) Such easement may be acquired or retained for real property if such property—

"(1) is wetland or highly erodible land;

"(2) is determined by the Secretary to be suitable for the purpose involved;

"(3)(A)(i) secures any loan made under any law administered by the Farmers Home Administration and held by the Secretary; and

"(ii) the borrower of such loan is unable, as determined by the Secretary, to repay such loan in a timely manner; or

"(B) is administered under this title by the Secretary; and

"(4) was row cropped in each year of the 3-year period ending on the date of the enactment of the Agriculture, Food, Trade, and Conservation Act of 1985.

"(d) The terms and conditions specified in each such easement shall—

"(1) specify the purposes for which such real property may be used;

"(2) identify the conservation measures to be taken, and the recreational and wildlife uses to be allowed, with respect to such real property; and

"(3) require such owner to allow the Secretary, and any person or governmental entity designated by the Secretary, to have access to such real property for the purpose of monitoring compliance with such easement.

"(e) Any such easement acquired by the Secretary shall be purchased from the borrower involved by canceling that part of the aggregate amount of such outstanding loans of the borrower held by the Secretary under laws administered by the Farmers Home Administration that bears the same ratio to the aggregate amount of the outstanding loans of such borrower held by the Secretary under all such laws as the number of acres of the real property of such borrower that are subject to such easement bears to

the aggregate number of acres securing such loans.

"(f) If the Secretary elects to use the authority provided by this section, the Secretary shall consult with the Director of the Fish and Wildlife Service for purposes of—

"(1) selecting real property in which the Secretary may acquire easements under this section;

"(2) formulating the terms and conditions of such easements; and

"(3) enforcing such easements.

"(g) The Secretary, and any person or governmental entity designated by the Secretary, may enforce an easement acquired by the Secretary under this section.

"(h) This section shall not apply with respect to the cancellation of any part of any loan that was made after the date of the enactment of Agriculture, Food, Trade, and Conservation Act of 1985.".

(b)(1) The last sentence of section 335(c) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1985(c)) is amended by inserting ", other than easements acquired under section 349" before the period at the end thereof.

(2) The second sentence of section 1001 of the Agricultural Act of 1970 (16 U.S.C. 1501) is amended—

(1) by striking out "perpetual"; and

(2) by inserting "for a term of not less than 50 years" after "easements".

(c) Any part of a loan canceled under section 339 of the Consolidated Farm and Rural Development Act shall not be included in income, and shall not have any effect on any tax attributed to any taxpayer or property, for purposes of the Internal Revenue Code of 1954.

DRY LAND FARMING

SEC. 1642. The first sentence of section 7(a) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590g(a)) is amended—

(1) by striking out "and" at the end of clause (5); and

(2) by inserting before the period the following:

", and (7) the promotion of energy and water conservation through dry land farming".

AGRICULTURAL CONSERVATION PROGRAM

SEC. 1643. Section 8(d) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(d)) is amended by adding at the end thereof the following new paragraph:

"To be eligible to receive a payment or grant of aid made under the agricultural conservation program authorized by sections 7 through 15, 16(a), 16(f), and 17 of this Act and sections 1001 through 1008 and 1010 of the Agricultural Act of 1970 (16 U.S.C. 1501 through 1508 and 1510), a producer must use such payment or grant in accordance with a conservation plan approved by (1) the soil and water conservation district or districts in which the land described in the plan is situated, or (2) in areas where such district or districts does not exist or fails to act on the approval of such plan, the Secretary of Agriculture. In order to receive such approval, such plan must ensure that soil loss levels on lands subject to such plan do not exceed the soil loss tolerance levels determined by the Secretary of Agriculture. The Secretary of Agriculture shall provide technical assistance to producers to assist producers in preparing such plans.".

SOIL AND WATER RESOURCES CONSERVATION

SEC. 1644. (a) Subsection (d) of section 5 of the Soil and Water Resources Conservation Act of 1977 (16 U.S.C. 2004(d)) is amended to read as follows:

"(d)(1) An appraisal required by this Act shall be completed not later than December 31, 1979, December 31, 1984, December 31, 1994, and December 31, 2004.

"(2) In the case of an appraisal due to be completed after December 31, 1984, the Secretary may supplement the preceding appraisal in lieu of preparing a new appraisal.

"(3) The Secretary may make such additional interim appraisals as the Secretary considers appropriate.".

(b) The second sentence of section 6(a) of such Act (16 U.S.C. 2205(a)) is amended by striking out "and responsibilities" and inserting in lieu thereof ", responsibilities, and priorities".

(c) Subsection (b) of section 6 of such Act (16 U.S.C. 2005(b)) is amended to read as follows:

"(b)(1) A program plan required by this section shall be completed not later than December 31, 1979, December 31, 1984, December 31, 1994, and December 31, 2004.

"(2) In the case of a program plan due to be completed after December 31, 1984, the Secretary may supplement the preceding program plan in lieu of preparing a new plan.".

(d) Section 7(a) of such Act (16 U.S.C. 2006(a)) is amended by striking out "and at each 5-year interval thereafter during the period this Act is in effect" and inserting in lieu thereof ", 1984, 1994, and 2004,".

(e) Section 10 of such Act (16 U.S.C. 2009) is amended by striking out "1985" and inserting in lieu thereof "2005".

SOIL CONSERVATION SERVICE

SEC. 1645. (a) Congress finds that—

(1) the well-being of the United States is dependent on efficient and productive agriculture, that requires a fertile and well cared for soil resource base and a plentiful water supply;

(2) the Soil Conservation Service assists individuals, groups, organizations, cities and towns, and county and State governments to reduce the costly waste of land and resources and to use these national assets;

(3) the Soil Conservation Service, since its establishment in 1935 within the Department of Agriculture, has diligently carried out its missions of soil and water conservation, natural resource surveys, and community resource protection and development;

(4) the Soil Conservation Service—

(A) provides vitally needed technical and financial assistance to achieve its conservation objectives on non-Federal land; and

(B) is assisted in this work through its partnership with over 3,000 conservation districts covering more than 2 billion acres in all 50 States, the Commonwealth of Puerto Rico, and the Virgin Islands of the United States;

(5) it is estimated that 67 percent of all cropland acres in the United States is in need of conservation treatment;

(6) the annual rate of erosion on the 413 million acres of cropland in the United States exceeds the maximum rate of loss with which indefinite and prosperous productivity can be maintained;

(7) the continued efforts of the Soil Conservation Service are required to combat this serious national problem; and

(8) the water resources of the United States have moved to the forefront of national concern requiring the continued establishment of—

(A) watershed projects;

(B) techniques for the improvement of water quality, including the reduction of sediments, organic wastes, pesticides, and salts; and

(C) improved irrigation systems and management, as planned and designed by the Soil Conservation Service.

(b) It is the sense of Congress that—

(1) the vital work of the Soil Conservation Service be vigorously pursued to address the serious soil and water problems still confronting the United States; and

(2) adequate support and funding be continued for the Soil Conservation Service and its necessary programs.

SOFTWOOD TIMBER

SEC. 1646. Section 608 of the Agricultural Programs Adjustment Act of 1984 (7 U.S.C. 1981 note) is amended to read as follows:

"SOFTWOOD TIMBER

"SEC. 608. (a)(1) Notwithstanding any other provision of law, the Secretary of Agriculture (hereafter in this section referred to as the 'Secretary') shall implement a program under which a delinquent loan made or insured under the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.), or a portion thereof, may be reamortized with the use of future revenue produced from the planting of softwood timber crops on land that—

"(A) was previously used to produce an agricultural commodity or as pasture; and

"(B) secures a loan made or insured under such Act.

"(2) Accrued interest on a loan reamortized under this section may be capitalized and interest charged on such interest.

"(3) Payments on such reamortized loan may be deferred until such softwood timber crop produces revenue or for a term of 45 years, whichever comes first.

"(4) Repayment of such reamortized loan shall be made not later than 50 years after the date of reamortization.

"(b) The interest rate on such reamortized loans shall be determined by the Secretary, but not in excess of the current average yield on outstanding marketable obligations of the United States with periods to maturity comparable to the average maturities of such loans, plus not to exceed 1 percent, as determined by the Secretary and adjusted to the nearest one-eighth of 1 percent.

"(c) To be eligible for such program—

"(1) the borrower of such reamortized loan must place not less than 50 acres of such land in softwood timber production;

"(2) such land (including timber) may not have any lien against such land other than a lien for—

"(A) a loan made or insured under the Consolidated Farm and Rural Development Act to secure such reamortized loan; or

"(B) a loan made under this section, at the time of reamortization or thereafter, that is subject to a lien on such land (including timber) in favor of the Secretary; and

"(3) the total amount of loans secured by such land (including timber) may not exceed $1,000 per acre.

"(d)(1) To assist such borrowers to place such land in softwood timber production, the Secretary may make loans to such borrowers for such purpose in an aggregate amount not to exceed $100,000 per borrower.

"(2) Any such loan shall be secured by the land (including timber) on which the trees are planted.

"(3) Such loans shall be made on the same terms and conditions as are provided in this section for reamortized loans.

"(e) The Secretary shall issue such rules as are necessary to carry out this section, in-

cluding rules prescribing terms and conditions for—

"(1) reamortizing and making loans under this section; and

"(2) entering into security instruments and agreements under this section.

"(f) There are authorized to be appropriated such sums as are necessary to carry out this section.".

AUTHORIZATION OF LOAN AMOUNTS

SEC. 1715. (a) Subsection (b) of section 346 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1994(b)) is amended to read as follows:

"(b)(1)(A) For each of the fiscal years ending September 30, 1986, through September 30, 1988, real estate and operating loans may be insured, made to be sold and insured, or guaranteed in accordance with subtitles A and B, respectively, from the Agricultural Credit Insurance Fund established under section 309 in an amount equal to $4,000,000,000, of which not less than $520,000,000 shall be for farm ownership loans under subtitle A.

"(B) Subject to subparagraph (C), such amount shall be apportioned as follows:

"(i) For the fiscal year ending September 30, 1986—

"(I) $2,000,000,000 for insured loans, of which not less than $260,000,000 shall be for farm ownership loans; and

"(II) $2,000,000,000 for guaranteed loans, of which not less than $260,000,000 shall be for guarantees of farm ownership loans.

"(ii) For the fiscal year ending September 30, 1987—

"(I) $1,500,000,000 for insured loans, of which not less than $195,000,000 shall be for farm ownership loans; and

"(II) $2,500,000,000 for guaranteed loans, of which not less than $325,000,000 shall be for guarantees of farm ownership loans.

"(iii) For the fiscal year ending September 30, 1988—

"(I) $1,000,000,000 for insured loans, of which not less than $130,000,000 shall be for farm ownership loans; and

"(II) $3,000,000,000 for guaranteed loans, of which not less than $390,000,000 shall be for guarantees of farm ownership loans.

"(C) For each of the fiscal years referred to in subparagraph (A), the Secretary may transfer not more than 25 percent of the amounts authorized for guaranteed loans to amounts authorized for insured loans.

"(D) For each of the fiscal years ending September 30, 1986, through September 30, 1988, emergency loans may be insured, made to be sold and insured, or guaranteed in accordance with subtitle C from the Agricultural Credit Insurance Fund in such amounts as are necessary to meet the needs resulting from natural disasters.

"(2)(A) For each of the fiscal years ending September 30, 1986, through September 30, 1988, loans for the production and distribution of ethanol in rural areas may be guaranteed in accordance with section 310B from the Rural Development Insurance Fund established under section 309A in the amount of $150,000,000.

"(B) For the fiscal year ending September 30, 1986, water and waste facility loans may be insured, or made to be sold and insured, in accordance with section 306 from the Rural Development Insurance Fund in the amount of $75,000,000.".

(b) Section 346(e)(1) of such Act is amended—

(1) by striking out "20" each place it appears and inserting in lieu thereof "25"; and

(2) by striking out "fiscal year 1984" and inserting in lieu thereof "each fiscal year".

(c) Section 346 of such Act (as amended by subsection (b)) is amended—

(1) by striking out subsection (d); and

(2) by redesignating subsection (e) as subsection (d).

On page 31, beginning with line 16, strike out all through and including line thru page 66, and insert in lieu thereof the following:

GRANTS FOR INTERNATIONAL TRADE DEVELOPMENT CENTERS

SEC. 113. (a)(1) The Secretary of Agriculture (hereafter in this section referred to as the "Secretary") may establish and carry out a program to make grants to States for the purpose of paying the costs of construction, employing personnel, acquiring equipment, and taking other action relating to the establishment and operation of international trade development centers, or the expansion of existing international trade development centers, in the United States to enhance the exportation of United States agricultural products and related products.

(2) Such grants shall be based on a matching formula of 50 percent Federal and 50 percent non-Federal funding.

(b) In making grants under subsection (a), the Secretary shall give preference to States that intend to utilize as sites for international trade development centers land-grant colleges and universities (as defined in section 1404(10) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103(10)) that—

(1) operate agricultural programs;

(2) have existing international trade programs that use an interdisciplinary approach and are operated jointly with State and Federal agencies to address international trade problems; and

(3) have a communications system that can be used on an international basis to conduct conferences or trade negotiations.

(c) Such centers may—

(1) through research, establish a permanent data base to address the problems faced by potential exporters, including language barriers, interaction with representatives of foreign governments, transportation of goods and products, insurance and financing within foreign countries, and collecting international marketing data;

(2) be used to locate permanent or temporary exhibits that will stimulate and educate trade delegations from foreign countries with respect to United States agricultural products and related products;

(3) be made available for use by State and regional entities for exhibits, trade seminars, and negotiations involving such products; and

(4) carry out such other activities relating to the exportation of such products, as the Secretary may approve.

(d) There are authorized to be appropriated such sums as are necessary to carry out this section.

Subtitle B—Public Law 480 and Related Programs

AGRICULTURAL TRADE POLICY

SEC. 120. (a) The first sentence of section 2 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691) is amended by inserting "to use foreign currencies accruing under this Act to foster and encourage the development of private enterprise in developing countries; to enhance food security in developing countries through local food production;" after "agricultural production;".

(b) Congress finds that additional steps should be taken to use the agricultural abundance produced by American farmers—

(1) to relieve hunger and promote long-term food security and economic development in developing countries in accordance with the development assistance policy established under section 102 of the Foreign Assistance Act of 1961 (22 U.S.C. 2151-1); and

(2) to promote United States agricultural trade interests.

SALES FOR FOREIGN CURRENCIES

SEC. 121. (a) Section 101 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1701) is amended to read as follows:

"SEC. 101. (a) In order to carry out the policies and accomplish the objectives set forth in section 2, the President is authorized to negotiate and carry out agreements with friendly countries to provide for the sale of agricultural commodities—

"(1) for dollars on credit terms;

"(2) to the extent that sales for dollars under the terms applicable to such sales are not possible, for foreign currencies on credit terms and on terms that permit conversion to dollars at the exchange rate applicable to the sales agreement; or

"(3) for foreign currencies for use under section 108 on terms that permit conversion to dollars.

"(b)(1) Except as provided in paragraph (2), for the fiscal year ending September 30, 1986, and each fiscal year thereafter, sales for foreign currencies for use under section 108 under agreements entered into under this title shall be made at an annual level of—

"(A) not less than the higher of—

"(i) 25 percent of the aggregate value of all sales of agricultural commodities made under this title; or

"(ii) 500,000 metric tons; and

"(B) not more than 50 percent of the aggregate value of all such sales.

"(2)(A) For each of the fiscal years ending September 30, 1986, September 30, 1987, and September 30, 1988, except as provided in subparagraph (B), the President may reduce the minimum level of sales for foreign currencies prescribed under paragraph (1)(A) if—

"(i) there is an insufficient number of approved financial intermediaries that have entered into agreements with the Secretary of Agriculture to carry out the program provided for in section 108;

"(ii) there are insufficient requests made by such intermediaries for loan funds to utilize the foreign currencies generated by such sales; or

"(iii) the Secretary requires additional time to implement such program.

"(B) The President may not reduce the minimum level of sales for foreign currencies under subparagraph (A) below an annual level of less than—

"(i) for the fiscal year ending September 30, 1986, 5 percent of the aggregate value of all sales of agricultural commodities made under this title during such fiscal year;

"(ii) for the fiscal year ending September 30, 1987, 10 percent of the aggregate value of all sales of agricultural commodities made under this title during such fiscal year; and

"(iii) for the fiscal year ending September 30, 1988, 15 percent of the aggregate value of all sales of agricultural commodities made under this title during such fiscal year.

"(c) Agreements for sales for foreign currency in a developing country for use under section 108 may not be entered into to the

extent that such agreements would generate currency in amounts that cannot be productively used and absorbed in the private sector of such country.

"(d) Sales for foreign currencies for use under section 108 under agreements entered into under this title shall be made on such terms and conditions as are specified in such agreements.".

(b) Section 103 of such Act (7 U.S.C. 1703) is amended—

(1) by inserting ", in section 108," after "section 104" in subsection (b);

(2) by striking out "for dollars on credit terms" in the last sentence of subsection (d);

(3) in subsection (m)—

(A) by inserting "except as provided in section 108," after the subsection designation;

(B) by striking out the semicolon and inserting in lieu thereof a period; and

(C) by adding at the end thereof the following: "In carrying out this subsection, the President shall require that foreign currencies to be used under section 108 that are acquired under an agreement for the sale of commodities be convertible to dollars during the period beginning 10 years after the date of the last delivery of such commodities and ending 30 years after the date of such delivery. Such agreement for sale shall establish a schedule for such conversion but need not specify the exchange rate for such conversion;";

(4) by striking out "for dollars on credit terms" and "for cash dollars" in subsection (n);

(5) by striking out "Take" in subsection (o) and inserting in lieu thereof "take";

(6) by striking out "Assure convertibility" in subsection (p) and inserting in lieu thereof "except as provided in section 108, assure convertibility"; and

(7) by striking out "Assure convertibility" in subsection (q) and inserting in lieu thereof "except as provided in section 108, assure convertibility".

(c) The first sentence of section 105 of such Act (7 U.S.C. 1705) is amended by striking out "section 104" and inserting in lieu thereof "sections 104 and 108".

(d) Section 106(a) of such Act (7 U.S.C. 1706(a)) is amended by adding at the end thereof the following new paragraph:

"(3) Payment for sales made for foreign currencies that are to be used under section 108 under an agreement entered into under this title shall be made on such terms as are specified in such agreement.".

(e) Such Act is amended by inserting after section 107 (7 U.S.C. 1707) the following new section:

"SEC. 108. Notwithstanding any other provision of law:

"(a) As used in this section:

"(1) The term 'developing country' means a country that is eligible to participate in a sales agreement entered into under this title.

"(2) The term 'financial intermediary' means a bank, financial institution, cooperative, nonprofit voluntary agency, or other organization or entity, as determined by the Secretary, that has the capability of making and servicing a loan in accordance with this section.

"(3) The term 'Secretary' means the Secretary of Agriculture.

"(b) In order to foster and encourage the development of private enterprise institutions and infrastructure as the base for the expansion, promotion, and improvement of the production of food and other related goods and services within a developing country and pursuant to an agreement for the sale of agricultural commodities entered into under this title, the Secretary may enter into an agreement with a financial intermediary located or operating in such country under which the Secretary shall lend to such financial intermediary foreign currency that accrues as a result of commodity sales to such country under a sales agreement entered into under this title after the date of enactment of the Agriculture, Food, Trade, and Conservation Act of 1985.

"(c) To be eligible to obtain foreign currency under this section, a financial intermediary must enter into an agreement with the Secretary under which the intermediary agrees to use such currency to make loans to private individuals, cooperatives, corporations, or other entities within a developing country, at reasonable rates of interest, for the purpose of financing—

"(1) productive, private enterprise investment within such country, including such investment in projects carried out by cooperatives, nonprofit voluntary organizations, and other entities found to be qualified by the Secretary;

"(2) private enterprise facilities for aiding the utilization and distribution, and increasing the consumption of and markets for, United States agricultural commodities and the products thereof; or

"(3) private enterprise support of self-help measures and projects.

"(d) An agreement entered into under this section shall specify the terms and conditions under which the foreign currency shall be used and subsequently repaid to the Secretary, including the following terms and conditions:

"(1) A financial intermediary shall, to the maximum extent feasible, give preference to the financing of agricultural related private enterprise with the funds provided under this section.

"(2)(A) A financial intermediary shall repay a loan made by the Secretary under this section, plus accrued interest, at such times and in such manner as will permit the Secretary to convert such foreign currency to dollars in accordance with the schedule for such conversion.

"(B) A financial intermediary may repay a loan made under this section prior to the repayment date specified in such agreement.

"(3) To be eligible to receive financing from a financial intermediary under this section, an entity or venture must—

"(A) be owned, directly or indirectly, by citizens of the developing country, except that up to 25 percent of such ownership interest may be held by citizens of the United States; and

"(B) not be owned or controlled, in whole or in part, by the government or any governmental subdivision of the developing country.

"(4)(A) The rate of interest charged on funds loaned by the Secretary to a financial intermediary under this section shall be such rate as is determined by the Secretary and the intermediary.

"(B) In the case of a cooperative or nonprofit voluntary agency that is acting as a financial intermediary, the Secretary may charge a lower rate of interest on funds loaned to such intermediary under this section than is charged to other types of intermediaries to defray the startup costs of becoming a financial intermediary.

"(5) No currency made available under this section may be used to promote the production of agricultural commodities or the products thereof that will compete, as determined by the Secretary, in world markets with similar agricultural commodities or the products thereof produced in the United States.

"(6) The Secretary may not require a developing country to guarantee the repayment of a loan made to a financial intermediary under this section as a condition of receipt of such loan.

"(e)(1) All currencies repaid by financial intermediaries under agreements entered into under this section shall be deposited and accounted for in accordance with section 105.

"(2) Currencies repaid by financial intermediaries shall, as determined by the Secretary—

"(A) be used to finance additional productive, private enterprise investment under agreements with financial intermediaries entered into under this section;

"(B) be used for the development of new markets for United States agricultural commodities;

"(C) be used for the payment of United States obligations (including obligations entered into pursuant to other laws of the United States); or

"(D) be converted to dollars.

"(3) Section 1306 of title 31, United States Code, shall apply to currencies used for the purpose specified in paragraph (2)(C).

"(f)(1) Any agreement entered into under this section shall be subject to periodic audit by the Secretary to determine whether the terms and conditions of the agreement are being fulfilled.

"(2) Not later than 180 days after the close of each fiscal year, the Secretary shall report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate on the activities carried out under this section during the preceding fiscal year, including an evaluation of the impact of investment under this section on the development of agricultural related private enterprise in each participating country.

"(g) The Secretary may provide agricultural technical assistance to further the purposes of this section, including the funding of market development activities. To the maximum extent practicable, the Secretary shall use at least 5 percent of the foreign currencies obtained for use under this section from sales of agricultural commodities made under agreements entered into under this title after the date of enactment of the Agriculture, Food, Trade, and Conservation Act of 1985 to carry out such assistance.".

MINIMUM QUANTITY OF AGRICULTURAL COMMODITIES DISTRIBUTED UNDER TITLE II

SEC. 122. Section 201(b) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1721(b)) is amended by striking out clauses (1) through (3) and inserting in lieu thereof the following new clauses:

"(1) for each of the fiscal years ending September 30, 1986, and September 30, 1987, shall be 1,900,000 metric tons, of which not less than 1,425,000 metric tons for nonemergency programs shall be distributed through nonprofit voluntary agencies, cooperatives, and the World Food Program; and

"(2) for the fiscal year ending September 30, 1988, and each fiscal year thereafter, shall be 1,700,000 metric tons, of which not less than 1,275,000 metric tons for nonemergency programs shall be distributed

through nonprofit voluntary agencies, cooperatives, and the World Food Program;".

VALUE-ADDED, PROCESSED, AND PROTEIN-FORTIFIED PRODUCTS

SEC. 123. Section 201 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1721) is amended by adding at the end thereof the following new subsection:

"(c) In distributing agricultural commodities under this title, the President shall—

"(1) consider—

"(A) the nutritional assistance to recipients and benefits to the United States that would result from distributing such commodities in the form of processed and protein-fortified products, including processed milk, plant protein products, and fruit, nut, and vegetable products;

"(B) the nutritional needs of the proposed recipients of the commodities;

"(C) the cost effectiveness of providing such commodities, for purposes of selecting commodities for distribution under nonemergency programs; and

"(D) the purposes of this title; and

"(2) ensure that at least 75 percent of the quantity of agricultural commodities required to be distributed each fiscal year under subsection (b) for nonemergency programs be in the form of processed or fortified products or bagged commodities.".

FOOD ASSISTANCE PROGRAMS OF VOLUNTARY AGENCIES

SEC. 124. (a) Title II of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1721 et seq.) is amended by adding at the end thereof the following new sections:

"SEC. 207. (a)(1) If requested by a nonprofit voluntary agency or cooperative, an agreement with the agency or cooperative for nonemergency assistance under this title may provide for the use by the agency or cooperative of foreign currency proceeds, generated from the sale of commodities made available under the agreement, for purposes specified in subsection (b).

"(2) Such agreements shall provide, in the aggregate for each fiscal year, for the use of foreign currency proceeds under this subsection in an amount that is not less than 5 percent of the aggregate value of the commodities distributed under nonemergency programs under this title for such fiscal year.

"(3) Section 103(c) shall apply to sales of agricultural commodities to generate foreign currencies under this subsection, unless the Secretary of Agriculture, in consultation with the Administrator of the Agency for International Development, waives the application of this paragraph.

"(b)(1)(A) Foreign currency proceeds generated under subsection (a) shall be used by a nonprofit voluntary agency or cooperative for activities carried out by the agency or cooperative that will enhance the effectiveness of the food assistance program carried out pursuant to the agreement.

"(B) Such activities may include food for work programs, local program management, local agricultural and cooperative development projects, and outreach projects to provide food to people with the greatest nutritional need, if such activities are directly related to the food assistance program of the agency or cooperative.

"(2) Foreign currency proceeds under subsection (a) may not be used—

"(A) to defray personnel or administrative costs incurred by a United States cooperating sponsor, distributing agency, or recipient agency, other than a local cooperative;

"(B) to defray the costs of construction or maintenance of an edifice owned or operated by a church or any other edifice used for sectarian purposes; or

"(C) to replace resources otherwise available to a nonprofit voluntary agency or cooperative, as determined by the President.

"SEC. 208. (a) In the case of an agreement with a nonprofit voluntary agency for nonemergency assistance under this title, subject to subsection (b), the President is encouraged to approve multiyear agreements to make agricultural commodities available for distribution by the agency, if the agency requests a multiyear agreement.

"(b)(1) Such agreements shall be subject to the availability each fiscal year of the necessary appropriations and agricultural commodities.

"(2) Subsection (a) shall not apply to an agreement that the President determines should be limited to a single year because of the past performance of the nonprofit voluntary agency or because the agreement involves a new program of assistance.

"(c) In carrying out a multiyear agreement pursuant to this section, a nonprofit voluntary agency may not be required to obtain annual approval from the United States Government in order to continue its assistance program pursuant to this agreement, unless the President determines that exceptional and unforeseen circumstances have occurred that require such approval.

"SEC. 209. (a) Agreements with nonprofit voluntary agencies under this title may authorize such agencies to establish local food reserves.

"(b) If authorized to establish a local food reserve pursuant to subsection (a), a nonprofit voluntary agency may deposit in such reserve agricultural commodities made available under this title—

"(1) for later use in providing immediate food assistance in case of a famine or other food shortage emergency; or

"(2) if the nonprofit voluntary agency determines that the immediate use of the agricultural commodities for food assistance purposes would be a disincentive to local agricultural production and that the commodities should be held for use at a later time.

"SEC. 210. (a) A nonprofit voluntary agency requesting a nonemergency food assistance agreement under this title shall include in such request a description of the intended uses of any foreign currency proceeds that would be generated with the commodities provided under the agreement.".

(b)(1) It is the sense of Congress that the President is encouraged to invite representatives of nonprofit voluntary agencies participating in programs under the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.) and other concerned nonprofit voluntary agencies, and to designate appropriate executive branch officials to participate in a task force to study the means of providing food assistance under such Act to people with the greatest nutritional need in the recipient countries.

(2) If a task force is established under paragraph (1), the task force should report to Congress by February 15, 1986, on further steps that could be taken to provide food under such Act to such people.

(c)(1) Sections 207, 208, and 209 of the Agricultural Trade Development and Assistance Act of 1954 (as added by subsection (a)) shall apply with respect to agreements entered into after September 30, 1985.

(2) Section 210 of the Agricultural Trade Development and Assistance Act of 1954 (as added by subsection (a)) shall apply with respect to agreements entered into after December 31, 1985.

FOOD FOR DEVELOPMENT PROGRAM

SEC. 125. Section 302(c)(1)(C) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1727a(c)(1)(C)) is amended by striking out "15" and inserting in lieu thereof "10".

EXTENSION OF PROGRAM

SEC. 126. Section 409 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736c) is amended—

(1) by striking out "1985" in the first sentence and inserting in lieu thereof "1989"; and

(2) by striking out "Agriculture and Food Act of 1981" in the second sentence and inserting in lieu thereof "Agriculture, Food, Trade, and Conservation Act of 1985".

COMMODITY DONATIONS ABROAD

SEC. 127. (a) Subsection (b) of section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431(b)) is amended to read as follows:

"(b)(1) As used in this subsection, the term 'eligible commodities' means agricultural commodities and the products thereof acquired by the Commodity Credit Corporation through price support operations, that the Secretary determines meet the criteria specified in subsection (a).

"(2) The Secretary may furnish eligible commodities for carrying out title II of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1721 et seq.), as approved by the Secretary and for such purposes as are approved by the Secretary.

"(3)(A) Commodities may not be made available for disposition under this subsection in quantities that will reduce the quantities of commodities that traditionally are made available through donations to domestic feeding programs or agencies.

"(B) Subject to paragraph (9)(B)(v), sections 103(c) and 401(b) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1703(c) and 1731(b)) shall apply with respect to commodities furnished under this subsection.

"(C) The requirement for safeguarding usual marketings of the United States shall not be used to prevent the furnishing under this subsection of any eligible commodity for use in countries that—

"(i) have not traditionally purchased the commodity from the United States; or

"(ii) do not have adequate financial resources to acquire the commodity from the United States through commercial sources or through concessional sales arrangements.

"(4) Section 203 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1723) shall apply to commodities furnished under this subsection.

"(5) Agreements may be entered into under this subsection to provide eligible commodities in installments over an extended period of time.

"(6) As soon as possible after the beginning of each fiscal year, the Secretary shall estimate and announce the types of eligible commodities, and the amounts thereof, that the Secretary anticipates will become available for distribution under this subsection during such fiscal year.

"(7) To the maximum extent practicable, expedited procedures shall be used in implementing this subsection.

"(8) The cost of commodities furnished under this subsection, and expenses incurred under section 203 of the Agricultural Trade Development and Assistance Act of

1954 (7 U.S.C. 1723) in connection with such commodities, shall be in addition to the level of assistance programmed under such Act and may not be considered expenditures for international affairs and finance.

"(9)(A) Eligible commodities furnished under this subsection may be sold or bartered with the approval of the Secretary solely as follows:

"(i) Sales and barter that are incidental to the donation of the commodities.

"(ii) Sales and barter, the proceeds of which are used to finance the distribution, handling, and processing costs of the donated commodities in the importing country or other activities in the importing country that are consistent with providing food assistance to needy people.

"(iii) Sales and barter of commodities donated to intergovernmental organizations, insofar as they are consistent with normal programming procedures in the distribution of commodities by such organizations.

"(iv) Sales and barter of commodities used for payments pursuant to paragraph (4).

"(B)(i) If requested by a nonprofit voluntary agency or cooperative, an agreement with the agency or cooperative for commodities made available under this subsection may provide for the use by the agency or cooperative of foreign currency proceeds, generated from the sale of commodities made available under the agreement, for the purposes specified in clause (iii).

"(ii) The Secretary shall ensure, to the extent practicable, that such agreements provide, in the aggregate for each fiscal year, for the use of foreign currency proceeds under this subsection in an amount that is not less than 5 percent of the aggregate value of the eligible commodities furnished to such agencies and cooperatives under this subsection for such fiscal year.

"(iii)(I) Foreign currency generated under this subparagraph shall be used by a nonprofit voluntary agency or cooperative for activities carried out by the agency or cooperative that will enhance the effectiveness of the food assistance program being carried out pursuant to the agreement.

"(II) Such activities may include food for work programs, local program management, local agricultural and cooperative development projects, and outreach projects designed to provide food to people with the greatest nutritional need, if such activities are directly related to the food assistance program of the nonprofit voluntary agency or cooperative.

"(iv) All foreign currency proceeds generated pursuant to an agreement under this subparagraph shall be expended within 1 year after the end of the period of the agreement.

"(v) Section 103(c) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1703(c)) shall apply to sales of agricultural commodities made to generate foreign currencies under this subparagraph, unless the Secretary of Agriculture, in consultation with the Administrator of the Agency for International Development, waives the application of this subparagraph.

"(vi) Foreign currency proceeds generated under this subsection may not be used—

"(I) to defray personnel or administrative costs incurred by a United States cooperating sponsor, distributing agency, or recipient agency, other than a local cooperative;

"(II) to defray the costs of construction or maintenance of an edifice owned or operated by a church or any other edifice used for sectarian purposes; or

"(III) to replace resources otherwise available to a nonprofit voluntary agency or cooperative, as determined by the President.

"(10)(A) In carrying out this subsection, during each fiscal year, the Secretary shall furnish to nonprofit voluntary agencies, cooperatives, and the World Food Program for distribution in developing countries not less than 400,000 metric tons of eligible commodities that are available for distribution under this subsection.

"(B) Subparagraph (A) shall not apply in any fiscal year to the extent that the Secretary determines and reports to Congress (together with the reasons therefor) that—

"(i) there have not been sufficient requests made by nonprofit voluntary agencies, cooperatives, and the World Food Program for commodities under this subsection for uses that would effectively carry out the purposes of title II of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1721 et seq.); or

"(ii) a limitation in paragraph (3) prevents the use of commodities pursuant to this paragraph.

"(C) If the quantity of eligible commodities available for distribution under subparagraph (A) for a fiscal year is less than 400,000 metric tons, such subparagraph shall not require the Secretary to purchase additional commodities to satisfy such subparagraph.".

(b) Section 416(b)(9)(A) of the Agricultural Act of 1949 (as added by subsection (a)) shall become effective on October 1, 1985.

FOOD FOR PROGRESS

SEC. 128. (a) Section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431) is amended by adding at the end thereof the following new subsection:

"(d) Notwithstanding any other provision of law:

"(1)(A) In order to use the food resources of the United States more effectively in support of countries that have made commitments to introduce or expand free enterprise elements in their agricultural economies through changes in commodity pricing, marketing, input availability, distribution, and private sector involvement, commodities and the products thereof acquired by the Commodity Credit Corporation that the Secretary determines meet the criteria specified in subsection (a), may be furnished by the Secretary to carry out agreements entered into by the President under paragraph (2).

"(B) Not more than 500,000 metric tons of commodities may be furnished under this subsection in each of the fiscal years ending September 30, 1986, September 30, 1987, September 30, 1988, and September 30, 1989.

"(C) The Commodity Credit Corporation may purchase agricultural commodities and the products thereof for use under this subsection if—

"(i) the Commodity Credit Corporation does not hold stocks of such commodities and the products thereof; or

"(ii) Commodity Credit Corporation stocks are insufficient to satisfy commitments made in agreements entered into under this subsection and such commodities and the products thereof are needed to fulfill such commitments.

"(D) No funds of the Commodity Credit Corporation in excess of $30,000,000 (exclusive of the cost of commodities) may be used to carry out this subsection unless authorized in advance in appropriation Acts.

"(2)(A)(i) The President may enter into agreements with developing countries to furnish commodities and the products thereof made available under paragraph (1) to such countries to promote the implementation of private, free enterprise agricultural policies for long-term agricultural development.

"(ii)(I) Such commodities shall be furnished under this subsection on such terms and conditions as the President considers are in the public interest and will promote the objectives of this subsection.

"(II) Agreements may provide for commodities to be furnished on a multiyear basis.

"(B) In determining whether to enter into agreements with countries for the furnishing of commodities under this subsection, the President shall consider whether a potential recipient country—

"(i) is carrying out, or is committed to carry out, policies that promote economic freedom, private, domestic production of food commodities for domestic consumption, and the creation and expansion of efficient domestic markets for the purchase and sale of such commodities, including policies that may provide for—

"(I) access, on the part of farmers in such country, to private, competitive markets for their products;

"(II) market pricing of commodities to foster adequate private sector incentives to individual farmers to produce food on a regular basis for the domestic needs of the country;

"(III) establishment of market-determined foreign exchange rates;

"(IV) timely availability of production inputs, such as seed, fertilizer, or pesticides, to farmers;

"(V) access to technologies appropriate to the level of agricultural development in the country; and

"(VI) construction of facilities and distribution systems necessary to handle perishable products; and

"(ii) is able to use the quantity of commodities being considered for donation without disruption of the internal market of the country for domestically produced agricultural commodities and the products thereof.

"(3) An agreement entered into under this subsection shall prohibit the resale or transshipment of the donated agricultural commodities to other countries.

"(4) In entering into agreements with countries for the donation of agricultural commodities and the products thereof under this subsection, the President shall take reasonable precautions to avoid displacement of any sales of United States agricultural commodities and the products thereof that would otherwise be made to such countries.

"(5)(A) Section 203 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1723) shall apply to agricultural commodities furnished under this subsection.

"(B) The cost of the commodities furnished under this subsection, and the expenses incurred in connection with furnishing such commodities, shall be in addition to the level of assistance programmed under the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.) and may not be considered expenditures for international affairs and finance.

"(6)(A) The President shall carry out the duties imposed on the President under this subsection through the National Security Advisor in the Executive Office of the President.

"(B) The National Security Advisor, with the approval of the Secretary, may use per-

sonnel of the Department of Agriculture in carrying out this subsection.

"(8) Within 120 days after the close of each fiscal year in which an agreement entered into with a country under this subsection is in effect, the President shall report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate on the status of such agreement and the progress being made to implement private, free enterprise agricultural policies for long-term agricultural development in such country.".

(b) The amendment made by this section shall be effective during the period beginning October 1, 1985, and ending September 30, 1989.

SPECIAL ASSISTANT FOR AGRICULTURAL TRADE AND FOOD AID

SEC. 129. (a)(1) The President shall appoint, by and with the advice and consent of the Senate, a Special Assistant to the President for Agricultural Trade and Food Aid (hereafter in this section referred to as the "Special Assistant").

(2) The Special Assistant shall serve in the Executive Office of the President.

(3) As an exercise of the rulemaking power of the Senate, any nomination to the position of Special Assistant shall be—

(A) submitted to the Senate for confirmation; and

(B) referred to the Committee on Agriculture, Nutrition, and Forestry.

(4) The Special Assistant shall—

(A) serve at the pleasure of the President;

(B) be entitled to receive the same allowances as a chief of mission; and

(C) have the rank of Ambassador Extraordinary and Plenipotentiary.

(b) The Special Assistant shall—

(1) assist and advise the President in order to improve and enhance food assistance programs carried out in the United States and foreign countries;

(2) coordinate and streamline the manner in which food assistance programs are carried out by the Department of Agriculture and the Agency for International Development, in order to improve their overall effectiveness;

(3) make recommendations to the President on measures to be taken to increase use of United States agricultural commodities and the products thereof through food assistance programs;

(4) advise the President on agricultural trade;

(5) serve as a member of the Development Coordination Committee;

(6) serve as Chairman of the Food Aid Subcommittee of such Committee; and

(7) issue to departments and agencies of the Federal Government policy guidelines on basic issues of food assistance policy, to the extent necessary to assure the coordination of food assistance programs, consistent with law, and with the advice of such Subcommittee.

(c) The Special Assistant may—

(1) solicit information and advice from private and governmental sources and recommend a plan to the President and Congress on measures that should be taken—

(A) to promote the export of United States agricultural commodities and the products thereof; and

(B) to expand export markets for United States agricultural commodities and the products thereof;

(2) develop and recommend to the President national agricultural policies to foster and promote the United States agricultural industry and to maintain and increase the strength of this vitally important sector of the United States economy; and

(3)(A) appraise the various programs and activities of the Federal Government, as they affect the United States agricultural industry, for the purpose of determining the extent to which such programs and activities are contributing or not contributing to such industry; and

(B) make recommendations to the President and Congress with respect to the effectiveness of such programs and activities in contributing to such industry.

(d) Section 5312 of title 5, United States Code, is amended by adding at the end thereof the following new item:

"Special Assistant for Agricultural Trade and Food Aid.".

Beginning on page 35 of the amendment, strike line 9 through the end of the amendment and insert the following in lieu thereof.

SEC. 131. (a) The Congress finds and declares—

(1) that a productive and healthy agricultural industry and a strong and active United States maritime industry are vitally important to the economic well-being and national security objectives of our Nation;

(2) that both industries must compete in international markets increasingly dominated by foreign trade barriers and the subsidization practices of foreign governments;

(3) that increased agricultural exports and the utilization of United States merchant vessels contribute positively to the United States balance of trade and generate employment opportunities in the United States.

(b) It is therefore declared to be the purpose and policy of the Congress in this subtitle—

(1) to enable the Department of Agriculture to plan its export programs effectively, by clarifying the ocean transportation requirements applicable to such programs;

(2) to take immediate and positive steps to promote the growth of the cargo carrying capacity of the United States merchant marine;

(3) to expand international trade in United States agricultural commodities and products and to develop, maintain, and expand markets for United States agricultural exports;

(4) to improve the efficiency of administration of both the commodity purchasing and selling and the ocean transportation activities associated with export programs sponsored by the Department of Agriculture; and

(5) to stimulate and promote both the agricultural and maritime industries of the United States and encourage cooperative efforts by both industries to address their common problems.

EXEMPTION OF CERTAIN AGRICULTURAL EXPORTS FROM THE REQUIREMENTS OF THE CARGO PREFERENCE LAWS

SEC. 132. The requirements of section 901(b)(1) of the Merchant Marine Act, 1936 (46 U.S.C. 1241(b)(1)), and the Joint Resolution of March 26, 1934 (46 U.S.C. 1241-1), shall not apply to any export activities of the Secretary of Agriculture or the Commodity Credit Corporation.

(1) under which agricultural commodities or the products thereof acquired by the Commodity Credit Corporation are made available to United States exporters, users, processors, or foreign purchasers for the purpose of developing, maintaining, or expanding export markets for United States agricultural commodities or the products thereof at prevailing world market prices;

(2) under which payments are made available to United States exporters, users, or processors or, except as provided in section 133(b)(6), cash grants are made available to foreign purchasers, for the purpose described in clause (1);

(3) under which commercial credit guarantees are blended with direct credits from the Commodity Credit Corporation to reduce the effective rate of interest on export sales of United States agricultural commodities or the products thereof;

(4) under which credit or credit guarantees for not to exceed 3 years are extended by the Commodity Credit Corporation to finance or guarantee export sales of United States agricultural commodities or the products thereof; or

(5) under which agricultural commodities or the products thereof owned or controlled by or under loan from the Commodity Credit Corporation are exchanged or bartered for materials, goods, equipment, or services, but only if such materials, goods, equipment, or services are of a value at least equivalent to the value of the agricultural commodities or products exchanged or bartered therefor (determined on the basis of prevailing world market prices at the time of the exchange or barter), but nothing in this subsection shall be construed to exempt from the cargo preference provisions referred to in section 132 any requirement otherwise applicable to the materials, goods, equipment, or services imported under any such transaction.

SHIPMENT REQUIREMENTS FOR CERTAIN EXPORTS SPONSORED BY THE DEPARTMENT OF AGRICULTURE

SEC. 133. (a)(1) In addition to the requirement for United States-flag carriage of a percentage of gross tonnage imposed by section 901(b)(1) of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1241(b)(1)), 25 per centum of the gross tonnage of agricultural commodities or the products thereof shipped under the agricultural export programs subject to such section and specified in subsection (b) shall be transported on United States-flag commercial vessels.

(2) In order to achieve an orderly and efficient implementation of the requirement of paragraph (1)—

(A) an additional quantity equal to 10 percent of the gross tonnage referred to in paragraph (1) shall be transported in United States-flag vessels in calendar year 1986;

(B) an additional quantity equal to 20 percent of the gross tonnage shall be transported in such vessels in calendar year 1987; and

(C) an additional quantity equal to 25 percent of the gross tonnage shall be transported in such vessels in calendar year 1988 and in each calendar year thereafter.

(3) In implementing the requirements of paragraph (1), the Secretary of Transportation shall give due consideration to the availability of United States-flag vessels to transport the commodities referred to in such paragraph.

(b) This section shall apply to any export activity of the Commodity Credit Corporation or the Secretary of Agriculture—

(1) carried out under the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.);

(2) carried out under section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431);

(3) carried out under the Food Security Wheat Reserve Act of 1980 (7 U.S.C. 1736f-1);

(4) under which agricultural commodities of the products thereof are—

(A) donated through foreign governments or agencies, private or public, including intergovernmental organizations; or

(B) sold for foreign currencies or for dollars on credit terms of more than ten years;

(5) under which agricultural commodities or the products thereof are made available for emergency food relief at less than prevailing world market prices;

(6) under which cash grants are made available to foreign purchasers for the purpose of enabling such purchasers to acquire United States agricultural commodities or the products thereof if the cash grants are in amounts that result in the purchaser (after receipt of such grants) paying less than the prevailing world market price for such commodities; or

(7) under which agricultural commodities owned or controlled by or under loan from the Commodity Credit Corporation are exchanged or bartered for materials, goods, equipment, or services produced in foreign countries, other than export activities described in section 132(5).

(c)(1) The requirement for United States-flag transportation imposed by subsection (a) shall be subject to the same terms and conditions as provided in section 901(b) of the Merchant Marine Act, 1936 (46 U.S.C. 1241(b)).

(2)(A) In order to carry out effectively the requirements of this subtitle, the Secretary of Transportation shall, to the maximum extent practicable within the requirements of this section and section 901(b) of the Merchant Marine Act, 1936, administer this subtitle and section 901(b) of the Merchant Marine Act, 1936, in a flexible manner, giving due consideration to historical trading patterns and to divisions in United States international shipping trades between bulk and liner service to particular geographic areas.

(B) The Secretary of Transportation shall also administer this subtitle and section 901(b) of the Merchant Marine Act, 1936, in a manner which preserves to the greatest extent practicable the mean historical port range share of cargoes subject to United States-flag transportation requirements under this section exported from the Atlantic, Gulf, Pacific, and Great Lakes port ranges.

After "ranges." on page 8, line 2 of the Cochran amendment as incorporated into the Steven amendment insert the following: "In addition, the Secretary of Transportation, in administering this subsection, and section 901(b) of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1241(b)), and consistent with such subtitle and section, shall take such steps as may be necessary and practicable to preserve during calendar years 1986, 1987, 1988, and 1989 the percentage share, or metric tonnage of bagged, processed or fortified commodities, whichever is lower, experienced in calendar year 1984 as determined by the Secretary of Agriculture, of waterborne cargoes exported from Great Lake Ports pursuant to Title II of the Agricultural Trade Development Act of 1954 (7 U.S.C. 1721 et Seq.)."

(d) As used in subsection (b), the term "export activity", shall not include inspection or weighing activities, other activities carried out for health or safety purposes, or technical assistance provided in the handling of commercial transactions.

(e)(1) The prevailing world market price as to agricultural commodities or the products thereof shall be determined under this subtitle in accordance with procedures established by the Secretary of Agriculture. The Secretary shall prescribe such procedures by regulation, with notice and opportunity for public comment, pursuant to section 553 of title 5, United States Code.

(2) In the event that a determination of the prevailing world market price of any other type of materials, goods, equipment, or service is required in order to determine whether a barter or exchange transaction is subject to subsection (b)(6) or (b)(7), such determination shall be made by the Secretary of Agriculture in consultation with the heads of other appropriate Federal agencies.

MINIMUM TONNAGE

SEC. 134. (a)(1) For fiscal year 1986 and each fiscal year thereafter, the minimum quantity of agricultural commodities that may be exported under programs subject to section 133 shall be the average of the tonnage exported under such programs during the base period defined in subsection (b), discarding the high and low years.

(2) The President may waive the minimum quantity for any fiscal year required under paragraph (1) if he determines and reports to the Congress, together with his reasons, that such quantity cannot be effectively used for the purposes of such programs or, based on a certification by the Secretary of Agriculture, that the commodities are not available for reasons which include the unavailability of funds.

(b) The base period utilized for computing the minimum tonnage quantity referred to in subsection (a) for any fiscal year shall be the five fiscal years beginning with the sixth fiscal year preceding such fiscal year and ending with the second fiscal year preceding such fiscal year.

FINANCING OF SHIPMENT OF AGRICULTURAL COMMODITIES IN UNITED STATES-FLAG VESSELS

SEC. 135. (a) The Secretary of Transportation shall finance any increased ocean freight charges incurred in any fiscal year which result from the application of section 133(a). The amount to be financed by the Secretary shall be an amount of the total frieght charges incurred from the application of such section in such fiscal year equal to a fraction of the total ocean freight differential incurred in connection with the export activities specified in such section in such fiscal year, the numerator of such fraction to be equal to the percentage in excess of 50 of the tonnage of agricultural commodities or the products thereof that are shipped on United States-flag vessels, and the denominator of such fraction to be equal to the total percentage of such tonnage so shipped.

(b)(1) If in any fiscal year the total cost of ocean freight and ocean freight differential for which obligations are incurred by the Department of Agriculture and the Commodity Credit Corporation on exports of agricultural commodities and products thereof under the agricultural export programs specified in section 133(b) exceeds 20 percent of the value of such commodities and products and the cost of such ocean freight and ocean freight differential on which obligations are incurred by such Department and Corporation during such year, the Secretary of Transportation shall reimburse the Department of Agriculture and the Commodity Credit Corporation for the amount of such excess. For the purpose of this subsection, commodities shipped from the inventory of the Commodity Credit Corporation shall be valued as provided in section 403(b) fo the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1733(b)).

(2)(A) The National Advisory Commission on Agricultural Export Transportation Policy established under section 136 shall include in its final report to the President and the Congress recommendations for any changes in the provisions of paragraph (1) that would help assure that the cost of ocean freight and ocean freight differential incurred by the Department of Agriculture and the Commodity Credit Corporation on the agricultural export programs specified in section 133(b), is not increased above historical levels as a result of the extra demand for United States-flag vessels caused by this subtitle.

(B) After taking into consideration the recommendations of the Commission referred to in subparagraph (A), the President may, by proclamation, provide requirements for the assumption by the Department of Transportation of a portion of the cost of ocean freight and ocean freight differential that would otherwise be incurred by the Department of Agriculture and the Commodity Credit Corporation on a different basis than that set forth in paragraph (1) in order to accomplish the objectives of subparagraph (A). The provisions of paragraph (1) shall be inapplicable on and after the effective date of the proclamation.

(c) For the purpose of meeting those expenses required to be assumed under subsections (a) and (b), the Secretary of Transportation shall issue to the Secretary of the Treasury such obligations in such forms and denominations, bearing such maturities and subject to such terms and conditions, as may be prescribed by the Secretary of Transportation with the approval of the Secretary of the Treasury. Such obligations shall be at a rate of interest as determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding marketable obligations of the United States with remaining periods of maturity comparable to the average maturities of such obligations during the month preceding the issuance of such obligations of the Secretary of Transportation. The Secretary of Treasury shall purchase any obligations of the Secretary of Transportation issued under this subsection and, for the purpose of purchasing such obligations, the Secretary of the Treasury may use as a public debt transaction the proceeds from the sale of any securities issued under chapter 31 of title 31, United States Code, after the date of the enactment of this Act and the purposes for which securities may be issued under such chapter are extended to include any purchases of the obligations of the Secretary of Transportation under this subsection. All redemptions and purchases by the Secretary of the Treasury of the obligations of the Secretary of Transportation shall be treated as public-debt transactions of the United States.

(d) There is authorized to be appropriated annually for each fiscal year, commencing with the fiscal year beginning October 1, 1986, an amount sufficient to reimburse the Secretary of Transportation for the costs, concluding administrative expenses and the principal and interest due on the obligations to the Secretary of the Treasury incurred under this section. Reimbursement of any such costs shall be made with appropriated funds, as provided in this section, rather than through cancellation of notes.

(e) Notwithstanding the provisions of this section, in the event that the Secretary of

Transportation is unable to obtain the funds necessary to finance the increased ocean freight charges resulting from the requirements of subsections (a) and (b) and section 133(a), the Secretary of Transportation shall so notify the Congress within 10 working days of the discovery of such insufficiency.

NATIONAL ADVISORY COMMISSION ON AGRICULTURAL EXPORT TRANSPORTATION POLICY

SEC. 136. (a) There is hereby established an advisory commission to be known as the National Advisory Commission on Agricultural Export Transportation Policy (hereafter in this subtitle referred to as the "Commission").

(b)(1) The Commission shall be composed of 16 members.

(2) Eight members of the Commission shall be appointed by the President.

(3) The chairman and ranking minority members of the Senate Committee on Agriculture, Nutrition, and Forestry, of the Subcommittee on Merchant Marine of the Senate Committee on Commerce, Science, and Transportation, of the House Committee on Agriculture, and of the House Committee on Merchant Marine and Fisheries shall serve as members of the Commission.

(4)(A) Four of the members appointed by the President shall be representatives of agricultural producers, cooperatives, merchandisers, and processors of agricultural commodities.

(B) The remaining four members appointed by the President shall be representatives of the United States-flag maritime industry, two of whom shall represent labor and two of whom shall represent management.

(c)(1) The members of the Commission shall elect a Chairman from among its members.

(2) Any vacancy in the Commission shall not affect its powers but shall be filled in the same manner in which the original appointment was made.

DUTIES OF THE COMMISSION

SEC. 137. (a) It shall be the duty of the Commission to conduct a comprehensive study and review of the ocean transportation of agricultural exports subject to the cargo preference laws referred to in section 132 and to make recommendations to the President and the Congress for improving the efficiency of such transportation on United States-flag vessels in order to reduce the costs incurred by the United States in connection with such transportation. In carrying out such study and review, the Commission shall consider the extent to which any unfair or discriminatory practices of foreign governments increase the cost to the United States of transporting agricultural commodities subject to such cargo preference laws.

(b)(1) The Commission shall submit an interim report to the President and the Congress not later than one year after the date of the enactment of this subtitle and such other interim reports as the Commission considers advisable.

(2) The Commission shall submit a final report containing its findings and recommendations to the President and the Congress no later than two years after the date of the enactment of this subtitle.

(3) Sixty days after the submission of the final report, the Commission shall cease to exist.

(c) The Commission shall include in its reports submitted pursuant to subsection (b) recommendations concerning the feasibility and desirability of achieving the following goals with respect to the ocean transportation of agricultural commodities subject to the cargo preference laws referred to in section 132:

(1) Ensuring that the timing of commodity purchase agreements entered into by the United States in connection with the export of such commodities, and the methods of implementing such agreements, are such as to minimize cost to the United States.

(2) Ensuring that shipments of such commodities are made on the most modern and efficient United States-flag vessels available.

(3) Ensuring that shipments of such commodities are made under the most advantageous terms available, including—

(A) charters for full shiploads;

(B) charters for intermediate or long term;

(C) charters for consecutive voyages and contracts of affreightment; and

(D) adjustment of rates in the event that vessels used for shipments of such commodities also carry cargoes on return voyages.

(4) Reduction and elimination of impediments, including delays in port, to the efficient loading and operation of the vessels employed for shipment of such commodities.

(5) Utilization of open and competitive bidding for the ocean transportation of such commodities.

INFORMATION AND ASSISTANCE TO BE FURNISHED TO THE COMMISSION

SEC. 138. (a) Each department, agency, and instrumentality of the United States, including independent agencies, shall furnish to the Commission, upon request made by the Chairman, such statistical data, reports, and other information as the Commission considers necessary to carry out its functions under this subtitle.

(b) The Secretary of Agriculture and the Secretary of Transportation shall make available to the Commission such staff, personnel, and administrative services as may reasonably be required to carry out the Commission's duties.

COMPENSATION AND TRAVEL AND SUBSISTENCE EXPENSES OF COMMISSION MEMBERS

SEC. 139. Members of the Commission shall serve without compensation in addition to compensation they may otherwise be entitled to receive as employees of the United States or as Members of Congress, but shall be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of duties vested in the Commission.

AUTHORIZATION OF APPROPRIATIONS

SEC. 140. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this subtitle.

TERMINATION OF SUBTITLE

SEC. 141. The operation of this subtitle shall terminate 90 days after the date on which a notification is made pursuant to section 135(e), except with respect to shipments of agricultural commodities and products subject to contracts entered into before the expiration of such 90-day period, unless within such 90-day period the Secretary of Transportation proclaims that funds are available to finance increased freight charges resulting from the requirements of sections 133(a) and 135 (a) and (b).

EFFECT ON OTHER LAWS

SEC. 142. This Act shall not be construed as modifying in any manner the provisions of section 4(b)(8) of the Food for Peace Act of 1966 (7 U.S.C. 1707a(b)(8)) or chapter 5 of title 5, United States Code.

"AVAILABILITY OF VESSELS

"SEC. . Section 901 of the Merchant Marine Act, 1936 (46 U.S.C. 1241) is amended by inserting the following after the first sentence in subsection (b):

No United States-flag commercial vessel shall be deemed to be available for the transportation of cargoes subject to Section 901 of the Merchant Marine Act, 1936 (46 U.S.C. 1241) and the Joint Resolution of March 26, 1934 (48 Stat. 500, 46 U.S.C. 1241-1) unless such vessel has been certified by the Secretary of the Navy, upon the recommendation of the Chief of Naval Operations, as being necessary to carry out the defense of the United States and its allies.".

NOTICES OF HEARINGS

SELECT COMMITTEEE ON INDIAN AFFAIRS

Mr. ANDREWS. Mr. President, I would like to announce for the information of the public that the Select Committee on Indian Affairs has rescheduled a markup on November 7, 1985, in Senate Russell 385, beginning at 10 a.m., on the following bills:

Nomination of Ross Swimmer to be Assistant Secretary of Interior for Indian Affairs;

S. 1724. A bill to authorize the Cherokee Nation of Oklahoma to design and construct hydroelectric power facilities at W.D. Mayo Lock and Dam.

S. 1684. A bill to declare that the United States holds certain Chilocco Indian School lands in trust for the Kaw, Otoe-Missouria, Pawnee, Ponca & Tonkawa Indian Tribes of Oklahoma.

S. 1728. A bill to authorize the Cherokee National of Oklahoma to lease certain lands held in trust for up to ninety-nine years.

S. 1298. A bill to coordinate and expand services for the prevention, identification and treatment of alcohol and drug abuse among Indian youth; and,

S. 1621. A bill to amend Title 25, United States Code, relating to Indian education programs; and,

S. 1396. A bill to settle unresolved claims relating to certain allotted Indian lands on the White Earth Indian Reservation, to remove clouds from the titles to certain lands, and for other purposes.

Those wishing additional information should contact the committee at 224-2251.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. McCLURE. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition and Forestry be authorized to meet during the session of the Senate on Thursday, October 31, to hold a hearing to examine the condition of the farm credit system.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON INTERGOVERNMENTAL RELATIONS

Mr. McCLURE. Mr. President, I ask unanimous consent that the Subcommittee on Intergovernmental Relations of the Committee on Govern-

mental Affairs be authorized to meet during the session of the Senate on Thursday, October 31, 1985, in order to conduct a hearing on S. 1209, to establish a commission to prevent infant mortality.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON EMPLOYMENT

Mr. McCLURE. Mr. President, I ask unanimous consent that the Employment Subcommittee of the Committee on Labor and Human Resources be authorized to meet during the session of the Senate on Thursday, October 31, to hold a hearing on the impact of trade on employment.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. McCLURE. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Thursday, October 31, 1985, in closed executive session in order to conduct a meeting.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON PREPAREDNESS

Mr. McCLURE. Mr. President, I ask unanimous consent that the Subcommittee on Preparedness, of the Committee on Armed Services, be authorized to meet during the session of the Senate on Thursday, October 31, 1985, in open, later becoming closed, session, in order to conduct a hearing on the Department of Defense Oversight Ammunition Requirement Production Base, and Future Direction.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON SCIENCE, TECHNOLOGY, AND SPACE

Mr. McCLURE. Mr. President, I ask unanimous consent that the Subcommittee on Science, Technology, and Space, of the Committee on Commerce, Science, and Transportation, be authorized to meet during the session of the Senate on Thursday, October 31, to conduct a meeting on the extension of daylight saving time.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

SOVIET AND EASTERN EUROPEAN RESEARCH AND TRAINING ACT

● Mr. SIMON. Mr. President, I am pleased that the Senate agreed last week to restore full funding for a vital research and training program in Soviet area studies. I introduced the Soviet and Eastern European Research and Training Act (title VIII) in 1983 in the House, while Senator LUGAR introduced it in the Senate. We planned this to be a 10-year program, and so I am especially glad that the Senate adopted the Lugar-Simon amendment on the State Department appropriation bill.

What we are talking about here is $4.8 million to expand our Soviet bloc studies and research capability. The number of academic and policy experts in this area has always been small, and many expect that it will shrink still further if the necessary funds are not available. This is one of the most important educational assistance programs ever funded by Congress, because on it rests our Nation's ability to maintain and improve professional expertise on the Soviet system. Clearly, this is one area where we can't afford to "wing it" and make uninformed judgments about Soviet behavior.

This is an investment in the future. The National Council for Soviet and East European Research recently prepared a progress report for the Department of State Advisory Committee, which administers title VIII. In it the National Council notes that they received 148 applications from 102 institutions in 33 States, amounting to some $13.4 million in proposals. More than 100 of these proposals were deemed worthy of support, but many of these will not be funded because the initial outlay was far more modest. Now the good work already begun under this program can continue.

To cite the National Council:

> As a measure of the need for research support within the profession, (the proposals) provide eloquent testimony that the gap between current resources and the needs of the profession and the nation is manifest, compelling, and altogether too great. It speaks for the wisdom and importance of Title VIII, and for full appropriations.

I commend my colleagues for having joined with Senator LUGAR and myself in restoring the full appropriation.●

COSPONSORSHIP OF S. 1220, RENEWABLE ENERGY AND CONSERVATION TRANSITION ACT OF 1985

● Mr. D'AMATO. Mr. President, I rise today to reiterate my support for Federal tax reform. I believe it is absolutely necessary that we pursue the administration's goal of a tax system that is both fair and simple. The proposed policies with respect to energy tax credits, however, seem to fall short of this goal.

For this reason, Mr. President, I rise in cosponsorship of S. 1220, the Renewable Energy and Conservation Transition Act of 1985, championed by my distinguished colleague from Oregon.

I support this bill because I believe tax reform, with respect to energy technology, must accomplish several goals: Reform must provide equitable treatment among competing energy technology; it must provide for a balanced and sustainable energy future; it must improve energy security with reduced payments for imported oil; and it must provide jobs while still protecting the environment.

Renewable energy sources have clearly demonstrated their value in a balanced U.S. energy policy. They now provide almost 10 percent of the Nation's prime energy, with tax incentives totalling close to $1 billion annually. This is compared to approximately $28 billion spent annually in Federal tax credits given to the more conventional energy technologies.●

CONFERENCE ON HUMAN RIGHTS IN GUATEMALA

● Mr. SIMON. Mr. President, on October 2, a group of us sponsored a conference on Human Rights in Guatemala. I would like to thank my cosponsors Senator TOM HARKIN, and the Washington Office on Latin America [WOLA] for a most successful meeting.

The keynote speaker was Lord Avebury, Chairman of the British Parliamentary Human Rights Group and author of the report on Guatemala entitled, "Bitter and Cruel." Among the distinguished speakers were representatives from the Council on Foreign Affairs, the International Human Rights Law Group, America's Watch, and the Mutual Support Group for Relatives of the Disappeared [Grupo do Apoyo Mutuo]. Afternoon workshops were held on the up-coming Guatemalan elections, the Indian situation, trade unions, the church and refugees.

Elections will be held in Guatemala on November 3 to select the first civilian government in that country since 1966. This conference was intended to provide a framework for evaluation of the election itself, the prospective government, and its effect on the human rights situation there.

U.S. foreign aid to Guatemala was suspended in 1977, due in large part to the deplorable human rights violations in that country. We welcome the prospect of democratic civilian rule in Guatemala. Congress has encouraged this effort by making renewed foreign aid availabile only upon establishment of a civilian government.

But the clear message from this conference was to proceed with great care in our evaluation of the changing situation in that country in the coming year. We will be watching its progress carefully, hoping that the historical pattern of human rights abuses will be broken, and that Guatemala will be firmly set on the road to true democracy.

I would like to thank the participants in the Conference for their help in understanding the problems of that country, and to congratulate them on most successfully bringing this important issue into sharp focus.

I would also like to include Senator HARKIN's luncheon address to the Conference and my own welcoming remarks. I ask that these two statements be printed in full in the RECORD.

The statements follow:

REMARKS BY SENATOR PAUL SIMON AT THE CONFERENCE ON HUMAN RIGHTS IN GUATEMALA

Thank you for your kind introduction, Sharon. I am here today for the same reason as you—because we share a common concern for the future of the people of Guatemala. We want to see the United States act as an effective advocate for social change and observance of human rights in that country.

We all know that the recent history of Guatemala is brutal and tragic. According to the Commission for Human Rights in Central America, since 1965 about 38,000 Guatemalans have been slain in political violence or have disappeared. There are living victims of torture as well.

As a member of the Subcommittee on Refugees, I am all to well aware of the extent of the Guatemalan refugee problem. Today, there are at least 45,000 officially recongized Guatemalan refugees who have fled the political violence and repression of their homeland; 24,000 are living in Mexico alone. And there are hundreds more who are not recognized as refugees, but have been forced to flee their homes.

This is a seminal moment in the modern history of Guatemala. Elections are scheduled to take place this November and a civilian government will be seated in January.

Those elections have been described as the single hope of the Guatemalan people. They have led many, both inside and outside of Congress, to take a new look at the situation in Guatemala. This year Congress has conditioned future aid to Guatemala on assumption of power by a freely elected civilian government, as well as demonstrated progress in human rights.

In order to judge future progress we must make a frank and realistic assessment of the current situation. That is why this conference is particularly necessary and appropriate. We are here, conscious of the past, to assess the present, so that we may act wisely in the future.

Contemporary Guatemala is a paradox. A return to forms of democracy has begun; elections for the Constituent Assembly took place last January; a new Constitution has been written; and eight parties have agreed to participate in the upcoming Presidential elections. I was also heartened by the statement of the six Vice Presidential candidates that visited Washington last week that they believed that the elections would be fair and free.

But if there is cause for hope there is also cause for caution and skepticism. There are reports that, after a brief decline, political violence in Guatemala is again on the rise. This Spring, two leaders of the Mutual Support Group, Guatemala's only human rights group, were brutally murdered. In the small Indian town of Patzun, more than 100 Indians have been killed or have disappeared since the beginning of the year. Faculty and students of the National University have been murdered. In short, Guatemala still has a consistent and continuing human rights problem.

Guatemala still has the most unequal distribution of land of any nation in Central America. In their most recent human rights report, "A Nation of Prisoners," America's Watch claims: "Guatemala still forcibly recruits its citizens into civil patrols and forcibly relocates others into so called 'model villages'." Under those circumstances I think that we should be circumspect and vigilant about changing our past policies too rapidly.

Some analysts fear that the elections will not change the human rights situation. They say that the army will remain the real power in the countryside and that counter-insurgency will override any other consideration. One thing is certain—without social reforms and true assumption of power by a civilian regime, elections will be a chimera, and repression will remain the only means of assuring social peace.

The great Venezualan Democratic leader Romulo Bettancourt once said that, "the nations of Lation America are the only countires in the world that are occupied by their own armies". Since then the winds of change have swept much of Latin America. Peru and Argentina are but two examples of countries that have made a successful transition from military to civilian government through wise and courageous political leadership.

Today Guatemala has a similar opportunity to make a transition. The elections provide an opening for change, but, to quote the Archbishop of Guatemala they are "a small hope, not a miracle or a big chance".

Guatemala is still a country that is literally occupied by its own army and it is still a country with a bitter history of institutionalized violence. But it is also a country in which a seed of democracy has been planted. By continuing to advocate human rights, and by continuing to push for economic, not military, aid perhaps we can help that seed to grow.

REMARKS BEFORE WOLA LUNCHEON ON GUATEMALA

(By Senator Tom Harkin)

Before beginning my remarks, I would like to extend my appreciation to this luncheon's featured guests, Lord Avebury, Chairman of the British Parliamentary Group on Human Rights, and Patt Derian, former Assistant Secretary of State on Human Rights under the Carter administration. Lord Avebury's report on Guatemala, "Bitter and Cruel,' has been an invaluable document for those in Congress concerned with the human rights situation.

I extend a special note of thanks to Reggie Norton and Joe Eldridge, my longtime friend and director of the Washington office on Latin America, for sponsoring today's conference and luncheon.

Since my last visit to Guatemala, I have been impressed and saddened by its extremes.

It is a country which has enjoyed one of the strongest and most productive economies of Latin America, yet four out of five of its children are undernourished, and its illiteracy rate is one of the highest in the hemisphere.

Its land is the richest in the region, yet it is the most unevenly distributed in all Latin America.

The beauty and richness of its Indian culture have attracted thousands of tourists, yet its military has pursued a policy of genocide against its indigenous population.

Guatemala, despite its natural richness and beauty, has imprisoned more than half its population.

Today, Guatemala poses a special contradiction. At a time when upcoming presidential elections may offer the promise of a democracy and the return of civilian rule, death squads stalk the streets of its capital and leaders of only human rights organizations have been brutally killed in recent months.

It is our task to weigh the promise of Guatemala's elections against the everyday terror of Guatemala's present before deciding upon the administration's request for higher levels of aid to that country.

I do not intend to predict the outcome of the presidential election or prospects for democracy. But I would caution that our hopes for Guatemala's future should be tempered by the tragedy of its past.

Twenty years ago, Guatemala elected its first civilian president since a coup a decade earlier. Moderate Guatemalans hoped that Mendez Montenegro would institute necessary social reforms. Our State Department saw in Montenegro a "willing partner" with whom we could "talk and accomplish things."

Our Government sent Guatemala $16 million in military aid, a planeload of green berets to train its armed forces, and nearly $3 million to instruct its national police force.

But Mendez Montenegro brought bloodshed, not social reform, to Guatemala. In the decade and a half since the election of Mendez, more than 30,000 people were abducted, tortured and assassinated. By 1980, Guatemala had become a country where—and I quote from a former government official—"death or exile is the fate of those who fight for justice."

When I think of Guatemala today, I am reminded of an interview conducted with an Indian living in a small village near Huehuetenango in northern Guatemala. The young man spoke of his townspeople's fear when the army entered his village in the early 1980's.

They buried their Bible, because the army had accused the local Catholic priest of being a Communist.

They buried their metal hoes, because the army accused peasants of using them to assist the guerrillas in destroying roads into their village.

And the young man even buried his Montgomery Ward catalogue, because it contained pictures of hunting rifles and men in green camoflage pants and hunting jackets.

I am also reminded of the remarks of a Guatemalan priest who said of the army, "they are mightier than God. They are everywhere, they see everything, they know everything."

I leave you with the wisdom of the Archbishop of Guatemala, a man who spent many years with the Indians in the highlands and who now courageously speaks for human rights in his country. To the archbishop, the elections offered "small hope," not "a miracle or big change."

Hope, at least temporarily, has been reborn for those who have not shared the vast natural resources that God gave to Guatemala.

Hope is there for the Indians who were once the owners of Guatemala, but are now its guests.

And there may be hope that its labor leaders and human rights groups like the mutual support group may express their concerns without fear of retribution from the military and its death squads.

We can help make those hopes a reality and foster democracy, but not by providing arms and police training to those who have massacred thousands of unarmed civilians.●

A FOND FAREWELL TO DOROTHEA R. KINGSBURY

● Mr. MOYNIHAN. Mr. President, when a good friend and colleague moves on, there are always mixed feelings. Today, my assistant Dot Kingsbury will retire. She has been with me since 1980. During these years, she has earned our respect through her hard work and keen mind, and our affection through her warmth and kind manner.

Dot helps manage the flow of correspondence in and out of my office. As every Member of this body knows, mail is the life blood of a Senate office. Through it, we communicate with our constituencies and colleagues. In my office, the receipt of 5,000 or even 10,000 pieces of mail in a single week is not unusual. Keeping track of all that paper is an enormous and taxing endeavor, but one that Dot seems to accomplish almost effortlessly. Her mnemonic prowess astounds us as often as it assists us. Dot is regularly able to recall the content and date of letters that crossed her desk in months and even years past.

Mr. President, we say a sad but very fond farewell to Dot Kingsbury today, and wish her a happy and healthy retirement. She will be greatly missed.●

1985 CONGRESSIONAL CALL TO CONSCIENCE

● Mr. WILSON. Mr. President, I rise today just a few weeks before the historic summit meeting in Geneva to once again join my colleagues in the 1985 Congressional Call to Conscience Vigil for Soviet Jewry. I would sincerely like to thank my fellow Senators who have already participated in this important effort. What is said here on the floor will be heard by both oppressor and oppressed, and we must continue to support these people whose rights and freedoms have not yet been recognized. I ask that the subject of human rights and freedoms is not overlooked when President Reagan and Secretary General Gorbachev meet next month. It cannot be; it is inextricably tied to all of the issues and disagreements between the superpowers, as well as among all of the nations of the world. Personal freedom is priceless, and we in this country all too often take that freedom for granted. We cannot condone the suppression of freedom, which is why vigils such as this are worthwhile and necessary. We must use our freedom to speak out, in the hope that those who hear us will heed our call for freedom.

When I addressed the Senate last, I mentioned the Lev Shapiro family, a family which I have adopted. The Shapiros are refuseniks; that is, they have continually been refused the right to leave the Soviet Union. They maintain a traditional Jewish home despite the consequences. One such consequence, a recent development in their case, involves their 7-year-old daughter Naomi. Naomi has been denied enrollment in a school which teaches English at an advanced level, and where her 11-year-old brother, Israel, is already a student. The headmaster of the school turned her away, allegedly with the remark, "We don't want to teach children of traitors." Lev then complained to the education authorities in Moscow, who instructed the headmaster to accept Naomi as a pupil. According to the latest information, the headmaster has again refused. A lawsuit was filed, and the Shapiros lost the case. Lev Shapiro has also repeatedly been harassed by the press, which has printed an account of the whole affair, calling Shapiro a friend of the West.

The claims made against Shapiro are unwarranted. The Shapiros have already endured many hardships as a result of their beliefs and are becoming more and more isolated from other citizens as a result of their treatment. Their talents are being wasted; their contributions to the world are being prevented by an oppressive system. My fellow Members, let this vigil not go unnoticed. We must speak out and be heard. It is not enough to be contented with the freedoms we have if we do not help others in their efforts to attain it, no matter where they may be. Let our freedom serve as a catalyst for change and an example to those who have a hard time understanding the definition of the word.●

OVERSELLING THE STRATEGIC DEFENSIVE INITIATIVE

● Mr. KERRY. Mr. President, recently, an organization called the Coalition for SDI has put commercials on television telling the American people that star wars is an attempt to build a peace shield which will protect our children and our homes from Soviet nuclear missiles.

The advertisement has the following text:

> I asked my daddy what this star wars stuff is all about. He said that right now we can't protect ourselves from nuclear weapons. That's why the President wants to build the peace shield. It would stop missiles in outer space, so that they couldn't hit our house. Then nobody could win a war. And if nobody could win a war, there's no reason to start one. My daddy's smart.

Mr. President, this advertisement plays on our people's justifiable fear of nuclear weapons and pretends that star wars can protect us in a war by building a peace shield which would stop missiles in outer space, so that they couldn't hit our house.

The idea that we can survive an all-out nuclear attack as a result of a peace shield is a fantasy, and to suggest it in this form, in a narration by a child, aiming it at our children, is a disgrace.

Yet it is the logical outcome of statements by the President of the United States and his Secretary of Defense that such systems can be built to make nuclear weapons impotent and obsolete.

This fantasy is denied even by those within the administration who are responsible for developing the SDI program. For example, the head of the Strategic Defense Initiative Office, General James Abrahamson, told Science magazine in August 1984 that "a perfect astrodome defense against ballistic missiles is not a realistic thing."

Yet the President and Secretary of Defense Weinberger continue to sell the SDI program to the American people as if the program will allow the United States to save lives, rather than avenge them by replacing the reality of mutual assured destruction with one of mutual assured survival.

The President and the Secretary of Defense continue to say that SDI can make nuclear weapons impotent and obsolete, and even that SDI will eliminate our need to keep, maintain, and modernize offensive nuclear weapons. (See Secretary of Defense Weinberger, Omni, August 29, 1983).

Former Secretary of Defense James Schlesinger has said that the idea that we can stop relying on our offensive nuclear weapons for deterrence is immoral. He says it is immoral to pretend that SDI can end our need to deter war with offensive nuclear weapons, when we know that just isn't true.

The fact is, while this administration has talked glibly about mutually assured, no one knows how many millions would die if the United States was subjected to a nuclear attack, even if we went ahead with full-scale deployment of star wars. We never will now, because among other things we could never test the system under realistic wartime conditions ahead of time. It would all be one roll of the dice. Maybe the defenses would work—maybe they wouldn't, and millions of us would die.

Mr. President, the United States has never been subjected to such an attack, and part of the reason for that is that we could destroy the Soviet Union if they tried it. That is why deterrence has meant mutually assured survival in the 40 years since Hiroshima and Nagasaki. That is why Jim Schlesinger says all this talk about eliminating the need to keep, maintain and modernize offensive nuclear weapons is immoral.

This administration claims that it can make nuclear weapons impotent and obsolete by convincing the Soviets to engage in massive reductions in offensive weapons, while phasing in defense weapons through some kind of arms agreement. Yet this Administration has charged the Soviets with cheating on every arms control treaty

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they'd ever signed. The Soviets say they are firmly opposed to star wars. Why should we believe that they will join the United States in slashing the offensive weapons that currently provide them with deterrence? Will they not build more then ever, since their own security will be so much at stake?

Secretary of Defense McNamara used to say that 400 nuclear weapons detonated on the Soviet Union would be sufficient to eradicate the Soviet Union. How many warheads must hit the United States to destroy us? Let us make the optimistic assumption that star wars defenses can protect us against 99 percent of all Soviet warheads, that the Soviets hit us with only 1 percent of their entire force. Under that incredibly optimistic assumption, 90 warheads would get through today, Mr. President. That is more than enough to destroy our major cities and millions upon millions of Americans. But the Soviets would not be constrained from building additional nuclear weapons, doubling or tripling or quadrupling the warheads targeting our Nation. So we could have 99 percent effective defenses that still allowed 180 or 360 or more warheads through to hit American soil.

No one can say today that the Soviet Union will not be capable after we deploy a star wars system of building enough nuclear delivery systems to make certain that they can continue to destroy our civilization.

While the President and the Secretary of Defense continue to sell the fantasy that we can put up a peace shield to protect our families from nuclear weaponry, the reality is that with or without star wars, we cannot protect ourselves and our children from nuclear weapons except by ending the nuclear arms race. You cannot do that by building more weapons, even ones sold as a defensive shield.

You can only end the arms race with arms control.

The President has an extraordinary opportunity to achieve dramatic reductions in offensive nuclear weapons, while tightening the limits on defensive systems already contained in the ABM Treaty, rather than to make a treaty impossible by insisting that the field testing and deployment of star wars defenses is not on the table.

Mr. President, I ask that the lead editorial in today's Boston Globe, entitled "Lasers In Thin Air," which discusses the smoke and mirrors sales pitch being used by the administration to justify the SDI Program, be entered into the RECORD

The article follows:

[From the Boston Globe, October 30, 1985]

LASERS IN THIN AIR

To market the Strategic Defense Initiative, the Reagan administration is announcing supposed technological breakthroughs to create the impression that success will be right around the corner if Congress only keeps the money flowing.

Technical feats have little relevance to the crucial problem of "star wars," which is how the development of space weapons will complicate military and political decisionmaking. The feats make the nuclear balance more dangerous. Moreover, some are not even relevant to the technical issues.

The smoke-and-mirrors sales pitch was exemplified by defense Secretary Weinberger's announcement that a low-power laser had been focused sufficiently to pass through atmospheric distortions and hit a target in space. The test proved less than Weinberger suggested. The real problem that prevents zapping missiles with lasers was not even approached.

A laser capable of disabling a missile by burning a hole in it would have to be of extremely high energy. But high-energy lasers defeat themselves by heating the air they pass through. As air is heated it thins, and a laser beam cannot stay focused in thin air. It spreads—"blooms," in technical jargon—like pellets scattering from a shotgun.

The test Weinberger touted succeeded because it did not involve a high-energy laser. Low-energy lasers have been hitting targets in space for 15 years. They do not generate intense heat and do not "bloom"—but they could not burn a hole in rice pudding, much less a missile.

Weinberger obscured that point by adding that another rocket booster had been demolished by a laser at the White Sands Proving Ground. About a month earlier, the Pentagon had released photographs of scrap metal flying impressively after the test.

In that test, the target was a stationary rocket booster blasted with a high-energy laser at the point-blank range of six-tenths of a mile. That is too close for the "blooming" effect to have been a factor.

Even a straightforward technical success will at best demonstrate only a fragment of a system that is extremely complex. The system will be worthless unless all parts function to near-perfection.

"Star wars" advocates have to explain how fallible human beings propose to perfect the system without having had a chance to test it in a realistic environment.

What confidence could there be in space defenses unless they had been rigorously tested in realistic scrimmages? What good are tests unless they are conducted in what the Pentagon calls a "nuclear environment," with warheads flying and machines and men cracking, as both are wont to do?

SOCIAL SECURITY TRUST FUND DISINVESTMENT

● Mr. MOYNIHAN. Mr. President, tomorrow, Treasury Secretary James A. Baker III, as managing trustee of the Social Security Trust Funds, will redeem some $17 billion in Federal securities held by the trust funds. The Secretary will so do, because we have not yet managed to raise the statutory debt limit, and the Treasury is thus precluded from issuing new Government securities to raise sufficient cash to cover the monthly Social Security checks to be issued tomorrow.

According to the Treasury's own estimates, the Social Security [OASDI] trust funds will lose $9 million in interest income, as a result of having to "disinvest" or cash-in these securities tomorrow, rather than over the normal period of 4 to 5 days—as would happen were there no debt ceiling pressures. Many other questions remain, however. Analysis by the Congressional Budget Office suggests that the disinvestment procedures brought into play by the debt limit pressures could cost the Social Security Trust Funds as much as $1.5 billion over the next 5 years.

These are matters which deserve—demand—more careful examination and analysis. To so do, Senator ARMSTRONG, chairman of the Senate Finance Subcommittee on Social Security and Income Maintenance, has agreed to hold hearings next week.

One matter of special concern to me is the cost to the funds of turning-in some of OASDI's long-term bonds for cash, because when these funds are replaced they may well have to be reinvested at a lower interest rate. Approximately $17 billion in long-term bonds will have to be redeemed tomorrow, bonds that have been earning 10⅜ and 10¾ percent interest for the trust funds. Once we raise the debt limit, as we shall and must do, daily investment of Social Security moneys in short-term certificates of indebtedness will resume. On June 30, 1986, all those certificates will be redeemed and invested in long-term bonds. But here's the problem. If the interest rate on long-term bonds on June 30 of next year is less than 10⅜ and 10¾ percent—and such the markets, not the Congress, will determine—then there will be a long-term and substantial loss of interest income for the OASDI trust funds.

CBO estimates that if long-term interest rates are 9 percent on June 30, 1986, the cost to the OASDI funds could reach $1.5 billion over the next 5 years. If long-term rates are 10 percent on that date, the interest loss would be $500 million. Of course, if longer interest rates should rise to 11 percent by next June 30, the trust funds could gain some $600 million over the same 5 years.

These are numbers that matter.

Another issue which this body and the subcommittee should examine is the lack of timely investment of trust fund moneys. The Treasury claims that the debt limit has prevented the Department from investing all incoming Social Security receipts since September. The Treasury Department has insisted, however, that such will not cost the OASDI trust funds any interest income, because of the special authority it holds under normalized tax transfers, a provision of the 1983 Social Security amendments. This authority, according to the Treasury, will allow the Department to restore any interest losses arising from this particular lack of investment. The subcommittee needs to establish that this

authority does exist as claimed, and that the restoration of lost interest by Treasury will follow.

It is clear, that such authority does not exist for the supplementary medical insurance trust fund [SMI]—part B of Medicare. On November 1, which is to say tomorrow, some $2.5 billion in SMI funds will lie uninvested, and the fund will be losing substantial amounts of interest. This interest losses could only be corrected by congressional action.

Assistant Treasury Secretary John Niehenke has assured me that the administration will prepare legislation to restore to the Social Security trust funds the $9 million or so of interest income lost by the 1-day disinvestment, and will present this legislation at the committee hearing next week. We will certainly explore there whether additional legislation will be required as well, to address other potential losses to the trust funds.

Many questions about the procedures the Treasury will follow, and their implications for the trust funds, must be explored. I am pleased that the hearings will provide the opportunity to so do.●

AGRICULTURE, FOOD, TRADE, AND CONSERVATION ACT OF 1985

The Senate continued with the consideration of the bill (S. 1714).

Mr. DOLE. Mr. President, based on the statement by the distinguished Senator from Montana, unless there is some objection on the other side, I would send a motion to the desk.

Mr. BYRD. Will the Senator yield?

Mr. DOLE. I yield.

Mr. BYRD. The Senator has a motion. I would suggest he go ahead with it. I have no indication that there will not be a request at this time. The distinguished majority leader is certainly within his rights.

MOTION TO RECOMMIT WITH INSTRUCTIONS

Mr. DOLE. Mr. President, I send a motion to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Kansas [Mr. DOLE] moves that S. 1714 be recommitted to the Committee on Agriculture, Nutrition, and Forestry with instructions to report back forthwith.

Mr. DOLE. Mr. President, I ask for the yeas and nays on the motion.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 939 TO MOTION TO RECOMMIT WITH INSTRUCTIONS

Mr. DOLE. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Kansas [Mr. DOLE] proposes an amendment numbered 939.

In lieu of the instructions proposed insert the following: "to be reported back forthwith in status quo with the following amendments: at the end of the bill insert "Intermediate Export Credit."

Mr. DOLE. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 940

Mr. DOLE. Mr. President, I send another amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Kansas [Mr. DOLE] proposes an amendment numbered 940.

The legislative clerk proceeded to read the amendment.

Mr. DOLE. Mr. President, I ask unanimous consent that further reading be dispensed with.

Mr. BYRD. Mr. President, I object for the time being.

The PRESIDING OFFICER (Mr. ABDNOR). The objection is heard.

The legislative clerk resumed reading the amendment.

Mr. DOLE. Mr. President, I ask unanimous consent that we temporarily suspend the reading of the amendment for the purpose of making an announcement and that no Member's right be waived to request further reading of the amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. DOLE. Mr. President, a number of Members have asked if we would have additional rollcall votes tonight. They have been calling on both sides, some in the dining room. I wanted to announce that there will be no more rollcall votes tonight. We are trying to clear one matter for tomorrow morning and we are just one phone call away from that. But, in fairness to my colleagues who have been making the inquiries, I can now announce there will be no more rollcall votes tonight.

I ask that the clerk resume the reading of the amendment.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk resumed reading the amendment.

Mr. DOLE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with for the purpose of obtaining a unanimous consent request and that no Member waive his right to ask that reading of the amendment be continued.

The PRESIDING OFFICER. Is there objection? If not, without objection, it is so ordered.

ORDERS FOR FRIDAY

RECESS UNTIL TOMORROW AT 8:45 A.M.

Mr. DOLE. Mr. President, I ask unanimous consent that when the Senate completes it business today, it stand in recess until the hour of 8:45 a.m., Friday, November 1, 1985.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF CERTAIN SENATORS

Mr. DOLE. Following the recognition of the two leaders, I ask unanimous consent that the following Senators be recognized for not to exceed 15 minutes each: Senator THURMOND, Senator WILSON, Senator DOLE, and Senator PROXMIRE.

The PRESIDING OFFICER. Without objection, it is so ordered.

PERIOD FOR ROUTINE MORNING BUSINESS

Mr. DOLE. Following special orders, I ask unanimous consent that there be a period for the transaction of routine morning business not to extend beyond the hour of 9:45 a.m., with Senators permitted to speak therein for not more than 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. DOLE. After morning business, it is the intention of the majority leader to turn to consideration of H.R. 2965, the State-Justice-Commerce appropriations bill. At about 1 p.m., it is my intention for the Senate to resume consideration of S. 1714, the farm bill.

Again, based on information I have received from the managers of the State-Justice-Commerce Department bill and the manager on this side on the farm bill, I expect that we could have rollcall votes throughout the day on Friday.

I also say that it could be that tomorrow, we will be faced with the debt ceiling extension. It is my understanding that the conference broke up in disagreement. There will be votes tomorrow in the House and they will be sending us a brief extension of the debt limit. As far as I am concerned, they may as well save that brief extension.

It had been our hope that the House would act and dispose of the entire issue by tomorrow evening. I do not believe I could have any success in encouraging Members, maybe on either side, to have another extension of the debt ceiling. That is a possibility tomorrow. I advise Members that I understand that the House will go into session at 11 a.m. tomorrow. I am not certain when they will vote, but it is quite likely we could be around here in the late afternoon waiting to dispose of that matter. I do not want any Member to leave town not knowing that is a possibility.

AGRICULTURE, FOOD, TRADE, AND CONSERVATION ACT OF 1985

The Senate continued with consideration of the bill (S. 1714).

Mr. DOLE. Mr. President, I ask unanimous consent to have printed in the RECORD an explanation of the amendment that is being read, which includes cost savings and the highlights of the bill, including the TOP program—Target Option Program—for wheat. I think it might be helpful to Members if that is placed in the Record.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

LUGAR/DOLE COMPROMISE

SAVES $7.6 BILLION 8+.6 BILLION—BUDGET MARK UNDER JANUARY BASELINE

For feed grains, cotton, and rice, freeze the 1986 target price at the 1985 level and authorize the Secretary of Agriculture to reduce levels by no more than 5 percent annually for 1987, 1988, and 1989. The target price levels would not be below 110-125 percent of the 5-year average market price.

WHEAT

For 1986 through 1988, target prices would be tied to a specific acreage reduction percentage. Producers choose their own target price and corresponding acreage reduction (ARP) as follows:

Wheat

(replaces wheat referendum)

ARP (percent)	1986	1987	1988	1989
10			3.80	[1] $3.72 MI
15	4.20	3.95	3.95	
20	4.38	4.15	4.15	
25	4.60	4.35	4.35	
30	4.85	4.60	4.55	
35	5.15	4.85		
40	5.50	5.20		

[1] No ARP

In crop year 1989, set target prices at 110-125 percent of a 5 year average of past prices, or at 85 percent of the 1985 target price, whichever is higher.

Total savings on target prices: $2.3B.

Retain the committee-approved maximum acreage set-asides of 15 percent for feed grains, 20 percent for cotton, and 35 percent for rice for the 1986 through 1988 crop years. Authority for set-asides would terminate beginning with the 1989 crop for wheat, feed grains, cotton, and rice.

Savings: $0

Require the establishment of a 3-year 15 million acre emergency conservation reserve. Cropland eligible for the reserve must be classified as erosion prone. (Payments for entering the reserve would be made using CCC-owned surplus commodities) (No cost: CBO)

Savings: $0

Alter the conservation reserve program to require the Secretary to enter no more than 9 million acres in 1986, 4 million acres in 1987, 4 million acres in 1988, and 8 million acres in 1989. The committee-approved bill had required 10 million acres in 1986, 10 million in 1987, and 5 million in 1988.

Savings: $2.3B

Require a 50 percent cost sharing in establishing the appropriate cover crops for the conservation reserve.

Require that target price deficiency payments be calculated on a 12-month average price instead of the current 5-month average market price.

Savings: $1.0B

Require the Secretary to issue advanced deficiency payments for the 1986 crop with 15 percent of the advanced coming from in-kind payments.

Savings: $0

Reduce the intermediate term export credit program from $1 billion in direct credits annually to $500 million annually in loan guarantees.

Savings: $1.3B

Reduce from 25 percent to 20 percent the Secretary's authority to transfer FmHA guaranteed loan funds into direct loan funds.

Savings: $300M.

Interest savings: $400M.

Mr. BYRD. Mr. President, I no longer insist on the reading of the amendment. I think if the majority leader wishes to let the Senate go out, we will have no further objections to dispensing with the reading of the amendment.

Mr. DOLE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The text of the amendment (No. 940) is printed in routine morning business under amendments submitted.

Mr. DOLE. Mr. President, let me indicate before we recess that I am hopeful that we can have a vote on this amendment tomorrow. I think most of the Members on both sides, whether they are for or against the amendment, want a farm bill. If we take a look at the so-called fall logjam, we have all these balls in the air. We indicated if the reconciliation measure came back to us we would set aside the farm bill. There is no question that when the debt ceiling matter is before us, we shall have to set aside the farm bill.

It is my view that if we can act decisively on this amendment tomorrow, we can bring the farm bill debate to a close. If not, it is not a threat or speculation, but a reality that probably by sometime next week, we are going to be back on reconciliation and all bets are off for the American farmer. The same is true if we get into another extended debate on Gramm-Rudman-Hollings with respect to the debt ceiling. I hope we can make some progress tomorrow.

Mr. President, there being no——

Mr. MELCHER. Mr. President, will the majority leader yield?

Mr. DOLE. I yield to the Senator from Montana.

Mr. MELCHER. I thank the Senator for yielding.

It is my understanding that there is a desire by the majority leader to go to another appropriations bill tomorrow morning.

Mr. DOLE. Because there is another morning farm credit hearing in the Senate Agriculture Committee and most of the members of the Agriculture Committee who would be active in the floor debate feel that is an important issue.

Mr. MELCHER. I certainly agree with the majority leader on that point, but I think perhaps the majority leader is inferring that everybody understands these 165 pages that were dropped on the desk and will be ready for a vote. I just want to say this: It is common sense that Senators want to know what they are voting on.

For the various commodities that are involved and with the various changes in the other parts of the bill that are not directly identified or directed at commodities themselves, they are going to want to know what their producers think. I do not want to see us in a prolonged stalemate here on the Senate floor, but I think it is apparent that this is a complicated amendment and I would not ask Senators who are interested in what is in the bill under any condition to be ready to vote tomorrow afternoon.

I know the majority leader has a task to move legislation along through the Senate and get it out of Congress so the President can sign it, but the constant remarks that are made by the majority leader are misleading I think to a lot of people in that somehow we are being dilatory around here when we are going to look at 165 new pages in an amendment to a bill that is pretty long itself. I hope the majority leader can refrain from indicating that because the Senators on this side—and I assume there are some on that side; I know I get questions from that side from individual Senators—have some decency and regard for their understanding of what is in the particular amendment. Can the majority leader tell me what he hopes to do for next week?

Mr. DOLE. Mr. President, I am not going to start a debate tonight at 9 o'clock, but I heard that same statement from the Senator from Montana in July. I have listened to it for 6 months in the Agriculture Committee. The American farmers would like us to pass a farm bill. We cannot delay and delay and delay. We delayed too long in convenience to the Senator from Montana. I think it is time we worry about the American farmer. We are going to try to pass the bill. Obviously, if the Senator is indicating there will be no votes tomorrow, he can certainly prevent them. But we are going to be here. We are going to try to get votes tomorrow. This is not complicated. It has been in the farm bill itself for weeks. Some of the language is the very language the Senator from Montana proposed last night. All this talk about being so complicated

just does not wash anymore. If this bill had never been brought up on the floor, that would be one thing.

We discussed these same issues all spring, all summer, and now we are here in the fall. Every time we bring up the farm bill the Senator from Montana is here to do one thing: complain about the rush.

Maybe the Montana farmers are in good shape. Maybe they do not want a farm bill. But I am a little tired of hearing all this talk on the Senate floor when farmers in my State are demanding action. We can delay as long as the Senator wants, but I want the Kansas farmers to understand the reason for the delay. We are ready to vote. We are ready to vote tonight. There is nothing complicated about this amendment. We can go on and on and on and on, but it serves little purpose.

The point I am making to the Senator from Montana, if he worries about farmers, if he does not want to cost them millions and millions of dollars more, he will let us vote on this bill. We are going to get tied up in the reconciliation, we are going to get tied up in the debt ceiling, and we are going to be back here after Thanksgiving still working on the farm bill.

If that gives the Senator from Montana pleasure and if that makes his farmers happy, that is all right. But it does not make this Senator's farmers happy. I think sooner or later we are going to have to decide who is the self-appointed protector of the farmer.

I understand that the Senator from West Virginia wants the yeas and nays.

Mr. BYRD. Mr. President, does the Senator yield to me for the purpose of asking for the yeas and nays?

Mr. DOLE. I yield.

Mr. BYRD. Mr. President, the yeas and the nays have been ordered on the motion to recommit and on the first-degree amendment thereto. Am I correct?

The PRESIDING OFFICER. That is correct.

Mr. BYRD. They have not been ordered on the second-degree amendment?

The PRESIDING OFFICER. That is also correct.

Mr. BYRD. I ask for the yeas and the nays on the second-degree amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BYRD. I thank the majority leader.

RECESS UNTIL 8:45 A.M. TOMORROW

Mr. DOLE. Mr. President, I move that the Senate stand in recess until 8:45 a.m. on tomorrow, Friday.

Mr. MELCHER. Mr. President, will the majority leader yield for a question?

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was agreed to; and, at 9 p.m., the Senate recessed until tomorrow, Friday, November 1, 1985, at 8:45 a.m.

NOMINATIONS

Executive nominations received by the Senate October 31, 1985:

THE JUDICIARY

Deanell Reece Tacha, of Kansas, to be U.S. circuit judge for the 10th circuit vice a new position created by Public Law 98-353, approved July 10, 1984.

EXTENSIONS OF REMARKS

LANDMARK COLLEGE CONVOCATION—LEARNING DISABILITIES AWARENESS MONTH

HON. CHARLES McC. MATHIAS, JR.

OF MARYLAND

IN THE SENATE OF THE UNITED STATES

Thursday, October 31, 1985

● Mr. MATHIAS. Mr. President, the month of October was designated as Learning Disabilities Awareness Month by Senate Joint Resolution 191 adopted on September 19, 1985. On this last day of the month I want to place before the Senate two speeches that deliver the message that the resolution was intended to encourage.

Mrs. Mathias has called my attention to these speeches that she heard on October 4 at the first Convocation of Landmark College, of which she is a trustee. She herself was forced to overcome the problems of learning disability and so she could fully appreciate the thoughts expressed by John Meyers, publisher of Time magazine. Because of her own experience she found the words of a student, Keith Promisel, very touching and profoundly moving. She says that "above all else, it is the new found presence of this young man—his new sense of self—that brings tears to my eyes."

John Meyers speaks to the learning disabled in confident and encouraging terms, but he also speaks to all Americans who care for the future of their country. He says:

In our zeal to create the better mathematician, better scientist, better technician, better student * * * we must not ignore the better person.

Preparing a student, to my mind is no more important than preparing a person—a person whose influence for good in our society is not based on scholarship alone, but on his relationship with his fellow human beings.

Mr. Meyers saluted the courage of students at Landmark College and elsewhere who "believe enough in yourself even though all your school life your hopes have eluded you, your confidence has abandoned you, your mind seems to have betrayed you."

Keith Promisel is one of the courageous young people about whom John Meyers was talking. He followed with his own story of pain and hope and ultimate success. An important element of his achivement was the example and help of his sister, Sonda, who showed him the way and led him to discover Landmark. He says.

During a period of about a year, I had to reorganize my thoughts about myself. I felt relieved to know there was an explanation for my difficulties, but I also felt bitter at the system through whose cracks I had fallen. And I felt scared about the prospect of coping with this disability."

He concludes with joy and confidence:

We lead the way into the future for other students with the same affliction. And hopefully, learning day-by-day to surmount our obvious difficulties, we may also help to provide a mirror in which we may see not only our disabilities, but our immense potential as well.

These speeches, one from a concerned and compassionate citizen and the other from a learning disabled student who is overcoming the disability convey a powerful message. They describe the enormous cost of ignoring learning disability and the reward of finding a way to surmount is obstacles.

I know that all Senators are concerned with this problem and will find these speeches of great interest and value. I ask that they be placed in the RECORD.

The material follows:

JOHN MEYERS SPEECH—LANDMARK COLLEGE CONVOCATION

Not only am I honored to be your speaker, I am grateful for the opportunity it gives me to address this audience and what it represents.

The occasion today is an experience of personal significance to each of us. For some, fulfillment . . . for some, promise . . . for others, challenge.

For me, it is a chance to express many of my own feelings about what we celebrate here . . . not the new facilities, the beautiful campus, the unique programs, the impressive classrooms—not the institution—but the size of its dream:

To set free those bright young minds whose potential might otherwise go unused; whose will to learn might otherwise go unnoticed.

I am sharing your beginning—and I must confess that I have spent a good deal of time wondering how I should begin my remarks to say something that holds meaning for so special and varied a group—students, parents, faculty, administration, members of the board, friends and supporters of the school.

I'll begin by asking you to remember just two words: "CARING" . . . and "COURAGE." Because to my mind, it is these two qualities more than any others that represent what this school is all about.

It was these two qualities that were needed to accomplish what we dedicate here. And it is these two qualities that will be demanded to achieve what we hope for here.

Long after we leave the celebration and congratulations and well-wishing—perhaps when the history of this college and its beginnings are recorded—these two words—CARING and COURAGE—will still serve to define both its spirit and its expectations.

What do I mean by courage?

For any young person entering any college or university today the experience can be intimidating, and often overwhelming.

Not only must they cope with the demands of their studies, most of them have never been so conscious of being individuals on their own. They are half-way between boy and man, between girl and woman. And if that weren't dilemma enough, are concerned with and caught up with the same dilemmas that we and the world face. They are confronted with choices and questions—but their questions: "Who am I?" "Where am I going?" "Why should this or that be?"

Now imagine adding to all this, the burden of being a young person with a learning problem. The dream of college becomes a nightmare of frustrations. The demands and challenges must seem insurmountable.

What strength of character . . . what depth of wanting . . . what determination . . . what courage must it take to pursue the thought of a college career? To believe enough in yourself even though all your school life your hopes have eluded you, your confidence has abandoned you, your mind seems to have betrayed you?

Few of us can imagine the cost to one's self-esteem that a learning disability exacts.

But most of us can imagine how much courage it takes to retrieve it.

You students who are entered here must never doubt your courage—or yourself—for that is what got you here. And here is where with courage, your hopes may be rekindled . . . your confidence regained . . . your pride restored.

Here is where courage is matched with caring.

Those who support your will to learn are more than teachers of skills, coaches of language, solvers of problems—they are allies in your struggle . . . sharing your defeats, the frustrations, the painful progress.

This union of caring and courage, this bond between teacher and student occured to me when I noticed a short article on the sports page of the New York Times just a week or two ago (maybe you saw it)—about the football team of Eastern Oregon State College who was beaten 86 to 0.

What was remarkable (besides the score), and the point of the article, was the attitude of the losing players. What might have been a humiliating experience was instead a kind of pride at their individual efforts.

One of the players said: "Everybody tried to do the job. We tried to keep each other up. We told each other 'Don't give up.'" Eventually the idea was to disregard the scoreboard and seek smaller victories. The defensive end siad: "For me, I thought I had a pretty good game. You can look at the score and say 'that's awful,' but we did a lot of positive things."

86 to 0. But what triumph of spirit.

With that kind of courage and caring, that kind of attitude, there are no failures.

Unfortunately life is not a game. And the world these young people face is not so caring. Once graduated, what then?

It has always been hoped by every American generation, that the next generation

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● This "bullet" symbol identifies statements or insertions which are not spoken by the Member of the Senate on the floor.

Boldface type indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

will reshape society while serving its needs. That won't be easy.

Rarely, I think, have the American people ever had so much at one time to worry over, cope with, be frustrated by, or angry at. A confusion of problems—some immense, all complex and none easily resolved.

Almost every week, we find we must concern ourselves not just with the sudden stone dropped into the pond, but with the ripples it causes. The complexities and anxieties are enough to dismay the wisest of thinkers, discourage the finest of minds.

At a commencement address a few years ago, Woody Allen said: "The history of mankind is at a crossroads. One path leads to disillusionment and despair—the other leads to total extinction. I hope we have the wisdom to make the right choice."

Now, I'm not *that* pessimistic—but I am concerned.

The genuine, but complex problems that our society faces—the complex and often confusing events that are taking place all over the world, require more than the public outcry . . . the private opinion . . . the political statement . . . the simplistic solution. And, I am concerned about the major role that education must play in our approach to an uncertain future.

Much has been said, studied, reported and written about the quality of our education. I applaud, as we all must, our resolve to "stem the tide of mediocrity."

But, at the same time, I must confess I am bothered by how this nation perceives the whole purpose of education, bothered by the reasons that are given for wanting to improve our schools . . . and the most highly publicized reasons were that the quality of our education posed a threat to our economic and technological progress.

Nothing about the threat to the minds of our youth . . . their appreciation of knowledge, their enlightenment, their perception, their vision . . . and even their wonder.

No where in all the projections, outlooks, statistics, patterns and educational trends, is there any indication of the kind of individual . . . the sort of person . . . we want to make up this highly educated, future technological society.

What will be his sense of values . . . his sense of responsibility . . . his ethics and morals . . . his attitudes and sentiments . . . and what wil be his character?

Somehow it disturbs me to think that technological and economic threats from abroad are the only alarms which will arouse us as a nation to overhaul our system of education, as well as our attitudes about education.

Certainly in this highly technological age, we should be disturbed or alarmed if our colleges and universities are not training graduates capable of coping, much less managing or governing in our complex society.

But the problems that confront us . . . as enormous as they are . . . should not obscure those deeper problems which plague our society and our world.

In our zeal to create the better mathematician, better scientist, better technician, better student . . . we must not ignore the better person.

Preparing a student, to my mind, is no more important than preparing a person . . . a person whose influence for good in our society is not based on his scholarship alone, but on his relationship with his fellow human beings.

Colleges and universities are not just institutions to educate a quantity known as the student body. They are places of learning for each, single, separate, individual, person . . . with his or her own thoughts and feelings and promise. Places of discovery—not just of knowledge—but of one's self as a human being.

There is still considerable power to the idea that a student should be primarily educated not to hold a job, or to memorize literary monuments, or even to think like Aristotle . . . but simply to develop the potentialities of her or his own self.

I am not qualified to debate the age-old question of the humanities versus the sciences . . . but I'm certainly qualified enough to wonder why it has to be one or the other.

Therefore, I suppose my concern is twofold.

Who will develop our sciences . . . manage our technology . . . maintain our economic strength?

And who will inspire us to eliminate malice . . . encourage us to battle intolerance . . . who will set standards for an enlightened new society . . . who will articulate fundamental human needs?

If, as some will suggest, teaching morals and values is not the responsibility of a school, then let it be a gift from the school. A course without a classroom.

Certainly the responsibility for learning a sense of values belongs in the home—but just as surely it belongs in this place—a home away from home where a good part of a young person's waking hours are spent, sharing the company—and the ideas—of his or her peers, and those who instruct or coach them.

Those who leave here will have battled adversity—and in their new found self-respect, self-reliance, self-determination they will have learned something of human values.

Like each student who attends here, this place has an identity. If I might take the liberty of paraphrasing something from Thornton Wilder's "Our Town" which you may remember:

"This is Landmark College . . . on River Road . . . the town of Putney . . . State of Vermont . . . The United States of America . . . Continent of North America . . . Western Hemisphere . . . The Earth . . . The Solar System . . . The Universe . . . The Mind of God."

You have a very specific place in our world and a very specific purpose. Henry Luce's father, himself an educator and missionary, always said that the purpose of education is to make a person feel at home in the universe.

That is not too far from the noble aim of this institution. And on this occasion of its dedication, we citizens and parents could dedicate ourselves to aiding that purpose.

All it takes is caring . . . and courage.

Thank you.

Keith Promisel Speech—Landmark College Convocation

The mirror is an amazing object. It provides us a means of seeing ourselves. Society is a kind of mirror in this regard, for we see ourself through its perceptions and values. I, like most, have been looking into mirrors for the better part of my life, and for most of that time I never doubted I was seeing a true image. It is difficult to understand, especially when you are young, that the distortion or deficiency you see in yourself may be partly a distortion in the mirror.

During each of my earlier school years I would start out all "gung ho." Excited at the possibility of success, I would put all my effort into studying and paying attention in class. However, the work soon became increasingly difficult. By progress report time, I would be failing at least fifty percent of my classes. I remember rifling through the mail to intercept this news of failure. The image I felt projected on to me was of a lazy troublemaker. Perhaps I partly believed it. Frustrated and a bit angry, I would say to myself, "Hey, I could acquire this label with hardly any effort." And minimal effort is what I ended up producing.

While in high school, I was as unsuccessful. My sophomore GPA was well below a passing mark. You can't imagine the pain and frustration I felt when I finally realized that I had been passed from one grade to the next, pushed from one place to another, just because an educational system, which did not understand my problems or potential, also did not want to deal with me. I also realized that at the rate I was then going, I would probably fail out of college within six months. It was at this juncture of my life that I anxiously looked into the mirror of society's values and perception to see if I wasn't missing something. Was I really insufficiently dedicated to my studies? Was it that simple? Was I really a loser compared to my sister Julie, who always did everything well? After twelve years of schooling, my parents had me tested to see if I had a learning disability, and it was discovered that I in fact did have a form of dyslexia, specifically a visual/perceptional problem.

During a period of about a year, I had to reorganize my thoughts about myself. I felt relieved to know there was an explanation for my difficulties, but I also felt bitter at the system through whose cracks I had fallen. And I felt scared about the prospect of coping with this disability. I also began to reach out for help. Despite my high school GPA of 1.85, I attended a local junior college for a semester in a special education program. They used what is known as the "by-pass" method. If I couldn't read, I would listen to a tape and all my tests were taken untimed. After a semester, I received a 3.0 GPA, but what good is a "B" average if you can't read?

It was through my little sister, who was attending Landmark School West in Los Angeles, that I discovered The Landmark College Preparatory Program and heard of the new Landmark College. It was at the Landmark School this summer that I found a new mirror, a new way of seeing both the weaknesses and the strengths I was not sure I had. In the perceptions of this educational community, I finally managed to see reflected the possibility of success. The gains I made helped me feel as if I could really acquire those skills I had earlier simple bypassed. Even the ability to pick out the main idea from a cluster of details in a paragraph made me realize the progress I made over the summer. It is this progress that makes me feel good to be here at Landmark now.

But how did others come to be here? Well, I know of one student in this audience who graduated from high school without the ability to read. With apparently no other option, he worked for five years in a plastic tubing company. However, his presence here now represents a stubborn refusal to accept the verdict that a slower or different learning style means his potential contribution to society is severely limited.

I could go on providing examples. Suffice it to say that all of us, although our stories may differ, probably find comfort and confidence in the mirror presented here at Land-

mark College. This mirror does not reveal a self that may avoid hard work; it does reveal selves capable of accomplishment. It is as liberating to experience a truer reflection of what we always know about ourselves, and what we knew we could accomplish through hard work, as it feels good to escape from the distortions of a carnival house of mirrors.

All the students you see here today know that Landmark College doesn't have the number one football team in the nation. We did not come here to participate in certain measures of prestige. Even our population is small—especially in the female sector. But we do know that we are a leader in a way other universities and colleges aren't. From President James Olivier to all the faculty and students, we lead the way into the future for other students with the same affliction. And hopefully, learning day-by-day to surmount our obvious difficulties, we may help to provide a mirror in which we may see not only our disabilities, but our immense potential as well.

Thank you.●

BIZARRE HANDLING OF MEDVID CASE A BLOT ON AMERICAN HONOR

HON. FRED J. ECKERT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 31, 1985

Mr. ECKERT of New York. Mr. Speaker, many of us in the Congress are today dismayed and distressed about the tragic case of Miroslav Medvid, the Ukrainian seaman who attempted to defect to the United States by jumping off a Soviet ship anchored near New Orleans last week. Some of us are demanding that the President and the Attorney General conduct a full investigation into the bizarre handling of this case and that, pending the outcome of this investigation, we detain that Soviet ship holding Seaman Medvid. Because of the disgusting inept performance of some U.S. Government authorities, Seaman Medvid was forcibly returned to the ship after twice jumping into a river to try to escape from that ship, and before ever being provided an interpreter so that he could understand his rights, and, thus, Soviet KGB agents were given the opportunity to interrogate and intimidate him with threats against family and friends back in Ukraine, leading him to state—with Soviet officials glaring at him—that he really did not wish to defect.

Mr. Speaker, this latest U.S. blundering of a Soviet bloc defection is, like the case of Lithuanian Seaman Simas Kudirka and Soviet Ballerina Ludmilla Vlasova, a blot on American honor.

As we ponder the seriousness of this latest tragic case, Mr. Speaker, it may help all of us to have a greater appreciation for the fundamental issue of individual freedom at stake here if we read the very moving story about the case of Simas Kudirka which was written by Kenneth Y. Tomlinson for the August 1975 issue of Reader's Digest:

A MAN CALLED SIMAS

(By Kenneth Y. Tomlinson)

In the gray waters off Martha's Vineyard, on the morning of November 23, 1970, a Soviet fishing ship lay moored alongside the U.S. Coast Guard cutter *Vigilant.* Inside the Soviet vessel, American and Russian representatives would soon be holding talks on the longstanding dispute over Soviet fishing practices in the North Atlantic. On the decks of the two ships, the atmosphere was lighthearted. Laughing, gesturing seamen threw souvenirs back and forth, seemingly oblivious to the political differences which divide their nations. Except for one: Simas Kudirka, a 40-year-old radioman on the Soviet ship, stood back, watching the exchange without emotion.

Kudirka's mind snapped to attention when a Coast Guard sailor began heaving American magazines to the Soviet deck. Two young seamen picked up these precious souvenirs and walked away. And then something happened which would change Kidirka's life. His ship's political commissar—actually a KGB agent—watched as the seamen took the magazines below. Then Simas heard him say, "Those two will never go to sea again."

Kudirka was consumed with bitterness. One tiny misstep, and the lives of two young people were ruined. How long would it be before his own two children faced a similar fate? And how could he help them as long as he remained bound by the chains of Soviet oppression? Suddenly, all his years of rage against Soviet tyranny exploded in a new resolve. He would reach freedom—and then somehow provide a means of escape for his family. And the time to act was now.

In the twilight of early evening, the deck of the Soviet ship seemed clear. Kudirka climbed over the railing and hurled himself across nearly ten feet of water to the *Vigilant.* His hands grabbed the railing, his feet thumped against the ship's side. With a thrust of his strong legs, he propelled himself up to the deck. Seconds later, he burst onto the bridge of the *Vigilant.* "Good evening," he said to Coast Guard officers. After a moment of stunned silence, they greeted him warmly.

In the hours that followed, Simas told the Americans of the miseries of life under the Soviets and tried to explain in his limited English how the Russians had enslaved his native Lithuania after World War II. It never occurred to him that political asylum would be refused. But then the American ship's captain, his face filled with anguish, stood before him. He said he had orders from his superiors. Simas was to be returned to the Soviets.

Kudirka tried to explain what would happen to him. He begged, he pleaded, but his words could not change the captain's orders. Later that night, six Soviets surrounded him on the deck of the American ship and began pounding him with their fists. "Oh, God, help me," Kudirka cried, but no one did. The savage beating continued until he was subdued and bound. His flight to freedom was over.

A special Coast Guard inquiry later identified the man responsible for Kudirka's return: Rear Admiral William B. Ellis, commander of the First Coast Guard District in Boston. Anxious not to offend the Soviets and thereby disrupt the fishing negotiations, Admiral Ellis had rejected Kudirka's plea for asylum. "They are not barbarians. Get the guy back aboard," the admiral ordered. Officers on the *Vigilant* rationalized that the decision was based on high-level considerations of détente. In fact, it flouted every American principle and law regarding political asylum. To avoid court-martial proceedings over their role in the Kudirka affair, Admiral Ellis and his chief of staff were allowed by the Coast Guard to retire.

A CHANCE TO SPEAK

Simas Kudirka was charged with treason and jailed in Vilnius, the capital of Lithuania. From his cell window he looked out on the street where, a quarter of a century before, tens of thousands of Lithuanians had been marched on their way to Soviet prisons in Siberia. For 25 years he had lived with memories of friends slaughtered because they resisted the Red army, of teachers who had disappeared in the night. All that time, deep inside, he had yearned to defy the communists. As his trial approached, he determined to speak out at last.

Kudirka hid his intention well, holding his temper through endless interrogations by KGB agents. He was but a simple man, he insisted, curious to see the United States, where his grandfather once lived. But at his trial, in a speech which lasted for hours, he condemned the tyranny of Soviet rule: "I thought at sea I would forget the tragedy of my people. But even in the fleet, I found injustice, and in the end I discovered I could no longer live without freedom."

Kudirka was sentenced to ten years at hard labor and sent to the Potma prison complex in Mordovia, 300 miles southeast of Moscow.

Word of Kudirka's trial had reached even this remote camp and, when he arrived, some 40 men who still dared to resist gathered to greet him. Kudirka had seen deprivation in his life, but nothing to compare with this sight. Mecys Kybartas, 46, a victim of the communist conquest of Lithuania, who had been in Soviet prisons for 23 years, led the group. His hollow face was deeply lined; his arms no thicker than twigs. "The food here would not be eaten by animals," Kudirka was told, and he soon realized how true that was. The potatoes and cabbage leaves had long ago spoiled; the meat, when meat was served, was but pieces of lungs and sex organs.

Kudirka was assigned to the prison's cement works. The work was long and hard. But it was not the labor which bothered Simas in these early months. Signs of countless deaths from years gone by were everywhere. When prisoners dug trenches in the camp, they frequently struck human bones.

HOLD ON!

In October 1971, Kudirka's wife, Gene, was permitted to visit him. Kudirka told her of a resolve that had been growing within him. While he still had the strength, he must do something to protest Soviet tyranny, must give up thoughts of release and join the resistance within the prison. "Please, Simas, no," she begged. "You alone cannot redeem the world. I need you. Your family needs you!" He led her to a window overlooking the series of fences enclosing the concentration camp. "Is this to be the future of the next generation and the next?" he asked. "No, my dear wife, I have seen to much."

In deepest secrecy, the prison resisters formulated an appeal to the International Red Cross. It spelled out the inhuman conditions under which they lived, and charged that the Potma prison was designed to "transform human beings into animals." Kudirka and eight others signed it, and

then the appeal was smuggled out of the camp.

(Early the following spring, in a letter from his wife, Kudirka would learn that their smuggled words had indeed reached the West.)

Despite incredible hardships, these were exhilarating days for Simas Kudirka. Dissidents in the camp—the Jews, the Baptists, the Ukrainian or Baltic nationalists—were all united in the spirit of protest. Kudirka found a special friend in Nikolai Budulak-Sharigin, a Ukrainian falsely arrested on spy charges in 1969. Budulak had lived in London for many years and, even in baggy prison garb, he carried himself in straight-backed British style. He addressed prison authorities as "my dear fellows" and always somehow, managed to have a clean handkerchief in his pocket. Budulak taught Kudirka the words of Rudyard Kipling's poem "If"—words which were to sustain him often in the months ahead. . . .

If you can force your heart and nerve and sinew
To serve your turn long after they are gone,
And so hold on when there is nothing in you
Except the Will which says to them: 'Hold on!' . . .

Well aware that the United Nations Universal Declaration of Human Rights, signed by the Soviets, prohibited every condition under which they were imprisoned. Budulak and Kudirka mapped plans to commemorate Human Rights Day. Secretly, Budulak made a blue flag from a piece of underwear, painted on it the white U.N. seal and draped it with black cloth. In the pre-dawn hours of December 10, 1971, Kudirka hung the flag atop a telegraph pole.

Other protests followed. Then, one day in July, a Soviet army lieutenant colonel arrived in the camp. Shortly thereafter, 250 prisoners—including Kudirka and Kybartas, but not Budulak—were marked for transfer. "Remember, Simas," Budulak said, as they shook hands for the last time, "even if you have to walk alone, make sure you walk."

FROST ON THE WALLS

At 2 p.m., under a hot summer's sun, guards led Kudirka to the waiting train and jammed him into a car with a hundred others. The car was like a sealed oven; soon they all were gasping for air. For three horrible days and nights—during which one man died—the train barreled eastward to a prison in the Urals. "You had it good in Mordovia," they were told on arrival. "They put up with your silly protests. But the thaw with the West will not help you here."

Indeed, it did not. Medical care rarely was offered even to the sickest of prisoners. When winter sent temperatures plummeting below zero, prisoners shivering in cotton coats watched frozen sparrows drop from the sky. KGB agents constantly harassed Kudirka, confiscating copies of his writings, poems and protests. He spent a total of 70 days in solitary confinement in a small isolation cell often so cold that frost covered the walls. And his once strong body wasted to little more than 120 pounds.

But at least he was alive. Others were not so fortunate. In the spring of 1973, Mecys Kybartas was taken to the prison hospital. Although he was dying of lung cancer, doctors would give him no medication for the pain. Nor could the KGB resist one last chance to torment him. If he would renounce his role as a partisan 25 years before, they promised him freedom to return home. His reply was a whisper: "Get out of my sight, you pitiful plague of humanity." A few days later he was dead.

Only occasional letters from home gave Simas comfort in these days. There was one from his mother which touched him most of all. She wrote that late one night a stranger—a young Lithuanian student—appeared at the door of her house. "We are Simas' friends," he said. And he pressed 100 rubles into her hand.

SITDOWN STRIKE

Sarunas Zukauskas, a Lithuanian medical graduate, arrived at the camp in the spring of 1974. "I know a lot about you," he said to Kudirka. Zukauskas was the youth who had raised the money for his mother. He had now been sentenced to six years for, among other things, "aiding the family of a dangerous offender."

Dr. Zukauskas' fervent spirit revitalized resistance. On June 20, 1974, a 19-year-old prisoner was beaten by a Soviet officer. The prison doctor examined the youth and declared that the physical signs of the beating were birthmarks. When Zukauskas heard the story, he stormed to the prison headquarters demanding treatment for the prisoner and punishment for the officer. The Soviets reacted by placing the prisoner in solitary confinement. The following morning, in protest, nearly 50 prisoners refused to go to work.

Within days, however, a swarm of Soviet authorities descended on the prison. Ringleaders of the resistance—including Kudirka and Zukauskas—were thrown into the prison stockade. Kudirka's trial, held in a horse barn, lasted 15 minutes. The prison court ruled that "humane rehabilitation" had failed with Simas Kudirka. He was sentenced to three years in Vladimir, a prison for incorrigibles.

All this while, Simas Kudirka had not been forgotten in America. Long after the national furor over the Vigilant incident had died, two Lithuanian-born housewives—Grazina Paegle of Locust, N.J., and Daiva Kezys of New York City—led a campaign to pressure Congressmen and State Department officials to intervene in the Kudirka case. Time and again they were turned away. Only a miracle could produce Kudirka's release, they were told.

On July 23, 1983, such a miracle occurred. An elderly woman in Lithuania wrote her sister in Connecticut of meeting Simas' mother at a marketplace in Bliovskius. The letter went on to say what no one on this side of the Atlantic had known—that Kudirka's mother had been born in Brooklyn and gone to Lithuania at a tender age. If true, this meant she was an American citizen. But Mrs. Paegle and Mrs. Kezys needed proof. Finally, a priest at St. Mary of the Angels church in Brooklyn found the faded baptismal certificate dated September 29, 1906. Not until three months later, after government agents had authenticated the document, was Kudirka's mother recognized as a U.S. citizen.

But what of Simas? For months the women haggled with bureaucrats in Washington over their claim that Simas, too, was a U.S. citizen because of his birth to single American parentage. Then, on July 17, 1974, Kudirka's citizenship was officially declared in Washington. Suddenly, powerful members of Congress and the executive branch began appealing to the Soviets for Kudirka's release. And now the housewives and diplomats had a new element on their side. The Kremlin was trying to conciliate Congress to gain approval of trade concessions.

But when news reached the United States that Simas had been transferred to Vladimir, the joy felt by Mrs. Paegle and Mrs. Kezys turned to apprehension. They knew well the reputation of this prison.

FINAL TORMENT

Kudirka was thrown into a cell with five other newly arrived dissidents. After three weeks, the youngest of the five, Mikhail Jacysin, a 24-year-old Ukrainian nationalist was called out for what was supposed to be a physical examination. When he was returned to the cell, he stood motionless and glassy-eyed for several moments. Then he broke into uncontrollable sobs and began pounding on the door, screaming over and over, "They will not make me into a swine!"

As the days passed, Jacysin's condition worsened. He began hiding under the cell's table and refusing his food. One prisoner, a veteran of Vladimir, believed prison authorities had given Jacysin drugs to induce insanity and show the others what could be done to them.

Just before daybreak one morning, Kudirka was awakened by a loud thump. He opened his bleary eyes to see Jacysin lying motionless on the floor. "Oh, my God," Kudirka said. "I think he's dead."

The five massaged Jacysin, and slowly warmth began returning to his body. They got him to his bed, but his body began contorting in spasms. They screamed for the guards, but no one came.

When the spasms ended, Jacysin walked to the latrine and sat. Suddenly he whirled around, reached into the toilet with his hands and began smearing excrement over his face. The other prisoners grabbed him and washed him off.

Around 9:30 a.m., the door swung open and seven officials, including the prison's psychiatrist, stood before them. "Now we are ready to go, aren't we?" the psychiatrist said softly to Jacysin. Like an obedient animal, the young Ukrainian rose quickly and walked from the cell.

Vladimir was to bring more deep sorrow to Simas. He was standing at his cell window when, for the first time in two years, he saw his friend, Budulak. His skin was as gray as the faded uniform he wore, and his posture was no longer erect. "Oh, God," Simas thought. "What have they done to him?"

For Kudirka, it all ended almost as suddenly as it had begun on the Soviet ship four years before. On August 23, 1974, he was summoned to the warden's office and told he was to be released. Six hours later he was on a train to Moscow, and in a few days he was back in Lithuania, where he learned of the incredible events which had led to his release.

On November 5, 1974, Kudirka and his family were allowed to leave the Soviet Union. But not until he saw the towers of New York City as his plane made its descent into Kennedy Airport did he truly sense that he had reached freedom.

Simas Kudirka is currently writing a book about his experiences to warn the West that, despite détente, the Soviets continue to engage in the massive betrayal of human rights. A truly modest man, Kudirka is uncomfortable when speaking about himself. "I have lived among giants," he says. "It is about those people, and the conditions under which they live, that I must speak."

One of those giants was Nikolai Budulak-Sharigin, whose strong voice, quoting Kipling, will echo forever in Simas Kudirka's heart:

If you can bear to hear the truth you've spoken,
Twisted by knaves to make a trap for fools,
Or watch the things you gave your life to, broken,
And stoop and build 'em up with worn-out tools . . .
Yours is the Earth and everything that's in it,
And—which is more—you'll be a Man, my son!

EMPLOYER SANCTIONS AND THE PUERTO RICAN COMMUNITY

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 31, 1985

Mr. GARCIA. Mr. Speaker, Mr. Philip Boneta, of the Puerto Rican Legal Defense and Education Fund, has done an outstanding analysis of the discriminatory effect that employer sanctions—part of immigration legislation pending in Congress—would have on the Puerto Rican community.

In his analysis, Mr. Boneta has rightly pointed out that employer sanctions would not be simply a problem for Mexican-Americans but for all persons who are suspected of being "foreign" because of their accent or appearance. I commend Mr. Boneta's paper to my colleagues in the hope that they will take time to examine his findings.

EMPLOYER SANCTIONS—THE DISCRIMINATION RISK ON THE PUERTO RICAN COMMUNITY

(By Philip L. Boneta, Esq. Puerto Rican Legal Defense & Education Fund, Inc.)

The Puerto Rican population in the United States is unique to the Hispanic population in general. While some Hispanics in the United States may be native-born citizens, it is always a fact that Puerto Ricans, no matter where they are located (abroad, on the mainland or in Puerto Rico) are native-born United States citizens. Yet, they share the same culture, customs, habits and language as all Hispanics in America.

Because of this common similarity, the Puerto Rican may appear "foreign-born" and is not easily distinguished from other Hispanics in the United States. It is the opinion of the Puerto Rican Legal Defense and Education Fund, Inc., the Commonwealth of Puerto Rico and the Puerto Rican Bar Association that the proposed employer sanctions provision in H.R. 3080 would greatly increase the incidence of employment discrimination affecting Puerto Rican community as a whole.[1] The high risk of such discrimination is not acceptable to this citizen community. Furthermore, the proposed procedure for remedying such discrimination is also not acceptable.

It seems quite backwards, that the Hispanics should continue to suffer discrimination in employment and yet Congress is devising another bill (employer sanctions) that in our opinion is, per se, a discrimination statute.

Clearly, employer sanctions is not an anti-discrimination statute like that of other statutes (i.e., Title 7 of the Civil Rights Act) which prohibits discrimination in some fashion. Even if you add provisions dealing with the prohibition of discrimination to employer sanctions, it still is per se a discrimination statute.

A review of the proposed statute (H.R. 3080) reveals that it creates a means for an employer to discriminate against foreign looking employees: even Puerto Ricans can look foreign. H.R. 3038 creates a binding obligation on the employer to scrutinize job applicants and encourages discrimination at will.

Congress' approach to immigration reform reverses 20 years of efforts to eliminate discrimination on factors other than an individual's qualifications to do the job. It requires an employer to look at factors that today are not legally impermissible. The risks which will be created for the Puerto Rican/Hispanic community will result in subjective and uncontrolled discretion in hiring to the detriment of the Puerto Rican and/or other Hispanic citizens.

Moreover, the creation of the Office of Special Counsel in the Justice Department for the purpose of investigating and prosecuting any charges of discrimination due to an unlawful immigration-related employment practice will not cure the evil that the employer sanctions provision will perpetrate on our Puerto Rican community. This remedy does not cure the injury, but in fact encourages an employer to discriminate.

The proposed after-the-fact protectional system is an ineffective method for handling cases dealing with employment discrimination, even if at a later time the individual discriminated against receives back-pay, retroactive seniority and the position. The process for obtaining relief, if at all, is subject to lengthy investigations, public hearings and appeals before one's rights are ultimately vindicated.

It has been our experience that many Puerto Ricans just do not file complaints about discrimination in employment even though they are discriminated against. It seems that there are not enough advocates to represent them or that they simply do not know or understand what to do in these situations. Also, it has become very expensive and difficult to prove a civil rights violation. In fact, the New York State Governor's Advisory Committee for Hispanic Affairs in its recent Report, "New York State Hispanics: A Challenging Minority" seems to agree with this position.

The report dealing with New York State Division of Human Rights (p. 251) states:

"Hispanics are still an 'out group' whose different characteristics have been historically discriminated against in this society. During the public hearings, there was not one testimony presented by a Hispanic person that does not reflect this underlying feeling of discrimination."

The statistics revealed by this Report for Puerto Ricans/Hispanics filing discrimination complaints are shocking. Between January 1981 to June 1983, there were 16,000 complaints of discrimination made to the New York State Division of Human Rights. Of these, 1,246 were filed by Hispanics which is only 7 percent of the total number.

Even these figures are low when you consider the N.Y.S. Division of Human Rights received 400 percent more complaints from Black New Yorkers than from Hispanic New Yorkers. Regarding these statistics, the Governor's Advisory Committee for Hispanic Affairs expressed the view that Puerto Ricans are not aware of their rights and that these figures are unrepresentative of the true number of actual cases of discrimination that occur in the Puerto Rican community in general. Under these circumstances, the imposition of the employer sanctions as provided for in H.R. 3080 is truly unfair.

Moreover, the Puerto Rican community is aware of H.R. 3080's proposal to utilize the Social Security numbers ("SSN") as a means of identification. It has been suggested that an employer may be able to call to verify the SSN prior to employing an individual. On its face, this system seems simple, but in practice, it creates a "national identification card" under the guise of the SSN, for the Puerto Rican and Hispanic community alone. This is not acceptable insofar as this system would violate the right to privacy, to which we, as Puerto Rican citizens, are entitled. We are aware of the abuses of the national identification card system in Latin America. We do not want that to occur in the United States.

Other risks that would be created if a SSN system became operative under the employer sanctions provisions must also be considered. For example, the high degree of common names is great within the Hispanic population throughout Latin America and United States. How long must the Puerto Rican await for vindication for discrimination resulting from identity of name? A claim of discrimination could take years to settle. And even then, it might not be found to constitute discrimination and certainly not intentional discrimination by an employer acting pursuant to H.R. 3080's employer sanctions provisions.

It should also be observed that many individual citizens, including Puerto Ricans, have lost their Social Security ("SS") card and do not recall their number. The unnecessary delay associated with securing a duplicate SS card places the individual in jeopardy insofar as the Puerto Rican remains without a job or a possible remedy.

The same delay problem is also true for the receipt of a "birth certificate" from Puerto Rico, which has been recommended as a form of identification. If the individual does not have a relative to depend upon (or burden) in Puerto Rico to obtain said certificate, then the Puerto Rican would have to rely upon the Commonwealth of Puerto Rico for assistance. Yet, that office is already overburdened with requests for such certificates, and would not be capable of handling all of the requests for assistance which might be generated from some 3½ million Puerto Ricans on the United States mainland, in addition to the million Puerto Ricans residing on the island. Nor is the use of a United States passport, another suggested form of identification viable. This proposal seems to ignore the fact that Puerto Ricans have the right to travel freely within the United States. Or are we not United States citizens after all?

Overall, employer sanctions under either the Senate (S. 1200) or the House of Representatives' proposal (H.R. 3080) seems to create what President Ronald Reagan has consistently fought long and hard to do, namely to "keep the government off the people's backs." Apparently, employer sanctions will not only be on the backs of employers, but also on the backs of United States citizens.

For the above reasons, the Puerto Rican Legal Defense and Education Fund, Inc., the Commonwealth of Puerto Rico, and the

[1] Especially in light of the recent U.S. Supreme Court ruling in *INS* v. *Delgado*, —— U.S. ——; 80 L.Ed. 2d 247 104 S. Ct. —— (1984) under which an entire work force may be questioned without regard for their rights as citizens of the United States.

Puerto Rican Bar Association urge the defeat of the proposed employer sanctions provisions as unworkable and imposing an undue burden on Puerto Rican citizens of the United States.

In the opinion of the Puerto Rican Legal Defense and Education Fund, Inc., the Commonwealth of Puerto Rico and the Puerto Rican Bar Association for the Puerto Rican Community, employer sanctions will have an adverse risk of employment discrimination on the Puerto Rican population. You cannot afford to take any more risks at the expense of the Puerto Ricans. For these reasons, we respectfully request that H.R. 3080 employer sanctions, as proposed, be defeated and not enacted into law.

A TERRORIST TERRORIZED

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 31, 1985

Mr. LAGOMARSINO. Mr. Speaker, the kidnaping of Ines Duarte Duran, daughter of Salvadoran President Jose Napolean Duarte was a contemptible terrorist act. Those Marxist guerrillas responsible for that act have attempted to justify their actions as reported in a recent commentary on Radio Venceremos, the guerrilla's clandestine radio station.

I urge my colleagues to read this commentary to understand better the twisted logic and terrorist mentality motivating the Marxist guerrillas fighting the Duarte government in El Salvador.

VENCEREMOS COMMENTARY

While some people think that the capture of a Christian Democratic official who is linked with the regime's psychological war apparatus, and is the daughter of the regime's leader, is a terrorist action, but other people do not share this opinion. Is this an act to counter the state terrorism which has been indiscriminately unleashed by the regime or not? Does this action follow the inexorable principle that there is no action without a reason? Has this happened to Napolean Duarte because he is an extremely kind, innocent man who is free of guilt concerning 70 murders [as heard], missing people, and torture? Why is Duarte the head of the regime's terrorism, the crimes, and the repression which prevails in the country? We repeat, had this happened to Napoleon Duarte because he is an extremely kind, innocent man who is free of guilt concerning the 60,000 murders, missing people, and torture?

Duarte, Rey Prendes, Guevara Lacayo, and the top echelon of the Christian Democratic regime have cried disconsolately because a woman, a mother, a daughter has been captured. They had never stopped to think about the thousands of missing mothers, the thousands of assassinated women, the 60,000 martyrs assassinated mercilessly [words indistinct] pact between the Christian Democratic Party and the genocidal Army. Who thought about those thousands and thousands of Salvadoran women and mothers? Who cries for the teachers, union members, and students who have been assassinated, tortured, and reported missing from the regime's jails?

So now, after 60,000 murders and 6,000 missing people, the killers, the torturers demand respect for one of their accomplices' rights. So now, the regime's officials who thought it was legitimate to capture and disappear the FMLN militants and the activists of the people's movement; who thought it was legitimate to bomb and strafe the civilian population to achieve peace in the country, now demand respect for one of their own party members. The terrorists are now terrorized because someone has captured an official of the psychological war apparatus that terrorizes the people; they are really terrorized. Frankly, what did these Christian Democrats expect? They are at the head of a regime which is at war; they are the ones who get the dollars to wage the war; they are the ones who say that they are going to annihilate the people's movement; the Christian Democrats are the ones who participate in the political masquerade of a counterinsurgency plan. They are the head of a regime that is waging a war but they do not want to become involved in a war.

They shout, become angry, and feel terrified because the war caught up with them. They act as if a divine mandate had marked them to wage a war without suffering the consequences. The illusion of being immune to war supports their dreams of grandeur but the truth is that the war catches up with criminals just as it catches up with the military forces and the torturers. The truth is that the Duartist logic is quite stupid because it is based on an alleged right to be immune to the war. What did they expect? They [words indistinct] humble peasant families. They order the arrest of the FMLN militants' mothers; they issue orders so that captured FMLN fighters are [words indistinct] and dismembered; they order the capture and torture of the movement's leaders.

What did they expect us to do? Did they expect us to remain impassive? No sir, these are new times. Because their crimes against the people are so heartless and bloodthirsty, the people launched a war, armed themselves, and prepared themselves to legitimately counterattack their aggressors. Since 1960, the situation where criminals felt immune to the people's reprisals and justice is over. This is nothing new; we warned them, we told them that they would pay and that we would take reprisals for those crimes.

Of course, there are people like Duarte or Rosas Chaves who expect us to turn the other cheek for the Duartist terrorism. No sir, that is over! Today, the people's adage of "he who lives by the sword, dies by the sword" becomes a reality; and the criminals and terrorists are terrified by the consequences derived from their crimes and terrorism. They are so terrified that they are surprised because they have become our main enemy.

Napoleon Duarte and the Christian Democratic Party are only part of our enemy. The main enemy is Yankee imperialism, the U.S. imperialism which places and removes its pawns according to its interests; the oligarchs and the Army were its former pawns. The U.S. imperialism's new pawns are the Christian Democratic Party and the Army; they are certainly our main enemy. The capture of Christian Democrat Ines Duarte has undoubtedly raised two types of opinions.

One opinion is that of the terrorists who have become terrified; another opinion, that of the people in general. There can be no more than two types of opinions about this event in this country, where the people live within the framework of 60,000 assassinations perpetrated by the Christian Democratic Party, where the Christian Democratic Party has caused more than a fifth of the civilian population to become displaced or seek asylum abroad; in this country where practically one member out of every peasant family has been assassinated, reported missing, or imprisoned by the Christian Democrats.

First, we have those who simply do not care if the president's daughter has been captured; second, we have the people, who are happy because the war has caught up with the president. There are also the soldiers, who physically suffer the ravages of a war which is alien to their interests; they rejoice as they rejoiced when Domingo Monterrosa died.

This is the general reaction of the majority; the people are happy because the war is strongly affecting the war criminals. Even some Christian Democrat leaders have admitted that the kidnapping was a brilliant blow. In fact, this incident has uncovered, and put on the front burner, the problems of human rights violations, missing people, and the legal status of those serving sentences in the jails.

It could be said that this has been only a small act of justice; a small act of that legitimate justice that the peoples and history are demanding against the criminals and terrorists. Those who tortured Yaneth Samour Hasbun, Tony Handal, Carlos Portillo, Saul Villalta, and many other patriots, must not think that their crimes will go unpunished. Those who assassinated, as well as those who harbored the assassins of Msgr. Romero must not think that their crime will go unpunished. The people may take their time, but they will not forget.

Within the international framework the Christian Democrats have tried to use the incident to help Jose Napoleon Duarte's sad image. For truth's sake, we must say that rhetoric and formal diplomatic condemnation is one thing but what is truly thought and believed about this incident is something else. In fact, after the (?initial) words we begin to see the real and effective effects of this operation.

The recognition for the actions legitimacy is measured by the participation of other countries in this matter. What the world has seen is the fact that Duarte controls nothing in his country; that he no longer feels safe out in the country or in the city; that he no longer feels safe even when he is surrounded by 50,000 soldiers or with the millions of U.S. dollars.

It is being rumored that Jose Napoleon Duarte does not feel safe. Was Duarte not responsible for presenting his regime as a stable one, a regime that respects human rights? What has become evident are the deep contradications between the government and the Army. The arrests, tortures, disappearances, and the regime's clandestine jails have become evident.

Ines Duarte's capture has raised the curtain on Duarte's farce regarding an alleged democratization and pacification and has placed in the foreground the ruthless and criminal [word indistinct] terrorism. They are now paying for their crimes. The main terrorist is truly terrorized and he is getting his family out of the country and preparing for an evacuation. He is preparing himself, like all self-worshipping dictators, to escape the weight of the people's justice.

DON'T PUSH SOUTH AFRICA TO THE WALL

HON. JACK FIELDS
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES

Thursday, October 31, 1985

Mr. FIELDS. Mr. Speaker, I am pleased to provide the record of this House with an editorial opinion by Ms. Karen Elliott House, foreign editor for the Wall Street Journal. Ms. House wisely cautions our approach to dealing with the current situation in South Africa, and demonstrates the inherent contradictions of what passes for U.S. policy.

DON'T PUSH SOUTH AFRICA TO THE WALL
(By Karen Elliott House)

PRETORIA.—It's a whole lot easier to exert public political pressure than it is to fashion political solutions.

Nowhere is this so evident as in South Africa today, where the U.S. is trying to put the political and economic screws to the white Afrikaner government to speed the dismantling of apartheid and force the sharing of political power with the country's black majority.

But two weeks of travel throughout South Africa indicates the pressure isn't working. Indeed, it's having precisely the opposite effect. America's political structures and economic sanctions have simply served to harden the attitudes of those who hold power, to raise unrealistic expectations among those who seek power, and to damage the economic fortunes and futures of the great majority of South Africans caught in between.

There is little doubt that this society and its abhorrent system of apartheid are going to change. Even the most hard-line Afrikaners see the handwriting on the wall and are talking about reaching accommodations that will leave them segregated in some white "homeland" enclave much like those apartheid has created for the blacks. Less militant whites—and there are many more of these—hope for a multiracial society inevitably ruled by the black majority, but with some protection for white and other minorities. The only real issue here is *when* such change will take place, not *whether*, and the when is a matter of years, not generations. Yet in its rush to hasten change, America risks pushing the South African economy further along a downward spiral so that there will be little left for the victors to inherit.

CLINGING TO SURVIVAL

Already the signs of suffering are everywhere as South Africa's economy, plagued by continued drought and depressed gold prices, grinds to a virtual standstill. In New Brighton, the bleak, black township near Port Elizabeth, a black man in his 40s has fashioned a makeshift outdoor barber shop from two pieces of rusted metal.

It's midafternoon and the wind is whipping garbage down the unpaved streets as the barber finally gets to shear the head of his first customer. In a good week, the barber earns 20 rand, or about $8, barely enough to buy a bit of food for himself, his wife and five children. Until a year ago when the construction firm where he worked closed, he earned 200 rand a month. The barber is just one of many clinging to survival in an area where black unemployment is estimated at 60%.

The government has announced a 600 million rand employment program and promises sharp jumps in spending for better black schools and housing. But if these promises are to become a reality, South Africa's economy must grow—and grow faster than the population, which is increasing 3% a year.

Businessmen and government officials all agree that the maximum economic growth possible without foreign investment is 3%. In other words, just enough to preserve the status quo; not enough to improve the lot of blacks.

To the extent that a bigger slice of the pie for blacks comes at the expense of whites—and it must if the pie isn't expanding—racial tensions are bound to rise. Sanctions and disinvestment cripple the economy, and the greatest pain is borne by its weakest and most marginal members—who are black. This obviously breeds frustration, anger and violence. The violence erodes international confidence in the economy, leading to further reductions in investment that lead to more layoffs, more anger and more violence.

In short, it's easier to sit in America and argue the moral justification for applying economic pressure to South Africa than it is to walk through the streets of New Brighton or Soweto and see the mounting practical effects.

Beyond all this, the U.S. insistence on economic sanctions and disinvestment also is hardening the right wing, which, like it or not, holds the reins of power in South Africa. Enlightened self-interest should lead the government to continue and accelerate reforms. And, in fact, it has. The decisions over the past two years to give the vote to coloreds and Indians, to legalize mixed-race marriages and to allow black labor unions all are due more to internal economic realities than to external pressure. "They [the Afrikaner establishment] discovered they couldn't run the country alone," says Zach de Beer, a director of Anglo American Corp. and a consistent critic of apartheid.

Undeniably, South African President P.W. Botha is a man of limited vision. And he shows little understanding of the seriousness of the economic situation. During a recent interview he repeatedly insisted that the continuing decline of the rand isn't the result of dwindling international confidence in South Africa but rather the result of a rising dollar. (In recent weeks, of course, the dollar has been declining.)

But from all appearances and in the view of many thoughtful South Africans, Mr. Botha is a spent force. He has gone as far as he can go with admittedly limited reforms, which still don't tackle the heart of this humiliating system of racial segregation. Now he wastes his time being bitter that instead of praise, he receives only increased pressure from America. The betting is he'll step aside in a year or so. Given pressures inside the ruling National Party, as well as those from its liberal opponents and the business community, more significant reform seems inevitable though probably still slower than Americans and black victims of apartheid would like.

Regardless, Americans should resist the impulse to try to force a faster pace of change. Already, righteous rhetoric in Congress and presidential pronouncements about the impending doom of apartheid are creating unrealistic expectations among blacks.

And that worries even apartheid's more ardent opponents. "Blacks are getting the idea that external pressure and the ungovernability of the townships will give them victory just around the corner," says Helen Suzman, a tiny but tough woman in her 60s who is the longest-sitting member of Parliament and the grande dame of anti-apartheid. "The risk is that Western powers are inadvertently encouraging blacks to launch violence against whites, and then the government is really going to unleash its terrible power on these kids."

A young black man on the Student Representative Council of Peninsula Technical Institute near Capetown says, "We're going to bring down this oppressive, capitalist regime faster than anyone thinks." Why is he so confident? "America is with us," he replies.

But America isn't with them. The Marines aren't going to land in Soweto or New Brighton or any other black township if the South African defense forces, mightiest in all Africa, are unleashed on blacks. All they can expect is a rush to the television cameras by congressmen, Reagan administration officials and American businessmen to deplore from a safe distance the killings of blacks.

Another reason for the U.S. to forswear more sanctions—and sanctimonious rhetoric—is that, historically, pressure hasn't worked very well. Rhodesia survived nearly 15 years of sanctions. Israel has survived more than 30 years of economic and political pressures from much of the world. Whether it's the Soviet Union or Taiwan, Iran or Nicaragua, no national power structures have proved very vulnerable to economic and political pressures from outsiders. Perhaps if every nation in the world refused any commerce or contact with white South Africa the regime would collapse quickly, but that seems farfetched in a real world in which even black African nations are openly or surreptitiously trading with South Africa.

The U.S. also should drop its insistence that the white government negotiate with terrorists. It's hypocritical to ask South Africa to negotiate with the African National Congress, which vows the violent overthrow of the white government, when the U.S. doesn't press Israel to negotiate with the Palestine Liberation Organization, because it vows the destruction of Israel. Clearly America isn't standing on principle. It's simply letting domestic politics dictate foreign policy. American Jews and their supporters oppose talks with the proviolence PLO. American blacks and their supporters favor talks with the pro-violence ANC. The point isn't that consistency is necessarily an absolute virtue, but rather that negotiating with terrorists is generally a mistake. Like Yasser Arafat, exiled ANC leader Oliver Tambo, safe in Zambia, repeatedly call for youths to give their lives for the struggle.

INHERIT THE RUINS

The more the U.S. insists on negotiations with the ANC, the more it strengthens the violent extreme and undermines the moderate middle. Indeed, already Mr. Tambo is greeted as a hero at various international gatherings. South African businessmen traipse to Lusaka, Zambia, for a word with the exiled leader, who pointedly repeats his determination to dismantle not just apartheid but capitalism as well. Meanwhile, Chief Mangosuthu Buthelezi, leader of Africa's largest black tribe, the Zulus, is shunned by many South African businessmen and most international groups. Why? Basically, because he's a moderate who, while opposing apartheid, doesn't believe it

makes sense to destroy the country in order to inherit the ruins a little faster.

Once the U.S. insists the ANC is the legitimate voice of black Africans, then the ANC becomes the only group with whom the Pretoria government can negotiate if it wants to retain some measure of international approval and investment. Yet the ANC has made it clear it isn't interested in sharing power, just seizing power.

Finally, America must be true to its belief that it is the rights of the individual that are sacred, rather than the interests of any particular group. South Africa long ago made the mistake of structuring its society on the rights, or lack of them, of racial groups. The U.S. shouldn't participate in schemes that simply transfer power from one racial group to another, while still guaranteeing no protection for the individual—regardless of color.

JAPANESE TRADING PRACTICES

HON. RALPH REGULA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 31, 1985

Mr. REGULA. Mr. Speaker, I would like to bring to the attention of my colleagues an article that appeared in Newsweek magazine this week. It echoes bluntly the warnings that many of us have been given about the effect of Japanese trading practices.

Japan has received a free trade ride for too long. As it is apparent from this article, America is not the only victim of Japan's trade blitz. On the contrary, the United States is one of the few countries powerful enough to fight back. As Newsweek grimly pointed out, things are very bad and will only get worse unless "immediate and genuine" changes are forthcoming from Japan.

Japan has no intention of or incentive to change. It is up to the United States to take the initiative and bring Japan back to the reality of free world responsibilities.

I ask my colleagues to heed the warnings in this article and recognize that it is up to us alone to avert worldwide disaster. When Japan will not act, America must.

[From Newsweek, Nov. 4, 1985]

JAPAN MUST JOIN THE WORLD

(By Rich Thomas)

For all but the first years of the postwar era, the efficient Japanese have been aggressively expanding their export markets overseas—while keeping their own island society all but closed to outside traders. "The Japanese are still not really ready to join the world," says Edwin O. Reischaure, the former U.S. ambassador to Japan and Asian specialist at Harvard. "They still feel themselves very separate. They realize the need to join the world intellectually, but they still need to make that step."

The time to make that step has now run out. The brutal fact is that Japan's economic nationalism, its phobia against imports and its economic export monoculture, has achieved such enormous "success" that it is now threatening the economy of the entire world—particularly the Third World—and the United States alone is no longer large enough or strong enough to control the damage. Without an immediate and genuine change by Japan, the world financial system could well collapse, less developed debtor nations could plunge into default and chaos and the world could slide into recession.

American preoccupation with the problems of Japanese auto, electronics and other imports has obscured these frightening global prospects. Congress and U.S. economic exports have long been mesmerized by the political and human difficulties caused in this country by the explosion of Japanese export surpluses—from $12 billion in 1982 to an anticipated $50 billion this year. But the U.S. economy is still rich and expanding and at this point, at least, it is able to absorb any lumps delivered by the Japanese over the long haul.

Overseas, though, it is a different story. Japan's export offensive has hit particularly hard in African and Latin America—and its trade surplus with the world's lesser developed countries will hit $15 billion this year. At the same time, alone among all of the developed countries, Japan remains unyielding in its determination to keep manufactured imports of any consequence away from its shores—and it is this trade wall that is the primary cause of today's world wide crisis. In effect, Japan has become a mammoth siphon sucking funds and final demand out of poorer countries. These are funds that the United States, by way of its own huge trade deficits with the nonoil producers among the lesser developing countries, is fruitlessly trying to pump back in.

TAXING IMPORTS

What must be done before disaster strikes? President Reagan—who keeps hoping that a friendly Japanese Prime Minister Yasuhiro Nakasone will voluntarily reduce Japan's trade surpluses—clearly must act where Japan will not. Simply put, Reagan and Congress should impose a temporary fee or surcharge on Japanese imports—in effect, a tariff—calculated to keep Japan's trade surplus with the United States at current levels. The fee would amount to an import surcharge of 20 percent of the value of all of the cars, television sets, VCR's and other wonderful products that Japan exports to the United States. It is to be hoped that levy would raise about $15 billion next year, based on the level of this year's Japanese-U.S. trade. But the money would not go to the United States; it would instead go to the Third World countries that are suffering most from Japan's one-way trade policies. To keep it as neighborly as possible, the funds could be paid as a joint U.S.-Japanese grant, divided up among the LDC's in direct proportion to their external debt positions. There would, of course, be a downside to the surcharge; the price of Japanese imports would increase at least modestly in this country, adding to the rate of domestic inflation. But ideally, the measure would be temporary, in effect only until the Japanese imposed long-range measures that would serve to raise their imports into more reasonable balance with their sales.

Most important, action by President Reagan would send a message that years of cajolery have not: either Japan changes or the world economy is in serious trouble. Reagan should couch his message in the calmest rhetoric possible—this is not a moral lesson but a simple economic one. Former U.S. Ambassador Reischauer, while identifying the problem, is still counseling U.S. patience with Japan. But a mounting Third World debt crisis that is clearly beyond U.S. control is saying something else: time has run out for Japan to join the world.

CITIES CAN'T FIND OR CAN'T AFFORD INSURANCE

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 31, 1985

Mr. FLORIO. Mr. Speaker, the Subcommittee on Commerce, Transportation and Tourism is receiving daily reports of how the scarcity and high cost of liability insurance is hampering businesses and professionals in the private sector.

There are signs that the insurance crisis is also affecting the public sector. Local officials are being forced to raise taxes in order to pay drastically increased premiums, cut back on certain services for which coverage is unavailable or unaffordable and, in some cases, provide services without any insurance.

The following article highlights the problems local governments are facing in their efforts to deal with this far reaching insurance crisis.

[From the Washington Post, Aug. 5, 1985]

DILEMMA FOR CITIES: PAY RISING INSURANCE FEES OR FACE HIGHER RISK

(By Caryle Murphy)

It hasn't been a good year for those in the risk management business.

When Mary de Campli, Alexandria's risk manager, got the bills in June for two liability insurance policies covering the city's public officials and law enforcement officers, the bills came to $233,000—a 400 percent increase over what the city paid last year.

"And we're not done yet; the year's not over," said de Campli, who estimates that when all polices are renewed this year, the city's total bill will be $400,000, compared with $223,000 last year.

About the same time, Virginia's Director of Risk Management Charles F. Scott was soliciting bids on a liability insurance program for state employees and "came in absolutely dry," without a single bid for a policy that cost the state $871,000 last year.

"I've never seen anything like this," Scott said.

In an insurance market that seems to grow warier each day, local governments are facing enourmous price increases and even policy cancellations at a time when they also find themselves increasingly battling multimillion-dollar liability suits.

"Almost daily we get calls from state organizations [looking for insurance] . . . . It's pretty clear it's a nationwide problem," said Donald Jones, assistant executive director of the National League of Cities.

As a result, local government officials are facing tough decisions on whether to pay the huge increases for coverage or opt for more risky self-insurance programs. In some cases, they are going without liability insurance altogether.

Local government officials say not having insurance is chancy at best, considering the increasing number of lawsuits against governments that include claims for slips and falls, property damage, civil rights violations, employment discrimination, antitrust violations, rezonings, false arrest and injuries resulting from environmental accidents.

"Cities nationwide are experiencing a veritable explosion in municipal liability," D.C.

Corporation Counsel Inez Smith Reid told the D.C. City Council in May when she asked for an additional $1 million for the District's $5 million fund to cover settlements and judgments that the city is expected to pay this year. From 1975 to 1983, the amount the corporation counsel paid in such settlements rose from $1.7 million to $5.2 million.

Reid cited, as the kind of case that localities must be insured against, the recent one in which a D.C. Superior Court jury awarded $250,000 in damages to a 15-year-old girl who five years ago was lured out of an unsupervised Southeast Washington classroom and sexually assaulted.

In a celebrated 1983 case, a U.S. District Court jury in the District awarded $5 million to Alvin Biscoe, who lost both legs after he was hit by a car being chased by two Arlington County police cars in 1979. The award was later reduced to $4.3 million.

A soon-to-be-released study done by the Wyatt Co., an actuarial consulting firm, and the International City Management Association found that public officials across the country had a 50 percent increase in lawsuits filed against them in the last three years.

In 1982, 14 percent of the localities surveyed had suits pending against them; the largest settlement that year was $230,000, and the largest claim sought by a litigant was $40 million, according to the Wyatt Co.'s Jim Swanke, who conducted the survey.

Three years later, 28 percent of the officials surveyed were facing suits; the largest settlement was just under $2 million, and the larger claims range from $100 million to $200 million, Swanke said.

The impact that rising insurance costs and court settlements have on local governments is difficult to measure, but as Natalie Wasserman, executive director of the Public Risk and Insurance Management Association (PRIMA), said: "The taxpayer is going to have to bear the burden. . . .Eventually, who pays? It's the public."

A report on the financial health of American cities issued in March by the Advisory Commission on Intergovernmental Relations noted that at least four localities had been forced into bankruptcy by large court awards. It warned that the trend toward high court judgments "appears likely to cause more [financial] emergencies in the future."

At one time, the principle of "sovereign immunity" protected governments from such lawsuits by individuals; but since the early 1960s, the courts and state legislatures have eroded that protection. Local government officials are renewing pressures on state legislators to put mandated ceilings on court judgments. Already, 28 states have such caps, and PRIMA's Wasserman said that the other states "are going to have to take a look at caps."

Most local governments buy a number of different policies to cover their automobile fleets, public officials and police force, water treatment and sewage facilities, and bus systems. Many of the policies are acquired through a competitive bidding process.

But along with other insurance shoppers—doctors, day-care centers, restaurants and universities—local governments this year are feeling the repercussions of an insurance market that is feeling the pinch from the industry's most devastating year since 1906, the year of the San Francisco earthquake.

"It was a very, very bad year," said Mavis Walters, senior vice president of the Insurance Services Organization (ISO). The property and casualty insurance industry suffered a 1984 pretax loss of $3.8 billion when investment income failed to cover its payouts, she said. ISO estimates that in 1985, demand for insurance will outstrip what the industry can supply by $7.2 billion, Walters said.

Some insurance companies, seeking to recoup losses caused by what they say were previously artifically low rates, are withdrawing entirely from the more risky and more litigious areas, which include local government liability and environmental accidents, industry officials said.

The increasing litigation has elicited warnings from the London-based insurance giants on whom the American insurance industry depends to back up its financial risks. When these so-called "reinsurers" are reluctant to lend their financial backing to U.S. companies, it decreases the capacity of those companies to offer insurance here.

Lloyd's of London Chairman Peter Miller told the National Association of Insurance Commissioners in Kansas City, Mo., last month: "We can no longer live with the uncertainty engendered by the vagaries of the American legal system as it stands today."

One such uncertainty is the courts' expanding interpretation of responsibility for damages resulting from long-term environmental accidents. In recent years, courts have been ruling that insurance companies cannot escape responsibility for damages from an environmental pollution that may take years to detect, such as toxic waste dumps or leaks from underground storage tanks.

As a result, local government officials are being told that environmental coverage will no longer be part of their general liability policies. If customers want it, they must buy a separate policy at much higher prices.

Local governments that foresaw the current price crunch and reduced their dependence on purchased insurance by going for a self-insured program are weathering the present crisis best, officials said, and are quickly being joined by other municipalities.

The Virginia Municipal League's financial director, Margaret Nichols, said a league-sponsored self-insured "pool" has acquired 23 new members from among the state's school boards, counties and cities since last April. Until then the program had attracted only 18 members since it was launched a year ago, she said.

But even self-insurers are not immune from current price increases. To guard against catastrophic losses, it is traditional for self-insured localities to buy "excess" insurance on the market. The costs of such policies have risen astronomically.

Baltimore, which has been self-insured for property losses for 15 years, saw its excess insurance coverage costs leap from $315,800 last year to $1.7 million this year, according to Douglas Pierson, insurance analyst for the city.

Dallas, which has been self-insured for three years, decided to go without its "excess" policy altogether after the cost went from $157,000 in 1984 to $1.5 million this year, said Mark Ferraro, Dallas' risk manager.

"Basically, it means that we have no place to turn if we have a catastrophic loss," Ferraro said.

THE NEGLECT OF FOREIGN STUDIES IN AMERICAN UNIVERSITIES

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 31, 1985

Mr. HAMILTON. Mr. Speaker, I wish to bring to the attention of the House a recent speech by a former colleague, John Brademas, now president of New York University. Many of you will remember that during his 22 years in the Congress, John Brademas worked hard for Federal funding to support education, libraries, museums, and the arts and humanities.

In his remarks at Ball State University in Muncie, IN, on October 24, 1985, he addressed the alarming cost to the United States of the neglect of foreign studies in American universities and colleges.

His observations deserve our attention as we consider the role of Congress in supporting education. He warns that, in particular, there is a serious shortage of educated experts on Asia, sub-Saharan Africa, the Middle East, the Soviet Union and Eastern Europe. Such lack of understanding of other cultures not only has harmed the conduct of U.S. foreign policy in recent years, it also has hindered the performance of U.S. business in key countries, like Japan.

Certainly, some of the problem rests within our system of education. During the last 20 years many schools eliminated foreign language, geography, and history requirements, and only recently have begun to reinstate them. Yet, the Congress can help, as it has through the Fulbright Program, student exchange, the Soviet and Eastern European Research and Training Act, and other programs.

I encourage my colleagues to read this speech which presents a thoughtful and disturbing portrait of the state of international education in the United States.

The text of the speech follows:

REMARKS OF DR. JOHN BRADEMAS, PRESIDENT, NEW YORK UNIVERSITY

I am deeply honored to have been asked to deliver at Ball State University in my native Indiana, the twelfth Stephen J., Sr., and Beatrice Brademas Lecture.

This is for me a kind of family reunion. You should know that it was early in this century that at the age of 21, my later father, Stephen J. Brademas, left Calamata, Greece, eventually to settle in South Bend, Indiana. Here, in Mishawaka, my father met my mother, Beatrice Goble Brademas; they married and she, now 84, is with us this morning.

Also here today are two others of the four Brademas children, my brother Tom, with his wife, Carol; my sister, Eleanor, with her husband, Dick Keb; and a niece, Cindy Porman, and a nephew, Jeff Brademas. My brother Jim, a professor at the University of Illinois, had to be in Texas today and so could not join us.

That a lecture series should have been established in my parents' name and in the state in which they made their home and, moreover, at a university with which my

family has had so many links would have greatly pleased my father, and you yourself can judge how my mother feels on this occasion.

That this series was the result of the inspiration and tenacity of purpose of a young scholar who had become a family friend and an honorary member of our family would also have gratified my father.

Therefore, on behalf of all of us in the Brademas family, I want to express our gratitude to Professor John Koumoulides for without his energy and effort these lectures would not have been possible.

Indeed, I hope that everyone at Ball State University appreciates the outstanding intellectual resource that is yours in John Koumoulides. For not only, excepting your speaker tonight, has John brought to this campus some of the most eminent scholars in the world but he himself is a prolific researcher and writer in a number of fields touching on the history and civilization of Greece.

And one of the other reasons I'm glad to be at Ball State University is that my late grandfather, William C. Goble—my mother's father—taught here and my mother was a student here. And I count myself privileged to have been awarded some years ago an honorary degree by this university.

Let me salute your distinguished president, John E. Worthen, who came to his post a little over a year ago. As a fellow university president, I can tell Dr. Worthen that his training in psychology should help him now just as I felt well prepared for academic life by my former career as a practicing politician!

It was 26 years ago that I became the first native-born American of Greek origin to take a seat in the Congress of the United States. During twenty-two years of service there, I took part in writing most of the legislation now on the statute books to support education at all levels as well as the arts and humanities, libraries and museums.

Since July of 1981, I have been president of New York University, the largest private university in the nation, with 46,000 students in fourteen schools and divisions, an annual budget of over $700 million, and located in the commercial, cultural and communications capital of the world, New York City.

Because my university is where it is; because what happens in New York City has such a powerful impact not only on our own country but the entire world; and, moreover, because of the importance of the subject, I should like today to direct my comments to the theme of international education—learning about the rest of the world.

First, let me say why I see a pressing need for greater investment in research and studies about other countries, cultures, languages and peoples from our own.

Then, I want to discuss the responsibility of the Federal government and of colleges and universities to support international education.

Finally, I shall single out for special comment both classical and contemporary Greek studies in the United States. In doing so, I want to say something of the role that philhellenism—love of things Greek—has played in stimulating American interest in Greek life and culture.

It must be obvious to us all that none of the challenges of our time is more urgent—or more difficult—than building a structure of relationships among the nations of the world that will prevent war and encourage peace.

Surely one of the ways—I do not assert the only way—to achieve this objective is through the use of human reason, and that means education.

We know that the globe on which we live is, in the scheme of things, small and interdependent.

Terrorism in the Middle East, conflict in Central America, the threat of civil war in the Philippines, tensions on Cyprus and in the Eastern Mediterranean—are all developments that reach far across international borders.

In the present day, how well are we preparing Americans to understand other nations, other cultures, other peoples?

In my view, we are not doing very well.

There is simply no question that the people of the United States, in whose hands, for better or for worse, lies much of the responsibility for building a peaceful and stable world, must do a far better job than we have been doing of learning about the peoples who populate other parts of this planet.

Six years ago, let me recall, a 25-member Commission on Foreign Language and International Studies, chaired by James A. Perkins, former President of Cornell University, reported to President Carter on what the Commission described as America's "scandalous incompetence" in foreign languages.

The Commission members declared themselves "profoundly alarmed" by the results of their inquiry. Here are just three of their findings:

1. Over 40 percent of twelfth graders were unable to place Egypt correctly on a map while over 20 percent were equally ignorant of the locations of France or China.

2. Only 15 percent of American high school students studied a foreign language, down from 24 percent in 1965.

3. There were 10,000 English-speaking Japanese business representatives on assignment in the United States but fewer than 900 American counterparts in Japan, and of those, only a handful had a working knowledge of Japanese.

As we all know, over the last three years there has been a veritable wave of reports on the performance of American schools, colleges and universities. Most of these studies deplore our deficiencies in teaching modern foreign languages and about other countries and cultures.

Allow me first to cite the report of a group that I chaired in 1983, the Subcommittee on Graduate Education of the National Commission on Student Financial Assistance. This 12-member bipartisan Commission was created by Congress to review student aid programs and offer suggestions for improving them. What were some of our findings?

Our Commission was disheartened to learn that between 1969 and 1978, Federal expenditures for university-based foreign affairs research declined from $20.3 million annually to $8.5 million.

Our Commission also took note of a report of the National Council on Foreign Language and International Studies, of which I am a member. The Council found a serious lack in this country of experts on the cultures, economies and foreign policies of Asia, sub-Saharan Africa, the Middle East, the Soviet Union and Eastern Europe.

In preparing our report on graduate education, my Commission colleagues and I spoke to two former directors of the CIA. Both William Colby and Admiral Stansfield Turner blamed our lack of expert knowledge about Vietnam and Iran for serious intelligence shortcomings in those countries, and both men said our ignorance of Latin America appeared "almost boundless."

Not surprisingly our Commission unanimously recommended that Federal Funds for research, instruction and graduate study in a wide range of languages and cultures be significantly increased, and that Federal support for American scholars to study abroad also be expanded.

Last November, William J. Bennett, then Chairman of the National Endowment for the Humanities and now Secretary of Education, issued a report that assailed the state of the humanities on American campuses. This document cited a sharp decline since 1966 in college entrance and graduation requirements in foreign languages.

In February, the Association of American Colleges issued its report on the baccalaureate degree. The AAC Committee called our "foreign language incompetence" a "national embarrassment" and included "international and multicultural experience" as one area in its minimum required program of study.

Beyond these studies and surveys, there are two other recent reports that have focused exclusively on international education.

The first, "Critical Needs in International Education: Recommendations for Action," was produced by the National Advisory Board on International Education Programs, a panel of educators, government and business leaders and others. The report declares, "Our nation's indifference to foreign languages and cultures is unique among the advanced industrial countries and our performance in these areas lags behind that of many developing countries."

The second study, "Beyond Growth: The Next Stage in Language and Area Studies," was prepared by the Association of American Universities for the Department of Defense. The research team, headed by Dr. Richard Lambert of the University of Pennsylvania, explained that "Secretary of Defense Caspar Weinberger chose language and area studies along with mathematics and science as one of the domains of higher education he felt was in greatest jeopardy of decline and of greatest interest to the nation and the Department of Defense."

The AAU study finds "vital gaps" in both research and teaching in language and area studies. Existing financial aid programs are not producing an adequate supply of persons knowledgeable about other countries. Students need to be trained better and longer.

Of interest to the friends of Greece here today is a summary, appended to the AAU report and prepared by William B. Bader of SRI International, of the nation's needs in Western European studies.

Bader observes that "far fewer Americans today endeavor to understand the intricacies of European affairs than twenty years ago," and goes on to point out the neglect of the countries of Southern Europe in favor of the study of the United Kingdom, France and Germany. Bader says that the academic community has too few people who qualify as experts on contemporary Greece with, he charges, none in the United States government.

Whatever the reasons for the troubled state of international studies in this country, it seemed clear at one time that we were as a nation willing to take steps to overcome our ignorance.

The Soviet launching of Sputnik in 1957 shocked us into a reevaluation of the quality of American education. Our response was the National Defense Education Act, an effort, advocated by President Eisenhower and supported by a Democratic Congress, to regain our international leadership in science and technology. Through Title VI of NDEA, we sought to strengthen our capacities in foreign languages and area studies.

I regret to say, however, that we have consistently failed to provide adequate funds for these programs.

If you will allow me a personal reminiscence, I recall that the International Education Act of 1966, of which I was author in Congress and which authorized grants to colleges and universities in the United States to support study and research about foreign countries and cultures and important issues in international affairs, was also ignored in the appropriations process.

Although President Lyndon Johnson signed this Act into law nearly two decades ago, Congress never voted one penny to turn our sound intentions into effective action.

Yet I believe that had these commitments to international studies some of us sought been implemented, the United States might have been far better prepared to deal with problems our country has suffered in Iran, Vietnam, Central America and elsewhere.

But America's colleges and universities are themselves not without blame. In the 1960s many of them responded to student demands for greater flexibility and "relevance" in their studies by eliminating foreign language requirements.

Today it is distressing to see how the present Administration in Washington has embarked on a drive to slash funds for our schools, colleges and universities and other institutions of education and culture—including monies for programs crucial to international studies and research.

The Reagan Administration has for the past three years tried to eliminate Federal support for Title VI, which is now part of the Higher Education Act.

So even as many of us have been working to defeat the Administration's attempts, equally wrongheaded and dangerous to reduce or eliminate student aid for hundreds of thousands of college and university students, we have also had to struggle against efforts to weaken our capacity to prepare more people knowledgeable about other areas of the world.

Now I do not want to sound wholly alarmist or negative; I see several signs of hope.

In 1981 Republicans and Democrats in Congress joined in a successful fight to prevent drastic cuts in the Fulbright academic exchanges and several companion programs. This crisis proved conclusively that there is a strong and vocal constituency in America in support of such efforts.

And in each of the past two years and once again this year, Congress has fended off Mr. Reagan's determination to kill funds for title VI international education programs.

Indeed, in recent years, Federally financed education exchanges have undergone a dramatic shift in fortune. This year, the Administration requested $159 million for the Fulbright and other exchange programs administered by the United States Information Agency, an increase of 22 percent over current levels.

Beyond these developments, I have been heartened by some other initiatives.

Many universities—including Harvard, the University of Pennsylvania, Emory, Middlebury College and the University of Massachusetts—are reinstituting language and other international studies requirements for graduation.

A recent Modern Language Association study indicated that, in a reversal of a 12-year trend, enrollments in foreign language courses at American colleges and universities are now on the upswing.

I am pleased to say that both NYU and Ball State are in the vangard of this return to rigor.

Not only must all NYU undergraduate arts and science students achieve competency in a foreign language, but since 1981, our students must take at least an introductory course in a non-western culture.

I understand that one of the achievements of President Worthen's first year at Ball State has been to create a Center for International Programs. The new Center will attract more foreign students, strengthen international offerings and expand foreign exchange programs.

Exciting as these efforts may be, as an American of Greek ancestry, I have been particularly interested in the proliferation of Greek studies on American campuses.

So let me now discuss with you the growth of Greek studies. I shall first speak briefly of the classical Greek heritage and its transmission from ancient Greece to modern times and then look at Greek studies in this country.

Although the great creative period of ancient Greece spanned but four centuries, the eighth through the fifth centuries B.C., Greek thought and civilization have shaped our world for millennia.

One need only read "The Legacy of Greece," edited by the classicist M.I. Finley of Cambridge University, to understand how pervasive and persistent the influence of Greece on Western civilization has been.

Says one contributor to this book, Professor R.R. Bolger, "When one considers our indebtedness to ancient Greece, one is struck by the variety of the elements that were borrowed." He cites, for example, the Pythagorean theorem, the dramatic unities, the three orders of architecture and the legend of Oedipus.

Think of the several names and enduring works: the epics of Homer; the poetry of Sappho; the histories of Herodotus and Thucydides; the philosophy and politics of Plato and Aristotle.

Bolger goes on to show that in literature, art and philosophy, virtually all later ages followed Greek models. The Romans, of course, borrowed substantially but even the Dark and Middle Ages learned from Greece. Bolger finds Greek strands in Augustine's "City of God," in the early Christian hymn writers and in the Carolingian poets. Avicenna, the greatest of medieval Arab thinkers, looked to Aristotle and it was from Greek sources that the famous tales of the "Thousand and One Nights" flowed.

Yet it was not until the Renaissance that the passion the Romans had felt for Greece was rekindled throughout Europe. With the thirteenth century came a flowering of philhellenism. The first person to recognize the genius of Homer and Plato was Petrarch. Ronsard read Pindar; Racine, Euripides; and John Milton studied a number of Greek writers. Lucian influenced Erasmus, Rabelais, Ben Jonson and Cervantes; Plutarch inspired Montaigne and Shakespeare.

The teaching and learning of the classics became in the eighteenth century a cornerstone of higher education in England. The University of Cambridge awarded prizes for proficiency in classical studies. As Bolger says, "Ability to reproduce a passage from Burke in the style of Demosthenes, to make Hume write as Thucydides had written, emerged as the hallmark of scholarly achievement." Tests of such capacities were adopted for examinations at Oxford after 1800 and at Cambridge after 1824. The nineteenth-century champion of classical education was, of course, Matthew Arnold.

Having sketchily traced the Hellenic threads in European civilization, I should like now to look at philhellenism and Greek studies in the United States.

If love of Greece shaped other cultures for two thousand years, philhellenism was a central force in the young American republic. Certainly the great American universities, like their European counterparts, revered the classics. Classical Greek studies flourished at my alma mater, Harvard, since its founding nearly 350 years ago, in 1636, and at Princeton since its establishment in the following century.

And to qualify for admission to the "full classical and scientific course" of New York University in 1832, the governing Council required students to "be acquainted with a Greek grammar" and to "have read . . . the Greek New Testament, the books of Xenophon and two books of the Iliad."

Beyond the impact of Greece on American intellectual life, our Founding Fathers looked to ancient Greece for guidance in devising our system of government.

In an address at the Center for Hellenic Studies in Washington, the distinguished American writer Archibald Macleish noted:

"What is philosophically true of 'all men' in Jefferson's preamble [to the Declaration of Independence] had been historically true of every man—or at least of every citizen—in Pericles' Athens. The citizens of Athens were not subjects of the state: they were men inviolable in their quality as men. And so, in Jefferson's Declaration, should the Americans be."

When the promise of America swept across the ocean, it provided an example for many other peoples, including the Greeks themselves. And so, in 1821, my ancestors declared their independence from the Ottoman Empire.

The subsequent War of Independence captured the American imagination, fueled a resurgence of philhellenism and changed the course of Greek studies in this country. Statesmen, scholars and writers were fired by the Greek cause.

Speeches were made before Congress by President James Monroe and Senators Daniel Webster and Henry Clay. Like Byron and Shelley in Europe, dozens of American poets such as William Cullen Bryant elegized the Greeks.

Several Americans actually fought alongside the Greek insurgents. Among them was Dr. Samuel Gridley Howe, a professor at Harvard. In his book, "An Historical Sketch of the Greek Revolution," published in 1828, he expressed the sentiment of many American intellectuals: "The Greek Revolution was one of the most important, and certainly the most interesting political event of our age."

It was then, not surprisingly, at this time, that we saw the beginning of modern, in addition to classical, Greek studies at colleges and universities in the United States.

Let me again cite Harvard. As I have indicated, scholars, students and public officials, inspired by the Greek War of Independence, produced a burst of philhellenic writing. These materials were a significant factor in

the development of the Modern Greek Collection of the Harvard University Library, which today is a resource for neohellenic studies unequalled outside Greece.

Then, as now, both Americans of Greek descent and those who were not supported Greek studies. Among the early benefactors of the Harvard Greek collection were the Greek-American scholar, Evangelinos Apostolides Sophocles, and American philhellenes, Cornelius Felton and Edward Everett.

Even as Harvard was building its Greek library collection, it began in the 1820s to offer courses in the modern Greek language. Later in the nineteenth century, under the aegis of Evangelinos Sophocles, Harvard became a world center for the study of modern Greek. Professor Sophocles wrote the first modern Greek grammar and first modern Greek lexicon. Yet his attempts to establish a permanent program in neohellenic studies failed.

The truth is that although courses on classical Greece have thrived in the United States, modern Greek studies have not taken hold until recent years.

Several factors have stimulated a new interest in contemporary Greece. First, the works of modern Greek writers such as Nikos Kazantizakis, Constantine Cavafy and the Nobel Laureates in poetry George Seferis and Odysseus Elytis, became available in English.

Second, in what has been called the "Roots" syndrome, Greek-Americans, like other ethnic groups, began to feel a new pride in their identity. And finally, more and more Americans have been travelling to Greece.

In a climate more conducive to neohellenic studies, American colleges and universities have begun to offer courses and lectures on contemporary Greece.

And, as Charles C. Moskos explains in his book, "Greek Americans," "The driving force behind such efforts has been due to Greek-born scholars who have settled in this country, second-generation Greek-American professors and modern Greek literary critics of non-Greek origin."

The first formal attempt to bring modern Greek studies to American campuses was the Center for Neo-Hellenic Studies founded in 1965 at the University of Texas by George Arnakis. The Center, like many later efforts, a one-man enterprise, did not survive after the death of Professor Arnakis.

Hopes for building a sustained interest in contemporary Greek society and culture advanced significantly with the formation in 1968 of the Modern Greek Studies Association. MGSA is an organization of approximately 600 scholars, students and philhellenes devoted to the encouragement of the study of modern Greece both here and abroad.

The principal activities of the Association include the publication of a biannual Journal of Modern Greek Studies and the sponsorship of symposia. The symposia, held every two years, deal with such themes as the Greek War of Independence, forces shaping modern Greece and contemporary Greek literature.

To the non-Greeks among you, I note that two of the five presidents of MGSA have been Americans who are not of Greek origin.

The first MGSA president, my close friend Professor Edmund Keeley of Princeton University, has done as much as anyone in this country to make Americans aware of modern Greek literature. A former Fulbright scholar in Greece, whose brother, Robert, has just become United States Ambassador to Greece, Professor Keeley has produced definitive translations of Cavafy, Seferis, Elytis and several other modern Greek writers. Another former non-Greek president of MGSA is Peter Bien, a professor of English at Dartmouth.

Both these ardent philhellenes have poignantly described the struggle to develop modern Greek studies as an academic discipline.

Professor Keeley writes in 1976: "Working in modern Greek literature is a lonely enterprise; few know its riches, very few teach the subject, even fewer come to the literature as scholars or critics, especially in the United States. . . ."

Professor Bien says in 1978: "For seventeen years I have been sneaking modern Greek works into my course by hook or by crook in no less than three departments . . . we who profess neglected literatures are beggars in our universities."

Fortunately the situation for neohellenic studies has brightened in recent years, with several encouraging signs of progress:

First, the George Seferis Chair of Modern Greek Studies was created at Harvard in 1975, the first such endowed professorship in the United States. As you all know, the establishment of such chairs elevates the prestige of a discipline, helps attract and retain first-class scholars, and ensures the continuation of courses in a particular field. I understand that Boston University, Queens College, Rutgers University and Indiana University all hope to create chairs in Greek studies as well.

Second, there has been a sharp upsurge in enrollments in Greek language courses at American colleges and universities, from nearly 700 students, both undergraduate and graduate, in 1977 to almost 1,000 students in 1983, an increase of over 40 percent.

Finally, there are more programs and courses in neohellenic studies on American campuses. I should mention efforts here at Ball State as well as at Barnard College, Dartmouth, Harvard, Kent State, Ohio State, Princeton, Queens College, Regis College, San Francisco State, the University of Florida and the University of Minnesota.

It is not surprising that the largest such program is at Queens College in New York City. For there are 450,000 Greek-Americans in New York, nearly 100,000 of whom live in Astoria, an area in the borough of Queens. The 2,000 Greek-American students at Queens College provide a natural constituency for its Byzantine and modern Greek studies program. Although many of the nearly 600 students who annually enroll in these courses at Queens College are of Greek descent, many are not.

I think it still more surprising—and splendid!—that Ball State University and, with but two Greek-American families, the town of Muncie, have been so responsive to Greek studies. The Hellenic studies program and these Brademas Lectures have, as I have said earlier, attracted the world's preeminent scholars of classical and contemporary Greece.

I don't have to look far to find the people who have made these activities so successful. One, of course, is John Koumoulides but I must also applaud the generous philhellenes who comprise the Friends of Greek Studies at Ball State.

Certainly, what you are doing here and the kind of programs of which I have been speaking at other colleges and universities in this country are helping in important ways prepare Americans for work and life in a world that will never be narrow again.

Now I have spoken today of the need for international education in the United States and of the advances we have made generally, with particular attention to encouraging Greek studies.

Before I conclude, I should like to make two final points.

First, each of you must enter the battle that continues to be waged in Washington, D.C. over support of our schools, colleges and universities, including international studies and research. None of us can afford the luxury of disdain for political discourse.

For we need to remind President Reagan that when he attacks education, he is really threatening both our prospects for a growing and more competitive economy and the security of the United States in a dangerous world.

This President, who has placed economic prosperity and a strong national defense at the top of his agenda, apparently fails to see the close connection between the achievement of these goals and the health of the schools, colleges and universities of the United States.

The second point I shall make is still briefer: Give to Greek studies—your time, attention and enthusiastic support.

Let me close my remarks by saying simply that it must be evident that so perilous is our common life on this precious Earth that we must, all of us, commit every fiber of our minds and spirits to the quest for a stable peace and a world of freedom and justice.

ONE FOR THE GOOD GUYS

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 31, 1985

Mr. LAGOMARSINO. Mr. Speaker, I would like to bring to the attention of my colleagues the following editorial printed in the Ventura County Star Free Press. The editorial grants much deserved praise to the finely executed capture of the hijackers of the *Achille Lauro*. I would like to express my pride in the chain of command, including President Reagan, the intelligence operatives, our Mediterranean fleet and the F-14 pilots, who were responsible for the arrest of these terrorists. Let this incident be a warning to all terrorists that the United States is prepared to protect her countrymen and her allies against any terrorist attack.

[From the Ventura County Star Free Press, Oct. 11, 1985]

GOOD FOR US

This is a day to say, "Well done, America."

The well planned and well executed military operation that resulted in the capture of the four Palestinian pirates, suspected in the murder of an American citizen on the cruise ship Achille Lauro, has not only given a lesson to terrorists everywhere but also has given a lift to the American spirit.

For more times than we like to remember, the United States has been obliged to sit on its hands, seemingly powerless to act, after terrorist incidents against our people. Our national pride has suffered. But this time, there was something we could do to bring

the offenders to justice—and we did it. Did it very well indeed.

Whether the pirates will be brought to trial in Italy, where they are now held and under whose flag the Achille Lauro sails, or whether they will be extradited to this country remains to be decided in legal diplomatic consultations between the two nations. In either country, we can expect that the full due process of law will be exercised—another lesson to terrorists who rule by the gun rather than by the law.

So this is a day for feeling good. Good for our intelligence operatives. Good for our Mediterranean fleet. Good for those F-14 pilots. Good for the commander-in-chief. Good for us.

CIVIL RIGHTS COMMISSION

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 31, 1985

Mr. DELLUMS. Mr. Speaker, yesterday, the New York Times printed a letter from my distinguished colleague from California, Representative DON EDWARDS, concerning the sad demise of the U.S. Commission on Civil Rights under the current administration.

Mr. EDWARDS presented a compelling indictment of this administration's calculated indifference to the needs and rights of all minorities in our society. I commend this letter to my colleagues and to the American people for thoughtful reflection and constructive action to redress this indifference and injustice.

[From the New York Times, Oct. 30, 1985]

CIVIL RIGHTS COMMISSION, FROM WATCHDOG TO LAP DOG

(By Don Edwards)

To the EDITOR:

From Robert Pear's article on disagreement within the United States Commission on Civil Rights over the meaning of equality (Oct. 14) one might think it is fine for the commission to be a debating society for its members and that the debates are based on factual research. Nothing could be farther from the truth.

The commission was established in 1957 to serve as the Federal Government's independent watchdog over civil-rights matters and to monitor Federal laws and policies with respect to discrimination or denials of equal protection of the laws. For 25 years, the commission met its mandate well, exposing discrimination throughout the country and evaluating administrations both Republican and Democratic.

In 1983, when President Reagan insisted on firing commissioners who criticized his enforcement policies not just in affirmative action, but also on such issues as the tax exemption for Bob Jones University and his opposition to strengthening the Voting Rights Act, the real issue was whether the commission would retain its independent watchdog function. We have our answer. Not a single monitoring report or statement on enforcement in any Federal agency has been published since the commission was reconstituted in 1983. One of its major functions has simply ceased.

As we examine the handiwork of the reconstituted commission, keep in mind that it is no longer an independent body, but is now simply an arm of the Reagan Administration. As Clarence M. Pendleton, Jr., commission chairman, told the Eagle Forum the Phyllis Schlafly group, last Feb. 15: "I am proud to be on President Reagan's team. It is an honor to develop civil rights policy with other distinguished Americans, gentlemen like Brad Reynolds, Clarence Thomas and Edwin Meese."

Consistent with the policy goals of the Administration, the commission has replaced state advisory committee members who insisted on reporting on civil-rights problems in their states that called Administration policy into question. On the rare occasion when the commission does issue statements, they coincide with Administration policy, including opposition to the Civil Rights Restoration Act and pay equity as a means of ending wage discrimination.

Perhaps most tragic, the commission has abandoned its role as a fact-finding investigatory agency on civil rights. The majority of the commission has developed a habit of announcing conclusions on subjects under consideration before any investigation takes place. We know what the results of studies will be before they've even begun. For example, Chairman Pendleton, Vice Chairman Morris B. Abram and Linda Chavez, staff director, first announced their opposition to comparable worth and then commissioned a study. Not surprisingly, the study also rejected comparable worth.

It strains reason to claim intellectual rigor for the single report issued by the commission over the last 20 months. Such a claim flies in the face of such objective assessments as that done by the General Accounting Office on the comparable-worth report. After a lengthy analysis, the G.A.O. found that the commission defined comparable worth differently from advocates of comparable worth, and rejected the concept based on that different definition. Furthermore, G.A.O. found that the report was filled with distortions, inconsistencies and mistakes of fact.

The American taxpayers deserve a Civil Rights Commission that will be an independent watchdog to see that the laws are enforced so that we may someday achieve true equal opportunity in our society. Our nation also deserves a commission that will restrain its penchant for announcing conclusions until some honest fact gathering is done. Unfortunately, we now have neither, and a debating society, however eloquent the debaters, is no substitute for a strong, independent Civil Rights Commission.

TAX REFORM

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 31, 1985

Mr. GINGRICH. Mr. Speaker, in all likelihood when the House Ways and Means Committee has completed its version of tax reform the House will have the option of a simple yes or no vote. By voting against the Ways and Means bill, we will not be voting against tax reform, we will be voting to make them write a better bill. I would urge my colleagues to review the following article from the Atlanta Journal and Constitution. Hopefully we will learn from this experience and not be destined to repeat these same mistakes in the future.

[From the Atlanta Journal and Constitution, Oct. 19, 1985]

THINGS FOR TAX CODE TINKERERS TO REMEMBER

(By Louis Rukeyser)

As we watch Ronald Reagan's fading tax-overhaul plan become the policy debacle of his second term, here are seven things to remember—to save embarrassment all around—the next time we tinker with the tax code.

"Reform" isn't reform just because the politicians call it that. The noble word repeatedly falls from the lips of lawmakers of all stripes and, indeed, repeatedly appears in the titles of their tax bills. This year's "reform" becomes next year's "to be reformed." The correct word is "change," gang.

To get the benefits of reducing taxes, you have to reduce taxes. In 1981, the president had a nice, clear program: cut taxes. The wiseacres said from the start it couldn't be done, but they were wrong, and once the cuts were in place, the country finally got a powerful economic recovery. The big-government clowns have been upset about this ever since, and have talked the current White House staff into believing that anything more meaningful than "revenue neutrality" this time around would be downright sinful. Translation: they can't wait to start raising your taxes again.

To encourage savings and investment, you have to encourage savings and investment.

INCOME REDISTRIBUTION

Reagan's original 1981 program correctly assumed that the tax code should be aimed at economic growth; his new version is a conventional hodgepodge of income redistribution and higher business taxes.

If you change the rules on long-term business investment every year, you will retard long-term business investment. It's fashionable to carp at U.S. executives for focusing narrowly on the next quarter, as opposed to the next generation—but how can you blame them too much when Congress makes it clear, year after year, that the long-term rules in such key areas as depreciation are likely to be altered dramatically every time the legislators assemble?

When a politician tells you something is "fairer," button your wallet pocket. Most people are understandably willing to believe that the "fairest" thing would be to take money from somebody else and give it to them. That may be human nature, but it is, alas, not economic sense. The more successful American tradition seeks not to redistribute your neighbor's earnings but to give you the chance to augment your own.

"LOOPHOLE" IS MISUSED

"Loophole" is the third most cynically misused word in this debate, beaten only by "reform" and "fairness." "Loophole," in the English language, refers to a means of evading a law. What are usually miscalled "loopholes" in the tax code are, in fact, provisions specifically enacted by Congress to accomplish agreed social or economic purposes. When they benefit the person talking, he or she thinks they are marvelously ligitimate incentives; when they benefit someone else, they are a disgrace to the human race.

We can simplify and reduce people's taxes, but we can't do it with mirrors. History, including our own, suggests that a top tax rate no higher than 25 percent would do more than all the alleged "reforms" to cause most tax "shelters" to wither of their

own obsolescence. History suggests that we can realistically and speedily get down to such a top rate, too, if we insist that politicians halt the demagoguery of paranoia and resentment. For if you really want to reduce the American people's taxes, you have to start by reducing the American government's spending. And wouldn't that be the loveliest "reform"of all?

PROBLEMS IN THE PHILIPPINES

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 31, 1985

Mr. GARCIA. Mr. Speaker, yesterday's hearings in Congress on the Philippines pointed out some of the severe problems confronting that nation. What the best course of action for the United States to take, remains to be seen. It is clear, however, that the status quo—that is, President Marcos' rule by decree—is no longer an alternative.

I am submitting an article by Washington Post reporter David B. Ottaway on the present crisis in the Philippines for the RECORD. The more we know about that troubled nation, the better we will be able to decide our own best course of action.

[From the Washington Post, Oct. 27, 1985]

A DIPLOMATIC DILEMMA—PHILIPPINE CRISIS BEDEVILS UNITED STATES

(David B. Ottaway)

The Philippine crisis bedeviling the United States presents the threat of a geopolitical castastrophe in the Far East for which American diplomacy has no ready antidote.

The Reagan administration, haunted by the prospect of an Iranian-style diplomatic debacle, is debating whether to keep prodding President Ferdinand Marcos to make substantial reforms, or to begin distancing the United States from him in hopes of preserving the U.S position in the Philippines for the long term.

The debate inside the administration is strongly influenced by intelligence reports that Marcos is gravely ill and probably has no better than a 50 percent chance of living until the next Philippine elections, scheduled for 1987.

For now, the United States is relying on diplomatic persuasion, epitiomized by the recent mission of Sen. Paul Laxalt (R-Nev.) to Manila in an effort to persuade Marcos to mend his ways before his country collapses beneath a growing communist insurgency.

But this is a temporizing tactic. The main unresolved issue, officials say, is whether to continue trying to nudge, cajole and squeeze Marcos toward meaningful reforms or to give up on him. The latter course would, in effect, aid non-communist domestic opponents trying to oust Marcos in favor of a government that could more effectively fight the growing communist insurgency on the island republic.

The debate within the administration is mirrored in Congress, where views are just as divided, mostly along partisan lines. Rep. Gerald B. Solomon (R-N.Y.), a close friend of Marcos, argues that abandoning Marcos could provide what his critics say they are trying to avoid for the United States.

"We have to be very careful about pulling the rug out from under Marcos," he said. "We tried to do it in Iran with the shah on human rights. Had we been a little more patient with the shah, maybe we wouldn't have the same situation we have today in Iran."

Many Democrats, on the other hand, argue that the time has come for a dramatic break with Marcos and the administration's tactic of "quiet diplomacy," because "the negative trends are moving faster than the positive ones," as Rep. Dave McCurdy (D-Okla.), a member of the House Select Committee on Intelligence, puts it.

"Gradualism isn't going to work. We have to look at reasonable, constructive alternatives to the Marcos regime—a moderate, noncommunist regime," he said.

Marcos suffers from an often incurable, recurring sickness known as "systemic lupus erythematosus," according to intelligence and congressional sources. The disease affects the cell structure of the body and attacks organs, particularly the kidneys. Marcos has survived three debilitating bouts, the latest from November to March. He may have had a kidney transplant, although he has vehemently denied it.

Each time, Marcos has recovered—but each time to "a lower plateau," according to one U.S. official. During his "downs," he is almost incapacitated, said the official, who asserted that Marcos is "hardly able to operate his government.

A congressional source who has investigated Marcos' health said the Philippine leader has virtually destroyed his presidency as a functioning institution and has taken to ruling mainly by "capricious decree." This source said Marcos may die within six months.

"The best course [for U.S. policy] is to let nature take its course," the source said.

To what degree Marcos' illness is the driving concern behind the Reagan administration's sudden activism toward the Philippines is unclear. There also have been recent U.S. intelligence reports that the spreading communist insurgency, led by the New People's Army, is leading the country steadily toward "catastrophe."

The nightmare frightening administration policymakers is the possibility of a strategic reversal in the balance of power in the Pacific if the United States loses its two biggest bases abroad, Clark Air Force Base and Subic Bay Naval Base, both in the Philippines, and the Soviet Union takes them over—precisely the fate of the former U.S. base at Cam Ranh Bay in Vietnam.

Calls for the United States to get out of Clark and Subic are coming from noncommunist quarters in the Philippines as well as from the communist insurgents. U.S. officials fear that the bases will become identified with Marcos, making it all but impossible for any successor government in the Philippines, even an anticommunist one, to allow the United States to keep them after Marcos is gone.

Parallels between Marcos and the late shah of Iran haunt this administration debate. "Everybody has a fear of Iran and what it did to the Carter administration," said one administration official. "It may not go the way Iran went, but it could go just as sours."

The Carter administration tried to deny it had a problem in Iran until both the shah and the U.S. position in Iran were too far gone to salvage. That experience has had a powerful impact on the Reagan administration, which openly acknowledged long in advance of the denouement that it has a potential foreign policy disaster on its hands.

"The Philippines has been on the president's horizon ever since 1983," said one official, referring to the murder of opposition leader Benigno S. Aquino on Aug. 21 of that year, an event that set off the first alarms in the White House and led to a Reagan refusal to meet with Marcos ever since.

U.S. foreign policy analysts in and out of the administration agree that the U.S. dilemma today over how to handle Marcos differs in many ways from the Carter administration's Iranian problem.

Marcos' position in Philippine history and society is different from what the shah's was in Iran. Internal conditions of the two countries are also vastly different, and there is no Philippine equivalent of the Islamic fundamentalism that stirred the Iranian masses.

But there do seem to be three clear similarities.

Both countries were, at the moment of crisis, crucial to U.S. geopolitical interests in a key region of the globe. And Marcos demonstrates a stubborn refusal to appreciate the seriousness of his situation similar to the shah's—a stubbornness that hardens whenever Marcos is pressed to make reforms that risk loosening his tight grip on power.

The Marcos message that "all is under control" was repeated to Laxalt last week in Manila. Marcos reportedly asked whether his regime had "an image problem" in the United States, and needed a good public relations firm in Washington to set things right.

This same message was brought to Washington this week by his acting foreign minister, Pacifico A. Castro, who said in an interview Monday, "We are doing all the reforms necessary and called for by our people."

U.S. "experts" misperceived what was unfolding in South Vietnam, Cambodia and Laos, Castro said, suggesting that the same misperception is affecting U.S. policy in the Philippines. "It could be we are going through the same syndrome," he said.

A third similarity between the cases is the terminal illness of the leader. The Carter administration, however, did not realize that the shah suffered from serious cancer. According to Gary Sick, the National Security Council expert on Iran during the Carter administration, the misbegotten belief that the shah was in good health was important to the administration's decision to keep supporting him.

"We know Marcos is going to pass on in a relatively short time. The question is how to position yourself. That is the real difference [that] affects the whole underlying philosophy of how you deal with the situation," Sick said.

Another difference between the two cases, according to Sick, is the initial responses of the two administrations to their respective crises. During the past year, he noted, there has been a steady stream of high-ranking U.S. officials and members of Congress to Manila bringing messages of deep concern or even blunt statements of U.S. displeasure with Marcos' performance.

Not so in U.S. dealings with the shah. As late as November 1978, just three months before his final flight from Tehran, President Jimmy Carter's national security affairs adviser, Zbigniew Brzezinski, was phoning the shah, encouraging him "to toughen up" his stand against the opposition with the assurance that "we are prepared to back you whatever you do," Sick said.

The effectiveness of the Reagan administration's full-court diplomatic press on

Marcos is unclear. Everyone seems to agree some reforms are taking place. But, as one U.S. official involved in the process said, "It's a struggle every step of the way."

Some administration analysts say they feel that there is a "reasonable chance" of achieving the current U.S. goal of free and fair local elections next May, followed by a presidential contest in 1987 when a Philippine vice president also will be chosen. Others are distinctly gloomy about such prospects.

As one administration official put it, "We can't make major progress before a new government is in place."

LEGISLATION TO ESTABLISH MARITIME AGREEMENTS WITH MAJOR U.S. TRADING PARTNERS

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 31, 1985

Mr. BIAGGI. Mr. Speaker, I am today introducing legislation that would require the President to negotiate and enter into bilateral maritime shipping agreements with our major foreign trading partners. This legislation would require maritime agreements with approximately 25 major U.S. trading partners, each of which accounts for over 1 percent of the total waterborne U.S. import and export trade. This legislation ensures that the maritime agreements formulated contain essential procompetitive elements to preserve the free flow of commerce with these nations.

The U.S. merchant marine is at the lowest point in its history. Although the United States remains the world's largest trading nation, less than 6 percent of all U.S. oceanborne foreign trade is carried on U.S.-flag vessels. We are becoming increasingly dependent on the vessels of other nations to carry our trade.

The Congress historically has recognized the U.S. merchant marine as the fourth arm of defense. Our fleet is vitally necessary to assure adequate sealift capability in time of national emergency. Nevertheless, over the last several years it has been allowed to decline to the point where its continued existence is threatened. Moreover, this decline is occurring in the face of actions by other nations to increase their fleets and carve out large portions of the world's shipping trades for their own vessels, particularly Soviet bloc nations.

The U.N. Code of Conduct for Liner Conferences entered into force in 1983. The Liner Code allows the contracting parties to reserve for their own flag vessels much of their trade with another nation. In most cases, access by vessels of third nations to trade between codist countries will be restricted to 20 percent.

The United States opposes the code because of flaws in many of its provisions. Regardless of the merits or demerits of the code, however, its entry into force leaves U.S. shipping and trade vulnerable to the shipping policies of other nations. Because the access of third nation vessels will be restricted in the trade of codist countries, our open, noncodist trade will be viewed as a dumping ground for excess tonnage. Additionally, the ability of U.S. vessels to compete for cargo in foreign-to-foreign trades will be limited. The entry into force of the Liner Code requires the United States to enact a shipping policy that adequately responds to these developments and at the same time ensures continued competitive access to shipping trades.

The legislation I have introduced today is carefully constructed to reflect these competing interests and to reflect criticisms voiced in the past regarding the anticompetitive potential of bilateral shipping agreements. My bill requires maritime agreements between the United States and any nation that accounts for at least 1 percent of total U.S. waterborne trade, or any nation that requests a maritime agreement with the United States. These agreements will allocate cargo shares to be reserved to the vessels of the United States and the trading partner. However, the cargo allocated between the United States and the other nation cannot exceed 33⅓ percent of the total U.S. waterborne trade with that country.

The bill also requires that several essential provisions must be included in each maritime agreement to ensure that competitive freight rates are maintained in the trade. For instance, at least one-third of the cargo is open to the vessels of other nations, and the United States and the trading partner may not restrict the access of any third-flag vessels to that cargo. Moreover, the United States may not restrict U.S.-flag vessels from competing in the maritime agreement trade, as long as those vessels are in compliance with other U.S. laws. Additionally, conference shipping agreements in the trade must comply with the provisions of the maritime agreement and may not allow for the pooling of profits by the shipping lines in that conference. If a conference does not comply with the provisions of the maritime agreement, it is subject to strict penalties and sanctions under the Shipping Act of 1984.

The bill also includes an enforcement mechanism to ensure that our trading partners accept an agreement containing these procompetitive elements. If, after 2 years, a trading partner refuses to enter into an agreement, one-third of the cargo in that trade is reserved to U.S. vessels and the Federal Maritime Commission is required to undertake an investigation to ensure that U.S. vessels have competitive access to the trade. If the investigation uncovers unfair practices that discriminate against U.S. vessels, the trading partner will be subject to sanctions, including denial of access to U.S. ports.

This legislation is an important step in developing a comprehensive maritime policy adequate to respond to international practices, and ensuring the growth and vitality of a U.S. merchant marine with the necessary national defense capability. I urge my colleagues to join me in supporting this legislation.

ONE FOR THE GOOD GUYS

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 31, 1985

Mr. LAGOMARSINO. Mr. Speaker, I would like to bring to the attention of my colleagues the following editorial printed in the Santa Maria Times. This editorial gives much deserved praise to the finely executed capture of the hijackers of the *Achille Lauro*. I would like to express my pride in the chain-of-command, including President Reagan, the intelligence operatives, our Mediterranean Fleet and the F-14 pilots, who were responsible for the arrest of these terrorists. Let this incident be a warning to all terrorists that the United States is prepared to protect her countrymen and her allies against any terrorist attack.

THE GIANT AWAKENS

Hurrah! The sleeping giant sleeps no more! The United States once again has shown that the world can take us for granted only for so long before retribution strikes. We must applaud President Reagan and his staff for planning and carrying out the successful mission that seized the terrorists who killed an American aboard a seajacked liner.

We must add our congratulations to the friendship extended by Italy, and the strengthened NATO partnership this action has forged.

Egypt, on the other hand, can't be congratulated for any part of its action. Despite a carefully-worded message from the State Department, we still must condemn Egypt's action in covering up the act, for lying about the whereabouts of the terrorists, for having negotiated and made a deal with them. It was only because of top-ranked intelligence work that we were able to discover that the terrorists were still in Egypt even after that country's president has said they had left.

There are a number of salutatory points about this episode. One, already mentioned, is that our intelligence apparatus apparently is functioning well once again. That is absolutely vital to our national security. Another is that we still have friends in the Mediterranean, and that they have as similar resolve in dealing with terrorism. Thirdly, and most importantly, we have demonstrated to the world that, when sufficiently provoked, we will strike back. That message was too long in coming, as we noted here Thursday. Now that it has been sounded, we must not return to hibernation.

Terrorism has been with us forever. It is now an accepted practice by many of the dissident groups and nations in this world. Many use it simply to provide bravado, while others use it as a calculated means of advancing their own goals. The North Vietnamese were masters of this ploy, with Ho Chi Minh saying that it followed his master plan that if you can't get the hand of oppression withdrawn, try cutting off a finger at a time.

The acts focus great attention through the world media. And that focus falls on those nations, who like us, are—or were—reluctant to retaliate. As we pointed out here Thursday, this is a situation where an economically and militarily-weak nation can

tweak the noses of giants. Our previous hand-wringing stance only played in the hands of these despots.

Now it is a different game. Now that we have proven capable of acting, we must not waver from this policy in the future.

A TRIBUTE TO BENNIE VINTON

HON. PAUL B. HENRY

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 31, 1985

Mr. HENRY. Mr. Speaker, today I rise to pay tribute to an outstanding veteran of the Vietnam war, Mr. Bennie Vinton. Mr. Vinton is being honored this year as the State of Michigan's Veteran of the Year, and his accomplishments that led to the award are truly remarkable.

Mr. Bennie Vinton, now a resident of Belmont, MI, has been a lifelong resident of the Grand Rapids area, attending Creston High School before entering the U.S. Army on February 14, 1962. Mr. Vinton subsequently served with distinction in Vietnam as a staff sergeant class E-6, from October 1967 until he was wounded in April 1968. On April 30, 1969, he was honorably discharged from the Army.

Faced with the animosity which often, sadly, confronted Vietnam veterans, Mr. Vinton contacted the Vietnam Veterans of America for information about how he could help veterans, like himself, who were proud of what they had done for the United States. He returned to Grand Rapids and founded a local chapter of the VVA. He then formed five other local chapters, resulting in Michigan's becoming the third State with a chartered Vietnams Veterans organization. The Vietnam Veterans of America has been fortunate to have had the services of Mr. Vinton as president of local chapter No. 18, chairman of the State board of directors, and member of the national executive advisory committee and the national board of directors' economic affairs committee. I might add that he was offered other positions at the national level which he turned down, preferring to focus his commitment to "grassroots" level work.

Mr. Vinton is currently employed as a Disabled Veterans Outreach counselor by the Grand Rapids, MI, Employment Securities Commission Office. His contributions to his work have included many after-hours visits to veterans' groups, which have resulted in his placing more disabled veterans into jobs than any other counselor in our State. He has been honored twice as Michigan's Disabled American Veterans' Disabled Veterans Outreach Program Award winner, and was national runnerup last year. He also has been honored by the U.S. Department of Labor.

In addition to his involvement with the Vietnam Veterans of America, Mr. Vinton is also a member of the Disabled American Veterans, AMVETS, the American Legion and the Veterans of Foreign Wars. However, his community service is not limited to veterans' affairs. Mr. Vinton founded a youth center in a poverty-stricken area of Grand Rapids. He is also a volunteer for the American Red Cross and for St. Jude's Children's Research Hospital, and he gives presentations to school groups about his experiences.

Mr. Speaker, I ask that all Members of the House of Representatives join me in honoring and thanking an extraordinary individual, Mr. Bennie Vinton, Michigan's 1985 Veteran of the Year.

QADHAFI: HE WENT TO THE CUPBOARD AND THE CUPBOARD WAS BARE

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 31, 1985

Mr. BROOMFIELD. Mr. Speaker, again, Colonel Qadhafi is in the news. This time it doesn't involve a terrorist operation, however. It concerns the Libyan economy. Recent reports reveal that the economy of Libya is suffering and Qadhafi isn't doing much to help it. Qadhafi appears to have spent so much time meddling in the affairs of others that he forgot about his own country.

With the decline in the demand for Libyan oil, the Libyan Government is having difficulty keeping alive many of its social programs and its overseas involvements. As we all know, Qadhafi has interfered in the affairs of his neighbors for years. Not too many years ago, the Egyptians responded to Libyan threats with a brief military clash with that country. Qadhafi assisted the former Ugandan dictator, Idi Amin, in some of his notorious exploits and provided ample assistance to the Polisario, who are still clashing with the Moroccan Government. Qadhafi also managed to involve himself in the civil war in Chad and laid claim to a mineral rich area along Chad's northern border.

In the terrorism area, Qadhafi is without equal. He succeeded in assassinating many of his opponents in Europe, and mined the Red Sea to discourage maritime traffic through the Suez Canal. He plotted against Tunisia and sent a band of attackers against Gafsa, a small town in the southern part of that country. He has welcomed terrorists from all over the world and eagerly trains them in his secret desert terrorist training camps.

The economic plight of Libya is serious enough for that Government to begin sending home guest workers. Over 30,000 Tunisian guest workers were sent home en masse by the colonel. He would not permit them to take their belongings nor could they withdraw their savings from Libyan banks. After toiling in the heat of Libya as loyal guest workers, the poor Tunisian laborers were rudely escorted to the Tunisian border and thrown out of that country.

In many respects, the Libyan revolution has failed. That country is armed to the teeth with Soviet-supplied weaponry. The economy is in shambles and the Libyan people are growing unhappy with their leader. There are numerous reports that a number of attempted coups have been tried against the colonel. He has signed in an attempt to establish legitimacy and win friends in the Arab world.

Even among his Arab brothers, he is ill regarded. All in all, Qadhafi's government has been a disaster. He has spent billions on his foreign plots and international involvements, but has neglected his own people in the process. The Libyan people deserve a better government.

With these observations in mind, I commend the following Washington Post article about Libya's economy to my colleagues in the House.

QADDAFI'S LIBYA: SHELVES ARE BARE—6 YEARS INTO THE REVOLUTION, TRIPOLI LOOKS DESERTED

(By Nadra Saouli)

TRIPOLI, LIBYA.—Libya is celebrating the 16th anniversary of its revolution this month in sparkling style, with nighttime parades, fireworks displays and chanting crowds echoing slogans broadcast over loudspeakers.

But as day breaks, a duller reality is revealed. The streets of Tripoli are practically empty and lined with boarded-up shops. The few left open are often short of food and other basic goods.

Since 1980, small traders have been banned because they are "sources of profit," anathema to Col. Muammar Qaddafi's revolutionary ideals. Only a few crafts, such as watchmaking, are still allowed. Barbers are tolerated, but not women's hairdressers.

Cafes are out of bounds except for meetings of the local people's committees. This rule seems to be respected, even though there are no soldiers on the streets.

At a street corner, a 7-year-old boy wearing a white uniform and black beret is directing traffic. He is a member of a people's committee and acts as a traffic policeman in his spare time.

Slogans written on the walls of Green Square, near the harbor, offer some of Qaddafi's thoughts for public contemplation: "Trade is a form of exploitation." "The people's committees are working to satisfy society's needs." And, by way of clarification, "Needs and demands are two different things."

These slogans, taken from the Libyan leader's revolutionary guide, the Green Book, have displaced the portrait of Qaddafi that once dominated the square.

The modern city center is usually empty, apart from a few foreign cars left over from more prosperous times. To find crowds one has to go to parts of Tripoli that have bakeries. Many have been forced to close for lack of help since Libya expelled 30,000 Tunisian workers last month. People line up all day to get a loaf of bread.

The grocery sections of Tripoli's eight state-subsidized stores are almost empty. No rice, sugar or flour is available—but there are shelves upon shelves of tea from China and insecticides from Italy.

Whenever new goods come in, people rush to the shops and buy large quantities to hoard until the next delivery.

Peasants still manage to bring fresh vegetables to Tripoli to sell, but fruit from abroad is regarded as a luxury in this desert country. Fighting broke out the last time a load of bananas arrived from Somalia.

In a society where the family is still an important social institution, people often

can rely on relatives who belong to the people's committees to obtain certain articles, but foreign workers are not so lucky.

Experts say there is hardly any money in circulation in Libya. Individuals do not have the right to invest money. The Libyans have found a way around this, however. A group of people get together, and each contributes a certain amount each month. A year later, one of them invests all the money on behalf of the group, paying back his partners as profits are made.

The disappearance of foreign cigarettes from the shops in the past months has led to a rash of trips to Rome or Malta, with returning Libyans carrying cartons of cigarettes.

The travelers also bring back "luxury" items unavailable in Libya, such as chocolate, perfumed soap, gold and antennas that can pick up foreign television broadcasts.

Libya has three television channels. One broadcasts Qaddafi's speeches, plus serials from Syria and Lebanon. Egyptian films, which are very popular with Libyans, have not been shown since the two countries broke off relations in 1979.

The second channel shows foreign films and serials, while the third, "revolutionary" channel is used by the people's committees to "spread the spirit of the revolution." It has few viewers.

A LOOK AT MEXICO

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 31, 1985

Mr. GARCIA. Mr. Speaker, the Christian Science Monitor has been running a series of articles on Mexico by reporter Dennis Volman. Part 2 of the series which appeared in the Monitor on October 29, discussed the relationship between Mexico's political and economic problems. I am submitting that article for my colleagues' perusal.

The article follows:

MEXICO: THE ULTIMATE DOMINO?

A COUNTRY IN TROUBLE LOOKS FOR SOLUTIONS

(By Dennis Volman)

The visit was going to be a routine one.

The government public relations woman was bringing in a foreign journalist to see a prominent local businessman in this provincial town. The large, solidly built, middle-aged shoe manufacturer supported the ruling party. There was nothing about the interview, therefore, that promised the unexpected.

But instead of singing the praises of the government, the manufacturer launched into a ripping attack on the ruling party's corruption, inefficiency, and inability to handle the economic crisis.

What then were his solutions to this sad state of affairs?

I don't know, he answered. I only know that the country is in trouble.

MEXICO'S WOES

The severe economic crisis afflicting Mexico since 1982 has brought on a mood of national introspection and questioning.

"No one is sure they have the answers anymore," says one young foreigner working with development projects in Mexico. "The crisis has caused a new political opening. New voices, such as the private sector and the opposition parties, are participating in the debate. . . .

"When the crisis hit, it seemed that the old model fell apart. Today people are asking basic questions about which road Mexico should take."

Mexico's huge $96 billion debt adds sobering immediacy to the debate. And making matters worse still for an oil-producer like Mexico is the latest round of oil price cuts.

Faced with these, Mexico will have the greatest difficulty paying interest on its debt, let alone beginning to pay back the principal.

As if that were not enough, September's earthquake caused what most experts believe is a minimum of $5 billion in damage. That, too, has somehow to be paid for.

But those who hoped Mexico's mood of anxious questioning would have an impact on the midyear elections were disappointed. Instead, the dominant note struck by the ruling Institutional Revolutionary Party (PRI) was business as usual—with traditional Mexican electoral fraud widely regarded as having occurred yet again.

The optimists have not given up hope of political reform. Now that the PRI has made clear once again that it is fully in charge, these observers say, the party may yet attempt to come to an understanding with the main opposition party, the right-wing PAN (National Action Party), in order to keep it within the electoral system. The optimists stress that coopting the opposition has been a traditional PRI tactic.

Meanwhile, the debate continues, centering on two issues:

1. Whether there should be changes in the political arrangements by which the PRI has ruled Mexico for more than 50 years.

2. What economic road to take out of the present debt-burdened slump.

THE POLITICAL DEBATE

Among the broad range of diplomats, politicians, academic analysts, and Mexicans-in-the-street, interviewed for this series there was consensus: that in order to survive, the system evolved by the PRI must be adapted; that the PRI will have to give a much larger political voice to the opposition parties.

"PRI can, for the next five or 10 years, continue to be the dominant party," says a prominent Mexican political scientist, "but in a time when it doesn't have many economic goodies to distribute, it can't be the only one [with any political power]."

As its name suggests, the PRI (Institutional Revolutionary Party) institutionalized the 1910 revolution, making it part of the establishment. Many of its critics charge that in doing so it ceased to represent the interests of the majority of the Mexican people, who are poor, and—during the current economic crisis—are getting poorer.

Few doubt that the PRI could win a presidential election if it were held now. But the party support is becoming increasingly apathetic.

Indeed, disenchantment with the PRI is almost universal.

It arises both from the economic crisis and from reports of massive high-level corruption in past administrations, and at least continuing lower-level corruption in this one.

People continue to vote for the PRI out of a combination of inertia, habit, and fear. They also feel a lingering sense of being incorporated into the system through membership in PRI-dominated labor unions, peasant movements, or community organizations. Most important, they vote for the PRI because they don't see the opposition as a viable alternative.

Most Mexicans still view PAN, the largest of the relatively small opposition parties, as overly right-wing, pro-US, and dominated by business interests. And they mistrust the radicalism of most left-wing parties.

Largely because of PRI's control over the nation, neither right- nor left-wing parties have been able to convince most Mexicans that they have any hope of winning.

Nevertheless, the PRI retains enough of its old populist traditions to frighten the upper classes and the private sector. This was especially true during the 1970s and early '80s, when the ruling party reacted to the economic crisis with radical measures such as the nationalization of the banking system.

"The private sector now wants to change the rules of the game," says Juan Molinar, a Mexican political scientist who works in a research institute attached to the National Autonomous University of Mexico.

"The bank nationalizations so frightened it that the business sector now wants some insurance against any further unilateral actions by the President."

This could mean, Mr. Molinar said, both a diminishing of the almost unlimited power of the president and greater participation of the business sector in government and party decisionmaking.

Businessmen, like many others in the Mexican ruling elite, are now waiting to see whether the PRI will give the opposition greater opportunities for working within "the system," as it's called in Mexico. If not, say Molinar and other Mexican political scientists, businessmen will turn more and more to the right-wing PAN.

For instance, in the northern states of Nuevo León and Sonora (where reports of electoral cheating in the midyear elections were especially strong), PRI could try to reconcile PAN voters to often fraudulent PRI victories by inundating those states with money and by attempting to run honest pro-business administrations there. In one way or another the aim would be to co-opt much of the local PAN support while giving it more of a role in "the system."

Many academic and diplomatic analysts say the only alternative to co-opting the opposition in this way would be increased repression, which would be damaging to both sides.

The snag, according to one analyst close to the PRI, is that if the PRI tries to be more flexible with the opposition, it may offend large chunks of its traditional power base.

Many peasants and workers strongly oppose any further concessions to the PAN, which they perceive as reactionary and pro-Yankee.

THE ECONOMIC DEBATE

President Miguel de la Madrid Hurtado's economic policies also risk taking the PRI a further step away from its base of peasant and worker support. His policies have two cardinal points:

Paying back Mexico's debts.

Opening up the country to foreign investment.

Coping with the foreign debt has forced Mexico to accept a modified International Monetary Fund-type of austerity plan. Budget deficits and government spending have been cut and an attempt has been made to hold down inflation. In the process, the income of an already poor population has been further eroded.

Over the last three years the average per capita income in Mexico has decreased by more than 10 percent, says Carlos Tello, a respected economist and academic who served as minister of planning and budget under President de la Madrid's predecessor, Jose López Portillo. For those at the lower end of the wage scale, income decreased 35 to 40 percent from 1982 to 1984.

As a result, Mr. Tello says, income distribution has become still more unequal in a country that already has one of the most unequal income distributions in Latin America—even worse than that of Brazil.

In his efforts to rebuild Mexico's battered economy, President de la Madrid is turning to export markets and foreign investment. If Mexico is to become a successful exporter, says Don Wyman, an American economist at the San Diego Center for US-Mexican Relations, its productive structure will have to be completely modernized.

"The money has to come from somewhere" Mr. Wyman says. "Foreign private banks will not lend any more to Mexico, and it is doubtful that governmental and multilateral financial organizations, will do so in the amounts necessary. Private foreign investment is the only available source of foreign capital."

But many US and Mexican economists and political scientists are skeptical about the ability of de la Madrid's policies to get the country's economy going again and bring some benefits to the majority of the population.

Critics say the President's focus on exports makes Mexico increasingly dependent on other countries, principally the United Sates, at a time when international economic prospects are not good.

These critics point to government figures released in the beginning of May which show US investments in Mexico dropping last year. These critics also point out that this increased dependence on the US and the Mexican private sector makes it much harder to carry out the structural changes essential to Mexico's economy.

They say that as long as the de la Madrid administration is committed to paying off Mexico's foreign debt, the resulting drain on the Mexican economy will prevent it from recovering.

"What Mexico is actually facing is a crisis in its style of development and an exhaustion of its model of economic growth," Mr. Tello says. "Only by assuming that this is the case will Mexico be able to overcome its present crisis and avoid recurrent and increasingly severe recessions."

IN SEARCH OF A NEW MODEL

People like Tello and Rolando Cordero, an economist who is a leader of the most moderate wing of the leftist United Socialist Party of Mexico, which he represents in the National Assembly, recommend a totally different model of development for Mexico—a model that would start with the agricultural sector.

Mexico, they stress, should produce most of the basic grains it consumes. Besides raising its production of corn, beans, and rice, they would expand agriculture to provide jobs and a minimum standard of living for rural Mexicans so they would not feel compelled to migrate to already overcrowded cities.

According to one politically, moderate US academic who is an expert on Mexican agricultural problems, this would require more than financial investment to bring education, seeds, fertilizer, irrigation, and marketing systems to the countryside. It would also require a redistribution of power.

The peasants will never get the resources they need unless they have the poliitcal power to press for them, this analyst maintains. Nor will they become truly productive unless they control some of the daily decisions affecting production. And yet this US academic is pessimistic about the possibility of such a redistribution of power taking place under the present Mexican system.

Messrs. Tello and Cordero would also change the focus of Mexican industry. They would concentrate on light industries and on producing the goods Mexico needs for its own development.

Instead of producing or importing toasters and other consumer goods for a relatively small middle- and upper-class elite, they say, Mexico should produce such essentials as wire to help electrify the countryside.

The principal problem with the system, according to these critics, is that it does not produce enough jobs, especially in the countryside. Consequently, Mexico City has become inundated with landless, jobless peasants looking for employment. The capital's population is expected to rise from 18 million to 30 million by the year 2000.

Many academic experts are sympathetic to the proposals of Tello and Cordero. But they doubt that the necessary shifts in political power and economic policy can be achieved. Such plans would completely alienate both Mexican businessmen and the Reagan administration, these experts say.

Hence, the consensus is that for the next 10 years there will be no "real" solution to Mexico's problems; that, barring a major international economic crisis, the Mexican system can probably survive for 5 to 10 years with some social turbulence but without very great changes.

Under these circumstances, most analysts believe that Mexico will stand or fall largely on what happens within its own borders, in the US, and in the global economy. These factors, rather than events in Central America, as seen as crucial elements in Mexico's future.

KEN PEDERSEN, DIRECTOR, NASA INTERNATIONAL AFFAIRS DIVISION

HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 31, 1985

Mr. FUQUA. Mr. Speaker, under congressional mandate, the National Aeronautics and Space Administration has developed an extensive program of international cooperation which has opened an unprecedented range of space activities to foreign participation. Over the years, the United States has signed over 1,000 agreements with more than 100 nations for cooperative space activities. In history's largest international space project, 10 nations designed, built, and paid for spacelab, a billion-dollar science and technology laboratory which fits into the shuttle's cargo bay. Spacelab has been symbolic of the spirit of cooperation with other nations and has been at the core of NASA's international programs since the agency's inception in 1958.

The tradition of NASA's successful cooperative ventures with other nations has continued over the last 6 years under the leadership of Ken Pedersen, the highly respected Director of NASA's International Affairs Division. When President Reagan directed NASA to build the space station in January 1984, he emphasized foreign participation for the purposes of strengthening peace, building prosperity, and expanding freedom for all those who share our goals of exploring exciting new frontiers in space; Ken Pedersen has laid the groundwork for such cooperation on the space station.

Recently, Ken was appointed NASA's Assistant Associate Administrator for External Relations. He will spend the next year on sabbatical as research professor at the Georgetown University School of Foreign Service. I am one of many who will sorely miss Ken's intricate knowledge of NASA's activities in the international arena as well as his ability to respond in an enthusiastic manner to any questions or concerns my colleagues in the Congress and, in particular, the members of the Committee on Science and Technology have had over the years. I know my colleagues will join with me today in thanking Ken for a job well done and in wishing him well as he pursues his research endeavors in the halls of academia.

AGAINST GRAMM-RUDMAN

HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 31, 1985

Mr. EDGAR. Mr. Speaker, I rise today to urge my colleagues to join me in opposing the so-called Gramm-Rudman budget plan as passed by the Senate last week.

Many well-founded objections have been raised to the legislation. It makes little economic sense. It gives too much power to the President. It is probably unconstitutional.

But my major beef with Gramm-Rudman is that once again, just as with tax reform Reagan style, lower- and middle-income Americans are targeted for sacrifice, but no incentives exist to ensure that wealthy individuals and corporations contribute their fair share.

Mr. Speaker, all of us are committed to action on the budget and trade deficits, but the urgency of the moment is no reason to shirk our responsibilities and turn over our duties to the executive branch. It is no reason to check our brains at the door. And most of all, it is no reason to sell our constituents, their jobs, and the American economy down the river.

We stand at a historic juncture for our form of government and for our Nation. It is a turning point, where we must decide if the Federal Government is to be a responsive partner committed to balanced economic growth, fairness, and a strong national defense, or whether it will be a skeleton body unable to adequately respond to the demands of a complex economy and the needs of a diverse society.

In my home State of Pennsylvania, if Gramm-Rudman passes, we all know who will get hurt:

The veteran in Erie whose pension is threatened.

The unemployed steelworker in Pittsburgh whose training funds are cut.

The family in Altoona whose schoolchildren see education programs decline.

The senior citizen in Philadelphia, struggling to pay medical bills, who gets hit hard when Medicare and Medicaid are scaled back.

The coal miner in Scranton whose black lung benefits are slashed.

Gramm-Rudman provides the incentives to cut those programs vitally needed by most Americans, but fails to call for sacrifice by everyone. Amtrak and highway funding, education and student aid, unemployment assistance and job retraining, Medicare and pensions, food stamps and aid to families with dependent children, environmental protection and health and safety in the workplace—mainstream services that all Americans depend upon—that's the target of Gramm-Rudman.

Furthermore, the hands of Congress will be tied should joblessness and recession plague our Nation's economy. Responsiveness to these conditions is severely restricted by Gramm-Rudman, and once again it will be lower- and middle-income working Americans who will lose their jobs and who will suffer from these restrictions. Balance and stable economic growth—in all segments of our Nation's economy—should be the ultimate goal of responsible budgeting. Gramm-Rudman undercuts congressional ability to foster long-term prosperity.

Rather than adopt this meat-ax approach, we could take substantive actions that would truly attack the deficit problem while preserving our Government's commitment to the American people and to balanced, long-term economic growth.

We could, for example, invest Federal funds more wisely by creating a Federal capital budget. We could adopt a "pay-as-you-go" plan for any additional spending which would permit no spending increases above inflation except for defense and a few select programs for poor people, for which there have to be offsetting tax increases. We could provide for a 2-year budget cycle, making it easier to achieve our budget deadlines and giving Congress more time for oversight of the programs funded under the budget.

We could limit the growth of military spending by eliminating weapons systems that are unnecessary, costly, and add little to our security and by enacting legislation to eliminate fraud and abuse in the purchasing of military spare parts by the Pentagon. For example, yesterday an overwhelming majority of the House voted to hold the line of military spending.

We could eliminate wasteful spending by opposing the waste of hard-earned tax dollars on "porkbarrel" projects.

We could, through tax reform, get rid of unfair tax shelters and close abusive loopholes and we could make sure that everyone contributes a fair share to the goal of reducing the budget deficits that are strangling our Nation's economy and its workers.

We could through this balanced program get the Federal deficit under control within the next 5 years, the same amount of time taken by Gramm-Rudman.

But we are only fooling ourselves by adopting simplistic solutions to the budget deficits. The American people know it. The President knows it. We all know it. Let's come to grips with reality: Gramm-Rudman is unwise, unfair, and unworkable. Let's not make a mistake that we will regret for the next 20 years. Let's vote it down.

THE IMPORTANCE OF THE JOB TRAINING PARTNERSHIP ACT

HON. JOHN McCAIN

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 31, 1985

Mr. McCAIN. Mr. Speaker, I consider the Federal Government's responsibility to provide for its citizens collective defense to be one of the highest priorities it has. I believe it is very important for all Members to participate in, and to be recorded on all votes which affect the national defense. With this in mind, it was with deep regret that I missed three votes yesterday on the Defense appropriations bill for 1986. Had I been present, I would have voted against the Frank amendment, both times, and I would have voted in favor of final passage.

However, I was not able to cast these votes yesterday because I was back in my district, accompanying Secretary of Labor William Brock as he toured several centers involved in the Job Training Partnership Act [JTPA]. The JTPA Program was initiated in 1982 to replace the CETA Program. It was designed to take advantage of greater local involvement and increased flexibility in the hope that JTPA would have a better track record in providing real long-term job training than did CETA. If my State is any indication, it certainly has.

One of the centers we visited was the Maricopa County Skill Center. Its Arizona Dislocated Worker Assistance Center was co-recipient of the National Alliance of Business' "Distinguished Performance Award" for its outstanding service. This program was originally expected to serve 750 people and place 375 into unsubsidized employment. Instead, it served 1,000 and placed 940 at an average wage of $8.31 per hour. This is far above the national average of 68 percent. In fact, after 6 months, job retention exceeds 80 percent, something unheard of in the CETA Program.

Mr. Speaker, unfortunately, we cannot afford to rest on our laurels. The copper industry, once a mainstay in my home State of Arizona, continues to suffer. The semiconductor industry, lead by corporations like Motorola and Intel, is suffering a serious downturn. These and other factors will result in 2,500 workers in Maricopa County being affected by plant closures and mass layoffs as a result of import competition.

It is imperative that the Federal Government maintain its commitment to the JTPA Program, particularly the title III Dislocated Worker Program. We must ensure as smooth a transition as possible for those workers who need to learn new skills to participate in our Nation's work force. I know Secretary Brock has been a strong supporter of JTPA and I hope he continues to be. I believe our tour yesterday presented him with clear and convincing evidence on the benefits of this program. In an era of decreasing Federal expenditures, JTPA is clearly a program that costs the Government less because it exists, than would be the cost if it did not.

SOUTH FLORIDA'S EFFORTS FOR A SAFER HALLOWEEN

HON. LAWRENCE J. SMITH

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 31, 1985

Mr. SMITH of Florida. Mr. Speaker, today I rise to recognize "Kids Day," an event which will take place in south Florida this Halloween. Kids Day, a celebration of the American family focused on children, displays the genuine commitment which the south Florida community has in protecting its children. Kids Day also will include a solicitation of funds which will benefit child abuse and child protection programs.

Kids Day is an effort to provide a safe alternative to Halloween. Halloween, unfortunately has steadily deteriorated from a national child celebration to a night of worry and anxiety for parents. The evening of Halloween has provided the criminal element with an opportunity to exploit the vulnerability of our children on the street. Reports of tampering with candy and treats have been increasing in recent years. Razor blades in apples and poisoned candy found in "trick or treaters" grab bags on Halloween are now commonplace. The unpredictable events associated with "Mischief Night" also create havoc. Halloween is no longer an evening of costumes and candy, but an evening of potential harm, loss, and injury.

I hope that, with the implementation of the Kids Day project, this year will be different. With the staging of planned activities on a favorite children's holiday, families now have a safe alternative to what has become a night of crime and malicious mischief. Kids Day signifies an earnest consolidation of efforts by business and labor and by public officials and private citizens.

Kids Day will act as an umbrella for the coordination of 21 separate events which will take place throughout south Florida. These events include: Parties at shopping malls, reduced admission and free popcorn at movie theaters, parties at teen discos and boys' clubs, and several elaborate haunted houses. Within my district specifically, parties will be held at the Hollywood Mall and the teen disco "Celebration," and there will be with store to store "Trick or

Treating" at the Broward Mall and reduced admission at the Broward Mall Theaters.

These events all are geared to focus on the good-natured spirit of Halloween. Not only will these celebrations be fun, but they will, at the same time, be raising money to benefit those children who are victims of abuse. It is anticipated that all costs associated with the actual activities and events of Kids Day celebration will be underwritten by corporate and private sector financing. The money will be donated to five selected south Florida charities which include: Kids in Distress, Outreach Broward, Charlee Homes, the Early Childhood Development Association, and the Boys' Club of Broward County. All proceeds from the fund raising activities of Kids Day will go to these identified south Florida charities. These charities provide education and awareness programs for children, counseling services, and food and shelter.

I sincerely applaud the efforts of all those involved with this most worthwhile project. I would particularly like to recognize Mrs. Toni Siskin, chairperson of the Broward County School Board and the chairperson of the South Florida Steering Committee, for her personal dedication to this cause.

Kids Day is definitely a positive step towards combating the dangers of: Contaminated and poisoned candy, and child abuse and molestation which have come to be associated with this holiday. It is also a fresh approach toward regaining the good-natured fun which Halloween was meant to represent. Additionally, it is an effective vehicle for raising funds which will help ensure a generation of healthy adults for the future.

I wish the South Florida Steering Committee the best of luck with Kids Day and hope that it will provide fun and safe celebrations for years to come.

CONGRESS MUST MAINTAIN FEDERAL SUPPORT FOR FAMILY PLANNING SERVICES

HON. MIKE LOWRY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 31, 1985

Mr. LOWRY of Washington. Mr. Speaker, I would like to bring an important editorial that appeared in yesterday's Washington Post to the attention of my colleagues. The editorial, which is entitled "New Threats to Family Planning," underscores the falseness of the argument that links federally funded family planning services with abortion. Although in some instances, abortion services are provided, independently, by agencies that receive Federal family planning funds, family planning and abortion are separate and distinct services.

The effective use of quality, title X family planning services helps to prevent unwanted pregnancies and thereby limits the number of abortions performed in our Nation. I support choice in the matter of abortion. However, family planning services can eliminate the need to make this difficult choice. Any effort to decrease, end, or redefine title X funding would be extremely shortsighted.

The editorial follows:

NEW THREATS TO FAMILY PLANNING

Opponents of family planning programs, flushed with success in disrupting programs in developing countries, have turned their attack on domestic programs. Again their strategy is to label a vote in favor of family planning a vote in favor of abortion. In fact, the programs in question do not involve abortion. But since only the bravest congressmen are willing to run the risk of being associated, however unfairly, with a "pro-abortion" vote, this strategy has been successful in diluting the solid majority support that family planning programs actually enjoy.

No federally supported family planning clinic provides or recommends abortions—a fact recently reconfirmed by the General Accounting Office after a congressionally authorized review. But this finding does not satisfy groups such as the American Life League that oppose most widely used methods of contraception and which insist that "in practice they [the clinics] encourage abortion." They are promoting an amendment . . . denying federal aid to any group that informs pregnant women that abortion is a legal option or that, in a separate facility and with nongovernment funds, performs abortions.

Family planning agencies, which include state and local health departments and hospitals as well as clinics run by nonprofit groups, say they could not accept money on these terms. To do so, they say, would be to violate medical ethics by withholding relevant information from a patient. Some also question the constitutionality of such a prohibition on the free flow of information. Moreover, denying funds to agencies that, independently, perform abortions would deny funds not only to the many Planned Parenthood Federation and other independent clinics—a favorite target of the Far Right—but also to many state hospitals and clinics, some of which are under court order to provide abortion services to low-income women.

It would be an unforgivable act of political cowardice if Congress, out of fear that its action would be misrepresented, were to disrupt the carefully built network of family planning services—a network that actually prevents hundreds of thousands of abortions every year. While many people in this country have serious misgivings about abortion under various circumstances, the great majority support family planning for themselves and for others. Congress needs to start giving this subject the serious attention it deserves instead of running for cover every time someone whispers "abortion."

THE 45TH WEDDING ANNIVERSARY OF GEORGE AND LEONA MURPHY

HON. CHARLES A. HAYES

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 31, 1985

Mr. HAYES. Mr. Speaker, I rise today to honor George and Leona Murphy, two residents of the city of Chicago, who will celebrate their 45th wedding anniversary on November 2, 1985. Mr. and Mrs. Murphy were married at the St. Raphael Catholic Church in Chicago in November 2, 1940.

The Murphy's are the proud parents of five beautiful children, George III, Leah, Michael, Raymond, and William. They are also the proud grandparents of five grandchildren, George IV, Gia, Cherise, Peter, and Rachel.

The love and dedication that the Murphy's have shared throughout their years together should serve as an example for many of our young people today, that marriages can succeed if two people put their heart into it. I am certain their marriage has been a shining example to their children, their friends and their neighbors, of what marriage is all about. Forty-five years for many of us is a lifetime. For the Murphy's, it has been a lifetime of love, love for each other, and love for their family.

Mr. Speaker, I know that my distinguished colleagues in the U.S. House of Representatives will join me in wishing George and Leona Murphy not only a very very happy 45th wedding anniversary, but also many more years of harmony and happiness together.

TRIBUTE TO SONNY BLISS

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 31, 1985

Mr. ACKERMAN. Mr. Speaker, I rise today in tribute to Sonny Bliss, the President of First Housing of Queens County, NY, who will be honored by the Electchester Athletic Association on Sunday, November 3, at its fourth annual awards breakfast.

George Foster of the New York Mets will be on hand to present awards to the children who participated in the 1985 athletic association season, and Sonny Bliss will be honored as he prepares to enjoy his retirement after 30 years of dedicated efforts on behalf of Electchester.

Ever since he helped organize the development's first football team in 1956, Sonny Bliss has generously donated his time and energy to the young people of Electchester through the athletic association. As the athletic director of this organization from 1960 through 1972, he organized a baseball team and coordinated sponsors for all of the association's activities. Because of Sonny Bliss' outstanding leadership, the Electchester Athletic Association now runs excellent programs in basketball, soccer, softball, and other sports.

Sonny Bliss understands that youngsters can learn important values of cooperation and fair play through sports. His enthusiastic support of athletic achievement in Queens County has paid off in a program that has been tremendously successful. His commitment has led him to an involvement in other local sports activities as well—he has umpired high school and community college baseball games for the last 23 years.

Mr. Speaker, the enthusiasm and strength that Sonny Bliss has given to the cause of sports in New York makes us in Queens very proud. We recognize that he has followed the American ideal of volunteerism and community support, and he is responsible for countless happy memories of those who were once youngsters in Queens. I call now on all of my colleagues in the U.S. House of Representatives to join me in praising Sonny Bliss on this joyous occassion, and in wishing him a long and happy retirement.

NATIONAL RADIOLOGICAL TECHNOLOGY WEEK

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 31, 1985

Mr. MURTHA. Mr. Speaker, I recently received a letter from a constituent and representative of Lee Hospital, a facility in my congressional district, that brought to my attention the observence of National Radiological Technology Week. The week of November 4 through 10 commemorates the discovery of the x ray in 1895 and the astronomic advances that radiology has brought to the medical field.

Demographically speaking, the 12th Congressional District of Pennsylvania is highly comprised of older Americans, a group that rely heavily upon quality medical care and facilities. In an area where health care directly affects so great a portion of the population the importance of professional excellence is immeasurable.

I, therefore, find it appropriate during this week to express the greatest of appreciation to the medical professionals in the radiological departments of Lee Hospital and the equally fine medical facilities of the Cambria-Somerset-Westmoreland area of Pennsylvania.

EXCHANGE CLUB OF WHITE PLAINS HONORS EDWARD F. BEANE

HON. JOSEPH J. DioGUARDI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 31, 1985

Mr. DioGUARDI. Mr. Speaker, tomorrow evening, the Exchange Club of White Plains will hold their annual president's ball honoring Edward F. Beane. The proceeds from this affair will go toward the Exchange Club Child Abuse Prevention Center.

The reported cases of child abuse in this country are on the rise. I believe that there is no greater victimization than that of a child. Our children are the most vulnerable individuals in our society and one of our Nation's greatest commitments should be to provide for their safety.

The Exchange Clubs of White Plains and Westchester are making a tremendous contribution to this goal. Their Child Abuse Center has not only tended to the needs of abused children, but has also developed programs that will go a long way toward preventing further abuse. Organizations such as this deserve our recognition and admiration. I am very proud to be the Representative of the Exchange Club of White Plains and wish them the continued success in their valiant fight against child abuse.

A TRIBUTE TO PAT ALLOCCO

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 31, 1985

Mr. COURTER. Mr. Speaker, Morris Township, NJ, will soon be honoring Patrick J. Allocco, who has spent a lifetime serving his community.

Pat's work with Morris Township as a zoning officer, plumbing inspector, construction official, and chairman of the Sewer Committee, to name just a few of his responsibilities, has been carried out with the utmost professionalism and the highest concern for the Township's residents. He has been a model civil servant and will hopefully be emulated by more Government officials in the future. Pat has also courageously served his country in World War II and the Korean war.

I join with Morris Township in wishing Pat all the best in the years to come and thank him for a job well done. Pat's wife Josephine, and his son, Pat, Jr., have every right to be proud and to look forward to enjoying Pat's retirement with him.

ACTIONS OF SANDINISTA GOVERNMENT DEPLORABLE

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 31, 1985

Mr. GOODLING. Mr. Speaker, I rise today to deplore the action taken by the Sandinista government of Nicaragua to curtail civil liberties. It is obvious that the Sandinistas fear their citizens' growing sense of discontent and the influence of the Catholic Church, rather than North American intervention, as Ortega states. The Nicaraguan Government is curtailing civil liberties in order to silence dissent and thus achieving a main goal of any totalitarian regime.

SALUTE TO LOS ANGELES TRADE TECHNICAL COLLEGE

HON. MATTHEW G. MARTINEZ

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 31, 1985

Mr. MARTINEZ. Mr. Speaker, I rise today to salute Los Angeles Trade-Technical College on the occasion of its 60th anniversary. I am especially pleased to mark this event, for I myself attended Trade-Tech in 1959. Thus, I am personally aware of the educational opportunities this school has offered and of the significant contributions it has made to Los Angeles and the Nation.

Founded as the Frank Wiggins Trade School by the Los Angeles Board of Education in 1925, the school initially enrolled 3,877 students. Later renamed Los Angeles Trade-Technical College, it became part of the Los Angeles Junior College district in 1969. Over half a million students, many from Los Angeles' minority communities, have attended this fine institution.

Throughout its history, Trade-Tech has grown and changed to meet the needs of its students and of the Nation. During the Great Depression, the school ran a federally funded vocational training program for the unemployed. As the Nation's problems changed from fighting unemployment to fighting World War II, the school responded to this new challenge. Its War Production Training Program enrolled over 14,000 participants in classes conducted around the clock. Most recently, the school's focus has again changed, as students receive training in the high-technology skills that the Nation needs to compete economically abroad.

Los Angeles Trade-Technical College today offers almost 90 occupational programs to its more than 12,000 students, making it one of the largest vocationally oriented community colleges in the country. Under the leadership of President Thomas L. Stevens, Jr., it enters its seventh decade prepared to respond to any new educational challenges it may face. I congratulate the faculty, administration, and students of Los Angeles Trade-Technical College on this important milestone in their school's history.

DICK HOWSER—WORLD CLASS MANAGER

HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 31, 1985

Mr. FUQUA. Mr. Speaker, all of America has taken to its heart the courageous performance by the Kansas City Royals on the baseball diamond. Demonstrating perseverance and grit, the Royals fought their way back from a two-game deficit to win the World Series in seven tense, exciting games.

While the whole team has gained admiration and affection of Americans everywhere, I want to point out that the manager, Dick Howser, is a Floridian. His athletic career developed in Florida. He attended and played baseball for Florida State University. After a career of playing and coaching in the major leagues, he returned to FSU to manage the Seminole baseball team. Now he is back in the majors in "Royal" style.

We know Dick Howser as a good and decent individual. He has demonstrated that a gentleman can manage world champions. I want to congratulate my good friend on this splendid victory and on setting an excellent example for the young people of this Nation.

GRAMM-RUDMAN

HON. HOWARD C. NIELSON

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 31, 1985

Mr. NIELSON of Utah. Mr. Speaker, the Gramm-Rudman proposal to put the Federal Government on a real budget—like everyone else—is absolutely essential in order to come to grips with the deficit problem. This amendment is attached to a bill which would raise the debt ceiling to $2 trillion. People have joked that we have to put an end to the spiraling deficit simply because no one knows what comes after a trillion.

We are currently borrowing $143 billion a year simply to pay for the deficits. The spending restraints of our current budget process are obviously not working. Now is the time to reform the process and put the Nation on the long path to a balanced budget.

It is true that Gramm-Rudman will force tough decisions, but we need to face those decisions today and not put them off until tomorrow. Every American should realize how large deficits affect them. They affect our economic recovery. They make it difficult for our manufacturers and farmers to compete in world markets. They slow industrial expansion and they mean fewer jobs for American Workers.

I have heard some worries about Gramm-Rudman that I believe are unnecessary. I have heard that Gramm-Rudman will devastate social programs or the defense program or some other part of the budget. However, the President would administer an across-the-board reduction only if Congress fails to do its job. The President is compelled to maintain congressionally established priorities and must treat all programs evenly. So, Congress will still face the tough decisions on spending priorities. Gramm-Rudman will simply make it much more difficult for Congress to continue the spending habits that are leading this country toward bankruptcy.

TRIBUTE TO NESTLE FOOD CORP. IN FIGHT AGAINST MULTIPLE SCLEROSIS

HON. JOSEPH J. DioGUARDI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 31, 1985

Mr. DioGUARDI. Mr. Speaker, I rise today to draw the attention of my colleagues to the fine efforts of the Nestle Food Corp. in the fight against multiple sclerosis [MS]. Mr. C. Alan MacDonald, that company's president, has lent a great deal of time to the fight against MS. On November 2, a dinner will be held in my district that Mr. MacDonald and the Nestle Food Corp. organized to raise funds for the National Multiple Sclerosis Society. These funds will allow much needed research to continue. When we reach out to give of ourselves to help others, we reaffirm American values at their best. I think this effort deserves our recognition.

In addition, I wish to publicly offer my personal appreciation to Ms. Myrna Popper for bringing these fine activities to my attention and to the attention of many others by serving on the committee that has reached out to the community in an effort to raise as much funds as possible at this event. With the many problems this country faces, it is heartening to see people giving of themselves to help others. This is what made America great, and this is what will keep America great.

A TRIBUTE TO HAROLD D. SHAPIRO

HON. ROBERT J. MRAZEK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 31, 1985

Mr. MRAZEK. Mr. Speaker, it is my pleasure to call to the attention of the Congress and our Nation the accomplishments and achievements of Harold D. Shapiro of East Hill, NY.

Harold Shapiro, the executive vice president of Commander Oil Corp., is honored this year with the coveted Theodore Roosevelt Distinguished Service Award by the Nassau County Council, Boy Scouts of America. Mr. Shapiro's tireless efforts on behalf of the Boy Scouts of America reflect upon his commitment to our country and his dedication to our young people.

Mr. Speaker and my colleagues, in these times when our Nation seeks direction and leadership, the contribution of Harold Shapiro represents more than just his service to an organization. Mr. Shapiro's legacy will be the inspirational dedication he demonstrates in his work. The example he sets for his fellow citizens can be followed in every course of action.

I have spoken on the floor of the House of Representatives on many occasions on behalf of the interests and concerns of the citizens of New York's Third Congressional District. It is indeed a particular pleasure for me to speak of the great contributions of one of our leading citizens and call the attention of the Congress to the work of Harold D. Shapiro.

AGAINST ARMS SALE TO JORDAN

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 31, 1985

Ms. MIKULSKI. Mr. Speaker, I support the recent decision to delay from now until March 1, 1986, the proposed sale of advanced arms to Jordan.

This delay is helpful, but I want to emphasize my continued opposition to the proposed sale of up to $1.9 billion worth of advanced arms to Jordan. According to the State Department, the primary purpose of this proposed sale is to enhance Jordan's antiaircraft capabilities. This so-called defensive air defense package threatens the very basis of Israel's security by providing Jordan with offensive weapons that undermine the cornerstone of Israel's security, its air superiority.

The proposed arms package gives to Jordan weapons that can weaken Israel's Air Force and its ability to defend Israel's borders. Without adequate air support, Israel's frontline ground forces could be overwhelmed by the numerically superior Arab armies.

Once Jordan has acquired a sophisticated air defense system, the Jordanian military would have the capabilities required to participate in a combined surprise attack on Israel. At the same time, Jordan would be able to provide a secure base for expeditionary forces from other Arab countries.

Israel is especially vulnerable to attacks from Jordan because Israel shares its longest border with Jordan and because the Jordanian border is in such close proximity to targets in Israel.

Israel's margin of air superiority has been maintained for more than 20 years through its employment of aircraft superior to those available to the opposing Arab forces. This proposed sale would provide for the first time a bordering Arab country an aircraft equal in technology to the best Israeli fighter.

Arms sales have rarely advanced the peace process. The Camp David accords were achieved without a major arms sale to Egypt. For 35 years, the selling of sophisticated weapons has failed to bring peace to the Middle East.

I commend Prime Minister Shimon Peres of Israel for his offer to hold talks with Jordan's King Hussein without preconditions, and at any location. President Reagan deserves credit for his willingness to hold such talks here in Washington. King Hussein himself has given some indications that such a negotiation process might come about. While I remain cautiously optimistic, the fact remains that Jordan has yet to come to the negotiating table.

I have therefore cosponsored a resolution which expresses congressional disapproval of this arms sale to Jordan. Peace requires more than good intentions. Jordan must demonstrate through its actions that it truly wants peace with Israel. This proposed arms sale does nothing for peace. I oppose it and encourage my colleagues to do the same.

DON RITTER ON THE REAL MEANING OF PEACE

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 31, 1985

Mr. COURTER. Mr. Speaker, our colleague from Pennsylvania, DON RITTER, is one of the House's most articulate advocates of the American foreign policy that is both moral and strong. In a recent essay he set forth the differences between the varieties of what we call "peace" and explained why that word means more than an absence of war. His observations are worthy of the widest audience, and I want to put them before my colleagues. The article follows:

[From the Washington Times, Oct. 24, 1985]

PEACE, YES, BUT BY WHOSE DEFINITION?

(By Don Ritter)

The setting was a sumptuous state-sponsored dinner at a 400-year-old church in Havana, Cuba, which had been converted into a restaurant. A man who was part of a group of U.S. "peace activists" opposed to administration policy in Central America rose and proposed a toast. "To peace," he said. "To peace with liberty," I added. He and the others with him continued to toast "to peace."

The debate in America and Europe today is not over war vs. peace. Nobody wants war and everyone wants peace. The crucial, yet unformed, debate is over the meaning of the word "peace."

If peace is taken as the absence of any large-scale war, nuclear or otherwise, then there are entirely different policy options than if a definition of "peace" also embodies the twin concepts of human freedom and human rights.

If real peace is inseparable from freedom and human rights, then the American people must come to grips with the historical record and current activities of our chief rival in the definition of peace, the U.S.S.R.

Coming to grips doesn't eliminate creative diplomacy and dialogue. We can and should negotiate with adversaries to reduce the dangers of direct conflict, but we should do so without any illusions about achieving a peace that embodies freedom and human rights, since that kind of peace doesn't exist for Soviet people at home, nor for Soviet charges abroad.

Lately, Soviet leaders won't even talk about this. In a bizarre incident on French TV recently, Party General Secretary Milhail Gorbachev berated a journalist for just asking about "100,000" Soviet political prisoners. . . . Period, no answer. That came shortly after Mr. Gorbachev blandly stated that Jews have it better in the U.S.S.R. than anywhere else. Several days later, when Dan Rather again asked about political prisoners. Mr. Gorbachev curtly stated that the subject had already been covered by his response on French TV.

Closer to home, the American people are genuinely confused by peace activists who oppose U.S. government policy in Central America but are silent on the institutionalized violations of human rights by Sandinistas or Salvadoran terrorists. The latter evidently do not qualify as death squads. My discussions with peace activists in Nicaragua indicate they supported the violent overthrow of the Somoza government. Is this an objective witness for peace?

Peace activists urged an end to the Vietnam War which resulted in a tragedy at least as great as the war itself. Yet most were silent on a post-war holocaust in Cambodia and the death, misery, and enslavement in South Vietnam. To this day, they have not owned up to the fact that the end of the war did not bring peace.

The attempt to bring human rights to South Africa is important for peace activists of all stripes, but so is resistance to organized Soviet genocide in Afghanistan. Why is there no outcry from peace activists against a Soviet policy that is far more responsible for events in Afghanistan than is a U.S. policy for those in South Africa? Where are the symbolic arrests at the Soviet Embassy? Where is the worldwide movement for trade sanctions against the Soviet Union?

If the West eventually weakens and accepts nuclear first-strike dominance by the Soviets, that won't be peace.

If the West accepts the use of Soviet proxy troops (Cubans) to guard the Marxist palaces of Ethiopia and Angola and allows freedom fighters to wither away, that isn't peace.

Is an occupied Cambodia without resistance and a conquered South Vietnam "at peace?" To be more blunt, is Poland at peace?

With the Helsinki process crushed inside the U.S.S.R., are the people of the Soviet Union at peace? Is a prisoner in a jail at peace?

While people active in the peace movement may be sincere in their quest, they simply ignore the reality of what they, themselves, would accept as living "in peace."

To have effective discussions about peace with the Soviets, Americans must decide for themselves what the word peace really means, and not just to our own leaders but to Soviet leaders, too. We all know the outcome of the last time the West rejoiced in having achieved "peace in our time."

If Americans want real peace for the world, which means peace with freedom and human rights, we need to ask Mr. Gorbachev in Geneva about the slaughter of innocent Afghans. We need to ask about the Helsinki monitors who, like Ukrainian poet Vasyl Stus, have died in labor camps. We need to ask why Anatoly Scharansky is imprisoned. And we need to ask why one Nobel Peace Prize winner, Andrei Sakharov, can't communicate with his own family while another, Bishop Desmond Tutu, can hold internationally televised press conferences.

Peace demands first a more agreed-upon definition of the word. For starters, how about our peace activists consulting with the unofficial peace movement in the U.S.S.R.?

Last time I heard it was in exile, dead, or simply out of business.

DAVID BRODY

HON. PAT SWINDALL

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 31, 1985

Mr. SWINDALL. Mr. Speaker, today I would like to acknowledge a man who many here in Washington know not only as a friend but as one of the top professionals in his field. David Brody has been a lobbyist with the Anti-Defamation League since 1949. His approach to lobbying is unquestionably a big part of his success and uniqueness as a lobbyist. At this point, I would like to enter in the RECORD a recent article from "National Journal" magazine which accurately describes the contributions which David has made to the many people involved in the legislative process of Congress.

The article is as follows:

MAKING MATCHES MEANS ACCESS

Most Washington lobbyists boast about having connections. David A. Brody takes pride in making them.

The veteran Washington representative of the B'nai B'rith Anti-Defamation League is an inveterate matchmaker who wends his way through the capital's power circles on the lookout for people who ought to know one another.

No sooner do his antennae pick up a nugget of conversational information about somebody's past or present interests than the next words out of his mouth are invariably, "I'd like to put you together with. . . ."

The very next day, if not later the same day, Brody will be on the telephone proposing a luncheon involving himself and the two people he wants to bring together. Invariably, they are people who would have gotten together on their own at some point but, as Brody said in an interview, he finds that it advances his long-term interests if he can be the "facilitator or catalytic force."

"I do it so that the two people will know each other, so they will not be strangers when they need to deal with one another. Both parties usually welcome it," he explained. Those involved may run the gamut from Members of Congress, White House aides and ambassadors to reporters, fund raisers and constituents.

Twenty years at his job has taught Brody that at some point, his gestures of good will are likely to be returned in some form. "It's not so much that people are beholden to me, as it's a matter of providing greater access for me," he said, stressing the golden word of the lobbyist's trade—access.

The autographed pictures on the wall of Brody's office attest to his success in gaining assess at the very highest levels. They also attest to his skill at hearing what people say and sensing what makes them tick and what their current concerns are.

"In this town, so many people talk rather than listen," explained Brody, giving away a major secret of his success. It also helps to be quick-witted enough to put information to immediate use. "If I happen to be in a Member's office and a name comes up, we'll often set up a lunch right then."

Brody is constantly on the lookout for likely connections, two Members of Congress who haven't met each other yet, a reporter who is starting out a project involving principals he hasn't met, new arrivals at the Israeli Embassy who need to meet the people they will be dealing with in Washington.

"It's just a matter of having almost an intuitive sense about people's needs," Brody said. "I guess it is just a matter of knowing how to relate to people. I will occasionally bring Members of Congress together whose views may be divergent. In bringing them together, they find that they are able to work together on other issues."

Those other issues, with luck, may turn out at some point to be the very ones upon which Brody is lobbying. And, even if their votes do not always go his way, Brody at least gets a chance to have his say. In 1981, when Congress approved the sale of military aircraft to Saudi Arabia, Brody recalled, "a number of good friends of mine voted for the sale, but I still had the opportunity to sit down and talk to the principal—to the man who cast the vote."

That statement is also revealing. In lobbying, as in matchmaking, the permanence of relationships is important. Accordingly, significance attaches to Brody's reference to "good friends" who voted against his position. They still are his good friends, and maybe next time they will be with him.

Besides putting his lunch hour to regular use, Brody and his wife, Bea, entertain at their home, throwing dinner parties that may bring anywhere from a dozen to three dozen Washington notables together to trade information and get to know one another better.

"From time to time, press people are invited to my parties at home as friends," Brody explained. What goes on is not intended for publication, Brody noted, but it is recognized "a reporter may pick something up at a party." But, he added, "the story won't be that I had that group of people to dinner."

Brody added that he has never hesitated to bring politicians and journalists together in a social setting. "I don't draw any lines," he said. "When I find it useful to play that catalytic role, I do it." With reference to the politicians, he observed, "I think they welcome the opportunity too, otherwise they wouldn't agree to it."

To the best of his recollection, Brody over the years has never become a matchmaker in the romantic sense. He says that he knows of no marriages that have resulted between people he has brought together and quickly adds in a businesslike tone that "if it has happened, that would not be the purpose that the meeting started out with."

There is more than a bit of a Horatio Alger aspect to Brody's career. The man who now wines, dines and facilitates friendships among the high and mighty started out in life as the son of an immigrant garment worker who entered this country through Ellis Island. He grew up in Brooklyn, attended public schools and ended up studying law at Columbia University on a scholarship. He came to Washington in 1940 to work as a lawyer for the government and has been with the Anti-Defamation League since 1949.

Brody said he has developed his skills as a lobbyist-social connecter as he has gone along. "I like to say that the things I do, I never learned in law school." Nonetheless, the 69-year-old lobbyist makes it clear that he enjoys what he does. "I have no plans to retire," he said.

The matchmaker is obviously well matched to his calling.

DEFENSE SPENDING FOR FISCAL YEAR 1986

HON. STEVE GUNDERSON

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 31, 1985

Mr. GUNDERSON. Mr. Speaker, three major goals directed the House, last June, in its consideration of the Department of Defense Authorization Act for fiscal year 1986. Those goals included: first, providing for the national security of the United States; second, achieving a defense authorization consistent with efforts to reduce the Federal deficit; and third, weaning the United States away from an over-reliance on expensive strategic weapons systems. For the first time in recent memory, the House succeeded in realizing these goals. For the first time in 3 years, I was able to cast a vote in support of a defense authorization bill.

To ensure that the security interests of the United States were protected, the House carefully constructed a bill that provided for continued research, development, test, and evaluation programs, civil defense initiatives, all important operations and maintenance work, and the modernization of necessary weapons systems. The House reaffirmed its commitment to a strong and viable defense for the Nation.

Recognizing the need to involve the Pentagon in efforts to reduce the Federal deficit, the authorization bill froze defense spending at the fiscal year 1985 level, without an adjustment for inflation. By freezing defense at the fiscal year 1985 level, a brake was finally applied to uncontrolled spending that had resulted in a 51-percent increase in inflation-adjusted budget authority for defense since 1980.

Spending for strategic weapon systems rose nearly 1,400 percent between fiscal year 1980 and fiscal year 1985, while spending for conventional systems increased 376 percent. Investment costs absorbed by these weapons rose from 21.5 percent of investment in fiscal year 1980 to 46 percent in fiscal year 1985. Strategic systems are certainly important, but the fact is that events in Afghanistan, El Salvador, Angola, and Mozambique have provided sufficient evidence that strategic systems cannot be counted on to halt foreign aggression. The importance of adequate military staffing and an availability of conventional supplies cannot be lost in the rush to purchase high-technology high-cost strategic hardware. By refusing to fund 31 weapons programs, the House made it clear that it was determined to reintroduce a proper balance between strategic and conventional spending.

Unfortunately, the bill that came out of the conference committee in no way resembled the original bill approved by the House. By providing an inflation-adjustment, conferees added almost $10 billion to the bill. Ten additional MX missiles were authorized. SDI funding went up by $250 million. Funding was provided for 22 of the 31 weapons programs for which money was previously refused by the House.

It is difficult to understand how at the same gime that Congress is considering deficit-reduction legislation requiring sacrifice on the part of all Americans, the defense authorization conference report could be rushed through the House by voice vote. Provided the opportunity, I would have, most assuredly, recorded my opposition to the defense authorization conference report.

The defense appropriation bill for fiscal year 1986 passed the House on Wednesday. While not agreeing with each and every provision included in the measure, I must applaud the Appropriations Committee for offering a bill that effectively incorporated the basic goals and priorities that had been discarded when the authorization bill went to conference. Among other provisions, the bill denies the $10 billion inflation-adjustment and freezes spending at the fiscal year 1985 level. I was pleased to cast my vote in support of the bill, and now call on those appointed to the conference on this bill to please respect and uphold the important messages communicated by the House in its passing of the measure.

We must protect the freedoms that those who have come before us worked so hard to gain. But, real security comes from a combination of sufficient military readiness to deter attack, a healthy economy and the well-being of our citizens. The defense appropriation passed by the House goes a long way toward achieving that security.

HUMAN RIGHTS

HON. FRANK R. WOLF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 30, 1985

Mr. WOLF. Mr. Speaker, I join my colleagues today in expressing my concern about human rights abuses in the Soviet Union and surrounding nations. In these remaining days before the Geneva summit, it is most appropriate for all Members of Congress to indicate their concern about this issue and support for any efforts by the President to bring discussion of human rights to the bargaining table in Geneva. It is important in any bilateral exchange with the Soviets to make it unequivocally clear that their abuses of individual rights have a serious detrimental effect on United States-U.S.S.R. relations.

I have been tracking specific human rights issues recently, including religious freedom, slave labor, and the individual cases of Father Gheorghe Calciu and Vladimir Khailo.

This past July, I traveled to Romania with my House colleagues TONY HALL and CHRIS SMITH to investigate reports of human rights violations and religious repression in that country. Our trip was taken to give us a firsthand view of the situation as Congress reviews United States policy regarding renewal of most-favored-nation trade status for Romania.

It was clear that religious freedom is supressed there. Lay leaders from various churches have been put in rubber suits, filed with water and beaten with rods and left for dead; 20,000 Bibles have been recycled for use as toilet paper; and three churches have been bulldozed or partially demolished in the past year alone.

Upon our return, we wrote the Romanian Minister of Foreign Affairs and noted that while there is value to continued economic

ties between our two countries, we believe ensuring human rights and religious freedoms is a moral responsibility we cannot shirk and is the foundation for any meaningful bilateral relationship.

We listed several specific examples of human rights violations and asked the minister to take immediate action to correct them. Our first concern was for the immediate emigration of Father Gheorghe Calciu, a Romanian Orthodox priest who has been imprisoned, beaten, and threatened with death over four decades in Romania.

In September, I joined Representatives HALL and SMITH at a news conference sponsored by the Commission on Security and Cooperation in Europe—Helsinki Commission—to welcome Father Calciu to the United States. We were relieved and grateful for his safe emigration to the West following pleas to the Romanian Government by many Members of Congress and the efforts over many years of the United States and Western governments and international human rights organizations and religious groups.

While pleased about this particular case, we remain concerned about the daily human rights abuses in Romania. To call attention to these continuing problems, Representatives HALL, SMITH, and I have joined as sponsors of H.R. 3599, legislation to suspend the valued most-favored-nation trade status for Romania for 6 months pending improvements in Romania's dismal human rights record.

An additional disturbing human rights issue is the use of slave labor to produce goods in the Soviet Union. Hearings before the House Treasury, Postal Service Appropriations Subcommittee this spring revealed alarming statistics about goods made by forced labor in Soviet Union—there are an estimated 4.5 million convict laborers in the U.S.S.R. and much of the Soviet economy is built on the backs of those men, women, and children who toil in nearly 2,000 Soviet prisons and forced-labor camps.

I became concerned when questioning Treasury and Customs officials that the United States has become an unwitting accomplice in these human rights violations by our lack of enforcement of existing statutes prohibiting the importation of products made by forced labor.

To call attention to this problem, Representative STENY HOYER joined my effort to amend the fiscal year 1986 Treasury, Postal Service appropriations bill to bar the Treasury Department from using funds that may in some way result in the nonenforcement of an existing ban on importation of goods made by slave labor. This provision was approved by the conference committee yesterday.

I would also like to mention an individual case of a Russian Baptist man, Vladimir Khailo. I first was made aware of this case last year by some of my constituents who are members of the human rights organization, Amnesty International.

This case is a clear example of the pervasive Soviet use of psychiatric "treatment" as an instrument of political repression. According to reports, Mr. Khailo has been forcibly confined to a psychiatric hospital in Voroshilovgrad. He was arrested there on November 14, 1980, but the exact charge against him has not been made public. On December 1, 1980, a court ordered him forcibly confined for an indefinite period to a special psychiatric hospital designated for those "who represent a special danger to society," although there is no evidence to suggest that Mr. Khailo posed such a threat.

The report further states that Mr. Khailo has been harassed for 15 years and that his children were discriminated against in school. In 1977, his children stopped attending school for fear of victimization. In response to their oppressive situation the Khailos applied for permission to emigrate in 1974 and again in 1977 without success.

Mr. Khailo is a former fire brigade employee who is married with 15 children. He belongs to a Baptist congregation which refuses to accept state restrictions on religious practice. These restrictions include: Control of the content of sermons, the appointment of clergy and religious education.

It appears that the treatment Mr. Khailo has received is an attempt to discourage his peaceful attempts to practice his religion and to emigrate from the U.S.S.R. These events are of concern to me since I believe freedom of religion is the legitimate right of every citizen. Additionally, contrary to their action on this case, the Soviet Union is party to the Universal Declaration of Human Rights which provides for the freedom to emigrate.

In my correspondence with Soviet leaders, I have requested that the Khailo family be allowed to emigrate to the West. I will continue to make appeals on behalf of Vladimir Khailo and his family.

Additionally, I will continue to monitor other human rights abuses in the Soviet Union and other nations and would urge my colleagues to do the same. It is vital that we continue voicing our concerns and opposition to the human rights abuses in the Soviet Union and Eastern Europe. It is also important in our efforts in the Congress and as a Nation which has long symbolized the principle of freedom for the oppressed of thie world that we constantly keep in mind the victims—those who suffer each day because of the policies of repression.

We as Americans and the other nations of the free world can never turn our backs on the struggles of our fellow man. We must continue in our determination to seek justice and must never waver as long as there are people in our world who are denied basic principles of human rights and freedom of speech and religion.

STAFF OF NORTH DADE SOCIAL SECURITY OFFICE GETS THE JOB DONE RIGHT

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 31, 1985

Mr. LEHMAN of Florida. Mr. Speaker, efficient and competent government service often receives less attention than horror stories about bureaucratic delays, poor management, and careless, inconsiderate workers. That is why I am particularly pleased to bring to the attention of my colleagues the exceptional record compiled over the past year by the employees of the Social Security Administration in its North Miami Beach, Hialeah, and Little River offices serving the people of North Dade County.

The Social Security Administration sets performance goals consisting of 96 different categories for each of its district operations. These goals, when met, insure a high level of service to the public in crucial areas such as the speed of processing retirement, survivor, disability, and SSI claims; accuracy in benefit computations, payment, and evidence-gathering; and precision in maintaining computer records.

Under the direction and guidance of District Manager Errol J. Simmons, the North Miami District offices met or exceeded every one of these 96 performance goals in the past year. This is a remarkable achievement on its own merit, but even more noteworthy because only 15 other districts of the 103 in the entire Southeast region were able to claim this distinction.

Many of our constituents rely heavily on Social Security benefits in their day-to-day lives, and mistakes or delays in benefits can cause great hardship. It is a comfort to many to have dedicated people in this program who take their responsibilities seriously and who do their jobs so well.

Mr. Speaker, I would like to offer my congratulations to District Manager Errol Simmons, Branch Managers Dorrith Leipziger, and Carol Woodel and their entire staffs, whose names are printed below, for a job well done. We appreciate your efforts and hope you will keep up the good work.

MIAMI NORTH OFFICE

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HIALEAH OFFICE

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REGARDING H.R. 505, AS AMENDED

HON. RICHARD C. SHELBY

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 31, 1985

Mr. SHELBY. Mr. Speaker, H.R. 505, as a whole, is a good bill. Its comprehensive provisions would result in necessary improvements in the VA Medical Care System.

I know that the chairman of the full committee, the Hon. G.V. (SONNY) MONTGOMERY, the chairman of the Hospitals and Health Care Subcommittee, Hon. BOB EDGAR, and the ranking minority member, Hon. JOHN PAUL HAMMERSCHMIDT worked hard to iron out the differences between the House and Senate-passed bills, and I appreciate the importance of the provisions contained in this measure.

However, I wish to voice my disappointment over a provision that was dropped which would have authorized the purchase of a medical facility that is located in an urban area and is suitable for furnishing both hospital and nursing home care services to veterans. There is a property in Mobile, AL, that could have been purchased under this provision. It was a commonsense provision which could have served to better allocate our scarce VA monetary resources.

Mr. Speaker, the acquisition of this property in Mobile makes good sense to me. For some time now, the VA and medical district 10 have developed statistical data to support the construction of a new VA hospital in the Florida Panhandle.

The acquisition of this existing facility versus the construction of a new one in Fort Walton Beach, FL, would be the most economical way to go for taxpayers—$69,000 per bed in the existing Providence Hospital as compared to more than $400,000 per bed for new construction. It would meet the VA's longstanding policy of locating hospitals adjacent to or close as possible to approved schools of medicine. The University of South Alabama School of Medicine in Mobile is the only such school on the Gulf Coast between New Orleans, LA, on the west and Tampa, FL, on the southeast. To my knowledge, this longstanding policy would be violated for the first time if a hospital was constructed at Fort Walton Beach.

The largest concentration of veterans in South Alabama-Florida Panhandle is in the Mobile area. On first brush, it would appear that construction of a new VA hospital in the Florida Panhandle would be to serve retired military personnel rather than the veterans in true need of a health care facility.

Additionally, more than 50 percent of all veterans residing in the central gulf coast would be within 1 hour or less by car to the Providence Hospital site in Mobile.

Mr. Speaker, I can't understand why this provision was dropped. Although the potential acquisition of existing facilities will be studied hereinafter, the Providence Hospital in Mobile may no longer be available. I believe that the omission of the provision to purchase this facility is detrimental to good management and budgetary savings.

THE DUNCAN-GREGG SUBSTITUTE FINANCING PACKAGE FOR THE REAUTHORIZATION OF SUPERFUND

HON. JUDD GREGG

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 31, 1985

Mr. GREGG. Mr. Speaker, the most important aspects of any proposal for the financing of Superfund are the adequacy of funding, stability of the funding sources, adherence to the "polluter pays" tradition, and the provision for trade neutrality. In my judgment, the Superfund financing package which was reported out of the Committee on Ways and Means last week is deficient in all of these key areas. I have, therefore, joined with my colleague, Mr. DUNCAN, the ranking minority member on the Ways and Means Committee, to propose an alternate funding package which corrects these deficiencies.

In terms of adequacy and stability of funding, all of the proposals which will be considered on the House floor are designed to provide $10 billion for the Superfund during the period 1986–90; however, only the Duncan-Gregg approach contains a mechanism to guarantee that full funding is achieved. The revenue raised by the other proposals is derived from taxes imposed at fixed rates. These rates are set on the basis of a series of assumptions concerning prices, inflation and general economic conditions during the next 5 years. If, as has happened in the past, these assumptions are not accurate, there could be significant revenue shortfalls. The Duncan-Gregg amendment, however, contains provisions for a reevaluation and adjustment of the taxes half way through the authorization period and, if necessary, annually thereafter.

Another aspect of the stability question arises from the possibility of significant tax base erosion due to decreases in taxable waste volume over the 5-year reauthorization period. The waste-end tax is designed to provide an incentive for waste management practices, such as recycling, incineration, and other methods of detoxification treatment, which decrease the amount of waste destined for disposal; but there is little experience with such taxes to serve as the basis for reliable prediction of the size of the tax base and, thus, the revenues, over time. To compensate for this undetermined decrease in revenue, the Duncan-Gregg proposal provides for a more stable, waste-related tax to replace the waste-end tax during the last 2 years of the reauthorization period, with rates adjusted to make up for any anticipated shortfalls.

In addition to assuring that the financial needs of all of the authorized Superfund programs are met, the Duncan-Gregg amendment provides effective fiscal control. In the unlikely event that the tax revenues are greater than anticipated, or that enhanced cost-efficiency allows all of the programmatic needs to be met at less than anticipated costs, the EPA Administrator and the Secretary of the Treasury could, through joint certification to the Congress, postpone imposition of the Superfund surcharge. I would emphasize, however, that no portion of this financing package should be construed as discretionary, and any postponement decision would be subject to full congressional oversight with ample opportunity for legislative override, if necessary.

Because the Duncan-Gregg amendment retains the reliance on feedstock, petroleum and waste-end taxes in the early years of the reauthorization, and imposes a waste-related tax having a broader base during the latter years, the entire package places the tax burden directly on those industries which are most clearly related to waste generation and disposal. By contrast, the committee bill deviates significantly from the "polluter pays" principal since it derives a large portion of its revenue from a tax levied at a uniform rate on all segments of industry, regardless of their involvement with the hazardous waste problem.

Other proposals, which would finance the expanded Superfund through a waste-end tax and large increases in chemical feedstock and petroleum taxes, adhere more closely to the "polluter pay" concept, but impose an unacceptable burden on a

narrow segment of American industry. Because these taxes cannot be readily offset by increases in import tariffs or rebates on exports, they produce a serious anti-competitive effect on one of the few segments of domestic industry which still has a positive international trade balance. This is simply unacceptable in a time when we are devoting so much of our national effort to the restoration of our position in the international marketplace.